

November 8, 2022

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

**Security Code: 500101**  
**Security ID: ARVIND**

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

**Symbol: ARVIND**

Dear Sir/Madam,

**Sub: Outcome of the Meeting of the Board of Directors held on 8<sup>th</sup> November, 2022**

**Ref.: Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2022 approved by the Board of Directors of the Company at their meeting held today along with Limited Review Reports by the Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, for the said quarter.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter ended 30<sup>th</sup> September, 2022.
3. Investor Presentation for Q2 and H1 issued in this regard.

The Board, at its aforesaid meeting, has also approved the proposal for alteration in "Object Clause" of the Memorandum of Association of the Company to carry on businesses of (1) designing, manufacturing and selling a range of consumer and intermediate products made using "Natural Indigo" and other dyes and other substances and (2) sourcing of manpower and imparting customized training (skilled and/or unskilled) and supplying trained manpower within and/or outside industry, which is subject to approval of the members of the Company.

The meeting of the Board of Directors of the Company commenced at 11:30 a.m. and concluded at 1:00 P.M.

You are requested to bring this to the notice of all concerned.

Thanking you,

**Yours faithfully,**  
**For Arvind Limited**



**R.V. Bhimani**  
**Company Secretary**  
**Encl.: As above**



**Arvind Limited Q2 FY23 results**  
*Investor Review Note*

08<sup>th</sup> November 2022

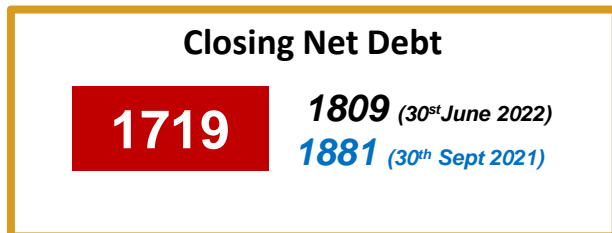
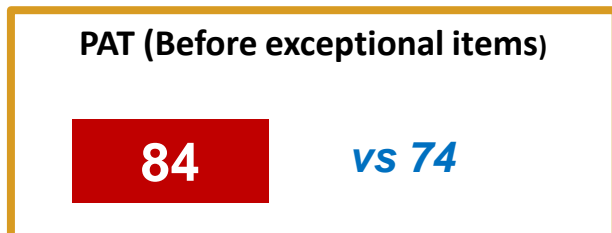
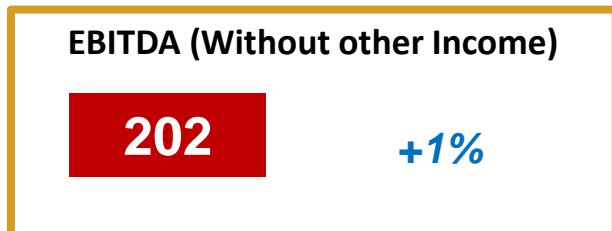
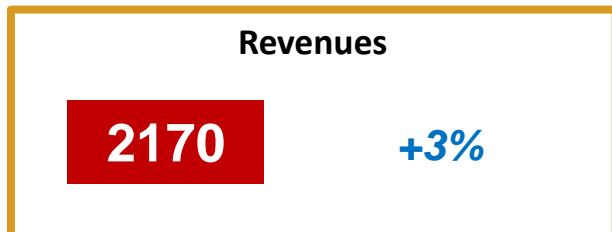
## Safe harbour statement

Certain statements contained in this document may be statements of future expectations and other forward looking statements that are based on management's current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. None of Arvind Limited or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document. This document does not constitute an offer or invitation to purchase or subscribe for any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

# Q2 FY23 highlights | steady performance in a weakening global environment

₹ crs

YoY



- Topline saw minor growth (Textile +4%, AMD +6%)
  - Denim and garment volumes were under pressure
  - Wovens and Knitted products stayed steady
  - AMD continued its growth
- Operating margins remained flat, EBITDA stood at ₹202 Cr
  - Textile margins impacted by lower volumes, and inflated denominator given higher RM prices
  - AMD margin improved to 12.3% as against 11.8% in Q2 FY22
- Overall debt reduced by ₹91 Cr during the quarter
  - Net reduction in LT debt ₹27 cr

**Notes:**

- All numbers excludes Discontinued Internet business which was sold during this quarter

