



ITFL/SEC/2017-18/MAY/14

26th May, 2017

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
Scrip Code - 533329

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400051.
NSE Symbol: INDTERRAIN

Dear Sir/Madam,

Sub: Investor Presentation for Q4 and FY ended 31st March, 2017

Ref.: INDIAN TERRAIN FASHIONS LIMITED

We hereby enclose the Investor Presentation on financial results of the Company for the quarter and year ended 31st March, 2017.

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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Email ID : response.itfl@indianterrain.com
Website : www.indianterrain.com
L18101TN2009PLC073017

INDIAN TERRAIN

Indian Terrain Fashions Limited



PERFORMANCE HIGHLIGHTS



INDIAN
TERRAIN

Brand Identity Elements



- ***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.

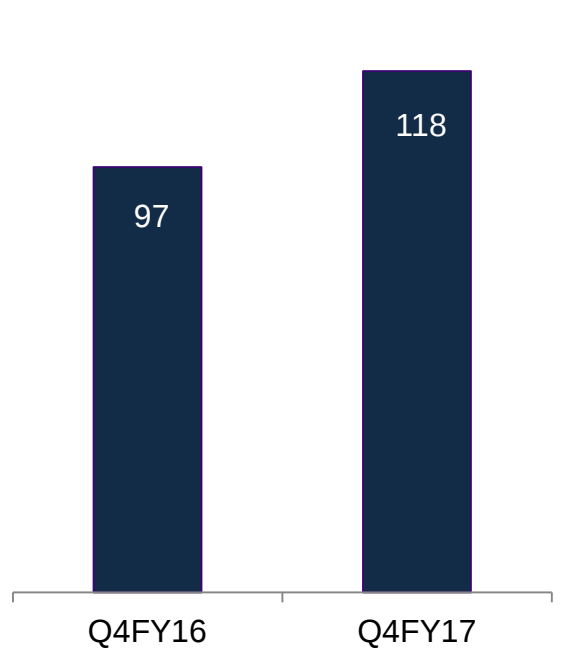


Q4 Financial Highlights

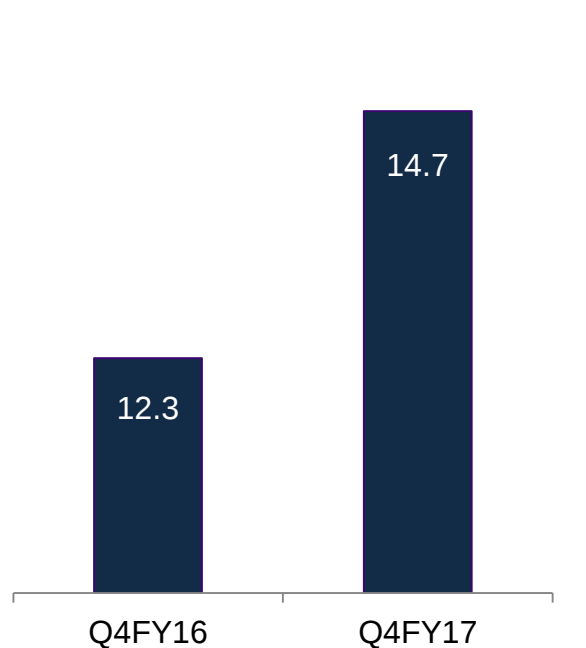


22.5% GROWTH IN REVENUES; 19.3% GROWTH IN OPERATING EBITDA; 23.7% GROWTH IN PBT

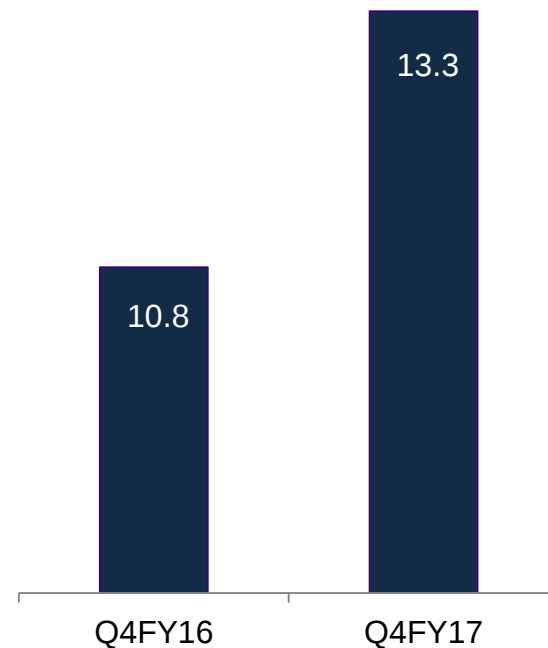
Revenues (Rs. Cr)



Operational EBITDA (Rs. Cr)



Profit Before Tax (Rs. Cr)





Revenues at 118.30 crs vis-à-vis 96.61 crs

▪ Men'swear

- Continued momentum on Men'swear business – 19% growth driven by strong volume growth of 14%
- Hard stop of EOSS by Jan end resulted in de-growth in Feb retail business; Strong Jan/March numbers coupled with reduced discounts helped retail to grow by 14% during the quarter
- Brand continued to increase market share in LFOs and retained the No.1 slot across casuals & formals in key formats
- Traditional channel, Trade bounced back from the blip of Q3 and recorded a 37% growth with contribution over 40% to total revenues
- Conscious control on e-tail dispatches following EOSS hardstop in retail businesses

