RENAISSANCE GLOBAL LIMITED
(FORMERLY RENAISSANCE JEWELLERY LIMITED)
CIN.: L36911MH1989PLC054498
REGD. OFFICE / UNIT I : PLOT NO. 36A & 37, SEEPZ, ANDHERI (E), MUMBAI 400 096.
TEL. : 022-4055 1200 | FAX : 022-2829 2146 | WEB: www.renaissanceglobal.com

Ref. No.: RGL/S&L/2020/13

February 12, 2020

Bombay Stock Exchange Limited Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001	**National Stock Exchange of India Ltd.** Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

Sub.: Performance Highlights for Q3 FY 20.

Dear Sir

We are enclosing herewith the write up and investor presentation to highlight the performance of third quarter ended December 31, 2019.

We request you to upload the same under the suitable section of your website.

Thanking you,

Yours faithfully,
For **Renaissance Global Limited**

G. M. Walavalkar
VP – Legal & Company Secretary

Encl.: As Above

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Strong Cash Flow Generation
EBITDA grows 18%; PAT grows 17%

Mumbai, February 12, 2020: Renaissance Global Limited (RGL), India's largest exporter of branded jewellery and supplier of licensed brands to leading global retailers, reported its unaudited and reviewed results for the quarter and nine months ending 31st December 2019 as approved by its Board of Directors.

Financial Highlights – Q3 FY20 Consolidated

- Revenue at ₹ 8,931 million, up by 8% YoY
- EBITDA (including other income) at ₹ 695 million, up by 18% YoY
- PAT stood at ₹ 439 million, up by 17%
- Net Debt reduces from ₹ 4,758 million in Dec-18 to ₹ 3,736 million in Dec-19; decline of ₹ 1,022 million. Payable to erstwhile owners of Jay Gems reclassified under other financial liabilities

₹ in millions

Particulars	Q3 FY20	Q3 FY19	% YoY	9M FY20	9M FY19	% YoY
Revenue	8,931	8,305	8%	20,540	18,869	9%
EBITDA	695	589	18%	1,449	1,151	26%
PBT	542	473	15%	989	881	12%
Tax	103	91	12%	161	150	7%
PAT*	439	376	17%	825	712	16%
Revenue Mix						
Studded	7,248	6,613	10%	15,515	13,839	12%
Gold	1,683	1,692	-	5,024	5,030	-

*after discontinued operations profit/(loss)

Q3 FY20 Financial Highlights

- Revenue during the quarter is up by 8% YoY. The lower growth in revenues is primarily due to slowdown in the Dubai Gold manufacturing business and conscious decision to move away from low margin product categories
- EBITDA grew by 18 % as revenue decline was majorly on account of moving away from low margin product categories
- Revenue share of studded jewellery was 81% and that of gold jewellery was 19% in Q3 FY20. The share is 75% for studded jewellery and 25% for gold jewellery for 9M FY20
- Healthy geographical distribution of sales across various markets for Q3 FY20 – North America (65%), Middle East (24%) and Others (11%). For 9M FY20 it stood at – North America (61%), Middle East (29%) and Others (10%).

FY20 Business Highlights

- Our subsidiary Jay Gems divested its independents division 'Simply Diamonds' in July 2019
- Our strategy to focus on licensed brands and our own brand continues to deliver positive financial performance. We are extremely bullish on the growth of jewellery brands worldwide.
- Strong momentum continues for 'Enchanted Disney Fine Jewelry'. Retailers worldwide are moving towards brands. We continue to focus on growing 'Enchanted Disney Fine Jewelry' in the US.

- Verigold China has just signed a contract to launch Enchanted Disney Fine Jewelry with Lao Feng Xiang, the second largest retailer in China with 3,700 stores and annual revenues more than $ 6.5 billion.

  Commenting on the signing Mr. Sumit Shah, Vice Chairman, Renaissance Global Limited says "With an established retail partner like LFX, we are situated to expand sales in the Chinese market, drawing on our strong design and product development capabilities. This will further increase the geographic diversification of our sales and decrease the importance and the risks associated with any individual market."
- Hallmark Moments has been rolled out to over 2000 stores now and will contribute meaningfully to revenue growth this year
- The Company launched brand "IRASVA" in the Indian market through a joint venture with Bennett, Coleman and Company Limited. IRASVA's gold and diamond jewellery is a confluence of two shared ideologies that the modern woman lives by, a love for self and a love for expression. The first store was launched in Mumbai in May 2019 and the company plans to open 25 more stores in the next 5 years. The IRASVA Essentials start at Rs. 15,000 while the Gifting Collection is priced at Rs. 8,000 upwards. IRASVA plans to open 3 more stores in Q1 FY21.
- Revenues for the full financial year are expected to be muted against last financial year 2019 due to us exiting the 'Simply' business in July 2019 and also on account of slowdown in the Dubai Gold business impacted by the rise in gold prices. However, as we increase our share in the high margin branded jewellery business, we expect EBITDA to grow at 16-20% for the year.

