

Date: 5th May, 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 27th April, 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, 3rd May, 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

Q4 & FY21 RESULTS

May 2021



TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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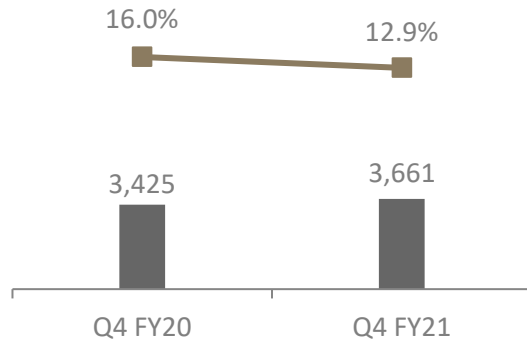
DISCUSSION SUMMARY

- [Q4 & FY21 Results Update](#)
- [About Us](#)
- [Business Model](#)

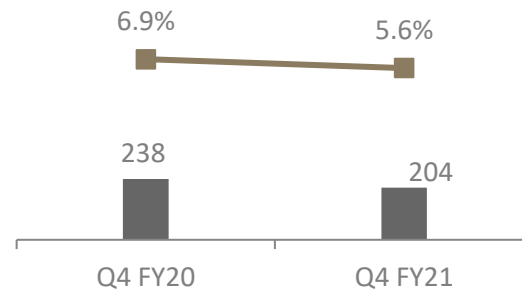
Q4 FY21 RESULT HIGHLIGHTS

In Rs Mn

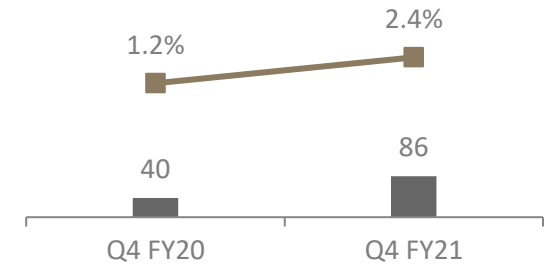
REVENUES & GROSS MARGIN



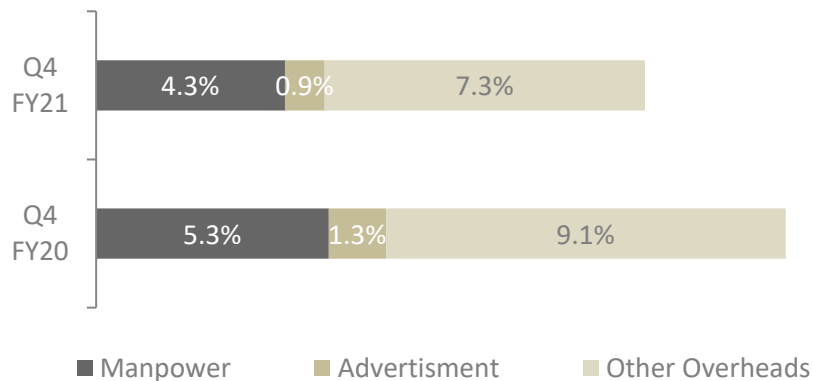
EBITDA



PAT



*OPERATING COSTS (% of Total Revenue)



Revenue Analysis

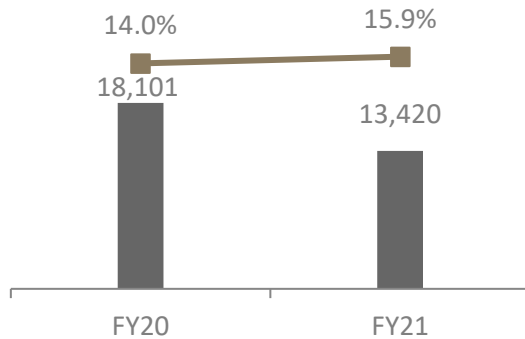
Share of Diamond Jewellery – Q4 FY21 (Q4FY20) 21.4% (22%)

* During Q4 FY21 Manpower expenses has been reduced by Rs.22 Mn YoY on absolute basis.

