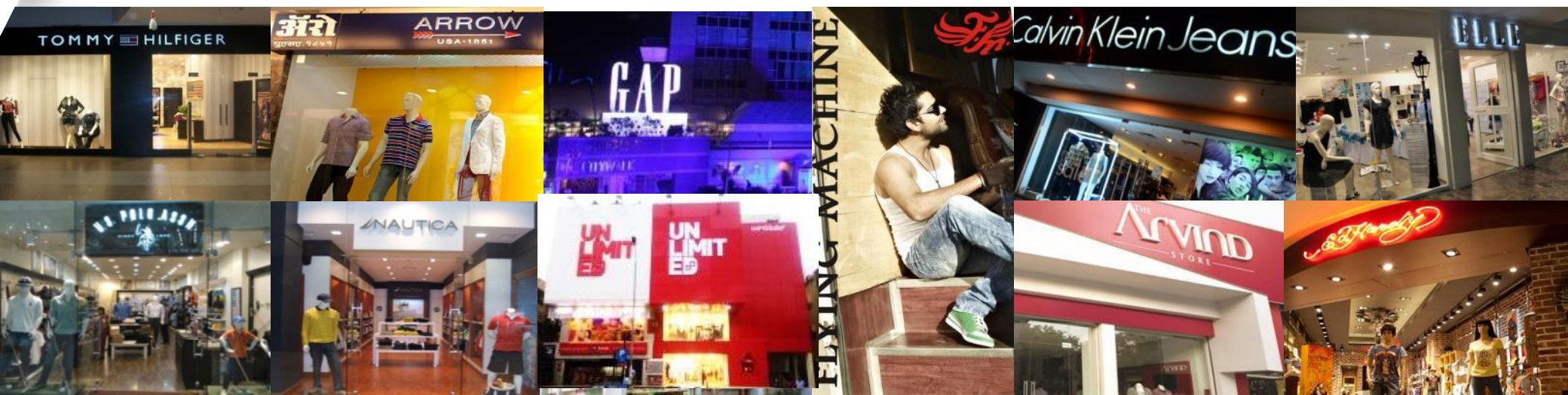




Arvind Limited Q2 Review Note

5th November 2015, Ahmedabad



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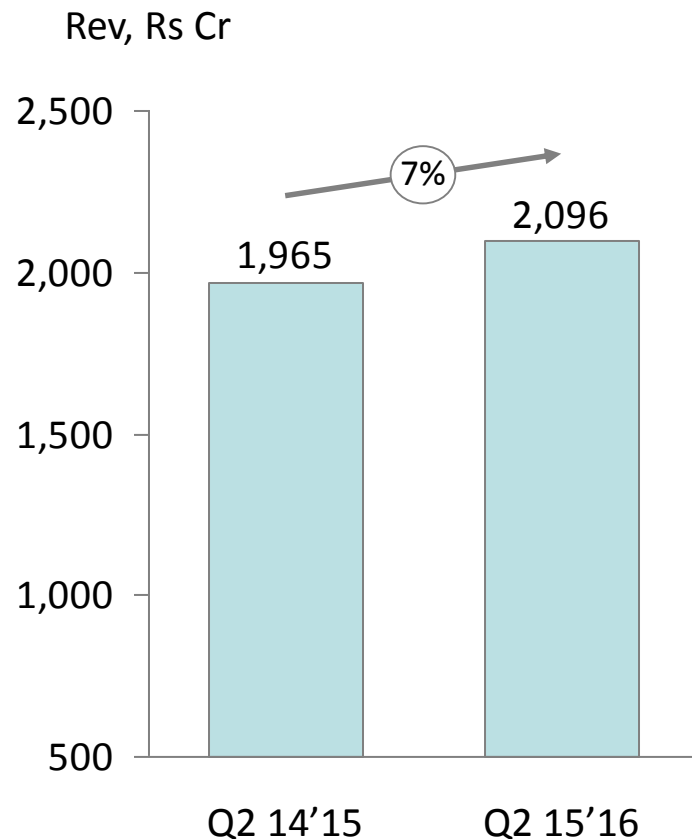
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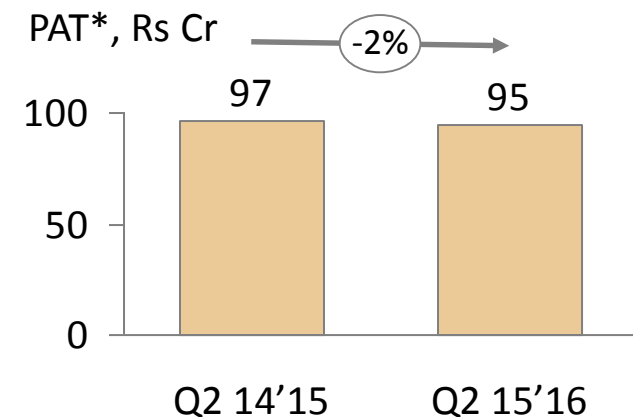
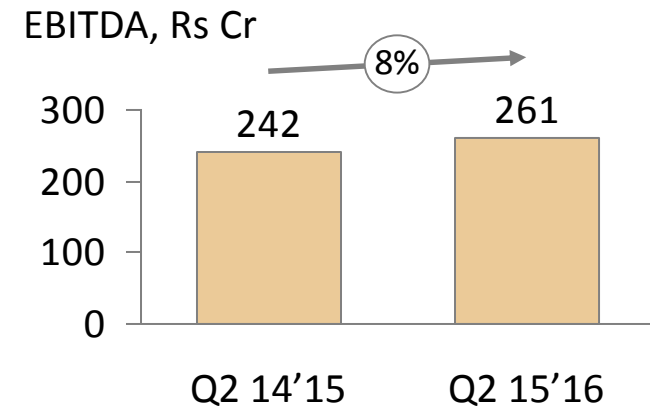
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Q2 2015-16: Consolidated Revenue up 7% and EBITDA up 8%; PAT lower by 2%

