



RENAISSANCE JEWELLERY LTD.

May 28, 2018

Renaissance Jewellery Limited- Release of Q4 FY18 Results

Renaissance Jewellery Limited, a leading global manufacturer of fine jewellery declared its Consolidated Financial Performance for the fourth quarter and year ended March 31st, 2018.

The key highlights are given below:

- Highest ever Sales, EBIDTA and PAT registered in the Company's history
- Sales growth (consolidated) of 23.9% on a y-o-y basis
- EBIDTA (consolidated) for the full year crosses INR 100 crore
- PAT increase of 50.0 % on a y-o-y basis
- Book value of INR 295.4

- The Company has recorded its highest ever Sales, EBIDTA and PAT in any financial year since its inception. While Consolidated sales for the full year increased by 23.9% over the previous year, the Consolidated PAT increased by 50.0% over the same period.
- The Company's strategy of acquiring businesses complementary to its product and client portfolio has helped in accelerating the growth of the Company. The robust growth during the current year has been possible by the seamless integration of the manufacturing unit acquired in Dubai in November 2016.

Financial Performance highlights for the period ended March 31st, 2018 (Consolidated)

Particulars (INR Crores)	Q4 FY18	Q4 FY17	% Change Q-o-Q	FY18	FY17	% Change Y-o-Y
Sales	448.6	399.3	12.3%	1825.1	1473.4	23.9%
EBITDA	13.9	12.5	11.2%	101.6	81.3	25.1%
PBT	6.5	5.5	18.7%	74.7	54.0	38.3%
PAT	8.4	6.3	32.7%	63.8	42.5	50.0%

- The Company has recorded a Consolidated Sales turnover of **INR 1825.1 crore** for the year ended March 31st, 2018 as compared to INR 1473.4 for the year ended March 31st, 2017. The Company achieved a **growth of 23.9% in sales** as against the guidance of 16-17% given at the start of the year.
- For the first time, the EBIDTA achieved during the year surpassed the INR 100 crore mark. Consolidated EBIDTA of the Company for the year ended 31st March, 2018 stands at **INR 101.6 crores** as against INR 81.3 crores for the same period of the earlier year. This reflects a **growth of 25.1%**. Despite strong Sales growth, the Company has maintained and marginally improved the EBITDA Margin. The current year Margin stands at **5.6% vs 5.5%** in the last year.





RENAISSANCE JEWELLERY LTD.

- The Consolidated Profit Before Tax (**PBT**) for the year ended 31st March, 2018 has increased significantly by **38.3%** from INR 54.0 crore to **INR 74.7 crore**.
- The Consolidated **PAT** for the year ended March 31st, 2018 is **INR 63.8 crores** as compared to INR 42.5 crore for the same period last year. The same is an increase of **50.0% growth** on a y-o-y basis. The PAT for the current quarter is **INR 8.4 crores** reflecting a **growth of 32.7% on q-on-q basis**.
- The Consolidated **PAT margin** of the Company has grown from **2.9%** during the earlier year to **3.5%** during the year ended March 31st, 2018. The same translated to an **EPS** (annualized) of **INR 34.1** for the year ended 31st March, 2018.
- The Company has adopted Ind-AS for the first time beginning April 1, 2017. The results for the full year ended March 31, 2018 are as per Ind-AS. Changes in Balance Sheet items are recognized under the Other Comprehensive Income(OCI). The PAT mentioned above is prior to any adjustments of OCI and reflects the profitability from operations.

Outlook for FY19:

- The Company's profitability is likely to increase faster than the top-line. This is on account of the **Management's focus to improve the margins on its products**. The Company has been working closely with brands as well as focusing on higher value-added category of jewellery to achieve the same.
- Management believes that the next wave of growth would be in the consolidation of the industry. There are a lot of businesses with good clients and good product bouquets that are looking to be bought out or their operations being merged with larger entities. **The Company will constantly evaluate such acquisition opportunities (both domestically and internationally) based on their products and markets being complementary to its own.**
- Changes in the Macro Business Dynamics in India including GST Implementation and the efforts to remove illegitimate transactions etc. will lead to serious entry barriers. Companies with good governance practices will sustain and grow in this environment. Changes in Consumer Preferences towards designer and branded jewellery are encouraging signs. **Over the course of next year, Company will closely study and evaluate the Domestic Retail Market and devise an entry strategy for the same.**

