Date: 20.06.2020

To	To
Corporate Relationship Department **BSE Limited** **1st Floor, Rotunda Building** **P.J Towers, Dalal Street,** **Mumbai-400 001.**	**National Stock Exchange of India Limited** **Exchange Plaza, 5th Floor,** **Plot No. C/1, G Block,** **Bandra Kurla Complex, Bandra (E)** **Mumbai- 400 051.**

Dear Sir,

Subject: Investor Presentation for Q4 & FY 20.

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

Scrip Code: BSE- 541700/Stock Symbol: NSE- TCNSBRANDS

With reference to the above captioned subject, please find herewith, enclosed Investor Presentation for Q4 & FY 20.

The aforesaid Investor Presentation is also being disseminated on Company's website at https://wforwoman.com/

This is for your information and records.

For and on behalf of TCNS Clothing Co. Limited

S/d-
Piyush Asija
Company Secretary and Compliance Officer
Contact: 9871976116

TCNS Clothing Co. Ltd.

Presentation – Q4 and FY20 results
June 20, 2020



Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by **TCNS Clothing Co. Limited (the "Company")**, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

About Us



4
Home Grown Brands

Widespread **Distribution** Network

Strong **Design** & **Manufacturing** Capabilities

Experienced Professional Management Team

Scalable Business Model

595 EBOs
1,944 Large Format Stores
1,114 MBOs

40+ Designers

Refreshing New Products every **2-3 weeks**

Wide network of suppliers and job-workers

NO Attrition of Top Management in last 7 years

Proven product & Retail Concept

Outsourced Manufacturing

Coordinates brand “Elleven” launched in January

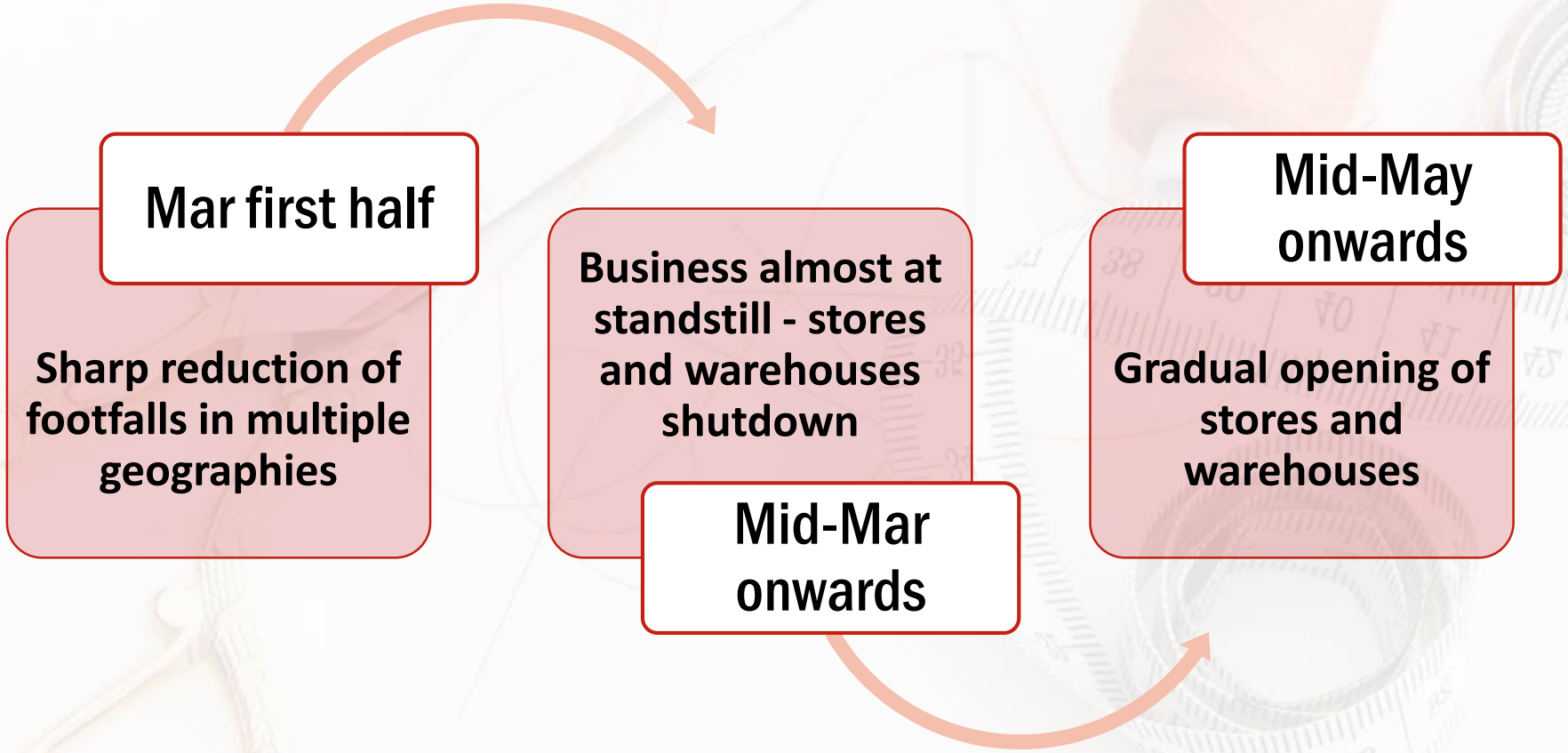
Agenda

1. COVID Impact & Current Situation
2. Q4 & FY20 Results Summary
3. Way Forward
4. Financials

