

Raymond Limited

Q2 FY21 Result Presentation



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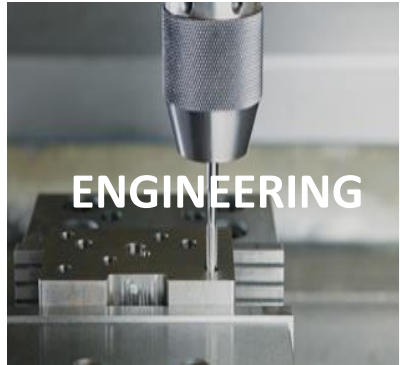
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Company Overview

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**

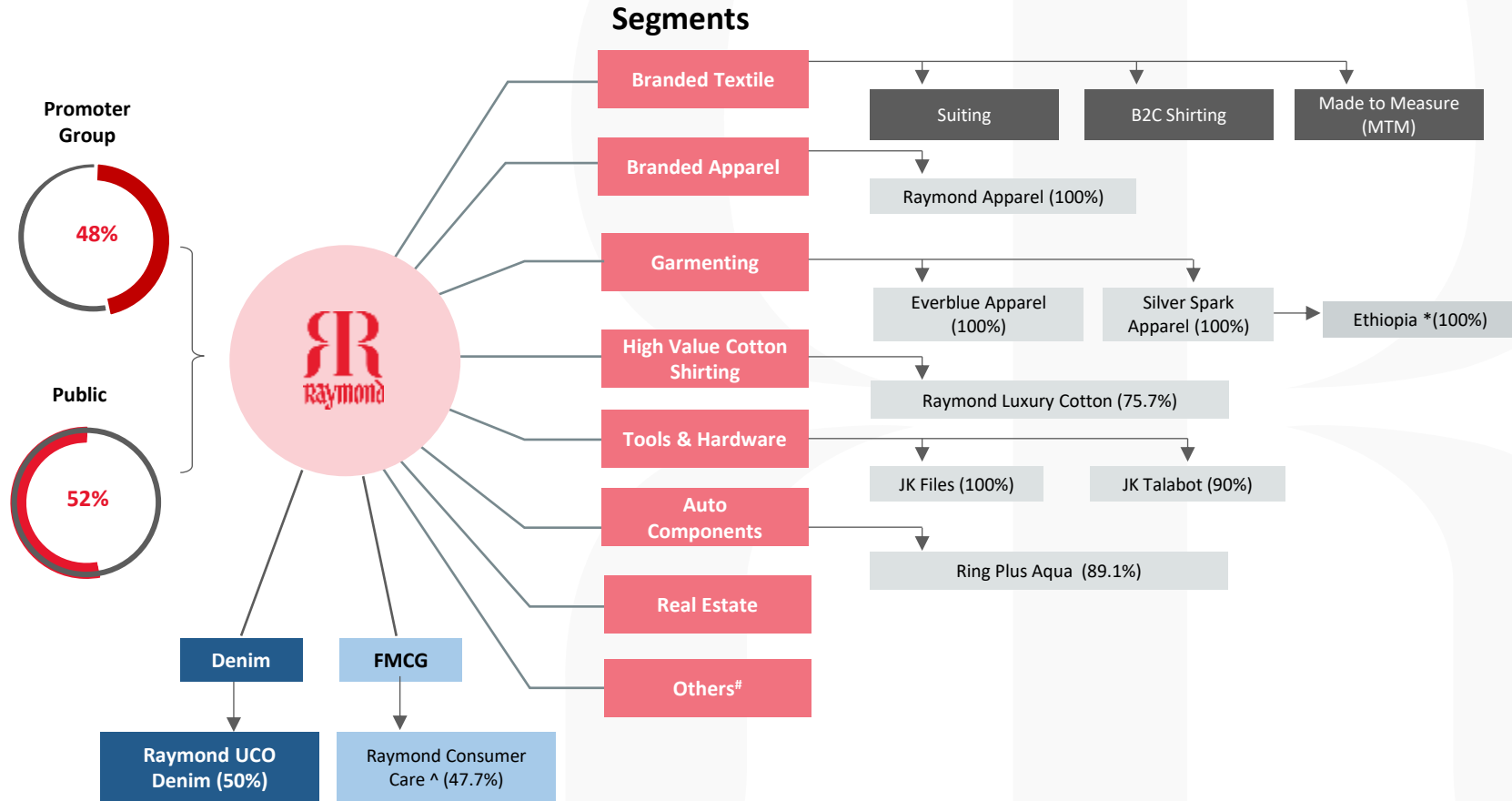
Largest exporter of full canvas suits



Near **100% consumer awareness**

Among the **Most Trusted brands** in India

Raymond Group at a Glance



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

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

* Silver Spark Apparel Ethiopia Plc | ^ Erstwhile JK Ansell limited | # Includes Non-Scheduled Airline operations

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
Raymond Consumer Care
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



Joe Kuruvilla
CEO – Lifestyle
Ex- Unilever PLC



S L Pokharna
President –
Commercial



K A Narayan
President –
Human Resources
Ex- Wockhardt



Ganesh Kumar
COO – Lifestyle
Ex- Arysta Life, Mosiac



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

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Q2 Highlights

Market Update

Month on Month recovery in Q2



- July & August month impacted by local lockdowns
- September month witnessed improvement in sales

