



Renaissance Global Limited

Results Presentation

Q3 & 9M FY22



Hallmark
DIAMONDS

Enchanted
Disney FINE JEWELRY

**STAR
WARS**
FINE JEWELRY

IRASVA

JEWELILI
SHINE BRIGHT. SPEND SMALL.

Disclaimer



This presentation and the following discussion may contain “forward looking statements” by Renaissance Global Limited (“Renaissance” or the Company) that are not historical in nature. These forward-looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Renaissance about the business, industry and markets in which Renaissance operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Renaissance’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Renaissance.

Such statements should not be regarded as a projection of future performance of Renaissance. It should be noted that the actual performance or achievements of Renaissance may vary significantly from such statements.



Content



**Q3 & 9M FY22
Results
Overview**

4



**Company
Overview**

16



Annexure

26



Renaissance Global Limited

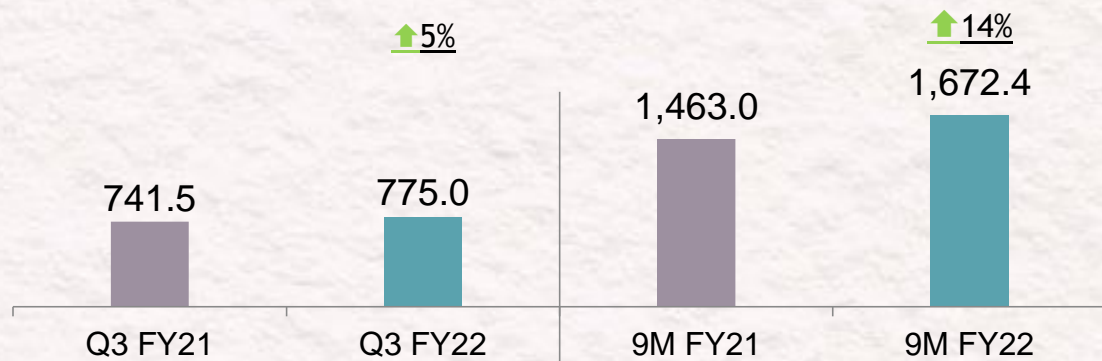
Q3 & 9M Results Overview



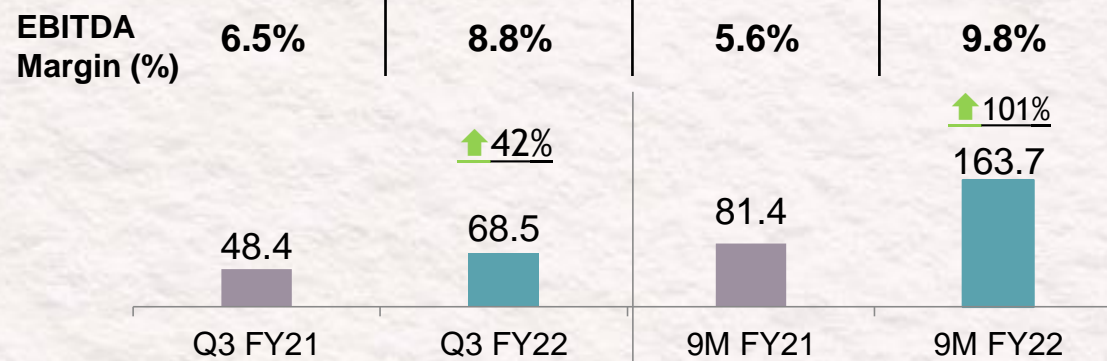
Q3 & 9M Financial Summary



Total Income (Rs. Crore)*

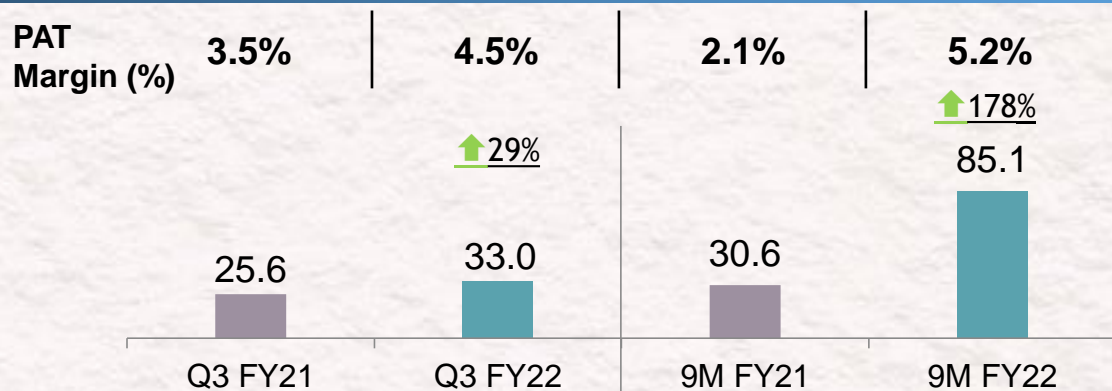


EBITDA (Rs. Crore)

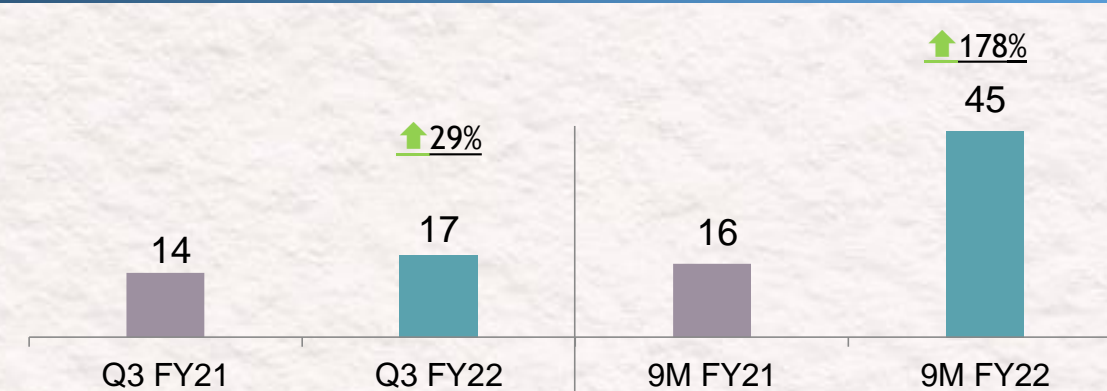


*With effect from 1st Apr 2021, the Company has re-negotiated terms with most customers across its Plain gold division due to which, Renaissance is now recognizing only making charges as revenue for this business. This will meaningfully reduce the reported revenues of the gold division, without impacting EBITDA of this division. On a like-to-like basis, Q3 Total Income growth stood at 26.4% against reported growth of 4.5%; Where as for 9M Total Income growth stood at 34.0% against reported growth of 14.3%

PAT (Rs. Crore)



EPS (Rs.)

