



ARVIND



Performance Review Note Q3 FY2014-15

5th February 2015, Ahmedabad

Agenda

- Financial Performance: Consolidated
- Financial Performance: Standalone
- Business Analysis

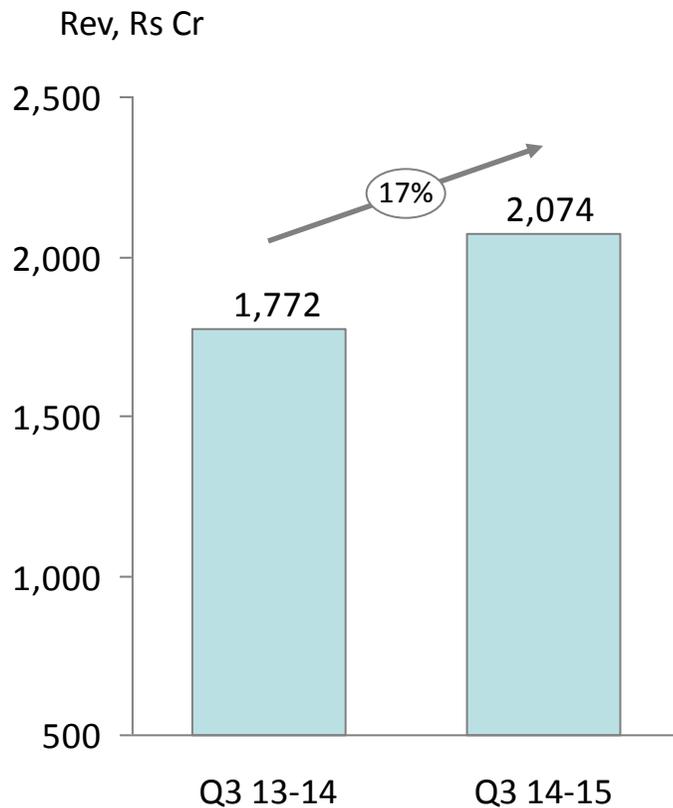
Agenda

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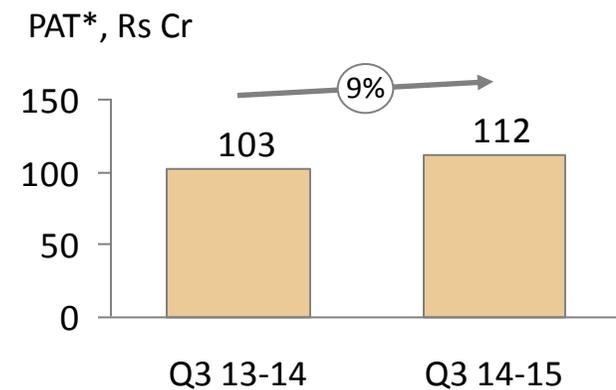
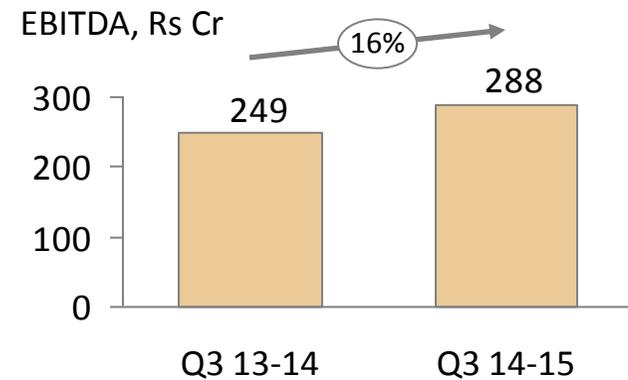
Financial Performance: Q3 2014-15

Consolidated Revenue growth of 17% and EBITDA growth of 16%

Strong growth in revenues...



...with steady weighted margins



*PAT before exception item

Business Highlights: Q3 2014-15

Strong top-line growth with moderated PAT due to higher tax out go.

