



IGI



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INTERNATIONAL GEMOLOGICAL INSTITUTE LIMITED

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May 27, 2026

To,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
BSE Scrip Code: 544311

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
NSE Symbol: IGIL

Subject: Transcript of the Earnings Call held for the quarter and year ended March 31, 2026

Dear Sir/ Madam,

The Company had intimated, vide its letter dated May 14, 2026, regarding the Earnings Conference Call of International Gemological Institute Limited for the quarter and year ended March 31, 2026. The conference call was held on May 20, 2026 and the transcript of the call is hereby enclosed.

This intimation will be made available on the Company's website at www.igi.org.

This is for your information and record.

Thanking you,

Yours faithfully,

For International Gemological Institute Limited

(Formerly known as International Gemmological Institute (India) Limited)

Hardik Desai

Company Secretary and Compliance Officer

Membership No.: A35491

Encl: a/a

THE GLOBAL CERTIFICATION AUTHORITY

Formerly known as International Gemmological Institute (India) Limited and International Gemmological Institute (India) Private Limited.

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www.igi.org



“International Gemological Institute Limited
Q4 & 15 months 2026 Earnings Conference Call”

May 20, 2026

MANAGEMENT: **MR. TEHMASP PRINTER – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – INTERNATIONAL
GEMOLOGICAL INSTITUTE LIMITED**
**MR. EASHWAR IYER – CHIEF FINANCIAL OFFICER –
INTERNATIONAL GEMOLOGICAL INSTITUTE LIMITED**
**MS. NATASHA KEDIA – HEAD, INVESTOR RELATIONS
AND PUBLIC RELATIONS – INTERNATIONAL
GEMOLOGICAL INSTITUTE LIMITED**

MODERATOR: **MR. SUMEET KHAITAN – MUFG INTIME INDIA
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 & 15 months 2026 Earnings Conference Call of International Gemological Institute Limited, hosted by MUFG Intime. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I would now hand the conference over to Mr. Sumeet Khaitan from MUFG Intime. Thank you, and over to you, sir.

Sumeet Khaitan: Good evening, everyone. I welcome you all to the earnings conference call to discuss Q4 & 15 months 2026 results of International Gemological Institute Limited. To discuss the result, we have from the management Mr. Tehmasp Printer, MD and CEO; Mr. Eashwar Iyer, CFO; and Ms. Natasha Kedia, Head of Investor Relations and Public Relations. They will take you through the results and the business performance, after which we will proceed for Q&A session.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to investor presentation and other filings that can be found on the company's website.

With this, I now hand over the call to the management for their opening remarks. Over to you, sir.

Tehmasp Printer: Thank you, Sumeet. Good evening, ladies and gentlemen. Thank you for joining us today for the 2026 earnings call. I trust everyone has had the opportunity to review our financial results and investor presentation, both of which are available on the stock exchanges as well as on our website.

Industry landscape over the past year - IGI has delivered another period of strong growth and consistent results, supported by favorable structural shifts across the diamond and the jewelry ecosystem.

At the heart of industry is trust. Whether natural or lab-grown diamonds, a diamond derives its value from independent certification of the 4Cs; that's cut, color, clarity, and carat, while increasingly also addressing transparency, traceability, and the origin assurance.

Certification is what gives consumers, retailers, manufacturers, confidence in the product they are buying and selling. As the industry scales up with the advent of lab-grown diamonds, the need for certification today is more relevant than ever before.

In fact, we believe the diamond industry today is witnessing a structural increase in certification intensity across all categories. Consumers are more informed, retail networks are expanding rapidly, and purchase decisions are increasingly driven by transparency and trust. This trend

directly strengthens the long-term opportunity for globally recognized independent certification players like IGI, like us.

Importantly, we are uniquely positioned within this evolving landscape as one of the few scaled global players with a strong leadership across both natural and lab-grown diamonds, as well as jewelry and color stones.

One of the most important developments shaping the industry continues to be the rapid expansion of lab-grown diamond ecosystem.

Over the past several quarters, we have witnessed significant manufacturing capacity additions, accelerated retail adoptions, and increasing consumer acceptance. India, in particular, remains at a relatively early stage of penetration, which gives us confidence that the runway for growth in this category remains substantial.

While pricing volatility within the lab-grown diamonds has been widely discussed, we believe this is often misunderstood from a certification perspective. As supply expands and accessibility improves, the relevance of independent certification only increases. Consumers still want assurance regarding the quality, authenticity, and value, irrespective of whether the diamond is natural or lab-grown.

