



RENAISSANCE JEWELLERY LTD

TODAY | TOMORROW | FOREVER

CORPORATE PRESENTAION
FY 2016-2017

CONTENTS



CORPORATE OVERVIEW

ABOUT THE COMPANY

Our Business

- Renaissance Jewellery Ltd is engaged in the business of design, manufacturing, and sales of various types of jewellery.
- Company has wholly owned subsidiaries in US, UK, Dubai to facilitate its sales and operations globally.
- FY 2017 consolidated turnover of Rs 14735.5 Millions

Our Manufacturing Units

- India
SEEPZ(Mumbai)
Bhavnagar(Gujarat)
- Bangladesh
- Dubai

Our Products

- Jewellery products made out of gold, silver, platinum studded with diamonds and other precious and semi precious stones
- Products include rings, earrings, pendants, bracelets, necklaces and bangles

Key Clients

- Amazon Inc
- Argos
- JC Penney
- Sears Corporation
- Signet
- Sterling Jewellers
- Walmart
- Zales Corporation



CORPORATE OVERVIEW

OUR GLOBAL OPERATIONS

USA

Renaissance Jewellery NY Inc
Founded :September 2007
FY 2017 Sales: Rs 5824.8 Mn

UK

Verigold Jewellery(UK) Ltd
Founded :June 2009
FY 2017 Sales: Rs 872.5 Mn

MANUFACTURING

DUBAI
Acquired in Nov 2016
Manpower:75+

MIDDLE EAST

Verigold Jewellery DMMC
Founded :FY 2014
FY 2017 Sales: Rs 3396.8 Mn

MANUFACTURING

BANGLADESH
Started: 2011
Manpower : 400
Area: Approx. 30,000 sq.ft

MANUFACTURING (IND)

- 1) SEEPZ MUMBAI
Started:2000
Manpower:2100
Area Approx: 95000 sq ft
- 2) BHAVNAGAR (GUJARAT)
Started: 2005
Manpower: 1800
Area: Approx 65,000 sq ft

LEGENDS

- Key Subsidiaries
- Manufacturing Units

MANAGEMENT TEAM

EXTREMELY EXPERIENCED SENIOR LEADERSHIP



CHAIRMAN

NIRANJAN SHAH

- Four decades plus industry experience
- BoD in 1995 & CM since 2003
- Strategic Planning



VICE CHAIRMAN

SUMIT SHAH

- 21 years industry experience
- Long term business plan
- New business initiatives



MANAGING DIRECTOR

HITESH SHAH

- 21 years of industry experience
- In charge of finance, accounting functions and merchandising



PRESIDENT

SUHEL KOTHARI

- President, RJNY Inc. (Verigold)
- Manages operations of US division



EXECUTIVE DIRECTOR

NEVILLE TATA

- 20 years industry experience
- In charge of Production and HRM

INDUSTRY RECOGNITION

ACCOLADES AND INDUSTRY ASSOCIATION

Recognition Across the years

- 2001:** SEEPZ-SEZ Star Award
- 2005:** Walmart's International Supplier of the Year
- 2007:** Three Star Export House
- 2008:** GJEPC Award for largest exporter of studded metal jewellery
- 2009:** Emerging India Award
- 2011:** GJEPC Award for largest exporter of studded metal jewellery
- 2012:** GJEPC Award for largest exporter of studded metal jewellery
- 2015:** GJEPC Award for largest exporter of studded metal jewellery
- 2016:** GJEPC Award for largest exporter of studded metal jewellery













Responsible Jewellery Council

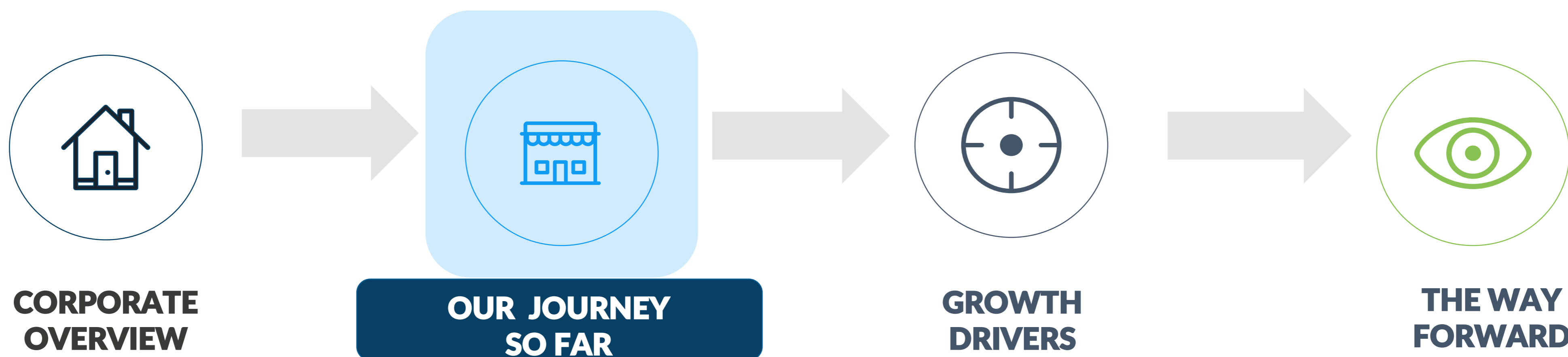
- The Management believes that the sustainability of any such global business model also stems from doing business in a responsible manner
- RJL is a certified member of Responsible Jewellery Council(RJC)
- Company is independently audited against the RJC code of practices as per international standard
- The Code of Practices addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain

OUR BUSINESS

CERTAIN FACTS AND MISCONCEPTIONS

- | | |
|--|--|
|  We are a Jewellery manufacturing company focussing on studded and diamond jewellery |  We are a diamond company |
|  P&L is primarily dollar denominated. Raw Material is primarily procured in dollars, Sales in dollars. Hence marginal forex risk |  We run a huge forex risk |
|  We innovate and develop new designs on an ongoing basis. We own the IP rights of these designs. Client orders are taken based on these designs |  We are an outsourcing business for jewellery chains across the world |
|  We have more than 4000 employees that help in manufacturing the various designs approved by our clients |  We are a trading company |
|  We procure orders from our clients based on the floating price of the metal (gold/silver). Based on the orders we procure, we procure gold and silver in the spot market and use this as the invoice price. We do not run any commodity pricing risk |  Our profitability is extremely dependent on gold and silver prices |

CONTENTS



OUR JOURNEY SO FAR

SINCE INCEPTION...

