



# RESULTS PRESENTATION

QUARTER ENDED JUNE 30, 2018

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## Market Overview

# Market Overview

## Apparel/Textile

- Seasonally moderate quarter with subdued consumer sentiments and lesser number of wedding dates
- However, growth supported by revival of wholesale and trade channels
- Increase in raw material prices to impact textile players



## Retail

- Moderate demand due to sluggish consumer sentiments
- High base for most retailers due to pre-ponement of EOSS and pre-GST liquidation last year



## Auto

- Double digit revenue growth expected due to a low base (BS4 and GST transitions), strong rural demand and healthy growth in overseas sales
- Auto ancillary players expected to post healthy growth as well due to higher replacement demand as last year was impacted across value chain



## FMCG

- Growth led by volume due to
  - Wholesale channel stabilizing post demon/GST disruption
  - Early signs early signs of recovery in rural markets
  - Favourable base (GST led de-stocking in base quarter)





## Business Update

# Initiatives



## Khadi

Khadi by Raymond launched in April'18



## Tailoring Hubs

5 tailoring hubs opened in Q1; totaling to 30 hubs as at Jun'18



## Style Play

- Exclusive MBO (FOFO) selling Raymond Apparel Brands
- 4 Stores opened in Q1FY19; totaling to 6 stores as at Jun'18



## Mini TRS

10 mini TRS rolled out in Q1FY19; totaling to 101 stores as at Jun'18

# Awards

## Raymond wins multiple awards for Retail Marketing: Local Store Activations



- Marketing Campaign of the Year, Indian Retail Awards 2018
- Most Admired Brand – Marketing & Promotion, India Fashion Forum

## Raymond's Annual Report 2017-18 wins multiple awards in Global Annual Report Competition (LACP, US)



- Silver Winner Worldwide in Consumer Durables
- Top 5 Indian Reports of 2017
- Featured in Top 80 reports in Asia-Pacific region
- Technical Achievement Award

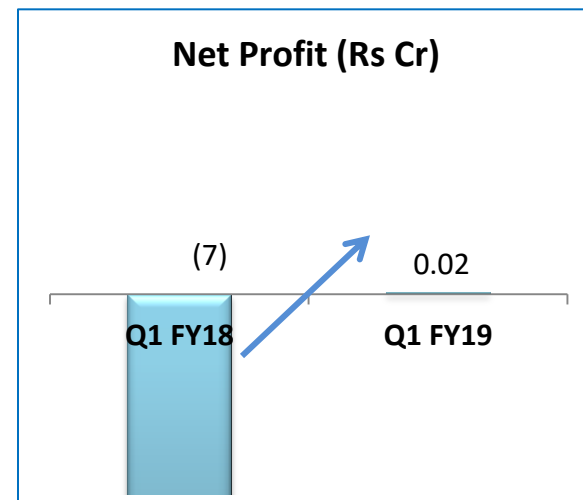
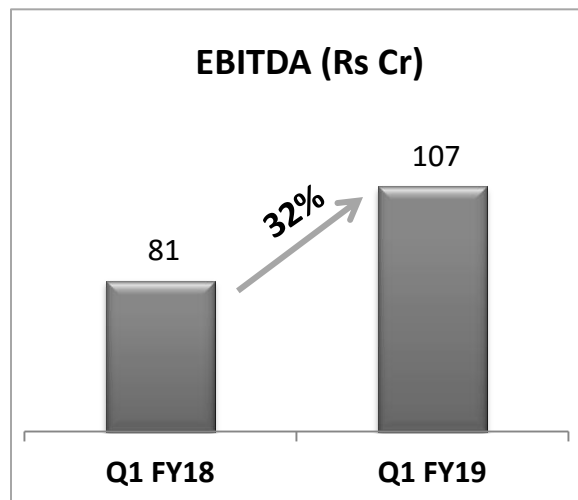
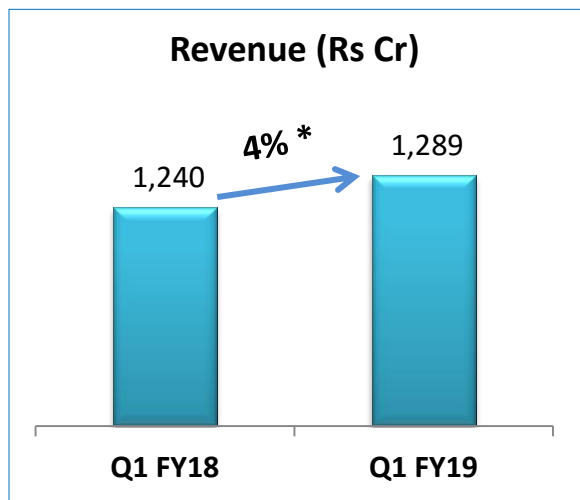
Competition Category: Consumer Products - Non-Food





