

Date: 05.02.2021

Corporate Relations Department BSE Limited 1st Floor, New Trading Ring Rotunda Building, P J Tower Dalal Street, Fort, Mumbai 400 001	Corporate Listing Department National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No.C-1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400 051.
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Dear Sir/s

SUB: Investor Presentation for Q3 & 9 months FY 21.

Scrip Code: BSE Code: 541700, NSE Code: TCNSBRANDS

Ref: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

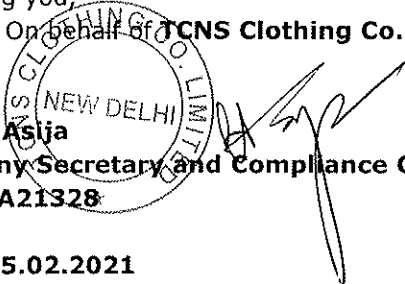
Dear Sir/Madam,

With reference to the above captioned subject, please find herewith, enclosed Investor Presentation for Q3 & 9 months FY 21. The aforesaid Investor Presentation is also being disseminated on Company's website at www.wforwoman.com/

This is for your information and record.

Thanking you,
For and On behalf of **TCNS Clothing Co. Limited**

Piyush Asija
Company Secretary and Compliance Officer
M. No. A21328



Date: 05.02.2021

Place: New Delhi



TCNS Clothing Co. Limited

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CIN- L99999DL1997PLC090978



TCNS Clothing Co. Ltd.

