

ADITYA BIRLA



FASHION & RETAIL

ABFRL

ADITYA BIRLA FASHION AND RETAIL LIMITED

Performance Highlights

Q4 FY15-16

LOUIS PHILIPPE

VAN HEUSEN
POWER DRESSING

Allen Solly™

PETER ENGLAND

pantaloons

PLANET FASHION

PEOPLE
MEN • WOMEN • KIDS • ACCESSORIES

THE COLLECTIVE

5 LARGEST BRANDS
OF INDIA

OUR FY16 REVENUES ARE

INR 6,060 cr

NO. **1** PURE-PLAY FASHION
LIFESTYLE COMPANY

5.5 mn sq ft

LARGEST BRAND FOOTPRINT IN INDIA

WE OPERATE IN OVER

375 CITIES & TOWNS

STYLING

2 CONSUMERS
EVERY SECOND

7,000+
POINTS OF SALE

2,100+
EXCLUSIVE
BRAND OUTLETS



- Powerhouse of **India's leading fashion brands**: Louis Philippe, Van Heusen, Allen Solly, Peter England
- Extensive reach through **multi-channel distribution** network: 2,025 Retail stores & 7,000+ additional points of sale
- Established **global supply chain**
- **Strong in-house design** & product development capabilities
- Track record of **robust financial performance**

India's #1 Menswear Player



- **India's largest** value fashion retailer
- Unique business model: **Design to Retail**
- Strong portfolio of **exclusive private brands**: ~55% of Revenue (**~ 62% incl. MF&L**)
- **Wide reach**: 78 cities & 163 stores
- **Rich portfolio** spanning menswear, womenswear western & ethnic and kids
- One of the **largest loyal customer base**: ~ 5 Mn members

