



Titan Company Limited

Delivering value by creating brands

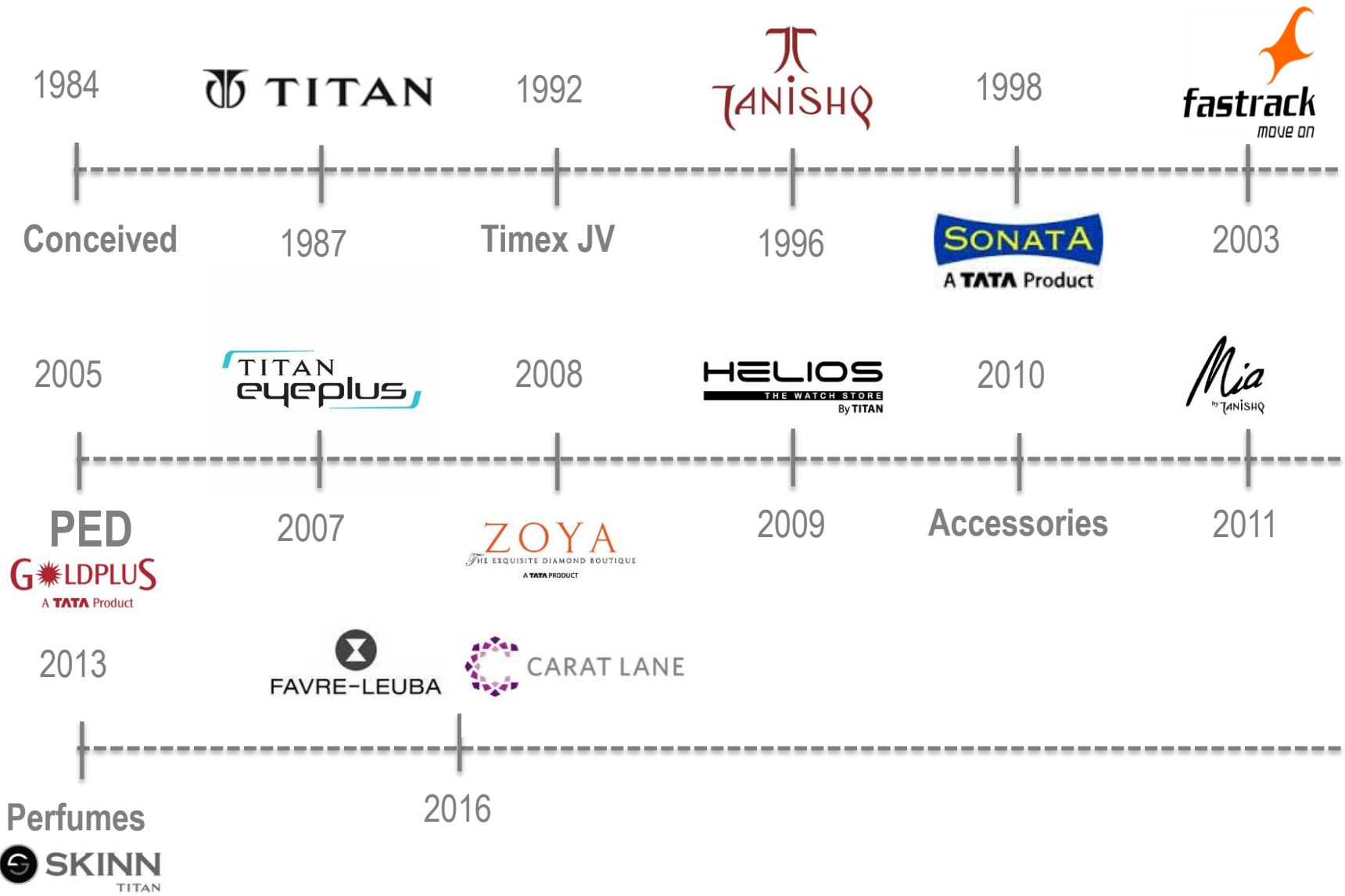
May, 2017

Disclaimer

Certain statements are included in this release which contain words or phrases such as “will,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “project,” “should,” “will pursue” and similar expressions or variations of these expressions that are “forward-looking statements.” Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for our products, our growth and expansion, the adequacy of our allowance for credit to franchisees, dealers and distributors, technological changes, volatility in income, cash flow projections and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated.

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.

The Journey



Titan Today

5th

largest watch
maker

\$6.5 bn

market cap

~\$2 bn

annual revenue

4

times in Forbes
Asia Fab Fifty

1366

stores with 1.8 mn
sft retail space

7.5k+

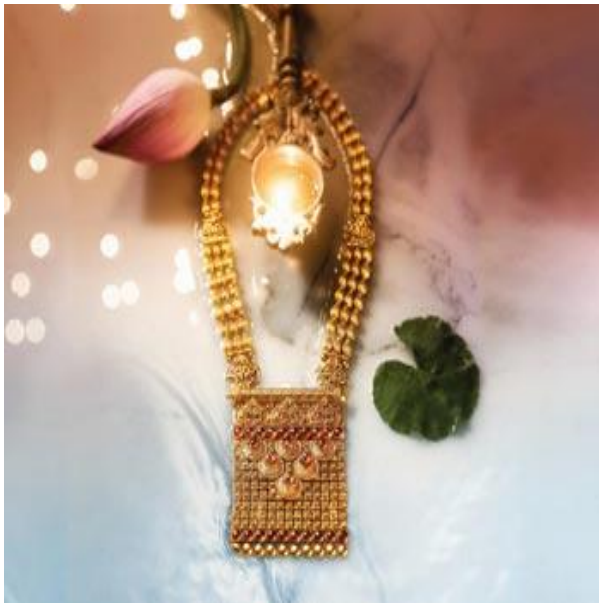
employees on rolls

11k+

mutli-brand outlets



Our Strengths



Design and Development

800+ New time products every year

reddot Award to 2 Edge watches

Differentiated Jewellery Collections

Customized lenses with 3D visual mapping

Manufacturing

12 Manufacturing and assembly facilities

State of the art Karigar Centres for Jewellery

Components exported to Swiss watch makers

3600+ employees engaged in factories

Brand Building

Sonata: India's largest selling watch brand

Fastrack: India's largest youth brand

Tanishq: India's leading Jewellery brand

Raga: Exclusive women's watch brand

Retail and Customer Service

Exceptional Customer Experience

Merchandising Effectiveness

Impactful Retail Identities

Engagement of store staff

Extensive After Sales Service network

Our Brands

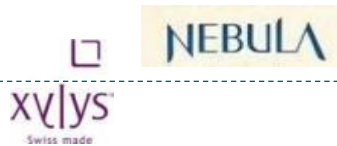


Luxury



ZOYA

Premium



TANISHQ

Mid Market



TITAN eyeplus



Mia



GLARES by TITAN



Mass Market



Our EBO Network



ZOYA (2)

Luxury

Premium

HELIOS (49)
THE WATCH STORE
By TITAN

π (208)

WORLD of TITAN (474)
THE EXCLUSIVE TITAN SHOWROOM

TANISHQ

TITAN eyeplus

Mid Market

(448)

Watch Care Centres (704)
fastrack (155)

Mia (32)
CARAT LANE (15)

Mass Market

GOLDPLUS (29)
A TATA Product

1366 Exclusive Stores

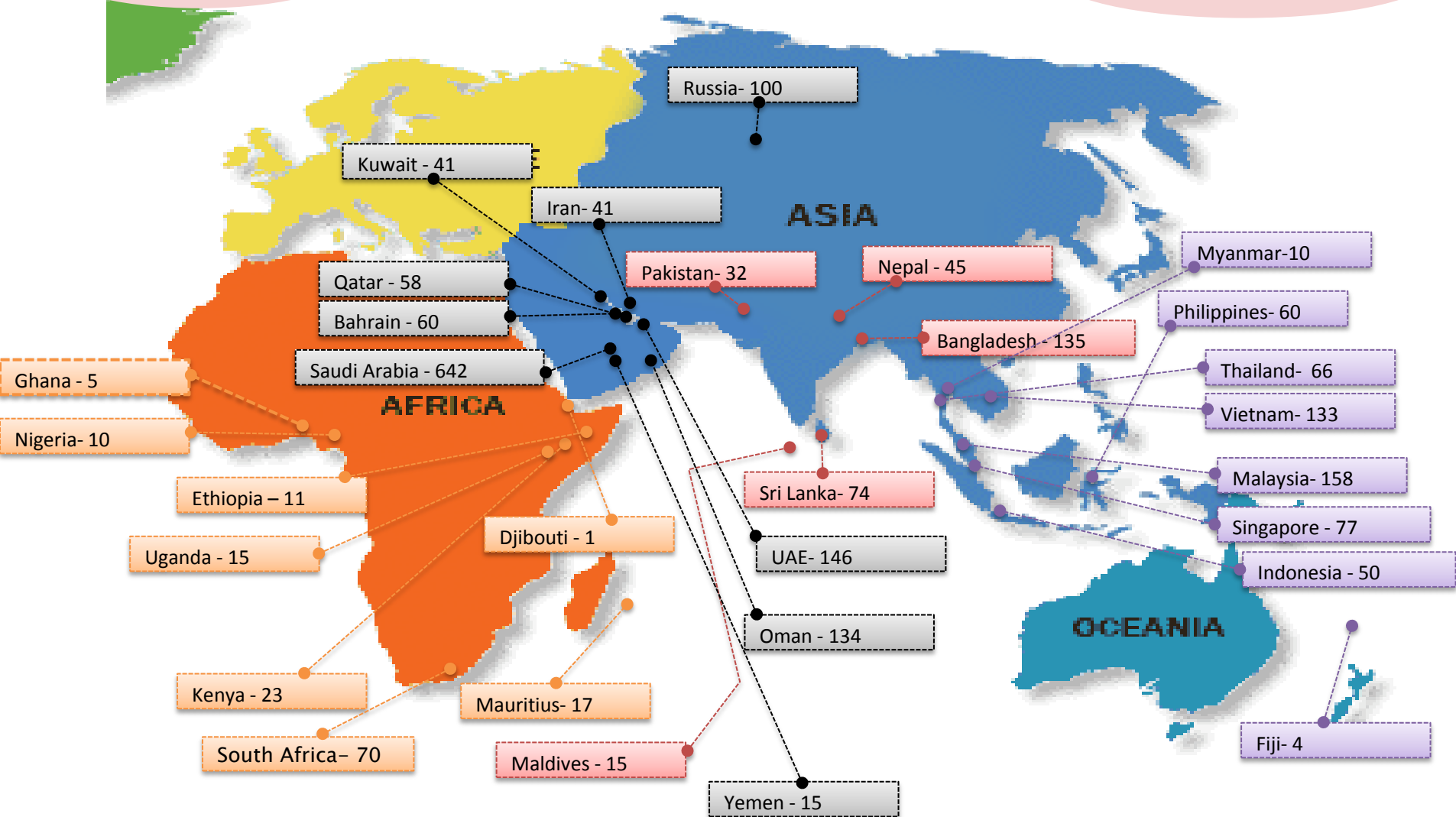
261 Towns

Over 1.8 mn sq ft of retail space

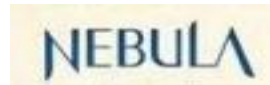
International Presence

32 Countries

2,264 Outlets



Watches



Brands

6 major in-house brands & 8 licensed brands

Manufacturing

6, state of the art, watch and component manufacturing/assembly plants

Points of Sale

EBO: World of Titan, Fastrack Stores

OWN MBO: Helios

MBO: present across 11k+ dealers/ MBOs

LFS: Large format departmental stores

ECOM: www.titan.co.in and market places

EXPORTS: 2,264 pos in 32 countries

Customer Service

Largest network of exclusive service centers

704 watch care centers in 270 towns

Sophisticated Design & Development

Core strength: Industrial, Retail and Graphic design

Numerous international award-winning designs



Multipiece Case Construction

Watches



Raga: Inspired by the modern woman who transcends roles with poise and elan



Sonata Super Fibre: For the young and active



Fastrack: For those who wear their attitude on their wrist

Edge : the slimmest watch in the universe - a mere 3.5mm



Titan Juxt: Pro
Smarter. By far.



