



Future Lifestyle Fashions

Investor Update

May 2019, Mumbai



Disclaimer

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Q4 and FY 2019: Highlights

Business Update

- Organized Trade show for Bangalore brands – Curato '19 to showcase 'Looks' for various 'Occasions' across Brands.
- Lee Cooper TVC campaign received ~7 million views on different social media platforms. Trade show organized for Lee Cooper Apparel and Footwear received an excellent response.
- 1 Central and 5 Brand Factory stores opened during Q4, taking total count: Central to 44 and Brand Factory to 93.
- Revenue segmentation: Significant shift in share of business of brand factory by close to ~630 bps at full year



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Brands – EBOs and
3rd party channels

Financial Update

- Future Lifestyle Fashions business crossed Rs. 6,000 cr. gross revenue milestone in 2018-19
- Basic EPS for FY19 is Rs. 9.8
- Net Debt / EBITDA ratio further reduced to 1.4 from 1.6 in FY18
- Intrinsic EBITDA improves by ~20 bps accounting for Brand Factory SOB impact.
- FLFL has delivered strong Revenue and EBITDA growth (~27.3% and ~26.0% respectively) during FY19 led by Brand Factory stores and strong own brand's performance (YoY growth of ~36% during FY19)

Deliverables – 12th consecutive quarter of on-track performance

Area	FY 17	FY18	FY19	Achieved	Target
Revenue growth	17.5%	19.3%	27.3%	22% CAGR	• 15-17% CAGR
EBITDA margin expansion%	9.4%	9.8%	9.8%	44 bps expansion	• Expand by 40-50 bps over 3 years
SSG % [#]	17.7%	12.0%	8.7%	Avg SSG of ~12.5%	• Deliver high single digit SSG
ROCE%	7.8%	11.7%	13.8%	~600 bps expansion	• Expand by 450-600 bps over 3 years
Net Debt/ EBITDA	1.8	1.6	1.4	Reduced by 0.4 from FY17	• Around 2 times of EBITDA

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.
[#] FLF SSG% is Central + Brand Factory SSG.

Q4 FY19 – Financial Highlights

Central SSG%

6.5%

(1% in Q4 FY18)

Brand Factory SSG%

13.1%

(13.7% in Q4 FY18)

FLF SSG%

8.6%

(4.8% in Q4 FY18)

Revenue

₹ 1,381 cr in Q4 FY19

29.0%

(₹ 1,071 cr in Q4 FY18)

Gross Margin

₹ 518 cr in Q4 FY19

27.0%

(₹ 408 cr in Q4 FY18)

EBITDA

₹ 132 cr in Q4 FY19

24.0%

(₹ 106 cr in Q4 FY18)

PBT

₹ 34 cr in Q4 FY19

25.9%

(₹ 27 cr in Q4 FY18)

EPS

₹ 2.9 in Q4 FY19

168.0%

(₹ 1.1 in Q4 FY18)

Commentary:

- Revenue has grown by ~29%, driven by growth in brands, especially power brands and Brand Factory store addition
- Overall volume grew ~20%
- Brand Factory share of revenue moving from ~27% to ~35% in Q4 impacts absolute EBITDA margin

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

FLF SSG% is Central + Brand Factory SSG.

12M FY19 – Financial Highlights

Central SSG%

5.7%

(10.0% in FY18)

Brand Factory SSG%

13.9%

(15.8% in FY18)

FLF SSG%

8.7%

(12.0% in FY18)

Revenue

₹ 5,728 cr in FY19

27.3%

(₹ 4,498 cr in FY18)

Gross Margin

₹ 2,039 cr in FY19

23.5%

(₹ 1,651 cr in FY18)

EBITDA

₹ 564 cr in FY19

24.0%

(₹ 448 cr in FY18)

PBT

₹ 240 cr in FY19

29.4%

(₹ 186 cr in FY18)