Agenda

1. **COVID Impact & Current Situation**
2. Q4 & FY20 Results Summary
3. Way Forward
4. Financials

COVID proliferated at a fast pace in Q4



Q4 performance severely impacted

Sales

- B2C sales: SSSG tracking at +4% for Jan and Feb, dropped to -57% in March
- B2B billing: Confirmed orders could not be executed due to COVID related disruption



Profitability

- Loss of sales impacted gross margins
- Limited time to address fixed costs in Q4 FY'20
- COVID related provisions booked as per prudent view

Working Capital

- Inventory build-up due to loss in sales
- Cash collection dried-up

Situation update: gradual recovery underway; business backed by strong cash reserves of ~150 crores and unutilized bank limit of 35 crores as on date

Stores Unlocking

- ~375 EBOS, ~1300 LFS doors and 2/3rd MBO counters operational
- Areas less impacted by COVID ahead on normalization curve

Operations

- Office, warehouses and third party manufacturing units gradually scaling up
- Non-NCR manufacturing units scaling faster



Offline Sales

- Lower footfalls but higher conversion and bill values
- B2C sales tracking around 40% of pre-Covid days[1]

Online Sales

- Deliveries commenced in most pin-codes for own & partner sites
- Overall sales tracking at 100%+ of pre-COVID levels. Own website tracking at 1.5X of pre-COVID sales

Note 1. On normalized store operational period

Agenda

1. COVID Impact & Current Situation
2. **Q4 & FY20 Results Summary**
3. Way Forward
4. Financials

Q4 FY20 vs Q4 FY19 Comparable*

Q4 FY20

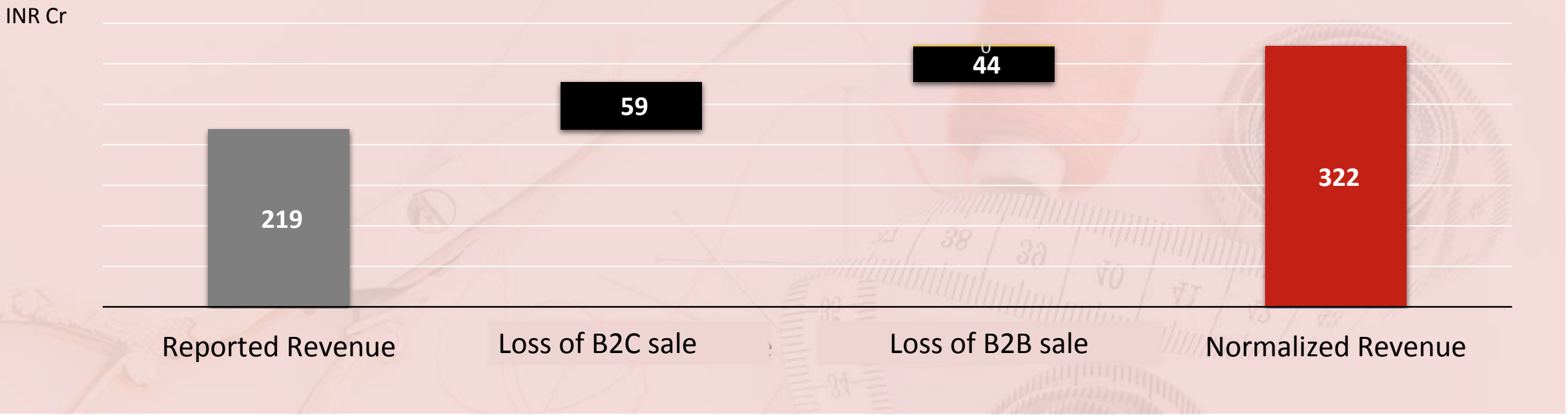
Amount Crores	Q4 FY20 Normalized for COVID	Q4 FY20	Q4 FY19
Revenue	322	219	291
EBITDA	45	-27	42
PAT	27	-36	26
Revenue Growth (%)	+11%	-25%	
EBITDA Growth (%)	+8%	-165%	

