

Result Presentation

Quarter ended 30th June, 2019



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Market Overview

Market Overview

Textile

- Demand remained sluggish across markets
 - Trade channels mainly impacted due to continued liquidity crunch
-

Apparel & Retail

- Growth likely to be driven by store expansion among apparel retailers
 - Moderate SSSG despite early EOSS mainly due to subdued consumer sentiments
 - Margin may get impacted due to higher contribution from value category and increase in store expansion expenses
-

Auto

- Retail demand further deteriorated due to increased ownership cost, higher dealer inventory despite production cuts by OEMs, and liquidity crunch likely to impact growth
 - EBITDA margin expected to compress due to operating deleverage, challenge passing of price increase and higher discount
-

FMCG

- Growth to be impacted as demand remained moderate due to softening rural growth, liquidity crisis
- However, benign input price expected to improve gross margin



Initiatives and Awards

Initiatives



Broadening Retail Horizon through Asset light expansion

Ethnix



6 New Ethnix Stores in Q1FY20, totaling to 8 stores as at Jun'19

Mini TRS



Expansion of the small store formats continues - 308 stores as at Jun'19

Style Play



6 New Style Play Stores in Q1FY20, totaling to 26 stores as at Jun'19

Tailoring Hubs



3 tailoring hubs added in Q1FY20, totaling to 54 hubs as at Jun'19

Awards



Digital Excellence



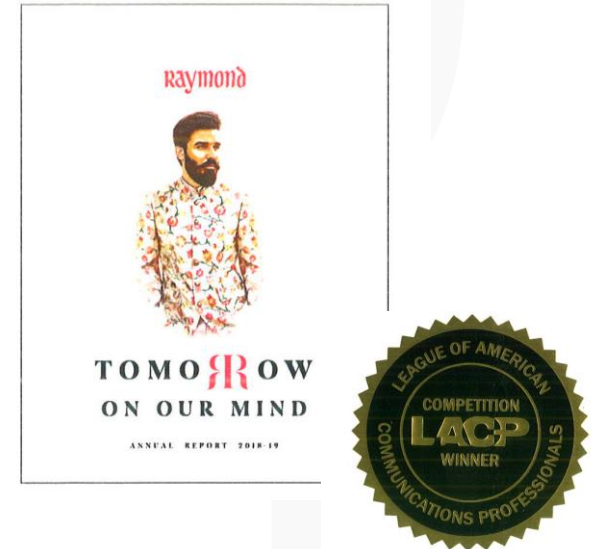
Mobility Solution of the year
Award for **Midas App**
at CSCMP

Trescon Big CIO Awards, 2019



Award for exemplary
**technology initiatives &
IT innovation**

Annual Report



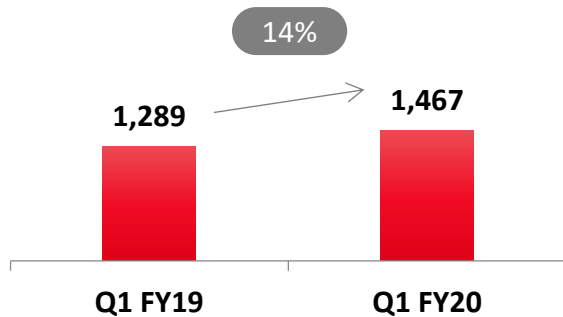
Won Multiple awards for
Annual Report from LACP
and IR Magazine



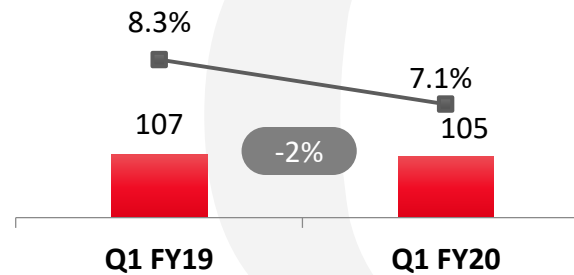
Financial Highlights

Financial Highlights – Q1FY20

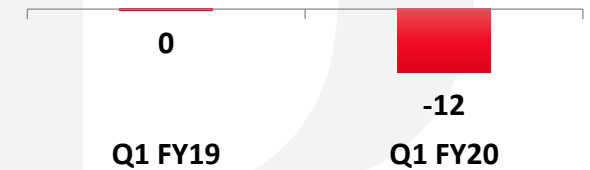
Revenue (₹ Cr)



