



INDIAN TERRAIN FASHIONS LIMITED

Q1FY19 PERFORMANCE HIGHLIGHTS | AUGUST 2018



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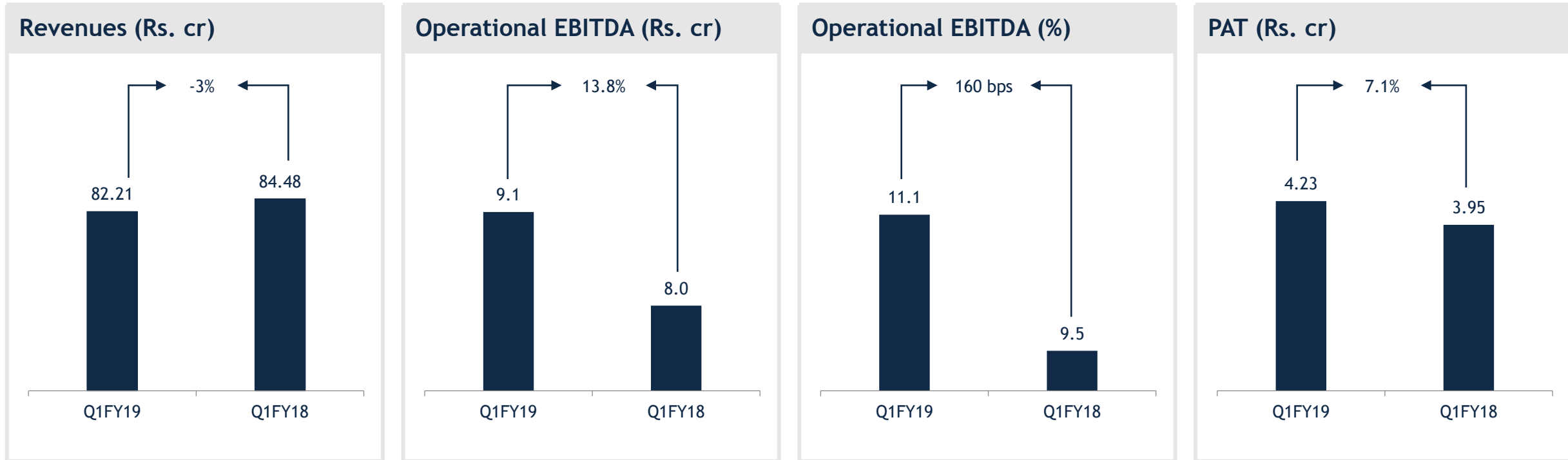
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Result Highlights



Q1FY19 Financial Highlights



- Revenues at Rs. 82 cr; adjusted for GST, growth in revenues at 8%
- EBITDA margin expansion by 160 bps



Q1FY19 Snapshot



Revenues

- Revenues for the Quarter were down 2% compared to previous year; **adjusted for GST impact, Revenues were up by 8%**
- The Quarter which kicked off at a healthy momentum turned weak starting May'18
- Despite early advancement of EOSS to mid June in line with market, response remained tepid
- Conscious efforts undertaken to minimize deep discounting during EOSS
- 3x growth in E-Commerce revenues; roll-out is complete with all major partners
- Boys net contribution to total business at 5%

Operational EBITDA grows at ~14%

- Operational EBITDA stood at Rs. 9.1 cr up 13.8% YoY; margins improved by 160 bps YoY to 11.1%
- Prudent mark down management helped control discounts and improve realization
- Control on other operating costs
- Profit Before Tax at Rs. 6.5 cr up 7.6% YoY

