

**SECRETARIAL DEPARTMENT**

Jekegram, Pokhran Road No. 1, Thane (W) - 400 606  
Maharashtra, India  
CIN No.: L17117MH1925PLC001208  
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www.raymond.in

June 3, 2016

To,  
The Department of Corporate Services - CRD  
BSE Ltd.  
P.J. Towers, Dalal Street,  
Mumbai 400 001  
Fax No. 22722037 / 39 / 41  
Scrip Code: 500330

The National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex  
Bandra (East)  
MUMBAI 400 051  
Fax No. 6641 8125/26  
Scrip Code: RAYMOND EQ

Luxembourg Stock Exchange  
Societe De La De Luxembourg Societe,  
35A, Boulevard Joseph II,  
L-1840 Luxembourg

Dear Sirs,

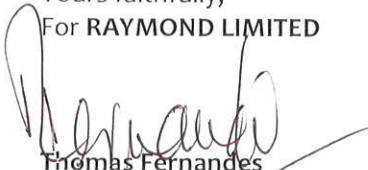
**Sub: Presentation on Third Quarter Results**

In continuation to our letter dated May 18, 2016 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the presentation to be made at the Investor Meet scheduled today i.e. June 3, 2016.

The said presentation is also uploaded on the website of the Company.

Thanking you

Yours faithfully,  
For **RAYMOND LIMITED**

  
Thomas Fernandes  
Director – Secretarial  
& Company Secretary

Encl: a/a

**CORPORATE OFFICE**

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**REGISTERED OFFICE**

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**Raymond**

**INVESTOR MEET**

**3<sup>rd</sup> June 2016**



# Disclaimer

The particulars of this presentation contain statements related but not limited to revenues, financial results and supplemental financial information which has been compiled by the management, not to be construed as being provided under any legal or regulatory requirement and are not intended to invite any investment in the Company. The information contained in this presentation has not been subjected to review by any auditors or by the Board of Directors of the Company. Commentary in the presentation describes the reporting quarter performance versus the same quarter of the corresponding previous year, unless specified otherwise. The figures for the previous periods in this presentation have been regrouped/ reclassified, wherever necessary. Company assumes no responsibility and does not provide any warranty to the accuracy or comprehensiveness of the information contained in this presentation.

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# Agenda

1



MACRO ENVIRONMENT

2



PERFORMANCE UPDATE

3



CHALLENGES AND OPPORTUNITIES

4



STRATEGIC DIRECTION

1



## MACRO ENVIRONMENT

2

## PERFORMANCE UPDATE

3

## CHALLENGES & OPPORTUNITIES

4

## STRATEGIC DIRECTION

# Global Environment

## China Rebalancing Economy

Moving towards Consumption & Service



## Oil & Commodity price

Down –Affecting Producers



## Global Economy

Growth Revised @ 3.2%  
▼ by 0.2%

China	6.5
India	7.5
<i>Euro area</i>	2.4
<b>World</b>	3.2
<i>Rich economies</i>	1.9
<i>Emerging markets</i>	4.1
United States	1.9
Brazil	-3.8
Britain	1.9
Japan	0.5
Russia	-1.8
<i>Sub-Saharan Africa</i>	3.0

Source: IMF

## US Monetary Policy

Tightening will lead appreciation of USD



## Japan & EU

Interest rate reduced for growth



# Domestic Environment

## 👍 Repo Rate cut @6.5%

▼ by 0.25%



## 👍 Forex Reserves \$360 bn

All time high



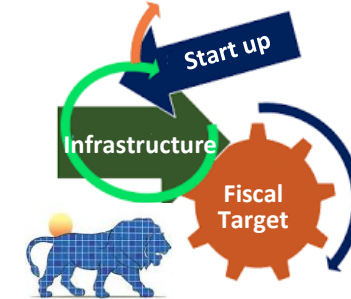
## 👎 Additional taxes Introduced

Krishi Kalyan Cess, Clean energy Cess, Excise duty on readymade garments



## 👍 Government Focus

Make in India



## ⚠️ Factors to influence Inflation & Growth



Weaker Global Growth



Increase in Oil Price



Currency Depreciation



7th Pay Commission

Implementation of the award

1

MACRO ENVIRONMENT

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CHALLENGES & OPPORTUNITIES

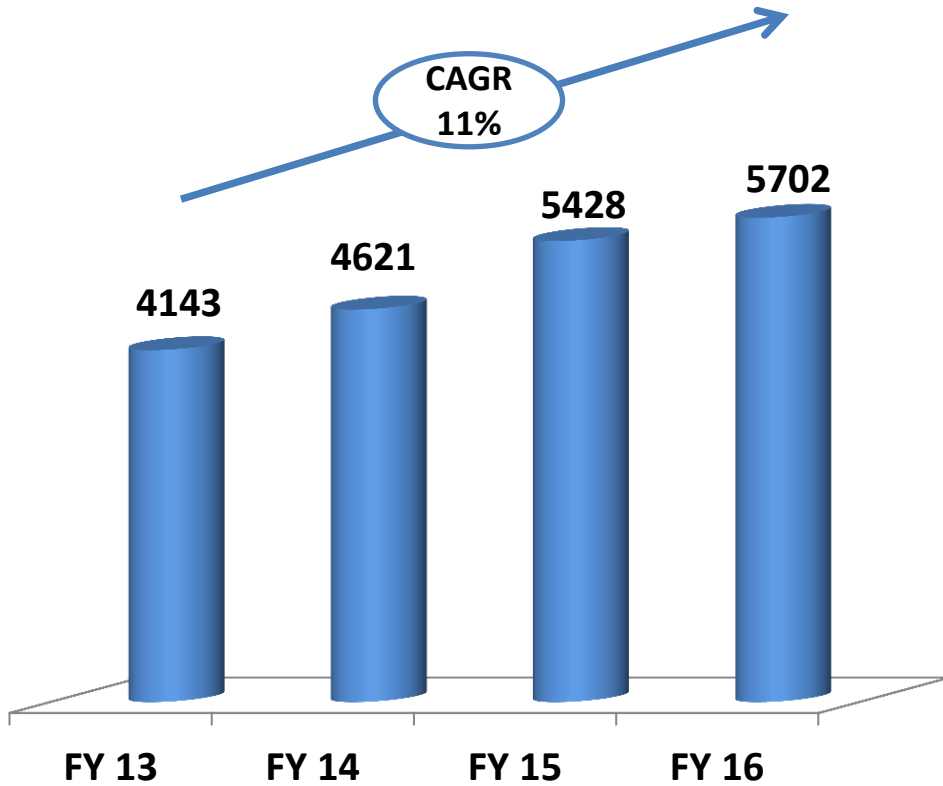
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STRATEGIC DIRECTION



