

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

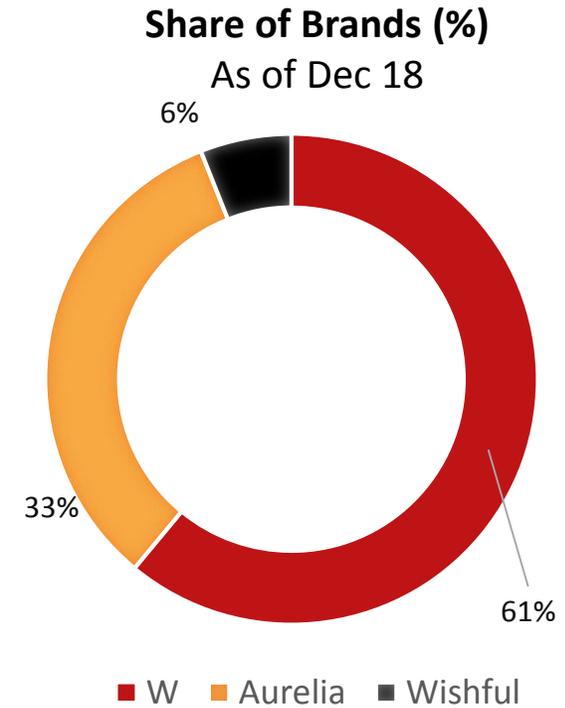
Leading Home Grown Brands....



PREMIUM FUSION WEAR

CONTEMPORARY ETHNIC WEAR

PREMIUM OCCASION WEAR

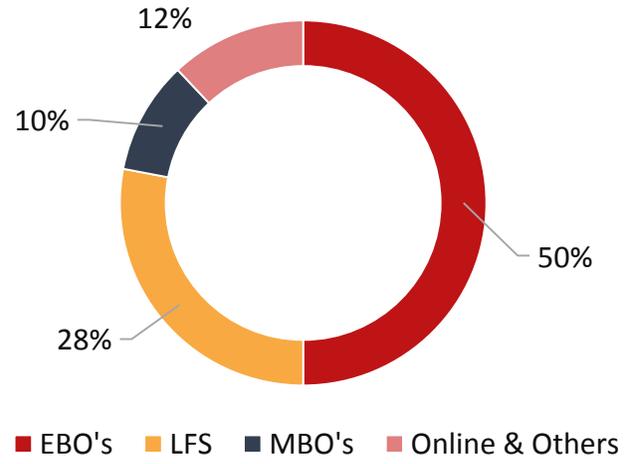


Brand Wise Growth

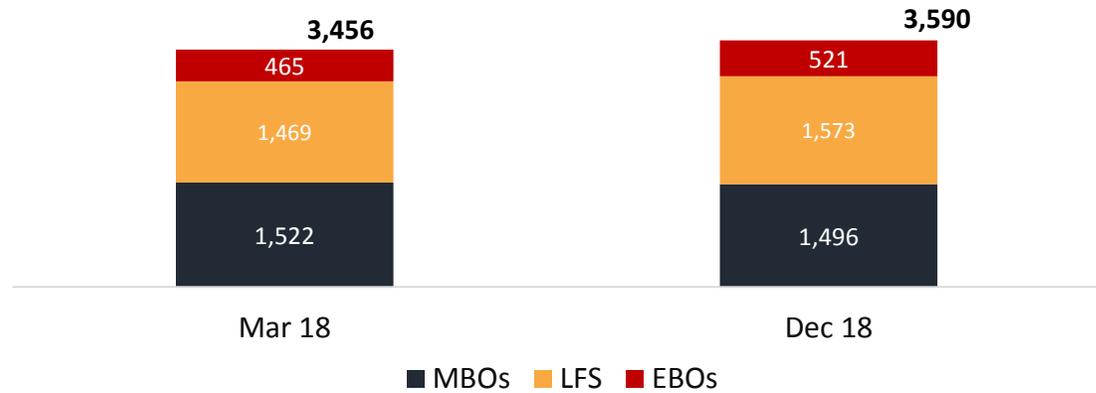
| Brands | Q3 FY19 |
|---------|---------|
| W | 24% |
| Aurelia | 18% |
| Wishful | 18% |

Wide distribution network which continues to grow ...

