

INVESTOR PRESENTATION

Q4 & FY22 RESULTS

May 2022



TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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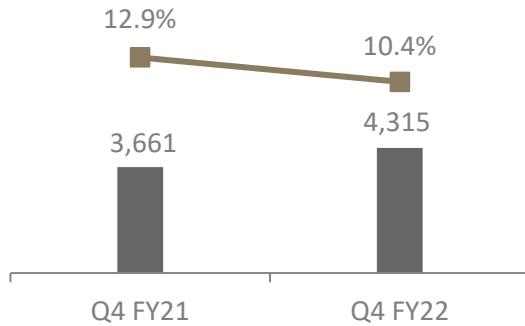
DISCUSSION SUMMARY

- Q4 & FY22 Results Update
- About Us
- Business Model

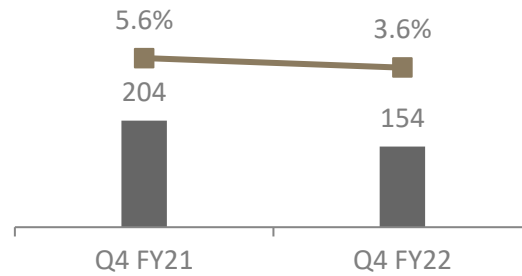
Q4 FY22 RESULT HIGHLIGHTS

In Rs Mn

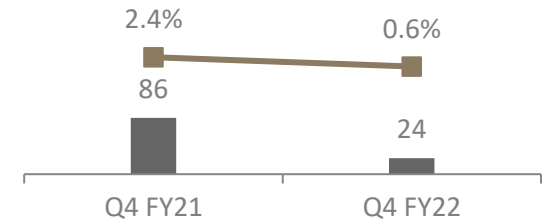
REVENUES & GROSS MARGIN



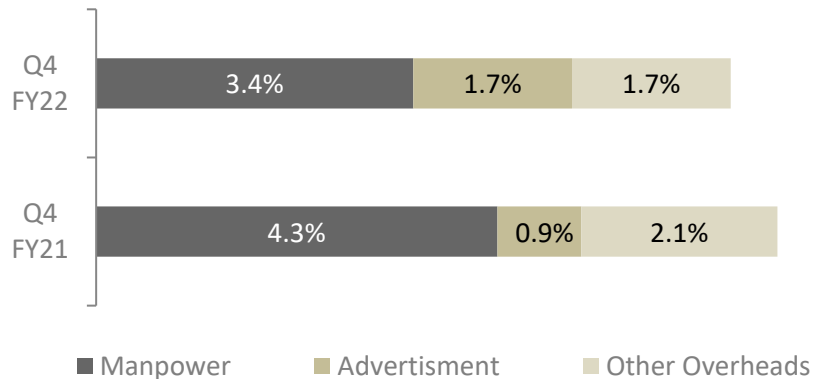
EBITDA



PAT



OPERATING COSTS (% of Total Revenue)



Other highlights

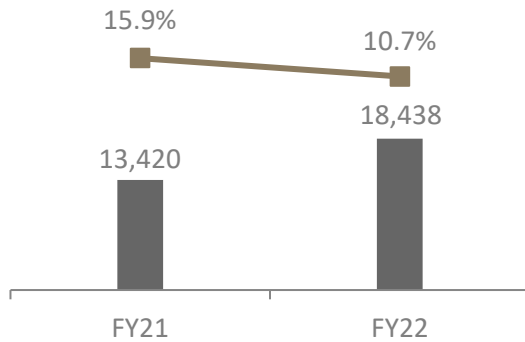
Share of Diamond Jewellery – Q4 FY22 (Q4 FY21) 20% (22%)

