RENAISSANCE GLOBAL 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/2026/186

November 17, 2026

BSE Limited Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001 **Scrip code: 532923**	**National Stock Exchange of India Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Symbol: RGL**

Sub.: Transcripts of the Earnings Conference Call

Ref.: Regulation 30 of SEBI (LODR), Regulations, 2015.

Dear Sir

With reference to our letter **Ref. No.: RGL/S&L/2026/183** dated November 06, 2026, please find enclosed herewith the transcripts of post result earning conference call on Q2/H1 FY27 results of the Company, held on **Thursday, 12th November 2026.**

The aforesaid information is also uploaded on the website of the Company at https://renaissanceglobal.com/webcast-and-transcripts/

You are requested to take the above on record and disseminate to all concerned.

Thanking you,

Yours faithfully,
For **Renaissance Global Limited**

Vishal Ashokrao Dhokar
Digitally signed by Vishal Ashokrao Dhokar
Date: 2026.11.17 15:55:20 +05'30'

CS Vishal Dhokar
Company Secretary & Compliance Officer

Encl: As above

Renaissance Global Limited

"Renaissance Global Limited
Q2 and H1 FY27 Earnings Conference Call"
November 12, 2026

Renaissance Global Limited

MANAGEMENT: **MR. SUMIT SHAH – CHAIRMAN AND GLOBAL CHIEF EXECUTIVE OFFICER – RENAISSANCE GLOBAL LIMITED**
MR. DARSHIL SHAH – MANAGING DIRECTOR – RENAISSANCE GLOBAL LIMITED
MR. JAGDISH BHANDERI -- MANAGER- CORPORATE STRATEGY – RENAISSANCE GLOBAL LIMITED

MODERATOR: **MS. NIDHI VIJAYWARGIYA – CYGNUS PARTNERS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Renaissance Global Limited Conference Call hosted by Cygnus Partners. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Nidhi Vijaywargia from Cygnus Partners. Thank you and over to you, Ms. Nidhi.

Nidhi Vijaywargiya: Thank you. Good afternoon, everyone. Welcome to the Q2 and H1 FY27 Earnings Conference Call of Renaissance Global Limited. To discuss this quarter's performance, we have from the management, Mr. Sumit Shah, Chairman and Global CEO; Mr. Darshil Shah, Managing Director; and Mr. Jagdish Bhandari, Manager, Strategy.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website and stock exchanges.

With that, I would like to hand over the call to Mr. Sumit Shah for his opening remarks. Thank you, and over to you, sir.

Sumit Shah: Thank you, Nidhi. Good afternoon, everyone, and thank you for joining us for Renaissance Global's Q2 and H1 earnings call. We are pleased to have delivered a strong performance during the first half of FY27 with operating revenues growing 25% year-over-year, while profit after tax grew almost 90% year-over-year.

In addition to the strong financial numbers, we were able to deliver on 2 important initiatives, which position us for robust growth in the future: the rapid growth of our branded direct-to-consumer business and strong operational cash flows delivered during the past 12 months.

What is particularly encouraging is the strong trajectory of our own brands, Jean Dousset and With Clarity, which have recorded a compounded annual growth rate of 66% since FY22 and are likely to close at an annual revenue of INR375 crores for FY27, of which INR172 crores has already been achieved in the first half of the year. Beyond revenue growth, the contribution of our own brands to our overall business is also increasing, improving overall margins and capital efficiency.

Our strategic focus remains on growing Jean Dousset and With Clarity as our key owned brands alongside a licensed brand business under the House of Disney. These brands are an important part of our direct-to-consumer strategy, and we see opportunities to expand further their presence and contribution to the business over the coming years.

Coming to our own brands. Jean Dousset continues to make encouraging progress in the U.S. luxury jewelry market. We have now successfully established 4 operational boutiques across

Los Angeles, New York, San Francisco and Boston. The Boston boutique on Newbury Street commenced operations on November 4, 2026.

We are progressing with the next phase of expansion and expect to open 4 additional boutiques across Washington D.C., Chicago, Miami and Dallas over the coming few months, taking our total network to 8 boutiques by the end of FY27. Importantly, our boutique model is designed to deliver attractive store-level economics with an expected payback period of approximately 12 to 15 months.

Our retail expansion strategy is focused on carefully selecting premium locations that provide access to the right customer base and deliver attractive store-level economics. The boutique model also strengthens our omnichannel strategy as physical stores complement our digital platform by improving brand visibility, customer engagement and online conversions in the respective markets.

Alongside Jean Dousset, With Clarity continues to strengthen our own brands portfolio as a digital-first fine jewelry brand. With Clarity benefits from its established online platform. Our focus remains on expanding its digital presence and strengthening its contribution to our overall business.

Moving to our licensed brand portfolio. Our business under the House of Disney remains an important pillar of our branded portfolio. Our strategy is to concentrate on globally recognized franchises that offer strong consumer appeal.

An important aspect of our strategy is that we are building our D2C business while leveraging our existing manufacturing and sourcing capabilities. This allows us to capture greater value across the jewelry value chain through direct consumer relationships, stronger brand positioning and improving operating leverage.

Another important area of progress has been our continued focus on working capital efficiency and balance sheet strengthening and cash flow generation. Our working capital cycle has improved by 54 days year-over-year with net debt reduced by 42% year-on-year to INR199 crores. Darshil will cover these improvements in greater detail.

Looking ahead, our priorities for FY27 remain centered on executing the Jean Dousset retail expansion with financial discipline, scaling our other direct-to-consumer brands profitably and improving the performance of our licensed portfolio. At the same time, we will continue to strengthen our balance sheet by reducing leverage while preserving the financial flexibility to pursue expansion opportunities and strategic acquisitions.

