



Goldiam International Ltd

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

February 13, 2025

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

Dear Sir/Madam,

Sub: Transcript of Earnings/Conference call on Unaudited Financial Results (Consolidated and Standalone) for the quarter and nine months ended December 31, 2024 held on February 11, 2025 at 4.00 pm.

In continuation of our letter dated February 4 & 11, 2025 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a transcript of the Earnings/Conference Call held on February 11, 2025 on Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and nine months ended December 31, 2024

Kindly take the above on record and oblige.

Yours faithfully,
For **Goldiam International Limited**

Pankaj Parkhiya
Company Secretary & Compliance Officer (ACS 30395)

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

Website: www.goldiam.com



"Goldiam International Q3 FY'25 Earnings Conference Call"

February 11, 2025



**MANAGEMENT: MR. RASHESH M. BHANSALI, EXECUTIVE CHAIRMAN,
GOLDIAM INTERNATIONAL LIMITED
MR. ANMOL BHANSALI – MANAGING DIRECTOR,
GOLDIAM INTERNATIONAL LIMITED**

**MODERATOR: MR. RAHUL DANI – MONARCH NETWORK CAPITAL
LIMITED**



*Goldiam International
February 11, 2025*

Moderator: Ladies and gentlemen, good day and welcome to Goldiam International Q3 FY25 Earnings Conference Call hosted by Monarch Network Capital Limited.

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Dani from Monarch Network Capital Limited. Thank you. And over to you, Mr. Dani.

Rahul Dani: Yes. Thank you, Ranju. Good afternoon, everyone. On behalf of Monarch Network Capital, we are delighted to host the senior management of Goldiam International.

We have with us, Mr. Rashesh Bhansali – Executive Chairman and Anmol Bhansali, Managing Director of the Company.

We will start the call with “Opening Remarks” and then move to Q&A. Thank you. And over to you, sir.

Anmol Bhansali: Thank you, Rahul. Good evening and welcome to Goldiam's Q3 & Nine Months of FY25 Earnings Call.

I would first like to thank the entire team of Monarch for hosting this call.

Goldiam reported one of the best financial performances for the 3rd Quarter of the current financial year. Our Q3 consolidated revenue at Rs.2,880 million, grew by 41% year-on-year and 104% quarter-on-quarter. Revenue for nine months FY25 at Rs.5,988 million, grew by 29% year-on-year.

We posted higher revenue with a better margin profile during Q3, thus improving overall margin for nine months ended so far of FY25.

Q3 typically is a better quarter for Goldiam due to the festive season purchases across the USA.



*Goldiam International
February 11, 2025*

Besides revenue bookings of pending sales on account of shipments delays during the previous quarter, Goldiam's efforts to improve wallet share amongst its existing customers, has translated in better revenue growth even as the US jewellery market remain more or less stagnant.

Factors such as increased LGD jewellery contribution, our quick time to market, innovative designs and effective procurement of diamonds are helping us in protecting and strengthening our margins.

Our EBITDA for Q3 at Rs.708 million, increased by 62% year-on-year and 105% quarter-on-quarter, whereas nine months EBITDA at Rs.1,397 million, grew by 39% year-on-year. EBITDA margin for Q3 is at an all-time high of 24.6%. The nine months EBITDA margin too remains extremely healthy at 23.3%. Q3 profit after tax at Rs.498 million, is up by 54% year-on-year and 125% quarter-on-quarter. Profit after tax for nine months at Rs.939 million, is up by 28% as well. Cash and cash equivalents including investments at Rs.2,759 million as on December 31st, 2024.

The Board of Directors of the Company have also approved the Second Interim Dividend at the rate of Rs.1 per equity share of face value Rs.2.

During Q3 FY25 Lab Grown Diamonds Jewelry exports contributed 80% compared to 58% in Q3 of FY24 to the overall export sales mix.

Online revenue accounted for 28% of the revenue during Q3 FY25. About 74% of the inventory of finished jewellery as on December 31st, 2024, is with customers as finished goods of jewellery to be sold in subsequent months to their consumers.

Goldiam's order book position as on December 31st, 2024, stands at about 1,750 million. This order book also will be fulfilled within the next three to four months.

Now, gentlemen, let me give you an Update on our Indian B2B Brand, ORIGEM. As you know, Goldiam opened its first store ORIGEM during the festive season of Diwali to the great customers response subsequently.

Goldiam opened another store at Kharghar, Navi Mumbai in December.

We recently opened our Mumbai Flagship Store in the key jewellery market of Turner Road in Bandra as well, marking our entry into one of the most prestigious shopping destinations in our country. We hope this establishes ORIGEM's brand and promise as we roll out more stores nationally in near future.

Goldiam will open three more ORIGEM Stores in Mumbai by March 2025. These stores will come up at Andheri West, Mulund West and at Fairmont Hotel near Terminal II of the Mumbai



*Goldiam International
February 11, 2025*

International Airport. Following these openings, the Company plans to open more stores in Delhi NCR region.

Recently, we have also launched a dedicated commerce website for ORIGEM under the domain www.origemindia.com. The website is witnessing good customer traffic as well.

With the robust nine-month numbers, we hope to close FY25 with decent annual growth in revenue as well as profits. Let me also emphasize that there is no further room for decline in lab-grown diamond prices. We have a road map and resources for making ORIGEM, India's largest lab-grown diamond jewellery brand and we are progressing well on that front.

With that overview, I am happy to open the floor for “Questions.”

Moderator:

Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press *1 on your touchtone telephone. If you wish to remove yourself from the question queue, you may press * and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Bhavya Gandhi with Dalal & Broacha Stock Broking. Please go ahead.

Bhavya Gandhi:

Yes. Hi, thanks for the opportunity and congratulations on a good set of numbers. Sir, my first question is regarding the outlook for the B2B business. So, overall, you are hearing in the diamond industry that it's going through a rough time. So, if you can provide at least outlook for next two, three quarters, how is it going to pan out, and is there any impact of tariffs when it comes to diamonds, natural or lab-grown?

