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/2020/86

August 14, 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 Q1 FY 21.

Dear Sir

We are enclosing herewith the write up and investor presentation to highlight the performance of first quarter ended June 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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Business Disruption due to Covid-19
Revenues at ₹ 1,856 mn; de-growth of 69%

Mumbai, August 14, 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 ending 30th June 2020 as approved by its Board of Directors.

Financial Highlights

- Revenue at ₹ 1,856 million for Q1 FY21 vs. ₹ 5,978 million for Q1 FY20; de-growth of 69%
- Revenue share of studded jewellery was 87% and that of gold jewellery was 13% in Q1 FY21.
- Healthy geographical distribution of sales across various markets for Q1 FY21 – North America (51%), Middle East (22%) and Others (27%). For FY20 it stood at – North America (58%), Middle East (30%) and others (12%).
- EBITDA (including other income) at - ₹ 111 million for Q1 F21 vs. ₹ 317 million for Q1 FY20
- PAT stood at - ₹ 178 million for Q1 FY21 vs. ₹ 170 million for Q1 FY20
- Inventory as of June 2020 was ₹ 8,421 million. v/s June 2019 inventory of ₹ 9,938 million; inventory reduced by ₹ 1,517 million
- Net Debt reduces from ₹ 4,050 million in Jun-19 to ₹ 3,404 million in June-20; decline of ₹ 646 million.

₹ in millions

Particulars	Q1 FY21	Q1 FY20	% YoY	FY20	FY19	% YoY
Revenue	1,856	5,978	-69%	25,018	25,906	-3%
EBITDA	(111)	317		1,708	1,249	37%
PBT	(248)	183		1,100	818	34%
Tax	(70)	13		178	35	
PAT*	(178)	170		922	783	18%
Revenue Mix						
Studded	1,618	4,034	-60%	18,544	19,108	-3%
Gold	238	1,944	-88%	6,474	6,798	-5%

*PAT before discontinued operations

FY21 Business Highlights

Focus on Branded Jewellery

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

- 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, is delayed. We hope to launch in China in the last quarter of FY21.
- 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. We plan to open 2 new stores in Mumbai during the current financial year. The roll out is delayed due to Covid-19 pandemic.

Growth through Direct-to-Consumer Business

- Our direct to consumer business through our newly launched website has shown robust growth during the year. During Q1 FY21, the direct-to-consumer business has shown a promising growth of 213%.
  (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/)
- During the year, we plan to launch websites for Star Wars, Disney Jewels, Jewelili 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

- We believe the first two quarters of FY21 will be extremely soft due to loss of retail sales because of store closures, lower discretionary spends and overhang of inventory. We expect things to slowly pick up in the third quarter of FY21 and to normalise by the fourth quarter of FY21
- We do see green shoots after the opening of the stores in the US with select retailers. However, it is very early to predict FY21 performance in the current pandemic situation.
- In Q1 FY21, the revenues were down by 69%. In Q2 FY21, the studded jewellery business is trending at a 40% decline while the gold jewellery business is trending at a 70% decline.

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:

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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

Q1 FY21 FINANCIAL OVERVIEW

Highlights for Q1 FY21

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

- Net Debt as of June 2020 was ₹ 3,404 mn. v/s Jun 2019 Net Debt of ₹ 4,050 mn; reduction of ₹ 646 mn.
- Strong liquidity position with cash and bank balances and short term investments of
- ₹ 1,915 mn
- Trade Payables as of June 2020 at ₹ 1,422 mn. v/s June 2019 Trade Payables of ₹ 2,889 mn.
- Y-o-Y consolidated reduction of Liabilities between Net Debt and Payables is ₹ 2,113 mn.
- Inventory as of June 2020 was ₹ 8,421 mn. v/s June 2019 inventory of ₹ 9,938 mn; inventory reduced by ₹ 1,517 mn

Lower Sales due to Covid-19 impacting our profitability margins

- Q1 FY 21 PAT of - ₹ 178 mn vs Q1 FY20 PAT of ₹ 170 mn
- Q1 FY21 operating costs down 50% to ₹ 360 mn vs Q1 FY20 operating costs of ₹ 724 mn
- Amidst the Covid-19 crisis, the Direct-to-consumer business has shown promising growth of 213 % during the quarter