% to Revenue	Q4 FY20 Normalized for COVID	Q4 FY20	Q4 FY19
EBITDA	14%	-12%	4%
PAT	8%	-16%	9%

Normalized scenario factors in estimated loss of sales, margins and additional provisions on account of COVID

* Pre Ind AS116 & standard tax rate @ 25.17%

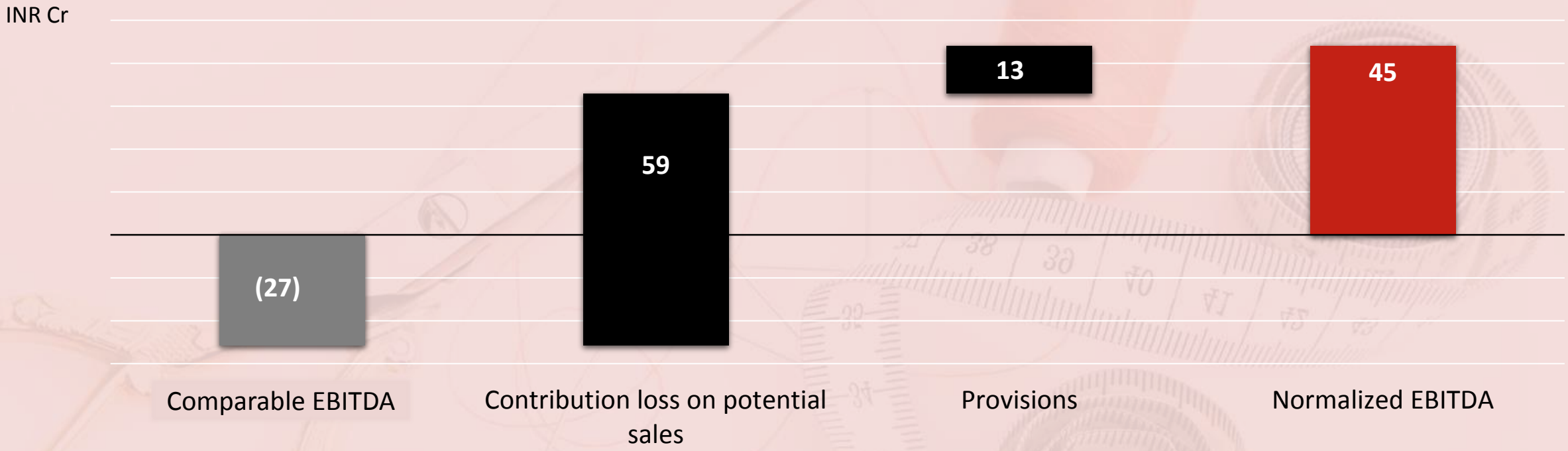
Q4 Normalised Revenue without COVID impact



Under a normalized scenario, estimated sales would have been higher by ~103 crores

- SSSG tracking at +4% in Jan / Feb, extended to March
- Assumed completion of confirmed orders in hand and goods in transit for B2B billing to Online, MBO and franchisee partners

Q4 Normalised EBITDA without COVID impact



- Contribution loss on delta normalized sales: gross margin loss directly flowed into EBITDA
- Continuing with conservative financial approach, additional provisions have been created for store closures/impairment, bad debts and additional dormancy on unsold inventory

Full year FY20 vs FY 19 Comparable*

Full Year FY20

Amount Crores	FY20 Normalized for COVID	FY20	FY19
Revenue	1252	1149	1148
EBITDA	171	99	184
PAT	108	54	121
Revenue Growth (%)	+9%	+0%	
EBITDA Growth (%)	-7%	-46%	

% to Revenue	FY20 Normalized for COVID	FY20	FY19
EBITDA	14%	9%	16%
PAT	9%	5%	11%

Normalized scenario factors in estimated loss of sales, margins and additional provisions on account of COVID

* Pre Ind AS116 & standard tax rate @ 25.17%

Q4 & FY20 Highlights: Reported Ind AS 116

Q4 FY20

Amount Cr.	Q4 FY20	Q4 FY19	Growth %
Revenue	219	291	-25%
EBITDA	4	42	-90%
PAT	-24	33	-173%

% to Revenue	Q4 FY20	Q4 FY19
EBITDA	2%	14%
PAT	-11%	11%

Full Year FY20

Amount Cr.	Full Year FY20	Full Year FY19	Growth %
Revenue	1149	1148	+0%
EBITDA	207	184	+13%
PAT	69	131	-47%

