




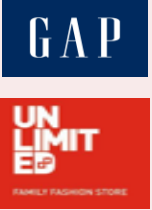

Arvind Fashions Limited Q3 FY20 Performance Highlights Feb 2020



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Strategic Priorities - FY20

	<h3>Power Brands</h3>	<ul style="list-style-type: none"> • Cash generation • Drive growth through category expansions
	<h3>Specialty Retail</h3>	<ul style="list-style-type: none"> • Accelerate profitable growth of Sephora & GAP • Restructure Unlimited to control losses
	<h3>Emerging Brands</h3>	<ul style="list-style-type: none"> • Sharper portfolio • Set up for profitable growth

Q3 FY20 - Performance Snapshot



	Without IndAS116 Impact			IndAS116
	Q3 FY19	Q3 FY20	Growth	Q3 FY20
Sales (Rs Crs.)	1259	1135	(10%)	1135
EBITDA (Rs Crs.)	83	25	-	109
EBITDA %	6.6%	2.2%	-	9.6%
PBT (Rs Crs.)	15	-75	-	-81
PAT (Rs Crs.)	7	-49	-	-52

* Continuing business growth (7%)

Power Brands



Specialty Retail



Emerging Brands



Business Group-wise Performance

Power Brands Performance Highlights

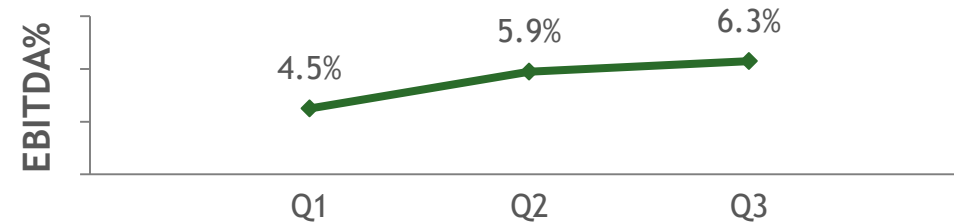
Power Brands			
	Q3 FY19	Q3 FY20	% Growth
SALES (Rs Crs.)	723	655	(9%)
EBITDA (Rs Crs.)	81	41	-
% EBITDA	11.2%	6.3%	-



1. LTL: 7.6%
2. Double digit secondary sales growth, 10%, in non trade channels
3. Overall growth impacted by planned reduction in wholesale channel: **(33%)**
4. Strong retail expansion, added 50 Stores
5. High growth in category expansions

Innerwear: 30%+ Footwear: 60%+

6. Sequential improvement in profitability as planned corrections in aligning primary & secondary sales is getting close to completion



7. Cash generation through working capital control on course

Specialty Retail Performance Highlights

Specialty Retail		
	Q3 FY19	Q3 FY20
SALES (Rs Crs.)	355	349
EBITDA (Rs Crs.)	5	-
EBITDA (%)	1.5%	-

Sephora & GAP

1. Strong growth of **25%+** in Sephora & GAP with **3%+** EBITDA
2. LTL: **8.3%**
3. Both brands well poised to deliver **15%+** growth with improved profitability



Unlimited

Execution of restructuring plan - status

- Network optimization mostly complete
- Cost rationalization continuing

Festive period

- Resulted in reduction in losses
- LTL growth of 5% In Dec'19

Emerging Brands Performance Highlights

Emerging Brands		
	Q3 FY19	Q3 FY20
SALES (Rs Crs.)	134	119
EBITDA (Rs Crs.)	0	(16)



1. Corrections planned in Emerging Brands

- One time royalty settlement
- Old stock liquidation
- Closure of unviable stores

