



Arvind Fashions Limited
Q3 FY19 Performance
Feb 2019

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Market update

- Festival demand was robust leading to improved LTL performance
- Post festival decline in sales resulted in early EOSS in the market
- Change in FDI guidelines in Dec 2018, for the e-commerce players following marketplace models (such as amazon & Flipkart), likely to impact discounts and exclusive offerings on these platforms

Agenda

Q3 and YTD FY19 highlights



Key initiatives in Q3



- Distribution footprint expansion
- High impact marketing

Q3 FY19 Financials snapshot



Q3 FY19 highlights



Strong financial performance

- **24%** sales growth
- **19%** growth in EBITDA



High impact marketing

- Continued investment in high impact campaigns and CRM activities to strengthen consumer mind share and build consumer loyalty
- **40%** growth in loyalty customer base



Omni-channel

- Strengthening capabilities across own online, in-store save the sales & marketplaces
- **6x** growth in Omni sales
- **54%** growth in Online sales



Expanding distribution footprint

- **1.1 Lac** sq.ft. of retail space added



Product innovations

- Strong product innovations like cool-pro shirts & responsible jeans launched

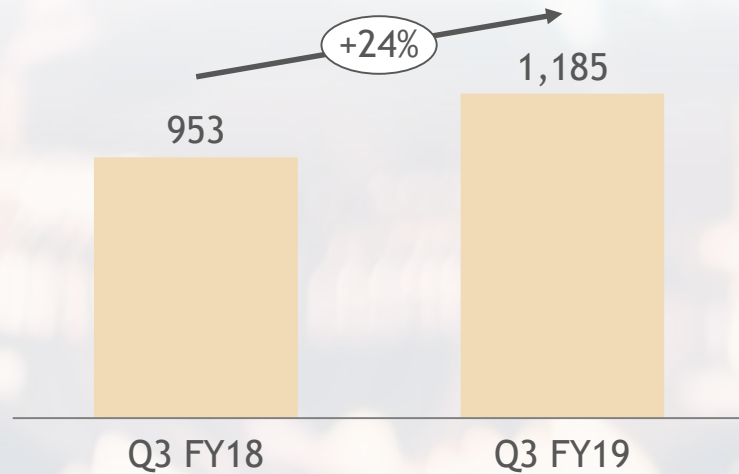


Sustainability

- Multiple initiatives in progress for sustainable development

Q3 FY19 performance: 24% sales growth, 19% EBITDA growth

Sales (Rs Cr.)



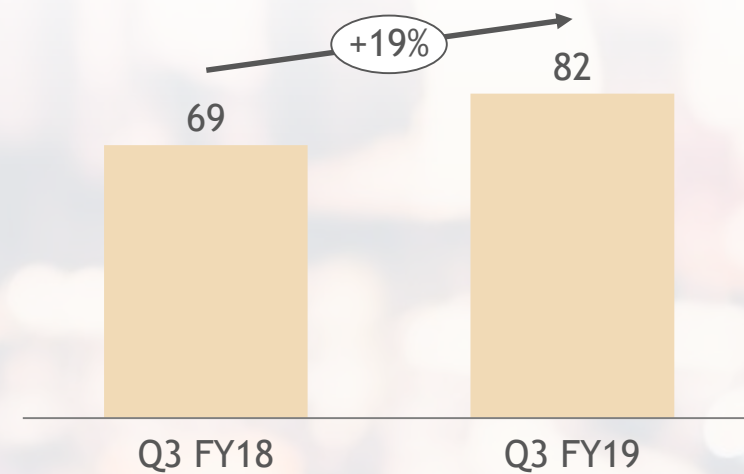
Reported
revenue

1,074

1,259

+17%

EBITDA (Rs Cr.)



