

# Result Presentation

Quarter ended December 31, 2018



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Market Overview

# Market Overview

## Textile

- Growth led by higher volumes mainly due to festivities in Q3 and upcoming wedding season in Q4
- Raw material cost continue to remain high

## Apparel & Retail

- Strong SSSG expected due to shift in festive season in Q3
- Network Expansion, early EOSS and promotional schemes expected to drive volumes
- Improvement in EBITDA margin likely due to operational efficiency

## Auto

- Muted festive demand due to weak market sentiments
- Volumes impacted due to higher fuel prices, rise in insurance costs and adverse interest rates
- EBITDA margin to compress mainly due to lower volumes and realization (higher discounts)

## FMCG

- Growth driven by sustained rural demand
- Gross margin likely to be impacted due to input cost inflation
- Increased competitive intensity through online platforms



Initiatives and Awards

# Initiatives



## Mini TRS



70 mini TRS added in Q3FY19; totaling to 209 stores as at Dec'18

## Style play



5 Stores opened in Q3FY19; totaling to 16 stores as at Dec'18

## Tailoring Hubs



5 tailoring hubs added in Q3FY19, totaling to 38 hubs as at Dec'18

# Awards



## Shared Service Team



GOLD Award in the category **'Excellence in Transformation'** at Shared Service Outsourcing Network (SSON) regional awards

## Supply Chain and Logistics



CII National Scale award for **'Exemplary position'** under Retail Category

## Communication and Media



Silver Award for **'Excellence in Communication & Media'** at Big Bang Awards, 2018



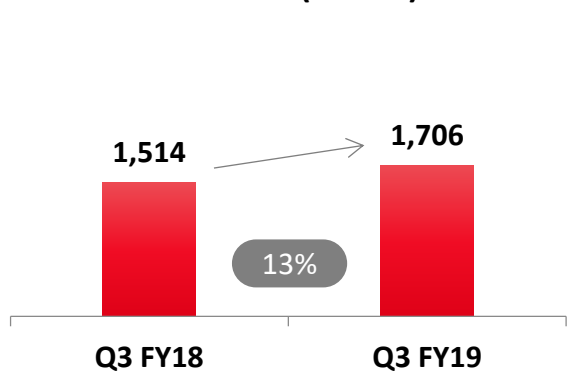


Financial Highlights

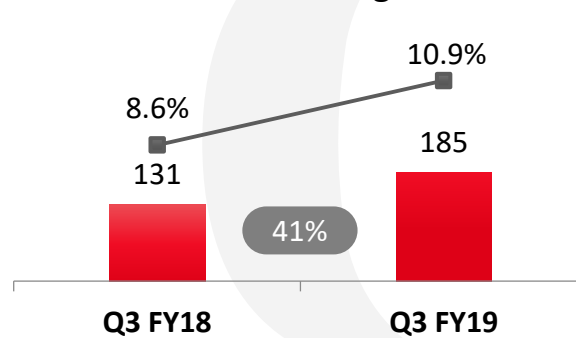
# Financial Highlights – Q3FY19



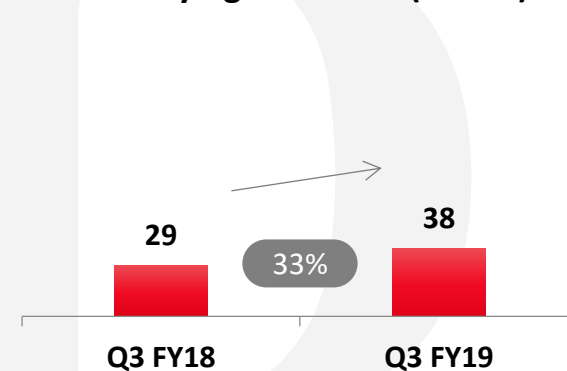
Revenue (INR Cr)



