



RENAISSANCE
GLOBAL LIMITED

Q3 FY20 FINANCIAL OVERVIEW



Renaissance Global Limited focused hard to improve its working capital and coupled with good operating earnings it managed to reduce debt this quarter

Strong Cash flow generation and disciplined working capital management

- Net Debt as of Dec 2019 was ₹ 3,736 mn. v/s Dec 2018 Net Debt of ₹ 4,758 mn; reduction of ₹ 1,022 mn.
- Trade Payables as of Dec 2019 at ₹ 3,331 mn. v/s Dec 2018 Trade Payables of ₹ 4,568 mn.
- Y-o-Y consolidated reduction of Liabilities between Net Debt and Payables is ₹ 2,259 mn.
- Inventory as of Dec 2019 was ₹ 8,423 mn. v/s Dec 2018 inventory of ₹ 10,859 mn; inventory reduced by ₹ 2,436 mn
- Net Working Capital Days as of Dec 2019 were 143 v/s Dec 2018 working capital days of 188

Growing Revenues and Profits

- Revenue for 9 months FY20 was up 9% at ₹ 20,540 mn. v/s 9 months FY19 at ₹ 18,869 mn.
- EBITDA for 9 months FY20 was up 26% at ₹ 1449 mn. v/s 9 months FY19 at ₹ 1,151 mn.
- Higher contribution from branded sales contributed to increase in EBITDA margins to 7.1 % v/s 6.1% last year
- Revenue growth was muted due to discontinuation of sales to independent retailers and other low margin product categories



Strengthening the Balance Sheet

Net Debt which was rising post the acquisition of Jay Gems has been brought under control due to a focused approach on working capital reduction

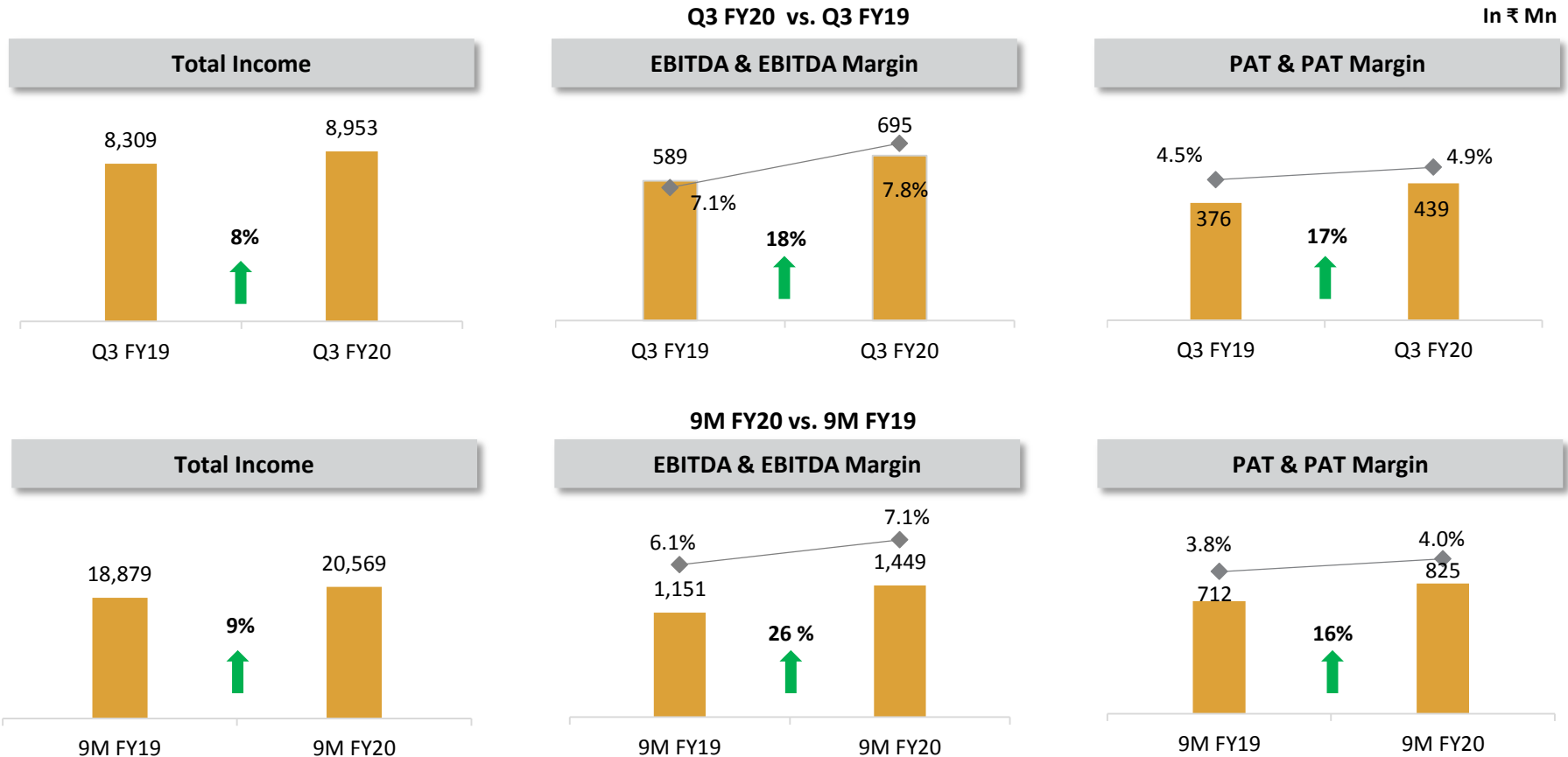
- Net Debt to Equity ratio as of Dec 2019 was 0.51 v/s Dec 2018 Net Debt to Equity ratio of 0.74. Payable to erstwhile owners of Jay Gems is reclassified under Other Financial Liabilities
- Return on Equity(TTM) as of Dec 2019 was 13.7% v/s Return on Equity for FY19 was 12.7%
- Our long term goal is to achieve Net Debt to Equity ratio below 0.5 and Return on equity greater than 15%

