

# TCNS Clothing Co. Ltd.

Investor Presentation – Q3 FY2019

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**3**  
Home Grown  
Brands



Widespread  
**Distribution**  
Network

**521** EBOs  
**1,573** Large Format Stores  
**1,496** MBOs

Strong **Design & Manufacturing**  
Capabilities

**40+** Designers  
Refreshing New Products every  
**2-3 weeks**  
**Wide** network of suppliers  
and job-workers

**Experienced Professional**  
Management  
Team

**NO Attrition** of  
Top Management  
in last 5 years

Robust  
**Financials**

Last 3 years CAGR  
Revenues: **+32%**  
Adjusted EBITDA: **+44%**  
Adjusted PAT: **+57%**

**Scalable**  
Business Model

Proven product & Retail  
Concept  
Outsourced Manufacturing

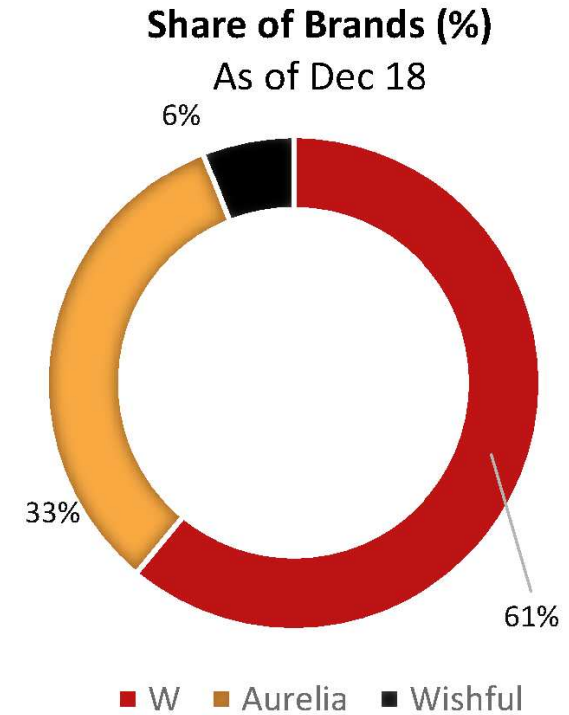
# Leading Home Grown Brands....



