

safari

SAFARI INDUSTRIES (INDIA) LTD.

CORPORATE PRESENTATION

AUGUST 2021

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1. CORPORATE OVERVIEW

Consistently growing luggage brand

- **One of the fastest growing luggage brands in India**
~ 35% CAGR in Revenues & ~ 52% CAGR in EBITDA from FY 12 to FY 20

Leadership position

- **One of the top 3 luggage brands in India**
Leadership position in an oligopolistic market
Safari is the top most selling luggage brand in the country

Diversified product portfolio

- **Products spanning across all luggage categories**
Products for all customer categories suiting all possible occasions
800+ SKUs across Hard Luggage, Soft Luggage, Backpacks, School Bags

Well entrenched distribution network

- **Multi channel distribution network with >9300 customer touch points**
Channel network covering CSD, Modern Trade, MBO, EBO, E-Commerce, Institutional, Original Equipment (OE) and Exports

Management & Governance

- **Experienced management team and Board of Directors**
Adhering to good corporate governance practices

CORPORATE SNAPSHOT

safari

Consolidated

Revenues

FY 21 - INR 3,313 Mn

FY 20 - INR 6,868 Mn

Debt*

FY 21 - INR 34 Mn

FY 20 - INR 753 Mn

EBITDA

FY 21 - INR -26 Mn

FY 20 - INR 729 Mn

Customer Touch Points

>3900 (MBOs)

>1400 (Modern Trade)

>4000 (CSDs & CPCs)

PAT

FY 21 - INR -209 Mn

FY 20 - INR 307 Mn

SKUs

800+ (across Soft
Luggage, Hard Luggage,
Backpacks, School Bags)

Net Worth

FY 21 - INR 2,790 Mn

FY 20 - INR 2,306 Mn

Employees

1,000+

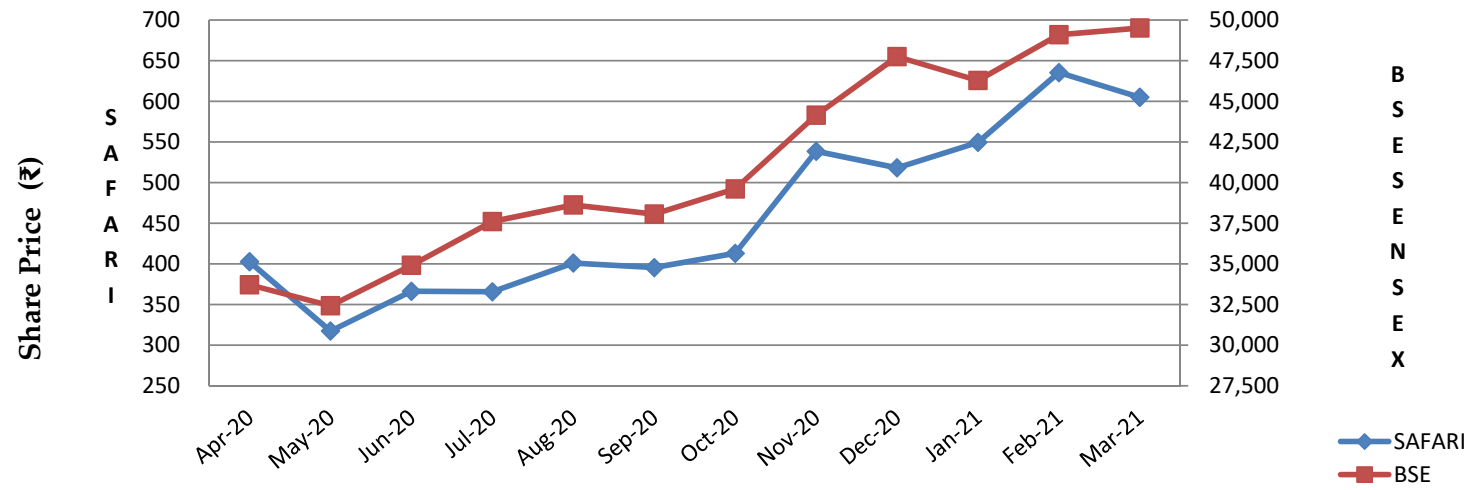
* Long-term and short-term borrowings from banks and FIs

SHARE PERFORMANCE

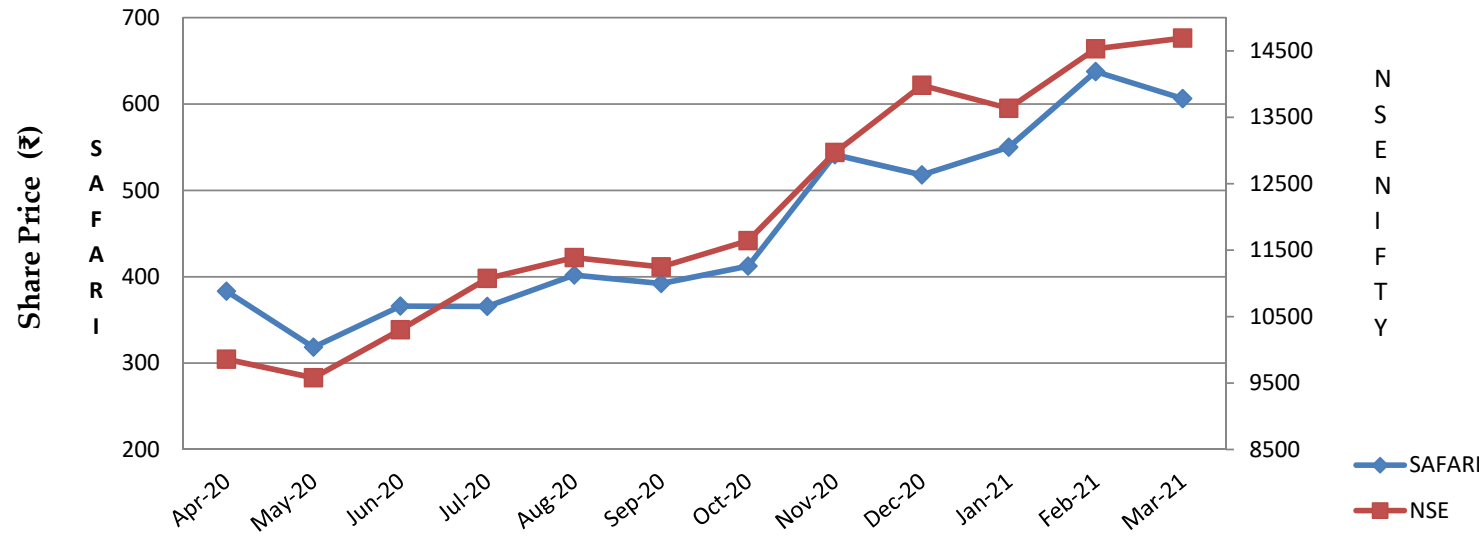
HISTORICAL STOCK PRICE MOVEMENT



Performance in comparison with BSE Sensex based on monthly closing price:

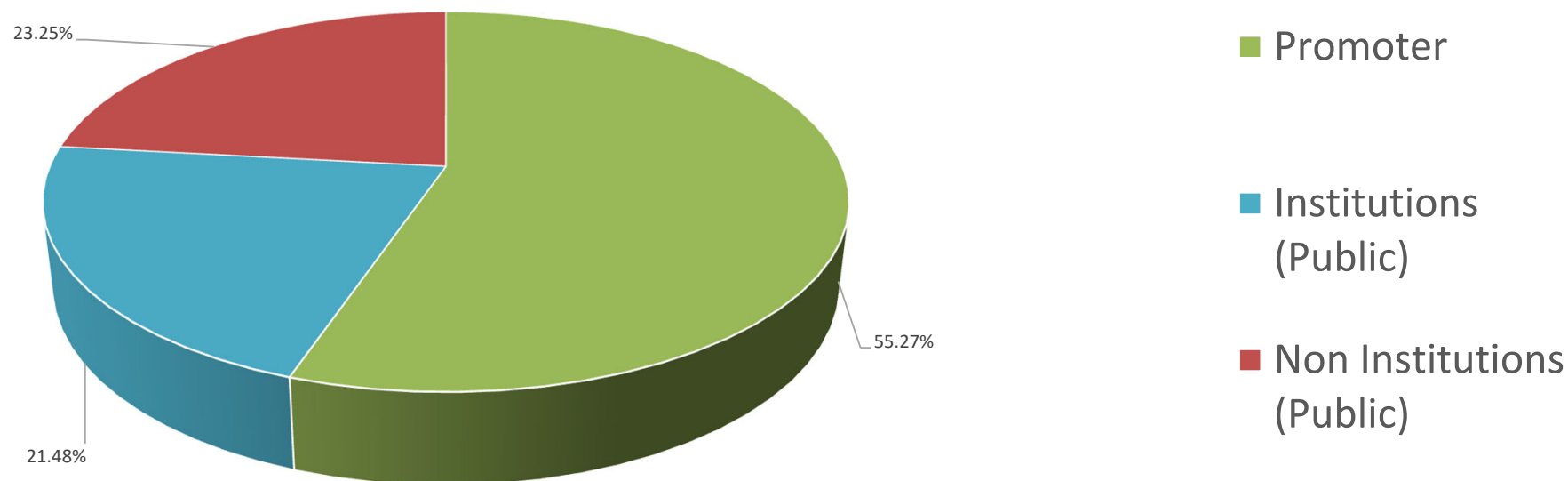


Performance in comparison with NSE Nifty based on monthly closing price:



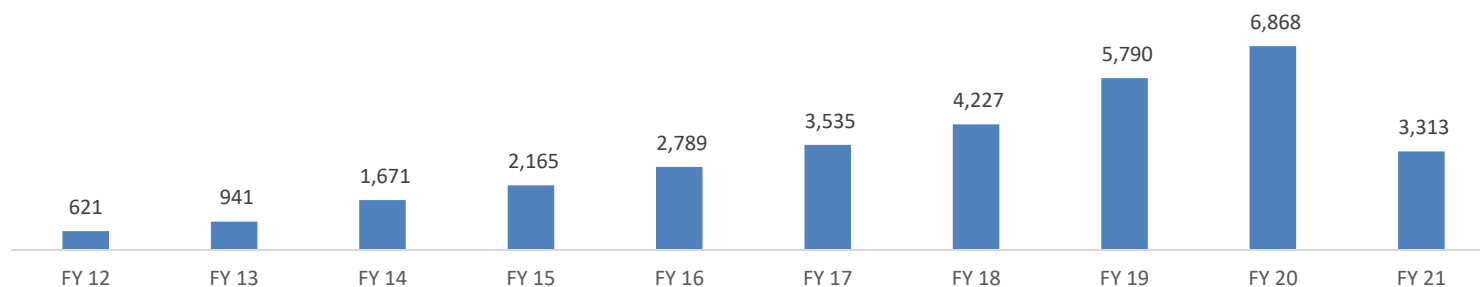
SHAREHOLDING PATTERN & REVENUE GROWTH

Shareholding pattern as on 31st March 2021

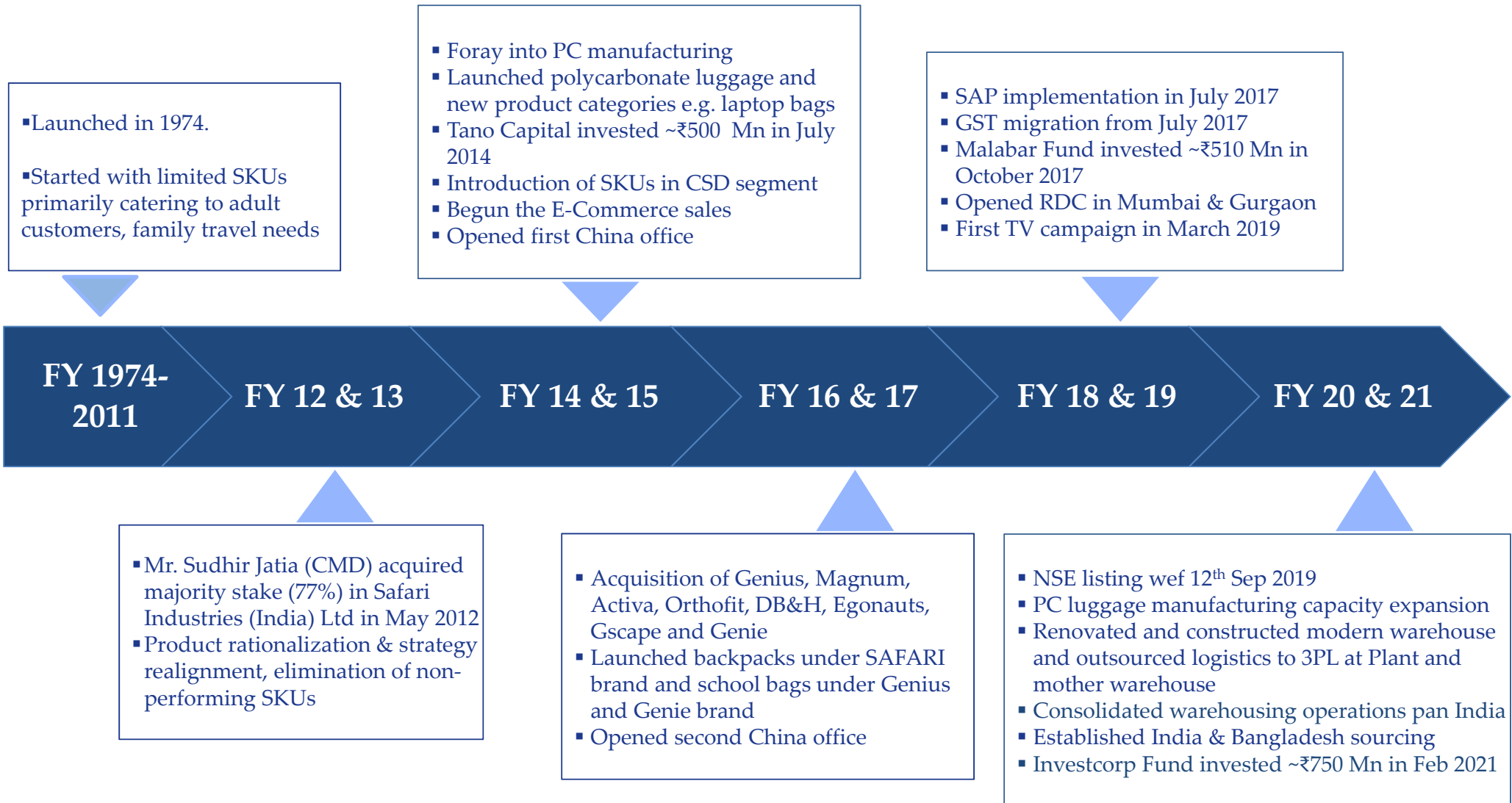


Revenues (Consolidated ₹ Mn)

>10x growth in total revenue from FY 12 to FY 20



TIMELINE OF KEY EVENTS



- ✓ Attractive industry dynamics
- ✓ Diversified customer offerings with a wide product portfolio
- ✓ Well entrenched distribution network
- ✓ Experienced management team
- ✓ Sound corporate governance

2. INDUSTRY SNAPSHOT

ATTRACTIVE INDUSTRY DYNAMICS

SIZEABLE MARKET WITH HEALTHY GROWTH POTENTIAL

Core long term drivers of market growth remain in place:

1. Consumers upgrading to branded luggage
2. Shortening replacement cycle
3. Individual & multiple ownership of bags
4. Increasing penetration in the hinterland due to high growth in E-com

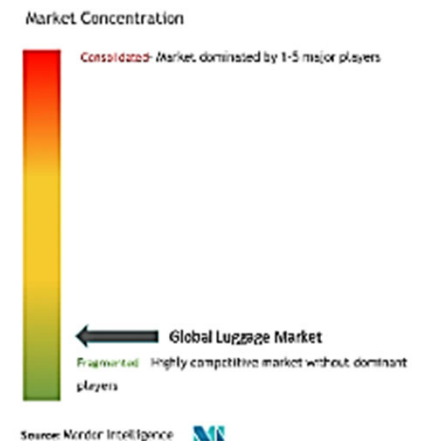
Recovery of Tourism Industry:

1. Slow but steady recovery of the airline and hotel industry
2. Strong bounce back in tourism driven by revenge travel

Global luggage market is expected to bounce back strongly post the pandemic led drop in '20-21



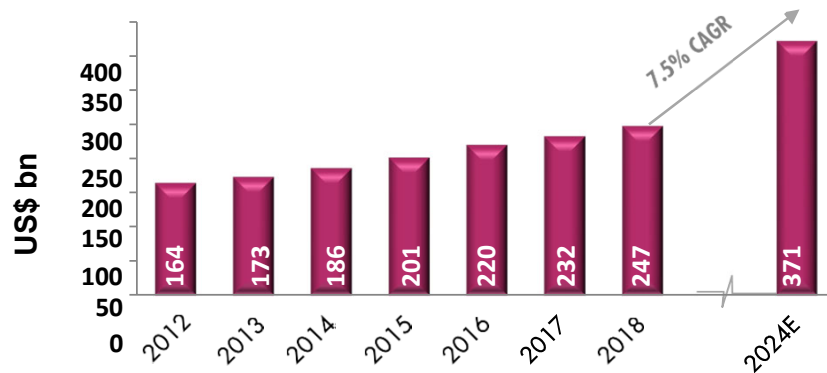
Study Period:	2016 - 2026
Base Year:	2020
Fastest Growing Market:	Asia Pacific
Largest Market:	North America
CAGR:	7.3 %



ATTRACTIVE INDUSTRY DYNAMICS

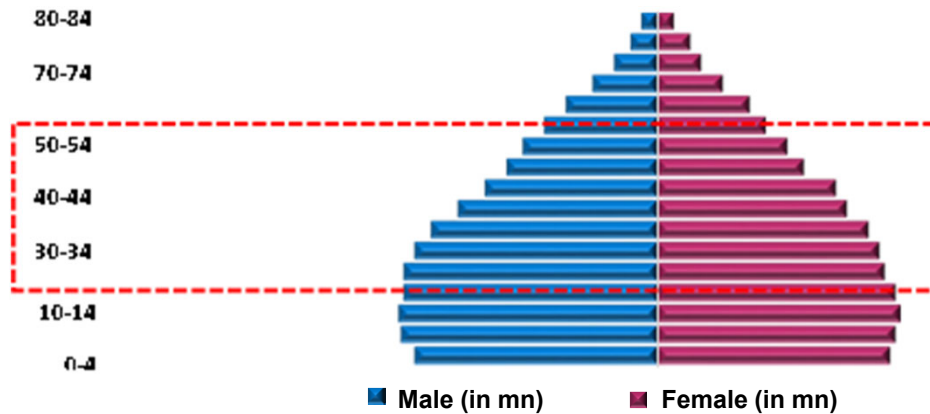
UNDER PINNED BY STRONG MACRO DRIVERS

Long-term growth estimate of Indian tourism market at 7.5% CAGR...



