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/2020/67

June 29, 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.: Update on Company Performance for Q4 FY 20.

Dear Sir

We are enclosing herewith the write up and investor presentation to highlight the performance of fourth quarter ended March 31, 2020.

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

Thanking you,

Yours faithfully,
For **Renaissance Global Ltd.**

G. M. Walavalkar
VP – Legal & Company Secretary

Encl.: As Above

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Strong Cash Flow Generation
EBITDA grows 37%; PAT grows 18%

Mumbai, June 29, 2020: Renaissance Global Limited (RGL), India's largest exporter of branded jewellery and supplier of licensed brands to leading global retailers, reported its audited results for the quarter and year ending 31st March 2020 as approved by its Board of Directors.

Financial Highlights

- Revenue at ₹ 4,478 million for Q4 FY20 vs. ₹ 7,037 million Q4 FY19; ₹ 25,018 million for FY20 vs. ₹ 25,906 million for FY19
- Revenue share of studded jewellery was 68% and that of gold jewellery was 32% in Q4 FY20. The share is 75% for studded jewellery and 25% for gold jewellery for FY20
- Healthy geographical distribution of sales across various markets for Q4 FY20 – North America (47%), Middle East (35%) and Others (18%). For FY20 it stood at – North America (58%), Middle East (30%) and others (12%).
- EBITDA (including other income) at ₹ 259 million for Q4F20 vs. ₹ 98 for Q4 FY19; ₹ 1,708 million for FY20 vs. ₹ 1,249 million for FY19.
- Higher contribution from branded sales contributed to increase in EBITDA margins to 6.8 % v/s 4.8% last year
- PAT stood at ₹ 95 million for Q4 FY20 vs. ₹ 51 million for Q4 FY19; ₹ 922 million for FY20 vs. ₹ 783 million for FY19
- Positive operating cash flow generation of ₹ 2,030 million in FY20 v/s FY19 negative cash flow of ₹ 3,033 million
- Inventory as of Mar 2020 was ₹ 8,183 million. v/s Mar 2019 inventory of ₹ 10,161 million; inventory reduced by ₹ 1,978 million
- Net Debt reduces from ₹ 5,033 million in Mar-19 to ₹ 3,641 million in Mar-20; decline of ₹ 1,392 million.

₹ in millions

Particulars	Q4 FY20	Q4 FY19	% YoY	FY20	FY19	% YoY
Revenue	4,478	7,037	-36%	25,018	25,906	-3%
EBITDA	259	98		1,708	1,249	37%
PBT	112	(63)		1,100	818	34%
Tax	17	(114)		178	35	
PAT*	95	51		922	783	18%
Revenue Mix						
Studded	3,029	5,270	-42%	18,544	19,108	-3%
Gold	1,449	1,767	-18%	6,474	6,798	-5%

*PBT before discontinued operations

FY20 Business Highlights

Divestment of Simply Diamonds

During the year our subsidiary Jay Gems divested its independents division 'Simply Diamonds', which sold jewellery to independent retailers, as it was a low margin and inventory intensive business.

Focus on Branded Jewellery

We continue with our strategy to focus on licensed brands and our own brand 'IRASVA' which continues to deliver positive financial performance.

- Disney Treasures, which includes iconic characters of Disney, is launched with a major retailer in the United States and has shown strong performance.
- 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.
- 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. The first store was launched in Mumbai in May 2019 and the company plans to open 25 more stores in the next 5 years.

Impact of Covid-19

- Our operations were shut down since the lockdown was imposed in India from 25th March 2020. We have been able to resume production at our Bhavnagar facility since 25th April 2020. Our Mumbai factory is also partially operational from 13 May 2020.
- Most of the global retailers were shut since mid-March 2020 and they have gradually resumed operations from mid-May 2020.
- 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 second half of FY21
- Our expansion plans for 'IRASVA" have also been delayed due to the pandemic. We expect to resume with our plans in the second half of FY21.
- We believe the first two quarters of FY21 will be extremely soft due to loss of retail sales due to 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

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:

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RENAISSANCE
GLOBAL LIMITED

Q4 FY20 FINANCIAL OVERVIEW

Highlights for 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

- Positive operating cashflow generation of ₹ 2,030 million in FY20 v/s FY19 negative cashflow of ₹ 3,033 million
- Net Debt as of Mar 2020 was ₹ 3,641 mn. v/s Mar 2019 Net Debt of ₹ 5,033 mn; reduction of ₹ 1,392 mn.
- Trade Payables as of Mar 2020 at ₹ 1,466 mn. v/s Mar 2019 Trade Payables of ₹ 2,931 mn.
- Y-o-Y consolidated reduction of Liabilities between Net Debt and Payables is ₹ 2,857 mn.
- Inventory as of Mar 2020 was ₹ 8,183 mn. v/s Mar 2019 inventory of ₹ 10,161 mn; inventory reduced by ₹ 1,978 mn

Growing Profits

- EBITDA for FY20 was up 37% at ₹ 1,708 mn. v/s FY19 at ₹ 1,249 mn.
- Higher contribution from branded sales contributed to increase in EBITDA margins to 6.8 % v/s 4.8% last year
- Revenue growth was muted due to discontinuation of sales to independent retailers and other low margin product categories and impact of Covid-19 lockdown at the end of March 2020.

Highlights for 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 Mar 2020 was 0.52 v/s Mar 2019 Net Debt to Equity ratio of 0.76.
- Return on Equity for FY20 was 13.5% v/s Return on Equity for FY19 was 12.9%
- Our long term goal is to achieve Net Debt to Equity ratio below 0.5 and Return on equity greater than 15%

Impact of Covid-19

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4

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 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 has been tested successfully in North America and the results are very promising.

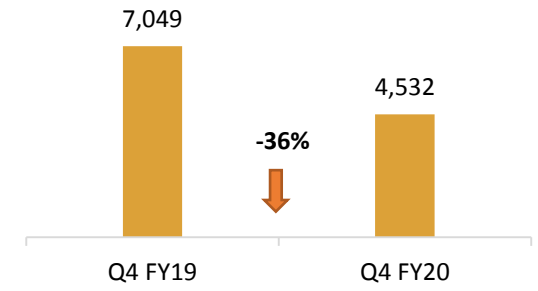
- Expect to launch Star Wars Fine Jewelry in FY21.

