

# KEWAL KIRAN CLOTHING LTD

Financial Results Review - Q1 FY2019  
Quarter ended 30.06.2018

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# Operational Performance: Q1 FY 2019

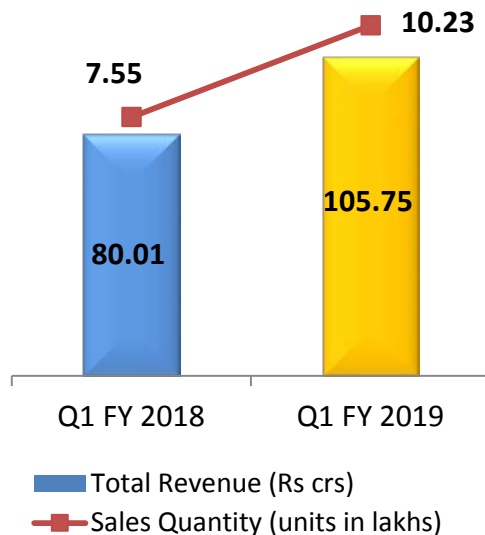
	Q1 FY 2019 Rs crs	% of Revenue	Q1 FY 2018 Rs crs	% of Revenue	Variation
<b>Net Sales (Including Excise Duty)</b>	<b>104.30</b>	<b>98.47%</b>	78.86	98.56%	
<b>Other operating income</b>	<b>1.62</b>	<b>1.53%</b>	1.15	1.44%	
<b>Total Revenue</b>	<b>105.92</b>	<b>100.00%</b>	80.01	100.00%	
<b>Cost of goods sold</b>	<b>39.80</b>	<b>37.58%</b>	30.87	38.58%	-1.01%
<b>Excise Duty*</b>	-	<b>0.00%</b>	1.64	2.05%	-2.05%
<b>Personnel cost</b>	<b>18.68</b>	<b>17.64%</b>	15.41	19.26%	-1.62%
<b>Manufacturing and operating expenses</b>	<b>12.25</b>	<b>11.57%</b>	10.82	13.52%	-1.96%
<b>Administrative and other expenses</b>	<b>8.04</b>	<b>7.59%</b>	7.28	9.10%	-1.51%
<b>Selling and distribution expenses</b>	<b>5.65</b>	<b>5.33%</b>	6.71	8.39%	-3.05%
<b>Operational expenditure</b>	<b>84.42</b>	<b>79.70%</b>	72.73	90.90%	-11.20%
<b>EBITDA</b>	<b>21.50</b>	<b>20.30%</b>	7.28	9.10%	11.20%
<b>Finance expenses</b>	<b>1.12</b>	<b>1.06%</b>	0.97	1.21%	0.55%
<b>Depreciation/ Amortisation</b>	<b>1.53</b>	<b>1.44%</b>	1.29	1.61%	0.66%
<b>Other income</b>	<b>3.27</b>	<b>3.09%</b>	6.37	7.96%	-4.87%
<b>Profit before tax (PBT)</b>	<b>22.12</b>	<b>20.88%</b>	11.39	14.24%	-6.75%
<b>Income Tax</b>	<b>8.20</b>	<b>7.74%</b>	3.16	3.95%	3.79%
<b>Profit after tax (PAT)</b>	<b>13.92</b>	<b>13.14%</b>	8.23	10.29%	-4.23%

\*Net sales include Excise Duty as per IND AS

# Trend in Sales and Operating Profit

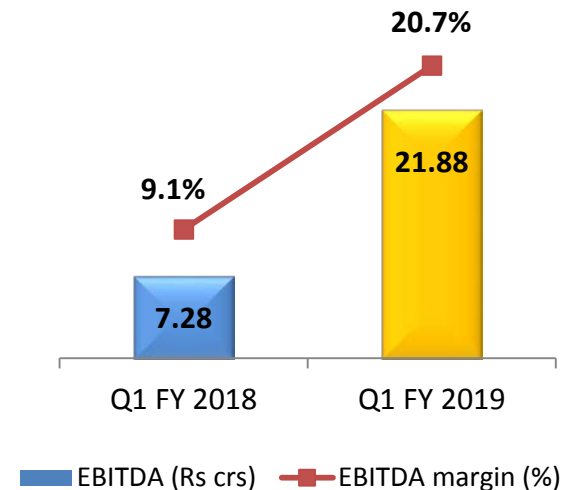
## Sales - Q1 FY2018-19

- Total Revenue for the quarter at Rs. 105.75 crs compared to Rs. 80.01 crs in previous year
- Apparel sales quantity increased by 35.48%
- Apparel sales realization per unit down by 2% at Rs. 954



