



# Goldiam International Ltd

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

November 10, 2023

To, <b>BSE Limited</b> PhirozeJeejeebhoy Towers, Dalal Street, Mumbai- 400 001. <b>Scrip Code: 526729</b>	To, <b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Mumbai- 400 051. <b>Scrip Code: GOLDIAM EQ</b>
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Dear Sir/Madam,

**Sub: Investor Presentation**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Investor Presentation on financial results of the Company for the quarter and half year ended September 30, 2023.

Kindly take the above on record and oblige.

Thanking you,

Yours faithfully,

For **Goldiam International Limited**

**Pankaj Parkhiya**

**Company Secretary & Compliance Officer**

**Registered Office**

Gems & Jewellery Complex, Santacruz Electronics Export Processing Zone, Andheri (East), Mumbai-400096. India  
Phones: (022) 28291893/28290396/28292397 Fax : (022) 28292885 Email:- [investorrelations@goldiam.com](mailto:investorrelations@goldiam.com)

Website: [www.goldiam.com](http://www.goldiam.com)

# GOLDIAM

GOLDIAM INTERNATIONAL LIMITED



**INVESTOR PRESENTATION**

November 2023



# GOLDIAM

GOLDIAM INTERNATIONAL LIMITED

**Q2 & H1 FY24 UPDATE**

**COMPANY SNAPSHOT**

**INVESTMENT RATIONALE**

**FINANCIAL SNAPSHOT**

**COMPANY STRUCTURE & BOD**



**GOLDIAM**  
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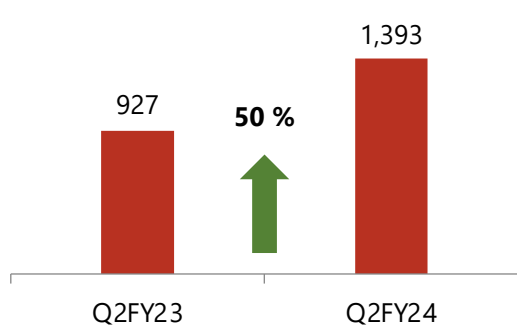
**Q2 & H1 FY24 Update**

# Q2 & H1FY24 : Key Highlights (Consolidated)

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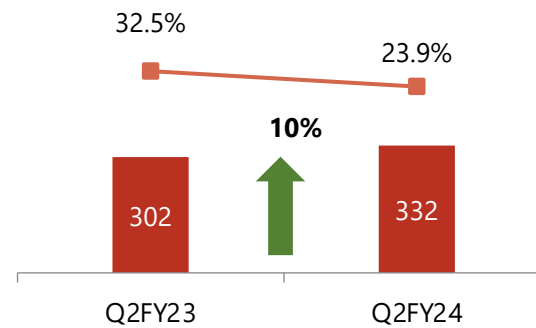
In ₹ Mn