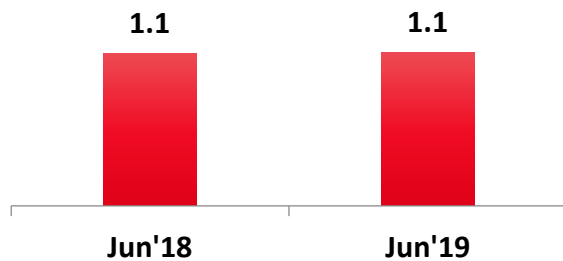
EBITDA (₹ Cr) & EBITDA margin %



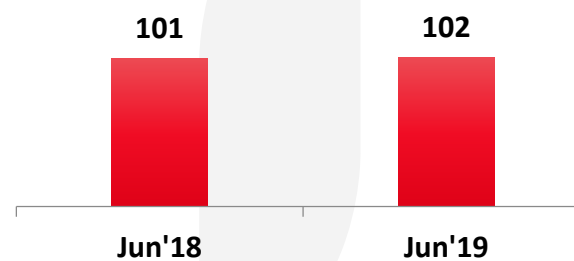
Net Profit (₹ Cr)



Net Debt to Equity Ratio

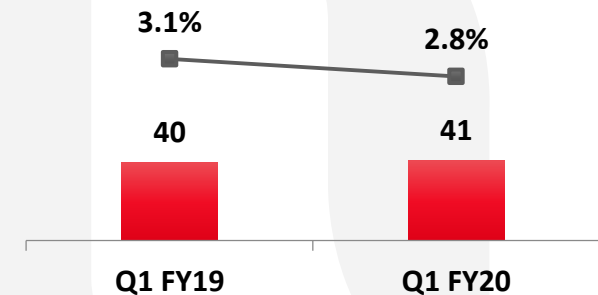


NWC days*



*Trailing 12 months basis

A&SP & % to revenue



Above nos are Pre Ind AS 116 for LTL comparison; Post IND AS - Consolidated EBITDA is at Rs. 144 crores and Net Loss at Rs. 15 crores

Consolidated Results



Particulars (INR Cr)	Pre Ind-AS 116		
	Q1 FY20	Q1 FY19	Y-o-Y%
Net Revenue	1,467	1,289	13.8%
Net Sales	1,435	1,251	14.7%
EBITDA	105	107	-2.3%
<i>EBITDA margin</i>	7.1%	8.3%	-118bps
PBT before exceptions	-7	8	-
<i>PBT margin</i>	-0.4%	0.6%	-106 bps
Net Profit	-12	0	-
<i>Profit margin</i>	-0.8%	0%	-81 bps

Note: Ind-AS 116 applicable from FY20 onwards

Segment Results – Q1 FY20



Particulars (INR Cr)	Pre Ind-AS 116				
	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	Growth (YoY%)
Branded Textile	600	2%	30	5.0%	- 245 bps
Branded Apparel	313	12%	16	5.1%	275 bps
Garmenting	190	16%	3	1.6%	-431 bps
High Value Cotton Shirting	174	11%	27	15.4%	303 bps
Tools and Hardware	91	-5%	7	7.3%	- 99 bps
Auto Components	68	8%	13	19.9%	- 419 bps
Real Estate^	60	-	10	16.4%	
Others #	(29)	-	-1	-	
Raymond Consolidated	1,467	14%	105	7.1%	- 118 bps

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

^ Real Estate is part of 'others' segment; however shown separately above

Balance Sheet & Performance Indicators (Pre Ind-AS 116)

Particulars (INR Cr)	Q1 FY19	Q1 FY20
Net Worth	1,860	2,003
Net Debt	2,135	2,303
Cash Flow from Operations	-135	-94
Free Cash Flow	-216	-215

