

Bloomberg Code	RW IN
No of share O/S (in crs)	6.66
Market Cap (in Rs. crs)	1,881
Face Value (in Rs)	10.00
Dividend Yield (%)	1.06
52 Wk High/Low	838/209

Shareholding (%)

Promoters	48.27
Public	51.73
Total	100.00

Key Highlights

Raymond Ltd reported revenue of Rs. 163.2 crores in Q1FY21, a YoY de-growth of 88.6%. All the segments of the company were severely impacted due to the COVID-19 imposed lockdown. In the current quarter, the company incurred a loss of Rs. 225 crores at the EBITDA level as compared to a profit of Rs. 109 crores in the same period last year. In Q1 FY21, the EBITDA Margin declined to -137.9% from 7.6% in Q1FY20. The net loss of the company for the current quarter is Rs. 248 crores versus a net loss of Rs. 12 crores in the same period last year. Net margin declined from -0.9% in Q1FY20 to -151.8% in Q1FY21.

Segmental Performance

Branded Textile: The branded textile segment reported sales of Rs. 16.6 crores in the current quarter, a decline of 97.2% on a YoY basis mainly due to lockdown and low consumer demand. A garment exchange program was launched on a PAN India level on 15th August and the same is experiencing increasing demand. Launch of tailoring subscription program, offering E-gift vouchers are a few customer centric initiatives introduced during the quarter.

Branded Apparel: This segment reported NIL revenue for the quarter owing to lockdown and related low demand. Currently, the entire EBO offerings are available on the company's own website and approx. 95% of the EBOs and 85% of the LFS counters are operational.

Garmenting: The segment reported net sales of Rs. 99.7 crores with a fall of 47.6% on a YoY basis. Effective repurposing of the company's factories yielded over Rs. 50 Crores of revenues from PPE products. Orders from US, Japan and UK have seen a gradual uptick.

Shirting: The revenue of this segment was Rs. 5.5 crores in the current quarter, which is a decline of 96.8% on a YoY basis. Currently, this segment is mainly catering to its B2B domestic consumers.

Tools and Hardware: In the current quarter, revenue from this segment was Rs. 20.2 crores registering a YoY de-growth of 77.8%. At present, the segment is earning revenues which are around 95% of the previous year's level.

Auto Components: Revival in Auto sector has led to operations of this segment to go back to ~90% of its previous year's level. In Q1 FY21, the segment de-grew by 68.9%, earning a revenue of Rs. 21.0 crores.

Real Estate: The revenue from this segment for the current quarter was Rs. 4.7 crores, a decline of 92.2% on a YoY basis. The total bookings in Q1 FY21 were 13 and upto June'20, the total bookings were 963. Total 6 slabs have been completed for 3 towers and plinth in progress for the fourth tower.

Concall Highlights

- The company is focusing on shifting from physical tradeshows to digital means, such as digital samples and 3D modelling. This will be done with the help of digital swatch books, catalogues and flipbooks.
- The company had revamped its own website and has launched MyRaymond.com, making the company's entire EBO offerings now available online.
- The company aims to fasten the omni channel integration in order to reach out and take the store to the customer.
- The company now has more than 2x options available online and plans to further deepen its partnership with e-commerce players.

Valuation

At the CMP of Rs. 282 Raymond is trading at a P/E of 12.5 with estimated FY21 adjusted EPS of Rs. 22.5.

Financial Summary

As the nation-wide lockdown continued in Q1FY21, the company's revenue declined by 88.6% on a YoY basis to Rs. 163 crores.

Due to a sharp fall in revenue, the company incurred a loss of Rs. 225 crores at the EBITDA level which brought down the EBITDA margin to -137.9% in Q1FY21 from 7.6% in Q1FY20.

