

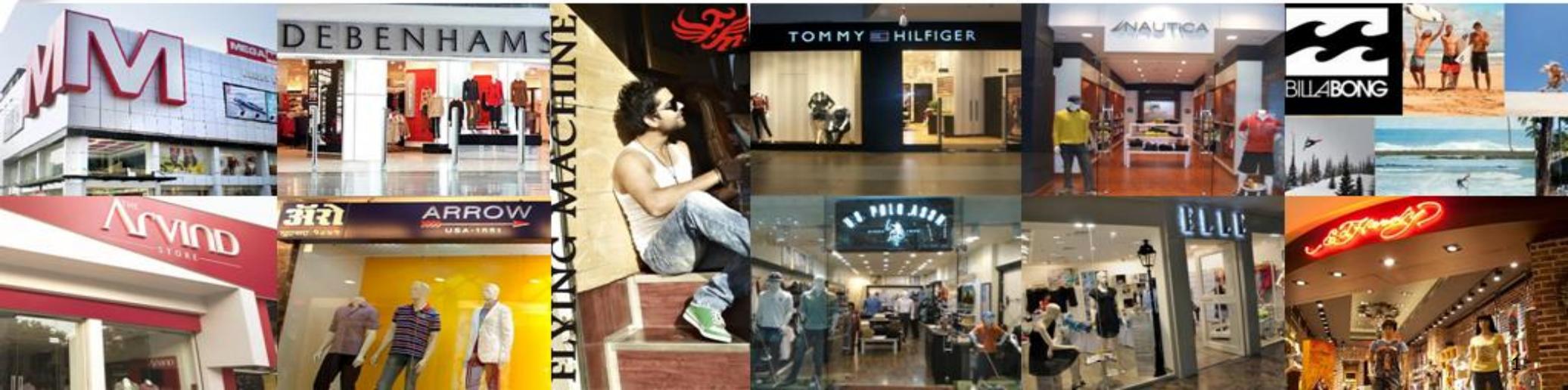
Arvind



Arvind Limited

Q4 Performance Review

12th May 2016, Ahmedabad



Contents

- Performance Review Q4 and FY 2015-16
 - Financial Performance: Consolidated
 - Business Analysis

Key Highlights

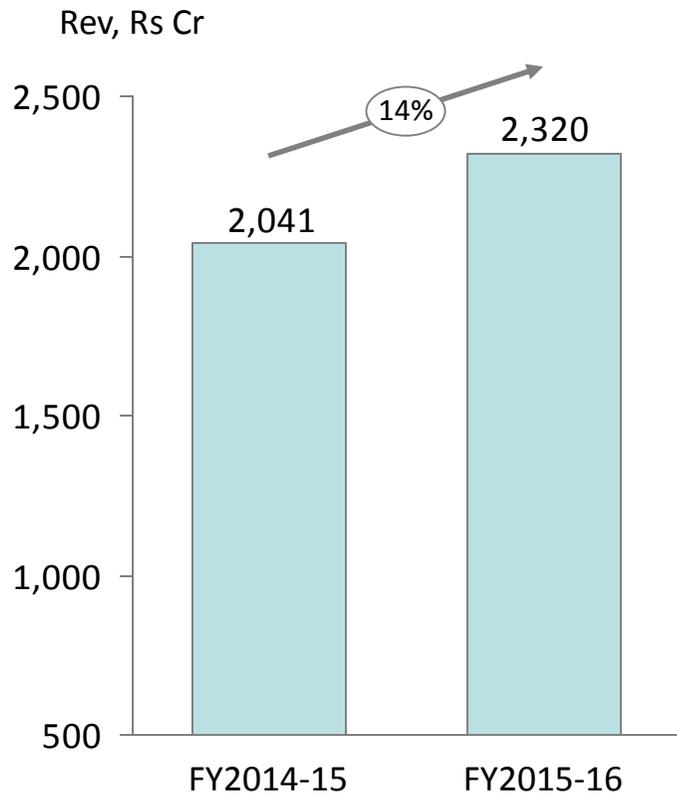
In the back drop of difficult macro economic environment

