

The Choice of
Millions of Feet



Relaxo Footweares Limited

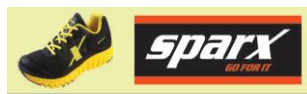
Annual & Q4 FY16 Performance Presentation

May 16, 2016



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- Market remains cautious; consumer demand continues to be sluggish
- 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
- Substantial increase in labour bill in Q4 on account of wage hike in Haryana



Our Strategy



- Continuous 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 FY16. The Company has achieved revenue growth of 15.7%, EBITDA growth of 21% and PAT growth of 16.7% in the fiscal.

Growth in the last quarter was subdued on account of a general market slowdown, impacting a few of our key sub-segments. Additionally, the recently announced wage hike in Haryana and increase in the statutory bonus ceiling impacted our bottom line.

Despite external challenges, the growth achieved in the Financial Year is a reflection of our business' strong fundamentals and the market pull for our brands

We are constantly investing in our business model to serve the needs of our customers, and aim to circumvent a lower volume growth via premiumization. We are also looking at establishing a direct connect with retailers to understand their concerns and getting them addressed through our channel Partners.

We are bullish on the growth potential from organized retail and e-commerce platforms and have developed a dedicated portfolio to ensure a healthy topline contribution from them. Additionally we are striving hard to capture the potential of under-penetrated markets and aim to initiate an aggressive sales push to further our growth numbers

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.`

I am confident that these interventions will help reverse the trend of the last quarter and help us to build a solid foundation for sustainable growth for the next fiscal.

Financial Performance

Financial Performance

(Rs. in lacs)

Particulars	Q4 FY 16	Q4 FY 15	Growth %	FY 16	FY 15	Growth %
Revenue	48540	44049	10.2	171302	148081	15.7
EBITDA	6763	7101	(4.8)	24334	20103	21.0
PAT	3282	4268	(23.1)	12028	10305	16.7

Highlights – Q4 FY 16

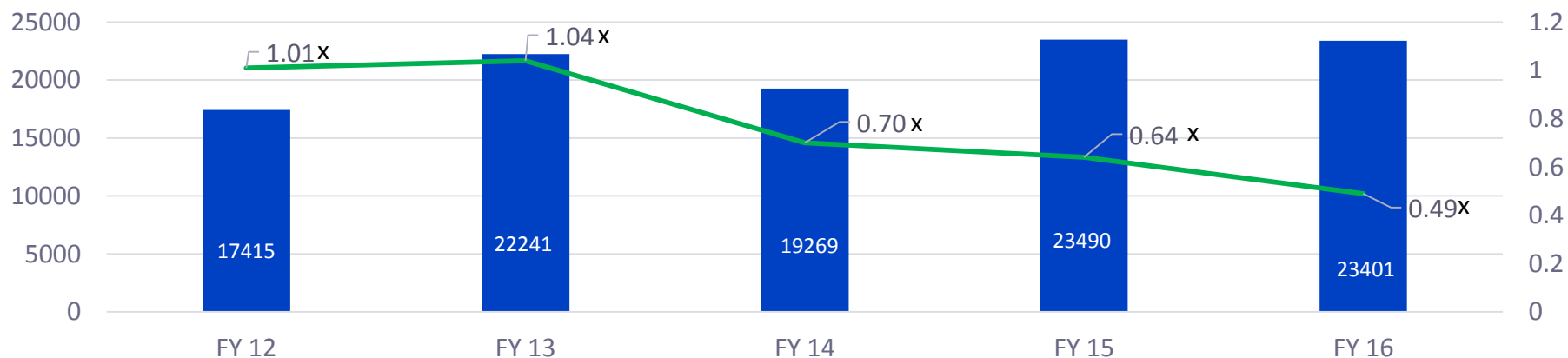
- ❑ Revenue increased by 10.2% to Rs. 48540 lacs
- ❑ 250 retail stores pan India as on 31st March, 2016 with net addition of 8 stores during Q4 FY 16
- ❑ EBITDA decreased by Rs. 338 lacs due to adverse impact of apprx. 30% Wage Hike in Haryana, retrospective increase in Bonus ceiling from Rs.10 K to 21 K and payment of Rs 205 Lacs towards CSR contribution.
- ❑ PAT growth % came down due to low EBITDA in the quarter and tax disadvantage in the quarter as compare to Investment Allowance advantage in corresponding quarter in last year.



