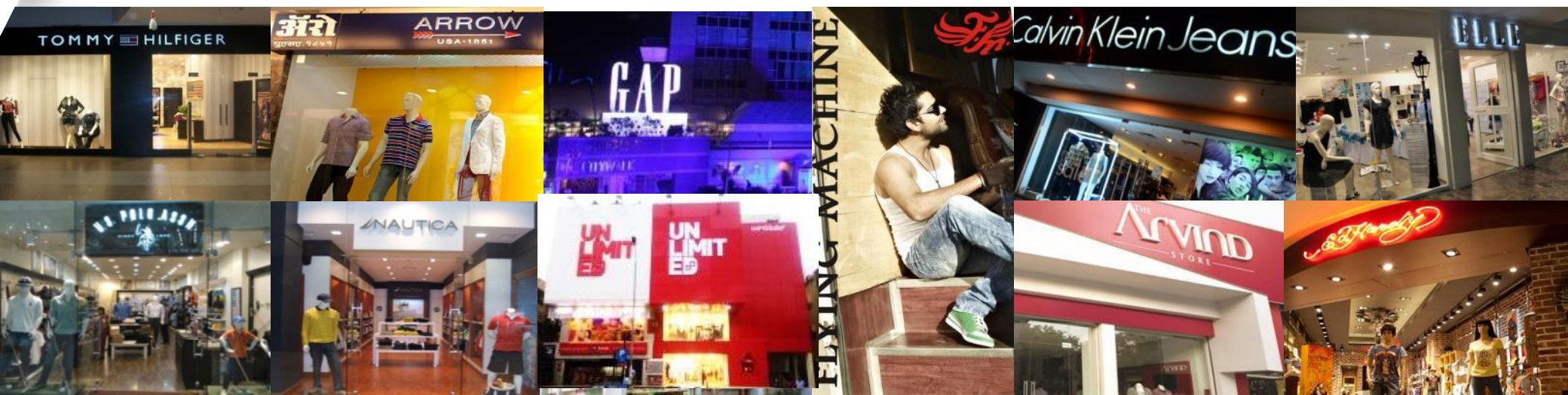




Arvind Limited – Review Note Q3 2015-16

4th February 2016, Ahmedabad



Agenda

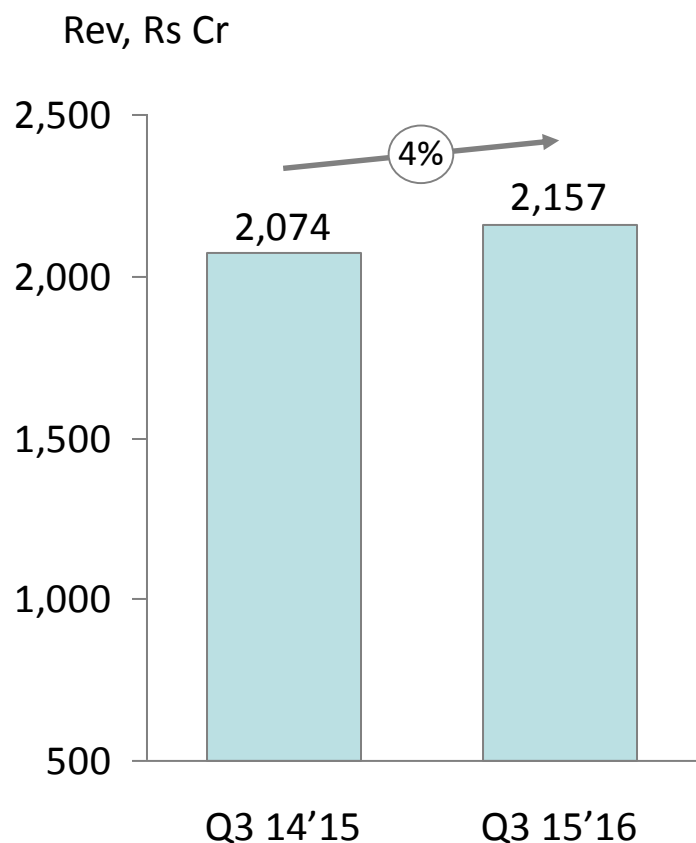
- Performance Review Q3 FY 2015-16
 - Financial Performance : Consolidated
 - Financial Performance : Standalone
 - Business Analysis

