



SEC 14 / 2020-21

9th June 2020

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
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Scrip Code: **500114**

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

Dear Sirs,

Sub: Investor presentation

In addition to presentation updated on 8th June 2020, attached is a copy of the investor presentation as required under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Yours truly,
For TITAN COMPANY LIMITED

A handwritten signature in blue ink, appearing to read "Dinesh Shetty", with a long horizontal line extending to the right.

Dinesh Shetty
General Counsel & Company Secretary

Encl. As stated



Titan Company Limited

Business Outlook

9th June, 2020

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In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions in India and the other countries which have an impact on our business activities; inflation, unanticipated turbulence in interest rates, foreign exchange rates, the prices of raw material including gold and diamonds, or other rates or prices; changes in Indian and foreign laws and regulations, including tax and accounting regulations; and changes in competition and the pricing environment in India. The Company may, from time to time make additional written and oral forward-looking statements, including statements contained in the Company’s filings with SEBI and the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company, to reflect events or circumstances after the date thereof.

Retail Sales Trend H2 FY20

Channels	Retail sales growth over same period, FY20		
	Q3	1st Jan - 15th Mar	16th Mar - 31st Mar
WOT	11%	5%	-77%
Helios	23%	23%	-75%
LFS	6%	5%	-92%
Tanishq	15%	12%	-74%
Caratlane	71%	36%	-81%
Eye Plus	11%	8%	-74%

FY21 Status

- Corporate office working for a month now; most other offices also started working except Mumbai
 - All safety procedures being followed thoroughly
- Most plants started working as well
- More than 1400 stores out of 1800 already open
- Safety protocol in stores a highpoint; customers very satisfied with the emphasis on safety.

Sales Recovery Rate, after 4 weeks of opening

Format	Stores open (All) No	Share of Format sale (All) %	% sale of ADS (4 weeks open) %
WOT	380	75%	45%
Fastrack	132	73%	46%
Helios	52	56%	105%
Tanishq	271	82%	80%
Caratlane	65	73%	122%
Eyeplus	469	80%	44%
Taneira	5	56%	28%

ADS - Average Daily Sales

Sales Recovery

Very encouraging!

Challenges for FY21

- Most products discretionary in nature, people likely to re-prioritise
- Travelling out and shopping in stores likely to also come under some pressure on account of worries of safety
- Most products still in the touch-and-feel category, so pure on-line is likely to be a challenge

Opportunities on the Demand Side

- Jewellery
 - Store of value, improving asset class perception
 - Large scale weddings are out, leaving more funds for streedhan
 - Substantial reduction in holiday travel can lead to a wallet share gain for jewellery
 - Greater push of Exchange given the huge household stock
- Watches
 - Potential to re-ignite the brand's power as a gift
 - Wearables expanding to deliver more health benefits
- Eyewear
 - Product of necessity

Opportunities on the Demand Side

Trust of Titan and Tata will kick in much more

Opportunities on the Delivery Side

- Omni-channel
 - Video Demonstration
 - AR/VR
 - Try @ Home
 - Endless Aisle

- Big potential to use customer testimonials on safety to lower barriers of visiting stores

Operations

- War on Waste programme to extract substantial value from Opex and Assets

Target

Normalcy by Q4



Jewellery Division – Theme for FY21



ZOYA

Mia



Covid -19 has deepened industry stress seen in FY20

FY20:

- Macro headwinds
- **Industry decline**
- **Gold price spikes**
- Competitive intensity
- Higher old Gold exchange

COVID-19

- Industry: liquidity stress
- Partner anxiety

Challenges

Demand pressure
Pressure on Margins
Capital employed

Opportunities:

Re-imagine Digital
Widen the Moat

Emerging themes

- 1. Agile response to a new customer reality**
- 2. Intense focus on efficiency**

Post COVID: Time to widen the Moat



1. Build customer confidence – **“safest store in town”**
2. **Leap ahead: Omni & Remote selling – NEW Engine**
3. **Grow the Core (lower price bands) - NEW Engine**
4. Agile response to differential geographic opportunities
5. Build confidence & support to **partner ecosystem**
6. War on Waste – Costs & Capital





~75% of 460 Stores re-opened, 90% by June end



- **280+ stores out of 329 open.** 300 stores by June end
- 192 cities out of 200

ZOYA

- 3 stores out of 4 open.