- Strong Brand & Retail revenue growth
 - Q4 Growth : 30%
 - 2015-16 Growth : 16%
- EBIDTA margin of Brand & Retail Segment improved significantly
 - Q4: up 370 bps
 - 2015-16: up 130 bps
- Arvind Lifestyle Brand Limited became PBT positive as per the forecast
- Very Successful launch of 4 speciality retail formats- GAP, TCP, Sephora & Aeropostale
 - Speciality Retail to contribute significantly to future revenue growth
- MegaMart restructuring complete
 - Loss making stores closed
 - Launched Value Retail format under the name 'Unlimited'
 - Gross Margin improvement of 5%
- Textile Margins & ROCE nearly maintained

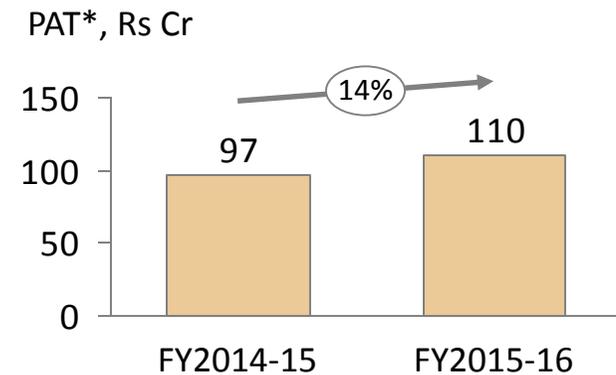
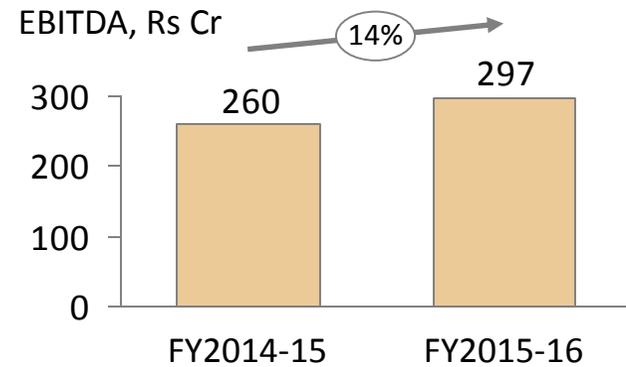
Financial Performance: Q4 2015-16

Consolidated revenue growth of 14% and PAT growth of 14%

Strong growth in revenues...



...as well as margins



*PAT before exceptional Item

Business Highlights: Q4 2015-16

Strong top-line growth and Profit Growth

<i>All Figures in INR Crs</i>	Q4 FY16	Q4 FY15	Change
Revenue from Operations	2,320	2,041	14%
Raw Materials	1,040	847	
Project Expenses	7	18	
Employees' Emoluments	250	203	
Others	748	649	
Stock (Increase) / Decrease	-27	70	
Forex (Gain) / Loss	4	-5	
EBIDTA	297	260	14%
Margin	12.8%	12.7%	
Other Income	20	23	
Interest & Finance Cost	94	96	
Cash Accruals	223	187	19%
Depreciation	66	56	
Profit Before Taxes	156	131	19%
Tax	46	36	
Profit After Tax	110	97	14%
Less : Exceptional Item	0	48	
Net Profit	110	48	128%

Key highlights

- Revenue growth of 14%** achieved due to
- 30% top-line growth in Brands & Retail
 - 27% top-line growth in Garments