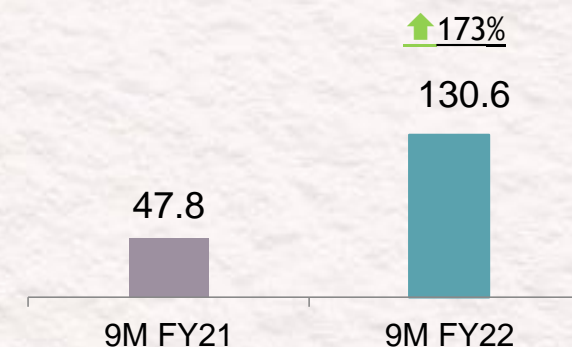


Adjusted Financial Performance

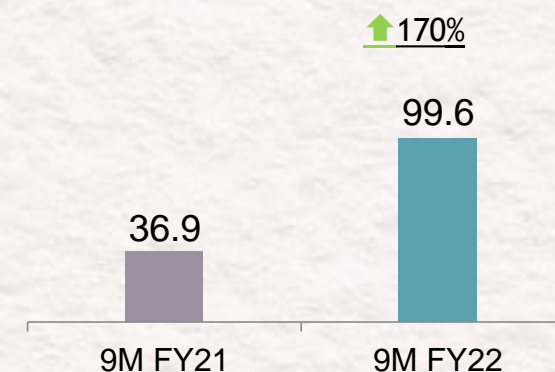


Particulars (Rs. crore)	9M FY22	9M FY21	YoY Change (%)
Reported PAT	85.1	30.6	178%
Add: Non Cash Expenses			
Amortization Expenses ^[1]	7.7	7.7	
Non Cash Lease Expense ^[2]	7.3	0.4	
Tax effect on adjustments	4.0	1.9	
One time MAT Adjustment ^[3]	3.4	-	
Adjusted PAT	99.6	36.9	170%
<i>PAT Margin (%)</i>	<i>6.0%</i>	<i>2.5%</i>	
Adj. Diluted EPS (Rs.)	52.8	19.5	

Adjusted PBT (Rs. Crore)



Adjusted PAT (Rs. Crore)



This table represents an adjusted picture of the profitability if the profits are adjusted for certain non-cash expenses. These numbers are not intended to represent the audited financial performance of the company and are only for indicative purposes only. ^[1] Amortization expense pertains to acquisition of goodwill on Jay Gems Inc. acquisition made in 2018. By the end of this financial year, the goodwill remaining to be amortized will be insignificant. ^[2] During the financial year, the company has leased new office premises in New York, the first payout for which is due only in the next financial year as we have received a 1 year lease free period. However as per IND AS reporting, we are required to amortize the lease for the entire period irrespective when the lease payouts start becoming due. ^[3] The company has taken a one-time write off of MAT credit to the tune of ₹3.4 crore on changing to reduced Income tax rate regime.

Management Message



Commenting on the performance for Q3 & 9M FY22, Mr. Sumit Shah – Chairman and Global CEO, Renaissance Global Limited said,

“We are pleased to share that we have delivered a strong performance during the quarter on the back of improving demand environment in our key global markets of North America, Europe and Asia. Our like-to-like total income in Q3 was higher by 26% YoY and PAT expanded by 29% YoY, while 9M like-to-like total income growth stood at 34% and PAT grew by 178%. The growth was further driven by robust contribution from our high-margin branded jewellery segment and our direct-to-consumer business.

The direct-to-consumer segment is a key focus area for us. We are seeing improved consumer traffic across our six websites. I am also happy to share that we are constantly witnessing healthy business from repeat customers. In the quarter, the contribution from repeat customers stood at 17% as against 15% in Q2 FY22, 14% in Q1 FY22 & average 6% in FY21. The contribution from repeat customers continues to be on an improving trend, showcasing higher customer stickiness and brand trust.

We are also happy to share that we have signed a licensing agreement with one of North America's most popular sports league, National Football League (NFL) to design a unique jewellery collection. This partnership is strategic and mutually synergistic in nature and further aligns with our long-term goal to accelerate our branded jewellery business. This along with our existing strategic licensing agreements with Enchanted Disney Fine Jewellery, Hallmark, Star Wars and Disney Treasures augments our branded jewellery product portfolio and enables us to build our presence in key global geographies.

Overall, we have delivered a healthy performance during the period under review. As we look ahead, there are concerns related to the third wave of COVID-19 in some of our key global markets. However, we anticipate minimal and short-lived disruption due to this surge and expect the demand environment to stabilize soon. Our business strengths such as our partnership with globally recognized brands, high expertise in conceptualization, designing & distribution of products and advanced industry know-how place us very well to tap upon the various growth opportunities in the high-potential global branded jewellery industry. All in all, we are optimistic about our growth prospects and opportunities in key international markets.

Based on our strong performance for the quarter & financial year till date and in line with our dividend distribution policy, the Board has decided to declare an interim dividend of Rs. 5.5 per share”



Key Developments



Signs a strategic licensing partnership with America's most popular sports league, National Football League (NFL), having a multi-million fan base

- * Through this agreement, Renaissance and the NFL will collaborate to design unique branded jewellery collection using NFL intellectual property
- * The NFL jewellery collection will include distinct pieces representing each of the 32 teams in the NFL along with jewellery pieces for the Super Bowl and Pro-Bowl matches
- * This collection will be premiered this holiday season at multiple retail locations such as department stores, specialty jewellery stores, league stores, mass-market retailers, and others, across the United States
 - The jewellery collection will also be featured across e-commerce platforms such as NFL team websites and other e-commerce retailers
 - Renaissance will also be launching a brand new D2C website for NFL in the coming months, thus strengthening the Company's high-growth D2C portfolio
- * The partnership adds to the Company's growing portfolio of licensed brands

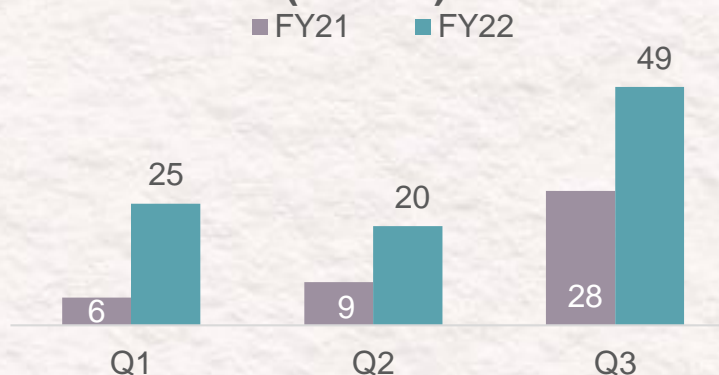
Growing Direct to Consumer (D2C) Business



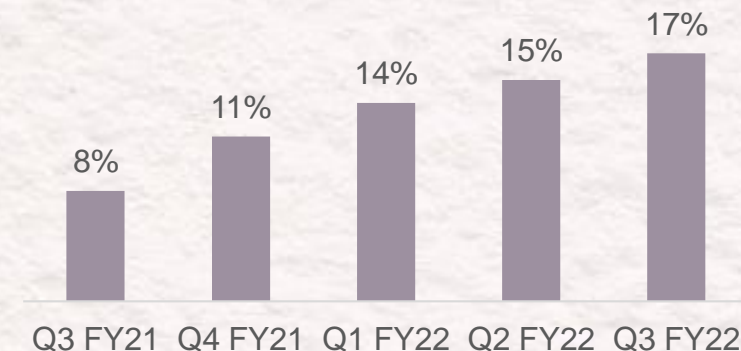
- * During Q3 FY22, D2C business posted revenues of Rs. 48.9 crore compared to Rs. 27.6 crore in Q3 FY21, growing by 78% YOY
- * For the period 9M FY22, D2C business reported revenues of Rs. 94.3 crore compared to Rs. 42.2 crore in 9M FY21, growing by 123% YOY
 - Based on Renaissance's estimates of 9M revenue contribution to annual sales, annual revenue run rate is at Rs. 130 crore vs. actual FY21 revenues of Rs. 64.9 crore
- * D2C business is a high EBITDA margin business with margins in the range of 20-22%
 - With the growing share of D2C revenues to total revenues Renaissance believe EBITDA margins will show an improving trend
- * The business enjoys a strong return profile with ROEs in the range of 60-65%
- * The contribution from repeat customers continues to be on an improving trend, showcasing higher customer stickiness and brand trust



Quarterly D2C Sales Trend
(Rs. Cr.)



