

Raymond Limited

Q1 FY21 Result Presentation



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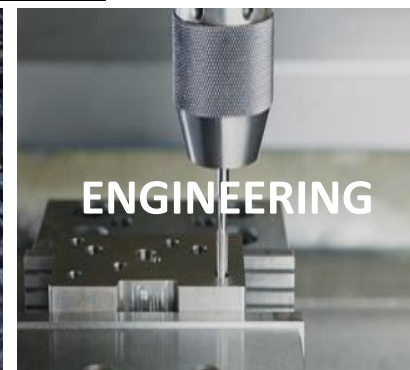
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Company Overview

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

3rd largest player in Menswear branded apparel 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**

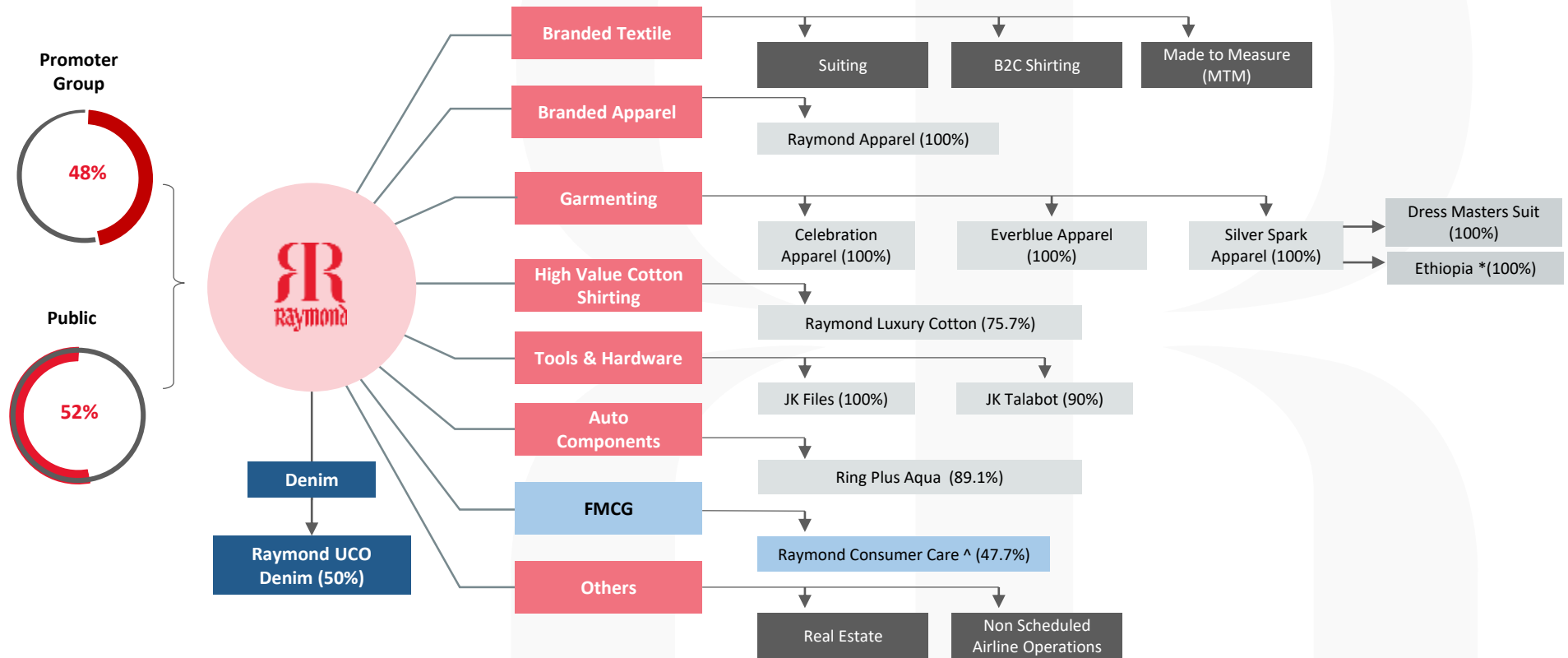
Largest exporter of full canvas suits



Near **100% consumer awareness**

Among the **Most Trusted brands** in India

Raymond Group at a Glance



(1) Raymond shareholding pattern as of 30th June 2020 per BSE

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

* Silver Spark Apparel Ethiopia Plc

^ Erstwhile JK Ansell limited

Note: The structure includes key subsidiaries & operating businesses only

Raymond Group Leadership Team led by



Gautam Hari Singhania
Chairman and Managing Director
Raymond Limited



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



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



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



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



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



Balasubramanian V
**CEO – Auto and
Tools & Hardware**
Ex- Eaton Industrial,
Bosch Chassis



Arvind Mathur
CEO - Denim
Ex- Coats Plc



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

A large, light gray watermark of the letters 'RR' is centered on the page, serving as a background for the title.

Q1 Highlights

Market Update



Q1 Impacted due to lockdown



- During Lockdown 1.0 and 2.0, retail stores remained shut
- Gradual reopening from Lockdown 3.0 onwards with easing of restrictions
- Government permitted sale of certain nonessential items (including fabric and apparel)
- Focus on offering safe shopping environment



