

# Raymond Limited

Q2FY22 Result Presentation

30<sup>th</sup> Sep, 2021



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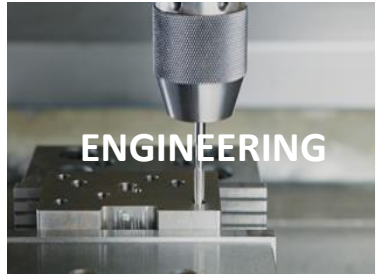
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# Company Overview

# 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



**# 1 player** in worsted suiting fabrics in India

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



Amongst **leading men's tailored suit manufacturers** in the world

**One of the leading players** in Branded Apparel menswear segment



**1<sup>st</sup>** organised retailer in India

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



Manufacturer of **world's finest fabric**

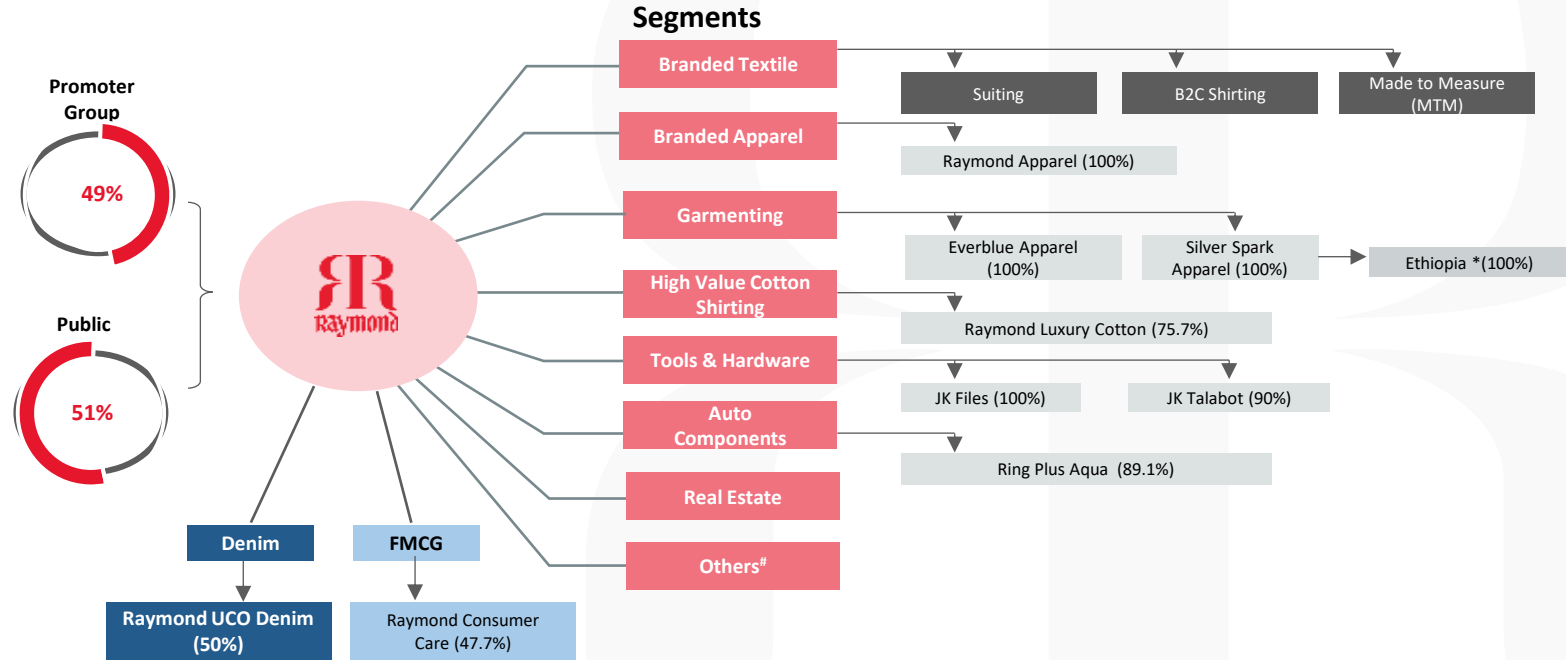
**Largest exporter** of men's suits from India