1995

Acquired Mayur Gem & Jewellery Export Pvt Ltd

2000-05

- 40,000 sq. ft. facility in SEEPZ, Mumbai
- Commenced business with Walmart, Zales Corp, USA
- Setup 100% export oriented unit in Bhavnagar, Gujarat

2006-2010

- Setup Renaissance Jewelry NY Inc
- Rs. 800 Mn IPO
- Setup Verigold Jewellery (UK) Ltd

2011-2015

- Setup Bangladesh unit
- Setup Verigold Jewellery DMCC in Dubai (UAE)

2015-2017

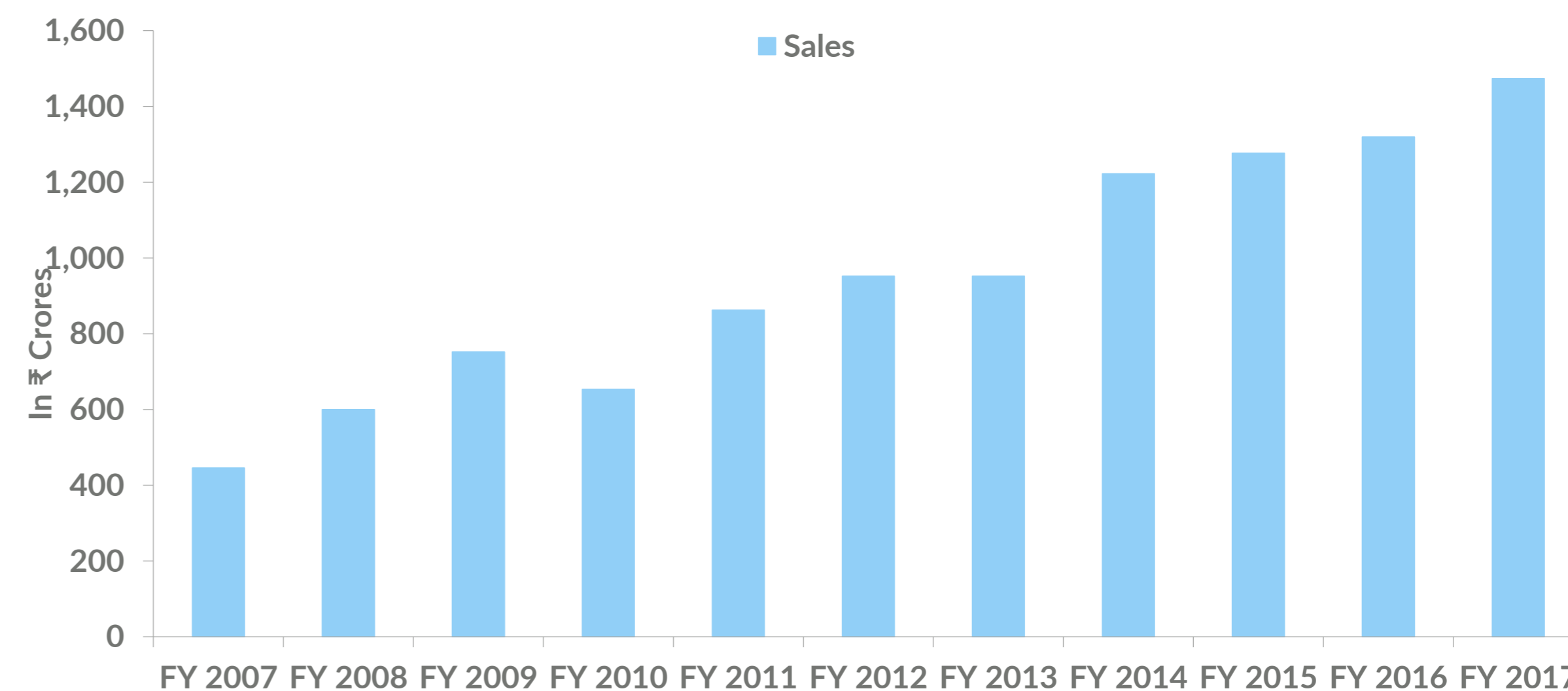
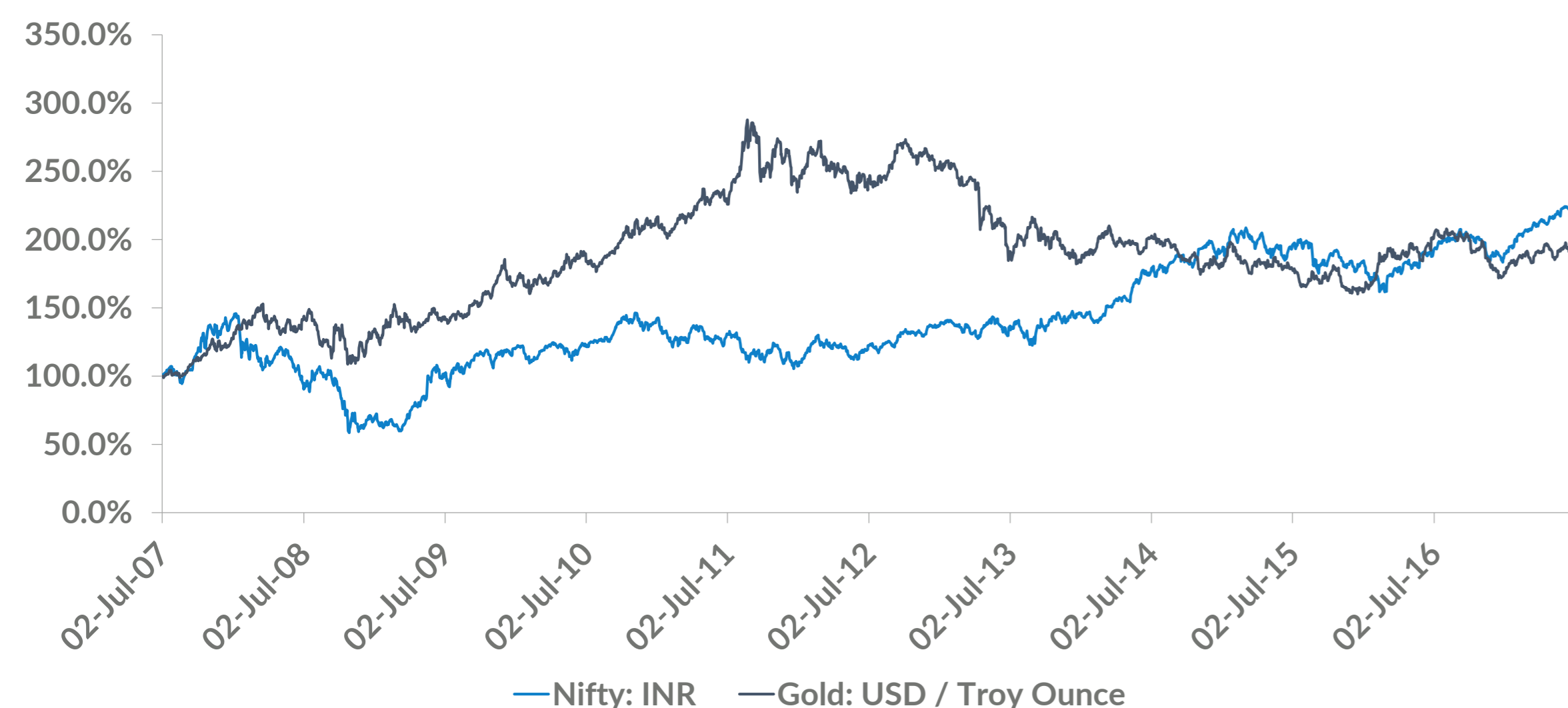
- Licensing agreement with Hallmark
- Acquired a manufacturing unit in Dubai

