

Date: 10th February, 2021

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 4th February, 2021 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 Wednesday, 10th February, 2021 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



CIN: L27205MH2007PLC172598

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Corp. Office: 11th Floor, West Wing, Tulsiani Chambers, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

Tel.: 02230735000, 912249255000 www.tbztheoriginal.com

INVESTOR PRESENTATION

Q3 & 9M FY21 RESULTS

February 2021



TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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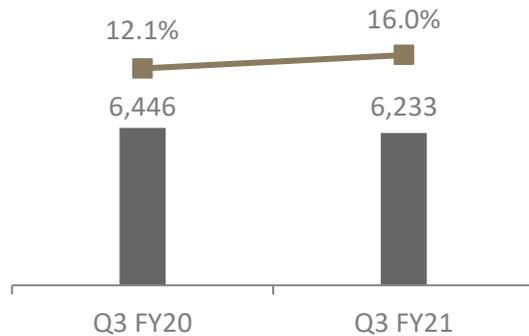
DISCUSSION SUMMARY

- [Q3 & 9M FY21 Results Update](#)
- [About Us](#)
- [Business Model](#)

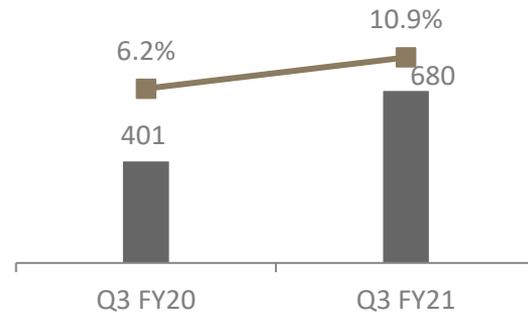
Q3 FY21 RESULT HIGHLIGHTS

In Rs Mn

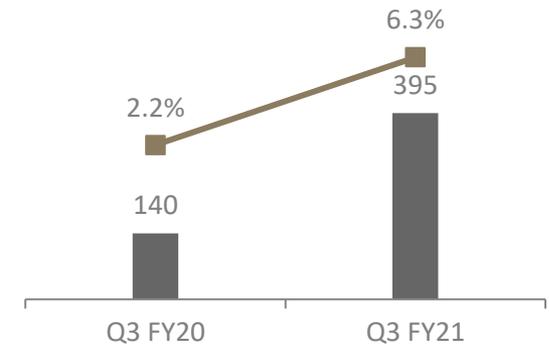
REVENUES & GROSS MARGIN



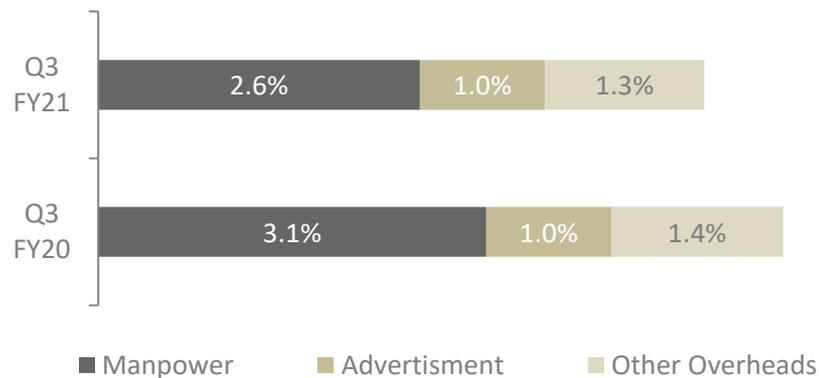
EBITDA



PAT



*OPERATING COSTS (% of Total Revenue)



Studded Share Ratio

Share of Diamond
- Q3 FY21 (Q3 FY20)

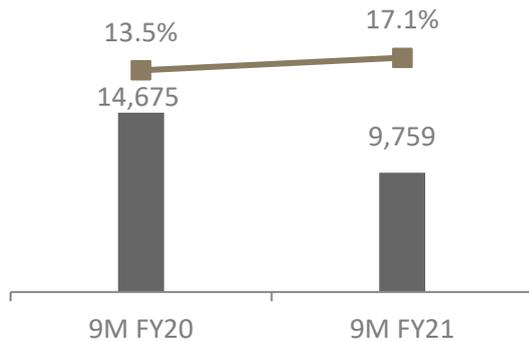
21%(21%)

* During Q3 FY21 Manpower expenses has been reduced by Rs.39 Mn YoY on absolute basis.

