



# Monthly Newsletter

July 2019 Edition



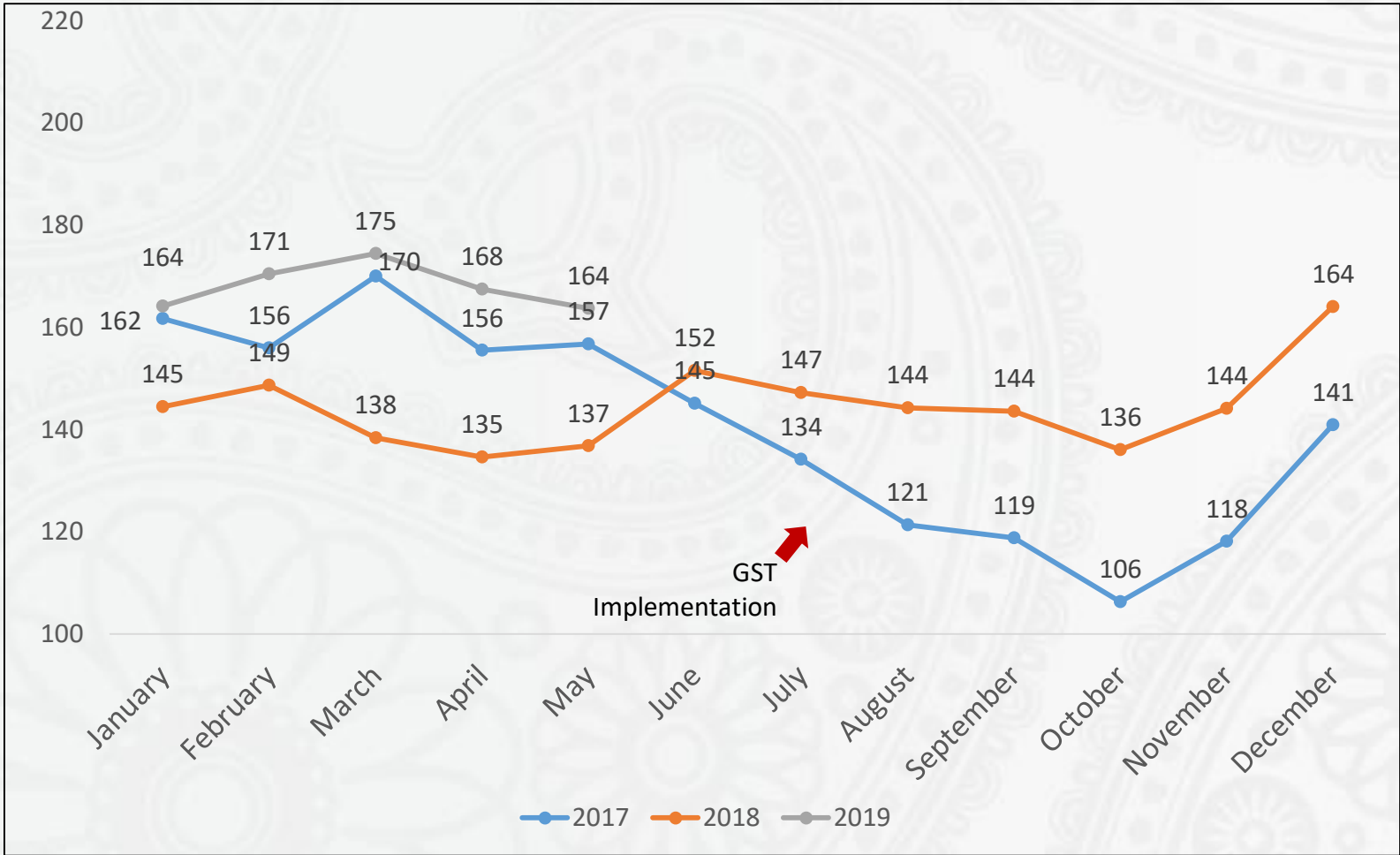
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- Country wise Apparel Imports Update
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- The apparel IIP in May 2019 was 164, which has shown a decline of 2% from April 2019. The index has declined for two consecutive months.
- The apparel CPI in June 2019 was 149 and has remained constant as compared to May 2019.
- The apparel exports in May 2019 stood at US\$ 1,530 million, which have posted a growth of 14% as compared to May 2018. Apparel exports to the largest market USA has shown a growth of 9% in Apr-May 2019 as compared to Apr-May 2018. Among the other top markets, apparel exports to Nigeria and Saudi Arab have shown a significant jump of 189% and 68%, respectively. However, the export value is low.
- The apparel imports in May 2019 stood at US\$ 85 million, which is 27% higher than that in May 2018. Imports from Bangladesh, the largest apparel exporter to India, has increased by 46%.
- As per the available financial filings for Q1 FY 2020, all of the select fashion brands & retailers have shown an increase in the operating revenue as compared to Q1 FY 2019.
- The growth in Operating Profit Margins (OPM%) for select retailers and manufacturers is also very high. In case of Future Lifestyle Fashions and Shoppers Stop, the margins nearly doubled in Q1 FY 20 as compared to Q1 FY 19. However, the sudden jump is mainly because of a change in regulation by Ministry of Corporate Affairs\*.