India's #1 Womenswear Retailer

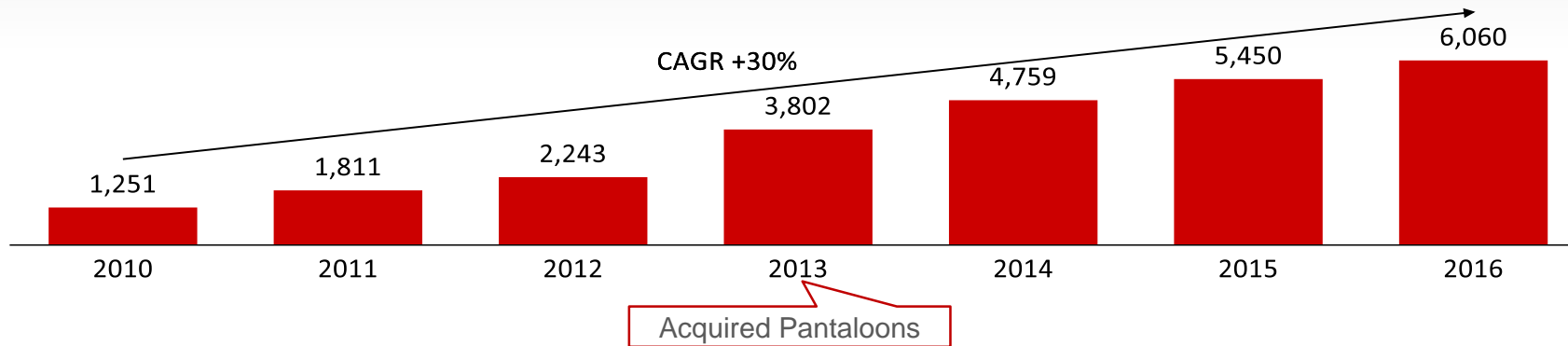


Milestones | Merger of Pantaloons and MF&L

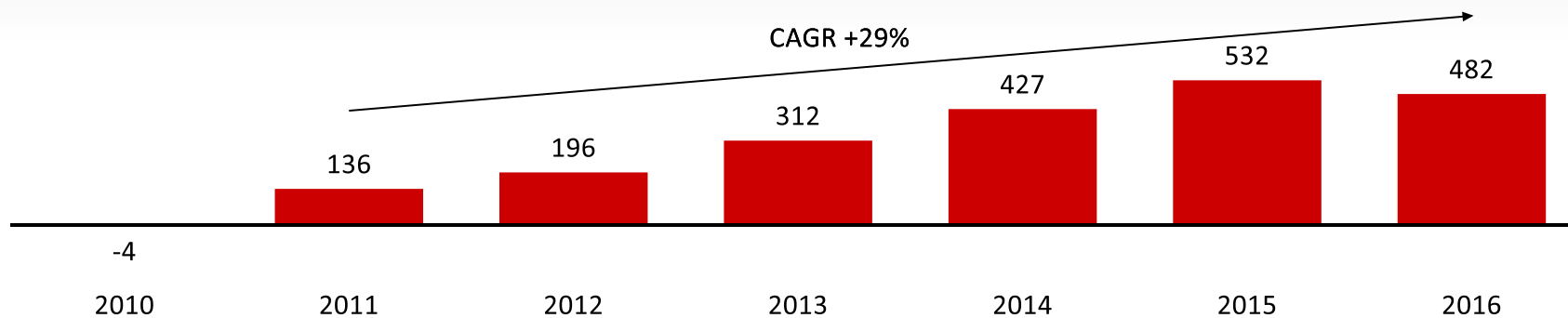


Sr. No.	Activities	Status
1	Board Meeting for approval of the Composite Scheme	May 3, 2015
2	Receipt of Stock Exchange “No-Observation” Letters	June 26, 2015
3	Hon’ble Gujarat High Court approved the Scheme (ABNL & MGLRCL)	Oct. 23, 2015
4	Hon’ble Bombay High Court approved the Scheme (ABFRL)	Dec. 5, 2015
5	Receipt of SEBI & BSE approval	Jan. 5, 2016
6	Board Meeting to declare scheme effective (w.e.f. Appointed Date i.e. April 1, 2015)	Jan 9, 2016
7	RoC Filing(s) of Court Order, Name Change application	Jan 9, 2016
8	Record Date fixed by ABNL and MGLRCL	Jan 21, 2016
9	Allotment of Shares	Jan 27, 2016
10	Listing & Trading of Shares	Feb 4, 2016