Highlights for Q1 FY21

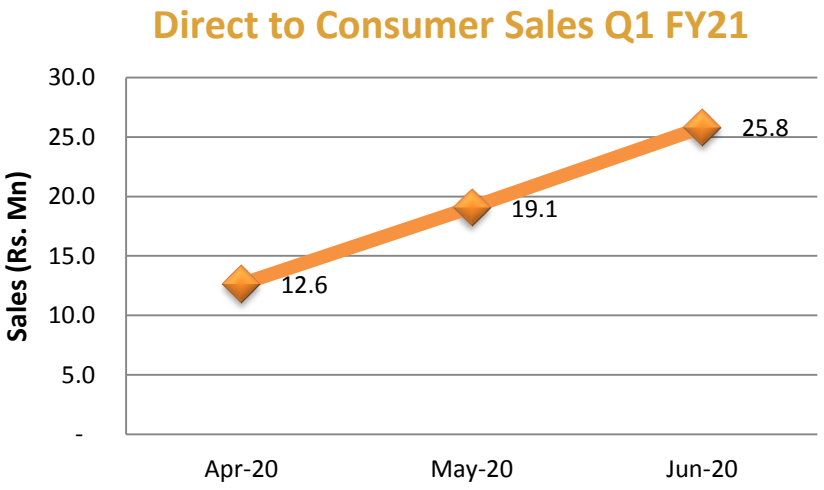
Strengthening the Balance Sheet

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 June 2020 was 0.46 v/s Jun 2019 Net Debt to Equity ratio of 0.60.
- TTM Return on Equity at 8.1% 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 Direct to Consumer (D2C) Business

- Our direct to consumer business through our website has shown robust growth during the year (https://www.enchantedfinejewelry.com/)
- Recently, we also launched a website catering to the Lab Grown Diamonds jewellery space (https://diamondsmadeforyou.com/)
- During the year, we plan to launch websites for Star Wars, Jewelili, Disney Jewels and Hallmark Diamonds 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



FY21 Outlook

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- We do see green shoots after the opening of the stores in the US with select retailers. However, it is very early to predict FY21 performance in the current pandemic situation.

- In Q1 FY21, the revenues were down by 69%. In Q2 FY21, the studded jewellery business is trending at a 40% decline while the gold jewellery business is trending at a 70% decline.

- Launch of Enchanted Disney Fine Jewelry in China, through the deal with Lao Feng Xiang, second largest retailer in China, is delayed. We hope to launch in China in the last quarter of FY21.

- We plan to open 2 new IRASVA stores in Mumbai during the current financial year. The launch is delayed due to Covid-19 pandemic

Impact of Covid-19 on Q1 FY21 Sales and Expenses

Particulars (In ₹ Mn)	Q1 FY21	Q1 FY20	YoY %
Revenue From Operations	**1,855.6**	**5,978.4**	**-69%**
Total Income	**1,896.7**	**5,981.9**	**-68%**
Expenses	**2,144.2**	**5,799.1**	**-63%**
Cost of Goods Sold	1,648.3	4,940.4	-67%
Employee Benefits	135.4	234.4	-42%
Finance Costs	61.4	79.7	-23%
Depreciation and Amortisation	74.7	54.8	36%
Other Expenses	224.4	489.8	-54%
Profit before Tax	**-247.5**	**182.8**	
Profit after Tax	**-177.6**	**170.0**	

Long Runway for growth over 5 years

- 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, with 166 years of continuous operations and annual revenue of more than USD 6.5 billion

- 'Enchanted Disney Fine Jewelry' and 'Hallmark Tokens' are being 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.

- Expect to launch Star Wars Fine Jewelry in FY21.