Near **100% consumer** awareness

Among the **Most Trusted brands** in India

# Raymond Group at a Glance



(1) Raymond shareholding pattern as of 30<sup>th</sup> September 2021 as per BSE

(2) Legend: ■ Division ■ Associate ■ Subsidiary ■ Business Segment ■ Joint Venture

\* Silver Spark Apparel Ethiopia Plc | #Includes Non-Scheduled Airline operations

Note: The structure includes key subsidiaries & operating businesses only

# Management Team



**S L Pokharna**  
Director - Raymond Ltd



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



**K A Narayan**  
President –  
Human Resources  
Ex- Wockhardt



**Jatin Khanna**  
Head – Corporate  
Development  
Ex- Max Financial Services Ltd



**Ganesh Kumar**  
COO – Lifestyle  
Ex- Arysta Life, Mosiac



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



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



**Harmohan Sahni**  
CEO – Reality  
Ex- ECL Finance Ltd,  
Gcorp Developers Pvt.Ltd



**Arvind Mathur**  
CEO - Denim  
Ex- Coats Plc



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



## Q2 Highlights

# Market Update

## Progressive Improvement in Consumer Sentiments during the quarter

### Domestic Market:

- **Consumer Sentiment:** Post gradual unlocking from July onwards, witnessed m-o-m improvement driven by accelerated vaccination drive & waning of 3<sup>rd</sup> wave fear
- **Trade Channel:** Gradual pickup from August onwards catering to upcoming festive demand and wedding season
- **Retail Outlets:**
  - **High Street Markets:** Higher consumer footfalls started in-line with opening up of markets from 2<sup>nd</sup> half of August
  - **Malls:** Due to slower removal of restrictions, higher footfalls witnessed from September onwards only in Retail outlets & Large Format Stores (LFS)

### Export Market:

- **US & UK:** Higher demand from customers as their existing inventory depleted
- **New Customers Acquisitions:** High demand & 'China + 1' adoption by some global brands driving customer acquisitions



# Financial Highlights

## Consolidated Results – Q2FY22

Particulars (Rs. Cr)	Q2FY22	Q1FY22	Q2FY21	H1FY22	H1FY21	QoQ		YoY	
<b>Net Revenue</b>	<b>1,583</b>	<b>862</b>	<b>732</b>	<b>2,445</b>	<b>954</b>	84%	116%		
Opex	424	347	304	771	579	22%	39%		
<b>EBITDA</b>	<b>213</b>	<b>7</b>	<b>(52)</b>	<b>220</b>	<b>(218)</b>				
<i>EBITDA margin</i>	<i>13.4%</i>	<i>0.8%</i>	<i>(7.1%)</i>	<i>9.0%</i>	<i>(22.9%)</i>				
<i>Depreciation</i>	60	61	83	121	167				
<i>Interest</i>	58	55	75	113	147				
<b>PBT before exceptions</b>	<b>95</b>	<b>(109)</b>	<b>(210)</b>	<b>(14)</b>	<b>(532)</b>				
Exceptional Items (net)	(8)	(43)	-	(51)	0				
Taxes	(29)	2	80	(28)	182				
Associate / JV / Minority	(4)	(6)	(3)	(10)	(24)				
<b>Net Profit</b>	<b>53</b>	<b>(157)</b>	<b>(133)</b>	<b>(103)</b>	<b>(375)</b>				

Note:

Exceptional Items (net):

Q2FY22 includes VRS payment of Rs. 8 Cr

Q1FY22 includes fair valuation of development rights received as non-monetary compensation towards acquisition of land by TMC, Thane for public utilities and provision for discount sharing and certain inventory write down of apparel business severely impacted due to second wave of ongoing pandemic

