



ITFL/SEC/2018-19/NOV/11

14<sup>th</sup> November, 2018

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

**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> 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 half year ended 30<sup>th</sup> September, 2018**

**Ref.: INDIAN TERRAIN FASHIONS LIMITED**

We hereby enclose the Investor Presentation on the financial results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2018.

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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Registered Office : No. 208, Velachery Tambaram Main Road, Narayanapuram, Pallikaranai, Chennai - 600 100.

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Website : www.indianterrain.com

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**INDIAN TERRAIN**



# INDIAN TERRAIN FASHIONS LIMITED

Q2FY19 PERFORMANCE HIGHLIGHTS | NOVEMBER 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.

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.

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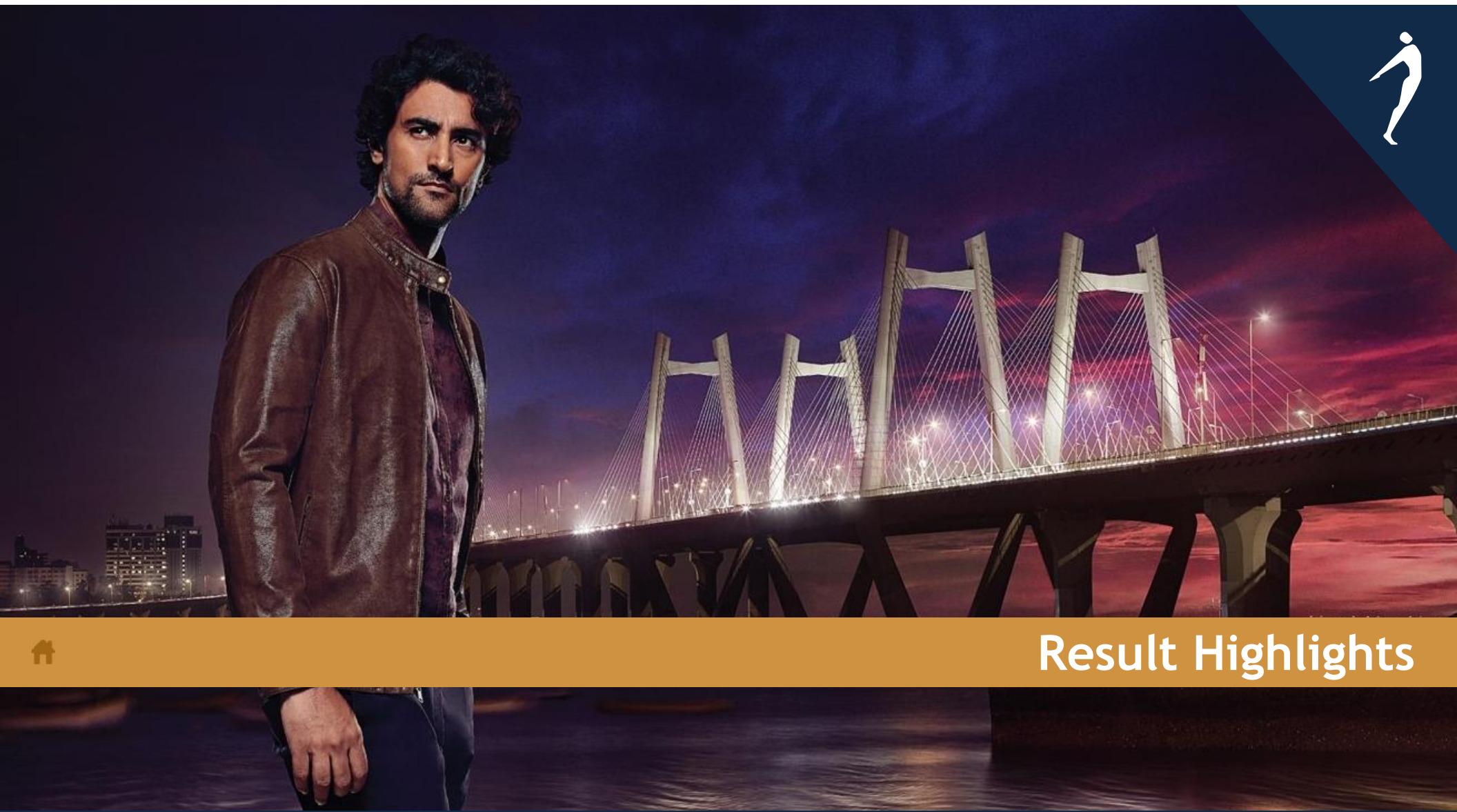
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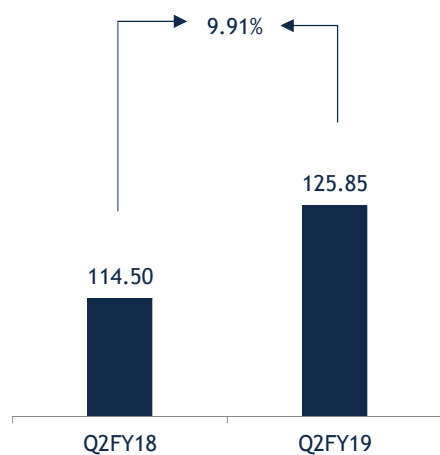
## Result Highlights



