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U.S. POLO ASSN.
SINCE 1890



Q4 FY26 RESULTS PRESENTATION

ARVIND FASHIONS

May | 2026



DISCLAIMER

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Q4 FY26 PERFORMANCE HIGHLIGHTS

MARKET & ECONOMY UPDATE



Overall demand remains stable

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

Premiumisation continues to drive strong demand

Uncertain geo-political scenarios likely to have inflationary pressure

West Asia conflict situation - What does it mean for us?

Current situation

- The impact of geo-political situation is still unclear
- Multiple industries are facing shortages in petroleum derived products especially natural gas which is a key input for production
- We are witnessing impact on rupee and pressure on prices of select raw materials, shipping & capex

Potential risks

- Consumption slowdown due to supply-led inflationary pressure
- Further pressure on Rupee
- Soaring fuel & raw material costs
- Shortages in capex & raw materials for production

Mitigation measures

- Our scale is helping us navigate some of the inflationary pressures
- Our investment in inventory is slightly ahead of curve which has helped us mitigate the price increases for current SS26 season
- As we prepare to buy for AW26, we continue to actively monitor the impact & hedge as required
- Majority of our sourcing remains India based and we are further strengthening this
- In order to navigate this volatility, we intend to double down on our cost control measures and selectively implement price increases while safeguarding growth

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

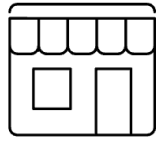
- Higher free cash flow generation through continued working capital efficiency and asset-light approach
- Further improvement in ROCE



SALES



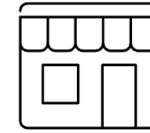
Strong revenue growth at **14.8%** Y-o-Y, driven by direct channel performance



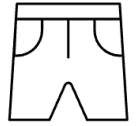
Retail LTL of **7.8%**; aided by superior execution

Q4 FY26 BUSINESS HIGHLIGHTS

GROWTH DRIVERS

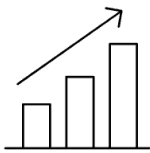


Gross addition of **50 EBOs**; net sq. ft. at **~13.37L**



Adjacent categories witnessed **20%+** growth

PROFITABILITY

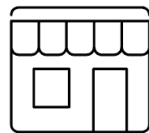


Gross margins higher by **20 bps** in Q4 & **90 bps** in FY26 through strong LTL, lower discounting & sourcing gains



