



PCJ

Jeweller for generations

Date: 20/02/2017

To,
The Listing Compliance Department,
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai - 400 001

To,
The Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Sub.: Intimation of Schedule of Investor & Analyst Meet

Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)

Dear Sir/Madam,

In continuance to our earlier letter dated February 15, 2017 intimating that the Company is hosting an Investor and Analyst meet on February 20, 2017 to discuss "**Strategic Initiatives and Growth Prospects**" and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to further inform you that for those unable to attend the aforesaid meet, the dial in facility is provided. The dial in details is as under:

Primary Dial In : +91 22 3960 0711

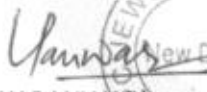
International Toll Free Number : USA - 18667462133
UK - 08081011573
Singapore - 8001012045
Hong Kong - 800964448

The Company will make a Presentation to the Investors / Analysts present at the meet and may also distribute copies of the same. The same is also enclosed herewith.

Thanking you.

Yours sincerely,

For **PC Jeweller Limited**


(VIJAY PANWAR)
Company Secretary*



Encl.: As above

PC Jeweller Limited

Regd. & Corporate Off: C - 54, Preet Vihar, Vikas Marg, Delhi - 110 092 Ph: 011 - 49714971 Fax : 011 - 49714972

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PC Jeweller

Investor & Analyst Meet

20th February 2017



Safe Harbor



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Agenda

Industry Overview

World of PC Jeweller

Financial Overview

Way Forward

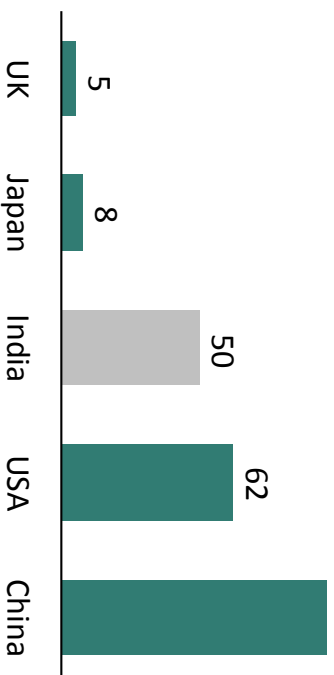


Industry Overview

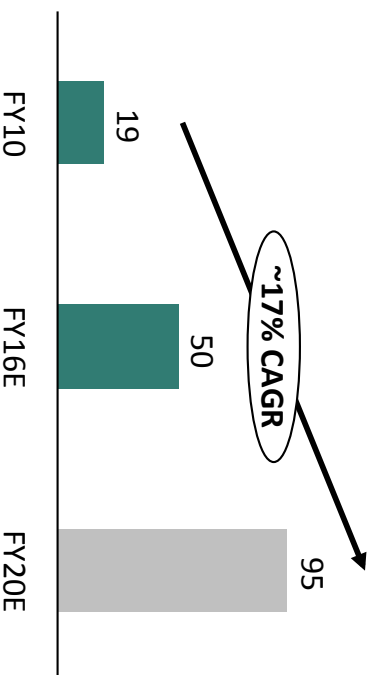


India's Love for Jewellery

One of the largest jewellery markets in the world* (USD Bn)



