

Investor Presentation

Q4 & FY 2024



Iris Clothings Limited



Iris Clothing Limited – Investor Presentation



Investor Presentation

Q4 & FY 2024

Financial Highlights & Business Updates



Q4 FY24 Highlights

Business Updates & Future Plans

- FY24 saw impressive growth with notable enhancements in value across all business sectors.
- We broadened our distribution reach by integrating 10 new distributors in the final quarter of FY24, specifically in Maharashtra and Uttar Pradesh.
- The newly opened Exclusive Brand Outlets (EBOs) witnessed a high demand for our winter wear collection.
- The infant wear segment maintained strong momentum throughout FY24.
- We enhanced our Disney apparel line, introducing a range of winter wear featuring Disney characters.
- In the upcoming year, our priority will be to expand the network of EBOs and improve their product offerings.
- Our robust B2B platform has streamlined order management for wholesalers.
- The B2B platform has gained widespread acceptance among distributors, with the majority of orders being placed through the app.
- We have established a modern, technology-driven facility to enable smoother and quicker dispatch of merchandise.

Financial Update & Outlook

- Total income reached ₹421 million, marking a year-over-year (YoY) increase of 12% and a quarter-over-quarter (QoQ) surge of 79%.
- The surge in revenue was propelled by a rise in sales volume fuelled by strong market demand and contributions from Exclusive Brand Outlets (EBOs).
- Post-election, we anticipate a strong demand, spurred by product improvements in the infant wear sector and the introduction of new designs from the DOREME x Disney collaboration.
- EBITDA margins were recorded at 17%, expanding by 280 basis points YoY, though they experienced a decrease of 618 basis points QoQ.
- The enhancement in profitability can be attributed to the reduction in raw material costs and the vigorous demand.
- In Q1FY25, we are witnessing strong demand, which signals a promising outlook for growth in the coming year.
- Profit after tax (PAT) margins stood at 8%, with a growth of 235 basis points YoY, and a slight decline of 18 basis points QoQ.

P&L Statement

Particulars (in ₹ Mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Total Income	421.4	376.2	12.0%	235.0	79.3%	1,220.2	1,131.1	7.9%
Expenses	350.4	323.3	8.4%	180.9	93.7	955.9	936.0	2.1%
EBITDA	71.0	52.9	34.3%	54.1	31.2	264.3	195.1	35.5%
EBITDA Margin (%)	16.9%	14.1%	280 bps	23.0%	(618 bps)	21.7%	17.2%	441 bps
D&A	15.9	13.0	22.1%	16.1	(1.3%)	60.9	53.0	14.9%
EBIT	55.1	39.9	38.3%	38.0	45.0%	203.4	142.0	43.2%
Finance cost	9.7	9.3	5.2%	10.2	(4.4%)	38.4	30.0	28.2%
PBT	45.4	30.6	48.2%	27.8	63.1%	164.9	112.0	47.2%
PAT	34.9	22.3	56.5%	19.9	75.6%	122.1	82.6	47.9%
PAT Margin (%)	8.3%	5.9%	235 bps	8.4%	(18 bps)	10.0%	7.3%	271 bps

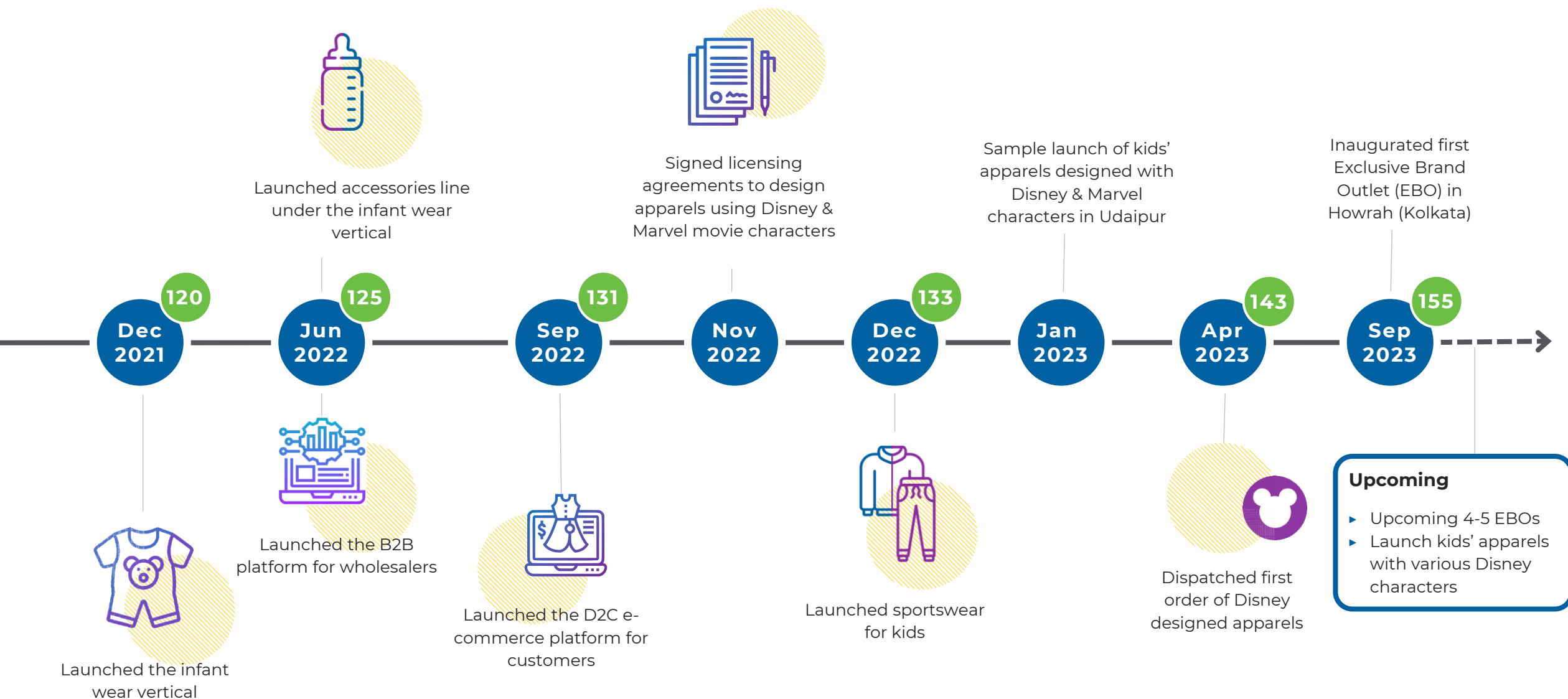
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Key Developments



