

## **Q3 FY2020 Review Note**

31st January, 2020

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## Agenda

- Q3 FY20 Summary Financial Performance
- Business discussion
- Outlook

## Q3 2020 Executive summary: Growth powered by Garment volumes and AMD, margin improvement on expected lines

INR Crs	Reported Q3 FY2020	Intrinsic Q3 FY2020*	Remarks
Revenues	1869	1903 (+13%)	
Textiles	1555	1589 (15%)	40% growth in garment volumes
Advanced Materials	185	185 (+16%)	Growth in Human Protection, Composites
Others**	144	144 (4%)	
EBITDA	185	220 (11.6% vs 8.9%)	
Textiles	10.8%	12.7% (vs 10.5%)	Base effect, operating leverage and lower input cost
Advanced Materials	13.3%	13.3% (vs 10.2%)	Operating leverage
Others**	1.9%	1.9% (vs 0.1%)	
PAT (before exception items)	38	59	
Net Debt (31 <sup>st</sup> Dec 2019)	2537	2537 ( vs Rs. 2694 Sept'19)	

\* Textiles figures contained in Intrinsic numbers are excluding non-recurring write off of Rs 34 Cr on account of retrospective withdrawal of MEIS

\*\* significant portion of Others is comprised of projects based Effluent Treatment business (revenues realized per milestones)

## Summary P&L: Q3 margin growth helped recover the YTD performance despite write off on account of MEIS withdrawal

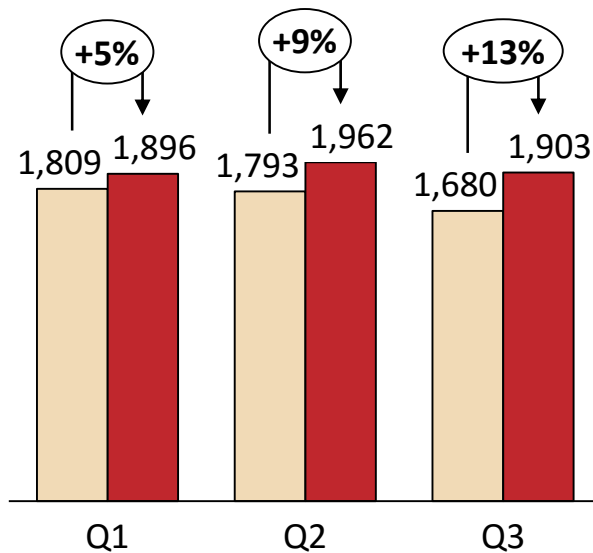
<i>All figures in INR Crs</i>	Q3 FY20	Q3 FY19	Change	9M FY20	9M FY19	Change
Revenues from Operations	1,869	1,680	11%	5,727	5,283	8%
EBIDTA	185	150	24%	535	533	0%
Profit Before Tax	64	62	3%	184	266	-31%
Profit After Tax	38	60	-37%	111	214	-48%
Less : Exceptional Item	2	19		3	42	
Net Profit	36	40	-11%	108	173	-37%