Expected to cross US\$ 95 bn by 2020E*



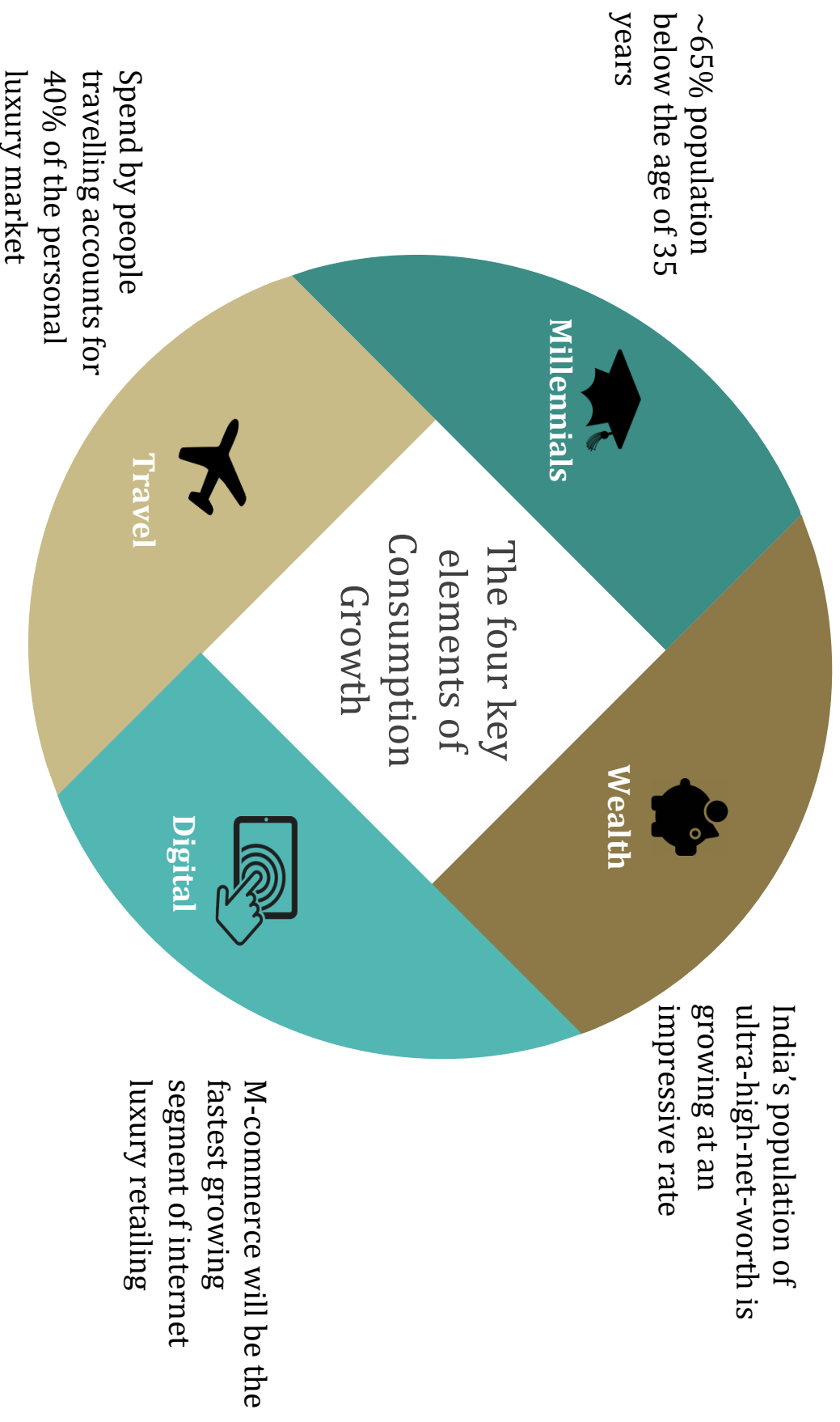
* Industry Sources



The Quirk's of the Indian Market

- ✓ Gold is considered as a status symbol as well as auspicious
- ✓ Indians spend a significant proportion of their wedding budget on jewellery
- ✓ It is considered as an important mode of saving by the female of the house
- ✓ Many families start buying gold for a girl child from the 1st year in preparation for her wedding

Increasing affordability of Aspirational Indians



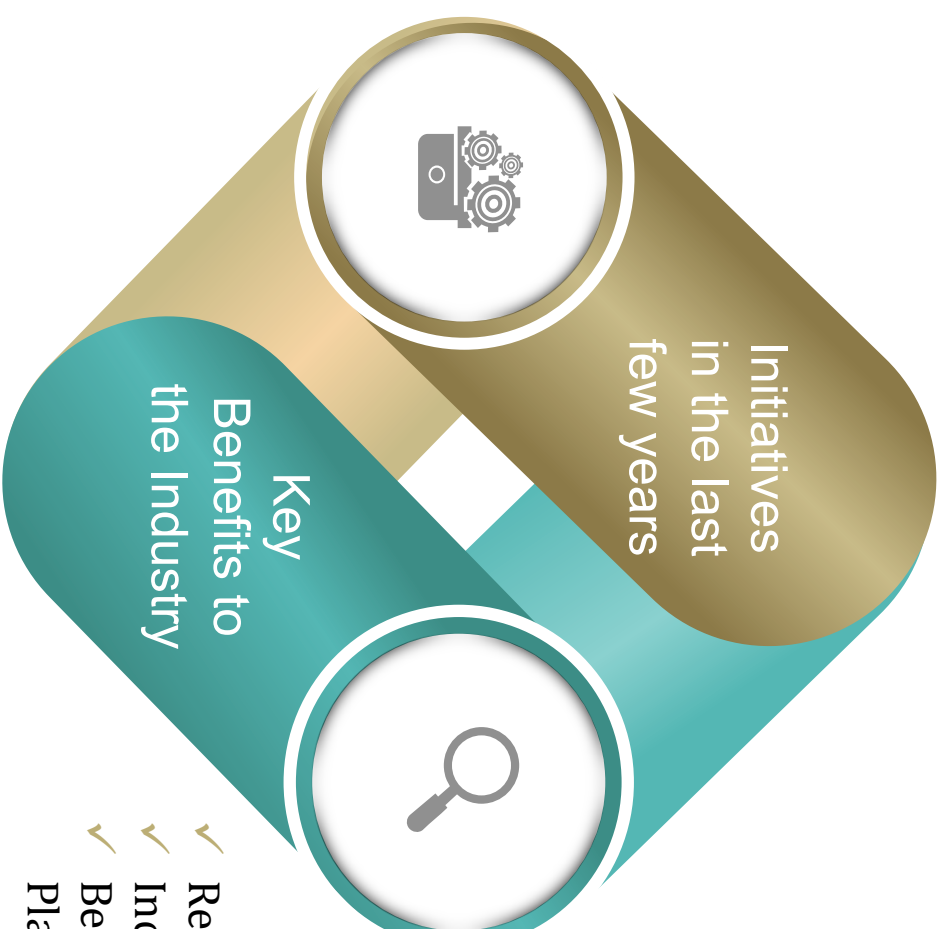
Visible shift in Demand Scenario



Along with increasing Regulations by the Government...

...Driving towards an Organised Market

- ✓ Mandatory PAN card on transactions above Rs. 2 lacs w.e.f. Jan 1, 2016
- ✓ Compulsory Hallmarking of Gold Jewellery w.e.f. April 1, 2017
- ✓ Levy of 1% excise duty w.e.f. Mar 1, 2016
- ✓ GST roll out planned from July'17



World of PCJ



The world of PC Jeweller

Established in 2005
today the 2nd Largest
listed jewellery
retailer in India

#44 in the Top 100
Luxury Goods
Companies Globally -
Deloitte report

Featured
in the list of 20 fastest
growing Luxury Goods
companies across the
world
Alongside: Pandora, Fossil, Graff
Diamonds, Michael Kors, etc.

A Leading player in
Indian Wedding
Jewellery Market



Our DNA built for performance...



Grown from 1 showroom in Karol Bagh (in 2005) to 71 showrooms today

- ✓ Focussed on Tier I & Tier II locations to leverage the income growth and brand awareness in such locations
- ✓ Consistently innovating in terms of designs, product ranges and leveraging technology

Committed to our principles

- ✓ Hedging Gold and Currency since initial years
- ✓ Continuously enhancing design team and manufacturing facilities to ensure we are ahead of competition in terms of designs and cost efficiency
- ✓ Focus on diamond jewellery and wedding jewellery

And combining Key Elements

- ✓ Ability to have a long term vision and plan ahead
- ✓ High Growth ambitions tempered with conservatism
- ✓ Risk taking qualities with stop-loss mind set



