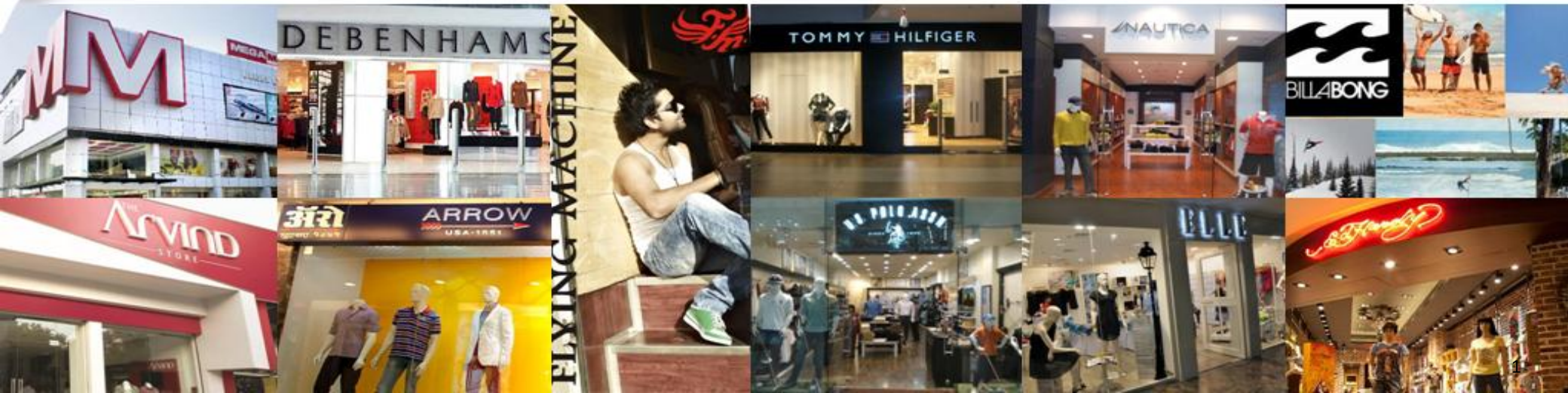


Arvind



Arvind Limited Performance Review Note Q4 FY 2014-15

14th May 2015, Ahmedabad



Agenda

- Financial Performance: Consolidated
- Financial Performance: Standalone
- Business Analysis

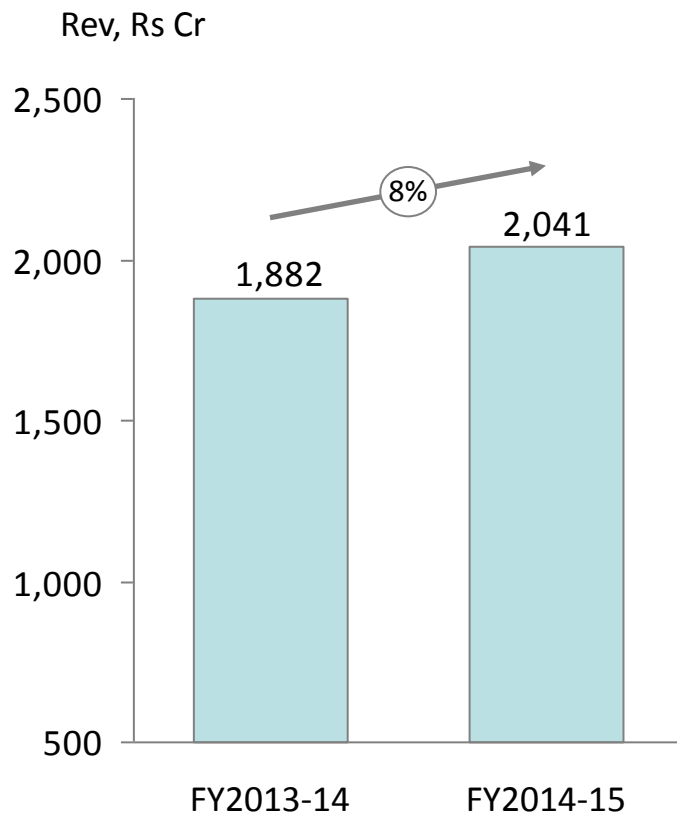
Agenda

- Financial Performance: Consolidated
- Financial Performance: Standalone
- Business Analysis