- Expansion of high margin direct-to-consumer play through our already launched websites for Enchanted Disney Fine Jewelry and Made For You. Further, we also plan to launch websites for Star Wars, Hallmark Diamonds, Disney Jewels and Jewelili in the near future

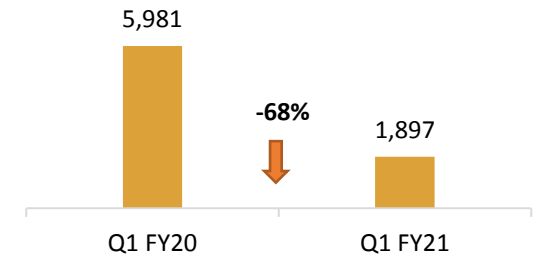
- The Company launched brand "IRASVA" in the Indian market through a joint venture with Bennett, Coleman and Company Limited. We plan to open 2 new stores in Mumbai in FY21. The launch is delayed due to Covid-19 pandemic.

Q1 FY21 : Key Highlights

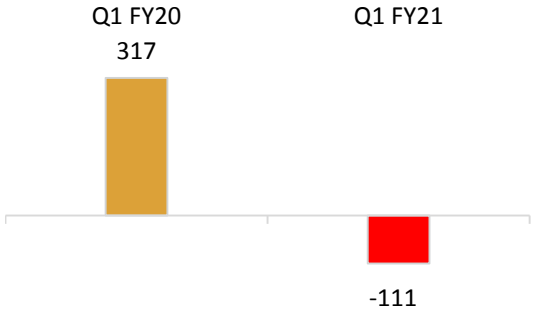
Q1 FY21 vs. Q1 FY20

In ₹ Mn

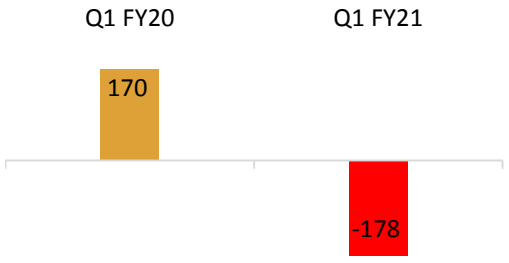
Total Income



EBITDA & EBITDA Margin

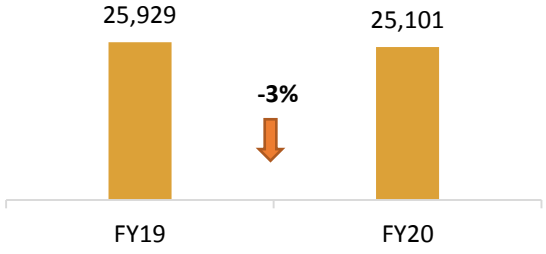


PAT & PAT Margin



FY20 vs. FY19

Total Income



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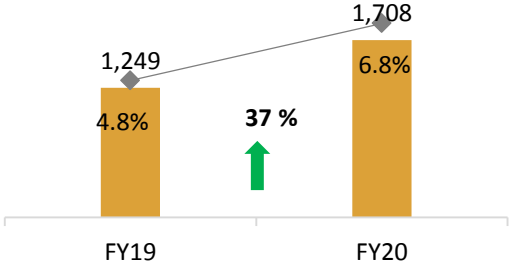

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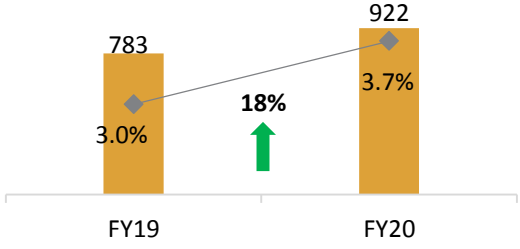
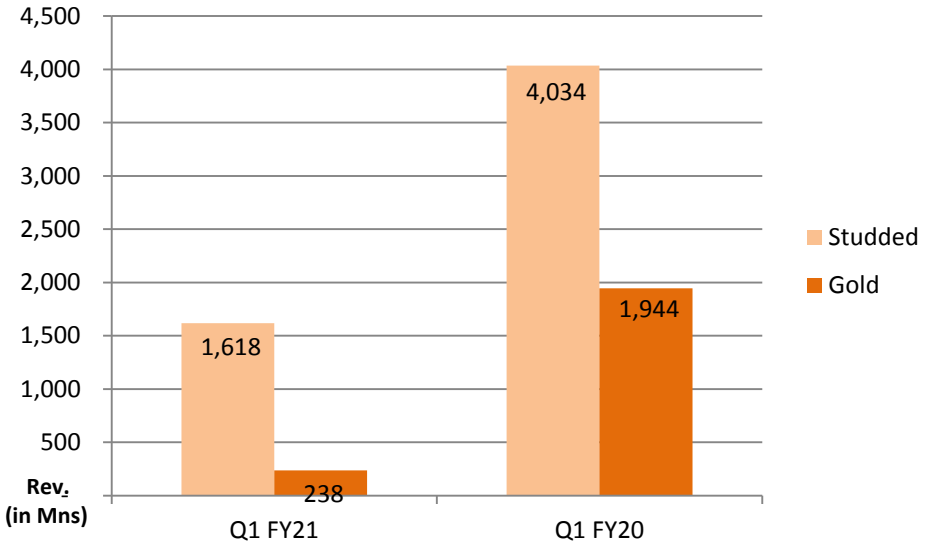