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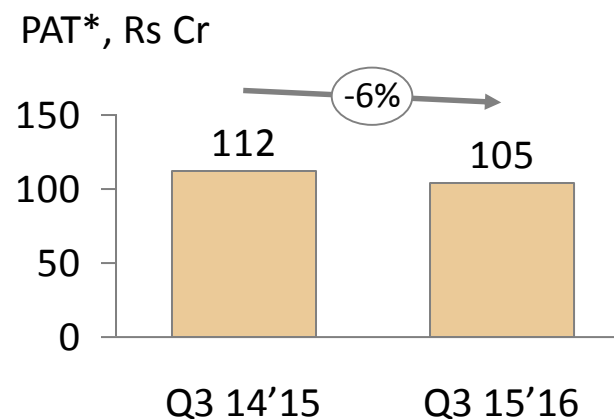
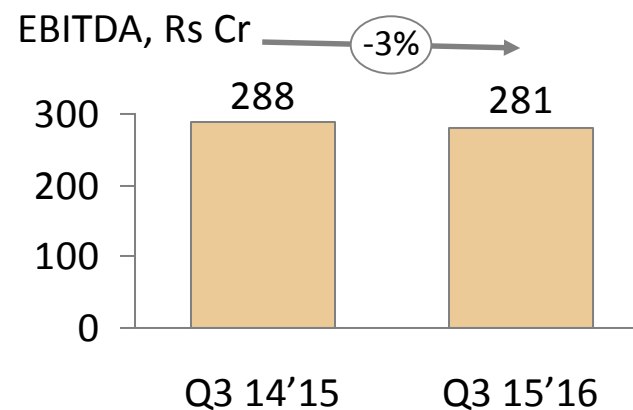
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Q3 2015-16: Modest Revenue Growth at 4% : PAT lower by 6%

Moderate growth in revenues...



EBIDTA Lower by 3%



*PAT before exceptional items

Business Highlights: Q3 2015-16

<i>All Figures in INR Crs</i>	Q3 FY16	Q3 FY15	Change
Revenue from Operations	2,157	2,074	4%
Raw Materials	885	847	
Project Expenses	7	18	
Employees' Emoluments	224	208	
Others	695	653	
Stock (Increase) / Decrease	64	59	
Forex (Gain) / Loss	1	0	
EBIDTA	281	288	-3%
Margin	13.0%	13.9%	
Other Income	19	15	
Interest & Finance Cost	90	102	
Cash Accruals	210	201	4%
Depreciation	65	56	
Profit Before Taxes	144	146	-1%
Tax	39	35	
Profit After Tax	105	112	-6%
Less : Exceptional Item	1	2	
Net Profit	103	109	-5%

Key highlights

Revenue growth of 4%

- 12% growth in Brands & Retail

Lower EBIDTA & Margin : While all businesses have individually performed as well or better than comparable quarter, the lower margin is explained by;

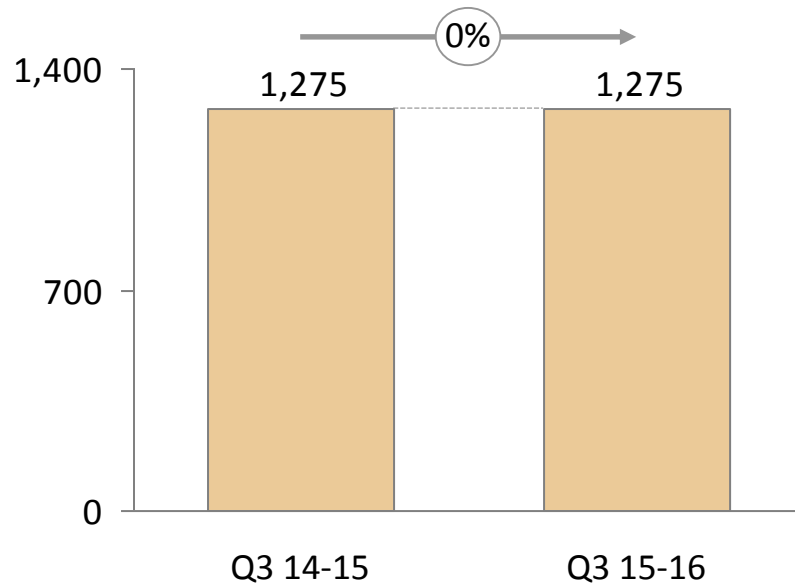
- Increased share of lower margin business (Brands & Retail & Garments)
- Exclusion Real Estate Business (due to demerger from April 16)
- Increased pre-operative costs in garments
- Lower denim volumes