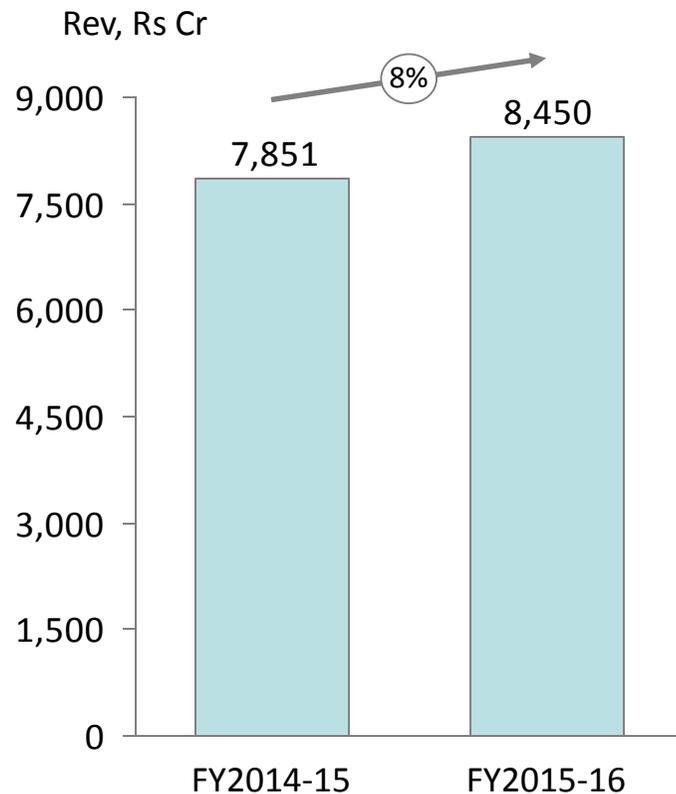
PBT growth of 20%,

PAT growth 14%

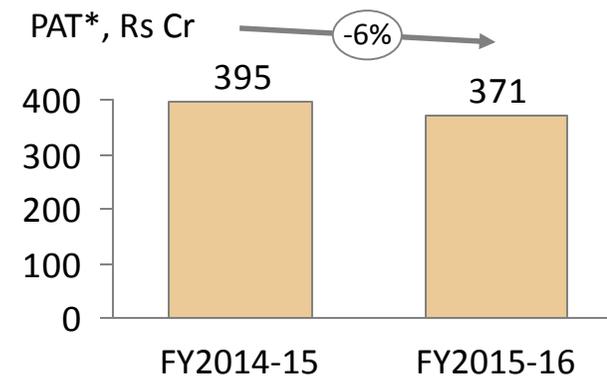
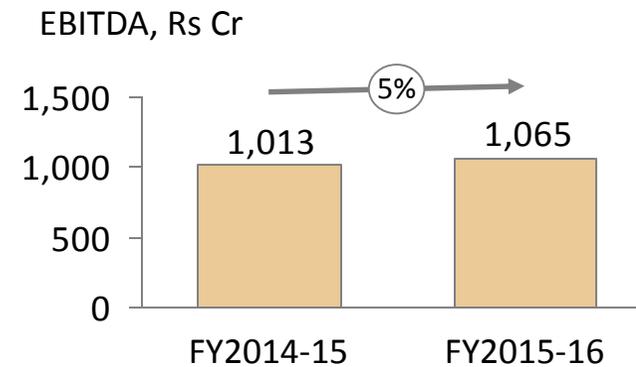
Financial Performance: FY 2015-16

Revenue growth of 8% and PAT de-growth of 6%

Moderate revenue growth



...as well as margins



*PAT is before exceptional Item

Business Highlights: FY 2015-16

Moderate top-line & bottom-line growth

<i>All Figures in INR Crs</i>	2015-16	2014-15	Change
Revenue from Operations	8,450	7,851	8%
Raw Materials	3,705	3,696	
Project Expenses	29	71	
Employees' Emoluments	928	802	
Others	2,744	2,480	
Stock (Increase) / Decrease	-28	-202	
Forex (Gain) / Loss	7	-8	
EBIDTA	1,065	1,013	5%
Margin	12.6%	12.9%	
Other Income	96	93	
Interest & Finance Cost	381	395	
Cash Accruals	780	711	10%
Depreciation	256	212	
Profit Before Taxes	524	499	5%
Tax	152	107	
Profit After Tax	371	395	-6%
Less : Exceptional Item	8	54	
Net Profit	363	341	6%

Key highlights

Revenue growth of 8% achieved due to

- 16% top-line growth of Brands & Retail
- 3% top-line growth of Textiles

EBIDTA margin % slightly lower

- Higher weightage of Brand & Retail Business

PBT growth of 5% : PAT growth of -6% due to higher taxation

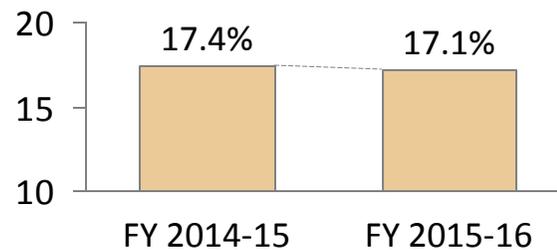
Strong Margin growth in B&R Business: Textile Margin lower as share of Garments revenue increased

