



RENAISSANCE
GLOBAL LIMITED



Q2 FY21 FINANCIAL OVERVIEW



Strong Revenues despite Covid-19

- Q2 FY21 Revenues at ₹ 5,228 mn vs Q2 FY20 revenues of ₹ 5,630 mn; de-growth of 7% on account of pent up demand and one time conversions against Q1 FY21 Y-o-Y de-growth of 69%
- Q2 FY 21 PAT of ₹ 227 mn vs Q2 FY20 PAT of ₹ 218 mn; growth of 4%
- The Branded jewellery business contributed 20% of the total studded jewellery revenues in Q2 FY21

Disciplined working capital management amidst business disruption due to Covid-19

- Net Debt as of Sep 2020 was ₹ 4,023 mn. v/s Sep 2019 Net Debt of ₹ 4,860 mn; reduction of ₹ 837 mn.
- Strong liquidity position with cash and bank balances and short term investments of ₹ 2,115 mn
- Trade Payables as of Sep 2020 at ₹ 2,600 mn. v/s Sep 2019 Trade Payables of ₹ 4,392 mn.
- Y-o-Y consolidated reduction of Liabilities between Net Debt and Payables is ₹ 2,629 mn.
- Inventory as of Sep 2020 was ₹ 9,795 mn. v/s Sep 2019 inventory of ₹ 11,430 mn; inventory reduced by ₹ 1,635 mn



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 Sep 2020 was 0.51 v/s Sep 2019 Net Debt to Equity ratio of 0.71.
- TTM Return on Equity at 7.9% due to impact Covid-19 vs Return on Equity for FY20 at 13.5%
- Our long term goal is to be at Net Debt to Equity ratio below 0.5 and Return on equity greater than 15%

Growing Focus on Brands



- Renaissance Global is focused on growing its portfolio of licensed and own brands.
- Renaissance Global is the exclusive licensee of the following brands:
 - Enchanted Disney Fine Jewelry – Disney Princesses IP
 - Disney Treasures Fine Jewelry – A collection of iconic characters of Disney
 - Star Wars Fine Jewelry
 - Hallmark – Originally a greeting card brand with high recognition in the US
- We have also launched our own brands:
 - IRASVA – Diamond Jewellery brand focused at Indian markets
 - Made for You – Lab grown diamonds jewellery
 - Jewelili – Diamond jewellery brand focused at US markets
- Currently, branded jewellery contributes 20% (Q2 FY21) to our overall studded jewellery revenues.
- We focus on improving the mix of branded jewellery revenues as a percentage of total revenues as it is a high EBITDA margin business as compared to generic jewellery.
- Our brands now also have a direct-to-consumer presence with launch of our websites for Enchanted Disney Fine Jewelry, Star Wars Fine Jewelry, Jewelili and Made for You
- We launched Star Wars Fine Jewelry on 5 November 2020. We are encouraged by the consumer response.

Our Direct to Consumer Websites


Enchanted
Disney FINE JEWELRY

Home Bridal Fashion Inspirations Gifting

VIDEO CONSULTATION

Wishlist My Account Bag · 0 item


Use code **FIRST10** for 10% OFF FIRST ORDER *on regular priced items.



Inspired By

Tinker Bell

Tinker Bell is a pixie who lives in Neverland. Feisty and sassy, she's also a loyal friend to Peter Pan



