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/2019/155

November 12, 2019

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 20.

Dear Sir

We are enclosing herewith the write up and investor presentation to highlight the performance of Second quarter ended September 30, 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
10th quarter of double digit EBITDA growth

Mumbai, November 12, 2019: 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 half year ending 30th September 2019 as approved by its Board of Directors.

Financial Highlights – Q2 FY20 Consolidated

- Revenue at INR 5,630.1 million, down by 6% YoY, Diamond jewellery sales increased by 2% while gold jewellery sales declined by 23%
- EBITDA (including other income) at INR 436.5 million, up by 24% YoY
- PAT stood at INR 218.9 million
- Gross Debt reduces from INR 7,233.3 in Sep-18 million to INR 6,428.2 million in Sep-19; decline of INR 805.1 million
- Net Debt reduces from INR 6,559.1 in Sep-18 million to INR 5,769.4 million in Sep-19; decline of INR 789.7 million

Rs. In millions

Particulars	Q2 FY20	Q2 FY19	% YoY	H1 FY20	H1 FY19	% YoY
Revenue	5,630.1	5,967.5	-6%	11,608.4	10,564.2	10%
EBITDA	436.5	353.2	24%	753.7	562.3	34%
PBT	263.6	250.4	5%	446.4	408.7	9%
Tax	45.5	24.0	90%	58.3	58.6	-
PAT*	218.9	219.5	-	385.8	336.5	15%
Revenue Mix						
Studded	4,232.6	4,156.4	2%	8,254.7	7,189.6	15%
Gold	1,397.5	1,811.1	-23%	3,353.8	3,374.6	-

*including loss due to discontinued operations

Q2 FY20 Financial Highlights

- Revenue during the quarter declined by 6% YoY primarily due to slowdown in the Dubai Gold manufacturing business led by increasing gold prices. Gold business revenues declined 23% in Q2 FY20 while the studded business grew by 2%. The studded jewellery business was muted due to sale of independents division 'Simply Diamonds' in July 2019. (independents is small jewellery chains and single stores)
- However, EBITDA grew by 24% as the revenue decline was in the low margin Gold business and growth in the high margin branded jewellery business.
- Revenue share of studded jewellery was 75% and that of gold jewellery was 25% in Q2 FY20.
  The share is 71% for studded jewellery and 29% for gold jewellery for H1 FY20
- Healthy geographical distribution of sales across various markets for Q2FY20 – North America (60%), Middle East (25%) and Others (15%). For H1 FY20 it stood at – North America (57%), Middle East (32%) and Others (11%).

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. We are in discussion with retailers in other markets to place the brand.
- Hallmark branded jewellery continues to do well. We have a significant roll out in Q3 FY20 with a major retailer in the US. We should see significant growth in the Hallmark brand.
- 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.
- 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 Jewelry" 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:

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:

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G. M. Walavalkar
Compliance Officer
investors@renaissanceglobal.com

