



RENAISSANCE GLOBAL LIMITED

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BSE Limited Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
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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/2026/18** dated February 10, 2026; please find enclosed herewith the transcripts of Q3 & 9M FY26 Earnings Call of the Company, held on **Friday, February 13, 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**

CS Vishal Dhokar
Company Secretary & Compliance Officer

Encl: As above



Renaissance Global Limited

RENAISSANCE GLOBAL LIMITED

Q3 & 9M FY '26 Earnings Conference Call

February 13, 2026



Renaissance Global Limited



MANAGEMENT: **MR. SUMIT SHAH – CHAIRMAN AND GLOBAL CHIEF FINANCIAL OFFICER – RENAISSANCE GLOBAL LIMITED**
MR. DARSHIL SHAH – MANAGING DIRECTOR – RENAISSANCE GLOBAL LIMITED

MODERATOR: **MR. PALASH KAWALE – NUVAMA WEALTH MANAGEMENT LIMITED**
MR. AYUSH DIVECHA – INVESTOR RELATIONS – MERLIN CAPITAL ADVISORS



Moderator: Ladies and gentlemen, good day, and welcome to Renaissance Global Limited Q3 and 9M FY '26 Earnings Conference Call. 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 a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Palash Kawale. Thank you, and over to you, Mr. Kawale.

Palash Kawale: Thank you. Good afternoon, everyone. I welcome you all on behalf of Nuvama Wealth and Merlin Capital. I thank the management of Renaissance Global Limited for the opportunity to host their Q3 FY'26 Earnings Call.

We have with us today Mr. Sumit Shah, Chairman and Global CEO; and Mr. Darshil Shah, Managing Director. I will now hand over the call to Mr. Sumit Shah to take us through the quarter. Thank you all, and over to you, Sumit sir.

Sumit Shah: Good afternoon, everyone, and thank you for joining us today. Q3 and 9 months FY'26 represents a meaningful milestone in Renaissance Global's evolution into a brand-led consumer-centric global jewellery platform. The transformation we embarked upon a few years ago is now clearly visible in our financial performance with stronger revenue growth and expanding profitability and improving capital efficiency.

Let me begin with revenue momentum. In Q3, our core revenue, excluding bullion sales, grew 16% year-over-year to ₹824 crores for the first 9 months of FY '26. Core revenue increased 28% to ₹1,886 crores. This sustained growth reflects robust business growth despite significant headwinds on account of tariff and metal price increases.

Our Direct-to-Consumer business continues to outperform. In Q3, U.S. D2C revenues grew 50% year-over-year to ₹89 crores. For 9 months, U.S. D2C expanded by 50% to ₹220 crores, placing us at an annualized run rate of approximately ₹300 crores.

Importantly, this is not just volume-led growth, it's high-quality growth driven by premium positioning, own brands and deep consumer engagement. Encouragingly, revenue growth is translating into stronger profitability.

In Q3, PBT increased 31% to ₹42 crores, demonstrating improved operating leverage. For 9 months, PBT grew 33% to ₹87 crores. Adjusted PAT increased 36% year-over-year to ₹69 crores. The performance reflects disciplined execution, margin resilience and sharper capital allocation even as we continue investing in long-term growth engines.

Strategically, two structural drivers are reshaping Renaissance. First, the accelerated shift towards own brands. Own brands have scaled multiple fold over the past 3 years. They are not only growth engines, but also structurally margin accretive, capital efficient and strategically defensible.

Second, premiumization of our D2C portfolio. Our investment in Jean Dousset adds a high-margin luxury player to our U.S. D2C platform. We're executing on plans to expand from 2 to 5



stores by end of calendar year 2026. This strengthens our positioning in bespoke craftsmanship and luxury lab diamonds, a category with strong structural tailwinds.

As we look ahead, we anticipate some short-term turbulence driven by fluctuations in metal prices affecting both pricing and demand and ongoing geopolitical uncertainties.

However, our long-term priorities remain clear. Strong revenue growth across own D2C brands, drive operating leverage through scale and cost optimization; accelerate D2C expansion, both organic and inorganic, improve ROE and ROCE towards mid-20s levels; enhance free cash flow generation and balance sheet strength.

The Renaissance today is structurally different from the past. We are transitioning from a volume-led exporter to a premium led - premium brand-led consumer-focused jewellery platform. The runway ahead is visible, multiyear and compelling.