Moderate growth in revenues...



...as well as EBITDA margins



*PAT before exceptional items

Business Highlights: Q2 2015-16

Moderate top-line growth

<i>All Figures in INR Crs</i>	Q2 FY16	Q2 FY15	Change
Revenue from Operations	2,096	1,965	7%
RawMaterials	1,015	1,154	
Project Expenses	8	20	
Employees' Emoluments	231	203	
Others	687	625	
Stock (Increase) / Decrease	-107	-280	
Forex (Gain) / Loss	1	0	
EBIDTA	261	242	8%
Margin	12.5%	12.3%	
Other Income	32	30	
Interest & Finance Cost	95	101	
Cash Accruals	199	171	16%
Depreciation	61	52	
Profit Before Taxes	137	120	15%
Tax	41	24	
Profit After Tax	95	97	-2%
Less : Exceptional Item	4	3	
Net Profit	91	93	-2%

Key highlights

Revenue growth of 7%

- 9% growth in Brands & Retail
- 5% growth in Textiles

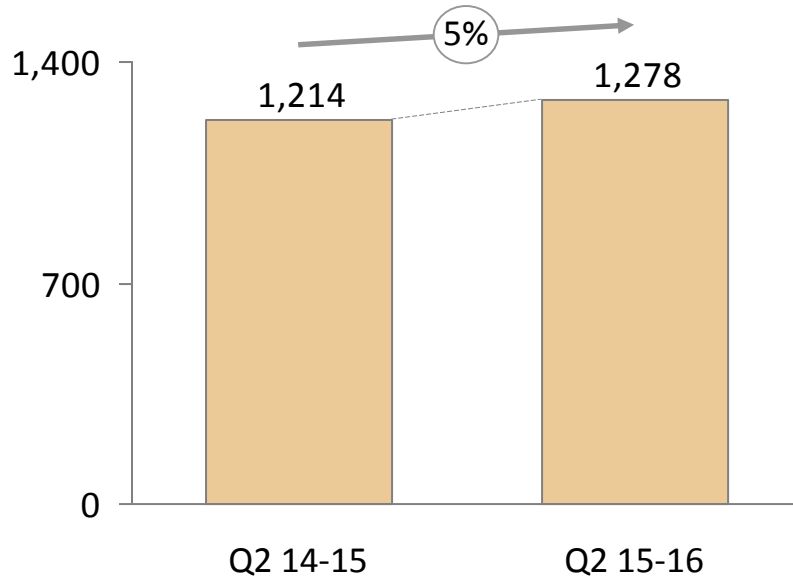
PBT growth of 15%: PAT lower on account of higher tax provision