Our broader focus is on building a stronger, more diversified portfolio that can deliver sustainable long-term returns. Over the longer term, our ambition is to build a INR1,000 crores direct-to-consumer business by FY29, driven by growth of our own brands, expanding of our retail network, stronger digital capabilities and improving operating leverage.

Overall, the progress made during the first half of FY27 reflects the steady execution of our strategy. We will continue to focus on profitable growth, disciplined capital allocation and

strengthening our financial position as we build a more resilient and consumer-focused global jewelry business.

With that, I'll hand over the call to Darshil, who will take you through our financial and operational performance in greater detail.

Darshil Shah: Thank you, Sumit, and good afternoon, everyone. I will take you through the key financial and operational highlights for Q2 and H1 FY27. We have delivered a healthy performance during the first half of the year, supported by consistent revenue growth, improved profitability and a significant improvement in cash flow generation and working capital efficiency.

Let me begin with our financial performance. During quarter 2 of FY27, operational revenue increased by 20% year-on-year to INR639 crores compared with INR532 crores during Q2 FY26. This performance was supported by healthy growth in our owned and customer brand segments.

For H1 FY27, operational revenue, which excludes bullion sales, grew by 25% year-on-year to INR1,329 crores compared with INR1,062 crores in the corresponding period last year. Including bullion sales of INR146 crores, total revenue from the business increased by 37% year-on-year to INR1,474 crores.

Moving to profitability. EBITDA for Q2 FY27 increased by 19% year-on-year to reach INR51 crores and EBITDA margin remained stable at around 8%. Profit after tax grew by 28% year-on-year to reach INR26 crores in the quarter. For H1 FY27, EBITDA increased by 21% year-on-year to reach INR101 crores with a margin of 7.6%.

PAT registered strong growth of 92% year-on-year to INR52 crores. Overall, our first half performance reflects healthy year-on-year growth across our business and improving contribution from owned brands and sustained profitability, while we continue to invest in building our brands and expanding our long-term growth opportunities.

Another important area of improvement has been working capital management. Our working capital cycle has improved significantly, shortening by 54 days compared to the same period last year. We remain focused on further improving these metrics and are targeting a working capital cycle of approximately 180 days.

Our strong profitability and improved working capital management has helped us achieve our highest ever cash flow from operations on a trailing 12-month basis, reaching INR280 crores and surpassing our previous peak of INR229 crores recorded in FY '23. Trailing 12-month free cash flow also remains strong at INR204 crores.

During H1 of FY27, cash flow from operating activities stood at INR143 crores compared with a cash outflow of INR83 crores during H1 of FY26. This improvement reflects our continued focus on working capital optimization, operational efficiencies and disciplined capital allocation.

Coming to our balance sheet. We have further strengthened our financial position during the period. Our net debt has declined to INR199 crores as of September 2026, marking its lowest

level in recent years. Our target is to further reduce debt to approximately INR100 crores by 2030, reflecting our commitment to strengthening the balance sheet and improving financial flexibility.

At the same time, deleveraging does not mean we will shy away from strategic growth opportunities. We remain open to investing in growth across our direct-to-consumer businesses and look forward to acquisition opportunities that align with our strategic priorities and create long-term value.

We have successfully scaled our previously acquired businesses, and this gives us the confidence and capability to pursue similar opportunities while maintaining financial discipline. To conclude, H1 FY27 has been a period of strong execution for Renaissance Global. We have delivered healthy revenue growth, improved profitability, stronger performance from our own brands and a significant turnaround in operating cash flow.

With that, we can now open the floor for the question-and-answer session. Thank you.

Moderator: Thank you very much. Will now begin with the question-and-answer session. Your first question comes from the line of Anushka Vora with Vimana Capital.

Anushka Vora: I have a couple of questions. The first one, how do we see the bullion sales going ahead for H2 FY27?

Sumit Shah: So I think the bullion sales, sort of, are a wash not relevant to the business. They are currently actually being managed for manufacturing in the U.S. where we sell gold to our contractors. We are discussing with our auditors to change the accounting methodology. It probably will take place in the next financial year. So we see the bullion sales continue for the remainder of the financial year with our accounting methodology probably changing in FY28.

Anushka Vora: Okay. Got it. Secondly, our margin for H1 -- EBITDA margin for H1 FY27 ex-bullion was 7.6% versus 7.9% for H1 FY26. So in spite of the D2C brands growing, the margins have contracted from last year. What led to that? And also, how do you see that going into H2 FY27, given that that's a stronger half of the year for the U.S. market?

Sumit Shah: So I think some of the reduction in margins are also tied to us exiting certain businesses. As we've, sort of, indicated earlier, we are improving the quality of our revenue in the customer brands business, which means we are currently in the process of exiting certain customers where the working capital cycles are extremely long.

So there are some costs associated with that, that are in the numbers. I think this process will continue for the remainder of the current financial year. I think that we would enter FY28 with a very clean balance sheet and improving margins.

So I would say that there's a little bit of an impact of -- while there is an improvement in the direct-to-consumer margins, there is some amount of impact due to exiting certain businesses that are not part of the go-forward strategy. Having said that, the second half of the year is a stronger year seasonally and should see, sort of, better margins in the second half of the year.

Anushka Vora: Understood. Just a couple of questions more. Another one being the D2C, you gave a guidance of INR375 crores of revenue for the D2C business. How do you see the customer brands business since you're exiting a few bad quality clients from there? So any guidance that you could give for how the customer brands business will be shaping up for this year?

Sumit Shah: So we've planned to exit certain customers where the revenue would be about INR400 crores last year. The strategy still remains. However, we've been, sort of, adding some customers which are not as working capital intensive. So I think both puts and takes together, I mean, there will be deceleration.