Slowdown in both the Studded and Gold Jewellery business due to Covid-19

In ₹ Mn

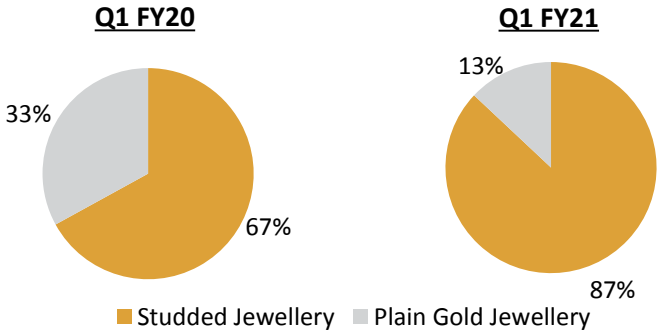
	Q1 FY21	Q1 FY20	YoY %	FY20	FY19	YoY%
Studded	1,618	4,034	-60%	18,544	19,108	-3%
Gold	238	1,944	-88%	6,474	6,798	-5%
Total Revenue	**1,856**	**5,978**	**-69%**	**25,018**	**25,906**	**-3%**



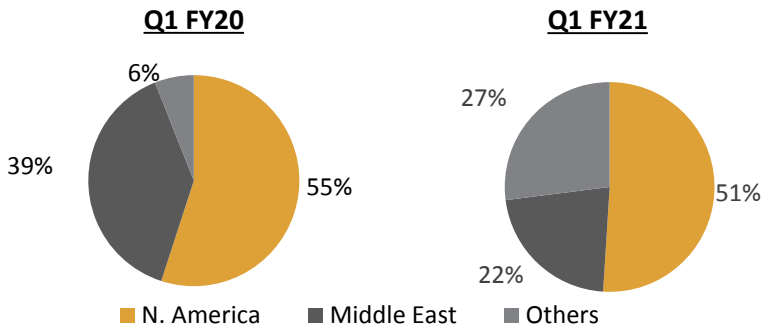
Q1 FY21 : Segment Analysis

