

ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office : Du Parc Trinty, 8th Floor, 17, M.G. Road, Bengaluru - 560 001

Tel : 91-80-4155 0601, Fax : 91-80-41550651

Website: <http://www.arvindfashions.com>

August 10, 2022

BSE Limited
Listing Dept. / Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

National Stock Exchange of India Ltd.
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Security Code : 542484
Security ID : ARVINDFASN

Symbol : ARVINDFASN

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Arvind Fashions Limited ("the Company") held on August 10, 2022.

Ref: Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

Further to our letters dated August 02, 2022 for intimation of Board Meeting, and in accordance with the provisions of Regulation 30 of the SEBI LODR Regulations, this is to inform you that the Board of Directors of the Company, at its meeting held today (i.e., on August 10, 2022) has, *inter alia*, considered and approved the following business:

1. The unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2022.

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations"), we hereby enclose herewith the following:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2022, along with Limited Review Reports issued by the Joint Statutory Auditors of the company i.e. M/s. Deloitte Haskins & Sells and M/s Sorab S. Engineers & Co.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter ended on June 30, 2022.
3. Investor Presentation for Q1 issued in this regard.

The meeting of the Board of Directors commenced at 02:00 p.m. and concluded at 4:15 P.M.

You are requested to take the above on your record and bring this to the Notice of all concerned.

Thanking you,

For Arvind Fashions Limited

Lipi Jha

Lipi Jha
Company Secretary



Encl: As above.

ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.
CIN : L52399GJ2016PLC085595

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS**TO THE BOARD OF DIRECTORS OF
ARVIND FASHIONS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Arvind Fashions Limited** ("the Company"), for the quarter ended June 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. The comparative financial results of the Company for the quarter ended June 30, 2021 included in this Statement had been reviewed by one of the joint auditor, who had expressed an unmodified opinion thereon as per their report dated August 06, 2021.

Another joint auditor's conclusion is not modified in respect of these matters.

For **SORAB S. ENGINEER & CO.**
Chartered Accountants
(Firm's Registration No. 110417W)

Chokshi Shreyas B.

Chokshi Shreyas B.
(Partner)
(Membership No. 100892)
(UDIN:)

22100892 AOTFDQ7791



Place: Bengaluru
Date: August 10, 2022

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 22106189AOTCBM 6714)

Place: Bengaluru
Date: August 10, 2022



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Statement of Standalone Unaudited Financial Results for the Quarter Ended June 30, 2022

₹ in Crores except per share data

	Particulars	Quarter Ended		Year ended	
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	(Refer Note 3)	Unaudited	Audited
1	Income				
	(a) Revenue from Operations	115.95	106.91	71.40	514.01
	(b) Other Income	1.90	2.35	2.63	9.44
	Total Income	117.85	109.26	74.03	523.45
2	Expenses				
	(a) Purchases of stock-in-trade	94.48	76.59	54.44	254.27
	(b) Changes in inventories of stock-in-trade	(27.86)	(7.55)	(19.57)	67.52
	(c) Employee benefits expense	14.35	9.96	11.27	50.72
	(d) Finance costs	2.82	1.89	2.93	12.36
	(e) Depreciation and amortisation expense	3.29	5.94	4.87	18.07
	(f) Other expenses	29.07	25.99	19.94	111.63
	Total Expenses	116.15	112.82	73.88	514.57
3	Profit/(Loss) before tax (1-2)	1.70	(3.56)	0.15	8.88
4	Tax Expense				
	Current Tax	-	(2.10)	-	-
	Short provision related to earlier years	-	1.20	-	1.20
	Deferred Tax Charge/ (Credit)	0.03	0.21	0.01	0.24
	Total Tax Expense/(Credit)	0.03	(0.69)	0.01	1.44
5	Profit/(Loss) for the period after tax (3-4)	1.67	(2.87)	0.14	7.44
6	Other Comprehensive Income/ (Loss) (Net of Tax)				
	Items that will not be classified to profit and loss				
	(i) Re-measurement gain/(loss) on defined benefit plans	(0.08)	(0.58)	(0.03)	(0.67)
	(ii) Income Tax related to the item above	0.03	0.21	0.01	0.24
	Total other comprehensive income/(loss), net of tax	(0.05)	(0.37)	(0.02)	(0.43)
7	Total Comprehensive Income/ (Loss) for the Period (5+6)	1.62	(3.24)	0.12	7.01
8	Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	53.03	52.97	45.35	52.97
9	Other Equity				2,249.30
10	Earning Per Share in ₹ (Annualised, except for quarters)				
	- Basic	0.13	(0.26)	0.01	0.61
	- Diluted	0.13	(0.26)	0.01	0.61
(See accompanying notes to the Standalone Financial Results)					

For Arvind Fashions Limited

Shailesh Chaturvedi

Shailesh Chaturvedi
Managing Director & CEO
DIN:03023079

Bengaluru
August 10, 2022



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CIN : L52399GJ2016PLC085595

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Notes:

- 1 The above standalone unaudited financial results have been prepared in accordance with Indian Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 2 The above standalone financial results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on August 10, 2022 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- 3 The figure for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of full financial year and the unaudited published year to date figures upto the third quarter of the financial year which were subjected to limited review by the statutory auditors.
- 4 The Company is primarily engaged in the business of Branded Apparels (Garments and Accessories) which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 5 ESOP Share Allotment: Pursuant to various Employees Stock Option Schemes, following equity shares of ₹ 4/- each were allotted to the option grantees:

Particulars	Quarter Ended			Year Ended
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
Shares allotted	1,36,000	9,691	-	6,67,702

Bengaluru
August 10, 2022

For Arvind Fashions Limited



Shailesh Chaturvedi
Managing Director and CEO
DIN:03023079



ARVIND FASHIONS

Regd Office : Arvind Limited Premises, Naroda Road, Ahmedabad - 380 025.
CIN : L52399GJ2016PLC085595

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS**TO THE BOARD OF DIRECTORS OF
Arvind Fashions Limited**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Arvind Fashions Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2022 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the parent and the subsidiaries as given in the Annexure to this Report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of one of the joint auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. The financial results of 5 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 820.41 crores for the quarter ended June 30, 2022, total net loss after tax of Rs. 1.37 crores for the quarter ended June 30, 2022 and total comprehensive loss of Rs. 0.65 crores for the quarter June 30, 2022 as considered in the Statement, whose interim financial results have been reviewed by one of the joint auditor. These interim financial results have been reviewed by one of the joint auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of one of the joint auditor.

Another joint auditor's conclusion on the Statement is not modified in respect of these matters.

7. The comparative financial results of the Group for the quarter ended June 30, 2021 included in this Statement had been reviewed by one of the joint auditor who had expressed an unmodified opinion thereon as per their report dated August 06, 2021.

Another joint auditor's conclusion is not modified in respect of these matters.

For **SORAB S. ENGINEER & CO.**
Chartered Accountants
(Firm's Registration No. 110417W)

Chokshi Shreyas B.

Chokshi Shreyas B.
(Partner)
(Membership No. 100892)
(UDIN:)

22100892AOTFJF3596

Place: Bengaluru
Date: August 10, 2022



For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN:)

22106189AOTBUA2163

Place: Bengaluru
Date: August 10, 2022



Annexure to Independent Auditor's Review Report

The Parent

1. Arvind Fashions Limited

List of Subsidiaries

1. Arvind Lifestyle Brands Limited
2. Arvind Beauty Brands Retail Private Limited
3. PVH Arvind Fashion Private Limited
4. Arvind Youth Brands Private Limited
5. Value Fashion Retail Limited



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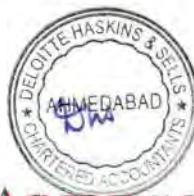
Statement of Consolidated Unaudited Financial Results for the Quarter Ended June 30, 2022

