



ITFL/SEC/2017-18/DEC/07

13th February, 2018

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai- 400051.

Scrip Code - 533329

NSE Symbol: INTERRAIN

Dear Sir/Madam,

Sub: Investor Presentation for quarter ended 31st Dec, 2017

Ref.: INDIAN TERRAIN FASHIONS LIMITED

We hereby enclose the Investor Presentation on financial results of the Company for the quarter ended 31st December, 2017.

Kindly take the same on records. Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For INDIAN TERRAIN FASHIONS LIMITED

Ravi B.S.G

Company Secretary & Compliance Officer



Encl.: as above

INDIAN TERRAIN FASHIONS LIMITED

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Registered Office : No. 208, Velachery Tambaram Main Road, Narayanapuram, Pallikaranai, Chennai - 600 100.

Email ID : response.itfl@indianterrain.com

Website : www.indianterrain.com

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INDIAN TERRAIN

Indian Terrain Fashions Limited



**PERFORMANCE
HIGHLIGHTS**

Brand Identity



- ***Our origin:*** Madras- where we belong. The city that influenced global fashion since 1718.
- ***Iconic Product:*** Khaki. Made in India during World War II and since then, an integral part of American Sportswear.
- ***Brand Philosophy:*** “Real. Mature. Manly. Khaki.” The four key words that capture the brand essence and are a representation of our communication strategy.





The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017. The financial results for the Quarter and Period ending 31st December 2017 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition is 1st April 2016 and the impact of the transition has been accounted for in the opening reserves and the comparative period results have been restated accordingly.

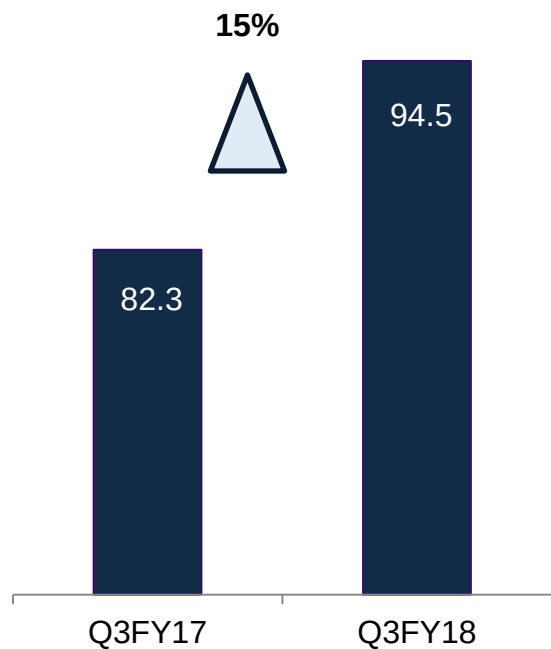
In view of adoption of Ind AS and the resultant reassessment / remeasurement of financials for the opening and comparative periods, the financial statements for the Quarter and Period Ending 31st December 2017 is not strictly comparable with the financial statements for the corresponding period previous year