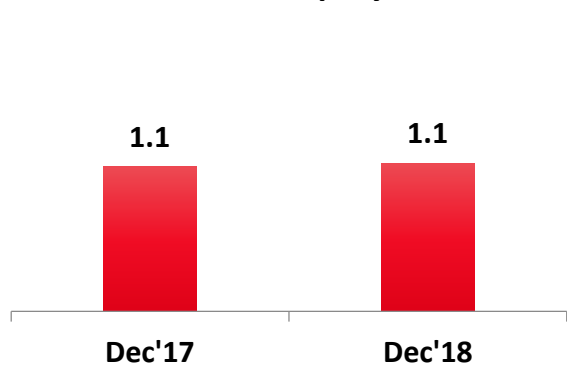
EBITDA (INR Cr) & EBITDA margin %



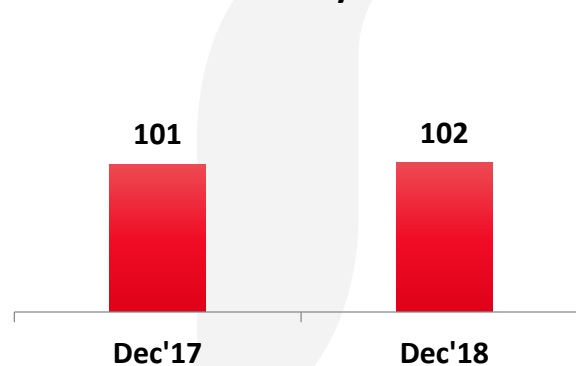
Underlying Net Profit (INR Cr)



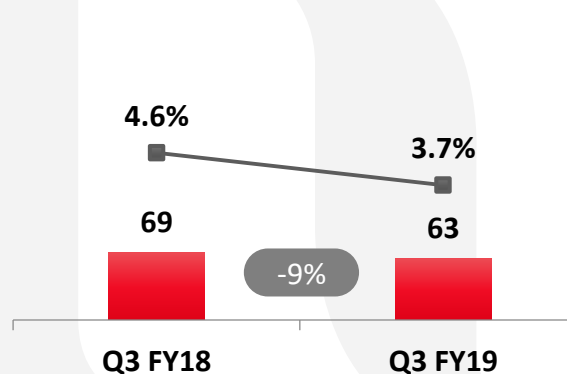
Net Debt to Equity Ratio



NWC days\*



A&SP



\*on TTM Basis

# Consolidated Results



Particulars (INR Cr)	Q3 FY19	Q3 FY18	Y-o-Y%
<b>Net Revenue</b>	<b>1,706</b>	<b>1,514</b>	<b>13%</b>
Net Sales	1,675	1,484	13%
<b>EBITDA</b>	<b>185</b>	<b>131</b>	<b>41%</b>
<i>EBITDA margin</i>	<i>10.9%</i>	<i>8.6%</i>	
PBT before exceptions	67	42	58%
<i>PBT margin</i>	<i>3.9%</i>	<i>2.8%</i>	
<b>Underlying Net Profit (before exceptions)</b>	<b>38</b>	<b>29</b>	<b>33%</b>
Exceptional items (net of tax)	-1	0	
<b>Net Profit</b>	<b>38</b>	<b>29</b>	<b>30%</b>
<i>Profit margin</i>	<i>2.2%</i>	<i>1.9%</i>	

9m FY19	9m FY18	Y-o-Y%
<b>4,871</b>	<b>4,370</b>	<b>11%*</b>
4,774	4,277	12%
<b>507</b>	<b>370</b>	<b>37%</b>
<i>10.4%</i>	<i>8.5%</i>	
179	116	54%
<i>3.7%</i>	<i>2.7%</i>	
<b>103</b>	<b>62</b>	<b>66%</b>
-2	19	
<b>100</b>	<b>82</b>	<b>23%</b>
<i>2.1%</i>	<i>1.9%</i>	

\* Lower revenue recognition by ~1%, due to revenue booking "net of excise" post GST as against gross earlier

## Segment Results – Q3 FY19



Particulars (INR Cr)	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	EBITDA Margin % (LTL*)	Y-o-Y Change
Branded Textiles	848	10%	125	14.8%	15.6%	26 bps
Branded Apparels	397	20%	9	2.2%	2.7%	251 bps
Garmenting	185	14%	7	3.8%	4.6%	49 bps
High Value Cotton Shirting	159	7%	22	14.0%	14.8%	415 bps
Tools and Hardware	100	2%	12	11.8%	11.8%	176 bps
Auto Components	64	30%	14	21.8%	21.8%	-192 bps
Others #	-47	-	-4	-	-	-
<b>Raymond Consolidated</b>	<b>1,706</b>	<b>13%</b>	<b>185</b>	<b>10.9%</b>	<b>10.9%</b>	<b>221 bps</b>

