

Raymond Group

Investor Briefing Presentation

November 2021



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Group Introduction

95+ year old diversified group with strong presence across sectors



Suiting



Shirting



Apparel



Retail Presence



Garmenting



Tools and Hardware



Auto Components



Real Estate



Denim



FMCG



Trust

- One of India's most trusted textile & apparel brands with near 100% awareness
- Strong relationships with stakeholders over last 9 decades



Quality

- Recognized for its innovation and high-quality product offerings
- Loyal consumer base spanning domestic and international markets



Excellence

- Leadership in different product categories
- Crafting world-class offerings and delivering a delightful service experience

Group Overview



- **Group Size**
 - Revenue exceeding ₹ 8,000 Cr
- **Manufacturing**
 - State-of-the-art 19 manufacturing facilities at strategic locations in India and 1 in Ethiopia
- **Employment**
 - Workforce of 30,000+
- **Reach**
 - Wide reach in 600+ towns & cities in multiple businesses in India
 - Global footprint in 90+ countries

*Note: Revenue pre-covid (FY20) - Aggregated revenues of Raymond consolidated along with FMCG associate and Denim JV
Workforce includes frontline and plant staff*

Commands Market Leadership across our Businesses



Suiting

~65% market share in
worsted suiting



Shirting

Largest Branded player in
shirting fabrics



Apparel

Amongst top 3
menswear players



Garmenting

Largest exporter of men's
suits, jackets & Denim



Tools & Hardware

#1 brand in steel files:
>60% market share in India
>50% market share in Africa



Auto Components

#1 in ring gears in
domestic PV & CV auto
markets



Denim

Leading Manufacturer of
International Brands



FMCG

Market leader in Aerosol
in Fragrances

Manufacturing Excellence

Fabric & Garmenting



Suiting



Manufacturing world's finest fabric

250s – worsted suiting

Shirting



Manufacturing world's finest fabric

340s – cotton fabric
150 lea linen fabric

Denim



Manufacturer of high quality denim fabrics & garments to top Global & Indian brands

Garmenting



End to end integrated garment manufacturer of high value menswear clothing

100 mn+ meters of fabric & ~11 mn garmenting capacity p.a.

Plants strategically located:

Cotton Rich Belts

Weaving clusters

Skilled workforce

Manufacturing Excellence

Engineering, FMCG & Real Estate

Tools & Hardware



#2 Global supplier of Steel Files

End to end manufacturing solutions provider for files and drills

Aggregate Capacity:

Files – 7.4 mn dozen
Drills – 13.2 mn pieces

Auto



One of the leading global players in Ring Gears

Sole manufacturer of Flex Plates in India

Aggregate Capacity:

Ring Gears - 8.2 mn pieces
Flex plates – 0.6 mn pieces
Water pump – 3.9 mn pieces

FMCG



Amongst the top player in India's Sexual wellness category

Aggregate Capacity:

~400 mn pieces

Real Estate



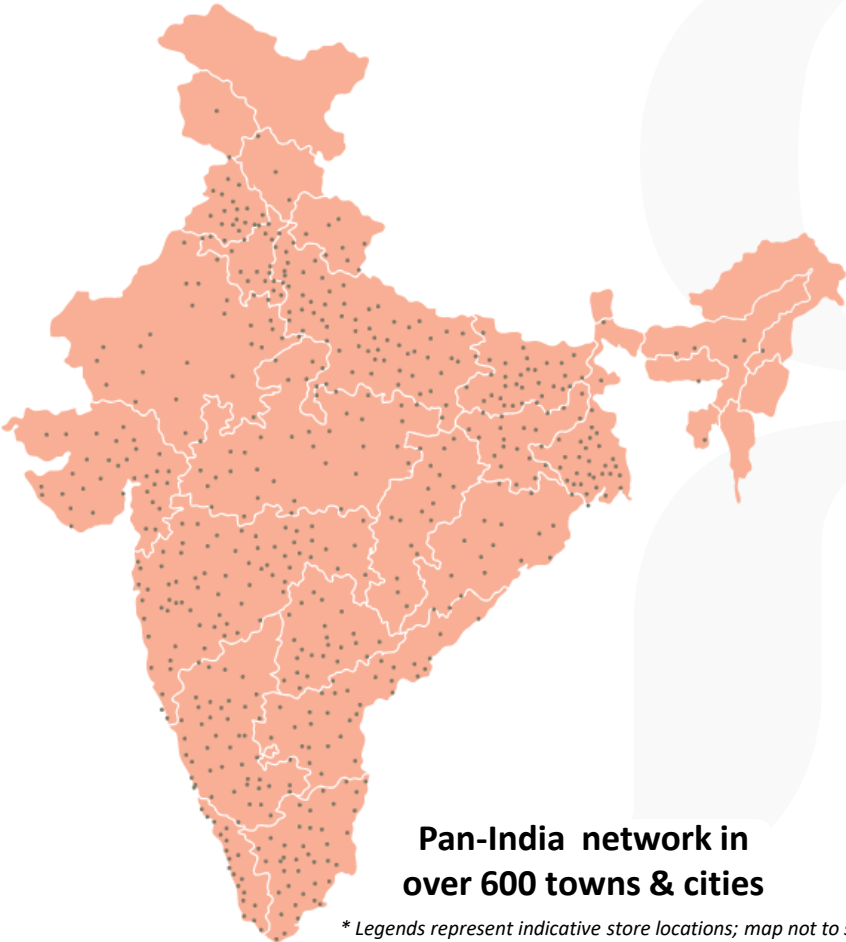
- Fast paced construction activity
- Acceptance of design

Total Inventory:

3,000+ units

Domestic presence

One of the largest asset-light distribution network in multiple businesses



**Pan-India network in
over 600 towns & cities**

**Legends represent indicative store locations; map not to scale*

**Branded
Textiles**

20,000+ POS

**Branded
Apparel**

8,000+ POS

**Retail
(2.3 mn sq. ft)**

1,400+ stores | ~80% franchisee

**Tools and
Hardware**

~1.5 lakh POS

FMCG

6.5 lakh+ POS

International Presence

Global Footprint in 90+ Countries through diversified businesses



Overseas Store Location



Manufacturing Location

** Legends represent indicative store locations; map not to scale*

Our Brands - Home grown portfolio of renowned brands with high recall value



Branded Textile



Branded Apparel



FMCG



Real Estate



Engineering



Umbrella Brand

Presence in Africa & Asia through multiple sub-brands

Raymond Group led by



Gautam Hari Singhania
Chairman and Managing Director
Raymond Limited



S L Pokharna
Director - Raymond Ltd



Rajeew Bakshi
Non Executive Chairman
Raymond Consumer Care Limited
Ex – Metro, Pepsi and Cadbury



Ravi Uppal
Non Executive Chairman
Ring Plus Aqua Limited and JK Files & Engineering
Ex – L&T, JSW
Currently – CMD of Steel Infra Solutions P. Ltd.

Management Team



S L Pokharna
Director - Raymond
Ltd



Amit Agarwal
Group CFO
Ex- JSW, Jet Airways,
Essar Group



K A Narayan
President – HR
Ex- Wockhardt



Jatin Khanna
Head – Corporate Development
Ex- Max Financial Services



Ganesh Kumar
COO – Lifestyle
Ex- Arysta Life, Mosiac



Hemant Lakhota
CEO – Tools & Hardware
Ex- Schneider Electric,
Crompton Greaves



Balasubramanian V
CEO – Auto Components
Ex- Eaton Industrial, Bosch
Chassis



Harmohan Sahni
CEO – Realty
Ex- ECL Finance
Gcorp Developers



Arvind Mathur
CEO - Denim
Ex- Coats Plc



Sudhir Langer
CEO - FMCG
Ex- Tata Global Bev.,
Reckitt, Colgate



FY21 Highlights

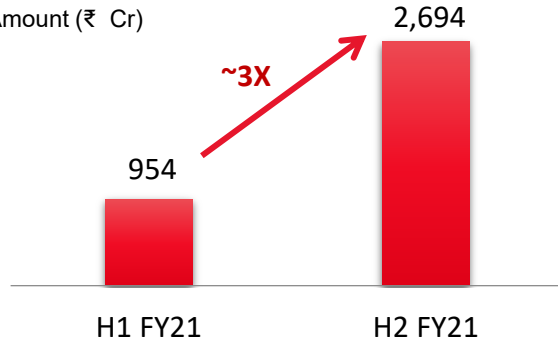
FY 21 Highlights: A year of Financial Prudence

