

INDIAN TERRAIN FASHIONS LTD

Q1 FY20 PERFORMANCE HIGHLIGHTS

JUNE 2019



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INDIAN
TERRAIN

RESULT
HIGHLIGHTS



Q1FY20 SNAPSHOT



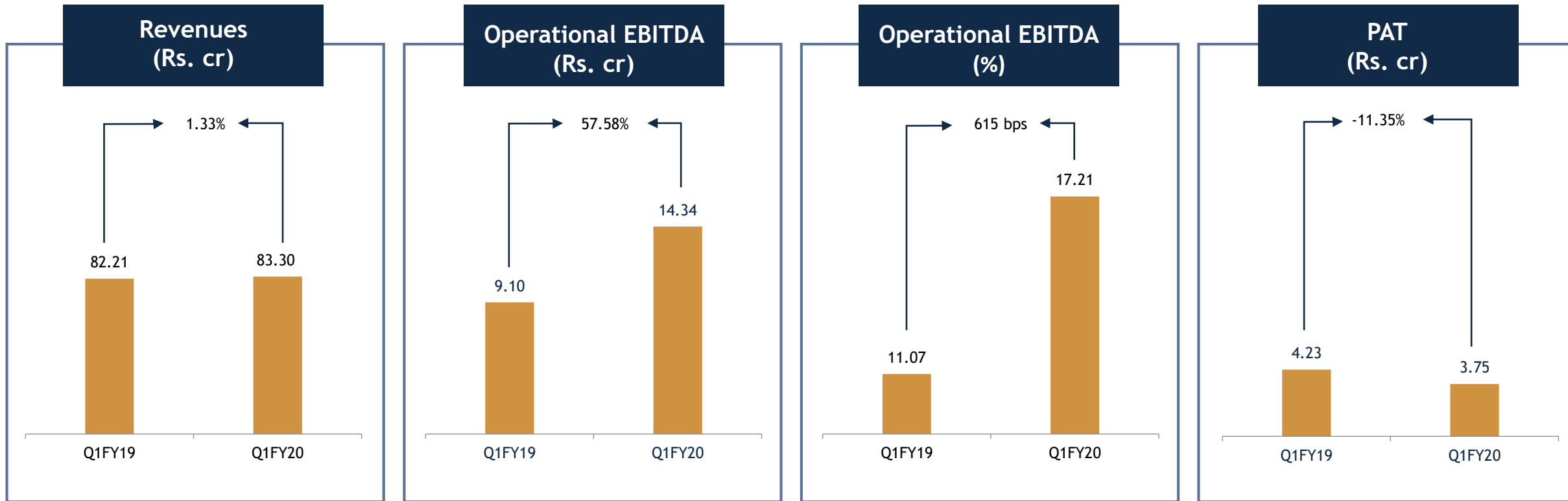
SUMMARY

- Flat revenue growth at 1.3%
- Pre Ind AS 116 EBITDA grew 8.0%. EBITDA margins at 11.8%
- Pre Ind AS 116 PBT grew 6.0%. PBT margins at 8.2%

Particulars (Rs. Crs)	Pre IND AS 116	Impact	Post IND AS 116
Net Revenue	83.30	-	83.30
EBITDA	9.84	4.50	14.33
EBITDA Margin %	11.8%	0.05	17.2%
Depreciation	1.51	(3.61)	5.12
Interest Cost	2.16	(2.00)	4.16
PBT before exceptions	6.87	(1.11)	5.76
PBT Margin	8.2%		6.9%

