



INDIAN TERRAIN



INDIAN TERRAIN FASHIONS LIMITED

Q4 & FY18 PERFORMANCE HIGHLIGHTS

MAY 2018



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The information contained in this presentation is only current as of its date. Please note that the past performance of the company is not and should not be considered as, indicative of future results.

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FY 2017-18 - First Year under Ind AS



The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2017. The financial results for the Quarter and Year ended 31st March 2018 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition is 1st April 2016 and the impact of the transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly.

In view of adoption of Ind AS and the resultant reassessment / re-measurement of financials for the opening and comparative periods, the financial statements for the Quarter and Year Ended 31st March 2018 is not strictly comparable with the financial statements for the corresponding period previous year



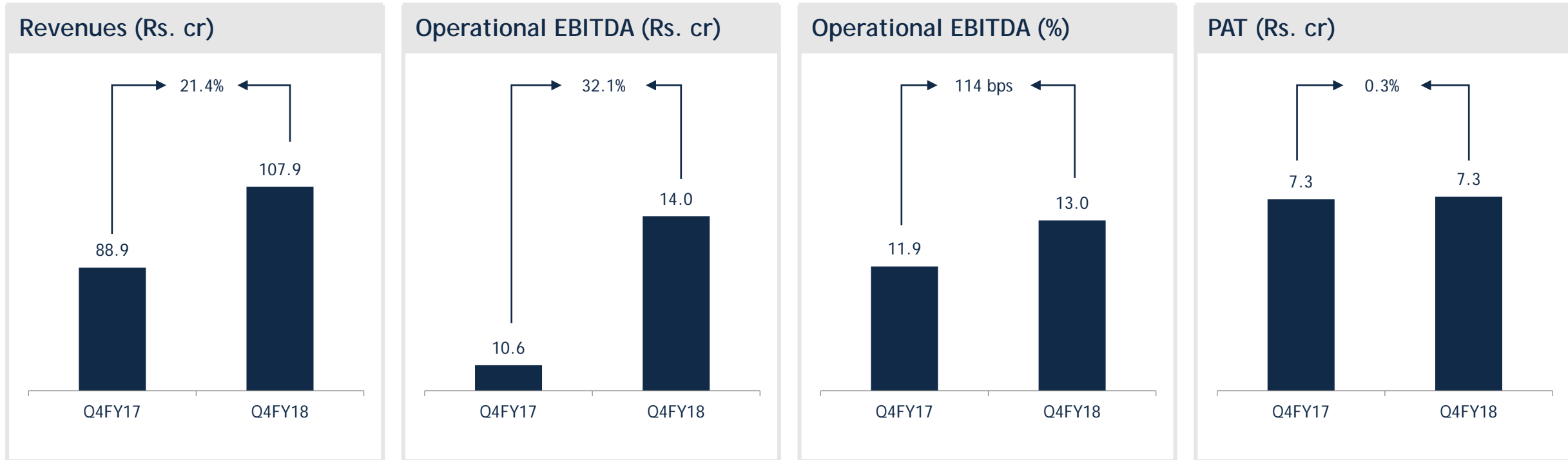
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Result Highlights



Q4FY18 Financial Highlights



- 21% growth in revenues
- 33% growth in EBITDA

 Q4FY18 Snapshot 

Revenues grow 21% YoY

- Uptick in business across channels led to 21% YoY growth in revenues to Rs. 107.9 cr.
- Retail growth was flat in January with advancement of EOSS to December and higher discounts
- Hard stop of EOSS by end January impacted revenues by 2% for the Quarter
- However the early start of new season helped gain business momentum with February and March recording growth upwards of 20%* YoY; SSG for the Quarter remained at 6%*
- Wholesale trade witnessed full swing dispatches and higher absorption of new season merchandise; revenues were upwards of 20% YoY excluding impact of incremental taxes
- Continued traction on Boyswear helped the segment grow over 30%* YoY

Ind AS effect

- The Company with the adoption of Ind AS effective 1st April 2017, has reassessed its revenues and provisions. Consequent to the same, the revenues reported under Ind AS for the Quarter ended 31st March 2018 and 31st March 2017 are not comparable

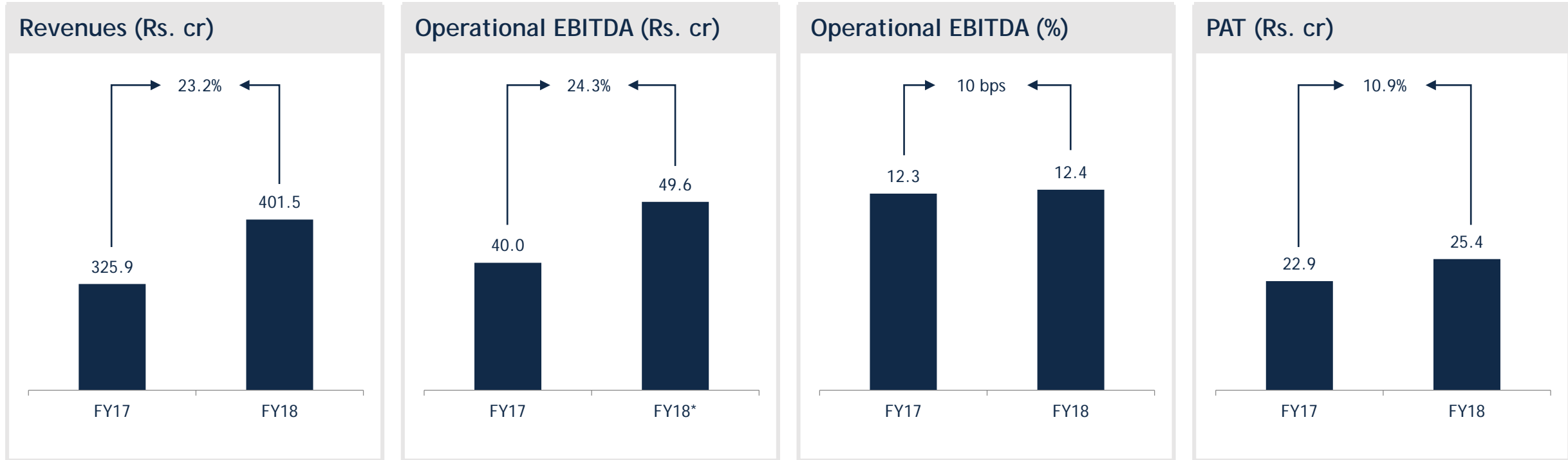
*realized retail revenue excluding the impact of Ind AS adjustment for Quarters ending 31st March 2018 and 31st March 2017

