

Embarking on Transformational Journey

Nov 2019



“For over three years now, we have been relentless in building the organization that is future ready and our efforts have been unwavering during this transformational journey despite multiple challenges. As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core Lifestyle Business is an affirmative step towards that direction and this will simplify the Group structure. We remain resolute to take right steps to enhance value creation for our shareholders.”

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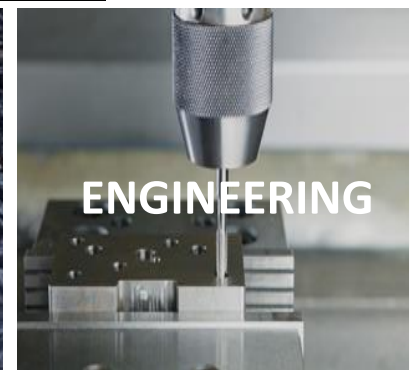
9 Major Transformation & Value
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39 The Journey Ahead – Raymond Group

Raymond Group: Introduction



A diversified group with interests in Textile & Apparel sectors as well as presence across diverse segments such as Real Estate, FMCG, Engineering in national and international markets



Raymond: A Group with Strong Leadership Position



No 1 player in worsted suiting fabrics in India

One of the world's largest manufacturer of worsted suiting fabric



5th largest Suit manufacturer in the World

3rd largest player in Menswear segment with 4 power brands



1st organised retailer in India

One of the **largest exclusive retail network** in Branded Lifestyle space



Manufacturer of **world's finest fabric**

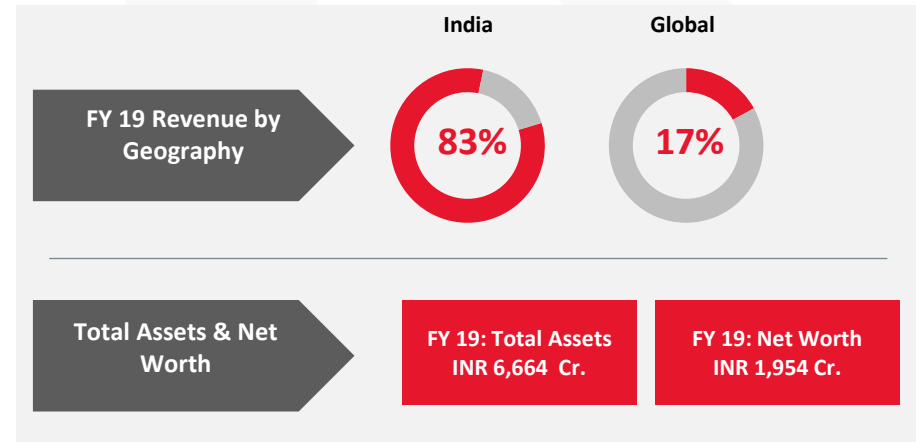
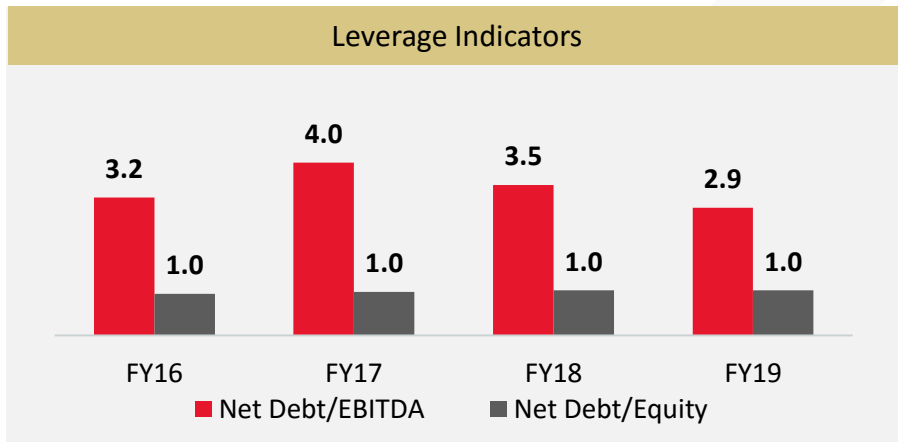
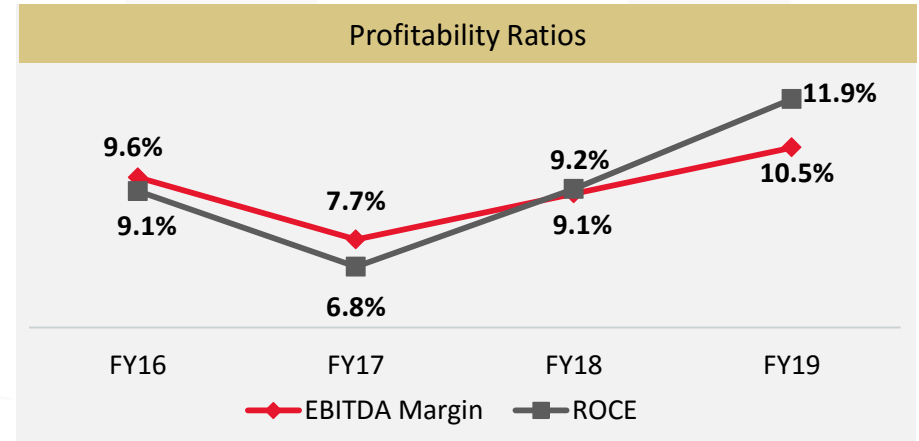
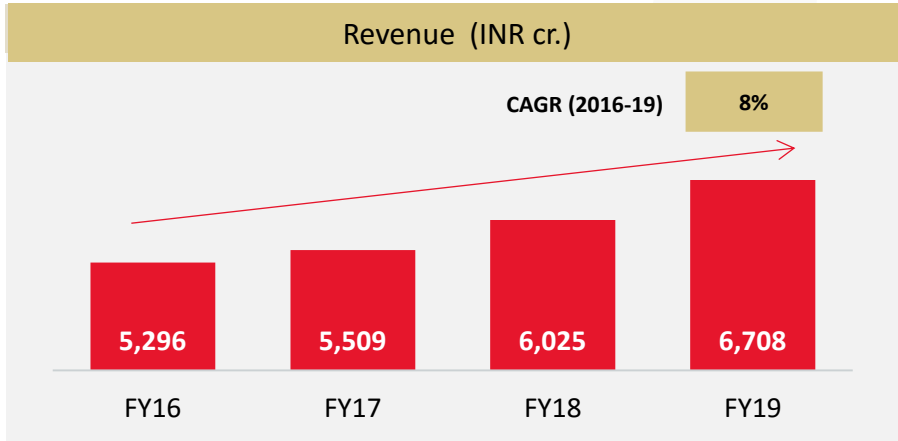
Only Indian manufacturer to craft full canvas premium jackets



