Talwalkars Lifestyles Limited

Regd Office: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026.
CIN: U93090MH2016PLC280127; Tel.: 022-6612 6300; Fax: 022-6612 6363
email: investor@talwalkars.net website: www.talwalkarslifestyles.com

Date: 10th August, 2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block, BKC,
Bandra (East), Mumbai - 400051.

Dear Sir,

Re: **Talwalkars Lifestyles Limited; Scrip Symbol: TALWGYM; Scrip Code: 541545**
Sub: **Furnishing Updates on Unaudited Financial Results for the quarter ended 30th June, 2018**

We are enclosing herewith the updates on the Unaudited Financial Results for the quarter ended as on 30th June, 2018.

Kindly take the same on records and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
For **Talwalkars Lifestyles Limited**

Gayatri Valan Prasad
Company Secretary & Compliance Officer



Talwalkars
Spreading fitness since 1932

FOCUSED
STRONGER
& BETTER

QUARTERLY PRESENTATION 10th Aug 2018

TALWALKARS LIFESTYLES LIMITED*
The Gym Company

June 29, 2018

Talwalkars Lifestyles Limited shares listed and admitted to dealings on both the stock exchanges.

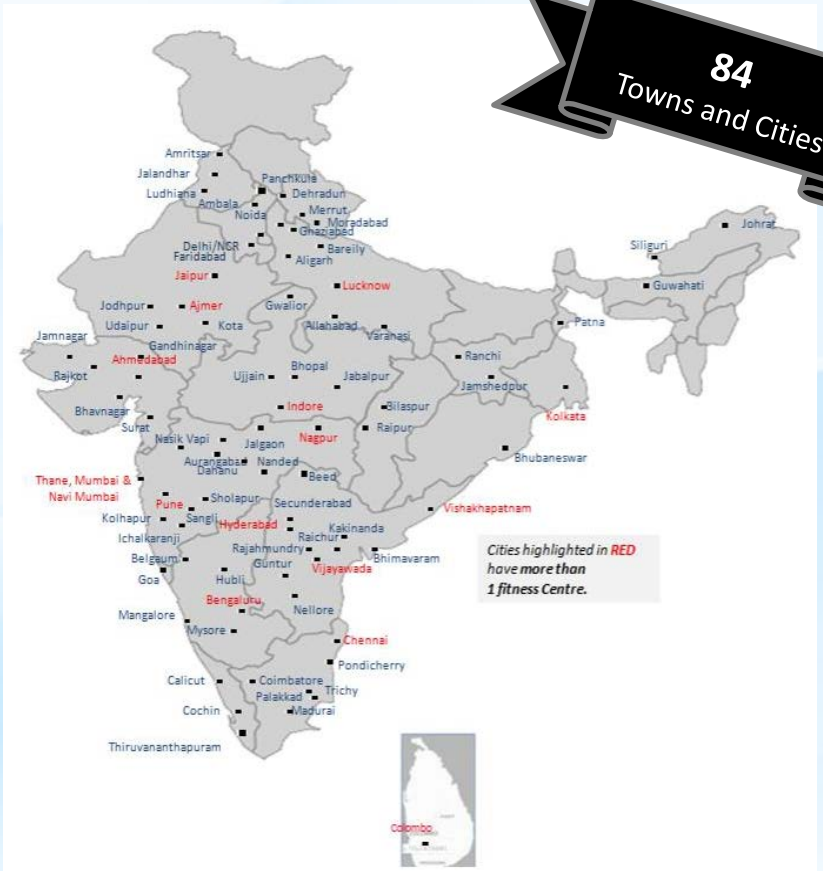




EXECUTIVE SUMMARY

Founded in 1932, it is today the largest fitness chain across India.

- Fitness centers in total are spread across 250+ branches across 84 cities in India & SriLanka with over 2,00,000+ members.
- Largest chain of fitness centres across India-Srilanka.
- The Company post its spin off got listed on BSE and NSE on 29th June 2018.
- It is the only listed proxy of India's fitness sector since the year 2010 and has recently got demerged to focus on core gym service offerings to its consumers.
- The company imparts world-class gymming experience backed by professional trainers in its different format of Fitness centres which are Talwalkars Premium Gyms, Talwalkars Gyms, HiFi centers, Power World Gyms and Snap Fitness through both owned and franchise models.



