

Date: 11th August, 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 3rd August, 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 **Thursday, 12th August, 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 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: 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.: 022 30735000, 912249255000 www.tbztheoriginal.com

INVESTOR PRESENTATION

Q1 FY22 RESULTS

August 2021



TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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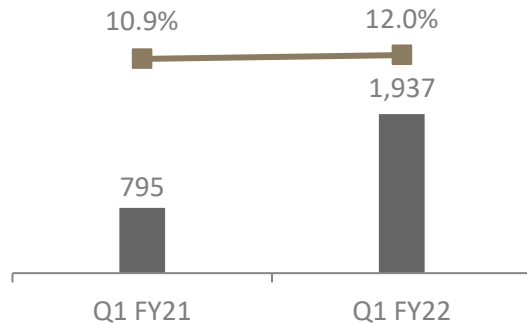
DISCUSSION SUMMARY

- [Q1 FY22 Results Update](#)
- About Us
- Business Model

Q1 FY22 RESULT HIGHLIGHTS

In Rs Mn

REVENUES & GROSS MARGIN



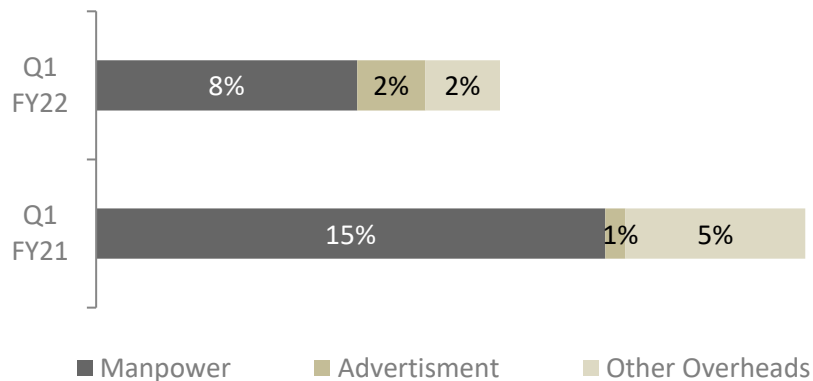
EBITDA



PAT



*OPERATING COSTS (% of Total Revenue)



Other highlights

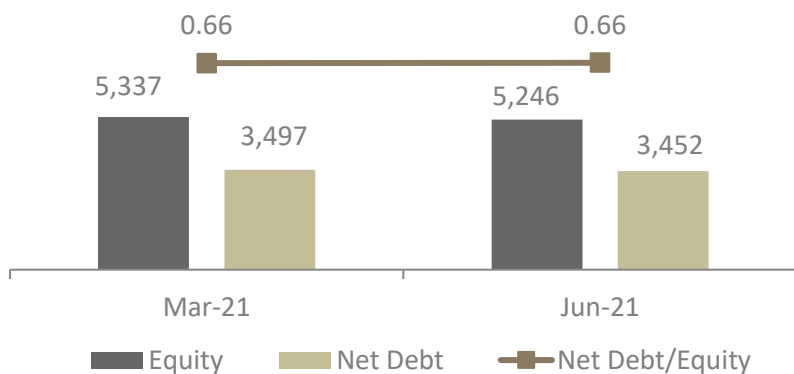
Share of Diamond Jewellery – Q1 FY22 (Q1 FY21) 20.4% (14.4%)

Localised lockdowns affected operating days and hours of stores during the quarter

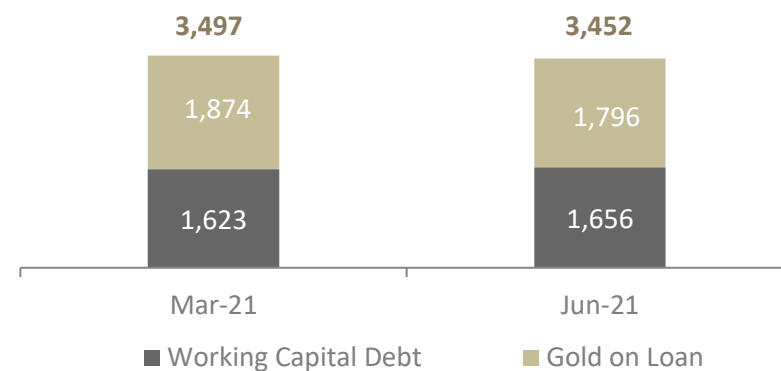
Q1 FY22 BALANCE SHEET UPDATE

In Rs Mn

LEVERAGE ANALYSIS



TOTAL DEBT BREAKUP



Notes:

1. Total net debt has seen a reduction of 29% YoY from Rs 4830 Mn in Q1FY21 to Rs 3452 Mn in Q1FY22.
2. Gold on Loan is shown as part of borrowings, while some of the listed peers show it under current liabilities / trade payables.