Chat now

<https://www.enchantedfinejewelry.com/>

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JEWELILI
Gemstones

JEWELILI
DIAMONDS

SWAROVSKI

Enchanted
Disney PRINCE JEWELRY

MADE FOR YOU
LAB-GROWN DIAMONDS

Disney
MICKEY
FRIENDS

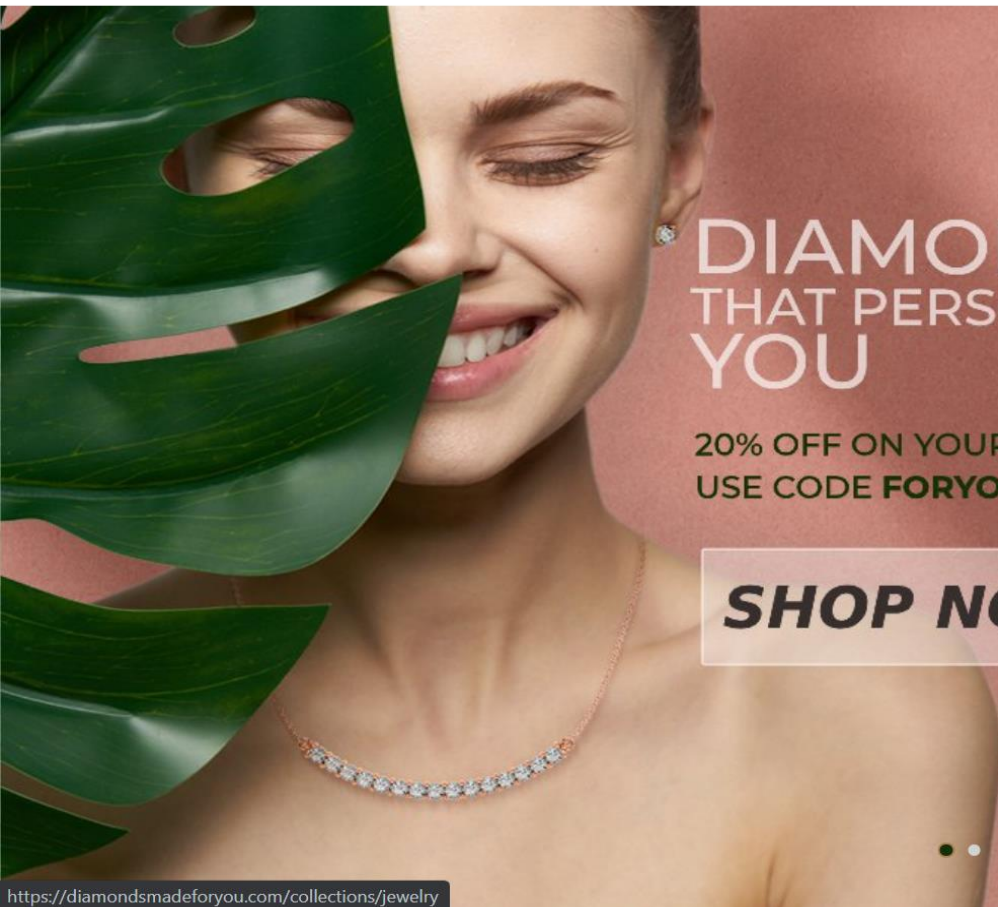
Did you say

Gift?

We heard your
sparkling clear!

GIFT NOW





DIAMONDS THAT PERSONIFY YOU

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USE CODE **FORYOU20**.

