KEWAL KIRAN CLOTHING LTD

Financial Results Review – Q3 FY2019 and YTD FY19

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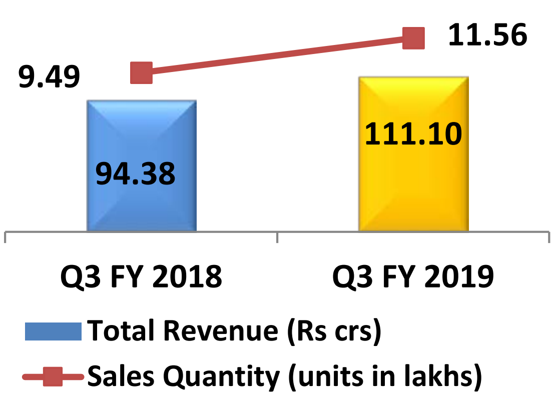
Operational Performance: Q3 and YTD FY 2019

	Q3 FY 2019 Rs crs	% of sales	Q3 FY 2018 Rs crs	% of sales	Variation	YTD FY 2019 Rs crs	% of sales	YTD FY 2018 Rs crs	% of sales	Variation
Net Sales	110.15		93.24			364.85		336.69		
Other operating income	0.95		1.14			4.44		3.58		
Total Revenue	111.10	100.00%	94.38	100.00%		369.29	100.00%	340.27	100.00%	
Cost of goods sold	45.29	40.76%	38.37	40.65%	0.11%	141.41	38.29%	140.61	41.32%	-3.03%
Personnel cost	18.11	16.30%	15.34	16.25%	0.05%	56.49	15.30%	49.12	14.44%	0.86%
Manufacturing and operating expenses	10.83	9.75%	8.46	8.96%	0.78%	36.61	9.91%	33.73	9.91%	0.00%
Administrative and other expenses	7.86	7.07%	8.29	8.78%	-1.71%	23.79	6.44%	23.62	6.94%	-0.50%
Selling and distribution expenses	13.48	12.13%	8.18	8.67%	3.47%	26.15	7.08%	21.32	6.27%	0.82%
Operational expenditure	95.57	86.02%	78.64	83.32%	2.70%	284.45	77.03%	268.40	78.88%	-1.85%
EBITDA	15.53	13.98%	15.74	16.68%	-2.70%	84.84	22.97%	71.87	21.12%	1.85%
Finance expenses	2.11	1.90%	1.50	1.59%	0.31%	4.85	1.31%	3.80	1.12%	0.20%
Depreciation/ Ammotisation	2.43	2.19%	1.50	1.59%	0.60%	5.70	1.54%	4.23	1.24%	0.30%
Other income	7.16	6.44%	3.54	3.75%	2.69%	15.17	4.11%	15.34	4.51%	-0.40%
Profit before tax (PBT)	18.15	16.34%	16.28	17.25%	-0.91%	89.46	24.22%	79.18	23.27%	0.96%
Income Tax	5.38	4.84%	5.90	6.25%		29.20	7.91%	25.39	7.46%	0.45%
Profit after tax (PAT)	12.77	11.50%	10.38	11.00%	0.50%	60.26	16.32%	53.79	15.81%	0.51%

Trend in Revenue

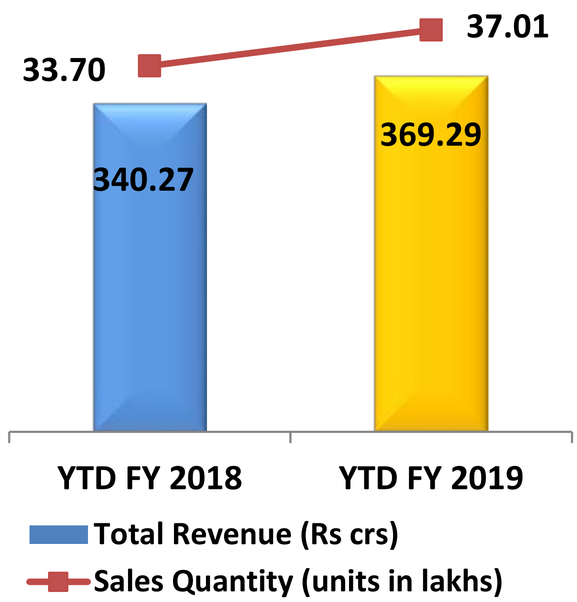
Q3 FY2018-19

- **Total Revenue grew by 17.72%**
- **Apparel sales quantity higher by 21.75%**
- **Apparel sales realization at Rs. 900 per unit**