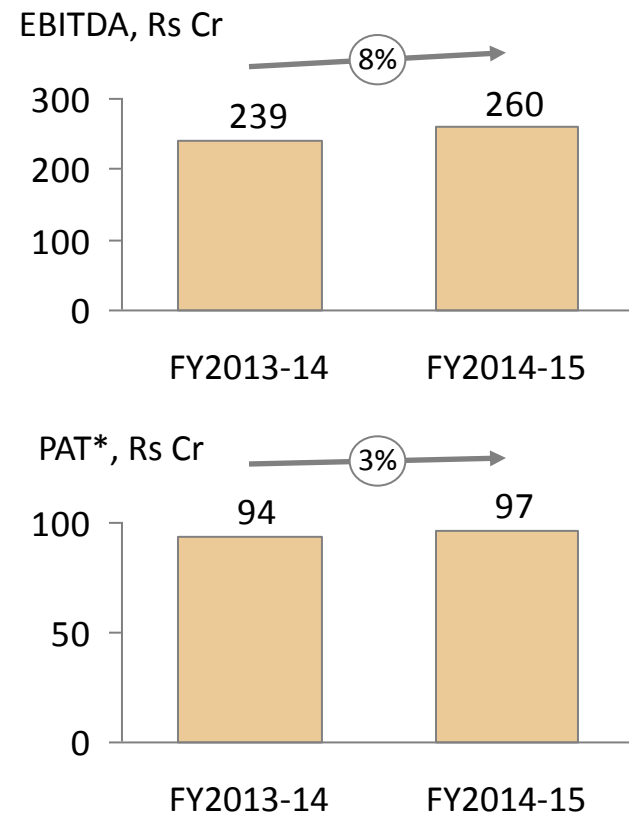
Financial Performance: Q4 2014-15

Consolidated revenue growth of 8% and PAT growth of 3%

Moderate growth in revenues...



...as well as margins



*PAT before exceptional Item

Business Highlights: Q4 2014-15

Moderate top-line growth with moderated bottom-line due to higher tax

	2014-15	2013-14	Change
Revenue from Operations	2,041	1,882	8%
RawMaterials	847	852	
Project Expenses	18	45	
Employees' Emoluments	203	169	
Others	649	553	
(Increase) / Decrease in Stock	70	19	
Foreign Exchange Loss /(Gain)	-5	5	
EBIDTA	260	239	8%
Margin	12.7%	12.7%	
Other Income	23	18	
Interest & Finance Cost	96	90	
Cash Accruals	187	168	12%
Depreciation	56	58	
Profit Before Taxes	131	109	20%
Tax	36	16	
Profit After Tax	97	94	3%
Less : Exceptional Item	48	0	
Net Profit	48	94	-49%

Key highlights

Revenue growth of 8% achieved due to

- 17% top-line growth in Brands & Retail
- 16% top-line growth in Garments

PBT growth of 20%, PAT growth 3% over Q4 FY14

• Despite healthy growth in PBT for the year, the PAT growth was muted due to higher tax

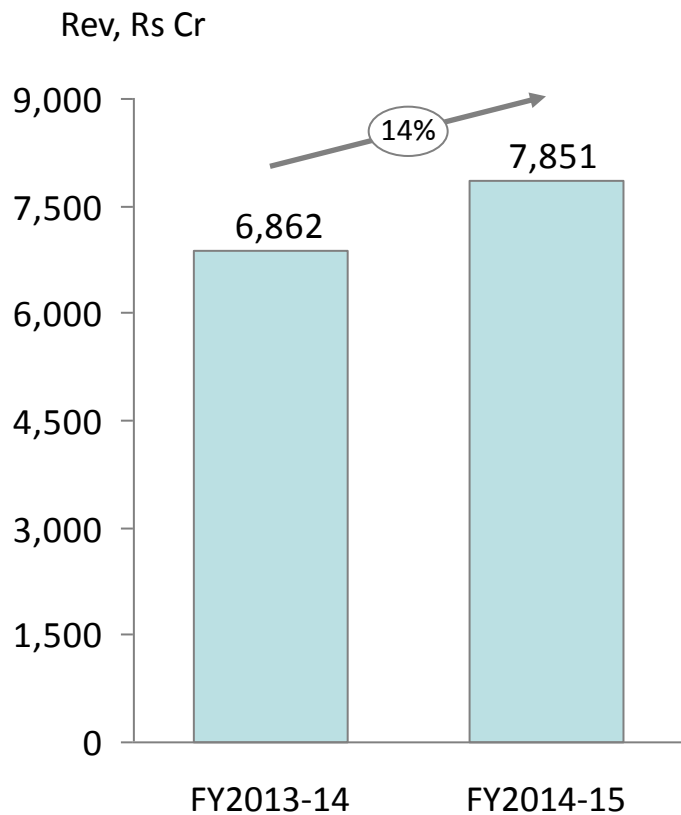
Exceptional items:

- Rs. 26 crores for retrenchment of 960 workers
- Rs. 22 crores for settlement of legal dispute of USPA brand with Polo Ralph Lauren

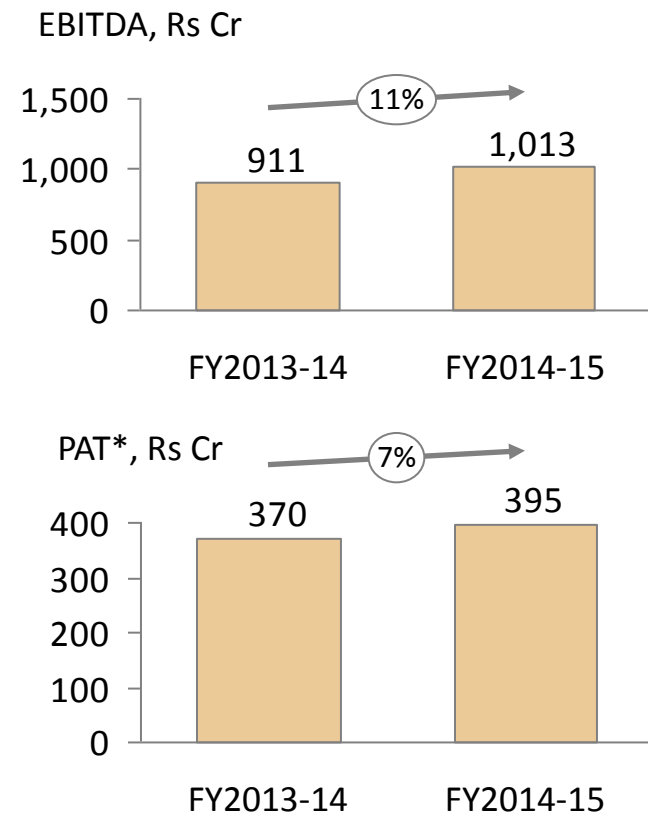
Financial Performance: FY 2014-15

Revenue growth of 14% and PAT growth of 7%

Strong revenue growth



Strong improvement in operating profits



*PAT is before exceptional item

Business Highlights: FY 2014-15

Strong top-line & bottom-line growth

	Rs in Cr		Change
	2014-15	2013-14	
Revenue from Operations	7,851	6,862	14%
Raw Material Consumed	2,292	2,179	
Purchase of Finished Goods	1,404	1,154	
RawMaterials	3,696	3,333	
Project Expenses	71	102	
Employees' Emoluments	802	679	
Others	2,480	2,025	
(Increase) / Decrease in Stock	-202	-209	
Foreign Exchange Loss /(Gain)	-8	21	
EBIDTA	1,013	911	11%
Margin	12.9%	13.3%	
Other Income	93	69	
Interest & Finance Cost	395	331	
Cash Accruals	711	649	10%
Depreciation	212	225	
Profit Before Taxes	499	424	18%
Tax	107	55	
Profit After Tax	395	370	7%
Less : Exceptional Item	54	16	
Net Profit	341	354	-4%

Key highlights

Revenue growth of 14% achieved due to

- 23% top-line growth of Brands & Retail
- 6% top-line growth of Textiles

EBIDTA margin % slightly lower

- Higher weightage of Brand & Retail Business
- Lower textile margin

PBT growth of 18% : PAT growth of 7%

PAT growth lower at 7% due to higher tax

Exceptional items :

- Rs.29 crores for retrenchment of 1012 workers
- Rs. 22 crores for settlement of legal dispute of USPA brand with Polo Ralph Lauren

