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/2020/130

November 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 Q2 FY 21.

Dear Sir

We are enclosing herewith the write up and investor presentation to highlight the performance of Second quarter ended September 30, 2020.

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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Q2 FY21 Revenues at ₹ 5,228 mn; de-growth of 7%

Mumbai, November 12, 2020: Renaissance Global Limited (RGL), India's largest exporter of jewellery and supplier of licensed brands to leading global retailers, reported its unaudited and reviewed results for the quarter and half year ending 30th September 2020 as approved by its Board of Directors.

Financial Highlights

- Revenue at ₹ 5,228 million for Q2 FY21 vs. ₹ 5,630 million for Q2 FY20; de-growth of 7% on account of pent up demand and one time conversions.
- Revenue share of studded jewellery was 83% and that of gold jewellery was 17% in Q2 FY21.
- The Branded jewellery business contributed 20% of the total studded jewellery revenues in Q2 FY21
- Healthy geographical distribution of sales across various markets for Q2 FY21 – North America (63%), Middle East (22%) and Others (15%). For H1 FY21 it stood at – North America (60%), Middle East (22%) and others (18%).
- EBITDA (including other income) growth of 1% at ₹ 442 million for Q2 F21
- PAT before discontinued operations stood at ₹ 227 million for Q2 FY21 vs. ₹ 218 million for Q2 FY20
- Inventory as of Sep 2020 was ₹ 9,795 million. v/s Sep 2019 inventory of ₹ 11,430 million; inventory reduced by ₹ 1,635 million
- Net Debt reduces from ₹ 4,860 million in Sep-19 to ₹ 4,023 million in Sep-20; decline of ₹ 837 million.

₹ in millions

Particulars	Q2 FY21	Q2 FY20	% YoY	H1 FY21	H1 FY20	% YoY
Revenue	5,228	5,630	-7%	7,084	11,608	-39%
EBITDA	442	436	1%	331	754	-56%
PBT	305	264	16%	57	446	-87%
Tax	77	46		8	58	
PAT*	227	218	4%	50	388	-87%

*PAT before discontinued operations

FY21 Business Highlights

Focus on Branded Jewellery

We continue with our strategy to focus on licensed brands and our own brands

- Disney Treasures, a collection of iconic Disney characters, has been successfully rolled out to 1,000 stores in North America.
- 'Enchanted Disney Fine Jewelry' and 'Hallmark Tokens' are being launched with another major retailer in the United States.
- Launch of Enchanted Disney Fine Jewelry in China, through the deal with Lao Feng Xiang, second largest retailer in China, was delayed. We plan to launch in China in the fourth quarter of the current financial year.
- Hallmark Moments has been rolled out to over 2000 stores now and will contribute meaningfully to revenues this year.

- The Company launched brand "IRASVA" in the Indian market through a joint venture with Bennett, Coleman and Company Limited. In line with our plans to expand the IRASVA brand in Mumbai, we have opened 2 new IRASVA stores in Mumbai.

Growth through Direct-to-Consumer Business

- Our direct to consumer business through our newly launched website has shown robust growth during the year.
  (Enchanted Disney Fine Jewelry - https://www.enchantedfinejewelry.com/);
- Recently, we also launched a website catering to the Lab Grown Diamonds jewellery space (https://diamondsmadeforyou.com/)
- Further, we have launched websites for Jewelili - https://www.jewelili.com/ in Q2 FY21 and Star Wars Fine Jewelry - https://starwarsfinejewelry.com/ on 05 November 2020
- Plans also include launch of websites for Disney Jewels and Hallmark Diamonds to further our direct-to-consumer business.
- The online direct-to-consumer business is a high gross margin business with gross margins of 55 to 60%
- We expect to grow the share of this business through all the websites we have launched and plan to launch in the near future

FY21 Outlook

- Revenues are down 39% during the first half of the financial year due to the lockdowns imposed in the 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.