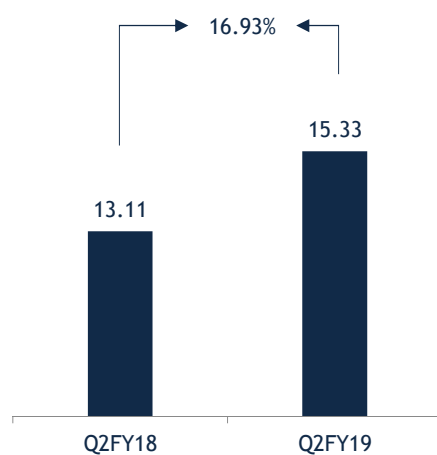
## Q2FY19 Financial Highlights



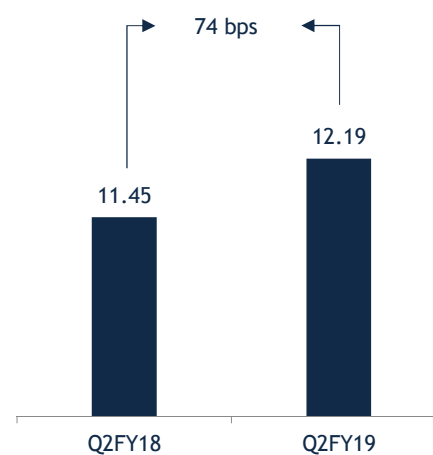
Revenues (Rs. cr)



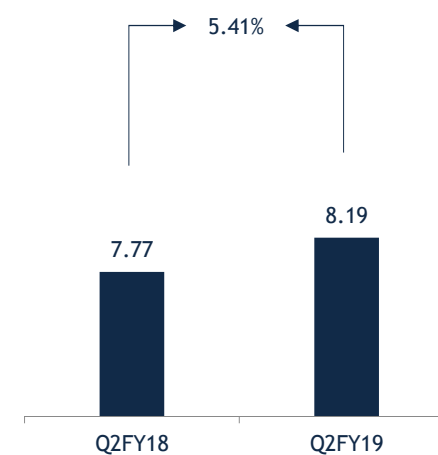
Operational EBITDA (Rs. cr)



Operational EBITDA (%)



PAT (Rs. cr)



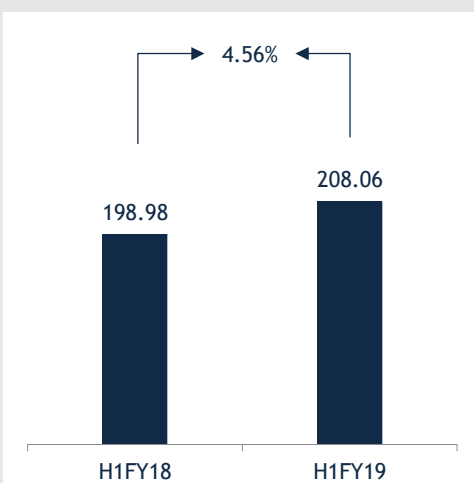
- Revenues at Rs. 125.85 cr, growth in revenues at 9.91%
- EBITDA margin expansion by 74 bps



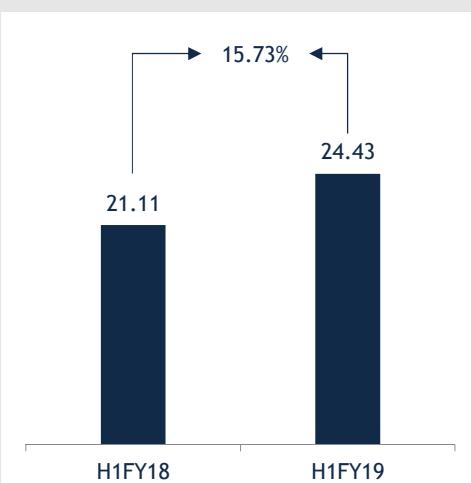
## H1FY19 Financial Highlights



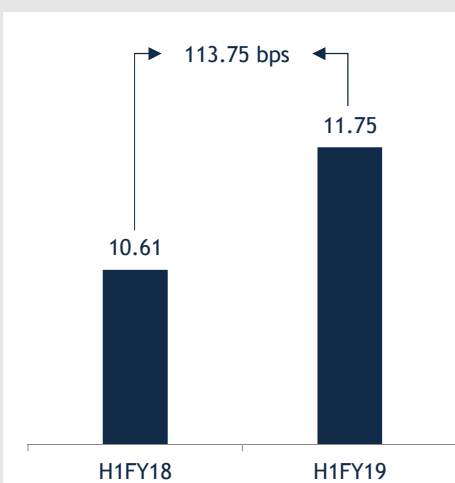
### Revenues (Rs. cr)



