



Talwalkars Better Value Fitness Ltd.

Regd. Off.: 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026.
Tel.: 6612 6300. Fax: 6612 6363. Website: www.talwalkars.net CIN: L92411MH2003PLC140134

Date: 1st March, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

To,
National Stock Exchange Of India Limited
Exchange Plaza, Plot No. C/1,
G Block, BKC, Bandra (East), Mumbai -400051.

Dear Sir / Madam,

Re: Talwalkars Better Value Fitness Limited; Scrip Symbol: TALWALKARS; Scrip Code: 533200
Sub: Submission of Corporate Presentation – March 2017

We enclose herewith Corporate Presentation of the Company and request you to take the same on your record.

Thanking you,

Yours faithfully,
For Talwalkars Better Value Fitness Ltd.

Avanti Sankav
Company Secretary





TALWALKARS

TALWALKARS BETTER VALUE FITNESS LIMITED

**CORPORATE
PRESENTATION**

March, 2017

EXECUTIVE SUMMARY

INDUSTRIAL OVERVIEW

COMPANY OVERVIEW

BUSINESS OVERVIEW

STRATEGIC OVERVIEW

FINANCIAL OVERVIEW

EXECUTIVE SUMMARY

Company

- The Talwalkars brand can be traced back to the year 1932.
- The company today has grown to become one of the largest chain of health centres in South Asia with over 199 branches across 86 cities in India and Sri Lanka with over 2,00,000 members.
- The Company got listed on BSE in the year May 2010 and its marketcap. Is approximately INR 6,548 Mn (as on 9th Feb, 2017).

Fitness Centre Formats

- **Talwalkars Gym:** Fully equipped gyms of 5,000-6,000 sq.ft. area widely present across India.
 - **Talwalkars Premium Gym:** Ultra modern gyms with various value added services of 6,000-12,000 sq.ft area present in premium locations.
 - **Power World Gym:**
- Sri Lanka:** Fitness centers with 3,750-4,000 sq.ft. area in lower income areas in metros/mini metros of Sri Lanka.
- India:** Fitness centers with 4000-5,000 sq.ft. area targeting the peripheral areas of Metros and top 12 cities of India.
- **HiFi:** Compact and affordable gyms typically of 2,500-2,800 sq.ft area targeting tier III & IV cities.
 - **Zorba:** Zorba is a type of fitness center format wherein only different type of yoga's are taught.



Value added Services:

- **NuForm:** A German technology electronic stimulation machine to reduce fat.
- **Reduce:** Special ready-to-eat food packages with high fibre, low fat & nutritious.
- **Transform:** Combination of Nuform and Reduce.
- **Group-X Activities:** Includes free floor exercises like Zumba®, Zorba (yoga), TRX suspension training, Kettle Bell and aerobics.
- **Spa, massage and Steam**

FY16 Consolidated Financials

Total Income - INR 2,581 Mn; 3 Year CAGR of 19.3%

EBITDA - INR 1,502 Mn; 3 Year CAGR of 26.7%

PAT - INR 550 Mn; 3 Year CAGR of 22.3%

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FITNESS INDUSTRY OVERVIEW

- India's population accounts for 16% of the World population while Indian health clubs account for only 2% of Global Market.
- Brazil has 8 times more health clubs than India and is 1/6th of Indian population.

Countries	Total Industry Revenue (USD in Mn)	Total Number of Clubs	Total Number of Members (Mn)
China (Mainland), Taiwan, Hongkong	2,820	3,193	4.76
Brazil	2,442	31,809	7.95
India	669	3,800	0.95
Poland	492	2,500	1.00
Portugal	391	1,200	0.65
Egypt	210	936	0.50
Vietnam	27	2,325	0.14

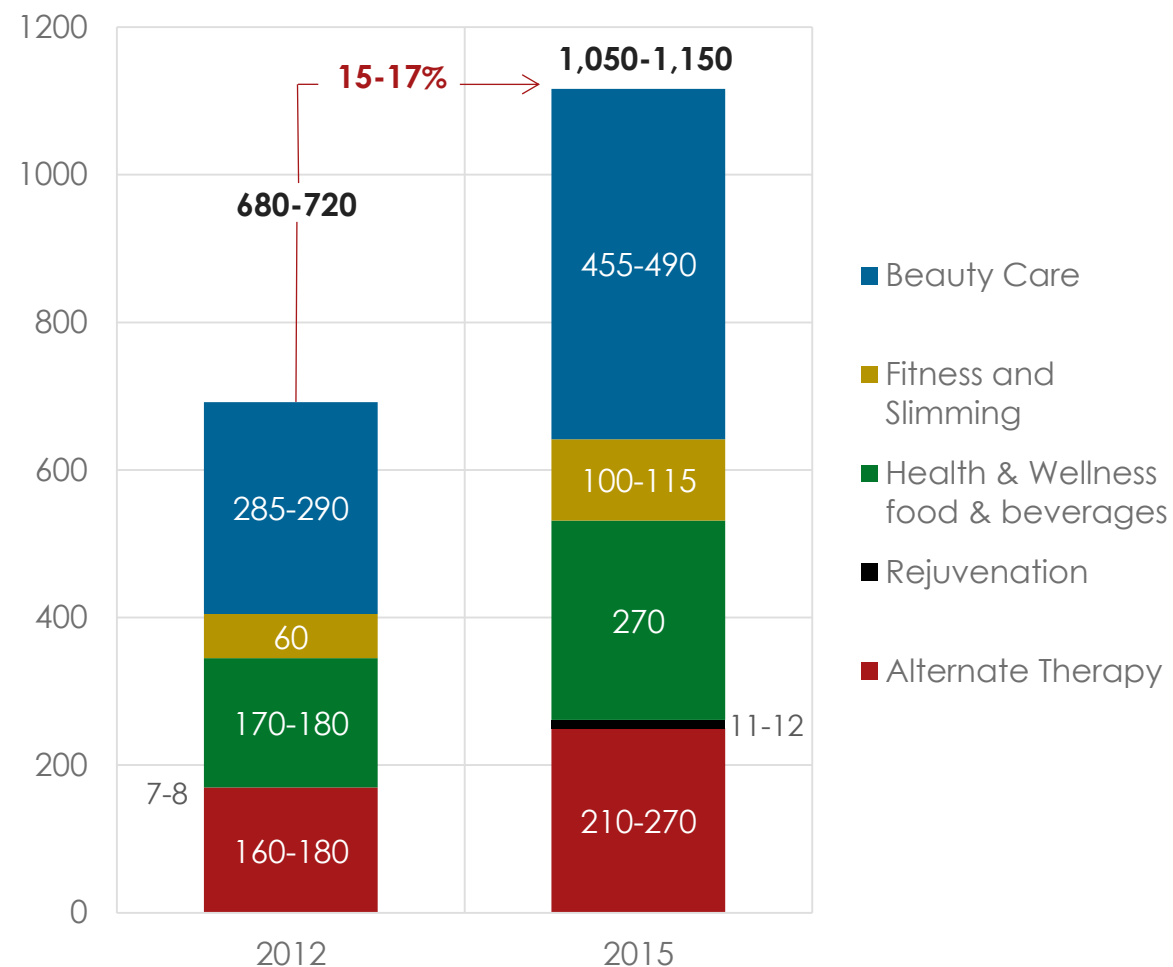
- Market penetration is as low as 0.5%, which leaves tremendous room for development.

Source: IHRSA Global Report 2015

INDIAN FITNESS INDUSTRY

- Fitness Industry in India is worth INR 45,000 Mn and is growing at 16-18% annually.
- As per the IHRSA Global Report 2015, there are 3,800 fitness clubs in India with total membership of approximately 0.95 million.
- Gym Penetration is only 0.13% of the country's population.
- The fragmented industry is dominated by unorganized and independent gym outlets.
- Organized fitness market is concentrated in the top eight cities of India.
- More than 60% of the top companies are located in these cities.
- While the market will continue to grow in these cities, high real estate costs will drive players to look at tier II and III cities for growth. Hence, a higher growth in the premium and mid-end of the market is anticipated.

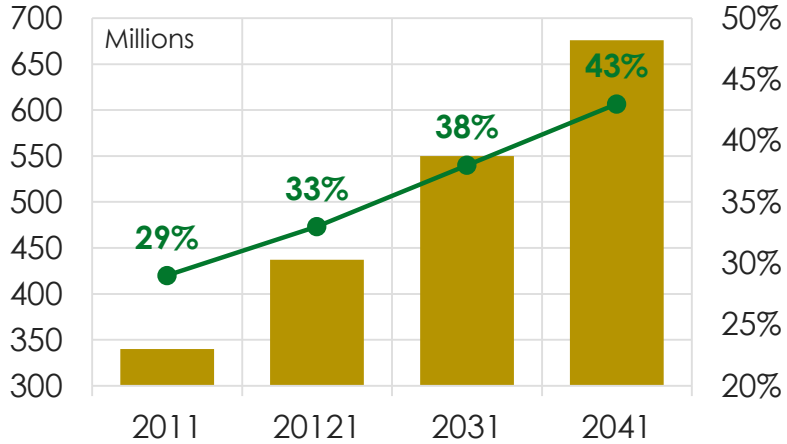
Fitness & Slimming Market (INR Bn)



Source: IHRSA report 2016

INDUSTRY POTENTIAL

India: Percentage of Population (over 40yrs of age)

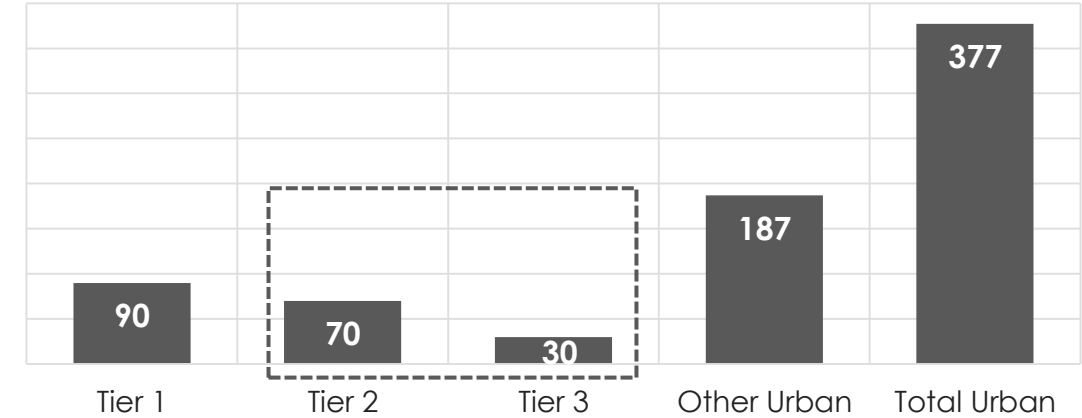


India's population of consumer age over 40yrs is more than the total population of the USA.