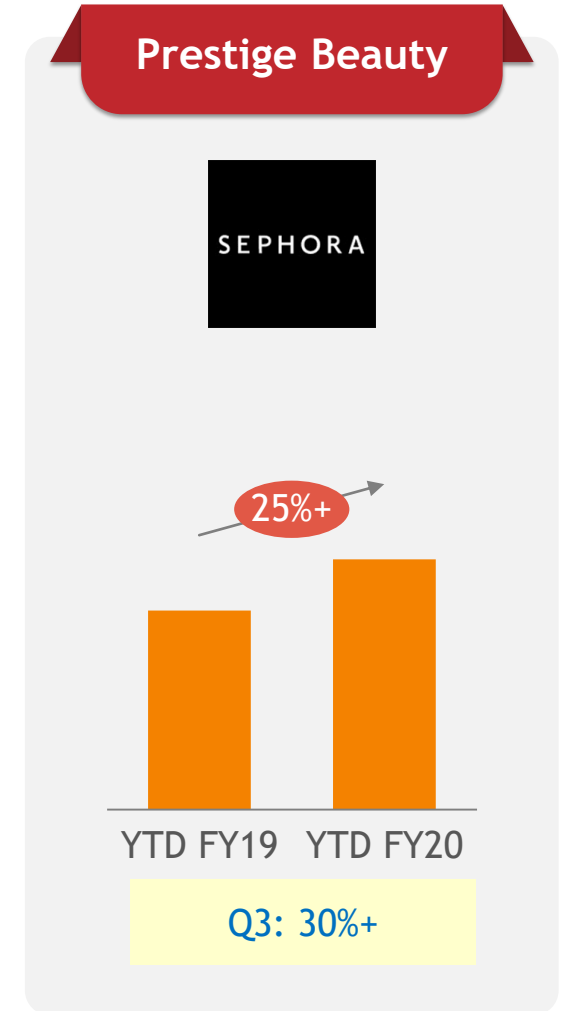
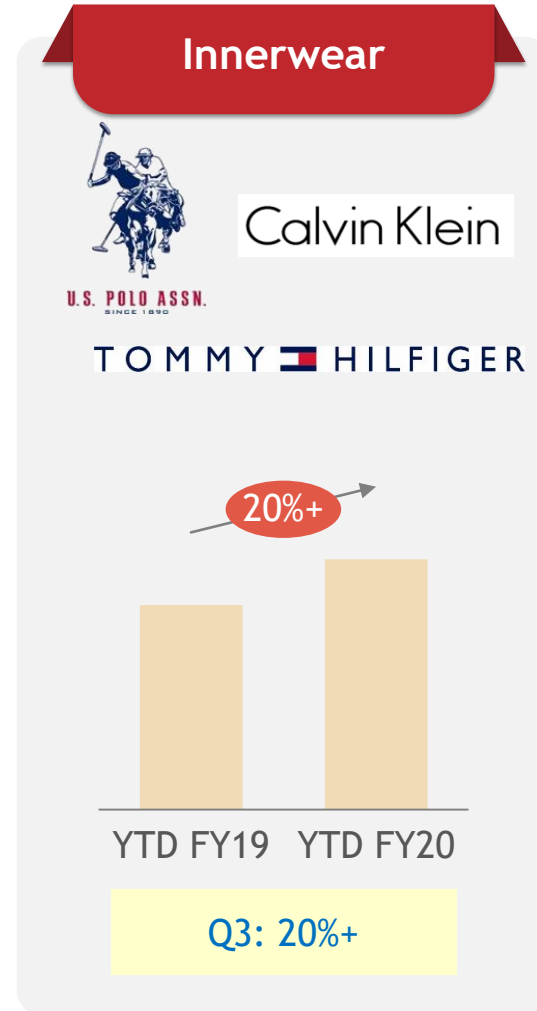
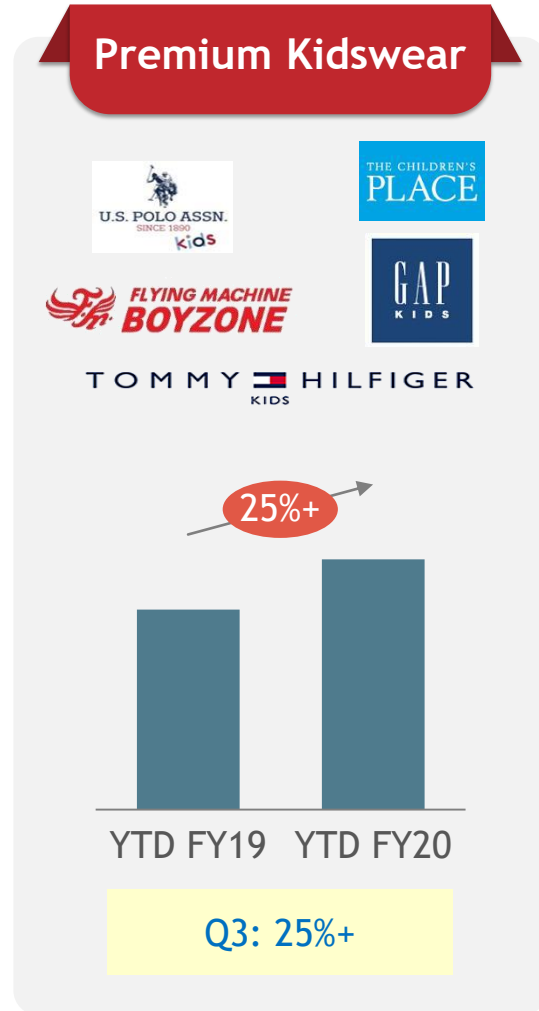
Mostly completed