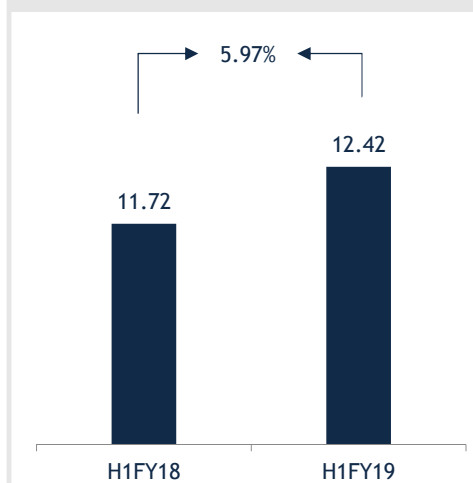
### Operational EBITDA (Rs. cr)



### Operational EBITDA (%)



### PAT (Rs. cr)



- Revenues at Rs. 208.06 cr; growth in revenues at 4.56% in H1FY19
- EBITDA margin expansion by 113.75 bps



## Q2FY19 Snapshot



### Revenues

- Year-on-Year growth of 10% on a high festive season base
- Soft market sentiments and Shift in festive season period impacted retail revenues for the Quarter
- Wholesale markets witnessed momentum and dispatches were on full swing
- Online sales continue to be robust - 4x growth from last year
- Boys net contribution to total business at 7%

### Operational EBITDA grows at ~17%

- Calibrated discounting and control on other operating costs
- EBITDA margins at 12.19% against 11.45%
- Profit After Tax at Rs. 8.19 cr up 5.41% YoY





## P&amp;L highlights



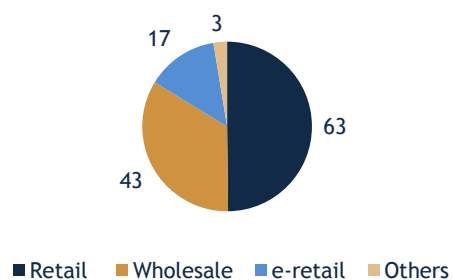
Rs. cr	Q2FY19	Q2FY18	Change (%)	H1FY19	H1FY18	Change (%)
<b>Revenues</b>	<b>125.85</b>	<b>114.50</b>	9.91	<b>208.06</b>	<b>198.98</b>	4.56
Cost of Materials	0.97	20.58		1.31	29.68	
Purchase of Finished Goods	94.22	54.40		120.39	66.42	
Change in Inventories	(15.10)	(14.85)		5.56	13.00	
Garment Processing Costs	0.47	13.28		1.50	15.18	
Employee Benefit Expenses	7.32	7.70		14.62	14.37	
Other Expenses	22.64	20.28		40.25	39.22	
<b>Total Expenses</b>	<b>110.52</b>	<b>101.39</b>	9.00	<b>183.63</b>	<b>177.87</b>	3.24
<b>Operating EBITDA</b>	<b>15.33</b>	<b>13.11</b>	16.93	<b>24.43</b>	<b>21.11</b>	15.73
Other Income	0.49	0.30		1.24	1.36	
<b>Gross EBITDA</b>	<b>15.82</b>	<b>13.41</b>	17.97	<b>25.67</b>	<b>22.47</b>	14.24
Finance Costs	1.87	0.66		3.95	2.80	
Depreciation	1.35	0.87		2.62	1.75	
<b>Profit Before Tax</b>	<b>12.60</b>	<b>11.88</b>	6.06	<b>19.10</b>	<b>17.92</b>	6.58
Tax Expenses	4.41	4.11		6.68	6.20	
<b>Profit After Tax (before other comprehensive income)</b>	<b>8.19</b>	<b>7.77</b>	5.41	<b>12.42</b>	<b>11.72</b>	5.97
Other Comprehensive Income (net of tax)	(0.20)	(0.01)		(0.02)	0.04	
<b>Total Comprehensive Income</b>	<b>7.99</b>	<b>7.76</b>		<b>12.40</b>	<b>11.76</b>	



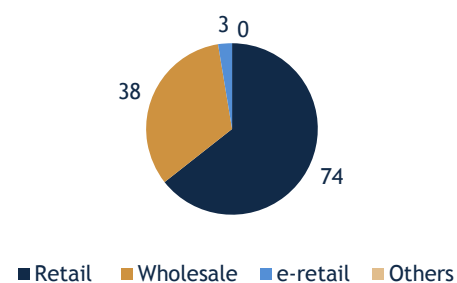
## Revenue contribution



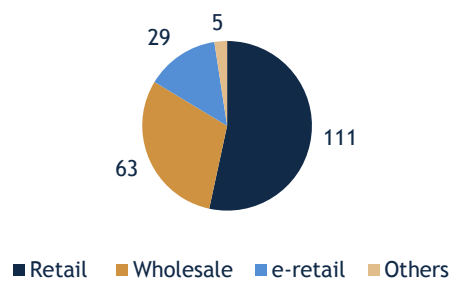
Channel mix - Q2FY19 (Rs. cr)



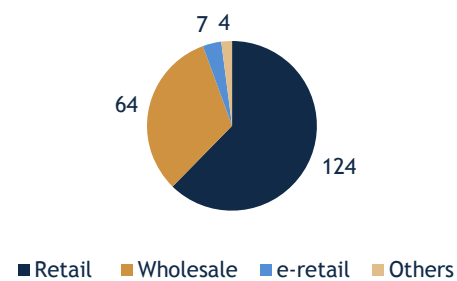
Channel mix - Q2FY18 (Rs. cr)