Leverage Profile

Particulars	31.03.16 (Rs. Lacs)	31.03.15 (Rs. Lacs)	Agency	Instruments	Ratings	Comments
Short Term Borrowings*	12,339	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	11,299	14,450				
Total Debt	23,638	23,939				
Less: Cash & Bank Balances	(237)	(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	23,401	23,490				
Net Worth	47,998	36,782				

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

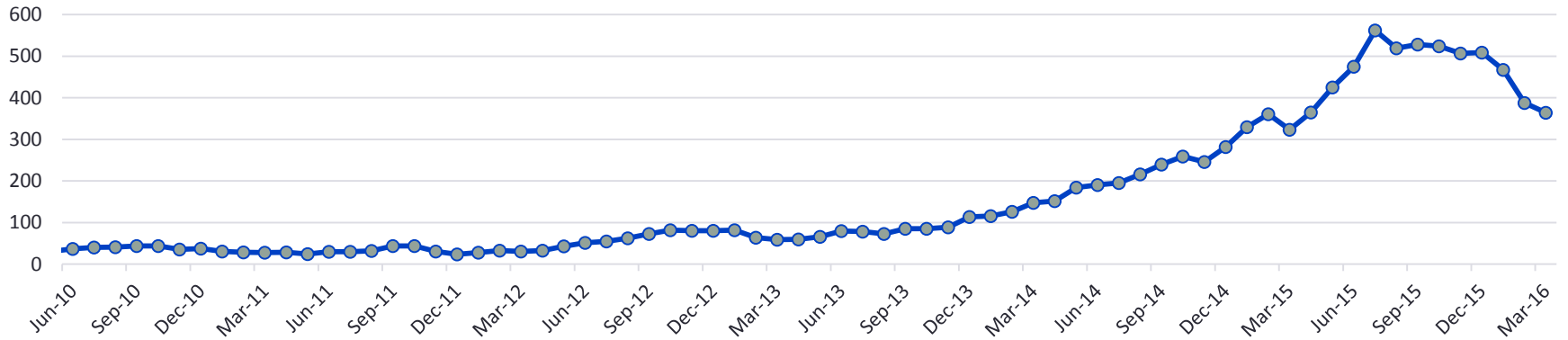


* Short term borrowings includes terms loans repayable within 1 year



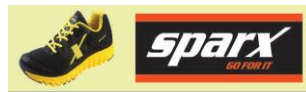
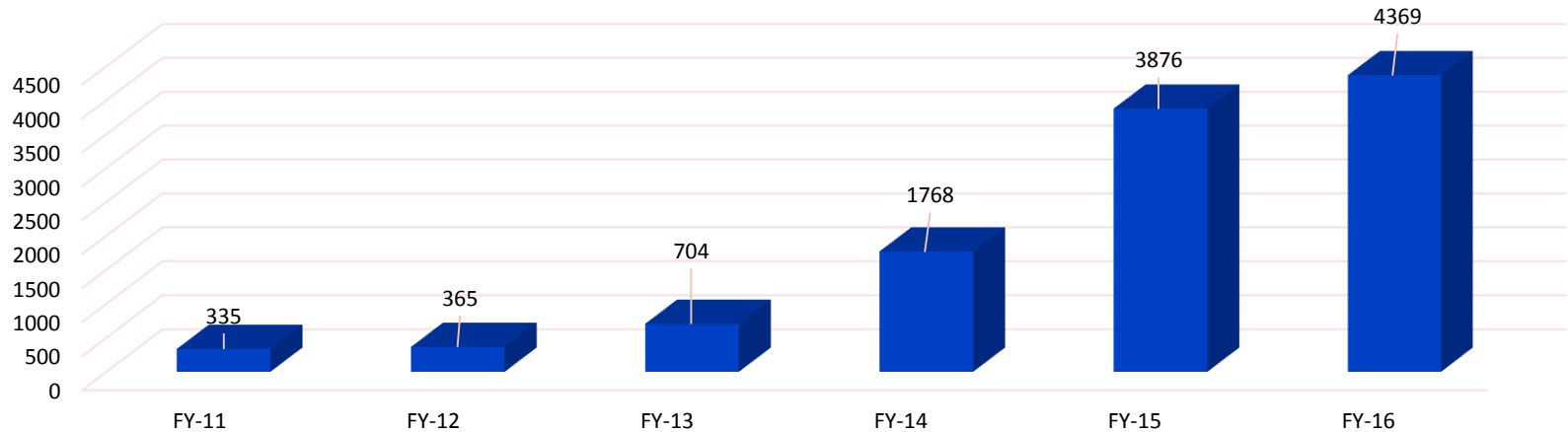
Market Performance

Share Price Performance (in Rs.)



