

Investor Presentation

Q1 FY 2024



Iris Clothings Limited



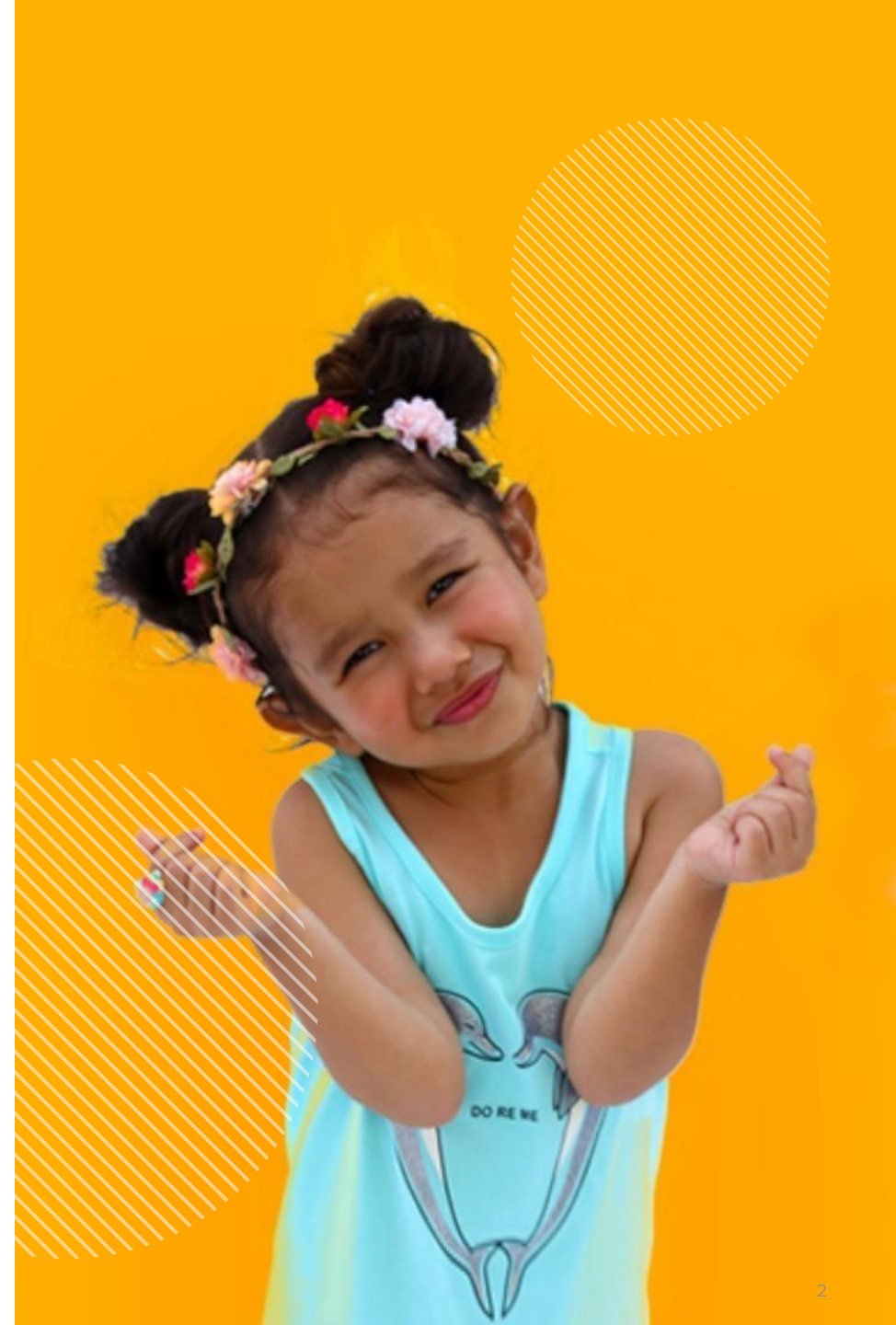
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Q1 FY 2024

Financial Highlights & Business Updates



Iris Clothings Limited



Q1FY24 Highlights

Business Update & Future Plans

- We added 5 new distributors during the quarter and expanded our presence in Maharashtra and Tamil Nadu.
- Dispatched our first batch of winterwear apparels designed with Mickey and friends' characters across India in July 2023.
- Focused on scaling the Disney x DOREME brand with plans to launch more apparels in the coming quarters.
- Plan to open Exclusive Brand Outlets in the coming months.
- Going ahead with a 1:5 stock split to enhance liquidity, widen shareholder base and make shares more affordable for retail investors.

Financial Update

- Total Income stood at ₹242 Mn, up 4% YoY driven by pick-up in demand.
- EBITDA margin witnessed a significant improvement and stood at 26% up 803 bps YoY due to reduction in stock pile-up and low raw material prices.
- PAT margin stood at ~13% as compared to 8% in Q1FY23, up 524 bps YoY.

