

Date: May 25, 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**

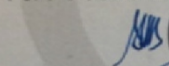
Dear Sir/Madam,

Please find enclosed herewith the Management Presentation on the audited Standalone financial results of the Company for the quarter and year ended March 31, 2017.

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**

Regd. & Corporate Off: C - 54, Preet Vihar, Vikas Marg, Delhi - 110 092 Ph: 011 - 49714971 Fax : 011 - 49714972

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Timeless  
Distinctive  
Beautiful



# PC Jeweller Ltd

Results Presentation  
May 25<sup>th</sup>, 2017



# Safe Harbor



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# *Financial Updates*





# Q4 & FY17 Performance highlights



Q4 2017 Domestic EBITDA : Rs 184 crores ( 29.9% growth over Q4 2016)

Q4 2017 Domestic Retail Sales : Rs 1,603 crores (22.3% growth over Q4 2016)

Q4 2017 Total PAT : Rs 110 crores (39.8% growth over Q4 2016)

FY 2017 Sales: Rs. 8,099 crores (11.99% growth over FY 2016)

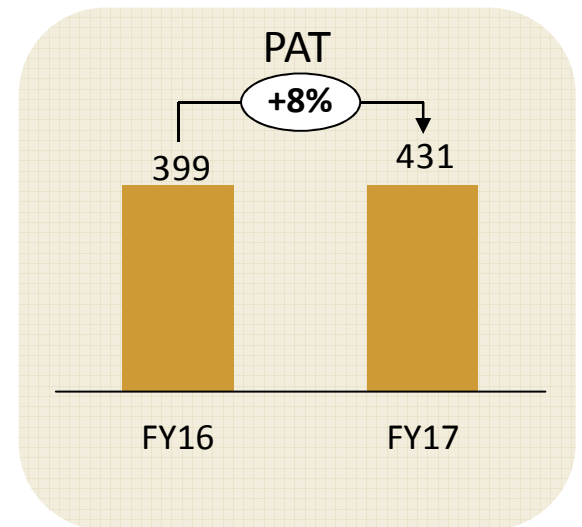
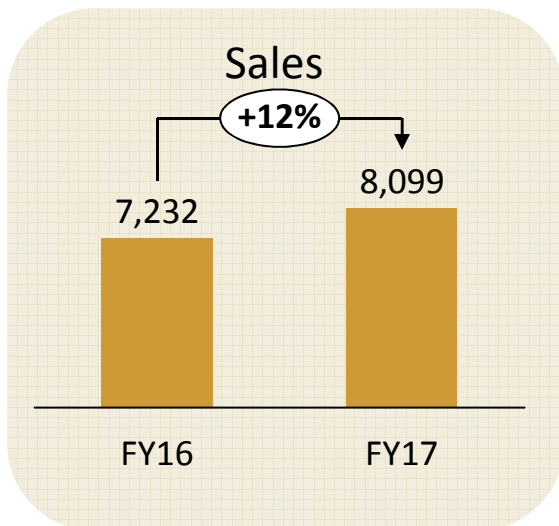
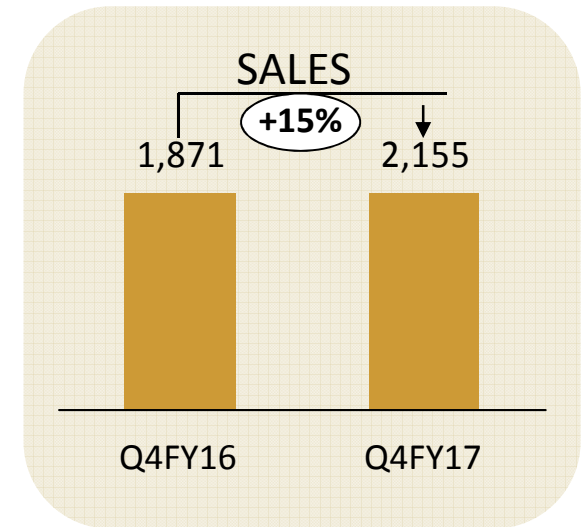
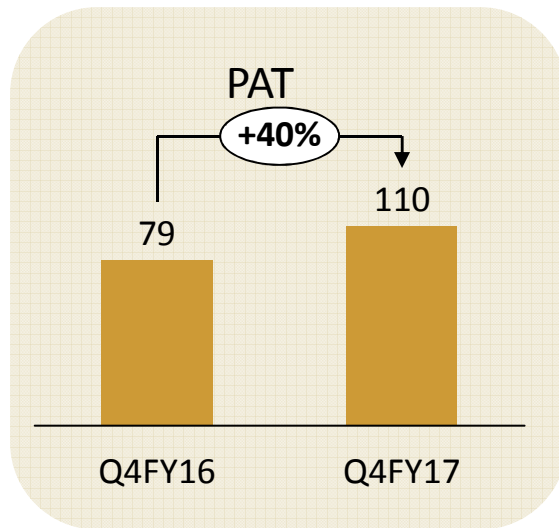
FY 2017 PAT: Rs. 430 crores (7.8 % growth over FY 2016)