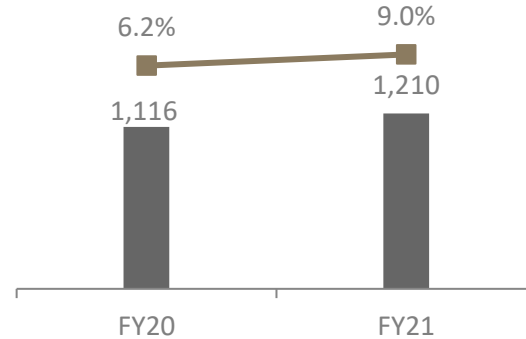
FY21 RESULT HIGHLIGHTS

In Rs Mn

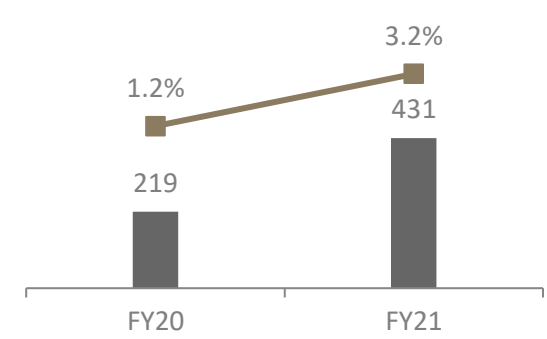
REVENUES & GROSS MARGIN



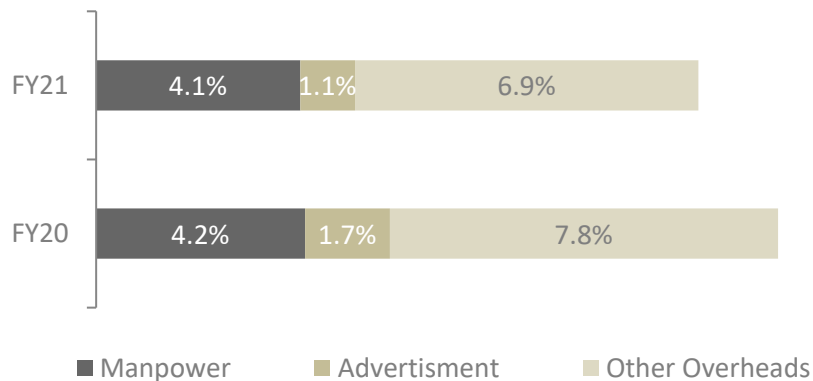
EBITDA & EBITDA Margin



PAT & PAT Margin



*OPERATING COSTS (% of Total Revenue)



Revenue Analysis

Share of Diamond Jewellery
– FY21 (FY20)

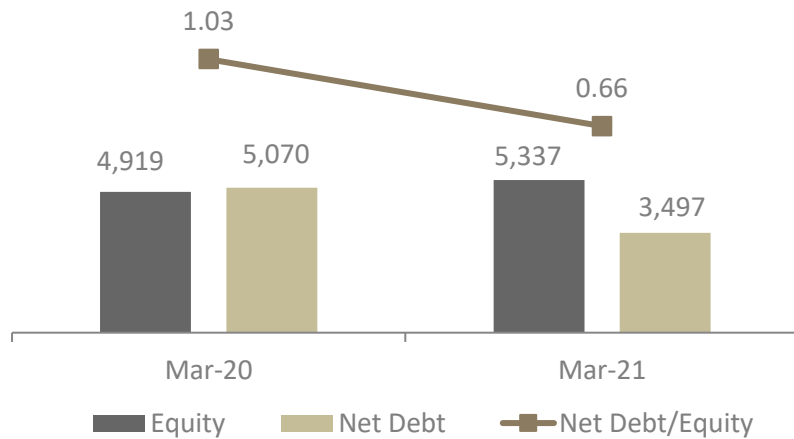
21.8% (22.7%)

* During FY21 Manpower expenses has been reduced by Rs.212 Mn YoY on absolute basis.

