

# Result Presentation

Quarter ended March 31, 2019



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# Market Overview

# Market Overview

## Textile

- Retail demand led by wedding season expected to drive growth
- Trade channels mainly impacted due to liquidity issues emerging in economy
- Weaker demand in US likely to impact exports
- Raw material cost continue to remain high

## Apparel & Retail

- Growth likely to be driven by healthy SSSG due to wedding season and EOSS
- Rapid store network expansion and growth in new business expected to aid growth
- Margin may get impacted due to higher base, higher contribution from value category and increase in store expansion expenses

## Auto

- Continued weak retail demand due to increased ownership cost, higher dealer inventory levels and new axle load norms likely to impact growth
- EBITDA margin expected to compress mainly due to lower volumes and realization (higher discounts)

## FMCG

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

A large, light gray, stylized 'R' logo that serves as a background for the slide.

## Initiatives and Awards

# Initiatives

## Innovative Concept Stores

### Khadi



Opened **Khadi EBO** at prominent location in Mumbai

### Ceremonial



Exclusive **Ceremonial wear** store opened in Mumbai

# Initiatives

## Mini TRS



**300 Mini TRS stores opened – across 190+ towns**



# Awards



## Transforming India Retail Awards



**‘Transformational contribution to Indian Apparel & Retail Industry’**  
at CMAI - Transforming India Retail Awards

## Global Awards for Retail Excellence



Raymond Khadi won  
**‘Best Window Display Products & Collection’** at Global Awards for Retail Excellence

## Great Place To Work Certification



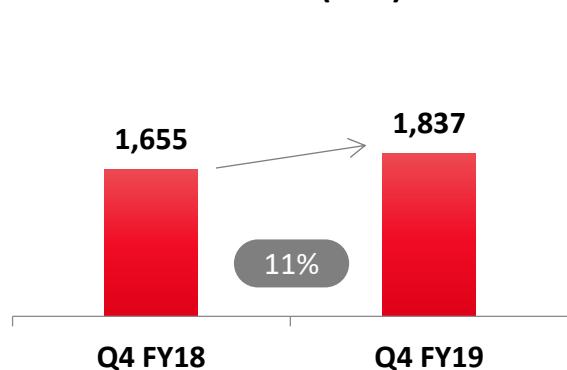
Raymond Ltd. & Raymond Luxury Cottons Ltd. certified for 4<sup>th</sup> consecutive year

A large, light gray, stylized 'R' logo that serves as a background for the slide.

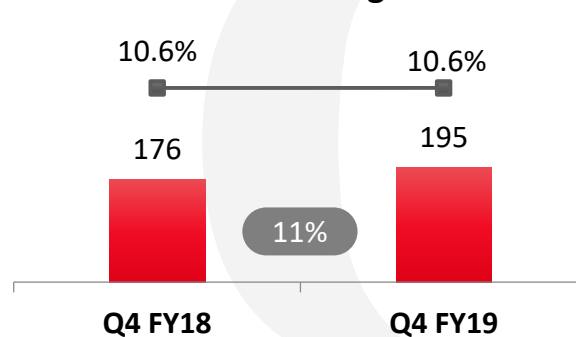
## Financial Highlights

# Financial Highlights – Q4FY19

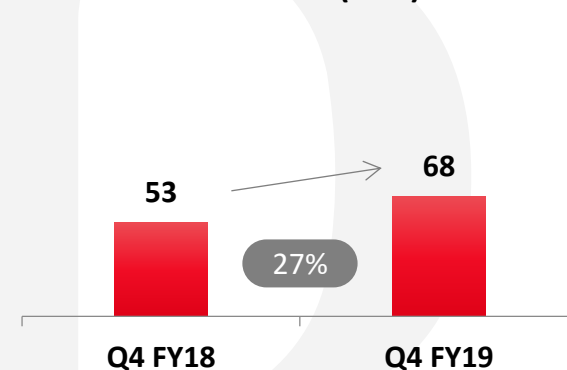
Revenue (₹ Cr)