Expanding on all Fronts



We expanded our product portfolio, grew the distribution base and transformed digitally over the past months. Going forward, our focus towards building the DOREME brand will pave the path of growth.

No. of Distributors

Expansion Strategy



1

Established Offline Presence

Built a pan India presence through

160+

Distributors

10k+

Retailers



2

Direct Online Portal

Launched own D2C Ecommerce website



www.doreme.in



3

Exclusive Brand Outlets

Inaugurated two own stores in Kolkata with five more in pipeline to enhance brand recall



Developments in Disney

Nov-22

Signed licensing agreements with UTV Software Communications (“Disney”) to design apparels using Disney & Marvel movie characters.

Jan-23

Conducted a successful sample launch of Disney designed apparels in Udaipur under the DOREME x Disney brand.

Apr-23

Dispatched our first batch of orders of T-shirts designed with Mickey characters of the Disney universe to Rajasthan, Maharashtra, Gujarat, Delhi, among others.

May-23

Facility at Uluberia was licensed by Facility and Merchandise Authorization (FAMA) to manufacture and distribute products bearing the intellectual property of Disney.

Jul-23

Launched and dispatched winter wear apparels designed with Mickey and friends’ characters across India.

Plan to keep launching apparels with newer designs to grow DOREME x Disney brand.

DOREME x Disney Brand

Mickey & Friends



New Launches



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About the Company



Company Overview



We are a **fast-growing kids' apparel company** that is engaged in **designing, manufacturing, branding and selling garments**. Our sustained pursuit of design and innovation has made us a **preferred fashionable kids' brand**.

Presence in Ecommerce platforms



www.doreme.in

We have been growing our presence online by increasing e-commerce listings and launching our own D2C platform.

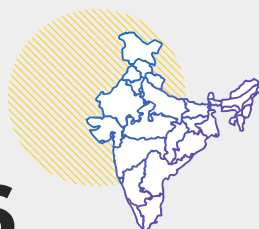


1

Brand

26

States
of presence



10

Units
Manufacturing (8)
Dispatch (2)



165

Distributors



25,000

Pieces
manufactured/day



1,451

Employees



Product Portfolio

Iris' brand DOREME offers a wide range of apparels for infants, toddlers, and junior boys and girls that suit both their indoor and outdoor requirements.



- Tops
- T-Shirt
- Trousers
- Shorts
- Dresses
- Loungewear
- Accessories
- Sweatshirts
- Hoodies
- Polyfil suits
- Padded suits
- Nightwear

Currently

- Established DOREME as a reputable and trusted brand
- Has solidified its market position in the kids segment mainly due to design excellence, top-notch quality and brand strength
- Expanded its product portfolio by launching infant sets and winter wear range
- Enhanced their collection by signing a licensing agreement with UTV Software Communication Pvt Ltd. ("*Disney*") to be able to launch apparels designed with Disney and Marvel movie characters under DOREME brand

Future Outlook

- In FY25, plan to expand the product offerings by venturing into the kids' inner wear space, therefore enriching the product portfolio
- IRIS have a strategic expansion plan to inaugurate a total of 15+ new stores in FY25
- Due to the growing interest from retailers in franchise opportunities, evaluating to launch franchise model in H2FY25

