

INDIAN TERRAIN FASHIONS LIMITED

Q4FY19 PERFORMANCE HIGHLIGHTS | MAY 2019



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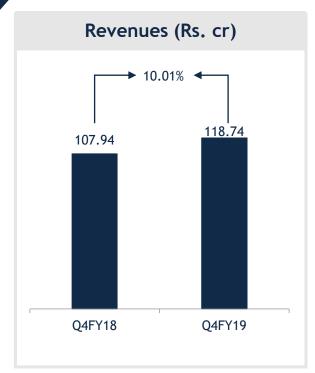
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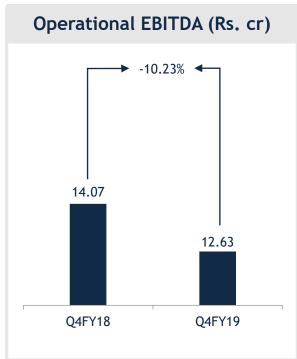


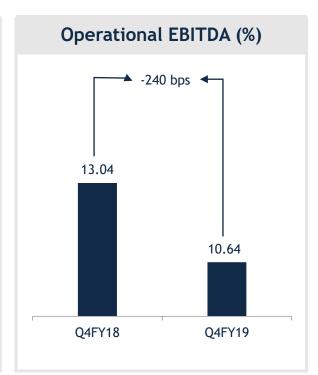


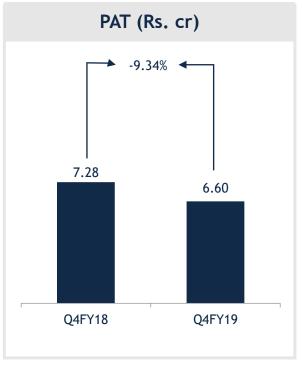
Q4FY19 Financial Highlights











- Revenues at Rs. 118.74 crs., growth in revenues at 10.01%
- EBITDA margin dip by 240 bps



Q4FY19 Snapshot



Revenues

- •EBO @ 20% growth contributed by like -to-like (LTL) growth of 10% and new and annualized doors in the quarter of 11%
- •The Retail Expansion Strategy continues with 10 stores opening in the quarter.
- •LFO @ 25 % growth mainly driven by winter categories growing at over 50%
- •MBO declined 9% during transition, on account of partners in certain markets who had to be discontinued
- •E-Commerce Channel growth continues to be Strong
- •Boyswear Business grew strongly across all channels with pricing changes reflecting well in off-takes with lower markdowns
- •Overall a 10% revenue growth for the quarter strongly driven by retail channels

Operational EBITDA at 12.63 Crs. Vs 14.07 Crs as compared to corresponding quarter previous year

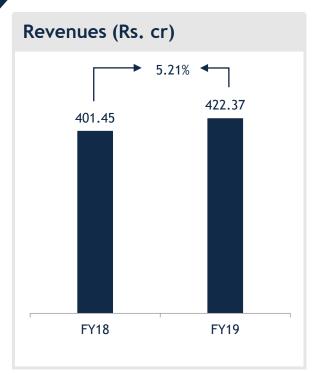
- •Impacted Primarily by prolonged EOSS with markets in general extending the sale period and going deeper in discounts and promotions.
- •Increased marketing spends for SS19
- •PAT before other comprehensive income @ 6.59 Crs vs. 7.28 Crs

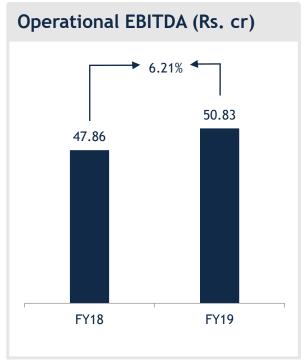


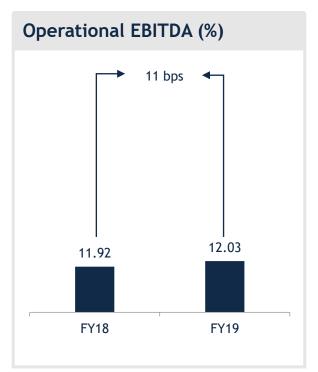


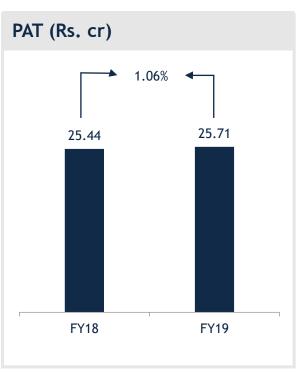
FY19 Financial Highlights











- Revenues at Rs. 422.37 cr; growth in revenues at 5.21% in FY19
- EBITDA margin expanded by 11 bps to Rs. 50.83 cr



