

PRESS RELEASE

Arvind Fashions delivers good performance amid slow market conditions

4% revenue growth, 190+ bps EBITDA margin expansion

Bengaluru, Aug 10, 2023: Arvind Fashions Limited (AFL), India's leading casual and denim player, has declared its financial results for the first quarter ended June 30, 2023.

Key Highlights for Q1 FY24

- Revenues grew by 4% to Rs. 957 Crs compared to Rs. 920 Crs in Q1 FY23 despite challenging demand environment. Growth was largely led by department stores and retail channel posting 4% LTL along with addition of 45 EBOs during the quarter
- Gross margins expansion of 340 bps Y-o-Y to 52.8%, due to healthy full price sell-thru's
- Power brands EBITDA margin significantly improved to 12.4%, higher by 130 bps vs. Q1 FY23
- Emerging brands registered strong growth of 15% aiding higher EBITDA margin by 490 bps Y-o-Y
- Adjacent categories continued its growth momentum with footwear and kids wear businesses growing by 30%+ and 12% respectively
- 24% growth in EBITDA to Rs. 116 Crs compared to Rs. 94 Crs in Q1 FY23. EBITDA margins higher by 190+ bps through operating leverage and gross margin improvement
- Continued sharper focus on inventory & debtors resulted in lower gross working capital by 15 days

Commenting on the performance of the company, **Mr. Shailesh Chaturvedi, MD & CEO** said "Our differentiated offering through exciting brands portfolio continue to show good traction despite soft market scenario. We continue to remain sharply focused on improving profitability through superior retail execution along with cost optimization. We are confident that our decisive focus of scaling up existing brands will help deliver substantial value to all our customers and stakeholders."

Consolidated Financial Performance Summary

| Rs. Crore | Q1 FY24 | Q1 FY23 | Y-o-Y Growth |
|------------------|----------------|----------------|---------------------|
| Revenues | 957 | 920 | 4% |
| EBITDA | 116 | 94 | 24% |
| PBT | 14 | 13 | 9% |
| PAT | (16) | (1) | - |

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

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