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, 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:

This press release 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. In particular, 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

For more information, visit www.renaissanceglobal.com

For More Information, Please Contact:

Renaissance Global Limited
G. M. Walavalkar
Compliance Officer
investors@renaissanceglobal.com

RENAISSANCE
GLOBAL LIMITED

Q2 FY21 FINANCIAL OVERVIEW

Highlights for Q2 FY21

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

Highlights for Q2 FY21

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

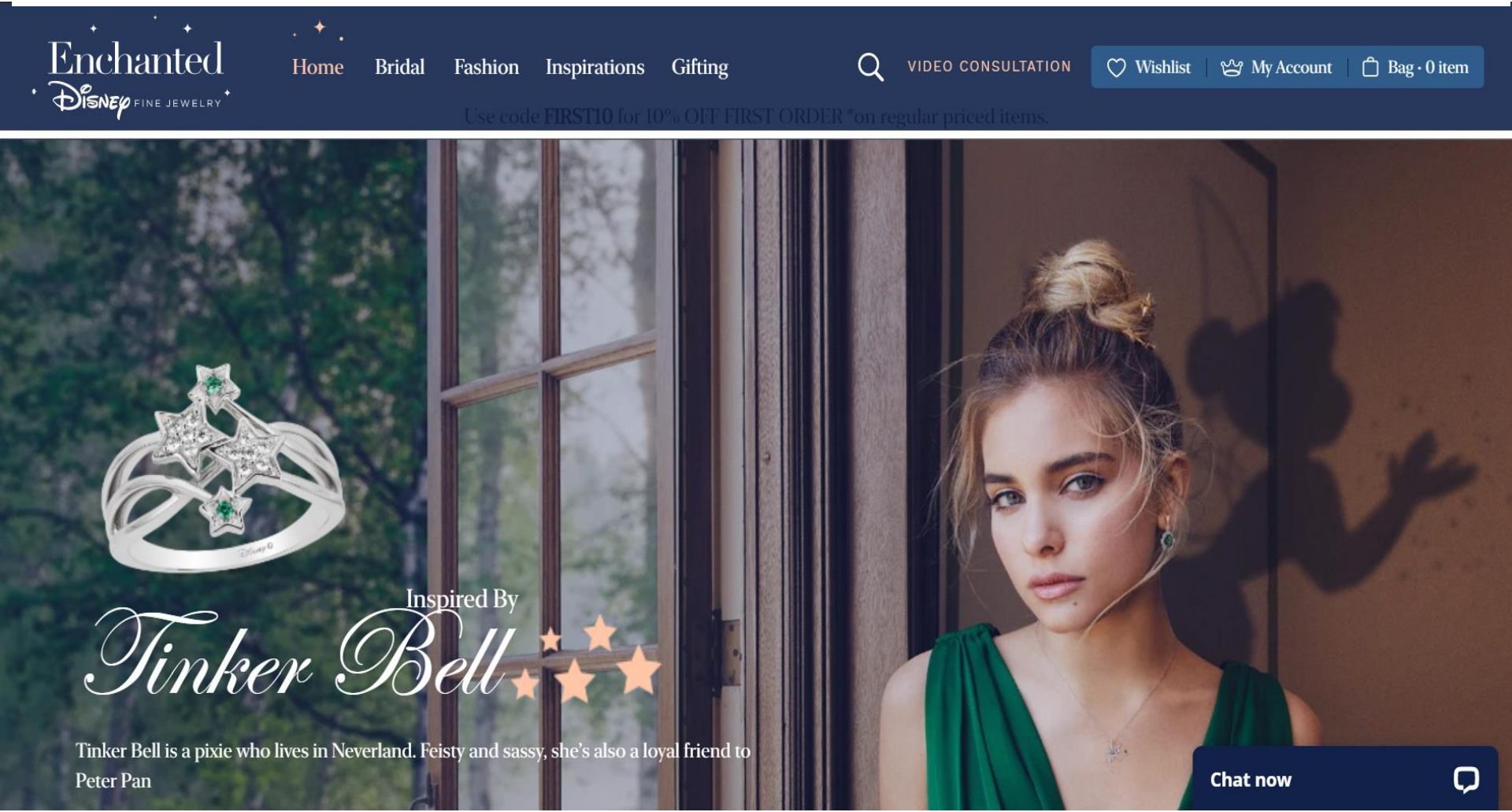
- Currently, branded jewellery contributes 20% (Q2 FY21) to our overall studded jewellery revenues.