In a challenging year, key things that went well

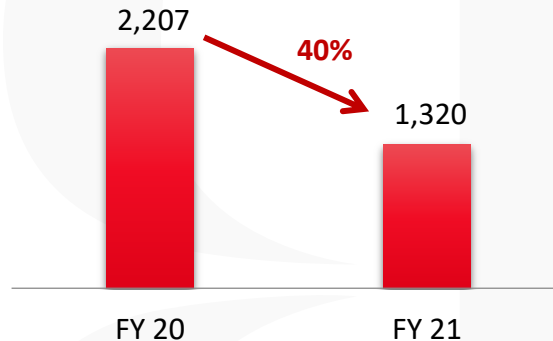


~3x sales in H2 vs H1

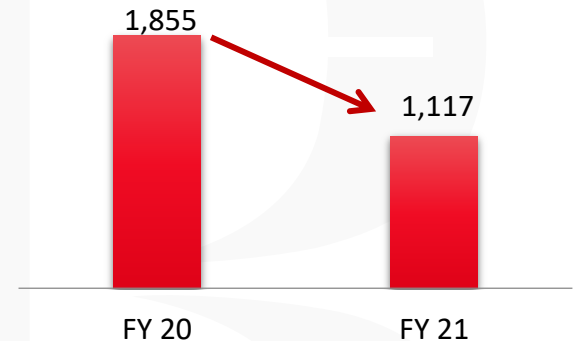
Amount (₹ Cr)



Opex reduced by 887 cr



NWC reduced by 738 cr



❖ Revenue – Progressive Recovery in Consumer sentiments

- Sales led by domestic demand recovery | Robust export sales in engineering businesses

❖ Cost Rationalization led to reduction in Opex by 40% YoY

- Cost optimization measures related to sales & marketing, manpower, rentals and others
- Ensuring efficiencies through organization restructuring, stores rationalization and digital initiatives

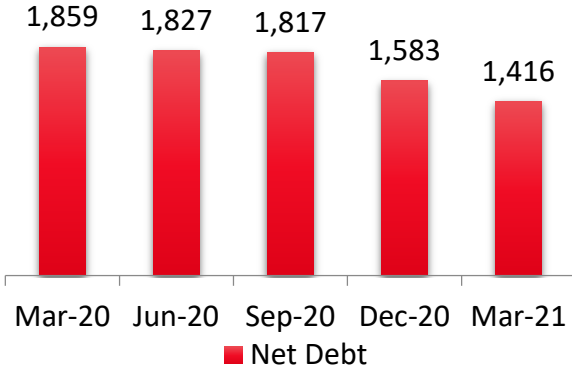
❖ Effective Working Capital Management led by strong collections and reduction in inventory

❖ Raymond Care Initiative: Repurposed Garmenting facilities to manufacture PPE kits | FMCG launch sanitizing products

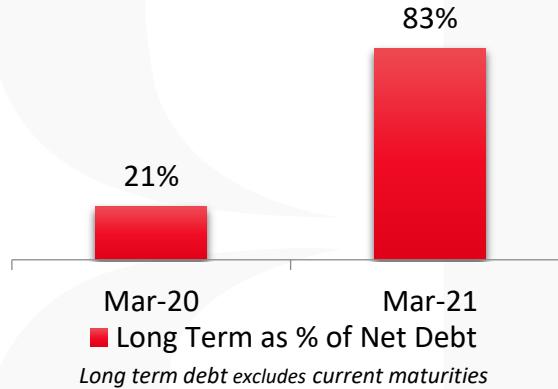
Net Debt reduction of ₹ 443 cr driven by Free Cash Flows

Amount (₹ Cr)

