ITFL/SEC/2019-20/FEB/09

13th February, 2020

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: INDTERRAIN

Dear Sir/Madam,

Sub: Investor Presentation for the quarter and nine months ended 31st December, 2019
Ref.: INDIAN TERRAIN FASHIONS LIMITED

We hereby enclose the Investor Presentation on the Unaudited financial results of the Company for the quarter and nine months ended 31st December, 2019.

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

Thanking you,

Yours faithfully,

For **INDIAN TERRAIN FASHIONS LIMITED**

INDIAN TERRAIN FASHIONS LTD CHENNAI 600 100

Ravi B.S.G
Company Secretary & Compliance Officer

Encl.: as above

INDIAN TERRAIN FASHIONS LIMITED
SDF-IV & C2, 3rd Main Road, MEPZ / SEZ, Tambaram, Chennai - 600 045. Tel : +91-44-4227 9100, Fax : +91-44-2262 2897
Registered Office : No. 208, Velachery Tambaram Main Road, Narayanapuram, Pallikaranai, Chennai - 600 100.
Email ID : response.itfl@indianterrain.com

INDIAN TERRAIN

INDIAN TERRAIN
‘makes you feel good’

Q3FY20

PERFORMANCE HIGHLIGHTS

FEBRUARY 2020

Safe Harbor

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.

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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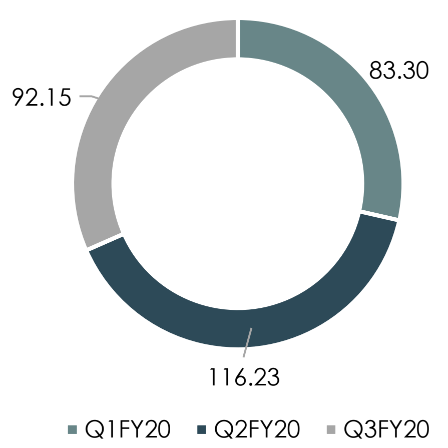
INDIAN TERRAIN

'makes you feel good'

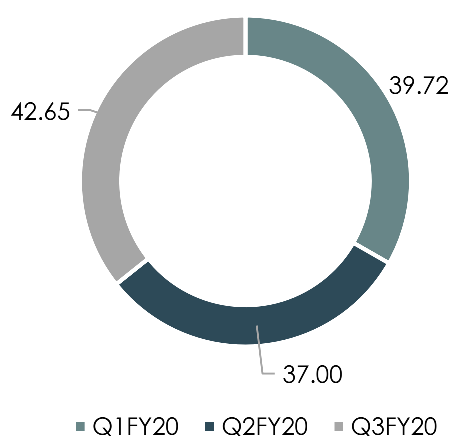
Result Highlights

Quarterly and 9 Months - Result Highlights

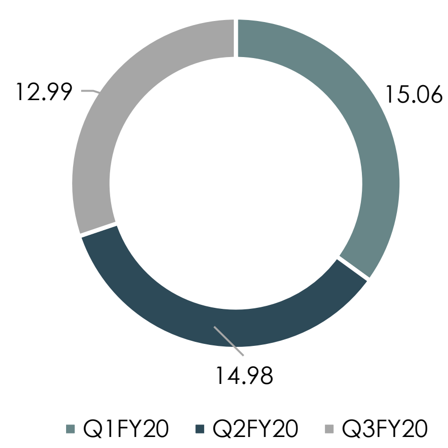
Sales (Rs. Cr)



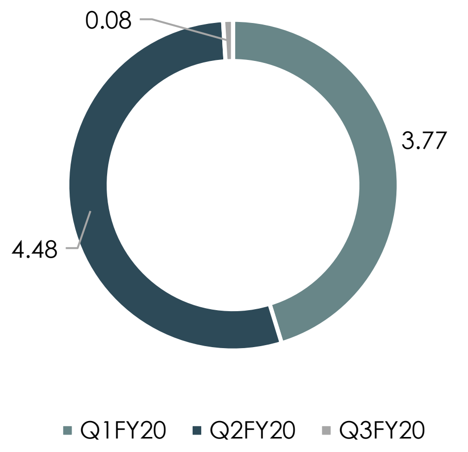
Gross Margins (%)



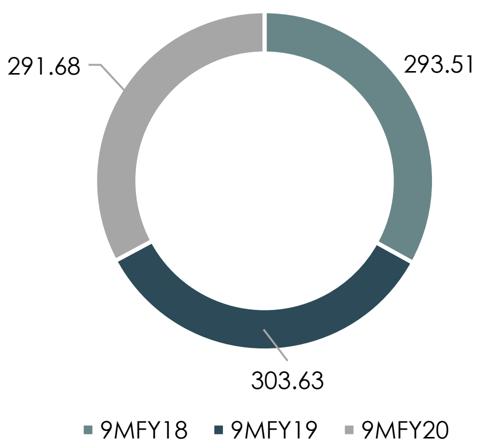
EBIDTA (Rs. Cr)



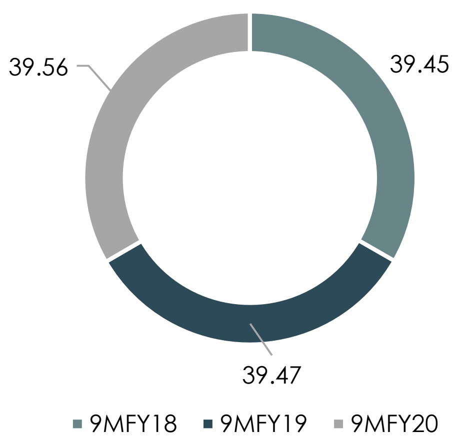
PAT (Rs. Cr)



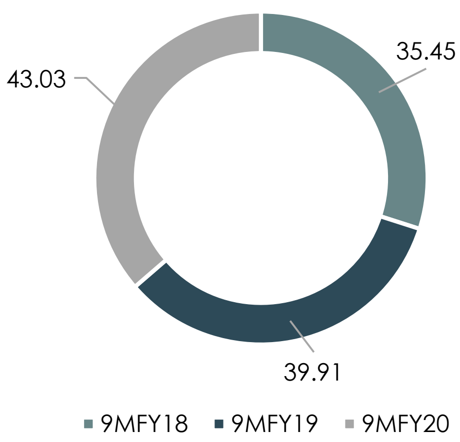
Sales (Rs. Cr)



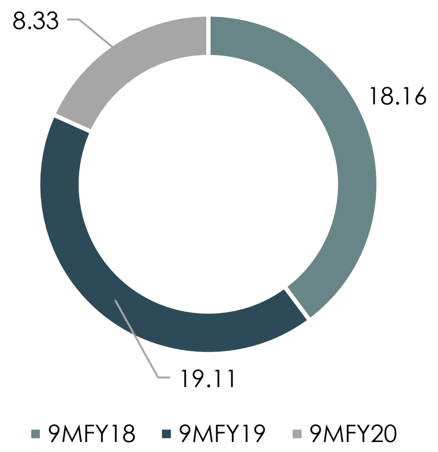
Gross Margins (%)



