

KEWAL KIRAN CLOTHING LTD

Financial Results Review - Q2 FY2019 and H1 ended
30.09.2018

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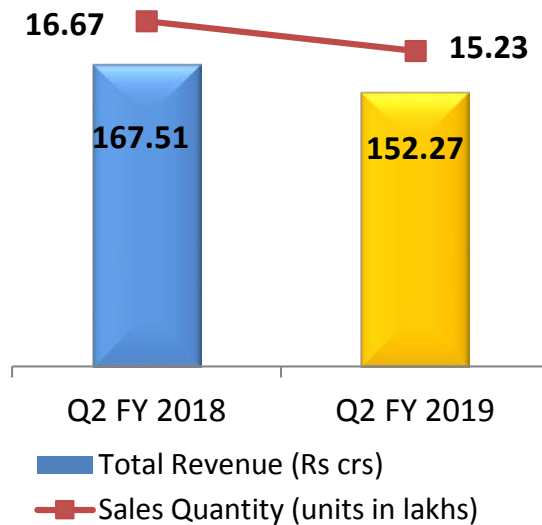
Operational Performance: Q2 and H1 FY 2019

	Q2 FY 2019	% of sales	Q2 FY 2018	% of sales	Variation	H1 FY 2019	% of sales	H1 FY 2018	% of sales	Variation
	Rs crs		Rs crs			Rs crs		Rs crs		
Net Sales	150.40		166.21			254.70		243.44		
Other operating income	1.87		1.30			3.48		2.44		
Total Revenue	152.27	100.00%	167.51	100.00%		258.18	100.00%	245.88	100.00%	0.00%
Cost of goods sold	56.32	36.99%	71.37	42.61%	-5.62%	96.12	37.23%	102.23	41.58%	-4.35%
Personnel cost	19.69	12.93%	18.37	10.97%	1.96%	38.38	14.86%	33.78	13.74%	1.13%
Manufacturing and operating expenses	13.52	8.88%	14.45	8.63%	0.25%	25.77	9.98%	25.27	10.28%	-0.30%
Administrative and other expenses	7.89	5.18%	8.05	4.81%	0.37%	15.93	6.17%	15.33	6.24%	-0.06%
Selling and distribution expenses	7.03	4.62%	6.43	3.84%	0.78%	12.67	4.91%	13.14	5.34%	-0.44%
Operational expenditure	104.45	68.60%	118.67	70.84%	-2.25%	188.87	73.16%	189.75	77.17%	-4.02%
EBITDA	47.82	31.40%	48.84	29.16%	2.25%	69.31	26.84%	56.13	22.83%	4.02%
Finance expenses	1.62	1.06%	1.32	0.79%	0.27%	2.75	1.06%	2.29	0.93%	0.13%
Depreciation/ Ammotisation	1.74	1.14%	1.44	0.86%	0.28%	3.27	1.27%	2.74	1.11%	0.15%
Other income	4.74	3.11%	5.43	3.24%	-0.13%	8.02	3.10%	11.80	4.80%	-1.69%
Profit before tax (PBT)	49.20	32.31%	51.51	30.75%	1.56%	71.31	27.62%	62.90	25.58%	2.04%
Income Tax	15.63	10.26%	16.33	9.75%	0.88%	23.82	9.23%	19.48	7.92%	1.30%
Profit after tax (PAT)	33.57	22.05%	35.18	21.00%	1.05%	47.49	18.39%	43.42	17.66%	0.73%

