

Q1 FY2020 Review Note

6th August, 2019

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Agenda

- Q1 FY20 Summary Financial Performance
- Business discussion
- Outlook

Q1 FY20 Executive summary: Modest topline growth and reduced margins, in line with our plan

INR Crs	Q1 FY2020	Remarks
Revenues	1896 (+5%)	
Textiles	1616 (4%)	20% growth in garment volumes
Advanced Materials	167 (+31%)	Growth in Human Protection, Composites
Others*	123 (-6%)	
EBITDA	154 (8.1% vs 11.1%)	
Textiles	9.7% (vs 11.9% in Q1, 10.5% in Q4 FY'19)	Base effect vs Q1 FY19, sub-scale operations in new garment plants
Advanced Materials	11% (vs 7.8%)	Select businesses starting to mature
Others*	-6.1% (vs 3.9%)	
PAT (before exception items)	30 (-65%)	
Net Debt (30 th June 2019)	3024 (vs Rs. 2619 Mar'19)	

- significant portion of Others is comprised of projects based Effluent Treatment business, where revenues are realized as per contracted invoicing schedule
- Company has adopted IndAS 116 from retrospective method, which did not have material impact on Q1 consolidated results

Q1 FY20 : Profit and Loss summary – topline grew by 5% in line with our plan

<i>All figures in INR Crs</i>	Q1 FY20	Q1 FY19	Change
Revenues from Operations	1,896	1,810	5%
EBIDTA	154	201	-24%
Profit Before Tax	47	112	-58%
Profit After Tax	30	86	-65%
Less : Exceptional Item	6	9	
Net Profit	24	78	-69%

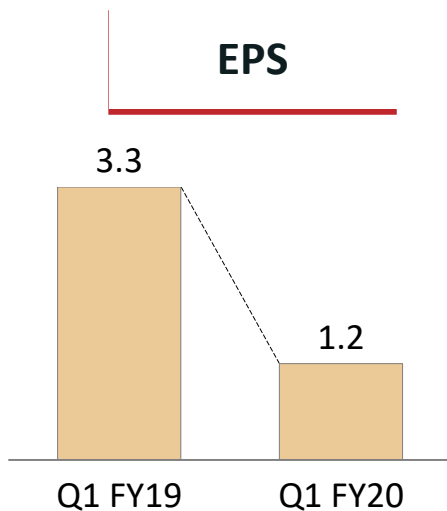
- Exceptional Item - Retrenchment compensation
- *Company has adopted IndAS 116 from retrospective method, which did not have material impact on Q1 consolidated results*

Q1 FY20 performance by segments: Growth in Garments and AMD partially offset challenges in Fabrics business

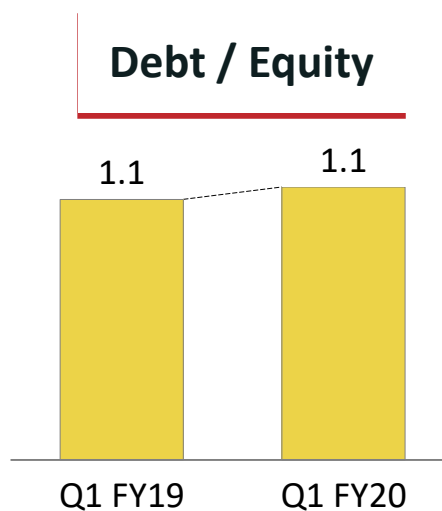
Rs Cr Business	Q1 FY20			Q1 FY19		
	Revenue	EBIDTA	EBIDTA%	Revenue	EBIDTA	EBIDTA%
Textiles	1616	157	9.7%	1560	185	11.9%
Advanced Material	167	18	11.0%	128	10	7.8%
Others	123	-7	-6.1%	131	5	3.9%
Un Allocable	0	-16		0	1	
Other Income		21			15	
Inter Segment	-10	0		-10	0	
Total	1896	174	9.2%	1809	216	12.0%

