

Result Presentation

Quarter ended September 30, 2018

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Market Overview

Market Overview

Textile

- Textiles growth largely due to base effect of last year on account of GST and upcoming festivities
- Higher input costs (raw materials) impacting textile players profitability

Apparel & Retail

- Subdued consumer demand with moderate to negative SSSG
- Heavy discounted quarter led by EOSS
- Favourable base of 2QFY18 on account of pre GST liquidation of inventory to 1QFY18
- Increased deep discounting by e-com players

Auto

- Auto sales impacted mainly due to delayed festive season and high crude prices
- Auto/Auto ancillaries with exports contribution to be benefitted by depreciating rupee
- EBITDA margin to compress mainly due to higher commodity prices and weak rupee

FMCG

- Continued strength in urban & rural consumption resulted in higher volume in consumer goods
- Delayed festive season to partially shift consumer demand in Q3
- EBITDA margins expected to improve led by price hike due to rising crude oil prices & cost rationalization initiatives

Initiatives and Awards

Initiatives

Mini TRS



38 mini TRS rolled out in Q2FY19;
totaling to 139 stores as at Sep'18

Style play



Exclusively selling Raymond Apparel
Brands. 5 Stores opened in Q2FY19;
totaling to 11 stores as at Sep'18

Tailoring Hubs

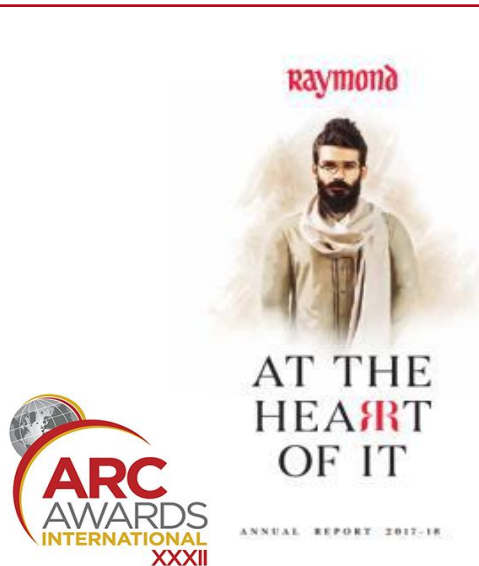


3 tailoring hubs added in Q2, totaling
to 33 hubs as on Sep'18

Awards



Best Annual Report



ARC International Awards by MerComm Inc.(US)

- Grand - Best of Mid-east & India;
- Gold - Traditional Annual Report
- Gold - Photography
- Honors - Cover Photo/Design in Fashion Manufacturing category

Best Brand Strategy



Won Best Brand Strategy for
“Do Good, Look Good” Campaign
at Mcube Awards

Great Place to Work



Awarded to

- Raymond Limited
- Raymond Apparel Limited
- Raymond Luxury Cotton Limited - amongst top 50 great place to work