...Leading to fastest growth since inception

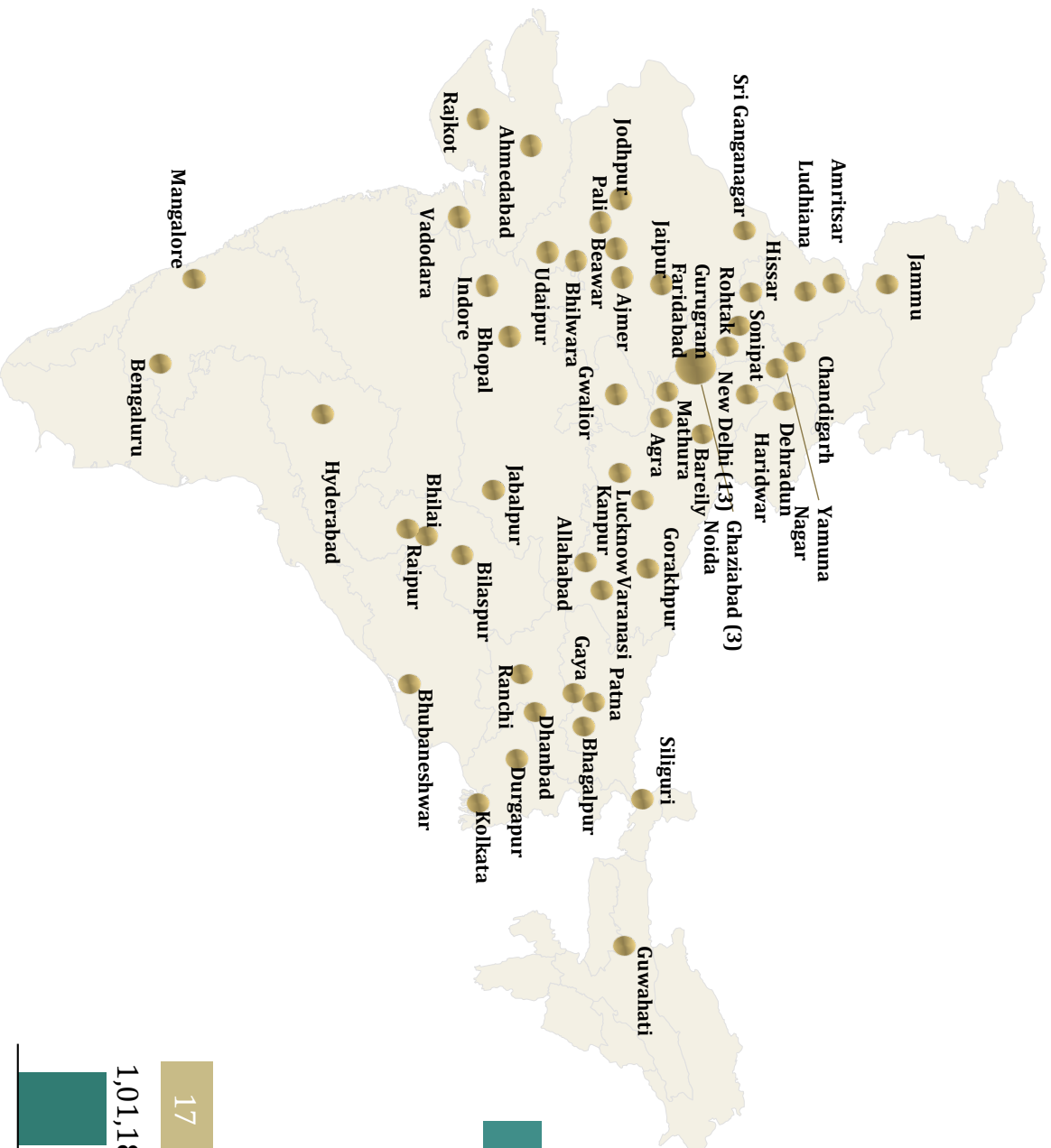
“#2 largest listed jeweller in India in a span of 10 years”

“#2 largest listed jeweller in India in a span of 10 years”					
1 Flagship Showroom	24 Showrooms	Online Platform		AZVA	
		1 Franchisee Store		Online Platform	
		59 Showrooms		4 Franchisee Stores	
		15 instore Exclusive Lounges		67 Showrooms	
FY06	FY12	FY16	CAGR	As on Date	
Sales (Rs. Crores)	3,042	7,259	24.3%		
EBIDTA (Rs. Crores)	304	730	24.5%		
PAT (Rs. Crores)	204	401	18.4%		