Gold Price higher by 6% YoY

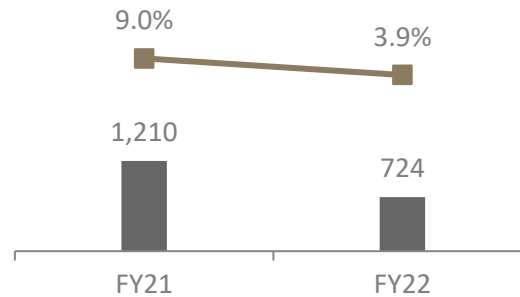
FY22 RESULT HIGHLIGHTS

In Rs Mn

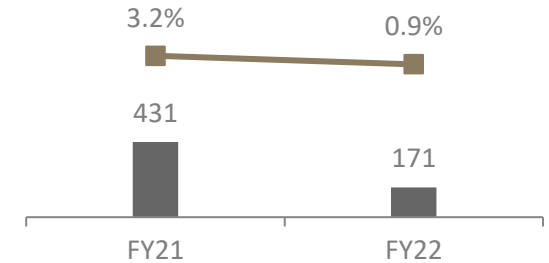
REVENUES & GROSS MARGIN



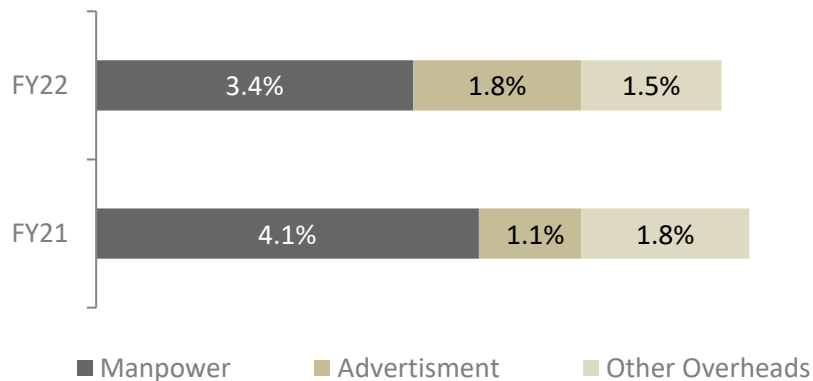
EBITDA



PAT



OPERATING COSTS (% of Total Revenue)



Other highlights

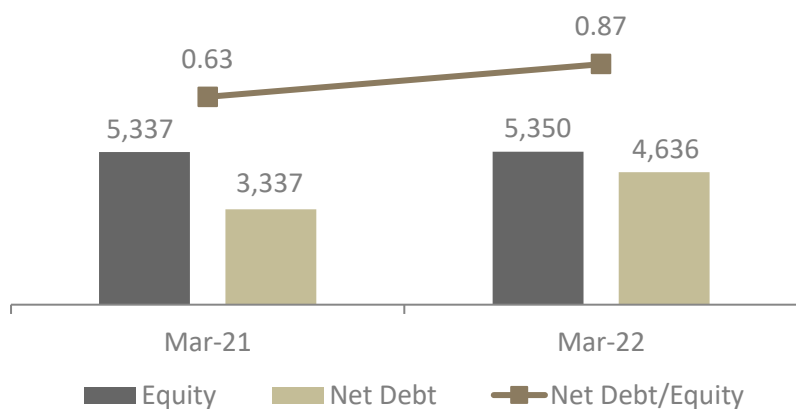
Share of Diamond Jewellery –FY22 (FY21) 21% (21%)

Q1 FY22 was severely affected due to the second wave of COVID and lockdowns

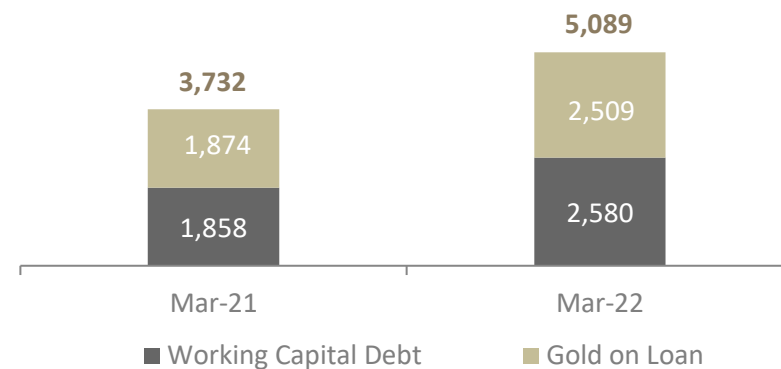
Q4 & FY22 BALANCE SHEET UPDATE

In Rs Mn

LEVERAGE ANALYSIS



TOTAL DEBT BREAKUP



Notes:

1. Total net debt has increased primarily in the quarter four due to increasing inventory levels for meeting the demand during upcoming festive and continuing wedding season.
2. Gold on Loan is shown as part of borrowings, while some of the listed peers show it under current liabilities / trade payables.

