



## **Aditya Birla Fashion and Retail reports resilient quarterly performance with EBITDA growth of 51% YoY, despite unprecedented disruption.**

### **Performance Highlights**

1. Q4 continued with the strong recovery trend through the quarter until the disruption due to the second wave of COVID-19 led to localized shutdowns. The company responded to the challenge with utmost agility
  - a. Q4FY21 Sales ended almost at the same level as last year
  - b. Good sales in smaller towns and cities— best ever e-commerce growth across brands and resilient product strategy were drivers of the recovery
  - c. Strong traction gained on e-commerce with the share of business growing more than two folds
  - d. Other Businesses comprising of Innerwear and International Brands grew at an impressive rate of 36%
  - e. Ethnic Portfolio grew at 165% NSV growth over LY on the back of new store additions
2. Company delivered a consolidated EBITDA of Rs. 253 Cr in the quarter, 51% higher than LY level with EBITDA margin expansion of 480 bps to reach a margin of 13.9% for Q4FY21
  - a. This was on account of a strong recovery in sales, far exceeding the restoration of costs
  - b. Other Businesses recorded their first-ever quarter of positive EBITDA
3. Continued strong growth investments
  - a. Launched more than 400 new stores across businesses and formats during the year FY 21 as well as rationalized the network
  - b. Scaled up across town classes through asset light model
  - c. Focused on new product categories in line with changing consumer preferences for more casual and activewear
  - d. Successfully closed investments in brands Sabyasachi and Tarun Tahiliani
4. Rationalized over Rs. 1200 Cr of cost during the year to mitigate the impact of Covid on profitability
5. Debt reduced from Rs. 2,511 Cr (exit FY 20) to Rs. 654 through a mix of operating cash flows and equity infusion

6. Strengthened play in ethnic wear segment with new investment of Rs. 520 Cr in partnerships with Sabyasachi and Tarun Tahiliani. Excluding these growth investments, debt actually was down to Rs. 134 Cr.

## **Financial Performance**

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

### **Consolidated Financials**

<i>In Rs. Cr.</i>	<b>Q4FY21</b>	<b>Q4 FY20</b>	<b>Growth YOY</b>
<b>Revenue</b>	<b>1822</b>	<b>1832</b>	<b>-1%</b>
<b>EBITDA</b>	<b>253</b>	<b>167</b>	<b>51%</b>
<b>PAT Comparable</b>	<b>-87</b>	<b>-147</b>	
<b>PAT Reported</b>	<b>-196</b>	<b>-147</b>	

Through a slew of cost control measures, despite lower sales, The Company posted a robust improvement in comparable PAT.

While the recovery was strong through most of the quarter on the back of pent-up demand, the resurgence of the second wave of COVID by the end of March impacted customer footfalls and decelerated growth. Given these factors, the business performance for the quarter was almost at the same level as last year.

Each of our business segments posted an encouraging performance

- Lifestyle brands – With an increased focus on strengthening casual wear and accelerating e-commerce growth, Lifestyle brands achieved 94% of LY revenue levels in Q4 and an EBITDA margin of 17.5%. Retail channels exhibited strong resilience and posted a growth of 8% Y-o-Y, testimony to the strength of its brands, strong product innovations and proficient retail operations.
- Pantaloons – Led by a firm control of costs, the business recorded a robust EBITDA margin of 14.5%, with absolute EBITDA growing by 54% over the LY level.
- Other businesses –
  - This segment comprises of Youth fashion brands such as Forever 21 and American Eagle, Innerwear and Athleisure business, Global super premium brands and the newly incubated ethnic wear businesses
  - Active Athleisure Innerwear segment grew 56% over the same quarter last year driven by solid e-commerce growth (1.5x Y-o-Y). The performance was also aided by aggressive

demand for the category including comfort wear and athleisure. The business also expanded its distribution footprint by adding 5500+ new trade outlets during the year. On a full-year basis, the business recovered strongly and was ahead of last year levels, thus validating the strength of the brand Van Heusen in innerwear and athleisure categories.

- During the year, the company also strengthened its position in the ethnic space by forging strategic partnerships with two of the largest ethnic brands in the country- Sabyasachi and Tarun Tahiliani.

## **OUTLOOK**

ABFRL is focused on the wellbeing of its employees and their families at present, while strengthening itself to capture the large growth opportunity post the pandemic. With widespread vaccination over next few months, the Company expects consumers to ride through the current challenging times, giving way for an optimistic consumption outlook during the later part of the year.

On the operational front, optimized cost control and tighter cash flow management will continue to be at the core of the business model. The company is now much better placed to manage business disruptions. With a gradual recovery in consumer footfalls and spends going forward, the company will emerge stronger on the other side of this crisis.

## **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 3,212 stores across approximately 31,000 multi-brand outlets with 6,800+ point of sales in department stores across India (as on 31<sup>st</sup> March, 2020).

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 Designers '**Shantanu & Nikhil**'. Additionally, the Company closed two strategic investments with Designers '**Sabyasachi**' and '**Tarun Tahiliani**'.

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