Exceptional item includes Retrenchment compensation and GST Credit write-off

## Strong intrinsic business performance for Q3

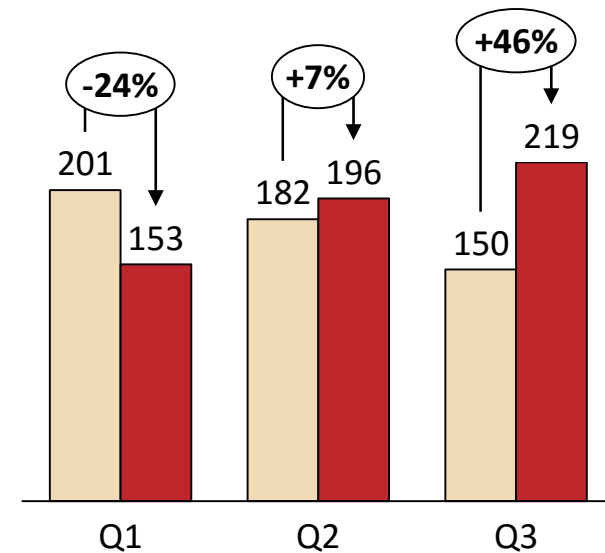
### Revenue

INR Cr



### EBIDTA

INR Cr



**EBITDA Margin**

8%

10%

11.5%

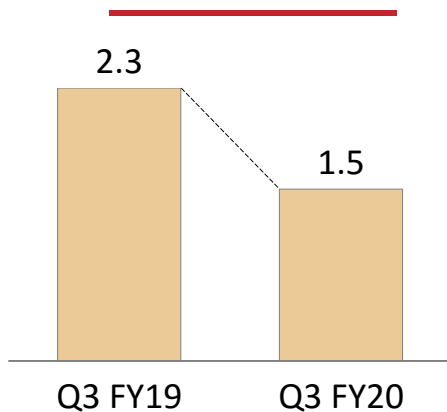
- Sharp improvement in EBITDA margins as expected (reduced losses given lower efficiency of new garmenting plants in H1)
- Withdrawal of MEIS incentives effective March 2019 impacted the revenues and EBITDA for Q3 by 34 crores ( **Reported Q3 Revenues: Rs 1869 cr, Reported Q3 EBITDA: Rs 185 cr**)

## Segment performance: All segments delivered improved returns

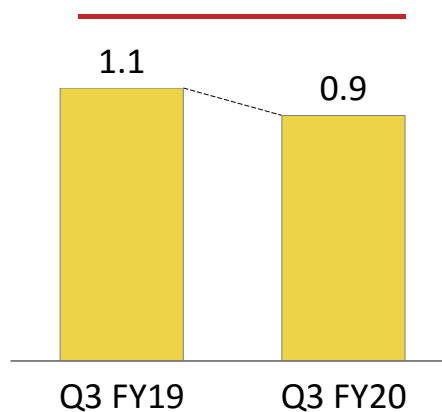
Rs Cr Business	Q3 FY1920			Q3 FY1819		
	Revenue	EBIDTA	EBIDTA%	Revenue	EBIDTA	EBIDTA%
Textiles	1589	202	12.7%	1385	146	10.5%
Advanced Material	185	25	13.3%	159	16	10.2%
Others	144	3		139	0	
Un Allocable	0	-9		0	-16	
Other Income	0	14		0	27	
Inter segment	-15	0		-4	3	
<b>Total</b>	<b>1903</b>	<b>234</b>	<b>12.3%</b>	<b>1680</b>	<b>176</b>	<b>10.5%</b>
Less : One time Write Off	-34	-34		0	0	
<b>Reported Number</b>	<b>1869</b>	<b>200</b>	<b>10.7%</b>	<b>1680</b>	<b>176</b>	<b>10.5%</b>

