

Date: 14th August, 2020

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 5th August, 2020 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 **Friday, 14th August, 2020 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 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

Regd. Office: 241/243, Zaveri Bazar, Mumbai - 400 002. Tel.: +91 22 3956 5001, 91 22 4046 5001
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

Q1 FY21 RESULTS

August 2020



The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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DISCUSSION SUMMARY

- [COVID-19 Impact](#)
- [Q1 F21 Results Update](#)
- [About Us](#)
- [Operational Summary](#)
- [Business Model](#)

COVID-19 Impact

- The lockdowns and restrictions imposed due to COVID-19 pandemic posed severe challenges to the business. Corporate offices, Retail store operations and Manufacturing facilities were fully shut during the period from March 17, 2020, to June 1, 2020, which affected the revenue generation, cash flows and financial performance of the Company during Q1 FY 21.
- Spiralling gold prices and the overall damp consumer and market sentiments added to the existing Covid19 related headwinds.
- The stores reopened with strict social distancing norms and stringent sanitisation measures and implementation of all safety measures as prescribed by the Authorities.
- During the Quarter, the Company has taken several austerity and cost efficiency measures across the board, to eliminate or curtail non - essential operational costs. Every cost line & expenses head was reviewed very minutely and internally challenged to arrive at an informed decision regarding which ones to eliminate, curtail or defer. This, coupled with focus on rationalisation of inventory led to ensure a stable liquidity position.
- The Company focused on communicating with customers on safety and convenience while enhancing their experience using technology via usage of digital brochures, video shopping and offering of a completely digital Kalpavruksha program.
- Numerous campaigns were done to allay customers fears around store visits and encourage them to plan their visits via appointments and even video appointments. These campaigns were focused on our positioning of being 'surprisingly affordable'.
- We remain confident that with our approach of focusing on Contemporary designs, Consumer friendly tech interventions and a well-trained and motivated sales team, TBZ is well positioned to take advantage of the rebound in consumer buying in the months to come.

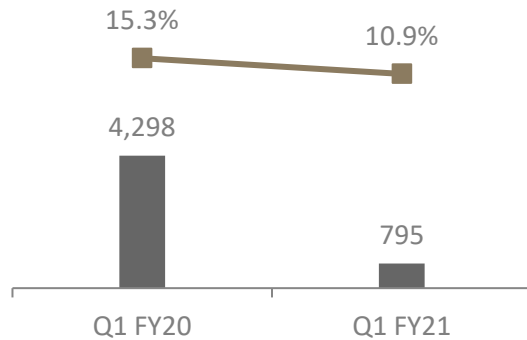
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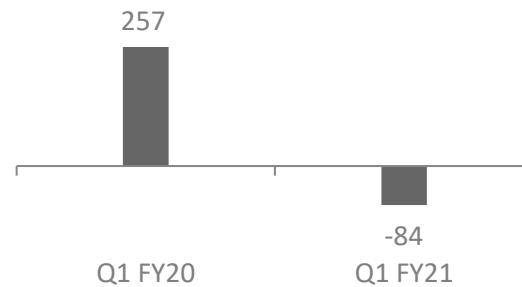
Q1 FY21 RESULT HIGHLIGHTS