RENAISSANCE
GLOBAL LIMITED

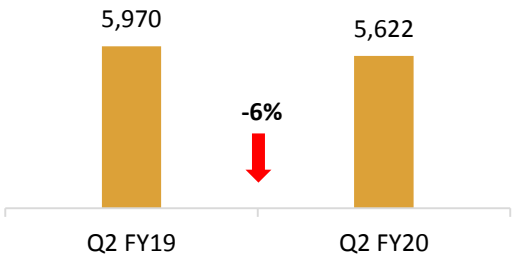
Q2 FY20 FINANCIAL OVERVIEW

Q2 FY20 : Key Highlights

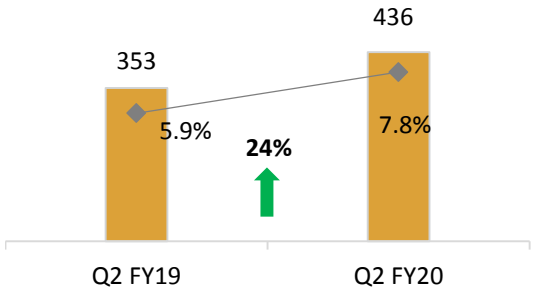
Q2 FY20 vs. Q2 FY19

In Rs Mn

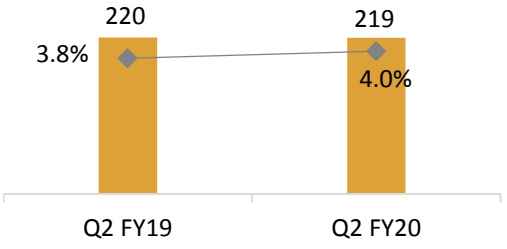
Total Income



EBITDA & EBITDA Margin

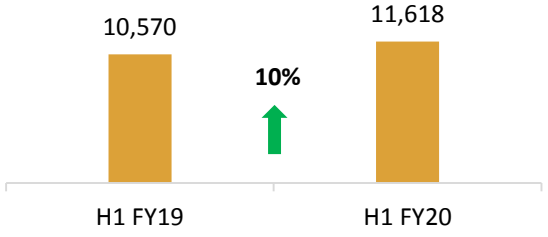


PAT & PAT Margin

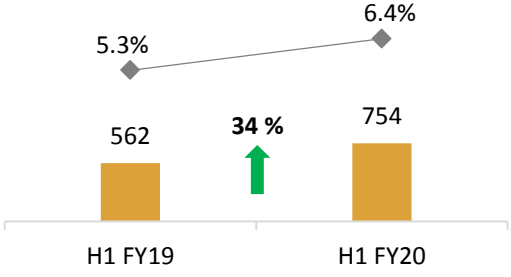


H1 FY20 vs. H1 FY19

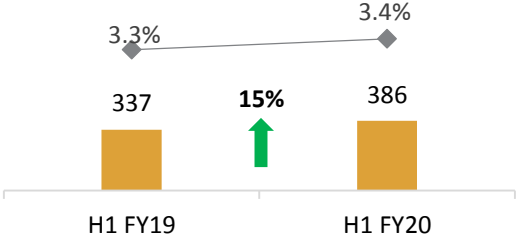
Total Income



EBITDA & EBITDA Margin

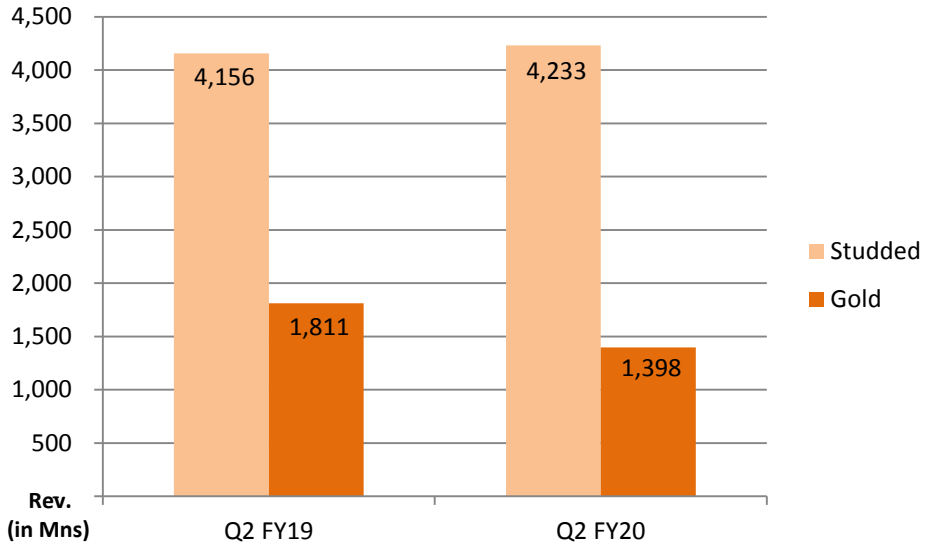


PAT & PAT Margin



Gold Jewellery business contributing to revenue decline

	Q2 FY20	Q2 FY19	YoY %	H1 FY20	H1 FY19	YoY%
Studded	4,233	4,156	2%	8,255	7,190	15%
Gold	1,398	1,811	-23%	3,354	3,375	0%
Total Revenue	**5,630**	**5,968**	**-6%**	**11,609**	**10,564**	**10%**

