



Renaissance Global Limited

Results Presentation

Q1 FY24



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.

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Renaissance Global Limited

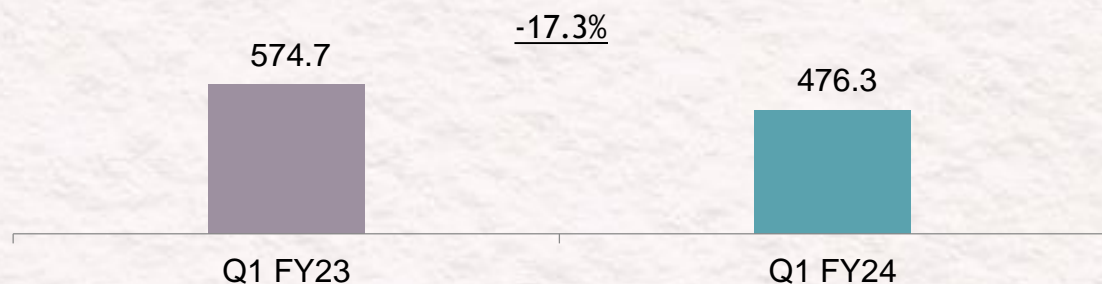
Q1 FY24 Results Overview



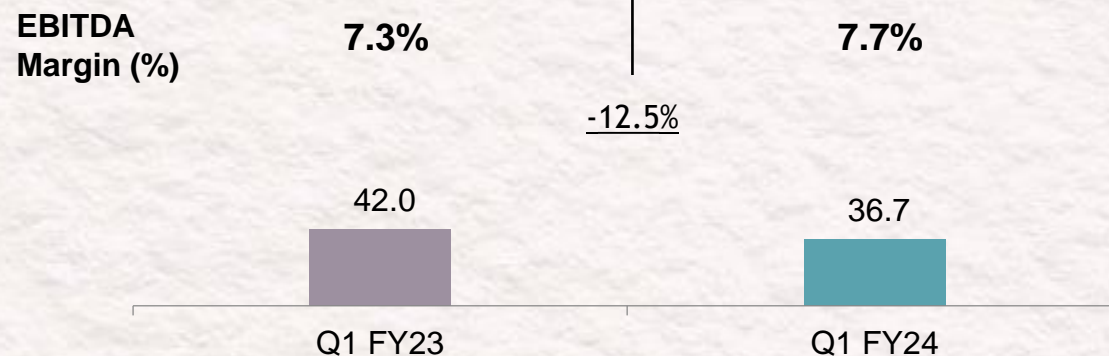
Q1 FY24 Financial Summary



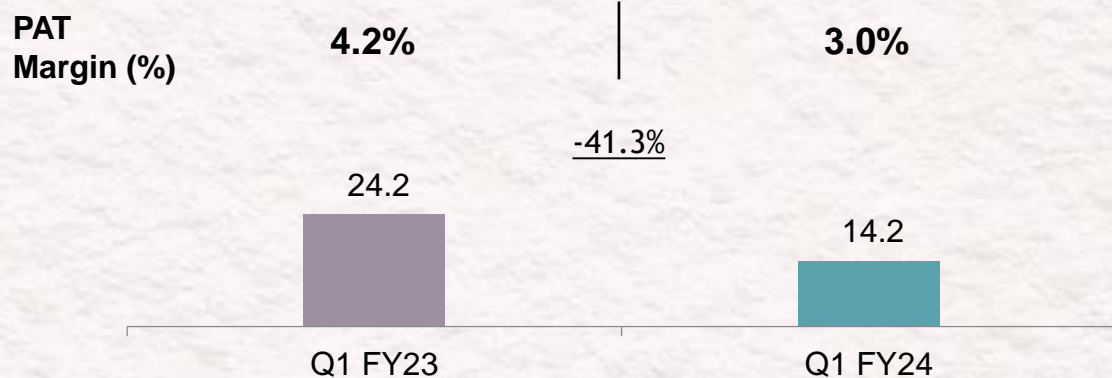
Total Income (Rs. Crore)



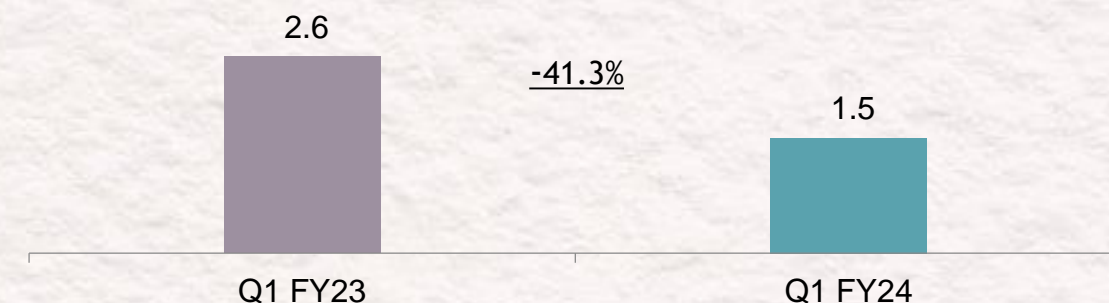
EBITDA (Rs. Crore)



PAT (Rs. Crore)



EPS^[1] (Rs.)



Management Message



Commenting on the performance for Q1 FY24, Mr. Sumit Shah – Chairman and Global CEO, Renaissance Global Limited said:

“In the quarter under review, our top-line performance was impacted by challenging market conditions marked by muted demand in our key markets. Despite these challenges, our consolidated EBITDA margin has grown, owing to the healthy growth in the revenue contribution from our Direct-to-Consumer (D2C) branded segment.

Our D2C vertical has played a significant role in sustaining our overall performance. Demonstrating an impressive 69% CAGR over the past three years, the segment's annual revenue is projected to reach ₹310 crore in FY24 vs ₹239 crore in FY23.

In a key development, we are delighted to announce the appointment of Mr. Bijou Kurien as an Independent Director, significantly enriching our board's expertise. With an exceptional track record of over 35 years in the Indian retail industry and remarkable branding skills, his invaluable insights will play a crucial role in guiding our corporate strategy and elevating our D2C business vertical.

While the macro-environment in our key markets is expected to remain choppy in the near-term, we remain optimistic about our long-term prospects as these markets continue to show economic resilience despite quantitative tightening and interest rate hikes. Our continued focus on the branded segment and more specifically the D2C business will position us to create a lasting business advantage over the long term.”