Recovery in consumer sentiments and emerging trends



- Consumer sentiments showing recovery led by festive & wedding season
- Week-on-week improvement in secondary sales across channels continue
- Higher recovery in Tier IV-VI markets largely driven by reverse migration, good harvest and lower COVID-19 impact
- Rapid scale-up of omni-channel capabilities
- Industry players prioritize liquidity resulting in longer period of discounted sales vis-a-vis PY

H1FY21 Highlights



Cost Rationalisation

- Sales & marketing, manpower & rentals
- Restructuring organization to ensure efficiencies



Liquidity Management

- Focus on collections and inventory reduction
- Rationalize capex



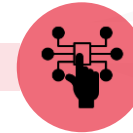
New Business opportunities

- Raymond Care Initiative
- Manufacturing of PPE
- Sanitization products including hand sanitizers, hand wash & others



Digital Imperatives

- Expand Online catalogue
- Increase use of data analytics
- Fasten Omni Channel integration
- Deepen partnerships with E-com players



Stores 2.0

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



Employees Safety

- Embark online learning
- Adopt 'Work From Home' culture
- Sanitized & disinfected offices and plants
- Health check compulsory at office & plants



Cost rationalisation

Particulars (Rs Cr)	Q2FY21	Q2FY20	H1FY21	H1FY20	Q2 (Y-o-Y %)	H1 (Y-o-Y %)
Employment Cost	154	264	325	507	-42%	-36%
A & SP	17	80	20	121	-79%	-83%
Others*	133	237	233	448	-44%	-48%
Total Opex	304	582	579	1,076	-48%	-46%

- Q2 opex similar to Q1 levels while revenue up ~3x
 - Fixed cost maintained on q-o-q (Sep vs Jun) basis while variable cost in line with sales
- Q2 opex reduction by Rs. 278 cr or 48% YoY
- H1 lower by Rs. 497 cr or 46% YoY

Additionally, till date confirmed full year rental savings of store network of Rs. 53 cr at ~30% of PY levels

*Others include commission, freight, outsourcing cost, admin overheads and other expenses

Liquidity Management: Maintained at June and March levels

- **Maintained liquidity and Net Debt levels at June and March levels with focused working capital management and cost rationalization**
 - Cash & Cash Equivalents at Rs. 592 cr in Sep-20 (vs. Rs. 596 cr in Jun-20 & Rs. 571 cr in Mar-20)
 - Net debt at Rs. 1,817 cr in Sep-20 (vs. Rs. 1,827 cr in Jun-20 & 1,859 Cr in Mar-20)

- **Strong focus on collections & reduction in inventory**
 - NWC lower vs Mar'20 (lower by Rs. 495 Cr) as well as Jun'20 (lower by Rs.191 cr)

Particulars (Rs Cr)	Sep'20	June'20	Mar'20	Vs June	Vs Mar
Net Working Capital	1,359	1,550	1,855	-191	-495

- **Cash flow Positive in H1FY21:** Operating cash flow at Rs 138 Cr and Free Cash Flow at Rs 32 Cr



New Business Opportunity: Raymond Care Initiative

Expansion of Premium Brand portfolio

Hand Sanitizer: 100 ml, 200 ml, 5 ltr.



Hand Wash



Personal Protective Equipment (PPE)

PPE Suit



Masks portfolio



Latex Gloves



- 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

- Utilized garment manufacturing factories in Bengaluru and Ethiopia to manufacture PPE products
- Currently being supplied to government, corporate sectors and hospitals

New initiatives undertaken in Q2FY21

Expansion of Fabric offering



- Launched fabric with anti-viral technology in Autumn Winter (AW20) booking in Aug-20 and received good traction with wide dealer coverage
- Received good customer response in the retail outlets

Garment Exchange Program

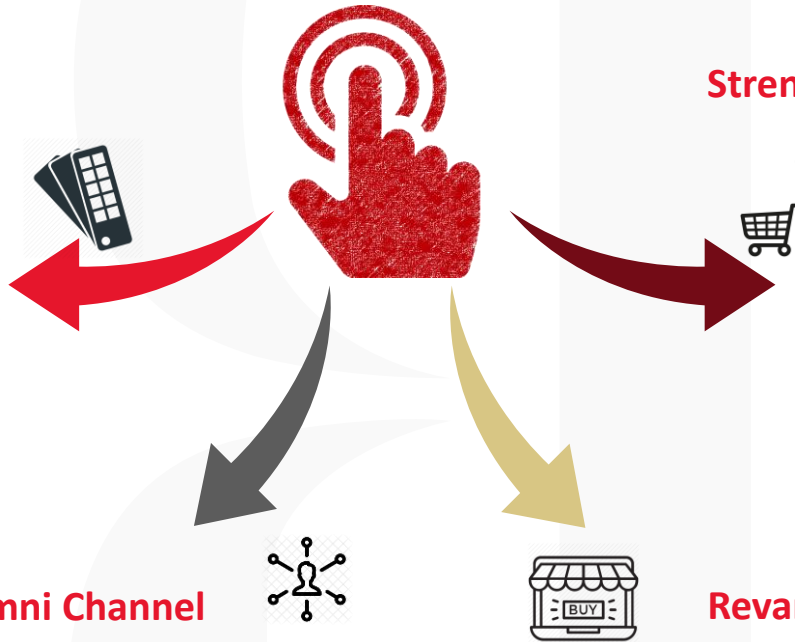


- Exchange old garments for free tailoring on fabric purchase
- Received strong response from customers with 1.45 lakh garments exchanged