Q3 Financial Highlights

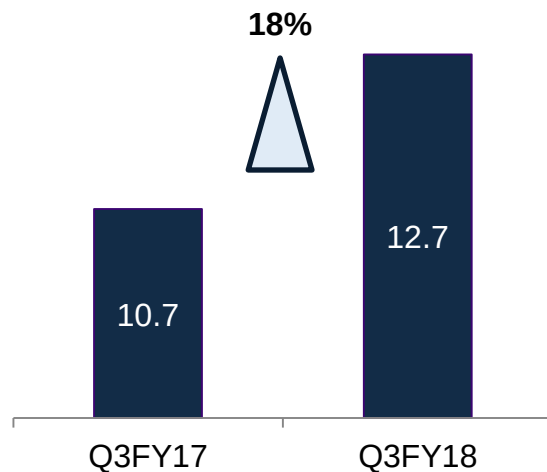


94.5 crs of Revenues; Operating EBITDA of 12.7 crs; Profits of Rs.6.4 crs

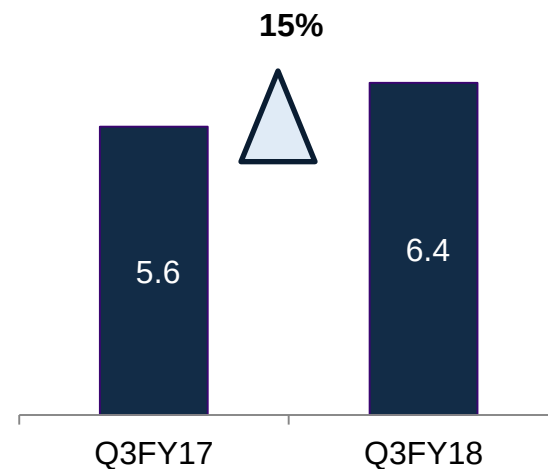
Revenues (Rs. Cr)



Operational EBITDA (Rs. Cr)



Profits (Rs. Cr)





Revenues - Operations

- 15% growth in net revenues – the growth was amidst the drop in net realisation by over 2% owing to incremental taxes
- October kicked off on a soft note with festive season revenues being pushed to September
- The markets gained momentum with the onset of wedding season from mid November onwards. This coupled with EOSS in December helped retail revenues* to post strong growth for November/December
- The wholesale channel also witnessed momentum in months of Oct/Nov and recorded double digit growth over previous year
- Extension of GST support continued in Q3 in terms of one time cost sharing which marginally impacted revenues to the extent of 0.5%
- Boyswear continued to grow in the core channels with volume growth upwards of 20%

Ind AS effect

- The Company with the adoption of Ind AS effective 1st April 2017, has reassessed its revenues and provisions. Consequent to the same, the revenues reported under Ind AS for the Quarters ending 31st December 2017 and 31st December 2016 are not comparable



Operating Margins

EBITDA margins for Q3FY2018 was at 13.4% compared to 13% of Q3FY2017

- Improvement to gross contribution margins by over 1% with improvement to sourcing efficiencies and flow of GST benefits
- Increase in marketing spends by 18% for improved brand visibility
- Increase in Personnel Costs with expansion of retail footprint coupled with strengthening of team across critical areas
- Control on other operating costs

- Reduction in finance costs and Other Income - reduced utilisation of working capital / treasury management
- PBT at 9.86 crs against 8.53 crs of previous year
- Net Profits at 6.44 crs against 5.61 crs of previous year

Q3 FY2017 - Reconciliation - IGAAP and INDAS



		Rs. In Crs	
	Revenue	EBITDA	PAT
As per IGAAP	94.84	11.86	5.63
As per INDAS	82.32	11.77	5.61
Difference	(12.52)	(0.09)	(0.02)
Reclassification			
Discount Sharing, Cash Discounts, Sales Incentive earlier reported as selling expenses now reduced from revenue	(12.39)	-	-
Total Reclassification	(12.39)	-	-
Remeasurement			
Revenue reassessment based on risk and reward transfer net off additional provision for returns	(0.13)	(0.15)	(0.15)
Term loan interest provided on EIR basis			0.01
Impact of Lease Rent Accounting on Straight Line Method		0.04	0.04
Others		0.02	0.02
Tax impact on the above			0.06
Total Remeasurement	(0.13)	(0.09)	(0.02)
Total Reclassification and Remeasurement	(12.52)	(0.09)	(0.02)