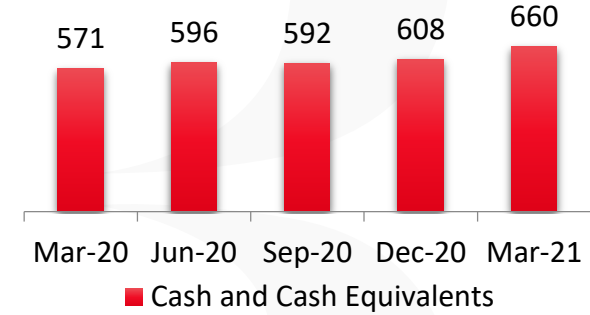
Q-on-Q Net Debt Reduction



Improvement in Debt Mix



Liquidity Maintained



- ❖ Free Cash Flow generation led by effective Working Capital Management & Cost Optimization
- ❖ Improved debt structure through effective refinancing with 3-10 year maturities long term debt
- ❖ Improved net debt: equity ratio from 0.75x (Mar-20) to 0.65x (Mar-21)
- ❖ Deleveraging strategy over 6 quarters (Sep-19 – Mar-21) leading to ~ ₹ 1,000 cr debt reduction



Q2FY22 Highlights

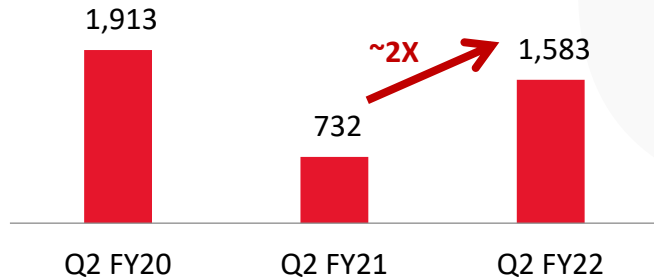
Q2FY22 Highlights: Strong profitable growth

Growth across all businesses in Q2

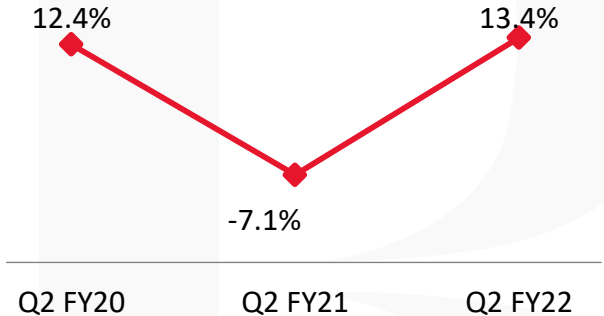


Revenue ~2x growth (YoY)

Amount (₹ Cr)

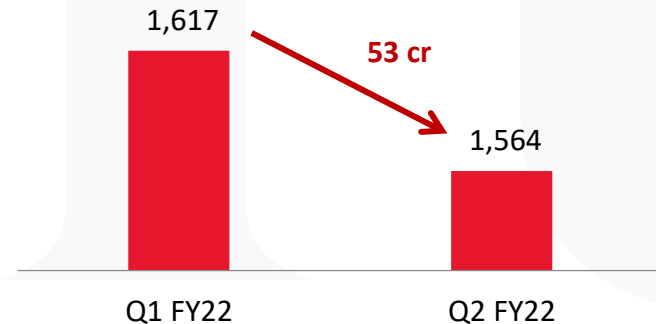


EBITDA% higher than pre-covid levels



- Strong resurgence in domestic demand in Branded Textile & Branded Apparel
- Healthy order book in Garmenting
- Highest ever sales in a quarter in T&H and Auto Components
- Momentum in bookings & fast track construction in Real Estate

FCF led Net Debt reduction (QoQ)





Current Trends - Lifestyle

Indian consumerism is back



Growing Economy

Expected growth

- 9.5% in 2021 &
- 8.5 % in 2022

Source: IMF

Rise in Wedding related Demand

- Strong Marriage season upto May-2022

Uptick in Consumer Sentiments

- Increased job security
- Cheaper financing
- Rise in spending by government

Ease of Restrictions

- >1 bn population vaccinated
- Opening of travel globally

China + 1 Strategy

- Adopted by global brands
- Conducive export environment

Product Innovation

- ❖ **Suiting:** Re-engineered Product offering to wool rich blends
 - Stretch Collection (Spanax)
 - Sustainable Collection
- ❖ **Shirting:** Collection focus on new trends and fashion
 - Casual Collection (Vibez)