 Q4FY18 Snapshot **Operational EBITDA grows at 32.5%**

- Operational EBITDA stood at Rs. 14.1 cr up 32.5% YoY; margins improve by 114bps YoY to 13.0%
- Improvement to gross contribution margins with dominance of wholesale trade business and GST benefits flowing in
- Hard stop EOSS by Jan end and early onset of new season help lowered discounting by 1%
- Increase in Personnel Costs with expansion of retail footprint coupled with strengthening of team across critical areas
- Control on other operating costs
- Finance costs rose with increased utilisation of bank limits
- Incremental depreciation on higher base of assets
- PBT at Rs. 11.3 cr up 20% YoY
- Taxes for current year at Rs. 4.0 cr against Rs.3.3 cr (excluding adjustment of prior period item for FY17)
- Profit After Tax stood flat at Rs.7.3 cr



FY18 Financial Highlights



*Excludes one-time GST impact of Rs. 1.71 cr

Q4 & FY18 - P&L highlights



Rs. cr	Q4FY18	Q4FY17	Change (%)	FY18	FY17	Change (%)
Revenues	107.9	88.9	21.4	401.5	325.9	23.2
Cost of Materials	8.8	14.7		42.8	56.6	
Purchase of Finished Goods	82.5	53.8		181.4	131.1	
Change in Inventories	(33.2)	(25.3)		(7.2)	(19.0)	
Garment Processing Costs	5.5	10.1		24.2	24.8	
Employee Benefit Expenses	7.3	5.7		29.3	21.9	
Other Expenses	23.0	19.3		81.4	70.6	
Total Expenses	93.9	78.3	19.9	351.9	286.0	23.0
Operating EBITDA	14.0	10.6	32.1	49.6	40.0	24.3
Impact of GST provisioning				(1.7)		
Other Income	0.9	1.4		2.5	5.3	
EBITDA	14.9	12.0	24.2	50.4	45.2	11.5
Finance Costs	2.5	2.0		7.1	8.9	
Depreciation	1.1	0.5		4.2	3.0	
Profit Before Tax	11.3	9.5	18.9	39.1	33.3	17.4
Tax Expenses	4.0	2.2		13.7	10.4	
Profit After Tax (before other comprehensive income)	7.3	7.3	0.0	25.4	22.9	10.9
Other Comprehensive Income (net of tax)	(0.3)	-		(0.2)	-	
Total Comprehensive Income	7.0	7.3		25.2	22.9	

(Figures rounded off to one decimal)



Q4FY17 - Reconciliation - IGAAP and INDAS



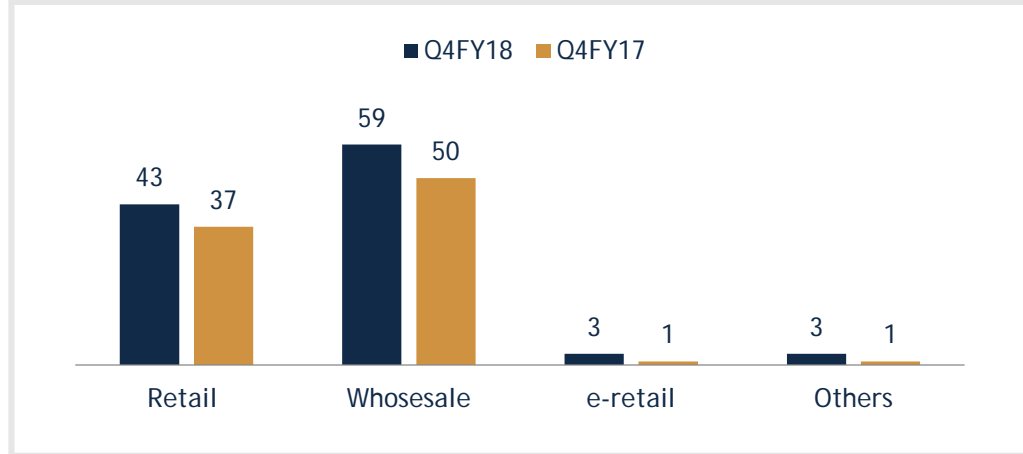
Rs. cr	Revenue	EBITDA	PAT
As per IGAAP	118.30	15.88	10.06
As per INDAS	88.91	12.00	7.25
Difference	-29.39	-3.88	-2.81
Reclassification			
Discount Sharing, Cash Discounts, Sales Incentive earlier reported as selling expenses now reduced from revenue	-21.88		
Total Reclassification	-21.88		
Re-measurement			
Revenue reassessment based on risk and reward transfer net off additional provision for returns & loyalty points	-7.51	-3.83	-3.83
Others		-0.05	-0.09
Tax impact on the above			1.11
Total Re-measurement	-7.51	-3.88	-2.81
Total Reclassification and Re-measurement	-29.39	-3.88	-2.81



