

KEWAL KIRAN CLOTHING LTD

Financial Results Review - Q2 FY2018 and H1 ended
30.09.2017

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Operational Performance: Q2 FY 2018 Actual Vs Budgeted

Particulars	Q2 FY 2018	% of	Q2FY 2017	% of	Growth	FY 2017	% of	FY 2016	% of	Growth
	Rs crs	sales	Rs crs	sales		Rs crs	sales	Rs crs	sales	
Total Revenue	167.51	100.00%	152.39	100.00%	0.00%	247.52	100.00%	258.98	100.00%	0.00%
Operating EBITDA	48.84	29.16%	37.38	24.53%	4.63%	56.12	22.67%	56.92	21.98%	0.69%
Profit before tax (PBT)	51.51	30.75%	40.19	26.37%	4.38%	62.90	25.41%	62.55	24.15%	1.26%
Profit after tax (PAT)	35.18	21.00%	27.01	17.72%	3.28%	43.42	17.54%	42.50	16.41%	1.13%
Apparel Sales value growth		9.46%							-5.00%	
Volume Growth		12.65%							-3.09%	
Realisation growth		-2.84%							-1.97%	

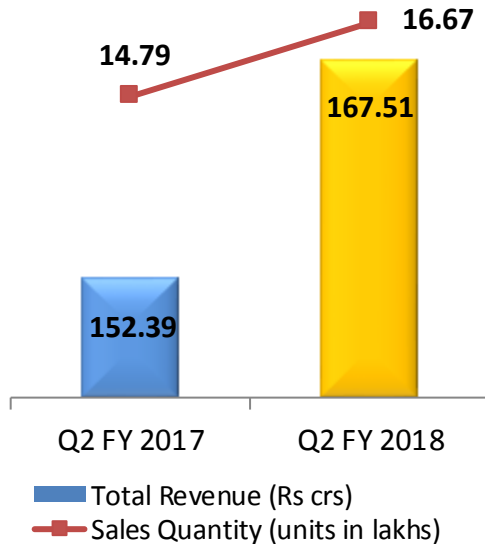
Operational Performance: Q2 and H1 FY 2018

	Q2 FY 2018		Q2 FY 2017		Variation	H1 FY 2018		H1 FY 2017		Variation
	Rs crs	% of sales	Rs crs	% of sales		Rs crs	% of sales	Rs crs	% of sales	
Net Sales	166.21		150.97			245.08		256.30		
Other operating income	1.30		1.42			2.44		2.68		
Total Revenue	167.51	100.00%	152.39	100.00%		247.52	100.00%	258.98	100.00%	0.00%
Cost of goods sold	71.37	42.61%	60.45	39.67%	2.94%	102.24	41.30%	103.51	39.97%	1.34%
Personnel cost	18.37	10.97%	17.24	11.31%	-0.34%	33.78	13.65%	31.20	12.05%	1.60%
Manufacturing and operating expenses	14.46	8.63%	20.40	13.39%	-4.75%	26.92	10.88%	35.92	13.87%	-3.00%
Administrative and other expenses	8.05	4.81%	8.24	5.41%	-0.60%	15.33	6.19%	13.47	5.20%	0.99%
Selling and distribution expenses	6.42	3.83%	8.69	5.70%	-1.87%	13.13	5.30%	17.96	6.94%	-1.63%
Operational expenditure	118.67	70.85%	115.01	75.47%	-4.63%	191.40	77.33%	202.06	78.02%	-0.70%
EBITDA	48.84	29.15%	37.38	24.53%	4.63%	56.12	22.67%	56.91	21.98%	0.70%
Finance expenses	1.32	0.79%	0.99	0.65%	0.14%	2.29	0.92%	1.69	0.65%	0.27%
Depreciation/ Ammotisation	1.44	0.86%	1.19	0.78%	0.08%	2.73	1.10%	2.20	0.85%	0.25%
Other income	5.43	3.24%	4.99	3.27%	-0.03%	11.80	4.77%	9.52	3.68%	1.09%
Profit before tax (PBT)	51.51	30.75%	40.19	26.38%	4.37%	62.90	25.41%	62.55	24.15%	1.26%
Income Tax	16.33	9.75%	13.18	8.65%	0.88%	19.48	7.87%	20.05	7.74%	0.13%
Profit after tax (PAT)	35.18	21.00%	27.01	17.73%	3.28%	43.42	17.54%	42.50	16.41%	1.13%