% to Revenue	Full Year FY20	Full Year FY19
EBITDA	18%	16%
PAT	6%	11%

Ind AS 116 Q4 & FY20: P&L items impacted

Particulars (INR Million)	Q4 FY20 Comparable	Ind AS 116 impact Q4 FY20	Q4 Reported	Full Year FY20 Comparable	Ind AS 116 impact Full Year FY20	Full Year FY20 Reported
Finance costs	(0.9)	96.0	95.1	7.2	374.7	381.9
Depreciation and amortisation	90.0	222.8	312.8	261.4	770.1	1,031.5
Rent expenses	309.1	(247.2)	61.9	1,224.0	(998.1)	225.8
Interest Income	-	35.8	35.8		35.8	35.8
Lease liability written back	-	28.4	28.4	-	52.6	52.6
Profit before tax (decrease)		**(7.3)**			**(58.3)**	

Leading home grown brands



PREMIUM FUSION WEAR

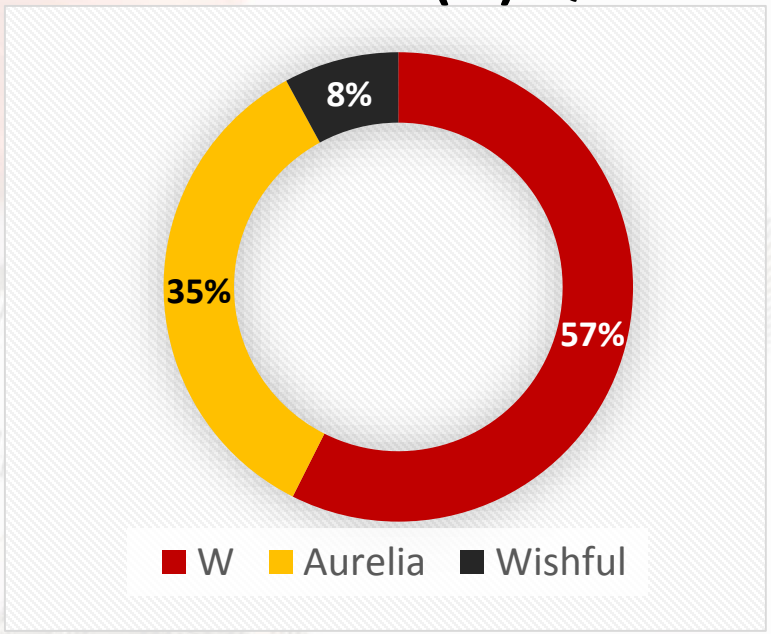


CONTEMPORARY ETHNIC WEAR



PREMIUM OCCASION WEAR

Share of Brands (%) Q4 FY20

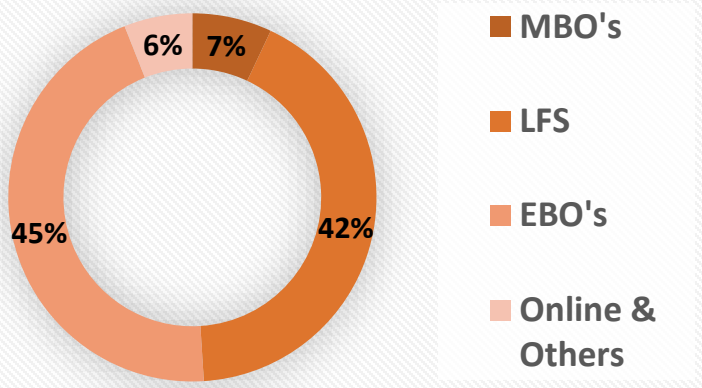


Brand Wise Growth

Brands	Q4 FY20
W	-25%
Aurelia	-31%
Wishful	-22%

Q4 Channel wise performance

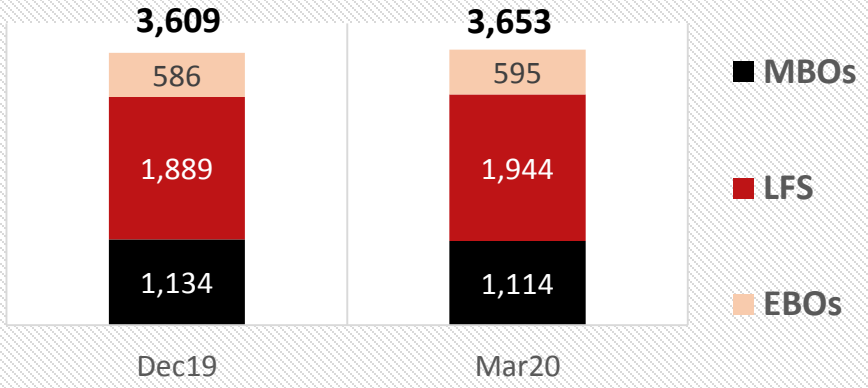
Channel Wise Revenue Split – Q4 FY20



Channel wise growth	Q4 FY20
EBOs	-23%
LFS	-14%
Online	-52%
MBOs	-45%

SSSG 4% for Jan/Feb, -57% for March

Pan India Multichannel Presence



# of EBOs	As of Mar 20	Q4 openings
W	347	4
Aurelia	242	4
Wishful	5	
Elleven	1	1
Total	595	9

Working Capital

Particulars	Mar 20	Sep 19	Mar 19
Debtors	1,756	2,162	1,807
Inventory	3,302	3,012	2,741
Payables	(1,223)	(1,207)	(1,150)
Total Working Capital m INR	**3,835**	**3,967**	**3,398**
Debtors	56	65	57
Inventory	105	90	87
Payables	(39)	(36)	(37)
Working Capital Days	**122**	**120**	**107**

Agenda

1. COVID Impact & Current Situation
2. Q4 & FY20 Results Summary
3. **Way Forward**
4. Financials

Preserve the strength of balance sheet and focus on FY21 exit run-rate metrics

Continue Consumer Engagement

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

Strengthen Balance Sheet

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

Build Organization Resilience

Leverage technology for enhancing organization capabilities including responsive supply chain and better consumer experience



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 emerging due to COVID impact for creating long-term growth runways

1. Cost Controls: Significant savings realized in all key cost heads

Rentals & CAM