## Segment Results – Q2FY22

Post Ind AS 116	Revenue			EBITDA		EBITDA %	
Particulars (Rs. Cr)	Q2FY22	Q2FY21	Y-o-Y%	Q2FY22	Q2FY21	Q2FY22	Q2FY21
Branded Textile	722	230	214%	121	(6)	16.8%	(2.6%)
Branded Apparel	221	71	211%	8	(74)	3.4%	na
Garmenting	212	187	13%	22	19	10.3%	10.2%
High Value Cotton Shirting	148	33	349%	26	(11)	17.4%	na
Tools and Hardware	138	100	38%	18	15	13.4%	15.0%
Auto Component	81	49	66%	15	10	19.0%	20.4%
Real Estate	81	19	327%	17	3	20.6%	15.8%
Others #	(20)	43		(14)	(8)		
<b>Raymond Consolidated</b>	<b>1,583</b>	<b>732</b>	<b>116%</b>	<b>213</b>	<b>(52)</b>	<b>13.4%</b>	<b>(7.1%)</b>

# Others includes non scheduled airline operations, unallocated expenses, elimination and other income including rent concessions

## Segment Results – H1FY22

Post Ind AS 116 Particulars (Rs. Cr)	Revenue			EBITDA		EBITDA %	
	H1FY22	H1FY21	Y-o-Y%	H1FY22	H1FY21	H1FY22	H1FY21
Branded Textile	1,005	246	308%	100	(101)	10.0%	na
Branded Apparel	296	71	317%	(22)	(113)	(7.3%)	na
Garmenting	310	287	8%	23	13	7.3%	4.5%
High Value Cotton Shirting	249	39	540%	32	(28)	12.8%	na
Tools and Hardware	248	120	106%	31	1	12.5%	0.8%
Auto Component	151	70	116%	27	9	17.6%	12.9%
Real Estate	211	25	745%	54	2	25.8%	8.0%
Others #	(24)	98		(25)	(1)		
<b>Raymond Consolidated</b>	<b>2,445</b>	<b>954</b>	<b>156%</b>	<b>220</b>	<b>(218)</b>	<b>9.0%</b>	<b>(22.9%)</b>

# Others includes non scheduled airline operations, unallocated expenses, elimination and other income including rent concessions



## Key Focus Areas

# Key Focus Areas



## Retail Stores 2.0

## Cost Rationalization

## Liquidity Management

## Digital Imperatives

## Go to Market

- Create safe shopping experience
- Adhere safety guidelines at stores
- Contact-less payments

- Continued focused on optimizing operating expenses
- A&SP, Marketing, SG&A and Rentals

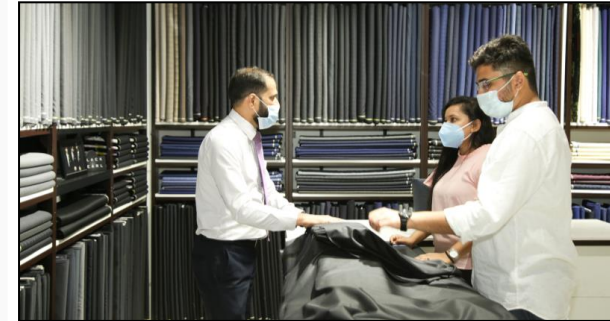
- Focus on working capital management
- Monitoring inventory levels and collection from customers

- Exclusive Merchandise for Online
- Fasten Omni Channel integration
- Inclusive planning with e-com players

- New Product & Range Development
- On time availability of new range of products



## Stores 2.0 - Safety protocol at stores



- Ensure safe & secured shopping experience for our customers
- Includes sanitisation of trial rooms on a regular basis, post trial sanitisation of all garments & contactless payments

## Cost rationalisation

Particulars (Rs Cr)	Q2FY22	Q1FY22	Q2FY21	H1 FY22	H1 FY21	(QoQ%)	(Y-o-Y %)
Employment Cost	212	194	154	406	325	9%	37%
A & SP	28	21	17	49	20	31%	64%
Others expenses	185	131	133	316	233	40%	39%
<b>Total Opex</b>	<b>424</b>	<b>347</b>	<b>304</b>	<b>771</b>	<b>579</b>	<b>22%</b>	<b>39%</b>

- Q2 opex up by 22% vs Q1, while revenue up by ~84%
- Q2 opex up by 39% vs PY, while revenue up by ~116%
- **Continued focused approach on optimizing operating expenses** resulted in controlling costs in Q2
  - Overall Increase in operating expenses primarily due to increased level of operations
  - Store rationalization in progress to make retail portfolio healthy