Rashesh M. Bhansali:

Thank you Bhavya, for your question. Now, the diamond industry is the loose diamond industry which generates... or which manufactures natural diamonds. As you are aware, natural diamonds is no more a store of wealth and that's where demand has decreased due to the increased demand in lab-grown diamonds, which is a much more cost-effective way of consumers buying diamonds, which is chemically, physically and optically the actual same thing. So, the clear shift of demand from natural diamonds to lab-grown diamonds is very evident, and that is why the diamond industry, which is the loose diamond industry, which Goldiam is not a part of, right, is affected. Regarding your other question, how do you see the coming couple of quarters well, we already have said that we have 175 crores order book and so the order visibility for the next quarter is very strong, this is higher than what we did same time last year, right, and I think we will be capable to really get there and increase it as well. We see huge growth and demand for lab-grown diamond jewellery within our customers. We are actually now seeing customers asking us for diamond sizes, which are 5 carat to 10 carat, while earlier it was from one carat to five carat. So, there are very, very good chances that Goldiam's business will maintain and grow further.



*Goldiam International
February 11, 2025*

Bhavya Gandhi: Got it. Fair enough. Just wanted to understand, if you look at the natural diamond average realization, that has increased sharply to 16% QoQ even in dollar terms, and even in rupee terms, it has increased 17%. So, what has led to this growth in natural diamond average realization?

Rashesh M. Bhansali: So, we had earlier goods on memo which clearly is selling down. So, that helps to increase the revenue share out there. And again, you've seen the rupee being depreciated at a certain point. So, probably that's again another reason why you've seen that happening and since diamond prices and natural diamonds have also gone down, all the new orders that are coming, we are getting for better quality, which is a higher ticket price.

Bhavya Gandhi: Okay. Got it. With respect to our retail store, what has been the total revenue till now?

Rashesh M. Bhansali: You would want this number as on December or as on today?

Bhavya Gandhi: As on today as well and as on December if you can help with both the numbers?

Rashesh M. Bhansali: So, I think as on December, I think we have done around 75, 78 lakhs, and as on today we have crossed 2 crores.

Bhavya Gandhi: Okay. And we had alluded earlier that we wanted to open 15-stores in the next six months, but the target now seems to be opening three new stores in Mumbai. So, how long will the entire 15 stores be opened within?

Anmol Bhansali: So, thanks for the question, Bhavya. So, our plan is we have taken months to work on the tech and the back-end operation for ORIGEM. So, we are very geared to now run faster in terms of our feet expansion. The plan is by so March 31st, 2025 have our six stalls in Mumbai all open. That itself will make up the largest coco lab-grown retailer in Mumbai city. In fact, not just coco, it will make up the largest lab-grown jewellery retailer in Mumbai by far margin. Post that, we hope to very quickly expand both in NCR and Bangalore region, and the idea is over the six months thereafter, so effectively Q1 FY26 and Q2 FY26 focus on NCR and Bangalore region markets.

Moderator: Thank you, Mr. Gandhi, please rejoin the queue for more questions. Next question comes from the line of Dixit Doshi with Whitestone Financial Advisors Private Limited. Please go ahead.

Dixit Doshi: Hello! Yes, thanks for the opportunity. My first question is regarding the prices of the lab-grown diamond. So, how it has moved from Q2 to Q3 level, because I think the lower carried diamond the price is last time you have mentioned that it has started increasing?

Anmol Bhansali: Thank you, Mr. Dixit. I will give my comment here and then I will open the floor to our chairman as well to add on his comments. So, for us now, prices of low carat lab-grown diamonds are very stable. We have no price depreciation or reductions happening in any size in the last quarter or two quarters,



*Goldiam International
February 11, 2025*

that is below three carat in diamond size. So, for us now we are comfortable, and our focus is on volume expansion and of course upselling customers into larger caratage. So, as an example moving a customer in the US with buying a one carat lab-grown ring into now buying a 2, 2.5 carat lab-grown ring and so on so forth. I open the floor to our chairman to add any comments.

Rashesh M. Bhansali: Mr. Dixit, we now do not expect any further fall in the pricing of lab-grown and the Company is very confident that at these prices our margins will be stable and we will grow from here with larger sizes as we have already spoken before.

Dixit Doshi: Okay. My other question is you did mention about the demand in the US. If you can also mention about our expansion into the other geographies like UAE, Middle East or even Australia, Europe? And my last question is, so the real-time in jewellery do required certification because of obviously the reason the higher value per diamond. But do you feel that even the LGD jewellery will need certification in future, and if yes, why do you feel so?

Rashesh M. Bhansali: So, I will first ask Anmol to answer the question on certification. Anmol, can you take that?

Anmol Bhansali: Yes. See, certification for us is driven by our customers' requirements. As an example, in the US when lab-grown diamond jewellery just started being introduced, all customers, all large retailers required certification to separate the inventory, which was lab-grown from the inventory, which was natural diamond jewellery. Today, with bulk of stalls crossing more than 50% of the inventory being lab-grown diamond jewellery, they find a lesser and lesser need for full certification or complete certification. Again, for us at Goldiam, it's a pass-through cost that goes directly built to our retail customers. But we do see some large retailers now asking us to reduce the type of certification or reduce certification completely on entry level lab-grown jewellery items. I hope that answers the question.

Dixit Doshi: Yes.

Rashesh M. Bhansali: What was the other question, Mr. Dixit?

Dixit Doshi: About the demand or the traction in the other geographies like UAE, Middle East, Europe, Australia?

Rashesh M. Bhansali: Sure. So, as I had mentioned earlier, we were foraying into Middle East as well as Australia. I am very happy to announce that we made three shipments to Australia. Customer loves the product, and they've already paid us for the same and we are now negotiating further orders from Australia. So, we are clear that Australia will be another strong geography for Goldiam going forward with the customer penetration that we have already achieved. Regarding the Middle East, we have just sent samples and small things have happened, but we are still waiting larger orders from the Middle East. And with Europe, we haven't done much yet, because we have been looking at India as the other geography for starting ORIGEM.



