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Analyst Day: Key Takeaways

- **The company is shifting from a working-capital-heavy B2B model to a high-margin, brand-led D2C jewellery platform to drive profitability**
- **Premium brands and US store expansion are expected to accelerate revenue growth and improve blended margins**
- **Improving mix and a negative working capital cycle should support stronger earnings growth and ROE expansion**

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Strategic Pivot Towards High-Margin D2C Model: We attended the Investor Day of Renaissance Global (B2B jewellery exports & D2C), where management articulated a clear strategic pivot from a working-capital-heavy B2B manufacturing model to a brand-led, asset-light D2C platform. While the legacy B2B business (~Rs16–17 bn) will remain stable, incremental growth and profitability will be driven by D2C. The company currently generates ~Rs 20–22 bn revenue, of which ~Rs 400 bn comes from D2C, which has recently turned profitable marking an inflection point for operating leverage and margin expansion.

Strong Brand Portfolio Anchored by Premium & Mid-Market Plays: The D2C portfolio is anchored by premium luxury brand Jean Dousset, mid-market online platform "With Clarity", and the licensed fine jewellery business with Disney in North America. Jean Dousset operates at ~65–70% gross margins with strong store economics (sub-one-year payback), and management plans to scale from 2 stores to 15 stores over three years. "With Clarity" has scaled from ~Rs 0.4 bn at acquisition to ~Rs 2bn currently, operating on a made-to-order, negative working capital model. The Disney licensed business contributes ~Rs 4bn revenue and provides stable 20–25% organic growth visibility.

Lab-Grown Diamonds as Structural Growth Driver: Lab-grown diamonds account for ~90% of D2C revenue and 20–25% of B2B revenue, reflecting a structural shift in consumer preference, particularly in the US where penetration stands at ~30–40%. Moreover, the significant price differential versus natural diamonds continues to drive adoption. Management remains asset-light through an API-led sourcing model, reducing inventory risk and price volatility exposure. The D2C business operates on a negative working capital cycle, significantly improving capital efficiency compared to the traditional B2B model.

FY29 Vision: Margin Expansion & Return Ratio Improvement: Management guided for revenue of ~Rs 26bn by FY29, with D2C contributing ~Rs 10bn. Net income is expected to double from ~Rs 1bn to ~Rs 2 bn, and ROE is targeted to improve to ~16% over the next three years.

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Management KTAs

Strategic Shift Towards Brand-Led D2C Model: The company is transitioning from a working-capital-intensive B2B manufacturing model to a high-margin, brand-driven D2C platform. Management clearly positioned D2C as the primary driver of future profitability and return ratio expansion, while B2B will remain stable but not be the growth engine.

D2C Business at Inflection Point: D2C revenue has reached ~Rs 4 bn and has recently turned profitable, marking a structural inflection. Management believes operating leverage will now meaningfully improve margins as scale increases toward the Rs 10 bn FY29 target.

Jean Dousset – Premium Luxury Growth Driver: Jean Dousset brand is positioned in the luxury lab-grown engagement ring segment with ~65–70% gross margins and an average ticket size of ~Rs 90 bn. The store model demonstrates strong unit economics with a payback period of under one year, and management plans to scale from 2 stores to 15 stores over the next three years.

With Clarity – Scaled Mid-Market Platform: "With Clarity" brand has scaled from ~Rs 0.4bn at acquisition to ~Rs 2bn currently. The brand operates on a made-to-order model with a negative working capital cycle, focusing on mid-ticket engagement rings and benefiting from strong online traction in the US.

Disney Licensed Business Provides Stability: The company is the exclusive fine jewellery licensee of Disney in North America, generating ~Rs 4 bn revenue. The business primarily targets adult women, with ~65% of revenue from engagement rings, and is expected to grow organically at 20–25%.

Lab-Grown Diamonds Driving Structural Change: Lab-grown diamonds account for ~90% of D2C revenue and 20–25% of B2B revenue. With US penetration at ~30–40% and India still at ~12–15%, management sees long-term structural growth as price affordability drives consumer adoption.

Margin Expansion Expected from Mix Shift: Current blended gross margins of ~9% are expected to expand to ~12% by FY29 as D2C contribution increases. Higher gross margins in premium brands like Jean Dousset will be a key driver of overall profitability improvement.

Working Capital Efficiency to Improve Returns: D2C operates on a negative working capital cycle, significantly improving capital efficiency compared to B2B, which requires substantial inventory and receivables. This shift is expected to materially enhance ROE and cash flow generation.

Disciplined B2B Strategy and Selective Acquisitions: While B2B revenue will remain largely stable, the company plans to exit low-margin, high working capital customers. Management also remains open to bolt-on acquisitions in developed markets to accelerate high-margin D2C expansion.

About the Company:

Renaissance Global Limited (RGL) is a leading global jewellery company with a strong presence across the USA, Canada, UK, and Asia. Historically a B2B-focused jewellery exporter, the company is now undergoing a transformation into a Direct-to-Consumer (D2C), brand-led jewellery platform, aimed at improving margins, capital efficiency, and return ratios. RGL operates across B2B exports, licensed brands, and owned D2C brands, with management increasingly prioritising owned brands and D2C channels. Its strong design, manufacturing, and sourcing capabilities, combined with deep US market penetration, position RGL well to scale branded and premium jewellery offerings.