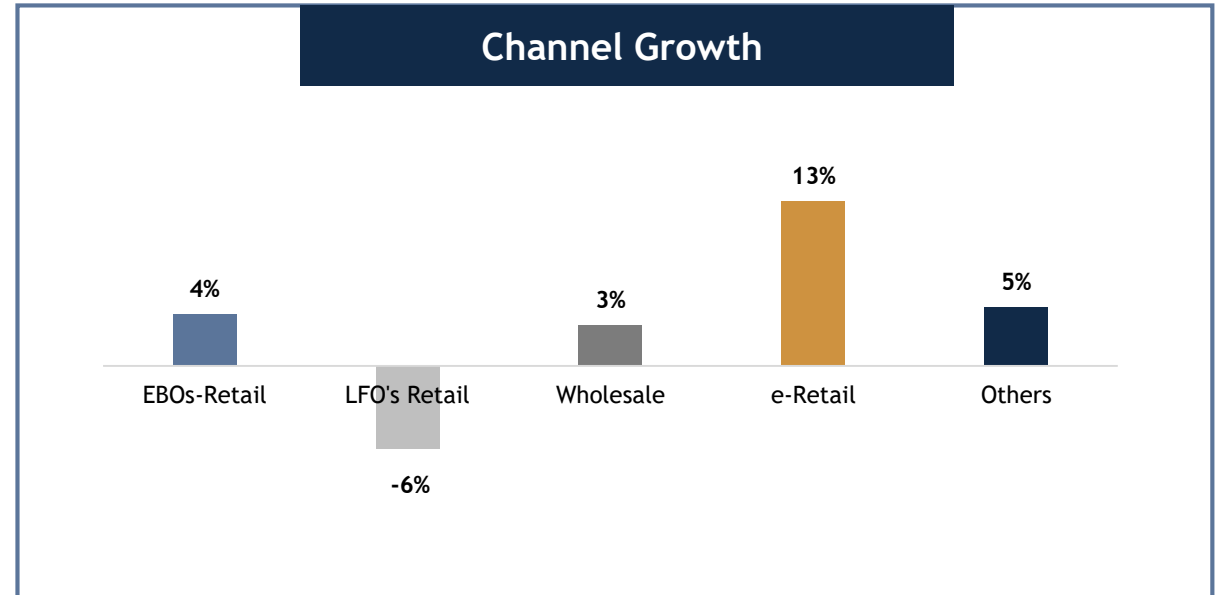
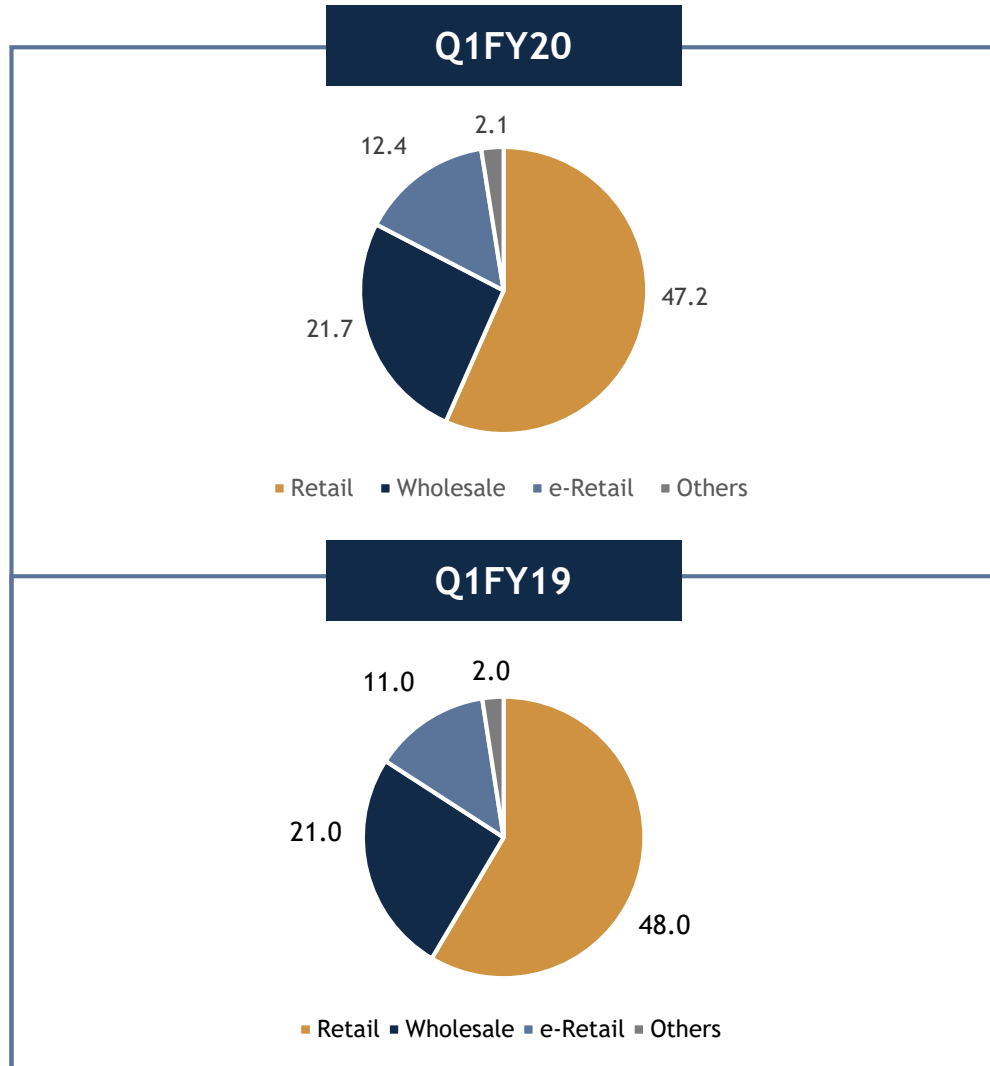


Q1FY20 FINANCIAL HIGHLIGHTS



- Revenues at Rs. 83.30 Crs., growth at 1.3%
- EBITDA margin trajectory by 615 bps. Pre Ind AS 116 EBITDA margins higher by 0.7%
- Pre Ind AS 116 PAT higher by 3% pts.

REVENUE CONTRIBUTION



- Overall EBO revenue grew 4%. Like for Like growth flat. EOSS sales was soft despite higher discounts
- LFO performance for the quarter remained soft with EOSS sales continuing to be weak
- Distribution channel grew 3%. Continues to face pressure on account of slow off-takes especially in the family stores and migration of many small to medium retailers to other categories
- E commerce has quickly adapted to the policy change and continues to be growth driver

