

Date: November 14, 2019

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 Management Presentation on the standalone financial results of the Company for the quarter ended September 30, 2019.

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

info@pcjeweller.com • www.pcjeweller.com • CIN: L36911DL2005PLC134929



PC Jeweller

PC JEWELLER LTD

Results Presentation

November 14th, 2019

Safe Harbor



PC Jeweller

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Financial Updates



Quarterly highlights



PC Jeweller

Q2 FY 2020 Sales : Rs 1,125 crores

Q2 FY 2020 EBITDA : Rs 142 crores

Q2 FY 2020 PBT : Rs 43 crores

Q2 FY 2020 PAT : Rs 40 crores

Q2 FY 2020 Domestic Retail Sales : Rs 1,031 crores

Q2 FY 2020 Export Sales : Rs 94 crores



Highlights: Overall Business



PC Jeweller

Particulars (Rs. Crores)	Q2 FY 2020	Q2 FY 2019	H1 FY 2020	H1 FY 2019
Revenue from Operations	1,125	1,635	2,473	4,058
Domestic Retail	1,031	1,550	2,254	3,166
Exports	94	85	219	892
Gross Margins (%)	16.7%	16.7%	15.9%	14.5%
Domestic Retail	18.1%	17.2%	17.3%	16.5%
Exports	1.5%	7.9%	2.6%	7.6%
Expenses (% of total Revenue)				
Employee Expenses	1.5%	1.8%	1.6%	1.4%
Advertisements	0.3%	0.2%	0.3%	0.3%
Rentals	0.1%	0.9%	0.1%	0.7%
Other Income	(1.7%)	(1.7%)	(1.0%)	(1.5%)
Other Costs	3.9%	1.2%	2.2%	0.9%
EBITDA Margins	12.6%	14.3%	12.7%	12.7%
PBT Margins	3.8%	8.1%	4.7%	8.0%
PAT Margins	3.5%	5.7%	3.6%	5.8%





PC Jeweller

Highlights: Domestic Business

Particulars (Rs. Crores)	Q2 FY 2020	Q2 FY 2019	H1 FY 2020	H1 FY 2019
Revenue from Operations	1,031	1,550	2,254	3,166
Gross Margins (%)	18.1%	17.2%	17.3%	16.5%
EBITDA Margins (%)	14.2%	13.5%	14.0%	12.8%
PBT Margins (%)*	5.1%	7.7%	5.8%	8.9%
PAT Margins (%)	4.7%	5.6%	4.4%	6.4%

* There is an absolute decline in the finance cost. However, as per IND AS 116, a certain portion of rental cost stands included in the depreciation as well as Finance costs.

Highlights: Export Business

Particulars (Rs. Crores)	Q2 FY 2020	Q2 FY 2019	H1 FY 2020	H1 FY 2019
Revenue from Operations	94	85	219	892
Gross Margins (%)	1.5%	7.9%	2.6%	7.6%
EBITDA Margins (%)**	(5.1%)	28.5%	(0.7%)	12.3%
PBT Margins (%)	(10.3%)	14.6%	(5.6%)	4.8%
PAT Margins (%)	(9.7%)	8.9%	(5.5%)	3.8%

** The EBITDA margins have declined on account of ECL provision of Rs 24 cr. as per IND AS 109



Key Balance Sheet items



PC Jeweller

Liabilities

Standalone (Rs. Crores)	31 st Mar 2019	30 th June 19	30 th Sep 19
Liabilities			
Total Bank Exposure (including gold loans) (A)	3,243	3,199	2,995
Operational Creditors	207	185	150
JFL	142	126	86
Unsecured loan from Promoter*	-	16	215
Other Liabilities (B)	349	327	451
Total (C) = (A) + (B)	3,592	3,526	3,446
Networth (D)	3,936	3,970	4,012
TOL/TNW (C/D)	0.91	0.89	0.86

* This amount was infused by the Promoter to shore up the NWC of the company and is likely be converted in due course into equity or equity like instrument subject to receipt of necessary approvals and compliance with applicable laws. Currently this amount is unsecured and non-interest bearing.

Assets

Standalone (Rs. Crores)	31 st Mar 2019	30 th June 19	30 th Sep 19
Inventory	4,988	5,092	5,310#
Receivables (Export**)	1,773 (1745)	1,618 (1589)	1,631 (1581)

** The total inward remittances received towards realisation of old receivables in 44 days since 30th September are to tune of Rs 114 cr

This increase in inventory is on account of start of festive season from 29th Sep



Business Updates





PC Jeweller

Industry Scenario – Q2 FY 20

- Indian jewellery demand during Q2 at 101.6 tonnes was almost a third lower y-o-y due to weaker consumer sentiment.
- There was a decline of nearly 51% in Indian Bullion imports on Q-o-Q basis.
- Overall Jewellery demand suffered primarily due to following reasons
 - **Sudden price surge** - The gold prices rallied during the quarter and breached the Rs 35,000/10g level in mid-July and continued climbing to Rs 38,795/10g by the end of August, before reaching an all-time high of Rs 39,011/10g during the first week of September. The two-month leap of ~Rs 5,000/10g – from Rs 34,006/10g at the end of June – caught consumers completely off-guard, prompting many to delay buying. Despite a correction in the final few weeks of the quarter – due to the decrease in the international gold price and a strengthening rupee – the impact on demand was muted as it coincided with Pitru-Paksha, an inauspicious 16 lunar day period during which Hindus pay homage to their ancestors.
 - **Custom Duty** - Demand was further dented by a 2.5% rise in the custom duty on gold to 12.5%. This higher rate hit sentiment amongst both the gold trade and consumers, and fresh jewellery purchases suffered as a result. Consumers preferred gold-to-gold exchanges, which increased to an average of 50-60% of purchases.
 - **Weak sentiment** - Consumer confidence fell further over concerns around the slowing economy. Weak sentiment due to a liquidity crunch, excessive monsoon rains in some states, and the absence of any festivals, also influenced demand in the quarter.



