



Braced the 2nd wave impact with resilience; swifter recovery over first wave; 150% revenue growth YOY

Performance Highlights

1. Q1 Sales recovery impacted by unprecedented disruption on account of localized lockdowns caused by fresh waves of COVID infection.
 - a. Q1 consolidated revenue reported at Rs. 812 Cr., 150% higher than last year (LY at Rs. 323 Cr.) at the back of higher number of operational days and continued aggression on e-commerce. In terms of recovery, this amounted to ~40% of pre COVID base of Q1 FY20
 - b. Both Lifestyle and Pantaloons revenues more than doubled over LY.
 - c. Other businesses, including Active Athleisure Innerwear, Youth Western Fashion and Super Premium brands, continued to outperform themselves with excellent traction on online channels.
 - d. Ethnic wear portfolio continues to build on all its constituent brands; new store and category launches buoyed growth.
 - e. Small-town formats continue to show promising results
2. Company recorded consolidated EBITDA of Rs. (145) Cr.
 - a. EBITDA loss has been largely due to lesser fixed cost rebates, rise in variable costs in line with sales and normalization of employee benefit expenses.
3. E-commerce sales continued to grow rapidly
 - a. Both own brand websites and 3rd party marketplaces performed well.
 - b. Strengthened Omni-channel coverage across businesses, with 1,300+ omni-enabled stores across the network
4. Quickly controlled costs in line with the sudden impact of COVID on sales; cut rental costs and discretionary expenses.
 - a. Rent reduction in Q1FY22 is Rs. 75 Cr. Vs. 159 Cr. in LY (Lower by Rs. 84 Cr.). Efforts continue to get more rebates.
 - b. On run rate basis, as compared to Q4 FY21, the rental expenses were lower by Rs. 92 Cr.
 - c. Other expenses, being partially variable, are higher in line with sales

Financial Performance

The Board of Directors of the Company, at its meeting today, approved the results for the quarter ended 30th June 2021. These financials are post factoring in necessary adjustments under Ind AS 116.

Consolidated Financials

<i>In Rs. Cr.</i>	Q1 FY 21	Q1 FY 22
Revenue	323	812
EBITDA	-182	-145
PAT	-410	-352

The quarter began with a debilitating impact from the 2nd wave, which led to stringent shutdowns— spanning from localized lockdowns initially to more widespread restrictions towards the middle of the quarter. The company took cognizance of the situation and immediately took actions to ensure safety of employees as well as consumers, with even better preparation this time. The retail channel operations were initially severely impacted due to lockdown restrictions but slowly started coming back as the national infection caseload came down. During this period, alternate channels of sales like e-commerce and omni-channel retail performed very well.

As stores opened by the end of the quarter, footfalls came back much stronger viz a viz what was witnessed post the first wave last year. Businesses also took this opportunity to enhance their pivot towards more relevant product categories, such as Casual wear and loungewear. Building upon the momentum generated last year, businesses also rolled out pilots on newer categories and segments.

Each of our business segments posted an encouraging performance.

- **Lifestyle brands** continued on a growth trajectory with sales ~2.3x over LY at Rs. 435 Cr. (Vs. Rs. 190 Cr. LY). For its retail channel, the business grew 170% over LY with retail LTL at a strong 187%. The business continued to perform exceptionally in e-commerce with revenues growing 3 times over last year. The business not only grew on partnered e-commerce but also on its own brand.com; which grew by an impressive three fold bolstered by a much stronger Omni-channel play. The business continued with its execution of small-town expansion strategy, with PE Red crossing its 350th store and AS Prime completing a successful pilot, before going ahead with the next phase of aggressive growth.
- **Pantaloons** recorded an exceptional retail L2L of 156%, with sales at 2.7 times of LY at Rs. 220 Cr. (vs. Rs. 82 Cr. LY). E-commerce sales grew ~3 times, with pantaloons.com sales growing 185% over LY. Daily traffic on [pantaloons.com](https://www.pantaloons.com) doubled on the backdrop of special

merchandise lines for digital consumers. Partnered e-commerce business grew to 3 times of LY, aided by joint marketing interventions with ecommerce partners.

- Other businesses –
 - **Active Athleisure Innerwear** segment reported a revenue jump of ~2x over LY. While the men's segment continued to do well, the women category also established itself as a strong growth pillar. The ecommerce business grew three-fold.
 - **Youth Western Wear** segment, comprising Forever 21 and American Eagle, saw a strong YoY sales growth of ~4x. Both the brands did exceedingly well over e-commerce.
 - **Super Premium brands** portfolio continue to display exceptional resilience as the business grew 5 times over LY. Collective.in has become India's premier luxury portal, with business growing 5 fold YoY.
 - Our **Ethnic businesses** performed well, with growth coming from both network expansion and category extensions. New men's ethnic brand will be launched by this festive season.

OUTLOOK

The company prioritized safety of its employees and consumers as the second wave hit the country. In parallel, consistent focused efforts were made towards product innovation and accelerated digitization, enabling us to evolve in line with change in consumer needs and shopping behavior. As vaccination progresses rapidly across the country, the Company expects a consumption rebound, leading to strong recovery of our business at the back of a digitally enhanced play and a comprehensive portfolio of brands.

About Aditya Birla Fashion and Retail Limited

ABFRL is part of a leading Indian conglomerate, The Aditya Birla Group. With revenue of Rs. 5,249 cr. spanning retail space of 8.4 million sq. ft. (as on March 31, 2021), 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 3,216 stores across approximately 26,000+ multi-brand outlets with 6,800+ point of sales in department stores across India (as on June 30, 2021).

It has a repertoire of leading brands such as **Louis Philippe, Van Heusen, Allen Solly** and **Peter England** established for over 25 years. **Pantaloons** is one of India's largest fast fashion store brand.

The Company holds exclusive online and offline rights to the India network of California-based fast fashion brand **Forever 21**. The International Brands portfolio includes - **The Collective**, India's largest multi-brand retailer of international brands, **Simon Carter** and select mono-brands such as **American Eagle, Ralph Lauren, Hackett London, Ted Baker** and **Fred Perry**.

Van Heusen Innerwear, Athleisure and Active wear is establishing itself as India's most innovative and fashionable brand. The Company's foray into branded ethnic wear business includes **Jaypore** and strategic partnerships with Designers '**Shantanu & Nikhil**', '**Tarun Tahiliani**' and '**Sabyasachi**'.

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