



Arvind Fashions Limited

Q4 FY21 Results Presentation

June 2021

Agenda

Response to Covid-19



Q4 & FY21 Performance Highlights.....



Q4 & FY21 Results with IndAS.....



Way Forward



Covid-19 Impact and response

- Facilitated vaccine for 800+ employees in first onsite camp, further camps planned across India
- Created Safety Council, launched volunteer network and rolled out SOPs across operations against COVID
- Organised oxygen pipeline for employees and/or their immediate family members in need
- Launched Tele consultation and counselling services for wellbeing of employees and their families
- Tied-up with hotels to provide facility for employees to self quarantine



- Provided enhanced financial assistance for COVID affected employees and financial as well as non-financial support to the families of the deceased, including financial rebuild support via consultant
- Provided COVID medical cover for our employees and their families
- Provide term cover ranging from 5L to 1 Cr based on the grade
- Provided free RT PCR test for employees and home collection for families
- Tied-up with doctors to provide homecare treatment for COVID affected employees

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Q4 & FY21 Performance Highlights



Q4 & FY21 Results with IndAS



Way Forward



Q4 FY21 Highlights

1

Stronger sales recovery at **114%** with LTL sales fully recovered

2

Gross Working Capital reduced by **Rs. 523 Crs** (compared to Mar'20)

3

USPA, TH : Sales recovery strongest at **125%** with double digit EBITDA (pre-IndAS). Brand extensions - Innerwear & Footwear grew **30%** and **100%+** respectively Y-o-Y

4

Flying Machine : Sales Recovery at **98%** led by online revenues doubling on a strong base through FK partnership

5

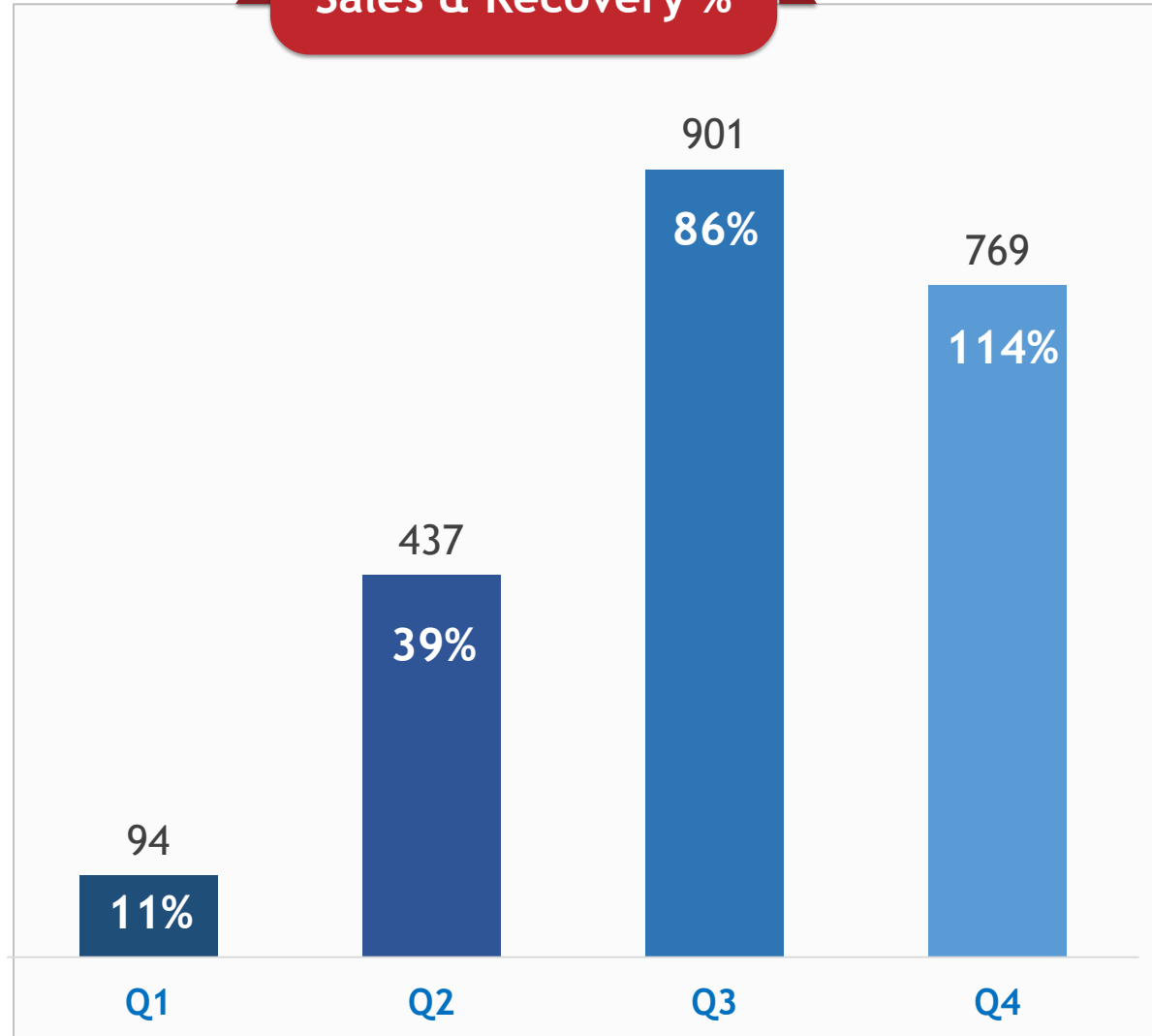
Sephora : Sales recovery strong at **114%** led by both offline & online channels

