

Date: 4th August, 2017

To,
The Manager
Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir / Madam,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**
Sub: **Investors / Analysts' Presentation {Disclosure of Material Event/
Information under Regulation 30 of SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015}**

Further to our letter dated 31st July, 2017 on the Conference Call, and pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Earnings Presentation that we propose to make during the Conference Call for analyst and investors scheduled to be held on Friday, 4th August, 2017 at 4.00 p.m. (IST) is enclosed and the said Earnings Presentation has also been uploaded on the Company's Website at www.tbztheoriginal.com.

We request you to kindly take the same on record.

Thanking You.

Yours faithfully,
For Tribhovandas Bhimji Zaveri Limited

Niraj Oza
Head - Legal & Company Secretary



Encl: as above

tbz[®]
The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI LTD.

CIN No : L27205MH2007PLC172598

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11th Floor, West Wing, Tulsiani Chambers, Free Press Journal Road, Nariman Point, Mumbai - 400 021. Tel.: 022 30735000 Fax : 022 30735088
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INVESTOR PRESENTATION

**Q1 FY18
RESULTS UPDATE**
August 2017

tbz[®]

The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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DISCUSSION SUMMARY

- ❖ **Q1 FY18 Results Update**
- ❖ **About Us**
- ❖ **Operational Summary**
- ❖ **Annexure**

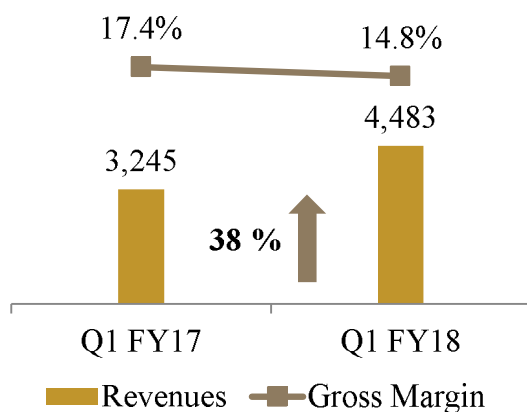
KEY HIGHLIGHTS

- ✓ Q1 FY18 Revenues grew by 38% YoY to ₹ 4,483 Mn
- ✓ Q1 FY18 EBITDA grew by 11% YoY to ₹ 197 Mn
- ✓ Q1 FY18 Finance Cost declined by 28% YoY from ₹ 141 Mn to ₹ 102 Mn
- ✓ Q1 FY18 PBT grew by 294% YoY to ₹ 88 Mn
- ✓ Q1 FY18 PAT grew by 160% YoY to ₹ 58 Mn
- ✓ Opened 4th franchise store in Jamnagar, Gujarat, on 23rd April 2017

