

# **ARVIND FASHIONS LIMITED**

**A MEMBER OF THE LALBHAI GROUP**

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Website: [www.arvindfashions.com](http://www.arvindfashions.com)

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February 5, 2025

To,  
**BSE Limited**  
Listing Dept. / Dept. of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

**Security Code : 542484**  
**Security ID : ARVINDFASN**

To,  
**National Stock Exchange of India Ltd.**  
Listing Dept., Exchange Plaza, 5th Floor  
Plot No. C/1, G. Block  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051

**Symbol : ARVINDFASN**

Dear Sir/Madam,

**Sub: Investor Presentation on Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended December 31, 2024**

**Ref.: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation issued by the Company in respect of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended December 31, 2024.

You are requested to take the same on records.

Thanking you,

Yours faithfully,

**For Arvind Fashions Limited**

**Lipi Jha**  
Company Secretary

*Encl: As above.*

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**Arvind FASHIONS**

Regd Office: Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025.

CIN: L52399GJ2016PLC085595





**Q3 FY25 RESULTS PRESENTATION**

**ARVIND FASHIONS**

Feb | 2025



## DISCLAIMER

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*This document by Arvind Fashions Limited ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance to differ materially from any future results or performance described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.*

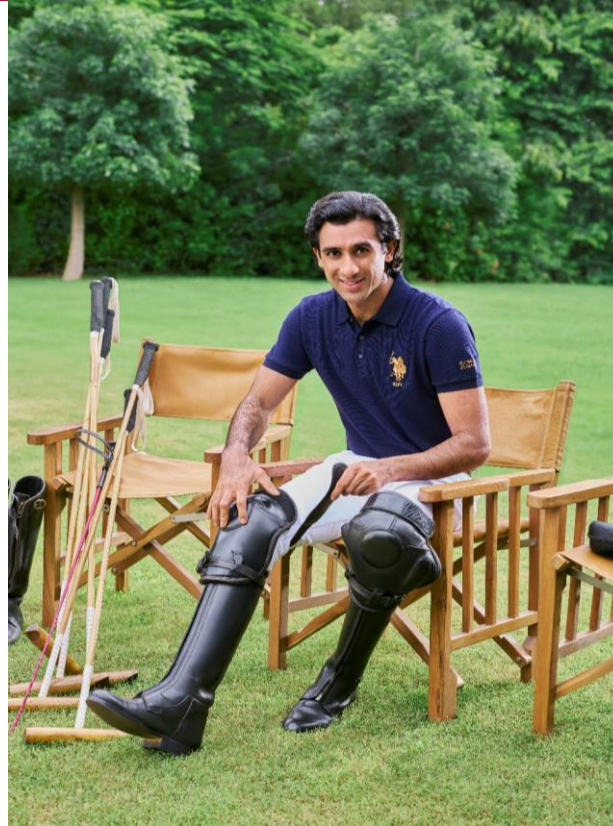
# AGENDA



**01**

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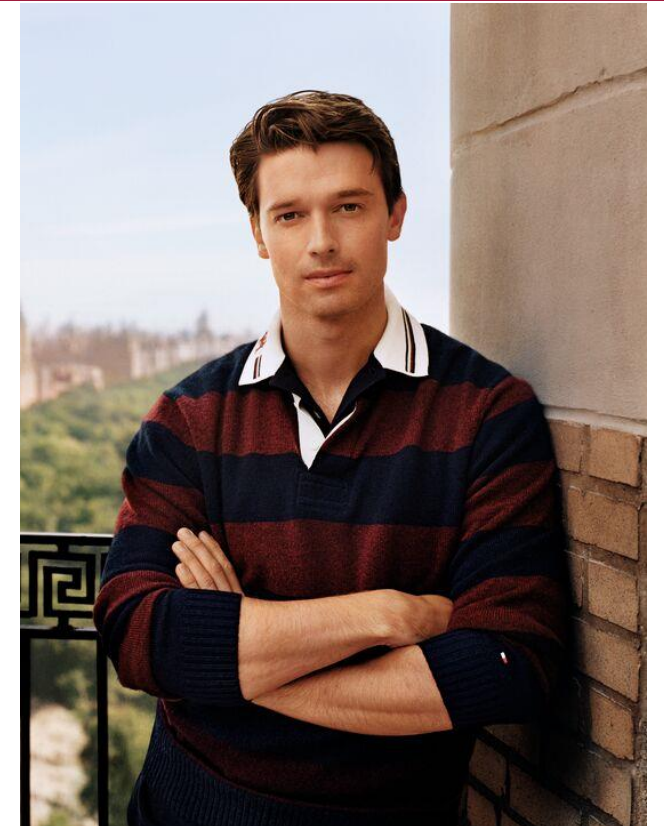
Q3 Performance Highlights



