

INVESTORS PRESENTATION

SEPTEMBER 2019



2nd November, 2019

Safe Harbor

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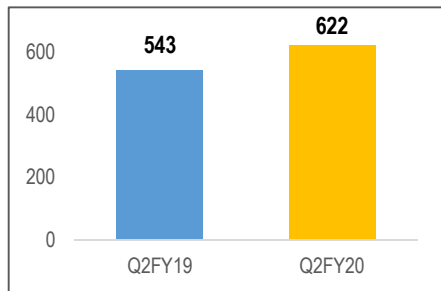
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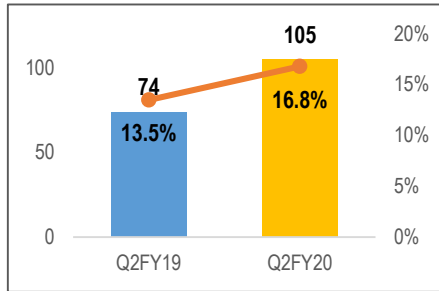
Q2 FY20 and H1FY20 Performance

Q2FY20 Performance

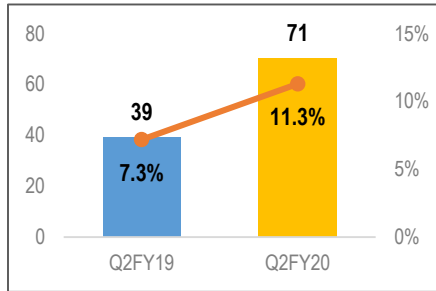
Revenue from Operations (in ₹ crs)



EBITDA (in ₹ crs) and EBITDA %

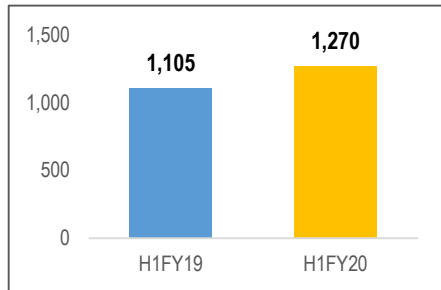


PAT (in ₹ crs) and PAT %

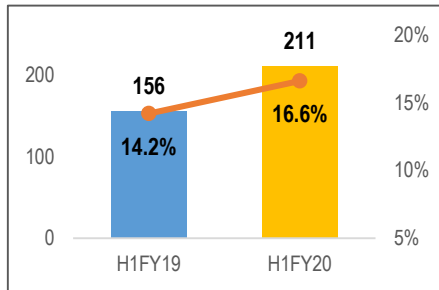


H1FY20 Performance

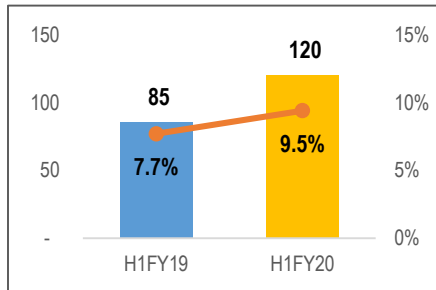
Revenue from Operations (in ₹ crs)



EBITDA (in ₹ crs) and EBITDA %



PAT (in ₹ crs) and PAT %



Q2 FY20

- Revenue from operations up by 14% to ₹ 622 Crore mainly driven by premiumization, product mix and price increase in selected categories.
- EBITDA at ₹ 105 Crore and EBITDA margin of 16.8% (Margin without IND AS 116 stands at 15%).
- Profit after Tax at ₹ 71 Crore and PAT Margin at 11.3%.

Company Overview

Highlights FY19

- Largest footwear manufacturer in India.
- 'Value for Money' products.
- Portfolio of mass appeal brands.



2,292 Cr.

