



ITFL/SEC/2019-20/MAY/09

21st May, 2019

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400 051

Scrip Code - 533329

NSE Symbol: INTERRAIN

Dear Sir/Madam,

Sub: Investor Presentation for the quarter and financial year ended 31st March, 2019

We hereby enclose the Investor Presentation on the financial results of the Company for the quarter and financial year ended 31st March, 2019.

Kindly take the same on records. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For **INDIAN TERRAIN FASHIONS LIMITED**

Ravi B.S.G
Company Secretary & Compliance Officer



Encl.: as above

INDIAN TERRAIN FASHIONS LIMITED

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INDIAN TERRAIN FASHIONS LIMITED

Q4FY19 PERFORMANCE HIGHLIGHTS | MAY 2019



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This presentation may contain certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial condition and growth prospects and future developments in our sector and our competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results, performances or events to differ materially from the results contemplated by the relevant forward looking statement. The factors which may affect the results contemplated by the forward looking statements could include, amongst others, future changes or developments in (i) the Company’s business, (ii) the Company’s competitive environment, and (iii) political, economic, legal and social conditions in India.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates.

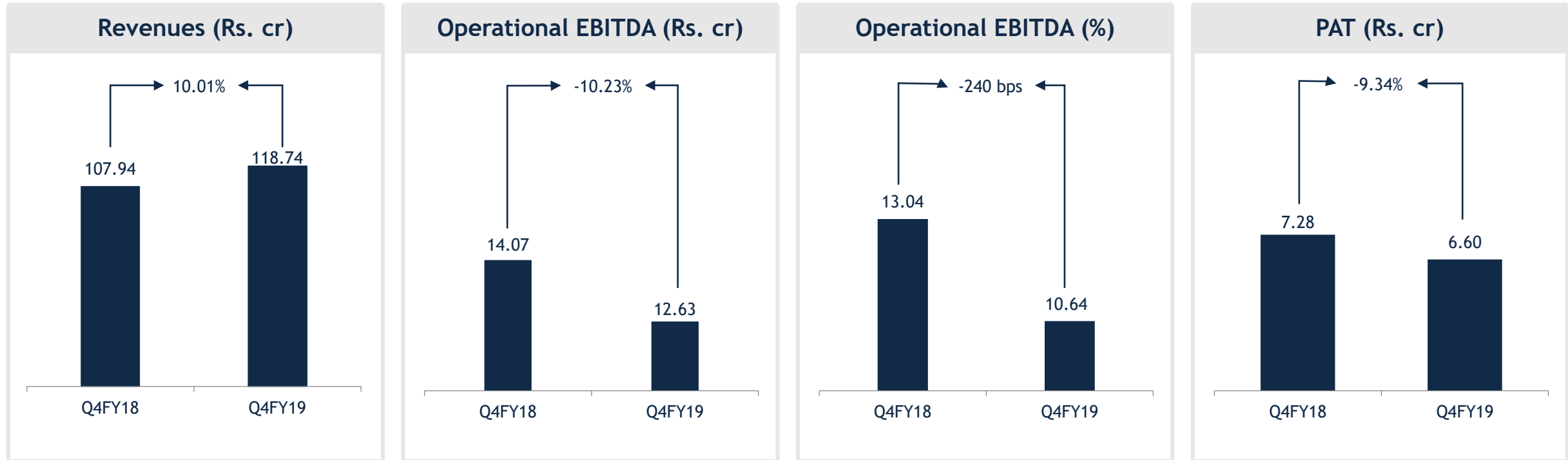
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Result Highlights