- Given Strong relationships with landlords, waivers / concessions achieved in majority of store network. Discussions progressing well for rest of stores
- Initiated rationalization exercise for unsustainable stores with high rents including closures and consolidation between brands

Salaries

- Tiered salary reduction implemented across the organization
- Staff count rationalisation underway by optimizing staff between brands at EBOs and LFS doors
- Aligning staff costs by location as per expected sales

Marketing

- Complete stop on ATL / BTL, focused on sales linked marketing spends
- Minimized digital marketing to just back online sales focused performance spends
- Maximizing social media and direct communication platforms to engage customers

Overheads

- Zero based budgeting approach for cost optimization in all overheads; Minimize all discretionary spends
- Renegotiated key costs such as warehouse rents and retainers contracts
- Optimize costs by leveraging technology

2. Cash conservation: Reduce working capital and minimize capex

Strong balance sheet to tide over the crisis: ~150 crores in cash and 35 crores unutilised bank limits as on date

Inventory Optimization	Responsive Supply Chain	Creditors	CAPEX
➢ High quality, fungible inventory – strong asset offering flexibility of redeployment as per demand situation	➢ Growing share of range produced through Express Replenishment process	➢ Utilize contracted credit period to the maximum; stop the current policy of early payments	➢ Minimize new stores opening apart from the ones in pipeline
➢ Minimize purchases for the year; reuse existing fabrics and finished goods	➢ Closer to season product development cycle	➢ Handhold and support small vendors wherever necessary	➢ No discretionary capital expenditure

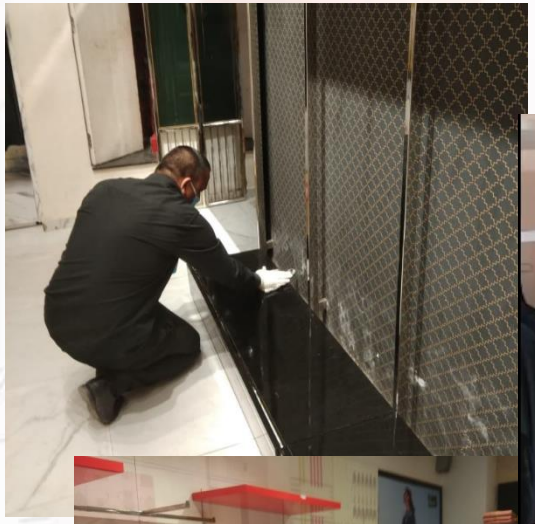
3. Customer Engagement: Driving safety, engagement and sales

- **Health & Safety**: Instituted strict protocols for staff and customers at stores
- **Digital Communication**: Deeper engagement with consumers through social media platforms and direct communication channels
- **New Initiatives**: Introduced initiatives like Virtual store visits, Catalogue selling and arranging for home deliveries