About Renaissance Global Limited:

Renaissance Global Limited is a highly differentiated luxury lifestyle products company. It is the largest exporter of branded jewellery and supplier of licensed branded jewellery through its licensing agreement to sell "Enchanted Disney Fine Jewellery" and "Heart of Hallmark" jewellery collections. The company has long-standing relationships with marquee global retailers like Amazon, Argos, Helzberg, J.C Penny, Malabar Gold, Signet, Wal-Mart, Zales Corp. etc. The Company has successfully expanded its product portfolio, backed by strong design capabilities, offering a wide range of studded jewellery namely Diamond Fashion, Diamond Bridal, Gemstone Jewellery in line with latest fashion trends. The company has diversified operations across key markets in USA, UK & Middle East with its global marketing presence through own subsidiaries and via strategic acquisitions over the years.

Disclaimer:

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For more information, visit www.renaissanceglobal.com

For More Information, Please Contact:

Renaissance Global Limited
G. M. Walavalkar
Compliance Officer
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RENAISSANCE
GLOBAL LIMITED

Q3 FY20 FINANCIAL OVERVIEW

Highlights for 9M FY20

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

Highlights for 9M FY20

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

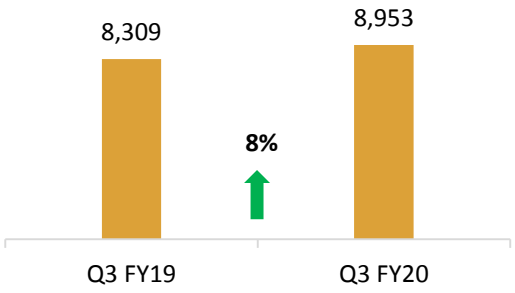
- This quarter saw many significant breakthroughs in our business and laid multiple blocks for future growth both in domestic and global markets
- Verigold China has just signed a contract to launch Enchanted Disney Fine Jewelry with Lao Feng Xiang(LFX), the second largest retailer in China with 3700 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

