



Quality Par Excellence

Corporate Presentation

RELAXO FOOTWEARS LIMITED



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

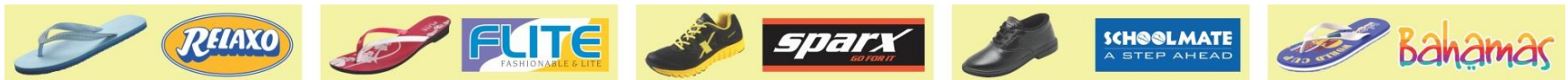
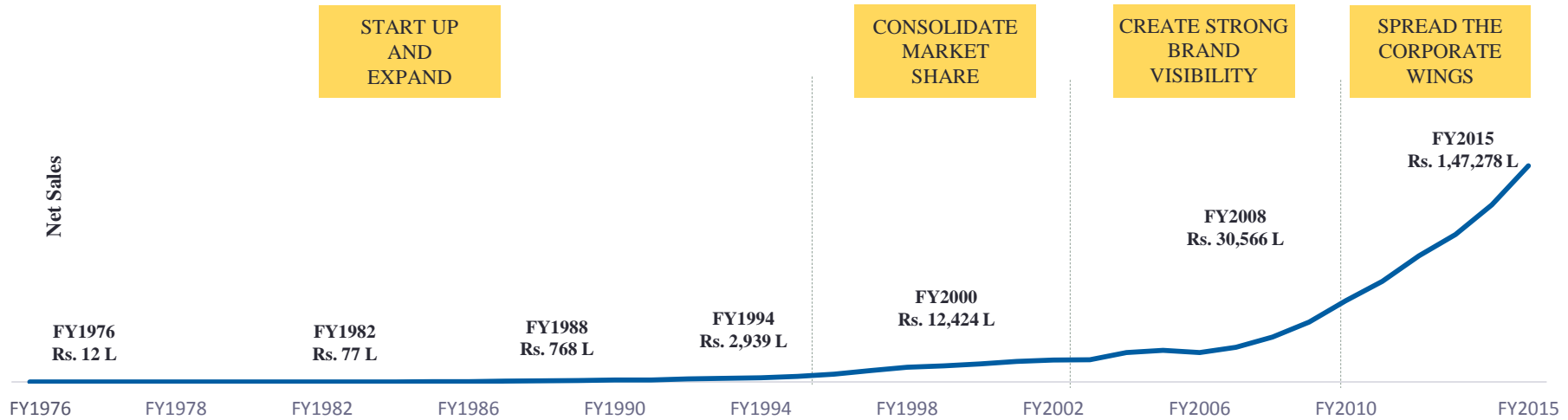


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Evolution of Relaxo Group



1976 - 1995

The Group started operations in Relaxo Brand from 1976
Main focus was marketing and selling Footwear manufactured by its group companies and other entities
Relaxo Footwears Ltd was incorporated in 1984

1996-2003

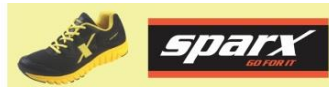
Relaxo's focus was to expand
Raised funds via an IPO and set up a plant in Haryana
Started manufacturing Footwear (rubber slippers) for the masses
Expanded capacity in Haryana in 2000 and set up a new plant in Rajasthan in 2001

2004-2011

Relaxo's focus moved to creating strong brand visibility
Roped in top-notch celebrities for brand endorsements
Launched specialized brands 'Flite' and 'Sparx' and targeted mid and upper segments of the society
Rolled out company-owned retail stores named 'Relaxo Retail Shoppe'
Laid greater emphasis on exports from FY08

