

# RELAXO

4<sup>th</sup> November, 2017

<b>BSE Ltd. Corporate Relationship Department 1st Floor New Trading Rotunda Building, P J Towers Dalal Street Fort, Mumbai – 400001</b>	<b>National Stock Exchange of India Ltd Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051</b>
<b>Scrip Code – 530517</b>	<b>Scrip Code – RELAXO</b>

**Sub: investor Presentation for the Quarter ended as on 30.09.17.**

Dear Sir,

Please find enclosed Investor Presentation for the Quarter ended as on 30.09.2017.

Thanking You,

For **RELAXO FOOTWEARS LIMITED**


**Vikas Kumar Tak**  
**Company Secretary**

## RELAXO FOOTWEARS LIMITED

**Registered Office:** Aggarwal City Square, Plot No. 10, Manglam Place,  
District Centre, Sector-3, Rohini, Delhi-110085. Phones: 46800 600, 46800 700  
Fax: 46800 692 E-mail: rfi@relaxofootwear.com  
**CIN L74899DL1984PLC019097**



# RELAXO FOOTWEARS LIMITED

Investor Presentation – November, 2017

**RELAXO**

# Safe Harbor

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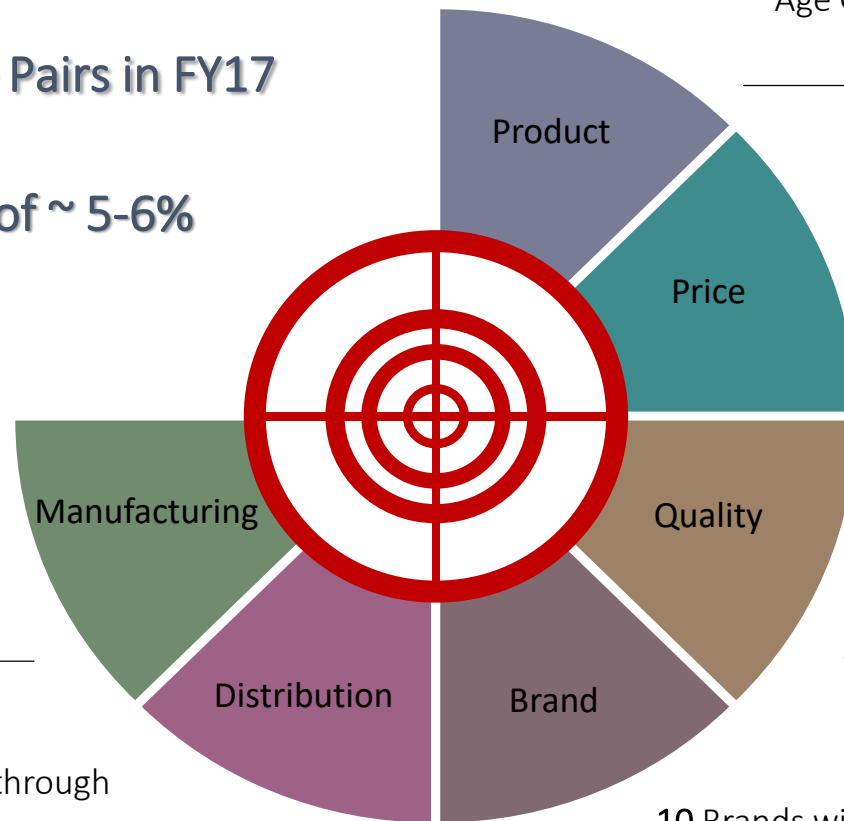
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# ***Our Strengths***

# Market Leaders

Sold **13.5** crore Pairs in FY17

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

~8 State of Art Manufacturing Plants with World Class Concepts

~50,000 Retailers served through distributors

277 COCO Stores

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

# Customer Relevant Products

## Market Research

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

## Product Innovation

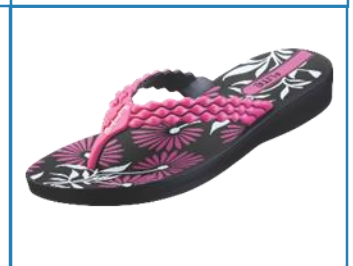
In-house design capability enables continuous Product Innovation around functionality. Launched innovative portal for employee engagement to source ideas for new product development

