

CMP: INR 1,001
Rating: ACCUMULATE
TP: INR 1,179
Stock Info

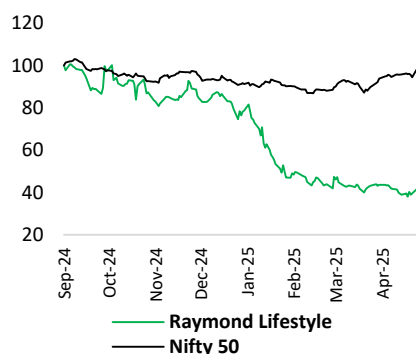
BSE	544240
NSE	RAYMONDSL
Bloomberg	RAYMONDL:IN
Reuters	RAYL.NS
Sector	Garments & Apparels
Face Value (INR)	2
Equity Capital (INR cr)	12.18
Mkt Cap (INR cr)	6039
52w H/L (INR)	3,100/ 860
Avg Daily Vol (in 000')	167

Shareholding Pattern %
(As on March 2025)

Promoters	54.68
DII	5.42
FII	10.51
Public & Others	29.4

Stock Performance (%)

	1m	6m	12m
RAYMOND	(6.65)	(52.8)	(65.4)
NIFTY 50	5.49	4.45	11.3

Raymond Price Chart


Raymond reported consolidated revenue of INR 1,494 crore in Q4FY25, down 11.8% QoQ and 11.3% YoY, primarily due to muted demand across key segments. EBITDA (ex-other income) stood at INR 72 crore, declining 57.9% YoY and 73.9% QoQ, reflecting operating leverage and elevated input costs. EBITDA margin contracted by 590 bps YoY and 750 bps QoQ to 4.8%, impacted by an adverse product mix and higher fixed cost absorption. The company posted a net loss of INR 45 crore, versus a profit of INR 129 crore YoY and INR 64 crore QoQ, due to lower operating profit and exceptional charges.

Ransomware Attack: ~25-day disruption impacted operations and supply chain; ~50% of lost sales recovered in Q4, full recovery expected in 6–8 months.

Retail Expansion: Opened 170 new stores in FY25 (total now at 1,688, incl. 38 Ethnix outlets), contributing to higher upfront costs.

Branded Textiles: Revenue declined 21% YoY to INR 727 Cr, while EBITDA dropped 75% YoY to INR 51 Cr, with margins shrinking to 7.0% (vs. 21.8% in Q4 FY24). Impacted by scale deleverage and operational disruptions; dealer restocking remains cautious despite some recovery in secondary sales.

Branded Apparel: Revenue fell 4% YoY to INR 391 Cr, and EBITDA plummeted 97% YoY to INR 2 Cr, with margins at 0.4% (vs. 13.5% in Q4FY24). Upfront investments in retail expansion and adverse channel mix weighed on profitability. Ethnic wear business has crossed INR 100 cr revenue mark. Now have 150+ stores, targeting 300 stores in 3-4 years. Moving to franchisee-led expansion model. Focus on improving store profitability, especially for new stores opened in last 3 years. Calibrated approach to new store openings going forward.

Strategic Missteps: Management acknowledged delays in recalibrating the branded textiles strategy and an overly aggressive store expansion pace.

Valuation and Outlook: We assign a TP of INR 1,179 based on a SOTP multiple of 14x the FY27E EV/ EBITDA and recommend that investors Accumulate. Despite near-term profitability pressures and operational disruptions, Raymond remains focused on its retail expansion, category diversification, and leveraging global trade opportunities. The company's strong brand and strategic initiatives position it for a medium- to long-term recovery.