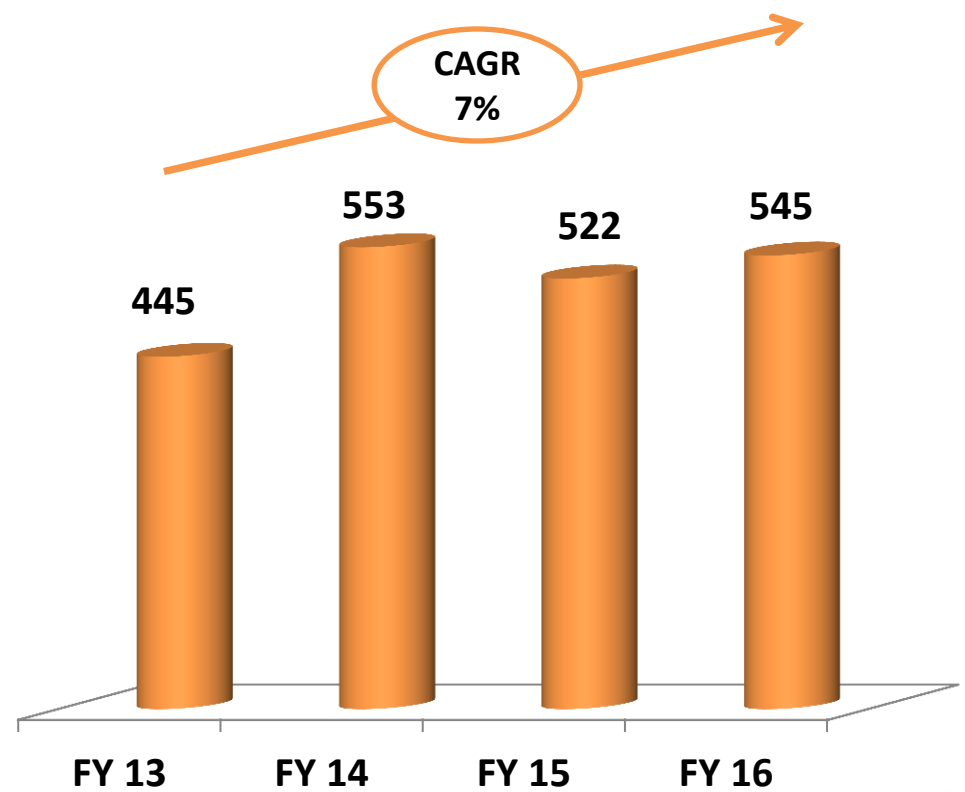
# Financials (1/3)

## REVENUE



## EBITDA

Rs Cr

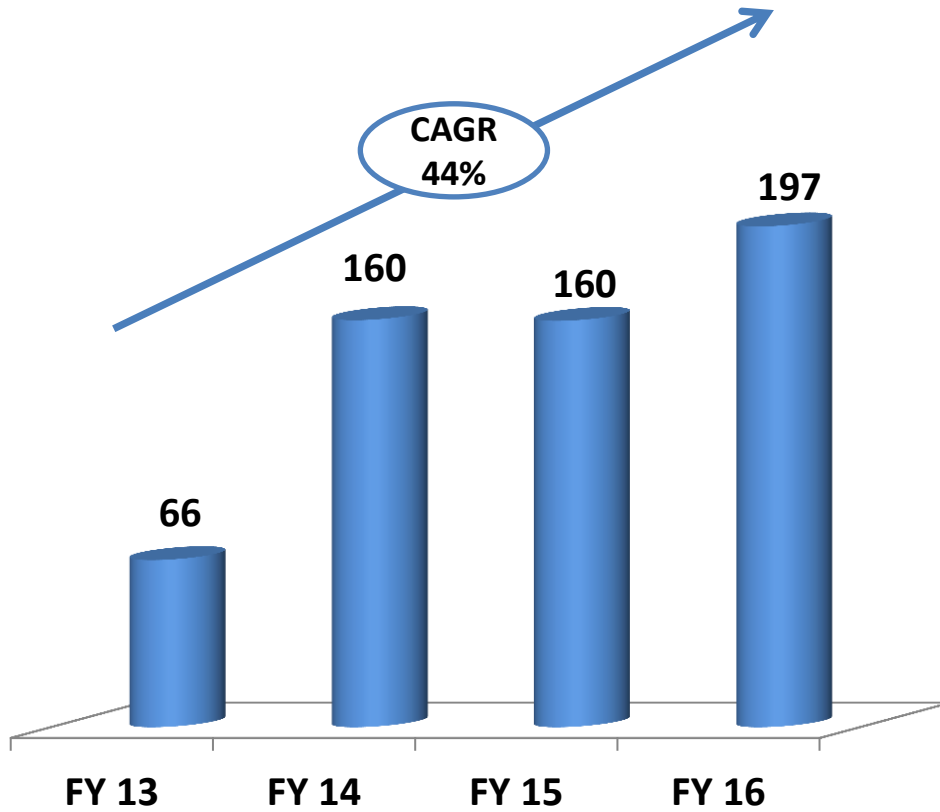


Sustained investments in product innovation, portfolio sharpening, retail expansion & renovation and brand building

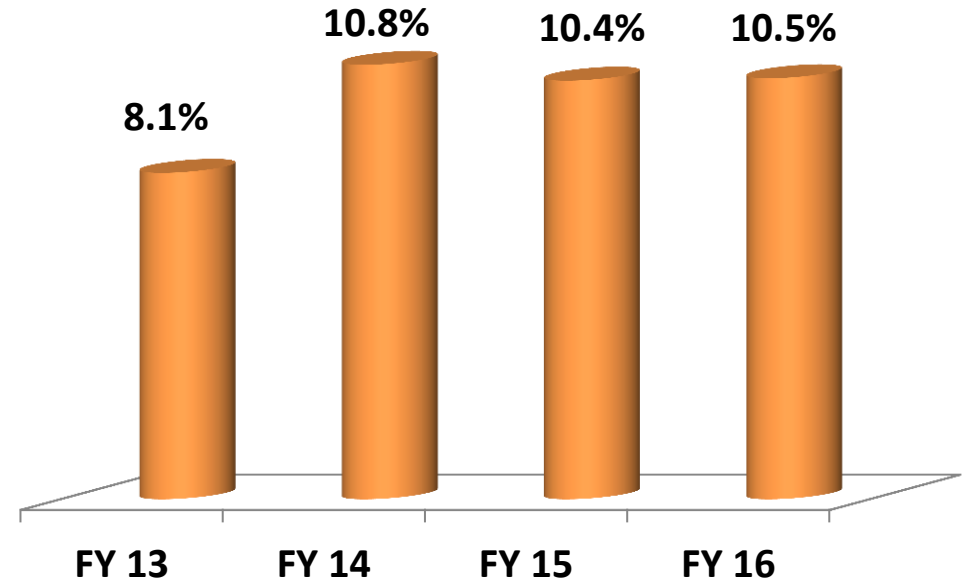
# Financials (2/3)

Rs Cr

## PBT (before exc items)

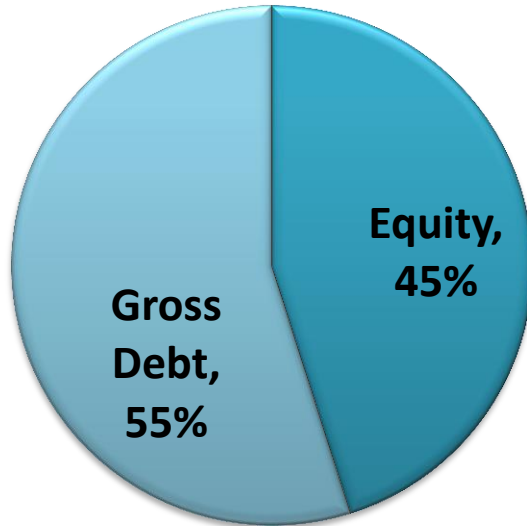


## RoCE



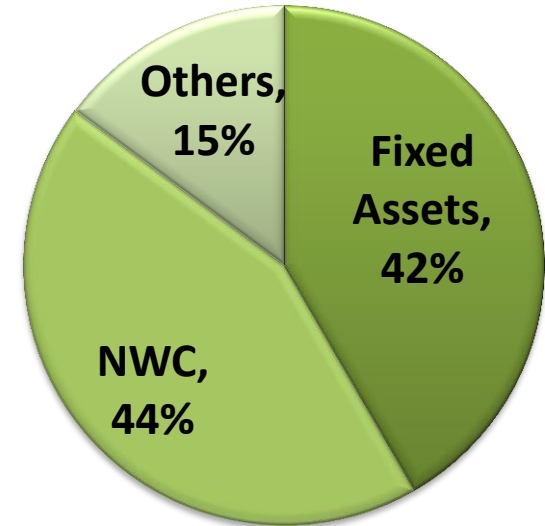
# Financials (3/3)

