



S.P.APPARELS LTD.



Regd. Office : 39-A, Extension Street, Kaikattipudur, AVINASHI - 641 654, Tirupur Dt., Tamil Nadu, India.
Phone : +91-4296-304000 Fax : +91-4296-304280, 304281 E-mail : spindia@s-p-apparels.com Web : www.s-p-apparels.com
CIN No. : U18101TZ2005PLC012295

25th May, 2019

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

The Listing Department
National Stock Exchange of India Limited
'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

Scrip Code: 540048

Symbol: SPAL

Dear Sirs,

Sub: Financial Presentation

Please find enclosed herewith the copy of Financial Presentation for Q4 & FY 19 results of the Company.

Kindly take the same on your records.

Thanking you,

For S.P.Apparels Limited,

K.Vinodhini
Company Secretary and Compliance Officer

Encl: As above



S.P.APPARELS LTD.



S.P.APPARELS LIMITED

INVESTOR PRESENTATION

Q4 & FY19 Results Update

May 2019

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This presentation and the following discussion may contain “forward looking statements” by S.P. Apparels Limited (“SPAL” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of SPAL about the business, industry and markets in which SPAL operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond SPAL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of SPAL.

In particular, such statements should not be regarded as a projection of future performance of SPAL. It should be noted that the actual performance or achievements of SPAL may vary significantly from such statements.



Revenues¹
Rs 8,104.6 Mn
+20% YoY

Adj. EBITDA²
Rs 1,238.3 Mn

PAT
Rs 733.7 Mn
+53% YoY

Garment Exports Division
Volume 59.9 Mn
+22% YoY

Retail Division Contribution
10.1% of Revenues

Core NWC Days declined to
118 days in FY19 compared
to 139 days in FY18

Net Debt Rs 1,477.1 Mn
Net Debt / Equity 0.31x

Cash Adj. ROCE
19.3%

ROE
16.9%

- Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
 - In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)
- Core Net Working Capital Days = (Receivables + Inventory – Payables) / Revenue from Operations, Net Debt = Total Debt – Cash & Current Investments
 ROE = PAT before MI / Avg. (Equity + MI), Cash Adj. ROCE = EBIT / Avg. Capital Employed (excl. cash & current investments)



S.P.APPARELS LTD.



