

INVESTORS PRESENTATION

FEBRUARY 2019



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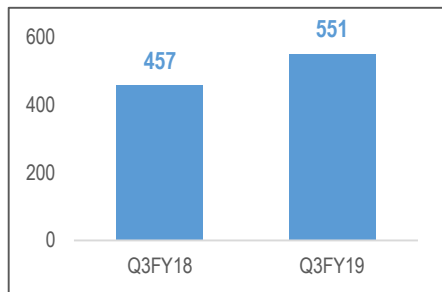
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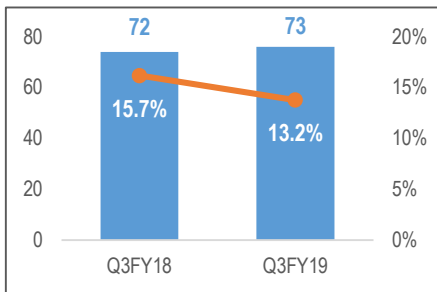
FY19: Q3 & 9M Performance

Q3FY19 Performance

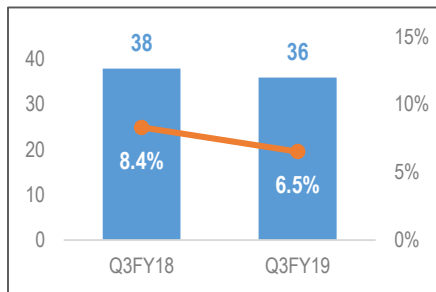
Revenue (in ₹ crs)



EBITDA (in ₹ crs) and EBITDA %

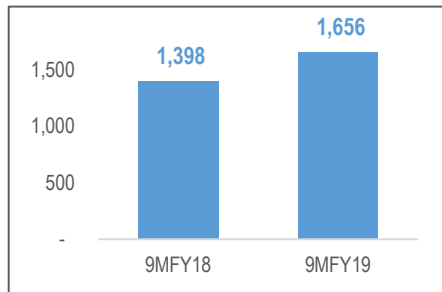


PAT (in ₹ crs) and PAT %

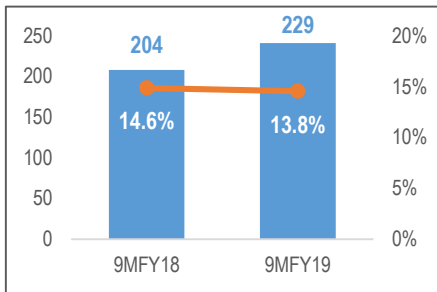


9M FY19 Performance

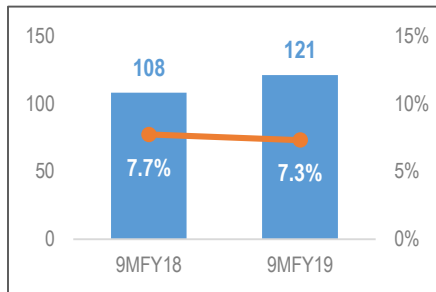
Revenue (in ₹ crs)



EBITDA (in ₹ crs) and EBITDA %



PAT (in ₹ crs) and PAT %



Q3FY19

- Revenues up 21% YoY
- EBITDA up 1% YoY
- PAT lower due to higher raw material cost stemming from USD peak in Q3FY19 and an optically higher Q3FY18 on account of GST input credit on transitional stocks.

9MFY19

- Revenues up 18% YoY
- EBITDA up 12% YoY
- PAT up 12% YoY

Key updates

Business Highlights for Q3FY19 and 9MFY19

- Scheme of Amalgamation of Marvel Polymers Private Limited and Relaxo Rubber Private Limited with Relaxo Footwears Limited and their respective shareholders and creditors was sanctioned by the Hon'ble National Company Law Tribunal.
- ICRA Ltd (ICRA) upgraded long term rating to **[ICRA] AA** with Stable Outlook from [ICRA] AA- with positive outlook and short term rating was retained at [ICRA] A1+ (top notch rating).
- The Company commenced commercial production at its new State of Art Plant at Bhiwadi for manufacturing flip flops (Hawaii range of footwears) in Q1 FY19. The new plant has a production capacity of 1.25 lac pairs per day.
- Presence in India with over 331 exclusive brand outlets (EBO) and 50,000 plus retailers through distributor network.

Company Overview

About us

Relaxo is the largest footwear manufacturer in India, known for 'Value for Money' products and a portfolio of mass appeal brands.