## Sources of Funds

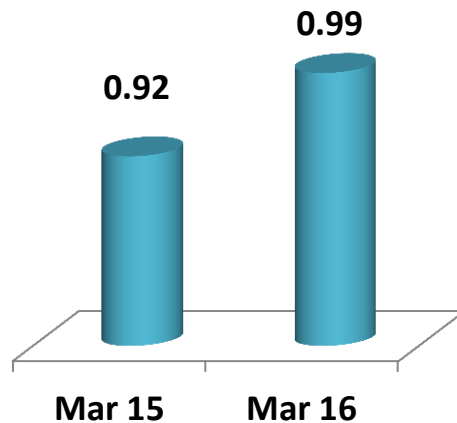


Capital employed- Mar 16  
Rs 3755 Cr

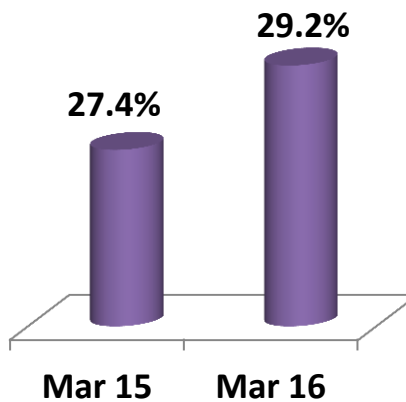
## Application of Funds



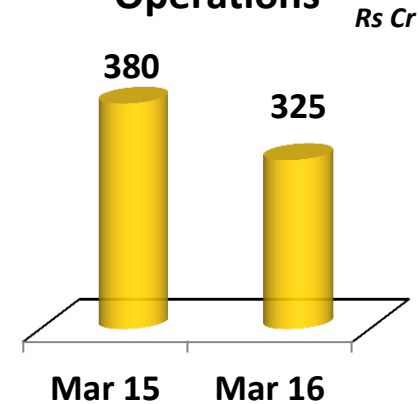
## Net debt/ Equity



## NWC % to Sales



## Cash flow from Operations



1

MACRO ENVIRONMENT

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CHALLENGES AND OPPORTUNITIES

4

STRATEGIC DIRECTION

# Challenges

4% drop in Export Sales



Extended EOSS period  
across industry



Rising cost of doing  
business in India



# Opportunities

## Growth

31% sales growth in B2C Shirting



18% sales growth in Apparel



Raymond flagship store operationally profitable within 1st quarter of launch



22% sales growth in renovated stores



## Capacity additions

Garmenting Unit acquisition (1.2mn pcs pa)



18mn mtr added in B2B Shirting & Denim



## Efficiency

Forging unit hived off



Cost reduction initiatives in Engineering business



# Rewards & Recognition



Raymond features as one of **India's Most Respected companies** as per **Business World Survey**

Raymond RTW wins **Best Store design award** at **"Global event in Las Vegas"**



Raymond bags **"Most Trusted Brand" Award** in **Retail Category**



Park Avenue wins **Shoppers Stop Pinnacle Award "2015 Best Brand Mens Classic"**



SSAL awarded **"Gold Certificate of Merit"** in **Indian Manufacturing excellence awards 2015**



