
October 28, 2024

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code: 544058

Scrip Symbol: MUFTI

Dear Sir/Madam,

Sub: Media release

Please find attached a media release titled as "Q2 & H1 FY25 Financial & Business Performance".

The above is being made available on the Company's website i.e. www.credobrands.in.

This is for your information and dissemination on your website.

Thanking you,

Yours faithfully,
For **Credo Brands Marketing Limited**

Sanjay Kumar Mutha
Company Secretary and Compliance Officer

Encl. As above



Credo Brands Marketing Limited

Q2 & H1 FY25 Financial & Business Performance

Mumbai, 28th October 2024 – Credo Brands Marketing Limited (MUFTI), one of the prominent players in the men's casual wear providing a meaningful wardrobe solution for multiple occasions in a customer's life, with product offerings ranging from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing has announced its Unaudited Financial Results for the Quarter and half year ended 30th September 2024.

KEY FINANCIAL HIGHLIGHTS

Profit & Loss (in Rs. Crore)	Q2 FY25	Q2 FY24	YoY	H1 FY25	H1 FY24	YoY
Revenue from Operations	185.6	165.6	12%	309.5	284.1	9%
Gross Profit	102.2	95.3	7%	174.8	161.8	8%
<i>Gross Profit Margin</i>	55.1%	57.5%		56.5%	57.0%	
EBITDA	57.6	56.8	1%	91.0	87.1	5%
<i>EBITDA Margin</i>	31.1%	34.3%		29.4%	30.6%	
Profit before Tax	35.4	37.0		48.4	48.3	
PAT	26.5	28.0	-5%	36.2	36.5	-1%
<i>PAT Margin</i>	14.3%	16.9%		11.7%	13%	

On Consolidated Basis

KEY BUSINESS UPDATES

- **No. of EBOs added during H1 FY25 are 17 Stores on a Gross Basis**
 - Total EBOs as on 30th September 2024 stood at 427 stores
- **Sales Mix for H1 FY25**
 - EBO : 51.5%; MBO : 25.3%; LFS : 3.2%; Online : 16.0%; Others : 4.0%
- **Product Mix for H1 FY25**
 - Shirts : 42% ; T-shirts : 12% ; Bottomwear : 41% ; Outerwear : 3% ; Others : 4%
- **Same Store Sales Growth (SSSG)** for EBOs stood at -1% for H1 FY25
- **Operating Cash Flow stood** at Rs. 64.0 crores for H1 FY25
- **Working Capital Days** as on 30th September 2024 stands at 193 days
- **RoCE** stood at 20.4%; **RoE** stood at 20.9% for H1 FY25
- **Debt-Equity** stands at 0.05x



Credo Brands Marketing Limited

Commenting on the Result, Mr. Kamal Khushlani, Chairman & MD, Credo Brands Marketing Limited said

“Our Company demonstrated resilience and a steadfast commitment to driving growth despite facing a challenging external environment. Margins due to subdued demand were impacted in this period by several external factors, including a reduced number of wedding dates, unprecedented heavy rains in September, and generally subdued discretionary spending.

Despite these headwinds, our growth in revenues by 12% in the quarter underscores our focus on growth and the strength of our response in a shifting market and this is after taking a 3% increase in provisions for returns as compared to the same period last year. Our Gross Profit Margins remained stable, highlighting the strong customer loyalty and enduring appeal of the brand even in challenging conditions. As planned, over the last six months, we have been able to reduce our inventory levels, and we will continue to manage the same going ahead.

In this half year, we have opened 17 new stores on a gross basis (2 new stores on a net basis) taking our total count to 427 stores. Given the softer demand environment we have been selective about our store openings and have been focusing on high quality signings. Going forward as demand begins to pick up we expect to further ramp up our store openings and plan to open 20-25 new stores in the second half of the year. We intend to open new stores with aim of improving market share, brand recognition and economies of scale.

We are anticipating stronger demand in the coming months, driven by the festive season and upcoming marriages. We are also looking to improve our presence on digital platforms which will help us grow our D2C business and for this purpose we have partnered with Meta and Google.

Our strategy revolves around providing high quality products to our customers and continue being the bridge between the mass and premium consumer segments and our asset light business model, robust cash flows, and low-debt position provide a solid foundation to execute our multipronged strategies whilst maintaining profitability and healthy margins.”



Credo Brands Marketing Limited

About Credo Brands Marketing Limited

Credo Brands Marketing Limited (MUFTI) is a prominent player in the men’s casual wear in India providing a meaningful wardrobe solution for multiple occasions in a customer’s life, with our product offerings ranging from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing.

The brand “Mufti” was launched with a vision to redefine menswear. The brand was created as an alternative dressing solution and was designed to deliver a casual alternative with a focus on creative, bold, and expressive clothing for the contemporary Indian man who wanted something more stylish than what was commonly available.

The products are available through a pan-India multichannel distribution network that we have built over the years comprising of EBOs, LFSs and MBOs, as well as online channels comprising of website and other e-commerce marketplaces. The Company’s multi-channel presence is planned strategically in a manner that products across categories are available at consumers’ preferred shopping channels.

The Company is asset-light with respect to the plant, property, and equipment, primarily due to outsourcing of our manufacturing operations. The Company comprehensively focuses on the design of products and outsources the manufacturing of products to various manufacturing partners. The Company conducts multiple levels of checks to ensure the desired quality. This structure provides agility with longstanding sourcing partners allowing the Company to manage supply, based on the demand from various distribution channels.

The Company has developed a strong brand identity through effective brand advertising and multiple marketing campaigns for the brand.

For more information, please contact

Company:

Credo Brands Marketing Limited



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Investor Relations (IR)

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Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.