



Q3 FY25 RESULTS PRESENTATION

ARVIND FASHIONS

Feb | 2025

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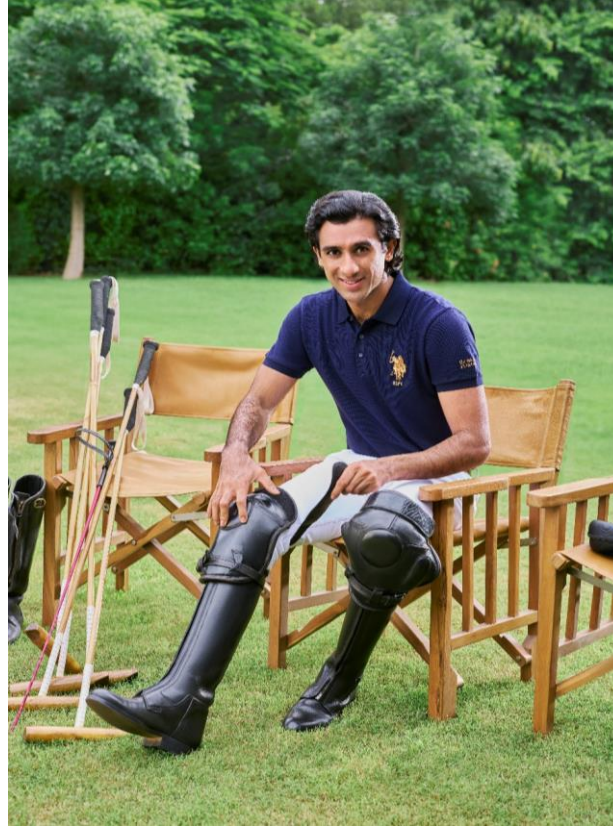
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AGENDA



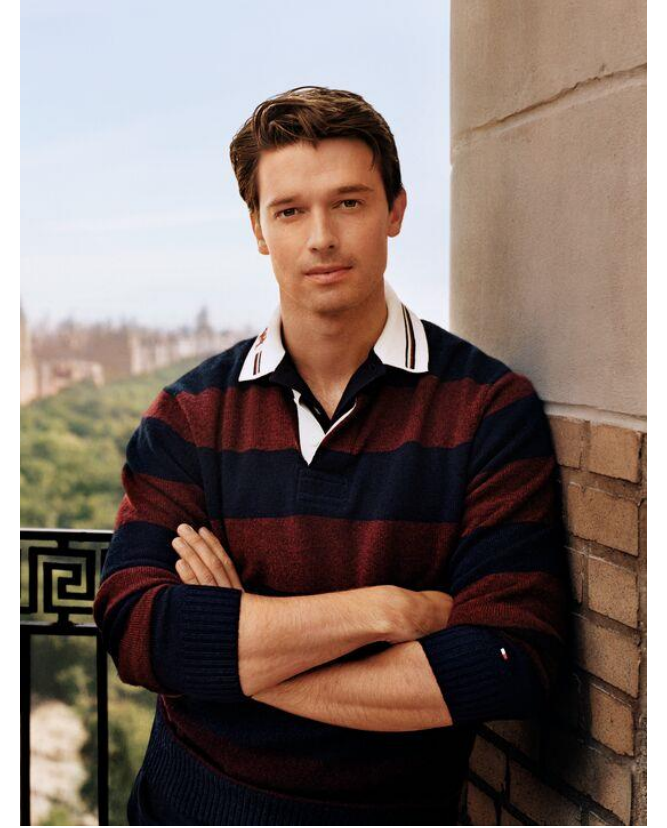
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Q3 Performance Highlights