*Goldiam International
February 11, 2025*

- Dixit Doshi:** Okay. Thank you.
- Moderator:** Thank you. Our next question comes from the line of Aman Vij with Astute Investment Management. Please go ahead.
- Aman Vij:** Yes. Good evening, sir.
- Rashesh M. Bhansali:** Good evening.
- Aman Vij:** Yes. My first question is on the US presence. So, we are selling both on the mom-and-pop store and on the big retailers side. So, if we remove the mom and pop store, could you talk about what is our presence today in terms of say the number of final retail stores what is the challenge today and where do you see this number in the next one year?
- Rashesh M. Bhansali:** Mr. Aman, Goldiam at the moment sells more to the larger retailers, but we do have a strong presence in mom and pop through our wholesale channel partners out there. It is really very difficult for us to sell to individual one, one, one store ownership all across America because shipping cost and other such geographical factors are against the value of the transaction. So, we have a wholesaler, we ship to the wholesaler and the middleman, and that person distributes in America via FedEx or UPS to all these smaller mom and pop retailers. So, that wholesaler does close to \$6, \$6.5 million from us. There are these couple of wholesalers who do this kind of business and that's the kind of business we sell to this kind of mom-and-pop store, the rest of our business is completely going to larger retailers.
- Aman Vij:** Sure, sir. Let me rephrase it. So, I was trying to understand for the larger retailers only. So, we are selling to the larger retailers, but they would eventually have the final stores, all of them have like thousands stores and plus as we have talked about historically. So, as of today, our product in terms of the final retails sold of this larger retailer, I was trying to understand that presence?
- Rashesh M. Bhansali:** Okay. Anmol, do you want to take this?
- Anmol Bhansali:** Sure. So, if I understand your question correctly, is it how many retail stores is Goldiam's product present in?
- Aman Vij:** Yes, and I am excluding the small stores, I am only talking about the big retail chains, each have like 500, 1,000 stores. If we include everything, what is the number today, what was the number say one, two years back and where do you see this number in the next one year?
- Anmol Bhansali:** Sure. So, we don't track that data, but to give you an anecdote and understand our business, two years ago, we were probably be in 1,500 to 2,000 stores in terms of large corporate retailers, today our presence would be north of 3,000 to 3,500 retail stores of our large corporate retailers and there are a few more that we see potential with, but we have not started our account with them, but rest assured,

the largest jewellery retailer in the US is a customer of Goldiam and we are working on increasing penetration with them along with deepening our penetration of account with our other top clients as well.

Aman Vij: Sure, sir. So, just continuing this question further, so we have seen a very strong growth after a long time in the US for this year and I believe this is more preview to increasing our presence from whatever you said, 1,500, 2,000 to now 3,000 stores. So, going forward now with this presence in more stores, is it possible to keep growing at this 20%, 25% level -?

Anmol Bhansali: So, it's a good question, Aman. Actually, I would say that your understanding is a bit incorrect. Yes, there is some amount of increase in distribution, but the priority for us which we have maintained in prior calls as well, is to increase dollars per store or items per store. So, we have access to some very large customers, very large retail accounts in the US. And for us, to give an anecdote, it's like adding for car auto component manufacturers adding more components within a car. For us, it's how much presence do we have within the retail store itself. So, that's been the focus. I think we easily can see visibility to grow our business significantly. Even with our current business, I think, and the current growth, I don't see a challenge to keep growing at least for the next three to five years on a long-term basis.

Aman Vij: Sure. Just to finally talk about this. So, say if the value was x-per store. 1-2 years back, could you talk about it what it is today and what it can be in the next two, three years, what is your aim?

Anmol Bhansali: We don't track data like that, but we have certainly grown some accounts 2x, 3x from what they used to be two years ago in terms of the account size that is enjoyed by Goldiam. If you would like, I can pull out the data on an overall number and maybe work on a report and share it in a couple of days.

Rashesh M. Bhansali: Mr. Aman, just to add to that question, as I earlier said that earlier Goldiam used to sell between one carat to five carat stones to these large retailers. Now, we are seeing a traction from 5 carat to 10 carat. So, once that happens and all the samples are through, it's very easy to even within that area increase much more or double our business with those same retailers.

Moderator: Thank you, Mr. Vij, please fall back in the queue for more questions. Next question comes from the line of Tane with Investec. Please go ahead.

Tane: Yes. So, I just had a couple of follow-up questions regarding an earlier participant question regarding certification. So, I understand you all pass on 100% of the cost to your customers. Is there a margin you'll make on that also or no?

Anmol Bhansali: No, not really. It depends on customer-to-customer. For the large part, there is no additional margin we add on to certification.



*Goldiam International
February 11, 2025*

Tane: Got it. And like what percentage of your customers are seeking certifications now and how has that trend been for lab-grown especially?

Anmol Bhansali: So, it started with almost all 100% of customers seeking certification, maybe on the entry level styles on the lower ticket price items, \$300, \$400 they would not want certification and for the higher ticket price items they used to go for certification. Today, that number is lower than it was this time last year.

Tane: Would you be comfortable sharing like at what percentage would that be of your customer base?

Anmol Bhansali: Again, we don't really track it, but for us it's not up for business, so it doesn't matter, it's a business line expense. So, all I can say is that, I am speaking to customers and I know that they are looking to reduce their certification costings.

Tane: Got it. In terms of certifiers if at all you have any specific name that customers usually want or you'll certify with anyone that's available?

Anmol Bhansali: No, for us it depends on what the customer chooses. I can just share that the companies like IGI, GSI and discount certification labs like IGL, EGL, SGL etc., Again, please remember, we are a jewellery Company. So, all of our certification is only on the finished jewellery side. We don't do any loose diamonds and therefore we don't have any loose diamond certification.

Moderator: Thank you. Mr. Tane, please fall back in the queue for more questions. Next question comes from the line of Ankush Agrawal with Surge Capital. Please go ahead.

Ankush Agrawal: Yes, hi, thank you for taking my question. Sir, firstly, the question is around broadly on growth. So, if I remove about 50 crores of deferred sales that we had from the past quarter, we have done revenues of about 230 crores, which seems lower given that we had an order book of almost 270 crores as of Q2 and typically we do much more higher sales in the order book because about 20%, 25% of the sales which is online, is not selling the order book. So, what was the reason why the revenue number this quarter was lower than the order book that we had in the past quarter?