Exceptional items: Rs. 3.8 crs for retrenchment of workers

Strong growth in Revenue of Brands despite difficult market conditions: Garments Revenue Growth at 30%

Revenues in Rs. cr

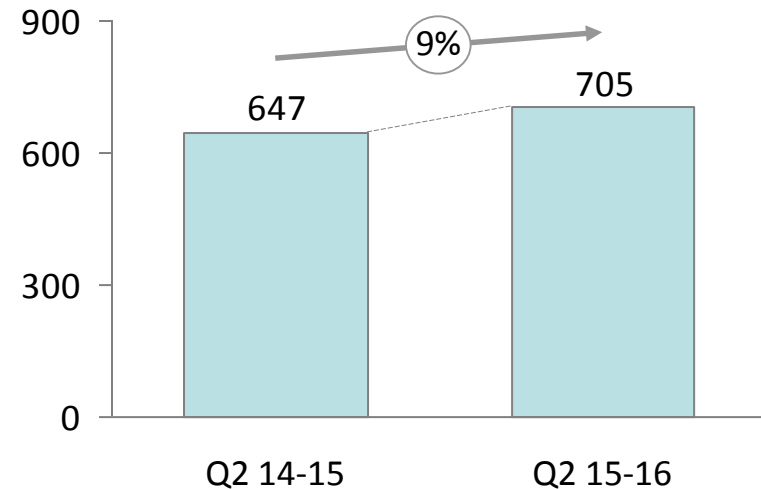
Textiles



Textiles grew by **5%** due to **healthy growth of 30% in garments** and

- 2% Revenue growth in Denim Business
- 4% Revenue growth in Wovens Business

Brands & Retail



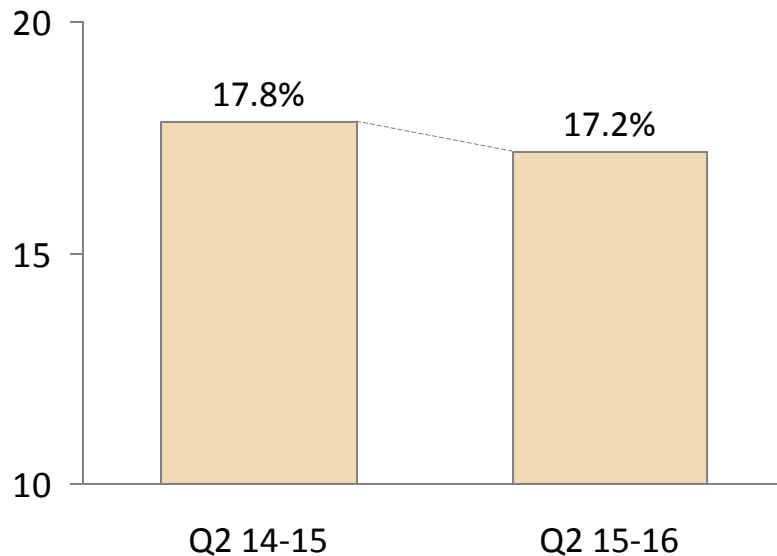
Robust growth of **Power brands (17%)** and **other brands (21%)** led to 9% overall growth of brands & retail business despite

- **Negative revenue growth (-20%) of MegaMart**

Margin expansion in B & R Business; Fall in Textiles Margin due to increased share of Garments in Revenue

EBITDA (%)