EBITDA (Rs. Cr)



PAT (Rs. Cr)



Revenue Contribution

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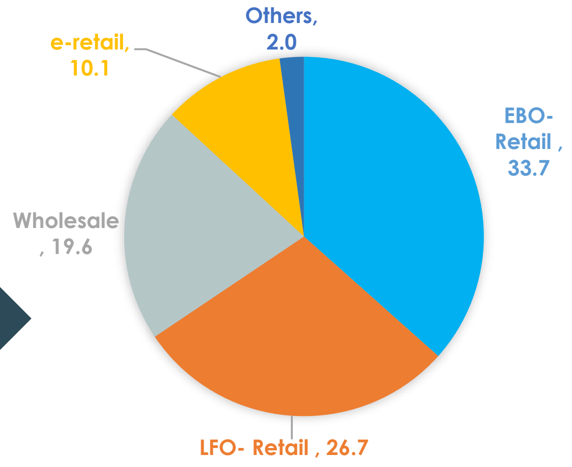
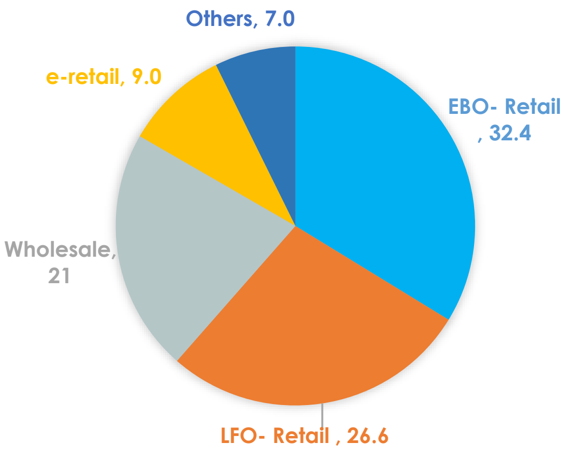
Q3FY20 (Rs cr)

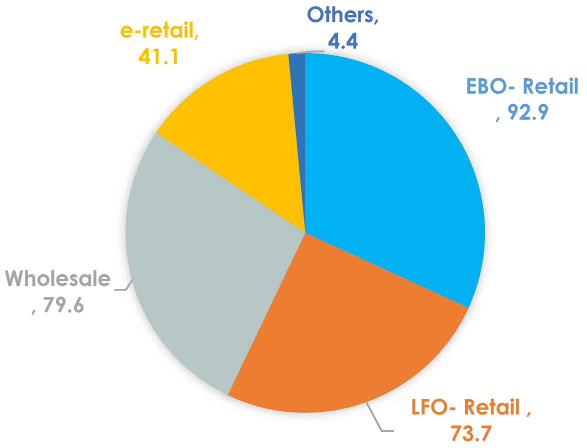


Q3FY19 (Rs cr)

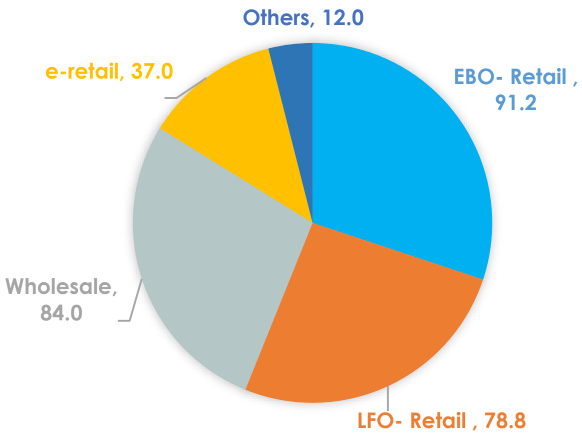


Q3FY20 YoY- Channel (%)

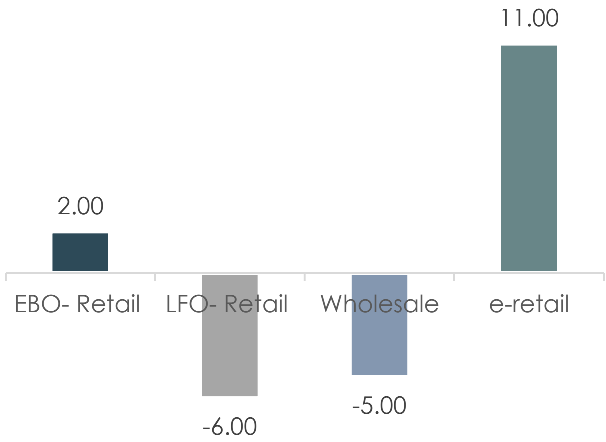
9MFY20 (Rs cr)



9MFY19 (Rs cr)



9MFY20 YoY- Channel (%)



- Overall EBO revenue grew 4%. Like for Like grew 8%
- LFO saw recovery and remained flat after a weak H1. Festive season witnessed 9.5% value growth
- Distribution channel declined 6.5% on account of channel destocking. However early signs of improved offtakes in trade is being seen.
- E commerce continues to grow double digit

Q3 & 9MFY20 Snapshot

SUMMARY

Q3FY20

Particulars (Rs. Crs)	Without IND AS 116	Impact	With IND AS 116
Net Revenue	92.15	-	92.15
EBITDA	7.69	-5.21	12.90
EBITDA Margin %	8.34		13.99
Depreciation	1.65	-4.07	5.72
Interest Cost	3.52	-2.22	5.74
PBT before exceptions	2.60	1.07	1.53
PBT Margin %	2.82		1.66

9MFY20

Particulars (Rs. Crs)	Without IND AS 116	Impact	With IND AS 116
Net Revenue	291.68	-	291.68
EBITDA	43.03	-14.64	28.39
EBITDA Margin %	14.75		9.73
Depreciation	4.75	-11.56	16.31
Interest Cost	8.72	-6.37	15.09
PBT before exceptions	14.92	-3.29	11.63
PBT Margin %	5.12		3.99

**EBITDA Includes other income*

Profit & Loss Highlights

Rs. Crs.	Q3FY20	Q3FY19	Change (%)
Revenues	**92.15**	**95.57**	**-3.58**
Cost of Materials	-0.15	0.12	
Purchase of Finished Goods	51.38	32.77	
Change in Inventories	1.38	21.76	
Garment Processing Costs	0.24	0.39	
Employee Benefit Expenses	5.99	6.65	
Other Expenses	21.01	20.11	
Total Expenses	**79.85**	**81.80**	**-2.38**
Operating EBITDA	**12.30**	**13.77**	**-147 bps**
Other Income	0.69	0.47	
Gross EBITDA	**12.99**	**14.24**	
Finance Costs	5.74	2.54	
Depreciation	5.72	1.41	
Profit Before Tax	**1.53**	**10.29**	-85.13
Tax Expenses	1.45	3.60	
Profit After Tax (before other comprehensive income)	**0.08**	**6.69**	**-98.80**
Other Comprehensive Income (net of tax)	0.06	-0.09	
Total Comprehensive Income	**0.14**	**6.60**	

