



RUPA & COMPANY LIMITED

CORPORATE PRESENTATION

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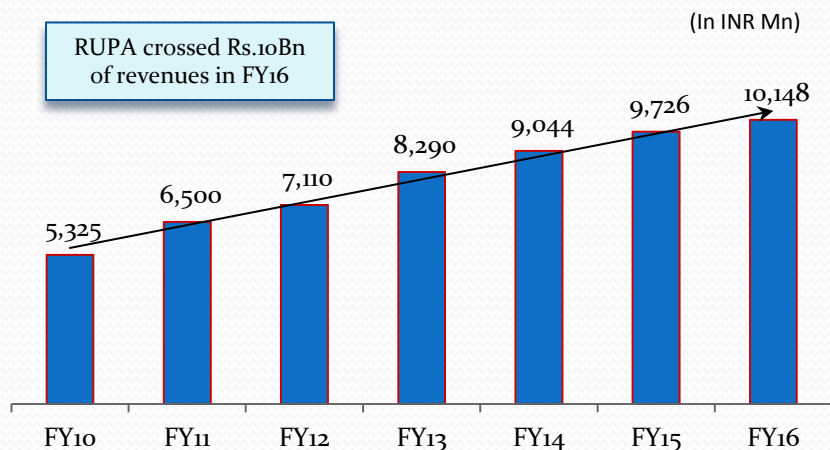
Company Overview

RUPA – An Overview

Background

- ❑ India's largest branded innerwear company catering the large addressable market
- ❑ A first generation company with Promoters having around 5 decades of industry experience
- ❑ Pan-India presence through 118,000 retail outlets, 1,100 dealers and over 300 sales and marketing professionals
- ❑ Efficient business model: in-house design and logistics with partly outsourced manufacturing
- ❑ RUPA manages a portfolio of 6000 stock keeping units (SKUs) comprising different range for kids, men and women

Consistently growing in scale and size



India's largest knitted wear company with strong bouquet of brands, comprehensive product portfolio, efficient business model and extensive distribution reach, positioned to benefit from the underpenetrated organized innerwear market

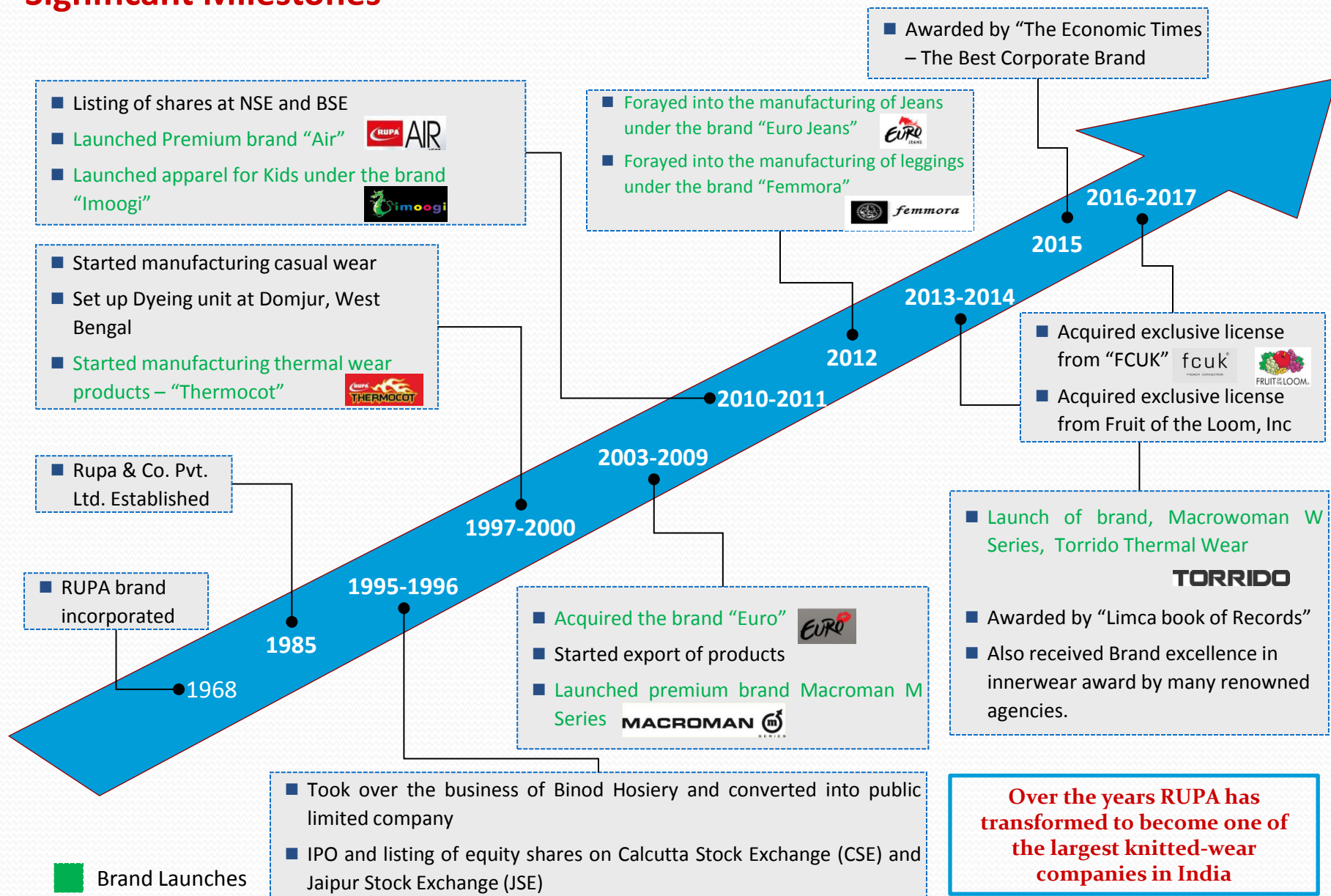
Wide Product Portfolio & Marquee In-house Brands

- ❑ Wide product offering comprising innerwear, active wear and thermal wear for men, women and kids
- ❑ Strong brand portfolio across consumer classes – basic, mid-premium, premium and super-premium
- ❑ In-house developed owned brands
 - ❖ >10 successful brands, >100 registered trademarks
 - ❖ Annual investment of ~8% of sales in brand building
- ❑ High brand recall and brand pull

RUPA – Benefits from opportunities in the Industry

- ❑ Innerwear is a large and fast growing industry. Branded Innerwear is a low penetrated space growing across all segments and geographies
- ❑ Changing customer preferences leading to a rapid shift to organized retail for innerwear.
- ❑ Innerwear market is dominated by economy and mid-market segments
- ❑ Growth of organized retail will further boost and help in enhance availability and drive growth of premium / super premium segments
- ❑ Industry offer large opportunity for companies like RUPA having presence across segments and markets to participate in this growth

Significant Milestones



Key Strengths

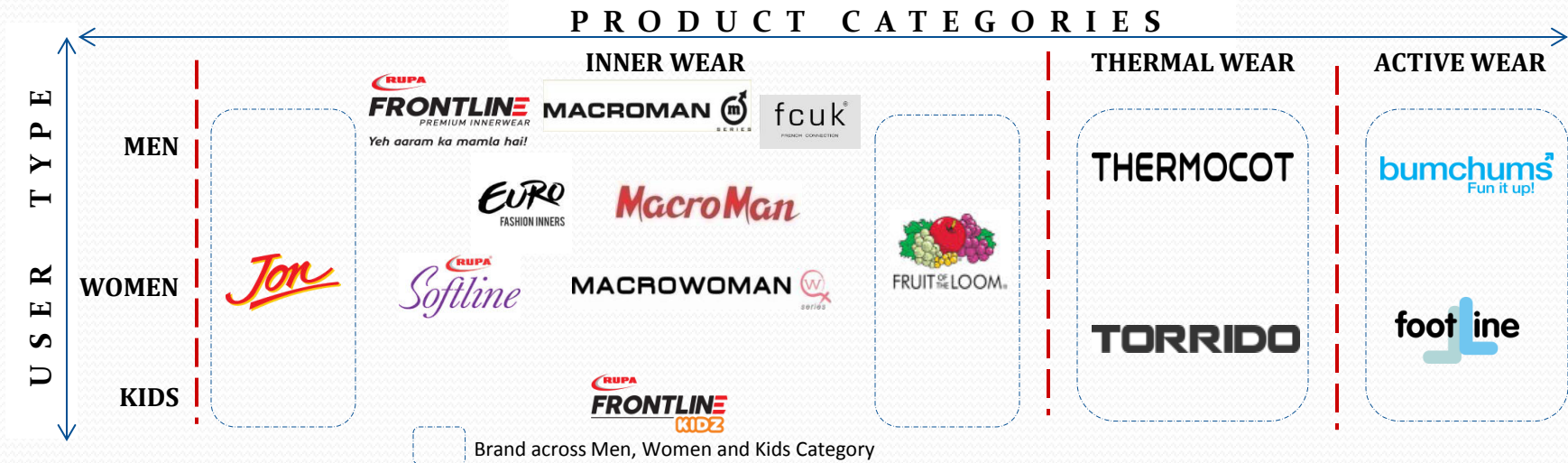
Key Strengths



- 1 One of the largest branded innerwear company in India catering to large addressable market
- 2 Diversified product offering across customer types, product categories and price segments
- 3 Wide bouquet of own brands having strong brand recall, developed through consistent investment in ad spends
- 4 Efficient business model with focus on key areas involving value addition, product differentiation and quality control
- 5 Extensive distribution network with an unparalleled reach pan India
- 6 Promoter driven business supported by experienced professional management
- 7 Focused approach on growth and margin improvement to create further value