## REVENUES

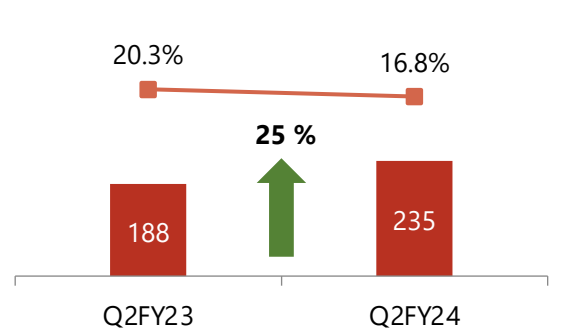


## Q2FY24 ANALYSIS

### EBITDA & EBITDA MARGIN (%)

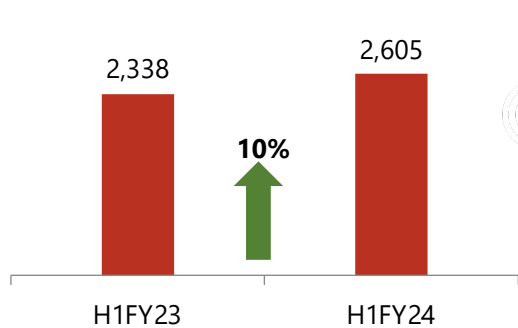


## PAT & PAT MARGIN (%)

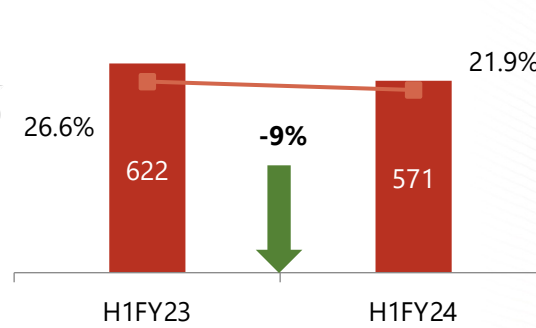


## H1FY24 ANALYSIS

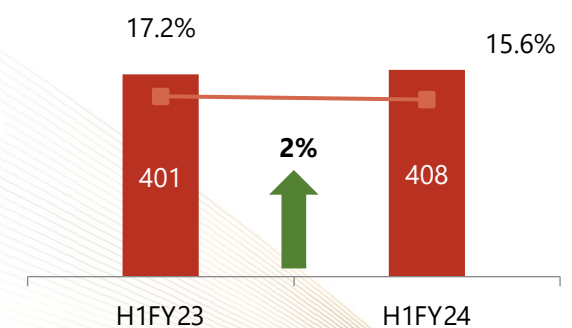
### REVENUES



### EBITDA & EBITDA MARGIN (%)



### PAT & PAT MARGIN (%)



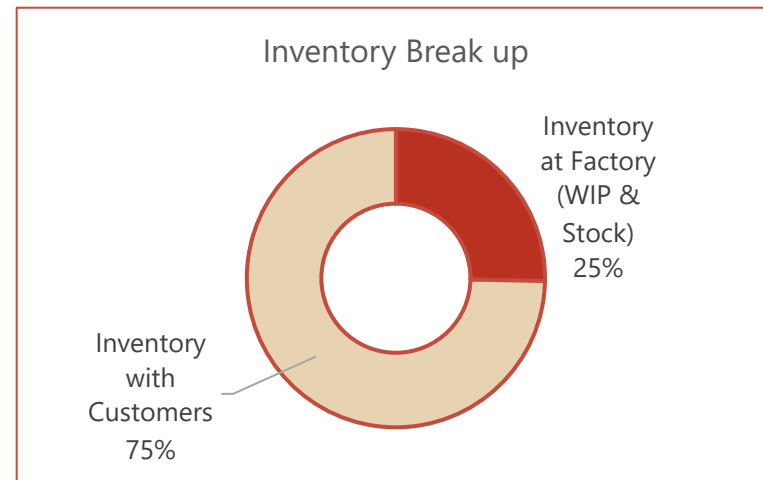
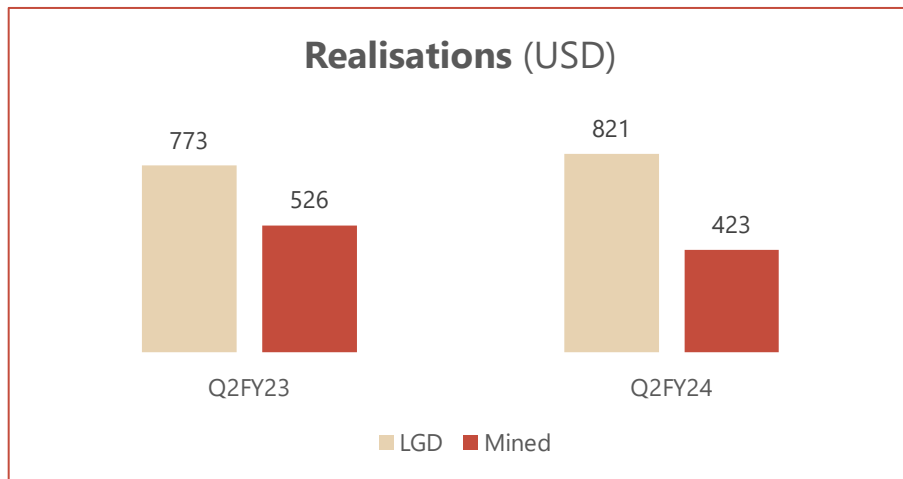
## Q2FY24- Key Matrices

Q2FY24					
	INSTORE		ONLINE		
Revenue Breakup	Qty	Value	Qty	Value	Total
LAB-GROWN	16%	21.7%	6%	12.2%	34%
NATURAL	66%	54.6%	12%	11.5%	66%
<b>Total</b>	<b>77%</b>	<b>72%</b>	<b>23%</b>	<b>28%</b>	<b>100%</b>

Q2FY23					
	INSTORE		ONLINE		
Revenue Breakup	Qty	Value	Qty	Value	Total
LAB-GROWN	12%	15.2%	1%	3.5%	19%
NATURAL	66%	63.3%	21%	18.0%	81%
<b>Total</b>	<b>78%</b>	<b>78%</b>	<b>22%</b>	<b>22%</b>	<b>100%</b>

- Goldiam has been transitioning from a pure natural diamond in-store jewellery company to a major supplier of Lab Grown Diamond Jewellery, with an omnichannel sales strategy
- Lab-grown Share has increased from 19% in Q2FY23 to 34% in Q2FY24.
- Overall Online sales increased from 22% in Q2FY23 to 28% in Q2FY24.
- Online sales of Lab Grown Diamonds have been witnessing robust traction. Share of online sales for Lab-grown has increased multifid from a mere 3.5% in Q2FY23 to 12% in Q2FY24. nearly 4 x increase.