## Q2 FY23 Consolidated P&L | stable operating results

<i>All figures in INR Crs</i>	Q2 FY23	Q2 FY22	YoY Change
Revenue from Operations	2,170	2,108	3%
EBIDTA (Continuing Operations)	202	200	1%
EBIDTA %	9.3%	9.5%	
One time RoDTEP	0	18	
<b>Reported EBIDTA</b>	<b>202</b>	<b>217</b>	
Other Income	11	18	
Interest	42	48	
Cash Accruals (Continuing Operations)	171	187	-9%
Depreciation	62	64	
<b>PBT</b>	<b>109</b>	<b>123</b>	
<b>PAT</b>	<b>84</b>	<b>74</b>	
Exceptional Item	41	0	
Profit from Discontinuing Operations	0	-5	
<b>Net Profit</b>	<b>125</b>	<b>70</b>	

### Notes:

- Discontinuing business includes Arvind Internet business
- Exceptional Items include:
  1. Profit on sale of Internet subsidiary (+) ₹148.8 Cr
  2. Provision for potential loss land as higher land surrendering required by the Municipal Corporation (-) ₹30.7 Cr
  3. Provision for doubtful receivables of water treatment business in Ethiopia: (-) ₹57.22 Cr
  4. Tax on above items of ₹20.3 Cr

# Modest revenue growth across segments | Textile margins suffered while AMD margins improved

<i>In Inr Cr</i>	Q2 FY23				Q2 FY22			
Business	Revenue	EBIDTA	EBIDTA %	ROCE %	Revenue	EBIDTA	EBIDTA %	ROCE %
Textiles	1758	171	9.7%	15.3%	1711	193	11.3%	19.5%
Advanced Material	313	39	12.3%	22.3%	297	35	11.8%	22.9%
Others & Inter Segment	99	4			83	-11		
<b>Total</b>	<b>2170</b>	<b>213</b>	<b>9.8%</b>	<b>12.2%</b>	<b>2090</b>	<b>217</b>	<b>10.4%</b>	<b>12.3%</b>
<b>Rodtep for previous period</b>					<b>18</b>	<b>18</b>		
<b>Reported Number</b>	<b>2170</b>	<b>213</b>	<b>9.8%</b>	<b>12.2%</b>	<b>2108</b>	<b>235</b>	<b>11.1%</b>	<b>13.8%</b>

- Modest revenue growth
  - Denim and Garment volumes were under pressure while Wovens and Knits stayed steady
  - Realizations across Textile businesses improved to offset the input cost increases
  - AMD revenue growth looks muted as Q2 FY22 saw spill over of dispatches from previous quarter
- Textile margins lower given higher denominator and impact of lower Denim and Garment volumes
- AMD margins improved as input cost overhang starts to ease and businesses continue to scale-up

Notes:

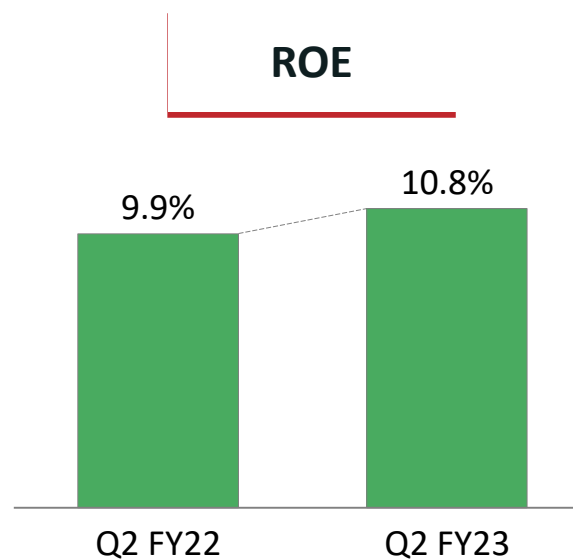
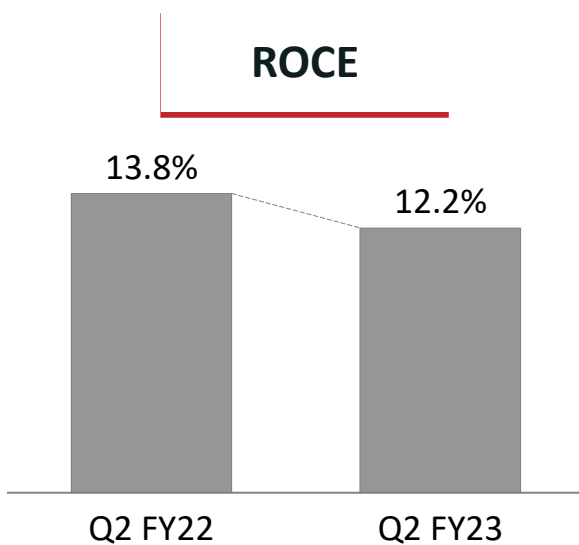
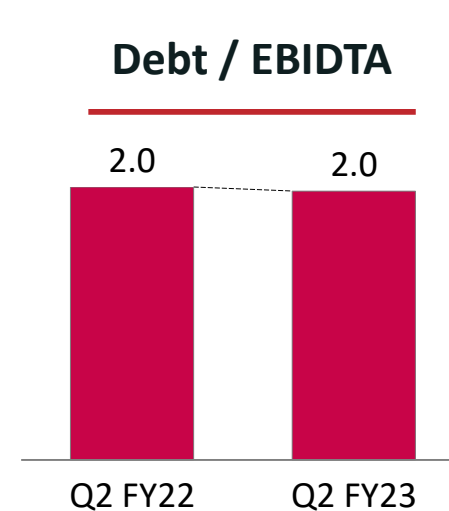
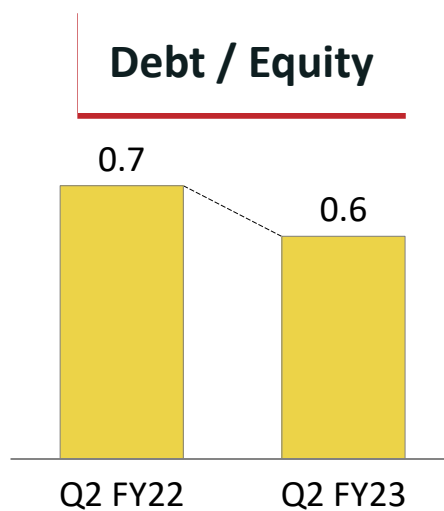
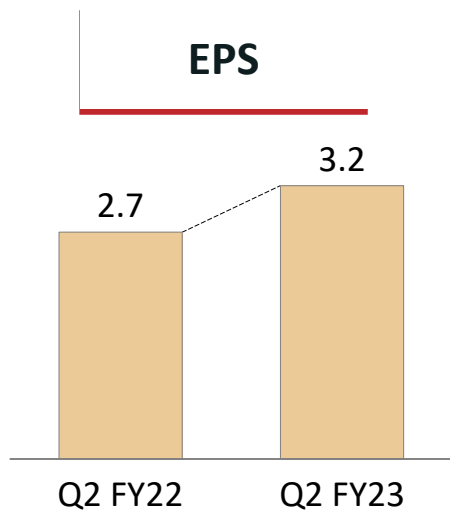
- Segment EBITDA includes Other Income
- Excluding discontinuing operations

# Consolidated Balance Sheet as on 30<sup>th</sup> Sept 2022

Rs Cr	30th Sept 22	31st Mar 22
<b>Shareholders' Fund</b>	<b>3172</b>	<b>3006</b>
Share Capital	261	261
Reserves & Surplus	2856	2690
Minority Interest	55	56
<b>Borrowings</b>	<b>1792</b>	<b>1759</b>
long Term Borrowings	578	758
Short Term Borrowings	918	803
Long Term Liability Maturing in one year	296	199
<b>Lease Liabilities (Current + Non Current)</b>	<b>121</b>	<b>106</b>
<b>Other Liabilities</b>	<b>2262</b>	<b>2833</b>
<b>Total</b>	<b>7347</b>	<b>7705</b>
<b>Assets</b>	<b>3682</b>	<b>3665</b>
Fixed Assets	3428	3446
ROU Assets	96	80
Non Current Investments	66	66
Long term Loans & Advances	1	1
Other Non Current Assets	92	71
<b>Cash and cash equivalents</b>	<b>73</b>	<b>77</b>
<b>Other Current Assets</b>	<b>3592</b>	<b>3963</b>
<b>Total</b>	<b>7347</b>	<b>7705</b>

- Net Borrowings reduced by ~ ₹91 cr compared to June 2022
- LT borrowings reduced by ₹27 cr\*