## EBITDA – Q1 FY2018-19

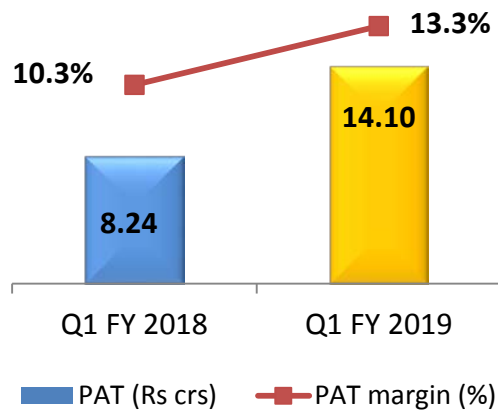
- EBITDA increased from Rs. 7.28 crs to Rs. 21.88 crs
- EBITDA margin at 20.7%, up from 9.1%



# Trend in Net Profit and Cash Position

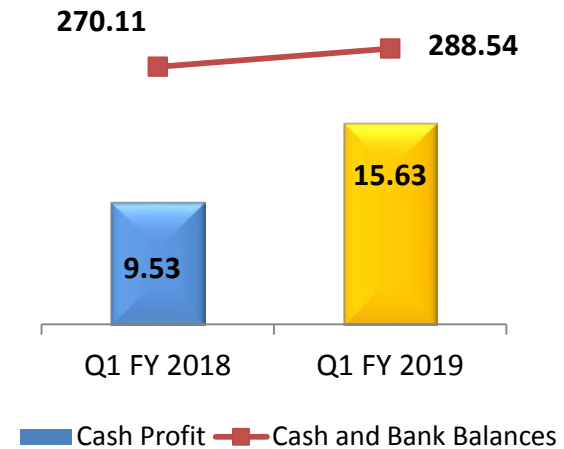
## PAT - Q1 FY2018-19

- PAT at Rs. 14.1 crs as compared to Rs. 8.24 crs in Q1 2018
- PAT margin at 13.3%
- Quarterly EPS at Rs. 11.44 (Rs. 6.68)



## Cash - FY2018-19

- Cash & Bank balances, Current Investments and Investments in Mutual Funds increased to Rs. 288.54 crs
- Cash profit at Rs. 15.63 crs



# Balance Sheet (Assets)

(Rs crs)	As at 30 June 2018 (Audited)	As at 31 March 2018 (Audited)
<b>Non-Current Assets</b>		
Property, Plant and Equipment	75.88	67.56
Capital Work in Progress	0.61	9.08
Investment Property	1.50	1.52
Other Intangible Assets	0.43	0.50
Intangible Assets under Development	0.15	0.15
Financial Assets		
Investments	168.26	137.12
Other Financial Assets	2.67	2.52
Other Non-Current Assets	2.45	2.32
<b>Total Non-Current Assets</b>	<b>251.95</b>	<b>220.77</b>
<b>Current Assets</b>		
Inventories	65.29	52.85
Financial Assets		
Investments	65.60	93.30
Trade Receivables	126.32	136.17
Cash & Cash Equivalents	60.48	61.54
Bank balances	0.95	0.94
Other Financial Assets	1.59	1.44
Other Current Assets	9.66	5.30
<b>Total Current Assets</b>	<b>329.89</b>	<b>351.54</b>
<b>Total Assets</b>	<b>581.84</b>	<b>572.31</b>

## Balance Sheet (Liabilities)

(Rs crs)	As at 30 June 2018 (Audited)	As at 31 March 2018 (Audited)
<b>Equity</b>		
Equity Share Capital	12.33	12.33
Other Equity	401.27	387.32
<b>Total Equity</b>	<b>413.60</b>	<b>399.65</b>
<b>Non-Current Liabilities</b>		
Provisions	0.07	0.07
Deferred Tax Liability	4.41	4.60
Other non-current liabilities	1.53	1.59
<b>Total Non-Current Liabilities</b>	<b>6.01</b>	<b>6.26</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings	53.28	48.30
Trade Payables		
Due to Micro and Small Enterprises	0.25	0.25
Due to Others	46.94	43.25
Other financial liabilities	7.29	7.18
Other Current Liabilities	27.38	44.38
Provisions	23.55	22.33
Current Tax Liabilities (Net)	3.54	0.71
<b>Total Current Liabilities</b>	<b>162.23</b>	<b>166.40</b>
<b>Total Equity and Liabilities</b>	<b>581.84</b>	<b>572.31</b>

