



# Goldiam International Ltd

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

August 8, 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>
--------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------

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 ended June 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**

August 2023



# **GOLDIAM**

GOLDIAM INTERNATIONAL LIMITED

**Q1FY24 UPDATE**

**COMPANY SNAPSHOT**

**INVESTMENT RATIONALE**

**FINANCIAL SNAPSHOT**

**COMPANY STRUCTURE & BOD**



**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

**Q1FY24 Update**

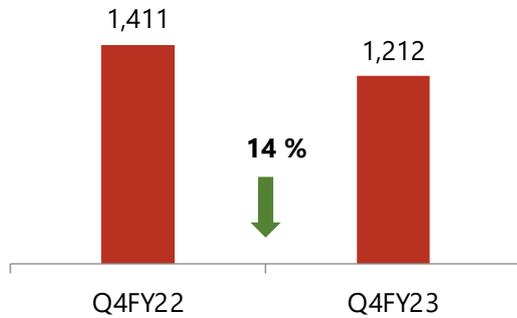
# Q1FY24 : Key Highlights (Consolidated)

**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

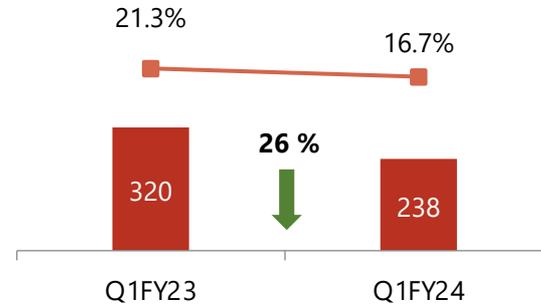
In ₹ Mn

## YoY ANALYSIS

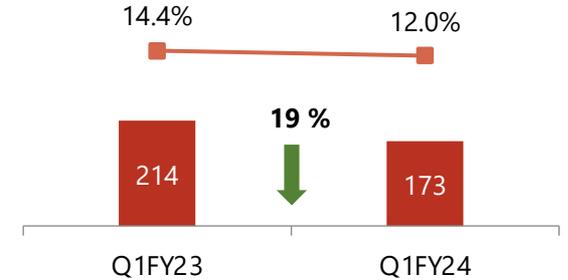
### REVENUES



### EBITDA & EBITDA MARGIN (%)

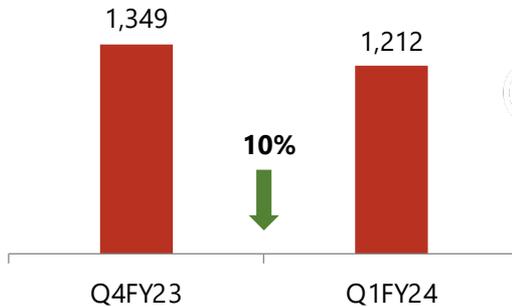


### PAT & PAT MARGIN (%)

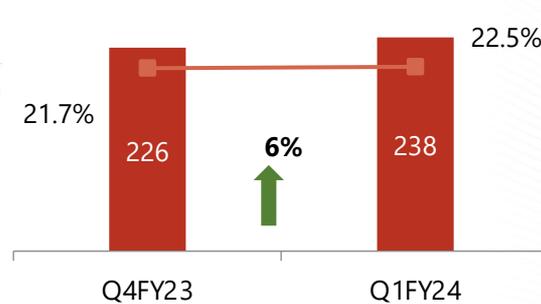


