

Raymond Lifestyle

BSE SENSEX
80,544

S&P CNX
24,574

Conference Call Details



Date: 07th Aug 2025

Time: 16:30 IST

Financial Snapshot

Y/E MARCH	FY25	FY26E	FY27E
Net Sales	68,001	74,384	81,453
EBITDA	7,840	9,712	10,564
NP	3,082	4,417	4,858
EPS (INR)	50.6	72.5	79.8
BV/Share (INR)	1,625	1,697	1,777
P/E (x)	24.9	17.4	15.8
P/BV (x)	0.8	0.7	0.7
RoE (%)	6.9	9.1	9.1
RoCE (%)	9.6	11.6	11.6

CMP: INR1,124

Buy

Revenue recovers from a low base, but margins weaker across segments

- Raymond Lifestyle's (RLL) consolidated revenue rose 17% YoY (on a low base) to INR14.3b (+5% beat).
- Revenue increase was mainly driven by improved performance in the Branded Textile & Branded Apparel segment, led by volume growth.
- RLL closed a net of 13 stores in 1QFY26, taking the total retail store network to 1,675.
- The company opened six stores but closed 18 stores in Ethnix to take the store network to 140.
- Gross profit grew 17% YoY (-1% QoQ) to INR6.2b (3% above our est.) as gross margins contracted ~5bp YoY to 43.3% (+150bp QoQ).
- EBITDA grew **29% YoY** to INR770m due to improved product mix and operating leverage, but was ~35% lower than our estimate due to losses in garmenting and higher advertisement spends in branded apparel.
- EBITDA margin inched up ~50bp YoY to 5.4% (significantly below our estimate of 8.7%), due to weaker margins across segments despite revenue growth.
- Depreciation and amortization rose 19% YoY (23% above), while finance costs jumped 24% YoY (13% above).
- Other income surged 52% YoY (40% above our estimate).
- Despite higher other income, the company reported a loss of INR198m (vs. our est. PAT of INR200m).

Segmental performance:

- **Branded textile:** Revenue at INR7.2b (17% beat) grew ~27% YoY, led by robust volume growth, strong bookings, and more wedding dates. EBITDA grew 90% YoY to INR1b (5% beat) as margin expanded 480bp YoY to 14.3% (vs. 9.6% YoY, though ~170bp miss on our estimates) on account of improved product mix and operating leverage.
- **Branded apparel:** Revenue at INR3.7b (9% beat) grew 22% YoY. The growth was witnessed across all brands and key channels such as EBOs, MBOs, and online. EBITDA came in modestly at INR185m (22% miss) as margin was broadly stable YoY at 5% (200bp miss), likely due to higher marketing spends.
- **Garmenting:** Revenue at INR1.97b declined 22% YoY (26% miss) due to uncertainty around US tariffs. The segment reported an operating loss of INR77m (vs. ~INR90m profit in 1Q25) on account of scale deleverage.
- **High Value Cotton Shirting (HVCS):** Revenue at INR2.1b (2% beat) grew ~10% YoY on account of strong demand from B2B customers. EBITDA almost doubled YoY to INR195m, as margins expanded ~400bp YoY to 9.5% (4QFY25 was boosted by certain one-offs) driven by operating leverage and improved product mix.

Consol P&L (INR m)	1QFY25	4QFY25	1QFY26	YoY%	QoQ%	1QFY26E	v/s Est (%)
Total Revenue	12,201	14,942	14,304	17	-4	13,638	5
Raw Material cost	6,909	8,698	8,110	17	-7	7,653	6
Gross Profit	5,292	6,243	6,194	17	-1	5,985	3
Gross margin (%)	43.4%	41.8%	43.3%	-7.0	151.7	43.9%	-58.1
Employee Costs	2,344	2,249	2,436	4	8	2,465	-1
Other expenses	2,351	3,859	2,988	27	-23	2,339	28
EBITDA	597	135	770	29	468	1,181	-35
EBITDA margin (%)	4.9%	0.9%	5.4%	48.8	447.6	8.7%	-327.6
Depreciation and amortization	746	911	888	19	-2	724	23
EBIT	-148	-775	-118	-20	-85	457	-126
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>-5.2%</i>	<i>-0.8%</i>	<i>NM</i>	<i>NM</i>	<i>3.3%</i>	<i>-4.2</i>
Finance Costs	463	534	575	24	8	508	13
Other income	294	856	445	52	-48	319	40
Exceptional item	-5	-20	0	NM	NM	0	NM
Profit before Tax	-313	-473	-248	-21	-48	267	-193
Tax	-91	-23	-50	-45	112	67	-174
<i>Tax rate (%)</i>	<i>28.9%</i>	<i>4.9%</i>	<i>20.0%</i>	<i>-31.0</i>	<i>303.9</i>	<i>25.2%</i>	<i>-20.6</i>
Profit after Tax	-222	-450	-198	-11	-56	200	-199
Adj Profit after Tax	-218	-430	-198	-9	-54	200	

Segment Revenue	1QFY25	4QFY25	1QFY26	YoY%	QoQ%	1QFY26E	v/s Est (%)
Branded Textile	5,651	7,274	7,162	27%	-2%	6,103	17%
Branded Apparel	3,027	3,912	3,698	22%	-5%	3,390	9%
Garmenting	2,520	2,480	1,970	-22%	-21%	2,672	-26%
HVCS	1,856	1,847	2,048	10%	11%	2,004	2%
Consolidated Revenue	12,201	14,942	14,304	17%	-4%	13,638	5%
Elimination	853	571	574			531	

Segment EBITDA	1QFY25	4QFY25	1QFY26	YoY%	QoQ%	1QFY26E	v/s Est (%)
Branded Textile	540	509	1,024	90%	101%	977	5%
Branded Apparel	150	16	185	23%	1082%	237	-22%
Garmenting	90	-72	-77	-185%	7%	187	-141%
HVCS	100	611	195	95%	-68%	220	-12%
Consolidated EBITDA	597	135	770	29%	468%	1,181	-35%
Elimination	283	929	557			440	

Segment EBITDA Margin	1QFY25	4QFY25	1QFY26	YoY%	QoQ%	1QFY26E	v/s Est (%)
Branded Textile	9.6	7.0	14.3	474.4	730.0	16.0	-170.0
Branded Apparel	5.0	0.4	5.0	4.4	460.0	7.0	-200.0
Garmenting	3.6	-2.9	-3.9	-747.1	-100.0	7.0	-1090.0
HVCS	5.4	33.1	9.5	411.1	-2360.0	11.0	-150.0
Consolidated EBITDA	4.9	0.9	5.4	48.8	447.6	8.7	-327.6