YTD FY2018-19

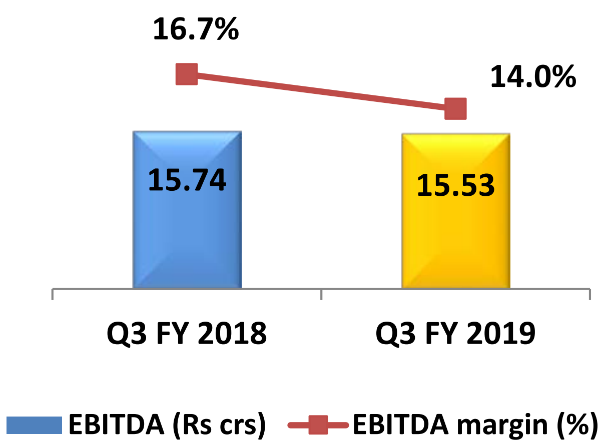
- **Total Revenue grew by 8.53%**
- **Apparel sales quantity higher by 9.81%**
- **Apparel sales realization at Rs.933 per unit**



Trend in Operating Profit

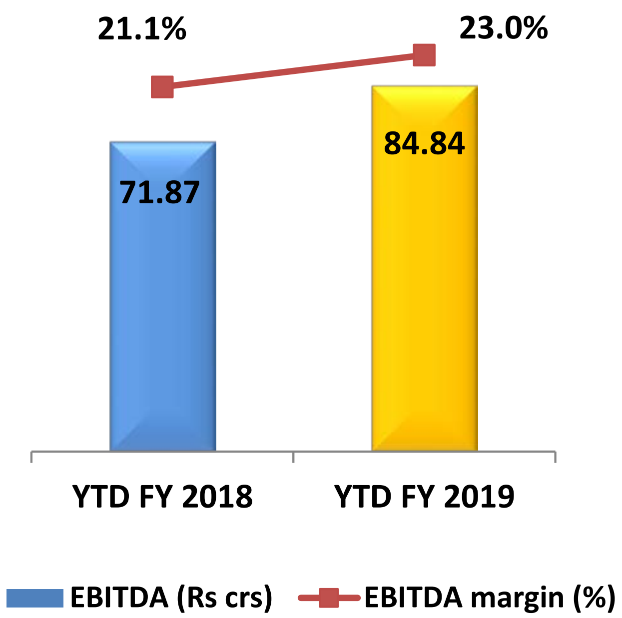
Q3 FY2018-19

- EBITDA flat at Rs. 15.53 crores
- EBITDA margin at 14%



YTD FY2018-19

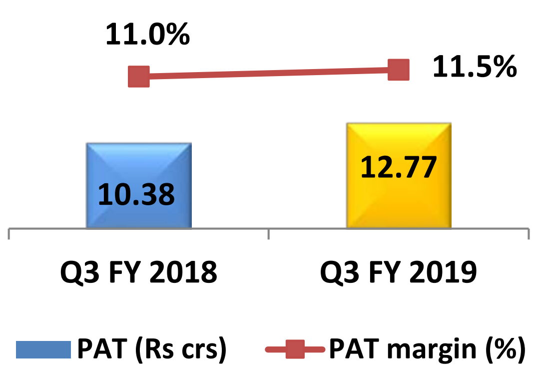
- EBITDA higher by 18% at Rs. 84.84 crores
- EBITDA margin higher and stood at 23%