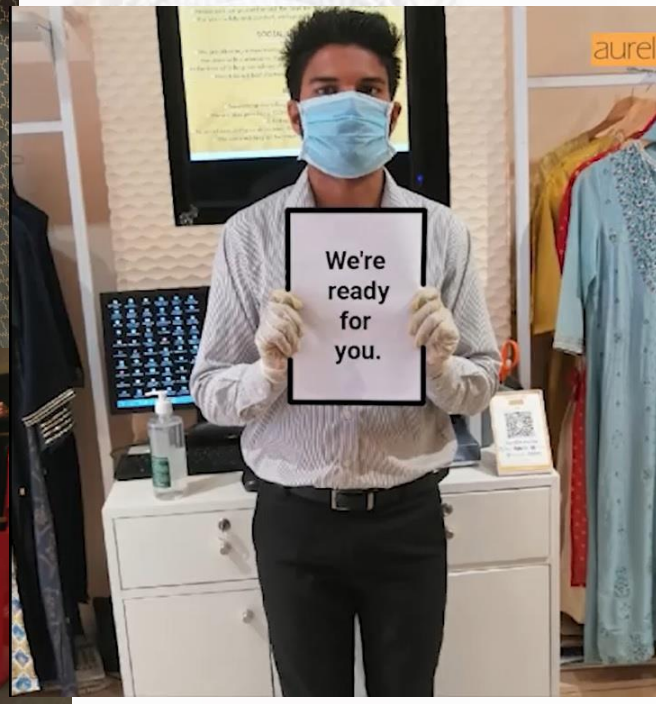
Health & safety: Ensuring safe shopping experience with strict protocols at the stores











Deeper engagement with consumers through social media platforms and direct communication channels

To all the M's, with Love - W



'W is M, M is W', is for men and women who are working together, having fun together, and empowering each other during the lockdown https://youtu.be/GkfoRyrbi-s

Campaign covered by 13 publications including Brand equity, exchange4media.

The main campaign video generated ~1 Million views on Facebook and ~35k views on Youtube

Camapaign taken forward with a contest asking viewers for their MisW moments - cumulatively reach ~72,000 people







#WforWonderWoman

Celebrating the women who are at home as well as the ones on ground.



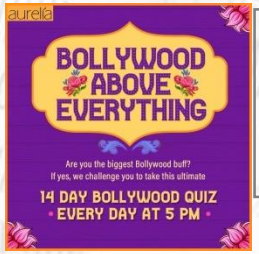
11 WonderWoman featured so far

Cumulative reach of ~5 lac already

Consumer Connect



Shop for a cause
Help consumers donate a garment to an NGO on every purchase that during lock down.



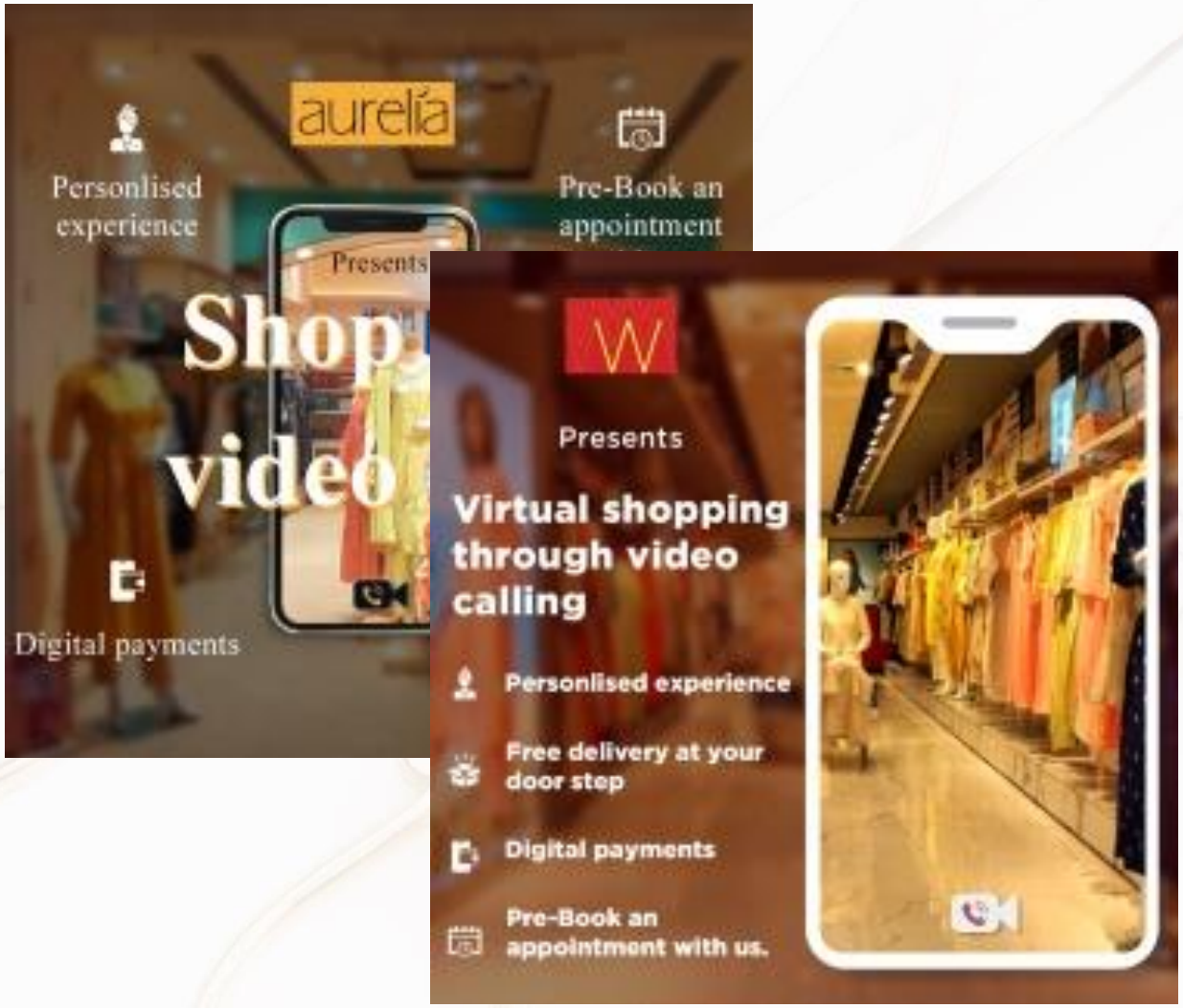
#BollywoodAboveEverything
Bollywood quiz to engage with Aurelia customers