Earnings Summary (INR Mn)	FY24	FY25	FY26E	FY27E
Revenue (Ex- OI)	65,354	61,767	68,118	72,176
Operating Profit	9,366	4,678	9,984	11,052
Operating Margin	14.33%	7.57%	14.66%	15.31%
EBITDA	10,910	6,510	11,908	13,073
EBITDA Margin (%)	16.31%	10.24%	17.00%	17.62%
PAT	4,887	1,005	4,406	5,160
PAT growth (%)	(23.2)	(79.4)	338.5	17.1
EPS (INR)	638.8	16.5	72.3	84.7
EPS growth (%)	568.6	(97.4)	338.5	17.1
P/E (x)	1.6	60.7	14.0	12.2
P/BV (x)	0.1	0.6	0.6	0.6
EV/EBITDA (x)	7.4	13.2	7.1	6.3

Source: Company Filings & Arihant Capital Research

Garmenting: Revenue was flat at INR 248 Cr, but EBITDA turned negative at INR (7) Cr (vs. INR 30 Cr in Q4 FY24), with margins at (2.9%) (vs. 12.0% in Q4 FY24). Adverse sales mix and additional training costs for new manufacturing lines impacted performance. US tariff benefits expected. Garmenting segment to benefit from UK FTA, with 30-40% growth expected over next 2 years in UK business (currently 20-22% of garmenting revenue).

High Value Cotton Shirting: Revenue declined 13% YoY to INR 185 Cr, but EBITDA surged 155% YoY to INR 61 Cr, supported by a one-time subsidy of INR 53 Cr. Margins improved to 33.1% (vs. 11.3% in Q4 FY24).

Management expects FY26 to be a year of recovery, with early signs of demand pickup visible in April. Bookings for FY26 are up 12-13% YoY.

Guidance: Targeting 10-15% revenue growth in FY26, potentially higher. Margins expected to improve from FY25 levels.

Net cash position of INR 90 cr as of FY25. Working capital days reduced to 87 days vs 89 days in Q3FY25.

No immediate plans for inorganic acquisitions. Recent new category launches (ethnic, sleepwear, innerwear) have significant potential.

Demand Weakness: Continued softness in discretionary consumption due to inflation.

Q4FY25 Result Update | Raymond

Income Statement (INR Mn)	FY24	FY25	FY26E	FY27E
Revenue (Ex- OI)	65,354	61,767	68,118	72,176
Op. Expenses	55,988	57,090	58,134	61,124
Operating Profit	9,366	4,678	9,984	11,052
<i>Operating Margin</i>	<i>14.33%</i>	<i>7.57%</i>	<i>14.66%</i>	<i>15.31%</i>
Other income	1,544	1,832	1,924	2,020
EBITDA	10,910	6,510	11,908	13,073
<i>EBITDA Margin</i>	<i>16.31%</i>	<i>10.24%</i>	<i>17.00%</i>	<i>17.62%</i>
Depreciation	2,463	3,214	2,944	3,244
EBIT	8,447	3,296	8,963	9,828
Interest Exp.	1,957	2,074	3,089	2,949
Extra Ordinary Items -gain/(loss)	(92)	(623)	-	-
PBT	6,398	600	5,875	6,880
Tax	1,603	218	1,469	1,720
PAT	4,795	382	4,406	5,160
Net Profit	4,795	382	4,406	5,160
Adjusted PAT	4,887	1,005	4,406	5,160
Adjusted EPS (INR)	638.8	16.5	72.3	84.7
Balance Sheet (INR Mn)	FY24	FY25	FY26E	FY27E
Share Capital	15	122	122	122
Reserves & Surplus	96,606	95,755	1,00,161	1,05,321
Networth	96,622	95,877	1,00,283	1,05,442
Debt	15,616	23,062	22,062	21,062
Net deferred Tax liabilities	110	183	183	183
Capital Employed	1,12,347	1,19,122	1,22,527	1,26,687
Gross Fixed Assets	43,073	44,073	49,073	54,073
Accumulated Depreciation	17,584	20,798	23,742	26,987
Capital work in progress	508	1,237	1,237	1,237
Net Fixed Assets	22,880	24,512	26,568	28,323
Goodwill	4,538	4,538	4,538	4,538
Investments	63,230	63,256	63,256	63,256
Current Assets, Loans & Advances	39,900	44,372	49,382	53,050
Inventory	17,328	17,568	19,374	20,528
Debtors	9,248	9,172	10,115	10,717
Cash & Bank balance	1,524	4,009	4,869	5,885
Loans & advances and others	11,800	13,625	15,025	15,920
Current Liabilities & Provisions	18,200	19,238	21,216	22,480
Liabilities	17,466	18,429	20,324	21,535
Provisions	734	809	892	945
Net Current Assets	21,700	25,134	28,166	30,570
Application of Funds	1,12,347	1,17,440	1,22,527	1,26,687
Cash Flow Statement (INR Mn)	FY24	FY25	FY26E	FY27E
PBT	6,490	1,223	5,875	6,880
Depreciation & amortisation	2,463	3,214	2,944	3,244
Interest expense	1,957	2,074	3,089	2,949
(Inc)/Dec in working capital	(7,551)	(949)	(2,172)	(1,388)
Tax paid	(770)	(218)	(1,469)	(1,720)
Other operating Cash Flow	(12,031)	(1,832)	(1,924)	(2,020)
Cash flow from operating activities	(9,443)	3,510	6,343	7,945
Capital expenditure	(2,076)	(1,000)	(5,000)	(5,000)
Add: Int/Div. Income Recd.	(8,340)	1,832	1,924	2,020
CF from investing activities	(10,416)	806	(3,076)	(2,980)
Inc/(Dec) in debt	21,028	7,447	(1,000)	(1,000)
Dividend Paid	(3,064)	(2,074)	(3,089)	(2,949)
Others	(13,069)	(6,660)	1,575	-
CF from financing activities	4,895	(1,831)	(2,407)	(3,949)
Net cash flow	(14,964)	2,486	860	1,016
Opening balance	1,712	1,523	4,009	4,869
Closing balance	1,523	4,009	4,869	5,885