\* EBITDA Margin LTL: Like to Like EBITDA margin excluding common cost allocation for comparable basis

Company entered into contracts with group companies for allocation of common costs from the Q1 FY19, resulting in allocation to its group companies / business segments. The impact on net profit of the group is insignificant

# Others includes non scheduled airline operations, real estate development, unallocated expenses, elimination and other income

## Segment Results – 9m FY19



Particulars (INR Cr)	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	EBITDA Margin % (LTL*)	Y-o-Y Change
Branded Textiles	2,321	10%	303	13.0%	13.9%	-31 bps
Branded Apparels	1,158	13%	29	2.5%	3.1%	229 bps
Garmenting	567	16%	32	5.7%	6.5%	199 bps
High Value Cotton Shirting	492	14%	69	14.0%	14.8%	420 bps
Tools and Hardware	300	9%	35	11.6%	11.6%	291 bps
Auto Components	191	22%	43	22.8%	21.6%^	85 bps
Others #	-158		-4			-
<b>Raymond Consolidated</b>	<b>4,871</b>	<b>11%</b>	<b>507</b>	<b>10.4%</b>	<b>10.4%</b>	<b>193 bps</b>

\* EBITDA Margin LTL: Like to Like EBITDA margin excluding common cost allocation for comparable basis  
Company entered into contracts with group companies for allocation of common costs from the Q1 FY19, resulting in allocation to its group companies / business segments. The impact on net profit of the group is insignificant

^ Auto Components: EBITDA Margin is excluding one time gain

# Others includes non scheduled airline operations, real estate development, unallocated expenses, elimination and other income

## Balance Sheet & Cash Flow Performance Indicators

Particulars (INR Cr)	Dec'17	Dec'18
Net Worth	1,830	1,963
Net Debt	1,988	2,185
Cash Flow from Operations	188	226
Free Cash Flow	35	94

Key Ratios	Dec'17	Dec'18
Net Debt / Equity	1.1	1.1
Net Working Capital Days (TTM basis)	101	102



Performance of Segments



Branded Textiles



## Branded Textile

Particulars (INR Cr)	Q3 FY19	Q3 FY18	% Chg
<b>Net Sales</b>	<b>848</b>	<b>768</b>	<b>10%</b>
<b>EBITDA</b>	<b>125</b>	<b>118</b>	<b>6%</b>
<i>EBITDA margin</i>	<i>14.8%</i>	<i>15.3%</i>	
<i>EBITDA margin LTL</i>	<i>15.6%</i>	<i>15.3%</i>	

9m FY19	9m FY18	% Chg
<b>2,321</b>	<b>2,113</b>	<b>10%</b>
<b>303</b>	<b>301</b>	<b>0%</b>
<i>13.0%</i>	<i>14.3%</i>	
<i>13.9%</i>	<i>14.3%</i>	

*9m growth  
Ex-GST: 11%*

- Increase in sales driven by volume growth in domestic business mainly in trade channels
  - ✓ Suiting grew by 13% driven by volume growth
  - ✓ Muted growth of 2% in Shirting
- EBITDA LTL margin higher mainly due to higher sales and lower discretionary spends
- Channel growth for the quarter

Channel Growth	Wholesale: -1%	TRS: 15%	MBO: 13%	Others: 21%
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# MADE TO PLAY



Branded Apparel

## Branded Apparel

Particulars (INR Cr)	Q3 FY19	Q3 FY18	% Chg
Net Sales	397	332	20%
EBITDA	9	1	-
EBITDA margin	2.2%	0.2%	
EBITDA margin LTL	2.7%	0.2%	