Long Runway for growth over 5 years



- This quarter saw many significant breakthroughs in our business and laid multiple blocks for future growth both in domestic and global markets
- Verigold China has just signed a contract to launch Enchanted Disney Fine Jewelry with Lao Feng Xiang(LFX), the second largest retailer in China with 3700 stores
- LFX is a leading retail jewellery brand in China, with 166 years of continuous operations and annual revenue of more than USD 6.5 billion
- Enchanted Disney Fine Jewelry continues to grow in North America with improving same store sales and increased distribution
- Hallmark Moments has been rolled out to over 2000 stores now and will contribute meaningfully to revenue growth going forward
- Disney Treasures, a collection of iconic Disney characters is in test phase at a major retailer in North America.
- Expect to launch Star Wars Fine Jewelry in FY21
- In our domestic business, IRASVA, post the strong traction and store level break even, we plan to open 3 more stores in Q1 FY21

Q3 FY20 : Key Highlights

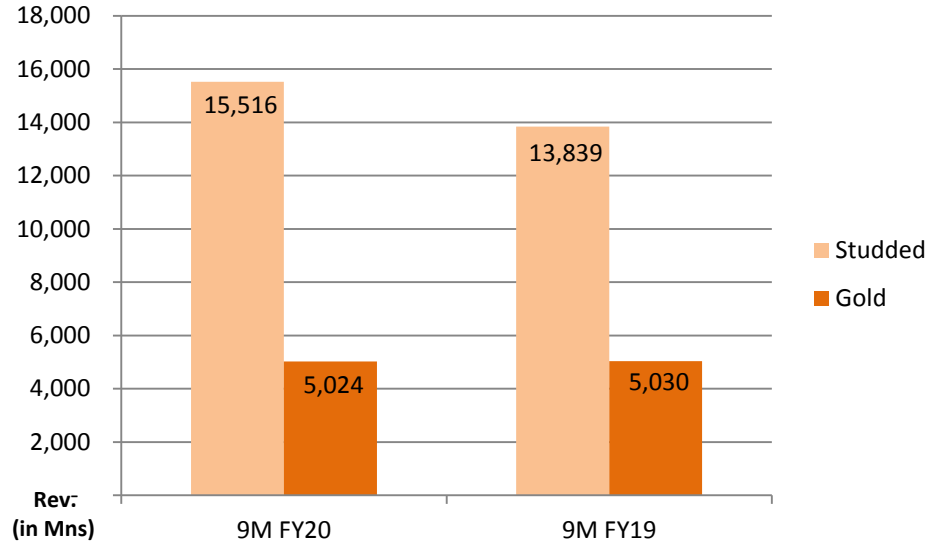


Slowdown in Gold Jewellery and conscious decision to move away from low margin business contributing to low revenue growth



In ₹ Mn

	Q3 FY20	Q3 FY19	YoY %	9M FY20	9M FY19	YoY%
Studded	7,248	6,613	10%	15,516	13,839	12%
Gold	1,683	1,692	0%	5,024	5,030	0%
Total Revenue	8,931	8,305	8%	20,540	18,869	9%

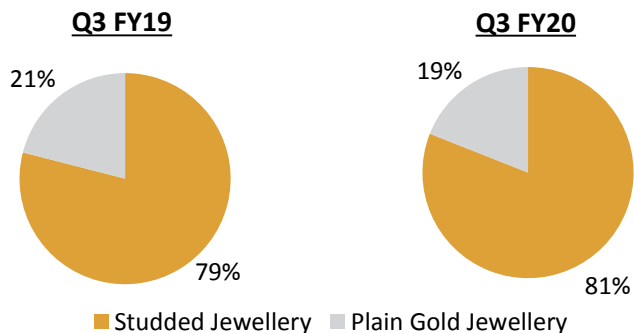


Q3 FY20 : Segment Analysis

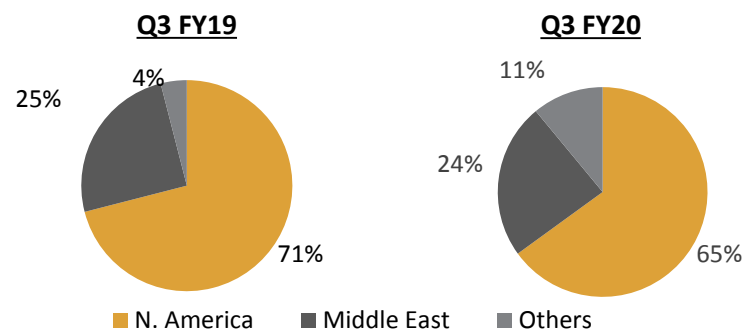


Q3 FY20 vs. Q3 FY19

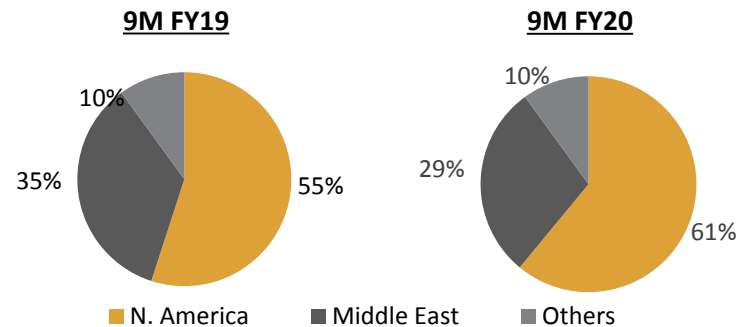
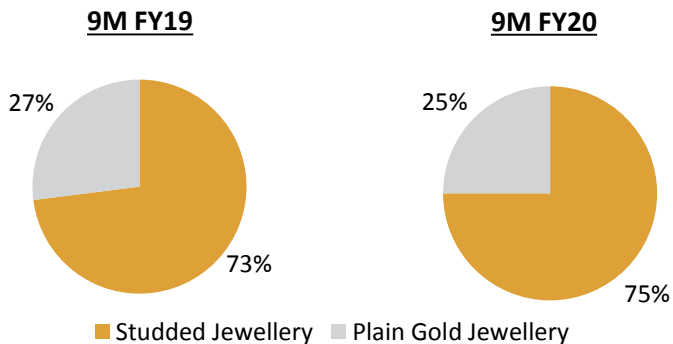
Studded & Plain Gold Jewellery