Nebula: A collection of watches crafted from solid gold

Titan Automatic
inseparable from world-class timekeeping



Zoop: for the imaginative, talented and energetic child of today



Xyllys: Swiss made watches, Crafted for Connoisseurs

Watches Manufacturing



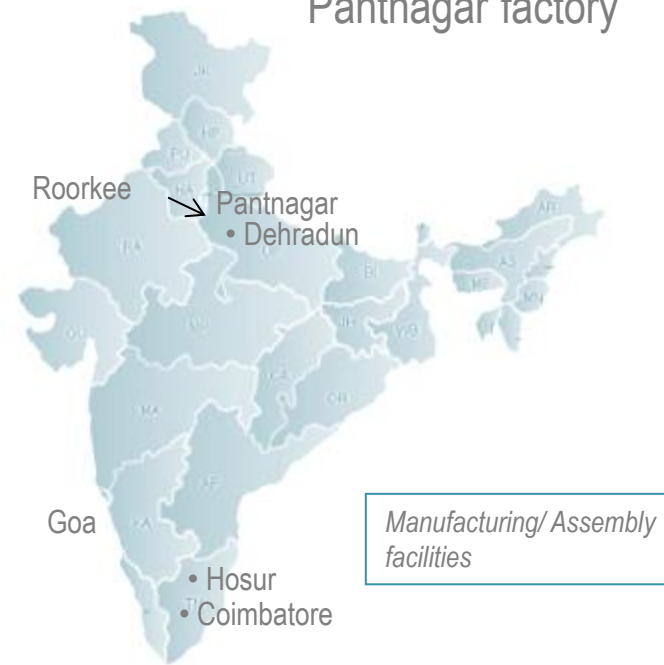
Watch factory, Hosur



Pantnagar factory



Watch Assembly





WORLD OF TITAN

474 showrooms (Net 22 additions YTD)

214 towns – 420k sft



FASTRACK STORES

155 showrooms (Net 4 reduction YTD)

84 towns – 90k sft



HELIOS STORES

49 showrooms (Net 8 additions YTD)

25 towns – 50k sft



TITAN
EDGE



the slimmest ceramic watch in the universe



**GEAR UP FOR
SOME ACTION!**



REFLEX 
ACTIVITY TRACKERS

Jewellery



CARAT LANE



Brands

TANISHQ: flagship brand

ZOYA: luxury segment play

MIA: Tanishq sub-brand for work wear jewellery

CARATLANE: a Tanishq partnership, ecommerce brand

Manufacturing

Studded jewellery manufactures mostly in-house

Plain gold jewellery mostly outsourced

3 manufacturing facilities

4 state of the art karigar centers: Industry best practice

Points of Sale

Largest jewellery retailer in the country

Jewellery sales through EBO and ecommerce


EBO: Tanishq, Mia, Caratlane

Ecommerce: www.titan.co.in and www.caratlane.com

Design Excellence

Key product differentiator

Capability for in-house design of many collections


TANISHQ
 HUM
 HAR SHAADI
 — KE LIYE —
 TAYAAR HAIN!



Mia
by TANISHQ

As beautiful
as your work.



CARATLANE.COM
India's Trusted Online Jeweller

Diamond and Gemstone
Jewellery

[View Collection](#)

Dream Diamond Weddings
ZOYA
THE EXQUISITE DIAMOND BOUTIQUE
FROM THE HOUSE OF
TANISHQ



*Inspired by life. Crafted with passion. Affixed with joy. And designed for eternal love.
In this exquisite new wedding collection, Zoya gives the Indian bride all the radiance she needs to
celebrate the beginning of a wonderful journey, with spectacular diamonds in both
classic and contemporary designs.*



106, NIFERASIA ROAD AND WARDEN ROAD JUNCTION, OFF AT STEPHENS CHURCH,
MUMBAI - 40 00 02 (MUMBAI) AND 400 00 02 (HYD) FOR FURTHER DETAILS.
www.zoyajewellery.com

Jewellery

Karigar Center, Hosur





Tanishq Stores

210 showrooms (Including 2 Zoya stores)

Net 16 Tanishq stores added YTD (62k sft added YTD)

121 towns – 875k sft



Gold Plus Stores

29 showrooms (Net 3 closures YTD)

29 towns – 73k sft



Mia Stores

32 stores across 9 cities (~7.5k sq ft)



Carat Lane Stores

15 showrooms across 9 towns (~8k sq ft)

TANISHQ
PRESENTS

RIVAĀH
WEDDING JEWELLERY
FOR EVERY INDIAN BRIDE



Oriya Bride

Malayali Bride

Bihari Bride

Marathi Bride

Bengali Bride



Kannadiga Bride

Sikh Bride

Gujarati Bride

The New Age Bride

Marwari Bride



Telugu Bride

Punjabi Bride

Rajasthani Bride

Gujarati Bride

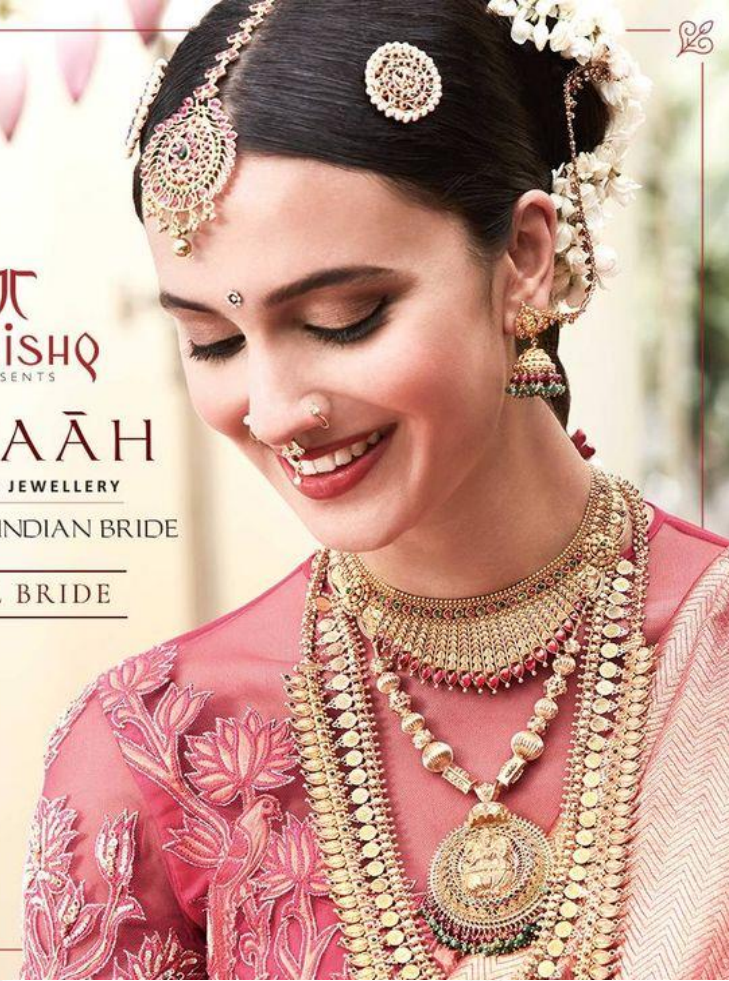
Tamil Bride

Tanishq's tradition of craftsmanship (Riwaaz)
and the sacred bond of marriage (Vivaah)
come together to form Rivaah



TANISHQ
PRESENTS

RIVAĀH
WEDDING JEWELLERY
FOR EVERY INDIAN BRIDE
TAMIL BRIDE



TANISHQ
PRESENTS
RIVAĀH
WEDDING JEWELLERY
FOR EVERY INDIAN BRIDE

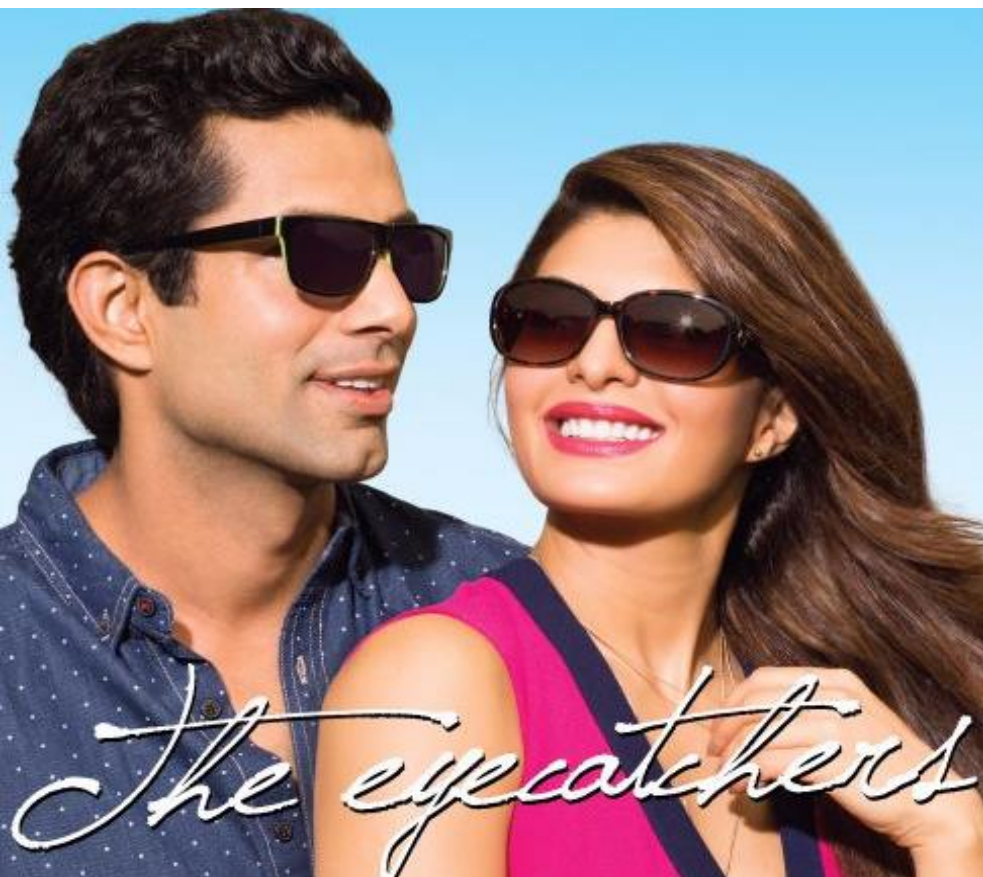
TANISHQ
PRESENTS
RIVAĀH
WEDDING JEWELLERY
FOR EVERY INDIAN BRIDE



TITAN
eyeplus


fastrack

GLARES
by TITAN



Brands

TITAN EYE PLUS: Retail brand

TITAN: main in-house frames and lenses brand

FASTRACK and GLARES: in-house sunglasses brand

LICENSED BRANDS: for frames and lenses

Manufacturing

State of the art lens lab in Chikkaballapur

Satellite lens labs in major cities to improve turn around time

Frame manufacturing facility to commence operations soon

Points of Sale

TITAN EYE PLUS: India's largest optical retail chain
Sunglasses sales through departmental store kiosks and MBO format also

Differentiators

Zero-error testing

Vision check online

Remote eye testing at stores

Tie-up with Sankar Nethralaya for training of store staff and optometrists

Eye Wear



Frames

In-house Brands



Sunglasses

In-house Brands



Lens Labs





Titan Eye Plus Stores

448 showrooms (Net 44 additions YTD, despite 12 Spexx stores closure)

192 towns – 293k sft

Precision Engineering Division



B2B Business

Spun out of Watches manufacturing in 2005
Leverages in-house engineering capabilities

Business Divisions

PECSA (Precision Engineering Components and Sub-assemblies): Provides components and sub-assemblies to Aerospace, Automotive, Oil & Gas, Electrical and Medical Equipment industries

MBA (Machine Building and Automation): Provides assembly and testing lines catering to Automotive, Electrical & Electronics, Solar and Medical Equipment industries

Prestigious Clientele

Sixty clients across the world
Including UTAS, Thales, HAL, Textron, Pratt & Whitney, ABB, Schneider, Bosch, Magna, Inteva, Continental



SKINN
TITAN
FINE FRENCH PERFUMES



Brands

SKINN by Titan

Fine French perfumes at very attractive price points
12 fragrances launched so far

Manufacturing

Manufactured in France by celebrated perfumers, and
distilled from the finest ingredients
Bottled in France and India