Channel Wise Revenue Split – Q3 FY19



Pan India Multichannel Presence



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

| Number of EBOs | As of Dec 2018 | Q3 openings |
|----------------|----------------|-------------|
| W | 306 | 6 |
| Aurelia | 210 | 7 |
| Wishful | 5 | 3 |
| Total | 521 | 16 |

SSSG growth at 8 % for Q3 FY19



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Key Financial Highlights

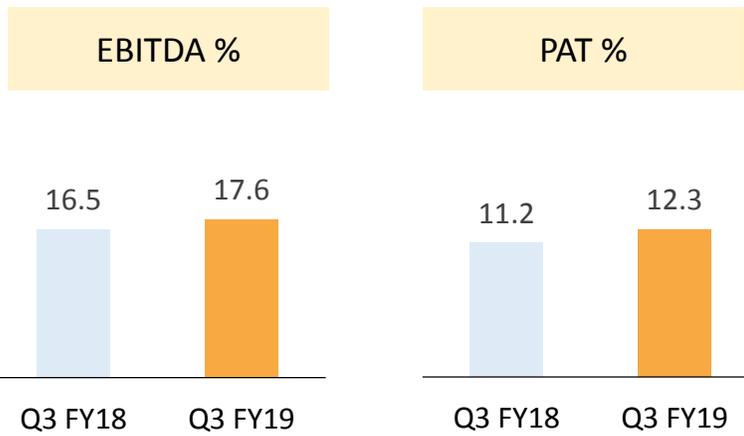
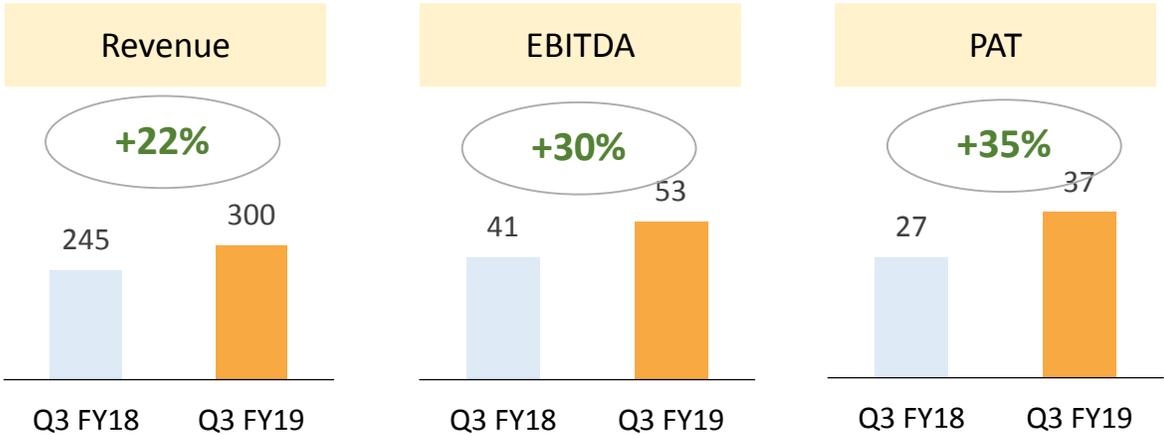