Geographical Mix



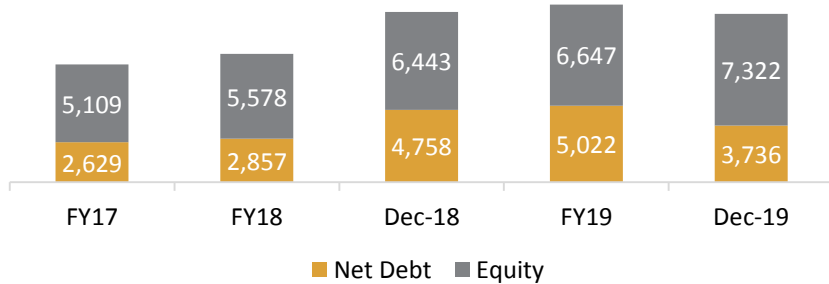
9M FY20 vs. 9M FY19



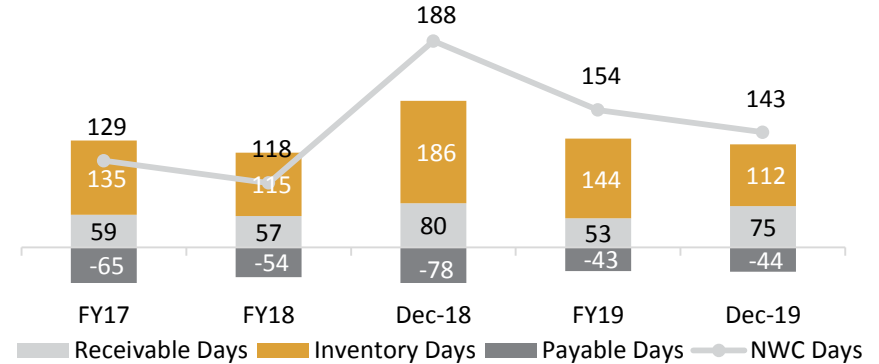
Improving Debt-Equity Ratio due to better inventory management



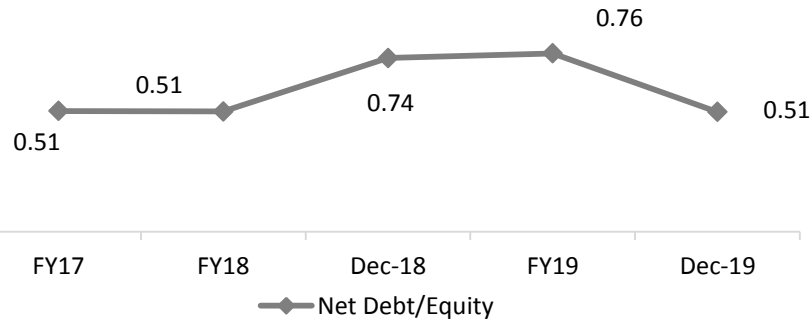
Leverage (₹ Mn)