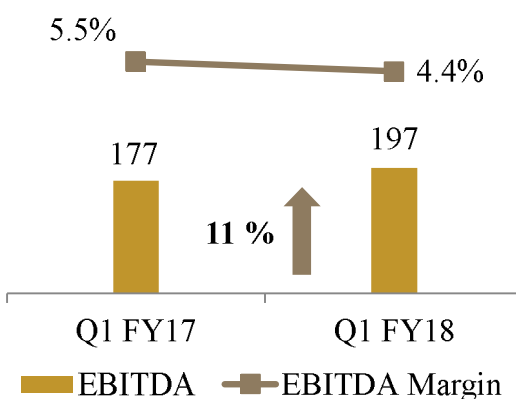
Q1 FY18 RESULTS UPDATE

In Rs Mn

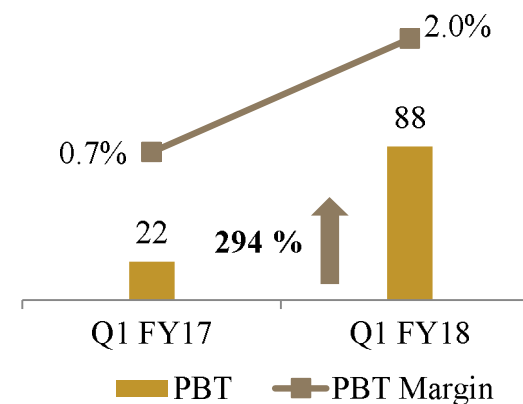
REVENUES & GROSS MARGIN



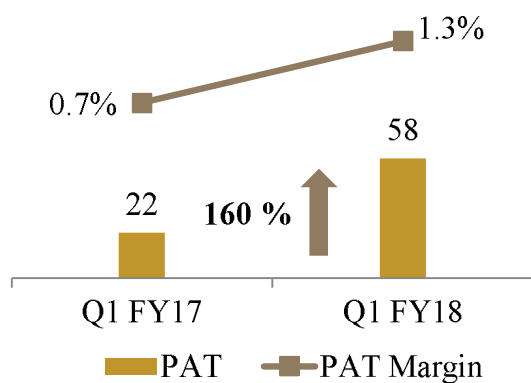
EBITDA & EBITDA MARGIN



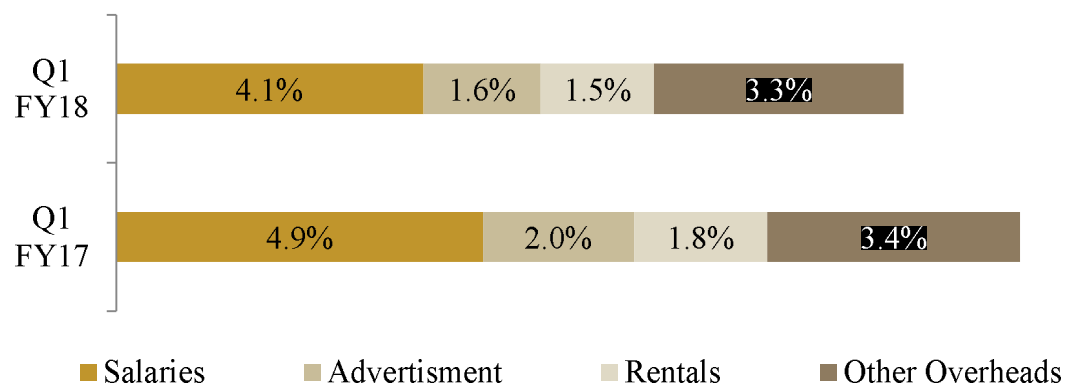
PBT & PBT MARGIN



PAT & PAT MARGIN



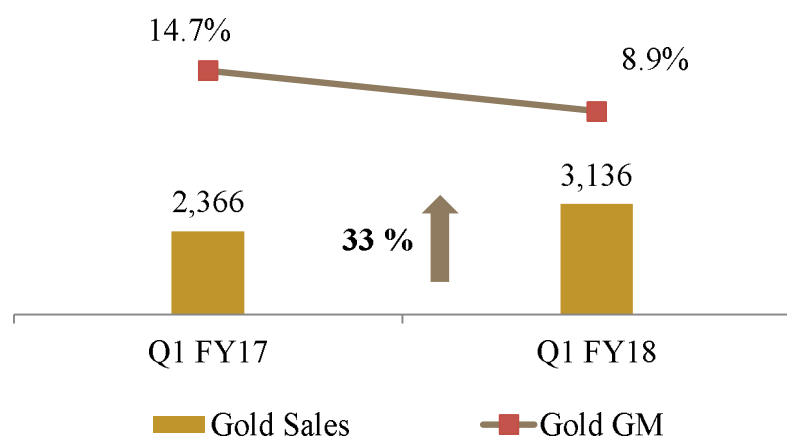
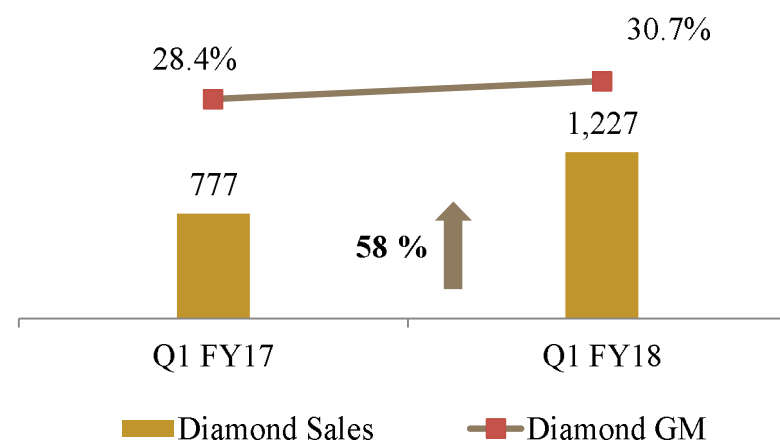
OPERATING COSTS (%)



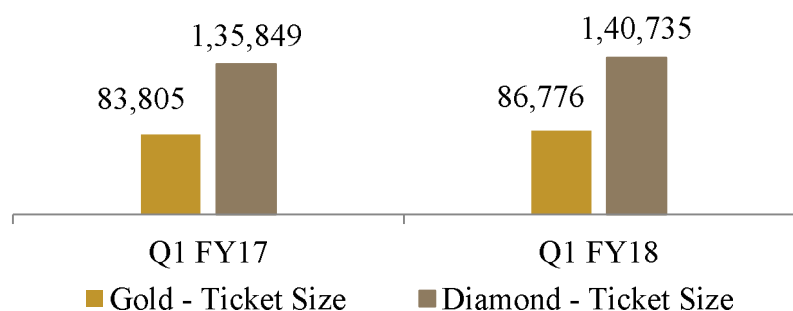
Q1 FY18 RESULTS UPDATE

In Rs Mn

REVENUE ANALYSIS



AVERAGE TICKET PRICE

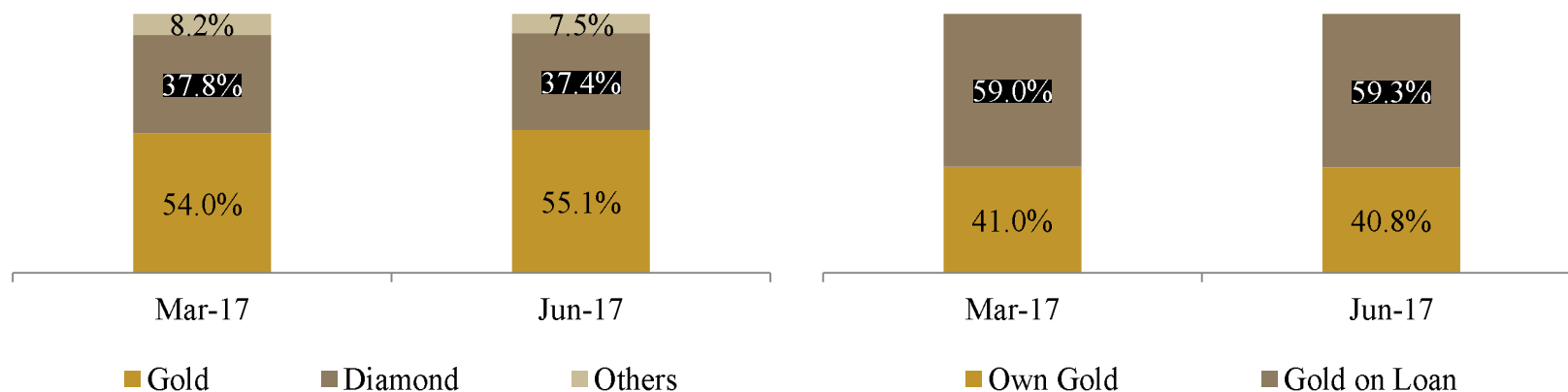


Q1 FY18	Gold	Diamond
% of Sales – Q1 FY18	70.0%	27.4%
% of Sales – Q1 FY17	72.6%	23.8%
SS Sales Growth %	24.4%	43.3%
SS Total Sales Growth %	28.7%	

