

The Choice of
Millions of Feet



Relaxo Footwears Limited

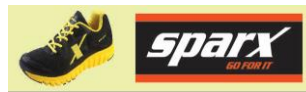
Q2 FY16 Performance Presentation

October 31, 2015

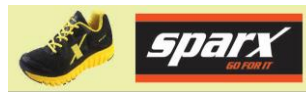


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- Market remains cautious; sluggishness in consumer demand
- Increased competitive activities at regional and national level
- Increased trend of online shopping; significant growth in e-commerce
- Unclear tax environment due to GST non-finalization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

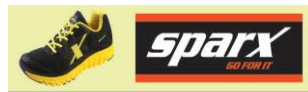
Commenting on the results and performance, **Mr. Ramesh Kumar Dua, Managing Director** said:

It is my pleasure to announce the financial results for Q2. The Company has achieved revenue growth of 15.73%, EBITDA growth of 45.75% and PAT growth of 56.16% in the quarter. The top line and significant 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 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



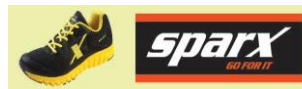
Financial Performance

(Rs. in lacs)

Particulars	Q2 FY 16	Q2 FY 15	Growth %	H1 FY 16	H1 FY 15	Growth %
Revenue	38632	33382	15.73	83991	70766	18.69
EBITDA	5631	3863	45.75	12529	8688	44.22
PAT	2706	1733	56.16	6304	4046	55.79

Highlights – Q2 FY 16

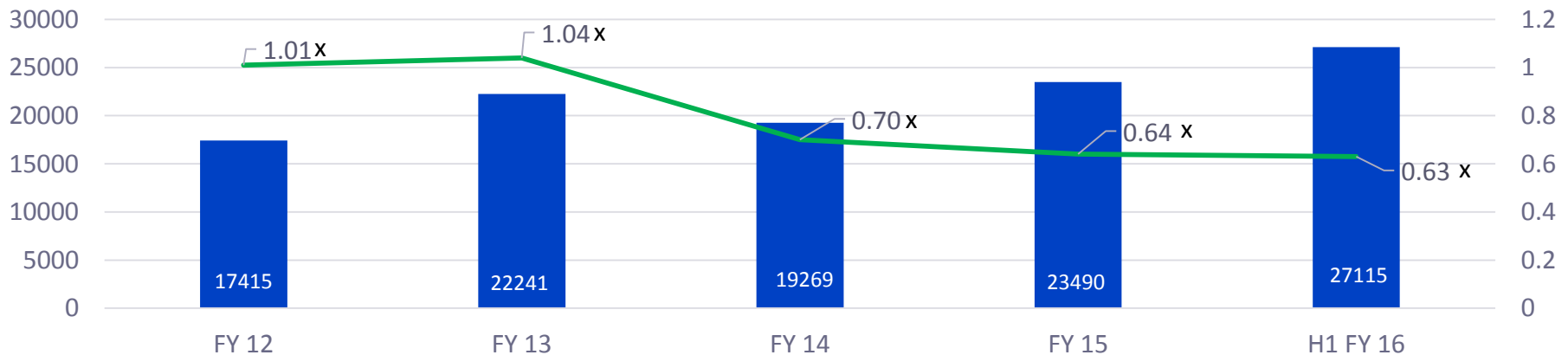
- ❑ Revenue increased by 15.73% to Rs. 38632 lacs
- ❑ EBITDA increased by 45.75% to Rs. 5631 lacs; Margins expanded by 300 bps to 14.57%
- ❑ Net profit increased by 56.16% to Rs. 2706 lacs at 7% margin; Margins expanded by 181 bps
- ❑ 230 retail stores pan India as on 30th September, 2015 with net addition of 12 stores during Q2 FY 16



