

Date: 14.02.2020

To

BSE Limited

P.J. Towers, Dalal Street
Mumbai-400 001

Scrip Code: 505509

To

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
G, Block, Bandra-Kurla Complex,
Bandra East, Mumbai-400 051

Scrip Code: RESPONIND

Sub: Investor Presentation

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation of the Company for the Q3 financial results. The Investor Presentation is also available on the website of the Company.

This is for your information and record.

Thanking You,

Yours faithfully,

For **Responsive Industries Limited**

Ruchi Jaiswal

Company Secretary & Compliance Officer





RESPONSIVE 
We listen. We're responsive.

Investor Presentation

Q3 FY2020

Disclaimer



Certain statements and opinions with respect to the anticipated future performance of Responsive Industries Limited (RIL) in the presentation (“forward-looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward looking statements only speak as at the date the presentation is provided to the recipient and RIL is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether expressed or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and RIL has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.

Management Quote

Rishabh Agarwal, Chairman



“Responsive continues to remain cash positive and we are proud of the shift made towards the high-margin business. We are seeing track record of 20% or higher EBIDTA for the last 3 quarters and we expect to keep up the margin profile going forward. We also now expect sales revenue to start improving with revival of both export and domestic demand.”

Interlocking vinyl tiles or SPC is the fastest growing flooring segment globally and is estimated to grown the vinyl flooring category from \$25 billion in 2020 to \$45 billion by 2025. The reason for the tremendous growth is the fast replacement of carpet, laminated and engineered wood is due to ease of installation, ease of maintenance, higher durability and better aesthetics.

Financial Results

Q3FY20 (Standalone)

 **REVENUE**

100 Crores

 **EBITDA**

29 Crores

 **PBT**

8 Crores

 **PAT**

6 Crores

Q3FY20 (Consolidated)

 **REVENUE**

124 Crores

 **EBITDA**

35 Crores

 **PBT**

8 Crores




 **PAT**

6 Crores



Company Overview

Company Highlights

-  **30** years of Experience
-  Strong relationship with **500+** Architects & Designer
-  **500+** SKUs
-  Amongst top **4** producers of vinyl flooring globally

-  Reach in **65** countries worldwide
-  **ZERO** long term debt.
-  INR **2446** Cr. market capitalization*
-  **5000+** projects completed

Business Strategy

We have been evolving since 2017...



Phase 1

Transition from low margin products to High margin products



Phase 2

Innovate & Disrupt the markets with the revolutionary product - IMPACT



Phase 3

Sales , Marketing and establish the Brand in a B2C Market



What's new ?



Transition to High Value-added Products

- ❑ Changing product mix to increase profitability



International Expansion

- ❑ Setting up overseas facility in UAE
- ❑ Signed up with new international distributors to ramp up volumes of High-value margin product
- ❑ Setting up global sales Team



New Product Innovation

- ❑ Launched **IMPACT** Rigid Core Luxury Vinyl Tile in flooring business
- ❑ Increase opportunity for B2C segment, currently 10% of business
- ❑ Resources and facility freed from printed flooring to be used for IMPACT

Recent Projects

WSP Middle East, Architects UAE, HQ



Product: IMPACT Resonate
Color: IMP-RES-02 Raw Organic

Growork Hyderabad, India



Product: IMPACT Resonate
Color: IMP-RES-03 Roasted oak

Rustomjee Seasons BKC, India



Product: IMPACT Tranquil
Color: IMP-TRQ-07 Smoke Granite
Product: IMPACT Resonate
Color: IMP-TRQ-02 Raw Organic

Why Responsive ?