6

Unlimited : EBITDA losses reduced by **~80%** despite seasonally weaker quarter. Cost corrections & business model improvements showing good results

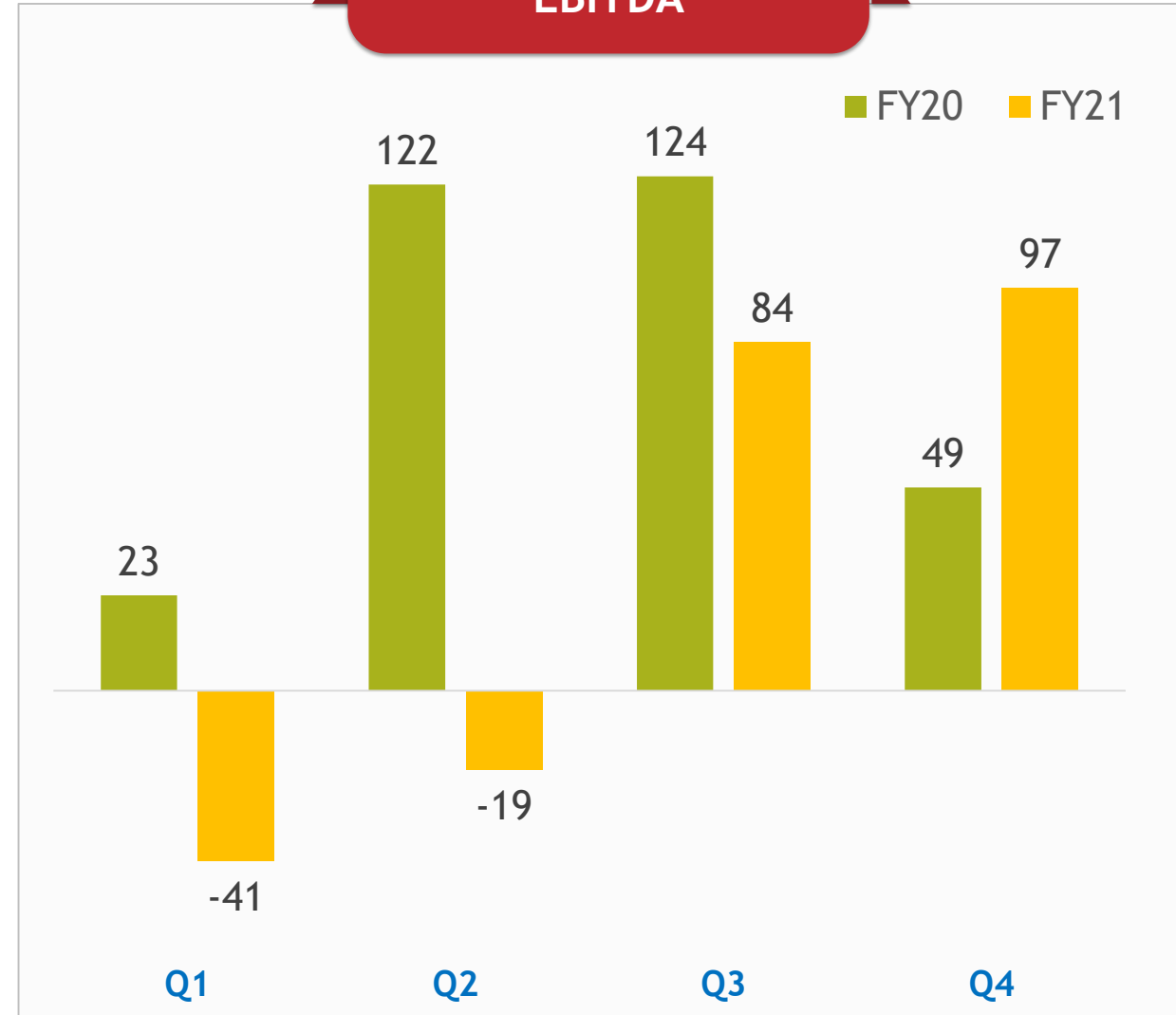
Sales Recovery & EBITDA with strong performance in H2 FY21

