RELAXO FOOTWEARS LIMITED

Investor Presentation – September, 2018

RELAXO

Safe Harbor

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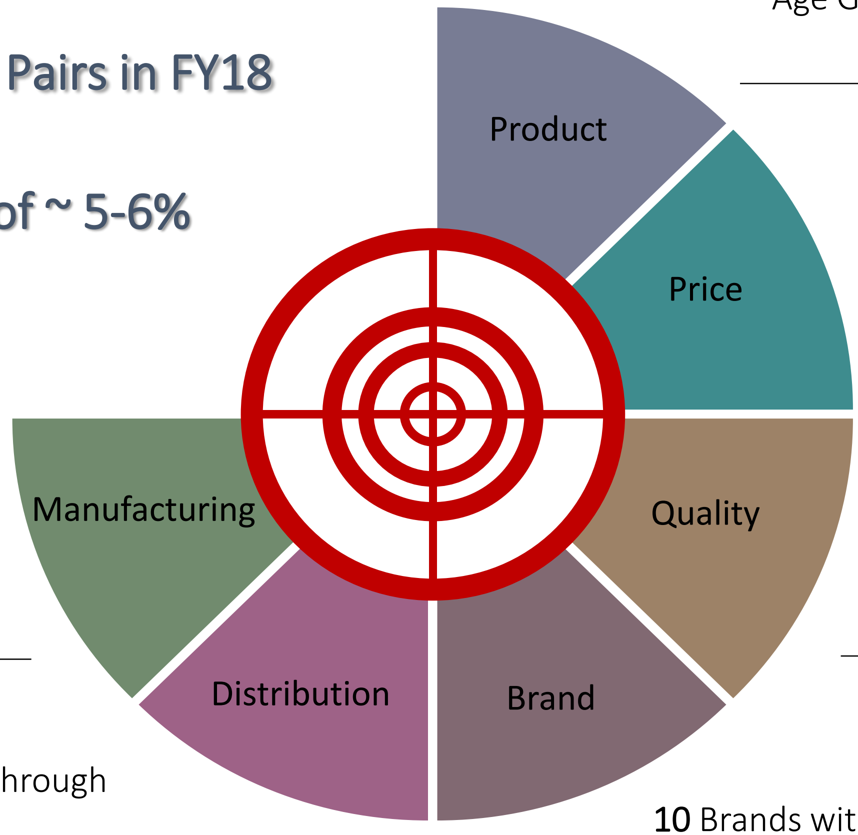
Our Strengths

Market Leaders

Sold **15.7** crore Pairs in FY18

Market Share of ~ 5-6%



Products available for Every Age Group & Every Price Point
+ 6,000 SKU's

Value for Money Products catering to entire family

Every stage of manufacturing process monitored with stringent Quality Tests

10 Brands with Ambassadors like Salman Khan, Akshay Kumar, Shahid Kapoor & Shruti Haasan

~50,000 Retailers served through distributors

311 Retail Stores

~9 State of Art Manufacturing Plants with World Class Concepts

Customer Relevant Products

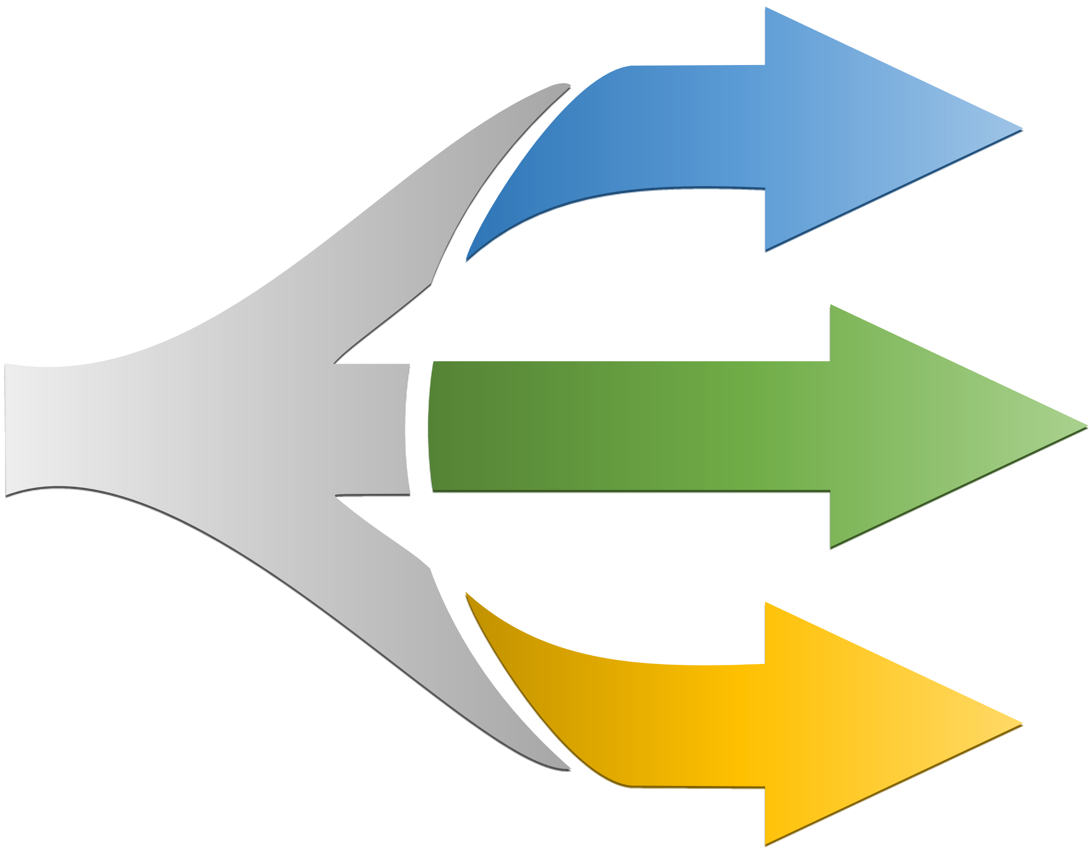
Market Research | Regular Market Sensing Exercises to understand the Consumer Needs across different Regional, Economic and Demographic strata