In many ways, the scaling up of the lab-grown ecosystem is expanding the addressable market for certification globally. We continue to see this reflected clearly in our operating performance. For Jan to March 2026 quarter, lab-grown diamond certification revenue grew by 35% year-on-year, while lab-grown jewelry certification grew by 29%. For the 15-month period, growth stood at 25% for LGD and 23% for LGD jewelry respectively. We have also seen encouraging traction from the increased capacities and retail expansion initiatives that are expected to contribute meaningfully over the coming quarters.

At the same time, the natural diamond segment continues to demonstrate strength. Despite near-term volatility in gold prices and macroeconomic uncertainty across certain markets, consumer demand for natural diamonds, particularly in the bridal and the high-value purchases, remain intact. For the 15-month period, our natural diamond certification business grew 18%, while quarterly growth remained a healthy 10% year-on-year.

Natural diamond jewelry has witnessed some softness in this quarter, driven by high volatile pricing in gold and silver. Another important strategic milestone during this year was the acquisition of AGL, that's American Gemological Laboratories, in Jan 2026. This acquisition significantly strengthens our positioning within the global color stone certification market, expanding the total addressable market and opens a new long-term growth avenue beyond diamonds.

AGL brings deep expertise, a strong reputation in gemstone certification and a strategic access to the US market. We see meaningful opportunities for cross-selling, geographical expansion, portfolio diversification, and deeper engagement across the jewelry value chain.

On the back of the success in the US geography, we plan to expand AGL to other markets for color stones to enhance brand presence and garner higher market share.

IGI has initiated focused investments in brand building and consumer awareness during the year through a series of high-impact consumer engagement initiatives and strategic media associations. This included partnerships around marquee sporting properties, including the ICC Women's World Cup broadcast and partnering with Gujarat Titans in the largest league of the world, IPL. Our campaign, 'Heera Ki Asli Pehchan', was to build this connect as an independent third-party certifying agency to bring greater transparency and trust to the consumer.

We are also working towards integrating AI and ML into our operations to further enhance service qualities, improve customer turnaround times, increase operational efficiencies, and reduce redundancies.

Against this background, IGI delivered another strong set of financial results for Jan to March 2026 quarter. Consolidated revenue from operations and EBITDA both have grown by 21% year-on-year, while report volumes increased to 16% to 3.64 million reports.

For the 15-month period ended March 2026, revenue grew 18%, EBITDA grew 22% and total report volume increased 20%, reflecting broad-based momentum across natural diamonds, lab-grown diamonds, jewelry certification, and color stones. Despite the changing landscape, the long-term growth trajectory of the industry remains intact and our performance is evidence of that.

Between year 2022 and 2025, IGI delivered revenue, EBITDA, and PAT of 36%, 29%, and 30%, respectively, while continuing to maintain strong profitability and cash generation. Looking ahead, we remain optimistic about the long-term outlook of the industry and for IGI.

The global jewelry market continues to be robust, lab-grown diamonds are expanding the consumer base through rapid retail expansion. Across all sectors, consumers increasingly want transparency, authenticity, and confidence combined with trust in what they purchase. All of these trends structurally reinforce the importance of independent certification. With our strong global footprint, diversified segment presence, trusted brand and expanding capabilities, we believe IGI is exceptionally well-positioned to capitalize on these opportunities and continue delivering sustainable long-term growth and value creation.

With that, I would now like to invite our CFO, Mr. Eashwar Iyer, to take you through the financial performance for the quarter and the year gone by. Thank you.

Eashwar Iyer:

Thank you, Tehmasp, and thanks everyone for taking the time.

I'll just start by giving a context in terms of the company having transitioned its financial reporting structure from a calendar year to a financial year. These have been announced to the stock exchanges as well sometime earlier. So accordingly, the current reporting period comprises the 15-month ended March 31st, 2026, while the previous reported period was for a 12-month period ended December 2025. As a result, the two periods are not directly comparable. To aid compatibility, we have also shared a corresponding 15-month financial performance in our

investor presentation so that you are able to have a proper comparative of the 15-month performance over the last two years.

I would like to start with an update for the quarter. From a consolidated group standpoint, in terms of consolidated revenue, certification income for the quarter stood at INR 3,587 million, which is grown at 21%, supported by strong volume growth of 16%. This was primarily driven by strong revenue growth across all our core segments, be it the lab-grown diamonds which is grown 35%, lab-grown jewelry which is grown 29%.

Total revenues for the quarter stood at INR 3,686 million and registering a growth of 21%. Reported volumes stood at 3.64 million reports compared to 3.12 million reports for Jan to March 2025 period, registering a growth of 16%.