**3 plants awarded for Excellence in Energy Conversation & Management**

- 1 UCO Denim Yavatmal
- 2 RLCL Kolhapur
- 3 Suiting Jalgaon



Denim plant won **"16th Annual Green-tech Environment Award – 2015"**

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STRATEGIC DIRECTION

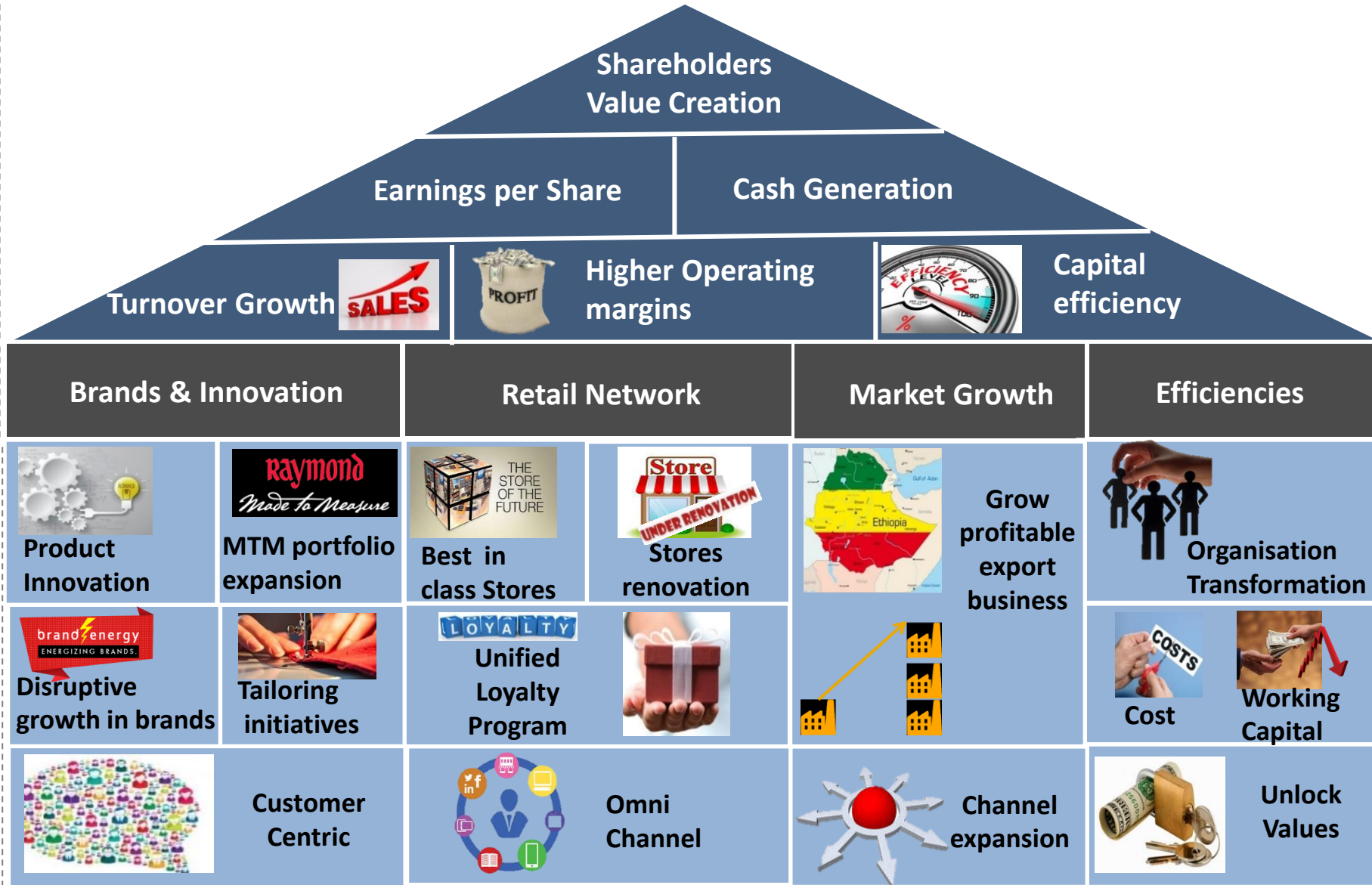


# Strategic Direction

Value Creation

Strategic Enablers

Operating Metrics

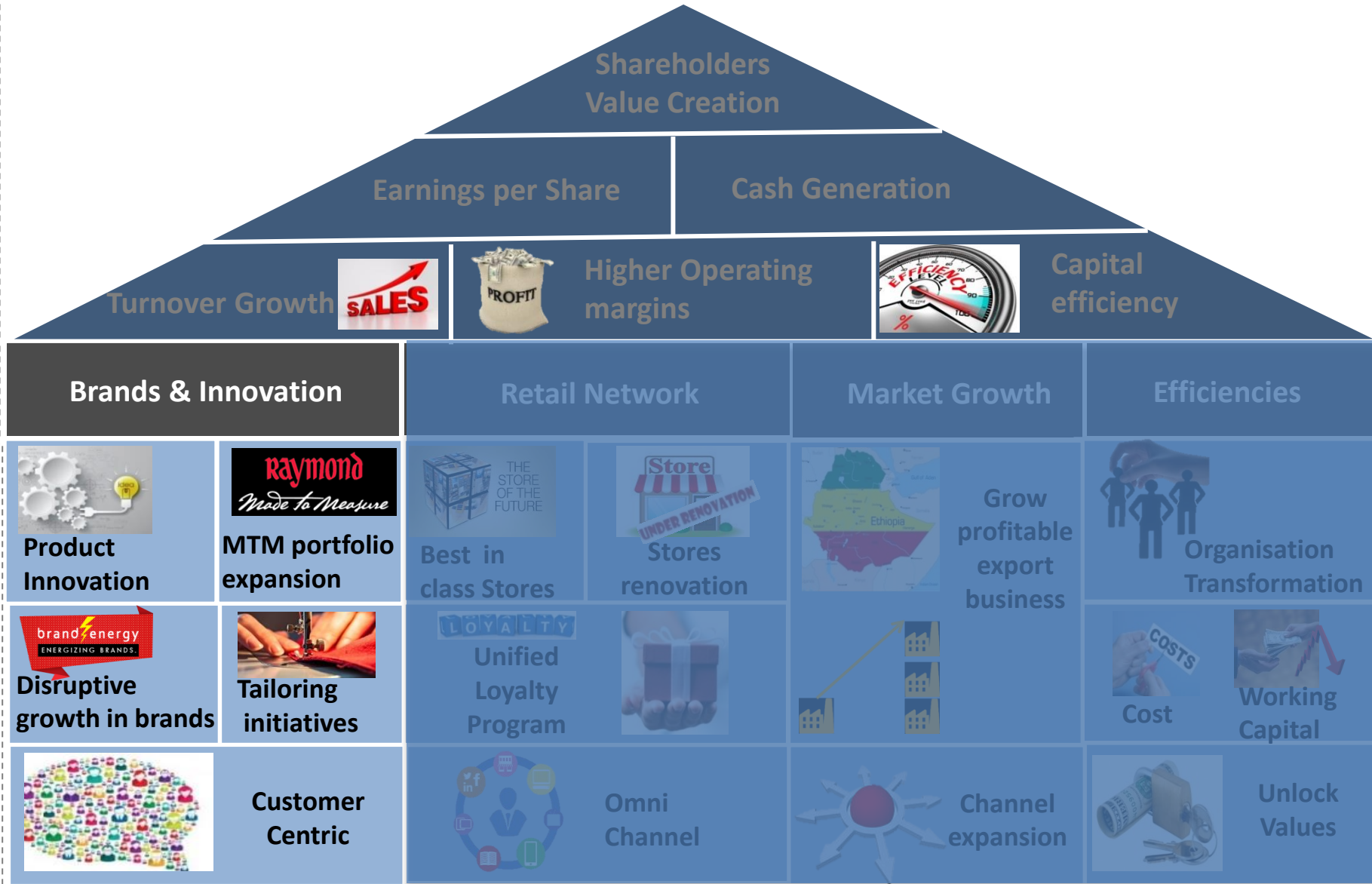


# Strategic Direction

Value Creation

Strategic Enablers

Operating Metrics



# Innovative & Futuristic Products



Introducing

# TECHNOSMART

UV PROTECTION    WRINKLE FREE    SMOOTH TOUCH    BREATHABLE

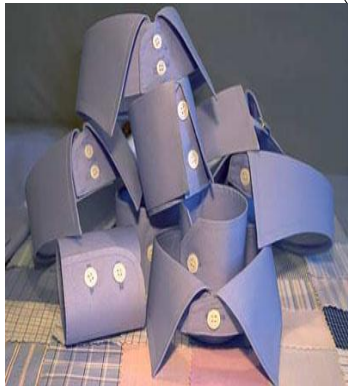


# MTM aspires to provide complete wardrobe solution

## Current Portfolio



**Suits**



**Shirts**



**Trouser**



**Accessories**

## Recent Launches



**Made to Fit**



**Bags**



**Shoes**



**Lithography**

## Future Plans



**Denim**

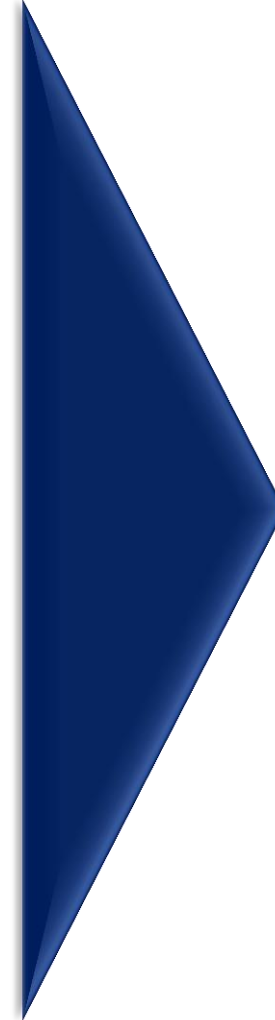
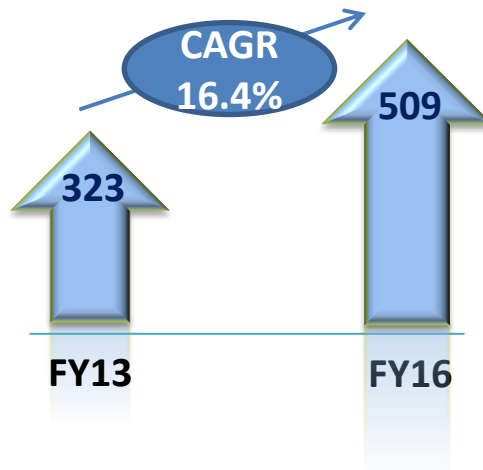
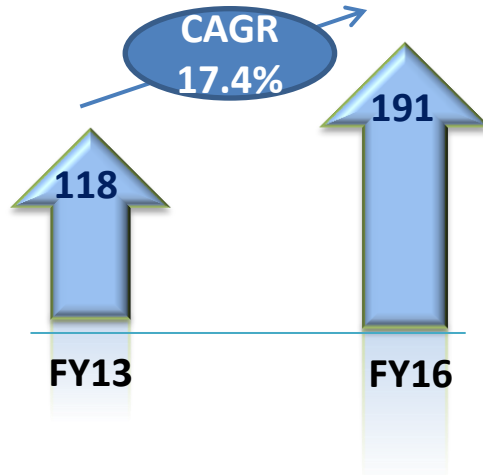


**MTM Woman**

**MTM grew by 45% in FY16; Double-digit L2L growth of 18%**

# Disruptive growth in Brands i.e. 1.5x-2x of Market

SALES (Rs cr)