9m FY19	9m FY18	% Chg
1,158	1,021	13%
29	8	272%
2.5%	0.8%	
3.1%	0.8%	

9m growth  
Ex-GST: 16%

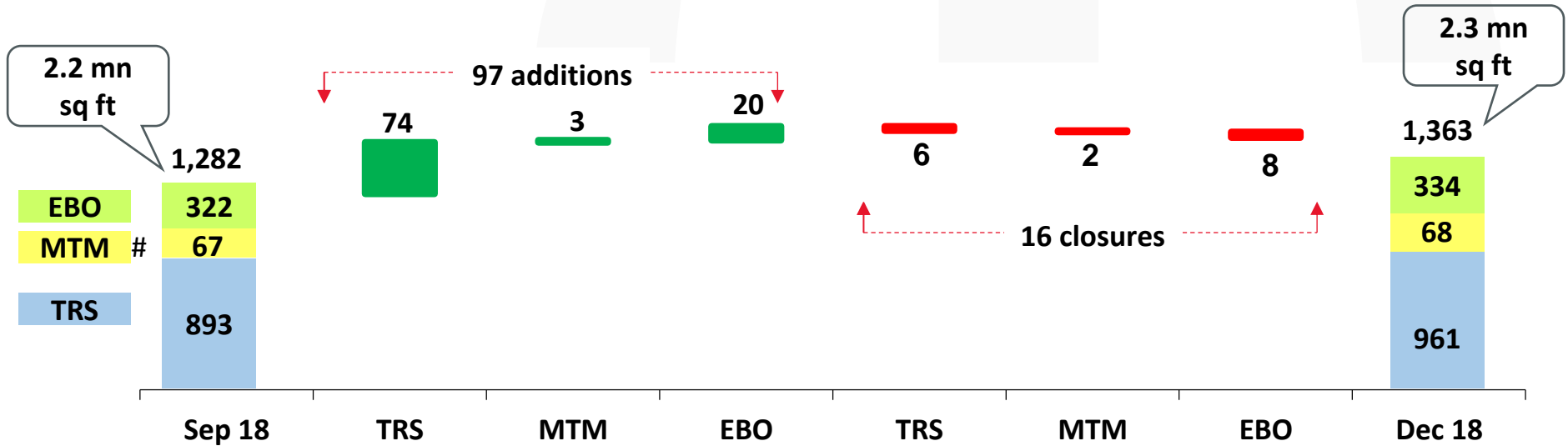
- Branded Apparel growth driven by
  - ✓ Strong growth in PA and Parx brands supported by new customer segments
  - ✓ Strong performance in EBO and MBO channels
- EBITDA Margin LTL improved mainly due to sales growth and better channel mix
- Brands and Channels growth for the quarter -

Brand Growth	PA: 21%	PX: 17%	CP: 8%	RTW: 5%
Channel Growth	MBO: 29%	EBO: 19%	LFS: 6%	TRS: -4%



