



SECRETARIAL DEPARTMENT

Jekegram, Pokhran Road No.1, Thane (W)-400 606
Maharashtra, India
CIN No.: L17117MH1925PLC001208
Tel: (91-22) 4036 7000 / 6152 7000
Fax: (91-22) 2541 2805
www.raymond.in

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February 6, 2025

To

The Department of Corporate Services - CRD
BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 500330

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Bandra-Kurla Complex
Bandra (East), Mumbai - 400051
Symbol: RAYMOND

Dear Sir/Madam,

Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Conference Call Transcript

Please find enclosed transcript of the conference call held on January 30, 2025, with respect to the financial results of Raymond Limited for the quarter and nine months ended December 31, 2024.

The transcript has also been uploaded on the Company's website (www.raymond.in)

This is for your information and records.

Thanking you.

Yours faithfully,
For Raymond Limited

Rakesh Darji
Company Secretary

Encl.: as above



REGISTERED OFFICE

Plot No. 156/H No. 2, Village Zadgaon,
Ratnagiri - 415 612, Maharashtra
Tel: (02352) 232514
Fax: (02352) 232513



**“Raymond Limited Q3 FY25 Earnings Conference
Call”**

January 30, 2025

**MANAGEMENT: MR. S L POKHARNA - PRESIDENT, CORPORATE
COMMERCIAL, RAYMOND LIMITED**

MR. AMIT AGARWAL - GROUP CFO, RAYMOND LIMITED

**MR. HARMOHAN SAHNI - EXECUTIVE DIRECTOR & CEO,
REALTY BUSINESS, RAYMOND LIMITED**

**MR. GAUTAM MAINI - CEO, ENGINEERING BUSINESS,
RAYMOND LIMITED**

**MR. SUNNY DESA - HEAD INVESTOR RELATIONS,
RAYMOND LIMITED**

MODERATOR:

MR. BIPLAB DEBBARMA – ANTIQUE STOCK BROKING LIMITED



Raymond Limited
January 30, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Raymond Limited Q3 FY25 Earnings Conference Call hosted by Antique Stock Broking Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on a touchtone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Biplab Debbarma from Antique Stock Broking. Thank you, and over to you, sir.

Biplab Debbarma: Thank you. On behalf of Antique Stock Broking, I would like to welcome all the participants in Q3 FY25 Conference Call of Raymond Limited.

Today we have with us from Senior Management of Raymond, Mr. S L Pokharna, who is President (Corporate Commercial); Mr. Amit Agarwal – Group CFO; Mr. Harmohan Sahni – Executive Director & CEO (Realty business); Mr. Gautam Maini–CEO (Engineering business) and Mr. Sunny Desa – Head Investor Relations.

Without taking further time, I would like to hand over the call to Mr. Agarwal. Over to you, Amit sir.

Amit Agarwal: Thank you, Biplab. Good evening, everyone. Thank you for joining us today for our 3rd Quarter Fiscal ‘25 Results Conference Call. At the outset, I would like to wish you very Happy New Year to all of you and your families. I hope everyone got an opportunity to go through our financial results and investor presentation which have been uploaded on the stock exchanges as well as the company's website.

Now before I start my discussion on the 3rd Quarter Fiscal ‘25 performance, I would like to provide a brief update on the same:’

As we enter on the 3rd Quarter of Fiscal ‘25, the Indian economy continues to demonstrate resilience and growth despite global economic uncertainty. India's GDP growth is projected to remain robust at around 6.5% for Fiscal ‘25, driven by strong consumption and investment. The government's focus on infrastructure development and manufacturing is expected to further bolster economic activity. Inflation is expected to moderate, aided by stable food prices and effective monetary policies by the Reserve Bank of India.

Now before discussing our performance for the 3rd Quarter of Fiscal ‘25:

I would like to update you on the status of the demerger of our real estate business. I am pleased to announce that we have received the creditors as well as shareholders’ approval earlier this week and remain on track for listing this business as a separate entity in the next 6 to 7 months.

The real estate market in Thane and Mumbai continues to exhibit robust growth driven by combination of infrastructural development, increased demand for residential and commercial spaces and favorable government policies. In the Thane market, supply has kept pace with demand, ensuring a balanced market. We continue to remain optimistic on both the markets of Thane as well as Mumbai and expect sustained growth supported by strong demand, strategic infrastructure development and favorable market conditions. Investors and home buyers can look forward to a dynamic and promising market landscape in the near future.