## QoQ ANALYSIS

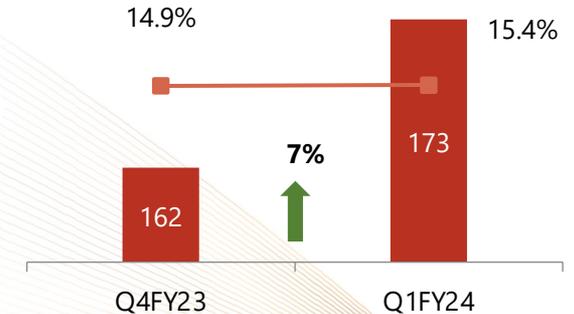
### REVENUES



### EBITDA & EBITDA MARGIN (%)



### PAT & PAT MARGIN (%)



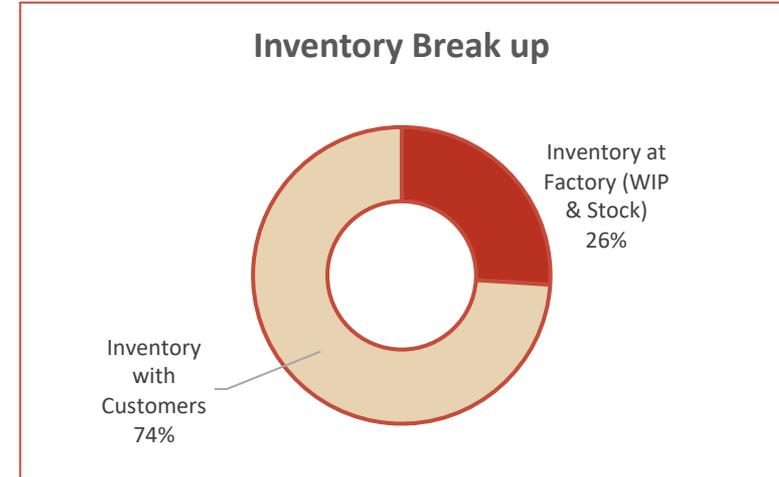
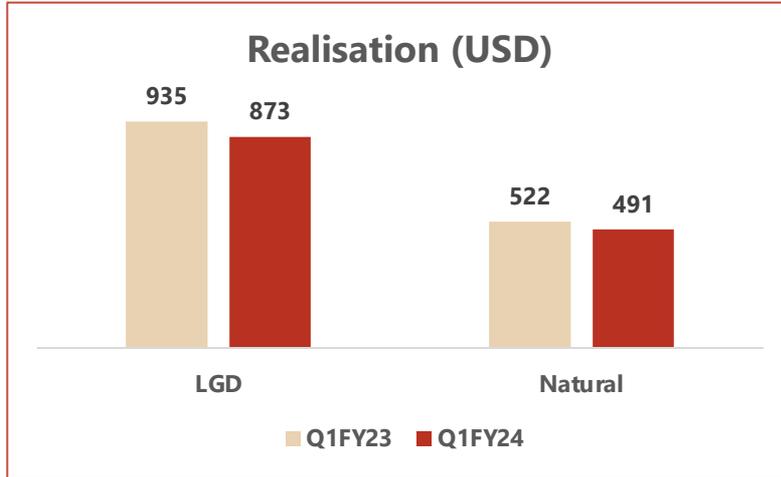
## Q1FY24- Key Matrices

Q1FY24					
	INSTORE		ONLINE		
Revenue Breakup	Qty	Value	Qty	Value	Total
LAB-GROWN	16%	20.8%	6%	12.3%	33%
NATURAL	61%	51.2%	17%	15.7%	67%
<b>Total</b>	<b>77%</b>	<b>72%</b>	<b>23%</b>	<b>28%</b>	<b>100%</b>

Q1FY23					
	INSTORE		ONLINE		
Revenue Breakup	Qty	Value	Qty	Value	Total
LAB-GROWN	11%	16.6%	1%	2.1%	19%
NATURAL	71%	65.2%	18%	16.2%	81%
<b>Total</b>	<b>81%</b>	<b>82%</b>	<b>19%</b>	<b>18%</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 omnichannel sales strategy
- Lab-grown Share has increased from 19% in Q1FY23 to 33% in Q1FY24.
- Overall Online sales increased from 18% in Q1FY23 to 28% in Q1FY24.
- Online sales of Lab Grown Diamonds have been witnessing robust traction. Share of online sales for Lab-grown has increased multifid from a mere 2% in Q1FY23 to 12% in Q1FY24.