Key Ratios	Jun'18	Jun'19
Net Debt / Equity	1.1	1.1
NWC Days [#]	101	102
NWC Days excl. Real Estate [#]	102	97

**Trailing 12 months basis*

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

Ind-As 116 Impact

IND AS 116 – Overview (effective from 1st April 2019)

- No distinction between Finance Lease & Operating Lease
- Accounting Treatment
 - All leases to be recognized in the balance sheet as Asset and Liability
 - ‘Lease Obligation’ is measured at present value of lease payments to be made over lease term
 - The ‘Right to use Asset’ is initially measured at the amount of lease liability & adjusted for lease prepayments, if any
 - Right to use asset is depreciated over the lease terms on straight-line basis
 - Interest is added to lease liabilities & actual payments are adjusted from the Lease Liability balance
 - Operating lease payments which were expensed out (as per earlier standard AS 17) will be replaced by Depreciation and Finance cost
- Exemption in the standard for short term leases (≤ 12 months) and assets with low value

IND AS 116 – Impact on Financials

Balance Sheet		
	IND AS17	IND AS116
Assets	-	↑
Liabilities	-	↑
Off Balance Sheet – Rights / Obligations	Assets	
	Liabilities	-

Income Statement		
	IND AS17	IND AS116
Revenue	-	
Other Expenses	←	↓
EBITDA	-	↑
Depreciation	-	↑
EBIT	-	↑
Interest	-	↑
PBT	-	↓

IND AS 116 – Raymond Adoption

- Raymond has seamlessly transitioned to IND AS 116 w.e.f 1st April 2019
- No re-statement of past period
- Raymond has lease terms ranging from 3 to 9 yrs on average
- Non cancellable minimum period – as per the agreements

IND AS 116 – Lease Impact Summary

Particulars (INR Cr)	Pre IND AS 116	Impact	Post IND AS 116
Net Revenue	1,467	3	1,470
Net Sales	1,435	(0)	1,435
EBITDA	105	39	144
<i>EBITDA margin</i>	7%	3%	10%
Depreciation	50	31	81
EBIT	55	8	63
Interest Cost	61	12	74
PBT before exceptions	(7)	(4)	(11)
<i>PBT margin</i>	-0.4%	-0.3%	-1%
Net Profit	(12)	(3)	(15)
<i>Profit margin</i>	-0.8%	-0.2%	-1%



Performance of Segments



Branded Textile

Branded Textile

Particulars (INR Cr)	Q1 FY20	Q1 FY19	% Chg
Net Sales	600	589	2%
EBITDA	30	44	-31%
<i>EBITDA margin</i>	<i>5.0%</i>	<i>7.5%</i>	<i>-245 bps</i>

Post Ind-AS; EBITDA for Q1FY20 is Rs 40 Cr and EBITDA Margin is 6.7%

- Modest topline growth of 2% due to consumption slowdown on account of subdued consumer sentiments and inventory correction in B2C Shirting business
- EBITDA margin declined mainly due adverse product mix & impact of wool price in suiting
- Channel growth for the quarter -

Channel Growth	Wholesale: -12%	TRS: 15%	MBO: -8%	Others: 21%
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Branded Textile

Suiting

- Suiting grew by 6% - Lower secondary sales and liquidity crunch impacted our trade channels
- However growth was led by higher volumes on account of expansion to new smaller outlets through low priced products

B2C Shirting

- Shirting de-grew by 12% mainly due to lower off-take & planned inventory correction of ~Rs 12 Cr in the trade channels to compensate for sluggish retail demand in the past few quarters
- We initiated this correction in 4QFY19 and expect the revival in H2 of current financial year



Branded Apparel

Branded Apparel

Particulars (INR Cr)	Q1 FY20	Q1 FY19	% Chg
Net Sales	313	278	12%
EBITDA	16	7	143%
<i>EBITDA margin</i>	<i>5.1%</i>	<i>2.4%</i>	<i>275 bps</i>

Post Ind-AS; EBITDA for Q1FY20 is Rs 40 Cr and EBITDA Margin is 12.8%

- Branded Apparel growth driven by
 - ✓ Strong growth in Park Avenue and Parx
 - ✓ Increased Channel penetration
- EBITDA Margin improved mainly due to lower average discounting and operational efficiencies
- Brands and Channels growth for the quarter -