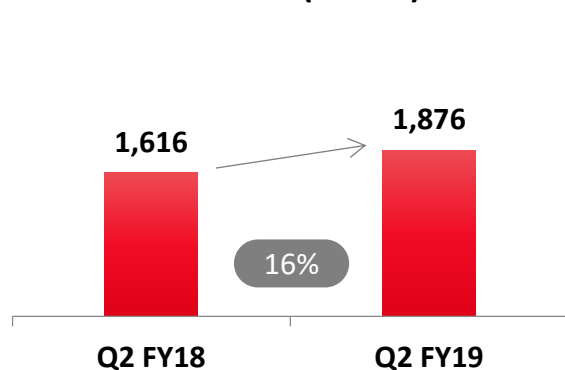


Financial Highlights

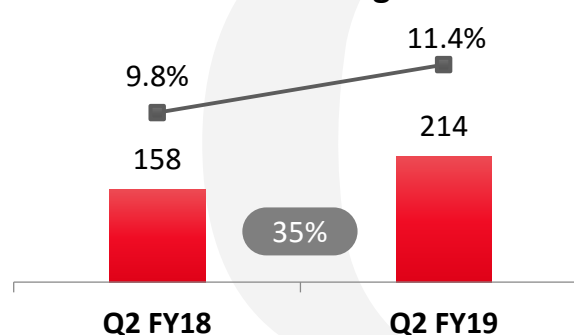
Financial Highlights – Q2FY19



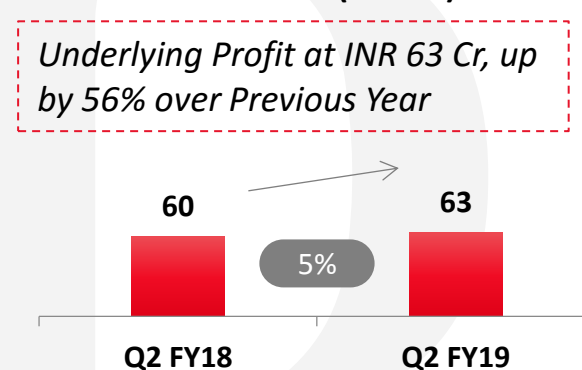
Revenue (INR Cr)



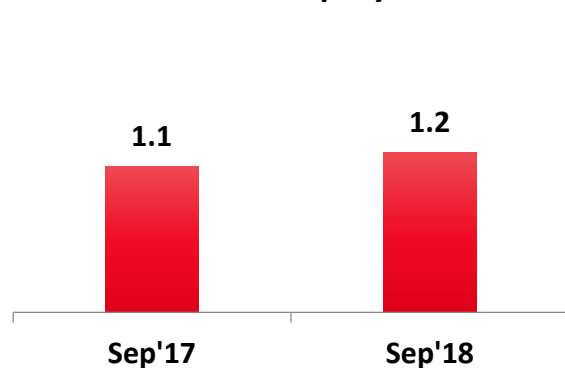
EBITDA (INR Cr) & EBITDA margin %



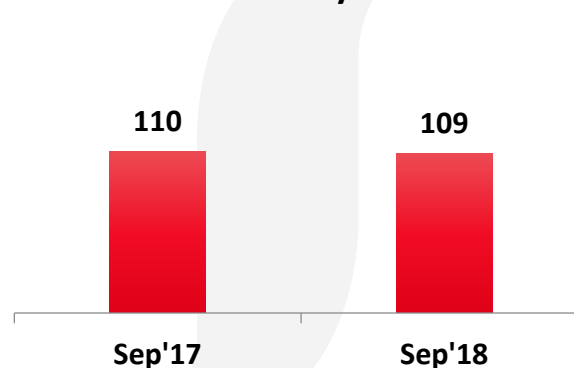
Net Profit (INR Cr)