Sales & Recovery %



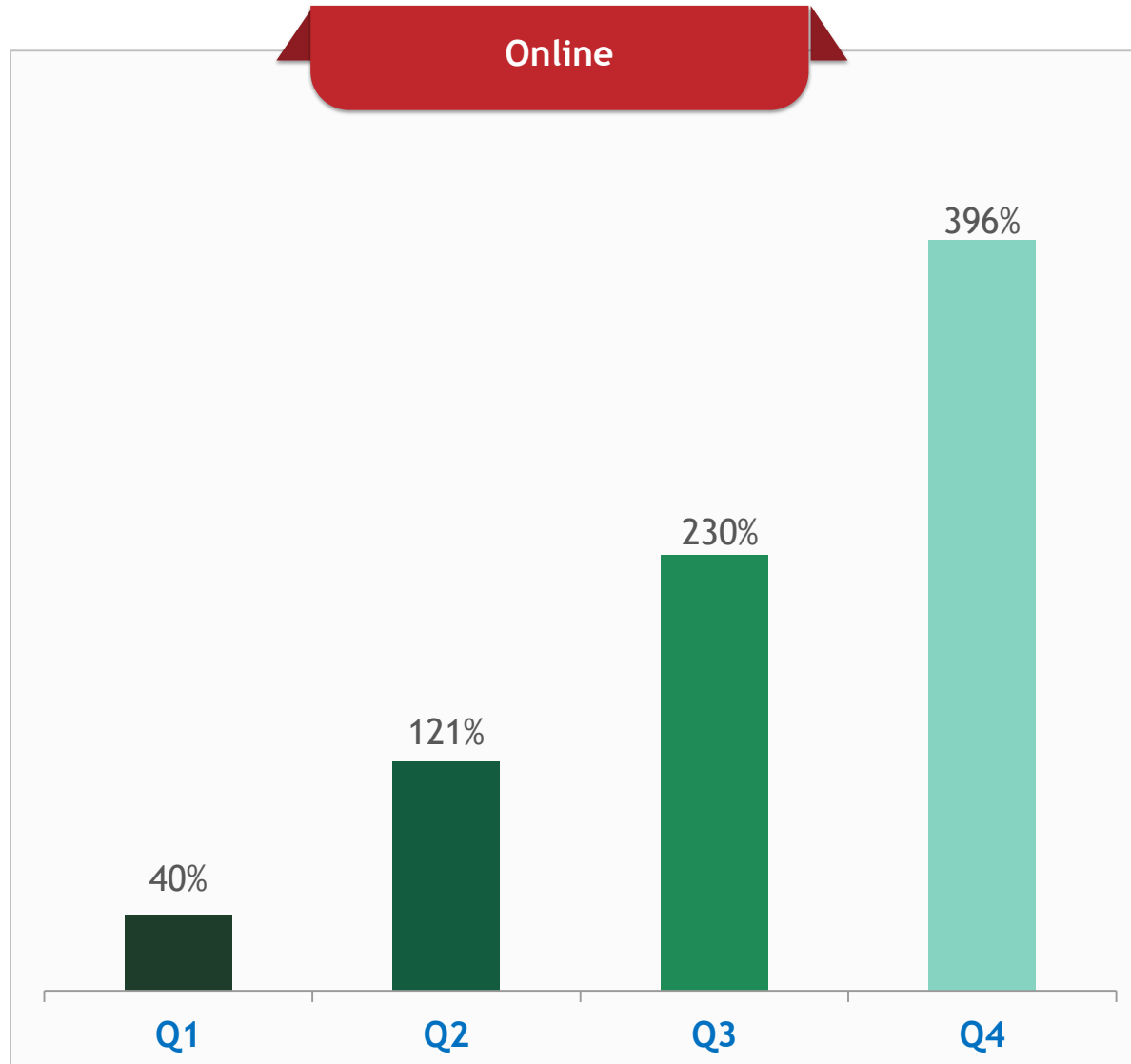
Sales recovery at 97% in H2 FY21

EBITDA

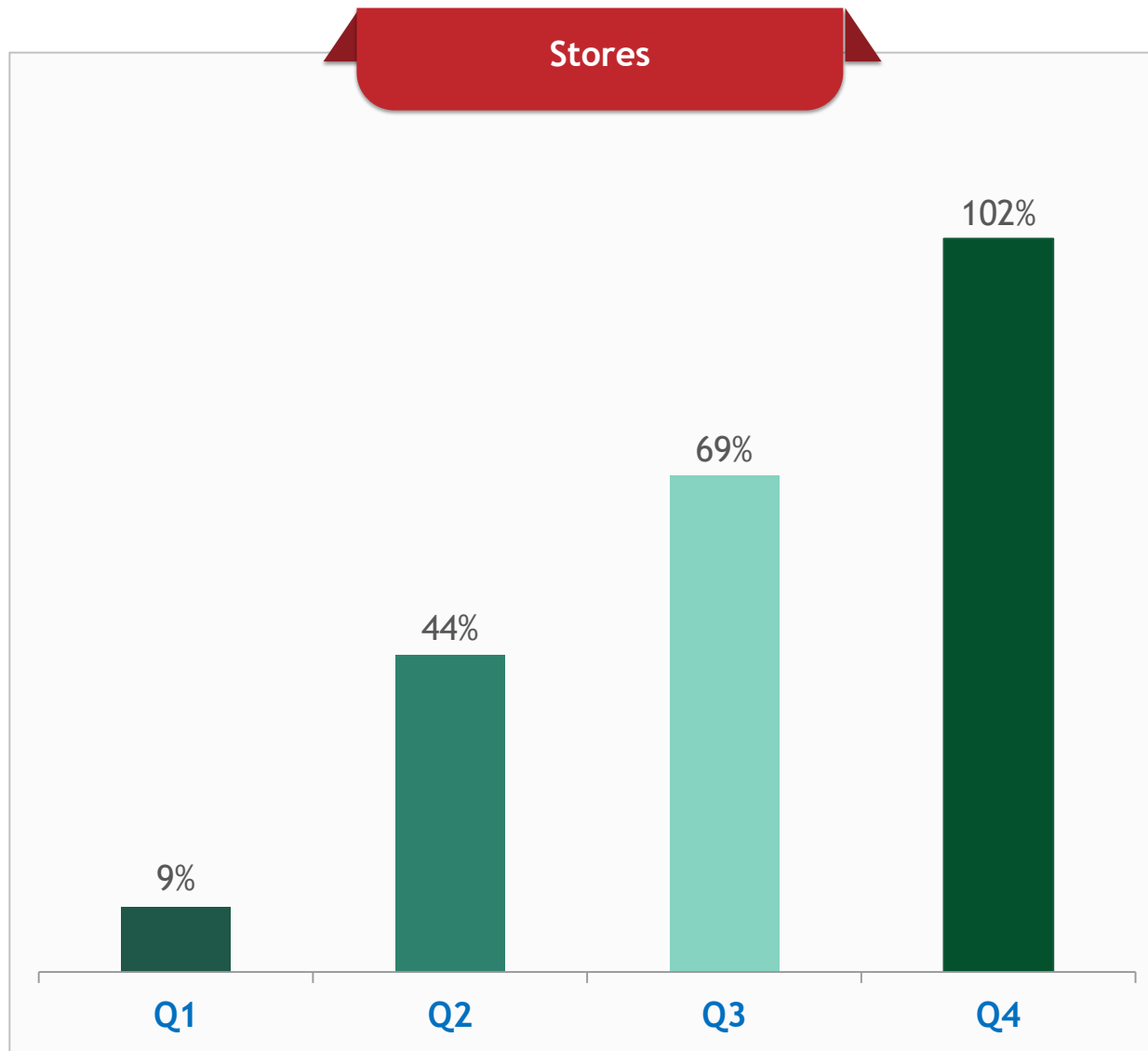


* Continuing Brands

Q4FY21 Sales Recovery : Online



Sales Recovery : Stores



- Full recovery in the channel with stores reaching the same level sales as last year - **LTL marginally positive**
- Closure of key markets in March second half slowed down the recovery for the brands

