

Date: 14th August, 2018

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.

To,
The Manager,
Compliance Department,
BSE Limited
Corporate Service Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

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 7th August, 2018 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 Tuesday, 14th August, 2018 at 4.30 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

www.tbztheoriginal.com

INVESTOR PRESENTATION
Q1 FY19 RESULTS
AUGUST 2018



TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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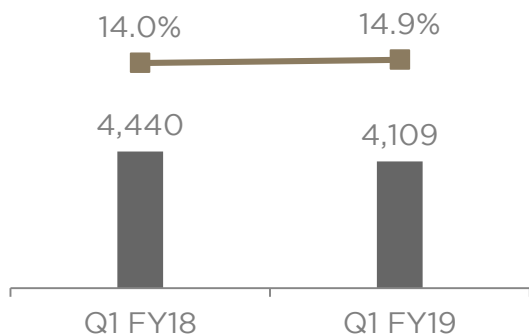
DISCUSSION SUMMARY

- [Q1 FY19 Results Update](#)
- [About Us](#)
- [Operational Summary](#)
- [Business Model](#)

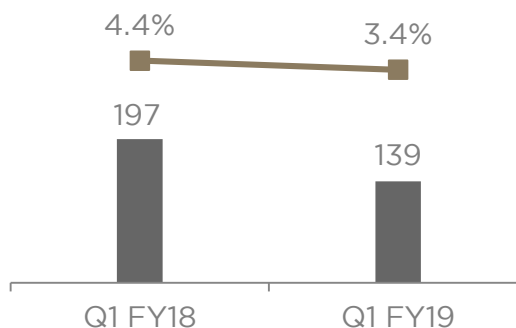
Q1 FY19 RESULT HIGHLIGHTS

In Rs Mn

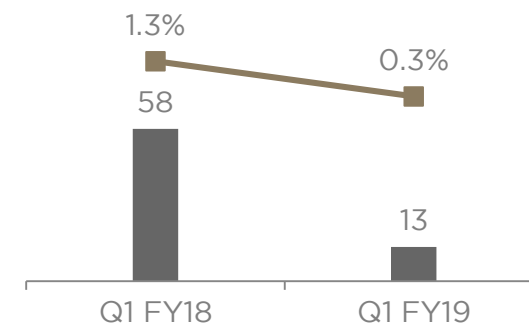
REVENUES * & GROSS MARGIN



EBITDA & EBITDA MARGIN

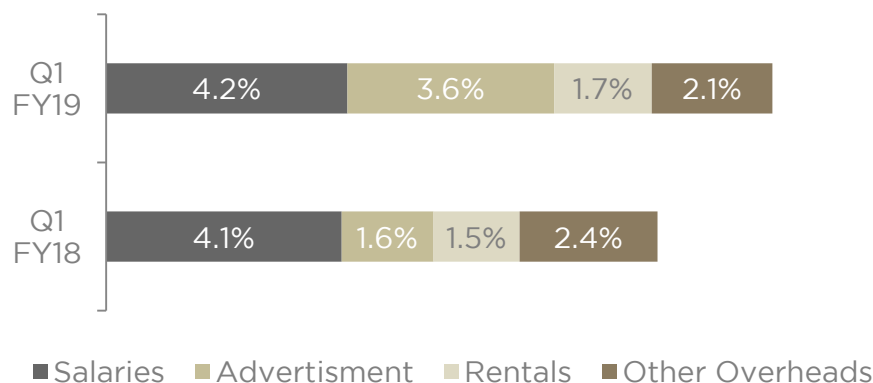


PAT & PAT MARGIN



* Net of Excise Duty

OPERATING COSTS (%)