Wide Product Offering – Diversified across Segments and Categories

Strong Brands across User and Product Categories



Bouquet of Brands across Price Segments



RUPA has a diversified product offering across customer types, product categories and price segments

Strong Portfolio of Brands with High Customer Recall

Strong Brand Positioning

- Brand “RUPA” – one of the oldest innerwear brands in the country with almost 5 decades of presence
- An extensive portfolio of strong brands to play the entire value chain
- In-house developed owned brands; >100 registered trademarks across segments
- Consistent brand addition / extension In line with evolving consumer preferences and market demands



Best Corporate Brand 2016
– The Economic Times



Worldwide achievers(Zee)
Business Leadership Awards 2013



Time Research Business
Leadership Awards – 2013



First Indian innerwear
manufacturer as licensee
of SUPIMA



Largest manufacturer of
hosiery products – 2015

Awarded by "Limca Book of Records"
for the 13th time



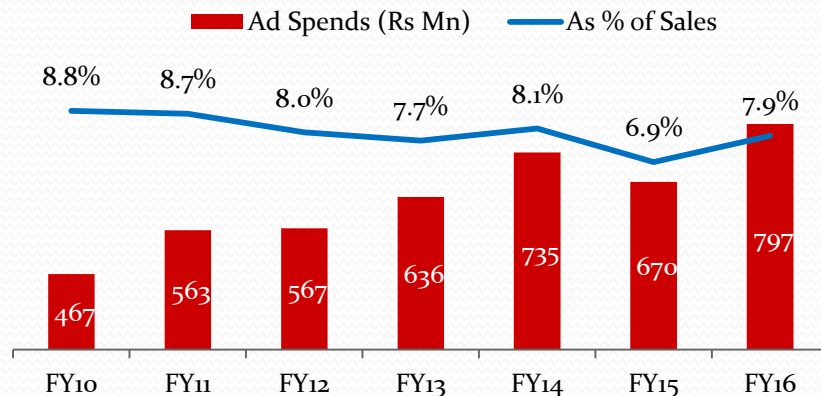
Indian Power Brand 2011



Star Brand India -
India's Most Impactful Brand
Chosen by the Indian Consumer

Brand Development and Promotion Strategies

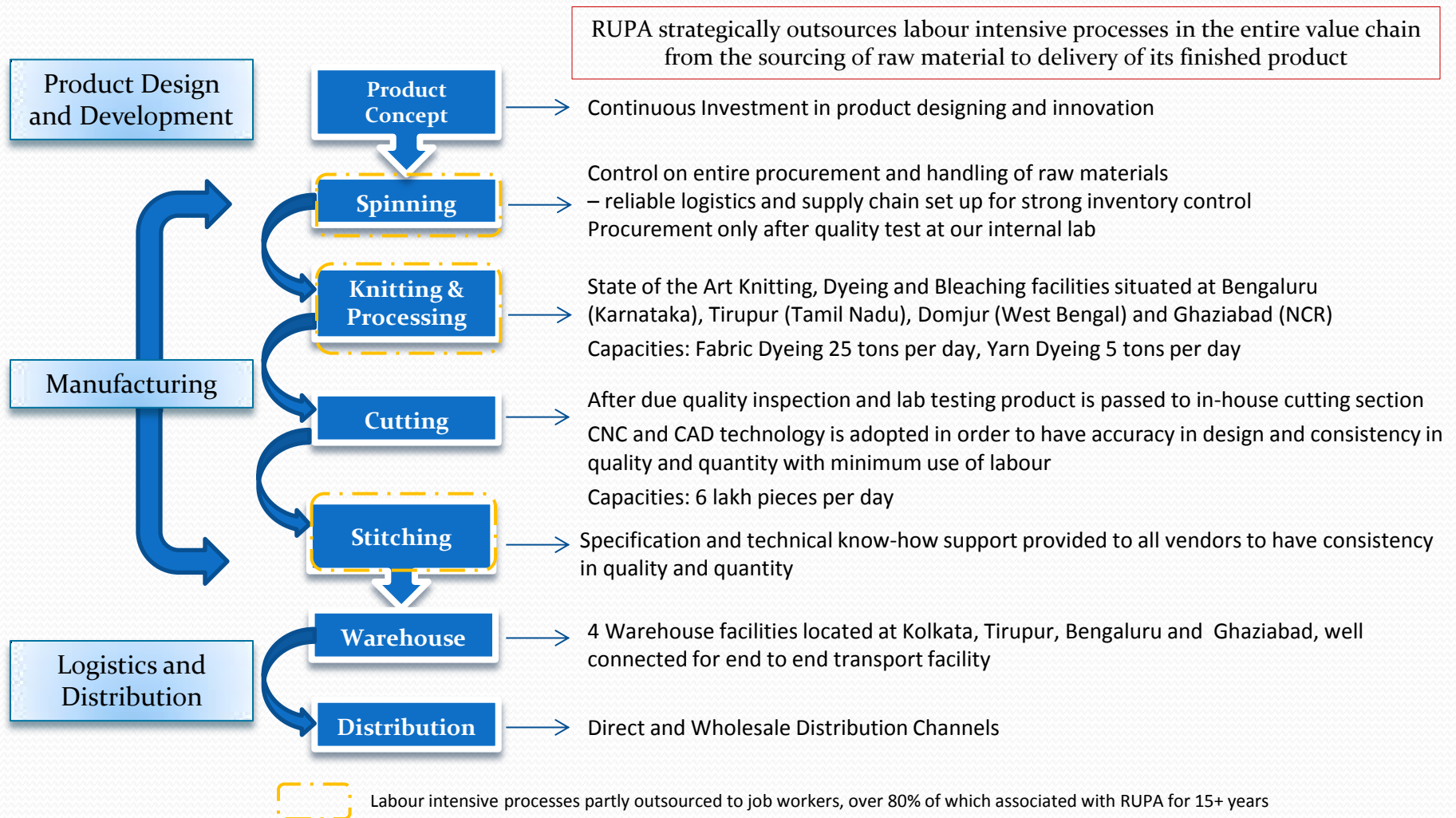
Advertising and Marketing Costs



- Consistent annual investment of ~8% of sales in brand development to create a robust portfolio
- One of the earliest to introduce celebrity endorsements - Celebrity Brand Ambassadors like Ranveer Singh for Frontline, Hrithik Roshan for the premium positioning of Macroman M. Series, Bipasa Basu for Softline
- Co-sponsored Rajasthan Royals during the Indian Premiere League (IPL – 6)

RUPA has a wide bouquet of own brands having strong brand recall, developed through consistent investment in advertising and brand promotion strategies

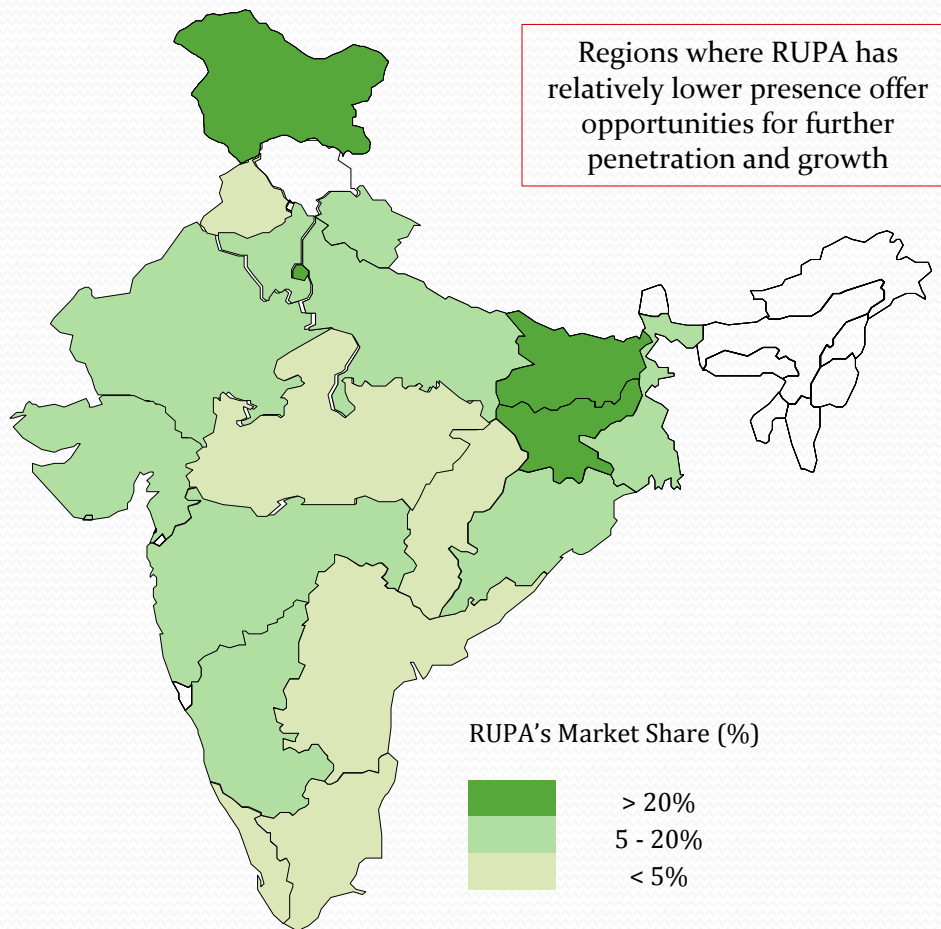
Efficient Business Model



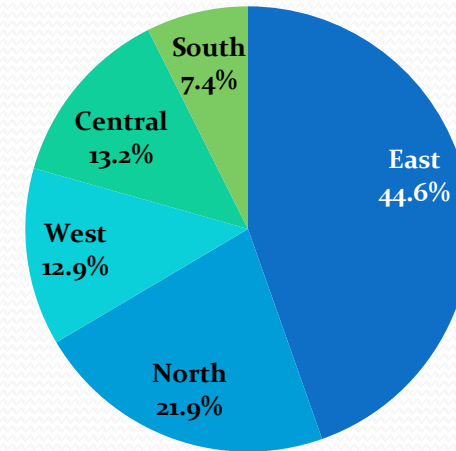
RUPA follows an efficient business strategy by outsourcing labour intensive activities, with focus on key areas involving value addition, product differentiation and quality control

