Raymond LIMITED

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Press Release
For Immediate Dissemination

Raymond posts a strong profitable growth in Q2 FY 17 -18

PAT up by 140%, EBITDA grew by 19% despite challenging environment

Revenue up by 6% on like to like basis over the previous year

Key highlights

- Consolidated Revenue for quarter up by 6% y-o-y on like to like basis excluding GST impact at Rs 1,616 Crores
- Consolidated EBITDA for quarter up by 19% y-o-y to Rs 158 Crores
- PAT for quarter up by 140% y-o-y to Rs. 60 Crores

Mumbai, October 24, 2017: Raymond Limited today announced its unaudited financial results for the quarter ended September 30, 2017.

A snapshot of the financial results:

	Consolidated Results Snapshot					
Rs in Crores	Q2 FY18	Q2 FY17	Y-o-Y %	1H FY18	1H FY17	Y-o-Y %
Net Revenue	1616	1584	2% *	2856	2673	7%
EBITDA	158	133	19%	240	196	22%
EBITDA %	*9.8%*	*8.4%*	*+139 bps*	*8.4%*	*7.3%*	*+107 bps*
PBT (before exceptions)	74	54	36%	74	35	109%
PBT %	*4.6%*	*3.4%*	*+115 bps*	*2.6%*	*1.3%*	*+127 bps*
Exceptional Item (net) #	21	-5		21	-5	
PAT	60	25	140%	53	8	527%

**Lower revenue recognition by ~4%, due to revenue booking "net of excise" post GST as against gross earlier*
 # Exceptional item (net) represents a gain of Rs. 50 crores on account of fair valuation of Transferable Development Rights received as compensation towards acquisition of land by Thane Municipal Corporation for road widening and VRS payment of Rs. 29 crores

Branded Textile Segment sales at Rs 772 Crores lower by 2% over previous year. However, on a like to like basis it was up by 2% led by 22% y-o-y growth in the shirting business driven by higher volumes in TRS and MBO trade channels while the suiting business was lower by 3% as it was impacted by the lower offtake by the wholesale channel. EBITDA margins improved at 16.4% as compared to 14.8% in the previous year largely on account of operational efficiencies.

Branded Apparel Segment sales at Rs 419 Crores were up 13% over previous year, however, on a like to like basis, the growth was 21% led by trade demand ahead of festive

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season and the extended EOSS period. Improvement in EBITDA margins by ~160 basis points versus previous year mainly due to operating leverage.

Retail Stores count as on September 30, 2017 stood at 1,142 across all formats, including 49 stores in the Middle East and SAARC region covering about 2.07 million square feet of retail space. Sales in Q2 across the exclusive network was same as previous year due to preponing of EOSS in June impacting sales in current quarter. In-line with stated asset light network expansion strategy, we opened about 75% of stores through franchise route.

Garmenting Segment sales was Rs 184 Crores, down by 1% and EBITDA at Rs 7 Crores lower by 64% over previous year mainly on account of lower realization in exports due to appreciation of rupee and change in product mix.

Luxury Cotton Shirting Fabric Segment sales grew by marginal 1% over previous year to Rs 150 Crores. On a like to like basis, the growth was 3%. The marginal growth was on account of lower offtake by the customers due to GST transition. The EBITDA grew by 16% to Rs 17 Crores over previous year on account of reduction in raw material prices and better product mix.

Tools and Hardware Segment sales was Rs. 90 Crores, up by 3% over previous year. On a like to like basis, the growth was 10% driven better realization in domestic sales and growth in exports led by volume growth in Latin America & African markets. The turnaround strategy of building operational efficiency helped in improving EBITDA Rs. 8 Crores from Rs. 3 Crores in the previous year. During the quarter, the Tools & Hardware business, as a part of already stated strategic turnaround initiative of realignment of manufacturing assets and cost optimization, has completed a Voluntary Retirement Scheme for one of the files manufacturing facilities. The offer has been accepted by all the workers at the facility and the consequent payout of Rs. 29 crores is being effected.

Auto Components Segment sales at Rs 53 Crores significantly higher by 27% over previous year. On a like to like basis, the growth was 32% driven by increase in demand from passenger and commercial vehicle segments. EBITDA at Rs. 13 Crore grew by 98% over previous year and the margin improved on account of higher realization from the exports. Overall, the business is maintaining its profitable sales momentum.

In addition to above, during the quarter, there has been a gain of Rs. 50 crores on account of fair valuation of Transferable Development Rights received as compensation towards acquisition of land by Thane Municipal Corporation for road widening.

Announcing the results, **Mr. Gautam Hari Singhania, Chairman & Managing Director, Raymond Limited** said, "We are delighted to complete the first half of the current financial year with a strong profitable growth. This performance is noteworthy as the GST implementation to the last mile impacted the market in the short term. However, this reform will see the inclusion of largely unorganized textile and apparel sectors into the formal economy. Overall, with business transformation including profitable growth in Branded Apparel in progress, we remain focused on shareholder value creation through our Raymond Reimagined transformational journey."

About Raymond

Raymond offers end-to-end solutions for fabrics and garmenting. It has some of the leading brands in its portfolio including Raymond, Park Avenue, Raymond Premium Apparel, Parx, and Color Plus amongst others. Raymond has one of the largest exclusive retail networks in the textile and fashion space in India. As a part of the diversified Group, it also has business interests in men's accessories, personal grooming & toiletries, prophylactics, files & tools and auto components.

Visit us today at www.raymond.in to witness how we cater to the needs of **'The Complete Man'**.

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