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Quarterly Result Update

TITAN COMPANY LIMITED

February 15, 2021

Current Price: ₹ 1494.35

STOCK DATA

BSE Code	500114
NSE Symbol	TITAN
Reuters	TITN.BO
Bloomberg	TTAN IN

VALUE PARAMETERS

52 W H/L(Rs)	1620.95/720.00
Mkt. Cap.(Rs Cr)	132666.31
Latest Equity(Subscribed)	88.78
Latest Reserve (cons.)	6275
Latest EPS (cons.) -Unit Curr.	8.51
Latest P/E Ratio -cons	175.6
Latest Bookvalue (cons.) -Unit Curr.	71.68
Latest P/BV - cons	20.85
Dividend Yield -%	0.27
Face Value	1

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2020
Foreign	19.21
Institutions	10.87
Govt Holding	0.35
Non Promoter Corp. Hold.	0.55
Promoters	52.9
Public & Others	16.13

Standalone financials

In Cr.

Particulars	Qtr Ending Dec. 20	Qtr Ending Dec. 19	Var. (%)
Total Income	7619.00	6527.00	17
OPM (%)	11.13	11.61	
OP	848.00	758.00	12
Other income	40.00	23.00	74
PBIDT	888.00	781.00	14
Net Finance Charges	51.00	45.00	13
PBDT	837.00	736.00	14
Depreciation	96.00	88.00	9
PBT	741.00	648.00	14
Tax expense	211.00	174.00	21
PAT	530.00	474.00	12
Minority Interest	5.00	0.00	
Profit after Minority Interest and Share of profit of Associates	525.00	474.00	11
EPS (Rs)	5.90	5.33	11

Watch to jewellery maker Titan posted largely in-line quarterly financial numbers although coronavirus (Covid-19)-related disruptions adversely impacted its top line and profit during this period, reported consolidated net profit of Rs 530 cr in December quarter.

On a consolidated basis, Titan's net profit increased 11.8% to Rs 530 crore on a 17% rise in total income to Rs 7619 crore in Q3 FY21 over Q3 FY20.

The Tata Group enterprise reported a onetime exceptional loss of Rs 137 crore on account of scaling down of its subsidiary Favre Leuba AG (FLAG). Consequently, the company has performed an impairment testing of its investment in FLAG and has made a provision of Rs 137 crore towards impairment in the quarter and disclosed under exceptional items.

While the company's jewellery business grew by 16% (excluding gold bullion sales) over the corresponding quarter of the previous year, the watches and wearables and eyewear divisions also did well with the recovery rate for the quarter being 88% and 93% respectively.

The jewellery division recorded an income of Rs 6,249 crore for the quarter (excluding gold bullion sales) as compared to Rs 5,409 crore last year, a growth of 16%. There was a significant recovery in the diamond studded segment of the jewellery business. While coins sales continue to remain high, wedding jewellery segment also witnessed a very good growth in the quarter. The jewellery division declared Earnings before interest and tax (EBIT) of Rs 752 crore for the quarter compared to Rs 701 crore in the previous year.

The watches and wearables business recovered well in the quarter to record an income of Rs 550 crore against Rs 625 crore in the previous year, a decline of 12%. The eyewear business also improved with revenues declining by 7% in the quarter, recording an income of Rs 124 crore as against Rs 133 crore last year.

The watch division reported an EBIT of Rs 57 crore for the quarter compared to Rs 52 crore in the previous year. The eyewear division continues its remarkable performance in the quarter with EBIT of Rs 22 crore (loss of Rs 7 crore in the previous year) and has broken even for nine

months period (loss of Rs 16 crore in the previous year).

The recovery in the other segments of the company comprising Indian dress wear and accessories was still slow and these divisions recorded an income of Rs 36 crore compared to Rs 50 crore in the previous year, a decline of 28%.

CaratLane continues to do very well in both the online and offline channels and ended the quarter with a growth of 34% and a positive EBIT of Rs 21 crore. The revenue for the year to date was Rs 468 crore (decline of 1%) and the net loss dropped to Rs 8 crore.

The Aerospace and Defence business of Titan Engineering and Automation (TEAL) was impacted severely due to the pandemic even though the Automation Solutions business performed well. The company therefore recorded revenues of Rs 87 crore for the quarter and EBIT of Rs 6 crore and the performance for the year to date being revenue of Rs 254 crore (decline of 22%) and profit before tax of Rs 31 crore (decline of 46%) for nine months.

Management Comment

C K Venkataraman, managing director of the company stated, 'We are very pleased to see the return to growth in top line for the company and the recording of the highest ever profits in any quarter in the midst of the pandemic that has hit the world so hard. The recovery witnessed has been significantly better than what we had hoped just a few months back. It is the innovativeness and the untiring efforts of the employees and all business associates along with the positive consumer sentiment that has made this possible. We believe the focus on productivity and cash generation will help improve the company's margins in the future.'

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