Product Innovation | In-house design capability enables continuous Product Innovation around functionality. Launched innovative portal for employee engagement to source ideas for new product development

Churn in Portfolio | In-season launches with Optimal Product Portfolio. ~ 25% - 30% of the Portfolio is churned every year

SKUs | Over 6,000 SKUs across Product Designs for Various Sizes

Value for Money



Fashionable

+

Comfortable

+

Affordable

=

"VFM"

Committed to Quality

Monitor every stage of manufacturing process

- Designing
- Raw Materials
- Production Process
- Packaging
- Final Products

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

Products are subject to:

- Random Testing
- Batch Testing
- Tactical Wear Testing

Brand Spectrum

RELAXO

FLITE
FASHIONABLE & LITE

SPARX
GO FOR IT

BAHAMAS

SCHOOLMATE
A STEP AHEAD

ELENA

CASUALZ

BOSTON

Mary Jane

KIDS FUN

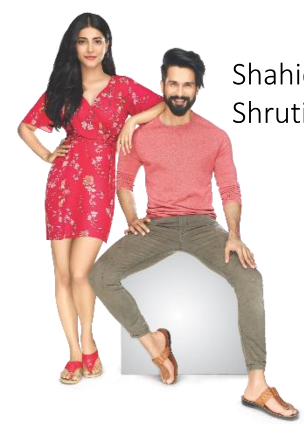
Brand for all Categories

	Brand Overview	Target Consumer
RELAXO	Most Popular Brand of Rubber / Eva slippers	All strata of the Society
FLITE FASHIONABLE & LITE	Fashionable and Light weight footwear	Fashion conscious consumers
sparx GO FOR IT	A range of sports and canvas shoes, sandals and slippers	Upwardly mobile youth
Bahamas	A trendy and fashionable flip-flops	Contemporary generation
SCHOOLMATE A STEP AHEAD	A range of school shoes for boys and girls	School Students