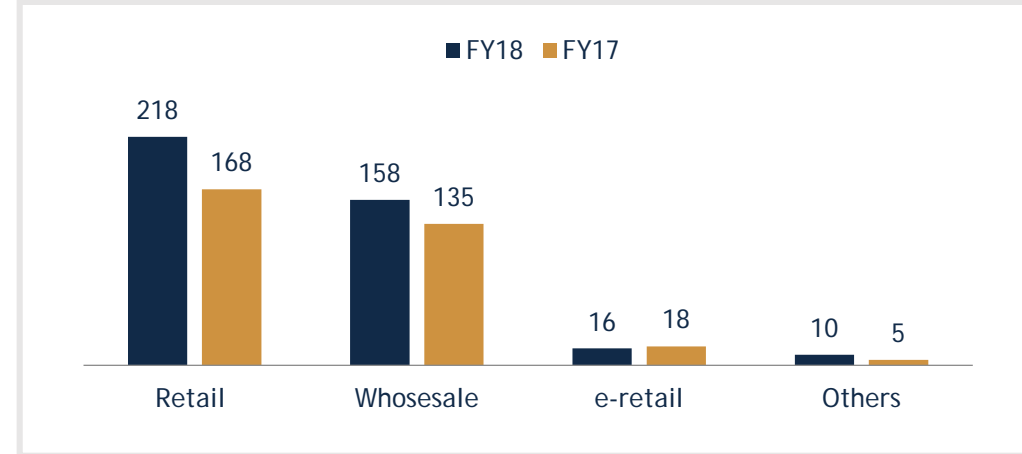
Revenue contribution



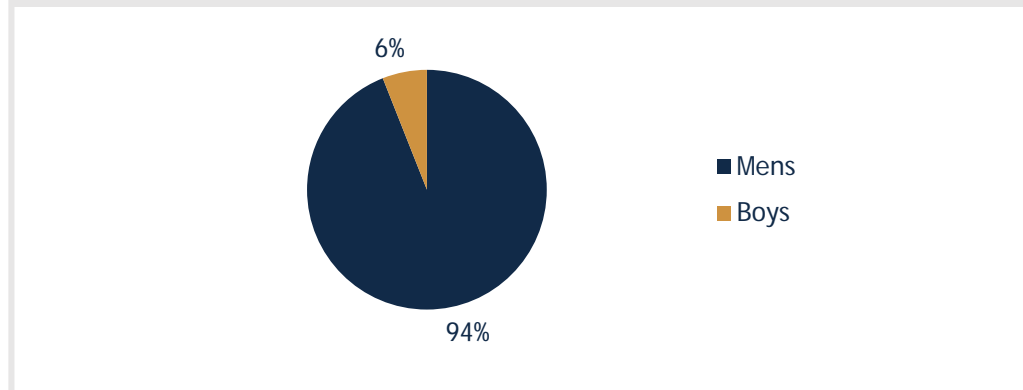
Channel mix-Q4 (Rs. cr)



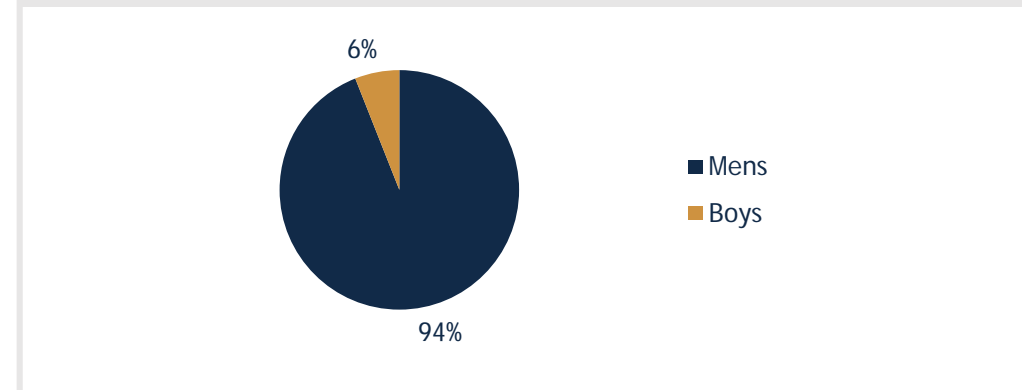
Channel mix-FY18 (Rs. cr)



Q4FY18 (%)



Q4FY17 (%)