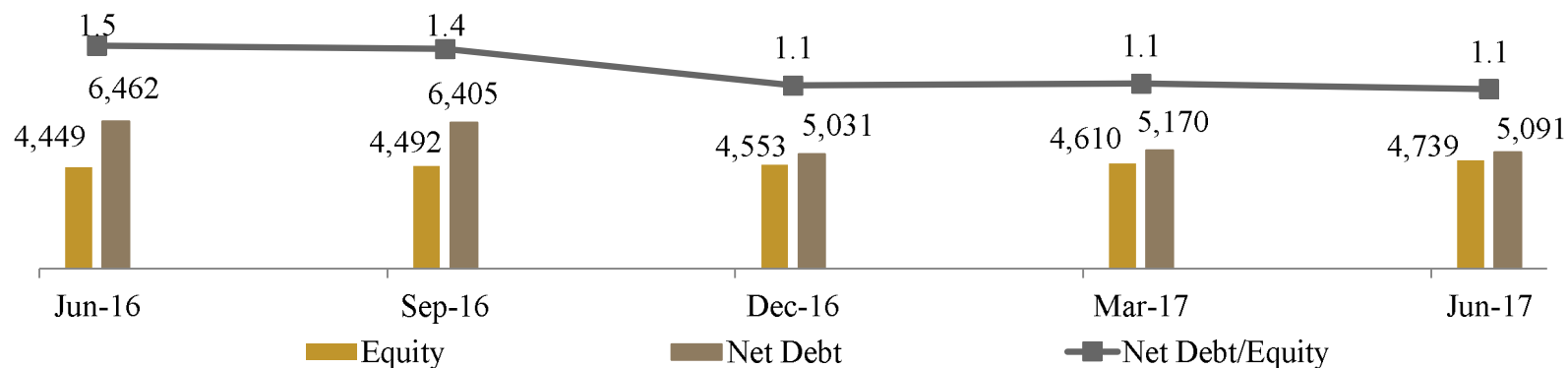
SS: Same store sales value growth

BALANCE SHEET UPDATE

INVENTORY BREAKUP (%)



LEVERAGE (RS MN) *



Note: * Figures for March 2017 and prior periods are based on I-GAAP

KEY RESULT TAKEAWAYS

REVENUES:

- ❖ Q1 FY18 revenues increased by 38% YoY driven by –
 - ❖ Strong jewellery demand backed by the extended wedding season.
 - ❖ Good customer response to new jewellery collections.
 - ❖ Increase in diamond jewellery sales

BALANCE SHEET:

- ❖ Inventory was stable at ₹ 10,293 Mn as on Jun-17 compared to ₹ 10,272 Mn as on Mar-17.
- ❖ The share of 'Gold on loan' in gold inventory was stable at 59.3% as on Jun-17 compared to Mar-17, however it significantly improved from 43.0% as on Jun-16.
- ❖ Total Debt was ₹ 5,511 Mn as on Jun-17. Net Debt / Equity was 1.1x.
- ❖ Finance Cost declined by 28% YoY to ₹ 102 Mn in Q1 FY18. The average cost of debt was 7.5% during Q1 FY18 compared to 8.0% in Q1 FY17.
- ❖ Advances under Kalpavruksha Scheme were ₹ 585 mn as on Jun-17 (₹ 526 mn as on Mar-17).

MARGINS:

- ❖ Q1 FY18 gross margin declined to 14.8% compared to 17.4% in Q1 FY17. This was primarily on account of tactical offers given to customers to drive the sales.
- ❖ Operating overheads as percentage of sales declined from 12.1% in Q1 FY17 to 10.5% in Q1 FY18.
- ❖ Q1 FY18 EBITDA increased by 11% to ₹ 197 Mn compared to ₹ 177 Mn in Q1 FY17.

RETAIL SPACE ADDITION:

- ❖ We opened our 4th franchise store in Jamnagar, the fifth largest city of Gujarat, on 23rd April 2017. The store has retail selling area of ~2,160 sq. ft.
- ❖ We re-launched our store in Vijaywada, Andhra Pradesh on 25th April 2017. The retail selling area was increased from ~2,342 sq. ft. to ~6,200 sq. ft. showcasing a large range of Diamond and Gold collections.

RESULTS UPDATE – JUNE 2017 (IND AS)

PARTICULARS (IN MN) – IND AS (QUARTERLY UNAUDITED)	Q1 FY18 (₹)	Q1 FY17 (₹)	YoY %
Revenue From Operations	4,483	3,245	38.1%
COGS	3,818	2,679	42.5%
Gross Profit	665	566	17.6%
Gross Margin (%)	14.8%	17.4%	-259 bps
Excise Duty on Sale of Goods	43	9	365.5%
Personnel Expenses	183	158	15.8%
Other Expenses	243	222	9.5%
EBITDA	197	177	11.3%
EBITDA Margin (%)	4.4%	5.5%	-106 bps
Depreciation	21	22	-6.7%
Other Income	14	8	66.6%
Interest Expenses	102	141	-27.6%
Profit Before Tax	88	22	293.6%
PBT Margin (%)	2.0%	0.7%	128 bps
Tax	30	0	-
PAT	58.3	22.5	159.7%
PAT Margin (%)	1.3%	0.7%	61 bps

The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013.

RESULTS UPDATE – JUNE 2017 (IND AS)

PARTICULARS (IN MN) (QUARTERLY UNAUDITED)	JUNE-17 (₹)
Shareholders Funds	4,739
Loan Funds	5,511
Other Long Term Liabilities	57
Sources of Funds	10,307
Net Block	1,021
Other Long Term Assets	233
Inventory	10,293
Debtors	84
Cash and Bank Balance	420
Other Current Assets	107
Current Liabilities	1,851
Net Current Assets	9,053
Application of Funds	10,307

The financial results of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013.



DISCUSSION SUMMARY

- ❖ Q1 FY18 Results Update
- ❖ About Us
- ❖ Operational Summary
- ❖ Annexure

ABOUT US: WHY IS TBZ DIFFERENT ?