Rashesh M. Bhansali: Hello! I still haven't heard you, Ankush. Can you please maybe get on the phone, not be on speaker line?

Moderator: This is the operator. We have lost the line. I will promote the next. The next in line is Akshay from Xponent Tribe. Please go ahead.

Akshay: Yes, hi. Thank you for the opportunity. I want to go back to the question earlier in the conversation which you spoke about you think other values on number of pieces per store orders which you are present in. So, maybe if you can help us exactly how this works once you enter an account, do you



*Goldiam International
February 11, 2025*

get orders from store level and they have to do marketing or push your product at a store level, is this something that a client does at a system level and then sort of pass through to kind of produce as much as investment. The reason I am asking is sort of what is our levers to be able to increase penetration at a store level? That's one. Second is you spoke about the fact that you are probably present in about 3,000, 3,500 stores. If you have to take five to seven-year, ten-year what kind of number of stores can you get to? I would imagine that the US market would have a significantly larger number of stores. Yes, these are the two questions.

Rashesh M. Bhansali:

Sure. Thank you, Akshay. Let me answer the second question first. So, again, we don't track the number of stalls that we sell to, we track our account and account sizes. Just anecdotally again to share, the exports of finished jewellery from Mumbai and from India to the US are very significant from seats itself, it's north of \$3, \$3.5 billion. I would say that is easily our addressable market and much more of course looking at other regions of India, China, etc., exporting to both retailers in America and global brands around the world. So, for us we see that is our potential addressable market and opportunity size. On a medium-term basis and short term basis, the idea is to increase depth of account size with each of our retailers, so add more, introducing high end fashion, introducing various sizes of lab-grown diamonds within entry level bridals, regular mid-price bridals as well as we mentioned high-priced 6, 7, 8 and even 10 carat center stone bridals within the US retail market. So, for now, we are focusing on going deeper with our current customer base, but the opportunity size is very clearly there. Your first question I didn't understand you because of audio issues. If you could repeat what you meant and what you're referring to regarding store level marketing, I'd be happy to answer that.

Akshay:

Yes, sure. So, in the conversation we spoke about how over the last few years, we have had been able to penetrate stores better, right, essentially the number of pieces we sell per store. What does Goldiam do to get here because you don't get to a store-by-store and figure out what inventory should I keep here or here -?

Rashesh M. Bhansali:

Very clear, very clear, Akshay. Thank you. So, this is a pure play B2B business working with large corporate retailers. The idea is you track an account, you open an account, and you develop a relationship with the buyer who buys your line of jewellery within that retail organization over the span of six months, eight months, you introduce new products, you look at what they have in stores and understand white spaces. We have a small team of data analysts also at our factory to help us understand what is missing, what is trending up, what is trending down and basis on this data, we feed our product design team who comes up with new concepts, new designs that work specifically for the retailer. Our sales team then goes and pitches that and based on success of some of those lines, that trust develops with a buyer of that line of jewellery with the corporate account. The idea is as trust develops, as your design sell better than what they have in store, that buyer is also naturally inclined to keep growing your account size with them to keep saying Goldiam's designs are doing well, they're performing well, let us increase the number of rings or the number of earrings that we

buy from this one vendor. So, that's on one side within who we already work with. But also then, once you develop a deep enough relationship with, working with that buyer to ask them to introduce us to not just the bridal jewellery, but also the fashion jewellery side, also, maybe the studded solid at side, so then reaching out to ancillary buying groups and the other buyers for the same retailer and starting a relationship with them. Again, pure play B2B developing trust, focusing on data and design is how we are able to go deeper with our existing retailers.

Moderator: Thank you, Mr. Akshay. Please rejoin the queue for more questions. Next question comes from the line of Rupesh Tatiya with Intelsense Capital. Please go ahead.

Rupesh Tatiya: Hello, sir, thank you for the opportunity. My first question was the question earlier participant was asking, I think last quarter you said that 50 crores revenue got deferred and if I take that out, then for the quarter the growth is like from 200 crores to 230 crores, it's just a 15% growth, and that I think it doesn't match with your commentary that we were expecting high growth. So, can you maybe explain that? And also did some sales get pushed to Q4 due to shipping or some other timing issues?

Rashesh M. Bhansali: Yes. So, that was the reason why those sales were shifted to this current year. But I think the figure was not 50 crores, we will get back to you on that figure now. But yes, there was a lag and that sales happened in this quarter.

Rupesh Tatiya: But then the number seems low, sir, from 200 to 230 given that –

Rashesh M. Bhansali: It was reported accordingly and then this is an ongoing effect, right? So, there are goods that are shipped, right, and which is also waiting for the customers to open their warehouses to take them in. Now, those figures we are still not aware. The numbers are there, the numbers are pretty strong, right, and we will get back to you on what is shipped from the previous quarters and what is still to be shipped from the current quarter.

Moderator: Thank you. Please rejoin the queue for more questions. Next question comes from the line of Keval Shah with Emkay Capital. Please go ahead.

Keval Shah: Thanks for the opportunity. My question is on the retail market. Can you give some color how the retail marketplace for this lab-grown diamond?

Anmol Bhansali: Thank you, Mr. Keval. So, if your question is regarding the resale market, so it's exactly the same as natural diamond jewellery, where each retailer will only buy back the goods and products which are sold by that retailer. Similarly, in natural diamond jewellery, a Company like Tanishq will only buy back Tanishq jewellery at least in the studded section. In the same manner, ORIGEM is happy to buy back jewellery that is made and certified by ORIGEM itself. We have the best-in-class policies which are all on our website. I forgot to mention as well, but we have gone live on our website and we started omni-channel sales on www.origemindia.com. I'd request everybody on call to please check



*Goldiam International
February 11, 2025*

out our website and we have got all our policies as well as full customization of all of our jewellery available from day one.

Keval Shah: Okay. And my second question is due to recent surge in gold price, do you see the increase in footfall, especially for the fashion jewellery and lab-grown jewellery for non-marriage events?

