

Press Release

Arvind Fashions Limited announces appointment of Shailesh Chaturvedi as Managing Director and CEO

National, November 12, 2020 –

Arvind Fashions Limited (AFL), India's leading fashion denim and premium casual wear company, today named **Shailesh Chaturvedi as the Managing Director and Chief Executive Officer** of the company with effect from February 1, 2021. Shailesh was previously the Managing Director and CEO, PVH-Arvind brands, a joint venture that houses eminent brands Tommy Hilfiger and Calvin Klein, and also led the Arrow brand for Arvind Fashions. J Suresh, the current MD and CEO, who will be retiring later this year, will work closely with Shailesh to ensure a smooth transition. After stepping down from his active role, he will continue on the AFL board and also advise the board on key strategic issues.

Commenting on the development, **Sanjay Lalbhai, Chairman and Non-Executive Director, Arvind Fashions Limited said**, *"We would like to thank Suresh for his contribution and dedication in creating a great platform for us to build on. Under his leadership over the past 15 years, Arvind Fashions has built some of India's most aspirational brands, which are poised to grow rapidly in the years to come. I would like to wish Shailesh the best in his new role at the company, and am confident that he will lead us successfully in our next phase of growth."*

Elaborating on the route map for the company and its new leadership, **Kulin Lalbhai, Director, Arvind Fashions Limited said**, *"Shailesh is one of our strongest leaders who has successfully grown several of our brands over the last 15 years. He joined Arvind in 2006 to lead Tommy Hilfiger and has been instrumental in establishing it as one of the most admired and aspirational brands in the country. He has deep expertise in working with international brands that gives him a unique insight into bringing global best practices into Indian market, which will be very valuable to AFL going forward. With his proven strength in building strong brands, Shailesh is well-equipped to take over this mantle and help us drive value for all our stakeholders."*

Arvind Fashions has a clearly articulated game plan to achieve its business goals going forward where the company will focus its energy and resources on 6 key brands, rapidly scale up its business through digital capabilities and continue expansion into adjacent categories to provide global fashion experiences to Indian consumers. With growing preference for casual wear and the festive season spurring recovery, the company is well poised to gain steady growth momentum.

Speaking on his appointment, Shailesh Chaturvedi, Arvind Fashions Limited, said, *"Arvind Fashions has an extremely powerful portfolio of brands which are market leaders in their respective segments. I am looking forward to working with the team at AFL to steer these brands through their next phase of growth. I am grateful to the board for this opportunity and look forward to an exciting journey of rapid growth and excellence for the company."*

A proven leader in the textile and apparel space with a total career that spans 28 years, Shailesh has launched and developed some of the biggest brands in Indian retail including Tommy Hilfiger, Calvin Klein, Arrow, Louis Philippe, Van Heusen and Allen Solly. Before his long stint in building the bridge to luxury brand portfolio for Arvind, Shailesh served as the Head of Benetton plc's (Italy) wholesale business in Asia Pacific region based at Hong Kong , where he was responsible for developing its business in countries like Australia, Taiwan, Thailand, Singapore, Hong Kong, Indonesia, Vietnam, Philippines, and Malaysia.

About Arvind Fashions Limited (AFL):

Arvind Fashions Ltd is India's no. 1 casual and denim player, a lifestyle powerhouse with a strong portfolio of fashion brands catering to consumers across the sub-categories and price points. With a host of renowned brands, both international and indigenous, like US Polo Association, ARROW, Tommy Hilfiger, Calvin Klein, Flying Machine, Unlimited and Sephora, it has presence across lifestyle brands, value fashion and prestige beauty.

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PRESS RELEASE

Arvind Fashions continues to make progress on business recovery; balance sheet strengthened through reduction of debt & working capital

Bengaluru, November 12, 2020: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the second quarter and half year ended Sep 30, 2020.

Key Points

- Q2 FY21 revenue grew sequentially by 363% over Q1 FY21, led by gradual opening of stores along with improving footfalls across stores and continuing progress in e-commerce channel
- Overall, we reached 41% of sales in Q2 FY21. Sales recovery in September was 50% which further improved to 75% in Oct'20, compared to same period last year. All the channels showing better than expected recovery trend line during festive season in Oct
- Net Debt reduced by 190+ Crs in H1 FY21 through a combination of
 - Non-debt funds inflow of 660 Crs through Rights Issue & Flipkart strategic transaction
 - Significant reduction in gross working capital led by reduction in inventory and debtors, compared to Mar'20
- Seamless omni-channel and digital solutions yielding significant results. Overall online channel sales increased by 21% Y-o-Y in Q2 FY21; 3X growth in NNNow.com sales post lockdown
- Cost rationalization measures on track, both towards FY21 target of 35-40% reduction and sustainable annual savings of 120 – 150 Crore
- The Company expects stronger recovery in Q3 and expects to turn EBITDA positive

Commenting on the performance of the company, **Mr. J Suresh, MD & CEO** said "While COVID related concerns persist, we have witnessed encouraging business recovery during the quarter, with improved footfalls and trend line across our channels. Our investments in digital and omni-channel capabilities is driving robust growth in our online sales and providing enhanced customer experience. With our cost saving measures along with sharper working capital control and sales recovery trajectory, we expect to achieve EBITDA positive in H2 FY21"

Consolidated Financial Performance Summary (Continuing Operations)

Rs. Crore	Q2 FY21	Q1 FY21	Q-o-Q Growth	Q2 FY20	Y-o-Y Growth
Revenues	437	94	363%	1,049	-58%
EBITDA	(18)	(41)		122	
PBT before exceptional items	(151)	(182)		(57)	
Exceptional items (Net)	(45)	-		-	
Reported PBT	(196)	(182)		(57)	

* Exceptional items include one-time provisions made in inventory and receivables and gains on sale of minority stake in Flying Machine Business to Flipkart

We strongly pursued business objectives of cost rationalization & strengthening of balance sheet during this tough time, while prioritizing and ensuring safety of our employees and customers. AFL benefits from its strong portfolio of casual wear, best suited for current work-from-home trend. In addition, we innovated to launch special categories such as masks and comfort-wear, in addition to continued investments in our already industry leading digital presence.

Recovery has continued in October, with festive sales witnessing 75% recovery vs last year. With the gradual recovery from Covid, investments in digital and the steps already in place towards various restructuring initiatives, we expect H2 FY21 to be significantly stronger than H1 led by consistent sales recovery.

About AFI

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Disclaimer:

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