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Market Opportunity

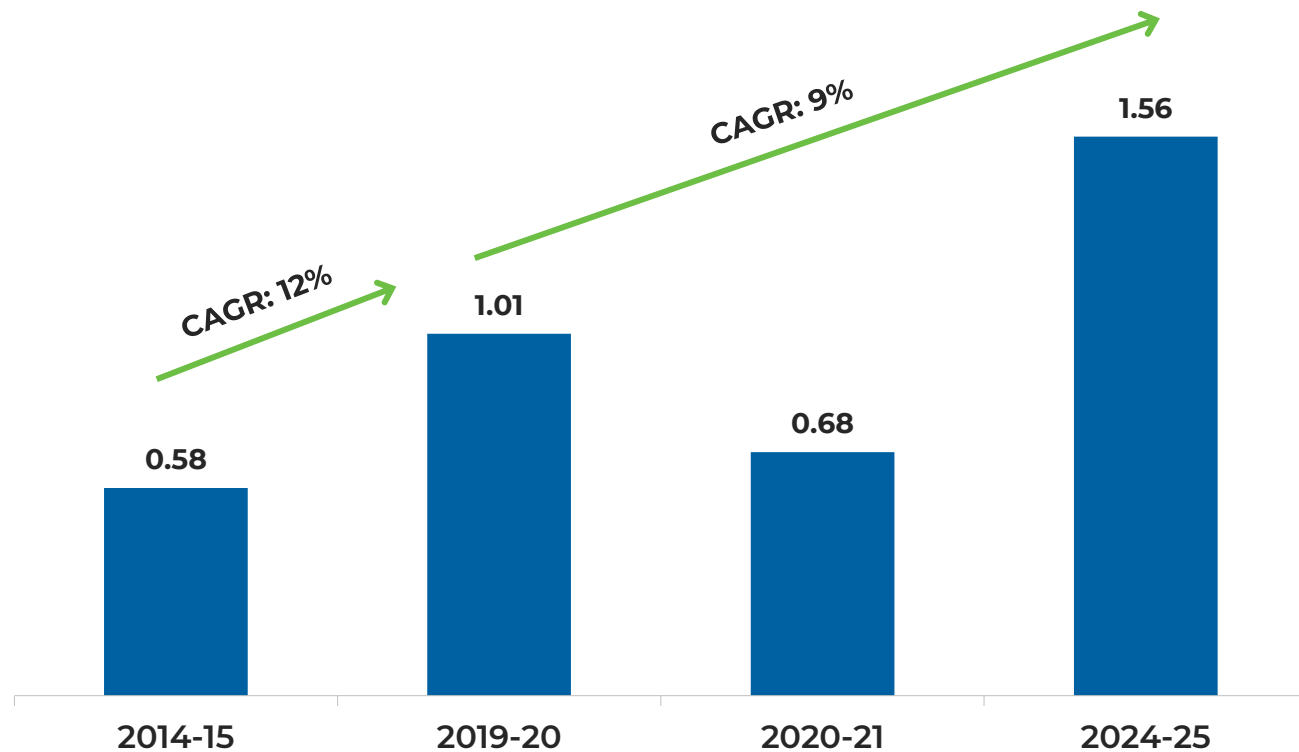


Iris Clothings Limited



Indian Kids Apparel Industry

Market size of Kids Apparel in India (₹ Tn)



Source: Statista

The market is expected to reach ₹1.6 Trillion by 2024-25.



~**26%** Indians are below the age of 14 years making a large customer base to cater to



Kids wear registered a **200%** growth despite a **4%** drop in overall online fashion order volumes in FY2021



Significantly High replacement cycle within children's clothing as kids outgrow their clothes faster



Increasing personal disposable income and **growing** working population are key growth drivers

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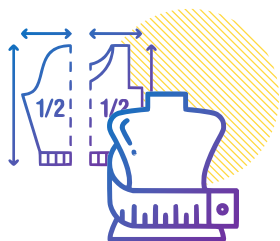
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Our Value System



Integrated Operations

Iris has a complete in-house integrated infrastructure right from design conceptualisation to manufacturing to branding and selling of finished goods to wholesaler.



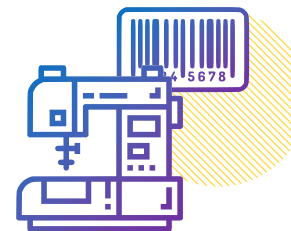
Conceptualization of
Design & Development

1



Raw Material
Procurement

2



Manufacturing &
Branding⁺

3



Sold to
Wholesalers

4

Therefore, a manufacturing infrastructure that is strongly backward integrated enables us to have better control over quality and be cost-efficient.

⁺Cutting, Printing & Embroidery, Stitching, Mending & Checking, Ironing and Box Packaging

Manufacturing Prowess

Manufacturing excellence has been one of our biggest strengths.

Moreover, our state-of-the-art facilities help us increase our capabilities multifold, achieve economies of scale and provide locational synergies.



