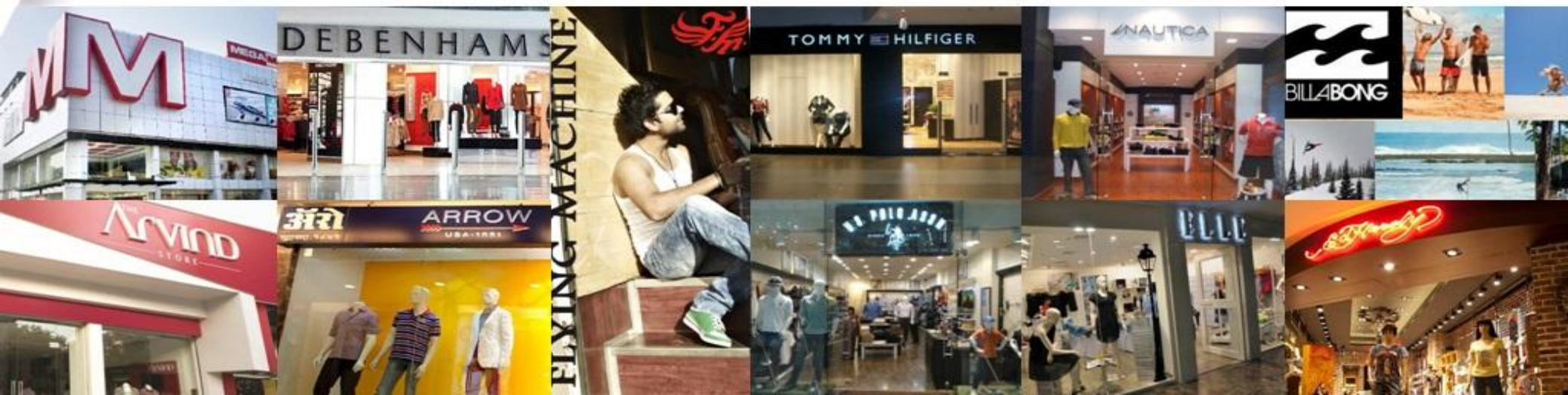




Arvind Limited

Analysis of Q2 2013-14 Results

24th October 2013, Ahmedabad



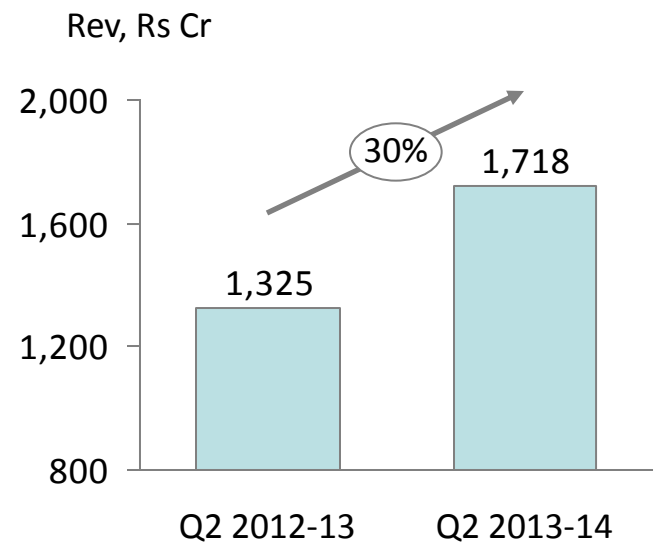
Index

- Performance Review Q2 2013-14
- Business Analysis

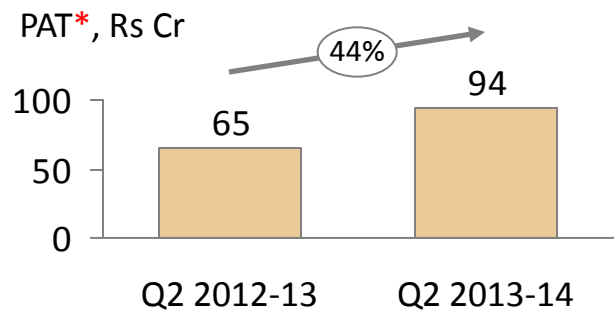
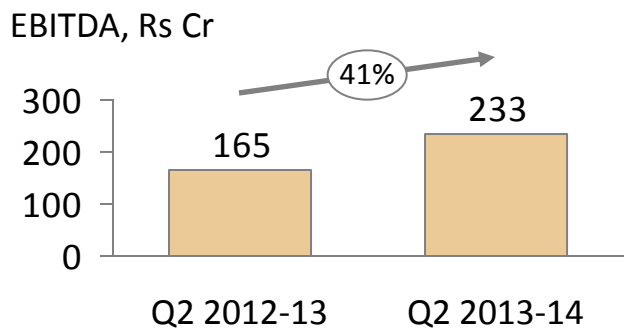


Financial Highlights: Q2 2013-14

Strong revenue growth



Strong profitability improvement



* PAT before exceptional items

Buoyed by all round volume growth leading to 30% revenue growth, EBITDA and PAT reported very strong improvement



Financial Performance: Q2 2013-14

	Q2 Rs Crs		Change
	2013-14	2012-13	
Revenue from Operations	1,718	1,325	30%
RawMaterials	934	694	
Project Expenses	10	0	
Employees' Emoluments	175	143	
Others	481	409	
(Increase) / Decrease in Stock	-127	-103	
Foreign Exchange Loss /(Gain)	13	17	
EBIDTA	233	165	41%
Margin	13.6%	12.4%	
Other Income	19	25	
Interest & Finance Cost	91	79	
Cash Accruals	161	111	45%
Depreciation	56	47	
Profit Before Taxes	105	64	
Taxes	11	-1	
Profit After Tax	94	65	44%
Less : Exceptional Item	4	0	
Net Profit	90	65	38%

Key highlights

Revenue Growth achieved due to strong volume growth across business:

- Brands & Retail: 40% (22% excluding new brands)
- Wovens: 21%
- Denim: 6%
- Garments : 46% (4. 3 M v/s 2.9 M)