Brand Growth	PA: 15%	PX: 27%	CP: 5%	RRTW: 9%*
Channel Growth	MBO: 46%	EBO: 7%	LFS: 16%	TRS: -3%

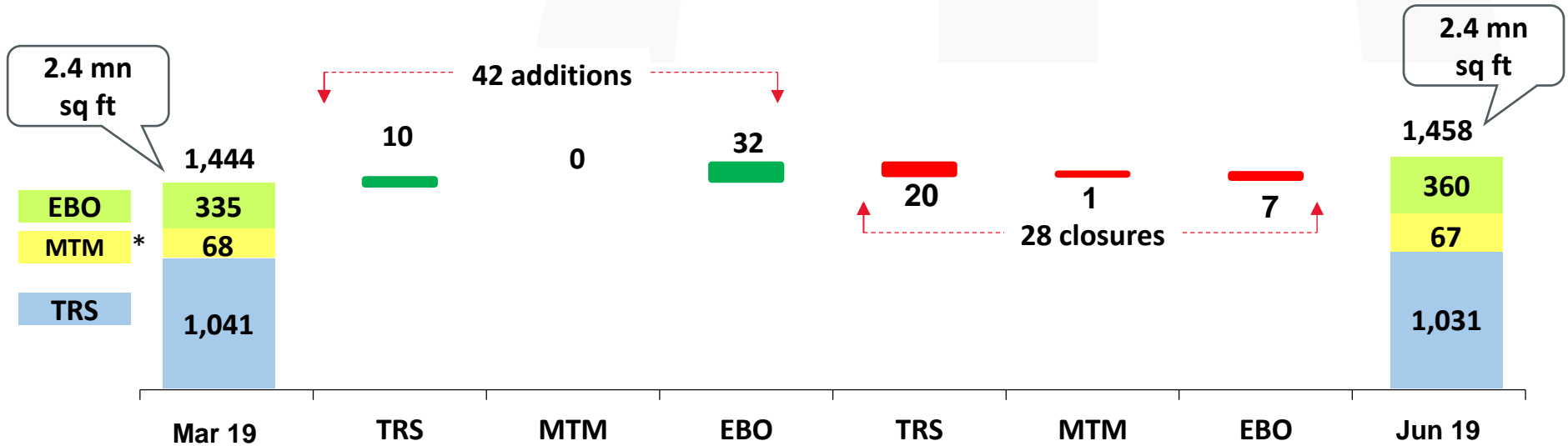
*excluding institutional sales, RRTW sales growth of 7%