## Q1FY24- Key Matrices



- Realisations for LGD jewellery are at a premium to Mined Diamond jewellery due to Goldiam's backward integration, and sales of higher caratage jewellery.
- 74% of the inventory as of 30<sup>th</sup> June, 2023 is with customers as finished products being sold as finished products in their stores

## Q1FY24: Key Performance Highlights (Consolidated)

### FINANCIAL UPDATES (CONSOLIDATED)

- **Revenues:** The consolidated revenue for Q1 FY24 decreased by 14% to ₹ 1,212 million and 10% on q-o-q basis. High inflation, high interest rate regime continued to impact discretionary spending among mid-income segments in the US during the quarter. Upcoming festive season likely to revise the demand. Revenue from Lab-grown diamond jewellery constituted 33% of the Q1 FY24 revenues as compared to 19% during the corresponding previous quarter. Sales through online deliveries improved to 28% during the quarter, compared to 18% during the same period last FY.
- **EBITDA:** While the Consolidated EBITDA for Q1 FY24 fell by 25% YoY, it registered an increase of 6% on q-o-q basis. EBITDA margins increased by almost 300 basis points over Q4FY23 at 19.64% due to an increased mix of lab grown diamond business and online business.
- **PAT and Cash Profit (PAT + Depreciation):** PAT for Q1 FY24 stood at ₹ 173 million vis-à-vis ₹ 213.6 million in Q1 FY23. The Cash profit for FY23 stood at ₹ 186 million vis-à-vis ₹ 227 million in FY22.
- **Order Wins and Order Book Status:** During the quarter, Goldiam tapped into a new geography in the Middle-East with a maiden order of ₹ 300 million for the studded jewellery. With this, the order book size is ₹ 1,100 mn as on June 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.
- **Share buyback:** On July 5, 2023, the shareholders approved the buyback up to 21,79,493 equity shares of ₹ 2 each (being 2% of the total number of equity shares in the paid-up equity capital of our Company) on a proportionate basis by way of a tender offer at a price of ₹150 per equity share for an aggregate amount not exceeding ₹3269.24 lakhs. The Buyback offer was opened on July 27, 2023 and closed on August 2, 2023.
- **Cash and Cash Equivalents** (including investments) at ₹ 3,014mn (Q1FY24)

# Consolidated Profit & Loss Statement

**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

Particulars (In ₹ Mn)	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ
<b>Total Income</b>	1,211.8	1,411.0	-14.1%	1,349.0	-10%
COGS	814.0	912.7	-10.8%	878.2	-7%
<b>Gross Profit</b>	397.8	498.3	-20.2%	470.8	-15%
<b>Gross Margin %</b>	32.8%	35.3%	(249 bps)	34.9%	(207 bps)
Employee Expenses	54.7	62.6	-12.6%	51.0	7%
Other Expenses	105.1	115.4	-8.9%	194.3	-46%
<b>EBITDA</b>	238.1	320.4	-25.7%	225.5	6%
<b>EBITDA Margin %</b>	19.6%	22.7%	(306 bps)	16.7%	293bps
Depreciation	13.0	13.7	-4.6%	20.2	-36%
Financial Cost	0.0	1.6	-97.7%	-0.7	-105%
<b>Profit Before Tax (PBT) before exceptional items</b>	225.0	305.1	-26.3%	206.0	9%
Exceptional Items	-	-	-	-	-
<b>Profit Before Tax (PBT)</b>	225.0	305.1	-26.3%	206.0	9%
Tax	52.0	91.5	-43.1%	43.8	19%
<b>Profit After Tax (PAT)</b>	173.0	213.6	-19.0%	162.2	7%
<b>PAT Margin %</b>	14.3%	15.1%	(86 bps)	12.0%	225bps
<b>Other Comprehensive Income (OCI)</b>					
Items That Will Not Be Reclassified to Profit or Loss	32.2	18.7	71.7%	6.4	402%
Income Tax Relating To Items That Will Not Be Reclassified To Profit Of Loss	0.0	0.2	-83.0%	0.2	-73%

# Consolidated Balance Sheet

**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

Liabilities (In ₹ Mn)	FY23	FY22
<b>Equity</b>		
Equity Share Capital	217.9	218.0
Other Equity	5,638.6	4,981.0
Non Controlling Equity	64.6	60.8
<b>Total Equity</b>	<b>5,921.1</b>	<b>5,259.8</b>
<b>Non-Current Liabilities</b>		
Deffered Tax Liabilities	45.2	40.7
Lease Liability	22.0	9.9
<b>Total Non-Current Liabilities</b>	<b>67.2</b>	<b>50.6</b>
<b>Current Liabilities</b>		
Financial Liability		
Borrowings	-	26.5
Trade Payables	903.6	677.9
Lease Liability	108.8	210.9
Other Financial Liabilities		
Provisions	6.6	6.5
Current Tax Liabilities	41.1	92.4
<b>Total Current Liabilities</b>	<b>1,060.0</b>	<b>1,014.3</b>
<b>Total Liabilities</b>	<b>7,048.4</b>	<b>6,324.7</b>