Anmol Bhansali: Thank you, Mr. Keval. So, it's a little early for us to comment on that with three stores live at the moment. Our thesis is being for ORIGEM is that the sub-Rs.1 lakh, sub-Rs.2 lakh jewellery market in the next five years, eight years, 10 years and that longer period of time will really boom in India. And given where gold prices are, because they are so high now, it in fact lends itself better for the customer to move from buying natural diamond jewellery in these price points to lab-grown, because what money is leftover to fit into the diamond segment, natural diamond may because gold is so high already, you don't end up getting a lot. In the lab-grown section, you can get much bigger and much more diamond without compromising on budget or look. So, we believe it will certainly play out very strongly. As you know, gold prices have gone up that the customer finds more reason to purchase lab-grown diamond jewellery in these price segments.

Moderator: Thank you, Mr. Shah. Please rejoin the queue for more questions. Next question comes from the line of Rupesh Tatiya with Intelsense Capital. Please go ahead.

Rupesh Tatiya: Yes. Thank you for the opportunity, sir, again. My second question was on B2C model. So, is the model settled, what is our revenue per store, what is the ticket size, what is the carat range, what is the breakeven point, is the model settled, if you can give some information about the ORIGEM?

Rashesh M. Bhansali: Thanks, Rupesh, a great question. We will be able to give a lot more color in the Q1 conference call, but I can share with you our working model and what we are seeing happen at the moment with these numbers of stores itself. So, it changes store-to-store, for our flagship it would be higher, but the general store fleet should at the way we are planning it should have a break even just little bit shy of 30 lakhs of monthly sales per store. In our three stores, we are achieving it in all at the moment. And as business footfalls increase, as business increase, as generally brand awareness grows and demand increases for ORIGEM's products, we see the model because of a higher gross margin built in compared to our peers in everyday fine jewellery in the natural diamond side, we see that the model lends itself to being a higher ROE faster store level breakeven than some of our competitors. So, this is the break even that we are working with at the moment. It's matching our costs and the revenues from our first three stores are also hitting the breakeven point at the moment. So, we are very happy given that we are only two months or two and a half months into this journey of retail and B2C and we are looking forward to within the next six months opening stores faster so that brand awareness increases in general as well.

Rupesh Tatiya: Sir, just one clarification. So, you said in the natural diamond gross margin, the industry makes around 20% to 25%.



*Goldiam International
February 11, 2025*

- Rashesh M. Bhansali:** I think every day fine jewellery players that are in that omni-channel space similar to our price points, the margin would be slightly higher even in natural demand jewellery, close to 25% to 30%.
- Rupesh Tatiya:** Yes. So, then the LGD margin, is it fair to assume it'll be 50%, 60% like that?
- Rashesh M. Bhansali:** So, the way we are modeling is post-discounting, we will be north of 40% and we are achieving that 40% to 45%. With that also, I am happy to share we have done a competitive study with a few startups which have launched in the lab-grown diamond space, ORIGEM is certainly on the solitude between 15% to 40% cheaper than competitors that don't have the benefit of creating the designs, creating the jewellery and buying the diamonds or growing the diamonds themselves. So, our end-to-end model really under the heft of Goldiam's strength as well, really helps us to not just maintain a higher gross margin but also compete very strongly against some of the lab-grown startups which do not have a prior experience of a jewellery business.
- Moderator:** Thank you, Mr. Tatiya please rejoin the queue for more questions. Next question comes from the line of Anand Jain, an individual investor. Please go ahead.
- Anand Jain:** Hello, Anmol, hello team, great work. Just a few questions. One thing I wanted to understand is like in reply to the previous question, you said that you are already breaking even in the retail side on the three stores that you are currently operating, is that understanding correct?
- Anmol Bhansali:** Hi, yes, thank you. Mr. Anand. We are breaking even on the store level operations, not including of course, head office and branding.
- Anand Jain:** Okay. That's amazing, because I think it's just three months and that's absolutely amazing.
- Anmol Bhansali:** Thank you so much.
- Anand Jain:** The second question is, since it's been almost a month that we launched our website, what kind of sales revenue have we driven through the website?
- Anmol Bhansali:** So, because it's omni-channel, in fact we are deeply integrated similar to some of the largest omni-channel jewellery players in India, some of the online revenue if the pieces available in store gets booked by the store as well. So, I will double check the data and I am happy to share that with you in a day or so. But we are fairly satisfied, and we are looking forward to keep building the online segment. Effectively at the moment, every day or every second day, we get one or two orders.
- Anand Jain:** Oh! That's good. The last question is that are we looking for any celebrity brand endorsements or any of like large ticket marketing exercises?



*Goldiam International
February 11, 2025*

Anmol Bhansali: Yes, great question, Mr. Anand. We are having our flagship store, Turner Road, Bandra being inaugurated formally at a launch event day after with a Bollywood celebrity who will be coming to launch the store along with media rights. However, that ribbon cutting event exercise. In terms of face of the brand or brand ambassador, at the moment we are not looking to add someone on until we expand our store fleets in the range of 15 to 20, 25 stores. So, once we are present in Bangalore as well as NCR markets, I think that's certainly on the agenda.

Anand Jain: Makes absolute sense. Thanks, Anmol and all the best.

Anmol Bhansali: Thank you so much, Mr. Anand.

Moderator: Thank you. Next question comes from the line of Bharat Gianani with Moneycontrol Pro. Please go ahead.

Bharat Gianani: Yes, sir. Congratulations on good set of numbers and thanks for giving me an opportunity. Just wanted to check that, how is the demand at the ground level the consumer sentiment in the US market? We have seen some good festive coming through that you shared in the press release. So, wanted to check on the consumer sentiment side on the US market? And given the growth opportunity that you have highlighted of increasing the sales to the retailers that are there that you pointed out, so can you give a revenue outlook guidance for the medium term, what kind of revenue growth you are targeting excluding the ORIGEM brand that we have and including the ORIGEM brand if you can highlight for overall Company level for next three to five years, what kind of growth you're looking at? Thanks.

