**Talwalkars Better Value Fitness Ltd.**
Regd. Off.: 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026.
Tel.: 6612 6300. Fax: 6612 6363. Website: www.talwalkars.net CIN: L92411MH2003PLC140134

Talwalkars™
*Spreading fitness since 1932*

Date: 5th May, 2016

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

To,
**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Dear Sir,

Re: **Talwalkars Better Value Fitness Limited; Scrip Code No: 533200**
Sub: **Furnishing Updates on the Financial Results for the quarter ended 31st March, 2016**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 31st March, 2016.

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

Thanking You.

Yours faithfully,
For **Talwalkars Better Value Fitness Ltd.**

TALWALKARS BETTER VALUE FIT... MUMBAI

**Avanti Sankav**
**Company Secretary & Compliance Officer**



# SPREADING WINGS

TALWALKARS BETTER VALUE FITNESS LIMITED

Talwalkars™
Spreading fitness in over 70 cities

QUARTERLY UPDATE (Q4 FY2015-16)

5th May, 2016

# DISCUSSION **POINTS**



Our
foot print



Key developments
of the quarter



Key developments
of the year



Key marketing
highlights



Result
update



Financial
summary



Going
forward

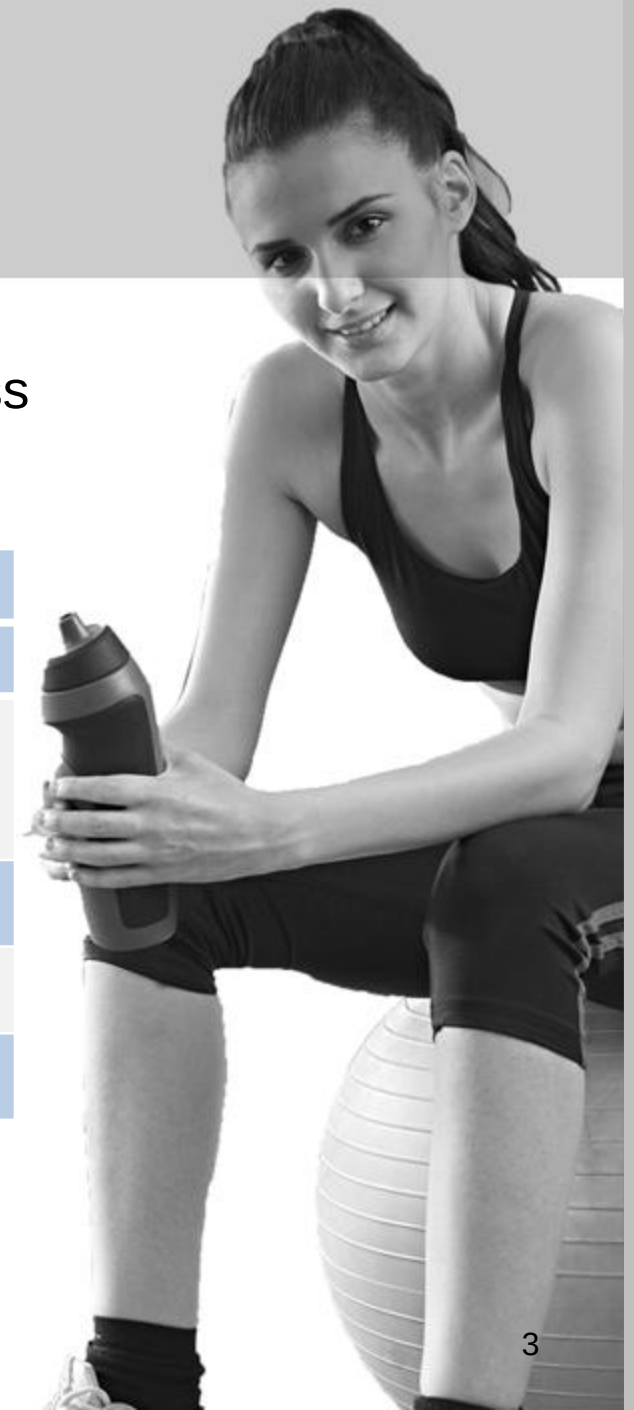
Talwalkars™
*Spreading fitness in over 70 cities*

