

	HISTORICAL FINANCIAL STATEMENTS - RELAXO LTD											FORECASTED		
	Years	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
#	INCOME STATEMENT													
	Sales	1,212.3	1,480.8	1,711.8	1,739.8	1,948.6	2,292.1	2,410.5	2,359.2	2,653.3	2,782.8	2,921.9	3,126.4	3,407.8
	Sales growth	-	22.2%	15.6%	1.6%	12.0%	17.6%	23.7%	-2.1%	12.5%	4.9%	5.0%	7.0%	9.0%
	COGS	551.2	639.4	707.9	725.8	890.5	1,072.3	1,039.3	1,003.3	1,216.7	1,334.3	1,344.1	1,406.9	1,499.4
	COGS % sales	45.5%	43.2%	41.4%	41.7%	45.7%	46.8%	43.1%	42.5%	45.9%	47.9%	46.0%	45.0%	44.0%
	Gross Profit	661.1	841.4	1,003.9	1,014.0	1,058.0	1,219.8	1,371.2	1,355.9	1,436.6	1,448.5	1,577.8	1,719.5	1,908.4
	Gross Profit Margin	54.5%	56.8%	58.6%	58.3%	54.3%	53.2%	56.9%	57.5%	54.1%	52.1%	54.0%	55.0%	56.0%
	Selling & General Exp	511.7	634.3	756.3	766.0	751.5	882.5	971.3	883.2	997.1	1,094.1	1,139.5	1,203.7	1,295.0
	SGA Exp % sales	42.2%	42.8%	44.2%	44.0%	38.6%	38.5%	40.3%	37.4%	37.6%	39.3%	39.0%	38.5%	38.0%
	EBITDA	149.4	207.0	247.6	248.0	306.6	337.3	399.9	472.7	439.5	354.4	438.3	515.9	613.4
	EBITDA Margin	12.3%	14.0%	14.5%	14.3%	15.7%	14.7%	16.6%	20.0%	16.6%	12.7%	15.0%	16.5%	18.0%
	Depreciation Expenses	31.2	39.9	47.1	51.5	54.3	62.4	109.4	110.0	113.5	125.1	131.5	140.7	153.4
	Depreciation % sales	2.6%	2.7%	2.8%	3.0%	2.8%	2.7%	4.5%	4.7%	4.3%	4.5%	4.5%	4.5%	4.5%
	Interest	22.7	18.5	22.9	15.2	8.6	6.9	16.9	17.1	15.3	19.2	20.5	21.9	23.9
	Interest % sales	1.9%	1.2%	1.3%	0.9%	0.4%	0.3%	0.7%	0.7%	0.6%	0.7%	0.7%	0.7%	0.7%
	EBT	95.6	148.7	177.6	181.4	243.6	268.0	273.6	345.6	310.6	210.0	286.3	353.3	436.2
	EBT % sales	7.9%	10.0%	10.4%	10.4%	12.5%	11.7%	11.4%	14.7%	11.7%	7.5%	9.8%	11.3%	12.8%
	Tax	29.9	39.6	57.3	58.4	82.6	92.5	65.5	99.6	77.9	55.5	75.6	93.3	115.2
	Effective Tax Rate	31.3%	26.6%	32.3%	32.2%	33.9%	34.5%	23.9%	28.8%	25.1%	26.4%	26.4%	26.4%	26.4%
	Net Profit	65.7	109.1	120.3	123.0	161.1	175.4	208.2	246.0	232.7	154.5	210.8	260.0	321.0
	Net Profit Margin	5.4%	7.4%	7.0%	7.1%	8.3%	7.7%	8.6%	10.4%	8.8%	5.6%	7.2%	8.3%	9.4%
	No. of Equity Shares	600,06,000	600,06,000	1200,39,700	1201,30,250	1203,53,620	1240,50,873	2482,46,436	2482,46,436	2489,26,046	2489,26,046	2489,26,046	2489,26,046	2489,26,046
	EPS	10.9	18.2	10.0	10.2	13.4	14.1	8.4	9.9	9.3	6.2	6.6	7.2	8.0
	EPS growth	-	66.1%	-44.9%	2.2%	30.7%	5.7%	-40.7%	18.2%	-5.7%	-33.6%	6.0%	9.0%	11.0%
	Dividend	3.0	6.0	7.2	12.0	18.0	22.3	31.0	62.1	62.2	62.2	84.0	109.2	136.5
	Dividend Payout Ratio	4.6%	5.5%	6.0%	9.8%	11.2%	12.7%	14.9%	25.2%	26.7%	40.3%	35.0%	30.0%	25.0%
	Retained Earnings	62.7	103.1	113.1	111.0	143.0	153.1	177.1	183.9	170.5	92.2	126.8	150.8	184.5