Q3 & YTD FY 19 Highlights

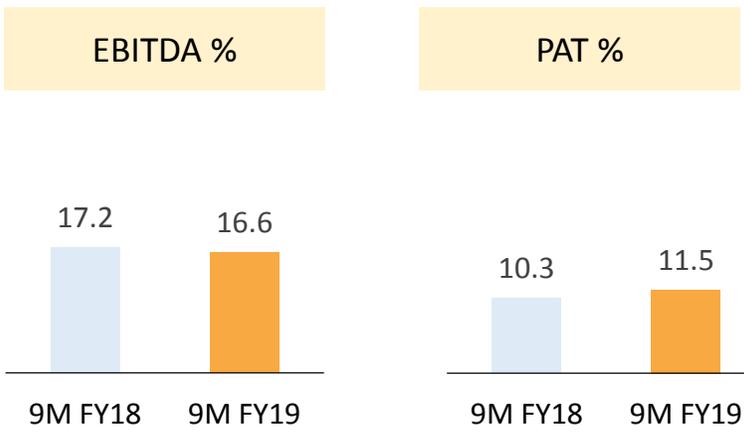
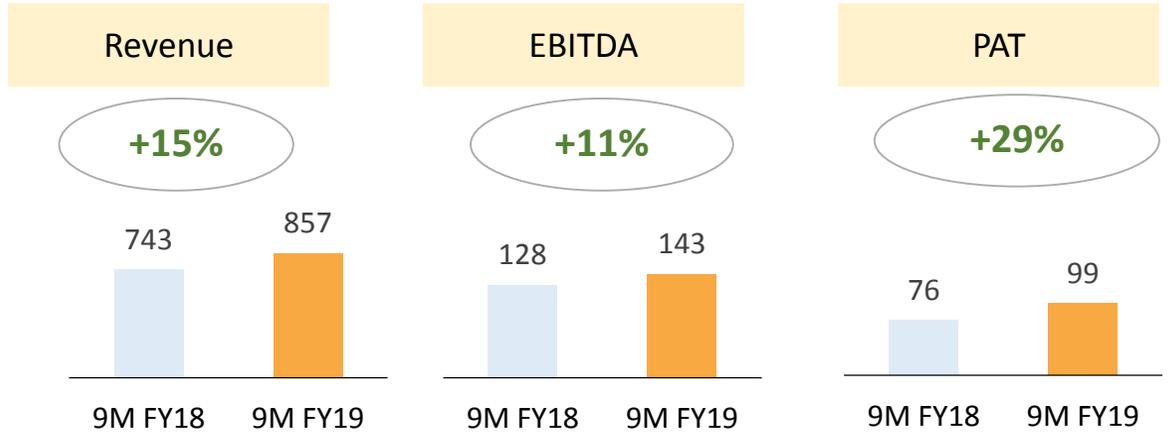


Rs. Crs

Q3 FY19



9M FY19

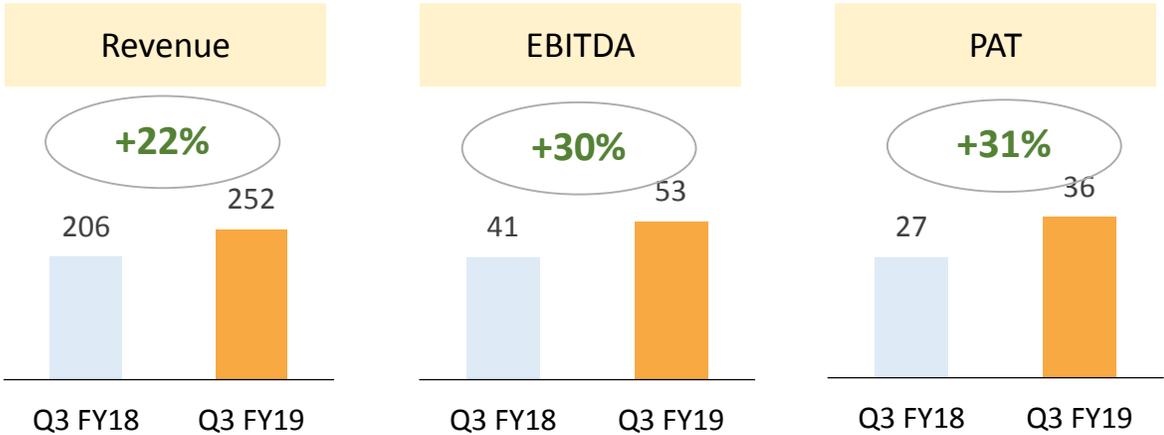


Q3 & YTD FY 19 Highlights (Adjusted *)