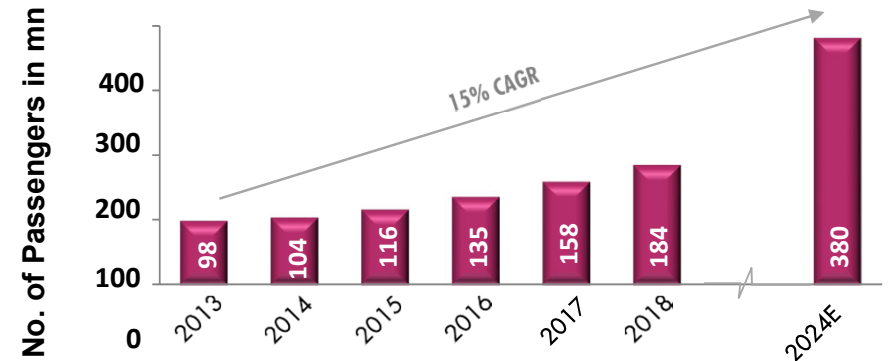
Source: Industry Reports 2020, Axis Securities

<65% of India's population falls in the working age category giving a huge fillip to discretionary spends...



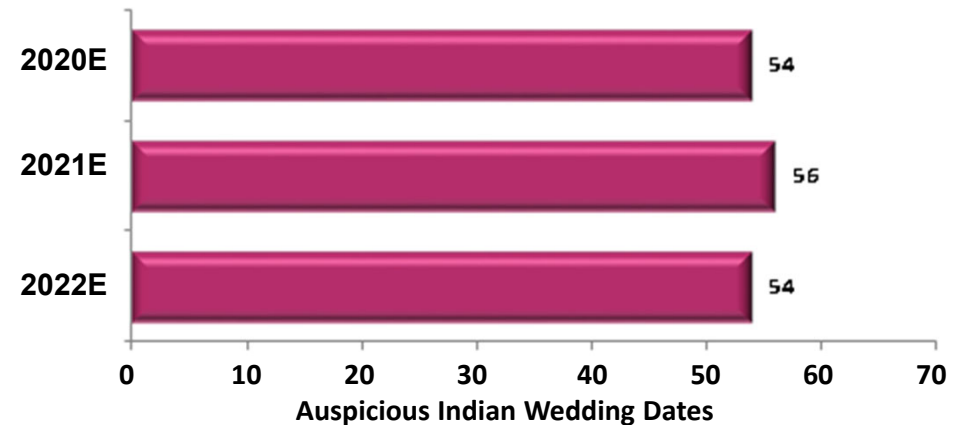
Source: Industry Reports 2020, Axis Securities

...leading to a ~2x rise in air passenger traffic over 2018-24E



Source: Industry Reports 2020, Axis Securities

---Marriage and festivals are auspicious occasions to consider gifting backed by favorable demographics



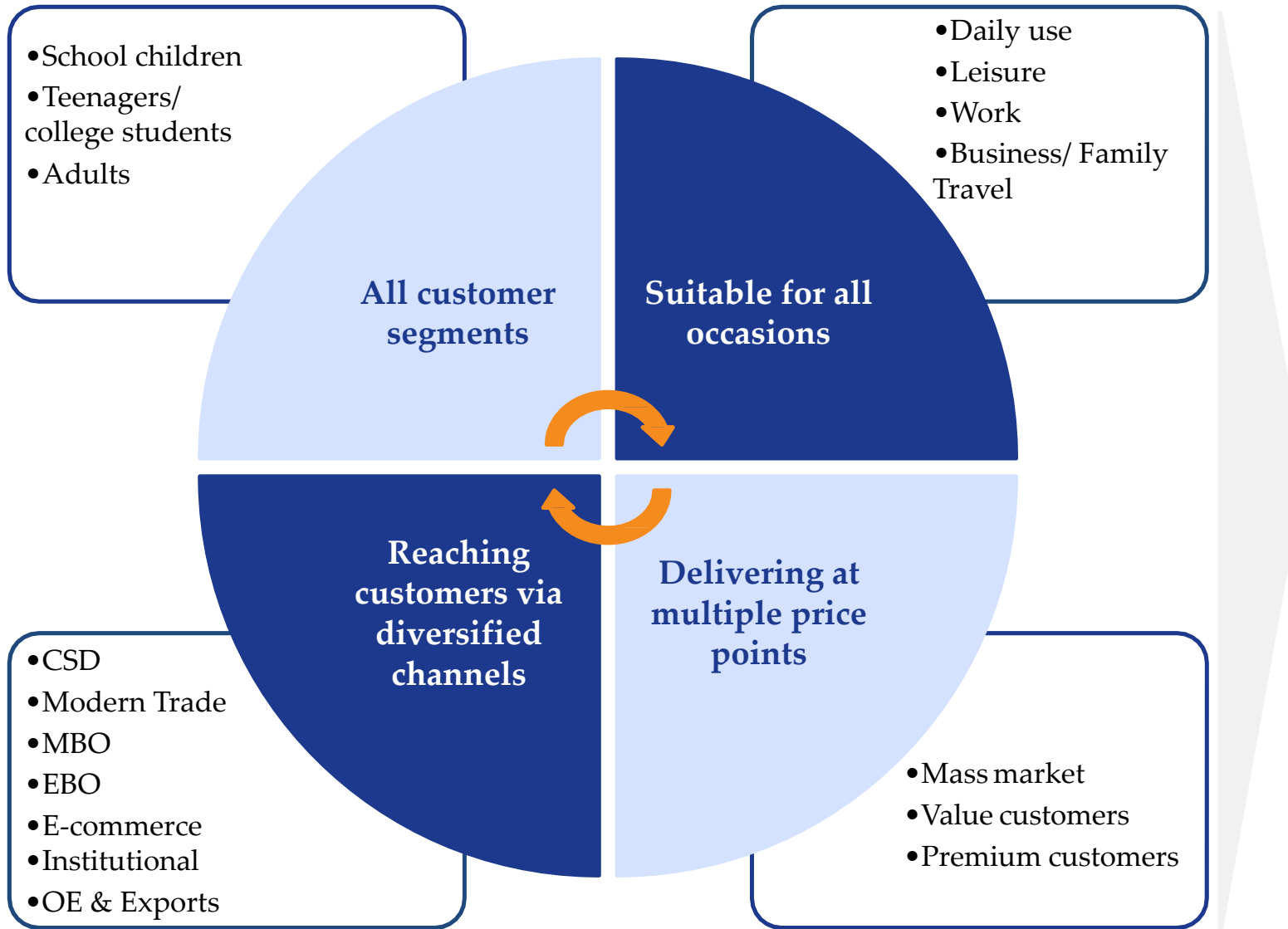
Source: Industry Reports 2020, Axis Securities