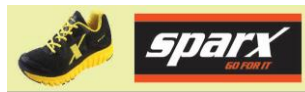
Leverage Profile

Particulars	30.09.15 (Rs. Lacs)	31.03.15 (Rs. Lacs)	Agency	Instruments	Ratings	Comments
Short Term Borrowings*	15,419	9,489	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.
Long Term Borrowings	11,981	14,450				
Total Debt	27,400	23,939				
Less: Cash & Bank Balances	(285)	(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
Net Debt	27,115	23,490				
Net Worth	43,085	36,782				

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

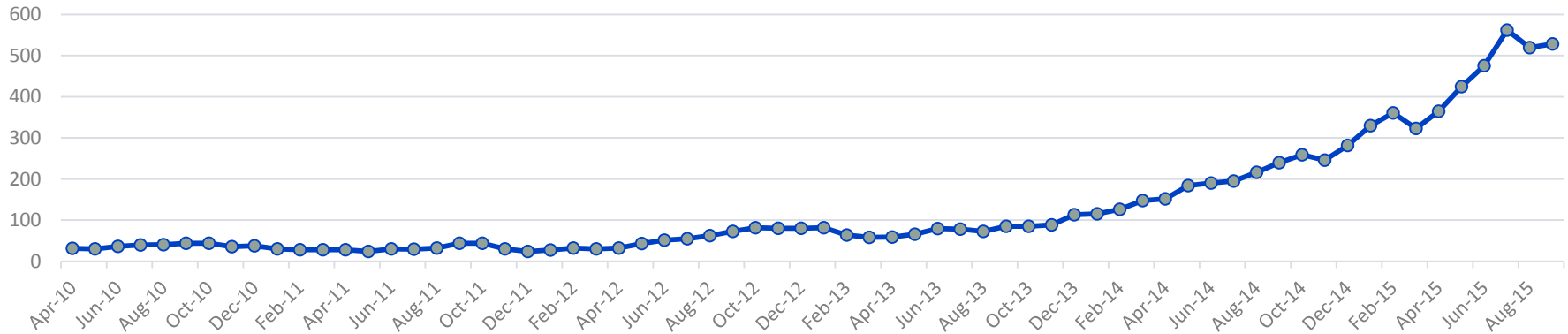


* Short term borrowings includes terms loans repayable within 1 year



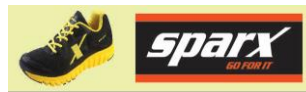
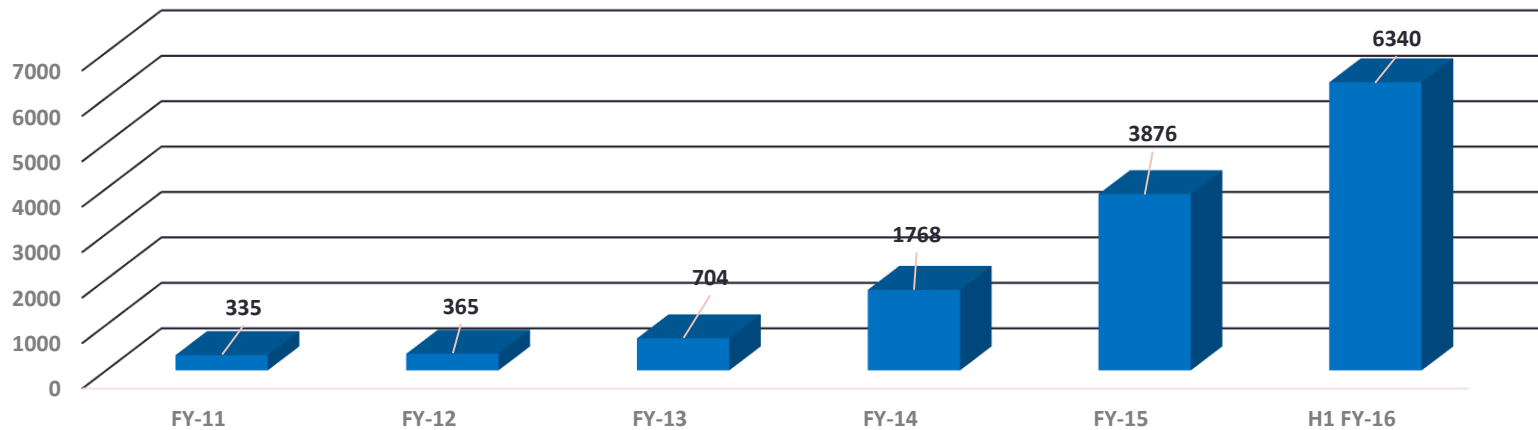
Market Performance

