

Talwalkars Healthclubs Limited

(Formerly known as Talwalkars Lifestyles Limited)

Regd Office: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026.

CIN: U93090MH2016PLC280127; Tel.: 022-2355 6000 Fax: 022-2355 6363

email: investor@talwalkars.net website: www.talwalkarshealthclubs.com

Date: 14th February, 2019

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 Healthclubs Limited; Scrip Symbol: TALWGYM; Scrip Code: 541545**

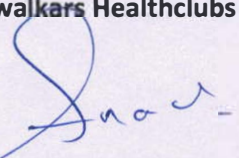
Sub: **Updates on Unaudited Financial Results for the quarter ended 31st December, 2018**

We are enclosing herewith the updates on the Unaudited Financial Results for the quarter ended as on 31st December, 2018.

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

Thanking You.

Yours faithfully,
For **Talwalkars Healthclubs Limited**




Anant Gawande
Director
DIN: 00324734

HUSTLE FOR THAT MUSCLE



Talwalkars Healthclubs Limited
Q3FY19 – 14th February, 2019

Name Change



The Company name has been successfully changed to

Talwalkars Healthclubs Limited

What this presentation contains



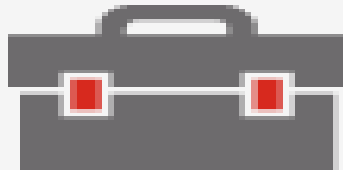
Formats



Key Developments



Result Update



Marketing Highlights



Going Forward

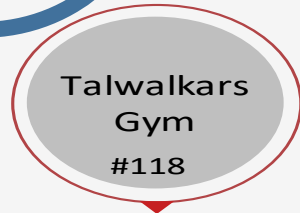


About Us

Diversified Business Model



252 gyms
across 84
cities



Basic membership
Personal training
Value-added services
Apt for Metros,
Tier I & Tier II



Large format gyms
Steam and
Massage
Highly
personalized
training
All value added
service
Apt for upscale
Metro locations
and Tier I cities.



Functional format
gyms
Franchise Model
Apt for Tier II, III
and IV cities,
catchment areas
of Metro cities



Gyms in Sri Lanka
and India
Low capex and
low opex
Mass target
audience
No-frills
Apt for Tier II
cities and
peripheral areas
in Metros.



Gyms in South
Asia
Master Franchise
Model
Apt for Tier I & II
cities
Six Asian
countries-
Bangladesh, Sri
Lanka, Malaysia,
Thailand,
Singapore and
Vietnam

Key Developments Q3FY19

- M/s. Deloitte Haskins & Sells LLP is appointed as its internal auditors to strengthen existing controls and procedures and mitigate risk across the value chain.
- M/s SGCO & Co. LLP is appointed as its statutory auditors.
- Scouted locations in and around fast growing cities like Pune, Navi Mumbai for opening of next set of gyms .
- 18-20 locations agreements have been signed under the PWG model .
- Owing to good response in PWG additional space were acquired for some of the gyms in Bangalore and Delhi
- Conceptualized centralized business center for Equipment trading
- Personal Training Programs saw encouraging response with more number of members opting for it.
- Strengthened its online reach through aggressive marketing on the online portals Grow Fitter and Fitternity.
- Two HiFi gyms to open in Jagatpura (Jaipur) and Gwalior (Madhya Pradesh) shortly .
- One Talwalkar Franchise will be opened Patna, Bihar
- Expansion of Snap Franchise across South East Asia to be finalized soon.



Increasing Digital Presence

Talwalkars has tapped the market through online portals Growfitter and Fitternity and Online Apps

- Growfitter is your one stop shop for all fitness services across your city.
- India's largest health & fitness discovery portal to list 10000+ fitness centre Pan India across 14 cities.

<https://www.growfitter.com>

- **Talwalkars acquired 19% stake in this Company.**

- Fitternity is India's largest fitness discovery and booking platform.
- With Fitternity, you can discover & experience various fitness forms by taking unlimited trials. Fitness memberships with lowest price guarantee & best offers with online payments & EMI.
- Fitternity enables fitness journeys at over 12,000+ fitness centers with 15+ fitness forms across [Mumbai](#), [Delhi](#), [Gurgaon](#), [Noida](#), [Bangalore](#), [Pune](#), [Ahmedabad](#) and [Hyderabad](#).

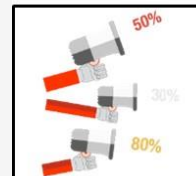
How Does it Work ?



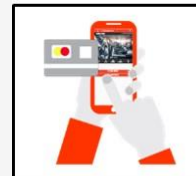
OneStop Solution for Health & Fitness



Search Nearby Fitness Centers

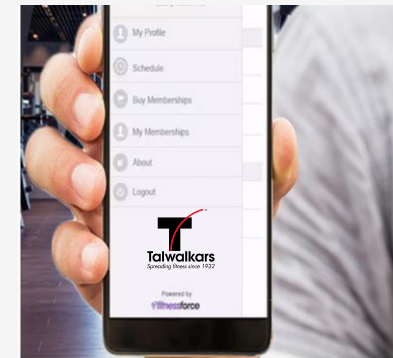


Get the Best Deals



Buy Membership

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.