Points of Sale

Sold through World of Titan Channel, key
departmental store chains and Ecommerce
One of the highest selling perfumes in all
departmental stores
Plans to strengthen the distribution further in the
coming year
Packaging innovations for trial and gifting

Differentiators

Exceptional fragrances at a very attractive price point
Similar products from international competition at very
high price points
Domestic branded competition almost non existent

Q4 Performance

Q4 Background

- Exceptional quarterly performance as consumer sentiment as well as demand scenario recovered quite significantly (post demonetization), by the beginning of Q4 FY 16-17
- The topline of the Company grew by 44% for the quarter while the profit before tax grew by 32% as sales were good for all divisions by varying degrees
- Significant landmark for the Company as jewellery division crossed Rs 10,000 cr in sales and Rs 1,000 cr in EBIT and watches division attained its highest ever profits
- The profit growth was less than revenue growth due to high advertising cost in Q4 FY 16-17 (43%), in watches, jewellery and fragrances
- The Company rewarded its employees with an additional bonus which has a one time impact of Rs 13 cr
- The Company continues its network expansion journey with addition of 84 stores spanning over 84k sq feet, across different formats so far in FY16-17
- The Company has opened two stores under the Indian Ethnic wear Brand Taneira, in Bangalore
- The process of demerger of Precision Engineering Division into Titan Engineering & Automation Ltd (TEAL) has been completed. The stand alone financials as of the year end does not include TEAL. Previous period numbers have been restated accordingly. The division did very well in the year with a growth of 28% in revenues and a positive Rs 25 cr swing in PBT as compared to the previous year.
- This year onwards the Company will publish consolidated financial results, encompassing all subsidiaries viz. TEAL, TTPL, Favre Leuba AG and Carat Lane

Q4 Background

Jewellery

- With 55% retail growth and 52% same store growth, Q4 FY 17 recorded a great sales performance by the jewellery division,
- Gold tonnage increased by 37% for the quarter and the division was also able to improve its effective realization (AMC + making charges) on gold jewellery sales marginally
- The exceptional growth in the quarter was aided by very successful studded jewellery activation
- The division had a favorable base this quarter as, in the last financial year, the studded jewellery activation started in December, imposition of Rs 200,000/- PAN card had caused a temporary stagnation in walk-ins in January and February and sales in March were very poor due to the strike related to imposition of excise.
- The division launched its sub-brand for wedding jewellery, “RIVA AH”
 - Combination of Tanishq’s tradition of craftsmanship (Riwaaz) and the sacred bond of marriage (Vivaah)
 - Merchandise pertaining to 15 different linguistic communities in India is already available in stores
 - Company is spending considerable marketing efforts towards the promotion of this sub brand
- Tanishq added 16 new stores adding up to 62k sft in FY 16-17

Q4 Background

Watches

- Watches division grew 11% on top line despite decline in the export market as domestic market grew by 15%
- A significant improvement in gross margin and tight control of overheads have led to the division achieving the highest ever profits in the history of the division despite top-line growth challenges faced due to the reorganization of the services business, slow-down in OEM business as well as the performance of the exports business
- Domestic watches sales have grown well for the year and the services business is also back to normal sales levels
- The division ventured into smart watch category, launching 4 smart products (Juxt, Juxt Pro, Sonata Act, Fastrack Activity Tracker Band) to good reviews

Eye Wear

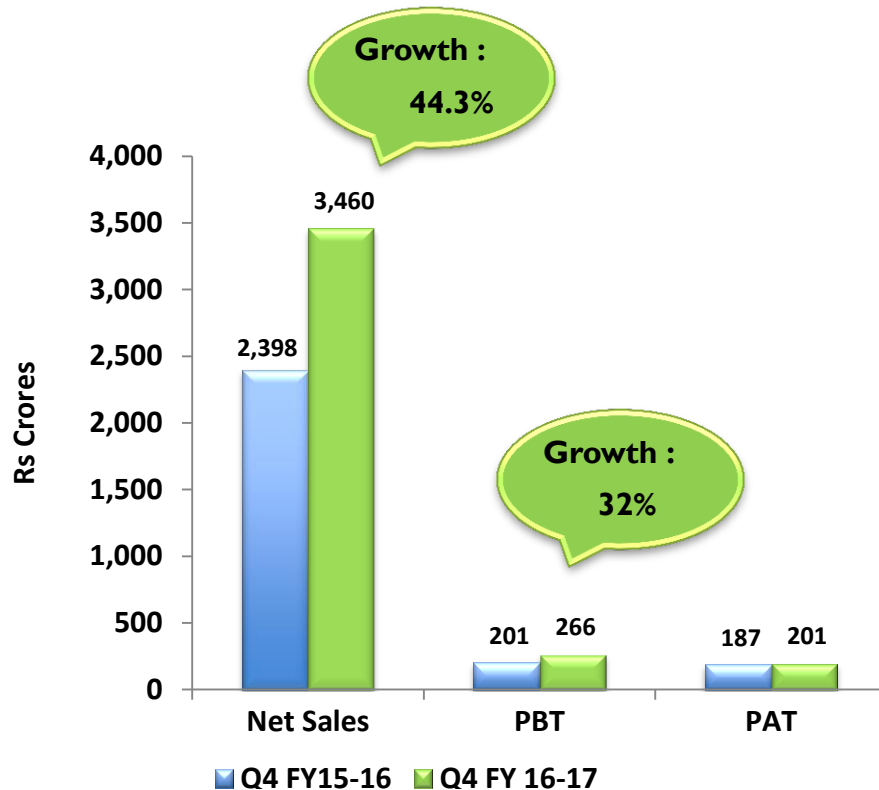
- Eye wear division had a good quarter with a 13% growth on the top line
- The sunglass business which had a muted growth in the previous quarters did well in Q4
- The profits for the year declined due to muted revenue growth of 8% for the year

Q4 FY 16-17 Retail Growth

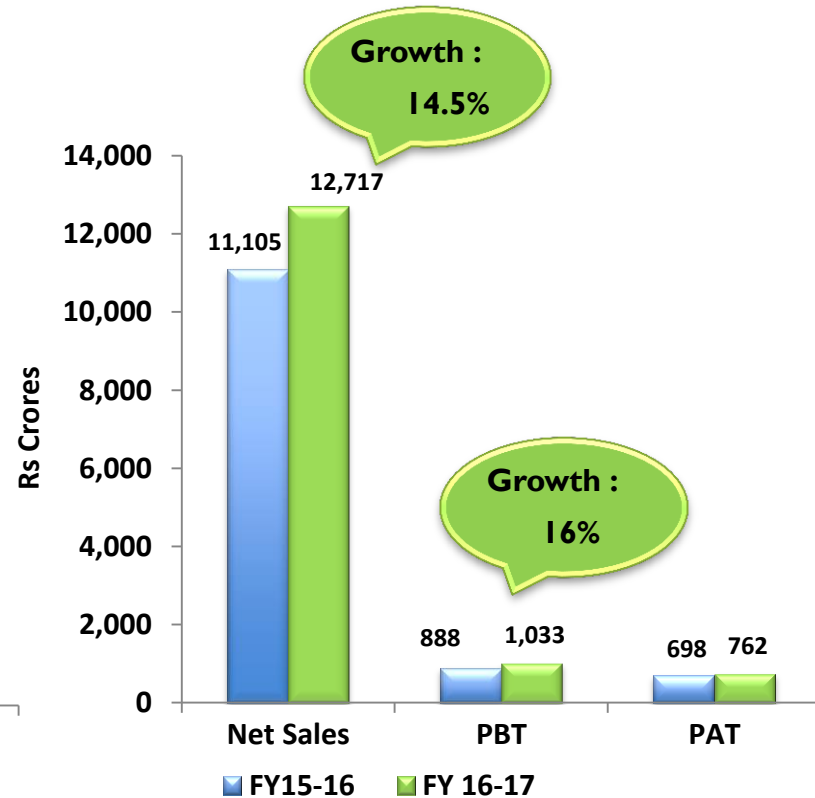
	<u>Sales value growth</u>	<u>Like to like growth</u>
World of Titan	8%	5%
Tanishq	55%	52%
Helios	4%	-3%
Fastrack	0%	-1%
LFS	12%	3%
Titan Eye+	9%	1%

Company Performance- Standalone

Q4 FY 16-17



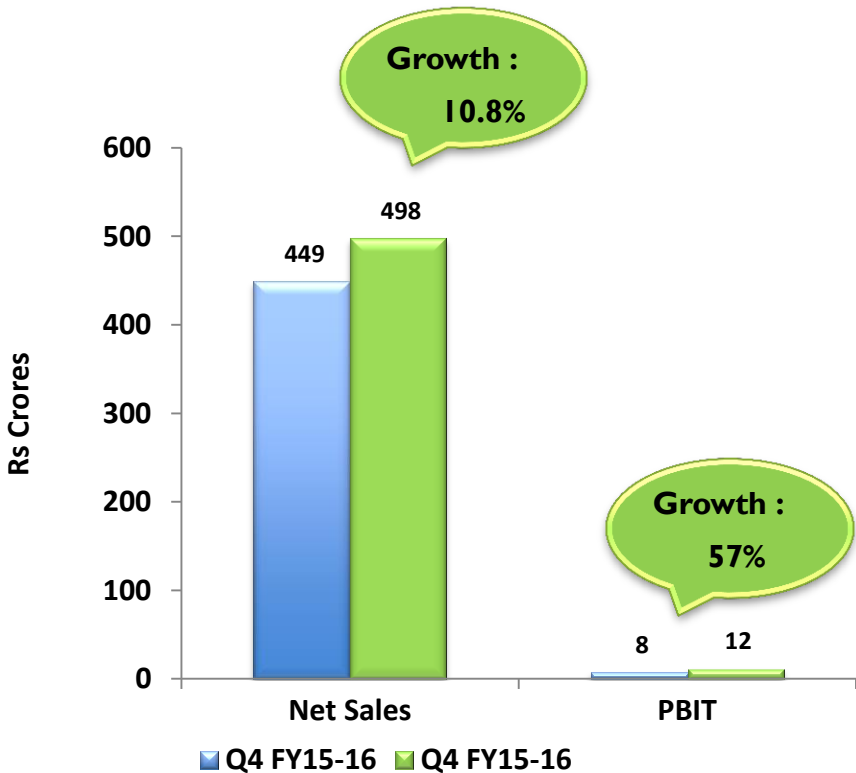
YTD FY 16-17



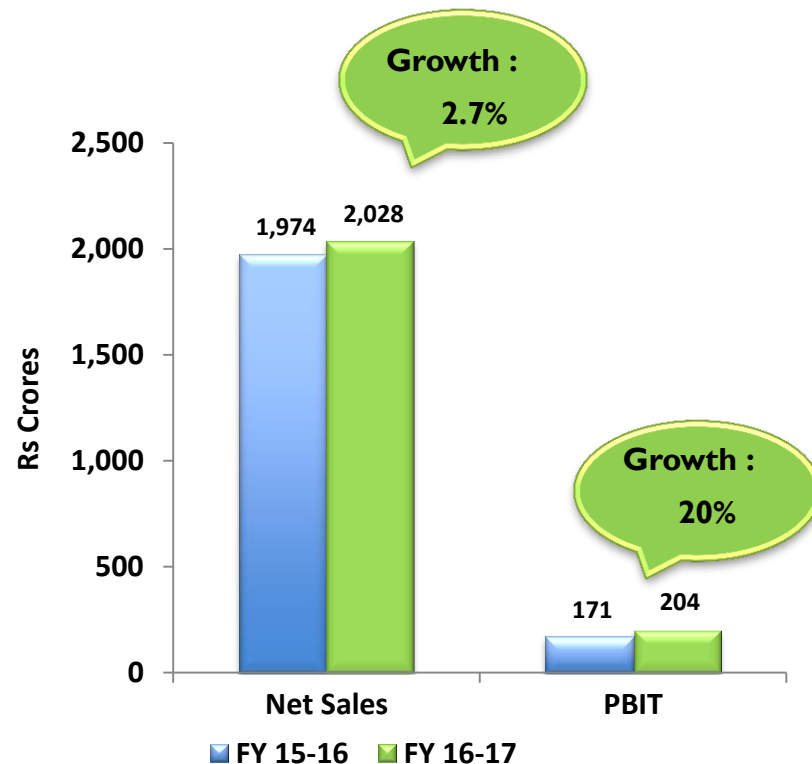
- Stand alone financials exclude PED, which has been demerged
- PAT growth of only 7% for Q4 on account of higher tax rate. The Company was in MAT last year
- YTD PBT growth is on account of higher gross margin as well as overheads control
- YTD PBT indicated above is after VRS impact for the company of Rs 96 cr. Growth before VRS is 27%
- VRS expense for Q4 FY 16-17 is Rs 2 cr