Revenue growth of 30% to create the largest apparel company in the country



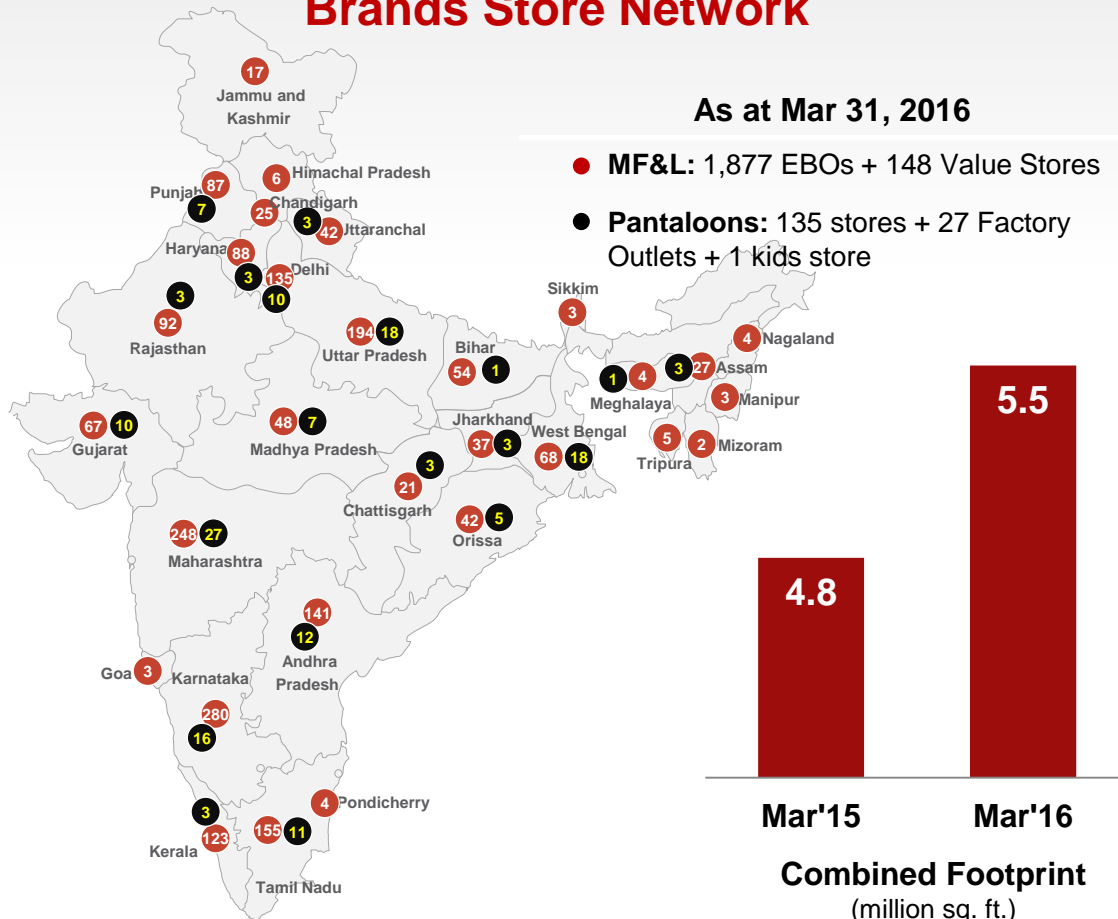
EBITDA Y-o-Y growth of 29%



Brands Store Network

As at Mar 31, 2016

- **MF&L:** 1,877 EBOs + 148 Value Stores
- **Pantaloons:** 135 stores + 27 Factory Outlets + 1 kids store



- MF&L brands are present in ~4000 Multi Brand Outlets



- MF&L brands present across all Department Stores thru ~3000 SISs



Pantaloons doubled its store count in last 2 years



FY 16 : Operational and Financial Performance

Key market trends in FY16



- Overall consumer sentiment remained muted during the year FY16
 - Only festival quarter - Q3 provided a temporary surge
- Discounting and promotions continued to remain at high level right through the year
 - Aggressive discounting during End-Of-Season Sales
- Online shopping continues to grow rapidly driven by high discounts & offers
- Womenswear, casuals & denims segments growing faster than the market
 - Premium segments & formalwear has seen slower growth
- Value fashion growing fast as consumers upgrade from unbranded products

- In difficult macro economic conditions, ABFRL revenue grew by 11% in FY 16
 - Pantaloons grew by 17%, while Madura Brands grew by 7%
- ABFRL continued its distribution expansion growing from 4.8 mn sq ft. to 5.5 mn sq ft.
 - 142 net new EBOs in Madura Brands and 29 net new Pantaloons stores. Pantaloons opened its first Kids store
- Market conditions continued to remain sluggish resulting in low same-store growth
 - Madura brands registered flat sales while Pantaloons LTL sales grew by 5.9% for the year
- EBITDA (before one-time adjustments) for the year was Rs 482 Cr against Rs 532 Cr FY15
 - One time adjustments amounted to Rs 73 Cr during the year includes merger expenses, additional bonus payments and profit elimination due to merger
- PBT for the year was Rs (31) Cr against Rs 47 Cr FY15
 - One time additional depreciation of Rs 100 Cr arising out of change in useful life accounting for store assets of Pantaloons

Particulars	YTD Mar (Numbers in Rs. Crores)			
	FY15	FY16		
	Proforma	FY16 Comparable	One time costs/ adjustments	FY16 Reported
Net Sales / Income from Operations	5397	6018	0	6018
Other Operating Income	53	42	0	42
Total Income from Operations	5450	6060		6060
Expenses (Net of Other Income)	4919	5578	73	5651
EBITDA	532	482	-73	409
<i>EBITDA %</i>	<i>9.8%</i>	<i>8.0%</i>		<i>6.7%</i>
Depreciation and Amortisation Expenses	264	338		338
Finance Cost	221	175	0	175
(Loss) / Profit before Tax	47	-31	-73	-104
<i>PBT %</i>	<i>0.9%</i>	<i>-0.5%</i>		<i>-1.7%</i>
Tax Expenses				0
Net (Loss) / Profit for the period	47	-31	-73	-104

One-time items include:

- Retrospective bonus: Rs. 16 Cr.
- Profit elimination: Rs 26 Cr.
- Merger related: Rs. 31 Cr.