# Net Debt reduction while maintaining liquidity levels

- **NWC higher vs Jun-21 – Receivables increased due to higher sales in September catering to festive demand**

Particulars (Rs. Cr)	Sep'21	Jun'21	Mar'21	Sep'20	vs Jun'21	vs Mar-21	vs Sep-20
Net Working Capital	1,263	1,209	1,117	1,359	54	146	(96)

- **Cash flow positive in Q2FY22: Operating Cash Flow @ Rs. 88 cr and Free Cash Flow @ Rs.53 cr**
- Cash flow in H1 FY22: Operating Cash Flow @ Rs. (20) cr and Free Cash Flow @ Rs. (142) cr
- **Net debt reduction** by Rs. 53 Cr. vs Jun'21

Particulars (Rs. Cr)	Sep'21	Jun'21	Mar'21	Sep'20	vs Jun'21	vs Mar'21	vs Sep'20
Net Debt	1,564	1,617	1,416	1,817	(53)	148	(253)
Net Worth	2,080	2,021	2,179	2,086	59	(99)	(6)
Net Debt / Equity (X)	0.75	0.80	0.65	0.87			

- **Liquidity** position maintained around Rs. 600 - 650 Cr levels

Particulars (Rs. Cr)	Sep'21	Jun'21	Mar'21	Sep'20
Cash & Cash equivalents	643	645	660	592

# Digital Imperatives: The new norm of business

## Online Services

### Home Assist Service offerings:

- Call-back, Virtual meeting, Video calls & commerce and store appointments

### Made-To-Order (MTO)

- Customers get a 3D look with a feature of mix & match
- Available for DIY, PADIY, MTM and Denim in 45+ stores

## Fasten Omni Channel Integration

- Integrating it with our online and offline offerings to reach out and take the store to the customer
- Exclusive merchandise for online

## Strengthening 3rd party tie-up

- Strategy to work in close collaboration
- Aggressive play on e-commerce marketplaces with **over 2x options** made available online
- Expand Online catalogue
- Increase use of data analytics

## Own Website

- Revamped own website and launched: [MyRaymond.com](https://www.myraymond.com)
- A large part of EBO offerings available on-line

# Go to Market Initiatives - Fabric

## Stretch and Sustainable Collection - Suiting



The Stretch Story |

**SPANAX**



Max Comfort



Shape Retention



The Sustainable Way |

**SUSTAINOUVA GOLD**

- **'SPANAX'** combines unique solution of comfort & performance and offers two variations: Multi-directional stretch and Weft-stretch
- Sustainouva Gold, an innovative bio-degradable fabric

## Vibez Collection – B2C Shirting



- Latest collection of vibrant shirting fabrics titled **'Vibez'**
- Collection available across cotton, linen & various blends



# Go to Market Initiatives - Apparel

## 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

# Segment Financials



**Branded Textile**



## Branded Textile

Particulars (Rs. Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
Net Sales	722	230	214%	1,005	246	308%
EBITDA	121	(6)		100	(101)	
<i>EBITDA margin</i>	16.8%	(2.6%)		10.0%	-	

- **Branded Textile** segment sales reported strong growth of 214%
  - Growth driven by improvement in both primary and as secondary sales
  - **Primary Sales:** Gradual pickup from August onwards catering to upcoming festive demand and wedding season
  - **Secondary Sales:** Growth led by improvement in consumer sentiments post gradual unlocking, leading to increasing footfalls in retail outlets
- Reported healthy EBITDA margin of 16.8% mainly led by operational efficiencies

Jazz up celebrations with  
your presence.

# *The Jazz Collection*

by



**PARK AVENUE**

**Branded Apparel**



## Branded Apparel

Particulars (Rs. Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
Net Sales	221	71	211%	296	71	317%
EBITDA	8	(74)		(22)	(113)	
<i>EBITDA margin</i>	3.4%	-				

