



RENAISSANCE
GLOBAL LIMITED

Q4 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

- Positive operating cashflow generation of ₹ 2,030 million in FY20 v/s FY19 negative cashflow of ₹ 3,033 million
- Net Debt as of Mar 2020 was ₹ 3,641 mn. v/s Mar 2019 Net Debt of ₹ 5,033 mn; reduction of ₹ 1,392 mn.
- Trade Payables as of Mar 2020 at ₹ 1,466 mn. v/s Mar 2019 Trade Payables of ₹ 2,931 mn.
- Y-o-Y consolidated reduction of Liabilities between Net Debt and Payables is ₹ 2,857 mn.
- Inventory as of Mar 2020 was ₹ 8,183 mn. v/s Mar 2019 inventory of ₹ 10,161 mn; inventory reduced by ₹ 1,978 mn

Growing Profits

- EBITDA for FY20 was up 37% at ₹ 1,708 mn. v/s FY19 at ₹ 1,249 mn.
- Higher contribution from branded sales contributed to increase in EBITDA margins to 6.8 % v/s 4.8% last year
- Revenue growth was muted due to discontinuation of sales to independent retailers and other low margin product categories and impact of Covid-19 lockdown at the end of March 2020.



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 Mar 2020 was 0.52 v/s Mar 2019 Net Debt to Equity ratio of 0.76.
- Return on Equity for FY20 was 13.5% v/s Return on Equity for FY19 was 12.9%
- Our long term goal is to achieve Net Debt to Equity ratio below 0.5 and Return on equity greater than 15%



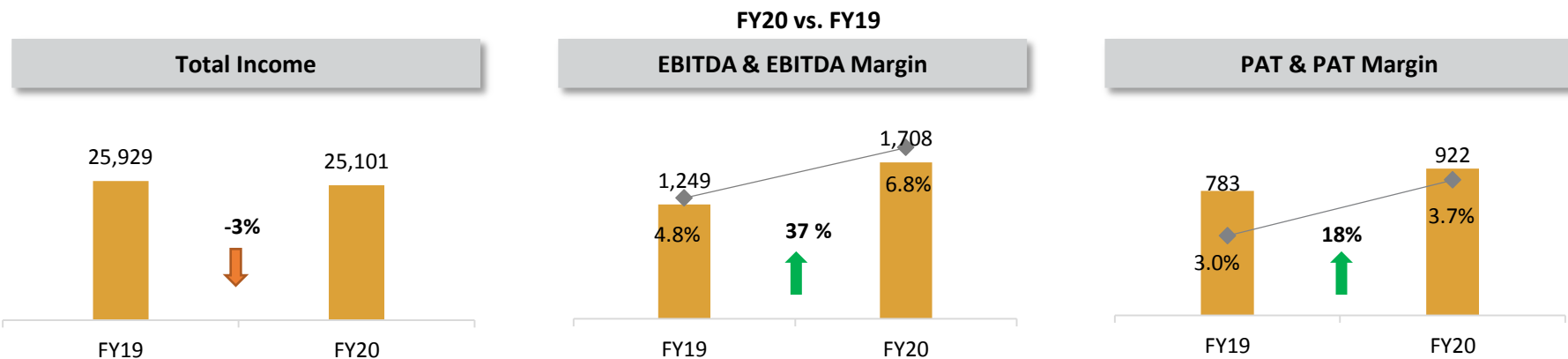
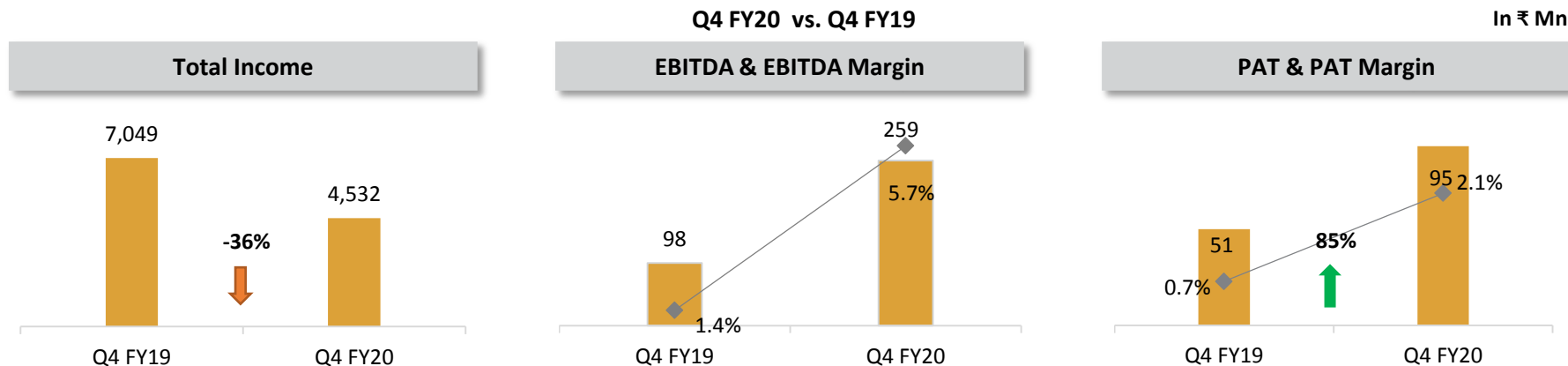
- Our operations were shut down since the lockdown was imposed in India from 25th March 2020. We have been able to resume production at our Bhavnagar facility since 25th April 2020. Our Mumbai factory is also partially operational from 13 May 2020.
- Most of the global retailers were shut since mid-March 2020 and they have gradually resumed operations from mid-May 2020.
- Launch of Enchanted Disney Fine Jewelry in China, through the deal with Lao Feng Xiang, second largest retailer in China, is delayed. We hope to launch in China in the second half of FY21
- Our expansion plans for ‘IRASVA’ have also been delayed due to the pandemic. We expect to resume with our plans in the second half of FY21.
- We believe the first two quarters of FY21 will be extremely soft due to loss of retail sales due to store closures, lower discretionary spends and overhang of inventory. We expect things to slowly pick up in the third quarter of FY21 and to normalise by the fourth quarter of FY21