EPS

₹ 9.8 in FY19

48.2%

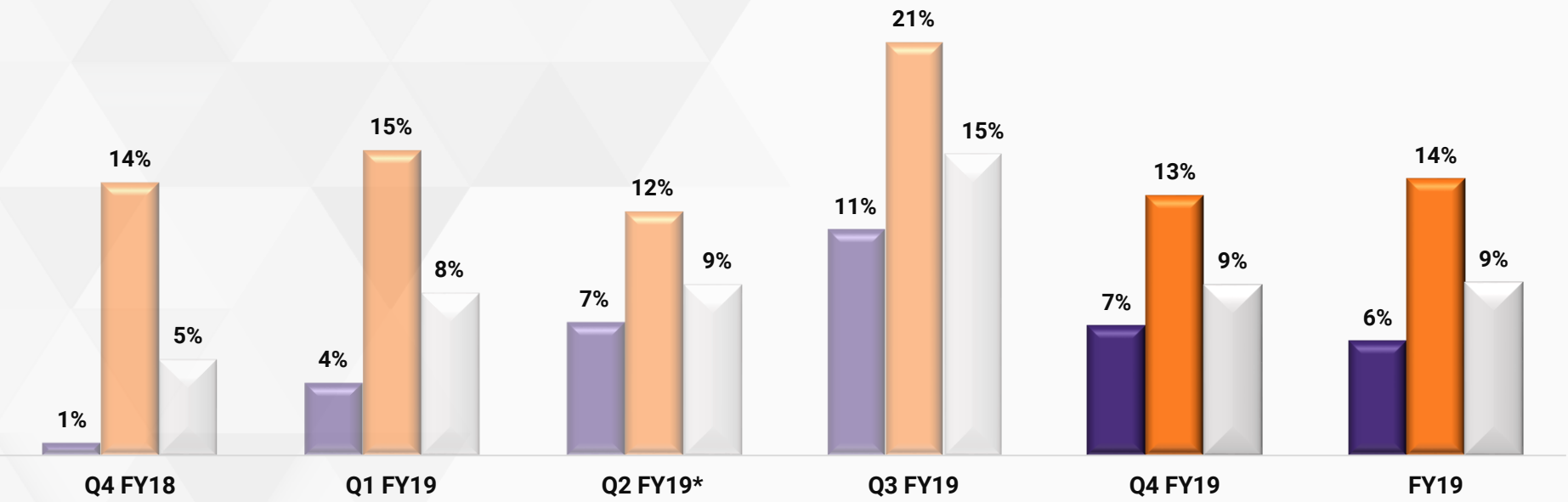
(₹ 6.6 in FY18)

Commentary:

- Revenue has grown by ~27%, driven by growth in power brands, strong L2L growth of existing Brand Factory store and overall growth of Power brands
- Overall volume grew ~28%
- Brand Factory share of revenue moving from ~31% to ~38% in FY19 impacts absolute EBITDA margin

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

FLF SSG% is Central + Brand Factory SSG.



Positive same store growth across Central and BF in Q4 FY19.

Note: *Q2FY19 ssg adjusted for shift in festive days. # FLF SSG% is Central + Brand Factory SSG.



