

Pick of the Day (Short Term Delivery Call)

Company Name: Raymond Ltd

NSE code	RAYMOND
BSE code	500330
Market Cap (Rs Cr)	12,689
Promotor holding (%)	49.1
PE(x) 2026E	12.4
Industry PE (x) TTM	30.6
EV/EBITDA (x) TTM	6.45
P/PB (x)	3

CMP (Rs): 1902 | Buy Range: 1900-1910 | Target Price: 2190 | Upside: 15%

Duration of recommendation: 4 to 6 months

Raymond Limited is a diversified group with interests spanning Textile & Apparel sectors, alongside a presence in Real Estate, FMCG, and Engineering across 55+ countries, including the USA, Europe, Japan, and the Middle East. With 1,638 stores globally, it's one of the largest manufacturers of worsted suiting fabric, boasting a retail network in over 600 towns

Investment Rationale

Achieved New Milestone with Highest Quarterly Revenue & EBITDA: During Q3FY24, consolidated Revenue/EBITDA/PAT increasing by 10%/14%/92% YoY to Rs. 2386/358/185 crores respectively. EBITDA margins improved by 50 bps. On QoQ basis, Revenue/EBITDA/PAT increased by 6% /13.7% /15% respectively. Margins were up by 50 bps/YoY and 103 bps QoQ. The sales for this quarter is the highest ever led by support across the segments.

Strong growth across verticals: The opening of 65 new stores has resulted in a 20% increase in sales of branded apparel. Additionally, the inauguration of the 100th Ethnix by Raymond store marks a significant milestone. Real estate division recorded 252 unit bookings, amounting to a total booking value of Rs. 428 crore.

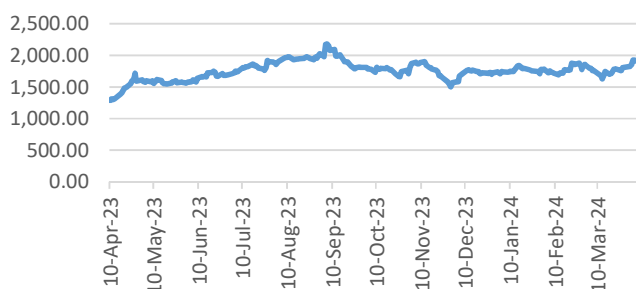
Real estate outlook is promising: The real estate sector continues to show steady demand, particularly for residential properties, including a strong interest in luxury homes. Throughout the quarter, the company entered into two Joint Development Agreements. To enhance financial efficiency, the company implemented strategies such as focusing on collections and improving inventory management. Development of 100 acres of land in Thane presents a significant revenue potential of Rs 25,000 crore. Currently, approximately 40 acres are undergoing development, with an expected revenue potential of Rs 9,000 crore, while the remaining 60 acres (approximately 7.4 million square feet) have a saleable potential of Rs 16,000 crore.

Net Debt Free 2 Years Ahead of Stated Guidance: Following the sale of its FMCG business, the company is currently free of debt and holds a net cash balance of Rs 1,300 crore as of December 2023. The FMCG business was divested for proceeds totaling Rs 2,825 crore in May 2023, with a net tax amount of Rs 2,200 crore realized.

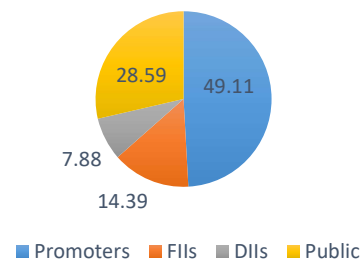
Go to market initiative for textile segment: The company implemented go-to-market strategies for its textile segments and added 65 stores in the quarter, bringing the total to 1,841 by December 2023 from 1,743 in December 2022. With plans to open over 500 stores in the next three years, it aims for aggressive expansion.

Reasonable Valuation: At current market price, the is currently trading at a P/E multiple of 14.5x/12.4x of its FY25E/FY26E EPS respectively. Go-to-market strategy & opening up of 65 stores will have positive impact on coming quarterly results.

Price Performance



Shareholding Pattern %



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