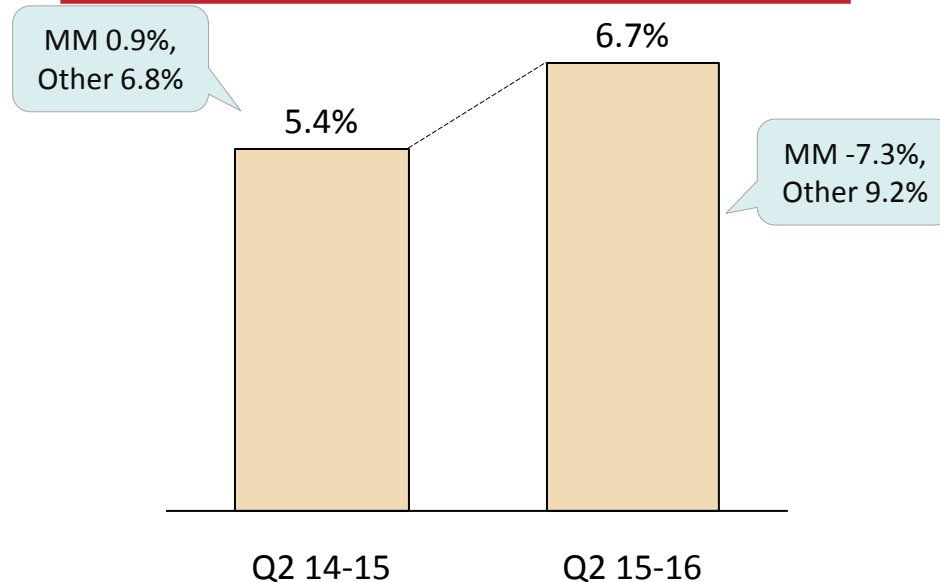
Textiles



Margin Lowered by 0.6% due to

- Increase share of Garments in overall revenue
- Lower capacity utilization of woven fabrics

Brands & Retail



Margin Improved by 1.3% mainly due to ;

- Operating leverage in power brands
- Strong performance of new acquired brands

Consolidated Balance Sheet, as at Sept 30th 2015

	As at	
	30th Sept'15	30th June'15
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2482	2399
Non Current Liabilities	1492	1477
Shortterm Borrowings	1980	1811
Current Liabilities	2015	1820
Minority Interest	46	46
Total	8274	7811
Assets		
Fixed Assets	3442	3375
Non -Current Investment	57	57
Long Term Loans and Advances	577	550
Other Non Current Assets	9	13
Current Assets	4189	3816
Total	8274	7811

Key Financial Ratios

Particulars	H1 14-15	2014-15	H1 15-16
EPS (Annualised)	14.5	15.3	12.1
Debt / Equity	1.34	1.25	1.38
Debt / EBIDTA	3.34	3.07	3.48
ROCE	13.8%	14.1%	12.8%
ROE	14.5%	14.5%	11.3%
Revenue Growth	16.5%	14.4%	6.3%

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Financial Performance Q2 15'16

<i>All Figures in INR Crs</i>	Q2 FY16	Q2 FY15	Change
Revenue from Operations	1,336	1,268	5%
RawMaterials	551	604	
Project Expenses	3	2	
Employees' Emoluments	162	145	
Others	455	418	
(Increase) / Decrease in Stock	-35	-95	
Foreign Exchange Loss /(Gain)	0	-1	
EBIDTA	201	195	3%
Margin	15.0%	15.4%	
Other Income	33	38	
Interest & Finance Cost	78	82	
Cash Accruals	155	151	3%
Depreciation	35	31	
Profit Before Taxes	120	120	0%
Tax	36	20	
Profit After Tax	84	100	-16%
Less : Exceptional Item	4	3	
Net Profit	80	97	-17%