Investment Rationale



Tapping into large market opportunity

US\$ 807 mn Indian vinyl flooring Market



500+ SKUs

Wide range of Product portfolio



Large distribution network

100+ domestic distributor and growing



State of the art manufacturing facility



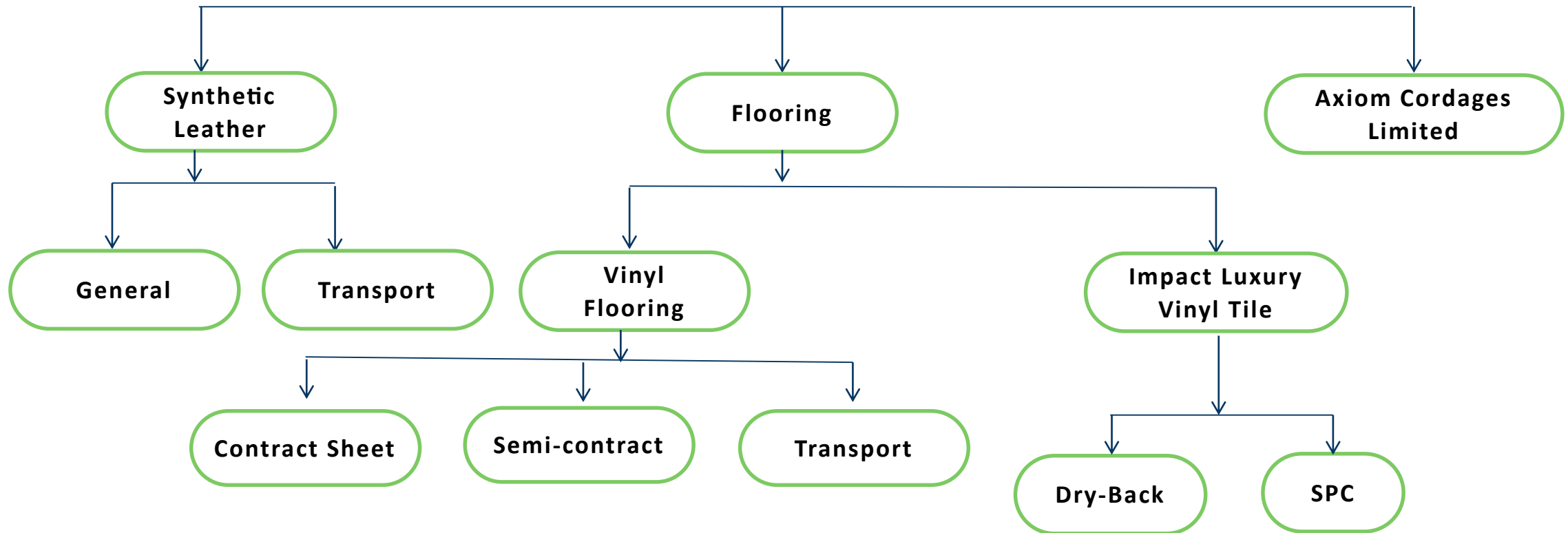
Strong R&D capabilities



First-Mover Advantage

Only Indian Luxury Vinyl Tile manufacturer

Business Structure



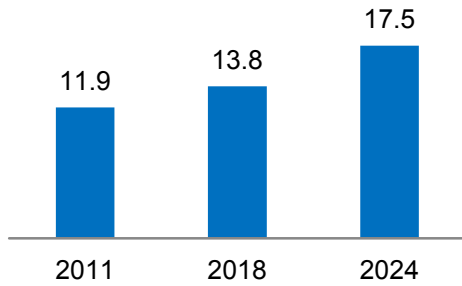
- ✓ Largest Indian producer of PVC flooring and synthetic leather cloth
- ✓ Presence in shipping ropes business through its subsidiary Axiom Cordages Ltd.
- ✓ Caters to healthcare, hospitality, transportation, retail, sports infrastructure and real estate



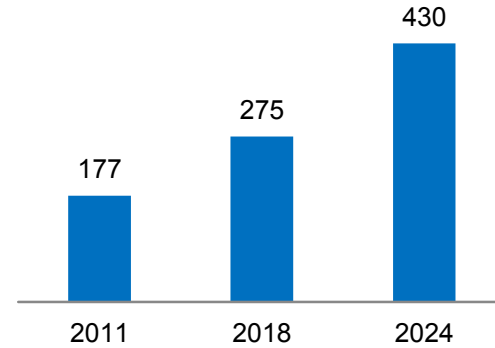
Vinyl Flooring

Industry Overview

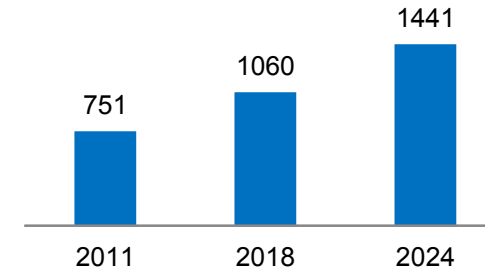
Global Flooring Market Value (USD bn)



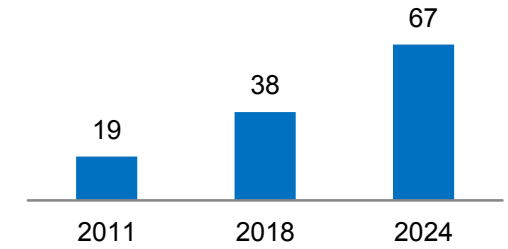
Global Flooring Market Value (USD bn)



Global Vinyl Flooring Market Volume (mn sqm)



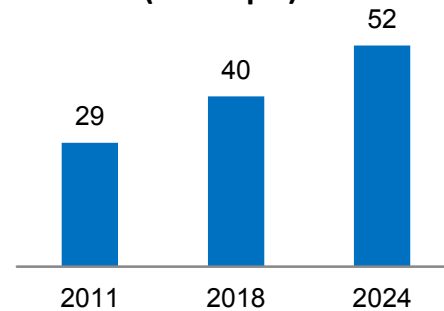
Global Vinyl Flooring Market Value (USD bn)



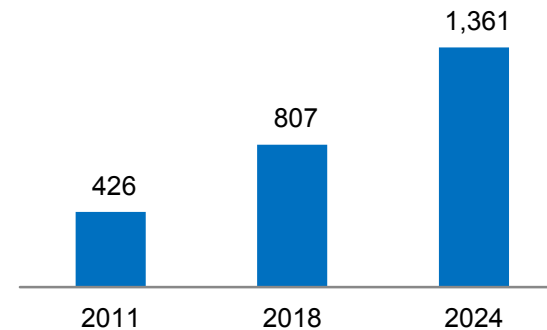
Vinyl Flooring is preferred owing to being scratch free, easy to maintain and wear resilient

Luxury Vinyl Tile has global share 52% vs. India 11% in Total Flooring Sales

India Vinyl Flooring Market volume (mn sqm)



India Vinyl Flooring Market value (USD mn)