Watches

Q4 FY 16-17



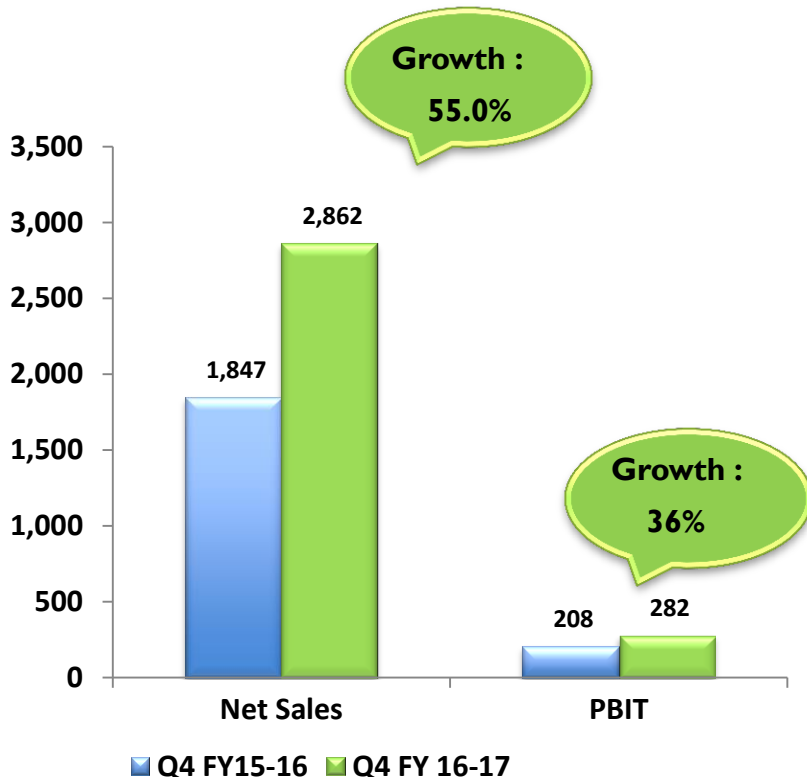
YTD FY 16-17



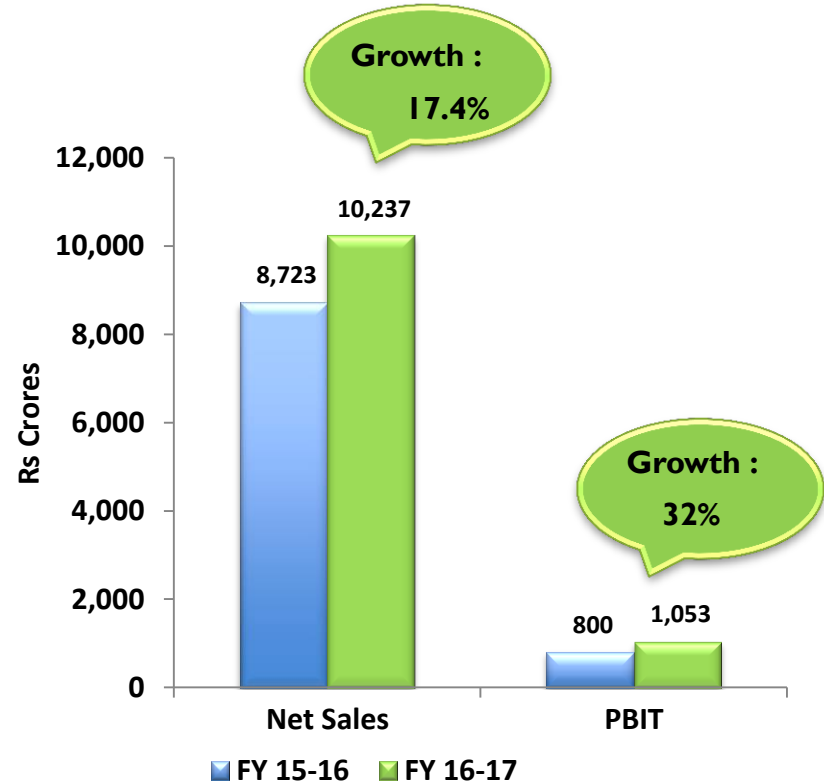
- Domestic sales growth was 15% in value terms and 12% in volume terms for the quarter
- Gross margin grew on account of better product mix for Titan and Fastrack
- YTD PBIT above is before VRS impact for the division of Rs.66 cr
- Profit growth is on account of gross margin improvement as well as overheads control

Jewellery

Q4 FY 16-17

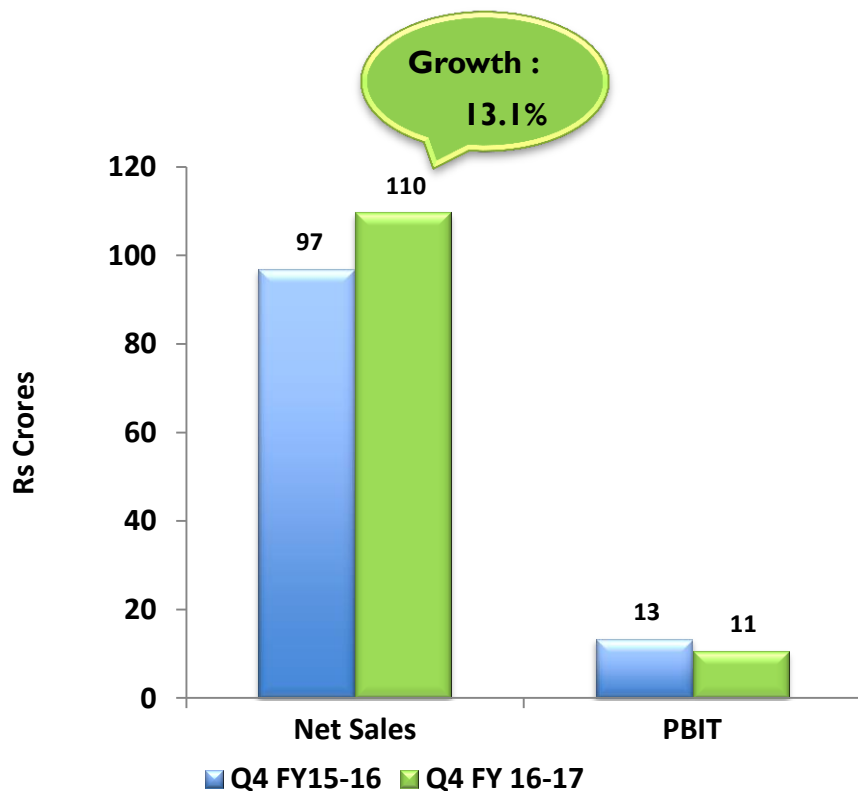


YTD FY 16-17

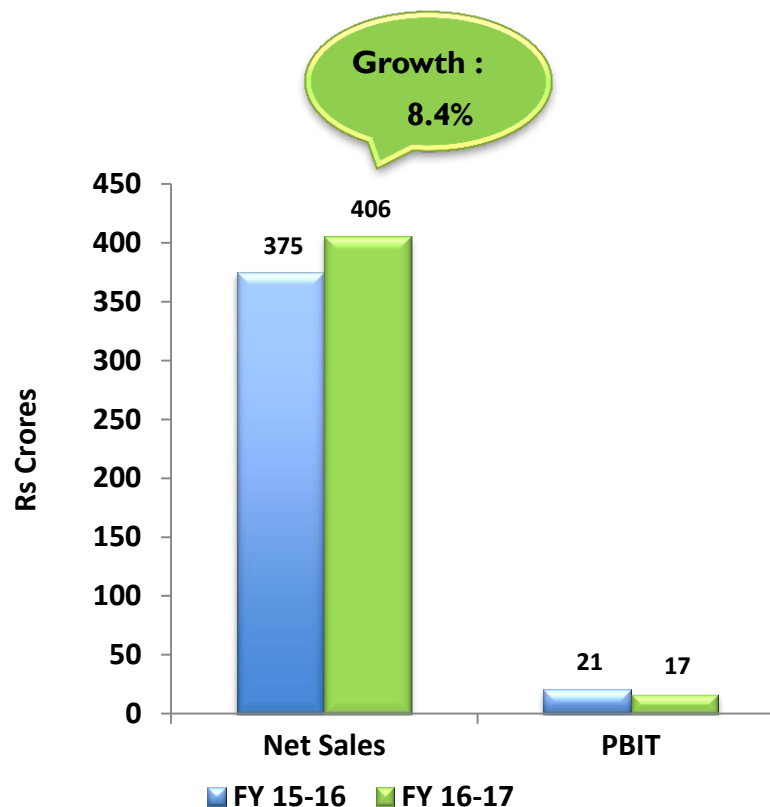


- Grammage grew by 2% for FY 16-17 and 37% for Q4 FY 16-17
- The studded ratio was 29.2% for the year as compared to 27.6% for PY, leading to significant gross margin increase
- Gross margin declined in the quarter due to higher cost of consumer led offers
- YTD PBIT above is before VRS impact for the division of Rs.14 cr

Q4 FY 16-17



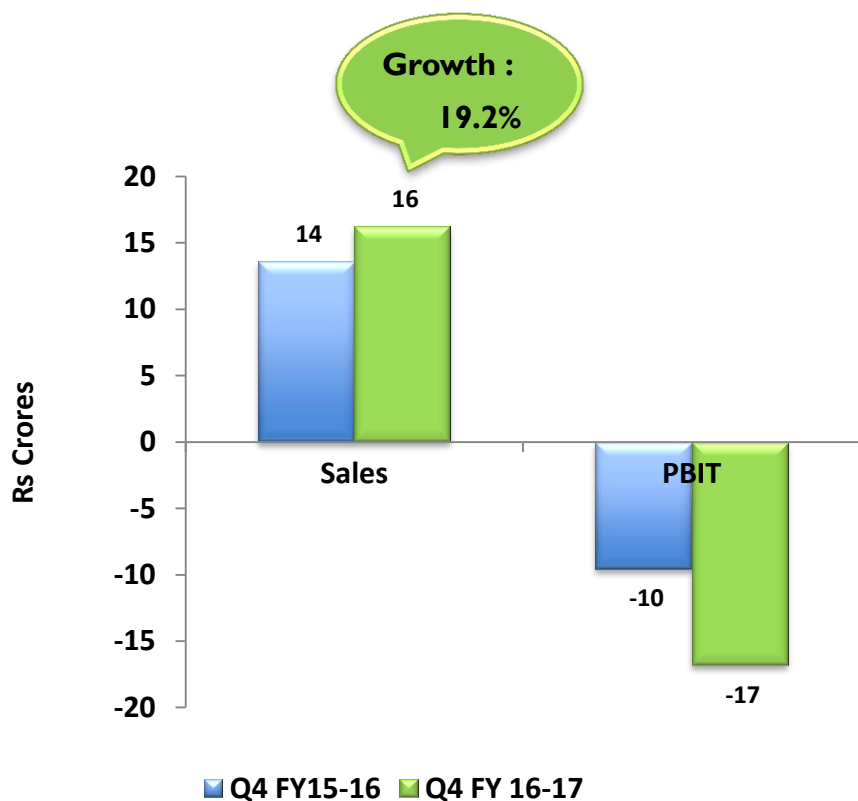
YTD FY 16-17



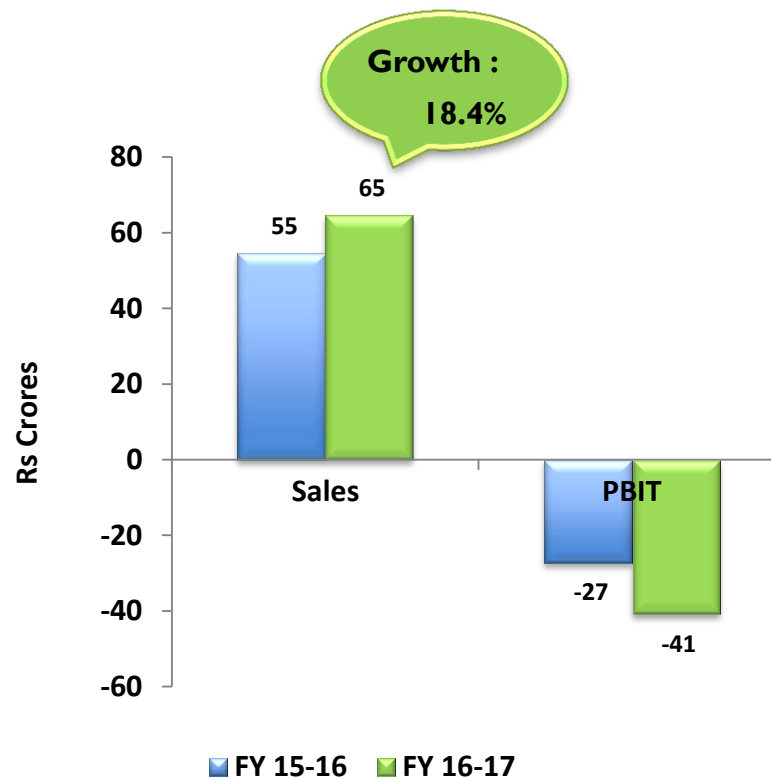
- Despite 13% revenue growth in Q4, profit declined on account of higher employee cost
- The profit of the division above is before the VRS cost of Rs.4 cr