Q4 FY20 : Key Highlights

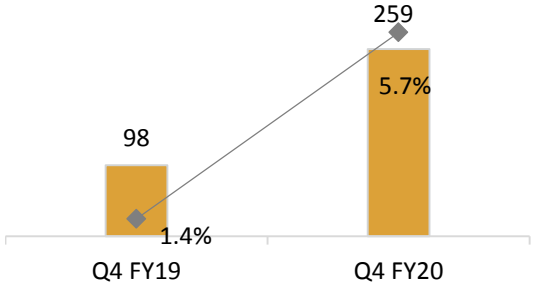
Q4 FY20 vs. Q4 FY19

In ₹ Mn

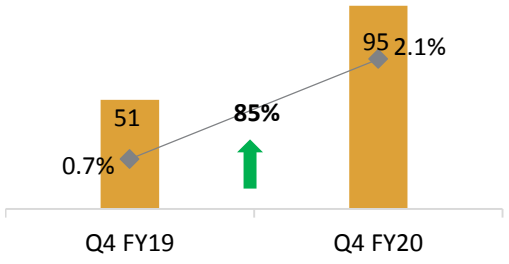
Total Income



EBITDA & EBITDA Margin

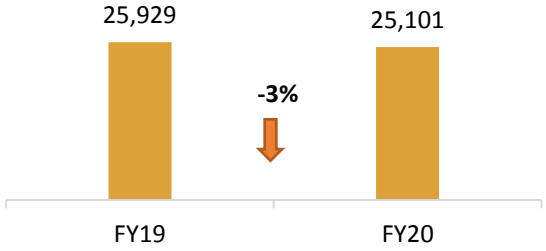


PAT & PAT Margin

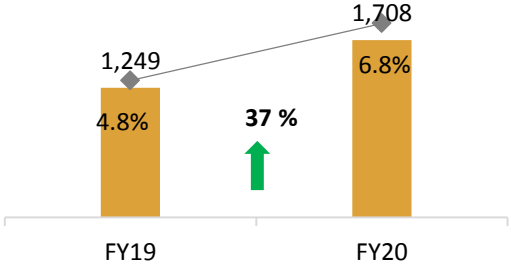


FY20 vs. FY19

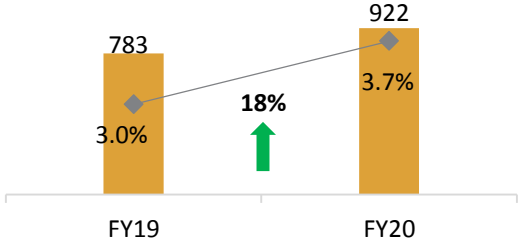
Total Income



EBITDA & EBITDA Margin



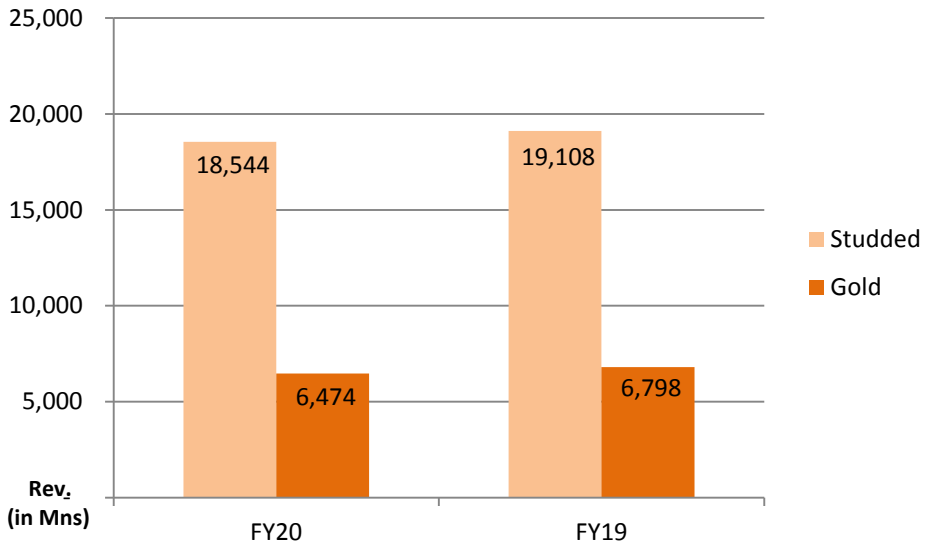
PAT & PAT Margin



Slowdown in Gold Jewellery, conscious decision to move away from low margin business and Covid-19 contributing to revenue de-growth

In ₹ Mn

	Q4 FY20	Q4 FY19	YoY %	FY20	FY19	YoY%
Studded	3,029	5,270	-42%	18,544	19,108	-3%
Gold	1,449	1,767	-18%	6,474	6,798	-5%
Total Revenue	**4,478**	**7,037**	**-36%**	**25,018**	**25,906**	**-3%**

