RESPONSIVE

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Date: 08.11.2019

To

BSE Limited
P.J. Towers, Dalal Street
Mumbai-400 001

Scrip Code: 505509

To

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G, Block, Bandra-Kurla Complex,
Bandra East, Mumbai-400 051

Scrip Code: RESPONIND

Sub: Investor Presentation

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation of the Company for the Q2 financial results. The Investor Presentation is also available on the website of the Company.

This is for your information and record.

Thanking You,

Yours faithfully,
For **Responsive Industries Limited**

Ruchi Jaiswal

Ruchi Jaiswal
Company Secretary & Compliance Officer

RESPONSIVE INDUSTRIES LIMITED

RESPONSIVE INDUSTRIES LIMITED
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Boisar (East), Tal. Palghar, Dist.
Thane 401 501, Maharashtra, India.
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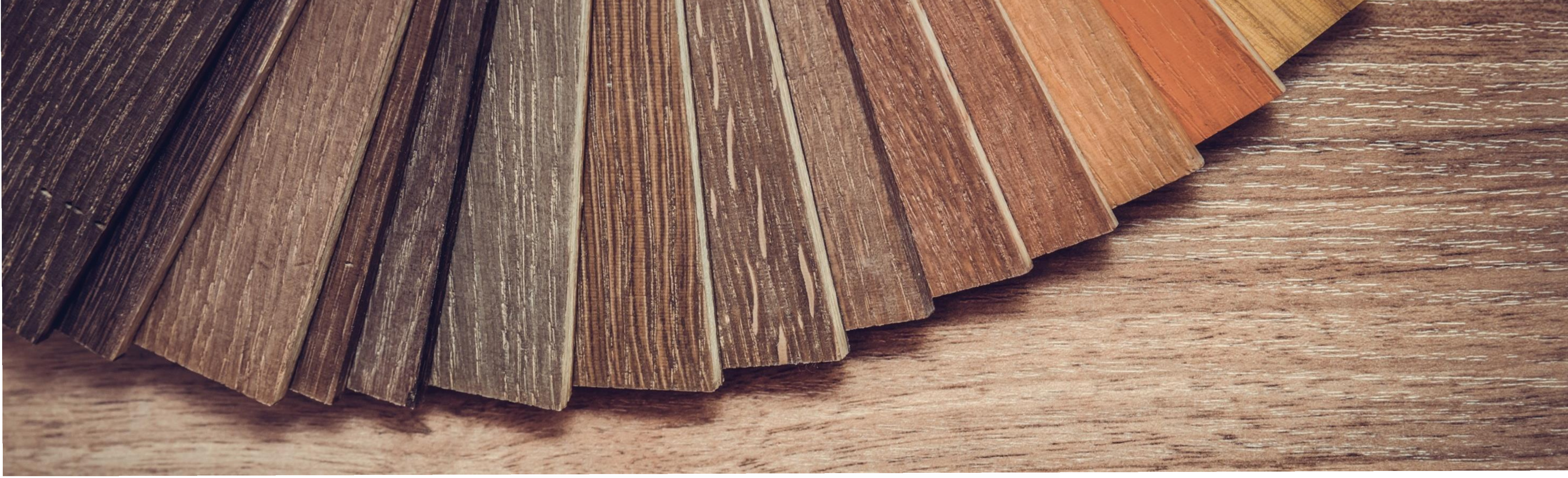
CIN NO. L65100MH1982PLC027797



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Investor Presentation

Q2 FY2020

Disclaimer

Certain statements and opinions with respect to the anticipated future performance of Responsive Industries Limited (RIL) in the presentation ("forward-looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward looking statements only speak as at the date the presentation is provided to the recipient and RIL is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether expressed or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and RIL has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.

Management Quote

Responsive posted steady sales growth for the second consecutive quarter, demonstrating the continuing effectiveness of the various new product initiatives we have been implementing over the last year. It also reflects a conscious decision by the Group to be more selective in our mix of business in order to improve profitability and cash generation.

'IMPACT' - A better floor, is going to be the growth driver with regard to increased margins in the future. We are dedicated to deliver great value to all our stakeholders who have entrusted their faith in us. Despite a challenging environment, we remain focused on achieving our full-year financial targets. As a testimony to our growth commitment, not only have we reported a good quarter but also have declared an interim dividend to reward our shareholders.

Financial Results

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Q2FY20 (Standalone)

REVENUE	EBITDA	PBT	PAT
124 ↑ 1.17%	31 ↑ 17.8%	17 ↑ 43.7%	19 ↑ 168.1%

Q2FY20 (Consolidated)

REVENUE	EBITDA	PBT	PAT
151 ↑ 3.4%	32 ↑ 16.7%	16 ↑ 98.9%	18 ↑ 328.5%

Amount in Rs. Cr

Company Overview

Company Highlights

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- **30** years of Experience
- Strong relationship with **500+** Architects & Designer
- **500+** SKUs
- Amongst top **4** producers of vinyl flooring globally
- Reach in **70** countries worldwide
- **ZERO** long term debt.
- INR **2458** Cr. market capitalization*
- **5000+** projects completed