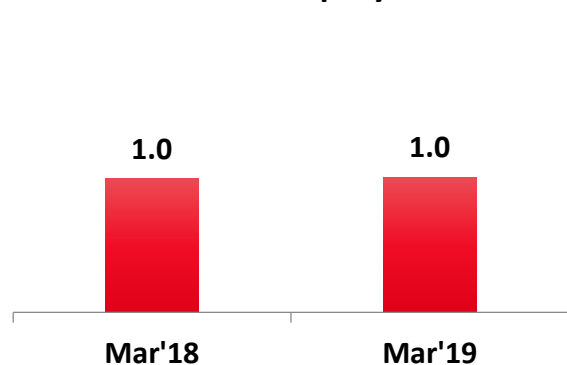
EBITDA (₹ Cr) & EBITDA margin %



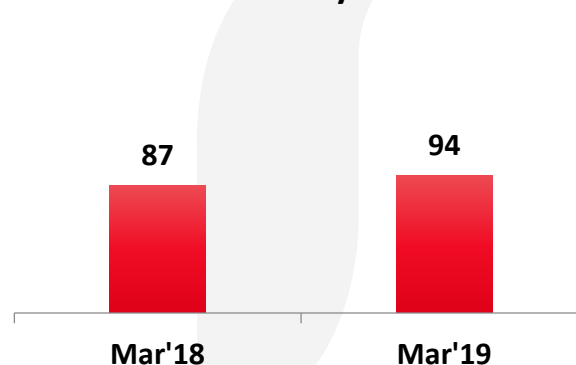
Net Profit (₹ Cr)



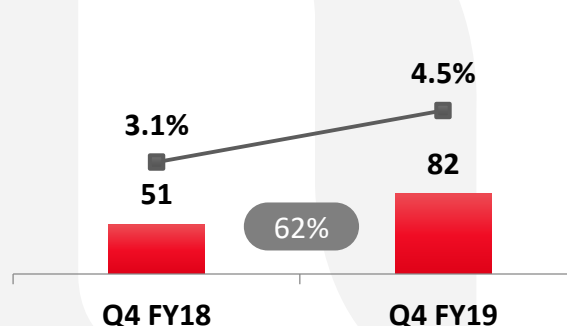
Net Debt to Equity Ratio



NWC days



A&SP & % to revenue



# Consolidated Results



Particulars (INR Cr)	Q4 FY19	Q4 FY18	Y-o-Y%
<b>Net Revenue</b>	<b>1,837</b>	<b>1,655</b>	<b>11%</b>
Net Sales	1,809	1,630	11%
<b>EBITDA</b>	<b>195</b>	<b>176</b>	<b>11%</b>
<i>EBITDA margin</i>	<i>10.6%</i>	<i>10.6%</i>	
PBT before exceptions	94	76	24%
<i>PBT margin</i>	<i>5.1%</i>	<i>4.6%</i>	
<b>Underlying Net Profit (before exceptions)</b>	<b>68</b>	<b>53</b>	<b>28%</b>
Exceptional items (net of tax)	-1	0	
<b>Net Profit</b>	<b>68</b>	<b>53</b>	<b>27%</b>
<i>Profit margin</i>	<i>3.7%</i>	<i>3.2%</i>	

FY19	FY18	Y-o-Y%
<b>6,708</b>	<b>6,025</b>	<b>11%*</b>
6,582	5,906	11%
<b>702</b>	<b>546</b>	<b>29%</b>
<i>10.5%</i>	<i>9.1%</i>	
273	192	42%
<i>4.1%</i>	<i>3.2%</i>	
<b>171</b>	<b>115</b>	<b>48%</b>
-3	19	
<b>168</b>	<b>135</b>	<b>25%</b>
<i>2.5%</i>	<i>2.2%</i>	

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

## Segment Results – Q4 FY19

Particulars (INR Cr)	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	EBITDA Margin % (LTL*)	Y-o-Y Change
Branded Textiles	832	4%	132	15.9%	16.7%	-277 bps
Branded Apparels	489	21%	32	6.5%	7.0%	328 bps
Garmenting	212	5%	8	3.6%	4.3%	-265 bps
High Value Cotton Shirting	156	7%	20	12.9%	13.8%	467 bps
Tools and Hardware	102	14%	8	8.2%	8.2%	-163 bps
Auto Components	68	10%	15	21.9%	22.3%	725 bps
Others #	-21	-	-20	-	-	-
<b>Raymond Consolidated</b>	<b>1,837</b>	<b>11%</b>	<b>195</b>	<b>10.6%</b>	<b>10.6%</b>	<b>0 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 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 – FY19