02

Q3 & YTD FY25 Results



03

Way Forward

Q3 FY25 PERFORMANCE HIGHLIGHTS

FY25 OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

	Objectives
Sales & Profitability	<ul style="list-style-type: none">• Aspiration to grow revenues by double-digit with focus on profitability• Maintain cost control focus & operating leverage to aid EBITDA & PAT margins expansion
Improve brand salience	<ul style="list-style-type: none">• Continued investments in advertisement to drive market share gains• Product innovation
Retail ops & key performance indicators	<ul style="list-style-type: none">• Maintain focus on superior retail ops, aiding better customer experience, sell-thru's and lower discounting• Expand new retail format(s) for existing brands & scale adjacent categories
Accelerate store expansion	<ul style="list-style-type: none">• Gross opening of ~150 stores, largely through FOFO route• Significant net sq. ft. addition over FY24
Working capital, debt & return ratios	<ul style="list-style-type: none">• Higher free cash flow generation through continued working capital efficiency and asset-light approach• De-leveraging to continue• Further improvement in ROCE & ROE

MARKET & ECONOMY UPDATE



Overall market conditions continue to stay muted

Casualization trend continues to gain relevance

Premiumization emerging as a dominant theme and key differentiator

Timely onset of winters and strong wedding calendar aided stable demand scenario

Q3 FY25 BUSINESS HIGHLIGHTS



QUARTERLY SALES

Continued revenue momentum with **~7%** growth Y-o-Y; despite tepid market conditions

Strong retail LTL of **11%**; investments in upgrading customer experience & differentiated celebrity capsule collections clearly yielding results



GROWTH DRIVERS

Adjacent categories like **womenswear** driving growth, business doubled Y-o-Y

Premiumization across brands continues to be a key differentiator

Gross addition of **34 EBOs**; net sq. ft. at **~11.5L sq. ft.**



CHANNEL-WISE PERFORMANCE

Retail channel witnessed strong growth of **~15%** aiding **3%** higher revenue mix to **47%**

Online direct-to-consumer business (marketplace + NNNow) grew **~20%** Y-o-Y, with higher margin profile

Wholesale channel stayed **flat** Y-o-Y



EBITDA & PAT

Clocked highest ever quarterly EBITDA at **₹ 174 crores**; **16%+** growth Y-o-Y

EBITDA margins higher by **110+ bps** through better channel mix, lower discounting & continued cost optimization

71% growth in PAT (from continuing business) to ₹ 28 crores vs ₹ 16 crores in Q3 FY24; PAT grew **>132%** in YTD



WORKING CAPITAL & ROCE

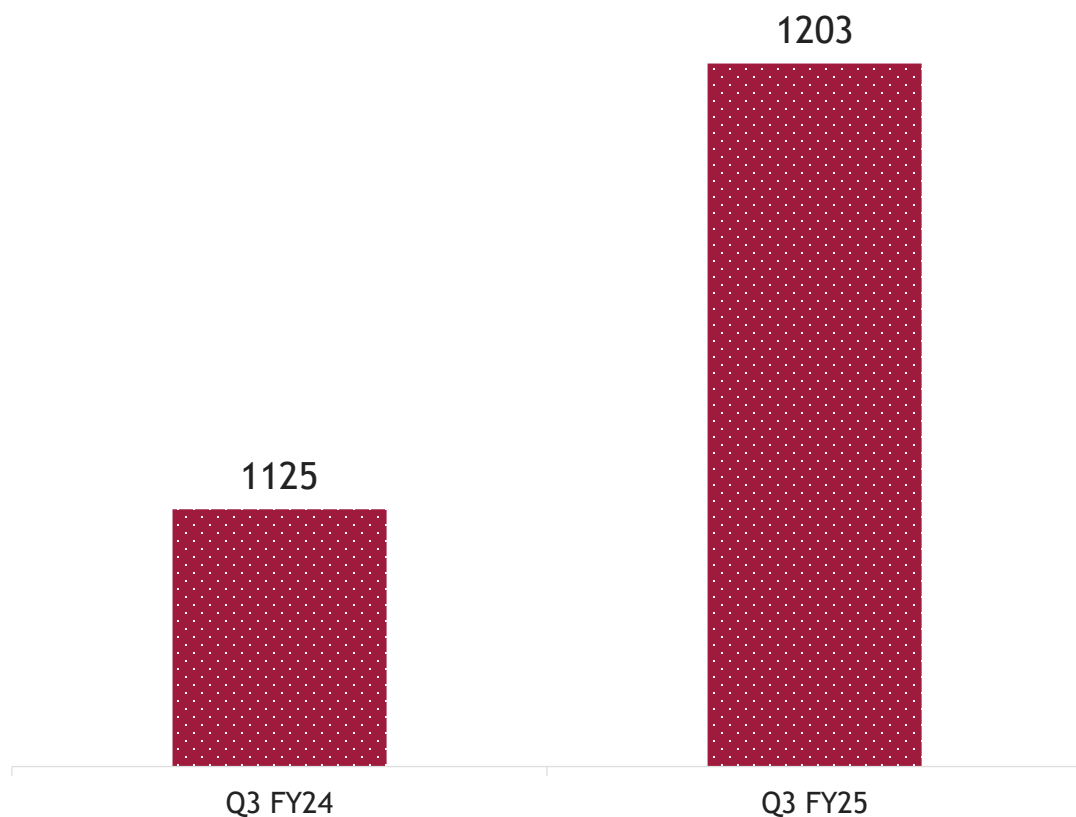
GWC days remained stable; inventory lower by **5 days** and stock turns **>4x**