	Q3 Rs Cr		Change
	2014-15	2013-14	
Revenue from Operations	2,074	1,772	17%
RawMaterials	847	821	
Project Expenses	18	17	
Employees' Emoluments	208	173	
Others	653	522	
(Increase) / Decrease in Stock	59	-11	
Foreign Exchange Loss /(Gain)	0	1	
EBIDTA	288	249	16%
Margin	13.9%	14.0%	
Other Income	15	12	
Interest & Finance Cost	102	80	
Cash Accruals	201	181	11%
Depreciation	56	58	
Profit Before Taxes	146	123	18%
Tax	35	21	
Profit After Tax	112	103	9%
Less : Exceptional Item	2	1	
Net Profit	109	102	7%

Key highlights

Revenue growth of 17% achieved due to

- 22% top-line growth in Brands & Retail
- 9% volume growth in Woven fabrics
- 10% volume growth in Denim fabrics

PBT growth of 18%, PAT growth 9% over Q3 FY14

- PBT growth in line with the topline growth
- PAT lower due to higher taxation rates

Business Highlights: 9M 2014-15

Strong top-line growth with moderated bottom-line

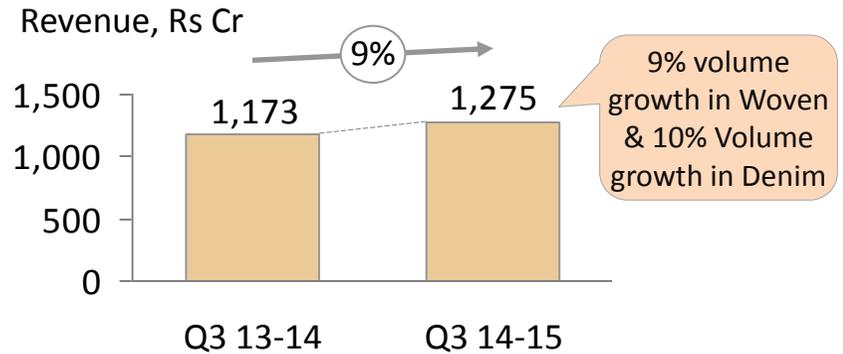
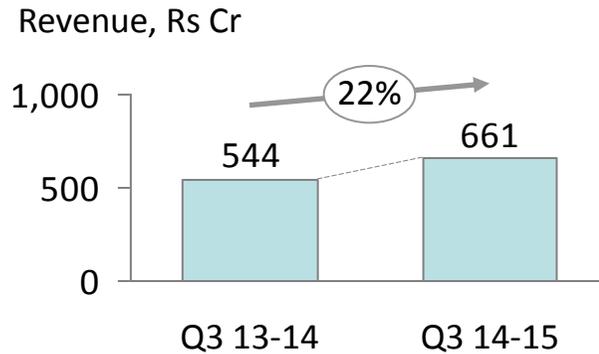
	9M Rs Cr		Change
	2014-15	2013-14	
Revenue from Operations	5,811	4,980	17%
RawMaterials	2,849	2,481	
Project Expenses	53	57	
Employees' Emoluments	600	510	
Others	1,831	1,472	
(Increase) / Decrease in Stock	-272	-228	
Foreign Exchange Loss /(Gain)	-4	17	
EBIDTA	753	671	12%
Margin	13.0%	13.5%	
Other Income	70	51	
Interest & Finance Cost	299	241	
Cash Accruals	524	481	9%
Depreciation	156	167	
Profit Before Taxes	368	314	17%
Tax	72	39	
Profit After Tax	299	276	8%
Less : Exceptional Item	6	16	
Net Profit	293	260	13%

B & R Revenue growth moderate and Margin impacted due to weak festive season: Textile growth in line with expectation

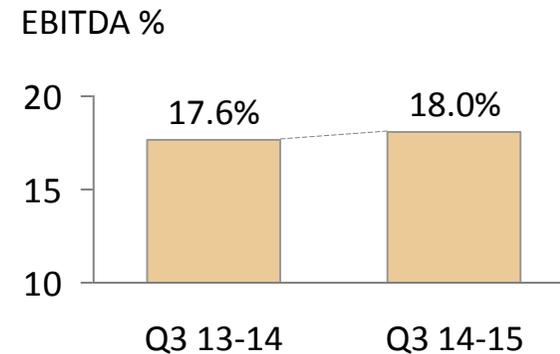
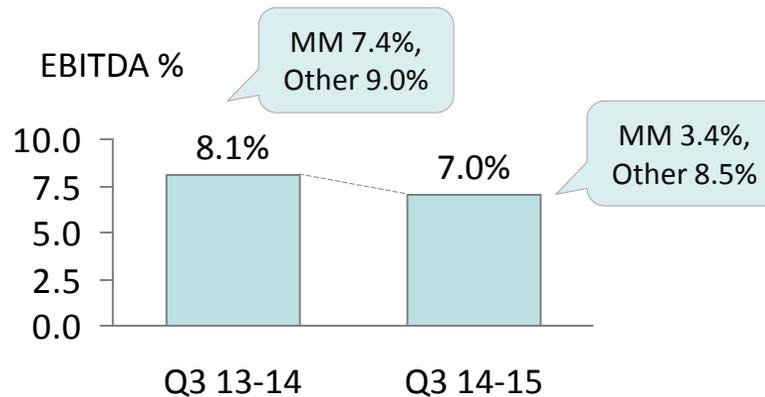
Brands & Retail