₹ in Crores except per share data

	Particulars	Quarter Ended		Year Ended	
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	(Refer Note 3)	Unaudited	Audited
1 Income					
(a) Revenue from Operations		920.32	916.70	319.24	3,056.04
(b) Other Income		2.15	20.98	21.19	66.88
Total Income		922.47	937.68	340.43	3,122.92
2 Expenses					
(a) Purchases of stock-in-trade		574.53	543.74	169.90	1,764.09
(b) Changes in inventories of stock-in-trade		(109.14)	(38.83)	12.09	(54.28)
(c) Employee benefits expense		65.99	56.23	51.02	236.76
(d) Finance costs		27.86	22.95	38.15	123.92
(e) Depreciation and amortisation expense		52.93	61.03	57.06	233.00
(f) Other expenses		297.08	282.51	132.14	929.31
Total Expenses		909.25	927.63	460.36	3,232.80
3 Profit/(Loss) Before Tax (1-2)		13.22	10.05	(119.93)	(109.88)
4 Tax Expense					
Current Tax		5.09	4.37	-	11.27
Short provision related to earlier years		-	2.06	-	2.06
Deferred Tax Charge/(Credit)		(0.04)	(18.76)	(0.63)	(19.13)
Total Tax Expense/(Credit)		5.05	(12.33)	(0.63)	(5.80)
5 Net Profit/(Loss) for the period from Continuing Operations (3-4)		8.17	22.38	(119.30)	(104.08)
Discontinued Operations (Refer Note 7)					
6 Profit/(Loss) Before Tax for the period from Discontinued Operations		-	-	(63.19)	(132.62)
7 Tax Expense/(Credit) on Discontinued Operations		-	-	-	-
8 Net Profit/(Loss) for the period from Discontinued Operations (6-7)		-	-	(63.19)	(132.62)
9 Net Profit/(Loss) for the period from Continuing Operations and Discontinued Operations (5+8)		8.17	22.38	(182.49)	(236.70)
Attributable to:					
Equity Holders of the Parent		(0.51)	0.78	(176.90)	(267.40)
Non-controlling interest		8.68	21.60	(5.59)	30.70
		8.17	22.38	(182.49)	(236.70)
10 Other Comprehensive Income/ (Loss) (Net of Tax)					
(a) Items that will not be classified to profit and loss					
(i) Re-measurement gain/(loss) on defined benefit plans		0.17	(2.04)	0.36	(0.98)
(ii) Income Tax related to the item above		(0.06)	0.60	(0.12)	0.25
(b) Items that will be classified to profit and loss					
(i) Effective portion of gains / (loss) on cash flow hedges		0.75	0.03	0.68	0.39
(ii) Income Tax related to the item above		(0.19)	(0.09)	-	(0.09)
Other Comprehensive Income/ (Loss) (Net of Tax)		0.67	(1.50)	0.92	(0.43)
Attributable to:					
Equity holders of the Parent		0.40	(1.33)	0.57	(0.47)
Non-controlling interest		0.27	(0.17)	0.35	0.04
		0.67	(1.50)	0.92	(0.43)
11 Total Comprehensive Income/ (Loss) for the Period (9+10)		8.84	20.88	(181.57)	(237.13)
Attributable to:					
Equity holders of the Parent		(0.11)	(0.55)	(176.33)	(267.87)
Non-controlling interest		8.95	21.43	(5.24)	30.74
		8.84	20.88	(181.57)	(237.13)
12 Paid-up Equity Share Capital (Face Value ₹ 4/- per share)		53.03	52.97	45.35	52.97
13 Other Equity					697.28
14 Earning Per Share in ₹ (Annualised, except for quarters)					
Continuing Operations					
-Basic		(0.04)	0.69	(10.49)	(11.04)
-Diluted		(0.04)	0.69	(10.49)	(11.04)
Discontinued Operations					
-Basic		-	-	(5.83)	(10.86)
-Diluted		-	-	(5.82)	(10.86)
Continuing and Discontinued Operations					
-Basic		(0.04)	0.69	(16.32)	(21.90)
-Diluted		(0.04)	0.69	(16.31)	(21.90)

(See accompanying notes to the Consolidated Financial Results)

Bengaluru
August 10, 2022



For Arvind Fashions Limited

Shailish Chaturvedi

Shailish Chaturvedi
Managing Director & CEO
DIN:03023079

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Notes:

- 1 The above consolidated unaudited financial results have been prepared in accordance with Indian Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 2 The above consolidated financial results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on August 10, 2022 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- 3 The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of full financial year and the unaudited published year to date figures upto the third quarter of the financial year which were subjected to limited review by the statutory auditors.
- 4 The Group is primarily engaged in the business of Branded Apparels (Garments and Accessories) which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting segment.
- 5 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116-Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient up to June 30, 2022.

Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions in "Other Income". The details are as under:

Particulars	Quarter Ended			Year Ended
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
Rent concessions accounted in the period	-	3.12	19.31	38.20
Rent concessions pertaining to periods after reporting period	-	-	5.99	-

- 6 ESOP Share Allotment: Pursuant to various Employees Stock Option Schemes, following equity shares of ₹ 4/- each were allotted to the option grantees:

Particulars	Quarter Ended			Year Ended
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
Shares allotted	1,36,000	9,691	-	6,67,702

- 7 During the year ended March 31, 2021, Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary of the Company has decided to discontinue brands like GAP, Hanes, New Port, The Childrens Place and Ruf & Tuf.

During the period ending September 30, 2021, ALBL has entered into definitive agreements for strategic sale of assets of the Unlimited Retail Business, consisting of fixed assets, lease deposits, identified inventory and other current assets of Unlimited Retail stores and warehouse, along with Unlimited brand to V-Mart at its book value of ₹ 175.19 Crores.

Accordingly, the activities of the above brands and the Unlimited Retail business are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. Consequently, Loss before tax and tax expenses relating to these brands business have been disclosed separately as discontinued operations as part of the above results. The previous periods have been re-classified to give effect to the presentation requirements of Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

Bengaluru
August 10, 2022

For Arvind Fashions Limited



Shailesh Chaturvedi
Managing Director & CEO
DIN:03023079



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PRESS RELEASE

Arvind Fashions records highest ever Q1 sales & profitability;

Sales & EBITDA growth of 40% and 52% (compared to pre-Covid)

Bengaluru, Aug 10, 2022: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the first quarter ended June 30, 2022.