Near **100%** consumer awareness

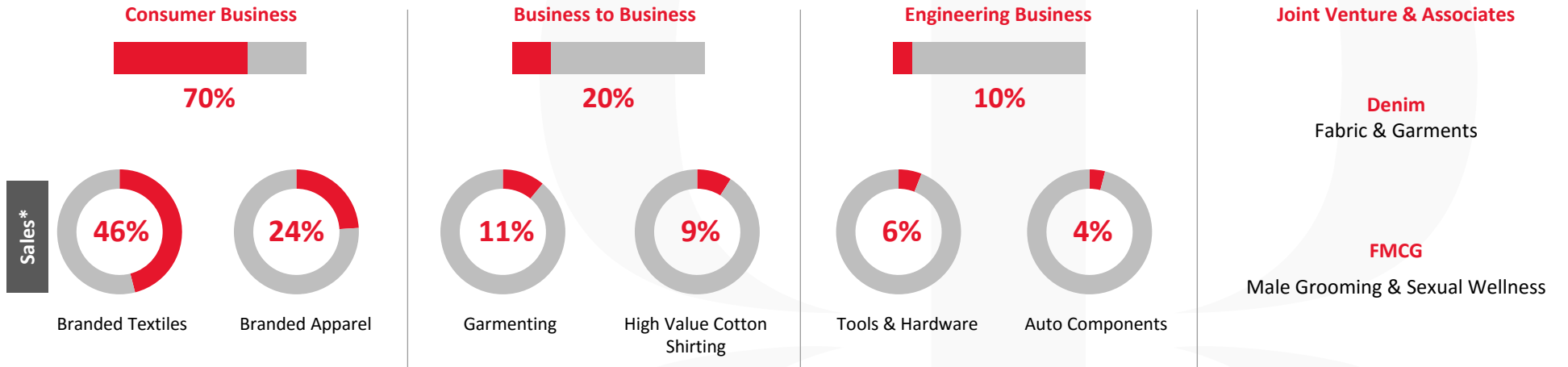
Among the **Most Trusted brands** in India

Consolidated Financial Overview

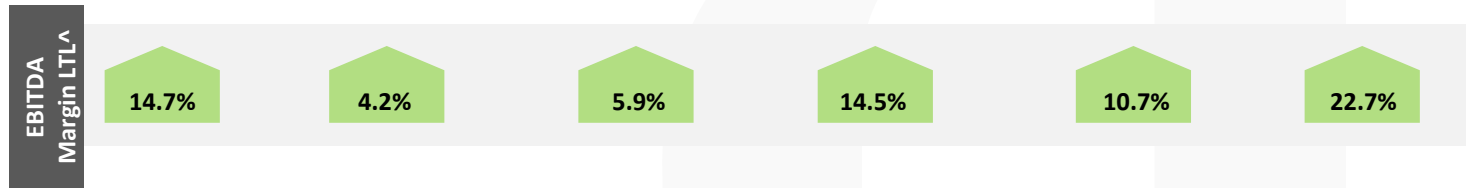


ROCE is excluding real estate project

Business Overview: FY19 Sales Contribution & Margins



*gross of elimination



Brands						New Customer Segments					
											

^ EBITDA Margin LTL: Like to Like EBITDA margin excluding common cost allocation for comparable basis

Company entered into contracts with group companies for allocation of common costs from Q1 FY19, resulting in allocation to its group companies / business segments. The impact on net profit of the group is insignificant

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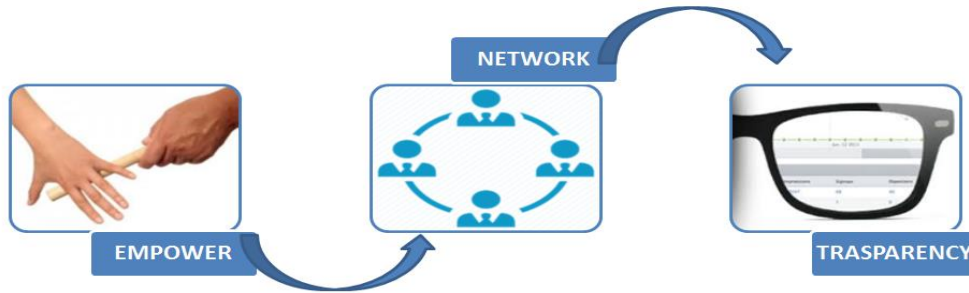
39 The Journey Ahead – Raymond Group

Major Transformation Undertaken

- ▶ **Governance leading the transformation agenda**
- ▶ **Professionalizing Raymond**
- ▶ **Successful Transformation Initiatives**

Governance - leading the transformation agenda

Governance Structure



Professional Management in place

Strong Advisory Council to advise on strategic decisions

Strong independent Boards in subsidiary companies – Raymond Apparel Limited & JK Helene Curtis

Raymond Group Leadership Team



Gautam Hari Singhania
CMD, Raymond Ltd



Nirvik Singh
Non Executive Chairman
Raymond Apparel Limited
Current – COO of Grey Group



Rajeev Bakshi
Non Executive Chairman
JK Helene Curtis Limited
Ex – Metro, Pepsi and Cadbury



Ravi Uppal
Non Executive Chairman
Ring Plus Aqua Limited and
JK Files Limited
Current – CMD - Steel Infra
Solutions P. Ltd.

Management Team



Sanjay Bahl
Group CFO
Ex- Landmark, HUL



Sanjay Behl
CEO-Lifestyle
Ex- Rcom, HUL



Vipin Agarwal
President –
Corporate
Ex – Deepak Fertilizers,
Jindal Stainless Steel



S L Pokharna
President –
Commercial
36 years of
experience



K A Narayan
President –
Human Resources
Ex- Wockhardt



Sudhanshu Pokhriyal
President - Textiles
Ex- Asian paints,
Coca-Cola



Gaurav Mahajan
President - Group Apparel
Ex - Trent



Ashish Grover
VP - International
Business and
Garmenting
Ex- Niryat Sam



Ganesh Kumar
CEO - Tools & hardware
Ex- Arysta Life, Mosiac



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



Arvind Mathur
CEO - Denim
Ex- Coats Plc

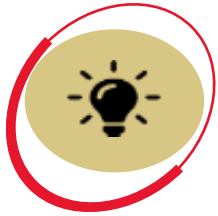


Giriraj Bagri
CEO - FMCG
Ex- ITC, Colgate



K Mukund Raj
CEO - Realty
Ex- L&T, Reliance

Undertaken Successful Transformation Initiatives



Innovate & Sustain

Textile – **The Core Business**

- ▶ Product innovations
- ▶ Service innovations
- ▶ Market & Category expansion
- ▶ Channel penetration
- ▶ **Sustain the margins**