**02**

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Q3 & YTD FY25 Results



**03**

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Way Forward

# Q3 FY25 PERFORMANCE HIGHLIGHTS

## FY25 OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

	Objectives
<b>Sales &amp; Profitability</b>	<ul style="list-style-type: none"><li>• Aspiration to grow revenues by double-digit with focus on profitability</li><li>• Maintain cost control focus &amp; operating leverage to aid EBITDA &amp; PAT margins expansion</li></ul>
<b>Improve brand salience</b>	<ul style="list-style-type: none"><li>• Continued investments in advertisement to drive market share gains</li><li>• Product innovation</li></ul>
<b>Retail ops &amp; key performance indicators</b>	<ul style="list-style-type: none"><li>• Maintain focus on superior retail ops, aiding better customer experience, sell-thru's and lower discounting</li><li>• Expand new retail format(s) for existing brands &amp; scale adjacent categories</li></ul>
<b>Accelerate store expansion</b>	<ul style="list-style-type: none"><li>• Gross opening of ~150 stores, largely through FOFO route</li><li>• Significant net sq. ft. addition over FY24</li></ul>
<b>Working capital, debt &amp; return ratios</b>	<ul style="list-style-type: none"><li>• Higher free cash flow generation through continued working capital efficiency and asset-light approach</li><li>• De-leveraging to continue</li><li>• Further improvement in ROCE &amp; ROE</li></ul>

## MARKET & ECONOMY UPDATE

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*Overall market conditions continue to stay muted*

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*Casualization trend continues to gain relevance*

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*Premiumization emerging as a dominant theme and key differentiator*

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*Timely onset of winters and strong wedding calendar aided stable demand scenario*



## Q3 FY25 BUSINESS HIGHLIGHTS



### QUARTERLY SALES

Continued revenue momentum with **~7%** growth Y-o-Y; despite tepid market conditions

Strong retail LTL of **11%**; investments in upgrading customer experience & differentiated celebrity capsule collections clearly yielding results



### GROWTH DRIVERS

Adjacent categories like **womenswear** driving growth, business doubled Y-o-Y

**Premiumization** across brands continues to be a key differentiator

Gross addition of **34 EBOs**; net sq. ft. at **~11.5L sq. ft.**



### CHANNEL-WISE PERFORMANCE

**Retail channel** witnessed strong growth of **~15%** aiding **3%** higher revenue mix to **47%**

Online direct-to-consumer business (marketplace + NNNow) grew **~20%** Y-o-Y, with higher margin profile

Wholesale channel stayed **flat** Y-o-Y



### EBITDA & PAT

Clocked highest ever quarterly EBITDA at **₹ 174 crores**; **16%+** growth Y-o-Y

EBITDA margins higher by **110+ bps** through better channel mix, lower discounting & continued cost optimization