Key Highlights for Q1 FY23

- Revenues grew by 40% to Rs. 920 Crs compared to pre-Covid level (Q1 FY20). This was led through sharp execution across retail channel witnessing ~25% LTL growth. It was also aided by robust performance in other channels including online and MBO which grew by 1.9x and 2.5x respectively over pre-Covid levels
- Power brands revenues witnessed growth of 44% (vs. pre-Covid) with USPA and Tommy Hilfiger continuing its trajectory of double-digit EBITDA margins (pre-IndAS)
- Record full price sell-thru's across brands and lower discount resulted in increase in gross margins by 640 bps (Y-o-Y)
- EBITDA increased to Rs. 94 Crs; growth of 52% over pre-Covid level

Commenting on the performance of the company, **Mr. Shailesh Chaturvedi, MD & CEO** said "It has been a great start to FY23 with strong consumer demand across channels and categories, resulting in record performance with highest ever Q1 sales and profitability. We expect this momentum to continue for rest of the year leading to significant improvement in our return on capital employed (ROCE). Further, we will continue to invest behind omni-channel and retail capabilities to build stronger consumer engagement"

Consolidated Financial Performance Summary

Rs. Crore	Q1 FY23	Q1 FY22	Y-o-Y Growth	Growth (vs. Q1 FY20)
Revenues	920	319	188%	40%
EBITDA	94	(25)	-	52%
PBT	13	(120)	-	-

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

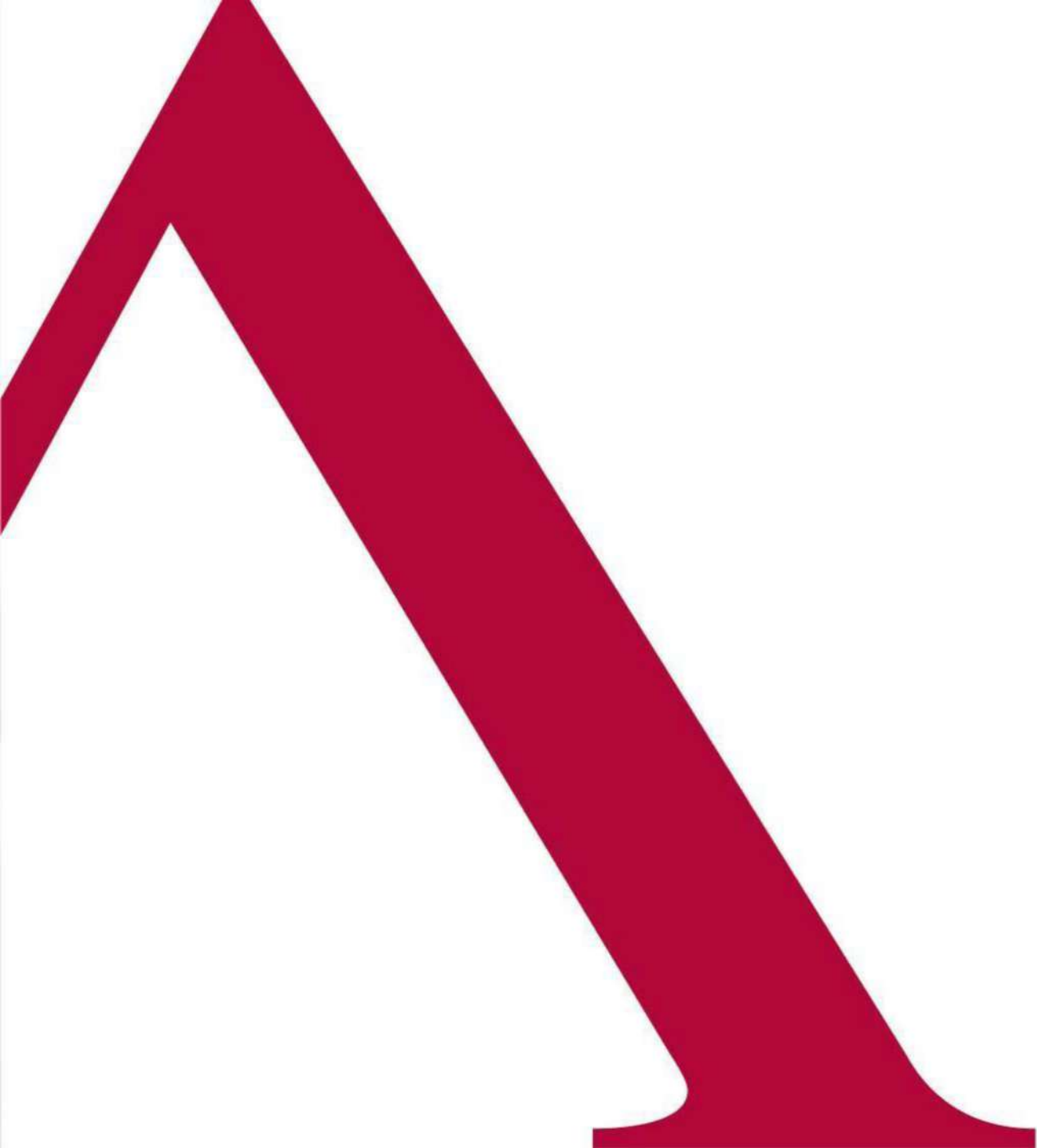
Ankit.arora@arvindbrands.co.in

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.