Invest & Grow

Apparel – **The Growth Engine**

- ▶ Asset light network expansion
- ▶ Stabilize Brand investments
- ▶ Retail experience – store of the future
- ▶ Omnichannel penetration
- ▶ **Full wardrobe & services solution**



Turnaround Businesses

- ▶ Engineering – **Turnaround in progress** of T&H business
- ▶ **Sustain profitable growth** in Auto business
- ▶ **FMCG Business Integration** – **Increasing synergies** between Raymond Consumer Care (erstwhile JK Ansell) and JK Helene Curtis



Strategy Initiatives Underway



Real Estate Development

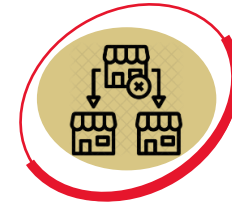
- ▶ ~20 acres land being developed as a residential project
- ▶ 650+ flats booked within 7 months of launch
- ▶ **Project cash flow - Positive on year on year basis**



Deleverage

- ▶ Agreement to Sell (ATS) ~20 acres of land of JKIT (an Associate) to Virtuous Retail
- ▶ **Net sale proceeds to be utilized for reducing debt of Raymond Ltd**

In progress



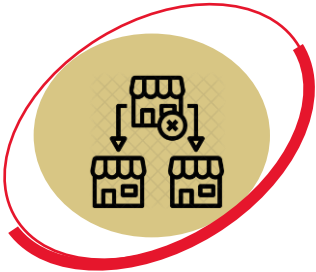
Demerger

- ▶ **Core Lifestyle business to be listed as a separate entity**
- ▶ Value unlocking strategy

In progress

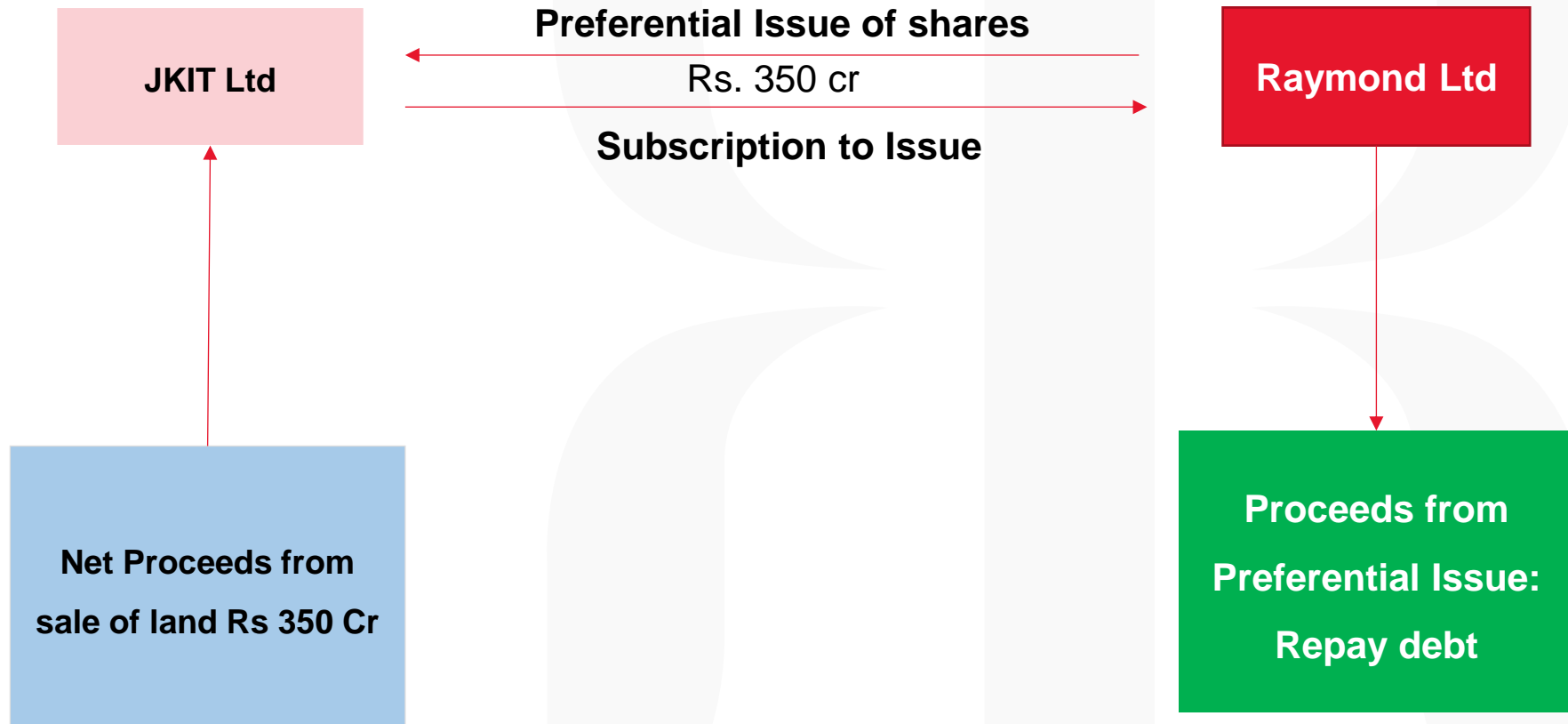


✓ **Deleveraging Initiative – Land Sale**



✓ **De-merger**

Deleveraging Initiative – Land Sale Proceeds



Preferential Issue – Transaction Highlights

Preferential Issue of Equity Shares and CCPS

- Preferential Issue through combination of equity shares and Compulsorily Convertible Preference Shares (CCPS) cumulatively amounting to Rs. 350 Crs by Raymond Ltd to J. K. Investo Trade (India) Ltd (JKIT)
- Net proceeds will be utilized to deleverage the balance sheet and reduce debt

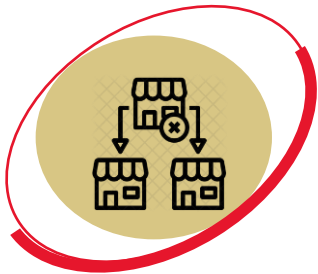
Particulars	
Issue Size	<ul style="list-style-type: none"> • Rs. 225 crs through issue of 33,38,278 equity shares • Rs. 125 crs through issue of 18,54,599 Compulsorily Convertible 0.01% Preference Shares (conversion ratio 1:1)
Issue Price	<ul style="list-style-type: none"> • Equity Shares and CCPS to be issued at Rs.674 per share
Use of Proceeds	<ul style="list-style-type: none"> • Repayment of debt
Subscriber	<ul style="list-style-type: none"> • J. K. Investo Trade (India) Limited
Timelines	<ul style="list-style-type: none"> • Allotment shall be completed within a period of 15 days from the date of shareholder approval resolution

