

# RELAXO

September 3, 2018

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

**Sub: Investor Presentation on Un-Audited Financial Results for the Quarter ended as on 30<sup>th</sup> June, 2018.**

Dear Sir,

Please find enclosed Investor Presentation on Un-Audited Financial Results for the Quarter ended as on 30<sup>th</sup> June, 2018.

Request you to please take the above mentioned information on your record.

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: rfl@relaxofootwear.com  
**CIN L74899DL1984PLC019097**



# RELAXO FOOTWEARS LIMITED

Investor Presentation – September, 2018

**RELAXO**

# Safe Harbor

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Relaxo Footwears Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

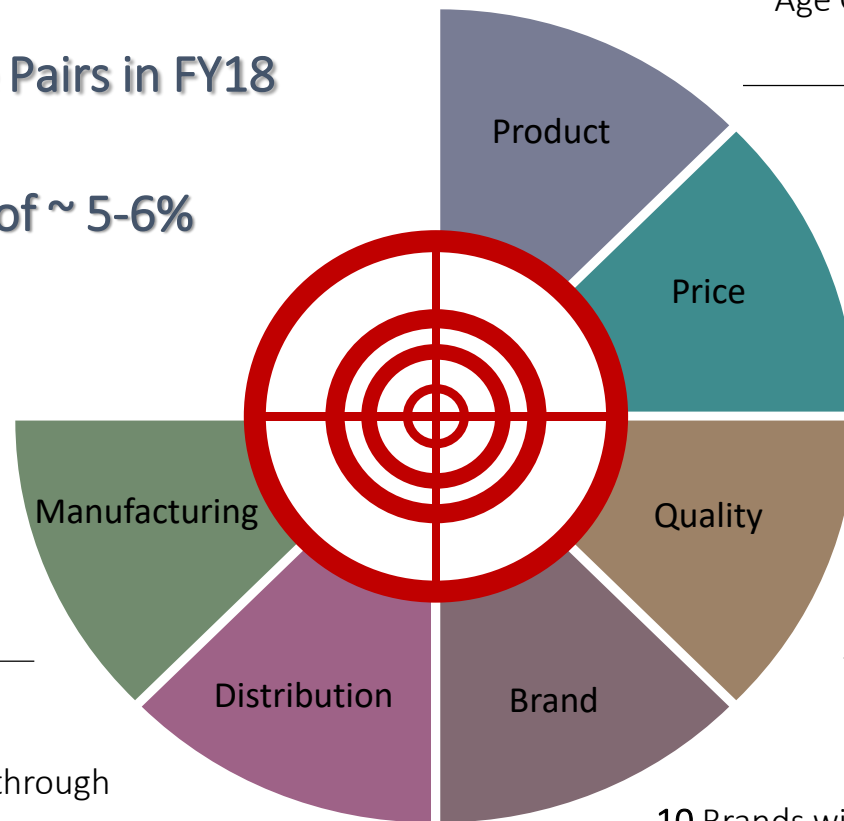
Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

