



RUPA & COMPANY LIMITED

CORPORATE PRESENTATION

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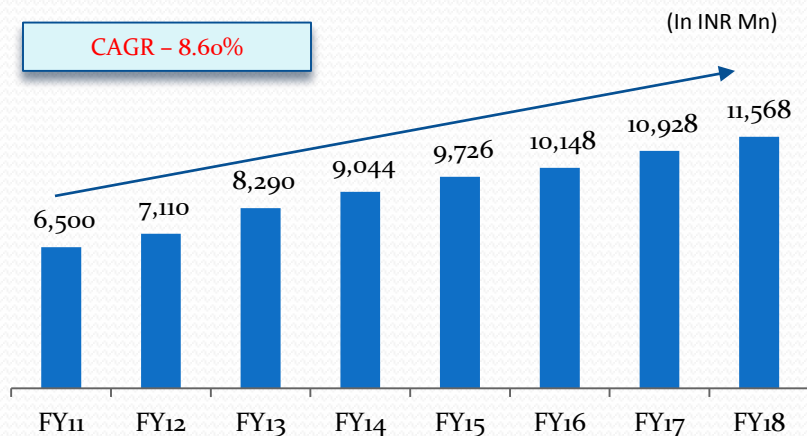
Company Overview

RUPA – An Overview

Background

- ❑ India's largest branded innerwear company catering the large addressable market
- ❑ A first generation company with Promoters having around 5 decades of industry experience
- ❑ Pan-India presence through 120,000 retail outlets, 1,200 dealers and over 300 sales and marketing professionals
- ❑ Efficient business model: in-house design and logistics with partly outsourced manufacturing
- ❑ RUPA manages a portfolio of 6000 stock keeping units (SKUs) comprising different range for kids, men and women

Consistently growing in scale and size



Wide Product Portfolio & Marquee In-house Brands

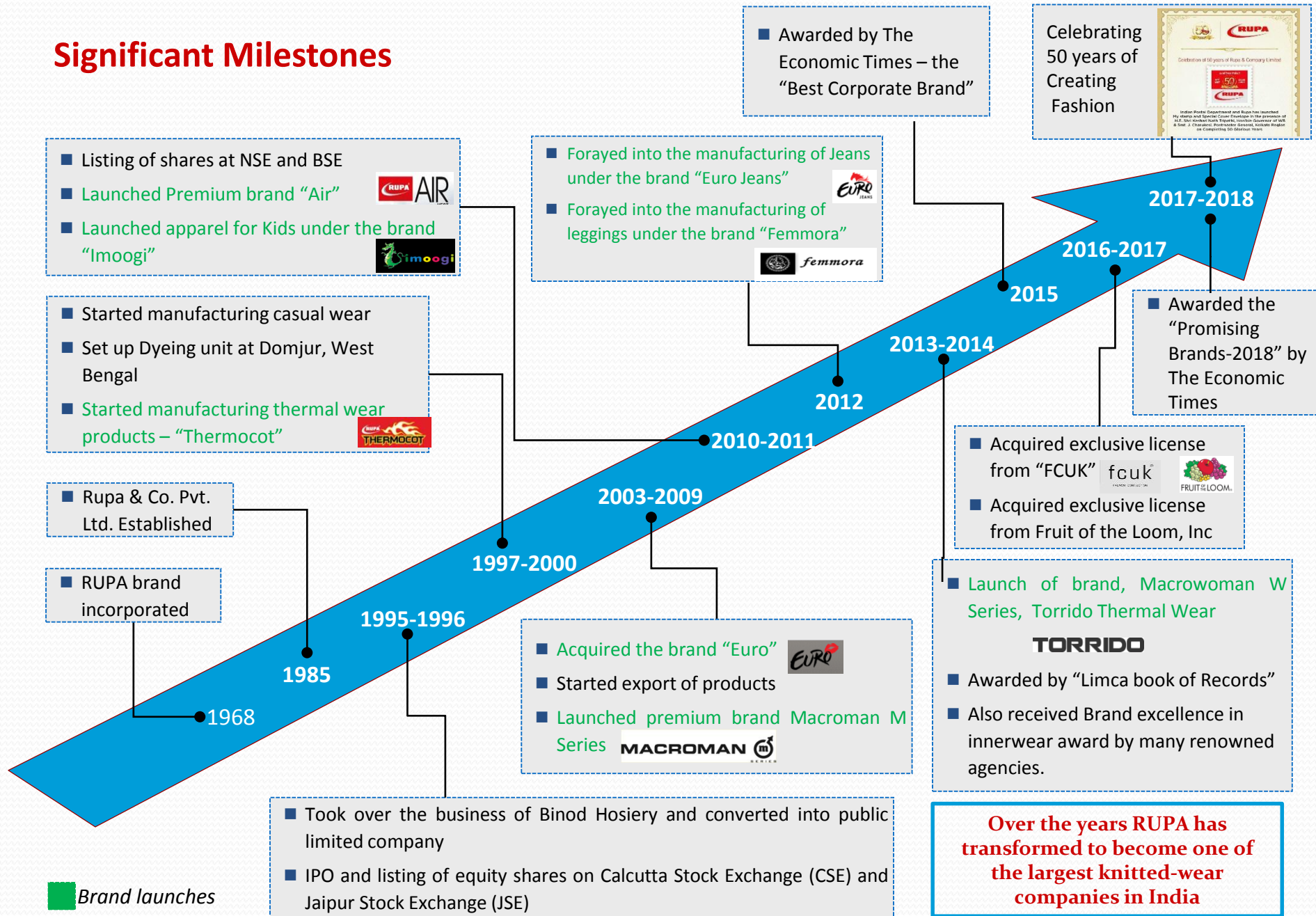
- ❑ Wide product offering comprising innerwear, active wear and thermal wear for men, women and kids
- ❑ Strong brand portfolio across consumer classes – basic, mid-premium, premium and super-premium
- ❑ In-house developed owned brands
 - ❖ >10 successful brands, >100 registered trademarks
 - ❖ Annual investment of 7-8% of sales in brand building
- ❑ High brand recall and brand pull

RUPA – Benefits from opportunities in the Industry

- ❑ Innerwear is a large and fast growing industry. Branded Innerwear is a low penetrated space growing across all segments and geographies
- ❑ Changing customer preferences leading to a rapid shift to organized retail for innerwear.
- ❑ Innerwear market is dominated by economy and mid-market segments
- ❑ Growth of organized retail will further boost and help in enhance availability and drive growth of premium / super premium segments
- ❑ Industry offer large opportunity for companies like RUPA having presence across segments and markets to participate in this growth

India's largest knitted wear company with strong bouquet of brands, comprehensive product portfolio, efficient business model and extensive distribution reach, positioned to benefit from the underpenetrated organized innerwear market

