

Q3 FY26 RESULTS PRESENTATION

Arvind fashions

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## DISCLAIMER

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# AGENDA



**01**

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Q3 FY26 Performance  
Highlights



**02**

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Q3 FY26 Results



**03**

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Way Forward

# **Q3 FY26 PERFORMANCE HIGHLIGHTS**

## MARKET & ECONOMY UPDATE



*Overall demand remains stable with uneven consumption trends*

*Strong brands with direct to consumer focus continue to drive higher market share*

*Premiumisation continues to attract strong demand*

*Regulatory tailwinds e.g. Interest rate cuts, GST reforms & easing inflationary pressures likely to boost consumption in medium term*

*Geo-political issues likely to have impact on macro economy outlook*

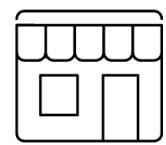
## FY26 OBJECTIVES - WHAT WE HAVE SET FOR OURSELVES

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

## SALES

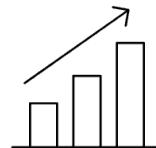


Strong revenue growth at **14.5%** Y-o-Y, driven by direct channel performance



Retail LTL of **8.2%**; aided by superior execution

## PROFITABILITY



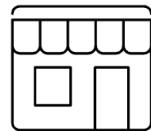
Gross margins higher by **50 bps** through strong LTL & sourcing gains



EBITDA growth of **18%** Y-o-Y to **₹ 195 crores**; **40 bps** higher margin

## Q3 FY26 BUSINESS HIGHLIGHTS

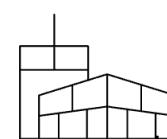
### CHANNEL-WISE PERFORMANCE



**~11%** growth in retail channel with strong LTL & better stock freshness

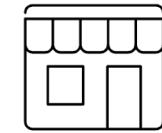


Online direct-to-consumer business grew **~50%** Y-o-Y

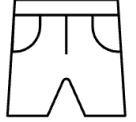


Double digit growth in consumer sales in wholesale channels

## GROWTH DRIVERS



Gross addition of **43** EBOs; net sq. ft. at ~13.07L



Adjacent categories witnessed **20%+** growth

## WORKING CAPITAL

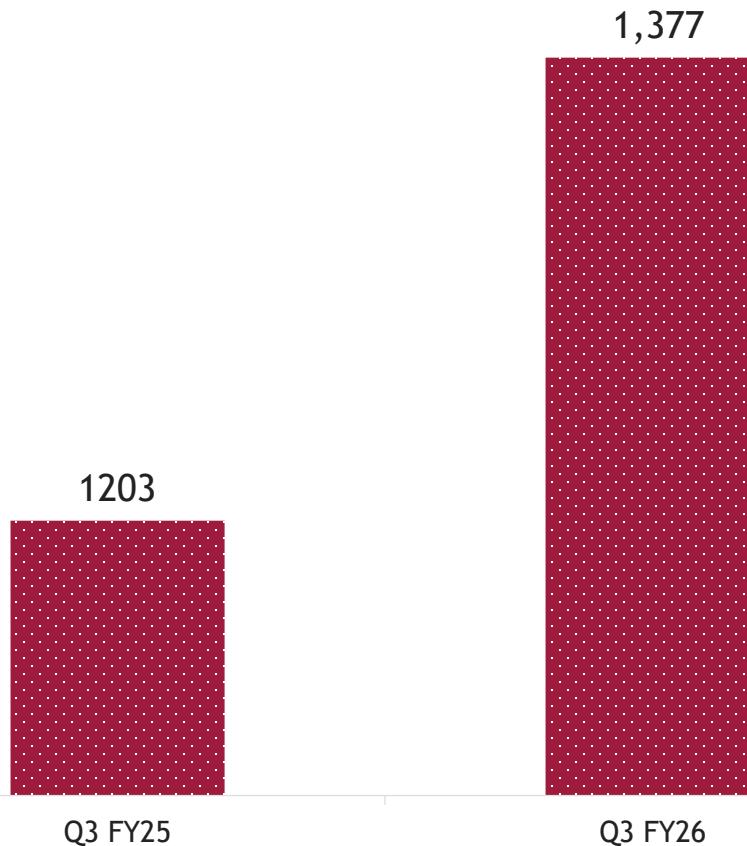


**NWC days** remained stable; inventory turns at healthy **~3.7x**

## STRONG SALES GROWTH ACROSS CHANNELS

*Sales*

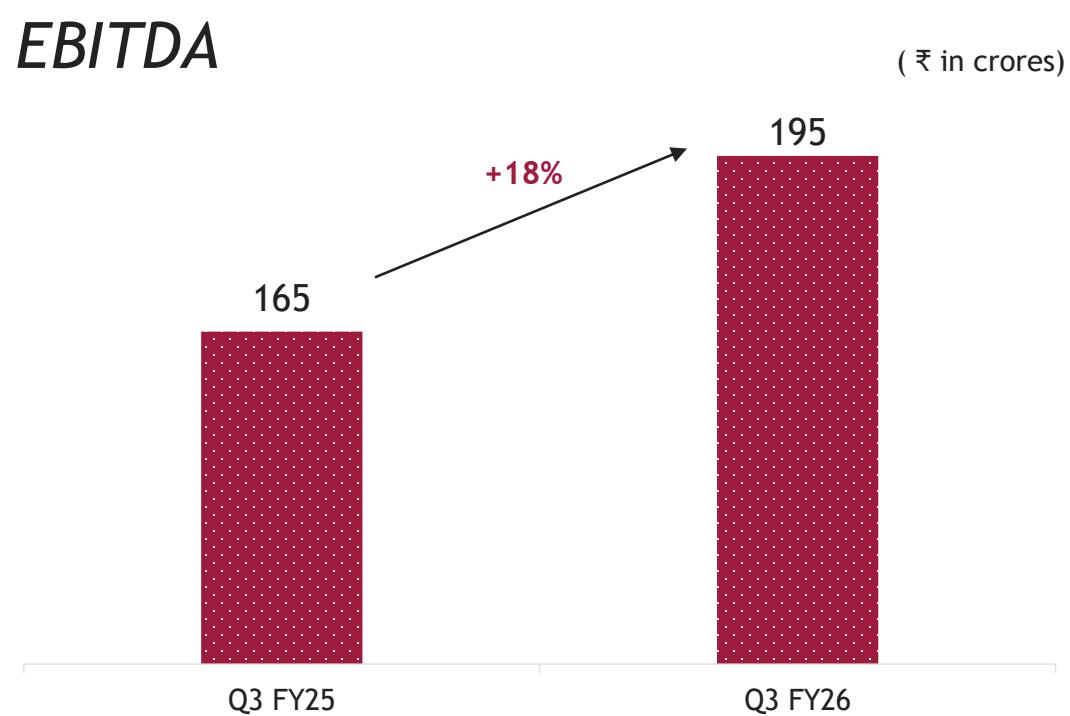
( ₹ in crores)



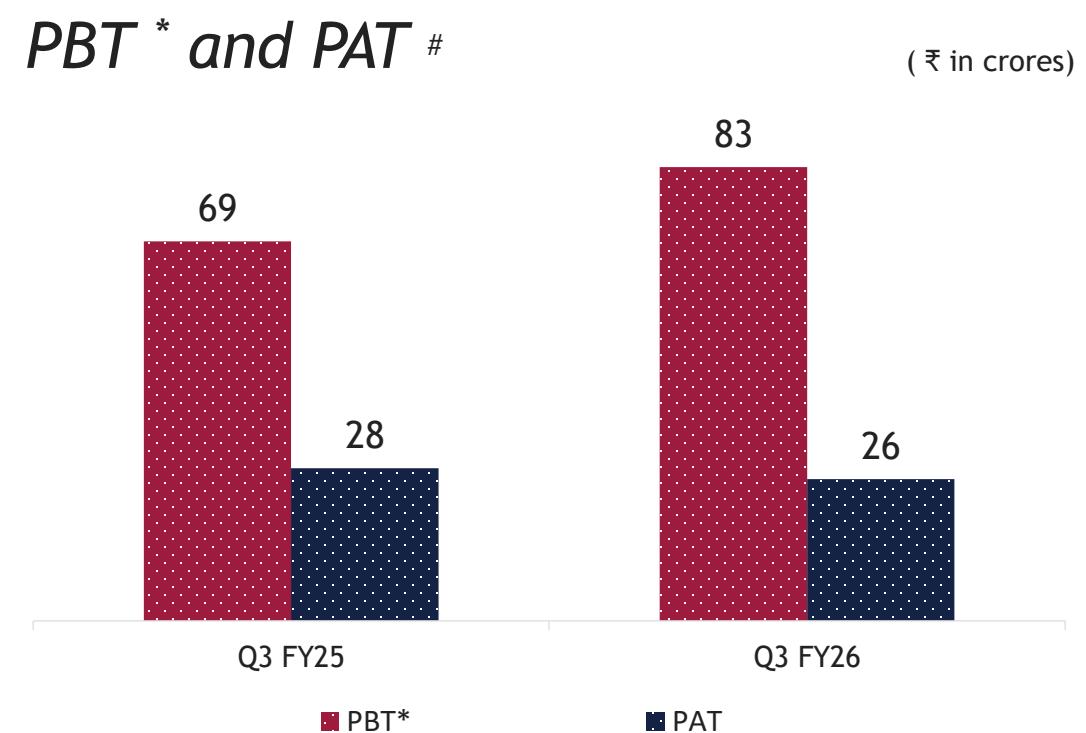
- Strong revenue growth of 14.5%, aided by growth across direct channels
- Direct channels continued their outperformance
  - Superior execution in retail drove strong LTL of 8.2% resulting in ~11% growth along with sourcing gains
  - ~50% growth in online B2C channel
- EBO count stood at 1022 as of Dec'25, net sq. ft. addition of ~41k

## LEADING TO CONTINUED PROFITABILITY IMPROVEMENT

### EBITDA



### PBT \* and PAT #



\* Before Code on Wages impact

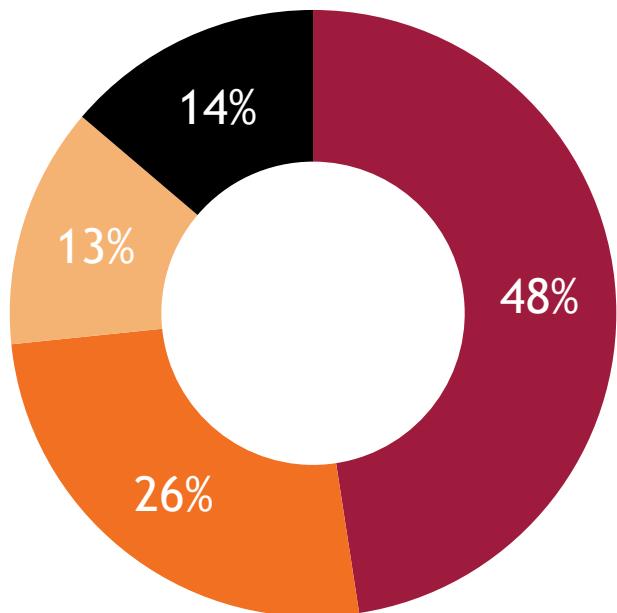
# from continuing operations



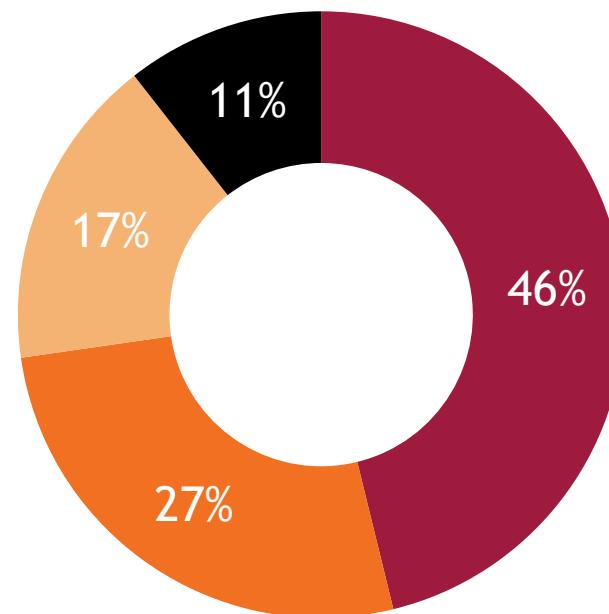
- *Improvement in EBITDA margins by 40 bps Y-o-Y aided by gross margin expansion*
- *PBT \* growth of 20.4%*
- *PAT (before Code on Wages impact) growth of 65.2%*

## CHANNEL MIX

Q3 FY25



Q3 FY26



Wholesale (MBO + Dept. Stores)

Retail

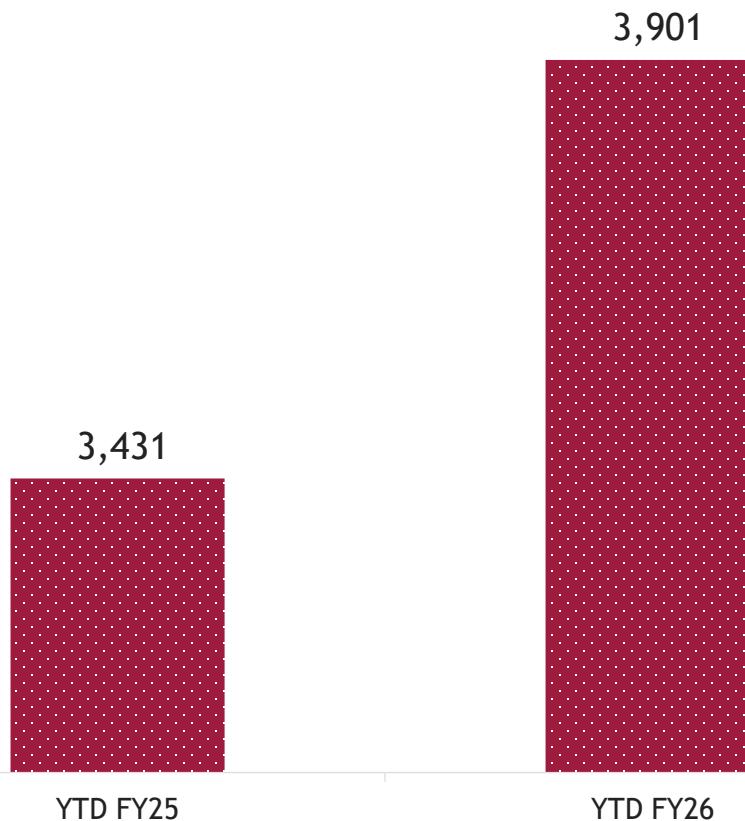
Online B2C

Online B2B and others

## STABLE SALES GROWTH IN YTD ACROSS CHANNELS

*Sales*

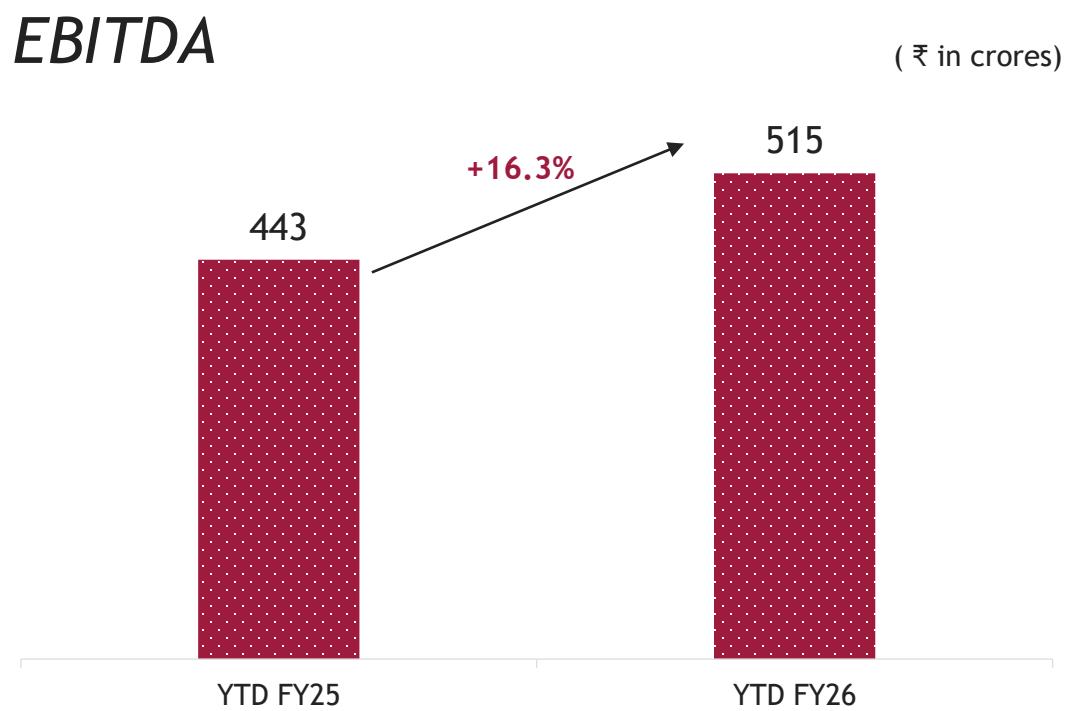
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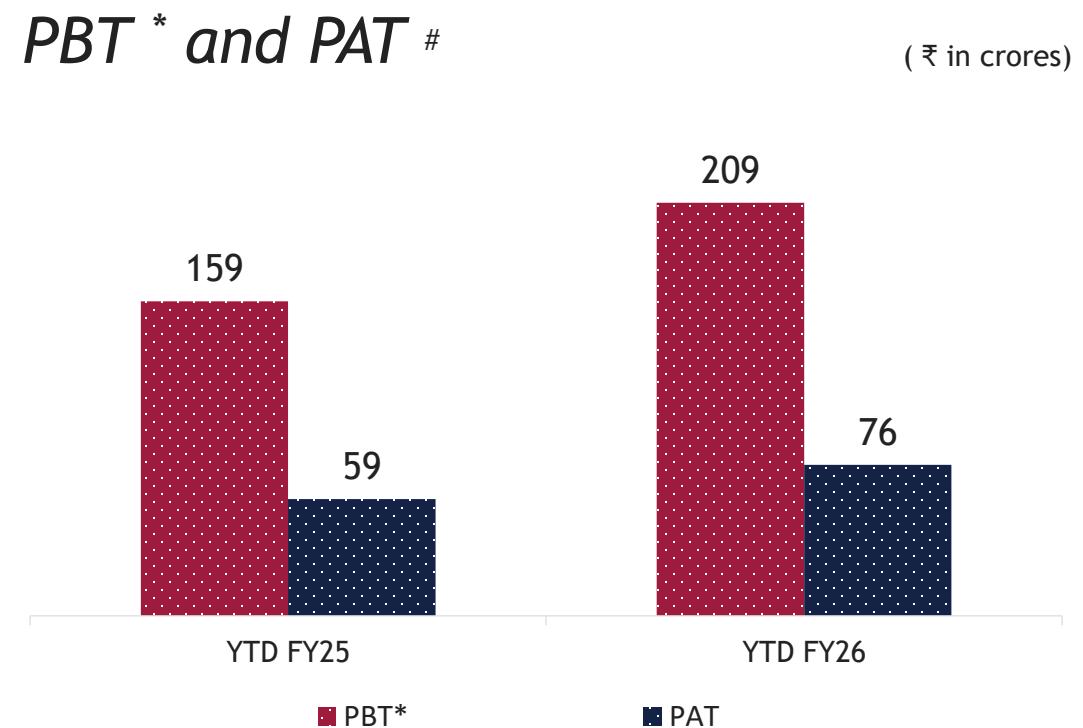
- Strong revenue growth of ~14%, aided by growth across direct channels
- Direct channels continued their outperformance
  - Consistent strong LTL of 8.2% resulting in 13% growth in retail
  - 50%+ growth in online B2C channel
- YTD Dec net sq. ft. addition of ~1.13L - significantly higher than last year

## CONTINUED PROFITABILITY IMPROVEMENT DURING YTD

### EBITDA



### PBT \* and PAT #



\* Before Code on Wages impact

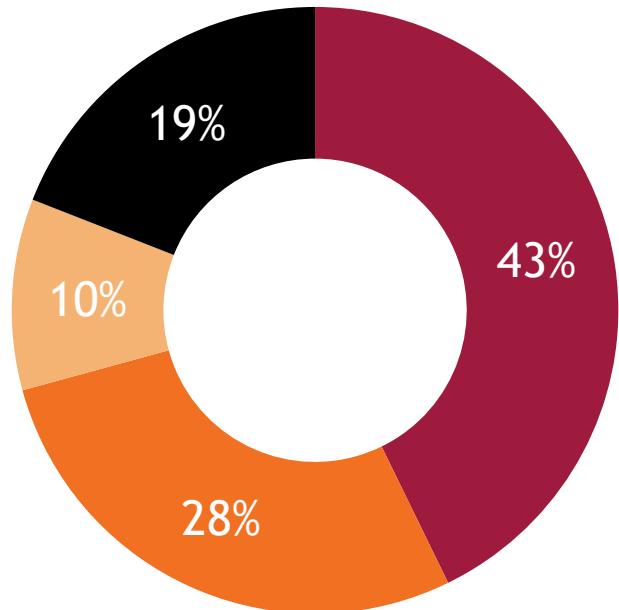
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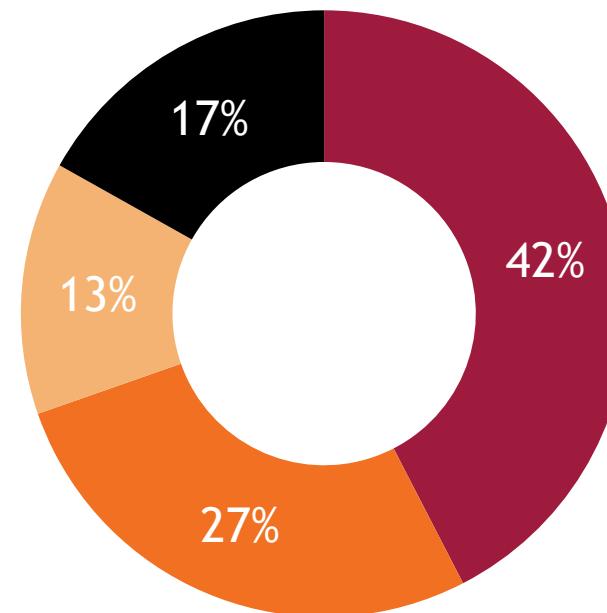
- *Improvement in EBITDA margins (Excl other income) by 30 bps Y-o-Y*
- *PBT\* growth of 31.5%*
- *PAT (before Code on Wages impact) growth of 63.3%*

## CHANNEL MIX

YTD FY25



YTD FY26



Wholesale (MBO + Dept. Stores)

Retail

Online B2C

Online B2B and others

## CONTINUE TO OPEN MARQUEE EBOS



USPA - Gateway Mall,  
Hyderabad

## CONTINUE TO OPEN MARQUEE EBOs



CK, Lake Shore Mall, Hyderabad

## CONTINUE TO OPEN MARQUEE EBOs



TH, Lake Shore Mall, Hyderabad



U.S. POLO ASSN.  
SINCE 1890



FLYING MACHINE



USA • 1851



Q3 FY26 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS



U.S. POLO ASSN.  
SINCE 1890

- Continued growth momentum with marketing investments, helping deliver consistent strong growth across channels
- Fueled by strong sales in festive season, direct channels continue to outperform; share of revenue increasing
- Opened marquee and large sq. ft. stores to further deepen retail presence
- Adjacent categories continue to be amongst the significant growth driver for the brand

## Brand Highlights





## Brand Highlights



- Product innovation continue to be at the heart of brand journey, e.g., Autopress, Auto flex trouser
- Strong direct channel performance
- New celeb campaign ‘Tailored for the Good Life’ featuring actors Vedang Raina & Khushi Kapoor delivered strong media impact
- 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
- Completed transaction to acquire Flipkart group stake in AYBPL opening business expansion to all online channels

## Brand Highlights



- Accelerated EBO expansion in Q3 & focus on expanding retail & online presence
- High single digital LTL growth coupled with favorable tailwinds around premiumization continue to aid brand performance
- Strong brand pull continues for this market leader



## Brand Highlights



- Direct channel growth fueled by strong festive season and stable LTL growth
- Premiumization trend helping brand deliver industry leading sell-thru's
- Continue to deliver strong financial performance

# Q3 FY26 RESULTS

## Q3 FY26 - PERFORMANCE SNAPSHOT

	Q3 FY26	Q3 FY25
Revenue from Operations	1377	1203
Other Income	6	9
<b>Total Income</b>	<b>1382</b>	<b>1211</b>
EBITDA	201	174
EBITDA excl other income	195	165
<b>PBT before Code of Wages impact</b>	<b>83</b>	<b>69</b>
Code of Wages impact	29	0
<b>PBT</b>	<b>54</b>	<b>69</b>
Taxes	17	21
Minority Interest	11	20
PAT	26	28
Profit/(loss) from discontinued operations	0	-1
<b>Reported PAT</b>	<b>26</b>	<b>27</b>

PAT (before Code on Wages impact) growth of 65.2%



## YTD FY26 - PERFORMANCE SNAPSHOT

	YTD FY26	YTD FY25
Revenue from Operations	3901	3431
Other Income	33	23
<b>Total Income</b>	<b>3935</b>	<b>3454</b>
EBITDA	549	467
EBITDA excl other income	515	443
<b>PBT before Code of Wages impact</b>	<b>209</b>	<b>159</b>
Code of Wages impact	29	0
PBT	180	159
Taxes	62	52
Minority Interest	42	48
PAT	76	59
Profit/(loss) from discontinued operations	-1	-1
<b>Reported PAT</b>	<b>76</b>	<b>58</b>

PAT (before Code on Wages impact) growth of 63.3%



## EFFICIENT WORKING CAPITAL MANAGEMENT

		( ₹ in crores)	
	Dec'25	Dec'24	Sept'25
Inventory	1511	1127	1492
Inventory days	99	89	96
Receivables	740	639	936
Debtor days	56	54	56
GWC	2251	1766	2428
GWC days	155	143	152
Payables	1350	1139	1467
Creditor days	92	84	91
NWC	901	628	961
NWC days	63	59	60

Note for days calculation, for example:

Inventory days = Average TTM Inventory / TTM Revenues \* 365

*Higher inventory days due to early inwards of SS26, to mitigate geo-political issues. This also helps improve freshness and on time season launch*

# WAY FORWARD

## WAY FORWARD

### AFL

*Stable demand environment to deliver consistent 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