Trend in Net Profit

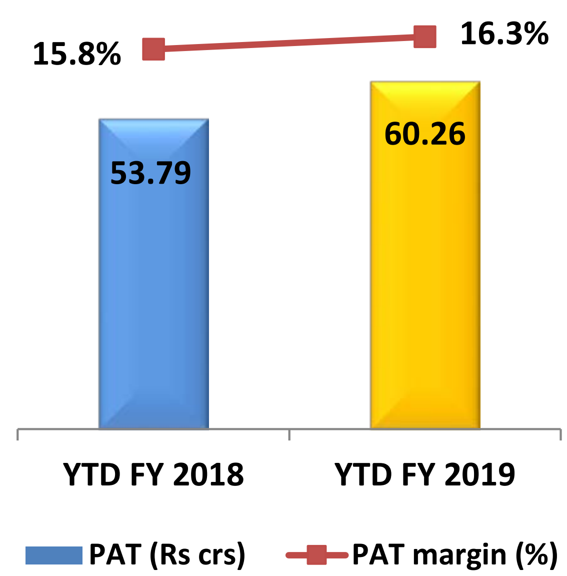
Q3 FY2018-19

- PAT higher by 23.05% and stood at Rs. 12.77 crores
- PAT margin higher at 11.5%
- Quarterly EPS at Rs. 10.36 (8.42)



YTD FY2018-19

- PAT higher by 12.02% and stood at Rs. 60.26 crores
- PAT margin higher at 16.3%
- YTD EPS at Rs. 48.89 (43.64)



Balance Sheet (Assets)

(Rs crs)	As at Dec. 2018 (Audited)	As at Mar. 2018 (Audited)
Non-Current Assets		
Property, Plant and Equipment	77.92	67.56
Capital Work in Progress	1.01	9.08
Investment Property	1.45	1.52
Other Intangible Assets	2.55	0.50
Intangible Assets under Development	0.15	0.15
Financial Assets		
Investments	175.17	137.13
Other Financial Assets	3.33	2.51
Other Non-Current Assets	2.56	2.32
Total Non-Current Assets	**264.14**	**220.77**
Current Assets		
Inventories	83.59	52.85
Financial Assets		
Investments	62.40	93.30
Trade Receivables	171.28	120.69
Cash & Cash Equivalents	61.61	61.54
Bank balances	0.20	0.95
Other Financial Assets	1.87	1.44
Other Current Assets	7.45	5.29
Total Current Assets	**388.40**	**336.06**
Total Assets	**652.54**	**556.83**

Balance Sheet (Liabilities)

(Rs crs)	As at Dec. 2018 (Audited)	As at Mar. 2018 (Audited)
Equity		
Equity Share Capital	12.33	12.33
Other Equity	420.05	387.32
Total Equity	**432.38**	**399.65**
Non-Current Liabilities		
Provisions	0.07	0.07
Deferred Tax Liability	4.82	4.60
Other non-current liabilities	1.41	1.59
Total Non-Current Liabilities	**6.30**	**6.26**
Current Liabilities		
Financial Liabilities		
Borrowings	85.28	48.30
Trade Payables		
Due to Micro and Small Enterprises	0.26	0.26
Due to Others	52.70	43.25
Other financial liabilities	7.06	7.18
Other Current Liabilities	34.05	28.89
Provisions	32.37	22.33
Current Tax Liabilities (Net)	2.14	0.71
Total Current Liabilities	**213.86**	**150.92**
Total Equity and Liabilities	**652.54**	**556.83**

Ratios and Cash-flow Analysis

	Cash Flows (in Rs crs)	YTD FY2019
I.	**Cash Flow from Operating Activity**	**(0.08)**
	**Operating Profit before Working Capital Changes*	*87.36*
	**Adjustment for Working Capital*	*(61.52)*
	**Direct Taxes Paid*	*(25.92)*
II.	**Cash Flow from Investing Activity**	**(5.22)**
	**(Purchase) / Sale of Fixed Assets*	*(9.97)*
	**(Purchase) / Redemption of Investments in mutual funds & Bank Deposits*	*4.57*
	**Dividend / Interest Income*	0.18
III.	**Cash Flow from Financing Activity**	**5.38**
	**Secured Loans - Bank Overdraft (Net)*	*36.98*
	**Interest Paid*	*(4.11)*
	**Dividend Paid*	*(27.49)*
	Cash and Cash Equivalents - Closing	**61.61**