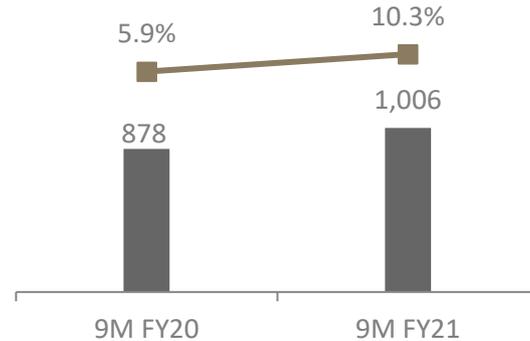
9M FY21 RESULT HIGHLIGHTS

In Rs Mn

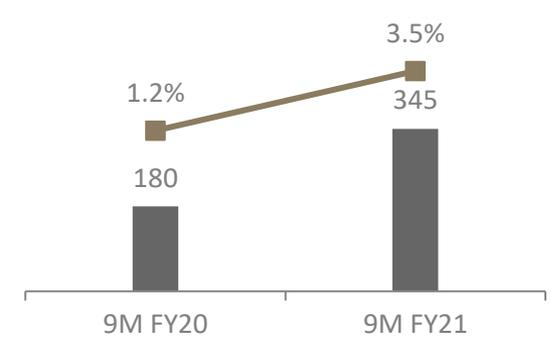
REVENUES & GROSS MARGIN



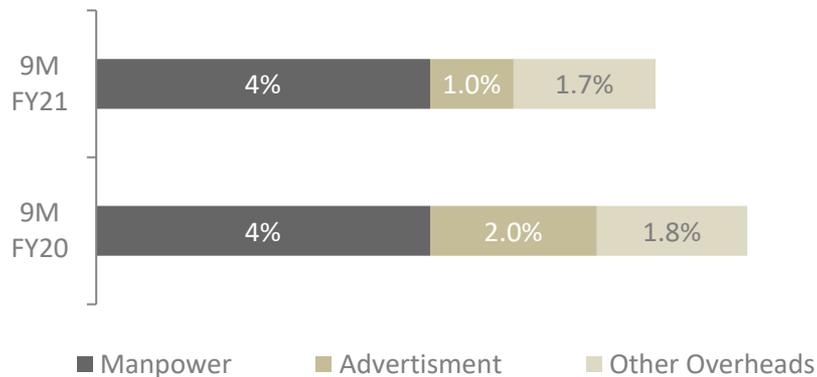
EBITDA



PAT



*OPERATING COSTS (% of Total Revenue)



Studded Share Ratio

Share of Diamond
- 9M FY21 (9M FY20)

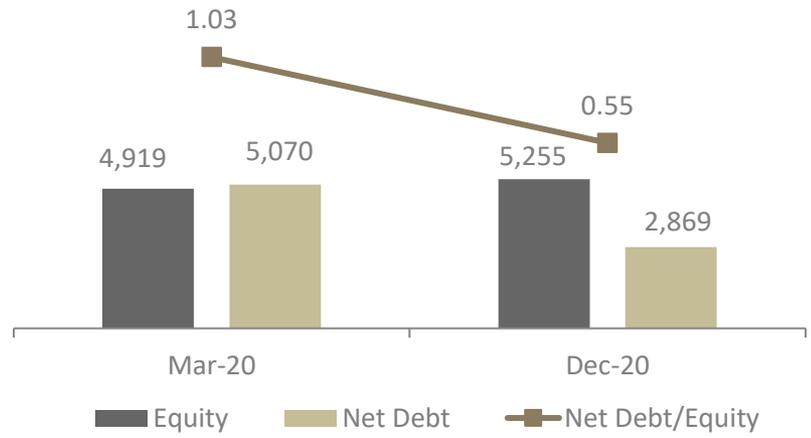
20.8% (22.8%)

* During 9MFY21 Manpower expenses has been reduced by Rs.190 Mn YoY on absolute basis