Opened 1 store in Q4, Total Store Count is 44

New Store Details

Kolkata: Feb



Opened 5 stores in Q4, Total Store Count is 93

New Store Details

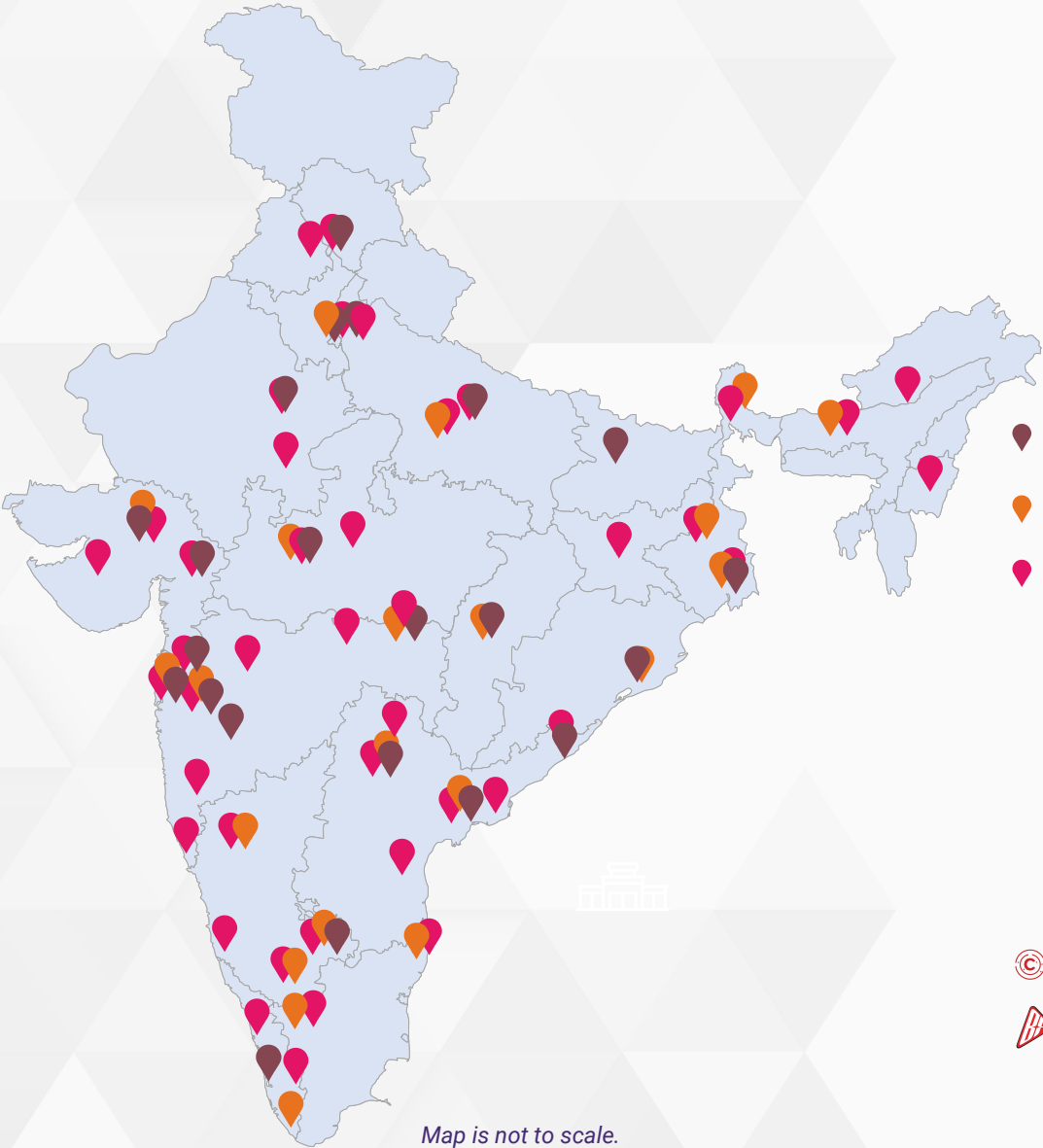
Rajkot: Jan

Prayagraj: Jan

Mumbai: Jan

Indore: Jan

Jabalpur: Feb



Map is not to scale.



EBOs

Total

Area (mn Sqft)



EBOs



Store count

Mar 17	Mar 18	Mar 19
35	40	44
53	63	93
284	229	202
372	332	339
5.4	5.7	6.8

Store closure detail

Mar 17	Mar 18	Mar 19
1	3	2
2	1	1
48	80	52

Note:- Includes numbers of Lee Cooper business Stores. There are 3 Central stores and 15 Brand Factory stores in the pipeline for next 6 months. Store opening is subject to finalization of internal analysis and approval and may get changed.