FY19 Snapshot



- E-Commerce Grew strongly across platforms and continue to be a focus Channel for future.
- EBO Retail channel saw strong growth in the second half of the year building a good base for FY20
- MBO channel declined on account of transition to distribution model during the second half of the year
- New winter wear categories helped fuel growth during the later part of the year
- Boyswear Category grew strongly 25% on the back of the pricing and product strategy changes and is now almost 10% of overall revenues.

Operational EBITDA increased marginally - 50.8 Crs. Vs 47.9 Crs. previous year. The current year witnessed additional spend on account of following

- •Extended EOSS and continued Market Promotions impacted margins by 100 bps
- •Increased Marketing spend over the last year for Brand visibility of 2.80 Crs.
- •PAT @ 25.71 Crs. vs 25.44 Crs.



P&L highlights



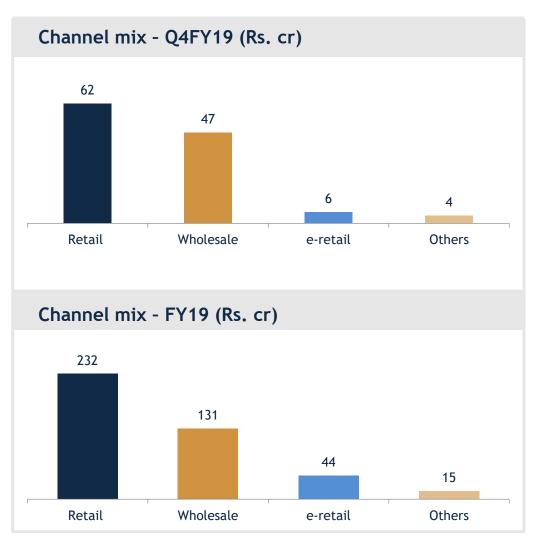
Rs. Crs.	Q4FY19	Q4FY18	Change (%)	FY19	FY18	Change (%)
Revenues	118.74	107.94	10.01	422.37	401.45	5.21
Cost of Materials	0.42	8.78		1.85	42.86	
Purchase of Finished Goods	86.30	82.51		239.46	181.44	
Change in Inventories	(16.64)	(33.22)		10.68	(7.24)	
Garment Processing Costs	0.35	5.55		2.24	24.25	
Employee Benefit Expenses	6.51	7.26		27.78	29.31	
Other Expenses	29.17	22.99		89.53	82.97	
Total Expenses	106.11	93.87	13.04	371.54	353.59	5.08
Operating EBITDA	12.63	14.07	(10.23)	50.83	47.86	6.21
Other Income	1.27	0.84		2.98	2.50	
Gross EBITDA	13.90	14.91	(6.77)	53.81	50.36	6.85
Finance Costs	1.97	2.52		8.46	7.04	
Depreciation	1.51	1.07		5.54	4.22	
Profit Before Tax	10.42	11.32	(7.95)	39.81	39.10	1.82
Tax Expenses	3.82	4.04		14.10	13.66	
Profit After Tax (before other comprehensive income)	6.60	7.28	(9.34)	25.71	25.44	1.06
Other Comprehensive Income (net of tax)	0.05	(0.25)		(0.06)	(0.25)	
Total Comprehensive Income	6.65	7.03		25.65	25.19	