**PREMIUM FUSION WEAR**

**CONTEMPORARY ETHNIC WEAR**

**PREMIUM OCCASION WEAR**

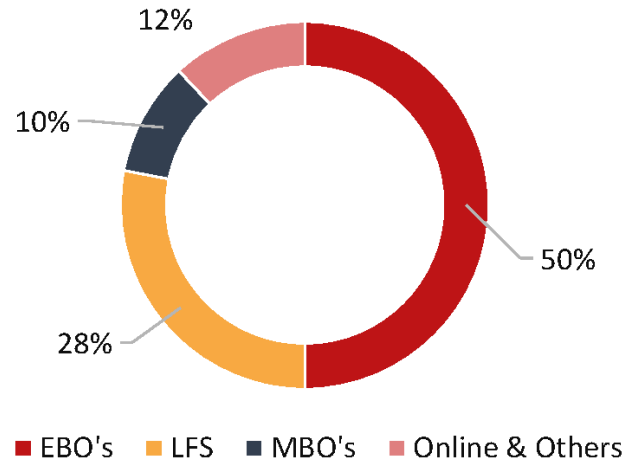


**Brand Wise Growth**

Brands	Q3 FY19
W	24%
Aurelia	18%
Wishful	18%

# Wide distribution network which continues to grow ...

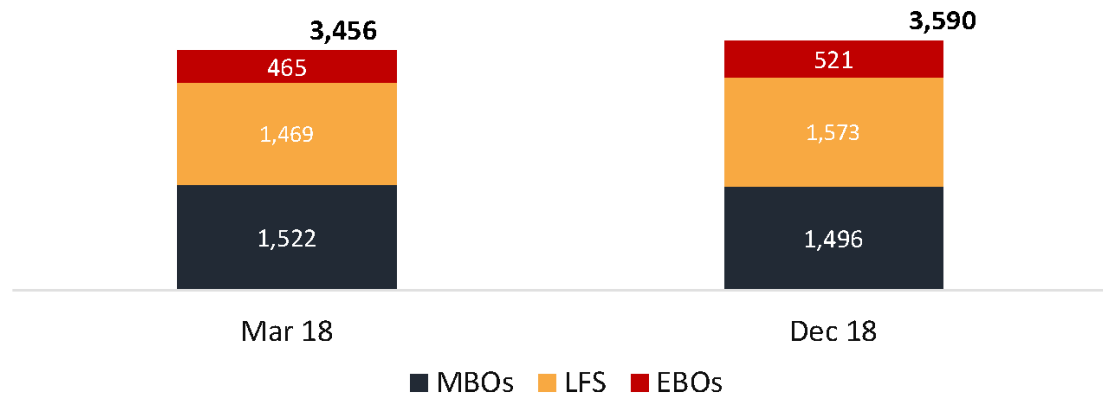
Channel Wise Revenue Split – Q3 FY19



Channel wise growth	Q3 FY19
EBOs	21%
LFS	17%
Online	15%
MBOs	65%

**SSSG growth at 8 % for Q3 FY19**

Pan India Multichannel Presence



Number of EBOs	As of Dec 2018	Q3 openings
W	306	6
Aurelia	210	7
Wishful	5	3
<b>Total</b>	<b>521</b>	<b>16</b>





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# Key Financial Highlights

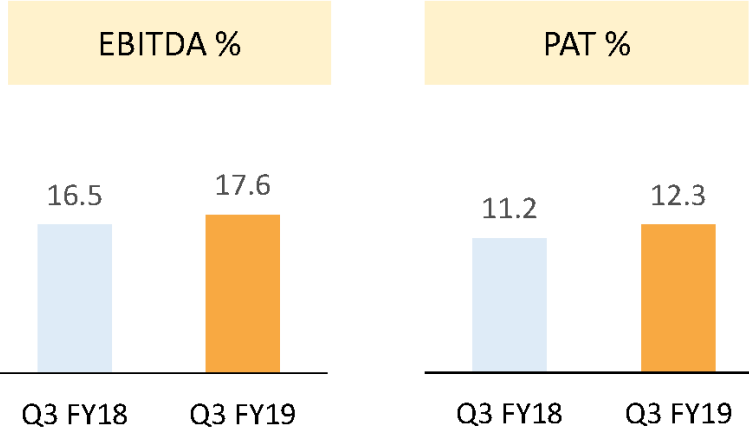
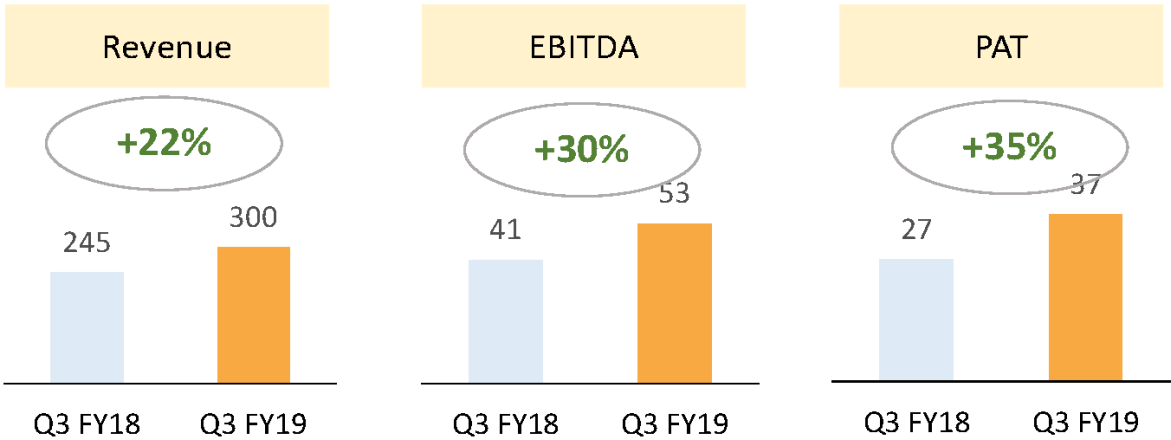