Key Developments



Strengthening the Board – Mr. Bijou Kurien appointed as an Independent Director

- * With over 35 years of experience and outstanding branding skills, Mr. Kurien is a well-known veteran in the Indian retail industry
- * He has played pivotal roles in the success of marquee brands within India's fast-moving consumer goods (FMCG), consumer durables, and retail sectors, including his contributions as a part of top leadership at Titan Industries and Reliance Retail.
- * Further, he brings a wealth of experience in corporate governance, strategic positioning, and branding to the board. His extensive industry knowledge will be instrumental in guiding the Company's corporate strategy and enhancing its Direct-to-Consumer (D2C) business vertical.
- * He serves as an Independent Director on the Boards of several listed and unlisted companies, showcasing his broad experience in diverse business environments. Additionally, he holds the position of Chairman of the Retailers Association of India (RAI), where he plays a key role in shaping the retail industry's future
- * He contributes as an Advisory Board member of the esteemed World Retail Congress and actively participates in the governing boards of two renowned academic institutions

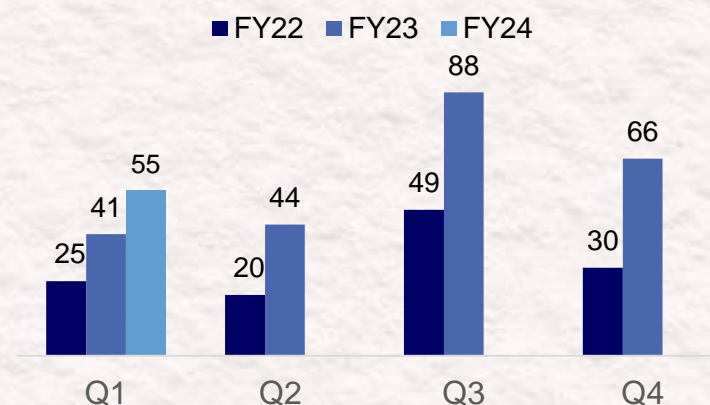
Growing Direct to Consumer (D2C) Business



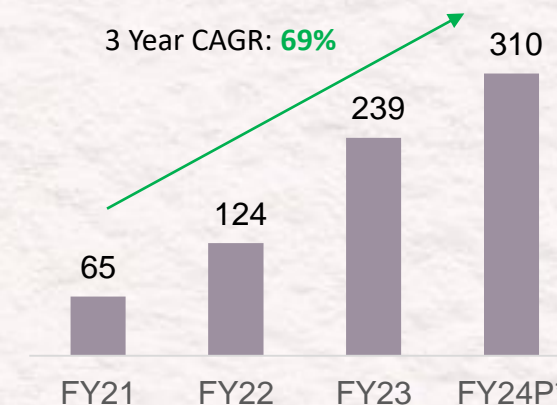
- * During Q1 FY24, the direct-to-consumer business posted revenues of ₹55.3 crore compared to ₹40.7 crore in Q1 FY23, up by 36%
- * Based on estimates of a quarter's contribution to annual sales, the annual revenue run rate of D2C business is at ₹310 crore in Q1 FY24 vs actual FY23 revenues of ₹ 239 crore
- * The Direct-to-consumer business is a higher EBITDA margin business. In the current quarter it has risen to 14.9% from 12.9% in Q4FY23.
- * With the growing share of direct-to-consumer revenues to total revenues, we expect this upward trend in EBITDA margins to continue.



Quarterly D2C Sales Trend (Rs. Cr.)



Annual D2C Sales Trend (Rs. Cr.)

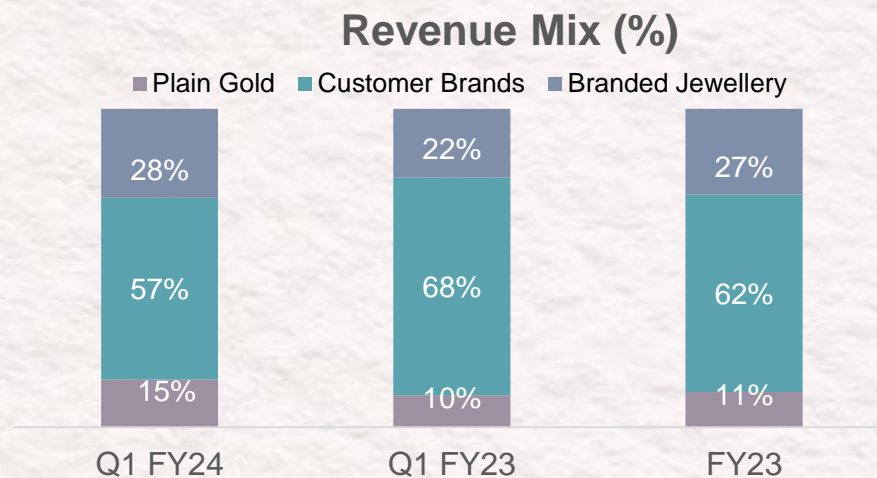


*P: Projected

Q1 FY24 Operational Summary



Revenue Break-up (₹ Cr.)	Q1 FY24	Q1 FY23	Shift %
Branded Jewellery	132.0	123.3	7.0%
- B2B	76.7	82.6	-7.2%
- D2C	55.3	40.7	35.9%
Customer brands	271.0	392.0	-30.9%
Plain Gold	70.2	57.6	21.8%
Total Revenues	473.2	573.0	-17.4%



EBITDA Break-Up	Q1 FY24		Q1 FY23		Shift YoY	Q4FY23		Shift QoQ
	EBITDA (₹ Cr)	EBITDA (%)	EBITDA (₹ Cr)	EBITDA (%)		EBITDA (₹)	EBITDA (₹ Cr)	
Branded	17.8	13.5%	16.2	13.1%	9.7%	19.3	13.1%	-7.8%
- B2B	9.6	12.5%	10.1	12.1%	-4.9%	10.8	13.3%	-11.0%
- D2C	8.2	14.9%	6.1	15.1%	33.7%	8.5	12.9%	-3.8%
Customer brands	14.0	5.2%	22.8	5.8%	-38.8%	14.8	5.0%	-5.6%
Plain Gold	4.9	7.0%	3.0	5.2%	63.7%	3.9	7.0%	24.2%
Total EBITDA	36.7	7.7%	42.0	7.3%	-12.7%	38.1	7.6%	-3.6%

Q1 FY24: Financial & Operational Discussions (Y-o-Y)



Revenue

Total income stood at Rs. 476 crore from Rs. 575 crore

- Branded Jewelry business revenues stood at Rs. 132 crore, higher by 7%
 - D2C business revenues grew by 36% to Rs. 55 crore in Q1FY24
 - Branded B2B segment witnessed a decline in revenue due to reduced demand from our retail partners

EBITDA

EBITDA came in at Rs. 37 crore as against Rs. 42 crore

- EBITDA Margins stood at 7.7% as against 7.3%, higher by 43 bps
 - Branded business reported 13.5% margins, recording an improvement of around 40 bps against Q1FY23 and D2C business registered ~15% margins, similar to Q1FY23 and up ~200 bps vis-à-vis Q4FY23, showcasing the progress in the integration process of Four Mine Inc. (FMI). This positive development is expected to sustain in the following quarters and is poised to enhance overall profitability going forward