## Churn in Portfolio

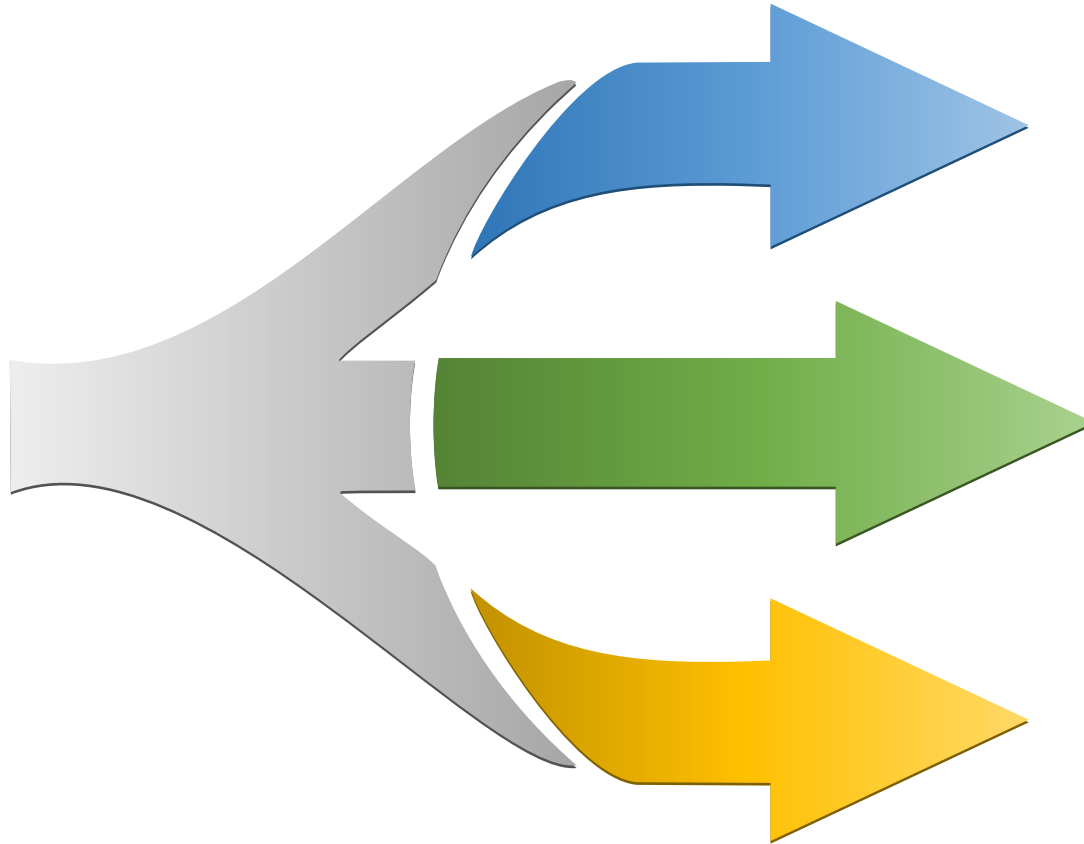
In-season launches with Optimal Product Portfolio. ~ 25% - 30% of the Portfolio is churned every year

## 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

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

Products are subject to:

- Random Testing
- Batch Testing
- Tactical Wear Testing

- ISO 9001:2008
- ISO 14001:2004
- BIS/SATRA Manufacturing Standards
- CLE (Council for Leather Export)