SHOP NOW



<https://diamondsmadeforyou.com/collections/jewelry>

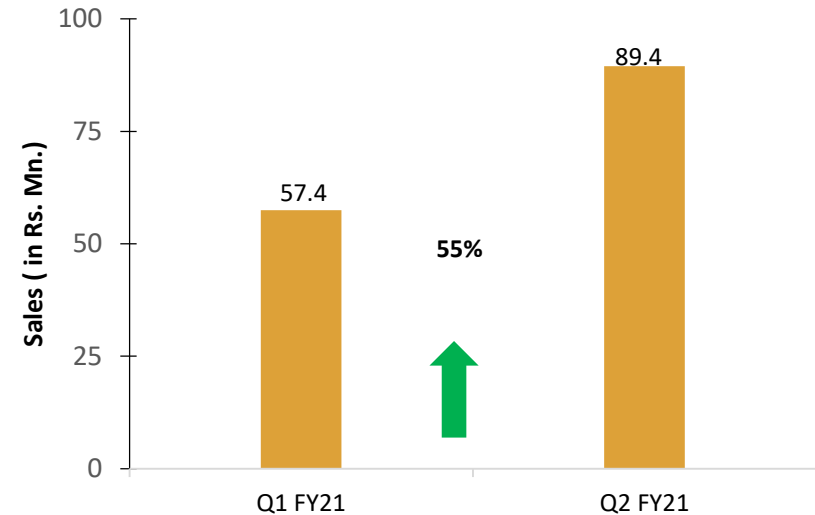
<https://diamondsmadeforyou.com/>

Growing Direct to Consumer (D2C) Business



- Our direct to consumer business through our websites has shown robust growth during the year
- The revenues of Star Wars Fine Jewelry are not included in Q2 FY21 revenues as it was launched on 05 November 2020
- Plans include launch of websites for Disney Jewels and Hallmark to further our D2C play
- The online D2C business is a high gross margin business with gross margins of 55% to 60%
- We expect to grow the share of our D2C business through all the websites we have launched and plan to launch in the near future