Source: Company & Arianth Research

Per share data	FY24	FY25	FY26E	FY27E
No. of shares (m)	7.7	60.9	60.9	60.9
Diluted no. of shares (m)	7.7	60.9	60.9	60.9
BVPS (INR)	12,630.3	1,574.3	1,646.7	1,731.4
CEPS (INR)	948.8	59.0	120.7	138.0
Margins	FY24	FY25	FY26E	FY27E
EBITDA Margin	16.31%	10.24%	17.00%	17.62%
EBIT Margin	12.63%	5.18%	12.80%	13.25%
PAT Margin	7.31%	1.58%	6.29%	6.95%
Growth Indicators (%)	FY24	FY25	FY26E	FY27E
Revenue(%)	-20.4	-5.5	10.3	6.0
EBITDA(%)	-17.5	-40.3	82.9	9.8
Adj PAT(%)	-23.2	-79.4	338.5	17.1
Adj EPS(%)	568.6	-97.4	338.5	17.1
Valuation (x)	FY24	FY25	FY26E	FY27E
P/E	1.6	60.7	13.8	11.8
P/BV	0.1	0.6	0.6	0.6
EV/EBITDA	7.4	13.2	7.0	6.3
EV/Sales	1.2	1.4	1.2	1.1
Financial Ratios	FY24	FY25	FY26E	FY27E
RM/Net Revenue	45	45	40	39
Emp Exp/Net Revenue	14	15	15	16
Other Exp/Net Revenue	27	32	30	30
RoE (%)	7.8	1.0	4.5	5.0
RoCE (%)	12.1	4.4	9.0	9.5
Asset/T.O (x)	1.6	1.3	1.3	1.3
Net Debt/Equity (x)	0.1	0.2	0.2	0.1
EBIT/Interest (x)	5.1	2.5	3.5	4.0
Key operating metrics	FY24	FY25	FY26E	FY27E
Dep. (% of Gross Block)	6.4	7.4	6.3	6.3
Inventory days	97	104	104	104
Debtor days	52	54	54	54
Creditor days	70	78	78	78
Net working capital days	113	125	125	125
Asset turnover (x)	0.8	0.5	0.6	0.6
Fixed asset turnover (x)	1.5	1.4	1.4	1.3
Sales :Net Block (x)	2.9	2.5	2.6	2.5
Financial leverage (Asset/Equity)	0.9	0.8	0.8	0.8
Debt/Equity (x)	0.2	0.2	0.2	0.2

Source: Company & Arihant Research

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

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Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800 Fax. 022-42254880