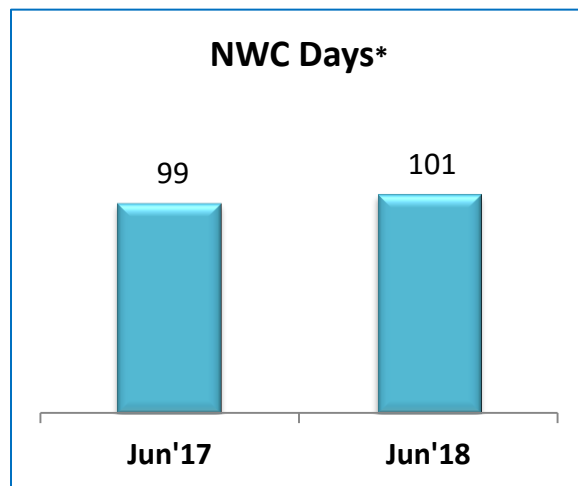
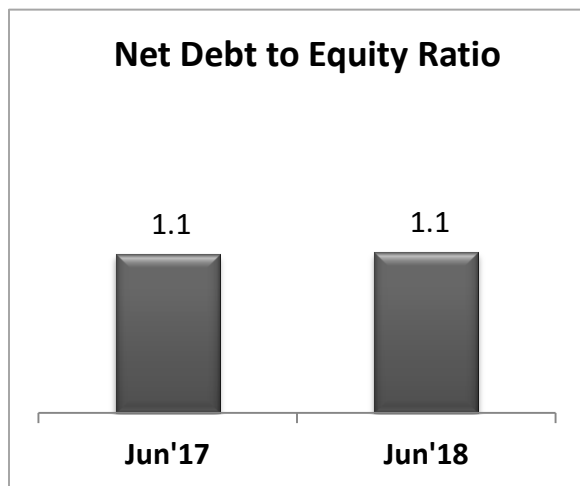
## Highlights

# Consolidated Financial Highlights

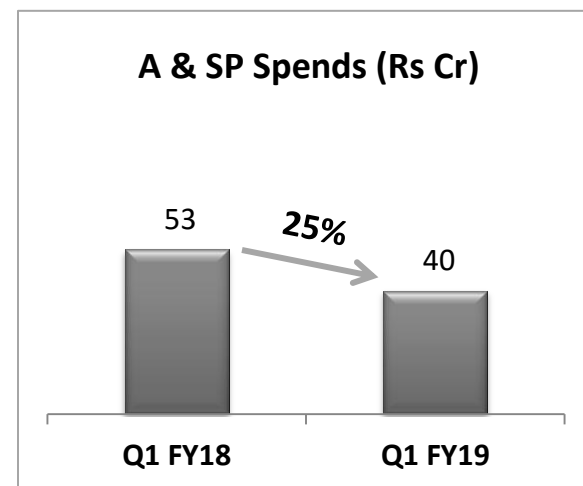


\* Revenue growth of 8% on excluding GST impact

\* Lower revenue recognition by ~4%, due to revenue booking “net of excise” post GST as against gross earlier