Expected to drive the growth in luggage & bags market

3. BUSINESS HIGHLIGHTS

BUSINESS HIGHLIGHTS

COMPREHENSIVE LUGGAGE OFFERINGS



Safari's Offering



School Bags, Laptop Backpacks

GENIUS
Genie

safari



Soft luggage Uprights,
Duffles / Rolling Duffles,
Hard luggage Uprights

MAGNUM **safari**

BUSINESS HIGHLIGHTS

AT A GLANCE

Post the new management, product portfolio has been revamped to suit the changing consumer trends

- Newer, youth-centric designs and patterns in Uprights.
- Lightweight and stylish 360 degree spinning trolleys.
- Backpack ranges for school boys and girls
- Laptop backpacks for office-goers



With > 800 SKUs across all product categories

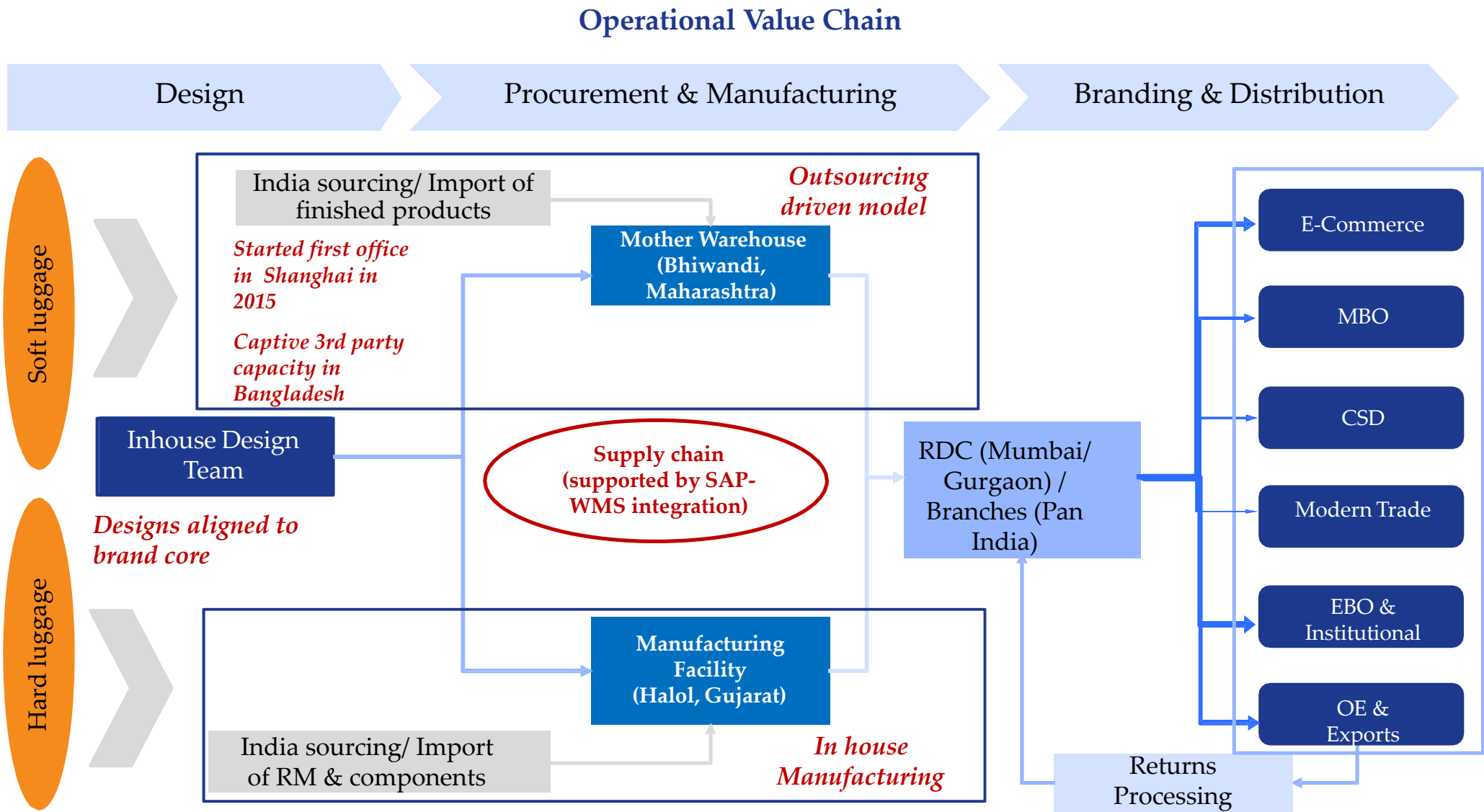
- Identified the evolving trends and deployed focus and resources on driving Hard Luggage
- Strengthened the product team (design & development) to roll-out large number of SKUs across product categories
- Discontinued traditional products like Polypropylene based framed luggage
- Acquired bags maker Genius Leathercraft in Sep '15 focusing on school bags and backpacks

Group	Product Category	Revenue Contribution*	Remarks
Soft Luggage	RDFL	~ 67%	• Focus on vibrant youthful designs in 4 wheel uprights
	Upright		• Phasing out of traditional 2 wheel uprights
	Children's Accessories		• Focusing on rolling duffels as against traditional duffels
	Backpacks		• Branded offering in a largely unorganized market
Hard Luggage	Polycarbonate & ABS	~ 33%	• Innovating in Backpack by adding thoughtful features
			• Focus on innovative designs to suit new-age customers
			• Phased out traditional Polypropylene based framed hard luggage

Company has evolved its products portfolio by rationalizing SKU mix in line with its product philosophy