The word “Renaissance” often means a revival or rebirth ,especially of culture and learning .The Company has grown since its inception by re-orienting and reinventing its business

OUR JOURNEY SO FAR

...SINCE THE IPO LISTING

- The company got listed in 2007. The decade since then has witnessed intense volatility
- Gold prices also rallied up to US\$ 1,900/troy ounce and has then retraced 40.0% from these levels.
- Equity markets peaked in 2008 and struggled for major part of the decade



- The Company had recorded a sales turnover of INR 4450 Mn for the year ended March 31, 2007 when it got listed. It registered a sales turnover of INR 1,4734.5 Mn for the year ended March 31, 2017.

The company has shown strong resilience despite very volatile market conditions in the last decade

KEY FINANCIALS

CONSOLIDATED FINANCIALS FOR THE LAST 5 YEARS

Rs in million except per share numbers and ratios	Year ended March 31				
	2013	2014	2015	2016	2017
Revenue	9,519.3	12,221.6	12,764.4	13,193.1	14,734.5
EBITDA	462.6	620.9	752.3	827.6	912.0
Operating Profit	357.3	500.8	578.7	677.4	771.9
Net Profit	147.7	294.8	401.6	474.4	429.4*
Diluted EPS	7.74	15.45	21.05	24.87	26.19
Net Debt	2,002.4	2,883.7	1,949.9	1,517.4	1,601.5
Networth	3,248.7	3,738.9	3,989.8	4,613.9	5,140.4
EBITDA Margin	4.90%	5.10%	5.90%	6.30%	6.20%
Net Debt/Equity	0.62x	0.77x	0.49x	0.33x	0.31x
Book value per share(BVPS)	170.27	195.96	209.15	241.83	269.41

- Sales growth of 50% during this period.
- EBITDA Margin expansion from 4.9% to 6.2 %

- BVPS at Rs 270 as on March 31 2017
- Reduction in Net Debt despite increase in turnover

*Includes one time write off of Rs 70.2 Mn on account of discontinuing operations in home retail segment

FY 2016-17 AT A GLANCE

KEY ARRANGEMENTS AND AWARDS

Dubai has been added to the footprint of manufacturing locations during the current financial year

- Verigold Jewellery DMCC, Dubai; a wholly owned subsidiary of RJI has set up a JV Renaissance Jewellery DMCC (RJDMCC) with a local partner.
- RJDMCC has acquired the assets (factory along with plant and machinery), customers and intellectual property rights of **Vogue Jewellery DMCC**, a manufacturer of Plain Gold Jewellery. The factory has over 75 employees and a manufacturing capacity of 300 kg per month.
- The Company also proposes to generate synergies by selling studded jewellery to the existing clients of the acquired entity.
- The Company has identified The Middle East as a thrust area for the Company for future growth. This acquisition gives RJI a good foothold to penetrate the jewellery market in the Middle East.

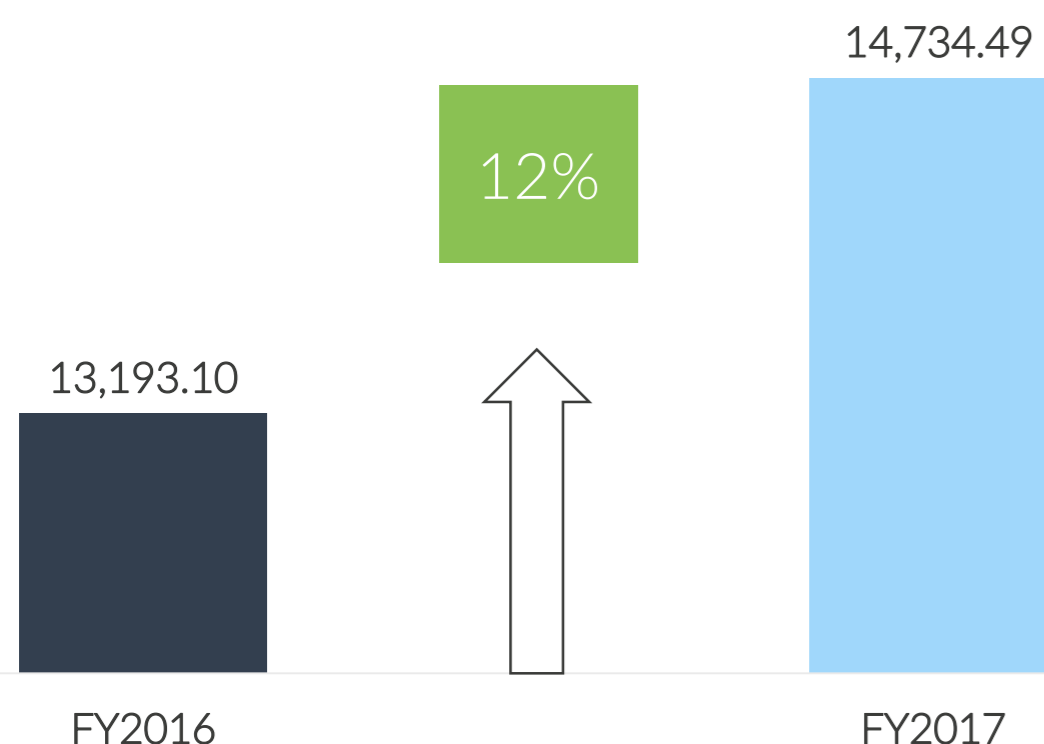
Renaissance Jewellery wins the GJEPC Award for the largest exporter of studded metal jewellery for the 5th time

- The Gem and Jewellery Export Promotion Council (GJEPC) at its 43rd Award function to felicitate outstanding achievers of Indian Gems & Jewellery Industry
- Since 2011 the company has won the above GJEPC award 4 times