## Q2FY24- Key Matrices



- Realisations for LGD jewellery continue to be at premium to Mined Diamond jewellery for the company, due to Goldiam's backward integration, and sales of higher caratage jewellery.
- 75% of the inventory as of 30<sup>th</sup> Sept, 2023 is with customers as finished products being sold as finished products in their stores

## Q2 & H1FY24: Key Performance Highlights (Consolidated) **GOLDIAM**

GOLDIAM INTERNATIONAL LIMITED

### FINANCIAL UPDATES (CONSOLIDATED)

- **Revenues:** Goldiam's Q2 FY24 consolidated revenue at ₹ 1393 million increased by 50% Y-o-Y basis and 15% q-o-q basis. H1 revenue at ₹ 2605 million grew by 10% Y-o-Y. Smart product mix, better inventory management, and upcoming festive season contributed to higher revenue for Q2.
- **EBITDA:** Q2 FY24 EBITDA at ₹ 332 million increased by 10% Y-o-Y and 40% QoQ. EBITDA margins at 23.9% improved by 422 basis points over the Q1 FY24 due to an increased mix of lab grown diamond business and online business.
- **PAT:** AT for Q2 FY24 stood at ₹ 235 million, up 25% Y-o-Y and 36% Q-o-Q. H1 FY24 PAT at ₹ 4408 million increased by 2% Y-o-Y
- **Dividend:** The board of directors has proposed an interim dividend of 60% that is ₹ 1.2 per equity share of face value of ₹ 2.
- **Order Book Status:** During Q1, Goldiam tapped into a new geography in the Middle-East with a maiden order of ₹ 300 million for the studded jewellery. The company continues to explore newer geographies even as the US remains the largest market, The order book size is ₹ 1,650 mn as on September 30, 2023. This order book is expected to be executed in next four-six months. E-commerce sales, given their nature of being booked online (on a spot basis), are not part of the order book.
- **Track record of rewarding shareholders:** With the equity share buyback concluded in August 2023, Goldiam has, over the past six financial year, expended ₹ 2117 million (₹2246 million after considering the proposed interim dividend yet to be disbursed) by the way of dividend and share buybacks
- **Cash and Cash Equivalents** (including investments) at **₹ 2,776 mn (H1FY24)**



# Consolidated Profit & Loss Statement

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	Q2FY24	Q2FY23	YoY %	H1FY24	H1FY23	YoY
<b>Total Income</b>	<b>1,392.8</b>	<b>927.1</b>	<b>50%</b>	<b>2,604.6</b>	<b>2,338.0</b>	<b>11%</b>
COGS	880.6	445.0	-7%	1694.6	1357.6	-7%
<b>Gross Profit</b>	<b>512.2</b>	<b>482.1</b>	<b>-15%</b>	<b>910.0</b>	<b>980.4</b>	<b>-15%</b>
Gross Margin %	36.8%	52.0%	(1523 bps)	34.9%	41.9%	(700 bps)
Employee Expenses	62.3	74.1	7%	116.9	136.7	7%
Other Expenses	117.5	106.4	-46%	222.5	221.7	-46%
<b>EBITDA</b>	<b>332.4</b>	<b>301.6</b>	<b>6%</b>	<b>570.5</b>	<b>621.9</b>	<b>6%</b>
<b>EBITDA Margin %</b>	<b>23.9%</b>	<b>32.5%</b>	<b>(866 bps)</b>	<b>21.9%</b>	<b>26.6%</b>	<b>(470 bps)</b>
Depreciation	14.5	21.8	-36%	27.572	35.497	-36%
Financial Cost	0.1	3.0	-105%	0.129	4.591	-105%
<b>Profit Before Tax (PBT) before exceptional items</b>	<b>317.8</b>	<b>276.7</b>	<b>9%</b>	<b>542.8</b>	<b>581.9</b>	<b>9%</b>
Exceptional Items	-	-	-	-	-	-
<b>Profit Before Tax (PBT)</b>	<b>317.8</b>	<b>276.7</b>	<b>9%</b>	<b>542.8</b>	<b>581.9</b>	<b>9%</b>
Tax	83.3	89.0	19%	135.3	180.5	19%
<b>Profit After Tax (PAT)</b>	<b>234.5</b>	<b>187.8</b>	<b>7%</b>	<b>407.5</b>	<b>401.3</b>	<b>7%</b>
PAT Margin %	16.8%	20.3%	(342 bps)	15.6%	17.2%	(152 bps)

# Consolidated Balance Sheet

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Liabilities (In ₹ Mn)	FY23	H1FY24
<b>Equity</b>		
Equity Share Capital	217.9	213.5
Other Equity	5,638.6	5,694.6
Non Controlling Equity	64.6	65.5
<b>Total Equity</b>	<b>5,921.1</b>	<b>5,973.6</b>
<b>Non-Current Liabilities</b>		
Deffered Tax Liabilities	45.2	12.6
Lease Liability	22.0	22.9
<b>Total Non-Current Liabilities</b>	<b>67.2</b>	<b>35.5</b>
<b>Current Liabilities</b>		
Financial Liability		
Borrowings	-	8.0
Trade Payables	903.6	711.5
Lease Liability	4.8	2.4
Other Financial Liabilities	104.0	142.6
Provisions	6.6	8.0
Current Tax Liabilities	41.1	107.0
<b>Total Current Liabilities</b>	<b>1,060.0</b>	<b>980.6</b>
<b>Total Liabilities</b>	<b>7,048.4</b>	<b>6,989.7</b>