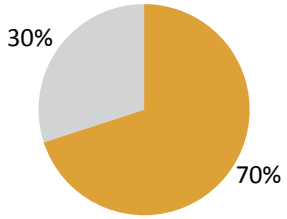


Q2 FY20 : Segment Analysis

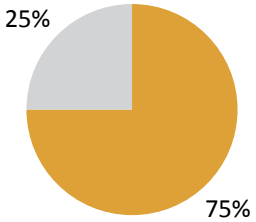
Q2 FY20 vs. Q2 FY19

Studded & Plain Gold Jewellery

Q2 FY19



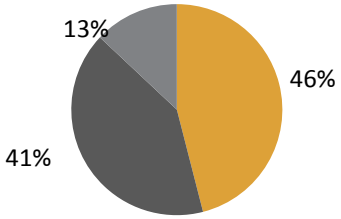
Q2 FY20



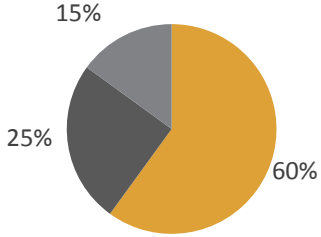
Studded Jewellery Plain Gold Jewellery

Geographical Mix

Q2 FY19



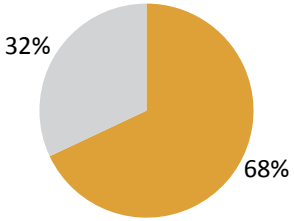
Q2 FY20



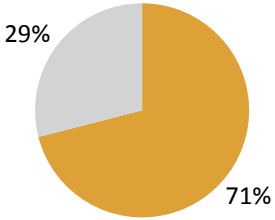
N. America Middle East Others

H1 FY20 vs. H1 FY19

H1 FY19

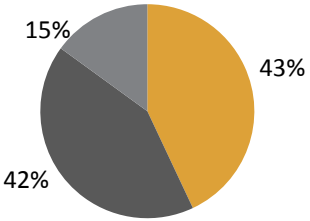


H1 FY20

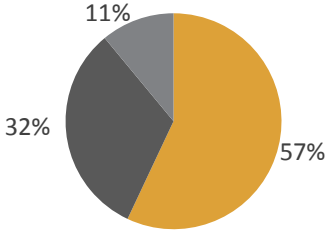


Studded Jewellery Plain Gold Jewellery

H1 FY19



H1 FY20



N. America Middle East Others

Consolidated Profit & Loss Statement

Particulars (In Rs Mn)	Q2 FY20	Q2 FY19	YoY %	H1 FY20	H1 FY19	YoY %
Revenue From Operations	**5,630.1**	**5,967.5**	**-5.8%**	**11,608.5**	**10,564.2**	**9.8%**
Other Income	-8.1	2.4		10.1	6.0	
Total Income	**5,622.0**	**5,969.9**	**-5.9%**	**11,618.6**	**10,570.3**	**9.9%**
COGS	4,363.3	4,812.2	-9.3%	9,303.6	8,664.9	7.3%
Gross Profit	**1,258.7**	**1,157.7**	**8.7%**	**2,315.0**	**1,905.4**	**21.5%**
Gross Margin %	**22.4%**	**19.4%**	**300 bps**	**20.0%**	**18.0%**	**194 bps**
Employee Expenses	239.5	244.8	-2.3%	473.9	431.9	9.7%
Other Expenses	582.7	559.6	4.1%	1,087.4	911.2	19.3%
EBITDA	**436.5**	**353.2**	**23.6%**	**753.7**	**562.3**	**34.0%**
EBITDA Margin %	**7.8%**	**5.9%**	**190 bps**	**6.4%**	**5.3%**	**89 bps**
Depreciation	92.9	31.5		147.7	56.8	
Finance Cost	80.0	71.3	12.2%	159.6	96.9	64.7%
PBT	**263.6**	**250.4**	**5.2%**	**446.4**	**408.7**	**9.2%**
Tax Expense	45.5	24.0		58.3	58.6	-0.1%
PAT before discontinued operations	**218.1**	**226.4**	**-4%**	**388.1**	**350.1**	**10.9%**
Profit/(Loss) on discontinued Operations	0.8	-6.8		2.3	13.6	
PAT after discontinued operations	**218.9**	**219.5**	**0%**	**385.8**	**336.5**	**14.7%**
PAT Margin %	**4.0%**	**3.8%**	**24 bps**	**3.4%**	**3.3%**	**10 bps**