Contract Sheet Vinyl

- Healthcare
- Education
- Sports
- Industry
- Hospitality
- Heavy Traffic

Semi-Contract Vinyl

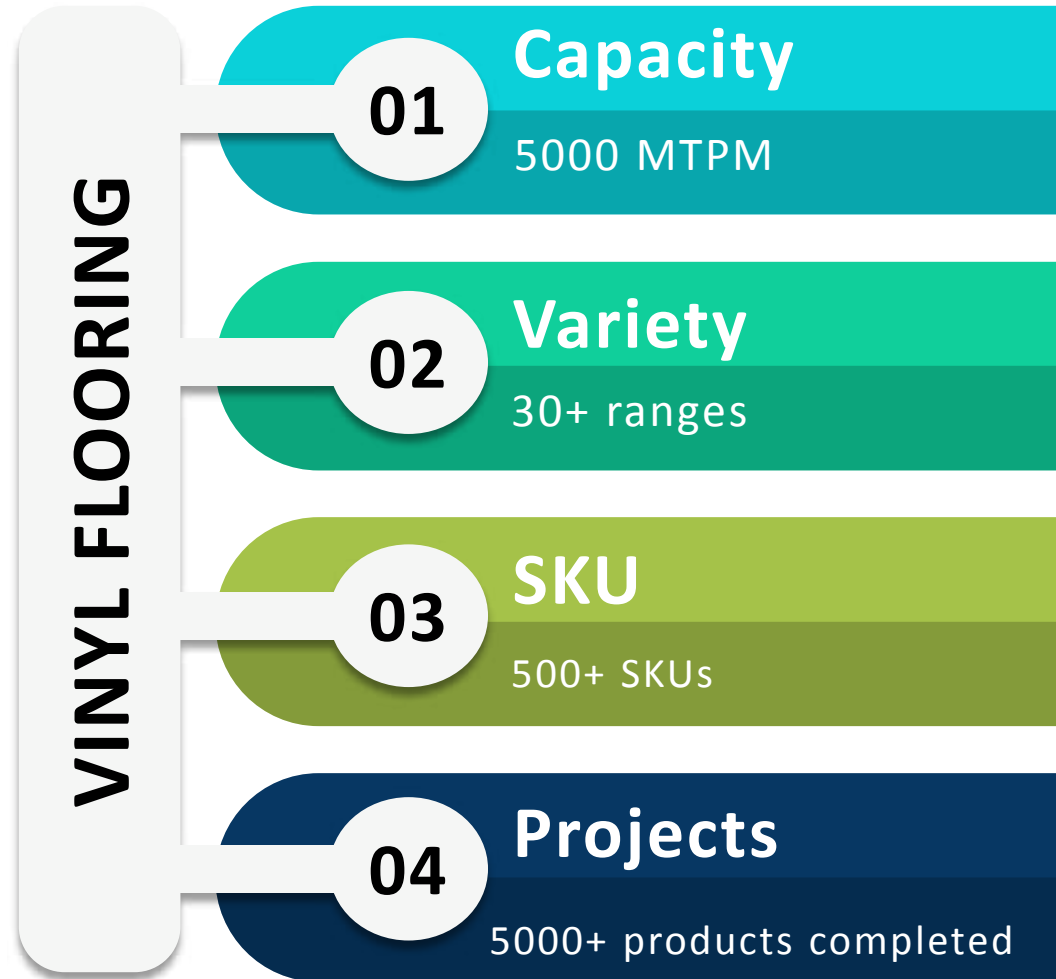
- Residential
- Medium Traffic commercial
- Retail
- Offices

Transport Sheet Vinyl

- Indian Railways
- Global Railways
- Global buses/OEM
- Indian buses/OEM

Printed Flooring

- General Purposed mass use
- Low-cost dwelling
- Low-cost commercials





Luxury Vinyl Tile



Key features

IMPACT[®] LUXURY VINYL TILE

IMPACT LVT and SPC were launched in **2019**

Easy Installation :
Instant **DROP-CLICK** Installation

Replacement potential :
Carpet Tiles, wooden flooring, engineered wood, laminates, vitrified tiles, ceramic tiles

	 High Durability	 Easy Maintenance	 Recyclable	 Heavy Foot traffic	 Easy installation	 Waterproof
IMPACT	☆☆☆	☆☆☆	✓	☆☆☆	☆☆☆	✓
CARPET TILES	☆☆☆	☆☆☆	✗	☆☆☆	☆☆☆	✗
WOODEN FLOORING	☆☆☆	☆☆☆	✗	☆☆☆	☆☆☆	✗
LAMINATES	☆☆☆	☆☆☆	✓	☆☆☆	☆☆☆	✗
CERAMIC TILES	☆☆☆	☆☆☆	✗	☆☆☆	☆☆☆	✓
NATURAL MARBLE	☆☆☆	☆☆☆	✗	☆☆☆	☆☆☆	✗