Channel mix - H1FY19 (Rs. cr)



Channel mix - H1FY18 (Rs. cr)



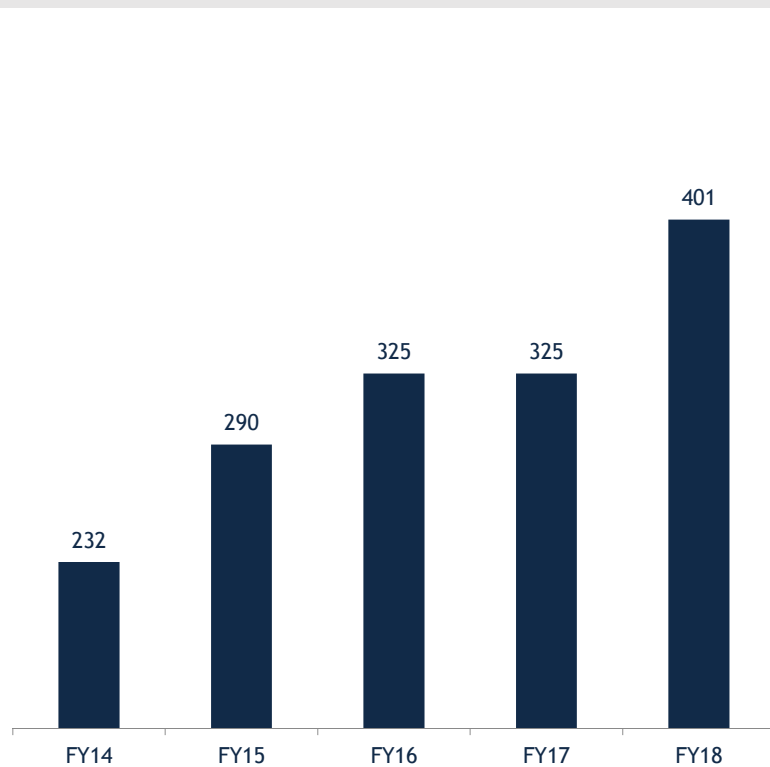
Rounded off to the nearest to crore



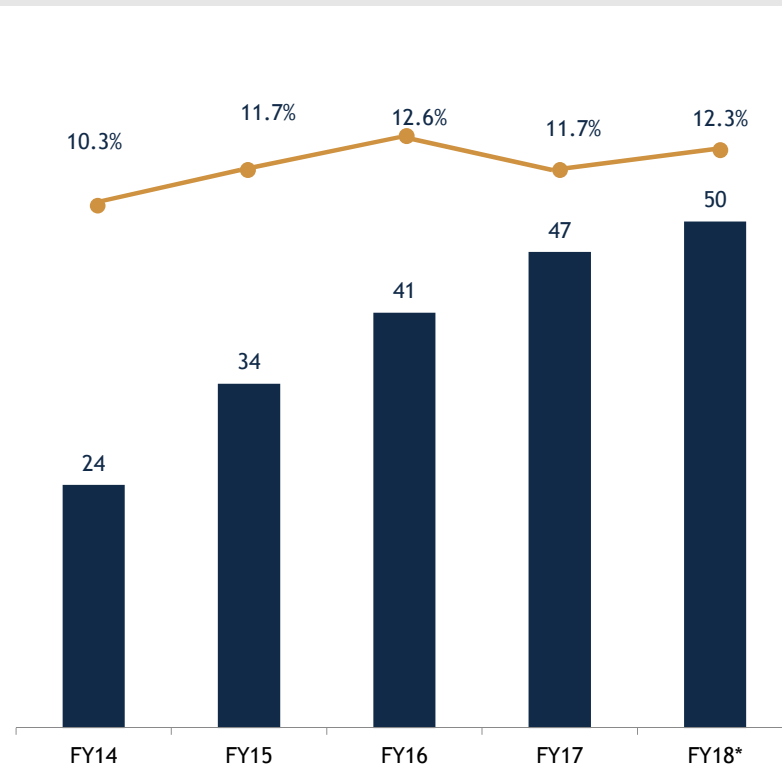
## Performance overview



Revenues (Rs. cr)



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



\*EBITDA of FY18 excludes one time GST impact of Rs. 1.71 cr



## Exclusive Stores

INDIAN TERRAIN



Region	Opening as on 1 <sup>st</sup> July	Additions	Closure / Converted	Closing as on 30 <sup>th</sup> Sept
South	74	3		77
West	33		2	31
North	30		3	27
East	13	1		14
Out of India	1			1
<b>Total</b>	<b>151</b>	<b>4</b>	<b>5</b>	<b>150</b>



Region	Closing As on 30 <sup>th</sup> Sept
COCO (Company Owned Company Operated)	20
COFO (Company Owned Franchisee Operated)	34
FOFO (Franchisee Owned Franchisee Operated)	94
EFO (Exclusive Factory Outlet)	2
<b>Total</b>	<b>150</b>