Q1FY19 - P&L highlights



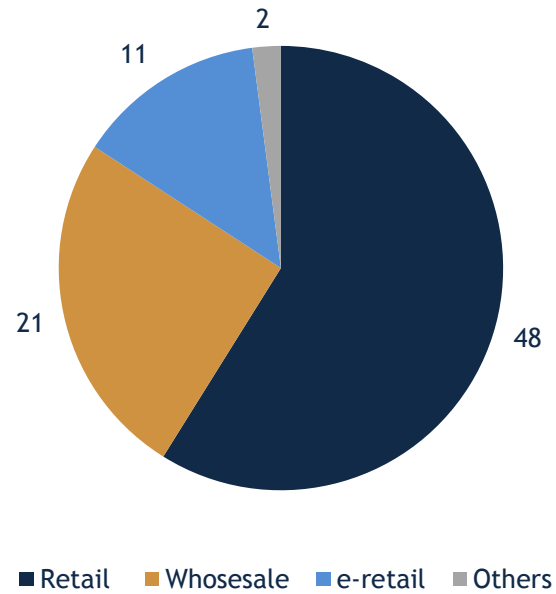
Rs. cr	Q1FY19	Q1FY18	Change (%)
Revenues	82.21	84.48	-2.7
Cost of Materials	0.34	9.10	
Purchase of Finished Goods	26.17	12.02	
Change in Inventories	20.66	27.85	
Garment Processing Costs	1.03	1.90	
Employee Benefit Expenses	7.30	6.67	
Other Expenses	17.61	18.94	
Total Expenses	73.12	76.48	-4.4
Operating EBITDA	9.09	8.00	13.8
Other Income	0.75	1.06	
Gross EBITDA	9.84	9.06	8.7
Finance Costs	2.08	2.14	
Depreciation	1.27	0.88	
Profit Before Tax	6.50	6.04	7.6
Tax Expenses	2.27	2.09	
Profit After Tax (before other comprehensive income)	4.23	3.95	7.1
Other Comprehensive Income (net of tax)	0.18	0.05	
Total Comprehensive Income	4.41	4.00	



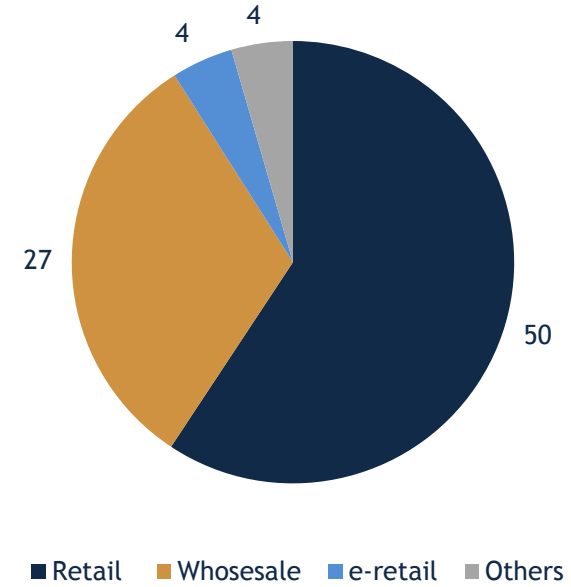
Revenue contribution



Channel mix-Q1FY19 (Rs. cr)



Channel mix-Q1FY18 (Rs. cr)