Rashesh M. Bhansali: Mr. Bharat, I would like to state that this year we still look at opening close to 20 stores and in the next three to five years we are looking at 150 to 200 stores that we are wishing to get open now. Retail is a segment where there could be a certain amount of delays in opening and getting there in times with the rentals and getting the right location, stuff like that. But if you see the unit economics, we are looking at doubling our business in Goldiam with the help of ORIGEM within the next four years. Because that's the plan of opening the number of stores that will come out and I think the export market is very strong, we will grow, direction is always 10% to 15% and then we try our best to do more, but if you really go to see with the help of ORIGEM, in four years, we should be doubling our current export revenue.

Bharat Gianani: Okay, sir. Thanks and all the best.

Anmol Bhansali: Thank you, Mr. Bharat.

Moderator: Thank you. Next question comes from the line of Bhavya Gandhi with Dalal & Broacha Stock Broking. Please go ahead.



*Goldiam International
February 11, 2025*

- Bhavya Gandhi:** Yes, I just missed the timeline of the store openings. You said in next six months, we are planning to open three more stores by March and then in the Delhi NCR, what is the timeline, and for Bangalore, what is the timeline?
- Anmol Bhansali:** So, thank you for the question, Bhavya. We will be opening three stores by March end, so not the next six months, just in the next 40, 45 days we should have a store fleet of six stores in Mumbai. Post that, we will start looking for locations and engaging with potential asset owners both on the high street and mall side within Bangalore as well as NCR. The idea is, if all goes according to plan and the right locations are available at the right prices of course, we hope to open around 20-25 stores in that ballpark more or less by December in 2025. I will open the comments to our chairman to correct me if any.
- Rashesh M. Bhansali:** No, you are absolutely bang on, Anmol.
- Bhavya Gandhi:** Great. Yes. That's it from my end. Thank you so much.
- Anmol Bhansali:** Thank you, Bhavya.
- Moderator:** Thank you. Next question comes from the line of Aagam Sanghvi with Walfort Financial Services. Please go ahead.
- Aagam Sanghvi:** Hello. You currently said that you're planning to open 20 to 25 stores by December '25. So, what will be the model of expansion like it would be a Company-owned and Company-operated model or a franchisee model?
- Anmol Bhansali:** So, complete coco. We are not looking at franchise opportunities at the moment in this calendar year. We will certainly evaluate and look at that model once we have the brand well established.
- Aagam Sanghvi:** Alright. My next question would be regarding the eCommerce sales. So, for the next one or two years, what would be the percentage of sales from the eCommerce division and what margins can we expect from there?
- Anmol Bhansali:** So, let me answer the B2B side. So, eCommerce, selling online via our customer retail websites, so about 20% to 25% of our sales come from that channel. Again, that's really amazing for Goldiam because that channel operates at a negative working capital. We get paid within 7 to 30 days, whereas diamonds are bought with longer term. So, it's been a phenomenal avenue for us to increase profitable sales with very strong ROEs. We expect this ratio to continue, about 20% to 25% of sales coming from online channels moving forward as well, which is double of where the industry stands.
- Aagam Sanghvi:** No, I mean, I was asking from your own website like ORIGEM?



*Goldiam International
February 11, 2025*

Anmol Bhansali: Sure. So, ORIGEM, we have just launched, we haven't modeled the figure yet. We are happy to share that data in the Q4 conference call and certainly Q1 conference call onwards, we will have much more color to present on ORIGEM both stores and eCommerce side.

Moderator: Thank you. Mr. Sanghvi. Please rejoin the queue for more questions. Next question comes from the line of Aman Vij with Astute Investment Management. Please go ahead.

Aman Vij: Yes, sir. Continuing on the Indian retail side, sir, so on the online side, there are a couple of players, the oldest player who has like 300, 400 crores sales. So, is it possible for us to do say 100 crores kind of sales in the next two years on online domestic channel as well as when you talk about we have plan to open 20-25 stores, so obviously this will happen throughout the year in CY26. But for CY27, if the store generates similar run rate which you are talking about, is it safe to assume that for say next one, two years this retail revenue can scale to, say, 100, 150 crores kind of sales as well?

Rashesh M. Bhansali: Thank you for your question. Yes, as we said, if we open the 25 to 30 stores by the end of the year and if we calculate on an average 30 lakhs per store, it's very safe to say that within the next timeframe you will see an additional of 90-120 crores between eCommerce as well as store openings.

Aman Vij: Yes. And specifically on eCommerce, is it possible for us to grow this business very fast once we have like 15, 20 stores, so eCommerce alone, can it contribute like 50, 100 crores sales for us?

Anmol Bhansali: Let me take that question, Mr. Aman. Certainly, down the road, I can't comment on exactly whether that would happen in the next year or so, but it's certainly possible down the road. See, our biggest learnings from now very well scaled omni-channel everyday find jewelers on the natural side is that once you cross a certain price threshold which is Rs.20,000, 25,000, online is more used as a platform for omni-channel sales. So, the customer looks online but comes to the nearest store to actually transact. That's why we see many names, some of which you know of course very well know. Rapidly, being online first companies now expanding or already expanded north of 200 to 300 stores. So, yes, online will be an important part of the journey and it can certainly grow. I can't comment on exactly when that would happen. It's linked to the development of the brand and growth of the brand in general. But for our category in everyday, fine jewellery, given the price points we are targeting which is more or less an ASP of Rs.40,000 to Rs.50,000, I assume bulk of sales will end up being offline in general.

Aman Vij: And just one clarification on the realization which you mentioned around say 40,000, 50,000 per customer, so is it safe to assume for achieving that 30 lakhs number we just need two customers a day and then anything addition everything will flow to our margins and to the bottom line and is there a -

Anmol Bhansali: Absolutely. That's why we see a lot of potential in this business model at ORIGEM. Once one store hit break even and thereafter the store season as well the brand is well accepted, the designs are well



*Goldiam International
February 11, 2025*

light and naturally takes its cost to go upwards, it could be a phenomenally value-accretive model as well.

Moderator: Thank you. Mr. Vij, please fall back in the queue for more questions. Next question comes from the line of Sunil Shah with SRE PMS. Please go ahead.

Sunil Shah: Yes. Thanks. Sir, just want to understand one basic question on the business side. Sir, what happens to the unsold inventory which lies in the large format store overseas, what happens to that?