Particulars	Pre-Preferential Allotment		Post Preferential Allotment	
	As on Sept 30, 2019		Post equity allotment & CCPS Conversion#	
	Shares (cr)	%	Shares (cr)	%
Promoter Group	2.69	43.83%	3.21	48.21%
Public	3.45	56.17%	3.45	51.79%
Total	6.14	100.00%	6.66	100.00%

#The shareholding post exercise of Preference Shares as shown above is calculated assuming full conversion of Preference Shares and consequent allotment of the Equity Shares of the Company


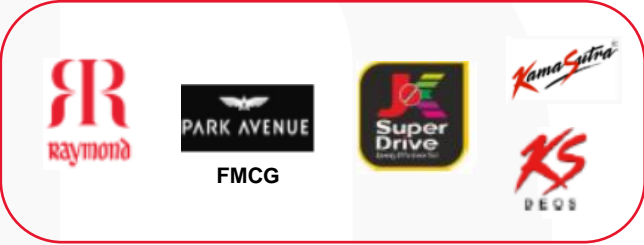


✓ **Deleveraging Initiative – Land Sale Proceeds**



✓ **Demerger**

Snapshot of Demerged Businesses

	Lifestyle Company – Branded Consumer Company	Existing Company – Predominantly a Real Estate Company
Businesses	<ul style="list-style-type: none"> ➤ Branded Textile ➤ Branded Apparel ➤ Garmenting 	<ul style="list-style-type: none"> ➤ Real Estate ➤ High Value Cotton Shirting ➤ Tools & Hardware ➤ Auto Components ➤ FMCG (Associate Co) ➤ Denim (JV Co)
Brands		
Financials (FY19)*	<ul style="list-style-type: none"> ➤ Revenue – Rs 5,284 Cr ➤ EBITDA – Rs 601 Cr ➤ EBITDA Margin – 11.4% 	<ul style="list-style-type: none"> ➤ Revenue – Rs 1,549 Cr ➤ EBITDA – Rs 101 Cr ➤ EBITDA Margin – 6.5%

*Notes: 1. Pro forma unaudited

Rationale for Restructuring



Proposed Restructuring a Means to Transform the Raymond Group

Strategic

- ✓ Positioning Lifestyle as an independent branded consumer business
- ✓ Independent existence of sustainable and pure play businesses
- ✓ Focused investor opportunities and better access to capital

Operational

- ✓ Simplification of group structure
- ✓ Creating operational efficiencies through demerger
- ✓ Resulting companies to each have focused strategy and specialization for sustainable growth and profitability

Financial

- ✓ Unlock shareholder value
- ✓ Focused Investor Opportunities – choice to investors

Strong potential to create value

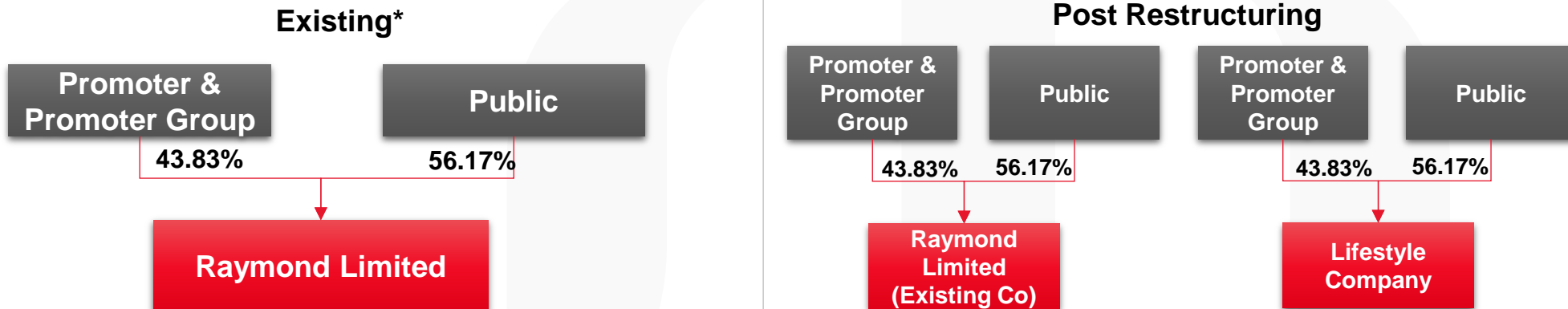
Transaction Overview

Composite Scheme of Arrangement and Amalgamation

Key Highlights:

- Lifestyle Business would be demerged into a New Lifestyle Company
- New Lifestyle Company would issue shares to the shareholders of Raymond Ltd (in the ratio 1:1) as consideration for the demerger (New Lifestyle Co shares would then be listed)
- New Lifestyle Co shareholding would mirror to shareholding of existing Raymond Limited

Issuance of New Shares – Ratio 1:1



* As on 30th Sep, 2019

Note: Above shareholding does not take into account change in shareholding post preferential issue

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Lifestyle Business Well Poised for Value Creation



Market Conditions

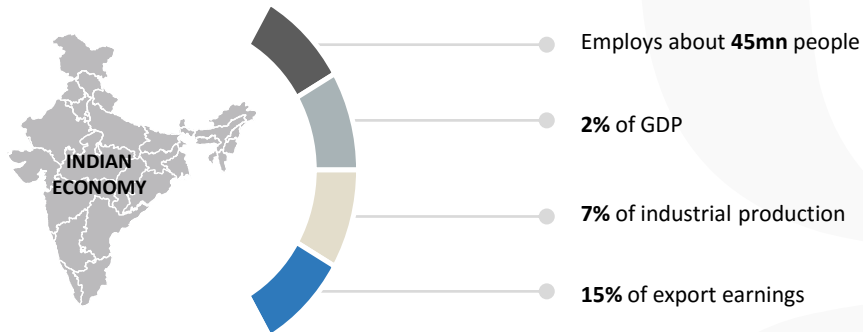
- ✓ **Favourable macroeconomic indicators**
- ✓ **Continued conviction in India's consumer growth story**
- ✓ **Growing preference for quality branded products**

Lifestyle Business – Core Proposition

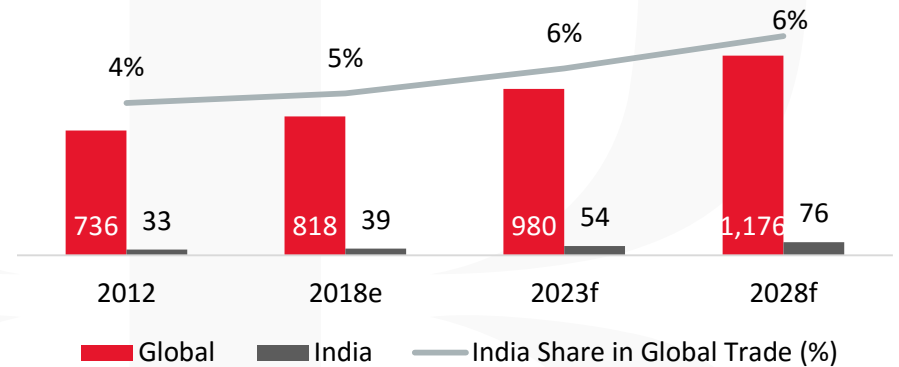
- ✓ **Raymond among India's most trusted brands with near 100% consumer awareness**
- ✓ **Lifestyle business has reached the right size to grow and consolidate market position**
- ✓ **Three pronged portfolio of textile, apparel and garmenting ideally suited to cater to the industry**