Among **TOP 5**  
**Formal**  
**Apparel**  
**Brands** by  
2020

# Repositioning Fabrics through Tailoring Initiatives



**Compromised fits**



**Customized fits**



**Sell Cloth**



**Sell Looks**



**Tailoring: barrier**



**Tailoring: value add**

***Expand Tailors base (Masters) by 20x to 100,000***

# Customer Centric Approach

## PRODUCT Centricity



## CUSTOMER Centricity

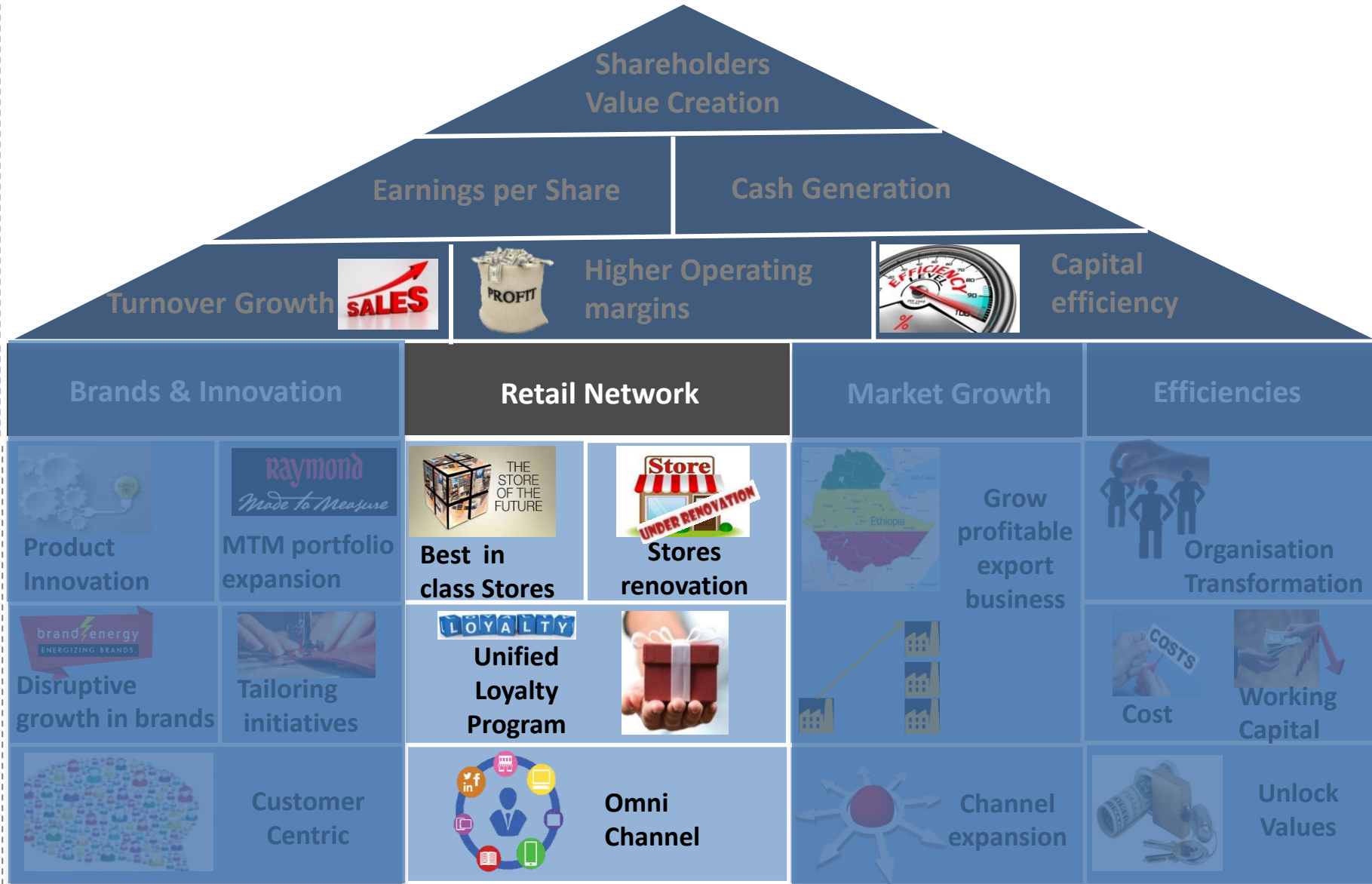


# Strategic Direction

Value Creation

Strategic Enablers

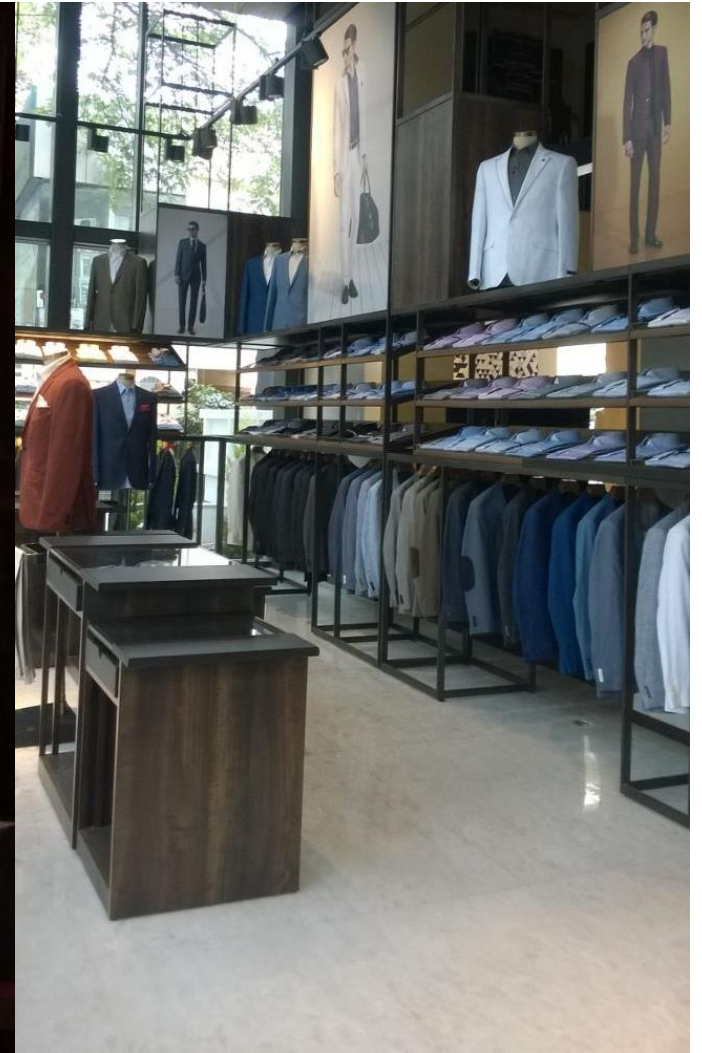
Operating Metrics





**Best in Class Stores to enhance Consumer experience**

## **Raymond Ready to Wear flagship store in Indiranagar**



# Aggressive stores renovation – 7x sales growth

Old Look



New Design



Stores renovated

85

12

16

L2L Growth %

22%

8%

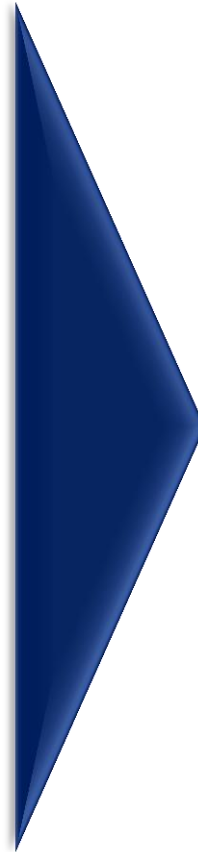
6%

*Renovation is a key strategic theme to continue forward*



# Loyalty Program to contribute 50% of Retail network sales in FY17

## EARLIER



## NOW



The Raymond Rewards program to provide holistic engagement with 1Mn+ customer

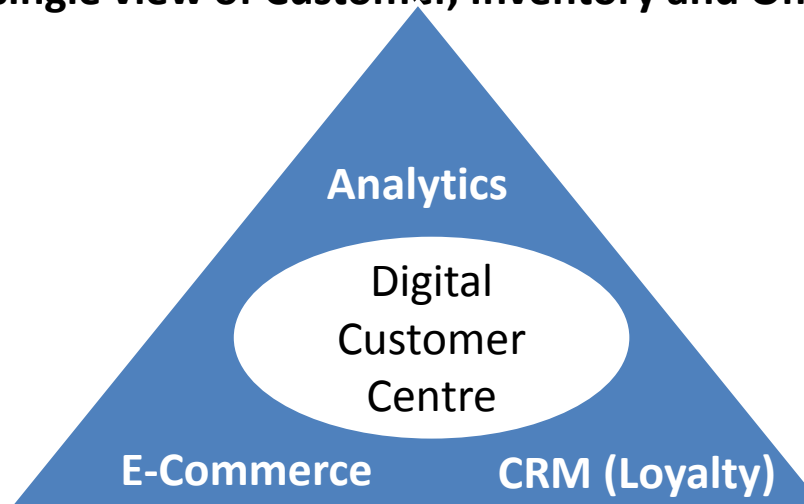
# Digital Immersion in Raymond

## Digital Vision

Create a holistic digital ecosystem to deliver superior Omni Channel customer experience