# Q4 & FY17 Performance highlights



*Rs Crs*



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

# Financial Highlights: Profit & Loss Statement



Particulars (Rs. Crores)	Q4 FY 2017	Q4 FY 2016*	FY 2017	FY 2016*
<b>Revenue from Operations</b>	<b>2,155</b>	<b>1,871</b>	<b>8,099</b>	<b>7,232</b>
Domestic Retail	1,603	1,311	5,333	5,140
Exports	552	560	2,766	2,092
<b>Gross Margins (%)</b>	<b>13.46%</b>	<b>11.79%</b>	<b>13.00%</b>	<b>13.76%</b>
Domestic Retail	15.97%	14.16%	16.34%	16.01%
Exports	6.15%	6.26%	6.55%	8.22%
<b>Expenses (% of total Revenue)</b>				
Employee Expenses	0.90%	0.88%	0.97%	0.98%
Advertisements	0.66%	0.22%	0.39%	0.57%
Rentals	0.88%	0.61%	0.69%	0.62%
Other Costs	1.12%	0.84%	0.88%	0.78%
<b>EBITDA Margins</b>	<b>9.90%</b>	<b>9.25%</b>	<b>10.07%</b>	<b>10.81%</b>
<b>PBT Margins</b>	<b>7.03%</b>	<b>5.61%</b>	<b>6.99%</b>	<b>7.42%</b>
<b>PAT Margins</b>	<b>5.11%</b>	<b>4.21%</b>	<b>5.32%</b>	<b>5.52%</b>



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

# Financial Highlights: Balance Sheet



Particulars (Rs. Crores)	FY 2017	FY 2016*
<b>Shareholders Equity</b>	<b>3,367</b>	<b>2,410</b>
Share Capital	179	179
Reserves & Surplus	3,188	2,231
<b>Total Debt</b>	<b>698</b>	<b>944</b>
Long Term Borrowings	58	58
Short Term Borrowings	634	881
<b>Trade Payables</b>	<b>2,807</b>	<b>2,162</b>
<b>Other Liabilities</b>	<b>352</b>	<b>225</b>
<b>Fixed Assets</b>	<b>84</b>	<b>90</b>
<b>Investments</b>	<b>143</b>	<b>8</b>
<b>Inventory</b>	<b>4,119</b>	<b>3,866</b>
<b>Debtors</b>	<b>1,274</b>	<b>908</b>
<b>Cash &amp; Bank Balance</b>	<b>932</b>	<b>291</b>
<b>Other Assets</b>	<b>665</b>	<b>573</b>

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





# Highlights: Domestic Retail



Particulars (Rs. Crores)	Q4 FY 2017	Q4 FY 2016*	FY 2017	FY 2016*
Revenue	1,603	1,311	5,333	5,140
Gross Margins	15.97%	14.16%	16.34%	16.01%
<b>Expenses (% of total Revenue)</b>				
Employee Expenses	1.02%	1.01%	1.37%	1.20%
Advertisements	0.89%	0.32%	0.59%	0.81%
Rentals	1.18%	0.87%	1.05%	0.86%
Other Costs	1.42%	1.17%	1.25%	1.07%
<b>EBITDA Margins</b>	<b>11.46%</b>	<b>10.79%</b>	<b>12.08%</b>	<b>12.07%</b>



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

# Highlights: Export Business



Particulars (Rs. Crores)	Q4 FY 2017	Q4 FY 2016*	FY 2017	FY 2016*
Revenue	552	560	2,766	2,092
Gross Margins	6.15%	6.26%	6.55%	8.22%
<b>Expenses (% of total Revenue)</b>				
Employee Expenses	0.57%	0.57%	0.20%	0.41%
Advertisements	-	-	-	-
Rentals	-	-	-	-
Other Costs	0.22%	0.05%	0.15%	0.09%
<b>EBITDA Margins</b>	<b>5.36%</b>	<b>5.64%</b>	<b>6.20%</b>	<b>7.72%</b>



