

The Choice of
Millions of Feet



Relaxo Footweares Limited

FY15 Performance Presentation

May 9, 2015



Forward Looking Statements



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Relaxo Footwears’ (“Relaxo”) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Relaxo undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances

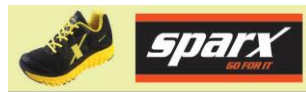
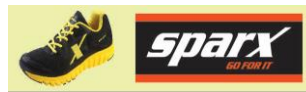


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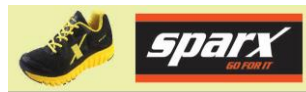


Highlights – FY15 vs. FY14

- **Board of Directors recommended dividend of 100% for FY15 and Bonus Shares in the ratio of 1:1**
- Net Sales increased by 22.1% to Rs. 147,278 Lacs
- EBITDA increased by 34.6% to 20,103 Lacs; Margins expanded by 126 bps to 13.6%
- Net Profit increased by 57.0% to Rs. 10,305 Lacs at 7.0% margin; Margins expanded by 155 bps
- Net addition of 28 retail stores during FY15
- Net Debt/Equity stood at 0.64x
- Interest Coverage for FY15 stood at 8.73x

Highlights – Q4 FY15 vs. Q4 FY14

- Net Sales increased by 18.1% to Rs. 43,811 Lacs
- EBITDA increased by 58.5% to 7,101 Lacs; Margins expanded by 413 bps to 16.2%
- Net Profit increased by 95.6% to Rs. 4,268 Lacs at 9.7% margin; Margins expanded by 386 bps
- Net addition of 8 retail stores during Q4 FY15



Management Commentary

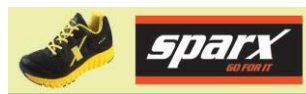
Commenting on the results and performance, **Mr. Ramesh Kumar Dua, Managing Director** said:

“It gives me great pleasure to announce another year of profitable growth – a tradition that we have established and imbibed.

Our revenue growth has been driven through a healthy mix of volume growth and premiumization. Our strong performance is a testament towards acceptance of our products and the power of our brands. Our distribution footprint continues to expand as we focus on West and South regions while we continue to engage better with our existing channel partners through structured programs. We continue investing in our brands through our brand ambassadors, thereby creating necessary awareness and pull for our brands. Continuing our journey towards consumer satisfaction, the Company came out with “Bahamas” a trendy flip flop, premium footwear targeted at the contemporary generation.

Our retail network continues to expand in line with our intent of showcasing our entire product portfolio; brand building and establishing consumer connect. We have opened 28 new stores in FY15. We see Modern Trade and E – Commerce as key growth engines of the future and we are well placed to take advantage of the same.

We keep our ongoing commitment to return value to shareholders and have declared 100% dividend and bonus shares in the ratio of 1:1. Quality products, Customer satisfaction and enhancement of shareholder’s value remains our foremost business philosophy as we embark on the new financial year with the aim of enhancing the same”



Financial Performance

Key Financial Statistics

Rs. Lacs	Q4		y-o-y	Q3	q-o-q	Year Ended		y-o-y
	FY15	FY14	Growth (%)	FY15	Growth (%)	FY15	FY14	Growth (%)
Net Sales	43,811	37,088	18.1%	33,066	32.5%	147,278	120,583	22.1%
EBITDA	7,101	4,480	58.5%	4,315	64.6%	20,103	14,936	34.6%
<i>Margin (%)</i>	<i>16.2%</i>	<i>12.1%</i>		<i>13.0%</i>		<i>13.6%</i>	<i>12.4%</i>	
Profit After Tax (PAT)	4,268	2,183	95.6%	1,991	114.4%	10,305	6,564	57.0%
<i>Margin (%)</i>	<i>9.7%</i>	<i>5.9%</i>		<i>6.0%</i>		<i>7.0%</i>	<i>5.4%</i>	
Basic EPS (Rs.)	7.11	3.64	95.6%	3.32	114.4%	17.17	10.94	57.0%