In the engineering business, the auto ancillary segment witnessed growth in the domestic market. However, export markets were weak for our auto ancillary and engineering consumable segment due to slowdown in European auto market as well as the Red Sea crisis. Further, we expect our aerospace business to grow post resolution of the production issue faced by one of the largest aircraft manufacturers which get to delays in the orders.

Raymond Limited delivered a steady quarterly performance in real estate as well as in the engineering business reporting a revenue of Rs. 985 crores in the 3rd Quarter of Fiscal '25, which reflects a growth of 36% on a year-on-year basis over Rs. 727 crores, delivering an EBITDA of Rs. 169 crores in the 3rd Quarter of Fiscal '25 with an EBITDA margin of 17.2%. Our EBITDA grew by 33% on a year-on-year basis. Overall, the company has reported the profit after tax from continuing operations of Rs. 72 crores making a 75% increase compared to Rs. 41 crores in the previous year. Just wanted to bring to your attention that the above performance includes the acquisition of Maini Precision business completed in March 2024.

Now let me talk about the segmental performance:

With the real estate in the 3rd Quarter of Fiscal '25, the company achieved a booking value in the real estate business to the tune of Rs. 505 crore, primarily driven by the demand for the address by GS season 2.0, TenX ERA, sale of retail shops in Thane, as well as JDA project of The Address by GS in Bandra. The construction momentum across all of our projects, both in Thane as well as in Bandra, is progressing well, demonstrating our commitment to timely delivery and adherence to high quality standards. In all of our projects, we are ahead of construction timeline and a comprehensive update on the construction catered to our projects is provided in our investor deck.

Raymond Reality also launched a new residential tower in its Address by season 2.0 Thane project, which received an overwhelming response. Further, we also witnessed continued traction in our Park Avenue High Street Reimagined retail project launched in the previous quarter. There is a first of its kind high street retail in Thane that will host premium aspirational projects.

We at Raymond Reality offer affordable luxury apartments ranging from “1” BHK to 4 BHK that caters to multiple segments of society in a stated strategy to sell and construct fast, leading to quick completion of project and faster revenue generation, which has resulted in a revenue of

Rs. 488 crores in 3rd Quarter of Fiscal '25 versus Rs. 439 crores in the 3rd Quarter of Fiscal '24, recording a growth of 11%. The segment reported an EBITDA of Rs. 116 crores in the 3rd Quarter of Fiscal '25 compared to Rs. 97 crore in 3rd Quarter of Fiscal '24, which is a year-on-year growth of 19%. EBITDA margin stood at 23.8% in fiscal Q3 Fiscal '25, versus 22.1% in 3rd Quarter of Fiscal '24. Raymond Reality continues to focus on delivering projects within committed timeline given our track record of delivering projects ahead of timeline, which was well appreciated by our customers and resulted in increased customer confidence.

Total potential revenue from our current real estate business is approximately Rs. 32,000 crores plus, which includes Rs. 25,000 crores from Thane land parcel and Rs. 7,000 crores from the four JDAs which we have sent. We remain optimistic about the continued growth in the real estate market overall. Our pipeline of projects continues to remain robust with several developments scheduled for launch in the coming quarter. As most of you are aware, that Raymond completed the acquisition of Maini Precision Business on 29th of March 2024. Starting from 1st Quarter of Fiscal '25, the company has consolidated the performance of its engineering business to include the Maini Precision business. The segment scale stood at Rs. 433 crores in the 3rd Quarter of Fiscal '25 as compared to Rs. 217 crore in the 3rd Quarter of last fiscal. This performance was driven by the demand from the domestic market for the Flex plate, which is an auto component. However, the engineering consumable and auto component categories continue to be impacted by weak demand in the export sector. During the quarter, the business reported an EBITDA margin of 12% in 3rd Quarter of Fiscal '25 versus 13.8% in 3rd Quarter of Fiscal '24, mainly due to changes in the product mix.

In order to get more efficient and benefit from synergies, we are consolidating auto components and engineering consumables into a new subsidiary, while the aerospace business will be another subsidiary via a scheme of arrangement which is expected to be completed in the next three months.