Revenue from operations



324 Cr.

EBITDA



175 Cr.

PAT



18.4 Cr.

Pair sold



9

Brands



6000+

SKUs



8

State of the art manufacturing plants



50,000+

Retailers served through distributors



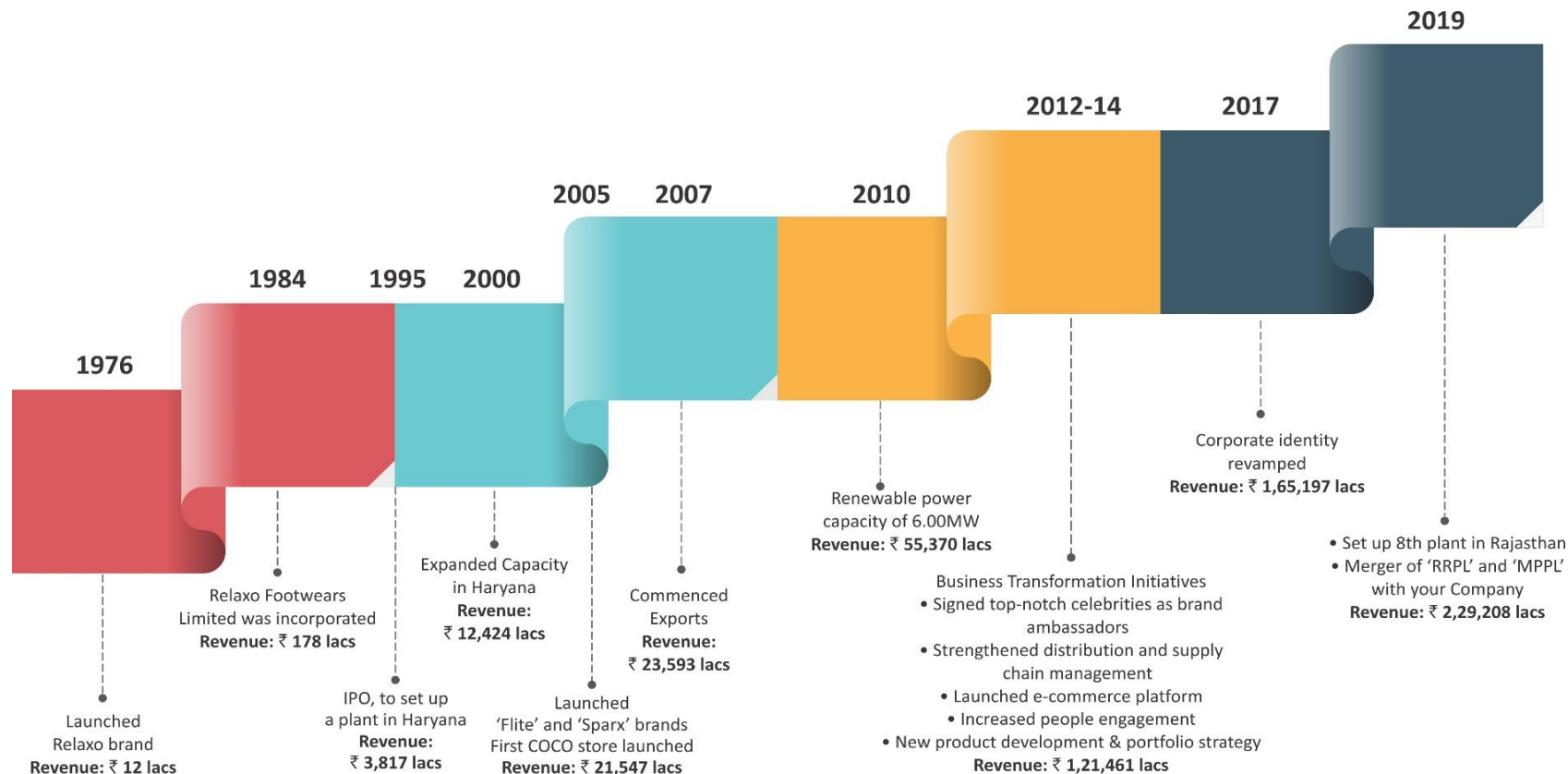
370*

Exclusive brand outlet (EBO)

* EBO as on Sept 2019

Moving Forward, Gaining Momentum.

RELAXO



RELAXO

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 pair.
- Currently India exports only 10% of the footwear produced with the domestic market being the major contributor of around 90%.
- The Indian Footwear industry has potential to grow near to ₹ 1.00 Lac Crore by 2021.
- India is still an underpenetrated market – a per capita consumption of only ~1.66 pair p.a against a global average of 3 pair. Developed countries average 6-7 pair 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 Gol 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 ~45% of the market.
- Uniform tax rates pan-India for all footwear ensuring a level playing field.

Relaxo is a leading player in the 'Value' segment

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

Aligning 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 as per consumer needs.



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 over time.

Our portfolio of brands, with strong identities

Premium range of sports
& canvas shoes, sandals &
slippers



Formal shoes for
men

Fashionable and light
weight footwear



Trendy footwear for
women

Most popular iconic
brand of Hawai slippers



Household name
synonymous with
quality, comfort & value

Trendy and fashionable
flip-flops



Quality, Comfortable
shoes for men

Range of school shoes
for boys and girls



Range of cool, colourful
footwear for next-gen
kids

Sustained manufacturing excellence

Strong in-house manufacturing capabilities

- 8 manufacturing facilities with a capacity to produce ~7.5 Lac pair/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
- ISO 45001:2018
- ISO 27001:2013
- 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