15.7 crs

Pairs sold in FY18



10

Brands with
celebrity
ambassadors



6000+

SKUs across every
age group & every
price point

FY18

1,949 crs Revenue



9

State of the art
manufacturing
plants



50,000+

Retailers served
through distributors



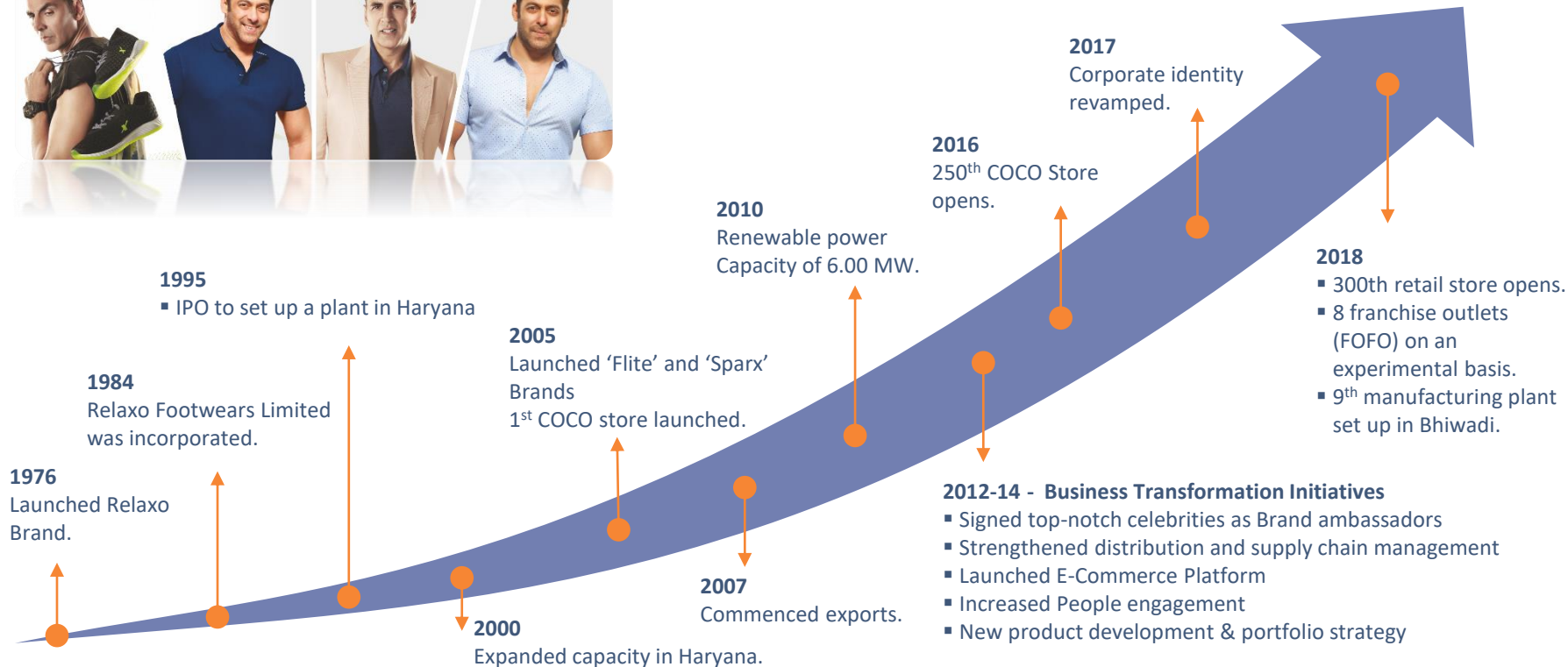
331

Retail stores

302 crs EBITDA

161 crs PAT

Our evolution to a FutureReady company



Key investment highlights



Attractive dynamics of the Indian footwear industry

Strong growth potential of the Indian footwear industry

- India is the second largest footwear producer of the world after China, accounting for 9% of the world market with ~22bn pairs.
- Currently India exports only 10% of the footwear produced with the domestic market being the major contributor of around 90%.
- The industry has the potential to grow by 100% in the next 5 years.
- India is still an underpenetrated market – a per capita consumption of only ~1.66 pairs p.a against a global average of 3 pairs. Developed countries average 6-7 pairs p.a.
- India's share in global exports is just 2% compared to China's share of ~40%, thus presenting room for growth opportunities.

With changing consumer demands....

- Footwear has evolved from being a mere necessity to an important fashion accessory.
- Buying behaviour of the Indian consumer is changing rapidly with growing urbanisation and ever-increasing penetration of internet.
- Growing awareness about latest trends and consciousness among consumers.
- Consumers becoming more brand-centric in tier II, tier III cities and rural markets as well.
- Aspirations for latest global trends has increased the frequency of shopping.

...backed by a strong operating environment

- Footwear industry recognized by GoI as a focus sector in the 'Make In India' mission.
- A 2,600 crore special package over the next 3 years for development of footwear sector.
- GST is propelling the shift from unorganized to organized segment. Organized segment today caters to ~40% of the market, remaining market is dominated by unorganized players.
- Uniform tax rates pan-India for all footwear ensuring a level playing field.

Source: BusinessWire

Relaxo is a leading player in the 'Value' segment

- Market leader in the 'Value' segment.
- Robust product portfolio.
- High Brand Equity

Adapting our product portfolio with evolving consumer needs and trends



Structured Market Research

Regular market sensing for consumer insights across different Regional, Economic and Demographic strata.



Product innovation

In-house design capability enables continuous Product Innovation around functionality.



Portfolio rationalization

In-season launches with Optimal Product Portfolio. ~ 20% of the Portfolio is restyled every year.



Brand Equity

Carefully crafted and steadily built brands in sync with the ever evolving footwear demands

Our portfolio of brands, with strong identities

Most popular brand of Rubber/
Eva slippers

RELAXO

BOSTON

Formal shoes for men

Fashionable and light weight
footwear

FLITE

Mary Jane

Formal and Trendy footwear for
women

Range of sports and canvas
shoes, sandals & slippers

SPARX
GO FOR IT

ELENA

Comfort and stylish belle's for
women

Trendy and fashionable flip-flops.