Q4FY19 Financial Highlights



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



Q4FY19 Snapshot



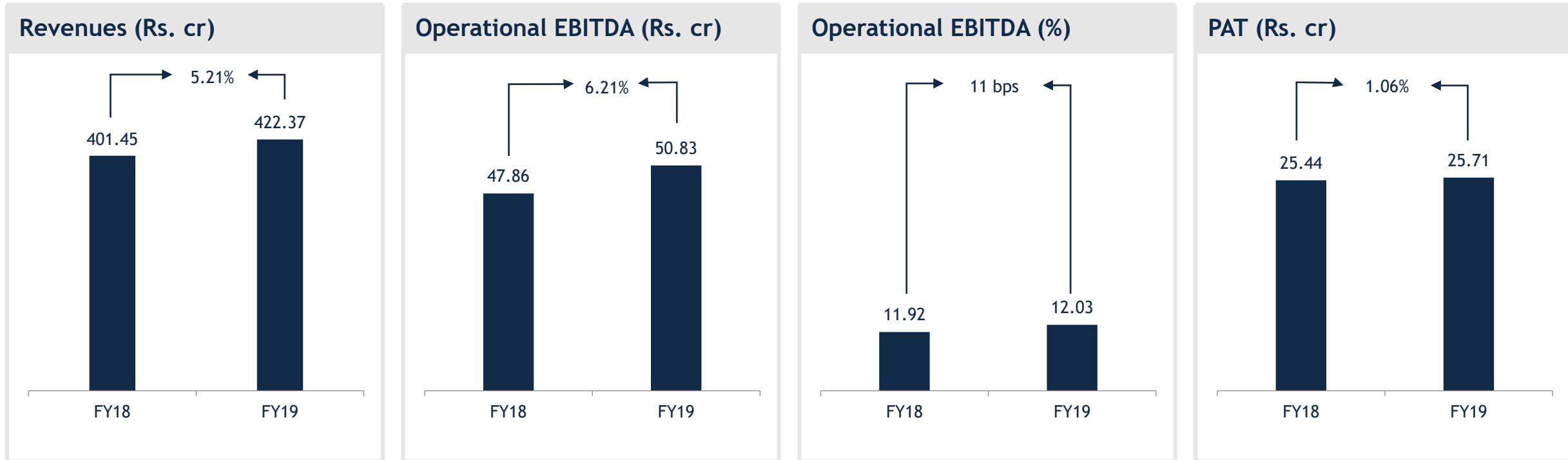
Revenues

- 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



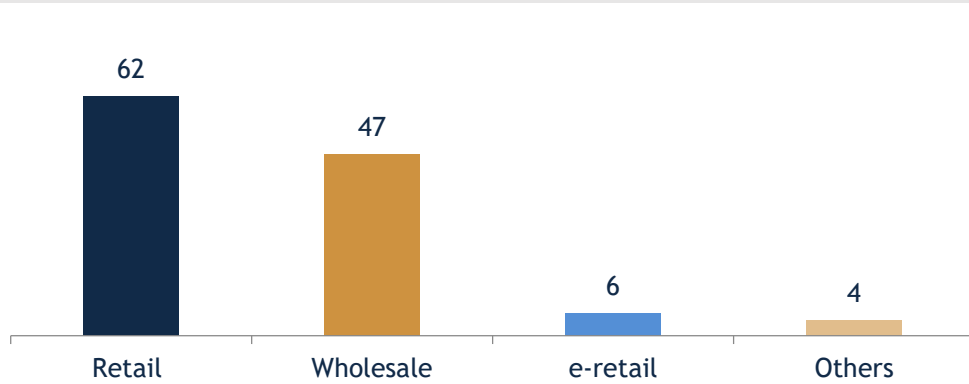
Rs. Crs.	Q4FY19	Q4FY18	Change (%)	FY19	FY18	Change (%)
Revenues	118.74	107.94	10.01	422.37	401.45	5.21
Cost of Materials	0.42	8.78		1.85	42.86	
Purchase of Finished Goods	86.30	82.51		239.46	181.44	
Change in Inventories	(16.64)	(33.22)		10.68	(7.24)	
Garment Processing Costs	0.35	5.55		2.24	24.25	
Employee 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	