**71% growth** in PAT (from continuing business) to ₹ 28 crores vs ₹ 16 crores in Q3 FY24; PAT grew **>132%** in YTD



### WORKING CAPITAL & ROCE

**GWC days** remained stable; inventory lower by **5 days** and stock turns **>4x**

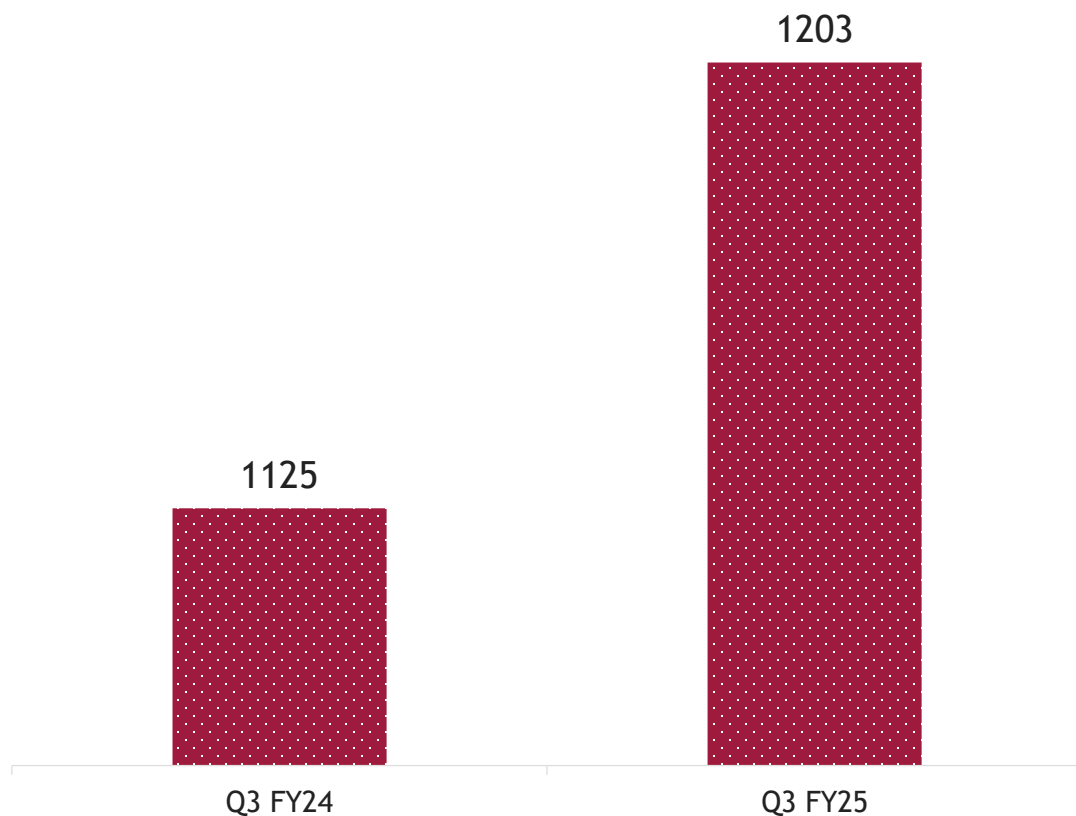
Significant improvement in ROCE (TTM) to **>19%**



## CONTINUED SALES GROWTH MOMENTUM DESPITE CHALLENGING CONDITIONS

### Sales

(₹ in crores)

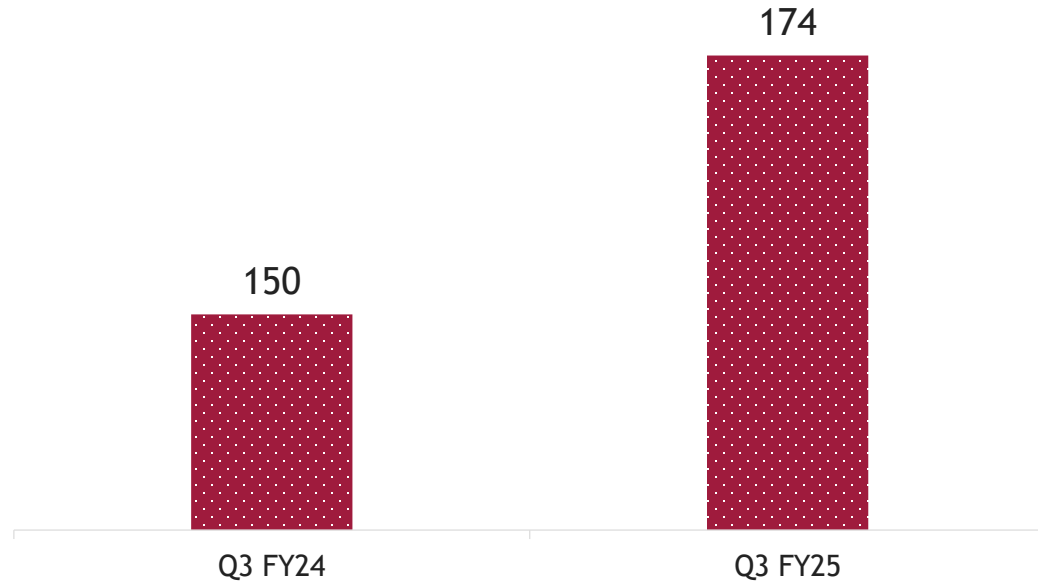


- Revenue growth of ~7%, despite muted market environment
- Superior execution in retail resulting in 11% LTL leading to strong channel growth; revenue mix higher by 3%
- ~20% growth in online B2C channel, while wholesale channel largely stayed flat
- EBO count stood at 947 as of Dec'24, net sq. ft. at ~11.5L