Source: Industry sources

☆☆☆ HIGH ☆☆☆ MEDIUM ☆☆☆ LOW ✓ YES ✗ NO

Our Breakthrough Product

01

Market Opportunity

Total market opportunity of USD 7 billion

02

Growth

Fastest growing flooring sub-segment with 15% CAGR

03

Durability

High life of 10+ years, low wear & tear, instant installation

04

Water and Pest-resistant

Free from Water and Pest related problems

Retail

Target to place across 2500 stores in next 5 years

Institutional

Hotel Chains, Builders & Organized Retail

Projects

Undertake commercial and government offices

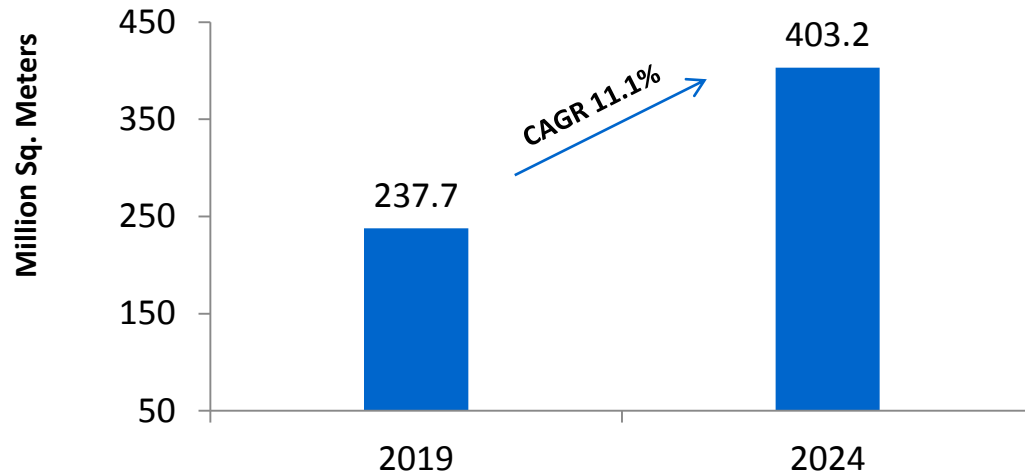
Channel

Added **60 new dealers** in the last 6 months

IMPACT would create a “pull” in demand for other products of the Company

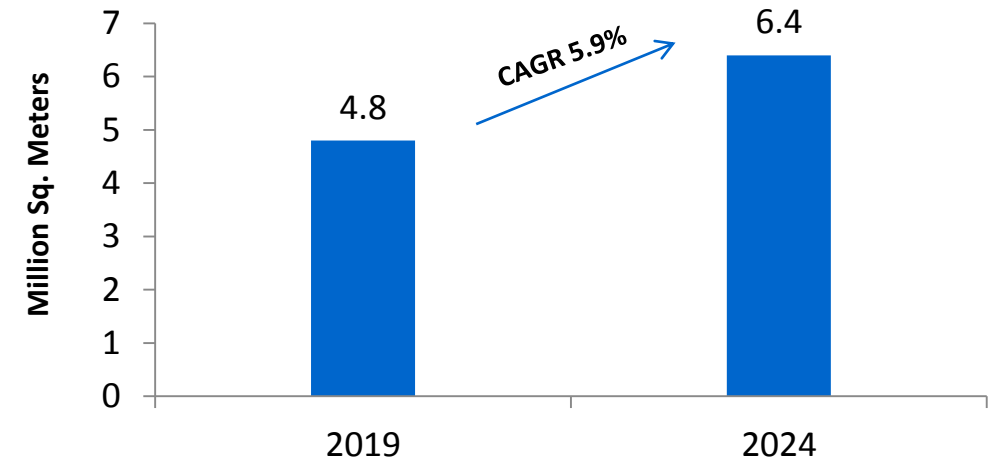
IMPACT – Disruptive force in Indian LVT segment

Global LVT Sales Forecast



- The global LVT market is expected to grow at 11.1% CAGR for the next five years
- While LVT flooring is typically available in wooden and stone look globally, Responsive Industries has developed four variants (wooden, carpet, stone and marble) of LVT for the Indian and Overseas market

India LVT Sales Forecast

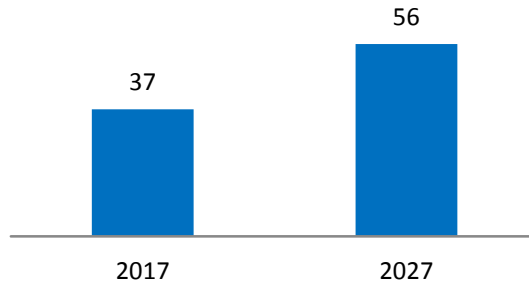


- Responsive Industries has pioneered the drop-click technology in the Indian LVT market giving it the first mover advantage
- “IMPACT” is expected to out grow the LVT market in India with primary focus on the B2C market



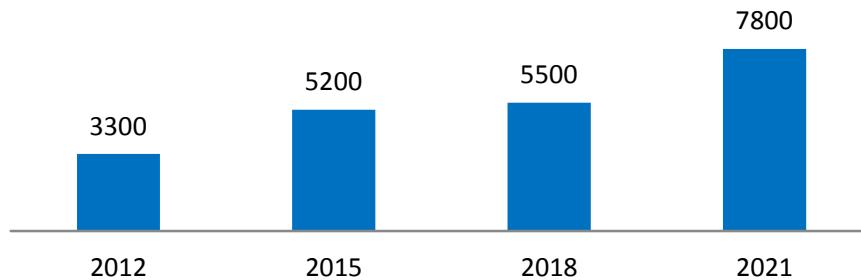
Synthetic Leather

Global Synthetic Leather Market (USD bn)



The organized sector in India accounts for less than 50% market

India Synthetic Leather Market (INR cr)



Macro Economic & Aesthetic Factors

- ✓ Increasing consumer discretionary spending
- ✓ Strong growth in End-use industries like automotive, footwear
- ✓ High gloss finish, durable, UV resistant, easy to maintain

Government Regulations

- ✓ No animal killing or testing involved
- ✓ Strict legislation on the use of real leather

Upholstery Fabrics

- Chairs & Sofas
- Surface interiors
- Furniture

Transport Leather

- Indian railways
- Indian automotive
- Metros, trams and subways
- Buses and other vehicles