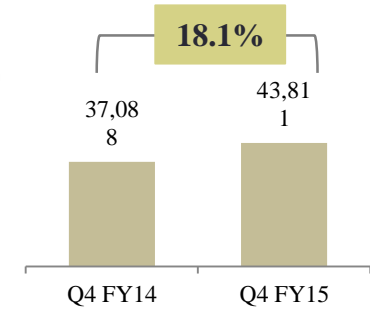


Performance Discussion: Q4 FY15 vs. Q4 FY14

1

Net Sales

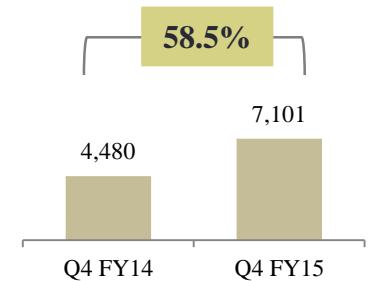
- Q4 FY15 Net Sales was primarily driven by volume growth across major brands, along with some support from improved price realizations. In particular, Hawaii, Flite PU and Shoe divisions have performed well during the quarter
- There has been a net addition of 8 retail stores in the quarter. The Company has been growing its presence in South and West regions in India



2

EBITDA

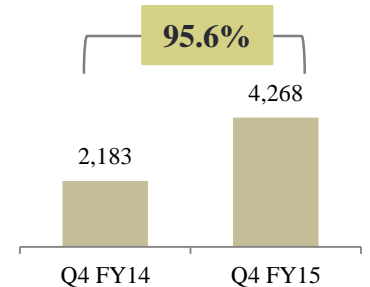
- Q4 FY15 EBITDA was driven by higher volumes, advantages accrued due to scalability and the decline in the cost of raw materials
- Interest Coverage: 11.33x (Q3 FY15: 7.84x; Q4 FY14: 6.40x)



3

Net Profit

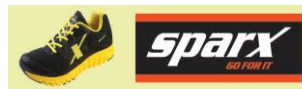
- Q4 FY15 Net Profit increased by 95.6% to Rs. 4,268 Lacs. Interest cost decreased by 9.2% owing to better working capital management and internal cash accruals
- Lower effective tax rate due to tax benefits arising out of strategic investments in plant & machinery



4

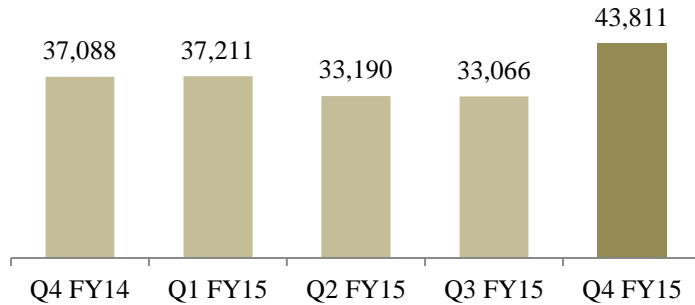
Operations

- Various initiatives to enhance production efficiencies and operations such as SOPs (Standard Operating Processes) successfully implemented
- The Phase-I of the Leadership Development Program (LDP) is in the final stages of completion
- The Company has implemented IT based compliance monitoring tool as a step forward to achieve best compliance standards

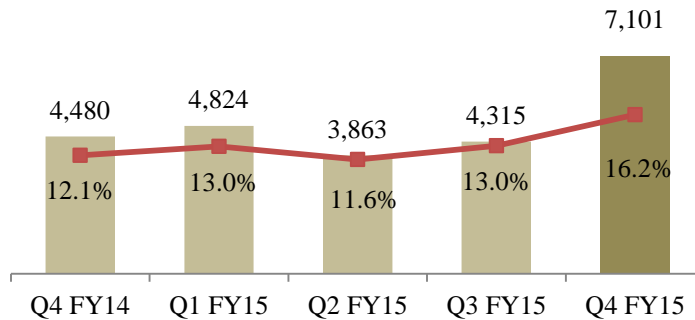


Financial Performance: Quarterly

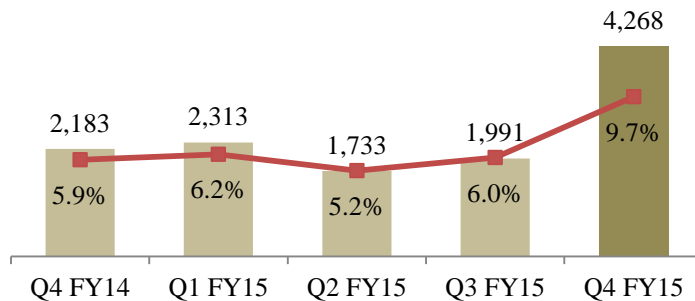
Net Sales (Rs. Lacs)