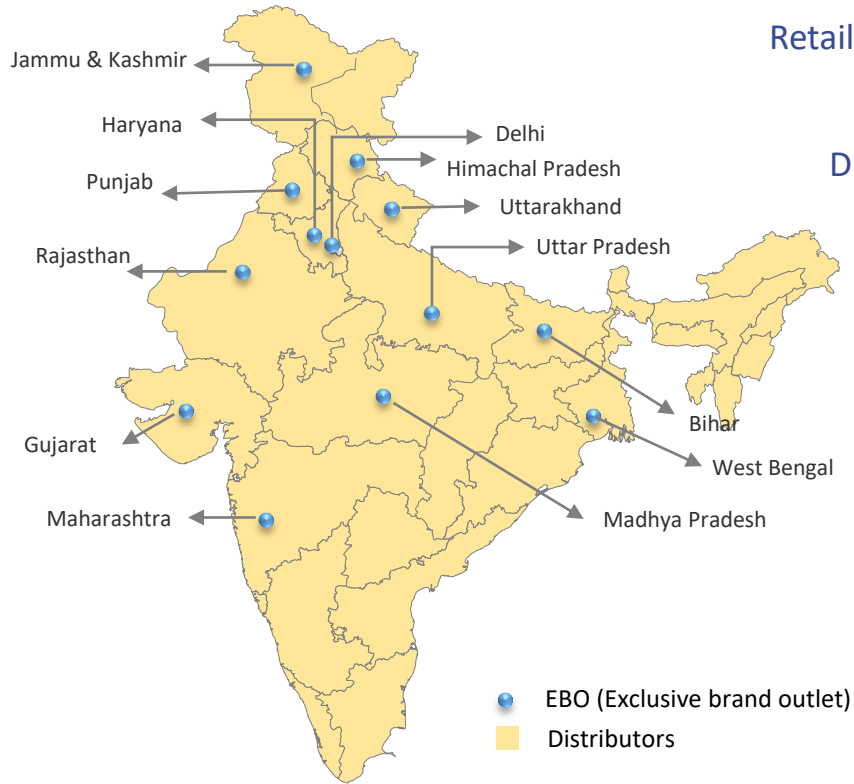


RFL VIII - Bahadurgarh



RFL IX - Bhiwadi

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



Retailers/ MBOs

50,000+

Distributors

~800

EBO

370

Countries exported to

~30

Overseas office in Dubai

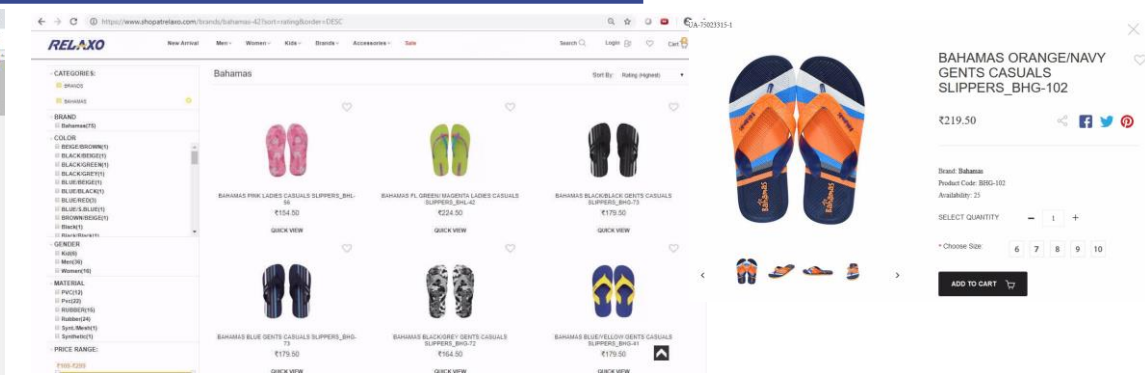
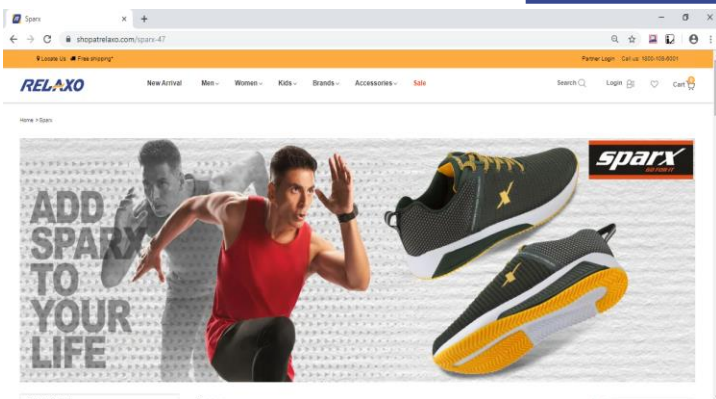
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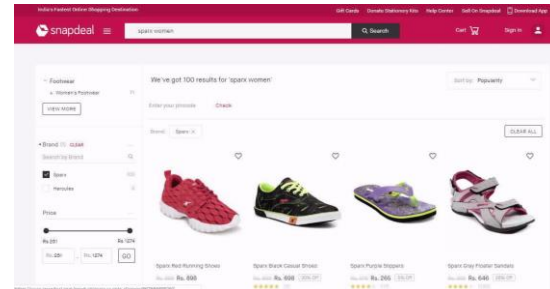
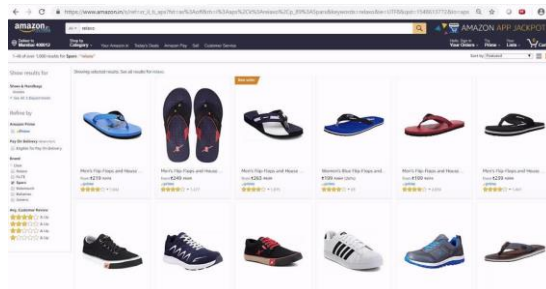
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