▪ Boyswear

- Steady-state growth; 2.5x of revenues compared to Q4FY16
- Quarter witnessed increased traction and consumer responses



■ Operating Margins

- Marginal price increase to partially offset rise in cotton prices – ensuring gross contribution margins are intact
- Hardstop on EOSS resulted in 3% savings of retail discounts compared to Q4FY16
- Specific targeted market AnP spends; judicious calls post de-monetisation & end of EOSS by Jan'17
- Increase in Personnel Costs – new Segments of Boyswear/Footwear coupled with strengthening of team effective Q3 FY'16

- Flat other income and finance costs coupled with reduction in depreciation resulting in ~24% growth in PBT
- Provision of tax at full rates and reversal of excess provision made last year consequent to MAT adjustments
- PAT at 10.06 crs vis-à-vis 6.82 crs in Q4FY16

Q4 and FY2017 Performance

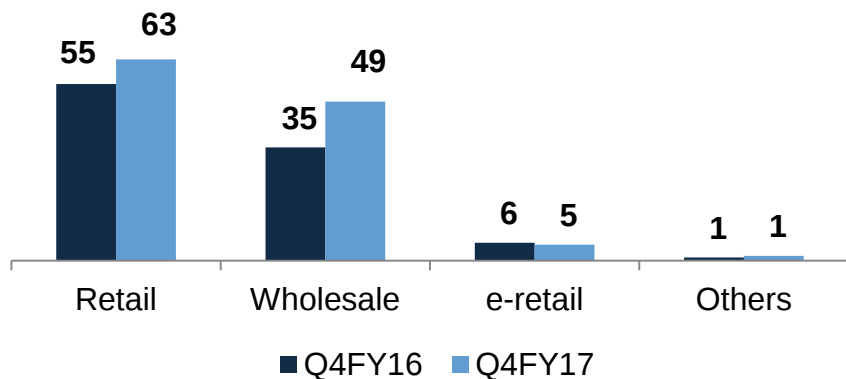


Rs. In Cr	Q4 FY17	Q4 FY16	Change	FY'17	FY'16	Change
Revenues*	118.30	96.61	22.5%	402.77	325.10	23.9%
Cost of Materials	14.66	9.82		56.62	39.21	
Purchase of Finished Goods	53.20	51.33		128.10	112.93	
Excise Duty	0.64	0.09		3.01	0.09	
Change in Inventories	(21.56)	(19.91)		(12.66)	(9.51)	
Garment Processing Costs	10.13	4.36		24.78	15.88	
Employee Benefit Expenses	5.60	4.26		21.77	16.63	
Other Expenses	40.95	34.36		134.03	108.77	
Total Expenses	103.62	84.31	22.9%	355.65	284.00	25.2%
Operating EBITDA	14.68	12.30	19.3%	47.12	41.10	14.6%
Other Income	1.20	1.27		5.05	5.16	
Gross EBITDA	15.88	13.57	17.0%	52.17	46.26	12.8%
Finance Costs	2.03	2.06		8.89	6.97	
Depreciation	0.51	0.73		3.14	2.31	
Profit Before Tax	13.34	10.78	23.7%	40.14	36.98	8.5%
Tax Expenses	3.28	3.96		12.55	3.96	
Profit After Tax	10.06	6.82	47.5%	27.59	33.02	-16.4%