Events and Campaigns

Lee Cooper key marketing and strategic initiatives

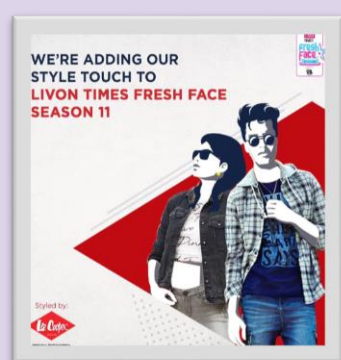
SS '19 Wear Your Flex Campaign



SS '19 New Collection

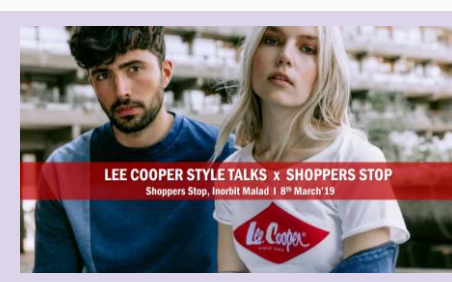


Strategic Initiatives



Latest Styles at Times Fresh Face Competition

- Partnered with Times Fresh Face Competition
- Contestants were styled with Lee Cooper Apparel and Accessories
- Various styles were uploaded on social media platforms to create buzz and increase visibility



Lee Cooper Style Talks

- Associated with ace fashion bloggers/Bollywood stylists for a styling session at Shoppers Stop to launch ladies collection
- Posts on social media through blogger/stylist handles to garner high reach
- Pin code based customer targeting for sharper outreach

aLL key initiatives

Spring Summer '19 Collection



- Launched aLL's spring summer collection
- **Unbox fashion event at Infinity mall** created buzz and enticed shoppers.
- The collection was unveiled through with various dancers stepping out of the box & breaking into a flash mob. Event was webcasted live.
- Received **915 Registrations**

Collaboration with Miss Curvy



- **Partnered as associate sponsor for Miss Curvy**, a beauty pageant exclusively for plus size women.
- Objective was to own up plus size fashion category and reach out to new customers.
- Strong visibility through multi city auditions, training events and the finale.
- Received **2213 registrations**

Pan India Brand Visibility



- **25+ OOH & SOH** taken across 17 key markets across India.
- **5 Lac+ Leaflets distributed** to help create awareness & highlight different categories
- Objective was to spread awareness & increase brand recall
- Key sites include Lucknow, Mohali, Kolkata, Mumbai, Ahmedabad, Mysore, Vijaywada amongst others.

Events & updates – Brands



Indigo Nation associates with MTV Roadies

- MTV Roadies and Indigo Nation caters to similar set of audience who are adventurous, creative, confident and gritty youth.
- Create excitement and visibility opportunities that will influence audience perception about the brand 'Indigo Nation' as 'The Cult Fashion Brand for the Young and Restless.'



'RIG' utility clothing

- RIG partnered with India Runway week event to showcase its collection
- Objective was to put the spirit of adventure on the ramp
- Snippets from the event went viral on social media platforms through bloggers/influencers



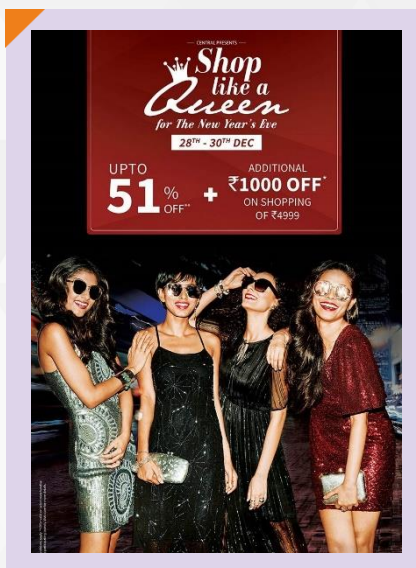
Converse campaign

- Converse launched the campaign with Millie Bobby Brown (Star of Netflix series Stranger) for SS'19 as the main influencer.
- Also roped in fur international influencers from Australia, Argentina, Singapore and Poland and twelve other influencers from India.

Latest Events at Central & Brand Factory

Central

International Happiness Day



Rewarded customers with free shopping vouchers from brands worth Rs. 3000 on 18th March, a day where happiness is celebrated world over.

Brand Factory Campaigns





Financial Performance – Q4 FY19 and 12M FY19

FLF Snapshot – Q4 and FY19



Total Income
From Operations



Gross Profit



EBITDA Margin



PAT



Gross Space Addition
(mn. sq. ft.)

	Q4 FY19	FY19
Total Income From Operations	₹1,381 Cr	₹5,728 Cr
Gross Profit	₹518 Cr	₹2,039 Cr
EBITDA Margin	9.5%	9.8%
PAT	₹56 cr	₹189 cr
Gross Space Addition (mn. sq. ft.)	0.15	1.14

FLF Brands

- Contributed ~40% of Revenue in Q4FY19.
- Brands registered a growth of 36% in FY19.

Q4 Margins

- Reported Gross Profit of ₹518 Cr and EBITDA Margins of 9.5% in Q4 FY19

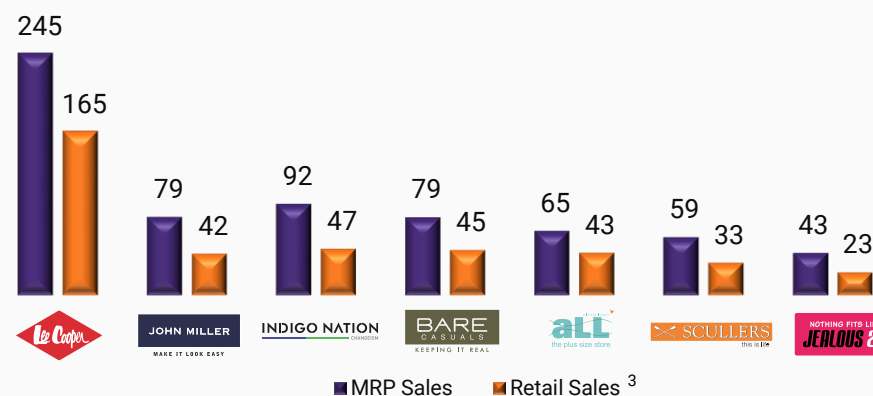
FY19 SSGs

- FLF : 8.7%
- Central: 5.7%
- Brand Factory: 13.9%

Total Sales¹ Summary (₹ Cr)

Particulars	Q4 FY19	FY19
FLF Brands	613	2,470
- FG Brands	421	1,795
- International Licensed Brands	192	675
Third Party Brands ²	911	3,869
Total Sales¹	1,524	6,339
Less: Consignment / SIS	32	153
Less: Taxes & Duties	137	562
Net Sales after Tax	1,356	5,624

Top Brand Performance Q4 FY19 (₹ Cr)



1: Includes SIS & consignment sales

2: Third party brands represent non FLF brands and includes SIS sales and consignment sales

3: Retail Sales indicate Net Sales Before Tax

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions. # FLF SSG% is Central + Brand Factory SSG.

Income Statement (₹ Cr)	Published			Standalone + Lee Cooper		
Particulars	Q4'18	Q4'19	Gr%	Q4'18	Q4'19	Gr%
Revenue from Operations	977	1,271	30.1%	1,071	1,381	29.0%
COGS	589	784	33.1%	663	863	30.2%
Gross Profit	388	487	25.6%	408	518	27.0%
Gross Margin %	39.7%	38.3%		38.1%	37.5%	
Employee Benefits Expense	62	79	27.0%	70	88	25.8%
Rent including Lease Rental	113	151	33.7%	113	152	34.9%
Other Expenditures	124	150	20.4%	129	155	19.5%
Total Expenditure	299	380	26.8%	313	395	26.5%
Other Income	10	9	-4.5%	11	8	-19.9%
EBITDA	98	117	19.0%	106	132	24.0%
EBITDA Margin %	10.0%	9.2%		9.9%	9.5%	
Depreciation	43	57	33.2%	41	64	57.0%
EBIT	55	60	8.0%	65	68	3.5%
Finance Costs	25	27	8.8%	39	34	-11.9%
PBT	30	32	7.4%	27	34	25.9%
Tax expense	4	(4)	-199.8%	6	(23)	-472.6%
Net profit	26	36	40.3%	21	56	172.4%