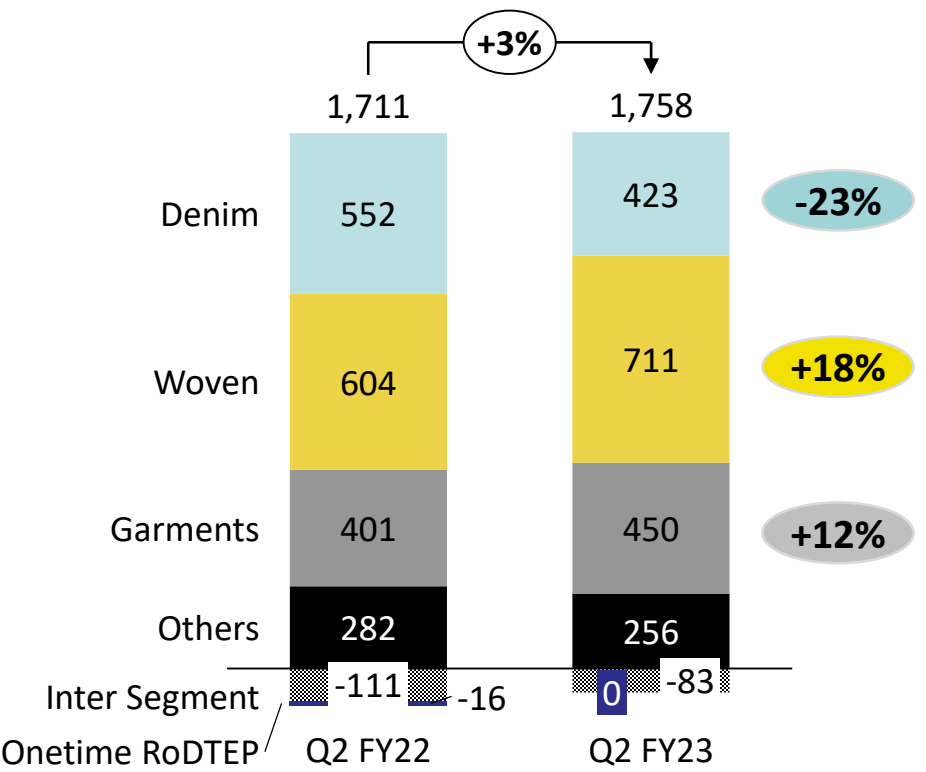
## Key indicators – Q2FY22 Vs Q2FY23





# Textile revenues remained flat – higher realizations helped offset the lower volumes and input cost increases

Textile revenues (₹ Crs)



### YoY basis Textile revenues + 4%

#### Denim revenues

- Q2 volume 12.9M m (-49%)
- Realization + 38% driven by higher prices to offset cost impact and currency impact