PAT

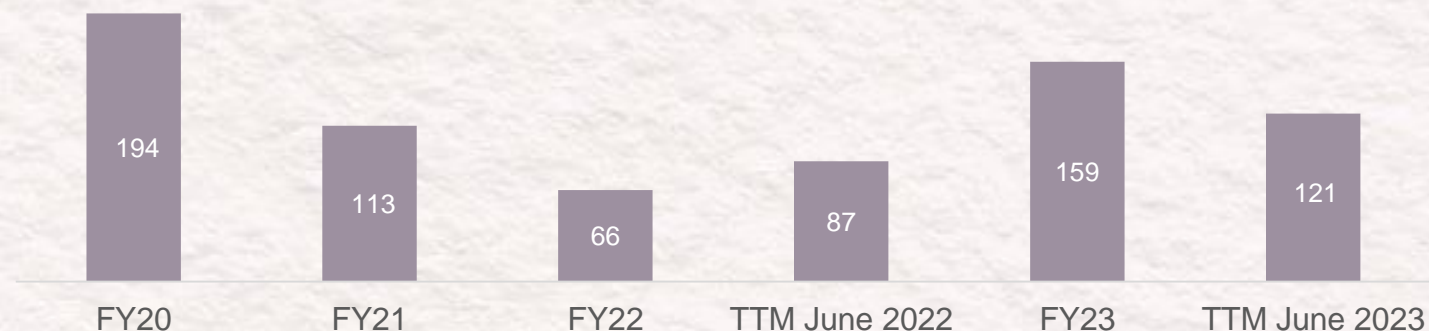
PAT, after discontinued operations, stood at Rs. 14.2 crore as against Rs. 24.2 crore

Robust Free Cash Flow Generation

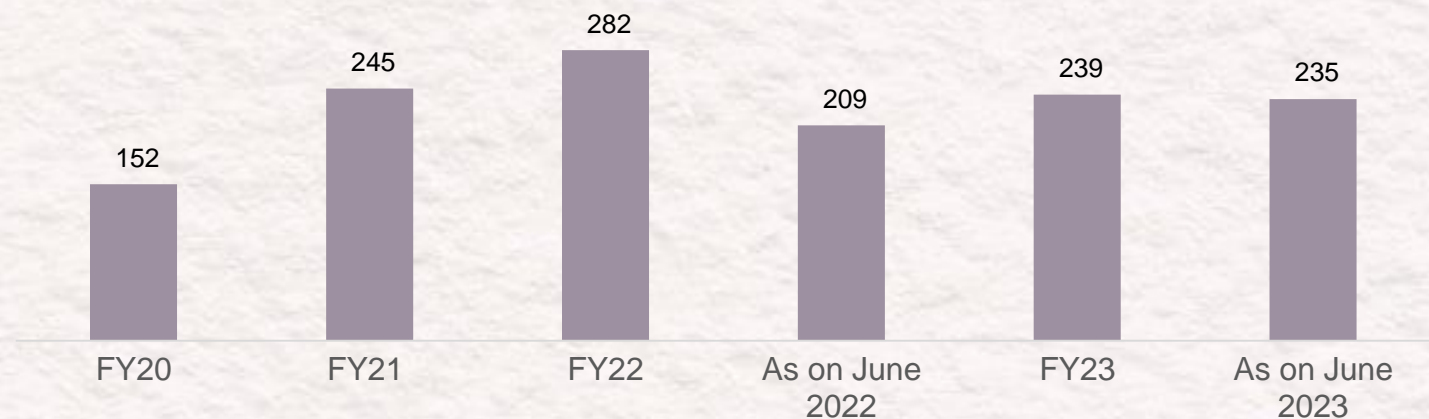


- * Strong FCF generation
- * Branded Jewellery - a low capital-intensive business
- * Operating leverage & minimal capex spends to further improve FCF generation, going ahead
- * Cash balances to be strategically utilized to create shareholder value

Free Cash Flow Generation (Rs. Cr.)