Significant Milestones



Key Strengths

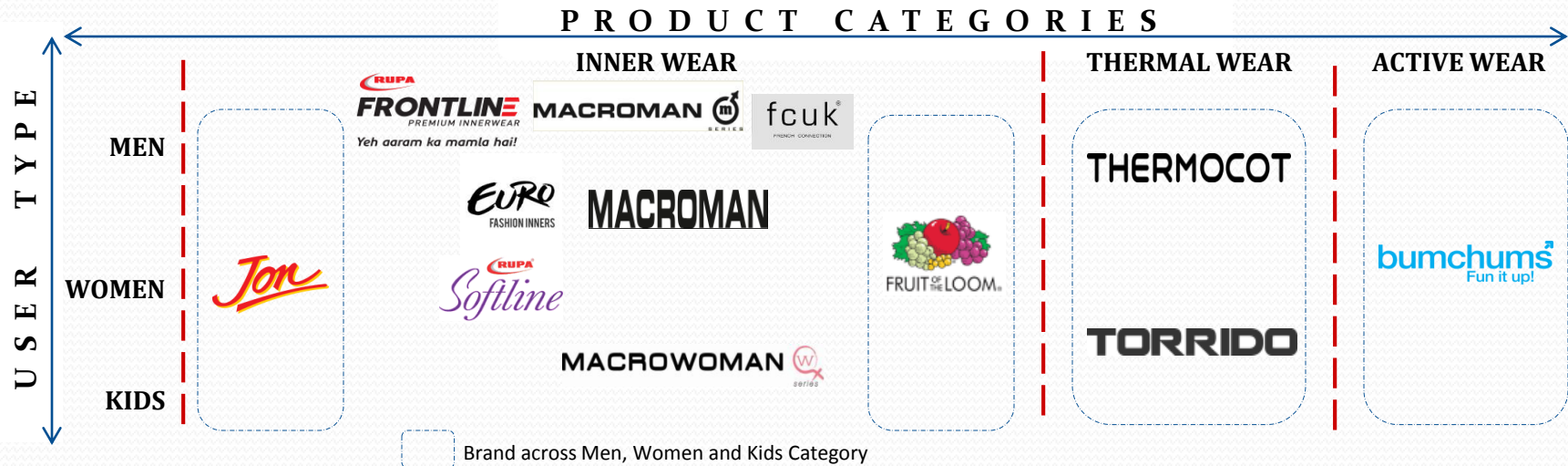
Key Strengths



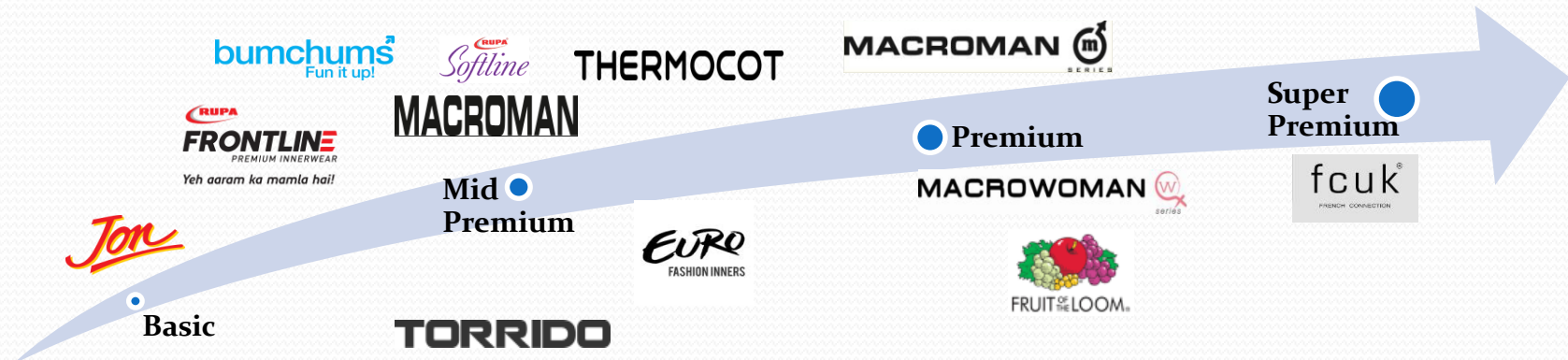
- 1 One of the largest branded innerwear company in India catering to large addressable market
- 2 Diversified product offering across customer types, product categories and price segments
- 3 Wide bouquet of own brands having strong brand recall, developed through consistent investment in ad spends
- 4 Efficient business model with focus on key areas involving value addition, product differentiation and quality control
- 5 Extensive distribution network with an unparalleled reach pan India
- 6 Promoter driven business supported by experienced professional management
- 7 Focused approach on growth and margin improvement to create further value

Wide Product Offering – Diversified across Segments and Categories

Strong Brands across User and Product Categories



Bouquet of Brands across Price Segments



RUPA has a diversified product offering across customer types, product categories and price segments

Strong Portfolio of Brands with High Customer Recall

Strong Brand Positioning

- Brand “RUPA” – one of the oldest innerwear brands in the country with almost 5 decades of presence
- An extensive portfolio of strong brands to play the entire value chain
- In-house developed owned brands; >100 registered trademarks across segments
- Consistent brand addition / extension In line with evolving consumer preferences and market demands



Promising Brands 2018
– The Economic Times



Indywood Excellence Award
2017 – Govt. of Telangana



Best Corporate Brand 2016
– The Economic Times



--The Worlds Greatest Brand
2015 Asia “Macroman
M-Series”



Worldwide achievers(Zee)
Business Leadership Awards
2013



Largest manufacturer of
hosiery products – 2017

Awarded by “Limca Book of Records”
for the 14th time



Indian Power Brand 2011



Star Brand India -
India’s Most Impactful Brand
Chosen by the Indian Consumer

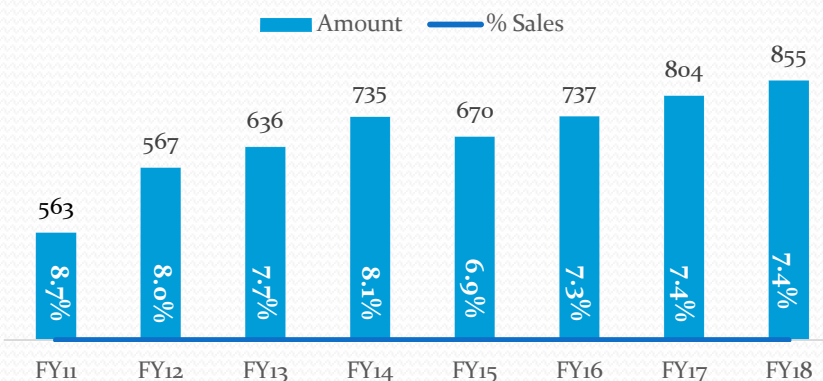


First Indian innerwear
manufacturer as licensee
of SUPIMA



Time Research Business
Leadership Awards – 2013

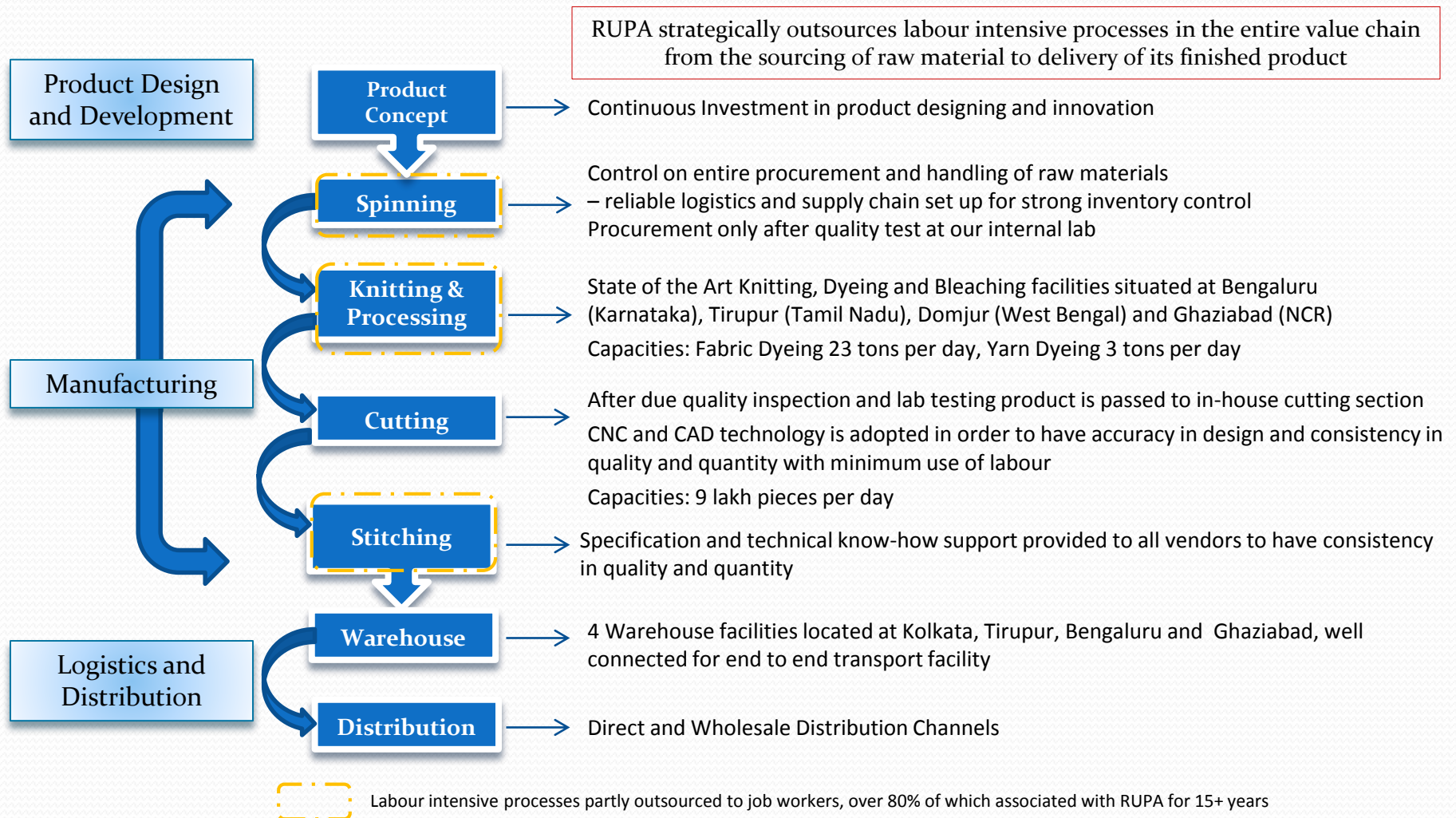
Brand Development and Promotion Strategies



- Consistent annual investment of 7-8% of sales in brand development to create a robust portfolio
- One of the earliest to introduce celebrity endorsements - Celebrity Brand Ambassadors like Ranveer Singh for Frontline, Ranbir Kapoor for the premium positioning of Macroman M. Series, Anushka Sharma for Softline, Siddharth Malhotra for EURO.
- Co-sponsored Rajasthan Royals during the Indian Premier League (IPL – VI)
- Co-sponsored Sunrisers Hyderabad during the Indian premier League (IPL-XI)

RUPA has a wide bouquet of own brands having strong brand recall, developed through consistent investment in advertising and brand promotion strategies