PROFIT AND LOSS HIGHLIGHTS

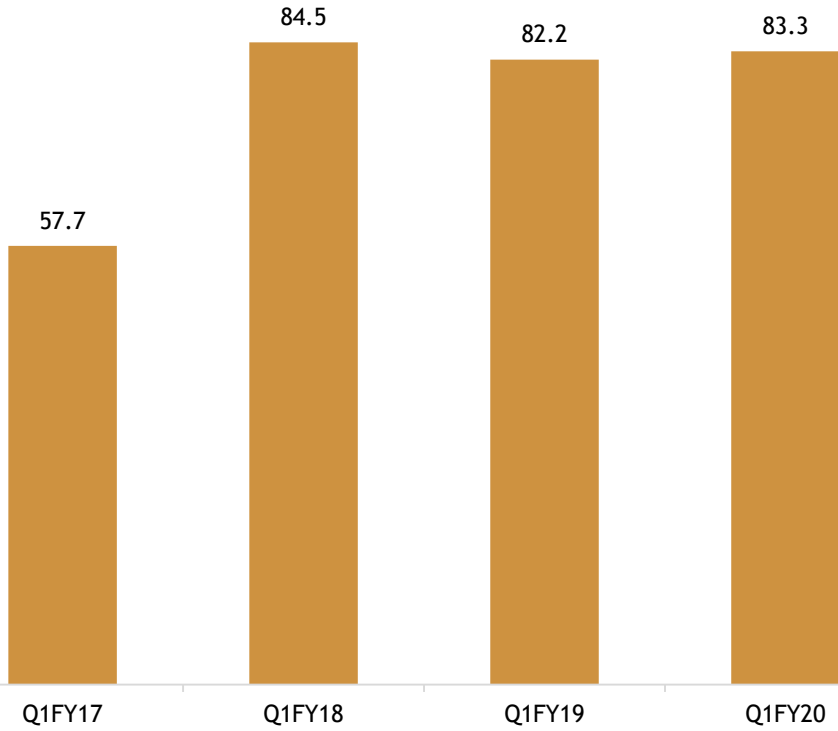


Rs. Crs.	Q1FY20	Q1FY19	Change (%)
Revenues	83.30	82.21	1.33
Cost of Materials	0.02	0.34	
Purchase of Finished Goods	47.02	26.17	
Change in Inventories	2.80	20.66	
Garment Processing Costs	0.37	1.03	
Employee Benefit Expenses	5.17	7.30	
Other Expenses	13.58	17.61	
Total Expenses	68.96	73.11	-5.68
Operating EBITDA	14.34	9.10	57.58
Other Income	0.70	0.75	
Gross EBITDA	15.04	9.85	52.69
Finance Costs	4.16	2.08	
Depreciation	5.12	1.27	
Profit Before Tax	5.76	6.50	-11.38
Tax Expenses	2.01	2.27	
Profit After Tax (before other comprehensive income)	3.75	4.23	-11.35
Other Comprehensive Income (net of tax)	0.07	0.18	
Total Comprehensive Income	3.82	4.41	

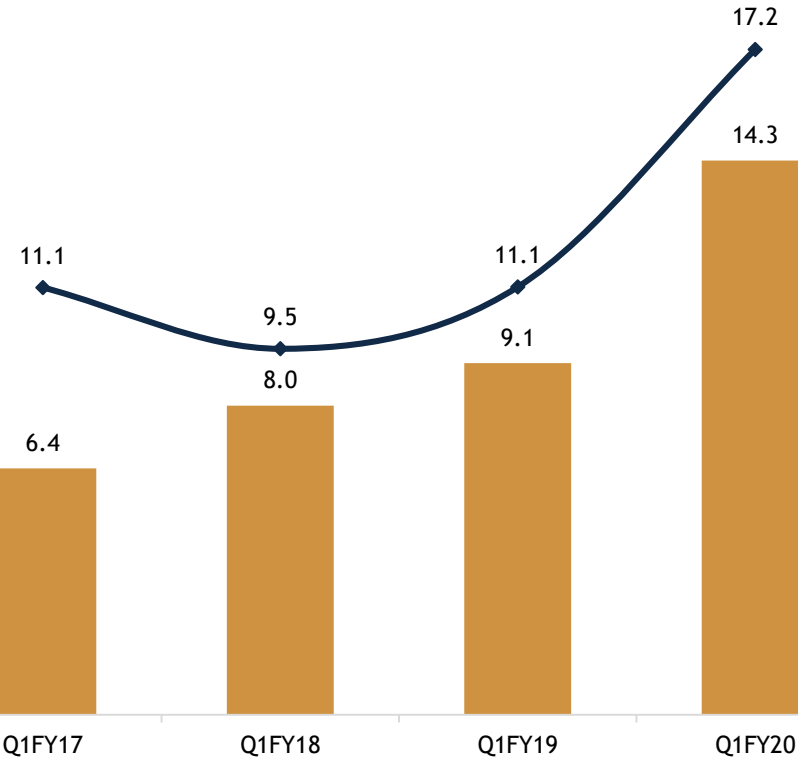
The Company has adopted Ind AS 116 using modified retrospective approach effective 01st April 2019 and hence figures are not comparable



Revenues (Rs. cr)



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



Q1FY20 figures are post Ind AS 116

EXCLUSIVE STORES



Region	Opening as on 1 st Apr 19	Additions	Closure / Converted	Closing as on 30 th June 19
South	82	4	0	86
West	30	1	2	29
North	29	9	1	37
East	14	3	1	16
Out of India	1	0	0	1
Total	156	17	4	169

Region	Closing As on 30 th June 19
COCO (Company Owned Company Operated)	9
COFO (Company Owned Franchisee Operated)	67
FOFO (Franchisee Owned Franchisee Operated)	85
EFO (Exclusive Factory Outlet)	8
Total	169

*Store Count - 169 under direct management + 4 Stores under distributor management



DISTRIBUTION NETWORK



169

Exclusive Doors
(inclusive of 8
Factory
Outlets)