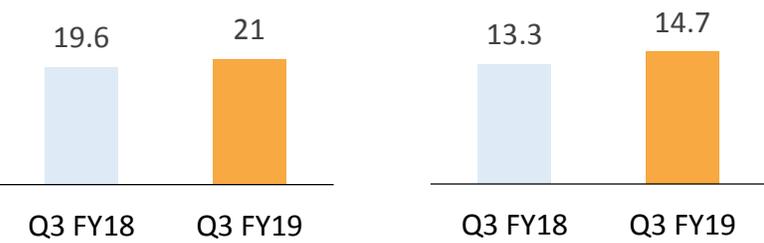


Rs. Crs

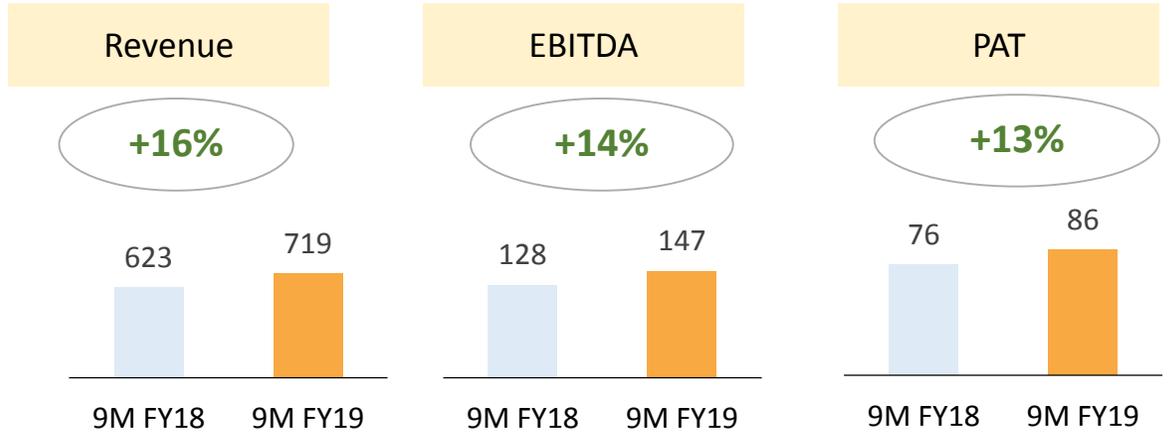
Q3 FY19



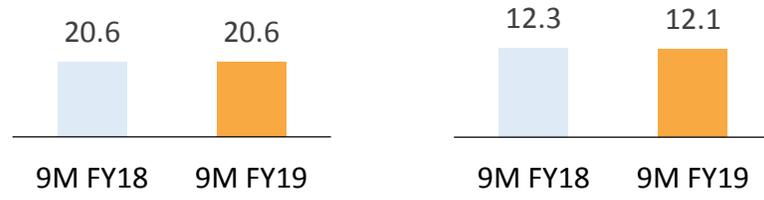
EBITDA % PAT %



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) |
| Income | | | | | | |
| (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 |
| Total income | 3,023.20 | 3,224.26 | 2,456.48 | 8,631.71 | 7,479.98 | 10,077.23 |
| Expenses | | | | | | |
| (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 |
| Total expenses | 2,550.87 | 2,688.52 | 2,094.61 | 7,365.04 | 6,319.79 | 8,628.95 |
| Profit before tax (2 - 4) | 472.33 | 535.74 | 361.87 | 1,266.67 | 1,160.19 | 1,448.28 |
| Tax expense | | | | | | |
| (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) |
| Net profit after tax for the period (5 - 6) | 370.71 | 412.25 | 273.83 | 987.51 | 763.16 | 980.97 |

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



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| (Rs. in million) | | | (Rs. in million) | | |
|---|---|--------------------------------------|--|---|--------------------------------------|
| PARTICULARS | As at 30 September, 2018 (Unaudited) | As at 31 March, 2018 (Audited) | PARTICULARS | As at 30 September, 2018 (Unaudited) | As at 31 March, 2018 (Audited) |
| ASSETS | | | EQUITY AND LIABILITIES | | |
| Non-current assets | | | Equity | | |
| (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 | Total equity | 5,414.03 | 4,314.68 |
| (e) Financial assets | | | Liabilities | | |
| (i) Investments | 200.00 | - | Non-current liabilities | | |
| (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 |
| Total non-current assets | 1,599.05 | 1,274.36 | (c) Other non-current liabilities | 4.09 | 4.09 |
| Current assets | | | Total non-current liabilities | 132.15 | 121.15 |
| (a) Inventories | 2,454.19 | 2,239.41 | Current liabilities | | |
| (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 |
| Total current assets | 5,402.62 | 4,663.44 | (c) Other current liabilities | 257.00 | 287.87 |
| | | | Total current liabilities | 1,455.49 | 1,501.97 |
| Total assets | 7,001.67 | 5,937.80 | Total equity and liabilities | 7,001.67 | 5,937.80 |



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THANKYOU

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