Net Debt to Equity Ratio

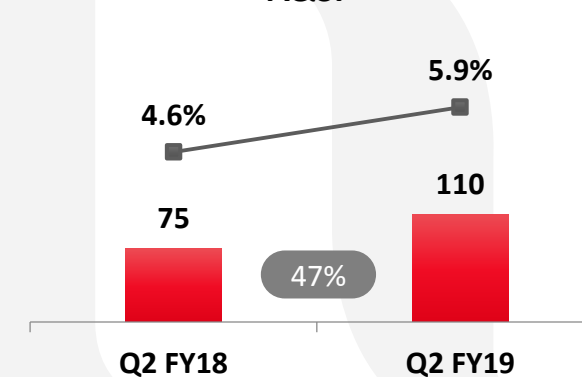


NWC days*



*on TTM Basis

A&SP



Consolidated Results



Particulars (INR Cr)	Q2 FY19	Q2 FY18	Y-o-Y%	H1 FY19	H1 FY18	Y-o-Y%
Net Revenue	1,876	1,616	16%	3,165	2,856	11%*
Net Sales	1,848	1,595	16%	3,098	2,792	11%
EBITDA	214	158	35%	322	240	34%
<i>EBITDA margin</i>	<i>11.4%</i>	<i>9.8%</i>		<i>10.2%</i>	<i>8.4%</i>	
PBT before exceptions	104	74	41%	112	74	52%
<i>PBT margin</i>	<i>5.5%</i>	<i>4.6%</i>		<i>3.5%</i>	<i>2.6%</i>	
Underlying Net Profit (before exceptions)	63	41	56%	65	33	94%
Exceptional items (net of tax)	(0)	19		(2)	19	
Net Profit	63	60	5%	63	53	19%
<i>Profit margin</i>	<i>3.4%</i>	<i>3.7%</i>		<i>2.0%</i>	<i>1.8%</i>	

* Lower revenue recognition by ~2%, due to revenue booking "net of excise" post GST as against gross earlier

Segment Results – Q2 FY19



Particulars (INR Cr)	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	EBITDA Margin % (LTL*)	Y-o-Y Change
Branded Textiles	884	15%	133	15.1%	15.9%	-50 bps
Branded Apparels	484	15%	14	2.8%	3.2%	0 bps
Garmenting	219	19%	16	7.2%	7.8%	420 bps
High Value Cotton Shirting	176	17%	27	15.4%	16.2%	480 bps
Tools and Hardware	104	15%	15	14.4%	14.4%	540 bps
Auto Components	64	21%	14	22.6%	22.6%	-40 bps
Others #	(54)	-	(5)	-	-	-
Raymond Consolidated	1,876	16%	214	11.4%	11.4%	164 bps

* 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 – H1 FY19



Particulars (INR Cr)	Revenue (INR Cr)	Growth (YoY%)	EBITDA (INR Cr)	EBITDA Margin	EBITDA Margin % (LTL*)	Y-o-Y Change
Branded Textiles	1,473	10%	177	12.0%	13.0%	-65 bps
Branded Apparels	761	10%	20	2.7%	3.2%	220 bps
Garmenting	382	17%	25	6.6%	7.4%	271 bps
High Value Cotton Shirting	333	19%	47	14.0%	14.8%	423 bps
Tools and Hardware	200	13%	23	11.5%	11.5%	356 bps
Auto Components	127	19%	29	23.3%	21.6%^	212 bps
Others #	(112)		0			
Raymond Consolidated	3,165	11%	322	10.2%	10.2%	178 bps

* 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)	Q2 FY18	Q2 FY19
Net Worth	1,799	1,912
Net Debt	2,018	2,280
Cash Flow from Operations	(61)	(30)
Free Cash Flow	(192)	(144)

Key Ratios	Q2 FY18	Q2 FY19
Net Debt / Equity	1.1	1.2
Net Working Capital Days (TTM basis)	110	109

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Performance of Segments



raymond
FINE FABRICS

SINCE 1925

Branded Textiles

Branded Textile

Particulars (INR Cr)	Q2 FY19	Q2 FY18	% Chg
Net Sales	884	772	15%
EBITDA	133	126	5%
<i>EBITDA margin</i>	<i>15.1%</i>	<i>16.4%</i>	
<i>EBITDA margin LTL</i>	<i>15.9%</i>	<i>16.4%</i>	

H1 FY19	H1 FY18	% Chg
1,473	1,345	10%
177	183	-3%
<i>12.0%</i>	<i>13.6%</i>	
<i>13.0%</i>	<i>13.6%</i>	

*H1: Growth
Ex-GST: 11%*

- Increase in sales by 15% supported by domestic volumes
 - ✓ Suiting grew by 14% driven by volume growth of 14%
 - ✓ Shirting grew by 17% led by 8% volume growth
 - ✓ Distribution expansion and growth in trade channels ahead of festive season in Q3
- EBITDA margin LTL lower due to increase in wool prices and higher A&SP spends
- To mitigate the wool price increase, initiatives like wool microns optimization, process optimization and a nominal price hike already undertaken
- Channel growth for the quarter