[illegible]

#	CASHFLOW STATEMENT	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
	<b>Operating Activities</b>										
	Profit from operations	149.0	202.0	244.0	245.0	308.0	342.0	422.0	509.0	421.0	345.0
	Receivables	-24.0	-21.0	-33.0	-15.0	-67.0	-31.0	51.0	-11.0	-69.0	-19.0
	Inventory	-5.0	-85.0	-37.0	-4.0	-24.0	-83.0	-68.0	21.0	-248.0	108.0
	Payables	32.0	49.0	40.0	4.0	49.0	14.0	8.0	40.0	-1.0	32.0
	Loans Advances	-	-	-	-	-	-	-	-	-	-
	Other WC items	-	-	-	9.0	-32.0	-32.0	-12.0	44.0	37.0	-10.0
	Working capital changes	3.0	-57.0	-30.0	-6.0	-73.0	-132.0	-20.0	93.0	-282.0	110.0
	Direct taxes	-28.0	-38.0	-54.0	-59.0	-80.0	-86.0	-83.0	-89.0	-84.0	-55.0
	<b>Cashflow from Operating Activities</b>	<b>127.0</b>	<b>50.0</b>	<b>130.0</b>	<b>174.0</b>	<b>81.0</b>	<b>-8.0</b>	<b>298.0</b>	<b>607.0</b>	<b>-226.0</b>	<b>511.0</b>
	<b>Investing Activities</b>										
	Fixed assets purchased	-71.0	-131.0	-135.0	-90.0	-109.0	-92.0	-116.0	-123.0	-140.0	-185.0
	Fixed assets sold	1.0	1.0	-	-	-	1.0	-	1.0	1.0	4.0
	Investments purchased	-	-	-	-	-	-	-	-331.0	-	-25.0
	Investments sold	-	-	4.0	-	-	32.0	1.0	-	152.0	-
	Interest received	1.0	-	-	1.0	1.0	1.0	-	1.0	-	-
	Dividends received	-	-	-	-	-	1.0	-	-	-	-
	Other investing items	-	-	-	-	-1.0	1.0	-1.0	-1.0	1.0	-53.0
	<b>Cashflow from Investing Activities</b>	<b>-69.0</b>	<b>-130.0</b>	<b>-131.0</b>	<b>-89.0</b>	<b>-109.0</b>	<b>-56.0</b>	<b>-116.0</b>	<b>-453.0</b>	<b>14.0</b>	<b>-259.0</b>
	<b>Financing Activities</b>										
	Proceeds from shares	-	-	1.0	-	-	3.0	3.0	5.0	14.0	-
	Proceeds from borrowings	-	77.0	-	-	26.0	1.0	-	-	20.0	-
	Repayment of borrowings	-	-36.0	-	-	-48.0	-42.0	-91.0	-19.0	-	-20.0
	Interest paid fin	-23.0	-16.0	-22.0	-20.0	-15.0	-8.0	-17.0	-17.0	-15.0	-19.0
	Dividends paid	-2.0	-3.0	-6.0	-9.0	-14.0	-22.0	-64.0	-	-62.0	-62.0
	Financial liabilities	-	-	-	-	-	-	-33.0	-25.0	-26.0	-37.0
	Other financing items	-26.0	-1.0	-4.0	-61.0	5.0	-	-	-	-	-
	<b>Cashflow from Financing Activities</b>	<b>-51.0</b>	<b>21.0</b>	<b>-31.0</b>	<b>-90.0</b>	<b>-46.0</b>	<b>-68.0</b>	<b>-202.0</b>	<b>-56.0</b>	<b>-69.0</b>	<b>-138.0</b>
	<b>Net Cash Flow</b>	<b>7.0</b>	<b>-59.0</b>	<b>-32.0</b>	<b>-5.0</b>	<b>-74.0</b>	<b>-132.0</b>	<b>-20.0</b>	<b>98.0</b>	<b>-281.0</b>	<b>114.0</b>