## Raymond Digital Customer Centre

Provide single view of Customer, Inventory and Omni Channel capabilities



## Roadmap

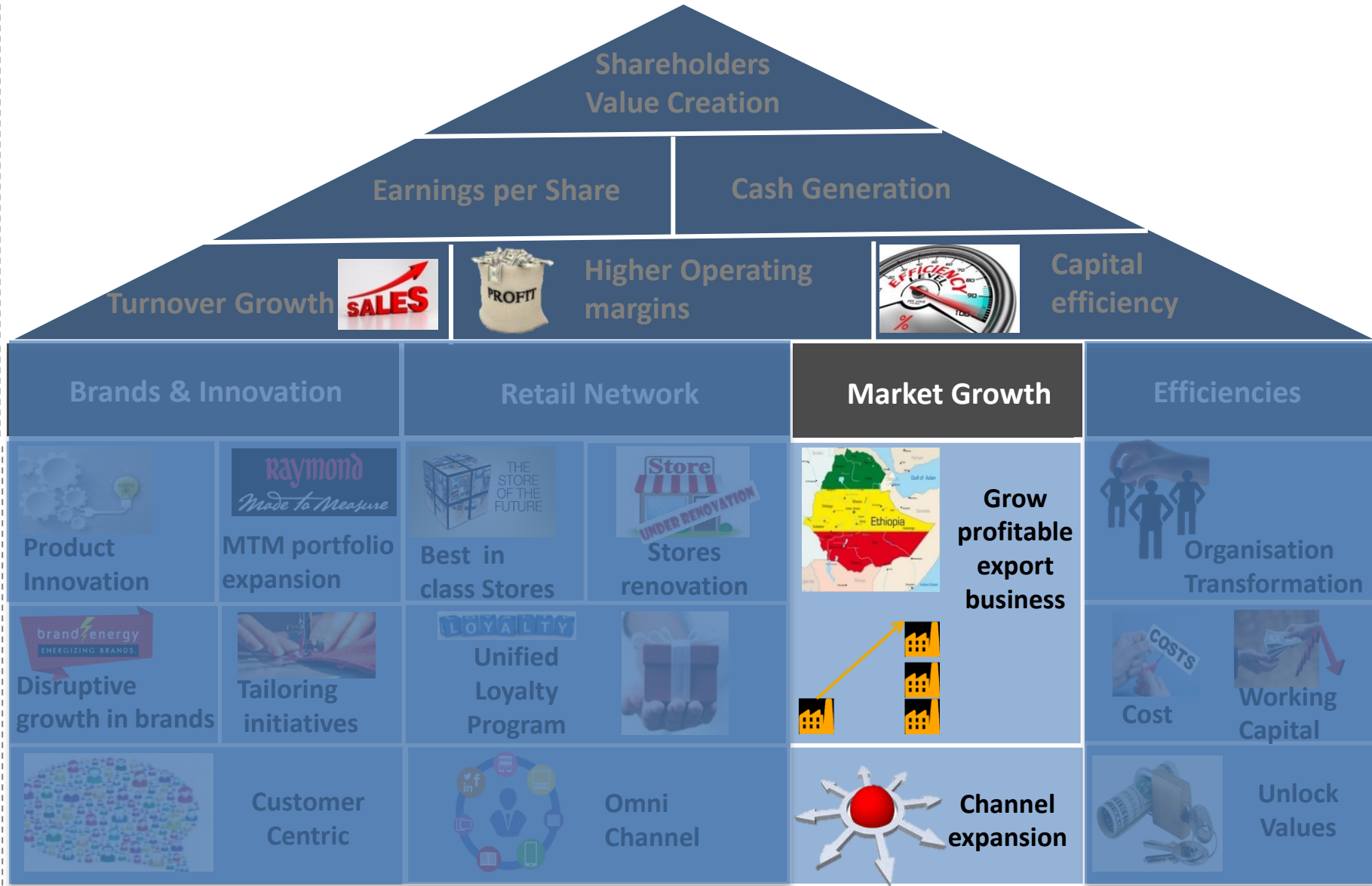
Launch	Phase 1	Phase 2	Phase 3
Chief Digital Officer & One Digital Team	Unified Loyalty Program	Re launch of E-commerce Site	Trigger Omni Channel

