



# PC Jeweller Limited

Q1 FY 2014 Results Update  
7<sup>th</sup> August 2013

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# Business Update – Opened 6 showrooms in Q1 FY14



**Jabalpur, Madhya Pradesh**  
(5,000 Sq. Ft.)



**Shri Ganganagar, Rajasthan**  
(5,300 Sq. Ft.)



**Ahmedabad, Gujarat**  
(7,800 Sq. Ft.)



**Vadodara, Gujarat**  
(7,800 Sq. Ft.)



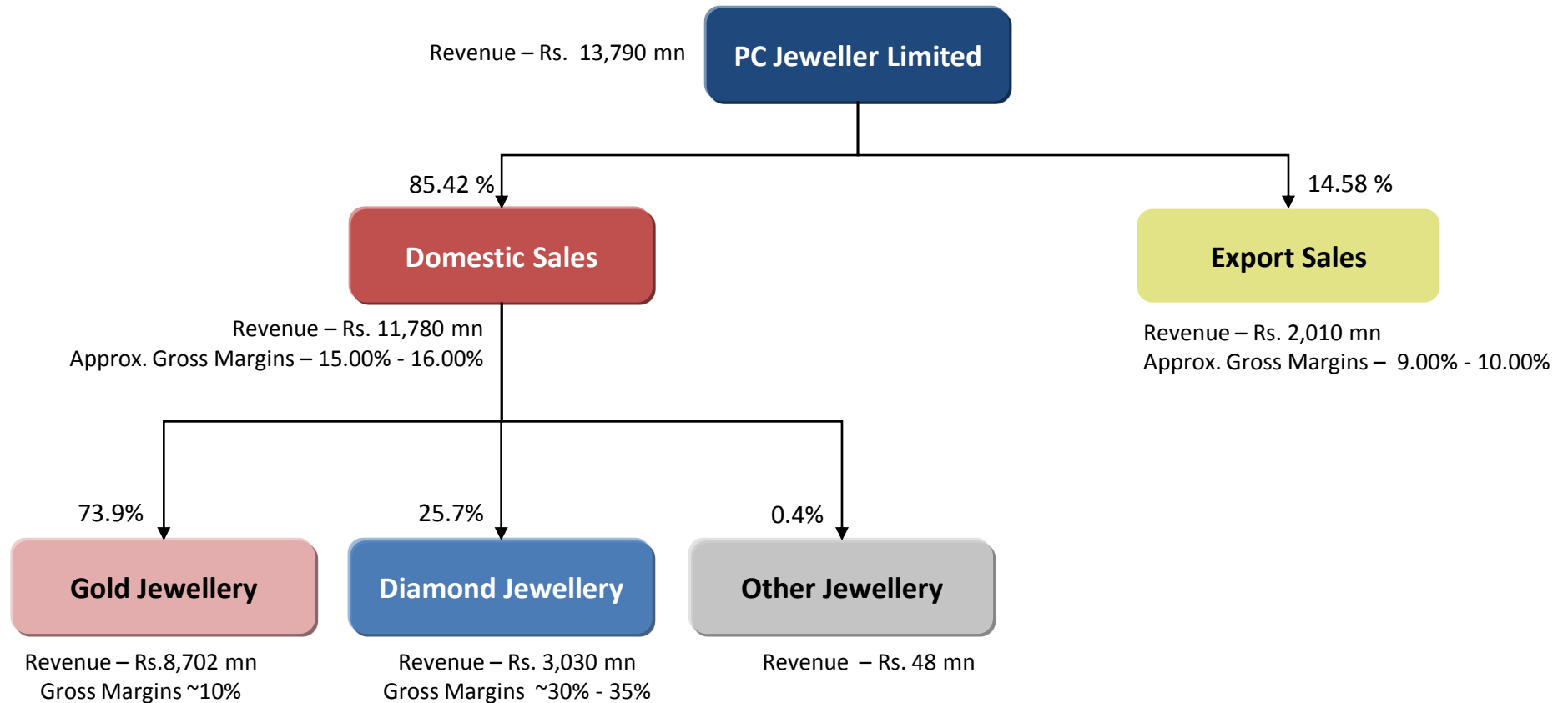
**Hisar, Harayana**  
(3,400 Sq. Ft.)