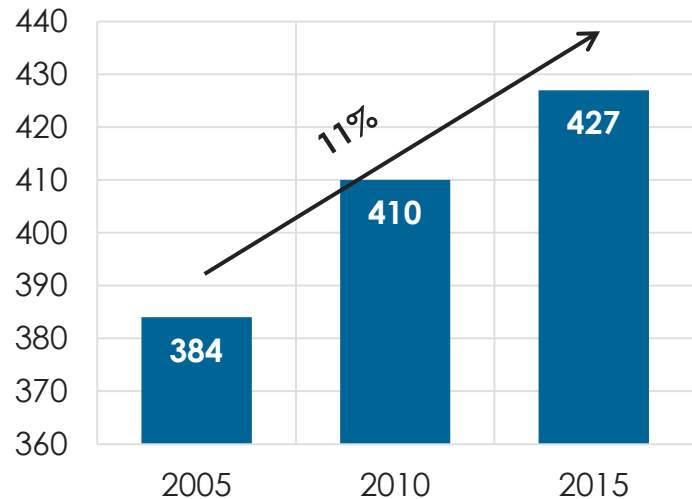
This consumer has higher capacity and propensity to spend on health, fitness and wellness services - "to look good and feel good"

Rising young population creates a potential market for alternative sources of fitness like aerobics, yoga, Zumba® program, diet program.

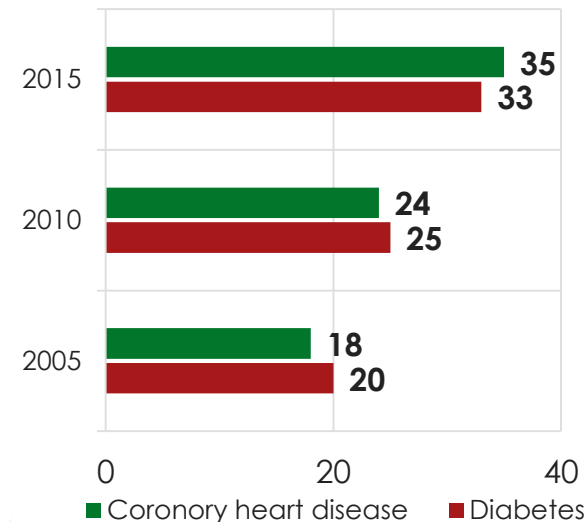
Urbanization and regional development Urban population (In Million)



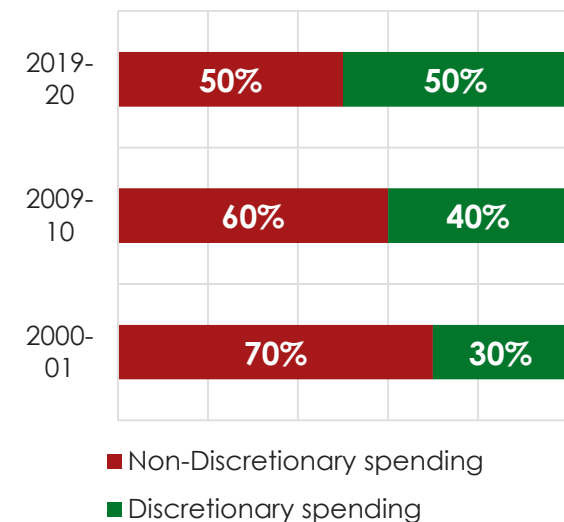
Young population (15-34yrs) (In Million)



Increase in lifestyle diseases (In Mn Cases)



Rising income levels & higher non-discretionary spending

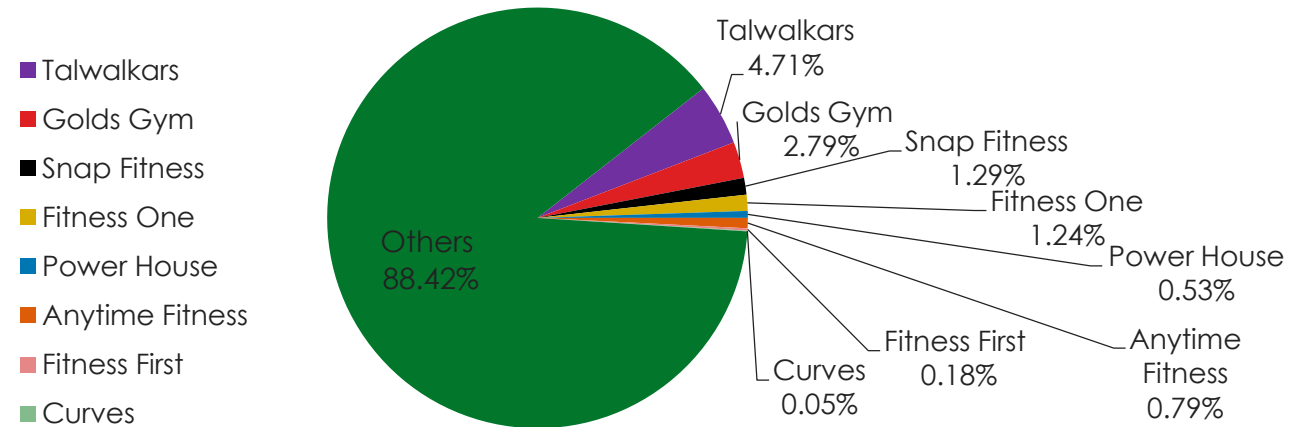


Source : IHRSA Global Report 2015, FICCI-PWC Report 2013, August 2012 and September 2011.

TALWALKARS MARKET LEADERSHIP

- Talwalkars is strengthening its foothold in cities with existing competition.
- Talwalkars is amongst the top players in 8 out of 10 top cities in India.
- Talwalkars is confident about its growth due to:
 - Rising Income levels and higher non discretionary spending,
 - Rising young population,
 - Increase in lifestyle disease,
 - Urbanization and regional development,
 - Consumer aspiration is associated with brand,
 - Increased awareness about health.

Share in the Indian Fitness Industry



Others includes the Unorganised Market Share

Locations	Talwalkars	Competitor 1	Competitor 2
Ahmedabad	5	-	-
Bangalore	25	27	10
Chennai	12	24	1
Delhi	1	13	10
Hyderabad	7	4	3
Indore	3	3	-
Jaipur	6	2	-
Kolkatta	4	5	3
Mumbai	26	20	10
Pune	12	9	7

No.1 Fitness Player

No.2 Fitness Player

Source: IHRSA 2015 Global Report, Company website as on 31st March, 2016.

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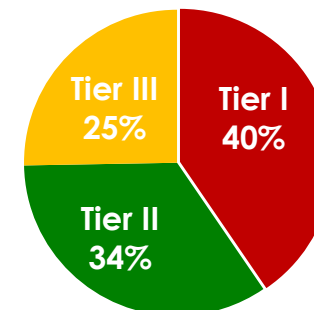


COMPANY SNAPSHOT

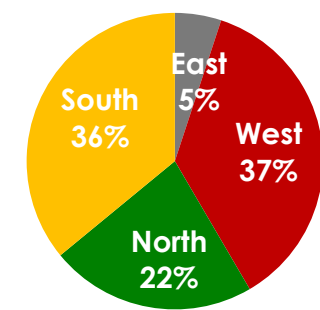
- Talwalkars Better Value Fitness Limited, commonly known as Talwalkars, is one of India's most iconic and largest chain of health centres in India.
- The health centers are spread across 199 branches across 86 cities in India and over 2,00,000 members, making it the market leaders in the organised gym market.
- The company's fitness centres are offered in five different formats which are Talwalkars Gym, Talwalkars Premium Gym, HiFi, Power World Gym and Zorba Studios.
- The company is transforming itself from a pure gymming company to a wellness solutions provider by offering various value added, health and lifestyle services.
- Apart from world-class gymming experience backed by professional trainers, its value added services include NuForm (time-efficient weight loss programme), Reduce (diet-based, easy diet programme), Transform (holistic fitness programme), Zumba® (aerobics and Latin dance-inspired fitness programme), Zorba (yoga), spa, massage and aerobics.
- The company has around 5,000 employees with roughly 2,000 PEP in total.

Format	No. of Fitness Centers
TALWALKARS:	
Owned	103
Subsidiary	9
Franchised	18
Zorba Studios	3
PWG:	
India- Owned	20
Sri Lanka- Co-ownership	20
HIFI	26
TOTAL	199