Pedigree

- ❖ 150+ years in jewellery business
- ❖ First jeweller to offer buyback guarantee in 1938
- ❖ Professional organisation spearheaded by 5th generation of the family

Strong Brand Value

- ❖ Healthy sales productivity
- ❖ High footfalls conversion - 80%
- ❖ High ticket size - Gold - ₹ 86 k, Diamond - ₹ 140 k

Scalability & Reach

- ❖ 33 stores (~1,08,948 sq. ft.)
- ❖ Presence - 26 cities, 11 states

Expansion Plan -

- ❖ ~150,000 sq. ft. (75% of expansion through franchisee route)

TBZ

**SUSTAINABLE COMPETITIVE
ADVANTAGE**

Specialty Wedding Jeweller

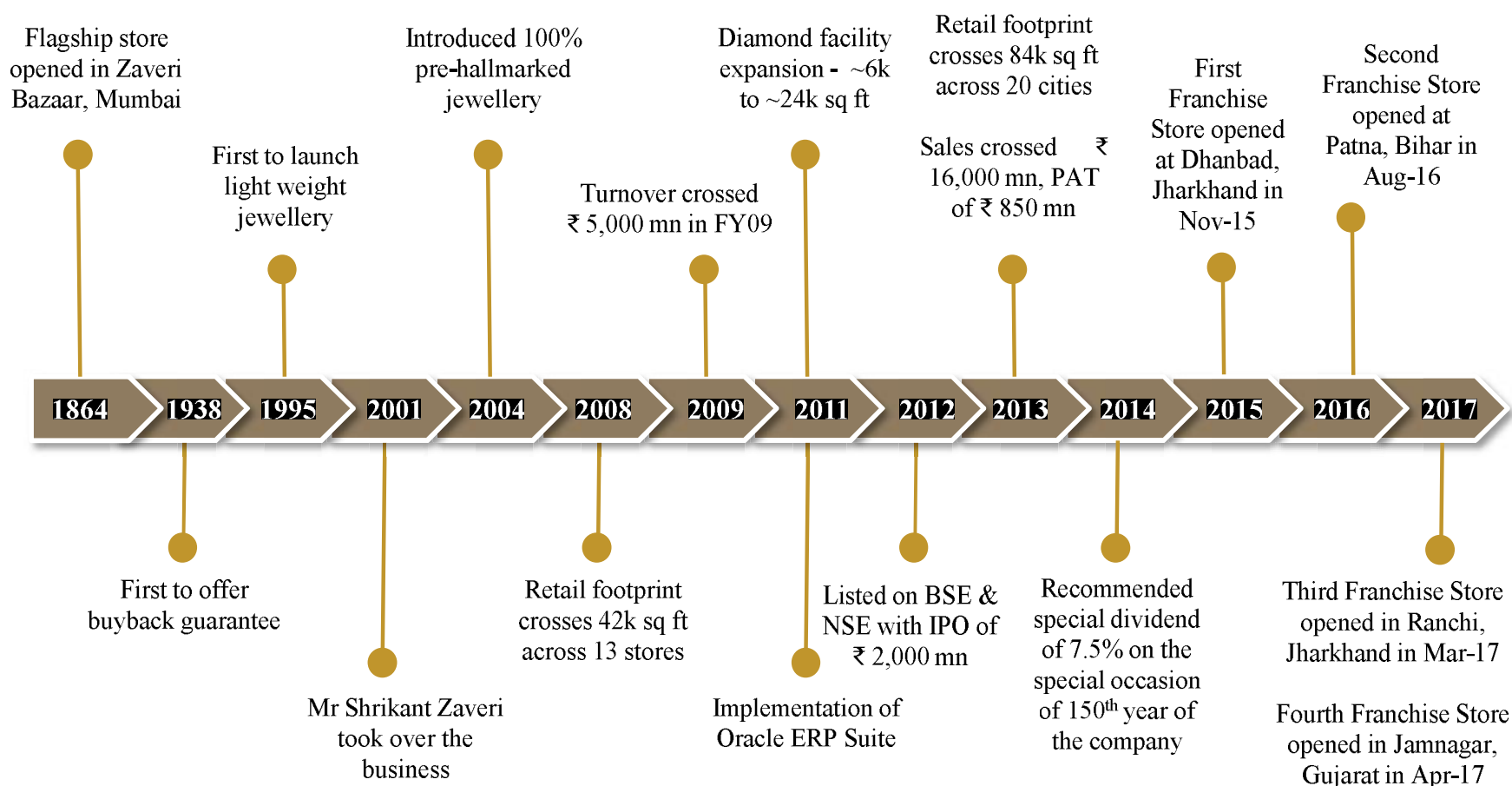
- ❖ ~ 65% of sales are wedding & wedding related purchases
- ❖ Compulsion buying
- ❖ Stable fixed budget purchases by customers

Design Exclusivity

- ❖ 43 designers (incl. 21 CAD)
- ❖ 8 - 10 new jewellery lines/year
- ❖ In-house diamond jewellery production
- ❖ Customer loyalty
- ❖ Premium pricing

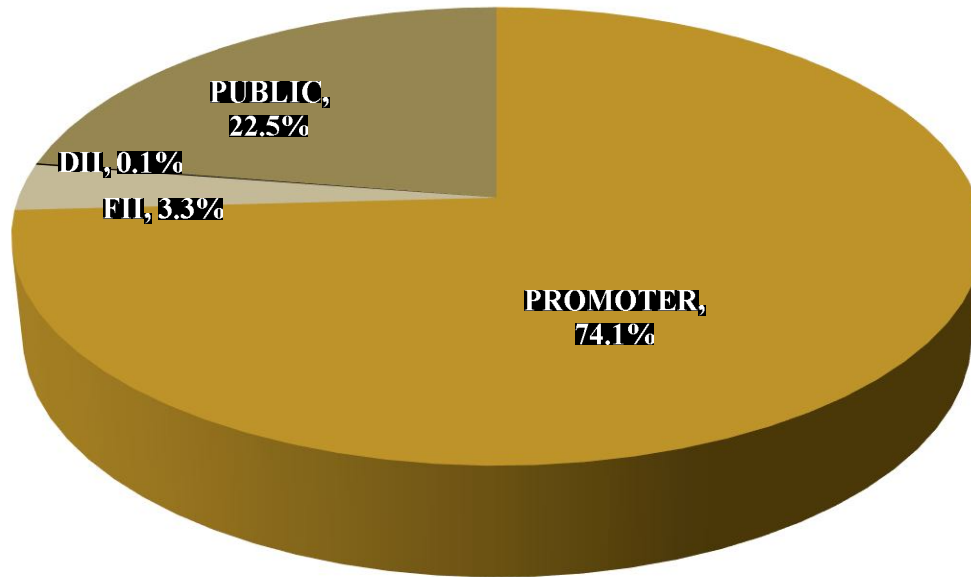
ABOUT US: KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST



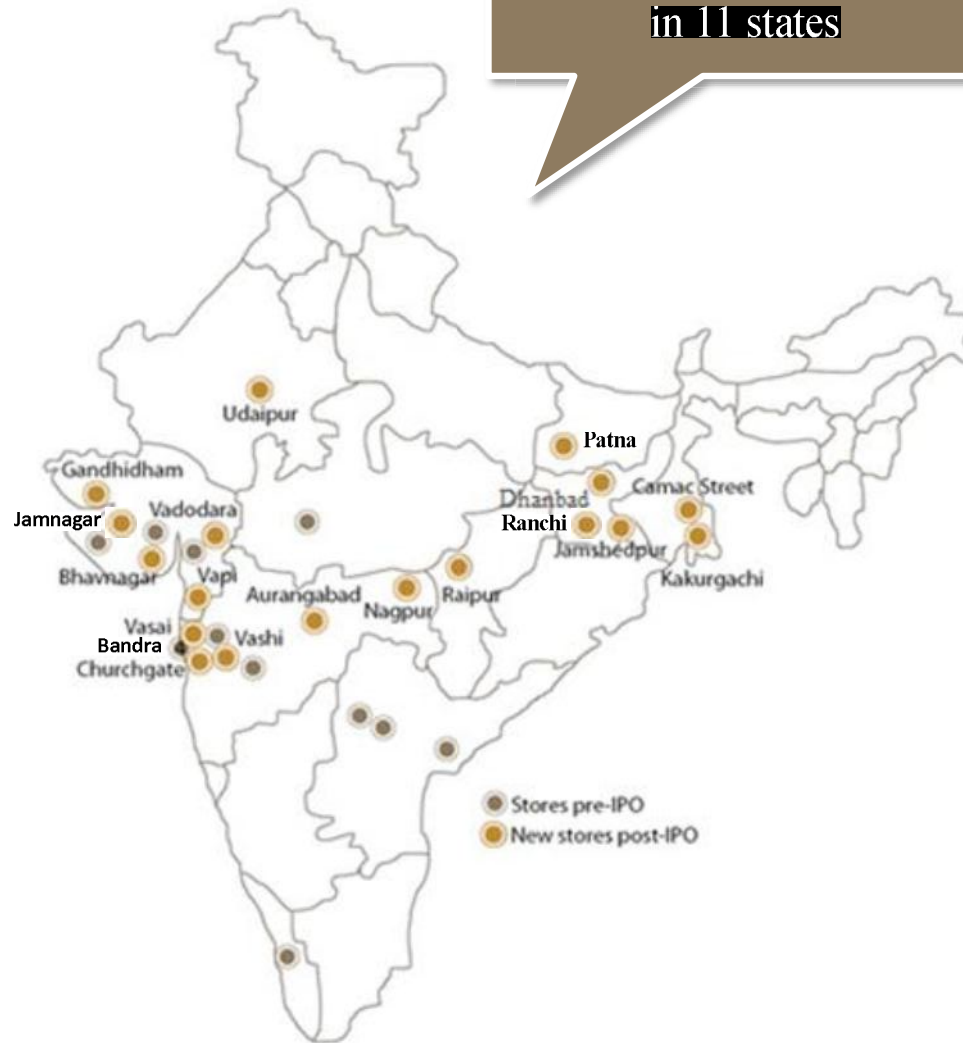
ABOUT US: SHAREHOLDING STRUCTURE

SHAREHOLDING PATTERN – JUNE 2017



ABOUT US: RETAIL PRESENCE

Present across 26 cities
in 11 states



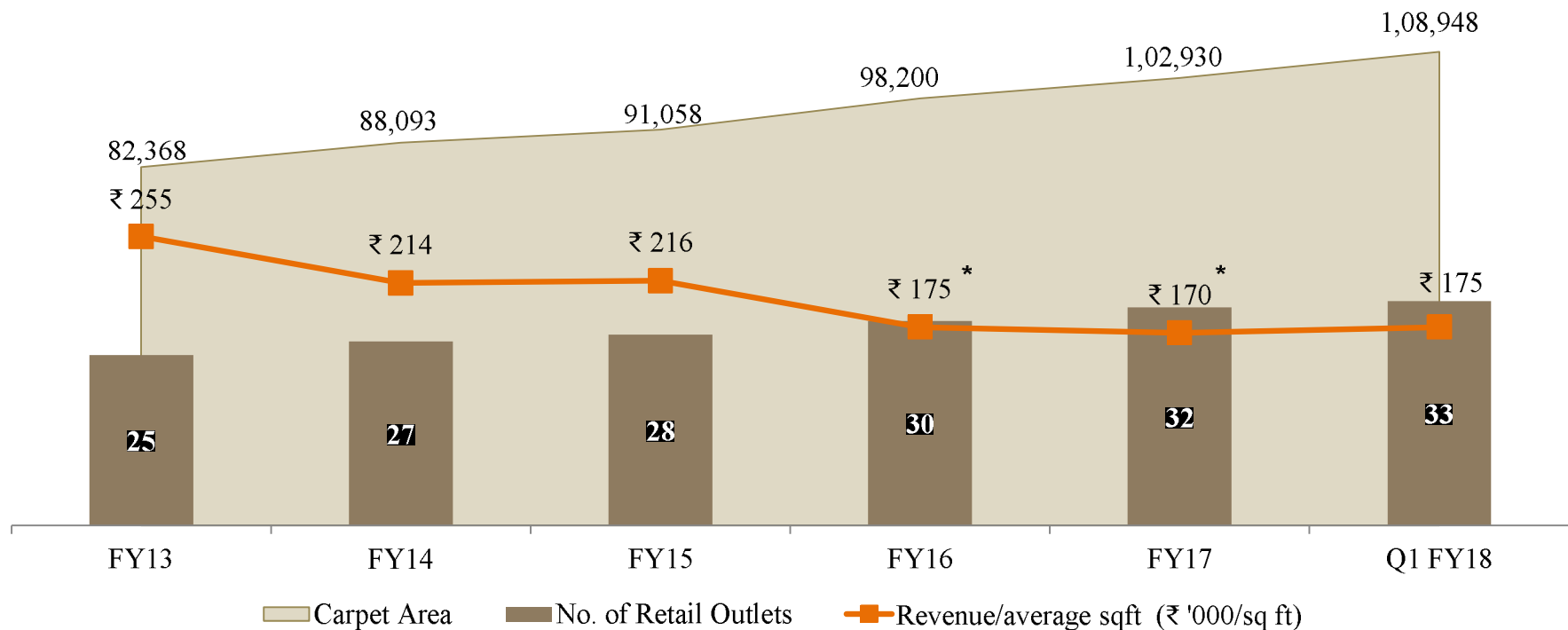
**PAN-INDIA PRESENCE WITH 33 STORES WITH A
RETAIL SPACE OF ~1,08,948
SQ. FT. SPREAD ACROSS
26 CITIES IN 11 STATES**

