

The Choice of  
**Millions of Feet**



**Relaxo Footweares Limited**

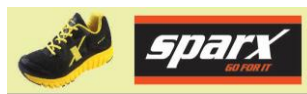
**Q3 FY16 Performance Presentation**

**January 30, 2016**

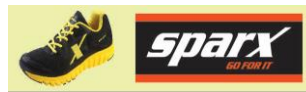


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- Market remains cautious; sluggishness in consumer demand
- Increased competitive activities at regional and national level
- Increased trend of online shopping; significant growth in e-commerce
- Unclear tax environment due to GST non-finalization
- Benign input prices; though with uncertainty looming ahead



# Our Strategy

- Unending focus on consumer needs and product quality.
- Deliver Market leading, profitable and sustainable business growth, through focus on both volume growth as well as premiumization.
- Aggressive Expansion in under - penetrated geographies backed by strong national brands; Increased presence in emerging channels.
- Margin Improvement through robust cost control and efficiency improvement.
- Enable revenue growth through building strong backend capabilities (Manufacturing, SCM, IT) and people capabilities.



# From Management's Desk

Commenting on the results and performance, **Mr. Ramesh Kumar Dua, Managing Director** said:

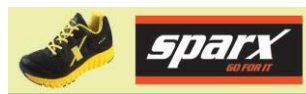
It is my pleasure to announce the Financial Results for Q3. The Company has achieved revenue growth of 16.6%, EBITDA growth of 26.7% and PAT growth of 22.7% in the quarter. The top line and bottom line growth shows the strong fundamentals of our business and our commitment to sustainable and profitable growth.

We continue to strive to meet consumer needs through innovative and value added products. As a result, our revenue growth, once again has been a healthy mix of volume growth and premiumization. We continue to expand in under-penetrated geographies as well as drive significant growth in new channels such as e-Commerce and Modern Trade.

Our back end continues to get strengthened to enable our robust financial performance and continued investment into our brands. We continue to work on developing manufacturing and supply chain excellence for effective cost control and improved service levels.

We have attained A1+ (top notch) credit rating for Commercial Paper Program of Rs 30 Crore from ICRA during the quarter to minimize the future cost of funds.

We also continue to invest into our people as well as systems through initiatives such as our Leadership Development Program as well as automation across various aspects of the business to create a future ready organization.



# Financial Performance



## Financial Performance

(Rs. in lacs)

Particulars	Q3 FY 16	Q3 FY 15	Growth %	YTD FY 16	YTD FY 15	Growth %
Revenue	38770	33266	16.6	122761	104032	18.0
EBITDA	5468	4315	26.7	17571	13003	35.1
PAT	2442	1991	22.7	8746	6037	44.9

## Highlights – Q3 FY 16

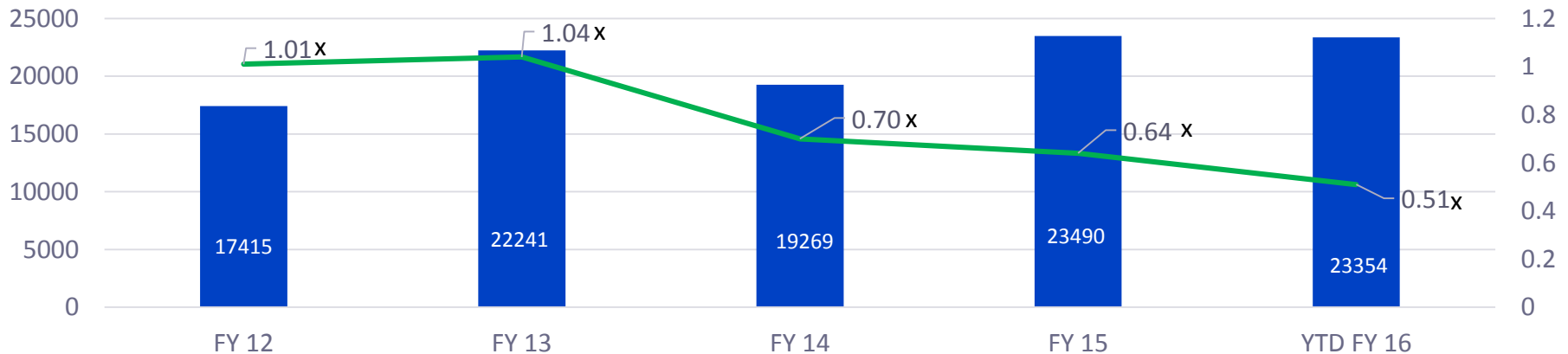
- ❑ Revenue increased by 16.6% to Rs. 38770 lacs
- ❑ EBITDA increased by 26.7% to Rs. 5468 lacs; Margins expanded by 113 bps to 14.1%
- ❑ Net profit increased by 22.7% to Rs. 2442 lacs at 6.3% margin; Margins expanded by 32 bps
- ❑ 242 retail stores pan India as on 31st December, 2015 with net addition of 12 stores during Q3 FY 16