# ***Our Strengths***

# Market Leaders

Sold **15.7** crore Pairs in FY18

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

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

~9 State of Art Manufacturing Plants with World Class Concepts

~50,000 Retailers served through distributors  
311 Retail Stores

# 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

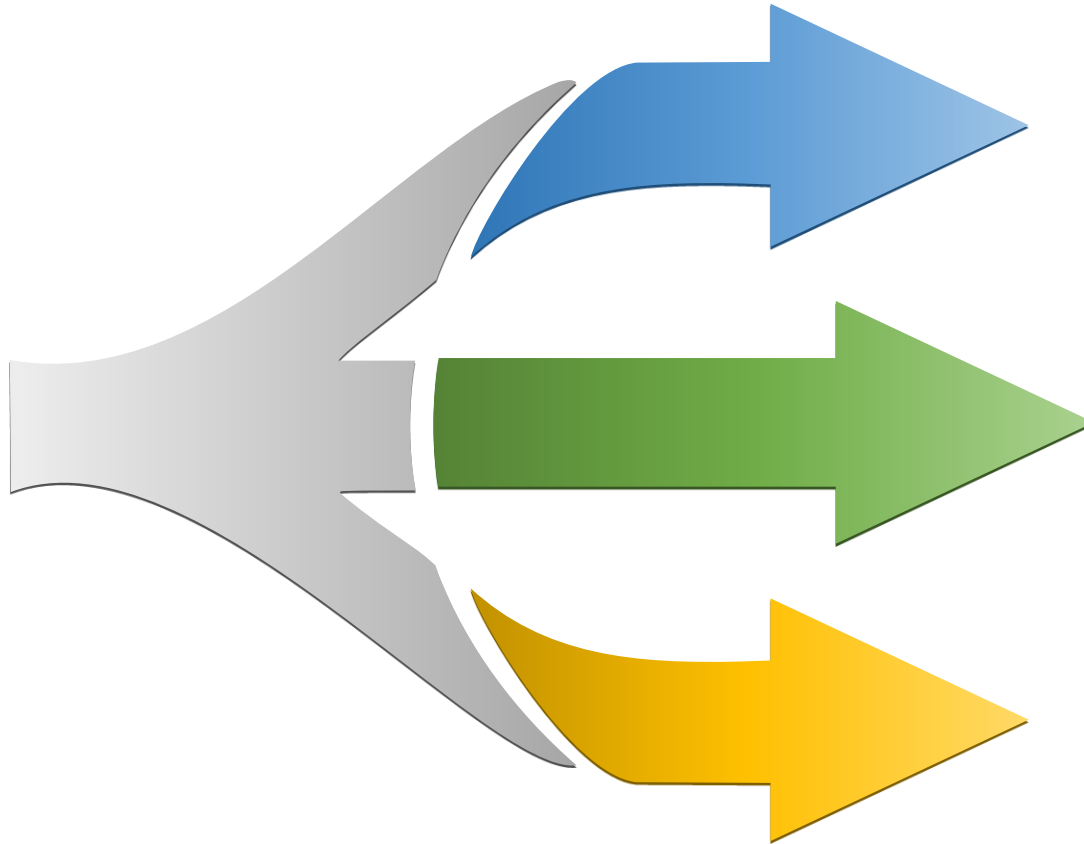


## SKUs

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

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

Products are subject to:

- Random Testing
- Batch Testing
- Tactical Wear Testing

- ISO 9001:2015
- ISO 14001:2015
- ISO 18001:2007
- 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

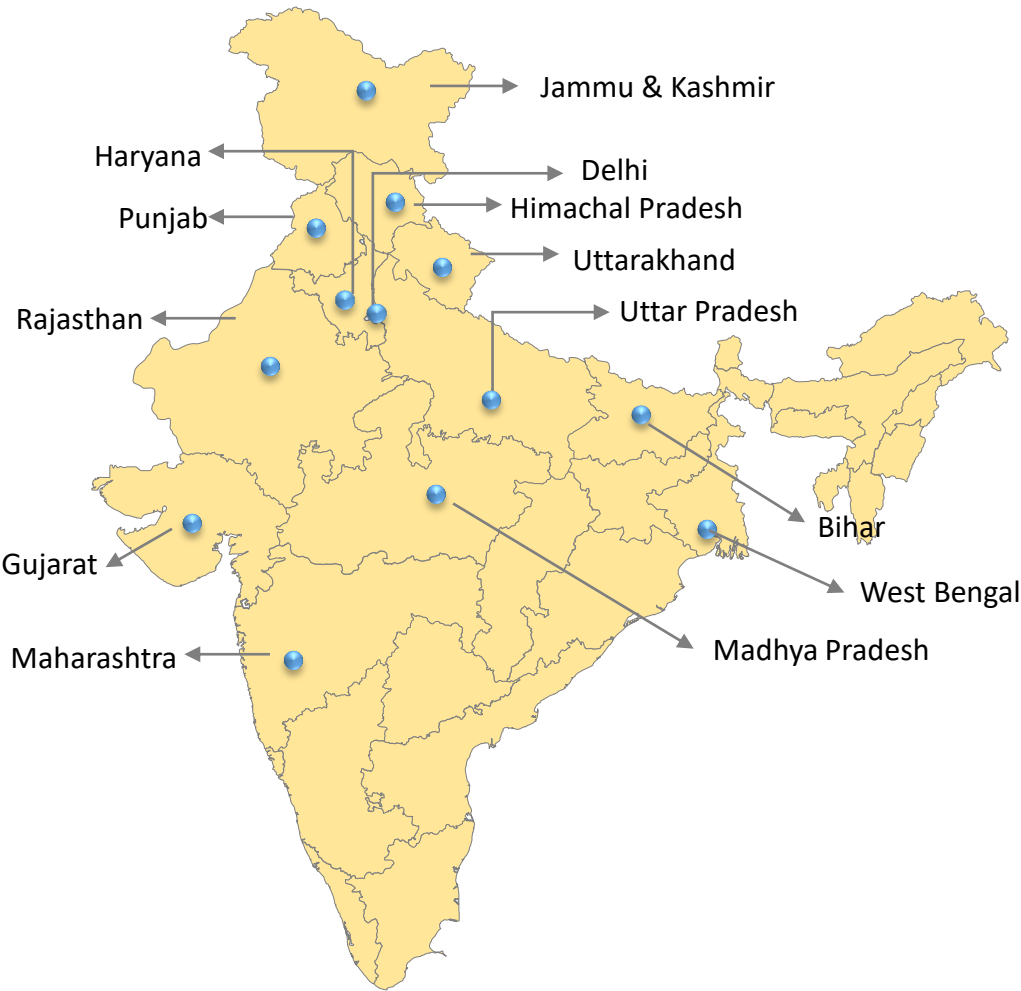
Contemporary generation




A range of school shoes for boys and girls

School Students

# Pan India Footprint



● Retail Stores  
 ■ Distributors

## Relaxo Retail Stores

State	Number of Stores
Uttar Pradesh	81
Delhi	56
Punjab	40
Haryana	31
Himachal Pradesh	7
Rajasthan	22
Gujarat	12
Madhya Pradesh	22
Jammu & Kashmir	10
Uttarakhand	8
Maharashtra	8
Bihar	10
West Bengal	2
Chandigarh	1
Manipur	1
<b>Total</b>	<b>311</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