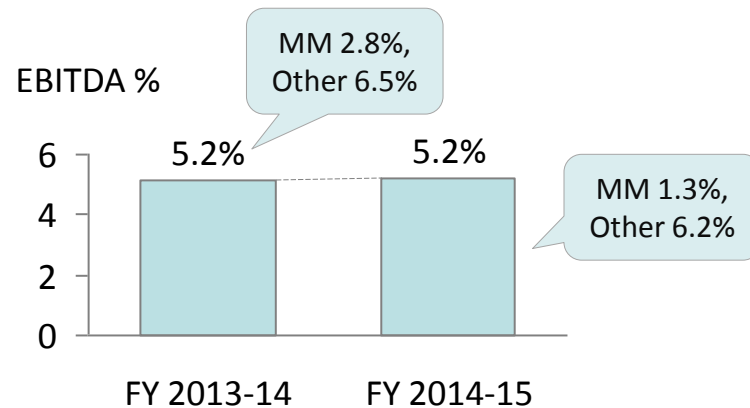
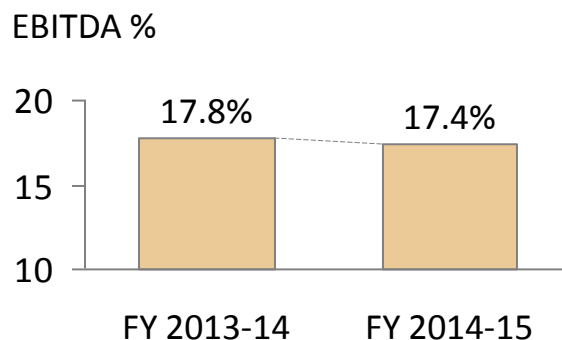
Margin moderated in both key business segments in FY 2014-15

Quarterly margins lower than LY due to Forex loss and MegaMart Performance

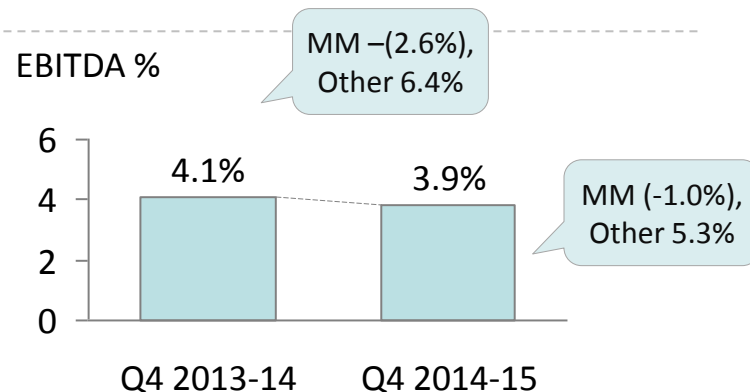
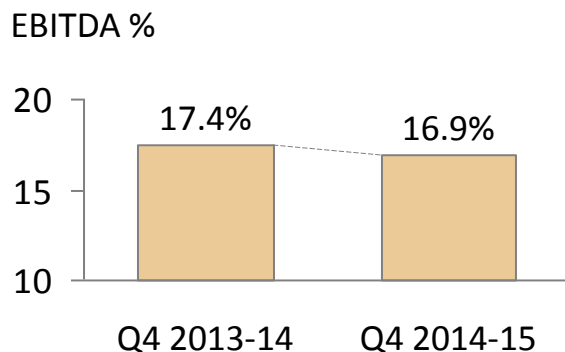
Textiles

Brands & Retail

FY comparison Vs LY



Q4 comparison Vs LY



EBIDTA margin of textile business lower due losses incurred in two garments manufacturing plants which commenced commercial production in Q4

Consolidated Balance Sheet, as at Mar 31st 2015

	As at	
	31st Mar'15	31st Mar'14
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2545	2325
Non Current Liabilities	1495	1437
Shortterm Borrowings	1701	1449
Current Liabilities	1943	1870
Minority Interest	35	24
Total	7976	7363
Assets		
Fixed Assets	3308	3027
Non -Current Investment	57	128
Long Term Loans and Advances	610	560
Other Non Current Assets	11	5
Current Assets	3989	3642
Total	7976	7363

Key Financial Ratios

	2010-11	2011-12	2012-13	2013-14	2014-15
EPS	6.50	9.48	9.63	14.4	15.3
Debt / Equity	1.31	1.00	1.11	1.16	1.25
Debt / EBIDTA	3.7	3.0	3.2	3.0	3.1
ROCE	10.5%	13.1%	11.9%	13.8%	14.1%
ROE	8.4%	12.0%	11.1%	14.0%	14.5%
Revenue Growth	25%	20%	7%	30%	14%

Agenda

- Financial Performance: Consolidated
- Financial Performance: Standalone
- Business Analysis

