



Q1 FY26 RESULTS PRESENTATION

ARVIND FASHIONS

July | 2025

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.

AGENDA



01

Q1 FY26 Performance
Highlights



02

Q1 FY26 Results



03

Way Forward

Q1 FY26 PERFORMANCE HIGHLIGHTS

MARKET & ECONOMY UPDATE



Muted consumer demand environment continues; govt. efforts & early festive likely to boost consumption

Early onset of EOSS and higher discounting across the industry

Stronger brands continue to drive higher market share

Favorable monsoon likely to aid stable raw material cost & inflation

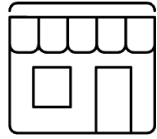
FY26 OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

	Objectives
Sales & Profitability	<ul style="list-style-type: none">• Aspiration to grow revenues at 12-15% with acceleration in adjacent categories growth• 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
Grow via direct channels	<ul style="list-style-type: none">• Focus on driving the business through direct channels for better inventory control• Share of direct channels (retail + online B2C) to grow by 100-200 bps
Accelerate store expansion	<ul style="list-style-type: none">• Gross opening of ~150 stores, largely through FOFO route• Higher net sq. ft. addition compared to FY25
Working capital & return ratios	<ul style="list-style-type: none">• Higher free cash flow generation through continued working capital efficiency and asset-light approach• Further improvement in ROCE

SALES



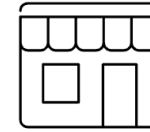
Strong revenue growth at **16%** Y-o-Y, driven by all-round channel performance



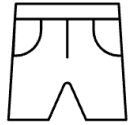
Retail LTL of **8.1%**; aided by superior execution

Q1 FY26 BUSINESS HIGHLIGHTS

GROWTH DRIVERS

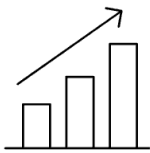


Gross addition of **29 EBOs**; net sq. ft. at ~12.32L



Adjacent categories witnessed **20%+** growth

PROFITABILITY

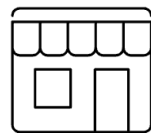


Gross margins higher by **60 bps** through reduction in discounting



EBITDA growth of **20%** Y-o-Y to ₹ **148 crores**; margins higher by **50 bps** despite increased advertising spends