EBIDTA Margin

- Improved by 0.8% on account of improvement in textile margins

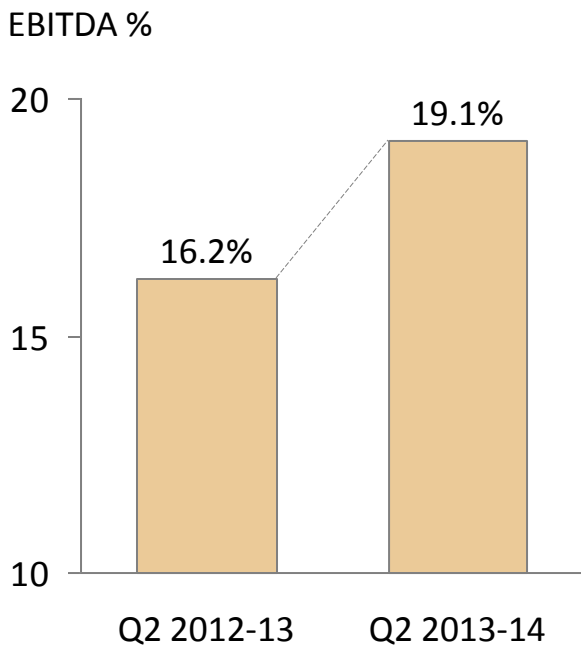
Exceptional Item

- Retrenchment cost of Rs 4 Cr

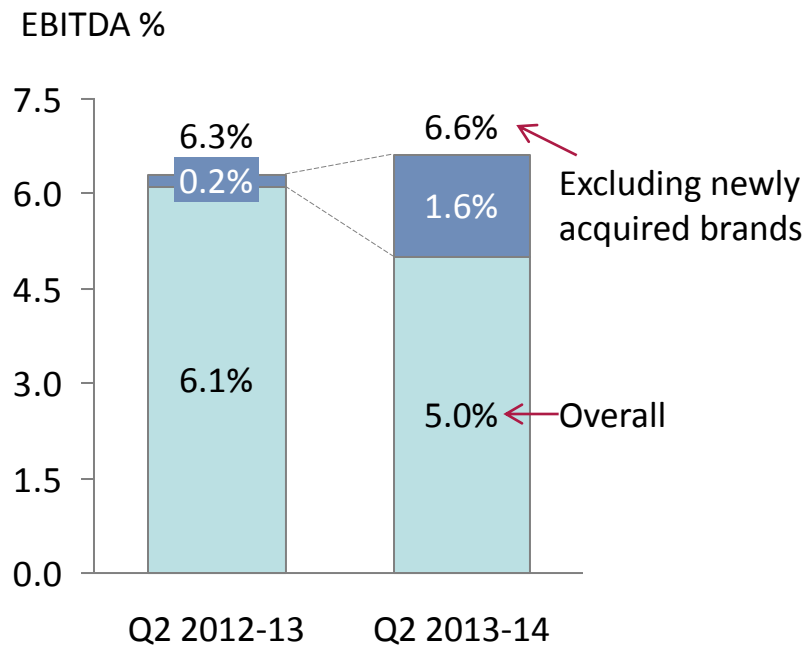


Significant gains in Textiles margins, Like-to-Like Brands & Retail margins also improved marginally

Textiles EBITDA %



Brands & Retail EBITDA %



Brands & Retail business EBITDA margin, excluding losses from the newly acquired businesses, improved marginally



Key Financial Ratios

	2010-11	2011-12	2012-13	Q1 13-14	Q2 13-14
EPS	6.50	9.48	9.63	3.06	3.47
Debt / Equity	1.31	1.00	1.11	1.21	1.29
Debt / EBIDTA	3.7	2.8	3.2	3.3	3.03
ROCE	10.5%	13.1%	11.9%	13.4%	14.4%
ROE	8.4%	12.0%	11.1%	13.9%	15.8%
Revenue Growth	25%	20%	7%	29%	30%

* PAT before exceptional item



Financial Performance – Standalone



Financial Performance Q2

	Q2 Rs Cr		
	2013-14	2012-13	Change
Revenue from Operations	1,193	959	24%
RawMaterials	551	426	
Project Expenses	1	0	
Employees' Emoluments	131	112	
Others	325	311	
(Increase) / Decrease in Stock	-31	-31	
EBIDTA	206	141	46%
Margin	17.2%	14.7%	
Other Income	20	28	
Interest & Finance Cost	76	67	
Cash Accruals	149	102	46%
Depreciation	40	37	
Profit Before Taxes	109	65	
Profit After Tax	97	65	50%
Less : Exceptional Item	4		
Net Profit	93	65	44%