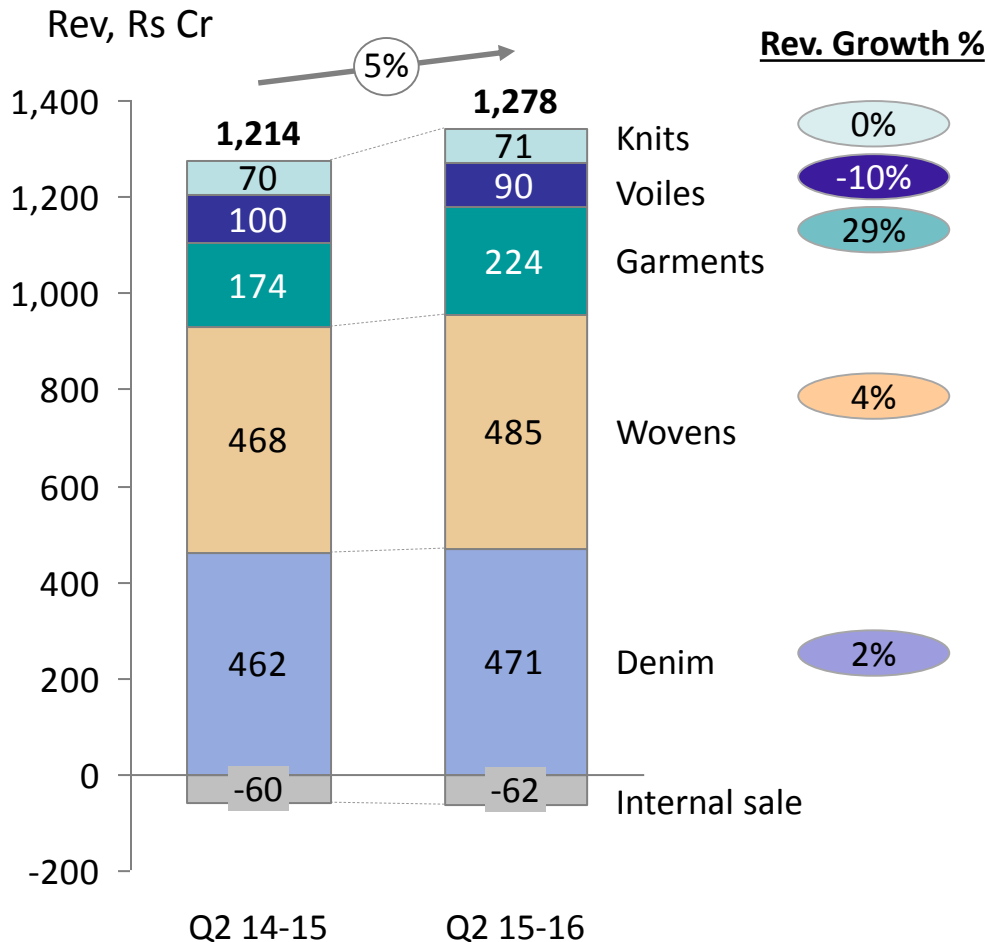
Standalone Balance Sheet, as on Sept 30th 2015

	As at	
	30th Sept'15	30th June'15
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2645	2572
Non Current Liabilities	1244	1301
Shortterm Borrowings	1618	1473
Current Liabilities	1144	1127
Minority Interest	0	0
Total	6909	6731
Assets		
Fixed Assets	2809	2733
Non -Current Investment	1043	992
Long Term Loans and Advances	398	387
Other Non Current Assets	5	5
Current Assets	2653	2614
Total	6909	6731

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Textiles Business: Revenues stable in denim and wovens, 29% growth in garments



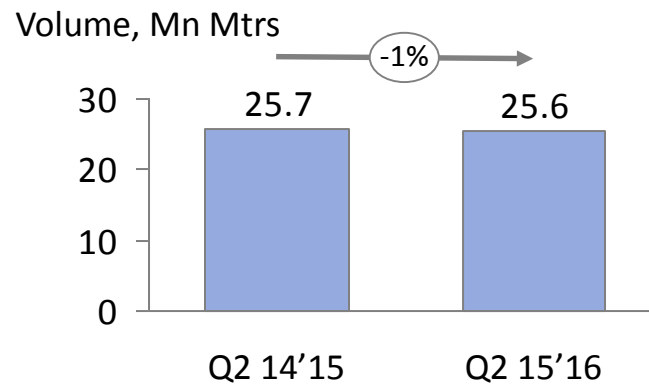
Textile revenue grew by 5%

- Led by 29% growth in Garments
- 4% growth in Wovens
- 2% growth in denim

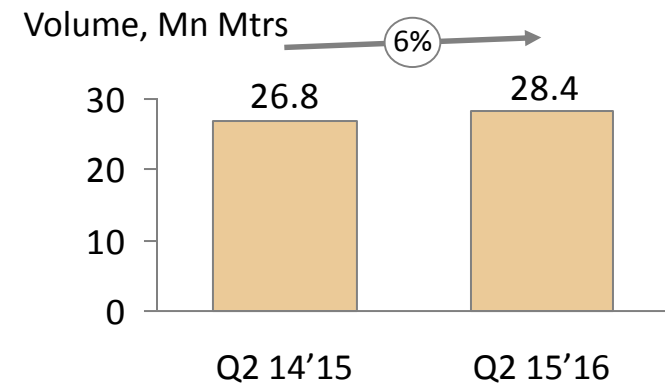
Volume growth: Wovens volume growth at 6% : Denim Volumes flat