Q1 FY21 vs. Q1 FY20

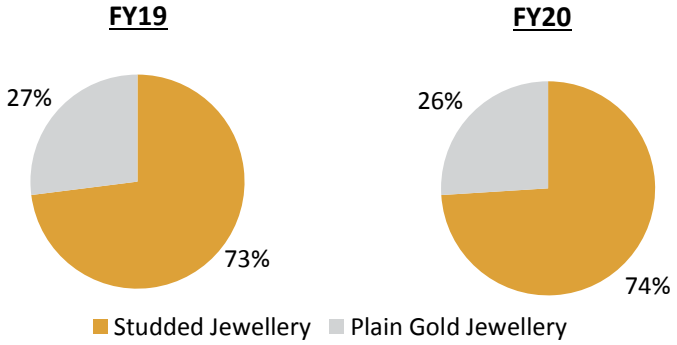
Studded & Plain Gold Jewellery

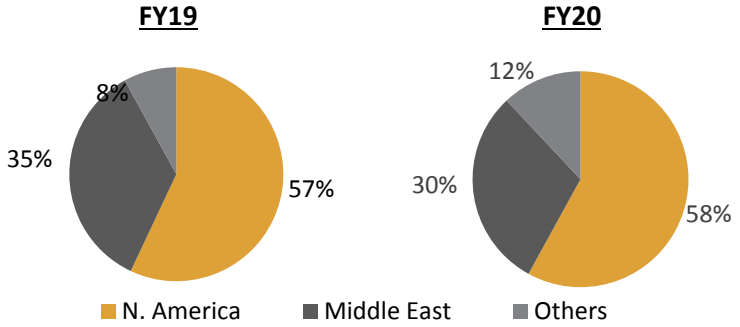


Geographical Mix



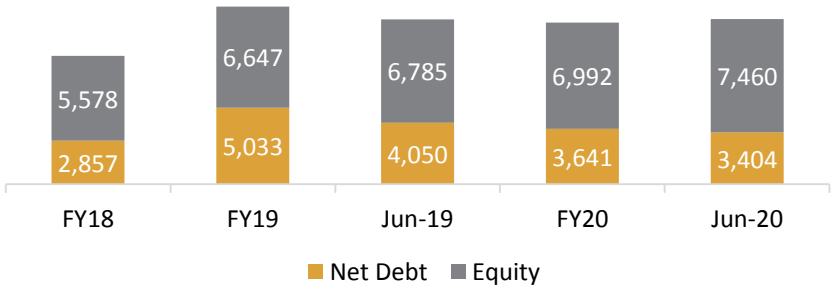
FY20 vs. FY19



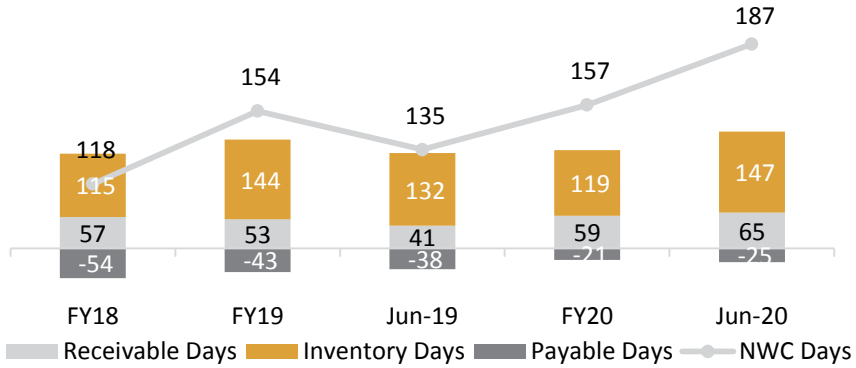


Improving Debt-Equity Ratio due to better inventory management

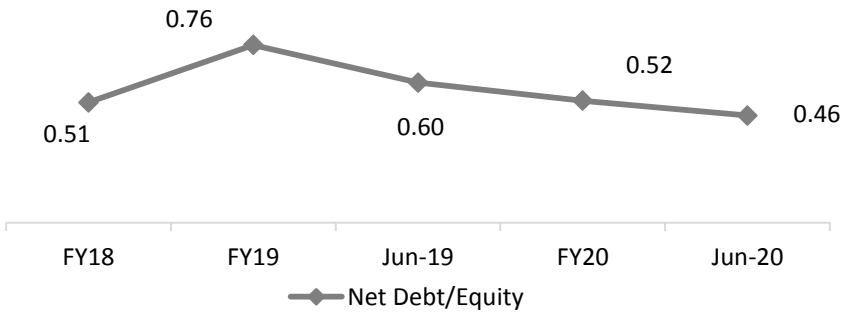
Leverage (₹ Mn)