Brand Ambassador

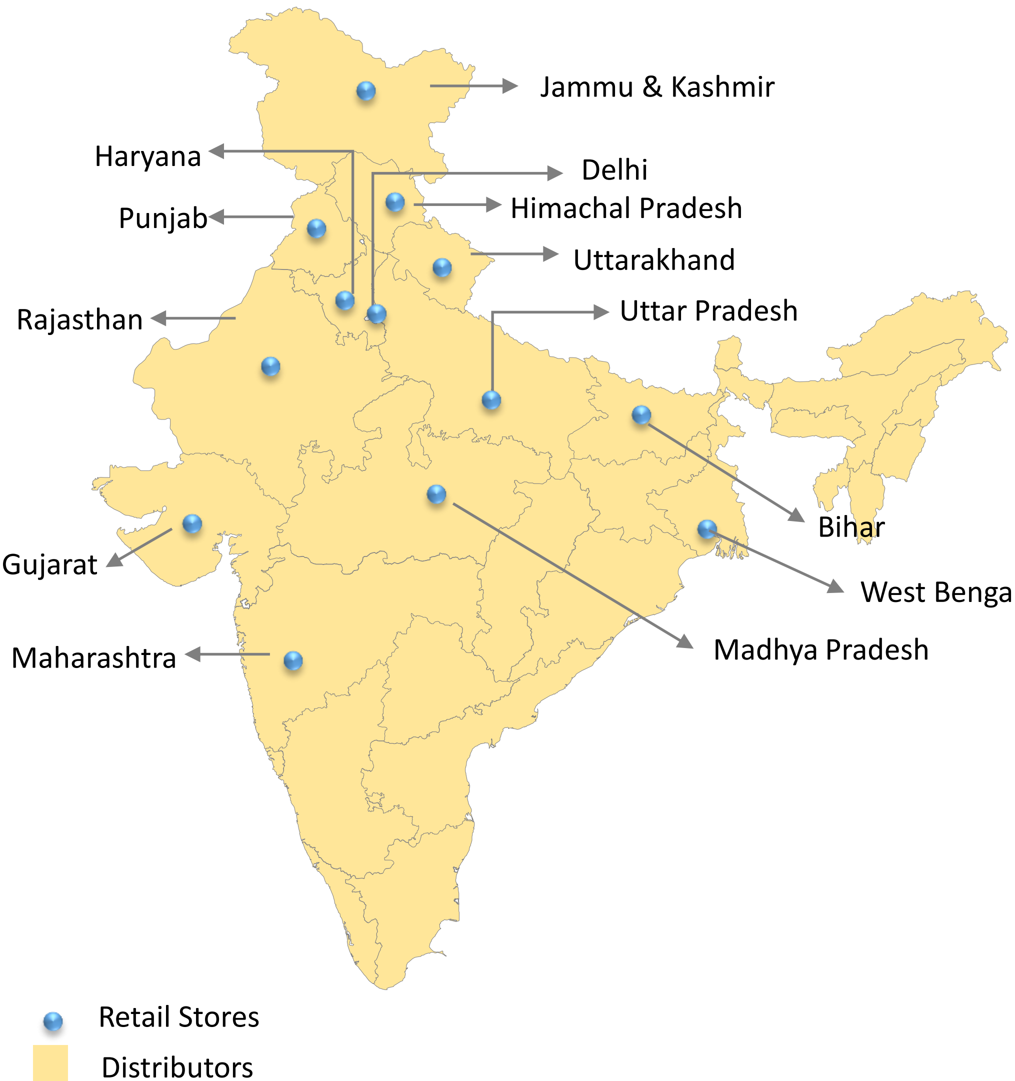
Salman Khan

Akshay Kumar



Shahid Kapoor & Shruti Haasan

Pan India Footprint



Relaxo Retail Stores

State	Number of Stores
Uttar Pradesh	81
Delhi	56
Punjab	40
Haryana	31
Himachal Pradesh	7
Rajasthan	22
Gujarat	12
Madhya Pradesh	22
Jammu & Kashmir	10
Uttarakhand	8
Maharashtra	8
Bihar	10
West Bengal	2
Chandigarh	1
Manipur	1
Total	311

Available at ~50,000 +

Retailers PAN India

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

Closer to Customers

311 Retail Stores across India

Reach over ~ 50,000 + Retailers

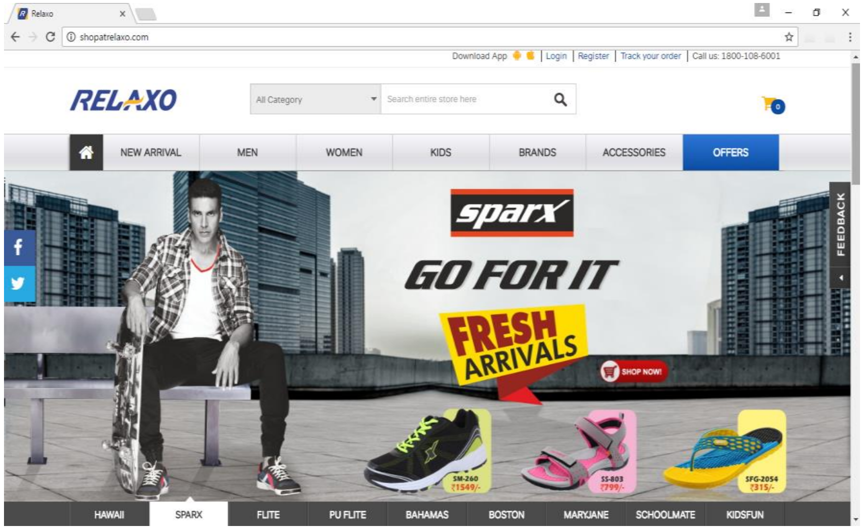
1 overseas office

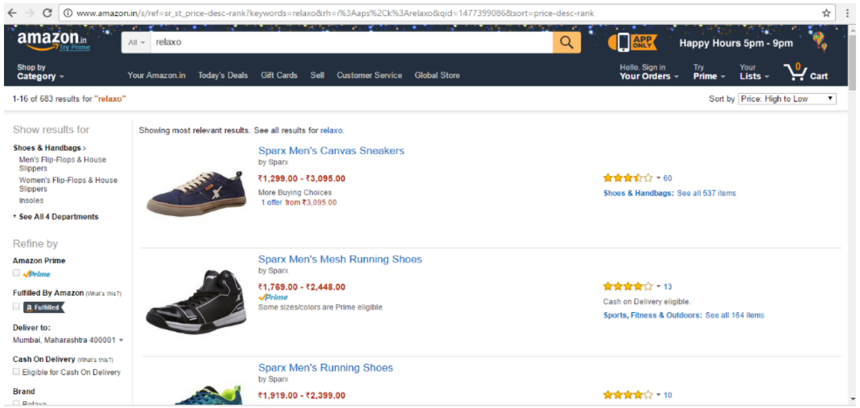
Online Presence – www.shopatrelaxo.com

Online Shopping Websites

amazon flipkart.com snapdeal

JABONG.COM MYNTRA.com India's Largest Online Fashion Store Paytm





State-of-Art manufacturing facilities

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

Awards & Accolades

EY Entrepreneur Of The Year

Mr. Ramesh Kumar Dua
Finalist amongst **India's Best CEO-2017** by EY

business today

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

business today

Mr. Ramesh Kumar Dua
awarded as **India's Best CEO** (Consumer Goods) :
Business Today - 2016

INDIA'S MOST VALUABLE CEOs by **BUSINESS WORLD**

Mr. Ramesh Kumar Dua
amongst **Most Valuable CEO**
Business World 2016

business today

Mr. Ramesh Kumar Dua
amongst **India's Best CEO**
Business Today 2015

Sparx
India's Most Trusted Brand
The Brand Trust Report 2016

Relaxo
India's Most Attractive Brand
TRA Research 2016

Flite
India's Most Attractive Brand
TRA Research 2016

13

Sparx
India's Most Attractive Brand
TRA Research 2016

Best
Corporate Brand
The Economic Times 2016

Best Display
India's International
Footwear Fair 2016

1st Place for Excellent
Export Performance
Council for Leather Exports
2016-17

1st Place for Excellent
Export Performance
Council for Leather Exports
2015-16

Awards & Accolades

Year 2017

Relaxo
India's Top 50 Company
Forbes

India's Top 500 Company
[Total Income]
Dun & Bradstreet 2017

Safety Rating

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

Year 2016

India's Most
Valuable Company
[Average Market Capitalization]
Business Today 2016