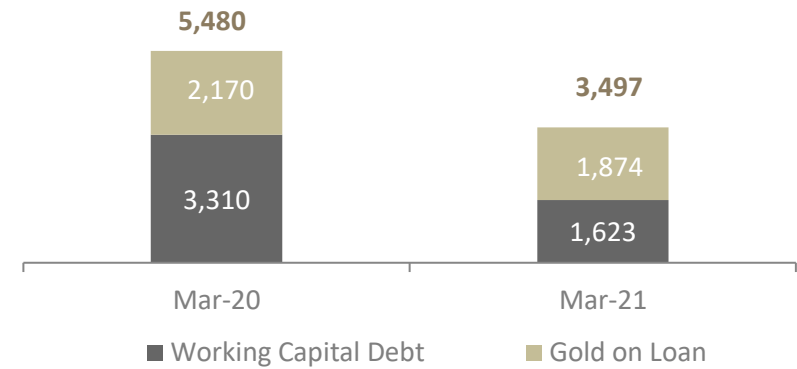
Q4 & FY21 BALANCE SHEET UPDATE

In Rs Mn

LEVERAGE ANALYSIS



TOTAL DEBT BREAKUP



Notes:

1. Total debt has seen a reduction of 36% YoY. Of the Total loan, working capital loan is reduced by 51% YoY.
2. Gold on Loan is shown as part of borrowings, while some of the listed peers show it under current liabilities / trade payables.

Q4 & FY21 - KEY RESULT TAKEAWAYS

REVENUE & MARGIN:

- Company reported 7% YoY growth in Revenue in Q4FY21, however change in product mix & gold price dynamics led to reduction in gross margins for Q4FY21.
- Various overheads like Manpower costs and other overheads have shown drastic reduction in FY21. Total Manpower costs reduced by Rs 212 Mn and other overheads by Rs 280 Mn YoY. For Q4FY21. Total overheads saw a reduction of 14% YoY.
- For FY21, the company emphasized on transformational cost reduction which has resulted in positive operating leverage and improved cost structure leading to higher EBITDA by 8% YoY. EBITDA margins too improved by 285 bps YoY in FY21 to 9% from 6% in FY20.
- Interest costs have seen a reduction of 15% YoY. This further helped in expanding Net profit margin by 200 bps YoY.



BALANCE SHEET & CASH FLOW:

- During FY21, the company focused on effectively rationalizing inventory levels, improve cash flow, reduce borrowings and debt cost along with using cash reserves judiciously.
- This has led to a reduction in overall borrowings by 36% YoY.
- Further, inventory have been reduced by Rs 1,952 (16% YoY) Mn during FY21.
- Net Cash Flow from Operations increased by 56% YoY in FY21.



Q4 & FY21 - PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q4 FY21	Q4 FY20	YoY %	FY21	FY20	YoY %
Net Revenues	3,661	3,425	6.9%	13,420	18,101	-25.9%
COGS	3,189	2,877	10.8%	11,283	15,565	-27.5%
Gross Profit	472	548	-13.9%	2,137	2,535	-15.7%
Gross Margin (%)	12.9%	16.0%	-312 bps	15.9%	14.0%	192 bps
Personnel Expenses	159	181	-12.4%	549	762	-27.9%
Other Expenses	109	130	-15.6%	378	658	-42.5%
EBITDA	204	238	-14.2%	1,210	1,116	8.4%
EBITDA Margin (%)	5.6%	6.9%	-137 bps	9.0%	6.16%	285 bps
Depreciation	54	86	-36.8%	263	320	-17.7%
Other Income	36	15	142.1%	129	54	137.9%
Interest Expenses	78	142	-45.2%	478	561	-14.7%
Profit Before Tax	108	25	338.7%	597	289	106.8%
Tax	22	-15	-245.1%	166	69	139.4%
PAT	86	40	117.5%	431	219	96%
Profit Margin (%)	2.4%	1.2%	120 bps	3.2%	1.2%	200 bps

Q4 & FY21 - BALANCE SHEET STATEMENT

Particulars (In Rs Mn)	March-21	December-20	September-20	June-20	March-20
Shareholders Funds	5,337	5,255	4,864	4,730	4,919
Loan Funds	3,497	3,330	4,711	5,320	5,480
Gold on Loan	1,874	1,690	940	1,480	2,170
Working Capital Loan	1,623	1,640	3,771	3,840	3,310
Lease liability	483	532	564	800	606
Provisions	63	71	-	-	60
Other Long -Term Liabilities	23	82	-	70	5
Sources of Funds	9,403	9,270	10,205	10,920	11,070
Net Block	1,175	1,442	1,565	1,620	1,502
Other Long -Term Assets	358	127	195	290	395
Inventory	9,958	9,502	10,343	11,450	11,909
Debtors	34	20	14	150	30
Cash and Bank Balance	394	461	404	490	411
Other Current Assets	316	296	343	470	512
Current Liabilities	2,831	2,579	2,659	3,550	3,690
Net Current Assets	7,871	7,700	8,445	9,010	9,172
Application of Funds	9,403	9,270	10,205	10,920	11,070