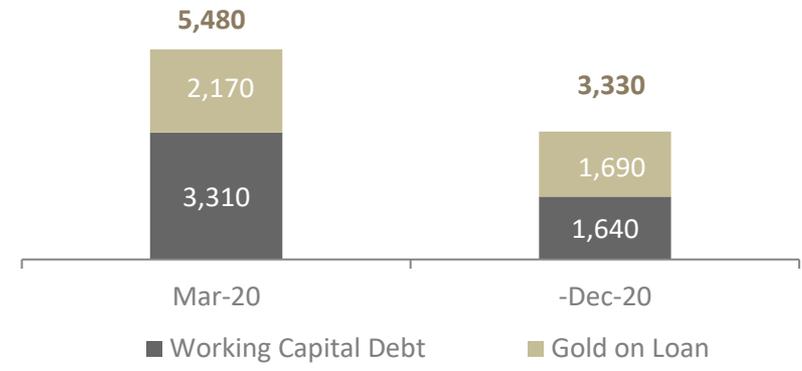
Q3 & 9M FY21 BALANCE SHEET UPDATE

In Rs Mn

LEVERAGE ANALYSIS



TOTAL DEBT BREAKUP



Notes:

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

Q3 & 9M FY21 - KEY RESULT TAKEAWAYS

REVENUE & MARGIN:

- The company displayed an improved year-on-year performance, buoyed by the various festivals and auspicious occasions during the Q3 FY21 as well as the revenues generated due to the continuing wedding season.
- Gross Margin improved from 12.1% in Q3 FY20 to 16% in Q3 FY21 majorly due to consistency in product mix & gold price impact. (Gold prices on an average has increased by 22% during 9M FY21)
- The company's emphasis on keeping operating expenses under strict control, resulted in positive operating leverage leading to higher EBITDA.
- Interest costs have seen a reduction of 18% YoY. This further helped in expanding Net profit margin



BALANCE SHEET & CASH FLOW:

- During 9MFY21, the Company has strategized towards effective inventory rationalization & debt reduction to further strengthen the balance sheet and cash flows that will help in future growth plans
- Efficient inventory management and working capital strategy have led to reduction in working capital borrowings by 50% to Rs 1,670 Mn from Mar20 to Dec20
- As part of our overall Inventory rationalization strategy Inventory volumes have been further reduced by Rs 2,407 Mn during 9MFY21.



Q3 & 9M FY21 - PROFIT & LOSS STATEMENT

Particulars (In Rs Mn) -Standalone	Q3 FY21	Q3 FY20	YOY%	9M FY21	9M FY20	YOY%
Net Revenues	6,233	6,446	-3.3%	9,759	14,675	-33.5%
COGS	5,236	5,663	-7.5%	8,094	12,688	-36.2%
Gross Profit	997	783	27.4%	1,665	1,987	-16.2%
Gross Margin (%)	16.0%	12.1%	385 bps	17.1%	13.5%	352 bps
Personnel Expenses	161	200	-19.5%	390	580	-32.7%
Other Expenses	156	182	-14.3%	269	529	-49.1%
EBITDA	680	401	69.8%	1,006	878	14.6%
EBITDA Margin (%)	10.9%	6.2%	470 bps	10.3%	5.9%	432 bps
Depreciation	66	79	-15.9%	209	234	-10.7%
Other Income	21	13	55.5%	93	39	136.3%
Interest Expenses	109	133	-18.2%	401	419	-4.4%
Profit Before Tax	526	202	160.5%	489	264	85.2%
Tax	131	61	113.1%	144	84	71.1%
PAT	395	140	181.2%	345	180	92%
PAT Margin (%)	6.3%	2.2%	416 bps	3.5%	1.2%	231 bps

Q3 & 9M FY21 - BALANCE SHEET STATEMENT

Particulars (In Rs Mn) – Standalone	December-20	September-20	June-20	March-20
Shareholders Funds	5,255	4,864	4,730	4,919
Loan Funds	3,330	4,711	5,320	5,480
Gold on Loan	1,690	940	1,480	2,170
Working Capital Loan	1,640	3,771	3,840	3,310
Lease liability	532	564	800	606
Provisions	71	-	-	60
Other Long -Term Liabilities	82	-	70	5
Sources of Funds	9,270	10,205	10,920	11,070
Net Block	1,442	1,565	1,620	1,706
Other Long -Term Assets	127	195	290	211
Inventory	9,502	10,343	11,450	11,909
Debtors	20	14	150	30
Cash and Bank Balance	461	404	490	411
Other Current Assets	296	343	470	485
Current Liabilities	2,579	2,659	3,550	3,682
Net Current Assets	7,700	8,445	9,010	9,153
Application of Funds	9,270	10,205	10,920	11,070