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

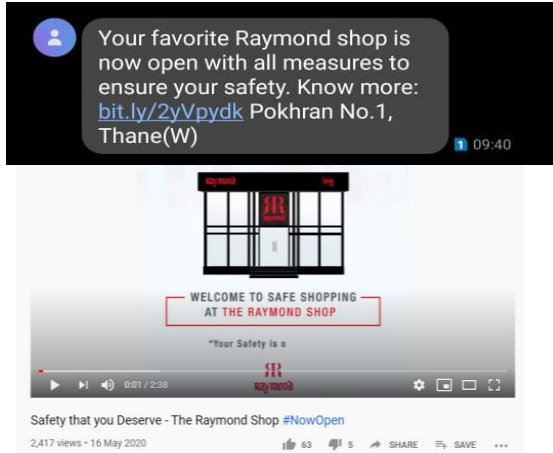
Revamp Own Website

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

Stores 2.0 – Reassuring customers & incentivizing them

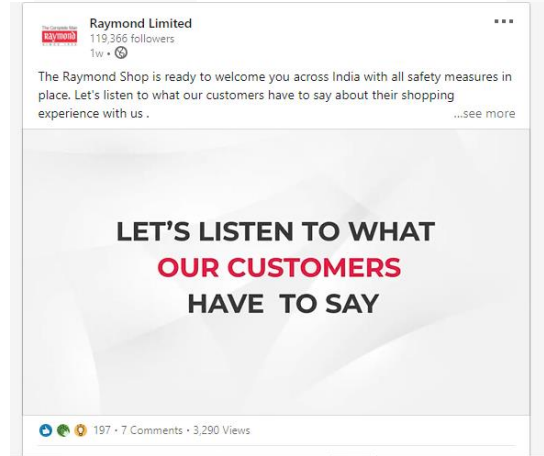


Store opening communication



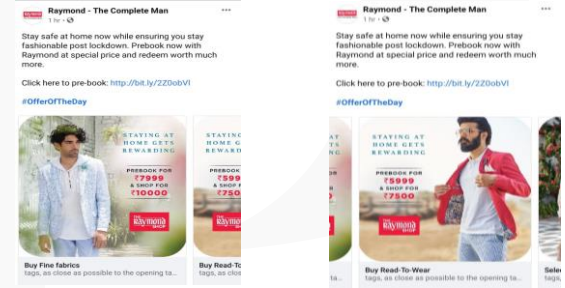
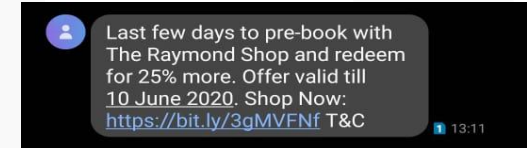
Direct SMS with video link

Video campaign focusing on customer advocacy



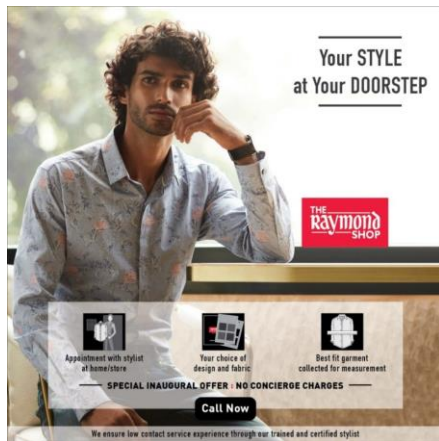
Videos shared through LinkedIn and Facebook pages

Pre-booking offer



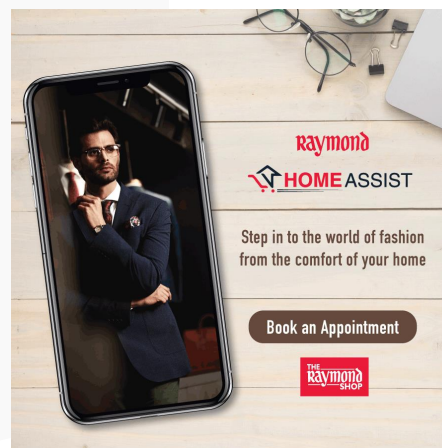
PAN India, through Member SMS, Facebook, Twitter, Instagram

Concierge service



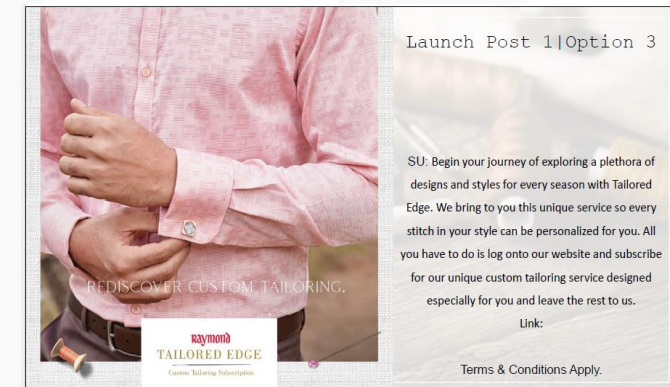
Facilitate customer to shop for tailored garment from comfort of home