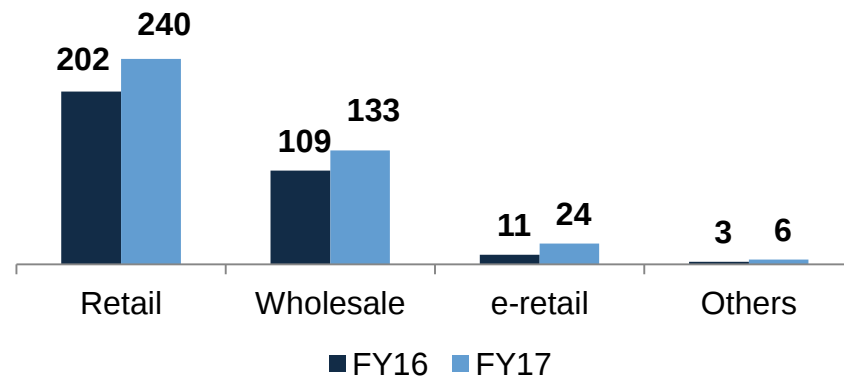
Revenue Contribution (Rs. Crs)



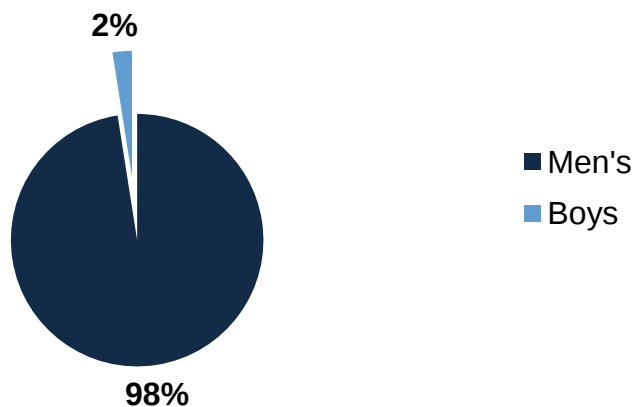
Channelmix-Q4



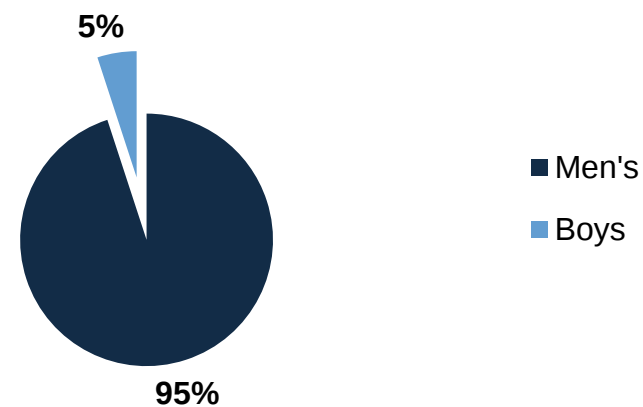
Channelmix-FY17



Q4FY16



Q4FY17



Exclusive Stores



Region	Opening As on 1 st Apr	Additions	Closure	Closing As on 31 st Mar
South	50	10	3	57
West	32	2	3	31
North	30	5	3	32
East	7	5	1	11
Out of India	1	0	0	1
Total	120	22	10	132

Region		Closing As on 31 st Mar
COCO	Company Owned Company Operated	5
COFO	Company Owned Franchisee Operated	32
FOFO	Franchisee Owned Franchisee Operated	92
EFO	Exclusive Factory Outlet	3
Total		132