Consumer sentiments



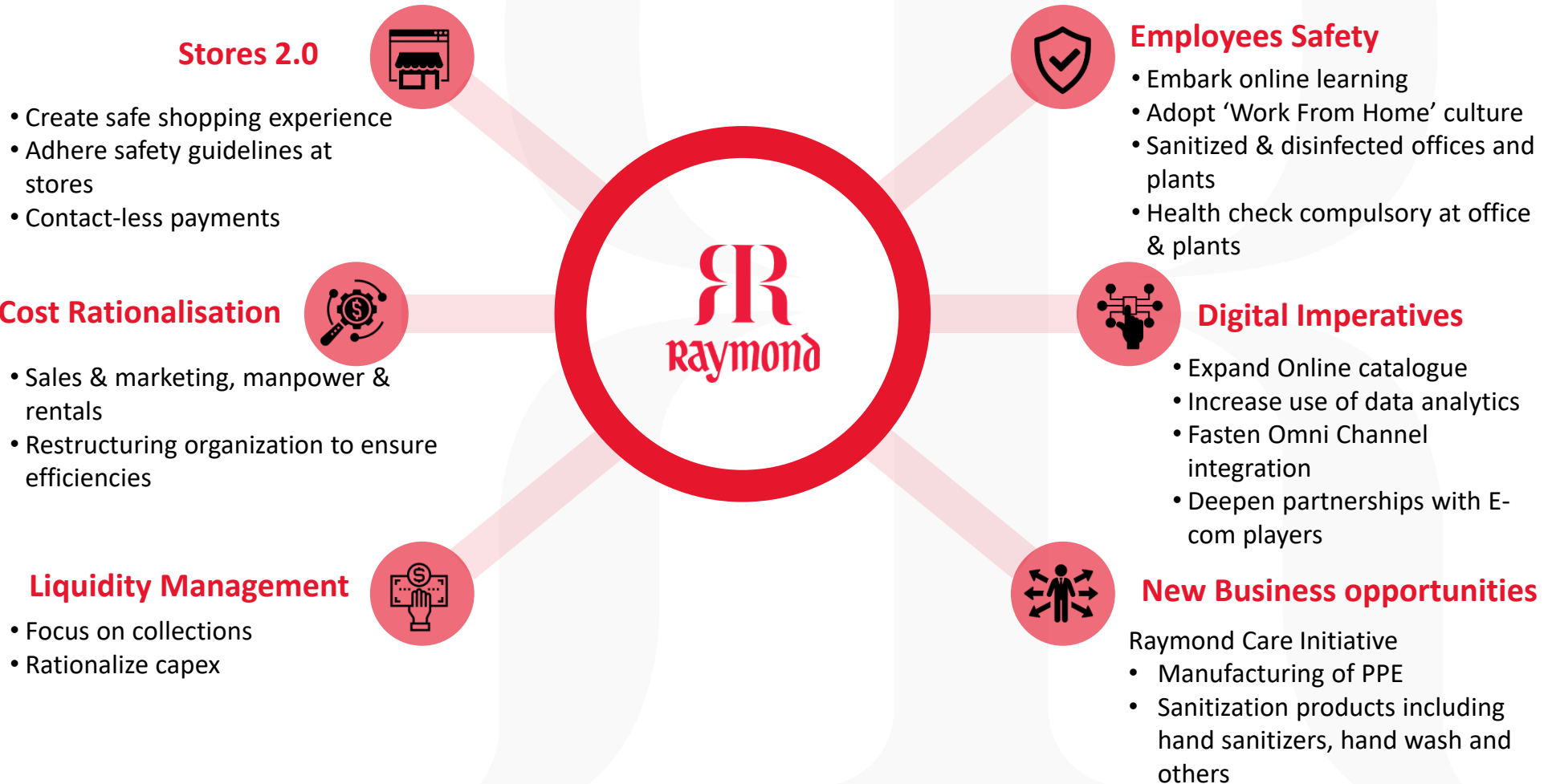
- Consumer sentiments & related spend on discretionary items on recovery from June end onwards
- Lower Tier markets (III-VI) recovery faster as compared to Metro cities & Tier I towns

Industry Trend



- Summer wedding season impacted, movement restrictions during lockdown & adoption of work from home (WFH) culture impacting traditional categories
- Innovative modes of selling including Home Shopping through tele-calling
- Strengthening of omni-channel capabilities

Q1 Highlights



Stores 2.0 – In store assurance: The new normal



- **Rigorous process of sanitization** before stores are approved to open
- **New SOPs developed** and staff trained on the guidelines



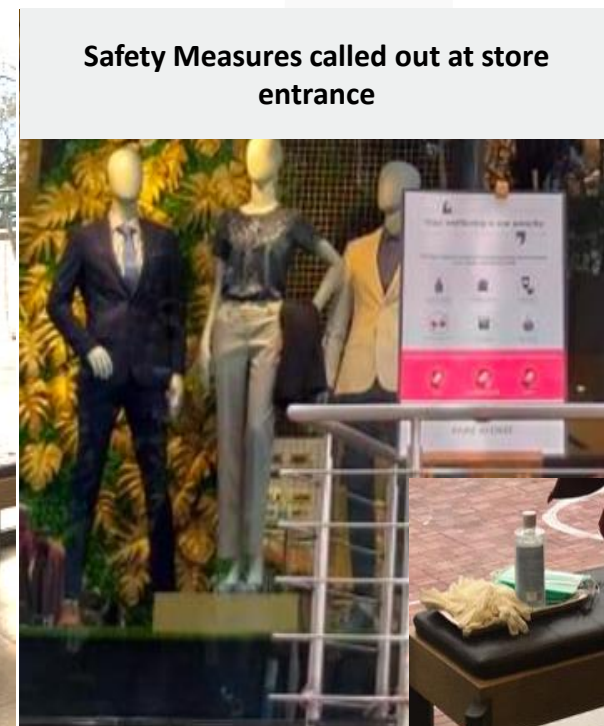
Staff in PPE Kit



Social distancing markers



Temperature check



Sanitizers, Gloves, Masks

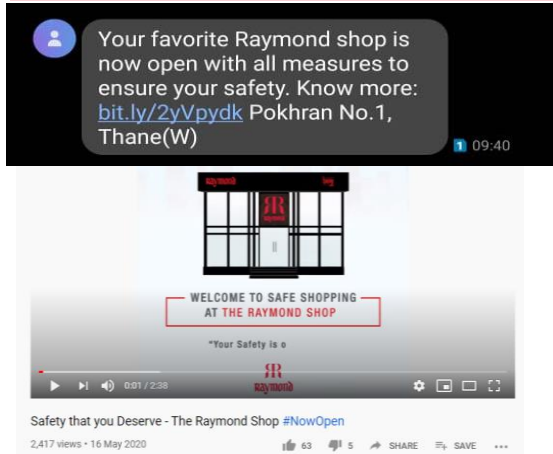


1,332 stores (~80%) opened by 30th June

Stores 2.0 – Reassuring customers & incentivizing them

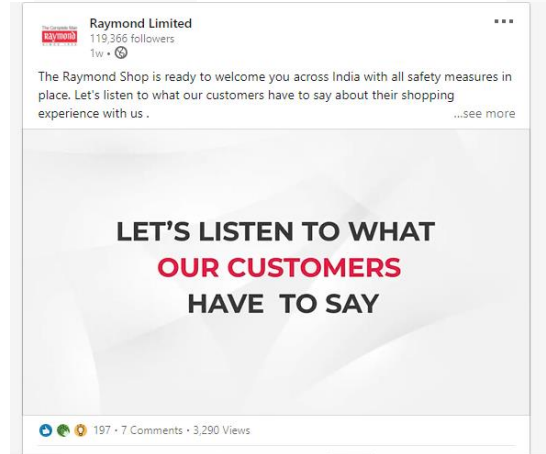


Store opening communication



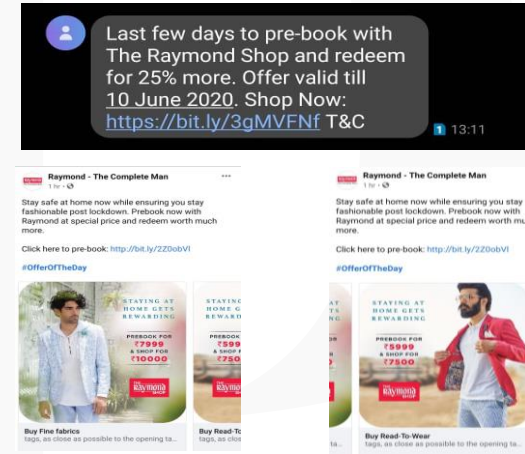
Direct SMS with video link

Video campaign focusing on customer advocacy



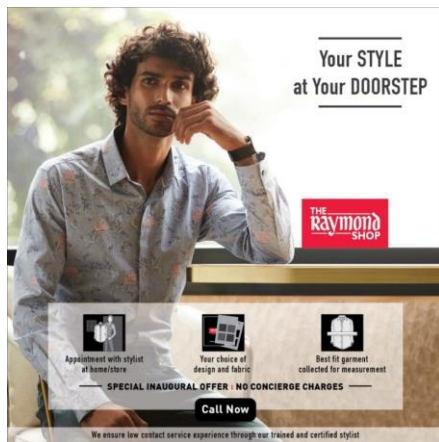
Videos shared through LinkedIn and Facebook pages

