

14th November 2017

BSE/SEC/NS/17/2017-18	NSE/SEC/NS/17/2017-18
To, Bombay Stock Exchange Limited Floor 25, P. J. Towers, Dalal Street, Mumbai- 400 001	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051.
Ref : Scrip Code: 533452	Scrip Symbol : WEIZFOREX

Dear Sir/Madam,

Sub: Submission of Presentation to be made to Analyst/Investors

Please find enclosed herewith the presentation being made to Analysts/Investors on the financial Results of the Company for the quarter and half year ended September 30, 2017.

This presentation is being submitted in compliance with Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Yours faithfully

Weizmann Forex Limited



Nirav Shah
Company Secretary





WEIZMANN FOREX LTD.

Q2 & H1 FY18
Results Presentation



Tech Innovation • Customer Centricity • Network Strength

Disclaimer

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The financial information included in this presentation is preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes. This financial information has not been adjusted to reflect the outcome of any reorganization of the company's capital structure, the resolution or impairment of any pre-petition obligations, and does not reflect fresh start accounting which the company may be required to adopt.

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Table of Contents

Business Overview

Managing Director's Message

Business Updates

P&L Highlights / Abridged P&L

Balance Sheet Highlights

Growth Drivers

Historical Financial Performance

Company Overview

Leading player in the forex and remittances space

- ✔ Strong foreign exchange brand, servicing 28 million+ satisfied customers for over 23 years
- ✔ Largest principal agent network for Western Union Money Transfer globally; diversified presence through principal agent relationships with multiple partners – RIA Money Transfer, MoneyGram and Xpress Money
- ✔ Strong association with 41 leading PSU/Private Banks
- ✔ 11 forex counters in Indian airports

Strong distribution network

- ✔ Established a secured logistics network for physical transfer of notes
- ✔ Well-entrenched distribution network with presence in all 640 districts in India
- ✔ Retail outlets with pan-India presence at very prominent locations spread across 200 branches and 59,000+ customer touch points

High entry barriers

- ✔ RBI authorized dealer (AD-II category) and full-fledged money changer (FFMC)
- ✔ Ecosystem created and enhanced over decades is difficult to replicate – provides economies of scale
- ✔ Strong market intelligence framework facilitates enhanced risk management and provides greater operational control

Diversified portfolio straddled across the forex market

- ✔ Ability to offer multiple currencies and an extensive range of services and products for retail/corporate/wholesale customers – purchase and sale of Foreign Currency Notes, Prepaid Foreign Currency Cards and Travellers' Cheques
- ✔ Inbound/outbound remittance services focused on a range of verticals and significant usage segments
- ✔ Leveraging strong network to enhance value proposition by adding more products like travel insurance, trade remittances, tour and travel related services and domestic money transfer
- ✔ Digitally enabling usage expansion through a Tech Enabled Multi-Service Business Solution and Payments platform

Business strengthening initiatives

- ✔ Upgrading transaction monitoring and processing abilities with an in-house ERP implementation
- ✔ Re-engineering organizational processes; implementing digitally enabled solutions
- ✔ Implementing CRM, Sales Tracking and e-Learning Solutions

Strong financial metrics

- ✔ Robust cash flow generation – cash flow from operations at Rs 21.72 crore in H1 FY18/Rs. 21.29 crore in FY17
- ✔ Business deploys low capital, requires limited capex, D/E at 0.34 times as on 30th September, 2017
- ✔ Strong financial indicators with ROE and ROCE of 36.81% and 50.35% respectively for H1 FY18 (TTM) calculated as per Ind-AS.

Leading Player in the Forex & Remittances Market

Segment	Vertical	Key Revenue Generators
FOREX	WHOLESALE	<ul style="list-style-type: none">✓ Bulk note transactions drive relationships with Banks/other full-fledged money changers✓ Handles large volumes, enabling finer forex rates – which are leveraged for enhanced spread across retail/other business segments
	RETAIL	<ul style="list-style-type: none">✓ Walk-ins/cold calls at branches and through travel agents✓ Corporate employees on business travel✓ Post-travel encashment
REMITTANCES	INWARD	<ul style="list-style-type: none">✓ Business driven by transactions not involving bank account to bank account remittances✓ Transitioned to framework of principal agent relationships with multiple global money transfer companies – strengthening presence in key regions, driving volumes, diversifying risk and expanding margins
	OUTWARD	<ul style="list-style-type: none">✓ RBI Authorized Dealer (AD-II Category)✓ Education, Film shoots and Tour operators are the strong, long-term secular growth areas

Managing Director's Message



Commenting on the performance of Q2 & H1 FY18, Mr. B. Karthikeyan, Managing Director - Weizmann Forex Limited said,

“For over two decades, Weizmann has been a strong foreign exchange brand. We have endeavored to provide our 28 million+ satisfied customers, the best-in-class experience in money changing and money transfer services, by offering the widest range of products through a nationwide retail network of 200 branches and 59,000+ customer touch points located at very prominent places.