Particulars (INR Cr)	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	EBITDA Margin % (LTL*)	Y-o-Y Change
Branded Textiles	3,153	8%	435	13.8%	14.7%	-102 bps
Branded Apparels	1,647	16%	61	3.7%	4.2%	263 bps
Garmenting	779	13%	40	5.1%	5.9%	68 bps
High Value Cotton Shirting	648	13%	89	13.7%	14.5%	433 bps
Tools and Hardware	401	10%	43	10.7%	10.7%	177 bps
Auto Components	259	19%	58	22.6%	22.7%	188 bps
Others #	-180	-	-24	-	-	-
<b>Raymond Consolidated</b>	<b>6,708</b>	<b>11%</b>	<b>702</b>	<b>10.5%</b>	<b>10.5%</b>	<b>140 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 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

## Balance Sheet & Cash Flow Performance Indicators

Particulars (INR Cr)	Q4 FY18	Q4 FY19
Net Worth	1,888	2,037
Net Debt	1,894	2,066
Cash Flow from Operations	229	316
Free Cash Flow	89	133

Key Ratios	Mar'18	Mar'19
Net Debt / Equity	1.0	1.0
Net Working Capital Days	87	94
Net Working Capital Days excl. Real Estate	89	90

## Performance of Segments



A full-page advertisement for Raymond Fine Fabrics. Two men with dark, wavy hair are standing outdoors in a lush, green setting with trees and foliage in the background. The man on the left is wearing a bright blue double-breasted suit with a white shirt and a dark tie with a small floral pattern. The man on the right is wearing a light blue single-breasted suit with a light green shirt and a decorative bolo tie. In the top right corner, there is a red rectangular box containing the brand name 'Raymond' in a white serif font, with 'FINE FABRICS' in a smaller, white sans-serif font below it. Below this box, the text 'SINCE 1925' is written in a small, red, sans-serif font. In the bottom right area, there is another red rectangular box containing the text 'Branded Textiles' in a white, sans-serif font.

Raymond

FINE FABRICS

SINCE 1925

Branded Textiles

## Branded Textile

Particulars (INR Cr)	Q4 FY19	Q4 FY18	% Chg
<b>Net Sales</b>	<b>832</b>	<b>802</b>	<b>4%</b>
<b>EBITDA</b>	<b>132</b>	<b>156</b>	<b>-16%</b>
<i>EBITDA margin</i>	<i>15.9%</i>	<i>19.5%</i>	
<b>EBITDA LTL</b>	<b>139</b>	<b>156</b>	<b>-11%</b>
<i>EBITDA margin LTL</i>	<i>16.7%</i>	<i>19.5%</i>	

FY19	FY18	% Chg
<b>3,153</b>	<b>2,915</b>	<b>8%</b>
<b>435</b>	<b>458</b>	<b>-5%</b>
<i>13.8%</i>	<i>15.7%</i>	
<b>463</b>	<b>458</b>	<b>1%</b>
<i>14.7%</i>	<i>15.7%</i>	

*Growth  
Ex-GST: 9%*

- Increase in sales driven by TRS and MBO channel
  - ✓ Suiting grew by 3% driven by volumes
  - ✓ Shirting grew by 9% driven by better product mix
- EBITDA LTL margin lower mainly due to higher advertising and sales promotion expense and channel stock correction in shirting business
- Channel growth for the quarter -

<b>Channel Growth</b>	Wholesale: -14%	TRS: 23%	MBO: 12%	Others: 12%
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## Branded Textile



EBITDA Margin lower for the quarter vs PY due to

### Future Investment on Customization - #TailorYourStyle

- Advertisement spends of ~ Rs 12 crores

### Overall Wholesale Channel impacted

- Stock Correction of ~Rs 5 Cr in B2C Shirting

### Continued efforts to maintain the growth momentum

- 10% volume growth in domestic Suiting Business in Q4
- Price hike of 5%-6% taken in Jan'19 to benefit in FY20