Anmol Bhansali: Right. That's a great question. So, as we put out the data about give or take 70% to 75% of our inventory is sitting as finished goods on consignment with large retailers in the US. So, every month, every day that sells down, we get paid for it every month as itself. The styles that do not work, that don't sell well after the period of time of 12 months or 14 months or 16 months as required, Goldiam has a binary choice, we can either take a markdown on those items and move them to the clearance section within those stores, in which case hopefully with a lower retail then they can liquidate naturally in store itself or we take the inventory back, melt it. And the unique thing about diamond jewellery inventory is, once you melt it, gold is immediately recyclable in tomorrow's order. And diamonds, if you've done your job well of inventory management, then you know you can use those diamonds, those shapes, those qualities, those sizes within your future orders in a quick period of time. So, other than of course design and working on improving the hit ratio of design, a particular thing that we do at Goldiam is, keep a keen eye on inventory management. It's a very important part of our business so that we can ensure that dead inventory is not sitting in any store and we are able to recycle what needs to be recycled fairly quickly.

Sunil Shah: Sir, the second question, again in the context with inventory and so working capital. Sir, the credit period that is given, we have four different ways, the wholesaler overseas who buys the product from us and then sells it through those multiple mom and pop stores overseas, the large format retailer who buys from us overseas, then we have our own store here in India, and we would also have perhaps wholesalers in India. So, there are four major customers so-called categories of customers or if there is anything more you can add to it, just tell me the number of days of credit that is provided by you?

Anmol Bhansali: Absolutely, absolutely, no problem, Mr. Shah. Let's start with the smallest segment, which is wholesale sales to the US, so where we sell to wholesalers, credit terms that are usually between around 150 to 180 days, then we go selling to stores, large format retailers whom we deal with directly, when we sell to the stores, and directly on purchase order basis, credit periods are between 60 to 90 days, at max 120 days with one or two retailers, then we sell online on the same customers websites, so xyzretail.com. On their websites, any sales that happen, our credit period is seven to 30 days. So, much, much faster and that's why it's been a particular focus for us. And then memo sales. So, any consignment that's been sold by the retailer, they have to pay us by the end of the month. So, they sell between Day one and day 30, by the 5th of the following month, they have to pay us for



*Goldiam International
February 11, 2025*

what has been sold. So, that is immediate, but of course that's on consignment. The India operations, we don't sell to any wholesalers or retailers in India. We only sell in India through ORIGEM, which is our own brand. Because it's a new brand, and because it's directly retail, there is no credit period.

Sunil Shah:

Okay. Sir, if I can squeeze in one more question? So, where I am coming from is the perception of the stock market community towards the diamond industry and the broader perception created over the decades has been the misconception or anything, but by and large, the sales numbers are always questioned by the stock market community for the diamond industry. There is lot of circular sales which happens in the perception. So, how does that particular perception change, meaning I am trying to understand why would the Company in the diamond industry be rerated in the eyes of the stock market community, could you make me understand this, please?

Rashesh M. Bhansali:

Anmol, let me take this.

Anmol Bhansali:

Sure. Thank you.

Rashesh M. Bhansali:

So, first let me explain to you two things that Goldiam's operations for export are all in SEEPZ, which is the SEZ. So, we can only export, we can't sell in the domestic market. None of the exports of Goldiam go in loose diamonds which can be circulated to Dubai, Hong Kong and back Dubai, Hong Kong and back right. And that is first of all, no reason for a Company like Goldiam to sell loose diamonds, which we anyway don't. We have a zero export of loose diamond. We don't have any debt. So, once we don't have a debt, we don't have to show to the bankers to keep the same line. So, we keep circulating and stuff, things like that. We are a pure design-based jewellery company. Our exports are straight to the largest retailers in the world in America. We are not shipping product to Hong Kong and getting it back to Dubai and getting it back. Our balance sheets can really explain that to you very easily. And now we have a business in India. So, the question of circular trading in Goldiam's book just cannot exist right now, whereas this loose diamond people, we are not in that same industry. So, I just want to state again that diamonds is only raw material, we are not in the diamond industry, we are completely into design-based retailing or design-based exporting, creating value addition for the Company.

Anmol Bhansali:

And if I can add on Mr. Shah, it's something that we take pride in and we have a lot of importance that we give to is our disclosures and our governance. As promoters and management, this is the sole business that we have. So, all of our efforts and time goes to Goldiam and of course our subsidiaries. And beyond that, the track record of Goldiam over the last few years shows the amount of true cash being generated by the Company, it's so far been distributed in the form of dividends and buybacks. Despite of that, we have maintained our cash balances at near to all-time high region. So, that clearly shows how a Company of our size is rewarding the shareholders, is creating governance and is focused on being clear and transparent in all that we do.



*Goldiam International
February 11, 2025*

- Moderator:** Thank you. Mr. Shah, please rejoin the queue for more questions. Next question comes from the line of Daksh Malhotra with Aadriv Global. Please go ahead.
- Daksh Malhotra:** Yes, hi. Thanks for the opportunity and congratulations on the great set of numbers. Two sides to the question. First one is a little more detailed while you answered a lot of the questions asked by other participants, but just keen to understand given that the gold prices are increasing so steeply, is Goldiam also looking at making jewellery with silver as the base metal along with the lab-grown diamonds?
- Anmol Bhansali:** Thank you, Mr. Daksh. So, it depends on our retailers in America. If they want us to, we are happy to do that. Very, very small portion of our line is diamond studded in silver and silver-based jewellery manufacturing. I don't see retailers in America pushing too much, especially in the bridal segment and because we particularly focus on bridal, I don't see that portion increasing dramatically. So, I hope that answers the question... and at ORIGEM we are not introducing silver.
- Daksh Malhotra:** Okay. Yes, because it makes sense, otherwise it becomes just another fashion jewellery.
- Anmol Bhansali:** Correct.
- Daksh Malhotra:** Also, you mentioned that you have a buyback policy within ORIGEM, are you buying back, is the buyback usually at the same price, so in case uh walk-in client comes and happens to buy something for Rs.1 lakh and probably a couple of years later they come and want to sell it back, is it just the making charges that are reduced or how does that work?
- Anmol Bhansali:** Sure. So, I can run through the buyback policy. We benchmarked it to the largest jewellery retailers in India, Tanishq, etc., So, the way it works is, making charges are deducted and of course gold and diamond both are credited back in the form of the current market value. So, if gold increases... if gold goes to \$3,000 or even higher, the customer gets the benefit of that and diamonds depending on where current market is, as per ORIGEM's grid, it will be credited at that rate. Again, going back to the question of lab-grown diamonds, we see no further price falls coming especially in the diamonds which are now not 3 carat but also below 5 carat and below. So, at the moment, I think it's a great time to buy lab-grown diamond jewellery.
- Daksh Malhotra:** Yes. So, what is the maximum caratage that you guys have started making in?
- Anmol Bhansali:** Sure. So, in terms of diamond caratage, in most of our stores, it goes up to three to four carat, for our flagship taking it all the way up to 10 carat center stones as well.
- Moderator:** Thank you. Mr. Malhotra, please rejoin the queue for more questions. Next question comes from the line of Rupam Jaiswal from Investwell Agents Private Limited. Please go ahead.