- 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



https://www.enchantedfinejewelry.com/

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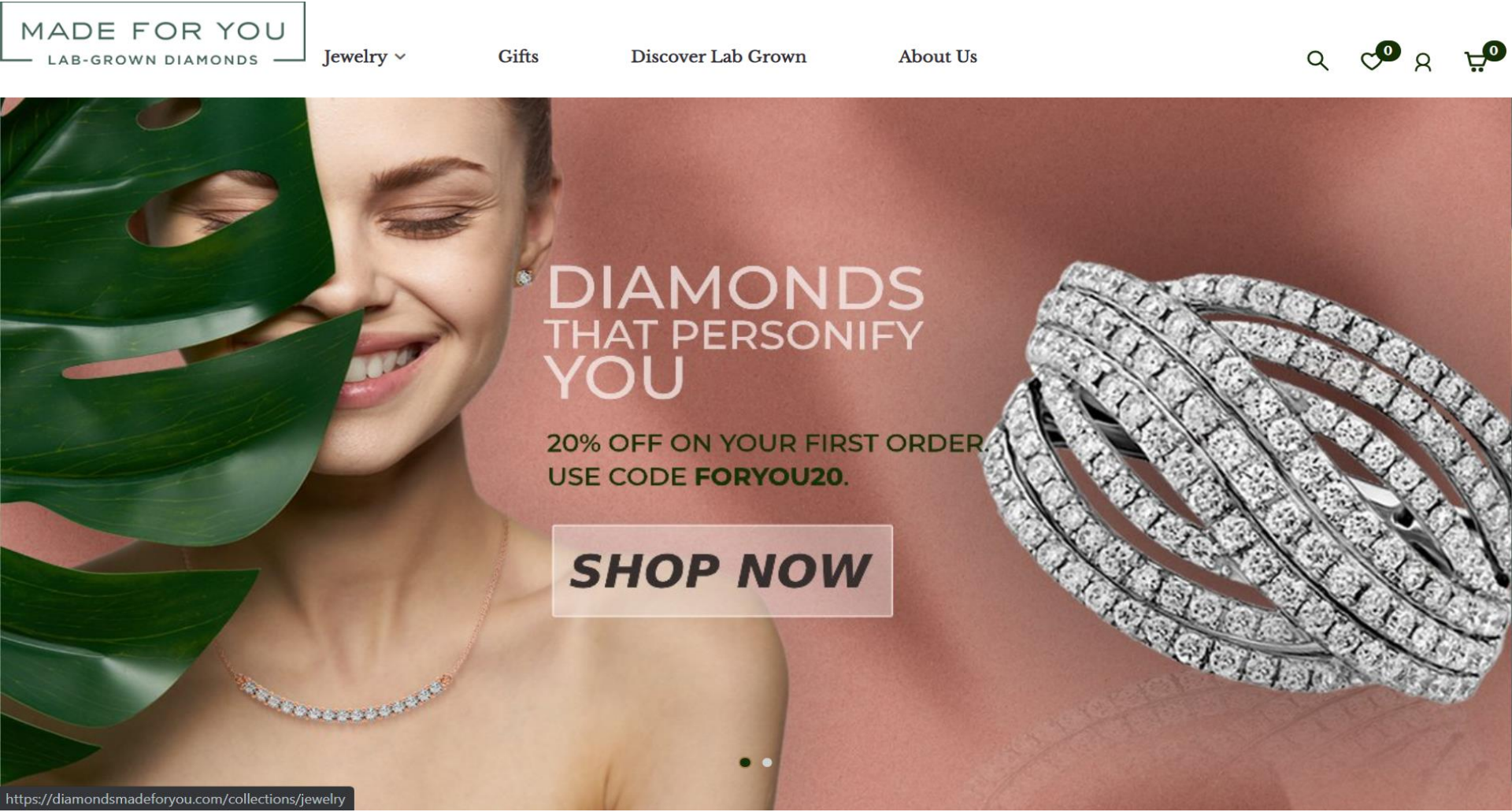
JEWELILI Gemstones | JEWELILI DIAMONDS | SWAROVSKI | Enchanted Disney | MADE FOR YOU | Disney MICKEY & FRIENDS