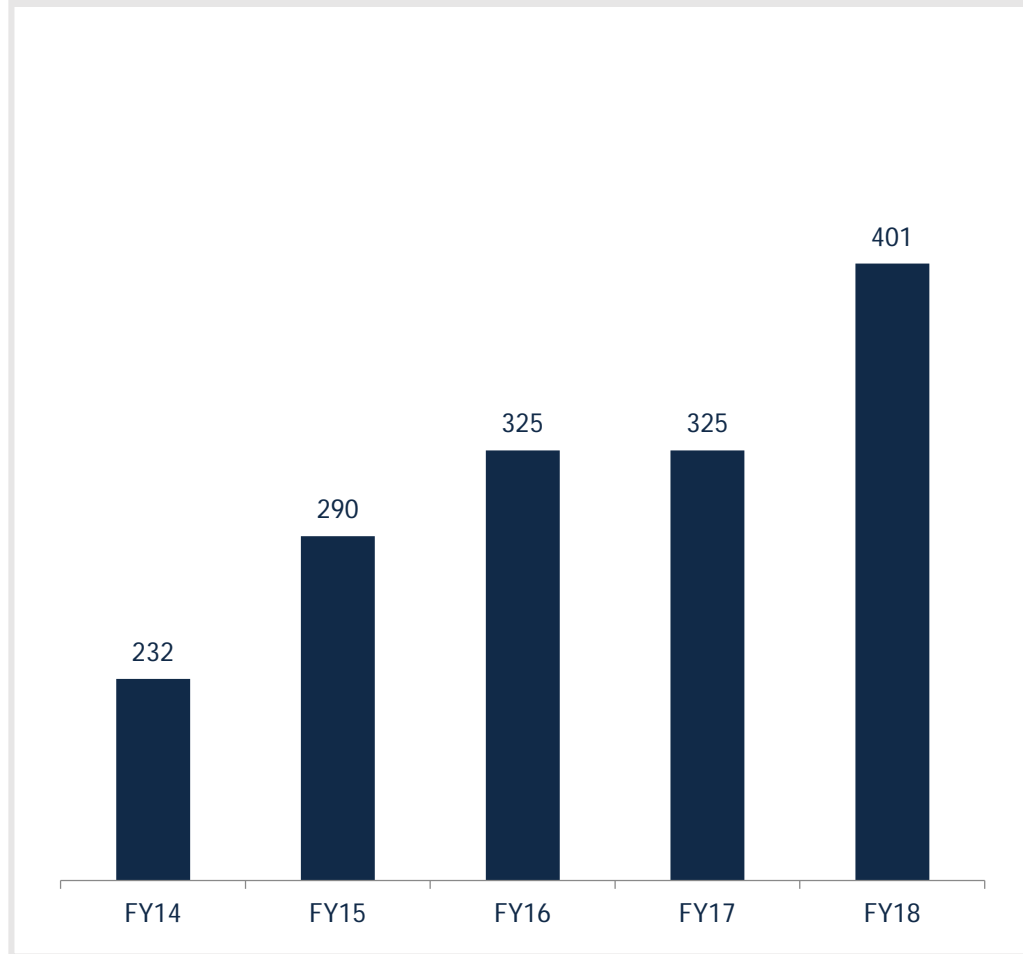
(Revenues rounded off to nearest crore)