Trend in Revenue

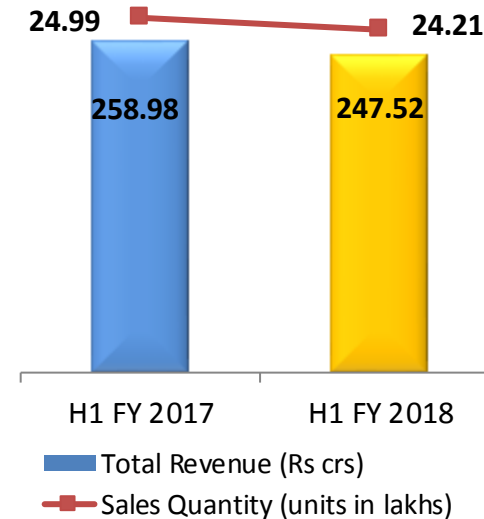
Q2 FY2017-18

- Total Revenue at Rs. 167.51 Crs. up by 9.43%
- Apparel sales quantity up by 12.65%
- Apparel sales realization per unit at Rs.960



H1 FY2017-18

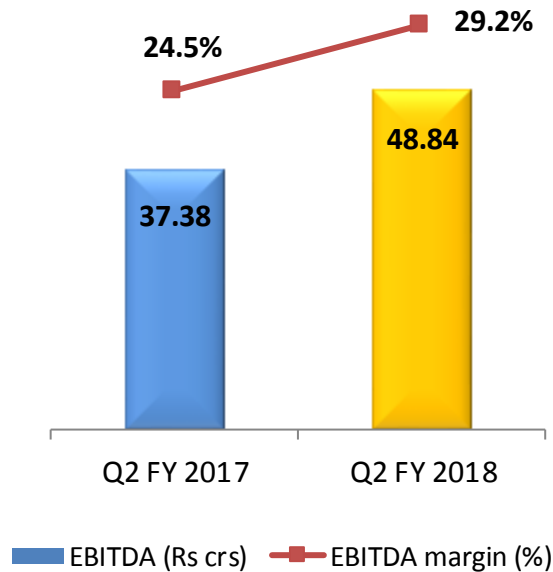
- Total Revenue at Rs. 247.52 Crs.
- Apparel sales value at Rs. 233.52 Crs.
- Apparel sales quantity lower by 3.09%
- Apparel sales realization per unit at Rs. 964



Trend in Operating Profit

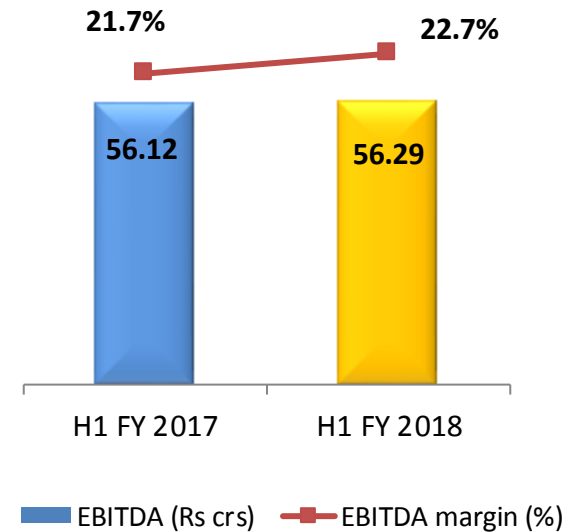
Q2 FY2017-18

- EBITDA increased by 31.11% to Rs. 48.84 Crs.
- EBITDA margin improved to 29.26%