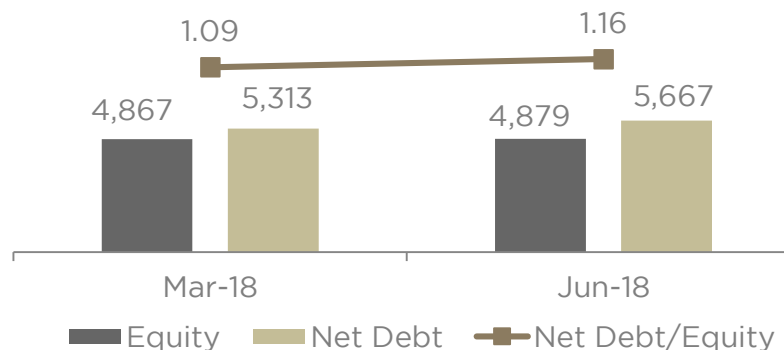


REVENUE ANALYSIS

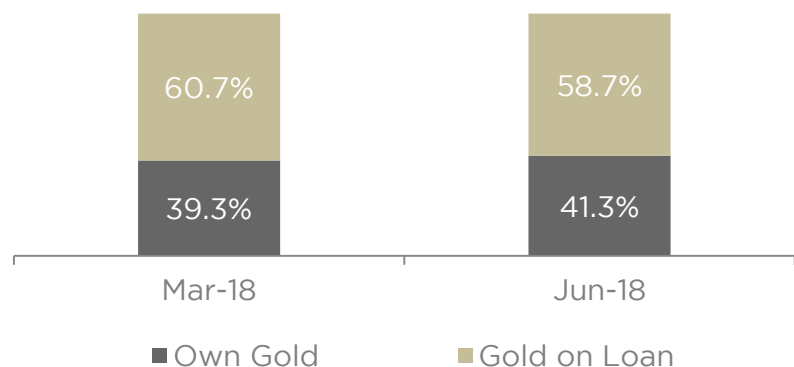
Total Revenue Growth % - Q1 FY19	-7.5%
Same Store Sales Growth % - Q1 FY19	-3.6%
Share of Diamond Jewellery - Q1 FY19 (Q1 FY18)	23.8% (27.2%)

Q1 FY19 BALANCE SHEET UPDATE

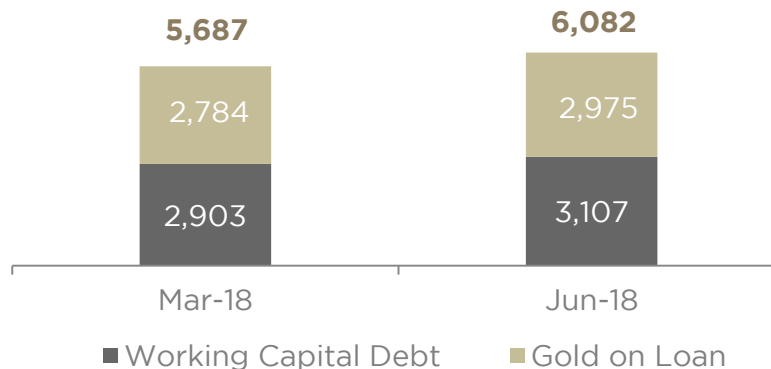
LEVERAGE ANALYSIS (RS MN)



GOLD INVENTORY BREAKUP (%)



TOTAL DEBT BREAKUP (RS MN)



Note: Gold on Loan is shown as part of short term borrowings, while some of the listed peers show it under current liabilities / trade payables

Q1 FY19 - KEY RESULT TAKEAWAYS

REVENUES:

- Revenues declined by 7.5% YoY.
 - Sales were impacted by softened jewellery demand
 - Q1 FY18 was a higher base as it included one-time inventory sale to franchisees and there was also preponement of sales in June before onset of GST regime.

MARGINS:

- Gross margin increased to 14.9% compared to 14.0% in Q1 FY18.
- Advertising & marketing expense significantly increased to promote our new range of jewellery designs for the wedding season and to strengthen our brand recall. These efforts will lead to an improved performance over coming quarters.
- Other operating expenses were stable
- EBITDA declined by 29.7% and EBITDA margin declined to 3.4% compared to 4.4% in Q1 FY18.

BALANCE SHEET:

- Inventory increased during the quarter due to its build-up ahead of the new store to be opened in Noida shortly
- Total Debt grew from Rs 5,687 Mn in Mar-18 to Rs 6,082 Mn in Jun-18, inline with the increase in inventory.
- Finance Cost marginally increased inline with incremental debt. The average cost of debt was 7.3%.