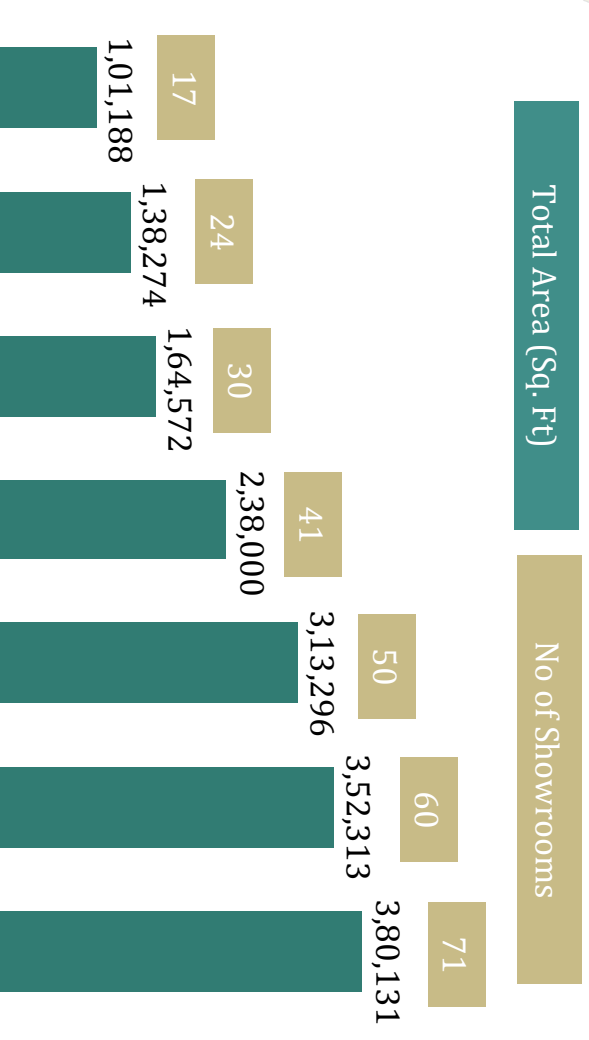


...With PAN India Presence

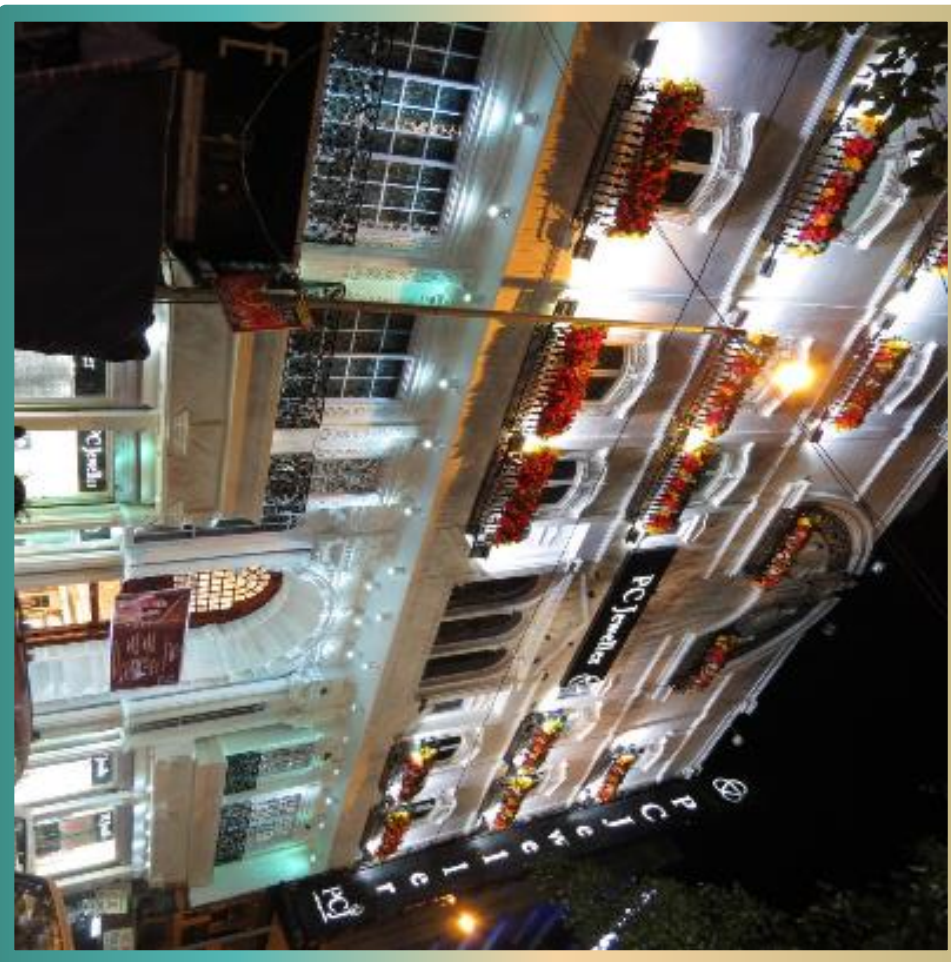
- ✓ 71 showrooms (3,80,131 sq. ft.)
- ✓ 56 cities and 18 states
- ✓ Exclusive lounges at 16 showrooms
- ✓ Manufacturing facility FY16 ~ 83,000 sq.ft
- ✓ Manufacturing facility FY17 ~ 107,000 sq.ft
(increase by ~ 30%)



Map not to scale



We stand apart with our offerings...



Flagship Store at Karol Bagh, New Delhi

Large Stores Format

Small Stores Format

Franchisee

Exports

Wearyourshine.com
(Online Platform)

Collections



Targeted market approach

Customer Segment	Metro	Tier I	Tier II	Tier III
Ultra Rich	<ul style="list-style-type: none">✓ Exclusive Lounges✓ Started this concept in select showrooms ~3 years back.✓ Focused on high end designer pieces			
Rich and Upper Middle Class	<ul style="list-style-type: none">✓ Large Format Showroom (avg. 5,000 sq ft)✓ Own showrooms across Metro, Tier 1 and Tier 2✓ Focused on exclusive gold and diamond jewellery for weddings and occasions		<ul style="list-style-type: none">✓ Franchisee showrooms across Tier 2 and Tier 3✓ Relatively large format (2000 – 3000 sq. ft.)	
Youngsters, Young couples and Working Women	<ul style="list-style-type: none">✓ SIS concept planned across malls and high footfall areas (primarily metros and Tier 1 for youth oriented jewellery like Flexia, Smart jewellery etc. WearYourShine.com (eCommerce platform) - Penetration across Metro, Tier 1 and Tier 2)✓ Focused on light weight, everyday and work wear jewellery			
Middle and Lower Middle Class	<ul style="list-style-type: none">✓ Small Store Format (~ 1,000-2,000 sq ft)✓ Smaller local markets at locations where PCJ already has a presence on high street as well as towns✓ Focused on gold (primarily) and small ticket diamond jewellery			



Large Store Format – creates favorable brand image

Trust and Ambience

- ✓ Located at high street locations in the city
- ✓ An element of 'Trust' to customers seeking one-stop for wedding jewellery products

Large Product Variety

- ✓ Have larger variety across price range, much wider than its competitors
- ✓ More buying options ensure higher share of customer wallet

Intelligent Pricing

- ✓ Lower making charges on 'comparable' products to give comfort & trust to the customer
- ✓ High margins on unique, designer and exclusive pieces which are not 'comparable'

Customer Friendly Policies

- ✓ 7 days returns policy, buyback policy, lifetime free service
- ✓ Karatmeters at all showrooms to test Gold purity