#TailorYourStyle



CUSTOM TAILORING





  
PARK AVENUE

WRK

  
PARK AVENUE

CLBRATE

Branded Apparel

  
PARK AVENUE

PLAY

## Branded Apparel

Particulars (INR Cr)	Q4 FY19	Q4 FY18	% Chg
Net Sales	489	403	21%
EBITDA	32	15	115%
EBITDA margin	6.5%	3.7%	
EBITDA LTL	34	15	129%
EBITDA margin LTL	7.0%	3.7%	

FY19	FY18	% Chg
1,647	1,424	16%
61	23	169%
3.7%	1.6%	
70	23	206%
4.2%	1.6%	

Growth  
Ex-GST: 17%

- Branded Apparel growth driven by
  - ✓ Strong double-digit growth across all brands with 20%+ growth in RRTW and Parx supported by new customer segments
  - ✓ Strong performance in MBO channel and well supported by EBO and LFS channels
- EBITDA Margin LTL improved mainly due to better channel mix and operational efficiencies
- Brands and Channels growth for the quarter -

Brand Growth	PA: 19%	PX: 24%	CP: 13%	RRTW: 25%*
Channel Growth	MBO: 57%	EBO: 17%	LFS: 16%	TRS: -2%

\*excluding institutional sales, RRTW sales growth of 14%

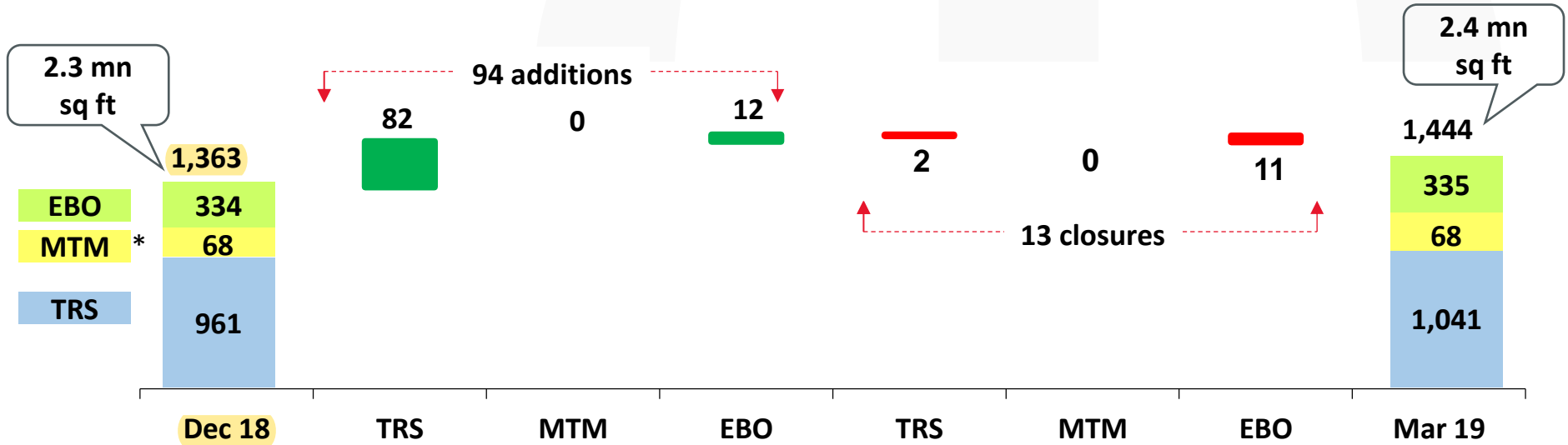
PA: Park Avenue, PX: Parx, CP: Color Plus, RRTW: Raymond Ready-To-Wear