Share Price Performance (in Rs.)



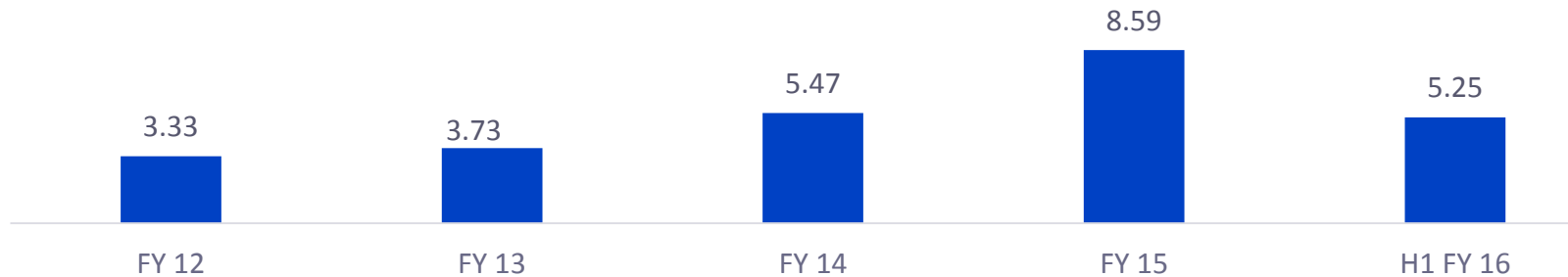
* Adjusted For Split and Bonus issue

Market Cap (Rs. Crs.)

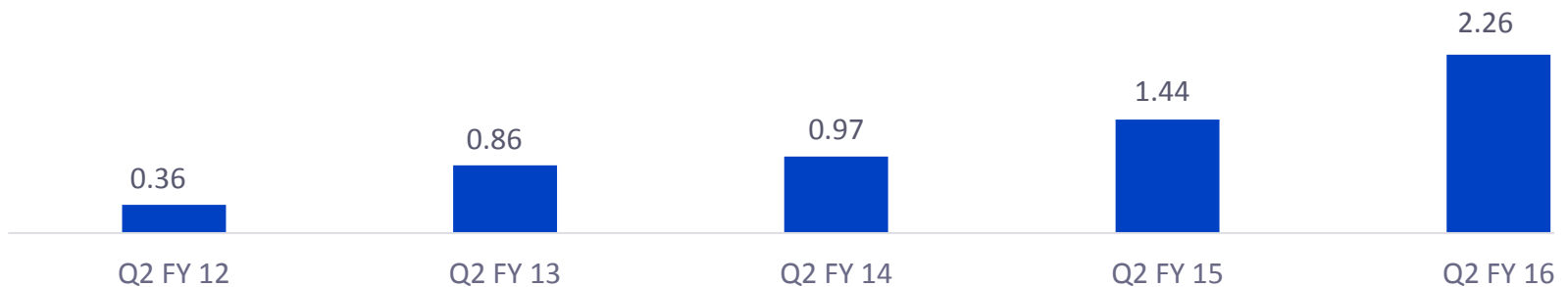


Market: EPS (In Rs.)