Q4 & FY22 - KEY RESULT TAKEAWAYS

REVENUE & MARGIN:

- Revenue in Q4 FY22 was up by 17.9% YoY. For FY22 revenue was up by 37.4% YoY, on account of higher footfalls and consistent conversion.
- Higher and volatile gold prices during Q4 FY22 and specially during the month of March 22 impacted high ticket wedding jewellery demand.
- A lower percentage of revenue generated from diamond jewellery sale impacted the gross margins for Q4 FY22.
- Moderation in prices over the past couple of weeks has driven a healthy uptick in Q1 FY23.
- Considering the upcoming festive and wedding season, the company has drawn out aggressive advertising and marketing campaigns to attract higher walk-ins and subsequently higher revenues for the upcoming quarters.
- Higher finance cost during Q4 FY22 was incurred due to increase in total net debt on the back of higher inventory maintained for upcoming festive and continuing wedding season demand

BALANCE SHEET & CASH FLOW:

- Inventory volumes are strategically kept at adequate levels to cater to the anticipated high demand and to offer the customer wide range of designs across product categories during the upcoming festive season.
- Net Debt – Equity Ratio remains favourable at 0.87x demonstrating underlying balance sheet strength despite a challenging macro environment over the past 2 years.



Q4 & FY22 - PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q4 FY22	Q4 FY21	YoY %	FY22	FY21	YoY %
Net Revenues	4,315	3,661	17.9%	18,438	13,420	37.4%
COGS	3,865	3,189	21.2%	16,466	11,283	45.9%
Gross Profit	450	472	-4.6%	1,973	2,137	-7.7%
Gross Margin (%)	10.4%	12.9%	-246bps	10.7%	15.9%	-523bps
Personnel Expenses	148	159	-6.6%	635	549	15.6%
Other Expenses	148	109	35.7%	614	378	62.3%
EBITDA	154	204	-24.4%	724	1,210	-40.2%
EBITDA Margin (%)	3.6%	5.6%	-200bps	3.9%	9.0%	-509bps
Depreciation	54	54	-0.4%	223	263	-15.5%
Other Income	22	36	-38.8%	84	129	-35.0%
Interest Expenses	94	78	20.8%	356	478	-25.6%
Profit Before Tax	28	108	-73.8%	229	597	-61.7%
Tax	4	22	-81.4%	58	166	-65.3%
PAT	24	86	-71.8%	171	431	-60.3%
Profit Margin (%)	0.6%	2.4%	-180bps	0.9%	3.2%	-228bps

Q4 & FY22 - BALANCE SHEET STATEMENT

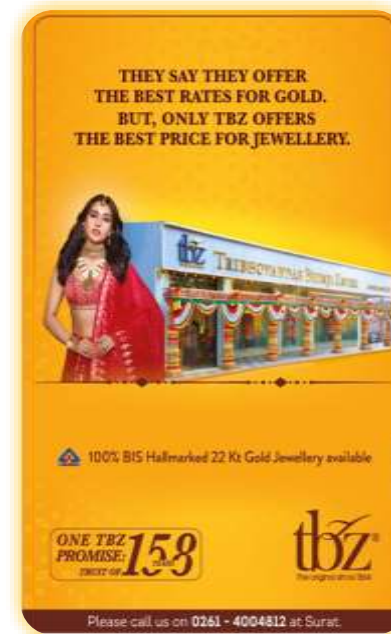
Particulars (In Rs Mn)	March-22	December-21	September-21	June-21	March-21
Shareholders Funds	5,350	5,317	5,146	5,246	5,337
Loan Funds	5,089	4,076	4,076	3,452	3,732
Gold on Loan	2,509	2,051	2,005	1,796	1,874
Working Capital Loan	2,580	2,025	2,071	1,656	1,858
Lease liability	607	614	544	455	483
Provisions	68	72	68	63	63
Other Long -Term Liabilities	1	1	2	3	23
Sources of Funds	11,114	10,080	9,835	9,219	9,638
Net Block	1,301	1,264	1,208	1,121	1,175
Other Long -Term Assets	486	384	404	397	358
Inventory	12,058	11,108	10,938	9,694	9,958
Debtors	16	22	25	23	34
Cash and Bank Balance	453	371	370	404	395
Other Current Assets	342	295	359	329	316
Current Liabilities	3,542	3,364	3,469	2,749	2,598
Net Current Assets	9,328	8,432	8,223	7,701	8,105
Application of Funds	11,114	10,080	9,835	9,219	9,638