Standalone Financial Performance Q4 14'15

	Q4 Rs in Crs		Change
	2014-15	2013-14	
Revenue from Operations	1,349	1,284	5%
Raw Material Consumed	505	546	
Purchase of Finished Goods	35	19	
RawMaterials	540	565	
Project Expenses	0	9	
Employees' Emoluments	146	128	
Others	423	372	
(Increase) / Decrease in Stock	36	9	
Foreign Exchange Loss /(Gain)	-4	5	
EBIDTA	208	196	6%
Margin	15.4%	15.2%	
Other Income	33	21	
Interest & Finance Cost	78	74	
Cash Accruals	163	143	14%
Depreciation	34	39	
Profit Before Taxes	129	104	24%
Tax	35	9	
Profit After Tax	94	95	-1%
Less : Exceptional Item	26	0	
Net Profit	68	95	-29%

Standalone Financial Performance FY2014-15

	Rs in Cr		Change
	2014-15	2013-14	
Revenue from Operations	5,225	4,775	9%
Raw Materials	2,272	2,174	
Project Expenses	8	15	
Employees' Emoluments	571	509	
Others	1,652	1,354	
(Increase) / Decrease in Stock	-94	-66	
Foreign Exchange Loss /(Gain)	-13	14	
EBIDTA	827	776	7%
Margin	15.8%	16.3%	
Other Income	128	84	
Interest & Finance Cost	320	278	
Cash Accruals	635	583	9%
Depreciation	126	158	
Profit Before Taxes	510	425	20%
Tax	100	47	
Profit After Tax	409	378	8%
Less : Exceptional Item	32	16	
Net Profit	377	361	4%

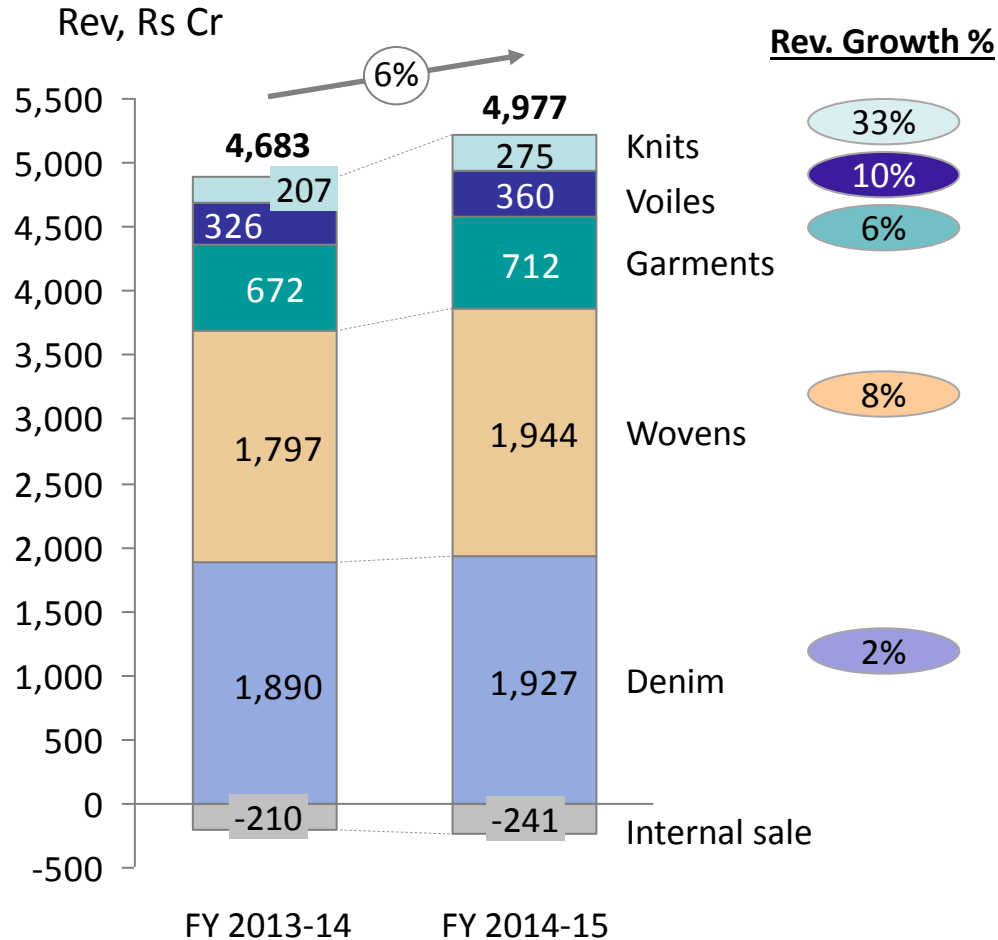
Standalone Balance Sheet, as on Mar 31st 2015