Extensive distribution network with an unparalleled reach pan India

RUPA's Footprint on India Map



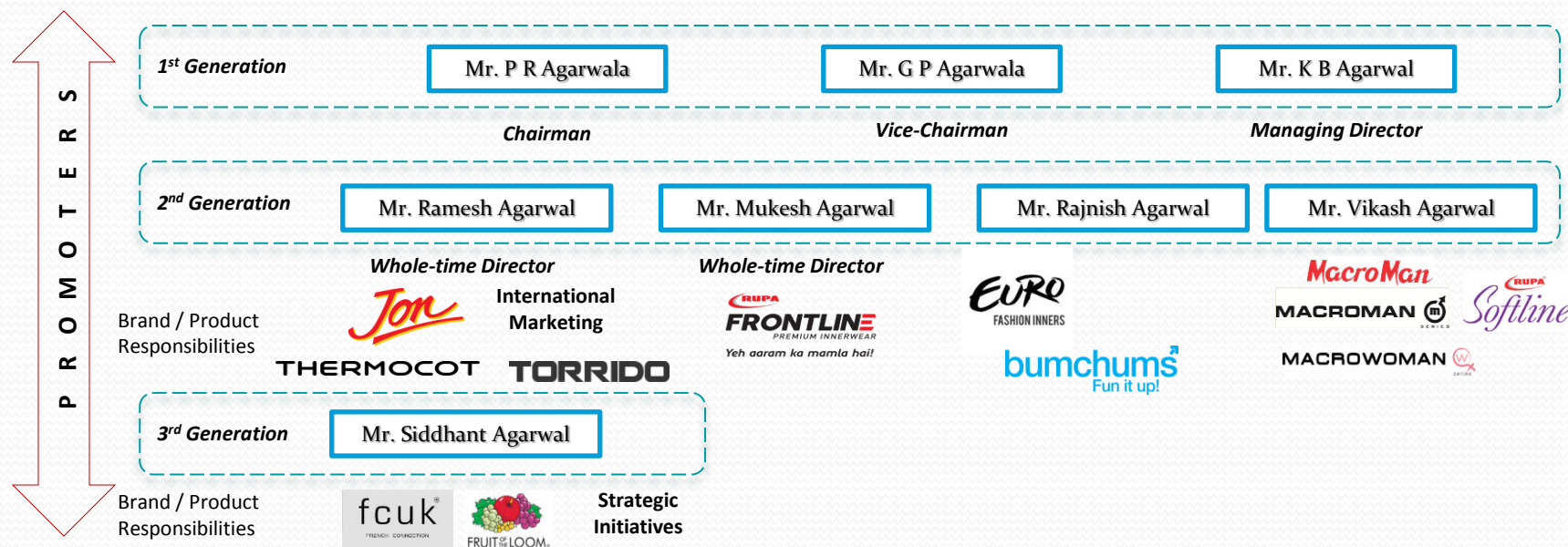
FY16 Zone-wise Revenue break-up



- RUPA enjoys very strong position in the East of India and has gained significant presence in the North followed by the West of India
- Strategy is to foray in newer markets and further penetrate in the existing markets
- Every state has a different consumer preference. RUPA has a wide range of product portfolio which helps it to strategise the product offering suiting to the different consumer preferences of the respective states

RUPA enjoys strong presence in certain parts of India and continuous to foray newer markets and penetrate further

Promoter driven business supported by Experienced Professional Management



Experienced and Professional Personnel

LSS Lal
VP – Corporate
Planning & Strategic
Management

- Rich and diversified experience of more than 34 years in Indian and MNC companies
- Previously worked with Coats Group, Pepsi and Adani Wilmar

Biman Chatterjee
DGM-Trade Marketing

- 33 years of experience in the field of sales & marketing
- Previously worked with Nestle India in various roles

J. Rajendra Singh
General Manager –
Production

- 20 years experience in production & operation in textile
- Ex-VP/Head Operation – Manufacturing, Gokaldas Images Pvt. Ltd.

Jyotirindra Ganguly
Head – Modern Trade

- Almost 17 years experience in the field of Retail and Modern Trade
- Previously worked with renowned retail companies

RUPA's promoters own product responsibilities and are supported by professionals with rich industry experience

Board of Directors

Name & Designation	Brief Profile
Mr. Prahlad Rai Agarwala <i>Chairman</i>	• More than 40 years of experience in the textile industry. Member of the Board of Directors since 1985. • Provides strategic direction to the Company and is the driving force behind the establishment and growth of the Company • Awarded lifetime achievement award in the 7th Reid & Taylor awards for retail excellence organized by the Asia Retail Congress, 2011
Mr. Ghanshyam Prasad Agarwala <i>Vice Chairman</i>	• Rich experience of more than 35 years in the textile industry. Member of the Board of Directors since 1987. • Instrumental in the development of the Company.
Mr. Kunj Bihari Agarwal <i>Managing Director</i>	• Over 30 years of experience in the textile industry. Member of the Board of Directors since 1985. • Specialist in the marketing & distribution • He has played a key role in the setting up of systems and process of distribution & marketing division of the Company. He guides the company and its management at all the stages of its development and strategic decisions.
Mr. Ramesh Agarwal <i>Whole-time Director-cum-Chief Financial Officer</i>	• Mr. Ramesh holds a bachelor's degree in commerce from University of Calcutta, Kolkata. • He has more than 20 years of experience in the textile industry. • He plays a key role in the production planning & distribution of Company's products. He is associated with the company since 2009.
Mr. Mukesh Agarwal <i>Whole-time Director</i>	• Mr. Mukesh has more than 15 years of experience in the textile industry. • He has played a key role in the setting up of systems and process for distribution & production planning. He is associated with the company since 2009.
Mr. Arihant Kumar Baid <i>Additional (Executive) Director</i>	• Mr. Arihant Kumar Baid is a member of the Institute of Chartered Accountants of India.. • He is having 10 years of rich expertise in the field of Accounts and Finance. He has been serving on the Board of the Company since November 5, 2015.

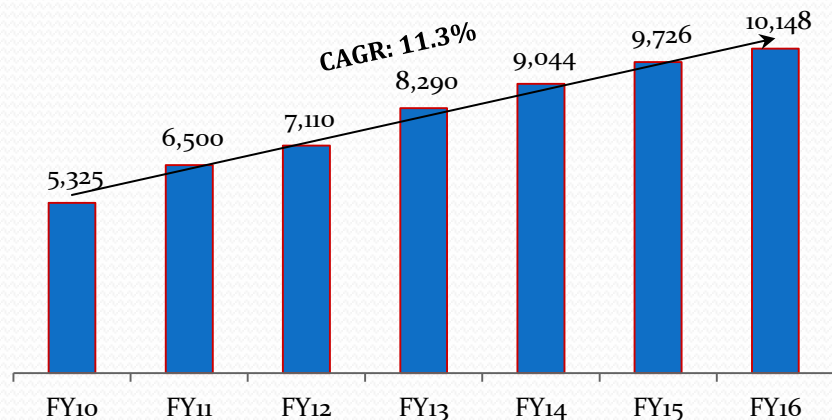
Board of Directors (Contd...)

Name & Designation	Brief Profile
Mr. S.B. Ganguly <i>Independent Director</i>	• Leading senior professional with over 45 years of management experience in various industrial fields • Served as Chairman, CEO and MD of billion-dollar-plus listed enterprises for over two decades • Worked with Exide, Century Ply, Emami, Magma Fincorp, Peerless Investment and many others
Mr. Dipak Kumar Banerjee <i>Independent Director</i>	• Mr. Dipak is a Chartered Accountant with rich experience over 45 years; he started his career with LIC in 1970 and thereafter, in 1975, joined Hindustan Lever. His tenure with Lever included a two year secondment to Lever Brother, Nigeria. In 1992, he became the Commercial Director of Unilever Plantations Group. Between 1993 and 1997 he was designated as Commercial Officer – Africa and Middle East Group of Unilever, London and retired in July 2000 as Chairman, Unilever Uganda Ltd. • Mr. Banerjee joined the Board of the Company in 2013.
Mr. Dharam Chand Jain <i>Independent Director</i>	• Mr. Dharam has more than 45 years of experience in the field of textile and knitted fabric industry. • He is currently the chairman of K.D. Sarees Emporium Private Limited. He joined the Board in the year 2003.
Mr. Sushil Patwari <i>Independent Director</i>	• Mr. Sushil has more than 40 years of experience in the field of cotton yarn and knitted fabric industry. • He is a member of the Executive Committee of the Federation of Indian Export Organisations. He is currently the executive chairman of Nagreeka Exports Limited. • He joined the company as a Board member in the year 2003.
Ms. Alka Devi Bangur <i>Independent Director</i>	• Ms. Alka Devi is the Managing Director of Peria Karmalai Tea & Produce Co. Ltd. She is also the director of Apurva Export Pvt. Ltd. and The Marwar Textiles (Agency) Pvt. Ltd. • She has over 16 years of experience . • She is the member of FICCI Ladies Organization (FLO) (Ladies wing of FICCI). She is also the committee member of Bharat chamber of Commerce.
Mr. Vinod Kumar Kothari <i>Independent Director</i>	• Mr. Vinod is a Chartered Accountants and Company Secretary. • He is the former chairman of the Institute of Company Secretaries of India. He is an author, trainer and expert on specialized areas in finance, including securitization, asset-based finance, credit derivatives, accounting for derivatives and financial instruments, microfinance, etc. He has written many renowned books and articles.

