

ARVIND FASHIONS LIMITED

A MEMBER OF THE LALBHAI GROUP

Corporate Office : Du Parc Trinity, 8th Floor, 17, M.G. Road, Bengaluru - 560 001
Tel : 91-80-4155 0601, Fax : 91-80-41550651
Website: <http://www.arvindfashions.com>

February 14, 2023

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

Security Code : 542484
Security ID : ARVINDFASN

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

Symbol : ARVINDFASN

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Arvind Fashions Limited ("the Company") held on February 14, 2023.

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 letter dated February 06, 2023 for intimation of Board Meeting, and in accordance with the provisions of Regulation 30 of the SEBI LODR Regulations, this is to inform that the Board of Directors of the Company, at its meeting held today (i.e., on February 14, 2023) has, *inter alia*, considered and approved the following business:

1. The unaudited Standalone and Consolidated Financial Results of the Company for the quarter & nine months ended on December 31, 2022.
2. Appointment of Mr. Kulin Sanjay Lalbhai (DIN: 05206878), the current Non-Executive Director as the Vice-Chairman (Non- Executive) of the Board, with effect from 14th February 2023.

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

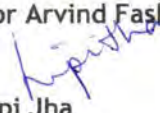
1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter & nine months ended on December 31, 2022, along with Limited Review Reports issued by the statutory auditors of the company i.e M/s. Deloitte Haskins & Sells.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter and nine months ended on December 31, 2022.
3. Investor Presentation for Q3 issued in this regard.

The meeting of the Board of Directors commenced at 10:45 A.M. and concluded at 01:15 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
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 and nine months ended December 31, 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 information of the Company for the quarter and nine months ended December 31, 2021 and for the year ended March 31, 2022 included in this Statement have been reviewed/audited by the joint auditors including us, who had expressed an unmodified opinion thereon as per the reports dated February 11, 2022 and May 27, 2022 respectively.

Our conclusion is not modified in respect of this matter.



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

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOPB2513)

Place: Bengaluru
Date: February 14, 2023

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Statement of Standalone Unaudited Financial Results for the Quarter and the Nine months Ended December 31, 2022

(₹ in Crores except per share data)

Sr. No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.22	30.09.22	31.12.21	31.12.22	31.12.21	31.03.22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	181.22	178.30	195.83	475.47	407.10	514.01
	(b) Other Income	3.33	2.25	2.42	7.48	7.09	9.44
	Total Income	184.55	180.55	198.25	482.95	414.19	523.45
2	Expenses						
	(a) Purchases of stock-in-trade	127.25	105.78	42.57	327.51	177.68	254.27
	(b) Changes in inventories of stock-in-trade	(0.36)	6.83	91.26	(21.39)	75.07	67.52
	(c) Employee benefits expense	12.43	12.95	15.17	39.73	40.76	50.72
	(d) Finance costs	4.44	3.48	3.37	10.74	10.47	12.36
	(e) Depreciation and amortisation expense	4.22	3.74	3.81	11.25	12.13	18.07
	(f) Other expenses	35.17	38.39	35.53	102.63	85.64	111.63
	Total Expenses	183.15	171.17	191.71	470.47	401.75	514.57
3	Profit Before Tax (1-2)	1.40	9.38	6.54	12.48	12.44	8.88
4	Tax Expense						
	Current Tax	-	-	1.12	-	2.10	-
	Short provision related to earlier years	-	-	-	-	-	1.20
	Deferred Tax Charge	0.06	0.10	0.01	0.19	0.03	0.24
	Total Tax Expense	0.06	0.10	1.13	0.19	2.13	1.44
5	Net Profit for the period after tax (3-4)	1.34	9.28	5.41	12.29	10.31	7.44
6	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	(0.18)	(0.29)	(0.03)	(0.55)	(0.09)	(0.67)
	(ii) Income Tax related to the item above	0.06	0.10	0.01	0.19	0.03	0.24
	Other Comprehensive Income/ (Loss) (Net of Tax)	(0.12)	(0.19)	(0.02)	(0.36)	(0.06)	(0.43)
7	Total Comprehensive Income for the Period (5+6)	1.22	9.09	5.39	11.93	10.25	7.01
8	Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	53.12	53.10	52.96	53.12	52.96	52.97
9	Other Equity						2,249.30
10	Earning Per Share in Rs (Not Annualised)						
	-Basic	0.10	0.70	0.43	0.93	0.87	0.61
	-Diluted	0.10	0.70	0.43	0.92	0.87	0.61
(See accompanying notes to the Standalone Financial Results)							