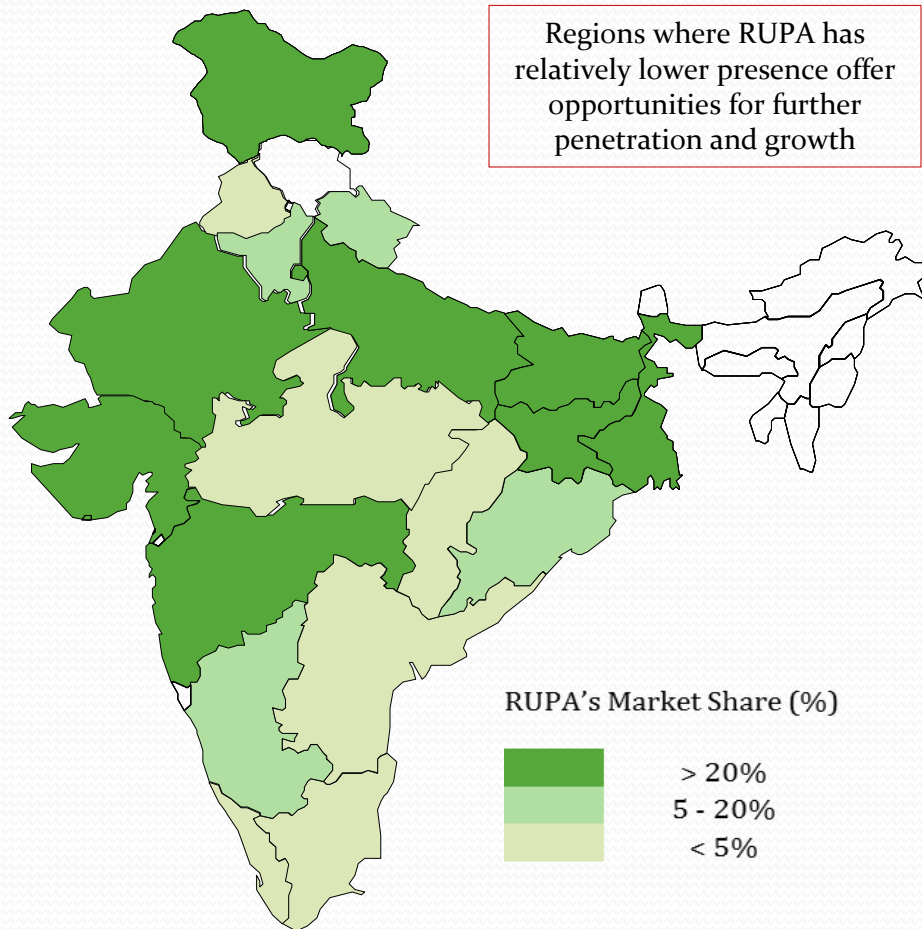
Efficient Business Model



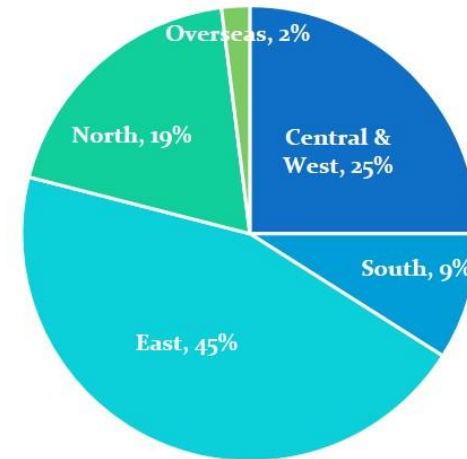
RUPA follows an efficient business strategy by outsourcing labour intensive activities, with focus on key areas involving value addition, product differentiation and quality control

Extensive distribution network with an unparalleled reach pan India

RUPA's Footprint on India Map



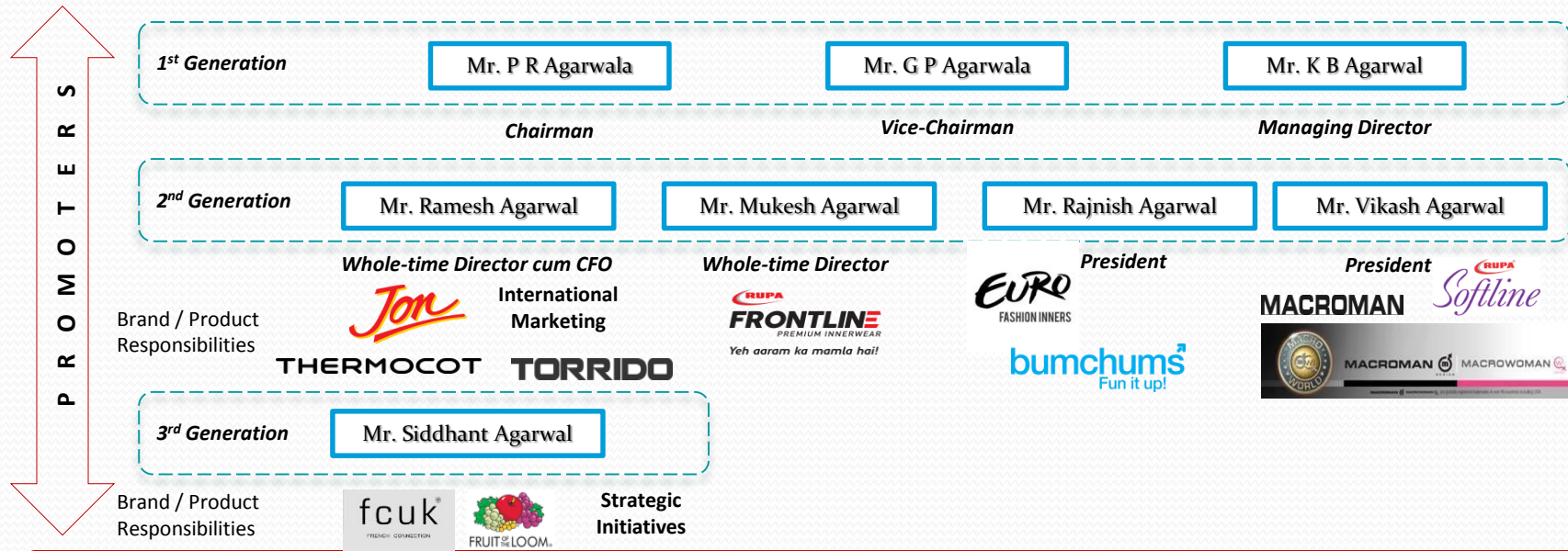
FY18 Zone-wise Revenue break-up



- RUPA enjoys very strong position in the East of India and has gained significant presence in the North followed by the West of India
- Strategy is to foray in newer markets and further penetrate in the existing markets
- Every state has a different consumer preference. RUPA has a wide range of product portfolio which helps it to strategise the product offering suiting to the different consumer preferences of the respective states

RUPA enjoys strong presence in certain parts of India and continuous to foray newer markets and penetrate further

Promoter driven business supported by Experienced Professional Management



Experienced and Professional Personnel In Rupa Group

Pronob Kumar Mukerji

General Manager – Marketing & Media

Pradeep Akolkar

Vice President – Operations

Partho Pratim Kanungo

General Manager – Sales & Marketing (M Series)

Anand Kr Drolia

Production head- Tirupur unit

- More than 17 years of experience in Marketing & Media
- Previously worked with Page Industries
- More than 17 years of rich expertise in the field of business operation and strategy fixation
- Previously worked with Douceur Sportswear Mfg. Co Ltd and other international brands
- More than 15 years of rich experience in Sales and Marketing
- Previously worked with Page Industries
- More than 30 years of experience in the field of textile, Apparels & Innerwear

J. Rajendra Kumar Singh

General Manager – Production

Randhir Singh Jolly

General Manager – Modern Trade

Navneet Prashant

General Manager – Trade & Distribution

B. K. Singh

General Manager – Dyeing

- 20 years experience in production and operation in textile
- Ex-VP/Head Operation – Manufacturing, Gokaldas Images
- 15 years of experience in the field of textile, Apparels & Innerwear
- Previously worked with Bombay Dyeing and Raymond's
- 12 years of experience in the field of supply chain management
- Previously worked with Jockey and Aditya Birla Group
- More than 35 years of expertise in the field of Dyeing and production operations
- Previously worked with Suryawansi Dyeing Mills

RUPA's promoters own product responsibilities and are supported by professionals with rich industry experience

Board of Directors

Name & Designation	Brief Profile
Mr. Prahlad Rai Agarwala <i>Chairman</i>	<ul style="list-style-type: none"> • More than 50 years of experience in the textile industry. Member of the Board of Directors since 1985. • Provides strategic direction to the Company and is the driving force behind the establishment and growth of the Company • Awarded lifetime achievement award in the 7th Reid & Taylor awards for retail excellence organized by the Asia Retail Congress, 2011
Mr. Ghanshyam Prasad Agarwala <i>Vice Chairman</i>	<ul style="list-style-type: none"> • Rich experience of more than 45 years in the textile industry. Member of the Board of Directors since 1987. • Instrumental in the development of the Company.
Mr. Kunj Bihari Agarwal <i>Managing Director</i>	<ul style="list-style-type: none"> • Over 43 years of experience in the textile industry. Member of the Board of Directors since 1985. • Specialist in the marketing & distribution • He has played a key role in the setting up of systems and process of distribution & marketing division of the Company. He guides the company and its management at all the stages of its development and strategic decisions.
Mr. Ramesh Agarwal <i>Whole-time Director-cum-Chief Financial Officer</i>	<ul style="list-style-type: none"> • Holds a bachelor's degree in commerce from University of Calcutta, Kolkata. • He has more than 20 years of experience in the textile industry. • He plays a key role in the production planning & distribution of Company's products. He is associated with the company since 2009.
Mr. Mukesh Agarwal <i>Whole-time Director</i>	<ul style="list-style-type: none"> • 15+ years of experience in the textile industry. • He has played a key role in the setting up of systems and process for distribution & production planning. He is associated with the company since 2009.
Mr. Niraj Kabra <i>Executive Director (Additional)</i>	<ul style="list-style-type: none"> • A commerce graduate from Calcutta University.. • He is having more than 15 years of rich expertise in the field of Operations and general administration. He has been serving on the Board of the Company since February 12, 2018.

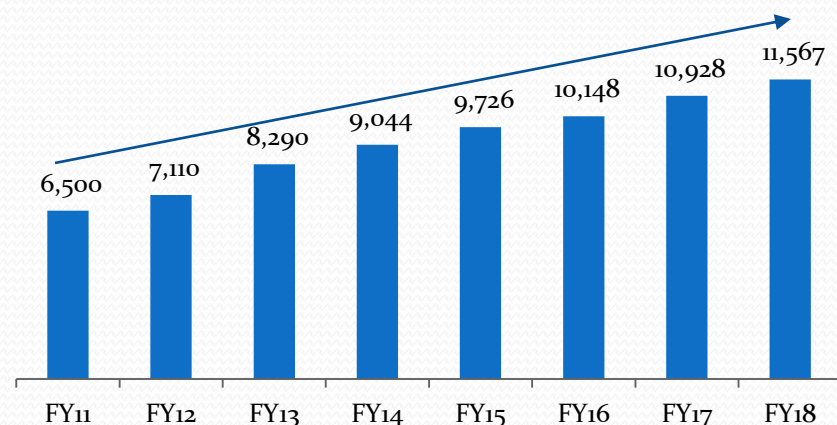
Board of Directors (Contd...)