Asset (In ₹ Mn)	FY23	H1FY24
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	397.6	418.4
Capital Work in progress	-	-
Right to Use Lease Hold Property	27.4	26.1
Investment Properties	19.4	-
Other intangible Assets	8.5	7.1
Financial Assets		
Investments	189.2	154.7
Loans	15.2	46.6
Other Financial Assets	5.8	5.8
Deferred tax assets	24.6	1.3
<b>Total Non Current Assets</b>	<b>687.6</b>	<b>659.9</b>
<b>Current Assets</b>		
Inventories	2,483.1	2,464.7
Investments	1,319.0	1,693.9
Trade Receivables	1,473.2	1,222.8
Cash & cash equivalents	1,054.3	921.4
Bank balance other than cash	5.7	6.5
Loans	7.2	7.1
Other current assets	18.2	13.6
<b>Total Current Assets</b>	<b>6,360.8</b>	<b>6,329.9</b>
<b>Total Assets</b>	<b>7,048.4</b>	<b>6,989.7</b>



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**Company Snapshot**

# Goldiam International: Leading Exporter of Diamond Jewellery

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## OVERVIEW

- Established in 1986, today we are supplier to leading global retailers, departmental stores and wholesalers with a diversified product portfolio of
  - Natural diamond jewellery
  - Lab grown diamonds (LGD) and jewellery
- Our value added diamond jewellery business focuses on being a proxy to US consumer and retail demand.

## VISION

To become the foremost vendor-partner to the US diamond-jewellery retail industry, by providing significant value across our product and services.

## MISSION

- To enhance stakeholder value
- To strengthen our product portfolio backed by technology integrated supply chain
- Building Trust, Transparency and providing best-in-class service to our customers



# Our Journey - A Constant Architect of Value Addition

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IDEATE

INNOVATE

IMPLEMENT



1970 - 1990

- Goldiam International started exports of cut and polished diamonds in 1986.
- First Diamond cutting and jewellery manufacturing company in SEEPZ, Mumbai.

Export of Cut & Polished Diamonds



1995 - 2015

- Moving from commodity business of diamond manufacturing (cutting) to value added Diamond Jewellery Production & Wholesale.
- We leveraged our expertise and started operations in the US (New York) as Goldiam USA Inc. to directly sell to global retailers.

Export of Diamond Jewellery



2015-2018

- Amongst the first jewellery exporting companies to grow, manufacture and distribute LG Diamonds & Jewellery.
- Strategic Acquisition of Eco-Friendly Diamonds LLP (EDL) (88%) gives us access to supply of key raw materials for manufacturing and growing LGD

Export of Natural & LGD Jewellery



2018-2023

- Further consolidation of stake in Eco-Friendly Diamonds LLP (EDL) to 88%

# Goldiam's Edge: Building Momentum with Strength

## Financial Strength

1

### Building Financial Resilience

- **Debt-Free Operations**
- Cash and Cash Equivalents (including investments) over ₹ 2,776mn (H1FY24)
- Ability to **secure Raw Material at Competitive prices** due to upfront purchase

## Operational Strengths

2

### Complete Supply Chain of LGD Jewellery

- **Complete backward integration** of manufacturing and exporting of LGD jewellery
- Acquisition of EDL enabled us to **procure Raw Materials at the right prices**
- New, **niche** LGD Growing business at **30-35% EBITDA Margins**
- Use of **larger carat lab grown diamonds** from our own growing unit of EDL

3

### Managing Extensive Infrastructure

- Sophisticated and **separate infrastructure setup** with dedicated earmarked areas for LGD, natural and dot com jewellery production
- **Maximization of our efficiency levels**
- **Low cost and efficient jewellery manufacturing** across distribution outlets

4

### Niche & Focused Distribution

- Orders **focused on a narrow range of diamond quality** with sizeable presence in this segment across retailers
- Returns are quickly recycled to **minimize inventory risk**
- Enables us to **cycle inventory faster** than competition.

Focused Design Capabilities



Creating Best-in-Class OEM Reputation



Higher Market Share



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**Investment Rationale**

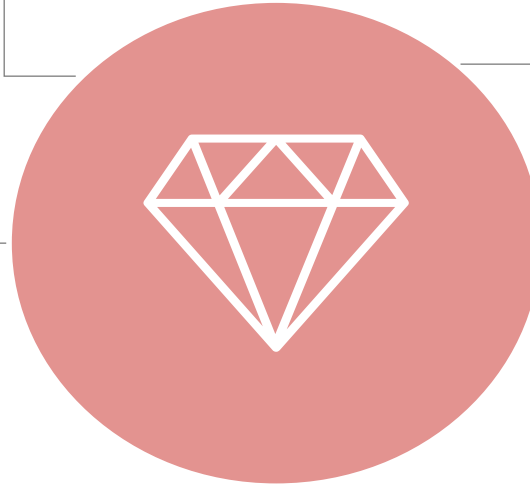
# Play on Value Addition and Strong Financials

## 1. Expanding our Product Portfolio

- With the acquisition of Eco-Friendly Diamonds LLP (EDL), we are maximising the value addition in growing demand of lab-grown studded jewellery.

