



SEC 52 / 2018-19

4th January 2019

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Dear Sirs,

Sub: Quarterly Update – Q3 FY 2018-19

This is to provide the quarterly update for Q3 of FY 2018-19 as furnished in the attached document.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED


Dinesh Shetty
General Counsel & Company Secretary

Encl. As stated

Titan Company Limited

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4th Jan, 2019

Quarterly Update: Q3 FY '19

The Company continued the good growth momentum across all its businesses in the seasonally strong third quarter as well, demonstrating the inherent strength of virtually all the brands in its portfolio, and the strong connect with our consumers. The company remains focused to deliver good and broad based growth across all its brands and channels while enhancing the capabilities and capacity in the company for the long-term growth. The aggressive retail network roll out during the year has led to the retail network crossing the 2 million sq. ft. mark during the quarter.

Jewellery

The division continued to witness strong same stores growth, reflecting continuing market share gains. Expansion of the store network continued as planned to benefit from the rising aspirations of the consumers in middle India to shop from the leading brands. Customer demand was buoyant in the festive season of Diwali-Dussehra. We expect the full year growth in Jewellery business to be around 22%.

Utsav collection, based on Heritage and Antique gold jewellery, was launched in October 2018 and has been receiving good customer response. Inspired by the beauty of the peacock, **Pistaan collection** was launched in party diamonds category. In the men's segment, Aveer 2 collection was launched at the end of last quarter.

The division added 27 Tanishq stores and closed 3, for the year to date, with the net retail space addition being approximately 65,000 sq. ft.

Watches

The division continued to launch exciting products and refreshing collections across brands – Titan, Fastrack and Sonata. Growth in the third quarter continued to be healthy after a strong growth in H1. Modern retail formats and e-commerce continue to lead the growth amongst all the channels.

The division made good progress in strengthening the smart products portfolio with the launch of the world's slimmest gesture control band, Reflex Wav that can change music, click pictures, reject and mute calls on phone and control presentations by a twist of wrist apart from having all the other features of activity tracking and scrolling notifications on the band screen. SF Rush smart band, was launched under Sonata brand at very affordable price points to bring the smart products to average consumers beyond the tech enthusiasts.

Titan launched Grandmaster for men and Raga 'I Am' for women during the quarter.

Fastrack launched 3 new collections – 'Road Trip' inspired by Road Tripping & Travel, 'Topical Waters' for girls and 'Bold Font' for boys.

The slew of new product launches was backed by strong multi-channel campaigns to build awareness in the market. With significantly higher spends on advertising, the EBIT margins in watches segment will be substantially subdued in Q3.



The division added 23 WOT stores and closed 18, added 17 Fastrack stores while closing 8 and for Helios added 7 stores while closing 4 stores during the year so far.

Eye Wear

The division continues to benefit from recrafting of the strategy of increasing the assortment at more affordable price point in-line with our core brand proposition of expertise & styles at great value. Frame distribution business is also making good progress after the commencement of Frame manufacturing in this fiscal year, which will enable us to offer market-relevant products and to reach much deeper into the markets.

The division added 49 stores during the year to date and also closed 24 stores ending up with a net increase of about 16,000 sq. feet of retail space.

In both Prescription Eye Wear and Sunglasses segments, multiple new products were launched under Fastrack, Titan and Dash brands for Autumn Winter Collection.

New Businesses

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Other Businesses

In Q3, we have started our first store in the USA, which is located in New Jersey. This store is a joint venture between us and a local partner. We are currently in the process of finalizing the details of the store, including the lease agreement, design, and branding. Once these details are finalized, we will be able to open the store in early 2024. This store will be our first step into the US market, and we are excited to see how it performs.

Key Takeaways

Our performance in Q3 was strong, with revenue growth of 15% and profit margin expansion.

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