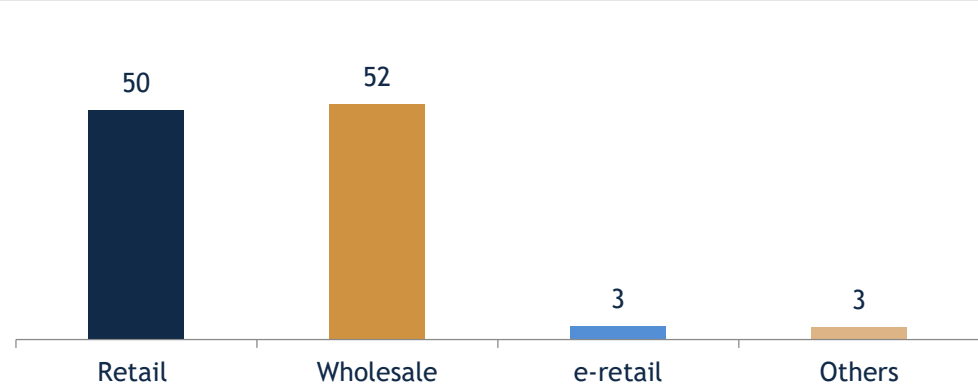
Revenue contribution



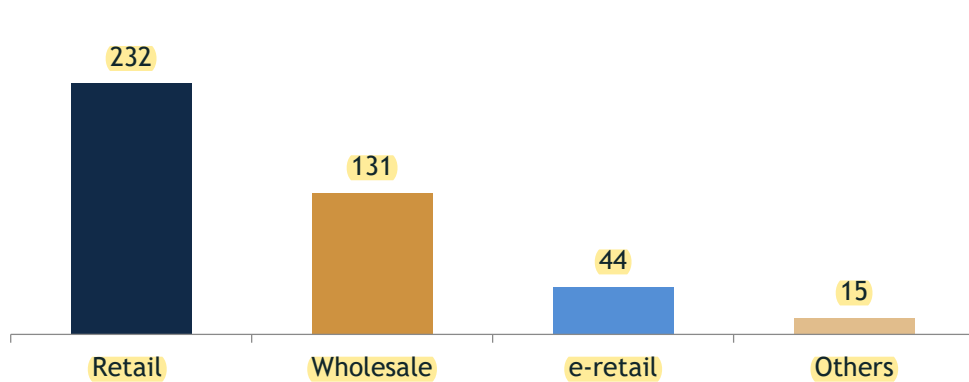
Channel mix - Q4FY19 (Rs. cr)



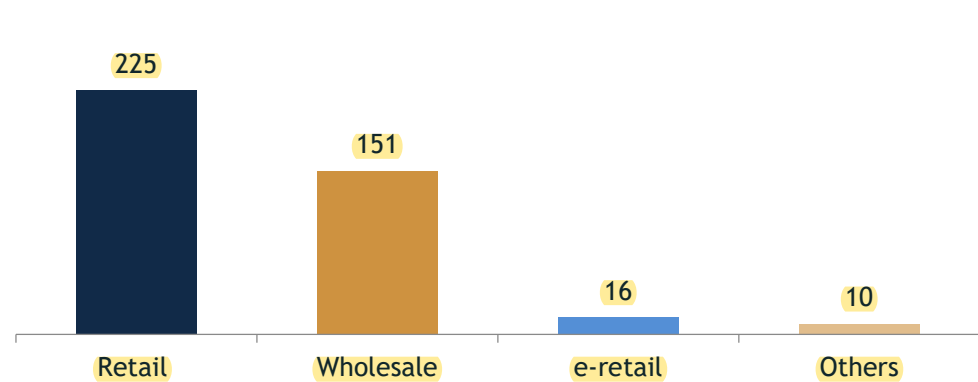
Channel mix - Q4FY18 (Rs. cr)



Channel mix - FY19 (Rs. cr)



Channel mix - FY18 (Rs. cr)