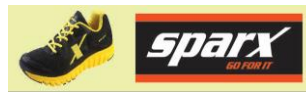
Annual EPS except H1 FY-16 (in Rs.) *



Quarterly EPS (in Rs.) *

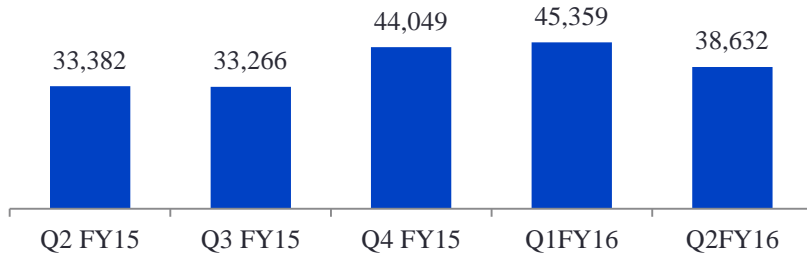


* Adjusted for Bonus/splitting wherever applicable

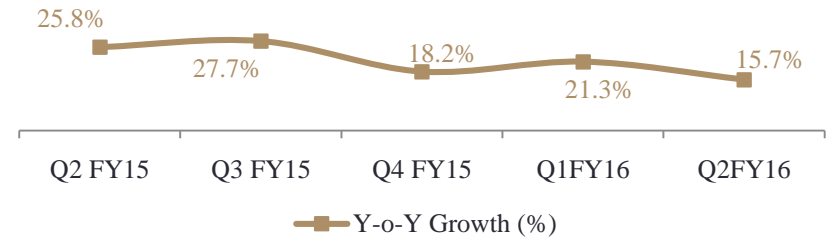


Financial Performance : Quarterly

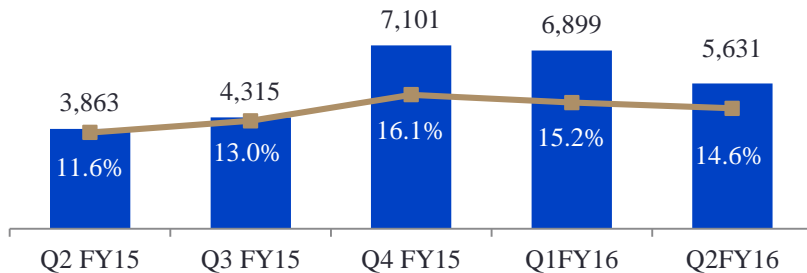
Revenue (Rs. Lacs)



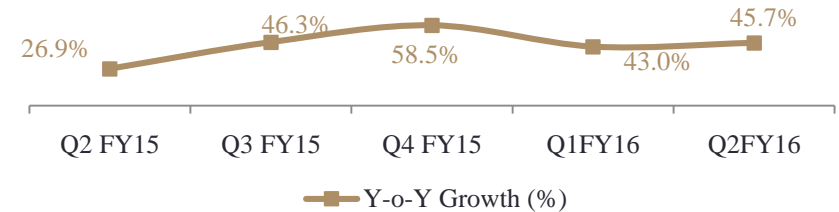
Revenue Growth (%)