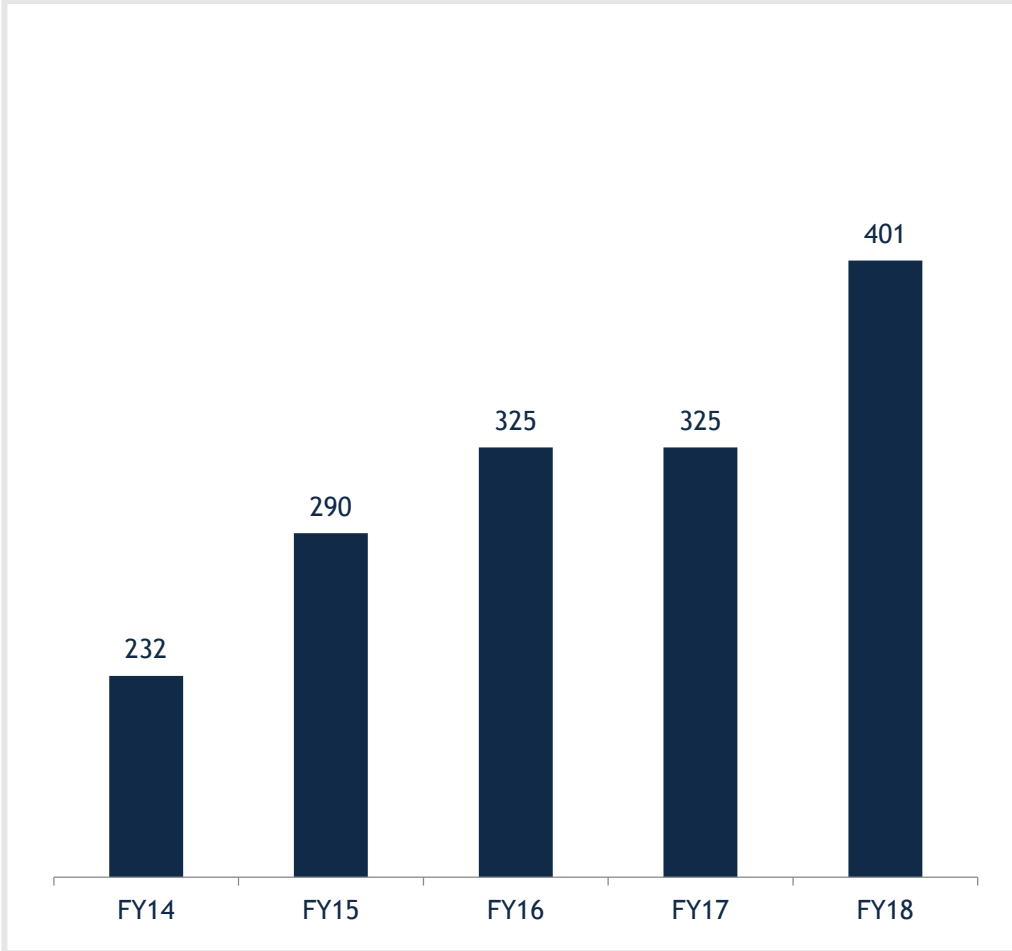




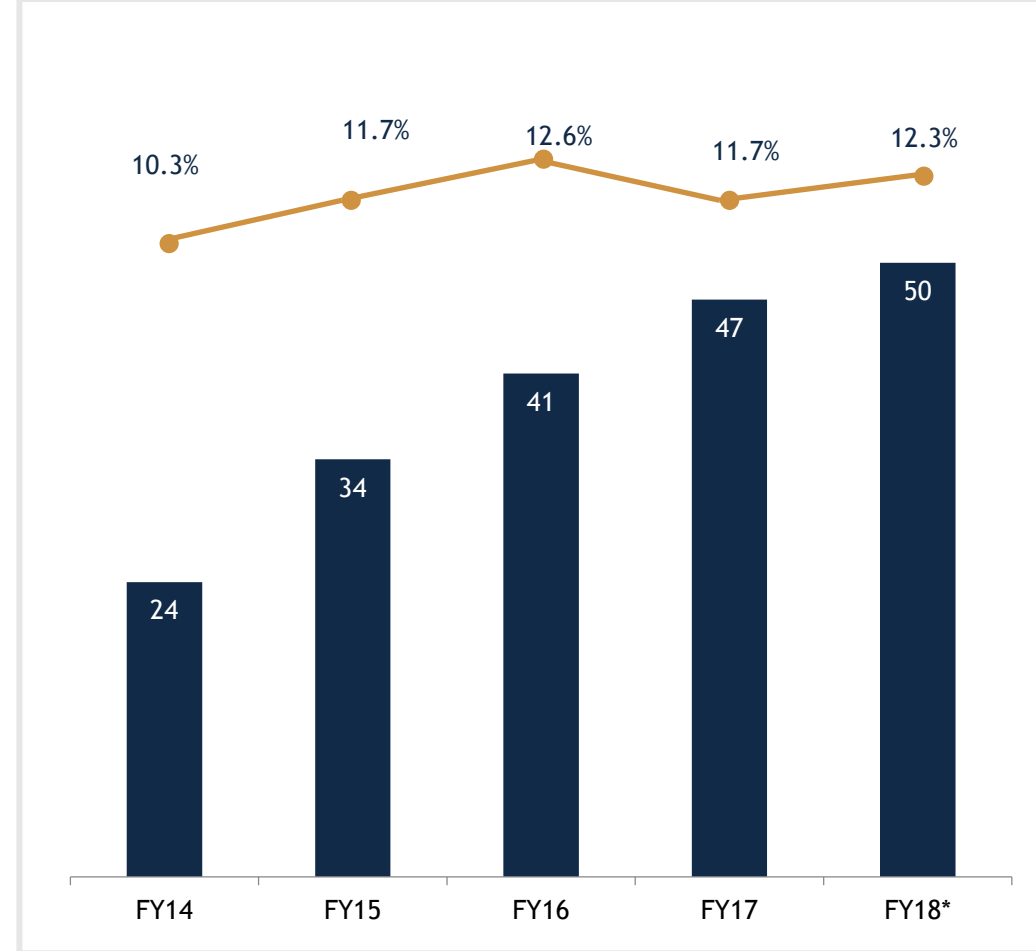
Performance overview



Revenues (Rs. cr)