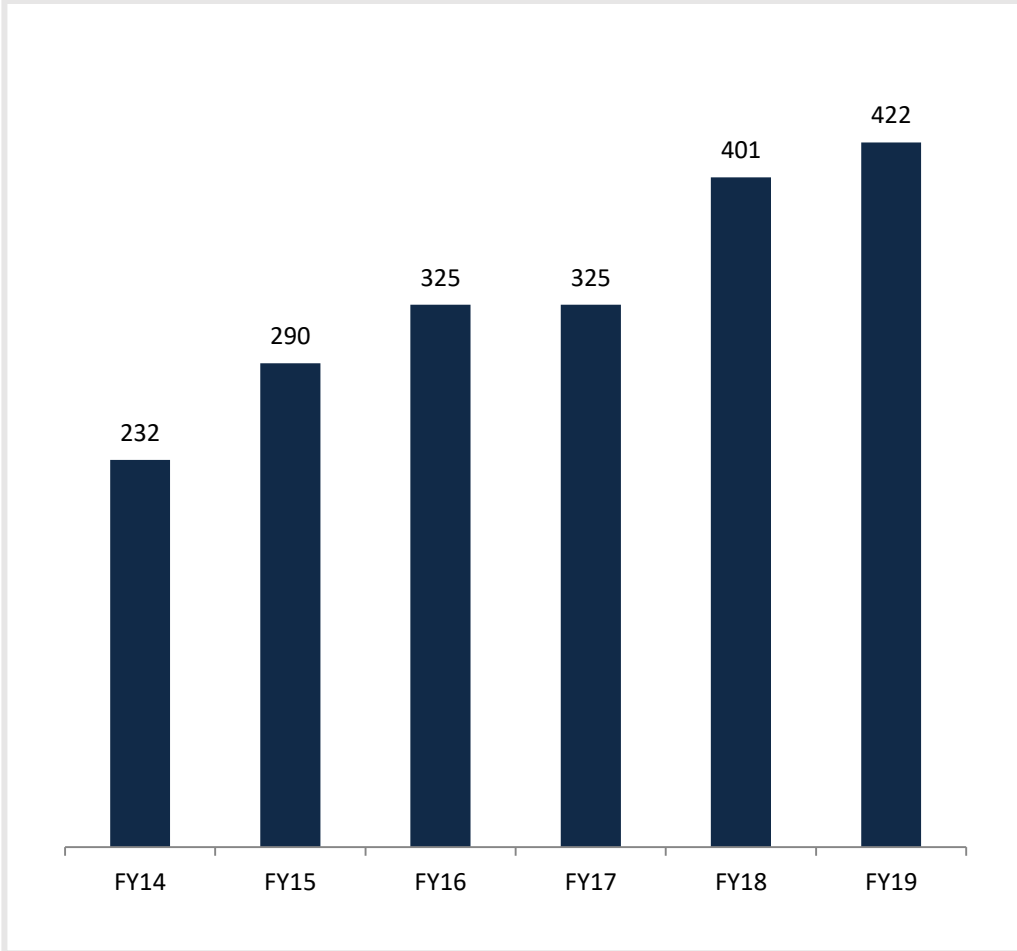




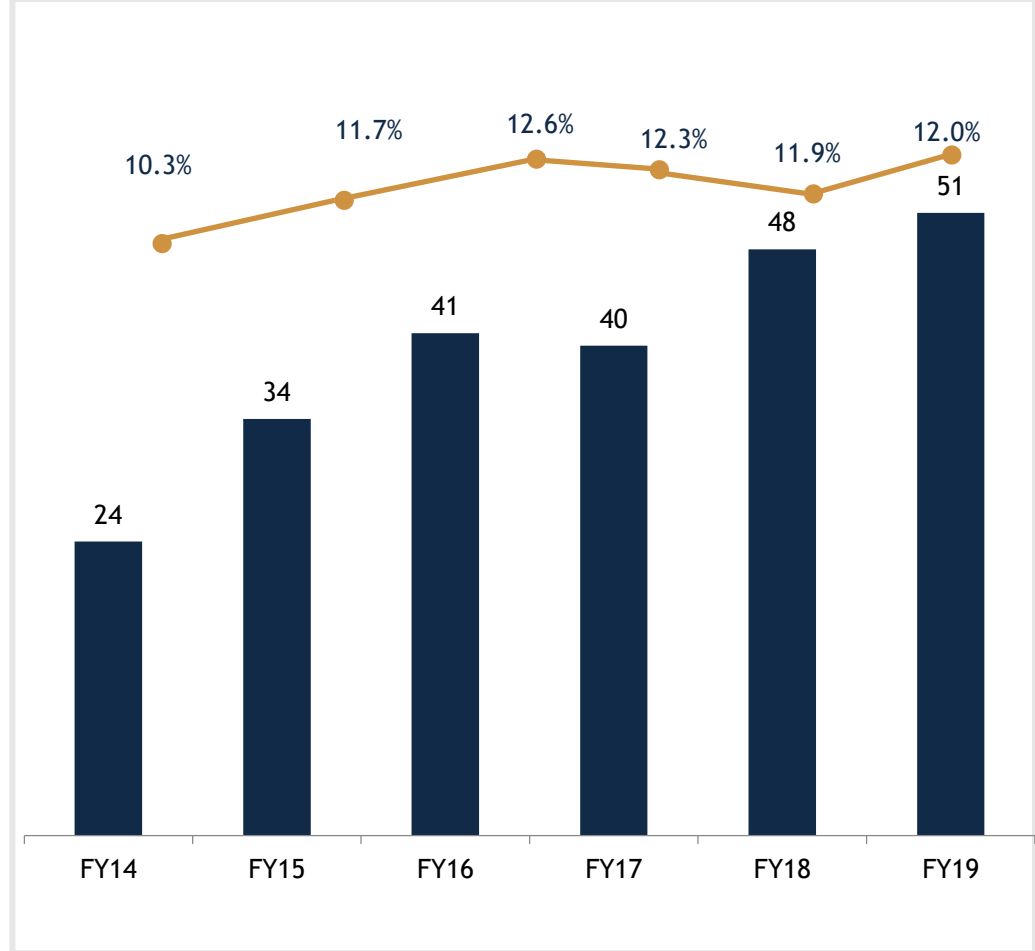
Performance overview



Revenues (Rs. cr)



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



Exclusive Stores



Region	Opening as on 1 st Jan	Additions	Closure / Converted	Closing as on 31 st 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 31 st 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



* Store count - 156 under direct management + 5 stores under distributor management 12