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

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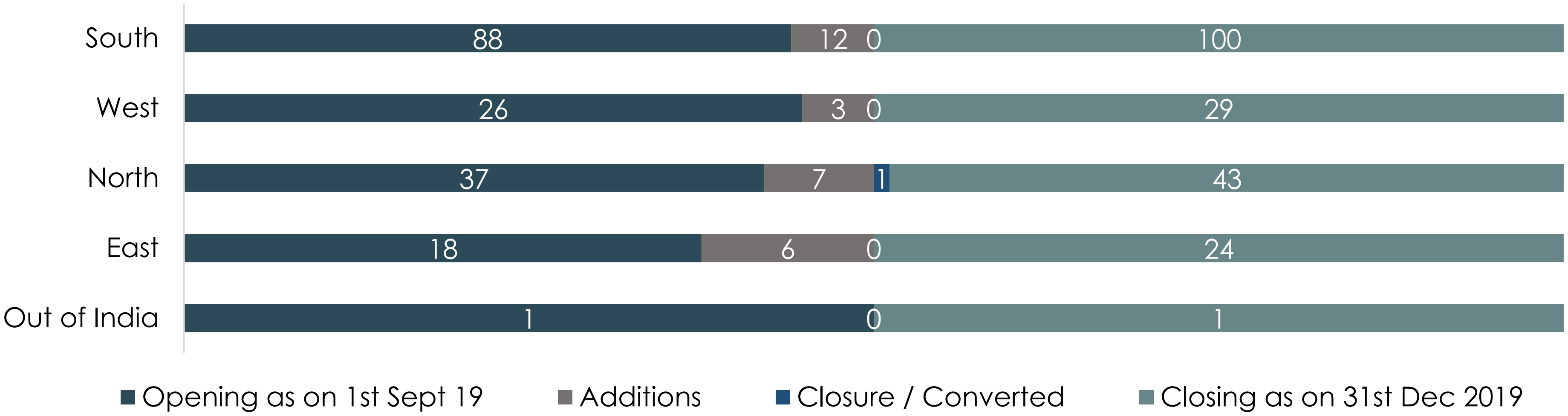
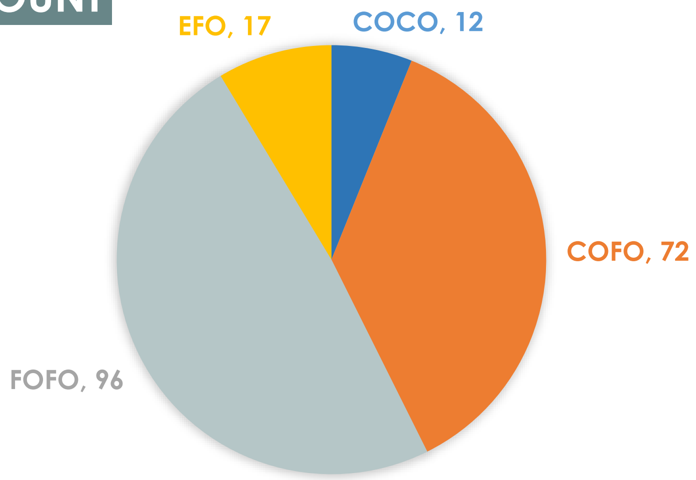
Exclusive Stores

Exclusive Stores



STORE COUNT

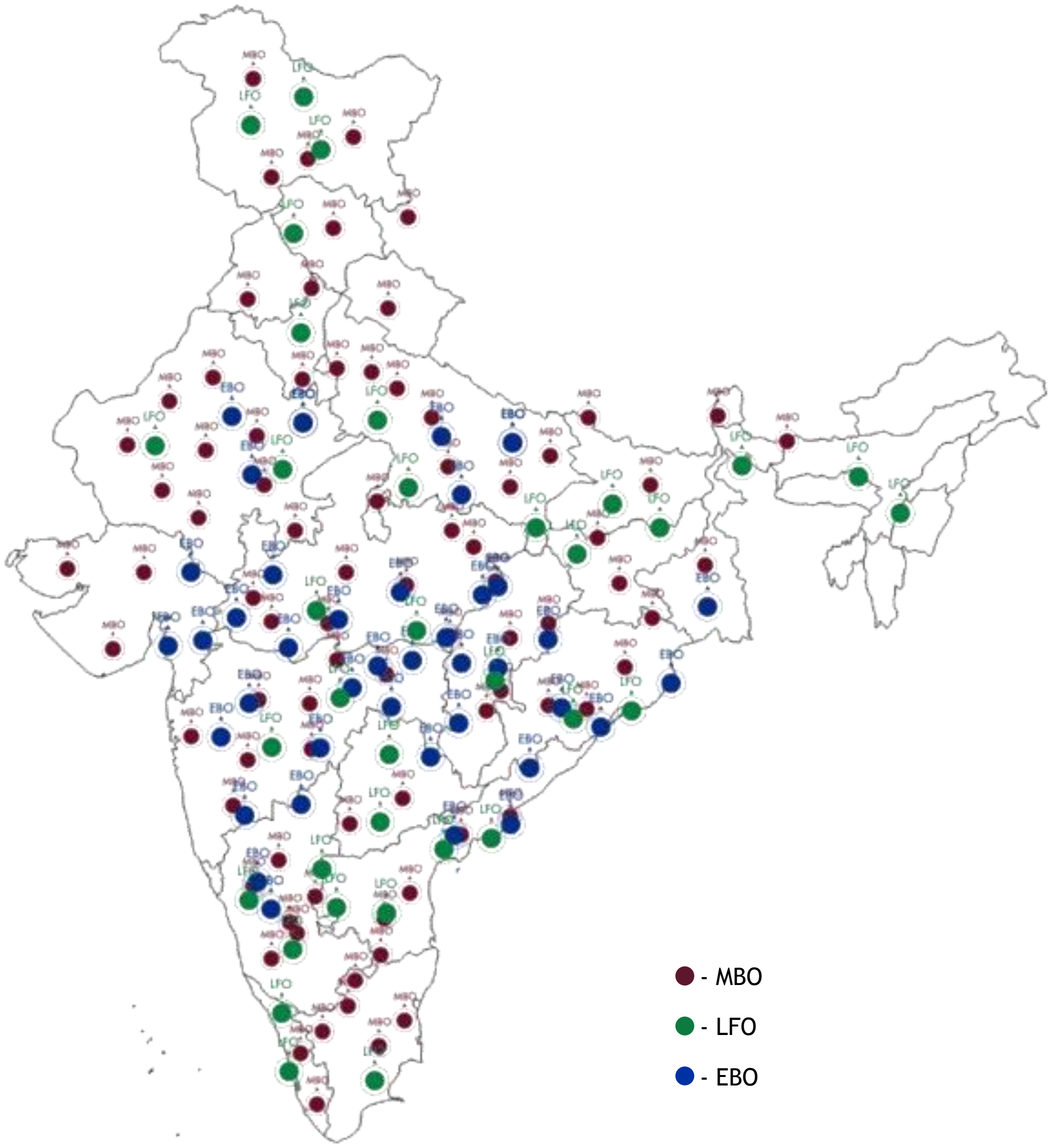


*Store Count - 197 under direct management + 5 Stores under distributor management