**Paschim Vihar, New Delhi**  
(3,900 Sq. Ft.)

**Today, PCJ has 36 Showrooms across 28 Cities, across 10 States**

# Q1 FY 2014 Results Analysis



# Retail Sales Analysis (Quarterly Trend)

	Q1 FY 14	Q4 FY 13
Operational stores as on	36	30
Total Domestic Sales (Rs. mn)	11,780	8,848
Volume of Gold sold (Kgs.)	2,987.86	2,195.51
Percentage of Diamond jewellery sold	25.72 %	32.15 %
Number of JFL customers	52,766	54,904
Amount (Rs. mn)	995.55	988.18

# Retail Sales Analysis (Yearly Basis)

	FY 13	FY 12
Operational stores in FY	30	24
Total Retail Sales (Rs. mn)	29,876	20,395
Stores with Annual Revenue > Rs. 1,000 mn	8	4
Stores with Annual Revenue btw Rs. 500 – 1,000 mn	15	8
Stores with Annual Revenue < Rs. 500 mn	7	12

Store-level Cash Breakeven Analysis	<ul style="list-style-type: none"> <li>➤ For a store in the <u>same city as an existing store</u>, cash breakeven is between <u>4-5 months</u></li> <li>➤ For a store in the <u>same region/ state as an existing store</u>, cash breakeven is between <u>6-7 months</u></li> <li>➤ For a store in a <u>completely new region</u>, cash breakeven is around <u>1 year</u></li> </ul>
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# Margin Analysis

Particulars	Q1 FY 14 (3 months)	Q4 FY 13 (3 months)	FY 13 (Annual)	FY 12 (Annual)
<b>Revenue from Operations</b>	<b>13,790</b>	<b>11,442</b>	<b>40,184</b>	<b>30,419</b>
Domestic Operations	85.42%	77.33%	74.35%	67.05%
Export Operations	14.58%	22.67%	25.65%	32.95%
<b>Gross Margins</b>	<b>15.05%</b>	<b>15.85%</b>	<b>15.57%</b>	<b>13.86%</b>
Domestic Operations	15.00%	17.18%	15.95%	15.19%
Export Operations	15.31%	11.31%	14.48%	10.92%
<i>(The export gross margins are 9.00% - 10.00% on a steady state basis. However, these keep on varying in line with the MTM position on the Balance Sheet date)</i>				
<b>Expenses (% of total Revenue)</b>				
Employee Cost	0.73%	0.86%	0.88%	0.82%
Advertisements	0.98%**	1.38%	0.82%	0.94%
Rentals	1.04%*	0.48%	0.53%	0.47%
Other Costs	0.41%	0.93%	1.11%	0.13%
<b>EBITDA Margins</b>	<b>11.89%</b>	<b>12.20%</b>	<b>12.23%</b>	<b>11.50%</b>
<b>PBT Margins</b>	<b>8.37%</b>	<b>9.01%</b>	<b>9.07%</b>	<b>8.71%</b>
<b>PAT Margins</b>	<b>6.52%</b>	<b>7.21%</b>	<b>7.24%</b>	<b>7.60%</b>

\* The rental expenses for Q1 FY 14 include straight lining of lease rent of Rs 81.60 mn as per AS 19.

\*\* The advertisement expense for Q4 is always higher vis a vis other quarters as the company's biggest sponsored function i.e Filmfare, falls in this quarter

# Management Discussion & Analysis

➤ **Credit Rating**

- ✓ Crisil Ratings has reaffirmed our rating – Long term ratings as CRISIL A – STABLE and Short Term ratings as CRISIL A 1