Bahamas

Casualz

Quality, Comfortable shoes for
men.

Range of school shoes for boys
and girls.

SCHOOLMATE
A STEP AHEAD

**KIDS
FUN**

Range of cool, colourful
footwear for next-gen kids

Sustained manufacturing excellence

Strong in-house manufacturing capabilities

- 9 manufacturing facilities with a daily capacity to produce 7.50 lacs pairs/day.
- Continuous focus on optimising operations
 - Dedicated line for manufacturing fast moving SKUs
 - Lean manufacturing (waste minimisation without compromising on productivity)
 - Maynard Operation Sequence Technique (MOST)
 - Yield improvement
 - Focus on cost optimisation in manufacturing allows competitive pricing.

Committed to Quality

- Own manufacturing helps maintain quality end-end.
- Monitor every stage of manufacturing process
 - Designing
 - Raw Materials
 - Production Process
 - Packaging
 - Final Products

Certifications

- ISO 9001:2015
- ISO 14001:2015
- OHSAS 18001:2007
- BIS/SATRA Manufacturing Standards
- CLE (Council for Leather Export)



RFL I & II- Bahadurgarh



RFL III - Bhiwadi



RFL IV - Bahadurgarh



RFL V - Haridwar



RFL VI - Bahadurgarh



RFL VII - Bahadurgarh

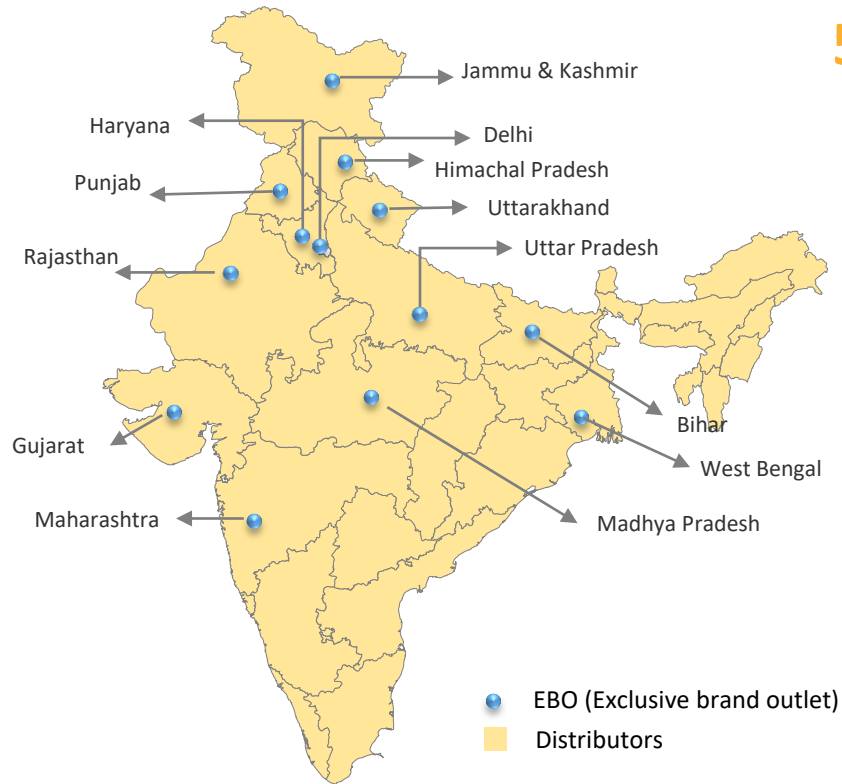


RFL VIII - Bahadurgarh



RFL IX - Bhiwadi

Strong distribution network; one of the largest in the Indian footwear industry



50,000+

Retailers/ MBOs

~800

Distributors

28

Countries exported to

331

EBO

1

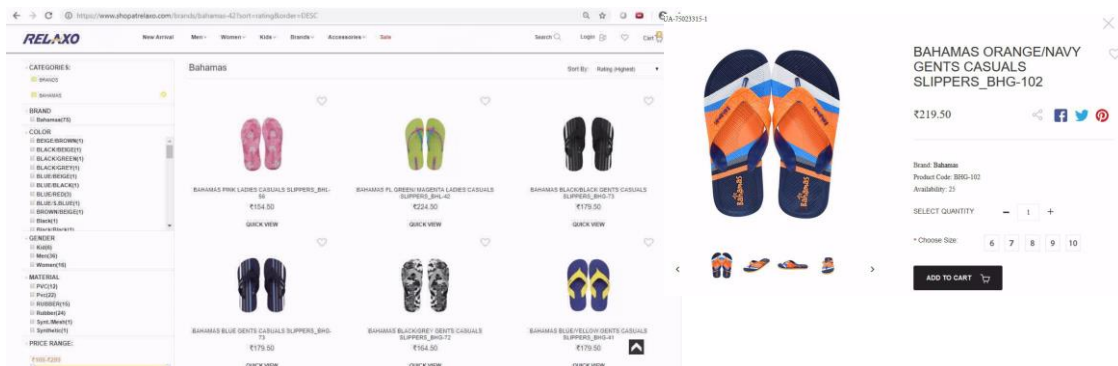
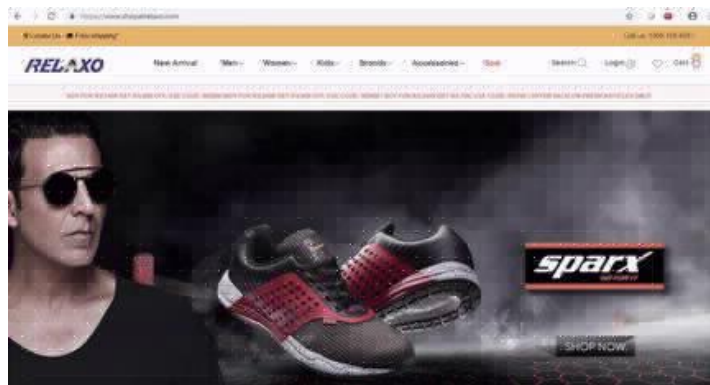
Overseas office in Dubai