Repeat Customers as a % of
overall customer traffic*



Kindly click on the logos above to visit Renaissance's D2C websites

* Repeat Customer (%) for the website enchantedfinejewelry.com

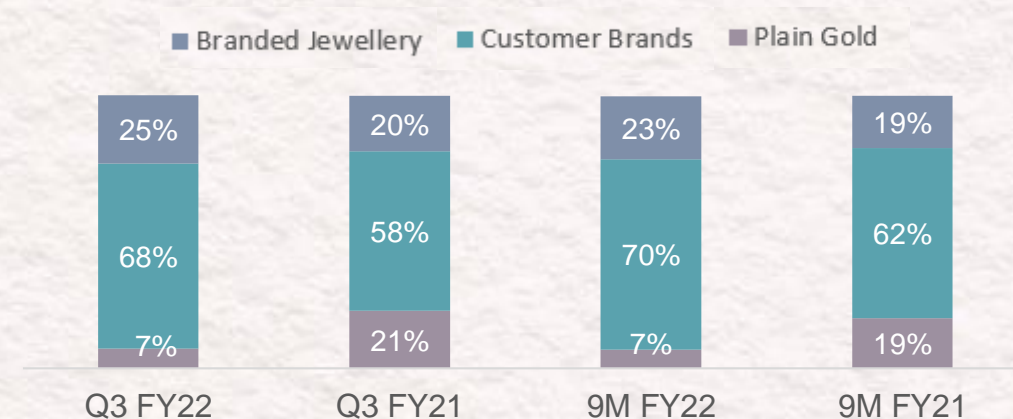
Q3 & 9M Operational Summary



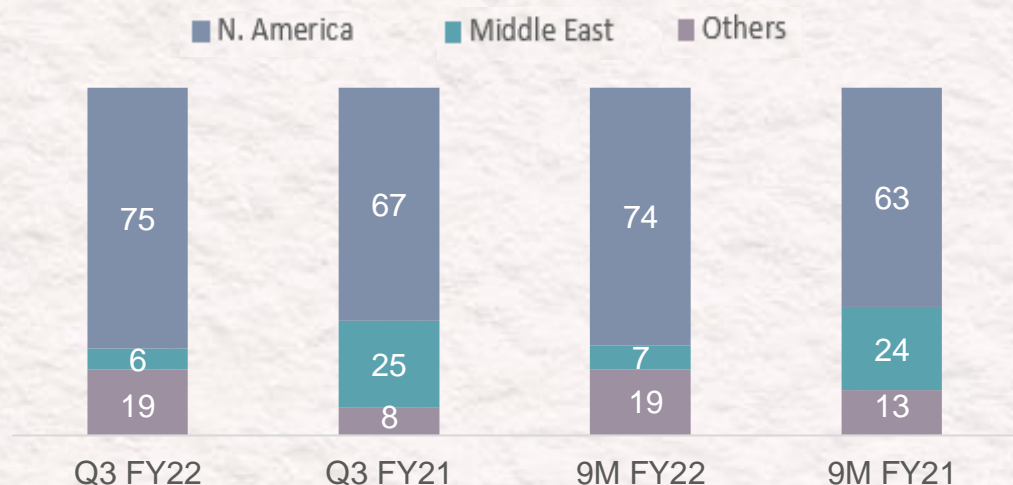
Revenue Break-up (Rs. Cr.)	Q3 FY22	Q3 FY21	Shift %	9M FY22	9M FY21	Shift %
Branded Jewellery	196.3	150.6	30.4%	382.9	276.9	38.3%
- B2B	147.4	123.1*	19.8%	288.6	234.6*	23.0%
- D2C	49.0	27.6	77.6%	94.3	42.2	123.2%
Customer brands	523.7	431.6	21.3%	1,169.8	903.5	29.5%
Plain Gold	53.9	157.6	-65.8%	107.9	268.0	-59.7%
- Volume (kgs)	631.0	342.3	84.3%	1,567.8	577.0	171.7%
Total Revenues	773.9	739.9	4.6%	1,660.5	1,448.3	14.7%

EBITDA Margins Break-up(%)	Q3 FY22	Q3 FY21	Shift bps	9M FY22	9M FY21	Shift bps
Branded Jewellery	14.9%	12.0%	290	15.5%	11.2%	429
- B2B	13.6%	11.2%	240	14.3%	10.4%	392
- D2C	19.1%	16.0%	310	19.1%	15.6%	341
Customer brands	6.87%	6.7%	17	8.3%	5.4%	294
Plain Gold	5.9%	0.8%	508	6.5%	0.7%	584
Total EBITDA %	8.8%	6.5%	232	9.8%	5.6%	423

Revenue Mix (%)



Geographical Mix (%)



With effect from 1st Apr 2021, the Company has re-negotiated terms with most customers across its Plain gold division due to which, Renaissance is now recognizing only making charges as revenue for this business. This will meaningfully reduce the reported revenues of the gold division, without impacting EBITDA of this division. On a like-to-like basis, Q3 revenue growth stood at 27% against reported growth of 5%; Where as for 9M revenue growth stood at 35% against reported growth of 15%. *Reported numbers of B2B sales, within the branded segment, for 9M FY2021 were erroneously stated in earlier presentations. These figures have been rectified and consequently, this presentation includes the revised figures and performance

Q3 FY22: Financial & Operational Discussions (Y-o-Y)



Revenue

Total income stood at Rs. 775.0 crore from Rs. 613.0* crore, higher by 26.4%

- * Branded Jewelry business revenues up 30% YoY to Rs. 196 crore
- * D2C business revenues grew by 78% to Rs. 48.9 crore led by contribution from new website launches
- * Revenue share of studded jewellery stood at 93%, with Branded jewellery business contributing 27% of the total studded jewelry revenues

EBITDA

EBITDA came in at Rs. 68.5 crore as against Rs. 48.3 crore, up by 41.6%

- * EBITDA Margins stood at 8.8% as against 6.5%, higher by 232 bps. Improved contribution from high-margin segments of Direct-to-Consumer business and branded jewellery business enabled higher profitability.
 - Branded business reported 14.9% margins, recording a growth of 290 bps YoY
 - D2C business registered 19.1% margins, higher by 310 bps YoY