# Ratios and Cash-flow Analysis

Cash Flows (in Rs crs)		Ratios	Q1 FY2019	Q1 FY2018
	<b>Q1 FY2019</b>			
<b>I. Cash Flow from Operating Activity</b>	<b>(2.40)</b>	<b>Debt Equity ratio</b>	0.13	0.11
<i>*Operating Profit before Working Capital Changes</i>	22.26	<b>Current Ratio</b>	2.03	2.01
<i>*Adjustment for Working Capital</i>	(19.75)	<b>Debtors turnover (days)</b>	105	92
<i>*Direct Taxes Paid</i>	(4.91)	<b>Creditors turnover (days)</b>	52	72
<b>II. Cash Flow from Investing Activity</b>	<b>(2.63)</b>	<b>Inventory turnover (days)</b>	50	73
<i>*(Purchase)/Sale of Fixed Assets</i>	(1.10)	<b>RONW</b>	13.73%	8.84%
<i>*(Purchase)/Redemption of Investments in mutual funds</i>	(1.56)	<b>ROCE in operations</b>	48.29%	16.28%
<b>III. Cash Flow from Financing Activity</b>	<b>3.96</b>	<b>ROCE</b>	17.45%	5.72%
<i>*Secured Loans (Working Capital Demand Loan)</i>	4.98			
<i>*Interest Paid</i>	(1.02)			
<i>*Payment of Dividend (Including Dividend Tax)</i>	-			
<b>Cash and Cash Equivalents - Closing</b>	<b>60.48</b>			

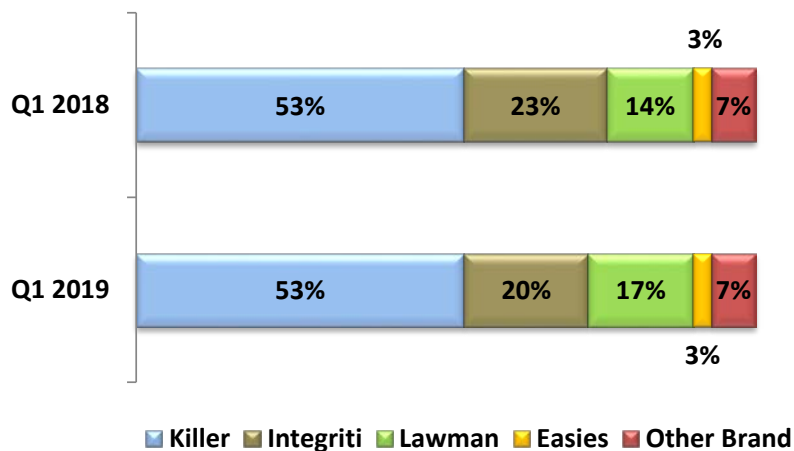
The cash and financial position remains strong with healthy cash reserves (net of borrowings) of Rs.235.33 crores.



# Brands

- Killer remains the flagship brand with share of 53% in total sales
- Lawman grew by 62% and had a share of 14% in total sales

Brand wise sales break up Q1 FY 2019

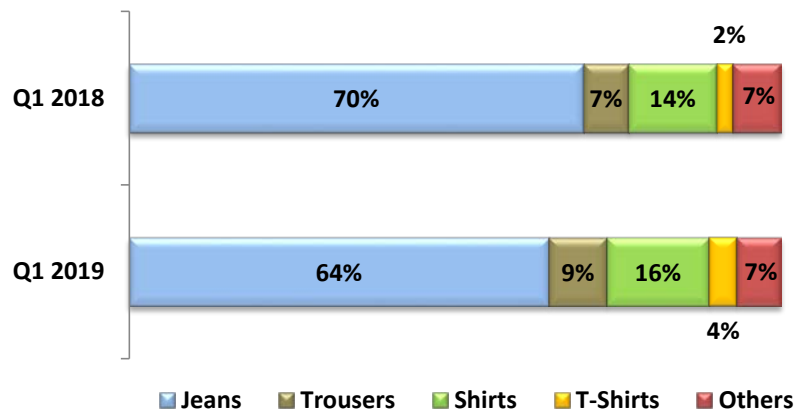


Sales (Rs crs)	Q1 2019	Q1 2018	% Change
Killer	55.67	41.55	34%
Integriti	20.44	18.67	10%
Lawman	17.91	11.03	62%
Easies	3.56	2.25	58%
Other Brand	6.72	5.36	25%
<b>Total</b>	<b>104.30</b>	<b>78.86</b>	<b>32%</b>

# Products

- Jeans continues to be the largest selling product with a share of 64% of sales
- Sales from Shirts grew by 53% and was the second highest contributor with a share of 16% in total sales