In Rs Mn

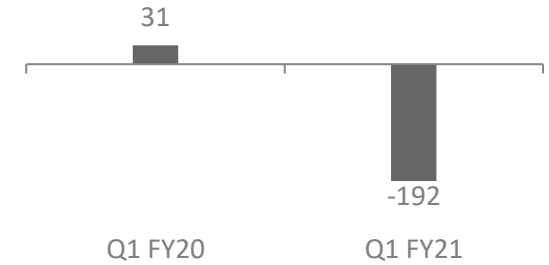
REVENUES & GROSS MARGIN



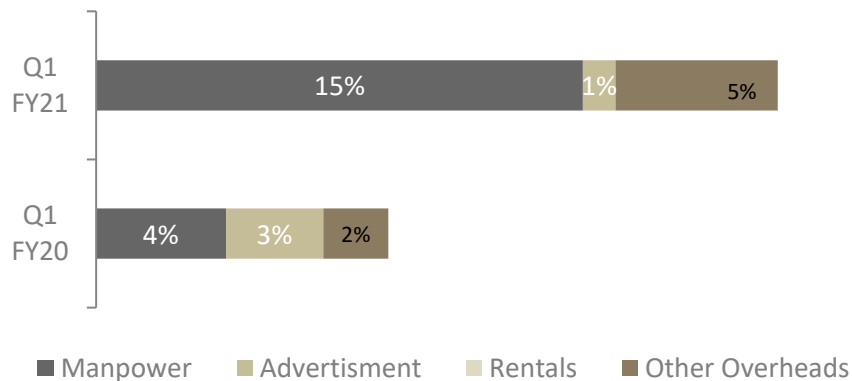
EBITDA



PAT



OPERATING COSTS (%)



Studded Share Ratio

Share of Diamond - Q1 FY21 (Q1 FY20) 14%(23%)

*Q1FY21 revenues & earnings were affected by country wide lockdowns as a result of COVID-19 Pandemic

Q1 FY21 ESTIMATED COVID-19 IMPACT ON FINANCIALS

Particulars (Rs Mn)	*Q1FY21	COVID Adjusted	Q1FY20
Revenue	795	4,615	4,298
EBITDA	-84	280	257
PBT	-258	70	50

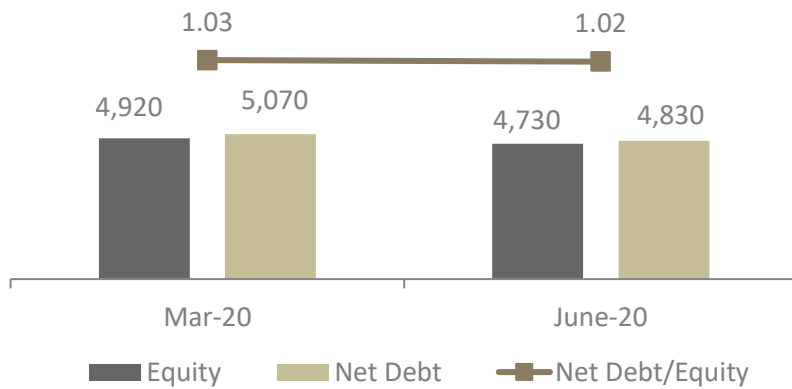
Note:

- The effects of Covid19 and the subsequent lockdown has been severe in Q1 of FY20-21 as the stores remained closed during April20 and May20.
- Revenue generation on the occasion of a major festivity like Akshay Tritiya was lost due to the continued lockdown
- Most of the stores reopened in the 1st week of June (except those located within the containment zones), they operated for limited hours and days due restrictions imposed by the local authorities. effectively, the month of June can be termed as a 15 days month in terms of retail business opportunities.

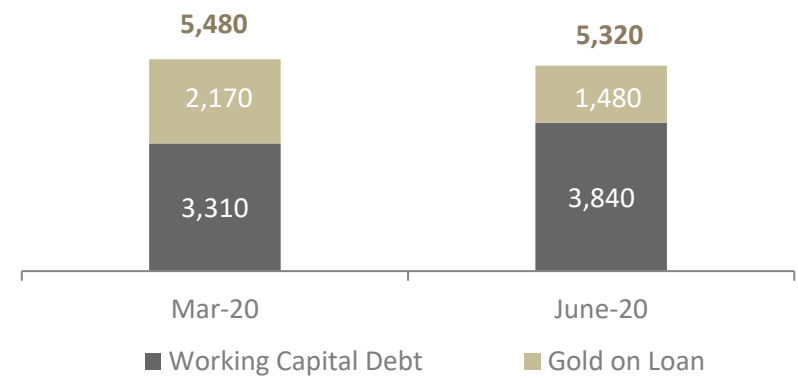
Q1 FY21 BALANCE SHEET UPDATE

In Rs Mn

LEVERAGE ANALYSIS



TOTAL DEBT BREAKUP



Notes:

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 FY21 - KEY RESULT TAKEAWAYS

REVENUE & MARGIN:

- Nationwide lockdown and loss of share of revenues during festive season such as Akshay Tritiya affected revenues in Q1 FY21
- Gross Margins for Q1 FY 21 were lower on account sales mix tilted in favor of gold as compared to the normal trend
- EBITDA & EBITDA margin declined in line with lower sales
- Major austerity and cost efficiency measures taken in all areas of expenses, mainly marketing, manpower, rent and other overheads, given the exceptional circumstances prevailing during this quarter
- The overall operating expenses pegged to Rs170 Mn (reduced by 57%)

BALANCE SHEET & CASH FLOW:

- Inventory volumes have been further rationalized during Q1FY21, as part of our overall strategy on Inventory Management this quarter
- Net Debt has further reduced by Rs 240Mn in Q1FY21. Net debt as on Q1FY21 is Rs 4,830 Mn compared to Rs5,070 Mn in Mar20



Q1 FY21 - PROFIT & LOSS STATEMENT

Particulars (In Rs Mn) – Standalone	Q1 FY21	Q1 FY20	FY20	FY19
Net Revenues*	795	4,298	18,101	17,638
COGS	708	3,639	15,565	15,149
Gross Profit	87	659	2,536	2,489
Gross Margin (%)	10.9%	15.3%	14.0%	14.1%
Personnel Expenses	123	185	762	732
Other Expenses	47	217	658	1,019
EBITDA	-84	257	1,116	738
EBITDA Margin (%)	-	6.0%	6.2%	4.2%
Depreciation	70	81	319	99
Other Income	45	14	54	56
Interest Expenses	150	141	561	464
Profit Before Tax	-258	50	289	231
Tax	-66	19	69	78
PAT	-192	31	219	153
PAT Margin (%)	-	0.7%	1.2%	0.9%

*Q1FY21 revenues & earnings were affected by country wide lockdowns as a result of COVID-19 Pandemic

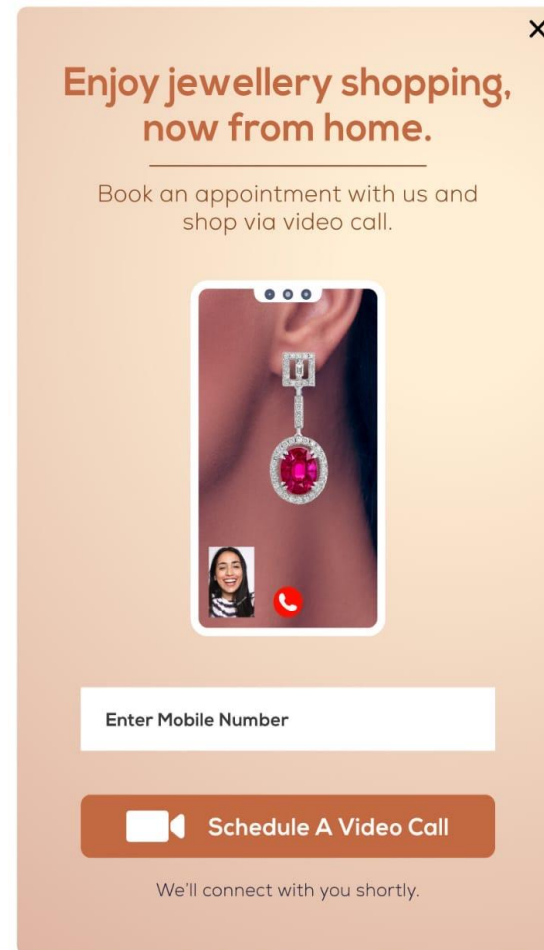
Q1 FY21 - BALANCE SHEET STATEMENT

Particulars (In Rs Mn) – Standalone	June-20	March-20
Shareholders Funds	4,730	4,920
Loan Funds	5,320	5,480
Gold on Loan	1,480	2,170
Working Capital Loan	3,840	3,310
Lease liability	800	880
Other Long -Term Liabilities	70	60
Other Financial Liabilities	-	-
Sources of Funds	10,920	11,340
Net Block	1,620	1,700
Other Long -Term Assets	290	260
Inventory	11,450	11,910
Debtors	150	30
Cash and Bank Balance	490	410
Other Current Assets	470	450
Current Liabilities	3,550	3,420
Net Current Assets	9,010	9,380
Application of Funds	10,920	11,340