Others

Q4 FY 16-17

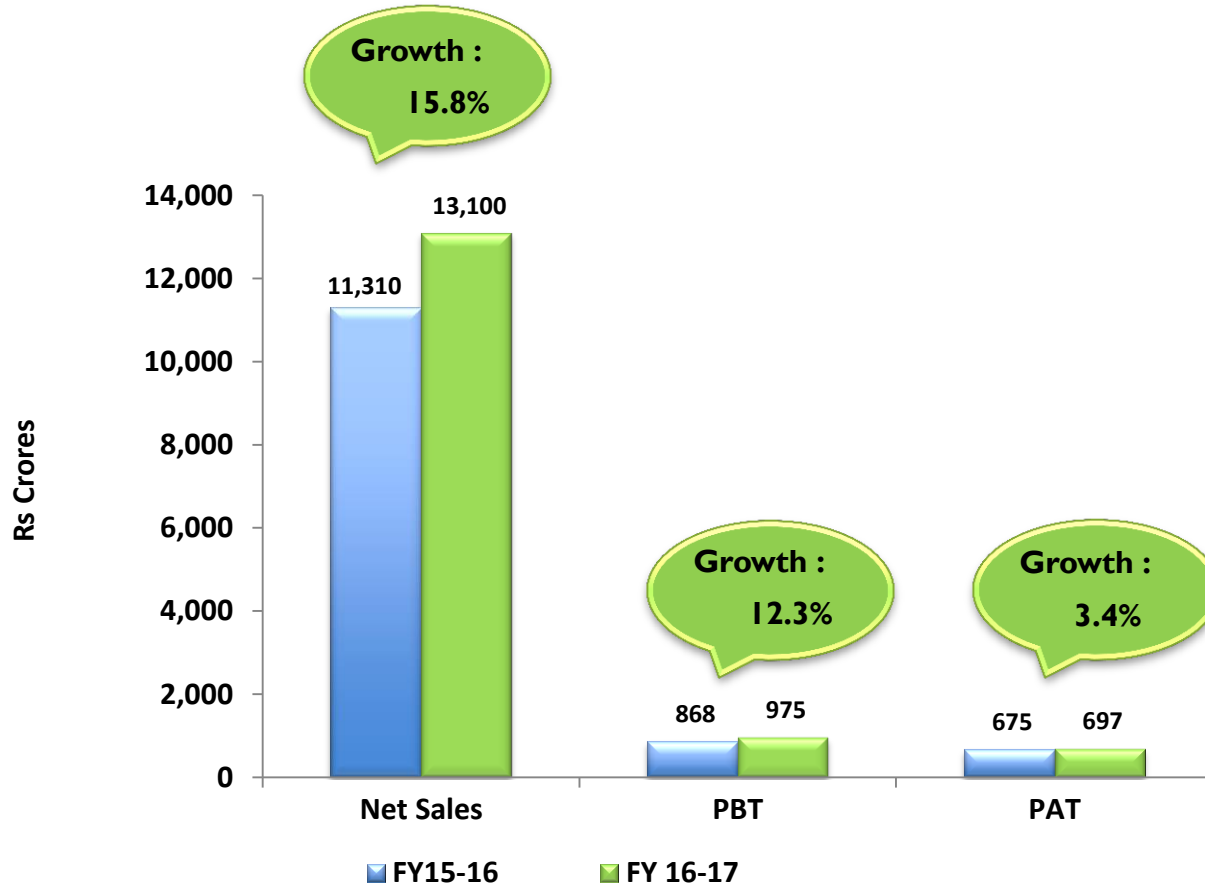


YTD FY 16-17



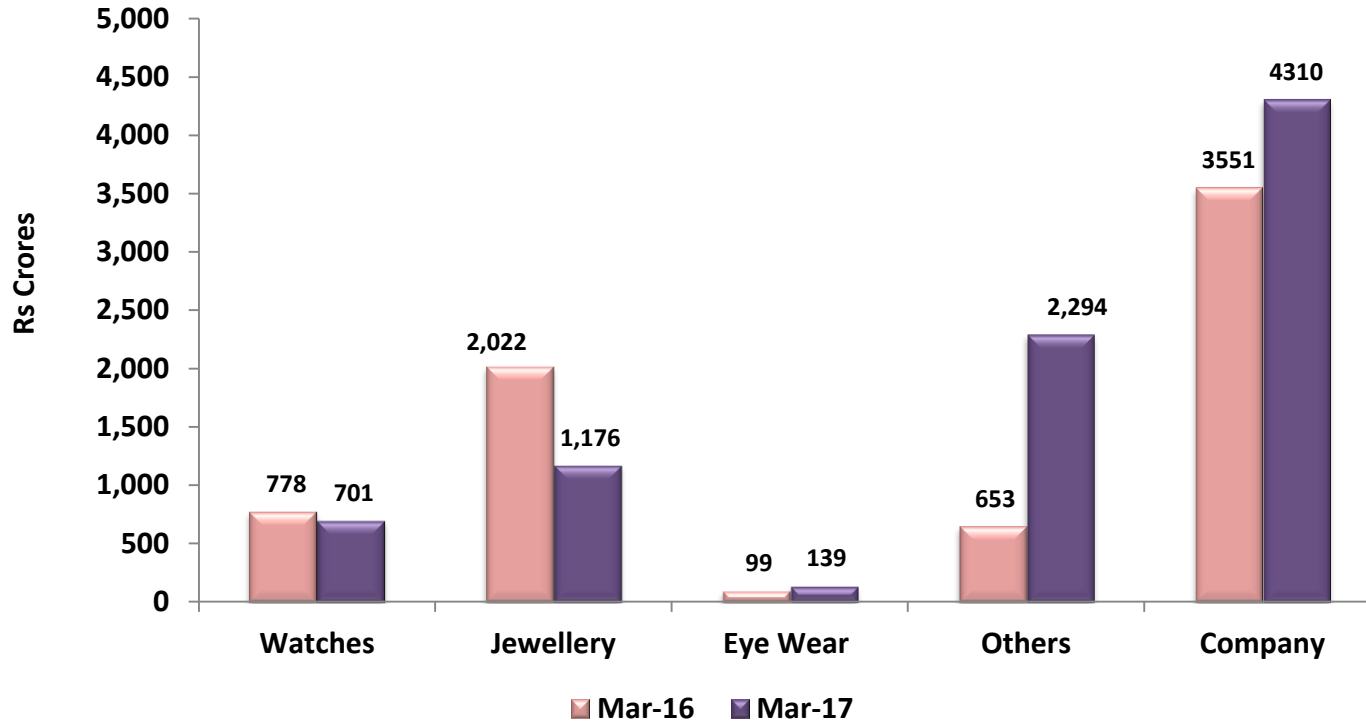
- Others includes accessories, fragrances and sarees
- Increase in loss due to investments made in brand building and business growth

Company Performance - Consolidated



- Revenue growth higher than stand alone due to good sales performance by CaratLane, TEAL and Favre Leuba
- PBT figures are after VRS cost of Rs 103 cr. PBT growth before VRS is 24.1%
- PAT growth muted due to higher tax rates for FY 17-18

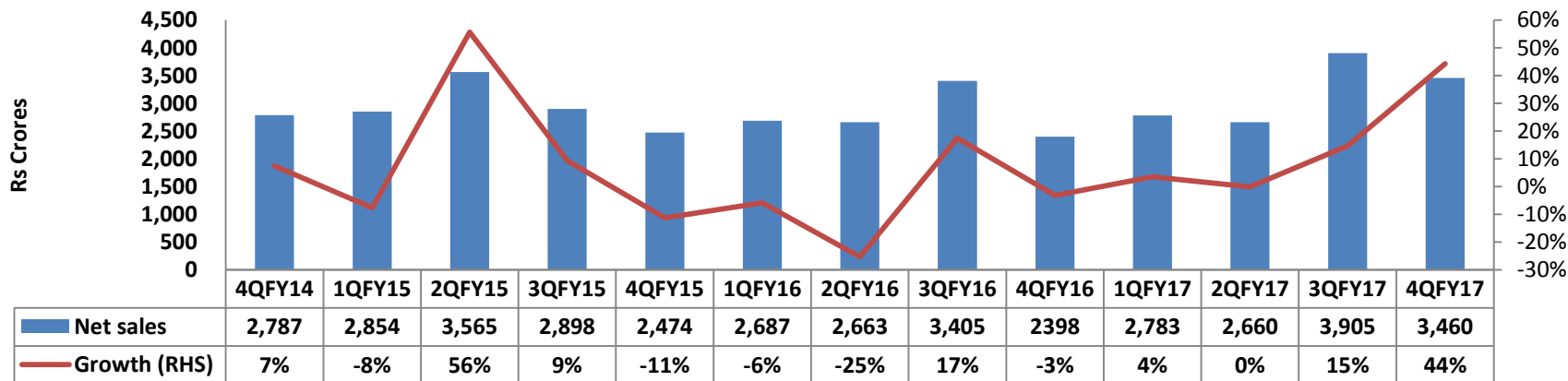
Capital Employed



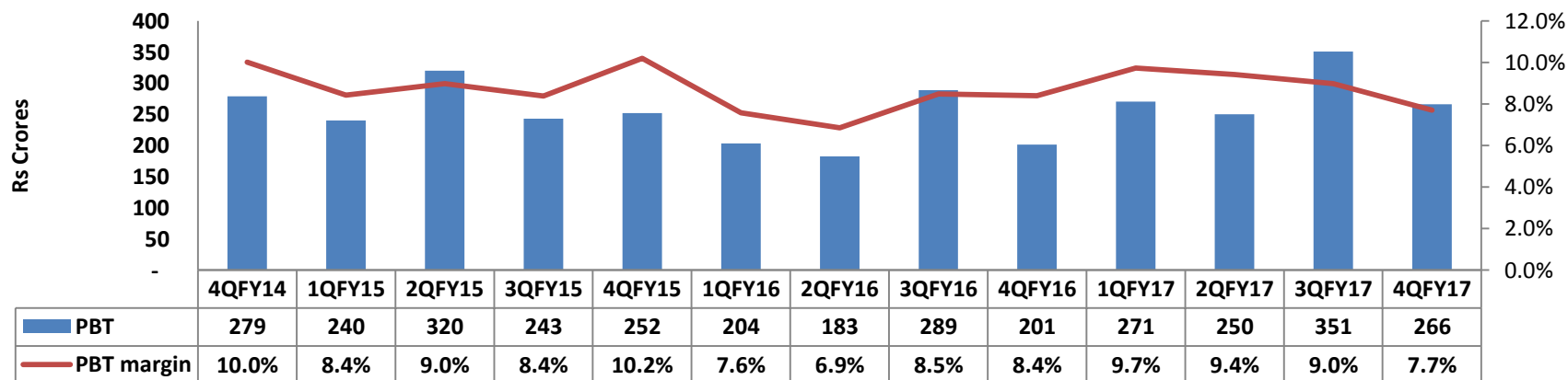
- Jewellery capital employed declined as the division procured more Gold on Lease this year
- Sharp increase in corporate capital employed due to investment in CaratLane (Rs 357 cr), capital expenditure for new corporate office as well as the increase in cash & equivalents