Name & Designation	Brief Profile
Mr. Vinod Kumar Kothari <i>Independent Director</i>	<ul style="list-style-type: none"> • A Chartered Accountants and Company Secretary. • He is the former chairman of the Institute of Company Secretaries of India. He is an author, trainer and expert on specialized areas in finance, including securitization, asset-based finance, credit derivatives, accounting for derivatives and financial instruments, microfinance, etc. He has written many renowned books and articles.
Mr. Dipak Kumar Banerjee <i>Independent Director</i>	<ul style="list-style-type: none"> • A Chartered Accountant with rich experience over 45 years; he started his career with LIC in 1970 and thereafter, in 1975, joined Hindustan Lever. His tenure with Lever included a two year secondment to Lever Brother, Nigeria. In 1992, he became the Commercial Director of Unilever Plantations Group. Between 1993 and 1997 he was designated as Commercial Officer – Africa and Middle East Group of Unilever, London and retired in July 2000 as Chairman, Unilever Uganda Ltd. • Mr. Banerjee joined the Board of the Company in 2013.
Mr. Dharam Chand Jain <i>Independent Director</i>	<ul style="list-style-type: none"> • 45+ years of experience in the field of textile and knitted fabric industry. • He is currently the chairman of K.D. Sarees Emporium Private Limited. He joined the Board in the year 2003.
Mr. Sushil Patwari <i>Independent Director</i>	<ul style="list-style-type: none"> • 40+ years of experience in the field of cotton yarn and knitted fabric industry. • He is a member of the Executive Committee of the Federation of Indian Export Organisations. He is currently the executive chairman of Nagreeka Exports Limited. • He joined the company as a Board member in the year 2003.
Ms. Alka Devi Bangur <i>Independent Director</i>	<ul style="list-style-type: none"> • Ms. Alka Devi is the Managing Director of Peria Karmalai Tea & Produce Co. Ltd. She is also the director of Apurva Export Pvt. Ltd. and The Marwar Textiles (Agency) Pvt. Ltd. • She has over 16 years of experience. • She is the member of FICCI Ladies Organization (FLO) (Ladies wing of FICCI). She is also the committee member of Bharat chamber of Commerce.

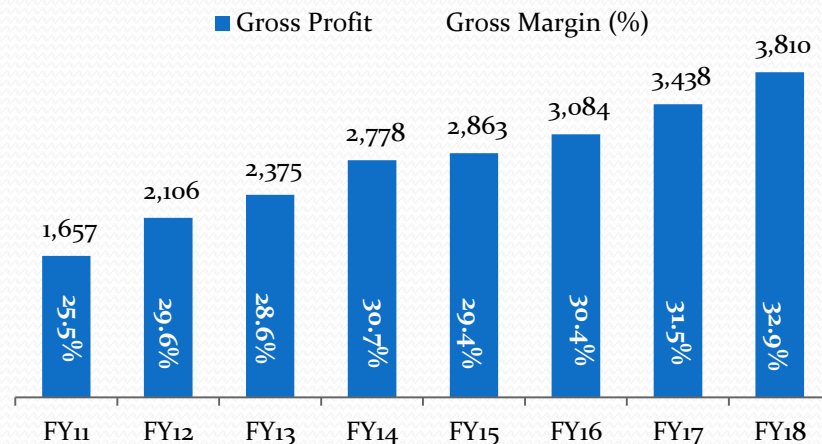
Financial Highlights

Financial Performance – Revenue & Profitability

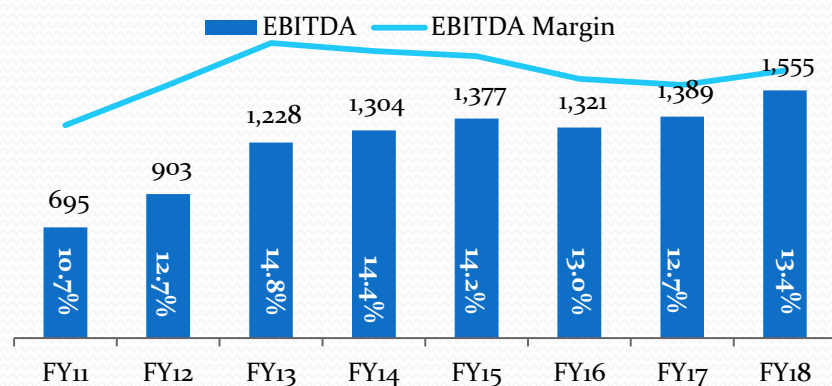
Total Revenue (INR Mn)



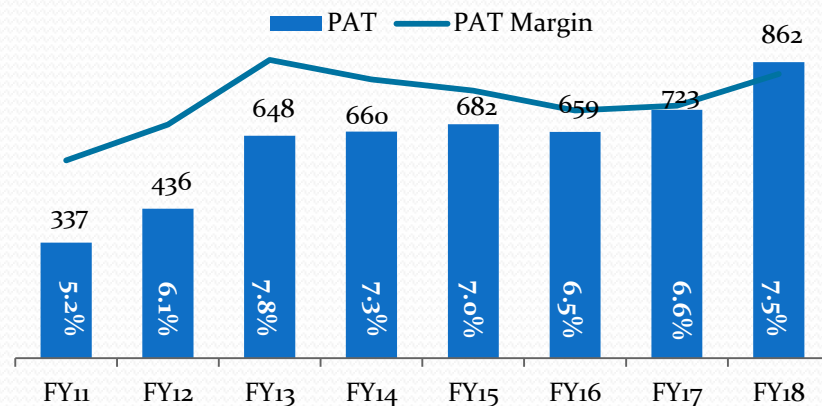
Gross Margin (INR Mn) & Gross Margin (%)



EBITDA (INR Mn) & EBITDA Margin (%)



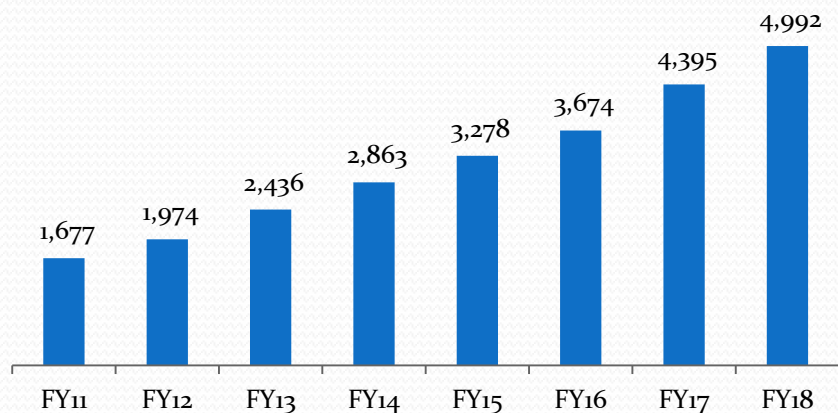
PAT (INR Mn) & PAT Margin (%)



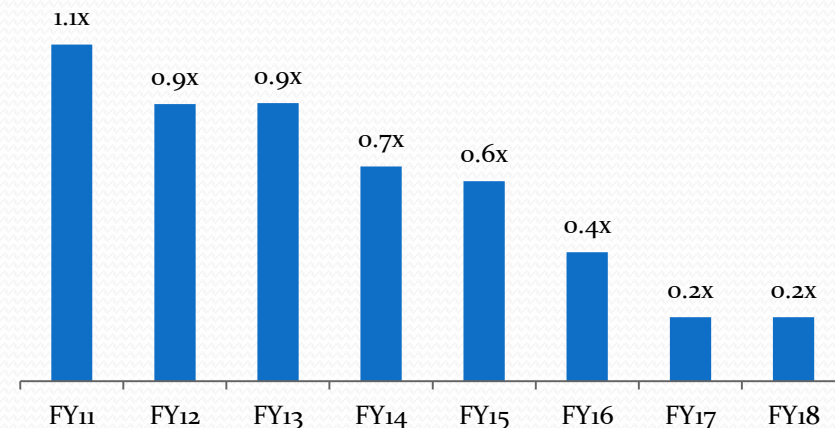
RUPA has delivered consistent growth in its revenues along with improving margins

Financial Performance – Balance Sheet Position and Return Profile

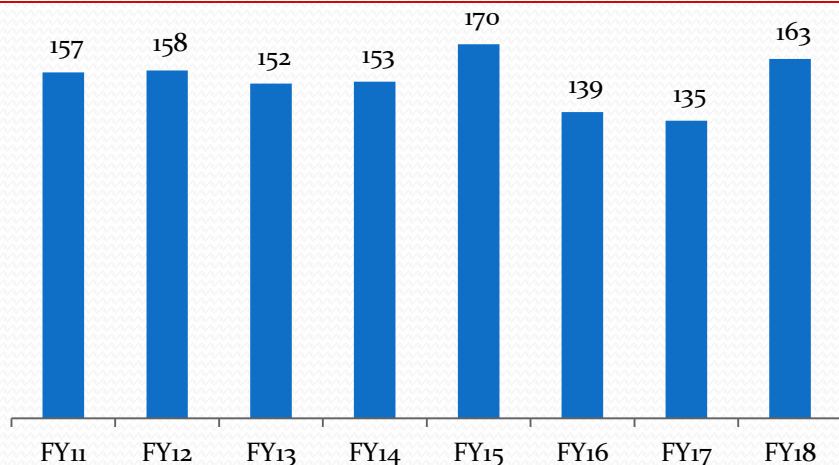
Net Worth (Rs. Mn.)