Asset (In ₹ Mn)	FY23	FY22
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	397.6	378.3
Capital Work in progress	-	0.1
Right to Use Lease Hold Property	27.4	12.4
Investment Properties	19.4	19.4
Other intangible Assets	8.5	10.7
Financial Assets		
Investments	189.2	219.6
Loans	15.2	24.2
Other Financial Assets	5.8	5.4
Deferred tax assets	24.6	3.2
<b>Total Non Current Assets</b>	<b>687.6</b>	<b>673.1</b>
<b>Current Assets</b>		
Inventories	2,483.1	1,768.8
Investments	1,319.0	1,181.3
Trade Receivables	1,473.2	1,787.3
Cash & cash equivalents	1,054.3	859.2
Bank balance other than cash	5.7	6.6
Loans	7.2	37.8
Other current assets	18.2	10.5
<b>Total Current Assets</b>	<b>6,360.8</b>	<b>5,651.6</b>
<b>Total Assets</b>	<b>7,048.4</b>	<b>6,324.7</b>



**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

**Company Snapshot**

# Goldiam International: Leading Exporter of Diamond Jewellery

**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

## 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.

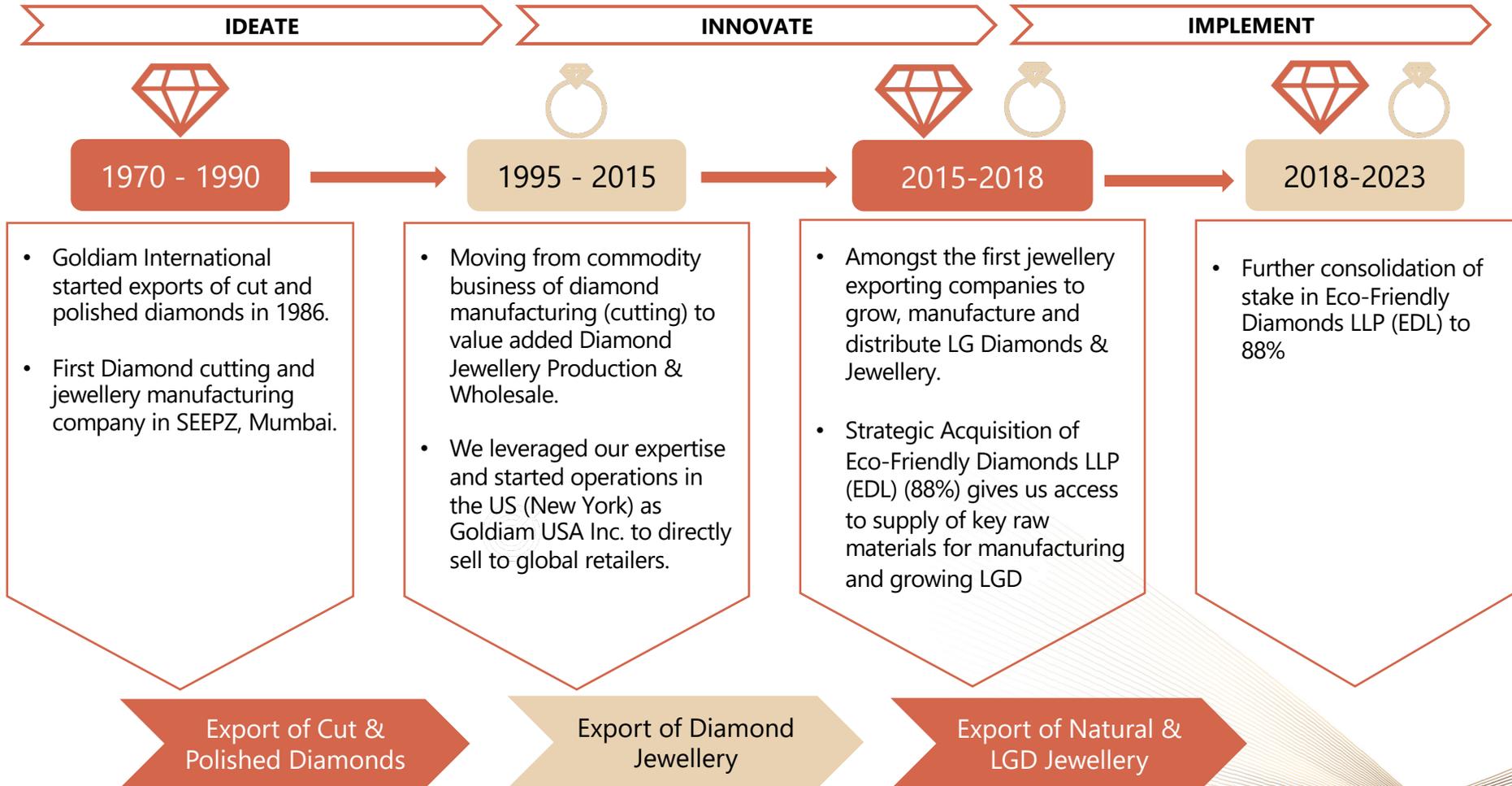