Small Store Format – taps into newer micro markets

- ✓ In our endeavour to innovate and target newer micro markets, we have launched small stores
 - ✓ Target middle class/ lower middle class customers who are not very comfortable in visiting large format showrooms at high street locations
 - ✓ We believe such customers have a limited budget and preference for gold jewellery
 - ✓ Ideal location for such stores is busy local markets which mostly have unorganized players
 - ✓ However, the interiors are in line with the PCJ brand
- ✓ Idea is to leverage PCJ brand and gain market share from unorganized market segment
 - ✓ Focus on gold jewellery and small ticket diamond jewellery
 - ✓ Average store size expected to have an area of ~ 1,000 – 2,000 sq. ft.
 - ✓ Target cities where PCJ has a strong brand recall and a presence on high street
- ✓ We have already opened 7 stores under this format till date
 - ✓ Response to this format has been very encouraging and Company would continue to roll out at regular intervals
 - ✓ We are extending this model to newer towns as well



Franchisee Showrooms

- ✓ Targets smaller Indian cities (Tier 2 and 3)
 - ✓ Majority of smaller Indian cities still lack branded jewellery outlets
 - ✓ However, the consumers of these locations also are brand conscious and want assurance of purity, quality as well as variety and range
- ✓ In light of this, we have developed franchisee model with a win-win proposition for PCJ and Franchisee
 - ✓ Leverage on PCJ brand and utilize the infrastructure and resources of local jewellers/ investors
 - ✓ Smaller Cities, mainly Tier II - III cities do not require significant inventory levels (relative to Metros and Tier 1 cities) and hence we expect that franchisees should be able to meet the capital requirements
 - ✓ Depending on Franchisees investment appetite we can consider franchise even for a Tier 1 city
 - ✓ Robust compliance, monitoring and control systems put in place to ensure meeting brand standards
 - ✓ Strict Franchise Selection process – Parameters include financial strength, market goodwill, previous track record, other business interests
- ✓ We have opened 4 franchise showrooms at Gwalior, Agra, Gorakhpur and Allahabad. We are working to scale this model at a rapid pace now
 - ✓ We expect Franchise business to be a significant RoE booster for us



Online Platform

- ✓ Globally, the online market has been steadily increasing
 - ✓ In US, overall market size is ~ 62bn USD of which 12% is sold online
 - ✓ In China, overall market size is ~ 96bn USD of which 3-4% is sold online. It has grown from 0.4% five years back
 - ✓ Out of 50 bn USD Indian jewellery market size, only 0.2% is currently sold online
- ✓ Online jewellery segment is ripe for disruption and is expected to reach 2-3% of jewellery market in next 4 years creating a \$2-3 bn market
- ✓ Considering the potential we launched our ecommerce vertical WearYourShine.com as a curated jewellery marketplace
- ✓ There are 30 brands currently live on the platform including big brands and we are in talks with some other large players. We have the largest number of products available online
- ✓ WearYourShine.com has built strength across merchandizing, customer acquisition, marketing and technology
- ✓ WearYourShine.com is a great complement to our physical showrooms as well and this aligns with our strategy of targeting future wedding jewellery customers at an early age
 - ✓ Target the growing Work Wear / Daily Wear jewellery segment which was not being targeted earlier
 - ✓ Help us catch the target segment young - A regular visitor/ buyer at www.WearYourShine.com is more likely to visit/ prefer nearby PCJ Showrooms when she/ he has to evaluate a high-ticket wedding jewellery purchase
 - ✓ Better CRM systems - Enhanced data collections and analysis of customers' preferences and behaviour to develop effective marketing and communication and targeting strategies for both online and offline stores



Adapting Technology

Digitizing inventory across
showrooms



- Reducing Capital Blockage and increasing consumer choice
- Inventory at all showrooms visible to customer at every showroom

Online kiosks across all the existing
showrooms



- Online Offline integration
- Catering to customers beyond wedding jewellery

Virtual reality technology



- Expansion without investment



Going Global

Exports

- ✓ Promoters have over 3 decades of experience in Exports
 - ✓ Focus on handmade designer gold jewellery
 - ✓ Target: Indian diaspora and local population outside India
 - ✓ Provides economies of scale to Company
 - ✓ Provides access to international designs and trends which can be leveraged for domestic market also
- ✓ Attractive, Cash Flow positive business model
 - ✓ Gold is procured on lease from international banks
 - ✓ Minimal working capital, high RoCE business but lower margins
- ✓ Exploring newer markets for exports of high margin jewellery (both diamond studded and gold)
- ✓ Participation in Overseas Exhibitions for - Azva, Flexia, and other designer items

Further exploring potential of...

Branded
Jewelry

International
Stores

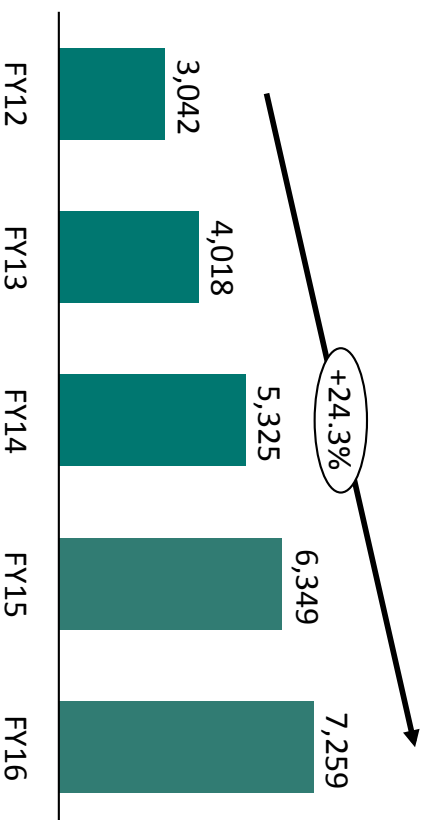


Financial Overview

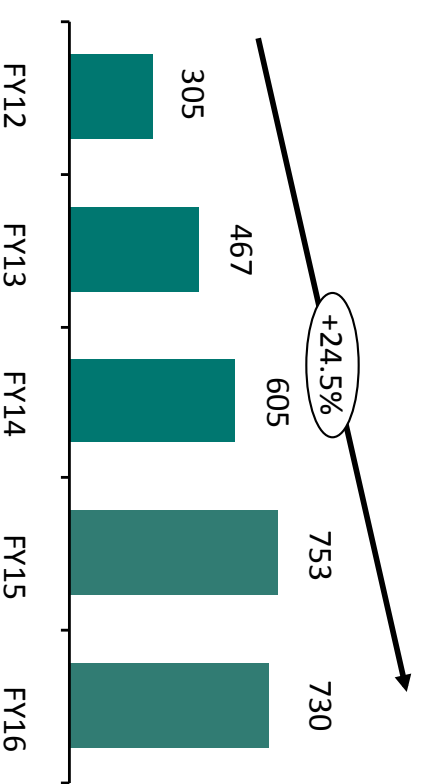


Performance since IPO (Dec 2012)