Textiles

Revenue,
Q3 Vs LY



EBITDA %,
Q3 Vs LY



*Brands & Retail segment excludes figures of Arvind Internet Limited

Consolidated Balance Sheet, as at Dec 31st 2014

Rs Crs

	As at	
	31st Dec'14	30th Sept'14
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2433	2328
Share application Money pending	0	0
Non Current Liabilities	1517	1462
Shortterm Borrowings	1828	1767
Current Liabilities	1827	1981
Minority Interest	34	33
Total	7897	7828
Assets		
Fixed Assets	3243	3188
Non -Current Investment	57	57
Long Term Loans and Advances	607	624
Other Non Current Assets	7	8
Current Assets	3983	3951
Total	7897	7828

Key Financial Ratios

	2013-14	Q1 14-15	Q2 14-15	Q3 14-15	9M 14-15
EPS	14.4	3.5	3.7	4.3	11.4
Debt / Equity	1.16	1.28	1.34	1.34	1.34
Debt / EBIDTA	3.0	3.4	3.2	3.0	3.3
ROCE	13.5%	13.7%	14.5%	15.6%	14.0%
ROE	14.0%	14.3%	14.9%	16.6%	14.8%
Revenue Growth	30%	17%	14%	17%	17%
Current Ratio	2.3	2.1	2.3	2.6	2.6
Inventory Turn	4.2	3.9	4.0	4.4	4.1
Interest Cover	2.8	2.6	2.7	3.0	2.8
Asset Turn	1.2	1.2	1.0	1.1	1.0

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Standalone Financial Performance Q3 14-15

	Q3 Rs in Crs		Change
	2014-15	2013-14	
Revenue from Operations	1,330	1,205	10%
RawMaterials	563	553	
Project Expenses	2	2	
Employees' Emoluments	146	128	
Others	432	343	
(Increase) / Decrease in Stock	-32	-19	
Foreign Exchange Loss /(Gain)	-2	-3	
EBIDTA	222	201	11%
Margin	16.7%	16.7%	
Other Income	22	17	
Interest & Finance Cost	82	68	
Cash Accruals	163	150	9%
Depreciation	31	40	
Profit Before Taxes	132	110	20%
Tax	30	15	
Profit After Tax	102	95	8%
Less : Exceptional Item	2	1	
Net Profit	99	94	6%