Distribution Network



ACROSS
250+
CITIES OF DIFFERENT
FORMATS



161
Exclusive Doors (inclusive of 7 Factory Outlets)



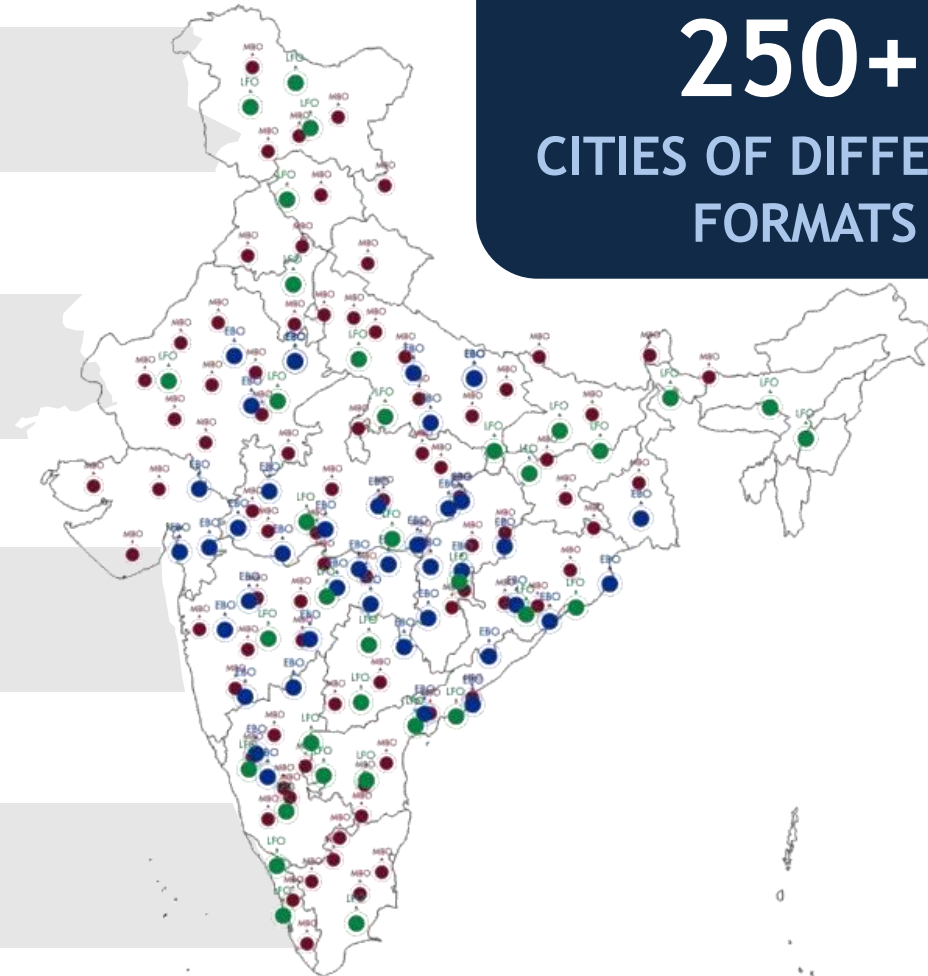
380+
Doors in Departmental Stores



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

**“makes
you
feel
good”**



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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