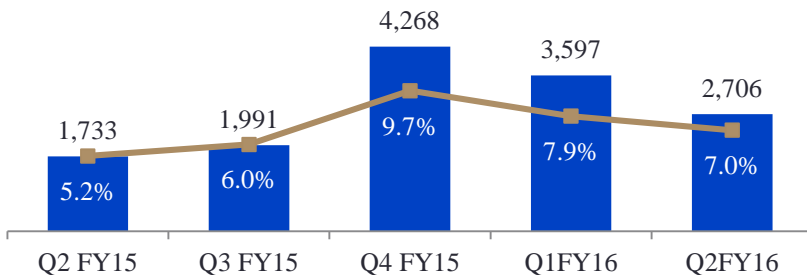
EBITDA (Rs. Lacs) & %



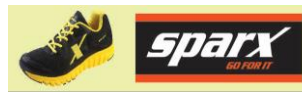
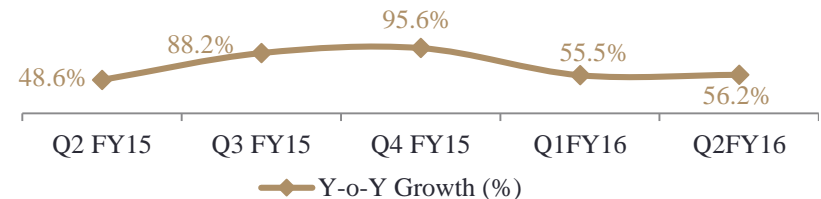
EBITDA Growth (%)



PAT (Rs. Lacs) & %



PAT Growth (%)

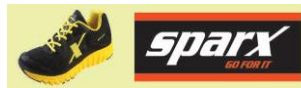


Statement of Unaudited Financial Results For The Quarter Ended 30th September, 2015



(Rs. in lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
Part I- Statement of Financial Results	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from operations						
Net sales / income from operations (Net of Excise Duty)	38428.71	45173.94	33189.61	83602.65	70400.30	147277.78
Other operating income	203.78	185.02	192.61	388.80	365.76	803.64
Total income from operations (Net)	38632.49	45358.96	33382.22	83991.45	70766.06	148081.42
2 Expenses						
Cost of materials consumed	15304.31	15330.65	13892.83	30634.96	29749.07	61390.72
Purchases of stock-in-trade	3323.73	3333.07	2027.00	6656.80	3755.16	10446.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2741.60)	(220.26)	(1305.99)	(2961.86)	(1801.16)	(7292.88)
Employee benefits expense	3641.85	4078.16	3136.73	7720.01	6437.82	13450.44
Depreciation and amortisation expense	1143.21	1023.32	992.68	2166.53	2032.48	3989.61
Other expenses	13993.42	15945.69	11777.88	29939.11	23956.15	50023.41
Total expenses	34664.92	39490.63	30521.13	74155.55	64129.52	132007.30
3 Profit from operations before other income, finance costs and exceptional items (1- 2)	3967.57	5868.33	2861.09	9835.90	6636.54	16074.12
4 Other income	519.88	7.13	9.49	527.01	18.66	39.17
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	4487.45	5875.46	2870.58	10362.91	6655.20	16113.29
6 Finance costs	580.79	531.34	416.10	1112.13	906.25	1848.36
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	3906.66	5344.12	2454.48	9250.78	5748.95	14264.93
8 Exceptional items	-	-	-	-	-	-
9 Profit from ordinary activities before tax (7-8)	3906.66	5344.12	2454.48	9250.78	5748.95	14264.93
10 Tax expense	1200.38	1746.84	721.46	2947.22	1702.72	3959.94
11 Net Profit from ordinary activities after tax (9-10)	2706.28	3597.28	1733.02	6303.56	4046.23	10304.99
12 Extraordinary items	-	-	-	-	-	-
13 Net Profit for the period (11-12)	2706.28	3597.28	1733.02	6303.56	4046.23	10304.99
14 Paid up equity share capital (Face value of Re.1/- share each)	1200.12	600.06	600.06	1200.12	600.06	600.06
15 Reserves excluding revaluation reserve						36181.71
16 Earnings per share (EPS) in Rs.						
Basic	2.26	2.99	1.44	5.25	3.37	8.59
Diluted	2.25	2.99	1.44	5.24	3.37	8.58
17 Earnings before interest, taxes, depreciation and amortisation (EBITDA)	5630.66	6898.78	3863.26	12529.44	8687.68	20102.90

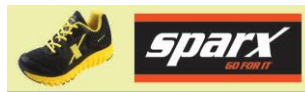


Statement of Unaudited Financial Results For The Quarter Ended 30th September, 2015