2012 Onwards

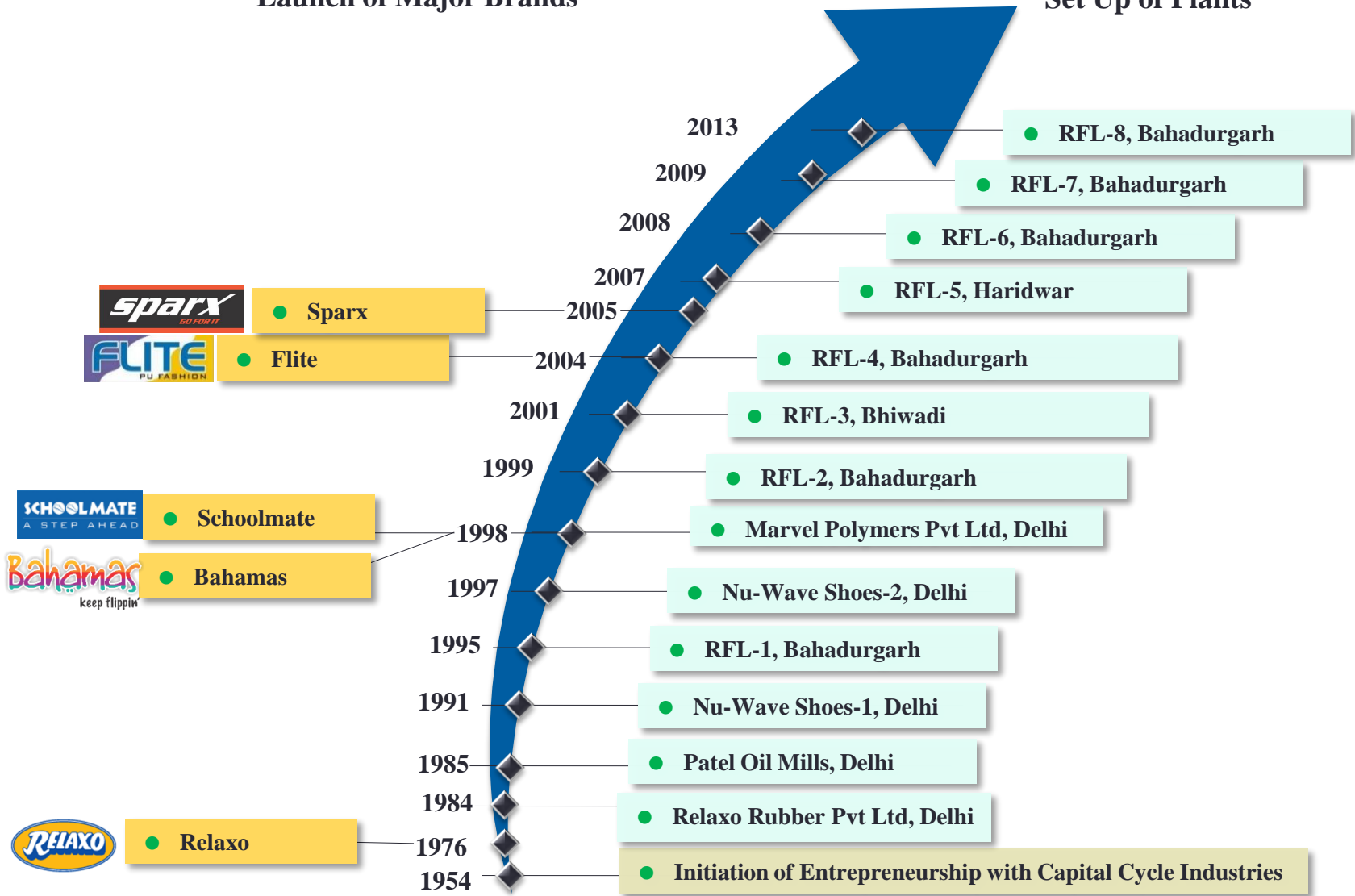
Relaxo's focus shifted to moving up the value chain and building strong brands
Crossed more than Rs.1,473 Cr revenues in FY2015
To strengthen supply chain management, opened Regional Warehouses (RWH) across India to offer better service to customers
Initiation of New Product Development and portfolio strategy alongwith product and store rationalization. Emphasis on People Development.
More than 200 Retail outlets Pan India