## LEADING TO STRONG PROFITABILITY IMPROVEMENT

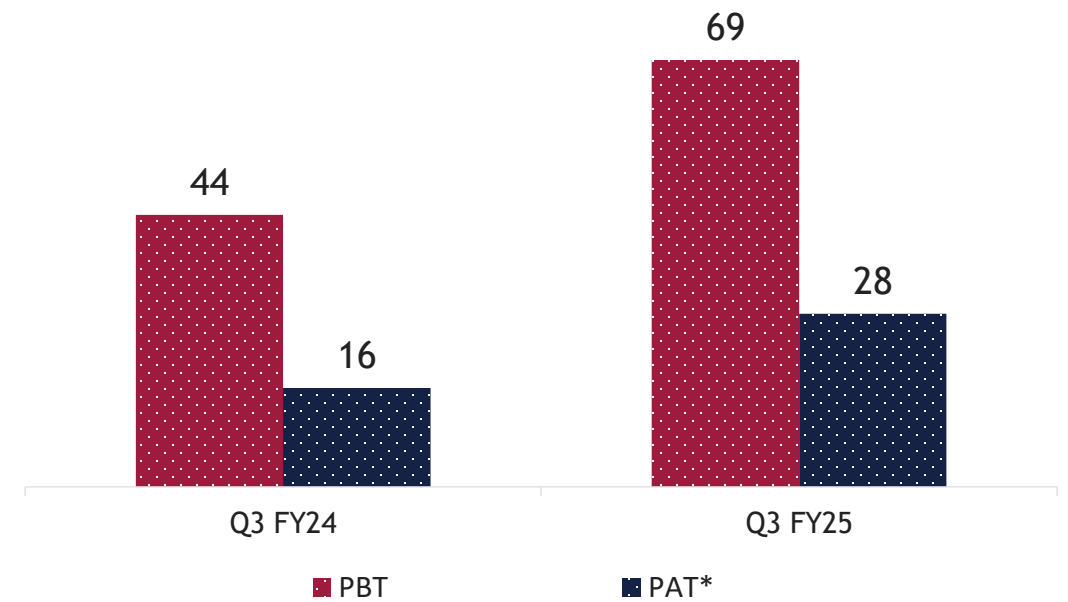
### EBITDA

(₹ in crores)



### PBT and PAT \*

(₹ in crores)



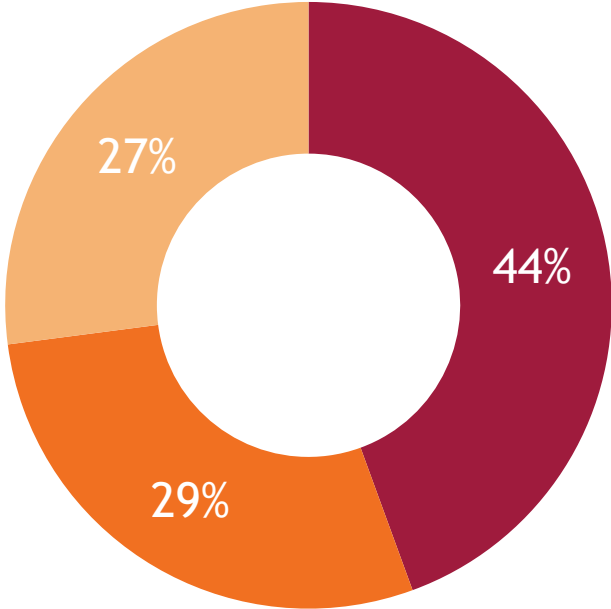
\* For continuing business



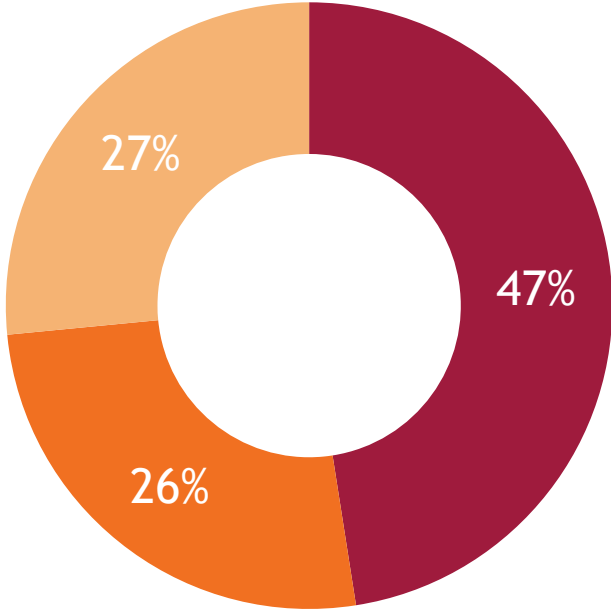
**Improvement in EBITDA margins by 110+ bps Y-o-Y through better channel mix, lower discounting and continued cost optimization efforts**