New store launches



ITFL - GS Road, Guwahati





New store launches



ITFL - Sarath City Capital Mall, Hyderabad





New store launches



ITFL - Trilium Mall, Amritsar





New store launches



ITFL - C.G. Road, Ahmedabad





New store launches



ITFL - Nizamabad, Telangana



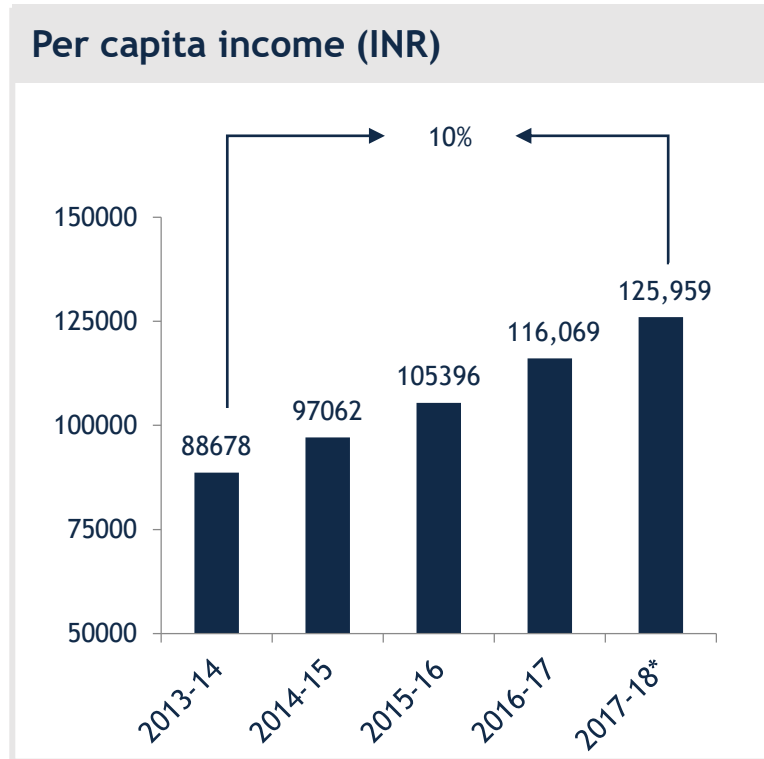
ITFL - Lajpat Nagar, New Delhi



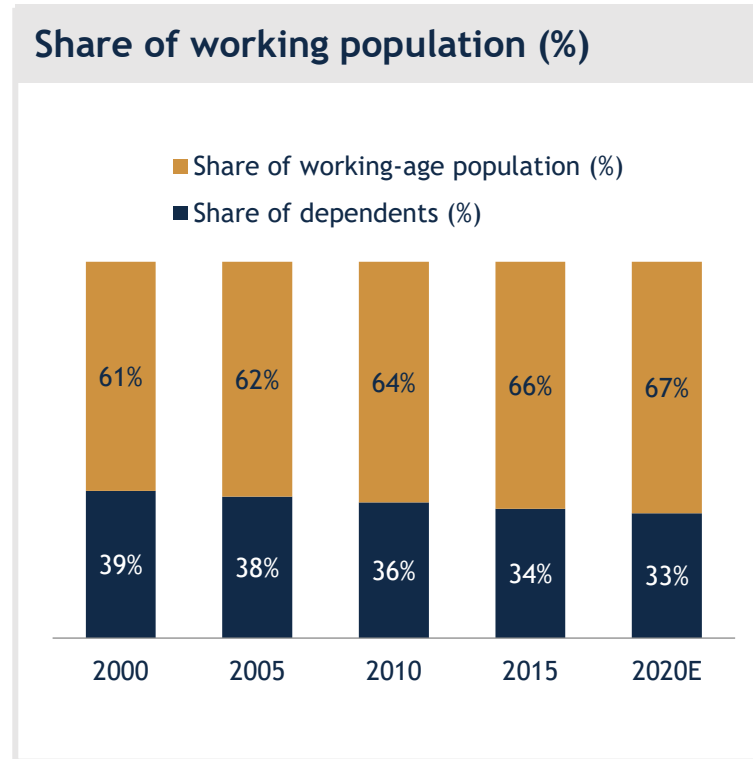


Outlook

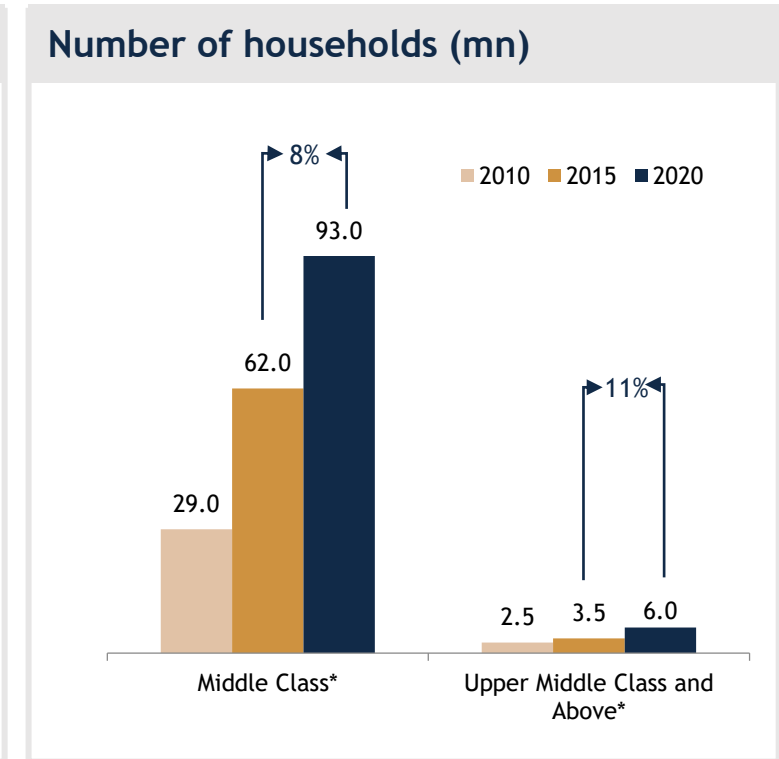
Organized retail to benefit from favourable demographics