Q1 FY19 - PROFIT & LOSS STATEMENT

Particulars (In Rs Mn) – Standalone	Q1 FY19	Q1 FY18	YoY %	FY18
Net Revenues	4,109	4,440	-7.45%	17,557
COGS	3,497	3,818	-8.39%	15,096
Gross Profit	612	623	-1.67%	2,461
Gross Margin (%)	14.9%	14.0%	87.5 bps	14.0%
Personnel Expenses	173	183	-5.49%	730
Other Expenses	301	243	24.01%	1,000
EBITDA	139	197	-29.71%	731
EBITDA Margin (%)	3.4%	4.4%	-106.9 bps	4.2%
Depreciation	21	21	1.99%	85
Other Income	10	14	-24.96%	70
Interest Expenses	108	102	5.39%	397
Profit Before Tax	20	88	-76.95%	319
Tax	7	30	-75.86%	108
PAT	13.1	58.3	-77.52%	211
PAT Margin (%)	0.3%	1.31%	-99.4 bps	1.2%

Q1 FY19 - BALANCE SHEET

Particulars (In Rs Mn) – Standalone	June-18	March-18	December-17	September-17	June-17
Shareholders Funds	4,879	4,867	4,803	4,730	4,739
Loan Funds	6,082	5,687	5,283	6,041	5,511
Gold on Loan	2,975	2,784	2,595	3,043	2,685
Working Capital Loan	3,107	2,903	2,688	2,998	2,827
Other Long Term Liabilities	70	62	73	71	57
Sources of Funds	11,031	10,615	10,159	10,842	10,307
Net Block	994	1,001	1,022	1,033	1,021
Other Long Term Assets	268	258	251	257	233
Inventory	10,765	10,218	10,377	11,145	10,293
Debtors	111	230	209	70	84
Cash and Bank Balance	415	374	436	570	420
Other Current Assets	170	116	125	176	107
Current Liabilities	1,692	1,581	2,261	2,410	1,851
Net Current Assets	9,769	9,357	8,886	9,552	9,053
Application of Funds	11,031	10,615	10,159	10,842	10,307

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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 - Rs 91 k, Diamond - Rs 129 k

Scalability & Reach

- 37 stores (~1,10,666 sq. ft.)
- Presence - 26 cities, 11 states

Expansion Plan -

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

TBZ

SUSTAINABLE COMPETITIVE ADVANTAGES

Specialty Wedding Jeweller

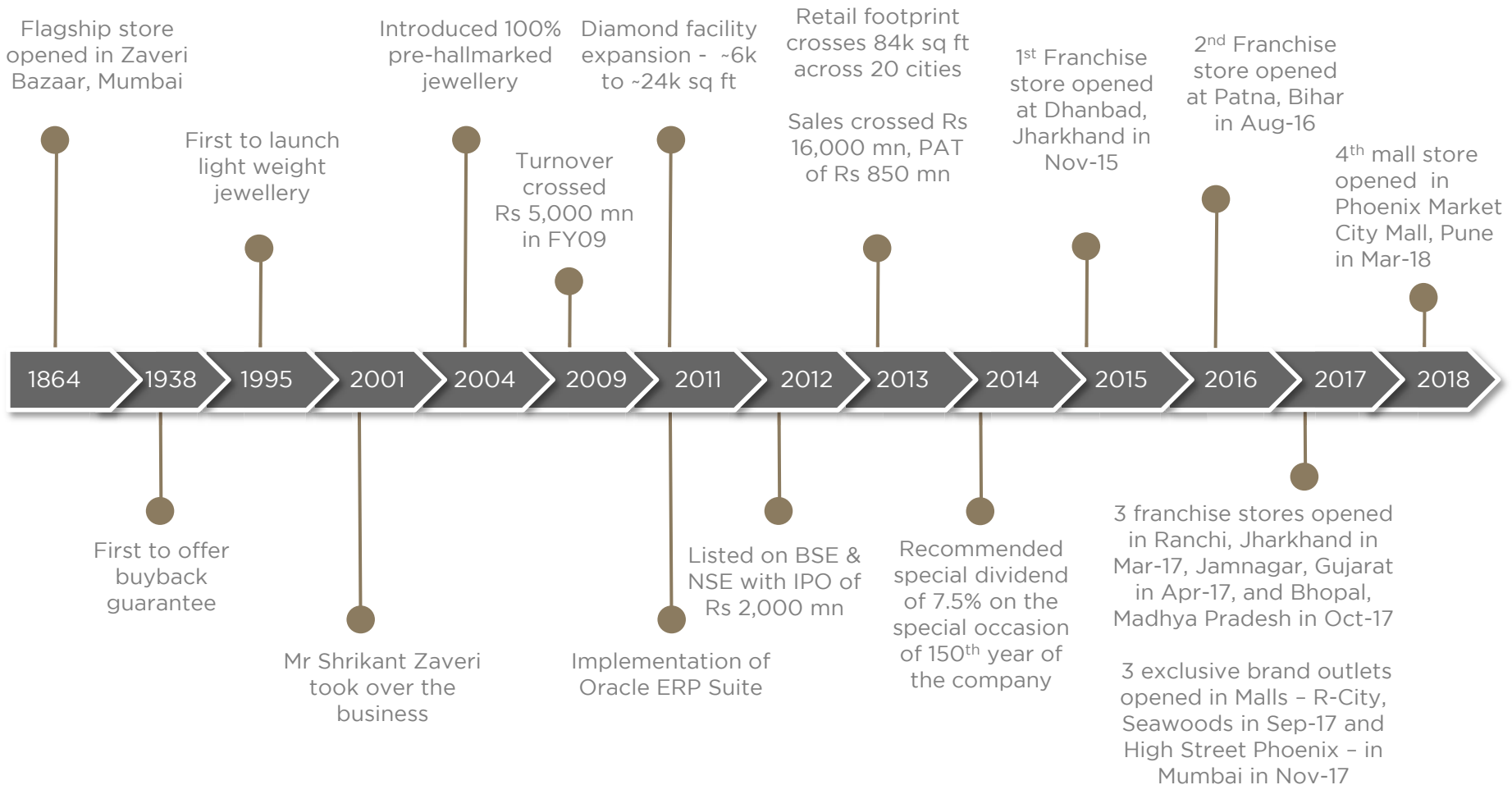
- ~ 65% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

