

Aditya Birla Fashion and Retail posts 11% YOY revenue growth in Q1FY24 in a challenging demand environment

Performance Highlights for the Quarter

1. Sales grew across brands and formats despite unfavorable market conditions.
 - a. 11% YoY growth with revenue at Rs. 3196 Cr for the quarter.
 - i. Standalone revenue grew 8% YoY.
2. Consolidated EBITDA for the quarter stood at Rs. 353 Cr.
 - a. EBITDA margin was 11%.
3. ABFRL's store network now 4000+ large and continues to expand.
 - a. Branded business network added 28 stores on a net basis in Q1.
 - i. Ethnic businesses added 12 stores to the network.
 - b. Pantaloons added net 3 stores to its network this quarter.
4. Company continued to expand its digital footprint.
 - a. E-com sales grew 12% YoY with strengthened omnichannel play.
 - b. TMRW started driving value creation for its portfolio of brands through operational interventions.

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 30th June 2023. These financials are post factoring necessary adjustments under Ind AS 116.

Financials – Q1

<i>Standalone In Rs. Cr.</i>	<i>Q1 FY23</i>	<i>Q1 FY24</i>	<i>Growth % (vs. LY)</i>	<i>Consolidated In Rs. Cr.</i>	<i>Q1 FY23</i>	<i>Q1 FY24</i>	<i>Growth % (vs. LY)</i>
Revenue	2774	2987	8%	Revenue	2875	3196	11%
EBITDA	504	423	-16%	EBITDA	500	353	-29%
PAT	124	-49		PAT	94	-162	



The growth in quarterly revenue was driven by a strong pick-up in new businesses and consistent performance from established businesses, despite challenging market conditions. However, net profits for the quarter were affected by negative operating leverage, resulting from subdued sales for the Pantaloons business, as well as continued investments in TMRW and ethnic businesses.

Each of the business segments posted robust performance.

- **Lifestyle brands** – Sales grew 5% YoY to reach Rs. 1594 Cr., while EBITDA for the business expanded by 10% over the last year to hit Rs. 292 Cr. This resulted in an EBITDA margin of 18.3%, marking an expansion of 80 bps. During the quarter, brands strengthened their influence and leadership position through several impactful marketing campaigns. The women’s wear business maintained strong growth, with a 9% YoY increase. Brands consistently focused on improving retail throughputs and enhancing the store shopping experience.
- **Pantaloons** – The business demonstrated a resilient performance in Q1, recording sales of Rs. 1030 Cr and an EBITDA margin of 13.4%, despite a subdued demand environment across various markets. The private label portfolio showed promising results, with its overall share increasing to 65% from 62% the previous year.
- **Youth Western wear segment** consists of American Eagle and Forever 21. In Q1, American Eagle achieved a 49% YoY revenue growth, expanding its availability to 40 exclusive stores and over 65+ department stores. Meanwhile, Forever 21 continues to prioritise operational efficiency and network rationalisation.
- **Reebok** has made a great start this fiscal, with sales growing 43% over last year, driven by a strong retail L2L of 11% and continued distribution expansion. The brand opened 10 new stores in Q1 and also continued to broaden its department store collaborations and marketplace partnerships.
- **Inner wear & athleisure segment** advanced with its aggressive growth strategy, recording a 3% retail LTL growth, despite the ongoing slowdown in the athleisure and activewear segment. During the quarter, the brand expanded its reach by adding over 700 Multi Brand Outlets (MBOs), bringing its total presence to ~32700 trade outlets.
- **Super premium brands**, which include the multi-brand format “The Collective” and other super-premium brands, delivered a solid performance in Q1, with a revenue growth of 16% YoY. The network posted a 16% retail



L2L growth in Q1, led by strong connect with consumers, wide assortment of brands and products and high-quality service.

- **Ethnic businesses** grew ~33% YoY this quarter, driven by network expansion and brand development initiatives. Sabyasachi grew 18% YoY this quarter led by strong performance in jewelry & accessories segments. Men's premium ethnic wear brand TASVA added 7 stores in this quarter to exit Q1 with 58 stores. Shantnu & Nikhil posted 20% growth YoY as its bridge business "S&N" grew to 1.6x of LY. House of Masaba added 3 stores to the network as it posted 32% revenue growth over the last year.

OUTLOOK

We anticipate a rebound in discretionary spend with the onset of the festive season, propelling the company's growth trajectory further in the second half. ABFRL remains committed to enhancing the value proposition for its customers along with persistently investing in building brands and improving operational efficiency. We remain focused on pursuing our long-term strategic agenda through expansion into newer markets, diversification across various segments and categories, and ensuring an elevated shopping experience to our customers. With a positive outlook on the growth prospects of both the Indian economy and the fashion apparel sector, we are determined to leverage our robust brand portfolio to drive consistent, sustainable growth.

About Aditya Birla Fashion and Retail Limited

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 12,418 Cr. spanning retail space of 10.8 million sq. ft. (as on March 31, 2023), 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 4,008 stores across approximately 33,874 multi-brand outlets with 6,837 point of sales in department stores across India (as on 30th June 2023).

It has a repertoire of India's largest brands in **Louis Philippe, Van Heusen, Allen Solly** and **Peter England**, established over 25 years. **Pantaloons** is one of India's leading fashion retailer.

Company's international Brands portfolio includes - **The Collective**, Amongst India's largest multi-brand retailers of international brands and has long term exclusive partnerships with select brands such as **Ralph Lauren, Hackett London, Ted Baker, Fred Perry, Forever 21, American Eagle, Reebok and Galeries Lafayette**.

The Company's foray into branded ethnic wear business includes brands such as **Jaypore, Tasva & Marigold Lane**. The company has strategic partnerships with Designers '**Shantnu & Nikhil**', '**Tarun Tahiliani**', '**Sabyasachi**' and '**House of Masaba**'.

In addition, to cater to the needs of digitally native consumers, ABFRL is building a portfolio of Digital-first brands under its technology led 'House of D2C Brands' venture **TMRW**. **TMRW** is on a



path to building a portfolio of Digital First brands in partnership with founders of emerging brands in the E-Commerce market. With a focus on Fashion & Lifestyle categories, **TMRW** is building a portfolio of the most loved consumer brands that tap into the significant growth potential in India and globally.

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