*As on October 22, 2019

Business Strategy

We have been evolving since 2017…

Phase 1

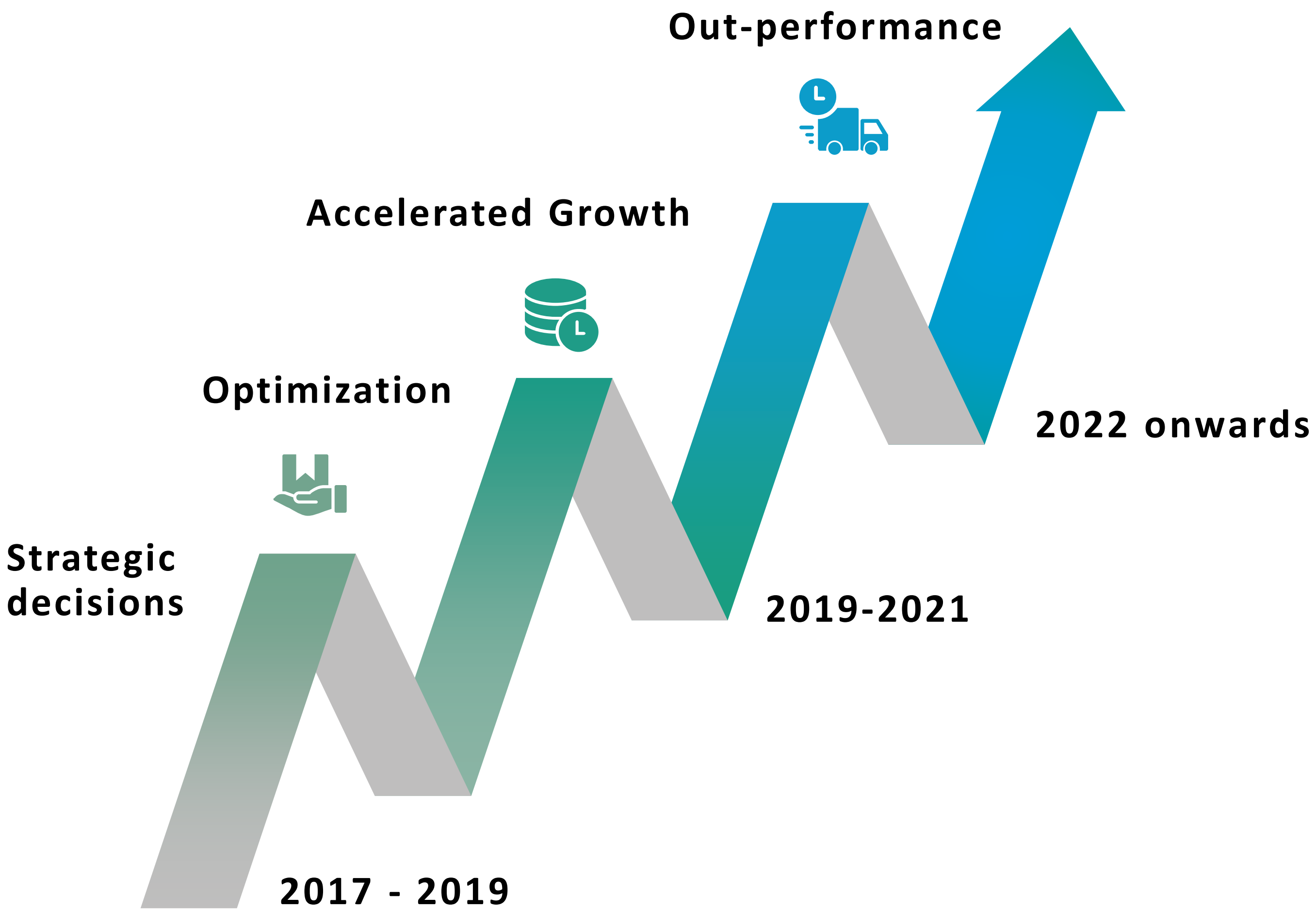
Transition from low margin products to High margin products

Phase 2

Innovate & Disrupt the markets with the revolutionary product - IMPACT

Phase 3

Sales , Marketing and establish the Brand in a B2C Market



What's new ?

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Transition to High Value-added Products

- ❑ Changing product mix to increase profitability

International Expansion

- ❑ Setting up overseas facility in UAE
- ❑ Signed up with new international distributors to ramp up volumes of High-value margin product
- ❑ Setting up global sales Team

New Product Innovation

- ❑ Launched **IMPACT** Rigid Core Luxury Vinyl Tile in flooring business
- ❑ Increase opportunity for B2C segment, currently 10% of business
- ❑ Resources and facility freed from printed flooring to be used for IMPACT

Recent Projects

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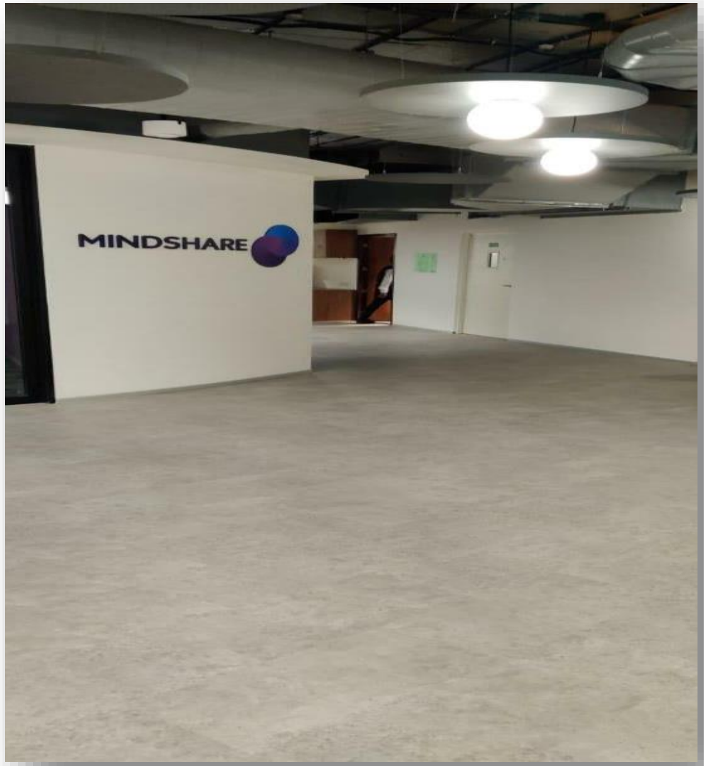
Coffee Shop: Taj Mahal, Lucknow

Product: Resonate
Color: TRQ-06 Driftwood Grey

Mindshare office: JW Marriott, Sahar Mumbai



Product: IMPACT Tranquil
Color: TRQ-07, Smoke Granite

Westin, Mina Sehayi Dubai

Product: IMPACT Tranquil
Color: TRQ-11, Silvery Shale

Why Responsive ?

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Investment Rationale

Tapping into large market opportunity
US$ 807 mn Indian vinyl flooring Market

500+ SKUs
Wide range of Product portfolio

Large distribution network
100+ domestic distributor and growing

State of the art manufacturing facility

Strong R&D capabilities

First-Mover Advantage
Only Indian Luxury Vinyl Tile manufacturer

Why Responsive ?