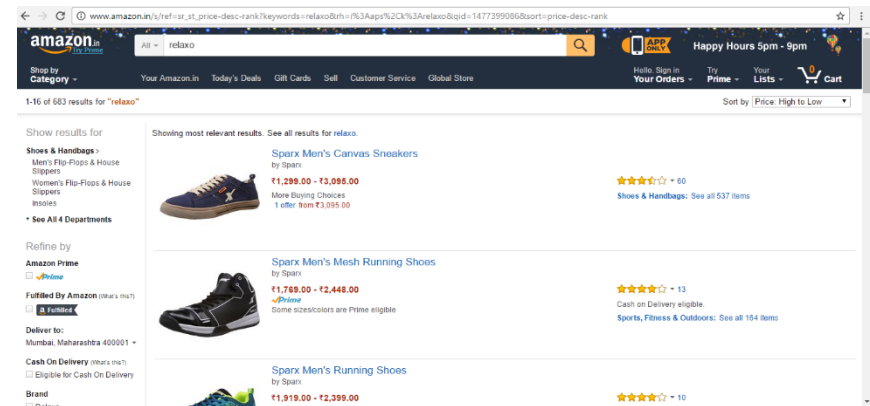
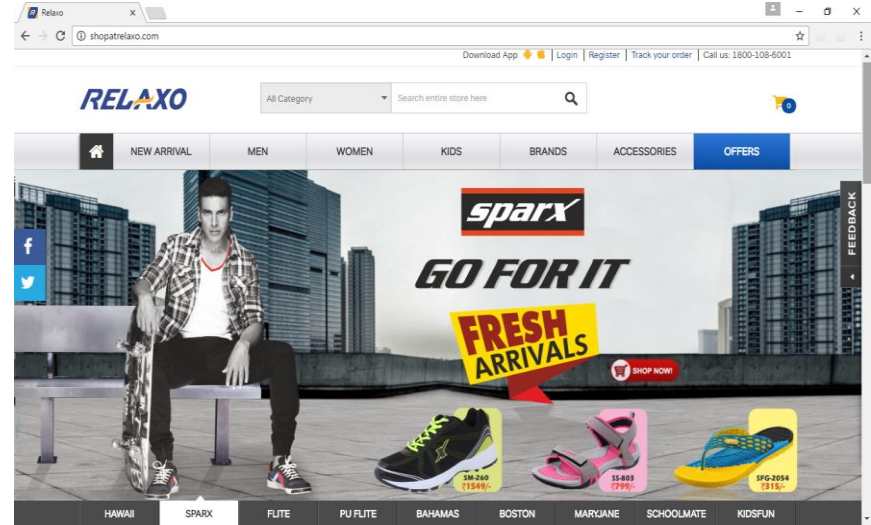
311 Retail Stores across India

Reach over ~ 50,000 + Retailers

1 overseas office

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

Online Shopping Websites



# State-of-Art manufacturing facilities



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



# Awards & Accolades



Mr. Ramesh Kumar Dua  
Finalist amongst India's Best CEO-2017 by EY



Mr. Ramesh Kumar Dua  
awarded as India's Best CEO (Consumer Goods) :  
Business Today - 2017



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



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



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



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  
2016-17



1st Place for Excellent  
Export Performance  
Council for Leather Exports  
2015-16

# Awards & Accolades

## Year 2017



Relaxo  
India's Top 50 Company  
Forbes

dun & bradstreet



India's Top 500 Company  
[Total Income]  
Dun & Bradstreet 2017

Safety Rating



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

## 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



ET 500 :  
Future Ready Company  
The Economic Times 2016

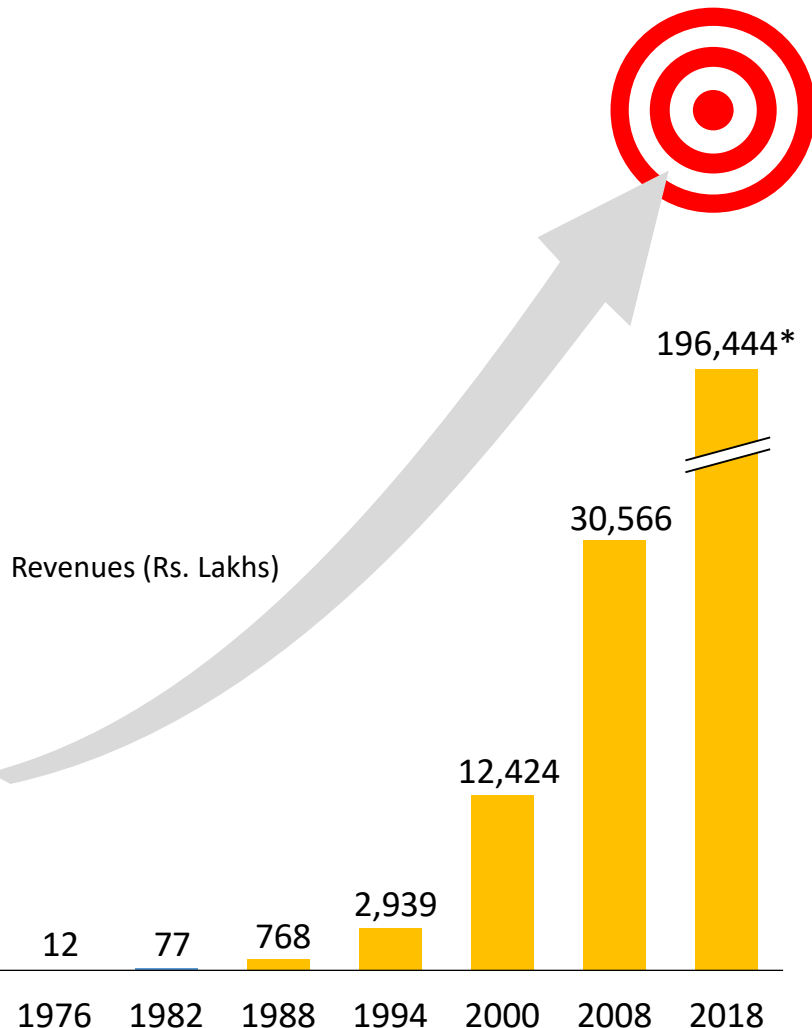


Making It Big  
CNBC TV 18  
HSBC 2016

# *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

- 5S activities in all Plants

2018: 300<sup>th</sup> Retail Store opens

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

# Board of Directors

## Ramesh Kumar Dua, Managing Director

- Over 42 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 45 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 22 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 37 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 34 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 30 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 17 years of experience in Sales & Marketing.