Textile Market: Overview & Opportunity

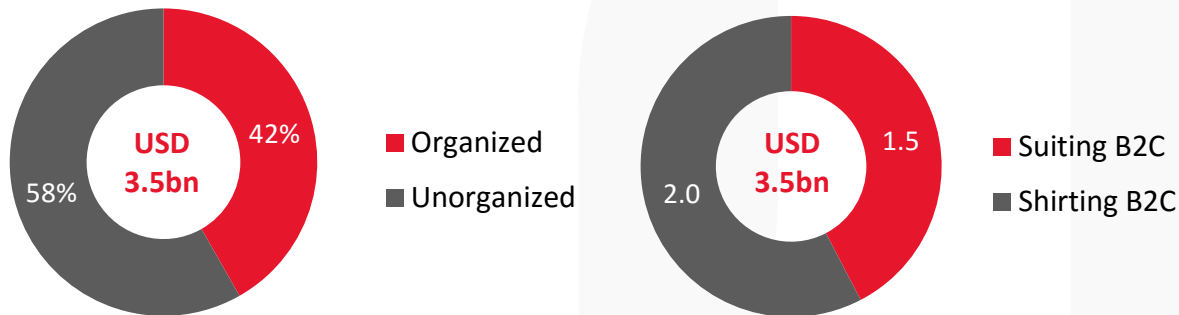
Textile Market in India – Major Role in Indian Economy



India's Share in Global Textile & Apparel Exports (USD bn)



Domestic Menswear Fabric Market

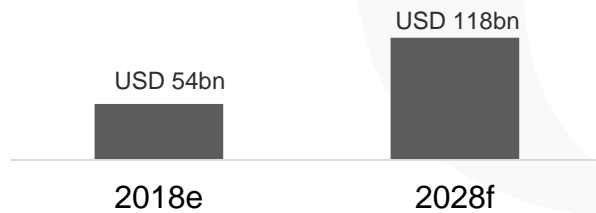


\$ 3.5bn B2C market expected to grow at mid-single digits

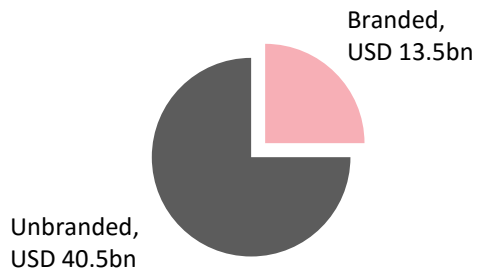
Source: Technopak, IBEF & Company estimates
 *Note: Menswear market size considered at retail price
 USD/INR as on 31st Mar'19 – 69.17

Apparel Market: Overview & Opportunity

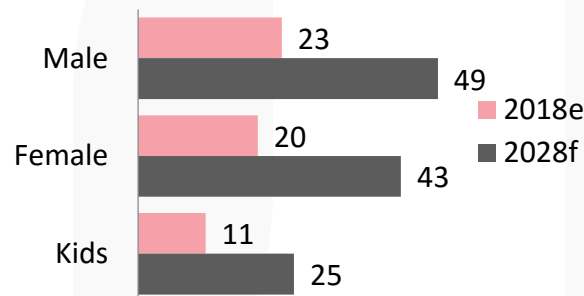
8.1% Is the expected CAGR of the **Indian apparel market** between 2018 and 2028



25% of total apparel market is branded

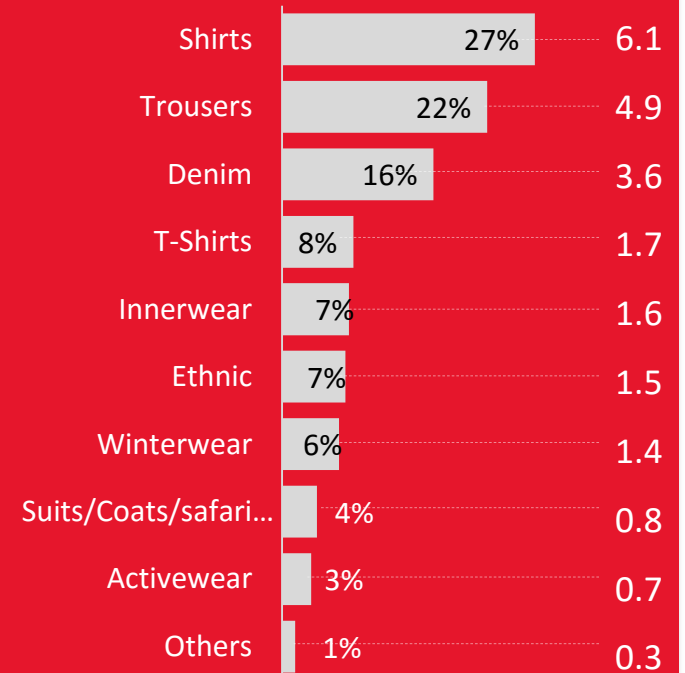


44% of total apparel market is **menswear**



figures in USD bn

Menswear India – USD 23 bn market dominated by Shirting & Trousers

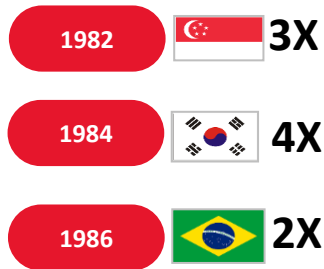


Opportunities in the Textile & Apparel Market: Increasing income and consumer spend



Per Capita Income \$2,000 - Inflection point for exponential growth in fashion industry...