Retail Network

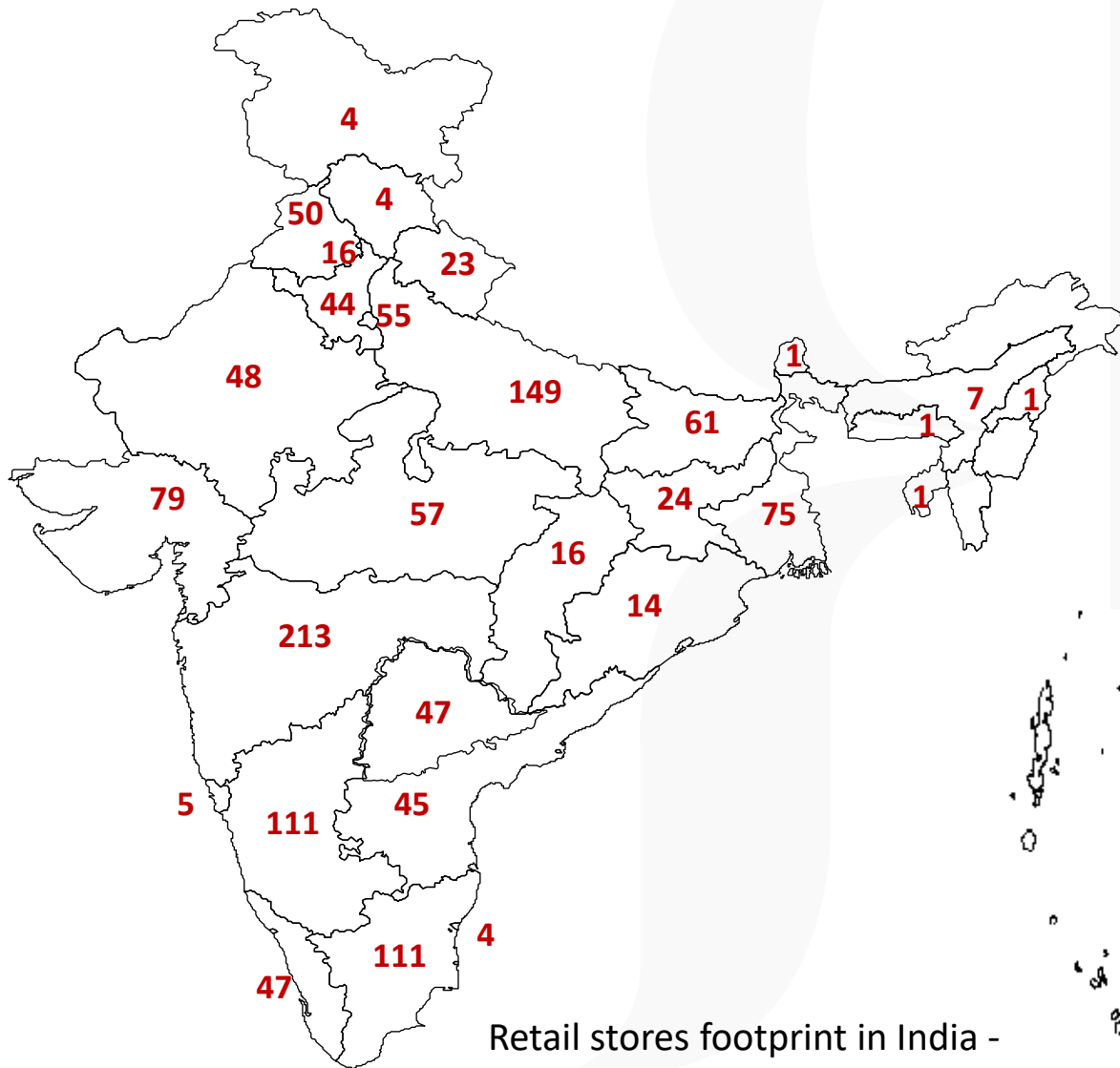
# Exclusive Retail Network



- During the quarter
  - ✓ Added 97 new stores (including 70 mini-TRS) and closed 16 stores
  - ✓ 95 of 97 stores added on Franchisee basis in line with our strategy of asset light model
  - ✓ Currently 10 stores under renovation
- Blended sales growth across our retail formats was ~10%

*\*includes 43 converge stores as on Sep'18 and 46 as on Dec'18*

## Strong Distribution Network



Retail stores footprint in India -  
1,313 Domestic stores

### Branded Textile

- 20,000+ points of sale across 600+ cities and towns
- 180+ Wholesalers
- 1350+ MBOs
- Across Raymond Shop (TRS) - Tier I to VI towns

### Branded Apparel

- Presence in over 500 cities and towns
- 334 EBOs
- 4500+ MBOs
- 1300+ LFS
- Across Raymond Shop (TRS) - Tier I to VI towns

**209 mini TRS as on Dec'18 across 180+ Towns**



Garmenting

# Garmenting

Particulars (INR Cr)	Q3 FY19	Q3 FY18	% Chg
<b>Net Sales</b>	<b>185</b>	<b>162</b>	<b>14%</b>
<b>EBITDA</b>	<b>7</b>	<b>7</b>	<b>5%</b>
<i>EBITDA margin</i>	3.8%	4.1%	
<i>EBITDA margin LTL</i>	4.6%	4.1%	

9m FY19	9m FY18	% Chg
<b>567</b>	<b>490</b>	<b>16%</b>
<b>32</b>	<b>22</b>	<b>47%</b>
5.7%	4.5%	
6.5%	4.5%	

*9m growth  
Ex-GST: 16%*

- Growth led by exports in Europe and US
- EBITDA margin LTL improved to 4.6% due to better operational efficiencies