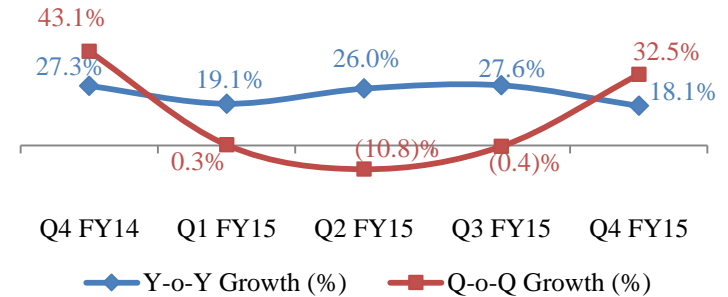
EBITDA (Rs. Lacs) and Margin (%)



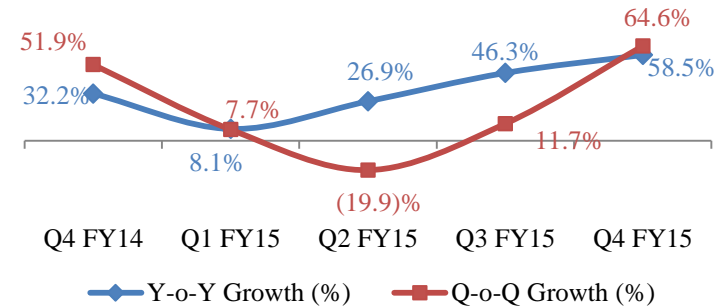
PAT (Rs. Lacs) and Margin (%)



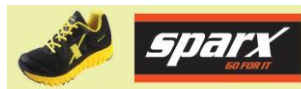
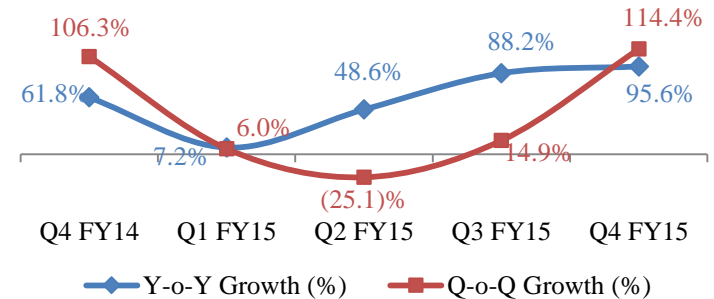
Net Sales Growth (%)



EBITDA Growth (%)

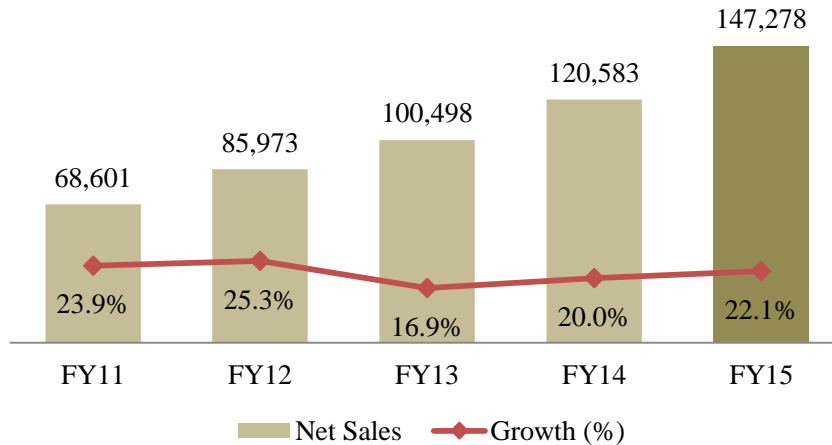


PAT Growth (%)