PAT

PAT stood at Rs. 33 crore from Rs. 25.6 crore, higher by 29%

** On a restated basis after adjusting for plain gold revenues*

Robust Free Cash Flow Generation

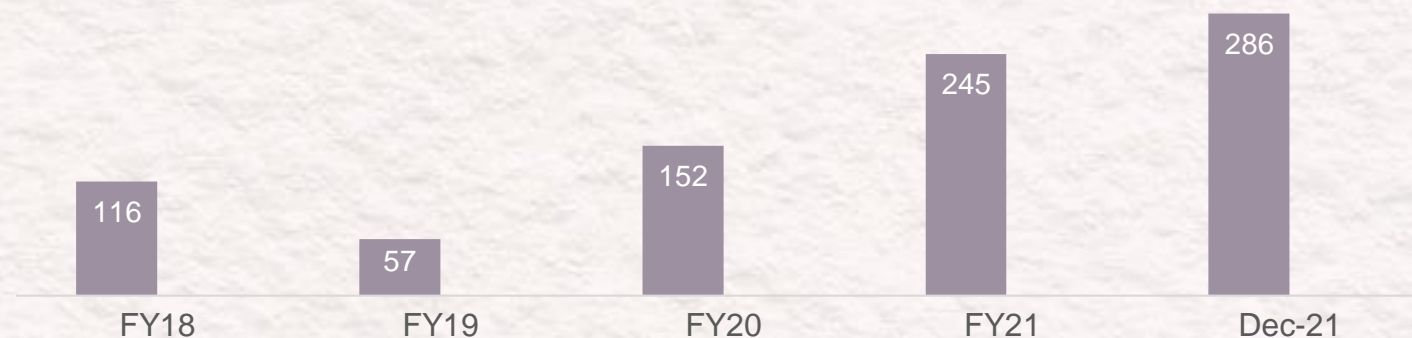


- * Strong FCF generation over the last 2 years
- * Branded Jewellery - a low capital-intensive business
- * Operating leverage & minimal capex spends to further improve FCF generation, going ahead
- * Cash balances to be strategically utilized to create shareholder value

Free Cash Flow Generation (Rs. Cr.)



Cash, Cash Equivalents & Current Investments (Rs. Cr.)

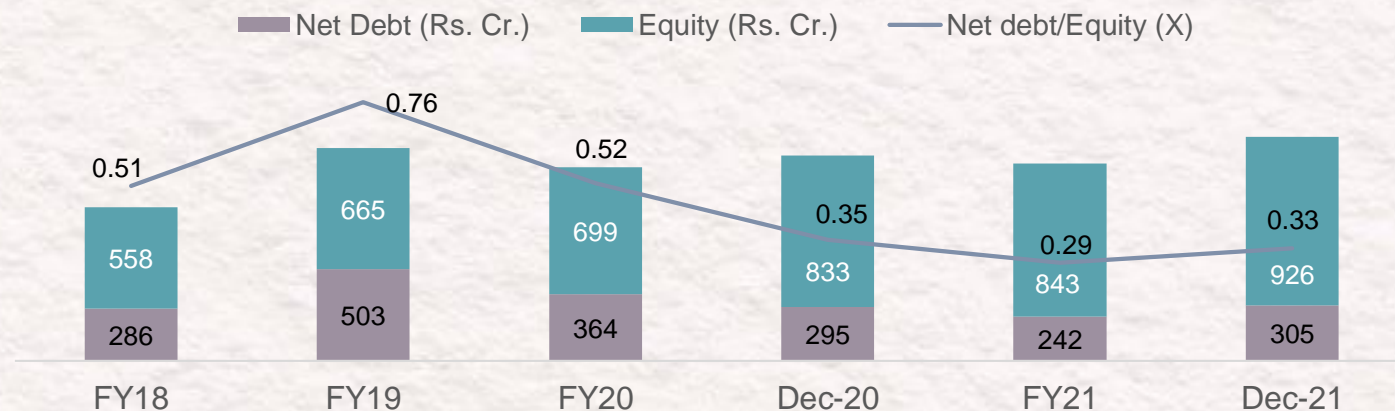


Strong Balance Sheet

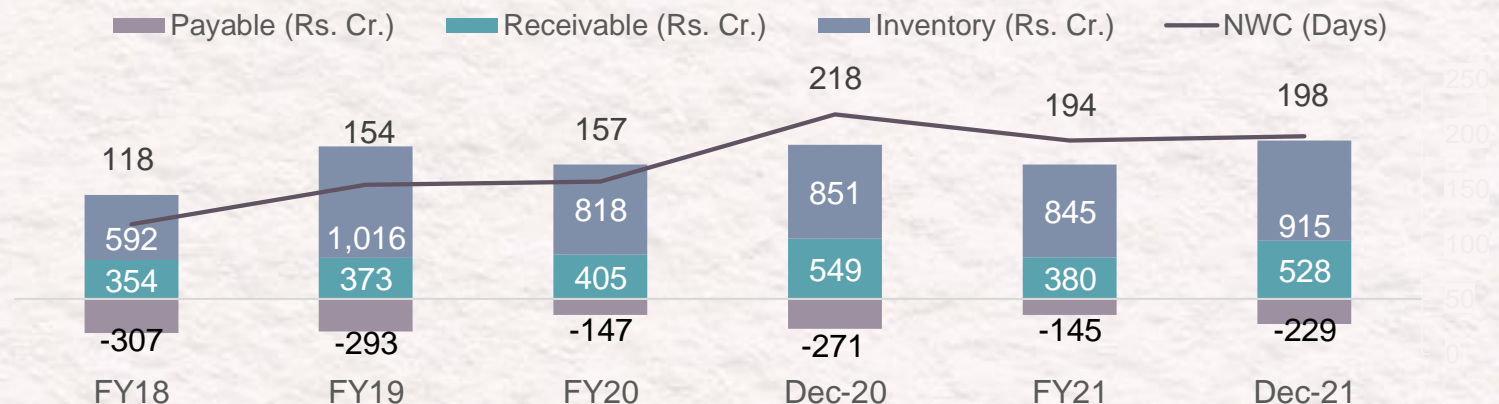


- * Highly disciplined balance sheet approach
- * Sharp reduction in net debt over the years
 - Net Debt to Equity ratio as of Dec 2021 was 0.33 vs Dec 2020 Net Debt to Equity ratio of 0.35
- * Emphasis on prudent capital allocation & efficient working capital cycles

Leverage



Working Capital



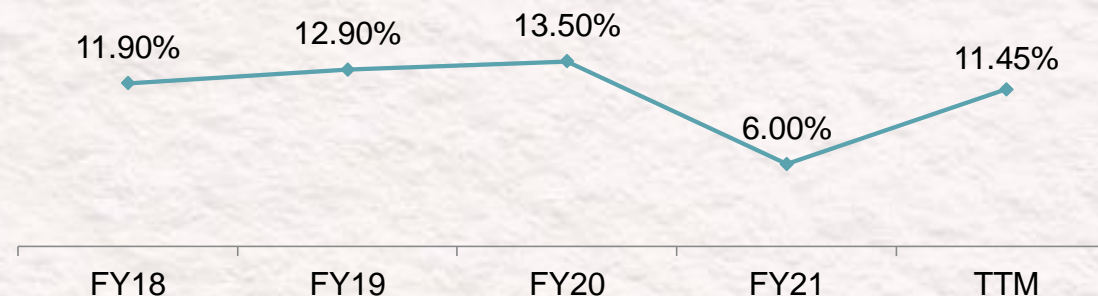
* Net Working Cycle days is not comparable to previous periods due to recent change in revenue recognition policy in the Plain Gold Division due to which, Renaissance is now recognizing only making charges as revenue for this gold division. This will meaningfully reduce the reported revenues of the company leading to a higher NWC days number.