#aureliakurtichallenge #Fashionhackswithw #DIYvideos
fashion hacks and uses of kurti during Work from home in a smart way.

'21 Days Of Awakening'
Awaken to the world during lockdown



No Contact Shopping: Introduced initiatives like Virtual store visits, Catalogue selling and arranging for home deliveries







4. Leveraging technology to build a nimble, responsive supply chain

1 Express production process

- Built a technology enabled, 3-week reordering process
  - ✓ Tested the process pre-COVID for a meaningful number of styles
  - ✓ Expanding to a much larger part of business, thereby significantly reducing inventory risk



2 Shorter Thought-to-Shelf cycle

- Moving away from a two-season calendar to a monthly calendar
  - ✓ Will bring inventory closer to the season specific requirements
  - ✓ Reduced business risk and lower inventory requirement

3 Data Science based stock decisions

- Machine learning based inventory optimization:
  - ✓ Automated replenishment process implemented across all brands / categories
  - ✓ Scaling up across all channels

4. Digital / Omni capabilities in place to establish TCNS as the go-to destination for consumers

Online Sales Channels

- Own Brand.com as revenue and brand building channel
  - ✓ Accelerating growth, already at 150% sales of pre-COVID levels
- Marketplace Direct-to-consumer (D2C) model leveraging common pool of inventory
  - ✓ Best-in-class operations. Certified Amazon EDI, Flipkart Gold



Offline Omni Experience

- Endless-aisle capability to enable consumers to receive a product if unavailable in store
  - ✓ Endless aisle operational across the entire EBO network
- Ship-from-Store to leverage store inventory for Online channels
  - ✓ Already functional for select online channels

5. COVID as an Opportunity

1

Market consolidation

Resetting of market map due to business headwinds impacting the wider industry

2

Acquisition opportunities

Quality assets becoming available at attractive valuations

3

Real estate availability

Lock-in favorable long-term leases

Agenda

1. COVID Impact & Current Situation
2. Q4 & FY20 Results Summary
3. Way Forward
4. **Financials**

Profit & Loss Statement – Q4 FY20 Reported Numbers

(Rs. in million)

	Particulars	For the quarter ended			For the financial year ended	
		March 31, 2020 (Refer note 9)	December 31, 2019 (Unaudited)	March 31, 2019 (Refer note 9)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1.	**Income**					
	(a) Revenue from operations	2,192.05	3,289.88	2,906.58	11,486.67	11,479.53
	(b) Other income	91.11	71.55	16.45	211.39	75.21
2.	**Total income**	**2,283.16**	**3,361.43**	**2,923.03**	**11,698.06**	**11,554.74**
3.	**Expenses**					
	(a) Cost of materials consumed	1,198.95	1,006.29	1,228.12	4,506.85	4,351.60
	(b) Purchases of stock-in-trade	25.59	33.61	-	93.15	-
	(c) Changes in inventories	(301.79)	20.28	(129.08)	(576.71)	(452.48)
	(d) Employee benefits expense	383.40	415.42	346.20	1,575.90	1,437.74
	(e) Finance costs	95.08	98.93	3.30	381.89	5.14
	(f) Depreciation and amortisation	312.76	248.42	63.35	1,031.51	222.10
	(g) Rent expenses	61.90	57.08	285.28	225.85	1,099.43
	(h) Selling and distribution expenses	584.90	758.16	553.69	2,690.63	2,387.99
	(i) Other expenses	287.17	320.39	222.61	1,108.36	886.99
4.	**Total expenses**	**2,647.96**	**2,958.58**	**2,573.47**	**11,037.43**	**9,938.51**
5.	**Profit before tax (2 - 4)**	**(364.80)**	**402.85**	**349.56**	**660.63**	**1,616.23**
7.	**Total tax expense**	**(127.06)**	**(147.41)**	**22.72**	**(33.49)**	**301.88**
8.	**Net profit after tax for the period (5 - 7)**	**(237.74)**	**550.26**	**326.84**	**694.12**	**1,314.35**