Pre-booking offer



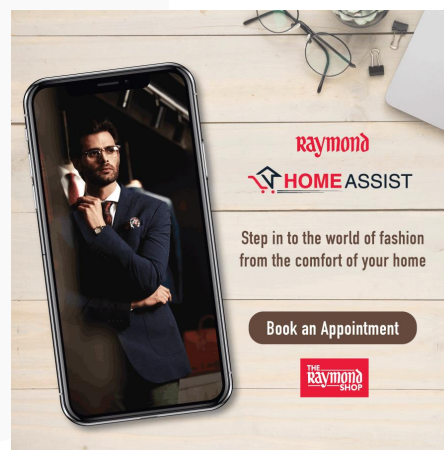
PAN India, through Member SMS, Facebook, Twitter, Instagram

Concierge service



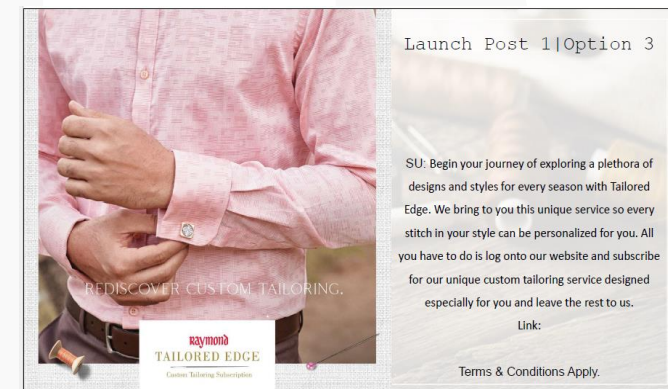
14 Facilitate customer to shop for tailored garment from comfort of home

Virtual Shopping



Virtual shopping experience through WhatsApp or Zoom video call

Tailored Edge



Tailoring Subscription program: customer can avail free tailoring benefits for designated period of time

Cost Rationalisation

**Q1FY21 Opex
Rs 275 Cr**

**Q1FY20 Opex
Rs 494 Cr**

**Q4FY20 Opex
Rs 551 Cr**

Y-o-Y reduction by 44% i.e. Rs 220 Cr ; Q-o-Q reduction by 50% i.e. Rs 276 Cr

INR Cr	Q1FY21	Q1FY20	Q4FY20	Y-o-Y %	Q-o-Q %
Employment Cost	171	243	234	-30%	-27%
A & SP	3	41	47	-92%	-93%
Others*	101	211	270	-52%	-63%
Total	275	494	551	-44%	-50%

Rentals of store network - Till date, confirmed full year savings of Rs. 48 cr

Liquidity Management: Maintained at March levels

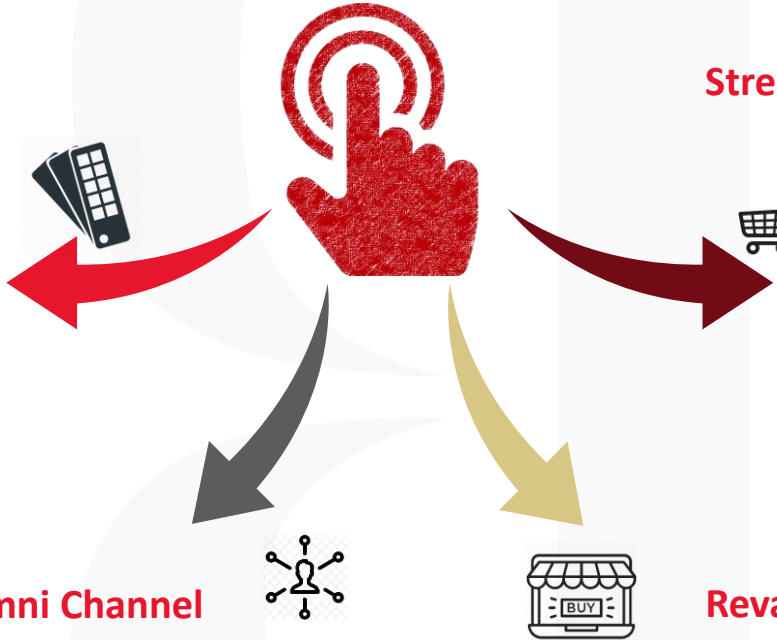
- **NWC lower vs March by Rs 305 Cr mainly due to collections**
- **Funding**
 - NCDs worth Rs 145 Cr issued during the quarter
- **Cost rationalisation**
 - Y-o-Y reduction by 44% i.e. Rs 220 Cr ; Q-o-Q reduction by 50% i.e. Rs 276 Cr
- **Zero Capex during the quarter**
- **Operating cash flow positive at Rs 121 Cr**
- **Free Cash Flow positive at Rs 63 Cr**



Digital Imperatives: The new norm of business

Digital Order Booking

- Moving from physical tradeshows to digital rendering of samples & 3D modelling
- Shifting to digital swatch books, catalogues, flipbooks
- Savings in travel, sampling & admin costs and increased penetration



Strengthening 3rd party tie-up

- Aggressive play on e-commerce marketplaces with **over 2x more options** made available online

Omni Channel

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

Revamp Own Website

- Revamp own website and launch of MyRaymond.com
- Entire EBO offerings available on-line

New Business Opportunity: Raymond Care Initiative

Sanitization Products

Hand Sanitizer:

100ml, 200 ml, 5 ltr



Hand Wash



- Launched a range of sanitizing products including hand cleansers, hand wash and high alcohol content cologne meeting the highest safety standards, affordability and ease of usage for consumers
- Floor Wash launched in July

Personal Protective Equipment (PPE)

PPE Suit



Masks



Latex Gloves



- Utilized garment manufacturing factories to manufacture PPE products which are currently being supplied to government, corporate sectors and hospitals



Financial Highlights & Current Status

Consolidated Results – Q1FY21

Particulars (INR Cr)	Post Ind AS 116	
	Q1 FY21	Q1 FY20
Net Revenue	222	1,470
EBITDA	(167)	144
PBT before exceptions	(322)	(11)
Taxes	101	(1)
Associate / JV / Minority	(21)	(3)
Net Profit	(242)	(15)

Net Revenue includes Rs 17.4 Cr on account of rent concessions recognized as Other Income applying the practical expedient basis the MCA notification dated 24th July 2020.