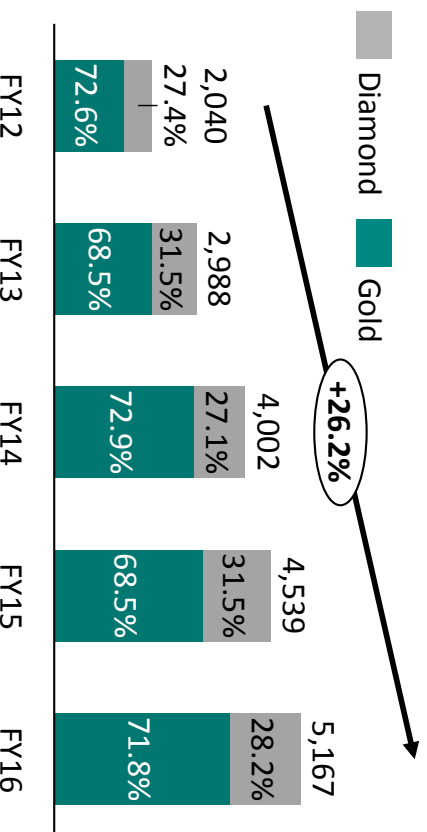
Revenues (Rs. Crores)



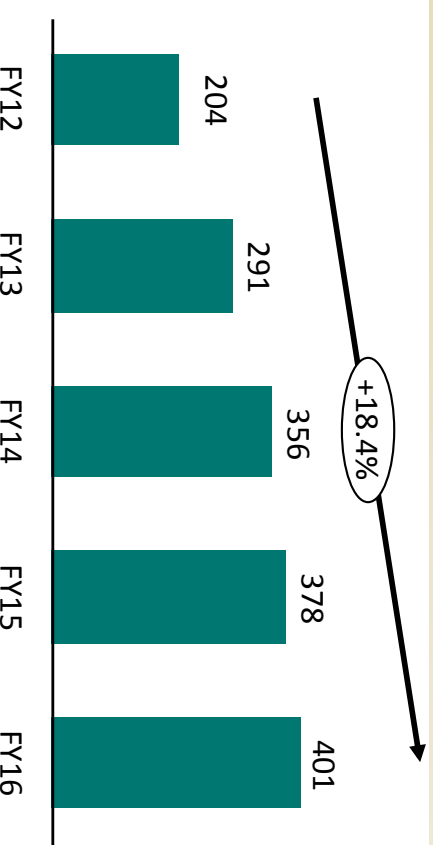
EBITDA (Rs. Crores)



Focus on Diamond Jewellery (Rs. Crores) *



Robust Profitability (Rs. Crores)

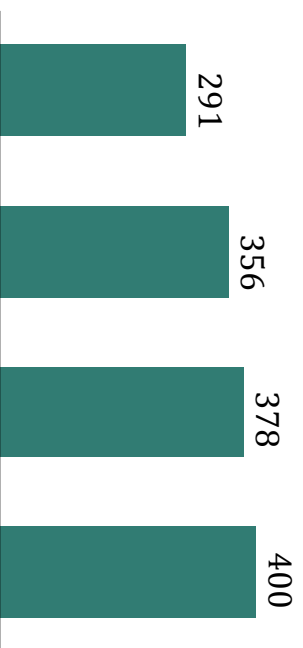


* Domestic net operating revenues

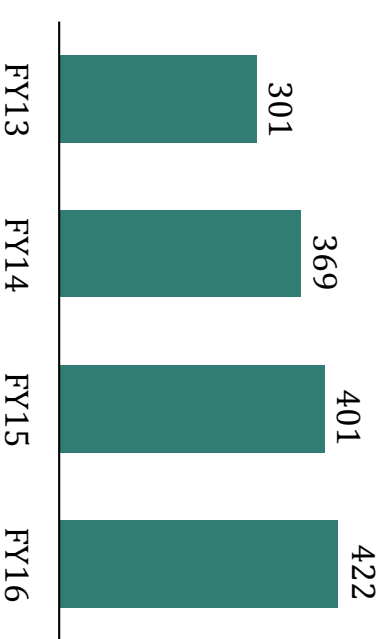
Leverage Strategy

We make PROFITS, We pay DIVIDENDS, and We maintain extremely LOW LEVERAGE

PAT (Rs Crores)



Strong CASH PAT generation
(Rs. Crores)



Dividend Payout (incl. DDT)
(Rs Crores)



Debt to Equity Ratio



Financial Performance YTD FY17 Highlights

Particulars (Rs. Crores)	Q3 FY 2017	Q3 FY 2016*	9M FY 2017	9M FY 2016*
Revenue from Operations	2,105	2,180	5,944	5,361
Domestic Retail	1,258	1,586	3,730	3,829
Exports	847	594	2,214	1,532
Gross Margins (%)	11.13%	14.36%	12.83%	14.44%
Domestic Retail	15.41%	15.54%	16.50%	16.64%
Exports	4.78%	11.22%	6.65%	8.94%
Exports (net of Forex Gain/Losses)	5.76%	6.43%	6.10%	6.44%
Expenses (% of total Revenue)				
Employee Expenses	1.00%	0.91%	1.00%	1.01%
Advertisements	0.74%	1.01%	0.43%	0.69%
Rentals	0.60%	0.51%	0.63%	0.62%
Other Costs	0.40%	0.71%	0.63%	0.77%
EBITDA Margins	8.39%	11.22%	10.14%	11.35%
PBT Margins	5.46%	8.34%	6.98%	8.05%
PAT Margins	5.08%	6.76%	5.39%	5.98%