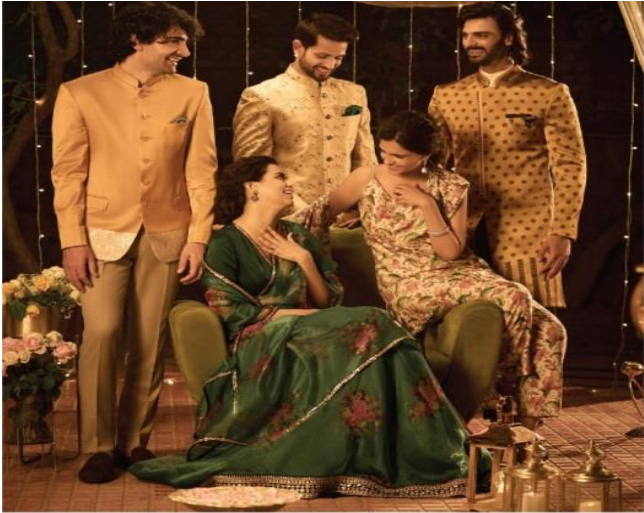
- **Branded Apparel** segment sales grew by 211%
  - Strong growth was witnessed across all channels
  - EBO and LFS channels observed higher traction with opening of the malls
  - **Online Channel:** Robust growth of 70% vs. PY
- Reported EBITDA margin of 3.4% mainly due to lower discounting and continued operational efficiencies



