

PRESS RELEASE

Sales growth of 113% leading to significantly improved profitability; 90%+ sales recovery over pre-COVID

Bengaluru, Nov 13, 2021: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the second quarter and half year ended September 30, 2021.

Key Highlights

- Q2 FY22 revenues grew by 113% to Rs. 812 Crs compared to Q2 FY21. This was driven by significant easing of COVID related restrictions resulting in strong footfalls across retail channel and continued growth in online business. Sales recovery was 90%+, compared to pre-COVID levels of Q2 FY20
- Power brands grew by ~145% with significantly improved profitability on Y-o-Y basis
- Online channel sales higher by 55% compared to Q2 FY21, contributing 40%+ of company's revenues
- Strong sales recovery has continued in Oct'21 registering high-teens like-to-like growth in the festive period in retail channel, compared to pre-COVID
- Robust sales growth coupled with cost optimization measures led to significantly improved operating profitability resulting in EBITDA of Rs. 72 Crs compared to loss of Rs. 14 Crs in Q2 FY21. This translated into cash break-even for continuing business
- Continued focus on working capital coupled with divestment of Unlimited retail business resulted in inventory and gross working capital lower by ~Rs. 180 Crs compared to Sep'20
- Gross debt lower by Rs. 70 Crs compared to June'21. Proceeds from preferential allotment utilized to reduce debt further, as on date
- Raised Rs. 400 Crs through preferential allotment to various marquee investors and promoters, thereby strengthening the balance sheet and insulating from any near-to-medium term uncertainties
- Successfully completed strategic sale of assets of 'Unlimited' retail business to V-Mart Retail Ltd.
- Exit of discontinued businesses completed; no losses pertaining to them from Q3 FY22 onwards

Commenting on the performance of the company, **Mr. Shailesh Chaturvedi, MD & CEO** said "We are happy to see rapid sales recovery across channels aided by strong nationwide vaccination program leading to positive consumer sentiment. Business has returned to normalcy towards end of quarter, thereby, providing a strong start to festive period. During the quarter, we raised Rs. 400 Crs via preferential issue through marquee investors and promoters resulting in strengthened balance sheet along with adequate funds available for growth moving ahead. With exit of discontinued brands completely behind us, our sharp focus on 6 high conviction brands will help deliver robust sales growth with significantly improved operational profitability in H2 FY22"

Consolidated Financial Performance Summary

Rs. Crore	Q2 FY22	Q2 FY21	Y-o-Y Growth
Revenues	812	382	113%
EBITDA	72	(14)	-
PBT (continuing operations)	(22)	(164)	-
PAT including discontinued operations	(98)	(212)	-



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.

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