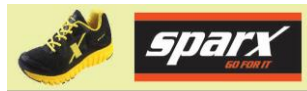
# Leverage Profile

Particulars	31.12.15 (Rs. Lacs)	31.03.15 (Rs. Lacs)	Agency	Instruments	Ratings	Comments
Short Term Borrowings*	12,345	9,489	ICRA	Short-Term Funds & Commercial Paper	A1+	Indicates very strong degree of safety for short term debt instruments. Instruments rated in this category carry the lowest credit risk.
Long Term Borrowings	11,224	14,450				
<b>Total Debt</b>	<b>23,569</b>	<b>23,939</b>				
Less: Cash & Bank Balances	(215)	(449)	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
<b>Net Debt</b>	<b>23,354</b>	<b>23,490</b>				
<b>Net Worth</b>	<b>45,583</b>	<b>36,782</b>				

## Net Debt (Rs. Lacs) and Net Debt / Net Worth (x)

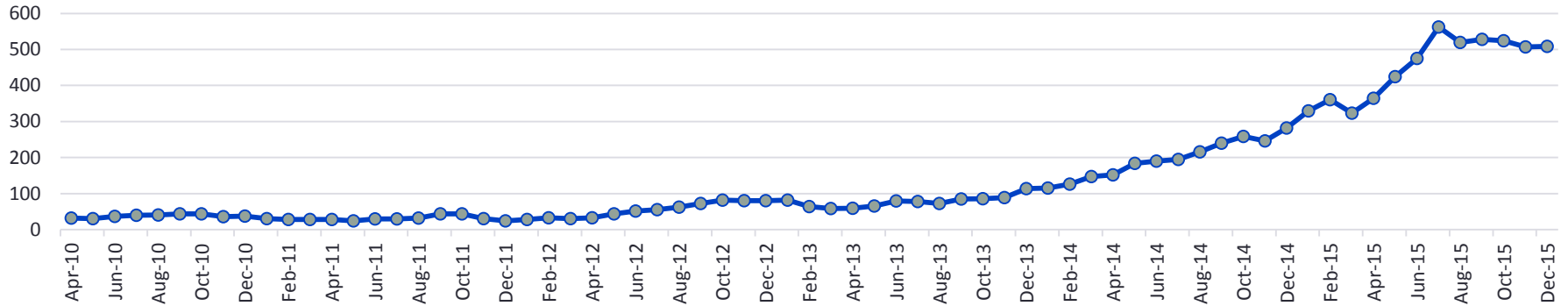


\* Short term borrowings includes terms loans repayable within 1 year



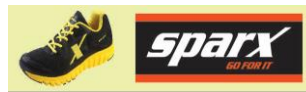
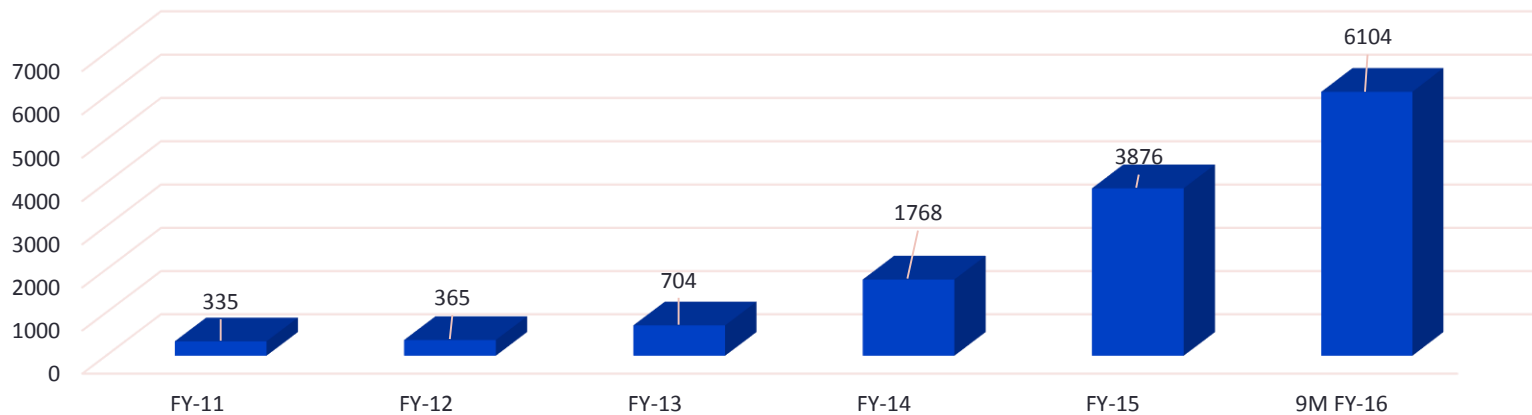
# Market Performance