Design Exclusivity

- 35 designers (incl. 16 CAD)
- 8 - 10 new jewellery lines/year
- In-house diamond jewellery production
- Customer loyalty
- Premium pricing

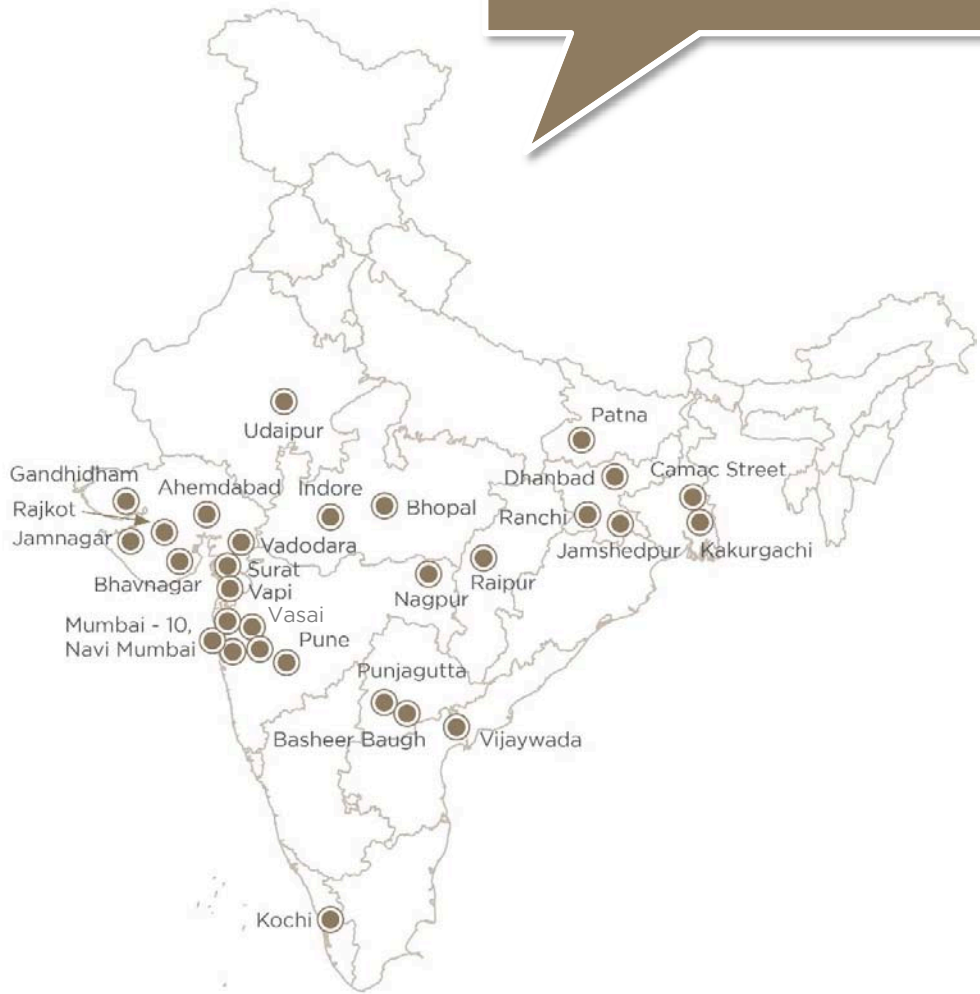
KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST



RETAIL PRESENCE

Present across 26 cities
in 11 states

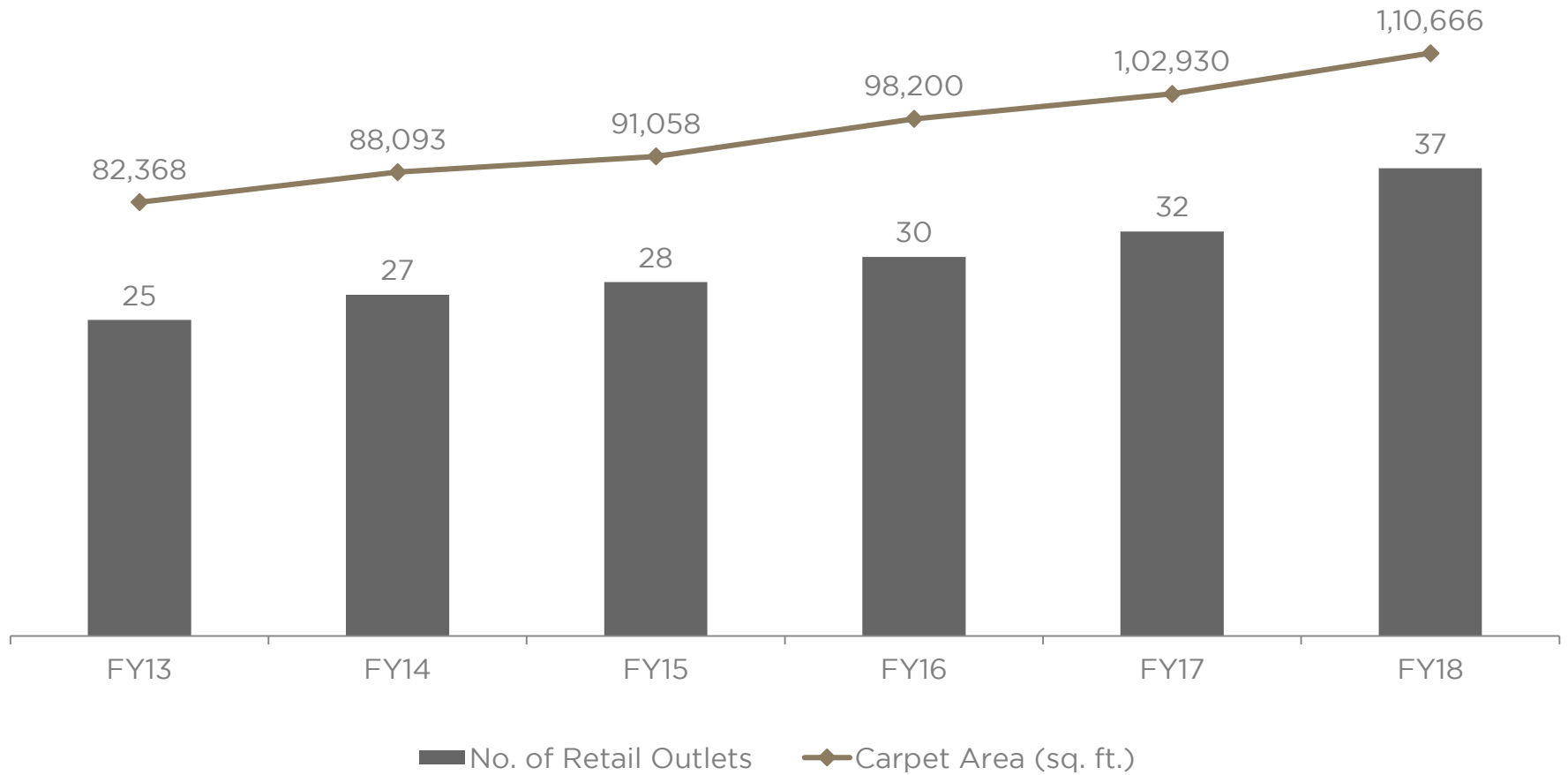


PAN-INDIA PRESENCE WITH 37 STORES
WITH A RETAIL SPACE OF ~1,10,666
SQ. FT. SPREAD ACROSS
26 CITIES IN 11 STATES

NUMBER OF STORES	TILL DATE
Large Format (> 2,000 sq. ft.)	28
Small Format (<= 2,000 sq. ft.)	9
Total Stores	37