Textiles

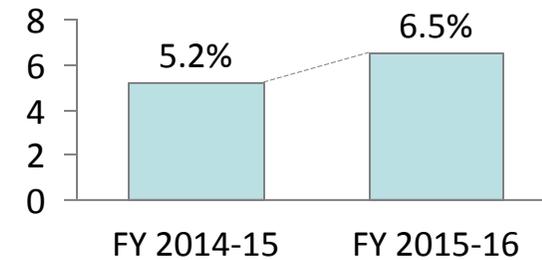
Brands & Retail

FY
comparison
Vs LY

EBITDA %

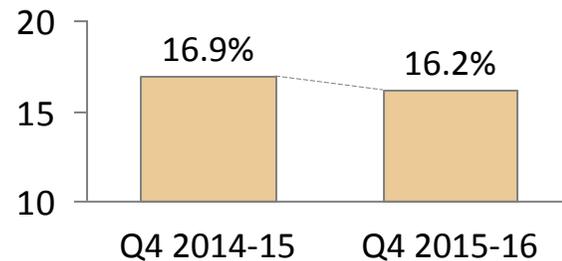


EBITDA %

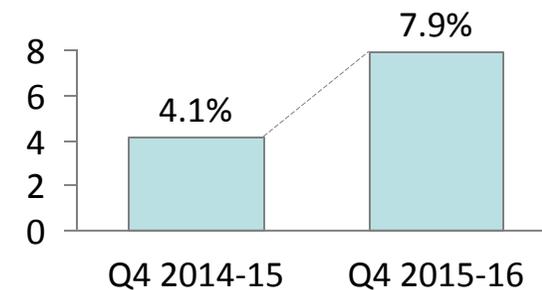


Q4
comparison
Vs LY

EBITDA %



EBITDA %



Consolidated Balance Sheet, as at Mar 31st 2016

Rs Cr	As at	
	31st Mar'16	31st Mar'15
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2652	2545
Non Current Liabilities	1629	1495
Shortterm Borrowings	1716	1701
Current Liabilities	2264	1943
Minority Interest	53	35
Total	8572	7976
<i>Assets</i>		
Fixed Assets	3606	3308
Non -Current Investment	69	57
Long Term Loans and Advances	580	610
Other Non Current Assets	20	8
Current Assets	4296	3991
Total	8572	7976