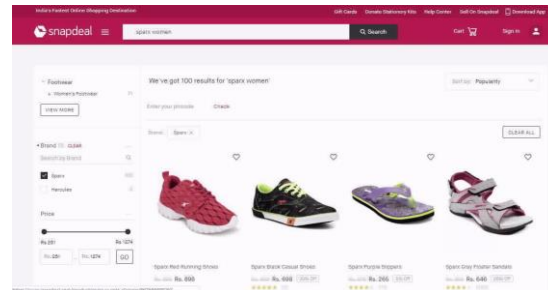
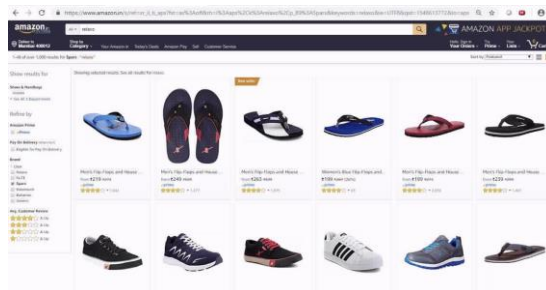
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

With a growing online presence

www.shopatrelaxo.com

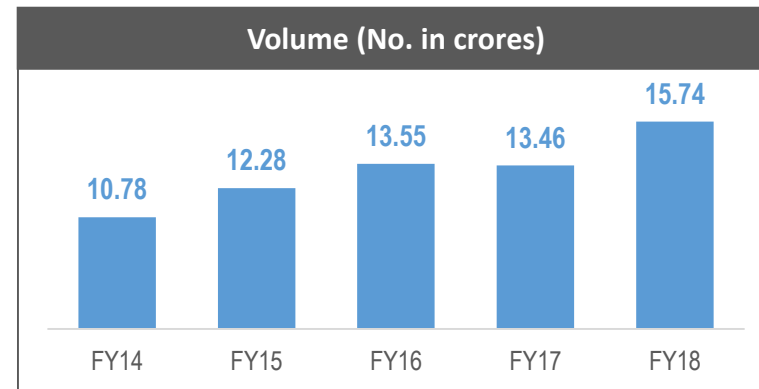
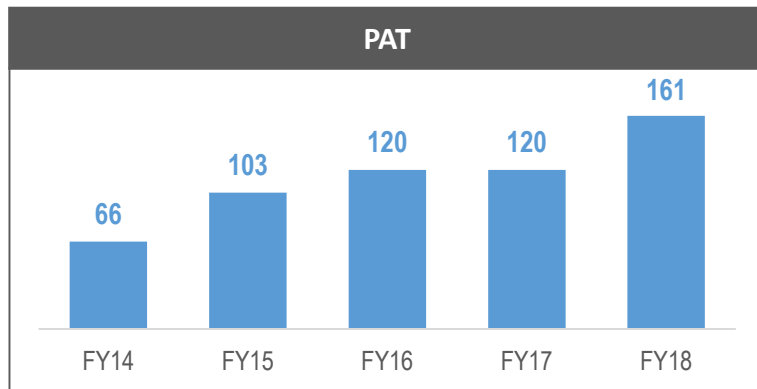
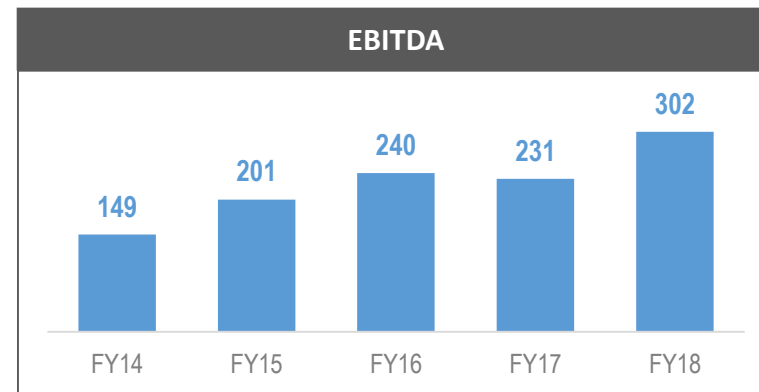
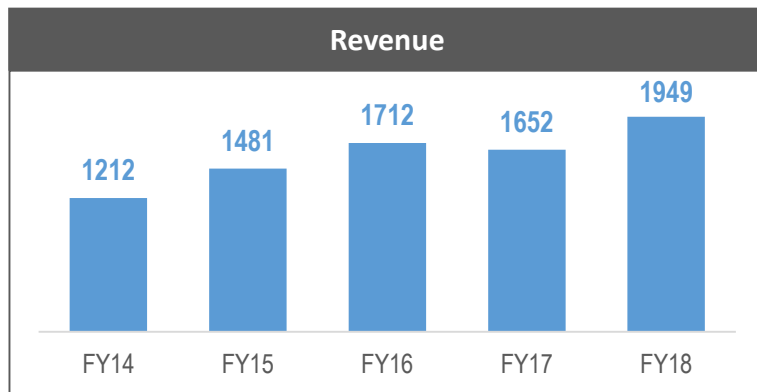


