



February 14, 2024

BSE Limited
Scrip code: **535755**

National Stock Exchange of India Limited
Symbol: **ABFRL**

Sub.: Press Release of the Board Meeting of the Company

Ref.: 1. Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. Our intimation dated January 29, 2024

Dear Sir/ Madam,

Pursuant to the above referred, kindly note that the Board of Directors of the Company at its meeting held today have *inter alia* considered and approved Unaudited Standalone & Consolidated Financial Results along with Limited Review Report for the quarter ended December 31, 2023.

Enclosed is the press release in this regard.

The above is being made available on the Company's website i.e. www.abfrl.com.

Thanking you.

Sincerely,
For **Aditya Birla Fashion and Retail Limited**


Anil Malik
President & Company Secretary



Encl.: As above

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ABFRL posts 16% growth in sales and 29% growth in EBITDA in a challenging consumption environment

Performance Highlights for the Quarter

1. Company posts 16% YoY growth with revenue at Rs. 4167 Cr. for the quarter driven by new businesses
 - a. Overall market remained subdued leading to modest growth for the traditional portfolio
2. Consolidated EBITDA for the quarter stood at Rs. 605 Cr.
 - a. EBITDA margin was 14.5% vs 13.0% LY led by festive shift and strong focus on profitability measures
 - i. Standalone EBITDA margin expanded 315 bps YoY to reach 17.4%
3. Brands continue to strategically expand in key markets while also improving the health of the network by closing non-performing stores
 - a. Overall network grew to 4753 stores including TCNS stores
 - i. Lifestyle Brands added net 36 stores
 - ii. Net addition of 7 stores for Pantaloons and 14 for Ethnic brands other than TCNS
4. New business segments are a pivotal growth driver for the company
 - a. Ethnic portfolio grew to 2.9 times of LY (43% YoY growth excluding TCNS)
 - b. Reebok revenue up three folds over LY
 - c. TMRW's portfolio surged to 3.7 times of LY
5. Brands significantly increased their brand investments this quarter with new, impactful marketing campaigns
 - a. Strong campaigns by the brands during the cricket World Cup
 - b. TASVA launched national multi-media campaign
 - c. Jaypore unveiled a new marketing campaign #ReclaimYourRoots

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 31st December 2023. These financials are post factoring necessary adjustments under Ind AS 116.



Financials – Q3

<i>Standalone In Rs. Cr.</i>	Q3 FY23	Q3 FY24	<i>Growth % (vs. LY)</i>	<i>Consolidated In Rs. Cr.</i>	Q3 FY23	Q3 FY24	<i>Growth % (vs. LY)</i>
Revenue	3359	3516	5%	Revenue	3589	4167	16%
EBITDA	478	611	28%	EBITDA	467	605	29%
PAT	57	45		PAT	11	-108	

Financials – YTD Q3

<i>Standalone In Rs. Cr.</i>	YTD Q3 FY23	YTD Q3 FY24	<i>Growth % (vs. LY)</i>	<i>Consolidated In Rs. Cr.</i>	YTD Q3 FY23	YTD Q3 FY24	<i>Growth % (vs. LY)</i>
Revenue	9086	9499	5%	Revenue	9538	10589	11%
EBITDA	1447	1460	1%	EBITDA	1385	1326	-4%
PAT	261	-78		PAT	135	-470	

Our strategic portfolio, built over the last few years, has continued to play a vital role in driving growth for the company, despite prolonged softness in the demand environment. Strategic cost control measures and improved gross margins across businesses have contributed to EBITDA margin expansion this quarter. Net profit for the quarter was impacted due to increased interest costs from higher borrowings.