Q4 & FY19 RESULTS UPDATE

Company Overview

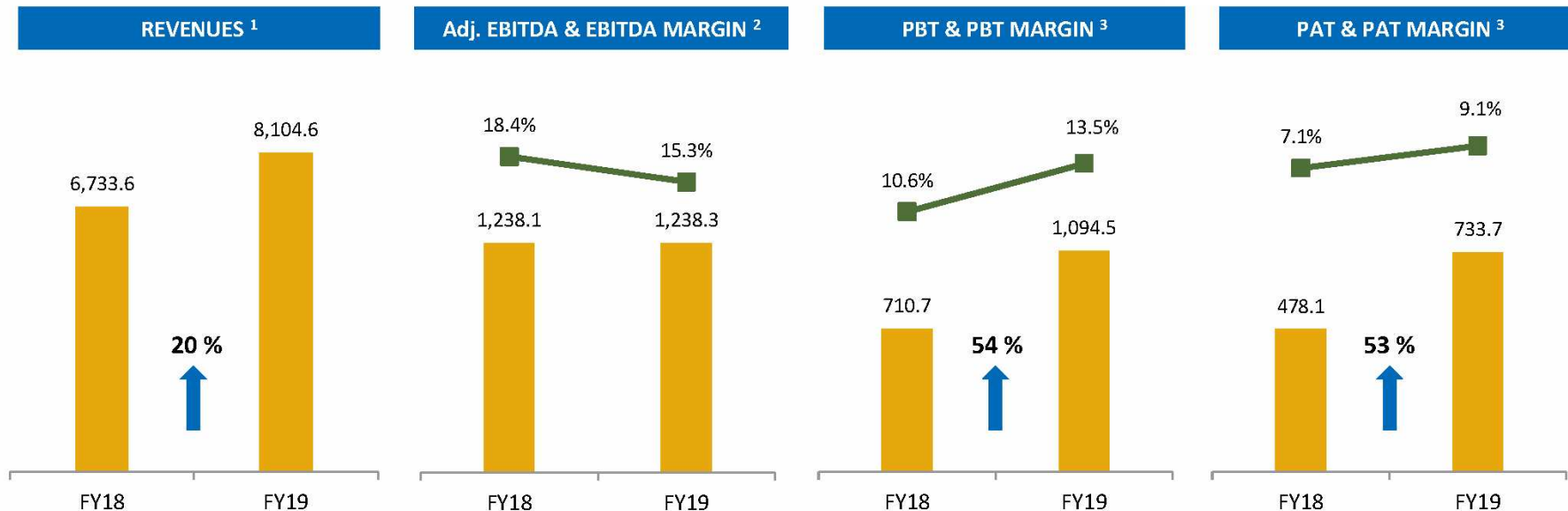
Business Strategy & Outlook

Financial Overview & Shareholding Structure

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FY19 – KEY HIGHLIGHTS

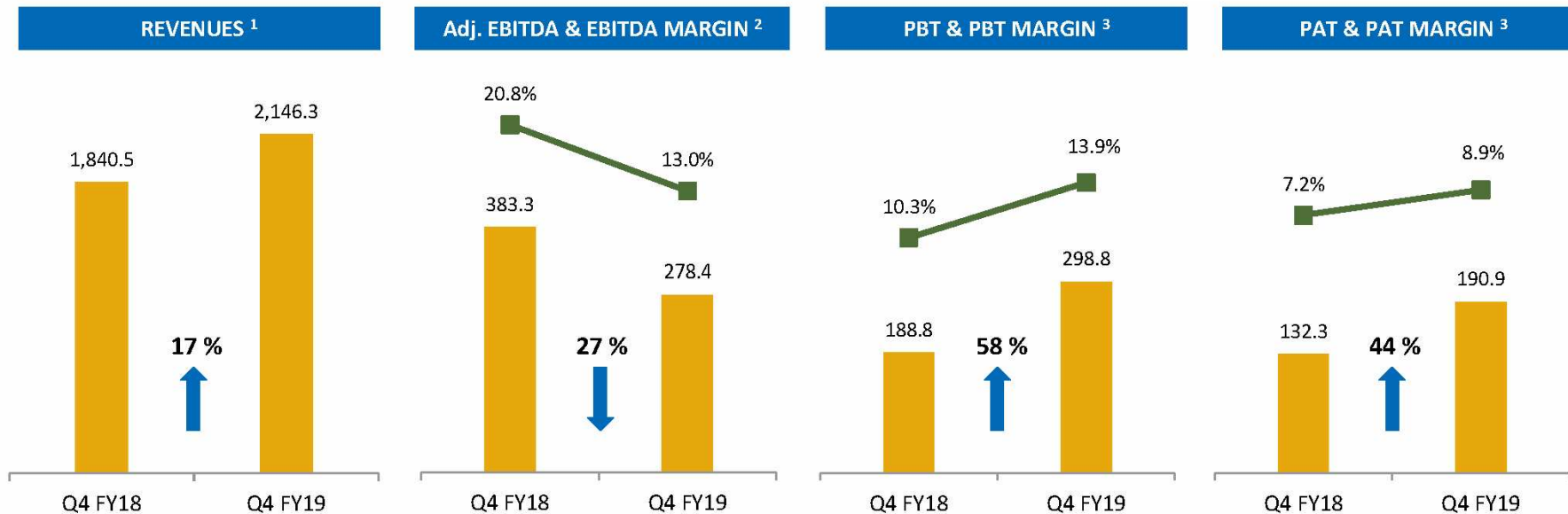
In Rs Mn



1. Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
2. In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)
3. PBT Margin = Reported PBT / Total Revenues ¹, PAT Margin = Reported PAT / Total Revenues ¹