**Foreshore Road,
Howrah**

- Has 4 units for stitching and finishing with fully automated stitching machines from Japan and from a renowned indigenous brand
- 1 unit for dispatch



**Pachla,
Howrah**

- Set up its first fully modernized stitching and finishing unit with online processes
- Locational advantage in terms of skilled labour and raw material availability



**Uluberia,
Howrah**

- Consolidates all the manufacturing activities in a single location
- Installed fully automated cutting machinery from Italy and printing machinery from US and Poland
- Fully modernized stitching and finishing unit with online processes



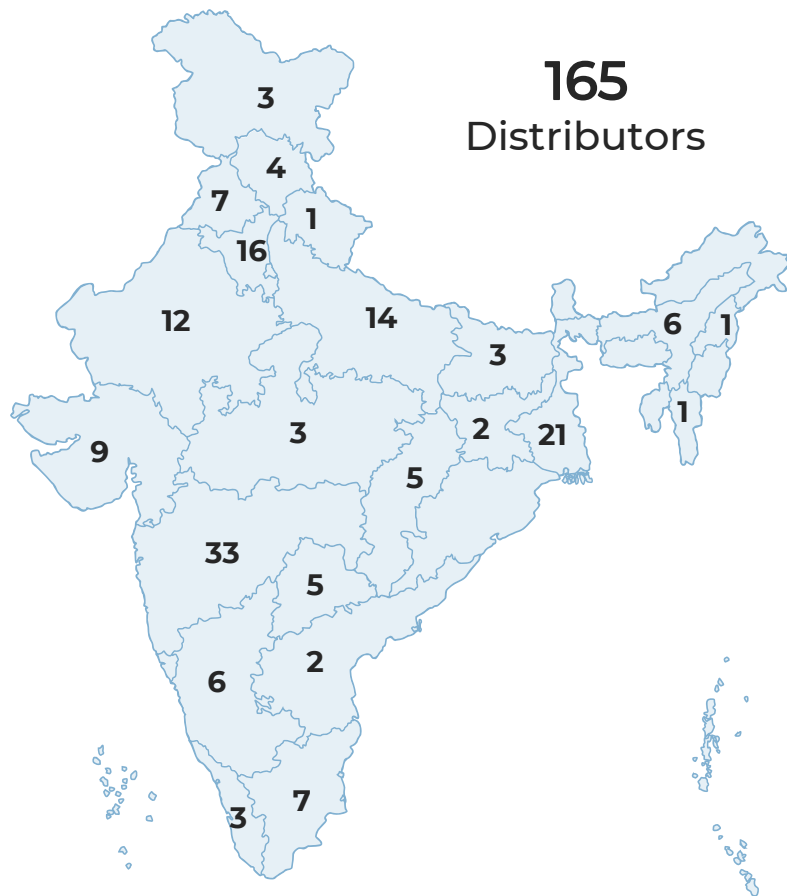
**Srijan Industrial Park,
Bombay Road**

- Set up its third fully modernized stitching & finishing unit with online processes
- 1 unit for dispatch

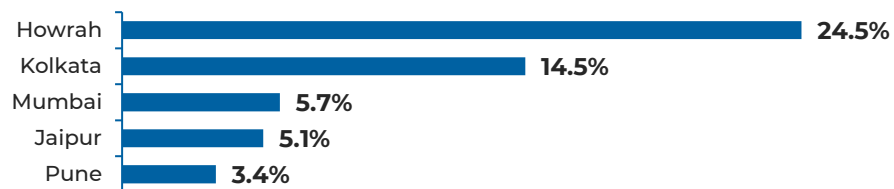
Total Installed Capacity: 33,000 pieces/day

Wide Network

165
Distributors



% Contribution to Revenue (FY24)