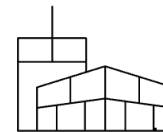
CHANNEL-WISE PERFORMANCE



~15% growth in retail channel with strong LTL & lower discounting



Online direct-to-consumer business grew **>30%** Y-o-Y



10%+ growth in wholesale channel Y-o-Y

WORKING CAPITAL

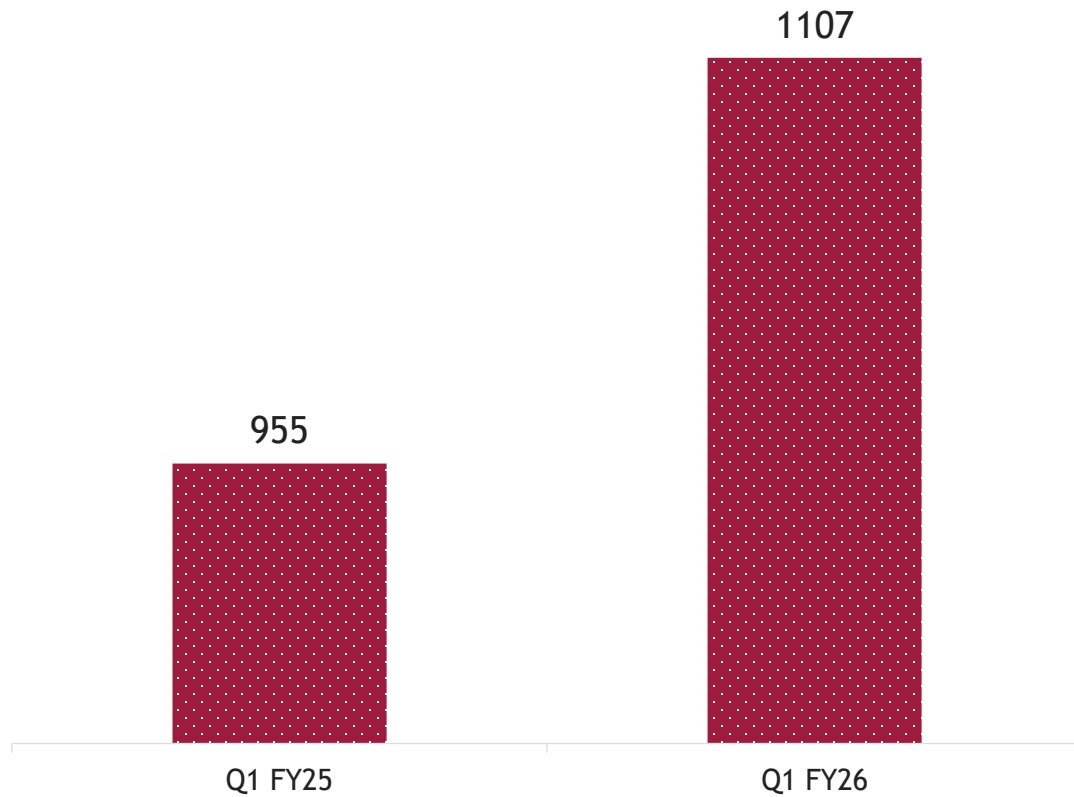


NWC days remained stable; inventory turns continue to be **~4x**

STRONG SALES GROWTH ACROSS CHANNELS

Sales

(₹ in crores)

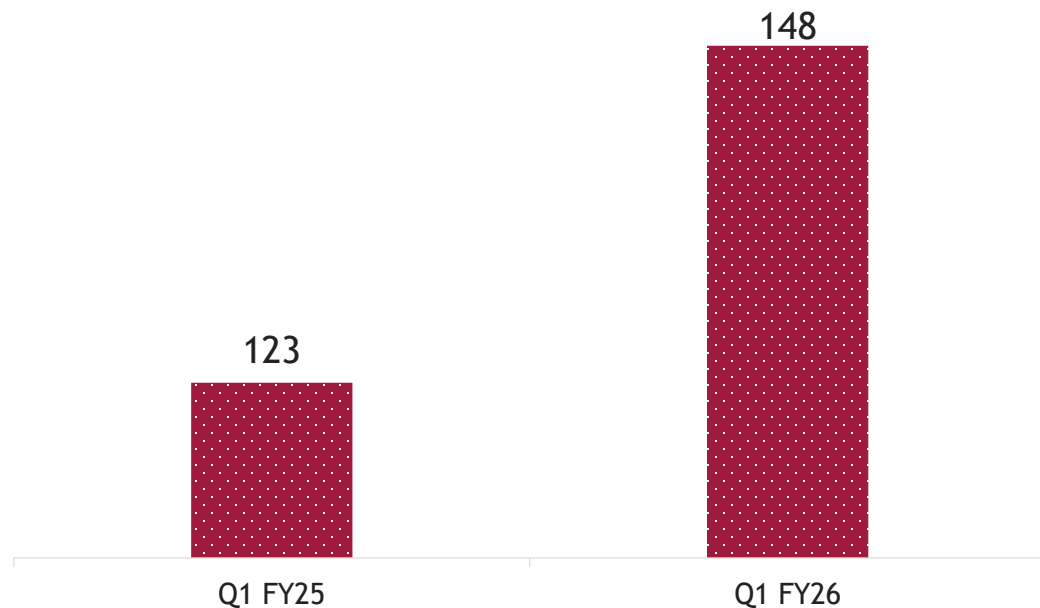


- Strong revenue growth of 16%, aided by growth across all channels
- Direct channels continued their outperformance
 - Superior execution in retail drove strong LTL of 8.1% resulting in ~15% growth along with reduction in discounting
 - 30%+ growth in online B2C channel
- Wholesale channel witnessed growth re-bound
- EBO count stood at 987 as of Jun'25, net sq. ft. addition of ~38k