\* Store count - 150 under direct management + 6 stores under distributor management



## Distribution Network



**156**  
Exclusive Outlets



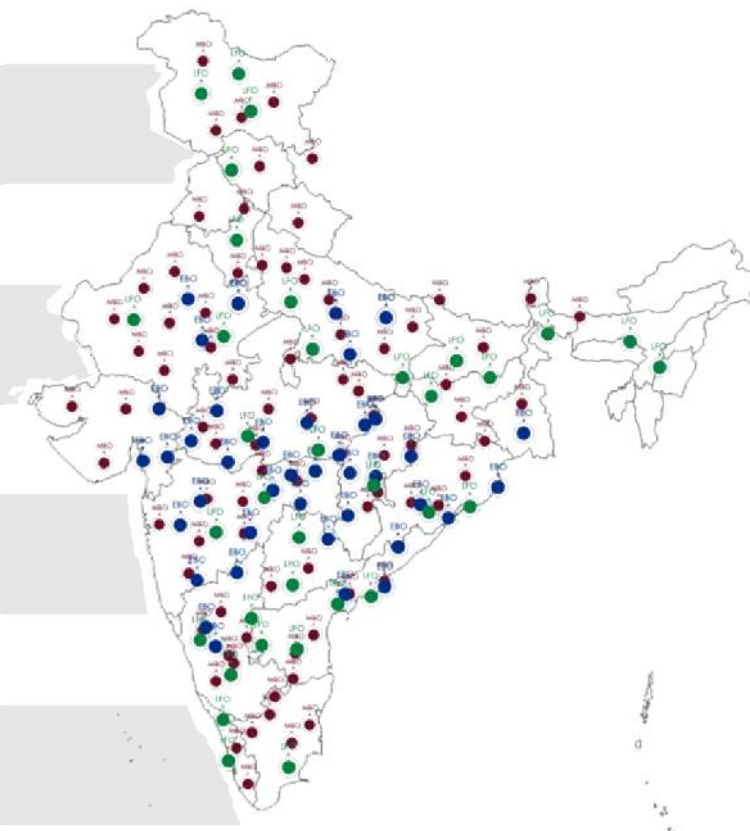
**370+**  
doors in Departmental Stores



**1400+**  
doors under Multi Branded Outlets



**7+**  
Ecommerce Partners



**PRESENT ACROSS 250+ CITIES THRU DIFFERENT FORMATS**





## New store launches



Nexus Esplande, Bhubhaneshwar





## New store launches



Edapally bypass, Cochin





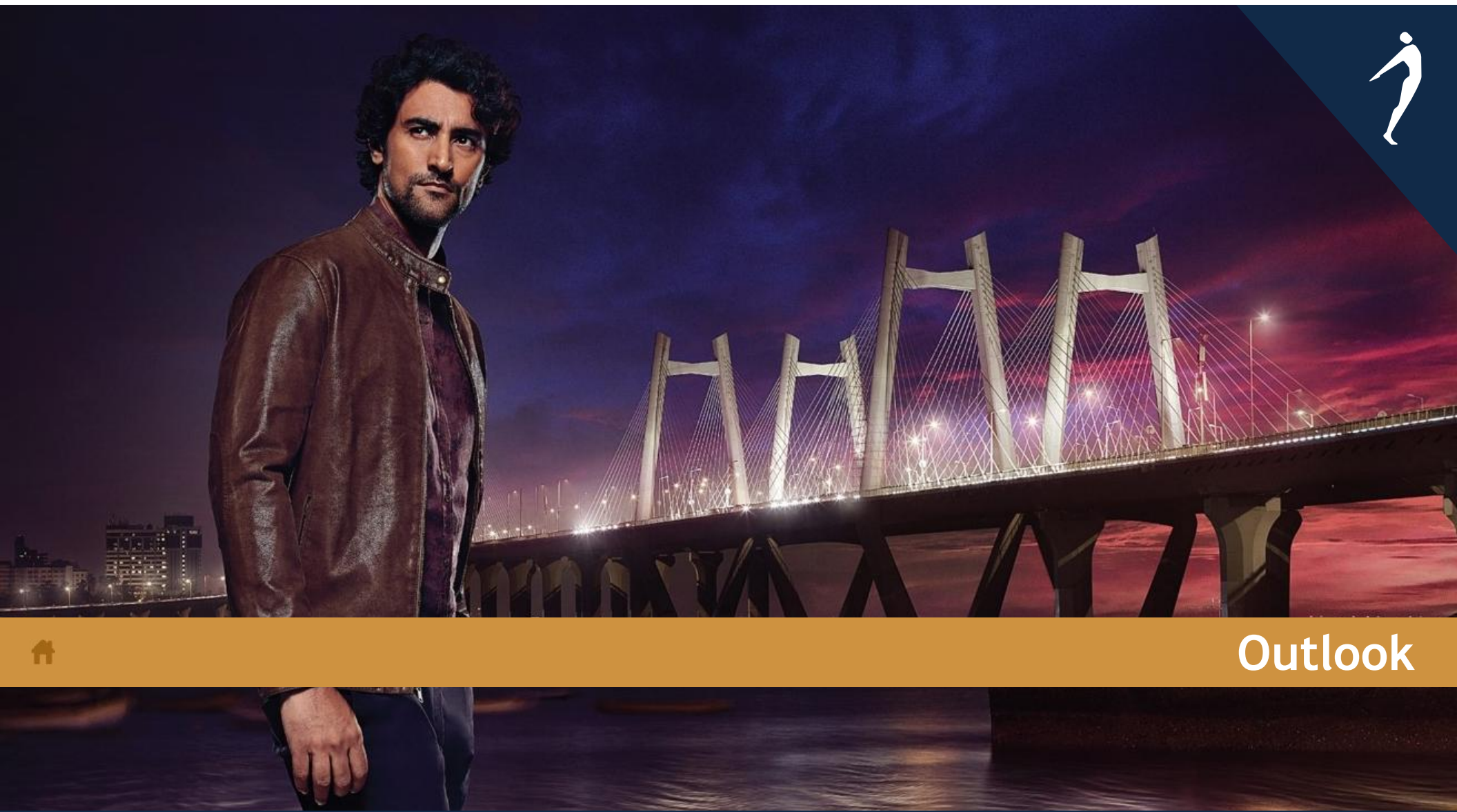
## New store launches



Kharkana, Hyderabad







Outlook



