

ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office : Du Parc Trinity, 8th Floor, 17, M.G. Road, Bengaluru - 560 001
Tel : 91-80-4155 0601, Fax : 91-80-41550651
Website: <http://www.arvindfashions.com>

August 10, 2022

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

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

Security Code : 542484
Security ID : ARVINDFASN

Symbol : ARVINDFASN

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Arvind Fashions Limited ("the Company") held on August 10, 2022.

Ref: Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

Further to our letters dated August 02, 2022 for intimation of Board Meeting, and in accordance with the provisions of Regulation 30 of the SEBI LODR Regulations, this is to inform you that the Board of Directors of the Company, at its meeting held today (i.e., on August 10, 2022) has, *inter alia*, considered and approved the following business:

1. The unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2022.

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

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2022, along with Limited Review Reports issued by the Joint Statutory Auditors of the company i.e. M/s. Deloitte Haskins & Sells and M/s Sorab S. Engineers & Co.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter ended on June 30, 2022.
3. Investor Presentation for Q1 issued in this regard.

The meeting of the Board of Directors commenced at 02:00 p.m. and concluded at 4:15 P.M.

You are requested to take the above on your record and bring this to the Notice of all concerned.

Thanking you,

For Arvind Fashions Limited


Lipi Jha
Company Secretary



Encl: As above.

ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.
CIN : L52399GJ2016PLC085595



Arvind Fashions Limited

Q1 FY23 Results Presentation

Aug 2022


Disclaimer


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

Q1 FY23 Performance Highlights 

Q1 FY23 Results with IndAS 

Way Forward 

FY23 Objectives - What we have set for ourselves

Targets & Objectives

1. Sales & Profitability

- Amongst industry leading growth rates (over FY22)
- Expansion in operating margins with significant growth in PAT

2. Inventory

- Further improvement in inventory turns to >4x

3. Omni-channel business model

- Build scalable omni-channel model with higher contribution of direct-to-consumer (D2C - NNNOW + Marketplace) helping drive higher customer loyalty

4. Working capital & Balance sheet

- Efficient working capital management leading to free cash flow generation
- De-leveraging to continue

5. Return on capital employed (ROCE)

- Significant improvement in ROCE profile

6. Deeper penetration and store expansion

- Acceleration in store network expansion across smaller towns by opening 200+ stores

Q1 FY23 Business Highlights



Record sales quarter

- **2.9x** sales growth Y-o-Y; **40%** growth (vs. pre-COVID; Q1 FY20)
- Retail LTL growth of **~25%**; despite pushing out EOSS



Power Brands

- **Double-digit** EBITDA margin (pre-IndAS) trajectory continued in USPA & Tommy Hilfiger
- **150 bps** improvement in overall margin profile (vs. pre-Covid)



Growing category extensions

- **3.6x** growth in footwear business (vs. pre-COVID)
- **97%** Y-o-Y growth in innerwear category



Profitability

- **Record** full price sell-thru's across brands and efficient discount management
- **52%** growth in EBITDA to Rs. 94 crores (vs. pre-COVID)