New Collections



Vibez collection



Exotic Wool collection

Fashion Services



HOME ASSIST



MADE TO ORDER

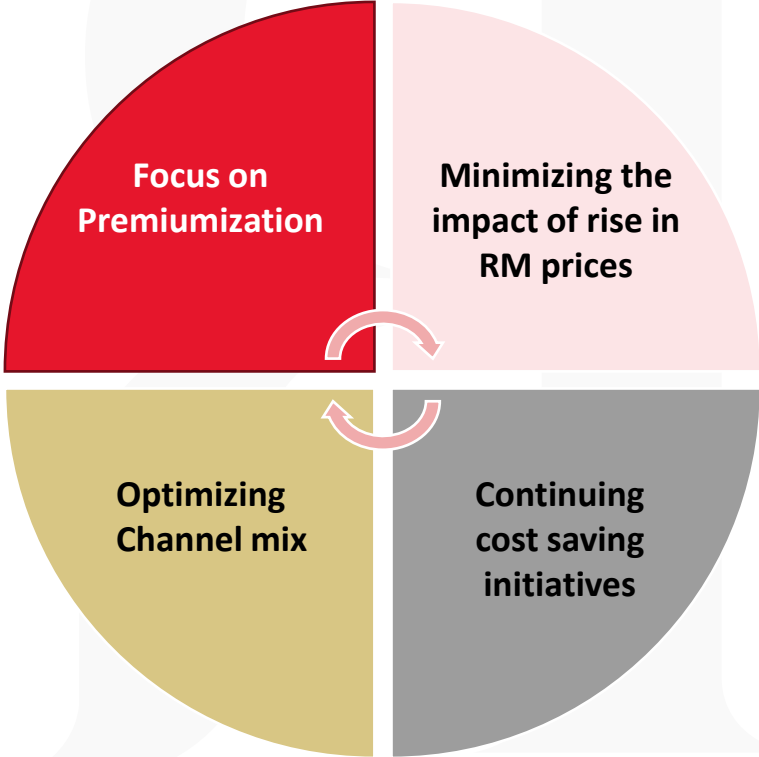


SHUBHAARAMBH



BOOK A STYLIST

Continued Focus on Improving Margins



Branded Apparel: Sustain Profitable Growth Momentum

Key Initiatives Undertaken

- Store Rationalization
- Cost Optimization
- Consolidation of backend processes
- Online Penetration



Growth Enablers

- ❖ **Widening product portfolio**
 - New launches in core portfolio
 - Increase casualization
 - Category extension through Ethnics
- ❖ **Increase online / omni share**
 - ~50% of EBO network integrated
 - Focused approach on online exclusive merchandize
- ❖ **Network expansion through Franchisee**
- ❖ **Continue backend consolidation for further efficiencies**

Focusing on Core product portfolio through New Launches



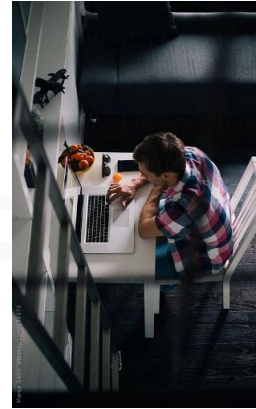
- Supima
- Luxurious Essentials
- Special Occasions
- Performance Series



Pro-Tech Shirts 3-in-1



- Protection from UV rays, Body Odor and unexpected water spills



- Wrinkle-Resistant shirts
- Stay-White Shirts
- Premium Supima – Golf Polos
- High IQ polos – No fade color
- WFH conversational printed shirts
- Techno-flex Chinos