One-time additional depreciation of Rs. 100 Cr arising out of change in useful life accounting for store assets of Pantaloons

- Q4 witnessed extremely tough market conditions resulting in prolonged EOSS with deeper discounts. Industry recorded lower same-store growth compared to Q3 and Q4 FY15
- ABFRL posted a revenue growth of 3% during the quarter
 - Madura brands overall revenues declined by 5% in Q4 as we decided to lower our discounts during the quarter
 - Discounts were much lower than industry and Q4 FY15 resulting in negative 6.6% same-store growth
 - Wholesale business also witnessed slow growth, particularly in winterwear
 - Resultant excess inventory has resulted in additional markdown provisions
 - Pantaloons revenues grew by 16% aided by new store additions with same-store sales growth of 2.9%
- EBITDA (before one time adjustments) for the quarter was Rs 127 Cr against Rs 148 Cr in Q4 FY15

Particulars	Q4 (Numbers in Rs. Crores)			
	FY15	FY16		
	Proforma	FY16 Comparable	One time costs/ adjustments	FY16 Reported
Net Sales / Income from Operations	1387	1431		1431
Other Operating Income	16	11		11
Total Income from Operations	1403	1442		1442
Expenses (Net of Other Income)	1255	1316	31	1347
EBITDA	148	127	-31	96
<i>EBITDA %</i>	<i>10.6%</i>	<i>8.8%</i>		<i>6.6%</i>
Depreciation and Amortisation Expenses	73	162		162
Finance Cost	58	44		44
(Loss) / Profit before Tax	17	-79	-31	-110
<i>PBT %</i>	<i>1.2%</i>	<i>-5.5%</i>		<i>-7.6%</i>
Tax Expenses				
Net (Loss) / Profit for the period	17	-79	-31	-110

One time item includes:

- Merger related: Rs. 31 Cr.