MARKETING INITIATIVES DURING THE QUARTER

- PAN India campaigns on Trust, Legacy and Best Price to showcase the total price of Jewellery at TBZ is lower than the market because when you buy jewellery you just don't buy gold.
 - The campaign received good response in terms of reducing price-related queries and
 - Increased the positive sentiments backed by TBZ legacy & trust of more than 150 years.
- Upto 50% off on the making charges of Diamond Jewellery.
- Promoting Kalpavriksha Plan as a gifting option for Valentine's day, Women's day and other special occasions like birthdays & anniversaries.
- Campaigns like 'Month of Gifting'; 'Valentine's'; 'KP Promotion in digital media' and 'regional specific campaign'.
- Festive specific campaigns for Holi & Women's day.
- Customer walk-ins increased by 19% as compared to FY21
- Net Promoter Score, based on customer feedback for the year is at 67 and we are constantly striving to achieve higher Net Promoter Score by further improving customer experience.

11% of the Customers were Win-Backs

New customer walk-ins during the year increased by 10% compared to FY21



SPECIAL CAMPAIGNS DURING THE QUARTER

Women Should Be Honored Every Day,
Let Us Help You Make Your Gift Extraordinary!

GIFT CARD

tbz

To All The Powerful Women,

Your Effort And Passion Have Made You Shine Bright

You Are A Girl Beautiful And Rare,

WEDDINGS
BY TBZ - THE ORIGINAL

BRIDAL JEWELLERY
STARTING AT ₹1.5 LAKHS*

NO WASTAGE

100% exchange on ANY OLD GOLD

100% 22K Gold Jewellery available

7% Making charges on gold jewellery

Mangala
Temple Jewellery Collection Available

HYDERABAD:
MOGUL'S COURT, BASHEERBAGH,
PH. 040 - 40263356 | 70 GREENSLAND ROAD,
PUNJAGUTTA. PH. 040 - 40172450

tbz[®]
The original since 1984

Happy Haldi

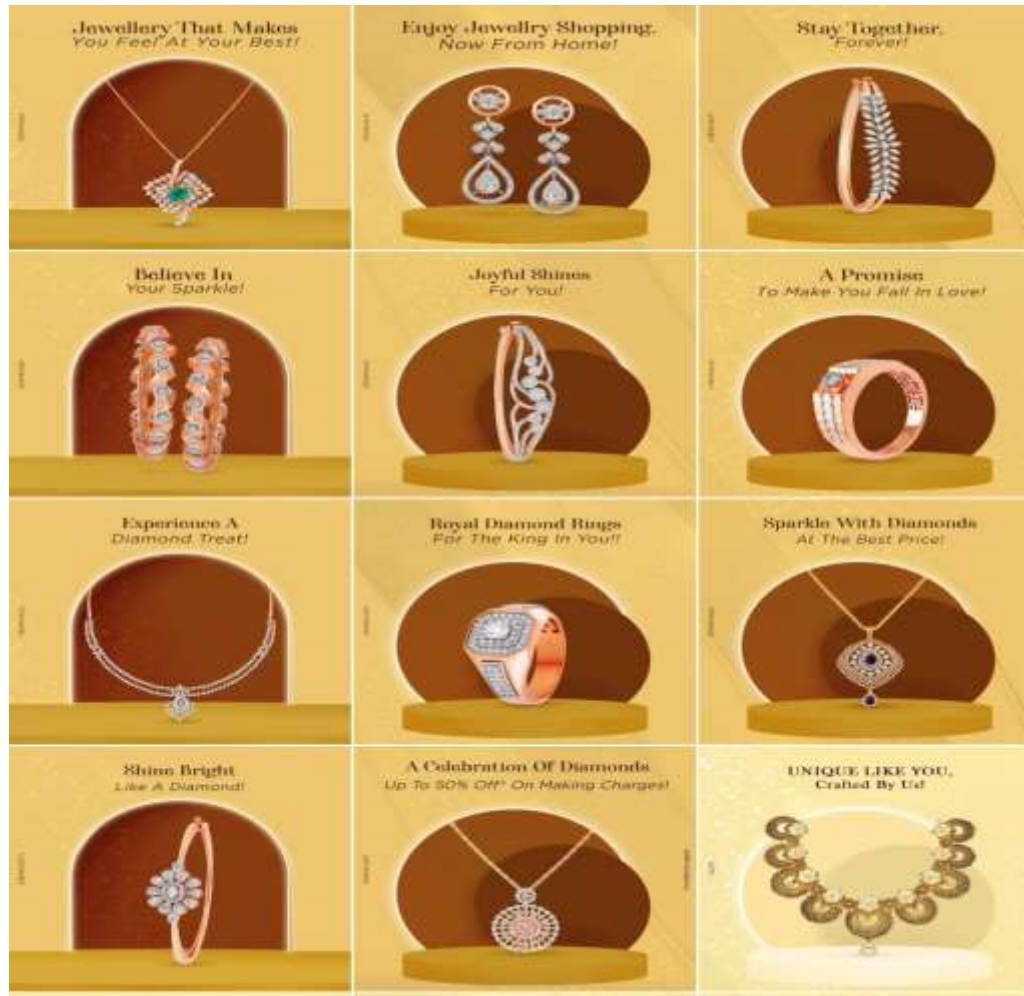
Haldi Collection

Make Every Occasion Remarkable In Colourful Haldi




Haldi Collection Every Day

Colours Of Prosperity

JEWELLERY COLLECTION THAT MAKES YOU FEEL AT YOUR BEST