FY21 Highlights

FY21 Highlights

1

Digital scale up : Online channel contributed **30%+** of total revenues

2

Cost reduction by **40%** (amounting to **~Rs. 540 Crs**) across rentals, warehouse, manpower optimization and store opex

3

Non-debt fund infusion of **~Rs. 760 Crs** leading to net debt reduction of 300+ Crs; **96 Crs** of final call money of Rights Issue to be received in Q1 FY22

4

Completed exit of brands planned to be discontinued (TCP, Hanes, Newport and Ruf & Tuf); GAP exit delayed to H1 FY22

5

Sharper controls & stronger processes implemented around inventory & debtors leading to GWC reduction of **Rs. 523 Crs**

6

Strong sales recovery in H2 FY21 at **97%** leading to better profitability

Strong Performance in H2 FY21

	Sales (Rs Crs.)		EBITDA (Rs Crs.)		EBITDA %	
	H1	H2	H1	H2	H1	H2
 Power Brands	325	1192	(34)	147	(10.5%)	12.3%
 Specialty Retail	132	331	1	34	0.6%	10.4%
 Emerging Brands	75	147	(26)	0	(35.4%)	0%
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FY21	531	1670	(60)	181	(11.2%)	10.8%
FY20	1888	1726	145	173	7.7%	10.0%

Note: Continuing Brands only

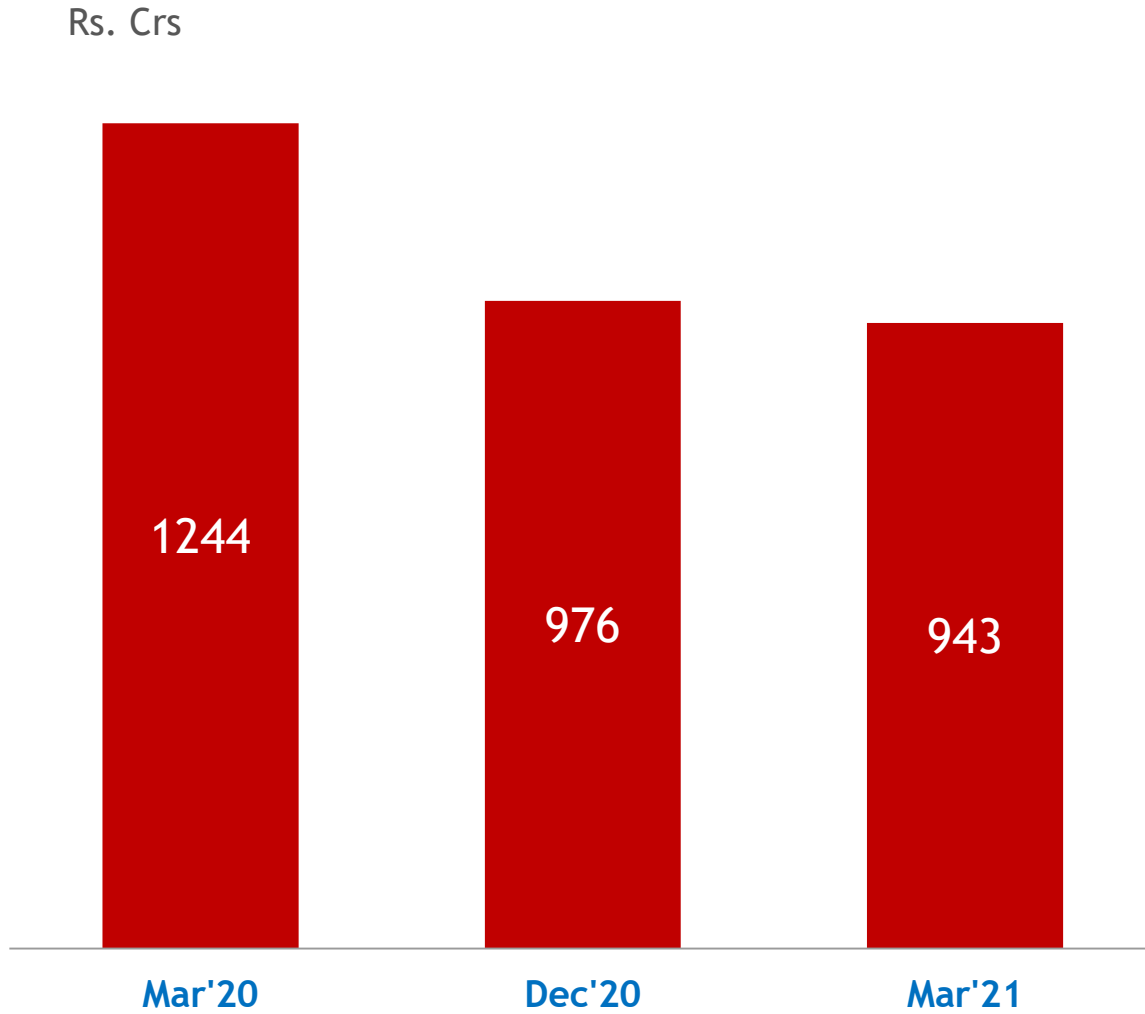
Sharper focus on working capital improvement