BUSINESS HIGHLIGHTS

SUPPLY CHAIN SNAPSHOT



4. MANAGEMENT TEAM & CORPORATE GOVERNANCE

Mr. Sudhir Jatia (Chairman and Managing Director)	<ul style="list-style-type: none"> ▪ Over 28 years experience in the Luggage Industry in India ▪ Appointed as Safari Industries (India) Ltd Managing Director from 18th April 2012 ▪ Studied commerce from Mumbai University and attended the Owner/President Management Program of Harvard Business School
Dr. Shailesh Mehta (Independent Director)	<ul style="list-style-type: none"> ▪ Has been on the Company's Board since 2007 ▪ Founder and managing general partner of Granite Hill Capital Partners ▪ Previously, Chairman & CEO of Providian Financial Corp, general partner of Invesco funds and operating general partner of Sequoia India ▪ B. Tech - Mechanical Engineering from IIT Mumbai, M.S & Ph.D in Operations Research and Computer Science from Cleveland USA, Honorary Ph.D from California State University
Mr. Punkajj Lath (Independent Director)	<ul style="list-style-type: none"> ▪ Over 25 years experience in core functional areas relating to management, marketing and exports ▪ Managing Director of Euro Vistaa (India) Ltd. - trading house and leading exporter of textile yarn ▪ Commerce graduate from Mumbai University
Mr. Dalip Sehgal (Independent Director)	<ul style="list-style-type: none"> ▪ Over 40 years of experience and has been associated with companies such as Tatas, Forbes & Campbell, Hindustan Unilever ▪ Previously, served on the board of Godrej Hershey Ltd as MD & CEO, Godrej Consumer Products as MD, and Graviss Hospitality group of companies ▪ Currently, CEO of Nexus Mall which is a retail platform of the Blackstone private equity portfolio ▪ Graduate in Economics with Honors from the University of Delhi and MBA in Marketing from FMS Delhi
Mrs. Vijaya Sampath (Independent Director)	<ul style="list-style-type: none"> ▪ Over 30 years of work experience and was a Senior Partner heading the corporate practice of Lakshmikumaran and Sridharan and the Ombudsperson for the Bharti group with oversight over the code of conduct ▪ Previously, part of global group general counsel and Company Secretary of the USD 15 billion Bharti group ▪ CS, LLB and attended Advanced Management Program of Harvard Business School

Mr. Rahul Kanodia (Independent Director)	<ul style="list-style-type: none">▪ Over 30 years of professional experience and has held several progressively senior and leadership positions▪ Currently, Executive Director of Datamatics Global Services Ltd. and serves as the Chairman for the Western Region of ESC (Electronics and Computer Software Export Promotion Council), Government of India's largest Electronics and IT trade facilitation organization▪ Two Bachelor degrees from HR College (India) and Babson College (USA) with specialization in F&A and MIS respectively and MBA from Columbia University (USA)
Mr. Piyush Goenka (Non-Executive Non-Independent Director)	<ul style="list-style-type: none">▪ Over 20 years of experience in PE investing and other financial services▪ Currently, a partner at Tano Capital, an independent mid-market PE Fund Manager▪ Made investments across various sectors and has led most investments in consumer, pharmaceuticals and financial services▪ By qualification, Mr. Goenka is an MBA and has cleared all levels of CFA program
Mr. Sumeet Nagar (Non-Executive Non-Independent Director)	<ul style="list-style-type: none">▪ Over decade of experience in portfolio management and investment analysis as well as tremendous experience in operating roles▪ Graduate from IIT Bombay and MBA with Honors from the Wharton School - University of Pennsylvania
Mr. Gaurav Sharma (Non-Executive Non-Independent Director)	<ul style="list-style-type: none">▪ MBA from the Wharton School, University of Pennsylvania and Bachelor's degree in Engineering from IIT, Delhi▪ Has experience in private equity investment and other financial services

COMMITTEES

AUDIT COMMITTEE

Name of the Director	Position on Committee	Nature of Directorship
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Dr. Shailesh Mehta	Chairman	Independent
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Mr. Punkajj Lath	Member	Independent
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Mr. Dalip Sehgal	Member	Independent
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Mr. Gaurav Sharma	Member	Non-Executive Non-Independent
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STAKEHOLDERS RELATIONSHIP COMMITTEE

Name of the Director	Position on Committee	Nature of Directorship
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Mr. Punkajj Lath	Chairman	Independent
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Mr. Sudhir Jatia	Member	Executive
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Mr. Piyush Goenka	Member	Non-Executive Non-Independent
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CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name of the Director	Position on Committee	Nature of Directorship
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Mr. Sudhir Jatia	Chairman	Executive
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Mr. Piyush Goenka	Member	Non-Executive Non-Independent
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Mrs. Vijaya Sampath	Member	Independent
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Mr. Gaurav Sharma	Member	Non-Executive Non-Independent
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NOMINATION, REMUNERATION & COMPENSATION COMMITTEE

Name of the Director	Position on Committee	Nature of Directorship
----------------------	-----------------------	------------------------

Mr. Punkajj Lath	Chairman	Independent
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Dr. Shailesh Mehta	Member	Independent
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Mrs. Vijaya Sampath	Member	Independent
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Mr. Piyush Goenka	Member	Non-Executive Non-Independent
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Mr. Gaurav Sharma	Member	Non-Executive Non-Independent
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RISK MANAGEMENT COMMITTEE

Name of the Director	Position on Committee	Nature of Directorship
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Mr. Sudhir Jatia	Chairman	Executive
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Mr. Piyush Goenka	Member	Non-Executive Non-Independent
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Mr. Punkajj Lath	Member	Non-Executive Independent
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STATUTORY AND INTERNAL AUDITOR

Audit

Auditor

Statutory Audit	M/s. Lodha & Co.
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Internal Audit	Moore Singhi Advisors LLP
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CSR ACTIVITY

TRUSTS/ FOUNDATIONS CONTRIBUTED TO



Annam

Annam aspires to help underprivileged children and women in and around Mumbai city by providing nutrition supplements so that they can have a healthy chance at life.

Access Life

Access Life provides a loving and temporary home for children undergoing treatment for cancer along with their parents and caretakers and provides transport facility to & fro hospitals.

Avanti Fellows

Avanti Fellows is an NGO which helps low-income students in government schools to achieve stable and high-paying careers in STEM (Science, Technology, Engineering and Mathematics). It runs amongst India's largest secondary school interventions in STEM in multiple rural geographies of India.