*\*Under new regulation (IND-AS 116), the rent expense will be replaced by depreciation and interest expense in the income statement, reflecting their right-to-use an asset for a period of time and the associated liability for payments.*

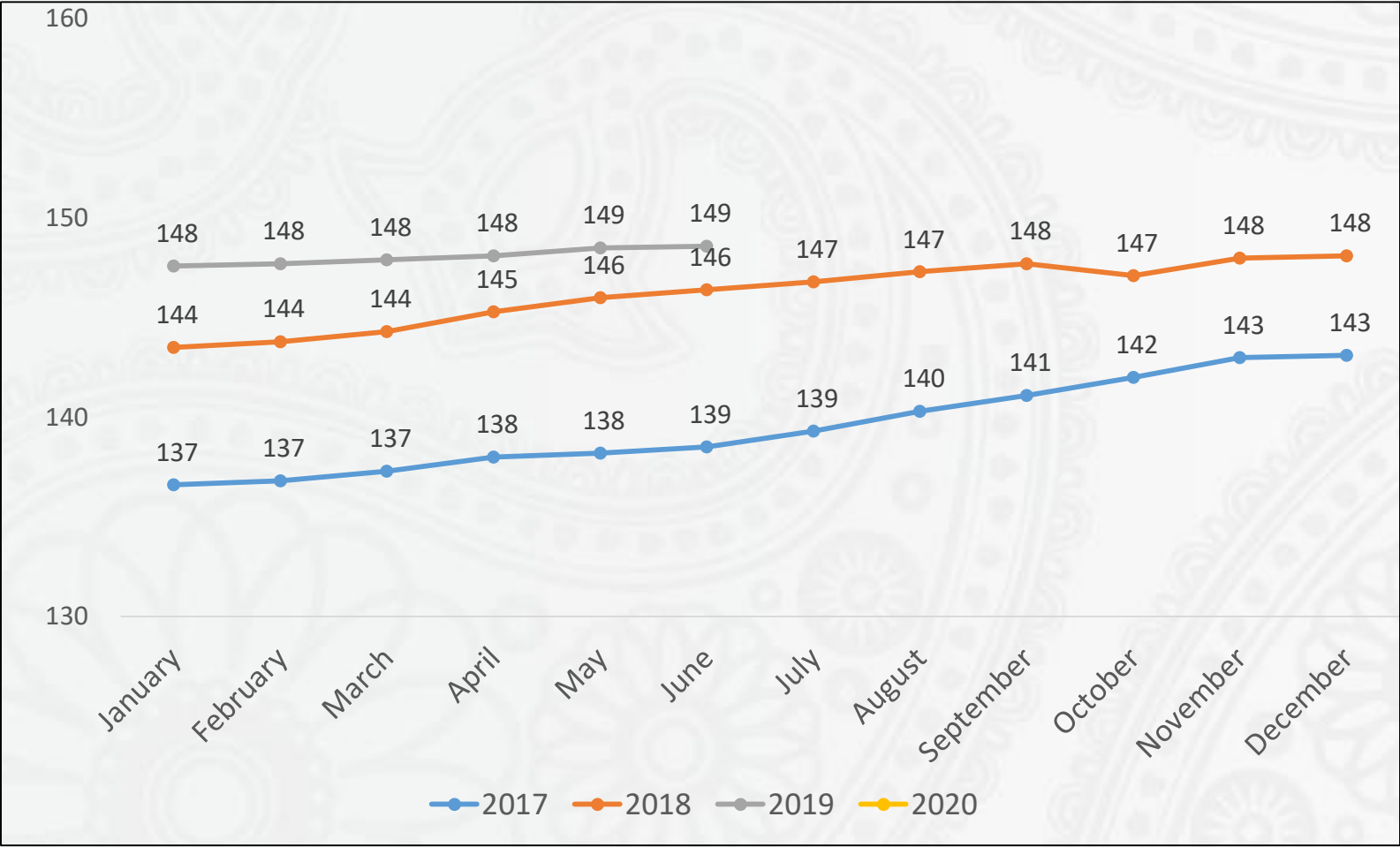


# Apparel Index of Industrial Production (IIP) Update



- The apparel IIP showed a decline for the second consecutive month.
- With a value of 164 in May 2019, the apparel IIP was 2% lower than that of April 2019.

# Apparel Consumer Price Index (CPI) Update



- The apparel CPI remained constant in June 2019 as compared to May 2019 with a value of 149.
- As compared to June 2019, the apparel CPI increased by 2%.