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.

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.

Disney x DOREME Summer Collection



P&L Statement

Particulars (in ₹ Mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)
Total Income	241.9	233.1	3.8%	376.2	(35.7)%
Expenses	178.3	190.6	(6.4)%	323.3	(44.9)%
EBITDA	63.5	42.5	49.4%	52.9	20.1%
EBITDA Margin (%)	26.3%	18.2%	803 bps	14.1%	1,221 bps
D&A	14.0	13.1	7.3%	13.0	7.5%
EBIT	49.5	29.5	68.1%	39.9	24.3%
Finance cost	8.3	6.1	35.2%	9.3	(10.8)%
PBT	41.3	23.4	76.7%	30.6	34.9%
PAT	30.8	17.5	76.1%	22.3	38.4%
PAT Margin (%)	12.7%	7.5%	524 bps	5.9%	682 bps

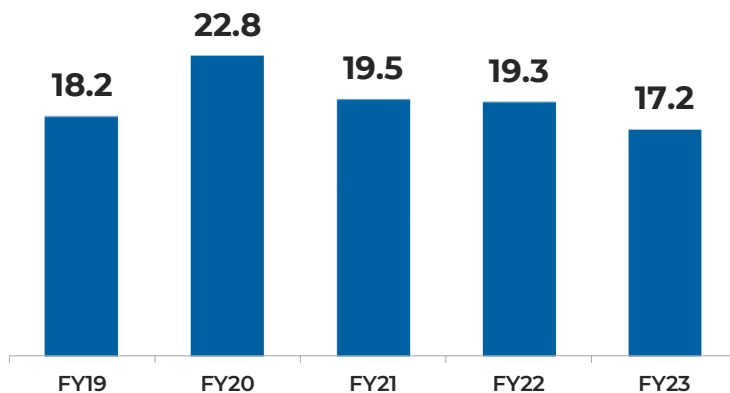
Balance Sheet

(in ₹ Mn)

Particulars	FY 2021	FY 2022	FY 2023
Total non-current assets	325	329	289
Inventories	253	337	449
Trade Receivables	149	237	313
Cash & cash equivalents (incl. bank balances)	15	14	15
Total Current Assets	434	609	804
Total Assets	759	938	1,093
Equity	388	487	569
Lease Liabilities	68	66	52
Total Non-current Liabilities	68	66	52
Short-term Borrowings	203	255	285
Trade Payables	84	108	167
Total Current Liabilities	303	385	471
Total Equity & Liabilities	759	938	1,093

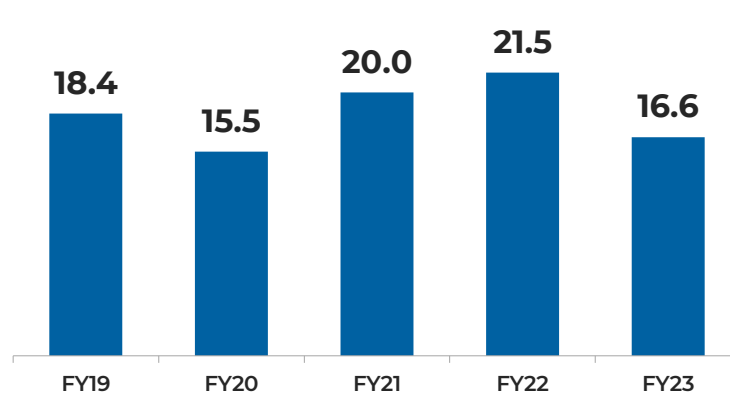
Ratio Analysis

EBITDA Margin (in %)

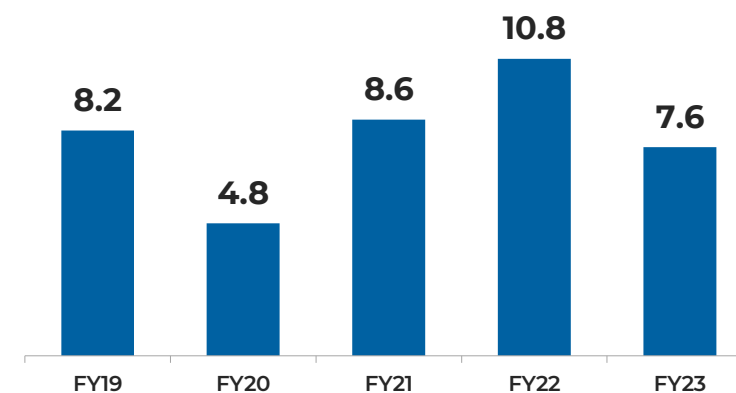


Decrease in the ratio has been due to significant increase in raw material costs.