Performance Highlights
Q3 FY21 results
Feb 05, 2021



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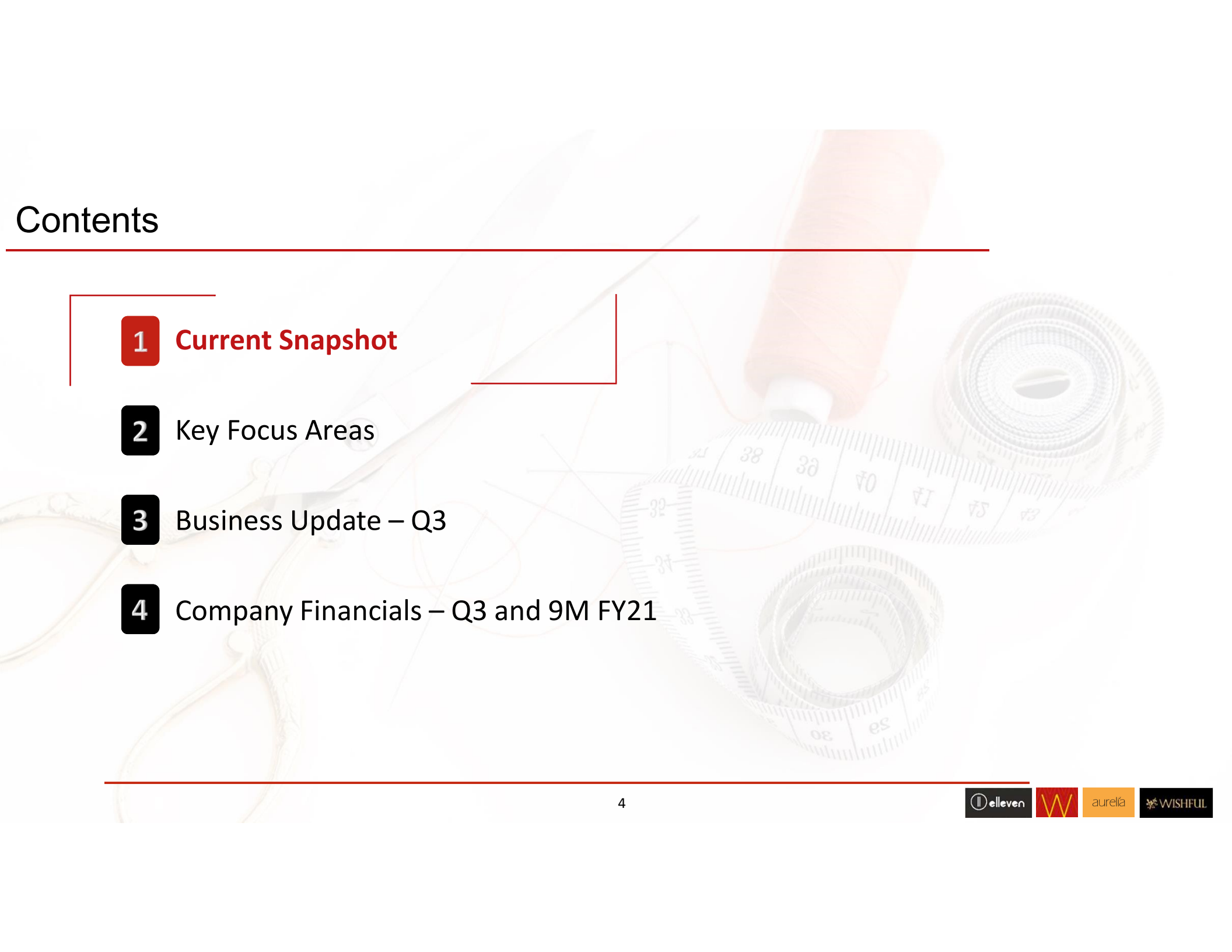
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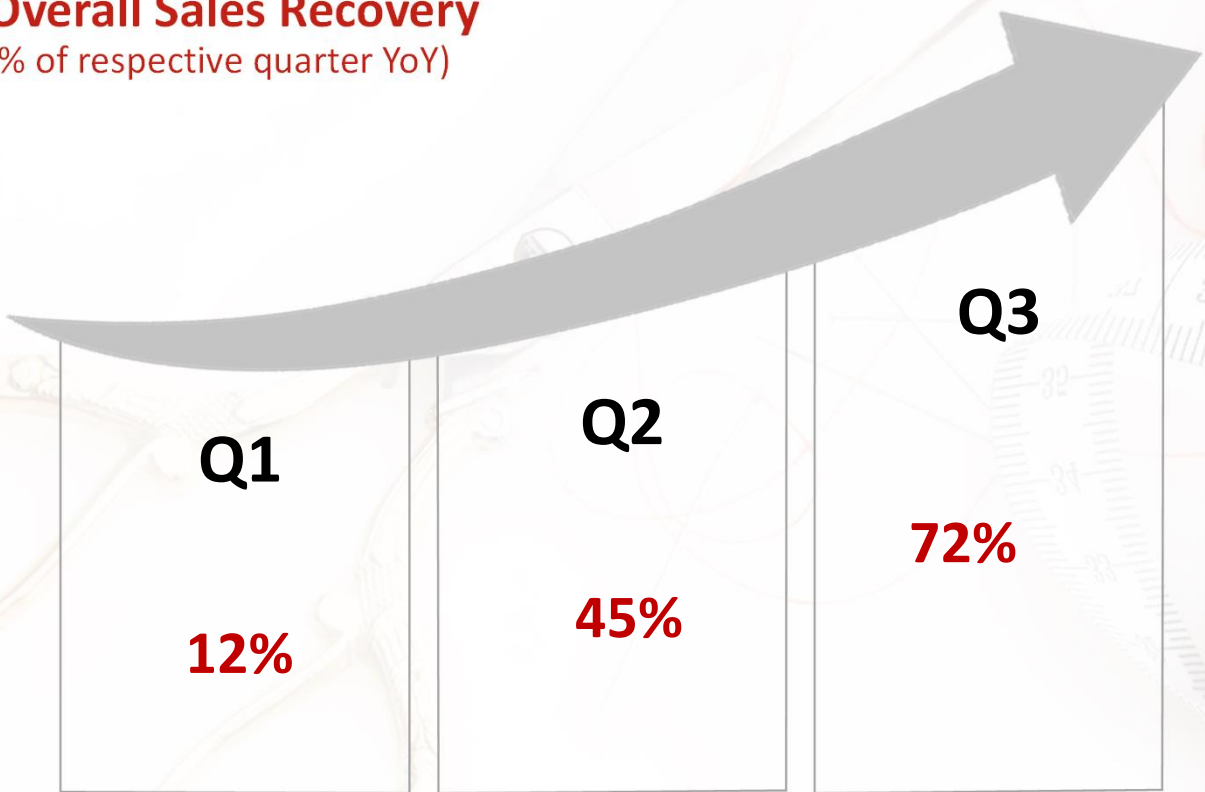
- 1** Current Snapshot
- 2** Key Focus Areas
- 3** Business Update – Q3
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Business recovery continued in Q3 - continuous rebound in sales with a pronounced spike during the festive season