The Next 500
[Rank 41]
Fortune India
2016

India's Largest
Corporations*
Fortune India
2016

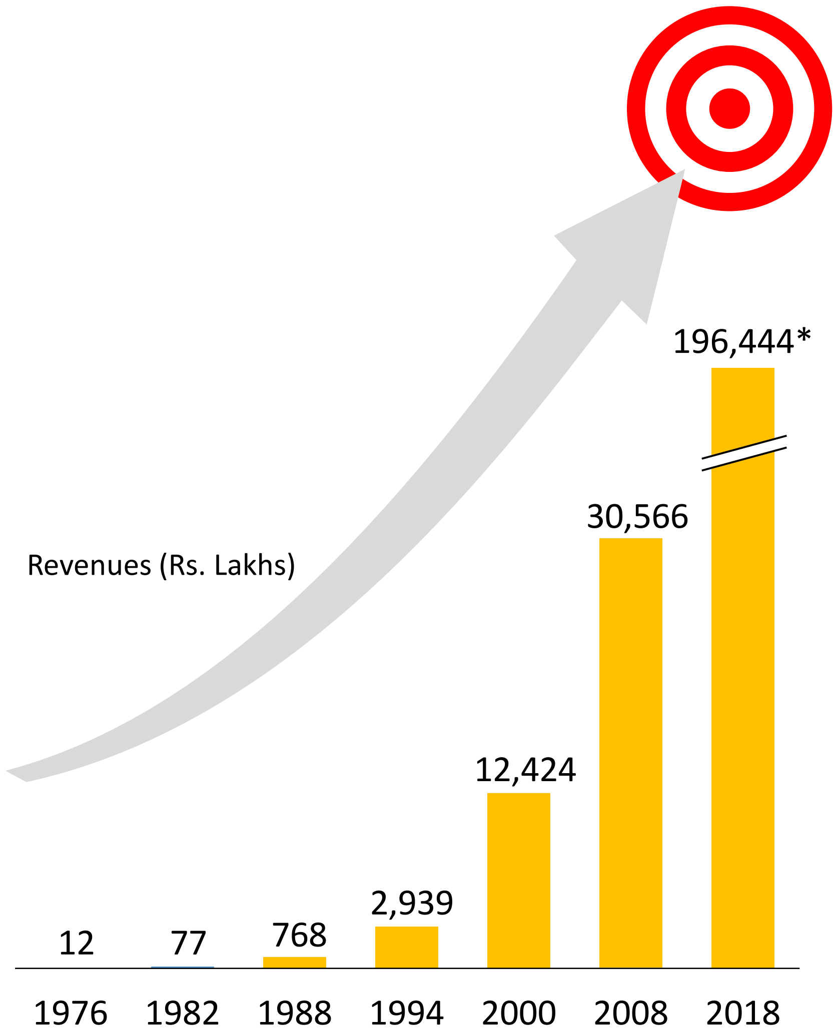
India's Top 500 Company
[Total Income]
Dun & Bradstreet 2016

ET 500 :
Future Ready Company
The Economic Times 2016

Making It Big
CNBC TV 18
HSBC 2016

Background & Objectives

Evolution



1976 : Launched Relaxo Brand
1984 : Relaxo Footwears Limited was incorporated

1995: IPO to set up a plant in Haryana
1995: Started manufacturing Footwear (rubber slippers) for the masses
2000: Expanded capacity in Haryana

2004-05: Launched 'Flite' and 'Sparx' Brands
2005: 1st COCO store launched
2007: Commenced exports
2010: Renewable Power Capacity of – 6.00 MW

2012-14: Business Transformation Initiatives

- Signed top-notch celebrities as Brand ambassadors
- Strengthen SCM, Regional Warehouses (RWH)
- Launched E-Commerce Platform
- Increased People engagement
- New product development & portfolio strategy

2016: 250th COCO Store opens
2017: Revamp of the RELAXO Brand

- 5S activities in all Plants

2018: 300th Retail Store opens

* The Financial Results for FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

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)

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

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

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

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

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

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)

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

Management Team

Mr. Gaurav Dua,
Executive VP - Marketing

MBA having over 17 years of experience in Sales & Marketing.