Quarterly Performance Trends

Company: Net Income

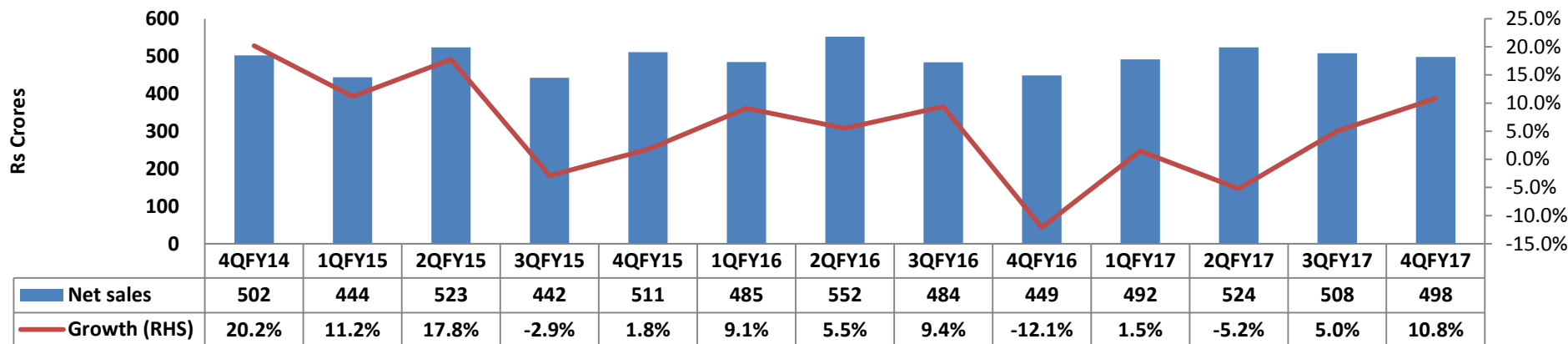


Company: PBT & Margin

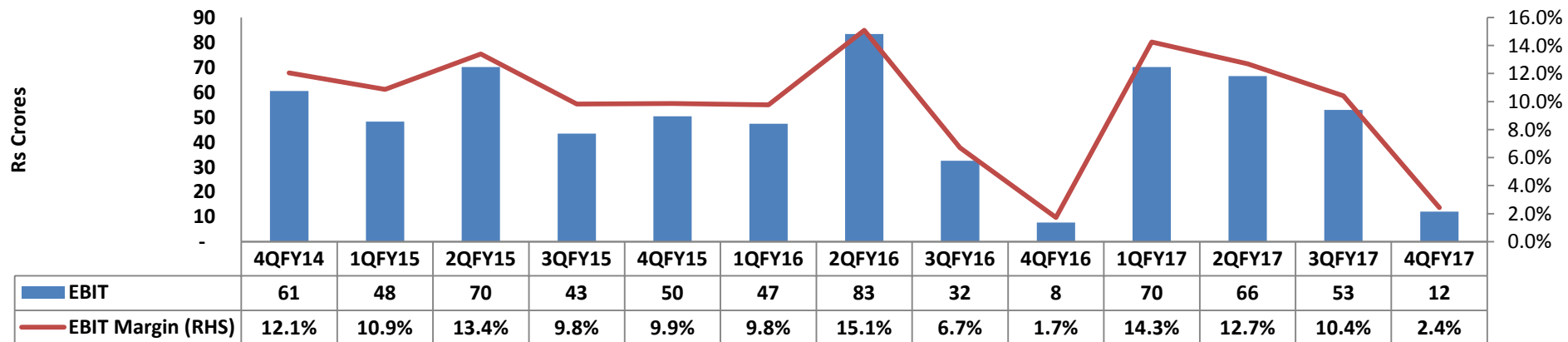


Quarterly Performance Trends

Watches: Net Income

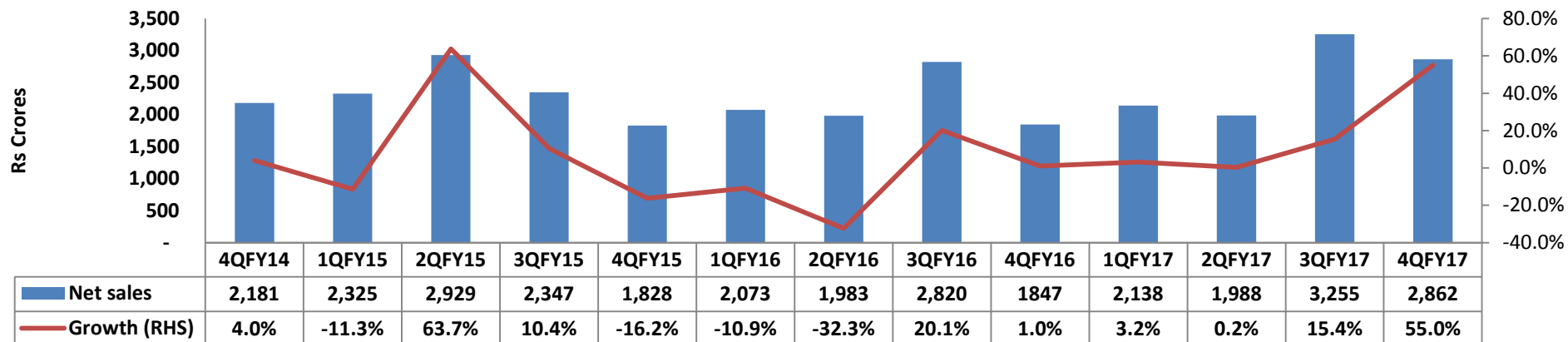


Watches: EBIT & Margin

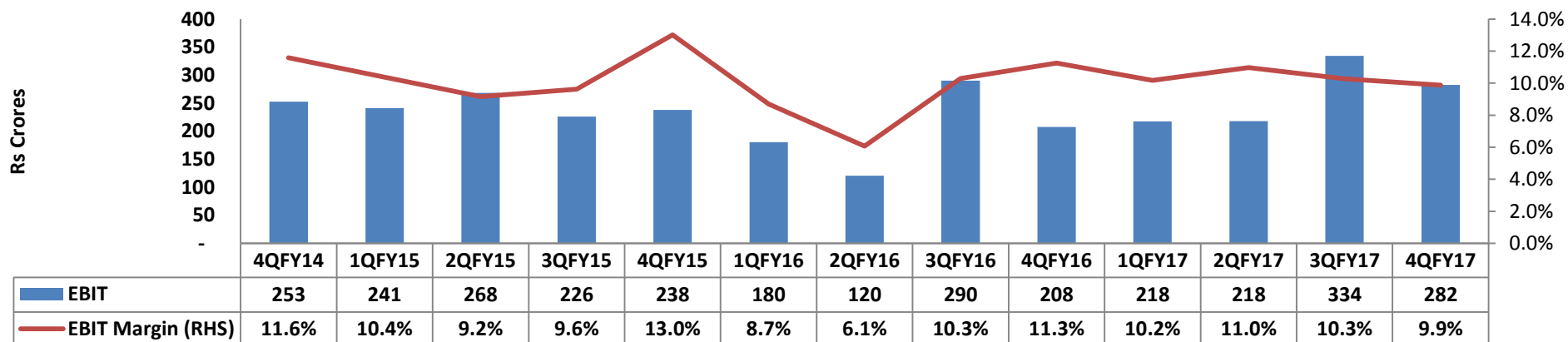


Quarterly Performance Trends

Jewellery: Net Income

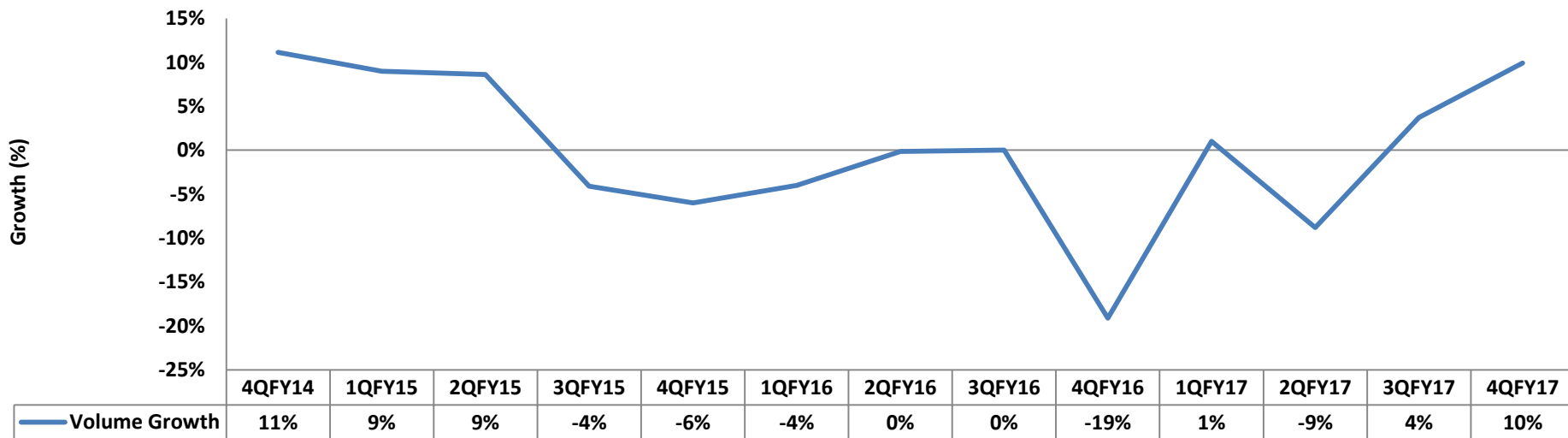


Jewellery: EBIT & Margin

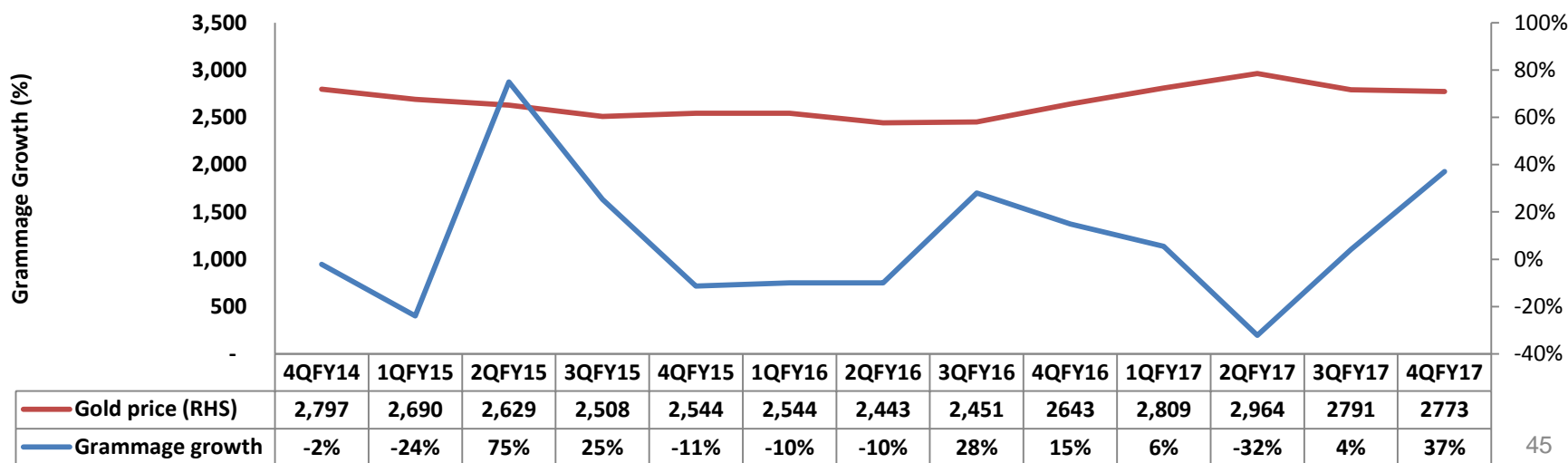


Quarterly Performance Trends

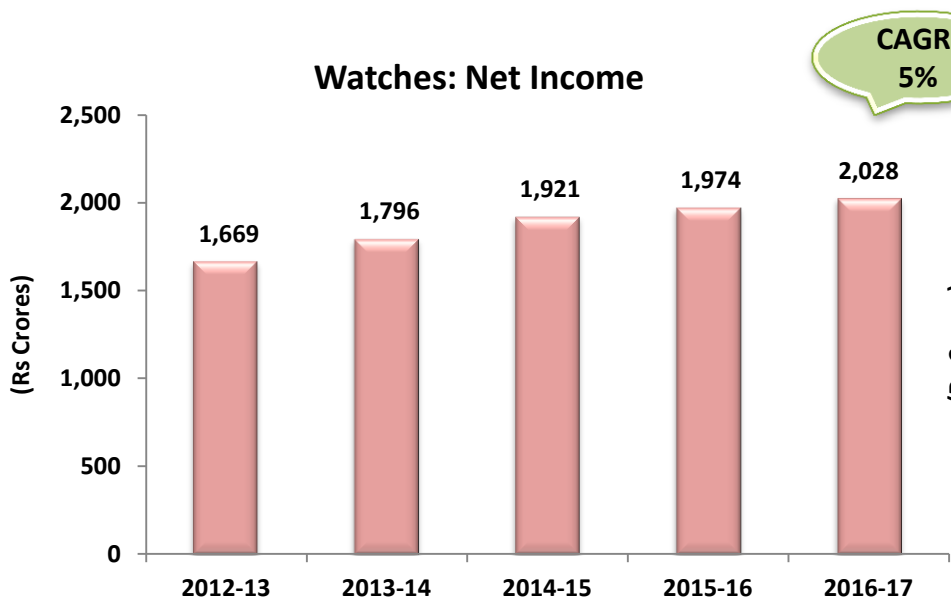
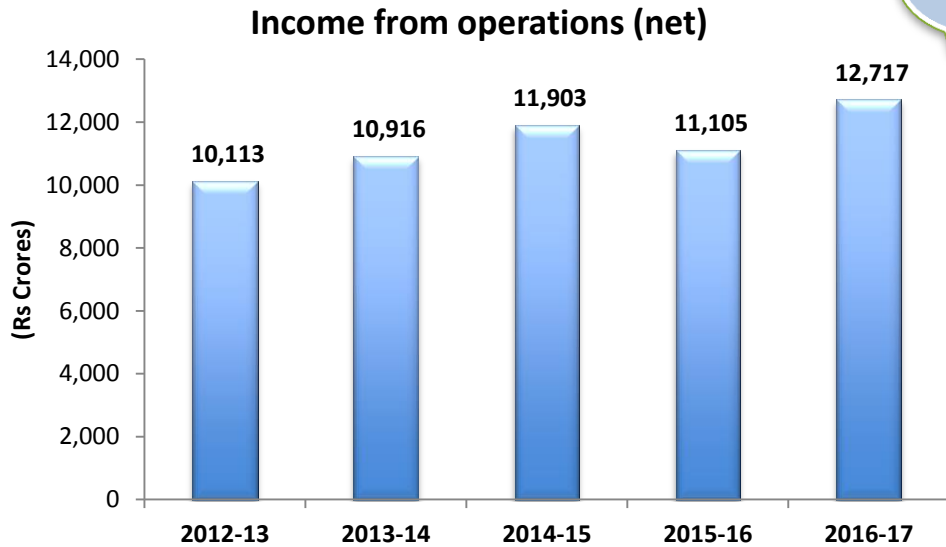