Return on Capital Employed (in %)

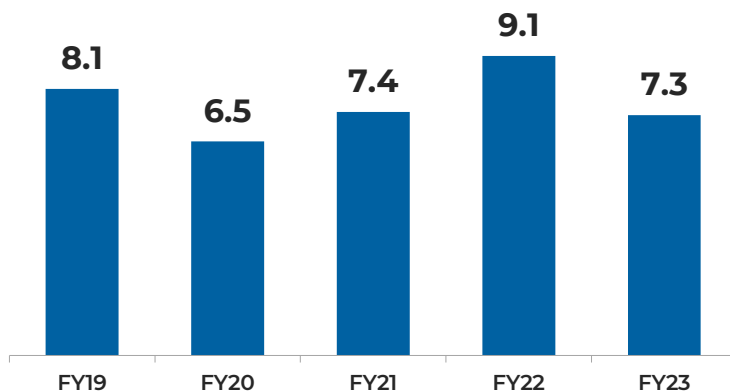


Return on Assets (in %)

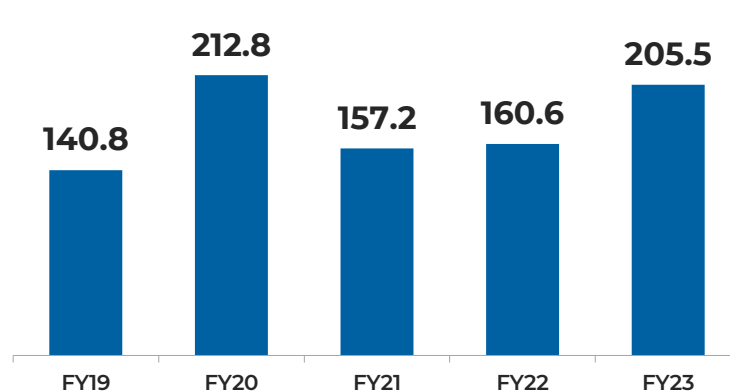


Drop in returns was due to low top line growth and high raw material prices.

PAT Margin (in %)

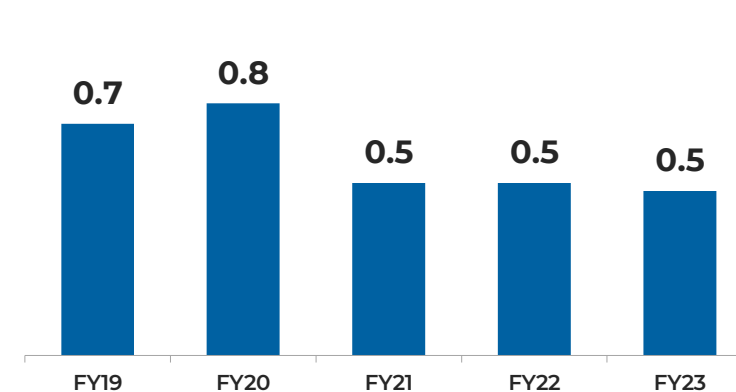


Working Capital Days (in days)



High working capital days in FY23 was due to high days inventory outstanding owing to unsold stock for summer wear that will go out in the next quarter.

Debt-to-Equity (in x)



Debt requirements have moderated since FY21.

Exhibitions & Conferences

CMAI National Garment Fair, July 2022



First Overseas Exhibition in Dubai, November 2022



The event saw participation from distributors and large retailers primarily from Middle East countries. Such exhibitions are going to be crucial in growing brand visibility in the international markets.

Exhibitions & Conferences

CMAI National Garment Fair, January 2023



Conference in Udaipur, January 2023



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About the Company



Iris Clothings Limited



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.

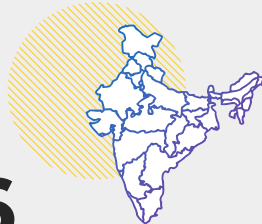


1

Brand

26

States
of presence



9

Units
Manufacturing (7)
Dispatch (2)



148

Distributors



24,000

Pieces
manufactured/day



1,395

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 position in the kids segment mainly through its top-notch quality and design.
- Expanded its product portfolio by launching a dedicated infant wear vertical (0-5 years) in December 2021, the accessories line of the same vertical in June 2022 and sportswear in December 2022.
- 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

- Iris aims to sharpen its existing product mix under the brand DOREME to meet the rising demand for their products.
- Expanding its product offerings to provide greater choice to customers. Foraying into the kids' undergarments space in FY24.
- Plan to launch Disney designed apparels for every product starting with T-shirts, bottom wear and nightwear in a phased manner.

History



Launched DOREME brand for Kids Wear

2004



Commenced business as a proprietorship firm 'M/s Iris Clothings'

2005

2012



Incorporation of IRIS CLOTHINGS PVT LTD as a private limited concern.