Significant improvement in ROCE (TTM) to **>19%**

CONTINUED SALES GROWTH MOMENTUM DESPITE CHALLENGING CONDITIONS

Sales

(₹ in crores)

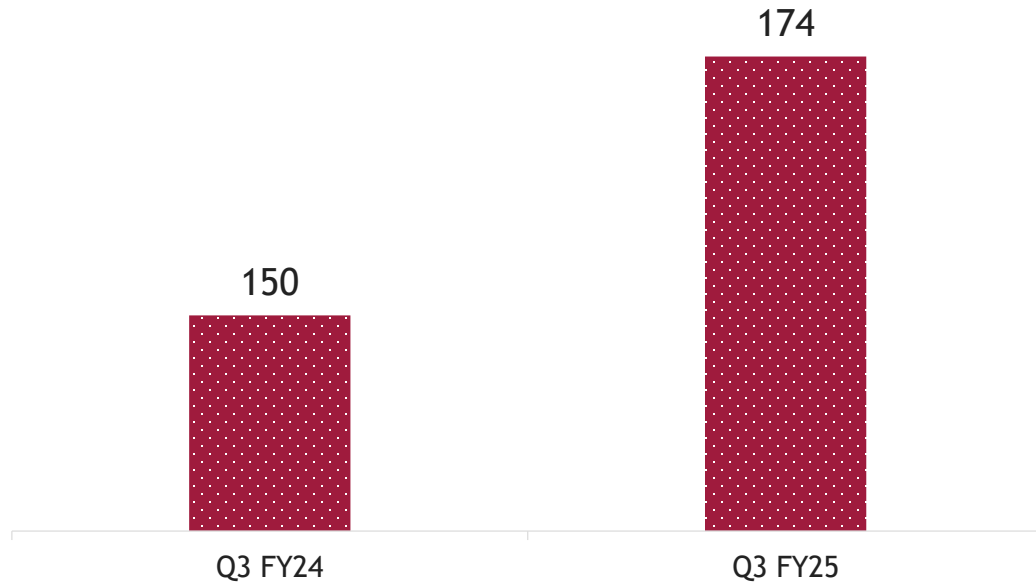


- Revenue growth of ~7%, despite muted market environment
- Superior execution in retail resulting in 11% LTL leading to strong channel growth; revenue mix higher by 3%
- ~20% growth in online B2C channel, while wholesale channel largely stayed flat
- EBO count stood at 947 as of Dec'24, net sq. ft. at ~11.5L