Balance Sheet Information

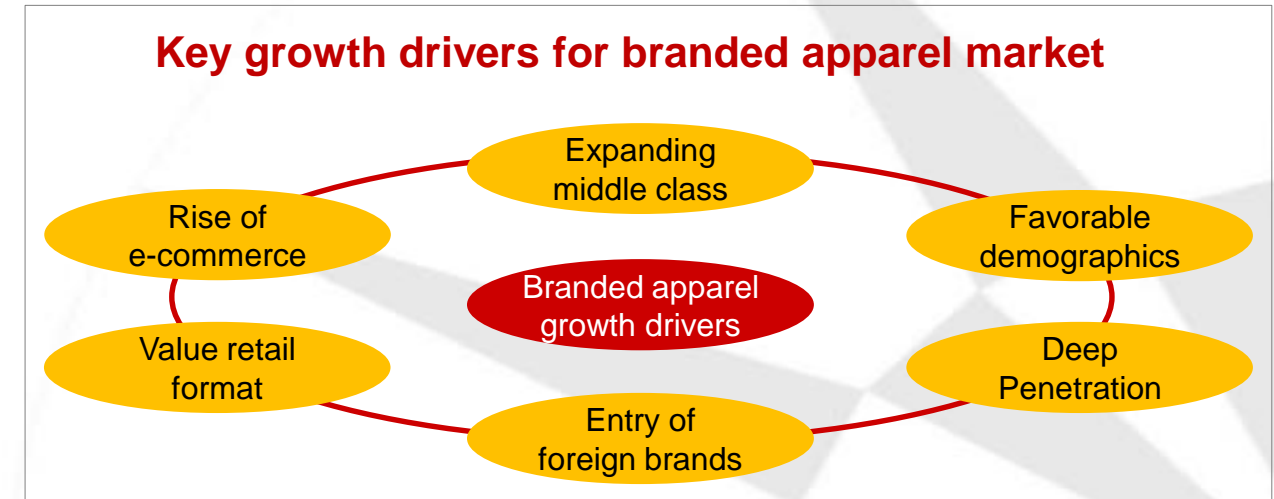
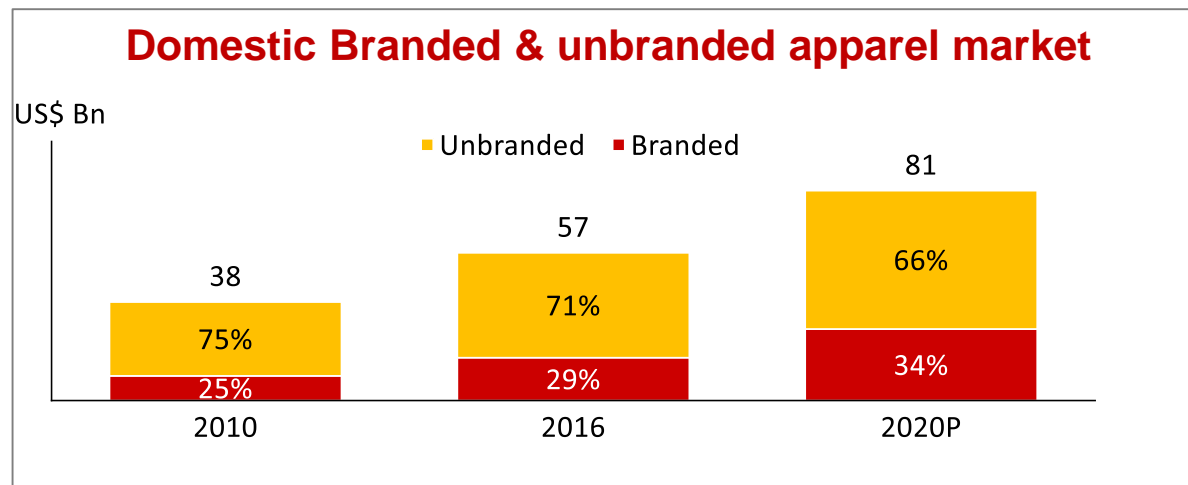
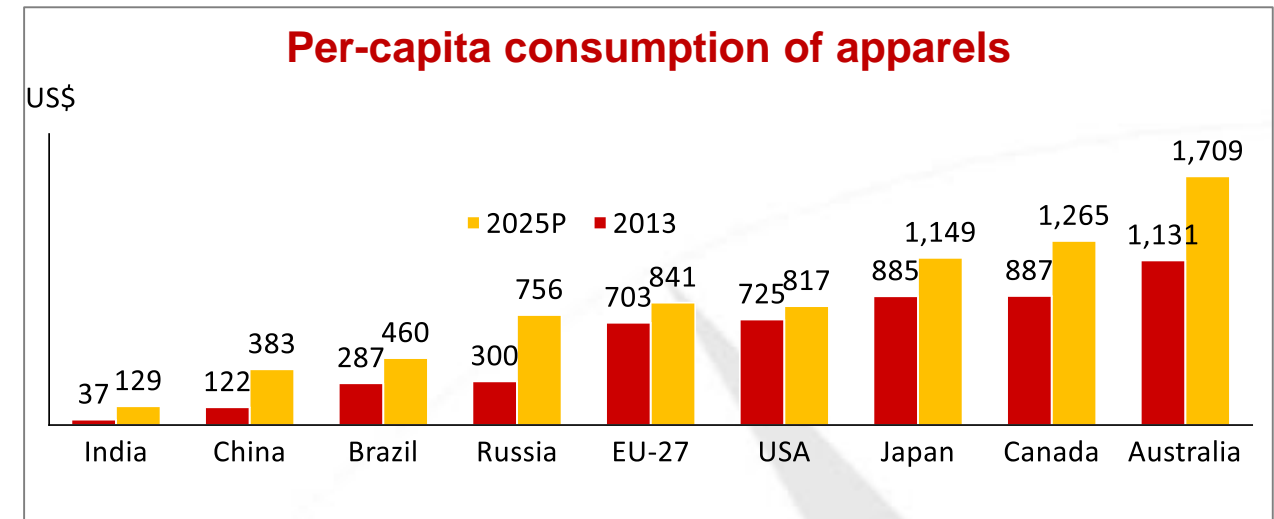
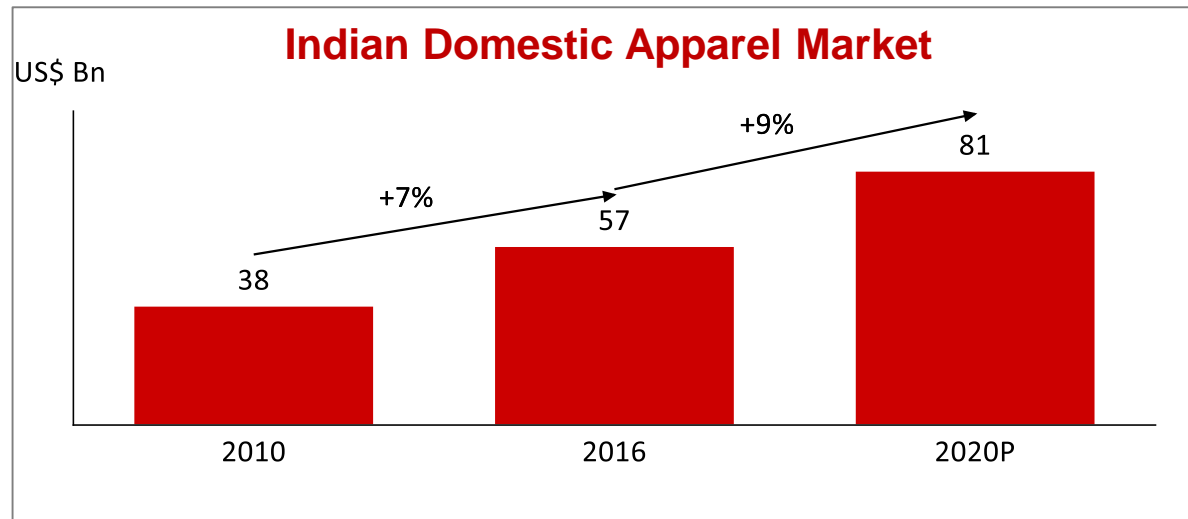
Particulars	31-Mar-16
Net Worth	944
Debt	1,849
Interest Accrued but not due on borrowings	31
Capital Employed	2,824
Net Block (Incl. CWIP)	572
Goodwill	1,775
Net Working Capital	314
Other Non-current Assets/Liabilities	163
Capital Employed	2,824
Debt / Before one time costs EBITDA	3.8
Debt / Net Worth	2.0