# Strategic Direction

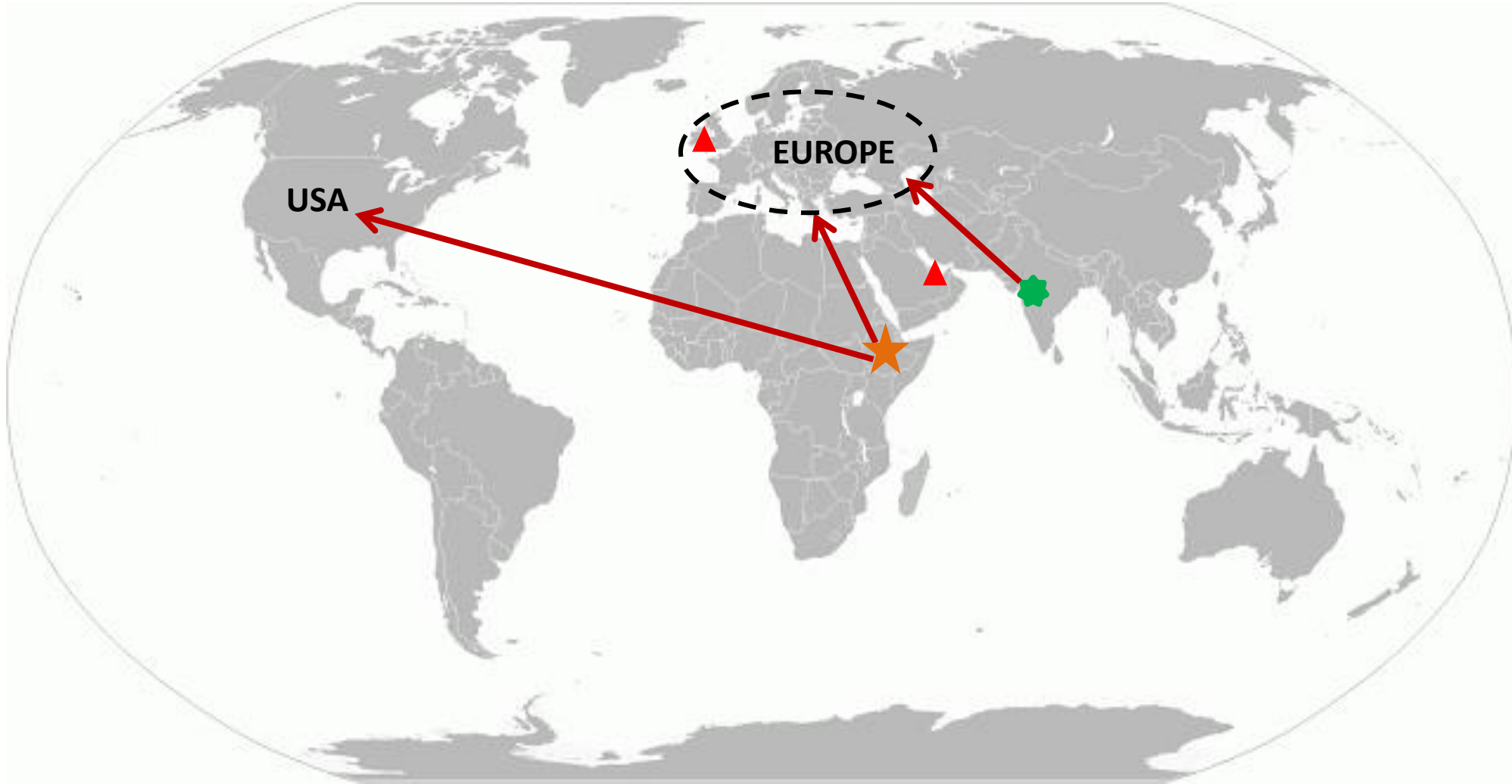
Value Creation

Strategic Enablers

Operating Metrics



# Driving profitable export business in key markets



★ Garmenting Unit in Ethiopia

★ Denim Plant at Yavatmal

▲ Marketing office in Dubai & London

# Network & Channel expansion

## APPAREL

Expansion through EBO network



*2.5x EBO's in 4 years*

Increased LFS presence



*3x LFS presence in 4 years*

## B2C Shirting

Growth through Retail & wholesale channels



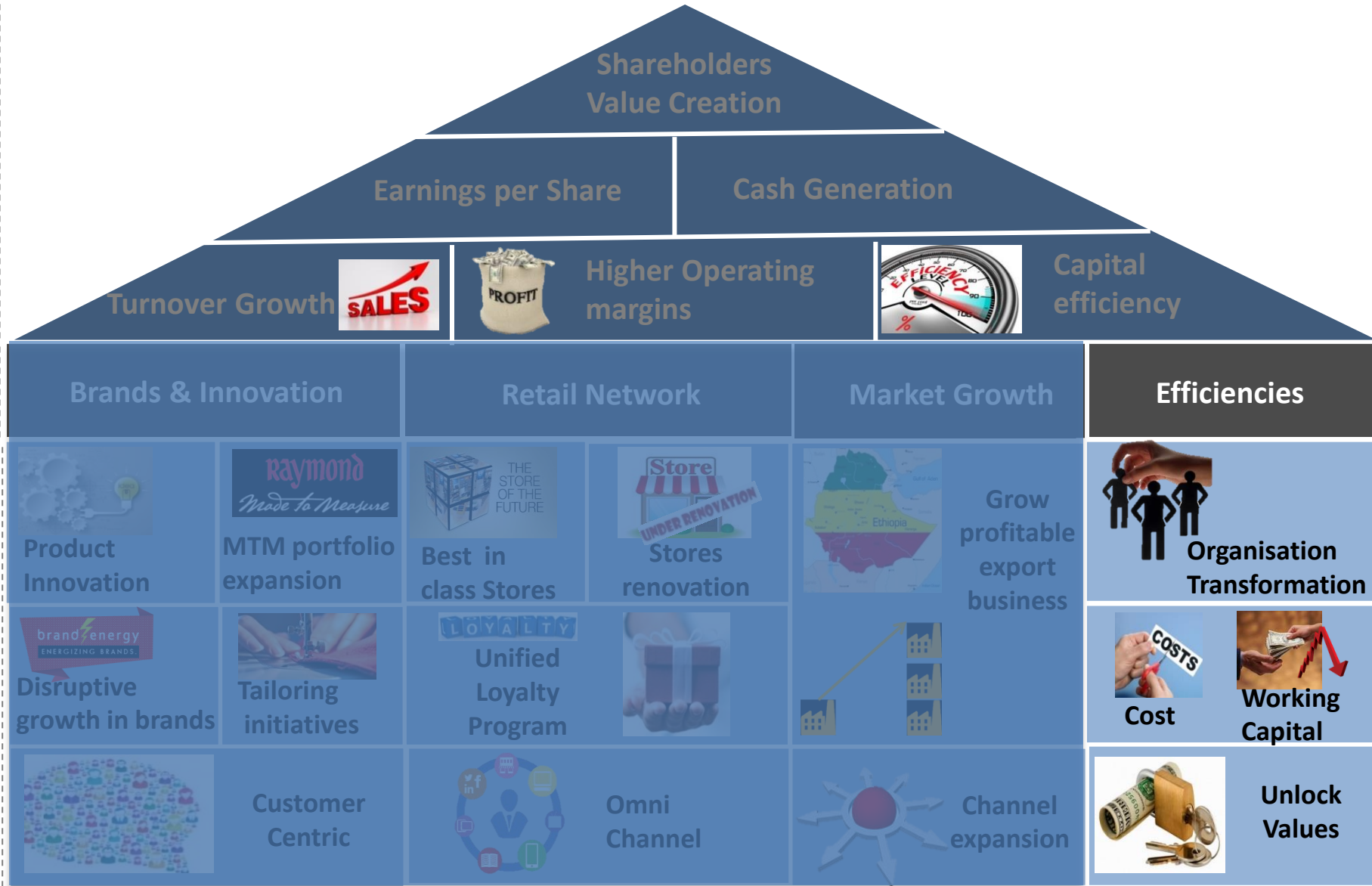
*2.5x counters in 4 years*

# Strategic Direction

Value Creation

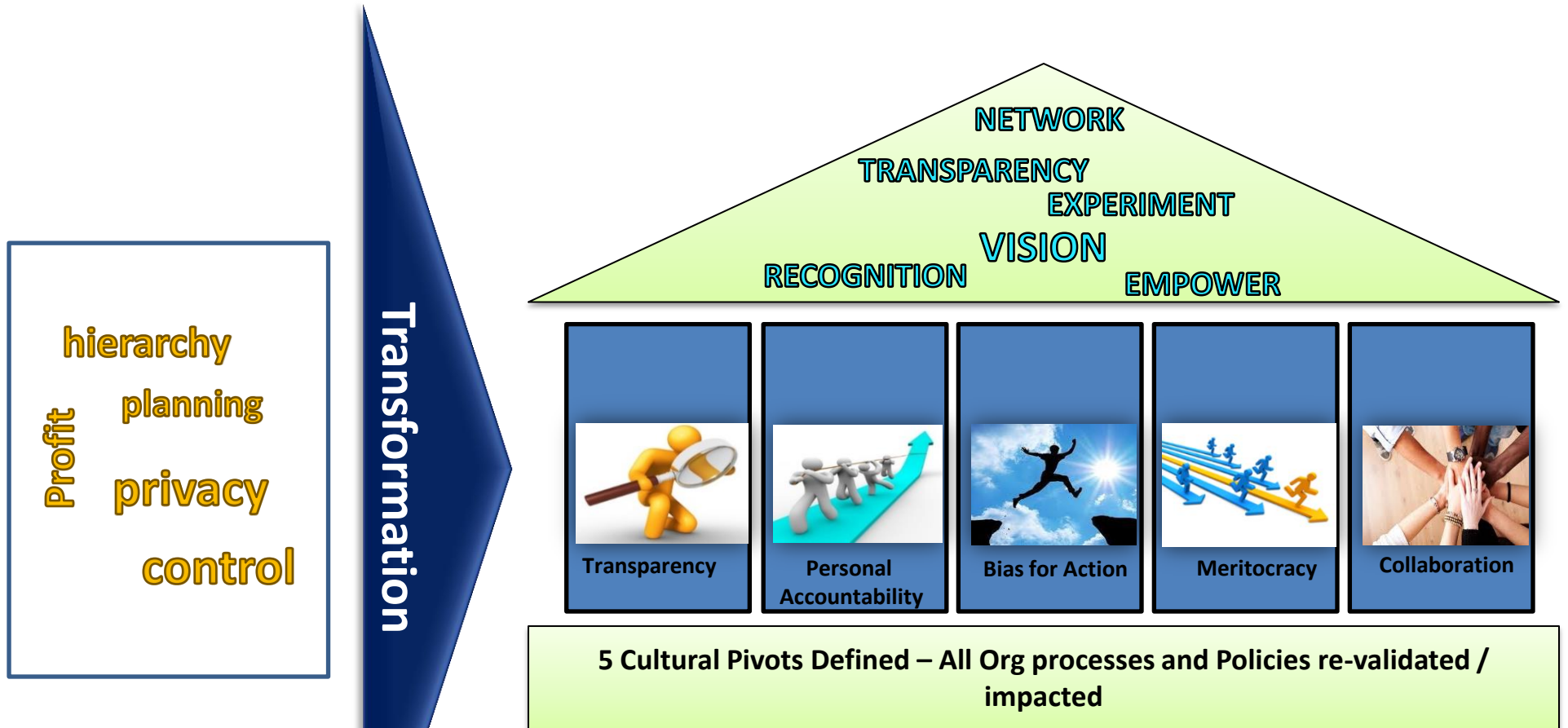
Strategic Enablers

Operating Metrics





# Laying foundation of new culture



# Cost Optimization

Vendor Consolidation



Enhance yield



Leverage technology for  
Material procurement



Cost control



# Working Capital efficiencies

## Working Capital Days

### Net Working Capital

113