EBITDA growth of **19%** Y-o-Y to **₹ 189 crores**; **50 bps** higher margin

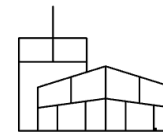
CHANNEL-WISE PERFORMANCE



~14% growth in retail channel with strong LTL & better stock freshness



Online direct-to-consumer business grew **42%** Y-o-Y



Double digit growth in consumer sales in wholesale channels

WORKING CAPITAL

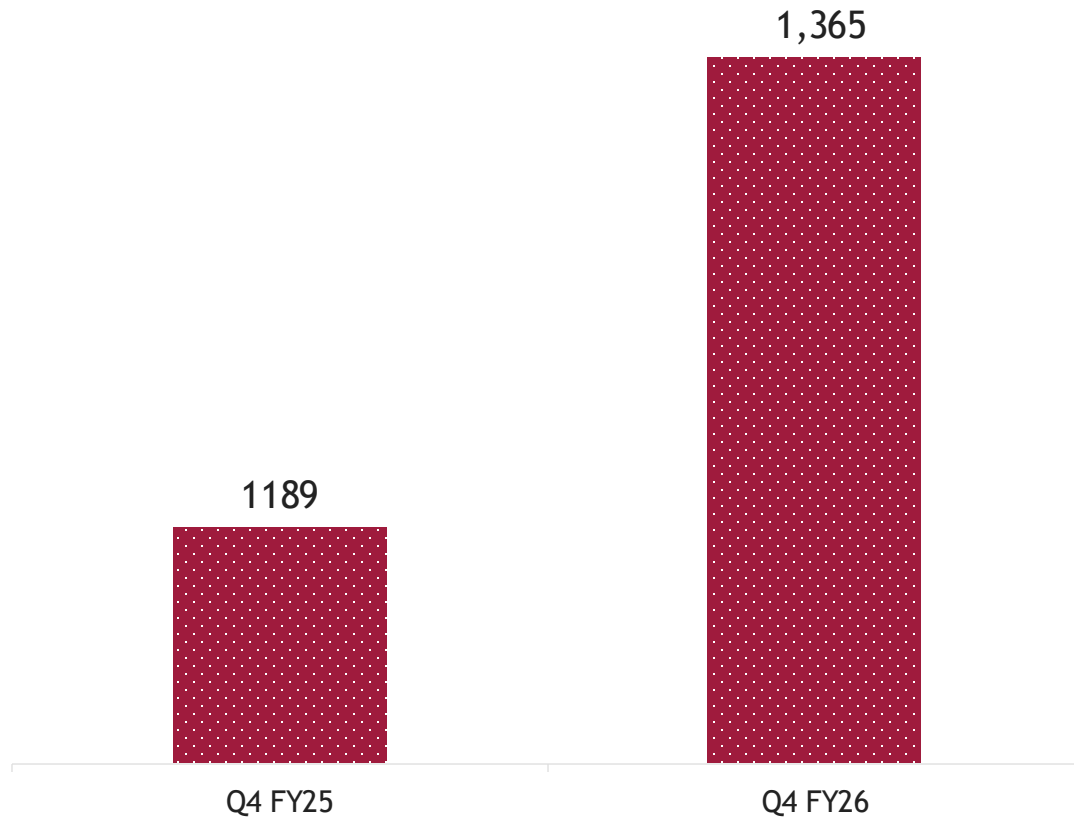


NWC days remained stable; inventory turns at healthy **~3.6x**

STRONG SALES GROWTH ACROSS CHANNELS

Sales

(₹ in crores)

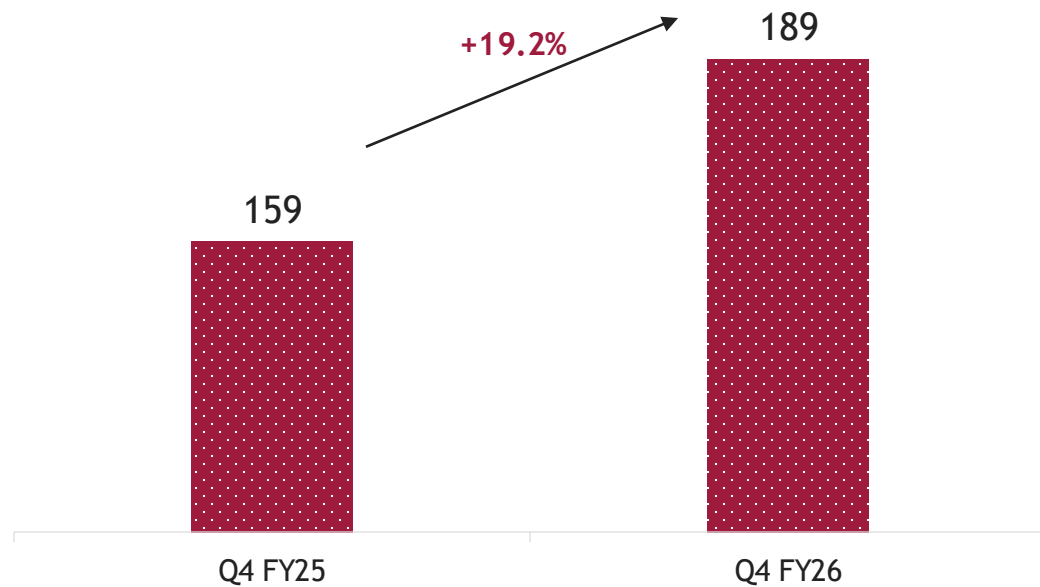


- Delivered strong revenue growth of 14.8%, aided by growth across direct channels
- Direct channels continued their outperformance
 - Sharp execution in retail drove strong LTL of 7.8% resulting in ~14% growth along with sourcing gains
 - ~42% growth in online B2C channel
- EBO count stood at 1025 as of Mar'26, net sq. ft. addition of ~30k