LEADING TO CONTINUED PROFITABILITY IMPROVEMENT

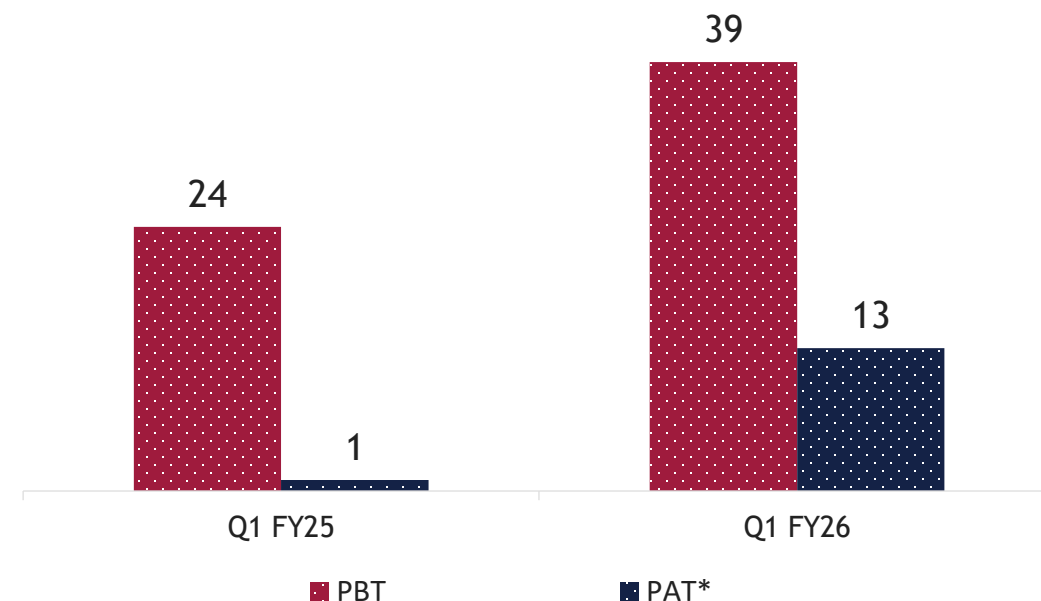
EBITDA

(₹ in crores)



PBT and PAT *

(₹ in crores)

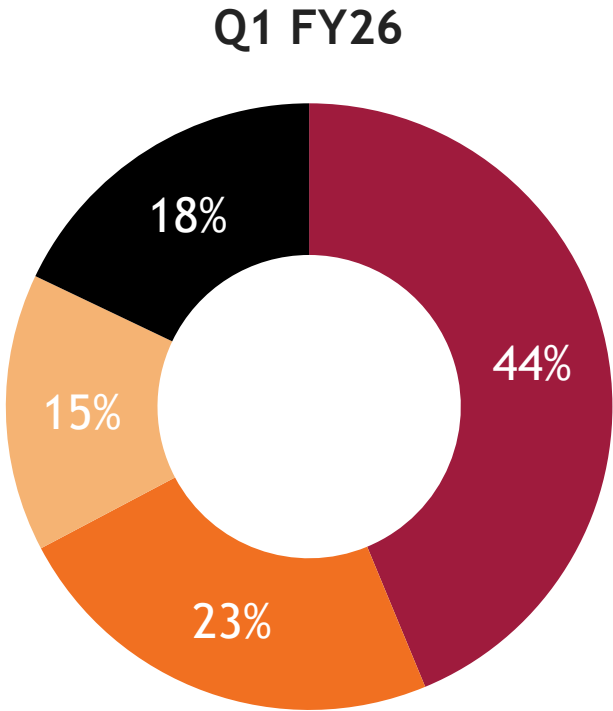
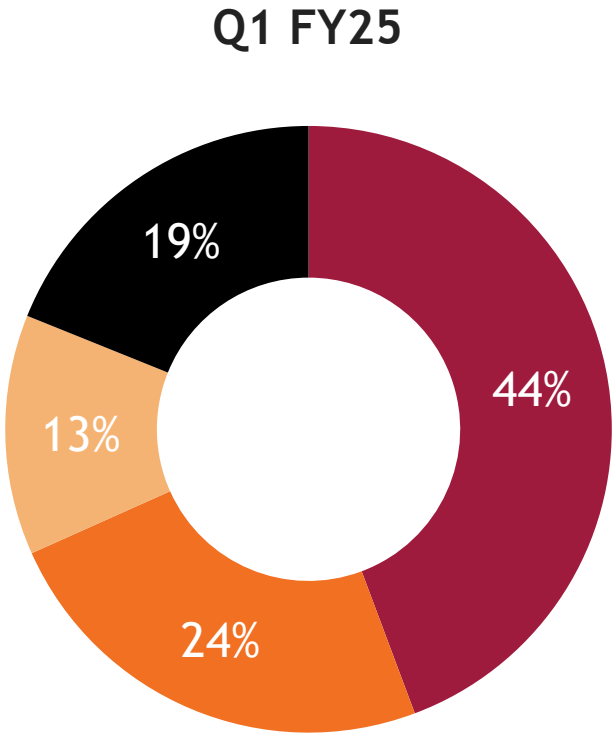