The image is composed of three vertical panels showing fashion models. The left panel features two models: one in a bright yellow short-sleeved dress with a thin green belt and black boots, and another in a black sleeveless dress with a cutout back and brown boots. The middle panel shows three models walking and laughing; one wears a floral dress, another a striped crop top with a long pink skirt, and the third a blue top with a floral jacket and denim shorts. The right panel shows two models walking: one in a grey patterned jumpsuit with a wide belt and sunglasses, and another in a patterned top, denim shorts, and a small patterned bag. The text 'ABFRL' and 'Well positioned for Next Decade' is centered over the middle panel.

ABFRL
Well positioned for Next Decade

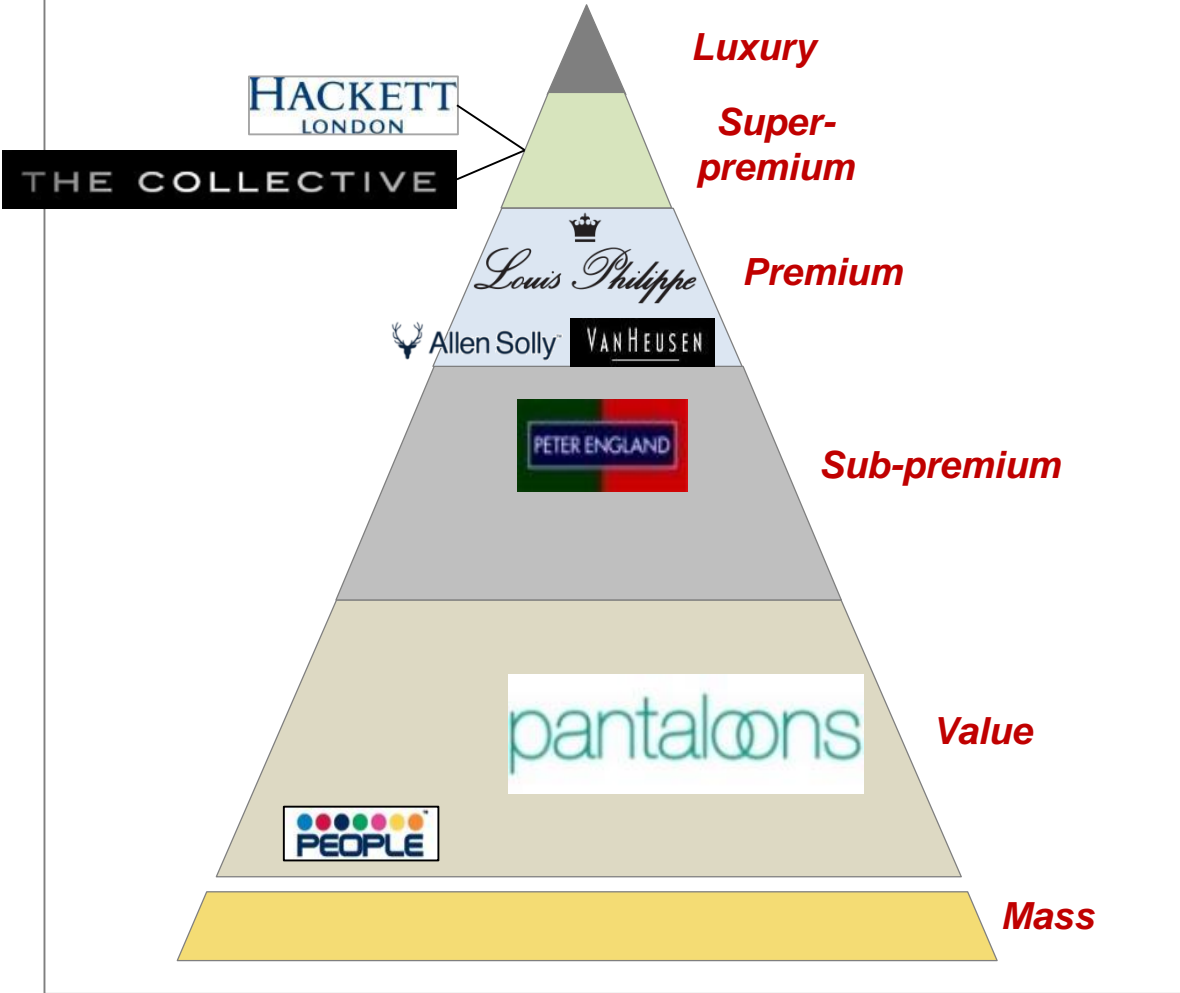
Organized apparel retail is rapidly growing and presents a huge opportunity