Milestones Achieved

Launch of Major Brands

Set Up of Plants



Relaxo Today

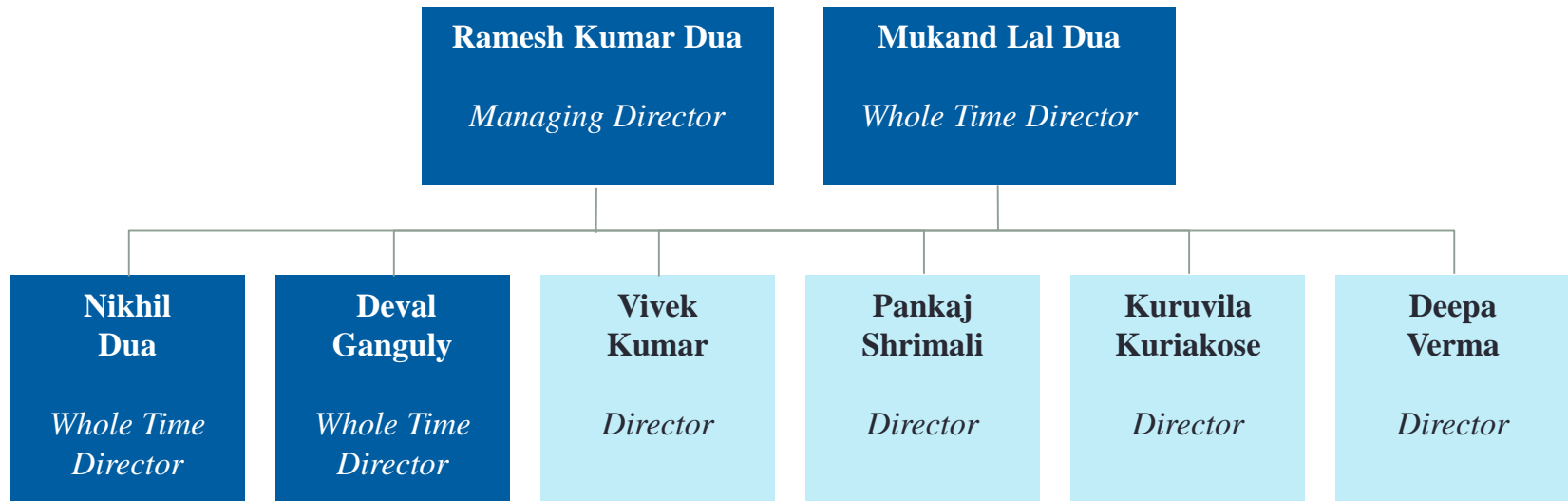
Overview

- Largest Footwear manufacturing company in India; Sold 12.28 Crores of Footwear pairs in FY2015
- Products include Rubber / EVA slippers, canvas shoes, sport shoes, sandals, school shoes and other types of Footwear
- Portfolio of 11 brands and ~50,000 retailers served through distributors
- Major brands include Relaxo, Flite, Sparx, Bahamas and Schoolmate
- 8 state of the art manufacturing facilities, six in Bahadurgarh (Haryana) and one each in Bhiwadi (Rajasthan) and Haridwar (Uttarakhand).
- 225 company-owned stores across India with presence in Delhi, Gujarat, Haryana, Jammu and Kashmir, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.
- Business Process is managed through SAP & Microsoft Dynamics Navision.
- Better Corporate Governance thru Compliance Management Tool implemented by EY.

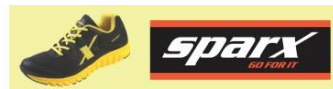
Key Brands



Board of Directors

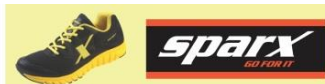


Executive Director Independent Director



Board of Directors

Director	Background
Ramesh Kumar Dua, <i>Managing Director</i>	<ul style="list-style-type: none"> Over 37 years of experience in marketing, production and product development in rubber Footwear Industry Director in Relaxo Rubber Pvt. Ltd. and Marvel Polymers Pvt. Ltd. A commerce graduate and rubber technologist (LPRI, London)
Mukand Lal Dua, <i>Whole Time Director</i>	<ul style="list-style-type: none"> Over 42 years' experience of marketing, production and quality control in rubber Footwear Industry Director in Relaxo Rubber Pvt. Ltd. and Marvel Polymers Pvt Ltd besides being a Working Partner in Patel Oil Mills and is a science graduate
Nikhil Dua, <i>Whole Time Director</i>	<ul style="list-style-type: none"> Has experience of 20 years in the shoe division of the Company and has rich knowledge of product mix and market development in Footwear Industry A Commerce graduate and has studied from International School of Modern Shoe-making, Czech Republic
Deval Ganguly, <i>Whole Time Director</i>	<ul style="list-style-type: none"> 34 years of experience in areas of manufacturing, project and plant management in various reputed organisations He joined Company in 2011 as President, Manufacturing and was elevated to Board w.e.f 5.11.2012. He is a B.Tech from IIT Kanpur
Pankaj Shrimali, <i>Independent Director</i>	<ul style="list-style-type: none"> Over 30 years of experience in areas of finance, accounts, secretarial, corporate management, legal & corporate consultancy services, strategic management and investment banking for reputed corporate houses A fellow member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, and Institute of Cost Accountants of India
Kuruvila Kuriakose, <i>Independent Director</i>	<ul style="list-style-type: none"> Over 32 years of experience in area of finance in Footwear Industry He is B.Sc (Special) in Maths from Kerela University in the year 1970 and member of the Institute of Chartered Accountants of India.
Vivek Kumar, <i>Independent Director</i>	<ul style="list-style-type: none"> Over 21 years experience as Operational Head in leading Indian companies and is also a management consultant to many corporates in India and abroad 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, <i>Independent Director</i>	<ul style="list-style-type: none"> Over 26 years of experience in academic administration. She is Associated with the University of Petroleum & Energy Studies since inception. She held various positions such as Director (NCR) region, Vice President (Academic Affairs) and presently in charge of Institutional Affairs and HR. She is B.Sc, LL.B, M.A (Psychology), Diploma in Educational Guidance & Counselling



Corporate Objectives

To Explore National and International Markets

Product Innovation through Design and Development

Increase Retail Footprint

100% Statutory and Legal Compliance

Optimum Utilization of Resources

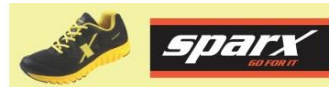
Best in Class Quality

Meet and Exceed Customer Expectations

Developing Human Resource asset through Effective Training and Leadership Development

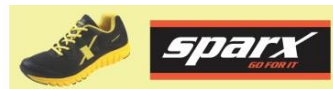
Compliance to ISO 9001:2008 and ISO 14001:2004