## DCF VALUATION

# Free Cash Flow	Mar-23	Mar-24	Mar-25	Mar-26
Cashflow from Operations	511.0	233.8	281.4	340.8
Interest (1 - t)	14.2	15.1	16.1	17.6
Capex	-259.0	-235.0	-228.1	-217.4
<b>FCFF</b>	<b>266.2</b>	<b>13.8</b>	<b>69.4</b>	<b>140.9</b>
Year Convention		1	2	3
Discounting factor		0.921	0.848	0.781
<b>PV of FCFF</b>		<b>12.7</b>	<b>58.9</b>	<b>110.1</b>

# Calculation of Terminal Value	Mar-26
Terminal Value	4139
<b>PV of Terminal Value</b>	<b>3234</b>

WACC

Mar-23

8.6%

Terminal growth rate

5.0%

# Calculation of Equity Value per share	Mar-23
Enterprise Value	3415.4
Add: Cash	74.0
Less: Debt	639.7
<b>Value of Equity</b>	<b>2849.7</b>
No. of shares	2.5

Equity Value per share	1144.8
CMP	840.0
<b>Discount/Premium</b>	<b>36.3%</b>

Sensitivity Analysis					
1144.8	7.0%	8.0%	8.6%	9.0%	10.0%
3.0%	1038.3	772.3	658.5	595.3	469.1
4.0%	1450.3	1015.0	844.8	754.1	580.5
5.0%	2274.3	1419.4	1134.6	992.3	736.4
6.0%	4746.2	2228.2	1647.4	1389.4	970.3

# Workings	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
<b>a Cashflow from Operating Activities</b>	<b>127.0</b>	<b>50.0</b>	<b>130.0</b>	<b>174.0</b>	<b>81.0</b>	<b>-8.0</b>	<b>298.0</b>	<b>607.0</b>	<b>-226.0</b>	<b>511.0</b>	<b>233.8</b>	<b>281.4</b>	<b>340.8</b>
<i>CFO as a % of sales</i>	<i>10.5%</i>	<i>3.4%</i>	<i>7.6%</i>	<i>10.0%</i>	<i>4.2%</i>	<i>-0.3%</i>	<i>12.4%</i>	<i>25.7%</i>	<i>-8.5%</i>	<i>18.4%</i>	<i>8.0%</i>	<i>9.0%</i>	<i>10.0%</i>
<b>b Interest</b>	22.7	18.5	22.9	15.2	8.6	6.9	16.9	17.1	15.3	19.2	20.5	21.9	23.9
Tax rate	31.3%	26.6%	32.3%	32.2%	33.9%	34.5%	23.9%	28.8%	25.1%	26.4%	26.4%	26.4%	26.4%
<b>Interest (1 - t)</b>	<b>15.6</b>	<b>13.6</b>	<b>15.5</b>	<b>10.3</b>	<b>5.7</b>	<b>4.5</b>	<b>12.8</b>	<b>12.2</b>	<b>11.5</b>	<b>14.2</b>	<b>15.1</b>	<b>16.1</b>	<b>17.6</b>
<b>c Capex</b>	<b>-69</b>	<b>-130</b>	<b>-131</b>	<b>-89</b>	<b>-109</b>	<b>-56</b>	<b>-116</b>	<b>-453</b>	<b>14</b>	<b>-259</b>	<b>-235.0</b>	<b>-228.1</b>	<b>-217.4</b>
<i>Capex (as a % of FA)</i>	<i>12.7%</i>	<i>20.6%</i>	<i>17.7%</i>	<i>12.3%</i>	<i>12.2%</i>	<i>5.0%</i>	<i>10.6%</i>	<i>47.2%</i>	<i>-1.0%</i>	<i>20.6%</i>	<i>17.0%</i>	<i>15.0%</i>	<i>13.0%</i>
Fixed Assets	544.7	630.2	741.8	720.7	896.6	1,130.1	1,092.9	959.1	1,389.0	1,256.7	1382.3	1520.5	1672.6
<i>growth %</i>	-	<i>15.7%</i>	<i>17.7%</i>	<i>-2.8%</i>	<i>24.4%</i>	<i>26.0%</i>	<i>-3.3%</i>	<i>-12.2%</i>	<i>44.8%</i>	<i>-9.5%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>