Overall Sales Recovery (% of respective quarter YoY)



- Online secondary sales tracking at ~1.7X of pre-covid levels in Q3; ~15% YoY growth on primary sales basis.
- Brand.com grew at 150% over pre-covid levels. December registered highest ever sales
- EBO and LFS on similar recovery trajectory
- Offline store network fully operational as of end December
- MBO primary billing resumed with Spring Summer'21 season launch.

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Key Focus Areas : Results well on track

Continue Consumer Engagement

Continue to be top-of-mind recall for consumers through digital engagement and Omni sales channels

Build Organization Resilience

Leverage technology for enhancing organization capabilities and build a lean, responsive supply chain

Strengthen Balance Sheet

Conserve cash and optimize inventory to preserve strength of balance sheet without losing ability to scale-up



Optimize Cost Structure





Reset the fixed costs as per evolving situation by leveraging structural flexibilities

Adopt zero-based approach for all variable costs

Seize Opportunities

Leverage market opportunities and incubate new avenues for creating long-term growth runways

1. Cash conservation: Cash accretive in Q3. Cash reserves at Rs 155 Crs – tracking close to FY20 year-end levels

 Finished Goods Inventory	 Raw Materials Inventory	 Creditors / Payables	 Capex
<ul style="list-style-type: none"> ➤ Deployment of SS20 and MF20 stock to SS21 resulting in Inventory reduction ➤ Responsive supply chain in place to nimbly manage demand shifts 	<ul style="list-style-type: none"> ➤ SS'21 launched on time ➤ Limited cash outflow for additional fabric purchases for capsule ranges 	<ul style="list-style-type: none"> ➤ Timely payment to vendors strengthened our relationships ➤ Introduced third-party vendor financing partnership to handhold and support our vendors 	<ul style="list-style-type: none"> ➤ Selective new stores opening ➤ Continue investment in Warehousing & IT infrastructure ➤ Minimal discretionary capex

Business well on track to close FY21 with cash reserves higher than FY20 levels

* FY 20 year end cash reserves : Rs 171 Crs. (in addition to unutilized bank limits) 8

2. Optimized Cost Structure: Ahead of targeted cost savings across all key headers; pivoting focus to growth to tap market opportunities

Rentals & CAM

- Secured full year savings of ~35% over last year, savings of Rs 6 crores accounted for in Q3. Negotiations on to secure further savings.
- 9 new stores opened in Q3 while 22 bottom-performing stores were closed.
- **Embarking on an accelerated store expansion plan. Targeting 60-70 new stores in FY22.**

Salary

- Annual savings in salary expected ~20%.
- Partial reinstatement of salaries undertaken.
- **Investing in building capabilities in areas of design innovation, data-sciences and responsive supply chain.**

Marketing

- Focused spending in Q3 on efficient and measurable direct-to-consumer (DTC) initiatives. Focus on driving online sales through performance marketing spends.
- **Stepping up marketing in Spring Summer'21**

Overheads

- Control on discretionary spends continued in Q3 though non-discretionary spends reverting back to normal levels.
- **Setting up a future-ready warehouse which will be fully operational by Q2 of FY22.**

3. Customer Engagement

Direct-to-Consumer (D2C) initiatives have scaled up and institutionalized as a core offering of the business

Online D2C Initiatives

- Own website grew at 150% over pre-covid sales in Q3; contribution in double digits of total online business
- Marketplace D2C business grew 10X over last year to contribute almost a quarter of the third party marketplace sales
- Omni-channel fulfilment live on both Own Website and Third-party marketplace



Offline D2C Initiatives

- Virtual shopping through video chat / whatsapp with home delivery setup as a core offering at stores
- Launched a number of relevant, personalized campaigns for consumers leveraging data science – Reactivation, Upsell and Cross Sell
- Launched hyperlocal campaigns to increase store footfall – Influencer program, exchange old for new

4. Building Organization Resilience

Investment in Capabilities Enhancement continues

1 Quick Fulfillment Model

- Building a shorter lead time model. Process institutionalized in SS'21

2 Shorter Thought-to-Shelf cycle

- Moving away from a strict two-season calendar.