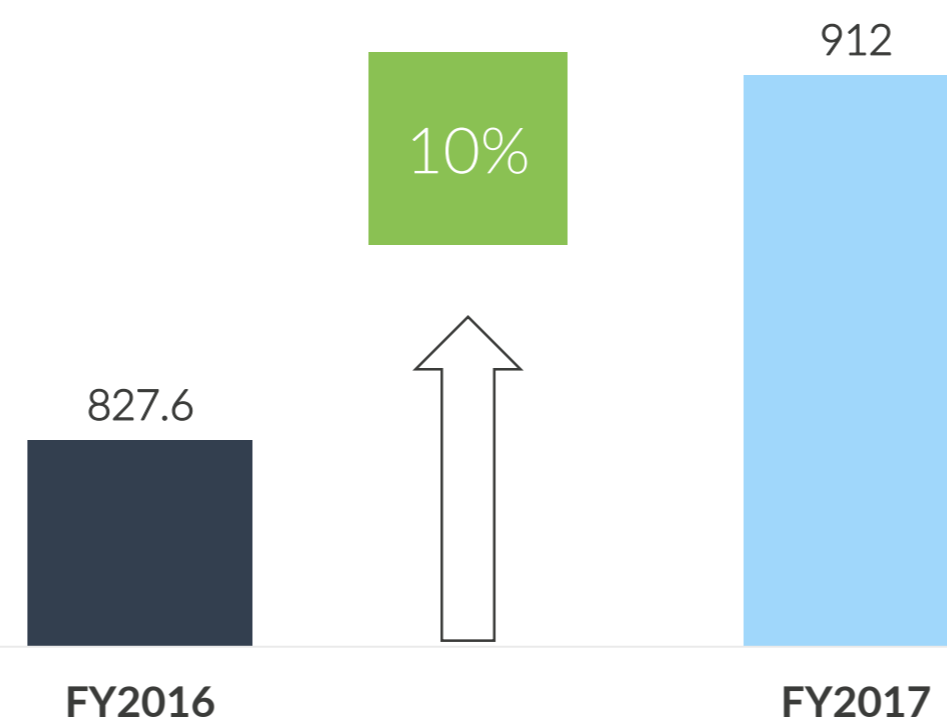
FY 2016-17 AT A GLANCE

KEY FINANCIAL PARAMETERS

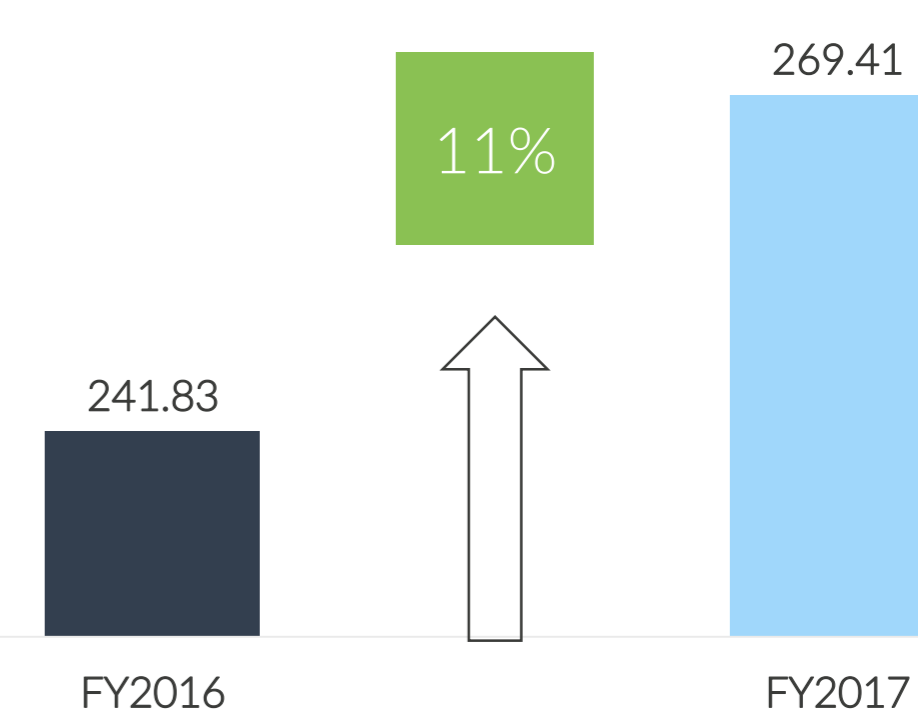
Revenue



EBITDA



Book Value Per Share



Sales, EBITDA and BVPS comparison

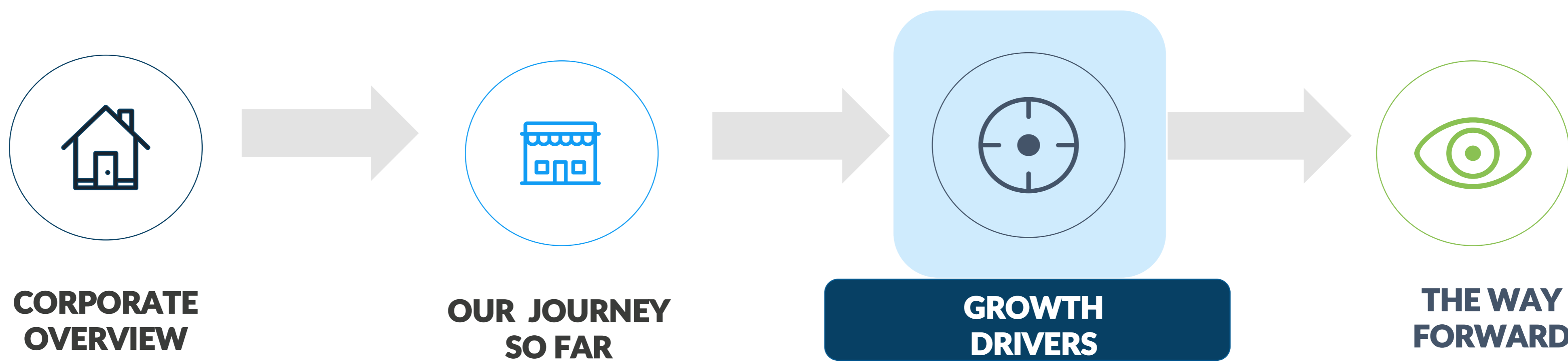
- Company's Consolidated Revenue increased by 12% in 2017 as compared to 2016
- Consolidated EBITDA grew by 10% with respect to the previous year
- BVPS increased by 11% ,stands at Rs 270 (March 31 2017)

PAT Comparison

- Jewellery Segment PAT grew by 11.5% from Rs 480 Mn in 2016 to Rs 535Mn in FY2017.
- Consolidated PAT has observed a drop of 9.28% from Rs 474 Mn to Rs 430 Mn on account of one time write off Rs 70.2 Mn. This was on account of discontinuing operations of the Home retail segment

Company has agreed to buyback 2,00,000 shares at a fixed price of Rs 250





GROWTH DRIVERS

ENTERING NEW MARKETS

The Company has made broad-based sales across newer markets. While entering new markets it has not lost its customer base from the existing markets



PRODUCT INNOVATION

Design teams work closely with client interaction teams to come out with newer designs across product lines and meet requirements for jewellery products of different geographies



EFFICIENT COST STRUCTURE

Investing in manufacturing units outside of Mumbai, i.e. Bhavnagar and Bangladesh have helped it control the overall cost of manufacturing



RAW MATERIAL MIX

Proportionate mix of gold, silver and studded jewellery as per end customer taste requirements and providing the consumer with effective value for money