Q1 FY22 - KEY RESULT TAKEAWAYS

REVENUE & MARGIN:

- Company reported 144% YoY growth in Revenue along with 101 bps expansion in gross margins in Q1 FY22.
- Localised lockdown and loss of share of revenues during festive season such as Akshay Tritiya and postponement of weddings affected revenues in Q1 FY22
- EBITDA loss reduced to Rs. 8 Mn during Q1FY22 from Rs. 84 Mn during Q1FY21 due to higher sales revenue
- Major austerity and cost efficiency measures taken in all areas of expenses, mainly marketing, rent and other overheads, given the exceptional circumstances prevailing during this quarter
- Interest costs have seen a sharp reduction of 46% YoY due to reduction in debt, and effective management of interest rates.



BALANCE SHEET & CASH FLOW:

- Inventory volumes have been further rationalized during Q1FY22, as part of our overall strategy on Inventory Management this quarter .
- Net Debt has reduced by Rs 138 Mn YoY to Rs. 3452 Mn in Q1FY22
- This has led to a reduction in overall borrowings by 29% YoY.



Q1 FY22 - PROFIT & LOSS STATEMENT

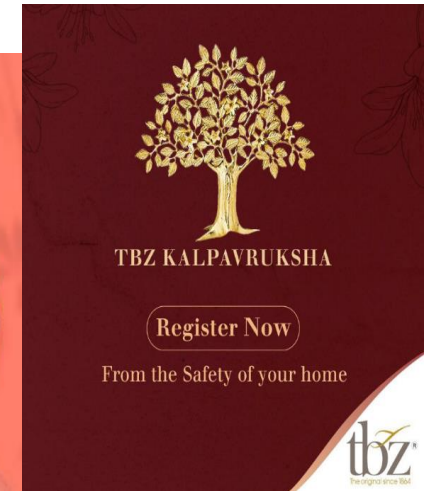
Particulars (In Rs Mn)	Q1 FY22	Q1 FY21	YoY %	FY21	FY20	YoY %
Net Revenues	1937	795	143.7%	13,420	18,101	-25.9%
COGS	1705	708	141.0%	11,283	15,565	-27.5%
Gross Profit	232	87	166.1%	2,137	2,535	-15.7%
Gross Margin (%)	12%	10.9%	101bps	15.9%	14.0%	192 bps
Personnel Expenses	150	123	21.6%	549	762	-27.9%
Other Expenses	90	47	91.5%	378	658	-42.5%
EBITDA	-8	-84	-	1,210	1,116	8.4%
EBITDA Margin (%)	-0.4%	-10.5%	1009bps	9.0%	6.2%	285 bps
Depreciation	56	70	-19.0%	263	320	-17.7%
Other Income	20	45	-56.0%	129	54	137.9%
Interest Expenses	80	150	-46.2%	478	561	-14.7%
Profit Before Tax	-125	-258	-	597	289	106.8%
Tax	-34	-66	-	166	69	139.4%
PAT	-91	-192	-	431	219	96.4%
Profit Margin (%)	-4.7%	-24.1%	1942bps	3.2%	1.2%	200 bps

Q1 FY22 - BALANCE SHEET STATEMENT

Particulars (In Rs Mn)	June-21	March-21	December-20	September-20	June-20
Shareholders Funds	5,246	5,337	5,255	4,864	4,730
Loan Funds	3,452	3,497	3,330	4,711	5,320
Gold on Loan	1,796	1,874	1,690	940	1,480
Working Capital Loan	1,656	1,623	1,640	3,771	3,840
Lease liability	455	483	532	564	800
Provisions	63	63	71	-	-
Other Long -Term Liabilities	3	23	82	-	70
Sources of Funds	9,219	9,403	9,270	10,205	10,920
Net Block	1,121	1,175	1,442	1,565	1,620
Other Long -Term Assets	397	358	127	195	290
Inventory	9,694	9,958	9,502	10,343	11,450
Debtors	23	34	20	14	150
Cash and Bank Balance	404	394	461	404	490
Other Current Assets	329	316	296	343	470
Current Liabilities	2749	2,831	2,579	2,659	3,550
Net Current Assets	7701	7,871	7,700	8,445	9,010
Application of Funds	9,219	9,403	9,270	10,205	10,920