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

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Financial Highlights & Current Status

Consolidated Results – Q2 and H1 FY21

Particulars (Rs Cr)	Q2FY21	Q1 FY21	Q2 FY20	H1FY21	H1FY20
Net Revenue	732	222	1,913	954	3,383
Opex	304	275	582	579	1,076
EBITDA	-52	-167	237	-218	381
<i>EBITDA margin</i>	<i>-7.1%</i>	<i>-</i>	<i>12.4%</i>	<i>-22.9%</i>	<i>11.3%</i>
Taxes	80	101	11	182	10
Associate / JV / Minority	-3	-21	2	-24	-1
Net Profit	-133	-242	84	-375	69

Note:

Net revenue includes Rs. 20 Cr in Q2 FY21 and Rs. 37 Cr in H1 FY21 recognized as Other Income, on account of "Covid-19 related rent concessions" applying the practical expedient basis the MCA notification dated 24th July 2020.

Segment Results – Q2 FY21

Post Ind AS 116	Revenue			EBITDA	
Particulars (Rs Cr)	Q2FY21	Q2FY20	Y-o-Y%	Q2FY21	Q2FY20
Branded Textile	230	869	-74%	-6	139
Branded Apparel	71	529	-87%	-74	49
Garmenting	187	233	-20%	19	12
High Value Cotton Shirting	33	161	-79%	-11	27
Tools and Hardware	100	103	-3%	15	14
Auto Component	49	52	-7%	10	8
Real Estate	19	35	-46%	3	6
Others [#]	44	-70	-	-8	-20
Raymond Consolidated	732	1,913	-62%	-52	237

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

Segment Results – H1 FY21

Post Ind AS 116	Revenue			EBITDA	
Particulars (Rs Cr)	H1FY21	H1FY20	Y-o-Y%	H1FY21	H1FY20
Branded Textile	246	1,469	-83%	-101	179
Branded Apparel	71	842	-92%	-113	89
Garmenting	287	423	-32%	13	16
High Value Cotton Shirting	39	335	-88%	-28	54
Tools and Hardware	120	194	-38%	1	22
Auto Component	70	120	-42%	9	22
Real Estate	25	96	-74%	2	17
Others#	98	-96		-1	-16
Raymond Consolidated	954	3,383	-72%	-218	381

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

Balance Sheet & Performance Indicators

Particulars	Sep'20	June'20	Mar'20
Net Worth (Rs Cr)	2,086	2,216	2,464
Net Debt (Rs Cr)	1,817	1,827	1,859
Net Debt / Equity (X)	0.9	0.8	0.8
Net Working Capital (Rs Cr)	1,359	1,550	1,855

Cash flow Positive in H1FY21:

- Operating cash flow at Rs 138 Cr
- Free Cash Flow at Rs 32 Cr



Branded Textile

Branded Textile

Particulars (Rs Cr)	Q2 FY21	Q2 FY20	% Var.	H1FY21	H1FY20	% Var.
Net Sales	230	869	-74%	246	1,469	-83%
EBITDA	-6	139		-101	179	
<i>EBITDA margin</i>	<i>-2.5%</i>	<i>16.0%</i>		<i>-</i>	<i>12.2%</i>	

- Performance impacted largely in July and August due to weak demand on account of lockdowns
- September witnessed traction in trade channels driven by recovery in secondary sales with the onset of festive season
- Consumer sentiment momentum maintained in October driven by festive & wedding season and pent-up demand



Branded Apparel

Branded Apparel

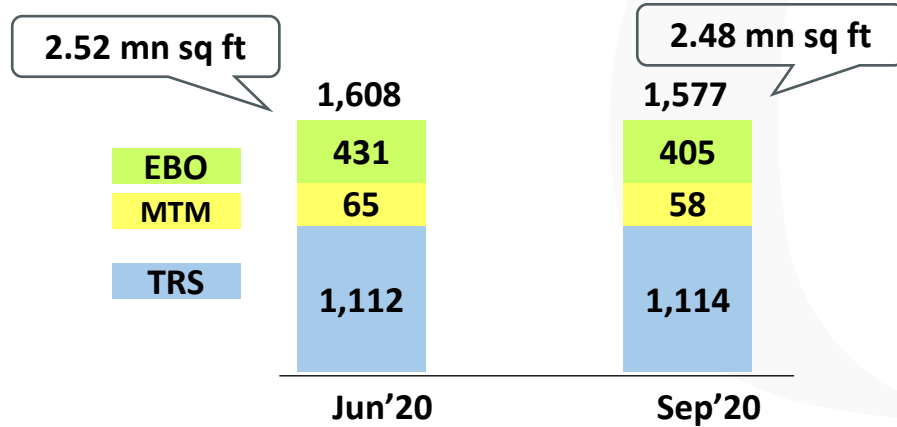
Particulars (Rs Cr)	Q2 FY21	Q2 FY20	% Var.	H1FY21	H1FY20	% Var.
Net Sales	71	529	-87%	71	842	-92%
EBITDA	-74	49		-113	89	
<i>EBITDA margin</i>	-	9.3%		-	10.6%	