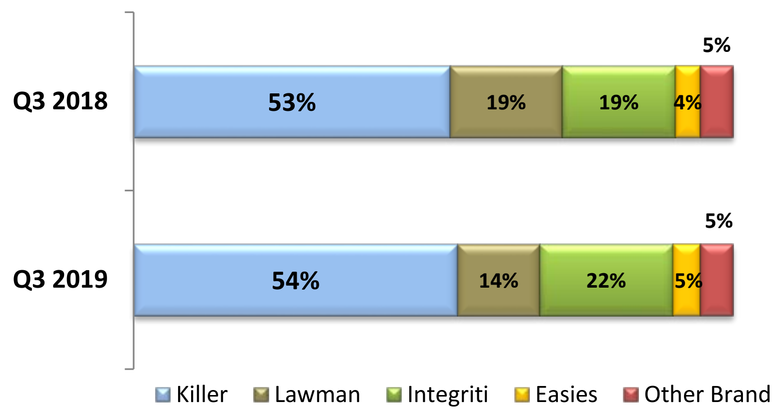
Ratios	Q3 FY2019	Q3 FY2018
Debt Equity ratio	0.20	0.15
Current Ratio	1.96	2.34
Debtors turnover (days)	106	85
Creditors turnover (days)	47	40
Inventory turnover (days)	50	43
RONW	19.27%	18.62%
ROCE in operations	55.58%	55.84%
ROCE	21.86%	20.59%

- **The financial position remains stable with healthy cash reserves**

Brands

- Killer continues to be dominant brand with 54% of revenue share
- Integrity is the second largest brand with 22% share

Brand wise sales break up Q3 FY 2019

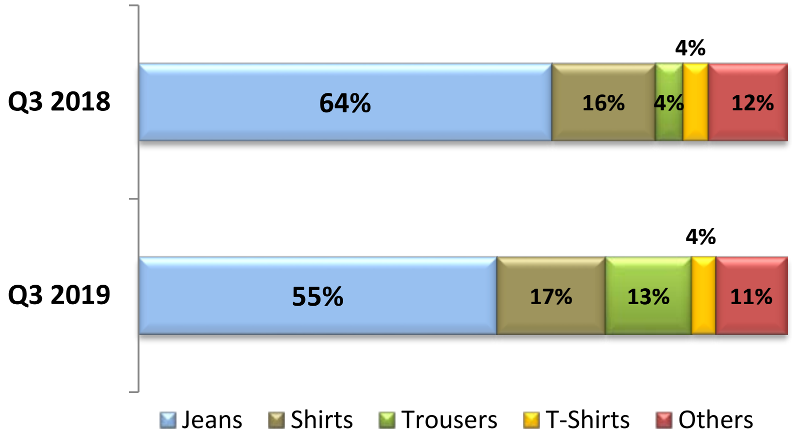


Sales (Rs crs)	Q3 2019	Q3 2018	% Change
Killer	59.19	49.51	20%
Lawman	15.05	17.50	-14%
Integriti	24.86	17.23	44%
Easies	5.06	3.89	30%
Other Brand	5.99	5.11	17%
Total	110.15	93.24	18%

Products

- Jeans continues to be the dominant product and contributed 55% to revenues
- Trousers sales grew 109% to Rs. 14.61 crores