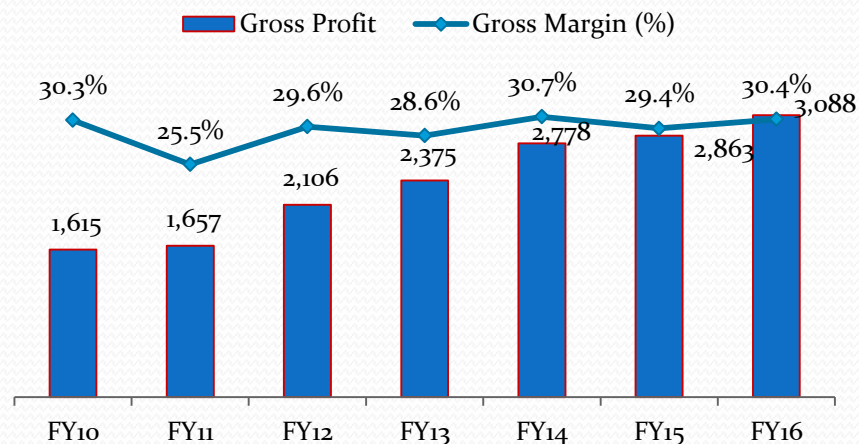
Financial Highlights

Financial Performance – Revenue & Profitability

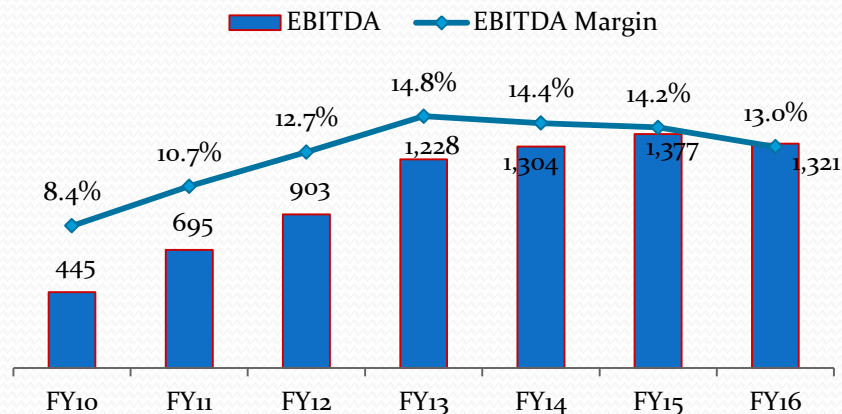
Total Income (INR Mn)



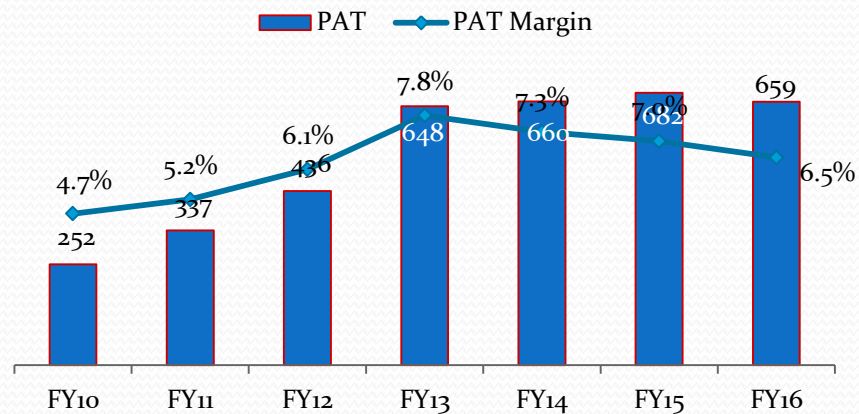
Gross Margin (INR Mn) & Gross Margin (%)



EBIDTA (INR Mn) & EBIDTA Margin (%)



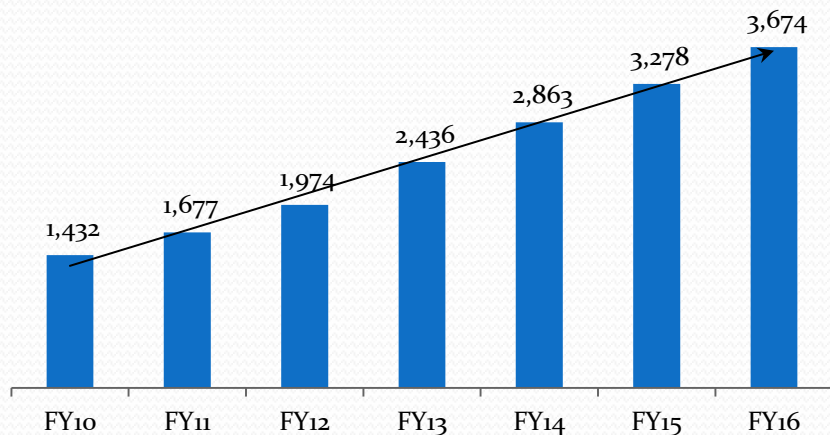
PAT (INR Mn) & PAT Margin (%)



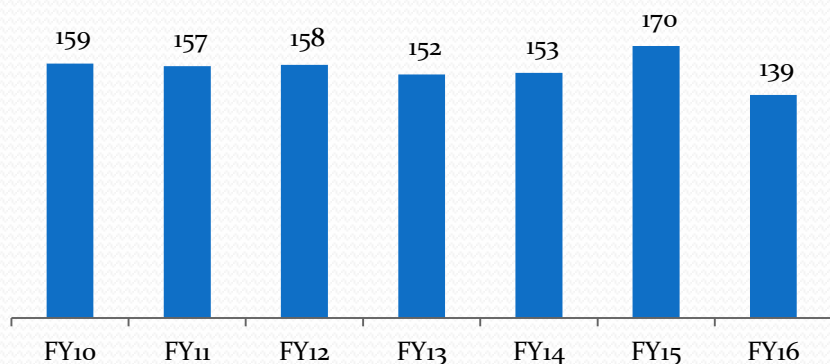
RUPA has delivered consistent growth in its revenues along with improving margins

Financial Performance – Balance Sheet Position and Return Profile

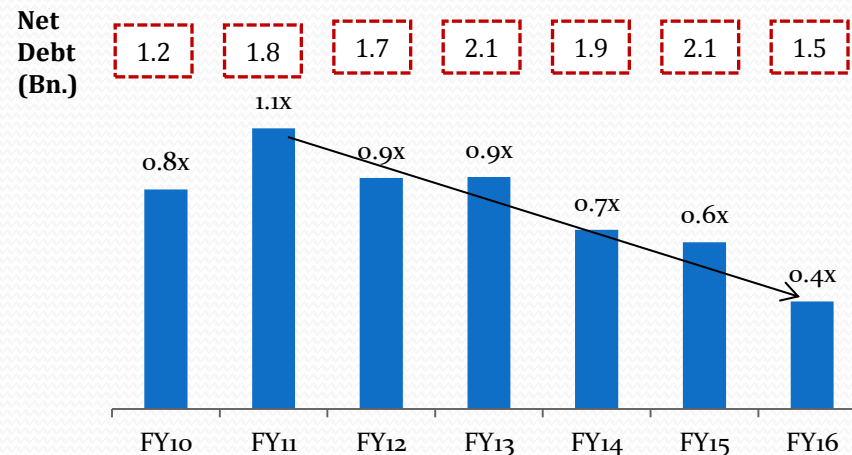
Net Worth (Rs. Mn.)