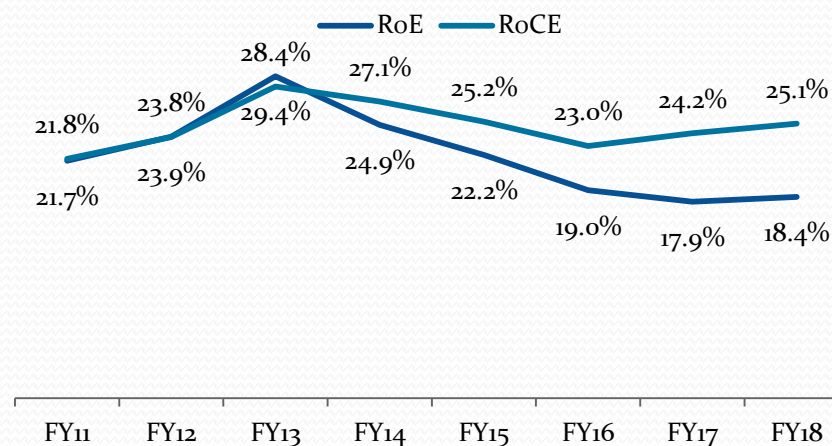
Net Debt / Equity (x)



Working Capital (Days)*



Return Ratios (%)**

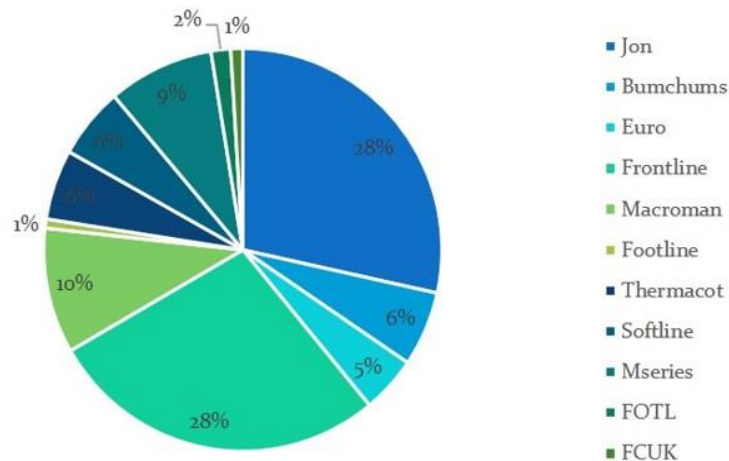


RUPA has achieved business growth over the years while maintaining healthy balance sheet and return profile

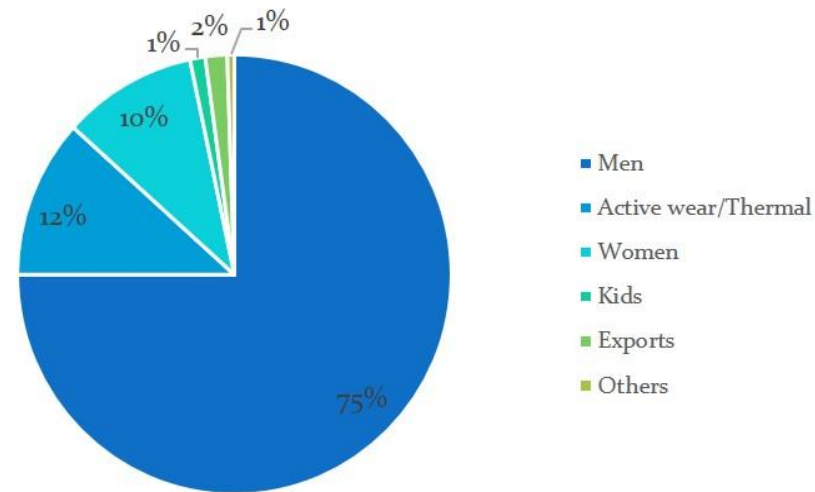
Note: *Working Capital = Inventory Days + Receivable Days – Payable Days; **RoE = PAT/Average Net Worth; RoCE = EBIT/Average Capital Employed

Diversified Revenue Mix

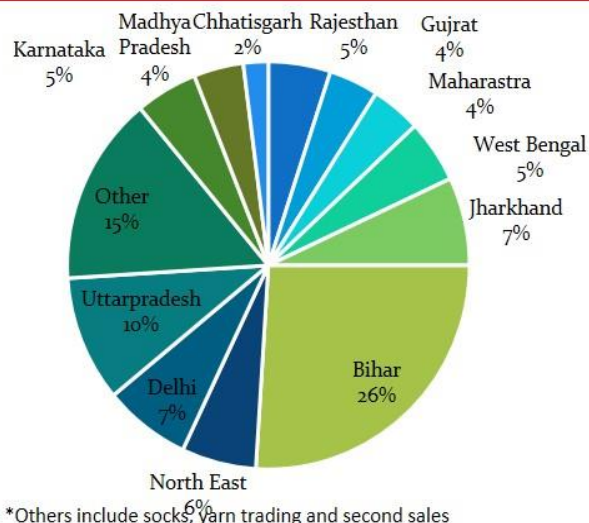
Sales Value Mix – Brand Wise (FY18)



Sales Value Mix – User Wise (FY18)



Sales Value Mix – Geographically (FY18)

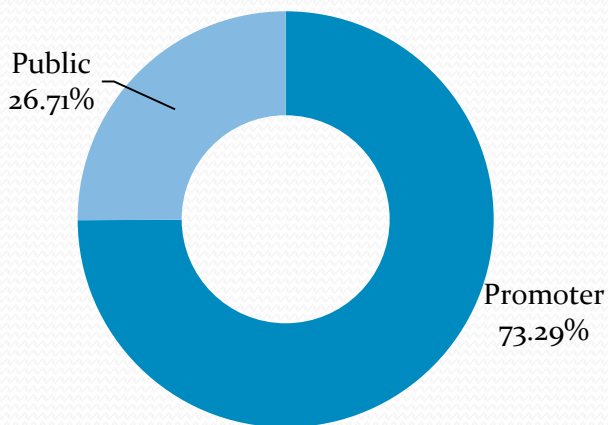


Note: *Others include socks, yarn trading and second sales

RUPA has diversified revenue mix across brands, customer segments and geographically

Shareholding and Stock Price Performance Analysis

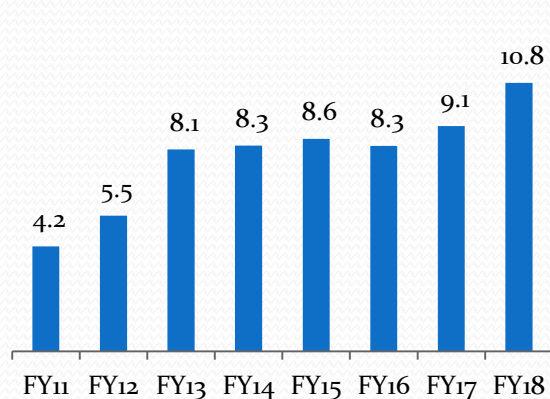
Shareholding Structure as on June 30, 2018



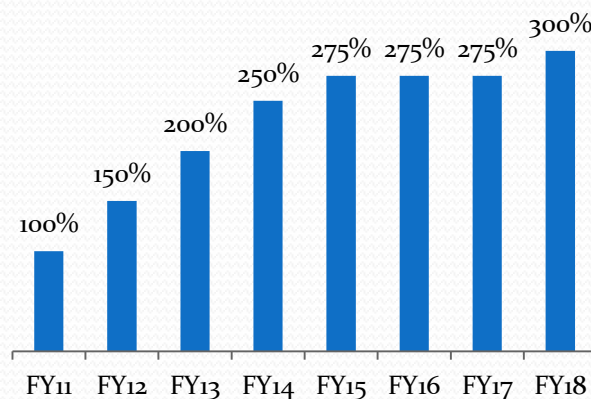
Share Price Information

Closing Market Price (Rs.) (June 29, 2018)	395.75
Market Cap (Rs. Crs) (June 29, 2018)	3,147
52 Week High/Low (Rs.)	589.95/ 322.25
Face Value (Rs.)	1.0

Earnings per Share (Rs)



Dividend* (%)