Distribution Networks

197
Exclusive Doors (inclusive of 17 Factory Outlets

425+
Doors in Departmental Stores



1400+
Doors under Multi Branded Outlets

8+
E-commerce Partners

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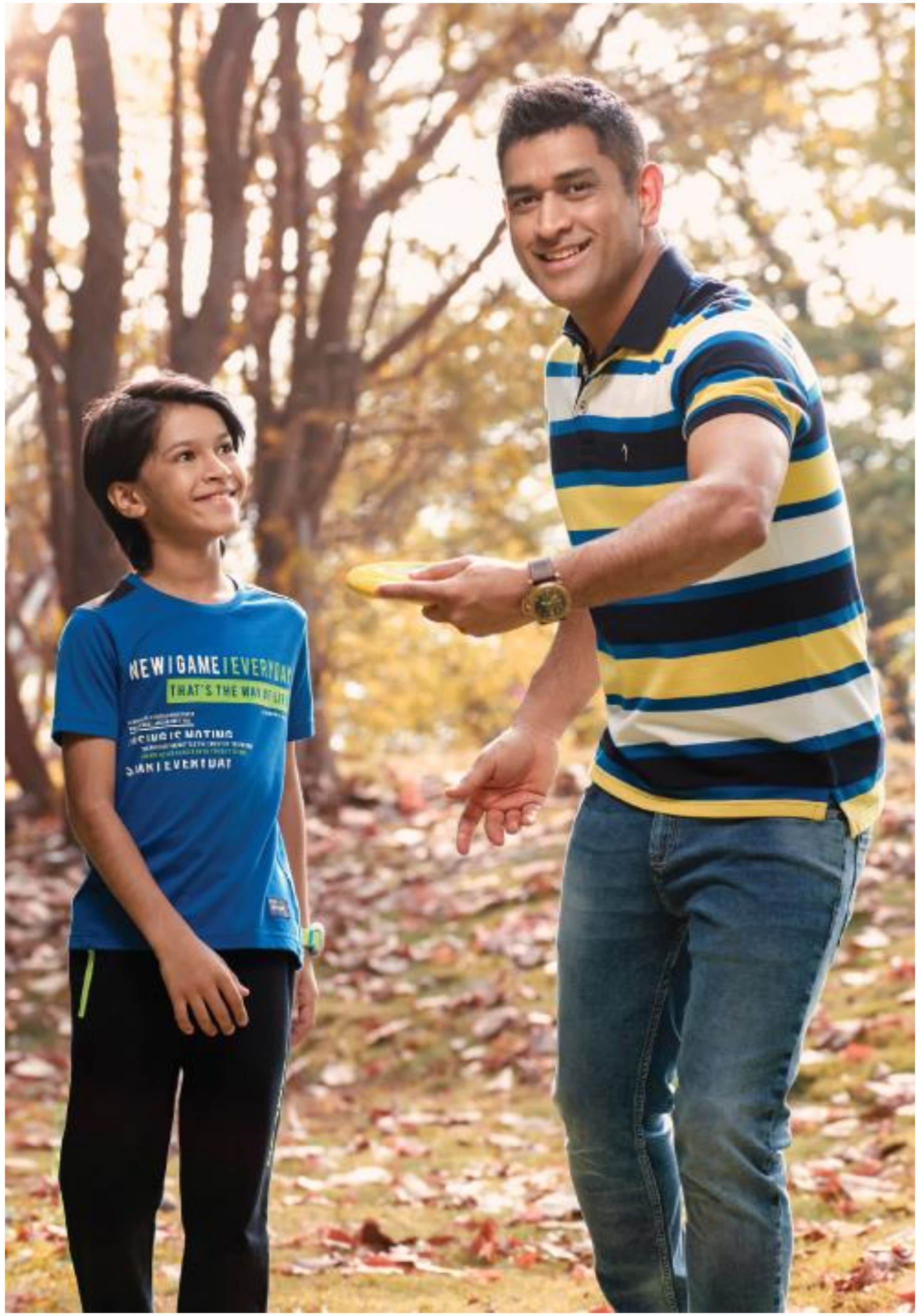


"At Indian Terrain, we love spending every day in creating clothing of elegant style and remarkable comfort that 'makes you feel good'"

Direct to Consumer Focus…Small Towns..

BELLARY

BAGALKOT

KARIM NAGAR

Direct to Consumer Focus - Continuing to fill up gaps in Metros

INDIAN TERRAIN 'makes you feel good'

MUMBAI – LINKING ROAD

EAST COAST - CHENNAI

GAUR MALL - NOIDA

TRITON MALL - JAIPUR

Financial Statements

Profit & Loss Statement - Quarterly

Standalone Profit & Loss (INR cr)	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Income from Operations	**94.5**	**107.9**	**82.2**	**125.9**	**95.6**	**118.7**	**83.3**	**116.2**	**92.2**
Other Income	0.3	0.8	0.8	0.5	0.5	1.3	0.7	0.8	0.7
Total Income	**94.8**	**108.8**	**83.0**	**126.3**	**96.0**	**120.0**	**84.0**	**117.0**	**92.8**
Operating Expenses	81.9	93.9	73.1	110.5	81.8	106.1	69.0	102.0	79.9
EBITDA	13.0	14.9	9.8	15.8	14.2	13.9	15.1	15.0	**13.0**
Margin %	**13.7**	**13.8**	**12.0**	**12.6**	**14.9**	**11.7**	**18.1**	**12.9**	**14.1**
Depreciation	1.4	1.1	1.3	1.4	1.4	1.5	5.1	5.5	5.7
EBIT	11.6	13.8	8.6	14.5	12.8	12.4	9.9	9.5	**7.3**
Margin %	**12.3**	**12.8**	**10.4**	**11.5**	**13.4**	**10.4**	**11.9**	**8.2**	**7.9**
Financial Charges	1.7	2.5	2.1	1.9	2.5	2.0	4.2	5.2	5.7
PBT	9.9	11.3	6.5	12.6	10.3	10.4	5.8	4.3	**1.5**
Margin %	**10.4**	**10.5**	**7.9**	**10.0**	**10.8**	**8.8**	**6.9**	**3.7**	**1.7**
Tax	3.4	4.0	2.3	4.4	3.6	3.8	2.0	-0.2	1.5
PAT	**6.4**	**7.3**	**4.2**	**8.2**	**6.7**	**6.6**	**3.8**	**4.5**	**0.08**
Margin %	**6.8**	**6.7**	**5.1**	**6.5**	**7.0**	**5.6**	**4.5**	**3.9**	**0.1**