Steady growth suggests rising spends



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



Rise in number of households in Middle and Upper income class

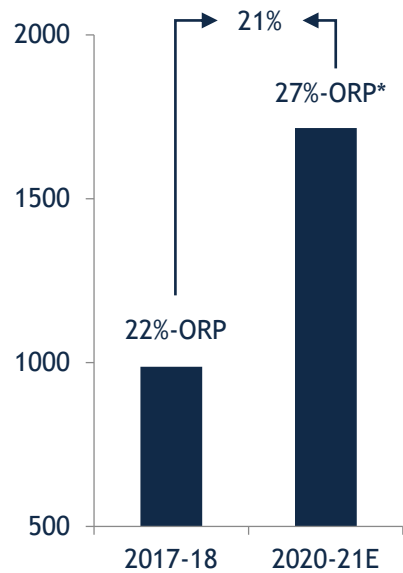
Sources: MOSPI, UN Reports, CSO, Industry research. PCI at current prices

*Middle class: INR 2-10 Lakhs *Upper middle class and above: INR10 Lakhs+

Sustainability in industry growth over longer haul

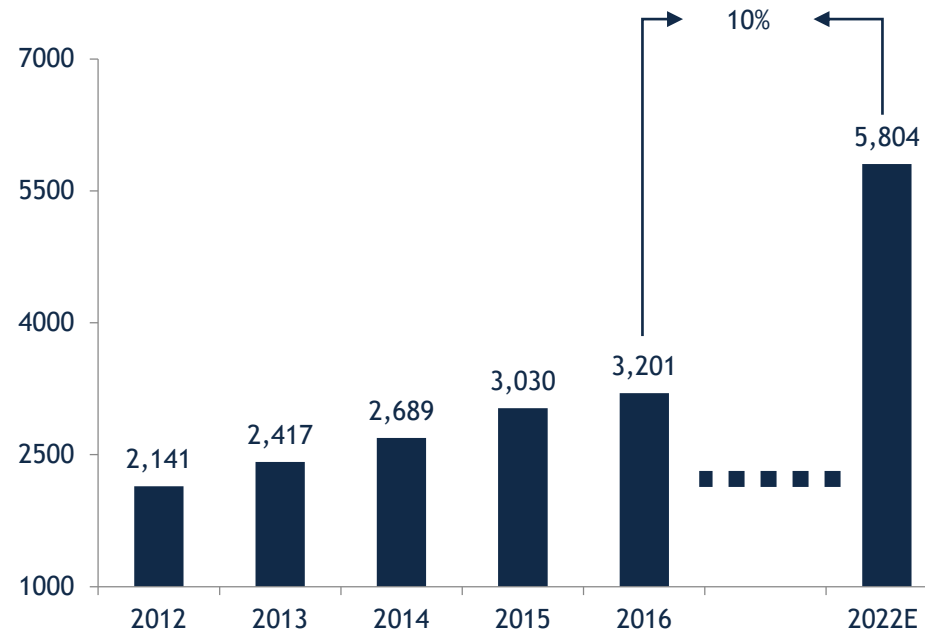


Organized Apparel Market Size (INR bn)



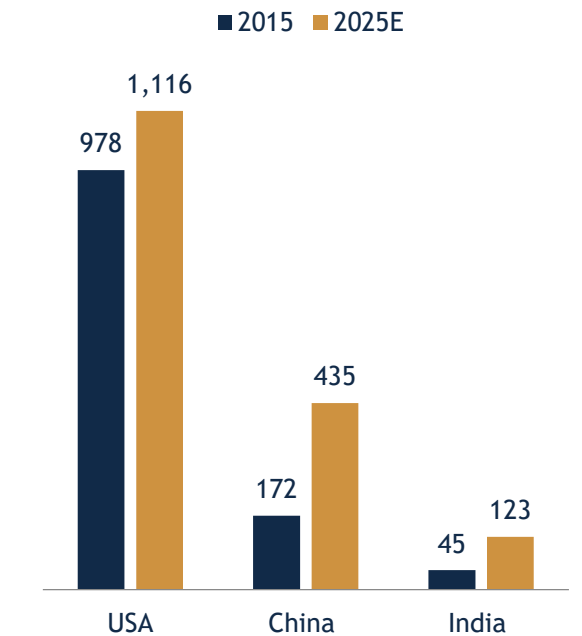
Organized retail market to be INR 2,021 bn by FY21E