## Share Price Performance (in Rs.)



\* Adjusted For Split and Bonus issue

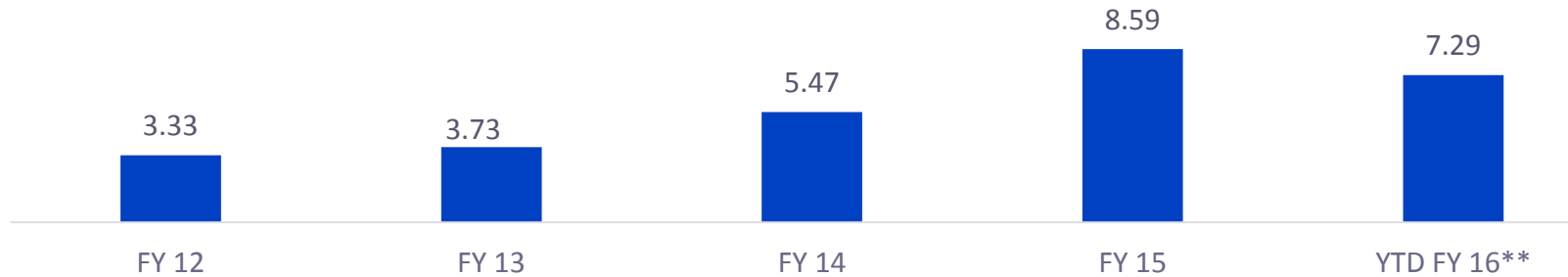
## Market Cap (Rs. Crs.)



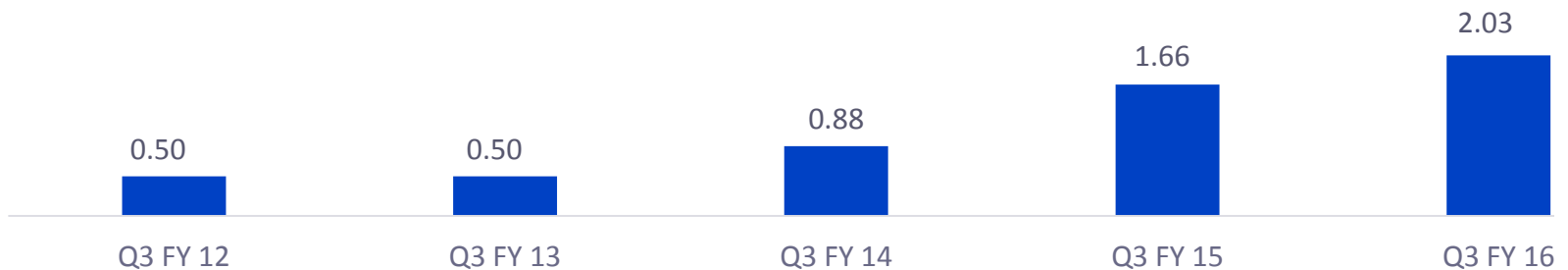


# Market: EPS (In Rs.)

## Annual EPS (in Rs.) \*



## Quarterly EPS (in Rs.) \*



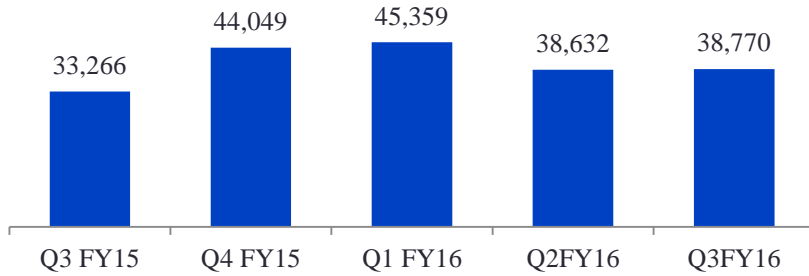
\* Adjusted for Bonus/Splitting wherever applicable