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Make In India

The government of India has taken strides to encourage manufacturing and not only protect, but also advance the interests of domestic manufacturers

VINYL FLOORING:
A key manufacturing sector in INDIA

As per the budget announced on July 5, 2019, Vinyl flooring has been recognized as one of the key manufacturing sectors in India. Further, the government of India addressed the issue of rising imports of Vinyl Flooring and to provide a level playing field , increased the import duty from 10% to 15%

Business Structure

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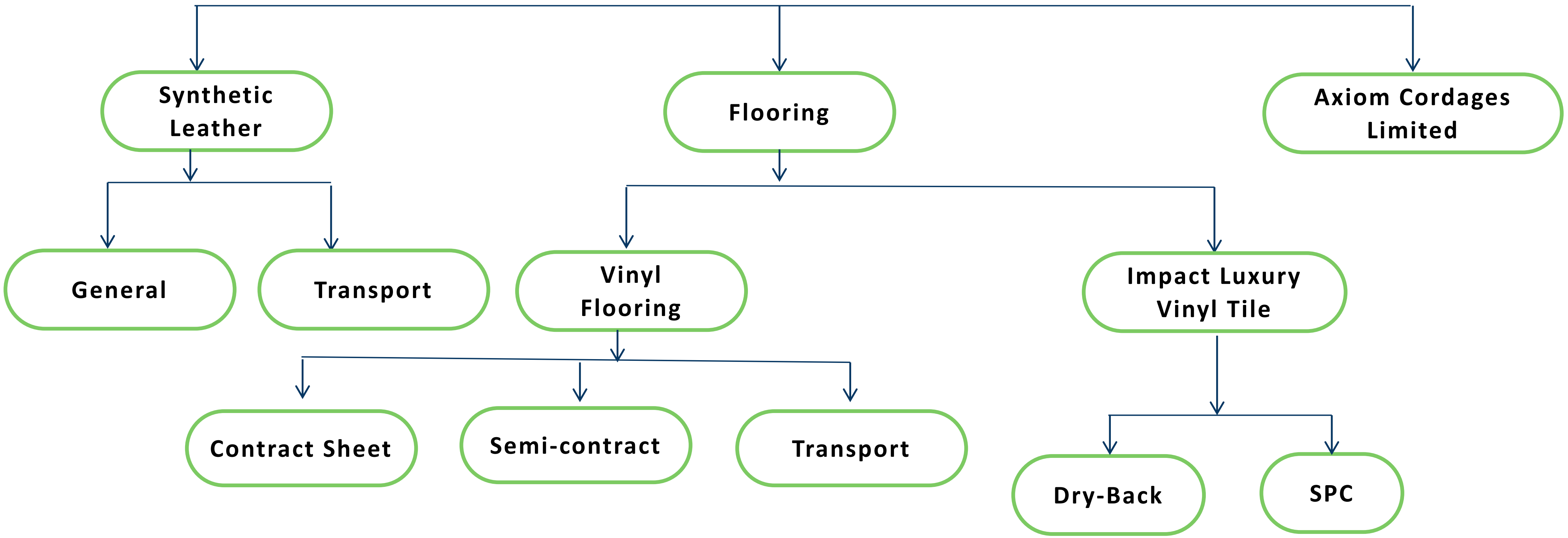

- ✓ Largest Indian producer of PVC flooring and synthetic leather cloth
- ✓ Presence in shipping ropes business through its subsidiary Axiom Cordages Ltd.
- ✓ Caters to healthcare, hospitality, transportation, retail, sports infrastructure and real estate

Vinyl Flooring

Industry Overview

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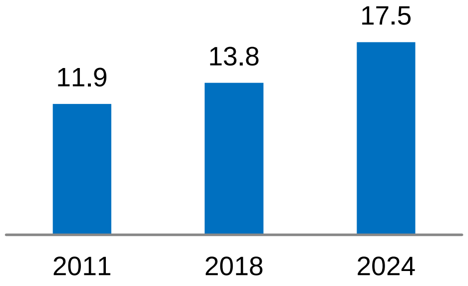
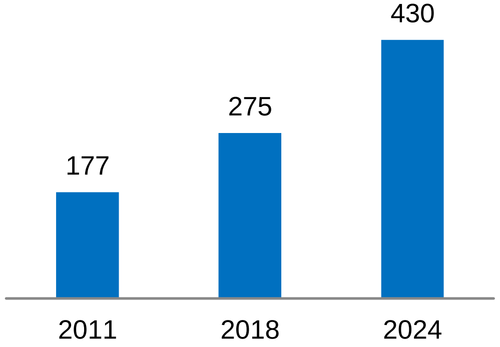
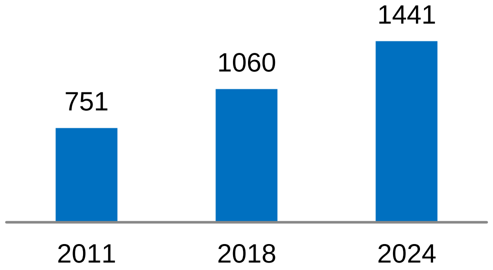
Global Flooring Market Value (USD bn)



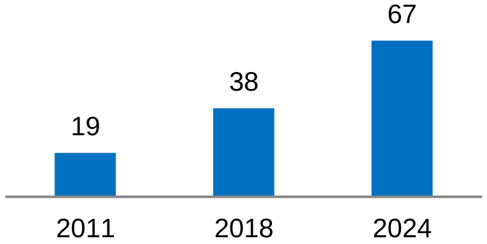
Global Flooring Market Value (USD bn)



Global Vinyl Flooring Market Volume (mn sqm)



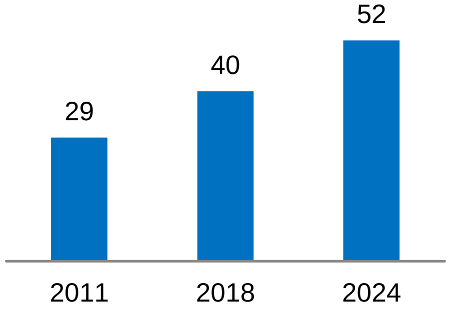
Global Vinyl Flooring Market Value (USD bn)



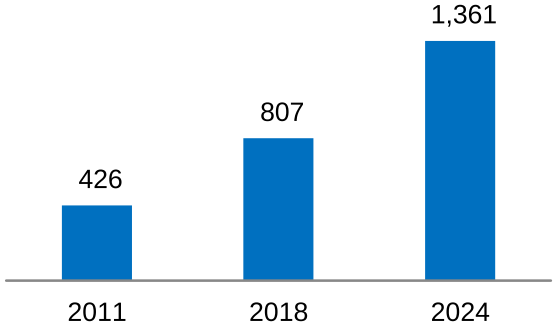
Vinyl Flooring is preferred owing to being scratch free, easy to maintain and wear resilient

Luxury Vinyl Tile has global share 52% vs. India 11% in Total Flooring Sales

India Vinyl Flooring Market volume (mn sqm)



India Vinyl Flooring Market value (USD mn)