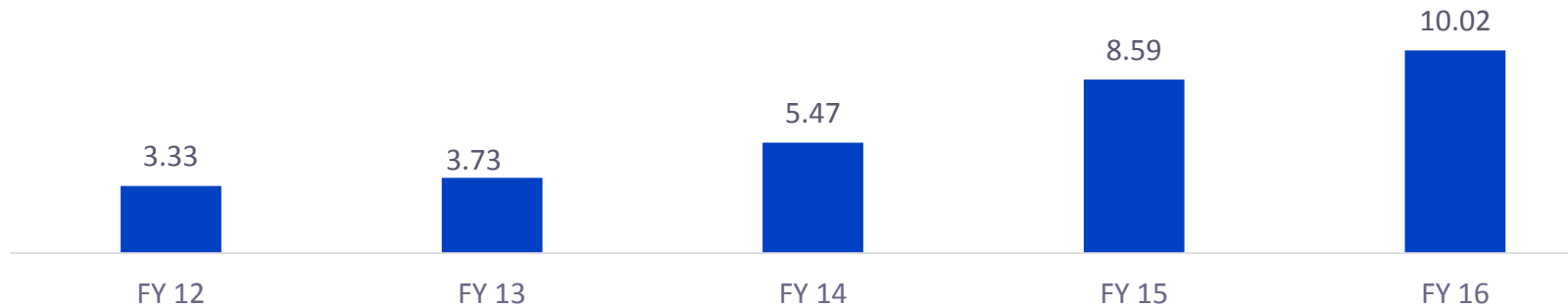
* Adjusted For Split and Bonus issue

Market Cap (Rs. Crs.)

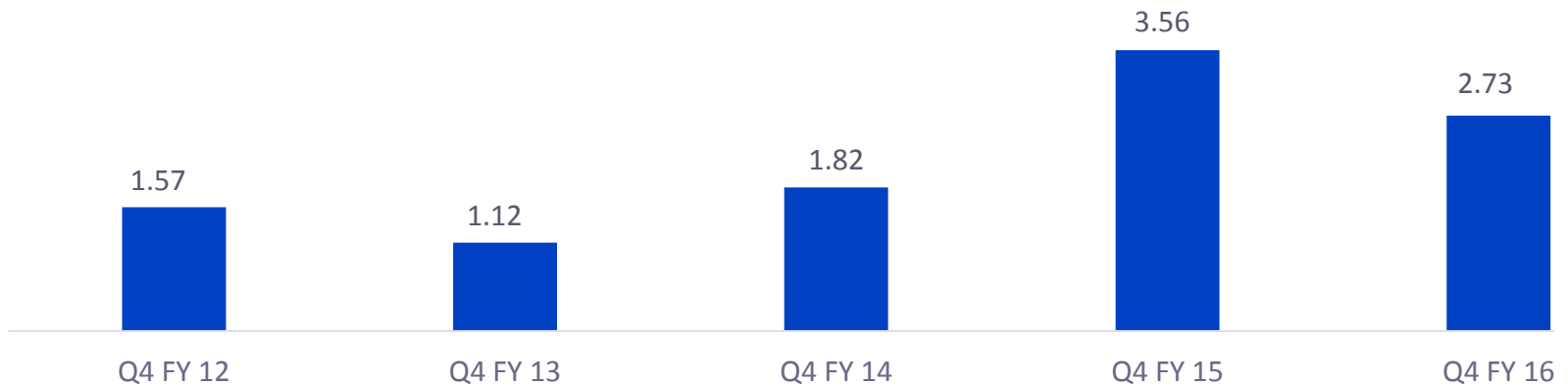


Market: EPS (In Rs.)