High Value Cotton Shirting

## High Value Cotton Shirting

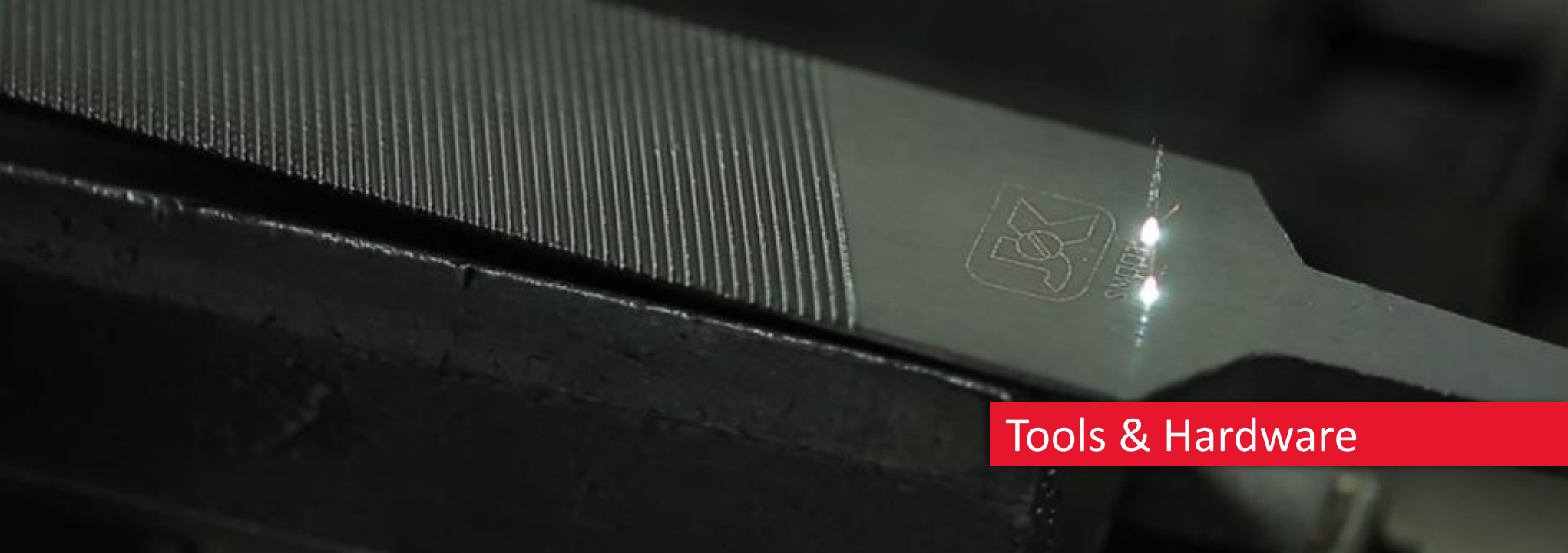
Particulars (INR Cr)	Q3 FY19	Q3 FY18	% Chg
<b>Net Sales</b>	<b>159</b>	<b>149</b>	<b>7%</b>
<b>EBITDA</b>	<b>22</b>	<b>16</b>	<b>40%</b>
<i>EBITDA margin</i>	<i>14.0%</i>	<i>10.7%</i>	
<i>EBITDA margin LTL</i>	<i>14.8%</i>	<i>10.7%</i>	

9m FY19	9m FY18	% Chg
<b>492</b>	<b>430</b>	<b>14%</b>
<b>69</b>	<b>46</b>	<b>51%</b>
<i>14.0%</i>	<i>10.6%</i>	
<i>14.8%</i>	<i>10.6%</i>	

*9m growth  
Ex-GST: 15%*

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

- Sales growth led by yarn sales from Amravati plant
- EBITDA margin LTL improved to 14.8% mainly led by improved product mix and increased efficiency on account of stabilization of Amravati operations



Tools & Hardware



Auto Components

## Tools and Hardware

Particulars (INR Cr)	Q3 FY19	Q3 FY18	% Chg
<b>Net Sales</b>	<b>100</b>	<b>98</b>	<b>2%</b>
<b>EBITDA</b>	<b>12</b>	<b>10</b>	<b>20%</b>
<i>EBITDA margin</i>	<i>11.8%</i>	<i>10.1%</i>	