Channel-wise performance

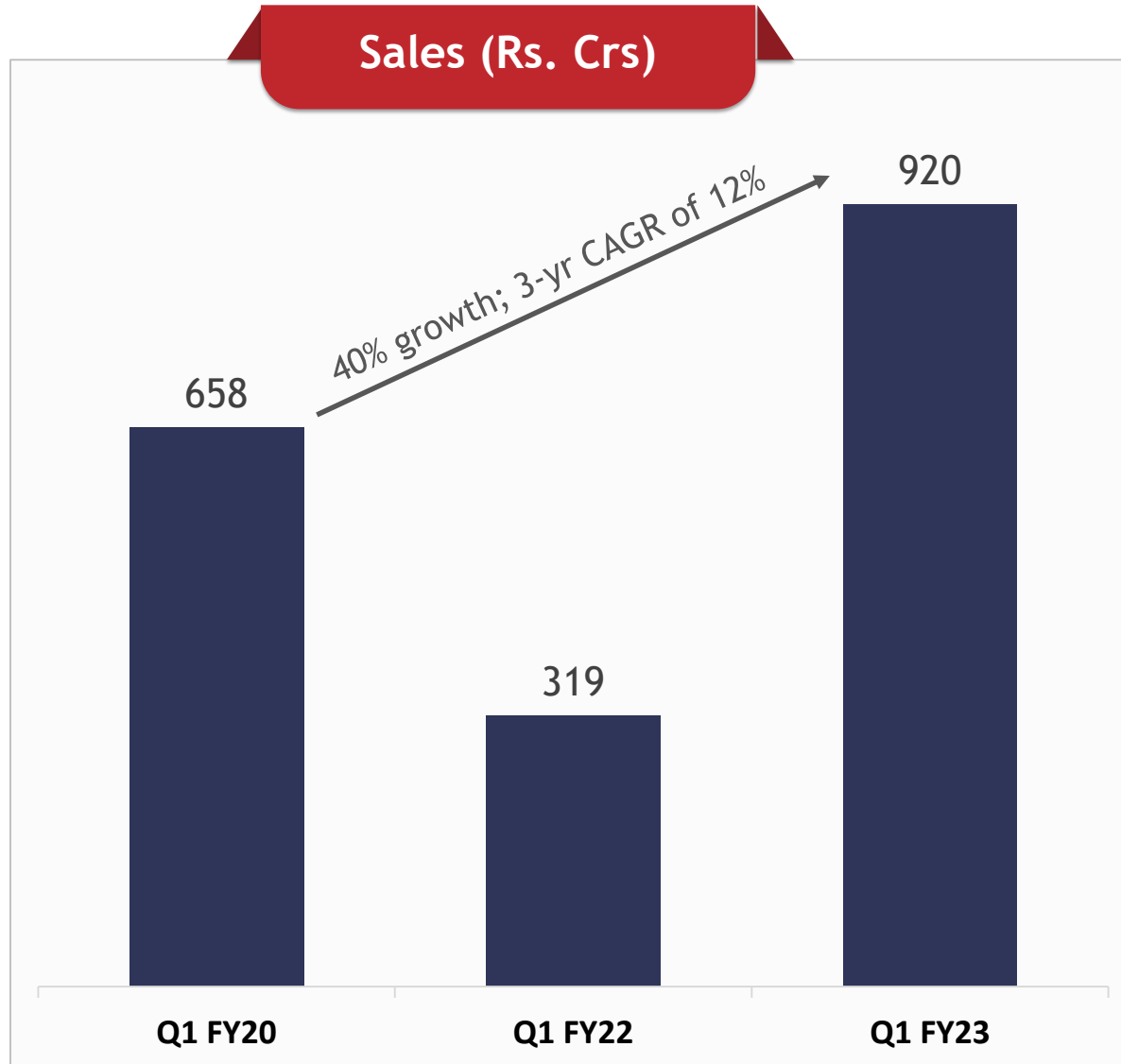
- **35%** growth in retail channel (compared to pre-COVID); sharp execution continued
- **1.9x** growth in online channel (vs pre-COVID); **20%** Y-o-Y growth
- **2.5x** growth in MBO channel (vs pre-Covid)