About
Talwalkars

# OUR **FOOTPRINT**

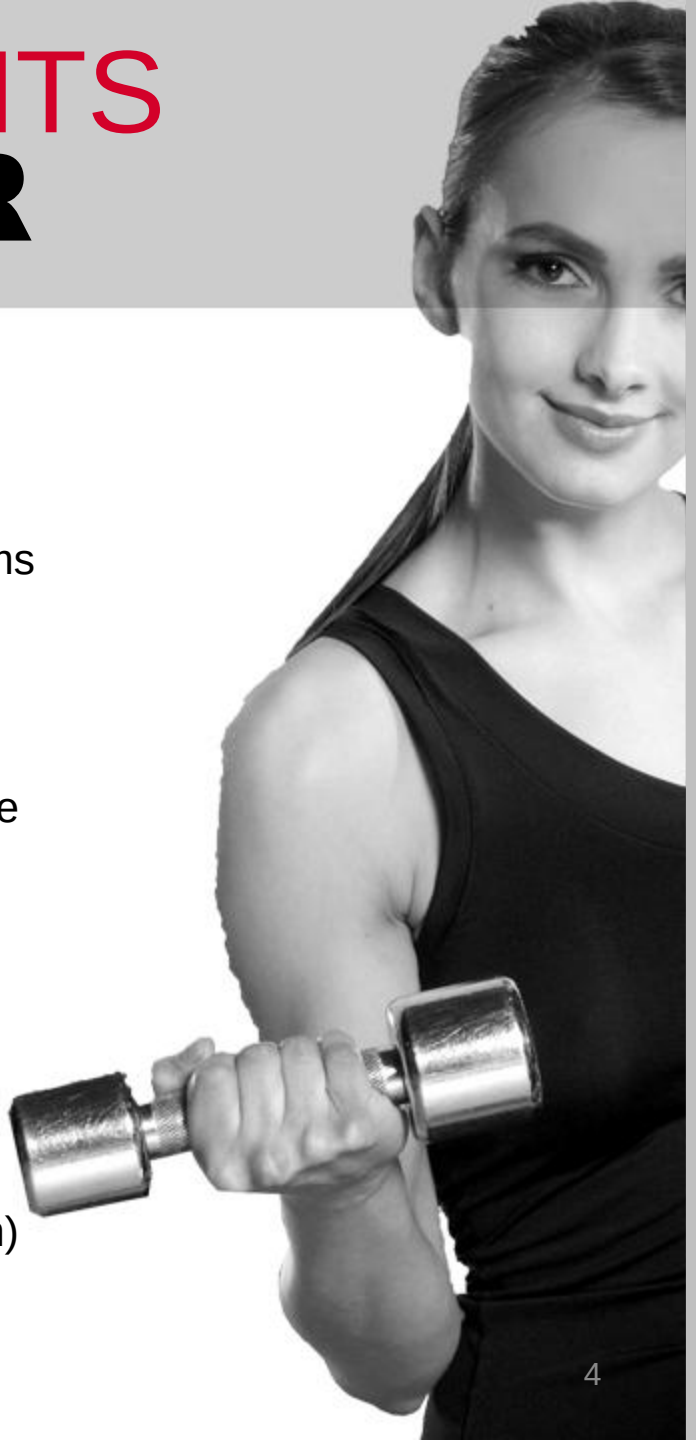
176 fitness centres in 85 cities and towns across South Asia.

| Ownership | No. Of Centers |
|---|---|
| Owned | 96 |
| Subsidiary and associates | 40 |
| Franchisee | 17 |
| HiFi | 23 |
| **Total** | **176** |



# KEY DEVELOPMENTS OF THE **QUARTER**

- Successfully opened three HiFi gyms– two in Pune and one in Patna;
- As part of overseas expansion plans, inaugurated 10 gyms in Sri Lanka, in association with Power World Gyms;
- Incorporated Zorba across four existing fitness centers. Subsequently , in April-2016, the company announced the launch of 33 Zorba studios in existing fitness centers
- Incorporated the Nuform  equipments across 33 existing fitness centers.
- Incremental revenues of the quarter were derived mainly on account of value-added services (Reduce and Nuform)



# KEY DEVELOPMENTS **OF THE YEAR**

- Established an overseas presence for the first time by the acquisition of Power World Gyms (PWG); PWG is the biggest health and fitness player in Sri Lanka, providing gym facilities to its members and has deep knowledge on the local market conditions.
- Acquired Inshape and Zorba and emerged as among the **top players in Chennai with a total of 12 gyms**
- Conscious efforts were invested towards driving profitability across the system through active marketing of value added programs and increase the return ratios
- Received **AA rating from ICRA and Care**



# KEY DEVELOPMENTS **OF THE YEAR**

- Established a premium fitness centre in Churchgate, Mumbai, incorporated with all value-added services including Transform, Reduce and TRX with large free floor activity space
- Announced the intention to create a JV with DLL (David Lloyd Leisure) towards establishing and managing 7-10 leisure clubs across India over the next 5-7 years to tap into the country's growing demand for sports and leisure facilities



# CLUB UPDATE

- The Company has invested ₹ 500 mn in this venture. Further Investment will be looked upon only after the opening of the first club and its success being measured upon by its profitability, cashflows and return ratios

- DLL has appointed Ms. Hazel Geary as a CEO for the club project.