Now, let me talk about the debt and the cash position at Raymond Limited:

We continue to remain a net debt free business with a net cash surplus of Rs. 696 crore and increase of net cash of almost Rs. 194 crore since March 2024. The total gross debt stand at Rs. 886 crore which includes the debt taken for the acquisition of the Maini Precision business as well as the existing working capital facilities at Maini Precision business. Additionally, we maintain strong liquidity with cash and cash equivalent of Rs. 1582 crores as of 31st December 2024.

Now, let me give you an update on the demerger:

The proposed real estate demerger is well on track as we have received the stock exchange approval and shareholders and creditors approval. Upon completion of the process, the new entity will seek automatic listing. According to the scheme of arrangement, each shareholder of Raymond Limited will receive one share of Raymond Reality Limited for every share held in



*Raymond Limited
January 30, 2025*

Raymond Limited. This will position Raymond Reality to pursue its growth trajectory as an independent, pure play real estate business. We expect to complete the listing in the second quarter of Fiscal '26.

In the engineering business, as mentioned earlier, two new subsidiaries of Raymond Limited will be created through a scheme of arrangement. One focused on aerospace defense and the other on auto components and engineering consumables, each charting its own path for growth and primary objective of value creation. Currently, we have filed the restructuring scheme with the NCLT.

Now let me consider about the current status of the operations and the outlook for the business:

In the real estate market, residential real estate market continues to demonstrate sustained demand. We are focused on future expansion through a joint development route and targeting 20 to 25% growth in booking value year-on-year basis. Further, we are currently in discussions to finalize a few new JDAs as we continue to expand our operations. As far as engineering segment is concerned, the aerospace business is showing signs for growth, which got impacted by ongoing production issues faced by one of the largest aircraft manufacturers, leading to delays in dispatches. However, with the post-addressing concern, we have witnessed signs of recovery, additionally, recent softness in the auto component sector due to weaker market may impact the growth in the near term.

Looking forward we remain optimistic about our growth prospects. Our diversified business portfolio, strong market position and strategic initiatives will continue to drive value for all of our stakeholders. And thank you once again for joining and we would be happy to take your question.

Moderator: Yes sir.

Amit Agarwal: Please ask for the question.

Moderator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask questions may press "*" and "1" on their touchtone telephone. If you wish to remove yourself from question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. The first question is from the line of Garvit Goyal from Nvest Analytic Advisors. Please go ahead.

Garvit Goyal: Hi, am I audible?

Amit Agarwal: Yes, you are audible.

Garvit Goyal: Good evening, sir. Congratulations for a good set of numbers. My first question is on engineering segment. Can you share the demand environment that you are witnessing in engineering segment, like the kind of order flows and which subsegment is contributing meaningfully to our growth in this segment and where are we facing the challenges?

Gautam Maini: Yes, I can take that. Okay, so the first thing is that in the last two, three quarters, our efforts have been to look at all the businesses in a more integrated and combined manner and combined synergies that we have across the businesses. And in coming so, we also recently had an inauguration of some capacity expansions. We do see that the last two quarters were a little bit impacted. But I think the Q4 is definitely showing signs of recovery in terms of the market. It will take a little bit longer in some of the product ranges, but definitely the trend is going to get better. We will see better exports in Q4 as well in some of the markets. We have in particular seen that the hybrid market in the European region has grown while the ED markets have slightly been dampened. And we have a lot of products in the hybrid market and we're going to see that growth come this quarter as well. So overall, I would say we are in the right direction of growth in terms of that. In terms of our own tools and hardware business also, we are seeing a lot of traction. We are looking at introduction of several new products into this section as well. And therefore, we would see better numbers in Q4.

Garvit Goyal: And like you didn't mention about the order flows, like I'm trying to understand in engineering segment, what are those key areas, like it can be aerospace or defense? What are the key areas from where we are seeing the biggest order flows that are going to give us the visibility for the upcoming quarter?