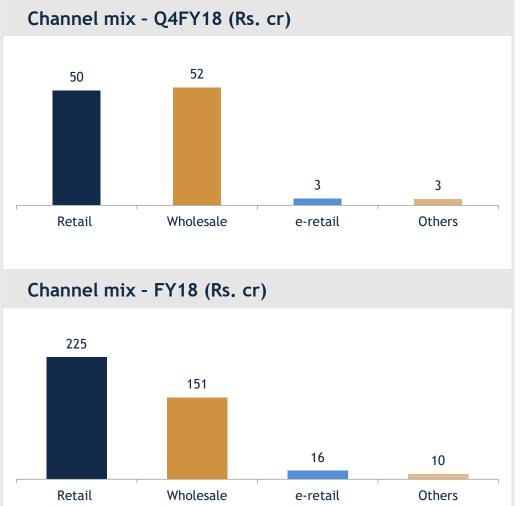




Revenue contribution





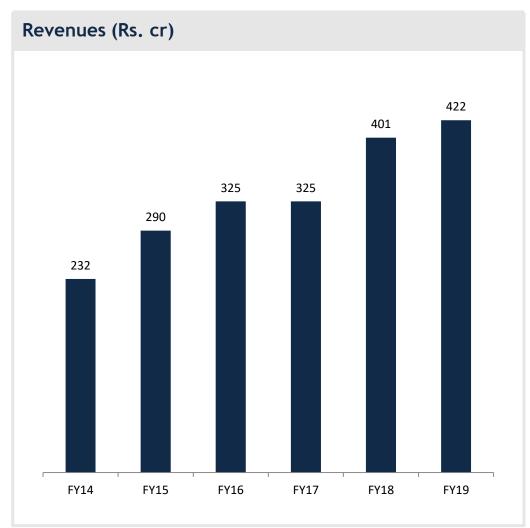


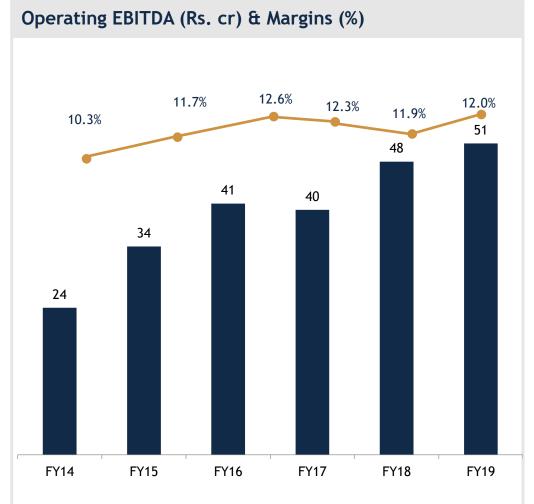




Performance overview











Exclusive Stores



Region	Opening as on 1st Jan	Additions	Closure / Converted	Closing as on 31st March
South	79	4	1	82
West	31	1	2	30
North	26	5	2	29
East	14	0	0	14
Out of India	1	0	0	1
Total	151	10	5	156



Region	Closing As on 31st March
COCO (Company Owned Company Operated)	12
COFO (Company Owned Franchisee Operated)	52
FOFO (Franchisee Owned Franchisee Operated)	85
EFO (Exclusive Factory Outlet)	7
Total	156











Distribution Network





161

Exclusive Doors (inclusive of 7 Factory Outlets)



380+

Doors in Departmental Stores



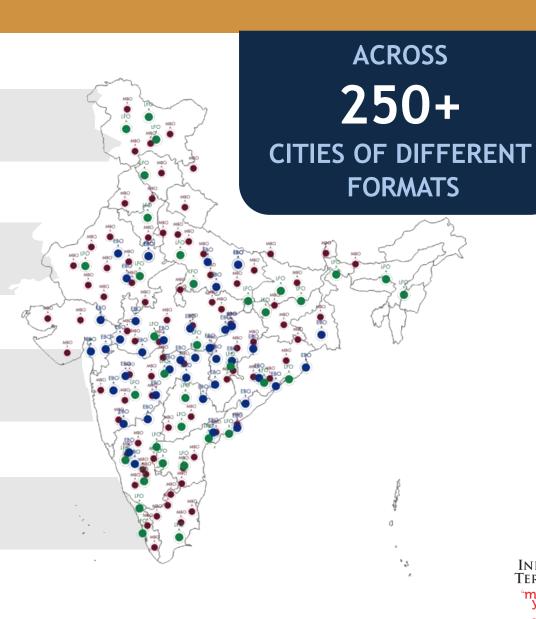
1400+

Doors under Multi Branded Outlets



7+

E-commerce Partners





At Indian Terrain, we love spending every day in creating clothing of elegant style and remarkable comfort that