Annual EPS (in Rs.) *



Quarterly EPS (in Rs.) *

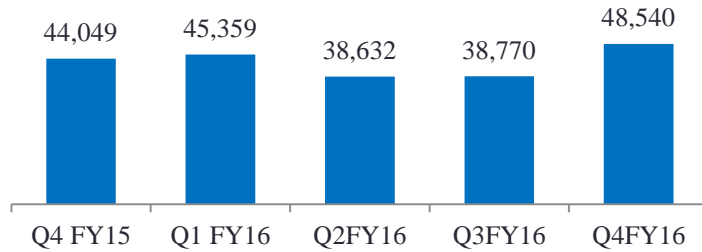


* Adjusted for Bonus/Splitting wherever applicable

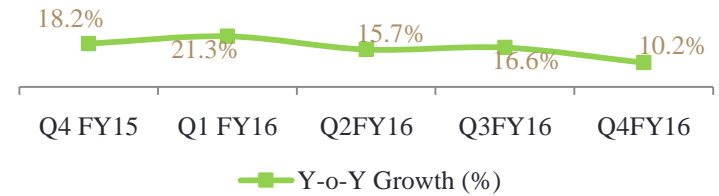


Financial Performance : Quarterly

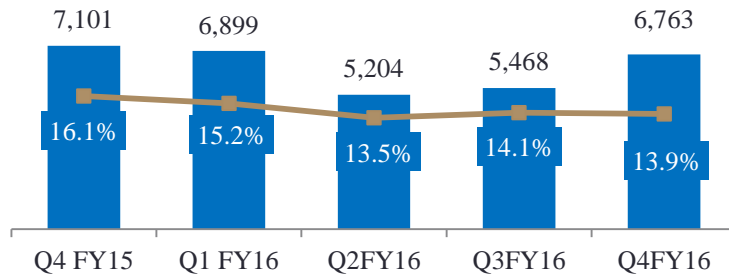
Revenue (Rs. Lacs)



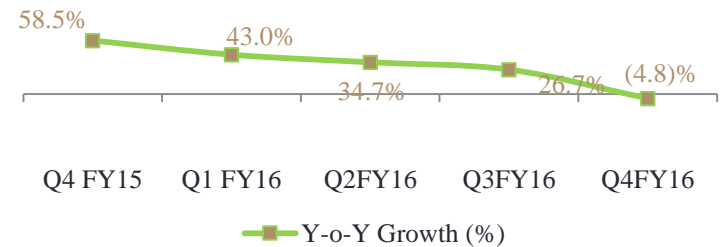
Revenue Growth (%)



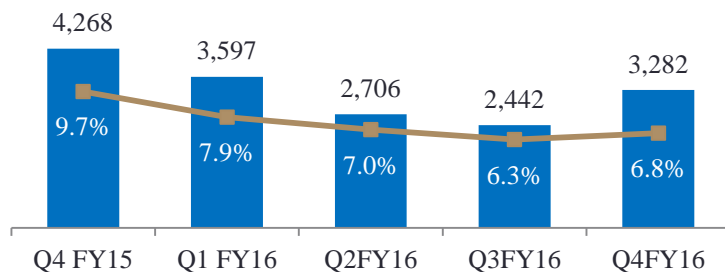
EBITDA (Rs. Lacs) & %



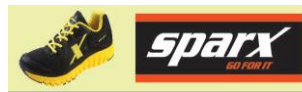
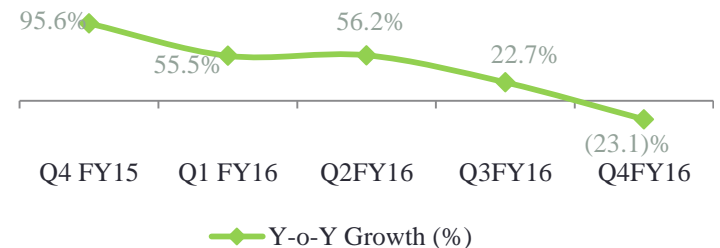
EBITDA Growth (%)



PAT (Rs. Lacs) & %



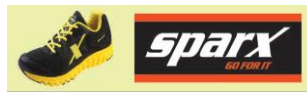
PAT Growth (%)



Statement of Audited Financial Results For The Quarter & Year Ended 31st March, 2016



Particulars	Quarter Ended			Year Ended	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
Statement of Financial Results	Audited	Unaudited	Audited	Audited	Audited
1 Income from operations					
Net sales / Income from operations (Net of Excise Duty)	48247.41	38567.50	43811.58	170417.56	147277.78
Other operating income	292.77	202.48	237.70	884.05	803.64
Total income from operations (Net)	48540.18	38769.98	44049.28	171301.61	148081.42
2 Expenses					
Cost of materials consumed	16076.74	12914.81	16264.16	59626.51	61390.72
Purchase of stock-in-trade	3553.61	4338.15	3410.70	14548.56	10446.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	736.85	(1156.97)	(871.59)	(3381.98)	(7292.88)
Employee benefits expense	4571.50	3792.98	3817.18	16084.49	13450.44
Depreciation and amortisation expense	1328.79	1216.55	977.26	4711.87	3989.61
Other expenses	16913.82	13462.78	14310.39	60315.71	50023.41
Total expenses	43181.31	34568.30	37908.10	151905.16	132007.30
3 Profit from operations before other income, finance costs and exceptional items (1- 2)	5358.87	4201.68	6141.18	19396.45	16074.12
4 Other income	75.37	49.49	(18.11)	225.42	39.17
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	5434.24	4251.17	6123.07	19621.87	16113.29
6 Finance costs	549.70	627.43	507.84	2289.26	1848.36
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	4884.54	3623.74	5615.23	17332.61	14264.93
8 Exceptional items	-	-	-	426.45	-
9 Profit from ordinary activities before tax (7+8)	4884.54	3623.74	5615.23	17759.06	14264.93
10 Tax expense (includes deferred tax)	1602.49	1181.70	1347.13	5731.41	3959.94
11 Net Profit from ordinary activities after tax (9-10)	3282.05	2442.04	4268.10	12027.65	10304.99
12 Extraordinary items	-	-	-	-	-
13 Net Profit for the period (11-12)	3282.05	2442.04	4268.10	12027.65	10304.99
14 Paid up Equity Share Capital (Face value of Re.1/- share each)	1200.40	1200.40	600.06	1200.40	600.06
15 Reserves excluding revaluation reserve				46797.73	36181.71
16 Earnings per share (EPS) in Rs.					
Basic	2.73	2.03	3.56	10.02	8.59
Diluted	2.73	2.03	3.55	10.00	8.58
17 Earnings before interest, taxes, depreciation and amortisation (EBITDA)	6763.03	5467.72	7100.33	24333.74	20102.90