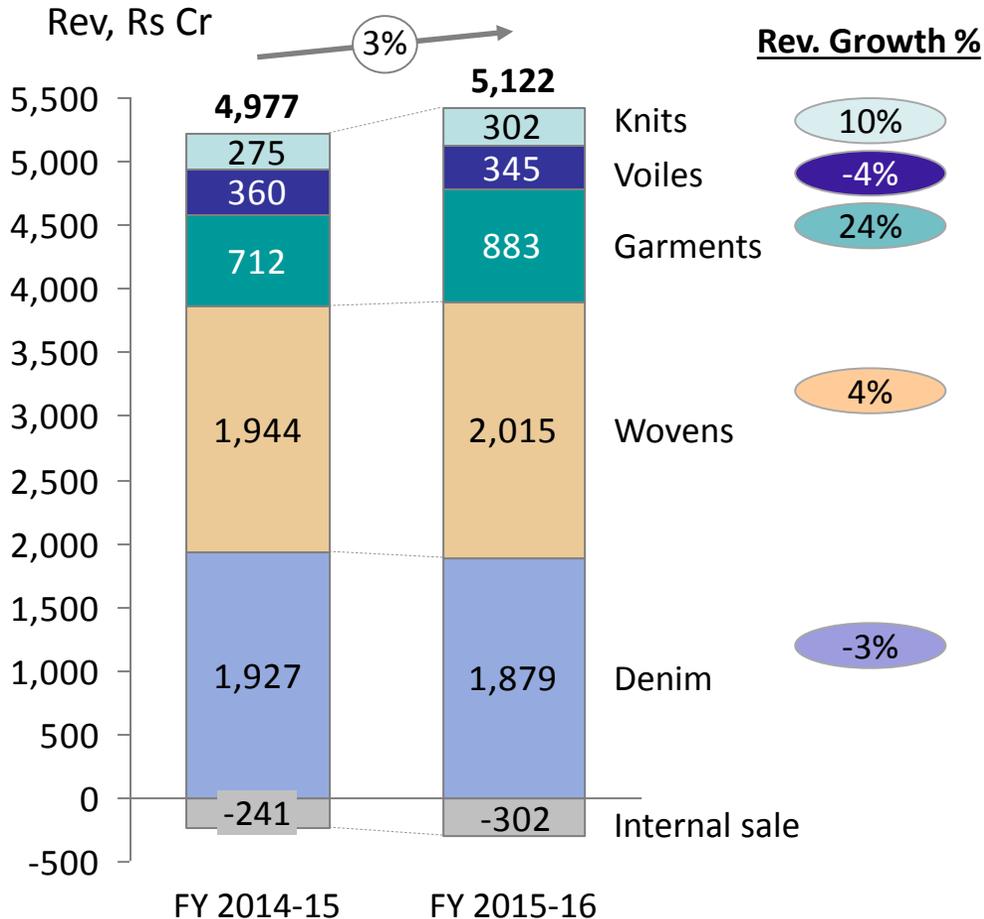
Key Financial Ratios

Particulars	2014-15	Q4 15-16	2015-16
EPS (Annualised)	15.3	17.1	14.4
Debt / Equity	1.21	1.22	1.22
Debt / EBIDTA	3.07	2.79	3.05
ROCE	14.1%	15.5%	13.9%
ROE	14.1%	15.2%	12.7%
Revenue Growth	14.4%	13.5%	7.6%

Agenda

- Performance Review Q4 and FY 2015-16
 - Financial Performance: Consolidated
 - Business Analysis

Textiles Business: Revenue Mix in FY2015-16



Textile revenue grew by 3%

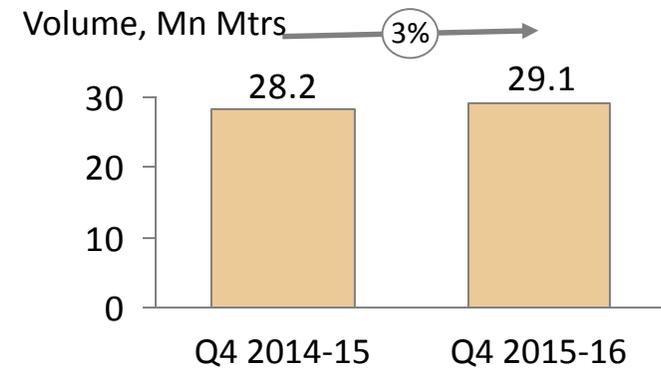
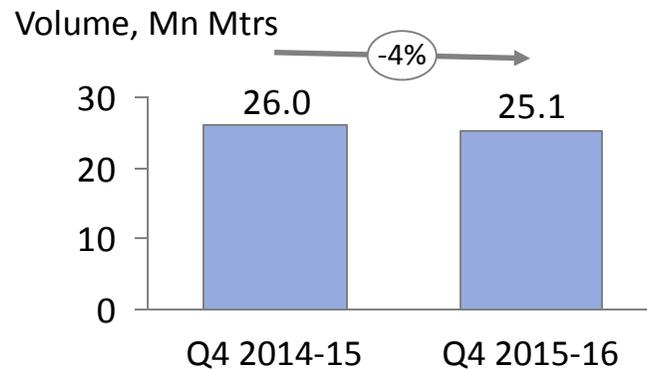
- Led by 4% growth Woven fabrics
- 24% growth in garments
- 3% degrowth in Denim
- 10% growth on a smaller base for the Knits business

Volume growth: Wovens volume growth at 5% : Lower Volumes at denim by 6 %

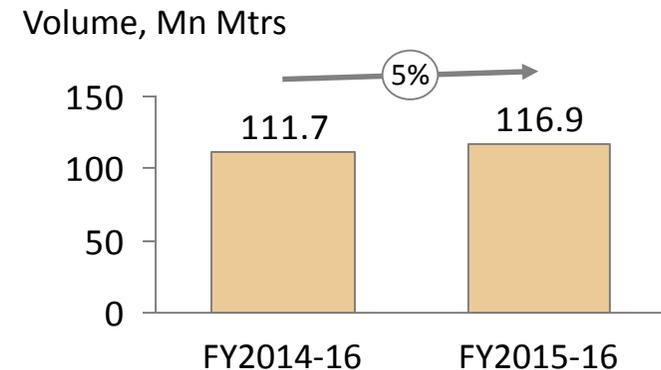
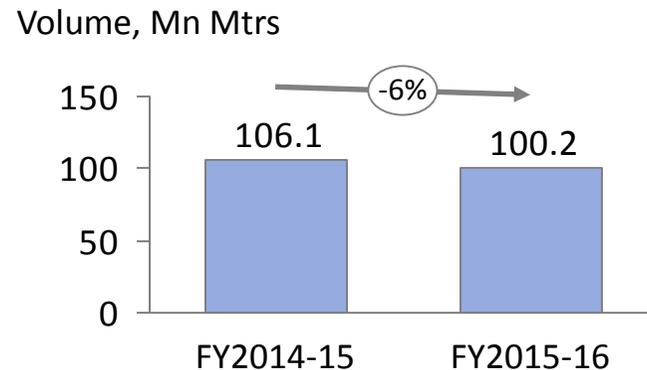
Denim