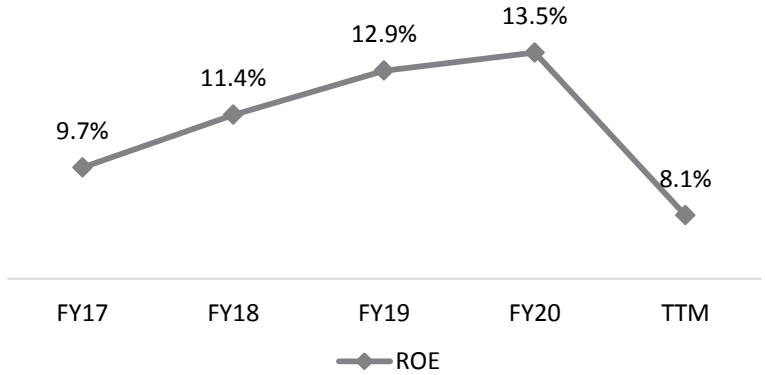
Working Capital Analysis



Net Debt/Equity Ratio

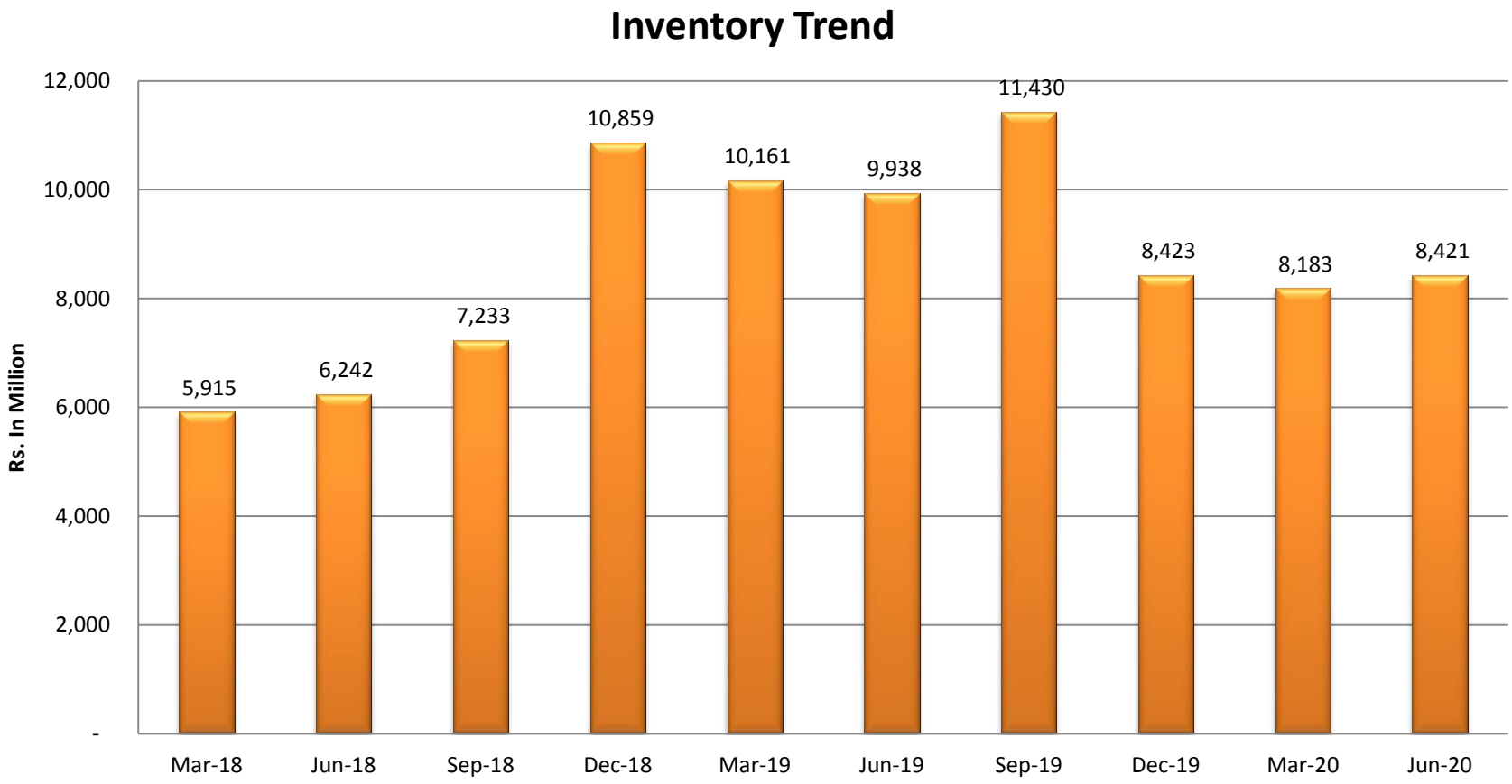


Return on Equity



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

Managing Inventory – Important Part of Working Capital Management



Consolidated Profit & Loss Statement

Particulars (In ₹ Mn)	Q1 FY21	Q1 FY20	YoY %	FY20	FY19	YoY %
Revenue From Operations	**1,855.6**	**5,978.4**	**-69.0%**	**25,018.5**	**25,906.3**	**-3.4%**
Other Income	41.1	3.5		83.1	22.7	
Total Income	**1,896.7**	**5,981.9**	**-68.3%**	**25,101.6**	**25,929.0**	**-3.2%**
COGS	1,648.3	4,940.4	-66.6%	20,204.8	21,441.6	-5.7%
Gross Profit	**248.4**	**1,041.6**	**-76.2%**	**4,896.8**	**4,487.4**	**9.1%**
Gross Margin %	**13.1%**	**17.4%**		**19.5%**	**17.3%**	
Employee Expenses	135.4	234.4	-42.2%	955.6	922.8	3.6%
Other Expenses	224.4	489.8	-54.2%	2,233.0	2,315.5	-3.6%
EBITDA	**-111.4**	**317.3**		**1,708.2**	**1,249.1**	36.7%
EBITDA Margin %	**-5.9%**	**5.3%**		**6.8%**	**4.8%**	
Depreciation	74.7	54.8	36.3%	310.5	181.0	71.6%
Finance Cost	61.4	79.7	-22.9%	297.5	249.6	19.2%
PBT	**-247.5**	**182.8**		**1,100.1**	**818.5**	**34.3%**
Tax Expense	-69.9	12.8		177.8	35.7	
PAT before discontinued operations	**-177.6**	**170.0**		**922.3**	**782.9**	**17.8%**
Profit/(Loss) on discontinued Operations	-2.5	-3.1		-44.8	-11.2	
PAT after discontinued operations	**-180.0**	**166.9**		**877.5**	**771.7**	
PAT Margin %	**-9.4%**	**2.8%**		**3.7%**	**3.0%**	