# Q3 & YTD FY 19 Highlights

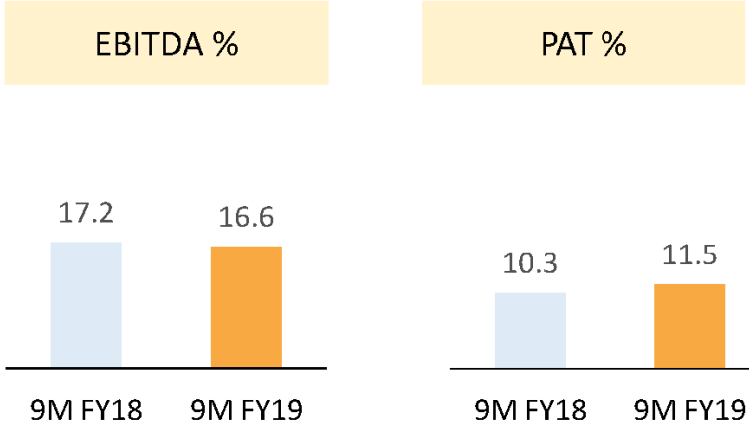
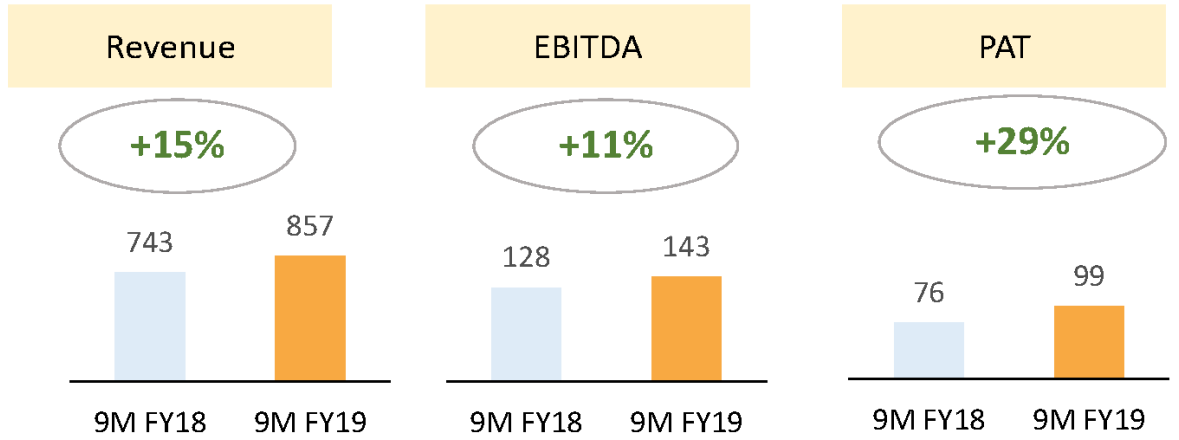