Q2 FY21 vs. Q1 FY21 D2C Revenues





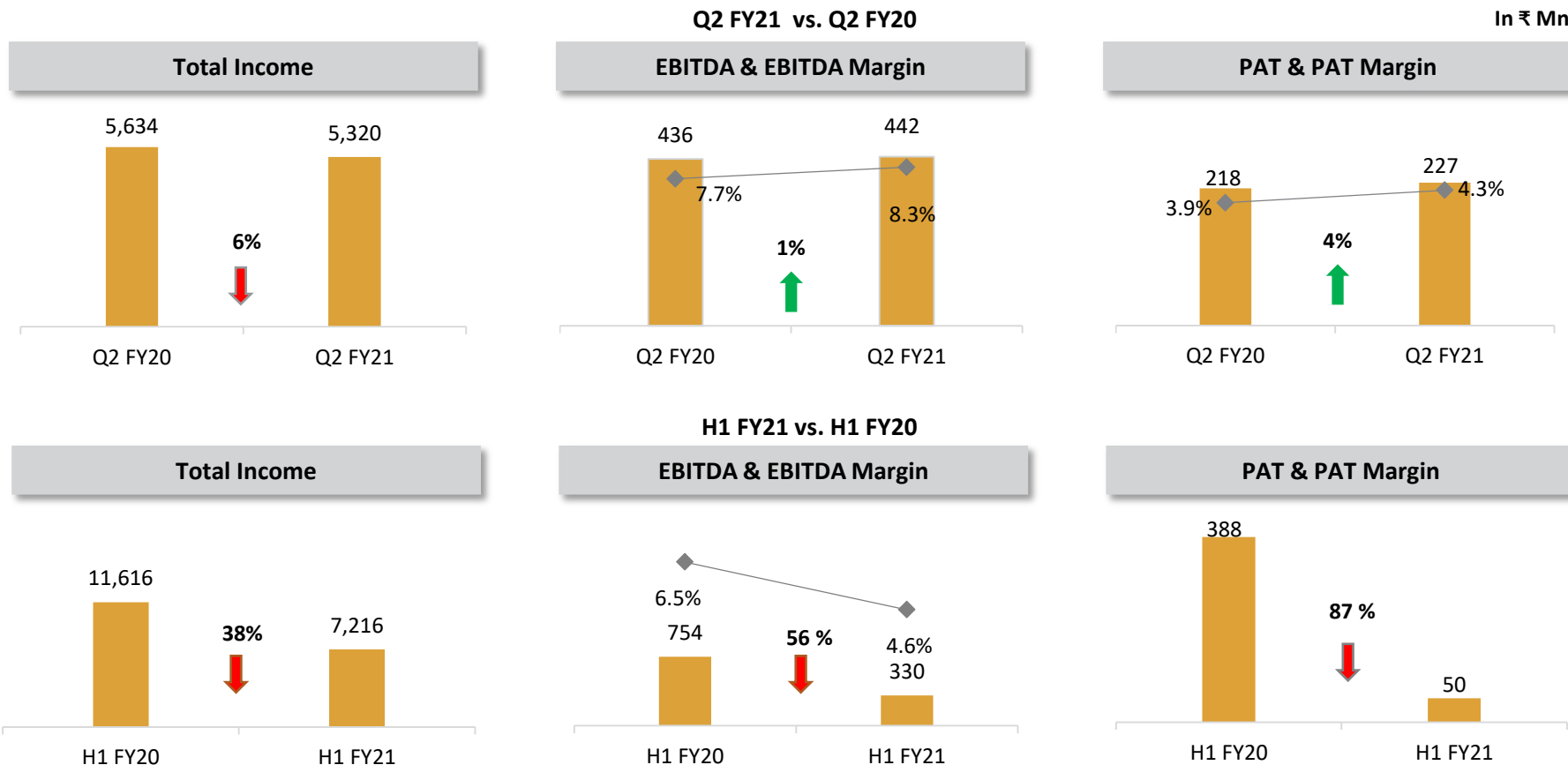
- Revenues are down 39% during the first half of the financial year due to the lockdowns imposed in various parts of the world on account of Covid-19
- We expect our H2 FY21 revenues to be 20% lower to our H2 FY20 revenues.
- The much anticipated launch of Enchanted Disney Fine Jewelry in Mainland China, through the deal with Lao Feng Xiang, second largest retailer in China, was delayed. However, we now plan to launch in Mainland China with Lao Feng Xiang in the fourth quarter of the current financial year.
- In line with our plans to expand the IRASVA brand in Mumbai, we have opened 2 new IRASVA stores in Mumbai.