Long Runway for growth over 5 years



- Verigold China has 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 has been tested successfully in North America and the results are very promising.
- Expect to launch Star Wars Fine Jewelry in FY21.

Q4 FY20 : Key Highlights

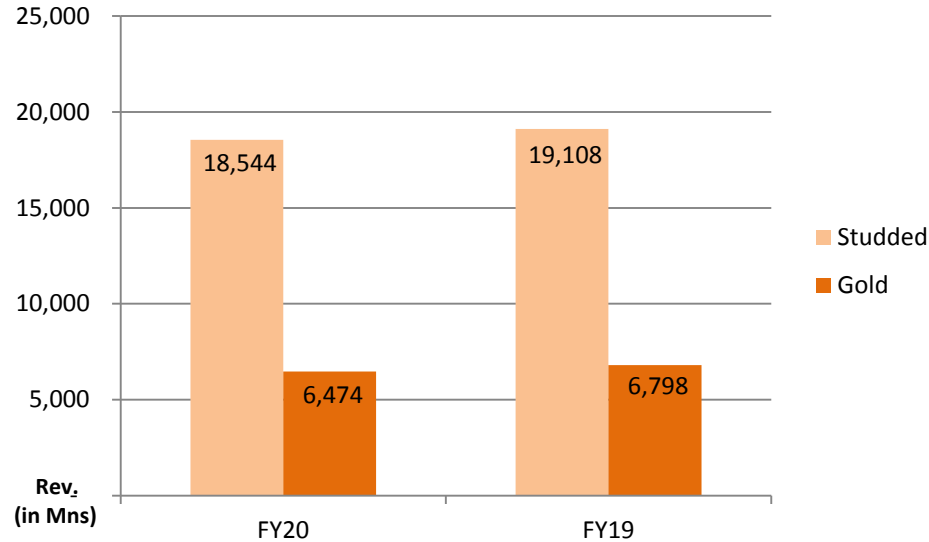


Slowdown in Gold Jewellery, conscious decision to move away from low margin business and Covid-19 contributing to revenue de-growth



In ₹ Mn

	Q4 FY20	Q4 FY19	YoY %	FY20	FY19	YoY%
Studded	3,029	5,270	-42%	18,544	19,108	-3%
Gold	1,449	1,767	-18%	6,474	6,798	-5%
Total Revenue	4,478	7,037	-36%	25,018	25,906	-3%



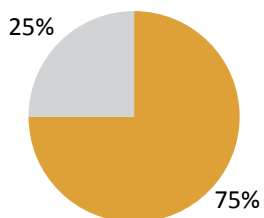
Q4 FY20 : Segment Analysis



Q4 FY20 vs. Q4 FY19

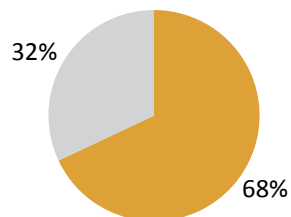
Studded & Plain Gold Jewellery

Q4 FY19



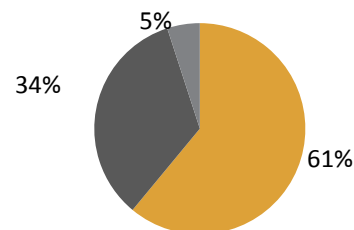
■ Studded Jewellery ■ Plain Gold Jewellery