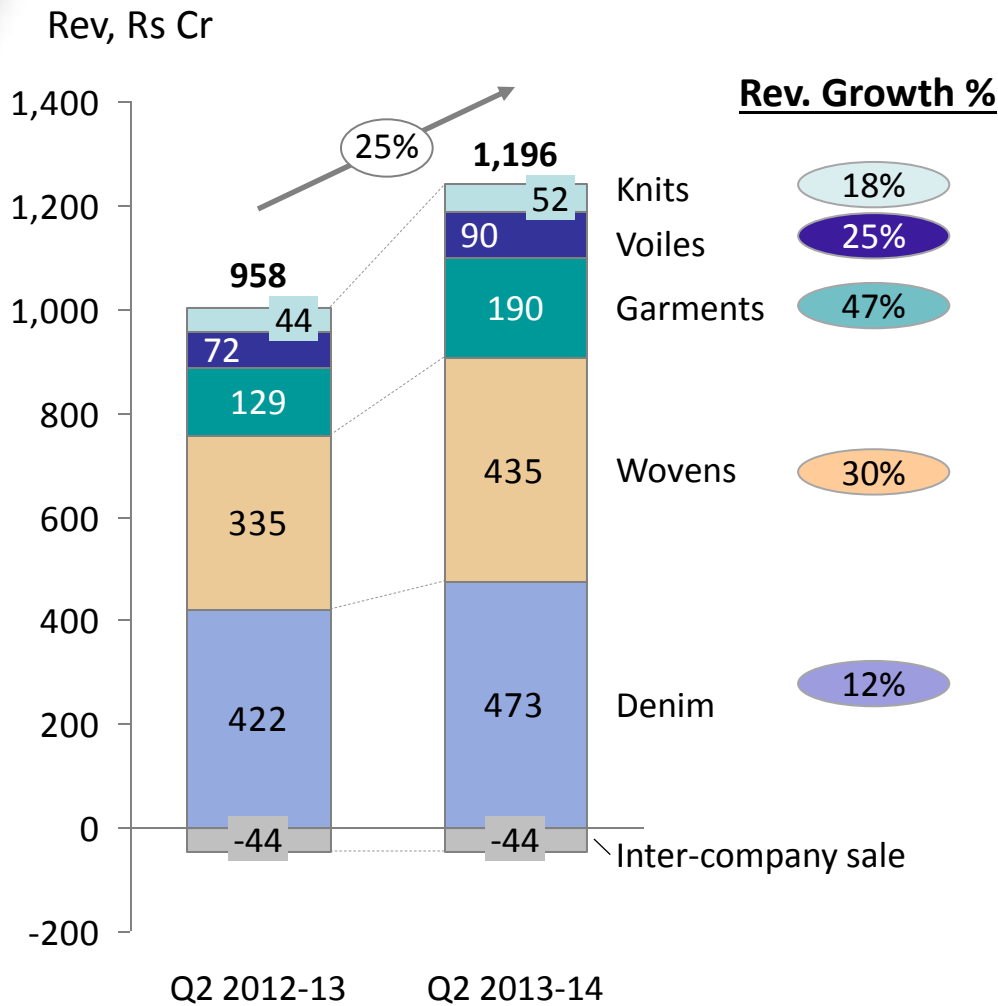
Index

- Performance Review Q2 13-14
- **Business Analysis**

All numbers in this section are consolidated unless specified otherwise



Textiles Business: Revenue Mix in Q2 2013-14



Volume & Price growth

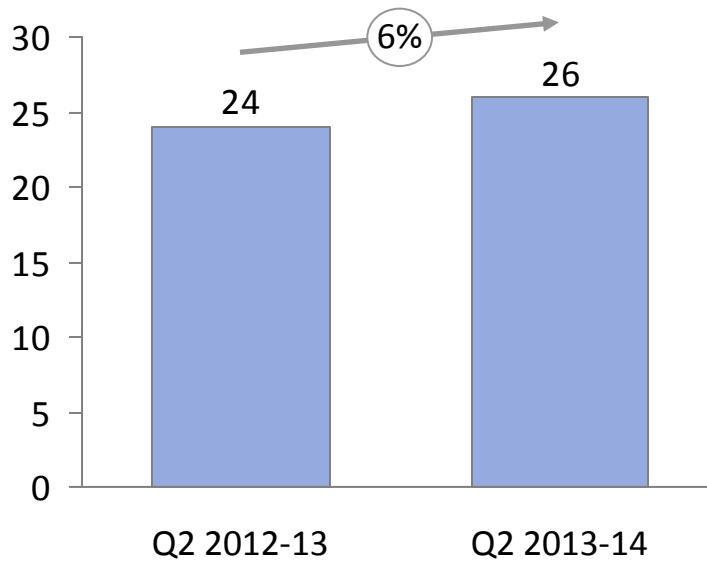
- Every product category registered volume and price growth leading to strong revenue growth in the textiles segment