*Goldiam International
February 11, 2025*

Rupam Jaiswal: Hello! Thank you for providing me this opportunity. Sir, I may be repeating this question, but I just want to know like do all your customers require certification for the jewellery or does it depend on the value of the piece?

Anmol Bhansali: It depends. If they don't require jewellery, it depends on their personal requirements. So, value of the piece, who their customers are, what they want to do, it's a retailer-driven choice.

Moderator: Thank you. Next question comes from the line of Dixit Doshi with Whitestone Financial Advisors Private Limited. Please go ahead.

Dixit Doshi: No, all my questions have been answered. Thank you.

Anmol Bhansali: Thank you, Mr. Doshi.

Moderator: Thank you. Next question comes from the line of Ankush Agrawal from Surge Capital. Please go ahead.

Ankush Agrawal: So, the first question I want to ask is, if I look at our natural diamonds revenue, those have been degrowing like 30%, 40% for almost six, seven quarters now. So, I wanted to understand what is happening over here because I believe the industry wouldn't be degrowing this fast. So, are we consciously trying to sort of reduce that business or it is an outcome of say the retailers themselves not willing to do that business any longer?

Anmol Bhansali: Sure. Thank you, Mr. Ankush. Yes, it's a conscious decision. Natural diamond jewellery, especially being distributed to stores which has a requirement of also doing a certain amount of consignment for new product testing. We are moving more and more towards lab-grown. Of course, if a retailer needs a product in natural, we have design capability and we are able to deliver it. But we want an understanding from retailers on an exit plan, way to purchase that inventory, way to sell down that inventory. Because for us, what we are seeing on the ground level in America, because we have data on what's selling every month from our consignment and memo sales, the lab-grown diamond jewellery is selling faster as a percentage of inventory than the natural diamond jewellery. That simply means that the capital being invested is working faster by investing it in lab-grown diamond jewellery. The trend, of course, is moving towards there and the end customer is clearly telling us what he or she wants to buy. So, at Goldiam, it's been a decision we have taken to lean more heavily on lab-grown, but of course, at the end of the day we are a jewellery Company, so we are technically stone-agnostic. But, our desire in terms of what to distribute, invest in, and sell, would certainly be lab-grown diamond jewellery.

Moderator: Thank you. Mr. Agrawal, please rejoin the queue for more questions. Next question comes from the line of Anand Jain, an individual investor. Please go ahead.



*Goldiam International
February 11, 2025*

- Anand Jain:** Just one question, Anmol. What has been the EBITDA impact of retail operations in this quarter?
- Anmol Bhansali:** Thank you, Mr. Anand. So, can share that data, we haven't split it up at the moment, we will certainly share that data in a day or two. In the December-ending quarter, it was not very significant, especially due to growth in the business and the overall revenue pie increasing, but please give me a day or two I will ensure that we split that number out and share it as well. That is also something we are planning from Q1 onwards to share in our corporate deck.
- Moderator:** Thank you. Mr. Jain, please rejoin the queue for more questions. Next question comes from the line of Akshay Jain with Xponent Tribe. Please go ahead.
- Akshay Jain:** Hi! I wanted to sort of get some thoughts on what are the learnings so far from the retail operation, maybe things that have worked well, things that have not worked well on merchandising, marketing, I know it's early, but if you can give us some light?
- Anmol Bhansali:** Sure. Thank you, Akshay. Happy to share some thoughts. Well, a few things that were surprising to us was the quantum of made-to-order or customization requests we got. Thankfully, because of our jewellery supply partners, the ability of us to be able to buy diamonds ourselves in a very rapid manner and deliver them from custom manufacturing, we have been able to adapt to that trend and that's non-insignificant part of our sales at the store level. Another thing that we noticed is, in fact in key jewellery markets specially for example, Borivali which was our first store, the customers already is fairly well educated on lab-grown diamond jewellery. They come in knowing what lab-grown is, how it is truly chemically, optically and physically the same as natural diamonds. So, that requirement to convince the customer to come into the category isn't as prevalent. Now, of course, as we expand, as we move into regions and areas, where lab-grown players are not present or even mall stores, where there's much higher daily footfall, that may change. But in our current store format, that's been a particular interesting learning that we have had, and again, the focus on design is extremely important as well. I will open it to our chairman if he wants to add any comments here?
- Rashesh M. Bhansali:** So, also we feel that we have kind of understanding more of what the consumer behavior and patterns are in the three months of learning that we have had with Borivali store, two months from Kharghar and a few days from Turner Road. Our 14 karat, 18 karat, both have been liked by consumers and that's really not a reason that we only need to make 18 karat jewellery 14 karat is being bought by consumers in our country unquestionably. So, that's one good learning and earrings and rings are very strong sales and the fastest to sell from all the other things like either a pendant or a large necklace or stuff like that to add on to what Anmol has said.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraints, 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.



*Goldiam International
February 11, 2025*

Rashesh M. Bhansali: I want to thank all the participants for joining us today. If you have any further questions or need additional information, please feel free to contact the Dissero Consulting, our Investor Relations team. Thank you all and have a good evening.

Anmol Bhansali: Thank you very much.

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