

## **PRESS RELEASE**

### **Strong recovery across channels leading to sales growth of 340%+ and improved profitability (Y-o-Y)**

**Bengaluru, Aug 6, 2021:** Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the first quarter ended June 30, 2021.

#### **Key Highlights**

- Q1 FY22 revenue grew by 340%+ to Rs. 319 Crs over Q1 FY21. This was driven by robust recovery across the channels and continued rapid growth in the online channel. Recovery was 48%, compared to pre-COVID levels of Q1 FY20
- On account of localized lockdowns caused by the COVID second wave, sales were significantly impacted in Q1
- Recovery continues to be strong, reaching ~80% in Jul'21, compared to same month pre-COVID (Jul'19)
- Power brands grew by ~400% with significantly improved profitability on Y-o-Y basis
- Online channel sales increased by 4.2x Y-o-Y in Q1 FY22; direct-to-consumer (D2C) business contributed 30%+ of online sales
- Significant cost rationalization measures across rentals, employee costs & other fixed expenses led to reduced EBITDA loss of Rs. 25 Crs compared to loss of Rs. 33 Crs in Q1 FY21
- Continued journey towards strengthening of balance sheet with
  - Gross working capital reduced (Q-o-Q) by 32 Crs in Q1 FY22 through sharper controls around inventory & debtors; GWC lower by 426 Crs (Y-o-Y)
  - Reduction in gross debt by 30 Crs and 430 Crs compared to Mar'21 and June'20 respectively
- Signed definitive agreement in July'21 for strategic sale of assets of 'Unlimited' retail business to V-Mart Retail Ltd. in an all cash deal. Transaction closure is expected within Q2 FY22

Commenting on the performance of the company, **Mr. Shailesh Chaturvedi, MD & CEO** said "Employees safety remained our priority during second wave. Our business remained far more resilient during current quarter compared to last year, led by measures on cost control and cash flow management. Robust sales recovery compared to pre-COVID shows the strong customer pull for our 6 high conviction brands that remain highly suited for post-COVID & WFH norms. Digital initiatives backed by omni-channel capabilities is helping in stronger sales recovery. We remain very optimistic of improved financial performance as business returns to normal in coming quarters"

#### **Consolidated Financial Performance Summary**

<b>Rs. Crore</b>	<b>Q1 FY22</b>	<b>Q1 FY21</b>	<b>Y-o-Y Growth</b>
<b>Revenues</b>	<b>319</b>	<b>72</b>	<b>344%</b>
<b>EBITDA</b>	<b>(25)</b>	<b>(33)</b>	<b>-</b>
<b>PBT (continued operations)</b>	<b>(120)</b>	<b>(149)</b>	<b>-</b>
<b>PAT including discontinued operations</b>	<b>(182)</b>	<b>(213)</b>	<b>-</b>

#### **About 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 Assn., Arrow, Tommy



Hilfiger, Calvin Klein, Flying Machine and Sephora, it has presence across lifestyle brands and prestige beauty.

**For more information, please contact:**

Ankit Arora

Head – Investor Relations

Arvind Fashions Limited

[Ankit.arora@arvindbrands.co.in](mailto:Ankit.arora@arvindbrands.co.in)

Direct: +91 80 4048 8814

Mobile: +91 99206 64475

---

**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.*