Reported
EBITDA%

7.2%

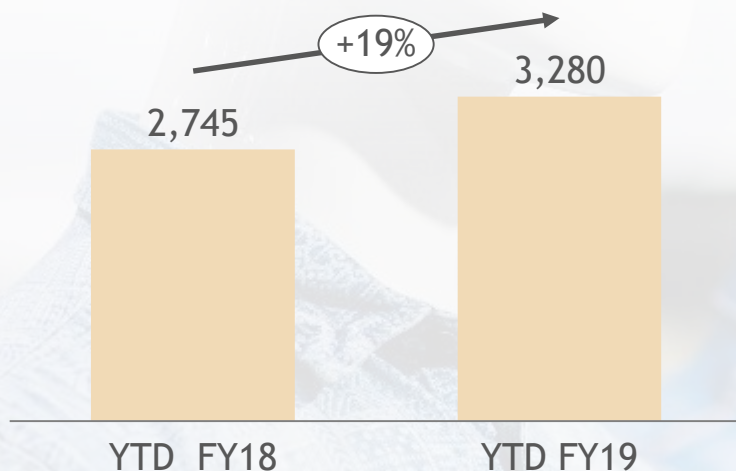
6.9%

6.4%

6.5%

YTD FY19 performance: 19% sales growth, 30% EBITDA growth

Sales (Rs Cr.)



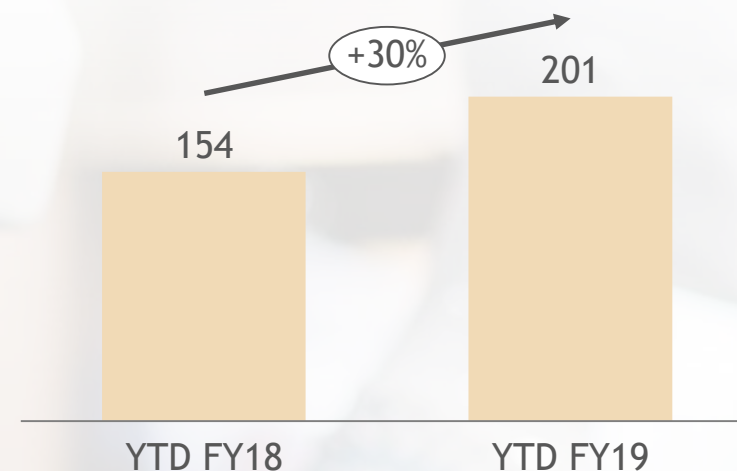
Reported
revenue

3,068

3,475

+13%

EBITDA (Rs Cr.)



Reported
EBITDA%

5.6%

6.1%

5.0%

5.8%

Q3 FY19 performance highlights brand group wise



Strong performance by Power Brands

- Sales growth **28%**
- EBITDA **11.9%**, growth of **32%**
- LTL **4.0%**



Strong growth of Specialty Retail

- Sales growth **28%**
- EBITDA **1.5%**
- LTL **9.0%**
- Significant additional marketing investments in Unlimited

Positive EBITDA for Emerging Brands

- **Positive** EBITDA for Emerging brands before adjusting for one time loss of Rs 6 Cr. for the discontinued brands

Power brands performance highlights

Q3 FY19

YTD FY19

Sales
(Rs Cr.)

531

+28%

682

LY

CY

1,606

+22%

1,959

LY

CY

EBITDA
(Rs Cr.)