Trend in Revenue

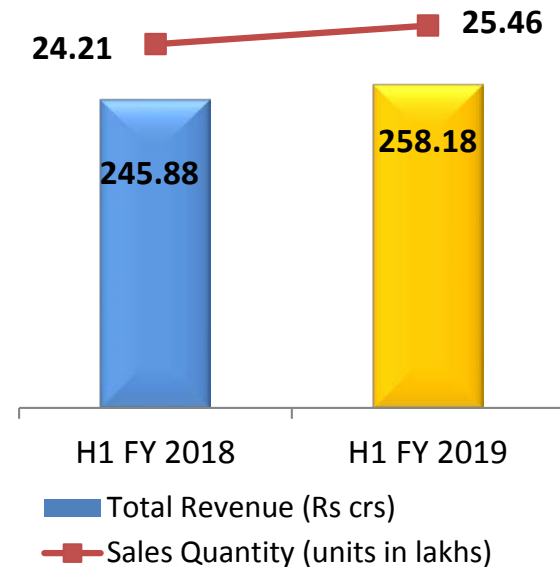
Q2 FY2018-19

- Total Revenue at Rs. 152.27 Crs.
- Apparel sales quantity lower by 8.61%
- Apparel sales realization at Rs. 944 per unit



H1 FY2018-19

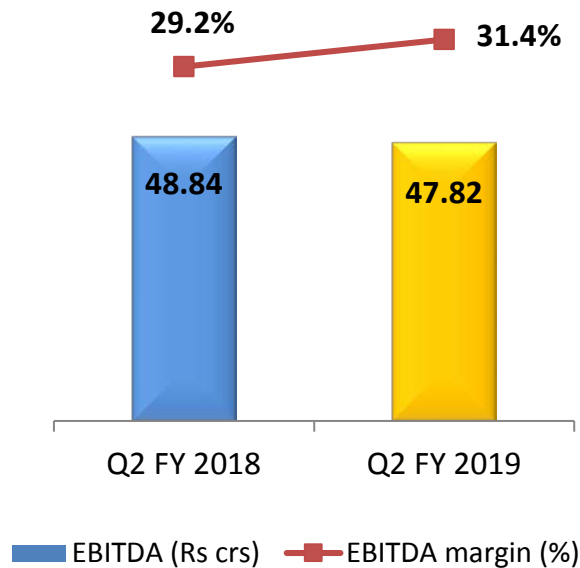
- Total Revenue at Rs. 258.18 Crs.
- Apparel sales value at Rs. 241.38 Crs.
- Apparel sales quantity higher by 5.13%
- Apparel sales realization at Rs.948 per unit



Trend in Operating Profit

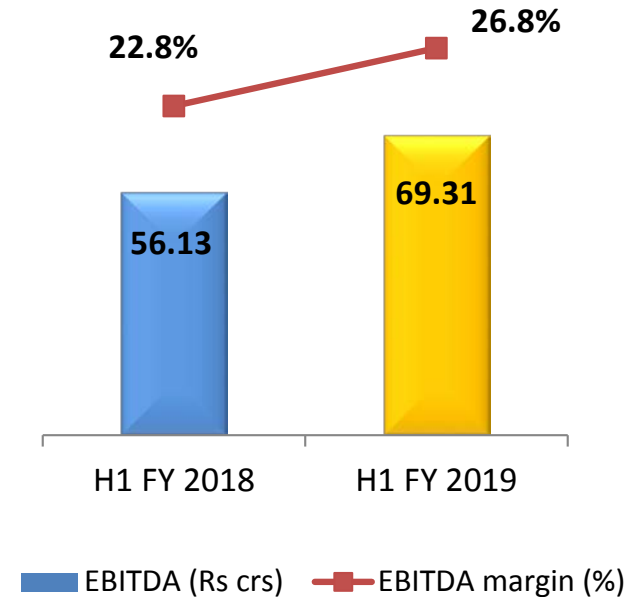
Q2 FY2018-19

- EBITDA margin higher
- EBITDA margin stood at 31.4%



H1 FY2018-19

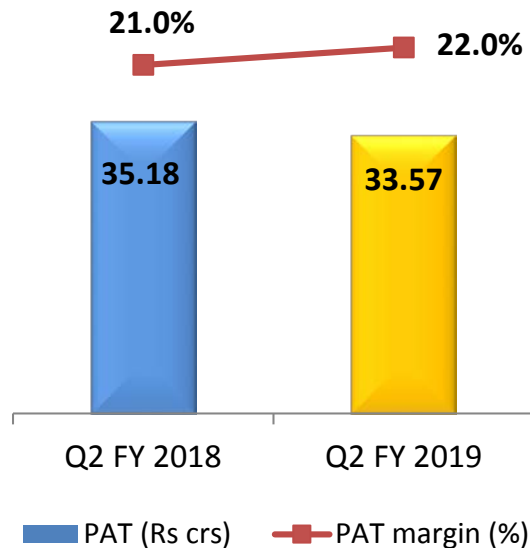
- EBITDA higher by 23.49%
- EBITDA margin higher and stood at 26.8%