Given our well-entrenched market position, we are now poised to deliver on long-term growth prospects. India’s demographic is getting more positive with a young population that is increasingly aspirational with propensity for overseas travel, backed by higher disposable income. In addition, the country is emerging as a top destination for inbound tourists and tourism-related earnings contribute significantly to the country’s economy. Cross-border corporate travel is also growing rapidly as India integrates into the global economy.

An established network, Weizmann’s brand Identity, distribution visibility and focus on developing strong digital presence are the key drivers for us to deliver profitable growth. We are channeling more services to a greater number of customers by leveraging existing investments. We have also ensured more focus on the core forex business by deciding to demerge and transfer the wind power business, streamlining our business operations in focus areas. Overall, we are confident that Weizmann is on a strong wicket to deliver ongoing value to all our stakeholders.”

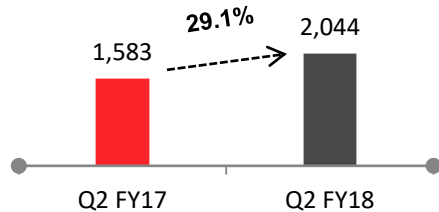
- ✓ **In addition to being the largest principal agent network for Western Union in the world by reach, Weizmann has tied up with other leading global money transfer players viz. MoneyGram (second largest money transfer company globally in terms of global agent locations with more than 3.5 lakh locations), Ria Money Transfer (over 3.25 lakh global agent locations in 146 Countries and territories) and Xpress Money (over 2 lakh global agent locations)**
 - These additional tie-ups will help the company in increasing its remittance business volumes and reduce concentration risk on account of high dependence on single principal for its money transfer business segment

- ✓ **Care Ratings has upgraded the Company's credit rating reflecting increased volumes on new tie-ups, consistent profitability and comfortable liquidity position**
 - Term Loan to CARE A-; Stable revised from CARE BBB+; Stable
 - Working Capital to CARE A-; Stable revised from CARE BBB+; Stable
 - Short Term Bank Facilities – Non-fund to CARE A2 revised from CARE A3+

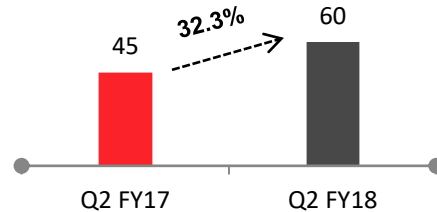
- ✓ **Board has approved the scheme of demerger of the Wind Power Division and transfer of the same to Karma Energy Ltd (KEL)**
 - Management focus on core business of money changing and money transfer
 - To boost profitability indicators
 - Proposed allotment of five equity shares of KEL for every 11 shares of WFL – scheme is subject to statutory and regulatory approvals

P&L Highlights – Q2 & H1 FY18

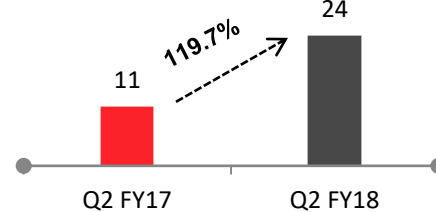
Total Income (Rs. cr)



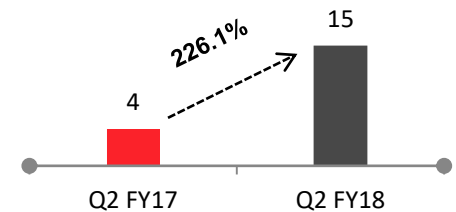
Net Revenues (Rs. cr)



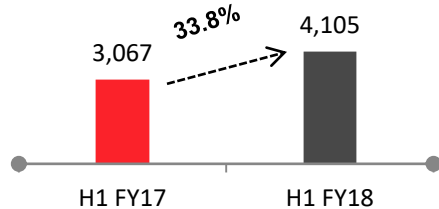
EBITDA (Rs. cr)



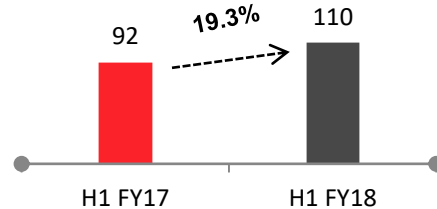
PAT (Rs. cr)



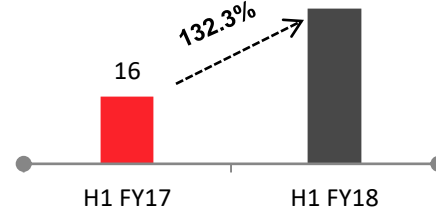
Total Income (Rs. cr)