H1 FY2017-18

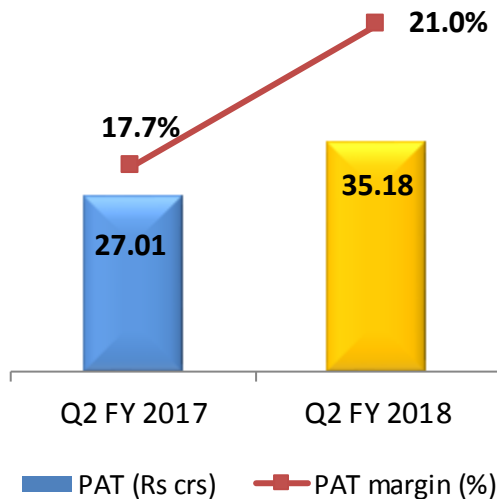
- EBITDA remained steady at Rs. 56.29 Crs.
- EBITDA margin stable at 22.70%



Trend in Net Profit

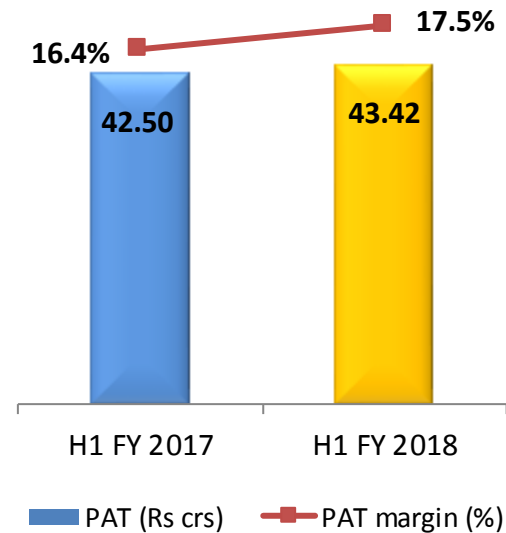
Q2 FY2017-18

- PAT up 30.95% to Rs. 35.18 crores
- PAT margin higher at 21%
- Quarterly EPS at Rs. 28.56 (21.92)



H1 FY2017-18

- PAT up by 2.61% to Rs. 43.42 crores
- PAT margin higher at 17.5%
- H1 EPS at Rs. 35.23 (34.49)



Balance Sheet

(Rs. In Lakhs)	30-Sep-17	31-Mar-17
	Audited	Unaudited
ASSETS		
1) Non-Current Assets		
a) Property, Plant and Equipment	6,824	6,299
b) Capital Work in Progress	812	725
c) Investment Property	156	106
d) Other Intangible Assets	32	50
e) Intangible Assets under Development	9	3
f) Financial Assets		
i) Investments	14,071	12,929
ii) Loans	-	-
iii) Other Financial Assets	186	190
g) Deferred Tax Assets (Net)	-	-
h) Other Non-Current Assets	264	533
	22,355	20,835
2) Current Assets		
a) Inventories	6,158	5,126
b) Financial Assets		
i) Investments	7,214	7,583
ii) Trade Receivables	16,338	10,615
iii) Cash & Cash Equivalents	6,851	6,556
iv) Bank balances (other than iii above)	82	88
v) Loans	-	-
vi) Other Financial Assets	165	134
c) Current Tax Assets (Net)	-	-
d) Other Current Assets	625	377
	37,432	30,479
TOTAL ASSETS	59,787	51,314
EQUITY & LIABILITIES		
Equity		
a) Equity Share Capital	1,233	1,233
b) Other Equity	39,304	36,219
	40,537	37,452
Liabilities		
1) Non-Current Liabilities		
a) Financial Liabilities	-	-
b) Provisions	8	8
c) Deferred Tax Liability	189	113
d) Other non - current liabilities	171	-
	368	121
2) Current Liabilities		
a) Financial Liabilities		
i) Borrowings	7,903	4,051
ii) Trade Payables		
- Due to Micro and Small Enterprises	84	21
- Due to Others	4,902	3,926
iii) Other financial liabilities	904	956
b) Other Current Liabilities	2,449	2,597
c) Provisions	2,301	2,105
d) Current Tax Liabilities (Net)	339	86
	18,882	13,742
TOTAL EQUITY AND LIABILITIES	59,787	51,314