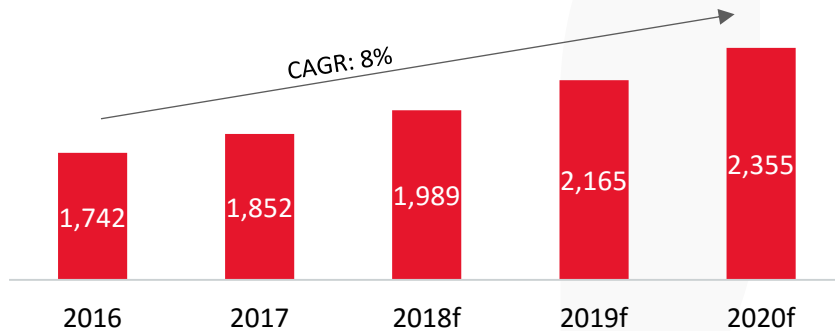
Revenue growth rate over a decade post reaching inflection point



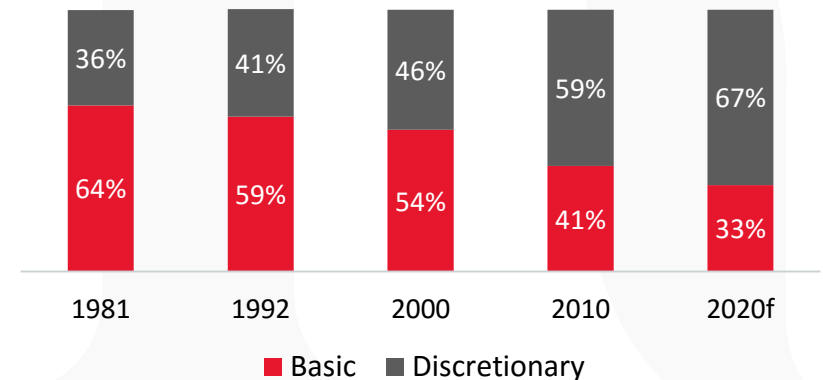
India's Per Capita Income to reach inflection point of \$ 2000 in FY 19

...coupled with high growth in consumption

Per Capita Income in India



Increasing share of discretionary spends in India



Key Growth Drivers: Consumer demand well supported by factors driving the supply



Key Demand Drivers



Industry Initiatives



Higher Disposable Income



Favorable demographics coupled with aspiration based purchasing



Growing Urbanization



Shift from unorganized to organized
- GST Implementation



World class Shopping Experience



Convenience shopping led by e-commerce



Customisation & Personalisation



Deeper market Penetration

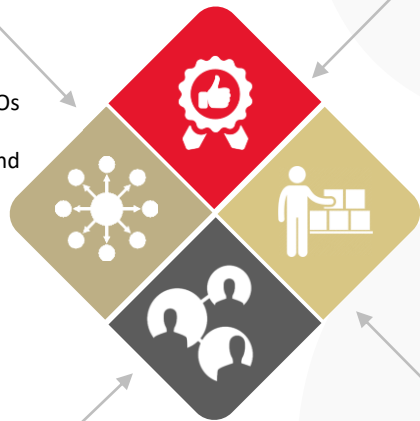
Branded Textile



#1 in Worsteds Suiting, Branded Shirting and Made to Measure (MTM) categories

Distribution strength

- ▶ ~20,000 POS across 600+ cities and towns
- ▶ 185+ wholesalers, 1350+ MBOs and exclusive Raymond retail network of 1040 The Raymond Shop (TRS) across Tier I – VI towns
- ▶ Strong channel partner relationship lasting more than 50 yrs



Product & Service Quality / Innovation

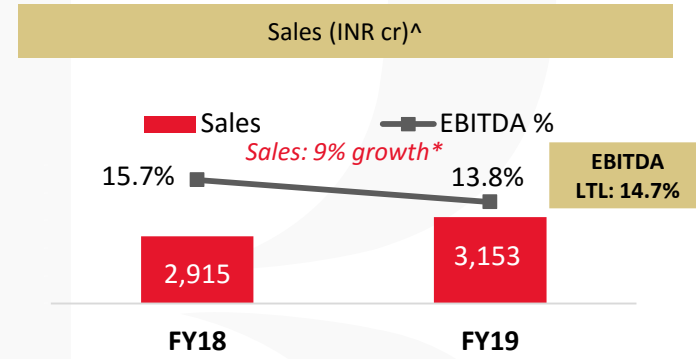
- ▶ **Manufacturer of world’s finest fabric: Super 250s**
- ▶ Launched advanced fabrics like ‘Technosmart’ and ‘Technostretch’
- ▶ Unique Tailoring Propositions:
 - ▶ Custom Tailoring
 - ▶ Made to Measure (MTM)
 - ▶ Online Tailoring

Wide product portfolio across extensive price points

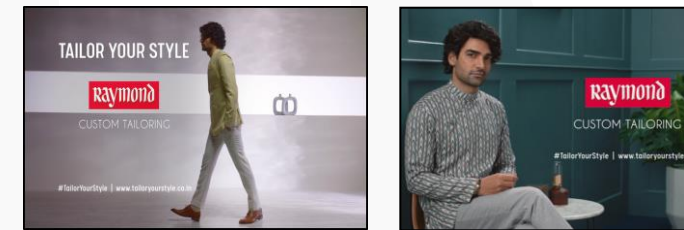
- ▶ **20,000+ SKU ranges**
- ▶ **Extensive price ranges** – (~ Rs.300 per meter to ~ Rs.3,00,000 per meter)

Brand awareness

- ▶ Amongst the most preferred brands
- ▶ **Near 100% consumer awareness in India**



Product/Service Innovations & Extensions to drive growth



*exc. GST impact

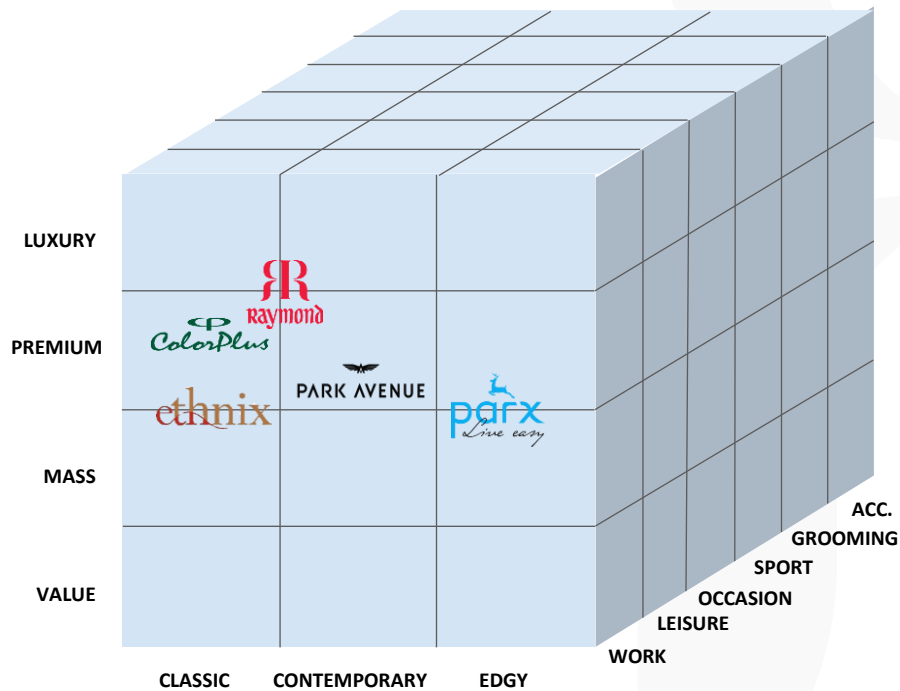
^ Numbers shown for existing segment of Raymond consolidated