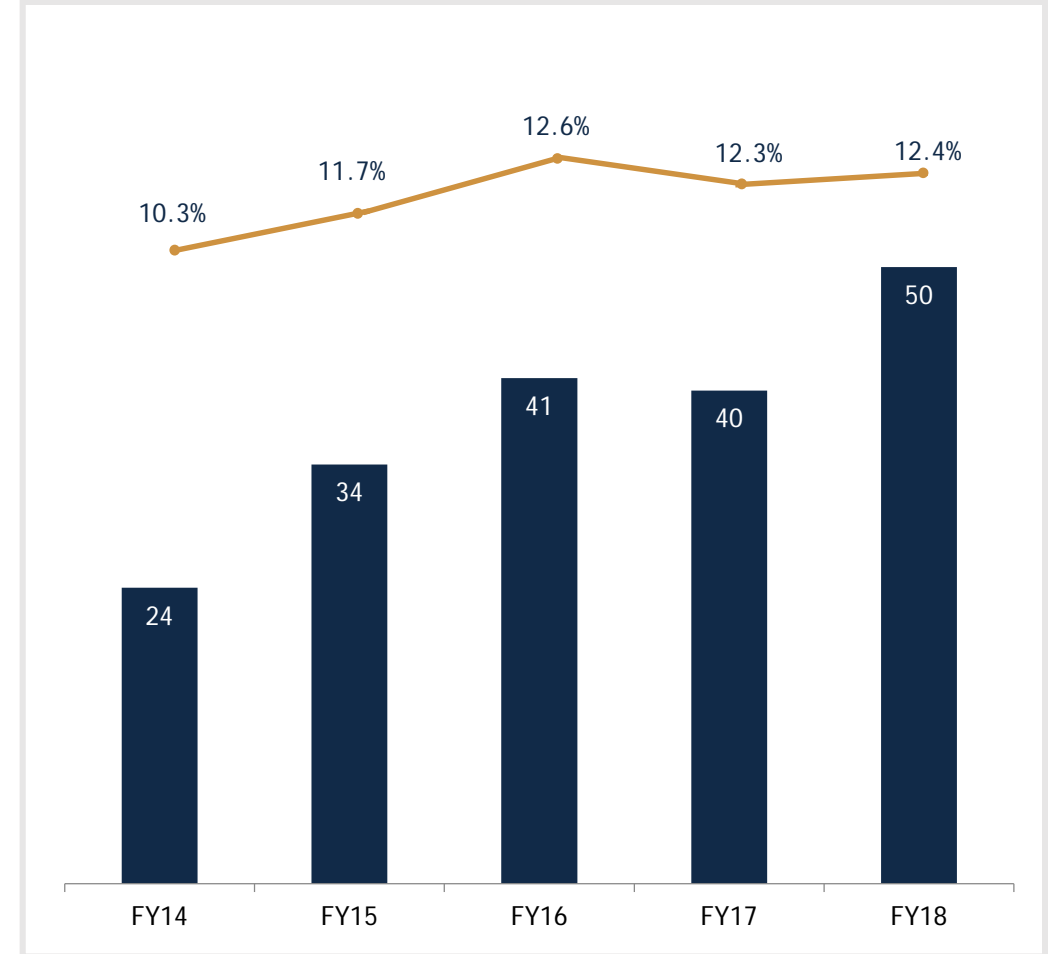
Performance overview



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 Jan	Additions	Closure	Closing as on 31 st Mar
South	67	3	1	69
West	33	2	1	34
North	32	2		34
East	14		1	13
Out of India	1			1
Total	147	7	3	151



Region	Closing As on 31 st Mar
COCO (Company Owned Company Operated)	6
COFO (Company Owned Franchisee Operated)	33
FOFO (Franchisee Owned Franchisee Operated)	109
EFO (Exclusive Factory Outlet)	3
Total	151



* Store count - 151 under direct management + 8 stores under distributor management