Partnerships with major ecommerce companies



Robust financial performance

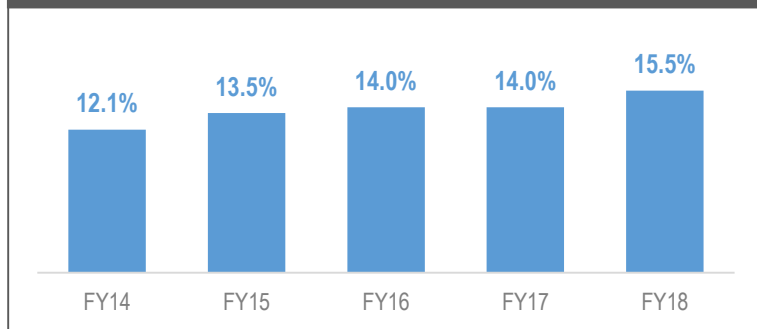
In ₹ crores



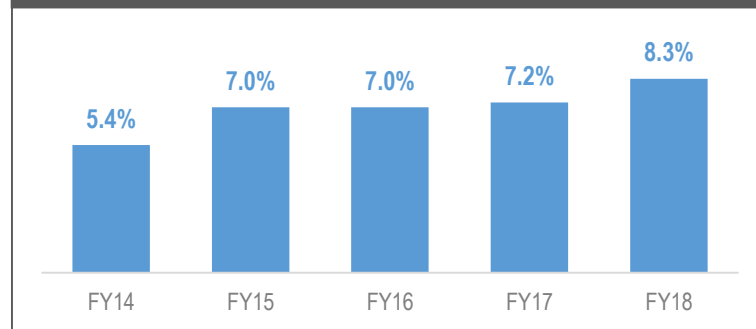
Financials for FY17 and FY18 are based on Ind AS.