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

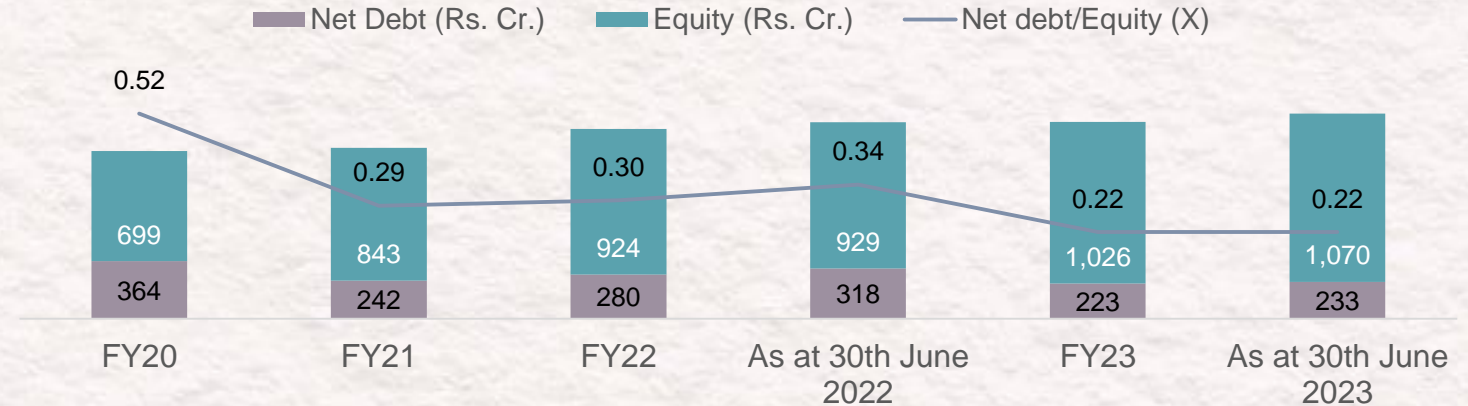


Strong Balance Sheet

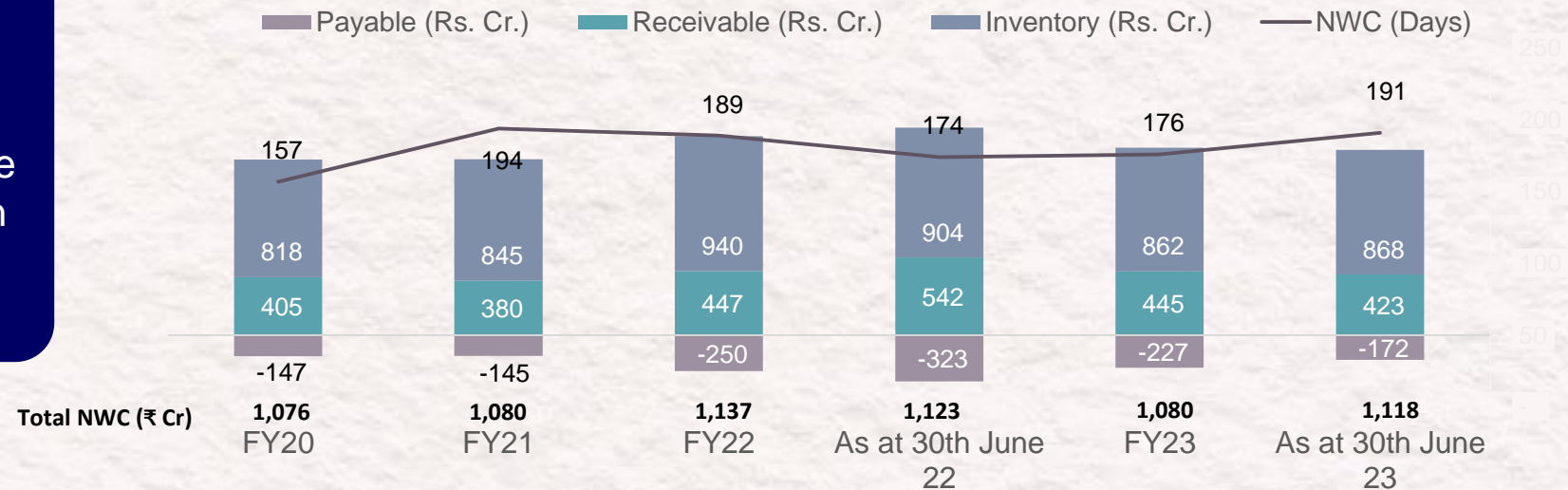


- * Highly disciplined balance sheet approach
- * Net Debt to Equity ratio as of June 2023 has been constant at 0.22 vs March 2023, reflecting our commitment to keep debt at minimum required levels
- * With increase of Branded business share in total revenue, the working capital days are expected to decrease in the future, resulting in higher return ratios.

Leverage



Working Capital

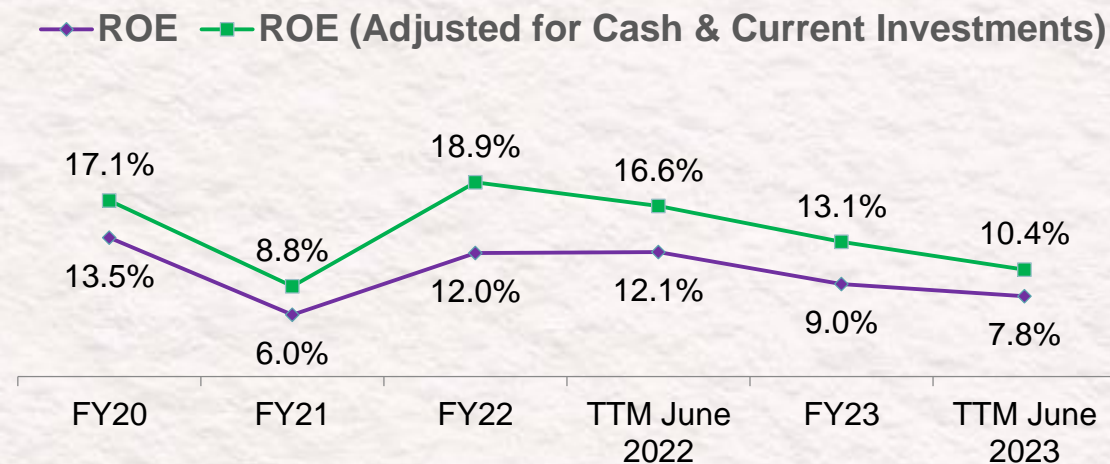


Note: The NWC days of the FY20 and FY21 are not comparable due to change in revenue recognition policy of the Plain Gold business from FY22 onwards. NWC days of FY21 would have 239 days on a like to like basis.

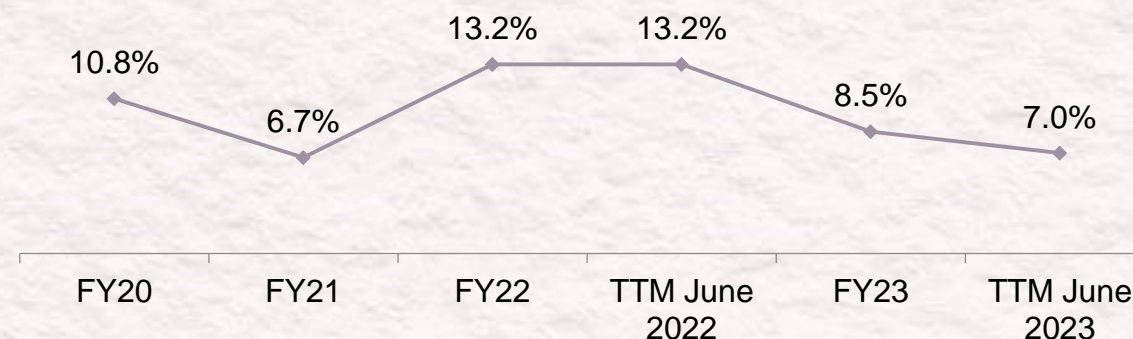
Healthy Return Ratios



- * Q1 FY24 Return on Equity stood at 7.8%. It is as high as 10.3% without considering cash & current investments
- * The strategic investments like acquisition of Four Mine Inc. as well as a state-of-the-art distribution facility and design center in New York will yield returns in the coming quarters, leading to higher return ratios in the foreseeable future



Return on Capital Employed (%)



Consolidated Profit & Loss Statement



Particulars (Rs. Crore)	Q1 FY24	Q1 FY23	Y-o-Y Change (%)	FY23	FY22	Y-o-Y Change (%)
Revenues from Operations	473.2	573.0	-17.4%	2,236.6	2,189.8	2.14%
Other Income	3.1	1.6	88.6%	6.1	18.9	-67.7%
Total Income	476.3	574.7	-17.1%	2,242.7	2,208.7	1.5%
COGS	333.7	432.8	-22.9%	1,631.3	1,610.3	1.3%
Gross Profit	142.6	141.8	0.5%	611.3	598.5	2.2%
Gross Margin (%)	29.9%	24.7%	526 bps	27.3%	27.1%	16 bps
Employee Expenses	30.0	27.5	8.8%	113.7	100.70	12.9%
Advertisement & Sales Promotion Expenses	21.8	14.3	52.6%	102.0	79.5	28.3%
Other Expenses	54.1	58.0	-6.7%	227.6	217.7	4.5%
EBITDA	36.7	42.0	-12.6%	168.1	200.5	-16.2%
EBITDA Margin (%)	7.7%	7.3%	40 bps	7.5%	9.1%	-158 bps
Depreciation and Amortization	3.3	2.8	18.5%	13.6	17.9	-24.0%
Amortization of Right of use assets	4.1	5.0	-18.4%	18.4	17.1	7.6%
Finance Costs	9.8	6.8	43.8%	34.8	24.4	42.8%
Interest on Leases	1.7	1.5	7.2%	6.5	4.6	40.6%
PBT	17.8	25.8	-30.9%	94.8	136.5	-30.6%
Tax expense	3.6	1.6	131.2%	7.0	30.0	-76.8%
PAT before discontinued operations	14.2	24.2	-41.3%	87.8	106.5	-17.5%
PAT Margin (%)	3.0%	4.2%	-123 bps	3.9%	4.8%	-90 bps
Profit/(Loss) on discontinued Operations	-	-		-0.5	-	
PAT after discontinued operations	14.2	24.2	-41.3%	87.3	106.5	-18.0%
EPS^[1] (Rs.)	1.51	2.57	-41.3%	9.3	11.3	-17.5%