380+

Doors in
Departmental
Stores



ACROSS
250+
CITIES OF
DIFFERENT
FORMATS



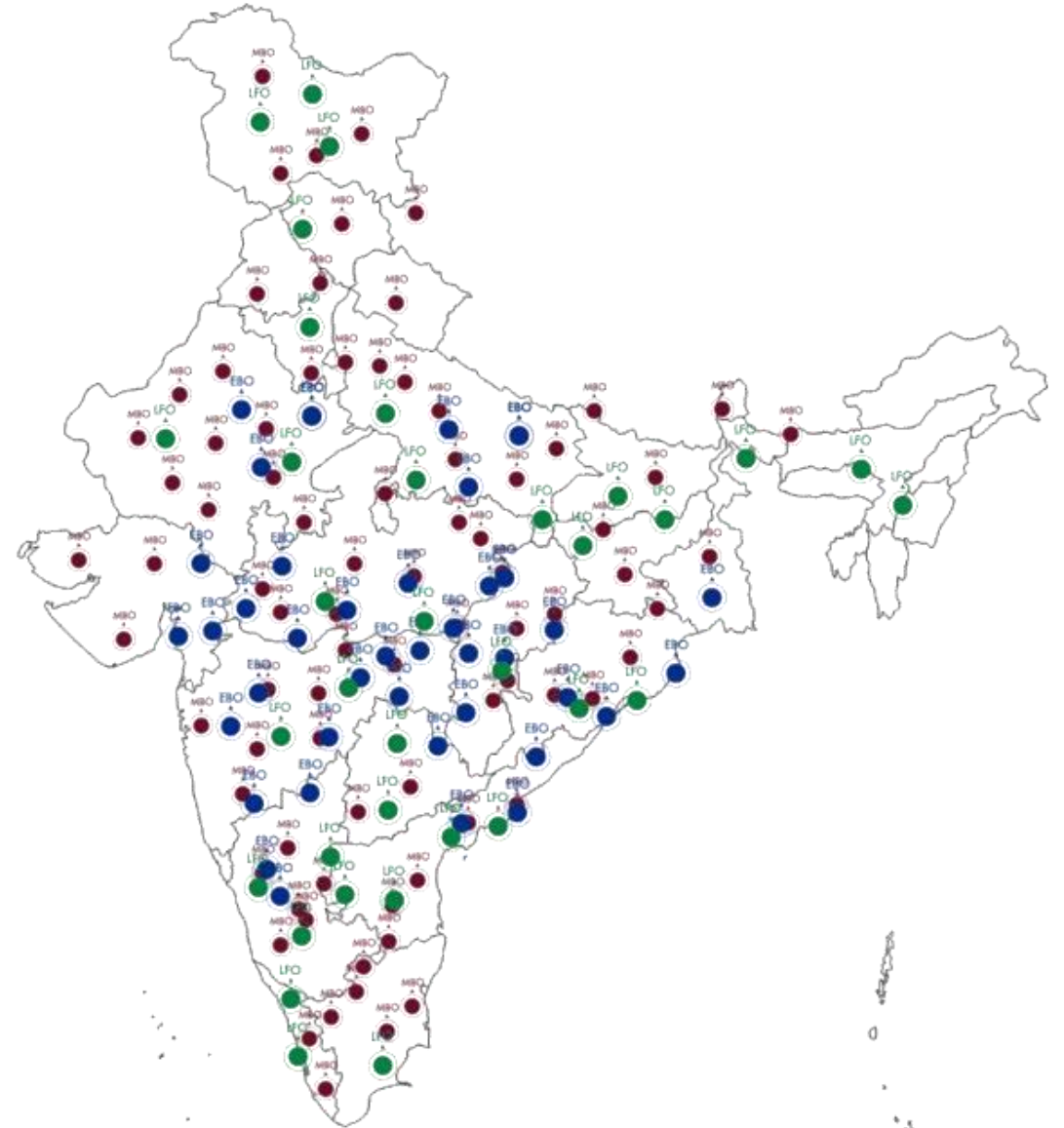
1400+

Doors under Multi
Branded Outlets



8+

E-commerce
Partners





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

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

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

“makes you feel good”