# Brand Spectrum



# Brand for all Categories

## Brand Overview

## Target Consumer

## Brand Ambassador



Most Popular Brand of Rubber / Eva slippers

All strata of the Society

Salman Khan



Fashionable and Light weight footwear

Fashion conscious consumers

Akshay Kumar



A range of sports and canvas shoes, sandals and slippers

Upwardly mobile youth




A trendy and fashionable flip-flops

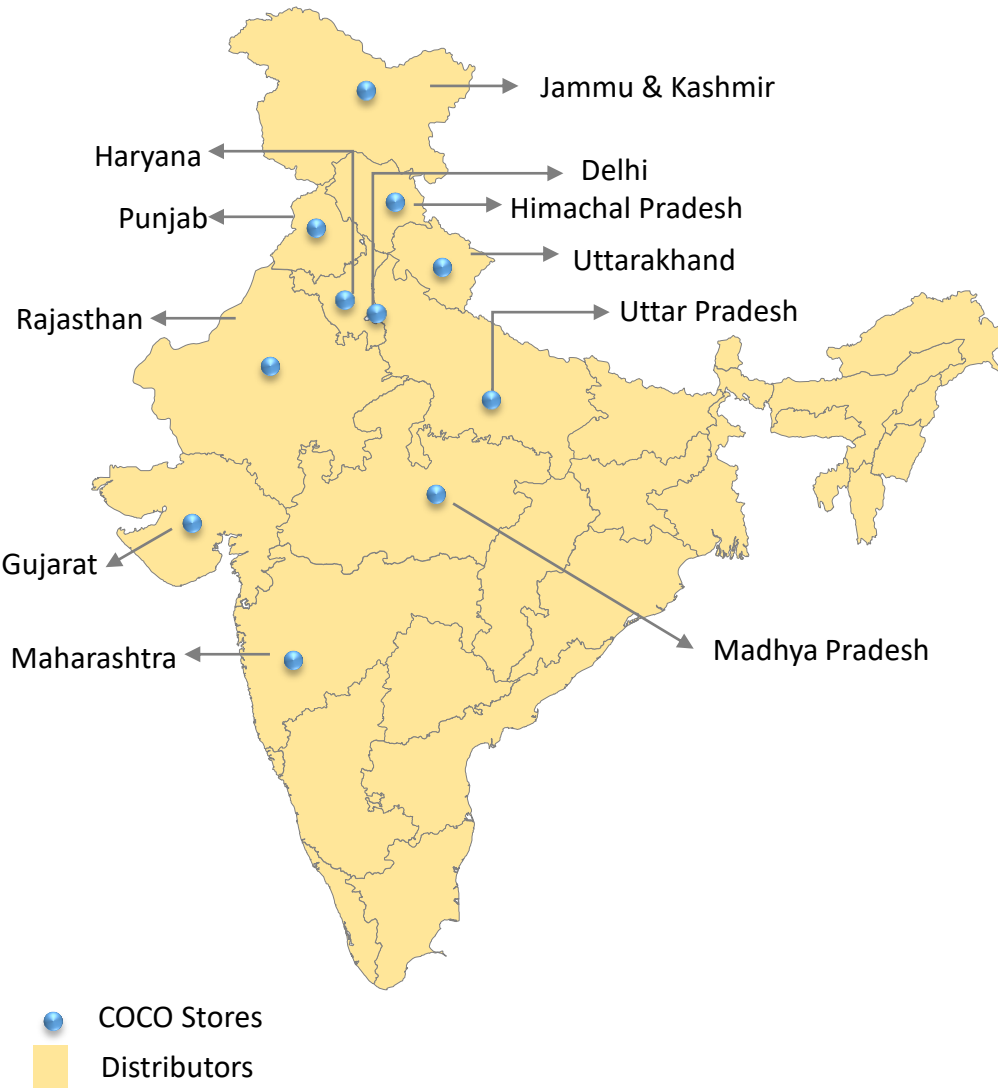
Contemporary generation




A range of school shoes for boys and girls

School Students

# Pan India Footprint



## Relaxo Retail Stores (COCO)

State	Number of Stores
Uttar Pradesh	74
Delhi	57
Punjab	38
Haryana	30
Himachal Pradesh	5
Rajasthan	20
Gujarat	14
Madhya Pradesh	15
Jammu & Kashmir	10
Uttarakhand	7
Maharashtra	6
Chandigarh	1
<b>Total</b>	<b>277</b>

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

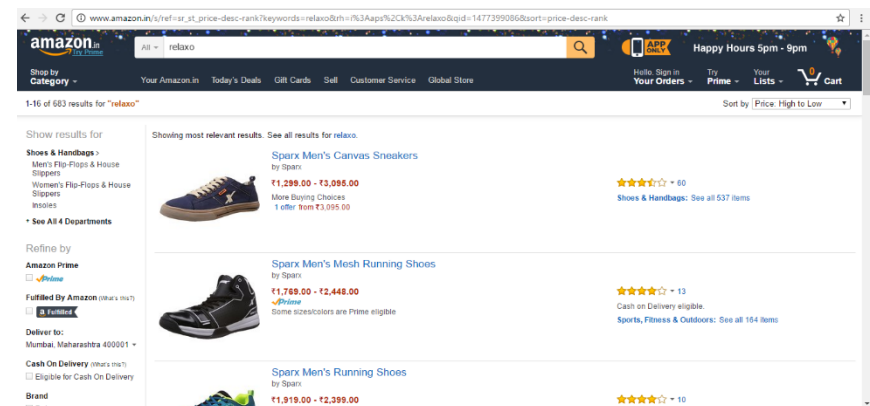
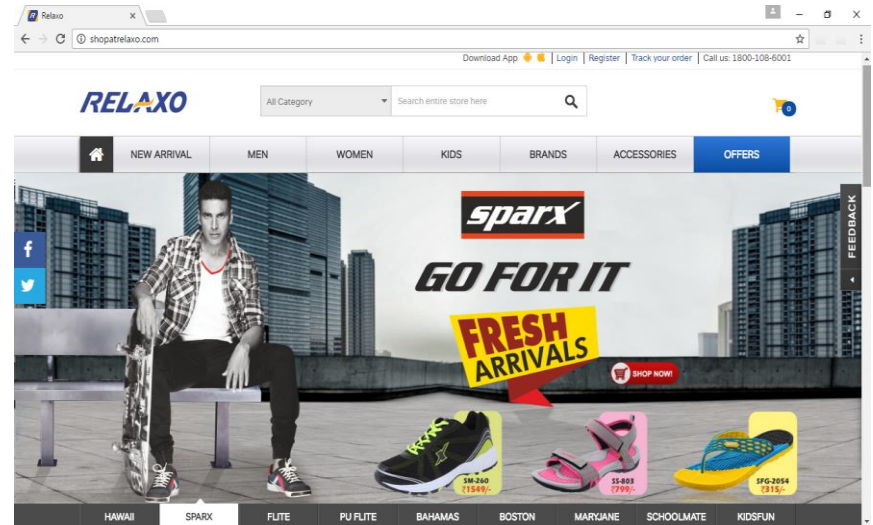


277 COCO Stores across India

Reach over ~ 50,000 + Retailers

Online Presence – [www.shopatrelaxo.com](http://www.shopatrelaxo.com)

Online Shopping Websites



# State-of-Art manufacturing facilities



Registered Office-  
Rohini, Delhi



RFL I & II- Bahadurgarh



RFL III - Bhiwadi



RFL IV - Bahadurgarh



RFL V - Haridwar



RFL VI - Bahadurgarh



RFL VII - Bahadurgarh



RFL VIII - Bahadurgarh



# Awards & Accolades



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



by **BUSINESS WORLD**

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



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



Mr. Ramesh Kumar Dua  
amongst **India's Best CEO**  
Business Today 2014



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



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  
2014-15



1st Place for Excellent  
Export Performance  
Council for Leather Exports  
2013-14

# Awards & Accolades

## 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

dun & bradstreet



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

### Safety Rating



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

## Year 2015



BT 500 : 500 India's Most Valuable Company  
[Average Market Capitalization]  
Business Today 2015