With a growing online presence

www.shopatrelaxo.com

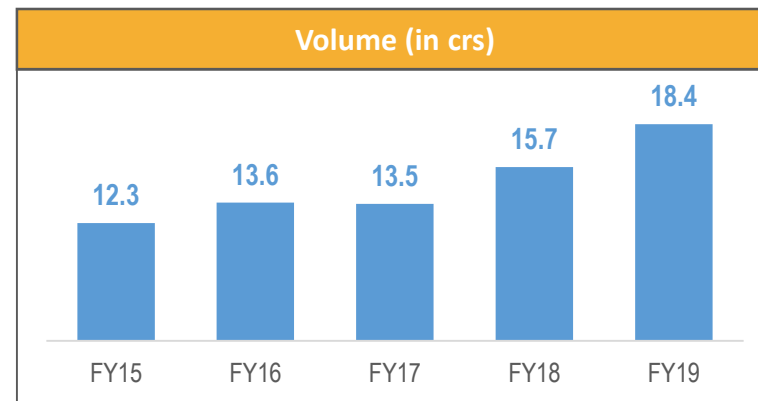
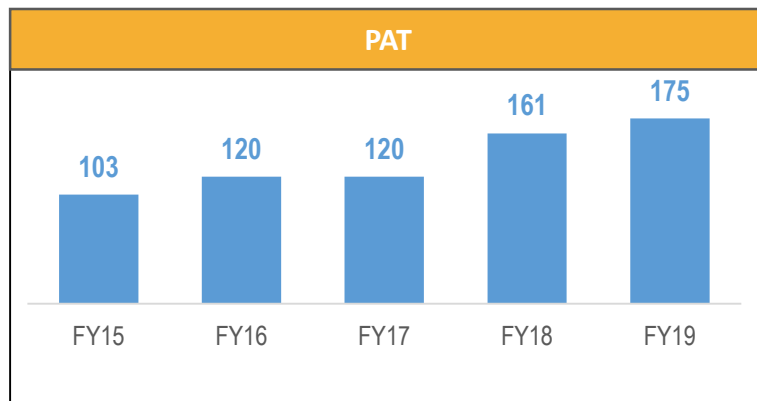
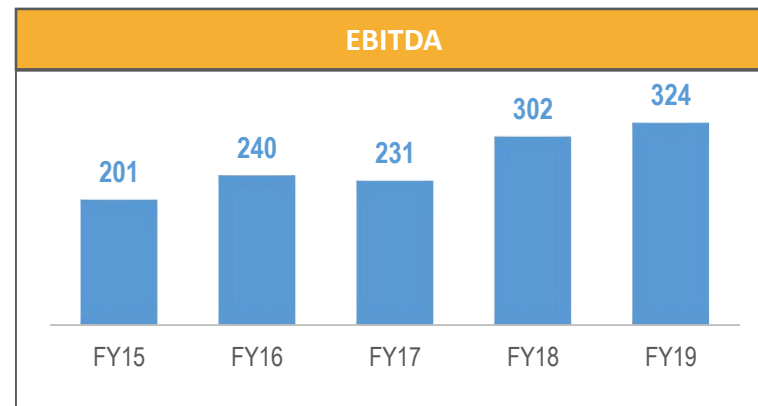
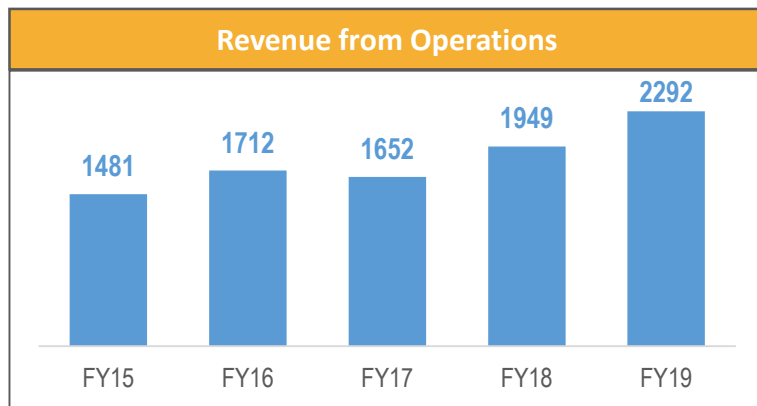


Partnerships with major ecommerce companies



Robust financial performance..