makes you feel good



INDIAN TERRAIN

makes you feel good



INDIAN TERRAIN

makes you feel good



INDIAN TERRAIN



INDIRA NAGAR - BENGALURU



...BY CONTINUING TO OPEN NEW HIGH PROFILE STORES



MARINA MALL - CHENNAI



...BY CONTINUING TO OPEN NEW HIGH PROFILE STORES



CITY CENTER MALL - GUWAHATI



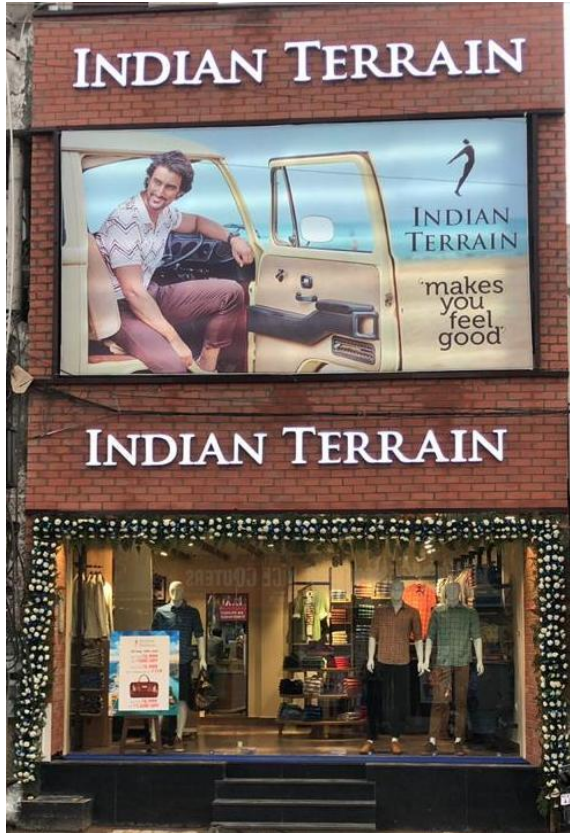


MATHURA- UTTAR PRADESH





HOSHIARPUR - PUNJAB





LUCKNOW - KAPOORTHALA





PALAKKAD -KERALA



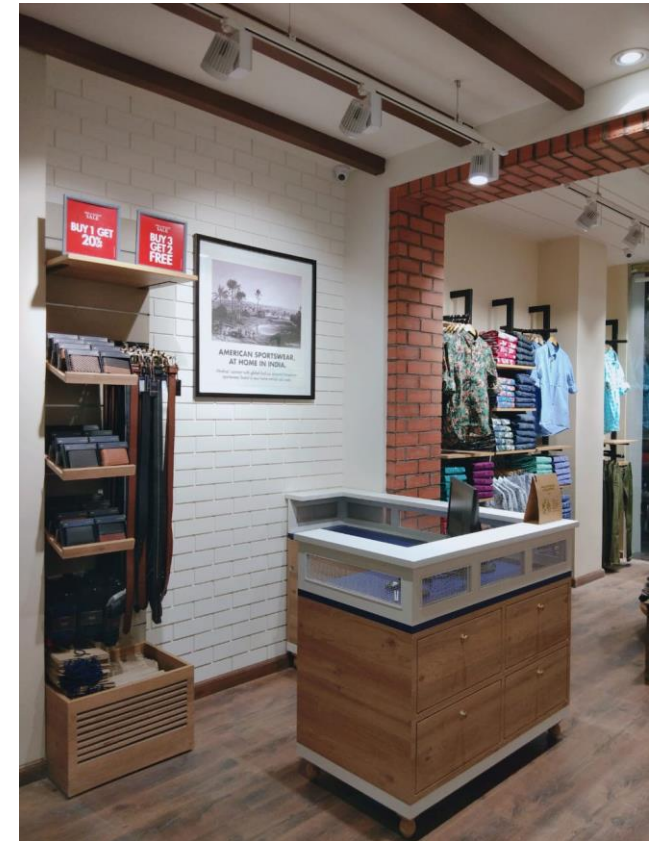
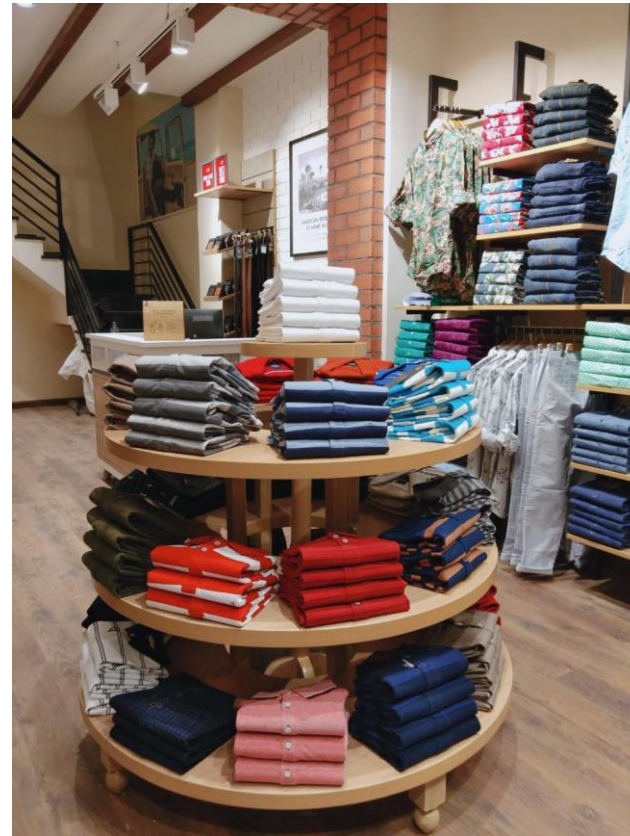


AD MALL - GORAKHPUR





BIKANER - RAJASTHAN





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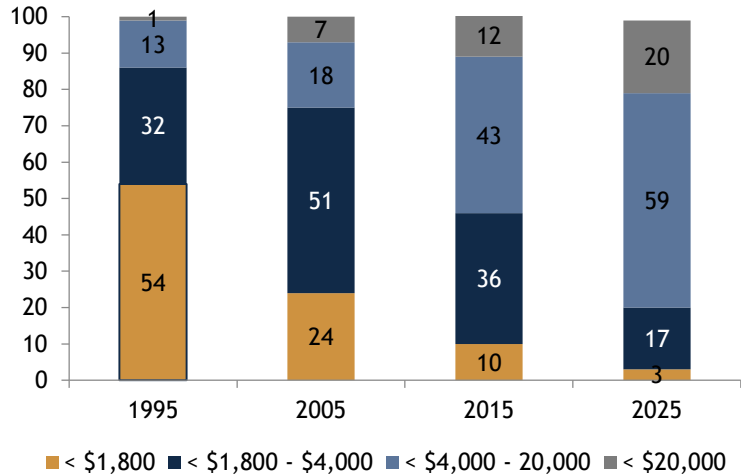
OUTLOOK



CONSUMPTION AND MACROS BODES WELL FOR INDUSTRIAL GROWTH

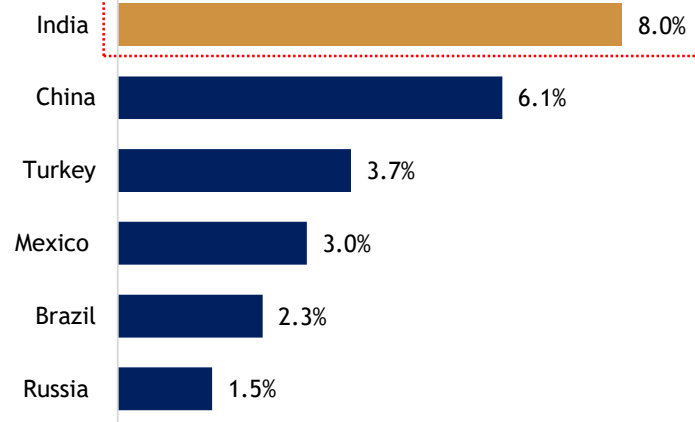


Share of total consumption by income class (%)