Mr. Ritesh Dua,
Executive VP - Finance

MBA having **over** 18 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

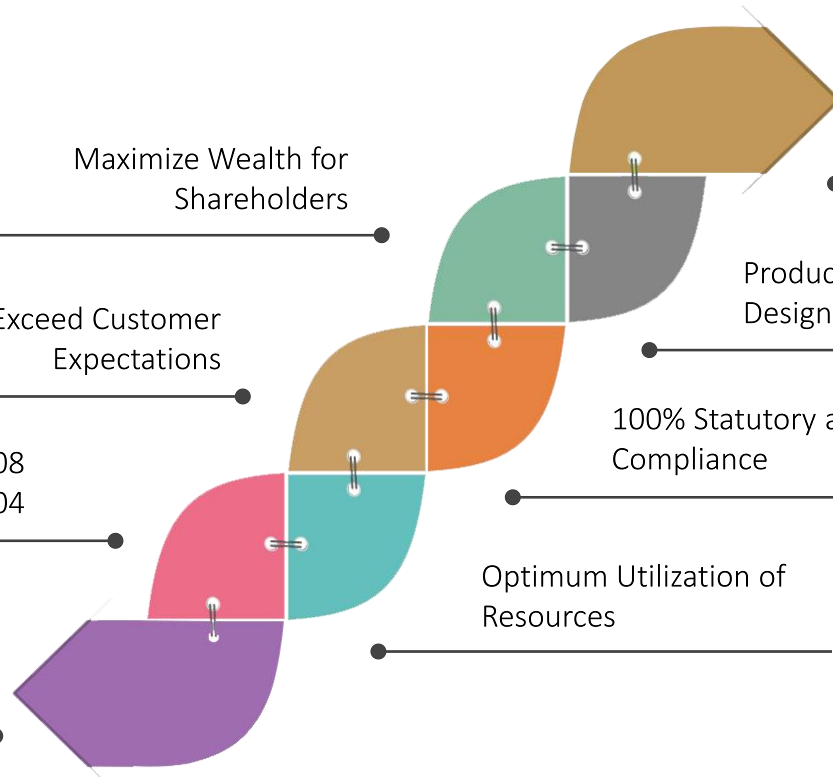
Mr. HR Sapra,
Senior VP - Materials

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

Corporate Objectives



To Explore National and International Markets

Maximize Wealth for Shareholders

Product Innovation through Design and Development

Meet and Exceed Customer Expectations

100% Statutory and Legal Compliance

Compliance to ISO 9001:2008 and ISO 14001:2004

Optimum Utilization of Resources

Developing Human Resource asset through Effective Training & Leadership Development

Growth Potential

Huge Industry Potential

1

Change in Consumer Habits

Footwear industry is turning from being a basic need to Fashion, Comfort & Performance oriented industry

2

Increase in Discretionary Spend

Discretionary spend of Indian households is expected to increase in the next 4-5 years with urban masses emerging as major consumption driver

3

Emerging Role of Digital

Footwear remains one of the highest purchased category online. The emergence of Digital economy with concerted drive from Government presents multiple opportunities across the value chain

4

Huge Export Opportunities

India is the second largest global producer of Footwear after China accounting for 9% of global production. However, India's share in global exports is just 2% compared to China's share of ~40% thus presenting room for growth opportunities

Future Ready

Manufacturing Excellence

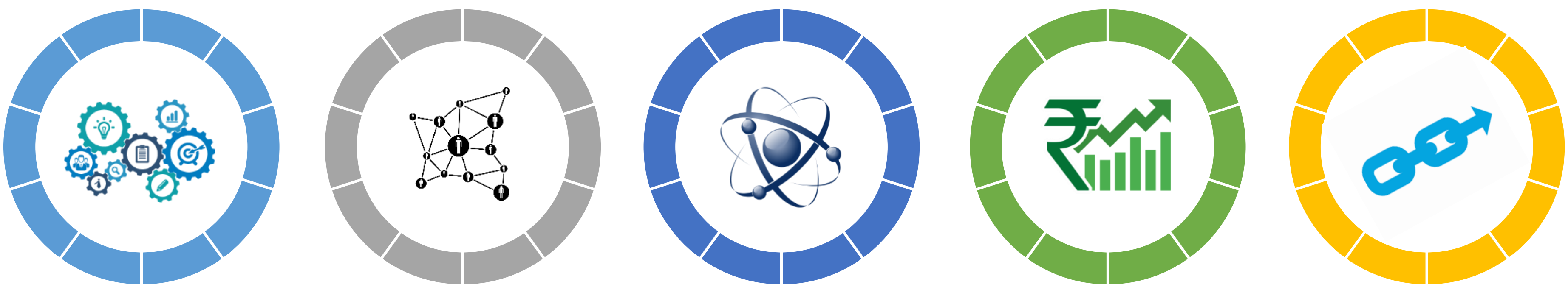
- Lean Manufacturing
- Maynard Operation Sequence Technique (MOST)
- Yield Improvement

Technology & Innovation

- SAP Compliant & Microsoft Dynamics Navision
- Product Development & Design Innovation
- End to End Product Tracking
- Real-time customer experience feedback

Supply Chain

- Forward looking supply & capacity planning
- Optimum Inventory management
- Optimised Cost & Ideal SLA



Sales & Distribution

- Channel Management Initiatives
- Distribution consolidation & footprint extension
- Modern Trade and E-Commerce Platform

Cost Optimization

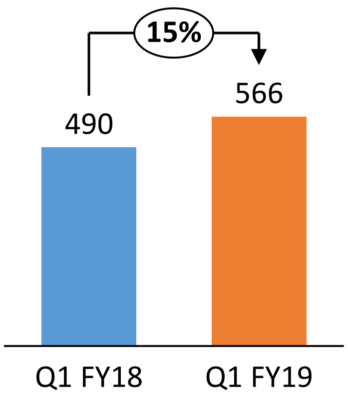
- Optimizing manpower utilisation, material cost & energy Consumption
- Rationalization of expenses