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

MBA having over 18 years of experience in Finance, HR & IT

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

MBA having over 14 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 30 years of experience in Sales & Marketing

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

FCA having over 27 years of experience in Finance, Taxation, Fund raising and Management

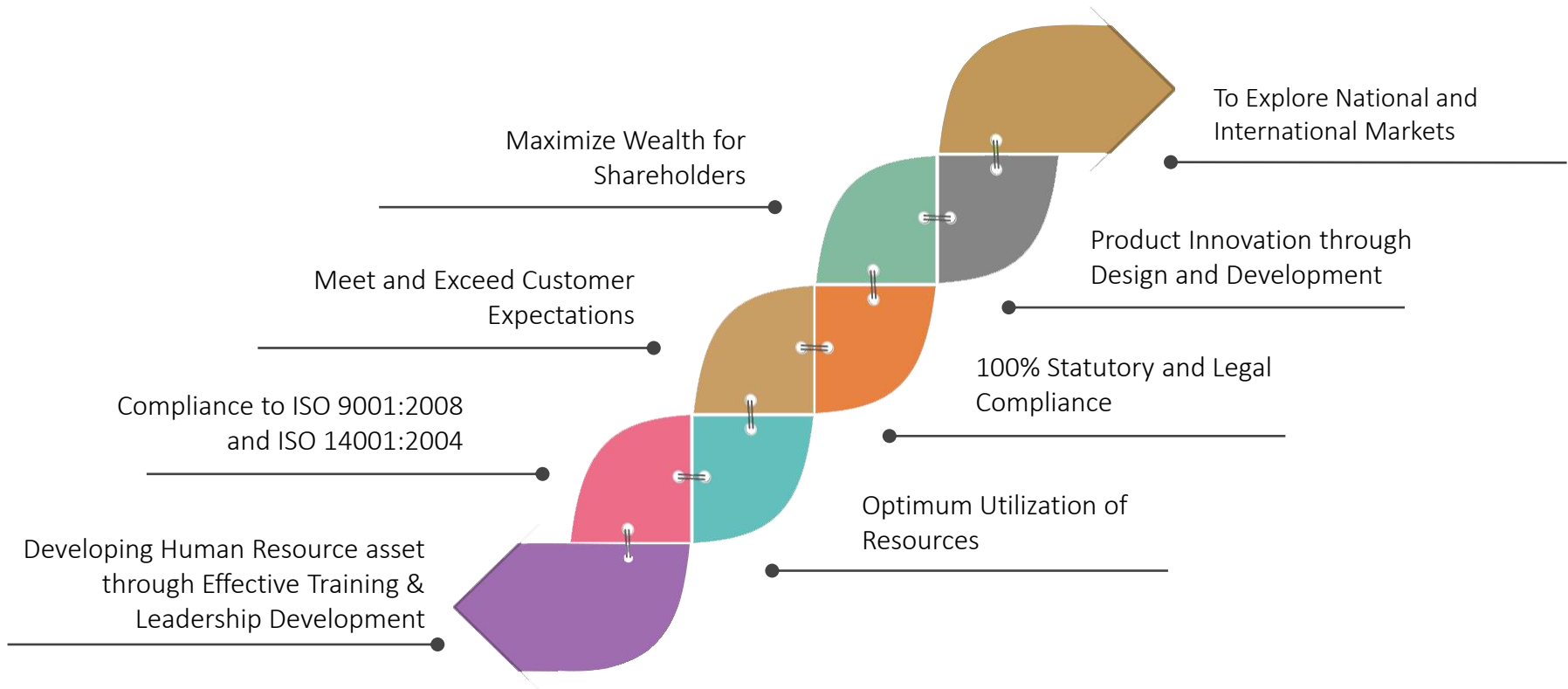
**Mr. HR Sapra,  
Senior VP - Materials**

BE having over 45 years of experience in Materials & Procurement

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

Graduate having over 8 years of experience in Manufacturing

# Corporate Objectives



# ***Growth Potential***

# Huge Industry Potential



# Future Ready

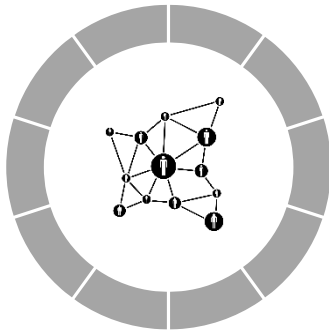
## Manufacturing Excellence

- Lean Manufacturing
- Maynard Operation Sequence Technique (MOST)
- Yield Improvement



