



Aditya Birla Fashion and Retail posts highest ever quarterly revenue and profits

Performance Highlights

1. Q3 saw a sharp rise in consumer footfalls which led to strong revenue growth across channels:
 - a. Q3FY22 Sales grew by 44% YoY
2. Consolidated EBITDA at Rs. 609 Cr, a whopping 44% growth over the previous fiscal.
 - a. Sustained cost controls fueled 20.4% EBITDA margin this quarter.
 - i. EBITDA Margin expanded by 400 bps vs pre-COVID levels.
3. Continued progress on strategic portfolio expansion agenda
 - a. Signed definitive agreement to acquire Reebok's India operations, marking a foray into fast-growing sports and activewear segment.
 - b. Signed agreement to acquire 51% stake in House of Masaba – leverage this partnership to enter into beauty and personal care space
 - c. Launched Tasva- a Men's occasion wear brand in partnership with Tarun Tahiliani.
 - d. Premium women's ethnic wear brand Marigold Lane expanded to more outlets; Opened first exclusive brand outlet in Mumbai
4. Network Expansion plan firmly on track
 - a. Launched more than 200 new stores across businesses and formats.
 - b. Expanded into Tier 3 cities & below through small town formats
5. Closed the quarter with negative net debt
6. Omni-channel play accelerated
 - a. Largest fashion Omni-channel play with more than 50% Omni-enabled stores across country
 - b. Revamped Pantaloons.com to provide better assortment and shopping experience to consumers

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 31st Dec 2021. These financials are post factoring in necessary adjustments under Ind AS 116.

Consolidated Financials

<i>In Rs. Cr.</i>	Q3 FY 21	Q3 FY 22	<i>Growth %</i>
Revenue	2076	2987	44%
EBITDA	422	609	44%
PAT	58	197	237%

A combination of factors led to an upsurge in sales across categories and channels. Improved consumer sentiment led to a sharp demand recovery that was amplified by the concentrated wedding season. The aggressive expansion bets taken by the company in the previous quarter also yielded results.

Each of the business segments posted a strong performance.

- Lifestyle brands – Revenues grew 55% over LY, while EBITDA grew ~80%, reflecting on the strength of the brands. New category launches in active wear and casual wear fuelled growth. The business also continued its expansion into smaller town markets, building upon successful pilots carried out earlier this year.
- Pantaloons – Business grew by 31% over last year, driven by robust footfalls in festive period. The e-commerce channel grew by 67% YoY, with [Pantaloons.com](https://www.pantaloons.com) almost doubling its revenue over LY. Pantaloons continued its aggressive network expansion by opening 22 stores this quarter. It created a new milestone by opening 12 stores in 12 consecutive days during the festive season.
- Other businesses –
 - **Active Athleisure Innerwear** segment reported revenue of 1.5x over pre-COVID levels. Sales on e-commerce more than doubled.
 - **Youth Western Wear** segment showed a sharp recovery this quarter. American Eagle surpassed its pre-COVID sales by 127%. Forever 21 opened 3 more stores during this quarter.
 - **Super Premium brands** portfolio continued to show robust growth with its sales growing by 37% from last year; on the back of strong e-commerce performance and an overall uptick in consumption of super-premium category.
 - **Ethnic businesses** also showed sharp growth in revenue, with scale coming from both network expansion and category extensions. The business is currently operating at an annual run rate of Rs. 400 Cr.

OUTLOOK

The onset of wave 3 has affected current market conditions and we expect normalcy to return in the following months as the pandemic wears down.

The Company remains focused on leveraging its strong brand portfolio, evolving its product profile in line with changing consumer preferences, expanding its reach & accelerating its Omni-channel play. Sharp focus on cost and capital productivity will continue to guide the Company's business model. Moving forward, ABFRL will look to expand into segments and businesses that are inherently more digital in nature, in sync with the consumer trends in fashion.

About Aditya Birla Fashion and Retail Limited

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 5,249 Cr. spanning retail space of 8.4 million sq. ft. (as on March 31, 2021), it is India's first billion-dollar pure-play fashion powerhouse with an elegant bouquet of leading fashion brands and retail formats.

The Company has a network of 3,397 stores across approximately 26,744 multi-brand outlets with 6,750+ point of sales in department stores across India (as on 31st December, 2021).

It has a repertoire of leading brands such as **Louis Philippe, Van Heusen, Allen Solly** and **Peter England** established for over 25 years. **Pantaloons** is one of India's largest fast fashion store brand.

The Company holds exclusive online and offline rights to the India network of California-based fast fashion brand **Forever 21**. The International Brands portfolio includes - **The Collective**, India's largest multi-brand retailer of international brands, **Simon Carter** and select mono-brands such as **American Eagle, Ralph Lauren, Hackett London, Ted Baker** and **Fred Perry**.

Van Heusen Innerwear, Athleisure and Active wear is establishing itself as India's most innovative and fashionable brand. The Company's foray into branded ethnic wear business includes **Jaypore** and strategic partnerships with Designers '**Shantanu & Nikhil**', '**Tarun Tahiliani**' and '**Sabyasachi**'.

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