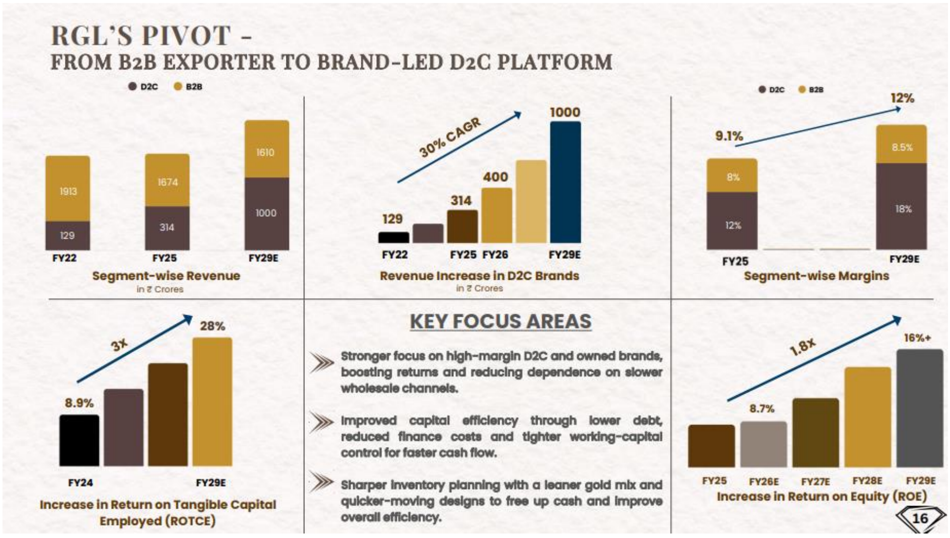
Fig 1 – Jean Dousset Roadmap

Source: BOBCAPS Research, Company

Fig 2 – Shift to D2C

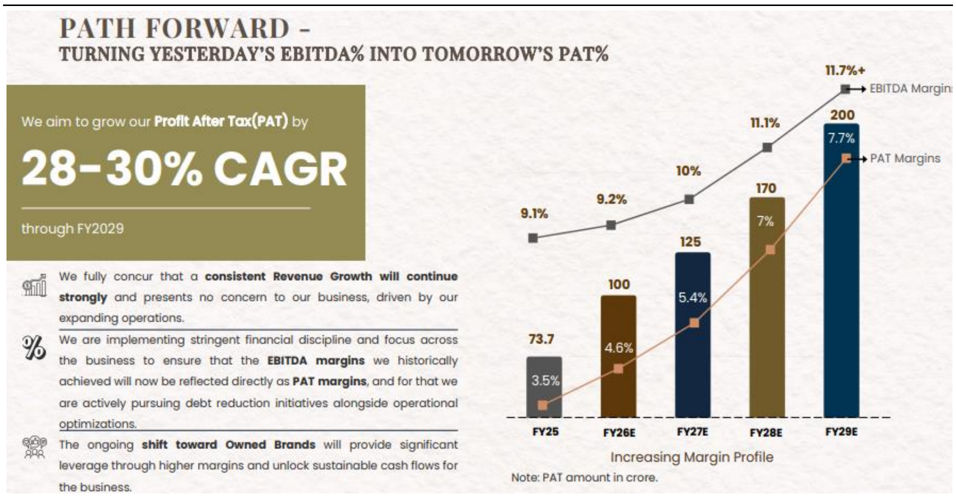
Source: BOBCAPS Research, Company

Fig 3 – RGL's Pivot



Source: BOBCAPS Research, Company

Fig 4 – Future Path



Source: BOBCAPS Research, Company

Fig 5 – Financials

Income Statement (Rs mn)	FY21	FY22	FY23	FY24	FY25
Total revenue	20312	21898	22366	21071	20810
EBITDA	950	1760	1730	1640	1660
Depreciation	314	351	320	302	302
EBIT	636	1409	1410	1338	1358
Net interest income/(expenses)	250	349	511	586	580
Other income/(expenses)	161	305	61	98	81
EBT	548	1365	960	850	859
Income taxes	130	300	70	118	115
Reported net profit	418	1065	890	732	744
Adjusted net profit	418	1065	890	732	744
Balance Sheet	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Accounts payables	1453	2499	2266	1856	1932
Other current liabilities	404	370	204	264	268
Provisions	38	33	35	40	31
Debt funds	289	453	442	292	177
Equity capital	187	189	189	192	214
Shareholders' fund	8428	9241	10265	11485	14223
Total liabilities and equities	16454	20004	19185	20236	23396
Cash and cash eq.	1973	1878	1457	823	1458
Accounts receivables	3796	4470	4453	4824	7080
Inventories	8449	9395	8615	9691	9648
Other current assets	257	423	494	502	360
Net fixed assets	801	2183	2576	2585	3064
Intangible assets	96	21	9	5	58
Other assets	5	63	54	54	4
Total assets	16454	20004	19185	20236	23396
Cash Flow Statement	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Net income + Depreciation	739	1408	1191	1026	1063
Interest expenses	325	(130)	271	186	464
Changes in working capital	(45)	(608)	532	(2001)	(1955)
Cash flow from operations	979	670	1989	(789)	(428)
Capital expenditures	(37)	(198)	(371)	(131)	(190)
Other investing cash flows	604	(573)	(242)	(112)	(618)
Cash flow from investing	567	(1216)	(705)	(312)	(907)
Debt raised/repaid	(85)	(104)	(57)	(29)	0
Dividends paid	(57)	11	(7)	(18)	0
Other financing cash flows	0	0	0	0	336
Cash flow from financing	(543)	528	(1822)	299	1874
Net changes in cash	1002	(18)	(538)	(802)	539

Source: Company, BOBCAPS Research

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