LEADING TO CONTINUED PROFITABILITY IMPROVEMENT

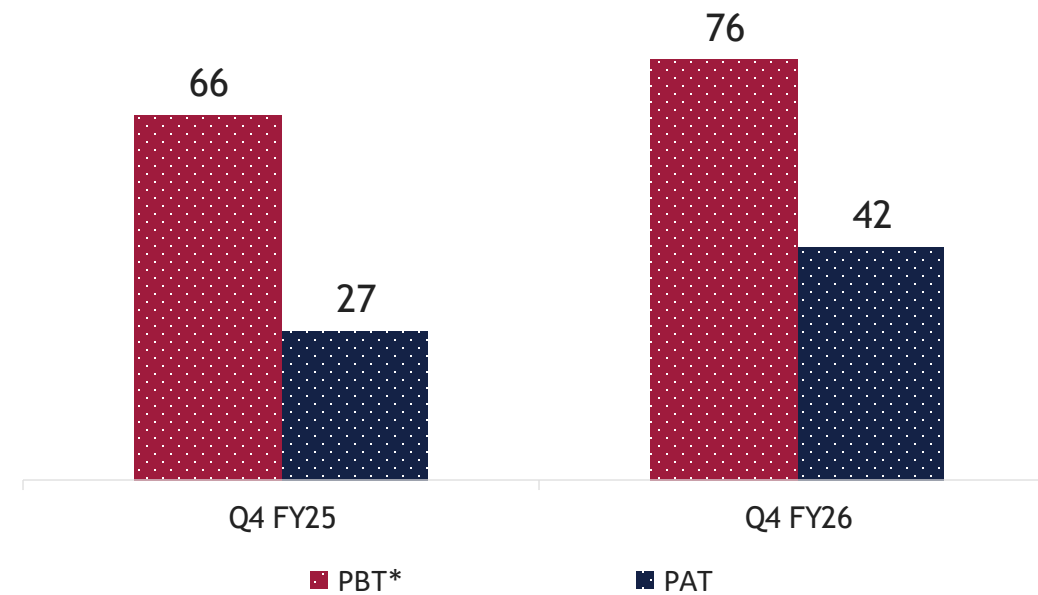
EBITDA

(₹ in crores)



PBT* and PAT#

(₹ in crores)



* Before Code on Wages impact

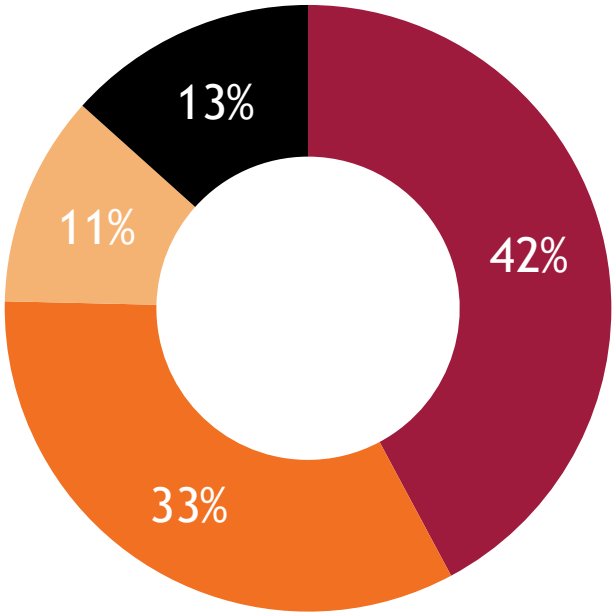
from continuing operations (excluding exceptional DTA charge of 120 crs in Q4 FY25)