INDIAN TERRAIN FASHIONS LIMITED

A Master Stroke - MS Dhoni takes stance as Brand ambassador for ITFL







Mr. Venky Rajgopal, Founder Chairman, Indian Terrain Fashions Ltd

"We are elated to welcome Mahendra Singh Dhoni to the Indian Terrain family. Our brand is represented by the 'Spirit of Man' logo and we believe that Mahendra Singh Dhoni truly exemplifies all the attributes that our brand stands for. His inspiring presence, strategic thinking ability, quiet fortitude and power-packed performances on and off the cricketing field, make him the ideal representative of the brand to our consumers and youth of today. His popularity across the country will help take the brand to the next level."

Mahendra Singh Dhoni, Brand Ambassador, Indian Terrain Fashions Ltd

"I am extremely delighted to be the Brand ambassador of Indian Terrain. It is a well-known fact that Madras and its people hold a special place in my life, for the love and acceptance that has been bestowed upon me over the years. To associate with a Madras-born brand like Indian Terrain felt natural and appealing. The brand seamlessly mirrors my off-the-field style. I look forward to an extraordinary innings with the Brand!"

New store launches



ITFL - Anna Nagar, Chennai







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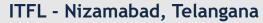






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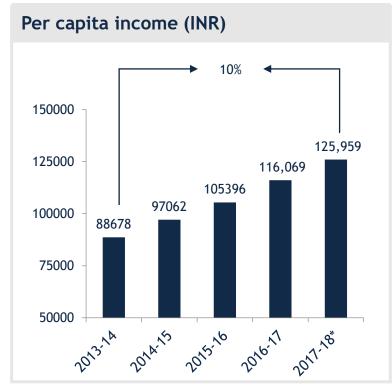




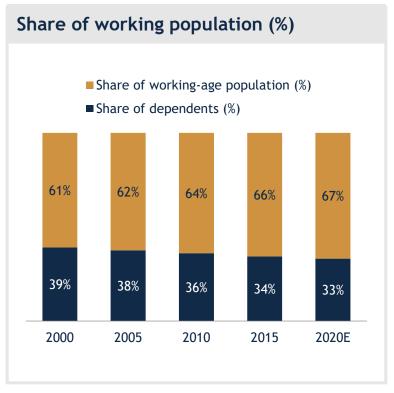


Organized retail to benefit from favourable demographics

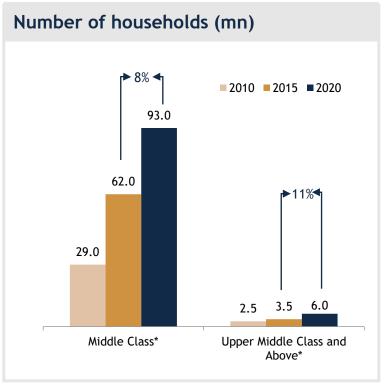




Steady growth suggests rising spends



2/3rd Indians in working-age with median age of <28 years



Rise in number of households in Middle and Upper income class



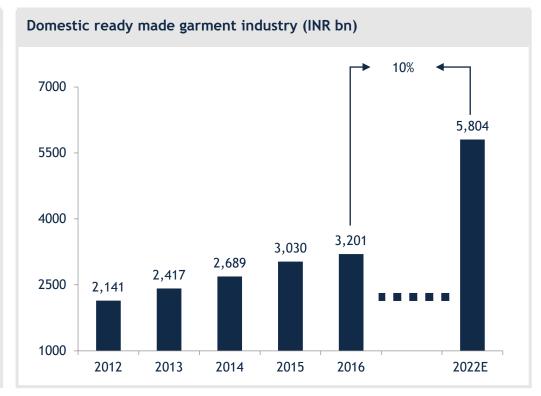


Sustainability in industry growth over longer haul

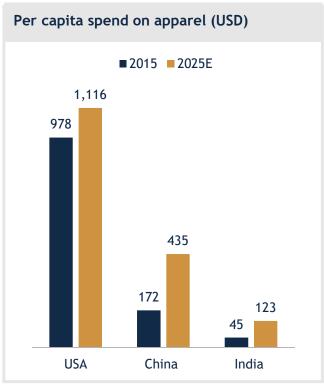


Organized Apparel Market Size (INR bn) 2000 27%-ORP* 1500 22%-ORP 1000 500 2017-18 2020-21E