Total Area	~1,10,666



RETAIL FOOTPRINT EXPANSION

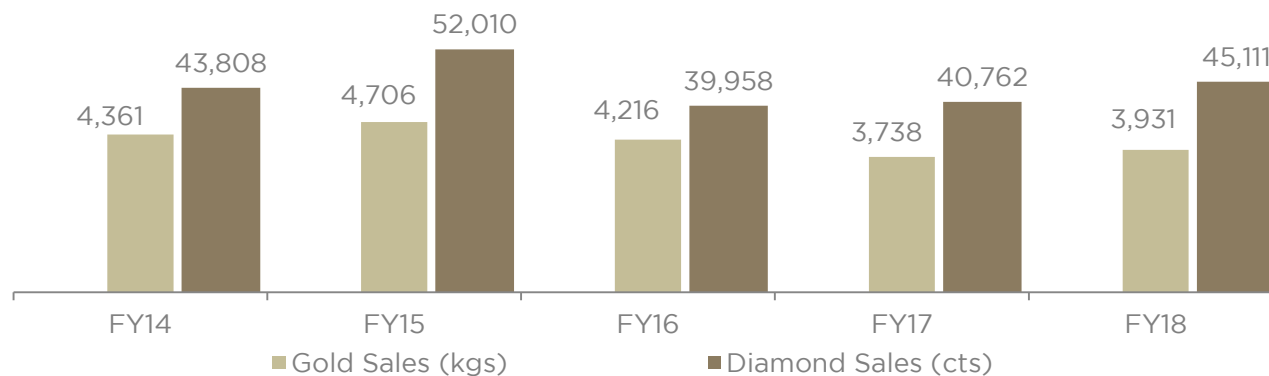


DISCUSSION SUMMARY

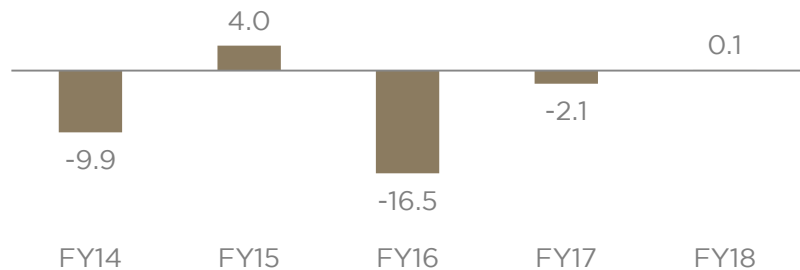
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OPERATIONAL SUMMARY

GOLD & DIAMOND VOLUMES

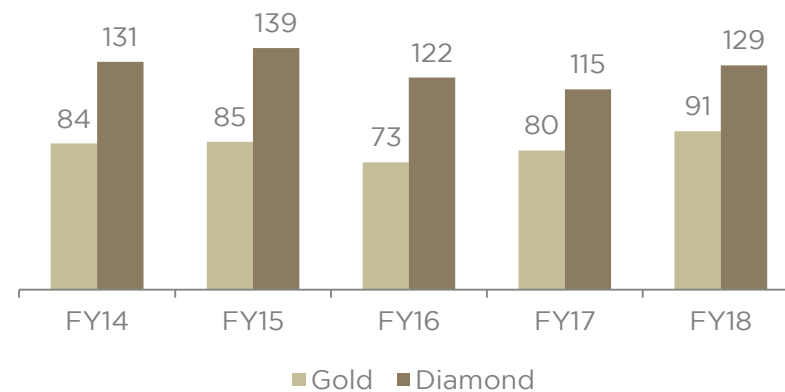


SSSG - TOTAL (%)