LEADING TO STRONG PROFITABILITY IMPROVEMENT

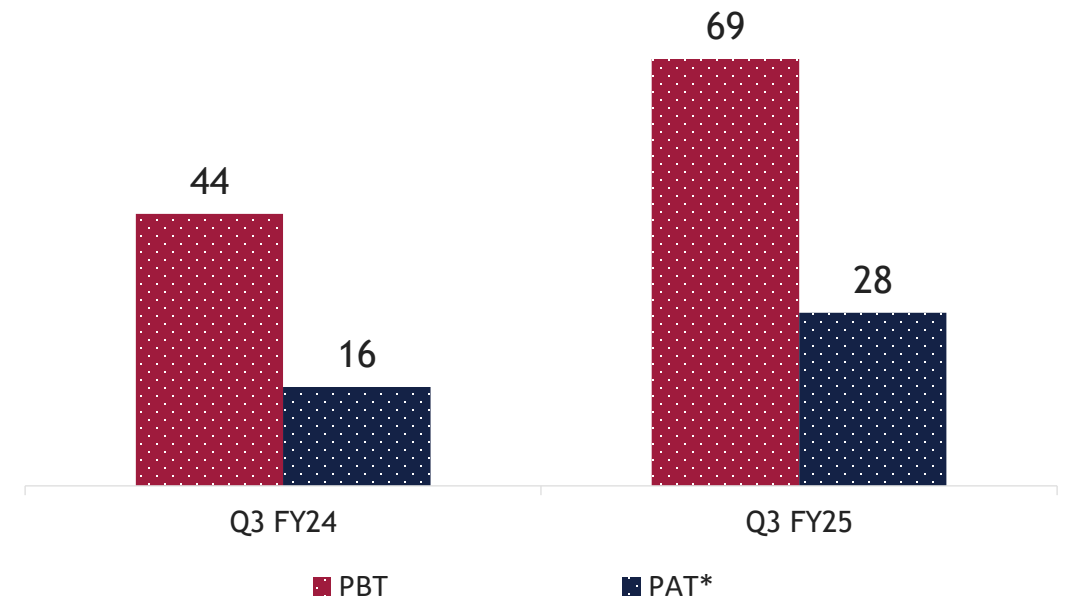
EBITDA

(₹ in crores)



PBT and PAT *

(₹ in crores)