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

## *Business Updates*



# Business Updates



- Change is the only Constant. This financial year has seen many new regulations
  - PAN Card requirement for any sales above Rs 2 lac
  - imposition of excise duty for the first time on the jewellery industry
  - demonetization announcement in Q3
  - imposition of import duty by UAE on its jewellery imports
- The company has remained on its toes throughout to comply with the new regulations and changing business environment.
- The company welcomes these new regulations as it will go a long way in making the jewellery industry more transparent and increase the market share of the organized players.
- Increasing regulatory environment increases the compliance costs for the unorganized players and thus creates a huge growth potential for the organized players.
- The share of the organized players had been increasing in any case as the consumers were preferring to buy from a branded store due to assurance of quality, purity and availability of a wider design range. We feel that the pace of this shift will only increase now.
- The imposition of GST regime from 1<sup>st</sup> of July further shifts the balance in favor of the organized sector.



# Business Updates



- 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
- In jewellery industry the physical presence remains very necessary for customer acquisition. Accordingly the company continues to focus on expanding its retail presence and it has opened 15 new stores during the FY 16-17. Interestingly, out of these 15, 4 are franchisee stores. Thus out of the 75 showrooms as on 31<sup>st</sup> March 2017, 5 were franchisee and the rest were company owned.



# Business Updates



- The company had opened its first franchisee store at Gwalior in October 2015 and now has stabilized its strategy. Franchisee stores provide an excellent way to grow without investing any capital and is therefore a great ROE accretion tool as well. The Franchisee vertical will remain one of the important growth drivers for the company and it plans to open 10 new franchisee stores this year.
- The company's online business continues to do well. We have developed a market place with around 30 other jewellery brands 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 resulting in nearly 3% of customer conversion
- 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 6-8% and are expected to remain within this range in the near future as well. There was 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 1<sup>st</sup> January 2017. This led to pre-ponement of export orders and sales.





# Financial Analysis- Overall



- Revenue
  - The company sales for the FY 2017 grew in both segments-domestic as well as exports. Total sales for the FY 17 were Rs 8,099 cr (11.99% growth over FY 2016)
  - The ratio of export sales to the total revenue has increased, mainly because of the disruption in the domestic sales during the month of April 2016 as well as during the demonitization months of November & December 2016.
- Profitability
  - FY 2017 profit was Rs. 430.54 (7.8% growth over FY 2016)
  - We experienced small decline in our margins this FY. The decline was primarily due to reduce margins in the export sales. The domestic retail margins have remained stable.
- Costs
  - The company has managed to keep its key costs namely Salary, Rental and Advertisement under control (as a % of the total revenue) .
  - Though the expenditure on Advertisements has declined in this FY, going forward, we do expect the advertisement cost (as % of total revenue) to grow in the next FY.
  - However, the company, will continue to retain a good control on its overall cost structure to retain long term sustainability.
- Finance
  - Our finance costs have remained stable as a percentage of overall revenue in FY 2017.



# Financial Analysis- Domestic



- Domestic Sales
  - Domestic Retail Sales witnessed an overall yoy growth of 3.77% for FY 2017
  - Q1, Q2 & Q4 were fairly good quarters
  - Q3 was a degrowth quarter due to adverse effect of demontization, However the effects of demonitization are now over and the normalcy is back.
  - Though there has been a YoY increase in domestic sales, SSG has remained flattish
  - The company continues to remain focussed on improving the sales mix in favour of diamond/ high margin gold jewellery