https://www.jewelili.com/

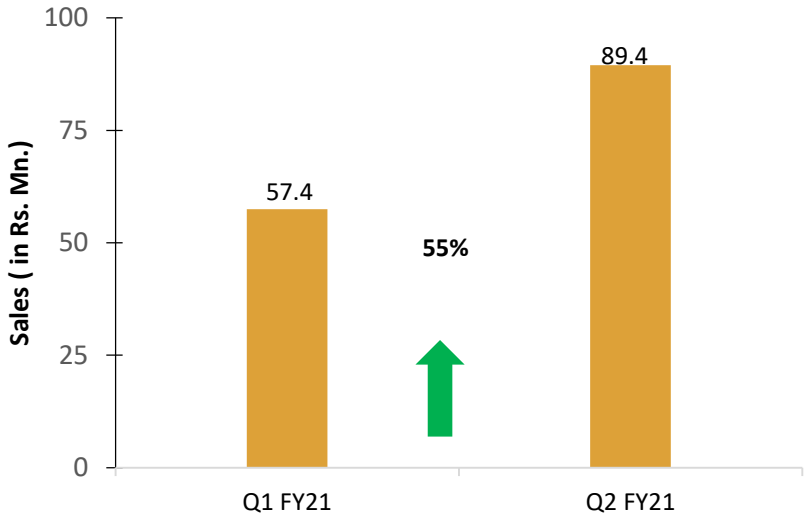


https://diamondsmadeforyou.com/

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



FY21 Outlook

- 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

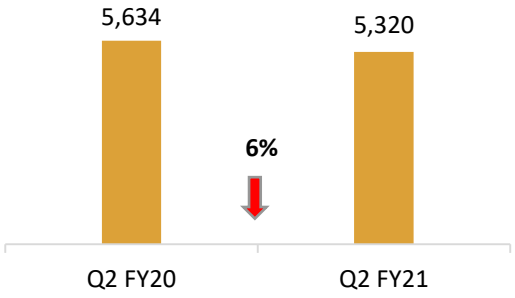
- The Company launched brand "IRASVA" in the Indian market through a joint venture with Bennett, Coleman and Company Limited. After the success of the first flagship store, we have launched 2 new stores in Mumbai during the financial year