Operating EBITDA (Rs. cr) & Margins (%)



*EBITDA of FY18 excludes one time GST impact of 1.71 cr



Exclusive Stores

Region	Opening as on 1 st Apr	Additions	Closure	Closing as on 30 th Jun
South	69	5	0	74
West	34	0	1	33
North	34	0	4	30
East	13	0	0	13
Out of India	1	0	0	1
Total	151	5	5	151



Region	Closing As on 30 th Jun
COCO (Company Owned Company Operated)	14
COFO (Company Owned Franchisee Operated)	36
FOFO (Franchisee Owned Franchisee Operated)	100
EFO (Exclusive Factory Outlet)	1
Total	151



* Store count - 151 under direct management + 5 stores under distributor management

Distribution Network



156
Exclusive Outlets



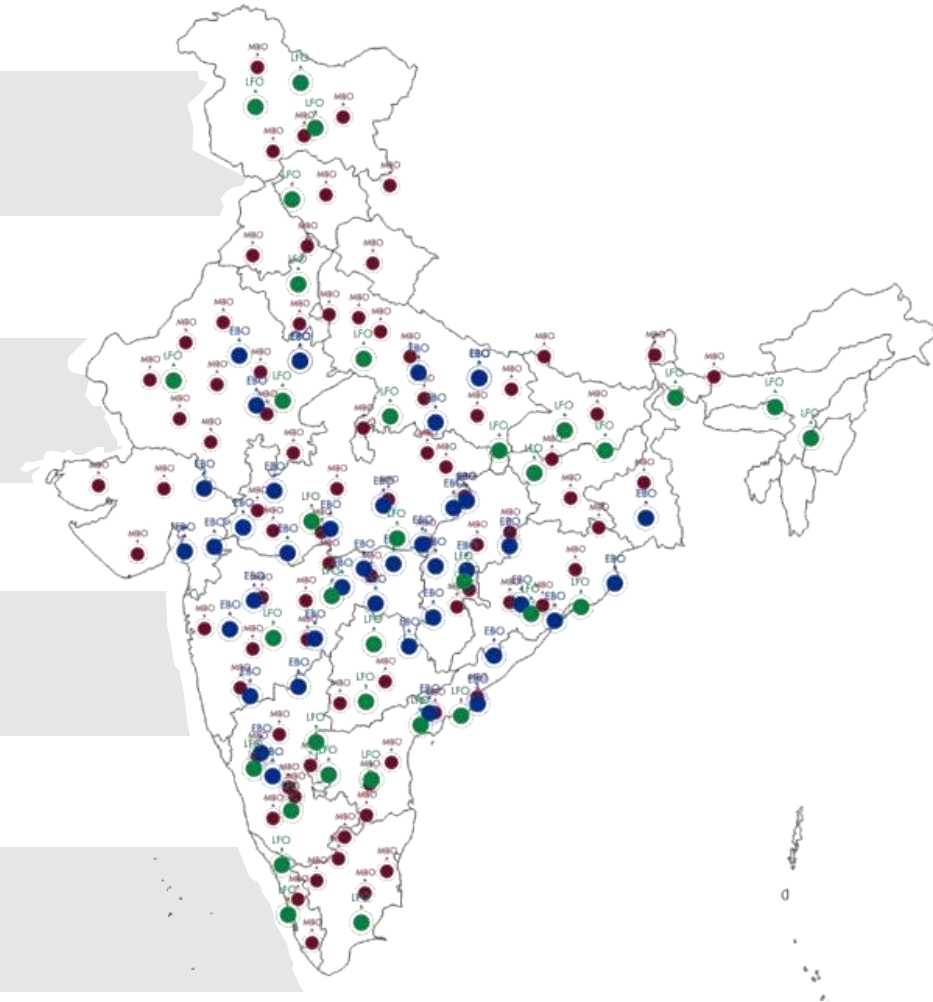
370+
doors in Departmental Stores



1400+
doors under Multi Branded Outlets



7+
Ecommerce Partners



PRESENT ACROSS 250+ CITIES THRU DIFFERENT FORMATS



New store launches

Jayanagar, Bangalore





New store launches

L&T Panjagutta, Hyderabad



VR Mall, Chennai





New store launches

Bellary, Karnataka



Raichur, Karnataka





Outlook



Outlook

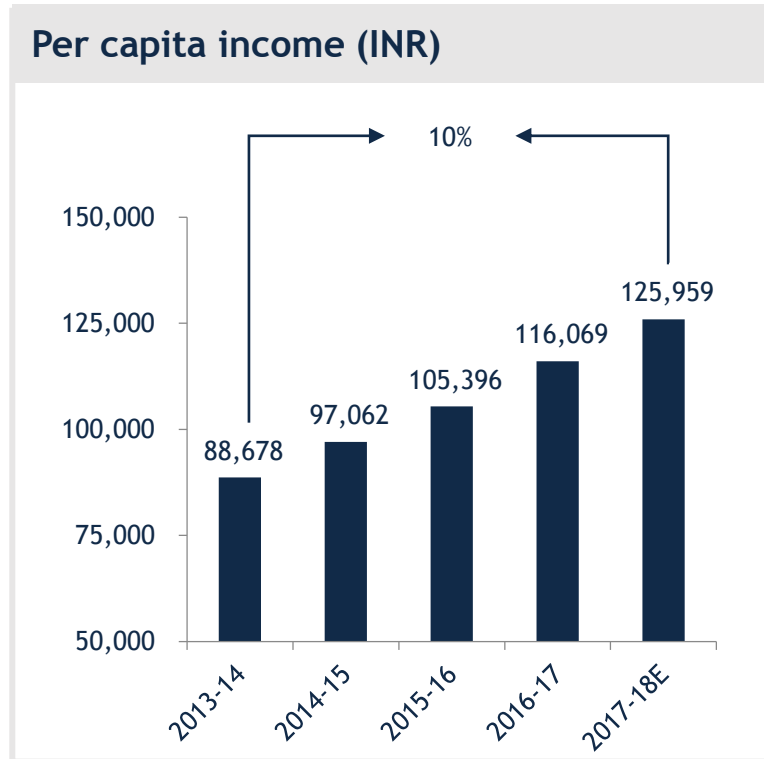


- With the onset of festive season, growth momentum is expected to pick up especially in semi-urban and rural areas
- Retail expansion to continue with focus remaining on improved store economics
- Business optimization across processes and activities including smarter mark down management is being enhanced
- Emphasis is on margin expansion while maintaining reasonable revenue growth
- E-Commerce to see sustained level of growth with renewed approach and a healthy mix of market place and trading model
- Increased investments into advertisement and marketing will help build expanded brand visibility and salience
- Boyswear expansion will continue with thrust on e-commerce and wholesale channels