GROWTH DRIVERS

AFFORDABILITY

The Company maintains product ranges that are affordable with the end consumers. While the average price per piece has been in the range US\$ 50-60; the higher end gold jewellery could go up to US\$ 500 per piece



INTERNAL PROCESSES

The company manufactures more than 10000 pieces of jewellery every day. Each piece of jewellery is handmade and yet needs to look exclusive and as per customer requirements. The same is possible through strong internal processes



EFFICIENT CAPITAL ALLOCATION

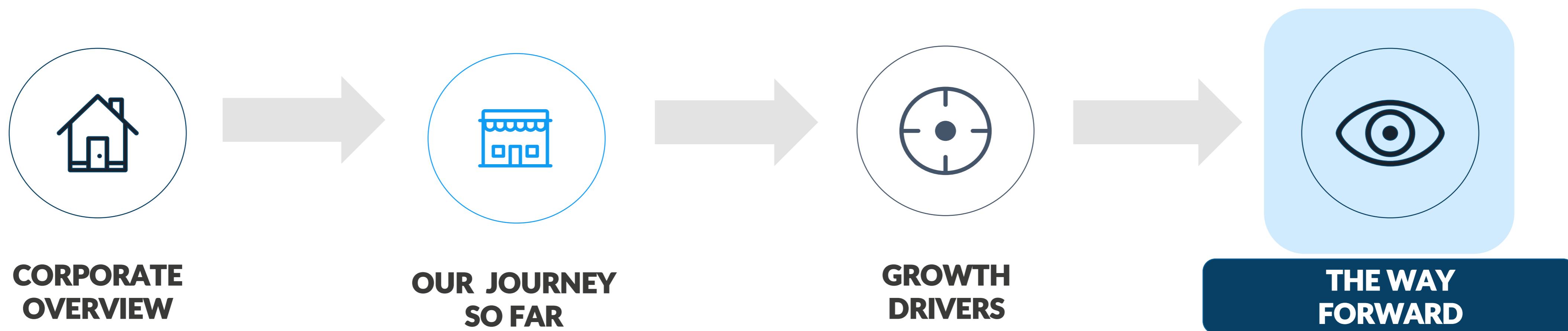
The Company has been reducing the overall working capital cycle by efficient capital allocation. It is done by very closely monitoring the entire cycle from placing orders to delivery till the receipt of money



MANAGEMENT

A very dedicated and long standing Management team has made above possible. Adding on to this ,their leadership has made growth look easy even in difficult times.

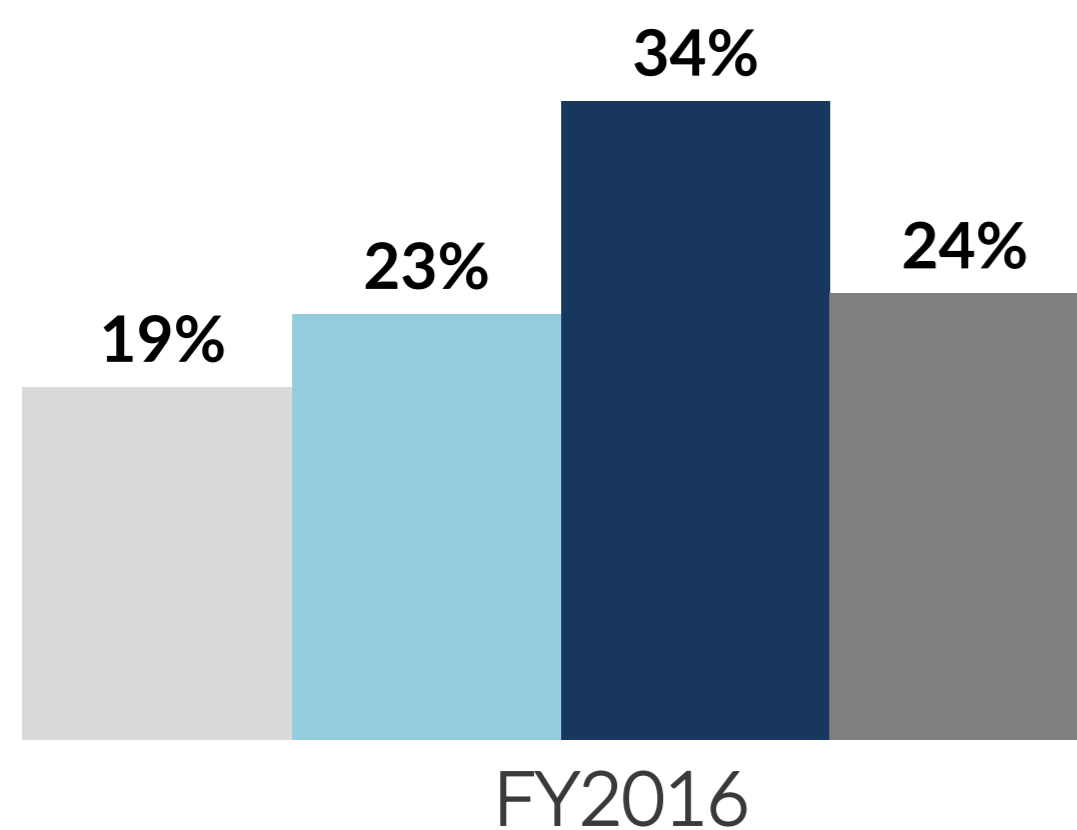
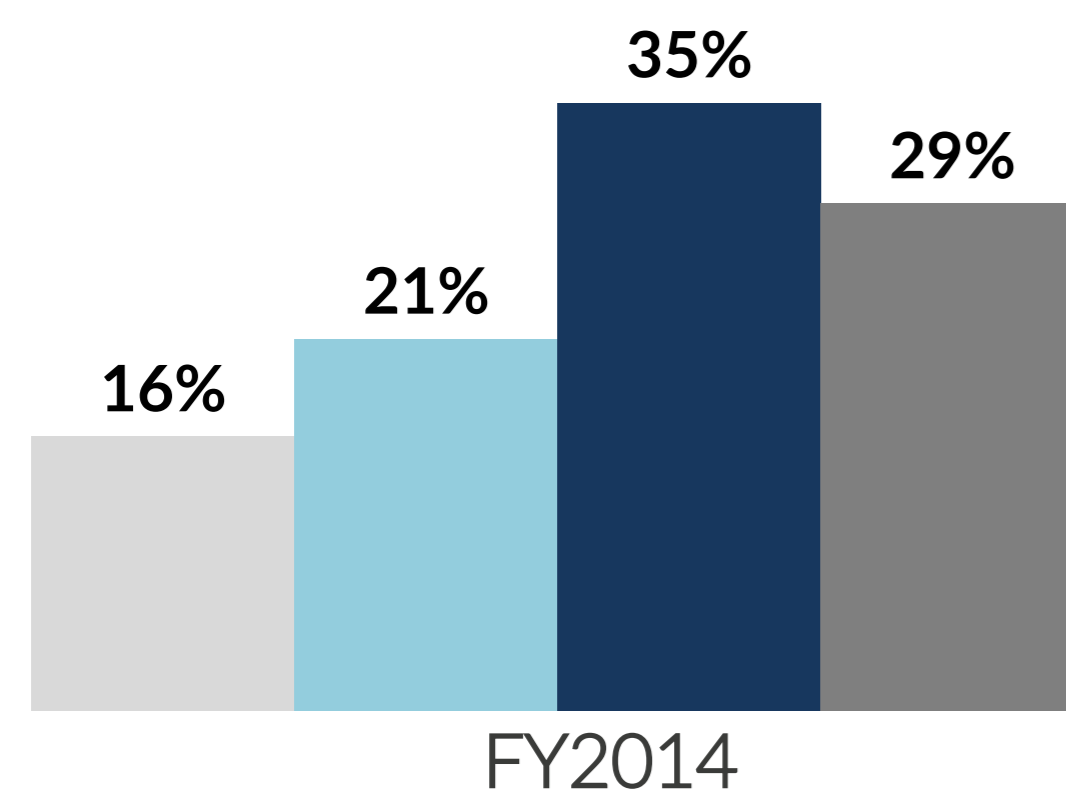