2016



Started sale of products through online e-commerce channels such as 'FirstCry'



Acquired land at Pachla, Howrah, West Bengal – a major step towards increasing manufacturing capabilities.



Crossed the ₹50 crores turnover milestone

2018



Listed as an SME under NSE



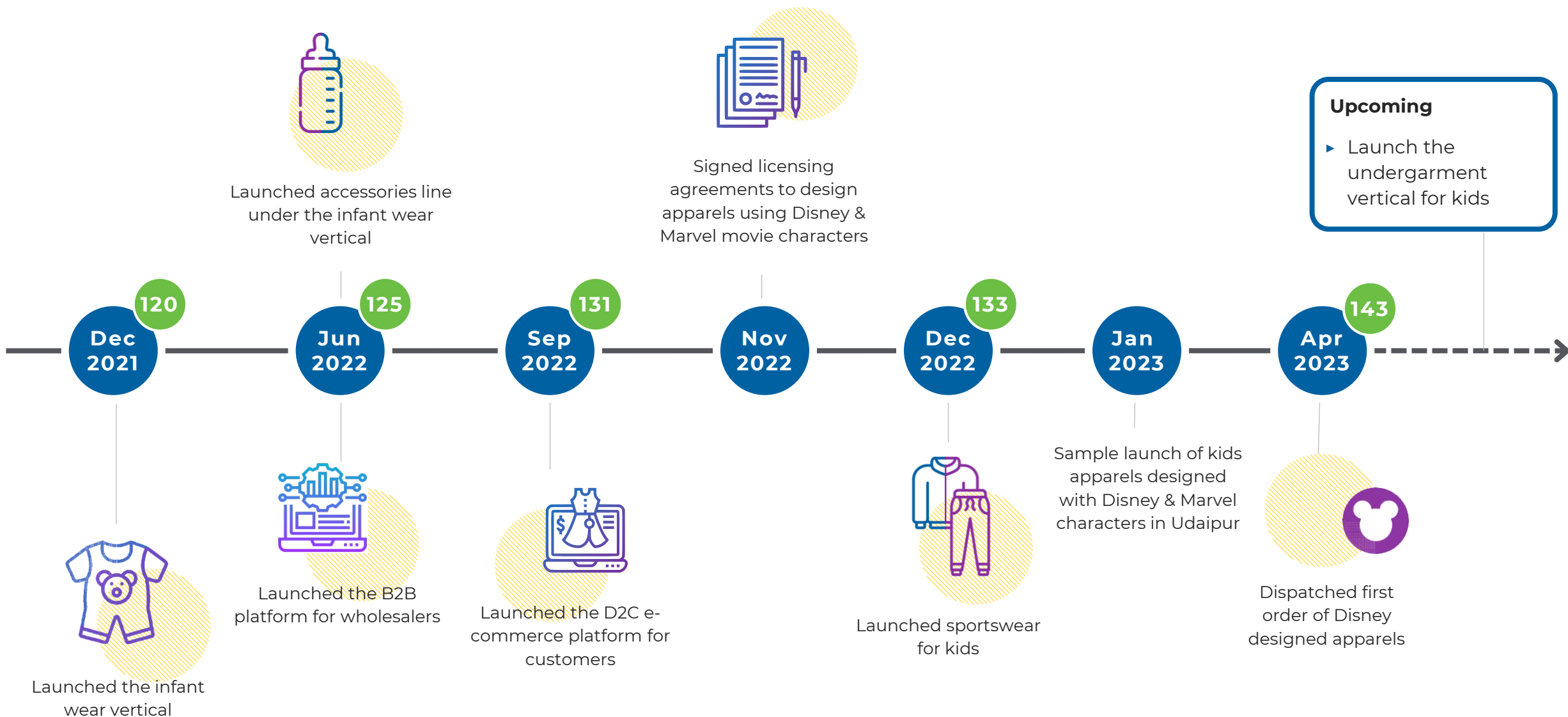
Migrated from SME portal of NSE to Main Board of NSE

