



Strong business rebound with 90% recovery over pre-COVID levels, EBITDA soars ~150% YoY to Rs. 338 Cr.

Performance Highlights

1. Business recovery continues with easing mobility restrictions and consumers returning to stores
 - a. Q2 consolidated revenue doubled YoY to Rs. 2054 Cr., (Q2 FY 21 at Rs. 1028 Cr.) Recovery of ~90% over pre-COVID levels (Q2 FY 20)
 - b. Lifestyle revenues more than doubled YoY. 92% recovery compared to pre-COVID levels. Pantaloons grew 80% over the previous year with a slower recovery owing to a larger share of mall stores that had prolonged restrictions.
 - c. Other businesses, including Active Athleisure Innerwear, Youth Western Fashion and Super Premium brands, have grown over pre-COVID levels, aided by online channels.
 - d. Ethnic wear portfolio continues to build on all of its constituent brands; new store openings boosted growth.
 - e. Small-town formats continue to show promising results. While Peter England Red and Allen Solly Prime are rapidly accelerating; two more brands— Van Heusen and Louis Philippe have successfully forayed into these markets through pilots
2. Company recorded consolidated EBITDA of Rs. 338 Cr.
 - a. EBITDA performance has been driven by robust demand recovery and tight control on costs. E-commerce sales continued to grow rapidly
 - b. Both own brand websites and 3rd party marketplaces performed well.
 - c. Strengthened Omni-channel coverage across businesses, with more than 30% stores now omni-enabled.
3. The debt has reduced from Rs. 1200 Cr. in Q1 FY 22 to Rs. 873 Cr. by the end of Q2 FY 22. Despite aggressive growth plans across brands and channels, debt is expected to stay range bound at these levels for the year.

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 30th September 2021. These financials are post factoring in necessary adjustments under Ind AS 116.

Consolidated Financials

| <i>In Rs. Cr.</i> | Q2 FY 21 | Q2 FY 22 |
|-------------------|-----------------|-----------------|
| Revenue | 1028 | 2054 |
| EBITDA | 136 | 338 |
| PAT | -188 | 5 |

The quarter began with gradual recovery from COVID-19 2nd wave, with relaxed mobility restrictions and aggressive vaccination drive across the nation, sharply changing the consumer sentiment. This led to a strong recovery in store footfalls. Retail channel operations saw a rapid growth in demand as the national infection caseload came down. During this period, alternate channels of sales like e-commerce and omnichannel retail performed very well.

The business has consistently shown strong L2L growth from the past four quarters, with brands evolving to meet the dynamic consumer needs. This period has also witnessed our brands foraying into innovative product categories to match the contextual market demands.

Each of our business segments posted an encouraging performance.

- **Lifestyle brands** continued to demonstrate a strong growth trajectory, with sales doubling over the previous year to Rs. 1156 Cr. (vs. Rs. 531 Cr. in Q2 FY 21). Its retail channel had industry-leading growth of 25% over pre-COVID levels. The business continued to perform exceptionally in e-commerce with a 100% growth over the previous year. Also noteworthy is that its own ecommerce grew 2.5x during this period. The business continued with the execution of its small-town expansion strategy, with PE Red adding 36 stores in H1 to take the total store count to more than 350 stores. Similarly, Allen Solly Prime added 18 stores. The business is bolstering its kids wear portfolio with the entry of Peter England into this segment.
- **Pantaloons** recorded a recovery of 73% of pre-COVID levels. The prolonged restrictions on shopping malls which constitute a large share of the store network impacted the recovery. The sales grew 80% YoY to Rs. 665 Cr. (vs. Rs. 369 Cr. in FY 21). E-commerce sales showed impressive growth, with pantaloons.com sales growing 40% over the previous year. Daily traffic on pantaloons.com grew 28% this quarter, on the back of deeper investments towards building backend capabilities.
- Other businesses –
 - **Active Athleisure Innerwear** segment reported a revenue growth of 41% over Q2 FY 21. While the rapid digitization aided

growth across online channels, the business has also gone for aggressive retail expansion in terms of trade and EBO outlets. Its e-commerce business grew 71% YoY.

- **Youth Western Wear** segment, comprising Forever 21 and American Eagle, saw a strong YoY sales growth of 1.5x and 2x, respectively. Both brands continued to see strong momentum on e-commerce.
- **Super Premium brands** portfolio continued to display exceptional resilience as the business showed more than 60% growth over pre-COVID level. TheCollective.in has continued its robust performance this quarter.
- **Ethnic businesses** performed well, with growth coming from both network expansion and category extensions. Women's ethnic brand Marigold Lane has already been launched in Shop-in-shop (SIS) format at Pantaloons in time to capture the festive season. A new affordable ethnic brand for men is all set to be launched during the upcoming wedding season. Jaypore will launch new stores in the next quarter and so will S&N. Sabyasachi's new global launch at Damas in Dubai has received a strong response.

OUTLOOK

Encouraged by the strong rebound, the company will accelerate its growth trajectory now, driven by aggressive expansion in the product portfolio, entry into newer consumer segments and network expansion, both in existing and newer markets. Given the underlying business fundamentals, the enhanced digital capabilities and the balance sheet strength, the company is well poised to embark on a new wave of growth and create value for all stakeholders.

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 3,264 stores across approximately 26,841 multi-brand outlets with 7,094+ point of sales in department stores across India (as on 30th September, 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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