Retail Network

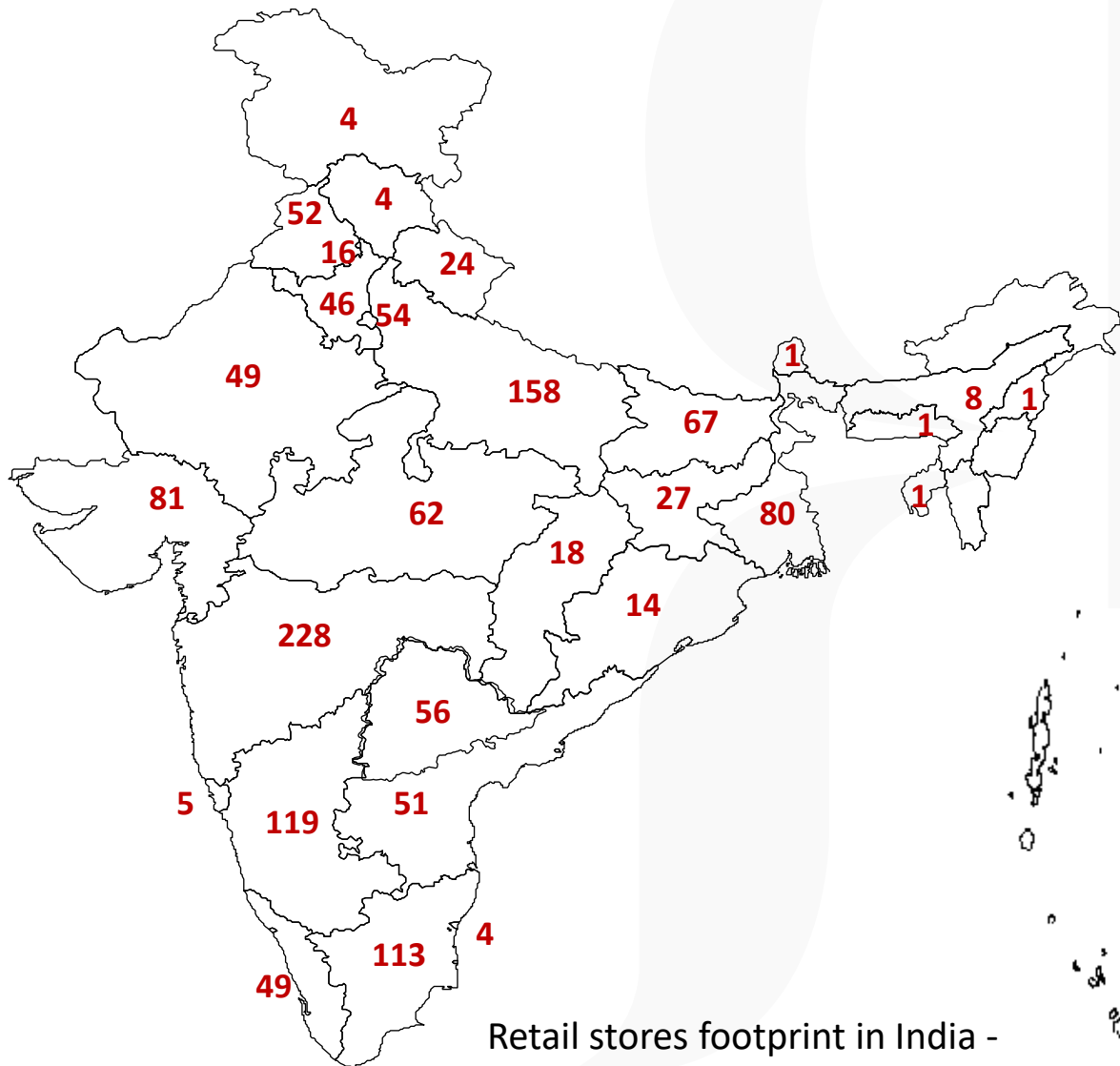
# Exclusive Retail Network



- During the quarter
  - ✓ Added 94 new stores and closed 13 stores
  - ✓ 90 of 94 stores added on Franchisee basis in line with our strategy of asset light model
  - ✓ Currently 4 stores under renovation
- Blended sales growth across our retail formats was ~2.5%

*\*includes 46 converge stores (RTW+MTM) as on Dec'18 and 46 as on Mar'19*

# Strong Distribution Network



Retail stores footprint in India -  
1,392 Domestic stores

## Branded Textile

- 20,000+ points of sale across 600+ cities and towns
- 180+ Wholesalers
- 1,330+ MBOs
- Across Raymond Shop (TRS) - Tier I to VI towns

## Branded Apparel

- Presence in over 500 cities and towns
- 335 EBOs
- 5,100+ MBOs
- 1,280+ LFS
- Across Raymond Shop (TRS) - Tier I to VI towns

**300 mini TRS as on Mar'19 across 190+ Towns**



A close-up photograph of a dark teal or navy blue garment, likely a jacket or blazer, showing the texture of the fabric and the structure of the lapels. The lighting is dramatic, with deep shadows and highlights that emphasize the material's grain. In the lower right corner, there is a solid red rectangular box containing the word "Garmenting" in white, sans-serif font.