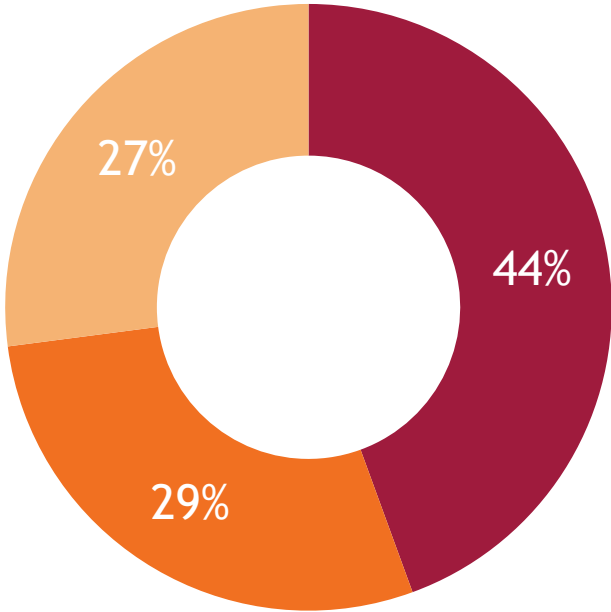
* For continuing business



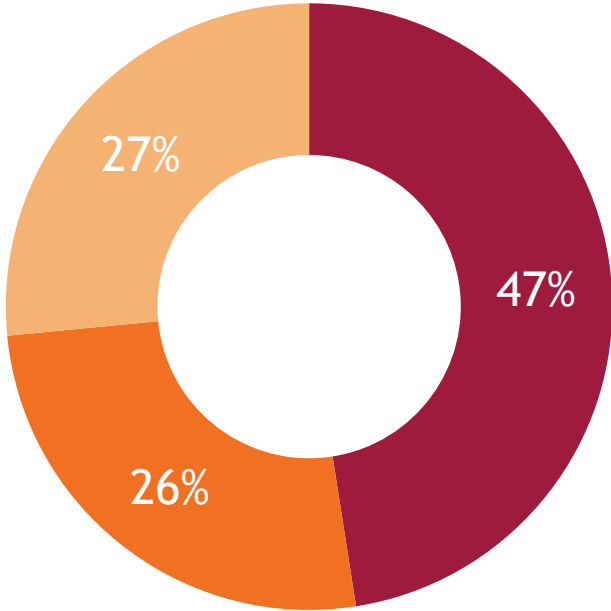
Improvement in EBITDA margins by 110+ bps Y-o-Y through better channel mix, lower discounting and continued cost optimization efforts

CHANNEL MIX

Q3 FY24



Q3 FY25

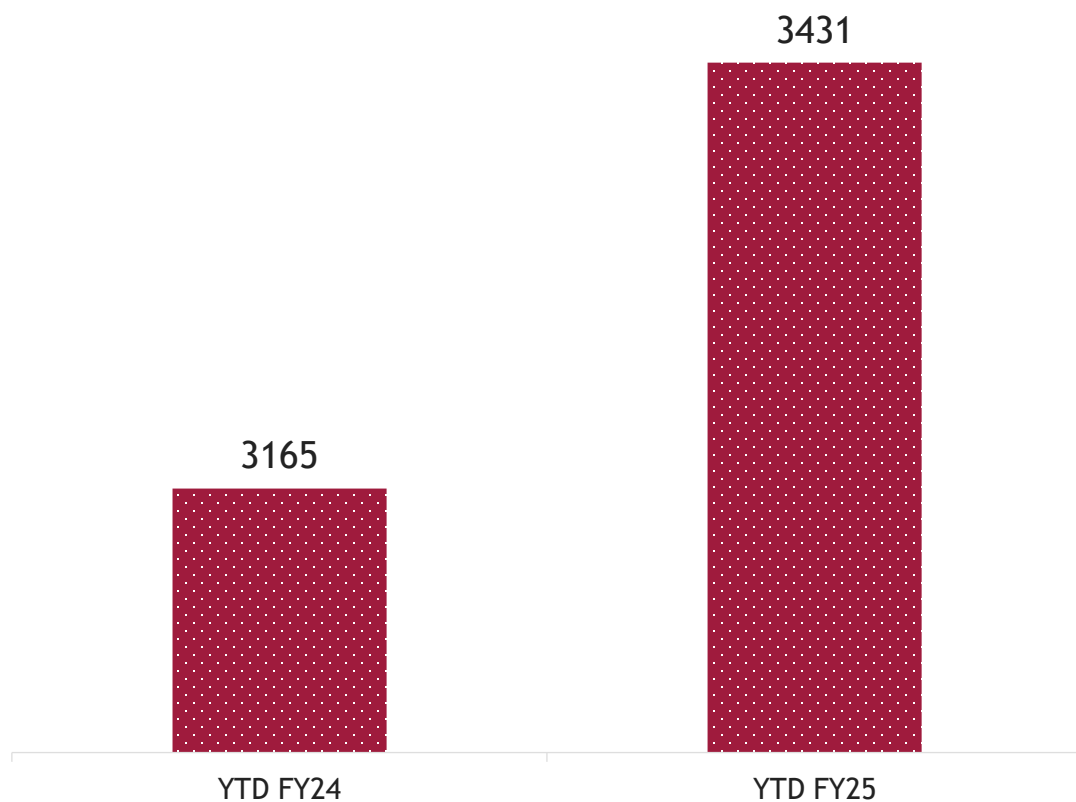


Wholesale (MBO + Dept. Stores) Retail Online & Others

GROWTH ACCELERATION IN YTD COMPARED TO LAST YEAR

Sales

(₹ in crores)