MARKETING INITIATIVES DURING THE QUARTER

- Focus on Festive campaign – High decibel campaign in OOH, Print & Digital with tactical communication during festive season
- Enhanced customer experience by promoting completely online access of Kalpavruksha scheme
- Digital campaign for Ecommerce with focus on Gold Coins
- Targeted local area marketing within the primary and secondary catchment areas of the stores
- Introduced Riwayat Bridal campaign along with OLD Gold communication



FLAT
₹ 199 PER GRAM*
 MAKING CHARGES ON GOLD JEWELLERY

GET **100%**
 EXCHANGE VALUE*
 ON ANY OLD GOLD**

NO MAKING CHARGES
 on all
 DIAMOND JEWELLERY*

*Conditions apply. **Above 22 karat.

BORIVALI PH.: 28901864, GHATKOPAR PH.: 21028107,
 MARINE DRIVE PH.: 8451074/751/9892278277,
 SANTACRUZ PH.: 9769657927, THANE PH.: 49783840,
 VASAI PH.: 0250 - 2382238/39, VASHI - SECTOR 17
 PH.: 27892041/27662500 ZAVERI BAZAR PH.: 40465001



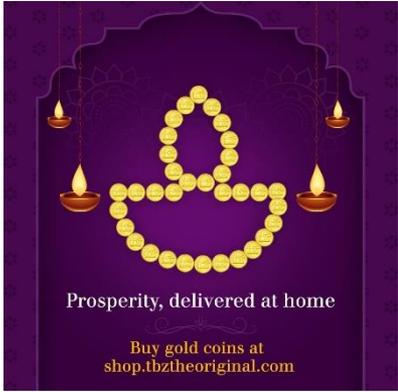
 The original since 1864



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 EXCHANGE VALUE
 ON ANY OLD GOLD**

NO MAKING CHARGES
 on all
 DIAMOND JEWELLERY*

Book a video appointment now
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MARKETING INITIATIVES DURING THE QUARTER



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100%
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Conditions apply. *Above 22 karat. **Zilverfil



Ready. Steady. Gold.