The income for rent concession is only recognized for those leases where the parties have agreed for it till 30 June, 2020. There are several leases where rent concession is formally agreed on or after 1 July 2020, for whom the impact of rent concession would come in such later period.

Segment Results – Q1 FY21

Post Ind AS 116	Revenue			EBITDA	
Particulars (INR Cr)	Q1FY21	Q1FY20	Y-o-Y%	Q1FY21	Q1FY20
Branded Textile	17	600	-97%	(95)	40
Branded Apparel*	0	313	-	(38)	40
Garmenting	100	190	-48%	(6)	3
High Value Cotton Shirting	6	174	-97%	(17)	27
Tools and Hardware	20	91	-78%	(14)	7
Auto Component	21	68	-69%	(1)	13
Real Estate	5	60	-92%	(1)	10
Others #	54	(26)		7	3
Raymond Consolidated	222	1,470	-85%	(167)	144

* Sales net of returns and credit notes

Others includes non scheduled airline operations, unallocated expenses, elimination and other income

Revenue includes Rs 17.4 Cr on account of rent concessions recognized as Other Income applying the practical expedient basis the MCA notification dated 24th July 2020.

Balance Sheet & Performance Indicators

Particulars (INR Cr)	June'20	Mar'20	June'19
Net Worth	2,216	2,537	2,003
Net Debt	1,827	1,859	2,303
Operational Cash Flow (quarter)	121	179	-94
Free Cash Flow (quarter)	63	80	-215

Key Ratios as on	Jun'20	Mar'20	Jun'19
Net Debt / Equity	0.8x	0.7x	1.1x
Net Working Capital	1,550	1,855	1,930



Branded Textile

Branded Textile

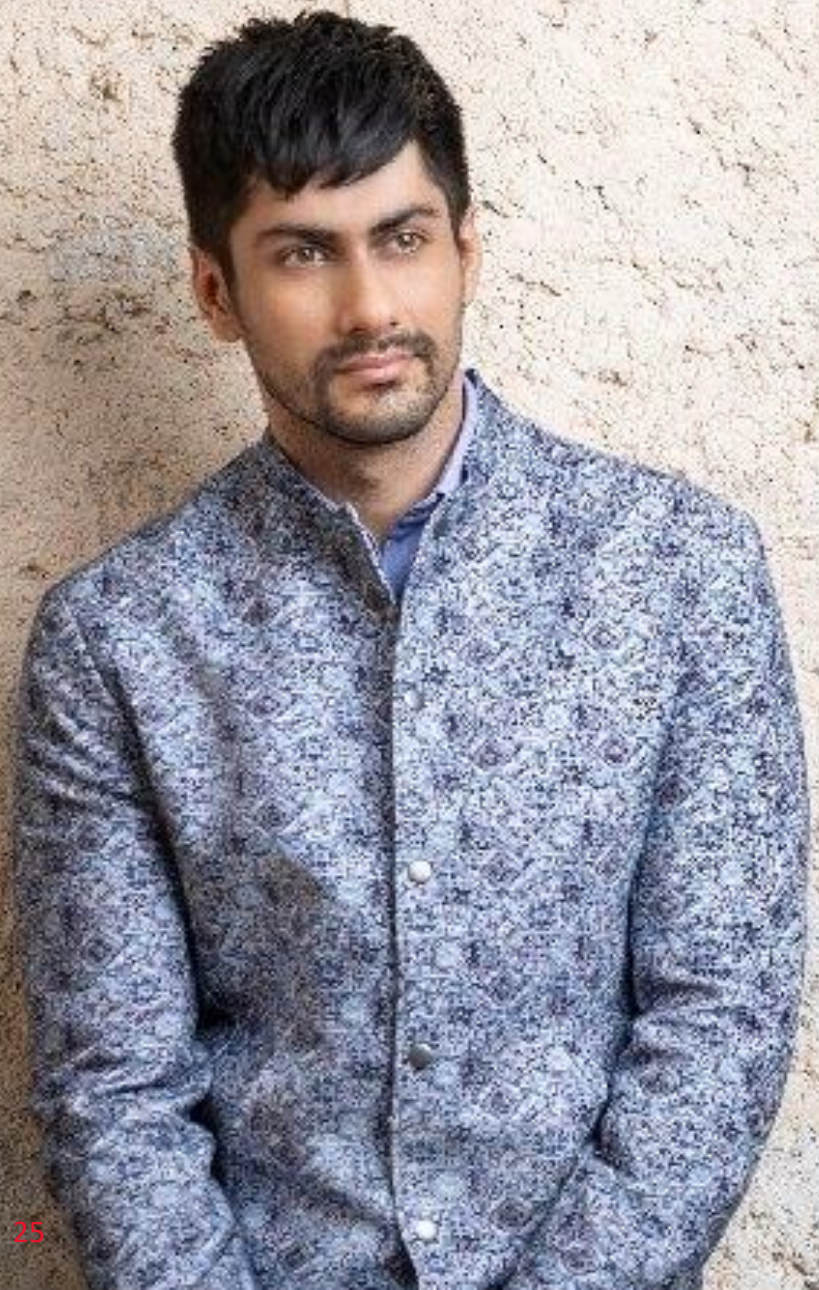
Particulars (INR Cr)	Q1FY21	Q1FY20	Y-o-Y%
Net Sales	17	600	-97%
EBITDA	(95)	40	-
<i>EBITDA margin</i>	-	6.7%	

Q1 FY21

- Primary sales impacted on account of limited secondary sales – due to lockdown & related low consumer demand
- All plants remained shut during the quarter

Current Status

- With current inventory levels and phase-wise ramp-up of plants, able to meet fabric demand including export orders
- Garment Exchange Program launched PAN India on 15th Aug witnessing increasing demand
- Customer centric initiatives: Launch of tailoring subscription program, E-Gift vouchers and others
- Digitalization: Digital swatch book model launched, Entire AW20 Collection available online for trade



Wheels-of-Freedom

Collection.

THE STORY RE-SPUN.