- She is relocated to Pune to oversee the progress of the Club and is responsible for the innovation and strategic development; identifying new opportunities both within the business and externally, new concepts .

- The Company expects the work on the site office to start by July -16 and it aims to start taking membership by Q3FY17.



# UPDATE ON
# BOARD UPDATE (05.11.2015)

- The Company has appointed merchant bankers to work on board proposal to unlock value of the immovable property of MV ₹1200 mn through demerger/ realignment /spin off of these assets which is most tax efficient.
- Further this is subject to statutory compliances, stock exchange permissions, creditors NOC, rating agencies approval, shareholders approval etc
- The Company expects to receive approvals from the creditors by June-2016 .



# KEY MARKETING HIGHLIGHTS

- Initiated the New Year Scheme – 2016 with the offers of getting three months free on the purchase of a one-year membership
- Initiated a special Republic Day offer on gym membership
- Launched a national Nuform marketing campaign under the umbrella of ‘Lose flab, not time’
- Launched the exciting Cricket League 2016 between all Ahmedabad branches
- Launched the Valentine’s Day offer that comprised getting six months of membership free for the partner on purchase of a one-year membership;



# KEY MARKETING HIGHLIGHTS

- Introduced a special 30% discount on annual membership for women, celebrating the occasion of Women's Day
- Introduced a Facebook contest . Winners were given free trial gym membership
- The number of 'likes' on Talwalkars national page on Facebook increased from **35,000 to 60,000**
- Launched an Instagram contest with www.prettysecrets.com. Winners received Talwalkars membership for one-month and goodies from Prettysecrets



# RESULT **UPDATE**

## Consolidated Results

| Particulars | Quarter ended | | | Full Year ended | | |
|---|---|---|---|---|---|---|
| ₹ in mn | 31.03.2016 (Unaudited) | 31.03.2015 (Unaudited) | | 31.03.2016 (Audited) | 31.03.2015 (Audited) | |
| Revenue | 915 | 771 | 19% | 2930 | 2534 | 16% |
| EBITDA | 549 | 464 | 18% | 1502 | 1254 | 20% |
| PAT* | 202 | 179 | 13% | 550 | 461 | 19% |

* PAT after Minority Interest



# P and L **UPDATE**

## Consolidated Results

Robust income growth for the year, increased EBIDTA margins .

Other Operating Income has increased on account of Interest on Treasury

Expenditure at similar levels as % of sales

Interest cost has increased on account of increased borrowings

Tax is at Full Rate as the Company has exhausted its MAT.

PAT margin for the yr is at **26%**

EPS for year ended stood at ₹**19.03** vs. **17.60** previous year

| Particulars (₹ mn) | Quarter Ended | | | Year ended (YTD) | | |
|---|---|---|---|---|---|---|
| | Mar-16 | Mar-15 | YoY% | Mar-16 | Mar-15 | YoY% |
| Income from Operations | 897 | 768 | **17%** | 2862 | 2526 | 13% |
| Other Operating Income | 18 | 3 | | 68 | 9 | |
| **Total** | **915** | **771** | **19%** | **2930** | **2534** | **16%** |
| **Expenditure** | | | | | | |
| Personal Cost | 79 | 69 | 14% | 394 | 369 | 7% |
| Admin & Other Exp | 172 | 156 | 10% | 685 | 642 | 7% |
| Service Tax Collected & Paid | 115 | 82 | 40% | 349 | 269 | 30% |
| **Total** | **366** | **307** | 19% | **1428** | **1280** | 12% |
| **EBITDA** | **549** | **464** | 18% | **1502** | **1254** | 20% |
| Depreciation | 131 | 105 | 25% | 470 | 397 | 18% |
| **EBIT** | 418 | 359 | 17% | 1032 | 857 | 20% |
| Interest | 54 | 21 | | 177 | 128 | 38% |
| **EBT before exceptional Items** | 364 | 338 | 8% | 855 | 729 | 17% |
| Exceptional Items | (0) | - | | (0) | 0 | |
| **PBT** | **364** | **338** | 8% | **855** | **729** | 17% |
| Tax | 191 | 167 | 14% | 302 | 245 | 23% |
| PAT before Minority Interest | 173 | 171 | 1% | 553 | 484 | 14% |
| Minority Interest | (29) | (8) | | 3 | 23 | |
| **PAT after Minority Interest** | **202** | **179** | 13% | **550** | **461** | 19% |