**Retail Network**



# Wedding and Festive Campaigns in Stores



Light up the festive moments  
with your presence

*Happy Diwali*

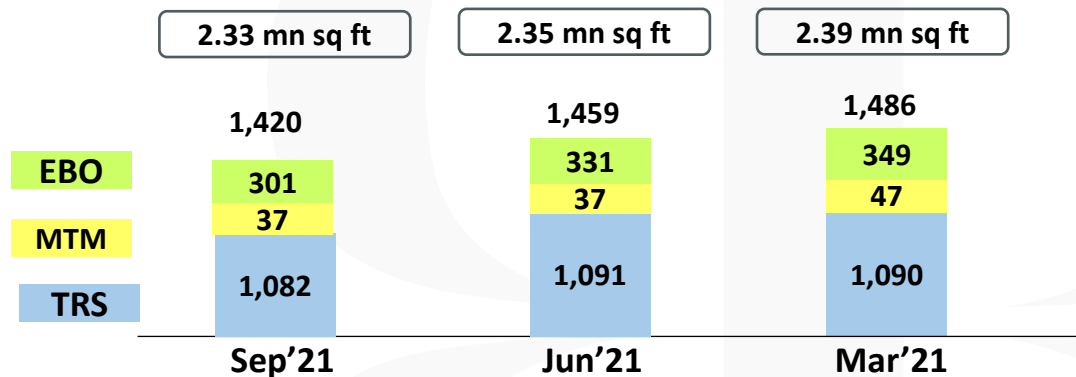


SINCE 1925

# New Collection Displays in EBOs

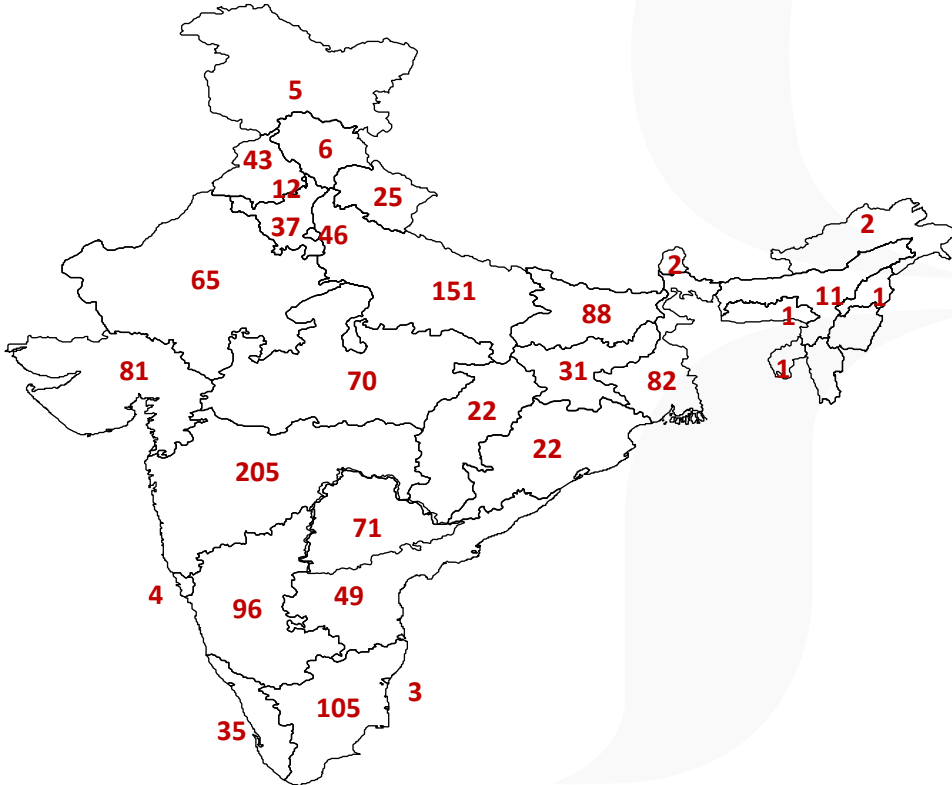


# Exclusive Retail Network



- ~100% of our retail network of 1,420 stores operational as on 30<sup>th</sup> September, 2021
- TRS witnessed 90%+ recovery on LTL basis and ~20% growth in average transaction value (ATV) vs. pre-covid levels
- Overwhelming response of Garment Exchange Program launched in our retail network:
  - ~4.4 lakh+ garments got exchanged from ~63,000 customers, 40% of them being new customers
- Store rationalisation in progress to make the retail portfolio healthy

# Strong Distribution Network



Domestic Presence – 1,372 stores

## Branded Textile

- 20,000+ points of sale across 600+ cities and towns
- 180+ Wholesalers
- 1,380+ MBOs
- Across TRS - Tier I to VI towns

## Branded Apparel

- Presence in 500+ cities & towns
- 301 EBOs
- 5,425+ MBO Counters
- 1,050+ LFS doors
- Across TRS -Tier I - VI towns

- **375 mini-TRS as on Sep'21**
- **Present in 190+ Towns**





**Garmenting**

## Garmenting

Particulars (Rs. Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
Net Sales	212	187	13%	310	287	8%
EBITDA	22	19		23	13	
<i>EBITDA margin</i>	10.3%	10.2%		7.3%	4.5%	

- **Garmenting segment** sales grew by 13%
  - Led by growth in bulk business from US & UK retail markets along with gradual opening up of Europe market
- EBITDA margin for the quarter improved to 10.3% due to better product mix



**High Value Cotton Shirting**

## High Value Cotton Shirting

Particulars (INR Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
Net Sales	148	33	349%	249	39	540%
EBITDA	26	(11)		32	(28)	
EBITDA margin	17.4%	-		12.8%	-	

- **High Value Cotton Shirting** segment sales grew by 349%, led by higher fabric sales in domestic markets and yarn sales
- EBITDA margin for the quarter at 17.4% mainly due to higher contribution from better margin yarn business

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





**Tools and Hardware**



**Auto Components**

## Tools and Hardware

Particulars (Rs. Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
<b>Net Sales</b>	<b>138</b>	<b>100</b>	<b>38%</b>	<b>248</b>	<b>120</b>	<b>106%</b>
<b>EBITDA</b>	<b>18</b>	<b>15</b>		<b>31</b>	<b>1</b>	
<i>EBITDA margin</i>	<i>13.4%</i>	<i>15.0%</i>		<i>12.5%</i>	<i>0.8%</i>	

- **Tools & Hardware segment achieved the significant milestone of highest sales in the history in a quarter**
  - Topline grew by 38% mainly driven by strong growth in LATAM markets in files category and growth in domestic sales led by cutting tools category
- Reported healthy EBITDA margin of 13.4% for the quarter despite increase in steel prices which was partly offset by improvement in product and geography mix as well as operating efficiencies

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

## Auto Components

Particulars (Rs. Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
Net Sales	81	49	66%	151	70	116%
EBITDA	15	10		27	9	
EBITDA margin	19.0%	20.4%		17.6%	12.9%	

- **Auto Components segment achieved the significant milestone of highest sales in the history in a quarter.**
  - Sales reported strong growth of 66% led by strong growth in exports mainly in US region and in domestic markets in ring gears category driven by significant increase in demand for automobiles
- Reported strong EBITDA margin for the quarter of 19.0% despite increase in raw material price which was partly offset by higher productivity and efficiencies

