

Aditya Birla Fashion and Retail posts 63% YoY EBITDA growth in Q4FY24; Revenue grew 18%

Performance Highlights for the Quarter

1. Company continues to evolve in line with its stated long-term strategy
 - a. 18% YoY growth with revenue at Rs. 3407 Cr for the quarter in a muted market marred by prolonged sluggish consumption in the discretionary space
 - b. On a full-year basis, consolidated revenue reaches Rs. 13996 Cr for FY24, growing 13% YoY
2. The established businesses continue to navigate market headwinds while maintaining a sharp focus on profitability enhancement
3. New businesses, incubated & integrated over the past few years, continue to fuel the company's growth in line with its portfolio diversification strategy
 - a. Ethnic businesses grew to 2.7 times of LY in Q4
 - i. 51% YoY growth excluding TCNS
 - b. Reebok revenue up 29% YoY
 - c. TMRW's portfolio grows to more than 2x of LY, both organically and inorganically
4. Consolidated EBITDA for the quarter stood at Rs. 377 Cr., up 63% YoY
 - a. Led by focused cost control initiatives
 - i. EBITDA Margin at 11.1% vs 8% LY for Q4, 300 bps expansion
 - b. Company EBITDA for FY24 stood at Rs. 1703 Cr., up 5% YoY
5. Brands rationalized distribution to improve overall health of the network
 - a. Total network at 4664 stores spanning 11.9 Mn sq.ft.
6. Company recently announced de-merger of Madura business into a separately listed entity named Aditya Birla Lifestyle Brands Limited (ABLBL), with a clear strategy to
 - a. Enable the creation of two independent growth engines with distinct capital structures and parallel value creation opportunities.
 - b. Allow the participation of the right set of investors and strategic partners, aligned with the appropriate risk profiles of the two companies and their differentiated business models.



7. Closed the quarter with net debt of Rs. 2862 Cr in line with the guidance given at the start of the year

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 31st Mar 2024. These financials are post factoring in necessary adjustments under Ind AS 116.

Financials – Q4

<i>Standalone In Rs. Cr.</i>	<i>Q4 FY23</i>	<i>Q4 FY24</i>	<i>Growth % (vs. LY)</i>	<i>Consolidated In Rs. Cr.</i>	<i>Q4 FY23</i>	<i>Q4 FY24</i>	<i>Growth % (vs. LY)</i>
Revenue	2651	2852	8%	Revenue	2880	3407	18%
EBITDA	258	410	59%	EBITDA	232	377	63%
PAT	-128	-99		PAT	-195	-266	

Financials – FY

<i>Standalone In Rs. Cr.</i>	<i>FY23</i>	<i>FY24</i>	<i>Growth % (vs. LY)</i>	<i>Consolidated In Rs. Cr.</i>	<i>FY23</i>	<i>FY24</i>	<i>Growth % (vs. LY)</i>
Revenue	11737	12351	5%	Revenue	12418	13996	13%
EBITDA	1705	1870	10%	EBITDA	1617	1703	5%
PAT	133	-178		PAT	-59	-736	

Growth this quarter was predominantly driven by new businesses within the portfolio. All businesses, with a clear focus on profitability enhancement, posted EBITDA margin expansion this quarter. Net profit for the quarter and the year was impacted by increased interest costs due to elevated borrowings compared to last year, primarily because of the TCNS acquisition.

Business performance

Proposed Aditya Birla Lifestyle Brands Limited (ABLBL):

- **Lifestyle brands** - Louis Phillippe, Van Heusen, Allen Solly, Peter England, Simon Carter
- **Youth Western Brands** - American Eagle & Forever 21
- **Sportswear** brand Reebok
- **Innerwear** business under Van Heusen



Lifestyle brands – In a sluggish market, lifestyle brands grew 2% YoY to reach Rs. 1564 Cr. EBITDA for the business stood at Rs. 305 Cr., growing 36% YoY on the back of gross margin improvement & tighter cost controls. EBITDA margin stood at 19.5%, which was up 480 bps vs last year. Each of the brands continue to build on their premiumization agenda, upgrading products, driving innovation and introducing new high-quality products & categories.

Youth Western wear segment consists of American Eagle and Forever 21. American Eagle delivered another quarter of strong performance as sales grew 27%, led by strong distribution expansion. The brand added 6 more stores this quarter to exit at 65 stores, along with being available across 120+ departmental doors.