India's Fastest Growing Company  
[Rank 74]  
Business World 2014-15



The Next 500  
[Rank 188]  
Fortune India  
2015

dun & bradstreet

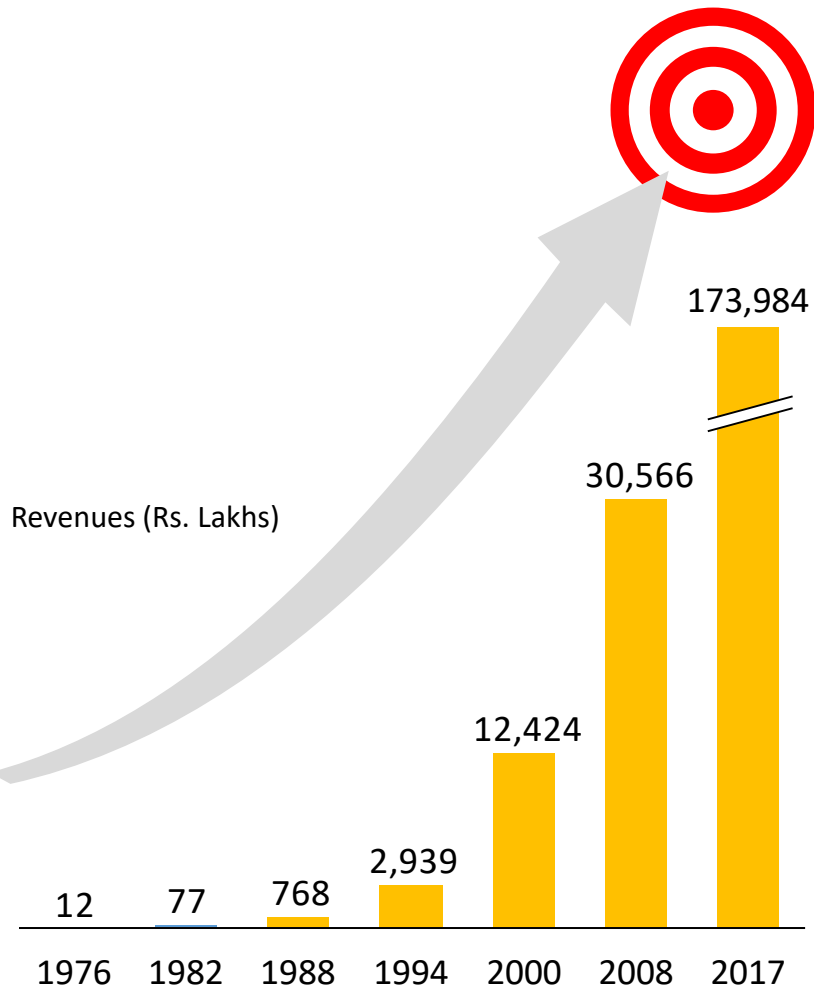


India's Top 500 Company  
[Total Income]  
Dun & Bradstreet  
2015

# *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: 1<sup>st</sup> 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: 250<sup>th</sup> COCO Store opens

2017: Revamp of the RELAXO Brand

# Board of Directors

## Ramesh Kumar Dua, Managing Director

- Over 41 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 44 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 21 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 36 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 33 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 Kerala 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 29 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 15 years of experience in Sales & Marketing.

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

MBA having over 16 years of experience in Finance, HR & IT

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

MBA having over 13 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 29 years of experience in Sales & Marketing

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

FCA having over 26 years of experience in Finance, Taxation, Fund raising and Management