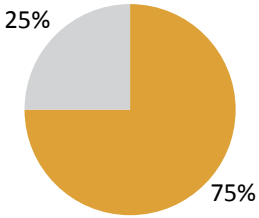


Q4 FY20 : Segment Analysis

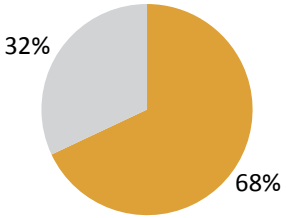
Q4 FY20 vs. Q4 FY19

Studded & Plain Gold Jewellery

Q4 FY19



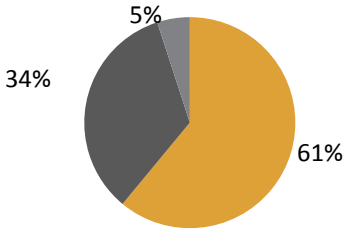
Q4 FY20



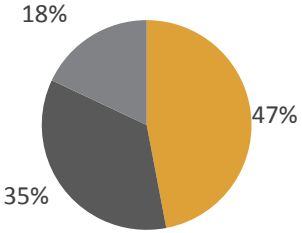
Studded Jewellery Plain Gold Jewellery

Geographical Mix

Q4 FY19



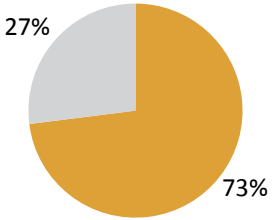
Q4 FY20



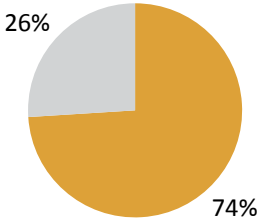
N. America Middle East Others

FY20 vs. FY19

FY19

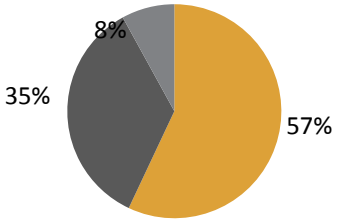


FY20

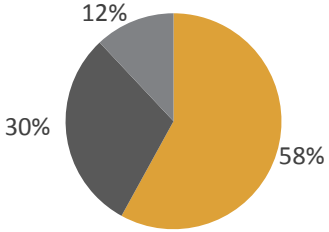


Studded Jewellery Plain Gold Jewellery

FY19



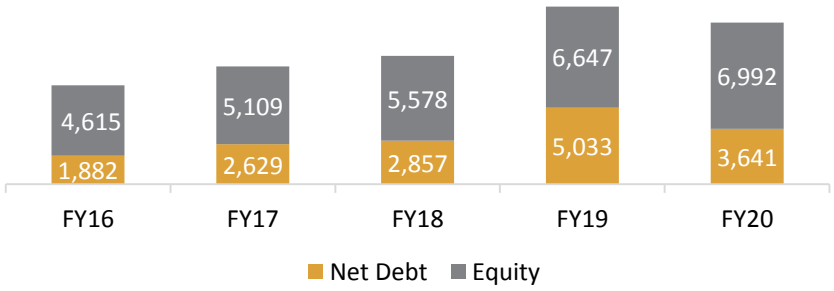
FY20



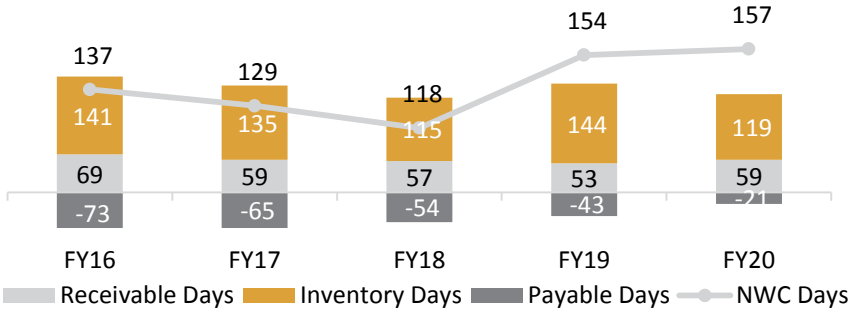
N. America Middle East Others

Improving Debt-Equity Ratio due to better inventory management

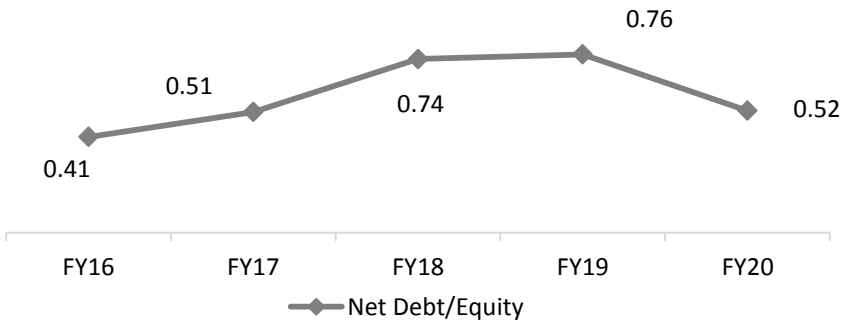
Leverage (₹ Mn)