Q2 FY21 : Key Highlights

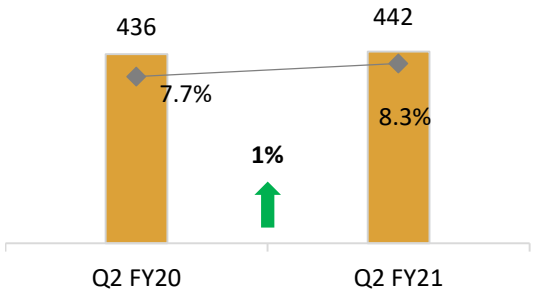
Q2 FY21 vs. Q2 FY20

In ₹ Mn

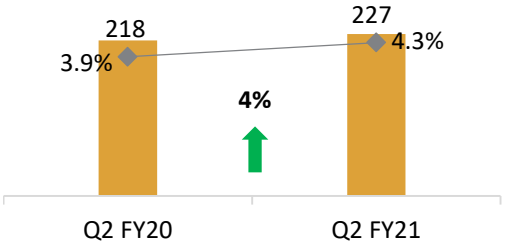
Total Income



EBITDA & EBITDA Margin

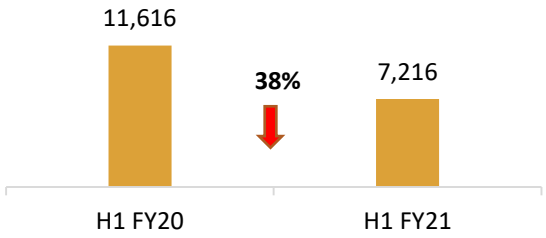


PAT & PAT Margin

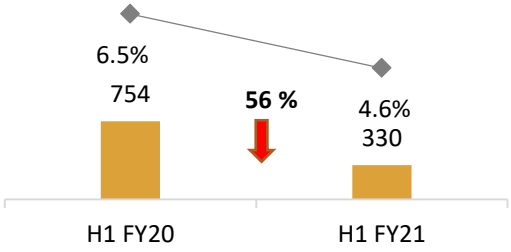


H1 FY21 vs. H1 FY20

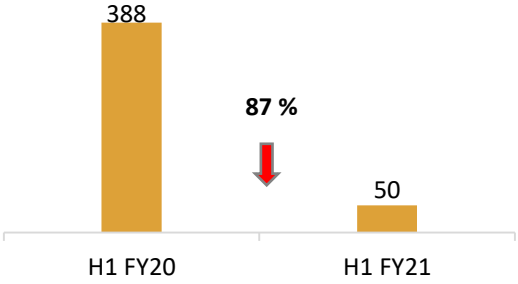
Total Income



EBITDA & EBITDA Margin



PAT & PAT Margin

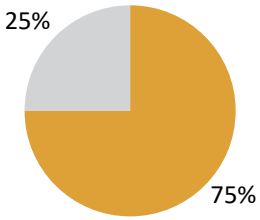


Q2 FY21 : Segment Analysis

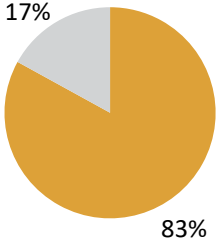
Q2 FY21 vs. Q2 FY20

Studded & Plain Gold Jewellery

Q2 FY20



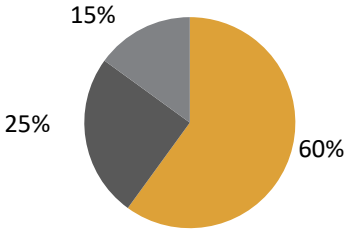
Q2 FY21



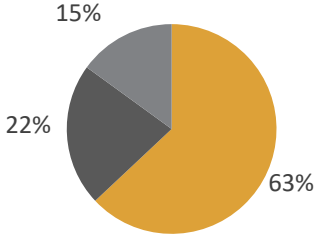
Studded Jewellery Plain Gold Jewellery

Geographical Mix

Q2 FY20



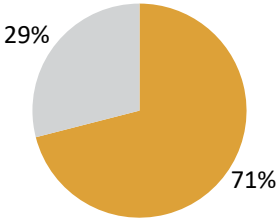
Q2 FY21



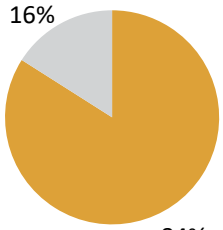