Branded Apparel

my Raymond.com

Branded Apparel

Particulars (INR Cr)	Q1FY21	Q1FY20
Net Sales*	0	313
EBITDA	(38)	40
<i>EBITDA margin</i>	-	12.7%

* net of returns and credit notes

Q1 FY21

- Due to lockdown & related low consumer demand, primary sales as well as secondary sales impacted

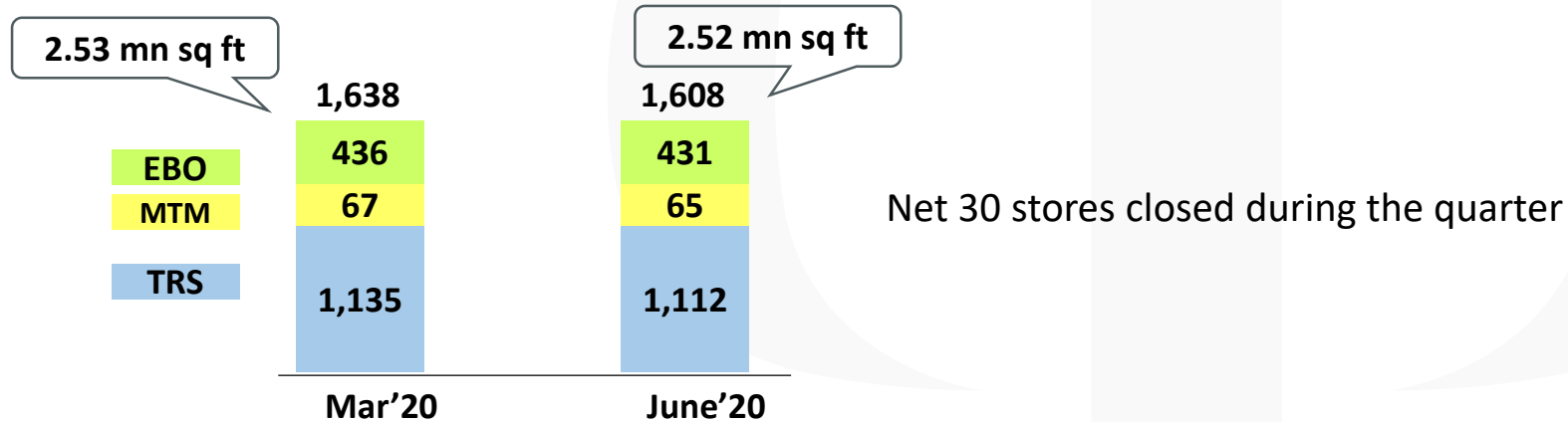
Current Status

- ~95% of EBOs and ~85% of LFS counters operational
- Entire EBO offerings available on own website MyRaymond.com



Retail Network

Exclusive Retail Network & Current Status



Current Status

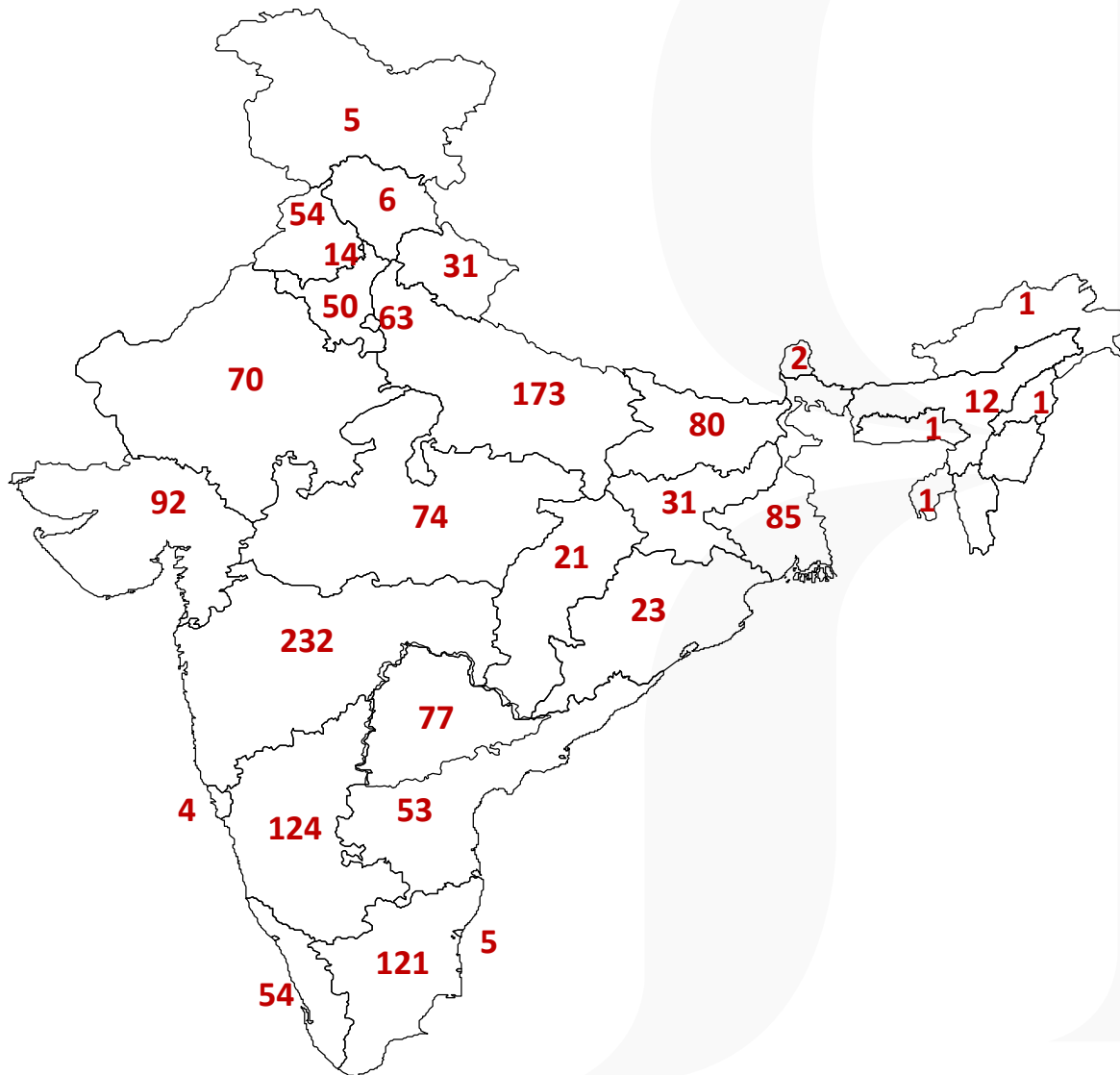
The Raymond Shop (TRS) network

- ~95% of TRS operational
- Consumer demand back to ~50% of previous year levels

Exclusive Brand Outlets (EBOs)

- ~95% of EBOs operational
- Consumer demand back to ~30-35% of previous year levels

Strong Distribution Network



Branded Textile

- 20,000+ points of sale across 600+ cities and towns
- 188+ Wholesalers
- 1,360+ MBOs
- Across Raymond Shop (TRS) - Tier I to VI towns

Branded Apparel

- Presence in over 500 cities and towns
- 431 EBOs
- 5,400+ MBO Counters
- 1,400+ LFS doors
- Across Raymond Shop (TRS) - Tier I to VI towns

373 mini TRS as on June'20 across 190+ Towns



Garmenting

Garmenting

Particulars (INR Cr)	Q1FY21	Q1FY20	Y-o-Y%
Net Sales	100	190	-48%
EBITDA	(6)	3	
<i>EBITDA margin</i>	-	1.6%	

Q1 FY21

- Effective repurposing of our factories yielded over Rs. 50 Crores of revenues from PPE products