Business Update

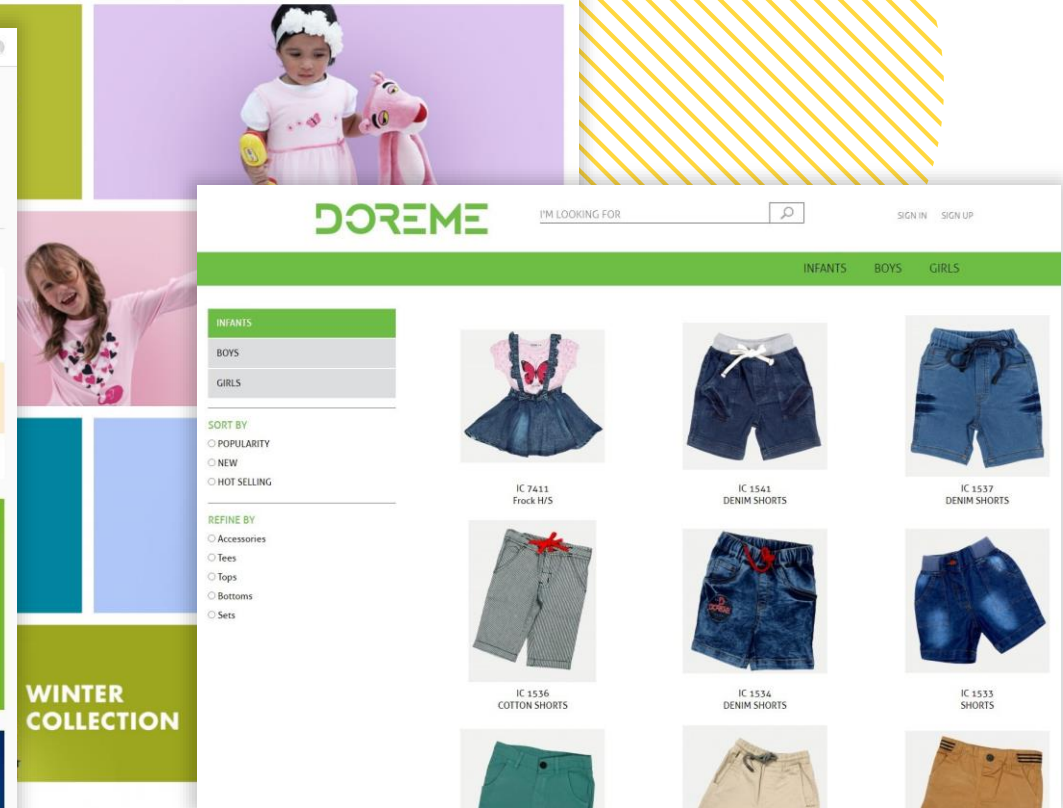
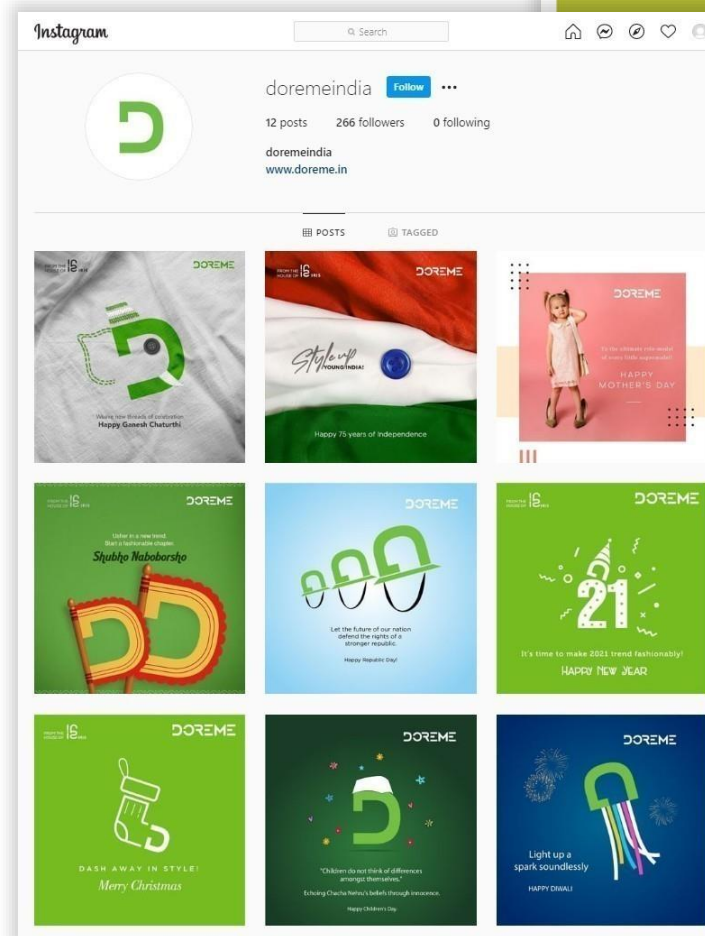
- Has an online presence in FirstCry and through its own D2C platform www.doreme.in.
- Successfully onboarded 10 new distributions across Maharashtra and Uttar Pradesh, bolstering the presence in key regions
- Strong export demand with shipments to Africa and Saudi Arabia, comprising 4-5% of the revenue
- Positive transition in demand is anticipated post-election
- B2B segment flourishing, with 70-80% of order originating from the online channel. Helping in seamless order management

Future Outlook

- Focus for FY25: Strengthen core distribution network, expanding exports to new geographies and opening new stores, to establish strong market presence with higher potential demand
- Anticipate substantial revenue generation from new stores opening
- Growing interest from retailers in Franchise opportunities under the brand DOREME indicating positive market sentiment
- Encouraged by the strong traction in demand, planning to expand the product categories to align with customer preferences

Enhancing Brand Visibility

- Iris plans to enhance its digital marketing and branding initiatives to better mirror the customers' fast-changing needs.
- The Company has been undertaking various activities to enhance its brand recall and customer connect on social media channels. This would eventually drive traffic to its exclusive online platform.



Relationship with Suppliers



Strong and trust-based relationships is of paramount importance since we source fabrics and other accessories for garment manufacturing from leading domestic suppliers. This facilitates effective inventory management, continuous supply of quality raw materials at competitive costs and on-time delivery of our products.



"I have been associated with IRIS Clothings as a distributor for the past 12 years. During this long association, I have developed a strong trust in the company due to the quality of its products and its vision. I am also very impressed by its work ethics and the level of efficiency. I wish IRIS Clothings all the very best and look forward to enjoying this good bond that we share in the future too."

ROHIT KHURANA

Khurana Clothing's Pvt. Ltd.

Jaipur



"IRIS Clothings is reliable and a professional company. It is an amazing experience to work with them."

ANKUR CHADA

Chadha Trading Co.

Ambala



"IRIS Clothings is a great company with an experienced staff and knowledge in the apparel business. They have made the most amazing and unique apparels for infants, toddlers, boys and girls."