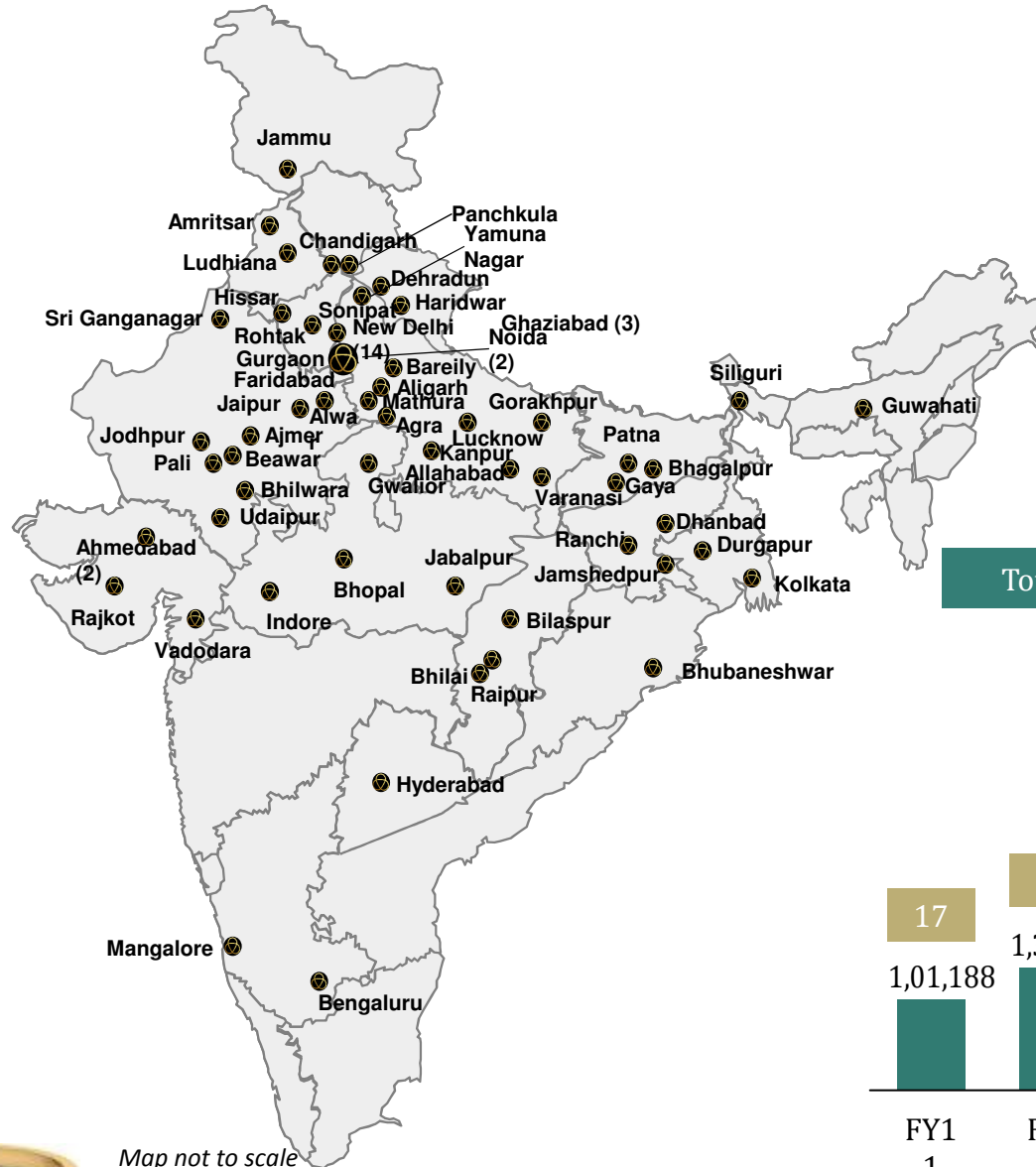
# Financial Analysis- Export



- Export Sales
  - We have been in the export business for a fairly long time and focus has been on handmade designer gold jewellery.
  - This is a B2B business.
- Margin Analysis
  - Steady state export margins are ~6% - 8%. FY 2017 margins have been inline at ~6.55%
  - The rupee appreciation has impacted the margins to some extent.



## ...With PAN India Presence



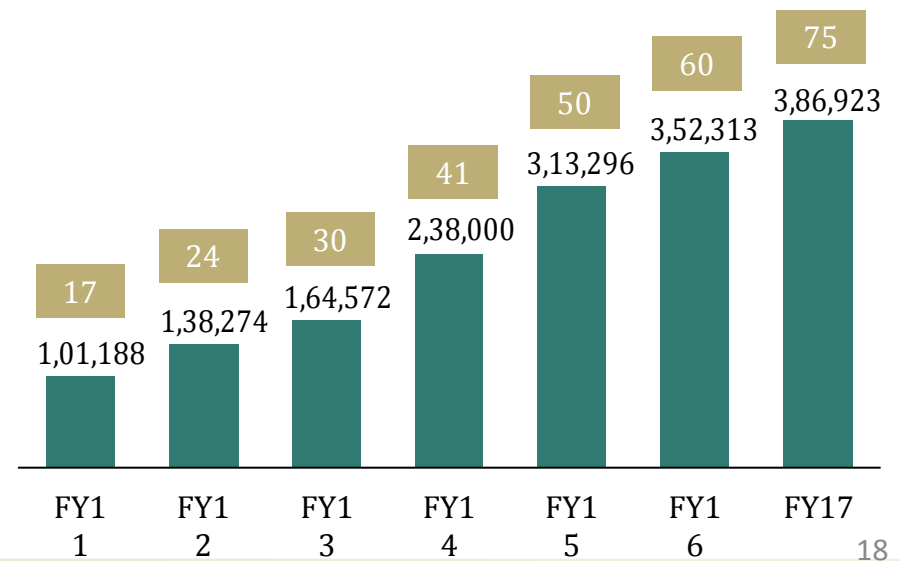
✓ 75 showrooms (3,86,923 sq. ft.)