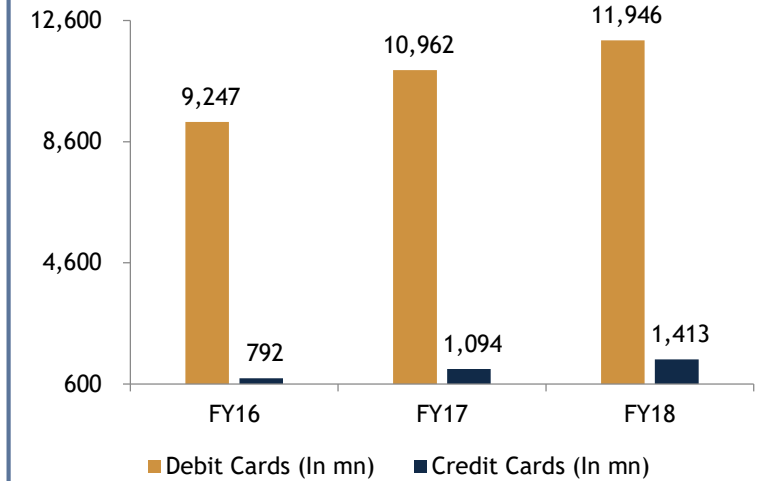
Middle and Affluent class to contribute 80% of total consumption by 2025

Real GDP compound annual growth rate (%), 2018-22E



India leading the way with highest growth among economies

Number of Transactions via Debit & Credit Cards



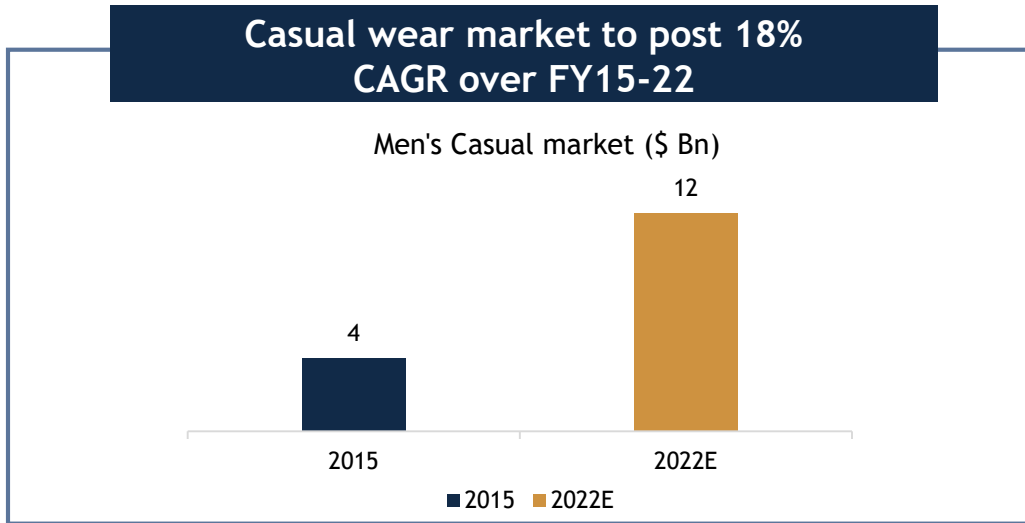
Consumer spends on discretionary leveraged with use of plastic money