THE WAY FORWARD

SEASONALITY OF BUSINESS

Quarterly Revenues – Jewellery Segment

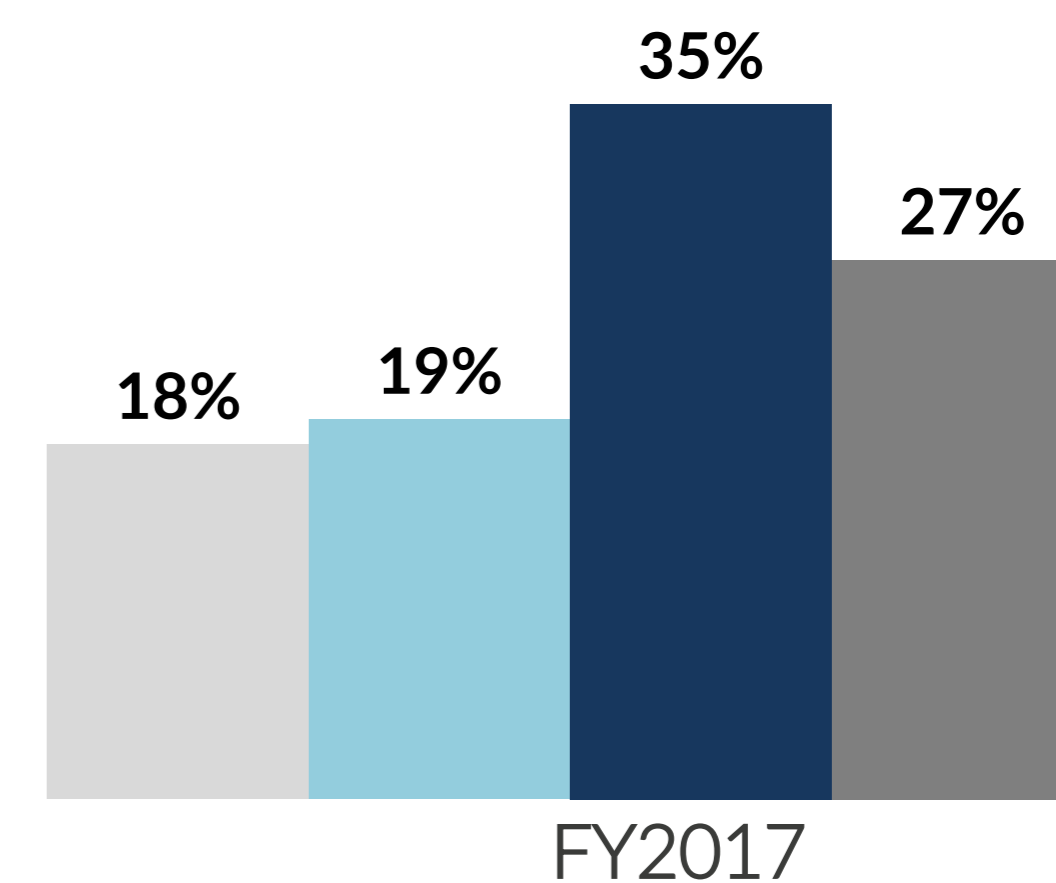
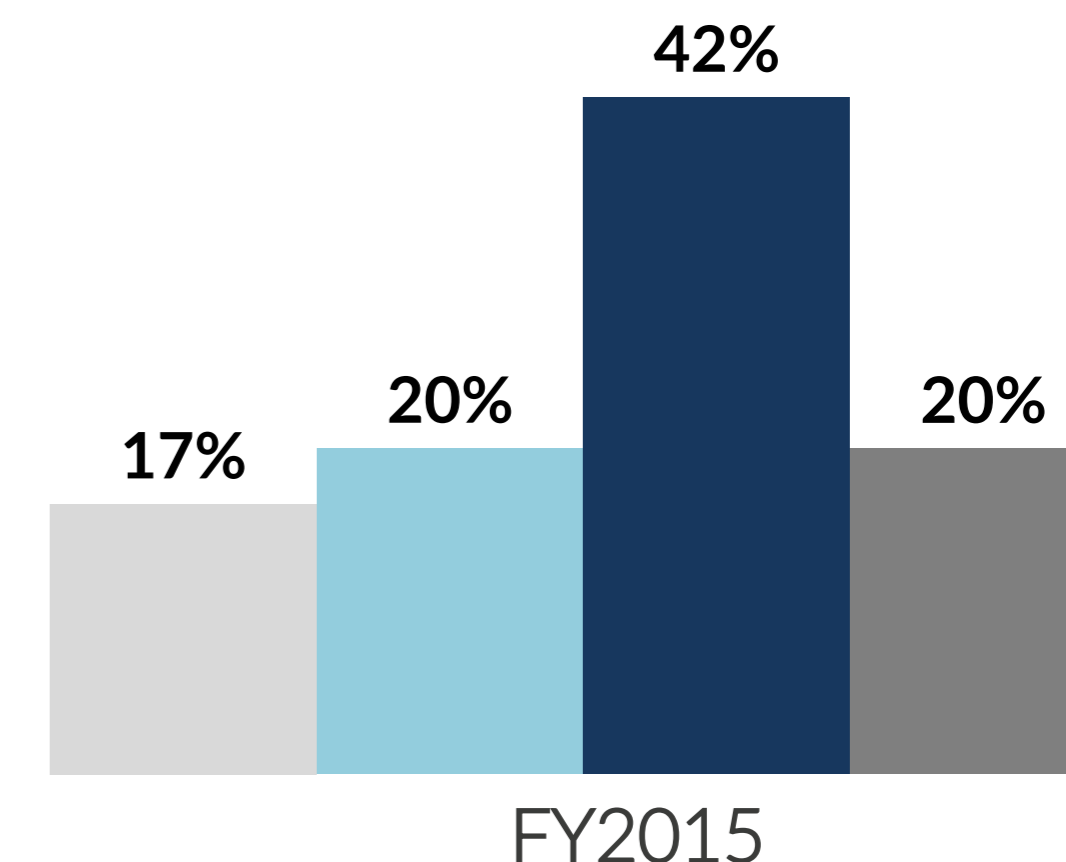


The sales so far have been very heavily dominated by US festive occasions including Thanksgiving Day, Christmas, Valentines Day and Mothers Day.