Distribution Network



159
Exclusive Outlets



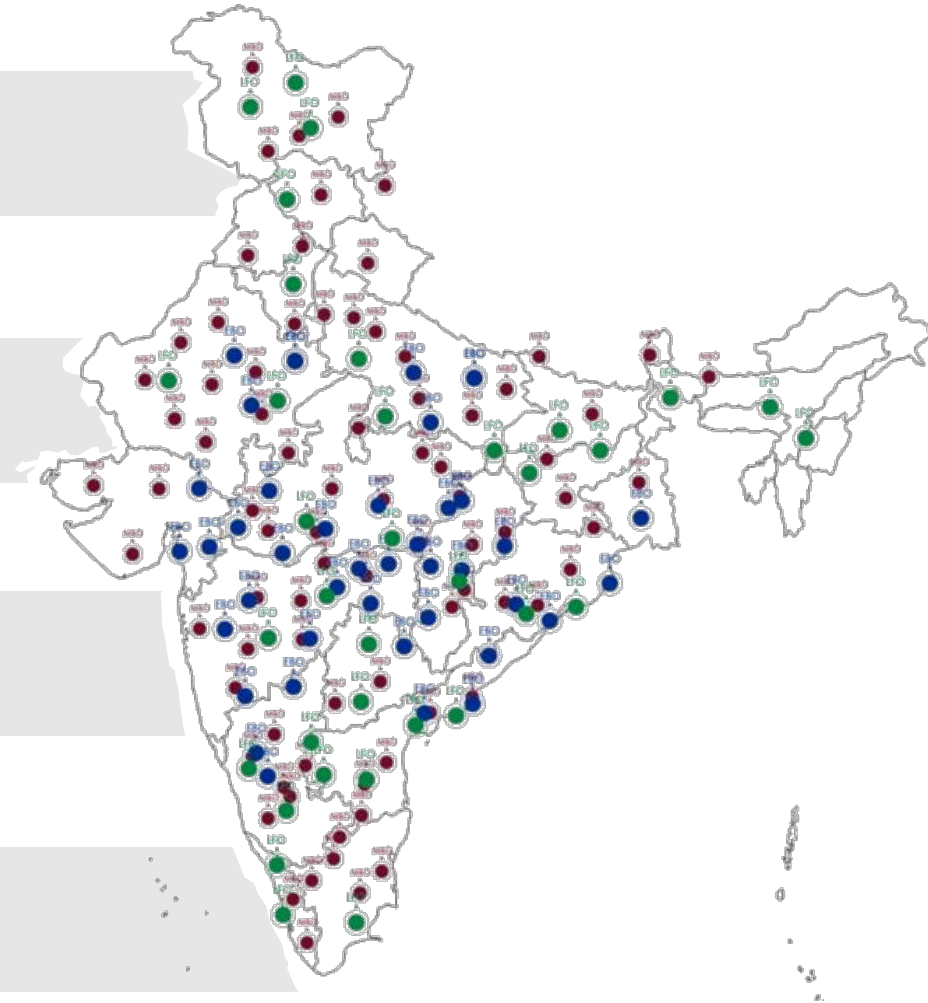
367
doors in Departmental Stores



1400+
doors under Multi Branded Outlets



7+
Ecommerce Partners



PRESENT ACROSS 250+ CITIES THRU DIFFERENT FORMATS



New store launches

SECTOR17, CHANDIGARH



VR PUNJAB, MOHALI





New store launches

DB MALL, GWALIOR



MALL OF TRAVANCORE, TRIVANDRUM



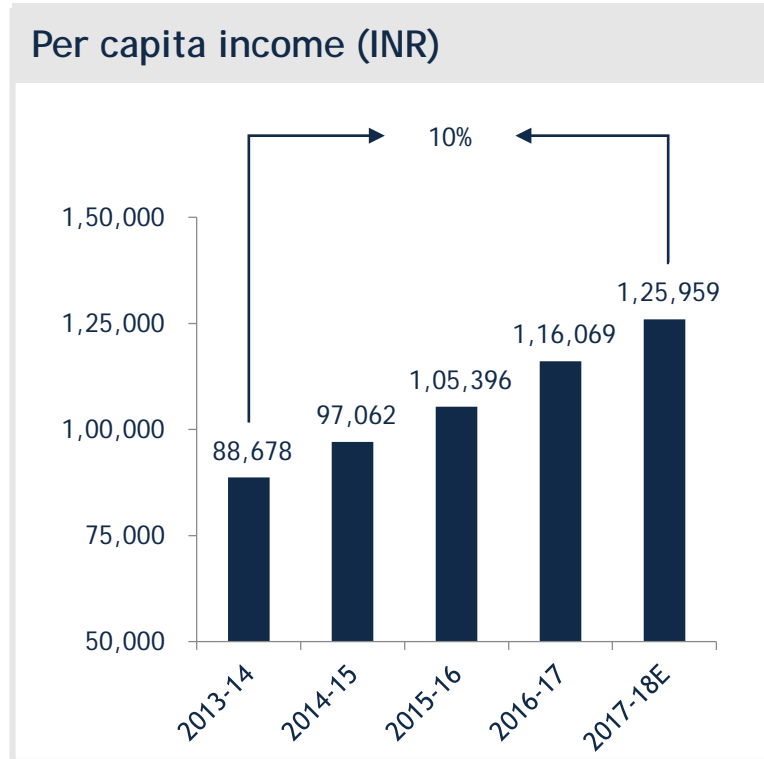


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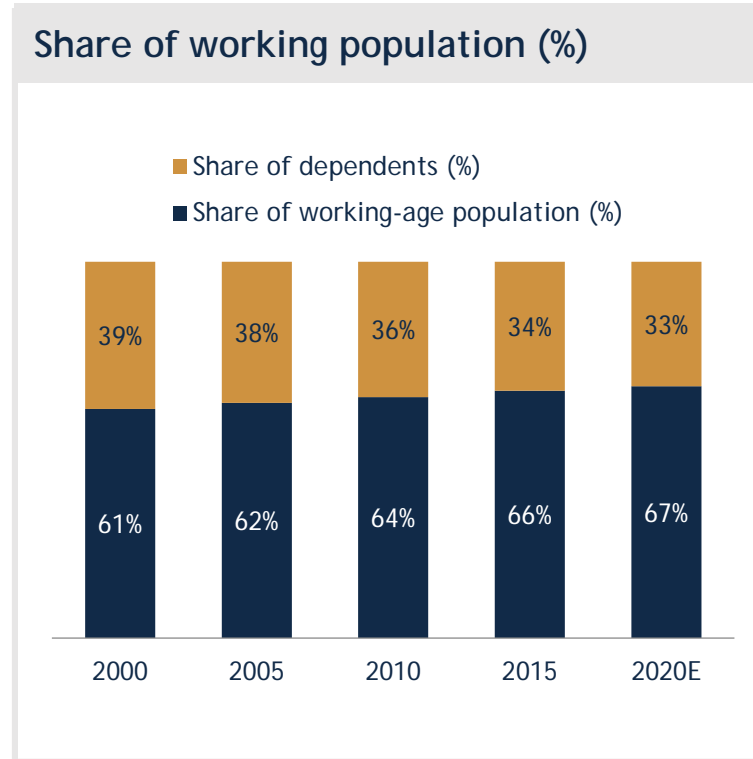


Outlook

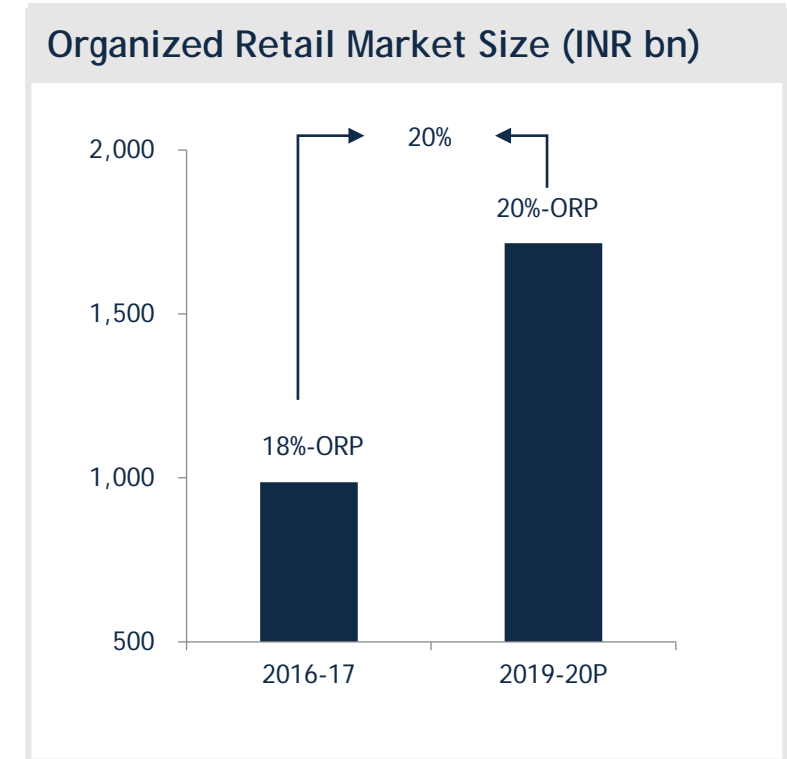
Organized retail to benefit from favourable demographics