Source – World Gold Council

Financial Analysis – Q2 FY 20



PC Jeweller

- There was a de-growth in the domestic jewellery sales in Q2 after a sudden surge in gold prices in mid June. The company had to resort to extensive promotional schemes during Aug-Sep to provide some momentum to the sales.
- The company has however managed to maintain its EBITDA margins by vigorous cost cutting as well as higher sale of studded jewellery.
- The Promoter has infused more than Rs 200 cr in this quarter to shore up the NWC of the company and is likely be converted in due course into equity or equity like instrument subject to receipt of necessary approvals and compliance with applicable laws. Currently this amount is unsecured and non-interest bearing.
- The reduction in rentals is because of applicability of IND AS 116. The rental amount has reduced by Rs 7.21 cr.
- The increase in other cost is on account of ECL provision of 24.11 cr on overdue receivables and impairment of Rs. 4.52 cr on investment in wholly owned subsidiaries. However company is confident of realising the overdue receivables with in this financial year and expect that this provision of ECL will get reversed thereafter. The company has received Rs 114 cr of export remittances after 30th September till date.



Financial Analysis – Q2 FY 20



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- The export margins in Q2FY20 are lower than those of comparative quarter on account of incorporation of ECL provisions.
- The company has made a provision of expected credit loss on its receivables amounting to Rs 24.1 cr which has reduced the EBITDA by commensurate amount.
- One of the major reasons behind the QnQ fall in PBT margins on account of applicability of IND AS 116 which has shifted a part of the rental expenditure to depreciation and finance cost.



New Brand Identity



PC Jeweller



PC Jeweller

The company has changed its branding in this quarter by introducing new logo as well as revamping its packaging and display material.



New Brand Identity



PC Jeweller



Sub Brand



PC Jeweller



Coined from the Sanskrit word 'ashva', the name Azva symbolizes the seven vows every couple takes/says on their wedding day. Azva celebrates the wedding vows with 22-karat Indian gold jewellery designs that are resplendent.



Sub Brand



PC Jeweller





PC Jeweller

Sub Brand



LoveGold has ignited the world's desire for Gold jewellery with the new generation. It has achieved to combine powerful elements like style, designers and jewellery to create aspirational content for the youth.



Sub Brand



PC Jeweller

MIROSA

EVERYDAY JEWELLERY

The Mirosa woman is younger, With aspirations and desires, she wants to be a part of this beautiful universe. She wants to stand out, she wants to leave her mark. A collection which has a variety of range for *working women*.



Sub Brand



PC Jeweller

Inayat

Weddings are celebrated in the most colorful and vivid way. Every occasion is important. So is the jewelry adorned to complete your ensemble. Inayat is the wedding wear for every occasion.



Sub Brand



PC Jeweller

श्वarna dharohar

An innate ode to the colorful mosaic of Royal Rajasthan. A collection which uniquely personifies the Grandeur of the state embedded with the spirits of crafts which have been meticulously passed on from the generations.





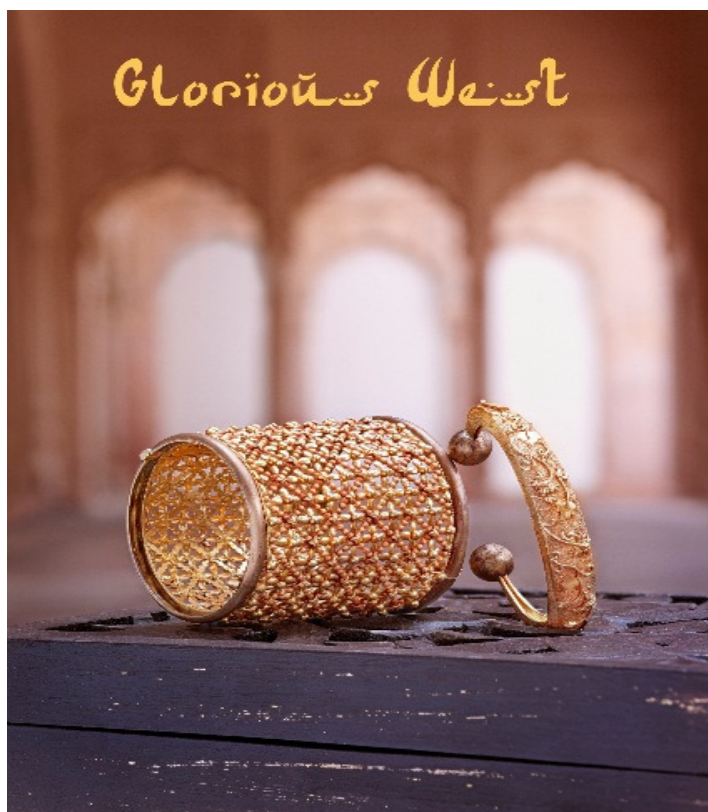
PC Jeweller

Collection

Lal Quila

A Nation's Culture; Carved in Gold!

A place where our company PC Jewellers has its innate roots. Drawing inspiration from the Lal Quila's intricacy of the architecture. The collection incorporates never used before technique of "Mokumegane" made in 22k Gold which makes the collection exclusive and unique.



Collection



PC Jeweller

Lal Qūila

A Nation's Culture; Carved in Gold!





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Thank you