## Product wise sales break up Q1 FY 2019

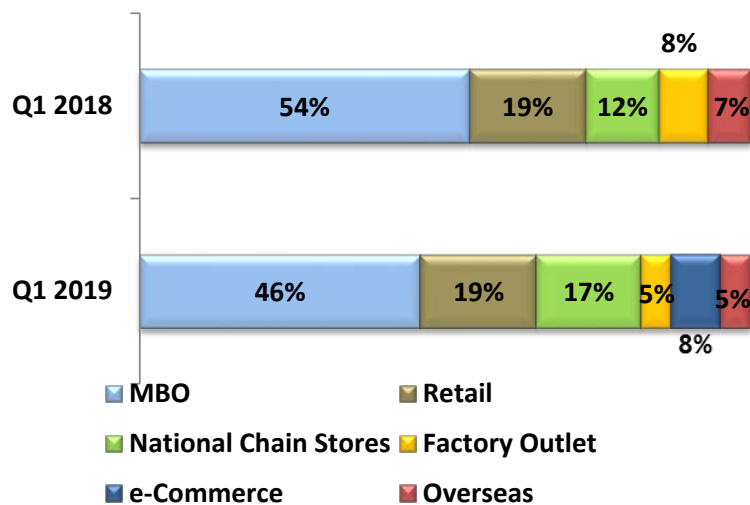


Sales (Rs crs)	Q1 2019	Q1 2018	% Change
Jeans	67.15	54.94	22%
Shirts	16.39	10.73	53%
Trousers	9.27	5.44	70%
T-Shirts	4.41	1.96	125%
Others	7.08	5.79	22%
<b>Total</b>	<b>104.30</b>	<b>78.86</b>	<b>32%</b>

# Channels

- MBOs continues to be the largest channel with a 46% share
- Sales from National Chain Stores grew by 85% and had a 17% share in total sales

Channel wise sales break up Q1 FY 2019

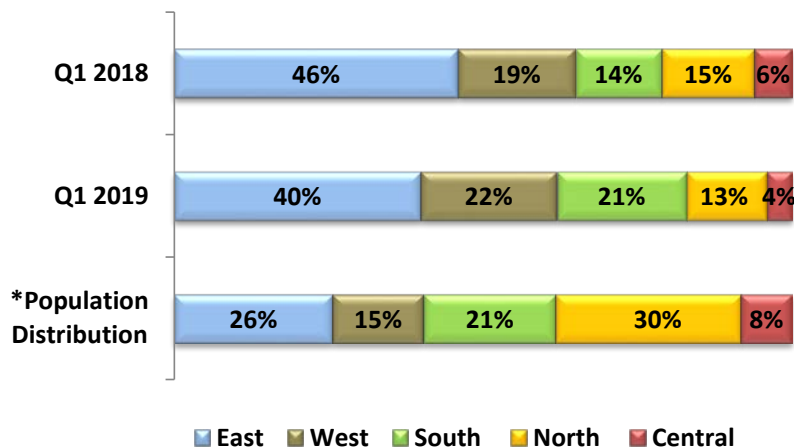


Sales (Rs crs)	Q1 2019	Q1 2018	% Change
MBO	47.37	42.88	10%
Retail	19.97	14.85	35%
National Chain Stores	17.90	9.66	85%
Factory Outlet	5.24	5.98	-12%
e-Commerce	8.24	(0.34)	NA
Overseas	5.58	5.83	-4%
<b>Total</b>	<b>104.30</b>	<b>78.86</b>	<b>32%</b>

# Regional Distribution

- Eastern region retains the largest share at 40%
- South has shown strong growth of 105%

## Region wise sales break up Q1 FY 2019



Sales (Rs crs)	Q1 2019	Q1 2018	% Change
East	38.92	33.89	15%
West	21.48	13.77	56%
South	21.14	10.33	105%
North	13.12	10.85	21%
Central	4.06	4.19	-3%
<b>Domestic Sales</b>	<b>98.72</b>	<b>73.03</b>	<b>35%</b>
Overseas	5.58	5.83	-4%
<b>Total</b>	<b>104.30</b>	<b>78.86</b>	<b>32%</b>

# Retail Stores

Particulars	COCO	COMFO	FOFO	Total
K-Lounge	2	9	182	193
EBO			124	124
Factoy Outlet		1	-	1
<b>Total</b>	<b>2</b>	<b>10</b>	<b>306</b>	<b>318</b>

COCO - Company Owned Company Operated

COMFO - Company Owned Management Franchisee Operated

FOFO - Franchisee Owned Franchisee Operated

Retail Stores (YTD)	30.06.18	31.03.18
Existing	318	331
New opened	9	39
Converted		
Relocated/closed	9	52
Work-in process	16	25
<b>Total Retail Stores</b>	<b>334</b>	<b>343</b>

# Thank You

*Disclaimer: Certain statements in this document or explanation thereof during discussions may be forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, direct and indirect tax structures , local, political or economic developments, weather conditions deferring season, technological risks, overall market scenario and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Kewal Kiran Clothing Limited(“KKCL”) will not be in anyway responsible for any action taken based on such statements and undertake s no obligation to publicly update these forward looking statement to reflect subsequent events or circumstances.*