*Q1FY21 revenues & earnings were affected by country wide lockdowns as a result of COVID-19 Pandemic


MARKETING INITIATIVES DURING THE QUARTER

- Focus on communicating with customers on safety and convenience via:-
 - Digital brochures
 - Video shopping
 - Safe to shop TBZ campaign
- Focus on Loyal customers and ensuring that they had access to the brand Completely online through Kalpavruksha Scheme
- Special focus on social media has been a primary driver of acquiring new customers for the brand during this period with our targeting campaigns
- Conducted various campaigns which were focused on TBZ positioning of being 'surprisingly affordable'
- Focus on affordable diamond jewellery at lower price points



Enjoy jewellery shopping,
now from home.

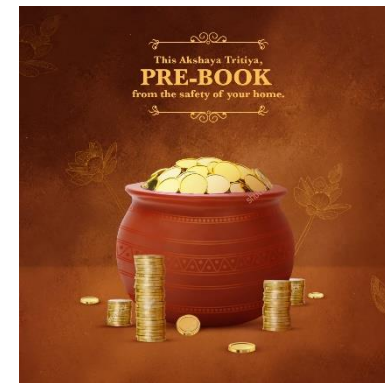
Book an appointment with us and
shop via video call.



Enter Mobile Number

Schedule A Video Call

We'll connect with you shortly.



MARKETING INITIATIVES DURING THE QUARTER

SHINE EVERYDAY

Diamond jewellery starting at
₹30,000*

#SurprisinglyAffordable

OPP TREASURE ISLAND,
M. G. ROAD,
INDORE. PH.: 0731 662 5000



TBZ KALPAVRUKSHA
EASY INSTALLMENT PLAN
QUICK · EFFORTLESS · SECURE

IT PAYS TO STAY HOME.

Plan now to save big on your favourite piece of jewellery.

ENROLL NOW

SITARA ER_1

ON EVERY STORE VISIT,
GET VOUCHERS WORTH
₹5,000*

Diamond jewellery starting at ₹30,000*

OPP TREASURE ISLAND, M. G. ROAD, INDORE.
PH.: 0731 - 662 5000
Book your video call appointment
on www.tbztheoriginal.com/appointment