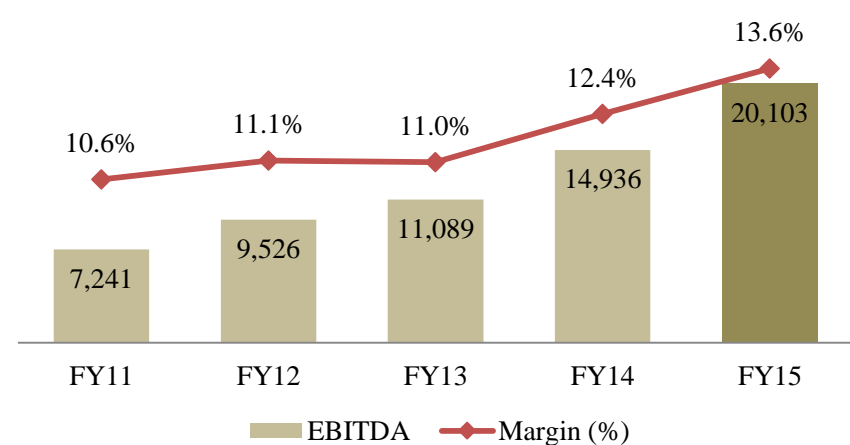


Financial Performance: Yearly

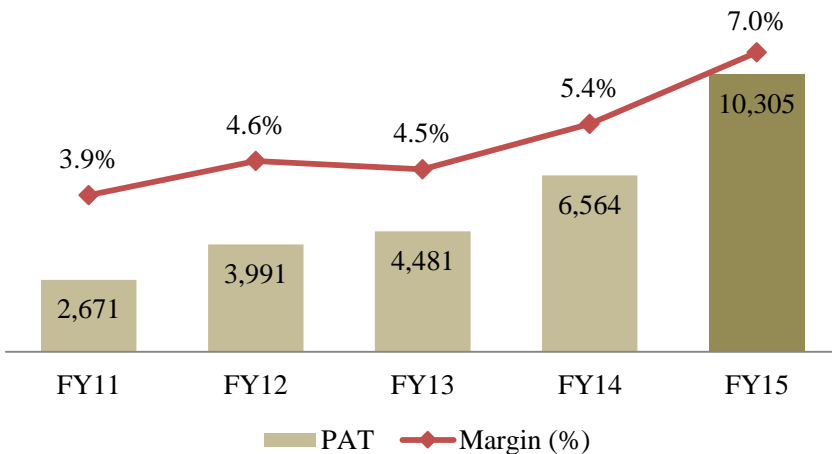
Net Sales (Rs. Lacs) and Growth (%)



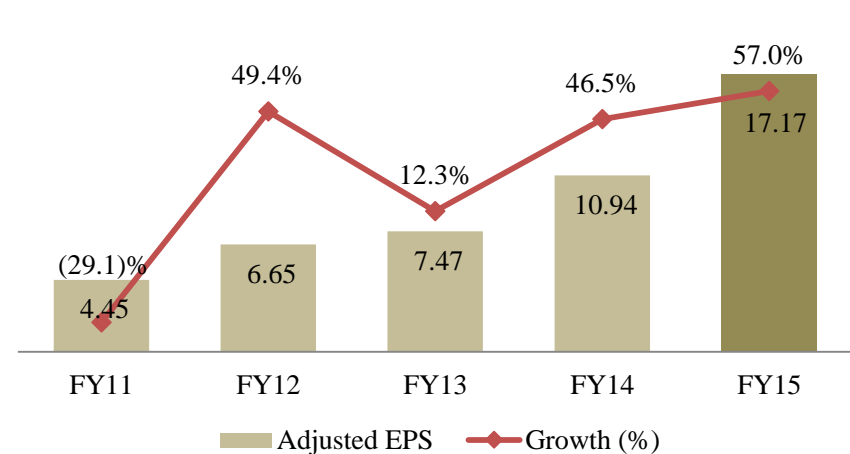
EBITDA (Rs. Lacs) and Margin (%)



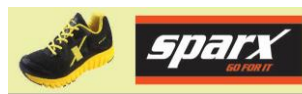
PAT (Rs. Lacs) and Margin (%)