With improving operational efficiencies

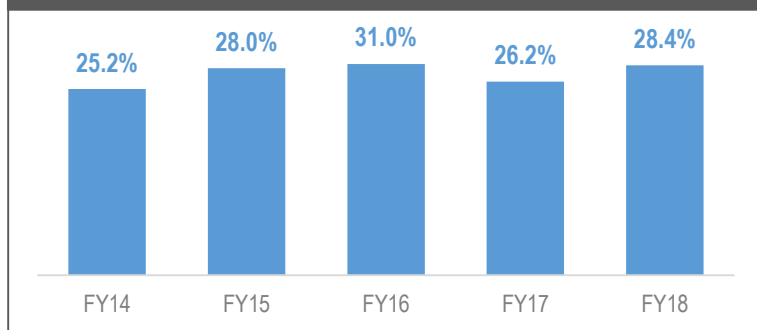
EBITDA %



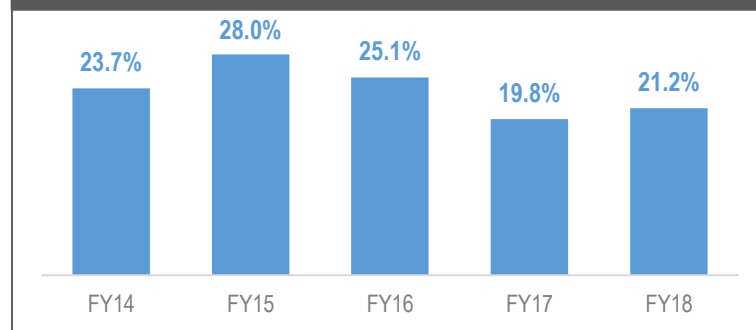
PAT %



RoCE %

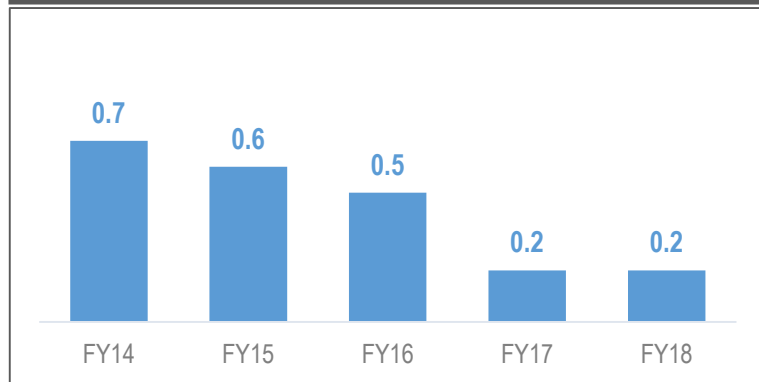


RoE %

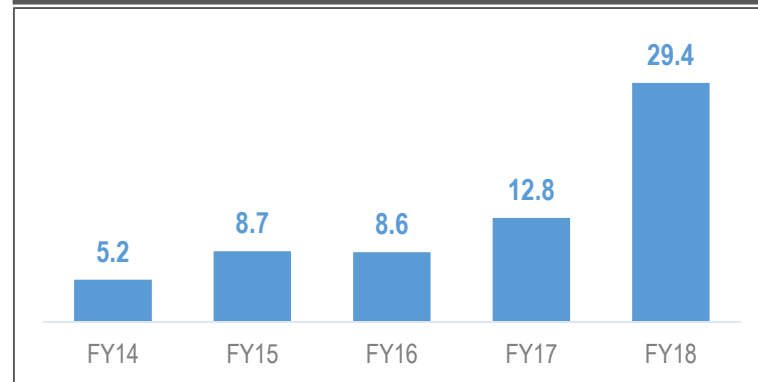


Debt ratings and profile

Net Debt/ Equity (X)



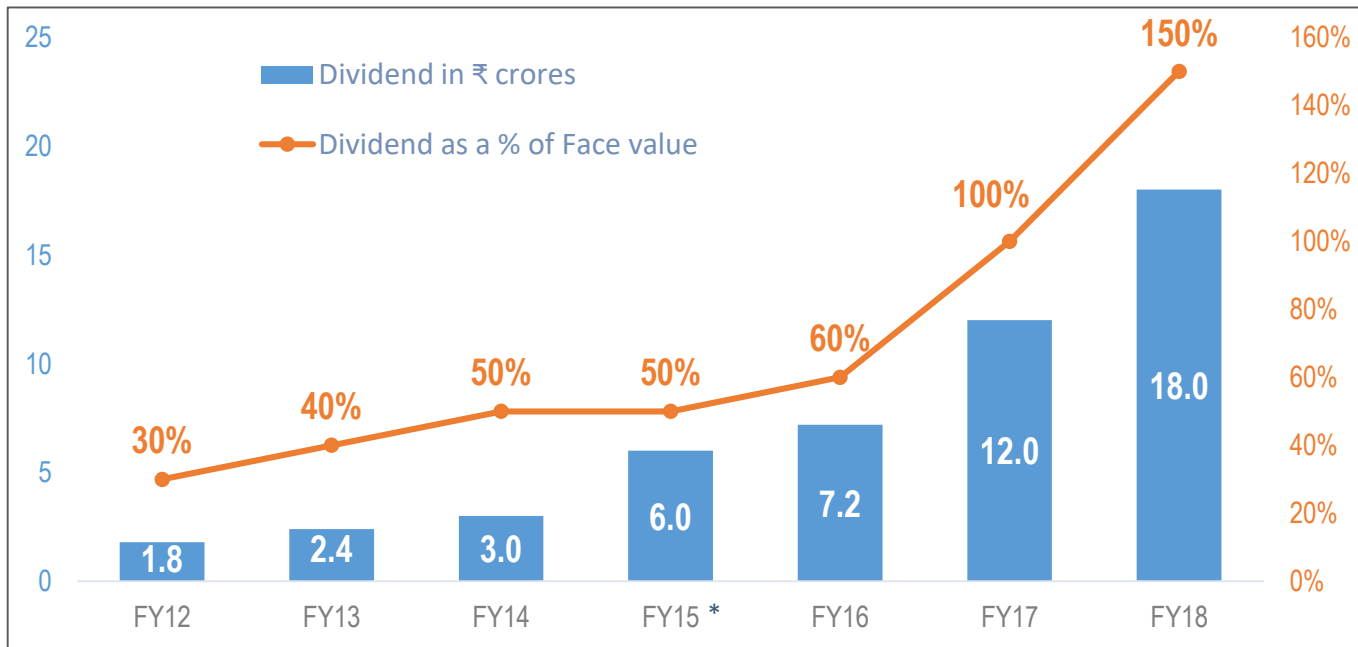
Interest coverage ratio (X)