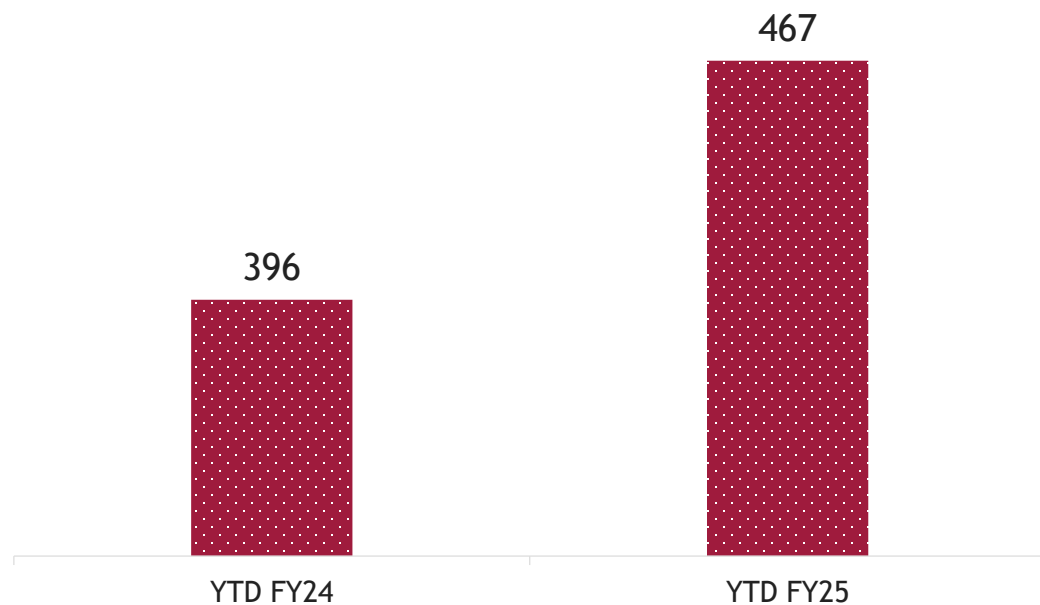


- Revenue growth of 8.4%, significantly higher compared to previous year
- Healthy double digit growth in retail & online channels
- Slower growth in wholesale channel
- YTD FY25 net sq. ft. addition stood at ~76k

DRIVING CONTINUED PROFITABILITY IMPROVEMENT DURING YTD

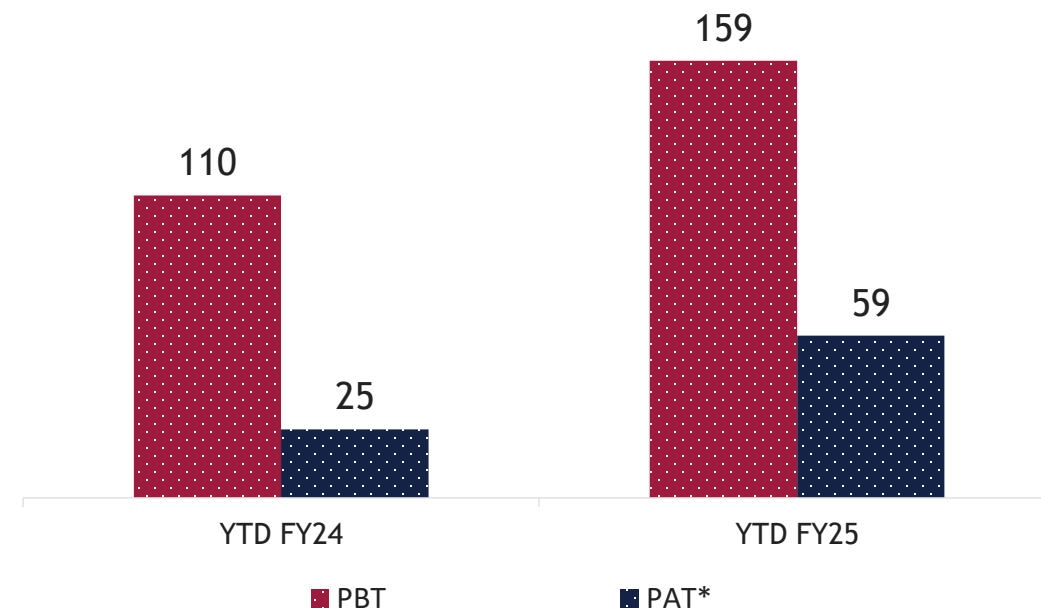
EBITDA

(₹ in crores)