EPS (Rs.) and Growth (%)



Note: EPS for FY11 to FY13 has been adjusted for share split of 1:5



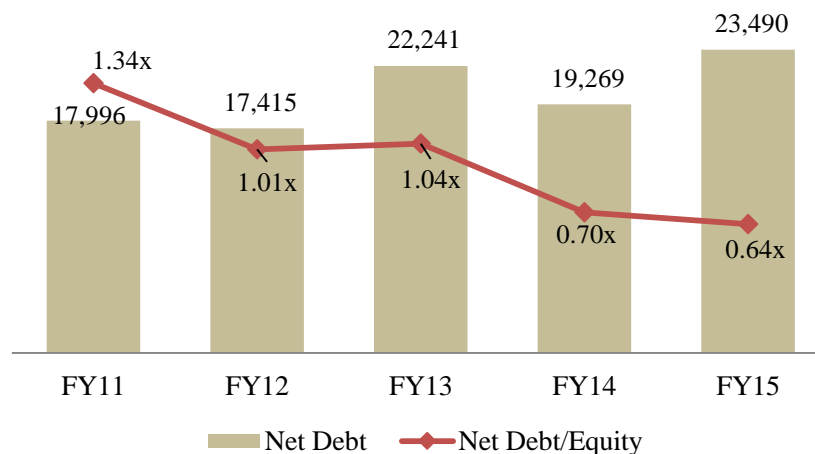
Leverage Profile

Particulars	31.03.15 (Rs. Lacs)	31.12.14 (Rs. Lacs)
Short Term Borrowings*	9,489	6,240
Long Term Borrowings	14,450	9,894
Total Debt	23,939	16,133
Less: Cash & Bank Balances	(449)	(326)
Net Debt	23,490	15,807
Net Worth	36,782	33,236

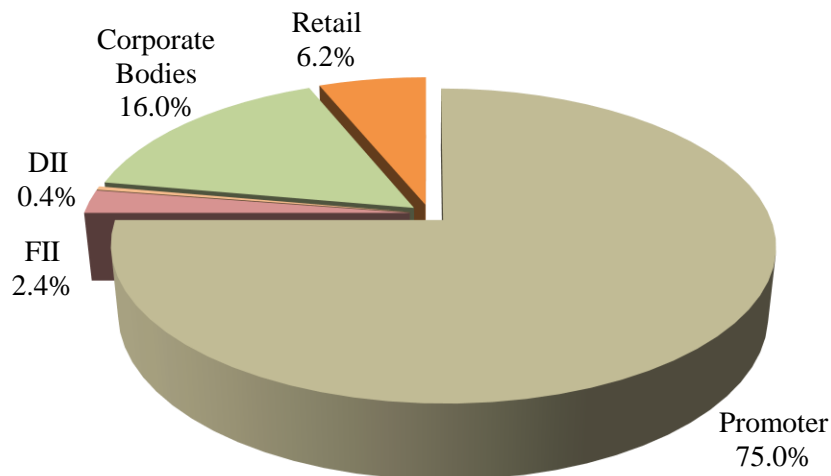
Agency	Instrument	Rating	Comment
ICRA	Short-Term Funds	A1	Indicates highest credit quality rating to short term debt instruments. Instruments rated in this category carry the lowest credit risk in short term
ICRA	Long-Term Funds	A+	Indicates adequate quality rating of long term debt instruments. Instruments rated in this category carry low credit risk in long term

* Short term borrowings includes term loans repayable within 1 year

Net Debt (Rs Lacs) and Net Debt/ Equity (x)



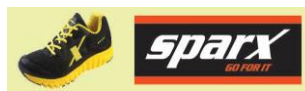
Shareholding Pattern (31st March 15)



Market Data

Market Cap. (Rs. million) (08-May-15)	42,497
Outstanding Shares (million)	60.0
Bloomberg Ticker	RLXF:IN
Reuters Ticker	RLXO.BO
BSE Ticker	530517
NSE Ticker	RELAXO