Financial Performance

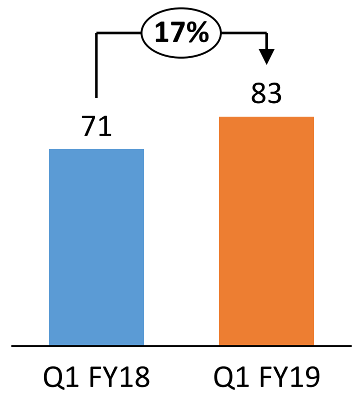
Q1 FY19 : Performance Highlights

Rs. in Crores

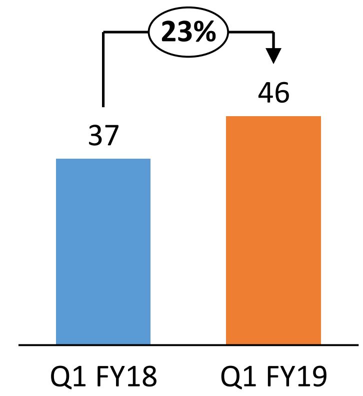
Revenue



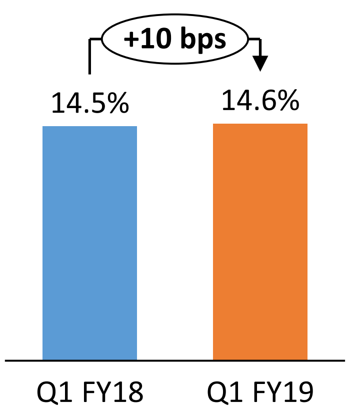
EBITDA



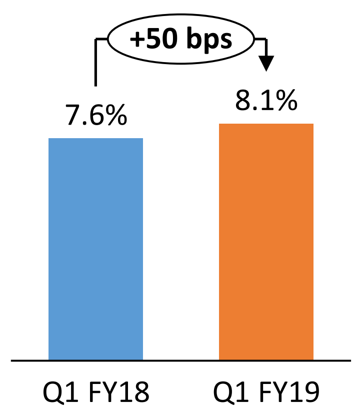
PAT



EBITDA (%)



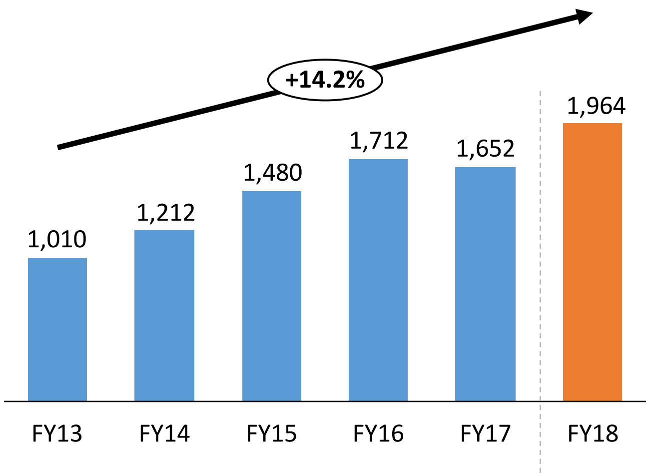
PAT (%)