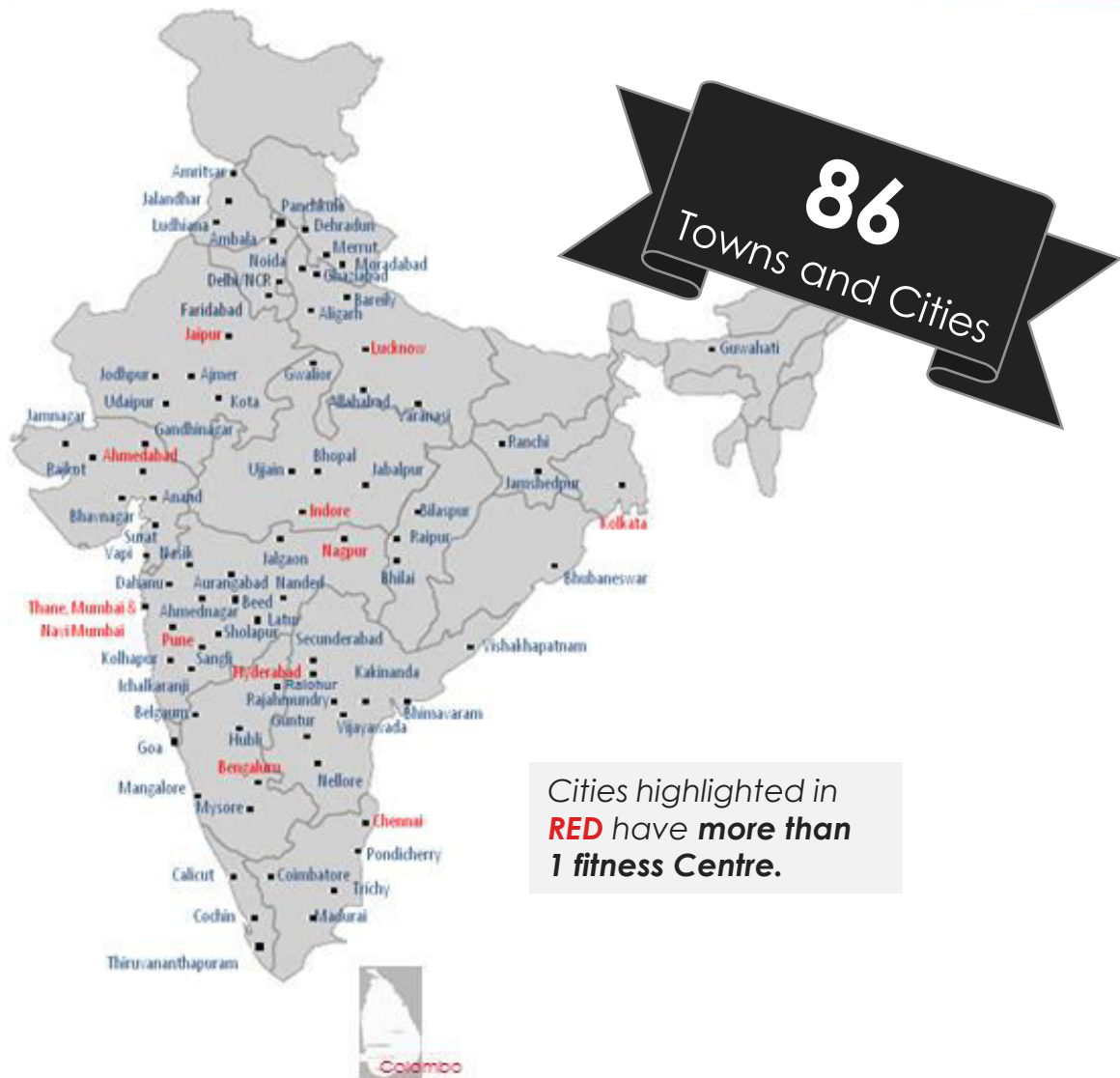
Demographic Distribution in India



Regional Distribution in India

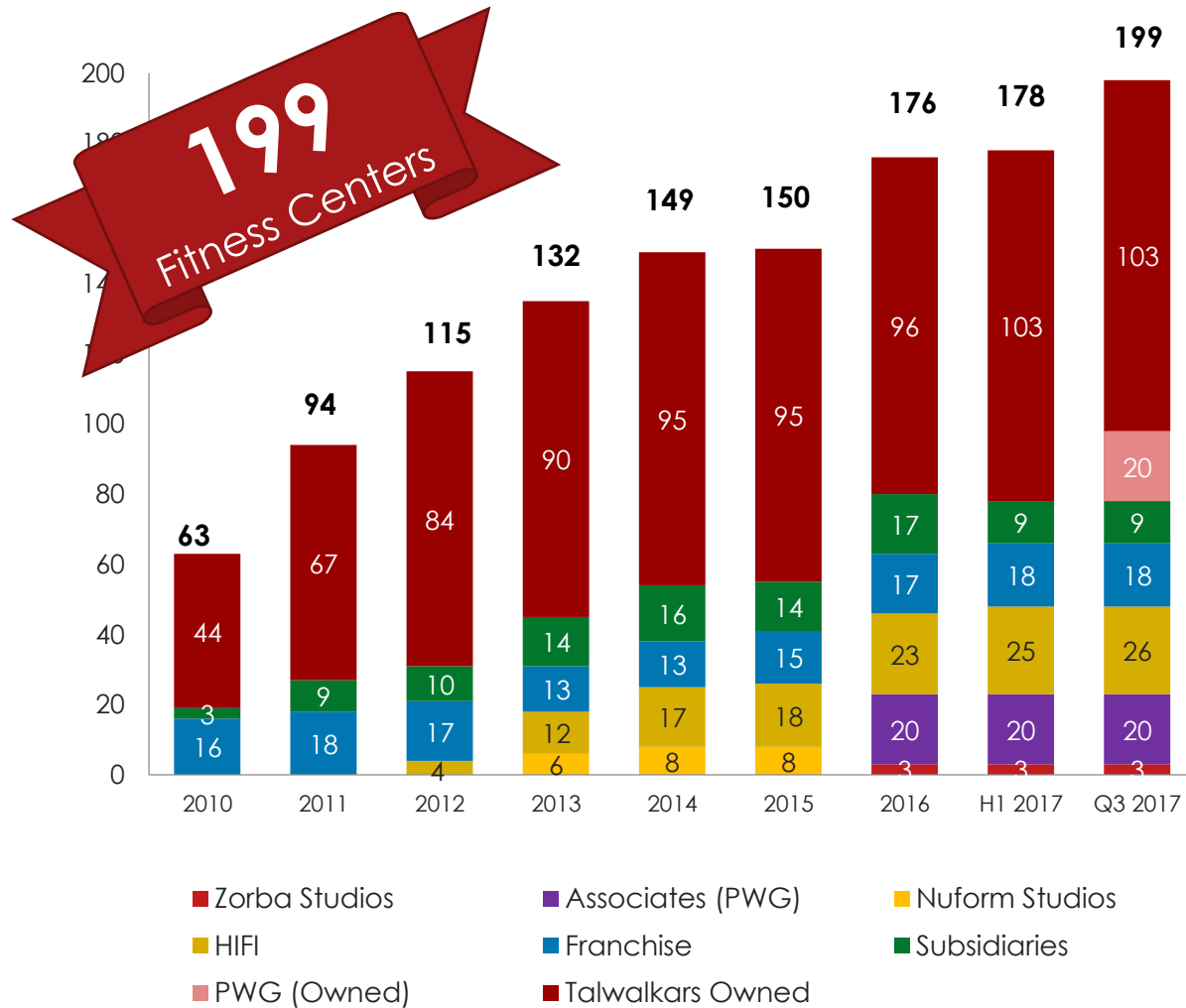


GEOGRAPHICAL PRESENCE



Above map is not to scale and not intended to mean the political map of India and Sri Lanka

Rollout of Different Gym Formats



Nuform studios are now integrated into the Talwalkars gym centers.

KEY STRENGTHS

Healthy Revenue growth with high Margin profile and low gearing ratio.

One of the largest fitness chains in India and Sri Lanka.

Highly under penetrated market, leaving a huge scope for the company's growth.

Promoters with 6 decades of experience in Gym business.

Strong customer retention track record.

Established PAN India presence.

Increasing contribution from Value-added services.

Moving from typical Gym to a Wellness Company.



Provider of Nu-form in India, a pioneering weight loss and fitness technology.

FROM GYM TO A 'WELLNESS' COMPANY

Gyms	Alternate Gym Formats	Value-Added Services	Trainers & Dieticians	ARPU	Club
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FY2016 Onwards

199 Gyms
(Increasing Pan India presence & adding Sri Lanka)



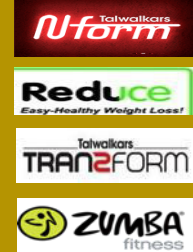
12-14 PEP and Dieticians in all centers

INR 22,000–30,000

David Lloyd Leisure

FY2011-2015

Crossed 100 Gyms
(Pan India)



8-10 PEP and Dieticians in selected Gyms

INR 15,000–18,000

NA

Pre FY2010

Crossed 50 Gyms
(Limited Presence)

NA

NA

4-6 Trainers

INR 10,000–20,000

NA



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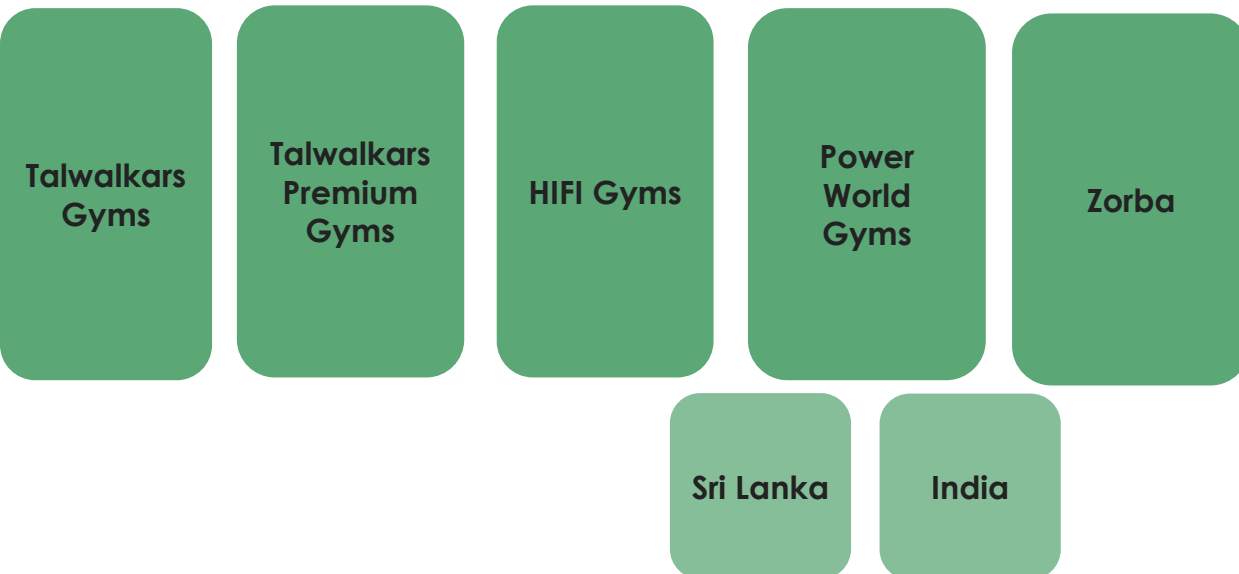
STRATEGIC OVERVIEW