Watches: Volume growth



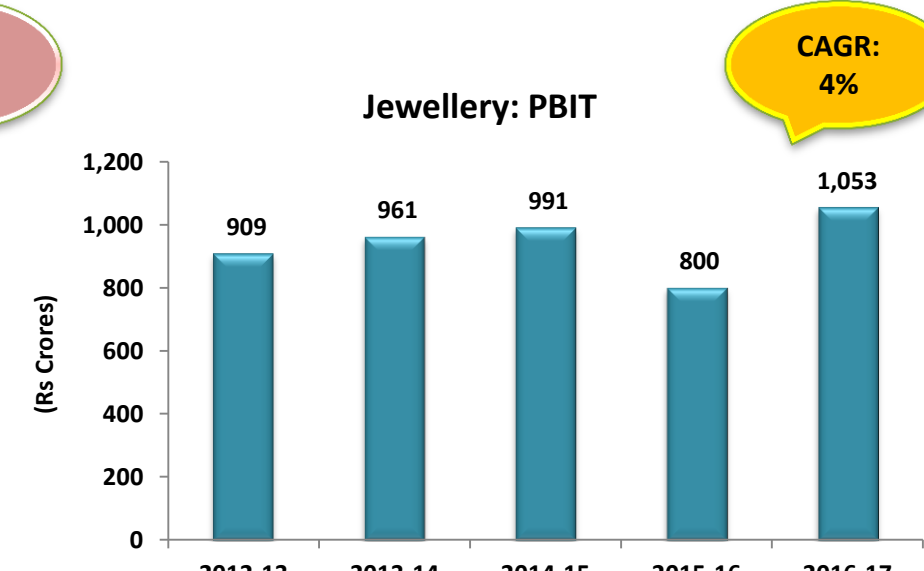
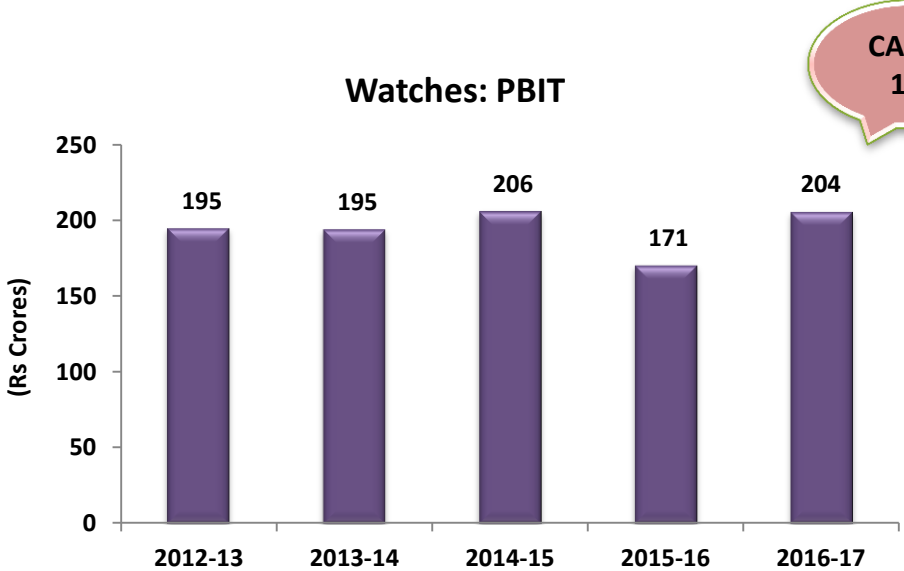
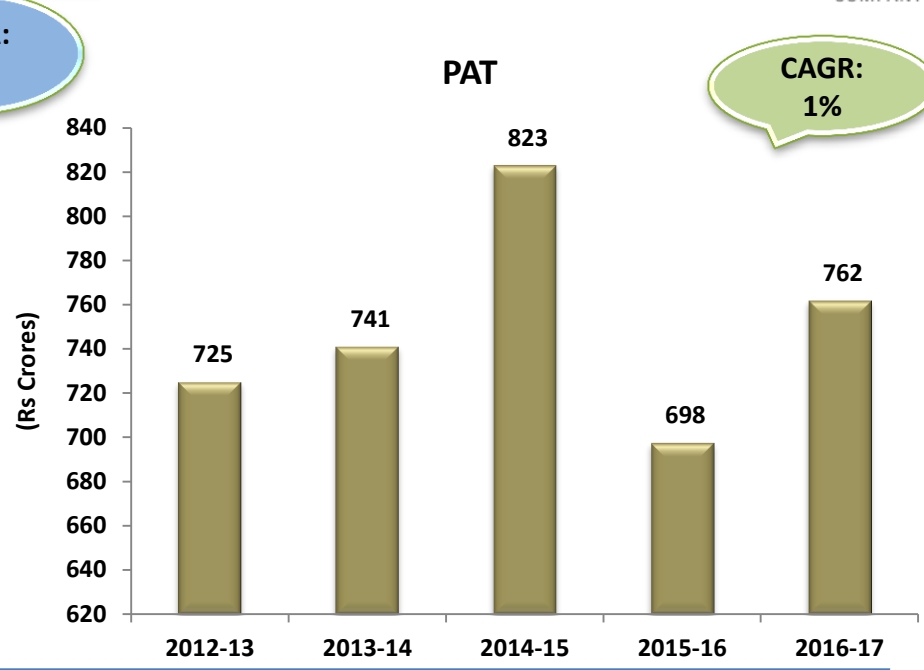
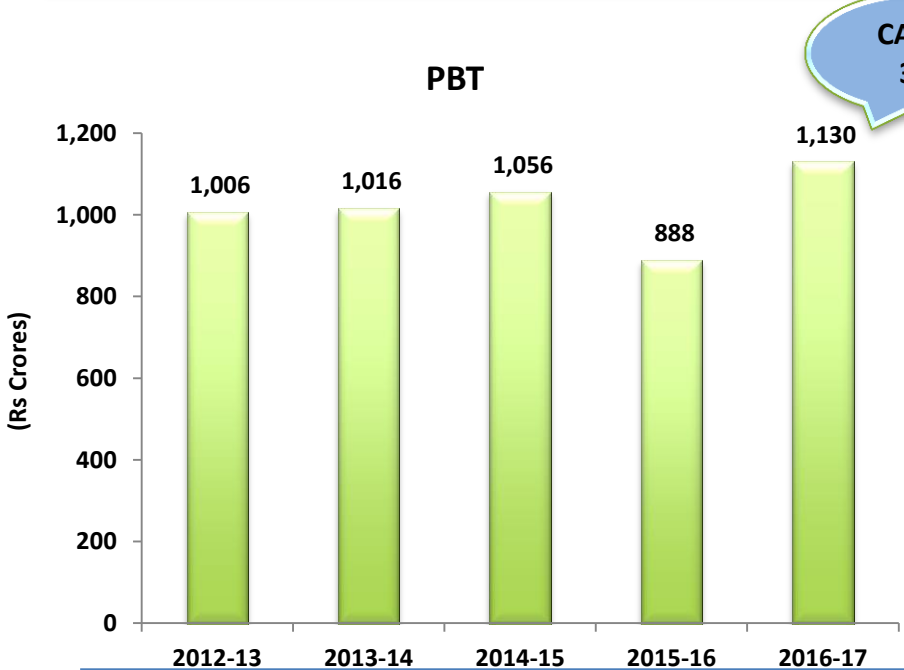
Jewellery: Gold price (22kt) and Grammage growth



Annual Performance Trends



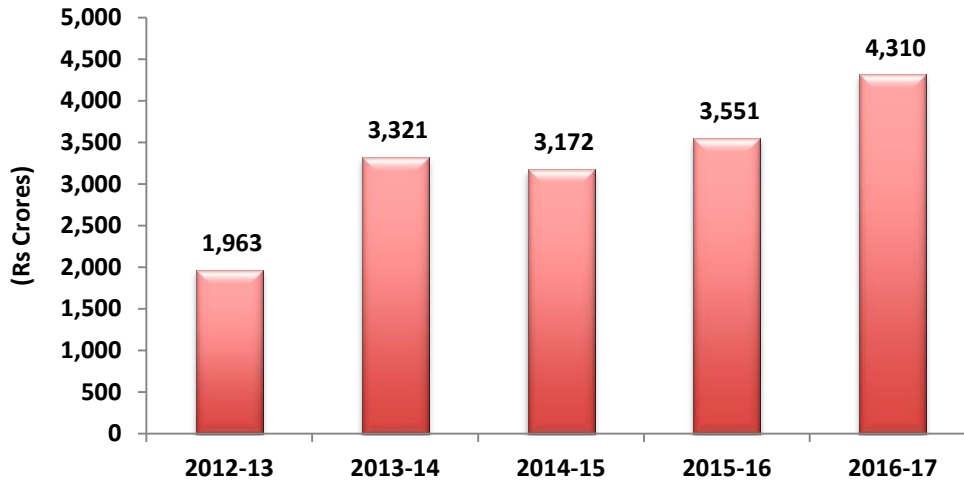
Annual Performance Trends



PBT, Watches PBIT and Jewellery PBIT figures for FY 16-17 are before VRS cost

Annual Performance Trends

Capital Employed

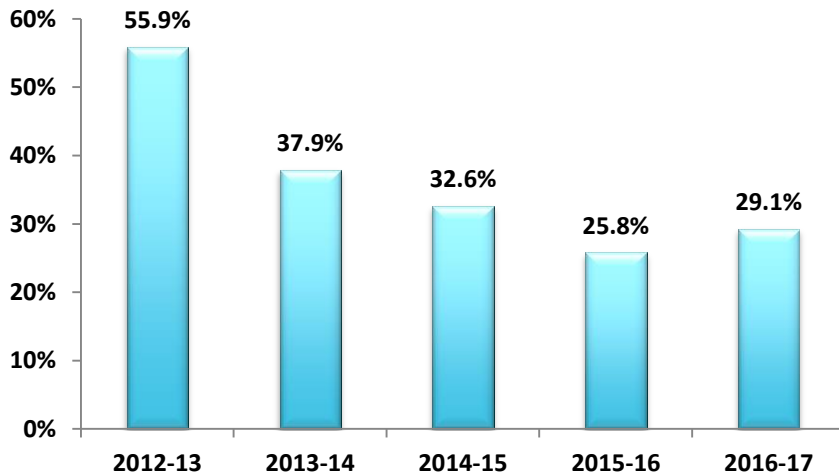


- Disruption in Gold on lease scheme increases Capital Employed sharply in FY 13-14