- Knitted Denims
- Pyjama Joggers

Widening product portfolio through Casualization

New range portfolio



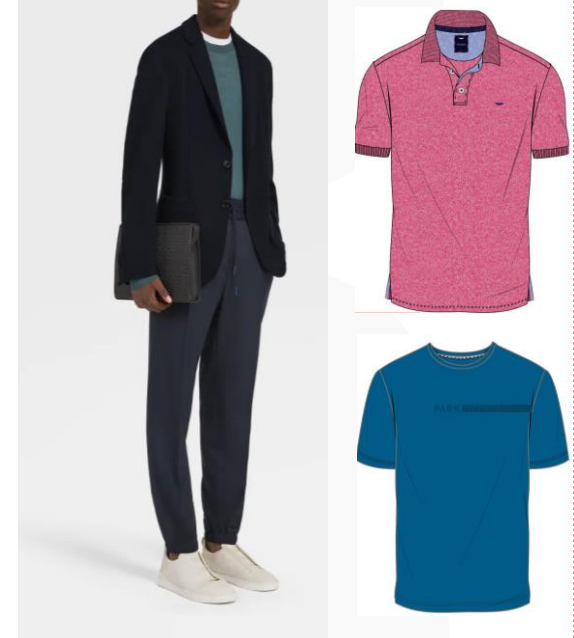
- Advanced flexi and auto fit range
- Premiumization of the Products
- Enhancing Formals range - Wrinkle Free and Creaseless

Sustainable Collection



- Sustainable fashion

Upcoming trends



- Active formal workwear in knit bases

Widen product portfolio through category extension in Ethnics



- ❖ Leverage channel strength of TRS network, LFS, selective partnering with MBO & online portals
- ❖ 2x expansion of EBO network by next year, from current 28 stores
- ❖ Optimal portfolio mix of core ethnics (wedding) & smart ethnics (Casual)

Improving margins led by



Garmenting: Continue to maintain growth momentum in Exports

Growth Enablers

- ❖ **Strong demand from US & Europe**
- ❖ **China + 1 strategy** by global brands
- ❖ **Acquiring new customers through**
 - Product innovation and adjacencies
 - Cross selling through vertical integration
- ❖ **Maintain critical supplier status for all key customers**
- ❖ **3D prototyping** and Virtual Design capabilities
- ❖ Addressing rise in demand through **efficient supply chain**

New Products



- Knit Jackets/ Bomber / Over shirt & Jogger Pants



Real Estate

Ventured into the Real Estate business in 2019

Under Implementation

- Total 10 towers with ~2.8 mn sq.ft of saleable area
- Total units planned for sale: 3,146 | **2BHK: 2,503; 1BHK: 643**

KPI's (Sep-21)

- ~70% of inventory launched sold: 1,555 units
- Value of bookings: ₹ 1,494 cr
- Customer collections: ₹ 754 cr

Team

- Strong Real estate team
- Senior management team with 200+ man years of experience working with leading developers

Expect overall revenue of 2,800-3,000 cr with profitability / cash flow of 750-850 cr

Significant Achievements

- Cash flow surplus operations
- First 3 towers ahead of RERA delivery schedule by ~24 months
- 25% market share in our micro market in Thane*
- Awarded on several parameters by apex industry bodies