MARKETING INITIATIVES DURING THE QUARTER

- Introduced Riwayat Bridal campaign along with OLD Gold communication
 - Bridal Strategic OOH focused on bridal in East, Gujarat and South
- Focus on promoting completely online access of Kalpavruksha scheme specifically the Gold Block
- Digital campaigns focus was on KP, Valentine's Day & Diamond jewellery
- Targeted local area marketing within the primary and secondary catchment areas of the stores for community outreach

The advertisement is split into two main sections. The top section, with a light beige background, features a woman in a red sari. Above her, text offers 'FLAT 50% OFF ON MAKING CHARGES OF GOLD JEWELLERY*' and 'UP TO 100% OFF ON MAKING CHARGES OF DIAMOND JEWELLERY*'. Below this, it states '0% DEDUCTION ON EXCHANGE OF ANY OLD GOLD*'. The bottom section has a red background and features a large, ornate necklace. Text here includes 'Riwayat BRIDAL COLLECTION PRICES STARTING AT ₹3 LAKHS*' and '100% VALUE ON EXCHANGE OF ANY OLD GOLD*'. At the bottom of the red section, it says 'NO WASTAGE'. The tbz logo is present at the bottom of both sections.

MARKETING INITIATIVES DURING THE QUARTER

Show your love
PRICES STARTING AT ₹15,000*
[#LoveOutLoud]

tbz[®]
The original since 1864

BORIVALI PH. - 28901864, GHATKOPAR PH. - 21028107, MARINE DRIVE PH. - 84507475/1982278277, SANTACRUZ PH. - 9769457927, THANE PH. - 49783840, VASAJ PH. - 0250 - 2382238/39, VASHI - SECTOR 17 PH. - 27992041/2762500 ZAVERI BAZAR PH. - 40465001

HAPPY GUDI PADWA

Flat 35% off* on making charges of Gold and Diamond jewellery*

100% value on exchange of any old gold*

tbz[®]
The original since 1864

Wishing you a very happy Ramadan

Special Offers

Flat 35% Off*
On All Gold And Diamond Jewellery*

100% Value
On Exchange Of Any Old Gold*

tbz[®]
The original since 1864

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- Q4 & 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