#	WACC Calculation	Mar-23
	Cost of Equity	8.8%
	Equity Weight	97.0%
	Cost of Debt	0.01
	Debt Weight	3.0%
	<b>WACC</b>	<b>8.6%</b>

#	Cost of Equity	Mar-23
	Risk free rate	7.1%
	Beta	0.18
	Rm	16.6%
	Equity Risk Premium (Rm - Rf)	9.6%
	<b>Cost of Equity</b>	<b>8.8%</b>

#	Cost of Debt	Mar-23
	Interest	0.7%
	Tax rate	26.4%
	Interest (1-t)	0.5%
	<b>Cost of Debt</b>	<b>0.5%</b>

#	Capital Structure	Mar-23
	Total Debt	640
	Market Capitalization	21000
	<b>Total Capital</b>	<b>21640</b>
	<b>Equity Weight</b>	<b>97.0%</b>
	<b>Debt Weight</b>	<b>3.0%</b>

### Calculation of Beta, Rm

#### Closing Prices

Date	Relaxo	Returns (%)	Sensex	Returns (%)
01-Feb-23	812	-	59708	-
02-Feb-23	798	-1.7%	59932	0.4%
03-Feb-23	805	0.9%	60842	1.5%
06-Feb-23	776	-3.6%	60507	-0.6%
07-Feb-23	792	2.1%	60286	-0.4%
08-Feb-23	787	-0.7%	60664	0.6%
09-Feb-23	780	-0.8%	60806	0.2%
10-Feb-23	788	1.0%	60683	-0.2%
13-Feb-23	790	0.2%	60432	-0.4%
14-Feb-23	783	-0.9%	61032	1.0%
15-Feb-23	788	0.8%	61275	0.4%
16-Feb-23	784	-0.6%	61320	0.1%
17-Feb-23	779	-0.6%	61003	-0.5%
20-Feb-23	771	-1.0%	60692	-0.5%
21-Feb-23	789	2.3%	60673	0.0%
22-Feb-23	784	-0.7%	59745	-1.5%
23-Feb-23	777	-0.9%	59606	-0.2%
24-Feb-23	776	-0.1%	59464	-0.2%
27-Feb-23	773	-0.4%	59288	-0.3%
28-Feb-23	777	0.5%	58962	-0.6%
01-Mar-23	777	0.0%	59411	0.8%
02-Mar-23	772	-0.6%	58909	-0.8%
03-Mar-23	769	-0.5%	59809	1.5%
06-Mar-23	763	-0.8%	60224	0.7%
08-Mar-23	761	-0.3%	60348	0.2%
09-Mar-23	753	-1.0%	59806	-0.9%
10-Mar-23	757	0.5%	59135	-1.1%
13-Mar-23	757	0.0%	58238	-1.5%
14-Mar-23	762	0.7%	57900	-0.6%
15-Mar-23	765	0.5%	57556	-0.6%
16-Mar-23	769	0.5%	57635	0.1%
17-Mar-23	780	1.5%	57990	0.6%
20-Mar-23	784	0.5%	57629	-0.6%
21-Mar-23	819	4.4%	58075	0.8%
22-Mar-23	839	2.5%	58215	0.2%
23-Mar-23	832	-0.8%	57925	-0.5%
24-Mar-23	814	-2.2%	57527	-0.7%
27-Mar-23	802	-1.4%	57654	0.2%
28-Mar-23	816	1.7%	57614	-0.1%
29-Mar-23	840	3.0%	57960	0.6%
31-Mar-23	849	1.0%	58992	1.8%
03-Apr-23	849	0.1%	59106	0.2%
05-Apr-23	838	-1.3%	59689	1.0%
06-Apr-23	834	-0.5%	59833	0.2%
10-Apr-23	824	-1.2%	59847	0.0%
11-Apr-23	819	-0.6%	60158	0.5%
12-Apr-23	815	-0.5%	60393	0.4%
13-Apr-23	814	-0.1%	60431	0.1%
17-Apr-23	809	-0.7%	59911	-0.9%
18-Apr-23	817	1.1%	59727	-0.3%
19-Apr-23	812	-0.7%	59568	-0.3%
20-Apr-23	826	1.8%	59632	0.1%
21-Apr-23	827	0.1%	59655	0.0%
24-Apr-23	823	-0.5%	60056	0.7%
25-Apr-23	828	0.7%	60131	0.1%
26-Apr-23	831	0.3%	60301	0.3%
27-Apr-23	841	1.3%	60649	0.6%
28-Apr-23	843	0.3%	61112	0.8%