Maximize Wealth for Shareholders



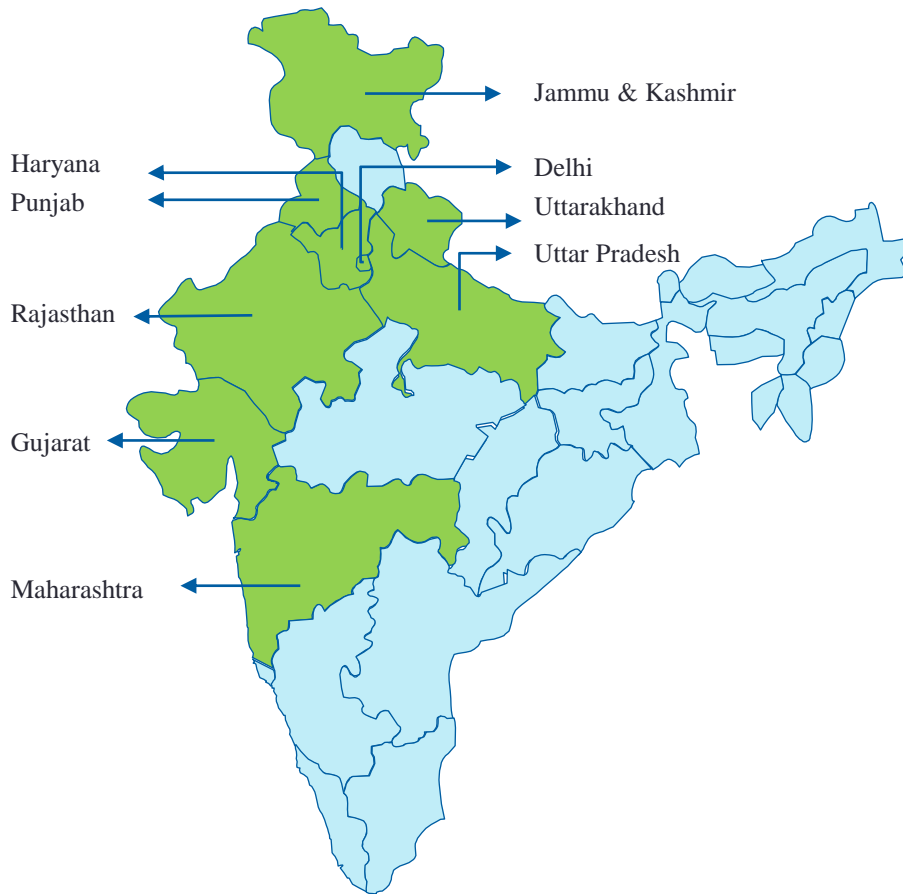
Commitment to Quality

Relaxo has consistently lived by and upheld its quality assurance, rigidly adhering to the statutes of quality par excellence and absolute customer satisfaction



Plant and Relaxo Retail Owned Store Network

Stores Footprint



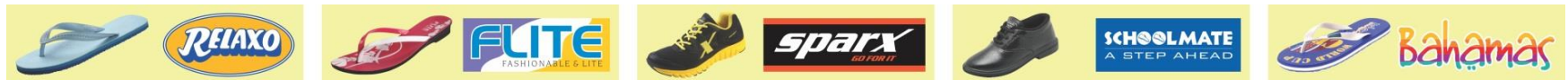
Source: Green shaded states represent stores Footprint

Facilities by Brand

Brand	Location	Number of Facilities
Relaxo	Bahadurgarh (2)	3
	Bhiwadi (1)	
Flite	Bahadurgarh (3)	3
Sparx	Bahadurgarh (1)	2
	Haridwar (1)	

Relaxo Retail Owned Stores State wise

State	Number of Stores
Uttar Pradesh	61
Delhi	54
Punjab	31
Haryana	29
Gujarat	12
Rajasthan	18
Uttarakhand	8
Jammu & Kashmir	8
Maharashtra	4
Total	225



Corporate Office and Manufacturing Facilities

Relaxo's state-of-the-art manufacturing facilities are equipped with futuristic infrastructure powered by cutting-edge technology and progressive machinery



**Corporate Office-
Rohini, Delhi**



**RFL 1 & 2 -
Bahadurgarh**



RFL 3 - Bhiwadi



RFL 4 - Bahadurgarh



RFL 5 - Haridwar



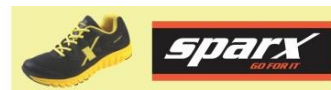
**RFL 6A & B -
Bahadurgarh**








**RFL 7A & B -
Bahadurgarh**

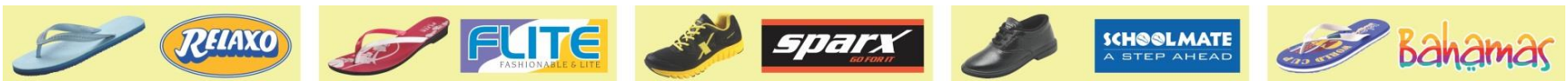


RFL 8 - Bahadurgarh



Brands Overview

Brand	Brand Overview	Target Consumer	Brand Ambassador
	Most popular and basic Indian Footwear category of Rubber & Eva slippers. Relaxo is the largest manufacturer of Rubber/EVA slippers in India	All strata of the society	--
	Fashionable and Lite Footwear brand.	Youngsters	Sonakshi Sinha
	A range of sports shoes, sandals and slippers	Upwardly mobile young to middle-aged group	Akshay Kumar
	A range of school shoes for boys and girls	School going kids	--
	A trendy & fashionable flip flop premium Footwear.	Contemporary generation	--