FINANCIAL OVERVIEW

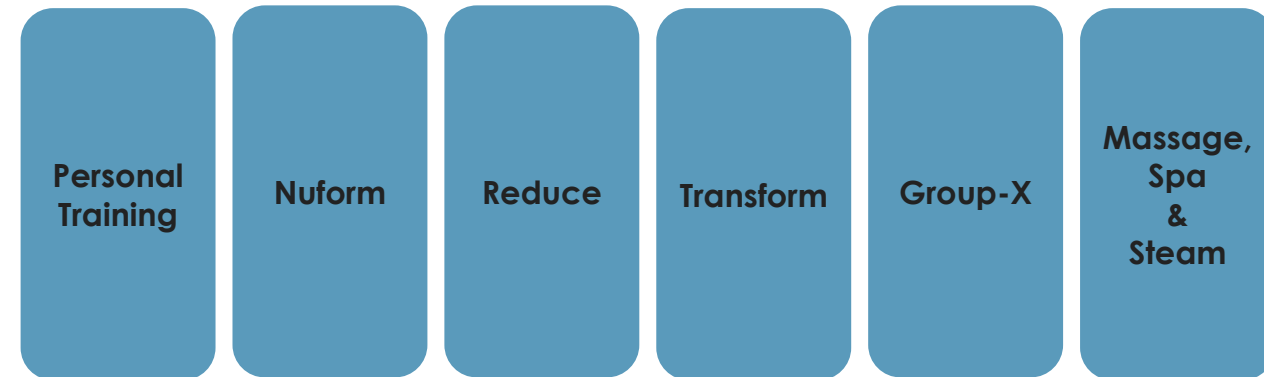
BUSINESS SEGMENTS

BUSINESS SEGMENTS

FITNESS CENTER FORMATS



VALUE-ADDED SERVICES



TALWALKARS GYM

- Initiated its business with the Talwalkars gym format.
- Apt for Metros, tier I & II cities targeting the upper middle class.
- Fully equipped gyms containing all amenities of an ultra modern gym, with imported equipment, fully air-conditioned and highly trained & dedicated staff exclusively for its members.
- Includes some or all the value added services like Nu-Form, Reduce, Transform, Zumba, Zorba, spa, steam and massage.



*Set-up costs includes Air-conditioning, generators, health club equipment's, interiors and office equipment's.

Talwalkars Gym

Number of Gyms	122
Typical Area Layout (Sq. Ft.)	5,000-6,000
Capex Involved	Depending on ownership
Typical Capacity of Members	1,100-1,350
Ownership	Ownership or Franchise
Typical Roll-out Time	16 Weeks

Capex Model (INR Mn)

Deposit for the Property	3
Set-up Cost*	28
Up-front Royalty	NA
Value Added Services	6

Total Capex
= 37

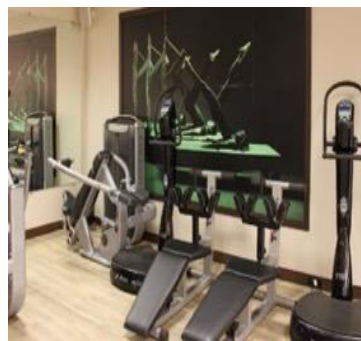
Revenue Model (%)

Basic Membership Fee (INR 18,000-20,000)	75-80%
Personal Training	10-12%
Other VAS	10-12%
Operating Expenses	53-57%
EBITDA	43-47%
Depreciation	14-16%
EBIT	27-33%

Total Revenue
= 100%

PREMIUM / LARGE FORMAT GYMS

- The Company set new standards with the introduction of Premium /Large format fitness center in upscale localities of Tier 1 cities, giving a superior experience.
- Includes various value added services and additional services like Wi-fi, juice & snack bars, valet services etc.
- Fully equipped with imported equipment, separate cardio sections and a dedicated strength and weight training zone.
- Internationally qualified fitness trainers and dedicated nutrition experts to customize programs to help members achieve their fitness goals.



*Set-up costs includes Air-conditioning, generators, health club equipment's, interiors and office equipment's.

Premium/ Large Format Gym

Number of Gyms	8
Typical Area Layout (Sq. Ft.)	6,000-12,000
Capex Involved	Full
Typical Capacity of Members	1,800-2,200
Ownership	100% Ownership
Typical Roll-Out Time	20 Weeks

Capex Model (INR Mn)

Deposit for the Property	4
Set-up Cost*	48
Up-front Royalty	NA
Value Added Services	8

Total Capex
=60

Revenue Model (%)

Basic Membership Fee (INR 22,000-25,000)	70-76%
Personal Training	12-15%
Other VAS	12-15%
Operating Expenses	57-59%
EBITDA	41-43%
Depreciation	18%
EBIT	23-25%

Total Revenue
=100%

HIFI CENTRES

- HiFi (Healthy India Fit India) Centres are of compact and affordable formats that take fitness to Tier II, III, and IV cities and even catchment areas of metro cities.
- These centers are in franchise formats created to increase the reach to untapped markets, which can be started with a very low investment.
- HiFi helps the members to reduce weight with imported equipment's and well-qualified trainers.
- Return On Investment of these formats are designed to be upwards of 35% to 50% giving a payback of 2.5 years, making this a very profitable business opportunity.



*Set-up costs includes Air-conditioning, generators, health club equipment's, interiors and office equipment's.

HiFi centers

Number of Gyms	26
Typical Area Layout (Sq. Ft.)	2,500-2,800
Capex Involved	Nil
Typical Capacity of Members	650-700
Ownership	100% Franchise Format
Typical Roll-out Time	8-10 Weeks

Capex Model (INR Mn)

Deposit for the Property	0.6
Set-up Cost*	8.4
Up-front Royalty	2
Value Added Services	-

Total Capex
= 11

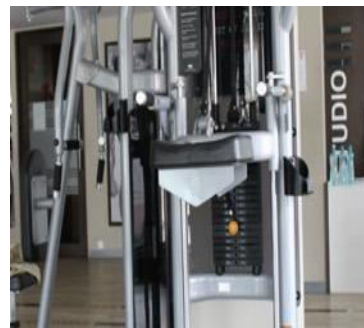
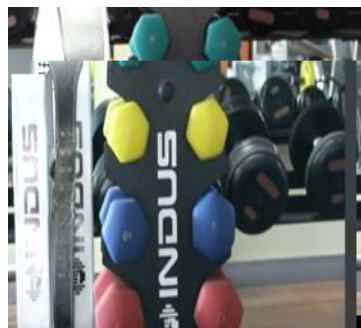
Revenue Model (%)

Basic Membership Fee (INR 12,000-15,000)	88-90%
Personal Training	10-12%
Other VAS	-
Operating Expenses	44-50%
EBITDA	50-56%
Depreciation	12-13%
EBIT	37-44%

Total Revenue
= 100%

POWER WORLD GYM- SRILANKA

- In 2015, Talwalkars entered into a strategic partnership with Power World Gyms Limited (PWG) to penetrate in Sri Lanka marking the maiden global penetration of TBVF.
- Talwalkars Acquired 49.5% of the total share capital of PWG in an all cash deal.
- PWG is the biggest and leading health and fitness chain based in Colombo, Sri Lanka.
- Typically the target locations for these gyms are in the lower income areas in metros/mini metros of Sri Lanka.



Power World Gym

Number of Gyms	20
Typical Area Layout (Sq. Ft.)	3,750-4,000
Capex Involved	Low Capex (Limited to Ownership)
Typical Capacity of Members	800-1,000
Ownership	49.5% Ownership
Typical Roll-out Time	11-12 Weeks

Capex Model (INR Mn)

Deposit for the Property	1
Set-up Cost*	13.5
Up-front Royalty	NA
Value Added Services	0.5

Total Capex
= 15

Revenue Model (%)

Operating Expenses	42-45%
EBITDA	55-58%
Depreciation	15-16%
EBIT	39-43%

*Set-up costs includes Air-conditioning, generators, health club equipment's, interiors and office equipment's.

POWER WORLD GYM –INDIA

- In an unprecedented and one of its kind strategic move, Talwalkars announced the opening of 20 Owned Gyms across the length and breadth of a single city, Bengaluru on a single day (8th November 2016) under their PWG brand.
- Talwalkars has moved up its ranking to leadership position in Bengaluru. With 25 gyms across Bengaluru, Talwalkars is among the strongest and largest fitness players in India.
- Talwalkars rolled out a model which is apt for peripheral areas of the Metros and the top 12 cities India.
- These gyms have been strategically positioned between the Talwalkars Gym format which caters upper middle class in the affluent areas and the HIFI Gym format which caters to Tier 3, Tier 4 town and congested pockets in Metros and Tier 1.
- PWG gyms are fully equipped with imported equipments and modern techniques. It will introduce circuit training programs which help in rapid weight loss in an economical and sustainable way.
- PWG model in India is a right mix of low Capex and Opex, which in turn will enable the company to garner higher return ratios.

Power World Gym

Number of Gyms	20
Typical Area Layout (Sq. Ft.)	4,000-5,000
Capex Involved	Low Capex
Typical Capacity of Members	800-1,000
Ownership	Owned
Typical Roll-out Time	11-12 Weeks

Capex Model (INR Mn)

Deposit for the Property	}	17.5-22.5	} Total Capex = 17.5-22.5
Set-up Cost*			
Up-front Royalty	NA		
Value Added Services	Nil		

Revenue Model (%) - in comparison to the regular TBVF gym

Operating Expenses	Lower
EBITDA & EBIT	Margins will be higher

*Set-up costs includes health club equipment's, interiors and office equipment's.