## MISSION

- 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

**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED



# Goldiam's Edge: Building Momentum with Strength

## Financial Strength

1

### Building Financial Resilience

- **Debt-Free Operations**
- Cash and Cash Equivalents (including investments) over **₹ 3,014mn (Q1FY24)**
- 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



**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

**Investment Rationale**

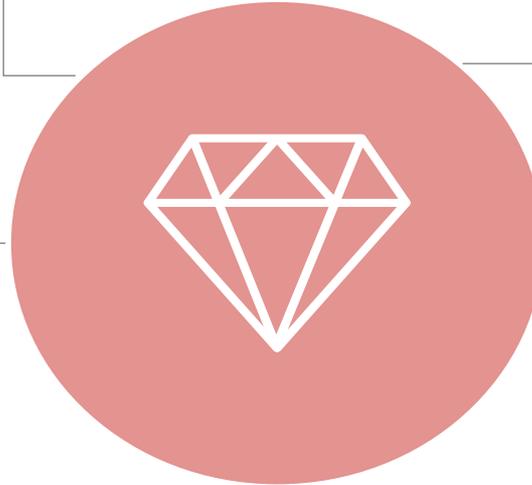
# Play on Value Addition and Strong Financials

## 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 Q1FY24, our consolidated cash & cash equivalents (including investments) stands at ₹3,014 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

**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

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

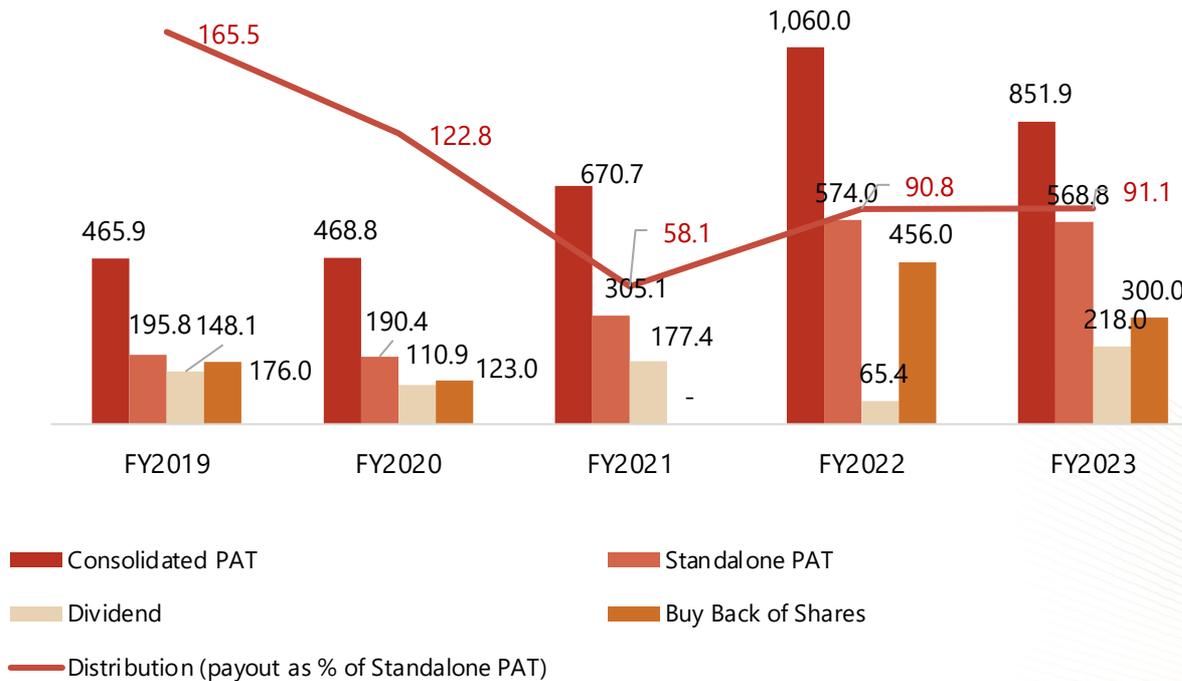
# Distribution Policy:

## 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 March FY23, our consolidated cash & cash equivalents along with investments are ₹3,014 mn.

### CONSISTENT GROWTH

- Consistent profit growth FY17-FY23.



**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

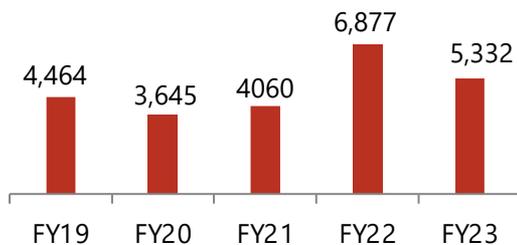
**Financial Snapshot**

# Consolidated Financial Snapshot

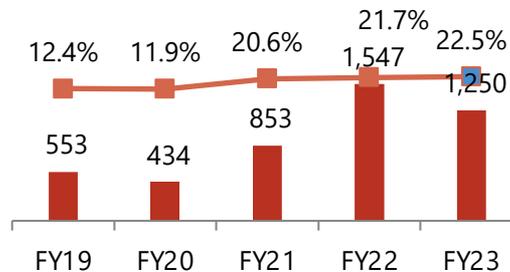
**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

In ₹ Mn

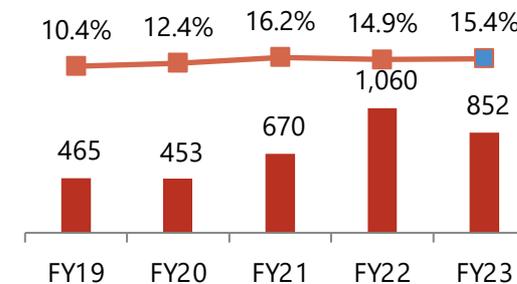
## Revenue from Operations



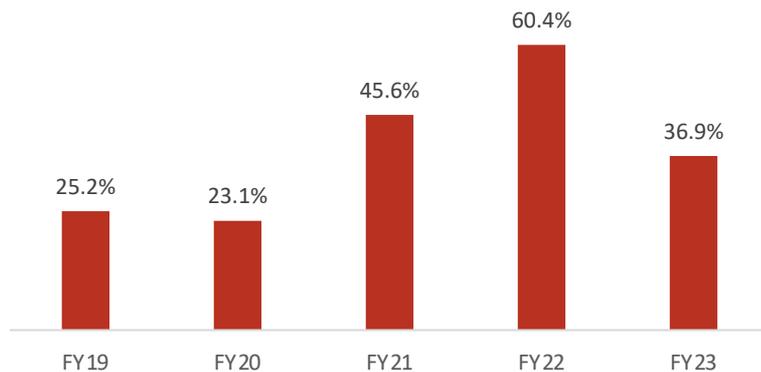
## EBITDA & EBITDA Margin



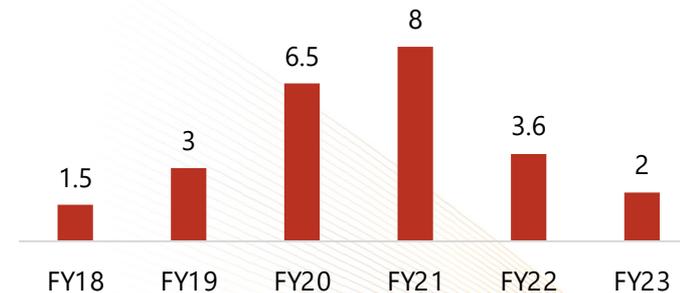
## PAT & PAT Margin



## 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)]

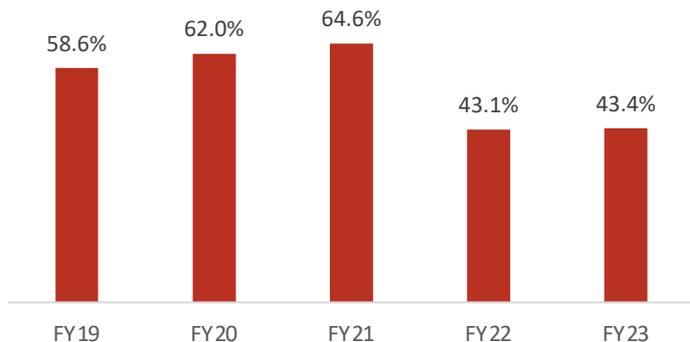
# in FY22 shares were split in the ratio of 1:5

# Consolidated Financial Snapshot

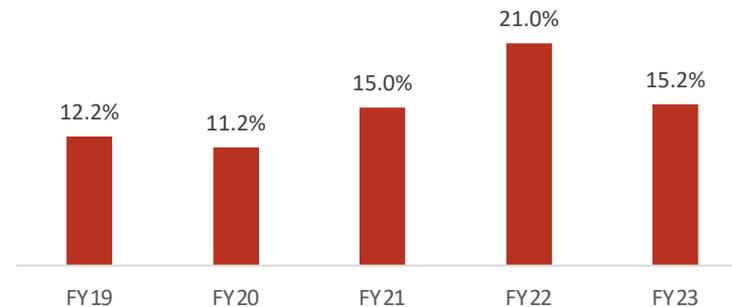
**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