\*on TTM basis

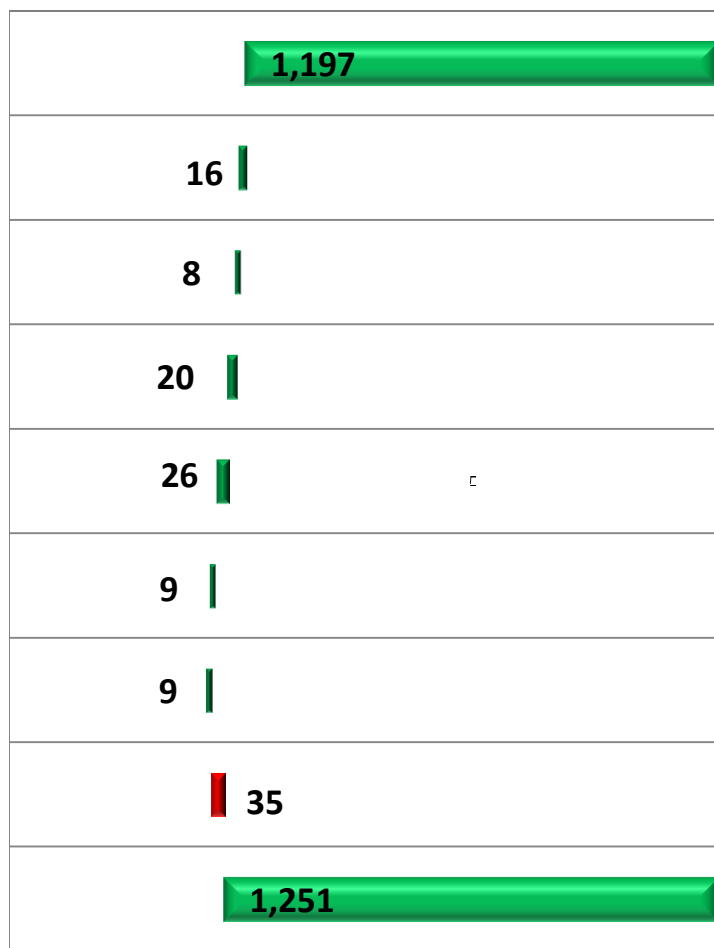


# Consolidated Results

INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Revenue*</b>	<b>1,289</b>	<b>1,240</b>	<b>4%</b>
<b>Net Sales</b>	<b>1,251</b>	<b>1,197</b>	<b>4%</b>
<b>EBITDA</b>	<b>107</b>	<b>81</b>	<b>32%</b>
<i>EBITDA margin</i>	<i>8.3%</i>	<i>6.6%</i>	
<b>PBT before excp</b>	<b>8</b>	<b>0</b>	<b>NA</b>
<i>PBT margin</i>	<i>0.6%</i>	<i>0.0%</i>	
<b>Exceptional item</b>	<b>(2)</b>	<b>-</b>	<b>NA</b>
<b>Net Profit</b>	<b>0.02</b>	<b>(7)</b>	<b>NA</b>
<i>Profit margin</i>	<i>0.0%</i>	<i>-0.6%</i>	

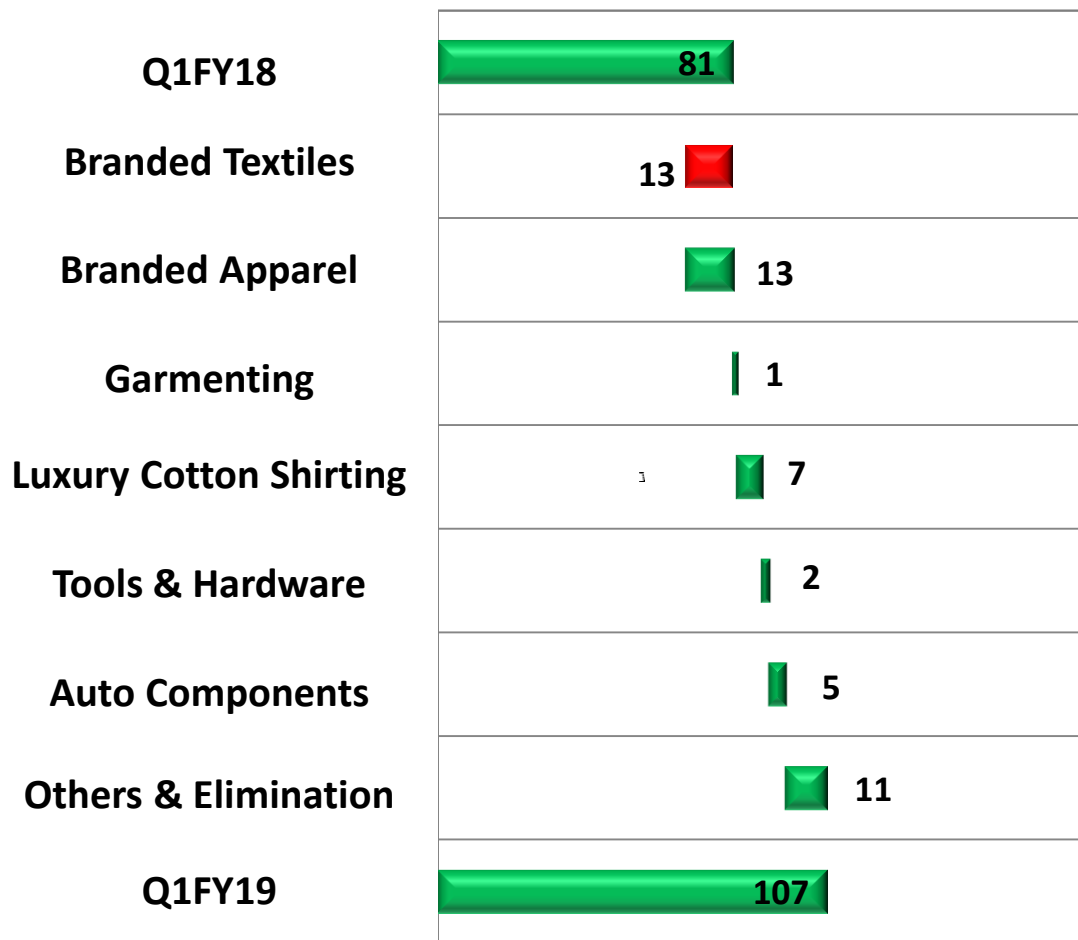
\* Excluding GST impact, revenue growth of 8%