GYM MODEL

Earlier Gym Model

Average Gym Size
3,000- 3,500 sq.ft

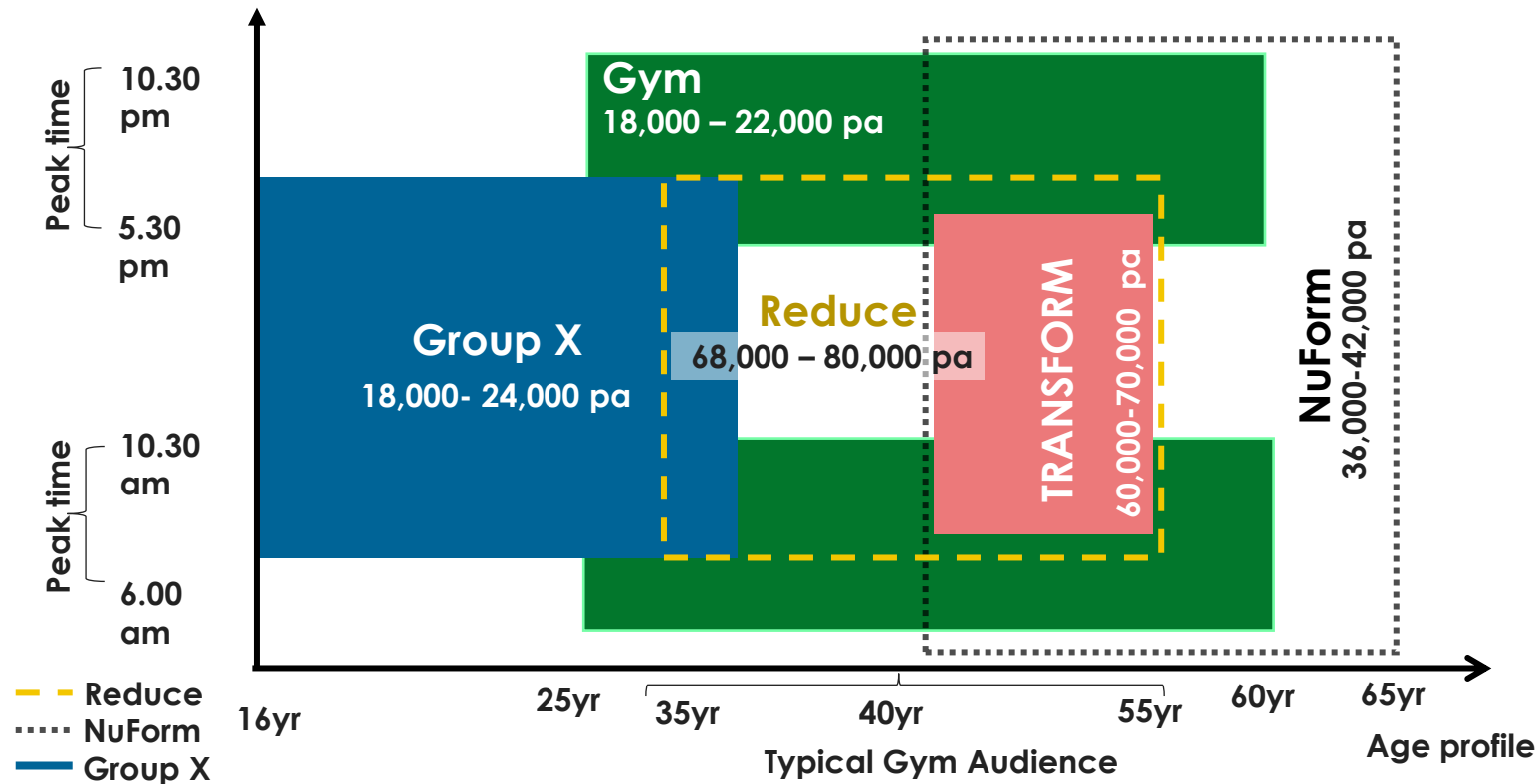
Gents Shower & Locker Area 500 sq.ft	Shower Area	Ladies Shower & Locker Area 500 sq.ft	Shower Area	Directors Cabin 150 sq.ft	Conference Room 150 sq.ft	Reception Area 200 sq.ft
	Shower Area		Shower Area			
	WC/ Toilet		Toilet			
Gym Hall 1,300 sqft	Cardio Section 5-6 Treadmills 2 Ellipticals 2 Cycles		Strength Section Strength - Indian and Imported Free Weight - Indian Equipments			Measurement Room 150 Sq.ft
						Nutrition Section 150 sq.ft

Present Gym Model

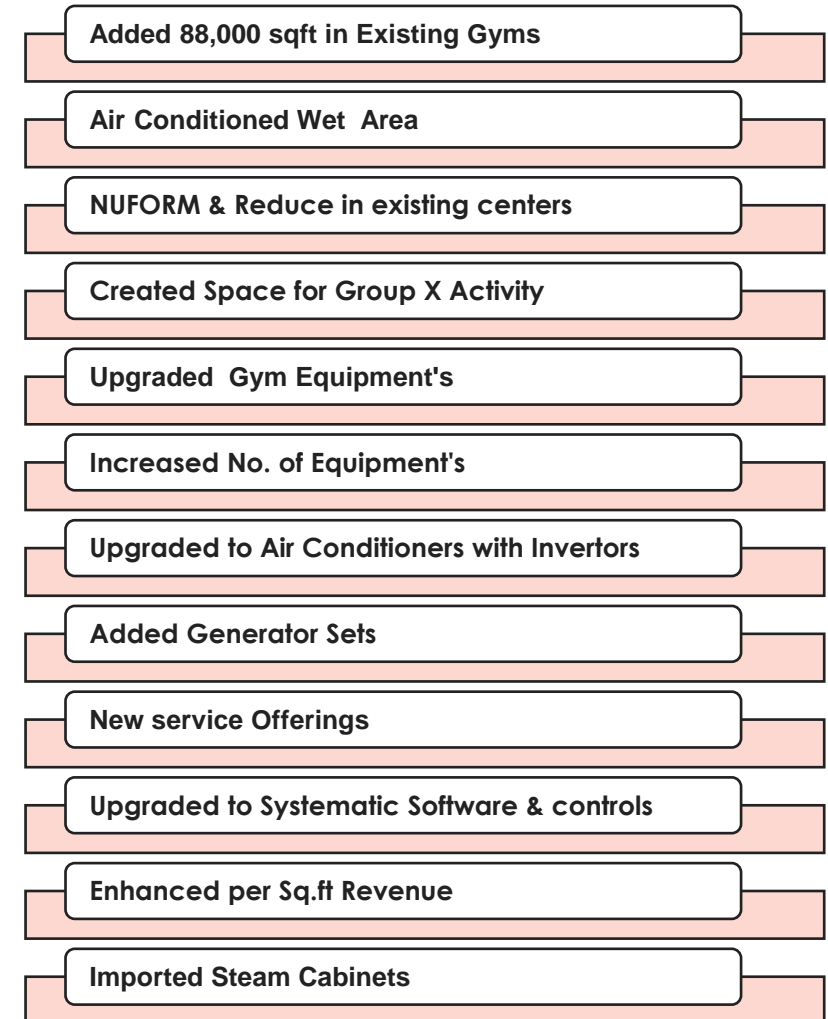
Average Gym Size
5,000- 6,000 sq.ft

Gents Shower & Locker Area 800 sq.ft	Shower	Ladies Shower & Locker Area 800 sq.ft	Shower	Directors Cabin / Conference Room 100 Sqft	NuForm Section 100 -150 sq.ft	Reception Area and Sittng Area 200sq.ft	
	Shower		Shower				
	Shower		Shower				
Steam	Massage	Toilet	WC	Staff Area 100 -150 Sqft	Int. Audit Section 100 Sqft	Nutrition 100 sq.ft	
					Reduce 100 Sqft		
Gym Hall 2200 sqft	Cardio Section 8 Treadmills 3 Ellipticals 3 Cycles		Strength Section Fully Imported			Accounts Dept 100 sq.ft	Measurement Rm 100 sq.ft
						ZORBA 200 sqft	Group X 300 Sq.ft

ENHANCING PRODUCTIVITY



Capex Utilisation



- Based on internal studies, our gyms are designed to ensure optimal utilization of space depending on the scheduled activities while keeping pleasing aesthetics in mind.
- Natural lightning, good air flow, right color codes of the rooms, lots of mirrors, air-con wet area, steam-shower area are important considerations for a productive experience.

VALUE ADDED SERVICES



The company offers World-class gymming experience backed by professional trainers, it has diverse fitness services including standard gymming and fitness. NuForm (time-efficient weight loss programme), Reduce (diet-based, easy diet programme), Transform (holistic fitness programme), Zumba® (aerobics and Latin dance-inspired Fitness programme), Zorba (yoga), spa, massage and aerobics.

PERSONAL TRAINING

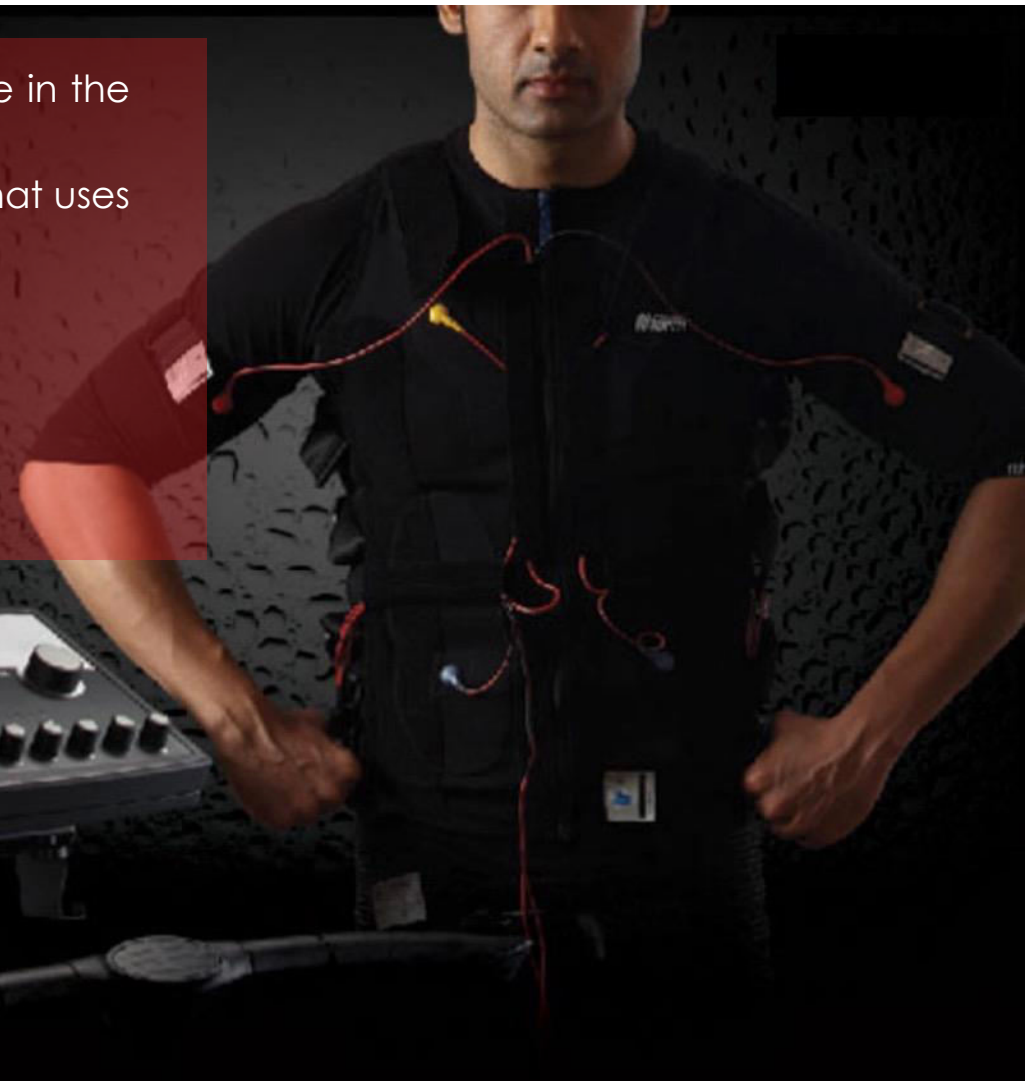
- Every member is assigned a personal trainer who guides them throughout the physical activities and helps them with the nutrition guidelines that are to be followed.
- Each fitness center has around 12-14 personal trainers at any given point of time.
- Skill sets of trainers are assessed and upgraded on an ongoing basis.
- A dedicated team is present to provide periodic training via Online and onsite training is enabled to reduce the cost and utility of training academy.
- 8-10% of the total member base uses Personal training service. The company aims to take number to 20%.