MARKETING INITIATIVES DURING THE QUARTER

- Flat 50% off on making charges of gold and diamond jewellery
- Scheme to Pre Book Now and buy Later safely from home
- Special campaign for Mothers Day & Fathers Day through various social media platforms
- Digital focus to promote
 - Akshaya Tritiya digitally and via wats app
 - Kalpavruksha Gold block promotion
 - Video calling, SMS and tele-calling customers based on CRM data for Akshaya Tritiya, old gold promotion, KP Gold block plan
- Plan to upgrade old gold to New diamond has helped drive newer walk-ins
- Net Promoter Score, based on customer feedback for first quarter is at 66 and we are constantly striving at achieving higher Net Promoter Score and improving customer experience



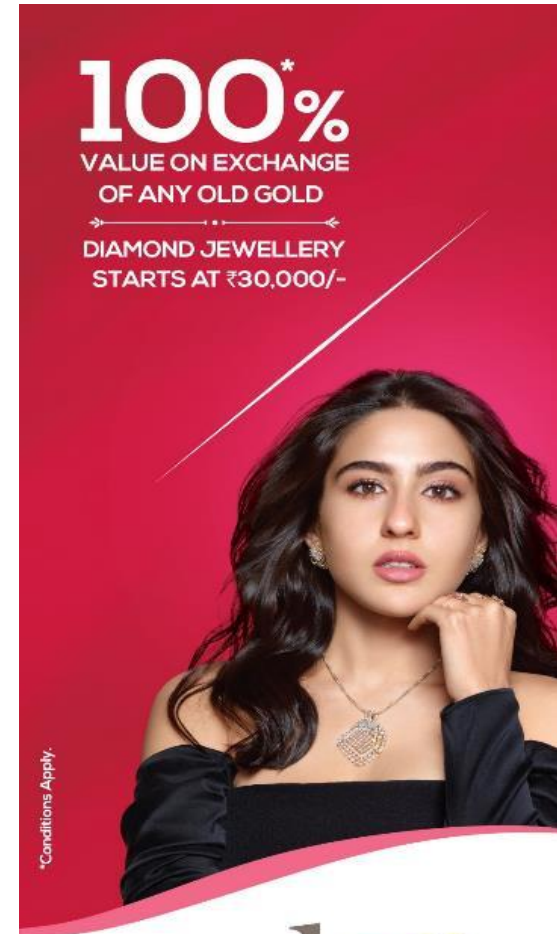
New customer walk-ins increased by 7% YoY in Q1 FY22
16% Customers who were dormant returned through winback campaign

MARKETING INITIATIVES DURING THE QUARTER



1,319 views · Liked by tinglabs

tbz.theoriginal Keeping your family, especially your mother, safe at home is our biggest priority. Wishing everyone a safe and Happy Mother's Day. 😊 ... more



DISCUSSION SUMMARY

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- 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, 12 states