Q4 FY20



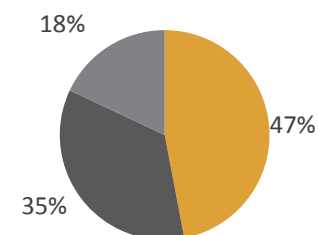
Geographical Mix

Q4 FY19



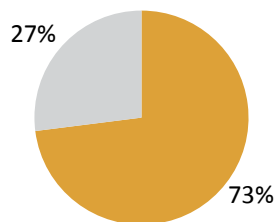
■ N. America ■ Middle East ■ Others

Q4 FY20



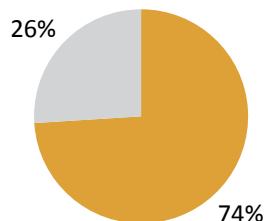
FY20 vs. FY19

FY19

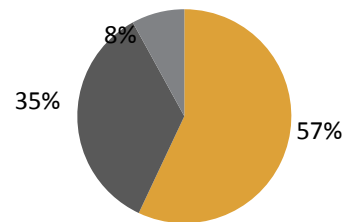


■ Studded Jewellery ■ Plain Gold Jewellery

FY20

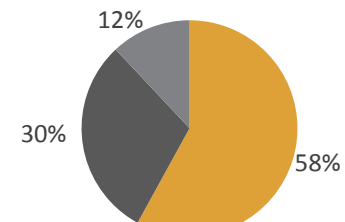


FY19



■ N. America ■ Middle East ■ Others

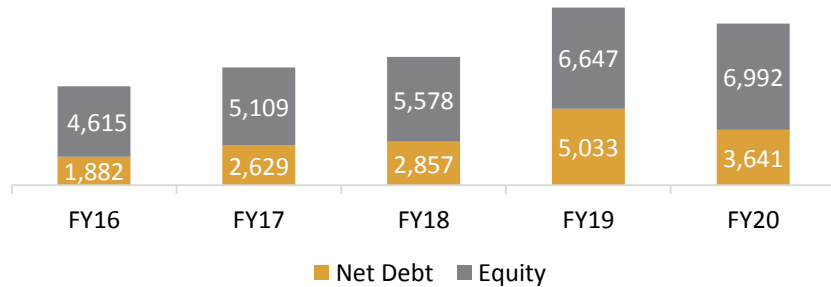
FY20



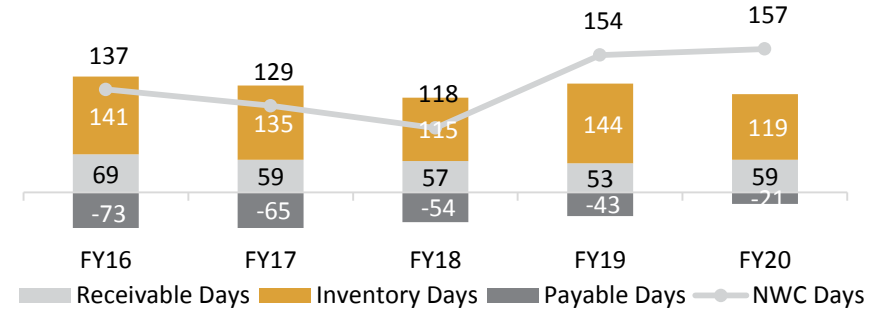
Improving Debt-Equity Ratio due to better inventory management



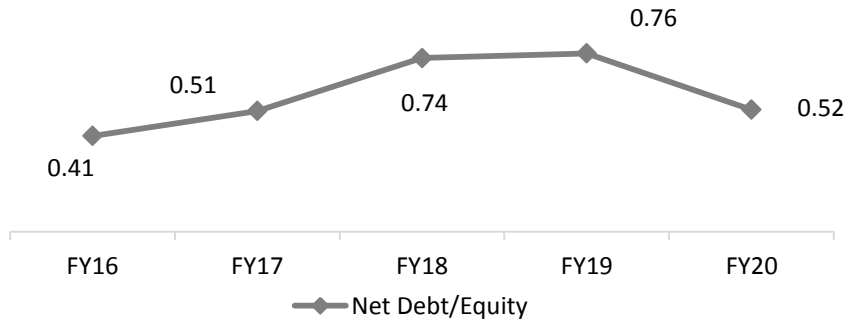
Leverage (₹ Mn)