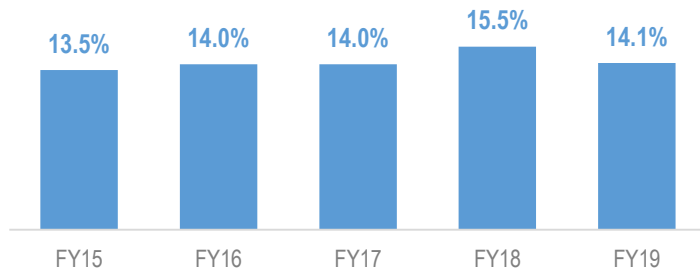
₹ in Crore



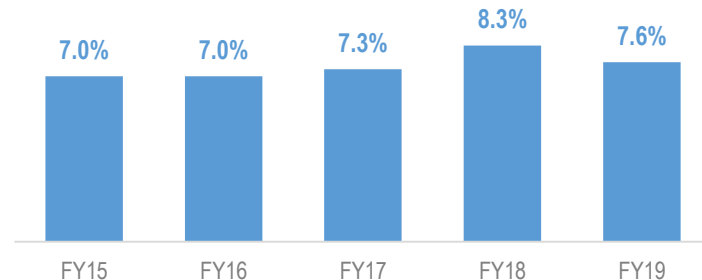
FY15 & FY16 are based on IGAAP. FY17, FY18 & FY19 are based on Ind-AS.