Channel Growth	Wholesale: 20%	TRS: 8%	MBO: 13%	Others: 22%
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WEAR TO WRK



Branded Apparel

Branded Apparel

Particulars (INR Cr)	Q2 FY19	Q2 FY18	% Chg
Net Sales	484	419	15%
EBITDA	14	14	0%
<i>EBITDA margin</i>	<i>2.8%</i>	<i>3.2%</i>	
<i>EBITDA margin LTL</i>	<i>3.2%</i>	<i>3.2%</i>	

H1 FY19	H1 FY18	% Chg
761	689	10%
20	7	188%
<i>2.7%</i>	<i>1.0%</i>	
<i>3.2%</i>	<i>1.0%</i>	

*H1: Growth
Ex-GST: 13%*

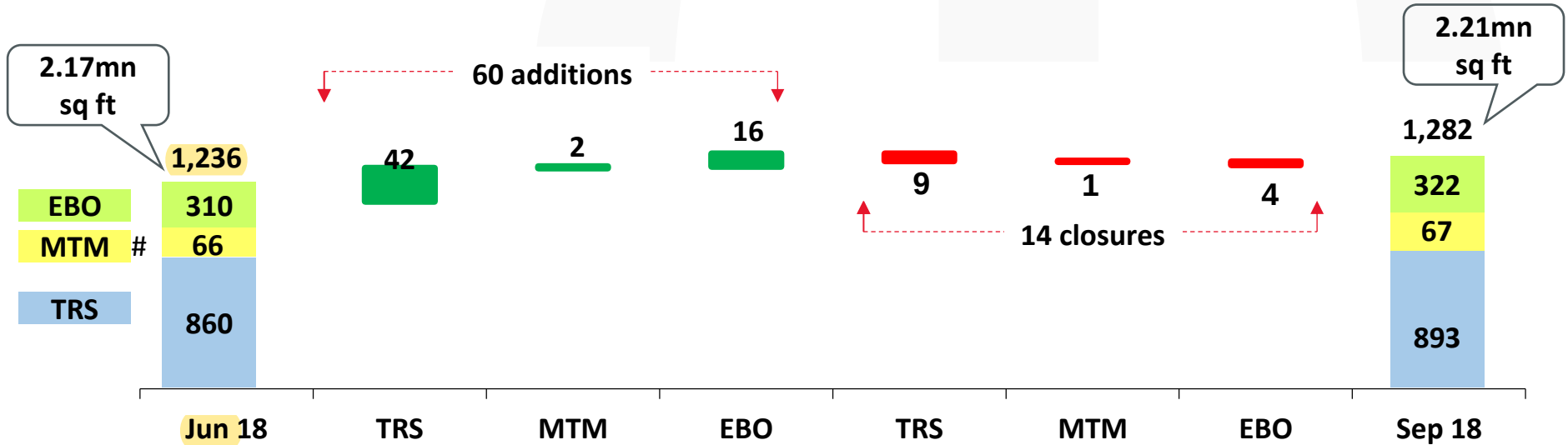
- Branded Apparel grew by 15% driven by
 - ✓ Strong growth in RR and Parx brand and contribution from new customer segments
 - ✓ Strong performance in MBO channel aided by growth in other channels
- Despite prolonged EOSS and higher A&SP spends, EBITDA margin LTL maintained at 3.2%, same as previous year due to operational efficiencies
- Brands and Channels growth for the quarter -

Brand Growth	RTW: 37%	PA: 6%	CP: 5%	PX: 22%
Channel Growth	MBO: 53%	EBO: 5%	TRS: 3%	LFS: 3%