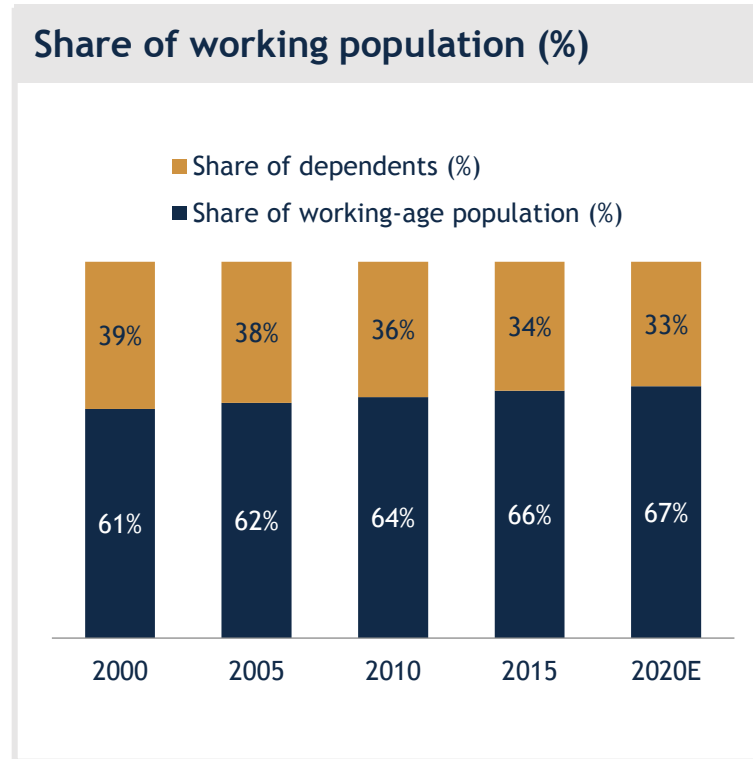


Annexure

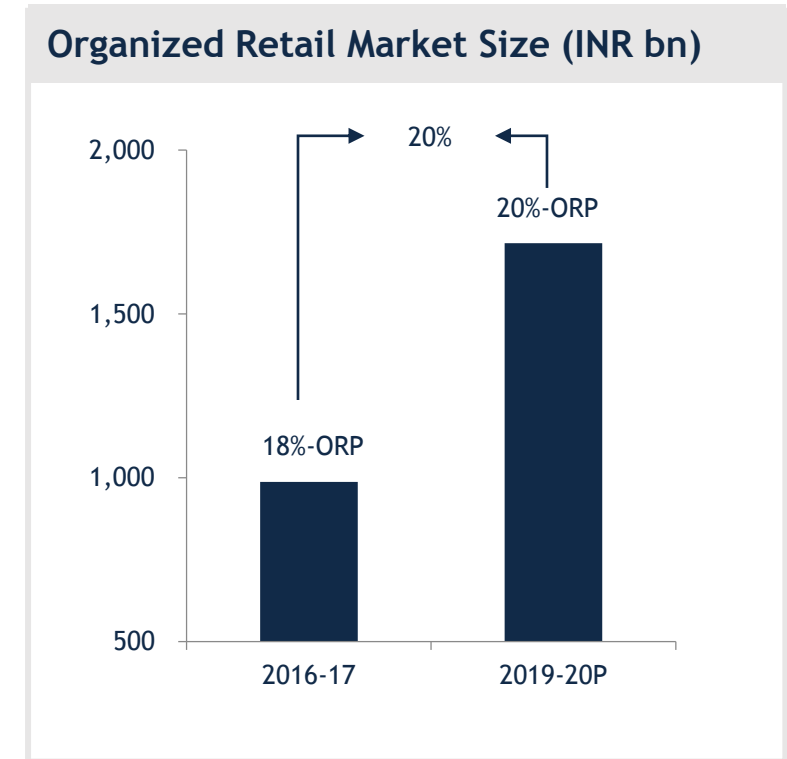
Organized retail to benefit from favourable demographics