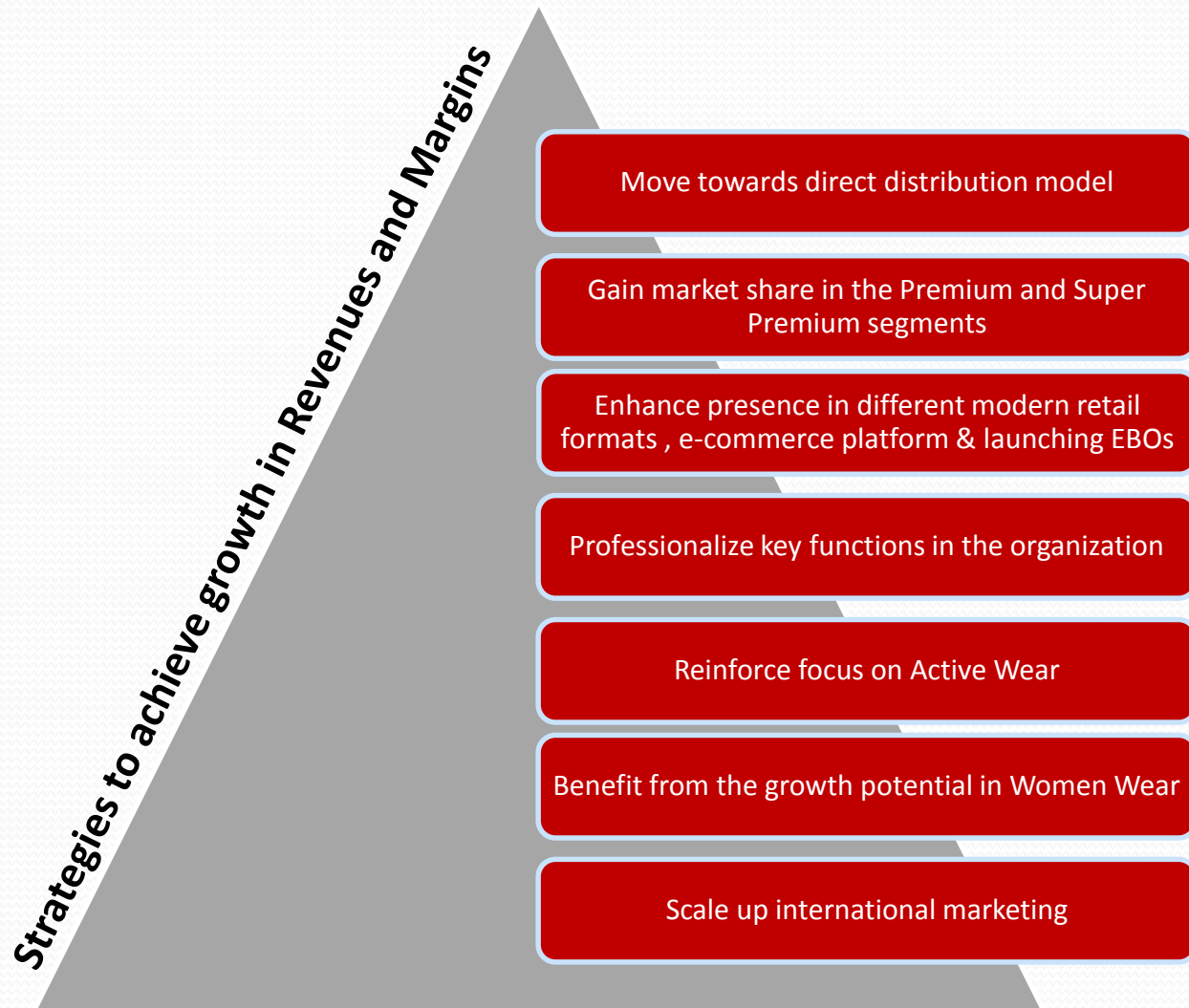
Dividend Payout Ratio*



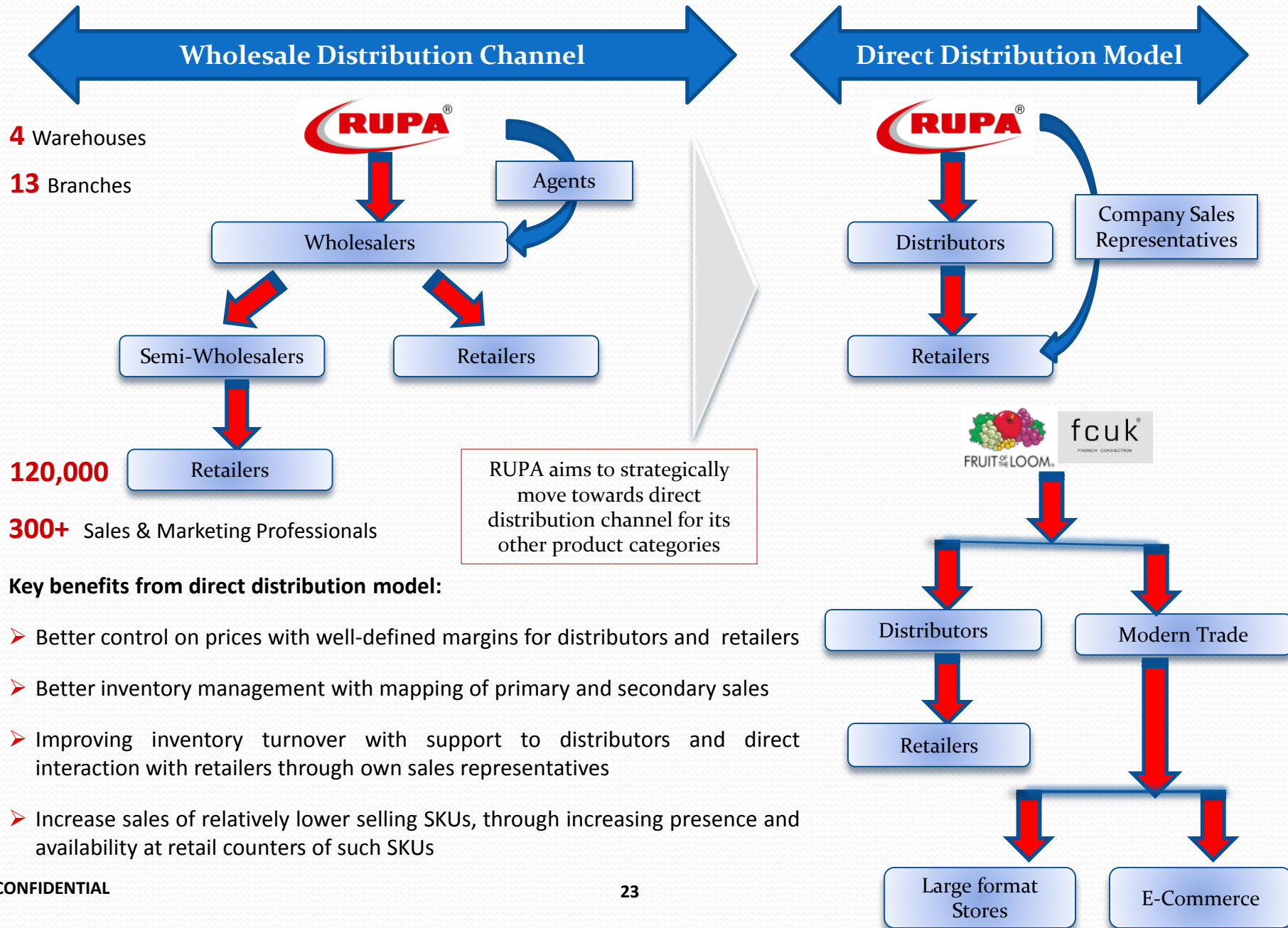
*Dividend for FY18 is proposed and subject to approval of Shareholders in ensuing Annual General Meeting

Key Business Strategies

Key Business Strategies

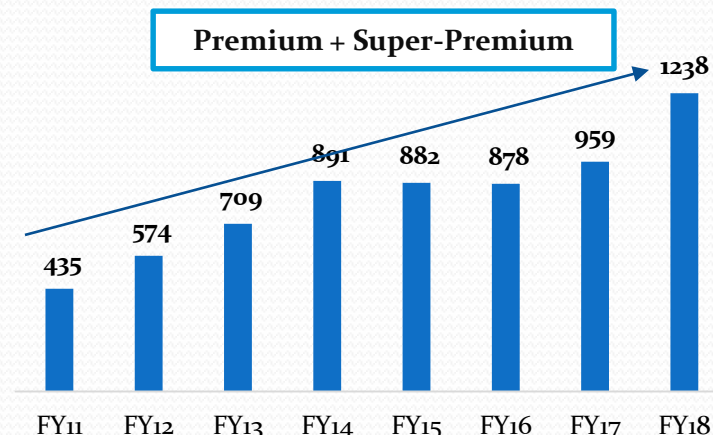
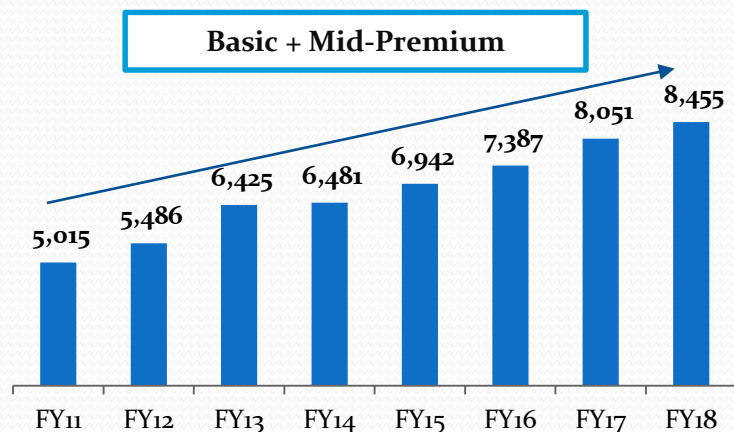