# CHANNEL MIX

### Q3 FY24



### Q3 FY25



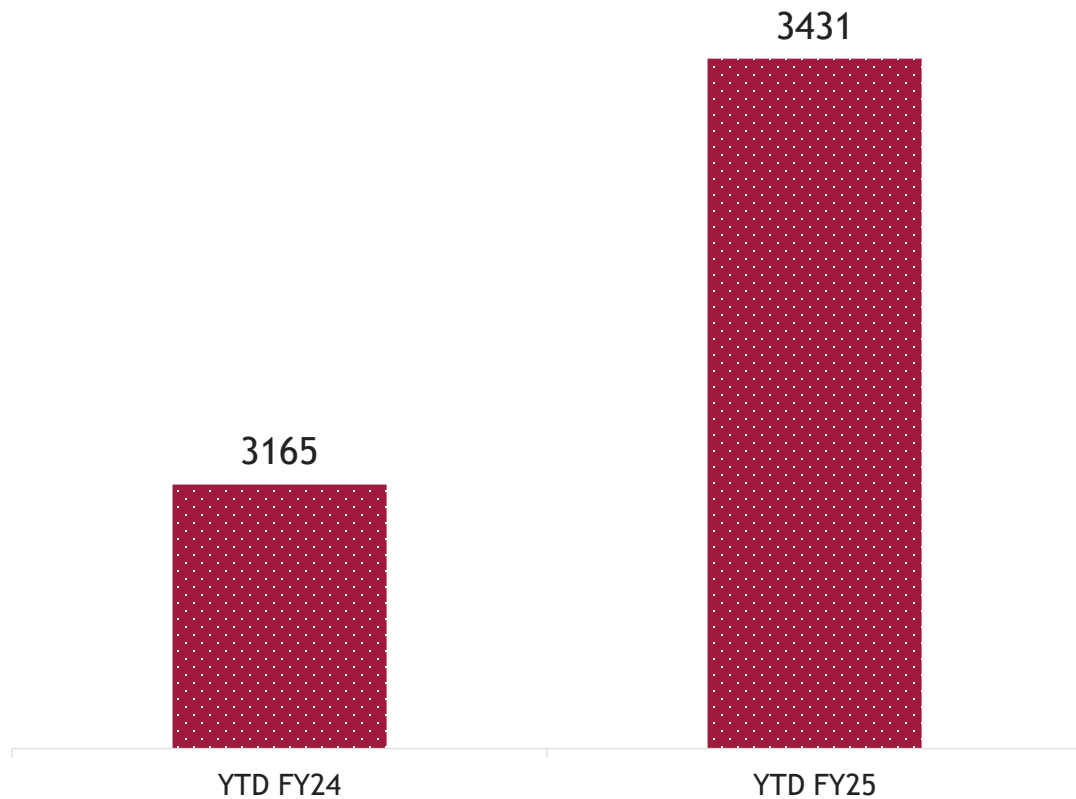
Wholesale (MBO + Dept. Stores)    Retail    Online & Others



## GROWTH ACCELERATION IN YTD COMPARED TO LAST YEAR

### Sales

(₹ in crores)

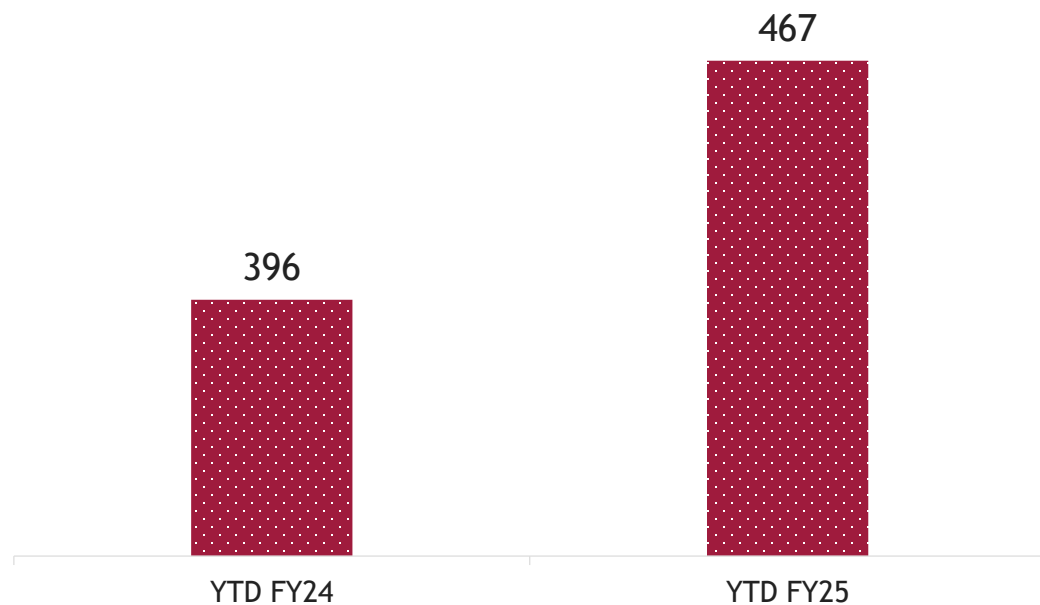


- Revenue growth of 8.4%, significantly higher compared to previous year
- Healthy double digit growth in retail & online channels
- Slower growth in wholesale channel
- YTD FY25 net sq. ft. addition stood at ~76k