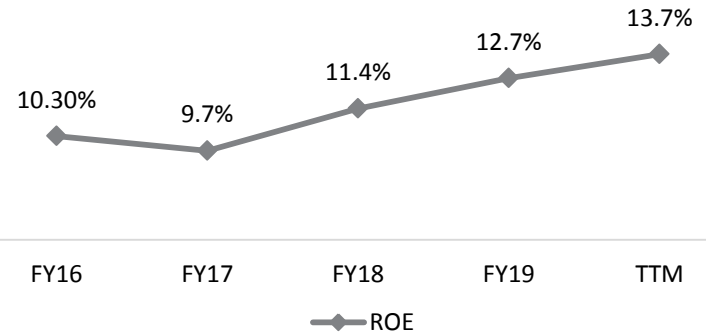
Working Capital Analysis



Net Debt/Equity Ratio



Return on Equity



Consolidated Profit & Loss Statement



Particulars (In ₹ Mn)	Q3 FY20	Q3 FY19	YoY %	9M FY20	9M FY19	YoY %
Revenue From Operations	8,931.4	8,305.2	7.5%	20,540.0	18,869.5	8.9%
Other Income	21.9	3.8		29.4	9.8	
Total Income	8,953.3	8,309.0	7.8%	20,569.3	18,879.3	8.9%
COGS	7,348.0	6,777.9	8.4%	16,651.7	15,442.8	7.8%
Gross Profit	1,605.3	1,531.1	4.8%	3,917.6	3,436.5	14.0%
Gross Margin %	17.9%	18.4%		19.0%	18.2%	
Employee Expenses	230.5	263.6	-12.6%	704.5	695.5	1.3%
Other Expenses	679.6	678.4		1,764.2	1,589.7	10.9%
EBITDA	695.2	589.1	18.1%	1,448.9	1,151.3	25.8%
EBITDA Margin %	7.8%	7.1%		7.1%	6.1%	
Depreciation	77.3	33.9		224.9	90.7	
Finance Cost	75.7	82.5	-7.1%	235.4	179.3	31.3%
PBT	542.2	472.7	14.7%	988.6	881.3	12.2%
Tax Expense	102.5	91.2	12.4%	160.8	149.7	7.4%
PAT before discontinued operations	439.7	381.5	15.2%	827.8	731.6	13.1%
Profit/(Loss) on discontinued Operations	-0.3	-5.4		-2.6	-19.2	
PAT after discontinued operations	439.4	376.1	16.8%	825.2	712.4	15.8%
PAT Margin %	4.9%	4.5%		4.0%	3.8%	

Consolidated Balance Sheet



Particulars (In ₹ Mn)	Dec-19	Dec-18
Shareholder's Funds	7,322.2	6,443.0
Equity Share Capital	186.8	186.8
Reserves & Surplus	7,135.4	6,256.2
Minority Interest	3.2	-6.3
Non-Current Liabilities		
Borrowings	866.5	1,130.7
Long Term Provisions	19.1	16.4
Other Non-Current Liabilities	206.4	
Current Liabilities		
Income Tax Liabilities (net)	0.0	86.2
Short Term Borrowings	4,869.3	5,379.8
Trade Payables	3,330.6	4,568.1
Other Financial Liabilities	368.8	216.2
Other Current Liabilities	118.0	484.9
Short Term Provisions	17.8	20.2
Total Equity & Liabilities	17,121.9	18,339.2

Particulars (In ₹ Mn)	Dec-19	Dec-18
Non-Current Assets		
Fixed Assets – Tangible & Intangible	985.7	1,184.3
CWIP & Intangibles under development	-	0.5
Other Non Current Assets	205.7	20.6
Deferred Tax Assets (Net)	356.6	265.4
Current Assets		
Current Investments	201.1	117.2
Inventories	8,423.0	10,859.3
Trade Receivables	5,627.9	4,660.3
Cash & Bank Balances	931.9	504.7
Short Term Loans & Advances	2.5	5.2
Other Current Assets	317.4	657.5
Asset Classified for Sale	70.1	64.2
Total Assets	17,121.9	18,339.2



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