

Date: February 14, 2017

To,
The Listing Compliance Department,
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai – 400 001

To,
The Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)

Sub.: Management Presentation

Dear Sir / Madam,

Please find enclosed herewith the Management Presentation on the un-audited standalone financial results of the Company for the quarter ended December 31, 2016.

Kindly take the same on record.

Thanking you.

Yours sincerely,

For **PC Jeweller Limited**


(SANJEEV BHATIA)
Chief Financial Officer

Encl.: As above

PC Jeweller Limited

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PC Jeweller Ltd

Results Presentation

February 14th, 2017

Safe Harbor



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Financial Updates



Financial Highlights:



Particulars (Rs. Crores)	Q3 FY 2017	Q3 FY 2016*	9M FY 2017	9M FY 2016*
Revenue from Operations	2,105	2,180	5,944	5,361
Domestic Retail	1,258	1,586	3,730	3,829
Exports	847	594	2,214	1,532
Gross Margins (%)	11.13%	14.36%	12.83%	14.44%
Domestic Retail	15.41%	15.54%	16.50%	16.64%
Exports	4.78%	11.22%	6.65%	8.94%
Exports (net of Forex Gain/Losses)	5.76%	6.43%	6.10%	6.44%
Expenses (% of total Revenue)				
Employee Expenses	1.00%	0.91%	1.00%	1.01%
Advertisements	0.74%	1.01%	0.43%	0.69%
Rentals	0.60%	0.51%	0.63%	0.62%
Other Costs	0.40%	0.71%	0.63%	0.77%
EBITDA Margins	8.39%	11.22%	10.14%	11.35%
PBT Margins	5.46%	8.34%	6.98%	8.05%
PAT Margins	5.08%	6.76%	5.39%	5.98%

*The FY 2016 figures have been restated to conform to IND AS norms



Highlights: Domestic Retail



Particulars (Rs. Crores)	Q3 FY 2017	Q3 FY 2016*	9M FY 2017	9M FY 2016*
Revenue	1,258	1,586	3,730	3,829
Gross Margins	15.41%	15.54%	16.50%	16.64%
Expenses (% of total Revenue)				
Employee Expenses	1.37%	1.13%	1.31%	1.27%
Advertisements	1.24%	1.39%	0.68%	0.97%
Rentals	1.01%	0.70%	1.00%	0.87%
Other Costs	0.65%	0.76%	0.95%	1.03%
EBITDA Margins	11.14%	11.56%	12.56%	12.50%
Diamond jewellery Percentage	29.37%	29.82%	32.54%	30.91%

*The FY 2016 figures have been restated to conform to IND AS norms



Highlights: Export Business



Particulars (Rs. Crores)	Q3 FY 2017	Q3 FY 2016*	9M FY 2017	9M FY 2016*
Revenue	847	594	2,214	1,532
Gross Margins	4.78%	11.22%	6.65%	8.94%
Exports (net of Forex Gain/Losses)	5.76%	6.43%	6.10%	6.44%
Expenses (% of total Revenue)				
Employee Expenses	0.44%	0.35%	0.47%	0.36%
Advertisements	-	-	-	-
Rentals	-	-	-	-
Other Costs	0.03%	0.51%	0.13%	0.10%
EBITDA Margins	4.31%	10.36%	6.05%	8.48%
EBITDA Margins (net of forex Gains/Losses)	5.29%	5.57%	5.50%	5.98%

*The FY 2016 figures have been restated to conform to IND AS norms



Business Updates



- Needless to say that Q3 FY 17 has been an eventful quarter for the company like all others in the country
- In spite of a surge in consumer demand during the festive season (October) and the first week of November, the demonetisation adversely affected the sales for a period of nearly three to four weeks, leading to a Q on Q decline of 20% in the domestic sales. Though the gross margins in the domestic sales have remained stable, a decline in the sales volume has resulted in decline in the absolute profit levels.
- However, this was a temporary blip only. The consumer sentiments started improving in December itself and the situation has returned to normal in January. The company is fully confident of making up for the lost sales in Q4 FY17.
- The company was accepting customer payments vide POS machines, cheques, bank transfers even prior to the demonetisation. It is now in the process of adding additional payment options like e wallets, UPI etc. at its stores to provide more payment options to its customers