So if you see Q1 to Q2, the growth rates are coming off, and you will continue to see that in the second half of the year as well. And the business will obviously shrink by around INR400 crores while we're exiting certain accounts. But we are, sort of, adding new customers as well. And what I can share is that the quality of the business going forward will be far healthier than what it was with much better working capital cycles.

So the metric that we're holding ourselves to is that we want to get our working capital cycle lower. And if there are certain new customers that fit the criteria that we've set for the business, we will focus on those customers. And that's the number.

It's, kind of, difficult to point a specific number, but we're still, sort of, guiding to the fact that we're exiting certain customers that represented INR400 crores of revenue, and that run rate will have ended by the end of the year because the inventory is currently being sold down.

Anushka Vora: Right. Got it. And just the last question from my side. How are the newly opened JD stores doing?

Sumit Shah: So we're extremely happy with sort of the 2 new stores that have opened up now. So New York opened in November last year. So that store is doing really well. I think that San Francisco has been opened now about 3 months. And we've seen month-over-month growth in the store every month since opening.

I think the store looks like we'll track the same INR25 crores to INR30 crores number that we are targeting for each Jean Dousset boutique. So I think more or less on track. Boston, it's been 6, 7 days. So a little early to say, but San Francisco is tracking as per our expectations, if not slightly better.

Moderator: Your next question comes from the line of Naitik with NV Alpha Fund.

Naitik: Congratulations on a good set of numbers and thanks for taking the question. So my first question is I just wanted to understand our forex policy a little better because if I see quarter after quarter, we have, sort of, seen forex losses.

And my understanding is that the majority of our sales is exports. So it should have actually benefited us and not -- because we should not have faced forex losses. So if you could just explain why are we facing forex loss and what exactly is happening?

Sumit Shah: Yes. Darshil, do you want to take that?

Darshil Shah: Yes. So you're right that while we are in the exports business and hence, our currency is naturally hedged to some extent. But what happens is that we also have liabilities which are denominated in the U.S. dollar, especially borrowings, which are mainly in U.S. dollars. So every time the currency devalues, these borrowings are revalued at the current exchange rate. And a large part of what you're seeing flow into the forex losses is in account of that.

Naitik: Okay. Got it. So what -- how much is the borrowings that is dollar-denominated, if you can give that number?

Darshil Shah: A majority of our gross borrowings would be dollar-denominated. It will be in the range of about INR550 crores to INR600 crores.

Naitik: INR550 crores to INR600 crores. Got it. My second question is, one is that if you could give us the sales of Jean Dousset for this quarter or the first half, how much has it contributed? And second question related to the same is, how much have we actually paid for the entire 65% stake that we currently own?

Sumit Shah: Sorry, could you repeat your second question? What?

Naitik: So how much have we actually paid? I think we had one call option that we converted. First, we bought 36%, 37%, and then we converted it to 65% stake. So how much we actually paid for both the transactions?

Sumit Shah: Yes. The total investment is in the region of USD6 million to USD6.5 million was, sort of, what we paid for our stake in Jean Dousset. And I think our own brands have grown 39% for the quarter. So the growth in With Clarity would be in the mid-20s and the growth in Jean Dousset would be higher than 50%.

Naitik: Got it. Got it. And sir, my last question is any specific reason why we are not seeing a reduction in the gross debt number because given the healthy cash flow generation and free cash flow generation that we have done, why are we holding on to the debt?

Sumit Shah: So I think currently, our cost of debt is somewhere in the region of 6% to 7%. And I think that if you've seen historically, we have sort of -- 3x, we've sort of, repeated the playbook of acquiring businesses, turning them around and scaling them. And currently, we have about INR383 crores of cash and investments. And there are ongoing conversations for acquisitions.

So currently, we are temporarily holding on to this to see if we would sort of like to execute on this. It's sort of a conscious choice, and it's something that we can repay at any point in time. So it's something to do with sort of maintaining the strategic optionality of acquisitions as well as holding some money aside for the next 4 stores that are opening for Jean Dousset for the next 4 months.

Naitik: Just one clarification. So in the D2C revenue of INR80 crores, INR85 crores that we have done for the quarter, safe to say almost INR45 crores to INR50 crores will be because of the stores? related to JD?

Sumit Shah: Each store, as we've mentioned, annualizes at about INR25 crores to INR30 crores. We would have had essentially 3 stores operational for the quarter. I don't remember the store versus online number offhand. But currently, With Clarity is a little bit larger than Jean Dousset.

And broadly, of the INR375 crores, our expectation is about INR220 crores from With Clarity and the remainder from -- so about INR160-odd crores from Jean Dousset would be the annual number. So that's the ratio that it would follow. Jean Dousset is obviously growing faster as we're adding more stores and With Clarity is growing in the mid-20s range.

Naitik: And sir, what would be the difference between the margins in both of these formats, the online format and, say, the in-store Jean Dousset format?

Sumit Shah: So I think we've, kind of, shared that the payback period for each Jean Dousset store is about 12 to 15 months. And what I can share is that the contribution margin is very, very strong for the stores. I think you've got to look at, sort of, every business as an omnichannel business because it's impossible to break up the advertising costs between online and e-commerce because it's a national advertising campaign.

So I think the focus really is on With Clarity being a digital-first brand and Jean Dousset being an omnichannel brand because it sits in the really attractive white space of luxury lab diamonds. The unit economics of each store are extremely strong, which is why we're really focused on strategically growing these. We don't break out the margins by category because advertising costs are common across both channels.

Naitik: Got it. Got it. Just one last question, sir. What is the amount of capex that on an average, we would be requiring for each of the stores, capex and inventory both?

Sumit Shah: It's about INR10 crores to INR12 crores.

Moderator: Your next question comes from the line of Vishal Prasad with Raj Mahal Capital.