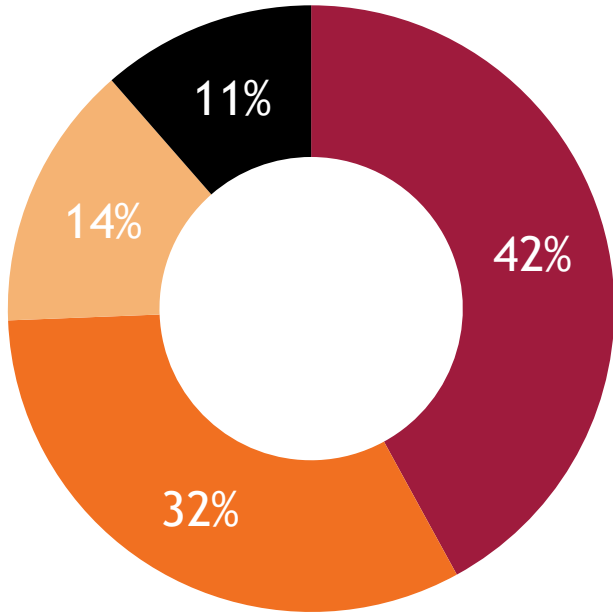
- Improvement in EBITDA margins by 50 bps Y-o-Y aided by gross margin expansion & better channel mix
- PAT (from continuing operations & before exceptional items/ Code on Wages impact) growth of 56%

CHANNEL MIX

Q4 FY25



Q4 FY26

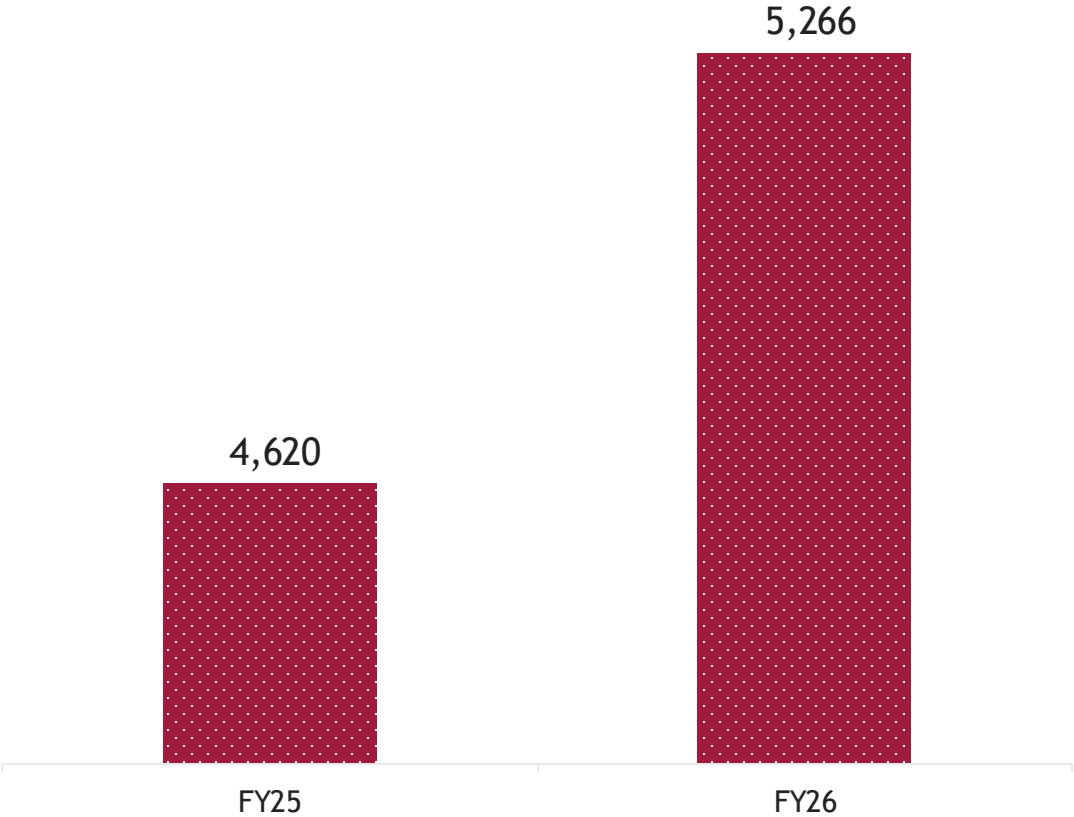


Wholesale (MBO + Dept. Stores) Retail Online B2C Online B2B and others

STRONG & STABLE SALES GROWTH IN FY26 ACROSS CHANNELS

Sales

(₹ in crores)