NUMBER OF STORES	TILL DATE
Large Format	28
Small Format	5
Total Stores	33
Total Area	~1,08,948



ABOUT US: RETAIL FOOTPRINT EXPANSION

SALES PRODUCTIVITY (REVENUE / YEAR / SQ FT)



Sales productivity is calculated on trailing 12 month basis

NOTE:

* During the month of March and April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry in protest against imposition of 1% excise duty. The business operations took some time to stabilize, however this impacted the overall revenues and profits for the company during FY16 & FY17.

Further, the withdrawal of high denomination banking notes impacted the jewellery sales in November 2016, though the situation gradually improved over Q4 FY17.

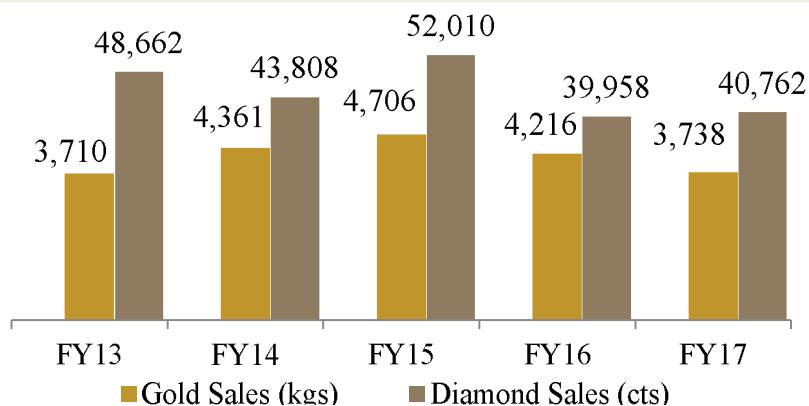


DISCUSSION SUMMARY

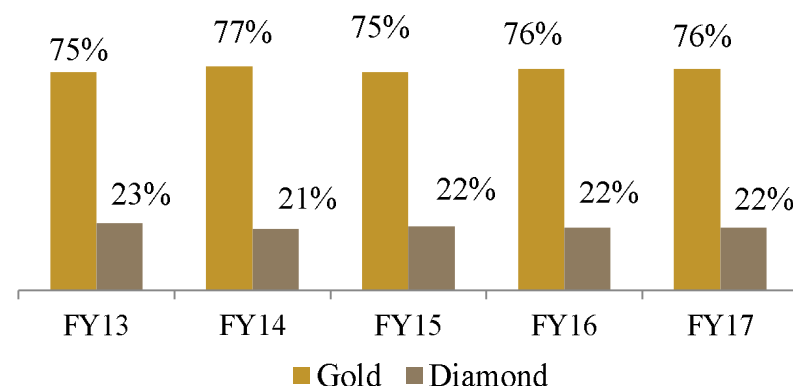
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- ❖ About Us
- ❖ **Operational Summary**
- ❖ Annexure

OPERATIONAL SUMMARY

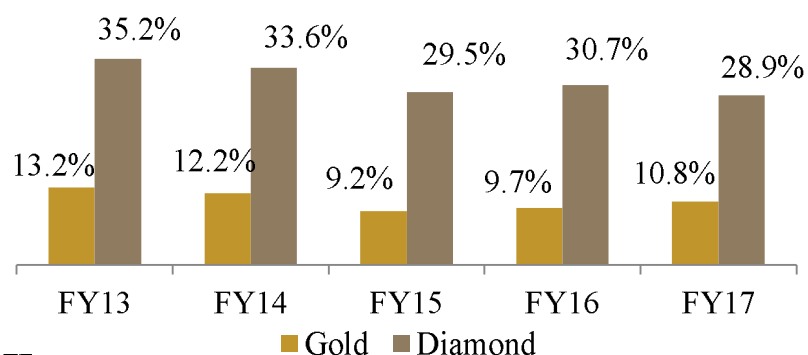
GOLD & DIAMOND VOLUMES *



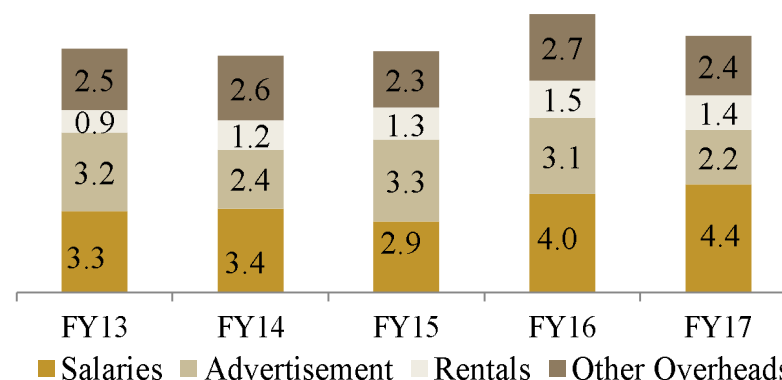
GOLD & DIAMOND SALES MIX (%)