61

+32%

81

11.6%

11.9%

LY

CY

183

+29%

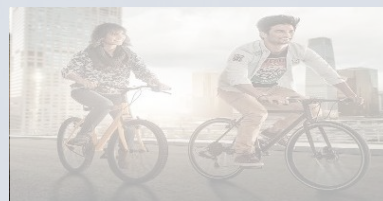
237

11.4%

12.1%

LY

CY



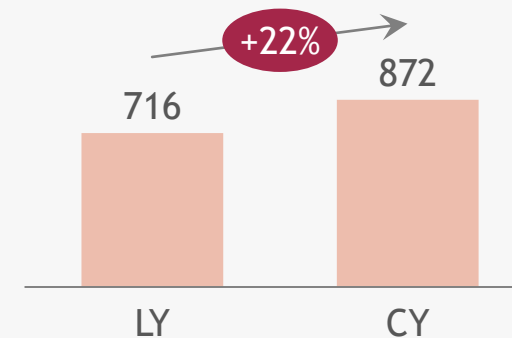
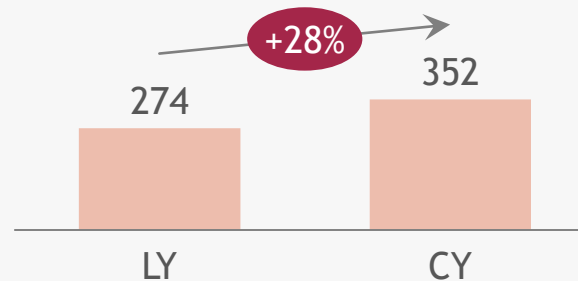
Specialty retail performance highlights



Q3 FY19

YTD FY19

Sales
(Rs Cr.)



EBITDA
(%)