CONTEMPORARY JEWELLERY DESIGNS & COLLECTIONS



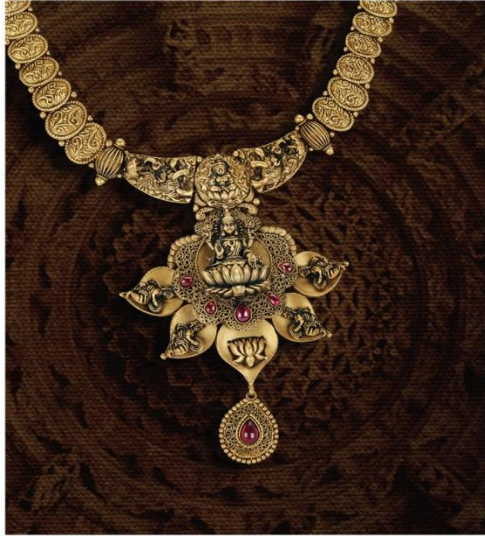
SITARA

by

tbz[®]
The original since 1864



CONTEMPORARY JEWELLERY DESIGNS & COLLECTIONS



DIVYA *by* **tbz**[®]
The original since 1864

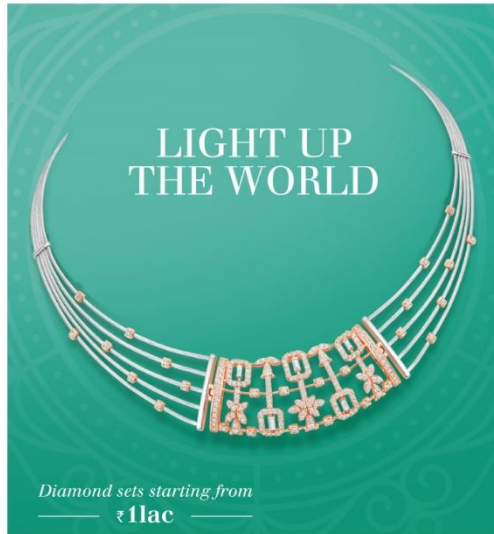
Channel your inner goddess



TRINITY *by* **tbz**[®]
The original since 1864

Three times more breath-taking.

CONTEMPORARY JEWELLERY DESIGNS & COLLECTIONS



NOOR by **tbz**[®]
COLLECTION The original since 1864



CONTEMPORARY JEWELLERY DESIGNS & COLLECTIONS



PRETTY *lil* THINGS

Contemporary, innovative jewellery
specially created for millennials



Sunshine by **tbz**[®]
YELLOW DIAMOND JEWELLERY
The original since 1864

RANGE STARTING FROM ₹ 30000/-

CONTEMPORARY JEWELLERY DESIGNS & COLLECTIONS



JIVA *by* **tbz**[®]
The original since 1864

PLATINUM VOWS

Platinum couple bands to give your special day
that extra sparkle



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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 110 k, Diamond – Rs 147 k

Scalability & Reach

- 38 stores (113,561sq. ft.)
- Presence – 27 cities, 13 states

Expansion Plan -

- ~150,000 sq. ft.

TBZ

SUSTAINABLE COMPETITIVE ADVANTAGES

Specialty Wedding Jeweller

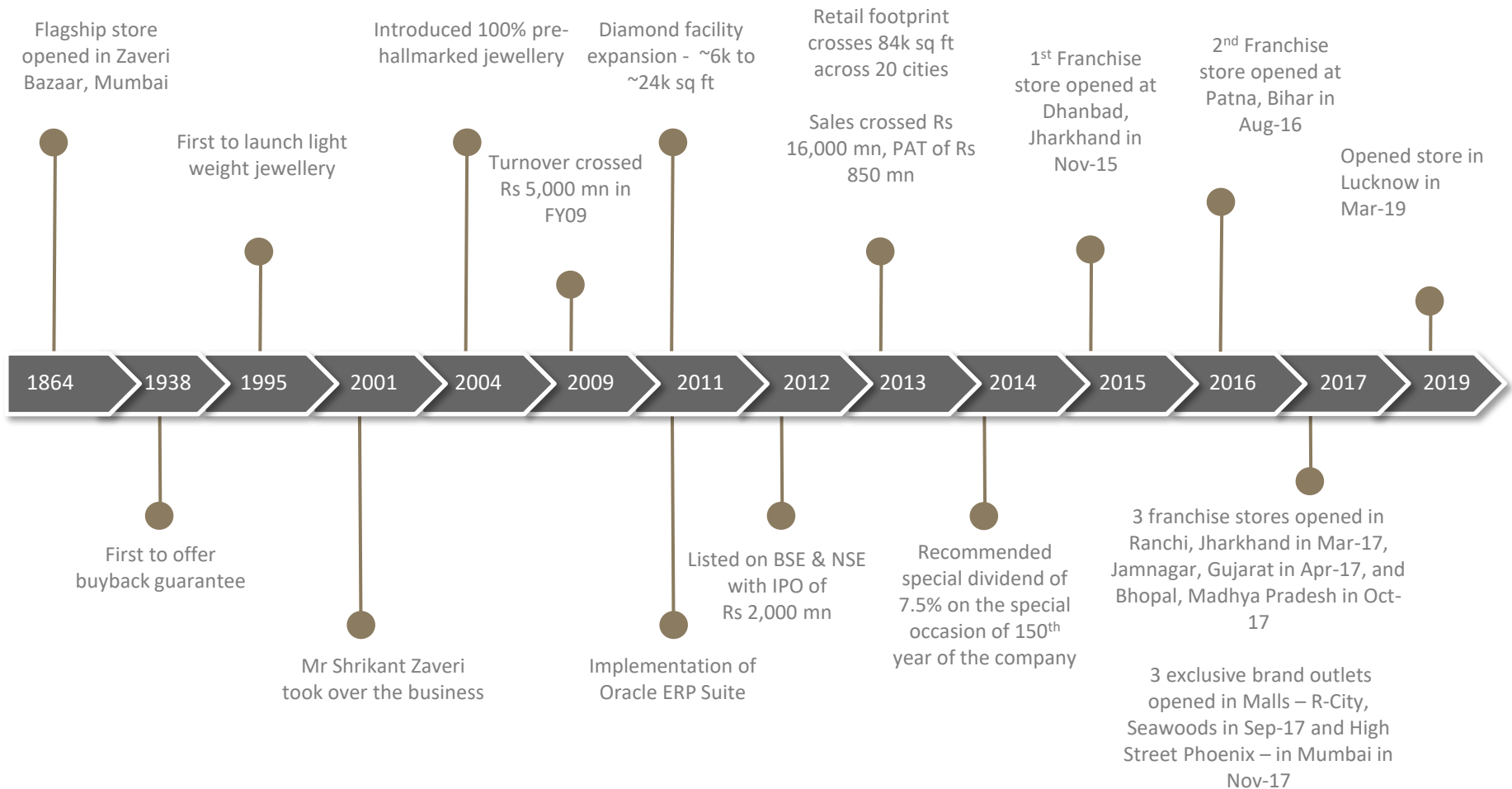
- ~ 65% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

