

ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office: Du Parc Trinity, 8th Floor, 17, M.G Road, Bangalore – 560 001

Tel: +91-80-4155 0601, Fax: 91-80-4155 0651

Website: www.arvindfashions.com

August 1, 2024

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 June 30, 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 June 30, 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.

Arvind fashions

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

CIN: L52399GJ2016PLC085595



Q1 FY25 RESULTS PRESENTATION

ARVIND FASHIONS

Aug | 2024

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



01

Q1 Performance Highlights



02

Q1 FY25 Results



03

Way Forward

Q1 FY25 PERFORMANCE HIGHLIGHTS

FY25 OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

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

MARKET & ECONOMY UPDATE



Overall market conditions remain soft; impacted by elections, peak heatwave & lack of wedding dates

Early onset of EOSS and higher discounting across the industry

Premiumization continues to be a differentiator

Raw material costs and inflation largely remain stable

Q1 FY25 BUSINESS HIGHLIGHTS



QUARTERLY SALES

10%+ sales growth Y-o-Y; significant uptick from FY24 levels

Retail LTL of 1.5%; continued focus on superior retail experience

Growth driven by market share gains and despite decision to postpone EOSS



GROWTH DRIVERS

Adjacent categories aiding growth; womenswear business doubled Y-o-Y

Premiumization across brands continue to witness strength & strong demand

Gross addition of 29 EBOs; net sq. ft. addition of ~45k to ~11.17L sq. ft.



CHANNEL-WISE PERFORMANCE

All round growth across channels

Online direct-to-consumer business (marketplace + NNNow) grew 60%+ Y-o-Y

~15% growth in wholesale channel Y-o-Y



EBITDA

EBITDA at ₹ 123 crores; 19%+ growth Y-o-Y

EBITDA margins higher by 100 bps through higher gross margins & strong costs control



WORKING CAPITAL & PAT

GWC days remained stable; inventory lower by 3 days and turns continue ~4x

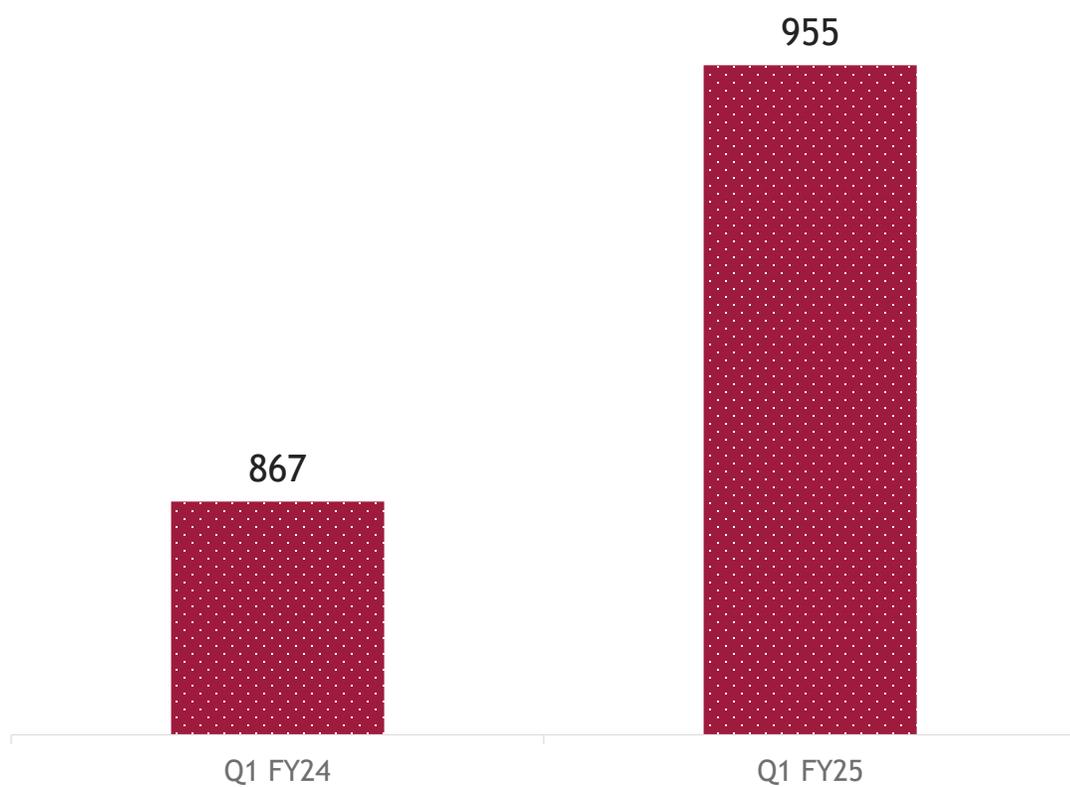
67%+ growth in PBT Y-o-Y

Significant improvement in PAT vs loss of ₹ 17 crores in Q1 FY24

ALL ROUND CHANNEL PERFORMANCE LEADING TO ROBUST SALES GROWTH

Sales

(₹ in crores)