Source: Imarc Global Vinyl Flooring Market Report

Product

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Contract Sheet Vinyl

- Healthcare
- Education
- Sports
- Industry
- Hospitality
- Heavy Traffic

Semi-Contract Vinyl

- Residential
- Medium Traffic commercial
- Retail
- Offices

Transport Sheet Vinyl

- Indian Railways
- Global Railways
- Global buses/OEM
- Indian buses/OEM

Printed Flooring

- General Purposed mass use
- Low-cost dwelling
- Low-cost commercials

VINYL FLOORING

01 Capacity
5000 MTPM

02 Variety
30+ ranges

03 SKU
500+ SKUs

04 Projects
5000+ products completed

Luxury Vinyl Tile

Key features

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IMPACT®
LUXURY VINYL TILE

IMPACT LVT and SPC were launched in **2019**

Easy Installation :
Instant **DROP-CLICK** Installation

Replacement potential :
Carpet Tiles, wooden flooring, engineered wood, laminates, vitrified tiles, ceramic tiles

	High Durability	Easy Maintenance	Recyclable	Heavy Foot traffic	Easy installation	Waterproof
IMPACT	★★★	★★★	✓	★★★	★★★	✓
CARPET TILES	★★☆	★☆☆	X	★★☆	★★★	X
WOODEN FLOORING	★★☆	★☆☆	X	★★☆	★★☆	X
LAMINATES	★★☆	★★☆	✓	★★☆	★★☆	X
CERAMIC TILES	★★★	★★☆	X	★★★	★☆☆	✓
NATURAL MARBLE	★★★	★★☆	X	★★☆	★☆☆	X

Source: Industry sources

★★★ HIGH ★★☆ MEDIUM ★☆☆ LOW ✓ YES X NO

Our Breakthrough Product

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01

Market Opportunity

Total market opportunity of **USD 7 billion**

Retail

Target to place across **2500 stores in next 5 years**

02

Growth

Fastest growing flooring sub-segment with **15% CAGR**

Institutional

Hotel Chains, Builders & Organized Retail

03

Durability

High life of **10+ years**, low wear & tear, instant installation

Projects

Undertake commercial and government offices

04

Water and Pest-resistant

Free from Water and Pest related problems

Channel

Added **60 new dealers** in the last 6 months

IMPACT would create a "pull" in demand for other products of the Company

Source: Imarc Global Vinyl Flooring Market Report

IMPACT – Disruptive force in Indian LVT segment

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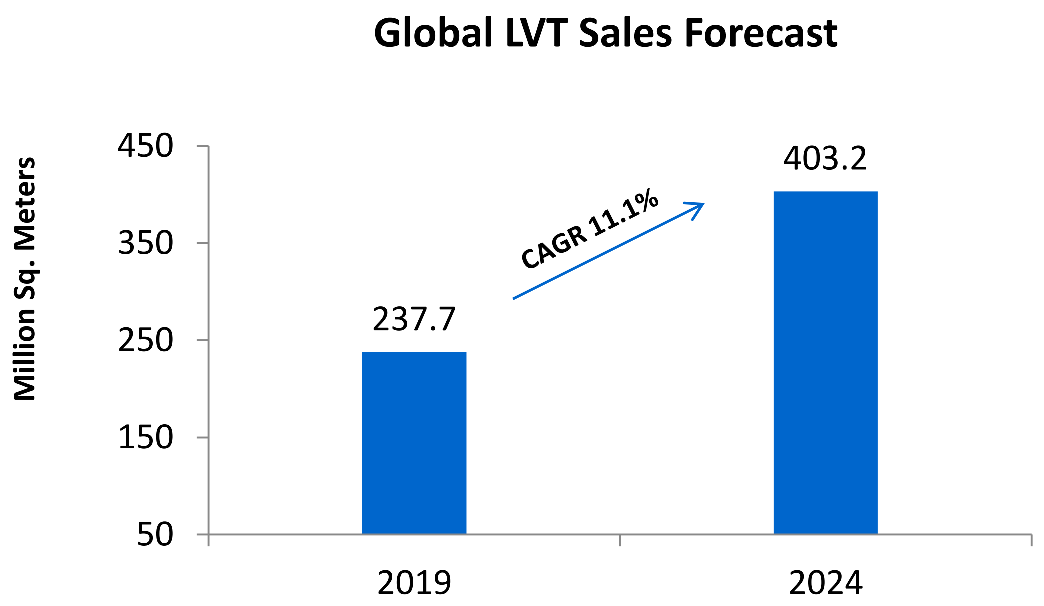
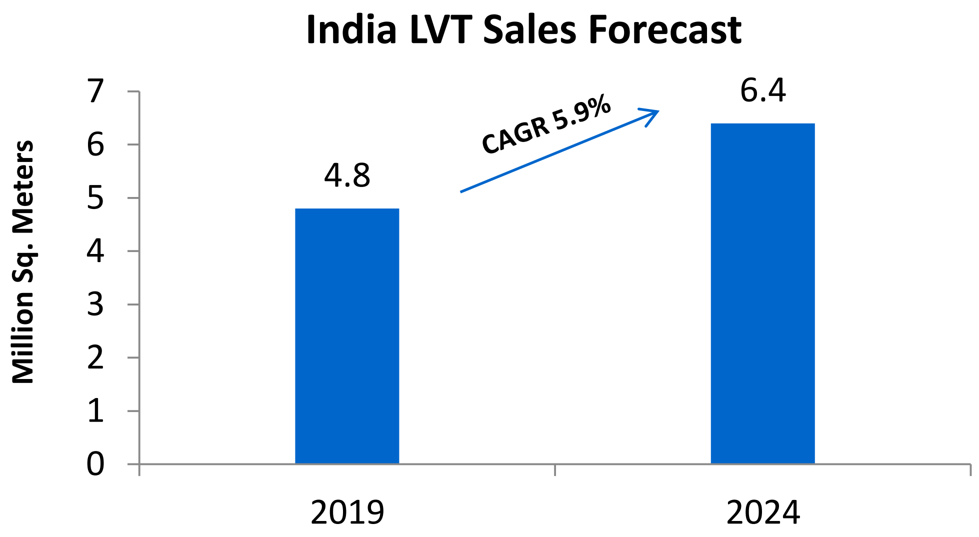


- The global LVT market is expected to grow at 11.1% CAGR for the next five years
- While LVT flooring is typically available in wooden and stone look globally, Responsive Industries has developed four variants (wooden, carpet, stone and marble) of LVT for the Indian and Overseas market



- Responsive Industries has pioneered the drop-click technology in the Indian LVT market giving it the first mover advantage
- "IMPACT" is expected to out grow the LVT market in India with primary focus on the B2C market