N. America Middle East Others

H1 FY21 vs. H1 FY20

H1 FY20

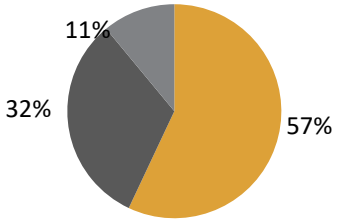


H1 FY21

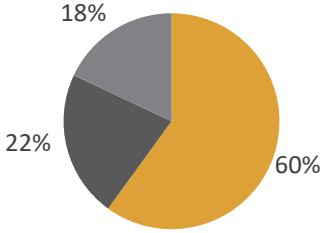


Studded Jewellery Plain Gold Jewellery

H1 FY20



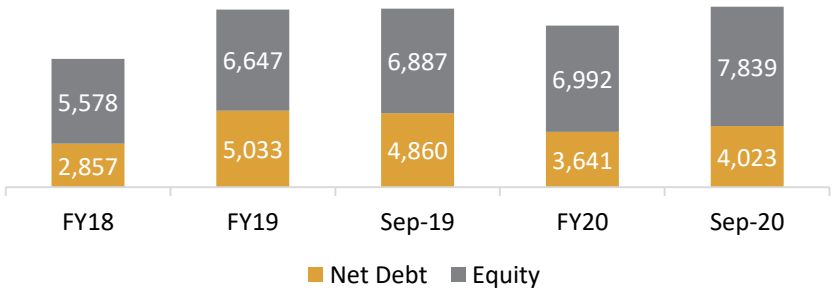
H1 FY21



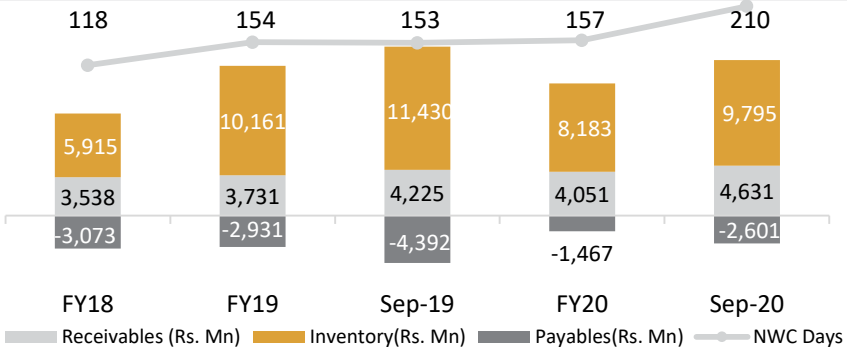
N. America Middle East Others

Improving Debt-Equity Ratio due to better inventory management

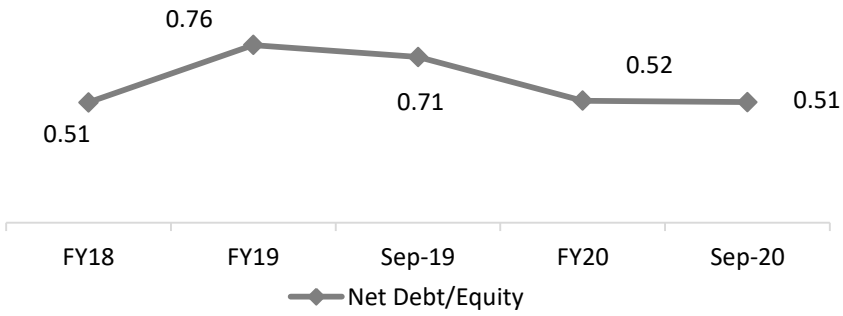
Leverage (₹ Mn)



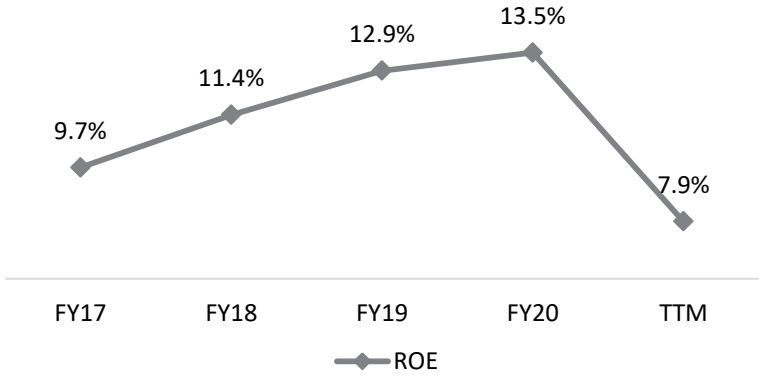
Working Capital Analysis



Net Debt/Equity Ratio



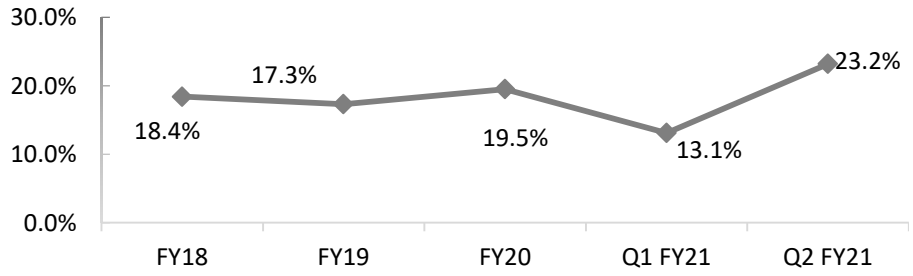
Return on Equity



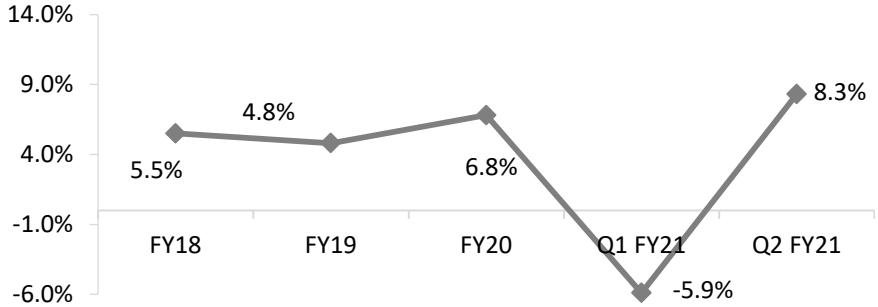
Net Debt = Borrowings – Current Investments – Cash and Bank Balances (Payable to erstwhile owners of Jay Gems is reclassified under other financial liabilities)
Equity = Share capital + Reserves & Surplus