Bengaluru
February 14, 2023



For Arvind Fashions Limited

Shailesh Chaturvedi

Shailesh Chaturvedi
Managing Director & CEO
DIN:03023079

ARVIND FASHIONS

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

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 unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2023 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- 3 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.
- 4 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			Nine Months Ended		Year Ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
Shares allotted	36,653	1,76,700	1,08,587	3,49,353	6,58,011	6,67,702

Bengaluru
February 14, 2023.



For Arvind Fashions Limited

Shailesh Chaturvedi
Managing Director & 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 and nine months ended December 31, 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 the other auditors 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. We did not review the interim financial information of 4 subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenue of Rs. 534.16 crores and Rs. 1398.22 crores for the quarter and nine months ended December 31, 2022 respectively, total net profit after tax of Rs. 28.80 crores and Rs. 46.96 crores for the quarter and nine months ended December 31, 2022 respectively and total comprehensive income of Rs. 29.92 crores and Rs. 49.61 crores for the quarter and nine months ended December 31, 2022 respectively as considered in the Statement. These interim financial information have been reviewed by other auditors 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 the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

7. The comparative financial information of the Group for the quarter and nine months ended December 31, 2021 and for the year ended March 31, 2022 included in this Statement have been reviewed/audited by the joint auditors including us, who had expressed an unmodified opinion thereon as per the reports dated February 11, 2022 and May 27, 2022 respectively.

Our conclusion is not modified in respect of this matter.



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

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 23106189BGVOPC8270)

Place: Bengaluru
Date: February 14, 2023

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 and the Nine Months Ended December 31, 2022

(₹ in Crores except per share data)