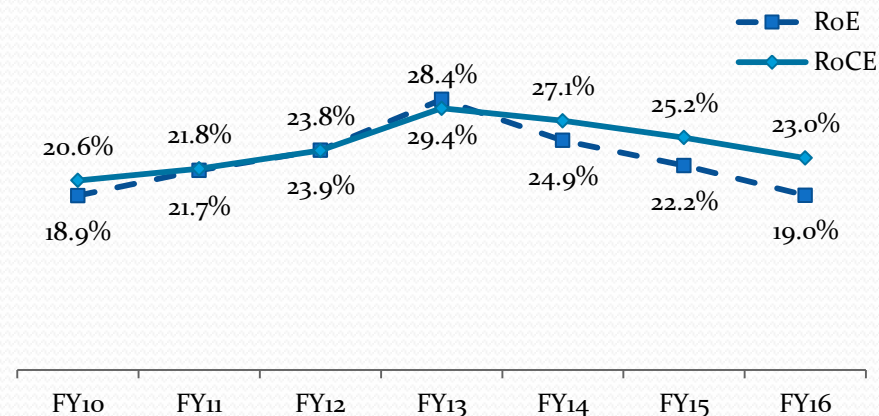
Working Capital (Days)*



Net Debt / Equity (x)



Return Ratios (%)**

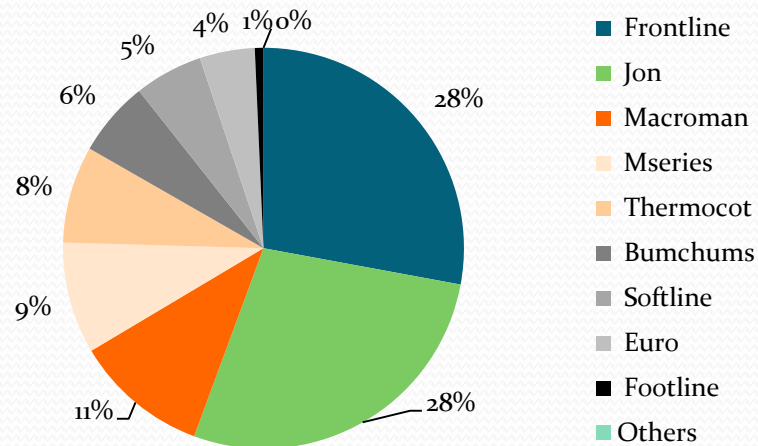


RUPA has achieved business growth over the years while maintaining healthy balance sheet and return profile

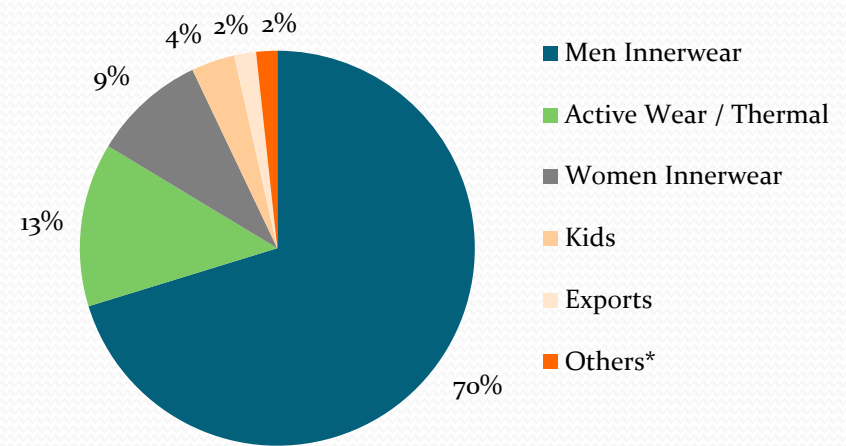
Note: *Working Capital = Inventory Days + Receivable Days – Payable Days; **RoE = PAT/Average Net Worth; RoCE = EBIT/Average Capital Employed

Diversified Revenue Mix

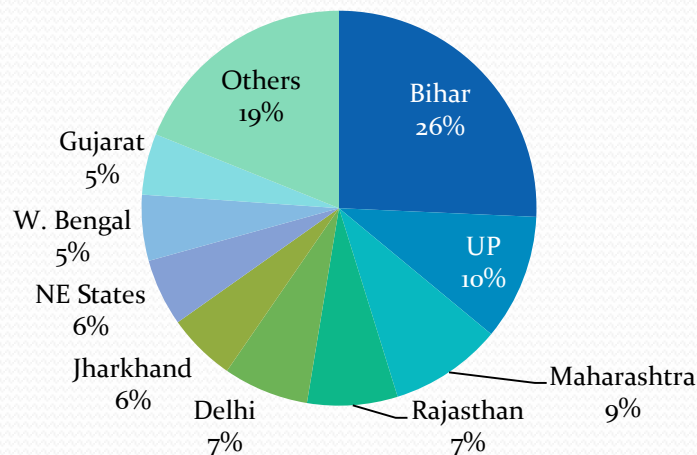
Sales Value Mix – Brand Wise (FY16)



Sales Value Mix – User Wise (FY16)



Sales Value Mix – Geographically (FY16)

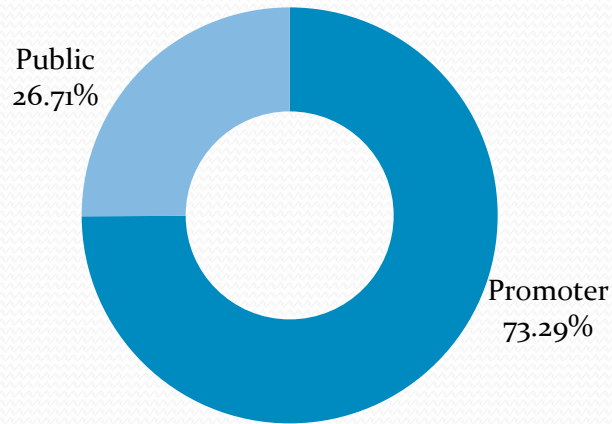


RUPA has diversified revenue mix across brands, customer segments and geographically

Note: *Others include socks, yarn trading and second sales

Shareholding and Stock Price Performance Analysis

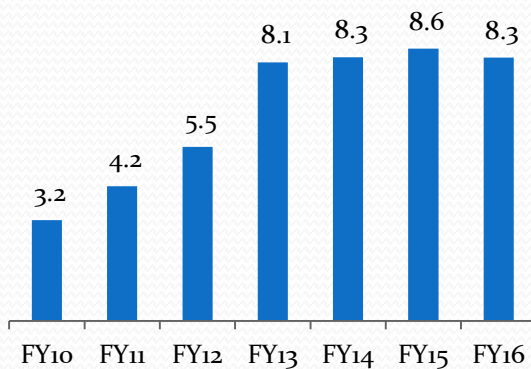
Shareholding Structure as on Mar 31, 2017



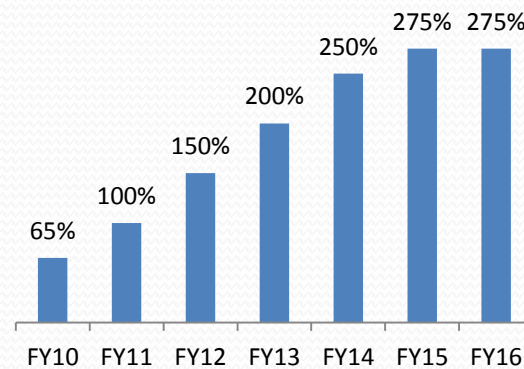
Share Price Information

Market Price (Rs.) as on Mar 31, 2017	326.7
Market Cap (Rs. Crs) as on Mar 31, 2017	2,598
52 Week High/Low (Rs.)	351.7/ 231
Face Value (Rs.)	1.0

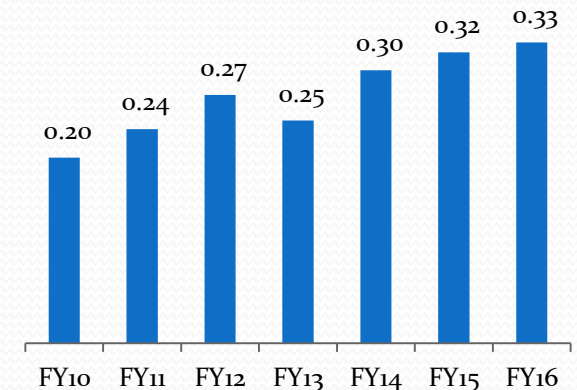
Earnings per Share (Rs)



Dividend (%)

