Raymond Lifestyle Ltd

Business and Financials
- FY26 revenue crossed INR 70 bn for the first time (+11.5% YoY) and EBITDA was INR 8.05 bn (+23-24%).
- Branded textiles is ~50% of revenue and ~70% of EBITDA. Raymond holds ~65% of the worsted fabric market.
- Branded apparel is now reported as only four brands: Park Avenue, ColorPlus, Raymond Ready-to-Wear and Parx.
- Emerging businesses (ethnic, innerwear and others) are now a separate segment, as is B2B (garmenting exports and domestic cotton shirting).
- A new management team is in place: CEO, CMO, CFO (joined January 2026), supply chain, ESG and information security heads.

Q1FY27
- Revenue was INR 15.6 bn (+6%), against a higher base because last year's cyber attack had pushed sales into later quarters.
- EBITDA was INR 1.35 bn (+11%, 8.6% margin).
- Growth was led by garmenting. Branded apparel growth came mainly from LFS and e-commerce, which hurt EBITDA through adverse channel mix.
- Net cash is ~INR 1.54 bn and working capital improved from 90 to 75 days.

Guidance and Targets
- FY27 revenue growth is guided at low double digits and EBITDA growth at high double digits. The year is described as one of consolidation.
- The internal goal is to double turnover in ~4 years with high double-digit EBITDA growth. EBITDA margin should reach 10%+, but the exact target comes with the Q2 results.
- A consultant-led 5-year strategy (Kearney) will be shared at an investor day with the Q2 results.
- ROCE is 12-13% now, with a 20% target in 3 years. FY27 capex is ~INR 2.4 bn.
- The aim is INR 5 bn of net cash over about 4 quarters, with INR 3-3.5 bn by year-end. Working capital is targeted at 60 days, with an aspiration of 30 days.
- No buyback is planned for now, and the promoter holds ~60%.

Garmenting (B2B)
- The order book is full until February, and March-April bookings are in progress. Garmenting is expected to grow ~25% this year.
- The UK FTA is in force and the EU FTA is to follow. New inquiries convert to orders in ~6 months, so a strong order flow is expected from Q4.
- About 55% of exports still go to the US, so tariff risk remains. Diversification into the UK, EU and Australia is under way.
- UK and EU margins are lower than US margins because lot sizes are smaller.

Raw Materials and Pricing
- Input costs are up year-on-year: wool ~100%, cotton yarn ~70%, polyester and viscose ~40%.
- Q1 orders were pre-booked at old prices, yet the margin drop was under 1% on cost-control measures.
- Price increases for SS27 are 6% (polyester, viscose) to 20-25% (wool), with impact from Q3 onwards.
- Wool volumes are falling and the company is working on coarser counts to make wool more affordable.

Stores and Brands
- Q1 saw 133 closures against 85 openings. The total network is ~1,627 stores: 112 TRS, 52 MTM and 463 EBOs, with the rest franchised.
- Branded apparel EBOs had a net closure of 34 (~9% fewer stores) while revenue still grew.
- FY27 is expected to see ~30 net store additions. Aggressive but calibrated expansion follows from next year, with stores of 2,000 sq ft+ in tier 1 and 2 cities. These will be company-operated at first and later franchised.
- Park Avenue is #2 in formal wear in LFS but weak in EBOs, where small stores in tier 2-4 hurt it.
- Casual wear is 15-17% of the mix in the formal brands, targeted at 20% and then 25%.
- Premiumisation: The Chairman's Collection (shirts from ~INR 25,000), the Lux range in Park Avenue, and Rio Italia and Bella Italia fabrics.
- Channel inventory is 6-7 months. E-commerce margin is ~10 points below offline because of a different product mix. Fabric pricing is the same across channels.

Ethnic Wear
- FY26 revenue was ~INR 1.2 bn with an EBITDA loss of ~INR 700 mn, due to small stores in the wrong places.
- High-end (above INR 50,000) is moving to a made-to-measure model with 7-10 day delivery. A new online sub-brand at INR 2,500-3,000 has sold well.
- Management has given it two years and may exit if it does not work. Sleepwear has been shut.