- Recovery in Branded Apparel business remained impacted due to:
 - Intermittent lockdowns delaying the opening of retail touch-points and malls
 - Exercised control on primary sales to channel partners
 - Higher proportion from online & clearance sales to realize cash as we continue to focus on working capital management and liquidity



Retail Network

Exclusive Retail Network & Current Status



Q2 FY21

- Store rationalisation in progress to make the retail portfolio healthy
 - Net store closure at 31 for Q2 and 61 for H1

Current Status

The Raymond Shop (TRS) network

- ~99% of TRS operational
- Consumer demand back to ~70% of previous year levels

Exclusive Brand Outlets (EBOs)

- ~99% of EBOs operational
- Consumer demand back to ~50% of previous year levels
- Witnessing higher ticket size and conversion



Garmenting

Garmenting

Particulars (Rs Cr)	Q2 FY21	Q2 FY20	% Var.	H1FY21	H1FY20	% Var.
Net Sales	187	233	-20%	287	423	-32%
EBITDA	19	12		13	16	
<i>EBITDA margin</i>	<i>10.1%</i>	<i>5.3%</i>		<i>4.5%</i>	<i>3.7%</i>	

- Recovery mainly led by improvement in bulk & institutional MTM business to key markets of US & Europe along with contribution from sale of PPE products
- EBITDA margin improvement led by better product mix and cost rationalization