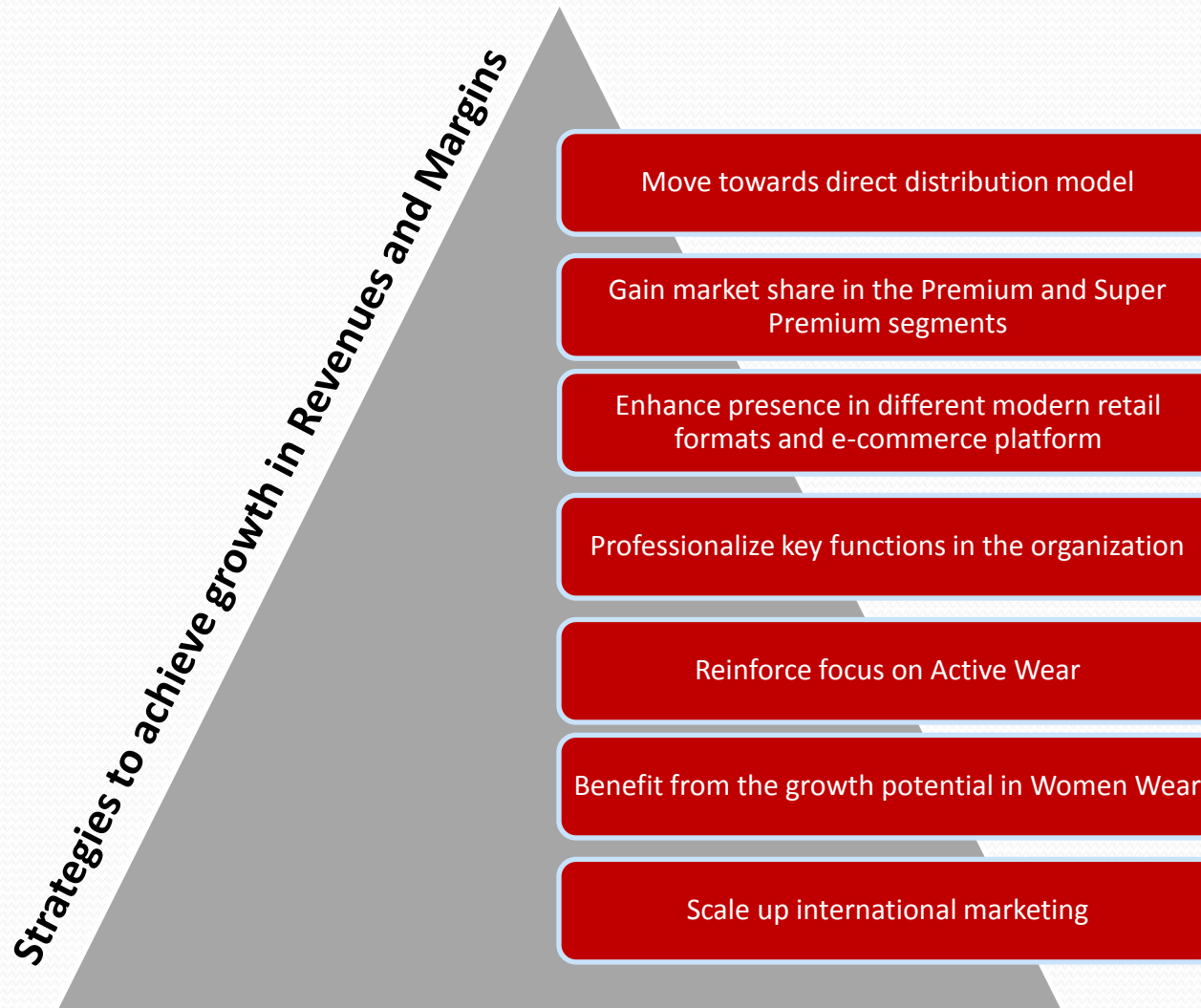


Dividend Payout Ratio

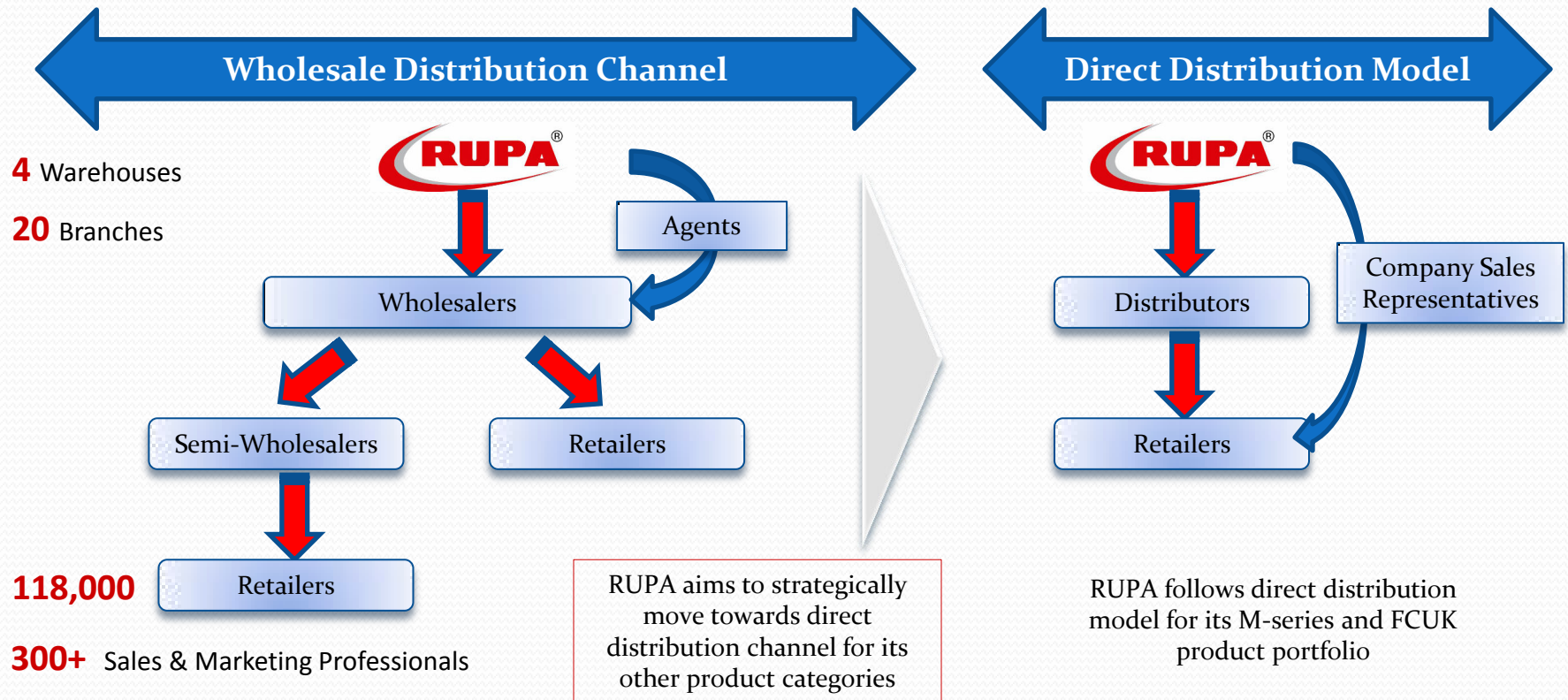


Key Business Strategies

Key Business Strategies



Move towards Direct Distribution Model

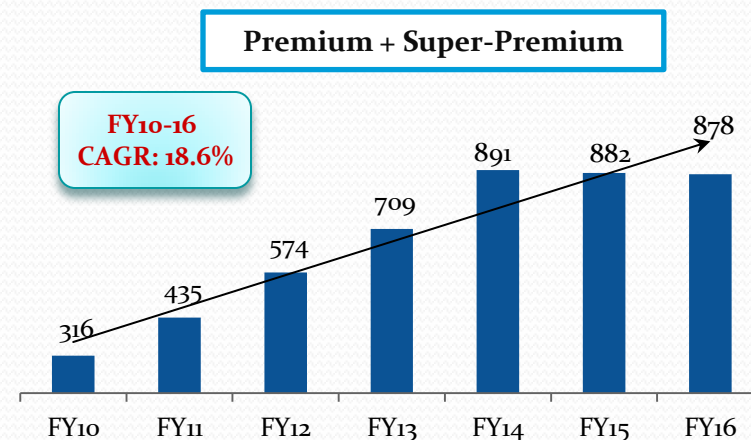
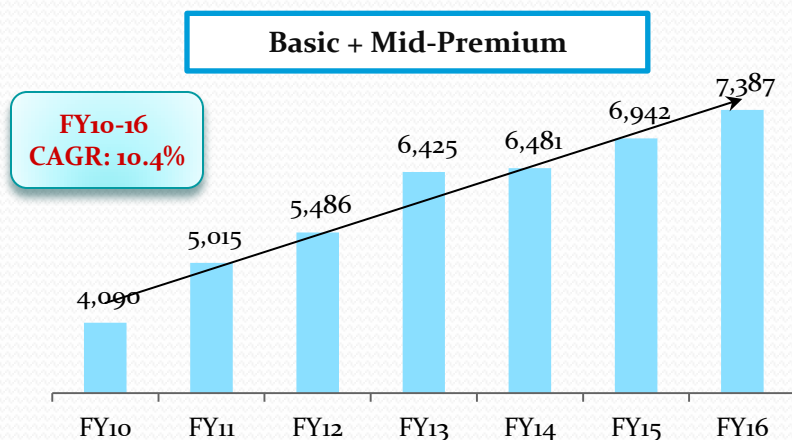


Key benefits from direct distribution model:

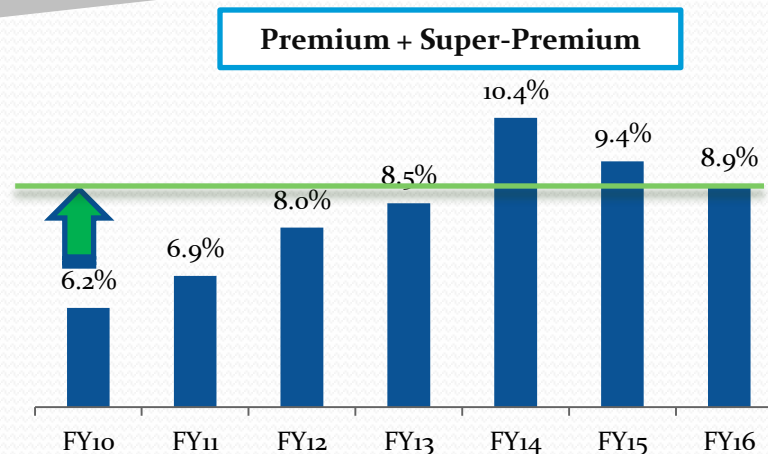
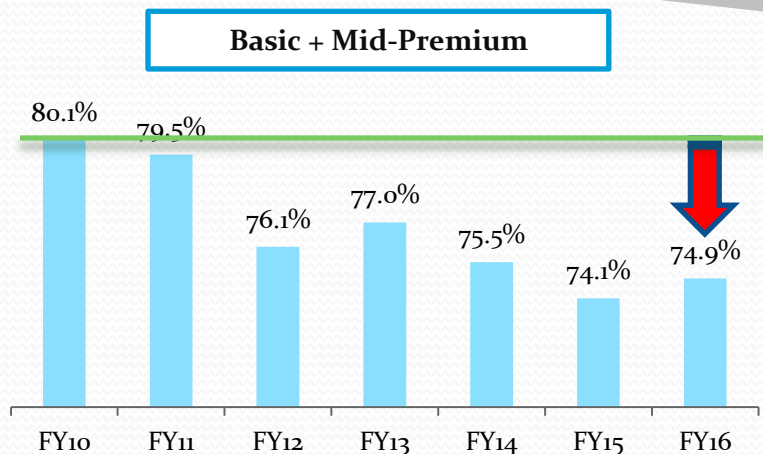
- Better control on prices with well-defined margins for distributors and retailers
- Better inventory management with mapping of primary and secondary sales
- Improving inventory turnover with support to distributors and direct interaction with retailers through own sales representatives
- Increase sales of relatively lower selling SKUs, through increasing presence and availability at retail counters of such SKUs