Arvind Fashions Limited

Q1 FY23 Results Presentation

Aug 2022

Disclaimer

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Agenda

Q1 FY23 Performance Highlights



Q1 FY23 Results with IndAS



Way Forward



FY23 Objectives - What we have set for ourselves

Targets & Objectives	
1. Sales & Profitability	<ul style="list-style-type: none"> • Amongst industry leading growth rates (over FY22) • Expansion in operating margins with significant growth in PAT
2. Inventory	<ul style="list-style-type: none"> • Further improvement in inventory turns to >4x
3. Omni-channel business model	<ul style="list-style-type: none"> • Build scalable omni-channel model with higher contribution of direct-to-consumer (D2C - NNNOW + Marketplace) helping drive higher customer loyalty
4. Working capital & Balance sheet	<ul style="list-style-type: none"> • Efficient working capital management leading to free cash flow generation • De-leveraging to continue
5. Return on capital employed (ROCE)	<ul style="list-style-type: none"> • Significant improvement in ROCE profile
6. Deeper penetration and store expansion	<ul style="list-style-type: none"> • Acceleration in store network expansion across smaller towns by opening 200+ stores

Q1 FY23 Business Highlights



Record sales quarter

- 2.9x sales growth Y-o-Y; 40% growth (vs. pre-COVID; Q1 FY20)
- Retail LTL growth of ~25%; despite pushing out EOSS



Power Brands

- Double-digit EBITDA margin (pre-IndAS) trajectory continued in USPA & Tommy Hilfiger
- 150 bps improvement in overall margin profile (vs. pre-Covid)



Growing category extensions

- 3.6x growth in footwear business (vs. pre-COVID)
- 97% Y-o-Y growth in innerwear category



Profitability

- Record full price sell-thru's across brands and efficient discount management
- 52% growth in EBITDA to Rs. 94 crores (vs. pre-COVID)



Channel-wise performance

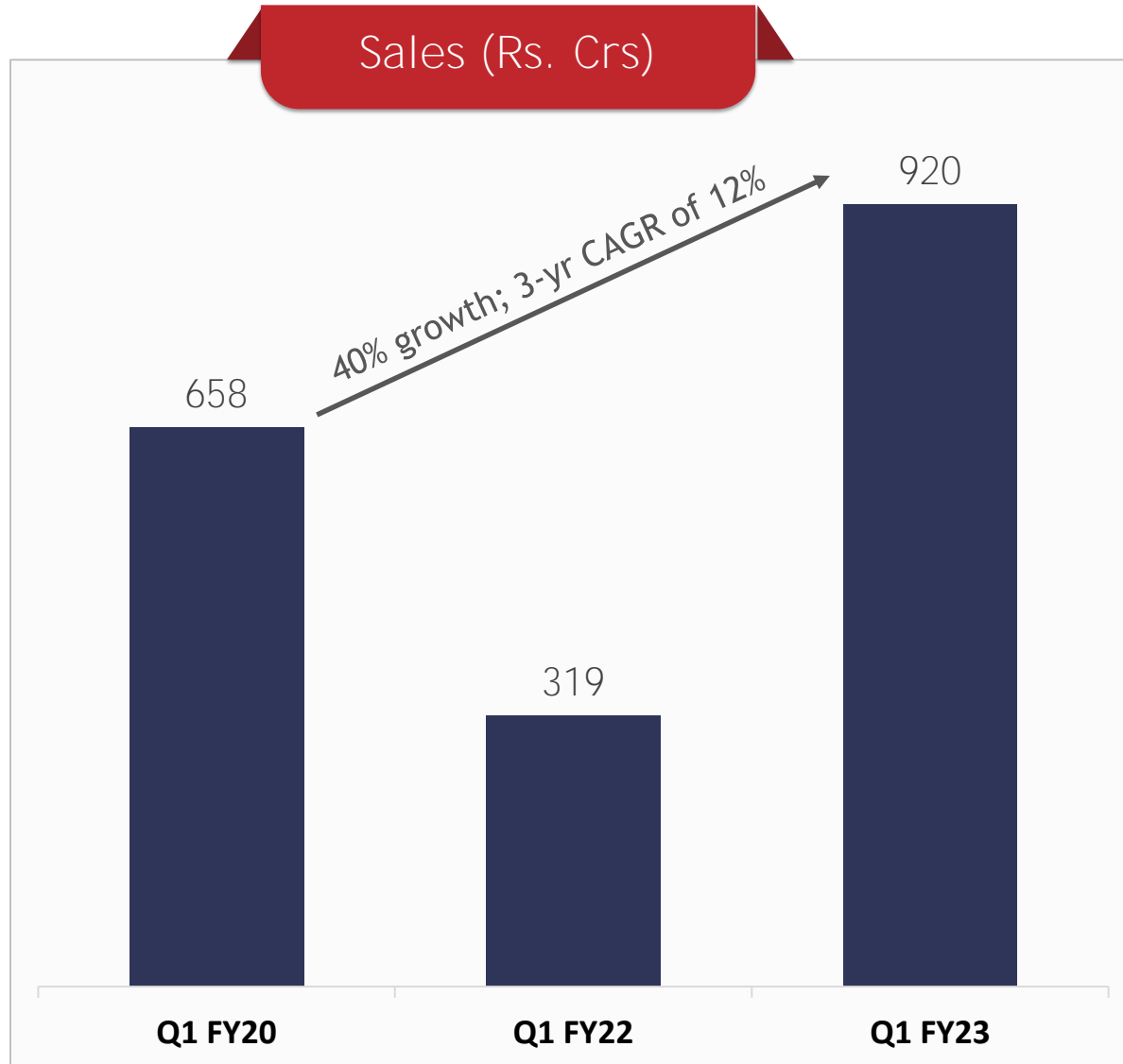
- 35% growth in retail channel (compared to pre-COVID); sharp execution continued
- 1.9x growth in online channel (vs pre-COVID); 20% Y-o-Y growth
- 2.5x growth in MBO channel (vs pre-Covid)