DINESH PAREKH

Nihareeka Marketing

Guwahati



"Our association with DOREME is since its inception. We have the privilege to introduce their quality products in Maharashtra and since then our journey of growth has been phenomenal for both of us. We congratulate them and wish them many more successful years of togetherness."

HEMANT & PANKAJ PAREKH

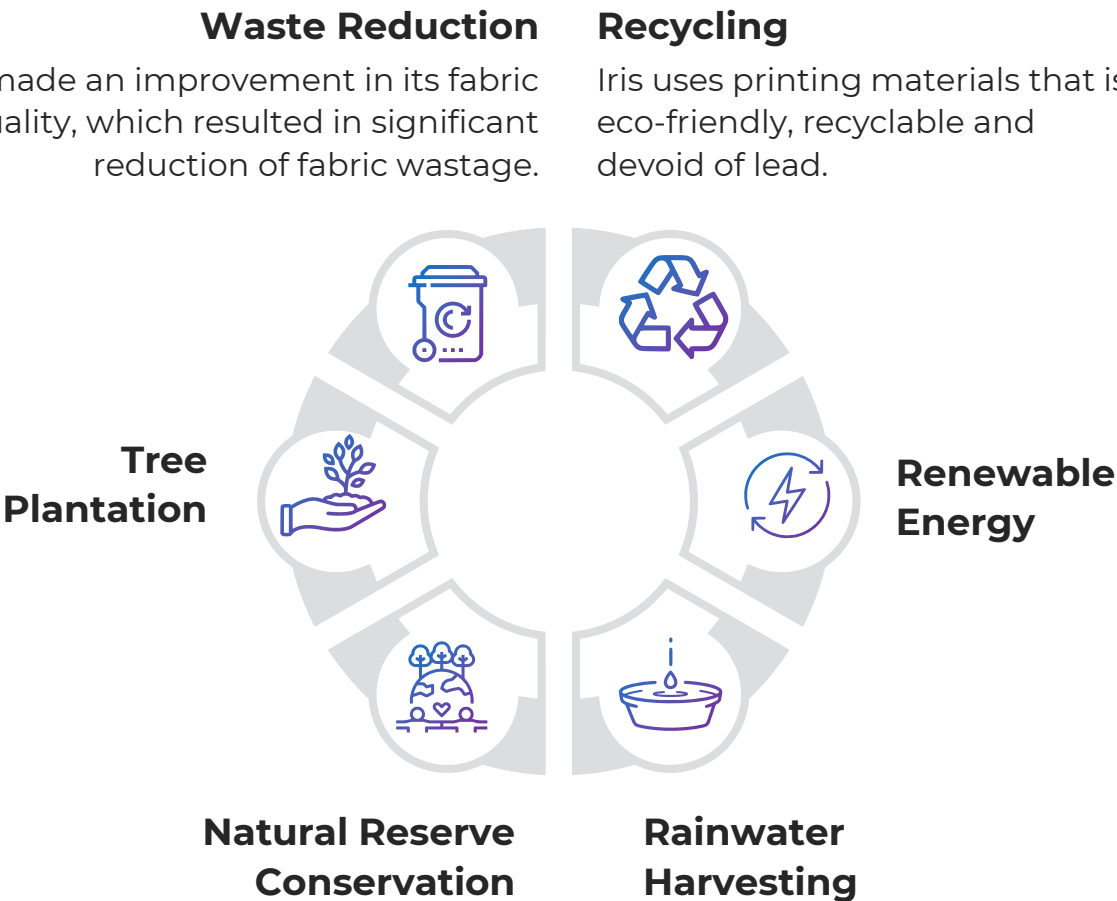
Pamposh Marketing

Mumbai

Sustainability

Environmental

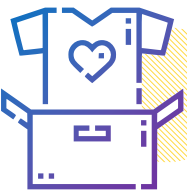
Iris follows a strict ecological policy that comprises of 6 features



Social



No Child Labour



Provided clothes to 2000+ underprivileged children



Providing sanitary pads to women workers so their working potential is not compromised

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Annual Highlights



Iris Clothings Limited



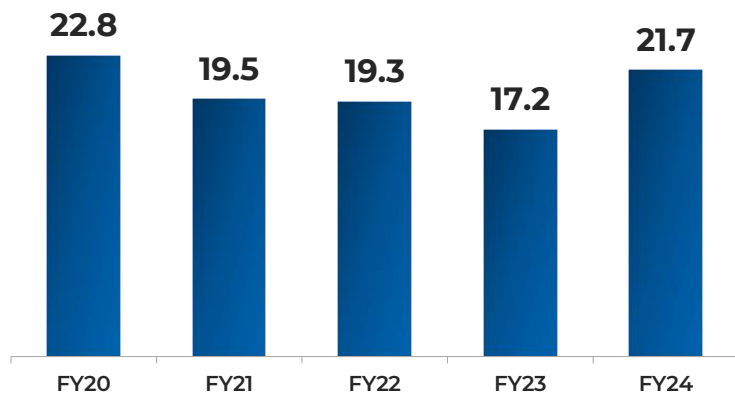
Balance Sheet

(in ₹ Mn)