Premiumisation to drive Growth in Revenues and Profitability

Faster Growth in Premium Segment vis-à-vis Basic and Mid-Premium Segments



...leading to increasing share of Premium Segment



Increasing share of Premium segments to continue drive growth in revenues and profitability

Initiatives in Premium and Super Premium Segments



- RUPA has gained significant presence in the premium segment through the launch of its M-Series brand
- M-Series range has shown tremendous growth since its launch - ~18% FY10-16 CAGR
- Concerted efforts to ramp up the M-Series brand and make it successful include
 - Setting up of a new in-house manufacturing unit in Bengaluru
 - Direct distribution model with access to retailers through own sales personnel
 - Hrithik Roshan chosen as the brand ambassador to connect with the target customer set



Rupa Group acquired the exclusive license from French Connection Limited to develop, manufacture, market and sell the FCUK brand of innerwear and related products in India

Key benefits from such Brand Licensing:

- RUPA has tapped the market opportunity by filling the gap between the premium and luxury product range
- Access to a global brand with strong brand recognition in the super premium segment
- Such strategic global relationship brings in expertise in improving other areas as well viz., manufacturing processes, designing capabilities, logistic management, etc.



Rupa Group recently acquired the exclusive license from Fruit of the Loom, Inc, to manufacture, distribute, advertise and sell innerwear and outerwear products for men, boys, women, girls and toddlers in India, under their brand names and marks

RUPA will continue to tap any such opportunity that broadens its range of premium and super-premium products

Enhance Alternate Modern Sales Channels

Increasing presence in Modern Retail and E-commerce to boost sales



Sales Channel	Channel I	Channel II	Channel III
	Large Format Store (LFS)	Exclusive Brand Outlet (EBO)	Online Portal
Presence	100+ stores	40 EBOs	Several e-commerce websites
Typical Store Type	Modern trade format stores including hypermarkets	Air-conditioned exclusive stores	Myntra, Amazon , Jabong, Snapdeal, Flipkart , firstcry
Strategy	- Up-street hypermarkets are relevant for premium brands like Macroman M-Series, FCUK, Macrowoman and Euro - Jon and Frontline are supplied in retail formats like e-choupal, Bharti and VMart	More than just a sales and marketing channel it offers a platform to showcase RUPA its entire range of SKUs	Offer brands on the e-commerce platform suiting to the target audience and broader positioning of the portal
Future Plans	To have presence through 250 counters in the next 2 years	To roll out 100 more EBOs in the next 3-4 years	Enhance brand visibility through increasing online presence

Different modern retail formats and e-commerce platform offer significant opportunities to propel growth

Aim to Professionalize Key Functions

Company's plan for inducting professional management are aimed with the following elements in perspective:

➤ **Functional expertise driven model:**

Increased business complexities due to growing scale of business and market dynamics require functional expertise in each area. Professionals with expert capability and credibility in the functional domain are being inducted in key areas of Sales, Marketing, Market Research, Manufacturing, etc. This will increase functional expertise in the system and also benefit from common and symmetrical focus across brands and the organisation.

➤ **Decouple Marketing and Sales:**

Higher focus on category led marketing and channel led sales aimed to be achieved through professionalization of individual teams and promoter family being involved in strategic decision making and pushing professionals for efficiency.

Role of Promoter and Promoter Group – Strategic Guidance for Future Growth

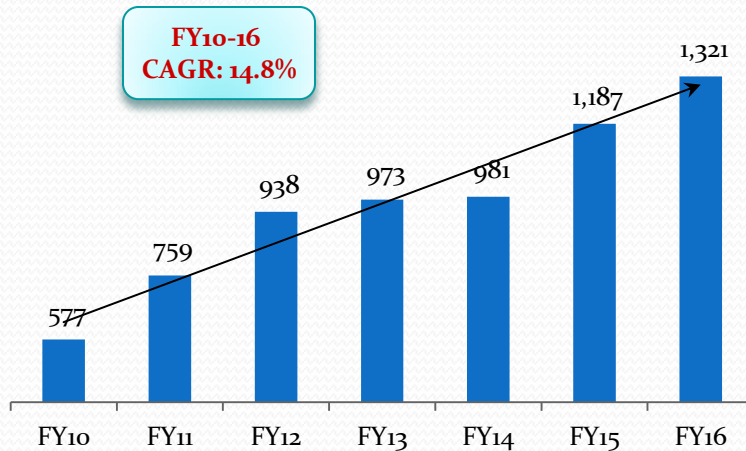
With functional expertise and efficient review and reporting system in the organisation, the promoter family will be involved:

- In strategic decision-making in expansion and growth of business
- To manage and oversee business through efficient and effective review and reporting of department heads
- To focus on product and channel development from results of consumer insights and market research
- In operational matters only on selective basis where professionals seek help for guidance

RUPA is inducting highly experienced professionals with clear objective of demarcating the roles and responsibilities of the promoter and promoter group and the key functionaries within the organisation

Re-inforce focus on Active Wear and Women Wear

High Growth Potential in Active Wear



- Health and lifestyle focused Active wear segment has shown healthy growth every year. We intend to take advantage of the future growth potential in this segment
- Will grow through in-licensing or inorganic brand associations as well through organic growth of our Casual wear range

Leverage Presence in the fast growing Women Wear Segment

- Women Wear segment witnessed significant growth with the launch of Macrowoman M-Series
- Introduced leggings under the Softline brand to tap this high growth segment
- Plans to extend FCUK brand into Women Wear
- Also, plans to scout for opportunities in Women Wear to develop brand capabilities, manufacturing ability or distributional reach

RUPA aims to infuse renewed focus and emphasis in Active wear and Women wear segments with high growth potential

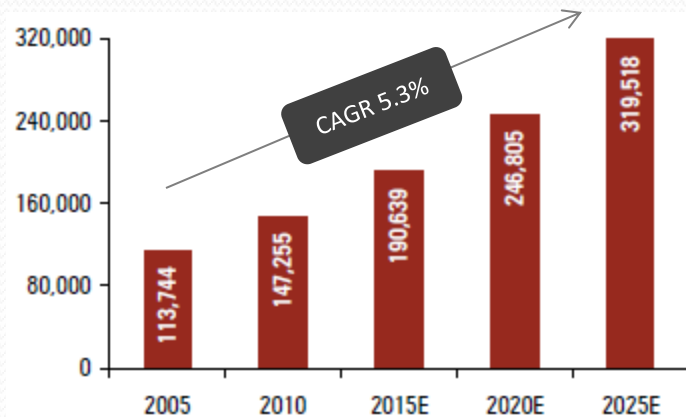
Industry Overview

Changing Indian Demographics

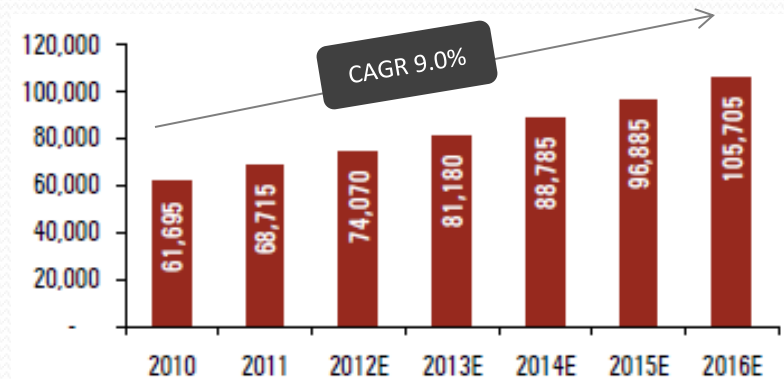
Overview

- International Monetary Fund estimates, India's per capita GDP to be 1,05,705 in 2016E.
- McKinsey Global Institute expects India's average household disposable income to be 319,518 in 2025E
- A ~10x rise in middle class households in 2025E and rise in working population to 68% in 2025E.
- The above factors will collectively result into increase in the disposable income, which will fuel consumption growth.