# Monthly Apparel Exports Update

In US\$ Million	FY 2019	FY 2020	YoY Change	MoM Change
Apr	1,352	1,409	4%	-18%
May	1,339	1,530	14%	9%
<b>YTD</b>	<b>2,691</b>	<b>2,939</b>	<b>9%</b>	
Provisional Data for Latest Month				
June	1,359	1,233	-9%	-19%

- The apparel exports in May 2019 stood at US\$ 1,530 million, showing an **increase of 14%** from May 2018.
- The MoM change was also positive with 9% increase in May 2019 as compared to April 2019.
- However, the quick estimates for June 2019 indicate a **decline of 9%** on YoY basis and **decline of 19%** on MoM basis.

# Country wise Apparel Exports Update

In US\$ Million	FY19 (Apr-May)	FY20 (Apr-May)	Change	% Growth
USA	690	750	60	9%
UK	299	289	-10	-3%
Germany	191	172	-19	-10%
Spain	155	150	-5	-3%
France	135	135	0	0%
Saudi Arab	62	104	42	68%
Netherlands	67	70	3	4%
Nigeria	18	52	34	189%
Japan	47	52	5	11%
Others	696	783	87	13%
<b>Total (without UAE)</b>	<b>2,360</b>	<b>2,557</b>	<b>197</b>	<b>8%</b>
UAE	331	382	51	15%
<b>Total</b>	<b>2,691</b>	<b>2,939</b>	<b>248</b>	<b>9%</b>

- Apparel exports to the largest market USA has shown a growth of 9% in Apr-May FY20 as compared to Apr-May FY19.
- Among the other top markets, apparel exports to Nigeria and Saudi Arab have shown a significant jump of 189% and 68%, respectively. However, the export value is low.
- The apparel exports to Germany, UK and Spain declined.



# Monthly Apparel Imports Update

In US\$ Million	FY 2019	FY 2020	YoY Change	MoM Change
Apr	56	68	21%	-22%
May	67	85	27%	25%
<b>YTD</b>	<b>123</b>	<b>154</b>	<b>25%</b>	
Provisional Data for Latest Month				
June	73	78	7%	

- The apparel imports in May 2019 stood at US\$ 85 million, which is **27% higher** than that in May 2018.
- The quick estimates for June 2019 indicate a **growth of 7%** on YoY basis.



# Country wise Apparel Imports Update

In US\$ Million	FY19 (Apr-May)	FY20 (Apr-May)	Change	% Growth
Bangladesh	37	54	17	46%
China	29	37	8	28%
Spain	16	17	1	6%
Hong Kong	6	10	4	67%
Sri Lanka	10	7	-3	-30%
Vietnam	3	4	1	33%
Cambodia	2	2	0	0%
Turkey	2	2	0	0%
UK	2	2	0	0%
Indonesia	1	2	1	100%
Others	15	17	2	13%
<b>Total</b>	<b>123</b>	<b>154</b>	<b>31</b>	<b>25%</b>

- Imports from Bangladesh, the largest apparel exporter to India, has **increased by 46%** in May 2019 as compared to May 2018.
- Imports from China and Hong Kong also **increased at 28% and 67%**, respectively in May 2019.

# Financial Health of Select Brands, Retailers and Manufacturers

	Company	Revenue from Operations (Rs. Crores)						Operating Profit Margin					
		FY 2019	Q1 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY 2020	FY 2019	Q1 FY 2019	Q1 FY 2020	Q2 FY 2020	Q3 FY 2020	Q4 FY 2020
Fashion & Lifestyle Brands and Retailers	Aditya Birla Fashion & Lifestyle	8,118	1,914					5.3%	4.1%				
	Future Lifestyle Fashions	5,377	1,268	1,496				7.4%	6.9%	12.9%			
	Shoppers Stop	3,481	827	832				7.4%	5.5%	11.1%			
	Trent	2,532	591	767				9.3%	11.7%	18.3%			
	V-Mart Retail	1,434	361	453				8.9%	12.2%	10.6%			
	V2 Retail	748	188	202				3.9%	11.0%	10.1%			
Apparel Manufacturers	Page Industries	2,852	815					22.3%	23.6%				
	Gokaldas Exports	1,173	285	341				3.8%	2.8%	14.1%			
	Pearl Global	840	175					5.3%	0.9%				
	S P Apparels	778	176					16.4%	13.9%				
	Kitex Garments	607	123					26.0%	29.9%				
	Kamadgiri Fashion Limited	319	67					3.7%	2.4%				
	Celebrity Fashion	231	47					3.9%	0.6%				
	E-Land Apparel	172	43					-23.0%	-24.6%				
Bang Overseas	154	46					2.7%	0.6%					

Only major listed exclusive fashion & lifestyle retailers & apparel manufacturers are considered  
(Financials for Q1 FY 2020 is currently not available for all companies)



Thank you!