Product wise sales break up Q3 FY 2019

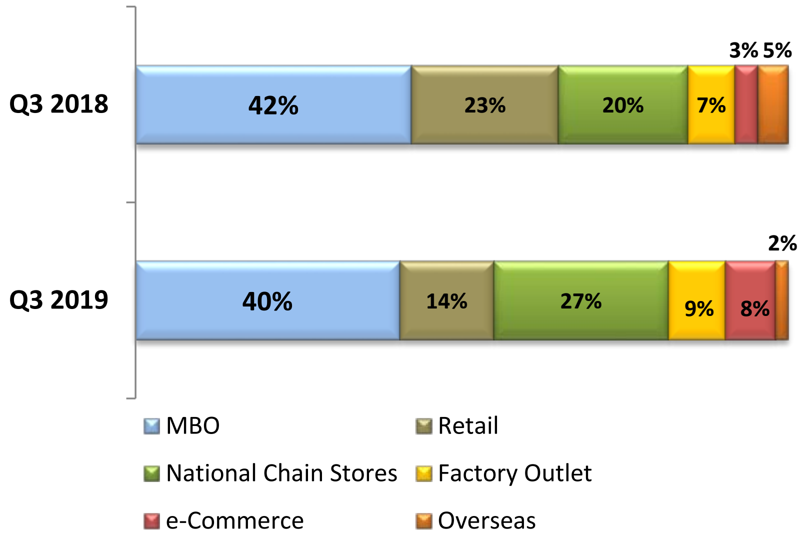


Sales (Rs crs)	Q3 2019	Q3 2018	% Change
Jeans	60.87	59.42	2%
Shirts	18.46	14.92	24%
Trousers	14.61	6.98	109%
T-Shirts	4.10	3.68	12%
Others	12.11	8.24	47%
Total	110.15	93.24	18%

Channels

- **MBO remains the dominant channel with 40% of revenue share**
- **National Chain Stores sales grew 60% and it had a 27% share in revenues**
- **E-Commerce sales grew 162%**

Channel wise sales break up Q3 FY 2019

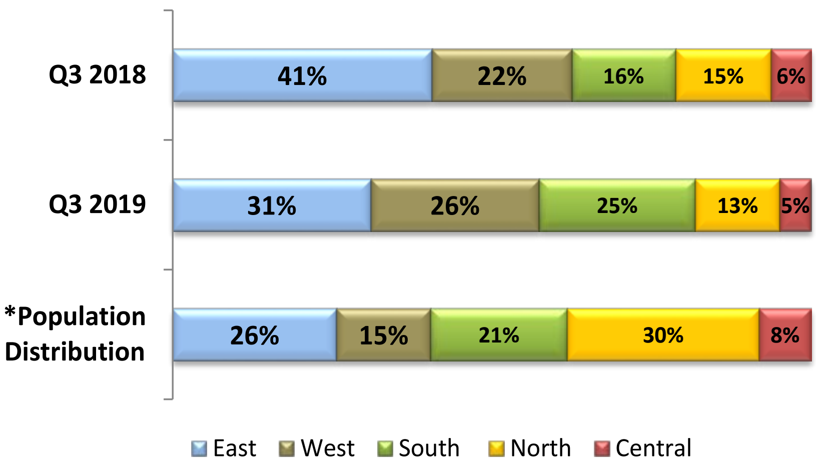


Sales (Rs crs)	Q3 2019	Q3 2018	% Change
MBO	44.61	39.49	13.0%
Retail	15.94	20.99	-24%
National Chain Stores	29.43	18.44	60%
Factory Outlet	9.62	6.77	42%
e-Commerce	8.43	3.21	162%
Overseas	2.12	4.34	-51%
Total	110.15	93.24	18%

Regional Distribution

- Eastern region continues to be the largest region with 31% share
- Western region sales grew by 49% and it had a 26% share in revenues
- Southern region sales grew by 82%

<u>Region wise sales break up Q3 FY 2019</u>



Sales (Rs crs)	Q3 2019	Q3 2018	% Change
East	33.56	36.35	-8%
West	28.45	19.06	49%
South	26.49	14.51	82%
North	14.23	13.40	6%
Central	5.30	5.58	-5%
Domestic Sales	108.03	88.90	22%
Overseas	2.12	4.34	-51%
Total	110.15	93.24	18%

Retail stores

Particulars	COCO	COMFO	FOFO	Total
K-Lounge	2	10	192	204
EBO			120	120
Factoy Outlet		1	-	1
Total	2	11	312	325

COCO - Company Owned Company Operated
COMFO - Company Owned Management Franchisee Operated
FOFO - Franchisee Owned Franchisee Operated

Retail Stores (YTD)	31.12.18	31.03.18
Existing	318	331
New opened	35	39
Converted		
Relocated/closed	28	52
Work-in process	11	25
Total Retail Stores	336	343

Thank You

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