During the quarter, the significant revenue growth in LGD stones was on account of new customer acquisitions and an increase in capacity as some of the primary growers. Correspondingly, LGD jewelry grew 29%. While ND loose stones grew 10%, ND jewelry saw a 19% decline due to a slowdown in the India ND jewelry business caused by steep increase in prices of gold and silver.

The resultant mix shift towards the higher ASP categories, namely LGD and ND loose stones, has led to a 4% improvement in ASP. EBITDA reported at INR 2,360 million, reflecting a growth of 21% compared to the previous year. EBITDA margins stood at 64%, which is more or less the same levels as the previous year. PAT reported at INR 1,796 million, growing 28%. PAT margins at 48.7% for the quarter.

Coming to the AGL acquisition that Tehmasp spoke about, we acquired this company on 30th of January 2026. Subsequently, there has been a lot of work in terms of integration, etc that is currently going on. The quarter therefore represents the first quarter of consolidation with AGL financials. AGL is a subsidiary of the IGI US entity and hence its financial statements are not disclosed separately.

AGL being in the business of certifying gemstones, the AGL revenue is subsumed in the gemstone revenue line. In line with maintaining transparency, there is two months of revenue for this period which is now got consolidated and the corresponding expenses and EBITDA has also got consolidated. In the absence of the corresponding numbers for the previous year, this has contributed to an additional 2% growth on revenue and 3% growth in EBITDA for the quarter.

Coming to the consolidated group performance from a 15-month standpoint. For the 15-month ended March 2026, we delivered 16.45 million reports compared to 13.7 million reports in the same period last year, marking a robust year-on-year growth of 20%. In terms of consolidated revenue, certification income stood at INR 15,465 million, growing at 19%.

This was driven obviously because we had significant and substantial improvements or growths in LGD at 25%, LGD jewelry at 23%, ND at 18%, and ND jewelry by around 2%. Total revenue from operations for the 15-month was at INR 15,976 million, growing at 18%. EBITDA reported at INR 9,728 million, a 22% growth. EBITDA margins at 60.9%, representing a 230 bps year-

on-year improvement. The company delivered a PAT of INR 7,112 million, growing 25%. PAT margins at 44.5% is up 270 basis points on a year-on-year basis.

I'm just going to touch upon the India standalone performance for the quarter. For that period, the revenue from operations in India stood at INR 2,963 million, growing at 27%, supported by a strong volume growth of 18%. This was primarily driven by strong revenue growth across our core segments.

Lab-grown diamonds has grown 46% for the quarter, LGD jewelry at 19%, and ND at 9%. Total revenues for the quarter stood at INR 3,124 million, registering a growth of 28%. EBITDA reported at INR 2,198 million, reflecting a growth of 21% compared to the previous year. EBITDA margins at 74.2%. There is a slight reduction in the EBITDA margin is attributable to a higher commission payout to our subsidiaries in US and Dubai on account of new customer acquisition there for which services are rendered in India. And we had a one-time consulting and professional expense of around INR 25 million. PAT reported at INR 1,742 million, growing 25% compared to the previous period. PAT margins at 58.8% for the quarter.

So overall, the company has ended the 15-month with an exceptional performance, thus delivering ahead of the guidance provided at the beginning of last year. We remain confident to deliver the 15% revenue growth and 20% EBITDA growth for the financial year 2026-27. With that, I conclude my remarks and open the floor for any questions.

Moderator: The first question is from the line of Umang Mehta from Kotak Securities. Please go ahead.

Umang Mehta: Hi, thanks for the opportunity. My first question is on your outlook for FY27 on both growth and margins. I hear you mentioned 15% revenue growth and 20% EBITDA growth. Possible to share any color in terms of segment-wise how are you thinking about the year? And in terms of margins, any tailwinds from INR depreciation that we have kind of factored in?

Eashwar Iyer: Hi, Umang. Yes, thanks for this question. Yes, I think over the last two years, the company has been intending to deliver around 15% of revenue growth and 20% of EBITDA growth. So that trend is what we expect to continue for this financial year as well. Again, the quarter performance obviously has been driven exceptionally by the growth in LGD and as well as natural diamonds as well as, yes, lab-grown jewelry. We've had a little soft quarter on natural diamond jewelry.

We expect the major chunk of the growth to come through increased capacity build-up that's happening in LGD and our increased penetration in natural diamonds. So I think those two strategic priorities which have been on record for the last two years continues to be our core focus areas and we expect to, you know, build on whatever strength we have at the current moment.