PA: Park Avenue, PX: Parx, CP: Color Plus, RRTW: Raymond Ready-To-Wear



Retail Network

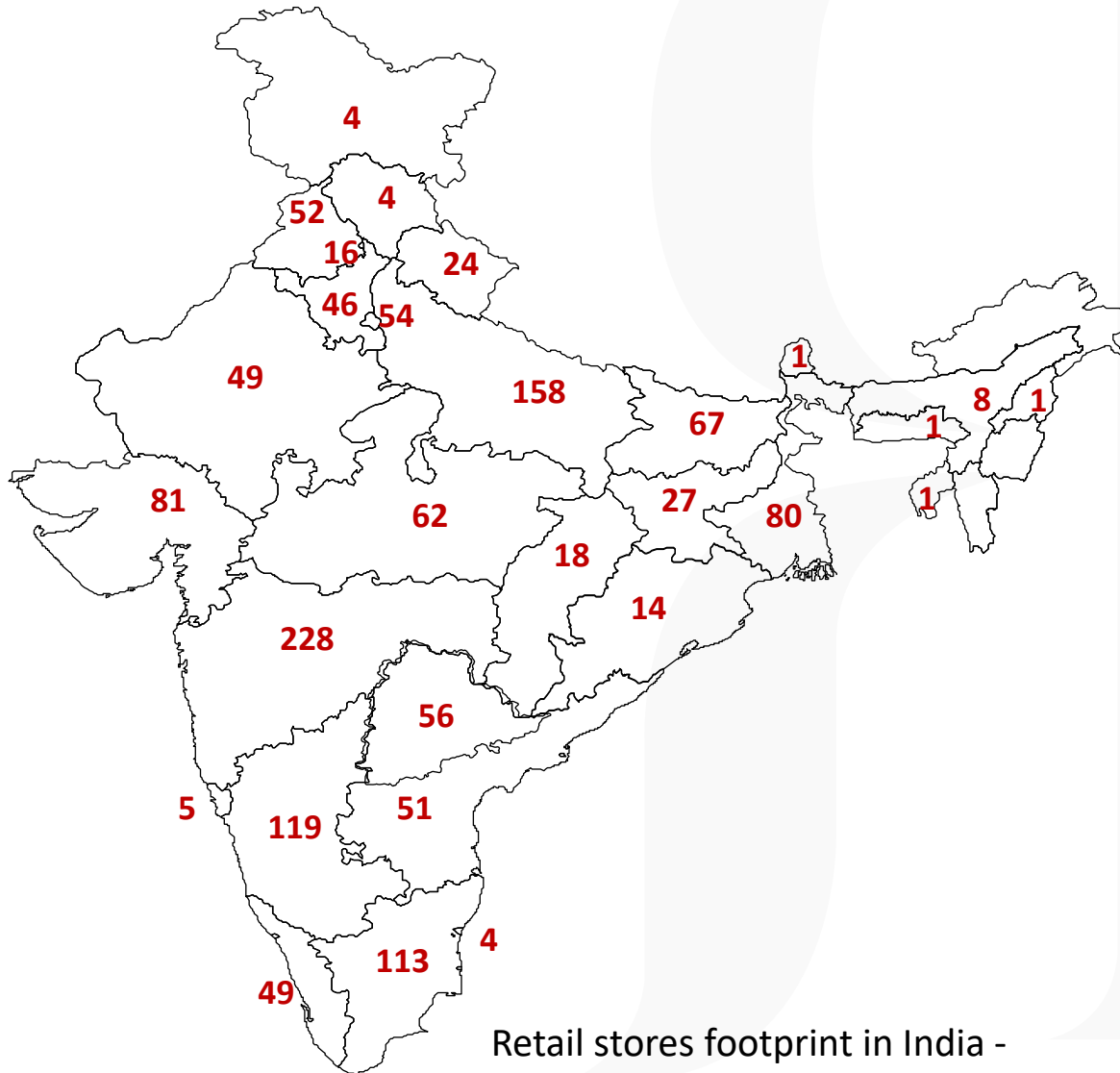
Exclusive Retail Network



- During the quarter
 - ✓ Added 42 new stores and closed 28 stores
 - ✓ 95% of stores added on Franchisee basis in line with our strategy of asset light model
 - ✓ Currently 2 stores under renovation
- Blended sales growth across our retail formats was 10.7%

**includes 46 converge stores (RTW+MTM) as on Mar'19 and 46 as on Jun'19*

Strong Distribution Network



Retail stores footprint in India -
1,406 Domestic stores

Branded Textile

- 20,000+ points of sale across 600+ cities and towns
- 180+ Wholesalers
- 1,340+ MBOs
- Across Raymond Shop (TRS) - Tier I to VI towns

Branded Apparel

- Presence in over 500 cities and towns
- 360 EBOs
- 5,100+ MBO Counters
- 1,300+ LFS
- Across Raymond Shop (TRS) - Tier I to VI towns

308 mini TRS as on Mar'19 across 190+ Towns



Garmenting

Garmenting

Particulars (INR Cr)	Q1 FY20	Q1 FY19	% Chg
Net Sales	190	164	16%
EBITDA	3	10	-68%
<i>EBITDA margin</i>	<i>1.6%</i>	<i>6.0%</i>	<i>-431 bps</i>

No impact of Ind-AS 116

- Growth led by exports to US and Japan markets
- EBITDA margin declined to 1.6% mainly due to
 - Change in product mix which impacted the gross margins
 - Lower Capacity utilization of Ethiopian operations due to the socio political environment