Personal Training

Capex	NA
Revenue/ Centre (INR)	2.5-3 Mn
EBIDTA	60-65%
Basic Fee (INR)	28,000-45,000 p.a.
Contribution to Revenue	11%

- Nuform is a A proven German technology introduced in India for the first time in the year 2013 by Talwalkars aiming at reducing fat and toning the body.
- This technology contains electrical muscle stimulation (EMS) training exercise that uses impulse current to increase fitness in just 20 minutes per week.
- People who cannot commit to



Nuform

Presence in number of gyms	43
Capex (INR)	4-5 Mn
Area	150-200 Sq. ft
Potential Revenue/ Centre (INR)	3-4 Mn
EBIDTA	42-48%
ROCE	27-33%
Basic Fee (INR)	36,000-42,000 p.a.

REDUCE

- Reduce is a value-added service offered for weight loss solutions by providing them with low calories hydrogenated ready-to-eat food packets.
- This program offers 3 meals daily which are high in fiber & low in fat yet nutritious (1 Snack, 1 Meal & 1 drink per day) to reduce the weight.
- More than 65 options of food packets are available that includes Upma, Dhokla, etc.
- 70% of Reduce members are non-gym members.
- Convenience of doorstep services and online access option.
- Tied up with Nykaa and Snapdeal for marketing.

Reduce

Presence in number of gyms	100+
Capex (INR)	1.25 Mn
Revenue/ Centre (INR)	2 Mn
EBIDTA	40-45%
ROCE	65-75%
Basic Fee (INR)	20,000-28,000 p.q.
Contribution to Revenue	7-10%



We provide Weight management Kit

- Weighing Scale
- Pedometer
- Measuring Tape
- Shaker & bowls
- Tracker Sheet

Nutritionist Handholding

- Nutritionist handholding throughout the program to monitor progress & help to you get desired results

Meal Products support

- Throughout the program we offer 3 meals daily which are high fibre, low fat & nutritious. No need to cook separately (1 Snack, 1 Meal & 1 drink per day)

- Transform is a brilliant value-added service that works on one's weight loss programme and toning exercises simultaneously to give the desired results.
- Transform is a basically a combination of Reduce and Nuform value added services.
- It is an effective platform for speedy transformation of the body combining the benefits of weight training and calorie burning.
- Members who want to quickly reduce weight without much daily dedicated workout, this is deemed to be their ideal solution.
- Convenience of doorstep services are available.
- It is strategically marketed at a cost that can be used by higher number of customers.



50+ food items
Meals | Snacks | Beverages

Make the transition with

20 MINUTES WORKOUT + **3** PERSONALIZED MEAL-PACKS PER DAY PROVIDED BY US

Talwalkars' TRANSFORM, the first-ever scientific weight management programme in India. Transform combines the toning benefits of cutting-edge EMS technology and the goodness of nutritious food.



Inch loss:
Reduces fat,
tones muscles



One-on-One training:
Personal trainer and
dietician



Home PEP:
Personal Exercise
Programme at your
home as per your convenience



GROUP X



- Group-X activities include group exercises like Zumba, Yoga, Kettle Bell, TRX, Aerobics, etc.
- Realising the need to combine health with a fun-filled, exciting and energetic fitness regimen, the company invested in creation of free floor space.
- Group X activities were introduced to increase the age profile of its members and optimise utilisation of free space.
- All the new upcoming gyms and the recently redesigned gyms have free floor space for Group-X activities.

Group X

Presence in number of gyms	60+
Capex (INR)	1.5-2 Mn
Area	300-400 Sq.ft
Revenue/ Centre (INR)	1-1.2 Mn
EBIDTA	57-62%
ROCE	24-28%
Basic Fee (INR)	1,500-2,000 p.m.

- Talwalkars entered into a strategic partnership with Zorba “A Renaissance Studio” in Q4FY16 by acquiring 51% stake, which has yoga based studios chain.
- Zorba provides a choice of comprehensive suite of six courses and eight alternative therapies – including hot yoga, pre and post-natal yoga, aerial yoga, aqua yoga and divinatory therapies-employing holistic approach to get to the cause of ailments.

MASSAGE, SPA & STEAM

- To enrich the customer experience Massage, Steam & Spa services were introduced in the fitness centers over last 2-3 years.
- Imported Steam cabinets were installed and wet areas of all gyms were fitted with Air-conditioners to enhance the members comfort.
- The wet area is entirely water proofed to avoid the corrosion from steam emission.



	Spa	Massage
Presence in number of gyms	14	81
Capex	2-2.2 Mn	1.5-2 MN
Area	250-300 Sq.ft	75-100 Sq.ft
Revenue/ Centre	2 Mn	1.2-1.5 Mn
EBIDTA	60-65%	60-65%
ROCE	55-60%	45-50%
Basic Fee	1,500-2,500 per session	800-1,200 per session
Contribution to Revenue	5%	



TALWALKARS CLUB

- The company announced its JV with David Lloyd Leisure (DLL) in the financial year 2016.
- David Lloyd Leisure Limited is Europe's leading premium sports, health and leisure club.
- Envisaged development of 7-10 clubs across India starting with Pune, Maharashtra.
- It has already acquired a land parcel for their first club.
- This club will be able to accommodate 4,500 families.
- As soon as regulatory and statutory permissions are received by David Lloyd Leisure, they will become an equal partner.
- The Company is awaiting the final clearances from Municipal and other authorities in Pune for the revised plans submitted to them.
- Separately the Company is making efforts to open a field/ marketing office in Pune at the earliest which will showcase and sell the club membership.



This is the proposed look of the club that is sent to the municipal authorities for approvals.

EXECUTIVE SUMMARY

INDUSTRIAL OVERVIEW

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FINANCIAL OVERVIEW

RE-ORGANISATION PROPOSAL

- The Board on **5th November, 2015** proposed to re-organise the existing business to address shareholder concerns. Post this, the company sought permission and advice from its creditors and legal counsels. The Company has since received in-principle nod for the proposed structure from its principal lender and the Board took on record the same on **10th November, 2016**.
- Further, the Board has, subject to final approval of lenders, creditors, other stake-holders and applicable regulatory authorities, considered the restructuring plan for segregation of the businesses through a process which is most beneficial to the Company, its shareholders and lenders. The Board directed the management to complete the requisite documentation necessary to give effect to the above decision as also the procedures thereafter.
- Further to this, the Board on **24th November, 2016** unanimously approved Scheme of Arrangement between Talwalkars Better Value Fitness Limited ('TBVFL' or the 'Demerged Company') and Talwalkars Lifestyles Limited ('TLL' or the 'Resulting Company') and their respective shareholders providing for the demerger of Gym Business of TBVFL to TLL.
- The Board took on record Report on recommendation of Share Entitlement Ratio submitted by M/s SSPA & Co. (Chartered Accountants)
- The Board also took on record the Fairness Opinion dated **24th November, 2016** issued by Inga Capital Pvt. Ltd. on the Report on recommendation of Share Entitlement Ratio of M/s SSPA & Co. (Chartered Accountants)
- The Company had filed the Scheme of Arrangement with the Stock Exchanges on **8th December, 2016**. The Company has received the approval from the stock exchanges and SEBI to the Scheme of Arrangement.

The Company will now file the Scheme with National Company Law Tribunal which will provide directions for convening the meeting of Shareholders and Creditors.