Sr. no	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.22	30.09.22	31.12.21	31.12.22	31.12.21	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	1,178.94	1,181.81	1,007.99	3,281.07	2,139.34	3,056.04
	(b) Other Income (Refer Note 4)	15.86	20.04	8.91	38.05	45.90	66.88
	Total Income	1,194.80	1,201.85	1,016.90	3,319.12	2,185.24	3,122.92
2	Expenses						
	(a) Purchases of stock-in-trade	457.16	780.67	553.18	1,812.36	1,220.35	1,764.09
	(b) Changes in inventories of stock-in-trade	164.77	(122.47)	(5.13)	(66.84)	(15.45)	(54.28)
	(c) Employee benefits expense	65.54	65.01	69.80	196.54	180.53	236.76
	(d) Finance costs	38.96	32.47	27.07	99.29	100.97	123.92
	(e) Depreciation and amortisation expense	63.47	58.62	56.71	175.02	171.97	233.00
	(f) Other expenses	370.84	342.45	293.27	1,010.37	646.80	929.31
	Total Expenses	1,160.74	1,156.75	994.90	3,226.74	2,305.17	3,232.80
3	Profit/(Loss) Before Tax (1-2)	34.06	45.10	22.00	92.38	(119.93)	(109.88)
4	Tax Expense						
	Current Tax	12.62	8.00	5.92	25.71	6.90	11.27
	Short provision related to earlier years	-	0.35	-	0.35	-	2.06
	Deferred Tax Charge/(Credit)	(0.75)	8.67	(1.55)	7.88	(0.37)	(19.13)
	Total Tax Expense/(Credit)	11.87	17.02	4.37	33.94	6.53	(5.80)
5	Net Profit/(Loss) for the period from Continuing Operations (3-4)	22.19	28.08	17.63	58.44	(126.46)	(104.08)
	Discontinued Operations (Refer Note 6)						
6	Profit/(Loss) Before Tax for the period from Discontinued Operations	-	-	-	-	(132.62)	(132.62)
7	Tax Expense/(Credit) on Discontinued Operations	-	-	-	-	-	-
8	Net Profit/(Loss) for the period from Discontinued Operations (6-7)	-	-	-	-	(132.62)	(132.62)
9	Net Profit/(Loss) for the period from Continuing Operations and Discontinued Operations (5+8)	22.19	28.08	17.63	58.44	(259.08)	(236.70)
	Attributable to:						
	Equity Holders of the Parent	8.09	18.22	6.31	25.80	(268.18)	(267.40)
	Non-controlling interest	14.10	9.86	11.32	32.64	9.10	30.70
		22.19	28.08	17.63	58.44	(259.08)	(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	(0.08)	(0.34)	0.35	(0.25)	1.06	(0.98)
	(ii) Income Tax related to the item above	0.02	0.11	(0.12)	0.07	(0.35)	0.25
	(b) Items that will be classified to profit and loss						
	(i) Effective portion of gains / (loss) on cash flow hedges	1.57	1.42	(0.51)	3.74	0.36	0.39
	(ii) Income Tax related to the item above	(0.39)	(0.36)	-	(0.94)	-	(0.09)
	Other Comprehensive Income/ (Loss) (Net of Tax)	1.12	0.83	(0.28)	2.62	1.07	(0.43)
	Attributable to:						
	Equity Holders of the Parent	0.54	0.31	(0.03)	1.25	0.86	(0.47)
	Non-controlling interest	0.58	0.52	(0.25)	1.37	0.21	0.04
		1.12	0.83	(0.28)	2.62	1.07	(0.43)
11	Total Comprehensive Income/ (Loss) for the Period (11+12)	23.31	28.91	17.35	61.06	(258.01)	(237.13)
	Attributable to:						
	Equity Holders of the Parent	8.63	18.53	6.28	27.05	(267.32)	(267.87)
	Non-controlling interest	14.68	10.38	11.07	34.01	9.31	30.74
		23.31	28.91	17.35	61.06	(258.01)	(237.13)
12	Paid-up Equity Share Capital (Face Value ₹ 4/- per share)	53.12	53.10	52.96	53.12	52.96	52.97
13	Other Equity						697.28
14	Earning Per Share in Rs (Not Annualised)						
	Continuing Operations						
	-Basic	0.61	1.37	0.48	1.94	(11.42)	(11.04)
	-Diluted	0.61	1.37	0.48	1.94	(11.42)	(11.04)
	Discontinued Operations						
	-Basic	-	-	-	-	(11.17)	(10.86)
	-Diluted	-	-	-	-	(11.17)	(10.86)
	Continuing and Discontinued Operations						
	-Basic	0.61	1.37	0.48	1.94	(22.59)	(21.90)
	-Diluted	0.61	1.37	0.48	1.94	(22.59)	(21.90)

(See accompanying notes to the Consolidated Financial Results)

Bengaluru
February 14, 2023



For Arvind Fashions Limited

Shallesh Chaturvedi

Shallesh Chaturvedi
Managing Director & CEO
DIN: 03023079

ARVIND FASHIONS

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Notes:

- 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.
- The above consolidated unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2023 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- 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.
- 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			Nine Months Ended		₹ in Crores
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	Year Ended
Rent concessions accounted in the period	-	-	3.14	-	35.08	38.20
Rent concessions pertaining to periods after reporting period	-	-	0.58	-	0.58	-

- 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			Nine Months Ended		Year Ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
Shares allotted	36,653	1,76,700	1,08,587	3,49,353	6,58,011	6,67,702

- During the period ending September 30, 2021, ALBL had 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 GAP, Hanes, Newport, The Children Place, Ruf & Tuf and Unlimited Retail business have been 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.