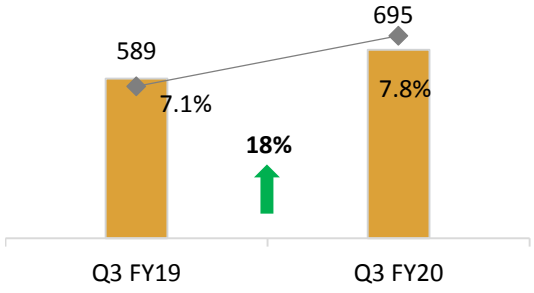
Q3 FY20 vs. Q3 FY19

In ₹ Mn

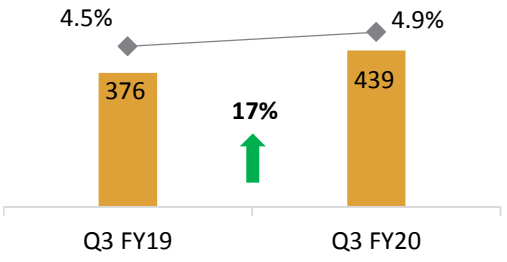
Total Income



EBITDA & EBITDA Margin

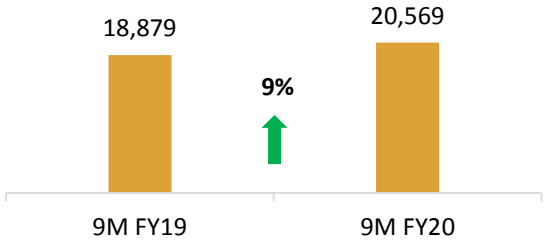


PAT & PAT Margin

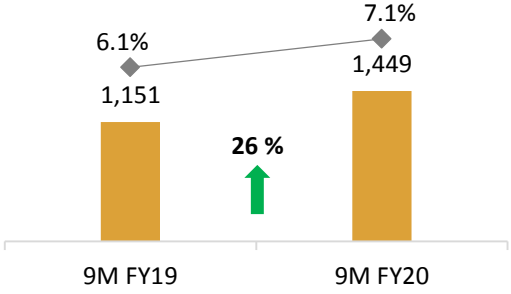


9M FY20 vs. 9M FY19

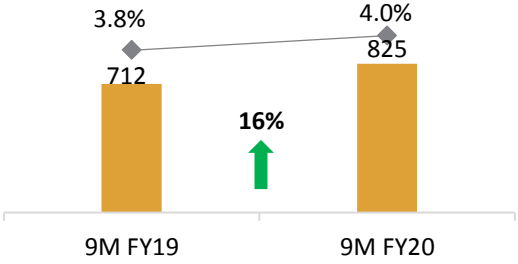
Total Income



EBITDA & EBITDA Margin



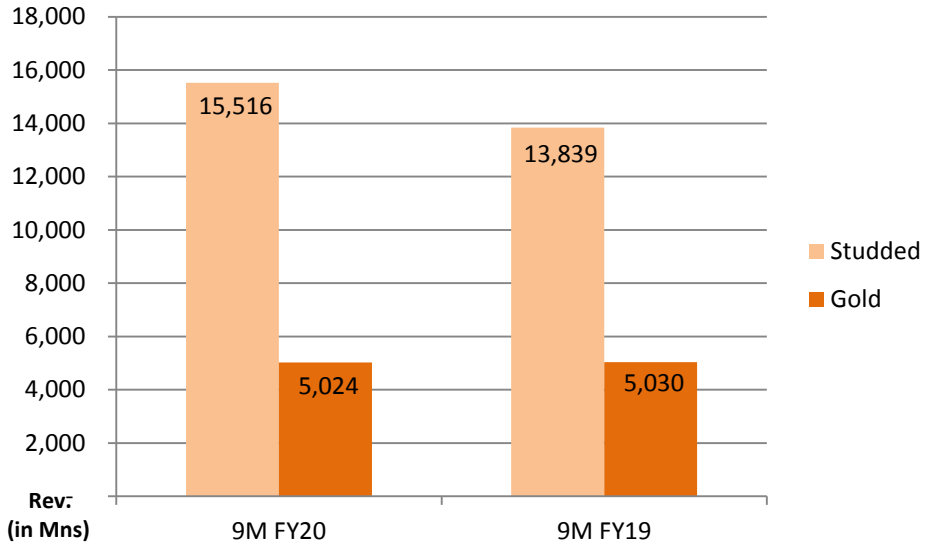
PAT & PAT Margin



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%**

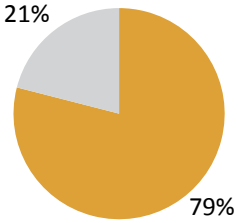


Q3 FY20 : Segment Analysis

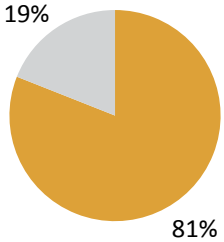
Q3 FY20 vs. Q3 FY19

Studded & Plain Gold Jewellery

Q3 FY19



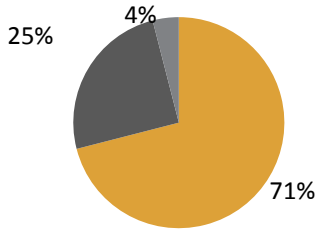
Q3 FY20



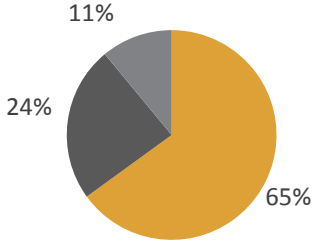
Studded Jewellery Plain Gold Jewellery

Geographical Mix

Q3 FY19