## Organized retail to benefit from favourable demographics

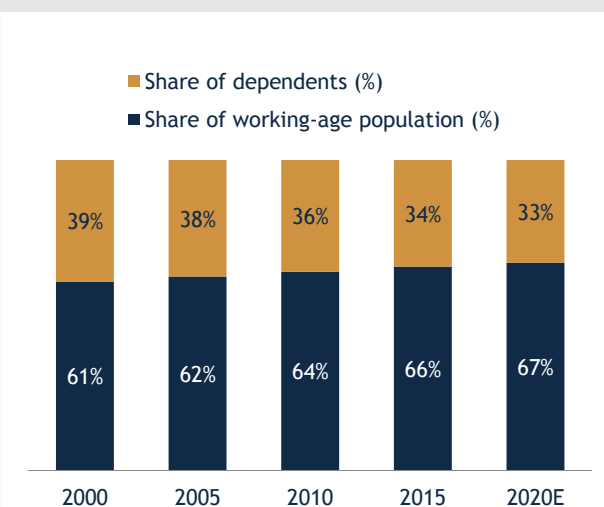


Per capita income (INR)



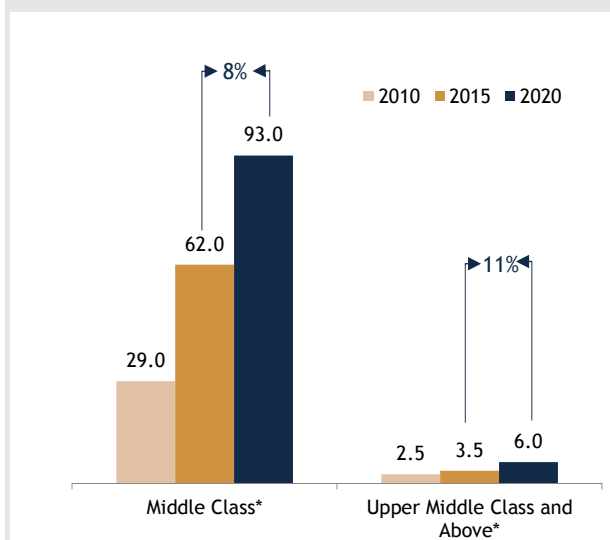
Steady growth suggests rising spends

Share of working population (%)



2/3rd Indians in working-age with median age of &lt;28 years

Number of households (mn)



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+

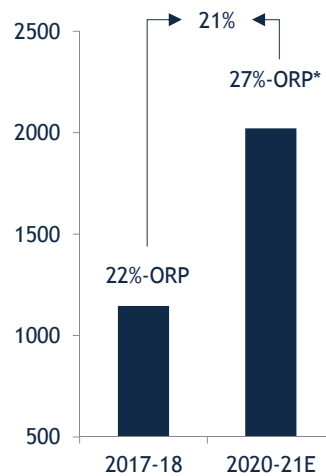




## Sustainability in industry growth over longer haul

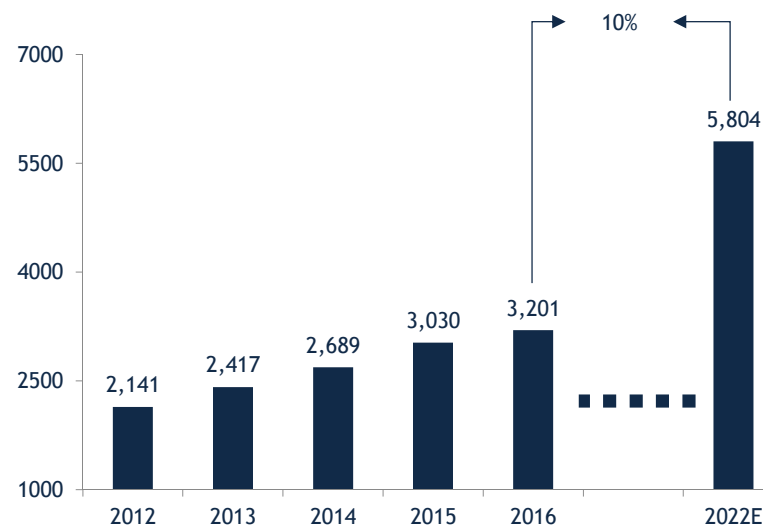


Organized Apparel Market Size (INR bn)