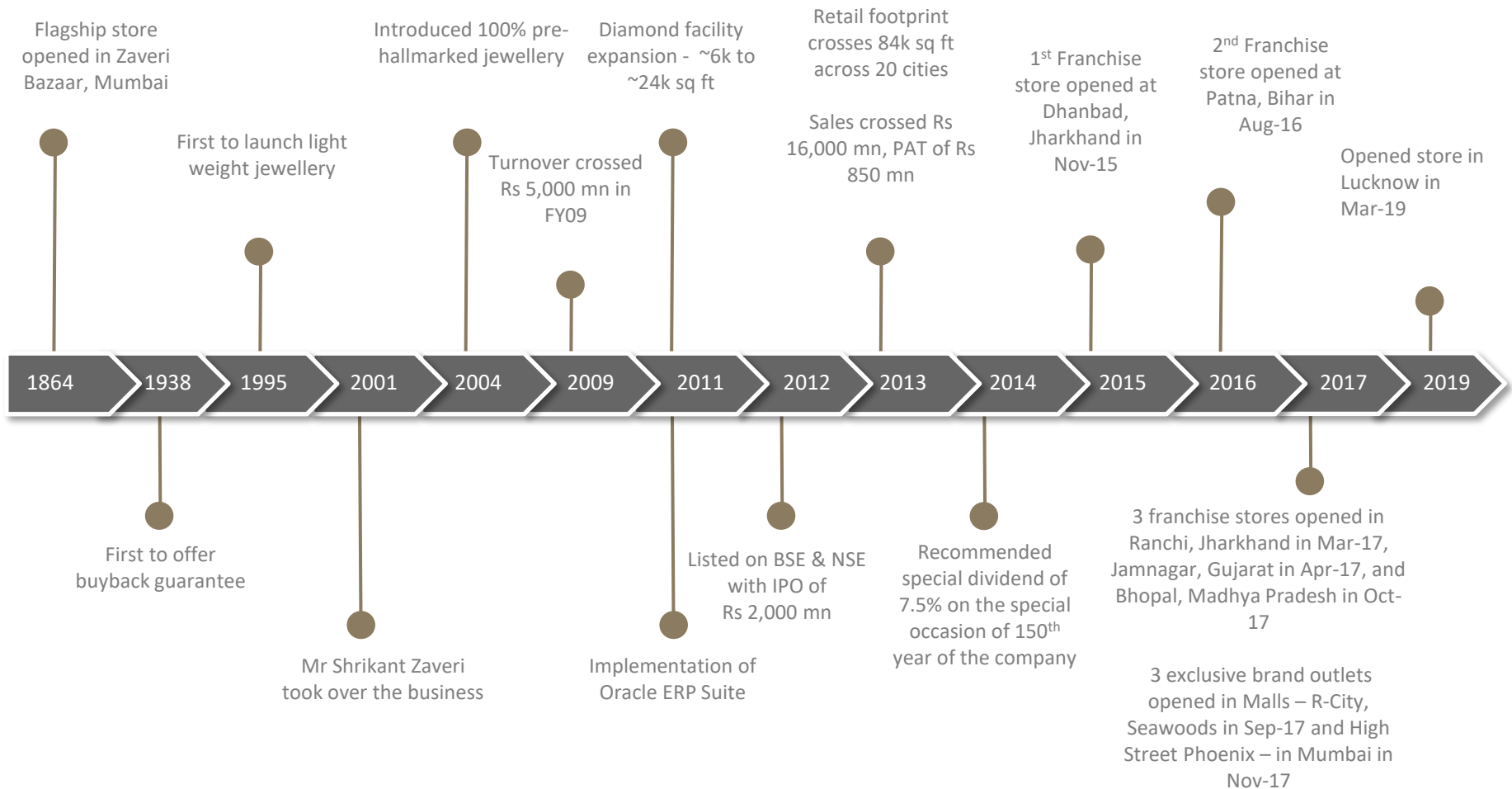
- ~ 65% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