Current Status

- Bulk and MTM orders for US, Japan & UK market gradually increasing
- Ethiopia - Producing PPE coverall & gowns for the Ethiopian Government and local hospitals



High Value Cotton Shirting

High Value Cotton Shirting

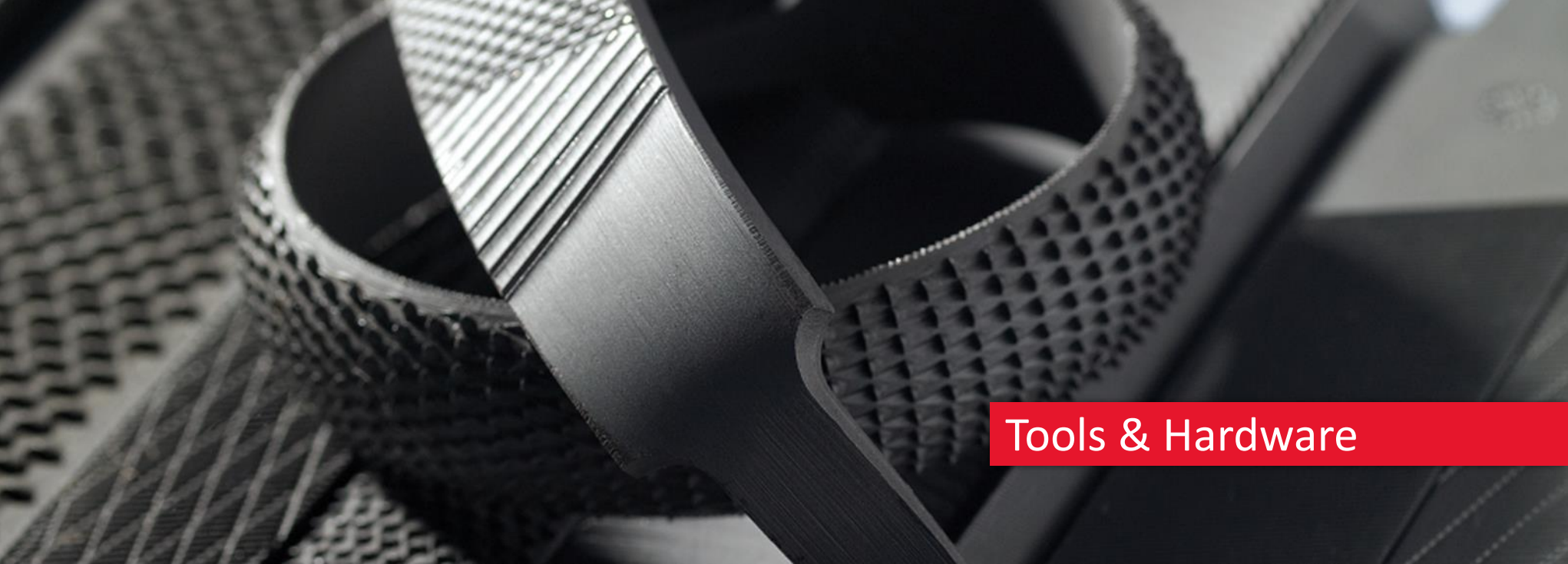
Particulars (INR Cr)	Q1FY21	Q1FY20	Y-o-Y%
Net Sales	6	174	-97%
EBITDA	(17)	27	-
<i>EBITDA margin</i>	-	15.4%	

Q1 FY21

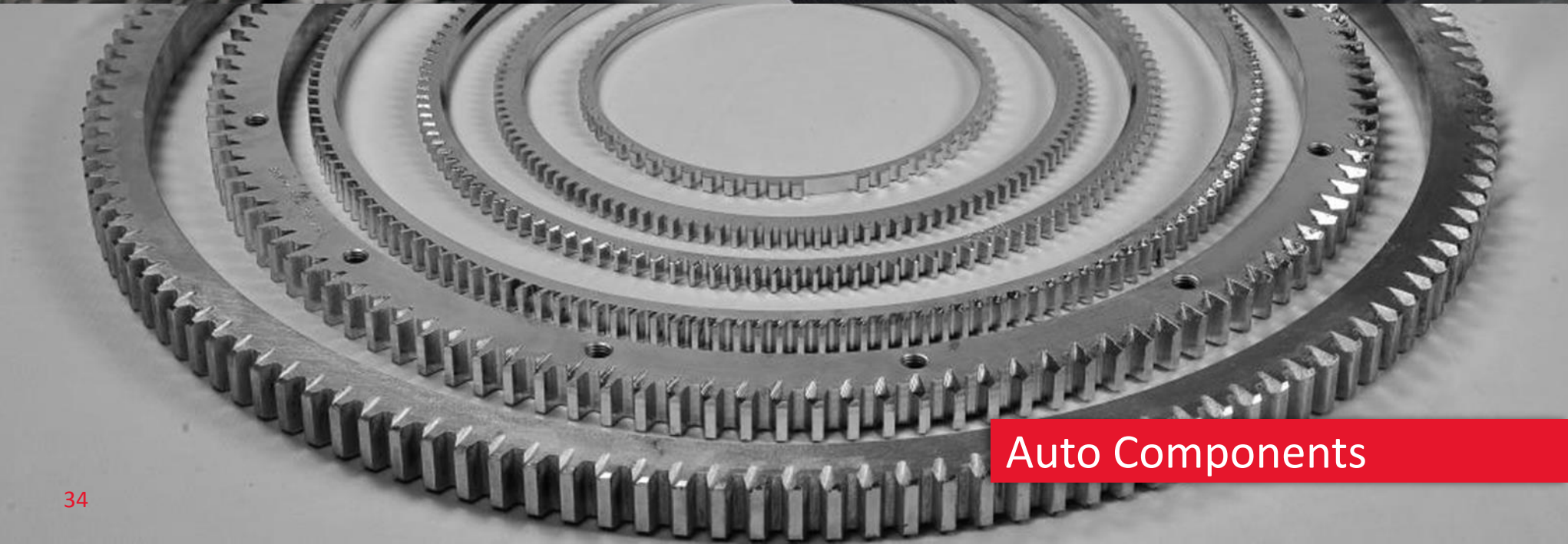
- Both plants remained shut during the quarter due to lockdowns

Current Status

- Plants are now operational from July onwards mainly catering to B2B domestic customers



Tools & Hardware



Auto Components

Tools and Hardware

Particulars (INR Cr)	Q1FY21	Q1FY20	Y-o-Y%
Net Sales	20	91	-78%
EBITDA	(14)	7	-
<i>EBITDA margin</i>	<i>-</i>	<i>8.1%</i>	

Q1 FY21

- Resumed production since May to service pending export orders
- ~50% revenue from exports ; mainly in Africa and LATAM