From a margin standpoint, I think our focus has been in terms of ensuring that we make the right investments for the business. While margins are important, but that is not the sole driver of the decisions that we take within the organization. There are significant interventions, etc that we are working on. Tehmasp mentioned about AI, ML, that work, that project is going on. There is a big focus on building the brand in terms of various brand initiatives, etc. So from that standpoint, I think these are critical investments for the long haul. We don't expect any erosion

of the margins, so we will ensure our guidance for the year should be to maintain margins at the same levels as what we have seen in the last year.

Umang Mehta: Got it. Thank you. And the second question was on your performance of subsidiaries. Possible to share any color on how both of them have done for the full period?

Eashwar Iyer: See, I think just to set this in context, we have businesses which roll up to the holding company in Belgium, which has the Belgium and the US business under it, and we have the other businesses rolling up under Netherlands. Importantly, we need to understand that the Belgium and the US office, they play a very critical role in engaging with the retail considering that these are the largest markets from a consumer standpoint. With the strength and leverage that IGI has in India, working closely with the growers and where, you know, we work very closely with the growers and manufacturers here, our teams in the US and Europe are therefore expected to engage with the retailers so that they partner with IGI as their certifier of choice.

I think from that context, the business has been doing pretty well. The subsidiary business delivered around 14% revenue growth for this quarter and EBITDA growth of over 25%. EBITDA margins have also slightly improved, 100 basis points in the subsidiary business for this quarter. Obviously, we are also making significant investments from a leadership recruitment standpoint in the US, etc. which, you know, ties in with our strategy to build greater focus and scale up the business in the US.

That combined with the AGL acquisition, you know, these are important steps that the organization is taking to ensure that the synergies of the brand that AGL gets with the operating size that IGI has, we are able to therefore scale up some of the other businesses in conjunction with the gemstone certification opportunity that AGL presents to us. So, I think the quarter has been good, not only in India but also the subsidiaries, and we hope that this trend continues into the future as well.

Umang Mehta: Sure, Eashwar. Thank you so much and all the best.

Eashwar Iyer: Thank you.

Moderator: Thank you. The next question is from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: Yes, hi, good evening. So just had two or three questions. First was on the, you know, strong realization growth. You mentioned mix is the key driver here. Just wanted to get your sense, Eshwar, that is pricing per segment, has that continued to be stable like it has been in the last two quarters? Is that a correct assumption?

Eashwar Iyer: Hi, Harit. Yes, we haven't had any structural changes to the pricing during this quarter, Harit, that continues to stay okay.

Harit Kapoor: Okay. And any broad outlook you have on that for, you know, the near to medium term? Do you think that it should broadly remain, pricing should broadly remain in the same range and then whatever happens to mix happens depending on the growth? Is that the right way to think about it?

Eashwar Iyer: Yes, that's the right way to look at it, Harit. I think mix finally is a derivative, is just an outcome, yes, just an outcome. But yes, our focus remains on ensuring that each of our core business segments continue to perform well.

Harit Kapoor: Great, fantastic. The second thing was on natural diamond jewelry bit. So, you've seen two quarters of value growth coming down here. Do you look at this only as domestic jewelry market, you know, shifting more towards gold, that near-term impact that's there which is affecting the segment overall? Is that the right way to think about it and should that normalize? And within natural diamond jewelry, if you could just give a little bit of color on, you know, how your US initiative in terms of the leadership change that you alluded to, how that is fructifying, any key account wins, or anything which you can kind of, you know, give any color to?

Eashwar Iyer: Yes, so I'll take the second question first, Harit. I think we're building up a leadership in the US. We have had a new recruit who's been in this, now in, our organization for three, four months. We are also helping to fortify the sales organization there. So, there is going to be a little bit of work that has to happen in terms of building an organization to meet the requirements of, you know, sustaining a growth business in the US.

So that is work in progress currently. And coming to your first question, yes, thanks to the increased prices of gold coupled with the volatility, I think that is what is causing a little bit of distress is what we understand from the market. We'll see how that pans out. Hopefully, things settle down over the next quarter or two and hopefully this comes back on track.

Harit Kapoor: Great. My final question was on the comment that you made that, you know, there has been capacity additions in the Indian market from the grower perspective. Could you give a little bit more color on this, you know, in terms of -- given that prices have not really kind of gone up at their wholesale level, you know, what's driving capacity addition? Is it just the kind of volume off-take that they are seeing in the global market, Indian market that is driving this? Some sense on this?

Eashwar Iyer: Yes, we alluded to this last time as well, Harit, in terms of the expectation that the industry is having, is probably, to double from wherever they are today over the next three years. I think that has been one of the key considerations because there is still a lot of demand that's still coming in and that's the reason why people are adding a little bit more capacity.