	Figures in Rs Crs.		
	Mar'21	Mar'20	Change
Inventory	969	1367	(397)
Receivables	655	781	(126)
Payables	974	1325	(352)
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NWC	651	823	(172)

- Gross working capital reduced by 523 Crs leading to improved inventory & debtor days*
- Strong focus on inventory buys & stock turns moving forward

* Based on annualized revenue run-rate of H2 for comparable periods

Debt reduction



- Non-debt fund infusion of ~760 Crs* in FY21
- Fund raise along with improvement in working capital cycle helped reduce the debt by 300+ Crs

* 96 Crs of final call money of Rights Issue to be received in Q1 FY22

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Q4 FY21 - Performance Snapshot



	Reported (Rs Crs.)		
	Q4 FY21	Q4 FY20	Change
Revenue from Operations	769	673	14%
Other Operating Income	25	42	(40%)
Total Income	794	715	11%
EBITDA	97	49	98%
PBT	(38)	(117)	-
Exceptional Items	-	(61)	-
Discontinued Operations	(34)	(26)	-
Tax	(27)	(4)	-
PAT	(99)	(208)	-

Q4 FY21 - Groupwise Performance

	Sales (Rs Crs.)		EBITDA (Rs Crs.)		EBITDA %	
	Q4 FY21	% Recovery	Q4 FY21	Q4 FY20	Q4 FY21	Q4 FY20
 Power Brands	553	117%	83	43	15.0%	9.1%
 Specialty Retail	153	110%	15	4	9.5%	3.0%
 Emerging Brands	62	101%	(0)	2	(0.7%)	3.2%
Total	769	114%	97	49	12.7%	7.3%




Note: Continuing Brands only

FY21 - Performance Snapshot



	Reported (Rs Crs.)		
	FY21	FY20	Change
Revenue from Operations	2201	3614	(39%)
Other Operating Income	128	60	113%
Total Income	2329	3673	(37%)
EBITDA	121	318	(62%)
PBT	(406)	(377)	-
Exceptional Items	(45)	(61)	-
Discontinued Operations	(103)	(59)	-
Tax	(42)	97	-
PAT	(596)	(399)	-

FY21 - Group wise Performance

	Sales (Rs Crs.)		EBITDA (Rs Crs.)		EBITDA (Rs Crs.)	
	FY21	% Recovery	FY21	FY20	FY21	FY20
 Power Brands	1517	64%	113	302	7.4%	12.7%
 Specialty Retail	463	54%	35	68	7.6%	7.9%
 Emerging Brands	222	58%	(26)	(52)	(11.9%)	(13.7%)
Total	2201	61%	121	318	5.5%	8.8%