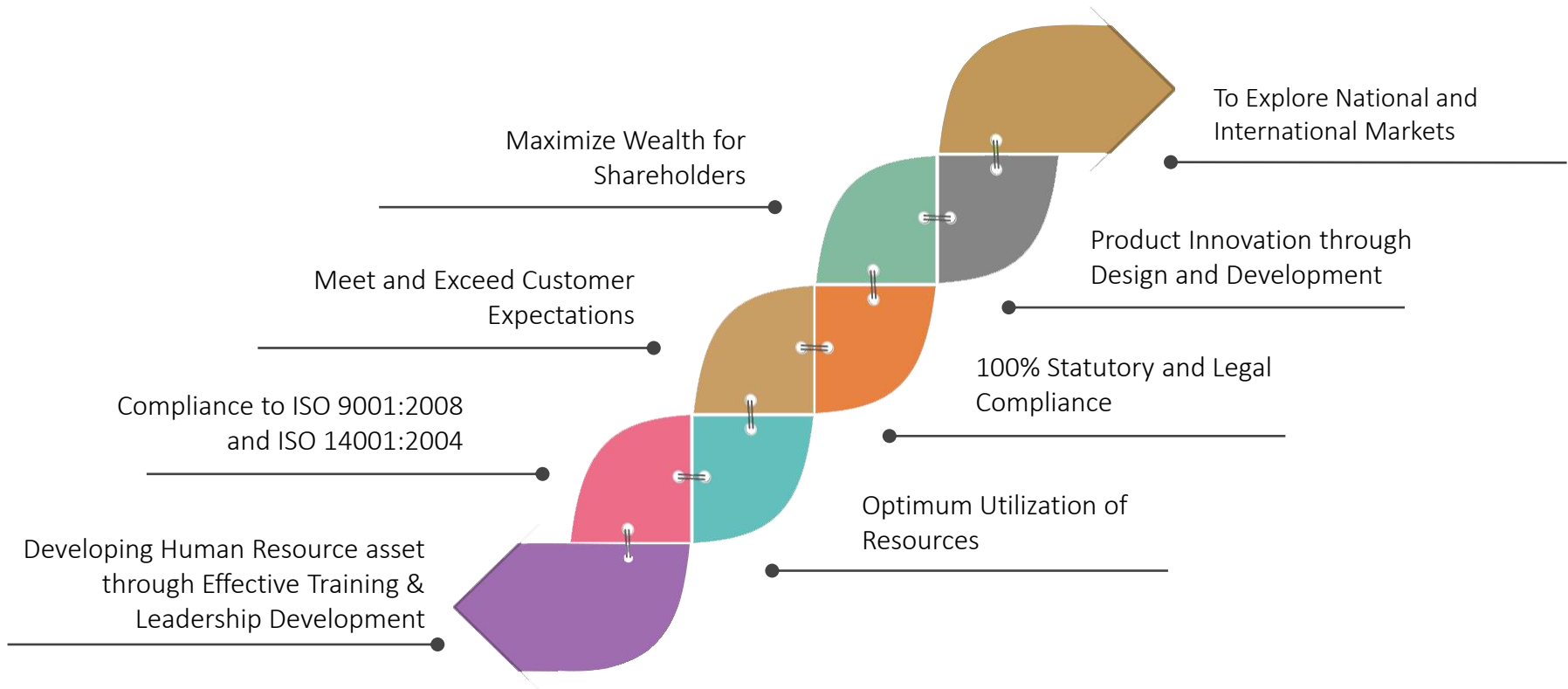
**Mr. HR Sapra,  
VP - Materials**

BE having over 44 years of experience in Materials & Procurement

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

Graduate having over 7 years of experience in Manufacturing.

# Corporate Objectives



# ***Growth Potential***

# Huge Industry Potential



# Future Ready

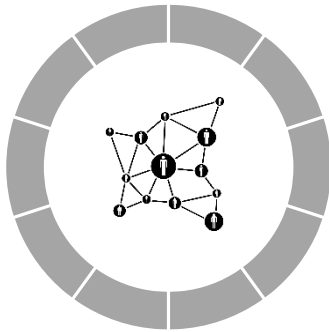
## Manufacturing Excellence

- Lean Manufacturing
- Maynard Operation Sequence Technique (MOST)



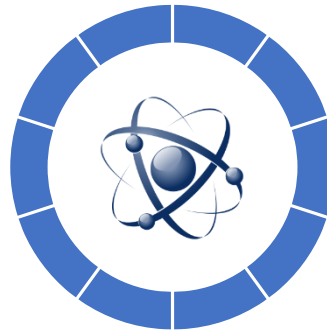
## Technology & Innovation

- 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

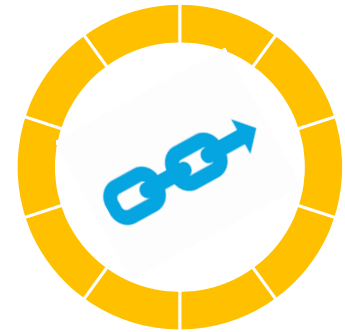


## Sales & Distribution

- Channel Management Initiatives
- Strengthened CDCs & RDCs operations
- Modern Trade and E-Commerce Platform

## Cost Optimization

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



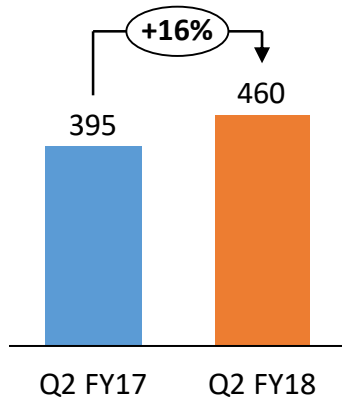
# *Financial Performance*



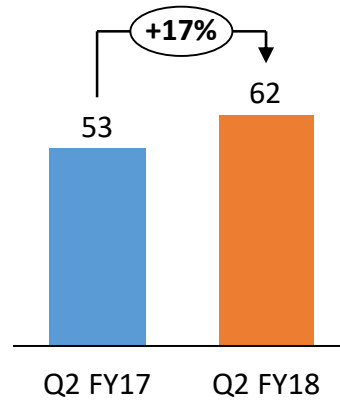
# Q2 FY18 : Performance Highlights

Rs. in Crores

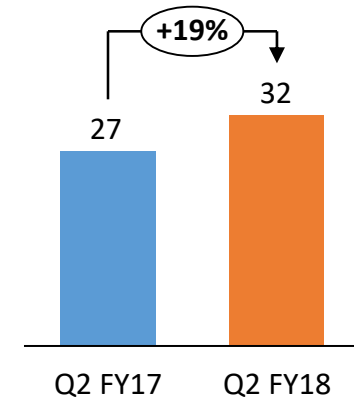
## Revenue



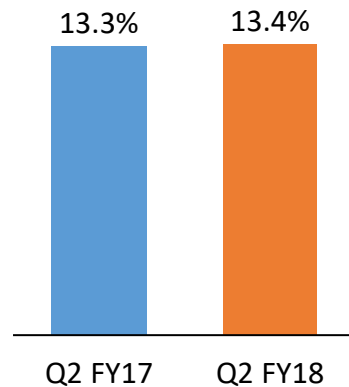
## EBITDA



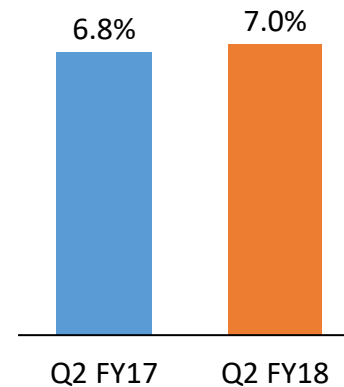
## PAT



## EBITDA (%)



## PAT (%)

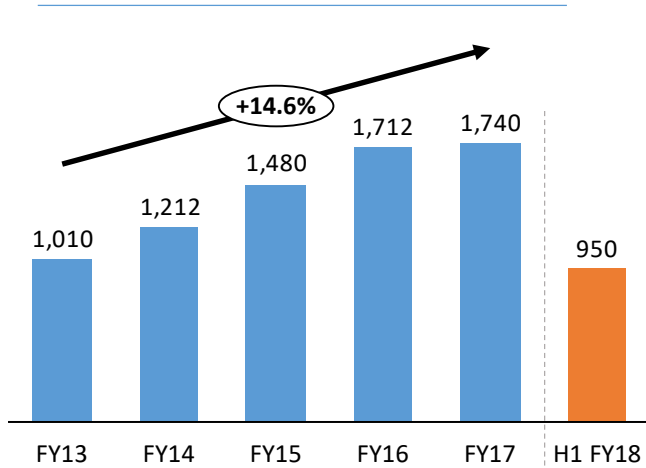


The Financial Results for Q2 FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