Above map is not to scale and not intended to mean the political map of India and Sri Lanka

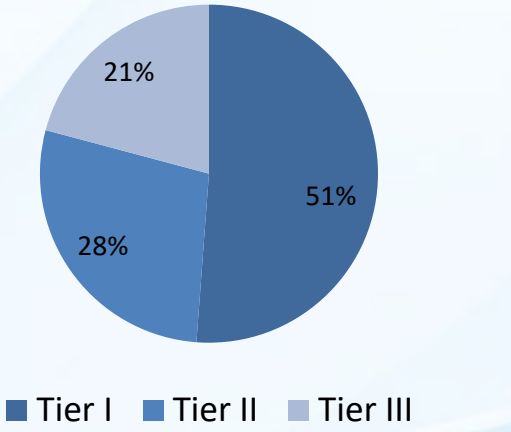
OUR FOOTPRINT

Fitness Centers as on 30th June, 2018

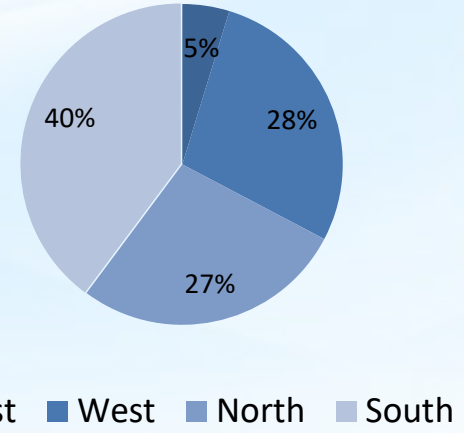
Format	No. of Fitness Centers
Owned	
Talwalkars	**103**
Power World Gym	**80***
Subsidiaries/ Associates	
Talwalkars	**9**
PWG Srilanka	**20**
Franchise	
Talwalkars	**14**
HiFi	**25**
Total	**251**

*20 gyms soft launched in India and 16 gyms in Sri Lanka

Demographic Distribution in India



Regional Distribution in India



KEY STRENGTHS

Healthy Revenue growth with high Margin profile and low gearing ratio.

The largest fitness chains in India and Sri Lanka.

Highly under penetrated market, leaving a huge scope for the company's growth.

Promoters with 6 decades of experience in Gym business.



Strong customer retention track record.

Established PAN India presence.

The only company with multiple gym models.

Focus on core Gymming.

Expansion through organic and Inorganic forms.

Our 3 Objectives for Enhancing **Value**

REVENUE GROWTH:

Online and Offline strategy to auger revenues; **Enhancing Same Store Sales Growth**; Increasing footfalls; Combining competition focus areas with Personal Training & Value Added Services

COST EFFICIENCIES:

Expenses calibrated; Interest Cost of the company tightly controlled ; Rent always less than 15% of Revenues; Controlled employee cost and electricity expense

CASH FLOW POSITIVE:

Improve Rating; Lowered Debt/Equity; Long & extensive depreciation policy; No Capex involved in Franchise; Capex to be within free Cashflows; **Enhancing RoCE**;

STEPPING STONE TOWARDS 3 OBJECTIVES : ADDING VALUE

The company's franchise route has enabled it to enhance viability and add value to the business. The company has strengthened its software systems and procedure to identify and grow in the franchise space.

1. 11 Hi Fi gyms in pipeline.
2. Company formed a team dedicated to scout locations under Snap Brand, based on market survey and expertise.

PWG striking a right cord with its low capex and opex model.

The 36 PWG gyms soft launched in the previous quarter saw scaling in the current quarter.

The Company intends to enhance RoCE with a mix of Talwalkars and PWG.



OUR GYM BUSINESS

QUARTERLY UPDATE & FINANCIALS

DEVELOPMENTS IN THE QUARTER

36 gyms soft launched in the previous quarter saw scaling.

2 Hi Fi gyms to be shortly opened

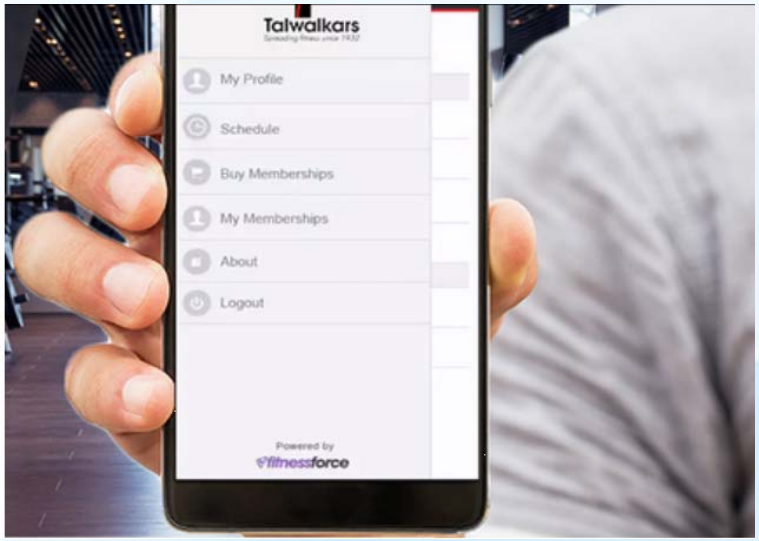
Reinforced the teams to introduce innovative and customised August Scheme

Associated with **Multiply –** An Aditya Birla Wellness initiative

The company is constantly tapping the online segment to increase its revenues.