## Q1 SALES BRIDGE (Rs. Cr)



**Rs 54 cr**

## Q1 EBITDA BRIDGE (Rs. Cr)



**Rs 26 cr**

Company entered into contracts with group companies for allocation of common costs from the current quarter, resulting in allocation to its group companies / business segments. Segment results of previous periods are not comparable to this extent although, the impact on net profit of the group is insignificant.

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## Business-wise Details

**BRANDED TEXTILES**

**Raymond**



# Branded Textiles

INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Sales</b>	<b>589</b>	<b>572</b>	<b>3%</b>
<i>Growth Excluding GST</i>			<b>7%</b>
<b>EBITDA</b>	<b>44</b>	<b>57</b>	<b>-23%</b>
<i>EBITDA margin</i>	<i>7.5%</i>	<i>10.0%</i>	

- Increase in sales excluding GST impact by 7%
  - ✓ Suiting and Shirting business grew by 3% and 23% respectively
  - ✓ driven by channel expansion and exports growth
- Lower EBITDA margin largely on account of increase in raw-material cost, change in channel mix and central cost allocation



*BRANDED APPREL*

WORK.  
PLAY.  
CELEBRATE.  
REPEAT.



Find your nearest store.  
<http://bit.ly/allPAdoors>



PARK AVENUE



# Branded Apparel

INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Sales</b>	<b>278</b>	<b>270</b>	<b>3%</b>
<i>Growth Excluding GST</i>			<b>10%</b>
<b>EBITDA</b>	<b>7</b>	<b>(6)</b>	<b>NA</b>
<i>EBITDA margin</i>	<b>2.4%</b>	<b>-2.4%</b>	

- Growth driven by strong performance in MBO channel and contribution from new customer segments
- EBITDA margin improved to 2.4% as compared to negative 2.4% in the previous year, mainly due to sales growth and lower discretionary spends
- Overall growth of brands –

Brand	Raymond RTW	Park Avenue	ColorPlus	Parx
<b>Growth excluding GST</b>	11%	2%	-2%	15%