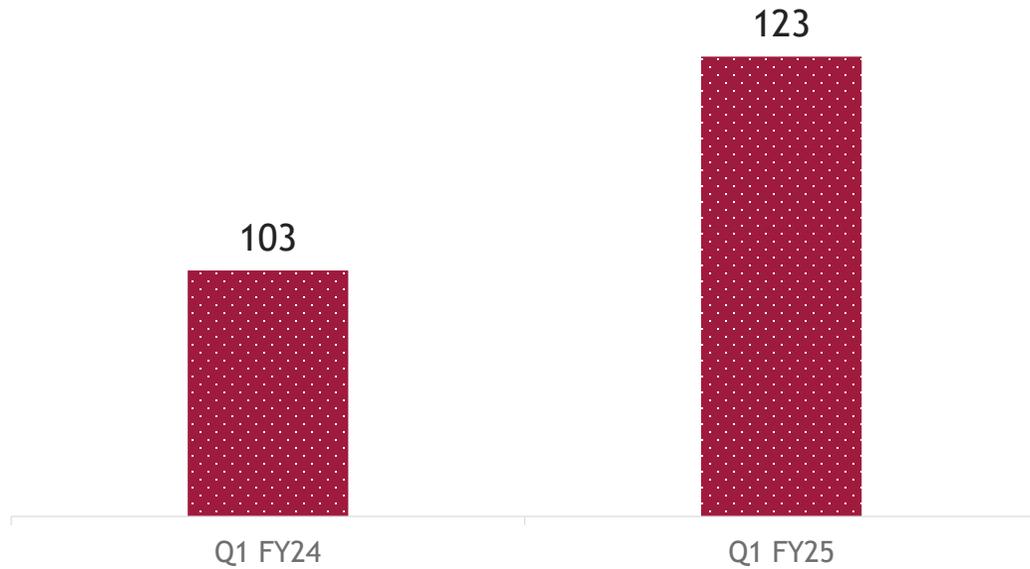


- Overall revenue growth of 10%+, significant uptick compared to Q4 & FY24 levels
- ~15% growth in wholesale channel, on account of seasonality alignment
- EBO count stood at 944 as of June'24, net sq. ft. addition at ~45k

LEADING TO STRONG PROFITABILITY IMPROVEMENT

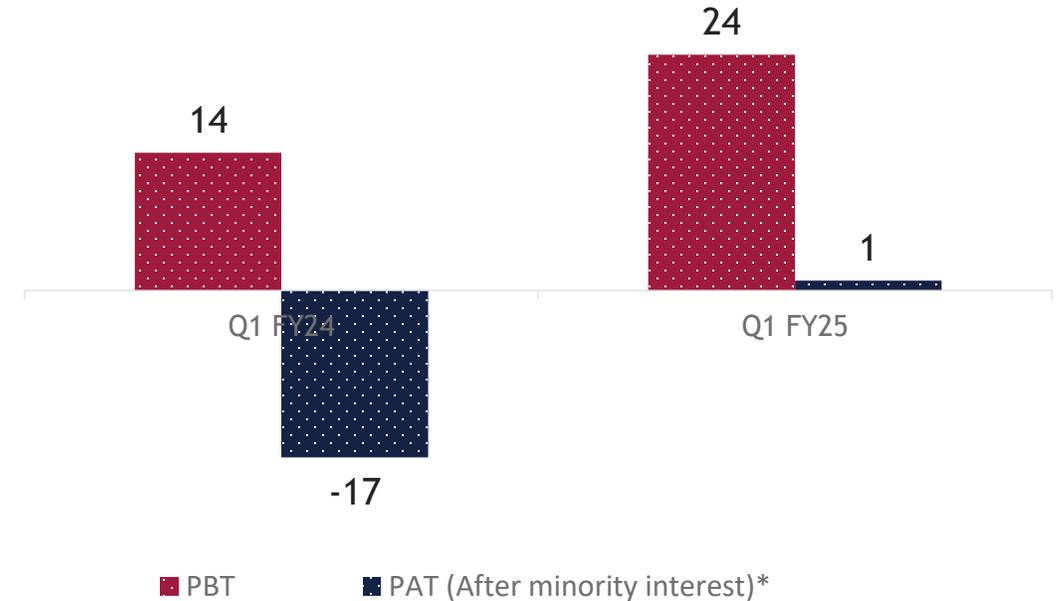
EBITDA

(₹ in crores)



