Q2 FY26 RESULTS PRESENTATION

Arvind Fashions

Nov | 2025

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AGENDA

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Q2 FY26 Performance Highlights

02

Q2 FY26 Results

03

Way Forward

Q2 FY26 PERFORMANCE HIGHLIGHTS

MARKET & ECONOMY UPDATE

Demand trends remain stable. Govt efforts yet to have a meaningful impact

Strong wedding season, GST reforms & easing inflationary pressures likely to boost consumption

Stronger brands continue to drive higher market share

Growing appetite for premiumization; Aspiration driven spending

Prolonged & intense weather conditions likely to affect demand in certain parts of the country

FY26 OBJECTIVES – WHAT WE HAVE SET FOR OURSELVES

	Objectives
Sales & Profitability	• Aspiration to grow revenues at 12-15% with acceleration in adjacent categories growth • Operating leverage to aid EBITDA & PAT margins expansion
Improve brand salience	• Continued investments in advertisement to drive market share gains
Grow via direct channels	• 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	• Gross opening of ~150 stores, largely through FOFO route • Higher net sq. ft. addition compared to FY25
Working capital & return ratios	• Higher free cash flow generation through continued working capital efficiency and asset-light approach • Further improvement in ROCE

Q2 FY26 BUSINESS HIGHLIGHTS

SALES

Strong revenue growth at 11.3% Y-o-Y, driven by direct channel performance

Retail LTL of 8.3%; aided by superior execution

GROWTH DRIVERS

Gross addition of 28 EBOs; net sq. ft. at ~12.67L

Adjacent categories witnessed 20%+ growth

PROFITABILITY

Gross margins higher by 200 bps through reduction in discounting

EBITDA growth of 18% Y-o-Y to ₹ 200 crores; margins higher by 80 bps despite increased advertising spends

CHANNEL-WISE PERFORMANCE

~14% growth in retail channel with strong LTL & lower discounting

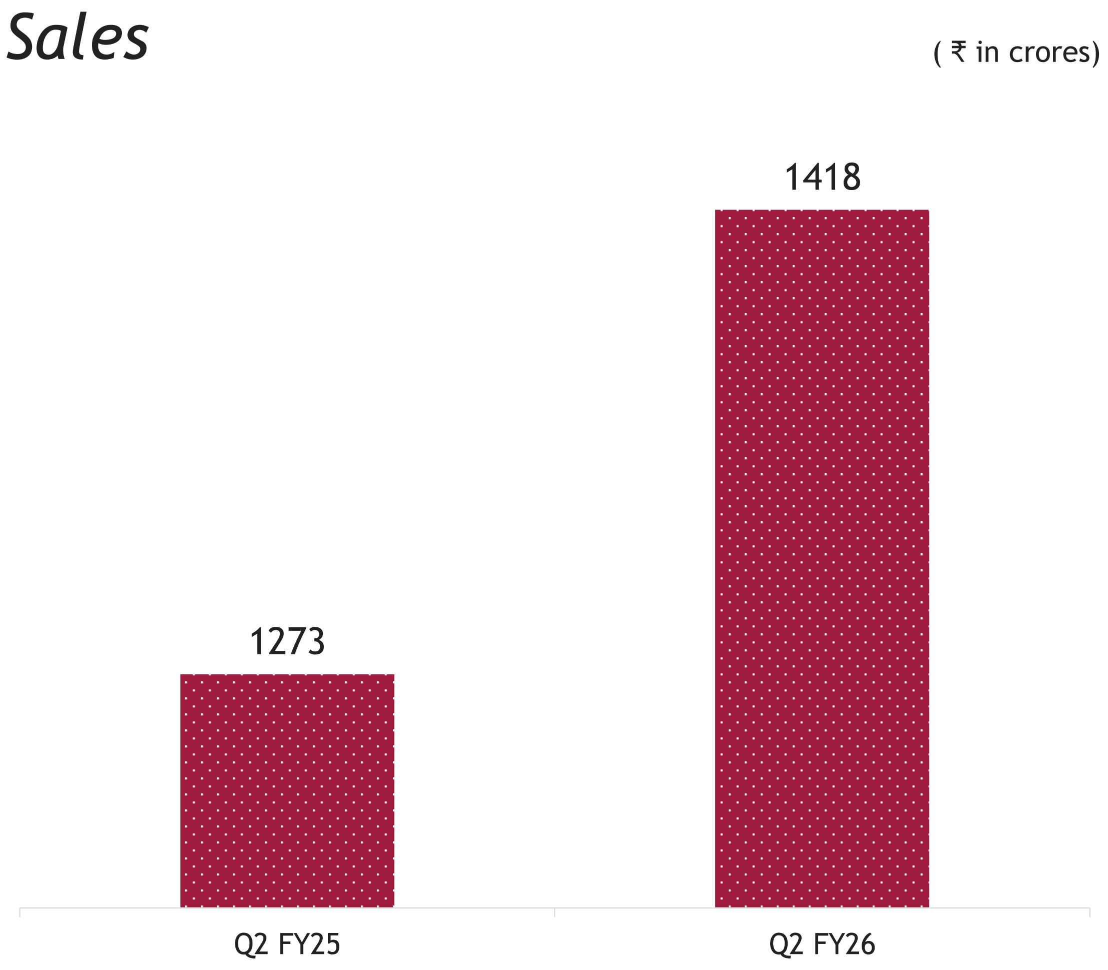
Online direct-to-consumer business grew >50% Y-o-Y

Low single digit growth in wholesale channel, Double digit growth in consumer sales

WORKING CAPITAL

NWC days remained stable; inventory turns at~3.8x

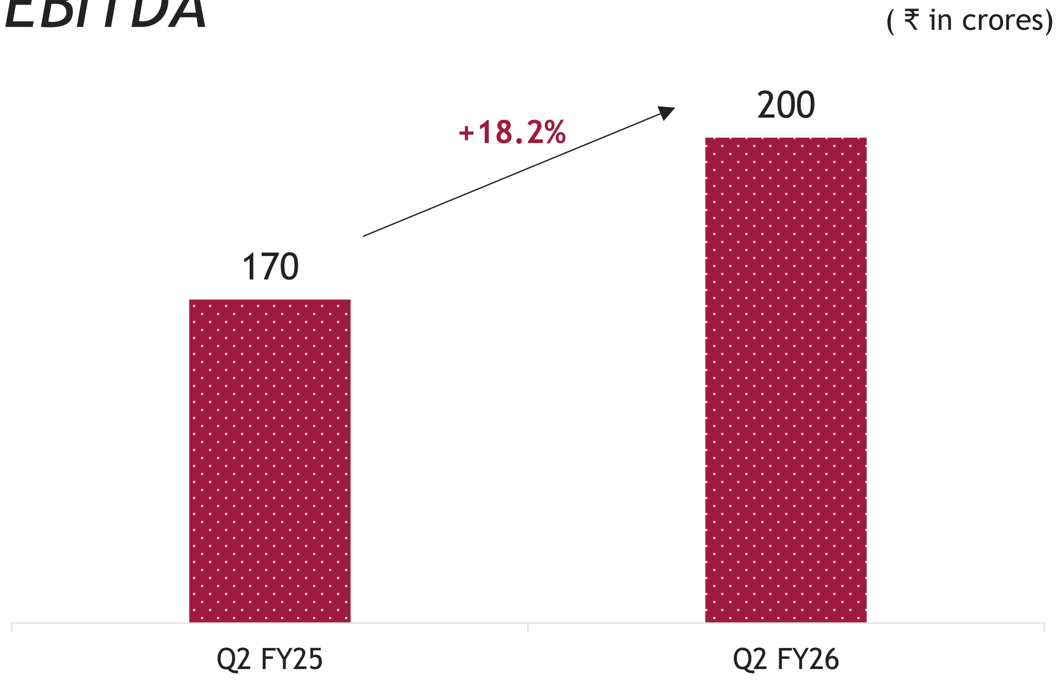
STRONG SALES GROWTH ACROSS CHANNELS



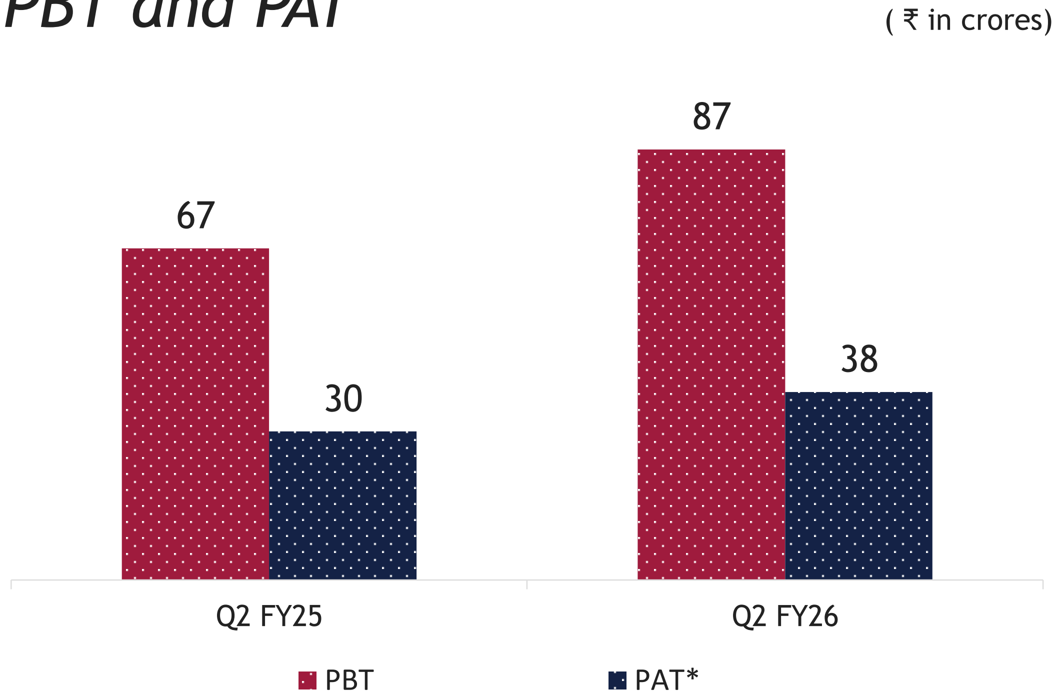
- Strong revenue growth of 11.3%, aided by growth across direct channels
- Direct channels continued their outperformance
  - Superior execution in retail drove strong LTL of 8.3% resulting in ~14% growth along with reduction in discounting
  - 50%+ growth in online B2C channel
- EBO count stood at 998 as of Sep’25, net sq. ft. addition of ~36k

LEADING TO CONTINUED PROFITABILITY IMPROVEMENT

EBITDA



PBT and PAT *

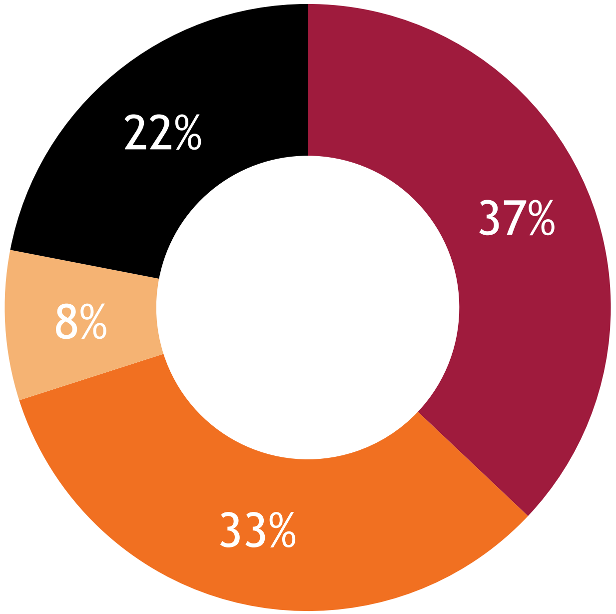


* For continuing business

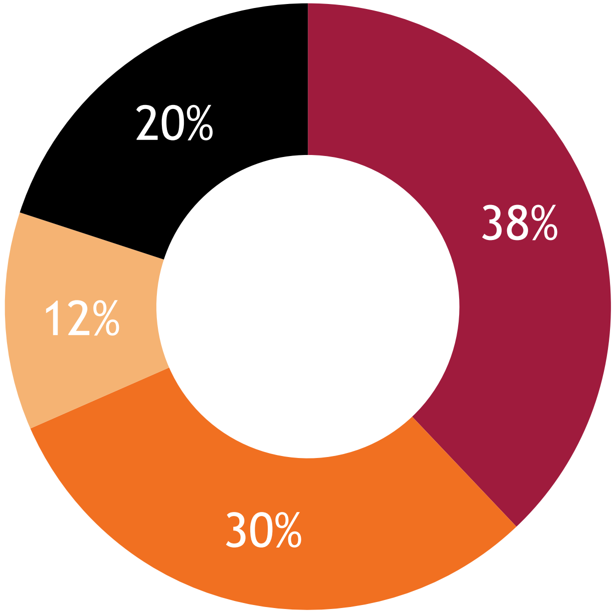
Improvement in EBITDA margins by 80 bps Y-o-Y, PBT growth of 31% & PAT growth of 27%

CHANNEL MIX

Q2 FY25



Q2 FY26



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

CONTINUE TO OPEN MARQUEE EBOs

Oberoi Mall – Borivali, Mumbai

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Oberoi Mall – Borivali, Mumbai

CONTINUE TO OPEN MARQUEE EBOs

Club A – Ludhiana, Punjab

U.S. POLO ASSN.
SINCE 1890

FLYING MACHINE

ARROW
USA·1851

ck
Calvin Klein

TOMMY HILFIGER

Q2 FY26 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS

U.S. POLO ASSN.
SINCE 1890

Brand Highlights

- Continued investments in marketing yielding huge momentum for the brand, helping deliver extremely strong growth during Q2 across channels
- Fueled by early festive season, direct channels strategy continue to outperform; 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

ARROW

- New celeb campaign launched featuring actors Vedang Raina & Khushi Kapoor
- Strong direct channel performance
- Product innovation continue to be at the heart of brand journey, e.g., Auto Press with FLX and 4.0
- Arrow sports continues to deliver robust performance
- 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

- Strong brand pull for this market leader, coupled with favorable tailwinds around premiumization continue to aid brand performance
- Focus on expanding retail & online presence through innovative retail formats

Brand Highlights

Calvin Klein

- Direct channel growth fueled by early festive season
- Premiumization trend helping brand deliver industry leading sell-thru’s
- Continue to deliver strong financial performance despite challenging demand environment

Q2 FY26 RESULTS

Q2 FY26 - PERFORMANCE SNAPSHOT

(₹ in crores)

	Q2 FY26	Q2 FY25
Revenue from Operations	1418	1273
Other Income	13	7
Total Income	1431	1280
EBITDA	200	170
PBT	87	67
Taxes	31	21
Minority Interest	19	15
PAT	38	30
Profit/(loss) from discontinued operations	(0)	0
Reported PAT	37	30

H1 FY26 - PERFORMANCE SNAPSHOT

(₹ in crores)

	H1 FY26	H1 FY25
Revenue from Operations	2525	2228
Other Income	27	15
Total Income	2552	2243
EBITDA	348	292
PBT	126	90
Taxes	45	31
Minority Interest	31	28
PAT	51	31
Profit/(loss) from discontinued operations	(1)	0
Reported PAT	50	31

EFFICIENT WORKING CAPITAL MANAGEMENT

(₹ in crores)

	Sept'25	Sept'24	Mar'25
Inventory	1492	1163	1259
Inventory days	96	89	91
Receivables	936	815	729
Debtor days	56	53	54
GWC	**2428**	**1978**	1289
GWC days	152	141	**146**
Payables	1467	1189	1172
Creditor days	91	82	87
NWC	**961**	**789**	**817**
NWC days	60	60	**58**

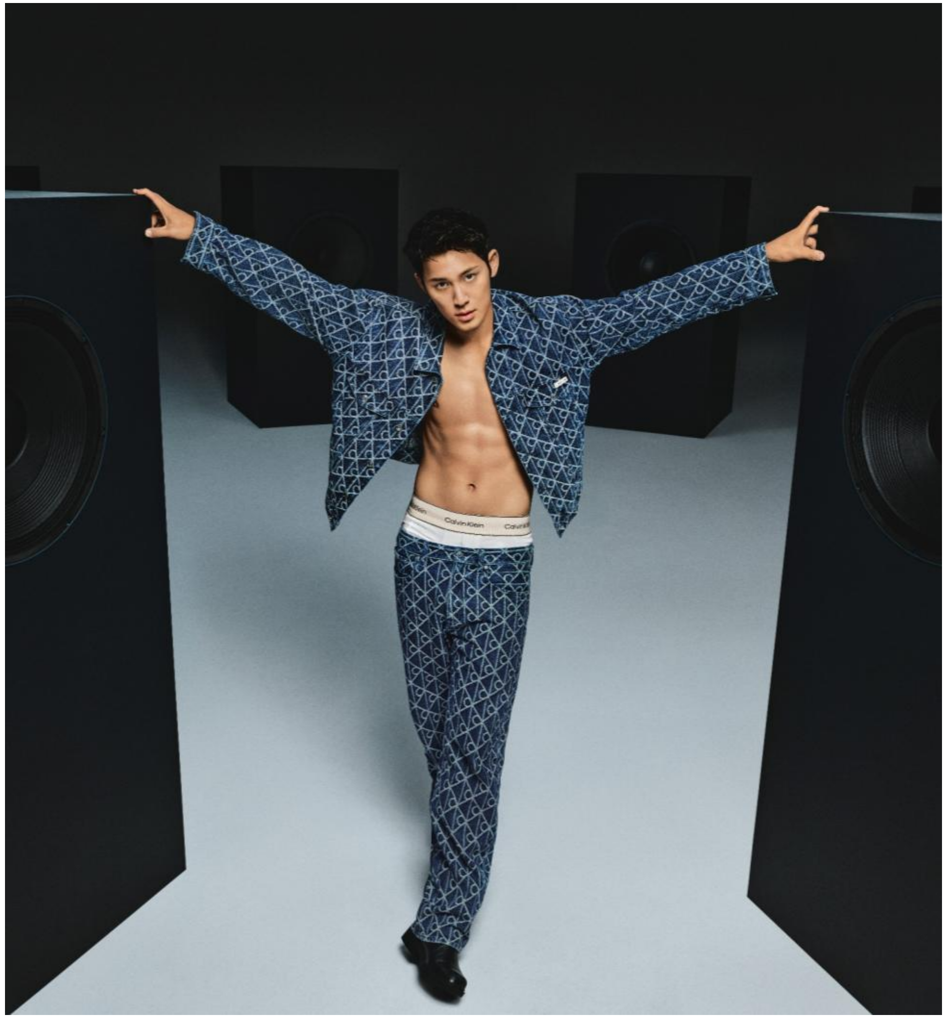
Note for days calculation, for example:
Inventory days = Average TTM Inventory / TTM Revenues * 365

Higher inventory days due to early festive onset. However, no impact on NWC days

BALANCE SHEET AS ON 30-SEP-2025

(₹ in crores)

Particulars	30-Sep-25	31-Mar-25
Net Worth	1183	1164
Borrowings	441	390
Capital Employed	1624	1554
Inventory	1492	1259
Receivables	936	729
Creditors	1467	1172
Net Working Capital	961	817
Net Fixed Asset	333	319
Other Assets	348	440
Discontinued Business	(18)	(22)
Capital Employed	1624	1554



WAY FORWARD

WAY FORWARD

AFL

Positive demand environment & investment in growth drivers likely to continue & deliver double digit revenue growth	*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