Move towards Direct Distribution Model

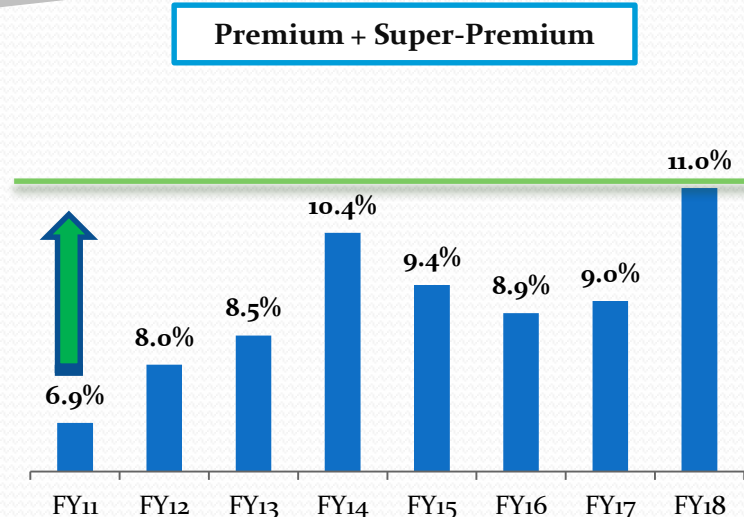
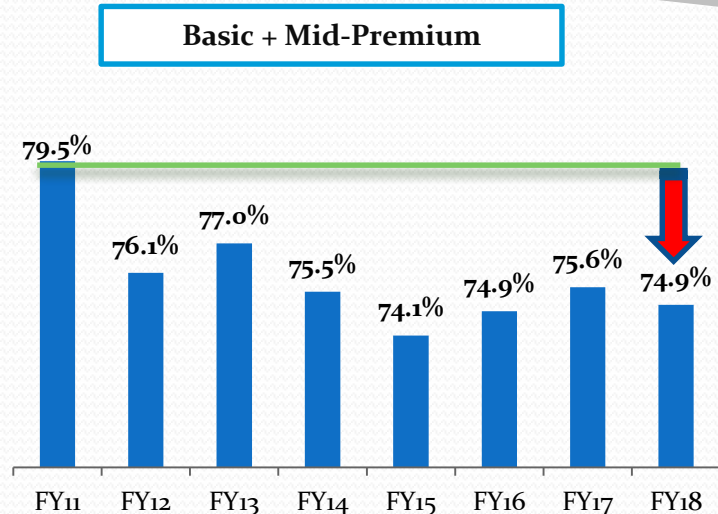


Premiumisation to drive Growth in Revenues and Profitability

Faster Growth in Premium Segment vis-à-vis Basic and Mid-Premium Segments



...leading to increasing share of Premium Segment



Increasing share of Premium segments to continue drive growth in revenues and profitability

Initiatives in Premium and Super Premium Segments



MACROWOMAN

- RUPA has gained significant presence in the premium segment through the launch of its M-Series brand
- Concerted efforts to ramp up the M-Series brand and make it successful include
 - State of the art in-house manufacturing facility in Bengaluru
 - Direct distribution model with access to retailers through own sales personnel
 - Ranbir Kapoor chosen as the brand ambassador to connect with the target customer set
 - Available at Amazon.com(USA) & other international E-commerce platform
 - Awarded as “The world’s Greatest brands Asia 2015”
 - Brand Marketed under the style statement – “**Live Open**”- the philosophy talks of being comfortable in own skin.

fcuk
FRENCH CONNECTION

Rupa Group acquired the exclusive license from French Connection Limited to develop, manufacture, market and sell the FCUK brand of innerwear and related products in India

Key benefits from such Brand Licensing:

- Access to a global brand with strong brand recognition in the super premium segment
- Such strategic global relationship brings in expertise in improving other areas as well viz., manufacturing processes, designing capabilities, logistic management, etc.
- More than 30 distribution points at pan India level, available on Amazon, Myntra, Paytm, Flipkart and other E-commerce Portals



Rupa Group acquired the exclusive license from Fruit of the Loom, Inc, to manufacture, distribute, advertise and sell innerwear and outerwear products for men, boys, women, girls and toddlers in India, under their brand names and marks

- Widely accepted by the consumers
- Exclusive tie up with Amazon and Central; more than 50 distribution points at pan India level.

RUPA will continue to tap any such opportunity that broadens its range of premium and super-premium products

Enhance Alternate Modern Sales Channels

Increasing presence in Modern Retail and E-commerce to boost sales



Sales Channel	Channel I	Channel II	Channel III
	Large Format Store (LFS)	Exclusive Brand Outlet (EBO)	Online Portal
Presence	150+ stores	10 EBOs	Several e-commerce websites
Typical Store Type	<ul style="list-style-type: none"> Modern trade format stores includes – Lifestyle Stores, Hyper-marts, Discounted Formats & Cash & Carry 	<ul style="list-style-type: none"> Exclusive Brand Outlets 	<ul style="list-style-type: none"> Myntra, Amazon , Jabong, Snapdeal, Flipkart , firstcry, Paytm.
Strategy	<ul style="list-style-type: none"> Increase Brand Footprints. Across all brands. creating special product line more relevant for Modern Trade. Improve on time order serviceability to avoid revenue loss. To create a robust, tech driven warehouse infrastructure. To become a secondary sales driven company, investing on Brand staff. 	<ul style="list-style-type: none"> Create small to mid sized Franchise Store Model with best in class SOPs Build and nurture, competent Franchisee Management Organisation Capabilities. Establish Franchise model within Top 50 Cities Invest in Key enablers like Store design, Branding, IT, CRM, SCM, CS, Marketing & Training / Development 	<ul style="list-style-type: none"> E-commerce Industry is expected to grow double by 2022 (\$50 Billion) as compared to last Year. Develop a robust tech based warehouse infrastructure to support Pure Play Market Place business Model. Develop packs /Combos based on requirements.
Future Plans	To have presence through 300 counters in the next 2 years	To roll out 150 more EBOs in the next 2-3 years	Enhance brand visibility through increasing online presence

Different modern retail formats and e-commerce platform offer significant opportunities to propel growth

Aim to Professionalize Key Functions

Company's plan for inducting professional management are aimed with the following elements in perspective:

➤ **Functional expertise driven model:**

Increased business complexities due to growing scale of business and market dynamics require functional expertise in each area. Professionals with expert capability and credibility in the functional domain are being inducted in key areas of Sales, Marketing, Market Research, Manufacturing, etc. This will increase functional expertise in the system and also benefit from common and symmetrical focus across brands and the organization.

➤ **Decouple Marketing and Sales:**

Higher focus on category led marketing and channel led sales aimed to be achieved through professionalization of individual teams and promoter family being involved in strategic decision making and pushing professionals for efficiency.

Role of Promoter and Promoter Group – Strategic Guidance for Future Growth

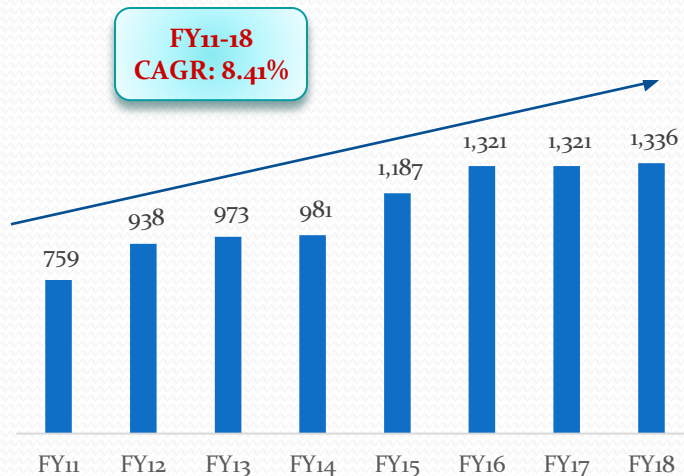
With functional expertise and efficient review and reporting system in the organization, the promoter family will be involved:

- In strategic decision-making in expansion and growth of business
- To manage and oversee business through efficient and effective review and reporting of department heads
- To focus on product and channel development from results of consumer insights and market research
- In operational matters only on selective basis where professionals seek help for guidance

RUPA is inducting highly experienced professionals with clear objective of demarcating the roles and responsibilities of the promoter and promoter group and the key functionaries within the organisation

Re-inforce focus on Active Wear and Women Wear

High Growth Potential in Active Wear



- Health and lifestyle focused Active wear segment has shown healthy growth every year. We intend to take advantage of the future growth potential in this segment
- Will grow through in-licensing or inorganic brand associations as well through organic growth of our Casual wear range

Leverage Presence in the fast growing Women Wear Segment

- Women inner-wear segment witnessed significant growth, Anushka Sharma is new brand Ambassador for softline leggings
- Leggings under the brands “Softline” and “Femmora” have significant growth and widely accepted by the consumer
- Fruit of the Loom “FOTL” extended its arm to women segments
- Plans to scout for opportunities in Women Wear to develop brand capabilities, manufacturing ability or distributional reach

RUPA aims to infuse renewed focus and emphasis in Active wear and Women wear segments with high growth potential

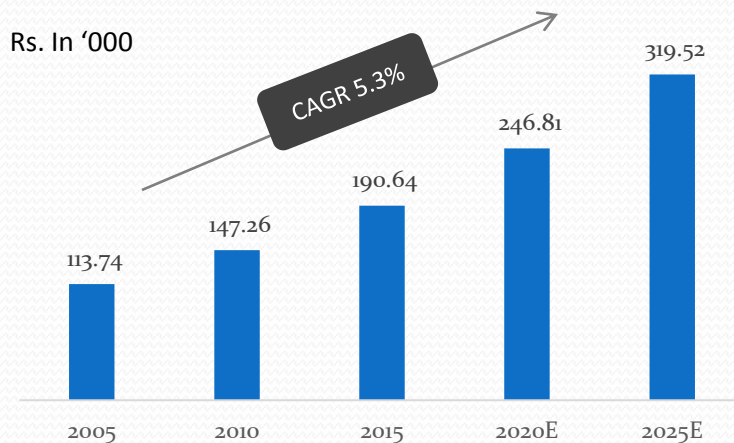
Industry Overview

Changing Indian Demographics

Overview

- International Monetary Fund estimates, India's per capita GDP to be 1,36,806 in 2017.
- McKinsey Global Institute expects India's average household disposable income to be 319,518 in 2025E
- A ~10x rise in middle class households in 2025E and rise in working population to 68% in 2025E.
- The above factors will collectively result into increase in the disposable income, which will fuel consumption growth.