# BALANCE SHEET UPDATE

## Consolidated Results

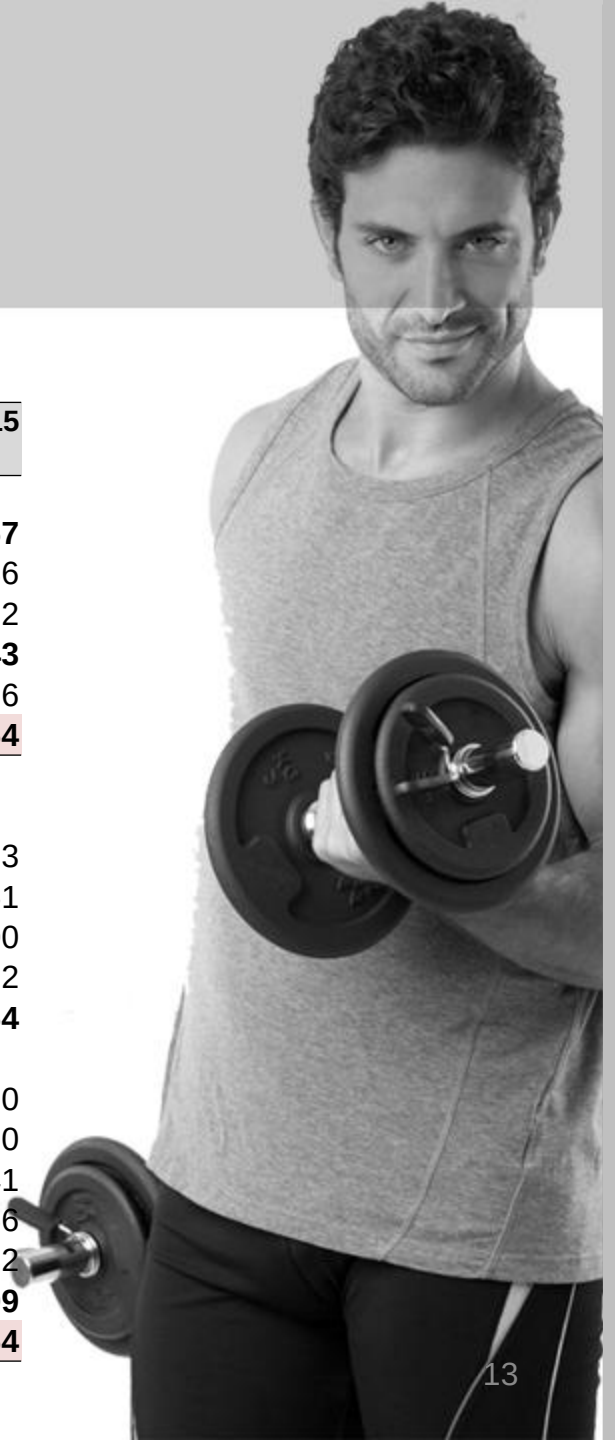
The Networth is increased on the back of profits and increase in shareholders funds .

Long Term Borrowings has increased , but separately the Company continues to keep significant amount as Liquid balance for future expansion and potential acquisition

Fixed assets has increased

Trade Receivables has gone down by 20% even as the Co. turnover continues to increase.