The Company has adopted IND AS 115 with effect from 01st April 2017 and IND AS 116 with effect from 01st April 2019 using modified retrospective approach and hence figures are not comparable

Profit & Loss Statement – Half-Yearly & 9 Months

Standalone Profit & Loss (INR cr)	H1FY18	H1FY19	H1FY20	9MFY18	9MFY19	9MFY20
Income from Operations	**199.0**	**208.1**	**199.5**	**293.5**	**303.6**	**291.7**
Other Income	1.4	1.2	1.5	1.7	1.7	2.2
Total Income	**200.3**	**209.3**	**201.0**	295.2	305.3	293.8
Operating Expenses	177.9	183.6	171.0	259.7	265.4	250.8
EBITDA	**22.5**	**25.7**	**30.0**	**35.5**	**39.9**	**43.0**
Margin %	**11.3**	**12.3**	**15.0**	12.1	13.1	14.8
Depreciation	1.8	2.6	10.6	3.2	4.0	16.3
EBIT	**20.7**	**23.1**	**19.4**	**32.3**	**35.9**	**26.7**
Margin %	**10.4**	**11.1**	**9.7**	**11.0**	**11.8**	**9.2**
Financial Charges	2.8	4.0	9.4	4.5	6.5	15.1
PBT	**17.9**	**19.1**	**10.1**	**27.8**	**29.4**	**11.6**
Margin %	**9.0**	**9.2**	**5.1**	**9.5**	**9.7**	**4.0**
Tax	6.2	6.7	1.9	9.6	10.3	3.3
PAT	**11.7**	**12.4**	**8.2**	**18.2**	**19.1**	**8.3**
Margin %	**5.9**	**6.0**	**4.1**	**6.2**	**6.3**	**2.9**

The Company has adopted IND AS 115 with effect from 01st April 2017 and IND AS 116 with effect from 01st April 2019 using modified retrospective approach and hence figures are not comparable

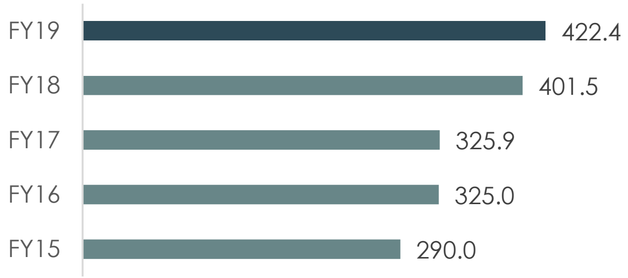
Profit & Loss Statement - Annually

Standalone Profit & Loss (INR cr)	FY14	FY15	FY16	FY17	FY18	FY19
Income from Operations	**232.0**	**290.0**	**325.0**	**325.9**	**401.5**	**422.4**
Other Income	0.3	0.8	5.2	**5.3**	2.5	3.0
Total Income	**232.3**	**290.8**	**330.2**	**331.2**	**404.0**	**425.4**
Operating Expenses	207.9	256.9	283.9	285.9	353.6	371.5
EBITDA	**24.4**	**33.9**	**46.3**	**45.3**	**50.4**	**53.8**
Margin %	**10.5**	**11.7**	**14.2**	**13.9**	**12.5**	**12.7**
Depreciation	2.5	2.9	2.3	3.1	4.2	5.5
EBIT	**21.9**	**31.0**	**43.9**	**42.2**	**46.1**	**48.3**
Margin %	**9.5**	**10.7**	**13.5**	**12.9**	**11.5**	**11.4**
Financial Charges	9.5	8.6	7.0	8.9	7.0	8.5
PBT	**12.4**	**22.3**	**37.0**	**33.3**	**39.1**	**39.8**
Margin %	**5.4**	**7.7**	**11.4**	**10.2**	**9.7**	**9.4**
Tax	2.6	4.4	4.0	10.4	13.7	14.1
PAT	**9.9**	**18.0**	**33.0**	**22.8**	**25.4**	**25.7**
Margin %	**4.3**	**6.2**	**10.2**	**7.0**	**6.3**	**6.1**

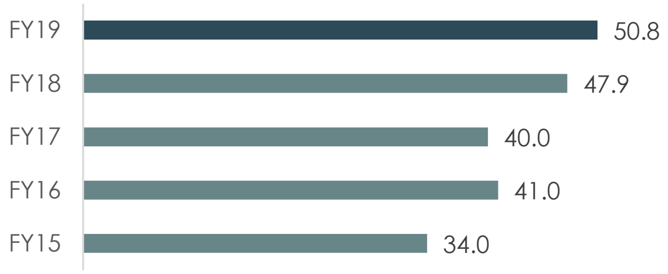
The Company has adopted IND AS 115 with effect from 01st April 2017 and IND AS 116 with effect from 01st April 2019 using modified retrospective approach and hence figures are not comparable

Key Performance Highlights

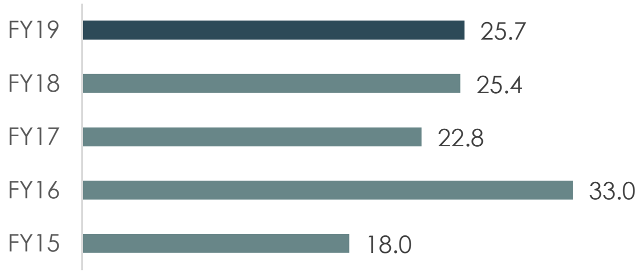
Sales (Rs Cr.)



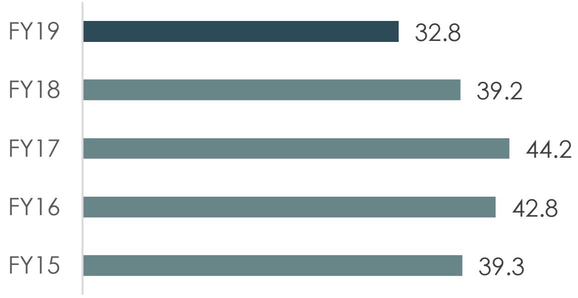
EBITDA (Rs Cr.)