Rs. Crs

## Q3 FY19



## 9M FY19

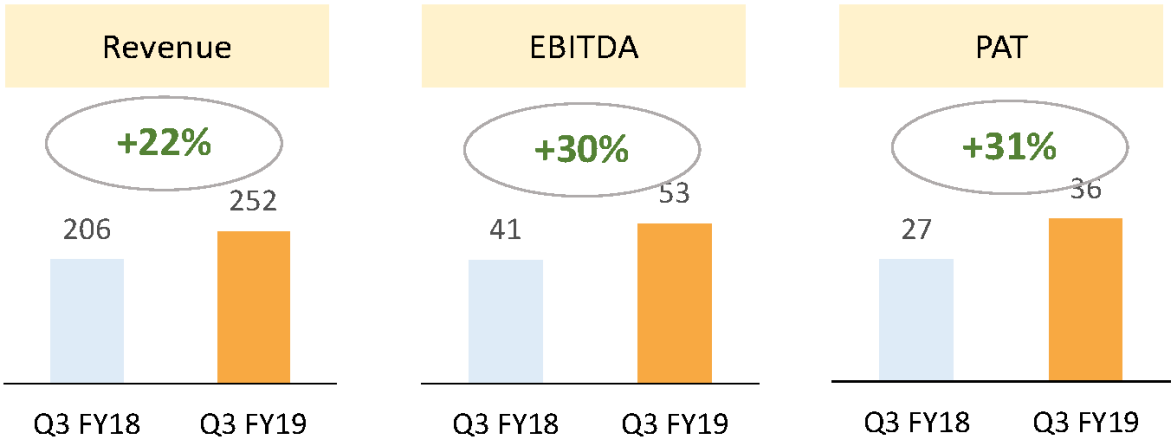


# Q3 & YTD FY 19 Highlights (Adjusted \*)

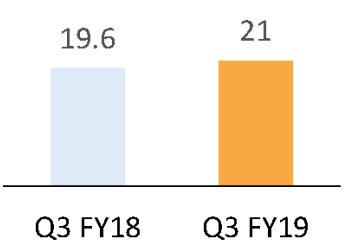


Rs. Crs

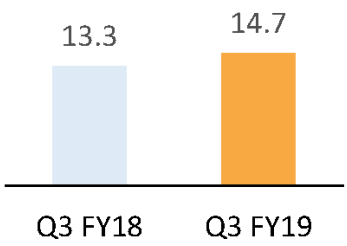
## Q3 FY19



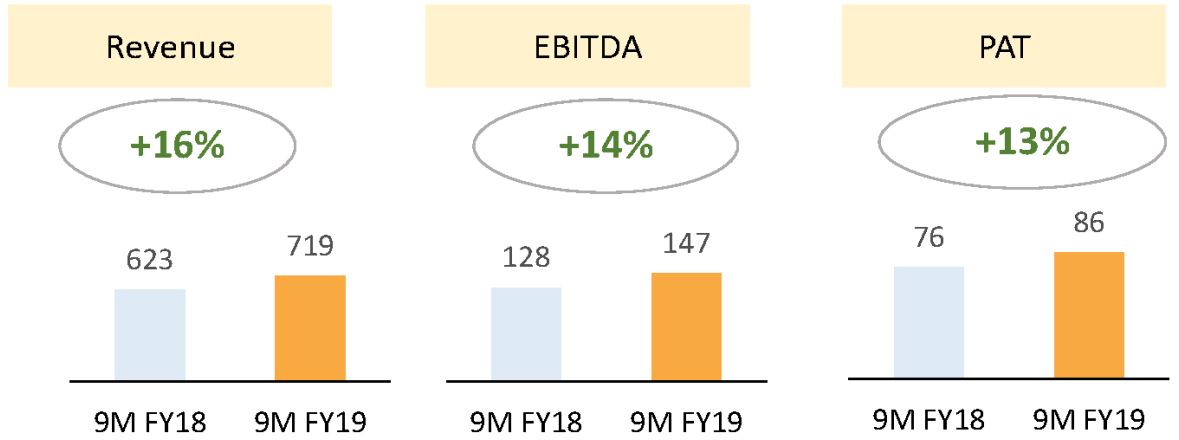
## EBITDA %



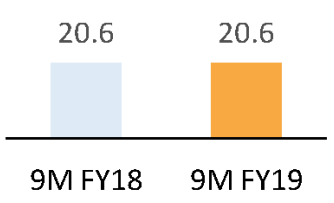
## PAT %



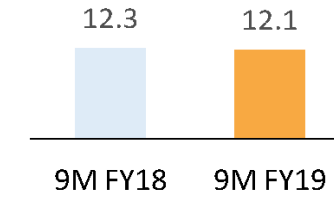
## 9M FY19



## EBITDA %



## PAT %



\* 1) Pre-Ind AS 115 impact 2) Proforma adjustment of GST rate increase in Q1'19 vs Q1'18 3) Proforma for constant tax rate



- **Ind AS 115** – a new accounting standard on revenue recognition has been applied w.e.f April 1, 2018
  - The main impact has been on accounting for sales made on Sale of Return (SOR). Till last year, sales were recorded net of dealer margin. From now, these sales are shown gross of dealer margin and at the same time dealer margin is shown as expense
  - The other change has been in netting off variable expenses on sales made on outright basis. Till last year, these were shown separately as expenses. From now, these expenses are netted off from sales
  
- **We have applied the retrospective approach and hence the comparative numbers of FY18 have also been re-instated. This has resulted in increase in both sales and expense respectively as following with no impact on EBITDA**

**Comparative impact for different periods are:**

P&L Impact (Rs. In million)						
Particulars	Q3 FY19	Q2 FY19	Q3 FY18	9M FY19	9M FY18	FY18
Net increase in revenue from operations	482.77	569.4	389.81	1469.93	1204.47	1585.66
Net increase in other expenses	482.77	569.4	389.81	1469.93	1204.47	1585.66