Mia

- 9 stores out of 38. Most mall stores yet to open



CARATLANE

- 54 stores out of 92. Mall stores to open gradually

Mfg units

- Hosur, Pantnagar, Sikkim: 33% workforce
- Regional Sourcing offices, Vendors ~ 10-30%



Early indicators point to positive outlook



- ✓ **Encouraging sales recovery rate**
- ✓ Customers confidence on “**Tanishq Gold Std**” safety protocol
- ✓ **Golden Harvest sustained**
- ✓ Wedding purchase enquiries, Personal milestone purchases
- ✓ Outstanding e-AT, Website visitors ~ 2.5 Mn / mth
- ✓ High interest in gold (safe haven)
- ✓ **35% new customers – mkt share gains visible**



Most Growth Engines firing well. New engines added.

No	Growth Engine	FY19	FY20	FY21	> FY22
1	Retail expansion (stores)	36	41	~ 25	40+
2	Wedding			H2 onwards	Headroom
3	High value studded				
4	Golden Harvest				
5	Gold Exchange				
6	Low share Markets			Redefine	
7	Grow the Core		New →		
8	Leap ahead: Omni, Remote		New →		

leading growth
 Avg. growth
 Below par

Play Qtr. to Qtr. Hope to exit Q4 of FY21 on track



- **Last 5 weeks, Recovery rate ~ 70%**
- **Festive Q3:**
 - Gifting; Feel-good post hardship,
 - Gold: auspicious + asset value
- **Weddings H2:**
 - Benefit of deferred demand from Q1
 - Share of Wallet gain
- Design: Create desire at **affordable price points**
- **By Q4: Target - Full recovery**





Intense focus on Efficiency

Sustain margin

(-) Pressure on gross margins:

- Studded ratio
- Gold margins (high Gold prices)

(+) Offset by War on waste:

- Re-imagine fixed cost base
- Optimize Variable costs: mat cost, discounts, mktg.

Drive Capital efficiency

- New stock norms
- Lead time reduction
- One time gold re-sale
- Maximise GOL





Strengthened Risk mgmt.: Respond with agility

Key Risks	Impact	Mitigation
Slower demand recovery pattern	Topline	Qtrly biz plans. Nimble response
Larger gold price spike	Topline, Capital	Product strategy, Promotions
Gold import restrictions	GC, Capital	Drive Exchange aggressively
Supply side disruption	Topline	Increase in-house, dedicated KP/KC Leverage deep karigar connect
Franchisee / Vendor liquidity	Capital	Support with working capital

We are best poised to Leap ahead



- ✓ Trusted player. Tata emotional connect even stronger now.
- ✓ **“Safest Stores in Town”**
- ✓ Purity, Best old Gold Exchange Policy
- ✓ **18 mn Encircle , Large Golden Harvest base**
- ✓ Responsible player, with sustainable practices
- ✓ **Strong Franchisee network**
- ✓ Professional, engaged talent raring to go
- ✓ **Strong Balance sheet**



WATCHES & WEARABLES | Jun 2020



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Year 19-20: good year despite challenges

7% growth in topline despite March lockdown; 9% growth in PBT



Desirable Brands, Superior Design

- Design differentiated collections
- Titan ranked No1 in LFS channel
- Fastrack most followed Youth brand on Instagram



Stronger Play in Smart Wearables

- Acqui-hire of Hug Technologies
- Ranked No 2 by volume in India
- Fastrack Reflex Beat with HRM; Sonata Stride



Leveraging Multiple Channels

- WOT, Helios & LFS grew through consumer acquisition, retention and premiumisation strategies
- Marketplaces like Amazon, Flipkart, Myntra- highest growing channel

Estimated Segment Behaviour

Segments	Reality	Sentiment
Upper Middle Class Business/Industrialists	High	High
Upper Middle Class Salaried	High	Medium
Self-Employed Doctors, Lawyers, Accountant (more steady income)	Medium	Medium
Middle Class Salaried - PVT	Medium	Medium
First Jobbers: IT/ITES	Medium	Medium
Students	Medium	Medium
Middle Class Salaried - GOVT	Medium	Low
Middle Class Traders/Business People	Low	Low
Self-Employed Entrepreneurs, Start-ups	Low	Low
Lower Middle Class - Wedding Gifting	Low	Low

Green Shoots of Desire

Celebrate small pleasures/ moments
birthdays, achievements,
anniversaries



Celebrate festivals: Raksha
Bandhan, Father's Day, Onam,
Durga Puja, Karva Chauth, Diwali

Revenge shopping



Indian brands are flying high

Premium segment recovery



Great hook for our brands as they all
have great emotional value

Retail Activities



Health & Hygiene

Sanitisation of all surfaces and products

Daily temperature check



Social distancing

30 to 50% of staff

Contactless transactions



Customer Communication

Safety standards communication

An industry benchmark experience



Stay Connected

Regular Webinars | Trainings
Cascade

Safe to Shop



Back in Business

Channel	Number of Stores open	Percentage of stores open	Current vs Pre-Covid sale
Retail	576	74%	48%
Trade	3480	50%	30%
Large Format Stores	32	11%	14%
Marketplace Ecommerce	-	-	77%
Brand Ecommerce	-	-	86%