Consolidated Balance Sheet



Particulars (Rs. Crore)	June 2023	June 2022
Shareholder's Funds	1,070.0	929.1
Equity Share Capital	18.9	18.9
Reserves & Surplus	1,051.3	910.1
Minority Interest	(0.2)	0.2
Non-Current Liabilities		
Borrowings	40.1	50.9
Other Financial Liabilities	-	0.6
Long Term Provisions	1.8	1.6
Other Non-Current Liabilities ^[1]	135.3	136.5
Current Liabilities		
Income Tax Liabilities (net)	1.0	-
Short Term Borrowings	427.4	476.1
Trade Payables	172.3	322.8
Other Financial Liabilities	21.2	69.7
Other Current Liabilities	19.8	29.0
Short Term Provisions	2.3	2.2
Total Equity & Liabilities	1,891.1	2,018.5

Particulars (Rs. Crore)	June 2023	June 2022
Non-Current Assets		
Fixed Assets – Tangible & Intangible ^[2]	258.3	224.2
CWIP & Intangibles under development	0.5	19.3
Other Non Current Assets	25.8	30.7
Deferred Tax Assets (Net)	27.2	29.9
Current Assets		
Current Investments	109.6	107.6
Inventories	867.8	903.8
Trade Receivables	422.8	541.8
Cash & Bank Balances	124.8	101.0
Cash in Short term investments	0.4	0.4
Short Term Loans & Advances	3.6	2.3
Other Current Assets	50.4	57.7
Asset Classified for Sale	-	-
Current Tax Assets (Net)	-	-
Total Assets	1,891.1	2,018.5

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

FY2024: Strategic Priorities



Continued focus on enhancing contribution from D2C segment



Integrate customization options across brands



Expand omnichannel Presence



Achieve historical margin range in the D2C business





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

5

Licensing agreements with global brands

6

Direct-to-Consumer websites

132 cr.