Vishal Prasad: Sumit, on Slide number 17, it says each boutique pays back its capital in about a year. At USD2.6 million revenue per store, we expect to make an annual contribution of USD1.1 million, that is 43%. So could you help me with a rough calculation of how we have arrived at this figure? The major contributors would be, I think, material cost, employee cost, rent and marketing. How is each of these contributing in percentage terms?

Sumit Shah: Yes. So the gross margin for Jean Dousset is 68%, and the operating overhead is a remainder, right? That contributes to the 43% margin. So the 25% is the operating overhead that, sort of, gets you to the 43% contribution margin. This is obviously -- this is pre-advertising. This is a 4 walls profitability based on the operating expenses per location.

Vishal Prasad: So we are not including marketing in this?

Sumit Shah: Not in the payback period because we are not specifically marketing by each store. There's a national advertising campaign, which, kind of, stays constant. This is outside of marketing.

Vishal Prasad: Okay. And probably currently, what percentage of sales would be marketing for Jean Dousset?

Sumit Shah: Yes. So last year, our marketing spends as a percentage of sales were about 25%. However, as sales ramp up by 50%, they will go down. So for financial year '26, it would have been about 25%. Current year expectation would be about 17% to 18% because marketing spends have not gone up as stores have opened.

Vishal Prasad: So last year, advertisement was INR149 crores. And if we are saying 22% for Jean Dousset, so it would be close to INR25 crores. So rest is With Clarity?

Sumit Shah: Sorry, could you please repeat?

Vishal Prasad: FY26 advertisement was INR149 crores. And if we are saying in Jean Dousset probably it was INR25 crores. So rest of INR125 crores is With Clarity, is it?

Sumit Shah: No. So there are 3 parts to the advertising. We havethe licensed brands direct-to-consumer is around INR125-odd crores. So there, the advertising spends are about 30% of sales, With Clarity is in the mid-30s and Jean Dousset was 25% last year. So it would be broken up into 3 parts: licensed brands, With Clarity and Jean Dousset.

Vishal Prasad: So I understand Jean Dousset will be trending lower as we scale our stores. But what happens to With Clarity and the other brands that you talk about? Will it go down or it will remain the same as percentage of sales?

Sumit Shah: Yes. So I think for digital-only brands, the operating leverage on advertising doesn't work as much as it does in a physical store model because the store itself acts as, sort of, marketing/advertising with the visibility. So I think with the licensed brands and With Clarity, there would not be as much operating leverage as there would be on Jean Dousset.

Vishal Prasad: Okay. So I was looking at FY26 P&L and H1 FY27 P&L and employee cost has gone down significantly, while traded cost has increased significantly. Could you explain the change in our approach between manufacturing and outsourcing and pros and cons of preferring outsourcing over manufacturing?

Sumit Shah: Yes. So I think that the employee cost has, sort of, gone down because I think we went through a significant cost reduction program of about INR40 crores, INR50 crores that we had indicated earlier. The employee headcount has gone down meaningfully. So our strategy was to first fix our P&L and then fix the balance sheet in terms of improving working capital efficiency.

So we're still manufacturing everything that we sell in-house. Some of the reductions in gross margin are related to us exiting certain businesses that I indicated earlier. The employee count reduction is directly correlated to the employee cost reduction as we undertook this cost efficiency program, and we reduced our overhead by about INR40 crores.

Vishal Prasad: So but that was on employee cost. But what has happened is there is a significant increase in traded goods and there is a decrease in self-manufacturing what we were doing. So why are we taking traded goods? And what are the pros and cons of this approach over what we were doing last year?

Sumit Shah: Yes. So I think that some of the increase in traded goods is also related to Jean Dousset. We are currently only manufacturing about 25% of what we sell as we move it in-house. Jean Dousset sits at the extreme luxury end of the lab diamond business. And I think the transition is being done meticulously and thoughtfully.

Over time, we expect to manufacture all of that in-house. And some of it also has to do with capacity constraints as we shut down our Bhavnagar facility. So a combination of these 2 factors, one, Jean Dousset; and two, reduction in manufacturing capacity, has resulted in some of these changes.

Vishal Prasad: So since we have shut down the Bhavnagar facility and then we have another facility as well. So are we going to ramp up the other facility for manufacturing since Jean Dousset, you want to bring in within our company?

Sumit Shah: Yes. So Jean Dousset is not, sort of, very manufacturing intensive in terms of capital investment. It's, I think, more a sort of skill set issue and training. So we're constantly training and investing in upgrading the skill set and the automation that is required for Jean Dousset. And the plan is over time to manufacture all of this in-house. But I think it will take 12 to 18 months to actually get there.

Vishal Prasad: So '25, the employee cost was INR127 crores. And last year, in FY26, it was INR102 crores. So you mentioned that employee cost has gone down by INR45 crores to INR50 crores. So are we going to see?

Sumit Shah: No, sir, no. The employee cost has not gone down by INR45 crores to INR50 crores. We've, sort of, undertaken a cost reduction exercise where the total cost savings that we implemented were in the INR40 crores to INR50 crores range. I'm not sure what the exact reduction in employee cost would be and some of it obviously is U.S. dollar-denominated employees. So there are puts and takes. In general, the cost reduction that we undertook in FY26 totaled to around INR40 crores between all overhead, not just employee costs.

Vishal Prasad: Okay. And Jean Dousset customers buy the design that is displayed in the store? Or does a significant percentage also buy from the catalogs?

Sumit Shah: So I think the business of Jean Dousset and With Clarity is about 50% made to order, where the consumer comes in into the Jean Dousset store and looks at the product and then custom creates an engagement ring. The unique selling point of Jean Dousset is that customers make appointments.

It's a bespoke model where a client adviser sits with you, helps you create your engagement ring or a special piece of jewelry that you want and that custom-created jewelry is delivered to you in 3 to 4 weeks, which is why the inventory turns. I mean, with a INR5 crores inventory, we're

able to actually achieve INR25 crores of sales is because a significant portion of the revenue is driven through made-to-order.