3 Data Science based stock decisions

- Setting up a upgraded machine-learning based inventory optimization tool. Piloting in SS'21 for 'W' brand.



4 Warehouse Operations

- Setting up a future-ready warehouse- to be fully operational by Q2 of FY22

5 Investing in new skills

- Investing in building capabilities in areas of design innovation, data-sciences and responsive supply chain.

5. Seize Opportunities

Investing in key levers to create long-term runways for growth

Store Expansion

EBO
60-70 store addition in FY22






LFS
200-250 store addition in FY22




New Channels

Online D2C

NYKAA FASHION



Offline

Institutional Channel

Additional Categories

Footwear



Aurelia Girls



Elleven



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Q3 FY21 & 9M FY21: Reported Ind AS 116

Amount Rs. Crores	Q3 FY21	Q3 FY20	YoY %
Revenue	238	329	-28%
EBITDA	43	75	-42%
PBT	17	40	-58%
PAT	13	55*	-77%

Amount Rs. Crores	9M FY21	9M FY20	YoY %
Revenue	414	929	-55%
EBITDA	10	203	-95%
PBT	-82	102	-180%
PAT	-60	93	-165%

* Includes one-time tax adjustment. On a Like to like basis PAT in FY21 Q3 was Rs 13 crs vs Rs 31 Crs in FY20-Q3