## 2. Best-in-Class OEM for US Jewellery Retailers

- With our extensive approach towards our retailers, we provide omnichannel services (dot-com production, fulfilment, drop-shipping, etc.) to be the best-in-class OEM.
- This has enabled us to capture **higher ROIs** compared to industry standards.



## 3. Distribution Policy

- We are committed to maintaining a minimum payout ratio of 50% of the annual Standalone Profits after Tax (PAT) to be either used for dividends and/or Buy-back of shares.

## 4. Strong Balance Sheet

- We place confidence in a highly prudent approach of adding strength to the balance sheet and remaining net debt-free.
- As of H1FY24, our consolidated cash & cash equivalents (including investments) stands at ₹2,776 mn.
- This provides us with the necessary ammunition for an inorganic growth opportunity as well as rewards stakeholders with consistent dividends.



# Expanding our Product Portfolio: Our Product Offerings

## Mined Diamond Jewellery



## Lab- Grown Diamond Jewellery



# Best-in-Class OEM for US Jewellery Retailers:

## Strengthening our Revenue Streams along with better RoE's

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By keeping our philosophy of 3I's (Ideate, Innovate and Implement) in mind, we are moving towards better margins, cost optimisation and omnichannel business models.

Our Revenue Streams

Product Portfolio	Region	Sales Channel	Customer Breakup
Natural Diamond Jewellery, 70%	USA , 95% Europe & Others, 5%	Traditional Brick & Mortar, 75%	Retail, 80%
LGD Jewellery, 30%		All e-commerce & Custom, 25%	Wholesale, 20%

EBITDA Margin: ~ 30%

EBITDA Margin: ~ 20%

### Evolving our business towards higher EBITDA margins, better cash flow and improved ROEs

Natural Diamond Jewellery Business

Export of natural diamond jewellery; focus on retail & wholesale clients; upto ~20% EBITDA margin



LGD Growing Business

Provide important Raw material for LGD jewellery business



LGD Jewellery Business

Ventured into manufacturing & distribution of LGD jewellery; focus on creating affordable luxury jewellery segment; upto ~30% EBITDA margin

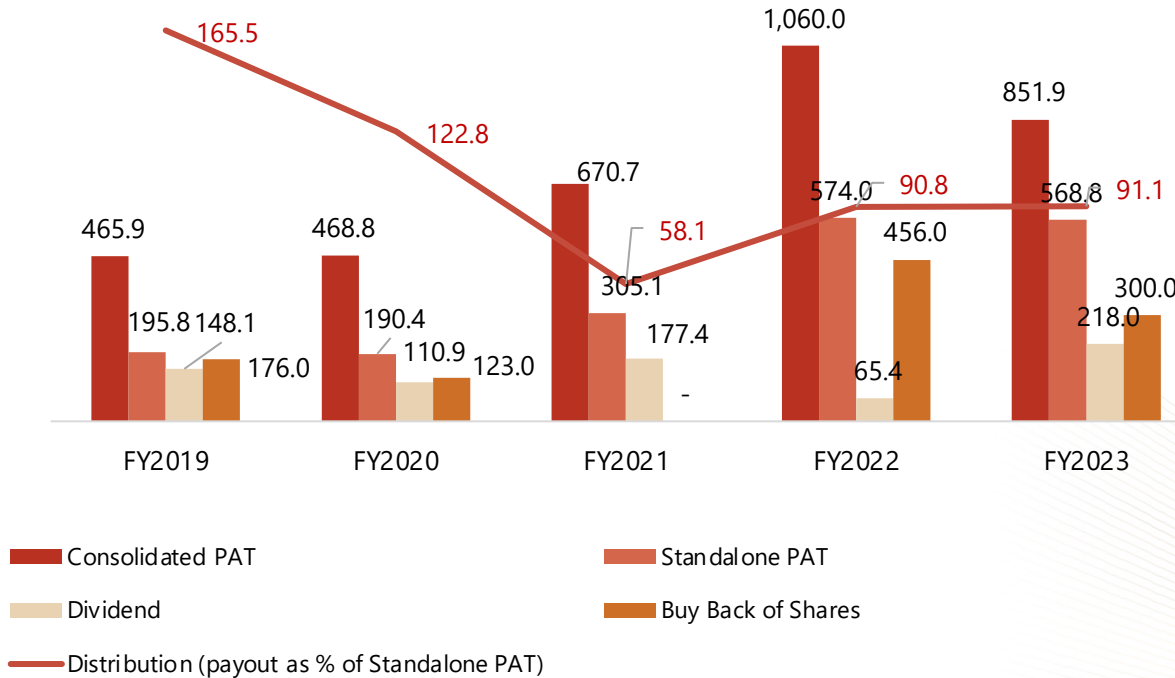
# Distribution Policy:

## Creating Consistent Value for Stakeholders

**Our Dividend Distribution Policy ensures sustainable and consistent returns to stakeholders.**

### Our Prudent Capital Allocation

(In ₹ Mn)