**Q2
comparison
Vs LY**

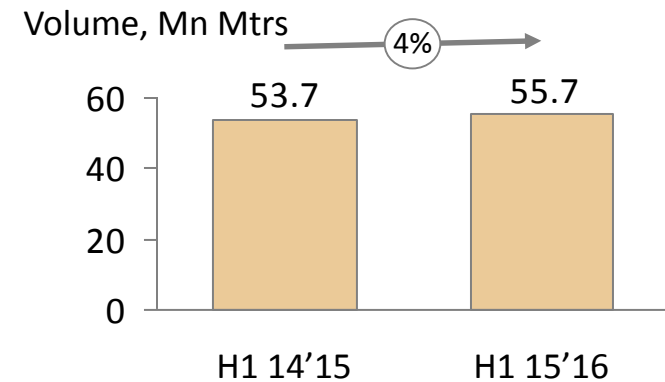
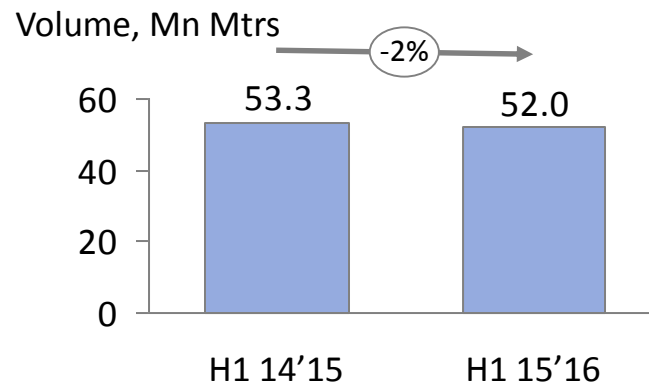
Denim



Wovens (Shirting & Khaki)



**H1
comparison
Vs LY**

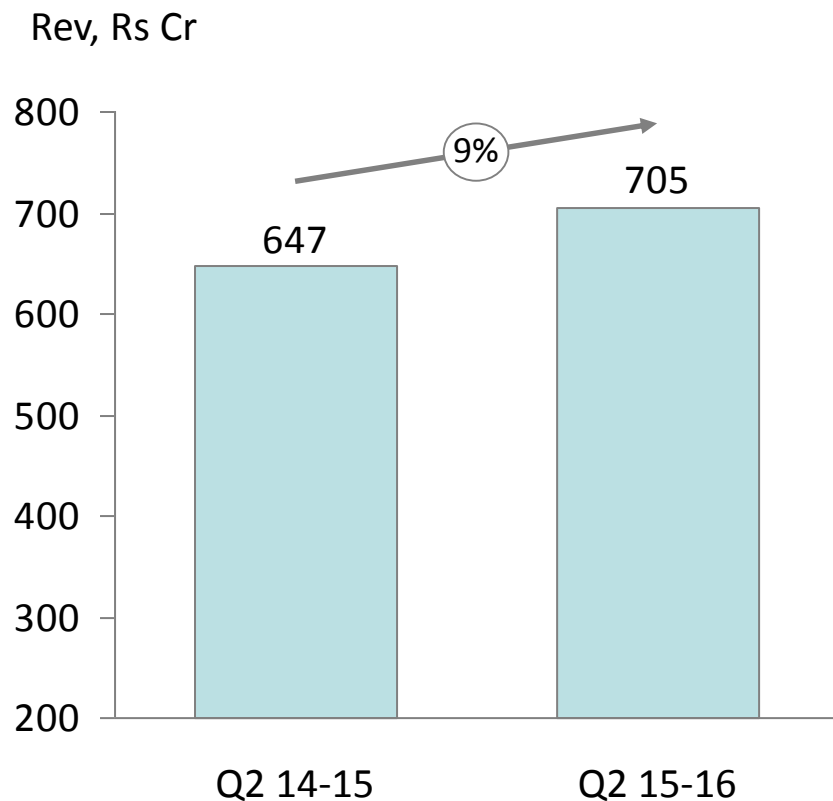


Key Parameters: Q2 15'16 - Textiles

	Denim		Woven	
	Q2 15-16	Q2 14-15	Q2 15-16	Q2 14-15
Exports(Mn Mtrs)	11	11	7	6
Domestic (Mn Mtrs)	15	15	22	21
Avg Prices	181	177	166	169
Major Components	Cotton		Gas	
Cost in Rs / Kg	102	116	26	20