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



**Raymond** | REALTY  
*Go Beyond*





## Raymond's maiden venture into Real Estate

### Project

- Overall 20 acres of residential development
  - Phase 1: ~14 acre of development

### Phase 1 - Project Details

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

### Q2 Highlights

- **Maintains strong momentum in bookings with** 107 units in Q2
- **Cumulative bookings till Sep-21:** 1,555 Units
- **Growth drivers in Q2:** Lower home loan rate & fast paced construction
- **Construction linked milestone:** Paid by majority of the customers (~93%)

# Construction Update – Current Status



TOWER - 1 : Above Terrace works in progress



TOWER - 2 : Above Terrace works in progress



TOWER - 3 : Above Terrace works in progress



TOWER - 4 : 41st slab WIP



TOWER - 5 : 6th slab casting in progress



TOWER - 6 : 9th slab work in progress



TOWER - 7 : 8th slab work in progress



TOWER - 8 : 5th slab casting in progress



TOWER - 9 : Verticals above Tie beams upto Plinth in progress



TOWER - 10 : Tie beam work in progress

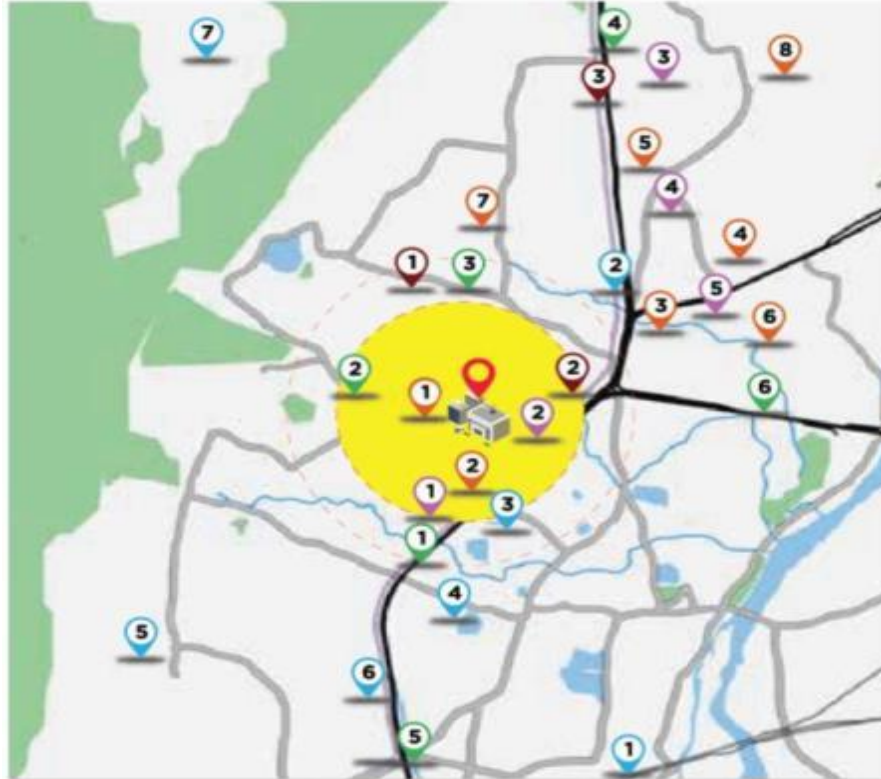
## Financial Update – KPI's

Particulars	FY21	Q1FY22	Q2FY22	Till Sep'21
<b>Bookings:</b>				
No of Bookings	455	61	107	1,555
Area (Mn. Sq. ft.)	0.38	0.06	0.09	1.33
Value of Bookings (Rs. Cr.)	399	62	108	1,494
Customer Collections (Rs. Cr.)	260	147	126	754

### P&L Snapshot

Particulars (Rs. Cr)	Q2FY22	Q2FY21	% Var.	H1FY22	H1FY21	% Var.
<b>Net Sales</b>	<b>81</b>	<b>19</b>	<b>327%</b>	<b>211</b>	<b>25</b>	<b>745%</b>
<b>EBITDA</b>	<b>17</b>	<b>3</b>		<b>54</b>	<b>2</b>	
<i>EBITDA margin</i>	<i>20.6%</i>	<i>15.8%</i>		<i>25.8%</i>	<i>8.0%</i>	