Bengaluru
February 14, 2023



For Arvind Fashions Limited

Shailesh Chaturvedi
Managing Director & CEO
DIN:03023079

ARVIND FASHIONS

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CIN : L52399GJ2016PLC085595

PRESS RELEASE

Arvind Fashions reports strong financial performance with 17% revenue growth, EBITDA growth of 29% and margin improvement to 11.6%

Bengaluru, Feb 14, 2023: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the third quarter and nine months ended Dec 31, 2022.

Key Highlights for Q3 FY23

- Recorded best ever sales in Quarter 3
- Revenues grew by 17% to Rs. 1,179 Crs compared to Rs. 1,008 Crs in Q3 FY22. This was aided by industry leading retail LTL of 12%+ and over 40% growth in department stores channel
- Power brands revenues registered growth of 18% leading to strong improvement in its EBITDA margins by ~140 bps
- U.S. Polo Assn. continued leadership dominance in casual wear with its NSV crossing 1500 Crs at end Jan'23
- Brand adjacencies becoming significant growth drivers for the Company. Footwear and kids wear businesses registered 45%+ growth Y-o-Y
- Industry leading full price sell-through for AW'22 drove gross margin expansion of 160 bps (Y-o-Y)
- EBITDA margin higher by 110 bps, led by improvement in gross margins and operating leverage. EBITDA increased to Rs. 136 Crs (vs Rs. 106 Crs in Q3 FY22); growth of 29%
- Sustained ROCE (annualized) at ~15% in Q3 FY23

Commenting on the performance of the company, **Mr. Shailesh Chaturvedi, MD & CEO** said "Our Q3 results reflect further infusion of energy into our business with strong portfolio of brands, delivering healthy results with 17% growth in NSV and nearly 30% growth in EBITDA. With sharp focus on execution and customer experience, business delivered 12%+ retail like-to-like sales growth and record sell through. Our aim continues to be on improving profitability further and deliver a higher ROCE from our business."

Consolidated Financial Performance Summary

Rs. Crore	Q3 FY23	Q3 FY22	Y-o-Y Growth	YTD FY23	YTD FY22	Y-o-Y Growth
Revenues	1179	1008	17%	3281	2139	53%
EBITDA	136	106	29%	367	153	140%
PBT	34	22	55%	92	(120)	-
PAT	8	6	28%	26	(268)	-

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

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Disclaimer:

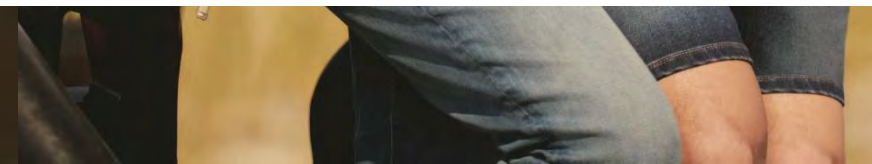
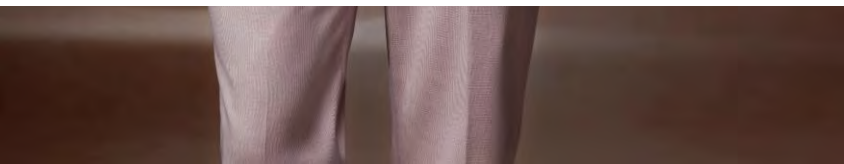
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Q3 FY23 RESULTS PRESENTATION

Arvind fashions

February | 2023



DISCLAIMER

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AGENDA



01

Q3 FY23 Performance
Highlights



02

Q3 & YTD FY23 Results



03

Way Forward

Q3 FY23 PERFORMANCE HIGHLIGHTS

MARKET & ECONOMY UPDATE



Consumption and retail demand continued to stay stable in big cities compared to smaller towns