- The recent government policy initiatives like compulsory hallmarking, demonetisation , curbing black money menace, streamlining of corporate taxes & regulations and implementing GST has turned the tables on the unorganized sector of the Indian economy. We feel that these reforms, in conjunction with other structural changes like increasing urbanisation, increasing income levels and purchasing powers ,increasing aspirations for branded goods and booming of e commerce has shifted the initiative to the organized players vis a vis the unorganized segment.
- And nowhere is this potential for future growth more visible than jewellery sector which is still unorganized to the tune of nearly 75% and PCJ is well placed to grasp this opportunity.
- The company continues to move ahead on its well defined growth path of (1) Store Expansion; (2) New Designs & Collections; (3) Strengthening in house designing and manufacturing; (4) Streamlining Systems & Procedures and (5) Investing on technology



- Accordingly the company continues to focus on expanding its retail presence, it opened three new showrooms during Q3 and three during January 2017 (after demonetisation) and is working on to add at least six more during the current quarter. The six new locations are Aligarh, Meerut, Hapur, Noida, Alwar and Dwarka (Delhi)
- The company's online business continues to do well. We have developed it in a market place with 30 designers on board. The online portal has become a great launching pad for our new collections and we are now discovering good synergies between our online and offline presence. Actually the online presence is proving to be a great advertisement medium and sales booster for our offline sales as well.
- Our acquisition of "Azva" brand from the World Gold Council is proving to be a good decision as it has given us a presence in the high premium gold jewellery segment not only within the country but also overseas. Company is working hard on this Brand and is confident that it will play a significant role in its growth in the coming years.



- The exports will continue to have a role in the company's operations. The international jewellery market is huge with immense growth possibilities. The company's existing export business is a B2B with low margins, though without any significant capital requirements. The steady state gross export margins vary between 6 to 8% and are expected to remain within this range in the near future as well. There has been a spike in the export sales during Q3 FY 17 mainly due to the fact that UAE had declared imposition of import duty on jewellery imports w.e.f 1st January 2017. This led to pre-ponement of export orders and sales.



OVERALL –

- The segment-wise margins of the company have remained stable. However, since the proportion of export sales has increased in the overall revenues, which have lower margins vis a vis domestic sales, the absolute margins are showing a decline.

DOMESTIC –

- The gross margins have remained stable on Y-o-Y basis.
- The employee cost has increased due to opening of new showrooms as well as salary increments
- The advertisement expenditure in Q3 has declined as the company put its advertising on hold after demonetisation.
- The EBITDA has remained stable both on quarterly as well as Y-o-Y basis.
- The company has been regularly launching new jewellery collections to attract consumers .



EXPORTS –

- The export sales bunched up in Q3 due to proposed imposition of 5% import duty on jewellery imports in UAE w.e.f 01st January 2017.
- The export margins have remained steady on Y-o-Y basis after accounting for forex gains/losses.