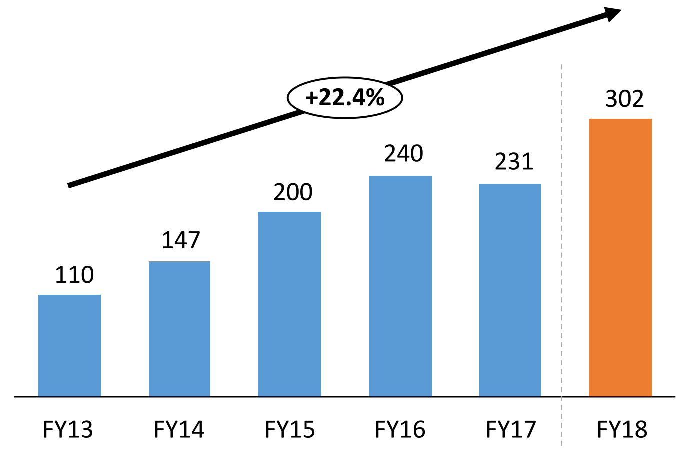
Annual Performance Highlights

Rs. in Crores

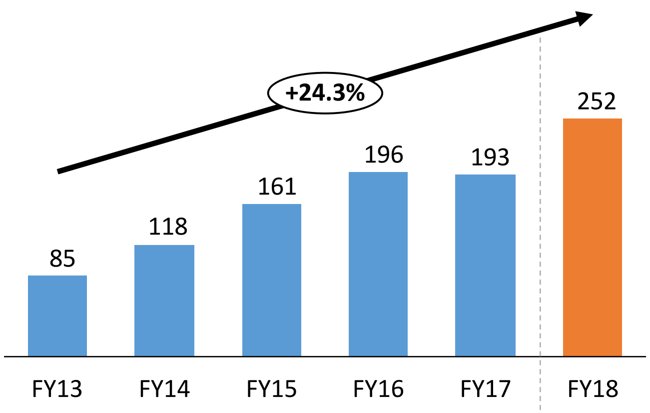
Revenue



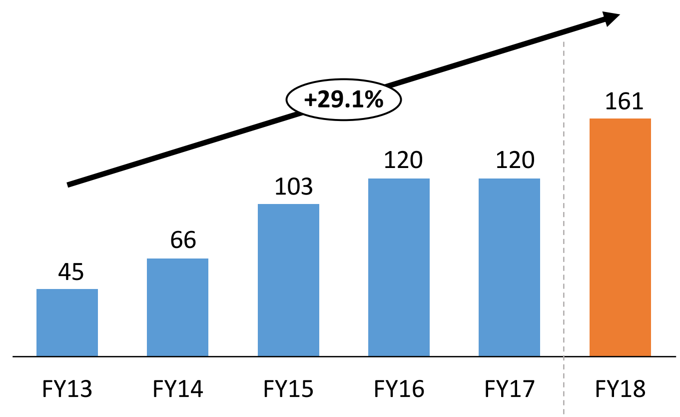
EBITDA



EBIT



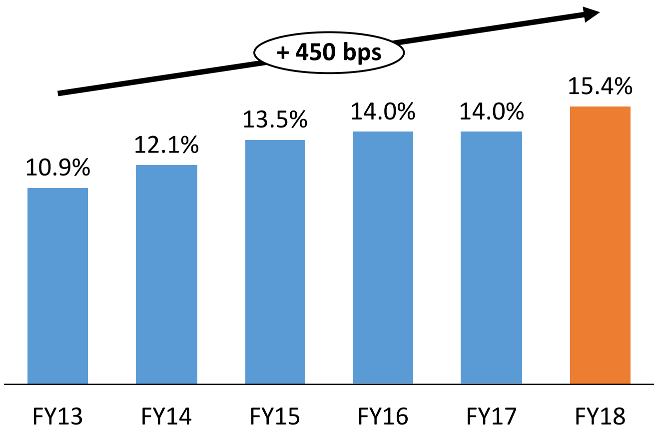
PAT



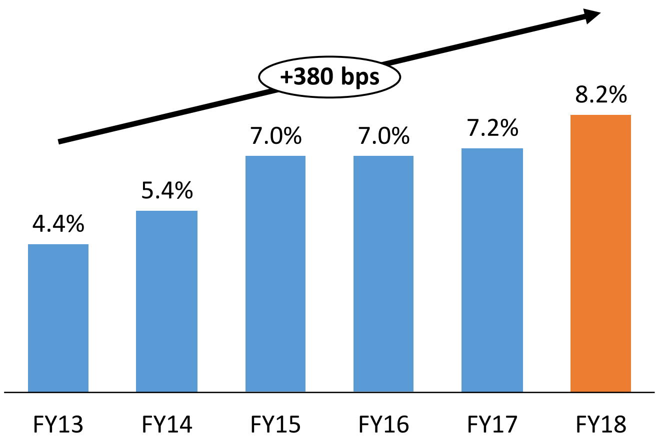
The Financial Results for FY17 and FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Operational Efficiencies

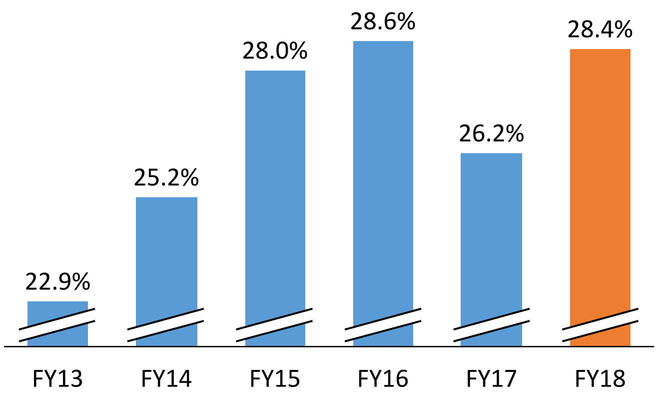
EBITDA (%)



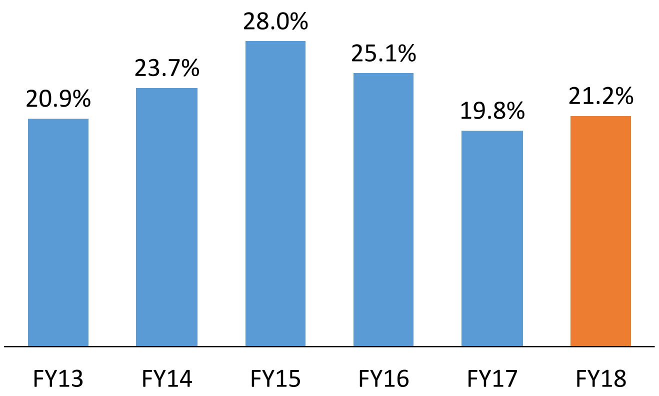
PAT (%)



RoCE (%)



RoE (%)

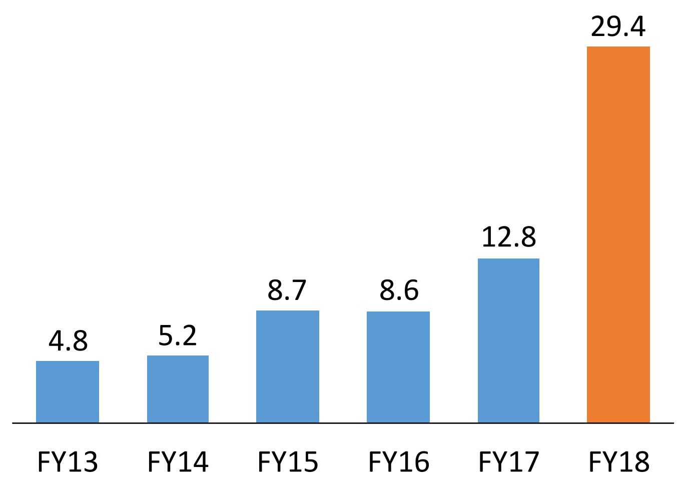


The Financial Results for FY17 and FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Debt Ratings & 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 positive outlook	Indicates adequate degree of safety for long term debt instruments Instruments rated in this category carry low credit risk

P&L Statement – Q1 FY19

Particulars (Rs. Crs)	Q1 FY19	Q1 FY18	*Y-o-Y*	FY18
Revenue from Operations	**566***	**490**	**15%**	**1,964***
Total Raw Material	**261**	**221**		**883**
Employee Expenses	65	48		214
Excise Duty	-	8		8
Other Expenses	158	143		558
EBITDA	**83**	**71**	**17%**	**302**
EBITDA %	**14.6%**	**14.5%**		**15.4%**
Other Income	2	1		4
Depreciation	14	13		54
EBIT	**71**	**58**	**22%**	**252**
EBIT (%)	**12.6%**	**11.9%**		**12.8%**
Finance Cost	2	2		9
Profit before Tax	**69**	**56**	**24%**	**244**
Tax	23	19		83
Profit after Tax	**46**	**37**	**23%**	**161**
PAT %	**8.1%**	**7.6%**		**8.2%**
EPS	3.82	3.11		13.40