Sources: McKinsey Report - EuroEconomist Intelligence Unit, RBI

Growing demand for casual wear bodes well for Indian Terrain

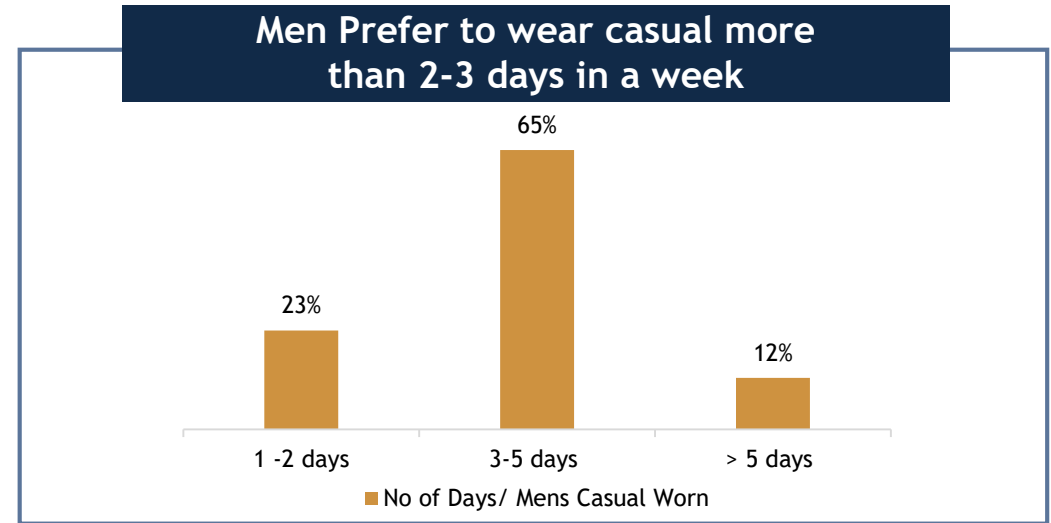


Casual wear market to post 18% CAGR over FY15-22



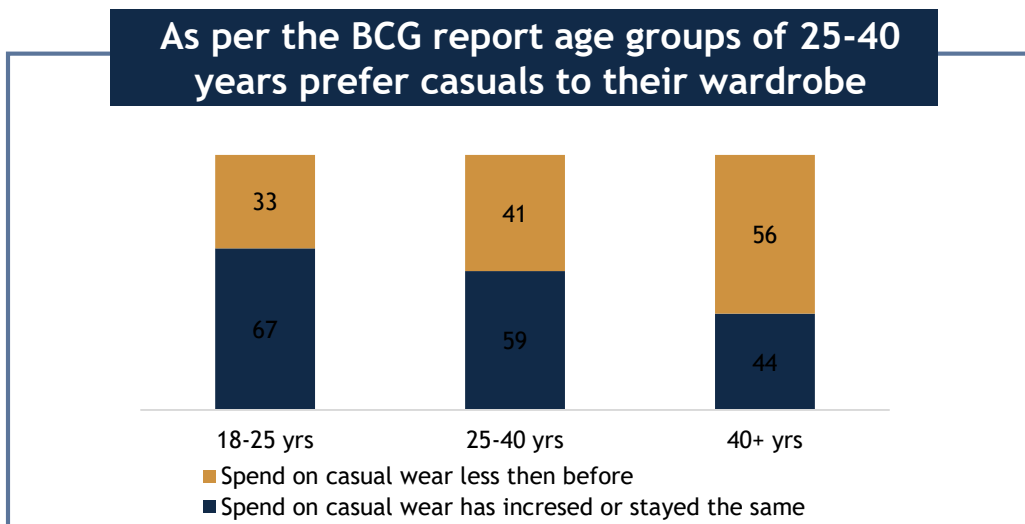
Source: BCG Report

Men Prefer to wear casual more than 2-3 days in a week



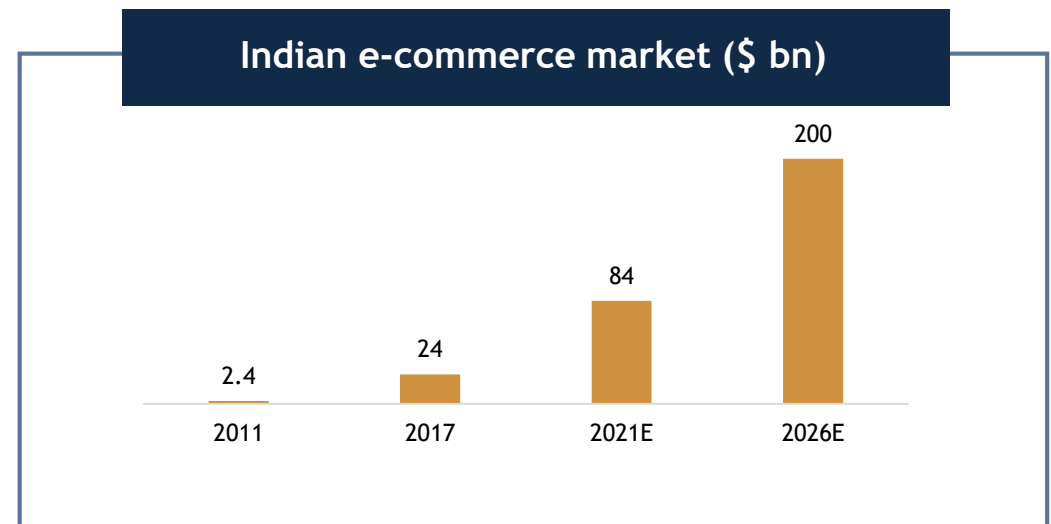
Source: BCG Report

As per the BCG report age groups of 25-40 years prefer casuals to their wardrobe



Source: BCG Report

Indian e-commerce market (\$ bn)

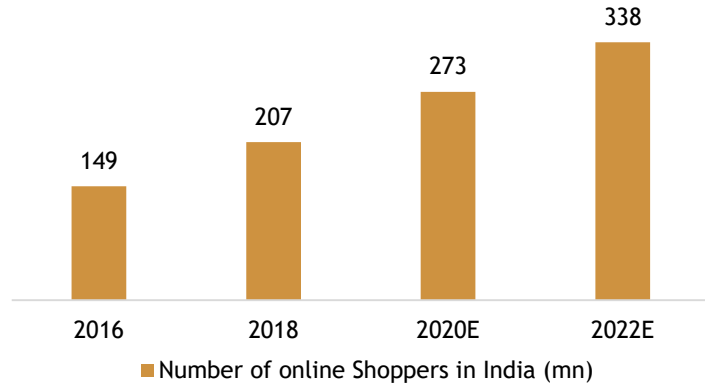


Source: Deloitte Report

E-commerce is rapidly gaining traction and enhancing consumer experience of shopping



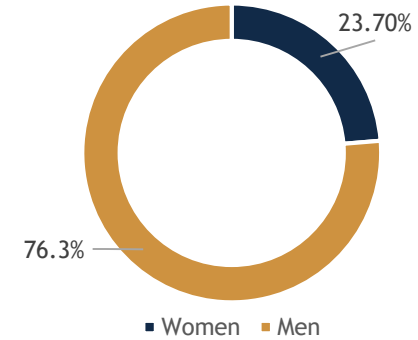
Availability of internet at lower cost is expected to see a rise in online users



Source: eshopworld

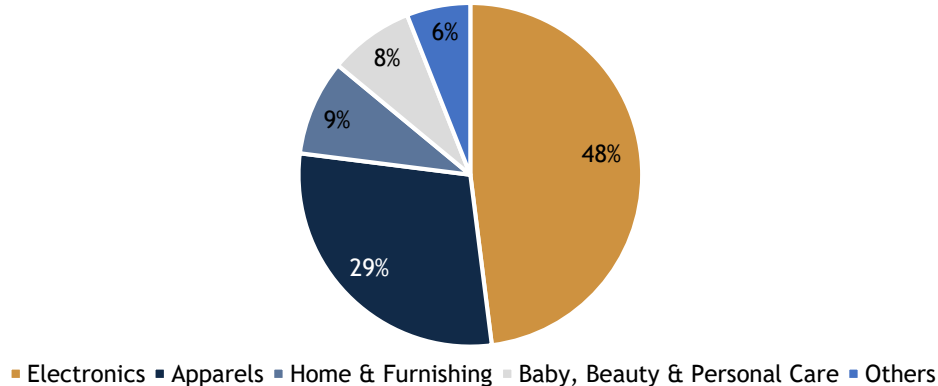
Men outnumber women online shoppers by 3x

Average Shopping per day (%)