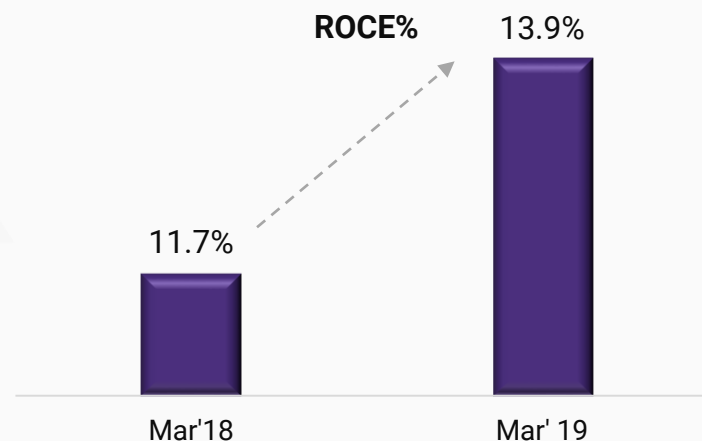
1. Published Income Statement is without Lee Cooper since it is carved out as separate company w.e.f 29-Mar-2017
2. Standalone + Lee Cooper Income Statement is with Lee Cooper net of eliminations
3. The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable

Income Statement (₹ cr.)	Published			Consolidated		
Particulars	FY18	FY19	Gr%	FY18	FY19	Gr%
Revenue from Operations	4,219	5,377	27.5%	4,498	5,728	27.3%
COGS	2,651	3,459	30.5%	2,847	3,689	29.6%
Gross Profit	1,568	1,918	22.3%	1,651	2,039	23.5%
Gross Margin %	37.2%	35.7%		36.7%	35.6%	
Employee Benefits Expense	243	297	22.1%	265	331	24.9%
Rent including Lease Rental	451	546	21.3%	453	550	21.4%
Other Expenditures	508	614	20.7%	520	632	21.5%
Total Expenditure	1,202	1,457	21.2%	1,238	1,513	22.2%
Other Income	33	39	15.9%	34	38	12.4%
EBITDA	400	500	25.2%	448	564	26.0%
EBITDA Margin %	9.5%	9.3%		10.0%	9.8%	
Depreciation	149	197	31.7%	154	207	34.6%
EBIT	250	303	21.3%	294	357	21.5%
Finance Costs	95	104	10.2%	108	117	7.9%
PBT	156	199	28.0%	186	240	29.4%
Tax expense	45	54	19.3%	59	47	-20.6%
Net profit	110	145	31.5%	126	189	49.9%

1. Published Income Statement is without Lee Cooper since it is carved out as separate company w.e.f 29-Mar-2017
2. Consolidated Income statement is adjusted for loss of share of Associates and Joint Ventures of Rs. 4.75 cr.
3. The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable

Capital Employed statement (Consolidated)

Capital Employed Statement ₹ in Cr	As on	
	Mar-18	Mar-19
Shareholder's Funds	1,530	1,827
Net Debt	738	778
Less: Non Current Investment	42	44
Net Adj Capital Employed	2,226	2,561
Net Non Current Assets	1,625	1,992
Net Current Assets	601	569
Net Adj Capital Deployed	2,226	2,561



Ratios	Mar-18	Mar-19
ROCE %	11.7%	13.9%
Debt/Equity	0.5	0.5
Net Debt/EBITDA	1.6	1.4
EPS	6.6	9.8
NWC Days	61	50

Cash Flow ₹ in Cr	Mar-18	Mar-19
EBITDA	448	564
Changes in Working Capital	97	35
Taxes and Others	(46)	(46)
Cash Flow from Operations	499	553
Less:-		
Net Capex	(461)	(431)
Net Interest outflow	(85)	(85)
Free Cash Flow	(47)	37

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Thank You



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