✓ 58 cities and 18 states

✓ Exclusive lounges at 10 showrooms

Total Area (Sq. Ft)

No of Showrooms



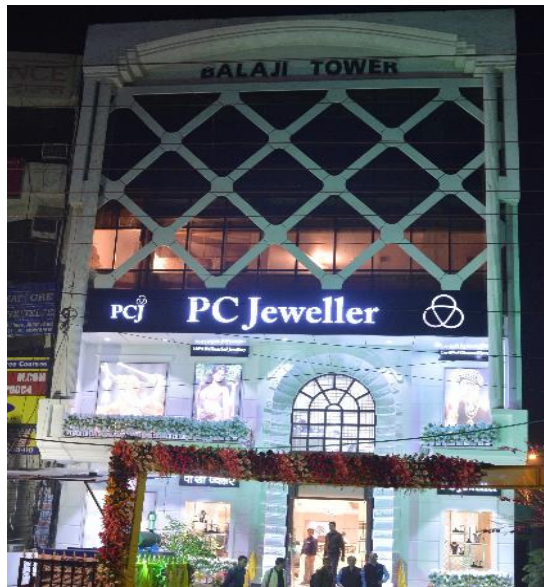
## *New Stores & Collections*



# New Showrooms (Q4 2017)



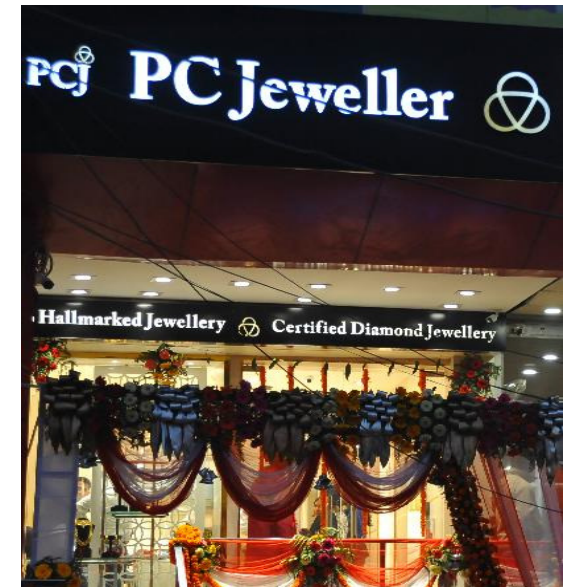
Allahabad, UP



Nangloi, New Delhi



Sonipat, Haryana





# New Showrooms (Q4 2017)



Aligarh, UP



Alwar, Rajasthan



# New Showrooms (Q4 2017)



Logix Mall, Noida, UP



Dwarka, New Delhi





# Azva



Vogue Magazine Ad\_213(w) x 276(H)MM\_Jan

Vogue Magazine Ad\_213(w) x 276(H)MM\_May\_415863



An opulent flair of floral links dotted with seven rows of red stones inspired by your wedding vows. Azva presents the Bridal Showstopper, handcrafted for your big day.



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Inspired by your seven vows, handcrafted into seven stunning rows of dainty gold drops and vibrant stones, Azva presents the Bridal Showstopper designed for life beyond the locker.