Financials – Q3 and 9M

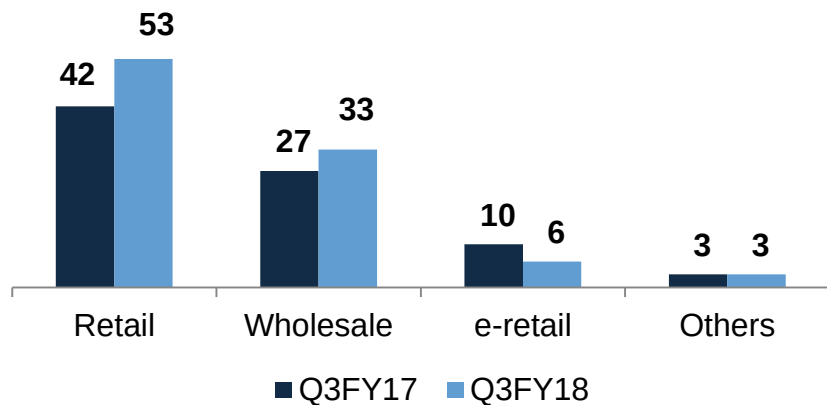


Rs. In Cr	Q3 FY18	Q3 FY17	Change		9M FY18	9M FY17	Change
Revenues	94.53	82.32	14.8%		293.51	237.00	23.8%
Cost of Materials	4.40	8.35			34.08	41.96	
Purchase of Finished Goods	32.51	17.35			98.93	77.27	
Change in Inventories	12.98	20.27			25.98	6.17	
Garment Processing Costs	3.52	1.58			18.70	14.65	
Employee Benefit Expenses	7.68	5.61			22.05	16.18	
Other Expenses	20.76	18.44			59.98	51.36	
Total Expenses	81.85	71.60	14.3%		259.72	207.59	25.1%
Operating EBITDA	12.68	10.72	18.3%		33.79	29.41	14.9%
Other Income	0.30	1.05			1.66	3.91	
Gross EBITDA	12.98	11.77	10.3%		35.45	33.32	6.4%
Finance Costs	1.72	2.45			4.52	6.86	
Depreciation	1.40	0.79			3.15	2.63	
Profit Before Tax	9.86	8.53	15.6%		27.78	23.83	16.6%
Tax Expenses	3.42	2.92			9.62	8.24	
Profit After Tax (before other comprehensive income)	6.44	5.61	14.9%		18.16	15.59	16.5%
Other Comprehensive Income (net of tax)	0.00	(0.02)			0.04	0.01	
Total Comprehensive Income	6.44	5.59	15.3%		18.20	15.60	16.7%

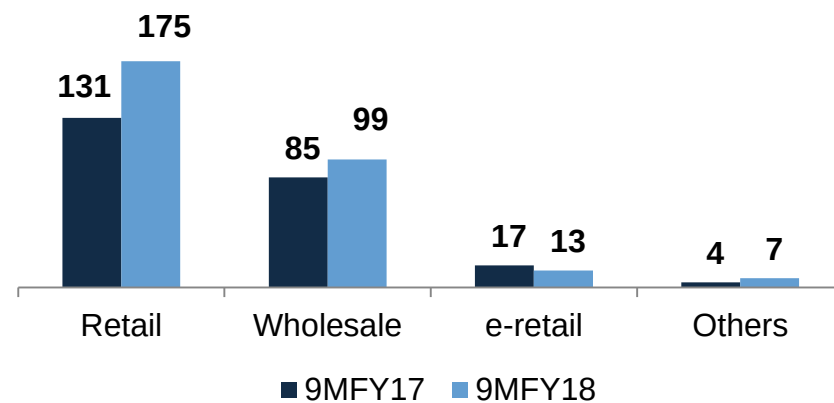
Revenue Contribution (Rs. Cr)