Source: IMARC

Synthetic Leather

Industry Overview

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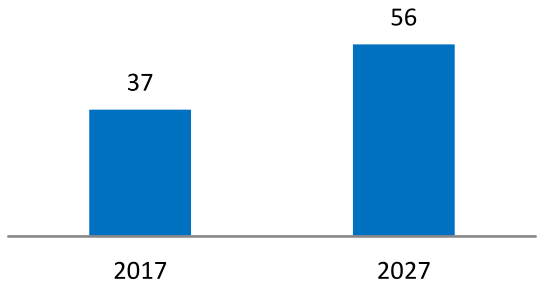
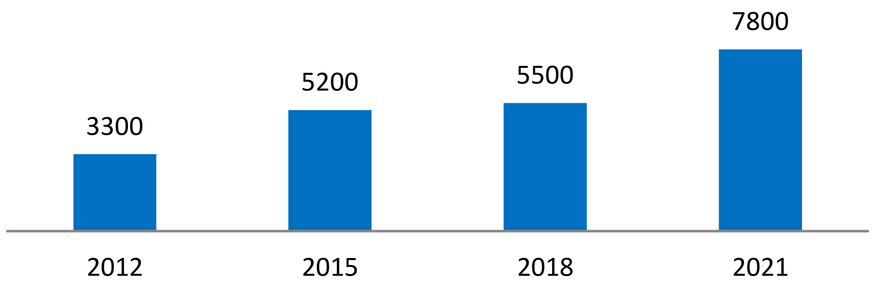
Global Synthetic Leather Market (USD bn)



The organized sector in India accounts for less than 50% market

India Synthetic Leather Market (INR cr)



Macro Economic & Aesthetic Factors

- ✓ Increasing consumer discretionary spending
- ✓ Strong growth in End-use industries like automotive, footwear
- ✓ High gloss finish, durable, UV resistant, easy to maintain

Government Regulations

- ✓ No animal killing or testing involved
- ✓ Strict legislation on the use of real leather

Product

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Upholstery Fabrics

- Chairs & Sofas
- Surface interiors
- Furniture

Transport Leather

- Indian railways
- Indian automotive
- Metros, trams and subways
- Buses and other vehicles

General purpose leather

- Luggage
- Ladies Handbags
- Belt straps
- Diary Covers

Leather Furnishings

- Residential
- Hospitality

LEATHER

01 High Shear Strength

Guaranteed sheer performance for 10 years for value added fabrics

02 Tailor-made

Tailor-made technical specs as per requisition

03 Durability

Durability against wear and tear

04 Fire retardancy

Fire retardancy coupled with superior performance on smoke and toxicity

Strengths

Distribution Strength

Expanding worldwide product development and distribution in different regions

Major supplier of **Indian Railways**

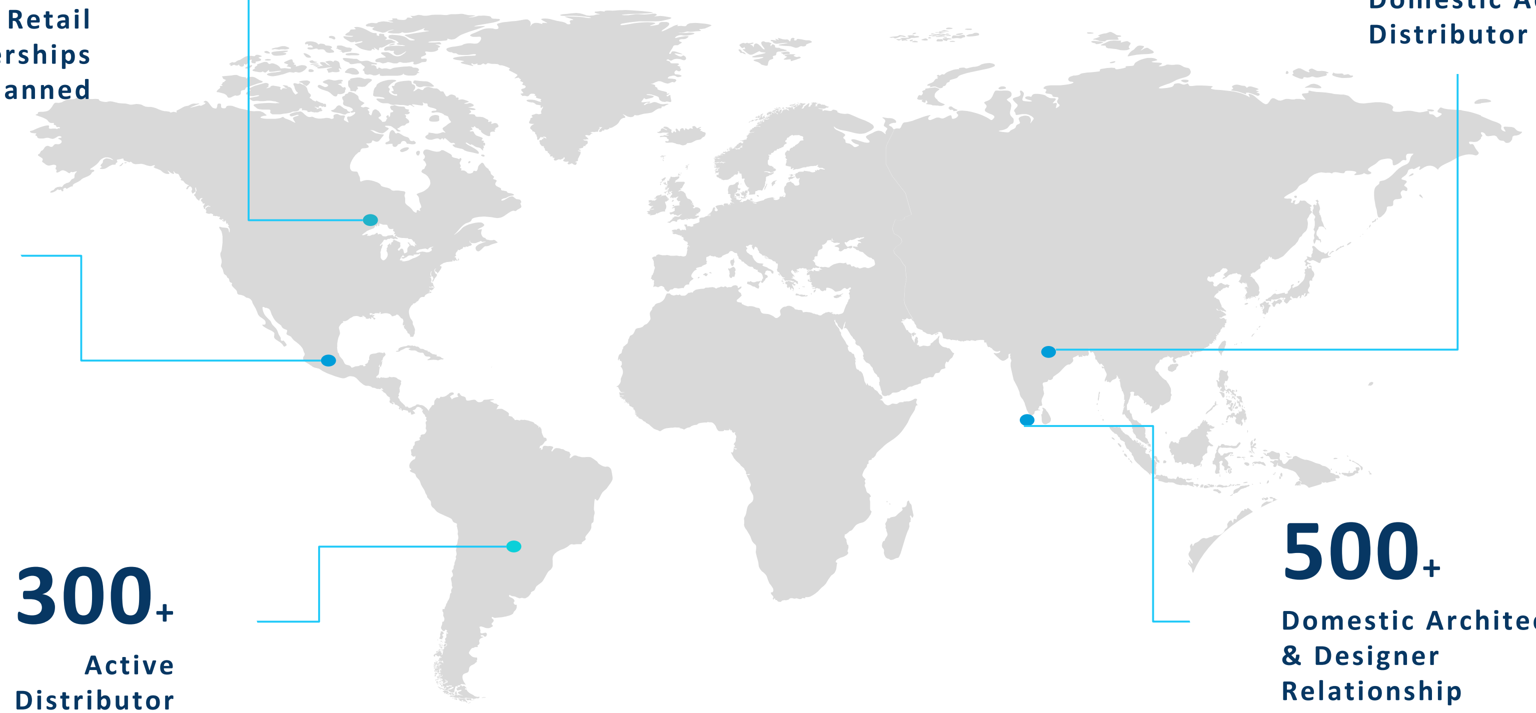
1000+ domestic projects completed

Supplying to **30+ automobile industry**

Distribution to **35 cities** in India

Upto
500
Retail partnerships planned

Network across
70
countries



300+
Active Distributor across the globe

75+
Domestic Active Distributor

500+
Domestic Architect & Designer Relationship

Only Indian Brand with Last Mile Distribution Network

Marquee client base…

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Healthcare

Narayana Health
Wockhardt Hospitals
SevenHills Hospital

Sports

American School of Bombay

Education

Escola Nacional de Bombeiros
جامعة قطر QATAR UNIVERSITY

Safety & Transport

बेस्ट
SCANIA
Indian Railways
VOLVO

Corporates

J.P.Morgan
ONEPLUS

Hospitality

The Ritz-Carlton
Taj Mahal
JW Marriott
Pan Pacific Singapore
Westin Hotels & Resorts
Chhatrapati Shivaji International Airport