TBZ

SUSTAINABLE COMPETITIVE ADVANTAGES

Specialty Wedding Jeweller

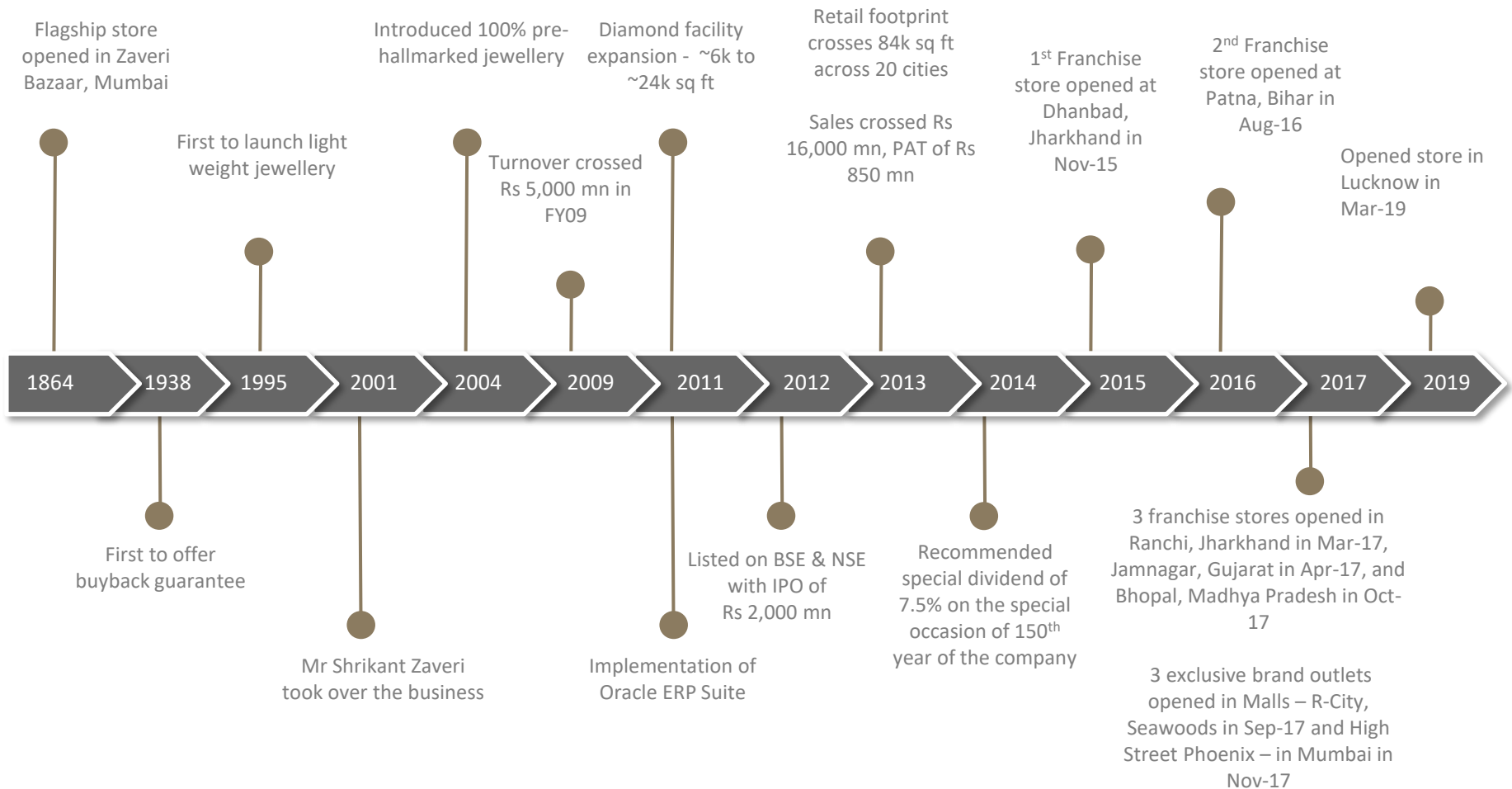
- ~ 65% of sales are wedding & wedding related purchases
- Compulsion buying
- Stable fixed budget purchases by customers

Design Exclusivity

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

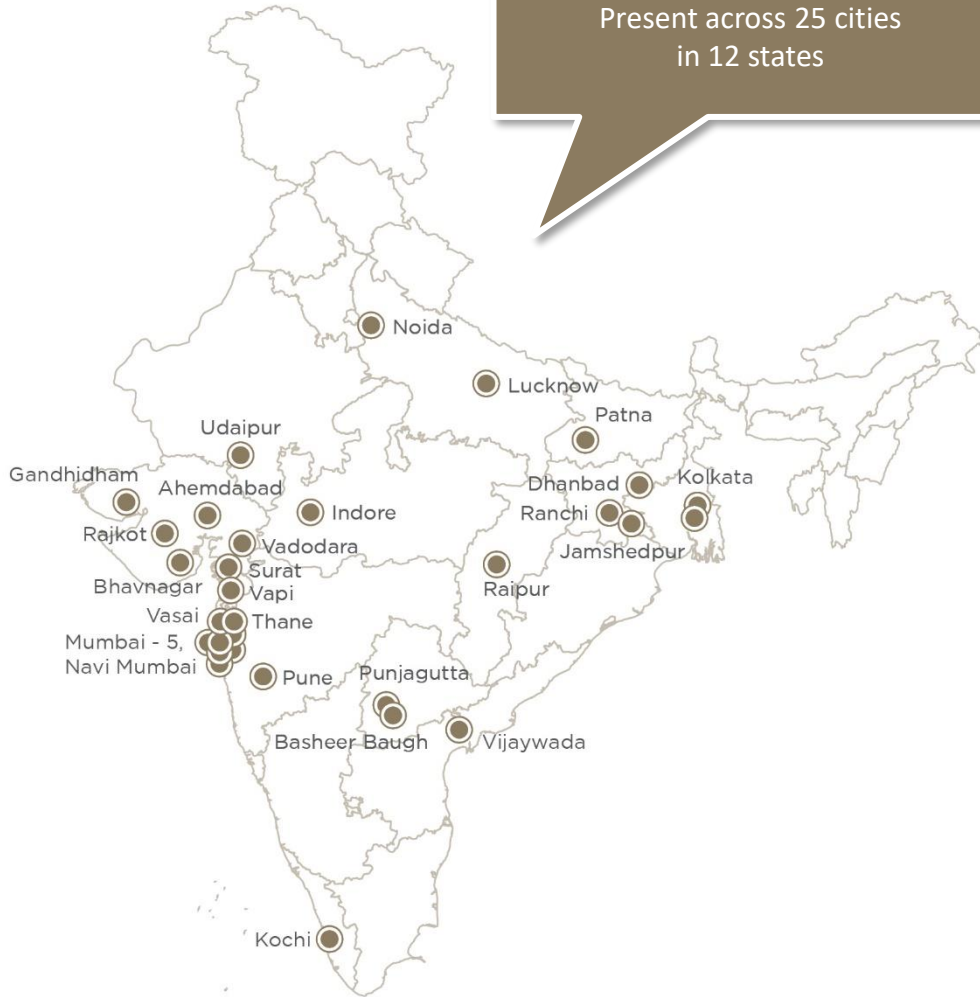
KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST



RETAIL PRESENCE

Present across 25 cities
in 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

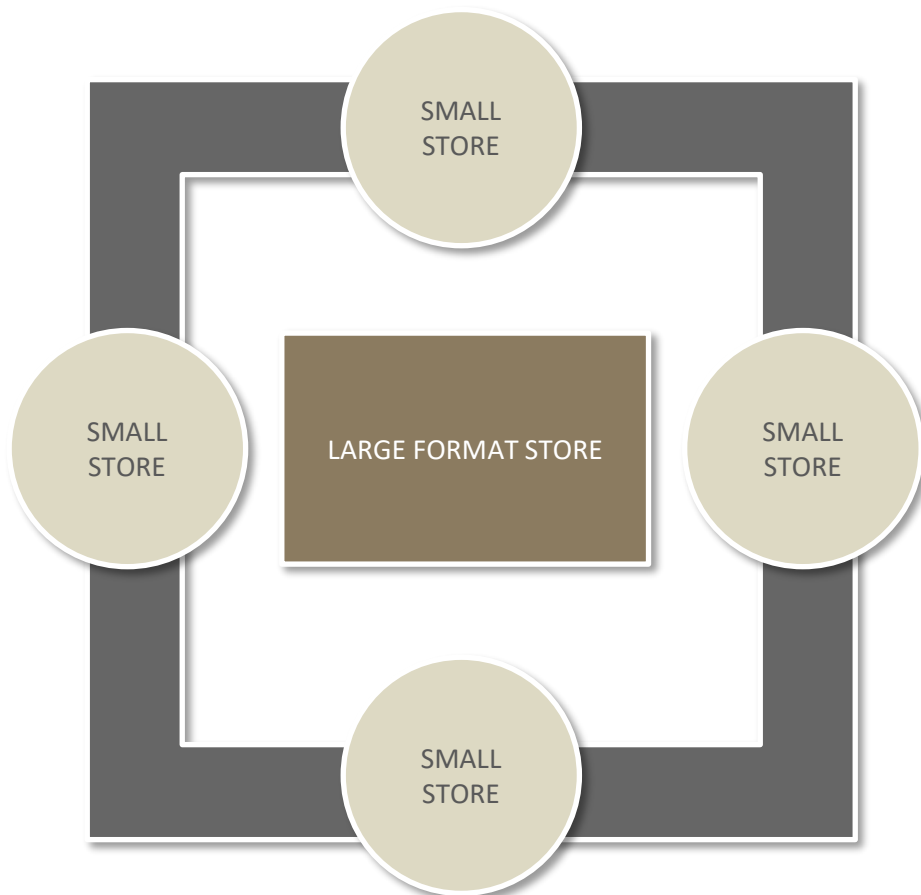
- In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~30,000 cts
- The facility also has capacity for 4,000 kg of gold refining and 4,500 kg of gold jewellery components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



CSR INITIATIVES – PROJECT PANKHI

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

- Counselors engaged in **12** different community settings in Mumbai, Vadodara, Ahmedabad, Pune, Kochi, Patna, Delhi and Hyderabad
- **515** cases reported
- **458** Calls received through helpline
- **7,197** Lives impacted through Online and community awareness sessions
- Partnership with NGOs in new district of Maharashtra –Palghar and Thane
- **43** women supported through newly launched Skill Development program launched in March 21 with the objective of empowering survivors of domestic violence and making them self-sufficient
- Operational with following organizations:-
 - Stree Mukti Sanghatana, Mumbai
 - Shanti Sahyog, Delhi
 - Cultural Academy for Peace, Kochi
 - AWAG, Ahmedabad
- Expansion with 5 new program- Srujna, Labour Net, Lok Bharti, Urja & BCC





TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP



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