Working capital management

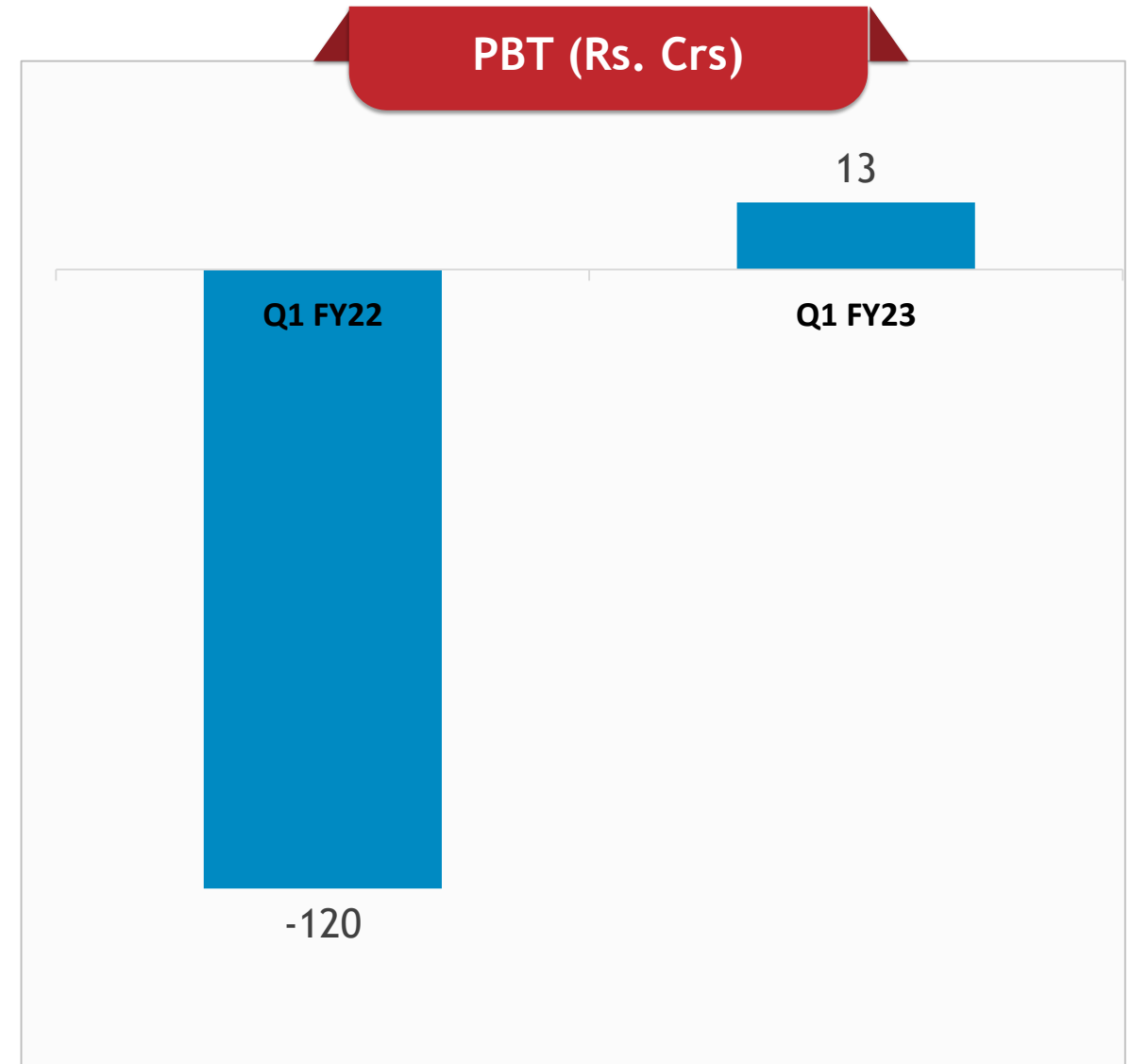
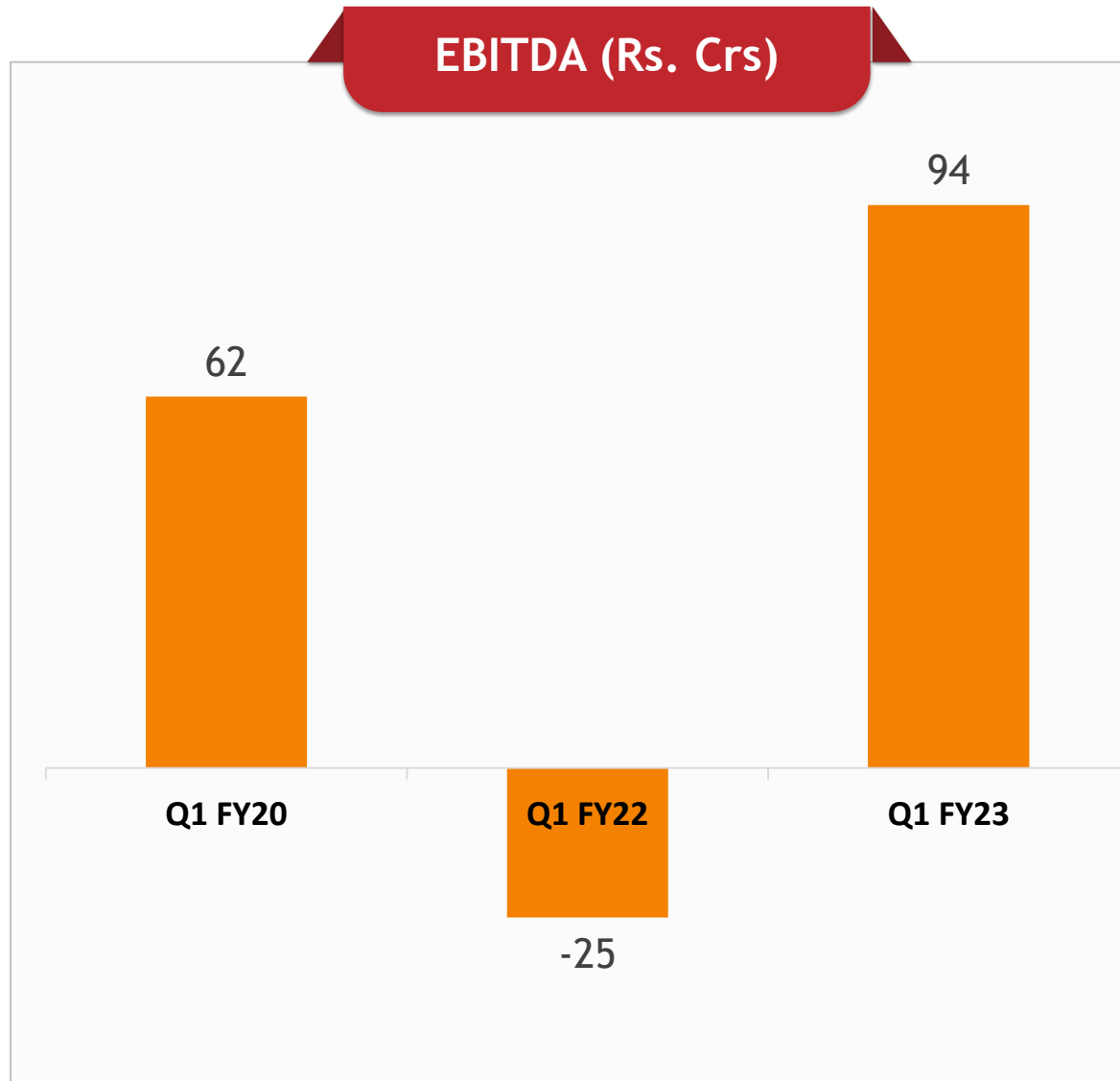
- Strong debtor controls yielding better cashflow
- Continued focus on inventory levels despite conscious decision on delayed EOSS and build-up of AW'22