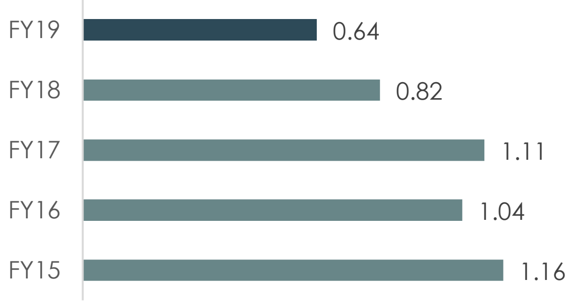
PAT (Rs Cr.)



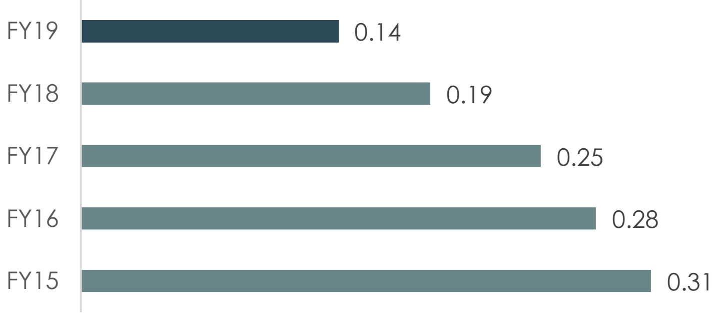
Total Debt (Rs Cr.)



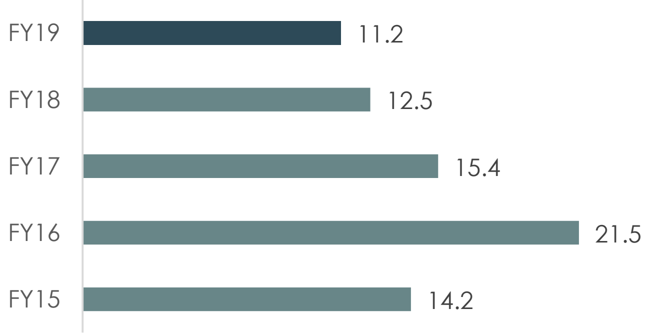
Total Debt/EBITDA (x)



Debt to Equity (x)

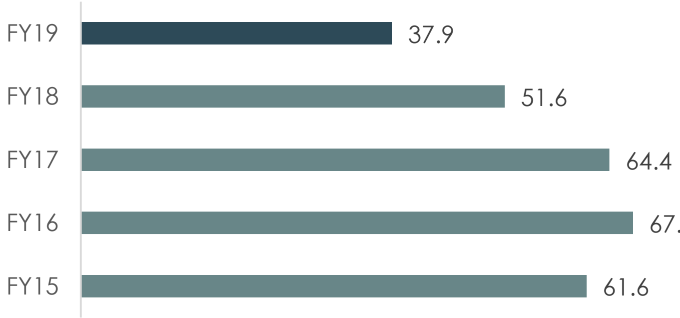


Return on Equity



Return on Capital Employed

Cash & Equivalents



Balance Sheet & Key Ratios

Standalone Balance Sheet (INR cr)	FY14	FY15	FY16	FY17	FY18	FY19
Share capital	5.7	7.2	7.3	7.6	7.6	7.6
Reserves and Surplus	30.5	119.2	146.2	171.3	196.4	222.1
Non-current liabilities	21.3	7.9	18.4	13.4	20.3	23.2
Current liabilities	83.2	81.3	90.9	108.6	152.6	165.4
Total Equity and Liabilities	**140.7**	**215.5**	**262.8**	**300.8**	**377.0**	**418.3**
Non-current assets	16.8	20.5	40.0	50.3	61.7	67.7
Current assets	124.0	195.0	222.8	250.5	315.2	350.6
Total Assets	**140.7**	**215.5**	**262.8**	**300.8**	**377.0**	**418.3**

Key Ratios	FY14	FY15	FY16	FY17	FY18	FY19
RoCE (%)	24.8	18.2	19.8	16.1	17.9	18.4
RoE (%)	27.3	14.2	21.5	15.4	12.5	11.2
Net debt to equity (x)	1.34	-0.18	-0.16	-0.11	-0.06	-0.02
Interest coverage (x)	2.3	3.5	5.6	4.1	6.2	5.4
Inventory days	175	135	138	159	136	99
Receivables days	121	120	111	123	162	208
Payable days	66	69	101	103	141	126

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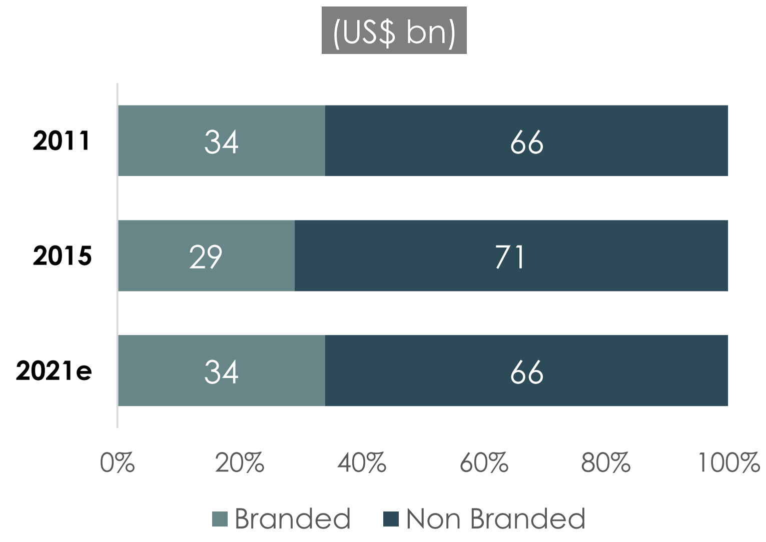
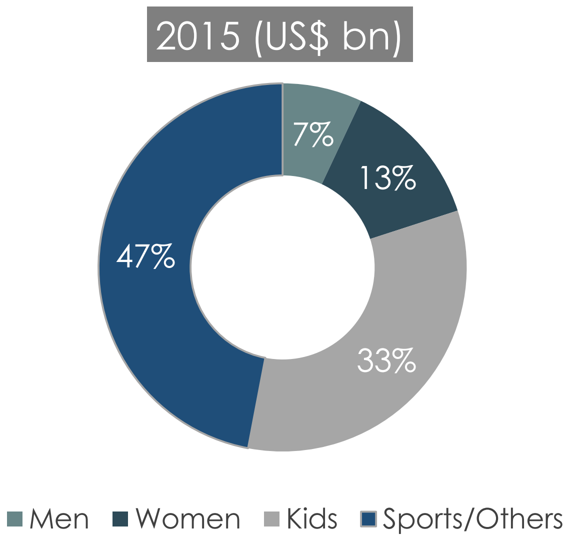
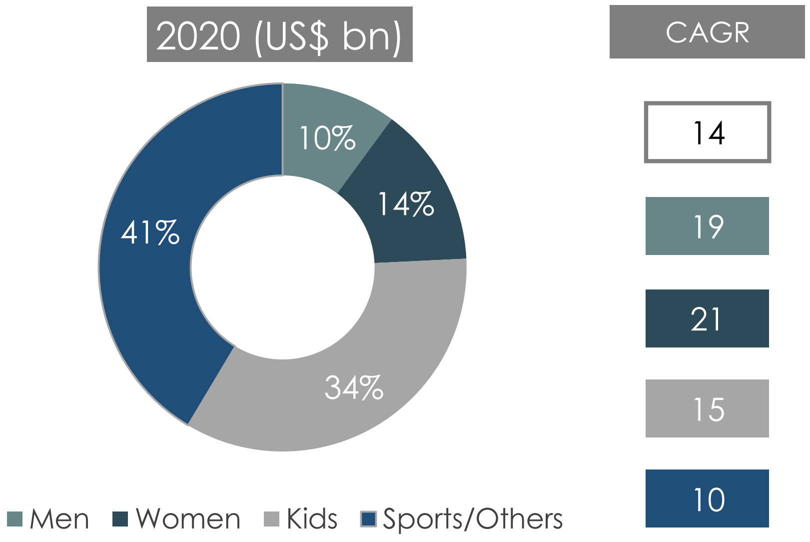
Outlook