with operational efficiencies

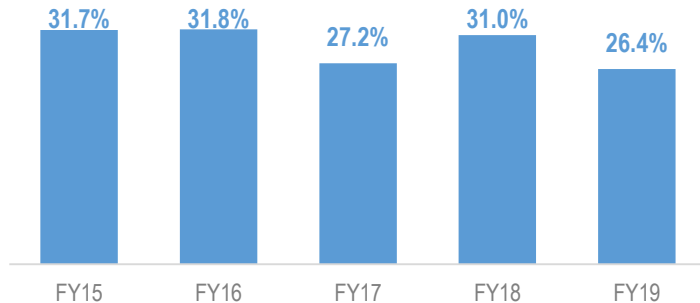
EBITDA %



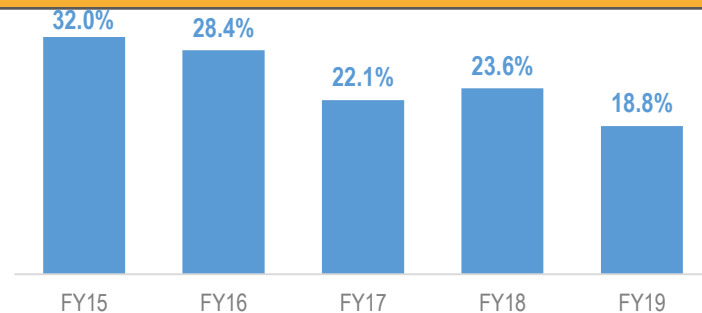
PAT %



RoCE %

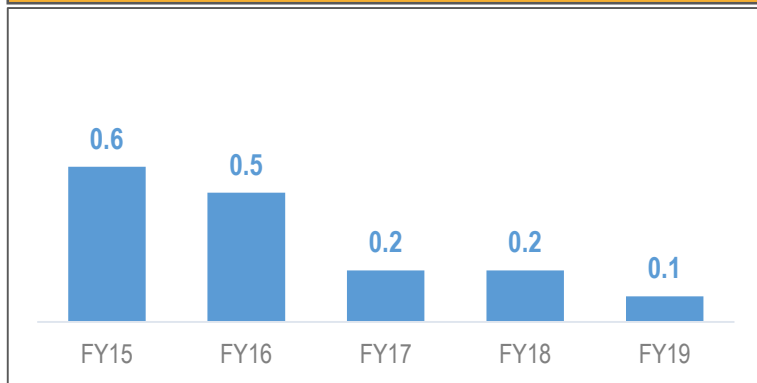


RoE %

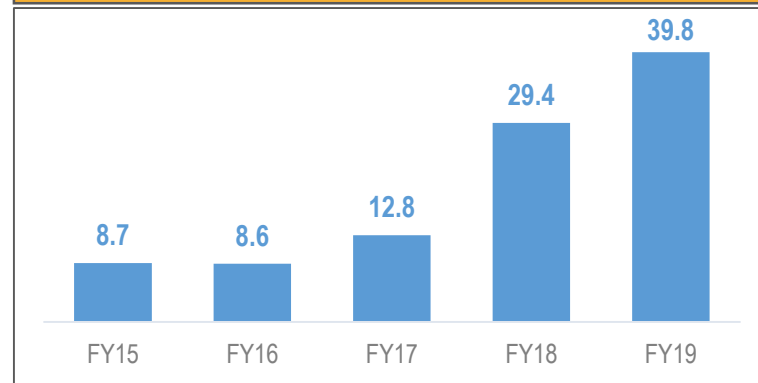


Debt ratings and profile

Net Debt/ Equity (X)



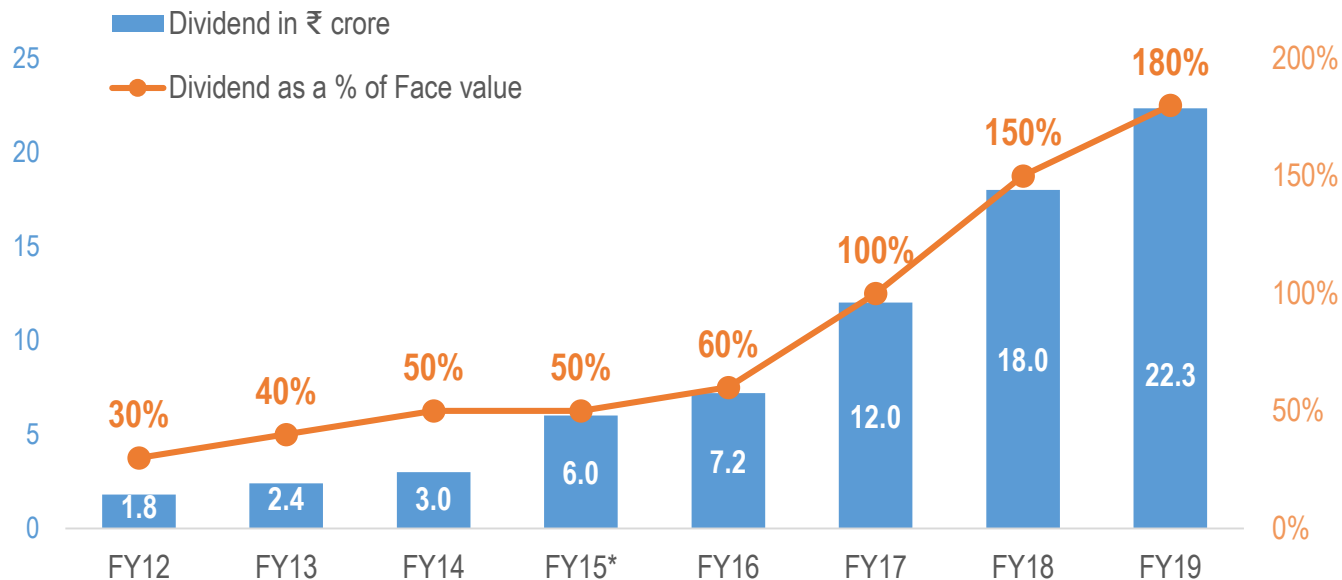
Interest coverage ratio (X)



Credit Ratings

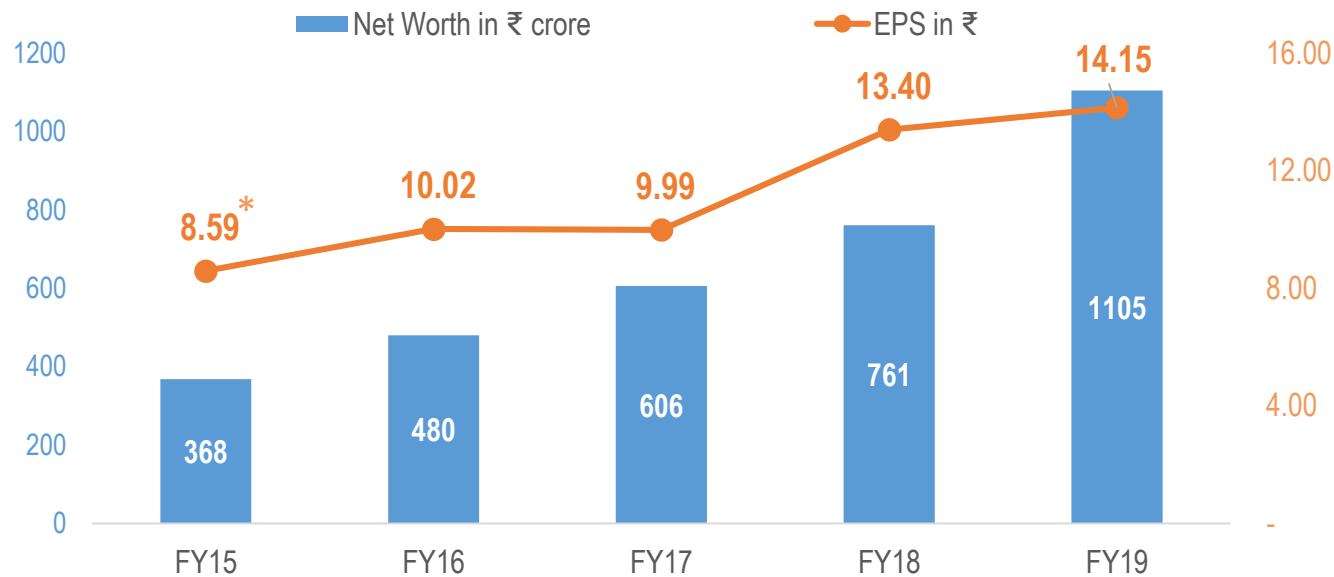
Agency	Instruments	Ratings	Comments
ICRA	Short Term Funds	A1+	Indicates very strong degree of safety for short term debt instruments. Instruments rated in this category carry the lowest credit risk
ICRA	Long Term Funds	AA with stable outlook	Indicates high degree of safety for long term debt instruments.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