PBT Flat & PAT lower on account of higher tax provision

Textile Revenue growth flat due to lower denim sales : Brands & Retail sales growth healthy at 12%

Revenues in Rs. cr

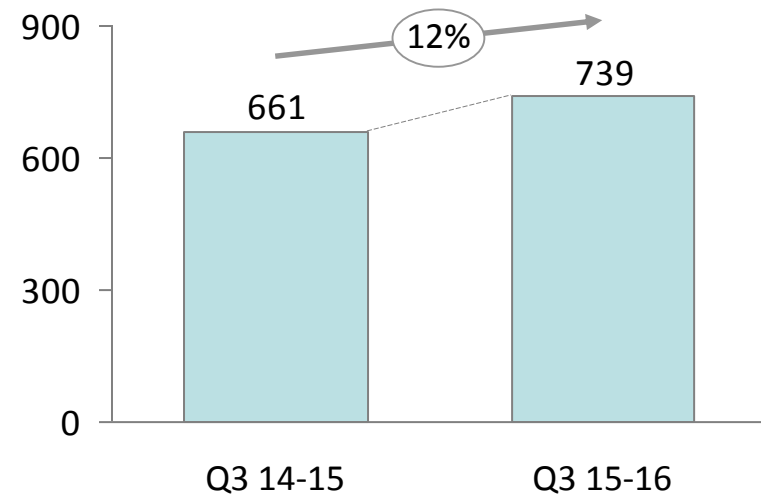
Textiles



Textiles revenues remained flat due to

- 14% lower volumes in Denim Business
- 5% Growth in Woven revenues
- 8% Growth in Garment revenues

Brands & Retail



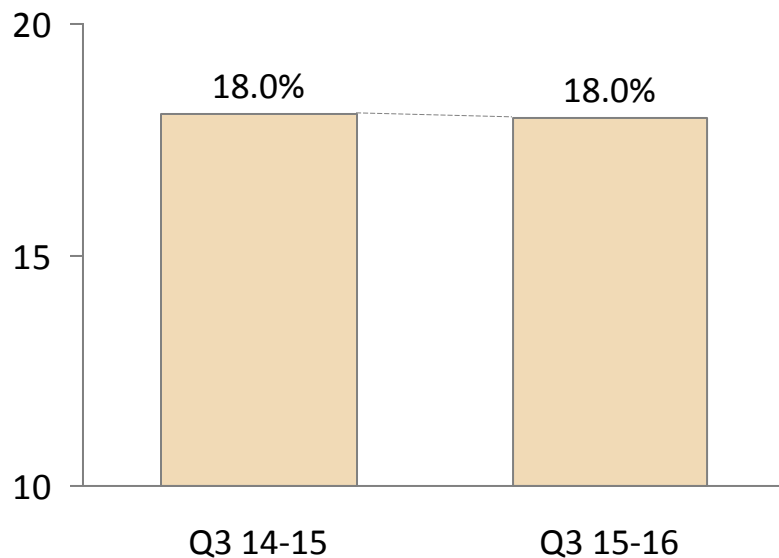
Growth of 12% achieved due to robust growth of 22% achieved in Brands & Retail Business (excluding MegaMart)

- MegaMart recorded negative growth of 16% on account of planned store closures and rains in South