LIGHT WEIGHT AFFORDABLE JEWELLERY COLLECTION

 <p>Explore Diamond Jewellery for your everyday look!</p>		<p>Need a moment of shine but the mood keeps on changing?</p>
 <p>Address of Diamond and Gold 10K Pure 18K Pure 22K Pure</p> <p>IT'S SURPRISINGLY AFFORDABLE</p>	 <p>18K Pure 22K Pure 10K Pure</p> <p>IT'S SURPRISINGLY AFFORDABLE</p>	<p>Want some sparkle but the mood keeps on changing?</p>
 <p>10K Pure 18K Pure 22K Pure</p> <p>IT'S SURPRISINGLY AFFORDABLE</p>	 <p>10K Pure 18K Pure 22K Pure</p> <p>IT'S SURPRISINGLY AFFORDABLE</p>	<p>SURPRISINGLY AFFORDABLE</p>
 <p>10K Pure 18K Pure 22K Pure</p> <p>IT'S SURPRISINGLY AFFORDABLE</p>	 <p>10K Pure 18K Pure 22K Pure</p> <p>IT'S SURPRISINGLY AFFORDABLE</p>	<p>SURPRISINGLY AFFORDABLE</p> <p>The perfect everyday companion to make ordinary days, extraordinary!</p>

<p><i>Look How You Glow!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>You Missed Me So Much!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>You Complete Me!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>
<p><i>You Get Me Like No One Else!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>Say it Better With a Gift From TBC - The Original</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>You Always Look Up To Me!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>
<p><i>I Love You The Most!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>Thank You For Having My Back Always!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>We Are Proud Of You Baby!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>
<p><i>A Gift Card That Shines Always!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>Precious Moments For Your Priceless Relationships!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>	<p><i>Special Moments, Making Us All Proud To Be Valuable Gifts!</i></p>  <p>Say it Better With a Gift From TBC - The Original</p>

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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 123 k, Diamond – Rs 140 k