Retail Network

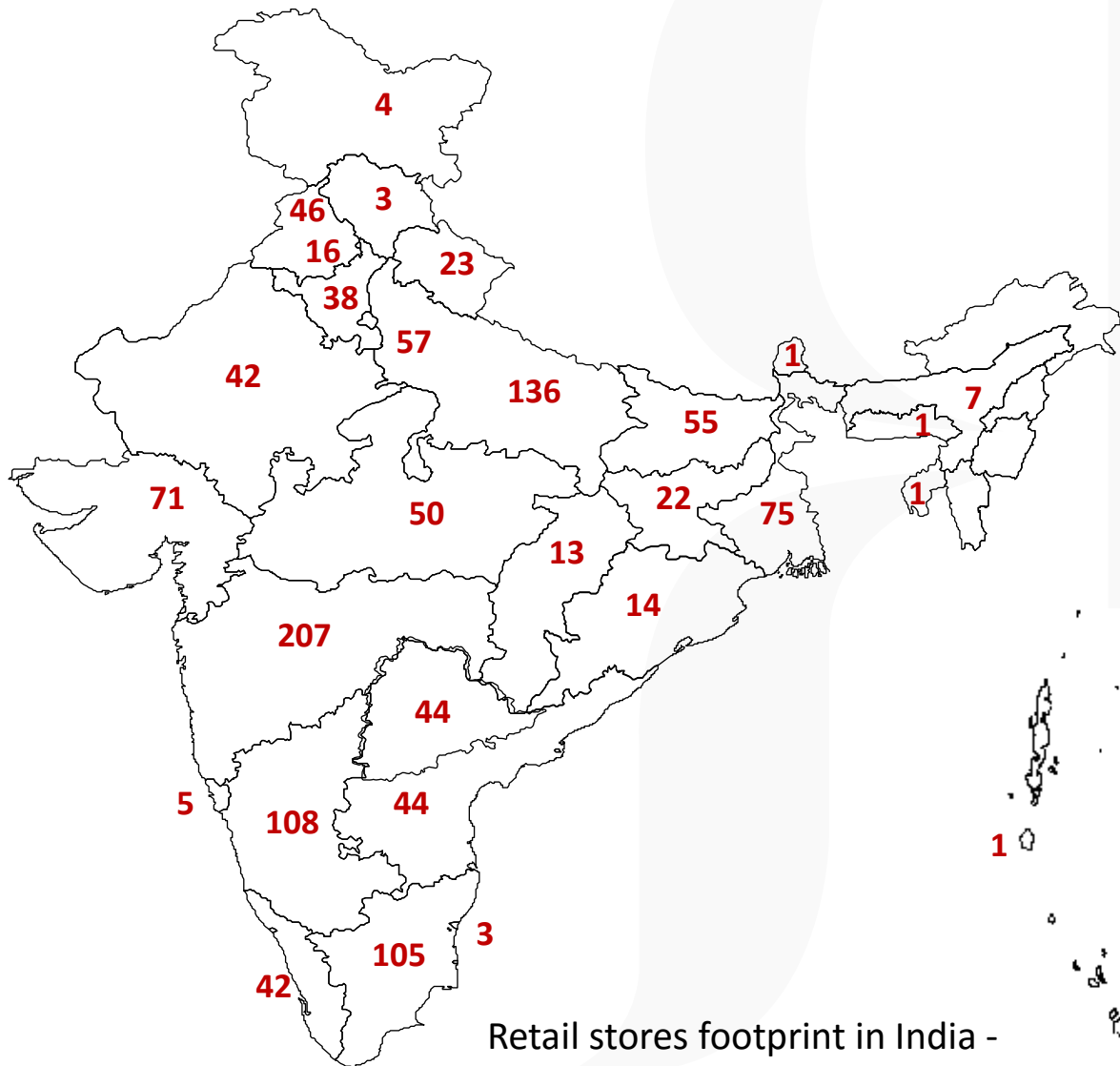
Exclusive Retail Network



- During the quarter
 - ✓ Added 60 new stores (including 38 mini-TRS) and closed 14 stores
 - ✓ Almost all the new stores added are franchised
 - ✓ Currently 10 stores under renovation
- Blended sales growth across our retail formats was ~3%