- Committed to wealth-creation for all our stakeholders.
- Objective of Dividend Distribution Policy: To ensure an equitable balance between the quantum of dividend paid-out and the profits preserved for future growth.
- We aim to maintain a minimum payout ratio of 50% of the annual Standalone PAT to be either used for Dividend and/or Buy-back of shares, subject to the considerations of the parameters stated in this Policy.
- Over the last five years, we have delivered an average dividend pay-out of 50%+ of Standalone PAT

Notes: Dividend Paid excludes Corporate Tax on Dividend

# Strong Balance Sheet:

## A Balance of Efficiency, Effectiveness and Controls

### DISTRIBUTION POLICY

- Committed to wealth-creation for all its stakeholders.
- Over the last five years, the Company has delivered an average dividend pay-out of 50+% of Standalone PAT.

### ROBUST RETURN RATIOS

- Improving and growing profitability.
- Cash Adjusted ROCE\* – 10.6% in FY18 to 36.9% in FY23
- ROE\* – 5.7% in FY18 to 15.2% in FY23



### DEBT FREE COMPANY

- With our prudent and conservative approach towards financial engineering, we have remained debt-free despite challenging markets.
- As on H1FY24, our consolidated cash & cash equivalents along with investments are ₹2,776 mn.

### CONSISTENT GROWTH

- Consistent profit growth FY17-FY23.



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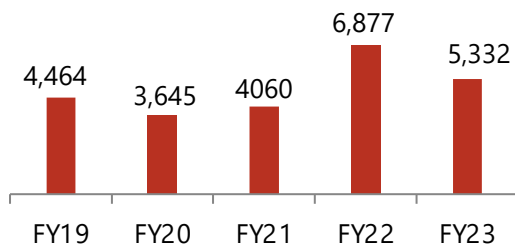
**Financial Snapshot**

# Consolidated Financial Snapshot

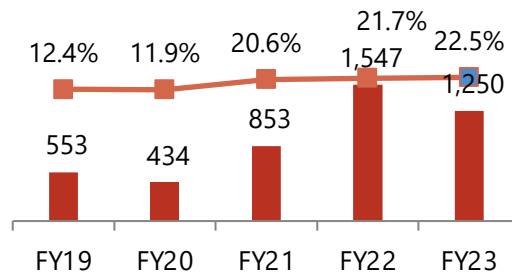
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In ₹ Mn

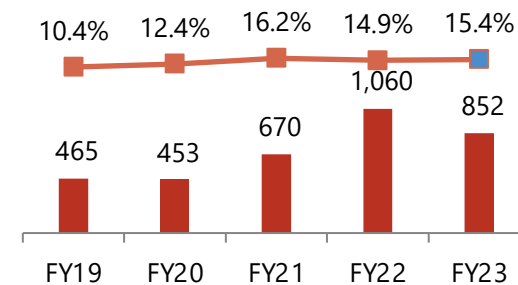
## Revenue from Operations



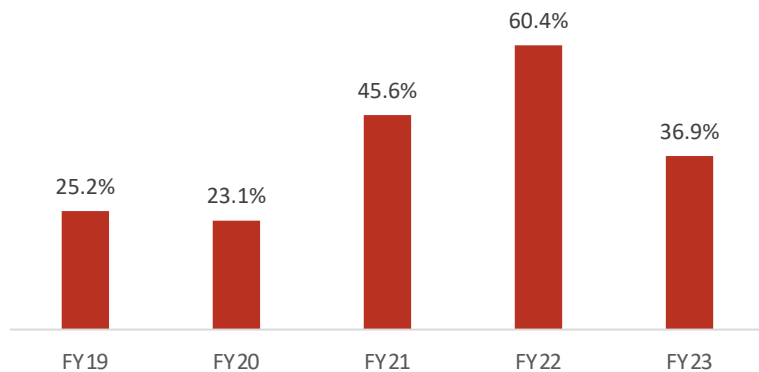
## EBITDA & EBITDA Margin



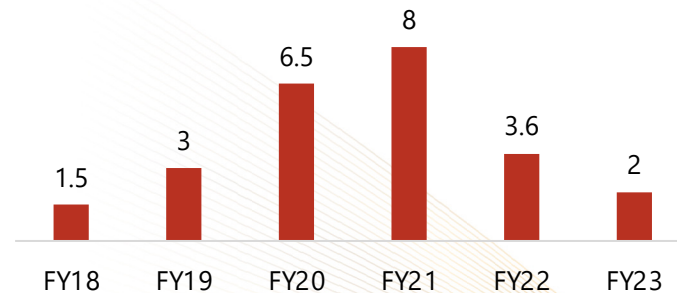
## PAT & PAT Margin



## Cash Adjusted Return on Capital (Adj RoCE)\*



## Dividend Per Share (₹)



• ROCE:  $EBIT / \text{Avg. Capital Employed}$  [(Capital Employed = Equity + Total Debt – Cash & Cash Equivalents-Investments)]