Design Exclusivity

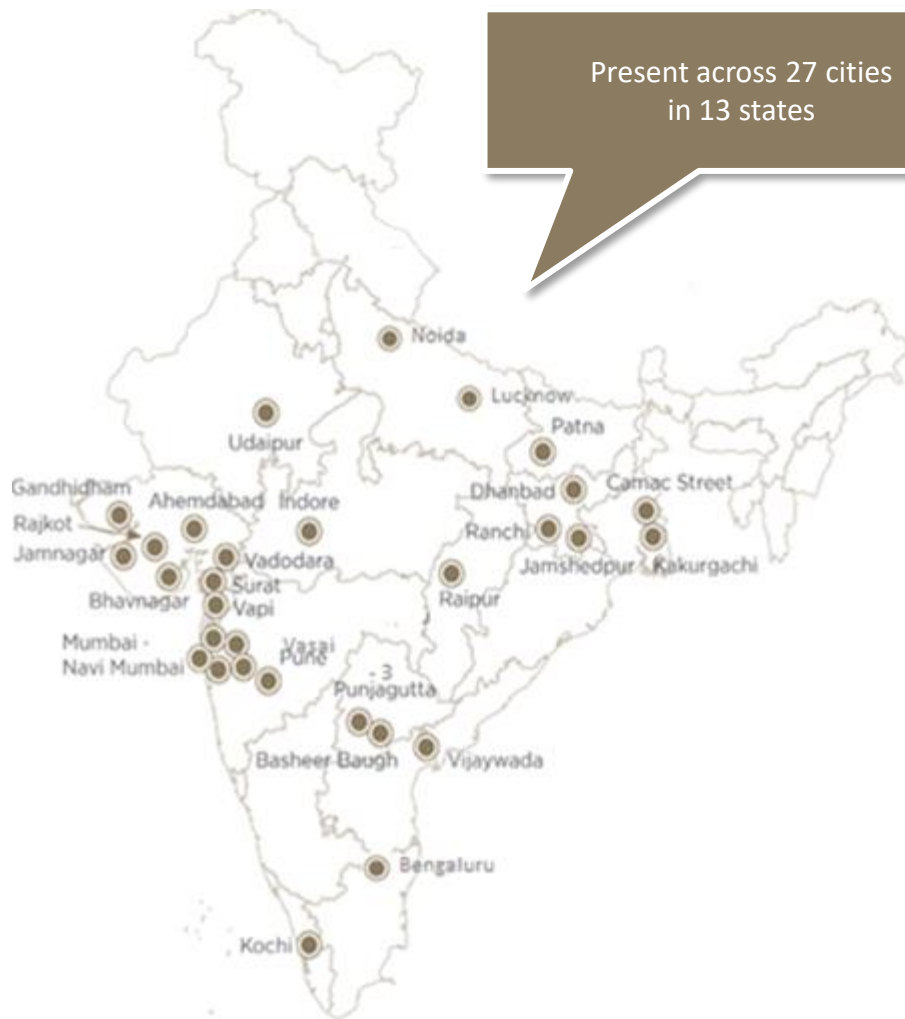
- 29 designers (incl. 14 CAD)
- 8 - 10 new jewellery lines/year
- In-house diamond jewellery production
- Customer loyalty
- Premium pricing

KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST



RETAIL PRESENCE



PAN-INDIA PRESENCE WITH 38 STORES
WITH A RETAIL SPACE OF ~113,561
SQ. FT. SPREAD ACROSS
27 CITIES IN 13 STATES

NUMBER OF STORES	TILL DATE
Large Format (> 2,000 sq. ft.)	30
Small Format (<= 2,000 sq. ft.)	8
Total Stores	38
Total Area	~1,13,561

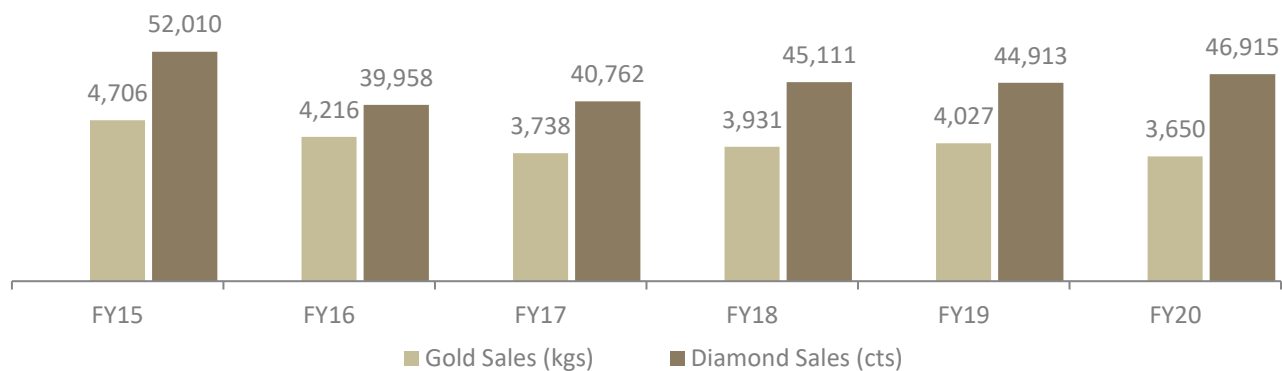


DISCUSSION SUMMARY

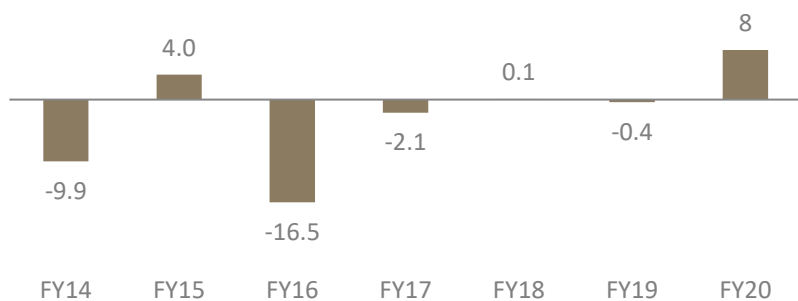
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OPERATIONAL SUMMARY