2020



Deepened our penetration by entering new Tier II & III cities

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

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Market Opportunity

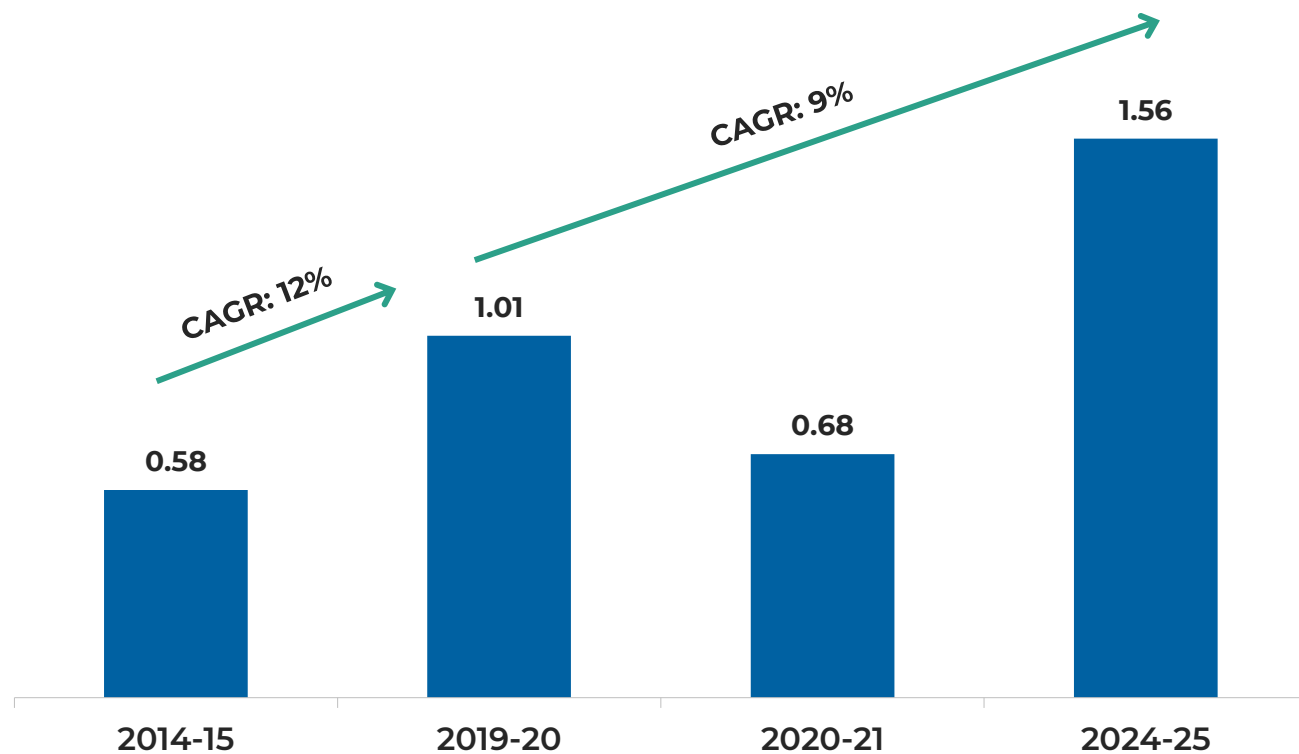


Iris Clothings Limited



Indian Kids Apparel Industry

Market size of Kids Apparel in India (₹ Tn)



Source: Statista



~**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



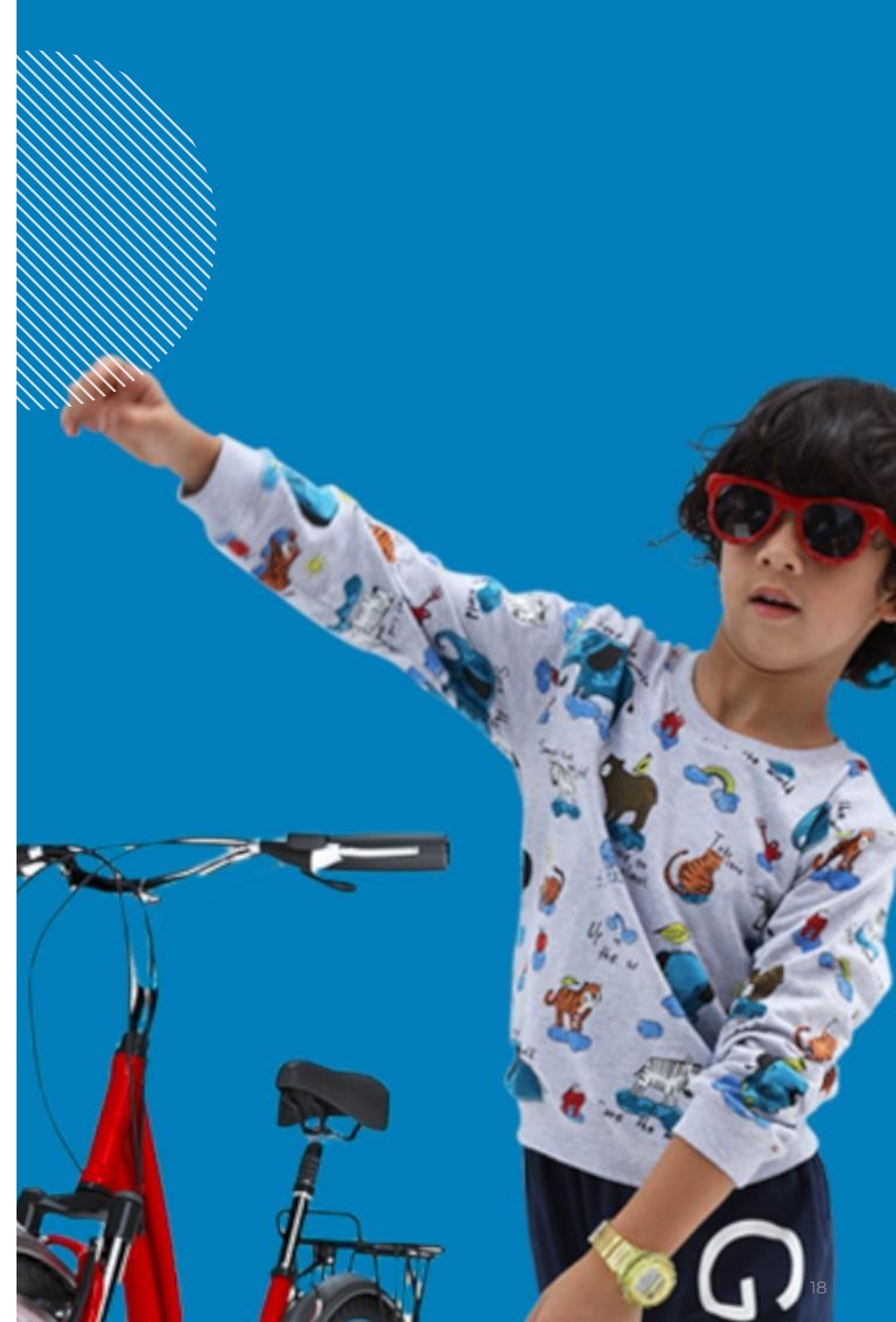
Increasing personal disposable income and **growing** working population are key growth drivers