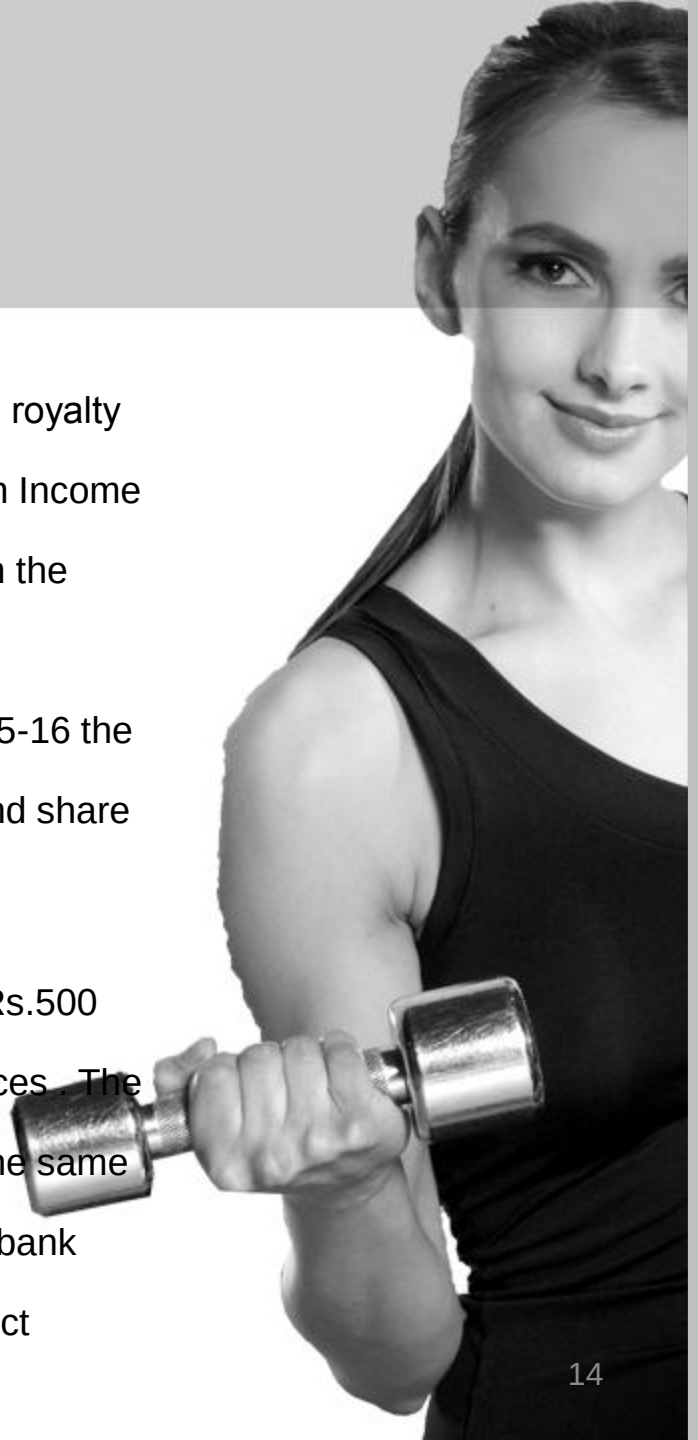
| Particulares (₹ mn) | As on Mar-16 | As on Mar-15 |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **Shareholders' Funds** | **4269** | **2767** |
| Minority Interest | 139 | 136 |
| Capital Reserve on consolidation | 1 | 2 |
| **Non-current Liabilities** | **3350** | **3043** |
| Current Liabilities | 1049 | 716 |
| **Total Equity & Liabilities** | **8808** | **6664** |
| **ASSETS** | | |
| **Non-current assets** | | |
| Fixed Assets | 5645 | 5213 |
| Non-current investment | 99 | 51 |
| Long-term loans and advance | 829 | 300 |
| Other non-current Assets | 2 | 2 |
| **Total Non-current Assets** | **6575** | **5564** |
| **Current Assets** | | |
| Current Investments | 0 | 0 |
| Inventories | 0 | 0 |
| Trade Receivable | 317 | 341 |
| Cash & Bank Balance | 1408 | 466 |
| Short-term loans and advances | 508 | 292 |
| **Total Current Assets** | **2233** | **1099** |
| **Total Assets** | **8808** | **6664** |



# FINANCIAL ANALYSIS

- **Minority Interest** : One of the Company's subsidiary has given royalty and share of profit to the Company amounting to ₹.300 lacs as an Income in the Q4FY16. This has resulted in this subsidiary making loss in the Q4FY16 and a resultant increase in loss of minority interest. The subsidiary has incurred loss in the Q4FY16, however for the FY15-16 the subsidiary has made profits out of which it has paid out royalty and share of profit to the Company.