Branded jewellery revenues (Rs.) in Q1 FY24

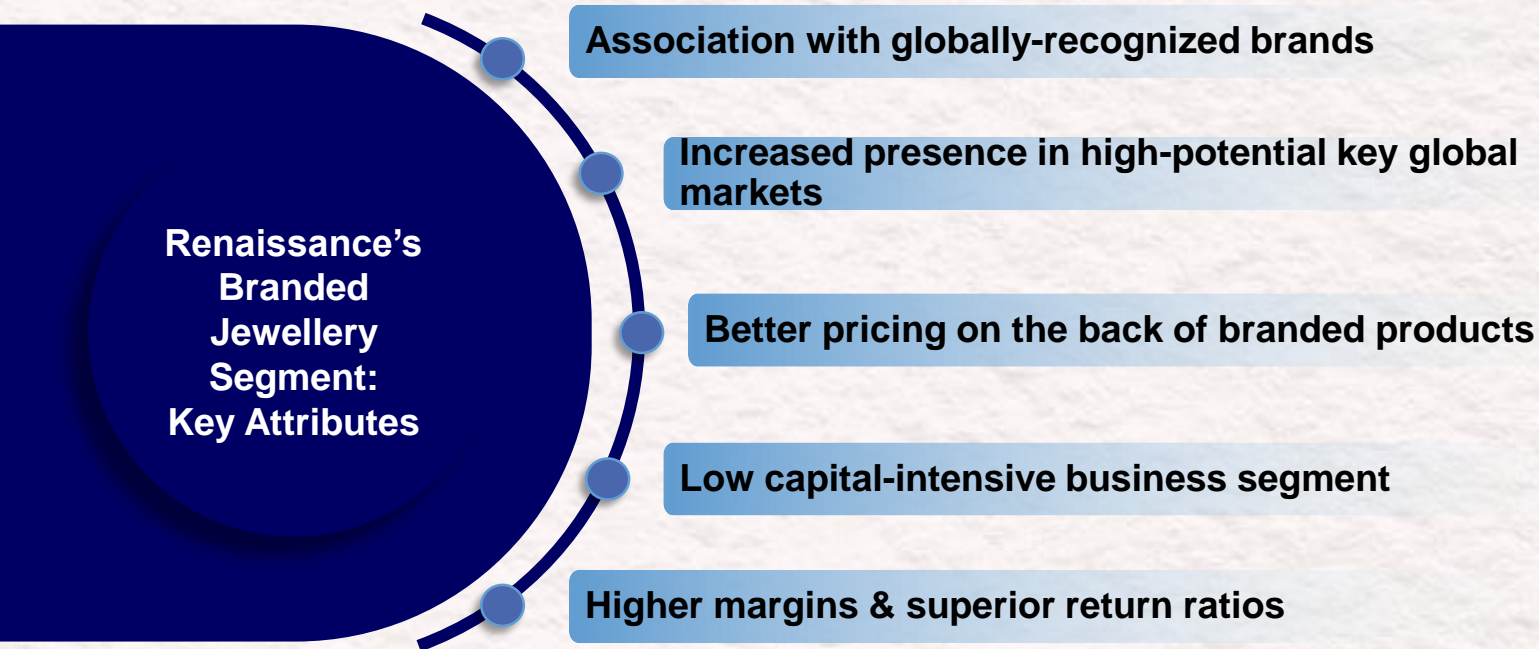
13.5%

Branded jewellery EBITDA margins in Q1 FY24

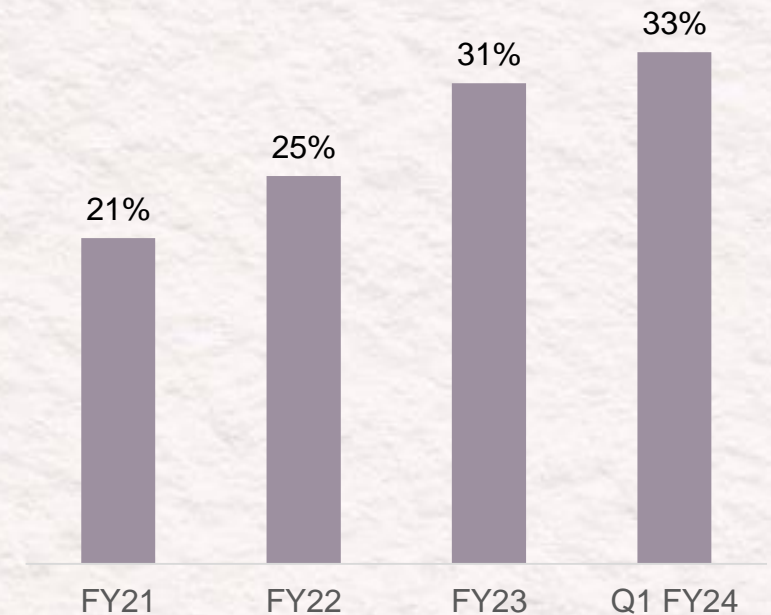
0.22

Net debt to equity as on June 30, 2023

Building a Global Branded Jewellery Business



Growing revenue contribution from Branded Jewellery segment in Studied Segment



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

Branded Jewellery Business Model



Brands



Design & Manufacturing



Conceptualisation & Product Development



State-of-the-Art Manufacturing Facilities

Distribution

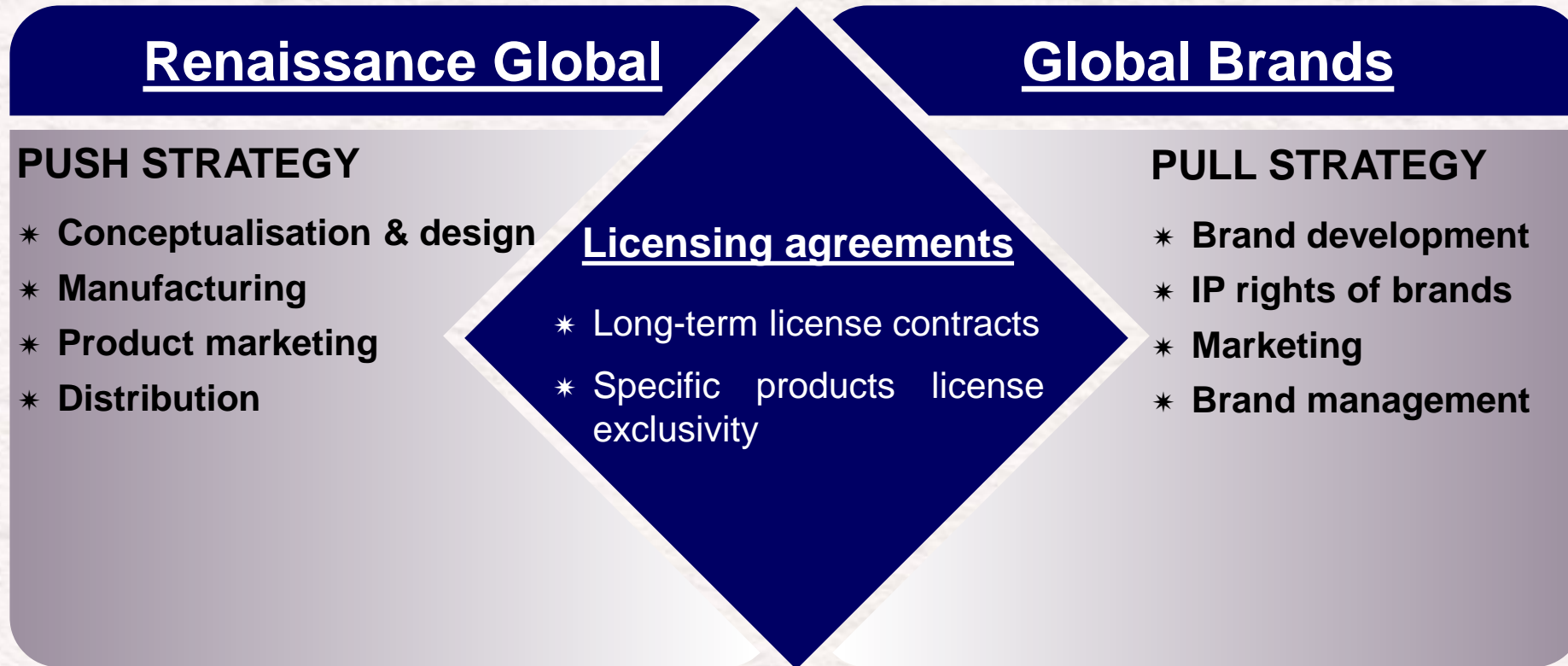


Business-to-Business (B2B)



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 jewelry
 - 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
- * Licensing agreement with Netflix in October 2022 with the launch of Netflix series 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

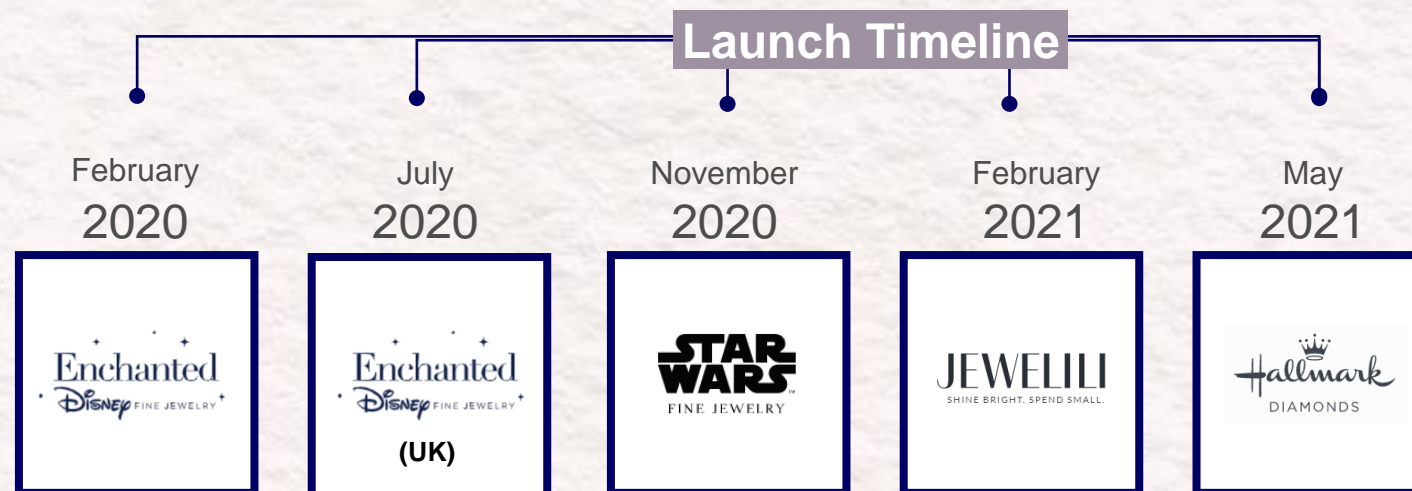
Building a strong portfolio of licensed and owned brands