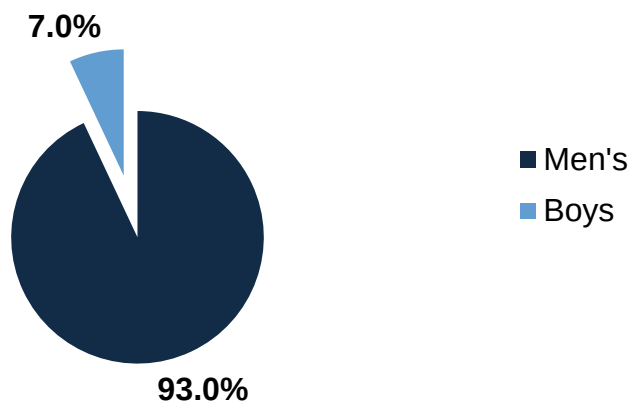
Channelmix-Q3



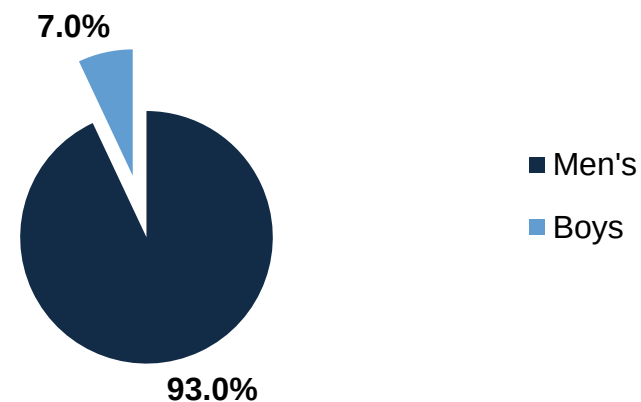
Channelmix-9M



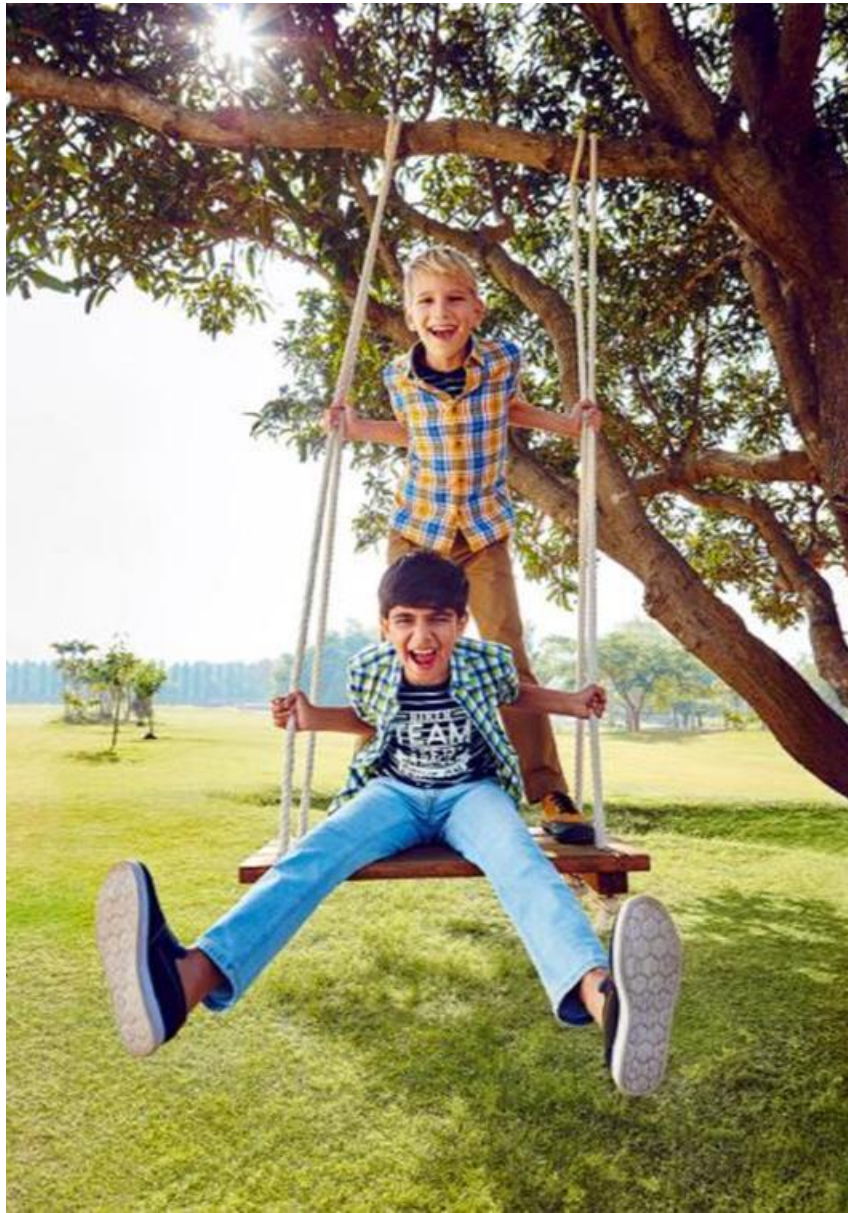
Q3FY17



Q3FY18







Exclusive Stores



Region	Opening As on 1 st Oct	Additions	Closure	Closing As on 31st Dec
South	62	5	0	67
West	32	1	0	33
North	32	0	0	32
East	13	1	0	14
Out of India	1	0	0	1
Total	140	7	0	147