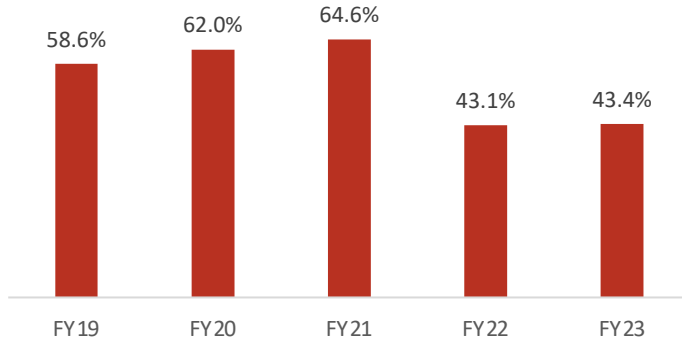
# in FY22 shares were split in the ratio of 1:5

# Consolidated Financial Snapshot

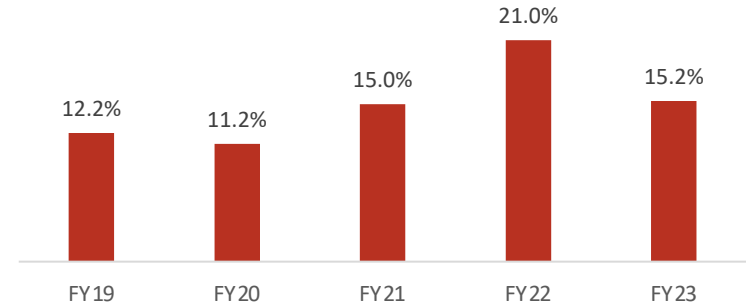
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In ₹ Mn