SSSG: Same store sales value growth

AVERAGE TICKET SIZE (RS '000)



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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

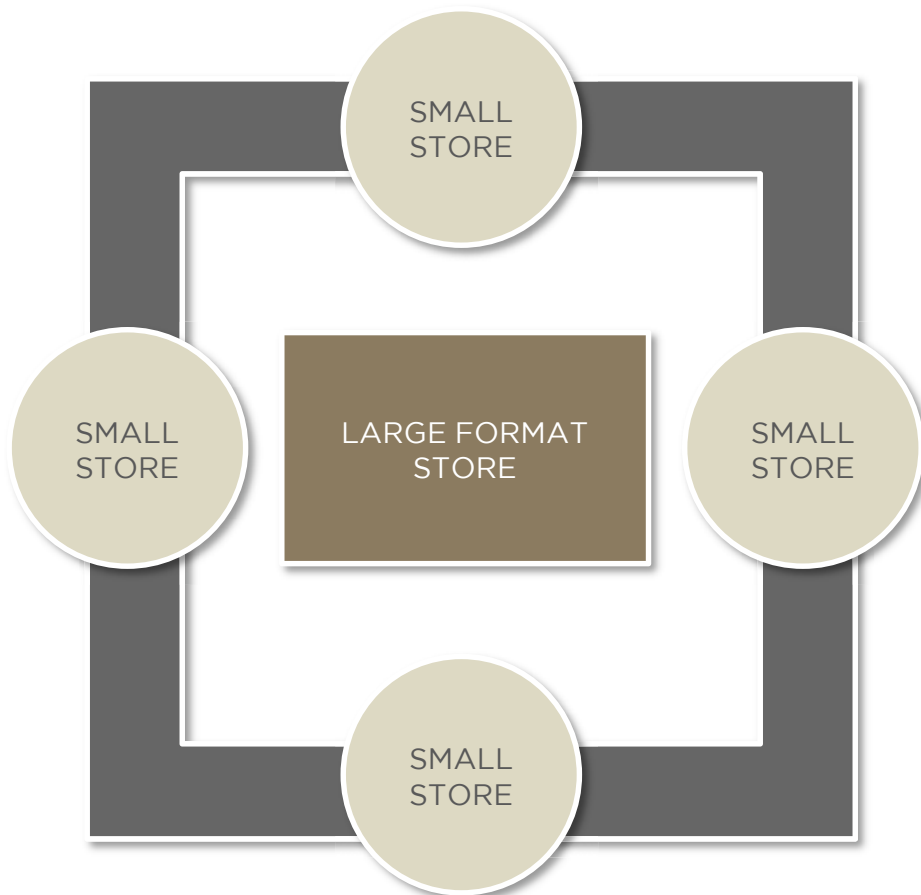
- In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~200,000 cts (on dual shift basis).
- The facility also has capacity for 4,000 kg of gold refining and 4,500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



BUSINESS MODEL: RETAIL

EFFICIENT INVENTORY MANAGEMENT

HUB & SPOKE MODEL - ROI OPTIMISATION



SMALL STORES

- $\leq 2,000$ sq ft
- Across the city
- Smaller range
- Lower price points (up to Rs 500k)

LARGE STORES

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

BUSINESS MODEL: SCALABILITY

- TBZ has an expansion plan to increase its retail space from ~1,10,666 sq. ft. at present to around 1,50,000 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	37	
Retail Sq ft	~48,000	~1,10,666	~1,50,000
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.

AWARDS & RECOGNITION

- “DIAMOND VIVAH JEWELLERY OF THE YEAR”
Retail Jeweller India Awards - 2018
- “INDIA’S MOST PREFERRED JEWELLERY BRAND”
UBM India - 2017
- “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





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