Garmenting

## Garmenting

Particulars (INR Cr)	Q4 FY19	Q4 FY18	% Chg
<b>Net Sales</b>	<b>212</b>	<b>201</b>	<b>5%</b>
<b>EBITDA</b>	<b>8</b>	<b>14</b>	<b>-46%</b>
<i>EBITDA margin</i>	<i>3.6%</i>	<i>6.9%</i>	
<b>EBITDA LTL</b>	<b>9</b>	<b>14</b>	<b>-35%</b>
<i>EBITDA margin LTL</i>	<i>4.3%</i>	<i>6.9%</i>	

FY19	FY18	% Chg
<b>779</b>	<b>691</b>	<b>13%</b>
<b>40</b>	<b>36</b>	<b>11%</b>
<i>5.1%</i>	<i>5.2%</i>	
<b>46</b>	<b>36</b>	<b>27%</b>
<i>5.9%</i>	<i>5.2%</i>	

*Growth  
Ex-GST: 13%*

- Growth led by exports to US markets
- EBITDA margin LTL lower at 4.3% mainly due to lower utilization of Ethiopia plant capacity and initial cost of B2B Made-to-Measure services in US



High Value Cotton Shirting

## High Value Cotton Shirting

Particulars (INR Cr)	Q4 FY19	Q4 FY18	% Chg
<b>Net Sales</b>	<b>156</b>	<b>145</b>	<b>7%</b>
<b>EBITDA</b>	<b>20</b>	<b>13</b>	<b>52%</b>
<i>EBITDA margin</i>	<i>12.9%</i>	<i>9.1%</i>	
<b>EBITDA LTL</b>	<b>21</b>	<b>13</b>	<b>63%</b>
<i>EBITDA margin LTL</i>	<i>13.8%</i>	<i>9.1%</i>	

FY19	FY18	% Chg
<b>648</b>	<b>575</b>	<b>13%</b>
<b>89</b>	<b>59</b>	<b>51%</b>
<i>13.7%</i>	<i>10.2%</i>	
<b>94</b>	<b>59</b>	<b>60%</b>
<i>14.5%</i>	<i>10.2%</i>	

*Growth  
Ex-GST: 13%*

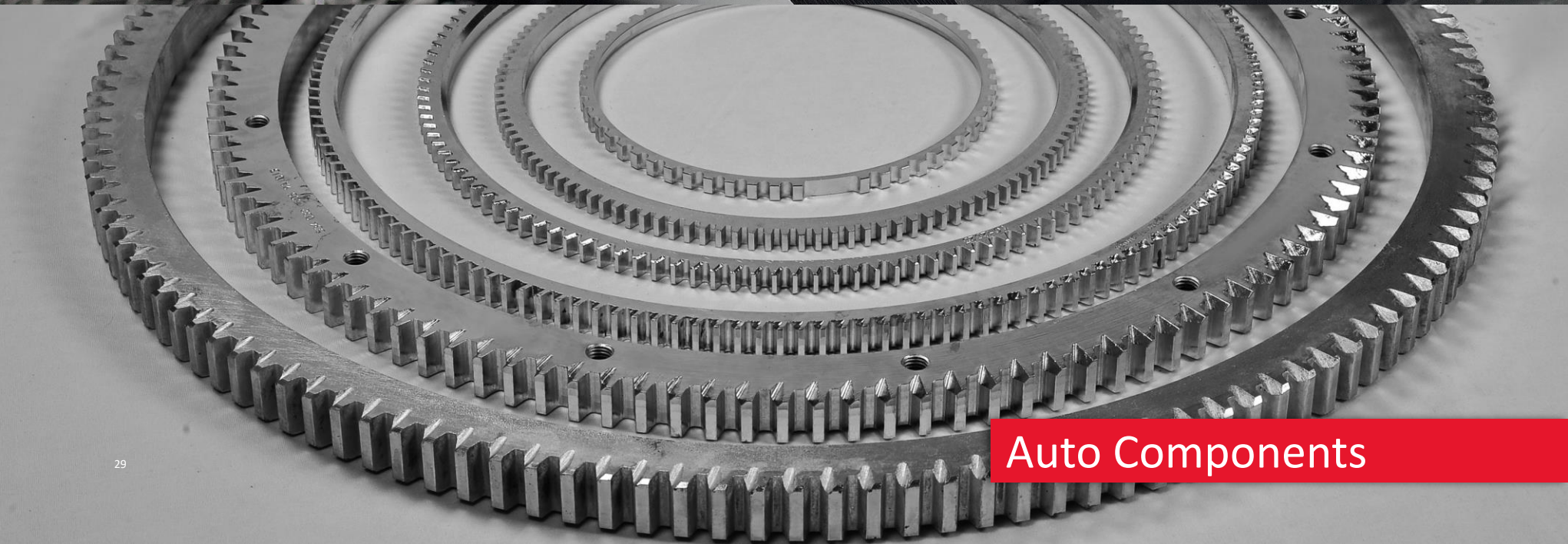
*The results shown above are for 100% operations and include minority interest*