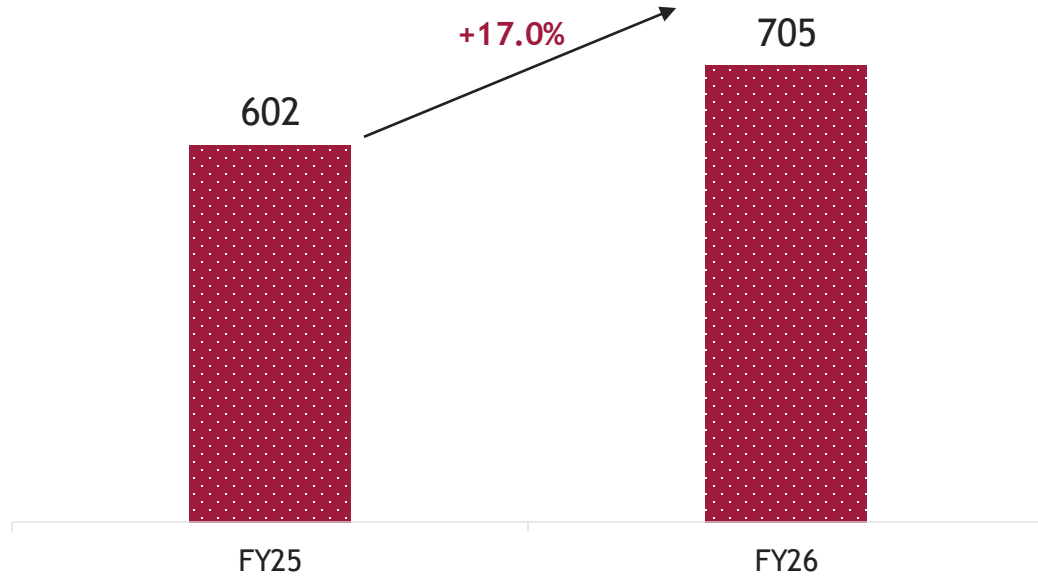


- Strong revenue growth of 14%, aided by growth across direct channels
- Direct channels continued their outperformance
 - Consistent strong LTL of 8.1% resulting in 13% growth in retail
 - 45% growth in online B2C channel
- FY26 net sq. ft. addition of ~1.43L - significantly higher than last year

CONTINUED PROFITABILITY IMPROVEMENT DURING FY26

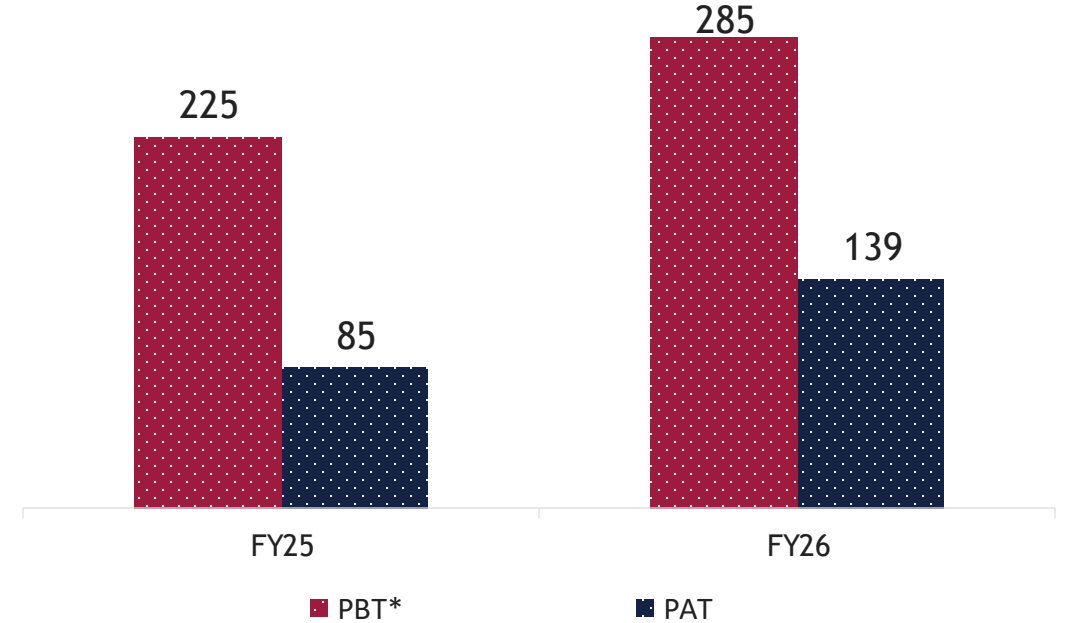
EBITDA

(₹ in crores)