Vishal Prasad: So how does the online sales work in Jean Dousset since these are high-priced items. Does online mean customers visit the store, look at the product and order online or they order without seeing the product based on only the pictures?

Sumit Shah: So they order online without seeing the products as well, and there are customers who do visit the store. The average order value for Jean Dousset is USD5,500, so let's say, INR5 lakhs. In the store, it's about INR7 lakhs and online is INR4 lakhs. So I think that there is a difference in the, kind of, products that are ordered online versus the kind of products that are bought in the store.

Vishal Prasad: So store is rings and how is the online thing? What are they buying when they are buying online?

Sumit Shah: I mean people buy all kinds of products online. It's just -- they tend to be slightly cheaper than the products that are bought in stores. So people may buy earrings or bracelets online versus custom creating an engagement ring when they go to the store.

Vishal Prasad: So last question. In the previous call, you mentioned that customer brands would reduce as we let go of some of the less profitable business and that this would release significant cash from working capital. However, this quarter, customer brands have increased by 25%. Working capital days have reduced, but there's no release of working capital because the net working capital remains the same.

So is there a change in our approach in terms of we communicating that there will be significant cash generation because of working capital release by the end of this year? Or we can expect that whatever we have said previously stands too?

Sumit Shah: I think what we've communicated that we are exiting certain customers where the working capital intensity was very high, still stands. The process began 6 months ago. And there has obviously been -- had we -- in the last 12 months, we did INR550 crores of incremental revenue. Had the working capital intensity remained the same, we would have needed INR400 crores of additional capital. And we have done it with slightly less absolute amount of working capital than a year ago.

So clearly, there has been a shift in business where we've exited certain businesses and newer businesses that we've won have been far less working capital intensive than last year, right? So in effect, we've saved INR417 crores of working capital because had the business been at the same working capital intensity, we would have needed far more capital than we actually needed to use.

The cash generation, cash flow from operations over the last 12 months has been INR280 crores, which has resulted in reduction in net debt. So I think the plan stands, and we are executing on that plan. However, it doesn't mean that we're going to sit still and not try to win new businesses. We will be exiting the customers that we indicated earlier and the run rate of sales will go down.

There is obviously certain inventory sitting with those customers, which is selling down as well, which is resulting in slightly lower gross margins. So the plan that we communicated stands, and it does, sort of, show through in the numbers through cash flow from operations and reduction in net debt.

Vishal Prasad: So wherever we are exiting those are consignment businesses or how it is?

Sumit Shah: Yes. Yes.

Vishal Prasad: And now earlier, it used to be 50%. Now where is the number, consignment business of total inventory that we have?

Sumit Shah: What do you mean? 50%, sir? I didn't quite follow.

Vishal Prasad: So total business, which was the customer brands used to be -- I mean, the consignment part of that business used to be 50% of that. This is what I understand. Is that correct?

Sumit Shah: No. I think that there are -- effectively based on the business mix, there were certain customers which were 100% consignment, which is what we are exiting, and we are, sort of, retaining customers where the consignment mix is sensible. I don't have a specific number off the top of my head what percentage of the revenue comes through consignment. And I don't believe that the number was 50%, but we can come back to you with that number, sir.

Moderator: The next question comes from the line of Manpreet Arora with Northern Lights Wealth.

Manpreet Arora: So Sumit, on the customer brands, you said we're going to exit business, some consignment heavy businesses, and that will lead to a reduction of INR400 crores. And maybe we are winning some other businesses, which are more favorable.

And so we have already done INR1,000 crores worth of customer brands in H1. Now considering we'll exit INR400 crores or let's say, INR300 crores with some additions, is INR1,700 crores of revenue at the end of FY27, a reasonable number to assume for customer brands?

Sumit Shah: Yes. I mean I think that for the entire year, we will be -- for the Customer Brands segment, we will be closer to INR1,700 crores, INR1,800 crores. I think the run rate for the following year will be closer to INR1,400 crores, INR1,500-odd crores because as I mentioned, as the inventory sells down, revenue would be recognized during this year, and we would see, sort of, a release in that working capital.

The trajectory of the business, obviously, with the base that we had of INR1,800 crores a year before that would sort of be reduced, and there would be obviously some increases. So I don't have a specific number. I mean the number that we're still guiding to is the fact that there are a few customers representing INR400 crores of sales that we are exiting, and that would, kind of, lead to a reduction in that number.

One thing you also do have to remember is that the rupee is about 10% to 15% weaker this year compared to what it was 1 year ago. Since our revenues are dollar-denominated, the same thing may not, sort of, tie into the Indian rupee revenue. The guidance of the INR400 crores stands,

the run rate will be lower by INR400 crores with those specific customers at the end of this financial year as it was a year before that.

Manpreet Arora: Understood. Understood. So the customer brands, the margins that we do, EBITDA margins are in the range of 6%, 6.5%. Now some of these businesses that we are exiting, are they below this -- I mean, I know that they don't meet our working capital and ROCE benchmarks. But are they below the 6% EBITDA margin?

What I'm trying to understand is, once we exit this business, will the margin profile of the customer brands increase from, let's say, 6% to 7%? Or will they remain in the same range?

Sumit Shah: I would say that the margins would remain in the 6% to 8% range with far less working capital intensity. I don't think that the absolute margin for customer brands would be significantly higher than the 8% range. So they may inch up a little bit, but I think they would remain in the 6% to 8% range for the customer brands.

I think the overall company margins will increase because, obviously, the other segments have higher margins and they will comprise a larger part of the overall mix. So because of mix change, the margins will improve. I don't think that the customer brands margins will increase meaningfully.