% to Revenue	Q3 FY21	Q3 FY20
EBITDA	18%	23%
PBT	7%	12%
PAT	5%	17%

% to Revenue	9M FY21	9M FY20
EBITDA	3%	22%
PBT	-20%	11%
PAT	-14%	10%

Q3 Brand-wise Performance



PREMIUM FUSION WEAR

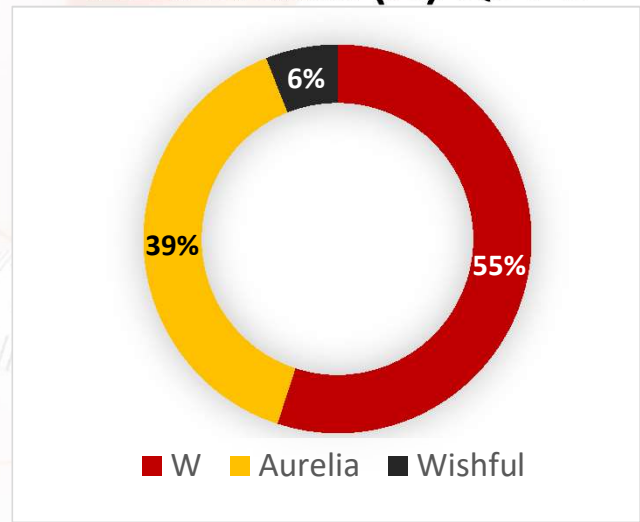


CONTEMPORARY ETHNIC WEAR



PREMIUM OCCASION WEAR

Share of Brands (%) Q3 FY21

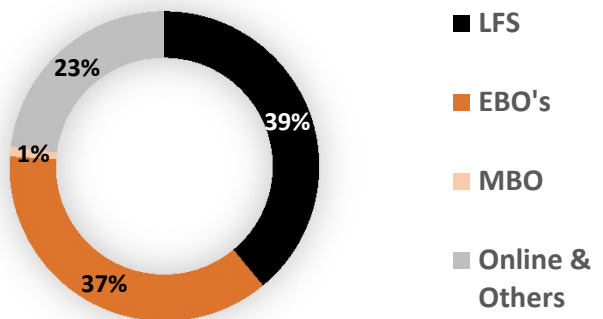


Brand Wise Growth

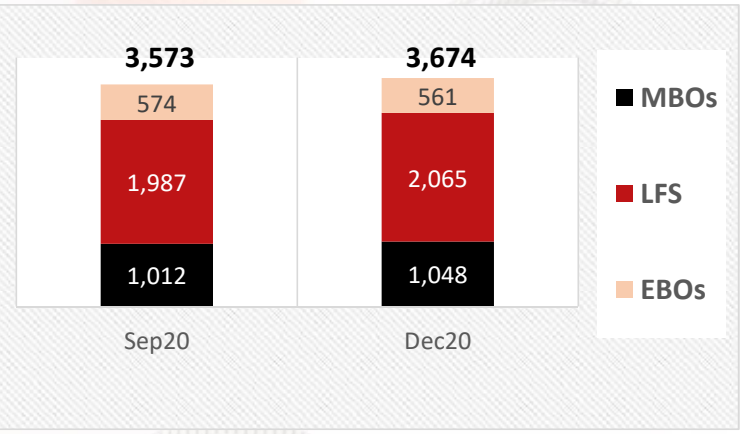
Brands	Q3 FY21
W	-27%
Aurelia	-23%
Wishful	-51%

Q3 Channel-wise Performance

Channel Wise Revenue Split – Q3 FY21



Pan India Multichannel Presence



# of EBOs	As of Dec 20	Q3 openings
W	327	-8
Aurelia	225	-5
Wishful	5	0
Elleven	4	0
Total	561	-13

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Profit & Loss Statement – Q3 and 9M FY21

(All amounts in Rs. million except otherwise specified)

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)	December 31, 2019 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	March 31, 2020 (Audited)
1. Income							
	(a) Revenue from operations	2,378.95	1,441.37	3,289.88	4,144.51	9,294.62	11,486.67
	(b) Other income (See note 5)	49.25	93.66	71.55	308.78	120.28	211.39
2. Total income		2,428.20	1,535.03	3,361.43	4,453.29	9,414.90	11,698.06
3. Expenses							
	(a) Cost of materials consumed	705.71	646.94	1,039.90	1,599.65	3,375.46	4,506.82
	(b) Purchases of stock-in-trade	3.00	4.56	-	16.40	-	93.15
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	217.35	45.87	20.28	167.07	(274.92)	(576.68)
	(d) Employee benefits expense	257.82	309.90	415.42	895.27	1,192.50	1,575.90
	(e) Finance costs	70.39	88.59	98.93	250.36	286.81	381.89
	(f) Depreciation and amortisation expense	194.23	223.62	248.42	669.79	718.75	1,031.51
	(g) Rent expense (See note 5)	16.87	-	57.08	16.87	163.95	225.85
	(h) Selling and distribution expenses	547.93	394.03	758.16	1,061.68	2,105.73	2,690.63
	(i) Other expenses	245.70	202.64	320.39	592.47	821.19	1,108.36
4. Total expenses		2,259.00	1,916.15	2,958.58	5,269.56	8,389.47	11,037.43
5. Profit/(loss) before tax (2 - 4)		169.20	(381.12)	402.85	(816.27)	1,025.43	660.63
6. Tax expense							
	(a) Current tax (net)	-	-	(131.59)	-	31.25	(62.87)
	(b) Deferred tax (Credit)/expense	42.60	(105.26)	(15.82)	(213.71)	62.32	29.38
7. Total tax expense		42.60	(105.26)	(147.41)	(213.71)	93.57	(33.49)
8. Net profit/(loss) after tax for the period / year (5 - 7)		126.60	(275.86)	550.26	(602.56)	931.86	694.12
9. Other comprehensive income / (loss)							
	Items that will not be classified to profit or loss:						
	- Remeasurements of defined benefit plans	4.96	12.93	(4.55)	14.90	(13.63)	(13.33)
	- Tax relating to above item	(1.25)	(3.25)	1.59	(3.75)	4.76	3.35
10. Total other comprehensive income/(expense), net of tax		3.71	9.68	(2.96)	11.15	(8.87)	(9.98)
11. Total comprehensive income/(loss) for the period/ year (8 + 10)		130.31	(266.18)	547.30	(591.41)	922.99	684.14
12. Paid-up equity share capital (face value Rs. 2 per share)		123.02	122.95	122.94	123.02	122.94	122.95
13. Other equity							6,477.05
14. Earnings Per Share#							
	(a) Basic (Rs.)	2.12	(4.16)	8.60	(9.61)	14.57	10.85
	(b) Diluted (Rs.)	2.12	(4.16)	8.35	(9.61)	14.15	10.84

EPS is not annualised for the quarter and nine months ended December 31, 2020, quarter ended September 30, 2020 and quarter and nine months ended December 31, 2019.



THANKYOU

