Aditya Birla Fashion and Retail posts highest ever Q1 sales with 39% revenue growth over pre-COVID levels; EBITDA grew 51% over the period to Rs. 500 Cr.

Performance Highlights

1. Momentum from H2 last year continued in Q1 as consumer confidence improved leading to traffic growth across businesses and channels.
   a. Revenue grew by 39% over pre-COVID levels to Rs. 2875 Cr.

2. Q1 Consolidated EBITDA for the quarter increased to Rs. 500 Cr.
   a. Robust performance across categories led to 51% growth in EBITDA over pre-COVID levels
      i. EBITDA Margin expanded by 130 bps over pre-COVID levels to reach 17.4% in Q1 FY23

3. Continued expansion across markets and brands
   a. Small-town formats continued to show promising results with a network of more than 500 stores;
   b. Pantaloons introduced new private label brands to cater to evolving consumer needs

4. Accelerated E-commerce and Omni-channel play
   a. E-commerce sales grew 56% YoY
   b. Omni-channel network has been expanded to more than 1600 stores, and is one of the largest in the country.

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 30th June 2022. These financials are post factoring in necessary adjustments under Ind AS 116.

Consolidated Financials – Q1

<table>
<thead>
<tr>
<th>In Rs. Cr.</th>
<th>Q1 FY20</th>
<th>Q1 FY22</th>
<th>Q1 FY23</th>
<th>Growth % (vs. LY)</th>
<th>Growth % (vs. Q1 FY20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2065</td>
<td>812</td>
<td>2875</td>
<td>254%</td>
<td>39%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>332</td>
<td>-145</td>
<td>500</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>PAT</td>
<td>22</td>
<td>-352</td>
<td>94</td>
<td></td>
<td>338%</td>
</tr>
</tbody>
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A sharp recovery in demand across categories and strong preference for our portfolio of brands led to a robust quarterly performance. Aggressive store
expansion, accelerated E-commerce and omni-channel play have been key drivers of growth in the quarter.

Each of the business segments posted a strong performance.

- **Lifestyle brands** – Revenues grew 51% over pre-COVID levels to Rs. 1519 Cr., while EBITDA grew 40% to Rs. 266 Cr., on the back of retail L2L growth of 29% over FY20 and aggressive expansion of retail stores. E-commerce business grew more than 50% YoY. Small town format and casual wear business continued to show strong growth.

- **Pantaloons** – Business achieved highest-ever Q1 revenues of Rs.1027 Cr, while EBITDA grew 33% over pre-COVID levels. The E-commerce channel grew by 70% YoY, with strong traction on own channel due to enhanced customer experience and engagement.

- **Other businesses** –
  - **Inner wear & athleisure** segment achieved highest-ever quarterly revenue driven by network expansion and strong E-commerce growth. Business continued to expand trade network with addition of ~2000 new trade outlets to exit the quarter with ~29000 outlets.
  - **Youth Fashion segment** consisting of American Eagle and Forever 21, continued to show robust growth. American Eagle sales is now almost three times of pre-COVID levels and is swiftly establishing itself as a premium denim wear brand. Growth was also driven by distribution network expansion with 5 new stores being added during the quarter.
  - **Super premium brands**, comprising of The Collective and Mono brands is one of the fastest growing businesses with revenue more than 2 times of pre-COVID levels
  - **Ethnic businesses** also showed sharp growth as revenue is 2.7 times Q1 FY22 with scale coming from both network expansion and category extensions. Tasva added 6 new stores to the network to exit the quarter with 12 stores. For Sabyasachi, revenue grew by 160% over pre-COVID levels.

**OUTLOOK**

Improved consumer confidence, value migration to the organized sector, and robust omnichannel presence led to strong growth and improved profitability. We expect this momentum to continue in upcoming quarters, with a further boost during the festive season. ABFRL will continue to invest in strengthening our brand
propositions and drive sales via both physical and online stores. We are confident of the long-term prospects of the Indian Apparel sector and remain focused on delivering strong, consistent, profitable growth.

About Aditya Birla Fashion and Retail Limited

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 8,136 Cr. spanning retail space of 9.2 million sq. ft. (as on March 31, 2022), 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 3,487 stores across approximately 30,787 multi-brand outlets with 6,381 point of sales in department stores across India (as on 30th June 2022).

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, India’s largest multi-brand retailer 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 and Reebok.

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

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