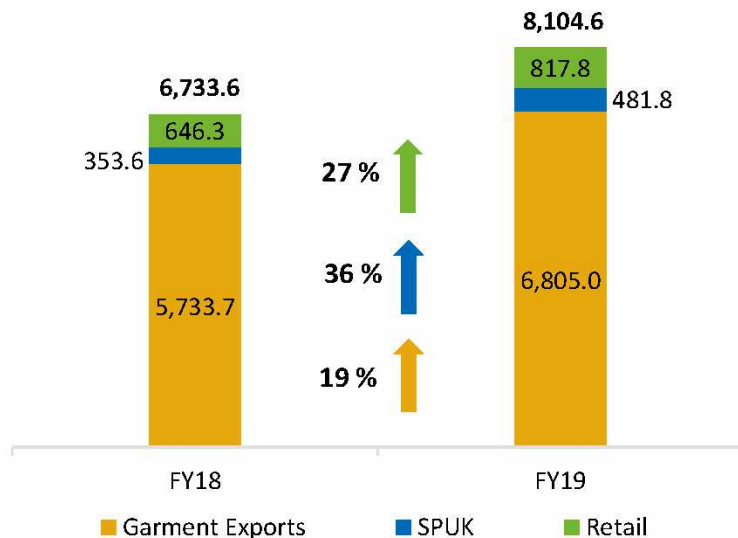
Q4 FY19 – KEY HIGHLIGHTS

In Rs Mn



1. Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
2. In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)
3. PBT Margin = Reported PBT / Total Revenues ¹, PAT Margin = Reported PAT / Total Revenues ¹

FY19 YoY ANALYSIS – TOTAL REVENUE BREAKUP ¹



In Rs Mn

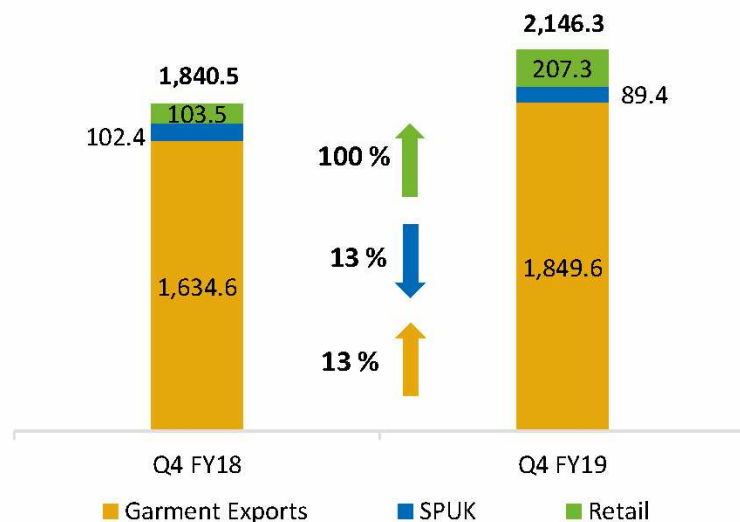
DIVISION REVENUES SHARE	FY18	FY19
Garment Exports	85.2%	84.0%
SPUK	5.3%	5.9%
Retail	9.6%	10.1%

Adj. EBITDA MARGIN % ²	FY18	FY19
Garment Exports	21.0%	17.6%
SPUK	3.5%	5.6%
Retail	3.6%	2.1%

- Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
- In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)

Q4 FY19 – DIVISION WISE ANALYSIS

Q4 FY19 YoY ANALYSIS – TOTAL REVENUE BREAKUP ¹



In Rs Mn

DIVISION REVENUES SHARE	Q4 FY18	Q4 FY19
Garment Exports	88.8%	86.2%
SPUK	5.6%	4.2%
Retail	5.6%	9.7%

Adj. EBITDA MARGIN % ²	Q4 FY18	Q4 FY19
Garment Exports	24.4%	16.1%
SPUK	2.5%	-1.6%
Retail	-18.0%	-9.0%

- Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
- In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)

- **Q4 FY19 total revenues¹ increased by 17% YoY to Rs 2,146. mn.**
 - Revenues increased by 13% in Garment Exports and 100% in Retail, partially offset by 13% decline in SPUK.
 - Garment Exports division witnessed 22% volume growth on the back of orders from new customers as well as existing customers.
 - SPUK division revenues declined due to shift in certain orders from March 2019 to April & May 2019.
- **Q4 FY19 Adj. EBITDA² declined to Rs 378.4 mn.**
 - Garment Exports division margin was impacted by higher employee expenses on account of training & pre-operative expenses at new factories.
 - SPUK division margin was impacted due to lower sales.
 - Retail division margin was impacted due to higher discount sales.
- **Q4 FY19 PBT increased by 58% YoY to Rs 298.8 mn.**
 - Finance cost was Rs 31 mn, offset by reversal & restatement impact of PC-FC.
- **Q4 FY19 PAT increased by 44% YoY to Rs 190.9 mn. PAT margin³ increased from 7.2% to 8.9%.**
- **Core Net Working Capital Days⁴ declined to 118 days in FY19 compared to 139 days in FY18.**
- **Net Debt⁵ remained stable at Rs 1,477.1 Mn. Net Debt / Equity improved to 0.31x at Mar-19 (0.37x at Mar-18).**
- **Cash-Adjusted ROCE% increased to 19.3% (17.1% in FY18).**
- **ROE% increased to 16.9% (12.9% in FY18).**

1. Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
2. In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)
3. PAT Margin = Reported PAT / Total Revenues ¹
4. Core Net Working Capital Days = (Receivables + Inventory – Payables) / Revenue from Operations
5. Net Debt = Total Debt – Cash & Current Investments

Q4 & FY19 – CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q4 FY19	Q4 FY18	YoY %	FY19	FY18	YoY %
Revenue from Operations	2,222.2	1,827.3	21.6%	8,263.8	6,624.2	24.8%
Realised Gain / (loss) on account of Foreign Currency Fluctuations	-75.9	13.2	-	-159.2	109.4	-
Total Revenues	2,146.3	1,840.5	16.6%	8,104.6	6,733.6	20.4%
COGS	904.5	663.9	36.2%	3,266.0	2,552.6	27.9%
Gross Profit	1,241.9	1,176.6	5.5%	4,838.6	4,180.9	15.7%
Gross Margin	57.9%	63.9%	-607bps	59.7%	62.1%	-239bps
Employee Expenses	554.6	411.9	34.6%	1,872.2	1,592.0	17.6%
Other Expenses excl. MTM gain / loss due to Foreign Currency Fluctuations	408.9	381.4	7.2%	1,728.1	1,350.9	27.9%
Adj. EBITDA	278.4	383.3	-27.4%	1,238.3	1,238.1	0.0%
Adj. EBITDA Margin %	13.0%	20.8%	-785bps	15.3%	18.4%	-311bps
MTM (Gain) / Loss on account of Foreign Currency Fluctuations	-51.6	36.0	-	-100.1	70.5	-
Depreciation	54.9	58.5	-6.2%	215.9	223.9	-3.6%
Finance Cost	-15.8	100.7	-	62.4	287.4	-78.3%
Other Income excl. Gain on account of Foreign Currency Fluctuations	7.9	0.6	-	34.4	54.4	-36.8%
PBT	298.8	188.8	58.3%	1,094.5	710.7	54.0%
Tax Expense	107.9	56.5	91.0%	360.7	232.5	55.1%
PAT	190.9	132.3	44.3%	733.7	478.1	53.5%
PAT Margin %³	8.9%	7.2%	171bps	9.1%	7.1%	195bps
Earnings Per Share (EPS) In Rs.	7.43	5.26	41.3%	28.66	19.00	50.8%

1. Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
2. In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)
3. PAT Margin = Reported PAT / Total Revenues ¹

Q4 & FY19 – CONSOLIDATED BALANCE SHEET

Particulars (Rs Million)	Mar-19	Mar-18
Equities & Liabilities		
Shareholder's Funds		
Share Capital	256.9	251.7
Other Equity	4,581.7	3,720.3
Total Shareholder's Funds	4,838.6	3,972.0
Minority Interest	-63.8	-63.2
Non-Current Liabilities		
a. Financial Liabilities		
Borrowings	262.9	336.7
Other Financial Liabilities	147.1	159.5
b. Deferred Tax Liabilities	349.7	335.0
c. Other Non-Current Liabilities	0.0	0.0
Total of Non-current liabilities	759.7	831.3
Current Liabilities		
a. Financial Liabilities		
Borrowings	1,743.6	1,838.9
Trade Payables	1,094.8	1,012.4
Other Financial Liabilities	295.0	310.0
b. Other Current Liabilities	32.8	29.1
c. Provisions	164.8	165.9
Total of Current liabilities	3,331.0	3,356.3
Total Liabilities	8,865.5	8,096.4

Particulars (Rs Million)	Mar-19	Mar-18
Assets		
Non-Current Assets		
a. Property, Plant and Equipment	3,107.3	3,007.7
b. Capital work in progress	540.2	63.1
c. Intangible assets	61.3	62.1
d. Financial Assets		
Investments	2.2	2.3
Loans & Advances	0.6	0.7
Others	169.7	68.1
e. Other non-current assets	127.1	60.4
Total non-current assets	4,008.5	3,264.3
Current Assets		
a. Inventories	2,479.5	1,873.1
b. Financial Assets		
Investments	0.6	309.2
Trade Receivables	1,284.4	1,658.5
Cash & Cash equivalents	581.4	455.8
Others	113.1	0.1
c. Other Current Assets	397.9	535.4
Total current assets	4,856.9	4,832.1
Total Assets	8,865.5	8,096.4