Includes 41 converge stores as on Jun'18 and 43 as on Sep'18

Strong Distribution Network



Retail stores footprint in India -
1,233 Domestic stores

Branded Textile

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

Branded Apparel

- Presence in over 500 cities and towns
- 322 EBOs
- 4500+ MBOs
- 1000+ LFS
- Across Raymond Shop (TRS) - Tier I to VI towns

139 mini TRS as on Sep'18 across 100+ Towns



Garmenting

Garmenting

Particulars (INR Cr)	Q2 FY19	Q2 FY18	% Chg
Net Sales	219	184	19%
EBITDA	16	7	133%
<i>EBITDA margin</i>	<i>7.2%</i>	<i>3.6%</i>	
<i>EBITDA margin LTL</i>	<i>7.8%</i>	<i>3.6%</i>	

H1 FY19	H1 FY18	% Chg
382	328	17%
25	15	64%
<i>6.6%</i>	<i>4.7%</i>	
<i>7.4%</i>	<i>4.7%</i>	

*H1 Growth
Ex-GST: 17%*

- Garmenting grew by 19% led by exports growth in US
- EBITDA margin LTL improved by 4.2% mainly due to operational efficiencies



High Value Cotton Shirting

High Value Cotton Shirting

Particulars (INR Cr)	Q2 FY19	Q2 FY18	% Chg
Net Sales	176	150	17%
EBITDA	27	17	59%
<i>EBITDA margin</i>	<i>15.4%</i>	<i>11.4%</i>	
<i>EBITDA margin LTL</i>	<i>16.2%</i>	<i>11.4%</i>	

H1 FY19	H1 FY18	% Chg
333	281	19%
47	30	57%
<i>14.0%</i>	<i>10.5%</i>	
<i>14.8%</i>	<i>10.5%</i>	

*H1 Growth
Ex-GST: 20%*

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

- Sales grew by 17% on account of better off-take by the customers and yarn sales from Amravati plant
- EBITDA margin LTL improved by 4.8% 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)	Q2 FY19	Q2 FY18	% Chg
Net Sales	104	90	15%
EBITDA	15	8	84%
<i>EBITDA margin</i>	<i>14.4%</i>	<i>9.0%</i>	

H1 FY19	H1 FY18	% Chg
200	177	13%
23	14	63%
<i>11.5%</i>	<i>7.9%</i>	

*H1 Growth
Ex-GST: 17%*

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

- Business grew by 15% driven by better performance in domestic markets
- Improvement in EBITDA margin by 5.4% led by higher operating efficiency and product rationalisation

Auto Component

Particulars (INR Cr)	Q2 FY19	Q2 FY18	% Chg
Net Sales	64	53	21%
EBITDA	14	13	8%
<i>EBITDA margin</i>	22.6%	25.5%	
<i>EBITDA margin LTL</i>	22.6%	23.0%*	

H1 FY19	H1 FY18	% Chg
127	106	19%
29	24	23%
23.3%	22.4%	
21.6%*	19.4%*	

*H1 Growth
Ex-GST: 21%*

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

- Growth of 21% driven by strong demand from both domestic and international customers
- EBITDA margin impacted mainly due to higher raw material costs. Overall, the business is maintaining its profitable sales growth momentum

** EBITDA Margin LTL is excluding one time gain*

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Way Forward

Way Forward

- Expecting the consumer sentiments to remain modest due to rising inflation and low weddings in Q3
- However, we expect the sentiments to improve towards the end of Q3 led by wedding season in 1st half of CY19
- For Q3, we are expecting high single digit revenue growth and EBITDA margin improvement by 100 bps over previous year
- Store rollout plan in line with our strategy of asset light expansion, with majority of new stores based on franchise model

Thank You

www.raymond.in