Healthy Return Ratios

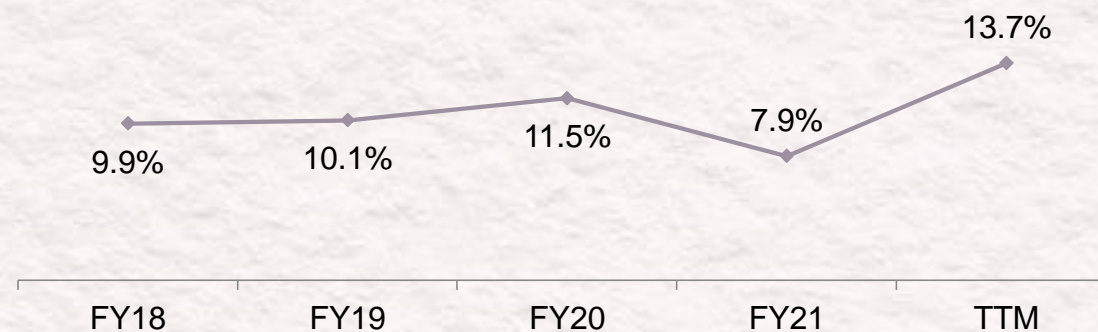


- * TTM Return on Equity grew to 11.5% vs Return on Equity for FY21 at 6% due to impact of Covid-19
- * Branded business enjoys ROEs in the range of 22-25%. D2C business enjoys even higher ROEs
- * As contribution from branded business increases, margin and return ratio profile is expected to sustainably improve, going forward

Return on Equity (%)



Return on Capital Employed (%)



Consolidated Profit & Loss Statement



Particulars (Rs. crore)	Q3 FY22	Q3 FY21	Y-o-Y Change (%)	9M FY22	9M FY21	Y-o-Y Change (%)
Revenues from Operations	773.9	739.9	4.6%	1,660.5	1,448.3	14.7%
Other Income	1.0	1.6	-35.1%	11.9	14.8	-19.5%
Total Income	775.0	741.5	4.5%	1,672.4	1,463.1	14.3%
COGS	594.6	589.5	0.9%	1,204.5	1,163.0	3.6%
Gross Profit	180.4	152.0	18.7%	467.9	300.1	55.9%
Gross Margin (%)	23.3%	20.5%	278 bps	28.0%	20.5%	747 bps
Employee Expenses	25.0	19.3	29.3%	75.6	50.59	49.5%
Advertisement Expenses	30.5	32.8	-7.1%	62.8	35.8	75.5%
Other Expenses	56.5	51.5	9.7%	165.9	132.3	25.4%
EBITDA	68.5	48.4	41.6%	163.7	81.4	101.0%
EBITDA Margin (%)	8.8%	6.5%	232 bps	9.8%	5.6%	422 bps
Depreciation and Amortization	10.1	7.8	28.7%	27.0	22.7	19.2%
Finance Costs	7.9	6.6	19.1%	21.1	19.1	10.4%
PBT	50.5	33.9	49.0%	115.6	39.7	191.4%
Tax expense	17.5	8.3	110.2%	30.4	9.09	234.9%
PAT before discontinued operations	33.0	25.6	29.1%	85.1	30.6	178.4%
PAT Margin (%)	4.3%	3.5%	81 bps	5.1%	2.1%	300 bps
Profit/(Loss) on discontinued Operations	0.0	-0.2		-0.1	-3.9	
PAT after discontinued operations	33.0	25.4	29.9%	85.1	26.7	218.9%
Diluted EPS (Rs.)	17.50	13.56		45.09	16.19	

Consolidated Balance Sheet



<i>Particulars (In ₹ Crores)</i>	<i>Dec-21</i>	<i>Dec-20</i>
Shareholder's Funds	925.8	833.1
Equity Share Capital	18.7	18.7
Reserves & Surplus	907.1	814.4
Minority Interest	(0.1)	(0.61)
Non-Current Liabilities		
Borrowings	40.7	18.4
Other Financial Liabilities	4.0	75.5
Long Term Provisions	1.8	3.5
Other Non-Current Liabilities	131.6	10.8
Current Liabilities		
Income Tax Liabilities (net)	4.3	
Short Term Borrowings	549.9	518.1
Trade Payables	228.8	270.5
Other Financial Liabilities	71.6	30.3
Other Current Liabilities	53.3	45.7
Short Term Provisions	0.9	4.6
Total Equity & Liabilities	2,012.7	1,810.0

<i>Particulars (In ₹ Crores)</i>	<i>Dec-21</i>	<i>Dec-20</i>
Non-Current Assets		
Fixed Assets – Tangible & Intangible	184.89	82.6
CWIP & Intangibles under development	3.1	0.0
Other Non Current Assets	21.66	15.7
Deferred Tax Assets (Net)	18.00	29.5
Current Assets		
Current Investments	139.74	121.4
Inventories	915.4	851.4
Trade Receivables	527.57	549.4
Cash & Bank Balances	144.8	118.7
Cash in Short term investments	1.56	1.1
Short Term Loans & Advances	2.09	2.2
Other Current Assets	53.40	37.8
Asset Classified for Sale	0.40	0.4
Total Assets	2,012.7	1,810.0

* Lease liability reclassified as Other Non-Current Liabilities from Other Financial Liabilities.



Renaissance Global Limited

Company Overview



Corporate Snapshot



Global Jewellery Company focused on designing, manufacturing and distribution of branded jewellery

Strong presence in global markets of **North America, Europe & Asia**

Licensing agreements with **large globally-recognized brands**

Product portfolio across branded jewellery, customer brands & plain gold jewellery

4

Licensing agreements with global brands

6

Direct-to-Consumer websites

475 cr

Branded jewellery revenues (Rs.) in 9M FY22 (annualised)