Long Runway for growth over 5 years



- We will continue to be focused on growing our licensed brands and owned brands as a percentage of total revenues. We see meaningful opportunities in the branded jewellery segment
- 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. The launch is expected to be in the fourth quarter of the current financial year.
- ‘Enchanted Disney Fine Jewelry’ and ‘Hallmark Tokens’ are launched with another major retailer in the United States.
- Hallmark Moments has been rolled out to over 2000 stores now and will contribute meaningfully to revenues going forward.
- Disney Treasures, a collection of iconic Disney characters, has been successfully rolled out to 1,000 stores in North America.
- Launched Star Wars Fine Jewelry on 05 November 2020.
- Expansion of high margin direct-to-consumer play through our already launched websites for Enchanted Disney Fine Jewelry, Star Wars Fine Jewelry, Jewelili and Made For You. Further, our plans also include launch of websites for Hallmark and Disney Jewels in the future
- The Company launched brand “IRASVA” in the Indian market through a joint venture with Bennett, Coleman and Company Limited. After the success of the first flagship store, we have launched 2 new stores in Mumbai during the financial year

Q2 FY21 : Key Highlights

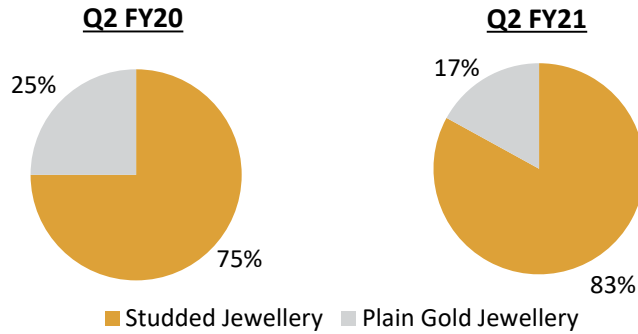


Q2 FY21 : Segment Analysis

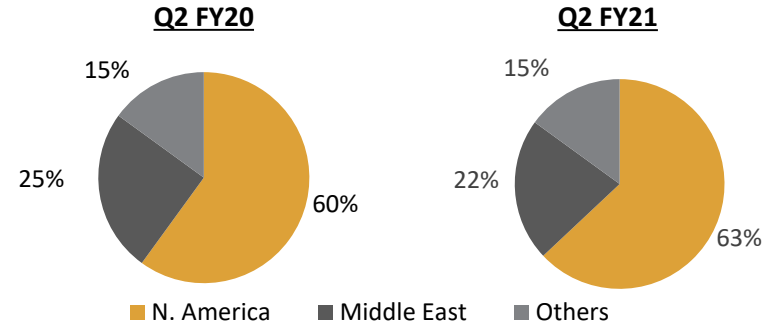


Q2 FY21 vs. Q2 FY20

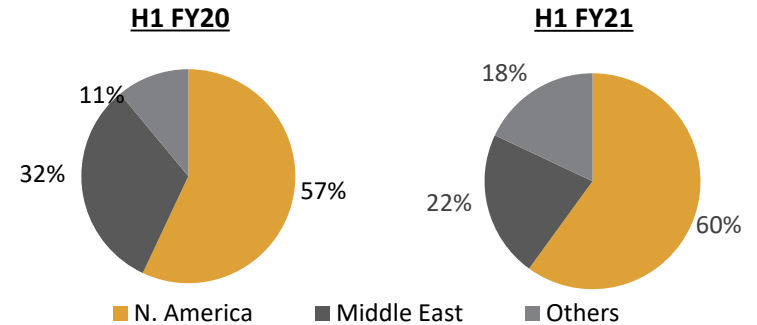
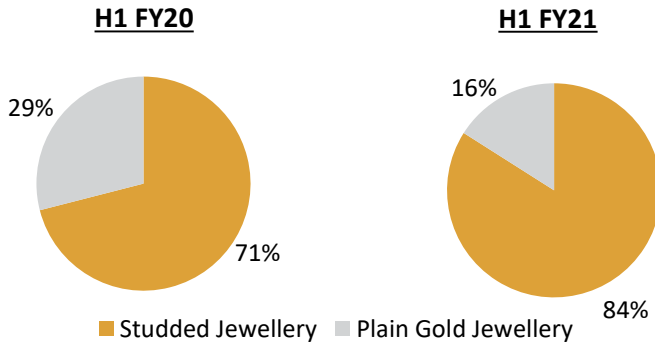
Studded & Plain Gold Jewellery



Geographical Mix



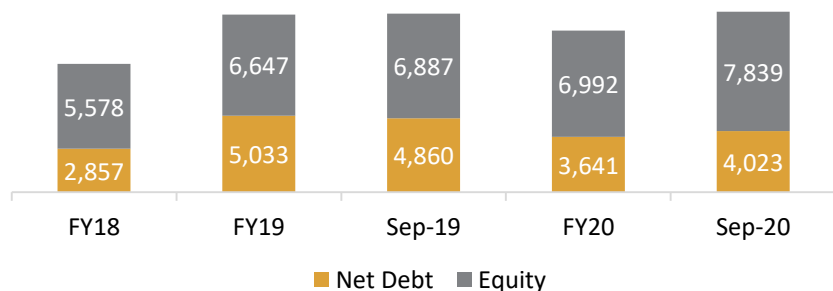
H1 FY21 vs. H1 FY20



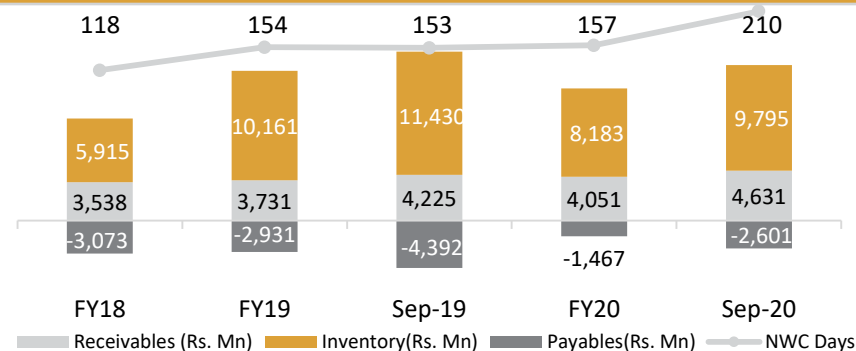
Improving Debt-Equity Ratio due to better inventory management