Gautam Maini: The order flows are definitely, you see what happens, most of our contracts are long-term contracts between three and five years, sometimes 10 years. So the orders are available, two, three things happen. Depending on the market pull, you start to get more orders or less orders depending on the market pull. The main thing is to ensure that the new product development is at a high, which is what we are targeting at where the new products are developed quickly and those further ramp up and therefore you get new products, new markets and new ramp ups and that's where the major business comes from. Boeing strike is called off. So there are inventories which will be eaten away over the next two, three months and we are already seeing forecast numbers from April to be much higher. So we generally receive a 12-month forecast so we can see where the markets are. And in some of the areas, we are also getting an additional market share. So let's say our market share was 30% or 35% on some products. We're already seeing that they will take us to 60% or 65%. So in those cases, we will be able to increase just our current production significantly, especially in aerospace, which will also show us better numbers. Also, in the meantime, we are seeing a much healthier RSQ pipeline, which means that the conversion, once we convert those, we will also see healthy orders going forward. So all trends point towards a much better Q4, but also a much better next year.

Garvit Goyal: Understood, sir. And secondly on the real estate segment, are people witnessing any kind of slowdown in terms of infrastructure CAPEX from the government side in the upcoming budget or do you still believe like government is continuing to increase the allocation towards this area?

Harmohan Sahni: I think that question is best answered by the government itself, but whatever we have seen in terms of lead indications. As of now, we don't see any kind of slowdown in decision making for infrastructure projects. But rest is I think probably the government officers are best suited to answer this.

Garvit Goyal: Understood, sir. Thank you very much sir, that's it from my side. All the best for the future.

Moderator: Thank you. A reminder to all the participants, you may press "*" and "1" to ask a question.

Participant: Hello.

Management: Yes, we can hear you.

Participant: Good afternoon, everyone. So, related to real estate, I just have two questions. First question is regarding demand side, you know, I personally am very optimistic about real estate demand, but on ground you are hearing some mixed signals that so just wanted to understand how is the demand situation on ground and how is January, is there any demand being moderating, do you see any sign of demand moderating in Thane, Mumbai or any other market in MMR? That's my first question.

Harmohan Sahni: To answer your question squarely, we have not seen any speed bumps in any of our projects so far. Well, you read the same media reports as we do. So media currently is giving mixed reports. Some people are saying that it's gung-ho and very bullish. Some people are saying it's slowing down. I don't know based on who you read, which paper you read, you form a view. But on ground, we have not seen any slowdown in any of our projects. We had given a guidance of about 20% booking value growth for the current year over the last year. And so far we are on target on that and continuing to be even in January also. So, I mean, that's our experience.

Participant: So that's very good news. And sir, I believe that you have launched a new project, GS2 in Thane. How is the response so far in that project?

Harmohan Sahni: Yes, so we launched one more tower in our GS2, which is tower E, which we launched recently, less than a month ago. And 30% of that inventory is approximately already sold on launch itself. So the response has been good.

Participant: And what was the ticket size of those, typical ticket size of that launch, that tower E?

Harmohan Sahni: Ticket size meaning per apartment you're saying?



*Raymond Limited
January 30, 2025*

- Participant:** Yes, sir.
- Harmohan Sahni:** Approximately Rs. 3 crores, depending on which inventory, which floor, where you are at. But on an average, approximately thereabouts.
- Participant:** Oh, that's a great news, sir. Thank you, sir, and all the best, sir.
- Harmohan Sahni:** Thank you.
- Moderator:** Thank you. A reminder to all participants, you may press "*" and then "1" to ask questions. Next question is from the line of Ishita Lodha from Svan Investments. Please go ahead.
- Ishita Lodha:** Hi sir, thank you for the opportunity. My question is with respect to the real estate business. So how is the approval process shaping up? Is it becoming more harder to get approvals to launch the towers or has it eased out in the last few months?
- Harmohan Sahni:** Actually there has been no change event for us to say that before or after because it's the same government which has continued so there is no significant change anywhere. So I mean I really don't know how to answer this as to what period should I take before or after. I mean we haven't faced any difficulty in any of the approvals so far. We in any case as a matter of philosophy do not go for any special dispensations from the government. Everything is as per policy when we take on a project. It's under the current policy itself. So we haven't seen any difficulties in that.
- Ishita Lodha:** Okay, thank you.
- Moderator:** Thank you. A reminder to all the participants, you may press "*" and "1" to ask questions. As there are no further questions from the participants, I now hand the conference over to Mr. Amit Agarwal, Group CFO, for closing remarks. Over to you, sir.
- Amit Agarwal:** Thank you very much. Look forward talking to you in the next quarter.
- Moderator:** Thank you. On behalf of Antique Stock Broking that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.