PARK AVENUE

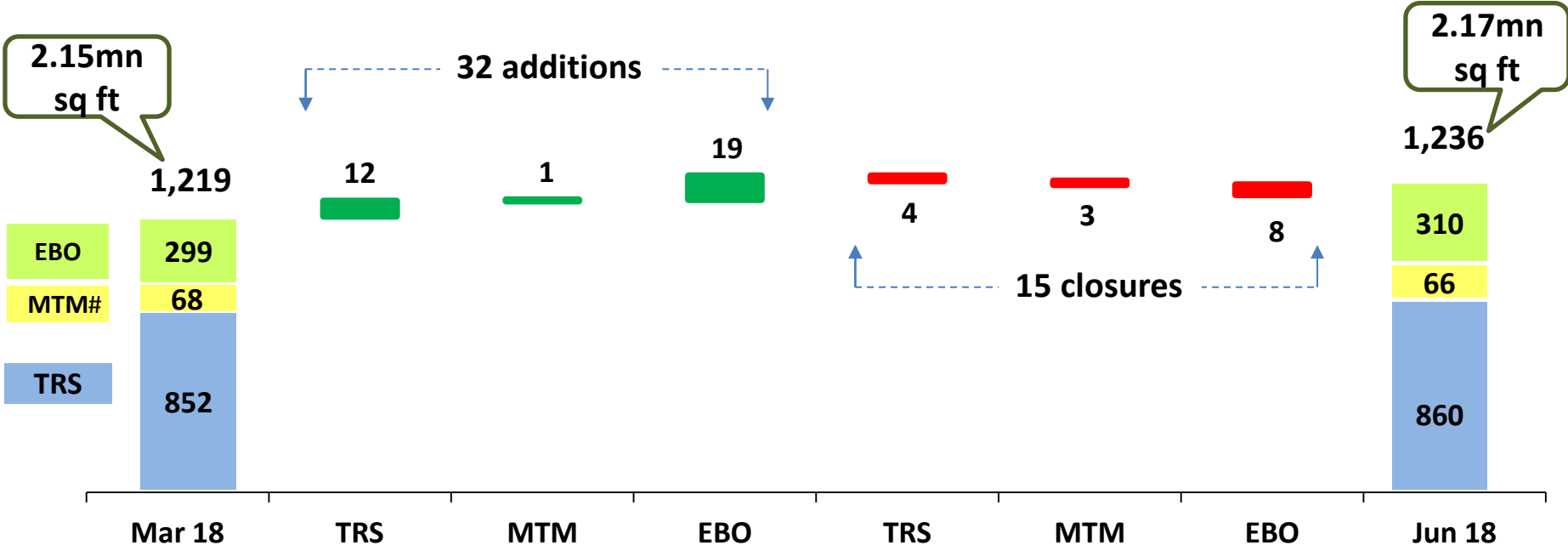
ColorPlus



RETAIL



# Exclusive Retail Network



- During the quarter
  - Added 32 new stores (including 10 mini-TRS) and closed 15 stores
  - All the new stores added are franchised
  - Completed 4 stores renovation, currently 11 stores under renovation
- Blended sales growth across our retail formats was 2%

#MTM includes 41 converged stores

GARMENTING



# Garmenting

INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Sales</b>	<b>164</b>	<b>144</b>	<b>14%</b>
<i>Growth Excluding GST</i>			<i>14%</i>
<b>EBITDA</b>	<b>10</b>	<b>9</b>	<b>12%</b>
<i>EBITDA margin</i>	<i>6.0%</i>	<i>6.1%</i>	

- Sales growth of 14% led by exports growth in Europe
- EBITDA margins maintained ~6%

