

PRESS RELEASE

Goldiam International reports FY23 results

Margins remain intact despite economic headwinds

- Even as record high Inflation in the USA bites discretionary spending, Goldiam's efficient raw material procurement, omni-channel strategy, and focus on lab grown diamonds strengthened EBITDA margins for FY23.
- Maintains consistency in distribution of profits in FY23 despite volatile environment, distributed dividend of ₹ 217.95 Mn for FY23 and proposes share Buy Back of ₹ 326.92 mn

Mumbai, May 20, 2023: Goldiam International Ltd. (Goldiam), an integrated manufacturer and supplier of fine diamond jewellery to leading retailers and wholesalers in the USA, has announced its results for the financial year ended March 2023.

FY23 key highlights

Goldiam's FY23 revenue declined by 22% Y-o-Y basis. The decline in revenue was on account of economic headwinds in Goldiam's largest market – USA. Record high inflation, coupled with higher interest rates leading to multifold increases in mortgage payments & a squeeze on discretionary spending among mid-income segments in the US. Accordingly, the reduction in discretionary spend affected sales of fine jewellery in FY23 in the US, resulting in a year of destocking and revenue headwinds. Goldiam partnered with key retailers in inventory realignment exercise by running strategic discount programs. This impacted margins during Q4FY23.

Despite the decline in revenue, the company's FY23 EBITDA margin remained healthy, growing to 22.5%.

Company-led strategic initiatives leading to margin sustainability

Goldiam was early to respond to the demand headwinds and reworked its strategies to minimise any major impact on the operations. The Company's strategy of sourcing natural diamonds strategically, and the increased focus on Lab-grown diamonds and omnichannel business model protected the company's Gross margins for FY23 at 36% as against 31% in FY22.

The Company laid additional focus on online deliveries which also aided us in quick working capital days turnaround, with advantages of our rapid delivery allowing us to be competitively intense in this category. Our strong delivery mechanism resulted into 100% fulfilment of its On-Time Delivery within 7 days for its e-com orders.

Lab-Grown Diamond Jewelry sales have also sizably aided in enhancing our Company's overall profile as an integrated jewelry source amongst large retailers. We are seeing increasing traction in & demand transition to this category, with FY24 slated to be a year of special significance due to strong consumer adoption. While this category has faced some price erosion in FY23, we believe this has bottomed out as on date, with Goldiam being well placed to ride growth due to its integrated nature of operations.

Distribution of Profits to Shareholders, as per Policy -

Such efforts have further helped the Company in distributing the profits among its shareholders even during such a volatile period. The Company for FY23 has already distributed dividends to the tune of ₹217.95 mn and has now proposed a buyback of ₹326.92 mn., up to 2% of the equity of the company to be bought back. The company's current consolidated liquidity position (cash + Investments) stands at approx. ₹2568.13 million, sizably growing in the year.

Financial Highlights (Consolidated) – Q4 & FY23

Particulars (₹ in Mn)	Q4FY23	Q4FY22	YoY%	FY23	FY22	YoY%
Revenue	1349	1585	-15%	5543	7124	-22%
EBITDA	226	337	-33%	1250	1547	-19%
EBITDA margin	16.7%	21.3%	(456 bps)	22.5%	21.7%	83 bps
PAT	162	228	-29%	852	1060	-20%

Consolidated Revenue during FY23 stood at ₹5,543 mn, which was lower by 22.3% YoY. This was due to the unavoidable impact of high inflationary conditions in the USA. The Company's Lab-grown offerings, continue to grow traction. Share of Lab grown jewellery in overall mix stands at 23% in FY23.

Commenting on the FY23 results, **Mr. Rashesh Bhansali, Executive Chairman of Goldiam International**, said, "When we began FY23, the path was waning towards uncharted territory. There were many headwinds to begin with the likes of Record-breaking Inflation, higher interest rates and coupled with geopolitical disturbances which impacted the global supply chain. Even though the situation hasn't completely stabilised, some green shoots are visible in the offing. We draw parlance from the Black Friday sales this year which spares us some optimism going ahead in the upcoming festive season, with current open orders of close to ₹1000 million.

We remain completely vigilant about the situation and thus keep on pivoting at our operations and offerings level. We worked closely with our large retailers and offered tactical discounts for better inventory management, which in turn aided the company's revenue. We remained focused on Lab-grown diamonds and are witnessing surprising & rapid consumer adoption and shift in spend to this category. The company also took an opportunity to improve its online/e-com offerings which are very lucrative on the working capital front. These all-combined efforts helped the company in protecting the margins and keeping its balance sheet healthy. As a result, the company was able to distribute its profits among the shareholder seamlessly and consistently despite the volatile environment.

Goldiam is on a transformational journey. The company's focus is to transition further into lab-grown diamond and e-commerce spaces which are healthier and more profitable business models, with consumer tailwinds. We remain buoyant on journey of Lab-grown jewellery as it becoming more popular among young customers, and the management is evaluating various omnichannel strategies to make an early breakthrough in the domestic market."

About Goldiam International

Goldiam International Limited (NSE: GOLDIAM, BSE: 526729) is a 3-decade-old preferred OEM partner and exporter of exquisitely designed and luxurious diamond jewellery. Functioning as the manufacturer of choice to many of the leading global branded retailers, departmental stores and wholesalers across American markets, the Company is also renowned for utilising responsibly sourced diamonds, leveraging cutting-edge technologies and efficient manufacturing processes for optimal

costings and quick delivery lead times. Targeting the mid-to-affordable diamond & bridal jewellery segments, Goldiam has a dedicated sales office in New York, with design teams in both India and the USA.

Forward-Looking Statement:

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Goldiam International Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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