Key indicators – Q1 FY20 Vs Q1 FY19

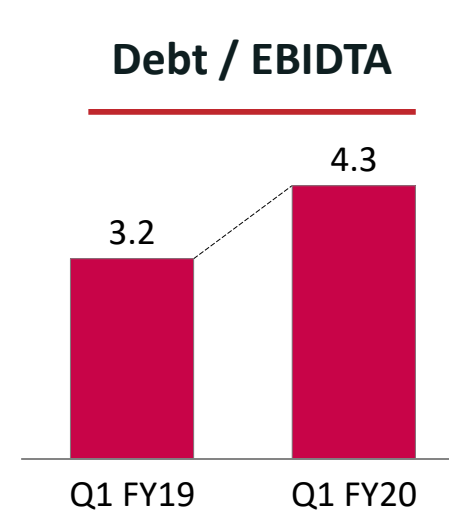
EPS



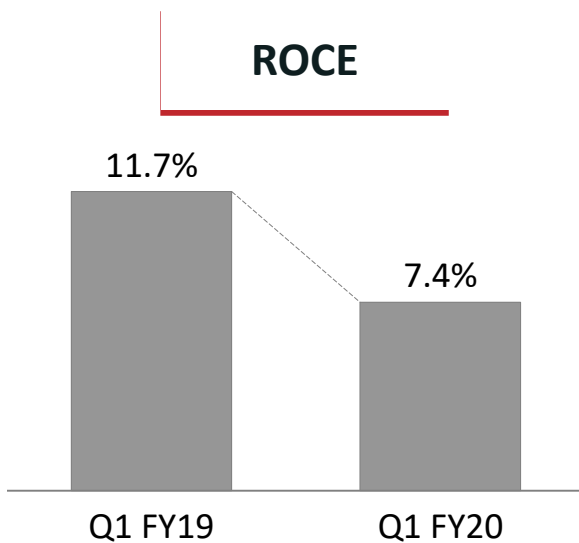
Debt / Equity



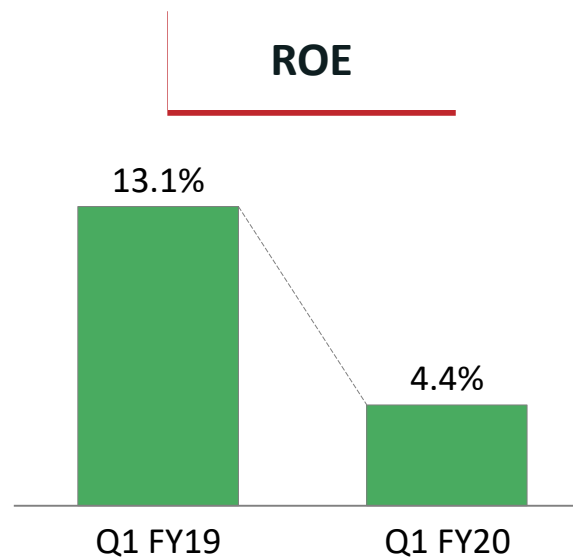
Debt / EBIDTA



ROCE



ROE



Agenda

- Q1 FY20 Summary Financial Performance

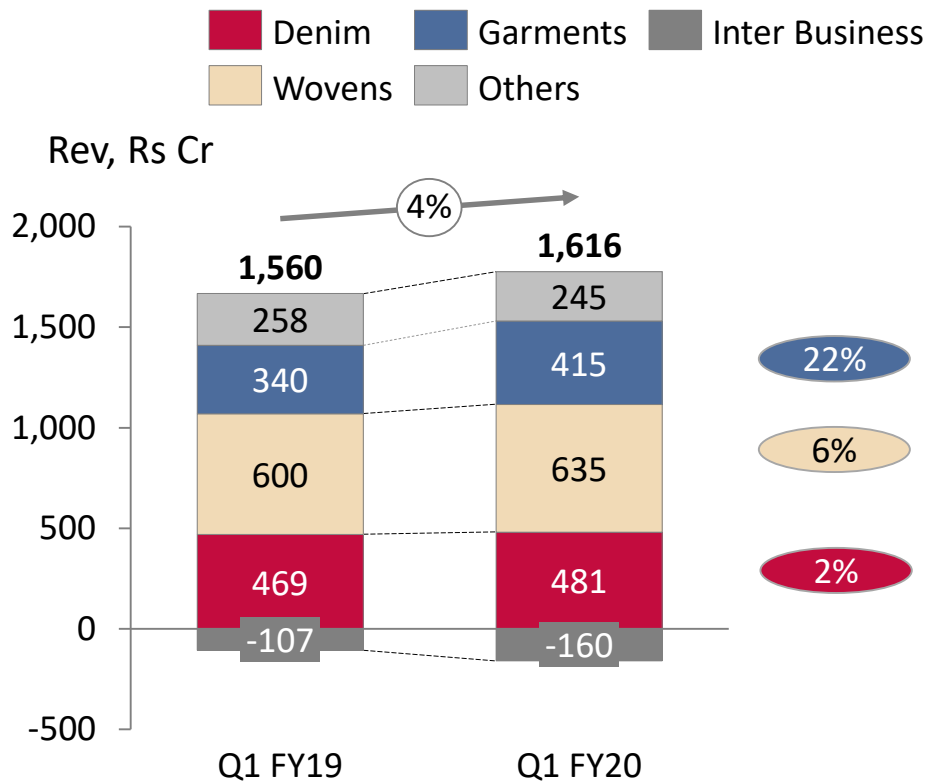
- Business discussion

- Outlook

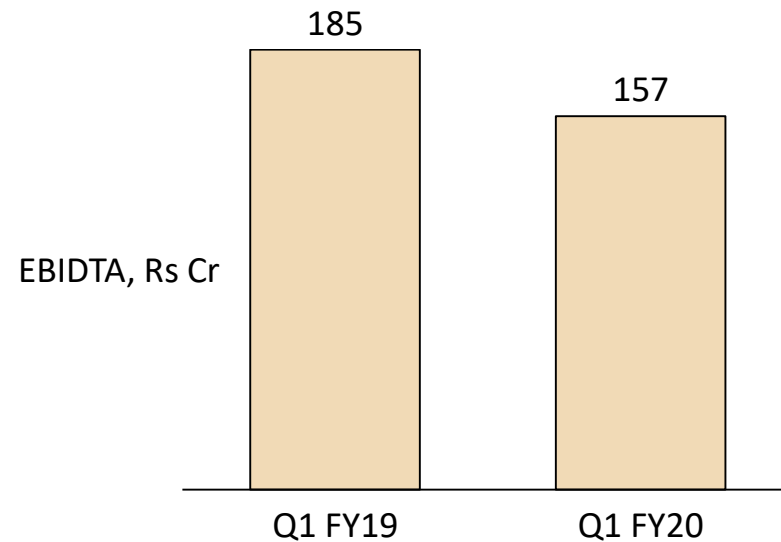
Textiles and Advanced Materials

Q1 2020: Garment revenues showed robust growth

Garments grew, Fabric flat



Margins got impacted



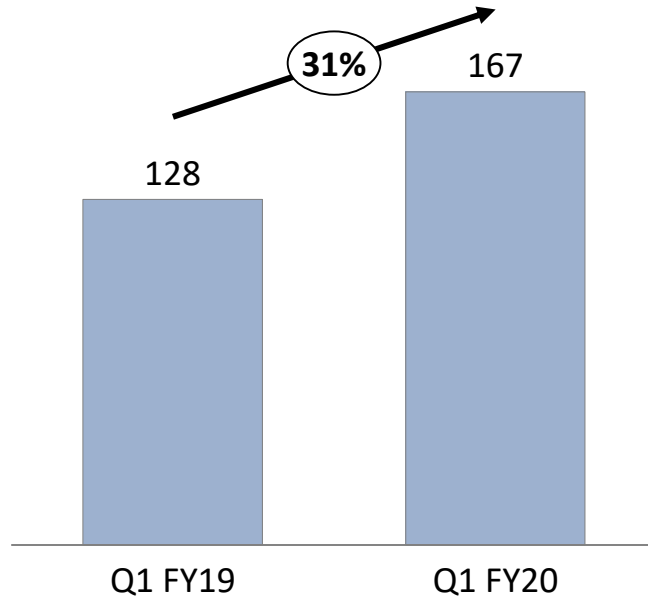
Key Textile business parameters for Q1 FY20

	Denim		Woven	
	Q1 FY20	Q1 FY19	Q1 FY20	Q1 FY19
Exports(Mn Mtrs)	9	12	7	8
Domestic (Mn Mtrs)	12	11	25	26
Avg Prices	193	190	174	172
Major Components	Cotton			
Cost in Rs / Kg	126	113		

Advanced Materials delivered a strong performance both in terms of topline and profitability

Healthy growth in revenues

INR crores



EBITDA

10

18

EBIDTA Growth for YOY

- Operating leverage resulting in improving margins as mature part of portfolio starts to hit scale
- Improved realization from higher value added products

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Expecting an overall good FY2020, with H2 being significantly improved over a relatively soft H1

Revenues

7-8% top-line growth expected over the year – mostly to be **realized in H2**

- New garmenting plants ramping up utilization
- Denim volumes to remain under pressure under continuing market pressure, some evolution in mix
- Advance Materials Business continuing to deliver robust growth

EBITDA margins

EBIDTA margin to be marginally higher due to volume growth in textiles

EBITDA to degrow in H1

Losses in new garments facilities due to lower efficiencies

Comparable H1-2018-19-was relatively stronger

EBIDTA margin to increase in H2

Due to base effect

Improved efficiencies in new garments plants turning them profitable



Thank You!