General purpose leather

- Luggage
- Ladies Handbags
- Belt straps
- Diary Covers

Leather Furnishings

- Residential
- Hospitality

LEATHER

01

High Shear Strength

Guaranteed sheer performance for 10 years for value added fabrics

02

Tailor-made

Tailor-made technical specs as per requisition

03

Durability

Durability against wear and tear

04

Fire retardancy

Fire retardancy coupled with superior performance on smoke and toxicity



Strengths

Distribution Strength

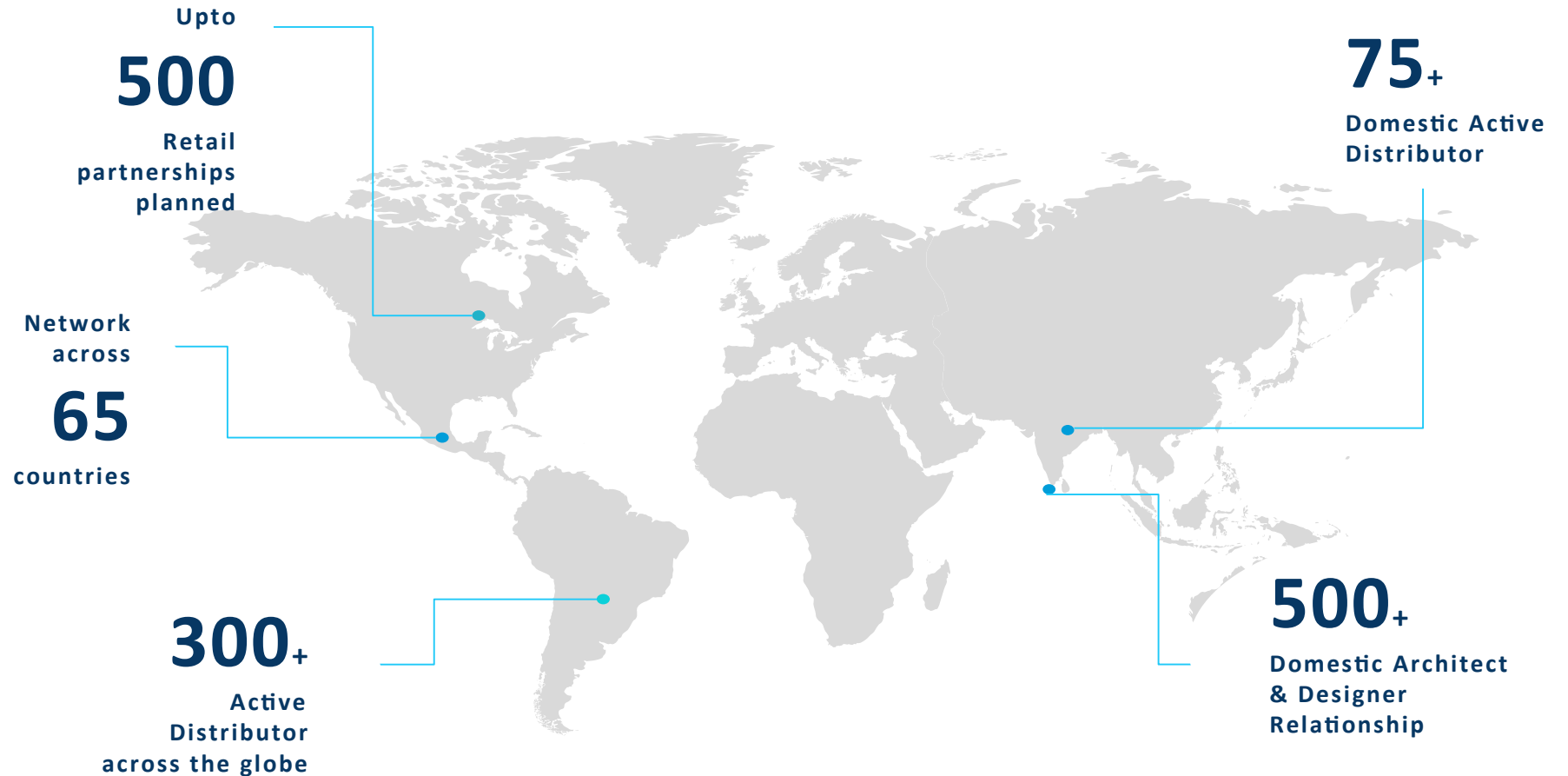
Expanding worldwide product development and distribution in different regions

Major supplier of
Indian Railways

1000+ domestic
projects completed

Supplying to **30+**
automobile industry

Distribution to **35**
cities in India



Only Indian Brand with Last Mile Distribution Network

Marquee client base...

RESPONSIVE
We listen. We're responsive.