Establishing High-Potential D2C Division



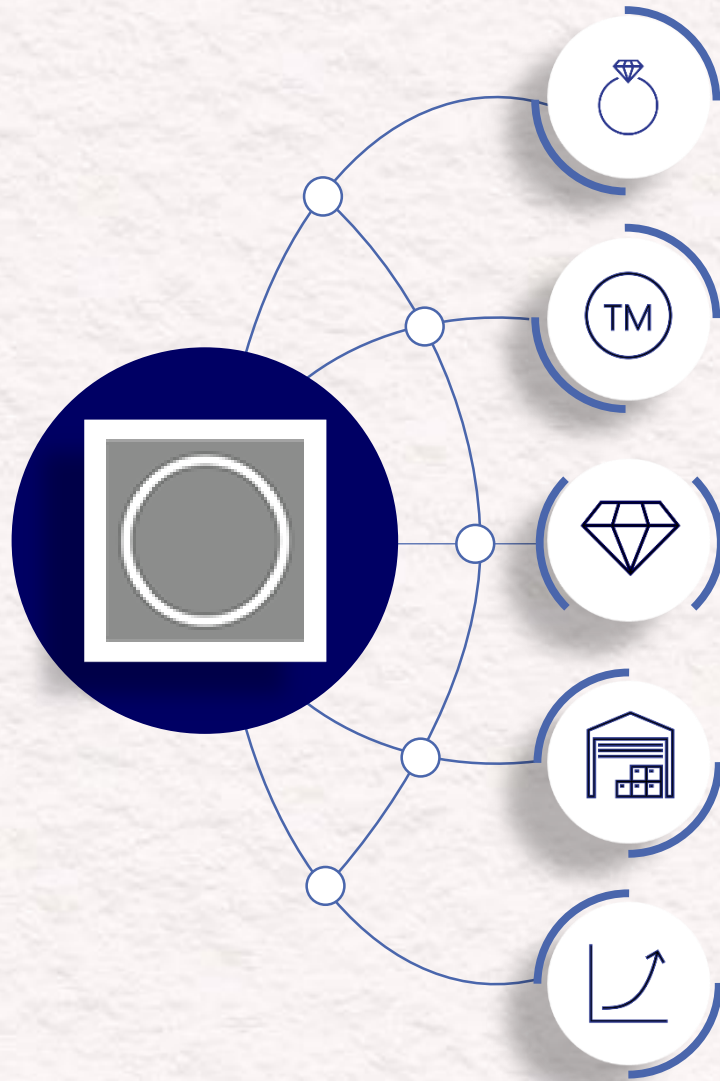
- * Successfully developed and launched 6 online stores
- * Monthly visitors on websites grown 10x since Feb 2020
- * Segment enjoys higher margins and healthy working capital cycle



ALL ARE AVAILABLE ON RENAISSANCE'S D2C WEBSITES

D2C business expected to be a major growth driver

Growth Drivers



Growing high-margin branded jewellery segment

Extending licensing model to newer brands

Increasing use of lab-grown diamonds to prioritize focus on sustainability

Widening Omni-channel distribution network

Inorganic growth opportunities



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



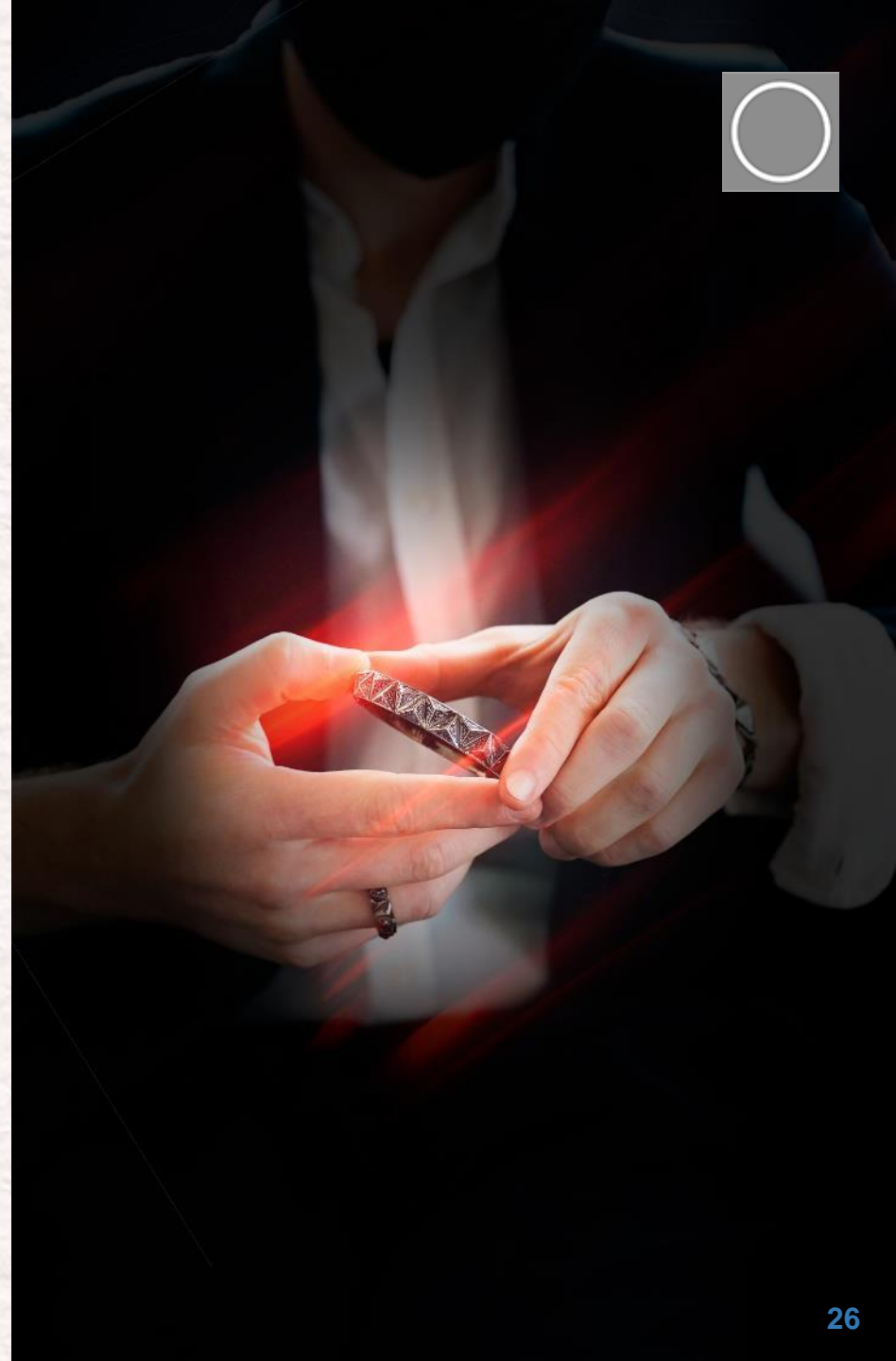
Increasing scale to drive operating leverage across distribution channels



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



Prudent capital allocation with focus on creating sustainable shareholder value





ESG Initiatives



ESG Initiatives



ENVIRONMENT

- * To achieve safety, health and environmental excellence in all aspects of business activities
- * **During the quarter Q1FY23, Renaissance Global Ltd. has been awarded the ISO 14001:2015 standard certificate**



SOCIAL

Renaissance's CSR POLICY covers projects through NGOs under:

- * Medical, Health Care and Social Welfare
- * Educational
- * Humanitarian
- * Environmental, Animal Welfare, Cultural and Religious
- * For FY2022-23, Renaissance spent Rs.84.58 lakhs towards CSR & other social activities