	As at	
	31st Mar'15	31st Mar'14
Shareholders' Fund		
Share Capital	258	258
Reserves and Surplus	2666	2378
Non Current Liabilities	1282	1233
Shortterm Borrowings	1332	1095
Current Liabilities	1114	1070
Minority Interest		
Total	6652	6034
<i>Assets</i>		
Fixed Assets	2696	2569
Non -Current Investment	885	700
Long Term Loans and Advances	408	351
Other Non Current Assets	8	0
Current Assets	2656	2414
Total	6652	6034

Agenda

- Financial Performance: Consolidated
- Financial Performance: Standalone
- **Business Analysis**

Textiles Business: Revenue Mix in FY2014-15

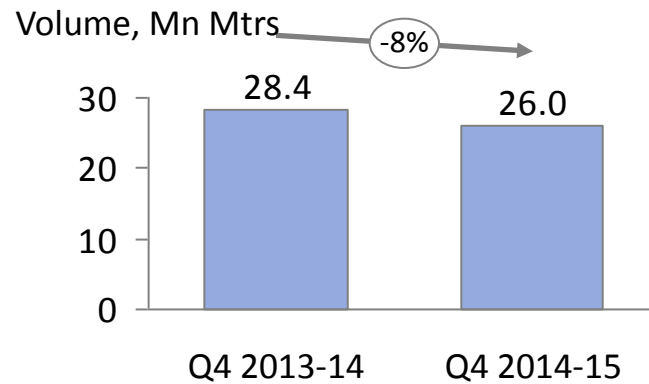


Textile revenue grew by 6%

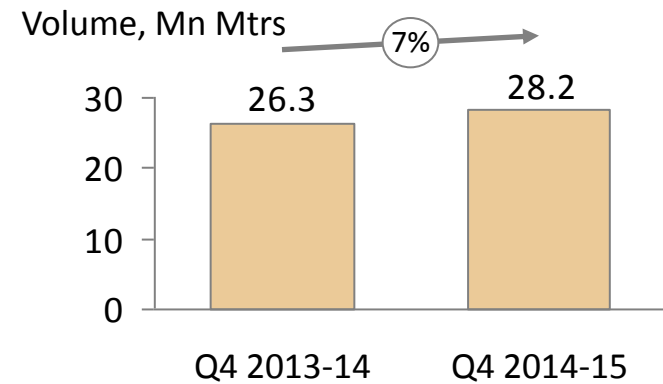
- Led by 8% growth Woven fabrics
- 6% growth in garments
- 2% growth in Denim
- 10% growth on a smaller base for the voiles business

Volume growth: Wovens volume growth at 8% : Denim at 1%

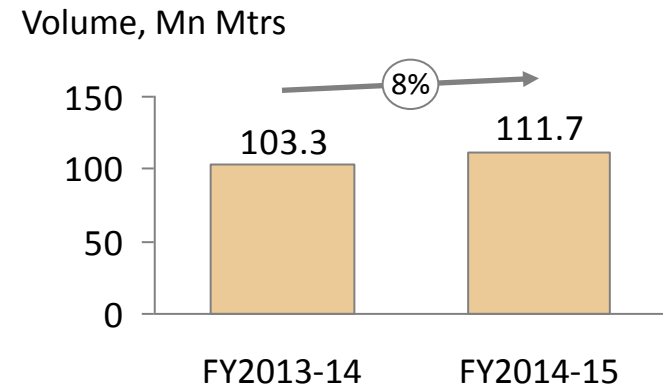
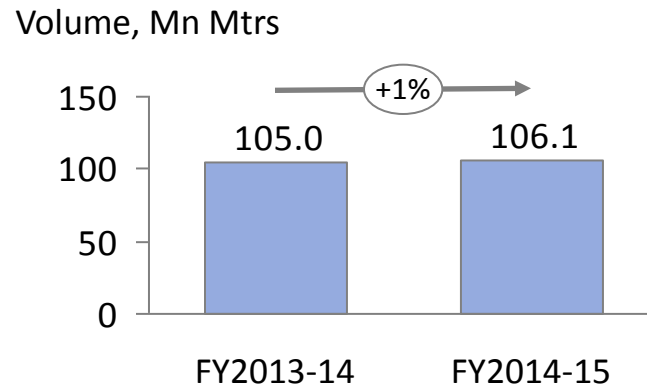
Denim



Wovens (Shirting & Khaki)