- Lifestyle brands** – Sales stood at Rs. 1815 Cr., while EBITDA for Q3 was 349 Cr., a growth of 10% vs LY. EBITDA margin for the business expanded by ~230 bps YoY to reach 19.2%, led by better value realizations and focus on driving growth in high profitability channels. Brands maintained their leadership position in the market by consistently ranking among the top brands in all major department stores (DS). The expansion momentum for the brands continued despite tough market conditions, with a net addition of 36 stores to the network. Brands continued to craft compelling consumer-facing narratives for different occasions, driving brand salience and walk-ins into stores.
- Pantaloons** – The business recorded sales of Rs. 1297 Cr., up 12% over last year while EBITDA grew 40% to reach Rs. 235 Cr. led by sharp markdown reductions and effective cost control measures. EBITDA margin expanded by 360 bps YoY to reach 18.1%. LTL for the



business was 3% as it continued to focus on product enhancements and driving higher conversions. Pantaloons network grew to 446 stores this quarter as the business focused on overall improvement of the health of the network.

- **Youth Western wear segment** consists of American Eagle and Forever 21. American Eagle achieved a 34% YoY revenue growth led by strong distribution expansion and consumer engagement. Brand American Eagle added 10 stores to the network and is now available at 59 stores and 100+ DS doors. Forever 21, though, continued to face headwinds in a tough market while organically driving operational rigor.
- **Reebok** posted another quarter of 100+ Cr sales, driven by continued distribution expansion and improved store throughputs. The brand is now available at 160+ stores and ~850 point of sales across DS and Multi brand outlets (MBOs). Brand expanded its product portfolio by launching high performance footwear for cricket and badminton in Q3.
- **Super premium brands**, which include the multi-brand format "The Collective" and other super-premium brands, delivered consistent performance with a revenue growth of 16% YoY. E-com website thecollective.in witnessed 50% growth YoY, strengthening its leadership position in the segment.
- **Innerwear & athleisure segment** sales were impacted due to softness in the athleisure category, while the Innerwear category grew 5% YoY. The brand's inaugural celebrity campaign starring Hardik Pandya received over 250+ Mn views on digital platforms, resulting in heightened engagement and awareness. In Q3, the brand expanded its reach by adding over 700 MBOs, increasing its total presence to ~34300 trade outlets.
- **Ethnic businesses** grew 43% YoY this quarter (excluding TCNS), driven by network expansion and strong traction due to festive & wedding season across brands. Sabyasachi grew 43% YoY led by strong LTL growth on the back of strong appeal for jewellery. Brand recorded its highest ever quarterly sales of 150+ Cr. in Q3 as it continued to be the preferred brand amongst HNIs and celebrities. Men's premium ethnic wear brand TASVA witnessed strong interest during its first full festive season as the brand doubled its revenue over LY. Shantnu & Nikhil posted 30% growth YoY as its Pret label "S&N" grew 42% over LY led by 20% LTL growth. House of Masaba



recorded 16% revenue growth over LY, as the brand added 2 new stores to exit Q3 with 14 stores.

- TCNS revenue in Q3 stood at 91% of LY as the business passes through a period of weak consumption environment.
- **TMRW portfolio** grew to 3.7 times of LY as it continued to invest in brand building initiatives, launching new categories within brands and making business model enhancements.

OUTLOOK

ABFRL delivered another quarter of resilient performance, underlining strong operating fundamentals despite a challenging environment. ABFRL will continue to manage business dynamically, ensuring long-term growth and sustainability. We remain committed to delivering exceptional consumer value and experience, strategically expanding our reach, executing with excellence, and competitively investing in our brands and capabilities. Having solidified our presence across multiple categories, segments, channels, and price points, ABFRL is well placed to leverage the next wave of growth in the segment by unlocking its various growth platforms.

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 4,753 stores across approximately 37,106 multi-brand outlets with 9,781 point of sales in department stores across India (as on 31st December 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, Simon Carter, 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.

The Company in Sept 2023 completed the acquisition of 51% stake in TCNS Clothing Co. Ltd. TCNS is India's leading women's branded ethnic apparel company that designs, markets and retails portfolio of women's branded apparel across brands **W, Aurelia, Wishful, Elleven & Folksong**.

Disclaimer : *Certain statements in this "Press Release" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the Company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any statement, based on any subsequent development, information, or events, or otherwise. This "Press Release" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The financial figures in this "Press Release" have been rounded off to the nearest Rs. one Crore. The financial results are consolidated financials unless otherwise specified.*