\*\* Not Annualised

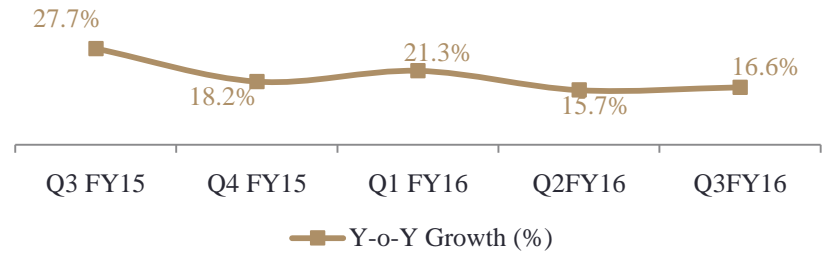


# Financial Performance : Quarterly

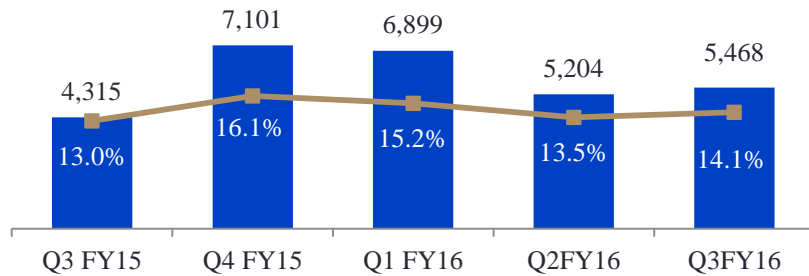
## Revenue (Rs. Lacs)



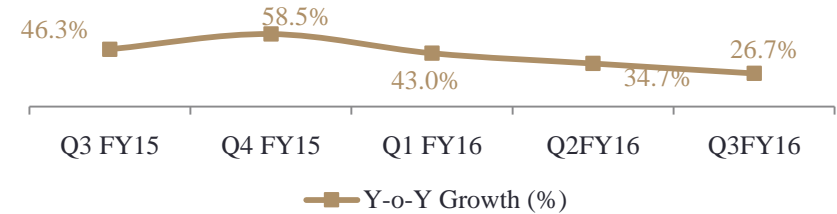
## Revenue Growth (%)



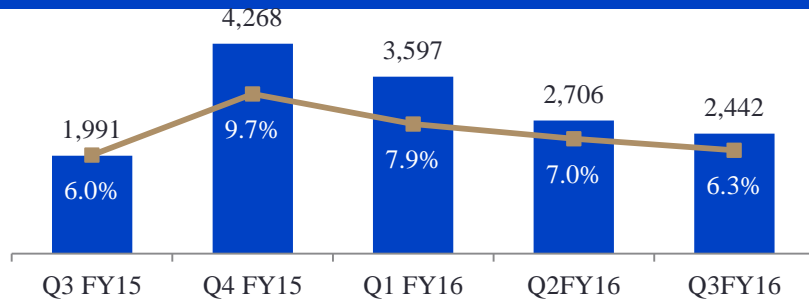
## EBITDA (Rs. Lacs) & %



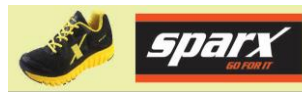
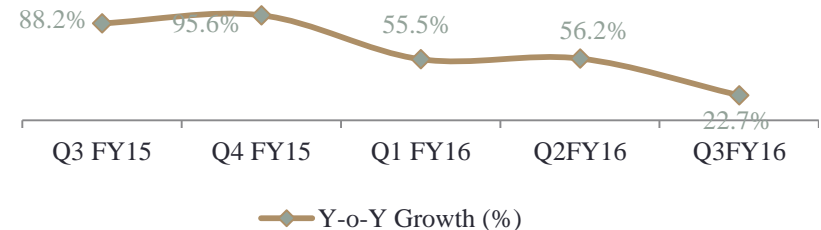
## EBITDA Growth (%)



