

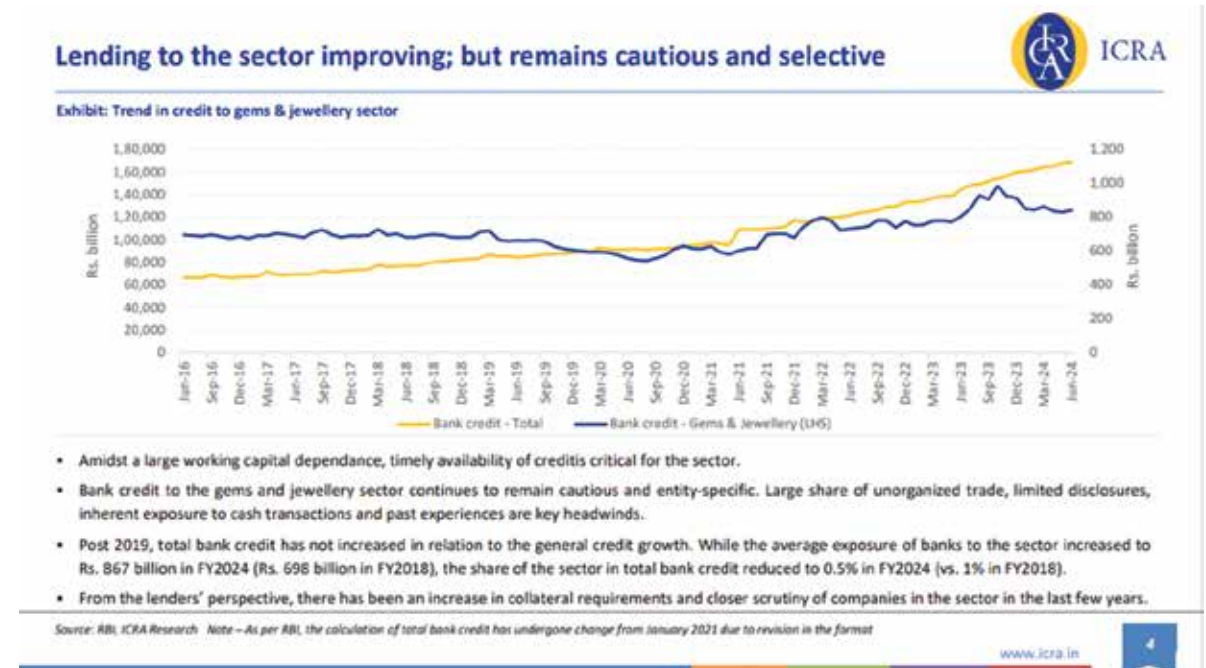
# IGC 2024: Report on Growth and Profitability Trends of Indian Organised Jewellery Sector

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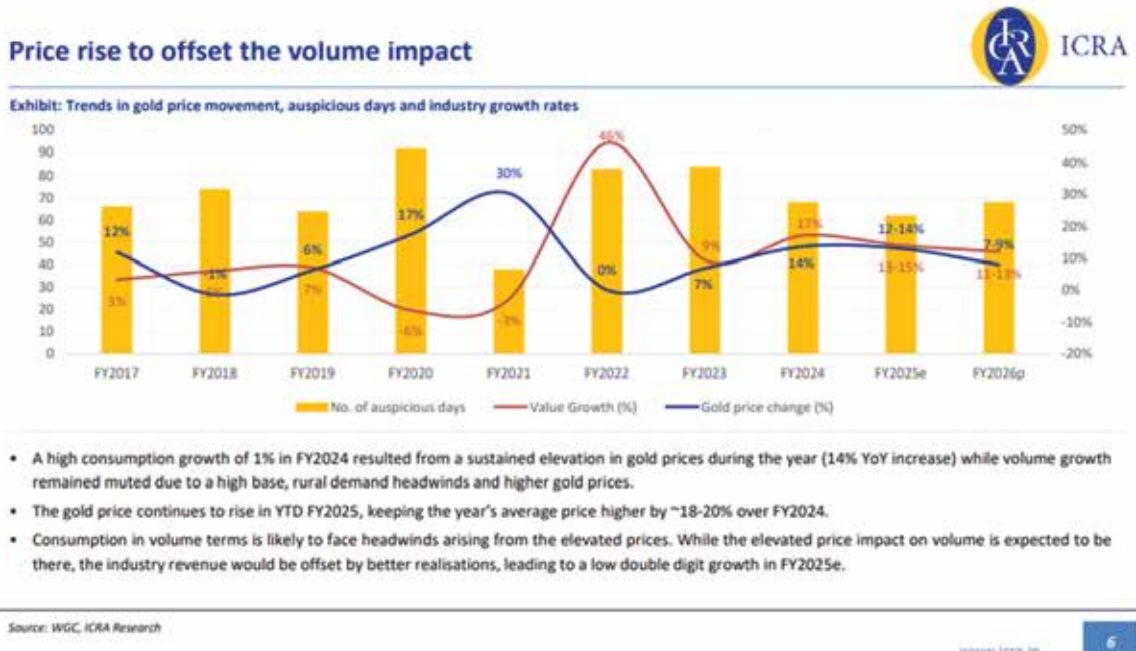
## Lending to the Sector Improving

- Gold jewellery sector's working capital-intensive nature requires constant funding.
- After initial lender scepticism post-2019, credit flow to the sector has improved.
- Increased transparency and better disclosure practices have enhanced the appeal of the sector for lenders.



### Price Rise to Offset Volume Impact

- Gold price volatility has led to subdued volume growth, but retailers have compensated by raising prices.
- FY24 revenue growth projected at 13-15%, driven primarily by price increases.
- Price adjustments are helping organized retailers maintain revenue despite lower volumes.



### Revenue Growth and Industry Snapshot

- Revenue growth expected at 13-15% for FY24, supported by price hikes and store expansions in tier-2/3 markets.
- EBITDA margins range from 7-8%, with southern players focusing on plain gold having lower margins.
- Industry liquidity remains strong, supported by working capital lines and investments.

### Annexure - Industry snapshot

Exhibit: Product mix – studded and non-studded jewellery

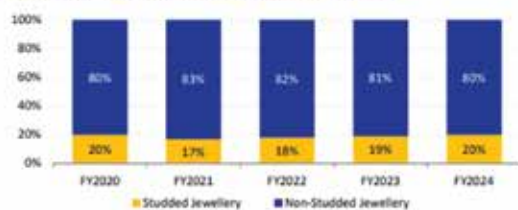


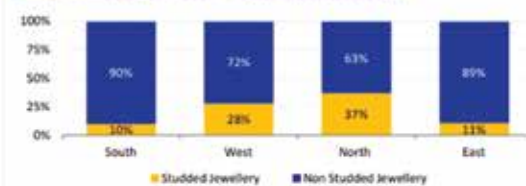
Exhibit: Market segmentation – organised and unorganised market split



Exhibit: Market segmentation – region-wise market split



Exhibit: Market segmentation – region-wise studded split



Source: WGC, ICRA Research

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Source – ICRA Limited

Disclaimer – The content is the abstract of the presentation made by ICRA’s representative at India Gold Conference 2024