Walk-ins ramped up faster in upcountry towns vs metros



Double-digit growth in average price across channels in May

Brand Portfolio Approach



Celebrating Relationships

Gifting

Differentiated hi-value products



We will win together

Trust and value

Indian progress



Humour and quirk for Gen Z

Reflex fitness bands; Masks

Fashion forward

Omni Channel: Live in 165 Stores



www.titan.co.in www.sonatawatches.in www.fastrack.in

Embrace digital in all areas to arrive at hybrid model: Omni, digital/ social marketing etc

Stimulate demand for the category in the consumer's mind in the post lockdown period: Use Trust, Emotion, India

**DIVISIONAL
BUSINESS
DIRECTIONS**

Play our brand and channel portfolio to our advantage

Keep partner ecosystem afloat and motivated

Motivate, inspire and drive employees for a quick recovery with a "reset" mindset

Relentlessly and aggressively relook at all costs: WOW

Eyewear

Content

- FY20 highlights
- Market : Opportunity & Challenges
- Lockdown & Recovery
- FY21 outlook
- Thrust Areas

Highlight 1920

- Turnover (UCP) Rs 944 cr
- Growth 6%, TEP retail 11% (LTL – 6%)
- 60 stores added, Count 584
- Customer NPS 72, Franchisee 33
- Signature Frame, Smart Eyewear & Clear Sight lens
- High decibel Ayushman campaign



Net Promoter Score



Market: Opportunity & Challenges

- 550 mn Indians need vision correction – adoption 170 mn, opportunity continues
- Market size: est 11,000 cr
- Covid changed everything
- In a way a new beginning!



Lockdown

- Half Million empathy calls by our staff, warmed up many hearts, 6% needed a solution, one went viral, many appreciations



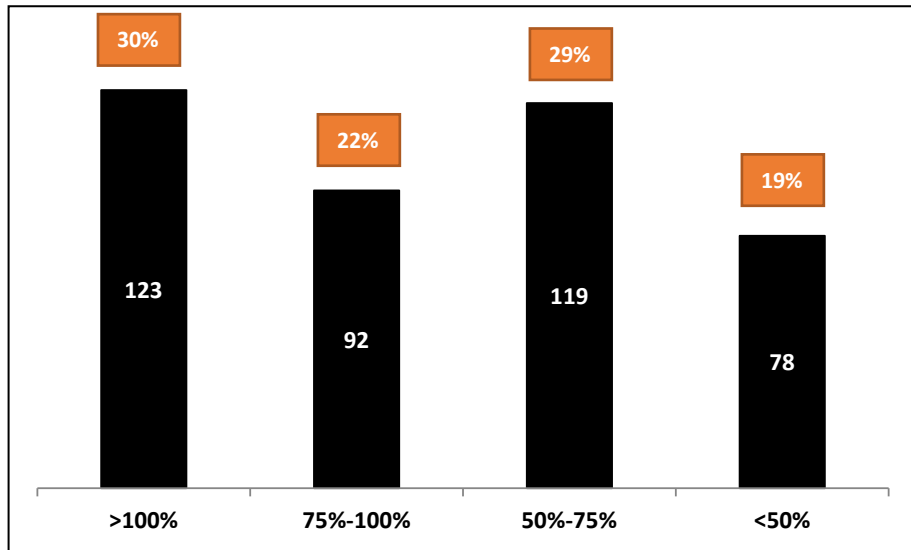
- Remote sales process – assisted Ecom

- Gathered all the best practices within the system, prepared ourselves



Recovery

- 1st store opened at Haridwar on 6th May, today 412/584



- May ADS of 60% wrt Feb'20 for the open stores
- June is looking better



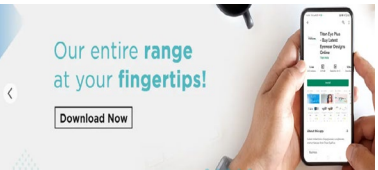
Early Trends



Hygiene, Health & Safety - Top in customers' mind



50% of stores reached almost Feb ADS



Online order grew by 5X – assisted ecom is the new way



Trade came to a grinding halt, could be a long haul



lifestyle

Malls & LFS are just about starting, wait and watch

Thrust Areas

Customer



Product



Channel

✓ TEP Focus



✓ Scale down / exit Trade, LFS, market place



Cost Control



- ✓ Convert/Exit unprofitable stores
- ✓ Efficient Assortment - TOC
- ✓ Centralized lens fixing
- ✓ Consolidate lens lab
- ✓ Localization - IH manufacture & India sourcing

Thank You



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