## PAT (Rs. Lacs) & %



## PAT Growth (%)



# Statement of Unaudited Financial Results For The Quarter Ended 31st December, 2015



(Rs. in lacs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Statement of Financial Results	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income from operations</b>						
Net sales / Income from operations (Net of Excise Duty)	<b>38567.50</b>	38428.71	33065.90	<b>122170.15</b>	103466.20	147277.78
Other operating income	<b>202.48</b>	203.78	200.18	<b>591.28</b>	565.94	803.64
Total income from operations (Net)	<b>38769.98</b>	38632.49	33266.08	<b>122761.43</b>	104032.14	148081.42
<b>2 Expenses</b>						
Cost of materials consumed	<b>12914.81</b>	15304.31	15377.49	<b>43549.77</b>	45126.56	61390.72
Purchase of stock-in-trade	<b>4338.15</b>	3323.73	3280.14	<b>10994.95</b>	7035.30	10446.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	<b>(1156.97)</b>	(2741.60)	(4620.13)	<b>(4118.83)</b>	(6421.29)	(7292.88)
Employee benefits expense	<b>3792.98</b>	3641.85	3195.44	<b>11512.99</b>	9633.26	13450.44
Depreciation and amortisation expense	<b>1216.55</b>	1143.21	979.87	<b>3383.08</b>	3012.35	3989.61
Other expenses	<b>13462.78</b>	13993.42	11756.87	<b>43401.89</b>	35713.02	50023.41
Total expenses	<b>34568.30</b>	34664.92	29969.68	<b>108723.85</b>	94099.20	132007.30
<b>3 Profit from operations before other income, finance costs and exceptional items (1- 2)</b>	<b>4201.68</b>	3967.57	3296.40	<b>14037.58</b>	9932.94	16074.12
4 Other income	<b>49.49</b>	93.43	38.62	<b>150.05</b>	57.28	39.17
<b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>4251.17</b>	4061.00	3335.02	<b>14187.63</b>	9990.22	16113.29
6 Finance costs	<b>627.43</b>	580.79	434.27	<b>1739.56</b>	1340.52	1848.36
<b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>3623.74</b>	3480.21	2900.75	<b>12448.07</b>	8649.70	14264.93
8 Exceptional items	-	426.45	-	<b>426.45</b>	-	-
<b>9 Profit from ordinary activities before tax (7+8)</b>	<b>3623.74</b>	3906.66	2900.75	<b>12874.52</b>	8649.70	14264.93
10 Tax expense (includes deferred tax)	<b>1181.70</b>	1200.38	910.09	<b>4128.92</b>	2612.81	3959.94
<b>11 Net Profit from ordinary activities after tax (9-10)</b>	<b>2442.04</b>	2706.28	1990.66	<b>8745.60</b>	6036.89	10304.99
12 Extraordinary items	-	-	-	-	-	-
<b>13 Net Profit for the period (11-12)</b>	<b>2442.04</b>	2706.28	1990.66	<b>8745.60</b>	6036.89	10304.99
14 Paid up equity share capital (Face value of Re.1/- share each)	<b>1200.40</b>	1200.12	600.06	<b>1200.40</b>	600.06	600.06
15 Reserves excluding revaluation reserve						36181.71
<b>16 Earnings per share (EPS) in Rs.</b>						
Basic	<b>2.03</b>	2.26	1.66	<b>7.29</b>	5.03	8.59
Diluted	<b>2.03</b>	2.25	1.66	<b>7.27</b>	5.03	8.58
17 Earnings before interest, taxes, depreciation and amortisation (EBITDA)	<b>5467.72</b>	5204.21	4314.89	<b>17570.71</b>	13002.57	20102.90

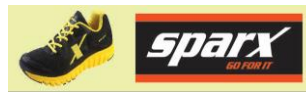


# Statement of Unaudited Financial Results For The Quarter Ended 31st December, 2015



## Notes

1. The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meeting held on 30th January, 2016. The same have been subjected to Limited Review by Statutory Auditors.
2. The Company has given effect of Bonus Shares in calculating EPS for comparative period in accordance with Accounting Standard (AS) - 20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India (ICAI).
3. The Company has changed its Registered Office from "316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi-110035" to "Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector - 3, Rohini, Delhi - 110085".
4. During the quarter, Company has initiated working capital funding through Commercial Paper (CP) Programme, for which Company has got Short Term rating of A1+ from ICRA.
5. The Company's business activity falls within a single significant primary business segment, viz. "Footwear and Related Products", therefore no separate segment information is disclosed under Accounting Standard (AS) - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI).
6. During the quarter, 27700 Equity Shares of face value of Re.1/- each were allotted to the employees under Employee Stock Option Plan 2014.
7. Previous period/years' figures have been restated/regrouped, wherever necessary.





Quality Par Excellence

## **Relaxo Footwears Limited**

(CIN: L74899DL1984PLC019097)

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