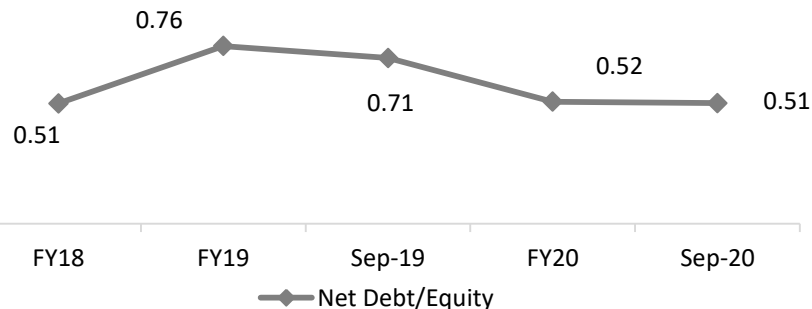
Leverage (₹ Mn)



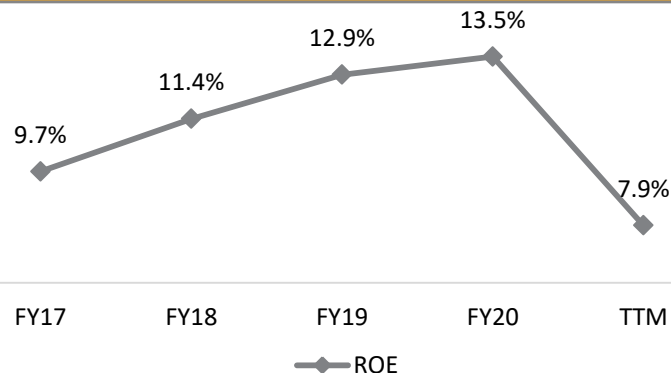
Working Capital Analysis



Net Debt/Equity Ratio



Return on Equity



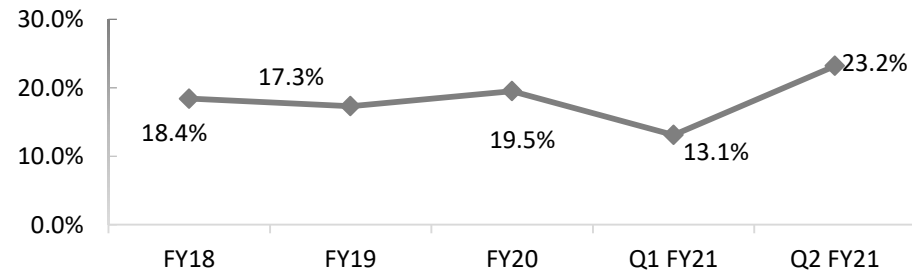
Net Debt = Borrowings – Current Investments – Cash and Bank Balances (Payable to erstwhile owners of Jay Gems is reclassified under other financial liabilities)

Equity = Share capital + Reserves & Surplus

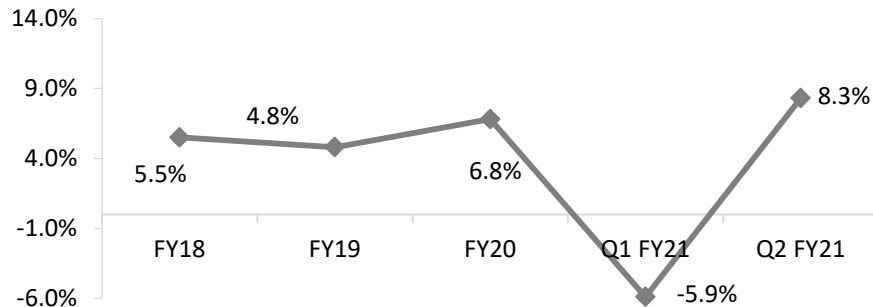
Improving Gross Margins and EBITDA Margins