Inner wear & athleisure segment posted flat revenue growth YoY in Q4, driven by a sustained decline in the athleisure segment. The innerwear category grew 12% this quarter. During the year, the business bolstered its reach by adding ~3000 MBOs to exit with ~35000 trade outlets.

Reebok grew 29% this quarter, with the brand profitably crossing Rs. 450 Cr in revenue within its first full year of operations with the Company. The brand continues to aggressively expand its distribution network and ended the year with a presence across 160+ stores and 900+ MBOs & departmental stores.

De-merged Aditya Birla Fashion & Retail Limited (ABFRL) –

- **Masstige & Value Retail** play under Pantaloons & Style Up
- **Ethnic Portfolio** - One of India's most comprehensive ethnic wear portfolio
- **Super Premium** – The Collective & Mono brands portfolio
- **TMRW** – Leading portfolio of digital first fashion brands

Pantaloons segment – The business posted quarterly sales of Rs. 895 Cr, representing a growth of 10% YoY. L2L growth for the quarter was 1%. With the changing market landscape over the last few years, the business decided to rationalise its store network to enhance long term strength of its distribution model. Private label (PL) sales were up 6% for FY24 with the mix expanding by 140bps, driven by improvement in design aesthetics of private label products along with expanding the portfolio with new labels & categories.

Ethnic business grew 51% YoY this quarter (excluding TCNS), driven by higher same store sales, network expansion and category extensions.

- **Designer wear brands** - Sabyasachi grew 56% YoY in Q4 led by the jewellery segment which was more than 2x of LY. The brand recorded 2nd consecutive quarter of 150 Cr+ sales. Shantnu & Nikhil posted 6% growth



YoY this quarter as its Pret label "S&N" grew 25% over LY. The brand continued to expand via franchisee partnerships as total network expanded to 21 stores. House of Masaba recorded 86% revenue growth over LY in Q4, as the beauty business grew to ~3.5x of LY. At the end of this fiscal, the brand is available across 15 stores.

- **Premium ethnic wear brands** – The men's premium ethnic wear brand TASVA doubled its revenue over LY in FY24 by leveraging the learnings from the last one year to refine its growth strategy. The brand is universally loved by its consumers for the elevated proposition of its products and superior service experience. Jaypore grew 18% YoY this quarter as the brand expanded its network to 25 stores. TCNS revenue in Q4 stood at 79% of last year due to rationalization of its distribution, with a clear focus on growing in profitable channels only. The brand also operated in a weak demand environment for the category but remained steadfast in its business transformation agenda, aimed at recovering fully over the course of next few quarters.

Super premium brands, comprising the multi-brand format "The Collective" and other super-premium brands, delivered a solid performance in Q4 with YoY revenue growth of 16%. E-com channel for the business surpassed Rs. 100 Cr. this fiscal year, continuing its strong organic growth. The total network, including Mono brands, spans 39 stores at the end of this fiscal.

TMRW portfolio grew to 2.1 times of LY in Q4 as it integrated the newly acquired brand, The India Garage Company. The organic growth was driven by continuing investment in brand building initiatives, expanding product portfolio and launching new categories.

OUTLOOK

With consumption remaining sluggish over the past 6-8 quarters, the company has sustained its focus on its long-term strategy to build strong & timeless brands for its consumers, while operating with flexibility and agility. The apparel market remains one of the most significant segments in the discretionary consumer space, where the organized part of the market is set to grow at a double digit CAGR over the next few years. ABFRL's long term strategy is aimed at building a sizeable business within this space with a brand-led strategy, leveraging its strong repertoire of well-known brands to secure a competitive advantage.

The strategic de-merger of ABFRL is paving the way for the creation of two separate growth engines, each with a clear capital allocation strategy and unique path for value creation. Both entities will focus on specific growth areas aligned with their business models to maximize shareholder returns.



About Aditya Birla Fashion and Retail Limited

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 13,996 Cr. spanning retail space of 11.9 million sq. ft. (as on March 31, 2024), 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 4,664 stores across approximately 37,205 multi-brand outlets with 9,563 point of sales in department stores across India (as on 31st March 2024).

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, Simon Carter 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.

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.*