PBT and PAT *

(₹ in crores)



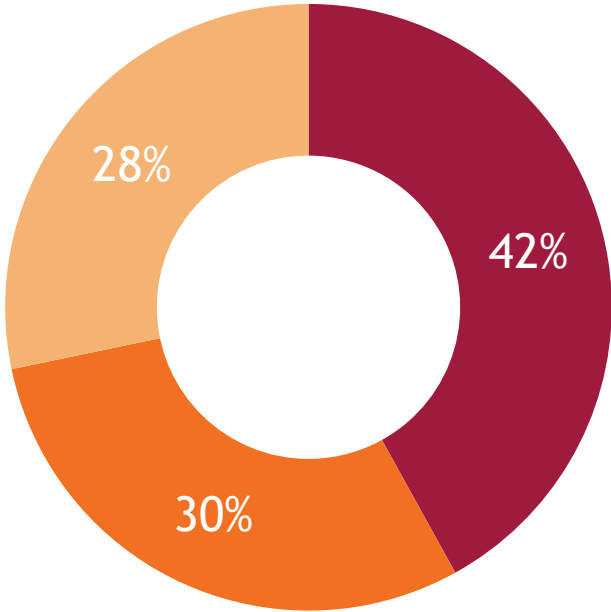
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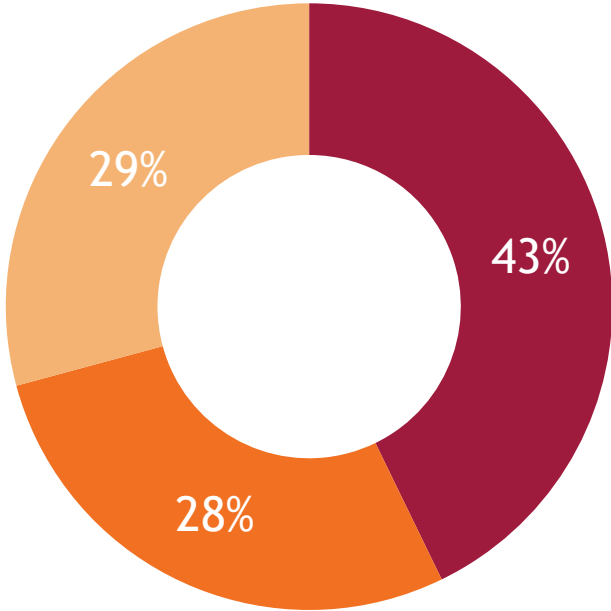
Improvement in EBITDA margins by 110 bps Y-o-Y aided by favorable channel mix and control over discounting & various other costs

CHANNEL MIX

YTD FY24



YTD FY25



Wholesale (MBO + Dept. Stores) Retail Online & Others

CONTINUE TO OPEN MARQUEE EBOs



Magneto, Raipur



Hilite, Thrissur



U.S. POLO ASSN.
SINCE 1890



FLYING MACHINE



ARROW
USA • 1851



Q3 FY25 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS

Brand Highlights



U.S. POLO ASSN.
SINCE 1890



- Continuing strong growth momentum in the brand with a dominating leadership position in casual lifestyle category across channels; brand poised to cross 2,000 Crs NSV mark soon
- 360-degree advertising campaign (USPA x Pacho) including very elevated collab collection during festive season helped deliver robust retail LTL growth
- Iconic & marquee stores across the country delivering higher productivity
- Adjacent categories continuing to expand brand's potential