Talwalkars – mobile App

View schedules, book classes, book Appointments at your fitness centre and even see which classes your friends are attending. Buy personal training sessions, renew your membership and view your account details and balance sessions conveniently from your own device.



Associated with Multiply – India's 1st Wellness and Rewards program that Rewards you from Day1



- First of its kind service offered by any fitness organisation
- Personal Accident cover of 10 lacs (Death & Permanent Total Disablement) and Critical Illness cover of 1 lacs covering 15 illnesses
- This initiative is implemented across major cities having prominent presence of Talwalkars

RESULT UPDATE

(INR In mn)			
	Quarter ended		
Particulars	30.06.2018 (Unaudited)	30.06.2017 (Unaudited)	▲
Revenues	543.33	484.63	12%
EBITDA	256.45	226.44	13%
PAT	88.93	69.76	27%

Talwalkars
Spreading fitness since 1932

Consolidated Income Statement

	Quarter ended		
Particulars (INR mn)	June-18	June-17	Q-o-Q%
Income from Operations	538.85	480.05	12%
Other Operating Income	4.48	4.58	
Total	**543.33**	**484.63**	**12%**
Expenditure			
Personal Cost	97.49	81.32	20%
Other Exp	189.40	176.87	
Total	286.89	258.19	10%
EBITDA	**256.45**	**226.44**	**13%**
Depreciation	80.89	84.79	-7%
EBIT	333.89	291.71	14%
Interest	47.00	33.52	40%
EBT before exceptional Items	128.55	108.13	19%
Exceptional Items	-	0.11	
PBT	**128.55**	**108.02**	**19%**
Tax	42.52	35.84	
PAT before Minority Interest	86.03	72.18	19%
Share of Associates	5.25	3.43	53%
Minority Interest	(2.35)	(5.85)	
PAT after Minority Interest	**88.93**	**69.76**	**27%**

Personal training has also enhanced revenues for the quarter.

EBITDA margins stood at 47.20%

Depreciation is lower as certain assets have reached end of their useful life.

PAT margins stood at 16.37%

EPS stood at Rs. 2.87

SEASONALITY IMPACT

Given the nature of our Business, there exists a strong seasonality and hence our numbers should be compared on a yearly basis, and not sequentially to derive the true picture

Qtr	Period	Revenue %	Characteristics
Q1	Apr - Jun	10-15%	School vacations, monsoons
Q2	Jul - Sep	35-40%	Talwalkars annual discount scheme
Q3	Oct - Dec	10-15%	Festivals: Diwali, Ganesh Chaturti, Pongal, Navratri, Dussera and Christmas
Q4	Jan - Mar	35-40%	New year resolutions sees an uptake in membership



- Effect of seasonality evident in quarterly financials

Maximising Personal Training

- Talwalkars brand is equated with a high quality experience and personalized attention at an affordable price.
- The Company has strengthened its operations by capturing rising share in the Indian fitness market and has backed that by offering high-margin personal training.
- The company now is working towards maximising personal training.

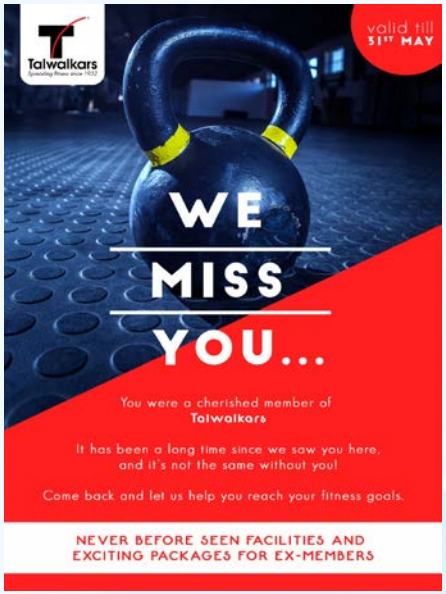


KEY MARKETING HIGHLIGHTS AND OFFERS FOR THE QUARTER









Talwalkars Lifestyles Ltd. Disclaimer:

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of the Company. ("Company" or "Talwalkars Lifestyles Ltd"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner

Grishma Shetty
AVP – Investor Relations
Tel: +912266126300 | +91 9820202399
Email: grishmas@talwalkars.net


Talwalkars
Spreading fitness since 1932
THANK YOU