PBT* and PAT#

(₹ in crores)



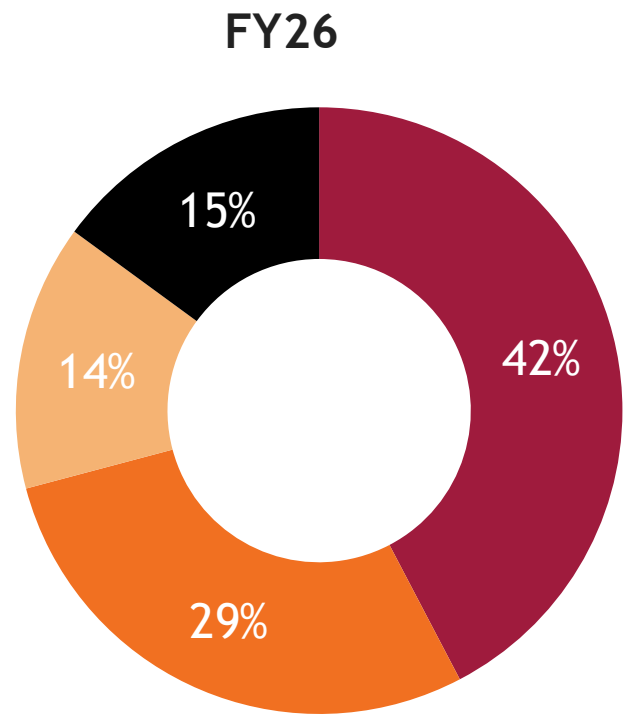
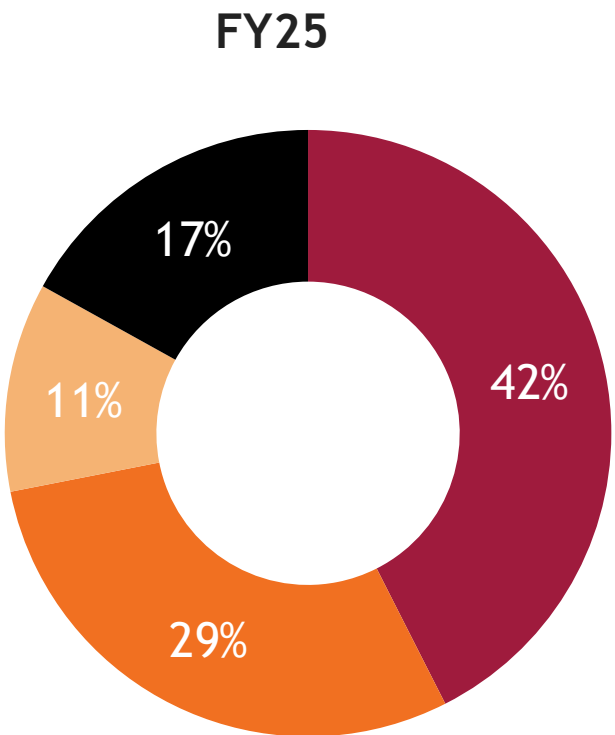
* Before Code on Wages impact

from continuing operations (excluding exceptional DTA charge of 120 crs in Q4 FY25)



- Improvement in EBITDA margins by 40 bps Y-o-Y aided by gross margin expansion
- PAT (from continuing operations & before exceptional items/ Code on Wages impact) growth of 62%