2. Exit of four brands - Gant, Nautica, Elle & Izod, completed

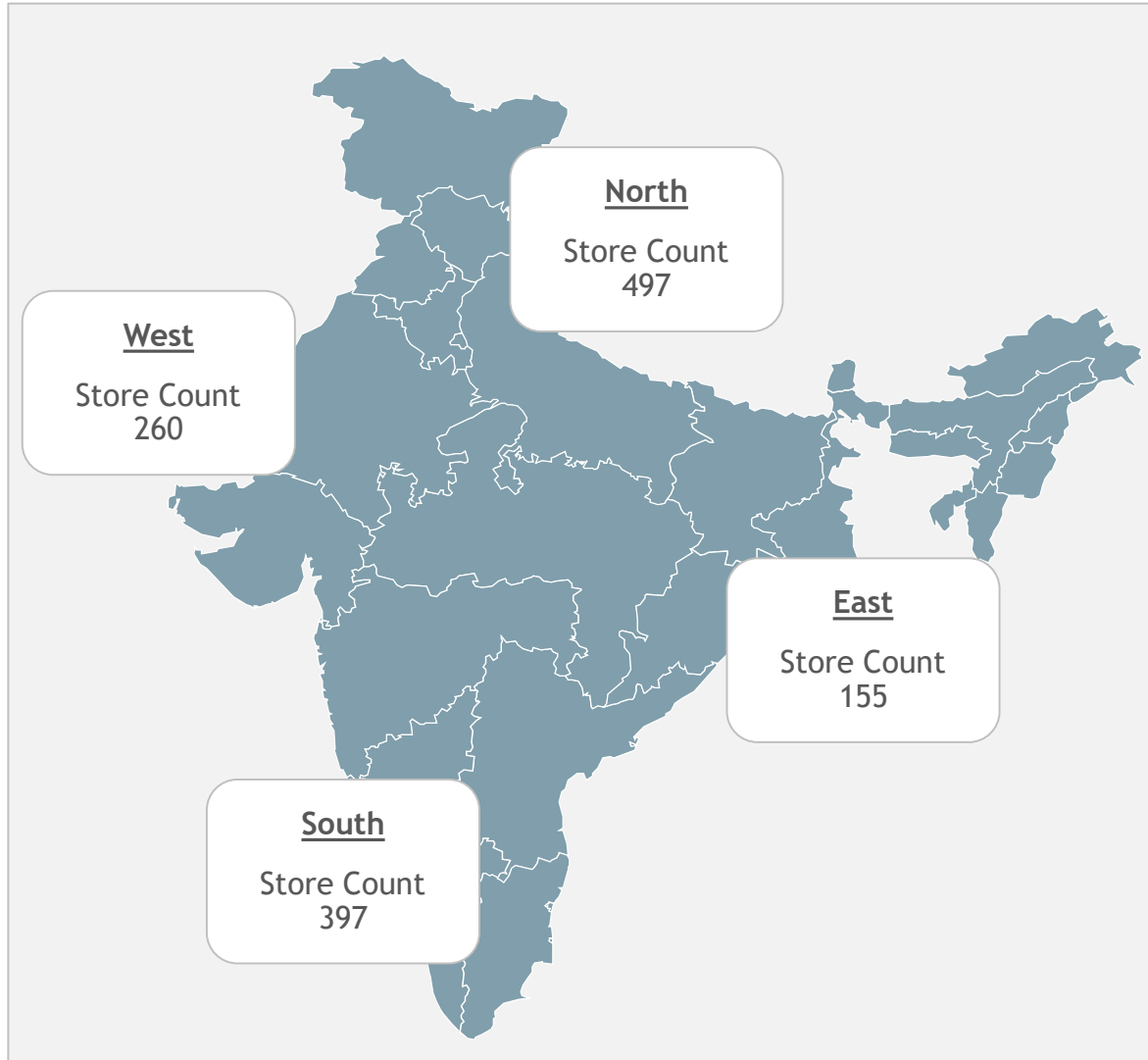
3. Post corrections Emerging Brands portfolio will consist of