Q4
comparison
Vs LY



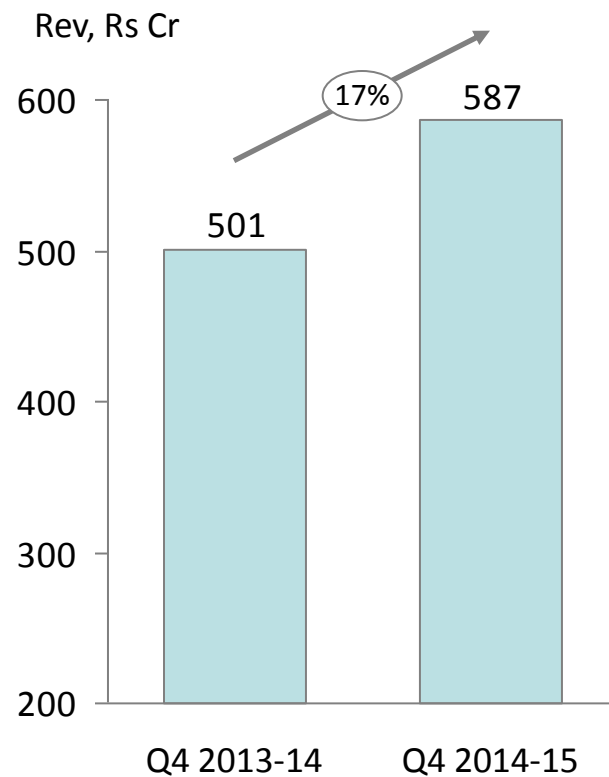
FY
comparison
Vs LY

Key Parameters: FY2014-15 – Textiles

	Denim		Woven	
	Q4 14-15	Q4 13-14	Q4 14-15	Q4 13-14
Exports(Mn Mtrs)	12	12	8	7
Domestic(Mn Mtrs)	14	16	20	19
Avg Prices	180	179	166	171
Major Component	Cotton			
Cost (Rs/Kg)	95	114		
	Denim		Woven	
	14-15	13-14	14-15	13-14
Exports(Mn Mtrs)	47	45	25	22
Domestic(Mn Mtrs)	60	60	86	81
Avg Prices	179	177	168	166
Major Component	Cotton			
Cost (Rs/Kg)	109	110		

Brands & Retail Business grew topline by 17% in Q4 2014-15

Strong revenue growth

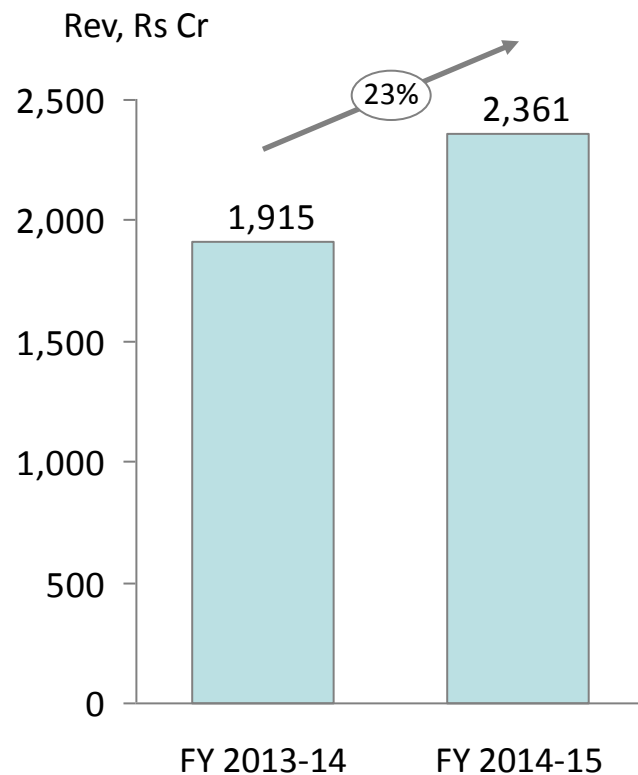


Key highlights

- Revenue growth of 17% achieved due to
 - 25% revenue growth in Brands /other formats
 - Flat revenue in MegaMart Retail
- Like to Like growth
 - 8.2% LTL growth in Brands
 - 2.4% LTL growth in MegaMart continuing business