- **Long Term Loans & Advances** : The Company has invested Rs.500 mn in the Club Company which appears in the Loans and Advances. The moment statutory compliances of our partner DLL is completed the same will be converted to share capital. Part of this money appears as bank balance in the club company and part is utilised for the club project

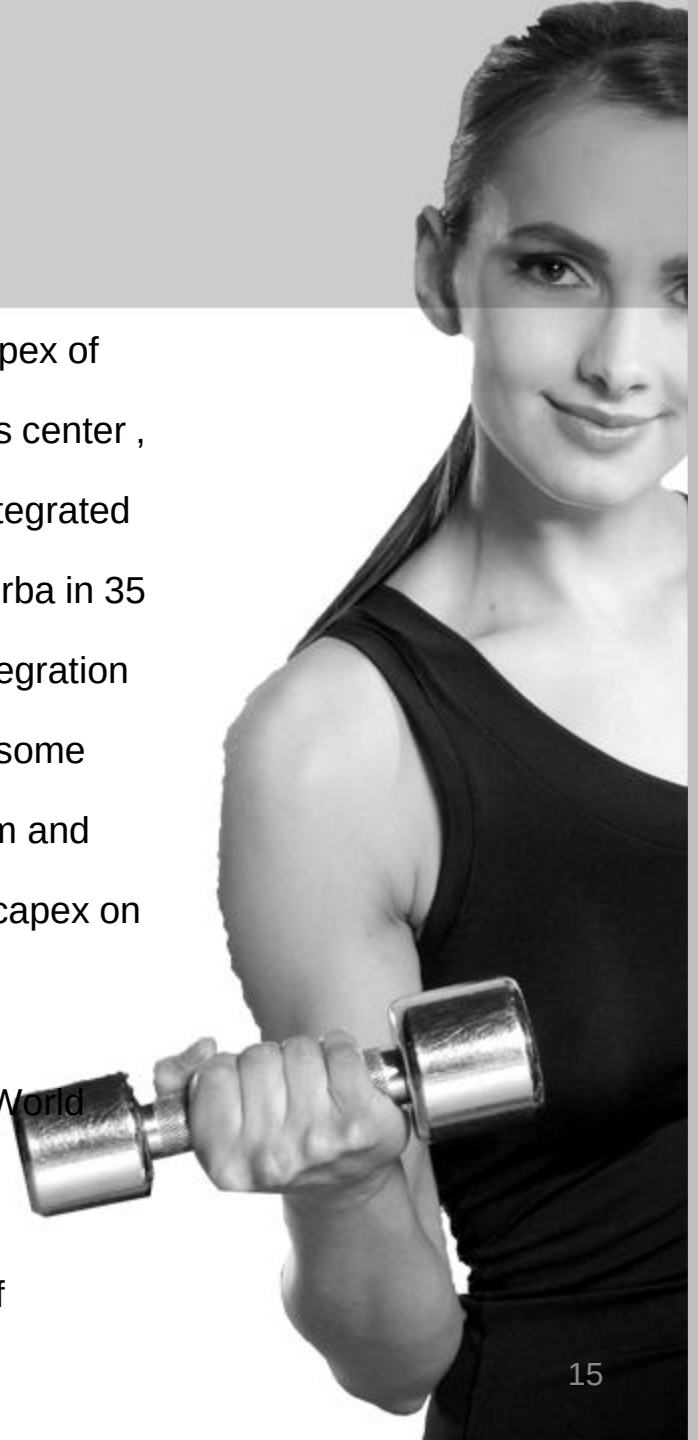


# FINANCIAL ANALYSIS

- **Fixed Assets : ** The Company has during the year deployed capex of ~₹.780 mn on 4 Premium / Large Format fitness centers , 1 fitness center , renovation of fitness centers taken up on regional basis, Nuform integrated in 33 centers , Reduce introduced in 10 new centers, Integrated Zorba in 35 centers , Massage in 20 fitness centers, Upgradation as well as integration of Free Floor space in 30 centers including the changing area and some amount was incurred in upgrading equipments of Power World Gym and Inshape Health & Fitnez Private Limited. Also the Company spent capex on equipments and ancillary units for certain subsidiaries.

- Another 22 mn of goodwill was created on acquisitions of Power World Gym and Inshape Health & Fitnez Private Limited.

- Approx 35 mn was incurred in one of the subsidiary for purchase of property.