Gross Margin Trend



EBITDA Margin Trend

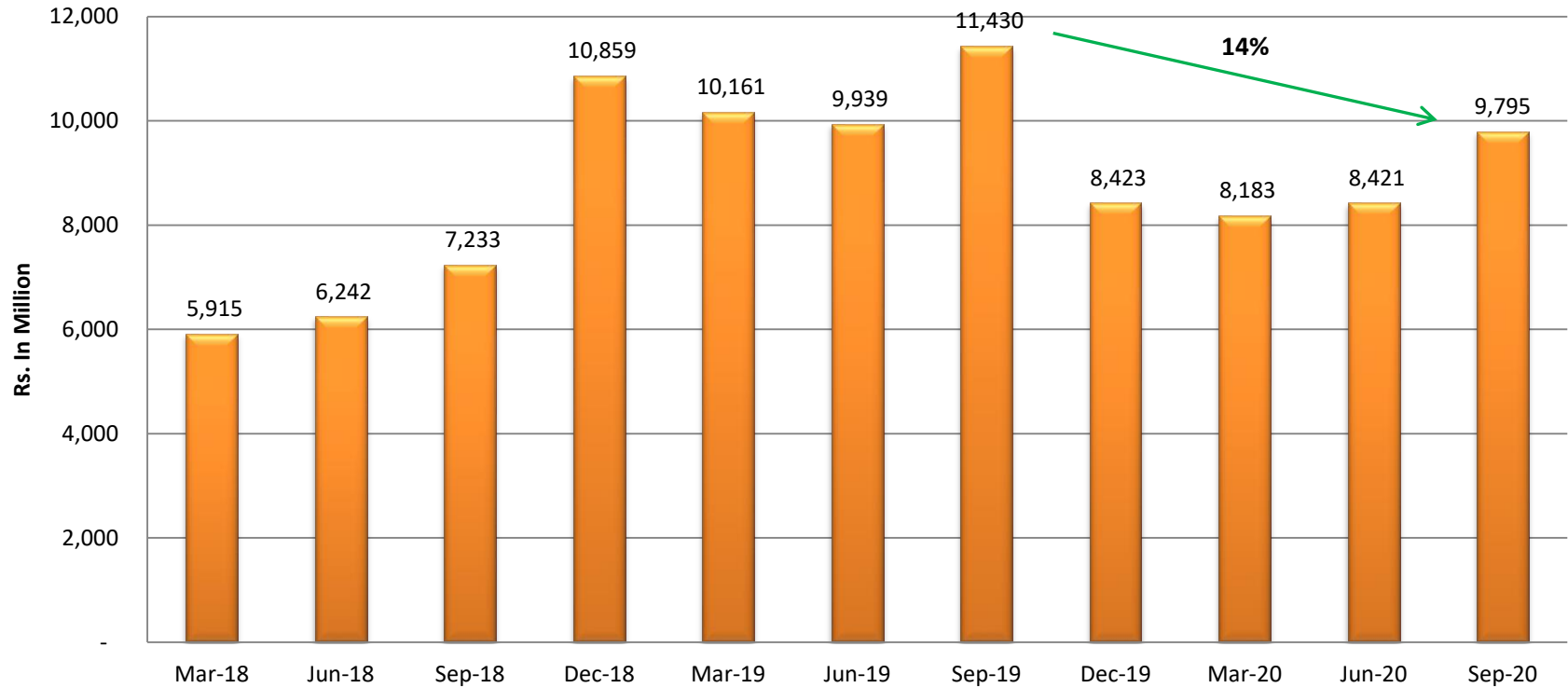


- We anticipate long term trend of improving gross margins and EBITDA margins due to business mix changing towards licensed and own brands.
- Gross Margins and EBITDA margins will also expand due to increase in Direct to consumer sales.
- Over the last 3.5 years our gross margin has expanded by 480 bps
- Over the last 3.5 years our EBITDA margin has expanded by 270 bps
- The margins were low in Q1 FY21 due to the lockdown on account of Covid-19.