With that, I'll hand it over to Darshil to walk you through the financial performance in greater detail.

Darshil Shah: Thank you, Sumit, and good afternoon, everyone. I will briefly take you through the key financial highlights for Q3 and 9 months of FY '26.

Starting with Q3 FY '26 performance. Revenue from operations, excluding bullion, grew 16% year-on-year to ₹824 crores, reflecting healthy underlying demand momentum. EBITDA for the quarter increased 19.6% to ₹63 crores and margin stood at 7.7%, demonstrating operating leverage despite continued investments in growth initiatives. PBT grew 31.4% to ₹42 crores, and PAT grew 36.5% to ₹33 crores, reflecting improved profitability conversion and disciplined cost control.

Moving to the 9 months performance. Revenue from operations stood at ₹1,886 crores, up 28% year-on-year. EBITDA increased ₹247 crores with margins at 7.8%, and the growth is 16.8% year-on-year. Adjusted PBT grew 33% to ₹87 crores and adjusted PAT increased 36.6% to ₹70 crores. This growth reflects scalability of our operating model and strong execution across segments.

From a segment perspective, our own brands, particularly D2C, delivered robust growth and improving profitability in the U.S. market. D2C revenue grew 39% year-on-year to ₹220 crores. D2C EBITDA grew 92% year-on-year with margins expanding to 11% from 8% last year. Additionally, finance costs declined year-on-year for 9 months FY '26.

Overall, the financial performance this quarter reflects strong and consistent revenue growth, improving operating leverage, better conversion of EBITDA to bottom line profits, continued focus on disciplined capital allocation. We remain confident in sustaining this trajectory as we move into the final quarter of FY '26 and beyond. Thank you.

Moderator: Speakers, shall we open the line for questions?

Sumit Shah: Yes, please.



Moderator: The first question comes from the line of Riddhesh Gandhi with Discover Capital.

Riddhesh Gandhi: Just wanted to understand any potential implications which happened on margins because of the tariffs? And how -- and is the normalization of the tariffs going to help us? Are we like neutral? Are we benefiting? Just want to understand that first?

Sumit Shah: Sure. So I think that we've established a manufacturing facility in the Middle East. And this obviously means that there is an ongoing cost impacting margins currently on an ongoing and on an ongoing basis. We believe that this is the most efficient way for us to move forward. So the India tariffs going to 18% really do not have any bearing on our company because we've got a CBP approved process whereby our country of origin is UAE.

Riddhesh Gandhi: Got it. Understood. So we don't have any -- I mean, the existing run rate and the margin is reflective of the extra expenses out of Dubai from which we are running the operation now...

Sumit Shah: That's right, that's right.

Riddhesh Gandhi: Got it, got it. Sir, the other question was if you could highlight how much is the gross and the net debt right now and how much it was in the previous quarter?

Sumit Shah: I don't have the numbers in front of me, but I can have someone from the IR team come back to you with the number.

Riddhesh Gandhi: Okay, okay. Okay, fine. Okay. And the other question was, just wanted to understand this growth which we've had is obviously extremely impressive. Just want to understand what's actually driving this growth? Because obviously, when we look at some of the industry players globally, they're not having these kind of growth. So I just want to understand how we should be looking at it? And if there's any guidance you can give us with regards to growth for the year ahead?

Sumit Shah: Yes. So I think that our growth effectively is about 15%, 16%, which we believe is sustainable. I think the headline number shows 35% revenue growth, and that includes onetime bullion sales, which will continue for one more quarter and they'll stop. Because of our UAE manufacturing and some amount of outsourcing there, there was some element of bullion sales.

So I think the revenue growth is 16%. And bottom line, obviously, is growing faster because of 2 reasons. One is we did a major cost saving initiative about a year ago, which we started that went into Q1 of this year and the resulting cost savings as well as the shift in margins to shift in business to D2C.

Riddhesh Gandhi: Got it. And the bullion sales which we did, how large were the profits from that or is it zero...

Sumit Shah: Zero, zero, zero. I think it was essentially to facilitate manufacturing.

Moderator: Next question comes from the line of Sudhir Bheda with Bheda Family Office.

Sudhir Bheda: See, as a shareholder, we are disappointed with the result, which you have declared. Last 3 quarters, you have been saying that we have saved ₹40 crores, but nowhere it is seen where you



have saved ₹40 crores because margin has never improved. If you see this year, even this quarter margin, operating profit is just 7%, which is much less than what it was like 2, 3 quarters back?