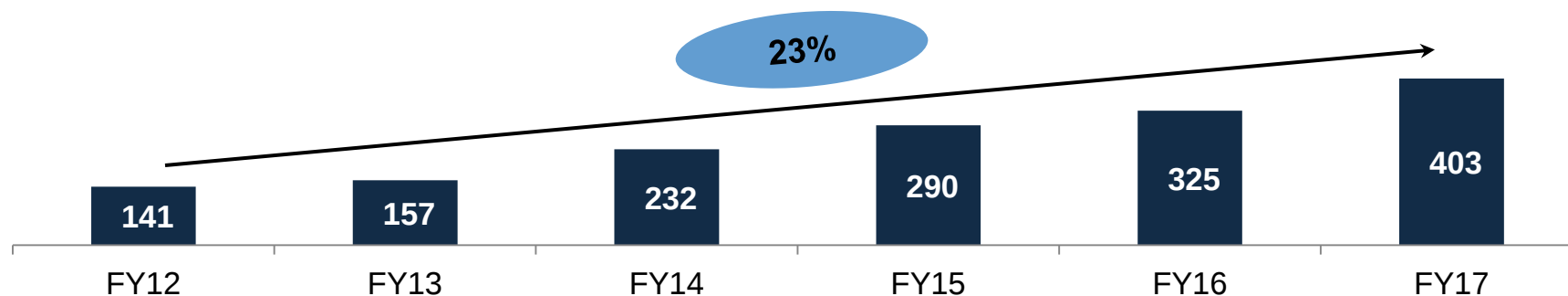
A true compliment to our classic Khakis.....