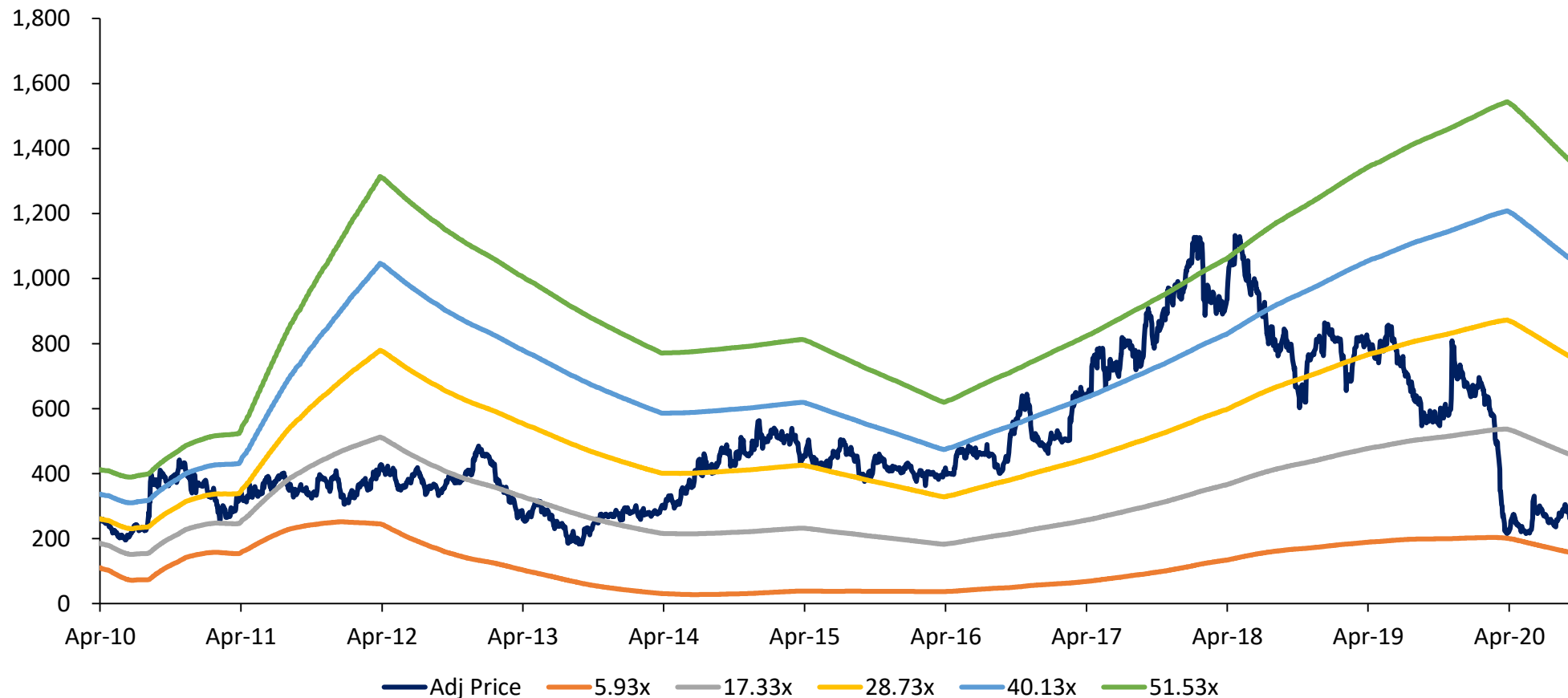
In Q1FY21, net loss was Rs. 248 crores as against loss of Rs. 12 crores in Q1FY20. Net margin declined from -0.9% in Q1FY20 to -151.8% in Q1FY21.