Denim & Wovens– Q2 2013-14

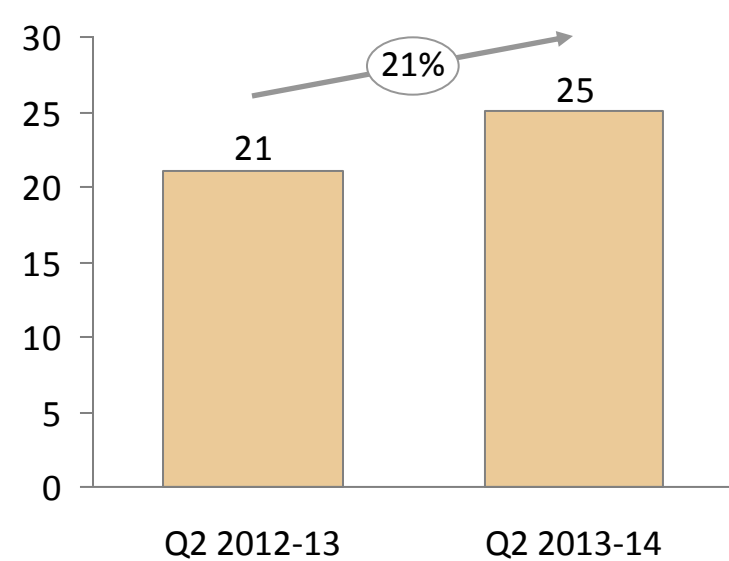
Denim

Volume, Mn Mtrs



Wovens

Volume, Mn Mtrs





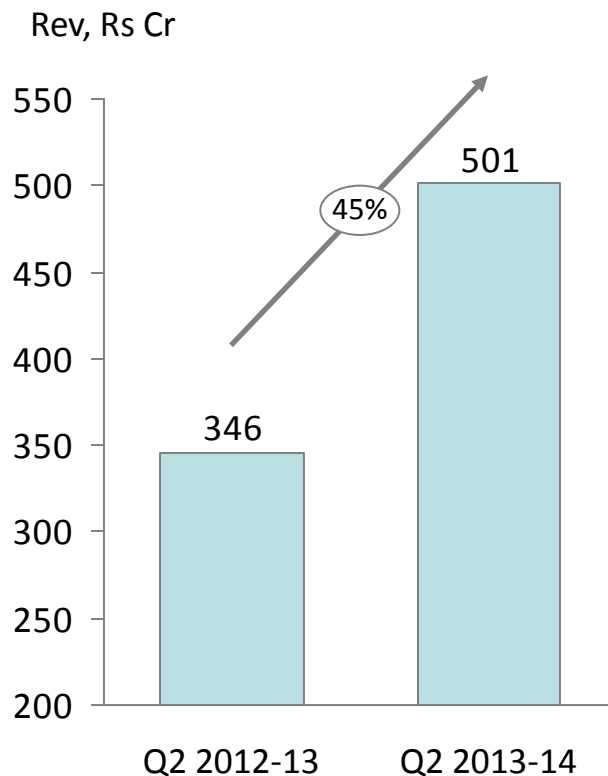
Key Parameters: Q2 2013-14 – Textiles

	Denim		Woven	
	Q2 13-14	Q2 12-13	Q2 13-14	Q2 12-13
Exports(Mn Mtrs)	10	9	5	5
Domestic (Mn Mtrs)	15	15	20	16
Avg Prices	180	170	167	151
Major Components	Cotton		Gas	
Cost in Rs / Kg	109	98	20	16



Brands & Retail Business grew by 45% in Q2 2013-14

Strong revenue growth



Key highlights

- Revenue growth of 45% achieved due to
 - 53% revenue growth in Brands (34% growth excluding newly acquired brands)
 - 11% revenue growth in MegaMart Retail
- Like to Like growth
 - 9.5% LTL growth in Brands
 - 5.4% LTL growth in MegaMart Retail



Brands & Retail Business – Distribution

	Q1 2013-14		Q2 2013-14	
	Stores	Sq Ft	Stores	Sq Ft
Brands	622	647810	638	666083
MM	184	682179	186	717255
Total	806	1329989	824	1383338
No of KA Counters	633		890	

- Sales Increase in Key Account Counters: Growth of 50%



Outlook for FY2013-14

- Based on strong H1 growth of 29% in the Revenue , we revise our revenue growth target from 20% to about 24% for the year .
 - Textiles: 17-18%
 - Brands & Retail: 33-35%
- Company expects that margins for H2 to be between 13.75%-14%
 - Textile Margins expected to be marginally better in H2 compared with H1
 - Brands & Retail Margin expected to improve in H2 as its revenue will increase due to festive season

Thank You

ARVIND