Improving Gross Margins and EBITDA Margins

Gross Margin Trend

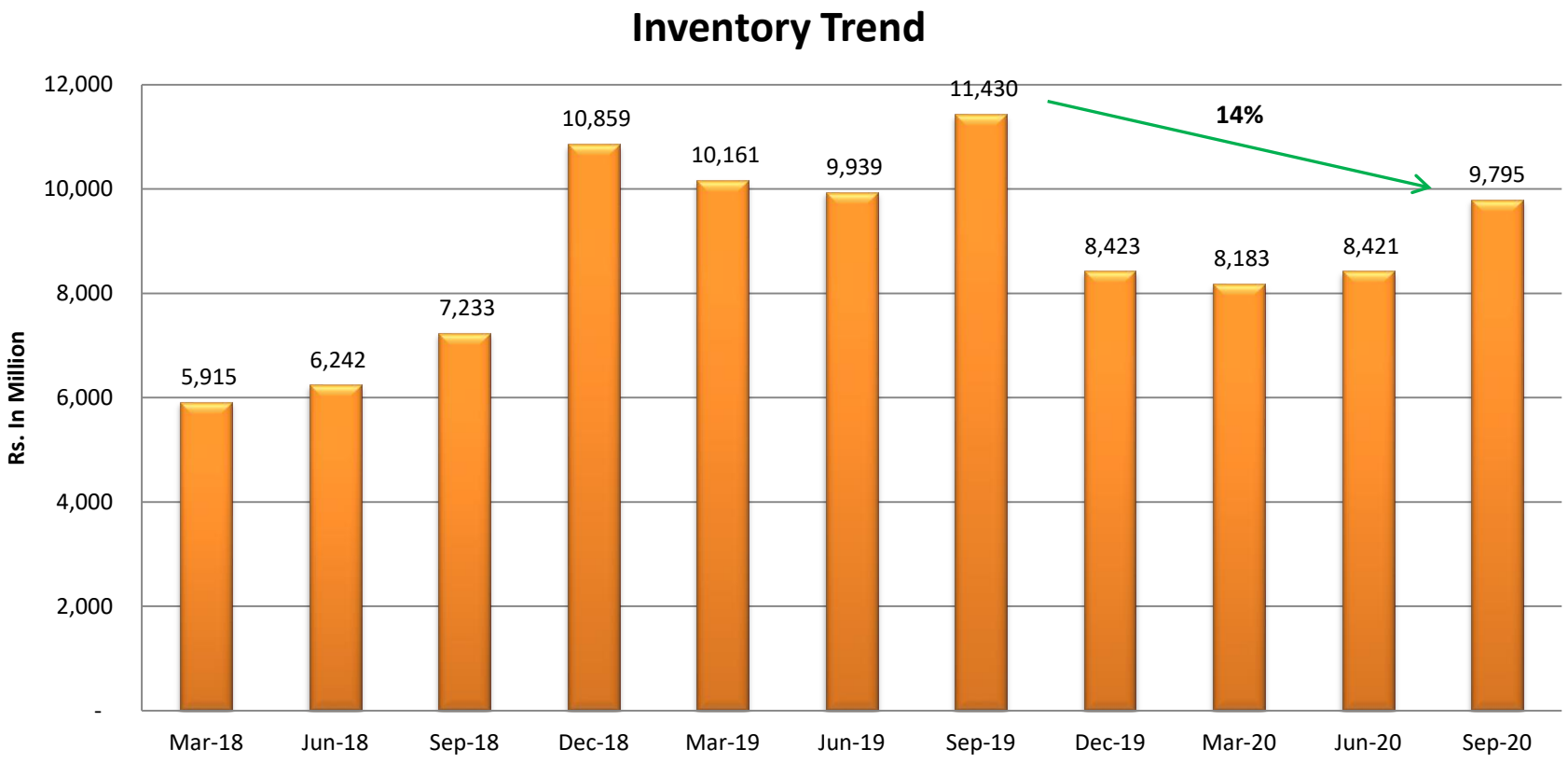


EBITDA Margin Trend



- 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



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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THANK YOU

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