So from where you have saved ₹40 crores, I'm not able to understand, number one. And then second, your revenue has also shown good growth in the revenue, which is very nice to see that kind of growth. But then operating leverage has not kicked up. And that is not -- we cannot see on the bottom line that is happening?

And D2C brand, which also has grown well under your able leadership, but then it is somehow not reflecting in the bottom line. So can you explain how it is happening? And what is the future guidance can you give on the profitability front and EBITDA front?

Sumit Shah: Yes. So I think if you take the 9 months expenses ex of advertising, you will see that the savings are ₹36 crores. So I think that just please go through the numbers carefully, and you will see that the expenses have gone down year-over-year. That's number one.

Number two, I think that setting up a manufacturing facility in the Middle East has involved some amount of expenses and which was essentially something that happened in the August-September-October period, and there were expenses that we had budgeted, setting up a factory in a short time line involved expenses that could not have been foreseen a few quarters ago.

So I think there are a few pushes and takes. I think that the fact that the PBT margin has gone up from last year, I'm not sure how you're looking at it because the right way to look at it is to exclude the bullion sales because the bullion sales is increasing the top line. So if you take a 16% increase in revenue, PBT margins have gone up by 31% on 16% revenue growth.

Sudhir Bheda: I was talking about the EBITDA margin, operating profit margin, that has gone down?

Sumit Shah: The operating profit margin in this quarter is higher than it was 1-year ago.

Sudhir Bheda: No, but last 2, 3 quarters, if you see, it has not improved. In fact, it has gone down actually if you really see the operating margin and screener I have seen that it has come down?

Sumit Shah: Yes, because in the screener, the bullion sales for the 2 quarters are included. So what I'm asking you to do is to look at the sales ex of the bullion. And once you do that, the margins have actually increased.

Sudhir Bheda: Okay, okay. Yeah. Fair enough. So what is your guidance going forward as your D2C sales is going to improve much more than your other verticals? So what is the guidance of margin? Will it be double-digit kind of margin we will be able to see next year?

Sumit Shah: Yes. So, I think as we've maintained, I think that as the Direct-to-Consumer proportion goes up, margins will increase. And our endeavor definitely is over a 2-3 year period to get to double-digit margins. So that doesn't change. I think that with the introduction of the tariffs in August, there has been volatility in this quarter. And the profit numbers are slightly below our expectations.



But I think given the circumstance and the short period in which we had to deliver the quarter, I think that our team did an exceptional job of delivering for our customers and improving margins along the way. Our long-term vision of improving Direct-to-Consumer business, doubling that and making that 20% to 25% of our sales remains, and we continue to work towards that objective.

Sudhir Bheda: And sir, my last question is about working capital. Our debtors days, can you throw some light on that? What it is as of December?

Sumit Shah: Yes. So I think that the debtor days, as we've maintained, are in and around 90 days or so, and they've been stable at that number.

Moderator: Next question comes from the line of Divhy Gosar with Subhkam Ventures.

Divhy Gosar: Sir, what would be our inventory days at the end of 9 months?

Divhy Gosar: Yes, I wanted to ask what would be our inventory days in the first -- at the end of the first 9 months?

Sumit Shah: Darshil, would you have that number handy?

Darshil Shah: Yes, it will be in the range of around 45 days based on annualized.

Divhy Gosar: Okay. And sir, what would be the, I mean, the bullion sales? What would be the trajectory in the fourth quarter?

Sumit Shah: Yes. So I think in the fourth quarter, we expect to have about a month, 1.5 months of bullion sales. So I would assume that it will be probably around 80, and then it will wind down from Q1 onwards because we were outsourcing our manufacturing for a few quarters. Our own manufacturing facility is now ready and operational. So around the 20th of February, bullion sales would stop.

Moderator: Next question comes from the line of Riddhesh Gandhi with Discovery Capital.

Riddhesh Gandhi: You had indicated you had expected ROCEs of about 20% odd going ahead, and we're aspiring towards that. Just wanted to understand how we expect to achieve this and some of the drivers of that?

Sumit Shah: Yes. So I think the -- as the proportion of Direct-to-Consumer goes up, I think our Direct-to-Consumer business is actually -- extremely capital light. It involves -- it's a negative working capital cycle business. I think as that business goes towards the 20s, we would expect our ROEs and ROCEs to inch up.