**Bengaluru:** Abaran Timeless Jewellery: Mahalaxmi Layout, Opp Iskon. T 23598600; Nikhaar-Jewels: Richmond Road. T 22103288; PC Jeweller: Jaya Nagar. T 40902778; **Chennai:** GRT Jewellers: Coats Road, T Nagar. T 23461515; GRT Jewellers: South Usman Road, T Nagar. T 24545062; Konika Jewellery: Prince Towers, Purasai. T 43551116; NAC Jewellers: North Usman Road, T Nagar. T 43996666; **Delhi/NCR:** PC Jeweller: Karol Bagh. T 47104810; Bholasans Jewellers: Gold Souk Mall. T 4414725 (Gurugram); **Mumbai:** Gehna Jewellers: Turner Road. T 61201234; Tribhuvandas Bhimji Zaveri and Sons: New Queen's Road. T 25635544; Waman Hari Pethe Jewellers: Ranade Road, Dadar (W). T 61304000; **Ambala:** Aggarwal SS Jewellers: Aggarsen Chowk. T 2444827; **Jaipur:** PC Jeweller: Ram Bagh Circle. T 2709007; **Jamshedpur:** Keshavi Chhaganlal Jewellers: Bistupur. T 2320834; **Mangalore:** S L Shet Jewellers and Diamond House: Hampankatta, KS Rao Road. T 2440085; **Surat:** Pachchigar Jewellers: Athwa Lines. T 2650390; **Thiruvananthapuram:** Bhima Jewellers: Ayurveda College Junction, M G Road. T 2461631; **Thrissur:** Thottan Gold and Diamond: Opp Malayala Manorama, Ikkandwarrier Road. T 2970570; **Vellore:** Champalal Jewellers: Opp. Voorhees College. T 2221155; **Vijaywada:** NAC Jewellers: M G Road, Near Petrol Bunk. T 5006262.

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# Successfully running Collections



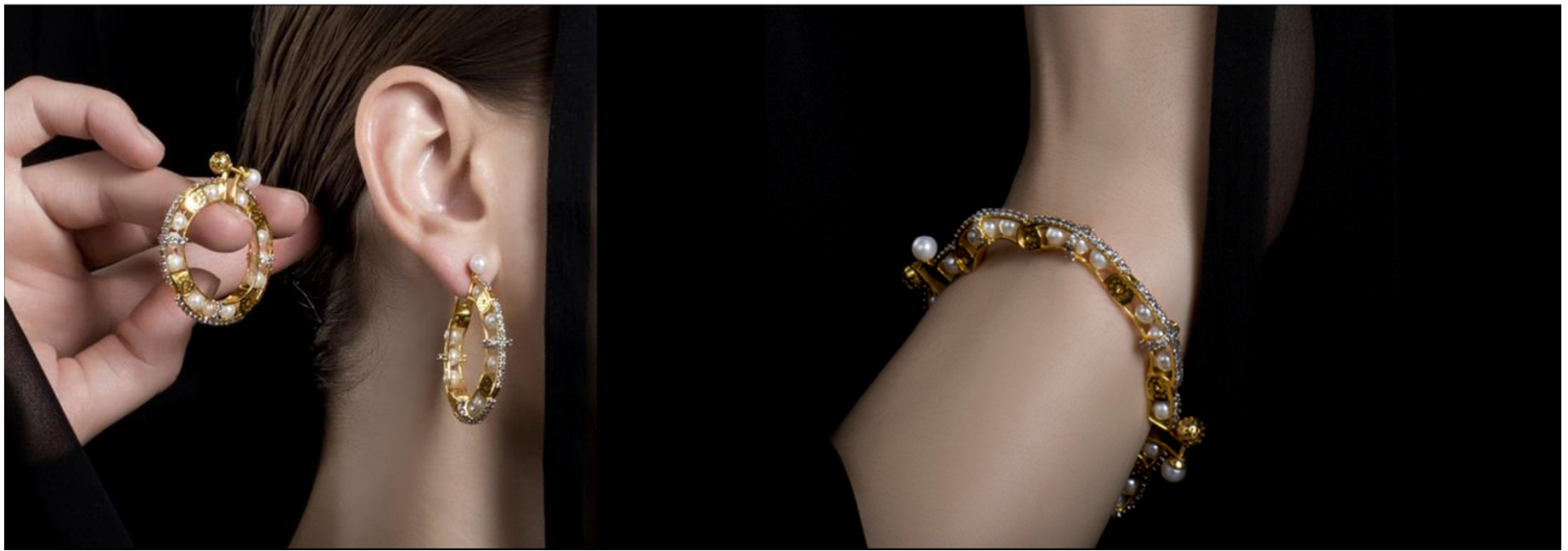


# Successfully running Collections



**FLEXIA JEWELLERY**

*Detach. Create. Wear.*



# New Collections Launched in Q4 FY17





## For further information, please contact:

Company :

Investor Relations Advisors :

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CIN: U74140MH2010PTC204285

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