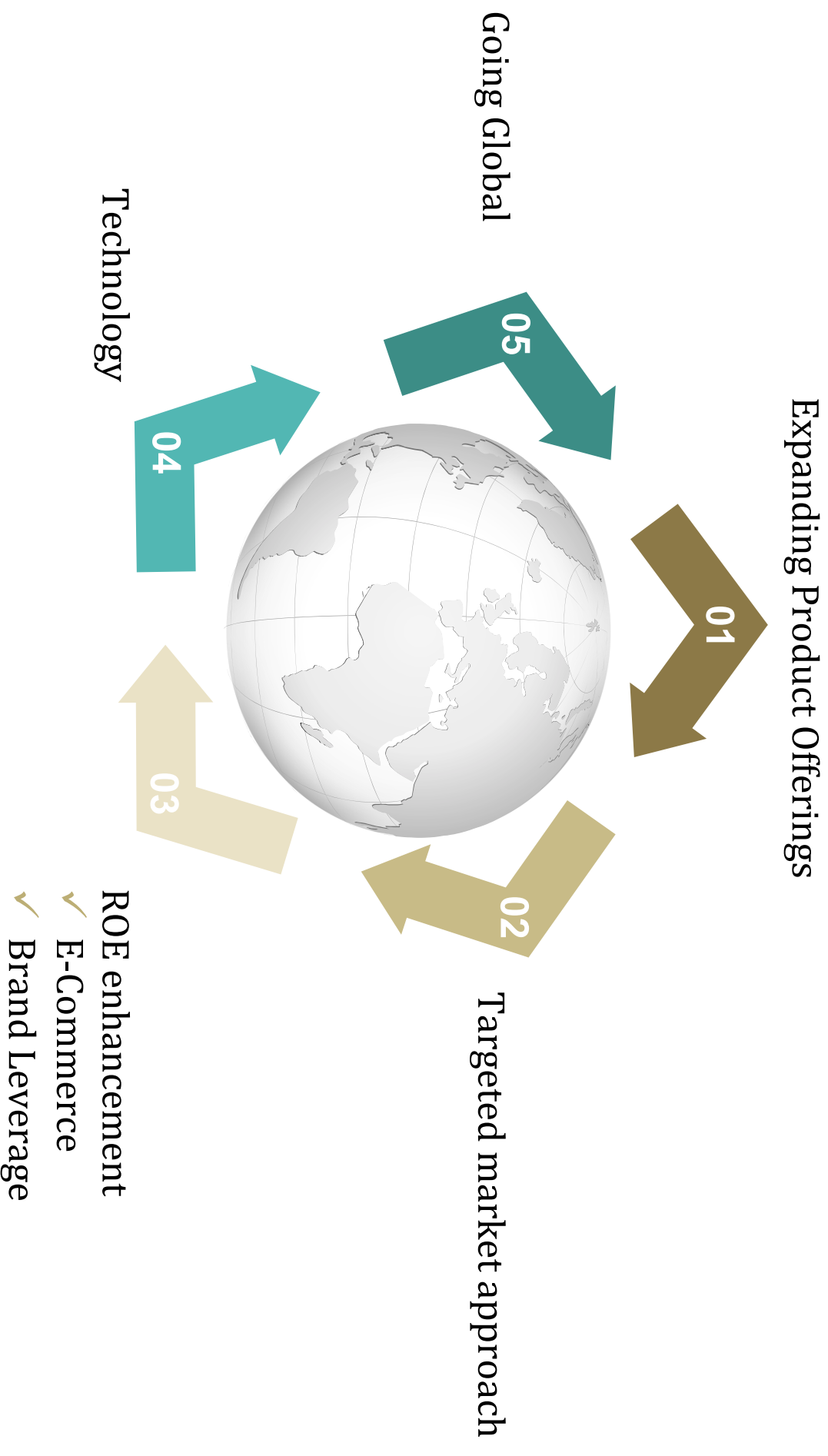
*The FY 2016 figures have been restated to conform to IND AS norms



Way Forward



Our Curated focus areas



What we are focussed on for Future

- ✓ Extensive focus on growth and capture of more market share by speeding up the store opening process
- ✓ Focus on Topline without diluting Bottom line
 - ✓ Moving up the value chain by introducing “different” type of jewellery like Flexia, Azva etc.
 - ✓ Emphasis on diamond jewellery
- ✓ Growth with increasing ROE
- ✓ Leveraging Brand Equity to open more franchisee stores, where the capital is brought in by the Franchisee.
- ✓ Growth by Franchise Route will permit the Management to concentrate its bandwidth and resources on increasing on long term strategic initiatives like enhancing Brand Value, Designing, R & D, technology, productivity etc.
- ✓ E-commerce Vertical will help the company to expand its reach across geographies and consumers without any investment in physical assets like inventory, retail stores etc.
- ✓ The strategy of opening stores in small markets of big cities permits us to target the huge consumer base at the “bottom of the pyramid” with minimum capital