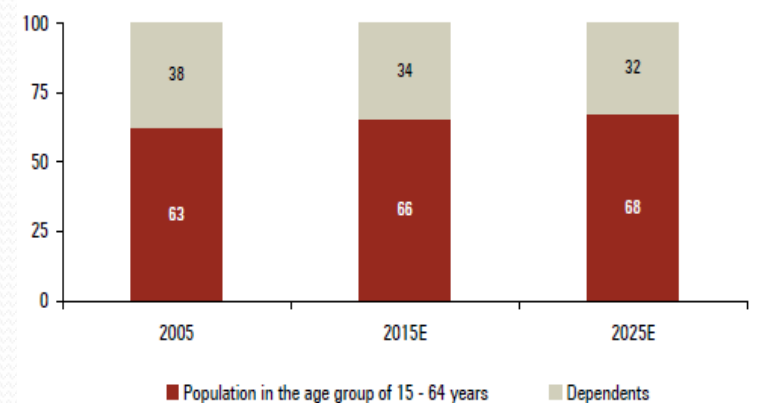
Disposable Income



Per Capita Income



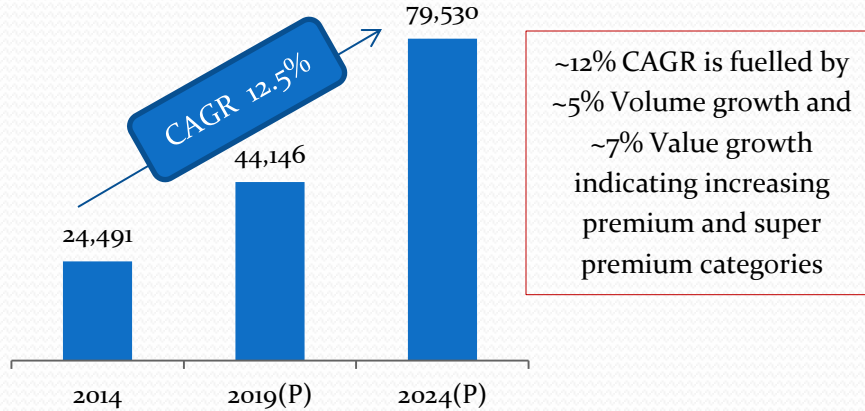
Per Capita Expenditure on Innerwear



Innerwear Industry – Overview

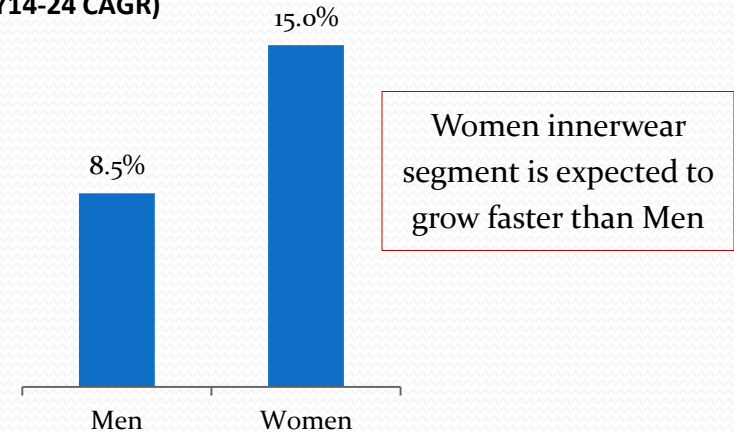
Indian Innerwear Market Size and Growth

(INR Crs.)

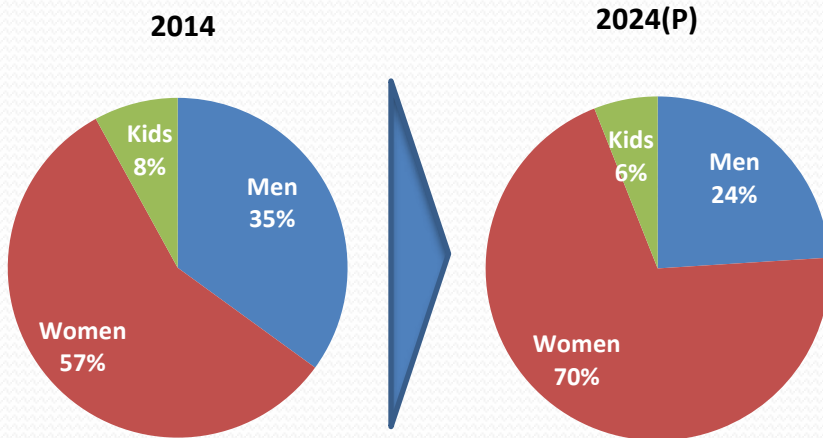


Growth in Men and Women Segments

(FY14-24 CAGR)

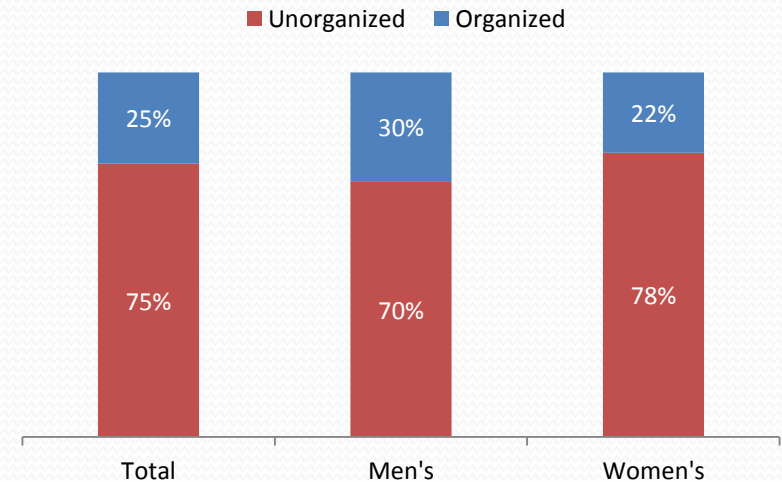


Increasing Share of Women Segment



Organized & Unorganized Market

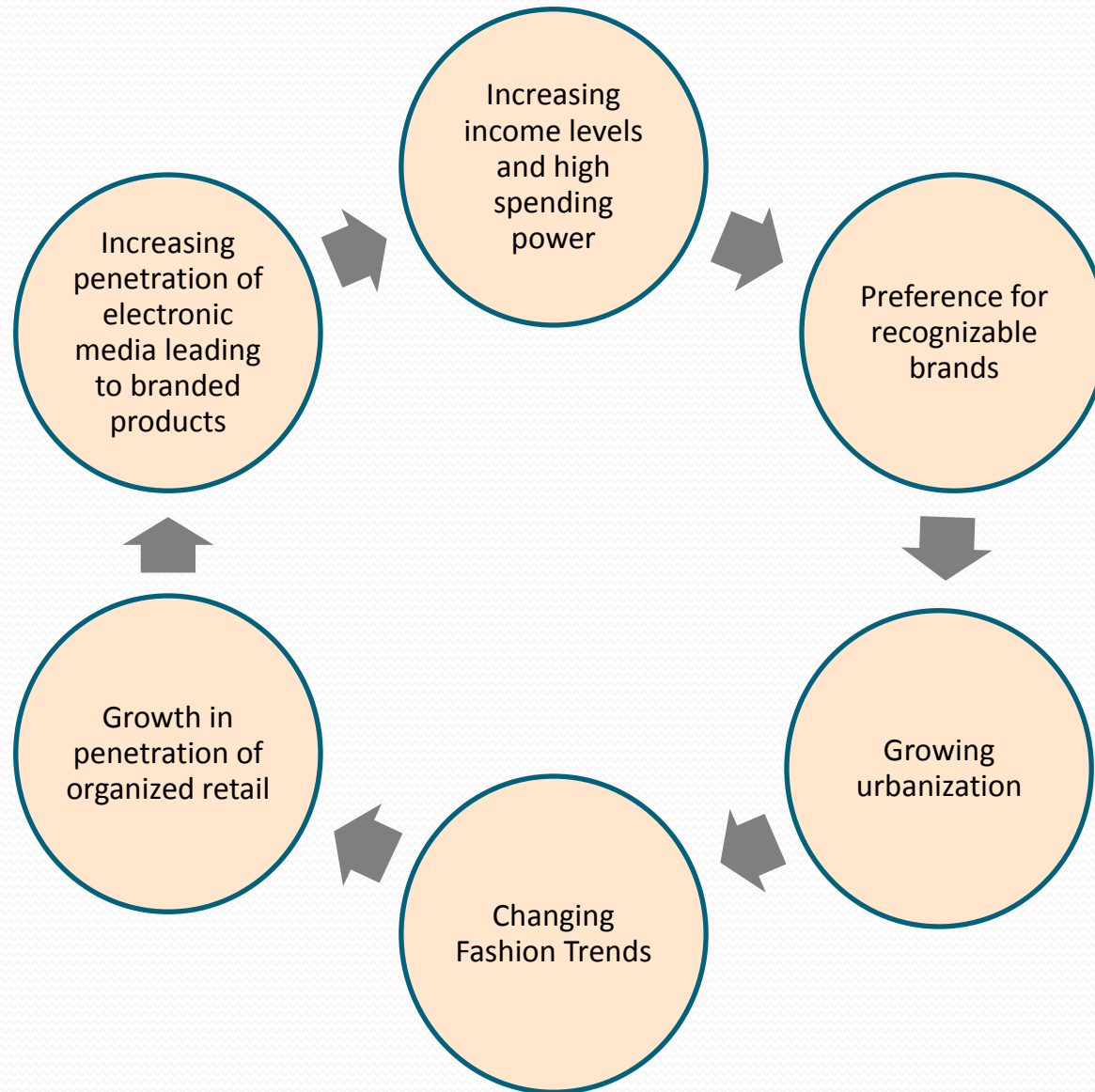
(FY14)



Source : Technopak Analysis

CONFIDENTIAL

Innerwear Industry – Growth Drivers



Thank You