Statement of Audited Financial Results For The Quarter & Year Ended 31st March, 2016



STATEMENT OF ASSETS AND LIABILITIES

		(Rs. in lacs)	
Particulars		As at 31.03.2016	As at 31.03.2015
(A) Equity and Liabilities			
1	Shareholders' Funds		
	Share Capital	1200.40	600.06
	Reserves and Surplus	46797.73	36181.71
	Sub-total - Shareholders' Funds	47998.13	36781.77
2	Non Current Liabilities		
	Long Term Borrowings	11298.82	14450.15
	Deferred Tax Liabilities (Net)	2701.13	2490.75
	Other Long Term Liabilities	1023.11	548.49
	Long Term Provisions	528.25	389.74
	Sub-total - Non Current Liabilities	15551.31	17879.13
3	Current Liabilities		
	Short Term Borrowings	8960.78	6647.79
	Trade Payables	12237.39	9258.28
	Other Current Liabilities	11811.24	11341.53
	Short Term Provisions	3115.83	2214.41
	Sub-total - Current Liabilities	36125.24	29462.01
	Total Equity and Liabilities	99674.68	84122.91
(B) Assets			
1	Non Current Assets		
	Fixed Assets	55876.40	47381.62
	Non Current Investments	50.00	6.01
	Long Term Loans and Advances	1905.47	1212.05
	Other Non Current Assets	0.49	0.74
	Sub-total - Non Current Assets	57832.36	48600.42
2	Current Assets		
	Inventories	28584.41	24868.40
	Trade Receivables	10804.50	8208.28
	Cash and Bank Balances	237.41	448.86
	Short Term Loans and Advances	1921.33	1413.18
	Other Current Assets	294.67	583.77
	Sub-total - Current Assets	41842.32	35522.49
	Total Assets	99674.68	84122.91

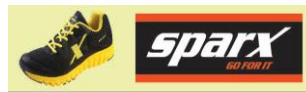


Statement of Audited Financial Results For The Quarter & Year Ended 31st March, 2016



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 14th May, 2016.
- 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 had the accounting policy of not amortising leasehold land (except for leasehold land of Wind Mill) till previous year. During the year, Company has changed the accounting policy with retrospective effect for amortisation of leasehold land, which will give a uniform basis of amortisation of leasehold land. Had the Company not changed the accounting policy, the Profit After Tax for the year and quarter ended 31st March, 2016 would have been higher by Rs. 85.23 lacs.
- 4 The Board of Directors has recommended 60% dividend (Re 0.60 per share of face value of Re 1/- each) for the year ended 31st March, 2016 subject to approval of the shareholders.
- 5 The Company's business activity falls within a single Geographical and single Business segment, viz. "Footwear and Related Products", therefore segment information is not required to be disclosed under Accounting Standard (AS) - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI).
- 6 The figures for the quarter ended 31st March, 2016 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 Previous period/year's figures have been restated/regrouped, wherever necessary to conform to classification of this period.





Quality Par Excellence

Relaxo Footwears Limited

(CIN: L74899DL1984PLC019097)

Registered office : Aggarwal City Square, Plot No. 10,
Manglam Place, District Centre, Sector -3,
Rohini, Delhi-110 085

Ph: +91 11 4680 0500 • Fax: +91 11 4680 0692,
www.relaxofootwear.com, rfl@relaxofootwear.com