PBT and PAT (after minority interest)

(₹ in crores)



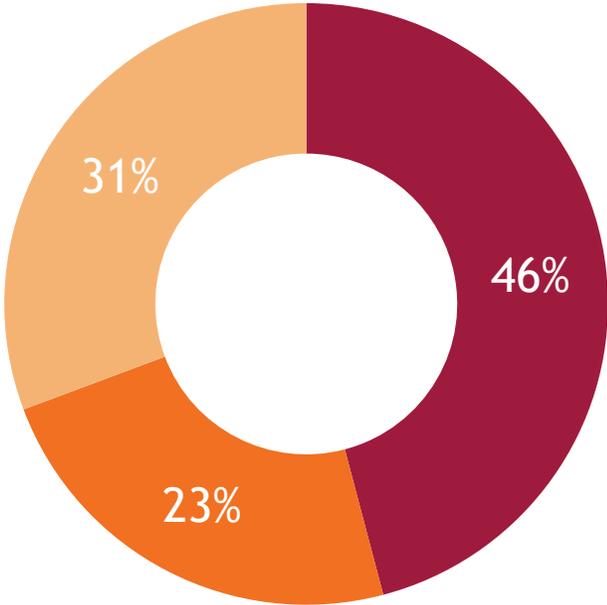
* For continuing business



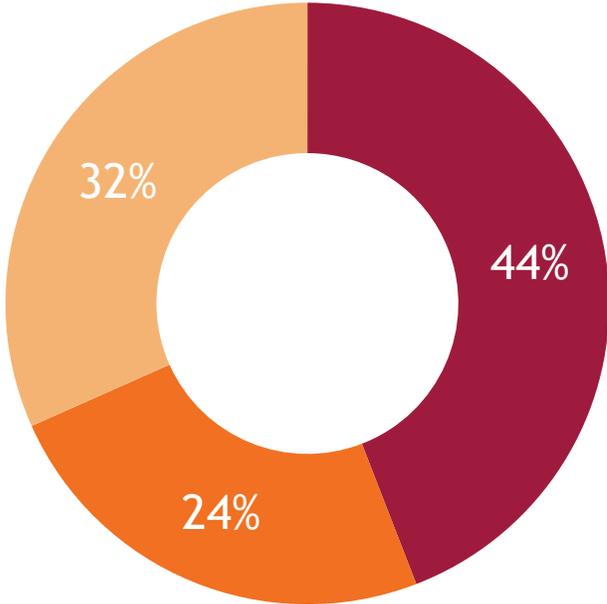
Improvement in EBITDA margins by 100 bps Y-o-Y aided by higher gross margins and costs control

CHANNEL MIX

Q1 FY24



Q1 FY25



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

CONTINUED JOURNEY OF OPENING MARQUEE EBOs



Banjara Hills, Hyderabad



Indiranagar, Bengaluru

CONTINUED JOURNEY OF OPENING MARQUEE EBOs



Club A, Lucknow Airport



Surat

CONTINUED JOURNEY OF OPENING MARQUEE EBOs



Flying Machine, Mall of India



U.S. POLO ASSN.
SINCE 1890



FLYING MACHINE



ARROW
USA • 1851



Q1 FY25 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS

Brand Highlights



U.S. POLO ASSN.
SINCE 1890



- Witnessed strong growth and strengthened leadership position in casual lifestyle category across channels, resulting in brand moving towards 2,000+ Crs NSV
- Premiumization continues to be key differentiator aiding strong sell-thru's
- Momentum on opening larger iconic & marquee stores across the country
- Adjacent categories continue to strengthen the brand - growth in footwear & kidswear and strong promise in womenswear



Brand Highlights



- Mega marketing event in Mumbai in June - Arrow X GQ Event with Hrithik Roshan
- Lack of wedding dates in Q1, resulting in slower growth
- Premiumization through '1851' & Italian line continues to drive differentiation
- Improved connect with younger consumers through NewYork line
- Expanding new retail identity with sharper focus on retail experience and opening of EBOs



Brand Highlights



- Transformational journey continues with fresh brand identity including new logo, design and brand positioning
- Positive response from various channel partners resulting in rapid expansion of distribution
- Adjacent category extension through footwear to aid revenue growth



Brand Highlights



- Premiumization continues to help brand deliver superior sales growth and profitability
- Continued focus on differentiated customer experience resulting in strong sell-thru's
- Brand continues to make giant strides towards achieving 1000 Crs NSV

Brand Highlights



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- Premiumization trend helping brand deliver industry leading sell-thru's and LTL growth
 - Market leadership in bridge to luxury segment in Jeans, Tees and Innerwear categories
 - Robust sell-thru's despite challenging consumer demand scenario