Shareholders	Mar-14	Jun-14	Sept-14	Dec-14	Mar-15
Promoter	75.0%	75.0%	75.0%	75.0%	75.0%
Foreign Institutional Investor (FII)	1.8%	2.0%	2.1%	2.4%	2.4%
Domestic Institutional Investor (DII)	0.1%	0.1%	0.1%	0.2%	0.4%
Corporate Bodies	16.1%	16.2%	16.2%	16.1%	16.0%
Retail	7.0%	6.7%	6.6%	6.3%	6.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



Audited Results for the quarter and full year ended 31st March 2015

(All amounts are in Lacs of Indian Rupees, unless otherwise stated)



(Rs. in lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
Part I- Statement of Financial Results	Audited	Unaudited	Audited	Audited	Audited
1 Income from operations					
Net sales / income from operations (Net of Excise Duty)	43811.58	33065.90	37087.64	147277.78	120582.95
Other operating income	237.70	200.18	184.63	803.64	643.87
Total income from operations (Net)	44049.28	33266.08	37272.27	148081.42	121226.82
2 Expenses					
Cost of materials consumed	16264.16	15377.49	12907.47	61390.72	46976.78
Purchases of stock-in-trade	3410.70	3280.14	2972.06	10446.00	7495.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(871.59)	(4620.13)	2343.87	(7292.88)	645.93
Employee benefits expense	3817.18	3195.44	3039.24	13450.44	11459.14
Depreciation and amortisation expense	977.26	979.87	835.22	3989.61	3116.47
Other expenses	14310.39	11756.87	11457.63	50023.41	39948.48
Total expenses	37908.10	29969.68	33555.49	132007.30	109642.11
3 Profit from operations before other income, finance costs and exceptional items (1- 2)	6141.18	3296.40	3716.78	16074.12	11584.71
4 Other income	(18.11)	38.62	(72.11)	39.17	234.35
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	6123.07	3335.02	3644.67	16113.29	11819.06
6 Finance costs	507.84	434.27	559.01	1848.36	2265.87
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	5615.23	2900.75	3085.66	14264.93	9553.19
8 Exceptional items	-	-	-	-	-
9 Profit from ordinary activities before tax (7-8)	5615.23	2900.75	3085.66	14264.93	9553.19
10 Tax expense	1347.13	910.09	903.07	3959.94	2989.55
11 Net Profit from ordinary activities after tax (9-10)	4268.10	1990.66	2182.59	10304.99	6563.64
12 Extraordinary items	-	-	-	-	-
13 Net Profit for the period (11-12)	4268.10	1990.66	2182.59	10304.99	6563.64
14 Paid up equity share capital (Face value of Re.1/- share each)	600.06	600.06	600.06	600.06	600.06
15 Reserves excluding revaluation reserve				36181.71	27056.12
16 Earnings per share (EPS) in Rs.					
Basic	7.11	3.32	3.64	17.17	10.94
Diluted	7.09	3.32	3.64	17.15	10.94
17 Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7100.33	4314.89	4479.89	20102.90	14935.53



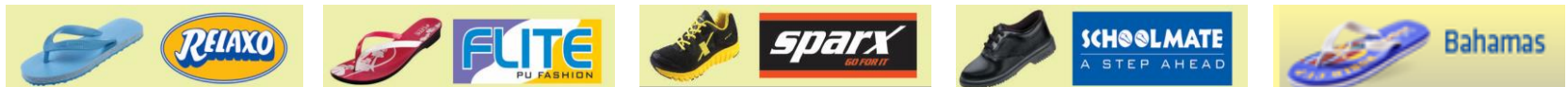
Audited Results for the quarter and full year ended 31st March 2015

(All amounts are in Lacs of Indian Rupees, unless otherwise stated)



(Rs. in lacs)

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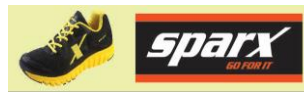


Audited Results for the quarter and full year ended 31st March 2015

(All amounts are in Lacs of Indian Rupees, unless otherwise stated)



Part II-Select Information for the Quarter and Year Ended 31st March, 2015						
A	Particulars of Shareholding					
1	Public Shareholding					
	Number of shares	15001500	15001500	15001500	15001500	15001500
	Percentage of shareholding	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	45004500	45004500	45004500	45004500	45004500
	Percentage of shares (as a % of the total shareholding of promoters)	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
B	Particulars	Quarter Ended 31.03.2015				
	Investor Complaints/ Requests					
	Pending at the beginning of the quarter			0		
	Received during the quarter			9		
	Disposed of during the quarter			9		
	Remaining unresolved at the end of the quarter			0		