Consolidated Balance Sheet

Particulars (In ₹ Mn)	Jun-20	Jun-19
Shareholder's Funds	**7,460.4**	**6,785.0**
Equity Share Capital	186.8	186.8
Reserves & Surplus	7,273.6	6,598.1
Minority Interest	**-3.6**	**3.2**
Non-Current Liabilities		
Borrowings	0.0	8.8
Other Financial Liabilities	1,116.7	937.3
Long Term Provisions	31.2	20.2
Other Non-Current Liabilities	0.0	0.0
Current Liabilities		
Income Tax Liabilities (net)	9.8	58.7
Short Term Borrowings	5,319.1	4,794.6
Trade Payables	1,421.7	2,889.5
Other Financial Liabilities	330.2	310.3
Other Current Liabilities	240.0	36.1
Short Term Provisions	16.2	19.4
Total Equity & Liabilities	**15,941.7**	**15,862.9**

Particulars (In ₹ Mn)	Jun-20	Jun-19
Non-Current Assets		
Fixed Assets – Tangible & Intangible	736.9	553.5
CWIP & Intangibles under development	180.9	262.8
Other Non Current Assets	170.2	208.2
Deferred Tax Assets (Net)	474.1	329.1
Current Assets		
Current Investments	922.7	154.6
Inventories	8,421.3	9,938.7
Trade Receivables	3,694.5	3,101.6
Cash & Bank Balances	992.2	598.0
Short Term Loans & Advances	16.7	5.5
Other Current Assets	296.0	638.3
Asset Classified for Sale	36.2	72.7
Total Assets	**15,941.7**	**15,862.9**

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THANK YOU

For any investor queries, reach out to

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G. M. Walavalkar
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DICKENSON

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