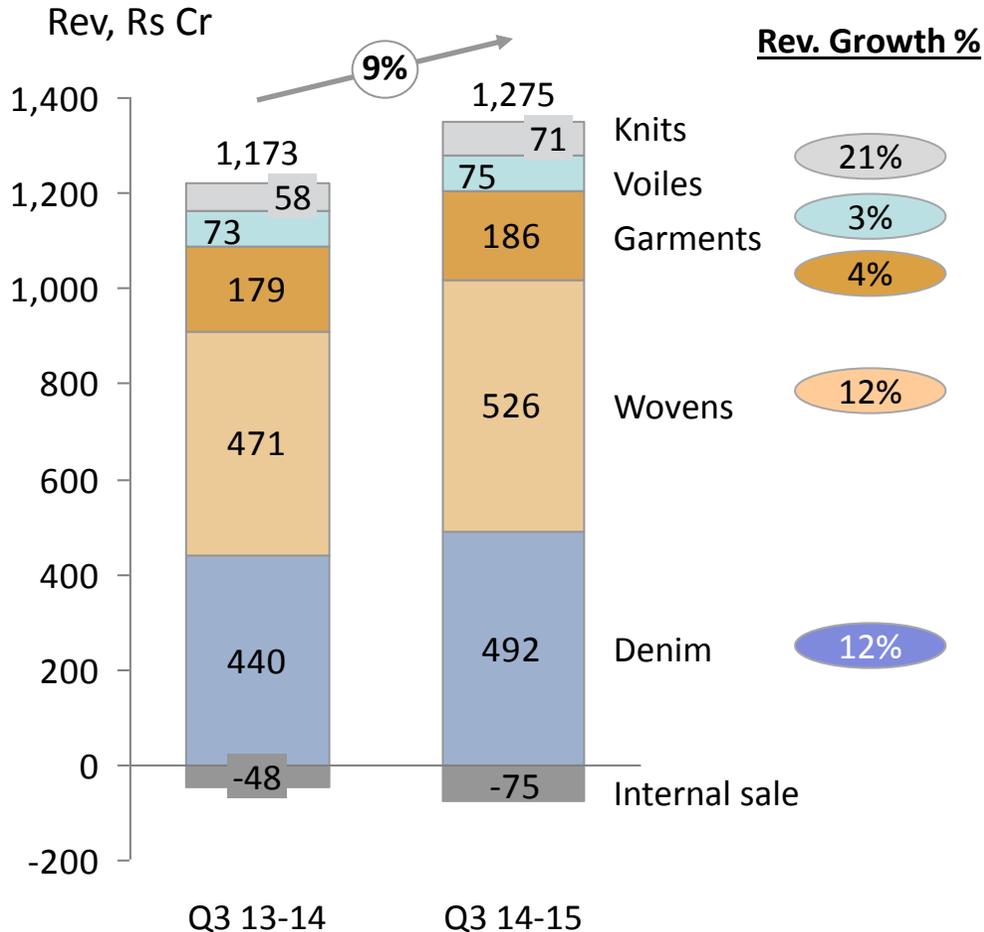
Balance Sheet, as on 31st Dec 2014

	As at	
	31st Dec'14	30th Sept'14
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2538	2441
Share application Money pending	0	0
Non Current Liabilities	1253	1257
Shortterm Borrowings	1435	1371
Current Liabilities	972	1001
Minority Interest		
Total	6456	6329
<i>Assets</i>		
Fixed Assets	2661	2615
Non -Current Investment	806	728
Long Term Loans and Advances	388	392
Other Non Current Assets	0	0
Current Assets	2601	2594
Total	6456	6329

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Textiles Business: Revenue Mix in 2014-15 Q3

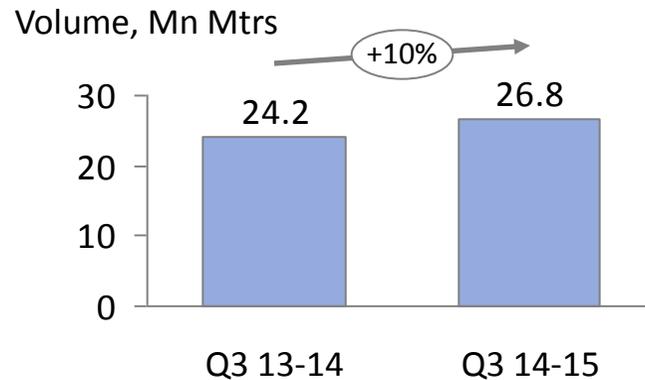


Textile revenue grew by 9%

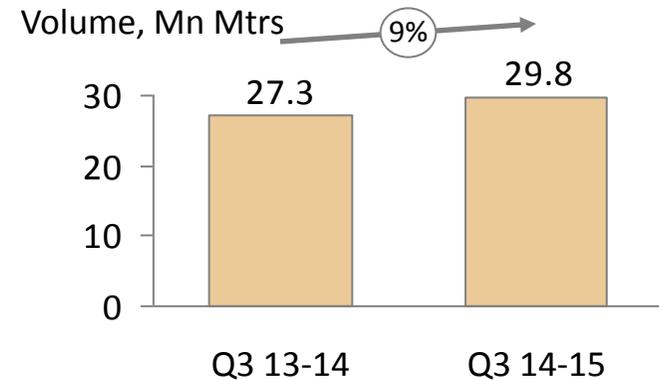
- 8% growth in Woven fabrics
- 4% growth in garments
- 12% growth in Denim
- 3% growth on a smaller base for the voiles business

Volume growth: Denim volumes growth at 10%, while Wovens achieved 9% volume growth in Q3 14-15