Domestic ready made garment industry (INR bn)



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

Per capita spend on apparel (USD)

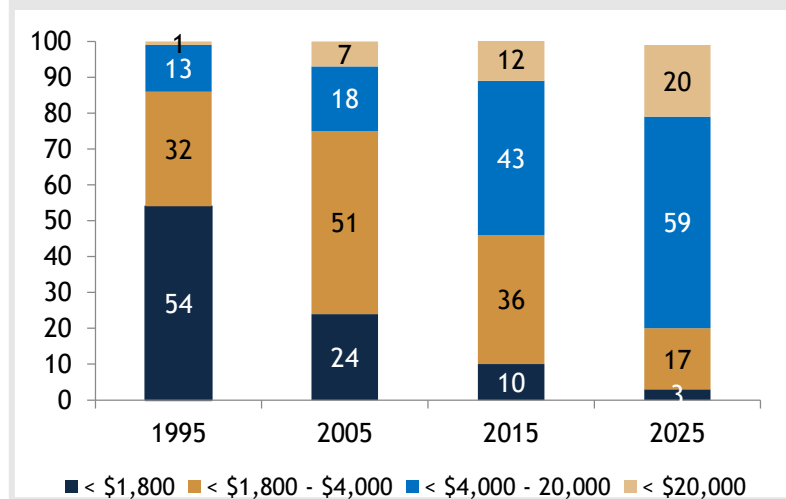


Clear headroom for upside in per capita spend on apparels

- Share of branded apparels expected to rise to 34% by 2020E from 29% in 2016

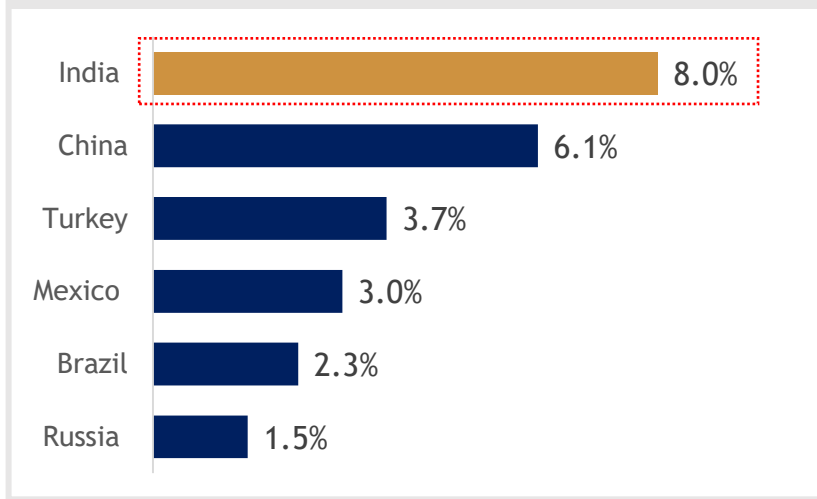
Consumption and macros bodes well for industrial growth

Share of total consumption by income class (%)



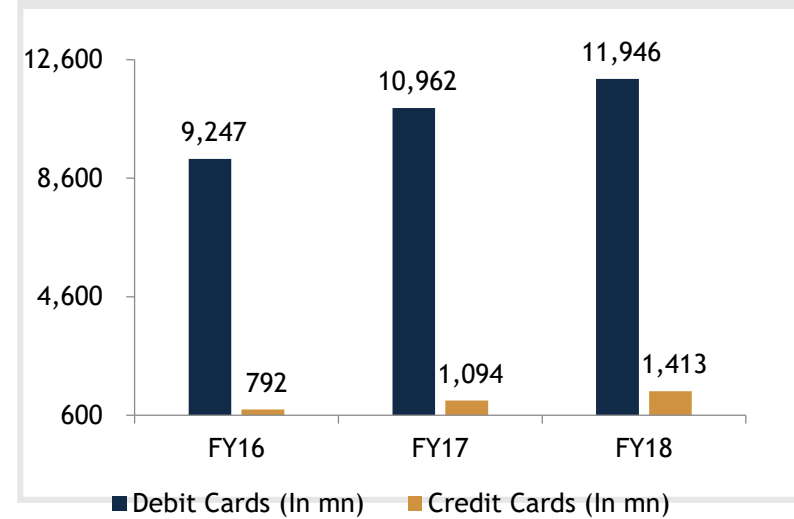
Middle and Affluent class to contribute 80% of total consumption by 2025

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



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 through 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



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.





 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

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