Brands & Retail Business grew topline by 23% in FY2014-15

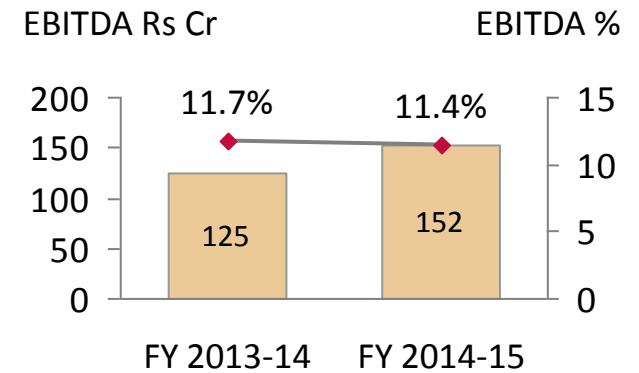
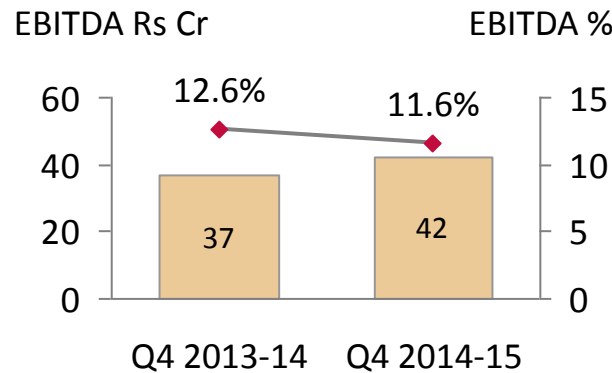
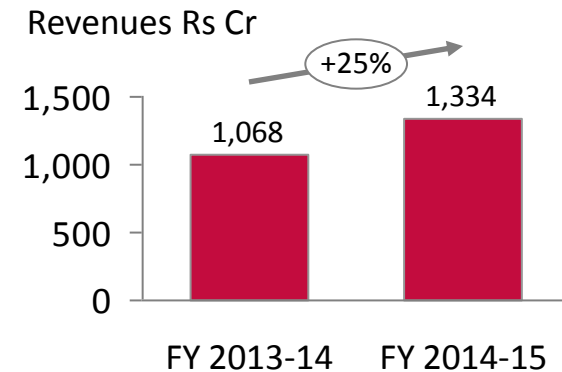
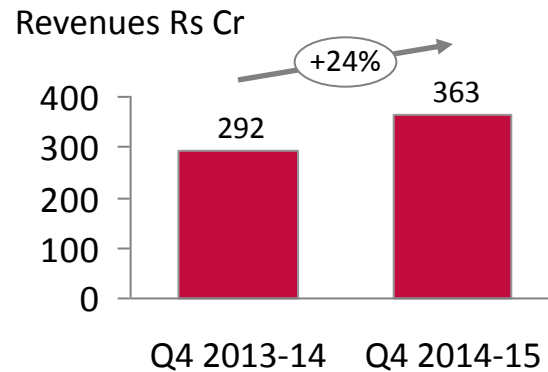
Strong revenue growth



Key highlights

- Revenue growth of 23% achieved due to
 - 31% revenue growth in Brands/Other formats
 - 2% revenue growth in MegaMart Retail, as business went through a repositioning and model change to consolidate operations and restore margins
- Like to Like growth
 - 4.9% LTL growth in Brands
 - Overall LTL growth of 1.5% in Megamart Retail, despite several stores being marked for closure

Performance of Power Brands



◆ EBITDA % ■ EBITDA Rs Cr ■ Revenue Rs Cr

1. Note: Tommy Hilfiger numbers reflect 50% Arvind share of the JV company

Brands & Retail Business – Distribution

Particulars	Q3 2014-15		Q4 2014-15	
	Stores	Sq Ft	Stores	Sq Ft
Brands	800	7,89,753	811	7,56,615
MM	145	8,42,078	140	8,32,896
Total	945	16,31,831	951	15,89,511
No of KA Exclusive Counters	923		989	

- Sales Increase in Key Account Counters: Growth of 30% in FY2014-15

Outlook

- Revenue Growth likely to be between 15-17% primarily driven by volume growth in brands & retail business and Garments manufacturing :
 - Revenue Growth in Textiles 9-11%
 - Revenue Growth in Brands & Retail at about 24-26%
- Weighted Margins likely to up marginally on account of margin improvement of 150+ basis points in Brands & Retail Business
 - Power Brands to continue growth momentum
 - Improvement in margins of brands and retail formats introduced over last couple of years
 - Closure of a few loss making formats
- PAT growth to be slower due to higher tax



Thank You!