Pan India Presence



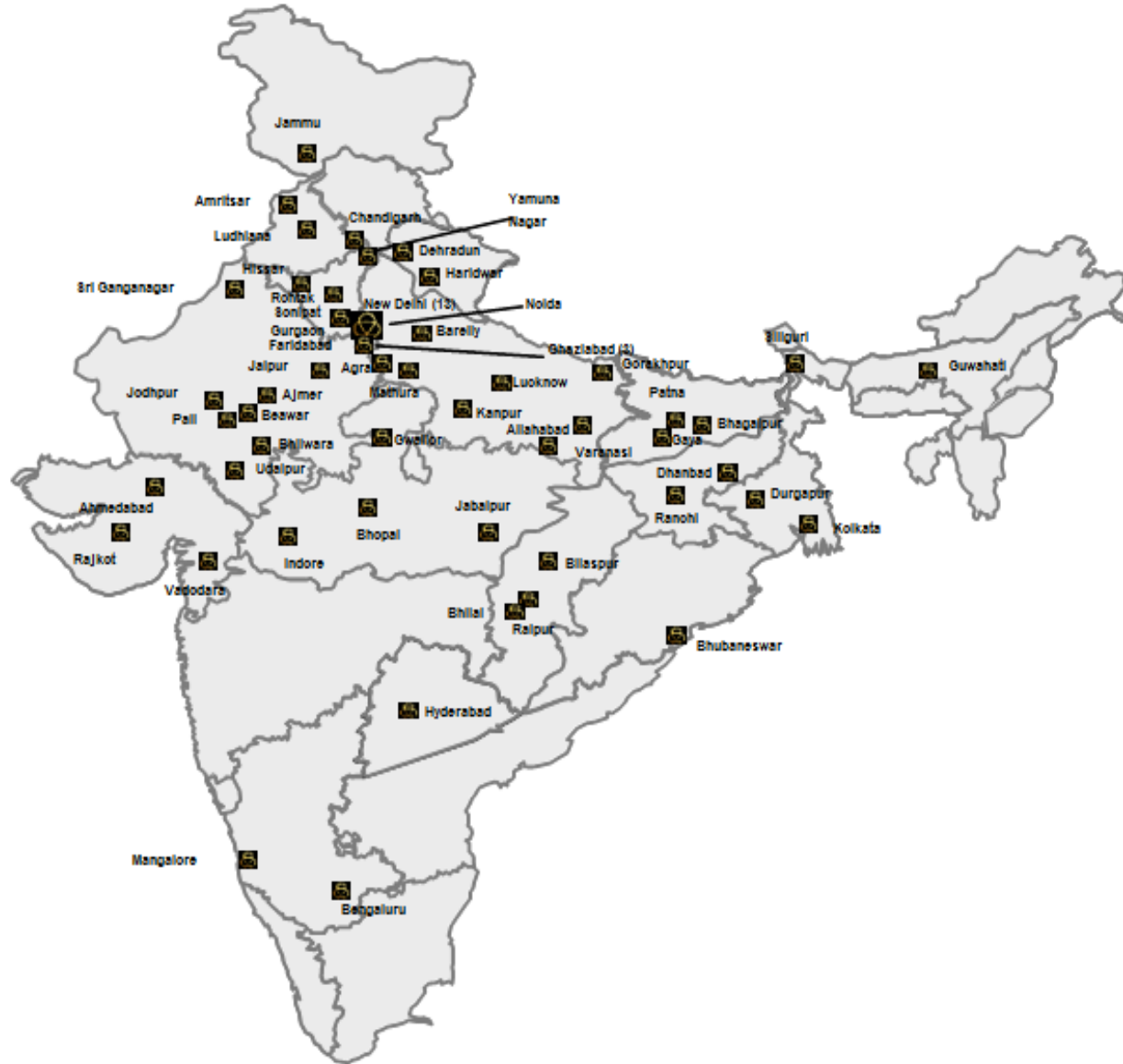
Key Brands Strengths



flexia



WEARYOURSHINE.COM



Map not to scale



New Showrooms (Q3FY17)