Brand Highlights



- Strong wedding calendar helped brand's performance
- Continued journey of improving EBITDA margins through operating leverage
- Product innovation through premium Italian line driving differentiation
- NewYork line helping brand become more young & cool
- Focus on accelerating EBOs expansion across geographies

Brand Highlights



- Marketing campaign 'Flying Machine x Orry' created strong buzz amongst Gen Zs
- Won prestigious industry accolade at IFF for the most admired celebrity endorsement marketing campaign of the year
- Brand delivered significantly improved financial results coupled with robust performance across key KPIs in AW'24
- Delivered strong retail LTL growth

Brand Highlights



- Premiumization trend aiding brand's performance delivering superior sales growth & profitability
- Robust sell-thru's in AW24



Brand Highlights



- Premiumization trend helping brand deliver industry leading sell-thru's and LTL growth
- Strong growth helped deliver profitability improvement through operating leverage

Q3 FY25 - GROUPWISE PERFORMANCE

(₹ in crores)									
	Sales			EBITDA			EBITDA %		
	Q3 FY25	Q3 FY24	% Growth	Q3 FY25	Q3 FY24	% Growth	Q3 FY25	Q3 FY24	
Power Brands	1203	1125	7%	174	150	16%	14.5%	13.3%	
Total	1203	1125	7%	174	150	16%	14.5%	13.3%	

EBITDA margin expansion of 110+ bps through richer channel mix, lower discounting & continued cost control

Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein

YTD FY25 - GROUPWISE PERFORMANCE

(₹ in crores)								
	<i>Sales</i>			<i>EBITDA</i>			<i>EBITDA %</i>	
	YTD FY25	YTD FY24	% Growth	YTD FY25	YTD FY24	% Growth	YTD FY25	YTD FY24
Power Brands	3431	3165	8.4%	467	396	17.8%	13.6%	12.5%
Total	3431	3165	8.4%	467	396	17.8%	13.6%	12.5%

Revenue growth acceleration (vs last year) coupled with operational efficiencies led to 110 bps improvement in profitability

Note:
Power Brands - US Polo Assn., Tommy Hilfiger, Flying Machine, Arrow and Calvin Klein

Q3 & YTD FY25 RESULTS

Q3 FY25 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	Q3 FY25	Q3 FY24
Revenue from Operations	1203	1125
Other Income	9	7
Total Income	1211	1132
EBITDA	174	150
Exceptional item	-	(6)
PBT	69	44
Taxes	21	14
Minority Interest	20	14
PAT	28	16
Profit/(loss) from discontinued operations	(1)	35
Reported PAT	27	51



YTD FY25 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	YTD FY25	YTD FY24
Revenue from Operations	3431	3165
Other Income	23	21
Total Income	3454	3186
EBITDA	467	396
Exceptional item	-	(6)
PBT	159	110
Taxes	52	44
Minority Interest	48	41
PAT	59	25
Profit/(loss) from discontinued operations	(1)	31
Reported PAT	58	56



EFFICIENT WORKING CAPITAL MANAGEMENT

(₹ in crores)

	Dec'24	Dec'23	Sep'24
Inventory	1127	1068	1163
Inventory days	89	94	89
Receivables	639	547	815
Debtor days	54	45	53
GWC	1766	1615	1978
GWC days	143	139	142
Payables	1139	968	1189
Creditor days	84	82	82
NWC	628	647	789
NWC days	59	57	60

Note for days calculation, for example:
 Inventory days = Average TTM Inventory / TTM Revenues * 365

GWC days largely remained stable despite revenue growth acceleration in YTD

WAY FORWARD

WAY FORWARD

AFL

With execution on new season launch (SS'25), hopeful of growth momentum (vs Q3 levels)

Continue execution on higher profitability through better channel mix, operating leverage & cost optimization etc.

Focused retail network expansion across brands through FOFO model

Decisive focus on scaling existing 5 brands through innovative retail formats, higher network expansion & cash accruals

Whole-hearted investments in advertising & re-energizing brand salience

Working capital control and FCF generation leading to higher ROCE

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THANK YOU