Branded Apparel



Third largest player in men's apparel with **4 power brands**

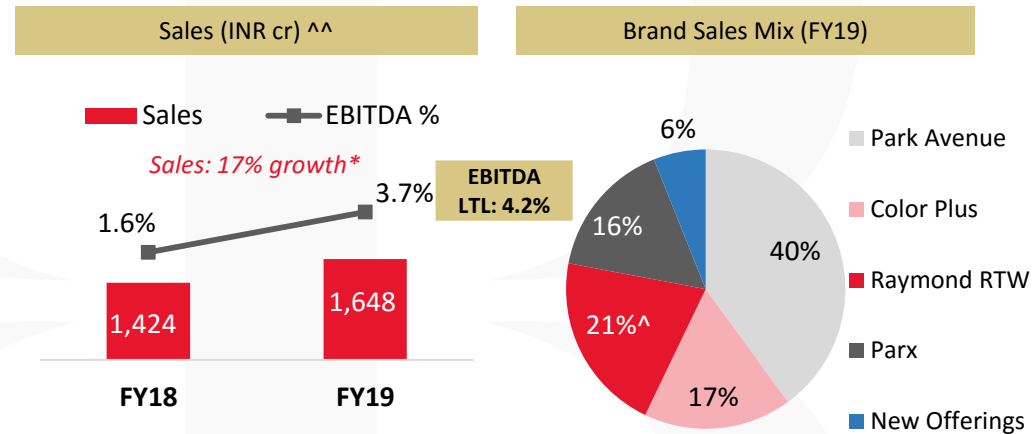
Offerings across spectrum of consumer preferences



*exc. GST impact

^includes institutional sales of ₹68 cr

^Numbers shown for existing segment of Raymond consolidated



Continued focus on **strengthening brand** & core proposition as a **wardrobe solution provider**

- ▶ Cutting edge digital experience through "Store of Future"
- ▶ Building Omni Channel capabilities
- ▶ Strong channel network: network:1,501 exclusive retail outlets (including 378 EBO's, 5200+ MBOs, 1330+ LFS, online portals and the TRS Network)

4 power brands

- ▶ Product Extension
 - ethnix
 - next look
 - THE STORY RE-SPUN. (Raymond RTW)
- ▶ Building Women wear portfolio through Park Avenue and Parx

Garmenting



B2B Business Segment Offering White Label-integrated Solutions

HIGHLIGHTS

- ▶ 5th largest Suit manufacturer in the World*
- ▶ 80% + exports driven
- ▶ Jackets, trousers & shirts - Existing capacity ~9.8 mn pieces
- ▶ Strengthening manufacturing capabilities – Commenced operations of Ethiopia plant with 2.4 mn pcs capacity
- ▶ Some of the customers serviced by garmenting in FY2019

JCPenney

EXPRESS

HAGGAR.
CLOTHING

CHARLES TYRWHITT
JERMYN STREET LONDON

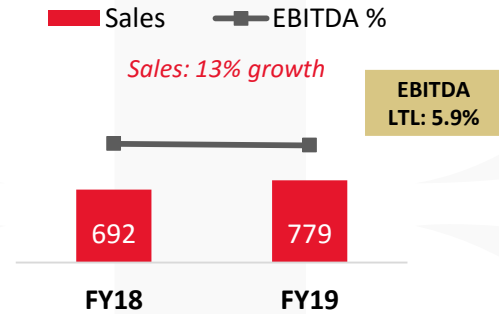
コカ

KONAKA THE FLAG

PEERLESS
CLOTHING
INTERNATIONAL

* Numbers shown for existing segment of Raymond consolidated

Sales (INR cr)*



Only Indian manufacturer with the expertise to craft full-canvas jackets



*After including Ethiopia plant capacity

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Existing Company



Key Businesses



Raymond Realty



~120 acres of land parcel @ prime location in Thane

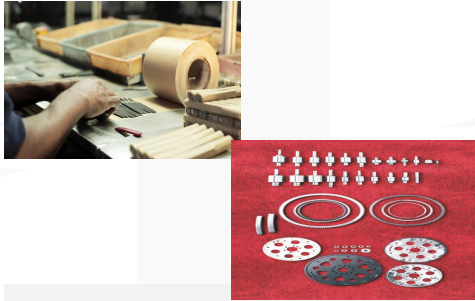
20 acres of Real Estate under Development

B2B Shirting



B2B Shirting business catering to high value cotton & linen market (RLCL)

Engineering



Auto Component Business – Turnaround completed in 2017

Tools and Hardware Business – Leading manufacturers of Steel files in the world

JV & Associates



FMCG Business Expansion (Associate companies)

Provide Denim fabric & garmenting solutions through JV (Raymond UCO Denim)



Raymond Realty: Land Bank & Current Project



~120 acres of land parcel @ prime location in Thane

- Connectivity – Eastern Expressway, Metro Line, Pokhran Rd
- Eco-system – Schools, Hospitals, and High Street shopping

Raymond's maiden venture into Real Estate Development

Overall 20 acres of residential development

Phase 1: ~14 acre of development

- Total 10 towers with ~2.8 mn sq.ft of saleable area
- Total 2BHK units available for sale: 2,800
- RERA registration received for 5 towers in Phase 1
- Total Bookings to Sep'19: 664
- Construction commenced for 4 towers



Raymond Realty: Current Project Projections

Financial Projection for overall 20 acres (Aspirational & Premium*)

Project Revenue	Rs. 4,000 – 4,200 Cr
PAT Margin	25%+
Peak funding	Rs.250 - 300 Cr

* Premium project to be launched soon

- Project cash flow - Positive on year on year basis
- Loan is expected to be repaid by F.Y. 21-22

Co-Creators



Architect
Hafeez
Contractor



cracknell





B2B Businesses: High Value Cotton Shirting & Denim



High Value Cotton Shirting (B2B)



- High value cotton and linen fabric supplier to Domestic and International brands.
- Proximity to the weaving cluster, resulting flexibility and cost advantage

FY19 Revenue*: Rs. 648 cr

FY19 EBITDA : Rs. 89 cr

Raymond UCO Denim (JV)^



- Manufactures and markets denim fabric and garments. Catering to the new-age consumer with new and innovative products.
- Caters to customers across Americas, Europe and Asia