Scalability & Reach

- 31 stores (1,03,336sq. ft.)
- Presence – 25 cities, 12 states

TBZ

SUSTAINABLE COMPETITIVE ADVANTAGES

Specialty Wedding Jeweller

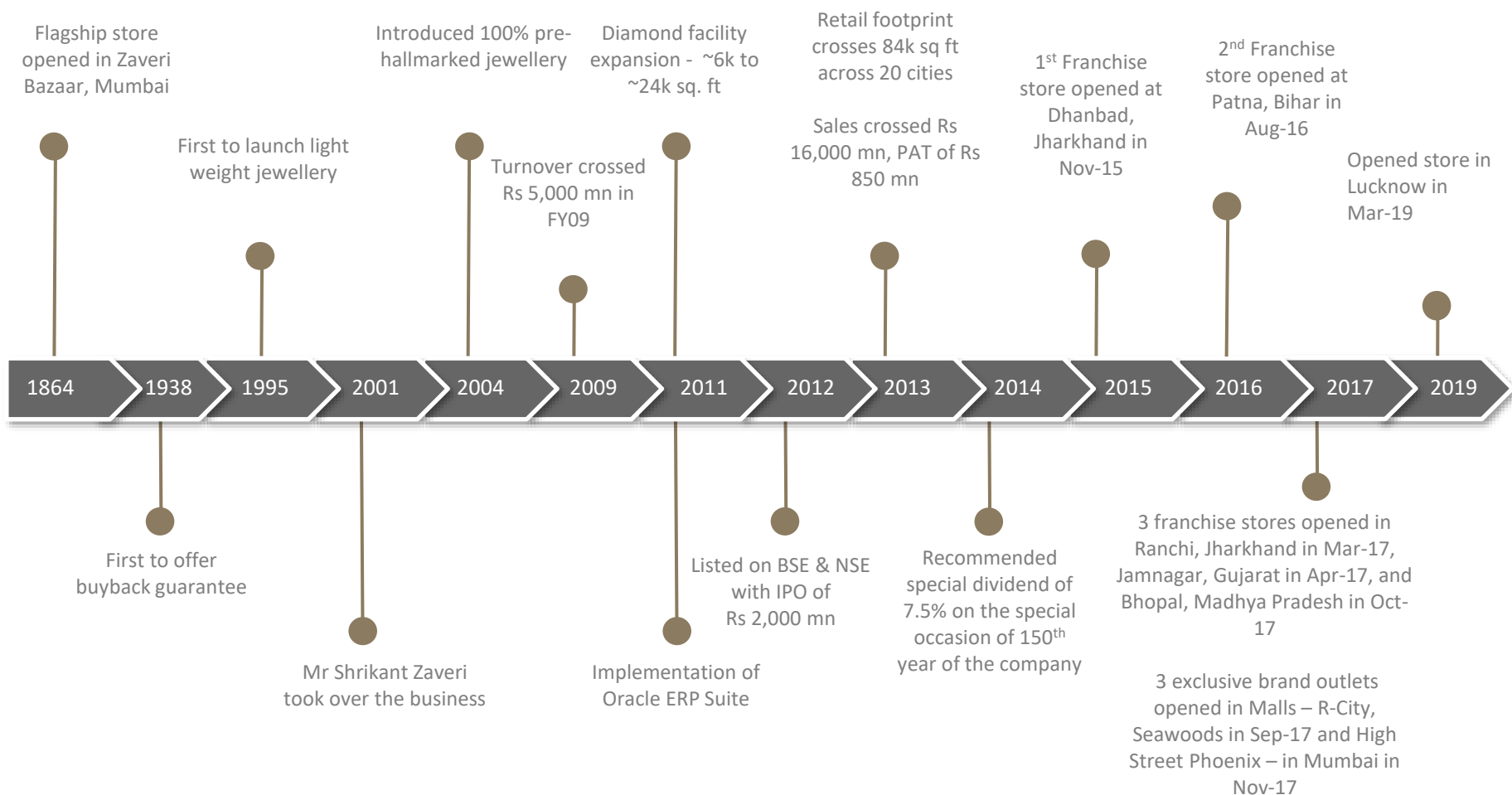
- ~ 60% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