The biggest ever Q1 in terms of sales



- Delivered best ever Q1 results through sharper retail execution in the first steady-state quarter after 2 years
- Recorded highest ever full price sell-thru's across brands with significant improvement over Spring Summer'19 (SS'19; pre-Covid)
- Healthy multi-channel play and investment in brand adjacencies yielding stronger outcomes

Leading to record profitability in the quarter



Gross margin improvement of 640 bps (Y-o-Y) to 49.4% aided sharp jump in profitability

USPA : Investment in brand marketing campaigns and adjacencies



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SINCE 1890

'70s VIBE REFRESHED

Launching retro sneakers

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U.S. POLO ASSN.
SINCE 1890



Tommy Hilfiger : Investing behind brands to drive premiumization



TOMMY HILFIGER X SHAWN MENDES



Q1 FY23 - Groupwise Performance

	Sales (Rs. Crs)				EBITDA (Rs. Crs)	
	Q1 FY23	Q1 FY22	Q1 FY20	% Growth vs Q1 FY20	Q1 FY23	Q1 FY22
 Power Brands	749	262	521	44%	83	(12)
 Emerging Brands	171	57	137	25%	11	(13)
Total	920	319	658	40%	94	(25)

Note:

Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine and Arrow

Emerging Brands - Calvin Klein, Sephora, Ed Hardy, Aeropostale and Others

Continued focus on inventory and working capital control

	Figures in Rs Crs.			
	June'22	June'21	Change	Mar'22
Inventory	1013	879	134	965
Receivables	549	554	(5)	572
<hr/>				
GWC	1562	1433	129	1537
Payables	996	1071	(62)	1048
NWC	566	362	204	489

- Strong retail mix and better collections led to reduction in debtors

Agenda

Q1 FY23 Performance Highlights



Q1 FY23 Results with IndAS



Way Forward



Q1 FY23 - Performance Snapshot



	Reported (Rs Crs.)	
	Q1 FY23	Q1 FY22
Revenue from Operations	920	319
Other Income	2	21
Total Income	922	340
EBITDA	94	(25)
PBT	13	(120)
Discontinued operations	-	(63)
Minority Interest	9	(6)
PAT	(0)	(177)