So, I think, again, these are initial days for the lab-grown is what we believe because the Indian consumer has also come into the fray, right, hopefully in the near future. We see some of those trends in the way lab-grown jewelry business is moving as far as IGI is concerned. I guess these are just starting points for this segment.

Harit Kapoor: Absolutely. And last is bookkeeping on other expenses. You mentioned there's an INR 25 million additional in the standalone to the subsidiary, right, which obviously gets netted off at a consolidated level.

Eashwar Iyer: No, this -- see, there are two elements there. There is a commission payout that happens, that gets eliminated. This 25 million is just an expense. There's no elimination there. So that's the

reason you see a slight impact in the India EBITDA margin, but at the group consolidated level, the EBITDA margin has remained at the same levels.

Harit Kapoor: And the INR 25 million, if you could just repeat as to why -- as to what was it regarding? Sorry, I missed that part.

Eashwar Iyer: We have had some expenses regarding the entire acquisition process for AGL etc.

Harit Kapoor: Got it, got it. Oh, okay, got it. Perfect, perfect. Wish you all the best. Thank you.

Eashwar Iyer: Thank you.

Moderator: Thank you. The next question is from the line of Smit Gala from RSPN Ventures. Please go ahead.

Smit Gala: Yes, thank you for the opportunity and congratulations on a good set of numbers. So, my first question was, in the last quarter earnings call, we alluded that we are increasing our capacity in terms of gemologists, number of gemologists. So, in this quarter, we have not seen the reflection in the employee expenses, which is also after the acquisition of AGL. So when does the employee expenses see an increase given that we are hiring -- we are giving a massive hiring project?

Eashwar Iyer: See, I think, Smit, thanks for this question. I think if you would look at from a quarter standpoint, I think our employee benefit expense is up. So I think if you look at it from a quarter-to-quarter standpoint, the employee expense is up 16%. That's obviously because there has been additions not only in India but also in other geographies. And versus the previous quarter, I think the previous quarter already had soaked in some of those expenses.

If I look at the numbers, INR 71 crores was the employee benefit in Q3 of CY25, which then became INR 73 crores in Q4 CY25, and this is Q1 CY26 is around another INR 74 crores. So slowly that is getting built up for some of the investments that we have made on people and capability within the organization. Smit, you there?

Smit Gala: Yes, yes. I'm here. Yes, thank you. That was helpful. My second question will be, like, we have given that 16% to 17% volume growth, but while I tried to analyze the India export numbers for gems and jewelry, they have seen a decline continuously. So how is our company able to deliver the growth where export data as a whole is not showing promise?

Eashwar Iyer: Smit, I think this export data is in rupees or dollar million. I think you have to also look at it from a carat standpoint. Because what has happened is there is an increasing mix shift towards lab-grown stones which is getting exported, and while the carats have probably doubled, I think, from whatever I saw last time, obviously because of the way the pricing has evolved over the last two to two and a half years, I think there is a, the rupee component has probably remained the same. I think we have to look at it from a volume standpoint and not just value.

Smit Gala: Okay, that was helpful. Thank you. I'll join back the queue.

Eashwar Iyer: Thanks.

- Moderator:** Thank you. The next question is from the line of Pallavi from Sameeksha Capital. Please go ahead.
- Pallavi:** Yes, thank you for taking my question. This was again continuing on this previous comments on the marketing side, right? I just wanted to understand what's the team size there now in the US and, you know, to what size do we want to take it to?
- Eashwar Iyer:** Sorry, Pallavi, we are not very clear. Can you just repeat the question?
- Pallavi:** Yes, sir. So my question was on regard to what you mentioned earlier about the marketing team in the US, you know, and the ramp-up. So, you know, what's the size now and if we can have a sense of where we want to go in, you know, how long will that take?
- Tehmasp Printer:** See, our US offices actually operate as a marketing office where they are in touch with the retailers in the US and they get exact requirements of what the retailer wants in the US market. And that is translated to us and we certify accordingly. We are at the manufacturing end, so US is the marketing end for us and they give us all the relevant information what a US consumer and the US retailer wants. So, from that perspective, this information is translated to us and to the manufacturing units in India and we certify accordingly. So that is how we are ramping up the US marketing effort.
- Pallavi:** Right, I understand the marketing. So I just wanted to know the number of people we have for that on the street there.
- Eashwar Iyer:** No, I think our staff strength in US is not very large, but I think what the point that we are trying to make is we are trying to build some capability in the sales organization to capture the market there because it's such a large country, right? So we have to slowly build that capability. I think that's what we were alluding to in terms of building that capability for the long term.
- Pallavi:** Right. And natural diamond, which share we had gained in third quarter, does that continue for the US in particular?
- Eashwar Iyer:** Sorry, come again?
- Pallavi:** The natural diamonds on that side we had gained some market share in third quarter in the US is what you had alluded to. Is that continuing and how's that?
- Eashwar Iyer:** Yes, in quarter one (CY) we've grown 10% on natural diamond in what has been a very tough market. So I think our efforts continue in the same direction in terms of trying to, you know, build greater credence into that segment. Yes.
- Pallavi:** Right, okay. And my last question would be on this, you know, the export data that you mentioned about the value and, you know, LGD. So that would also in terms of volume what would have been India's growth in that? Would that number be available for LGD volume, carat-wise? Yes.
- Eashwar Iyer:** See, we have some information but again, it's not available in the public domain. These are just guesstimates that we have basis what we speak to a lot of people in the industry. But our