Healthcare



Sports



Education



Safety & Transport



Corporates



Hospitality



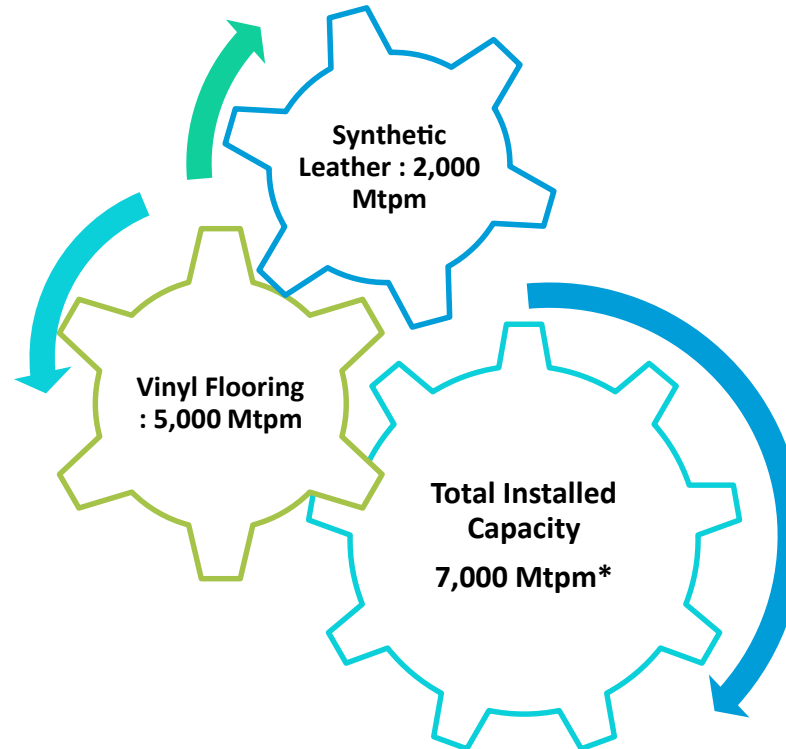
Unique product features helps cater to varied requirements of marquee customers across multiple industries

...along with certifications



State-of-the-art manufacturing facility

- Proximity to Ports and National Highways
- Fully backward Integrated Facility
- Large raw material and engineering stores
- 62 acres Park Area
- 15 Manufacturing Lines
100+ Skilled operator



R&D Initiatives

- Commercial Viability Check
- Technical study of product
- Development of prototype
- Approval by customer & costing
- Finalization of the product