Calvin Klein	<ul style="list-style-type: none"> • Growing at mid teens & profitable
	<ul style="list-style-type: none"> • Business model de-risked • To grow double digit & profitably from FY21

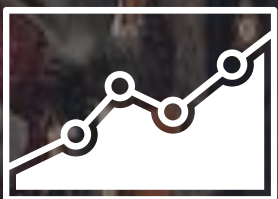
Performance Update Leadership Categories



Distribution Footprint




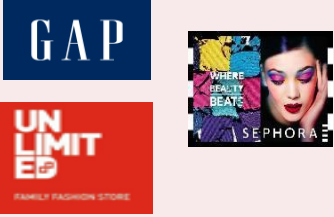


	Q3 FY20 Exit	
	Store Count	Sq Ft (Lacs)
Stores	1309	21.6
Dept. Stores	3805	-
MBO	10000+	-
Innerwear MBO	13500+	-



Financials - P&L

All Figures in Rs Cr.	Comparable P&L		IndAS116
	Q3 FY20	Q3 FY19	Q3 FY20
Revenue from Operations	1135	1259	1135
Cost of Goods Sold	630	640	630
Employees' Emoluments	86	108	86
Others	394	428	310
EBIDTA	25	83	109
Margin	2.2%	6.6%	9.6%
Other Income	2	1	11
Interest & Finance Cost	51	35	78
Cash Accruals	(24)	49	42
Depreciation	51	34	123
Profit Before Taxes	(75)	15	(81)
Tax / DTA	(27)	7	(30)
Minority Interest	1	1	1
Profit After Tax	(49)	7	(52)

Q4 FY20 Outlook

	<h3>Power Brands</h3>	<ul style="list-style-type: none"> • EBITDA margin to get back to double digit • Growth to continue in three out of four brands. Corrections in Arrow to be completed in Q4 • All corrections will be completed in Q4. Power Brands will revert to high single to double digit growth and EBITDA % in FY21
	<h3>Specialty Retail</h3>	<ul style="list-style-type: none"> • GAP & Sephora will continue to provide growth momentum with improved profitability • Unlimited restructuring actions to control losses in Q4
	<h3>Emerging Brands</h3>	<ul style="list-style-type: none"> • Focused portfolio of Emerging Brands will take shape in Q4 • Emerging brands to grow in double digit with breakeven to low single digit EBITDA in FY21
	<h3>Working Capital</h3>	<ul style="list-style-type: none"> • Reduction of Rs. 150-200 Crs in Inventory & Debtors



Thank You!