understanding is, and it's logical actually because given the fact that the volumes have continuously been pretty robust and given the fact that prices corrected in the last two years, I think that corroborates with what people in the industry also talk. So I think from that standpoint, I think the volume data is something that we need to look at.

Pallavi: Right. But the US is fairly mature on the natural diamond side. So I was just trying to understand, you know, what is -- sorry, not natural, on the LGD side I believe it's like for engagement it's more than 50%.

Moderator: Sorry to interrupt, but Pallavi, can you please re-join the queue for the follow-up question please?

Eashwar Iyer: No, I'll just take that question. I think, Pallavi, just to wrap this up, I think while the estimates are over 50% adoption for lab-grown diamonds, but what we understand is there is still over 40% still left, right? So I think that aspect is what is giving this sort of momentum as far as manufacturing capacity ramp-up in India is happening.

Pallavi: Right. So that's happening for the US market you're saying but right now but earlier you alluded to it's India. It's just the same, you know, it's the same thing.

Eashwar Iyer: No, I didn't get that question, Pallavi. I'm sorry.

Pallavi: No, I'm just -- earlier we said that, you know, this growth in Indian capacity is to serve the India market, but right now you're alluding to...?

Eashwar Iyer: No, I'll just clarify. I understand. I'll just clarify. What we mentioned is, the US has been the first adopter of lab-grown and they are the largest player as far as consumption of lab-grown diamonds is concerned. What we are alluding to is the fact that the Indian consumer will also come into this mix going forward.

And some of the lab-grown jewelry growth that you are seeing is because of the retail explosion that is happening in India as far as selling of lab-grown jewelry is concerned. So while the US has been the place where lab-grown has taken off the first, we expect that trend to be emerging in India as well.

Pallavi: Right, got it. Thank you so much.

Eashwar Iyer: Thank you.

Moderator: Thank you. The next question is from the line of Shravan Vora from Morgan Stanley. Please go ahead.

Shravan Vora: Hi, good evening to the management. Many congratulations on a good set of numbers. I actually wanted -- and I know you touched upon that when we were talking -- when you were guiding for the 15% top-line growth for the coming year, the two important segments you spoke about was continuing growth in LGD and natural diamonds. Could you briefly just talk about the drivers a little bit on those two for us?

Eashwar Iyer:

Hi, Shravan. Good evening. I think obviously the key drivers for us from a natural diamond standpoint is getting more customers into our bouquet of -- who come and work with us. I think we have obviously created a separate vertical to focus on natural diamond. We have a business leader with tremendous experience in this field.

So, I think the focus on natural diamond continues to be in terms of getting more customers into our basket, number one. And lab-grown, as we talked about, I think the capacity additions that has happened is what could be the -- and we haven't seen the full impact of all of the capacity that's getting added because these happen over a few months, etc, for the capacity to ramp up. So, we expect that to also kick in as we get along the road during this course of this year.

Tehmasp Printer:

Just to add to what Eashwar said, see you have to understand that the manufacturing is all done in India, whether it is natural or lab-grown. And we are at the manufacturing end and our offices globally are at the retail end.

So, when we receive all the information of what the retailer or the consumer wants in that geography, we transfer that information to the manufacturers in India, whether it is lab-grown as well as natural. And that is our unique advantage where we merge the two geographies together and settle all their requirements. And that has given us the strength to vector up in our endeavor.

Shravan Vora:

Right, got that. And just the second question from me, sir, is that ASPs in the last two quarters have actually done quite well. How should we look at ASPs for the coming year? And just attached to that, you mentioned that you would continue to make investments and EBITDA growth of 20% is what you guided for?

So, if you could just highlight some of the investments other than the marketing investments that you're making both in the US and India. So just those two, one is on ASP and the other what kind of investments we are making.