Branded Apparel Market Growing Faster Than Overall Market







Source : UNESCO, CLSA Report

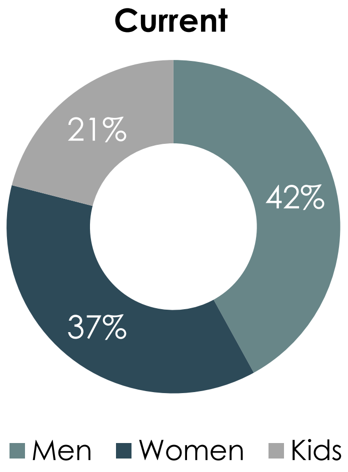
Contribution by Value in % - Sales via E-com portals

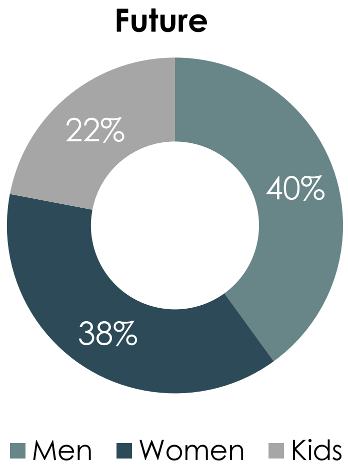
Source : https://timesofindia.indiatimes.com/business/india-business/men-buy-more-clothes-online-than-women/articleshow/72894773.cms

Forecast Indicate Growth In Kids Apparels Market

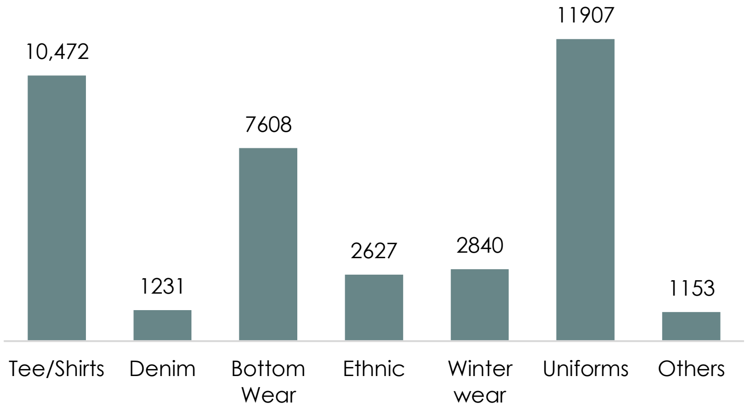
Segment-wise analysis
Breakup of Fashion market (current vs future)

Source : Technopak Analysis

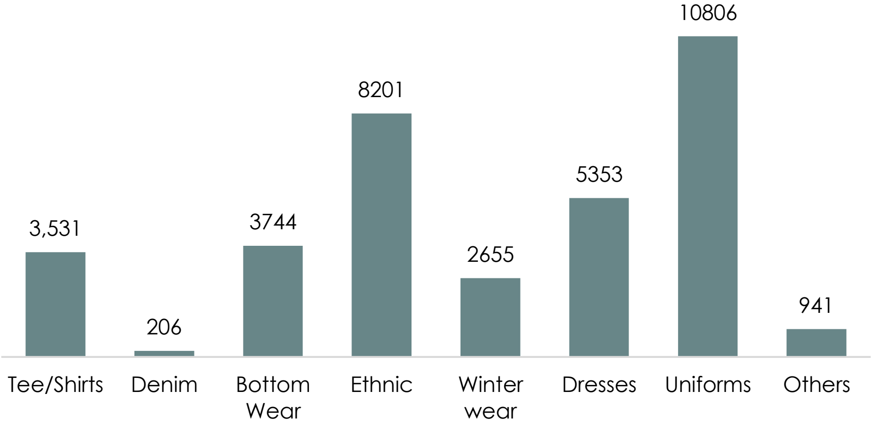




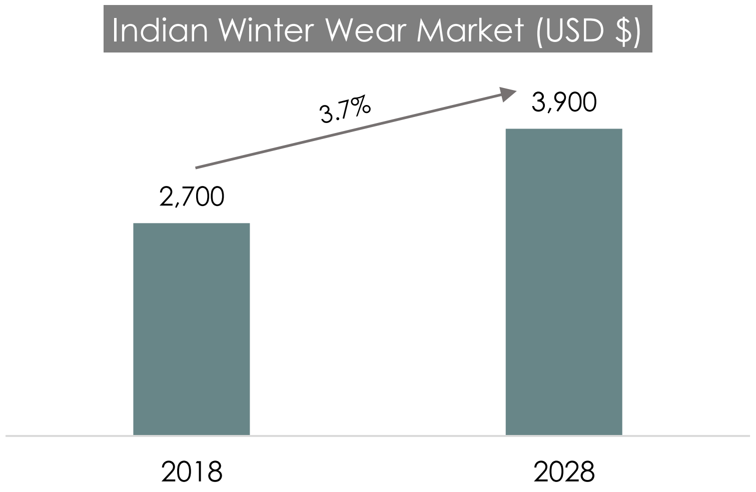
Category growth in Boyswear
(in ₹ crore)