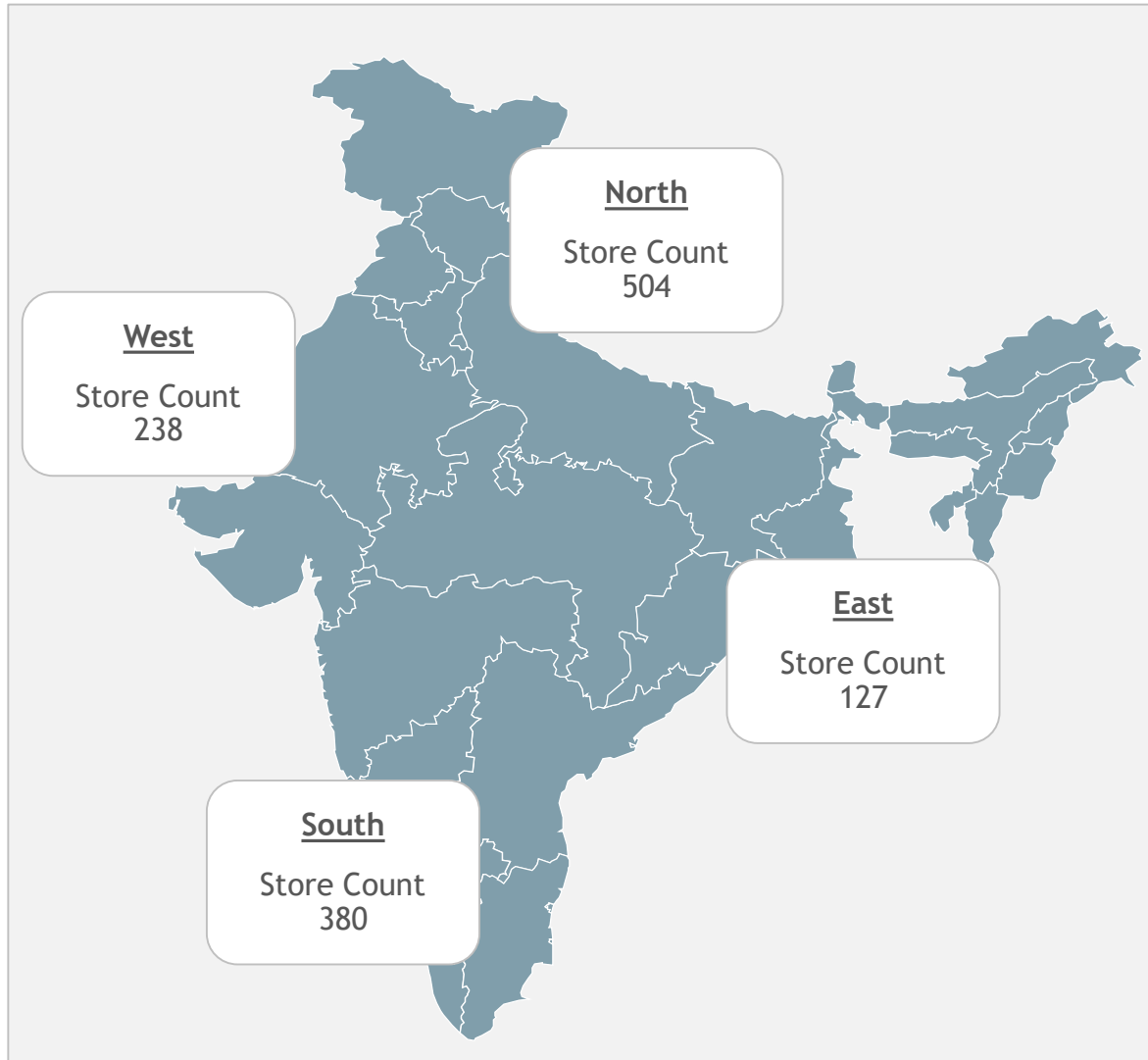
Note: Continuing Brands only

Balance Sheet

Particulars (Rs Cr.)	Mar'21	Mar'20
Net Worth	735*	685
Borrowings	903	1210
Capital Employed	1638	1895
Inventory	900	1367
Receivables	626	781
Creditors	932	1325
Net Working Capital	594	823
Net Fixed Asset	381	502
Discontinued Operations Assets	81	-
Other Assets	582	571
Capital Employed	1638	1895

* Includes Compulsorily Convertible Preference Shares (Rs. 143 Crs) issued by AYBPL and sold to FK, presented in the books as financial liability

Distribution Footprint



	Q4 FY21 Exit	
	Store Count	Sq Ft (Lacs)
Stores	1249	19.4
Dept. Stores	3500+	-
MBO	10000+	-
Innerwear Wear MBO	13000+	-
Number of Stores Opened in Q4 : 24		