ABFRL has a strong position across segments with a balanced portfolio across all high growth segments



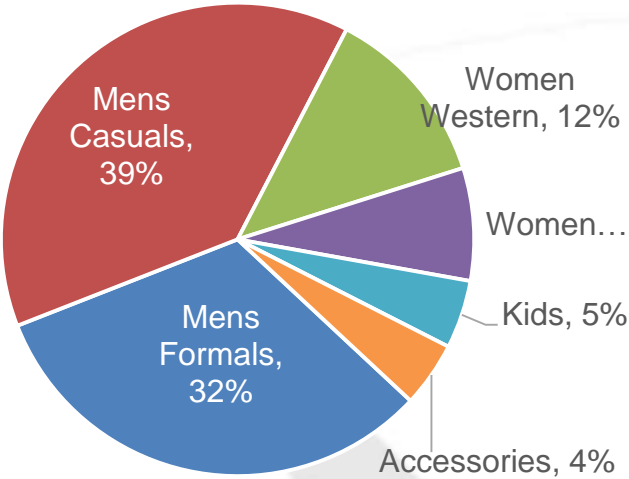
ABFRL HAS STRONG PRESENCE ACROSS ALL PRICE SEGMENTS...



Source: McKinsey study, Technopak, Euromonitor

... WITH A BALANCED PORTFOLIO MIX...

ABFRL Revenue Mix (FY 16)



... ACROSS KEY GROWTH SEGMENTS

Product category	Mkt CAGR (FY 16-20)
Men's Formal wear	~10-12%
Men's Casual wear	~20%
Women's Wear	~17-18%
Women's Western	~20%
Women's Ethnic	~15%

We have identified new growth areas to strengthen our long-term position



- Build select portfolio in **Super Premium** segment to tap the opportunity offered by growth of 'affluent' Indian
- Build scalable business in **womens fast fashion**, in line with global trends and rapid change in Indian women's wear market
- Grow portfolio of **casual brands** through organic & in-organic route
- Expand into new or under-penetrated categories such as innerwear, active wear

In line with our strategy, we have initiated expansion into super premium and women's fast fashion segments

GLOBAL SUPER PREMIUM BRANDS



GLOBAL FAST FASHION BRANDS

FOREVER 21

We have identified new growth areas to strengthen our long-term position



- Menswear London brand known for apparel and accessories such as watches, cufflinks, jewellery & luggage
- ABFRL has signed a Long term licensing arrangement with rights to design & manufacturing