Part II-Select Information for the Quarter Ended 30th September, 2015

A		Particulars of Shareholding					
1	Public Shareholding						
	Number of shares	30003000	15001500	15001500	30003000	15001500	15001500
	Percentage of shareholding	25.00	25.00	25.00	25.00	25.00	25.00
2	Promoters and Promoter group shareholding						
	a) Pledged/ Encumbered						
	Number of shares	-	-	-	-	-	-
	Percentage of shares (as a % of the total shareholding of promoters)	-	-	-	-	-	-
	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non Encumbered						
	Number of shares	90009000	45004500	45004500	90009000	45004500	45004500
	Percentage of shares (as a % of the total shareholding of promoters)	100.00	100.00	100.00	100.00	100.00	100.00
	Percentage of shares (as a % of the total share capital of the company)	75.00	75.00	75.00	75.00	75.00	75.00
B	Particulars	Quarter Ended 30.09.2015					
	Investor Complaints/ Requests						
	Pending at the beginning of the quarter			0			
	Received during the quarter			11			
	Disposed of during the quarter			11			
	Remaining unresolved at the end of the quarter			0			



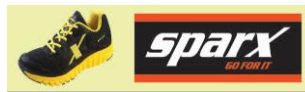
Statement of Unaudited Financial Results For The Quarter Ended 30th September, 2015



Statement of Assets and Liabilities

(Rs. in lacs)

Particulars	As at 30.09.2015	As at 30.09.2014	As at 31.03.2015
(A) Equity and Liabilities			
1 Shareholders' Funds			
Share Capital	1200.12	600.06	600.06
Reserves and Surplus	41885.21	30645.17	36181.71
Sub-total - Shareholders' Funds	43085.33	31245.23	36781.77
2 Non Current Liabilities			
Long Term Borrowings	11981.11	10323.20	14450.15
Deferred Tax Liabilities (Net)	2580.94	2177.26	2490.75
Other Long Term Liabilities	590.66	560.56	548.49
Long Term Provisions	448.88	324.60	389.74
Sub-total - Non Current Liabilities	15601.59	13385.62	17879.13
3 Current Liabilities			
Short Term Borrowings	12374.83	3216.41	6647.79
Trade Payables	6745.79	4839.56	7920.42
Other Current Liabilities	13836.75	12382.23	12836.05
Short Term Provisions	3133.37	2256.10	2214.41
Sub-total - Current Liabilities	36090.74	22694.30	29618.67
Total Equity and Liabilities	94777.66	67325.15	84279.57



Statement of Unaudited Financial Results For The Quarter Ended 30th September, 2015



(B) Assets			
1 Non Current Assets			
Fixed Assets	53824.32	38749.61	47381.62
Non Current Investments	-	6.01	6.01
Long Term Loans and Advances	1477.78	1916.86	1212.05
Other Non Current Assets	0.79	0.74	0.74
Sub-total - Non Current Assets	55302.89	40673.22	48600.42
2 Current Assets			
Inventories	27623.90	18050.94	24868.40
Trade Receivables	7766.22	5931.97	8364.94
Cash and Bank Balances	284.76	409.78	448.86
Short Term Loans and Advances	3533.63	2040.05	1413.18
Other Current Assets	266.26	219.19	583.77
Sub-total - Current Assets	39474.77	26651.93	35679.15
Total Assets	94777.66	67325.15	84279.57

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 31st October, 2015. 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 amicably settled the on-going protracted litigation in respect of Trade Mark "SPARX" which is considered to be materially beneficial to the Company in long term.
4. Other Income for the period includes Rs. 426.45 lacs on account of Sale of Long Term Investment in Equity Shares of an Associate Company.
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. Previous period figures have been regrouped / rearranged wherever considered necessary.





Quality Par Excellence

Relaxo Footwears Limited

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