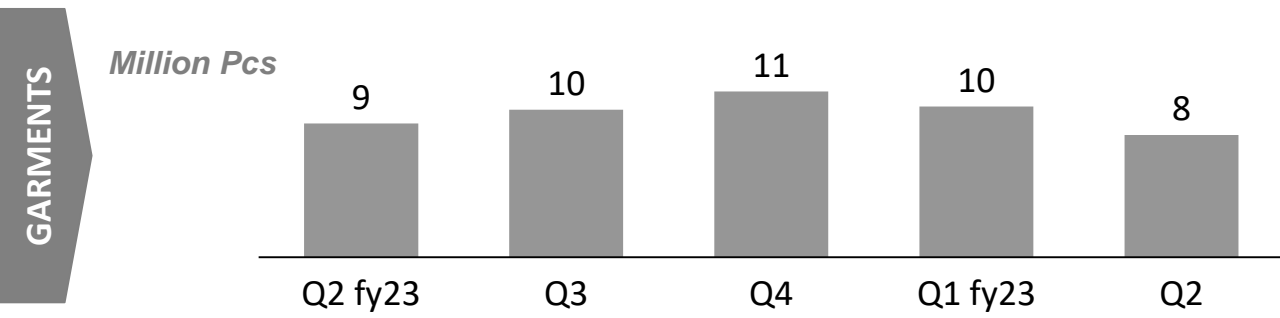
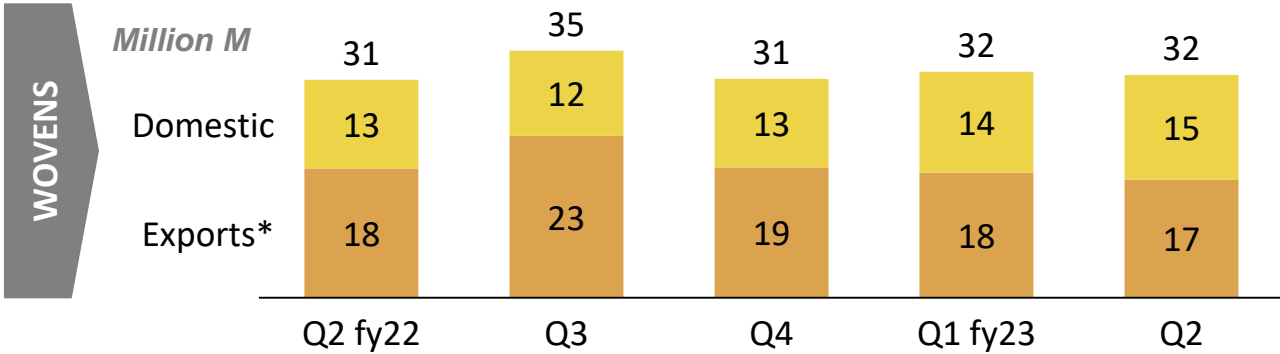
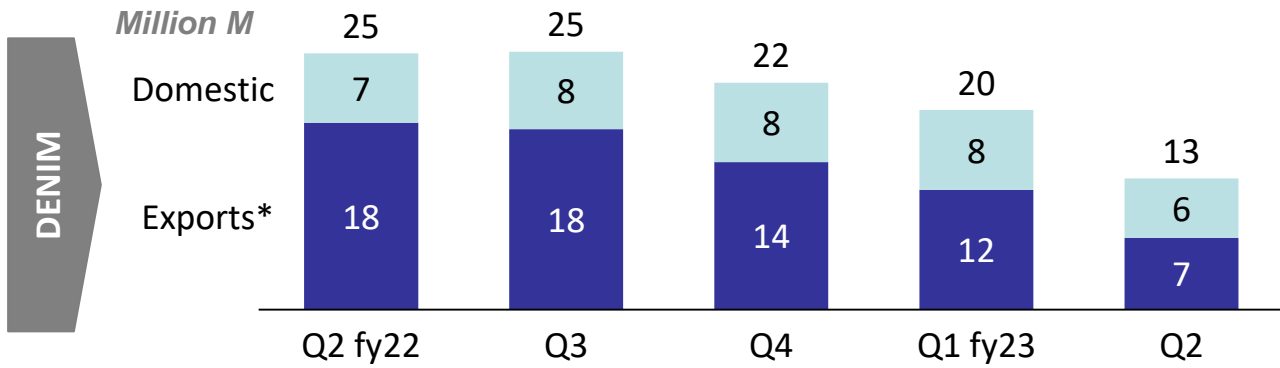
#### Woven revenues

- Q2 volume 32M m (+2%)
- Realization +24%

#### Garment revenues

- Q2 volumes ~8.1 M pcs (-25%)
- Improved mix and realization

# Woven volumes steady; Denim fabric exports and Garments saw decline as customers postponed their buying



- Consumer confidence continues to go down in key western markets (US saw decline from 107.8 in Sep to 102.5)
- Commentaries issued by key brands in Aug/Sep indicate a weaker outlook for demand
- Many of our export customers have postponed/ reduced demand accordingly
- We expect the revival in next 1-2 quarters
- Domestic demand continues to stay generally strong

\* Exports volumes includes sales made to export customers and shipments made to their garment factories in India

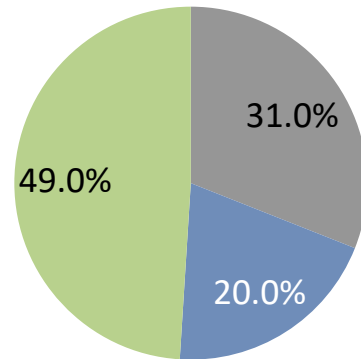
# AMD recap | 3 sets of businesses



## 1. Human Protection (protective fabrics & apparel)

- Fire Retardance
- High Visibility
- Cold weather protection
- Abrasion resistance
- CBRN protection
- Electric arc protection
- Molten Metal protection
- Image wear

Business Mix\*



## 2. Industrials

(MMF fabrics and non-wovens for non-apparel applications)

- Woven fabrics for filtration, belting reinforcement and other uses
- Non-woven fabrics and bags for hot gas filtration, leather backing etc.
- Coated and laminated products incl. tents, canopy, print media
- Specialty yarns and threads