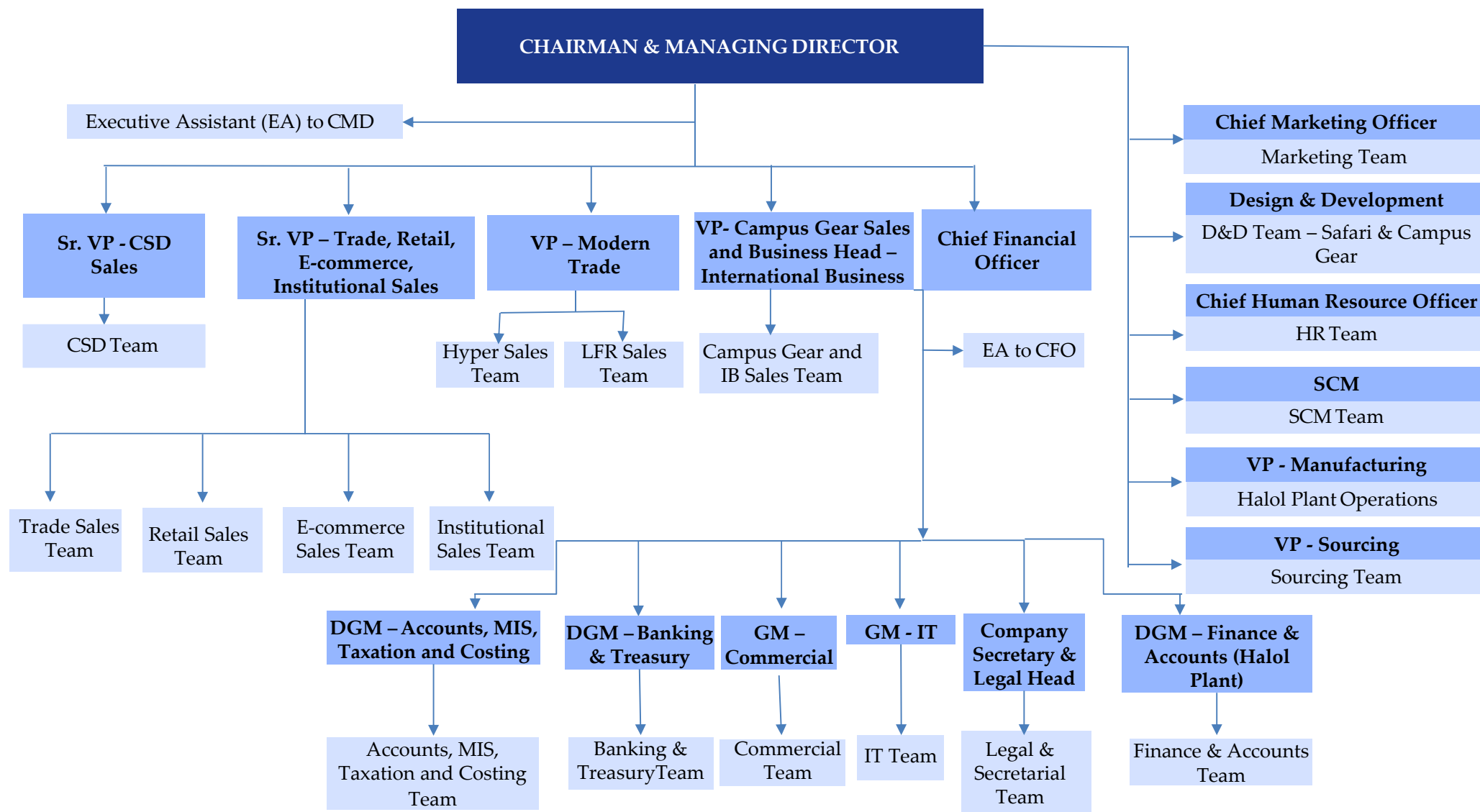
Bal Asha Trust

Bal Asha Trust rescues abandoned and destitute children & provides them a safe home. The Children's Home has tie-ups with outstanding government, private and municipal hospitals. This includes Jaslok Hospital and Research Center, offering excellent medical services.

Apex Foundation

Apex Kidney Foundation helps people by giving subsidised kidney treatment and tries to create awareness. It also holds seminars, events and review courses for the doctors to keep them abreast of the latest developments in the field of kidney treatment.

ORGANIZATION CHART



LEADERSHIP TEAM



Sudhir Jatia, Chairman & Managing Director

- Studied commerce from Mumbai University
- Attended the Owner/President Management Program of Harvard Business School
- Acquired Safari Industries (India) Limited in the year 2011 and was appointed as its Managing Director from 18th April 2012
- 28+ years experience in the Luggage Industry in India

SENIOR MANAGEMENT TEAM



Vineet Poddar, Chief Financial Officer

- CA, CS, Commerce graduate - Calcutta University
- 25+ years experience with a wide range of companies- Nshama Development LLC, Bombay Dyeing & Manufacturing Co., KPH Dream Cricket, Marsh India, Birla Corporation, etc.



Satyabrata Mitra, Sr. VP - CSD Sales

- M.Com from Calcutta University
- 44+ years experience with companies like VIP Industries Ltd., Universal Luggage, Universal Mineral Industries etc.



Parmod Aggarwal, VP – Modern Trade Sales

- Arts graduate
- 38+ years experience with companies like VIP Industries Ltd etc.



Indranil Roy, Sr. VP – Trade, Retail, E-commerce and Institutional Sales

- PGDBM from Calcutta University
- 30+ years experience with several blue chip companies i.e. Titan Watches Ltd., Bausch & Lomb, Whirlpool, US West Telecom, Panasonic India, VIP Industries Ltd.

SENIOR MANAGEMENT TEAM



Pushkar Jain, Chief Marketing Officer

- MBA – Marketing from MDI Gurgaon
- 21+ years experience with companies like Bluestone.com, Tata Docomo, Akzonobel, Pidilite & FCB Ulka



Sonali Majumdar, Chief Human Resource Officer

- PGDPM HR from XISS, Ranchi
- 20+ years experience in sectors like Media, Consulting, Insurance and Manufacturing



Pravin Prabhakar, VP - Sourcing

- MBA – Marketing Mumbai University
- 25+ years experience with companies like Eveready Industries India Ltd., Blow Plast Ltd., IFB Industries Ltd., Elite Brands, Princeware International etc.



Manoj Ghorpade, VP – Manufacturing

- Bachelor of Engineering and Diploma in Production Technology
- 25+ years of experience with companies like Essel Propack, Cummins Exhaust India, Kalyani Forge, Spicer India



Niladri Mukherjee, GM - Commercial

- Commerce graduate with ICWAI Inter
- 30+ years of experience with companies like VIP Industries, Bajaj Electricals, Reliance Telecom etc.