GOLD & DIAMOND MARGINS (%)



OPERATIONAL EFFICIENCY (%)



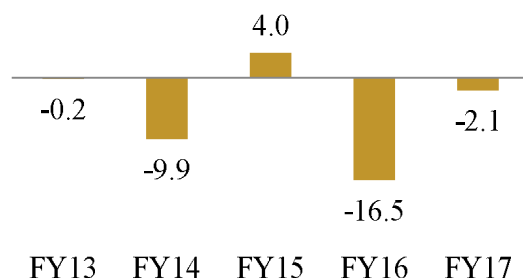
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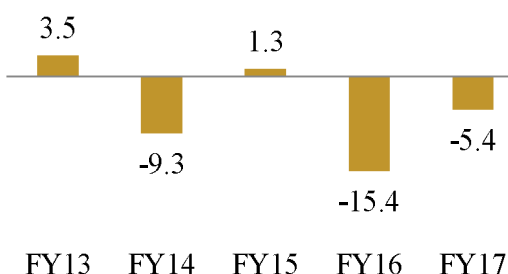
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OPERATIONAL SUMMARY

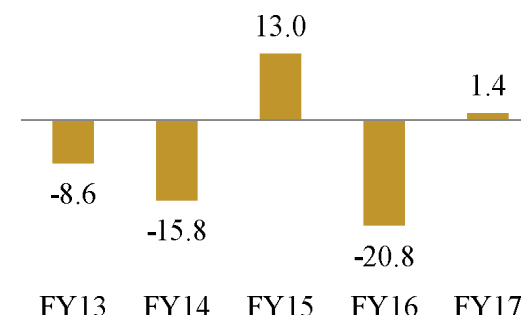
SSSG - TOTAL (%) *



SSSG - GOLD (%) *

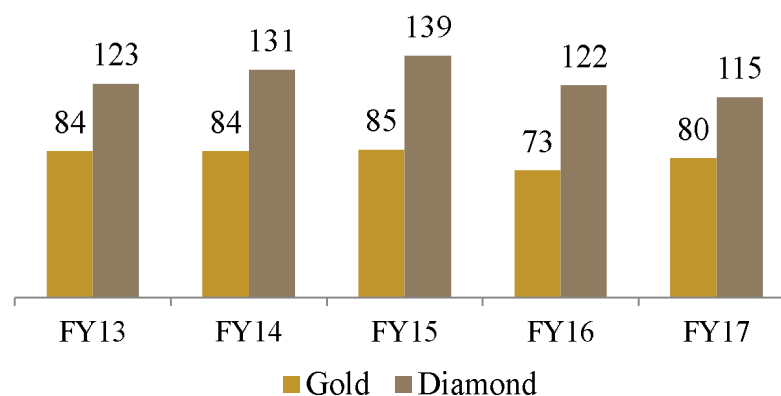


SSSG - DIAMOND (%) *



SSSG: Same store sales value growth

AVERAGE TICKET SIZE (RS '000)



NOTE:

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Further, the withdrawal of high denomination banking notes impacted the jewellery sales in November 2016, though the situation gradually improved over Q4 FY17.

THANKYOU



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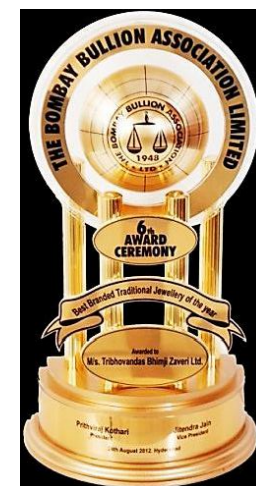


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ANNEXURE

AWARDS & RECOGNITION

- ❖ **“BEST RING DESIGN OVER Rs. 2,50,000”**
JJS-IJ Jewellers Choice Design Awards - 2016
- ❖ **“TV CAMPAIGN OF THE YEAR”**
12th Gemfields Retail Jeweller India Awards - 2016
- ❖ **“DIAMOND JEWELLERY OF THE YEAR”**
12th Gemfields Retail Jeweller India Awards - 2016
- ❖ **“BEST NECKLACE DESIGN AWARD– 2016 ”**
JJS-IJ Jewellers’ Choice Design Award - 2016
- ❖ **“ASIA’S MOST POPULAR BRANDS – 2014 ”**
World Consulting & Research Corporation (WCRC) - 2014
- ❖ **“BEST JEWELLERY COMPANY AWARD”**
Gems & Jewellery Trade Council of India Excellence Awards - 2014
- ❖ **“BEST DIAMOND JEWELLERY & BRACELET DESIGN”**
Indian Jeweller Jeweller’s Choice Design Award - 2014
- ❖ **“COLOURED GEMSTONE JEWELLERY OF THE YEAR”**
Annual Gemfields & Nazraana Retail Jeweller India Awards - 2014



BUSINESS MODEL: MANUFACTURING

PROCUREMENT

Gold

- ❖ Raw Material - Bullion

Sources:

- ❖ Exchange & purchase of old jewellery
- ❖ Bullion dealers
- ❖ Banks - imported gold
- ❖ Banks - domestic gold (gold deposits) on loan

MANUFACTURING

- ❖ Gold jewellery manufacturing is outsourced.
- ❖ Vast nation-wide network of 150 vendors
- ❖ Each vendor has an annual gold processing capacity of more than 100 kg.
- ❖ These vendors are associated with TBZ since generations and are experts in handmade regional jewellery designs.