# Profit & Loss Statement - Q3 & 9M FY19



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Particulars	(All amounts in Rs. million except otherwise specified)					
	For the quarter ended			For the nine months ended		For the financial year ended
	31 December, 2018 (Unaudited)	30 September, 2018 (Unaudited)	31 December, 2017 (See note 1)	31 December, 2018 (Unaudited)	31 December, 2017 (See note 1)	31 March, 2018 (Audited)
<b>Income</b>						
(a) Revenue from operations	3,001.96	3,205.01	2,454.29	8,572.95	7,430.01	10,009.91
(b) Other income	21.24	19.25	2.19	58.76	49.97	67.32
<b>Total income</b>	<b>3,023.20</b>	<b>3,224.26</b>	<b>2,456.48</b>	<b>8,631.71</b>	<b>7,479.98</b>	<b>10,077.23</b>
<b>Expenses</b>						
(a) Cost of materials consumed	1,044.83	1,158.99	1,018.02	3,051.39	2,765.91	3,776.02
(b) Changes in inventories of FG & WIP	(98.82)	(61.49)	(217.13)	(251.31)	(341.96)	(351.48)
(c) Excise duty on sale of goods	-	-	-	-	39.37	39.37
(d) Employee benefits expense	378.89	374.11	318.50	1,091.54	897.28	1,236.14
(e) Finance costs	0.47	0.73	1.23	1.84	5.11	6.71
(f) Depreciation and amortisation expense	55.03	52.80	41.55	158.75	115.94	166.71
(g) Rent expenses	282.45	268.48	219.92	814.15	691.21	938.39
(h) Selling and distribution expenses	626.71	661.88	511.40	1,834.30	1,555.56	2,051.47
(i) Other expenses	261.31	233.02	201.12	664.38	591.37	765.62
<b>Total expenses</b>	<b>2,550.87</b>	<b>2,688.52</b>	<b>2,094.61</b>	<b>7,365.04</b>	<b>6,319.79</b>	<b>8,628.95</b>
<b>Profit before tax (2 - 4)</b>	<b>472.33</b>	<b>535.74</b>	<b>361.87</b>	<b>1,266.67</b>	<b>1,160.19</b>	<b>1,448.28</b>
<b>Tax expense</b>						
(a) Income tax	117.61	134.25	95.40	316.67	443.55	483.58
(b) Deferred tax	(15.99)	(10.76)	(7.36)	(37.51)	(46.52)	(16.27)
<b>Net profit after tax for the period (5 - 6)</b>	<b>370.71</b>	<b>412.25</b>	<b>273.83</b>	<b>987.51</b>	<b>763.16</b>	<b>980.97</b>

# Statement of Assets and Liabilities As of Sep'18 and Mar'18



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PARTICULARS	(Rs. in million)		PARTICULARS	(Rs. in million)	
	As at 30 September, 2018 (Unaudited)	As at 31 March, 2018 (Audited)		As at 30 September, 2018 (Unaudited)	As at 31 March, 2018 (Audited)
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
<b>Non-current assets</b>			<b>Equity</b>		
(a) Plant and equipment	564.25	505.68	(a) Equity share capital	122.64	112.74
(b) Capital work-in-progress	4.68	24.88	(b) Instruments entirely equity in nature	-	242.27
(c) Intangible assets	43.04	12.89	(c) Other equity	5,291.39	3,959.67
(d) Intangible assets under development	-	56.30	<b>Total equity</b>	<b>5,414.03</b>	<b>4,314.68</b>
(e) Financial assets			<b>Liabilities</b>		
(i) Investments	200.00	-	<b>Non-current liabilities</b>		
(ii) Other financial assets	483.25	393.06	(a) Financial liabilities		
(f) Deferred tax assets (net)	133.75	115.01	(i) Borrowings	1.92	2.18
(g) Income tax assets (net)	77.80	94.73	(ii) Other financial liabilities	61.48	59.15
(h) Other non-current assets	92.28	71.81	(b) Provisions	64.66	55.73
<b>Total non-current assets</b>	<b>1,599.05</b>	<b>1,274.36</b>	(c) Other non-current liabilities	4.09	4.09
<b>Current assets</b>			<b>Total non-current liabilities</b>	<b>132.15</b>	<b>121.15</b>
(a) Inventories	2,454.19	2,239.41	<b>Current liabilities</b>		
(b) Financial assets			(a) Financial liabilities		
(i) Investments	432.94	20.77	(i) Borrowings	-	0.04
(ii) Trade receivables	1,739.43	1,570.50	(ii) Trade payables		
(iii) Cash and cash equivalents	438.80	366.93	(a) Total outstanding dues of micro, small and medium enterprises	4.13	16.86
(iv) Other bank balances	18.62	123.91	(b) Total outstanding dues of creditors other than msme enterprises	1,123.35	1,127.46
(v) Other financial assets	4.50	5.66	(iii) Other financial liabilities	69.18	68.52
(c) Other current assets	314.14	336.26	(b) Provisions	1.83	1.22
<b>Total current assets</b>	<b>5,402.62</b>	<b>4,663.44</b>	(c) Other current liabilities	257.00	287.87
			<b>Total current liabilities</b>	<b>1,455.49</b>	<b>1,501.97</b>
<b>Total assets</b>	<b>7,001.67</b>	<b>5,937.80</b>	<b>Total equity and liabilities</b>	<b>7,001.67</b>	<b>5,937.80</b>