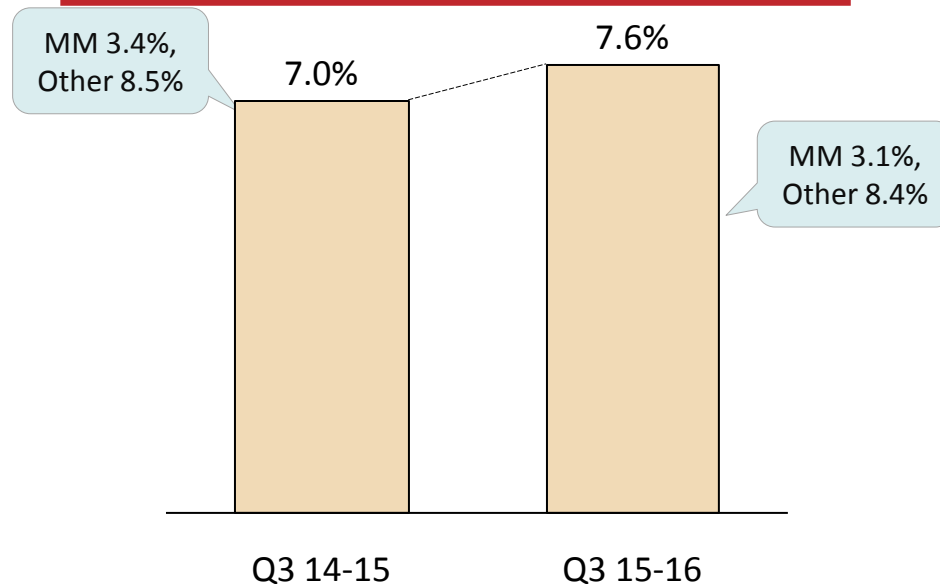
Margin expansion in B & R Business; Textile Margins maintained

EBITDA (%)

Textiles



Brands & Retail



Key Financial Ratio

Particulars	2014-15	Q3 15-16	9M 15-16
EPS (Annualised)	15.3	16.2	13.5
Debt / Equity	1.21	1.32	1.32
Debt / EBIDTA	3.07	3.15	3.35
ROCE	14.1%	14.0%	13.1%
ROE	14.5%	14.6%	12.1%
Revenue Growth	14.4%	4.0%	5.5%

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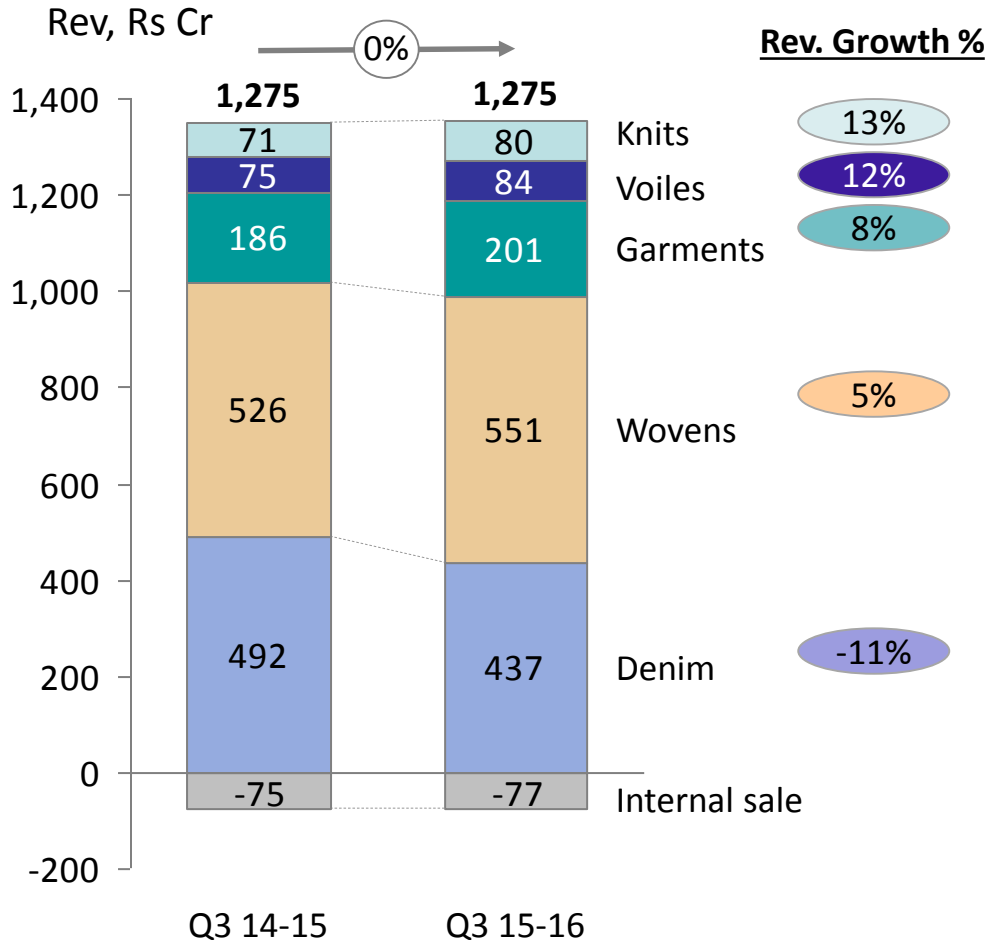
Financial Performance Q3 15'16