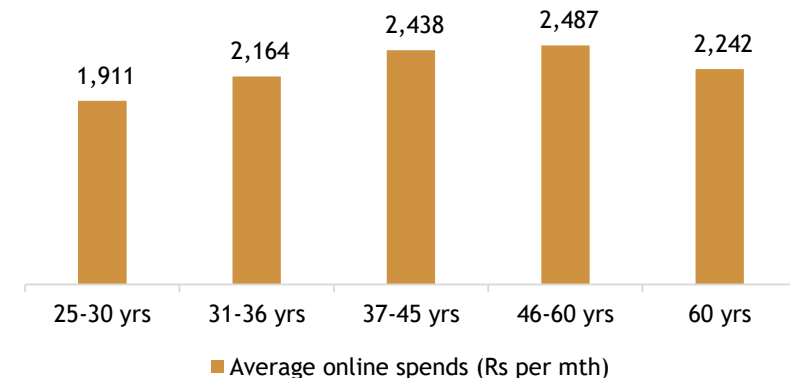
Source: Business Standard

Shares of Various Segments in E-commerce Retail by value (2018)



Source: Industry Report

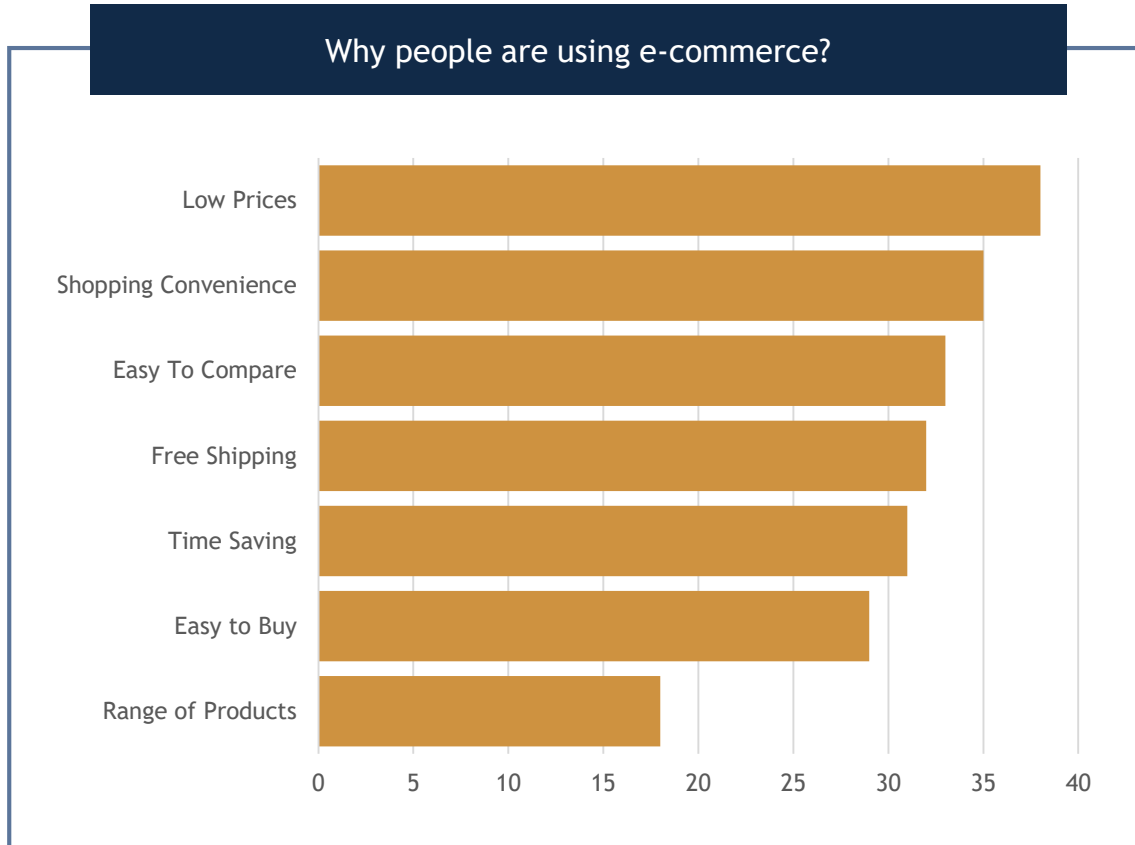
Higher age groups between 37-60 years show increase in monthly online ticket size



Source: Business Standard



OPPORTUNITIES



Source: Invesp : Deloitte - Online Retail in India Clicking Towards Growth, 2014)



**LOW INVESTMENT
– HIGH RETURNS**



**BENEFITS
APLENTY**



**NO SPECIAL
TECHNICAL SKILLS
REQUIRED**



**ADVERTISING
MADE EASY**



Expansion in Direct to consumer channel on a Franchised Asset light model. Smaller towns to be the focus.

01

Distribution - Aggressive focus on in smaller tier 2 and tier 3 towns and boys wear distribution.

02

Ecom continues to be the growth driver. Aggressive plans with ecom giving them higher visibility on merchandise, aggressive marketing plans - banners, targeted digital spends and market place expansion.

03

Build on the core with new interpretations.

04

Wide range of winter essentials for an expanded product category

05

New Product Category expansion in Lounge wear by leveraging the current retail network

06



SEASON AHEAD...

Domestic consumption continues to be muted on account of low consumer sentiments

01

Liquidity concerns in the trade channel

02

Demand to pick up mid September with onset of festivities.

03

Overall the quarter is expected to be modest in terms of growth and challenged working capital

04

WE CONTINUE TO FOCUS ON FUNDAMENTALS FOR THE COMING SEASON...

PRODUCTS
Build on the core with New interpretations

01

CHANNEL
Drive rapid scale and new opportunities

02

MARKETING
Strong investments in brand building through MSD

03



INDIAN
TERRAIN

ANNEXURE





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.







- 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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