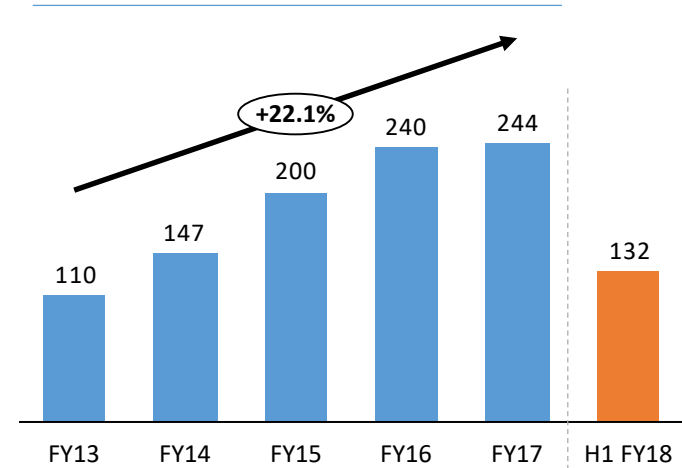
# Annual Performance Highlights

Rs. in Crores

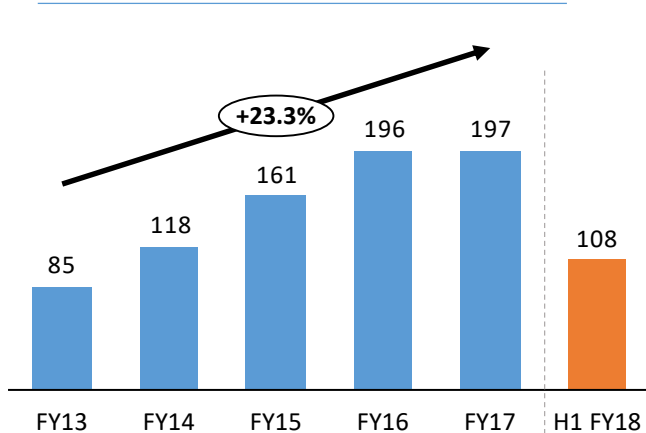
## Revenue



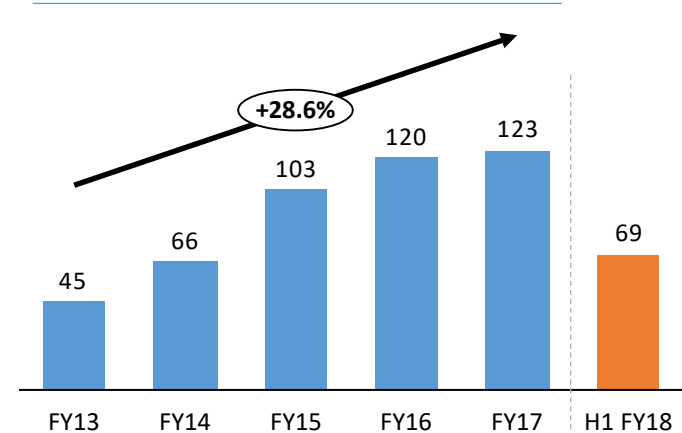
## EBITDA



## EBIT

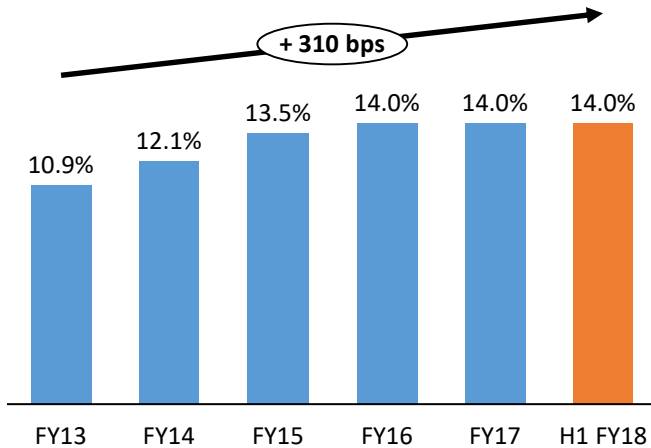


## PAT

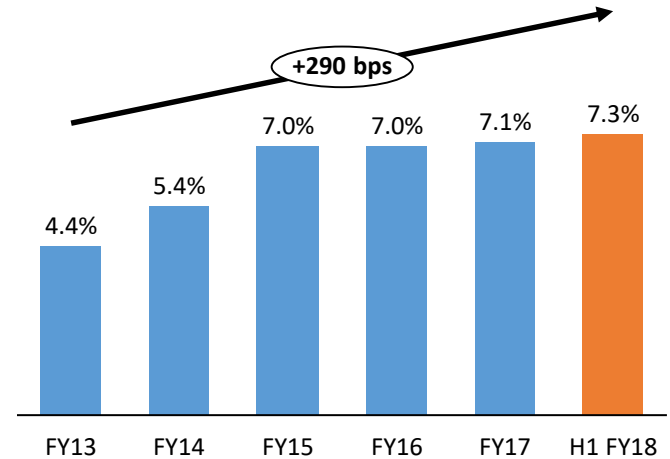


# Operational Efficiencies

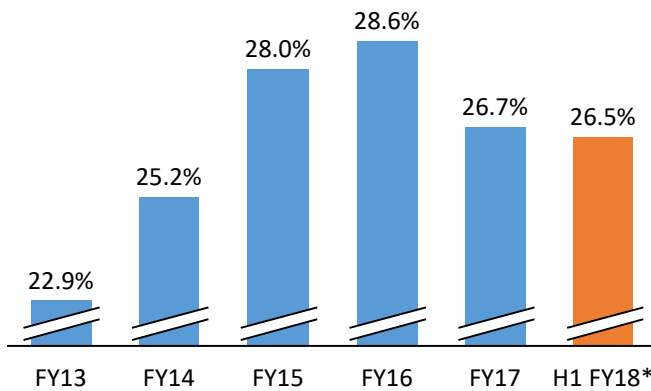
## EBITDA (%)



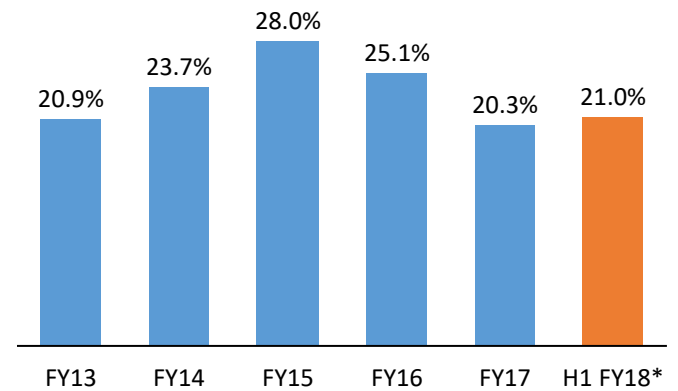
## PAT (%)



## RoCE (%)



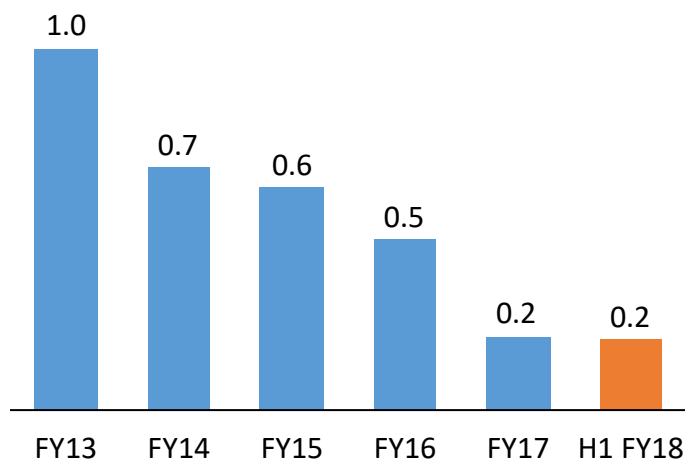
## RoE (%)



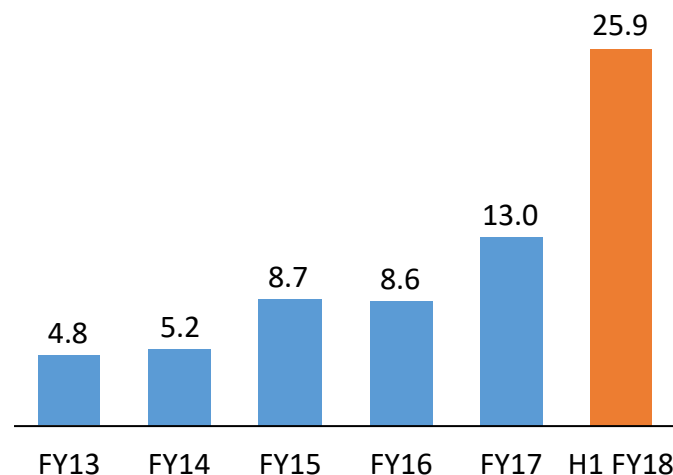
\* On Annualised Basis

# 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	A+ 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 – Q2 FY18

Particulars (Rs. Crs)	Q2 FY18	Q2 FY17	Y-o-Y
<b>Revenue from Operations</b>	<b>460*</b>	<b>395</b>	<b>16%</b>
Total Raw Material	207	176	
Employee Expenses	52	43	
Excise Duty	0	5	
Other Expenses	139	119	
<b>EBITDA</b>	<b>62</b>	<b>53</b>	<b>17%</b>
<b>EBITDA %</b>	<b>13.4%</b>	<b>13.3%</b>	
Other Income	1	3	
Depreciation	14	13	
<b>EBIT</b>	<b>49</b>	<b>43</b>	<b>15%</b>
<b>EBIT (%)</b>	<b>10.8%</b>	<b>10.8%</b>	
Finance Cost	2	4	
<b>Profit before Tax</b>	<b>48</b>	<b>39</b>	<b>22%</b>
Tax	16	12	
<b>Profit after Tax</b>	<b>32</b>	<b>27</b>	<b>19%</b>
<b>PAT %</b>	<b>7.0%</b>	<b>6.8%</b>	
EPS	2.67	2.25	

\* Revenue from operations is net of GST

The Financial Results for Q2 FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