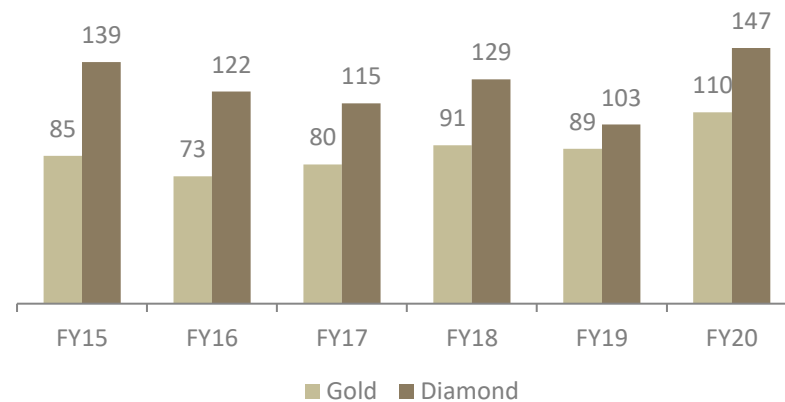
GOLD & DIAMOND VOLUMES



SSSG - TOTAL (%)



AVERAGE TICKET SIZE (RS '000)



SSSG: Same store sales value growth
 FY20 SSG Growth is for the period April19 to February20

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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

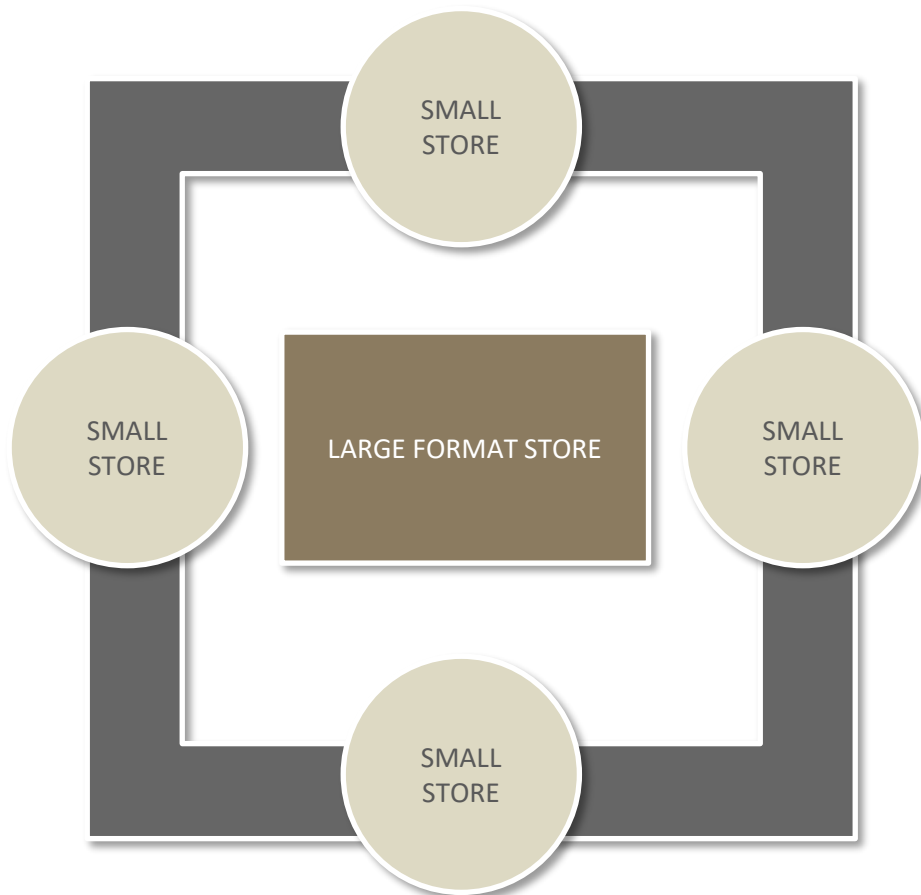
- In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~200,000 cts (on dual shift basis).
- The facility also has capacity for 4,000 kg of gold refining and 4,500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

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
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