Manpreet Arora: Okay. Okay. And just a clarification, Sumit. You said INR375 crores on the D2C where Jean Dousset will probably be INR160 crores contribution. Now I'm assuming that it's the gross contribution of Jean Dousset and our share of 60%, 65% will bring -- it's X of that cost, right?

Sumit Shah: Yes. So I think because we have a controlling stake, the way this would work is the entire revenue and profitability would be recognized and there would be a minority interest component to Jean Dousset, right? So on consolidation, the entire revenue is recognized. The total sales of Jean Dousset for the current year would be approximately INR160 crores to INR175 crores, and that would be 100% of the revenues.

The number for Jean Dousset next year would be meaningfully higher as we would have 8 stores operational. At the start of this financial year, there were only 2 stores operational, New York and L.A. So the new stores are, sort of, obviously ramping up during the course of this year. But INR160 crores to INR180 crores for Jean Dousset would represent 100% of the revenues of Jean Dousset.

Manpreet Arora: Got it. All right. I mean what I was trying to understand, Sumit, was the INR400 crores that we are going to, kind of, lose on the customer brand side, which is at 6% margins, let's say, INR24 crores EBITDA. Will Jean Dousset and With Clarity be able to grow as fast to bring it up to INR24 crores and beyond .

Sumit Shah: There would be some natural savings in interest as well because the working capital intensity of this business is INR400 crores of working capital, right? So there is puts and takes here. And we're obviously not letting the customer brands business degrow.

We're just substituting with businesses that would need INR100 crores of working capital as compared to INR400 crores of working capital. So while the absolute amount may remain the same, we will release that INR400 crores of working capital and probably substitute it with customers where we are at 90 days instead of 360 days.

Manpreet Arora: So next question is on the inventory that we have of INR1,000 crores plus. Now what percentage of this is consignment inventory right now?

Sumit Shah: I would say it's between 30% and 50%. I don't have the exact number here. Obviously, this includes inventory that has been built for all the Jean Dousset stores as well as consignment inventory. So it would be consignment inventory with customers as well as inventory that's in the 4 operational Jean Dousset stores and the fifth 1, which is opening next week.

Manpreet Arora: Okay. Is it fair to assume that With Clarity inventory is probably a very small portion and in general, the D2C model runs on a smaller inventory footprint?

Sumit Shah: Yes. Yes. With Clarity, we would probably have a 6x or 7x inventory turn.

Manpreet Arora: So on With Clarity, is it a marketplace, kind of, online channel where other sellers to also get to sell the products or online?

Sumit Shah: Only the diamonds. All of the product designs are ours. So if you, sort of, browse a With Clarity website, the With Clarity website experience is one where a consumer comes in, they select a product and then they select the diamond. The jewelry is all obviously collections designed by us and part of the success when we acquired With Clarity, it was a INR60 crores seller of essentially basic commodities. We've essentially transformed it into a brand with a very distinct brand identity.

So the jewelry is designed by us. Step number 2 in an engagement ring is the consumer selects the diamonds. The 200,000 diamonds that are listed there is a marketplace model where vendors actually list their lab diamonds. Once the consumer selects the products and pays for it, we actually start manufacturing the jewelry, procure the diamonds from the vendor.

And so it's a combination of product that is controlled by us and design, which builds the brand and the marketplace model is only for the commodity part of it, which is the actual diamond, which is a certified diamond listed by vendors on our website.

Manpreet Arora: Okay. So those diamonds are not with us as inventory, only the metal is with us as inventory. Is that?

Sumit Shah: Yes.

Manpreet Arora: And since we have been in the D2C space, online D2C space for the last 5, 6 years, and it's a different, kind of, a channel than what we had been previously doing with customer brands. Can you talk about what kind of metrics do you monitor in this online D2C like number of unique visitors, percentage of repeat purchases and things like that? And what do you constantly monitor

and try to increase? And if you can share some growth numbers and, let's say, unique visitors that you've had between FY25 and FY26? That would be great.

Sumit Shah: Yes. So I think we've got, sort of, 3 distinct brands. I think that the licensed brands also for all effective purposes is a brand run by us. Although the IP doesn't rest with us, but for all effective purposes, Disney is run by us as well. So the 3 brands have sort of 3 distinct stories. Disney is, kind of, an omnichannel business where it's direct-to-consumer as well as through retail channel partners. With Clarity is purely a digital-first business and Jean Dousset, as we discussed, is an omnichannel business.

So if one were to look at, sort of, With Clarity, it's about, sort of, optimizing the funnel, the number of sessions, the conversion rate, the AOV, the customer acquisition cost, the customer acquisition cost as a percentage of sales. Honestly, it's very similar to what any direct-to-consumer e-commerce business would track.

The beauty of our business model is we make money on the first transaction with the customer because the average order value for With Clarity is USD2,500, and it's about USD5,500 in Jean Dousset. So we're able to sort of make money and be profitable from transaction 1. But the metrics are slightly different for the 3 businesses, but they would largely be similar to what any e-commerce business would track.

Manpreet Arora: All right. And one last, I think a previous participant also talked about INR20 crores of forex losses this quarter again. Now if I remember correctly, in the last quarter con call, it was said that only if there's a large variation in the dollar price swing -- we get these losses. And in this quarter, dollar was in the range of USD93 to USD95. So just trying to understand what really impacts this.

Sumit Shah: So I think you've got to put this gross margin -- the forex losses in the context of the gross margin as well and look at our gross margin adjusted for the forex numbers, right? Because I think that there is receivables, payables as well as inventory which are U.S. dollar-denominated currencies.

So my recommendation would be that take the forex losses and adjust it in gross margin and sort of judge the business metrics and which is how we present our P&L as well in terms of what is the gross margin of the business post the forex adjustments because there will be puts and takes there, and it's, kind of, hard for us to control that.