FY19 Revenue^ : Rs. 929 cr

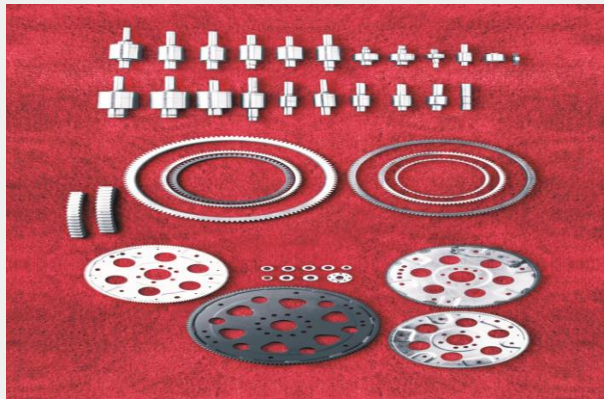
34 * FY19 financials for existing segment (100% operations & include minority interest) of Raymond consolidated

^ The JV's results are accounted for in the consolidated accounts under the equity method



B2B Businesses: Engineering

Auto Components

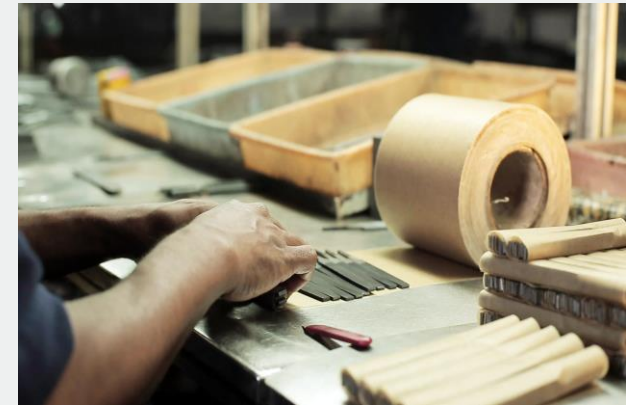


- Manufacturers of Ring gears, flex plates and water pump bearings
- Successful turnaround in FY17 with profitable growth momentum

FY19 Revenues*: Rs. 259 cr

FY19 EBITDA: Rs. 58 cr

Tools and Hardware



- Leading manufacturers of Steel files in the world
- Dominant in India along with strong distribution network in Africa, Asia and Latin America

FY19 Revenue* Rs. 401 cr

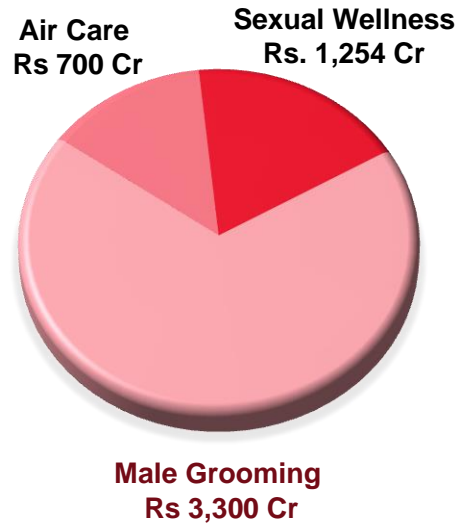
FY19 EBITDA: Rs. 43 cr

**The results shown above are for 100% operations and include minority interest*

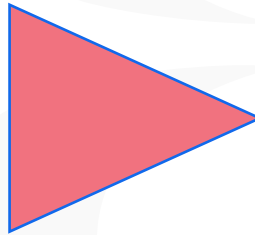
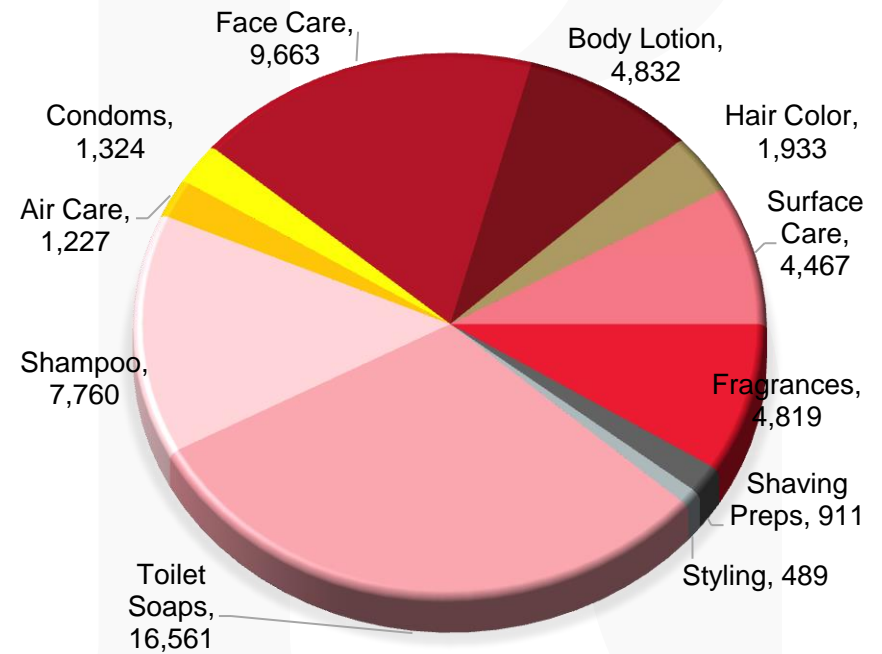


FMCG - Huge Headroom for Growth

**Current Core Categories
Size - ~5250 Cr**



**Addressable Market (FY23)
Size - ~54000 Cr**



10x

Source: Nielsen Audit Report, Euro Monitor, Industry Estimates



FMCG Business



Leading Brands in Consumer Care and Sexual Wellness

- 1 **Recognized Brands**
 - ▶ Achieved **market leadership** in Men's Deodorants (Park Avenue + KS)*
 - ▶ KS Spark Deodorant is the #1 variant across India
 - ▶ 2nd largest player in condoms in India (urban)**
 - ▶ Undertook various steps to integrate JKHC & RCC to build a unified entity
- 2 **Key Categories & Expansion**
 - ▶ Men's personal care, Home Care & Sexual Wellness
 - ▶ Launched **Luxury Perfume** collection
 - ▶ Launched **pocket perfumes, introduced premium condoms and new flavoured condoms**
- 3 **Strong distribution network**
 - ▶ Covers over **3,50,000 retail outlets including pharmacies** in India
- 4 **International expansion**
 - ▶ Focus on **increasing global footprint** of Kama Sutra & Park Avenue brands in different markets

FY19 Revenue: INR 569 cr[^] | 29% growth YoY

Categories			
Deodorants & Perfume		Talc	
	Hair Gels		Soaps
Shaving Products		Shampoo	
	Room Fresheners		Condoms & Sexual Wellness



[^] Revenue for 100% Operations of FMCG business

Market data, AC Nielsen reports - Moving Average Trend, *10 months, #12 months, Brand Trust Report
**Dec-2018

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39 The Journey Ahead – Raymond Group

The Journey ahead - Create consistent shareholder value

We are here



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