FitKit

- The Company with Growfitter introduced the country's first ever AI (Artificial Intelligence) based Incentivized Wellness Program.
- The FITKIT Program is a technologically advanced mobile application that tracks individual fitness consistency and maps their performance to generate an incentive oriented & reward based fitness solution.
- It motivates individuals to adopt and sustain a holistic and healthy lifestyle, which coincides with the vision of THL, of creating a healthy and fit India.
- One can access the program only by purchasing or renewing their membership at any of the Talwalkars fitness centers. The more a member works out, better are the rewards they get.



Members workout daily with a zeal to burn calories and Earn from Fitness

Corporate Tie-ups



The Company has further increased its market reach through its corporate offers to enterprises and corporate giants.

It usually offers free trial of 3 days – 1 week to the employees, to give them a feel of the gym and understand the essence of fitness.

Effective training is carried out at reasonable intervals. This has resulted in increase the number of footfalls.

Corporate Tie-ups is bundled up with offers which is a win-win situation for both entities.

Personal Training

COMPLETE THE TARGET AND WIN PRIZES

Get maximum **PT Members** and
earn more money.



GET EXCITING REWARDS

Personal Trainer	Member Count	Criteria	Rewards (% on commission payable)
Normal	15	More or Equals	2.5%
	20		5%
Premium	15	More or Equals	2.5%
	20		5%
Super Premium	14	More or Equals	2.5%
	18		5%

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 is working out innovative ways to promote Personal Training .

Increase in Personal Training will contribute to higher margins.

The Personal trainers are incentivised on the member conversions with personal training.

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 Chaturthi, 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

Result Update

Standalone Results

Quarter Ended			Nine Months Ended		
Particulars (Rs In Mn)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)		31.12.2018 (Unaudited)	31.12.2017 (Unaudited)
Revenues	510	419	 22%	1882	1665
EBITDA	213	192	 11%	1044	931
PAT	48	42	 14%	495	423

Result Update



Standalone Financial Results

Particulars (Rs in Mn)	Quarter Ended			Nine months Ended		
	Dec-18	Dec-17	Y-o-Y%	Dec-18	Dec-17	Y-o-Y%
Income from Operations	504	373	35%	1,864	1,556	20%
Other Income	6	46		18	109	
Total	510	419	22%	1,882	1,665	13%
Expenditure						
Change in Inventories	40	-		40	-	
Personnel Cost	90	81	12%	266	237	12%
Admin & Other Exp	167	146	15%	532	497	7%
Total	297	227	31%	838	734	14%
EBITDA	213	192	11%	1,044	931	12%
Depreciation	88	71	24%	251	217	16%
EBIT	125	121	4%	793	714	11%
Interest	59	56	6%	154	123	26%
EBT before exceptional Items	66	65	2%	639	591	8%
Exceptional Items	-	-1		-	-1	
PBT	66	66		639	592	
Tax	18	24		144	169	
Profit for the period	48	42	14%	495	423	17%

Personal Training and the Income from PWG centers provided impetus to the Q3FY19 growth

EBITDA margins stood at 41% increasing 200bps for Q3FY19

The Company is having inventory for trading in equipment's .

PAT margins stood at 9%

EPS for 9m stood at Rs.15.96 as against Rs.13.65 previous year

Awards and Accolades



Going Ahead

Adding
30-40
centers
per year

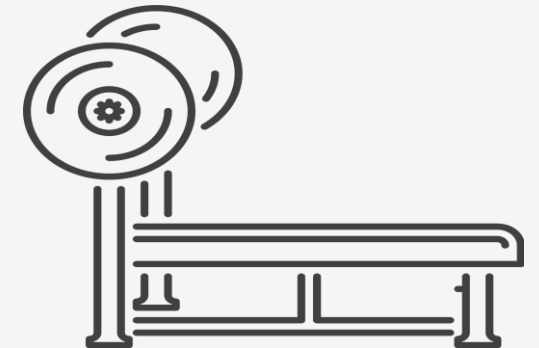
Enhance
presence in
Top 10-12
cities

Emerge as a
strong player
in Asia
through
franchise/ JV

Sweat Existing
Assets to
Improve Asset
Turnover Ratio

Improving
Return Ratios

Low Debt
Equity
ratio



About Us



- Largest fitness chain in India and SriLanka.
- 252 centers across 84 cities in South Asia.
- Multi Brand strategy with Five Fitness Centres formats
- World-class gym experience backed by professional trainers.

Safe Harbor Statement



Talwalkars Healthclubs Ltd.

The views expressed here may contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of this information.

Any forward-looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Talwalkars Healthclubs Limited.

This presentation may contain 'forward-looking statements' - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

For us, uncertainties arise from the behavior of financial markets and change in consumption patterns; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of an environmental, climatic, natural, political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

We do not undertake to update our forward-looking statements.

Grishma Shetty

Sr. Vice President

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Thank You

WORK
SWEAT
ACHIEVE
ACHIEVE