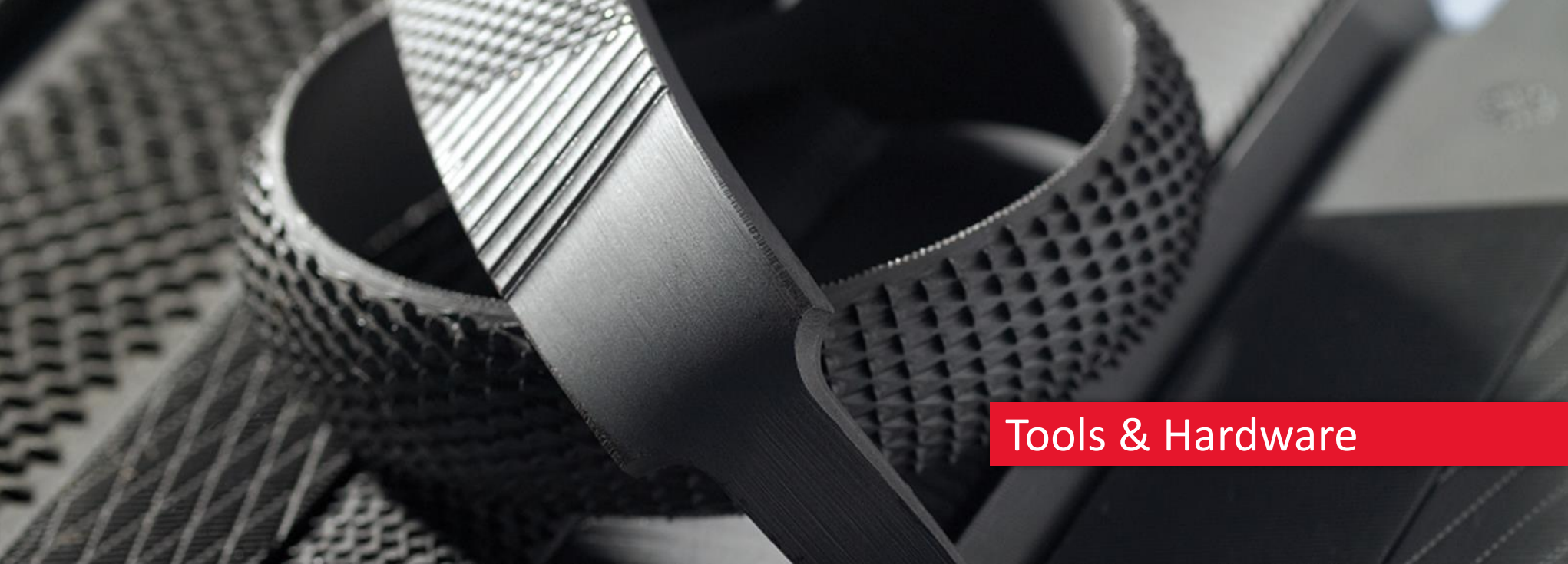
High Value Cotton Shirting

High Value Cotton Shirting

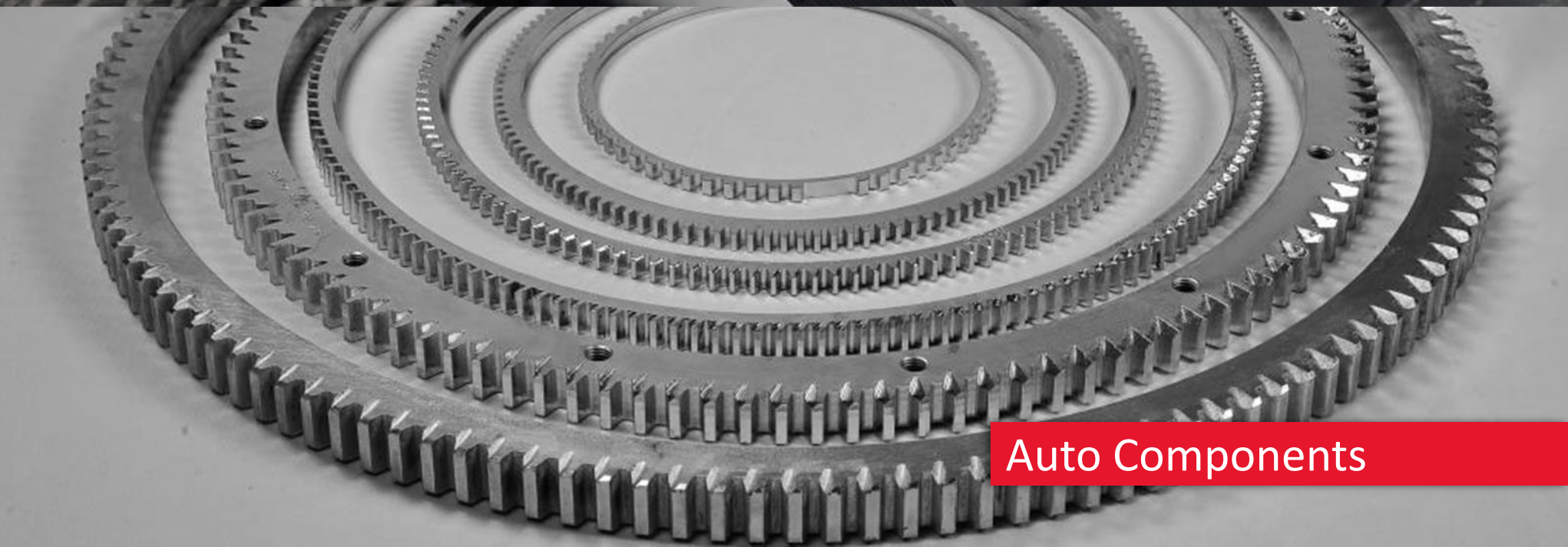
Particulars (Rs Cr)	Q2 FY21	Q2 FY20	% Var.	H1FY21	H1FY20	% Var.
Net Sales	33	161	-79%	39	335	-88%
EBITDA	-11	27		-28	54	
<i>EBITDA margin</i>	-	16.7%		-	16.0%	

- Performance impacted due to lockdowns and related weak demand in the market

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



Tools & Hardware



Auto Components

Tools and Hardware

Particulars (Rs Cr)	Q2 FY21	Q2 FY20	% Var.	H1FY21	H1FY20	% Var.
Net Sales	100	103	-3%	120	194	-38%
EBITDA	15	14		1	22	
<i>EBITDA margin</i>	<i>15.2%</i>	<i>13.8%</i>		<i>1.0%</i>	<i>11.1%</i>	

- Topline back to previous year levels led by growth in domestic markets and well supported by exports to LATAM & US markets
- Margin improvement mainly led by cost optimization measures

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

Auto Components

Particulars (Rs Cr)	Q2 FY21	Q2 FY20	% Var.	H1FY21	H1FY20	% Var.
Net Sales	49	52	-7%	70	120	-42%
EBITDA	10	8		9	22	
<i>EBITDA margin</i>	<i>20.7%</i>	<i>15.4%</i>		<i>13.2%</i>	<i>17.9%</i>	

- Revenue recovery led by revival in demand from domestic market and well supported by exports market
- EBITDA margin improvement led by cost optimization measures

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

Q2 Highlights

- Launch of bank subvention scheme, stamp duty reduction and low home loan rates have helped overall demand in the market
- Physical visits @ 60-70% of pre-Covid levels
- Launched 7th tower in Aug-20
- 49 bookings done in Q2
- Cumulative bookings done 1,012 till Sep-20 (60%+ of total inventory sold)
- Construction linked milestone paid by majority of the customers

Construction Update – Current Status

Tower - A



Tower - C



Tower - B



Tower - D



- 14th floor slab work in progress for Tower A, B & C
- 1st floor work in progress for Tower D
- Tower E, J & K – Excavation work in progress