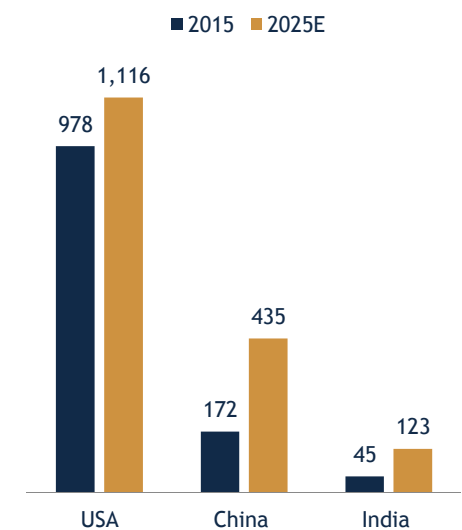
Organized retail market to be INR 2,021 bn by FY21E

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

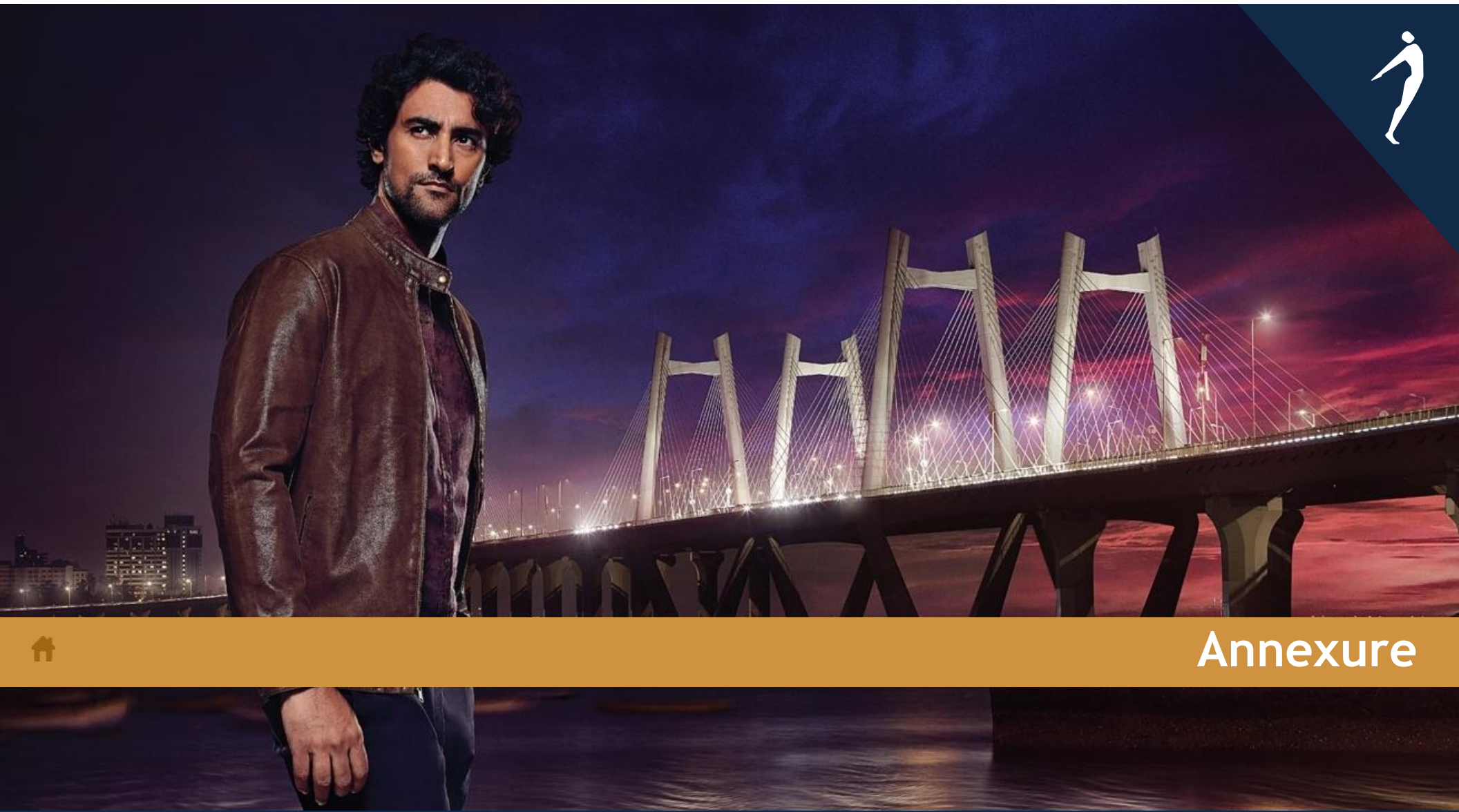
- Share of branded apparels expected to rise to 34% by 2020E from 29% in 2016