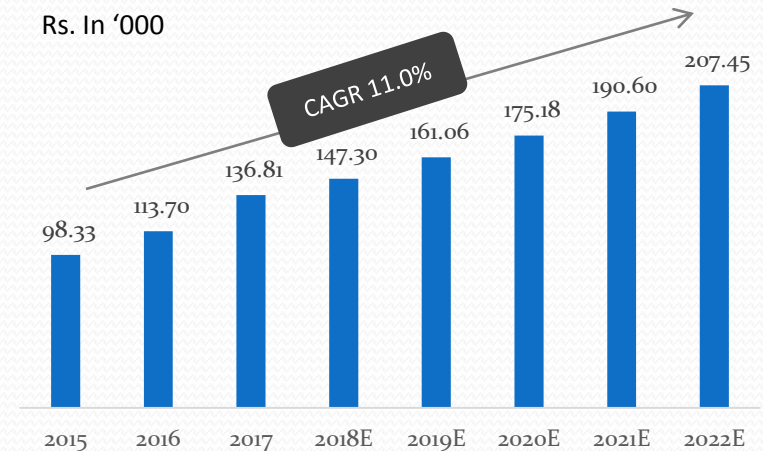
Disposable Income



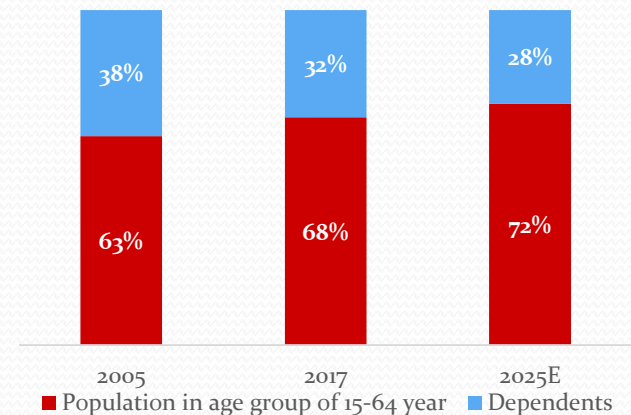
Source : Market Reports, Equity research

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Per Capita Income



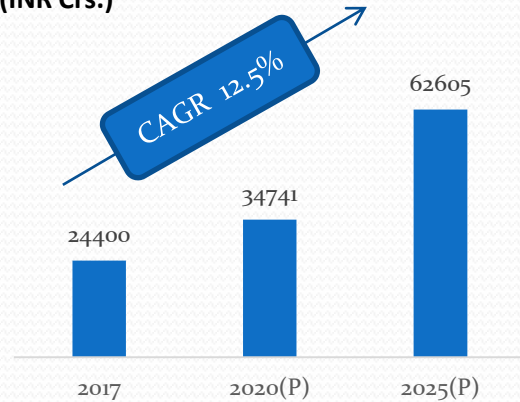
Per Capita Expenditure on Innerwear



Innerwear Industry – Overview

Indian Innerwear Market Size and Growth

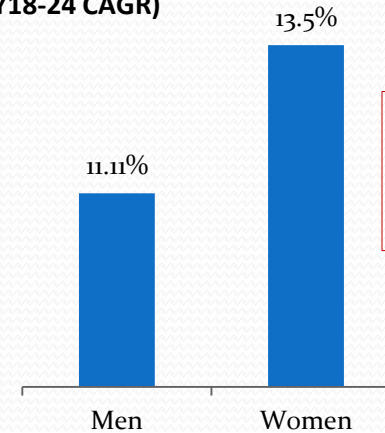
(INR Crs.)



~12.5% CAGR is fuelled by ~5% Volume growth and ~7.5% Value growth indicating increasing premium and super premium categories

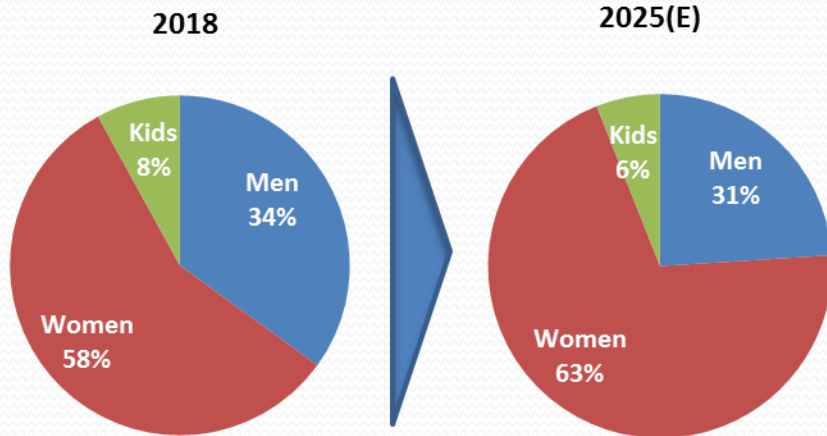
Growth in Men and Women Segments

(FY18-24 CAGR)



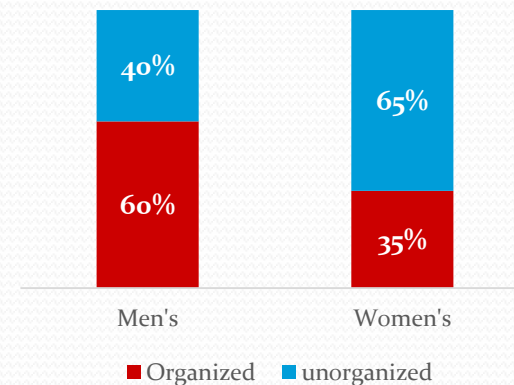
Women innerwear segment is expected to grow faster than Men

Increasing Share of Women Segment



Organized & Unorganized Market

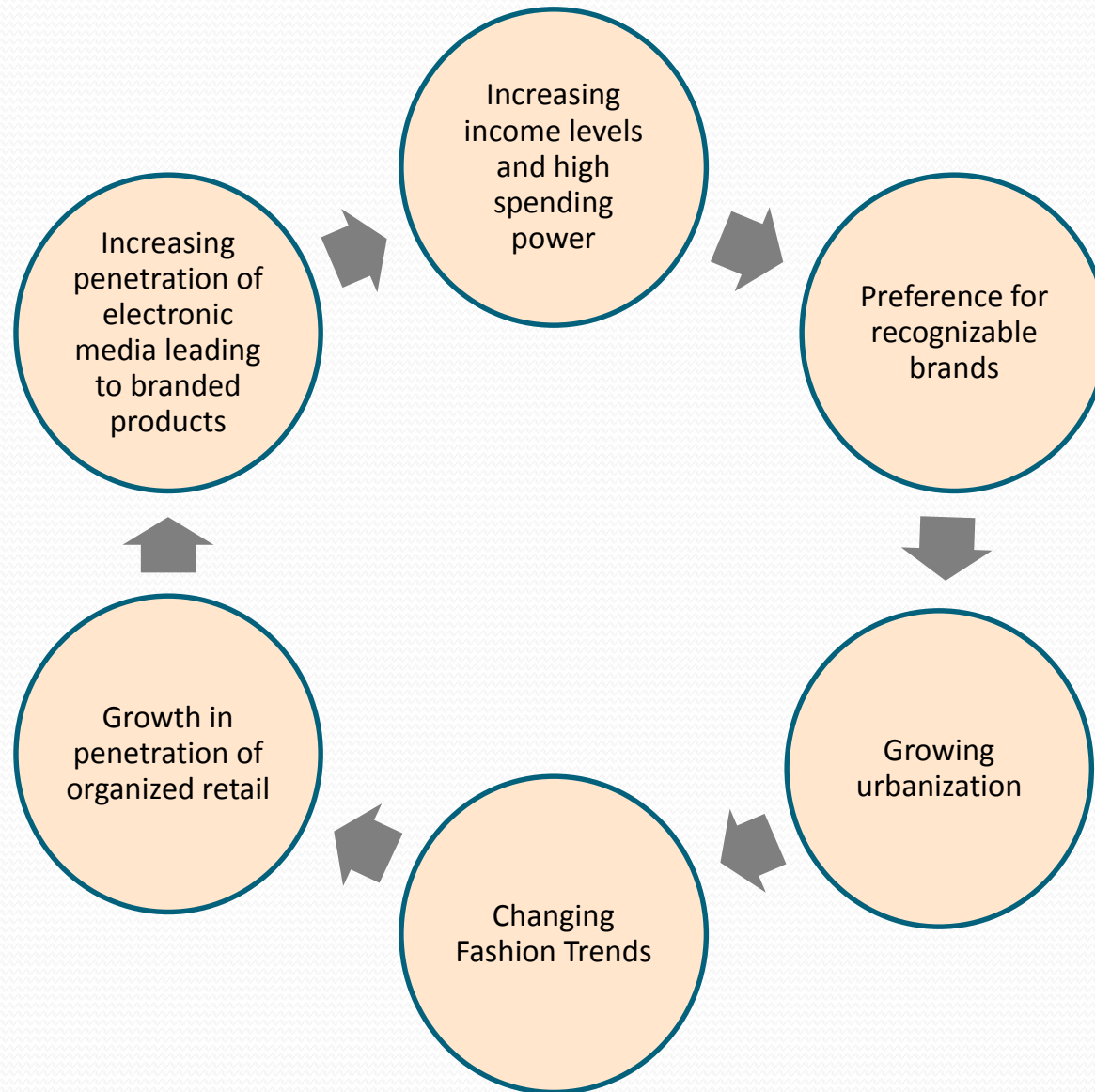
2018



Source : Market Reports, Equity research

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Innerwear Industry – Growth Drivers



Thank You