Financial Update – KPI's

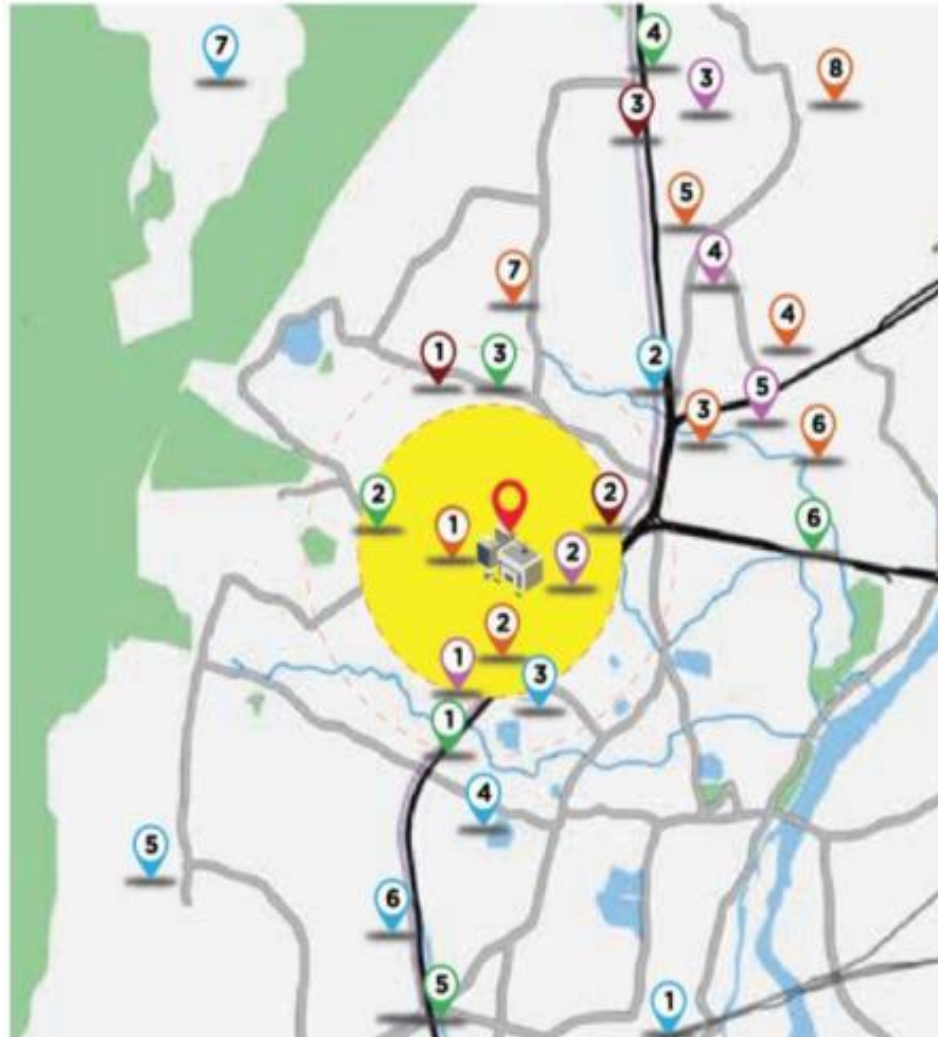
KPI's	Till Mar'20	Q1FY21	Q2FY21	Till Sep'20
Bookings:				
No. of bookings	950	13	49	1012
Area (mn sq. ft.)	0.8	0.01	0.04	0.9
Value of Bookings (Rs Cr)	948	10	39	997
Customers Collection (Rs Cr)	221	14	47	282

P&L Snapshot

Particulars (Rs Cr)	FY20	Q2FY21	H1FY21
Sales*	176	19	24
EBITDA	13	3	2
EBITDA %	7.3%	16.2%	6.8%

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

Excellent Connectivity & Eco-system



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

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

- Recovery in festive season & onset of wedding season to strengthen domestic demand
- Raymond well poised for recovery led by strong product portfolio & deep penetration