Beta

Covariance  
Variance

0.00000773  
0.00004193

0.18442074

Slope

0.18442074

Year	Sensex	Returns (%)
2000	3972	-
2001	3262	-17.9%
2002	3377	3.5%
2003	5839	72.9%
2004	6603	13.1%
2005	9398	42.3%
2006	13787	46.7%
2007	20287	47.1%
2008	9647	-52.4%
2009	17465	81.0%
2010	20509	17.4%
2011	15455	-24.6%
2012	19427	25.7%
2013	21171	9.0%
2014	27499	29.9%
2015	26118	-5.0%
2016	26626	1.9%
2017	34057	27.9%
2018	36068	5.9%
2019	41254	14.4%
2020	47751	15.8%
2021	58254	22.0%
2022	60841	4.4%
2023	72240	18.7%
2024	72086	-0.2%

#### Average Market Return

Rm 16.6%

Comparable Company Valuation						(in crs.)					
Company	Market Data					Financials			Valuation		
	Share Price	Shares Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/Ebitda	P/E
Relaxo Footwear	840	24.89	20,910	90	21,000	2,783	354	154	7.5	59.3	135.4
Metro Brands	1104	27.2	30,029	878	30,907	2,127	680	365	14.5	45.5	82.3
Bata India	1415	12.8	18,112	836	18,948	3,452	804	323	5.5	23.6	56.1
Campus Activewear	260	30.5	7,930	322	8,252	1,484	254	117	5.6	32.5	67.8
Mirza International	54	13.8	745	47	792	653	63	26	1.2	12.6	28.7
<b>Average</b>									<b>6.9</b>	<b>34.7</b>	<b>74.0</b>
<b>Relaxo Comparable Valuation</b>									<b>EV/Revenue</b>	<b>EV/Ebitda</b>	<b>P/E</b>
Implied Enterprise Value									19,112	12,285	11,435
Net Debt									90	90	90
Implied Market Value									19,022	12,195	11,345
Outstanding shares									24.89	24.89	24.89
<b>Implied Value per share</b>									<b>764.16</b>	<b>489.90</b>	<b>455.77</b>
									Overvalued	Overvalued	Overvalued