Starts at ₹3,000

75% of last installment is FREE

Easy online payment

Quick and effortless plans

TBZ's Kalpavruksha Easy Pay Plan



starting at
30,000/-

#surprisinglyAffordable
Diamond Jewellery

Waterford

DISCUSSION SUMMARY

- Q3 & 9M FY21 Results Update
- About Us
- Business Model

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 110 k, Diamond – Rs 147 k

Scalability & Reach

- 31 stores (1,03,336sq. ft.)
- Presence – 25 cities, 13 states

TBZ

SUSTAINABLE COMPETITIVE ADVANTAGES

Specialty Wedding Jeweller

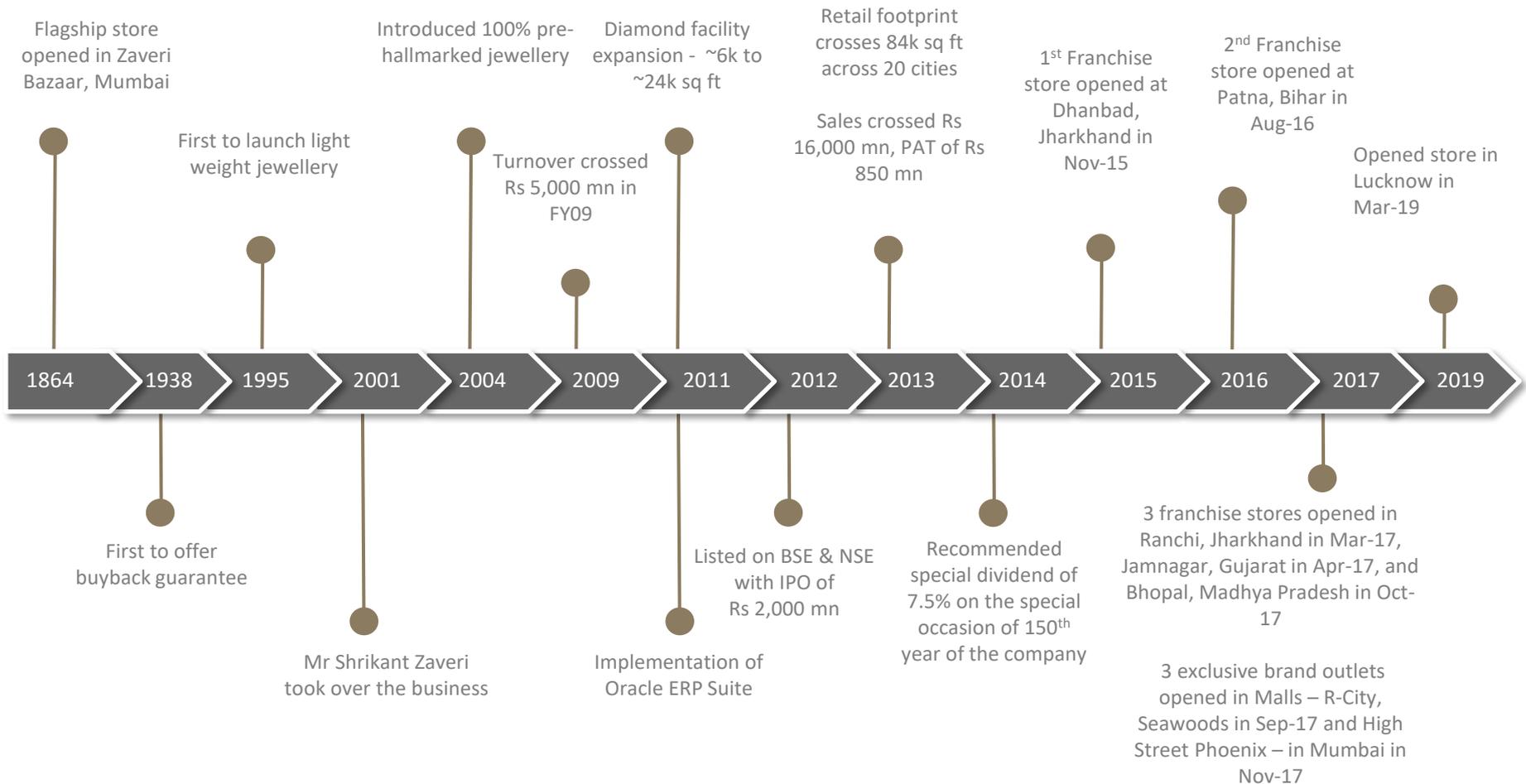
- ~ 65% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

Design Exclusivity

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

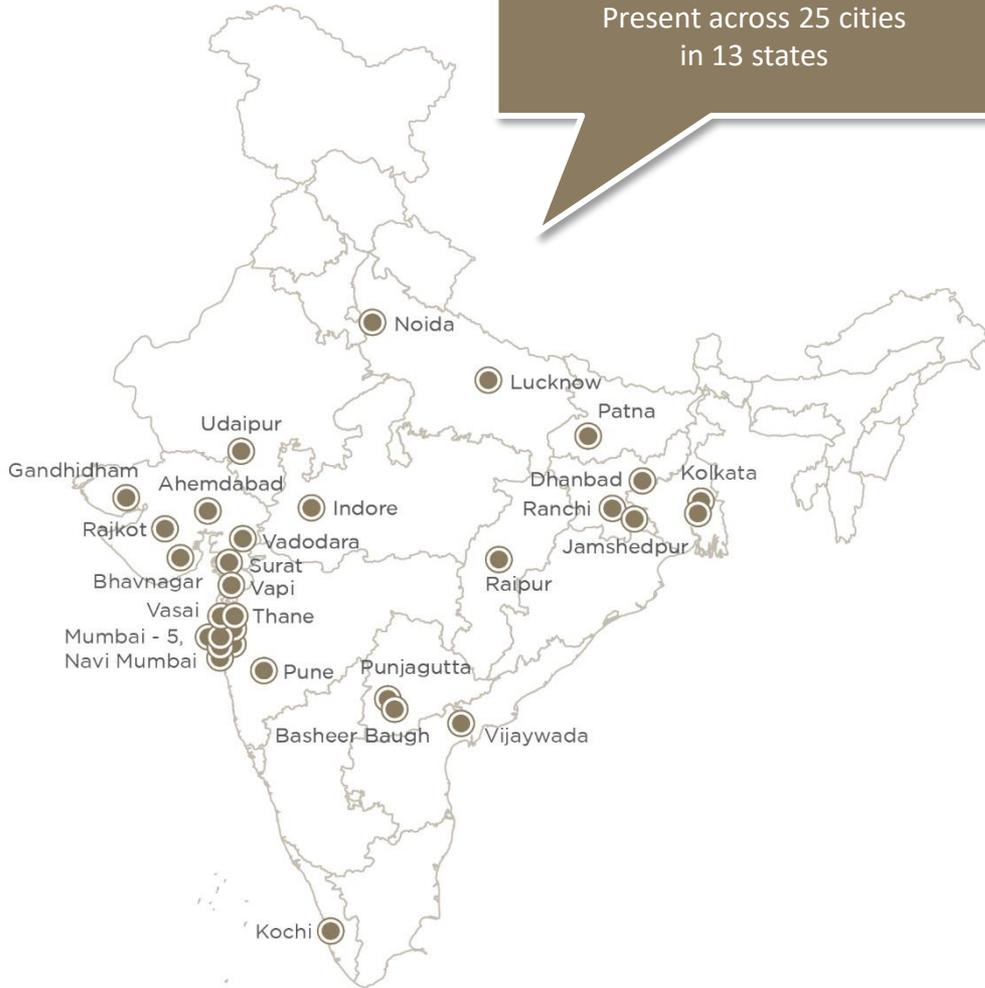
KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST



RETAIL PRESENCE

Present across 25 cities
in 13 states



PAN-INDIA PRESENCE WITH 31 STORES
WITH A RETAIL SPACE OF ~103,336
SQ. FT. SPREAD ACROSS
25 CITIES IN 13 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

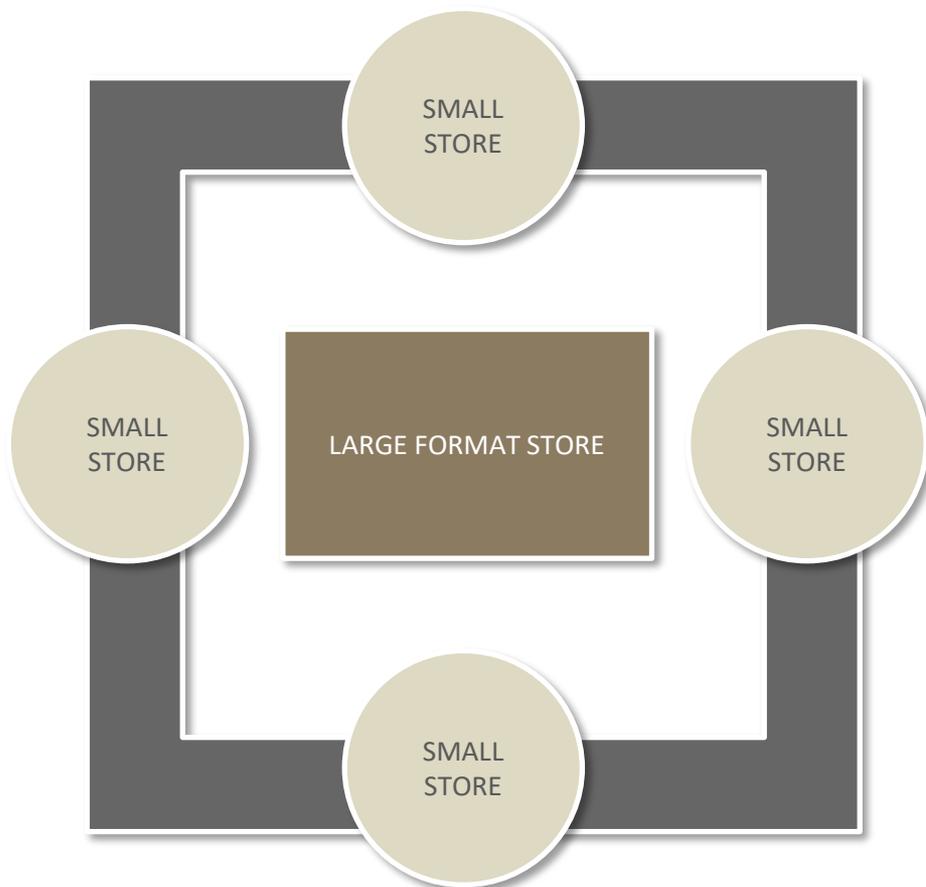
- In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~30,000 cts
- The facility also has capacity for 4,000 kg of gold refining and 4,500 kg of gold jewellery components 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 day 1.
- 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





TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP



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