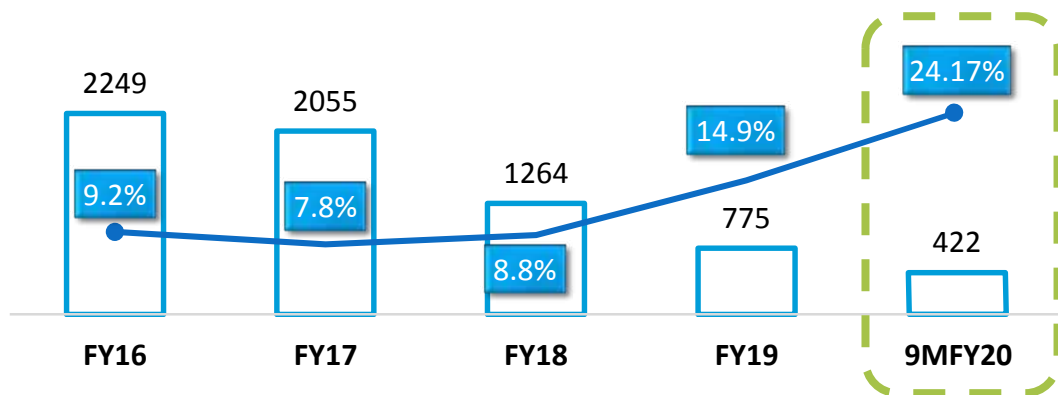


Quarter Highlights & Financial Information

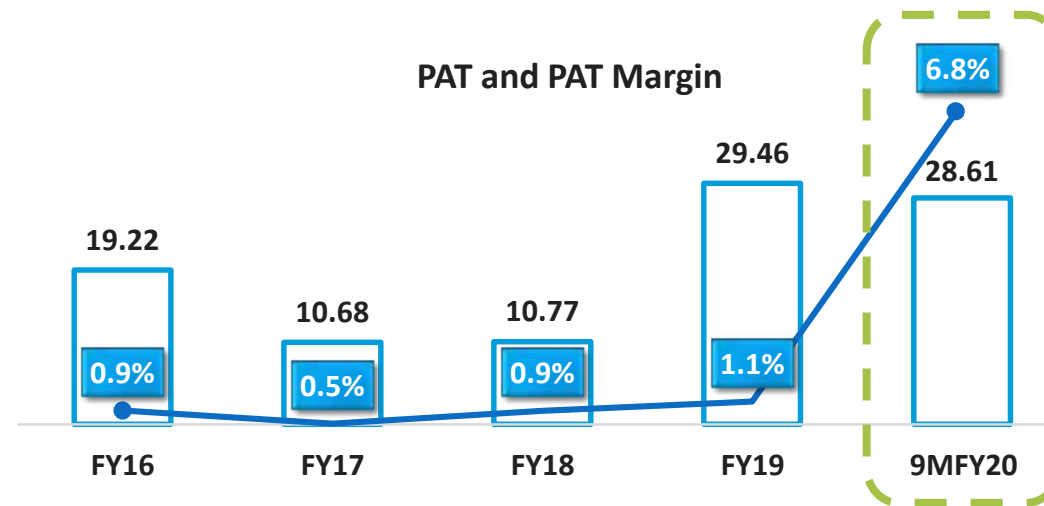
Financial Overview

Consolidated

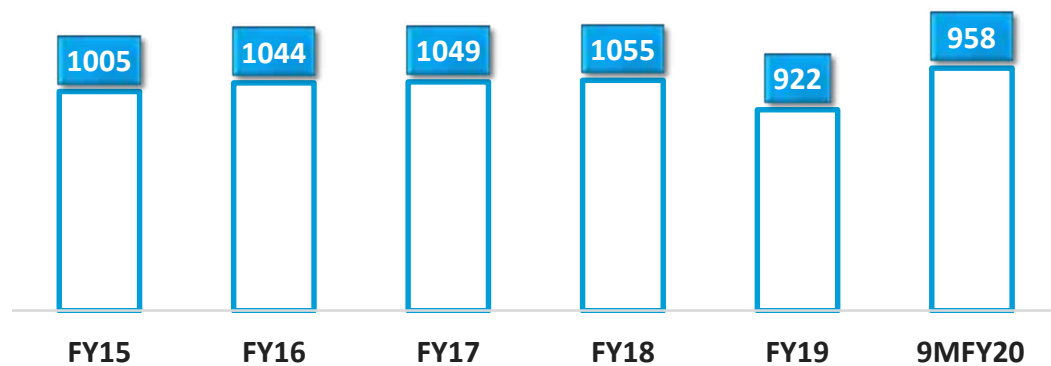
Revenue and EBIDTA Margin



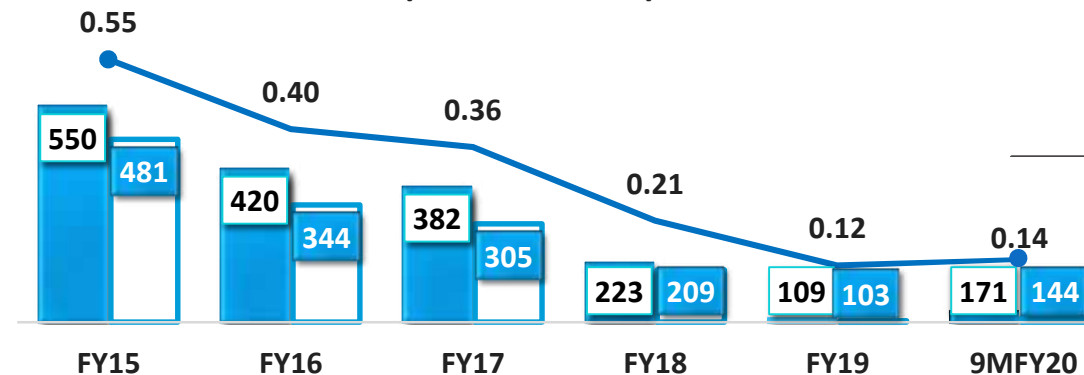
PAT and PAT Margin



Networth



Gross / Net Debt & D/E Ratio



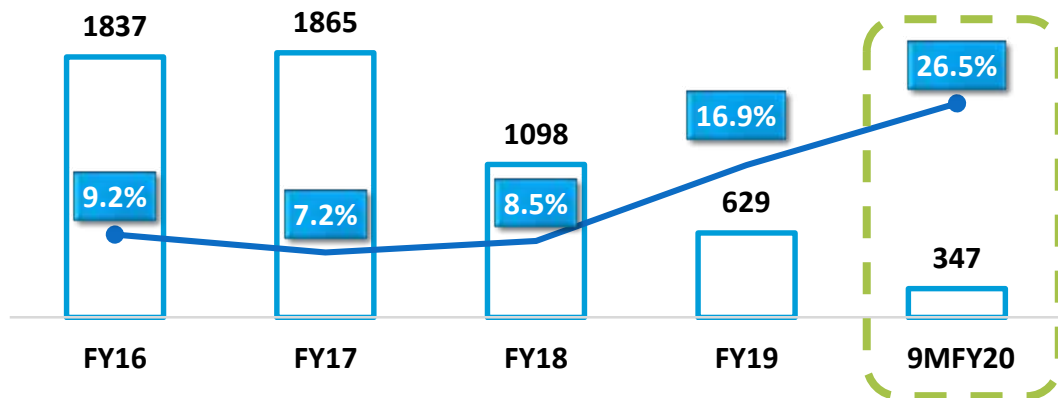
All amounts in INR Crore

*Gross Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings
Net Debt = Gross Debt – Cash & Cash Equivalents