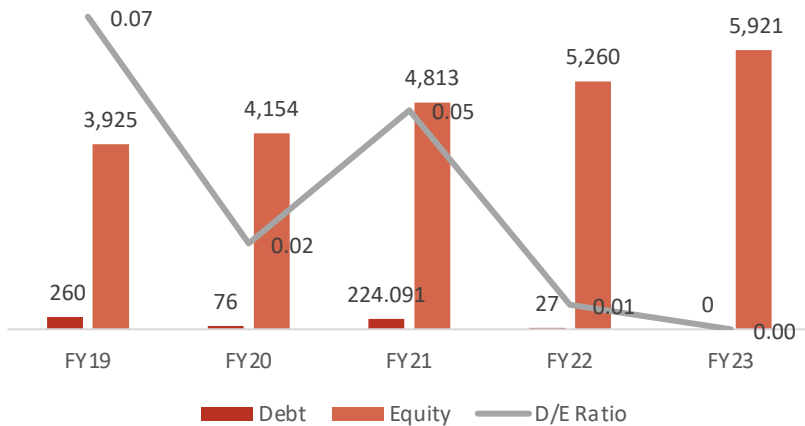
## Cash & Investments as a % of Equity



## Return on Equity (RoE)\*

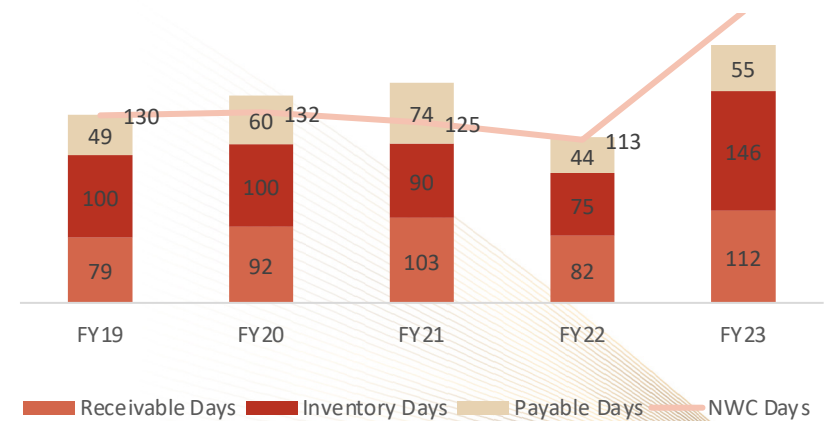


## Leverage Analysis



\* ROE: PAT/Avg. Equity

## Working Capital Analysis



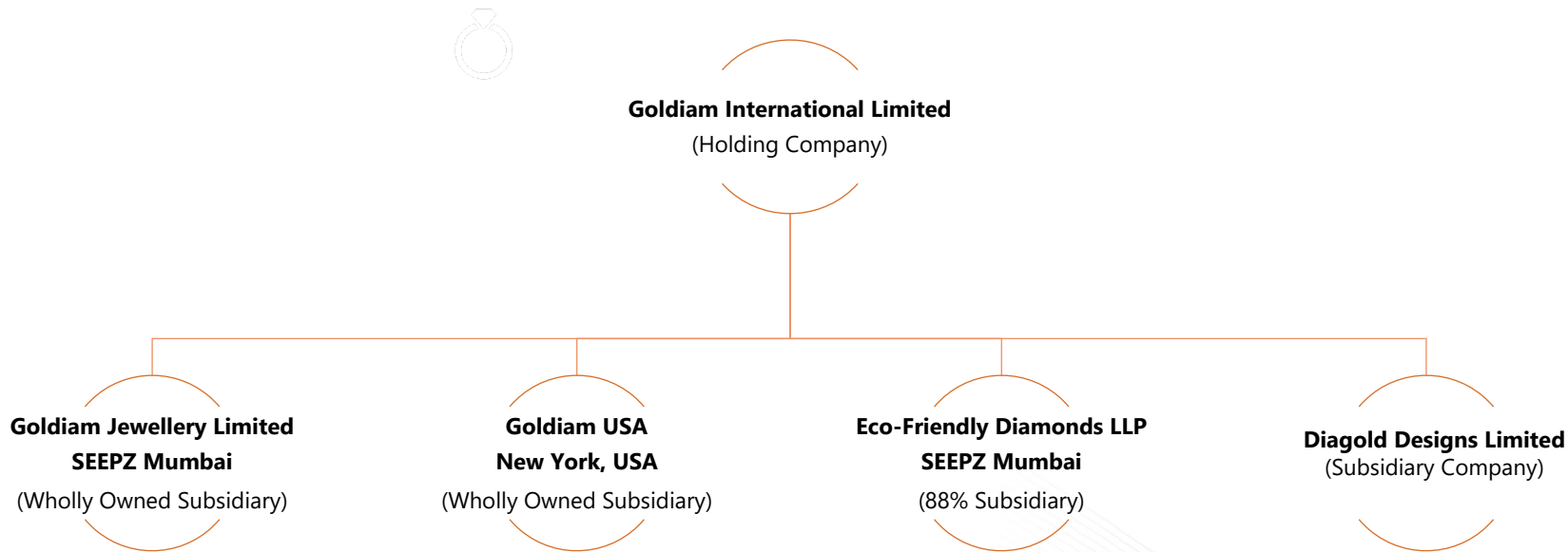


**GOLDIAM**  
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**Company Structure &  
Board of Directors**



# Our Group Structure



**Manufacturing, Marketing & Design, Exporting**

**Marketing to Retailers**

**Growing & Manufacturing Lab Grown Diamonds**

## Our Board of Directors

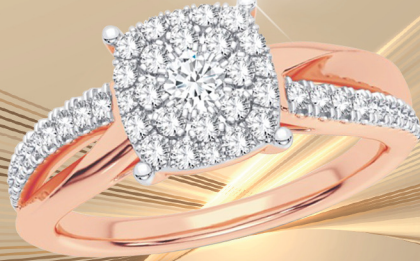
Name of the Director	Designation	Description
Rashesh Bhansali	Executive Chairman	Mr Rashesh Bhansali has over 28 years of rich and exhaustive experience in the field of diamonds & jewellery.
Anmol Rashesh Bhansali	Managing Directors	Mr Anmol Bhansali has completed Bachelors of Science in Business Administration from Wharton School, University of Pennsylvania. Further, he also acquired GEM130 and GEM230 certifications, constituting two thirds of 'Diamonds and Diamond Grading' course, from Gemology Institute of America 2017. With an experience of more than 6 years, Mr Anmol Bhansali has acquired rich experience in Diamond Business and have engaged in Manufacturing, Trading and Jewellery exports.
Ruchi Shrinath Pandya	Non-Executive Independent Director	Mrs. Ruchi Shrinath Pandya is a BSL.LLB-Mumbai & Solicitor (UK & Wales) by profession. She is admitted as Advocate on the Rolls of Bar Council of Maharashtra & Goa-2005 & as Solicitor (UK & Wales)-2006. She has more than 17 years of experience. Her main areas of practice include- General Corporate law, Real Estate, Project Finance, Commercial Litigation, Arbitration and Dispute Resolution.
Pannkaj Chimanlal Ghadiali	Independent Director	Mr Ghadiali is a practicing Chartered Accountant since 1979. Presently he is Managing Partner of P C Ghadiali and Co. LLP and specializes in Direct & Indirect Tax, and Information Technology. He was also the Chairman of Western India Regional Council of The Institute of Chartered Accountants of India for the year 1988-89.
Nipa Utpal Sheth	Independent Director	Mrs. Nipa Sheth is the director and founder of Trust Group, a leading full-service financial services house and a leader in the Indian Bond Market. She has been an integral part of the fixed income market for over 20 years.
Tulsi Gupta	Non Executive, Non Independent Director	Mrs. Gupta is a certified jewellery designer from Gemmological Institute of America (GIA) and has completed Business School MSc(Hons) in Innovation, Entrepreneurship and Management from Imperial College of London. Over the years, she has acquired wide knowledge & experience in the field of diamonds & jewellery.

# GOLDIAM

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**Company Secretary**  
**Pankaj Parkhiya**

Email: [investorrelations@goldiam.com](mailto:investorrelations@goldiam.com)  
Contact Details: 022 28291893



**Mehul Mehta**  
**Director**



Email: [Dissero\\_Clients@dissero.co.in](mailto:Dissero_Clients@dissero.co.in)  
Contact Details: +91 98202 80325

**Thank You!**