Figures are in Rs Cr	Q1FY21	Q1FY20	YoY (%)	Q4FY20	QoQ (%)	FY19	FY20	YoY (%)
Revenue from operations	163	1,435	-88.6	1,279	-87.2	6,582	6,482	-1.5
RM Cost	78	586	-86.6	493	-84.1	2,806	2,800	
RM Cost to Sales (%)	48.0	40.8		38.6		42.6	43.2	
Employee Cost	171	243	-29.6	234	-27.0	935	996	6.6
Employee Cost to Sales (%)	104.7	16.9		18.3		14.2	15.4	
Manufacturing and operating expenses	31	188	-83.5	172	-81.9	834	774	
Mfg and Op Expense to Sales (%)	19.1	13.1		13.5		12.7	11.9	
Other Expenses	108	309	-65.1	386	-72.0	1,431	1,396	-2.4
Other expenses to Sales (%)	66.2	21.6		30.2		21.7	21.5	
EBITDA	-225	109	-305.6	-7	3,133.5	577	516	-10.6
EBITDA Margin (%)	-137.9	7.6		-0.5		8.8	8.0	
Depreciation	84	81	3.4	85	-0.9	197	340	72.9
Interest	72	74	-2.7	72	-1.0	233	303	30.2
Exceptional Items	0	0		-38		-5	38	
Other Income	58	35	67.8	12	378.1	125	96	-23.5
Profit Before Tax	-322	-11	2,909.2	-114	183.5	268	7	-97.3
Tax Rate (%)	31.5	-10.6		49.0		31.9	-586.0	
Profit After Tax	-221	-12	1,765.6	-58	281.0	183	50	-72.6
PAT Margin (%)	-135.4	-0.8		-4.5		2.8	0.8	
Share of Associate / Joint Venture	-27	-0		-11		-8	152	
Net Profit/Loss	-248	-12	1,929.5	-69	258.3	175	202	15.4
Net Margin (%)	-151.8	-0.9		-5.4		2.7	3.1	
Basic EPS	-37.2	-1.8	1,929.5	-10.4	258.3	26.2	30.3	15.4
Shareholder's Funds						2,376	1,954	-17.8
BV per share						356.7	293.4	-17.8
Net Debt						1,741	1,632	-6.3
Net Debt to Equity						0.7	0.8	14.0
Net Debt to EBITDA						3.0	3.2	4.8
CAPEX						261	210	-19.7
RoE						7.7	2.6	
RoCE						9.2	4.9	
P/E						10.3	37.5	
P/B						0.8	1.0	
EV/EBITDA						6.3	6.8	

Segmental Performance

Year ending Mar	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	FY18	FY19	FY20
EBIT Breakup (Rs crs)											
Textile	115.6	106.8	114.1	13.0	108.8	127.1	71.7	-124.2	385.8	362.8	320.6
Shirting	16.1	11.7	9.7	16.8	17.0	13.0	-1.8	-27.3	31.7	47.8	45.0
Apparel	9.8	5.2	28.3	6.8	14.0	-5.1	-123.4	-70.3	4.4	46.3	-107.8
Garmenting	9.9	3.8	2.5	-2.5	6.2	3.7	1.0	-12.8	21.0	21.7	8.4
Tools & Hardware	13.5	10.4	6.7	4.6	11.5	10.5	-0.2	-16.6	26.1	37.0	26.5
Auto Components	12.5	12.1	13.0	11.2	5.6	3.5	5.0	-3.6	37.8	50.6	25.3
Real Estate & Development of Property	-	-	-	9.1	5.8	1.5	-6.5	-2.2	-	-4.1	9.9
Others	-5.3	-0.4	-1.3	-1.1	-6.3	-1.8	-1.6	-2.2	-32.6	-8.5	-10.6
Gross Profit	172.2	149.7	172.9	58.0	162.7	152.4	-55.8	-259.2	474.1	553.7	317.2
Inter Segment Profit/Loss	4.0	2.0	-1.0	-0.5	-3.3	2.1	1.7	-3.9	-0.9	4.1	-0.1
Total Profit	176.2	151.6	172.0	57.4	159.4	154.4	-54.1	-263.0	473.2	557.8	317.1
EBIT Margin (%)											
Textile	13.1	12.6	13.7	2.2	12.5	14.7	12.3	-748.9	13.2	11.5	11.0
Shirting	9.2	7.4	6.2	9.7	10.5	7.8	-1.5	-493.7	5.5	7.4	7.2
Apparel	2.0	1.3	5.8	2.2	2.6	-1.0	-42.7	NA	0.3	2.8	-6.7
Garmenting	4.5	2.1	1.2	-1.3	2.7	1.6	0.6	-12.9	3.0	2.8	1.0
Tools & Hardware	13.0	10.4	6.5	5.1	11.2	10.1	-0.2	-82.5	7.1	9.2	7.0
Auto Components	19.6	18.8	19.0	16.6	10.7	8.5	10.5	-17.2	17.4	19.6	12.1
Real Estate & Development of Property	-	-	-	15.0	16.7	3.5	-17.2	-46.1	-	-20.5	5.6
Others	-259.9	-4.6	-5.4	-17.0	-1,838.2	-115.8	-43.5	-134.1	-408.9	-49.8	-90.5

1 year forward P/E ratio



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