100

107

### Inventory

88

79

83

### Debtors

68

63

68

FY 14

FY 15

FY 16

## Improve Working Capital cycle



- ✓ *Channel financing*
- ✓ *Re-engineer supply chain*
- ✓ *SKU's rationalisation*
- ✓ *Better payment terms with vendors*

# Unlock Value (1/3)

## Thane Land



- 125 acres land
- Real Estate team in place
- Various options being evaluated
  - ✓ Sale of land
  - ✓ Development
  - ✓ Strategic partnership

# Unlock Value (2/3)

## Tools & Hardware



## Challenging environment

- Slowdown in industrial activities in key markets especially Latin America
- Currency devaluation of African countries

## Initiatives



Market & category expansion



Scaling up power tool business & its accessories



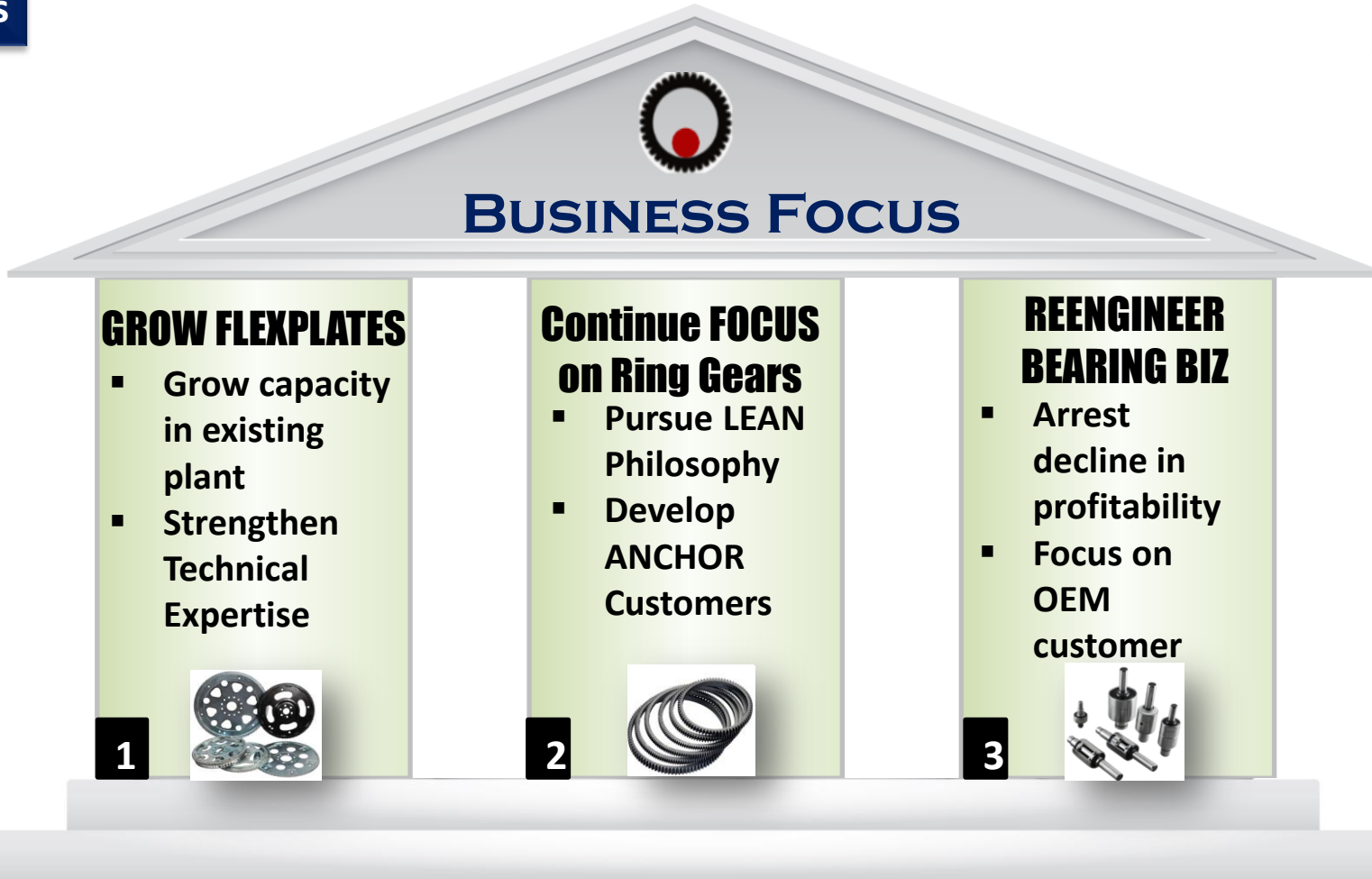
Optimization of manufacturing Assets

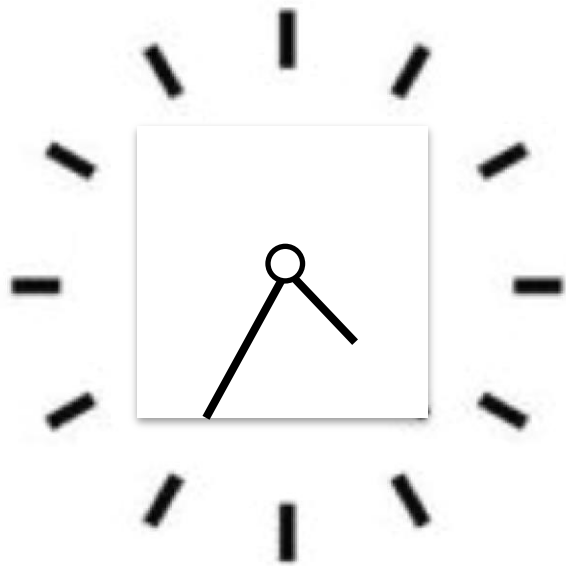
# Unlock Value (3/3)

Tier 1  
Customers



Tier 2  
Customers





**Q & A time**