- Sales growth led by yarn sales from Amravati plant
- EBITDA margin LTL improved to 13.8% 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)	Q4 FY19	Q4 FY18	% Chg
<b>Net Sales</b>	<b>102</b>	<b>90</b>	<b>14%</b>
<b>EBITDA</b>	<b>8</b>	<b>9</b>	<b>-5%</b>
<i>EBITDA margin</i>	<i>8.2%</i>	<i>9.8%</i>	

FY19	FY18	% Chg
<b>401</b>	<b>365</b>	<b>10%</b>
<b>43</b>	<b>33</b>	<b>32%</b>
<i>10.7%</i>	<i>9.0%</i>	

*Growth  
Ex-GST: 12%*

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

- Growth driven by better performance in exports markets
- EBITDA margin was lower mainly due to -
  - ✓ Increase in raw material cost
  - ✓ Lower sales from high margin domestic business
- The overall turnaround strategy of building operational efficiency and product rationalization has resulted in improved performance for the year

## Auto Component

Particulars (INR Cr)	Q4 FY19	Q4 FY18	% Chg
<b>Net Sales</b>	<b>68</b>	<b>62</b>	<b>10%</b>
<b>EBITDA</b>	<b>15</b>	<b>9</b>	<b>60%</b>
<i>EBITDA margin</i>	<i>21.9%</i>	<i>15.1%</i>	
<b>EBITDA LTL</b>	<b>15</b>	<b>9</b>	<b>63%</b>
<i>EBITDA margin LTL</i>	<i>22.3%</i>	<i>15.1%</i>	

FY19	FY18	% Chg
<b>259</b>	<b>218</b>	<b>19%</b>
<b>58</b>	<b>45</b>	<b>29%</b>
<i>22.6%</i>	<i>20.8%</i>	
<b>59</b>	<b>45</b>	<b>30%</b>
<i>22.7%</i>	<i>20.8%</i>	

*Growth  
Ex-GST: 20%*

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

- Growth driven by ramp up of volume from existing customers and supported by new customers & products
- EBITDA margin LTL higher mainly due to exchange rate gains and favourable product mix



**raymond** | **REALTY**  
*Go Beyond*



# Raymond Realty – Go Beyond



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

## 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 3 towers in Phase 1
- Total Bookings: 400+ (To-date) in first 3 towers

**Public launch planned in May**

# Way Forward

## Way Forward

- Moderate consumer demand due to seasonality however higher number of wedding days to support revenue growth
- For 1QFY20, we are expecting high single digit revenue growth and stable EBITDA margin over previous year mainly due to higher input prices\*
- During FY19, we successfully executed initiatives and achieved profitable growth. We remain confident of achieving our stated FY 20 guidance
- Continue with the asset light network expansion strategy mainly through franchisee based stores rollout

*\* Excluding Real Estate*

# Thank You

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