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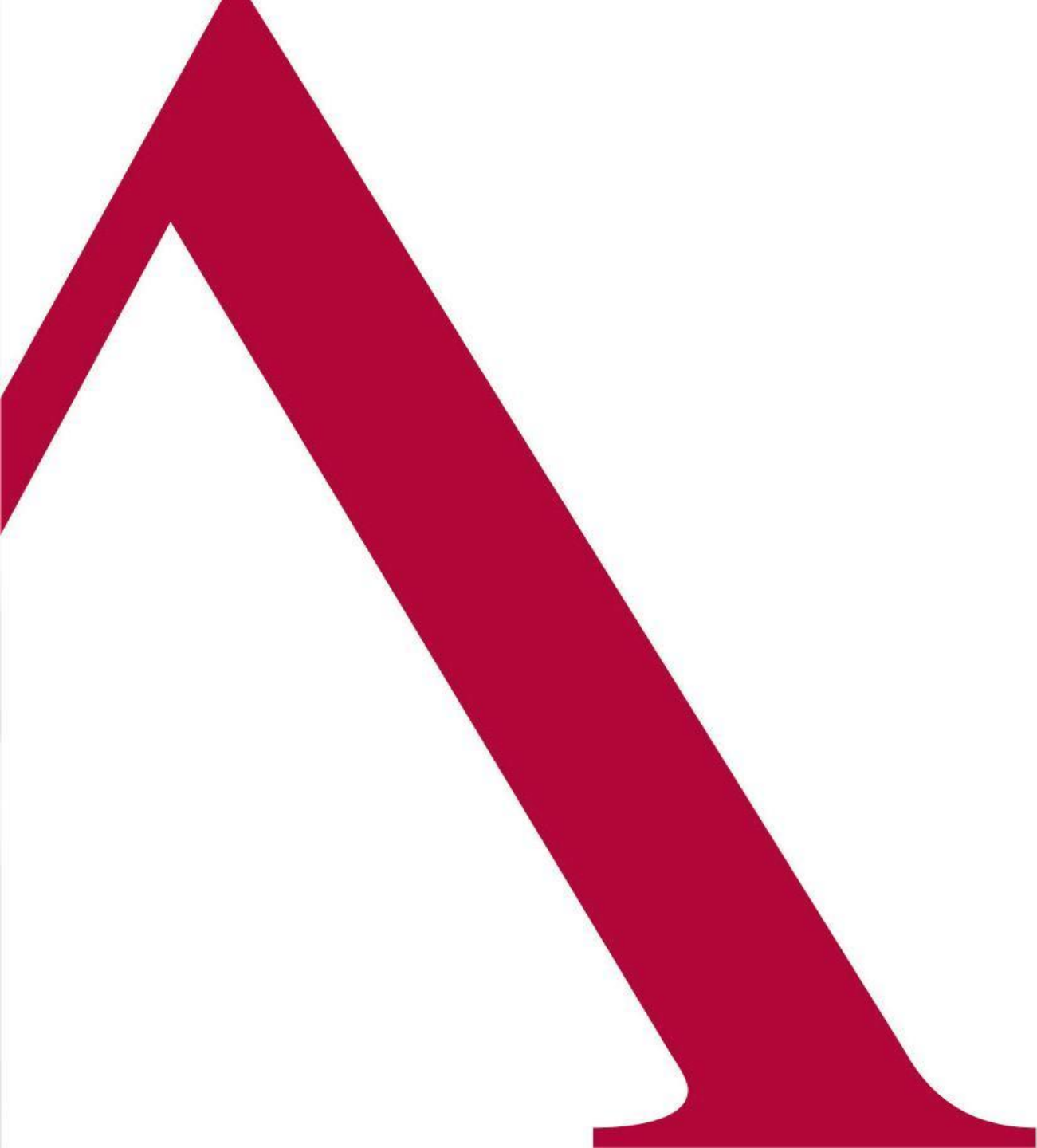
Way forward

Short term

- Covid second wave to impact Q1 performance. Highest impact witnessed in May, however with gradual opening in June, expect business to return to normalcy by end Q2
- 150+ stores to be opened in FY22
- Sharp focus on costs and tight working capital management to lead to improved cash flow & profitability, as volumes pick up after business becomes normal

Medium term

- Focus on 6 high conviction brands leading to profitable growth
- Continued investments behind digital capabilities leading to rapid growth
- Significant scale up in growth categories like innerwear, footwear and kids wear
- Expanding the retail network into smaller towns through the franchisee model
- Continued focus on inventory turns and driving efficient working capital and higher ROCE



Thank You