And I think the 20% aspiration is more a long-term aspiration over 3 to 4 years. I don't think we are getting from where we are today to that number in -- within a short time frame. So that's sort of a 3-year goal. And meaningfully, as we scale the D2C business, we would see the ROCEs go up.



Riddhesh Gandhi: Got it. But even if we look at our actually the cash conversion cycle over the last few years, it's gone up in '24 from '23, it has gone up from '25 to '24. We don't have the latest balance sheet numbers. But sort of despite our D2C becoming a higher proportion, despite us actually exiting some of the low ROCE businesses, right? We're still sort of having a like cash conversion cycle of over 300 days, I think it's 80 to 300 days?

Sumit Shah: Yes. So I think, Riddhesh, one of the challenges, obviously, has been due to the tariffs getting introduced, the inventory days has increased this year because the manufacturing time line itself has become significantly longer, right? I mean we are first buying metal in Dubai, buying the metal, then bringing it into India. So the working capital cycle has become longer due to this fact.

Number two is as lab diamonds become larger, our sort of payable days has become shorter because we are not buying as many diamonds because lab diamonds are lower in value. So there are multiple puts and takes here that are kind of affecting our cash conversion cycle. But your point is well taken. I think we are cognizant of the fact that there are some customers which...

Riddhesh Gandhi: Even before -- because I'm looking at your '25 numbers, which was before any introduction of this tariff, right? Even there, we are seeing some amount of an increase in your cash conversion versus what we would typically expect to see a reduction as you -- yes, as you exited the lower ROCE businesses?

Sumit Shah: Yes. I was just getting to that. There are a few customers which are consignment-heavy. And as our D2C business scales, you will see over the next couple of years or so us exiting those businesses because we are aware that there are certain department stores which are extremely consignment-heavy and they become a drag on our inventory days.

So there is a conscious effort that as we scale this business, there is going to be on the B2B side, certain low ROE, ROCE customers where the cash conversion cycles are very poor, we may need to exit.

Riddhesh Gandhi: And -- but are those historically reasonably high on, I mean, profitability? So there's sort of ultimately the inventory days may be higher, but the EBITDA is higher?

Sumit Shah: No, I think they are not. I think that it was a matter of sort of scale and spreading our operating overhead. I think that at the right opportune moment, it would be not margin accretive after accounting for cost of capital. So we are cognizant of that, and there are businesses that after exiting would be kind of an offset to cost of debt.

Riddhesh Gandhi: Got it. And while we don't have the exact numbers on your net debt, there obviously is a slight increase in your interest rate in your December quarter compared to your September quarter. Just want to understand that despite generating reasonably good EBITDA, right, and despite effectively exiting some of our businesses, which aren't particularly attractive, is our net debt is still is in the reducing, actually?



So just wanted to understand what the reason is because we are -- because our highest growth is coming in an area that's reasonably asset-light, right? So it doesn't mean that the growth is eating up our capital...

Sumit Shah:

So Q2 to Q3 is not a sort of not a valid comparison because of seasonality. And as I mentioned to you, what has happened is due to the shift in business to lab grown, our payable days has gone down meaningfully. So that's one source of funding, right? Working capital is funded through sort of either gold you buy in advance or diamonds are bought on credit. So payable days have gone down is kind of one reason.

And I think year-over-year, they've remained sort of largely stable. I think 9 months interest costs are lower. Q3 to Q2 is not a fair comparison in a sense because of seasonality. It would again go down in Q4 as compared to Q3 because a lot of our receivables are collected in January, February and March.

Riddhesh Gandhi:

Got it. So if we were to look at it, broadly speaking, if I'm just looking at your operating free cash flow, right, in the 2024 and 2025 was extremely low, right? Just want to understand that as we look ahead, is there a -- is the EBITDA -- like when will we see a strong conversion from EBITDA to actually operating free cash flow?

Sumit Shah:

So I think the attempt is, as I just mentioned, you will see these as we kind of reduce exposure to customers where the cash conversion cycle is poor. I think some of these customers are not accretive in terms of returns over cost of capital.

So we believe that as we scale these businesses, you will see us in the following year actually scale down business with some customers. And so I mean, if you look at it over a 5-year period, there has been 2 challenging years. The 3 or 4 years prior to that, there was significant and positive cash conversion.