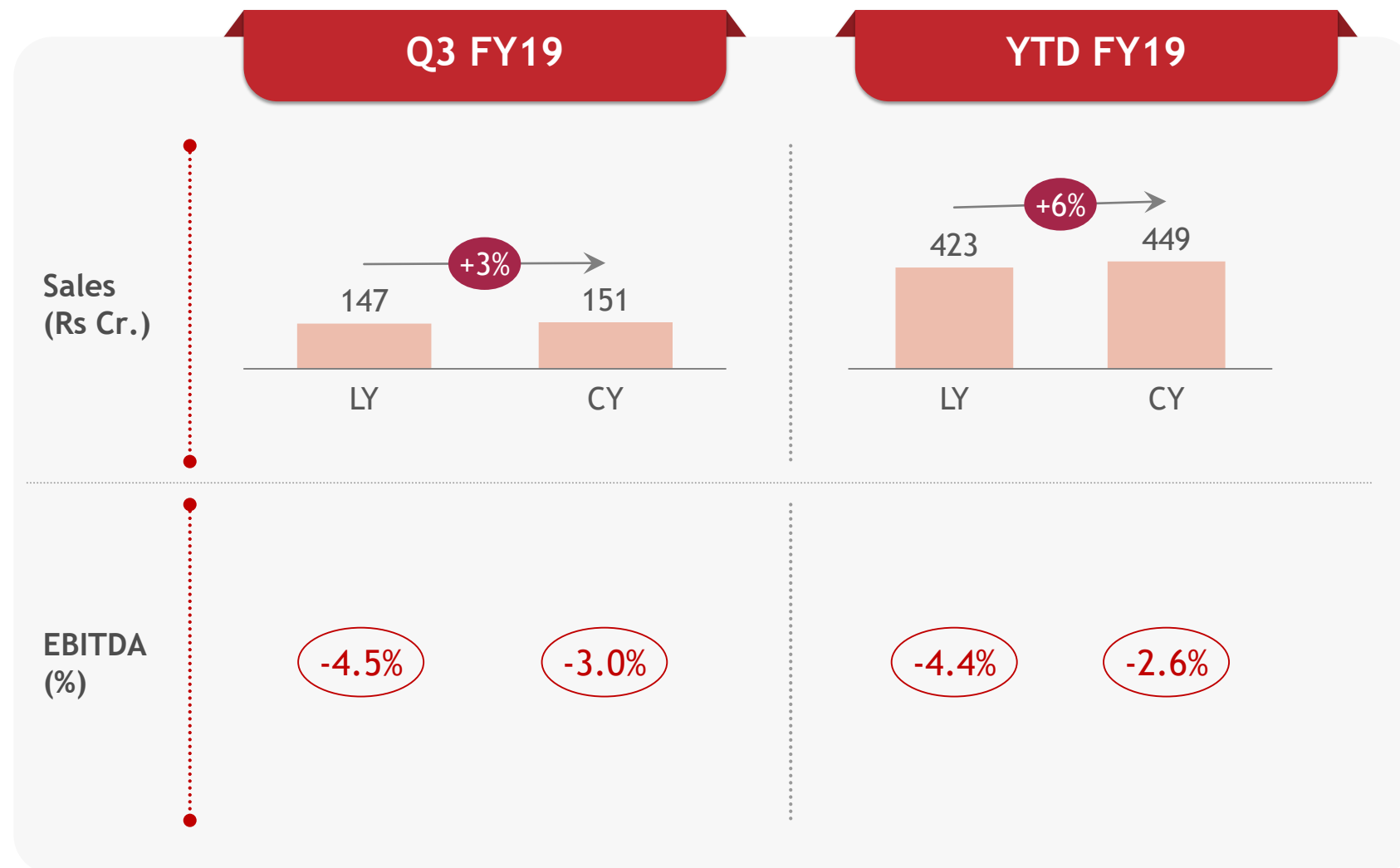
5.1%

1.5%

-1.4%

-2.8%

Emerging brands performance highlights



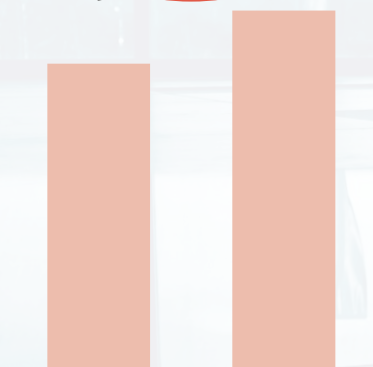
EBITDA of Rs 1.7 Cr for Q3 excluding brand closure cost of Rs.6 Cr

Performance update: Leadership categories

Premium Casuals/Denim



+17.3%



YTD FY18 YTD FY19

Premium Kidswear



+16.1%



YTD FY18 YTD FY19

Innerwear



+38.6%



YTD FY18 YTD FY19

Prestige Beauty



+40.4%



YTD FY18 YTD FY19

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Q3 and YTD FY19 highlights



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Q3 FY19 Financials snapshot



Distribution footprint expansion: 1.1 Lacs Sq Ft expansion in area through 37 new stores in Q3 FY19

	Sept 30 th 2018		Net Addition	Q3 Exit - Dec 31 st 2018	
	Store Count	Sq Ft (Lacs)	No of stores	Store Count	Sq Ft (Lacs)
 Power Brands	990	8.5	24	1014	8.8
 Speciality Retail	137	11.7	9	146	12.5
Total	1374	22.7	37	1411	23.8

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Q3 and YTD FY19 highlights



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Q3 FY19 Financials snapshot



High impact marketing: Celebrating 25 years of Arrow in India - “Best is yet to come”

https://www.youtube.com/watch?v=Wk_-FvryaUg



High impact marketing: Strengthening brand Unlimited -
“Fashion is Unlimited”

<https://www.youtube.com/watch?v=KuiNEczRcR0>



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Q3 and YTD FY19 highlights



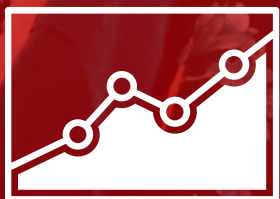
Key initiatives in Q3



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- High impact marketing

Q3 FY19 Financials snapshot





Q3 FY19 P&L Snapshot

All Figures in Rs. Cr.	Q3 FY19	Q3 FY18	Change
Revenue from Operations	1,259	1,074	17.2%
Cost of Goods Sold	640	488	
Employee Benefits Expense	108	96	
Others	428	422	
Op. EBIDTA	83	68	22.4%
Op. EBITDA%	6.5%	6.4%	
Other Income	1	2	
Interest & Finance Cost	35	23	
Depreciation	34	38	
Profit Before Taxes	15	8	
Tax / Deferred Tax Asset	7	4	
Minority Interest	1	-2	
Profit / (Loss) After Tax	7	6	



Q3 FY19 Balance Sheet Snapshot

Particulars (in Rs. Cr.)	31-Dec-18	31-Mar-18
Net Worth	1,079	1,031
Borrowings	991	745
Capital Employed	2,071	1,775
Net Working Capital	676	443
Net Fixed Assets	447	421
Other Assets (including returnable assets)	947	910
Capital Employed	2,071	1,775



Thank You!