➤ **Debt-Equity as on 30/06/2013 is 0.23**



# Recent Regulatory Updates

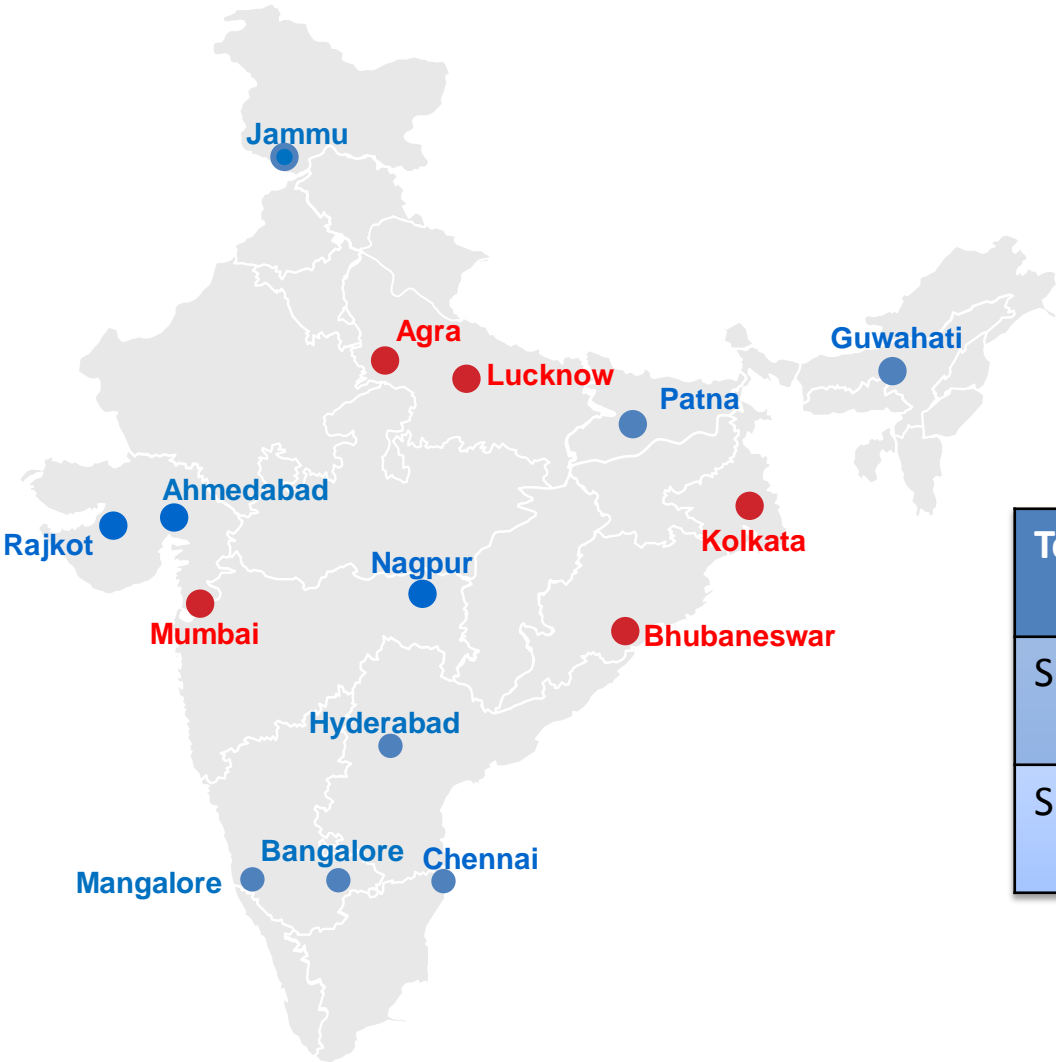
## New Import Policy RBI Circular dated July 22, 2013

- All nominated banks/ nominated agencies will have to ensure that at least one fifth (20%) of every lot of import of gold (in any form/ purity) is exclusively made available for the purpose of export
- They will be required to retain 20 per cent of the imported quantity in the customs bonded warehouses
- Fresh imports of gold is permitted only after the exports have taken place to the extent of at least 75 per cent of gold remaining in the customs bonded warehouse
- Any import of gold under any type of scheme, shall follow the 20/80 principle
- **Restrictions on import of gold on Consignment Basis, Letter of Credit Restrictions etc. stands withdrawn**

## Positive for PC Jeweller

- While we continue to maintain our focus on Domestic Retail operations, ~25% of our revenues come from Jewellery Exports (expected ~20% in next 3-4 years)
- As a result, 20/80 principle suits us perfectly well in gold procurement and ensures a steady availability of raw material for our Domestic Retail as well as Jewellery Export business

# Expansion Plans



Total showrooms to be opened	14
Sites finalised ( ● )	11
Sites under Consideration ( ● )	5

# Thank You