High Value Cotton Shirting

High Value Cotton Shirting

Particulars (INR Cr)	Q1 FY20	Q1 FY19	% Chg
Net Sales	174	158	11%
EBITDA	27	19	38%
<i>EBITDA margin</i>	<i>15.4%</i>	<i>12.4%</i>	<i>303 bps</i>

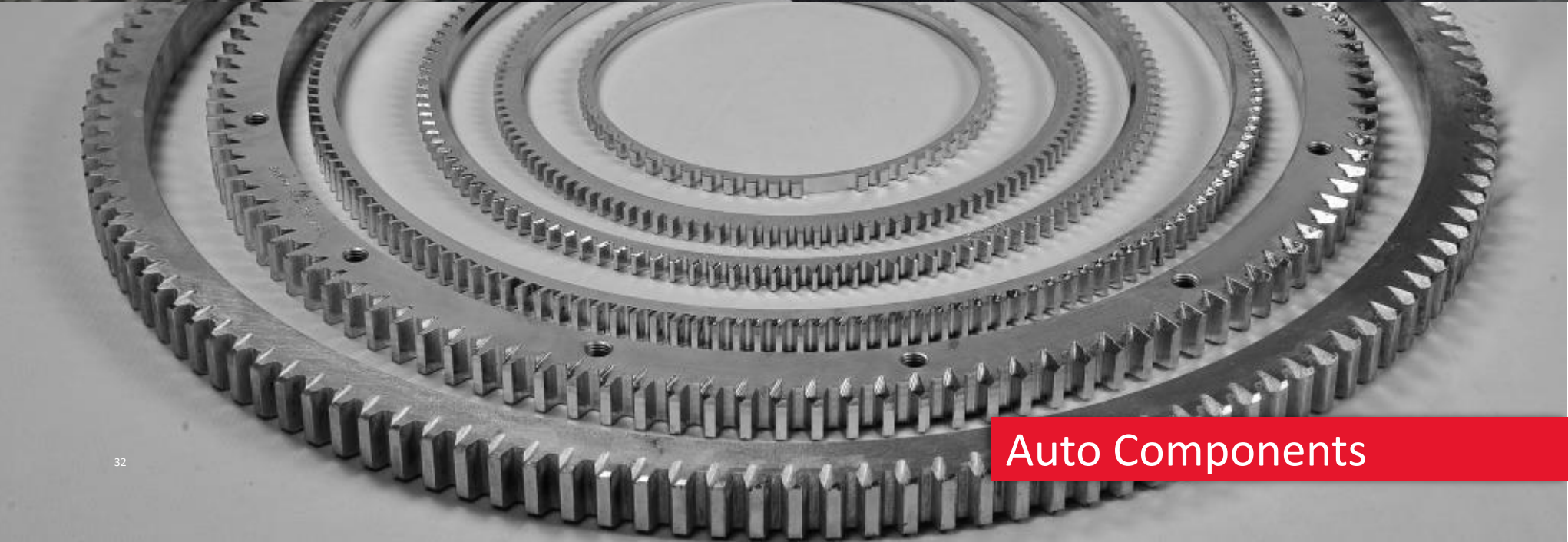
No impact of Ind-AS 116

- Sales growth led by yarn sales from Amravati plant
- EBITDA margin improvement led by improved product mix and operating efficiencies

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



Tools & Hardware



Auto Components

Tools and Hardware

Particulars (INR Cr)	Q1 FY20	Q1 FY19	% Chg
Net Sales	91	96	-5%
EBITDA	7	8	-16%
<i>EBITDA margin</i>	<i>7.3%</i>	<i>8.3%</i>	<i>-99 bps</i>

Post Ind-AS; EBITDA for Q1FY20 is Rs 7 Cr and EBITDA Margin is 8.1%

- Revenue de-growth mainly due to slowdown in domestic files business
- EBITDA margin was lower mainly due to lower contribution from higher margin domestic business