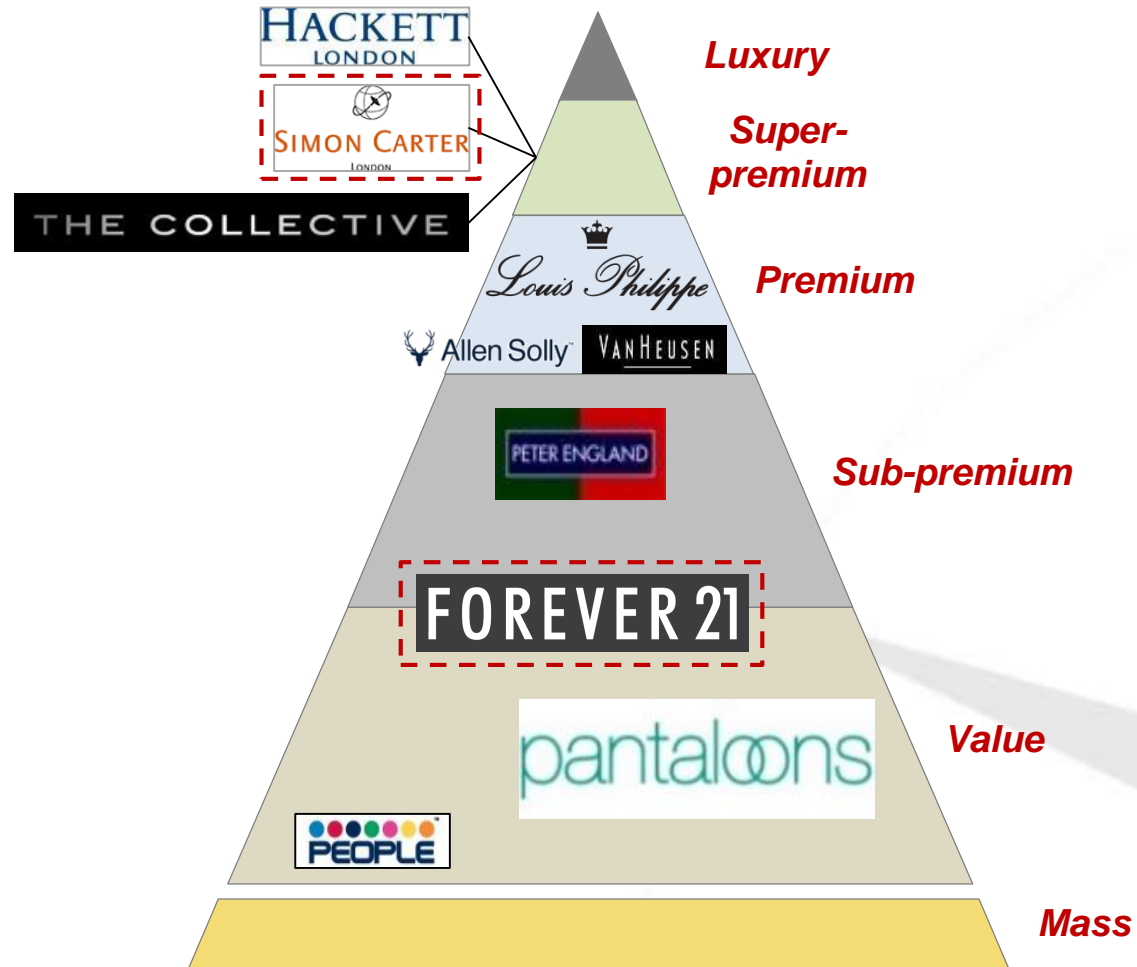
FOREVER 21 Global Snapshot

Line of business	Apparel & accessories
Founded	1984

- Forever 21 is an American **chain of fashion retailers**
- Founded in 1984 by Do “Don” Won Chang and his wife Jin Sook Chang
- Known for its **trendy offerings** of women’s, men’s, and girls’ clothing, accessories and beauty products as well as its **economical pricing**
- Present across **Americas, Asia, the Middle East, and the UK**
- Awarded the Peter Glen Retailer of the Year award in 2010 by VMSD magazine

- Women's fast fashion globally is the largest and fastest growing segment
- Indian market is also going to witness explosive growth in Women's fast fashion segment
- ABFRL has taken a definitive large step with this partnership to further its leadership position in the Indian market
- ABFRL – Forever 21 partnership will create opportunity to build one of the largest womens fast fashion business in the country

ABFRL is strengthening its portfolio across all price segments



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