Trend in Net Profit

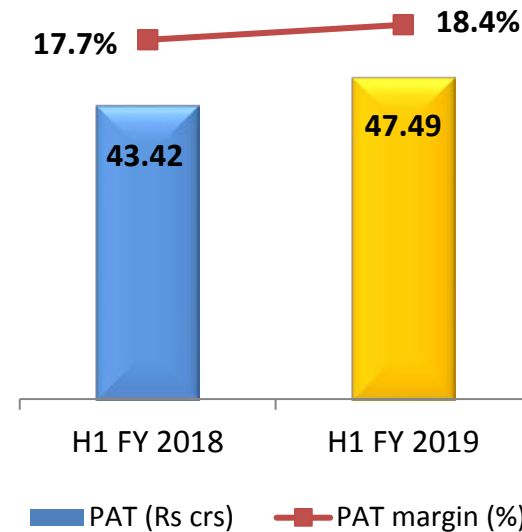
Q2 FY2018-19

- PAT stood at Rs. 33.57 crores
- PAT margin higher at 22%
- Quarterly EPS at Rs. 27.24 (28.54)



H1 FY2018-19

- PAT up by 9.37% to Rs. 47.49 crores
- PAT margin higher at 18.4%
- H1 EPS at Rs. 38.53 (35.23)



Balance Sheet (Assets)

(Rs crs)	As at Sep. 2018 (Audited)	As at Mar. 2018 (Audited)
Non-Current Assets		
Property, Plant and Equipment	77.82	67.56
Capital Work in Progress	1.13	9.08
Investment Property	1.47	1.52
Other Intangible Assets	0.35	0.50
Intangible Assets under Development	0.15	0.15
Financial Assets		
Investments	169.27	137.13
Other Financial Assets	2.83	2.51
Other Non-Current Assets	2.30	2.32
Total Non-Current Assets	255.32	220.77
Current Assets		
Inventories	79.52	52.85
Financial Assets		
Investments	67.40	93.30
Trade Receivables	181.40	120.69
Cash & Cash Equivalents	62.54	61.54
Bank balances	0.19	0.95
Other Financial Assets	1.67	1.44
Other Current Assets	8.30	5.29
Total Current Assets	401.02	336.06
Total Assets	656.34	556.83

Balance Sheet (Liabilities)

(Rs crs)	As at Sep. 2018 (Audited)	As at Mar. 2018 (Audited)
Equity		
Equity Share Capital	12.33	12.33
Other Equity	422.55	387.32
Total Equity	434.88	399.65
Non-Current Liabilities		
Provisions	0.07	0.07
Deferred Tax Liability	4.32	4.60
Other non-current liabilities	1.47	1.59
Total Non-Current Liabilities	5.86	6.26
Current Liabilities		
Financial Liabilities		
Borrowings	86.30	48.30
Trade Payables		
Due to Micro and Small Enterprises	0.26	0.26
Due to Others	54.05	43.25
Other financial liabilities	7.13	7.18
Other Current Liabilities	34.46	28.89
Provisions	25.41	22.33
Current Tax Liabilities (Net)	7.99	0.71
Total Current Liabilities	215.60	150.92
Total Equity and Liabilities	656.34	556.83

Ratios and Cash-flow Analysis

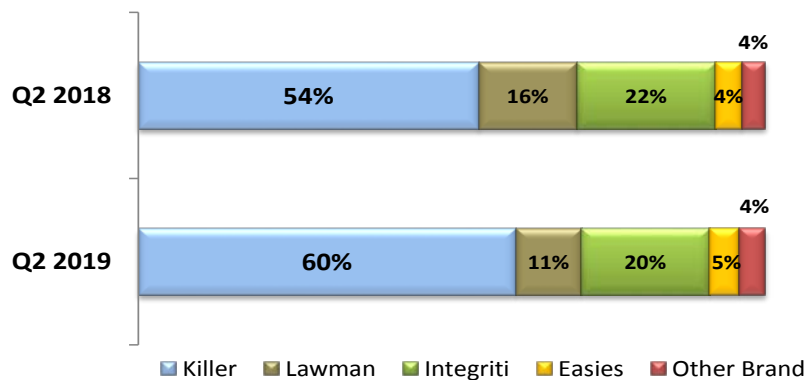
Cash Flows (in Rs crs)	Q2 FY2019	Ratios	Q2 FY2019	Q2 FY2018
I. Cash Flow from Operating Activity	(18.11)	Debt Equity ratio	0.20	0.19
<i>*Operating Profit before Working Capital Changes</i>	70.84			
<i>*Adjustment for Working Capital</i>	(73.04)	Current Ratio	1.86	1.98
<i>*Direct Taxes Paid</i>	(15.91)			
II. Cash Flow from Investing Activity	(3.94)	Debtors turnover (days)	103	92
<i>*(Purchase)/Sale of Property plant & equipment</i>	(4.81)			
<i>*(Purchase)/Redemption of Investments in mutual funds</i>	(0.11)	Creditors turnover (days)	53	42
<i>*others</i>	0.98			
III. Cash Flow from Financing Activity	23.05	Inventory turnover (days)	46	41
<i>*Secured Loans (Working Capital Demand Loan)</i>	38.01			
<i>*Interest Paid</i>	(2.33)	RONW	22.94%	22.30%
<i>*Payment of Dividend (Including Dividend Tax)</i>	(12.63)			
Cash and Cash Equivalents - Closing	62.54	ROCE in operations	69.35%	61.01%
		ROCE	27.26%	23.75%

- The financial position remains stable with healthy cash reserves

Brands

- Killer continues to be brand leader with 60% of revenue share
- Integrity is second largest brand with 20% share

Brand wise sales break up Q2 FY 2019

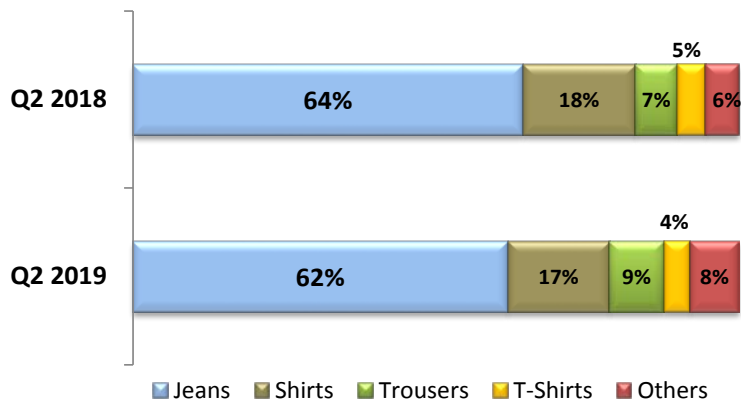


Sales (Rs crs)	Q2 2019	Q2 2018	% Change
Killer	90.52	90.72	0%
Lawman	15.82	25.83	-39%
Integriti	30.63	36.53	-16%
Easies	7.18	6.94	3%
Other Brand	6.25	6.19	1%
Total	150.40	166.21	-10%

Products

- Jeans contributed 62% to the revenue with sales of Rs. 93.52 crores
- Trousers sales grew by 11% to Rs. 12.66 crores