Working capital management

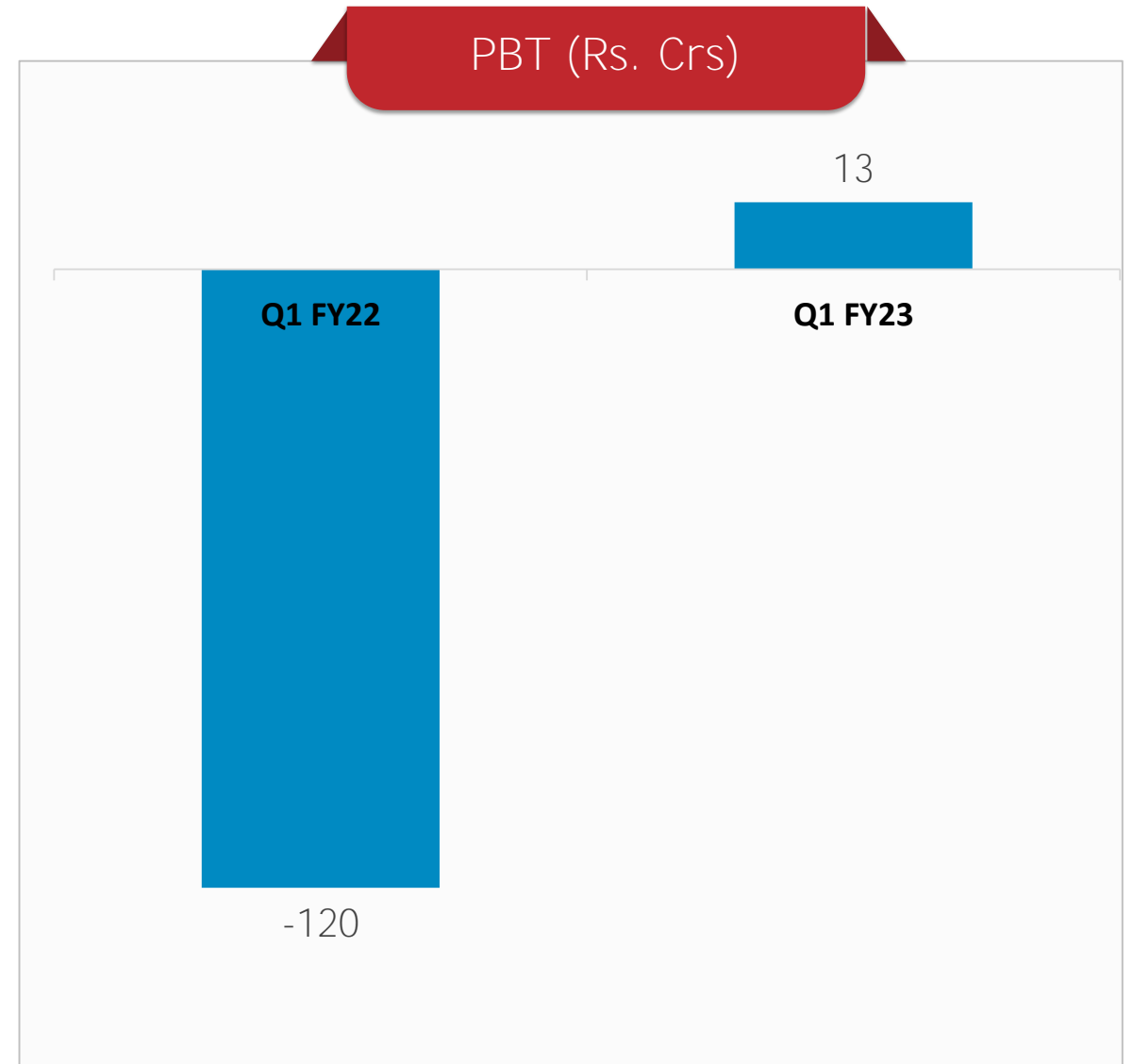
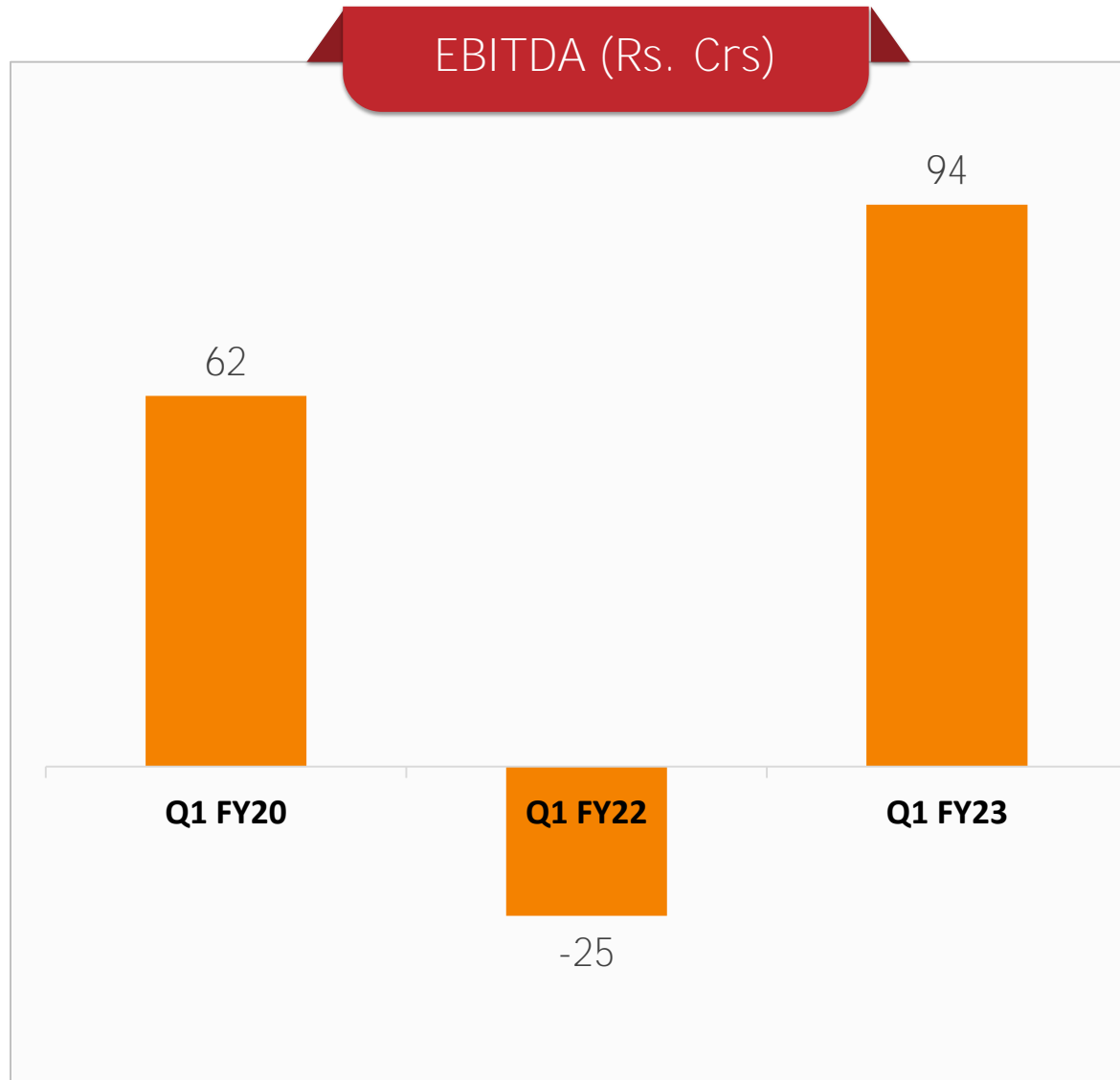
- Strong debtor controls yielding better cashflow
- Continued focus on inventory levels despite conscious decision on delayed EOSS and build-up of **AW'22**