With work from office gaining momentum, categories like shirts, jeans and occasion-wear see strong demand

Premiumization continues to witness strong demand and remains a key differentiator across categories

Clear shift towards organized segment - stronger brands doing better

Markets witnessed muted Diwali and delayed onset of winter

FY23 TARGETS & OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

Sales & Profitability <ul style="list-style-type: none"> • Amongst industry leading growth rates (over FY22) • Expansion in operating margins with significant growth in PAT 	Inventory <ul style="list-style-type: none"> • Further improvement in inventory turns to >4x 	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
Working capital & Balance sheet <ul style="list-style-type: none"> • Efficient working capital management leading to free cash flow generation • De-leveraging to continue 	Return on capital employed (ROCE) <ul style="list-style-type: none"> • Significant improvement in ROCE profile 	Deeper penetration and store expansion <ul style="list-style-type: none"> • Acceleration in store network expansion across smaller towns by opening 200+ stores

Q3 FY23 BUSINESS HIGHLIGHTS



QUARTERLY SALES

17% sales growth Y-o-Y;
41% growth vs. pre-COVID (Q3 FY20)

Industry leading retail LTL of 12%+; focused execution on season-launch & superior customer experience



POWER BRANDS

Double digit EBITDA margin continued for USPA & Tommy Hilfiger

USPA continued its leadership dominance in casual wear segment with NSV clocking 1500+ Crs at end-Jan'23

Strong improvement in EBITDA margins by ~140 bps (Y-o-Y)



CHANNEL-WISE PERFORMANCE

~25% growth in retail channel Y-o-Y and 40%+ growth (vs. pre-COVID)

40%+ growth in department stores Y-o-Y with business returning to normalcy

~25% revenue mix continues from Online; 40%+ growth in direct-to-consumer business (marketplace + NNNow)



GROWTH DRIVERS

45%+ growth each in footwear and kidswear businesses (Y-o-Y)

Footwear becoming significant growth engine; grew by ~3.3x (vs. pre-COVID) with healthy profitability



GROSS MARGINS

Industry leading full price sell-thru's for AW'22; conscious decision to delay EOSS

Lowering of discounts and higher sell-thru's led to gross margin expansion of 160 bps



EBITDA & ROCE

29% growth in EBITDA to ₹ 136 crores (Y-o-Y)

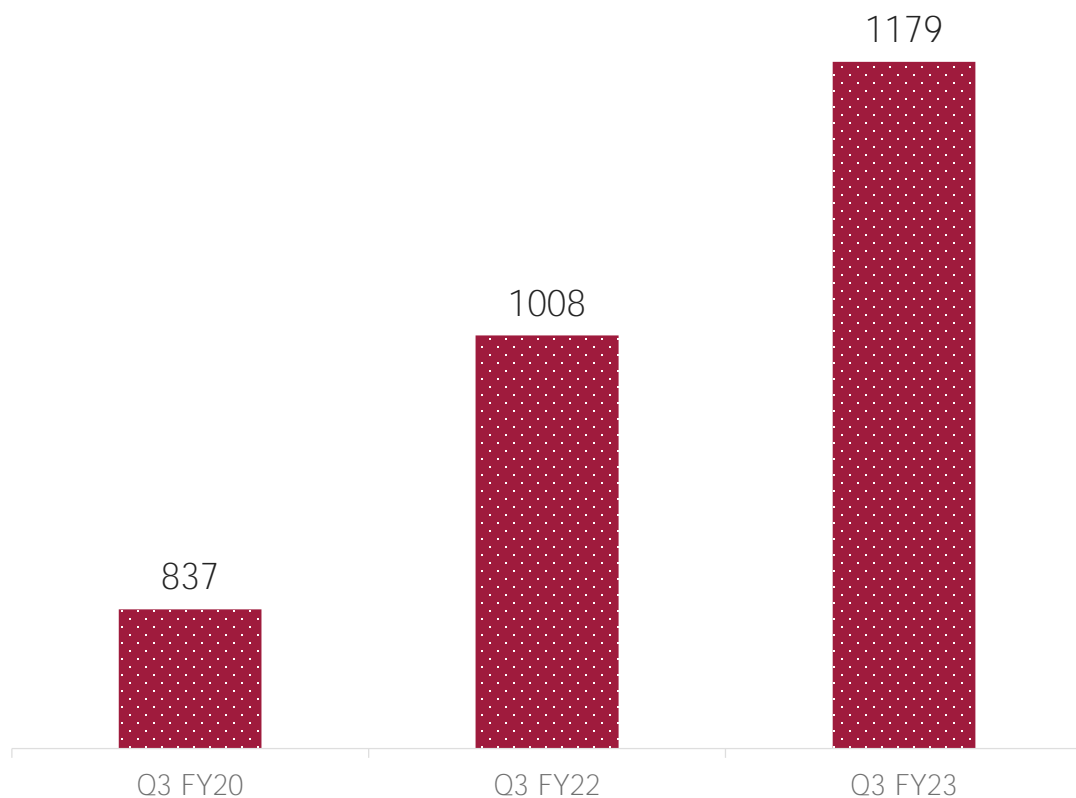
EBITDA margins higher by 110 bps led by gross margins and operating leverage (Y-o-Y)