## DRIVING CONTINUED PROFITABILITY IMPROVEMENT DURING YTD

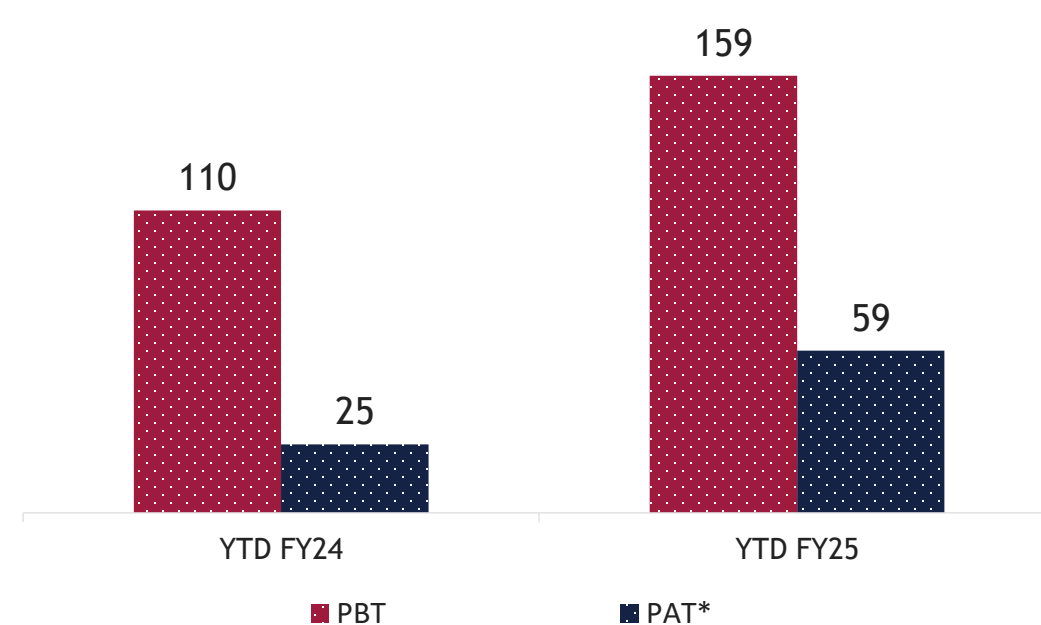
### EBITDA

(₹ in crores)



### PBT and PAT \*

(₹ in crores)



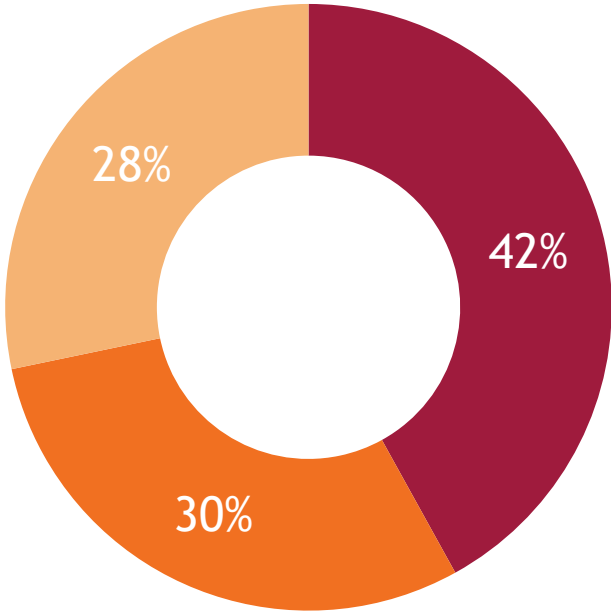
\* For continuing business



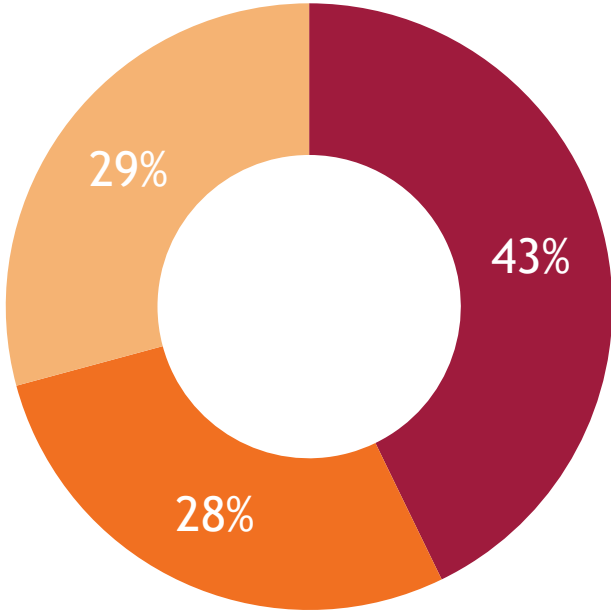
*Improvement in EBITDA margins by 110 bps Y-o-Y aided by favorable channel mix and control over discounting & various other costs*