Organized retail market to be INR 2,021 bn by FY21E



Industry expected to double in size over next 6-7 years



Clear headroom for upside in per capita spend on apparels

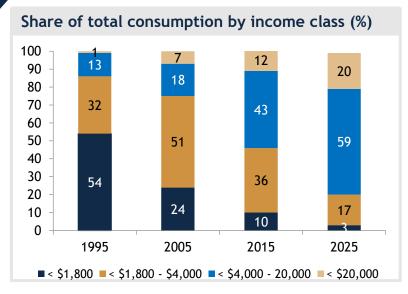


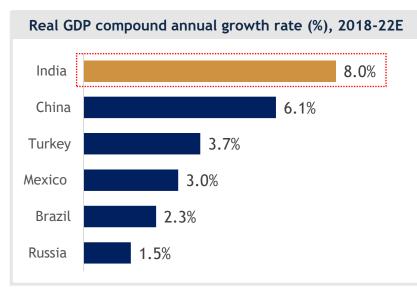


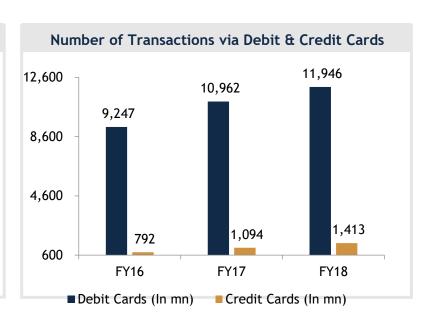


Consumption and macros bodes well for industrial growth









Middle and Affluent class to contribute 80% of total consumption by 2025

India leading the way with highest growth among economies

Consumer spends on discretionary leveraged with use of plastic money



Outlook



- A Hi Profile Brand Ambassador and partnership with Strategic Tie-up with MS D from July 1st to help build brand image with the young Indians, while further strengthening the position in the core markets
- Increased Investments in marketing to strengthen brand visibility.
- Overall Consumer Offtake picking up in and expected to pick up further July
- Strong Retail Expansion Strategy to Continue with 20 stores opening in H1 FY'20, Primarily though Asset Light Franchisee Model.
- Strong growth rates of E-Commerce expected to continue into the coming year.
- · Increased focus on higher value product categories especially on key occasions and for Exclusive Retail







Brand Identity





Our origin: Madras - where we belong. The city that influenced global fashion since 1718.



Iconic Product: Khaki. Made in India during World War II and since then, an integral part of American Sportswear.



Brand Philosophy: "Real. Mature. Manly. Khaki." The four key words that capture the brand essence and are a representation of our communication strategy.



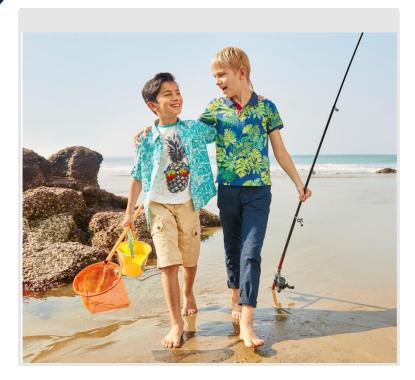






1 Indian Terrain













Awards & Accolades





- Awarded as the best company in the Sustaining Award Category at TiE, 2017 Chennai
- Awarded as the Best Emerging Brand by Lulu Mall in 2016
- Voted by Infashion as the "Most Admired Readymade Garment Manufacturer" in south India 2013
- Ranked 11th in the list of "Most Trusted Apparel Brands" by Economic Times in 2011



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