Brands Overview – Relaxo

“When it comes to slippers, comfort is of utmost importance. Available in diverse shades and styles, our rubber/EVA slippers are known for their long lasting durability, eye catching designs and great comfort, making them ideal as well as a popular choice for all age groups. Relaxo holds the record for being the largest manufacturers of rubber/EVA slippers in the Indian Footwear industry”

Product: Rubber/EVA slippers

- ⊙ Most popular Indian Footwear
- ⊙ Primarily uses natural Rubber / EVA.

Positioning:



- ⊙ Relaxo’s flagship product
- ⊙ Durable and Comfortable
- ⊙ Supreme quality



- ⊙ Trendy & Fashionable Flip flop
- ⊙ Colorful & Stylish range of Premium Footwear

Target consumer:

- ⊙ All strata of the society
- ⊙ Contemporary Generation
- ⊙ All age groups



Brands Overview – Flite

“Fashion is not created overnight, it may take a decade to shine bright. Some hold the grace, which is unusual. Some mark the impression of class yet casual. Feel the vibrancy of colours, add style to your feet with fashionable & lite Flite. Step in to the paradise of fashion with the vibrant range of trendy Flite slippers that are manufactured using state of art EVA technology”

Product: Flite

- ⊙ Fashionable & Lite Footwear Brand
- ⊙ Uses EVA and PU Technology

Positioning:



- ⊙ Fashionable & Lite
- ⊙ Colorful & Trendy Range of Small Casual Footwear



- ⊙ Fashionable & Durable
- ⊙ Formal / Semi Formal Footwear range

Target consumer:

- ⊙ Youngsters
- ⊙ Youngsters



Brands Overview – Sparx

“Embodying the spirit of youth, Sparx gives you that extra confidence and motivation to move ahead in life. Best known for its sturdy and superb designs, Sparx is an iconic youth brand and is quite popular among those who dare to explore and test their limits”

Product: Sparx

- ⊙ A range of stylish and sporty shoes, sandals and slippers

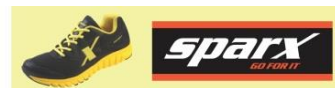
Positioning:



- ⊙ Sparx is for the youth who are fun loving, Sporty & Adventurous.
- ⊙ For the ones who are Fashionable & Style conscious

Target consumer:

- ⊙ Upwardly mobile young to middle-aged group



Brands Overview – Schoolmate

“Schoolmate stands for an expression of Relaxo’s faith and commitment towards the young leaders of tomorrow. Especially designed to keep the tender feet of children happy all day long, Schoolmate shoes are the best choice for your active and energetic children”

Product: Schoolmate

- © A range of school shoes for boys and girls

Positioning:



A Schoolmate kid is always a step ahead. A school kid while growing up needs inner confidence, will-power to compete and stand out from the others. They need to lead the way and make a big impression in the classrooms and boardrooms in the years ahead. Which is why to begin their journey, they need to step into Schoolmate shoes, as with Schoolmate, you are always a step ahead than the rest



Target consumer:

- © School going kids



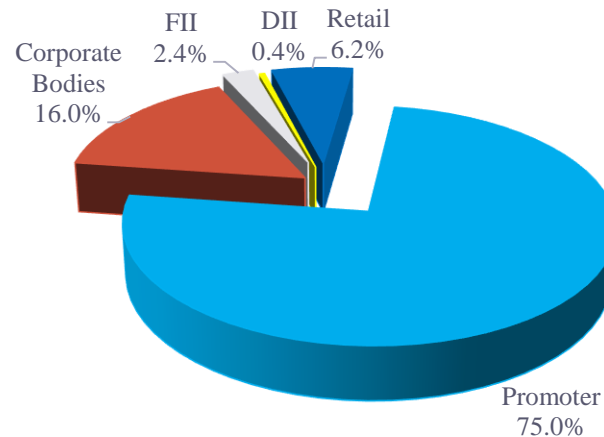
Investment Highlights

<p>Market Position</p>	<ul style="list-style-type: none"> ✓ Largest Footwear Manufacturing Company in India ✓ Strong visibility and brand recall ✓ Substantial investments in marketing and brand building for leveraging competitive edge. ✓ Initiated a modern trade platform through institutional sales and online shopping access
<p>Operations</p>	<ul style="list-style-type: none"> ✓ Portfolio of 11 brands, ~50,000 retailers and distributors ✓ 8 state of the art manufacturing facilities and 225 company-owned outlets across India ✓ Substantial capacity expansion with focus on product mix and cost rationalization. ✓ Low average realization per Footwear pair leaves room for upside
<p>Attractive Industry Dynamics</p>	<ul style="list-style-type: none"> ✓ India is the second largest producer of Footwear in the world after China ✓ The size of Indian Footwear market is close to Rs. 40,000 crores and expected to grow at a CAGR of 10-15% over the next couple of years ✓ Increasing organized Footwear market penetration in tier II and Tier III cities and rising disposable income of a burgeoning middle class are primary growth drivers
<p>Strong Financial Performance</p>	<ul style="list-style-type: none"> ✓ Strong revenue CAGR of around 20% over the past five years ✓ Strong balance sheet with relatively low leverage. Constantly improving ROCE (>25%) ✓ High retained earnings with high ROE. ✓ History of consistently increasing dividend payout. ✓ Bonus Shares allotted in the ratio of 1:1



Market Data

Shareholding Pattern (31st March 2015)



Market Data

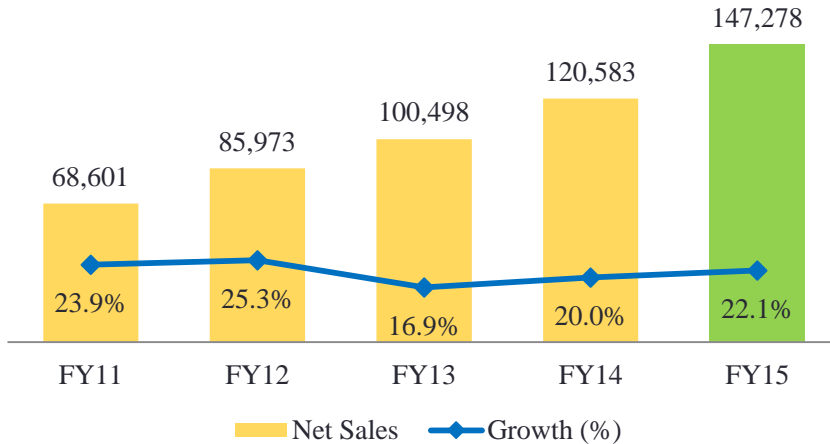
Market Cap. (Rs. million) (31-Mar-15)	38,764
Outstanding Shares (million) (31-Mar-15)	60.0
Book Value /Share (Rs.) (31-Mar-15)	61.30
Bloomberg Ticker	RLXF:IN
Reuters Ticker	RLXO.BO
BSE Ticker	530517
NSE Ticker	RELAXO

Shareholders	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15
Promoter	75.0%	75.0%	75.0%	75.0%	75.0%
Foreign Institutional Investor (FII)	2.0%	2.1%	2.4%	2.4%	2.4%
Domestic Institutional Investor (DII)	0.1%	0.1%	0.2%	0.4%	1.3%
Corporate Bodies	16.2%	16.2%	16.1%	16.0%	15.1%
Retail	6.7%	6.6%	6.3%	6.2%	6.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

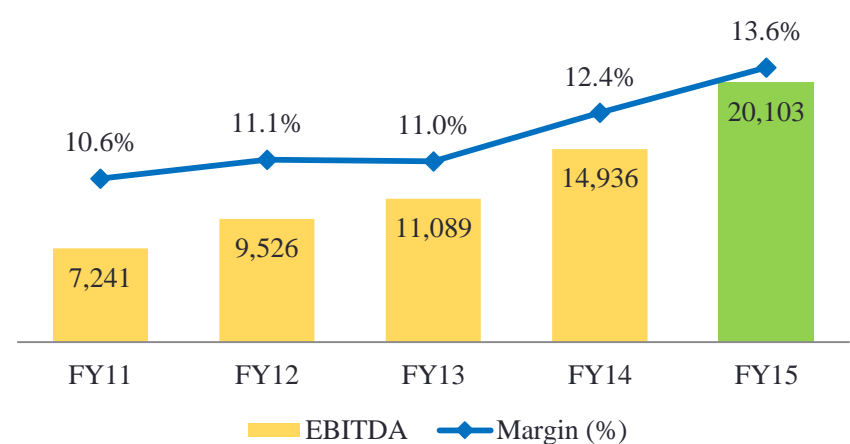


Financial Highlights – Yearly

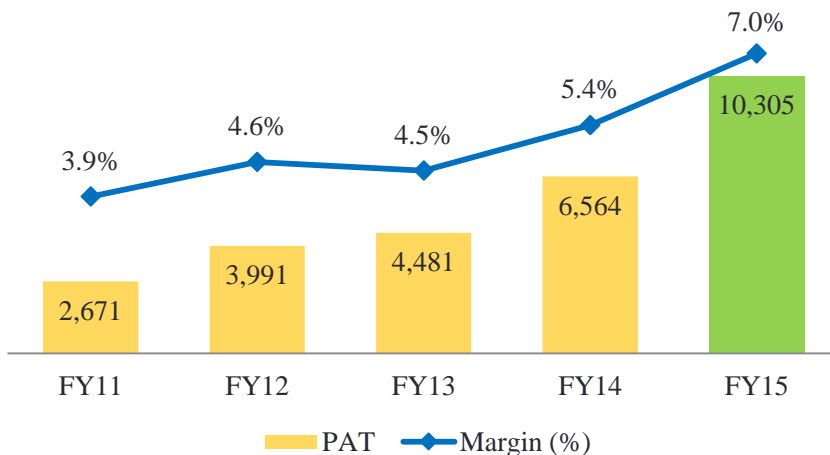
Sales (Rs. Lacs) and Growth (%)