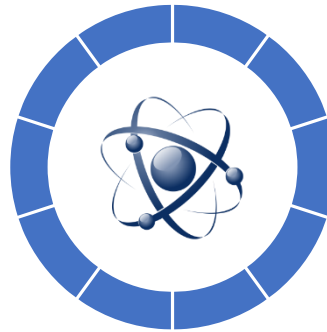
## Technology & Innovation

- 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
- Optimised Cost & Ideal SLA

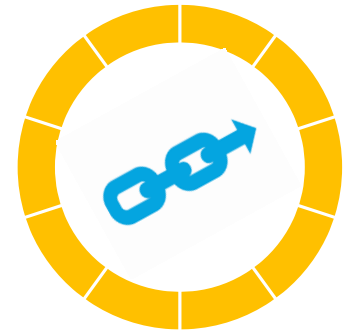


## Sales & Distribution

- Channel Management Initiatives
- Distribution consolidation & footprint extension
- Modern Trade and E-Commerce Platform

## Cost Optimization

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



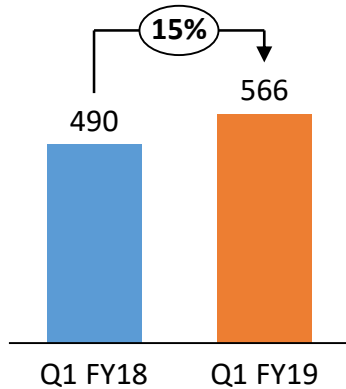
# *Financial Performance*



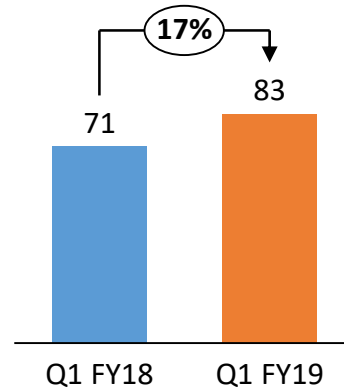
# Q1 FY19 : Performance Highlights

Rs. in Crores

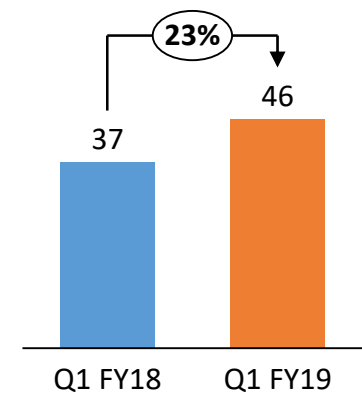
## Revenue



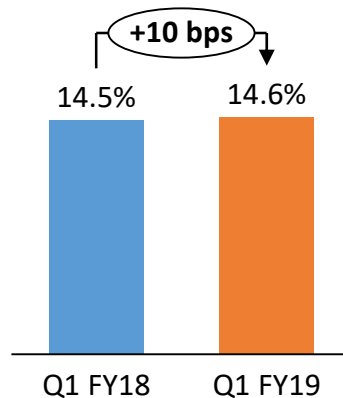
## EBITDA



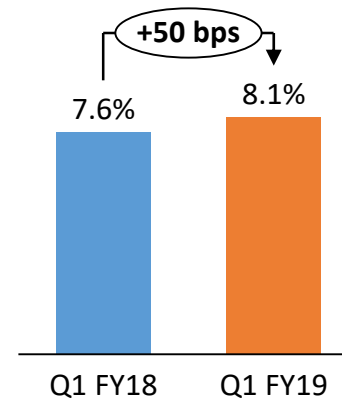
## PAT



## EBITDA (%)



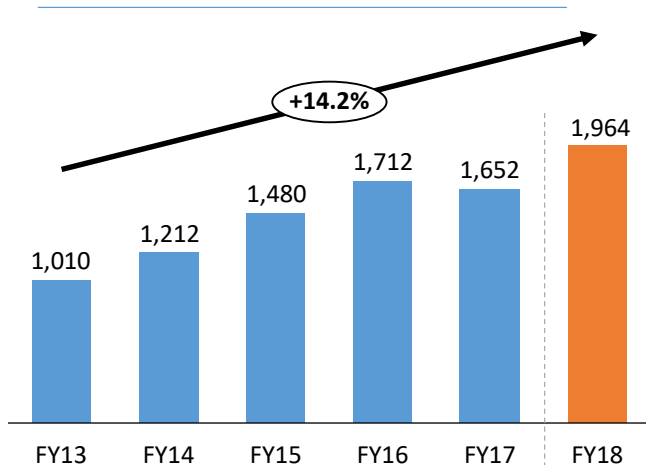
## PAT (%)