So I think we acknowledge that there have been 2 years which have been challenging. But I think as the D2C business is scaling nicely, you will see the cash conversion cycle improve meaningfully in the following financial year.

Riddhesh Gandhi:

Got it. And these customers which we have identified, are these like new customers? Or are they like customers whose like velocity of transactions has reduced? Or just want to understand the reason or that we haven't -- that the actions have already been taken? Or is it about to be taken? Or how are we looking at that?

Sumit Shah:

It's work in progress. With some of them, we've already begun the process. And I think it will sort of -- it will accelerate into next year.

Riddhesh Gandhi:

Got it. And just wanted to also understand, as we've like -- as we've expanded our D2C business, have the unit economics have changed in any way in terms of the cost of acquisition of clients, in terms of the margin we make, all that? Just wanted to understand how that is playing out as we are achieving scale?



Sumit Shah: Yes. So I think if you see the operating profit, I mean, there is a meaningful improvement in the profitability, which is because of operating leverage that you're seeing, right? On 50% revenue growth, the operating profit has gone up by 90% in the D2C business. So that's clearly a reflection of operating leverage.

Riddhesh Gandhi: Got it. And the operating leverage is basically because of the more of our fixed costs or is it some amount of optimization with regards to the cost of acquisitions of product customers and all that?

Sumit Shah: So I didn't hear your question fully, but I think the gist of it is that I think that it's a combination of marketing efficiencies as well as the overhead getting spread over a much larger base.

Riddhesh Gandhi: Got it. All right. And just overall, as we look at the NOS market in the U.S., are you seeing any kind of overall slowdown in the NOS market as a whole? Obviously, we are okay given how small we are in terms of the overall market. But just any insight that you could share on how the growth in the industry is going?

Sumit Shah: I think just our sort of understanding or reading is that it's relatively stable and U.S. consumer demand remains robust. We are not seeing any signs of weakness.

Riddhesh Gandhi: Got it. And in terms of the lab-grown versus the natural, is that -- you've obviously seen a large move which has happened. Is the percentage now of like large versus -- actually lab-grown versus natural still increasing? Or is it sort of stabilizing now the ratio between the two?

Sumit Shah: I think we continue to see a shift towards lab-grown diamonds. I think that the trend is very clear, and it will continue to accelerate.

Moderator: Next question comes from the line of Shashank Jain with Delhi Family Office.

Shashank Jain: So sir, I wanted to ask that since you have been saying that we'll be getting in D2C business in the time being. So sir, won't our inventory go down and even like the working capital dependency as we will be getting most of the money in advance? Yes, sir, that's my first question?

Sumit Shah: Yes. So I think our -- on the D2C business, currently, it's about 13% of sales. As that goes to a larger number, you're absolutely right that the net working capital days will improve for the business.

Shashank Jain: And sir, on the second question, sir, also, how is the demand looking like since the gold prices and silver prices have gone up substantially and like most of our business comes from the U.S.?

Sumit Shah: Yes. So I think that the impact of that will sort of be known only in the current quarter and going forward. I think a lot of retailers took price increases for tariffs, but not due to metal because some of them have quarterly locks and a lot of them would have inventory.

As of right now, we are not seeing significant impact, but time will tell. It's something that one needs to watch carefully because it has been a very meaningful increase in the raw material.



Shashank Jain: Yes, sir. And sir, what are our plans to grow the Indian store and business as we see that Titan is also entering in this segment, which gives us a big validation and also like our peers have been growing? So sir, yes. And sir, what would be the -- like the PAT margins look for the next year, considering the change in the business mix?

Sumit Shah: Yes. So I think as of right now, our India business is wait and watch. We are not actively looking at growing it meaningfully. We are not happy with the unit economics of the business so far. In terms of PAT margins, I don't have an exact number, but on the operating margins, clearly, our goal would be over a 2- or 3-year time frame to go to double digits. We're currently at approximately 8% or so, and the goal would be to go to double digits over the next few years.

Darshil Shah: Just a point on the inventory days, it's 140 days as of now.

Moderator: Next question comes from the line of Majid Ahamed with PinPoint X Capital.

Majid Ahamed: Yes, sir. Sir, my first question is especially I want to understand, sir, what is the reason of gross margin compression...

Sumit Shah: Yes. So I think that, again, gross margin has compressed due to the bullion sales being in the numerator. I think that ex of that, they would not have compressed.