Steady growth suggests rising spends



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

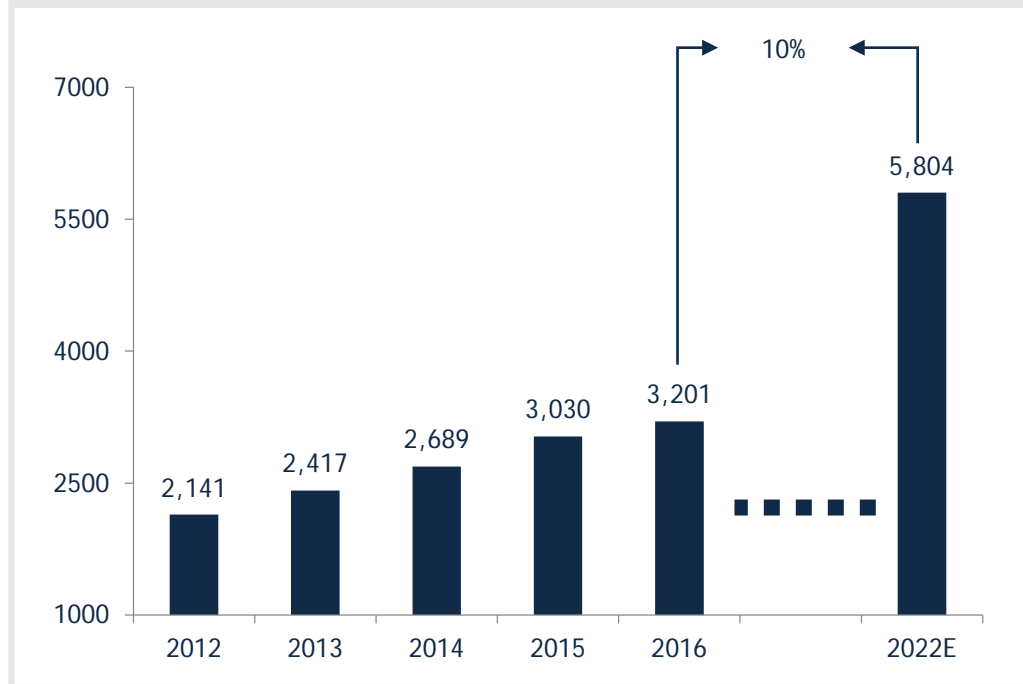


Organized retail market to be INR 1,716 bn by FY20E

Sustainability in industry growth over longer haul

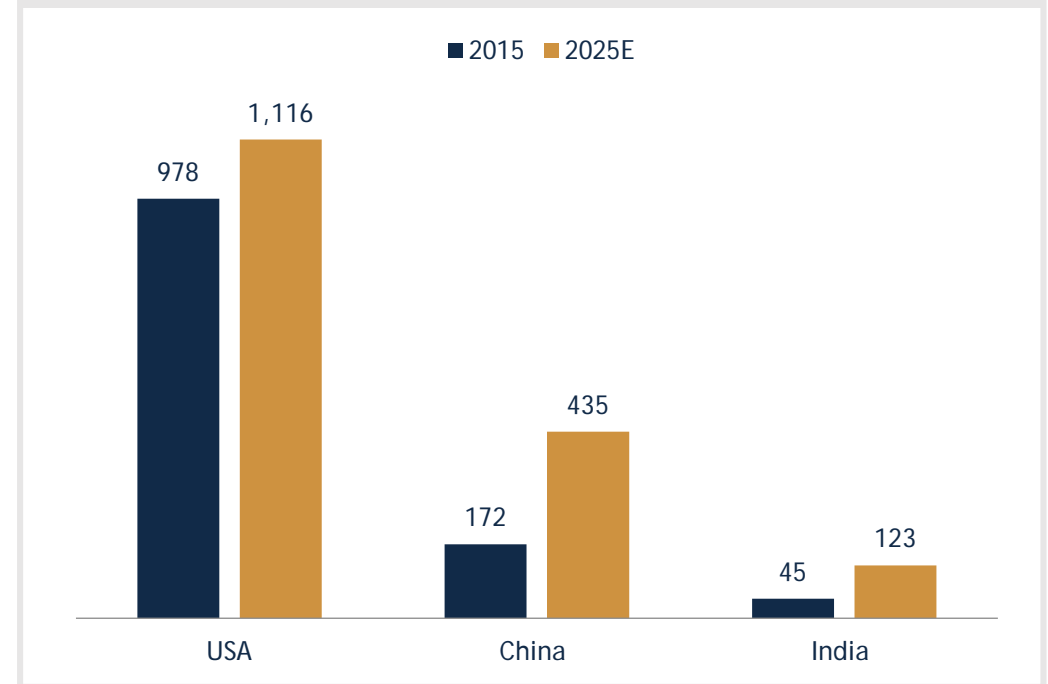


Domestic ready made garment industry (INR bn)



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

Per capita spend on apparel (USD)



Clear headroom for upside in per capita spend on apparels



FY19: Expansion plans on track, Boyswear to gain further traction

- With the aberrations of the past year behind us and consumption picking up, the business outlook remains buoyant
- FY19 will see growth momentum continuing across both business lines of Men's & Boys
- The year will witness increased marketing spends on Brand visibility and salience building
- 20 new exclusive stores and 150 new Shop in Shop doors are expected to be added during the year
- E-Commerce will see a much bigger thrust with expanded presence across platforms, enhanced product assortments and exclusive products
- Investments will continue in Retail Analytics, Technology Solutions and the capex guidance for FY19 is Rs. 8 cr including new stores, renovations and SIS
- Brand Strategies for the year may also include a component of diversification for unlocking growth opportunities