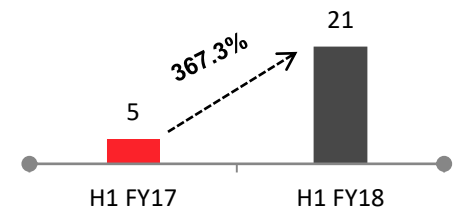
Net Revenues (Rs. cr)



EBITDA (Rs. cr)



PAT (Rs. cr)



Abridged P&L – Q2 & H1 FY18

P&L Snapshot (Rs. cr)	Q2 FY18	Q2 FY17	YoY	H1 FY18	H1 FY17	YoY
Total Income	2,043.84	1,582.92	29.1%	4,104.87	3,067.17	33.8%
Net Revenues	60.20	45.50	32.3%	110.30	92.40	19.3%
Employee Benefit Expenses	13.16	10.61	24.1%	23.58	19.14	23.2%
Depreciation and amortization expense	1.02	1.15	-9.0%	2.17	2.25	-3.5%
Other expenses	23.31	24.08	-3.2%	49.01	57.07	-14.1%
EBITDA	23.70	10.79	119.7%	37.67	16.22	132.3%
EBITDA Margin*	39.4%	23.7%	15.7%	34.2%	17.5%	16.6%
EBIT	22.68	9.67	134.6%	35.50	13.97	154.2%
EBIT Margin*	37.7%	21.3%	16.4%	32.2%	15.1%	17.1%
Finance Cost	1.50	2.81	-46.8%	3.24	5.19	-37.4%
Exceptional items/Prior period item	0.0	0.0			-1.1	
Profit before tax	21.18	6.85	209.1%	32.25	7.69	319.4%
Taxes	6.60	2.38	177.1%	10.80	3.10	248.4%
Tax rate	31.2%	34.8%	-3.6%	33.5%	40.3%	-6.8%
Profit after tax	14.57	4.47	226.1%	21.45	4.59	367.3%
PAT margin*	24.2%	9.8%	14.4%	19.5%	5.0%	
Basic EPS (not annualized)	12.57	3.83		18.48	3.91	
Diluted EPS (not annualized)	12.57	3.83		18.48	3.91	

*Calculated on net revenues basis

Balance Sheet – H1 FY18

Balance Sheet Snapshot (Rs. cr)	30 Sep 2017	31 Mar 2017
Net worth	157.72	140.52
Gross debt	53.84	63.28
Cash and cash equivalents	51.50	35.98
Average Capital Employed	172.25	139.85
Fixed Assets	38.48	38.51

Key Metrics	30 Sep 2017	31 Mar 2017
Debt/equity (x)	0.34	0.45
Debtors (days)	3.63	3.23
Inventories (days)	0.95	1.48
Creditors (days)	2.66	2.55
Working Capital Turnover (days)	3.60	3.82
Cash Flow from Operations (Rs. cr)		
RoE* (%)	36.81*	26.10
RoCE* (%)	50.35*	39.85

*TTM basis as per Ind-AS

Growth Drivers

- ✓ Leveraging benefits of large, established network to drive volumes
- ✓ Increased focus on existing verticals by deploying dedicated and trained personnel
- ✓ Introducing synergistic new product categories targeting new customers

- ✓ Implementing digitally enabled solutions to continuously cross-sell and up-sell
- ✓ Long-term visibility of growth in traditional and emerging categories with common user segments



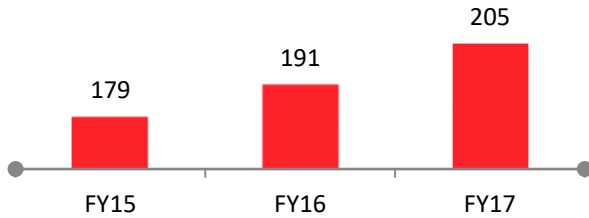
- ✓ Relationships with several global players enabled by the ability to deliver a range of customized products deeper into usage markets
- ✓ Aim to increase digitally enabled agent network to 50,000 from 15000 currently

- ✓ Undertaking brand building initiatives through various online and offline activities
- ✓ Enhancing customer relationships by implementing CRM, improved data analytics, sales tracking and e-learning solutions
- ✓ Upgrading transaction monitoring and processing capabilities with in-house ERP implementation

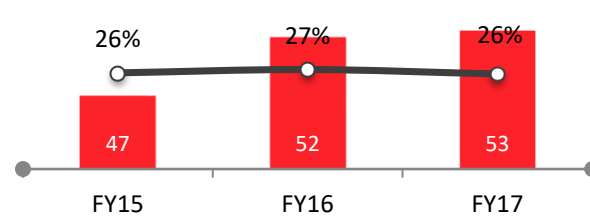
Annexures

Financial Highlights (FY15-17)