CHANNEL MIX



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

CONTINUE TO OPEN MARQUEE EBOs

USPA - JM Road, Pune



Arrow - MG Road, Kochi



CONTINUE TO OPEN MARQUEE EBOs

CK - Felix plaza, Gurgaon



CONTINUE TO OPEN MARQUEE EBOs



Club A - Shipra Mall, Ghaziabad



Q4 FY26 PERFORMANCE HIGHLIGHTS

BRAND HIGHLIGHTS



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Brand Highlights



- Continued strong growth momentum with sharp retail execution & marketing investments, helping deliver strong LTL growth & consistent strong growth across channels
- Direct channels continue to outperform & grow at >30%; share of revenue increasing
- Continued retail expansion with marquee and large sq. ft. stores opening to further deepen retail presence
- Adjacent categories continue to be amongst the significant growth driver for the brand



Brand Highlights



- Strong direct channel performance with 50%+ growth in online B2C
- Focus on accelerating EBOs expansion
- Product innovation continue to be at the heart of brand journey, e.g., Linen-led product capsules, Autopress
- Continue investments in marketing

Brand Highlights



- Consistently delivered strong LTL in retail channel & department stores leading to healthy growth
- Online B2C expanded to other online channels leading to 50%+ growth in online B2C channel
- Direct channel well-positioned to grow & scale faster
- Well-positioned to improve financial performance backed by growth & operating leverage over coming quarters



Brand Highlights



- Double digital LTL growth coupled with favorable tailwinds around premiumization continue to aid brand performance
- Accelerated EBO expansion & focus on expanding retail & online presence
- Strong brand pull continues for this market leader
- Continue to deliver strong financial performance

Brand Highlights



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

Q4 FY26 RESULTS

Q4 FY26 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	Q4 FY26	Q4 FY25
Revenue from Operations	1365	1189
Other Income	7	11
Total Income	1372	1200
EBITDA	196	170
EBITDA excl other income	189	159
PBT before Code of Wages impact	76	66
Code of Wages impact	-6	0
PBT	82	66
Taxes	15	139
Minority Interest	19	21
PAT	47	-93
Profit/(loss) from discontinued operations	0	0
Reported PAT	47	-93

PAT from continuing operations (before Code on Wages impact & exceptional DTA charge of 120 crs in Q4 FY25) growth of 56%



FY26 - PERFORMANCE SNAPSHOT

	(₹ in crores)	
	FY26	FY25
Revenue from Operations	5266	4620
Other Income	41	35
Total Income	5307	4654
EBITDA	745	637
EBITDA excl other income	705	602
PBT before Code of Wages impact	285	225
Code of Wages impact	23	0
PBT	262	225
Taxes	77	191
Minority Interest	61	69
PAT	124	-34
Profit/(loss) from discontinued operations	-1	-1
Reported PAT	123	-36

PAT from continuing operations (before Code on Wages impact & exceptional DTA charge of 120 crs in Q4 FY25) growth of 62%



BALANCE SHEET AS ON 31-MAR-2026

(₹ in crores)

PARTICULARS	31-MAR-26	31-MAR-25
Net Worth	1161	1164
Borrowings	531	390
Capital Employed	1692	1554
Inventory	1605	1259
Trade Receivables	752	729
Trade Payable & Credits	1387	1172
Net Working Capital	969	817
Net Fixed Asset	361	319
Discontinued Operations	-12	-22
Other Assets	373	440
Capital Employed	1692	1554



EFFICIENT WORKING CAPITAL MANAGEMENT

(₹ in crores)

	Mar'26	Dec'25	Mar'25
Inventory	1605	1511	1259
Inventory days	102	99	91
Receivables	752	740	729
Debtor days	54	56	54
GWC	2356	2251	1989
GWC days	156	155	146
Payables	1387	1350	1172
Creditor days	93	92	87
NWC	969	901	817
NWC days	64	63	58

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

Higher share of direct channel led to higher inventory days. This also has contributed to highest ever inventory freshness.

WAY FORWARD

WAY FORWARD

AFL

Stable demand environment to deliver consistent double digit revenue growth

Continue to expand margin led by operating leverage and better channel mix

Continue to accelerate retail expansion across brands through asset light approach

Committed to scaling existing brands including adjacent categories

Continue higher marketing investments for better visibility & consumer connect

Continue to expand ROCE led by working capital control and FCF generation

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THANK YOU