Credit Ratings

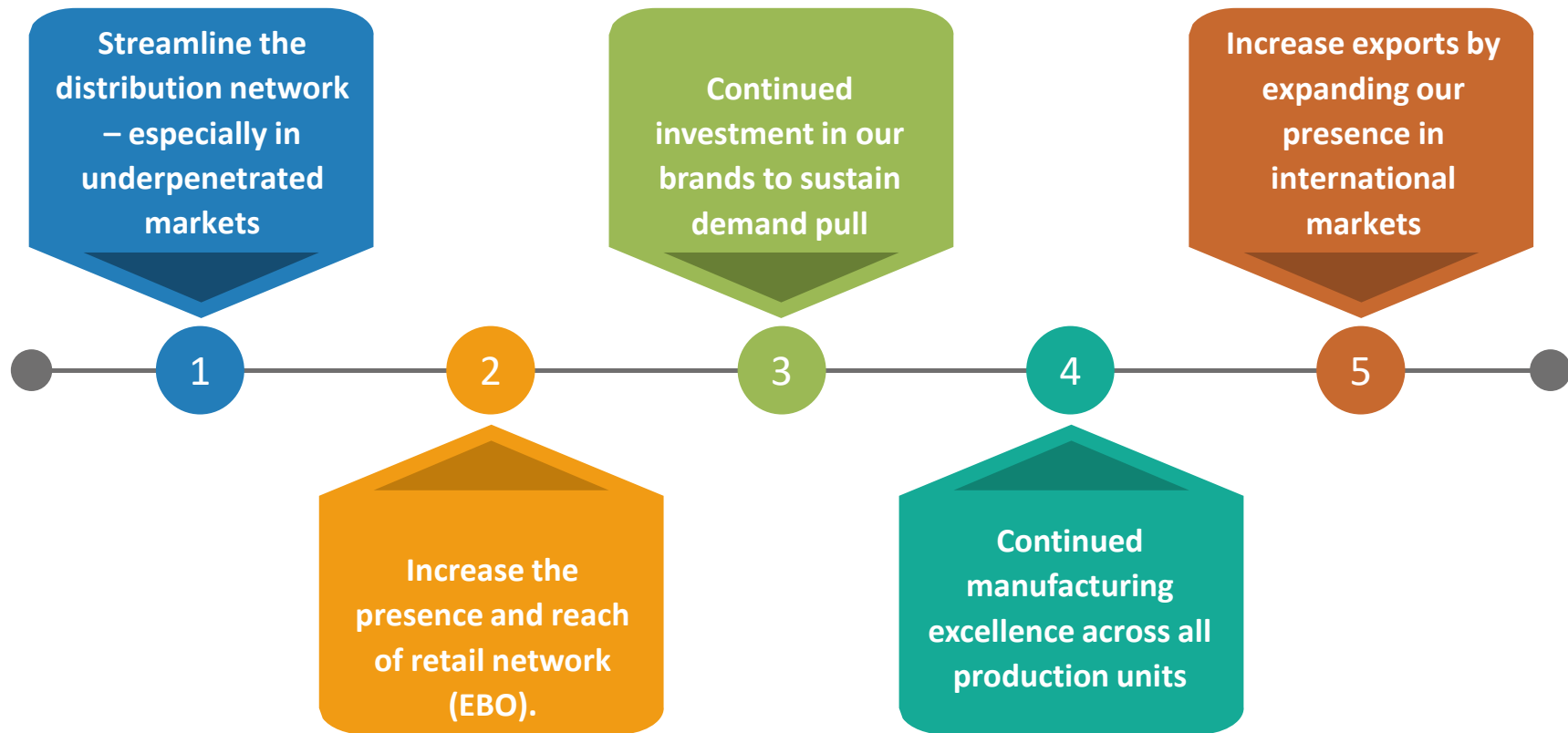
Agency	Instruments	Ratings	Comments
ICRA	Short Term Funds	A1+	Indicates very strong degree of safety for short term debt instruments. Instruments rated in this category carry the lowest credit risk
ICRA	Long Term Funds	AA with stable outlook	Indicates high degree of safety for long term debt instruments. Instruments rated in this category carry low credit risk

Consistent dividend payout



* Post Bonus

Well-positioned for our next phase of growth



Winning Accolades



Mr. Ramesh Kumar Dua
awarded as **India's Best CEO**
(Consumer Goods) :
Business Today - 2017



**EY Entrepreneur
Of The Year™**
Mr. Ramesh Kumar Dua
EY Entrepreneur of the year 2017
(Consumer Category)



Mr. Ramesh Kumar Dua
amongst
India's Most Valuable CEOs
Business World 2016



**1st Place for Excellent
Export Performance**
2017-18

dun&bradstreet



India's Top 500 Company
Dun & Bradstreet 2016

Safety Rating



ICRA AA Long Term Rating
ICRA A1+ Short Term Rating
& for Commercial Paper



**WORLD
HRD
CONGRESS**

World HRD Congress
North India
Best Employer Brand 2018



India's Most Valuable Company
[Average Market Capitalization]
Business Today 2018

**INDIA
Forbes**

Top 50 BSE Company
by growth in M-Cap
Forbes India 2017



India's Largest Corporations*
Fortune India
2016

ET 500



ET 500 :
Future Ready Company
The Economic Times 2016



HSBC :
Making It Big - 2016
CNBC TV 18

Highly experienced Board of Directors

Ramesh Kumar Dua, Managing Director

- Over 42 years of experience in sales and marketing, production and new product development in Footwear Industry
- Director in Relaxo Rubber Private Limited & Marvel Polymers Private Limited
- Commerce Graduate & Rubber Technologist (LPRI, London)

Nikhil Dua, Whole Time Director

- Over 22 years of experience in production and new product development and has rich knowledge of product mix in Footwear Industry
- Commerce graduate and has studied from International School of Modern Shoe-making, Czech Republic

Pankaj Shrimali, Independent Director

- Over 34 years of experience in areas of finance, accounts, secretarial, corporate management, legal & corporate consultancy services, strategic management and investment banking for reputed corporate houses
- Fellow member of ICAI, ICSI, and Institute of Cost Accountants of India

Vivek Kumar, Independent Director

- Over 21 years experience as Operational Head in leading Indian companies and is also a management consultant to many corporates in the areas of quality, productivity, environment and safety
- MBA from Faculty of Management Studies, Delhi University and Electrical Engineer from the University of Roorkee (now IIT Roorkee)

Mukand Lal Dua, Whole Time Director

- Over 45 years of experience in new product development and quality control in Footwear Industry
- Director in Relaxo Rubber Private Limited & Marvel Polymers Private Limited
- Science Graduate

Deval Ganguly, Whole Time Director

- Over 37 years of experience in areas of manufacturing, project and plant management in various reputed organisations
- Joined Company in 2011 as President, Manufacturing and was elevated to Board w.e.f 5.11.2012. He is B.Tech from IIT Kanpur