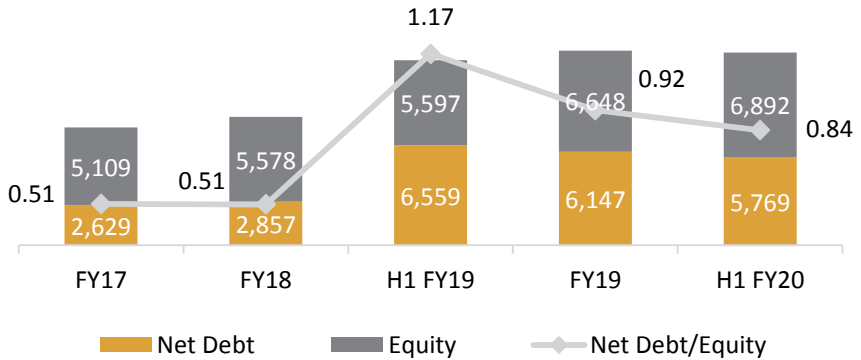
Consolidated Balance Sheet

Particulars (In Rs Mn)	Sep-19	Sep-18
Shareholder's Funds	**6,882.0**	**5,597.0**
Equity Share Capital	186.8	186.8
Reserves & Surplus	6,696.3	5,413.7
Minority Interest	**-1.1**	**-3.5**
Non-Current Liabilities		
Borrowings	6.1	9.9
Long Term Provisions	21.5	23.2
Current Liabilities		
Income Tax Liabilities (net)	0.0	44.9
Short Term Borrowings	6,428.2	7,233.2
Trade Payables	4,392.0	5,574.6
Other Current Liabilities	674.6	743.3
Short Term Provisions	21.0	18.7
Total Equity & Liabilities	**18,425.4**	**19,244.8**

Particulars (In Rs Mn)	Sep-19	Sep-18
Non-Current Assets		
Fixed Assets – Tangible & Intangible	1042.1	1,204.8
CWIP & Intangibles under development	5.8	0.4
Other Non Current Assets	234.0	14.0
Deferred Tax Assets (Net)	364.1	367.9
Current Assets		
Current Investments	184.9	120.5
Inventories	11,430.4	11,446.6
Trade Receivables	4,224.7	4,817.6
Cash & Bank Balances	473.7	553.6
Short Term Loans & Advances	5.0	5.9
Other Current Assets	390.6	643.6
Asset Classified for Sale	70.1	69.9
Total Assets	**18,425.4**	**19,244.8**

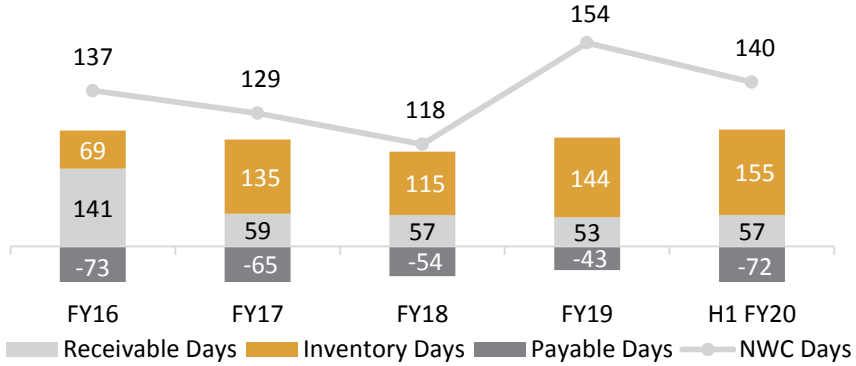
Financial Strength Driving Business Growth (Consolidated)

Leverage (Rs Mn)

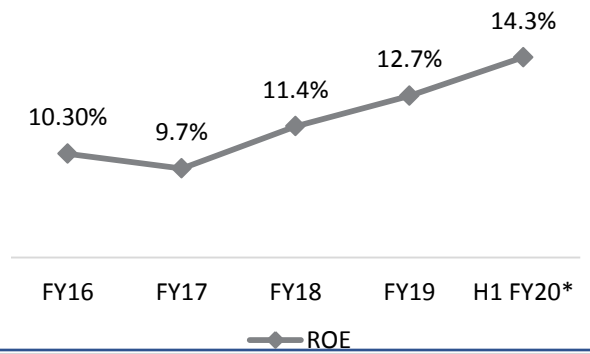


Net Debt = Borrowings – Current Investments – Cash and Bank Balances
Equity = Share capital + Reserves & Surplus

Working Capital Analysis



Return on Equity



Working capital calculated with Total Income as denominator

*Trailing 12 months

Long term goal of the company is:

1. **Less than 0.5 Net Debt\Equity ratio**
2. **Maximize Free Cash flow to the company and**
3. **Greater than 15% RoE consistently through cycles**

Our Debt levels are currently elevated due to the acquisition of Jay Gems and the Debt on the Balance Sheet of that company. Money due to the erstwhile owners of the company is also classified as Debt but carries no interest.

Our company has always maintained a strong Balance Sheet and will work towards reducing the Net Debt/Equity ratio to our target range.

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RENAISSANCE
GLOBAL LIMITED

THANK YOU

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