Fastest Growing Realty Brand of the Year



Best Selling Project of the Year-Ten X Habitat



Ten X Habitat
Iconic Project Of the Year- Thane



Iconic Developer of the Year-Mumbai



Excellence in Customer information

*Source: Prop equity

Currently under implementation – Ten X Habitat

Tower No 1 - 5 – Current picture



Tower No 6 -10 – Current picture



Reference Image – Central Amenities



Reference Image – Building Elevation

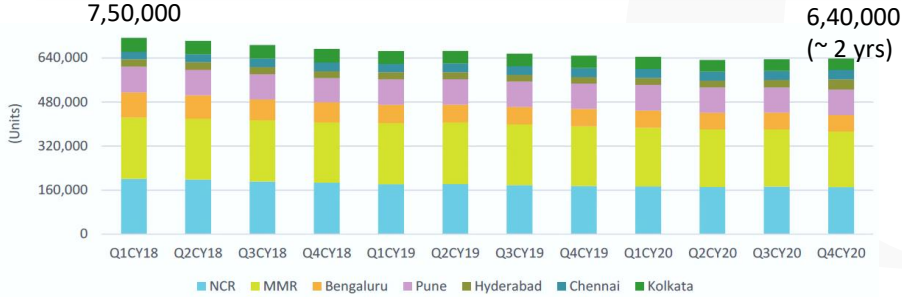


Key Contributing Factors



Market Environment – Long Term Trends

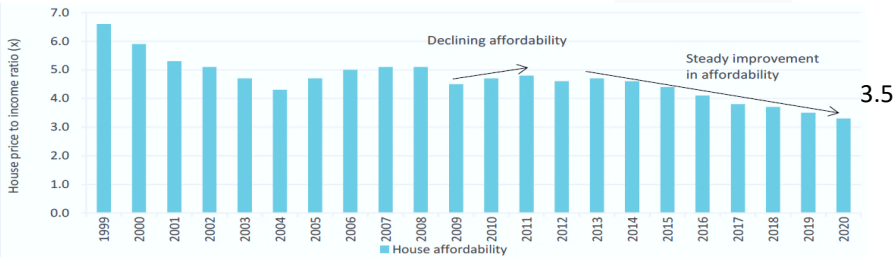
Unsold Inventory at it's lowest – Low supply side pressure



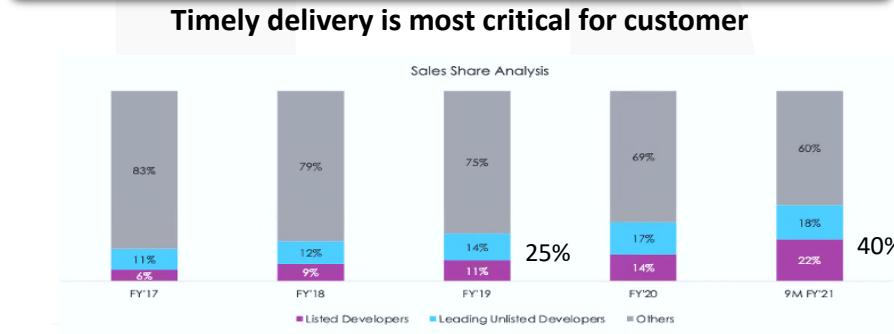
Home loan rate lowest in 2 decades – Favourable for demand



Affordability highest in last 2 decades - Favourable for demand



Share of organized developers nearly doubled



Source: Industry, Edelweiss reports

Future Development - Upcoming Launches



Premium Project

**West one Park
~3 acre of housing
development**



Foraying into

**Commercial Development
(1 mn sq. ft) over ~4.5 acres
land at Thane**

Key Drivers

Raymond Brand

Strong recall, positive consumer experience in realty

Sectoral Tailwind

Cyclical uptick with macro factors aligning



Skill Set

Experienced team with proven track record

Scalable Business Model

Growth through JD, focused geography

Expansion



2021

Expansion Plan

- More offerings in Thane
- Expansion through JD route
- Evaluating several proposals
- Initial focus is on MMR region
- Potential revenue of ₹ 1,000+ cr from each project

Market share

Capture significant market share in next five years across MMR



2026



Tools & Hardware

Domestic Market:

- Pickup in manufacturing & construction sectors
- Increasing orders from government
- Expect uptick in demand from agro sector post good monsoon

Export Market:

- Improvement in secondary sales in Africa & Asia
- New order inflows expected from Q4



Auto Components

Domestic Market:

- Progressive recovery in CV led by construction & infrastructure activities
- Expect rebound in PV in Q4 with increase in availability of Semiconductors

Export Market:

- Positive sentiments - opening of markets
- Strong order book for Bearing & Flexplate

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Business Consolidation

Update on Strategic Initiatives

**Consolidation of
Engineering business**



Synergy in:

- Business Development
- RM Sourcing & Logistics
- Overall Administrative processes



Done

**Subsidiarisation of
Real Estate business**



Leads to:

- Differentiated Focus
- Ability to seek growth capital



In Process

**Consolidation of B2C business
incl. Apparel into Raymond Ltd**



Synergy in:

- Design & Innovation
- Sourcing
- Operational Efficiency



Scheme filed with NCLT

- **Expect to achieve pre-covid levels of revenue in H2FY22**
- **On track to achieve cost rationalization of ₹ 300 cr in FY22 as compared to FY20**
- **Aim to become a net debt free company in next 3 years**

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Questions and Answers