ROCE (annualized) sustained at ~15%

AFL POSTED BEST EVER Q3

Sales

(₹ in crores)

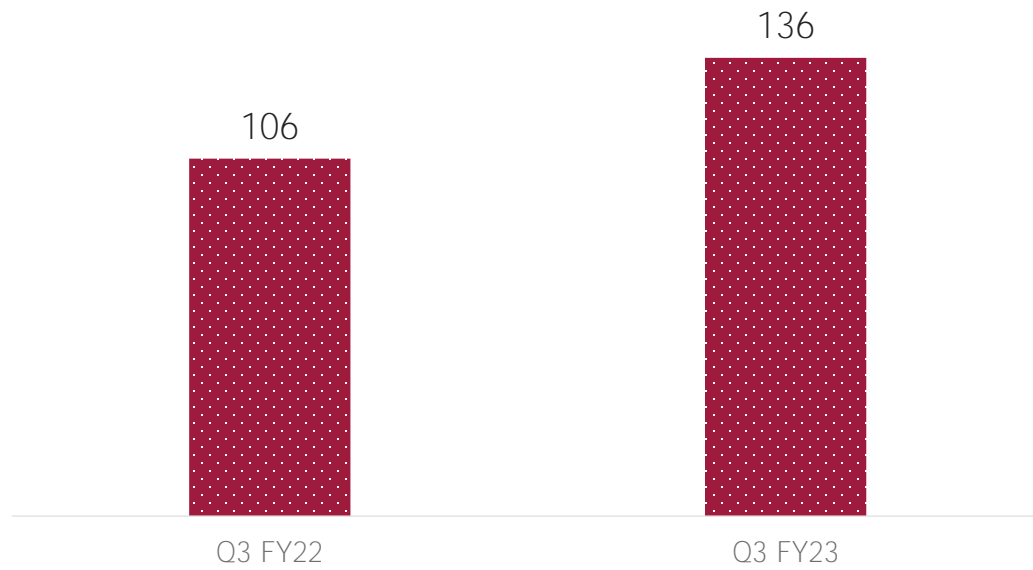


- Recorded highest quarterly sales in Q3 led by strong affinity for our brands registering industry leading 12%+ retail LTL growth
- Strong performance in the department stores channel
- Sharp execution on retail experience, investment in brand building and healthy channel mix driving superior results