<i>All Figures in INR Crs</i>	Q3 FY16	Q3 FY15	Change
Revenue from Operations	1,344	1,330	1%
Raw Materials	538	563	
Project Expenses	3	2	
Employees' Emoluments	160	146	
Others	450	432	
(Increase) / Decrease in Stock	-14	-32	
Foreign Exchange Loss /(Gain)	0	-2	
EBIDTA	207	222	-7%
Margin	15.4%	16.7%	
Other Income	21	22	
Interest & Finance Cost	73	82	
Cash Accruals	155	163	-5%
Depreciation	37	31	
Profit Before Taxes	119	132	-10%
Tax	31	30	
Profit After Tax	88	102	-13%
Less : Exceptional Item	1	2	
Net Profit	87	99	-12%

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Textiles Business



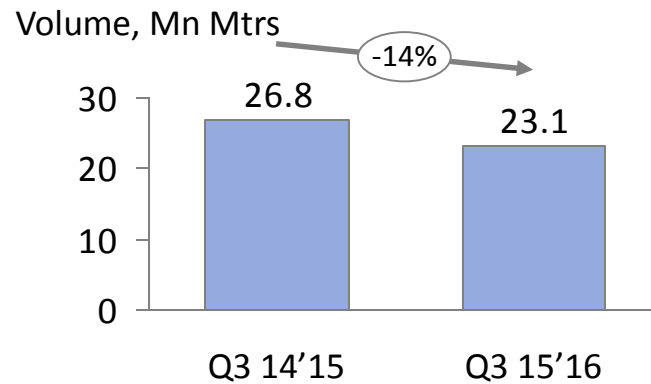
Textile revenues flat

- Due to 11% lower revenues in Denim
- 8% growth in Garments
- 5% growth in Wovens
- 12% growth in Voiles