Region		Closing As on 31 st Dec
COCO	Company Owned Company Operated	3
COFO	Company Owned Franchisee Operated	40
FOFO	Franchisee Owned Franchisee Operated	101
EFO	Exclusive Factory Outlet	3
Total		147

Store Launches





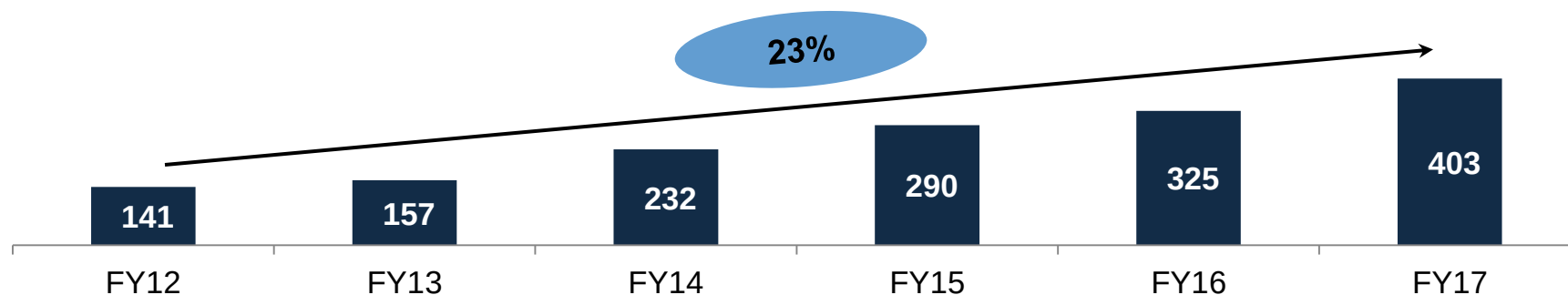
Store Launches



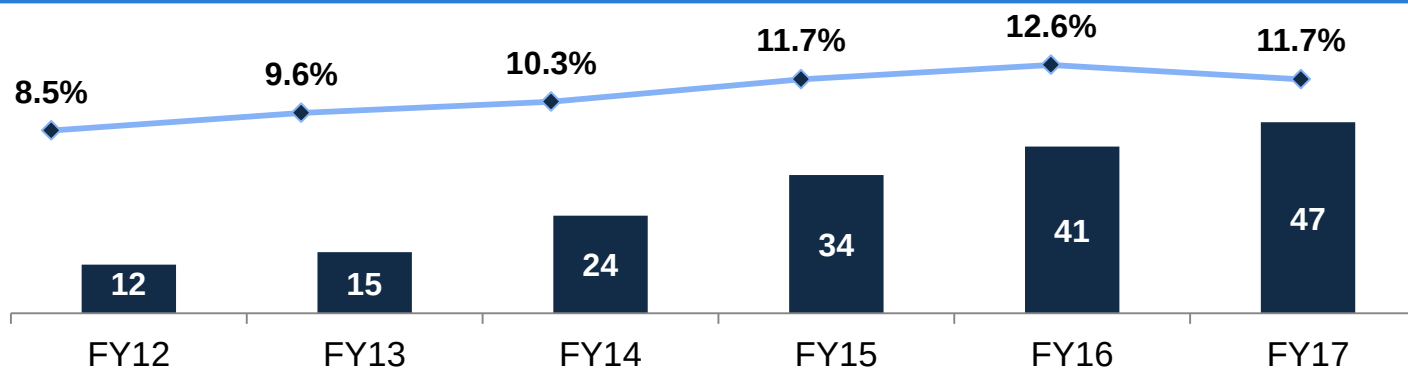
Performance Overview



Revenue growth of 23%



32% growth in Operating EBITDA



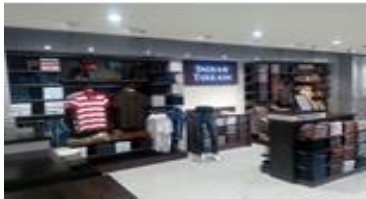
Distribution Network



PRESENT ACROSS 250+ CITIES THRU DIFFERENT FORMATS



156
Exclusive Outlets



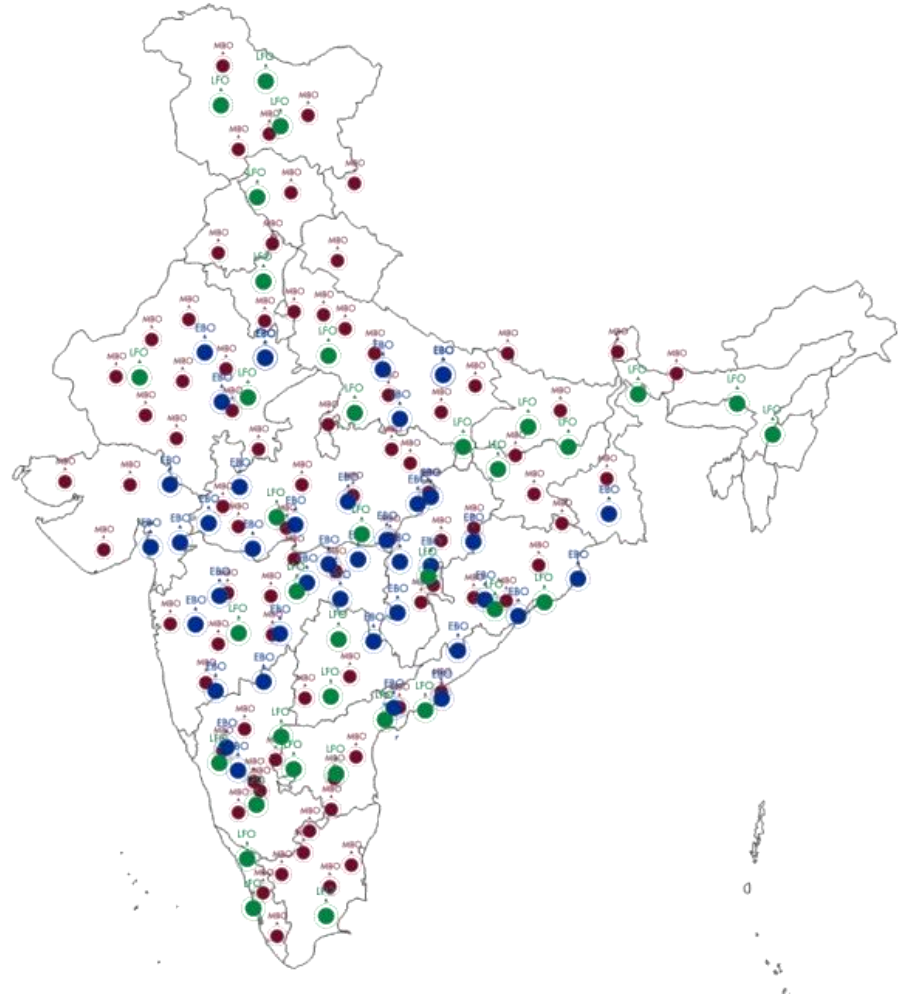
320+
doors in Departmental
Stores



1200+
doors under Multi
Branded Outlets



7+
Ecommerce
Partners





- Overall market sentiments is positive and the markets have settled on GST issues
- Q4 looks healthy backed by strong orders from wholesale trade and uptick in retail markets
- Hardstop of EOSS in Jan end will have a marginal impact on topline in Jan/Feb
- However with the early onset of new season and improved fresh contribution the margins are expected to improve
- E-Commerce will witness revamped focus starting Q4 and the aim is to bring synergies in operations
- 5 exclusive stores and 40 LFO doors are on the pipeline for Q4. Emphasis remains on high growth potential markets and the strategy is to tap the market with right set of products and pricing
- Boyswear is scaling up fast with strong customer traction and market penetration

Thank You



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