Balance Sheet as at March 2020 – Assets

(Rs. in million)

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	397.29	535.98
(b) Right of use assets	3,083.64	-
(c) Capital work-in-progress	21.17	2.83
(d) Intangible assets	36.33	56.28
(e) Financial assets - Other financial assets	479.58	508.99
(f) Deferred tax assets (net)	349.70	159.72
(g) Non-current tax assets (net)	455.20	126.02
(h) Other non-current assets	28.93	82.47
Total non-current assets	**4,851.85**	**1,472.29**
Current assets		
(a) Inventories	3,301.90	2,740.83
(b) Financial assets		
(i) Investments	1,180.75	1,377.52
(ii) Trade receivables	1,756.20	1,807.25
(iii) Cash and cash equivalents	529.44	215.63
(iv) Bank balances other than (iii) above	2.80	15.24
(v) Other financial assets	37.12	1.05
(c) Other current assets	315.76	229.12
Total current assets	**7,123.98**	**6,386.64**
Total assets	**11,975.82**	**7,858.93**

Balance Sheet as at March 2020 – Liabilities

(Rs. in million)

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	122.95	122.65
(b) Other equity	6,477.04	6,062.97
Total equity	**6,599.99**	**6,185.62**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	2,994.53	-
(ii) Other financial liabilities	66.75	60.35
(b) Provisions	122.41	77.98
(d) Other non-current liabilities	4.62	5.80
Total non-current liabilities	**3,188.30**	**144.14**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(A) MSME	289.78	184.40
(B) Others	933.16	965.57
(ii) Lease liabilities	625.02	-
(iii) Other financial liabilities	76.91	78.97
(b) Provisions	3.04	1.87
(c) Current tax liabilities (net)	57.47	57.47
(d) Other current liabilities	202.14	240.89
Total current liabilities	**2,187.53**	**1,529.18**
Total liabilities	**5,375.84**	**1,673.32**
Total equity and liabilities	**11,975.82**	**7,858.93**

Cash Flow for FY20

(Rs. in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**661**	**1,616**
Adjustments for		
Depreciation and amortisation expense	1,032	222
Re-measurement of defined benefit plan	(13)	6
Interest and dividend income	(116)	(49)
Finance costs	382	5
Loss on sale of property, plant and equipment	10	13
Property, plant and equipment written off	18	6
Allowance for expected credit loss	44	14
Lease liability written back	(53)	-
Fair valuation of investments	(0)	2
Share based payments	87	164
Operating profit before Working Capital Changes	**2,051**	**2,000**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(561)	(501)
Trade receivables	7	(251)
Other financial assets	23	(116)
Other assets	(62)	96
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	4	11
Other liabilities	(40)	(45)
Provisions	46	23
Trade payables	73	6
Cash generated from operations	**1,541**	**1,222**
Less: Income tax paid (including Tax Deducted at Source)	(266)	(322)
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**1,275**	**899**

Cash Flow for FY20

(Rs. in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**1,275**	**899**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment (including capital advances)	(289)	(257)
Capital expenditure on intangible assets (including capital advances)	(4)	(6)
Proceeds from sale of property, plant and equipment	14	26
Purchase of current investments	(4,603)	(2,597)
Sale of current investments	4,157	1,239
Sale of non-current investments	644	
Net investment in bank deposits	12	109
Dividend Income		
Interest and dividend received	80	53
NET CASH USED IN INVESTING ACTIVITIES (B)	**10**	**(1,434)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of current borrowings	-	(0)
Repayment of non-current borrowings	(2)	(0)
Shares issued on exercise of employee stock options	46	389
Lease Liability	(632)	
Finance costs	(382)	(5)
NET CASH GENERATED BY FINANCING ACTIVITIES (C)	**(971)**	**383**
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	314	(151)
Cash and cash equivalents at the beginning of the year	216	367
Cash and cash equivalents at the year-end*	**529**	**216**



THANKYOU