Eashwar Iyer:

I think, Shravan, two important strategic pillars. One is the brand salience piece in terms of investments in building up the brand awareness etc, especially in line with getting the consumers to know the need and the importance for a third-party independent certification. I think that is the context in which we want to build that sort of communication directly with the consumers. I think that is an important strategic pillar for us.

Number two is building capability in the US in terms of a structured sales organization, because there is significant potential in the US, coupled with the fact that we have also acquired AGL. So, I think all of those things -- so our strategic -- so these are the two large strategic pillars in which the organization is working.

Coming to the ASP question, I think we have discussed this in the past. There is a lot of discussion that happens on ASP. We believe that this is just a derivative. So long as we are able to deliver a 20% volume growth with a 15% to 16% revenue growth with a corresponding EBITDA growth, I think that should be what we should be focusing on.

Because there are quarters in which the jewelry mix will go up and correspondingly the ASP drops. You know, so those things have been discussed over the last five, six quarters. I think we'll see how that goes. Normally the first quarter of the year, effectively, which is effectively the end of the year because of the change in the financial year.

But this quarter Jan to March normally we see a ramp-up of lab-grown mix in the business, which slowly tapers down as we get along the year because then we have the quarter three and the quarter four on Christmas and Diwali and etc, etc. So, I think we should just expect the same trend to continue. But again, from a management standpoint, our focus is in terms of volume, revenue, and EBITDA growth rather than too much of focus on ASP.

Shravan Vora:

Got that, sir. Thanks a lot for that and all the best.

Eashwar Iyer:

Thank you.

Moderator:

Thank you. The next question is from the line of Umang Shah from Banyan Tree Advisors PMS. Please go ahead.

Umang Shah:

Hi, sir, good evening. Thank you for the opportunity. Sir, first question was, in the previous quarter's presentation, we had given our market shares and in those natural diamonds loose, our market share was almost 55% to 65%. Sir, our understanding was that we are the second largest player in natural diamonds, not the largest ones in terms of certification. Can you just clarify this?

Eashwar Iyer:

No, you're right actually, Umang. We are the second largest player as far as natural diamond is concerned from a global standpoint. India, I think we command a decent position in India. I think we must be close to leadership here in India.

But again, we measure ourselves in terms of the global share because obviously the largest player in this segment is still the US. So, I think our endeavor therefore is to find ways and means to improve that market share from a global standpoint.

Umang Shah:

Would you be okay calling out our global market share in natural diamonds?

Eashwar Iyer:

See, these are again estimates for us, Umang. There is -- so we expect -- we think that our market share in India probably is in surplus of 50%. Globally, I think we must be around the 20% to 25% range.

Umang Shah:

Sure. And sir, one more data point from that presentation was that almost 30% to 35% diamonds, both natural and loose, are uncertified. What could be the reasons for the same?

Tehmasp Printer:

These are more for the smaller sizes and less relevant from the commercial value. All the high-end diamonds and larger sizes are generally certified and that is where the game is.

Umang Shah:

Got it, got it. And sir, in studded jewelry also you've mentioned that almost 60% to 70% is uncertified. Do we see that as an addressable market for us or not really?

Eashwar Iyer:

No, where are you seeing this 60% to 70%? Yes, I don't recollect this actually.

- Umang Shah:** This was in the previous quarter. Yes, this was in the previous quarter's presentation, Slide number 30. This year not put in this year's -- this quarter's presentation. This was in the last quarter's presentation.
- Eshwar Iyer:** I think probably okay, I think this probably must be Tier 2, Tier 3 towns where probably certification is not as people are not as aware.
- Tehmasp Printer:** So, we are even taking action to also go into the second and the third-Tier cities.
- Umang Shah:** Sure, sure. That is useful. And just final question...
- Eashwar Iyer:** No, one second. I think that from a natural diamond jewelry certification, I think our share in this segment would be around 60% to 70%. You are basically saying 70% is going uncertified, is it?
- Umang Shah:** Yes, yes.
- Eashwar Iyer:** On LG. On LG, is it.
- Umang Shah:** On LG, LG studded jewelry?
- Eashwar Iyer:** Studded jewelry, okay. Okay. Probably I think these are, as to Tehmasp's point, I think these are small size stones which finally end up in jewelry and there is no probably a commercial proposition to have this certified at the loose stone level.
- Umang Shah:** Okay. And one more question was that this year we see that the subsidiaries are profitable, both the subsidiaries, and full year margins are around 8% net margins. We have India margins which are exceptionally high. Two, three years down the line, where do we see the EBITDA margins or net margins of the Belgium and the Netherlands entities?
- Eashwar Iyer:** See, Umang, I think we have to look at this business in its totality. I think to Tehmasp's -- what Tehmasp also mentioned, I think while India is the manufacturing hub or the back-office hub of the world as far as cutting and polishing is concerned, the markets are still in the US from a retail standpoint. So, there is an important strategic play for what the teams in the US and Europe actually bring to us.
- So, from that standpoint, I think that is the reason we talk of a "One IGI" concept. We leverage the strength of the retail markets in other parts of the globe with the manufacturing strength in India. So, most of the certification happens here in India.
- And to the point that was discussed during the financials, there is obviously a large commission payout that has happened to Dubai and US. So that's the way it pans out because customers get identified by our local teams who then end up in India for certification. So, I think let's look at it from a totality standpoint. Yes.
- Umang Shah:** Fair point, sir. Thank you so much.
- Eashwar Iyer:** Take care, Umang.