Wovens (Shirting & Khaki)

Q4
comparison
Vs LY



FY
comparison
Vs LY



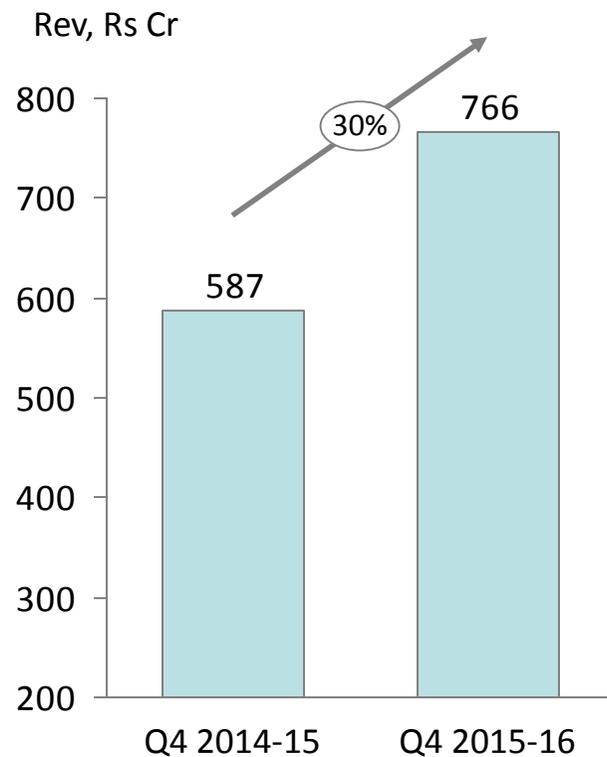
Product mix change in Denim resulted in bottlenecks in capacity leading to lower volume:
Investments to debottleneck the plant made operational in March'16

Key Parameters: FY2015-16 – Textiles

	Denim		Woven	
	Q4 15-16	Q4 14-15	Q4 15-16	Q4 14-15
Exports(Mn Mtrs)	11	12	8	8
Domestic (Mn Mtrs)	14	14	21	20
Avg Prices	189	180	170	166
Major Components	Cotton			
Cost in Rs / Kg	103	95		
	Denim		Woven	
	15-16	14-15	15-16	14-15
Exports(Mn Mtrs)	41	47	29	25
Domestic (Mn Mtrs)	59	60	88	86
Avg Prices	185	179	168	168
Major Components	Cotton			
Cost in Rs / Kg	102	109		

Brands & Retail Business grew topline by 30% in Q4 2015-16

Strong revenue growth

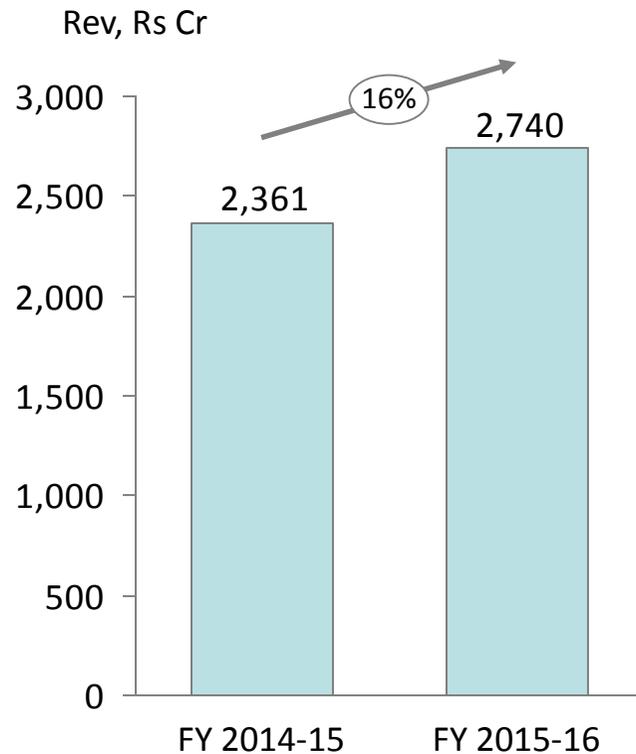


Key highlights

- Revenue growth of 30% achieved due to
 - 44% revenue growth in Brands /Retail formats
 - (-)4% growth revenue in MegaMart Retail
- Like to Like growth
 - 2.7% LTL growth in Brands