Exports

- Lockdowns due to second wave of covid-19 may impact demand



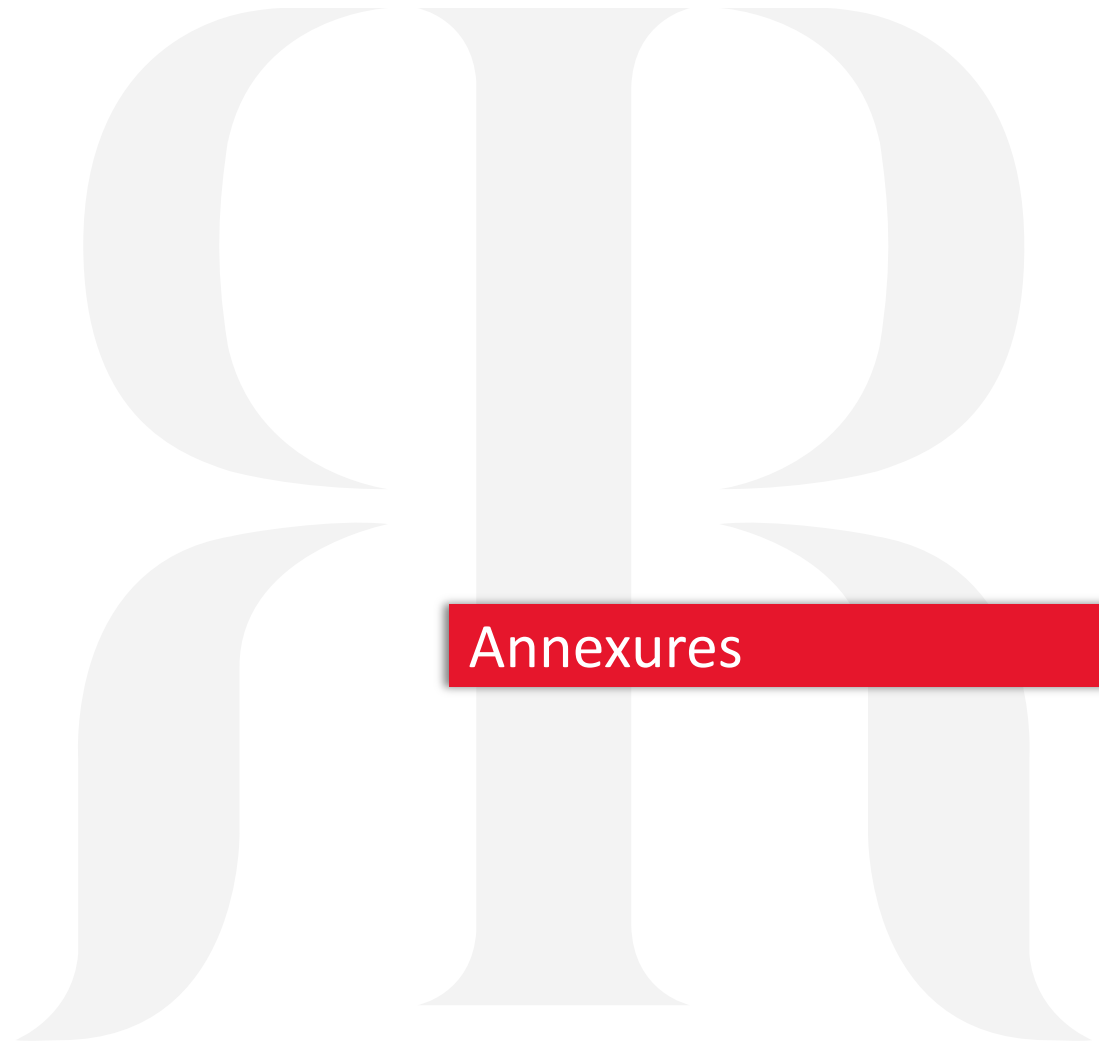
Cost Optimisation

- On target to achieve full year opex reduction by ~30-33% vs PY



Liquidity

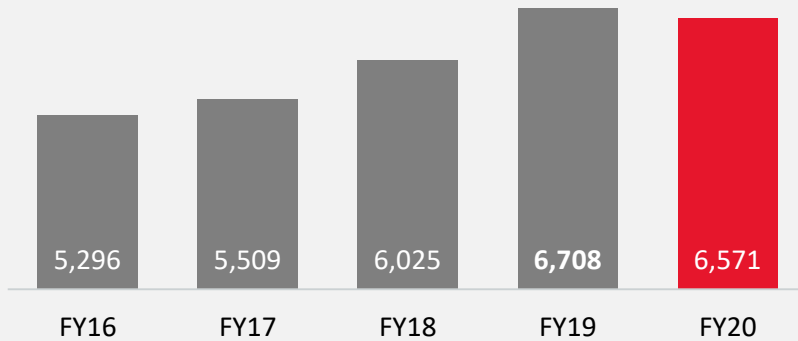
- Continue focus on Liquidity management through cost reduction initiatives undertaken, NWC optimization and capex reduction



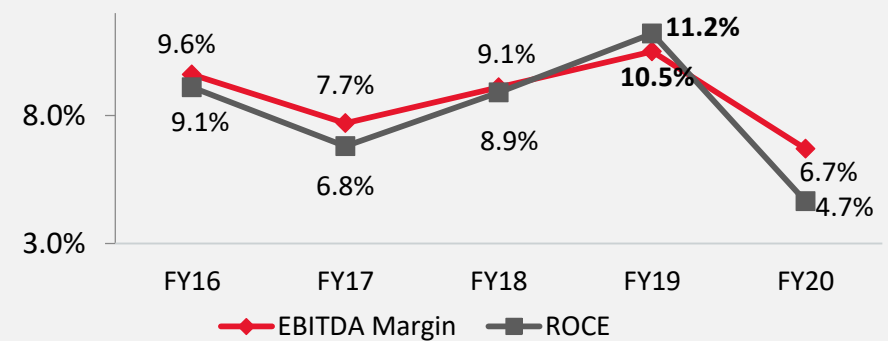
Annexures

Consolidated Financial Overview

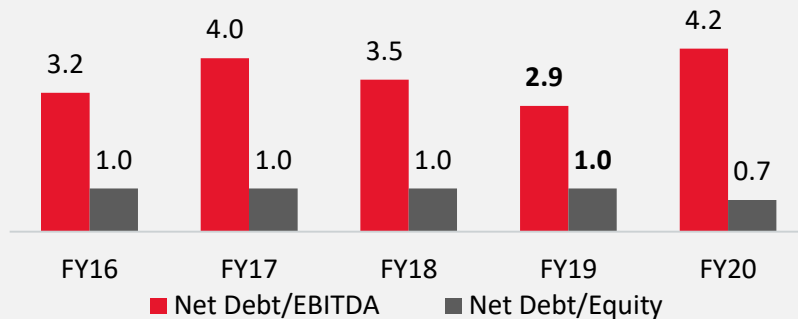
Revenue (Rs Cr)



Profitability Ratios



Leverage Indicators



India

Global

FY 20 Revenue by Geography

84%

16%

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

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