Consistent dividend payout



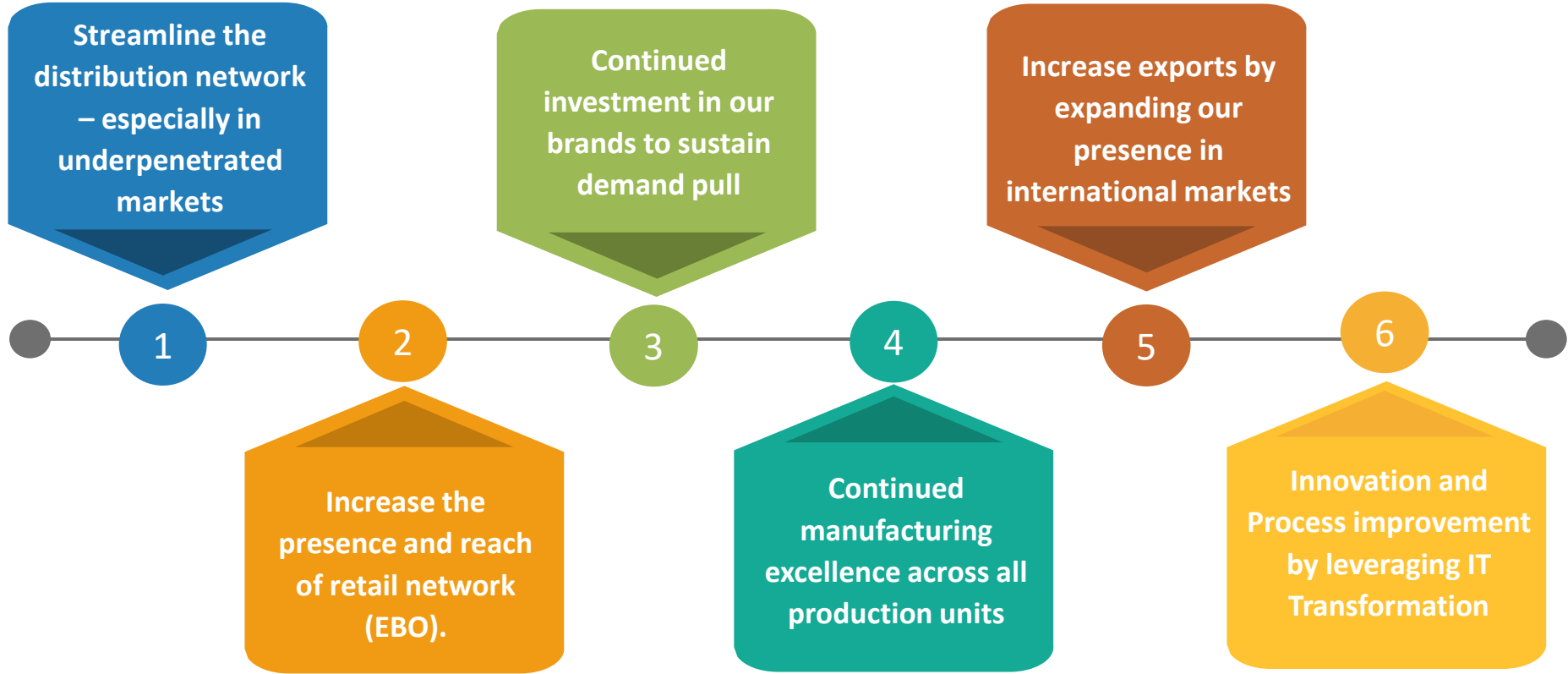
* Post Bonus

EPS and Net Worth



* Post Bonus

Advancing towards Tomorrow, Today



Highly experienced Board of Directors

Ramesh Kumar Dua, Managing Director

- Over 43 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 23 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 35 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 46 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 38 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