# CHANNEL MIX

### YTD FY24



### YTD FY25



Wholesale (MBO + Dept. Stores)    Retail    Online & Others



## CONTINUE TO OPEN MARQUEE EBOs



Magneto, Raipur



Hilite, Thrissur



U.S. POLO ASSN.  
SINCE 1890



FLYING MACHINE



ARROW  
USA • 1851



Q3 FY25 PERFORMANCE HIGHLIGHTS

# BRAND HIGHLIGHTS



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## Brand Highlights



U.S. POLO ASSN.  
SINCE 1890



- Continuing strong growth momentum in the brand with a dominating leadership position in casual lifestyle category across channels; brand poised to cross 2,000 Crs NSV mark soon
- 360-degree advertising campaign (USPA x Pacho) including very elevated collab collection during festive season helped deliver robust retail LTL growth
- Iconic & marquee stores across the country delivering higher productivity
- Adjacent categories continuing to expand brand's potential





## Brand Highlights



- Strong wedding calendar helped brand's performance
- Continued journey of improving EBITDA margins through operating leverage
- Product innovation through premium Italian line driving differentiation
- New York line helping brand become more young & cool
- Focus on accelerating EBOs expansion across geographies



## Brand Highlights



- Marketing campaign 'Flying Machine x Orry' created strong buzz amongst Gen Zs
- Won prestigious industry accolade at IFF for the most admired celebrity endorsement marketing campaign of the year
- Brand delivered significantly improved financial results coupled with robust performance across key KPIs in AW'24
- Delivered strong retail LTL growth



## Brand Highlights



- Premiumization trend aiding brand's performance delivering superior sales growth & profitability
- Robust sell-thru's in AW24

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## Brand Highlights



- Premiumization trend helping brand deliver industry leading sell-thru's and LTL growth
- Strong growth helped deliver profitability improvement through operating leverage



## Q3 FY25 - GROUPWISE PERFORMANCE

(₹ in crores)

	Sales			EBITDA			EBITDA %	
	Q3 FY25	Q3 FY24	% Growth	Q3 FY25	Q3 FY24	% Growth	Q3 FY25	Q3 FY24
Power Brands	1203	1125	7%	174	150	16%	14.5%	13.3%
<b>Total</b>	<b>1203</b>	<b>1125</b>	<b>7%</b>	<b>174</b>	<b>150</b>	<b>16%</b>	<b>14.5%</b>	<b>13.3%</b>

***EBITDA margin expansion of 110+ bps through richer channel mix, lower discounting & continued cost control***

Note:  
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein



## YTD FY25 - GROUPWISE PERFORMANCE

(₹ in crores)

	Sales			EBITDA			EBITDA %	
	YTD FY25	YTD FY24	% Growth	YTD FY25	YTD FY24	% Growth	YTD FY25	YTD FY24
Power Brands	3431	3165	8.4%	467	396	17.8%	13.6%	12.5%
<b>Total</b>	<b>3431</b>	<b>3165</b>	<b>8.4%</b>	<b>467</b>	<b>396</b>	<b>17.8%</b>	<b>13.6%</b>	<b>12.5%</b>

*Revenue growth acceleration (vs last year) coupled with operational efficiencies led to 110 bps improvement in profitability*

Note:  
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein

# Q3 & YTD FY25 RESULTS

## Q3 FY25 - PERFORMANCE SNAPSHOT

( ₹ in crores)