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

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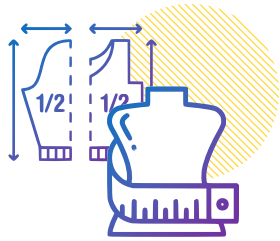
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Our Value System



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

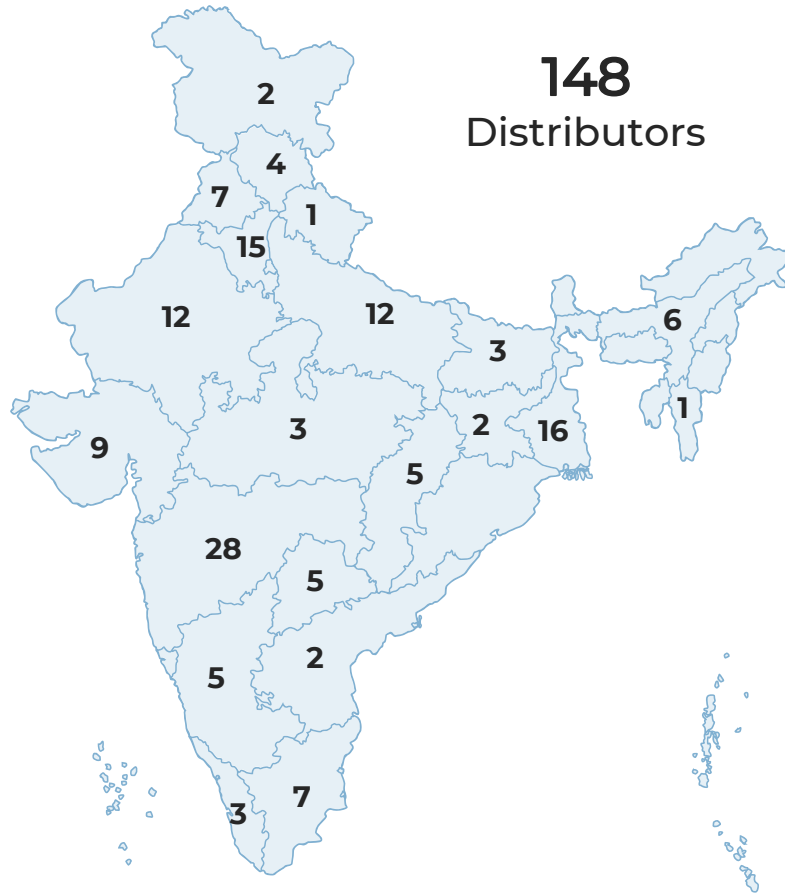


**Srijan Industrial Park,
Bombay Road**

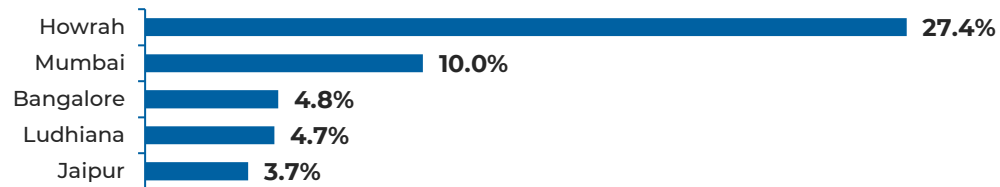
- Set up its third fully modernized stitching & finishing unit with online processes
- 1 unit for dispatch