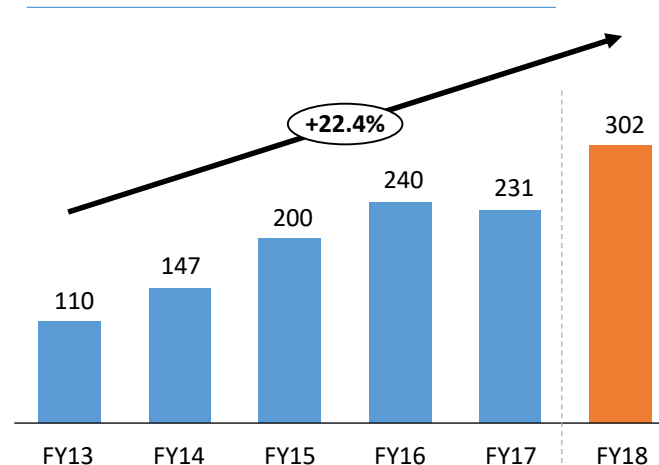
# Annual Performance Highlights

Rs. in Crores

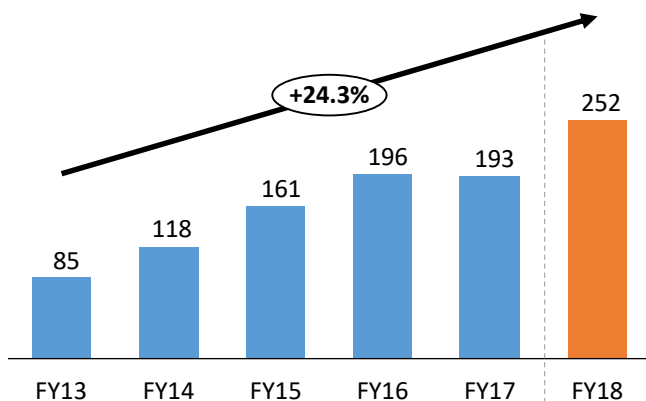
## Revenue



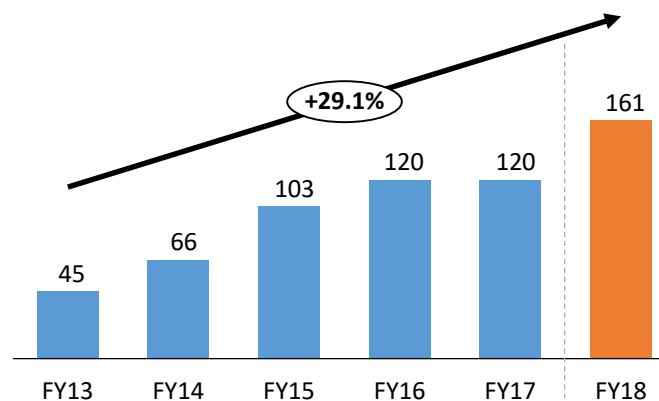
## EBITDA



## EBIT



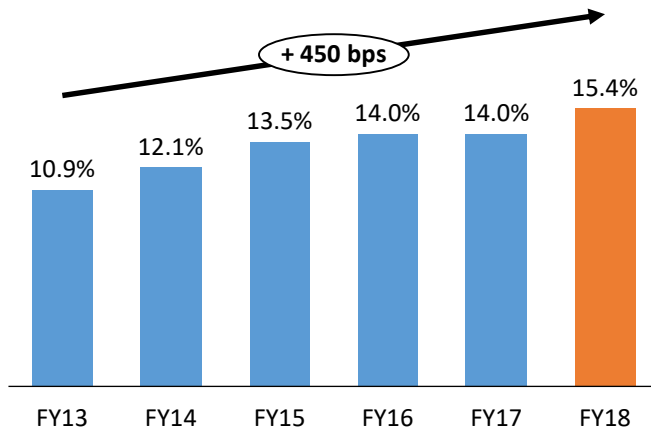
## PAT



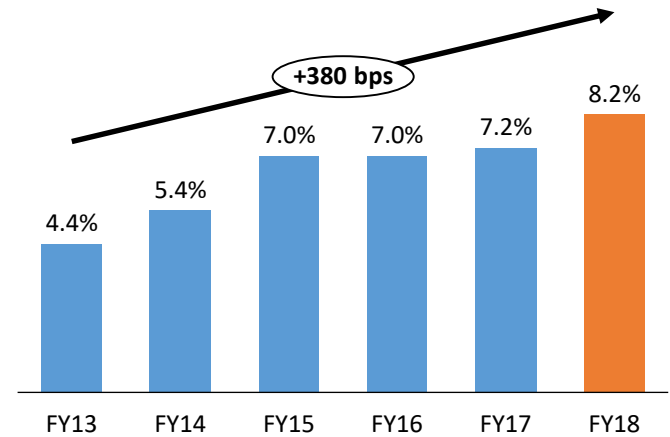
The Financial Results for FY17 and FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

# Operational Efficiencies

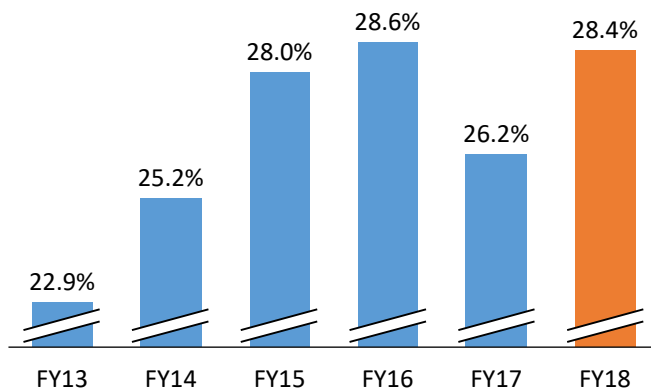
## EBITDA (%)