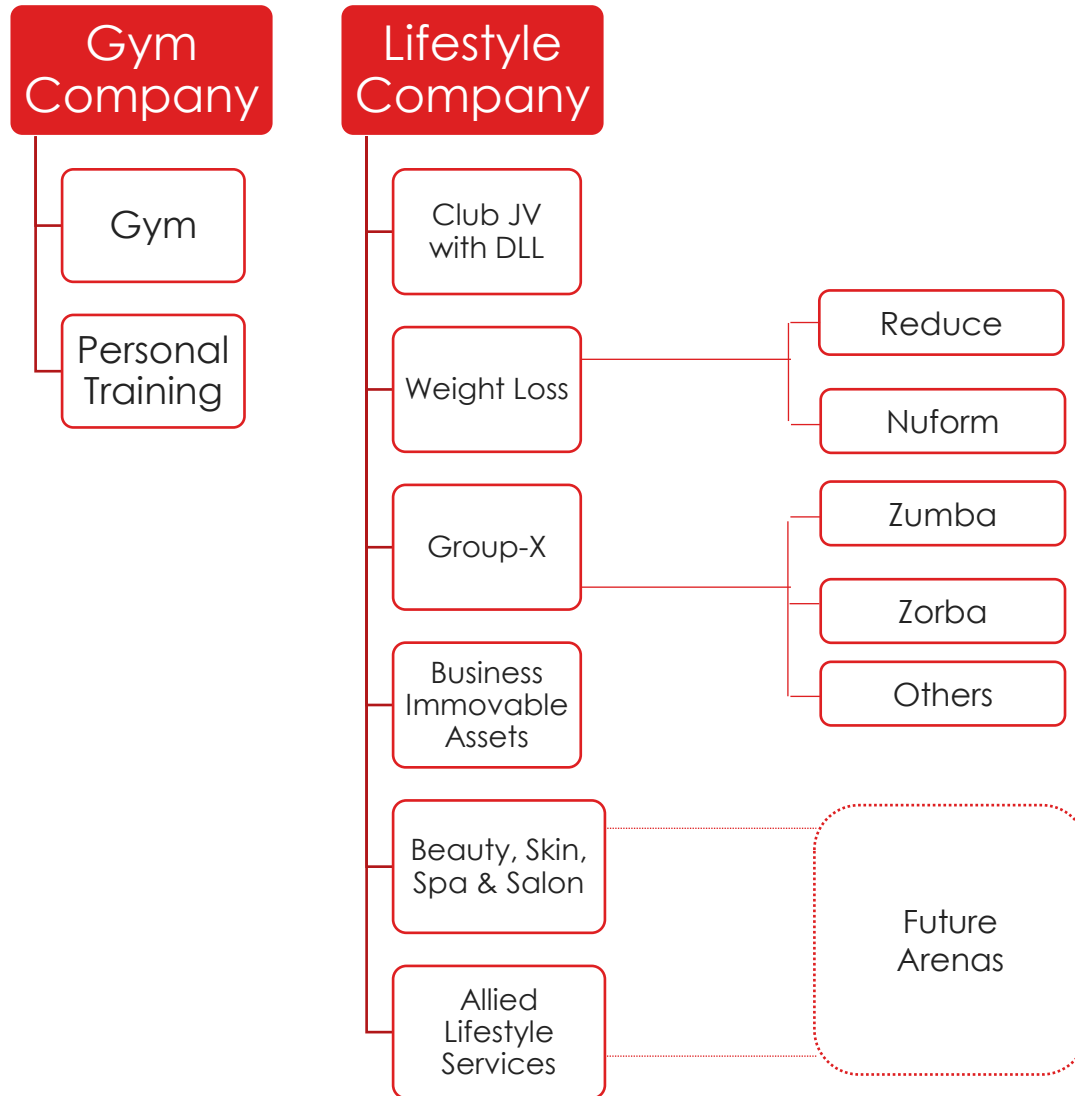
RATIONALE FOR DE-MERGER

- In order to achieve better management and to have clear focus on business operations, the management of TBVFL has decided to demerge Gym Business, thereby transferring Gym Business of TBVFL to TLL, in the interests of maximizing overall shareholder value.
- This will also unlock the value of the Gym and the Lifestyle business as the potential for each of these segments is different even though the businesses complement each other.

	Gym Co.	Lifestyle Co.
Vision	Will continue to consolidate its leadership position in India and also expand and emerge as a strong player in Asia .	Will be positioned to cater to each and every segment of Lifestyle consumption.
Nature	Gym Segment is cash flow positive and thus is self sustained and well poised for future growth.	Non-Gym business was incubated in last 3-4 yrs and it has reached an inflection point where a self sustained and self growth model is possible.
Confinements	Limited to gyms premises	Services can be provided at the door steps of corporate offices, residential premises, community halls or in standalone studios etc.

- Company will be demerged in to two companies w.e.f 01.04.2016
 - Gym Company
 - Lifestyle company
- Both the Gym Co and the Lifestyle Co will be listed in NSE and BSE. Shareholders of TBVFL will get equal number of shares in TLL i.e in the ratio of 1:1 .
- To retain the brand value of TBVFL synonymous with gym, the name will swapped in such a way that the gym co i.e resultant company will regain the name as Talwalkars Better Value Fitness Limited [TBVFL] and the lifestyle company will be named as Talwalkars Lifestyles Limited.
- The process of demerger will carried as per the provisions Section 230 to 233 and Section 235 to 240 of Companies Act,2013 subject to the approval of National Company Law Tribunal (NCLT).
- After the Scheme, coming into effect i.e upon receiving the order of the NCLT and approvals and permissions of the other regulatory, the securities of Talwalkars Lifestyles Limited and Talwalkars Better Value Fitness Limited will be listed on National Stock Exchange of India Limited and the BSE Limited.
- 3 weeks time.

POST SCHEME STRUCTURE



Talwalkars Better Fitness Value Ltd.

Shareholding Pattern	Existing	Post-demerger
Promoters	37.99%	37.99%
Public	62.01%	62.01%

Talwalkars Lifestyle Ltd.

Shareholding Pattern	Existing	Post-demerger
Promoters	100%	37.99%
Public	-	62.01%

The company is committed to complete the process of de-merger in the shortest time.

- TBVFL will continue to hold the Gym business operated by the Company or through its subsidiaries and franchisees.
- The Gym Company will be into core gymming and will not venture into the wellness segment.
- TBVFL will continue consolidating its leadership position in India and also expand and emerge as a strong player in Asia.
- The Gym Company will expand both organically and inorganically through acquisitions or strategic tie-ups.
- The Company aims to increase its health centres from 199 gyms to 300 gyms in next 3 years through its various formats.
- Separately, PWG SriLanka plans to inaugurate about 100 gyms across the length and breadth of Sri Lanka in next 3 years.
- Gym Segment is cash flow positive and thus is self sustained and well poised for future growth.
- Post the demerger the financial parameters will improve significantly.
- The Debt in this Company will reduce as debt for the property, club and for the other non- gym business will be transferred to the Lifestyle Company, thus improving the Debt Equity Ratio.
- With consistent profitability and growth, the Company has been able to raise equity as well as service debt and would like to achieve higher ROCE and ROE.
- With the Company having good rating, it was able to place debentures with Insurance Companies and other Institutions. This will help the Company to get cheap funds with longer tenor.

- Talwalkars Lifestyles Ltd (TLL) will be positioned to cater to each and every segment of Lifestyle consumption.
- The Wellness Industry is a sunrise sector stands with high fragmentation, high market potential and healthy growth.
- TLL will aim to create a brand and be a pioneer in the wellness sector with an organised approach.

• 3 weeks time.

REDUCE

- Use various distribution channels both online and offline to reach to audience.
- Going Retail, Opening Kiosks, etc.
- Improve and increase the range of products.
- Potential to grow to INR 1,000 Mn revenue in 4-5 years.

NUFORM

- Provide home based services
- Providing services to corporates
- Marketing and advertising NUFORM nationally
- Potential to grow to INR 500-600 Mn in 4-5 years.

MERCHANDISING

- Authorised distribution partner for all Zumba merchandise with a variety of range in the fitness wear in Indian Market.
- Zumba Merchandise will be marked across India to cash-in on the craze for the fitness program.
- Potential to grow to INR 300-350 Mn in 4-5 years.

GROUP- X ACTIVITIES

- Target the unorganised yoga sector in India which is gaining rapid popularity. Yoga - \$80 Bn market worldwide.
- Open Standalone studios.
- Tie-up with corporates, institutions and provide home based services.
- Potential to grow to INR 400-450 Mn in 4-5 years.

POST SCHEME FINANCIALS

Balance Sheet as on 31-03-2016	Gym Co.	Lifestyle Co.
Shareholders Funds	2,588	1,544
Long Term Liabilities	2,069	1,457
Current Liabilities & Provisions	374	0
TOTAL	5,031	3,001
USES OF FUNDS		
Fixed Assets	2,979	1,962
Cash Including Investments	750	450
Other Current Assets	318	335
Non-Current Assets	983	253
TOTAL	5,031	3,001

Profit & Loss as on 31-03-2016	Gym Co.	Lifestyle Co.
Total Revenue	2,043	506
Operating Cost	974	158
EBITDA	1,069	348
EBITDA Margins (%)	52.32%	68.75%
Profit After Tax	384	151
PAT Margins (%)	18.80%	29.84%

Ratios	Gym Co.	Lifestyle Co.
Debt- Equity	0.69	0.94
ROCE	15.10%	7.39%
ROE	14.84%	9.81%

*The above financials are indicative and subject to the approval and changes if any of the National Company Law Tribunal, stock exchanges and applicable regulatory authorities.

FUTURE GROWTH STRATEGY



*Average Membership Realization

OUR GOALS

- 1 To become A Complete Wellness Company**
 - To increase various offerings especially VAS
 - To create more space for VAS in every gym
 - Continuous innovation and improvement of gym standards
- 2 To Improve Operating Efficiencies and Return Ratios**
 - Maximizing Footfalls
 - To increase VAS offerings
 - Enhancing productivity
 - Generate free cash flow
- 3 Increase Presence and Strong Foothold**
 - Reach 300 Centers
 - Reach over 100+ towns
 - Target top 10 cities of India
 - Provide more value to customers
 - Offer more unique services
 - Measures to ensure customer loyalty

EXECUTIVE SUMMARY

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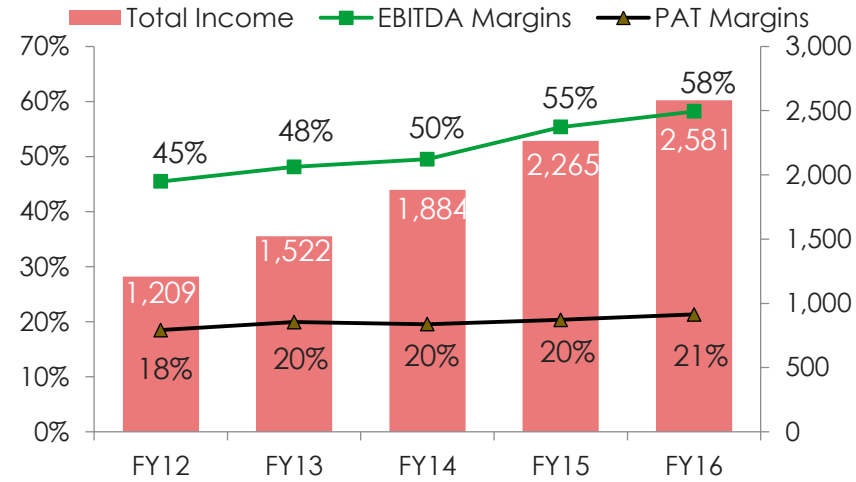
FINANCIAL OVERVIEW