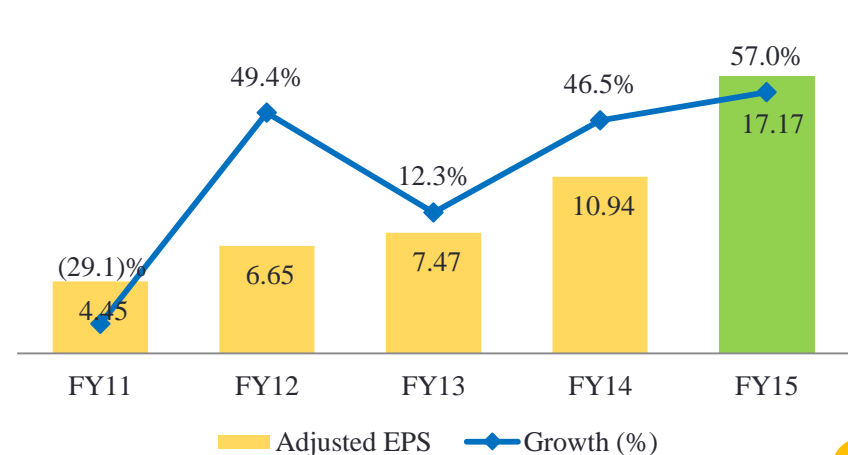
EBITDA (Rs. Lacs) and Margin (%)



PAT (Rs. Lacs) and Margin (%)



EPS (Rs.) & Growth (%)



Note: EPS has been adjusted for 1:5 share split in FY2014



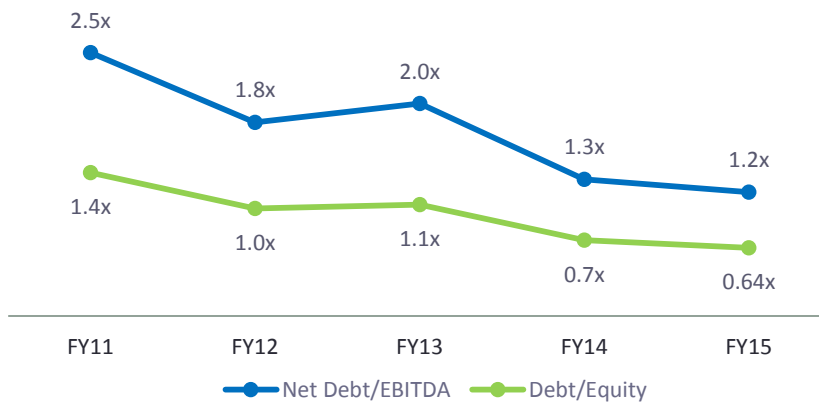
Leverage Profile

Particulars	FY2015 (Rs. Lacs)	FY2014 (Rs. Lacs)
Short Term Borrowings*	9,489	8,404
Long Term Borrowings	14,450	11,431
Total Debt	23,939	19,835
Less: Cash & Cash Equivalents	(449)	(566)
Net Debt / (Net Cash)	23,490	19,269
Net Worth	36,782	27,656

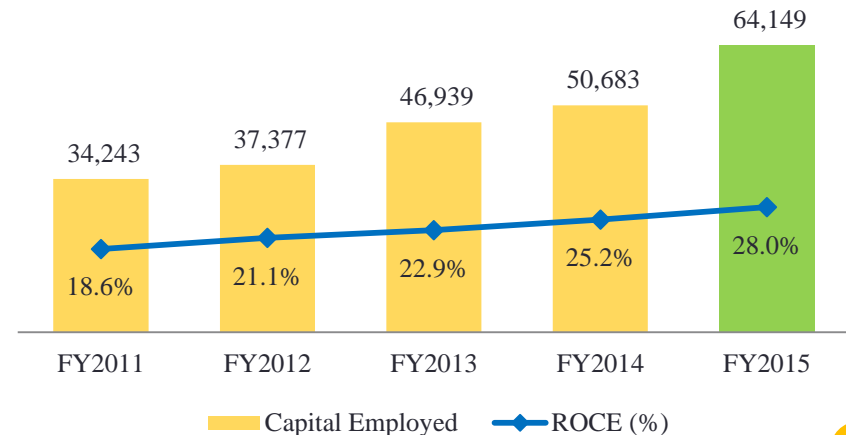
Agency	Instrument	Rating	Comment
ICRA	Short-Term Funds	A1+	Indicates top notch credit quality rating to short term debt instruments. Instruments rated in this category carry the lowest credit risk in short term
ICRA	Long-Term Funds	A+ with Positive outlook	Indicates adequate degree of safety of long 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/EBITDA (x) & Total Debt/ Equity (x)