Steady growth suggests rising spends

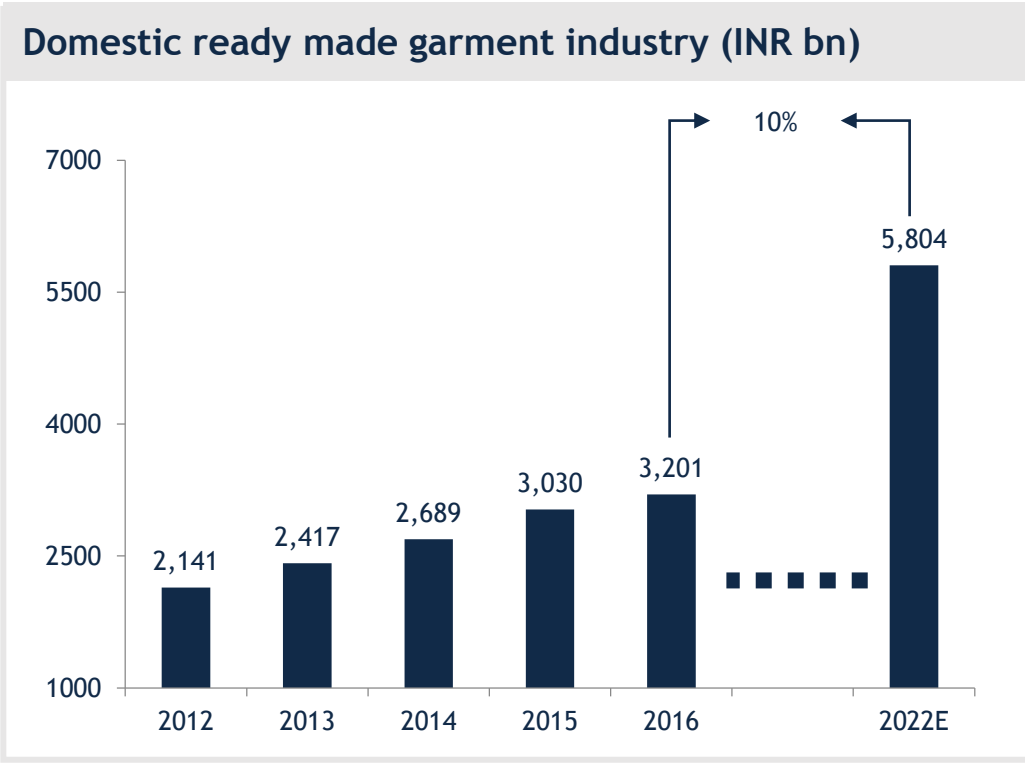


2/3rd Indians in working-age with median age of <28 years

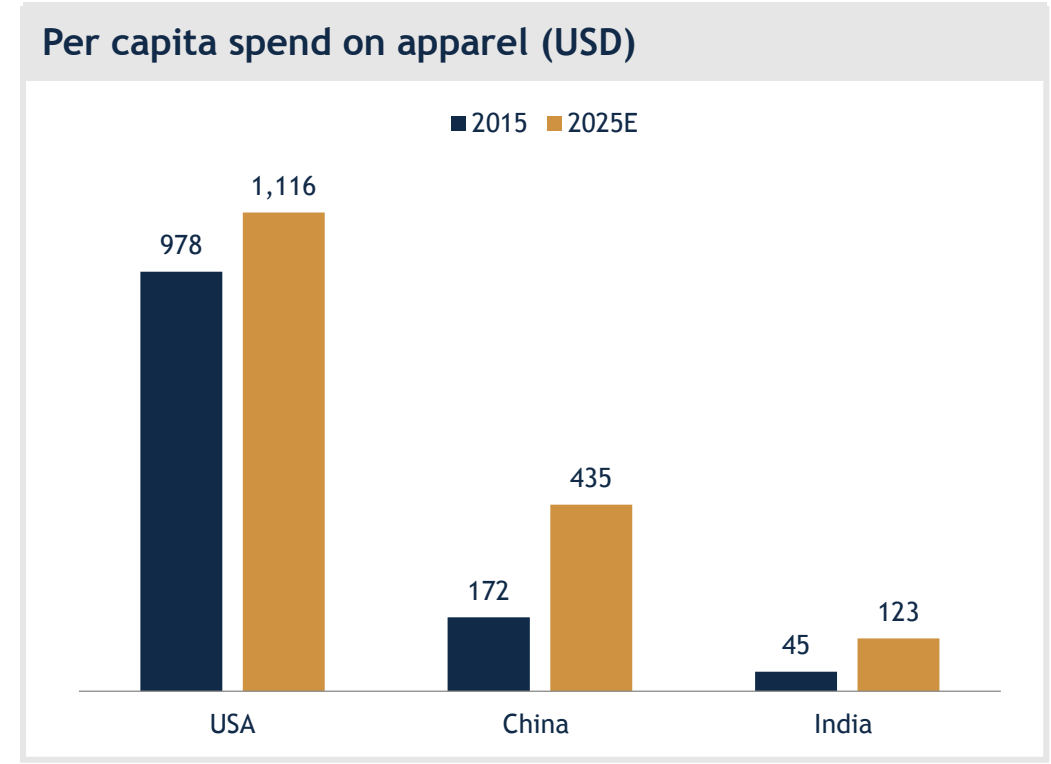


Organized retail market to be INR 1,716 bn by FY20E

Sustainability in industry growth over longer haul