CONSOLIDATED INCOME STATEMENT

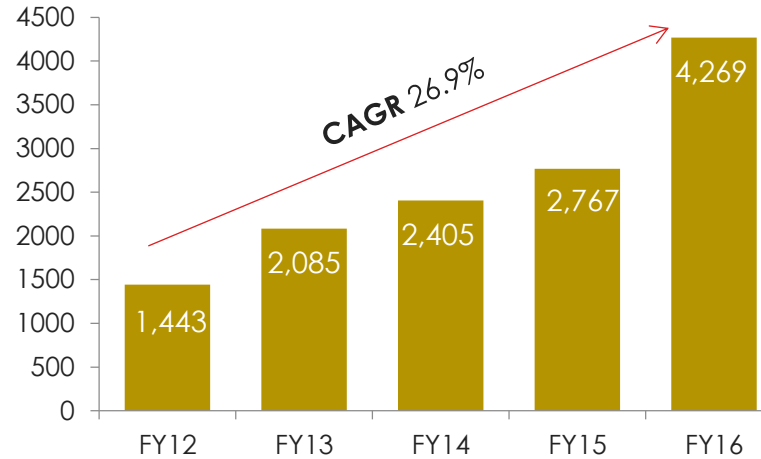
Particulars	FY12	FY13	FY14	FY15	FY16	9MFY17
Income from Operations	1,305	1,688	2,095	2,526	2,862	2,225
Other Income	16	13	11	9	68	22
Total Revenue	1,321	1,701	2,105	2,534	2,930	2,247
Expenditure						
Personnel Cost	248	312	359	369	394	335
Admin & Other Exp	403	471	587	642	685	546
Service Tax Collected & Paid	112	179	222	269	349	281
Total	763	962	1,167	1,280	1,428	1,162
EBITDA	558	739	938	1,254	1,502	1,085
Depreciation	118	146	242	397	470	340
EBIT	440	592	696	857	1,032	745
Interest	91	108	120	128	177	147
PBT (before exceptional Items)	349	484	576	729	855	598
Exceptional Items	4	-	-	-	-	-
PBT	353	484	576	729	855	598
Tax	104	158	178	245	302	171
PAT before Minority Interest	249	326	398	484	553	427
Minority Interest	29	26	32	23	3	5
Share of Associates	-	-	-	-	-	22
PAT after Minority Interest & Share of Associates	221	301	366	461	550	410

FINANCIAL PERFORMANCE

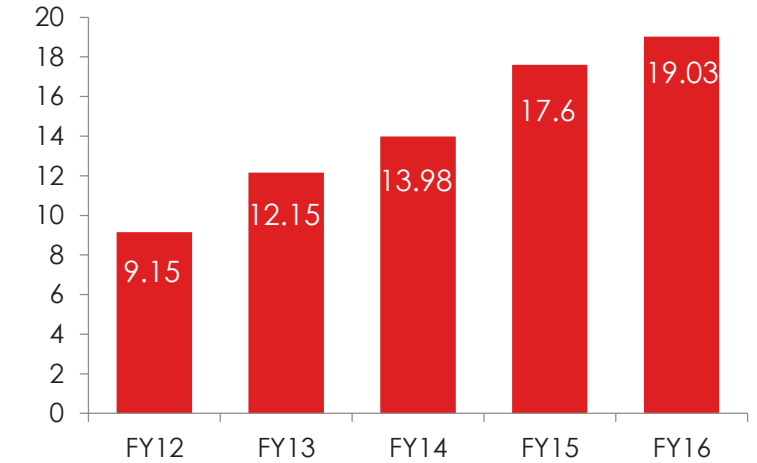
Total Income (INR Mn), EBITDA & PAT Margins (%)



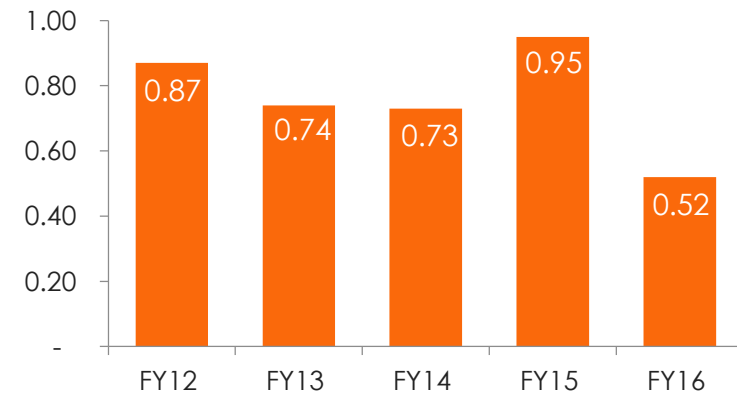
Net Worth (INR Mn)



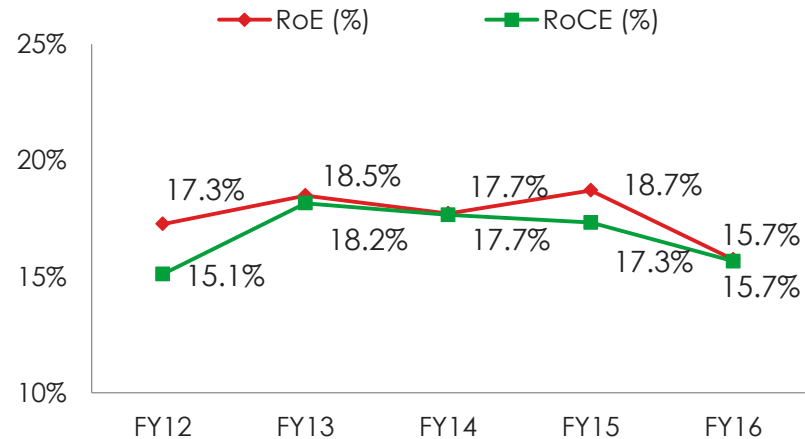
Earnings Per Share (INR)



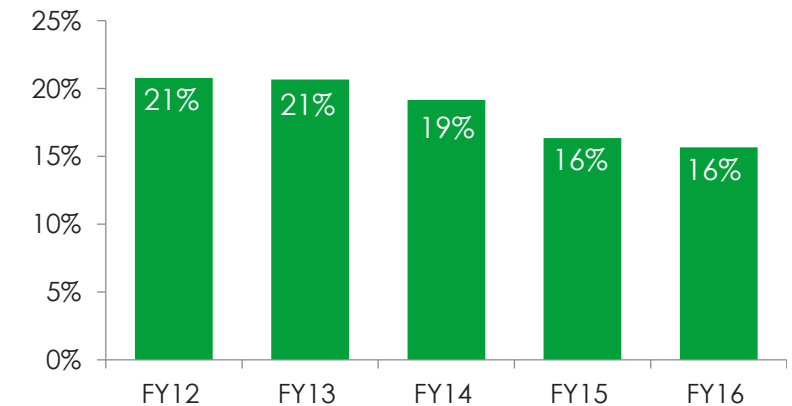
Net Debt/Equity



ROCE & ROE



People Intensity Ratio



CAPITAL MARKET INFORMATION

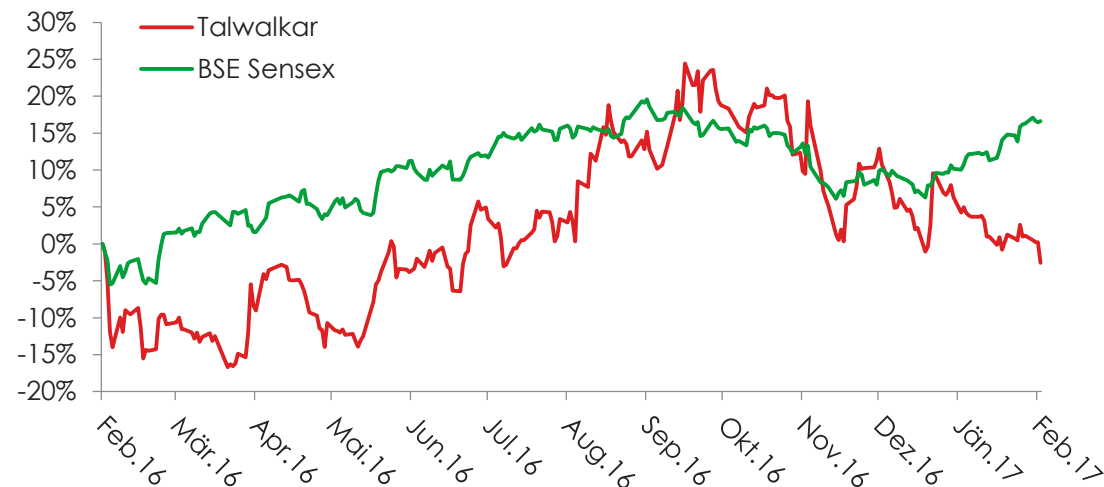
PRICE DATA (AS ON 30TH DECEMBER, 2016)

Face value (INR)	10
Market Price (INR)	247.20
52 Week H/L (INR)	302.05/182.00
Market Cap (INR Mn)	7,343
Equity Shares Outstanding (Mn)	29.7
1 Year Avg. trading volume ('000)	136.10

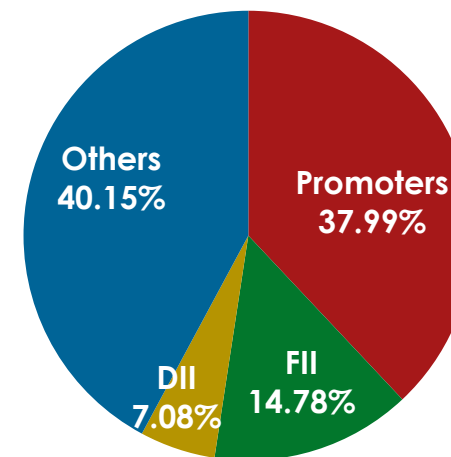
MARQUEE INSTITUTIONAL INVESTORS (AS ON 30TH DECEMBER, 2016)

Smallcap World Fund, Inc	8.04%
Unit Trust Of India Investment Advisory Services Limited	4.97%
American Funds Insurance Series Global Small Cap Fund	3.43%
Birla Sun Life Trustee Company Pvt. Ltd.	3.07%
Bajaj Allianz Life Insurance Company Ltd	2.87%
Axis Bank Limited	2.02%
Tata Mutual Fund - Tata Equity P/E Fund	1.62%
Long Term India Fund	1.43%

SHARE PRICE PERFORMANCE (AS ON FEBRUARY 9TH, 2017)



SHAREHOLDING PATTERN (AS ON 30TH DECEMBER, 2016)



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***THANK
YOU***

