



RENAISSANCE JEWELLERY LTD.

November 11, 2016

Renaissance Jewellery Limited – Release of Q2 FY 17 Results

Renaissance Jewellery Limited, a leading global manufacturer of fine jewellery declared its Consolidated Financial Performance for the half year ended September 30, 2016.

Financial highlights for the half year

Particulars (In Crs)	H1 FY 17	H1 FY 16	% Change
Sales			
Jewellery	536.1	524.3	2.2%
Home Retail	22.6	30.9	(26.9%)
Consolidated	558.7	555.3	0.6%
EBITDA			
Jewellery	31.8	27.5	15.8%
Home Retail	(0.5)	0.9	(154.5%)
Consolidated	31.4	28.4	10.5%
PAT			
Jewellery	17.7	15.5	14.6%
Home Retail	(2.9)	(1.4)	(104.6%)
Consolidated	14.8	14.0	6.1%

Jewellery business

- Sales of the jewellery business for the half year have marginally increased by 2.2% compared to the first half in the previous year. Over the last few quarters the Company has focused on improving the margins in the jewellery business.
- During the half year, the EBITDA of the jewellery business has improved from Rs. 27.5 cr to Rs. 31.8 cr resulting in an increase of 15.8%
- The jewellery business has registered a Profit after tax of Rs. 17.7 cr for the half year indicating an increase of 14.6% from the corresponding period of the previous year.

Home retail business

- The Company has a step down subsidiary in the home retail segment, which has been selling home furniture under the brand Housefull through its 40 retail stores as well as its online platform.



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- The home retail segment for the current quarter has registered sales of Rs. 8.4 cr as against sales of Rs. 16.0 cr last year for the same quarter. The decrease in sales has been on account of the Company discontinuing operations of its retail stores. During the quarter, the stores were primarily operating to clear the inventory that lead to certain onetime operating costs.
- The change in strategy has resulted in a loss of Rs 2.9 cr for the half year. In addition, to the operating losses, there will be a onetime write-off of assets in the coming quarter.
- Due to the closure of the stores, we anticipate that the operating losses from this segment will reduce substantially from the fourth quarter of FY17.
- Housefull shall continue to sell goods only through the online platform

Acquisition of business in Dubai

- Verigold Jewellery DMCC, Dubai; a wholly owned subsidiary of RJL has set up a JV Renaissance Jewellery DMCC (RJDMCC) with a local partner.
- RJDMCC has acquired the assets (factory alongwith 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 200 kg per month.
- Mr Sumit Shah, Managing Director of RJL said "The Middle East has been a thrust area for the Company for future growth of studded jewellery. This acquisition gives us a good foothold to penetrate the jewellery market in the Middle East. Based on the traction the business had with its customers prior to the acquisition, we believe this acquisition will have significant positive impact to our sales. We will further be able to generate synergies by selling studded jewellery to the existing clients of the acquired entity".



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