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



Clear headroom for upside in per capita spend on apparels

Sources: Crisil, Industry Research



Brand Identity



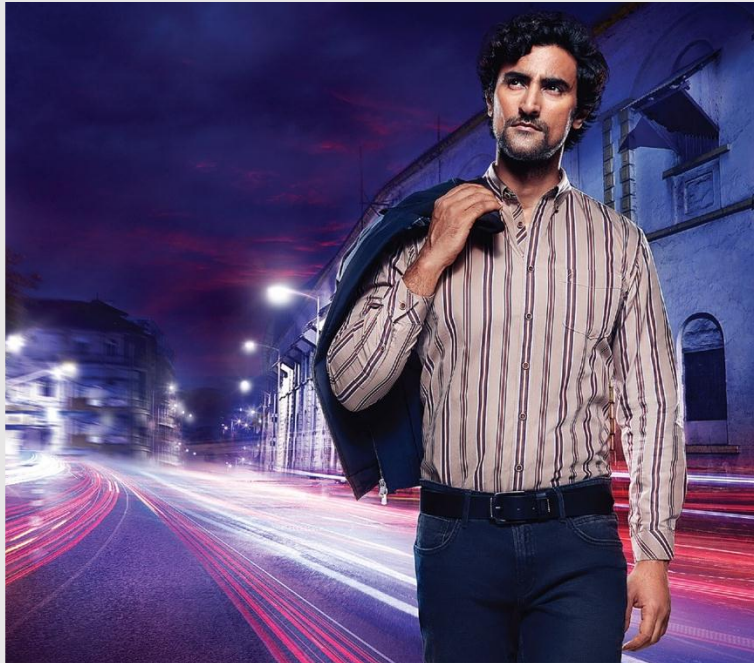
Our origin: Madras - where we belong. The city that influenced global fashion since 1718.