# FINANCIAL SUMMARY

| Quarter | Turnover (Rs. million) | EBIDTA (Rs. million) | EBIDTA (%) | PAT (%) |
|---|---|---|---|---|
| Q4FY13 | 564 | 284 | 50 | 21 |
| Q4FY14 | 663 | 345 | 52 | 22 |
| Q4FY15 | 771 | 464 | 60 | 23 |
| Q4FY16 | 915 | 549 | 61 | 22 |



# GOING **FORWARD**

- Continue to maintain leadership position
- Increase the share of value added services/ facilities
- The Company plans to open on ownership basis 25-30 centers by Q3FY17
- 10 HiFi gyms are in pipeline and expected to open during FY17
- The Company plans to open 30-40 Zorba centers by Q3FY17
- Continue the process of expansion including acquiring operationally-efficient local gyms/ fitness centers
- Focus on increasing SSS

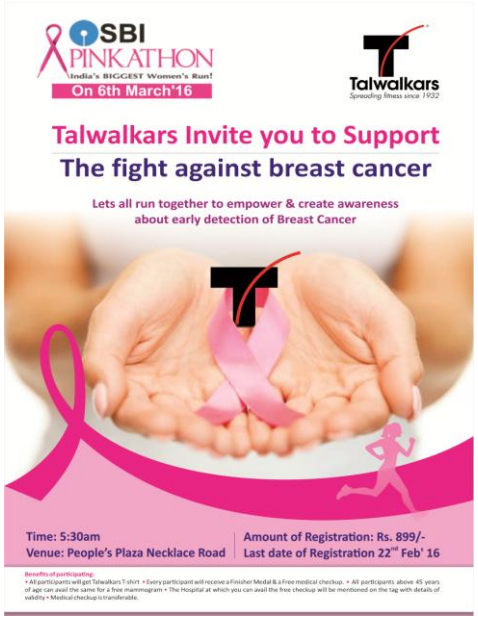


# ABOUT TALWALKARS

- India’s largest - and only listed - fitness chain
- 176 centres across South Asia
- World-class gymming experience backed by professional trainers
- Diverse fitness services including standard gymming and fitness, Zumba® (aerobics and Latin dance-inspired fitness programme), Transform (holistic fitness programme), Reduce (diet-based, easy diet programme), NuForm (time-efficient weight loss programme), spa, massage, aerobics , Zorba (yoga) etc
- Five fitness centre formats of Talwalkars Premium Gym , Talwalkars , PWG , HiFi and Zorba Studios