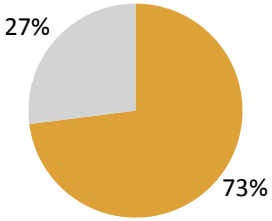
Q3 FY20



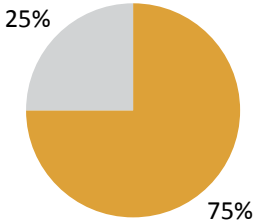
N. America Middle East Others

9M FY20 vs. 9M FY19

9M FY19

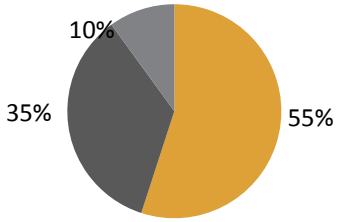


9M FY20

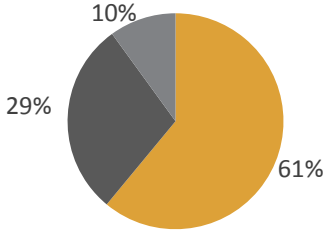


Studded Jewellery Plain Gold Jewellery

9M FY19



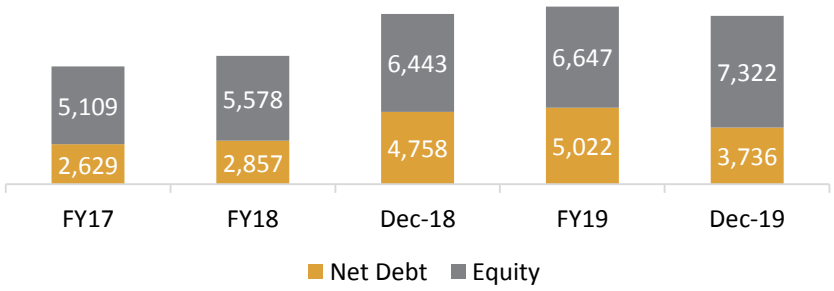
9M FY20



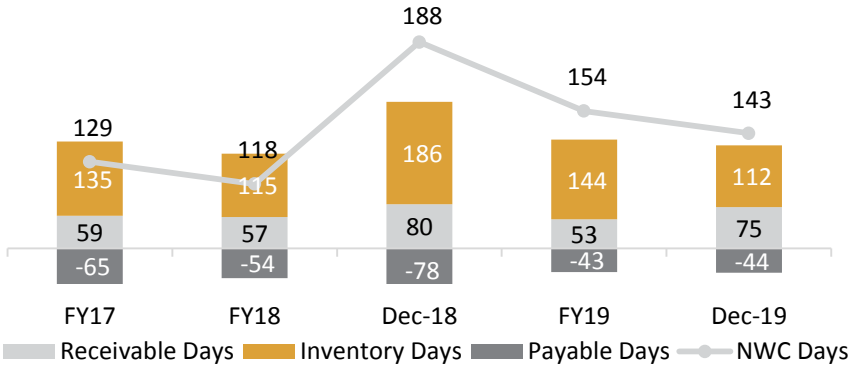
N. America Middle East Others

Improving Debt-Equity Ratio due to better inventory management

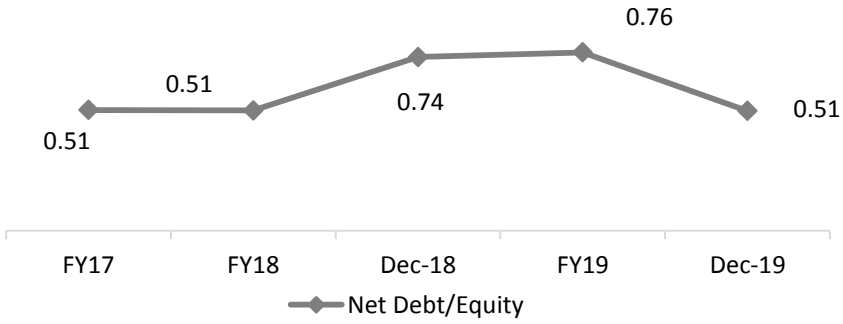
Leverage (₹ Mn)



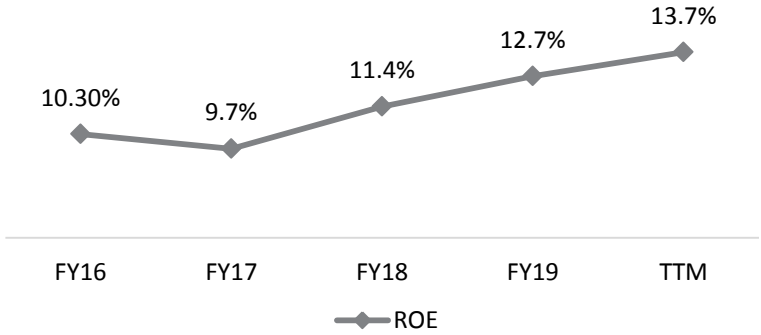
Working Capital Analysis



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

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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THANK YOU

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