Ratios and Cash-flow Analysis

Cash Flows (in Rs crs)	H1 FY2018
I. Cash Flow from Operating Activity	(18.93)
<i>*Operating Profit before Working Capital Changes</i>	58.02
<i>*Adjustment for Working Capital</i>	(61.81)
<i>*Direct Taxes Paid</i>	(15.14)
II. Cash Flow from Investing Activity	(1.57)
<i>*Purchase of Fixed Assets</i>	(5.13)
<i>*(Purchase) / Redemption of Investments in mutual funds</i>	3.26
III. Cash Flow from Financing Activity	23.45
<i>*Secured Loans - Bank Overdraft (Net)</i>	38.53
<i>*Interest Paid</i>	(2.47)
Cash and Cash Equivalents - Closing	68.51

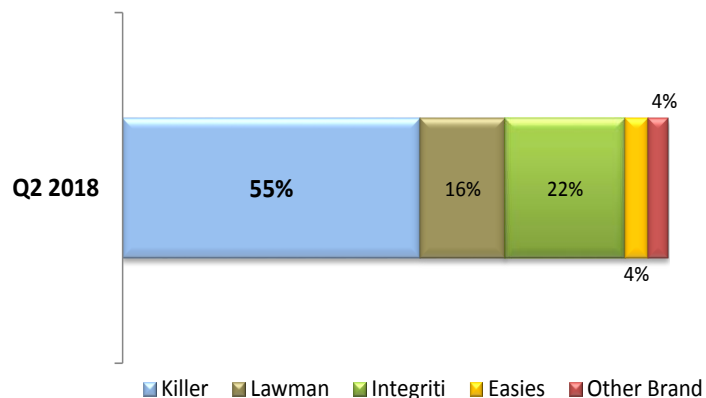
Ratios	Q2 FY2018
Debt Equity ratio	0.19
Current Ratio	1.98
Debtors turnover (days)	92
Creditors turnover (days)	42
Inventory turnover (days)	41
RONW	22.30%
ROCE	23.75%
ROCE (in operation)	61.01%

- The financial position remains stable with healthy cash reserves

Brands

- Killer continues to be the flagship brand with share of 55% of sales
- Integriti is the second largest contributor to sales with 22% share

Brand wise sales break up Q2 FY 2018

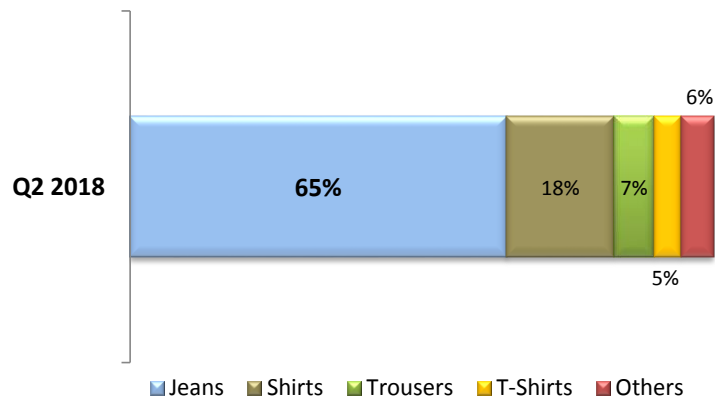


Sales (Rs crs)	Q2 2018	Q2 2017	% Change
Killer	90.72	77.32	17%
Lawman	25.83	29.88	-14%
Integriti	36.53	32.76	12%
Easies	6.94	6.22	12%
Other Brand	6.19	4.75	30%
Total	166.21	150.93	10%

Products

- Jeans sales stood at Rs. 107.23 Crs. representing 65% of sales
- Share of Shirts increased to 18% of sales