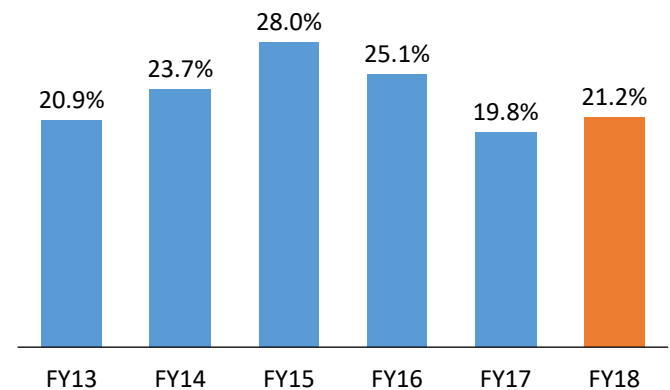
## PAT (%)



## RoCE (%)



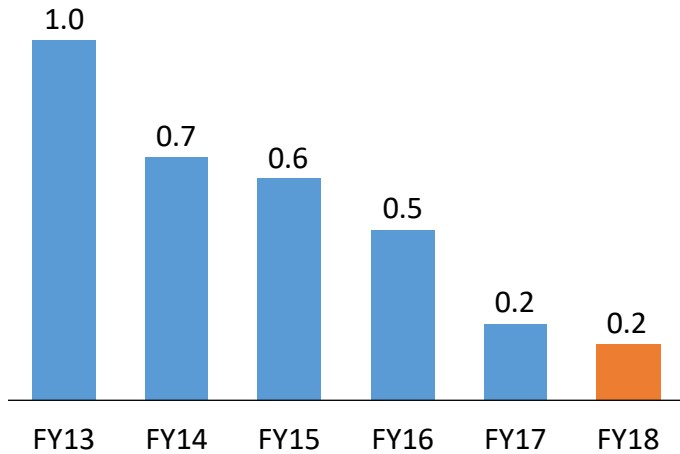
## RoE (%)



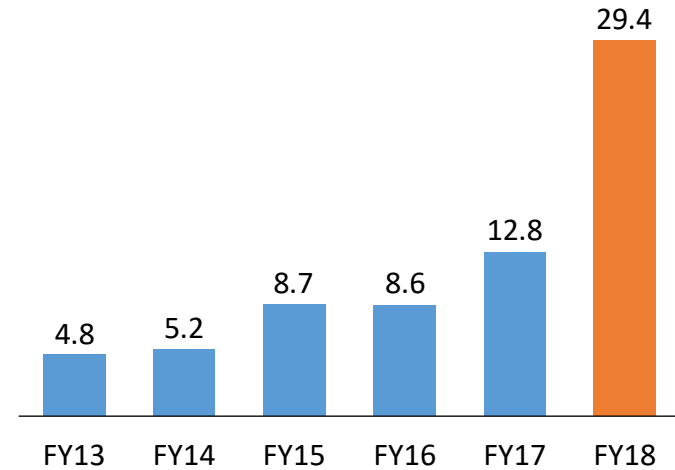
The Financial Results for FY17 and FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

# 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	AA- 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 – Q1 FY19

Particulars (Rs. Crs)	Q1 FY19	Q1 FY18	Y-o-Y	FY18
<b>Revenue from Operations</b>	<b>566*</b>	<b>490</b>	<b>15%</b>	<b>1,964*</b>
Total Raw Material	261	221		883
Employee Expenses	65	48		214
Excise Duty	-	8		8
Other Expenses	158	143		558
<b>EBITDA</b>	<b>83</b>	<b>71</b>	<b>17%</b>	<b>302</b>
<b>EBITDA %</b>	<b>14.6%</b>	<b>14.5%</b>		<b>15.4%</b>
Other Income	2	1		4
Depreciation	14	13		54
<b>EBIT</b>	<b>71</b>	<b>58</b>	<b>22%</b>	<b>252</b>
<b>EBIT (%)</b>	<b>12.6%</b>	<b>11.9%</b>		<b>12.8%</b>
Finance Cost	2	2		9
<b>Profit before Tax</b>	<b>69</b>	<b>56</b>	<b>24%</b>	<b>244</b>
Tax	23	19		83
<b>Profit after Tax</b>	<b>46</b>	<b>37</b>	<b>23%</b>	<b>161</b>
<b>PAT %</b>	<b>8.1%</b>	<b>7.6%</b>		<b>8.2%</b>
EPS	3.82	3.11		13.40