* For continuing business



Improvement in EBITDA margins by 50 bps Y-o-Y through operating leverage despite increased advertising spends of 140 bps

CHANNEL MIX



Wholesale (MBO + Dept. Stores) Retail Online B2C Online B2B and others

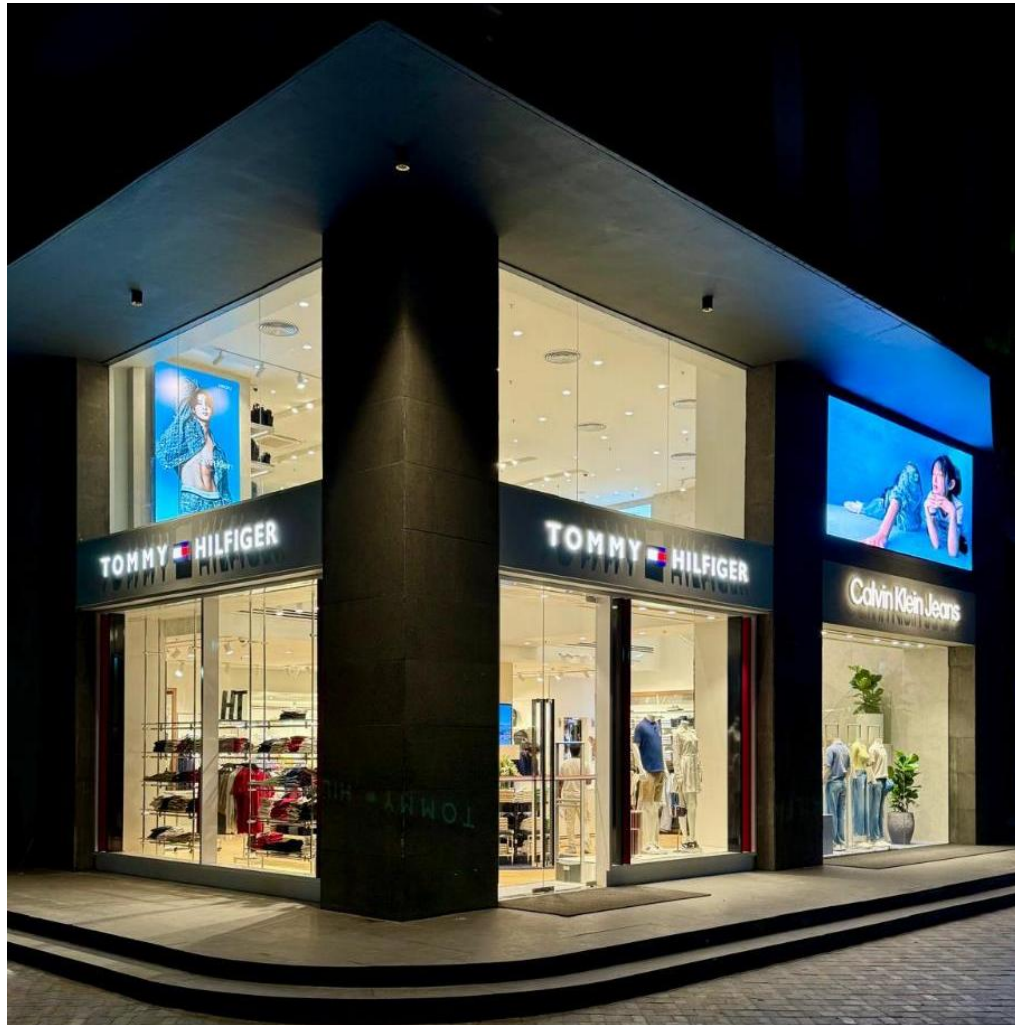
CONTINUE TO OPEN MARQUEE EBOs



Ambuja Mall, Raipur



CONTINUE TO OPEN MARQUEE EBOs



Tonk Road, Jaipur



Zora Mall, Raipur

CONTINUE TO OPEN MARQUEE EBOs



Zora Mall, Raipur



U.S. POLO ASSN.
SINCE 1890



FLYING MACHINE



ARROW
USA • 1851



Q1 FY26 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS

Brand Highlights



U.S. POLO ASSN.
SINCE 1890

- Significant investments in marketing yielding huge momentum for the brand, helping deliver extremely strong growth during Q1 across channels
- Direct channels strategy continue to augur well; share of revenue increasing
- Opened various marquee and larger sq. ft. stores to further deepen retail presence
- Adjacent categories continue to be amongst the significant growth driver for the brand



Brand Highlights



- Favorable trading dates & wedding calendar helped drive growth
- Product innovation continue to be at the heart of brand journey, e.g. Arrow Elixir
- Arrow NewYork continues to see traction while attracting younger customers
- Focus on accelerating EBOs expansion



Brand Highlights



- Delivered strong LTL in retail channel and curation of specific lines for department stores leading to healthy growth
- Well positioned to improve financial performance backed by growth & operating leverage over coming quarters

Brand Highlights