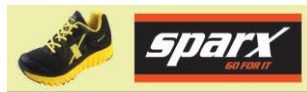


Audited Results for the quarter and full year ended 31st March 2015

(All amounts are in Lacs of Indian Rupees, unless otherwise stated)



		(Rs. in lacs)	
Particulars	As at 31.03.2015	As at 31.03.2014	
(A) Equity and Liabilities			
1 Shareholders' Funds			
Share Capital	600.06	600.06	
Reserves and Surplus	36181.71	27056.12	
Sub-total - Shareholders' Funds	36781.77	27656.18	
2 Non Current Liabilities			
Long Term Borrowings	14450.15	11430.95	
Deferred Tax Liabilities (Net)	2490.75	2638.43	
Other Long Term Liabilities	548.49	552.82	
Long Term Provisions	389.74	286.05	
Sub-total - Non Current Liabilities	17879.13	14908.25	
3 Current Liabilities			
Short Term Borrowings	6647.79	4840.80	
Trade Payables	7920.42	5868.61	
Other Current Liabilities	12836.05	10731.48	
Short Term Provisions	2214.41	1676.60	
Sub-total - Current Liabilities	29618.67	23117.49	
Total Equity and Liabilities	84279.57	65681.92	
(B) Assets			
1 Non Current Assets			
Fixed Assets	47381.62	39005.62	
Non Current Investments	6.01	6.01	
Long Term Loans and Advances	1212.05	1272.28	
Other Non Current Assets	0.74	38.66	
Sub-total - Non Current Assets	48600.42	40322.57	
2 Current Assets			
Inventories	24868.40	16399.93	
Trade Receivables	8364.94	6821.81	
Cash and Bank Balances	448.86	566.42	
Short Term Loans and Advances	1413.18	1282.05	
Other Current Assets	583.77	289.14	
Sub-total - Current Assets	35679.15	25359.35	
Total Assets	84279.57	65681.92	



Audited Results for the quarter and full year ended 31st March 2015

(All amounts are in Lacs of Indian Rupees, unless otherwise stated)



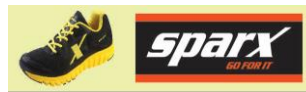
Notes

1. The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meeting held on 9th May, 2015
2. The Board of Directors has recommended 100% dividend (Re 1.00 per share of face value of Re 1/- each) for the year ended 31st March, 2015 subject to approval of the shareholders.
3. The Board of Directors has recommended issue of Bonus Shares in the ratio of 1:1 (One share for every share held) subject to approval of the shareholders of the Company.
4. 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).
5. Pursuant to enactment of Companies Act, 2013 and its applicability for accounting period commencing from 1st April, 2014, the Company has reviewed & revised the estimated useful lives of its certain fixed assets based on technical study and other fixed assets in accordance with the provisions of Schedule II of the Act. Consequent to change of useful life, an amount of Rs. 457.18 lacs (net of deferred tax of Rs. 235.41 lacs) representing carrying value of those assets whose useful life had expired as on 1st April, 2014 has been adjusted against the opening balance in General Reserve. Had the Company, continued with the previously assessed useful lives, depreciation charged for the quarter and year ended 31st March, 2015 would have been lower by Rs. 47.98 lacs and Rs. 382.35 lacs respectively.
6. The figures for the quarter ended 31st March, 2015 are the balancing figures between the Audited figures in respect of full financial year and unaudited year to date figures upto the previous quarter.
7. The Company has purchased land at RICO Industrial Area, Kaharani, Bhiwadi Extension, Rajasthan for Rs. 4769.42 lacs to meet its future expansion plans.
8. Previous period figures have been regrouped / rearranged wherever considered necessary.

On behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Delhi, 9th May, 2015





Quality Par Excellence

Relaxo Footwears Limited

(CIN: L74899DL1984PLC019097)

Aggarwal City Square, Plot No. 10,

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