Paritosh Sinha, VP – Campus Gear Sales and Business Head – International Business

- PGDBM from School of Management Sciences, Varanasi
- 21+ years of experience with companies like Panacea Biotech Ltd., Berger Paints India Ltd., VIP Industries Ltd., Jubilant Agri & Consumer Products Ltd., JK Files (India) Ltd.

5. GROWTH STRATEGY

FOCUSED PRODUCT STRATEGY

Category



Soft Luggage (SL)



Hard Luggage (HL)



Backpacks



School bags

Growth

- Growth in SL is driven by
 - 4-wheeler (fastest growing within SL)
 - Short-duration travel products (e.g. rolling duffels)
- Focus on stronger design aesthetics with youthful constructions and colours
- Polycarbonate (PC) is the growth driver within HL
 - Growth rate expected to be higher than Soft Luggage 4-wheelers owing to innovative product designs & consumer preference
 - Already leading growth in industry with in-house design & manufacturing which has helped in taking new designs faster to the market
- Backpack to be the fastest growing product category across all existing categories (SL, HL and Backpacks)
- To lead consumer acquisition in the youth segment
- Given the recent addition to product portfolio, growth is expected via
 - Dedicated sales & marketing efforts
 - Minimal existing competition from branded players

CHANNEL STRATEGY

Consciously crafted channel strategy involves balancing volume and value led growth with increasing touch points being the sole focus

E-Commerce	Modern Trade	CSDs & CPCs	Multi Brand Outlets	EBOs and Institutional	OE & Exports
<ul style="list-style-type: none"> • Focus on building strong presence in existing Horizontal e-commerce platforms • Strong advertising investments on digital both on-platform and social media to drive consumer acquisition and brand recognition 	<ul style="list-style-type: none"> • Increasing penetration by increasing counters where Safari is present and aided by channel growth • Adding sales promoters to high performing stores 	<ul style="list-style-type: none"> • Increasing throughput per canteen by adding sales promoters • Promotion initiatives such as superior in-store SIS and branding 	<ul style="list-style-type: none"> • Ramping up dealer and distributor network • Despite low channel level growth, Safari to expand MBO footprint • Strategically converting select MBOs into EBOs through asset-light arrangements 	<ul style="list-style-type: none"> • EBOs <ul style="list-style-type: none"> • Fresh roll-out of EBOs to amplify growth from the channel • Focus on strategically locating stores in high footfall areas • Institutional <ul style="list-style-type: none"> • Focus on Key Account Management with large accounts 	<ul style="list-style-type: none"> • OE <ul style="list-style-type: none"> • Focus on few high potential key accounts • Focus on limited product categories • Exports <ul style="list-style-type: none"> • Penetration in markets with large India diaspora • Focus on building a strong base of key accounts

BRANDING & MARKETING

Marketing strategy that converges brand, product and channel strategies to evolve Safari into a one stop luggage brand

Product, Design & Pricing

- Focusing on thoughtful innovations and providing simple, doable design solutions to common problems
- Creating a distinctive “Design Identity”
- Investing in product communication at point of sale
- Implementing “Focused Product Strategy” across each of the product categories – focus on PC and backpacks
- Evolving from an affordable pricing proposition to competitive, product position linked pricing

Branding, Communication & Marketing

- Increasing “Above the Line” advertising – Social Media, TV
- Brand spends focused on BTL. Modern Trade and MBO channels have already benefited from this
- Increasing focus on Digital advertising on e-commerce platforms
- Development of sharper brand role and brand strategy
- Strengthened marketing team to have better customer insights on product features, structure, utility items, design trends

Consumer reach

- Sole focus to be “**As close to the consumer**” as possible
- Tracking consumer trends actively
- Further optimizing the channel mix to maximize customer touch points
- Expanding beyond metros reaching via both offline and online channels

6. FINANCIAL SUMMARY

FINANCIAL SUMMARY

PROFIT & LOSS STATEMENT (Consolidated)



Profit and Loss Statement (₹ mn unless specified otherwise)	FY 21	FY 20
Revenue from operations	3,280	6,859
Other income	33	9
Total income	3,313	6,868
COGS	1,907	3,841
Gross profit	1,406	3,027
<i>Gross Margin %</i>	<i>42%</i>	<i>44%</i>
Employee benefits expense	599	768
Other expenses	834	1,530
EBITDA	-26	729
<i>EBITDA Margin %</i>	<i>-1%</i>	<i>11%</i>
Depreciation & amortization expense	204	225
Finance costs	58	102
PBT	-288	402
<i>PBT Margin %</i>	<i>-9%</i>	<i>6%</i>
Tax Expense	-79	95
PAT	-209	307
<i>PAT Margin%</i>	<i>-6%</i>	<i>4%</i>
Other Comprehensive Income / (Loss)	-12	-5
Total Comprehensive Income	-221	302

FINANCIAL SUMMARY

BALANCE SHEET (Consolidated)

Balance Sheet (₹ mn unless specified otherwise)		FY 21	FY 20
A	ASSETS		
1	Non-Current Assets		
	Tangible assets	373	412
	Right-of-use assets	290	370
	Intangible assets	5	15
	Financial assets	346	40
	Deferred tax assets (net)	110	20
	Income tax assets (net)	28	31
	Other non-current assets	22	13
	SUB-TOTAL	1,174	901
2	Current Assets		
	Inventories	1,140	1,600
	Financial assets		
	- Trade receivables	903	1,475
	- Cash and bank balances	45	16
	- Other financial assets	611	21
	Other current assets	96	147
	SUB-TOTAL	2,795	3,259
	TOTAL	3,969	4,160
B	EQUITY & LIABILITIES		
1	Equity		
	Equity share capital	45	45
	Other equity	2,745	2,261
	SUB-TOTAL	2,790	2,306
2	Non-Current Liabilities		
	Financial liabilities		
	- Borrowings	23	8
	- Lease liabilities	226	256
	- Provisions	2	-
	SUB-TOTAL	251	264
3	Current Liabilities		
	Financial liabilities		
	- Borrowings	30	738
	- Trade payables	700	614
	- Lease liabilities	86	134
	- Other financial liabilities	64	58
	Other current liabilities	28	34
	Provisions	20	12
	SUB-TOTAL	928	1,590
	TOTAL	3,969	4,160

THANK YOU