* Revenue from operations is net of GST

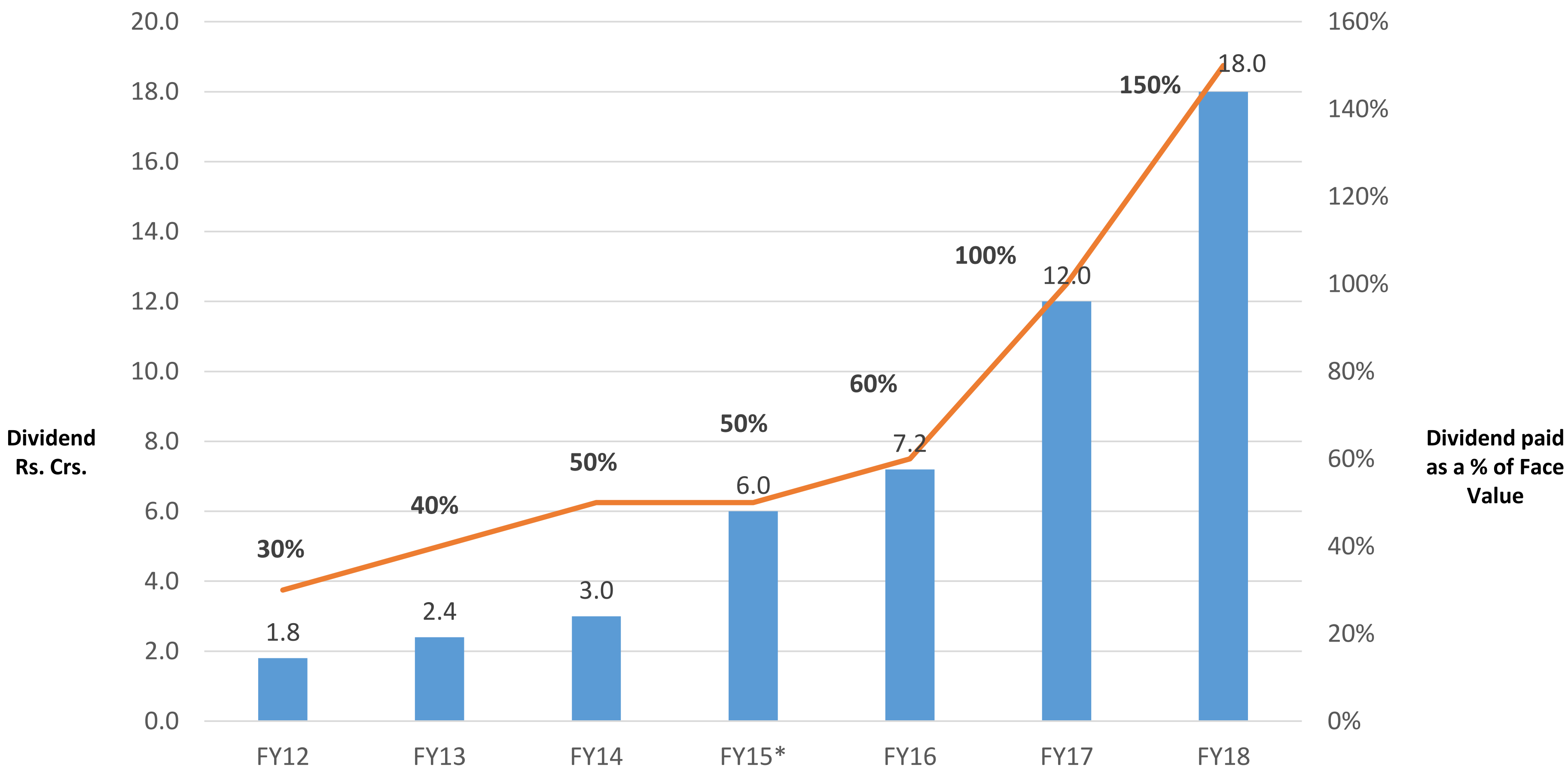
Balance Sheet

Particulars (Rs. Crs.)	March – 18	March-17
Equity Share Capital	12	12
Other Equity	749	594
Equity	**761**	**606**
Financial Liabilities		
Borrowings	39	71
Other Financial Liabilities	1	0
Provisions	8	7
Deferred Tax Liabilities (Net)	26	26
Non Current Liabilities	**74**	**104**
Financial Liabilities		
Borrowings	86	61
Trade Payables	175	126
Other Financial Liabilities	93	99
Other Current Liabilities	70	70
Provisions	7	2
Current Tax Liabilities (Net)	3	1
Current Liabilities	**433**	**360**
Total Equity and Liabilities	**1,269**	**1,070**

Particulars (Rs. Crs.)	March – 18	March-17
Property, Plant and Equipment	470	480
Capital Work-in-Progress	136	62
Intangible Assets	55	61
Intangible Assets under Development	1	1
Financial Assets		
Investments	0	1
Loans	16	15
Other Financial Assets	1	1
Other Non Current Assets	9	4
Non Current Assets	**688**	**624**
Inventories	314	290
Financial Assets		
Investments	1	0
Trade Receivables	192	123
Cash and Cash Equivalents	3	4
Other Bank Balances	1	0
Loans	0	0
Other Financial Assets	1	3
Other Current Assets	68	26
Current Assets	**581**	**447**
Total Assets	**1,269**	**1,070**

The Financial Results for FY17 and FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

Consistent Dividend Paying



The Board has recommended Final dividend of Rs. 1.5 per share of the face value of Re. 1/- each (150%) for FY18 subject to approval by the Members at the forthcoming Annual General Meeting

* Post Bonus

For further information, please contact:

Company :

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