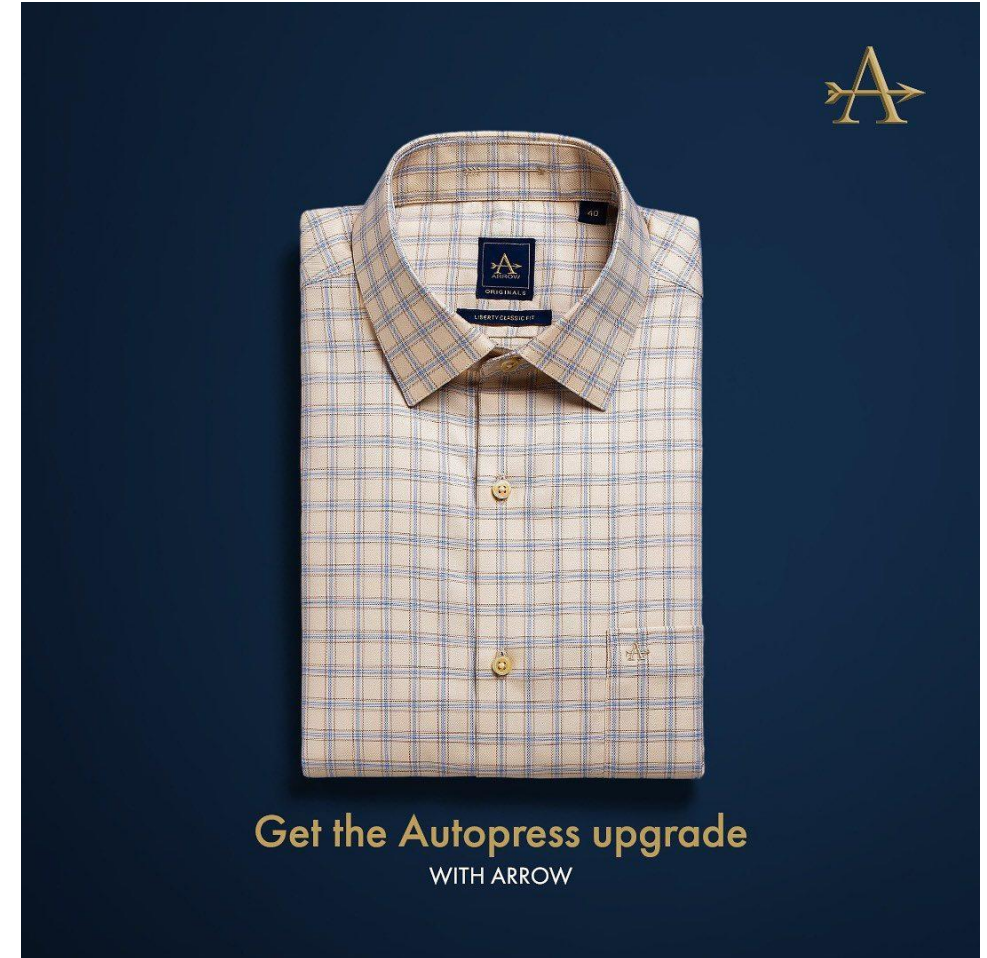
	Q3 FY25	Q3 FY24
Revenue from Operations	1203	1125
Other Income	9	7
<b>Total Income</b>	<b>1211</b>	<b>1132</b>
EBITDA	174	150
Exceptional item	-	(6)
PBT	69	44
Taxes	21	14
Minority Interest	20	14
PAT	28	16
Profit/(loss) from discontinued operations	(1)	35
Reported PAT	27	51



## YTD FY25 - PERFORMANCE SNAPSHOT

( ₹ in crores)

	YTD FY25	YTD FY24
Revenue from Operations	3431	3165
Other Income	23	21
<b>Total Income</b>	<b>3454</b>	<b>3186</b>
EBITDA	467	396
Exceptional item	-	(6)
PBT	159	110
Taxes	52	44
Minority Interest	48	41
PAT	59	25
Profit/(loss) from discontinued operations	(1)	31
Reported PAT	58	56



## EFFICIENT WORKING CAPITAL MANAGEMENT

( ₹ in crores)

	Dec'24	Dec'23	Sep'24
Inventory	1127	1068	1163
Inventory days	89	94	89
Receivables	639	547	815
Debtor days	54	45	53
GWC	1766	1615	1978
GWC days	143	139	142
Payables	1139	968	1189
Creditor days	84	82	82
NWC	628	647	789
NWC days	59	57	60

Note for days calculation, for example:  
 Inventory days = Average TTM Inventory / TTM Revenues \* 365

***GWC days largely remained stable despite revenue growth acceleration in YTD***



# WAY FORWARD

## WAY FORWARD

### AFL

*With execution on new season launch (SS'25), hopeful of growth momentum (vs Q3 levels)*

*Continue execution on higher profitability through better channel mix, operating leverage & cost optimization etc.*

*Focused retail network expansion across brands through FOFO model*

*Decisive focus on scaling existing 5 brands through innovative retail formats, higher network expansion & cash accruals*

*Whole-hearted investments in advertising & re-energizing brand salience*

*Working capital control and FCF generation leading to higher ROCE*

ARVIND fASHIONS

THANK YOU