- Collaboration with Formula 1, leading to strong brand awareness and high LTL growth
- Consistency in quality of execution resulting in delivering key financial KPIs

Brand Highlights



- Premiumization trend helping brand deliver industry leading sell-thru's and LTL growth
- Continue to deliver strong financial performance despite challenging demand environment

Q1 FY26 RESULTS

Q1 FY26 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	Q1 FY26	Q1 FY25
Revenue from Operations	1107	955
Other Income	15	7
Total Income	1122	962
EBITDA	148	123
PBT	39	24
Taxes	14	10
Minority Interest	12	13
PAT	13	1
Profit/(loss) from discontinued operations	(0)	0
Reported PAT	13	1



EFFICIENT WORKING CAPITAL MANAGEMENT

(₹ in crores)

	Jun'25	Jun'24	Mar'25
Inventory	1281	1063	1259
Inventory days	92	91	91
Receivables	706	575	729
Debtor days	55	49	54
GWC	1986	1637	1989
GWC days	148	141	146
Payables	1151	923	1172
Creditor days	89	81	87
NWC	835	715	817
NWC days	59	59	58

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

Inventory turns remained stable ~4x despite revenue growth acceleration

WAY FORWARD

WAY FORWARD

AFL

Investment in growth drivers likely to result in revenue growth to be better than FY25

Focus on profitability improvement led by operating leverage and better channel mix

Acceleration in retail network expansion across brands through asset light approach

Committed to scaling existing brands including adjacent categories

Continue higher marketing investments for better visibility & consumer connect

Working capital control and FCF generation leading to higher ROCE

Arvind fASHIONS

THANK YOU