Volume growth: Wovens volume growth at 8% : Denim Volumes reduced by 14%

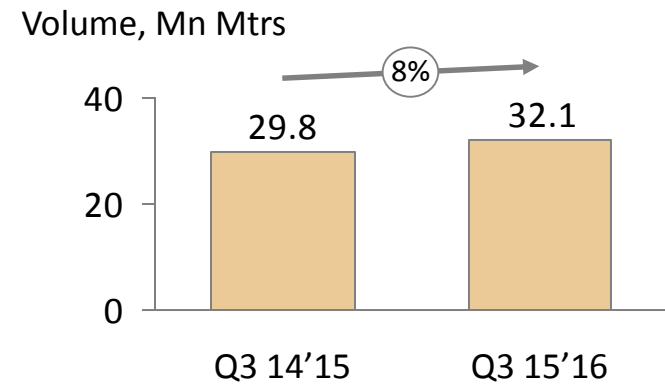
**Q3
comparison
Vs LY**

Denim

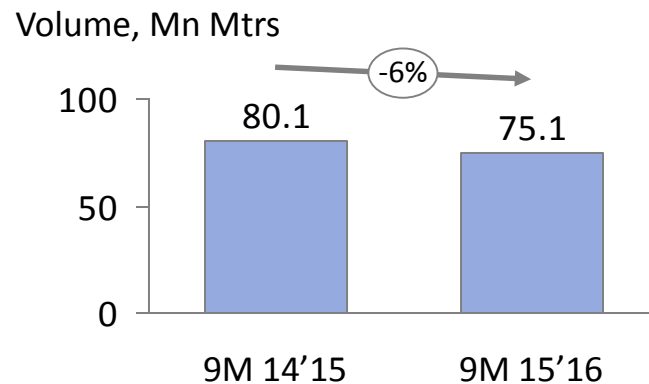


Lower volume growth explained by unusually high volume sales in Q3 last year

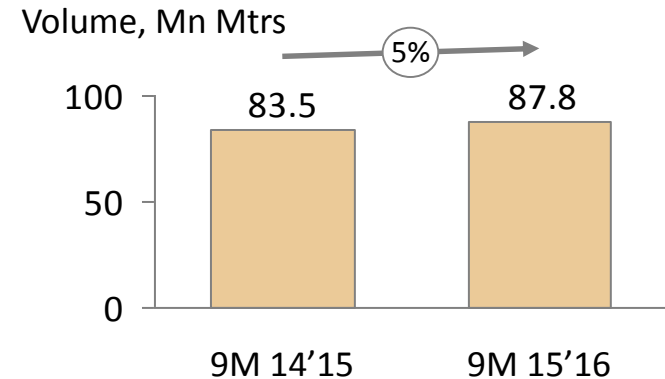
Wovens (Shirting & Khaki)



**9M
comparison
Vs LY**



Lower volume growth explained by significant product mix changes effected by the company

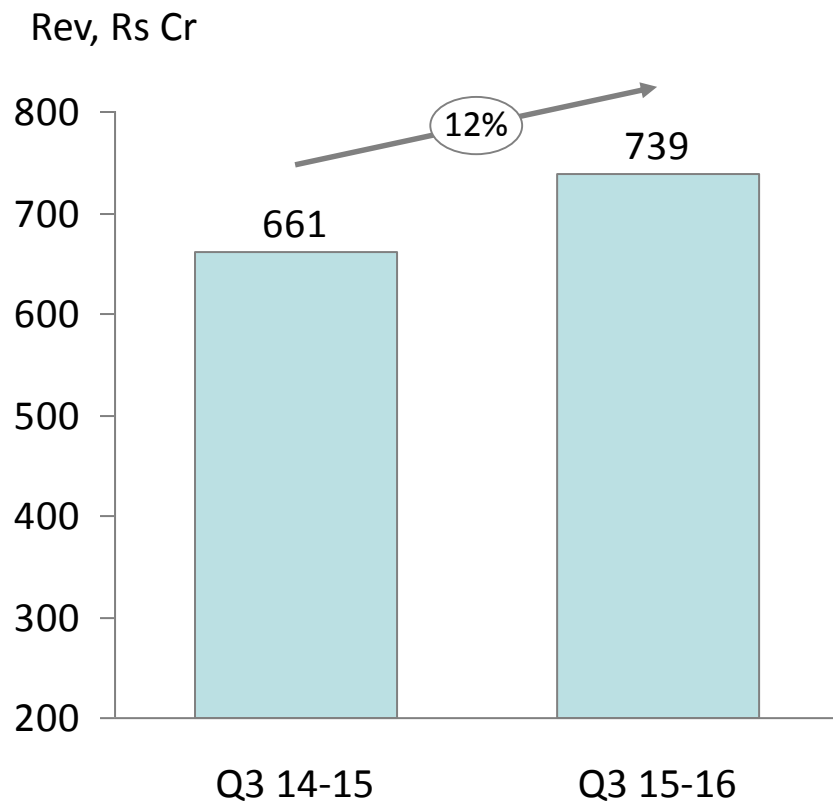


Key Parameters: Q3 15'16 - Textiles

	Denim		Woven	
	Q3 15-16	Q3 14-15	Q3 15-16	Q3 14-15
Exports(Mn Mtrs)	8	11	9	7
Domestic (Mn Mtrs)	15	15	23	23
Avg Prices	187	182	167	170
Major Components	Cotton			
Cost in Rs / Kg	102	104		