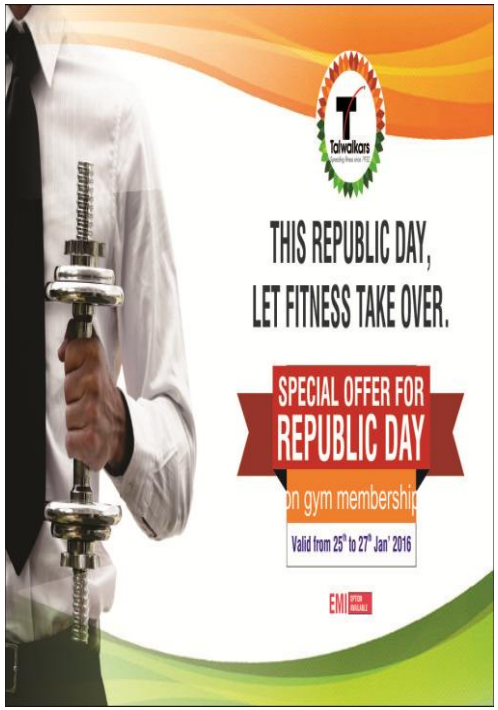


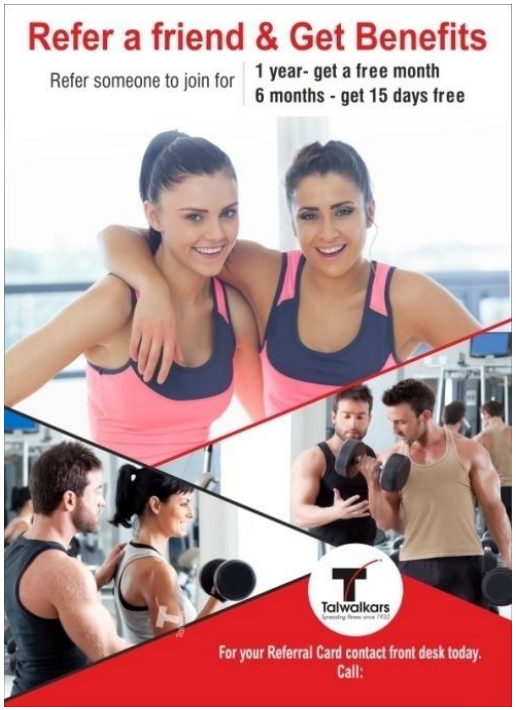
Talwalkars CYCLOTHON












# CAUTIONARY STATEMENT AND **DISCLAIMER**

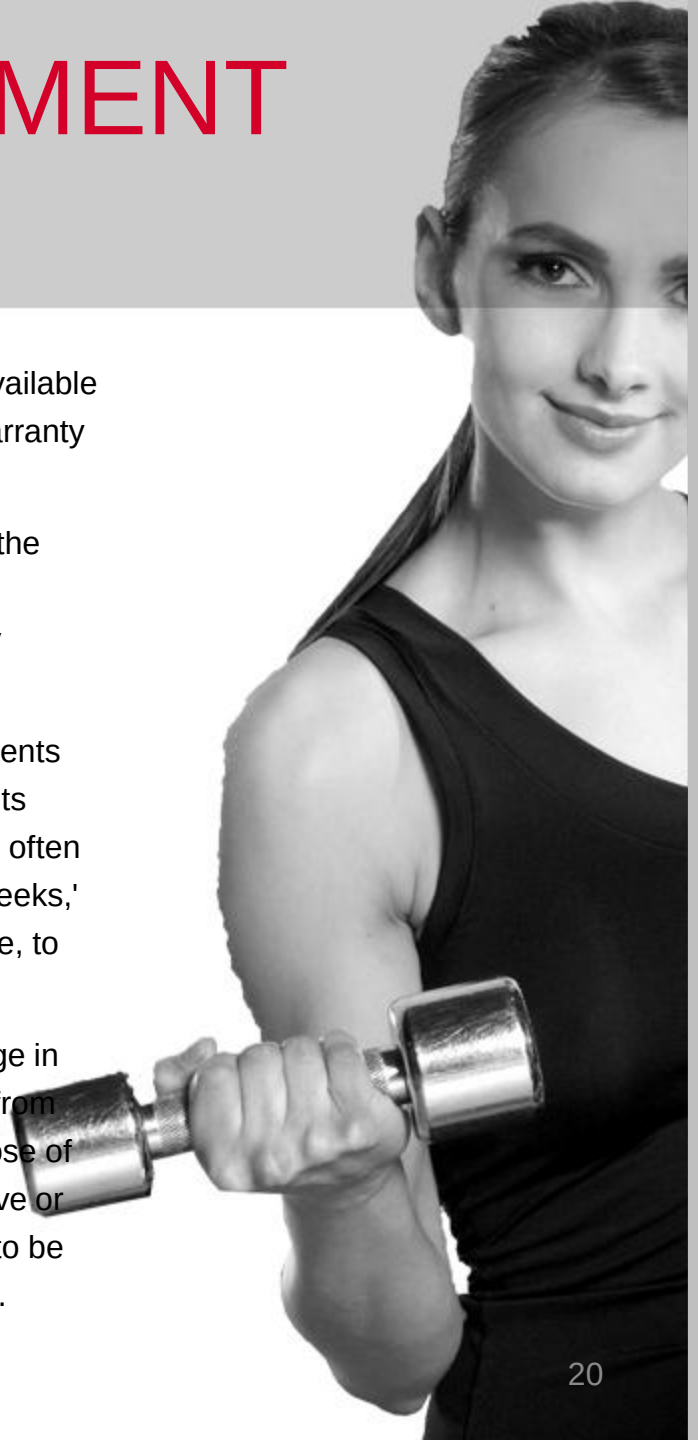
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Any forward-looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Talwalkars Better Value Fitness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



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Visit us at: www.talwalkars.net

# Centrum Broking Limited

**Cordially invites you to a**

# Conference Call

**With the management of**

## Talwalkars Better Value Fitness Limited

**Agenda: Discussion on Q4FY16 Results & Future Outlook**

| **Company Management** | |
|---|---|
| **Mr. Prashant Talwalkar**<br>Managing Director, CEO | **Mr. Anant Gawande**<br>Executive Director, CFO |
| **Mr. Girish Nayak**<br>Head - Finance | |
| **Conference Dial-In Numbers** | |
| **Primary Number:** | +91 22 3960 0607 |
| **Secondary Number:** | +91 22 6746 5837 |
| **International Toll Free Numbers:** | USA : 1 866 746 2133<br>UK : 0 808 101 1573<br>Singapore : 800 101 2045<br>Hong Kong : 800 964 448 |
| **Date:** | Monday, 9 May 2016 |
| **Time:** | 01:30 PM IST |

**RSVP:**


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