Unique product features helps cater to varied requirements of marquee customers across multiple industries

…along with certifications

IMO
floor score
ISO 9001 14001 18001
ASTM International
U.S. Green Building Council Member
CE EN 14041

Infrastructure

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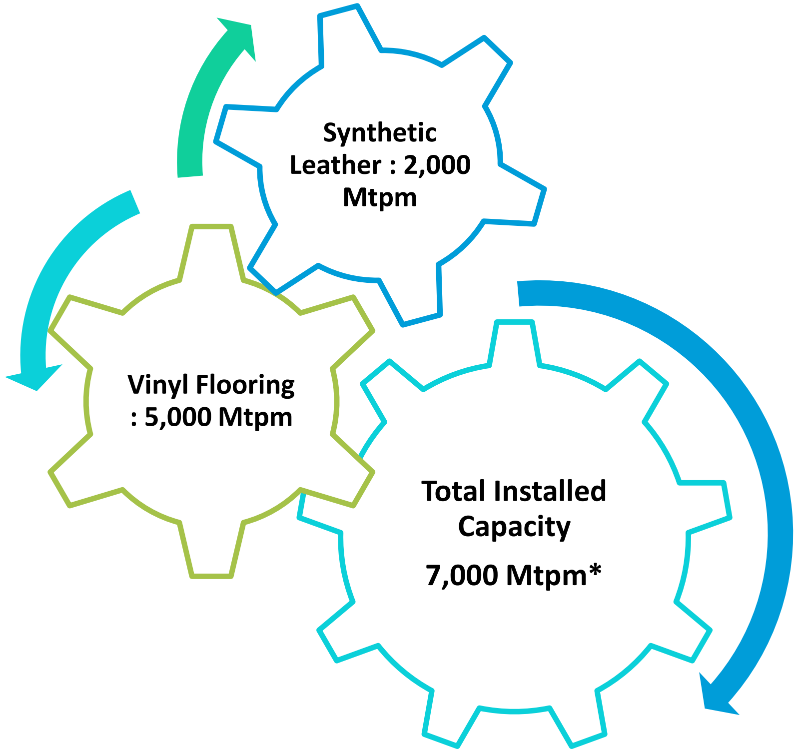
State-of-the-art manufacturing facility

- Proximity to Ports and National Highways
- Fully backward Integrated Facility
- Large raw material and engineering stores
- 62 acres Park Area
- 15 Manufacturing Lines
  100+ Skilled operator



R&D Initiatives

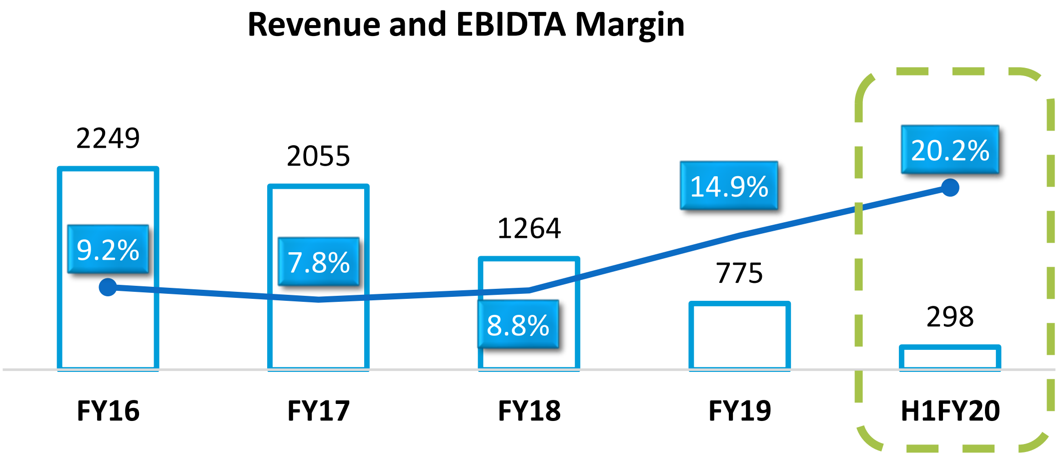
- Commercial Viability Check
- Technical study of product
- Development of prototype
- Approval by customer & costing
- Finalization of the product