## Outlook



- Strong festive season with robust retail sales in months of October and first 10 days of November
- FY2019 to witness a healthy double digit growth in revenues with greater focus on profitability and improvement to balance sheet metrics
- Extensive marketing campaigns will continue to help build market and mind space of consumers
- 12 new exclusive stores and 25 new doors under departmental stores is expected to open by March 2019. Focus on retail expansion will remain on hinterland towns
- The new distribution model in Wholesale business will be fully effective from Jan'19; this move will aid the top line growth with extended reach and also free up capital
- Online business is expected to grow faster than offline channels - this Segment is expected to account for 10%-12% of FY2019 revenues
- Boyswear growth on fast-track with rejig in product mix and pricing and extended marketing activities. eCom and Wholesale business to be the key drivers for the segment; new opportunities are being explored in departmental stores



Annexure



## Brand Identity



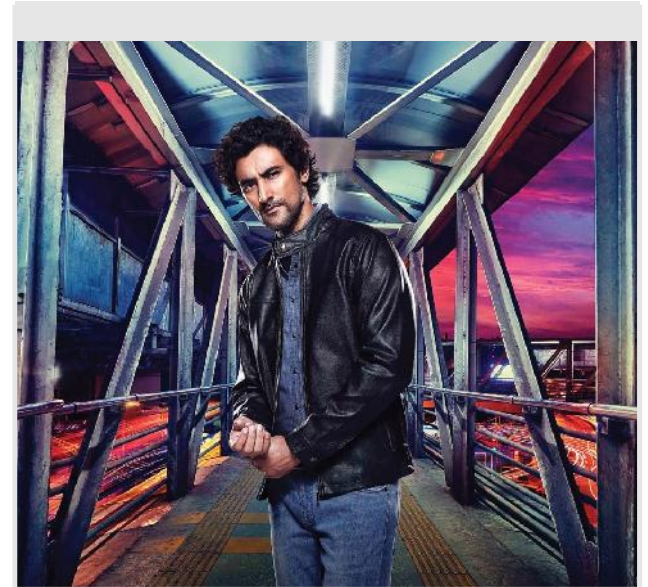
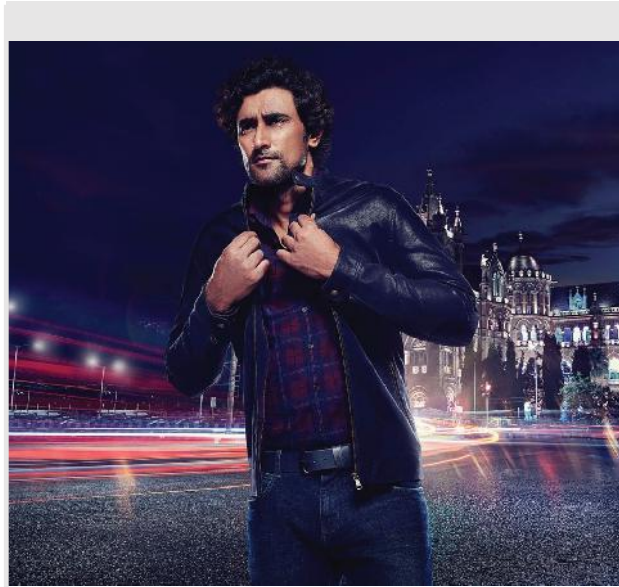
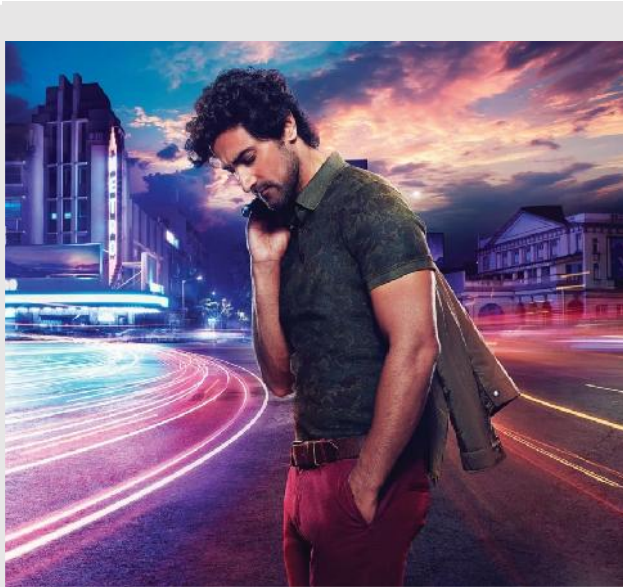
**Our origin:** Madras - where we belong. The city that influenced global fashion since 1718.



**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



## Contact information

### Contact information

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Email : [response.itfl@indianterrain.com](mailto:response.itfl@indianterrain.com)

### Corporate office

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