BUSINESS MODEL: MANUFACTURING

PROCUREMENT

DIAMOND

- ❖ Raw Material - Cut & polished diamonds

Sources:

- ❖ DTC site holders

MANUFACTURING

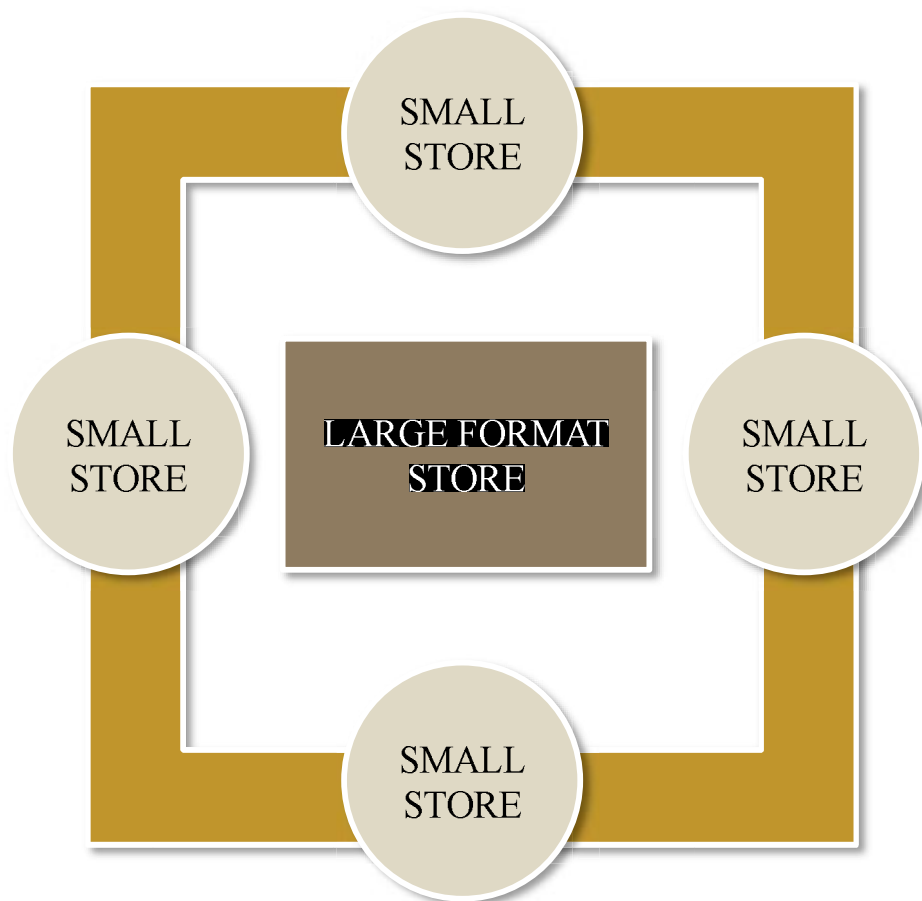
- ❖ In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- ❖ Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~200,000 cts (on dual shift basis).
- ❖ The facility also has capacity for 4,000 kg of gold refining and 4,500 kg of gold jewellery components manufacturing.



BUSINESS MODEL: RETAIL

EFFICIENT INVENTORY MANAGEMENT

HUB & SPOKE MODEL - ROI OPTIMISATION



SMALL STORES

- ❖ 1,000 - 2,000 sq ft
- ❖ Across the city
- ❖ Smaller range
- ❖ Lower price points (up to ₹ 500k)

LARGE STORES

- ❖ > 2,000 sq ft
- ❖ Standalone high street - heart of city
- ❖ Wider range
- ❖ Higher price points (up to ₹ 2,000k)

BUSINESS MODEL: SCALABILITY

- ❖ TBZ has an expansion plan to increase its retail space from ~1,08,948 sq. ft. at present to around 150,000 sq. ft. over near term.
- ❖ TBZ plans to carry out 75% of the expansion through the franchisee route and balance 25% through the addition of its own stores.
- ❖ All the prospective expansion locations have already been identified backed by 2 years of extensive market research.

	FY12		Till Date		target
Number of Stores	14	➔	33	➔	
Retail Sq ft	~48,000		~108,948		~150,000
Number of Cities	10		26		



GOLD METAL LOAN: EFFICIENT SOURCING CHANNEL

GOLD METAL LOAN ORIGINATION

- ❖ TBZ takes 10 kg gold from a bank on lease on day 0.
- ❖ The contract for gold lease is 180 days.
- ❖ TBZ provides a bank guarantee worth 110% of gold leased.
- ❖ Total Financing cost (interest on gold lease plus bank guarantee commission) to TBZ is ~3.5% p.a.

GOLD METAL LOAN REPAYMENT

- ❖ TBZ repays the gold daily based on actual sales of gold jewellery.
- ❖ The bank converts 1 kg of gold on lease as a sale to TBZ at a reference rate set by them as on day 1.
- ❖ TBZ books a purchase of 1 kg of gold.
- ❖ The balance 9 kg worth of gold continues to remain on lease.
- ❖ TBZ again replenishes the inventory by taking 1 kg of gold on lease from bank on day1.
- ❖ Since TBZ's gold jewellery inventory turns 2-3 times, it repays the gold lease before 180 days.

GOLD METAL LOAN ADVANTAGES

- ❖ **Interest Cost Savings:** Borrowing cost on gold lease is significantly lower compared to working capital borrowing cost.
- ❖ **No Commodity Risk:** Since gold is taken on lease, there is no gain if gold prices increase or loss if gold prices decrease.

GOLD METAL LOAN LIMITATIONS

- ❖ **Sharp increase in gold prices:** Gold lease is marked to market on a daily basis. So any increase in gold price will cause TBZ to top up its bank guarantee.
- ❖ **Bank Guarantee limitations:** Bank guarantee issued by the bank to TBZ is based on the drawing power enjoyed by TBZ.
- ❖ **Contract Period:** If TBZ is unable to sell the gold on lease within 180 days, then they will have to convert the balance unutilized gold to purchase.