The biggest ever Q1 in terms of sales



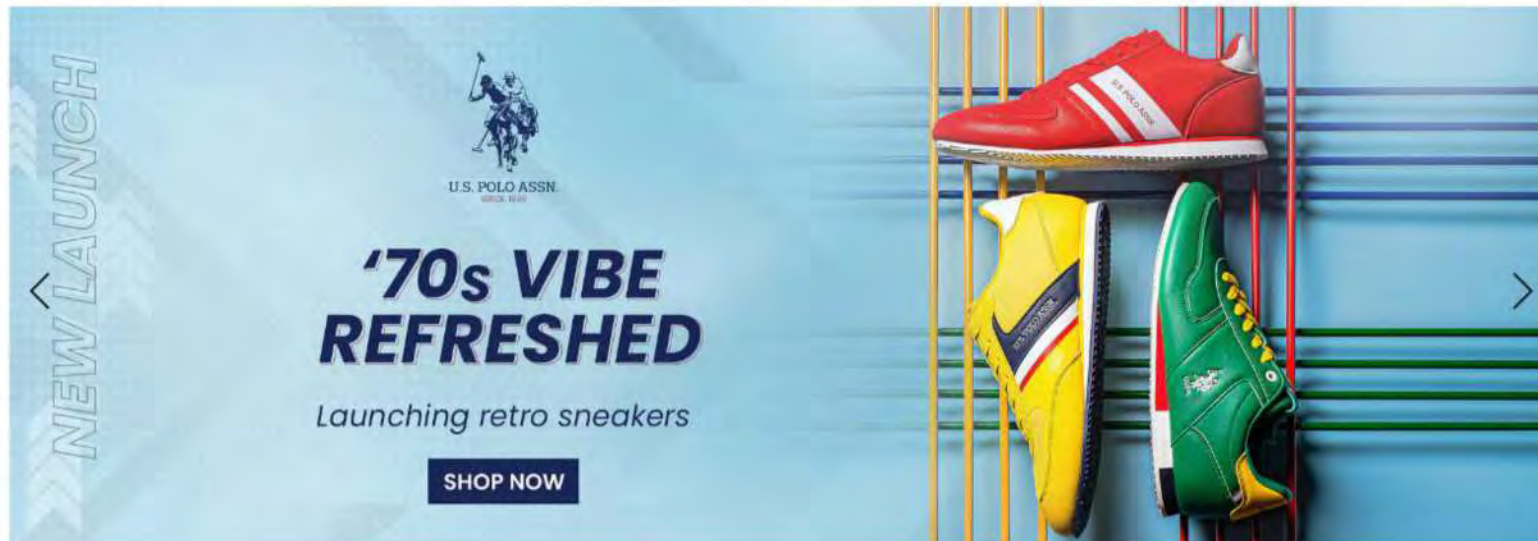
- Delivered best ever Q1 results through sharper retail execution in the first steady-state quarter after 2 years
- Recorded highest ever full price sell-**thru's** across brands with significant improvement over Spring **Summer**'19 (**SS**'19; pre-Covid)
- Healthy multi-channel play and investment in brand adjacencies yielding stronger outcomes

Leading to record profitability in the quarter



Gross margin improvement of 640 bps (Y-o-Y) to 49.4% aided sharp jump in profitability

USPA : Investment in brand marketing campaigns and adjacencies



U.S. POLO ASSN.
SINCE 1890



Tommy Hilfiger : Investing behind brands to drive premiumization



TOMMY HILFIGER X SHAWN MENDES



Q1 FY23 - Groupwise Performance

	Sales (Rs. Crs)				EBITDA (Rs. Crs)	
	Q1 FY23	Q1 FY22	Q1 FY20	% Growth vs Q1 FY20	Q1 FY23	Q1 FY22
 Power Brands	749	262	521	44%	83	(12)
 Emerging Brands	171	57	137	25%	11	(13)
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Total	920	319	658	40%	94	(25)

Note:

Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine and Arrow

Emerging Brands - Calvin Klein, Sephora, Ed Hardy, Aeropostale and Others

Continued focus on inventory and working capital control

	Figures in Rs Crs.			
	June'22	June'21	Change	Mar'22
Inventory	1013	879	134	965
Receivables	549	554	(5)	572
<hr/>				
GWC	1562	1433	129	1537
Payables	996	1071	(62)	1048
NWC	566	362	204	489

- Strong retail mix and better collections led to reduction in debtors

Agenda

Q1 FY23 Performance Highlights



Q1 FY23 Results with IndAS



Way Forward



Q1 FY23 - Performance Snapshot



	Reported (Rs Crs.)	
	Q1 FY23	Q1 FY22
Revenue from Operations	920	319
Other Income	2	21
Total Income	922	340
EBITDA	94	(25)
PBT	13	(120)
Discontinued operations	-	(63)
Minority Interest	9	(6)
PAT	(0)	(177)

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Q1 FY23 Performance Highlights



Q1 FY23 Results with IndAS



Way Forward



Way forward

Short term

- Revenue momentum to stay strong led by better quality on-time launch of **AW'22** coupled with continued growth across online & other channels
- Profitability to improve further by better full price sell-**thru's**, operating leverage etc.
- Continued focus on inventory turns and working capital efficiency
- Raw material costs & inflation remains a key monitorable



Thank You