Current Status

- The business is clocking revenue at ~95% of previous year levels

The results shown above include minority interest

Auto Components

Particulars (INR Cr)	Q1FY21	Q1FY20	Y-o-Y%
Net Sales	21	68	-69%
EBITDA	(1)	13	-
<i>EBITDA margin</i>	<i>-</i>	<i>19.9%</i>	

Q1 FY21

- Resumed to service pending export orders from May onwards
- ~75% revenue from exports ; mainly in Europe

Current Status

- As the auto sector is reviving, the business is operating with ~90% of previous year levels led primarily by domestic market

The results shown above 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

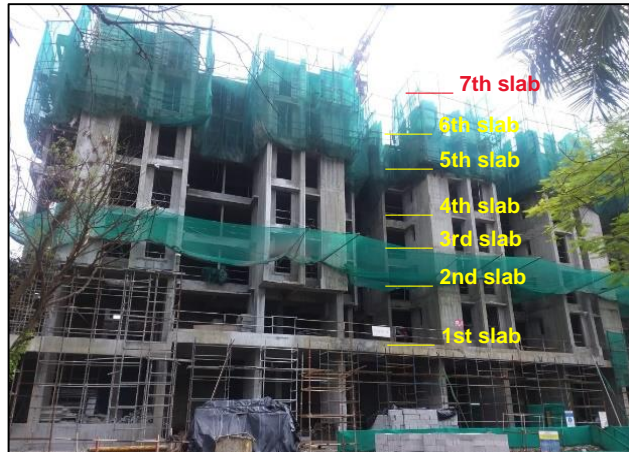
- Total 10 towers with ~2.7 mn sq.ft of saleable area
- Total units planned for sale: 2,976 | **2BHK: 2,314; 1BHK: 662**

Q1 Update

- Swift transformation of Bookings from Offline to Online through virtual tour launch; > 600 E-Visits done
- Construction linked milestone paid by majority of the customers
- 13 bookings in Q1
- 963 units (over 60% of total inventory of ~1,530 units) booked till 30th June in 6 towers launched

Construction Update – Current Status

Tower - A



Tower - C



Tower - B



Tower - D



- 6th floor slab completed; Works for the 7th floor slab is in progress for Tower A, B and C
- Plinth is in progress for Tower D

Financial Update – KPI's



KPI's	Till Mar'20	Q1FY21	Till Jun'20
Bookings:			
No. of bookings	950	13	963
Area (mn sq. ft.)	0.8	0.01	0.8
Value of Bookings (Rs Cr)	960	10	970
Customers Collection (Rs Cr)	221	14	235
Capital Employed (Rs Cr)*	256	256	256

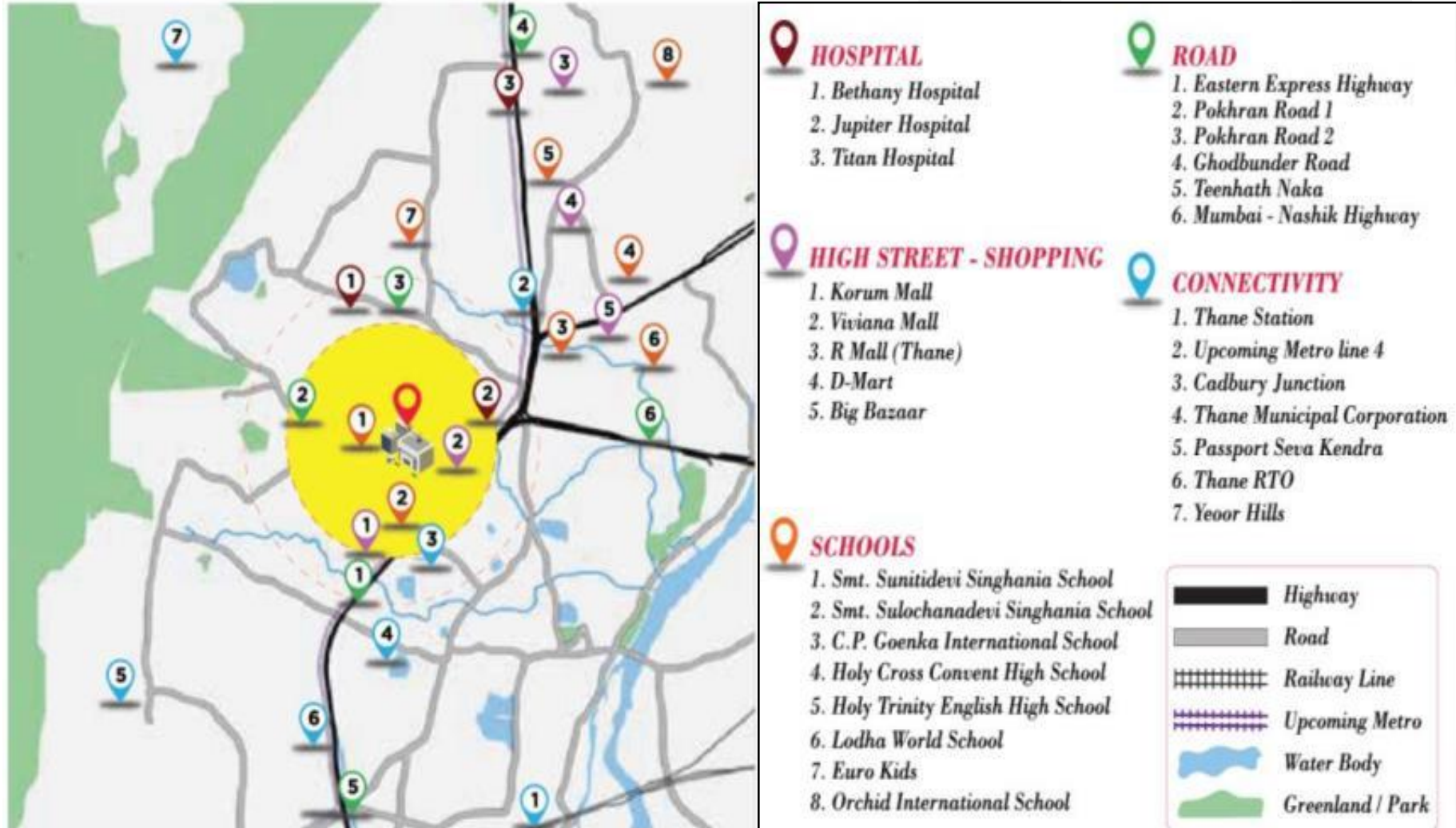
**excludes TDR of Rs 50 Cr and Development right of Rs 38 Cr*

P&L Snapshot

Particulars(₹ Cr)	FY20	Q1FY21
Sales*	176	5
EBITDA	13	(1)
EBITDA %	7.3%	-

**Revenue recognition based on percentage completion method based on Ind AS 115*

Excellent Connectivity & Eco-system



Co- Creators



**Architect
Hafeez
Contractor**
Master Architect



EPICONS CONSULTANTS PVT. LTD

Structural Consultant



Faquih & Associates India
ARCHITECTS

Interior Designer



Construction Contractor

cracknell

Landscape



GODREJ & BOYCE

Green Consultant



Way Forward

Way Forward



Increasing trend in sales

- Expect demand to pickup in H2 on account of festivities & wedding seasons
- Raymond well poised for recovery led by strong product portfolio and deep penetration