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Annexure

Brand Identity



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



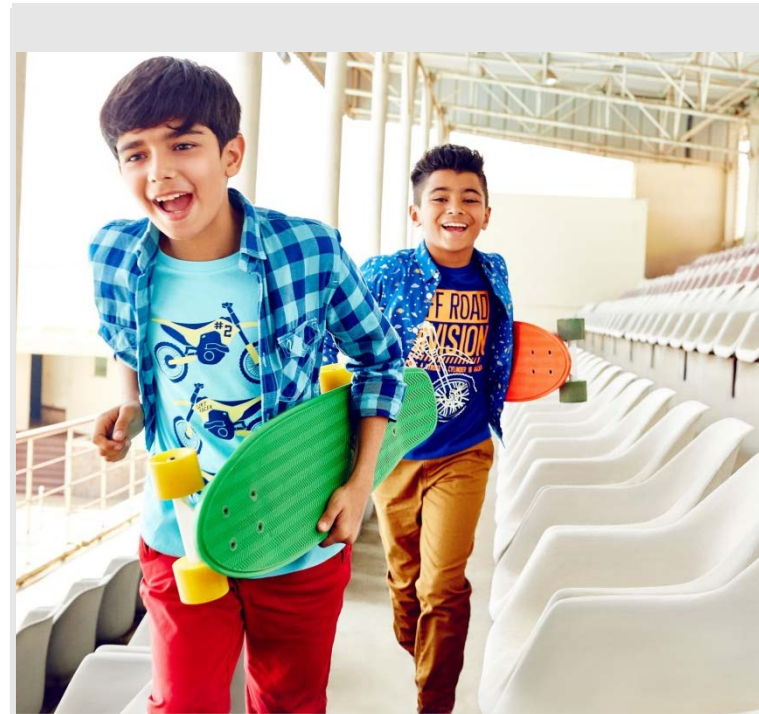
Iconic Product: Khaki. Made in India during World War II and since then, an integral part of American Sportswear.



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



This summer just got cooler with our refreshing take on stripes and amplified indigo collection with 'dip-dyed' effect



Get your boy pepped this summer with our biker graphics in glow in the dark T-Shirts

Awards & Accolades



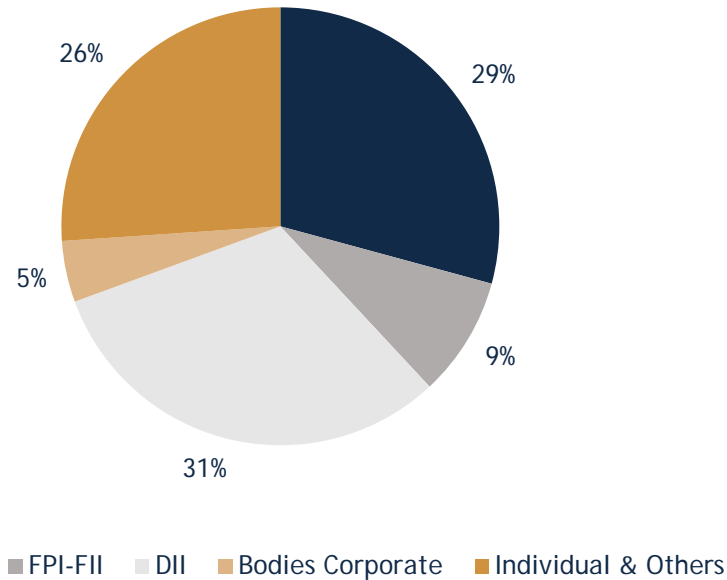
- Awarded as the best company in the Sustaining Award Category at TiE, 2017 Chennai
- Awarded as the Best Emerging Brand by Lulu Mall in 2016
- Voted by Infashion as the “Most Admired Readymade Garment Manufacturer” in south India 2013
- Ranked 11th in the list of “Most Trusted Apparel Brands” by Economic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



Marquee institutions have invested in ITFL



Shareholding Pattern



(As on 31th March 2018)

Key Shareholders

Holding (%)

Reliance Capital Trustee Co. Ltd - A/C Reliance Small Cap Fund	9.86
SBI Magnum Multicap Fund	9.42
Malabar India Fund Limited	4.89
Sundaram Alternative Opportunities Fund - Nano Cap Series I	3.75
DSP Blackrock Midcap Fund	2.95
EOS Multi Strategy Fund Ltd	2.02
Limiar Fund (Master) LP	1.71
Sundaram Mutual Fund - A/C Sundaram Select Micro Cap Series Xiv	1.62
Malabar Value Fund	1.34
Sundaram Alternative Opportunities Fund - Nano Cap Series II	1.25

(As on 31th March 2018)



Stock information



Stock price chart (INR)



Stock information (As on 28th May 2018)

- Market cap (INR) - INR 719 cr.
- Shares outstanding - 3.79 cr.

Stock codes

- BSE: 533329
- NSE: INDTERRAIN





Contact information



Contact information

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Corporate office

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Chennai 600 045, INDIA

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SPRING-SUMMER '18