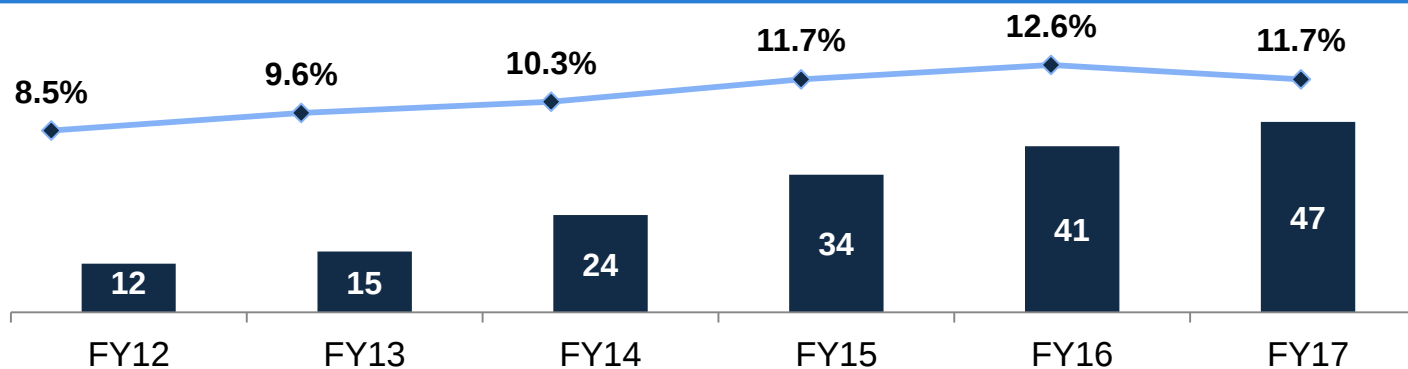
Performance Overview



Revenue growth of 23%



32% growth in Operating EBITDA



Distribution Network



PRESENT ACROSS 250+ CITIES THRU DIFFERENT FORMATS



141
Exclusive Outlets



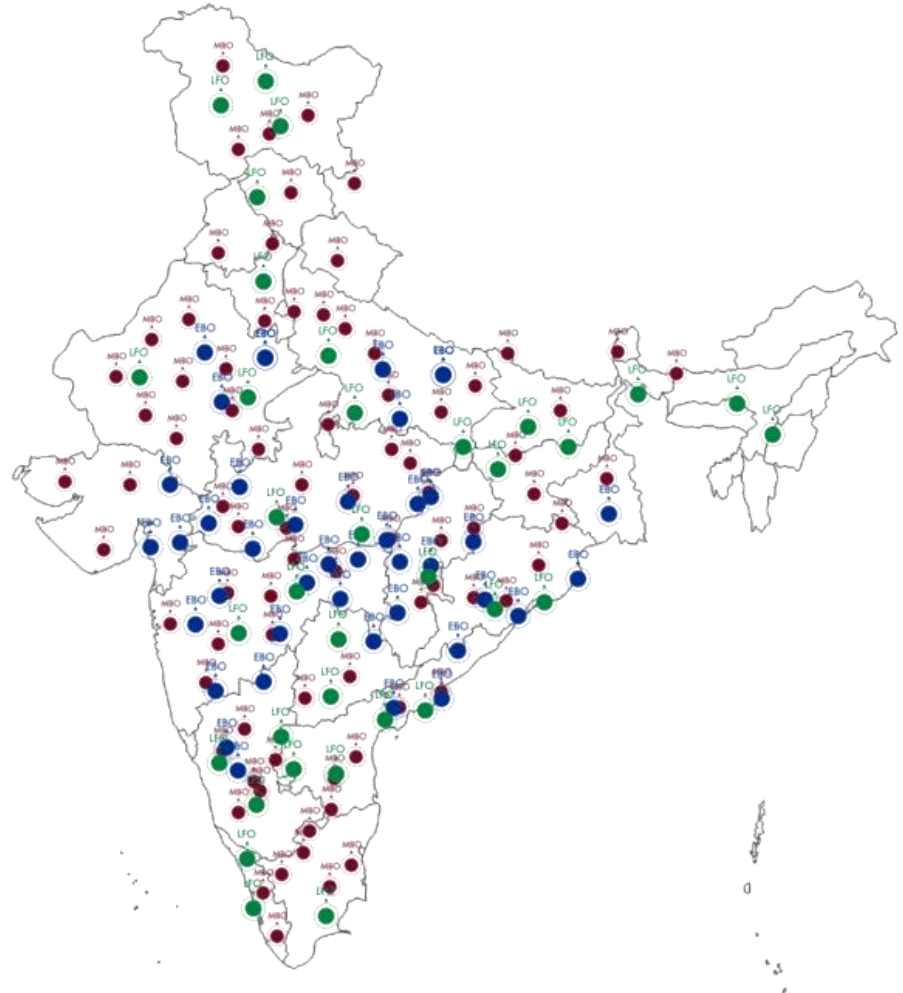
269
doors in Departmental
Stores



1200+
doors under Multi
Branded Outlets



7+
Ecommerce
Partners





- Organic growth remains the core element of brand's business with Retail continuing to be key drivers of revenue; FY18 to witness addition of 30 exclusive stores including stores at 5 strategic locations
- Encouraging response on new partnership in departmental stores; 45 new counters expected to be added in FY18
- Renewed engagement and expanded reach will serve as catalysts in growth of wholesale trade
- Online – focus on select partnerships to maximise opportunities and improve efficiencies
- Boyswear is expected to grow 50% from FY17 backed by thrust on key EBOs, LFOs and Trade; evaluating standalone stores in key strategic locations
- Footwear/Accessories – segment to target 8 cr retail sale with emphasis on online



- Outlook for the industry remains positive supported by domestic market sentiments; the Brand is well poised to grow the business incrementally and is looking to build model that is nimble, flexible, creative and non-traditional
- 2018 & 2019 will be the years of Investment into analytics / business intelligence which will help leverage data in bringing new concepts and also in renewing established business analysis
- Brand is also deliberating on controlled modular manufacturing to service quick orders of markets
- In the short term..

The financial year has begun on a stable note for apparel retail

GST rates for textiles/apparels are yet to be notified; Brand expects the rates to be tax neutral from the present environment

A minor disruption to back-end operations is expected during transition pending clarity on input credits / set-off on carry forward goods

Thank You



Disclaimer

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