

Titan records 26% revenue growth in Q2 FY2024-25, profitability impacted

Chennai, 5th November 2024: Titan Company Limited ("Titan"), announced its results today for the quarter and half year ended 30th September 2024.

Quarterly Financial Highlights:

| Particulars (₹ crores) | Standalone | | | Consolidated | | |
|--------------------------------|------------|--------|-----------|--------------|--------|-----------|
| | Q2FY24 | Q2FY25 | YoY% | Q2FY24 | Q2FY25 | YoY% |
| Total Income | 10,027 | 12,458 | 24.2% | 10,837 | 13,660 | 26.0% |
| Earnings before Interest & Tax | 1,367 | 1,128 | (17.5%) | 1,392 | 1,188 | (14.7%) |
| % | 13.6% | 9.1% | (458) bps | 12.8% | 8.7% | (416) bps |
| Profit before Tax | 1,261 | 933 | (26.0%) | 1,252 | 948 | (24.3%) |
| % | 12.6% | 7.5% | (509) bps | 11.6% | 6.9% | (461) bps |
| Profit after Tax | 940 | 705 | (25.0%) | 916 | 704 | (23.1%) |
| % | 9.4% | 5.7% | (372) bps | 8.5% | 5.2% | (330) bps |

Note: Total Income excludes bullion sales in all periods; Numbers and growth percentages rounded to nearest integers

Titan (consolidated) recorded an income of ₹13,660 crores growing by 26% in Q2FY25 compared to Q2FY24. The PBT was lower by 24% at ₹948 crores compared to Q2FY24 mainly due to impact of custom duty reduction.

Business Performance (Standalone):

Jewellery: Total Income for the quarter grew 26% over Q2FY24 to ₹10,763 crores. The India business grew 25% in the same period. EBIT at ₹932 crores came at a margin of 8.7% for the quarter. Normalizing the custom duty impact, Q2FY25 EBIT came at ₹1,222 crores, clocking 11.4% margin.

The custom duty reduction saw revival in consumer interest as gold prices cooled off temporarily. The ensuing gold rush lasted well into mid-September. Buyer growth was healthy and well accompanied by increase in average selling prices, both exhibiting double-digit growths. During the quarter, in India, Tanishq opened 11 new stores (net), Mia added 12 and Zoya added 1 store respectively.

Watches & Wearables: Business recorded a Total Income of ₹1,301 crores, up 19% over Q2FY24. The domestic business grew 19% in the same period. EBIT came in at ₹194 crores clocking a margin of 14.9% for the quarter.

Analog segment recorded a strong 26% Revenue growth over Q2FY24 led by Titan brand clocking 32% growth in the same period. Consumer preferences for premium brands was clearly visible with Helios channel (international brand sales) clocking a healthy retail growth of 43% over Q2FY24. Wearables segment saw a 13% drop in their Revenue compared to Q2FY24 primarily due to reduction in average selling prices. 34 stores (net) were added in Q2FY25 comprising of 18 new stores in Titan World, 14 in Helios and 2 in Fastrack respectively.

EyeCare: Total Income of ₹201 crores in Q2FY25 grew 7% over Q2FY24. Business recorded an EBIT of ₹24 crores clocking a margin of 11.9% for the quarter. Frames and Lenses saw healthy growth in volumes. Sunglasses recorded a volume decline due to seasonality. International brand sales recorded a strong growth 53% over Q2FY24. Business increased its promotional activities leading to a double-digit growth in advertising compared to the same period last year. Division added 3 new stores (net) during the quarter in Titan Eye+.

Emerging Businesses: The Emerging Businesses comprising of Indian Dress Wear ('Taneira'), Fragrances, Fashion Accessories (F&FA) recorded a Total Income of ₹106 crores for Q2FY25 growing 14% over Q2FY24. Taneira's sales grew 12% compared to Q2FY24 mainly driven by growth from new stores. The brand opened 4 new stores during the quarter, taking the total store count to 81 stores covering 41 cities. The F&FA business grew 16% compared to Q2FY24 (excluding the discontinued belts and wallets sub-segment, comparable growth was 33% in the same period). Within sub-segments, Fragrances (SKINN) grew 19% and Women's Bags (IRTH & Fastrack) grew 76% respectively over Q2FY24. The Emerging Businesses together recorded a loss of ₹29 crores for the quarter.

International Business Performance (Consolidated):

The International Jewellery business recorded an income growth of 62% to ₹273 crores compared to Q2FY24. Other Businesses comprising primarily of analog watches grew 54% compared to their Q2FY24 income. During the quarter, Mia opened a new store in Abu Dhabi. The Jewellery international footprint stands at 18 stores consisting of 16 Tanishq stores and 2 Mia stores.

Key Subsidiaries of the Company:

CaratLane Trading Private Limited: Total Income grew 28% to ₹829 crores compared to Q2FY24 (excluding bullion and digi-gold sales). Activations in July and August 2024 spurred growth in new customer acquisition by 21% and growth in brand searches by 30% over their respective Q2FY24 values. EBIT came in at ₹58 crores for Q2FY25 clocking a margin of 7.0%. CaratLane added 11 new stores (net) in the quarter taking the total store count to 286 stores spread across 119 cities pan-India.

Titan Engineering & Automation Limited: The Business recorded a Total Income of ₹196 crores in Q2FY25, a growth of 56% compared to Q2FY24. Within Divisions, the Automation Solutions (AS) business grew by 89% and the Manufacturing Services business grew 24% respectively over Q2FY24. EBIT for the quarter came in at ₹25 crores clocking a margin of 12.8%.

Commenting on the quarterly performance,

Mr. C K Venkataraman, Managing Director of the Company stated that:

"After a muted Q1, Q2 witnessed encouraging growth across key businesses. Jewellery clocked healthy double-digit growth for the quarter. Our portfolio approach in this business of straddling diverse customer needs through the brands of Tanishq, Mia, Zoya and CaratLane is working well. The buyer growth metrics were fairly strong and in good double-digits across gold and studded product categories. The quarter also witnessed analog watches growing 25%+ over last year with commensurate uptick in volumes. Titan brand continues to be Indian consumers proud choice in this segment. On account of the customs duty related losses, as well as the need to invest in growth of various businesses, the profitability of Q2 was quite depressed. However, we are quite confident about the competitiveness of each of our businesses and we remain optimistic about our performance for rest of the financial year."

Conference Call:

The earnings conference call is scheduled on 5th November 2024, at 4:30 PM. The call details are available at <https://www.titancompany.in/investors/investor-relations/quarterly-results>

About Titan:

Titan Company Limited ("Titan"), a joint venture between the Tata Group and the Tamilnadu Industrial Development Corporation (TIDCO), commenced its operations in 1987 under the name Titan Watches Limited. In 1994, Titan diversified into Jewellery (Tanishq) and subsequently into EyeCare. Over the last three decades, Titan has expanded into underpenetrated markets and created lifestyle brands across different product categories including fragrances (SKINN), accessories and Indian dress wear (Taneira) and thoughtfully designed Women Bags (IRTH). Titan is widely known for transforming the watch and jewellery industry in India and for shaping India's retail market by pioneering experiential retail.

Learn more about Titan on: www.titancompany.in

Facebook: <https://www.facebook.com/TitanCompanyLimited/> | **Twitter:** <https://twitter.com/TitanCompanyLtd>
LinkedIn: <https://www.linkedin.com/company/titan-industries> | **Instagram:** <https://www.instagram.com/titancompanyltd/>

For more information, please contact:

Investor Relations: investor-relations@titan.co.in; investor@titan.co.in

Media Relations: corpcomm@titan.co.in