Deepa Verma, Independent Director

- Over 31 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

Rajeev Bhadauria, Independent Director

- Over 32 years of experience in Human Resource.
- Past association with JSPL, Reliance ADA group & NTPC at various positions in Human Resource.
- B.A. & LLB from Allahabad University and management diploma from Power Management Institute, New Delhi

And a strong management team

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

MBA having over 18 years of experience in Sales & Marketing.

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

MBA having over 19 years of experience in Finance, HR & IT

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

MBA having over 15 years of experience in Retail Business.

**Mr. Ashish Srivastava ,
VP – Human Resources**

MBA having over 21 years of experience in HR, Industrial Relations & Administration.

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

Graduate having over 31 years of experience in Sales & Marketing

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

FCA having over 28 years of experience in Finance, Taxation and Strategic Planning

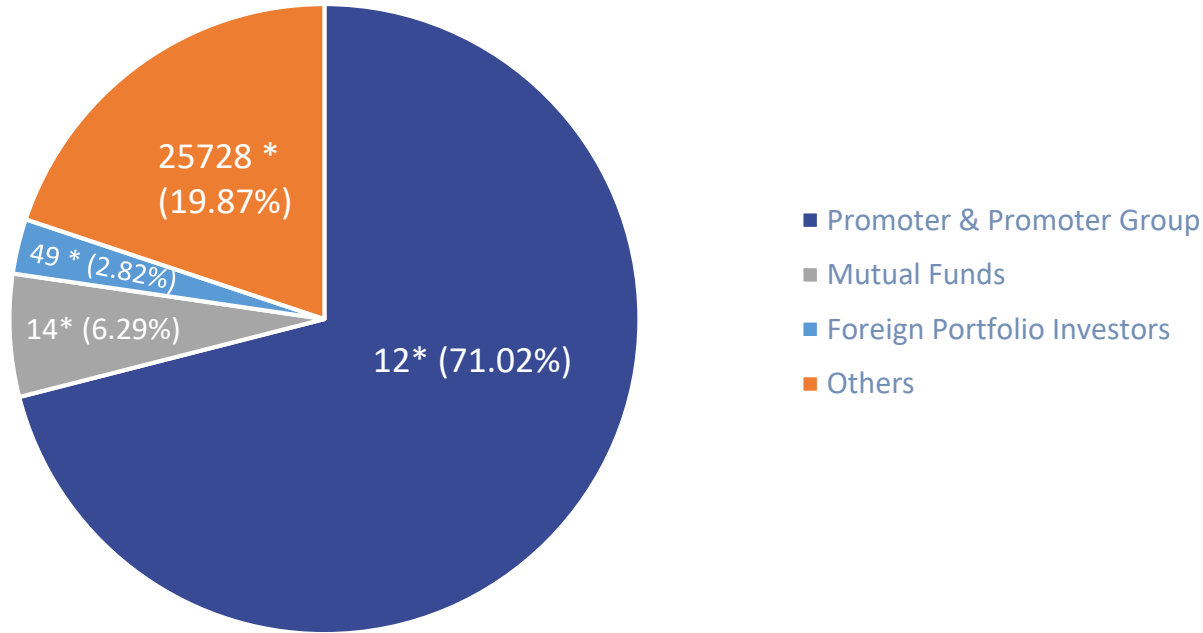
**Mr. HR Sapra,
Senior VP - Materials**

BE having over 46 years of experience in Materials & Procurement

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

Graduate having over 9 years of experience in Manufacturing

Shareholding pattern as of 30th September, 2019



* No. of Shareholders with Shareholding Percentage

Awards and Accolades



Mr. Ramesh Kumar Dua
India's Best CEO
(Consumer Goods):
2017



India's Most Valuable
Company-2017
Rank 295



India's Most Valuable
Company-2018
Rank 279



**EY Entrepreneur
Of The Year**

Mr. Ramesh Kumar Dua
Finalist: 2017
(Consumer Category)



1st Place for
Excellent Export Performance
2017-18

Safety Rating



ICRA

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

dun&bradstreet



Amongst India's
Top 500 Companies
2017

dun&bradstreet



Amongst India's
Top 500 Companies
2018



World HRD Congress
North India
Best Employer Brand 2018

Forbes^{INDIA}

Amongst top 50
BSE 500 companies
2017



India's Top Mid Size
Company-2018
Rank 16



India's Top Mid Size
Company-2019
Rank 11

Thank You