Design Exclusivity

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

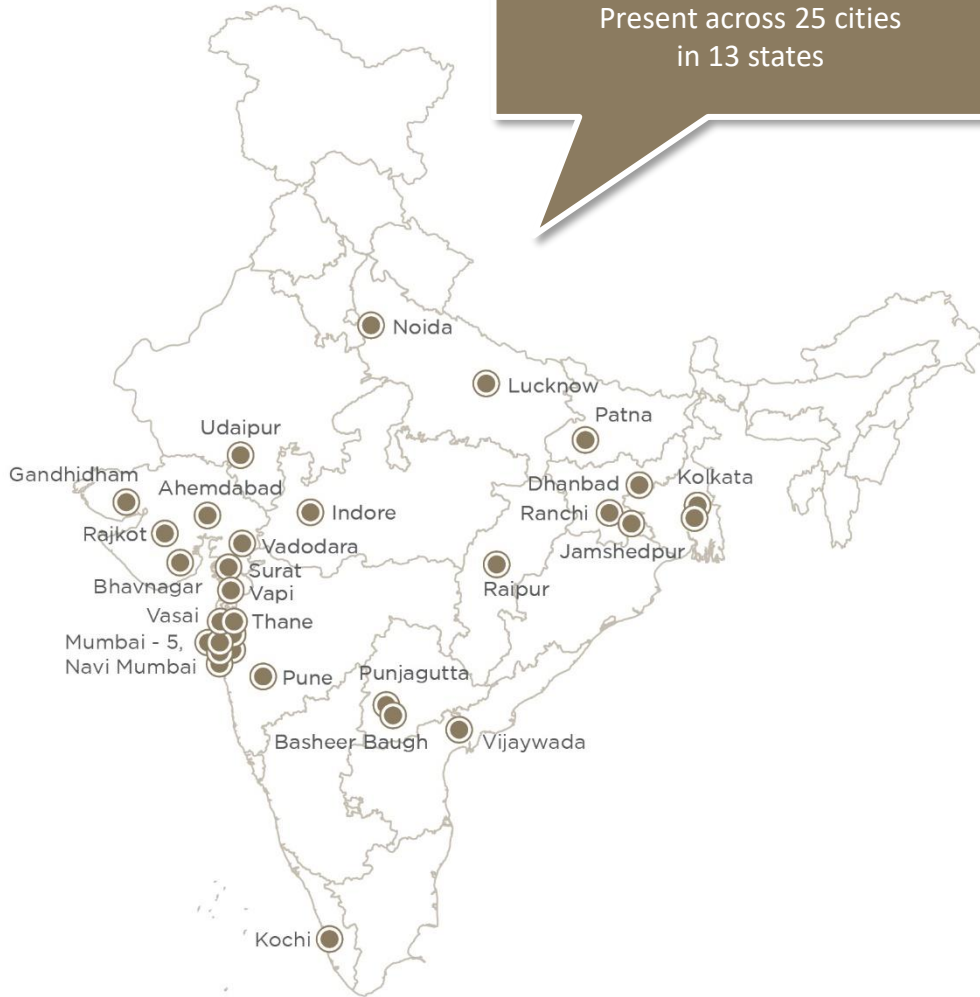
KEY MILESTONES

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

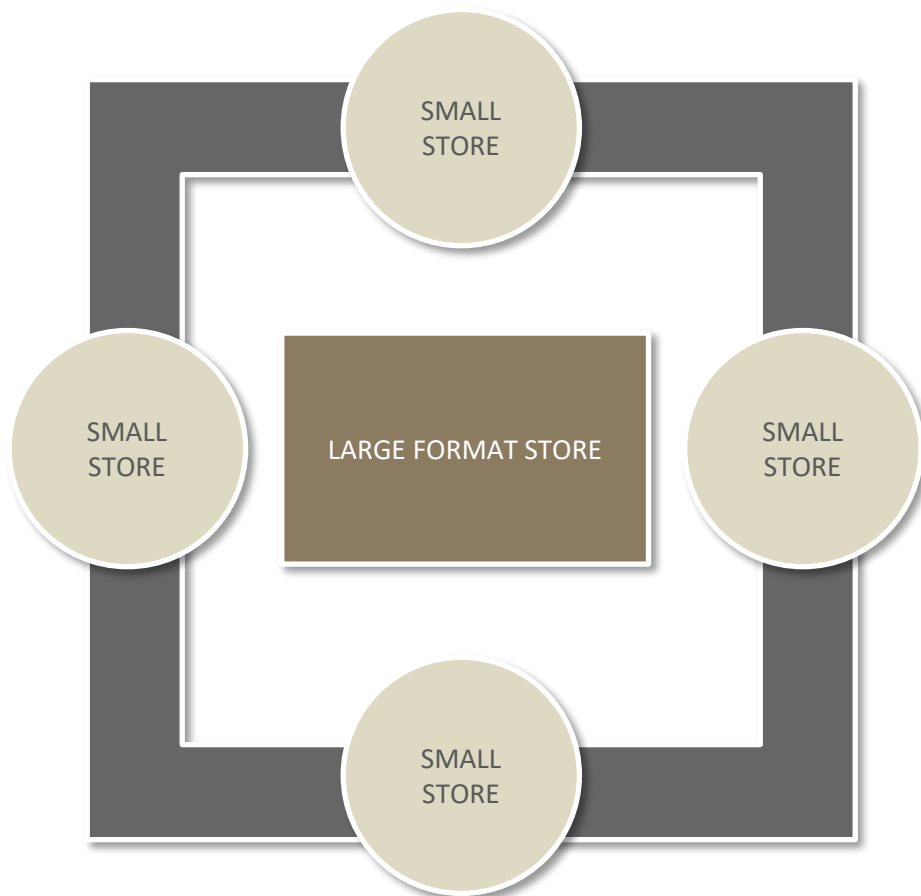
- In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~30,000 cts
- The facility also has capacity for 4,000 kg of gold refining and 4,500 kg of gold jewellery components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