Product wise sales break up Q2 FY 2019

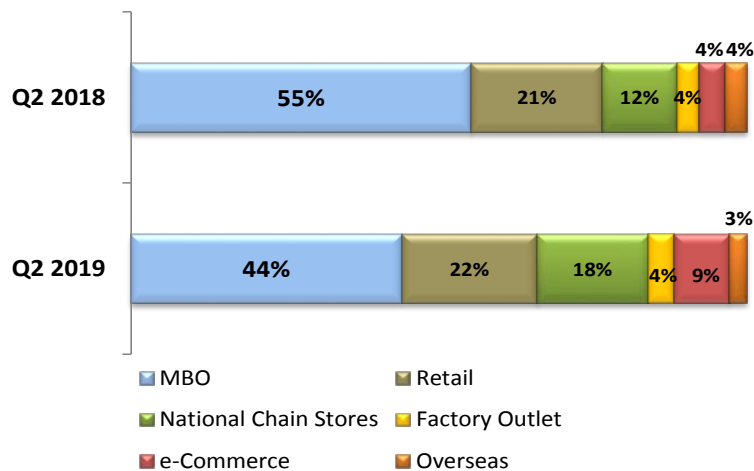


Sales (Rs crs)	Q2 2019	Q2 2018	% Change
Jeans	93.52	107.24	-13%
Shirts	25.39	30.66	-17%
Trousers	12.66	11.39	11%
T-Shirts	6.56	7.72	-15%
Others	12.27	9.21	33%
Total	150.40	166.21	-10%

Channels

- MBO continues to be the largest sales channel with 44% share
- Sales to National Chain Stores grew 35% to Rs. 26.96 crores
- E-Commerce sales grew by 107% to Rs.14.31 crores

Channel wise sales break up Q2 FY 2019

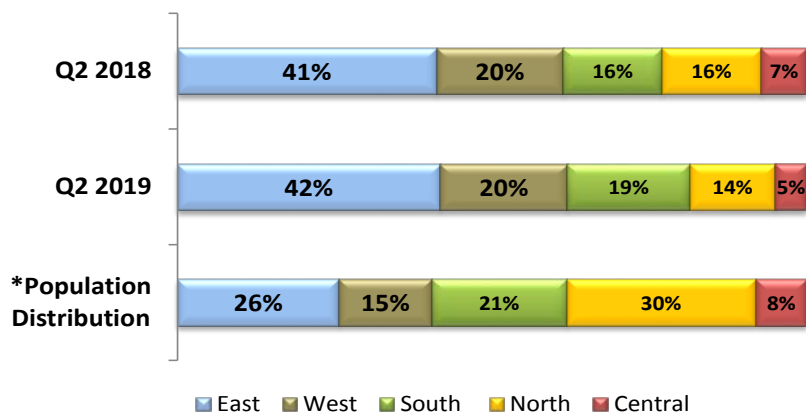


Sales (Rs crs)	Q2 2019	Q2 2018	% Change
MBO	65.88	92.28	-28.6%
Retail	32.89	35.27	-7%
National Chain Stores	26.96	19.95	35%
Factory Outlet	6.22	5.97	4%
e-Commerce	14.31	6.91	107%
Overseas	4.14	5.83	-29%
Total	150.40	166.21	-10%

Regional Distribution

- Eastern region continues to be the largest region with 42% share
- Southern region sales grew by 14% to Rs.28.42 crores

Region wise sales break up Q2 FY 2019



Sales (Rs crs)	Q2 2019	Q2 2018	% Change
East	61.10	66.58	-8%
West	29.57	32.10	-8%
South	28.42	25.02	14%
North	19.85	25.09	-21%
Central	7.31	11.59	-37%
Domestic Sales	146.25	160.38	-9%
Overseas	4.15	5.83	-29%
Total	150.40	166.21	-10%

Retail stores

Particulars	COCO	COMFO	FOFO	Total
K-Lounge	2	9	186	197
EBO			120	120
Factory Outlet		1	-	1
Total	2	10	306	318
<p>COCO - Company Owned Company Operated COMFO - Company Owned Management Franchisee Operated FOFO - Franchisee Owned Franchisee Operated</p>				
Retail Stores (YTD)	30.09.18		31.03.18	
Existing	318		331	
New opened	23		39	
Converted				
Relocated/closed	23		52	
Work-in process	22		25	
Total Retail Stores	340		343	

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.