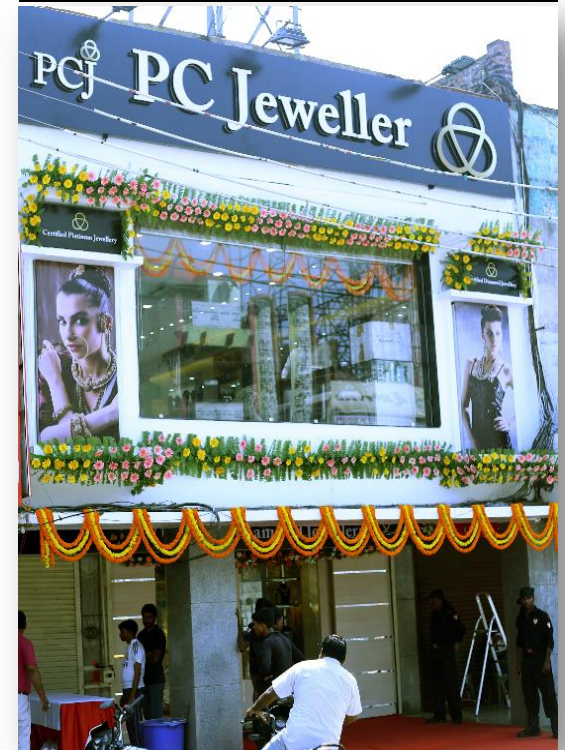
Agra, UP



RDC Ghaziabad, UP

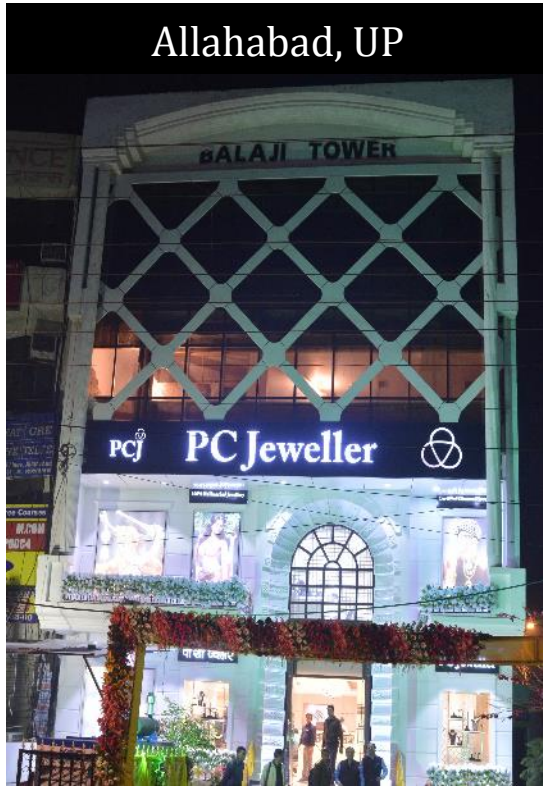


Gorakhpur, UP



New Showrooms (Calender 2017)

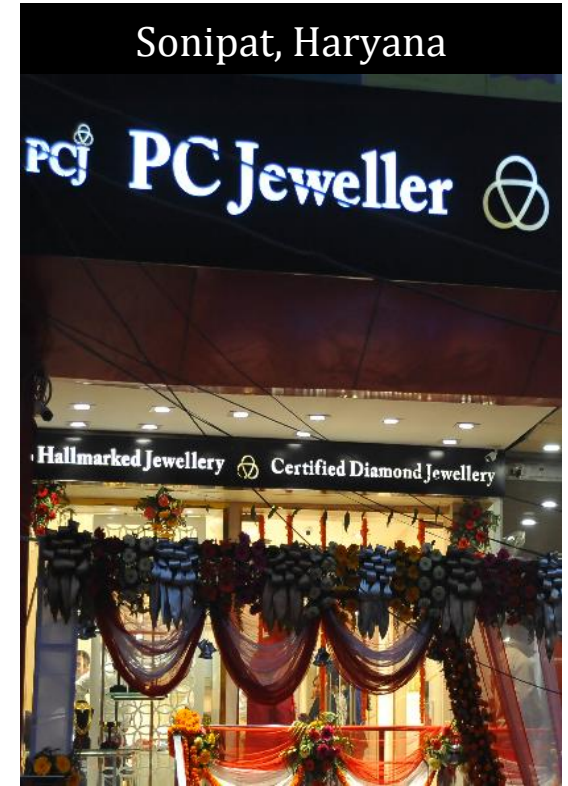
Allahabad, UP



Nangloi, New Delhi



Sonapat, Haryana



Successfully running Collections



Successfully running Collections



Successfully running Collections



Successfully running Collections



FLEXIA JEWELLERY

Detach. Create. Wear.



New Collections Launched in Q3 FY17



New Collections Launched in Q3 FY17

DARSH



OM HRIDYA



ZAHRA



JEIYA



TWIRLZ



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