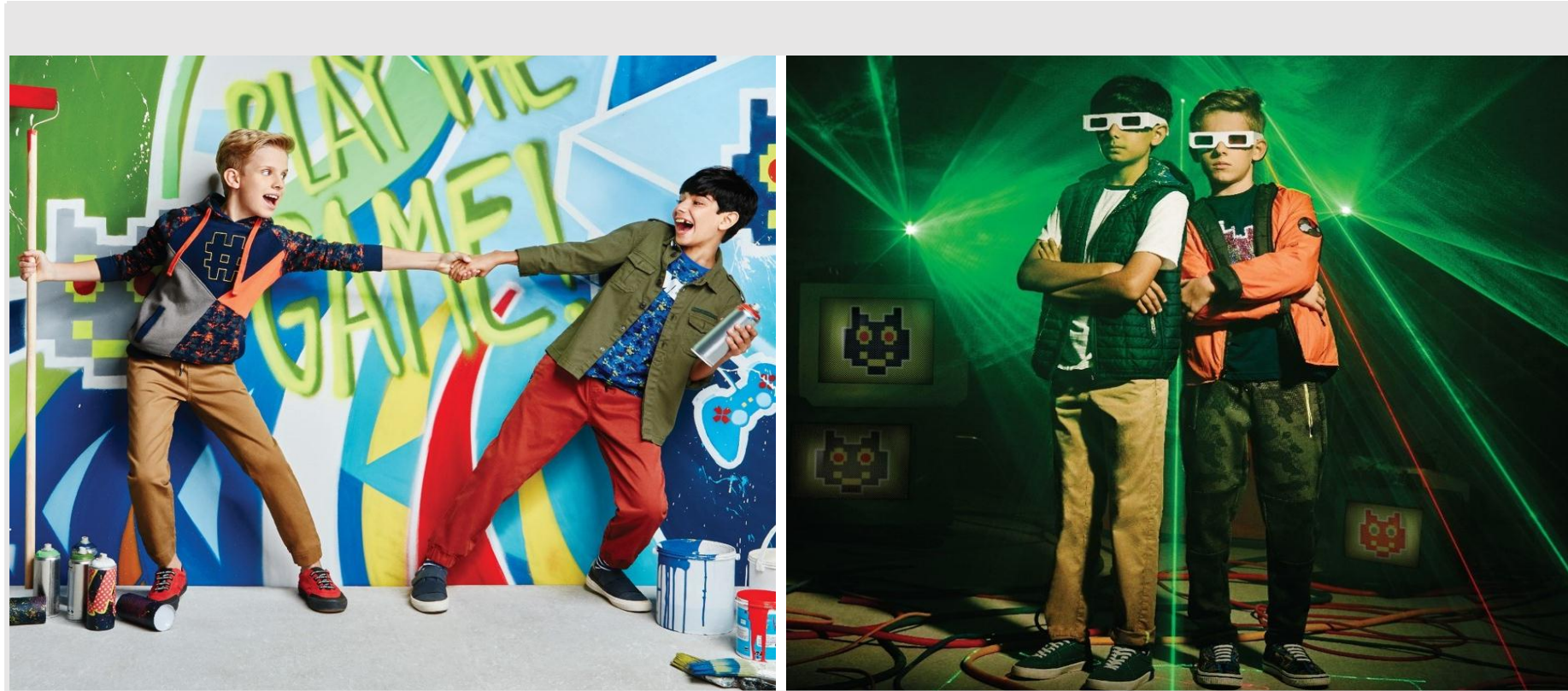


Iconic Product: Khaki. Made in India during World War II and since then, an integral part of American Sportswear.



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





 INDIAN TERRAIN | BOY



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



Contact information



Contact information

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