Q3 has been contributing 34-39% in the last 4 years.

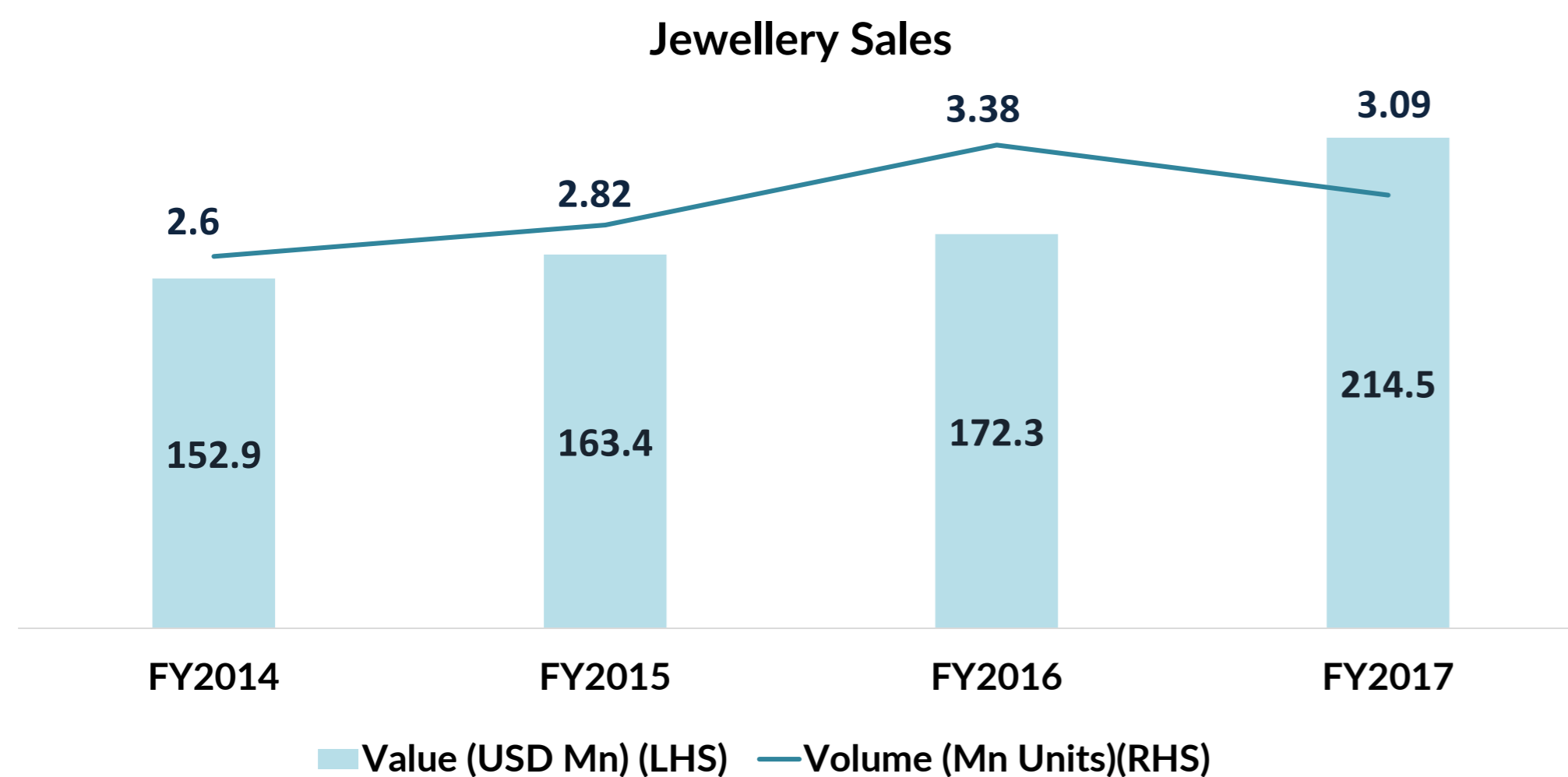
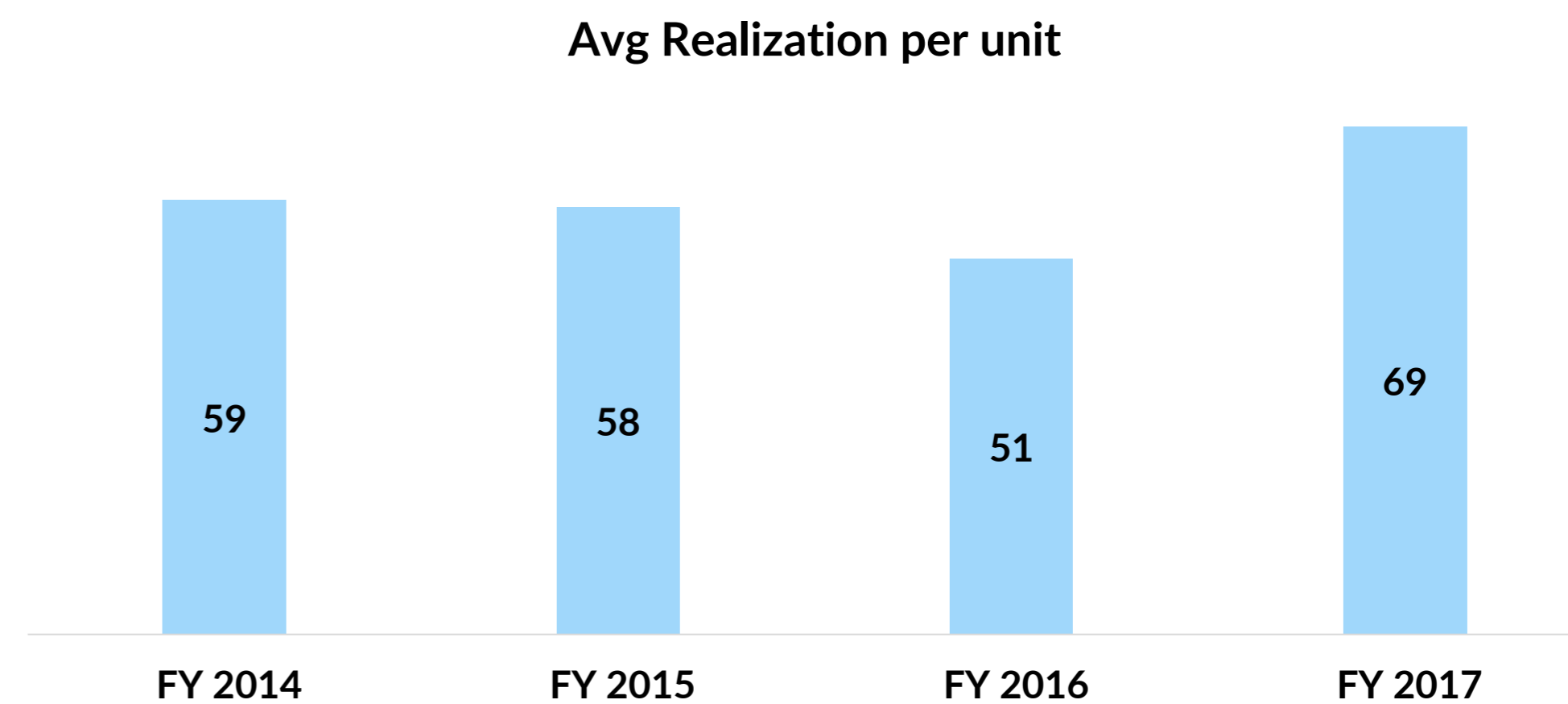
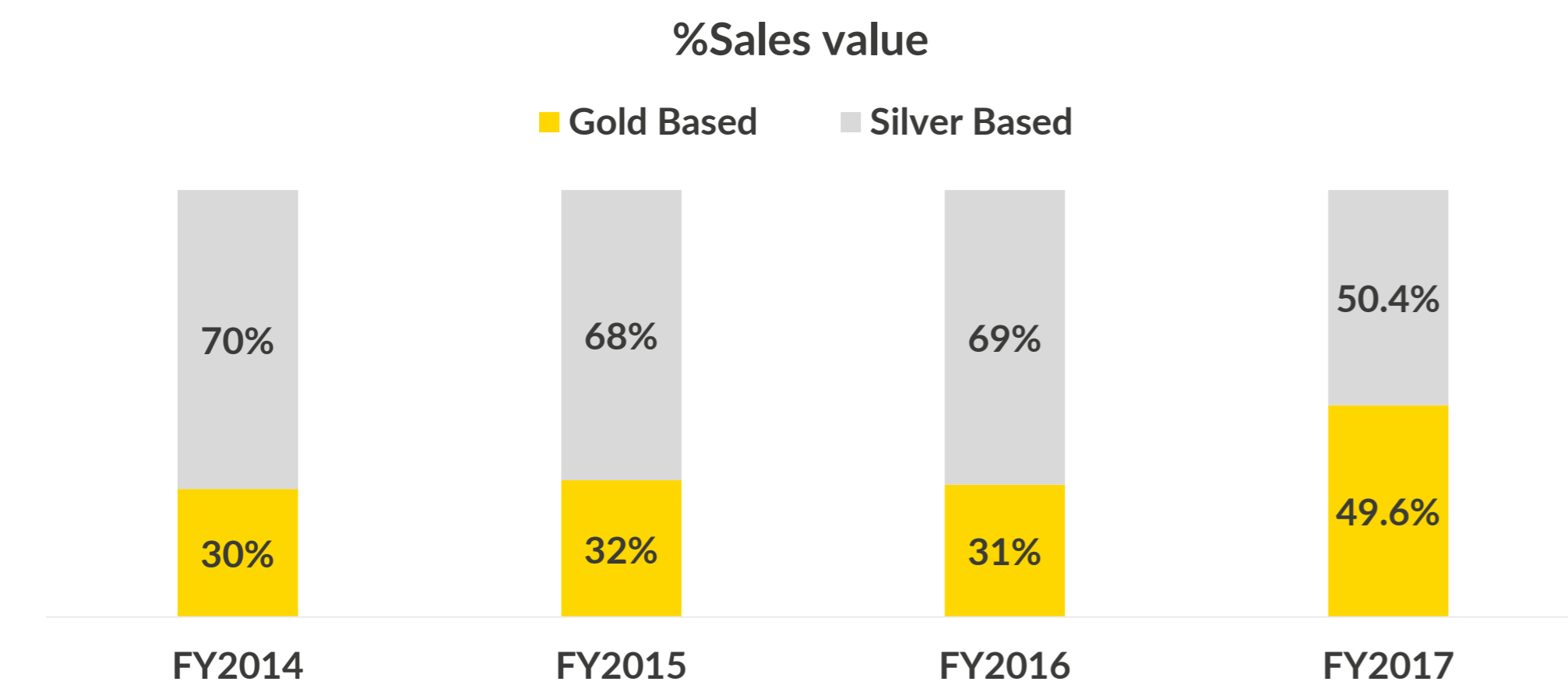
With a manufacturing unit and increase in sales in the Middle East, this will contribute to about 25% sales going forward.