Design Exclusivity

- 29 designers (incl. 14 CAD)
- 8 - 10 new jewellery lines/year
- In-house diamond jewellery production
- Customer loyalty
- Premium pricing

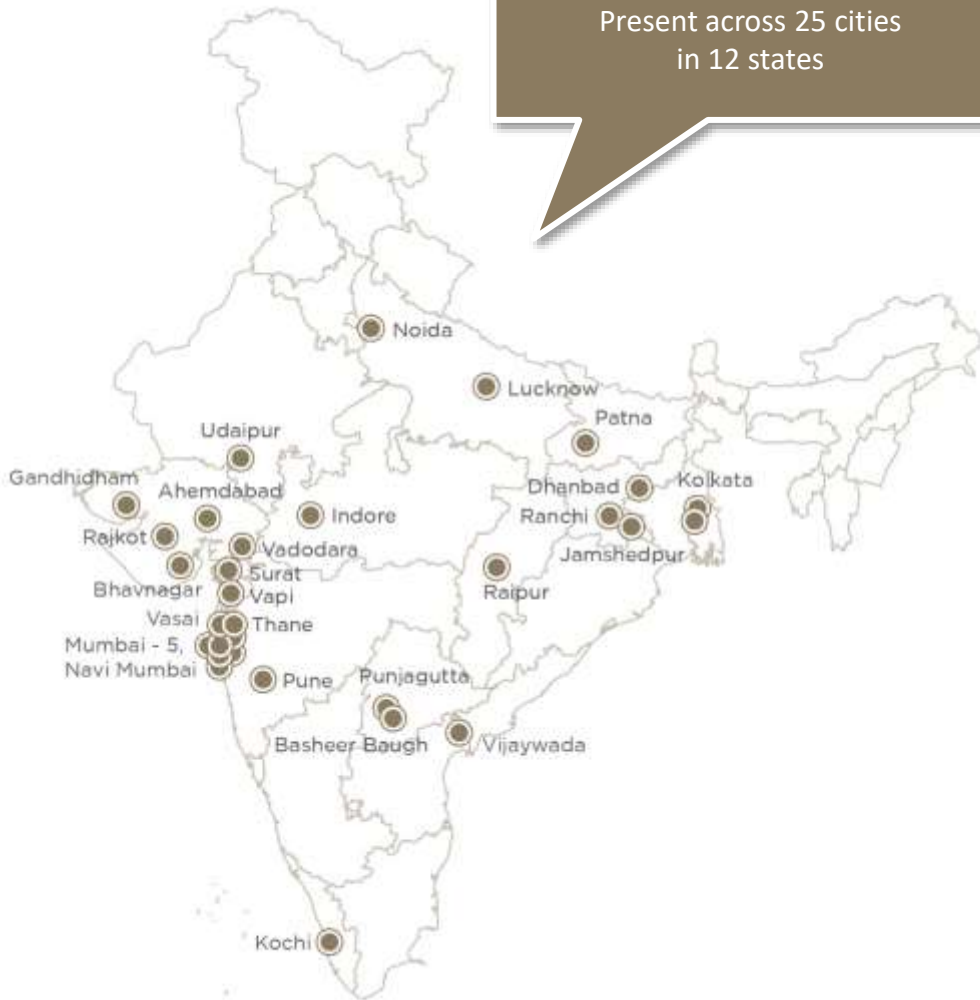
KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST



RETAIL PRESENCE

Present across 25 cities
in 12 states



PAN-INDIA PRESENCE WITH 31 STORES
WITH A RETAIL SPACE OF ~103,336
SQ. FT. SPREAD ACROSS
25 CITIES IN 12 STATES

NUMBER OF STORES	TILL DATE
Large Format (> 2,000 sq. ft.)	28
Small Format (<= 2,000 sq. ft.)	3
Total Stores	31
Total Area	~1,03,336



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BUSINESS MODEL: MANUFACTURING

PROCUREMENT

Gold

- Raw Material - Bullion

Sources:

- Banks – Gold on loan
- Exchange & purchase of old jewellery
- Bullion dealers

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

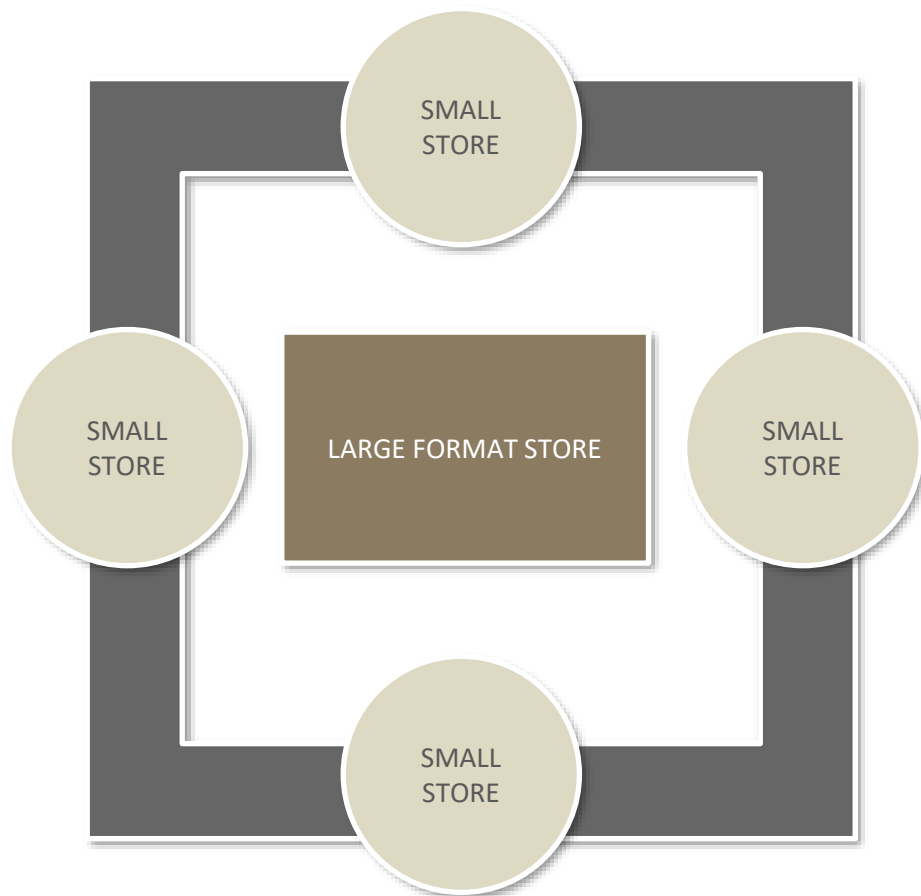
- In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~30,000 cts
- The facility also has capacity for 4,000 kg of gold refining and 4,500 kg of gold jewellery components 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)

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

- **BEST BRACELET DESIGN AWARD AT THE 9TH EDITION OF JJS-IJ JEWELLERS CHOICE DESIGN AWARDS 2019**
- **“CONTEMPORARY DIAMOND JEWELLERY AWARD” & “TREASURE OF THE OCEAN “ GJC’S NATIONAL JEWELLERY AWARD 2018**
- **“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**



FY22 CSR INITIATIVES – PROJECT PANKHI

A Project initiated by TBZ to provide Counselling & Skill Development to women impacted by Domestic Violence

- Counselors engaged in 15 different community settings in Mumbai, Vadodara, Ahmedabad, Pune, Kochi, Patna, Delhi and Hyderabad
- More than 2,806 cases reported, and 1,944 Calls received through helpline
- 40,625 Lives impacted through Online and community awareness sessions
- 596 Women aided through Skill Development project with an objective of empowering survivors of domestic violence and making them self-sufficient
- Partnered with NGOs across various geographies, Currently operational with following organizations:-
 - Stree Mukti Sanghatana, URJA, Srujna, Asha - Maharashtra
 - Shanti Sahyog, SPID - Delhi
 - Cultural Academy for Peace, AWAG, BCC - Gujarat
 - Bihar Voluntary Organization – Bihar
 - Cultural Academy for Peace – Kerela and many more...
- Conducted health check up camps and supported patients with medications





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