## Key indicators – Q3 FY20 Vs FY20

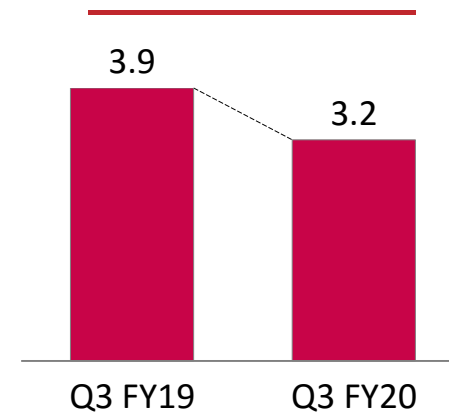
### EPS



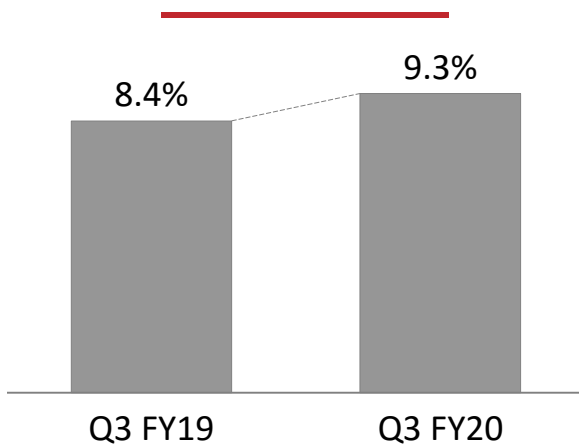
### Debt / Equity



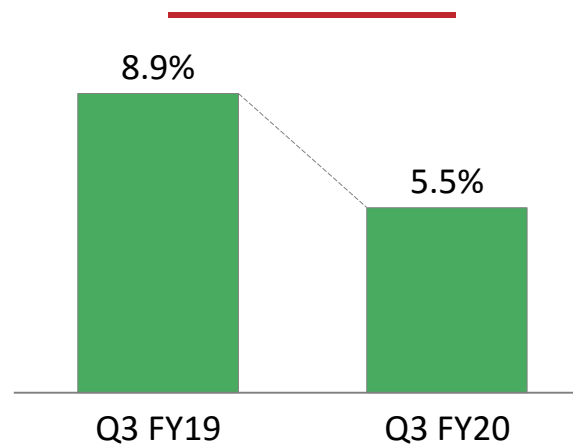
### Debt / EBIDTA



### ROCE



### ROE



- Net Debt is considered for Debt / EBIDTA
- Based on Reported Numbers



## Agenda

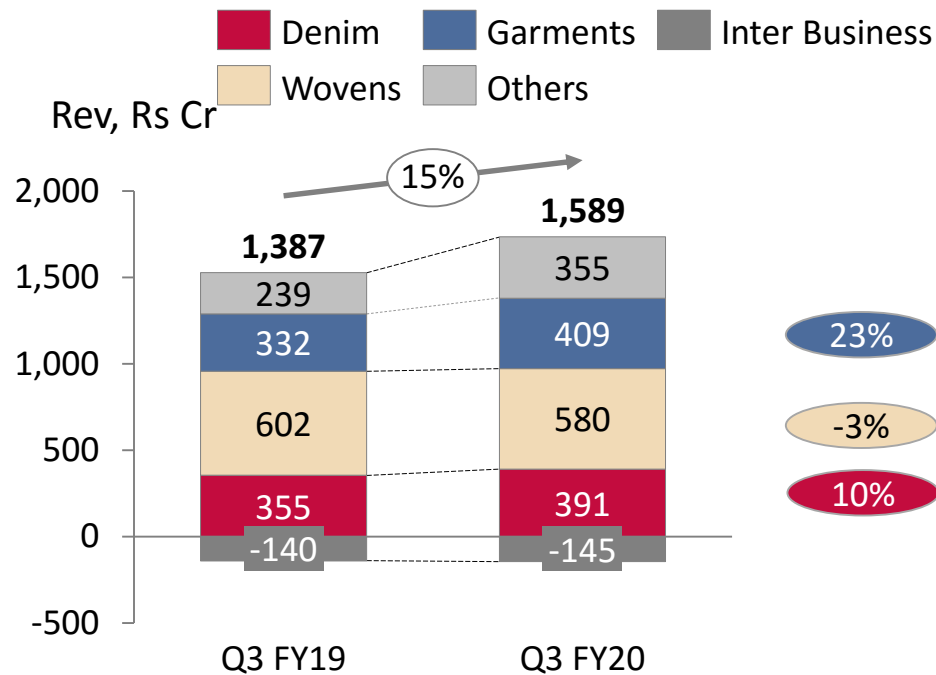
- Q2 FY20 Summary Financial Performance

- Business discussion

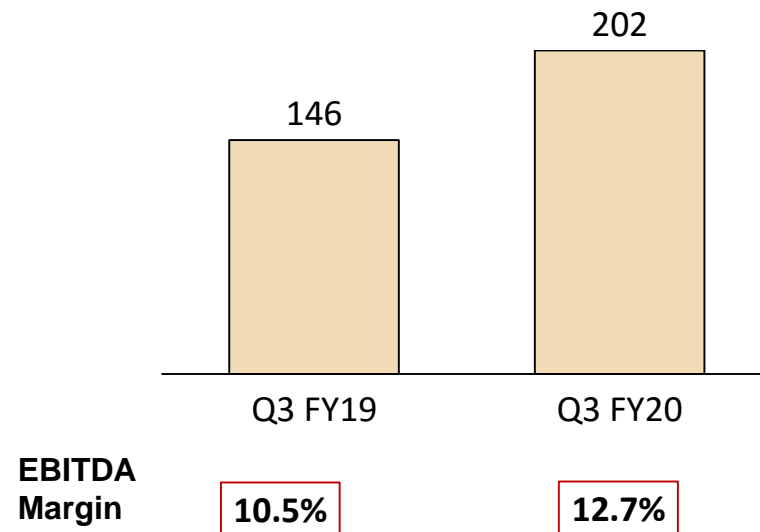
- Outlook

## Q3 2020: Textile revenue growth driven by garment volumes

### Garment revenues grew as planned



### Higher EBITDA margins



\*Others include trading sales

- Denim Fabric volumes in Denim grew marginally
- Garment revenues grew from 7.6M pcs to 10.6M pcs

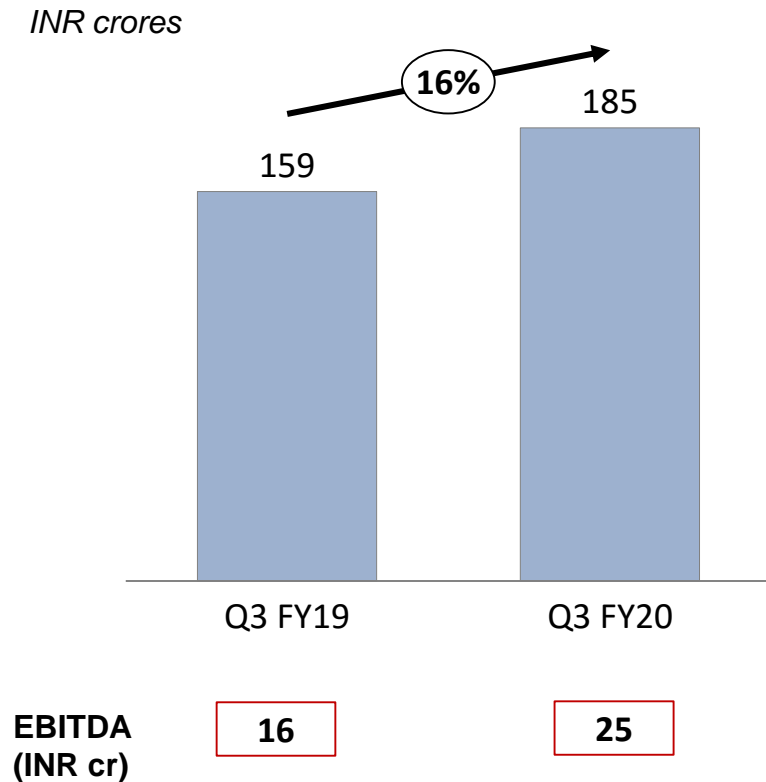
## Key Textile business parameters for Q3 & 9M FY20

	Denim		Woven	
Qtrly	Q3 FY20	Q3 FY19	Q3 FY20	Q3 FY19
<b>Total Volume (Mn Mtrs)</b>	<b>20</b>	<b>19</b>	<b>35</b>	<b>36</b>
Export proportion	48%	43%	23%	33%
Avg Prices	188	186	168	171
9 Monthly	9M FY20	9M FY19	9M FY20	9M FY19
<b>Total Volume (Mn Mtrs)</b>	<b>63</b>	<b>63</b>	<b>101</b>	<b>103</b>
Export proportion	47%	49%	23%	29%
Avg Prices	191	189	171	171
Period	Q3 FY20	Q3 FY19	9M FY20	9M FY19
Cotton Cost (Rs/Kg)	113	122	120	116

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

## Healthy growth in revenues

## EBITDA Growth for YOY



- Select businesses scaling up resulting in operating leverage
- Improved realization from higher value added products

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## Expecting around 9% overall revenue growth for FY2020, with EBITDA margins similar to previous year

### Revenues

- Overall Revenue Growth likely to be at 8% -9%

### EBITDA margins

- Likely to be maintained at similar levels as FY 2018-19 without considering one time write off of MEIS withdrawal



Thank You!