Historical Financial Ratios - Relaxo Ltd													
Years	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Trend	Mean	Median
Sales Growth		22.2%	15.6%	1.6%	12.0%	17.6%	5.2%	-2.1%	12.5%	4.9%		9.9%	12.0%
EBITDA Growth		38.6%	19.6%	0.2%	23.6%	10.0%	18.6%	18.2%	-7.0%	-19.4%		11.4%	18.2%
EBT Growth		55.6%	19.5%	2.1%	34.3%	10.0%	2.1%	26.3%	-10.1%	-32.4%		11.9%	10.0%
Net Profit Growth		66.1%	10.3%	2.2%	31.0%	8.9%	18.6%	18.2%	-5.4%	-33.6%		12.9%	10.3%
Dividend growth		100.0%	20.0%	66.8%	50.2%	23.7%	39.0%	100.2%	0.2%	0.0%		44.5%	39.0%
Gross Margin		54.5%	56.8%	58.6%	58.3%	54.3%	53.2%	56.9%	57.5%	54.1%		56.0%	56.8%
EBITDA Margin		12.3%	14.0%	14.5%	14.3%	15.7%	14.7%	16.6%	20.0%	16.6%		15.4%	14.7%
EBIT Margin		9.8%	11.3%	11.7%	11.3%	12.9%	12.0%	12.1%	15.4%	12.3%		12.1%	12.0%
EBT Margin		7.9%	10.0%	10.4%	10.4%	12.5%	11.7%	11.4%	14.7%	11.7%		11.2%	11.4%
Net Profit Margin		5.4%	7.4%	7.0%	7.1%	8.3%	7.7%	8.6%	10.4%	8.8%		7.8%	7.7%
S&G Expenses % Sales		42.2%	42.8%	44.2%	44.0%	38.6%	38.5%	40.3%	37.4%	37.6%		40.6%	40.3%
Depreciation % Sales		2.6%	2.7%	2.8%	3.0%	2.8%	2.7%	4.5%	4.7%	4.3%		3.3%	2.8%
ROCE		24.9%	27.5%	28.0%	25.0%	27.6%	22.6%	20.6%	21.1%	16.9%		23.8%	24.9%
ROE		23.7%	29.7%	25.1%	20.3%	21.2%	15.9%	16.4%	15.6%	13.2%		20.1%	20.3%
Interest Coverage Ratio		5.22	9.05	8.76	12.95	29.36	39.84	17.22	21.24	21.26		1832.0%	1721.9%
Debtor Turnover Ratio		17.77	18.04	15.75	14.12	11.23	10.30	14.01	13.00	10.58		1386.7%	1400.8%
Creditor Turnover Ratio		6.66	6.33	6.09	6.09	5.81	5.81	5.61	5.14	5.92		594.0%	591.7%
Inventory Turnover		7.39	5.95	5.99	6.00	6.21	5.99	5.38	5.59	3.94		582.7%	598.9%
Fixed Asset Turnover		3.31	3.14	3.23	3.22	3.71	2.70	2.46	2.51	2.69		299.7%	313.9%
Capital Turnover		4.38	4.03	3.57	2.87	2.56	2.07	1.89	1.50	1.51		270.9%	256.0%
<i>(in days)</i>													
Debtor Days		21	20	23	26	32	35	26	28	35		2737.3%	2605.7%
Payable Days		55	58	60	60	63	63	65	71	62		6174.5%	6168.9%
Inventory Days		49	61	61	61	59	61	68	65	93		6421.5%	6094.8%
Cash Convergence Cycle		15	24	24	27	28	34	29	22	65		2984.3%	2680.3%
CFO/Sales		10.48%	3.38%	7.59%	10.00%	4.16%	-0.35%	12.36%	25.73%	-8.52%		7.2%	7.6%
CFO/Total Assets		19.34%	5.94%	13.03%	16.26%	6.48%	-0.50%	16.19%	27.90%	-9.49%		10.6%	13.0%
CFO/Total Debt		64.03%	20.89%	54.99%	97.57%	52.82%	-7.14%	214.48%	421.06%	-129.86%		87.6%	55.0%