Managing Inventory – Important Part of Working Capital Management



Inventory Trend



Consolidated Profit & Loss Statement



Particulars (In ₹ Mn)	Q2 FY21	Q2 FY20	YoY %	H1 FY21	H1 FY20	YoY %
Revenue From Operations	5,228.7	5,630.1	-7.1%	7,084.3	11,608.5	-39.0%
Other Income	91.2	3.9		132.2	7.5	
Total Income	5,319.9	5,634.0	-5.6%	7,216.5	11,615.9	-37.9%
COGS	4,087.2	4,363.3	-6.3%	5,735.5	9,303.6	-38.4%
Gross Profit	1,232.7	1,270.7	-3.0%	1,481.04	2,312.31	-35.9%
Gross Margin %	23.2%	22.6%		20.5%	19.9%	
Employee Expenses	177.1	239.5	-26.1%	312.5	473.9	-34.1%
Other Expenses	613.3	594.8	3.1%	837.7	1,084.6	-22.8%
EBITDA	442.3	436.5	1.3%	330.8	753.8	-56.1%
EBITDA Margin %	8.3%	7.7%		4.6%	6.5%	
Depreciation	74.0	92.9	-20.4%	148.6	147.7	0.7%
Finance Cost	63.5	80.0	-20.6%	124.9	159.6	-21.8%
PBT	304.8	263.7	15.6%	57.3	446.5	-87.2%
Tax Expense	77.5	45.5	70.2%	7.6	58.3	-87.0%
PAT before discontinued operations	227.3	218.1	4.2%	49.7	388.1	-87.2%
Profit/(Loss) on discontinued Operations	-34.7	0.8		-37.2	-2.3	
PAT after discontinued operations	192.6	219.0	-12.0%	12.5	385.9	-96.8%
PAT Margin %	4.3%	3.9%		0.7%	3.3%	-79.4%

Consolidated Balance Sheet



Particulars (In ₹ Mn)	Sep-20	Sep-19
Shareholder's Funds	7,839.9	6,886.5
Equity Share Capital	186.8	186.8
Reserves & Surplus	7,653.1	6,699.7
Minority Interest	-6.8	-1.1
Non-Current Liabilities		
Borrowings	131.0	6.1
Other Financial Liabilities	815.8	861.8
Long Term Provisions	34.2	21.5
Other Non-Current Liabilities		
Current Liabilities		
Income Tax Liabilities (net)		
Short Term Borrowings	6,006.7	5,513.0
Trade Payables	2,600.6	4,391.9
Other Financial Liabilities	507.4	392.0
Other Current Liabilities	328.5	339.5
Short Term Provisions	21.6	21.0
Total Equity & Liabilities	18,278.8	18,432.3

Particulars (In ₹ Mn)	Sep-20	Sep-19
Non-Current Assets		
Fixed Assets – Tangible & Intangible	860.3	1042.1
CWIP & Intangibles under development	2.9	5.8
Other Non Current Assets	162.1	234.0
Deferred Tax Assets (Net)	366.1	371.0
Current Assets		
Current Investments	1,024.9	184.9
Inventories	9,795.3	11430.4
Trade Receivables	4,631.1	4224.7
Cash & Bank Balances	1,089.7	473.7
Short Term Loans & Advances	21.3	5.0
Other Current Assets	320.6	390.6
Asset Classified for Sale	4.3	70.1
Total Assets	18,278.8	18,432.3



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