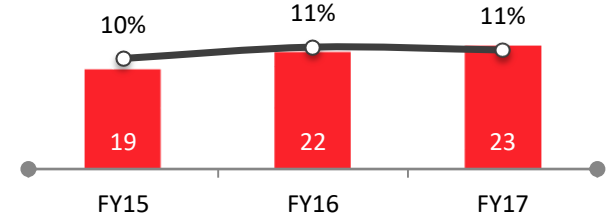
Net Revenues (Rs. cr)



EBITDA (Rs cr) — EBITDA Margins (%)



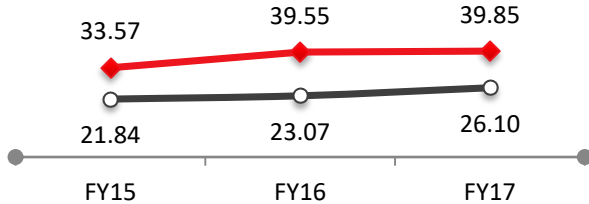
PAT (Rs cr) — PAT Margins (%)



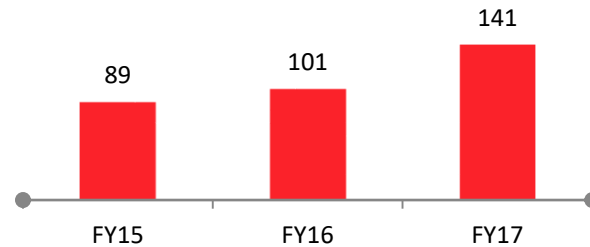
Note 1: EBITDA and PAT margins calculated on Net Revenues basis.

Note 2: FY17 EBITDA & PAT included the loss incurred on closure of derivatives deal relating to wind power operations that stood at Rs. 8.34 crore. The company had entered into a derivative transaction to hedge against dollar denominated loan for wind mill business. Currently, both derivative exposure and dollar denominated loan stands closed. Also, during FY17, the company reported additional loss on divestment of part stake in joint venture and other non-current investment amounting to Rs. 1.08 crore. Adjusted for the above transactions, EBITDA would have been higher by Rs 9.42 crore; PAT and Net Worth would have been higher by Rs. 5.35 crore

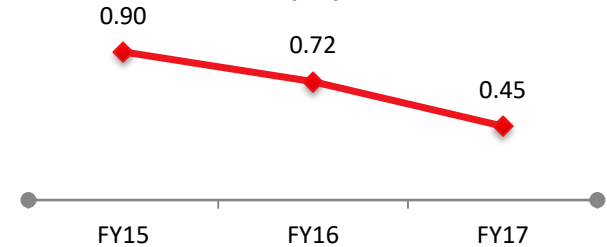
ROCE (%)* — ROE (%)*



Net Worth* (Rs. cr)



Debt/Equity Ratio*



*Note: ROE, ROCE, Net Worth and Debt/Equity Ratio for FY17 are based on restated financials as per Ind-AS

ROE = PAT/Avg Net Worth; ROCE = EBIT/Avg Capital Employed; Capital Employed = Net Worth + Debt

About Weizmann Forex Limited

Weizmann Forex Limited (WFL) (NSE: WEIZFOREX; BSE: 533452) is a leading player in the foreign exchange and Inward remittances space. The company operates a diversified portfolio focused on Foreign Exchange, International & Domestic Money Transfer, and Import and Export Payment Solutions. An RBI Authorized Category II Dealer and Full Fledged Money Changer, WFL has a network of 200+ branches and 59,000+ customer touch points spread across all 640 districts in India along with leading global agent partnerships for its inward remittances business.

The company's large scale and established logistics network for physical transfer of notes along with track record of compliance and security is backed by strong market intelligence that facilitates enhanced risk management and provides greater operational control.

Weizmann Group has established a strong brand over 30 years of operations with over 28 million satisfied customers. The company offers multiple currencies and an extensive range of services and products for retail/corporate/wholesale customers including purchase & sale of Foreign Currency Notes, Prepaid Multi-currency International Cards and Travellers' Cheques. The company also provides inbound/outbound remittance services focused on a range of verticals and significant usage segments. WFL is the largest principal agent network of Western Union Money Transfer for its remittance business in terms of branch network. WFL is leveraging its strong network to enhance value proposition by adding more products like travel insurance, trade remittances, tour and travel related services, domestic money transfer etc. and digitally enabling usage expansion through a Tech Enabled Multi-Service Business Solution and Payments platform.

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THANK YOU