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

Auto Components

Particulars (INR Cr)	Q1 FY20	Q1 FY19	% Chg
Net Sales	68	63	8%
EBITDA	13	15	-11%
<i>EBITDA margin</i>	<i>19.9%</i>	<i>24.0%</i>	<i>-419 bps</i>

No impact of Ind-AS 116

- Growth driven from international customers and supported by new customers & products
- EBITDA Margin impacted due higher contribution from lower margin PV segment

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



raymond | REALTY
Go Beyond

Raymond Realty – Go Beyond



Raymond's maiden venture into Real Estate Development

Project

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

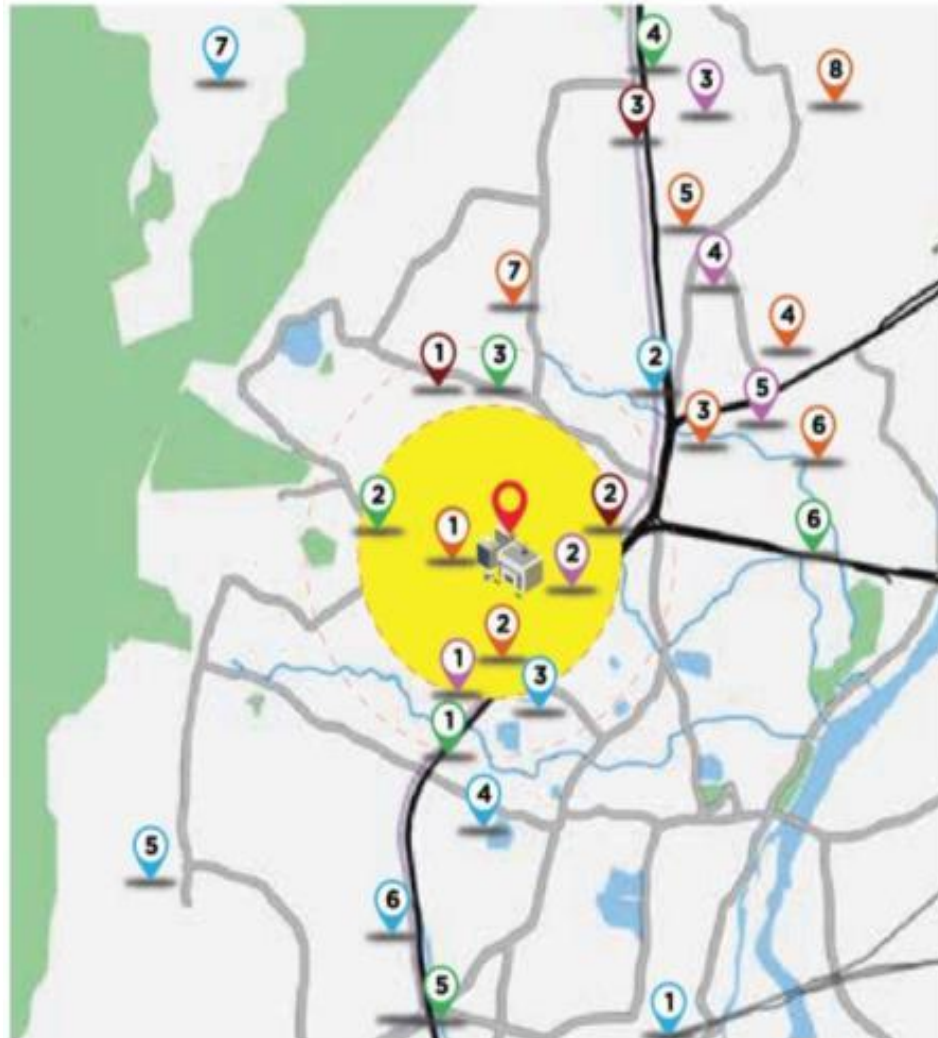
Phase 1 Project Details

- Total 10 towers with ~2.8 mn sq.ft of saleable area
- Total 2BHK units available for sale: 2,800

Current Status

- RERA registration received for 4 towers in Phase 1
- Total Bookings till Jun-19: 581
- Construction commenced for 3 towers