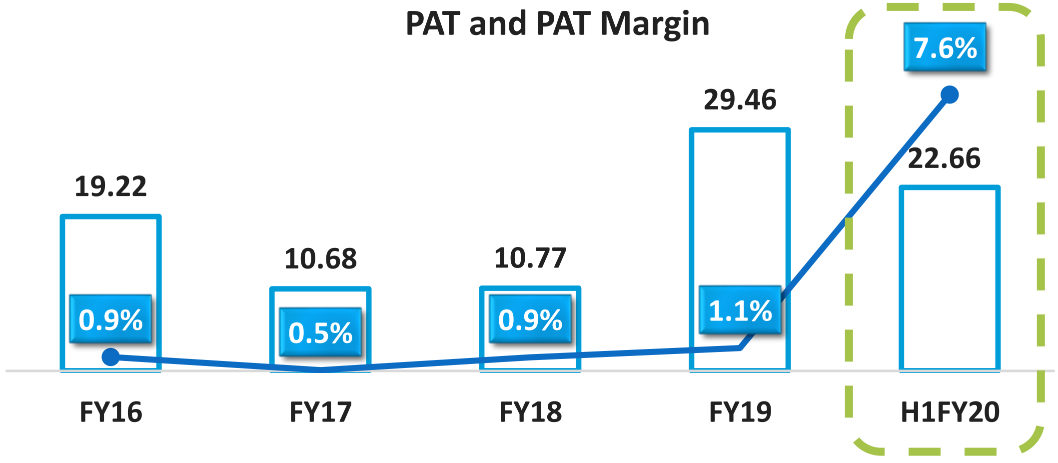
*MTPM = Metric Tonne Per Month

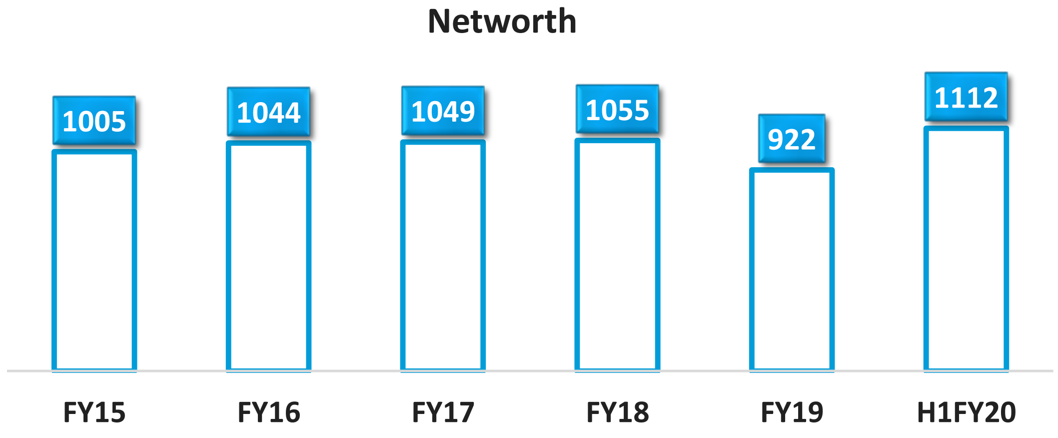
Quarter Highlights & Financial Information

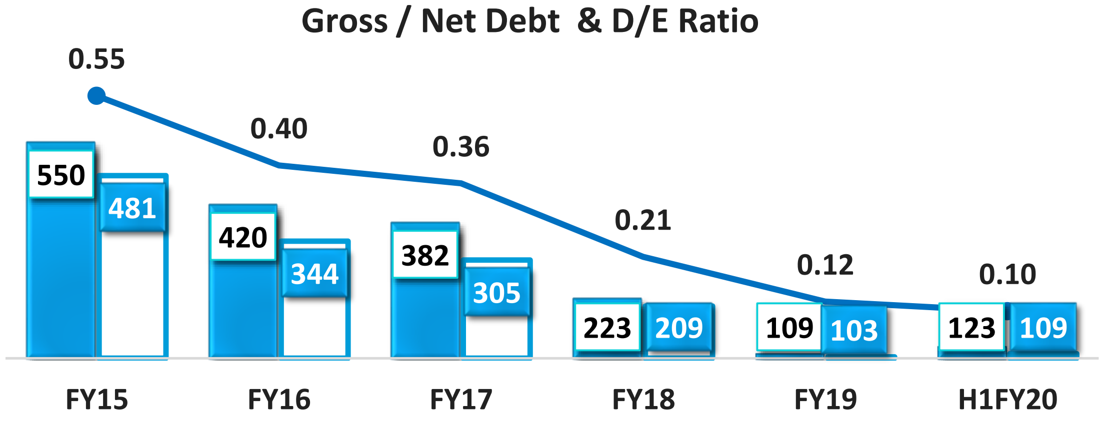
Financial Overview

Consolidated









**Gross Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings*
Net Debt = Gross Debt – Cash & Cash Equivalents

All amounts in INR Crore

Financial Overview

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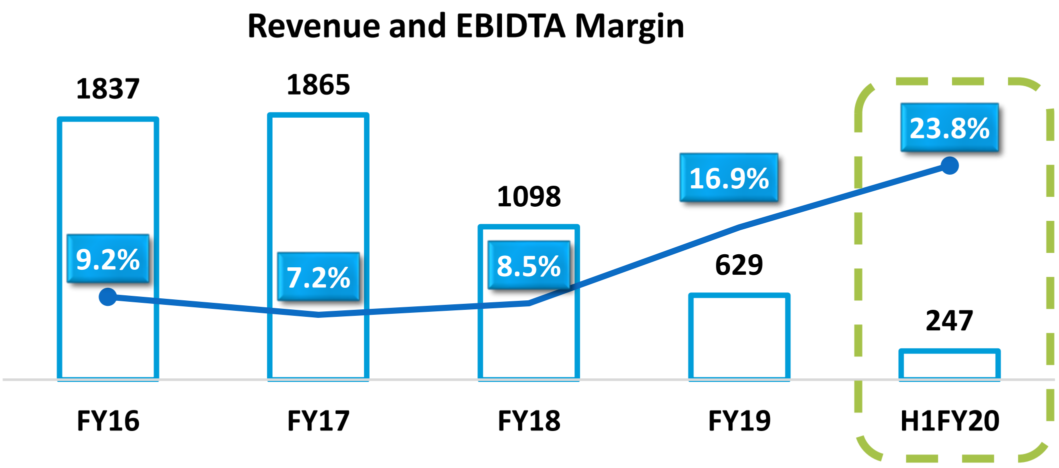
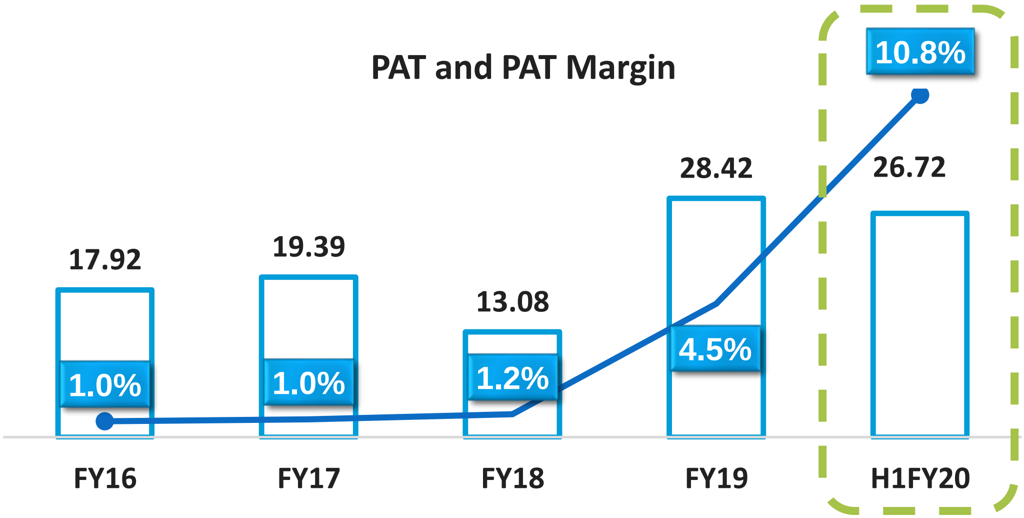
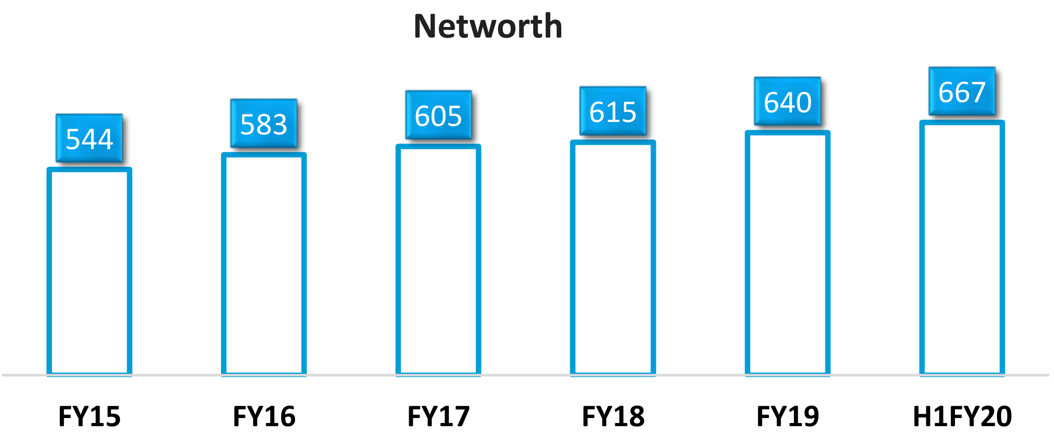
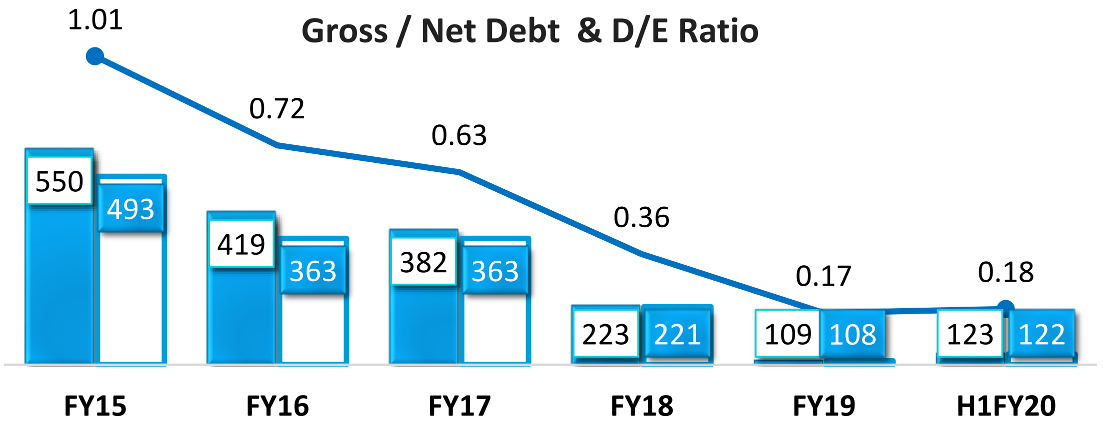
Standalone