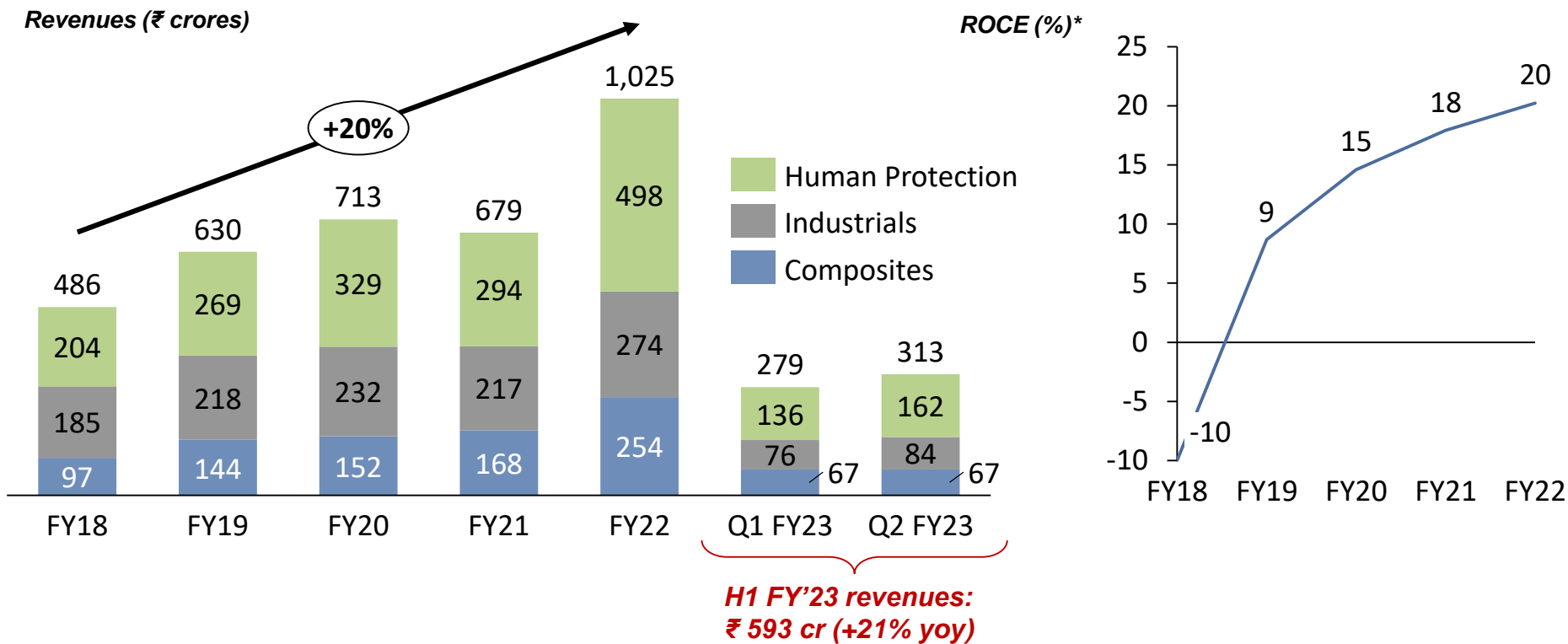
## 3. Composites

(Glass and Carbon fibre re-inforced plastics)

- Glass fabrics (multi-axial and woven)
- Pultruded and moulded products for industrial construction, telecom etc.
- Interior and exterior components for rail coaches, trucks and other automobiles
- Carbon composite sports goods and UAV parts
- FRP cladding and roofing sheets

\* Percentage split of businesses is based on FY22 revenues

# AMD topline grew at 20% over last 5 years, margins and returns improved steadily; FY23 on track



\* FY22 was impacted by high input RM and shipping costs, and lag effect in price correction, especially in Composites segment

## Outlook for Q3 | similar performance as Q2 expected

### Export demand likely to stay muted for Denim and Garments; Woven and Knit business likely to remain stable

- Key export customers continue to defer fresh buying given macro environment in US & Europe
- Overcapacity and absence of FTA with key markets, makes the situation worse for Denim/J Jeans
- Domestic markets expected to stay strong in Q3 given the wedding season

### Input costs starting to soften

- Cotton and other input costs expected to stay range bound around current level
- Gross margin will likely improve, EBITDA will be stable (given volume pressures)

### AMD business likely to remain strong

- On track for a full year topline growth of ~20%
- Shipping costs have been softening, and should help export oriented businesses
- Margins will steadily improve in a softer input cost environment

### Overall we expect Q3 performance to be at similar levels as Q2

### We intend to continue our medium term strategy to reduce the Long Term debt

- ~300 crores expected to be reduced during FY23



Thank You!