Product wise sales break up Q2 FY 2018

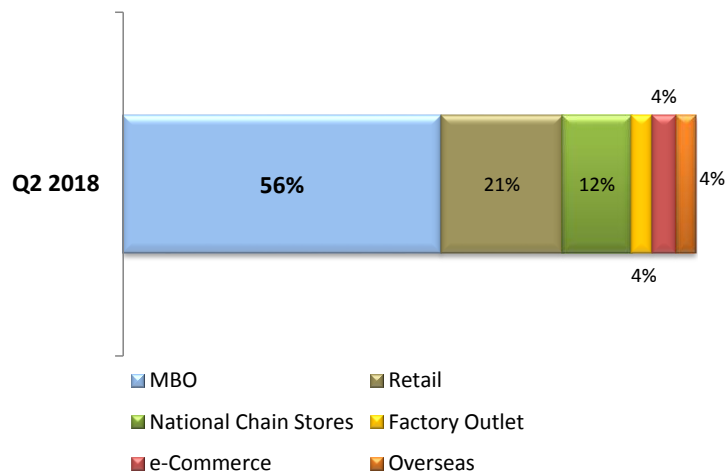


Sales (Rs crs)	Q2 2018	Q2 2017	% Change
Jeans	107.23	101.58	6%
Shirts	30.66	23.95	28%
Trousers	11.39	11.36	0%
T-Shirts	7.72	6.03	28%
Others	9.21	8.02	15%
Total	166.21	150.94	10%

Channels

- MBO continues to be the largest sales channel with 56% share
- Retail (EBOs and K Lounge) and National Chain Stores together contributed 33% of sales

Channel wise sales break up Q2 FY 2018

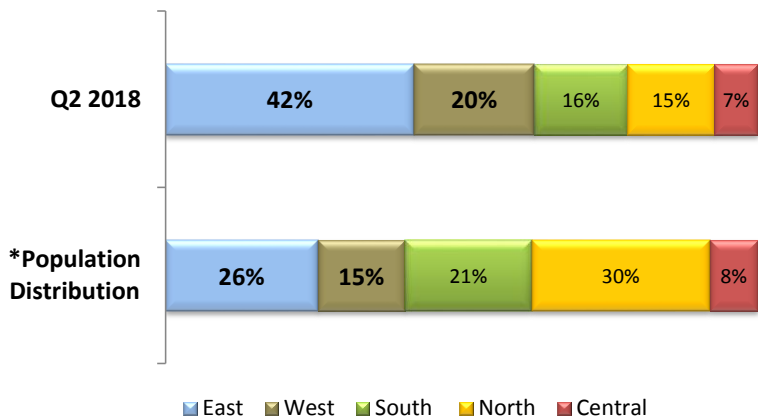


Sales (Rs crs)	Q2 2018	Q2 2017	% Change
MBO	92.27	79.99	15.4%
Retail	35.28	33.46	5%
National Chain Stores	19.95	20.78	-4%
Factory Outlet	5.97	4.42	35%
e-Commerce	6.91	4.41	57%
Overseas	5.83	7.89	-26%
Total	166.21	150.95	10%

Regional Distribution

- Eastern region accounts for 42% of domestic sales followed by West
- North and South each contributed 16% of domestic sales

Region wise sales break up Q2 FY 2018



Sales (Rs crs)	Q2 2018	Q2 2017	% Change
East	66.57	54.85	21%
West	32.10	31.87	1%
South	25.02	27.45	-9%
North	25.10	20.65	22%
Central	11.59	8.24	41%
Domestic Sales	160.38	143.06	12%
Overseas	5.83	7.89	-26%
Total	166.21	150.95	10%

Retail Stores

Particulars	COCO	COMFO	FOFO	Total
K-Lounge	2	9	177	188
Killer EBO			83	83
LawmanPg3-EBO			14	14
Integriti-EBO			41	41
LawmanPg3 cum Integriti-EBO			2	2
Easies - EBO			-	-
Factoy Outlet		1	1	2
Total	2	10	318	330

COCO - Company Owned Company Operated

COMFO - Company Owned Management Franchisee Operated

FOFO - Franchisee Owned Franchisee Operated

Retail Stores (YTD)	30.09.17	31.03.17
Existing	331	327
New opened	16	43
Converted		
Relocated/closed	17	39
Work-in process	30	21
Total Retail Stores	360	352

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.