What we are focussed on for Future

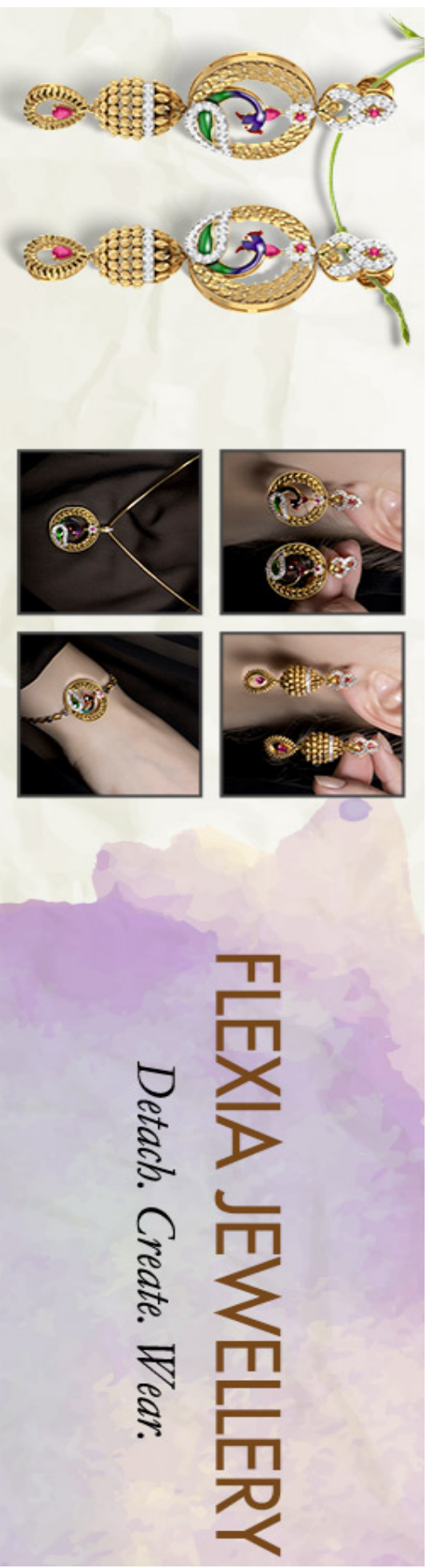
- ✓ Focus on promoting Hallmarked Gold jewellery to enable conversion of customers from unorganised to organised
- ✓ Extensive focus on CRM (data capture, data analysis and usage) across all showrooms for marketing/ offering/ branding of our products
- ✓ Focus on Digital marketing by active presence on all social media, Digital Branding and Youth Marketing Initiatives
 - ✓ As on date we have highest no. of followers on facebook (1.3 mn) amongst the jewellery players
- ✓ Increase of manufacturing capacity to enhance in-house production
 - ✓ Helps in control of manufacturing costs
 - ✓ Shortening product development cycle and meeting deadlines
 - ✓ Ability to launch increasing variety of collections
- ✓ Role of Technology
 - ✓ In improving manufacturing productivity
 - ✓ Creating a new shopping experience by setting up Virtual Reality Zones at our showrooms



PCJ Collections



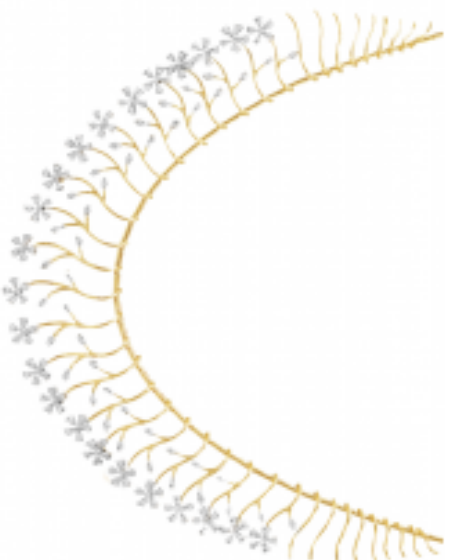
Successfully running Collections



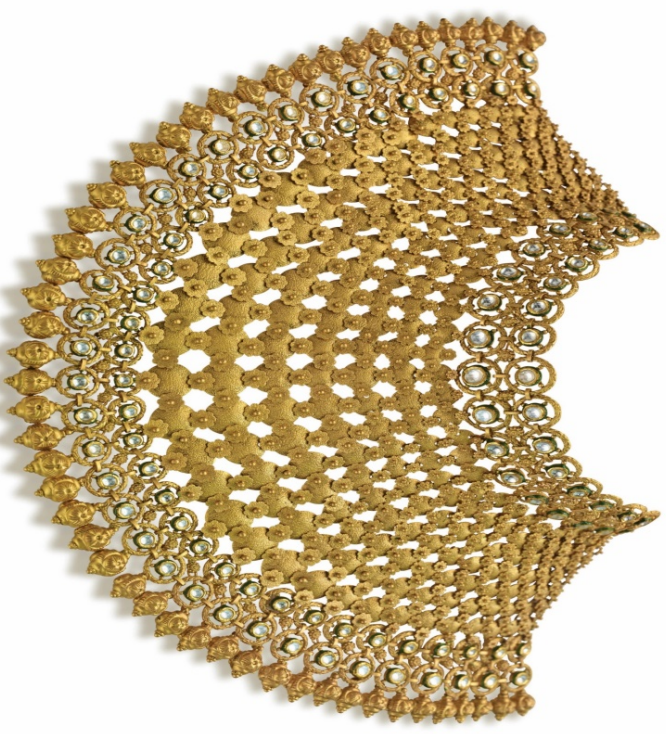
Successfully running Collections



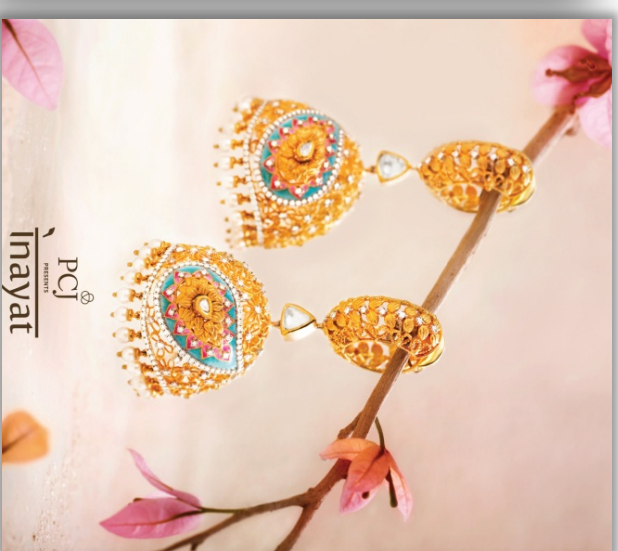
ABHIGYAN
SHAKUNTALAM
A jewellery collection inspired by Indian flowers



Successfully running Collections



New Collections Launched in Q3 FY17



Expanding Product Offerings

New Collections Launched in Q3 FY17

DARSH



ZAHRA



OM HRIDYA



JEIYA



TWIRLZ



THANK YOU



For further information, please contact:

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