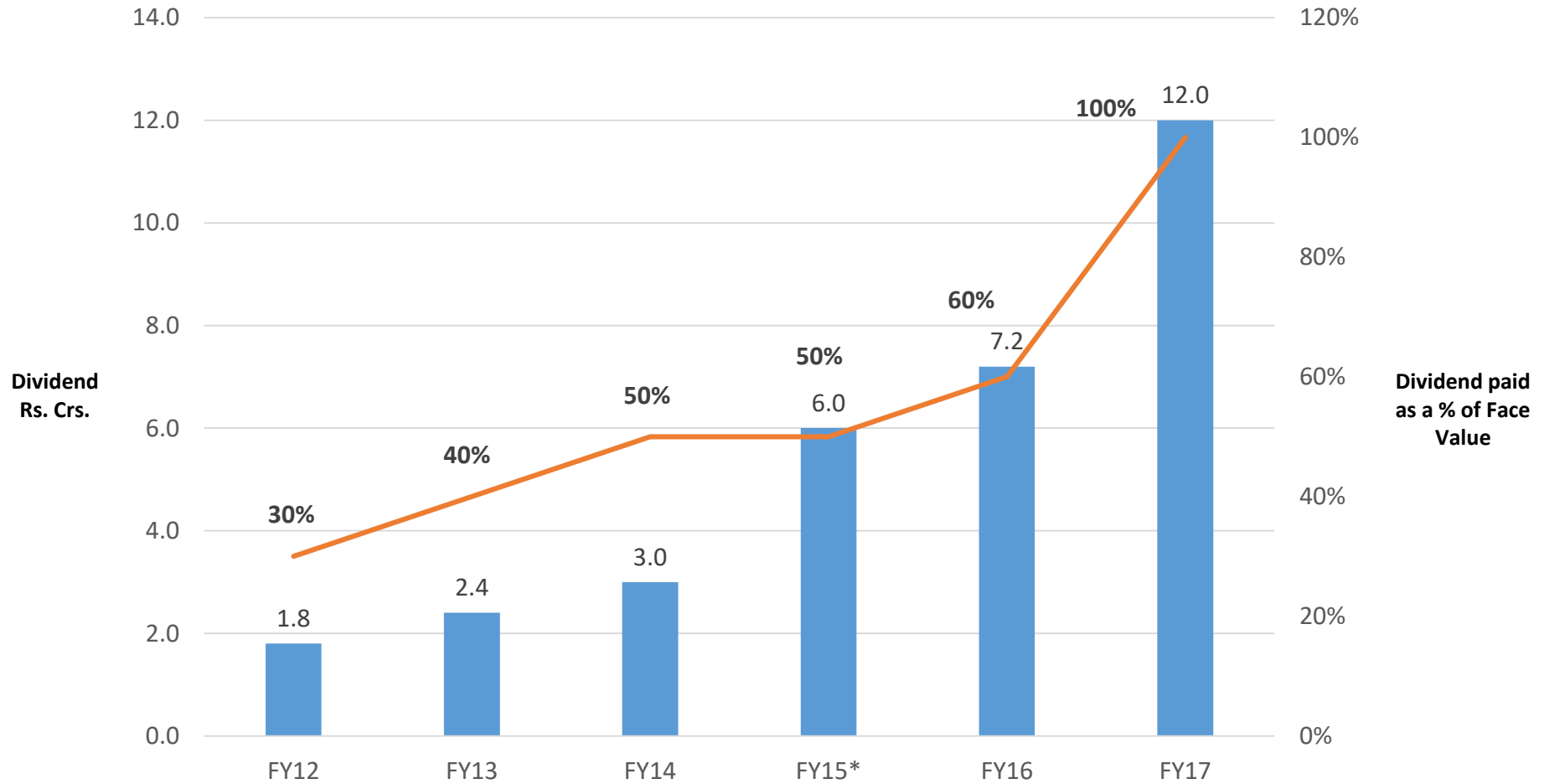
# Balance Sheet – H1 FY18

Particulars (Rs. Crs.)	Sept – 17
Equity Share Capital	12
Other Equity	650
<b>Equity</b>	<b>662</b>
Financial Liabilities	
Borrowings	53
Other Financial Liabilities	0
Provisions	10
Deferred Tax Liabilities (Net)	24
<b>Non Current Liabilities</b>	<b>87</b>
Financial Liabilities	
Borrowings	98
Trade Payables	157
Other Financial Liabilities	90
Other Current Liabilities	75
Provisions	17
Current Tax Liabilities (Net)	6
<b>Current Liabilities</b>	<b>442</b>
<b>Total Equity and Liabilities</b>	<b>1,191</b>

Particulars (Rs. Crs.)	Sept – 17
Property, Plant and Equipment	454
Capital Work-in-Progress	90
Other Intangible Assets	73
Intangible Assets under Development	1
Financial Assets	
Investments	1
Loans	15
Other Financial Assets	1
Other Non Current Assets	12
<b>Non Current Assets</b>	<b>646</b>
Inventories	321
Financial Assets	
Trade Receivables	162
Cash and Cash Equivalents	1
Other Bank Balances	0
Loans	0
Other Financial Assets	3
Other Current Assets	57
<b>Current Assets</b>	<b>546</b>
<b>Total Assets</b>	<b>1,191</b>

The Financial Results for H1 FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

# Consistent Dividend Paying



\* Post Bonus

**For further information, please contact:**

**Company :**

**Investor Relations Advisors :**

**Relaxo Footwears Limited**  
CIN: L74899DL1984PLC019097

**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

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