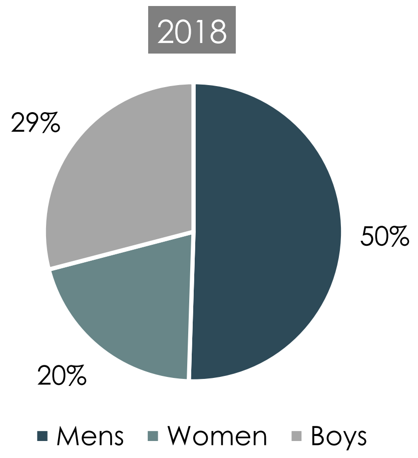


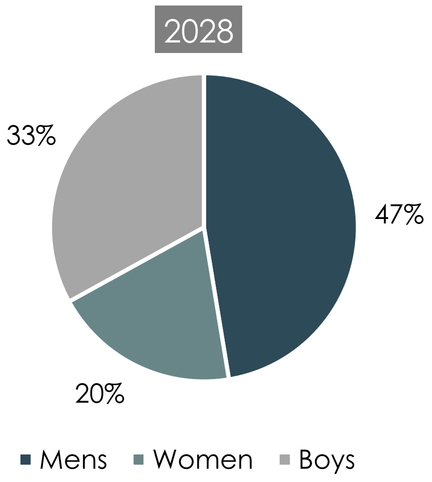
Category growth in Girlswear
(in ₹ crore)



Winter-wear market of India – Kidswear indicates growth to accrue in 2028





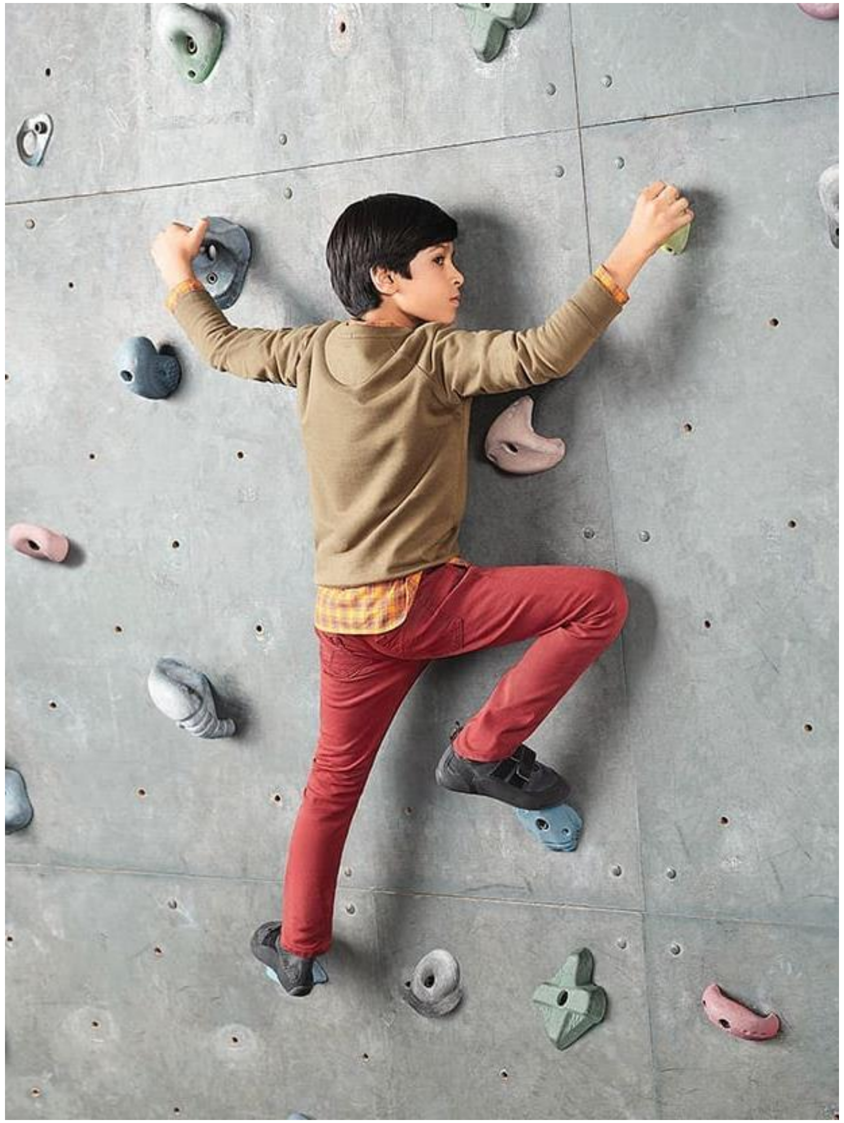


Fiscal 2020 outlook

OVERALL –

- Consumer Off-take remained moderate Post Festive Period.
- EOSS saw a muted growth in the month of Jan. Like for Like growth @ 3%. Discounts lower by 3% on account of full price sales in Pongal markets, rationalized discount schemes and early availability of new season merchandise at the stores.
- Winter category has been encouraging and have witnessed strong sell-thru of 70%. Grew 28% over previous year and did well across channels.
- Q4 is expected to be driven more by specific needs/ occasions (Weddings etc.) than impulse. Expected to be muted on account of challenged economic scenario
- Slow and steady Pick up seen in Distribution Channels.

Key Strategies to aid Revenues



- Focus on Small Town Expansion continuous primarily through franchisee Model. Currently in active discussions for 15 stores to open by Year end / Early April across India :
- Planning to expand Boyswear presence to more stores.
- Focus on Efficiency and gaining back market Share in key formats
- Change in Business Model of servicing a few large retail chains as Key accounts is helping to gain back shelf space and sell through
- Partners Changed in a Few markets and results are starting to show.
- Focus on Tertiary Sales Monitoring in Trade to improve Sell through for a better Realisation and quicker cash cycle
- Product and Placement – Product Ranges to Support Specific Occasions
- Instead of Sub Brands a more Channel, Format Specific Product Segmentation to drive newer demographics.
- Increased focus on Boyswear as growth Driver in all Channels
- Focus on Cash Conservation, rejigging the business model to drive specific Channels, Markets and Formats

INDIAN TERRAIN
'makes you feel good'

Annexure

ITFL's Apparel Kaleidoscope

MENS COLLECTION

BOYS COLLECTION

KHAKI COLLECTION

ACCESSORIES

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.

New Summer Collection

INDIAN TERRAIN 'makes you feel good'

INDIAN TERRAIN

The Spirit of Man

REFUEL

NEW SUMMER COLLECTION

Follow us

New Summer Collection

INDIAN TERRAIN 'makes you feel good'

INDIAN TERRAIN

The Spirit of Man

REFUEL

MEN & BOYS NEW SUMMER COLLECTION

Follow us

NEW LIMITED EDITION
COLLECTION

INDIAN
TERRAIN

X

STAR
WARS

JOURNEY
INTO THE
GALAXY

LIMITED EDITION COLLECTION

FOR MENS

FOR BOYS

SHOP NOW AT : www.indianterrain.com

Awards and 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

Let's Connect

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Thank You