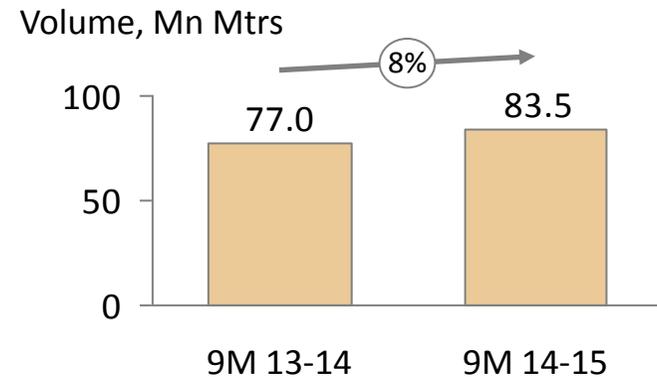
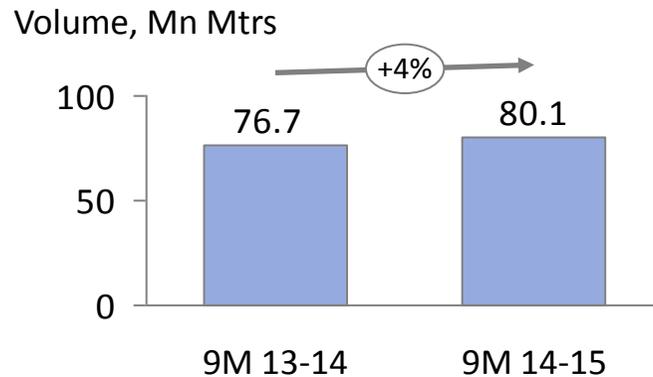
Denim



Wovens (Shirting & Khaki)



Q3
comparison
Vs LY



9M
comparison
Vs LY

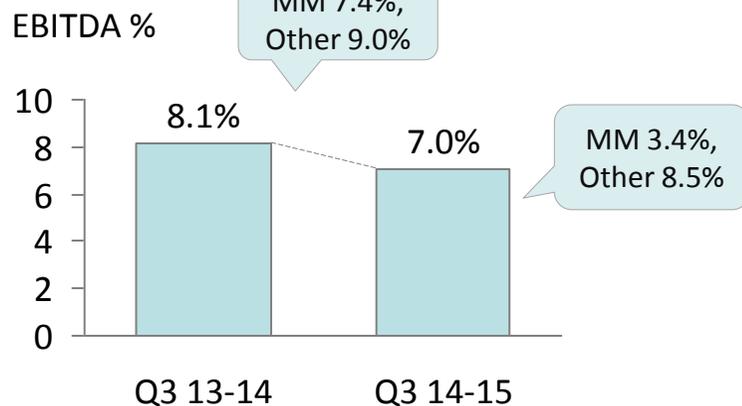
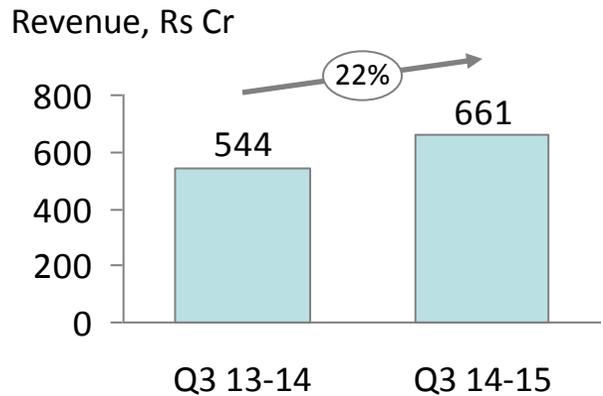
Key Parameters: FY2014-15 – Textiles

	Denim		Woven	
	Q3 14'15	Q3 13'14	Q3 14'15	Q3 13'14
Exports (Mn Mtrs)	11	9	7	6
Domestic (Mn Mtrs)	15	16	23	21
Avg Prices (Rs / Mtr)	182	178	170	168
Major Components	Cotton			
	Q3 14'15		Q3 13'14	
Cost (Rs / kg)	104		114	

Brands & Retail – Financial Performance: Q3 FY15

Revenue Growth of 22% despite subdued festive season

Strong revenue growth



Key highlights

- Revenue growth of 22% achieved due to
 - 31% revenue growth in Brands /other formats
 - 3% revenue de-growth in Mega-Mart Retail

- Like to Like growth
 - 1.9% LTL growth in Brands
 - (-)2.3% LTL growth in Mega-Mart Retail