Capital Employed (Rs. Lacs) and ROCE (%)



Note: 1. Capital Employed: Total Asset – Current Liabilities
 2. ROCE (Return on Capital Employed): Earnings before interest and taxes / Capital Employed



Driving The Next Phase of Growth

Product Innovation

- Launching new designs and products as per the consumer needs.
- Continuous product innovation around functionality to delight consumers.
- Investment in design and technical capabilities.

Being closer to the consumer

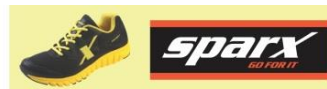
- Emphasis on building strong brands through robust marketing initiatives.
- Strengthened distribution network to be available at arms length to our consumers.
- Expansion of company owned retail base and leveraging new channels (e.g. E-commerce, Modern Trade)

Improved ability to serve

- Investment in manufacturing and capacities expansion ahead of requirements.
- Investments in supply chain infrastructure to improve ability to serve
- Improving internal processes of quality control and safety

Investment in our people

- Attracting and retaining the best talent through robust HR processes and long term incentives.
- Developing our people for next phase of growth through leadership development and training.

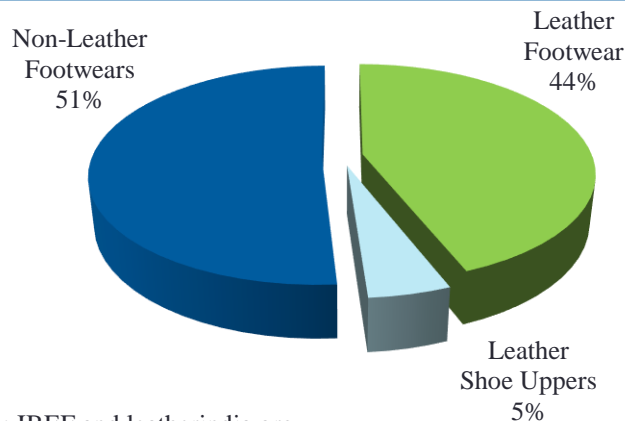


Industry Dynamics

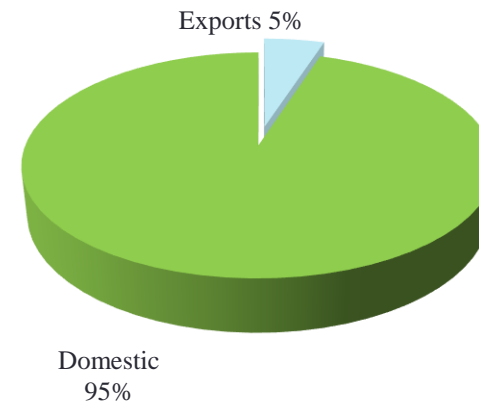
Indian Footwear Industry

- India is the second largest producer of Footwear in the world after China with 16 billion pairs per annum, accounting for 13% of the global Footwear production
 - Nearly 95% of the total Footwear production in India is sold domestically
 - India's Footwear export (leather, uppers and non-leather) has grown at a CAGR of 13.82% during the five years ending FY2014.
- Increasing scope for investment in Footwear industry due to government's pro-industry approach
- Indian Footwear market is showing signs of improvement in quality and technology and is expected to be driven by the EU and the US markets
- Organised players are making inroads in the untapped market which was previously catered by Unorganized sector

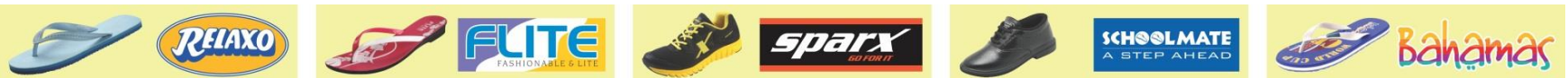
Production Breakup



Sales Geographic Breakup

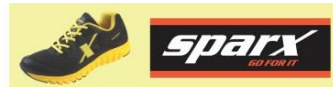


Source: IBEF and leatherindia.org



Corporate Social Responsibility

Relaxo's corporate social responsibility activities reflect its philosophy of implementing sound business practices, assisting the communities in which it operates and helping to shape a better, more sustainable society





Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Corporate Office: Aggarwal City Square, Plot No.10, Mangalam Place, District Centre, Sector-3, Rohini, Delhi-110085 (India)

Phone: 91-11-46800500, 46800600 Fax: 91-11-46800598, 46800599 CIN:L74899DL1984PLC019097

Registered Office: 316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi - 110 035 (India)

Phone No. : 91-11-23658354, 23658365, 23658366, 23658568 Fax : 91-11-23658431, 23658773

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