Excellent Connectivity & Eco-system



HOSPITAL

1. Bethany Hospital
2. Jupiter Hospital
3. Titan Hospital



HIGH STREET - SHOPPING

1. Korum Mall
2. Viviana Mall
3. R Mall (Thane)
4. D-Mart
5. Big Bazaar



SCHOOLS

1. Smt. Sunitidevi Singhania School
2. Smt. Sulochanadevi Singhania School
3. C.P. Goenka International School
4. Holy Cross Convent High School
5. Holy Trinity English High School
6. Lodha World School
7. Euro Kids
8. Orchid International School



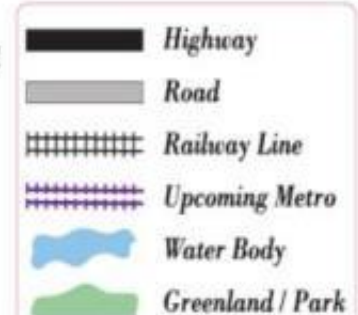
ROAD

1. Eastern Express Highway
2. Pokhran Road 1
3. Pokhran Road 2
4. Ghodbunder Road
5. Teenhath Naka
6. Mumbai - Nashik Highway



CONNECTIVITY

1. Thane Station
2. Upcoming Metro line 4
3. Cadbury Junction
4. Thane Municipal Corporation
5. Passport Seva Kendra
6. Thane RTO
7. Yeoor Hills



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

Financial Update – KPI's

Particulars	FY19*	Q1 FY20	Till June-19
Bookings:			
- No. of bookings	238	343	581
- Area (Mn. Sq.ft.)	0.23	0.34	0.57
- Value of Bookings (Rs. Cr.)	243	367	612
Customers Collection (Rs. Cr.)	6	47	53
Capital Employed^	235	79	314

Particulars(₹ Cr)	FY19*	Q1 FY20
Sales	20	60
EBITDA	-4	10
EBITDA %	-18.7%	16.4%

*Project launched in 4QFY19

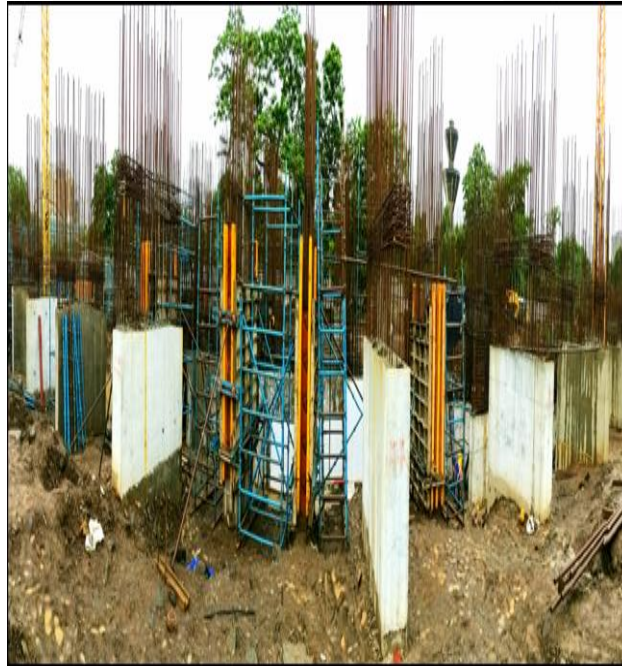
^ Capital Employed includes existing Transferrable Development Rights (TDR) of ₹50 cr
Revenue recognition based on percentage completion method based on Ind AS 115

Construction Update

Tower - A



Tower - B



Tower - C



- **Excavation, Plum & PCC, Foundations completed for Tower A, B & C**
- **Construction activities are as per construction schedule**



Way Forward

Way Forward

- Domestic consumption remains impacted as the consumer sentiment remains subdued and liquidity concerns continues to affect the trade channels
- Overall, we expect the quarter to be modest in terms of growth & consumer sentiment and expect pick up in demand from mid August with onset of festivities
- We expect low single digit growth in topline and possibility of marginal dilution in EBITDA margins as compared to previous year *
- We stay invested in our core fundamentals and expect to be on course during these testing times

* Excluding Real Estate

Thank You

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