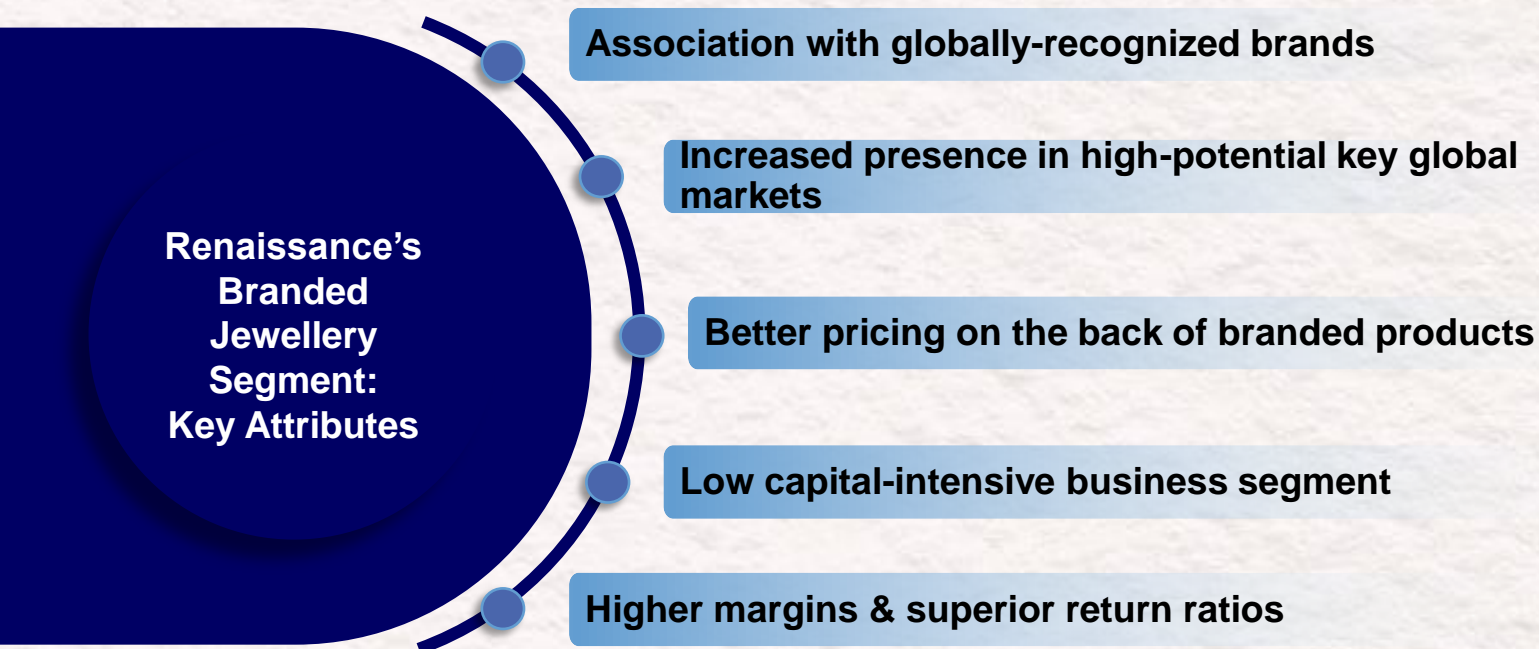
15.5%

Branded jewellery EBITDA margins in 9M FY22

0.33

Net debt to equity as on December 31, 2021

Building a Global Branded Jewellery Business



Growing revenue contribution from Branded Jewellery segment



Endeavour to achieve ~50% sales from Branded Jewellery segment over the next 3-4 years

Branded Jewellery Business Model



Brands



IRASVA



MADE FOR YOU

Design & Manufacturing



**Conceptualisation
& Product
Development**



**State-of-the-Art
Manufacturing
Facilities**

Distribution

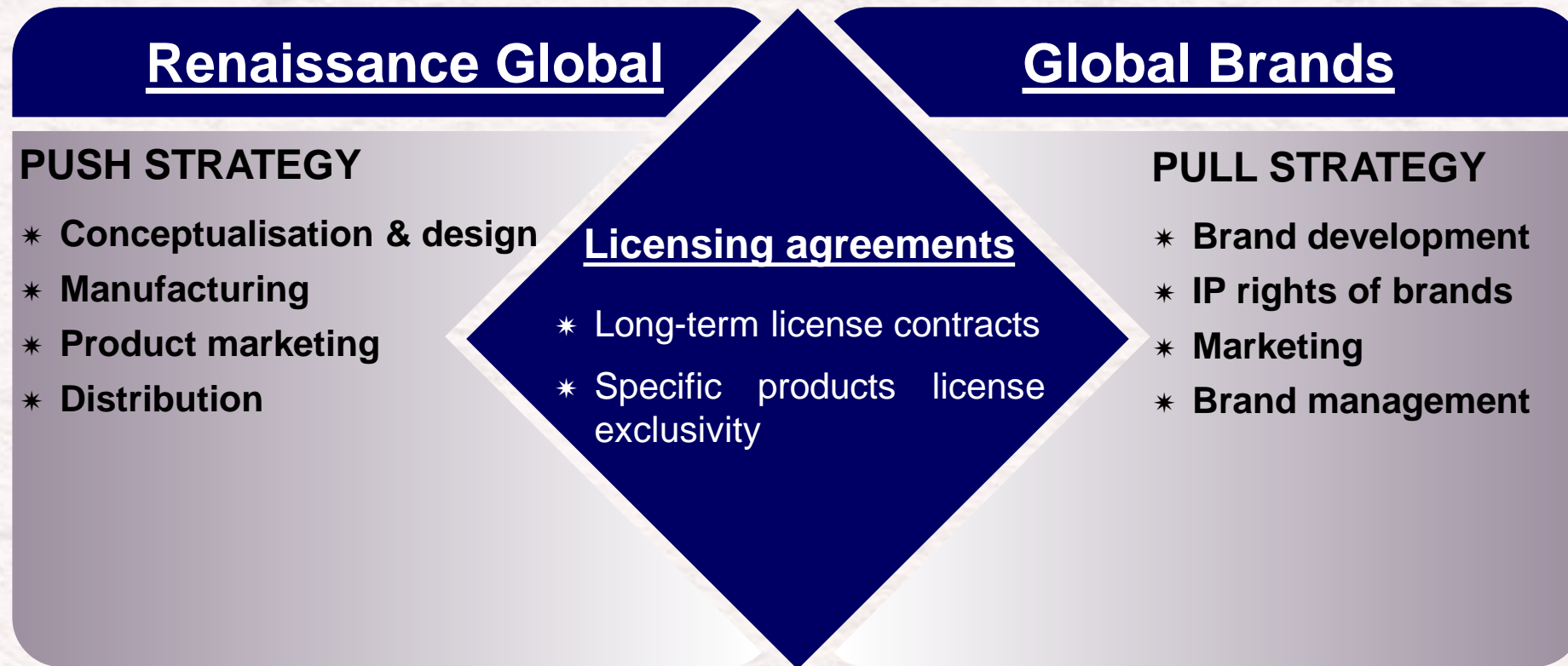


**Business-to-
Business
(B2B)**



**Direct-to-
Consumer (D2C)**

'Win-Win' Partnership with Global Iconic Brands



Strategic & mutually-synergistic partnerships with internationally-recognized brands

Growing Portfolio of Brands

Licensed Brands

- * Partnership with Hallmark since 2015
- * Licensing arrangement with Disney since 2016 with the launch of Enchanted Disney Fine jewellery
 - Success of brand unlocked more licensing opportunities
 - Launched Disney Jewels in October 2019 & Disney Treasures in February 2020
- * Licensing agreement with Lucasfilm with the launch of Star Wars collection in November 2020
- * Licensing agreement with NFL Properties LLC in January 2022 with the launch of NFL-inspired unique jewellery in USA

Building a strong portfolio of licensed and owned brands



Growing Portfolio of Brands

Owned Brands

- * Launched first India-focused retail brand IRASVA in 2019
 - Operates 3 IRASVA stores in India
- * Jewelili, a play on affordable fine jewellery collection launched in February 2020
 - Distributed through Amazon platform in addition to its own website
- * Made for You - Lab-grown diamond jewellery launched in November 2020
 - Focused on North American markets