Brands & Retail Business grew topline by 12% in Q3 2015-16

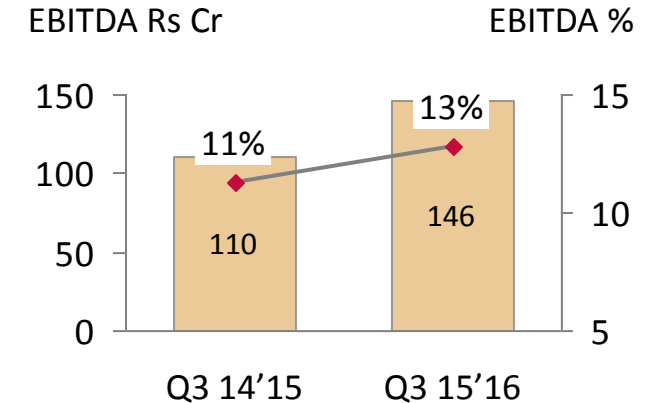
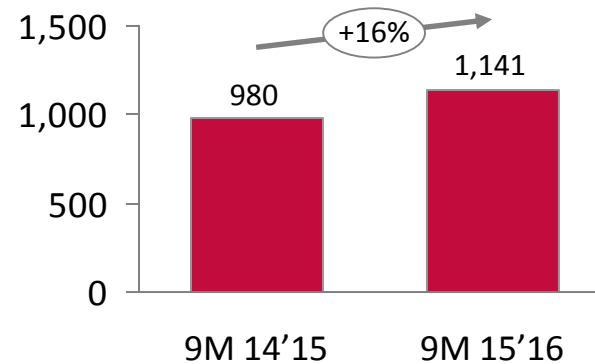
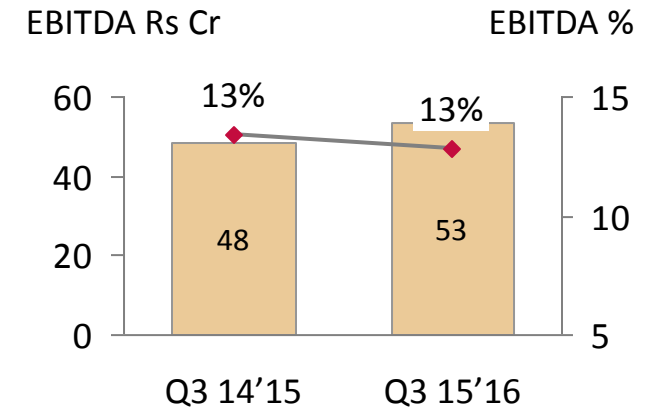
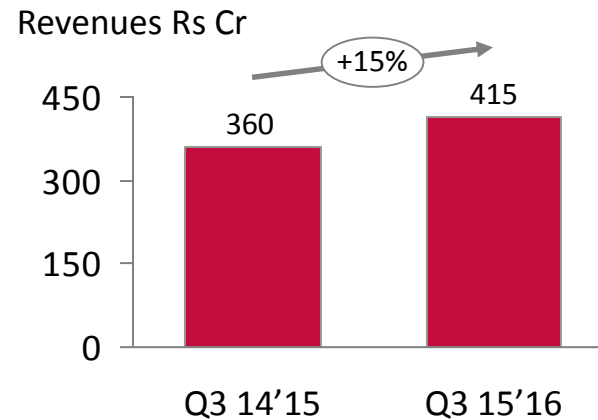
Strong revenue growth



Key highlights

- Revenue growth of 12% achieved due to
 - 22% revenue growth in Brands /other formats
 - De-growth of 16% in Mega-mart Business (planned de-grwoth due to store closures and rains in South India during festive season)
- Like to Like growth
 - Brands with 1.7% LTL growth
 - MegaMart (-)13.9 % LTL growth

Strong performance of Power Brands



Revenue Growth – 15% and EBITDA Margin at ~13%.

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

Brands & Retail Business – Distribution

Particulars	Q4 2014-15		Q1 2015-16		Q2 2015-16		Q3 2015-16	
	Stores	Sq Ft	Stores	Sq Ft	Stores	Sq Ft	Stores	Sq Ft
Megamart	140	832,896	126	779,268	125	777,496	95	729,462
Others	811	756,615	817	746,110	858	818,253	903	866,361
Total	951	1,589,511	943	1,525,378	983	1,595,749	998	1,595,823
No of KA Exclusive Counters	989		994		1025		1023	

- Sales Increase in Key Account Counters: Growth of 25.4% in Q3 15-16

Outlook

- Revenue Growth for the Q4 likely to be between 9-10% primarily driven by growth in brands & retail business and Garments manufacturing :
 - Revenue Growth in Textiles 2-3%
 - Revenue Growth in Brands & Retail at about 28-29%
- EBIDTA margins for Brands & Retail Segment likely to sharply improve in Q4 on account of improved operating leverage.



Thank You!