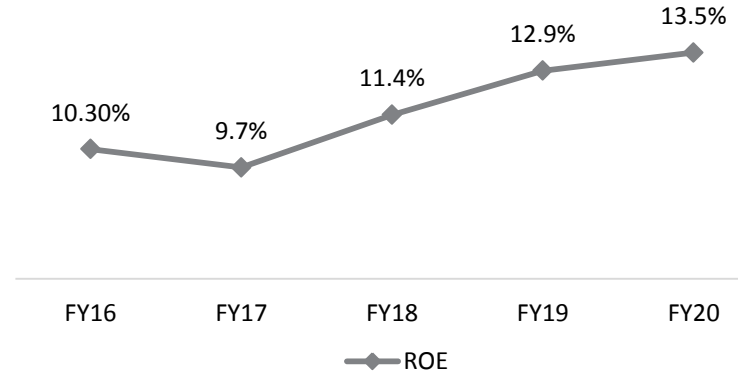
Working Capital Analysis



Net Debt/Equity Ratio



Return on Equity



Consolidated Profit & Loss Statement



Particulars (In ₹ Mn)	Q4 FY20	Q4 FY19	YoY %	FY20	FY19	YoY %
Revenue From Operations	4,478.5	7,036.8	-36%	25,018.5	25,906.3	-3%
Other Income	53.6	12.9	315%	83.1	22.7	266%
Total Income	4,532.2	7,049.7	-36%	25,101.5	25,929.0	-3%
COGS	3,553.1	5,998.8	-41%	20,204.8	21,441.6	-6%
Gross Profit	979.1	1,050.9	-7%	4,896.7	4,487.4	9%
Gross Margin %	21.6%	14.9%		19.5%	17.3%	
Employee Expenses	251.1	227.2	10.5%	955.6	922.8	3.6%
Other Expenses	468.8	726.0	-35.4%	2,233.0	2,315.5	-3.6%
EBITDA	259.2	97.7		1,708.2	1,249.1	37%
EBITDA Margin %	5.7%	1.4%		6.8%	4.8%	
Depreciation	85.6	90.2	-5.2%	310.5	181.0	71.6%
Finance Cost	62.1	70.2	-11.5%	297.5	249.6	19.2%
PBT	111.5	-62.7		1,100.1	818.6	34%
Tax Expense	16.9	-114.0		177.8	35.7	
PAT before discontinued operations	94.6	51.2	85%	922.3	782.8	18%
Profit/(Loss) on discontinued Operations	-42.2	8.0		-44.8	-11.2	
PAT after discontinued operations	52.4	59.2		877.5	771.6	
PAT Margin %	2.1%	0.7%		3.7%	3.0%	

Consolidated Balance Sheet



Particulars (In ₹ Mn)	Mar-20	Mar-19
Shareholder's Funds	6,992.1	6,646.9
Equity Share Capital	186.8	186.8
Reserves & Surplus	6,805.3	6,460.1
Minority Interest	0.5	1.6
Non-Current Liabilities		
Borrowings	1.8	11.3
Other Financial Liabilities	1,128.5	881.5
Long Term Provisions	27.4	14.2
Other Non-Current Liabilities	0.0	0.0
Current Liabilities		
Income Tax Liabilities (net)	16.8	32.9
Short Term Borrowings	5,158.2	5,592.5
Trade Payables	1,466.7	2,931.0
Other Financial Liabilities	447.4	357.9
Other Current Liabilities	461.9	46.4
Short Term Provisions	16.0	19.4
Total Equity & Liabilities	15,717.3	16,535.7

Particulars (In ₹ Mn)	Mar-20	Mar-19
Non-Current Assets		
Fixed Assets – Tangible & Intangible	773.6	539.50
CWIP & Intangibles under development	206.1	282.7
Other Non Current Assets	208.7	113
Deferred Tax Assets (Net)	465.5	332.1
Current Assets		
Current Investments	583.4	179
Inventories	8,182.8	10,161.1
Trade Receivables	4,050.8	3,731.5
Cash & Bank Balances	935.1	391
Short Term Loans & Advances	13.1	4.3
Other Current Assets	261.8	728.7
Asset Classified for Sale	36.4	72.8
Total Assets	15,717.3	16,535.7



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