- Moderator:** Thank you. The next question is from the line of Bharat from MC Research. Please go ahead.
- Bharat:** Yes, sir. Thank you for the opportunity. Sir, my question is on the margin side. So, in your FY27 guidance, you've indicated revenue growth of 15% and EBITDA growth is slightly high at 20%. Just wanted to understand the levers for the same. That is my first question.
- Eashwar Iyer:** Again, Bharat, I think this is more of operating leverage. Our business model is pretty straightforward. Some of these incremental revenues actually flow into the bottom line, and that's the reason why we are guiding for a faster EBITDA growth versus revenue growth. So structurally the business gives us that sort of leverage.
- Bharat:** Fair enough. And sir, you guided for 15% revenue growth. Just wanted to understand the key reasons for it, I mean the key levers for that. So, do you foresee an increased market share both in LGD and natural diamond, or is it more to do with increased geographical penetration? So, what would be the important driver for that level?
- Eashwar Iyer:** No, Bharat, I think the focus for us is all the four large segments and the fifth segment that's got added now is gemstones thanks to the AGL acquisition. So, each of these have to kick in and that's what the management's endeavor is.
- Whether it's 15%, 17% volume growth, we don't know, but these are just broad guidelines in terms of what we see is happening within this business. So, I think, yes, last year we obviously over-delivered to whatever was the guidance. Let's see how this year pans out. It's just the first quarter.
- Bharat:** Okay. And last question from my side is that LGD -- you talked about increased capacity in the LGD business. So, in which geography you're seeing increased capacity addition? Is it more on the US side or the Indian side, or do you see any other market, increasingly adopting the LGD? So that would be my last question.
- Tehmasp Printer:** Bharat, the manufacturing capacity is in India, in Surat. The marketing requirement is different, but the increase in capacity is all done generally in Surat in India.
- Bharat:** Okay, understood. Thanks, and all the best.
- Moderator:** Thank you. The next question is from the line of Shwetha from ithought PMS. Please go ahead.
- Shwetha:** Hi, sir. I just had one question regarding the LGD loose certifications. I just wanted to see if we're seeing any change in the format of the certificates that take place in the near to mid-term.
- Tehmasp Printer:** Shweta, we are committed to identifying a gemstone or a diamond along with the 4Cs. Ours is an independent certifying body and we will not deviate from the traditional 4Cs certification. So, we are committed to keep our certification on lab-grown as well as on natural diamond according to the 4Cs that has been there for nearly a century.
- Shwetha:** Okay. But sir, is there no pressure from retailers for a change in this or something like that?

- Tehmasp Printer:** In fact, the retailers enjoy this because everyone is so conversant with the 4Cs that any new nomenclature which doesn't really support the 4Cs is confusing.
- Shwetha:** Okay, understood, sir. And one more question is, do we have any long-term contracts with any retailers or is it like an order basis?
- Tehmasp Printer:** No, we have contracts with the manufacturers, you know. So those are ongoing, yes, those are ongoing.
- Shwetha:** Okay. And these are volume-based, sir?
- Tehmasp Printer:** These are -- yes, these can be scaled on the volume, yes. You're right.
- Shwetha:** Okay. So, these are long-term contracts?
- Tehmasp Printer:** Yes.
- Shwetha:** Okay, sir. That's it. Thank you so much and all the best.
- Moderator:** Thank you. As that was the last question for today, I would now hand the conference over to the management for closing comments. Over to you, sir.
- Eashwar Iyer:** Okay, I think thanks everyone. This has been quite participative. And in case for a shortage of time, we've been unable to address any of your queries, please reach out to us and we shall be happy to clarify on any other doubts, etc, that you may have. Thanks once again for everyone. We look forward to seeing you next quarter. Thanks.
- Tehmasp Printer:** Thank you very much for everyone.
- Moderator:** Thank you. On behalf of International Gemological Institute Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.