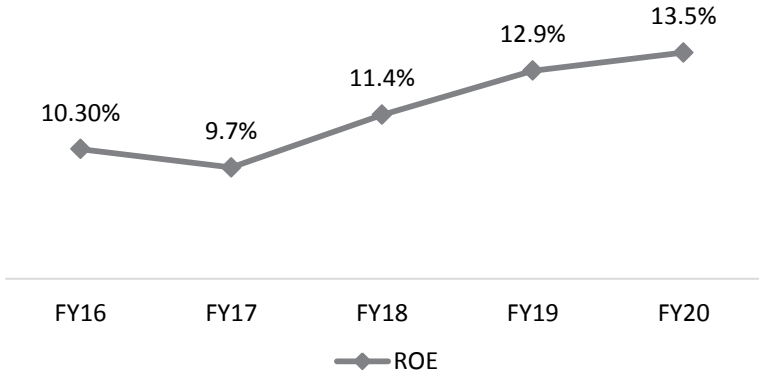
Working Capital Analysis



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)	Q4 FY20	Q4 FY19	YoY %	FY20	FY19	YoY %
Revenue From Operations	**4,478.5**	**7,036.8**	**-36%**	**25,018.5**	**25,906.3**	**-3%**
Other Income	53.6	12.9	315%	83.1	22.7	266%
Total Income	**4,532.2**	**7,049.7**	**-36%**	**25,101.5**	**25,929.0**	**-3%**
COGS	3,553.1	5,998.8	-41%	20,204.8	21,441.6	-6%
Gross Profit	**979.1**	**1,050.9**	**-7%**	**4,896.7**	**4,487.4**	**9%**
Gross Margin %	**21.6%**	**14.9%**		**19.5%**	**17.3%**	
Employee Expenses	251.1	227.2	10.5%	955.6	922.8	3.6%
Other Expenses	468.8	726.0	-35.4%	2,233.0	2,315.5	-3.6%
EBITDA	**259.2**	**97.7**		**1,708.2**	**1,249.1**	37%
EBITDA Margin %	**5.7%**	**1.4%**		**6.8%**	**4.8%**	
Depreciation	85.6	90.2	-5.2%	310.5	181.0	71.6%
Finance Cost	62.1	70.2	-11.5%	297.5	249.6	19.2%
PBT	**111.5**	**-62.7**		**1,100.1**	**818.6**	**34%**
Tax Expense	16.9	-114.0		177.8	35.7	
PAT before discontinued operations	**94.6**	**51.2**	**85%**	**922.3**	**782.8**	**18%**
Profit/(Loss) on discontinued Operations	-42.2	8.0		-44.8	-11.2	
PAT after discontinued operations	**52.4**	**59.2**		**877.5**	**771.6**	
PAT Margin %	**2.1%**	**0.7%**		**3.7%**	**3.0%**	

Consolidated Balance Sheet

Particulars (In ₹ Mn)	Mar-20	Mar-19
Shareholder's Funds	**6,992.1**	**6,646.9**
Equity Share Capital	186.8	186.8
Reserves & Surplus	6,805.3	6,460.1
Minority Interest	**0.5**	**1.6**
Non-Current Liabilities		
Borrowings	1.8	11.3
Other Financial Liabilities	1,128.5	881.5
Long Term Provisions	27.4	14.2
Other Non-Current Liabilities	0.0	0.0
Current Liabilities		
Income Tax Liabilities (net)	16.8	32.9
Short Term Borrowings	5,158.2	5,592.5
Trade Payables	1,466.7	2,931.0
Other Financial Liabilities	447.4	357.9
Other Current Liabilities	461.9	46.4
Short Term Provisions	16.0	19.4
Total Equity & Liabilities	**15,717.3**	**16,535.7**

Particulars (In ₹ Mn)	Mar-20	Mar-19
Non-Current Assets		
Fixed Assets – Tangible & Intangible	773.6	539.50
CWIP & Intangibles under development	206.1	282.7
Other Non Current Assets	208.7	113
Deferred Tax Assets (Net)	465.5	332.1
Current Assets		
Current Investments	583.4	179
Inventories	8,182.8	10,161.1
Trade Receivables	4,050.8	3,731.5
Cash & Bank Balances	935.1	391
Short Term Loans & Advances	13.1	4.3
Other Current Assets	261.8	728.7
Asset Classified for Sale	36.4	72.8
Total Assets	**15,717.3**	**16,535.7**

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RENAISSANCE
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THANK YOU

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