Agenda

Q1 FY23 Performance Highlights



Q1 FY23 Results with IndAS



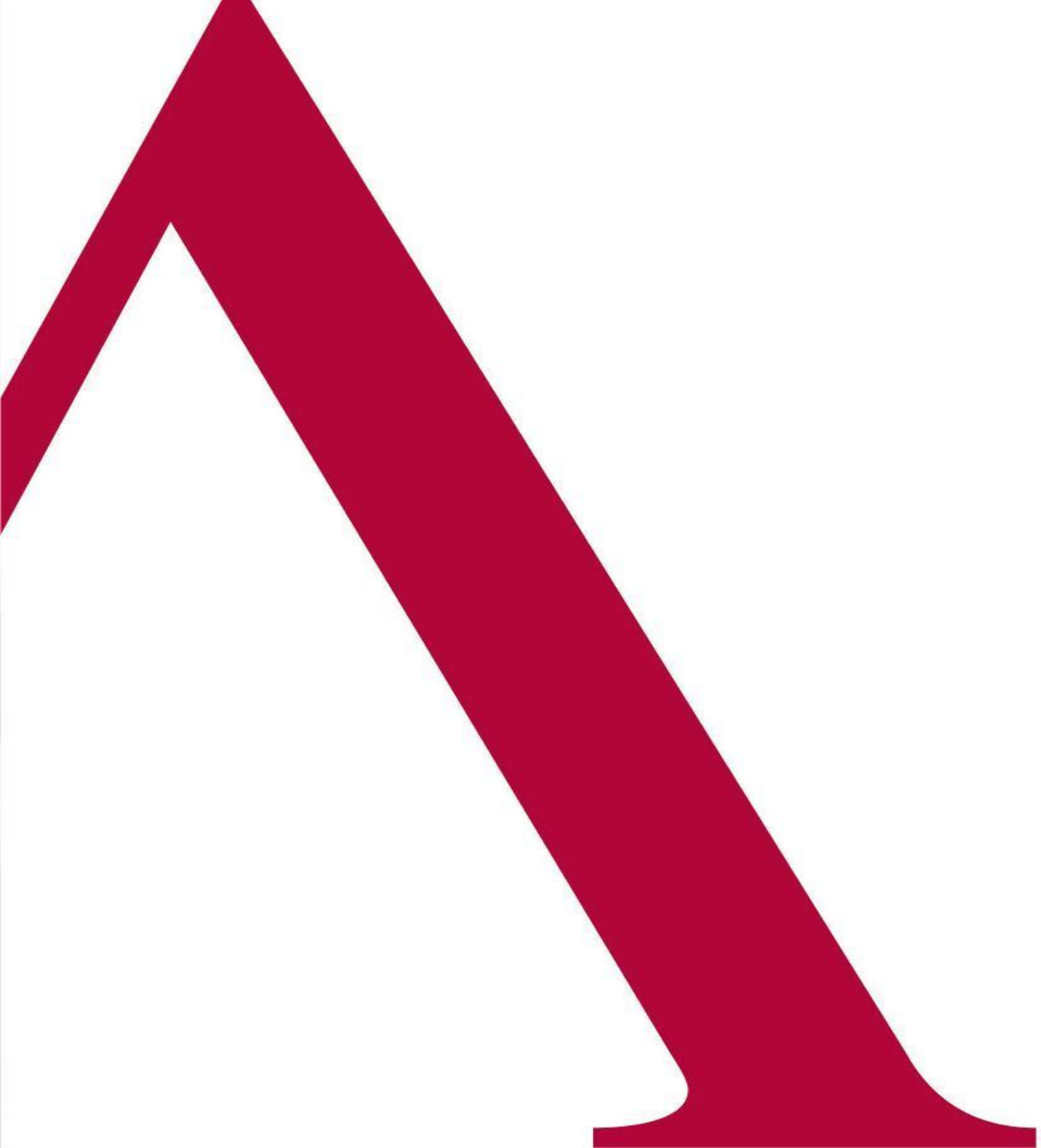
Way Forward



Way forward

Short term

- Revenue momentum to stay strong led by better quality on-time launch of AW'22 coupled with continued growth across online & other channels
- Profitability to improve further by better full price sell-thru's, operating leverage etc.
- Continued focus on inventory turns and working capital efficiency
- Raw material costs & inflation remains a key monitorable



Thank You