All amounts in INR Crore

**Gross Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings*
Net Debt = Gross Debt – Cash & Cash Equivalents

Quarterly Performance

Particulars	Consolidated			Standalone		
	Q2FY20	Q1FY20	Q-o-Q % Change	Q2FY20	Q1FY20	Q-o-Q % Change
Net Sales (Rs. cr)	151.47	146.44	3.43%	124.21	122.76	1.17%
EBITDA (Rs. cr)	32.47	27.82	16.70%	31.82	27.01	17.79%
EBITDA Margins (%)	*21.44*	*19.00*	*244bps*	*25.62*	*22.00*	*362bps*
PAT (Rs. cr)	18.37	4.29	328.54%	19.46	7.26	168.12%
PAT Margins (%)	*12.13*	*2.93*	*920bps*	*15.67*	*5.91*	*976bps*
EPS (Rs.)	0.71	0.21		0.73	0.27	

- ✓ The company has taken a conscious call to hive off their low margin products starting 2019
- ✓ The introduction of new high margin products clearly reflects in the growth of the operating margins
- ✓ Better operating efficiencies have led to growth in PAT & PAT margins

Stock Information

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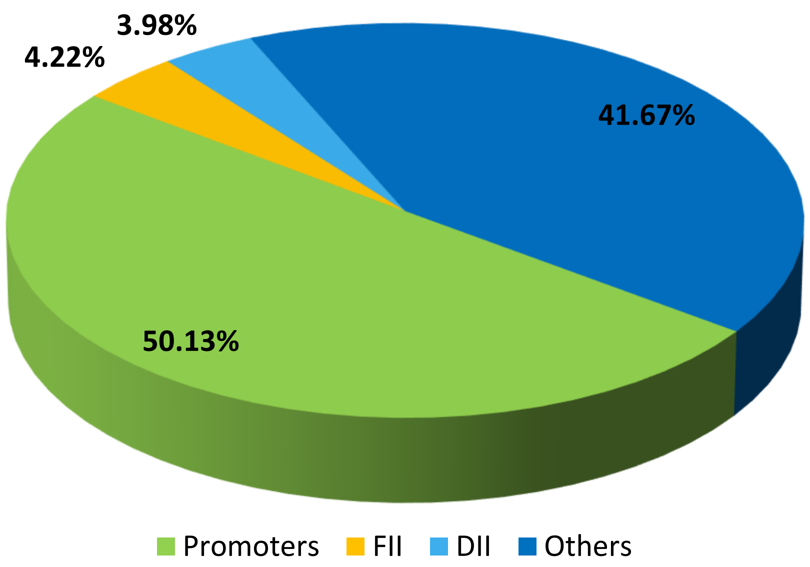
Shareholding Pattern (as on September 30, 2019)



Top shareholders

FII: Sparrow Asia Div. Opp. Fund	2.13%
FII: Bao Value Fund	1.61%
DII: LIC	3.59%

Total Shares Outstanding are 26.7 Crores

Stock Data - BSE (as on October 22, 2019)

Stock code	RESPONIND
Stock Price	INR 92.10
52 Week High/Low	INR 104.85/ 73.00
Market Capitalization	INR 2,458.27 Crores
Index	S&P BSE SMALL CAP
Face value	Re. 1

Valuation metrics

Enterprise value	INR 2,584 Crores
P/E	85.32
P/BV	2.30
EV / Sales	3.33
EV / Core EBITDA	22.39

Note: Valuation Metrics are based on FY19 Consolidated Financials

THANK YOU

Contact us:

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