We manage our business for sort of a U.S. dollar revenue and U.S. dollar expenses because all of our -- frankly, other than the manufacturing expenses and some management expenses in INR, most of our revenues, payables and liabilities are in U.S. dollars.

Manpreet Arora: All right. I'll probably take this offline to understand a little bit more.

Sumit Shah: Happy to do it.

Moderator: Your next follow-up question comes from the line of Vishal Prasad with Raj Mahal Capital.

Vishal Prasad: So Jean Dousset, you say the legacy stores that we have and that those are doing more than INR30 crores of sales. So if I try to compare with what we have given in the PowerPoint Slide 17, where we have assumed that the revenue would be INR25 crores and then we will make 43% contribution margin. For these legacy stores, how does it work out? I mean if we are doing INR30 crores, INR35 crores, then what would be the contribution margin there?

Sumit Shah: Much higher, right? I mean, because we've obviously assumed this for an average store, which would do USD2.6 million. I think the store expenses are somewhere in the region of USD500,000 to USD700,000 a year. I mean the math is pretty simple, right? So if you were to take that USD500,000 to USD700,000 number and if the store did USD3 million, the contribution margin would rise accordingly.

And if it did USD2 million, it would go down proportionately, right? So this is with the assumption of USD2.6 million in sales because the newer stores that we're opening are not in the same size markets as L.A. and New York, and we've made a conservative assumption of USD2.5 million in sales for all of the new stores that we're currently opening.

Vishal Prasad: So what is the same-store sales for the legacy stores in FY26?

Sumit Shah: Yes, sir, I think they're growing at a very healthy range. I think that they're sort of in the high single-digit range would be the same-store sales growth.

Vishal Prasad: That would be volume or volume plus realization?

Sumit Shah: I mean the price is relatively stable, right? So it's mainly volume. We haven't increased prices or reduced prices meaningfully since we've made an acquisition. Prices have been stable.

Vishal Prasad: Okay. So given that if the economy remains the same, we can expect significant margin improvement as the stores mature over 2, 3 years?

Sumit Shah: Yes, absolutely. I mean, that's clearly, JD operates at a significantly higher margin profile than the rest of our business. So -- and for JD itself, there would be significant operating leverage flowing through with this, kind of, contribution margin as the stores open and mature.

This is obviously with the caveat that the stores do take 14 to 25 weeks to get to a mature state as we are seeing with New York and San Francisco, but sort of at an average run rate 3 to 4 months out, you should see a significant margin improvement in JD.

Vishal Prasad: So when you say mature stores, let's say, we take an example of New York store, and we talk about next financial year after March. So are we expecting that store to clock a revenue of INR25 crores or USD2.5 million in next financial year?

Sumit Shah: Sorry, sir, I think maybe you're on speaker. I can't hear you very clearly. Is it possible to maybe repeat the question?

Vishal Prasad: Is it better now?

Sumit Shah: Yes, yes. Thank you.

Vishal Prasad: Okay. So let's say, we take example of New York store where we talk about next year -- next financial year. So are we expecting that we will reach INR25 crores of sales from that store?

Sumit Shah: The New York store is already doing far in excess of INR25 crores.

Vishal Prasad: Okay. And how about the other locations that we are opening?

Sumit Shah: So it's a little bit new because we bought the business in February of '25. There was only one store operational. The second store, New York, has just completed its first year of operations, and it's done sort of north of INR30 crores in year one. The San Francisco store opened 3 months ago. So it's a little bit early to tell.

We've got certain key metrics that we track. I think if we get 25 appointments a week, 1,200 appointments sort of a year at a 33% conversion rate leads to 400 orders a year at 7,500 average order value gets us to INR30 crores. So those are the numbers that we're tracking. And the appointments obviously take about 30 to 45 days to convert on an average.

So I think the key metric for us to monitor as the new stores open is are we getting 25 appointments a week? And if we get 25 appointments a week, it's a very predictable number that 60 days from now, you should be hitting your targets. So that's what we're monitoring. And as I mentioned earlier, for a store, the metrics to monitor are slightly different.

But this is currently what we're tracking and currently how we think we're going to sort of manage the business in terms of the new stores opening because there is obviously a time taken to close a made-to-order piece of jewelry, people come in, think about their purchase and come back and place orders in 30 to 60 days.

And based on sort of an average cohort size and number of customers visiting, we're seeing a predictable trend developing in the 3 stores that we are currently operating and the fourth store that just opened a week ago.

Vishal Prasad: Yes. Sorry, the question was more on SFO. I messed it up. So SFO, if we look at next financial year, do we think we'll be able to do USD2.5 million or more than that from that store?

Sumit Shah: That would be our expectation, yes.

Vishal Prasad: Okay. And you mentioned that the diamonds are owned by somebody else. So are we making any money on the transaction when somebody buys a diamond from our website?

Sumit Shah: Yes, 85% gross margin.

Vishal Prasad: No, no. So diamond is owned by somebody else and...

Sumit Shah: Yes. We make 85% gross margin on the diamonds, which is owned by somebody else.

Vishal Prasad: I'm not sure if I'm able to understand. So if you could help me with an example, that would be great.

Sumit Shah: Sure. So when a diamond is listed on our website for USD100, the cost is USD15.

Vishal Prasad: Okay. So USD85 comes to us and USD15 goes to them?

Sumit Shah: That's right.

Vishal Prasad: Okay. And what do we make on...

Sumit Shah: So we make 63% average gross margin after discounts, shipping. So the realized gross margin is 63% on With Clarity and 68% on Jean Dousset. This is an average of the margin made on the entire product.

That's the number that one must focus on, right? Because the entire diamond and the gold and the labor, all of it is sort of combined as sold as one product. Gross margin post shipping, packaging is 68% on Jean Dousset and 63% on With Clarity.