*HIGH VALUE  
COTTON SHIRTING*



# High Value Cotton Shirting

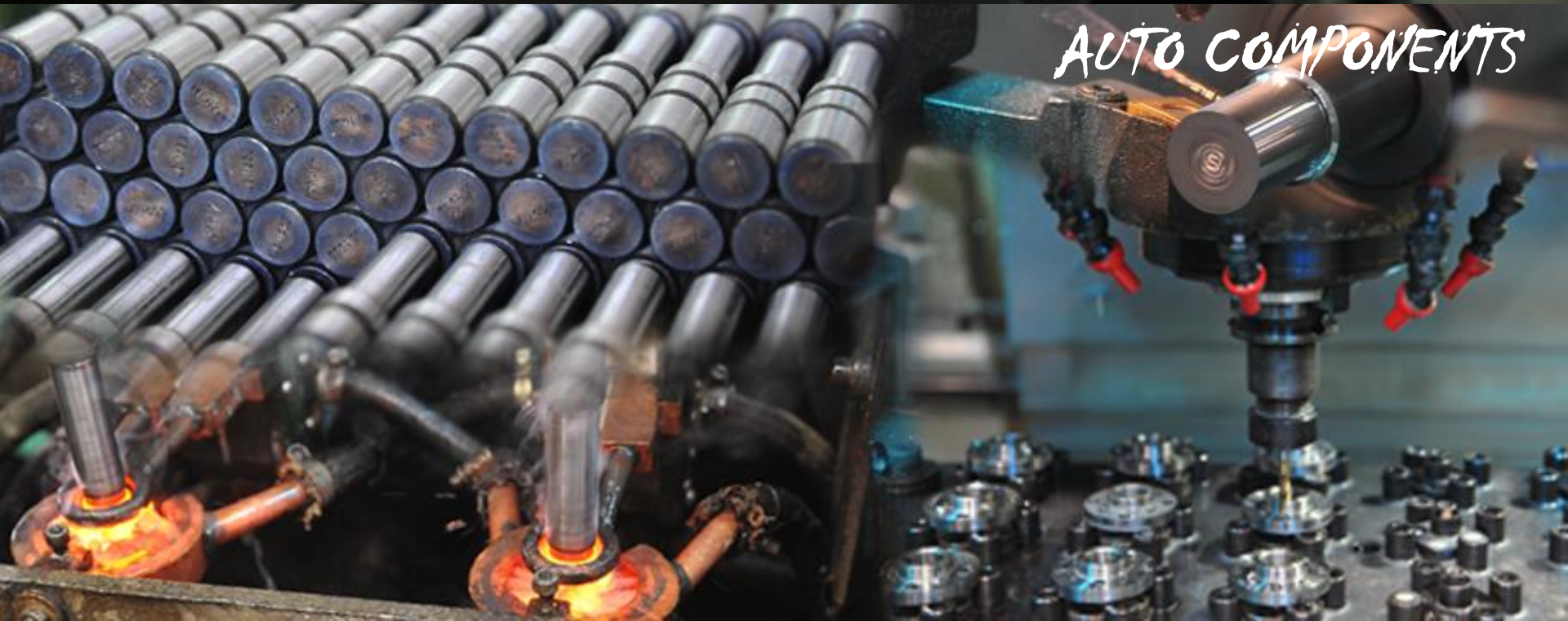
INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Sales</b>	<b>158</b>	<b>131</b>	<b>20%</b>
<i>Growth Excluding GST</i>			<b>23%</b>
<b>EBITDA</b>	<b>19</b>	<b>13</b>	<b>55%</b>
<i>EBITDA margin</i>	<i>12.4%</i>	<i>9.6%</i>	

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

- Sales growth on account of better offtake by the customers
- Improvement in EBITDA margin mainly due to better product mix

ENGINEERING

TOOLS & HARDWARE



AUTO COMPONENTS



# Tools & Hardware

INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Sales</b>	<b>96</b>	<b>87</b>	<b>10%</b>
<i>Growth Excluding GST</i>			<b>18%</b>
<b>EBITDA</b>	<b>8</b>	<b>6</b>	<b>34%</b>
<i>EBITDA margin</i>	<i>8.3%</i>	<i>6.8%</i>	

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

- Growth driven by better performance in domestic markets
- Healthy improvement in EBITDA margin due to the turnaround strategy of building operational efficiency and product rationalization.



# Auto Components

INR Crore	Q1 FY19	Q1 FY18	Change
<b>Net Sales</b>	<b>63</b>	<b>54</b>	<b>16%</b>
<i>Growth Excluding GST</i>			<b>21%</b>
<b>EBITDA</b>	<b>15</b>	<b>10</b>	<b>44%</b>
<i>EBITDA margin</i>	<i>24.0%</i>	<i>19.5%</i>	

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

- High growth driven by strong demand from both domestic and international customers
- EBITDA margin improvement due to favourable product mix, productivity improvements and cost reduction
- Overall, the business is maintaining its profitable sales growth momentum

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## Way Forward

# Way Forward

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- ❑ Consumer demand continued to remain moderate at retail level during July.
- ❑ However, overall consumer sentiments expected to improve supported by shift to new season stock and onset of festivities starting August
- ❑ For 2QFY19, we expect early double digits revenue growth and to maintain our EBITDA margins as compared to last year
- ❑ In line with the asset light network expansion strategy, majority of new stores will be based on franchise model



**THANK YOU**

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