# Excellent Connectivity & Eco-system



 <b>HOSPITAL</b> <ol style="list-style-type: none"><li>1. Bethany Hospital</li><li>2. Jupiter Hospital</li><li>3. Titan Hospital</li></ol>	 <b>ROAD</b> <ol style="list-style-type: none"><li>1. Eastern Express Highway</li><li>2. Pokhran Road 1</li><li>3. Pokhran Road 2</li><li>4. Ghodbunder Road</li><li>5. Teenhath Naka</li><li>6. Mumbai - Nashik Highway</li></ol>
 <b>HIGH STREET - SHOPPING</b> <ol style="list-style-type: none"><li>1. Korum Mall</li><li>2. Viviana Mall</li><li>3. R Mall (Thane)</li><li>4. D-Mart</li><li>5. Big Bazaar</li></ol>	 <b>CONNECTIVITY</b> <ol style="list-style-type: none"><li>1. Thane Station</li><li>2. Upcoming Metro line 4</li><li>3. Cadbury Junction</li><li>4. Thane Municipal Corporation</li><li>5. Passport Seva Kendra</li><li>6. Thane RTO</li><li>7. Yeoor Hills</li></ol>
 <b>SCHOOLS</b> <ol style="list-style-type: none"><li>1. Smt. Sunitidevi Singhania School</li><li>2. Smt. Sulochanadevi Singhania School</li><li>3. C.P. Goenka International School</li><li>4. Holy Cross Convent High School</li><li>5. Holy Trinity English High School</li><li>6. Lodha World School</li><li>7. Euro Kids</li><li>8. Orchid International School</li></ol>	 <b>Legend</b> <ul style="list-style-type: none"><li>Highway</li><li>Road</li><li>Railway Line</li><li>Upcoming Metro</li><li>Water Body</li><li>Greenland / Park</li></ul>

## Co-Creators



**Architect  
Hafeez  
Contractor**

*Master Architect*



**Faquih & Associates India**  
ARCHITECTS

*Interior Designer*



**EPICONS CONSULTANTS PVT. LTD**

*Structural Consultant*

**cracknell**

*Landscape*



*Construction Contractor*



**GODREJ & BOYCE**

*Green Consultant*

# Current Status

## Current Status of Operations & Outlook

- Expect improvement in consumer sentiments to continue led by festive and wedding season in H2
- Pick-up in primary sales driven by a rise in confidence among trade channels as fear of 3<sup>rd</sup> wave is waning and secondary sales is on increasing trajectory due to resumption of offices, increase in gatherings and festivity & wedding season
- **Exports market:** With opening up of economy, there is steady growth in demand in our B2B businesses of Garmenting and Engineering businesses
- **Real Estate:**
  - Growth in consumer demand led by festive season, lower interest rates and stable employment scenario
  - Construction activity in our Real Estate business is in full swing in compliance with all the relevant guidelines
- **Liquidity:** Continued focus on liquidity management through cost reduction initiatives and NWC optimization



## Chairman & Managing Director on Q2FY22 performance



**Gautam Hari Singhania**

**Chairman and Managing Director**

*“All our businesses have performed well in the second quarter. The consumer facing businesses are witnessing strong resurgence of demand and we witnessed an uptick on a week on week basis during the quarter. With the onset of festive and wedding season, the consumer sentiment is upbeat primarily due to large scale vaccination drive across the country.*”

*With the opening up of global economy, there is an impetus on our Garmenting export business that continues to perform well with a healthy order book. Engineering businesses comprising of Tools & Hardware and Auto Components have achieved the significant milestone in terms of highest sales ever in a quarter with strong growth in exports market and well supported by sustained growth in domestic market. Our Real Estate business is on fast track with rapid construction and new bookings momentum with upcoming offerings both in residential and commercial space. With festive and wedding season buoyancy in H2 of this financial year, we are optimistic that the industry is on track for a strong revival.”*



**Thank You**

[www.raymond.in](http://www.raymond.in)