Majid Ahamed: And sir, if I see our licensed brands and customer brands, so like how are we going forward looking to sustain margins in two of those segments, sir?

Sumit Shah: Sorry, could you repeat your question? I couldn't hear your question.

Majid Ahamed: Sir, in the licensed brand segment and customer brand segment, we are seeing margin compression happening. Going forward, what will be stable margins for FY '26...

Sumit Shah: So I think -- yes, on the licensed brands, we are currently in the process of reevaluating some of the licenses that we have. We had a lot of fringe licenses, which we are in the process of discontinuing to sort of focus around the core of the Disney license that we have.

So we did see some degrowth and that caused some compression in margins on that business. So I think that as we reduce costs in line with the reduced margins and there are some exit costs related to some of these licenses, the margins have compressed. I think over the long term, we do expect the margins to stabilize.

Majid Ahamed: When can we expect, sir, the margins to come back to be in line with the numbers?

Sumit Shah: In the licensed brands specifically or overall?

Majid Ahamed: Sir, overall -- both the licensed and overall?

Sumit Shah: Yes. So in the licensed brands, this year, we are at about 13.3% versus 14.8%. So I mean, we would expect that the business should -- it should stabilize around the 15% number.

Majid Ahamed: So can you expect by FY '27 or from next quarter, can you see improvements?



Sumit Shah: I think it will be probably FY '27 because there is some volume degrowth happening on the licensed brand segment right now due to the exit of some of the licenses. So it will probably be in FY '27.

Majid Ahamed: Sir, finally, I just want to understand like how much capex are we planning for Jean Dousset business for FY '27?

Sumit Shah: Yes. So currently, we've signed up 3 additional locations for calendar year '26. And so the capital expenditure for those 3, including working capital would be around ₹25 crores.

Majid Ahamed: Okay, got it. Finally, sir, like what type of revenue growth target are you looking for FY '27?

Sumit Shah: For FY '26?

Majid Ahamed: Yes, '26 and '27?

Sumit Shah: Yes. So I think that this year, obviously, I mean, you've seen the growth. I mean, we've registered healthy growth this year. It's a bit soon to tell for FY '27. I mean, currently, the momentum does remain strong.

The only sort of variable here right now is the metal prices that have gone up and what impact it has on consumer demand. I think that we'll be able to get a slightly better view in a quarter or 2. Right now, I don't have very clear visibility on FY '27. I think FY '26, our revenues are up about 30% or so. So we expect to close off the year strong. I think FY '27 is a little early to say.

Majid Ahamed: So FY '26, we can look around 7% to 8% EBITDA, right?

Sumit Shah: Yes, that's where we're currently at, yes.

Moderator: Next question comes from the line of Shruti Bhayani with Areeza India.

Shruti Bhayani: Sir, so Jean Dousset operates at significantly higher ticket sizes. So as we are going to expand to 5 boutiques by the end of 2026, can we expect blended margins of the D2C portfolio to improve?

Sumit Shah: Yes, absolutely. I think that we are -- even in this quarter, we've seen margins improve, and we will continue to see the Direct-to-Consumer margins go up as we expand Jean Dousset.

Shruti Bhayani: All right. Sir, with working capital discipline improving and these discontinued operations behind us, what is the timeline to achieve mid-20s ROCE?

Sumit Shah: I think I would say realistically, 3 years is when we would get there.

Shruti Bhayani: Three years. All right, sir. All right.

Moderator: Next question comes from the line of Pawan, an Individual Investor.



Pawan: So essentially, I mean, in Q4, while we are saying that demand is good, but then there are headwinds. So how should we read it? So it should be better quarter-on-quarter? How should we read it?

Sumit Shah: So quarter-on-quarter is not really a good way to see our business because Q3 is in terms of sales volume, normally the highest quarter. I mean, year-over-year, we should see reasonable growth. I think that, that would be the right way to do it.

I think how demand sort of plays out going forward is yet unknown. Overall, the U.S. consumer remains healthy. I think as I mentioned, the variable is the metal prices going up and what impact that has on consumer demand, albeit temporarily is not fully certain.

Pawan: Sir, it's been like about 20, 30 days already since metal prices are up. What are you taking? I mean what are the cues to take for last, say, 1 month?

Sumit Shah: The time for our customers to pass on the price increase is a little bit longer than that because a lot of them have quarterly gold locks, and we usually have hedging positions where we protect ourselves for the quarterly gold locks.