In ₹ Mn

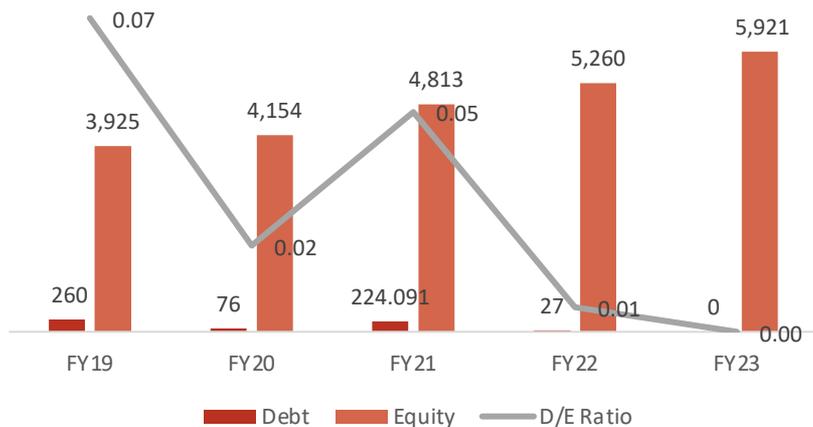
## Cash & Investments as a % of Equity



## Return on Equity (RoE)\*

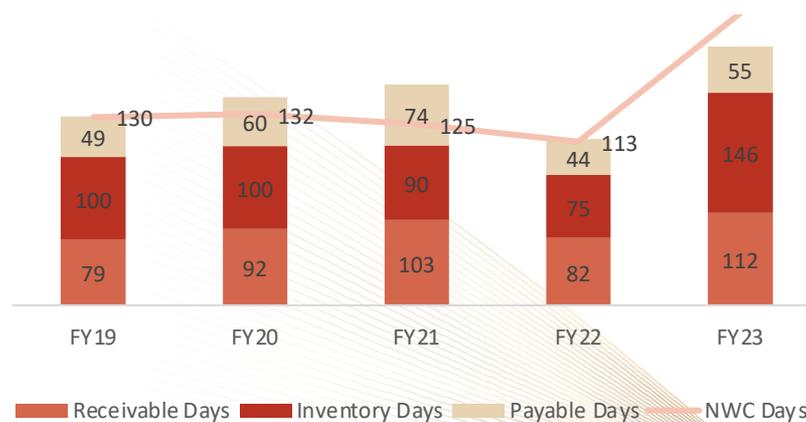


## Leverage Analysis



\* ROE: PAT/Avg. Equity

## Working Capital Analysis

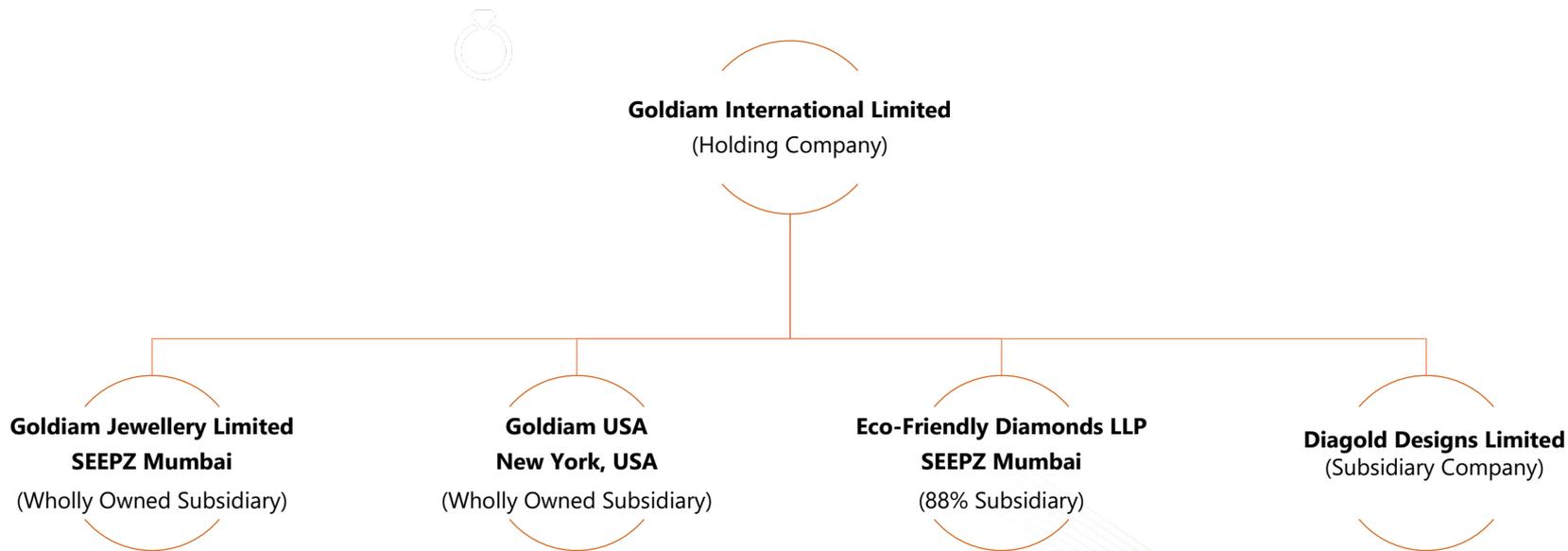




**GOLDIAM**  
GOLDIAM INTERNATIONAL LIMITED

**Company Structure &  
Board of Directors**

# Our Group Structure



**Manufacturing, Marketing & Design, Exporting**

**Marketing to Retailers**

**Growing & Manufacturing Lab Grown Diamonds**

## Our Board of Directors

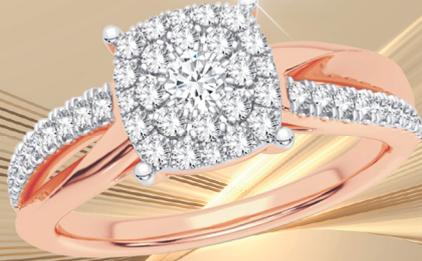
Name of the Director	Designation	Description
Rashesh Bhansali	Executive Chairman	Mr Rashesh Bhansali has over 28 years of rich and exhaustive experience in the field of diamonds & jewellery.
Anmol Rashesh Bhansali	Managing Directors (w.e.f 9 <sup>th</sup> August 2023)	Mr Anmol Bhansali has completed 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.
Ajay Manharlal Khatlawala	Independent Director	Mr Khatlawala possesses rich experience of over 32 years in legal and Company law matters. He is Sr. Partner in Little & Co. since from 1991, where he is looking after the administration of the firm and rendering legal services to the clients of the firm.
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

GOLDIAM INTERNATIONAL LIMITED

**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!**