Cost Optimisation

- Cost reduction initiatives expected to reduce full year opex by ~30-33% vs PY



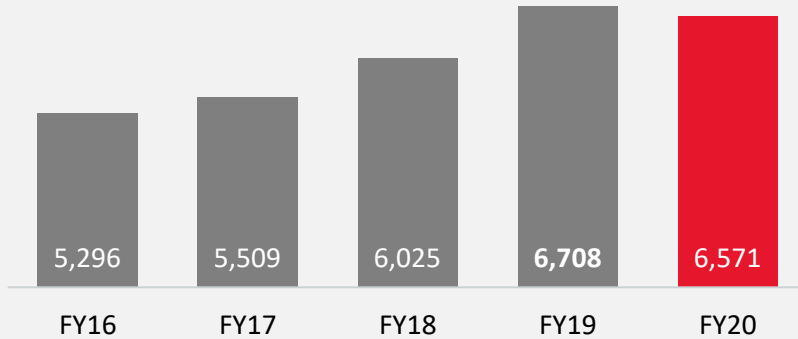
Liquidity

- Liquidity management through cost reduction initiatives undertaken, NWC optimization and capex reduction

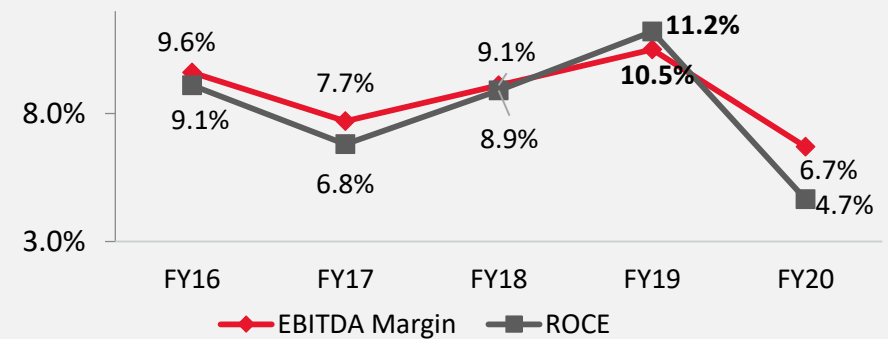
Annexures

Consolidated Financial Overview

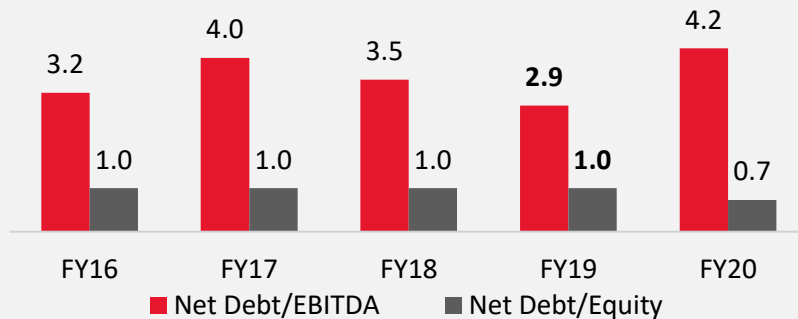
Revenue (Rs Cr)



Profitability Ratios



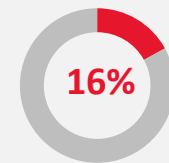
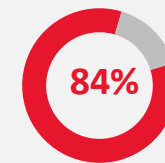
Leverage Indicators



India

Global

FY 20 Revenue by Geography



Total Assets

**FY 20: Total Assets
Rs 7,287 Cr**

*RoCE is calculated as EBIT / Closing Capital Employed ; Net Debt is calculated as Gross Debt less Current Investments and Cash & Bank Balance
FY20 nos are Pre IND AS for comparable basis*

Profit & Loss Account Summary



Particulars (Rs Cr)	FY16	FY17	FY18	FY19	FY20	FY20 Underlying
Revenue	5,296	5,509	6,025	6,708	6,571	7,194
EBITDA	506	423	546	702	440	680
<i>EBITDA %</i>	<i>9.6%</i>	<i>7.7%</i>	<i>9.1%</i>	10.5%	<i>6.7%</i>	<i>9.5%</i>
EBIT	347	266	376	506	231	
<i>EBIT %</i>	<i>6.6%</i>	<i>4.8%</i>	<i>6.2%</i>	7.5%	<i>3.5%</i>	
PBT before exceptional	158	88	192	273	-39	
<i>PBT %</i>	<i>3.0%</i>	<i>1.6%</i>	<i>3.2%</i>	4.1%	<i>-0.6%</i>	
Net Profit	85	26	135	168	202	

*Note: FY16 onwards – The JV’s results are accounted for in the Consolidated results under the equity method as per IND AS
As a result, Denim business from FY16 onwards is consolidated at Net Profit after tax level vis-à-vis proportionate consolidation in earlier years
FY20 nos are Pre IND AS for comparable basis – EBITDA of Rs 612 Cr and EBITDA margin of 9.3%*

Segmental Sales & EBITDA Margin Summary

Particulars (Rs Cr)	FY16	FY17	FY18	FY19	FY20	FY20 Underlying
Branded Textile						
Revenue	2,702	2,714	2,915	3,153	2,917	3,152
<i>EBITDA %</i>	17.3%	14.1%	15.7%	13.8%	13.5%	14.9%
Branded Apparel						
Revenue	1,119	1,270	1,424	1,647	1,619	1,911
<i>EBITDA %</i>	2.0%	-1.0%	1.6%	3.7%	-4.9%	2.7%
High Value Cotton Shirting*						
Revenue	467	500	575	648	622	665
<i>EBITDA %</i>	9.3%	9.8%	10.2%	13.7%	13.7%	15.2%

**The results shown above are for 100% operations and include minority interest
FY20 nos are Pre IND AS for comparable basis*

Segmental Sales & EBITDA Margin Summary

Particulars (Rs Cr)	FY16	FY17	FY18	FY19	FY20	FY20 Underlying
Garmenting						
Revenue	593	639	691	779	843	873
<i>EBITDA %</i>	8.3%	8.4%	5.2%	5.1%	3.5%	4.3%
Tools & Hardware*						
Revenue	394	350	365	401	376	395
<i>EBITDA %</i>	4.7%	2.0%	9.0%	10.7%	9.6%	11.0%
Auto Components*						
Revenue	176	164	218	259	208	211
<i>EBITDA %</i>	2.7%	14.5%	20.8%	22.6%	16.9%	17.2%

**The results shown above are for 100% operations and include minority interest
FY20 nos are Pre IND AS for comparable basis*

Thank You

www.raymond.in