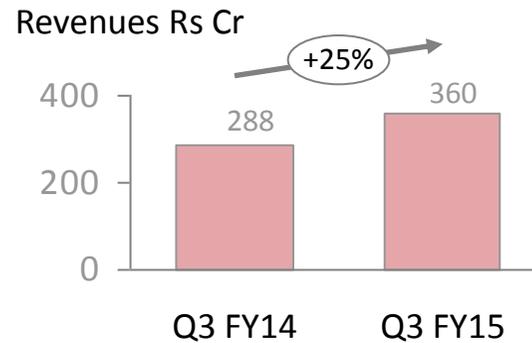
- Margin lowered
 - Margin lowered from 8.1% in Q3 FY14 to 7% in Q3 FY 15

*Brands & Retail without Arvind Internet Limited

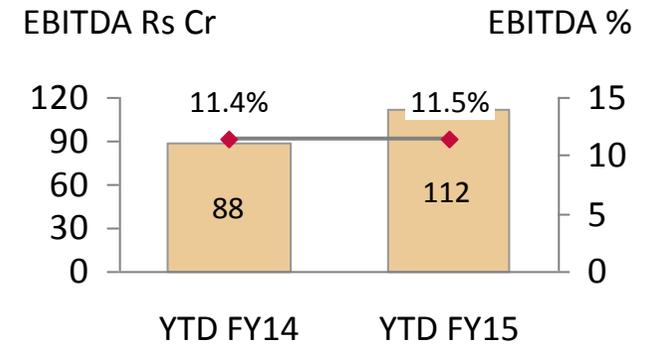
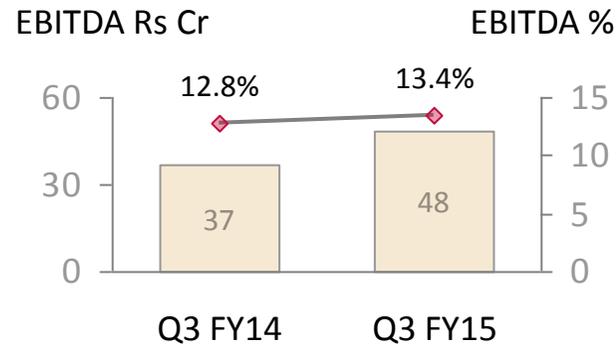
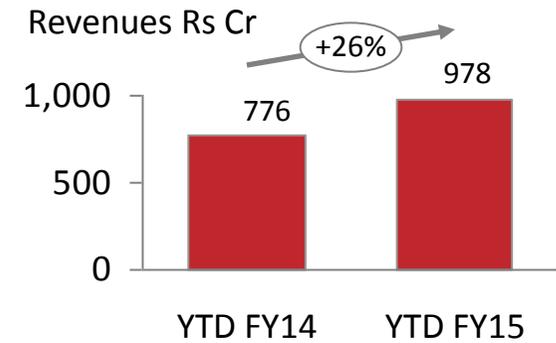
Performance of Power Brands



Q3 FY15 Vs Q3 FY14



YTD FY15 Vs YTD FY14



◆ EBITDA % ■ EBITDA Rs Cr ■ Revenue Rs Cr

Note: 1. EOSS = 'End of Season Sale' period

2. Note: Tommy Hilfiger numbers reflect 50% Arvind share of the JV company

Brands & Retail Business – Distribution

Particulars	Q4 2013-14		Q1 2014-15**		Q2 2014-15**		Q3 2014-15**	
	# Stores	Sq ft	# Stores	Sq ft	# Stores	Sq ft	# Stores	Sq Ft
Brands	698	717,236	741	7,54,529	761	765,450	800	7,89,753
MM	166	744,785	158	7,96,467	146	806,143	145	8,42,078
Total	864	1462021	899	15,50,995	907	1,571,593	945	1,631,831
No of KA Exclusive Counters	692		810		819		923	

- Sales Increase in Key Account Counters: Growth of 27% in Q3 14-15
- ** 2014-15 figures include Calvin Klein

Outlook for FY2014-15

- Revenue growth expected to be 14-15%
 - Sales prices of textile products to fall in Q4 in line with fall in cotton/yarn prices
- International demand for textiles strong: Indian retail demand very sluggish due to failed festive season
- Cotton prices, which witnessed sharp correction are likely to remain stable at current levels
- Company expects that weighted margins for the current year to be slightly lower than last year
 - Margin for textiles business and B & R business likely to be maintained/marginally better



Thank You