\* Revenue from operations is net of GST

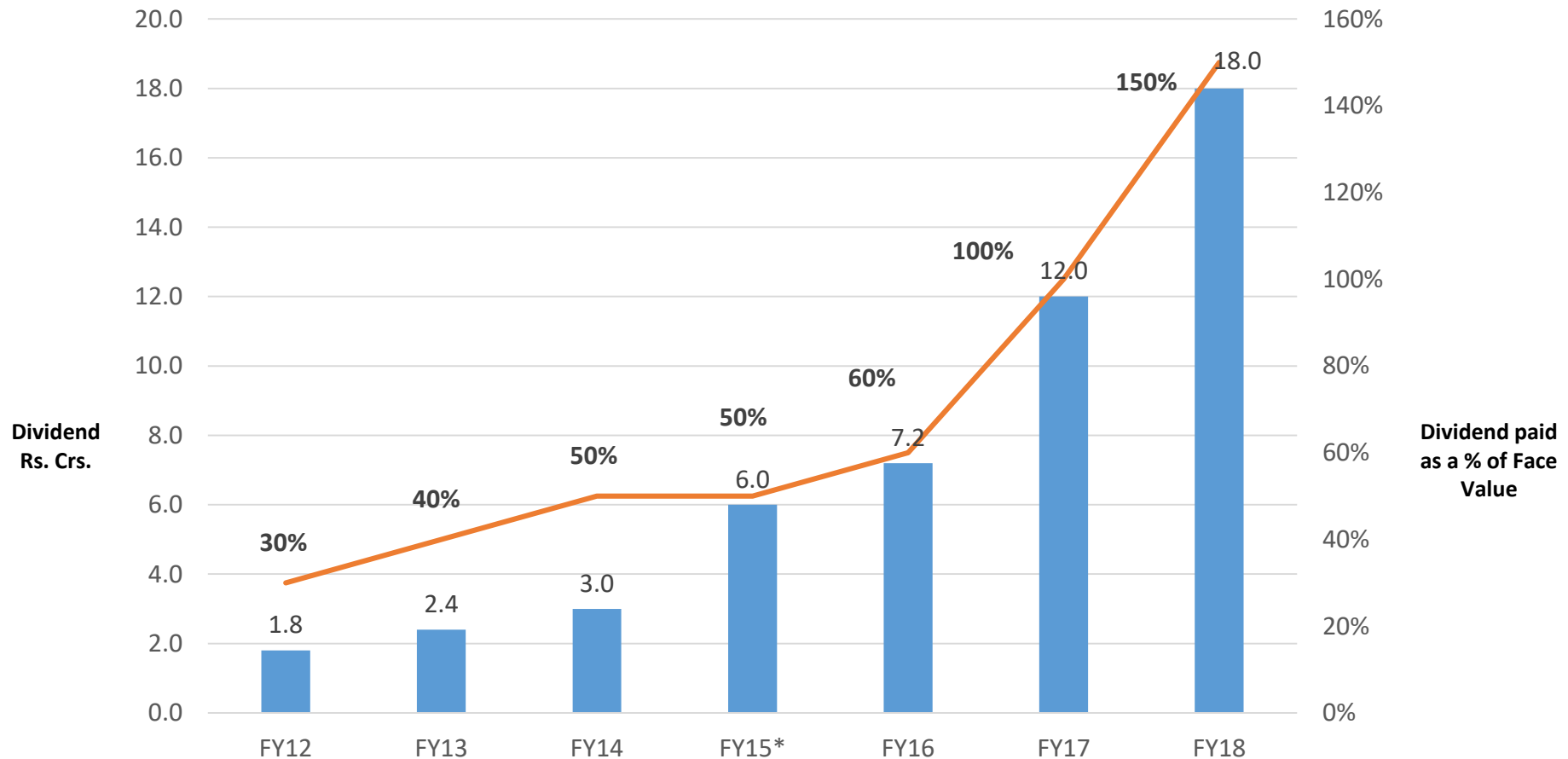
# Balance Sheet

Particulars (Rs. Crs.)	March – 18	March-17
Equity Share Capital	12	12
Other Equity	749	594
<b>Equity</b>	<b>761</b>	<b>606</b>
Financial Liabilities		
Borrowings	39	71
Other Financial Liabilities	1	0
Provisions	8	7
Deferred Tax Liabilities (Net)	26	26
<b>Non Current Liabilities</b>	<b>74</b>	<b>104</b>
Financial Liabilities		
Borrowings	86	61
Trade Payables	175	126
Other Financial Liabilities	93	99
Other Current Liabilities	70	70
Provisions	7	2
Current Tax Liabilities (Net)	3	1
<b>Current Liabilities</b>	<b>433</b>	<b>360</b>
<b>Total Equity and Liabilities</b>	<b>1,269</b>	<b>1,070</b>

Particulars (Rs. Crs.)	March – 18	March-17
Property, Plant and Equipment	470	480
Capital Work-in-Progress	136	62
Intangible Assets	55	61
Intangible Assets under Development	1	1
Financial Assets		
Investments	0	1
Loans	16	15
Other Financial Assets	1	1
Other Non Current Assets	9	4
<b>Non Current Assets</b>	<b>688</b>	<b>624</b>
Inventories	314	290
Financial Assets		
Investments	1	0
Trade Receivables	192	123
Cash and Cash Equivalents	3	4
Other Bank Balances	1	0
Loans	0	0
Other Financial Assets	1	3
Other Current Assets	68	26
<b>Current Assets</b>	<b>581</b>	<b>447</b>
<b>Total Assets</b>	<b>1,269</b>	<b>1,070</b>

The Financial Results for FY17 and FY18 have been prepared in accordance with the Indian Accounting Standards (Ind AS)

# Consistent Dividend Paying



The Board has recommended Final dividend of Rs. 1.5 per share of the face value of Re. 1/- each (150%) for FY18 subject to approval by the Members at the forthcoming Annual General Meeting

\* Post Bonus

## For further information, please contact:

### Company :

**Relaxo Footwears Limited**  
CIN: L74899DL1984PLC019097

Mr. Vikas Tak  
[vikastak@relaxofootwear.com](mailto:vikastak@relaxofootwear.com)

[www.relaxofootwear.com](http://www.relaxofootwear.com)

### Investor Relations Advisors :

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

Ms. Payal Dave / Mr. Deven Dhruva  
[payal.dave@sgapl.net](mailto:payal.dave@sgapl.net) / [deven.dhruva@sgapl.net](mailto:deven.dhruva@sgapl.net)  
[+91 22 61146679](tel:+912261146679) / [+91 9833373300](tel:+919833373300)

[www.sgapl.net](http://www.sgapl.net)

**RELAXO**