Q1 FY25 - GROUPWISE PERFORMANCE

(₹ in crores)

	Sales			EBITDA			EBITDA %	
	Q1 FY25	Q1 FY24	% Growth	Q1 FY25	Q1 FY24	% Growth	Q1 FY25	Q1 FY24
Power Brands	955	867	10.2%	123	103	19.2%	12.9%	11.9%
Total	955	867	10.2%	123	103	19.2%	12.9%	11.9%

EBITDA margin expansion of 100 bps with stronger cost control and gross margin improvement

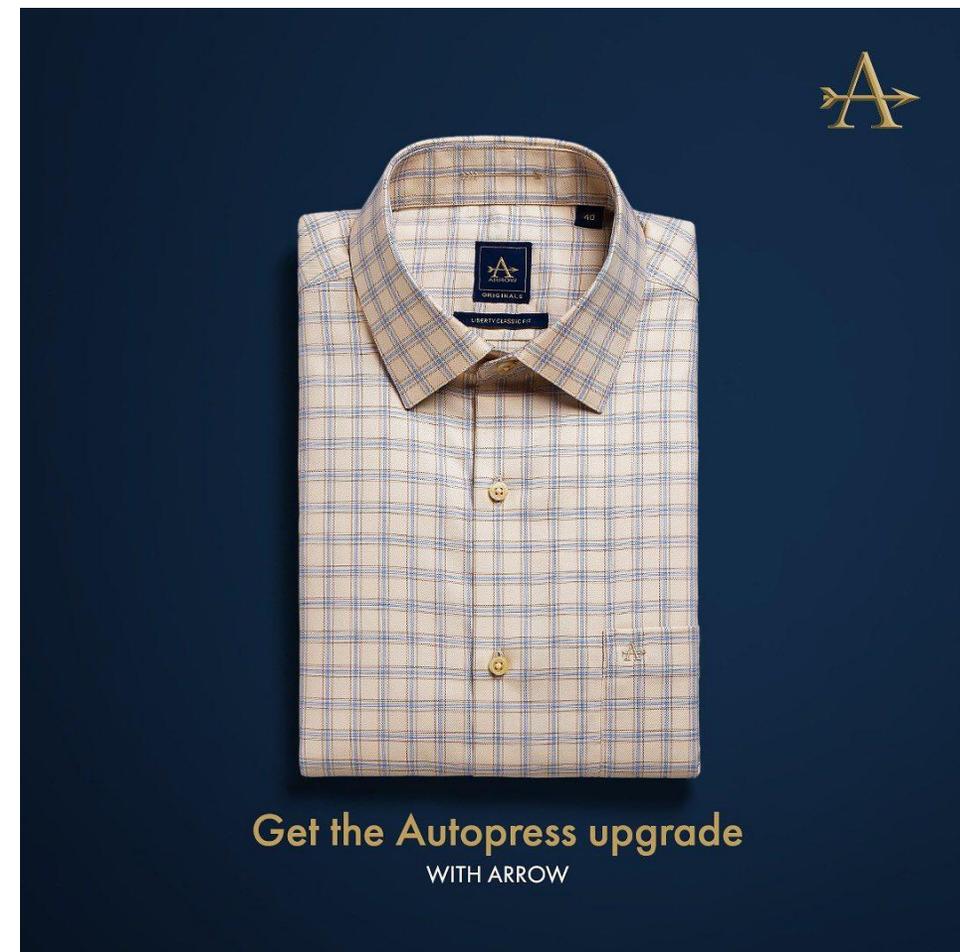
Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein

Q1 FY25 RESULTS

Q1 FY25 - PERFORMANCE SNAPSHOT

(₹ in crores)

	Q1 FY25	Q1 FY24
Revenue from Operations	955	867
Other Income	7	10
Total Income	962	876
EBITDA	123	103
PBT	24	14
Taxes	10	19
Minority Interest	13	12
PAT	1	(17)
Profit/(loss) from discontinued operations	0	0
Reported PAT	1	(16)



EFFICIENT WORKING CAPITAL MANAGEMENT

(₹ in crores)

	Jun'24	Jun'23	Mar'24
Inventory	1063	1174	1068
Inventory days	91	94	94
Receivables	575	451	647
Debtor days	49	46	47
GWC	1637	1625	1715
GWC days	141	140	141
Payables	923	916	936
Creditor days	81	88	81
NWC	715	709	779
NWC days	59	52	59

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

GWC days largely remained stable with focus on inventory turn leading to improvement of 3 days

WAY FORWARD

WAY FORWARD

AFL

With early festival calendar, hopeful of growth acceleration to continue (compared to FY24 levels)

Continue execution on profitability improvement through 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

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THANK YOU