GOVERNANCE

- * To achieve the highest levels of transparency, accountability and equity in all spheres of operations
- * Company has adopted various codes and policies to carry out business in an ethical manner
- * Renaissance is a member of the Responsible Jewellery Council (RJC), a non-profit standard setting and certification global organisation
 - Being a member, Company is committed to and is independently audited against the RJC Code of Practices, an international standard on responsible practices for the jewellery industry





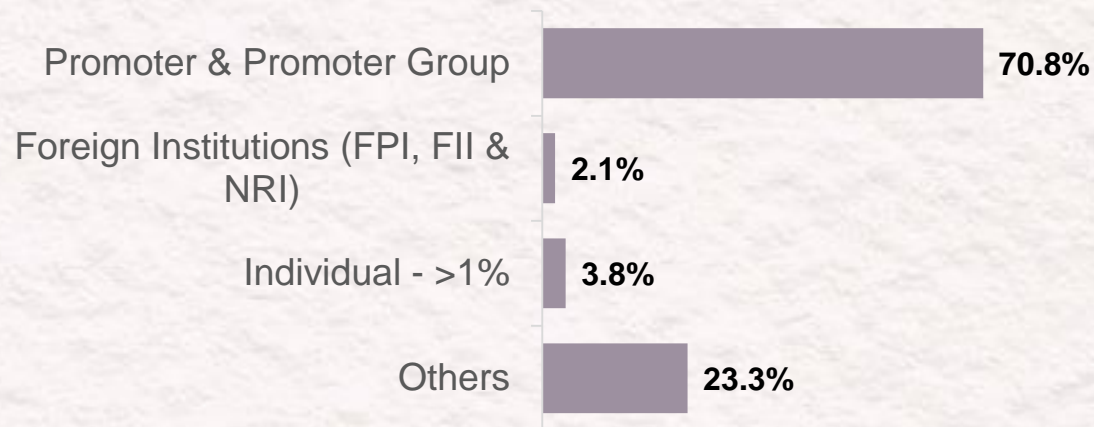
Renaissance Global Limited

Annexure



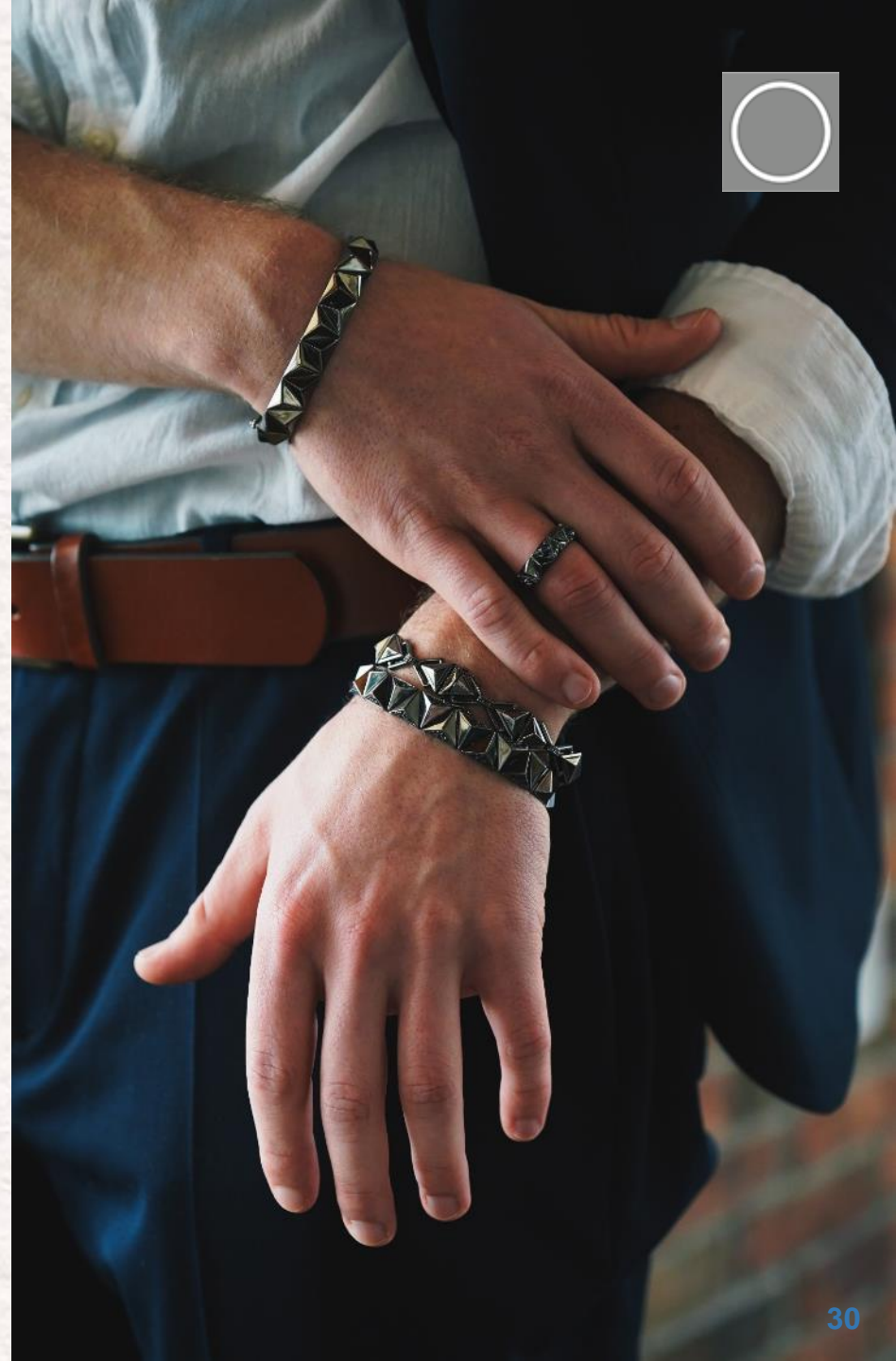
Market Snapshot

Shareholding Pattern*



*Holding as on 30th June 2023

Key Market Statistics	As on 30-June-2023 (Adjusted for Split)
BSE/NSE Ticker	532923/RGL
CMP (Rs)	110.9
Market Cap (Rs Crore)	1,052.69
Number of outstanding shares (Crore)	9.44
Face Value	2.00
52-week High / Low (Rs)	139.26/81.20



Conference Call Details

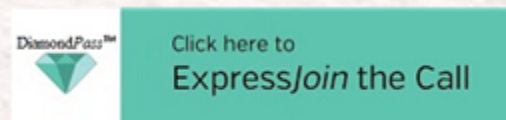


Q1 FY2024 Earnings Conference Call

Time • 02:30 p.m. IST on Friday, August 11, 2023

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 a 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, NFL and Netflix. 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 7 D2C websites to market & supply licensed brands & owned brands.


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Renaissance Global Limited

Thank You