So -- and we then normally have inventory at older costs. So it takes a while for the price increases to show up at the retail consumer. So I would say 30 to 40 days is a little too soon to gauge impact on demand.

Pawan: That's surprising actually because, I mean, at least in India, I mean, if I go to purchase at the retail counter, it is -- the gold is at today's price. There's no lag effect there?

Sumit Shah: Yes, yes, yes. So in the U.S., jewellery is not sold as a component basis. It's kind of an MRP-based product similar to what apparel and footwear would be. So while it's typical in India and in our Irasva business, we change prices every day along with gold, that's not how it's done in the U.S., U.K. and Canada.

Pawan: Okay. And in terms of the composition of inventory, generally, what is -- how much is metal -- I mean, gold and how much is, say, stones for us?

Sumit Shah: So I would say 50-50 would be a reasonable ratio between metal and stones.

Pawan: Okay. So when you say 140 days, I mean that -- I mean, at the end of the financial year FY '25, it was actually substantially higher than 140 days. So I mean, so should we end the year with similar 140-odd days? Or how should we think about it?

Sumit Shah: Yes, that's right. We are currently at 140 days. We were at 166 days as of September. So inventory has meaningfully gone down. And our net working capital days has also gone down compared to the previous years, and so has the debtors.

As I explained earlier, we're in the process of exiting from unprofitable customers. So our net working capital days receivables as well as inventory days has gone down meaningfully quarter-over-quarter and year-over-year.



Pawan: Okay. And in terms of Jean Dousset, what are the time lines to open new stores?

Sumit Shah: So currently, we have one store opening on July 1, another one in September and another one in November. So there are 3 slated for calendar year '26.

Pawan: Okay. And I would want to presume that in your Jean Dousset stores, the gold component is very less because the stone itself is priced very high?

Sumit Shah: Yes.

Pawan: So that should not impact your revenue. I mean all I'm trying to say...

Sumit Shah: Yes. So on the Direct-to-Consumer business, we have not seen an impact. Because we work on a zero-inventory model, we obviously have to take prices in real time. So just to clarify, on our Direct-to-Consumer business, we have not seen a significant impact on demand due to metal.

However, we have not passed on all of the metal price increases to consumers. We are doing it in a thoughtful and calibrated manner. The impact on margin is 1% or 2% and the gross margins are 65%. So it is not a meaningful impact on our margins. And on the D2C business, as I mentioned, we have been taking calibrated price increases, and we have not seen a very meaningful impact on demand.

What I was referring to was on the B2B side, which is kind of the larger business, a lot of retailers who have inventory have not yet taken price fully, and we don't know what the impact of demand will be from our retail partners on the B2B business.

Pawan: And lastly, sir, during the course of this quarter, there have been some shares sold by the promoters. Can you clarify why was that done? And should you reinstate your shareholding now?

Sumit Shah: I'll have to get back to you. I think it was a very small number, if there was. I will have my IR come back to you with what the quantum was.

Pawan: Okay, okay. No, I think -- but I mean, the stock hasn't -- I mean, after the fund raise, the stock hasn't done much. And I mean, if the promoters were to increase the stake, that would actually provide confidence to minority investors?

Sumit Shah: Sure. Yes, yes.

Pawan: And sir, looking forward to interacting with you more often. I think we've not been -- despite being investors, we've not been able to meet you very often?

Sumit Shah: Sure, sure. Look forward to it.

Pawan: Yes. So I have put in a request. I mean, please looking forward to meet.

Moderator: Next question comes from the line of Shashank Jain, Delhi Family Office.



Shashank Jain: Sir, so as we are focusing on more on the D2C side, so like we have brands, Jean Dousset, Jewelili, Irasva. So is there any other brand that we are looking for or we will be growing from these -- by these brands?

Sumit Shah: I mean, we're constantly sort of on the lookout and evaluating opportunities. I think that clearly, the ambition is to transition from a B2B company to a company that generates a large majority of their profits from Direct-to-Consumer. I think currently, there is enough runway for organic growth with the brands that we have. Having said that, I think if the right opportunity comes by, we are open to evaluating further acquisition opportunities.

Shashank Jain: Sir, is there any opportunities right now?

Sumit Shah: Nothing specific that I can report.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Sumit Shah: Thank you, everyone. I hope we have been able to answer all your questions. Should you need any further clarifications or if you would like to know more about the company, please feel free to contact our Investor Relations team.

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