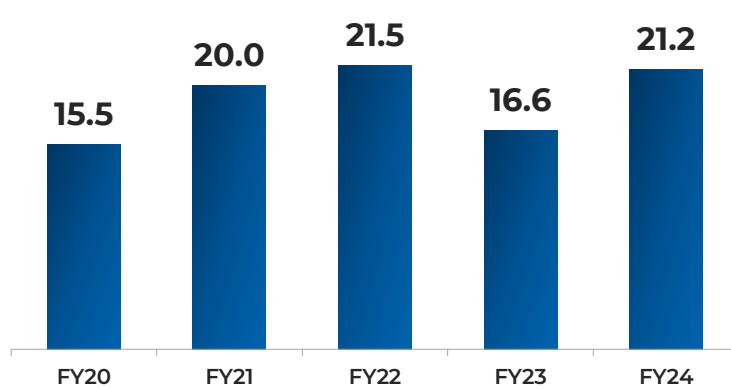
Particulars	FY 2021	FY 2022	FY 2023	FY2024
Total non-current assets	325	329	289	302
Inventories	253	337	449	619
Trade Receivables	149	237	313	363
Cash & cash equivalents (incl. bank balances)	15	14	15	16
Total Current Assets	434	609	804	1,030
Total Assets	759	938	1,093	1,332
Equity	388	487	569	692
Lease Liabilities	68	66	58	87
Total Non-current Liabilities	68	66	58	87
Short-term Borrowings	203	255	285	344
Trade Payables	84	108	167	193
Total Current Liabilities	303	385	465	553
Total Equity & Liabilities	759	938	1,093	1,332

Ratio Analysis

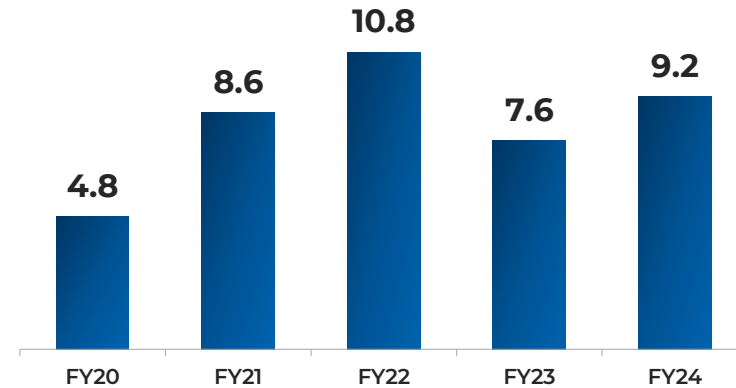
EBITDA Margin (in %)



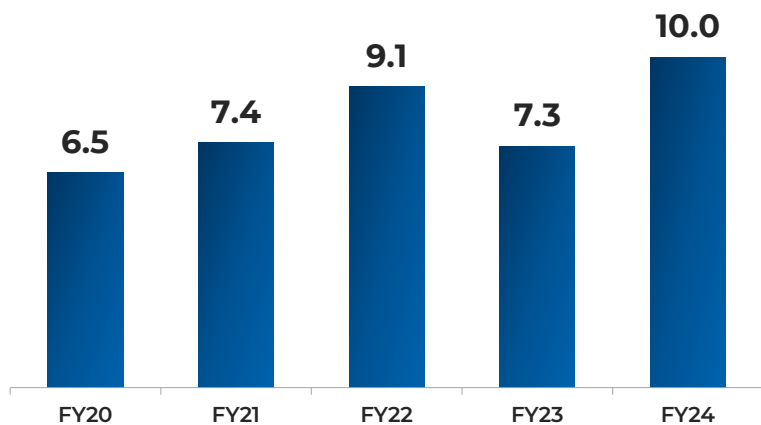
Return on Capital Employed (in %)



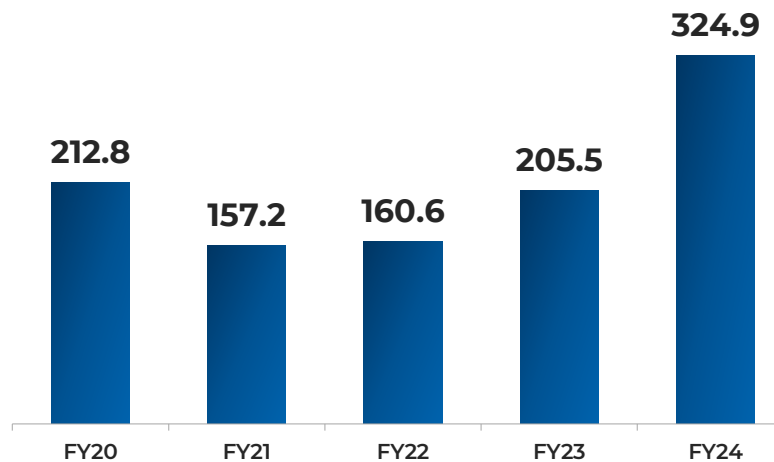
Return on Assets (in %)