RESULTING IN STRONG PROFITABILITY

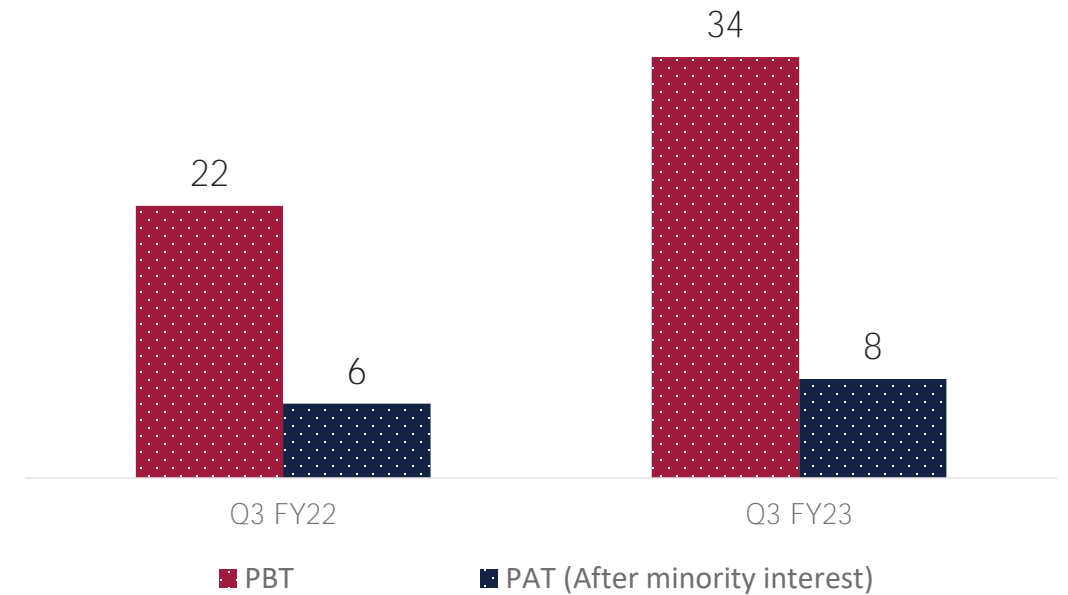
EBITDA

(₹ in crores)



PBT and PAT (after minority interest)

(₹ in crores)



110 bps improvement in EBITDA margins on account of higher gross margins and operating leverage



U.S. POLO ASSN.
SINCE 1890



SEPHORA

Q3 FY23 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS



U.S. POLO ASSN.
SINCE 1890

Brand Highlights

- Achieved milestone of NSV **1500+ Crs in YTD Jan'23**
- Strong retail LTL coupled with high growth in department stores resulted in significant reduction in discounting
- **Continued to dominate men's** casualwear category across channels
- Premiumization of brand through superior product designs and delightful customer experience
- Rapid rollout of new retail identity



- Much loved brand campaign with Indian celebrity, Bollywood actor Arjun Rampal resulting in strong brand recall & loyalty
- Nearly 50% sales growth in footwear, kids wear and denim categories; brand poised for faster growth through expansion of adjacencies



Brand Highlights

- Brand turnaround completed; sales growth of ~60% in YTD Q3
- Continued double-digit LTL and positive EBITDA for three consecutive quarters
- Strong improvement in full price sell-thru's and reduction in discounting



- Strong momentum led by refreshed retail identity, premium and ceremonial designs in formal line and larger assortment of 'Arrow **Sports**' as well as logoization of the brand
- Super premiumization of brand through 'Arrow 1851' line



Brand Highlights

- Strategic partnership with Flipkart group gives brand a unique advantage
- Consumer connect with sharper focus on young **millennials / Gen Z's** with upgraded product designs, especially in jeans
- Launched footwear category across online channel



- Fueling of growth through adjacent categories (footwear, innerwear and kids wear) in the medium term
- Investing in omni capabilities for strengthening business with key consumers in both online and offline channel

Brand Highlights



- Continued leadership in super-premium segment, with double digit EBITDA
- Superior customer retail experience along with high quality product designs across 100+ stores in India
- Growth opportunity in recently launched **'Tommy tailored'** line; tied-up with Guru Randhawa as category ambassador