Total Installed Capacity: 33,000 pieces/day

Wide Network



% Contribution to Revenue (Q1FY24)



Business Update

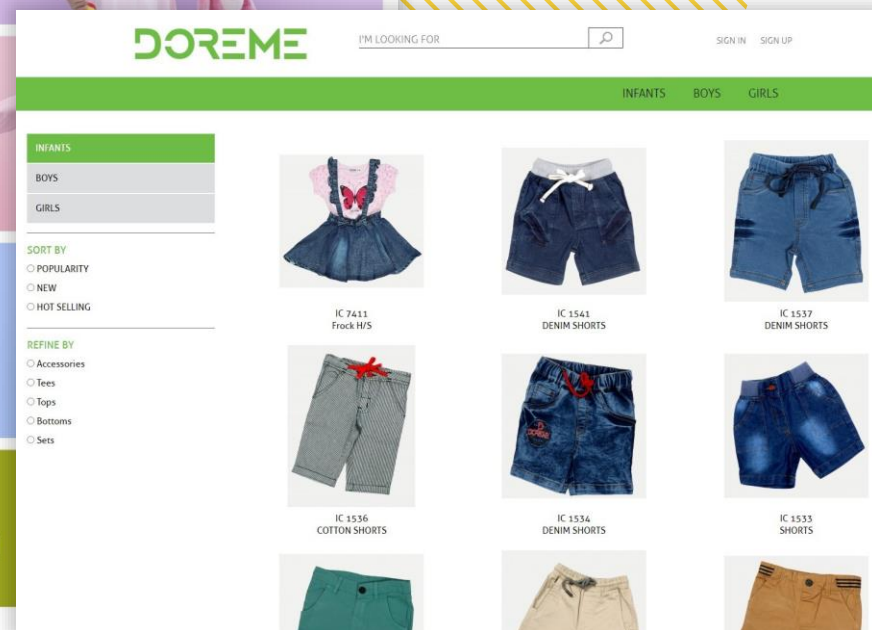
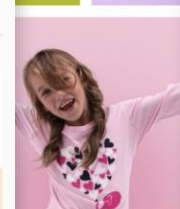
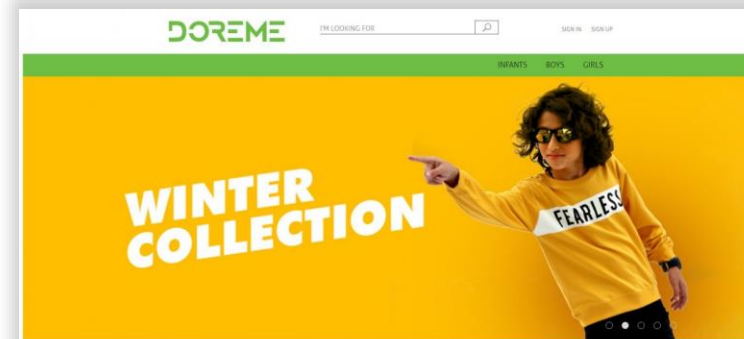
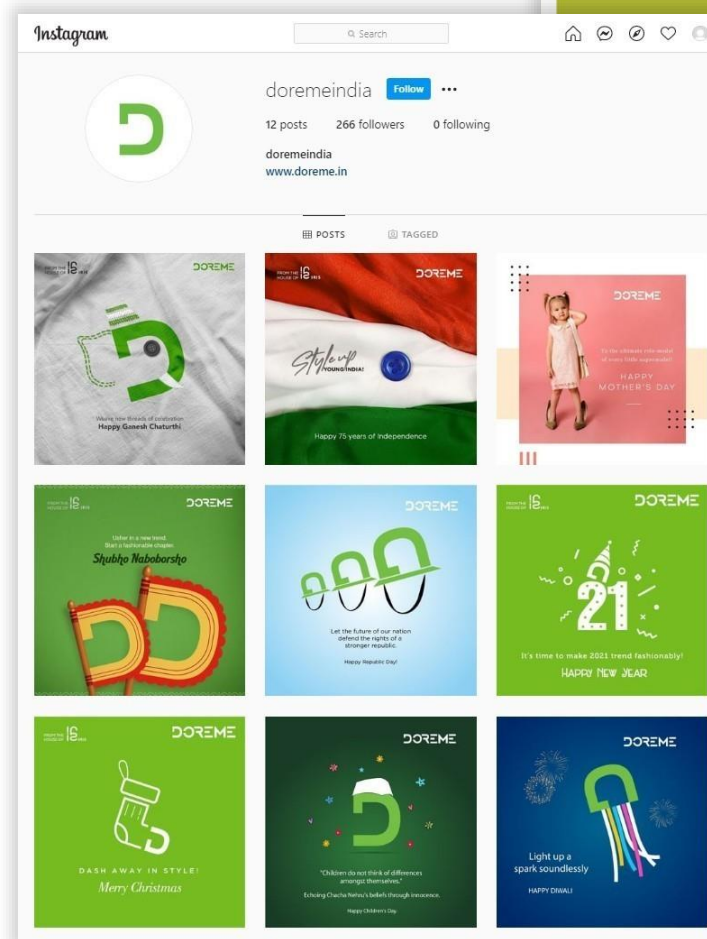
- Has an online presence in FirstCry and through its own D2C platform www.doreme.in.
- Continuously expanding the distribution network by conducting conferences and participating in exhibitions to increase brand visibility
- Commenced exports to Portugal, Nepal, Zambia and Saudi Arabia apart from Africa, KSA and UAE under DOREME
- To boost our product reach, we have been focusing on expanding our presence in Tier II & III cities
- Developed a B2B platform for wholesalers to have real time access to inventory