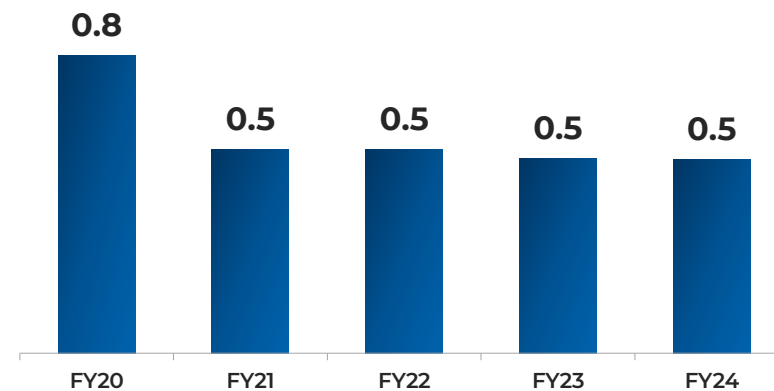
PAT Margin (in %)



Working Capital Days



Debt-to-Equity (in x)



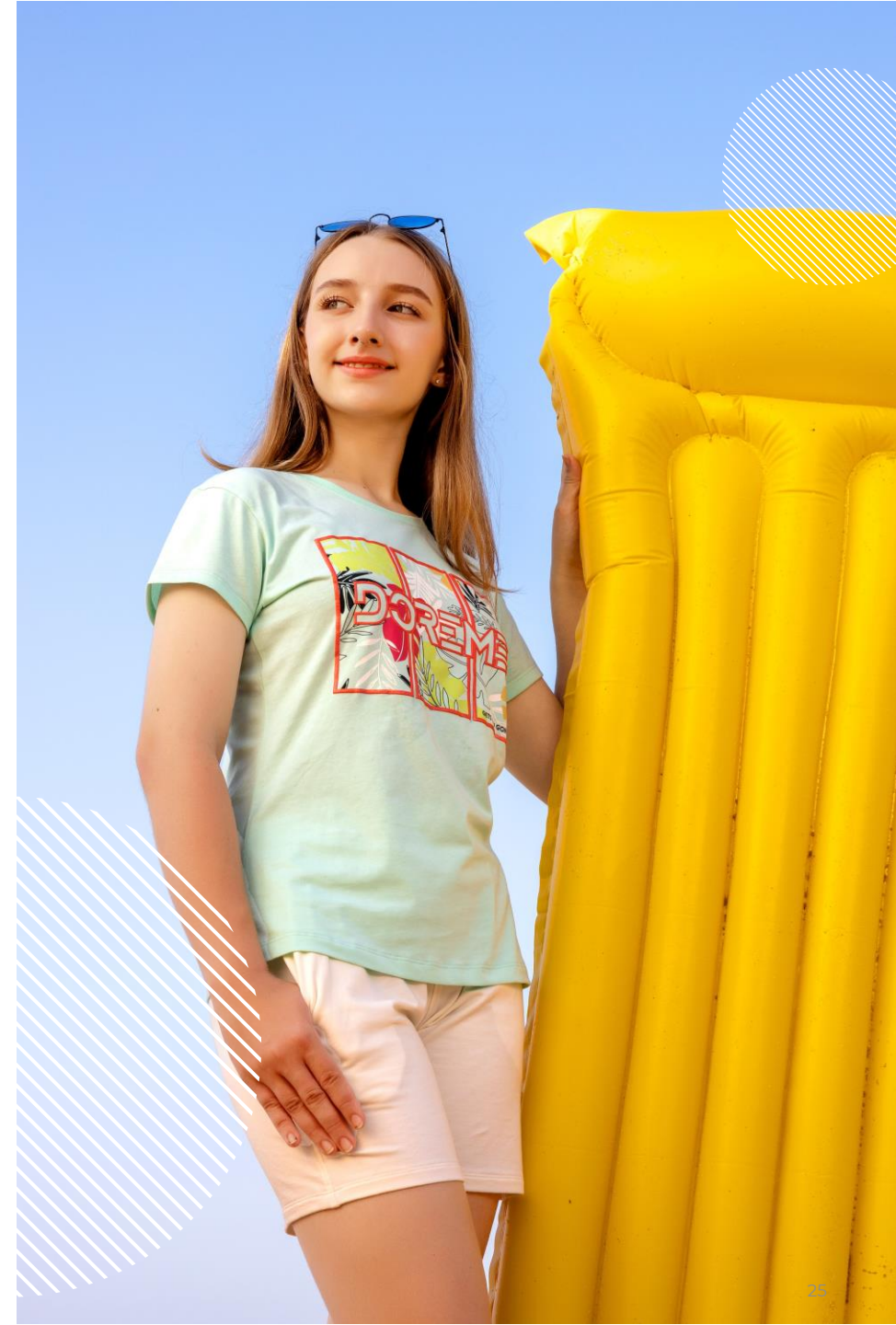
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Investment Rationale



Iris Clothings Limited



Our Differentiating Factors

Continuous **investments to expand** manufacturing capabilities coupled with high return on capital employed indicating **efficient use** of that capital



Safe Harbour Statement

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Thank You

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