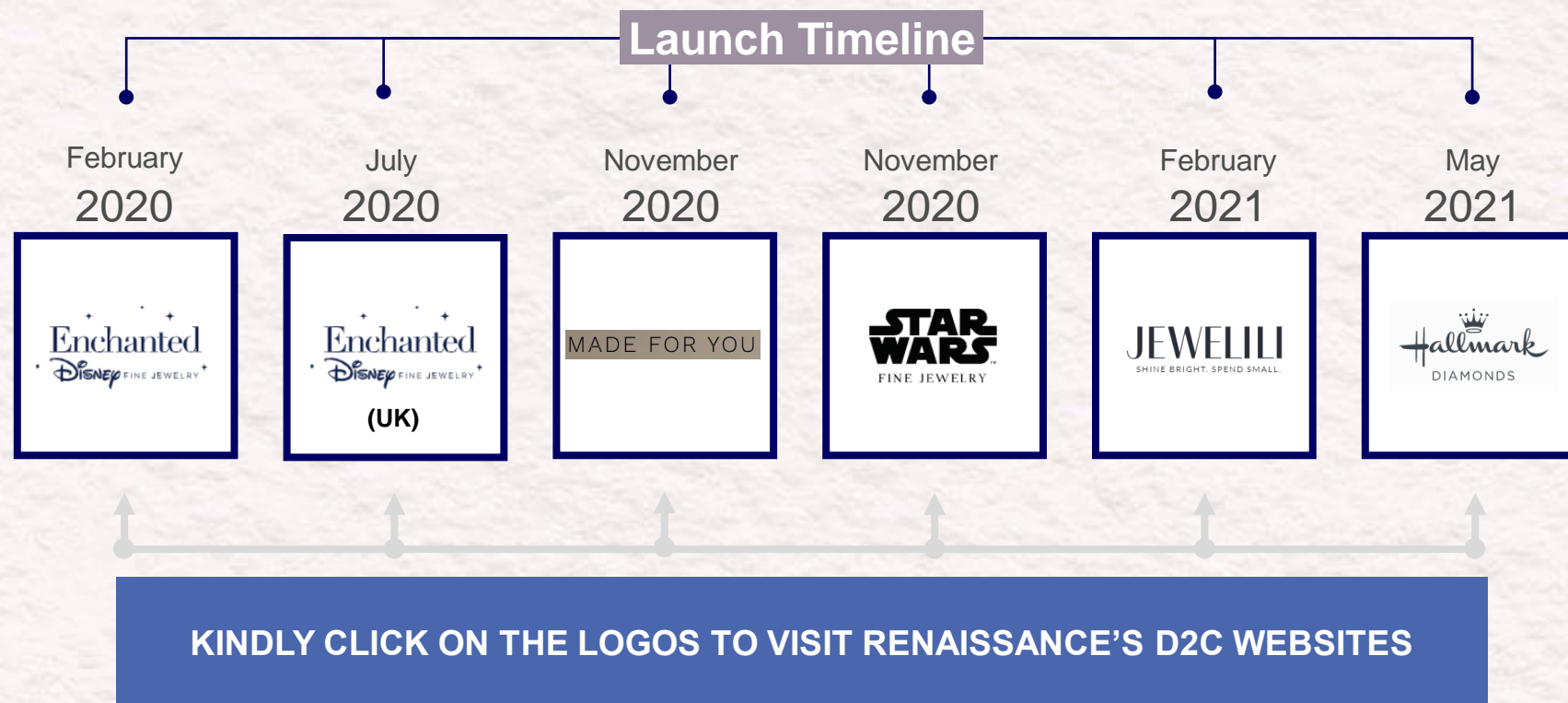
Building a strong portfolio of licensed and owned brands



Establishing High-Potential D2C Division

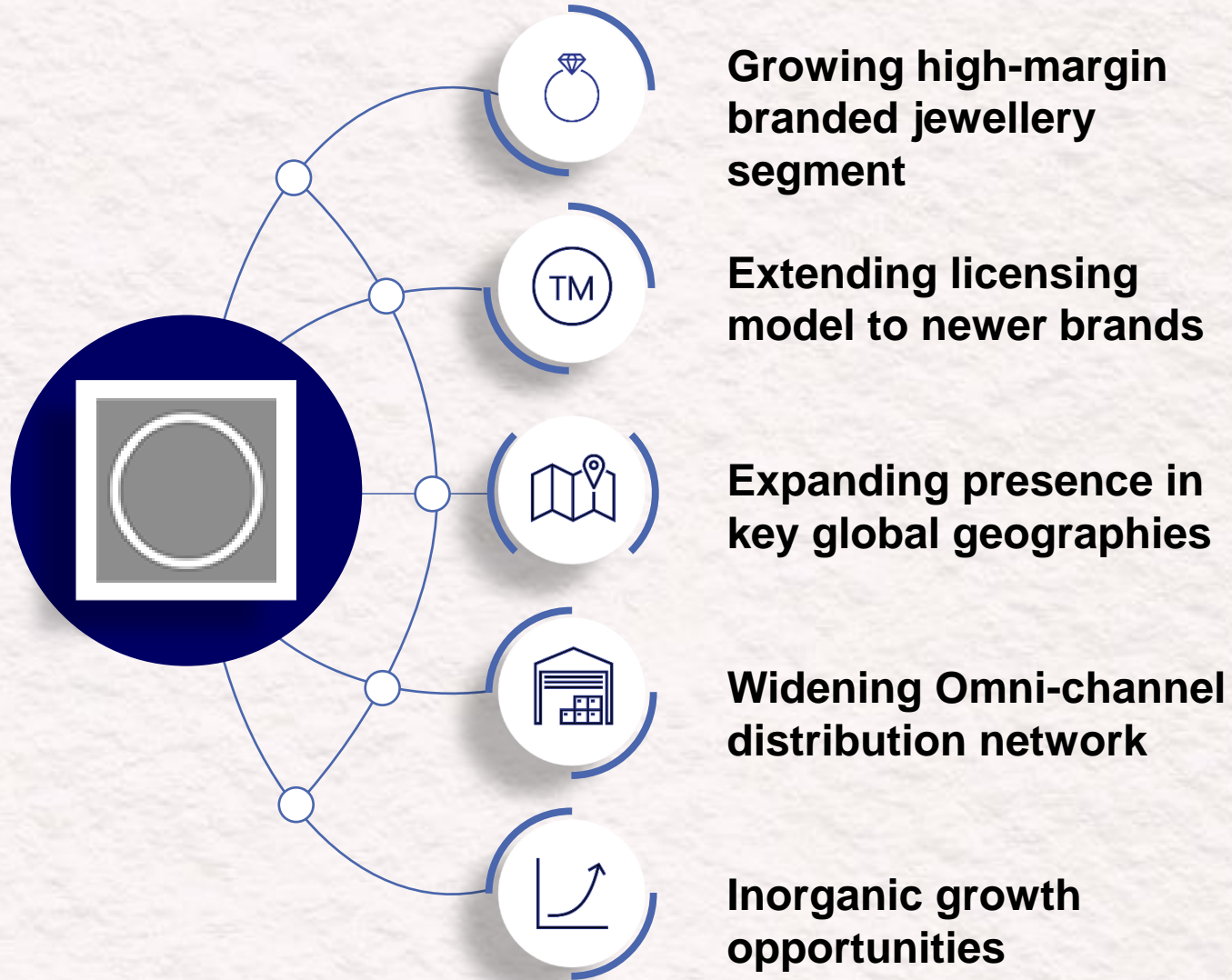


- * Successfully developed and launched 6 online stores in a span of 15 months
- * Monthly visitors on websites grown 10x since Feb 2020
- * Segment enjoys higher margins and healthy working capital cycle