The seasonality of sales on account of festive season will be more normalized in the years to come due to the geographical diversity



THE WAY FORWARD

RAW MATERIAL & PRODUCT MIX



- Moderate gold prices has brought back interest in gold jewellery.
- Dubai manufacturing facility is primarily gold.
- Silver : gold ratio that was around 70:30 in earlier years is more balanced at 50:50
- Average realization per piece increased to USD 69

The Company has been re-orienting the raw material and the product mix in order to grow year on year

THE WAY FORWARD

GEOGRAPHICAL DIVERSIFICATION

- USA continues to be the main market for the Company for the jewellery business
- Sales in the Middle East will take the second slot, it is expected to be more than 25% of the consolidated sales going forward on account of acquisition of Vogue Jewellery DMCC.
- Sales in quarter three accounted for 34-37% of the total sales for the year but increasing geographical diversity is expected to reduce the seasonality in the sales to some extent

VERSATILE PRODUCT MIX

- Company exported 3mn pieces last year with average realization being USD 69 per piece.
- Mix of silver and gold jewellery since last few years is around 70:30
- Company has brought the mix of silver and gold to 50:50 and is likely to sustain the proportion going forward.

STRATEGIC INITIATIVES

- Management believes next wave of growth will be realized from the consolidation in the industry
- Inorganic growth opportunities by acquiring/partnering with mid-size companies that have a niche business model.
- Strategic fit and return on capital employed will be the key drivers to the decision making

Sales growth of 17%-18% per annum is envisaged in FY2018

CONTACT US

For any Investor queries ,reach out to us at :

RENAISSANCE JEWELLERY LTD.

Plot No. 36A & 37, Seepz - SEZ, Andheri (E),
Mumbai - 400096. INDIA

Tel: +91 22 40551200

Fax: +91 22 28292146

Email: info@renjewellery.com



Compliance Officer
G.M.Walavalkar

Investor Grievance Redressal Cell
Email: investors@renjewellery.com