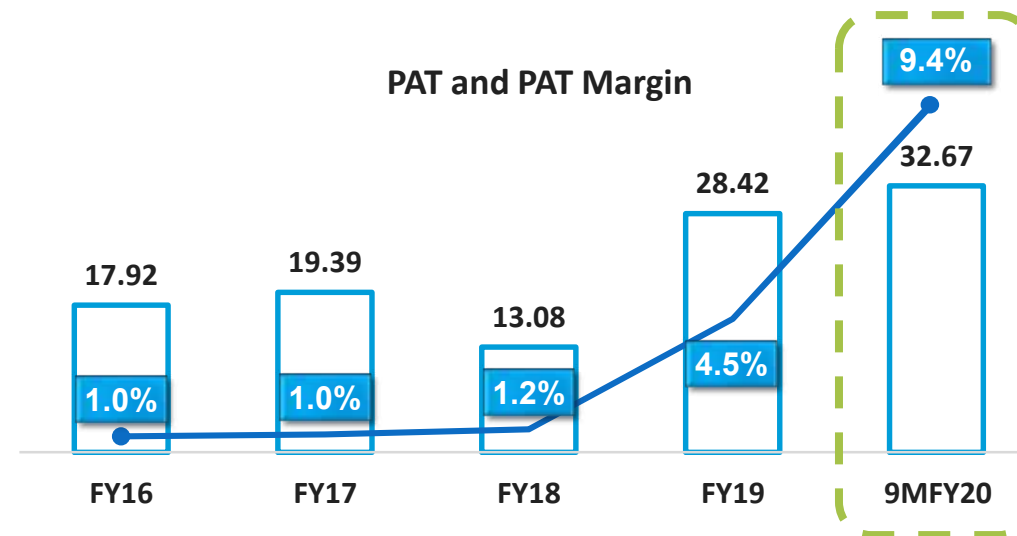
Financial Overview

Standalone

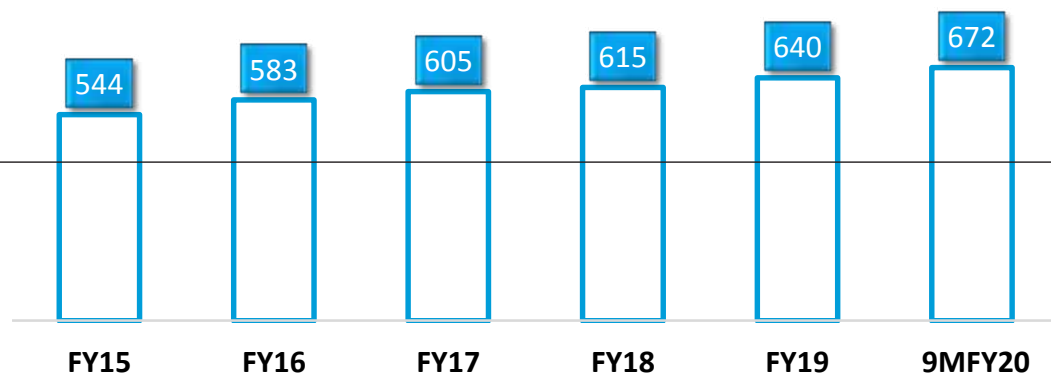
Revenue and EBIDTA Margin



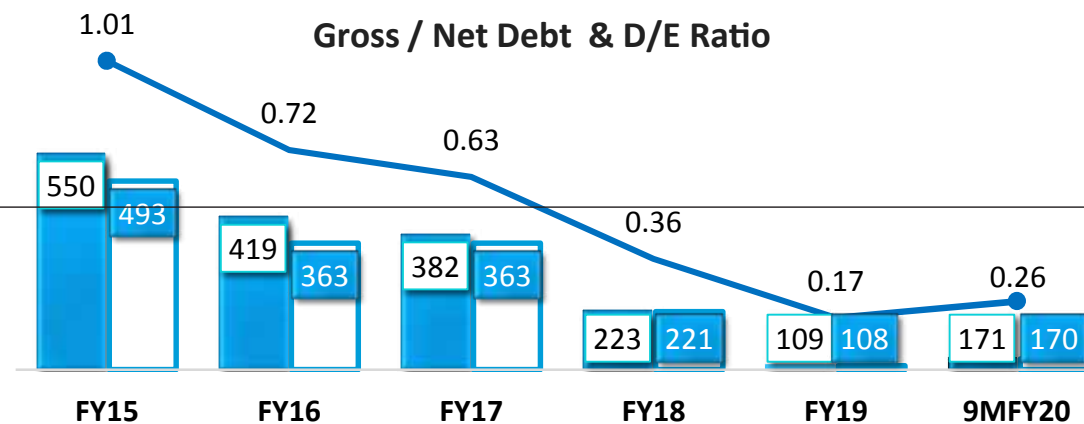
PAT and PAT Margin



Networth



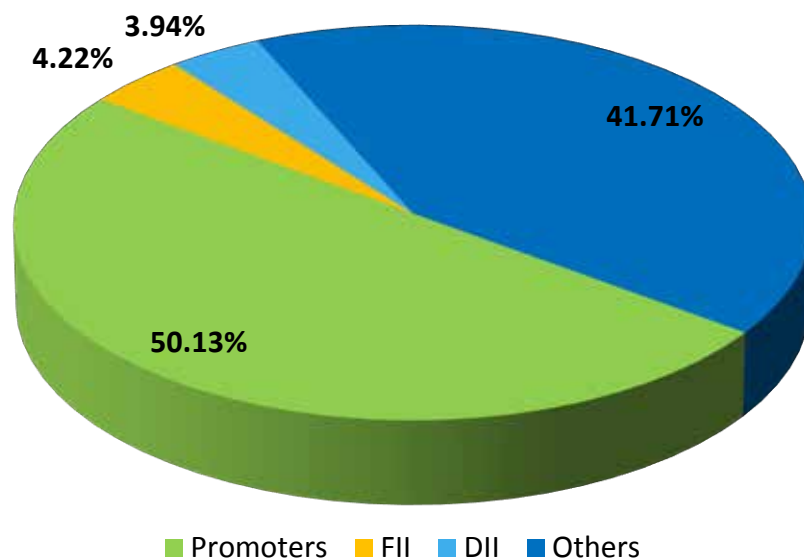
Gross / Net Debt & D/E Ratio



All amounts in INR Crore

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Shareholding Pattern (as on December 31, 2019)



Top shareholders

FII: Sparrow Asia Div. Opp. Fund	2.13%
FII: Bao Value Fund	1.61%
DII: LIC	3.59%

Total Shares Outstanding are 26.7 Crores

Stock Data - BSE (as on February 14, 2020)

Stock code	RESPONIND
Stock Price	INR 90.30
52 Week High/Low	INR 104.85/ 81.75
Market Capitalization	INR 2,410.22 Crores
Index	S&P BSE SMALL CAP
Face value	Re. 1

Valuation metrics


Enterprise value	INR 2,446 Crores
P/E	86.46
EV / Sales	3.89
EV / Core EBITDA	20.26



THANK YOU

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