Brands & Retail Business grew topline by 16% in FY2015-16

Strong revenue growth



Key highlights

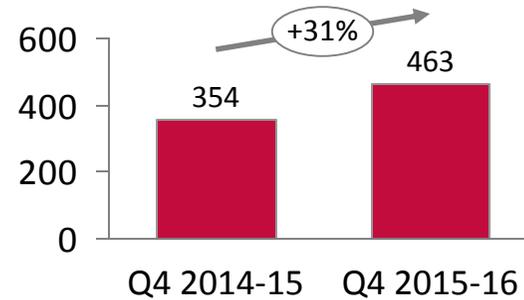
- Revenue growth of 16% achieved due to
 - 26% revenue growth in Brands/Other formats
 - -11% revenue growth in MegaMart Retail, as business went through a repositioning and model change to consolidate operations and restore margins
- Like to Like growth
 - 2.3% LTL growth in Brands
 - Overall LTL growth of -13% in Megamart Retail

Performance of Power Brands



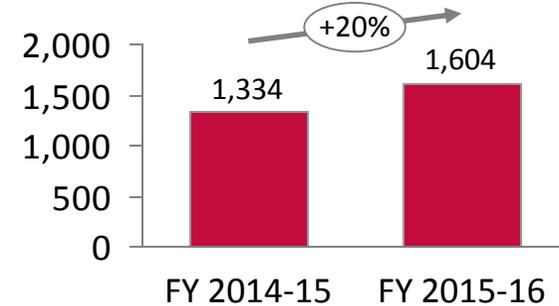
Q4

Revenues Rs Cr



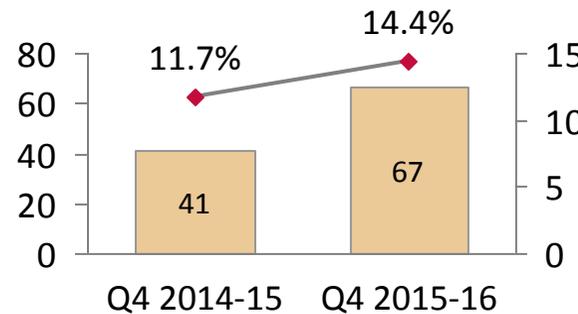
FY 2015-16

Revenues Rs Cr



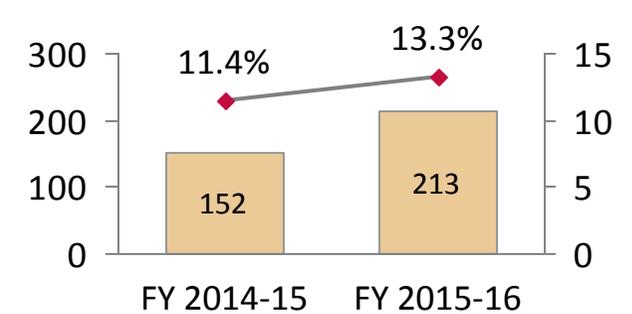
EBITDA Rs Cr

EBITDA %



EBITDA Rs Cr

EBITDA %



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

Brands & Retail Business – Distribution

Particulars	Q3 2015-16		Q4 2015-16	
	Stores	Sq Ft	Stores	Sq Ft
Unlimited & Megamart	95	7,29,462	92	7,19,526
Others	903	8,66,361	957	9,61,035
Total	998	15,95,823	1049	16,80,561
No of KA Exclusive Counters	1427		1566	

- Sales Increase in Key Account Counters: Growth of 19.7% in FY2015-16

Outlook

- Revenue Growth likely to be between 15-16% primarily driven by volume growth in brands & retail business and Garments manufacturing :
 - Revenue Growth in Textiles 8-9%
 - Revenue Growth in Brands & Retail at about 24%
- Weighted Margins likely to be marginally lower due to mix change in favour of Brand & Retail business
 - Textile Margins likely to be maintained
 - B & R Margin likely to increase by 0.75-1%



Thank You!