9m FY19	9m FY18	% Chg
<b>300</b>	<b>275</b>	<b>9%</b>
<b>35</b>	<b>24</b>	<b>45%</b>
<i>11.6%</i>	<i>8.7%</i>	

*9m Growth  
Ex-GST: 11%*

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

- Growth driven by better performance in exports markets
- Improvement in EBITDA margin by 176 bps led by operational efficiency and product rationalization

# Auto Component

Particulars (INR Cr)	Q3 FY19	Q3 FY18	% Chg
<b>Net Sales</b>	<b>64</b>	<b>49</b>	<b>30%</b>
<b>EBITDA</b>	<b>14</b>	<b>12</b>	<b>16%</b>
<i>EBITDA margin</i>	<i>21.8%</i>	<i>24.4%</i>	
<i>EBITDA margin LTL</i>	<i>21.8%</i>	<i>23.7%*</i>	

	9m FY19	9m FY18	% Chg
	<b>191</b>	<b>156</b>	<b>22%</b>
	<b>43</b>	<b>36</b>	<b>21%</b>
	<i>22.8%</i>	<i>23.1%</i>	
	<i>21.6%*</i>	<i>20.8%*</i>	

*9m growth  
Ex-GST: 24%*

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

- Growth driven by strong demand from both domestic and international customers
- EBITDA margin declined due to higher raw material costs. Overall, the business is maintaining its profitable sales growth momentum

\* EBITDA Margin LTL is excluding one time gain



Way Forward

## Way Forward

- Expecting growth momentum to be maintained with positive consumer sentiments led by continued EOSS and onset of wedding season
- Continue with the asset light network expansion strategy mainly through franchisee based stores rollout
- For Q4, we are expecting high single digit revenue growth and EBITDA margin improvement by 100 bps over previous year



**Raymond** | REALTY  
*Go Beyond*



# Raymond Realty – Go Beyond



Raymond's maiden venture into Infrastructure Development Sphere of Quality Housing

## Project

20 acre of residential development with ~3 mn. sq. ft. of saleable area to be developed over 5 years

## Strategic Location

Strategic location in Thane with developed social infrastructure such as Schools, Hospitals, Office spaces, Transportation

## Quality

Endeavor to re-imagine living spaces with contemporary design and benchmarks of quality associated with Raymond

## Experience

Future ready apartments integrated with world class amenities that gives luxurious feel of living in your own space

# Current Project – Aspirational Housing: Phase 1

## Phase 1 - Plan

- 2 High-rise towers of 42 floors with 2 BHK apartments with ~0.6 mn sq. ft. of saleable area
- Carpet area of flats:
  - 2BHK Compact - ~504 sq. ft.
  - 2BHK Large - ~615 sq. ft.

## Key Approvals

- RERA registration received for Phase 1
- All regulatory approvals are in place / in-principle in place



## Amenities include



Rain water Harvesting



Energy Management



Landscape



Community Buildings

**Project to be launched soon**

## Excellence to Execute

- Experienced real estate team
- Processes & systems in place
- Strong association partners include:



**Architect  
Hafeez  
Contractor**

*Master Architect*



ISO 9001:2000  
EPICONS CONSULTANTS PVT. LTD

*Structural Consultant*

**cracknell**

*Landscape*

*Godrej*

GODREJ & BOYCE

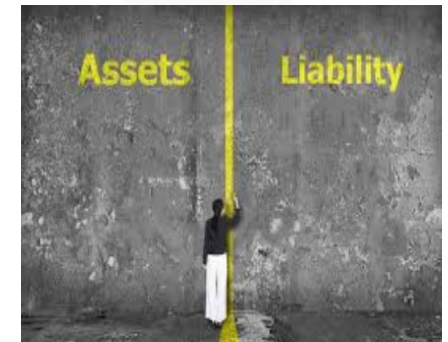
*Green Consultant*

- Raymond Core Strength



## Aligned to Raymond “Value Creation” Strategy

- Land Monetization is a critical aspect in unlocking value at Raymond
- De-risked financial model in place
  - ❖ Cash-accretive project over the period of 5 years
  - ❖ Peak Funding Requirement
    - Avail Construction Finance on need basis
    - Possible sale of land parcel from remaining land bank



# Thank You

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