Kuruvila Kuriakose, Independent Director

- Over 32 years of experience in area of Finance in Footwear Industry
- B.Sc (Special) in Maths from Kerela University and member of the Institute of Chartered Accountants of India

Deepa Verma, Independent Director

- Over 30 years of experience in academic administration.
- Associated with University of Petroleum & Energy Studies since inception and has held various positions such as Director (NCR) region, VP (Academic Affairs) & presently in charge of Institutional Affairs & HR
- B.Sc, LL.B, M.A (Psychology), Diploma in Educational Guidance & Counselling

And a strong management team

**Mr. Gaurav Dua,
Executive VP -
Marketing**

MBA having over 16 years of experience in Sales & Marketing.

**Mr. Ritesh Dua,
Executive VP - Finance**

MBA having over 17 years of experience in Finance, HR & IT

**Mr. Nitin Dua,
Executive VP - Retail**

MBA having over 14 years of experience in Retail Business.

**Mr. Atul Pandey,
VP – Human Resources**

PGD – PM & IR having over 21 years of experience in HR & Admin

**Mr. Vinay Kumar Bajaj,
VP - Sales**

Graduate having over 30 years of experience in Sales & Marketing

**Mr. Sushil Batra,
Chief Financial Officer**

FCA having over 27 years of experience in Finance, Taxation, Fund raising and Management

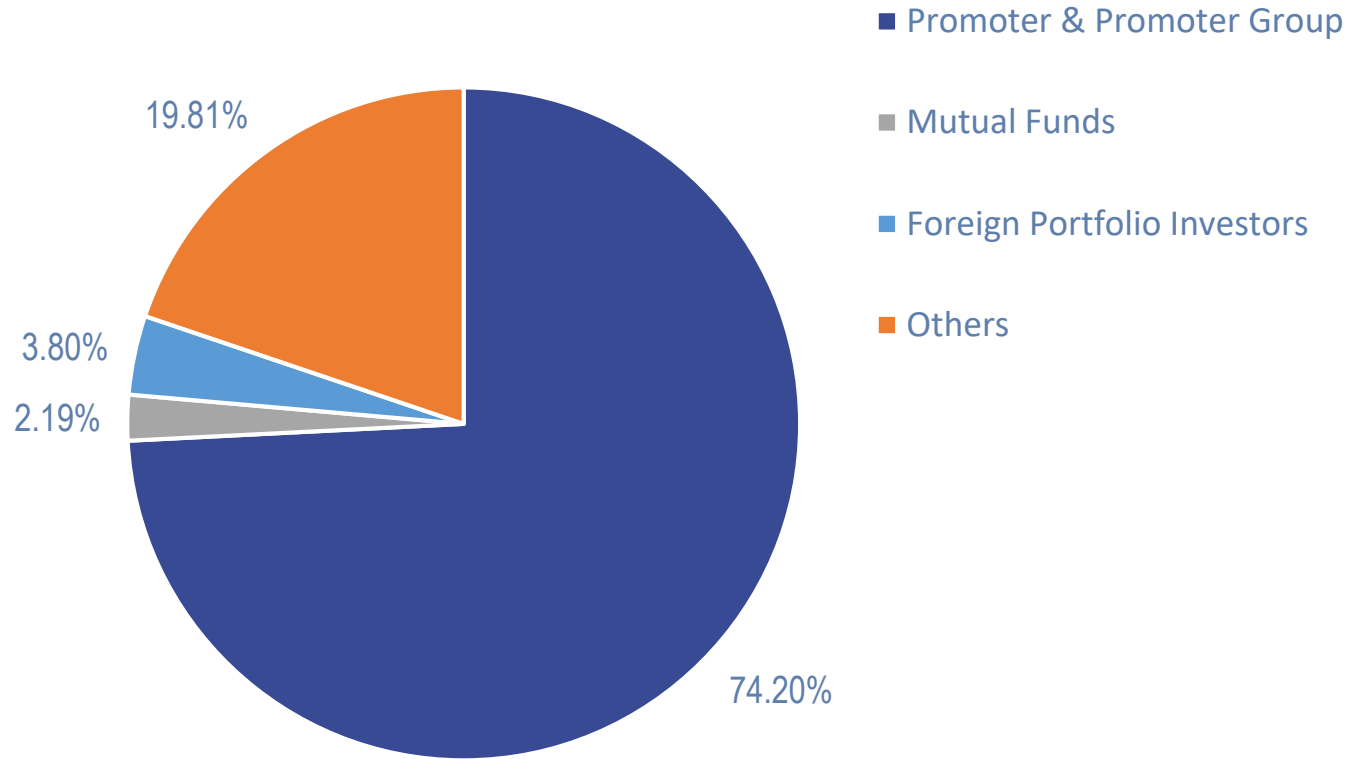
**Mr. HR Sapra,
Senior VP - Materials**

BE having over 45 years of experience in Materials & Procurement

**Mr. Rahul Dua,
Assistant Executive VP -
Manufacturing**

Graduate having over 8 years of experience in Manufacturing

Shareholding pattern



For further information, please contact:

Company :

Relaxo Footwears Limited

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Mr. Vikas Tak

vikastak@relaxofootwear.com

www.relaxofootwear.com