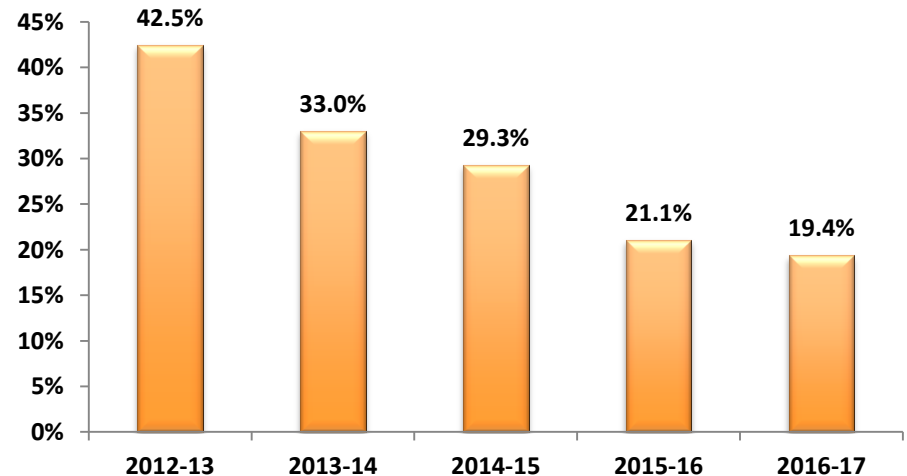
- ROCE for FY 16-17 is before VRS cost of Rs 96 cr

- ROE for FY 16-17 declined as PAT is impacted by high tax rate and VRS cost while the reserves have grown significantly

ROCE

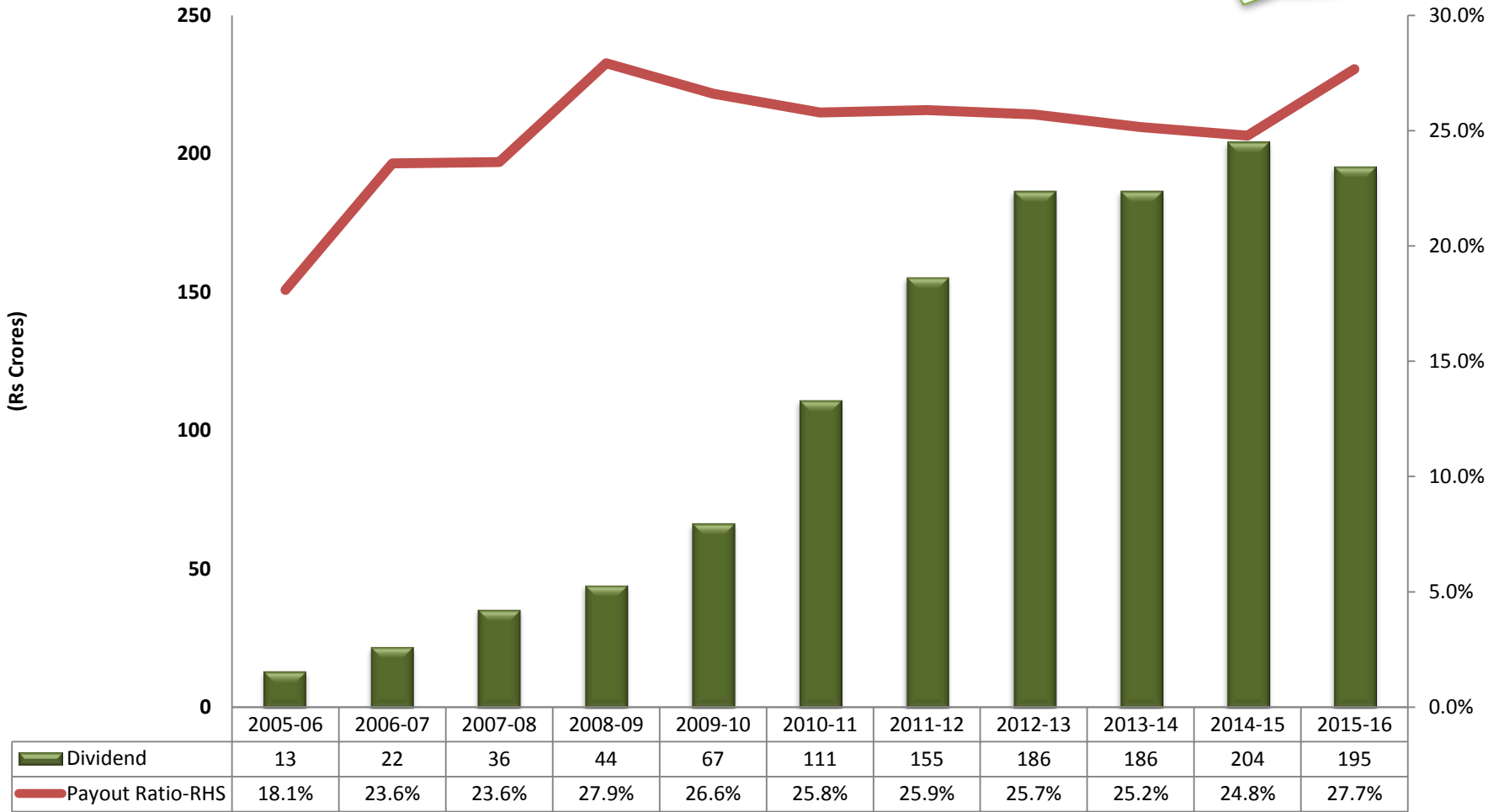


ROE



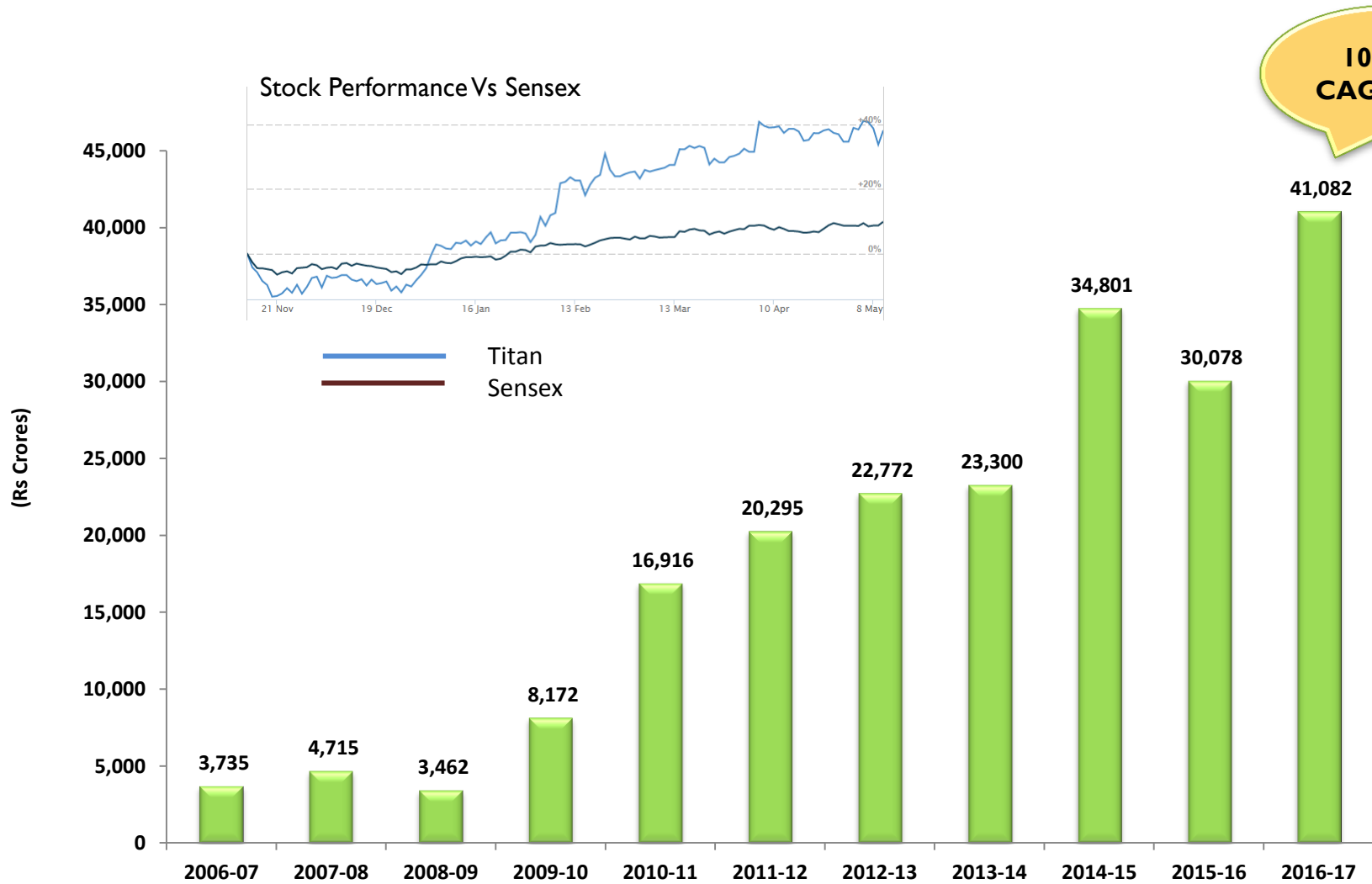
Dividend

**10 year
CAGR: 31%**



A dividend of Rs. 2.6 per share (260%) was announced after the Board Meeting held on 12th May 2017

Market Capitalisation



Note: Based on NSE closing prices at the end of the period

Sustainability @ Titan

Formally defined CSR Policy in line with the company's vision

The CSR focus at Titan will be driven by broad themes such as upliftment of the underprivileged girl child, Skill development and support for Indian Arts, Crafts and Heritage

Key initiatives driven:

Girl Child / education:

- Educating the underprivileged girl child – Covering close to 10,000 girls across Krishnagiri, Uttarakhand and other regions
- Supporting Education for the tribal children and building capacity through faculty training near Mysore
- Scholarships for the needy and meritorious – Close to 200 scholarships given this year

Skill development

- Creating Pilot Skill centre at Bangalore , targeting employability led skilling of 1000 underprivileged youth in areas of Retail, animation, etc
- Adoption of ITI , having close to 900 students and 100 faculty , building skills and capacity

Supporting Arts Crafts . Heritage / Celebrating Indian Heritage

- Working with Porgai Artisans association, supporting revival of craft by Lambadi Women , skilling them
- Restoration of Finial of Humayun Tomb
- Engaging in supporting Art and culture through India Foundation for Arts , Ranga Shankara

Support towards local and National Causes -Responsible citizenship

- Construction of Toilets for girl children - 60 toilets
- Uttarakhand Rehabilitation program
- Happy Eyes – Eye screening and supporting cataract operations for underprivileged children and adults

Thank You



TITAN
COMPANY