Brand Highlights

- Strong traction in super premium category aiding **brand's robust performance** with industry leading full price sell-thru, retail LTL and lower discounting



- Market leadership of bridge to luxury segment in jeans, Tees and innerwear segments
- Continued strong partnership with brand ambassador - Disha Patani

SEPHORA

Brand Highlights

- Leading player in the prestige segment with presence in 26 EBOs across key malls in the country
- Strong retail LTL growth during the quarter; fragrance business doubled Y-o-Y
- Unique engagement with women consumers through top of the line shopping experiences at its large sized offline stores



- Strengthening of multiple categories - fragrances, haircare & skin care through launch of brands like Hanz De Fuko, MAC and Too Faced
- Delivers industry leading sales density per sq. ft. in malls across India



Q3 FY23 - GROUPWISE PERFORMANCE

	Sales			EBITDA		EBITDA %	
	Q3 FY23	Q3 FY22	% Growth	Q3 FY23	Q3 FY22	Q3 FY23	Q3 FY22
Power Brands	952	806	18%	122	93	12.9%	11.5%
Emerging Brands	227	202	12%	14	13	6.2%	6.4%
Total	1179	1008	17%	136	106	11.6%	10.5%

(₹ in crores)

Strong growth in power brands coupled with operating leverage drive its EBITDA margins higher by ~140 bps

Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine and Arrow
Emerging Brands - Calvin Klein, Sephora, Ed Hardy, Aeropostale and Others

YTD FY23 - GROUPWISE PERFORMANCE

	Sales			EBITDA		EBITDA %	
	YTD FY23	YTD FY22	% Growth	YTD FY23	YTD FY22	YTD FY23	YTD FY22
Power Brands	2699	1743	55%	337	148	12.5%	8.5%
Emerging Brands	582	397	47%	30	5	5.2%	1.2%
Total	3281	2139	53%	367	153	11.2%	7.2%

(₹ in crores)

Robust 50%+ sales growth aiding 140% increase in EBITDA and margin improvement of 400 bps

Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine and Arrow
Emerging Brands - Calvin Klein, Sephora, Ed Hardy, Aeropostale and Others

WORKING CAPITAL EFFICIENCY LEADING TO STRONG CASH FLOW GENERATION

(₹ in crores)

	Dec'22	Dec'21	Sep'22
Inventory	1041	985	1221
Inventory days	88	88	86
Receivables	572	522	686
Debtor days	44	47	52
GWC	1613	1506	1908
GWC days	132	135	138
Payables	1038	1088	1342
Creditor days	80	99	102
NWC	575	418	566
NWC days	51	36	36

Continued focus on debtor controls helping generate higher cash flows
Tightened inventory management sustaining >4x turns, leading to healthy sell-thru's

Q3 & YTD FY23 RESULTS

Q3 FY23 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	Q3 FY23	Q3 FY22
Revenue from Operations	1179	1008
Other Income	16	9
Total Income	1195	1017
EBITDA	136	106
PBT	34	22
Taxes	12	4
Minority Interest	14	11
PAT	8	6



Strong improvement in financial performance across all parameters

YTD FY23 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	YTD FY23	YTD FY22
Revenue from Operations	3281	2139
Other Income	38	46
Total Income	3319	2185
EBITDA	367	153
PBT	92	(120)
Taxes	34	7
Minority Interest	33	9
PAT	26	(268)



Sharp turnaround in bottom line performance

WAY FORWARD

WAY FORWARD

AFL

Continue growth momentum powered by portfolio of strong brands, aided by upcoming festival period, wedding season & SS'23 launch

Expansion of retail network across brands through the franchisee model

Focus on improving profitability further through operating leverage and sharper execution, leading to higher ROCE

Strong balance sheet with improved inventory turns and working capital control

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THANK YOU