Future Outlook

- Plan to add distributors in newer geographies and pan India, to deepen market penetration and expand reach to markets with higher potential demand.
- Continue to host partner engagement programmes to drive their stickiness and boost morale.
- Focus on growing our B2B platform by reducing inefficiencies in the process and by onboarding more distributors
- Channel our offline customer base to our D2C platform allowing them to shop from our complete product range.

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

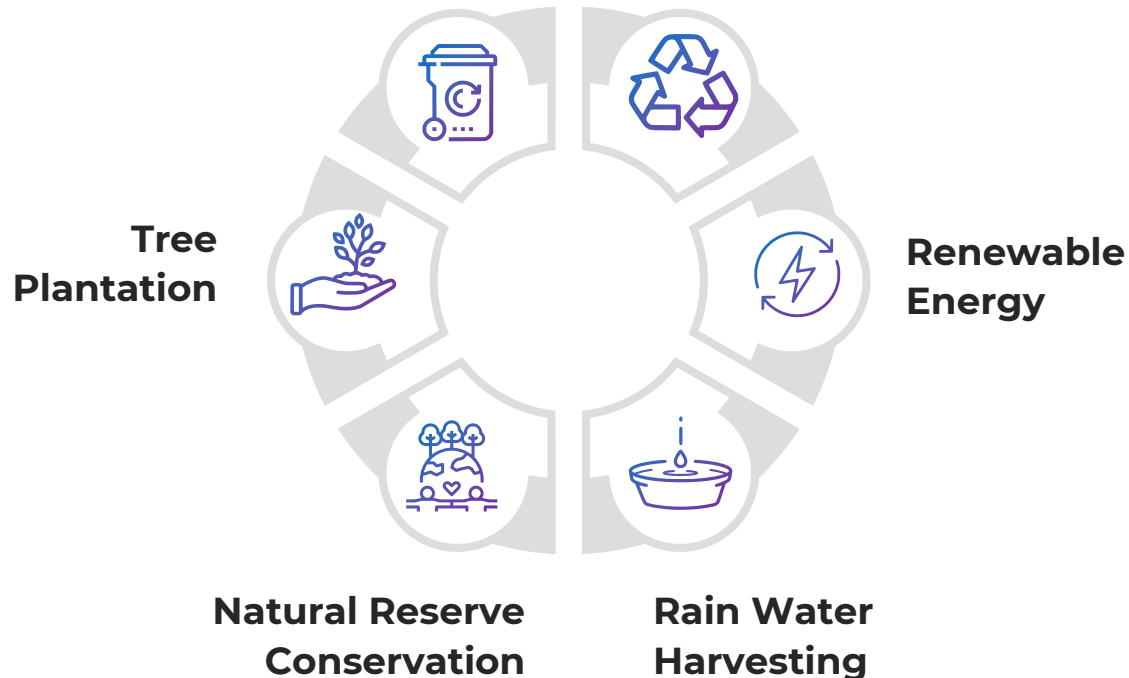
Iris follows a strict ecological policy that comprises of 6 features

Waste Reduction

Iris made an improvement in its fabric quality, which resulted in significant reduction of fabric wastage.

Recycling

Iris uses printing materials that is eco-friendly, recyclable and devoid of lead.



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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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

Catering to a **large customer segment** of ~365 million



Established long standing relationships with suppliers

With ~15 years of **experience**, promoters have **a strong expertise** in the industry

Fully integrated and automated operations allows Iris to maintain quality

IS
Iris Clothings Limited

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Thank You

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