Brands & Retail Business grew topline by 9% in Q2 2015-16

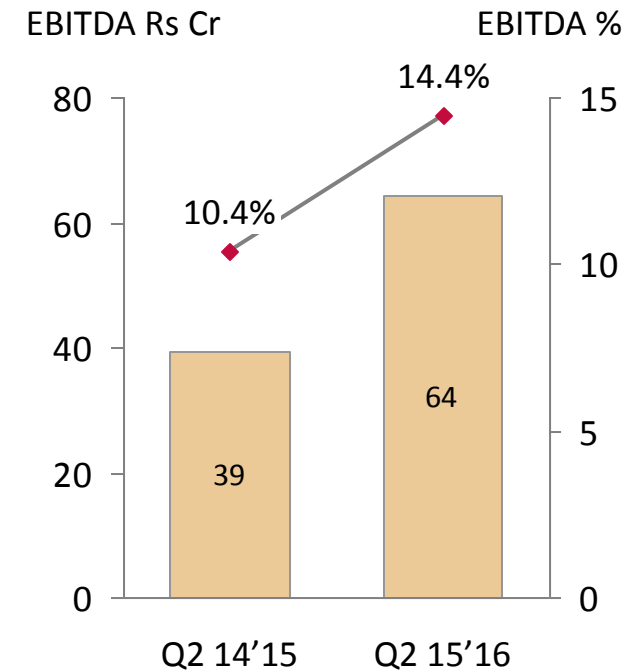
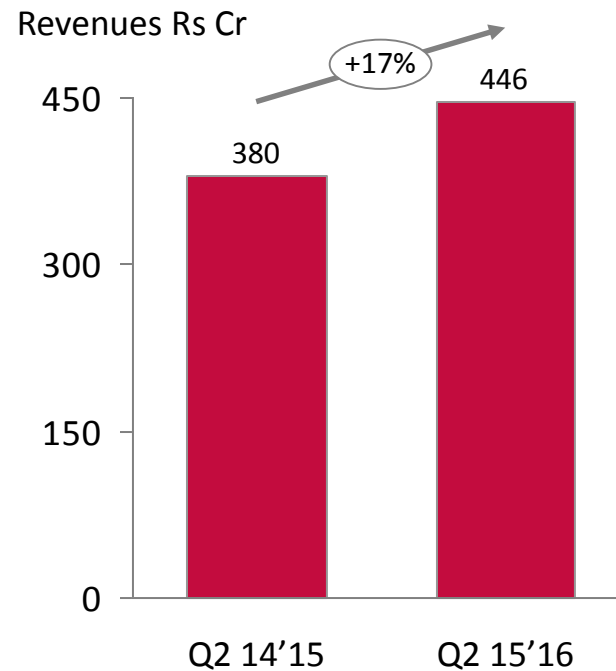
Strong revenue growth



Key highlights

- Revenue growth of 9% achieved due to
 - 18% revenue growth in Brands /other formats
 - De-growth of 20% in Megamart Business
- Like to Like growth
 - Brands with (-) 0.9% LTL growth
 - MegaMart (-)18.9% LTL growth

Strong performance of Power Brands



—◆— EBITDA % ■ EBITDA Rs Cr ■ Revenue Rs Cr

Revenue Growth – 17% and EBITDA Margin grew from 10.4% to 14.4%

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	
	Stores	Sq Ft	Stores	Sq Ft	Stores	Sq Ft
Megamart	140	832,896	126	779,268	125	777,496
Others	811	756,615	817	746,110	858	818,253
Total	951	1,589,511	943	1,525,378	983	1,595,749
No of KA Exclusive Counters	989		994		1025	

- Sales Increase in Key Account Counters: Growth of 16% in Q2 15-16

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Outlook

- Revenue Growth in H2 likely to be between 10-12% primarily driven by growth in brands & retail business and Garments manufacturing :
 - Revenue Growth in Textiles 3-4%
 - Revenue Growth in Brands & Retail at about 22-24%
- EBIDTA margins for Textile Segment and Brands & Retail Segment likely to improve in H2 on account of improved operating leverage.



Thank You!