D2C business expected to be a major growth driver

Growth Drivers



Conclusion



Play on high-potential global branded jewellery industry



'Win-Win' partnership with global iconic brands



Footprint in huge developed & developing global markets for branded jewellery



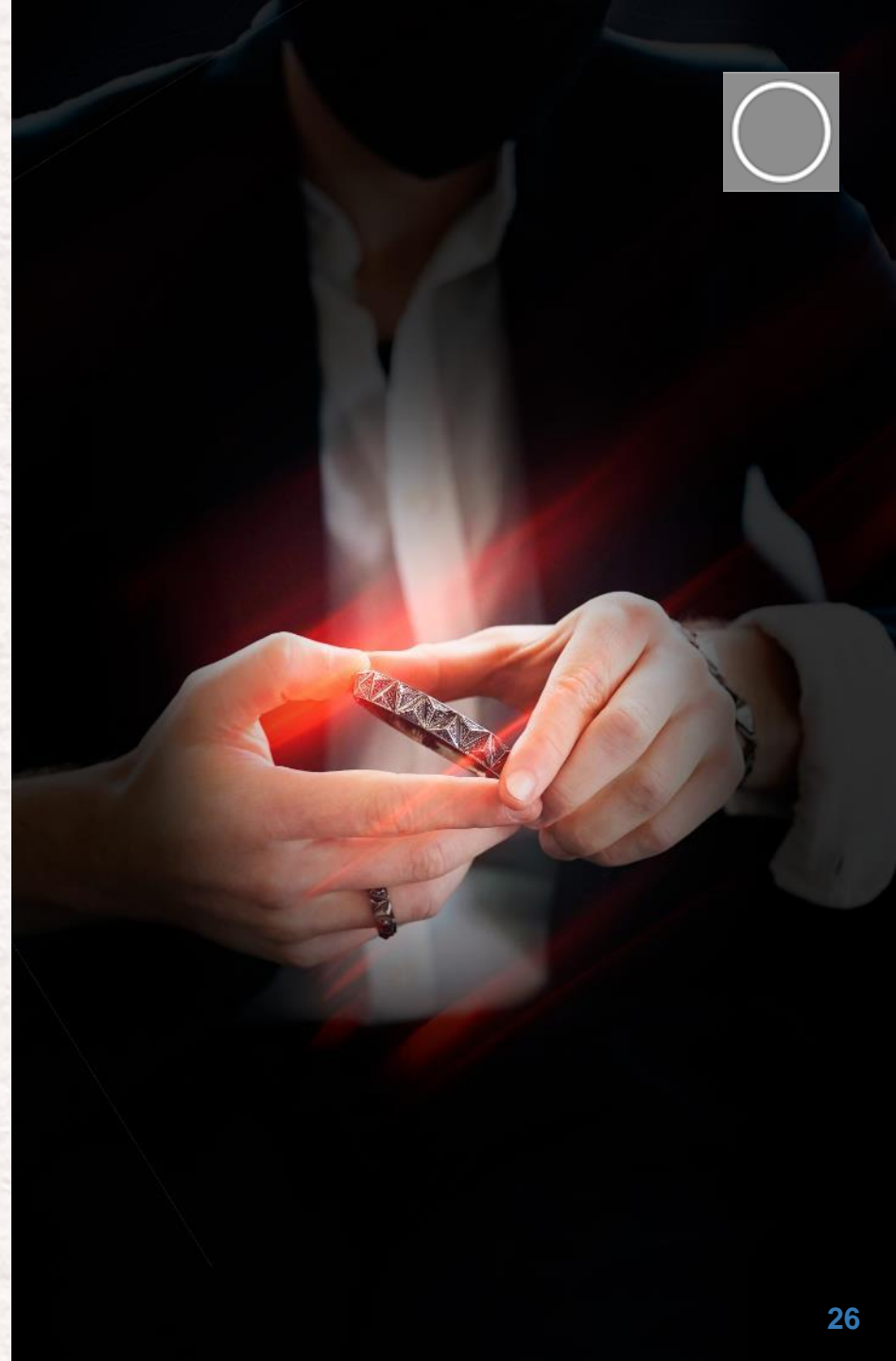
Increasing scale to drive operating leverage across distribution channels



High margin & low-capital intensive branded jewellery model to support healthy free cash generation



Prudent capital allocation with focus on creating sustainable shareholder value





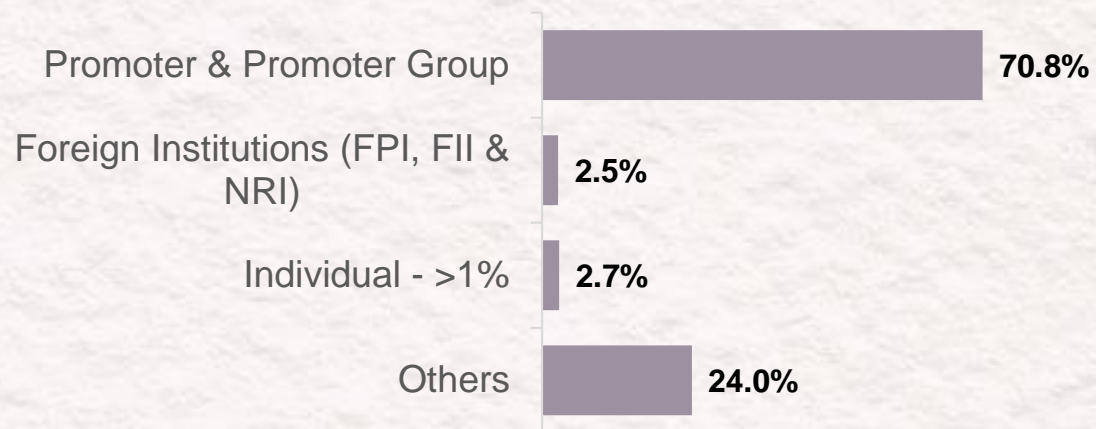
Renaissance Global Limited

Annexure



Market Snapshot

Shareholding Pattern*



*Holding as on 31st December 2021

Key Market Statistics	As on 31-December-2021
BSE/NSE Ticker	532923/RGL
CMP (Rs)	964.8
Market Cap (Rs Crore)	1,821.5
Number of outstanding shares (Crore)	1.9
Face Value	10
52-week High / Low (Rs)	981.9/281.4



Conference Call Details

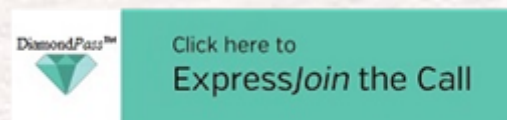


Q3 & 9M FY2022 Earnings Conference Call

Time • 02:30 p.m. IST on Wednesday, February 09, 2022

Pre-registration

To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:



Primary dial-in number • + 91 22 6280 1141 / 7115 8042

International Toll-Free

Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

About Us

Renaissance Global Limited (Renaissance) is a global branded jewellery player. Renaissance designs, manufactures and supplies branded jewellery across key high-potential markets in USA, Canada, UK & key Asian markets. The product portfolio encompasses Branded Jewellery, Customer Brands & Plain Gold Jewellery segments, with strong focus on Branded Jewellery division.

The Company has a growing portfolio of brands under licensed and owned segments. It holds synergistic licensing agreements with large global brands, such as Disney, Hallmark, and NFL. Under its owned segment, it has a portfolio of brands such as Irasva, Jewelili and Made For You. Over the years, Renaissance has successfully expanded its branded product portfolio, backed by strong conceptualization, design, and manufacturing capabilities. On the distribution side, the Company operates through both B2B and D2C models. Since 2020, Renaissance has launched online stores through 6 D2C websites to market & supply licensed brands & owned brands.

For further information, please contact:



Snehkumar Purohit



Renaissance Global Limited



Tel: +91 96534 84380



Email:

Snehkumar.purohit@renaissanceglobal.com



Anoop Poojari / Jenny Rose



CDR India



Tel: +91 98330 90434 / 86899 72124



Email:

anoop@cdr-india.com / jenny@cdr-india.com





Renaissance Global Limited

Thank You