Vishal Prasad: And given the different, kind of, places that are there in the U.S., do you think we have enough opportunity to open 30, 40 stores in the next 3 years?

Sumit Shah: Yes, absolutely. I think that Jean Dousset occupies a very, very good white space because there isn't really any other competitor in the luxury lab diamond space. There is a significant number of players in sort of the mass market lab diamond space just as there are in India.

I think that because of the Cartier heritage of Jean Dousset, we sit sort of at the luxury end of lab diamonds and the luxury players will not sell lab diamonds, right? So the white space that Jean Dousset operates in is a very attractive space to be in.

And as I mentioned earlier, we need 400 transactions in a year at our AOV in order to do INR30 crores of sales. I think that there is more than 30 cities in the U.S. where we can find 400 customers in a year. So I think the addressable market is quite large and definitely north of 30 locations in the U.S.

Vishal Prasad: So do you think cities like San Francisco or New York can have more than one store, probably 2 or 3 because those are large cities?

Sumit Shah: I think that as of right now, our plan for the next few years is not to replicate a second store in the city until we can get enough of a penetration in the U.S. And there would also be some international markets that we would like to explore beyond 30 stores. So I think that this market can translate -- that this business can translate very well in the U.K., in Canada and Australia as well because there is a very similar culture of engagement rings in those markets.

So currently, the plan is not to open a second store in the existing cities and open newer markets, because an engagement ring is a thought-through purchase. And I think that if somebody has to travel 45 minutes or an hour, I'm not sure if that's a deterrent to making a purchase.

I mean, currently, in our store in New York, we have customers traveling all the way from London and Washington, D.C. and Atlanta to actually come and purchase engagement rings at our stores. So it's become a destination and a regional hub. So our plan currently is to open one

store in a city until we get to a reasonable density network within the U.S. and then sort of look whether a second store makes sense.

Vishal Prasad: You mentioned somebody traveling from U.K. to our stores, so they specifically travel to our store or they have come to the U.S. and then...

Sumit Shah: Yes. No, we've seen examples of customers actually traveling to the U.S. to come visit. Obviously, these are comments that we hear from our customers and from our sales associates. And it's, kind of, talks about the brand affinity and the pull that the brand has and the design language and the positioning and the experience that we are able to deliver.

Vishal Prasad: How do they hear about us, through referral? Somebody tells them?

Sumit Shah: So, Jean Dousset has 307,000 followers on Instagram, which is very, very high for a brand of our size. And we're also obviously spending USD2.5 million a year on advertising, right? I said we spent 25% of last year's sales, which were approximately INR100-odd crores. So a combination of these 2 factors is how people hear about us.

And again, I just want to emphasize the numbers are very small because of the high AOV, right? There is 1,200 appointments a year, 400 customers a year, and that gets us to a INR30 crores number. So 400 customers in a city like New York, San Francisco or even Boston and D.C. is not a very large number.

Moderator: Your next follow-up question comes from the line of Manpreet Arora with Northern Lights Wealth.

Manpreet Arora: Sumit, you talked about the competition. So just on the landscape, on the luxury side, we'll be competing with the likes of Tiffany and Harry Winston?

Sumit Shah: I mean the price points are a little bit lower because they operate in natural diamond, but there could be an overlapping consumer, right? We are definitely operating significantly above the average price point. The main competitors in the scaled-up retailers are Brilliant Earth and Blue Nile. Their average order value would be similar to With Clarity, which is about USD2,500.

At USD5,500 AOV, we sit above any other lab diamond retailer out there. I haven't really studied what the average order value for the luxury brands are, but the price point is very different in natural diamonds, right? Tiffany and Harry Winston would have pieces that are in the millions of dollars.

We don't sell jewelry in the millions of dollars, but our price range would go all the way up to USD50,000 and USD60,000 with an average of USD7,500 in store, USD4,500 online and USD5,500 average AOV for the brand.

Manpreet Arora: So you said that some of these guys, luxury guys don't sell lab-grown diamonds yet. And that's the...

Sumit Shah: They don't.

Manpreet Arora: That's the white space that we're addressing and trying to grow there, right?

Sumit Shah: Yes.

Manpreet Arora: Okay. And on the With Clarity side, the competition will be Blue Nile and Brilliant Earth as you said. So our strategy there is to gain market share?

Sumit Shah: Yes. So With Clarity, really, it's a niche strategy. We are much smaller than the other brands. We differentiate through an integrated model where it's a one manufacturing facility advantage that we have in terms of delivery and price, and we differentiate through design.

So I think it's the integrated nature of our operation compared to some of the other players who rely on multiple vendors that gives us some efficiencies in terms of price and delivery time. However, having said that, at about INR220 crores, we are meaningfully smaller than our competition. And I think that it's definitely a more crowded landscape than the Jean Dousset space.

However, having said that, we've obviously scaled the business, as I mentioned, from around INR65 crores when we acquired to INR220 crores currently. And we think that the business can continue to grow. It will definitely grow at a slower pace than Jean Dousset.

Manpreet Arora: Great. And on the working capital side, you said we'll release some cash and we'll keep it for acquisition. Are there other white spaces in the industry where you're looking for potential acquisition?

Sumit Shah: Yes, we are.

Manpreet Arora: Can you talk about those plans...

Sumit Shah: No, I think it's too early to discuss. I mean, I think that obviously, as something comes up, we've been having conversations with multiple players. And we think that there is white spaces where we are currently not present that we could possibly look at acquisitions. I think it's probably too early to discuss that right now.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, this was the last question. I now hand the conference back to Mr. Sumit Shah for closing comments.

Sumit Shah: Thank you, everyone, for joining us on our earnings conference call. I look forward to seeing you guys on the next one. Thank you.

Moderator: Thank you. On behalf of Renaissance Global Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines.