



Key Highlights of Q4 and FY20 Performance

- Full year revenue records 8% growth at Rs.8743 Cr.; EBITDA (Ind AS Adj.) at Rs.1290 Cr.
- Company expands retail footprint; adds close to 400 retail stores through FY20.
- Strong growth momentum seen across business segments pre-COVID.
- COVID-19 induced economic standstill impacted quarterly performance; Operations have now resumed at all manufacturing facilities; More than 1/3rd of stores have now reopened.
- Board approves Rs.1000 Cr. rights issue. Move to strengthen balance sheet in line with long term growth aspirations.

Standalone Financials

<i>In Rs. Cr.</i>	FY19	FY20 (Comp.)	FY20 (Ind AS Adj.)
Revenue	8118	8743	8743
EBITDA	619	518	1290
PBT	149	57	-9

<i>In Rs. Cr.</i>	Q4 FY19	Q4 FY20 (Comp.)	Q4 FY20 (Ind AS Adj.)
Revenue	1915	1817	1817
EBITDA	149	-43	173
PBT	31	-167	-178

BUSINESS UPDATE

ABFRL had a strong Financial Year 19-20 as it crossed some key growth milestones. For the first 9 months of the fiscal, the business grew its revenue by 12% and EBITDA by 19% basis strong performance in the festive season.

The business continued to grow strongly in the months of January and February led by weddings and an extremely successful EOSS.

COVID-19 IMPACT

However, as the country was struck by the COVID-19 pandemic early March leading to movement restrictions and heightened sense of insecurity among people, consumers started to stay away from all non-essential shopping. This dramatically reduced the footfalls at stores across the country leading to a steep decline in sales from the second week of March. Eventually, the Company had to shut down its entire retail network through the month in line with the nationwide lockdown announced by the Government of India. This unprecedented disruption had an adverse impact on the quarterly performance, and led to a decline in sales and profits for the fourth quarter over the same period last year.

During this period, the Company took every possible precaution to ensure safety of its staff across the country. The Company has started to slowly resume its operations across the country in line with guidance issued by MHA and local authorities. The Company has managed to resume operations at all manufacturing facilities and most warehouses. As of today, out of a total network of 3041 stores, more than 1300 stores have started operations. Each store is being opened with utmost precautions, implementing the highest standards and protocols on safety and hygiene to make them absolutely safe for employees and consumers.

The business is also focused on accelerating its digital transformation journey across various parts of the value chain. E-commerce, as a route to market, is being scaled aggressively and the Company is also looking to introduce new omni-channel offerings.

Rising to the occasion, as part of The Aditya Birla Group's multi-pronged response to the crisis, the Company worked closely with government authorities to convert its manufacturing facilities for producing personal protective equipment (PPE) to meet the sudden large requirement of PPEs for frontline COVID warriors. As on date, the Company has already supplied more than 500,000 PPEs; contributing to India's fight against COVID-19.

Performance Summary

The Board of Directors of the Company at its meeting today have approved the results for the quarter ended 31st Mar 2020. These financials are post factoring in necessary adjustments under Ind AS 116.

For the financial year 2020, the Company recorded sales growth of 8% at Rs. 8743 Cr. The comparable EBITDA for the period dropped by 16% to Rs. 518 Cr. During the period, the Company posted comparable PBT of Rs. 57 Cr. vs Rs. 149 Cr. last year. The Company also aggressively expanded its retail footprint by adding close to 400 stores across its brands.

In Q4 FY20, the Company posted a decline of 5% in sales to Rs. 1817 Cr. and EBITDA loss of Rs. 43 Cr., on a comparable basis. At the same time, reported EBITDA (post Ind AS 116) for the quarter was at Rs. 173 Cr.

Business Segment Highlights

Madura Segment:

Madura business segment consists of **Lifestyle brands** – Louis Philippe, Van Heusen, Allen Solly and Peter England, **Fast Fashion brands** – Forever 21 and **Other businesses** that include Global brands, Innerwear and newly invested business in Ethnic, viz. Jaypore and Shantanu & Nikhil. The consolidated financials include the financials of both these new businesses.

Madura segment recorded 7% decline in revenue in Q4 FY20 at Rs. 1229 Cr. as compared to Rs. 1320 Cr. in the same period last year. In a normalized scenario, this segment would have seen a growth of 10%.

- **Lifestyle brands** reported 5% drop in sales in Q4 FY20. The revenue for the period was Rs. 1072 Cr. as compared to Rs. 1132 Cr. in the same period last year. The segment witnessed a decline in EBITDA owing to the drop in sales in the month of March due to COVID related disruptions.
For FY20, the reported revenues grew 7% YoY to Rs. 4626 Cr.
- **Fast Fashion** segment continued with its focus around improving operating performance. 'People' got fully transitioned into Pantaloons while Forever 21 restructured the commercial arrangement with its parent.
- **Other Businesses** portfolio has been growing rapidly driven by consistent performance of its constituent sub-segments viz. innerwear and global brands.
- For the financial year 2020, the segment recorded a robust 42% growth in sales to Rs. 523 Cr. In Q4FY20, this segment reported an 8% revenue growth to Rs. 116 Cr.
 - Innerwear continued with its aggressive scale up by expanding the distribution footprint to 20,000 trade outlets.
 - Global brands portfolio consisting of the Collective and international super premium brands continued its steady performance

Pantaloons Segment:

In line with the strong growth momentum seen in the first 9 months of this fiscal year, Pantaloons posted an outstanding growth of 13% in the first two months of the fourth quarter. However, due to impact of COVID in the month of March, the reported revenue for the quarter fell by 1% to Rs. 626 Cr. This was accompanied by an EBITDA loss of Rs. 38 Cr. in this quarter.

For the full year, Pantaloons delivered a 10% growth in sales to Rs. 3514 Cr., with EBITDA margins at 6.3% this year.

Corporate action

The Board of Directors of Aditya Birla Fashion and Retail Limited (*“the Company”*) approved the raising of funds by way of Rights Issue for an amount not exceeding Rs. 1000 Cr. (*the “said Issue”*), subject to such approvals, as may be required under applicable laws. The Company evaluated various options and is of the view that rights issue would be an equitable mode of fund raising as it gives its shareholders an equal opportunity to participate in the growth of the Company. The Board has constituted a Committee to evaluate and finalize all other terms and conditions of the said Issue. The Company intends to complete the said issue at the earliest, subject to market conditions and other factors, including receipt of any regulatory approvals.

Outlook

Aditya Birla Fashion and Retail Ltd. is one of India’s leading apparel companies and is home to some of India’s most iconic apparel brands. Spread across varied segments, price points and wearing occasions, the Company operates a well-diversified portfolio which now covers some exciting growth areas. As the market reopens post a lockdown, the Company is set to resume its full operations at the earliest. With leadership across brands, wide and deep distribution, enhanced digital capabilities and its skilled talent pool, ABFRL is poised to continue with its consistent performance.

About Aditya Birla Fashion and Retail Limited

Aditya Birla Fashion and Retail Limited is India’s largest pure-play fashion and lifestyle company with a strong bouquet of leading fashion brands and retail formats. The Company has a network of 3,041 stores, presence across approximately 25,000 multi-brand outlets with 6,500+ point of sales in department stores across India.

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