

ADITYA BIRLA



FASHION & RETAIL

# Performance Highlights

## Q3





# Distribution Network

Distribution Network

Market Update

Q3 Highlights

Performance of Key Portfolios

Way Forward

Company Financials

# India's widest distribution network



**8.2** Q3 FY21

**Footprint**  
(million sq. ft.)

**8.1** Q3 FY20

**2,813** Brand Stores

**344** Pantaloons Stores

**29,900** Multi-brand Outlets

**6,835** SIS across Dept stores



# Market Update

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# Market Update



## Omni-channel & e-commerce

E-commerce continues to post strong growth,

Brick & mortar betting big on omni-channel

New digital-led sales channels emerging



## Value Fashion

Value fashion players continue to expand Tier 2 and Tier 3 markets rebounding fast

Supported by partial down trading, growth of essentials



## Merchandise shifts

Significant shift towards casual and unstructured clothing;

Sportswear, activewear, and loungewear are emerging as the new winners



## Rebound of footfalls

Sharp surge in Consumer footfalls in light of strong festive and wedding season

Recovery in high street stores significantly better than Malls



# Q3 Highlights

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# Q3: Remarkable recovery on all key dimensions



## Strong Business Rebound

- Entire network operational, running on highest degree of safety and hygiene protocols
- Network expansion initiated - New store additions ramping up, Tier 2/3 towns being key focus
- Product Innovation and category extensions continues
- Digitization across front and back end continues aggressively



## Deep Cost Reduction

- Cost rationalization Initiatives on track
- Achieved cost savings of Rs. 455 Cr. in Q1 and Rs. 417 Cr. in Q2 and Rs. 157 Cr. in Q3
- YTD Dec cost savings of ~ Rs 1029 Cr on Q4 FY 20 base



## Strengthening balance sheet

- Strategic Fund raise from Flipkart group completed; Rs. 1500 Cr. received
- Completion of Capital call of Rs. 750 Cr. of Rs. 1000 Cr. Rights Issue
- Rs 600 Cr released from operations in Q3

The image features a dark background with several ornate lanterns. One large lantern in the center is lit, casting a warm glow. To its left, another lantern is visible, also lit. The background is filled with soft, out-of-focus bokeh lights in various colors, including yellow, orange, and green. The overall mood is festive and warm.

# Q3 Highlights

## Robust Festive Performance

Strong recovery at the back up revived footfalls and uptick in consumer spends ~ 80%

## E-commerce Growth

Rapid digitization, ecosystem collaborations and disproportionate consumer shift towards digital

## Reinvigorated Expansion

Aggressive store additions ,with an aim to penetrate deeper into Tier 2/3 towns and new markets

## Significant Paring of Debt

Working capital release and receipt of Rights and Preferential Issue proceeds

## Enhance Ethnic Play

Signed agreement to acquire 51% in India's largest designer led brand Sabyasachi



# ABFRL | Q3 Highlights

<i>In Rs. Cr.</i>	Q1 FY21	Q2 FY21	Q3 FY21	Q3 FY20
Revenue	323	1028	2076	2583
Growth% (QoQ)		218%	102%	
Growth% (YoY)	-84%	-55%	-20%	
EBITDA	-182	136	422	423
EBITDA Margin	-56.3%	13.2%	20.3%	16.4%
EBIT	-419	-106	190	198
PAT	-410	-188	58	-38

**Strong sales recovery led by good festive period and product innovation**

Q3 FY20 PAT is after one time write off of deferred tax asset of Rs. 106 Cr.

# ABFRL | YTD Q3 Highlights

<i>In Rs. Cr.</i>	YTD Q3 FY20	YTD Q3 FY21
Revenue	6956	3427
EBITDA	1110	375
EBITDA Margin	16.0%	10.9%
EBIT	458	-334
PAT	-18	-540

YTD Q3 FY20 PAT is after one time write off of deferred tax asset of Rs 130 Cr

# Continued Cost Reduction trajectory

<i>In Rs. Cr.</i>	Q4 FY20	Q3 FY21	Change over Q4 FY20	Q3 FY20	Change over Q3 FY20
Revenue from Operations	1832	2076	13%	2583	-20%
Other Income	17	57		15	
<b>Total Income</b>	<b>1849</b>	<b>2133</b>	<b>15%</b>	<b>2597</b>	<b>-18%</b>
COGS	892	989	11%	1237	-20%
Employee Benefits Expense	283	211	-25%	284	-26%
Rent Expense	106	153	45%	157	-2%
Other Expenses	401	359	-10%	497	-28%
<b>Total Fixed Expenses</b>	<b>790</b>	<b>723</b>	<b>-8%</b>	<b>938</b>	<b>-23%</b>
<b>EBITDA</b>	<b>167</b>	<b>422</b>		<b>423</b>	

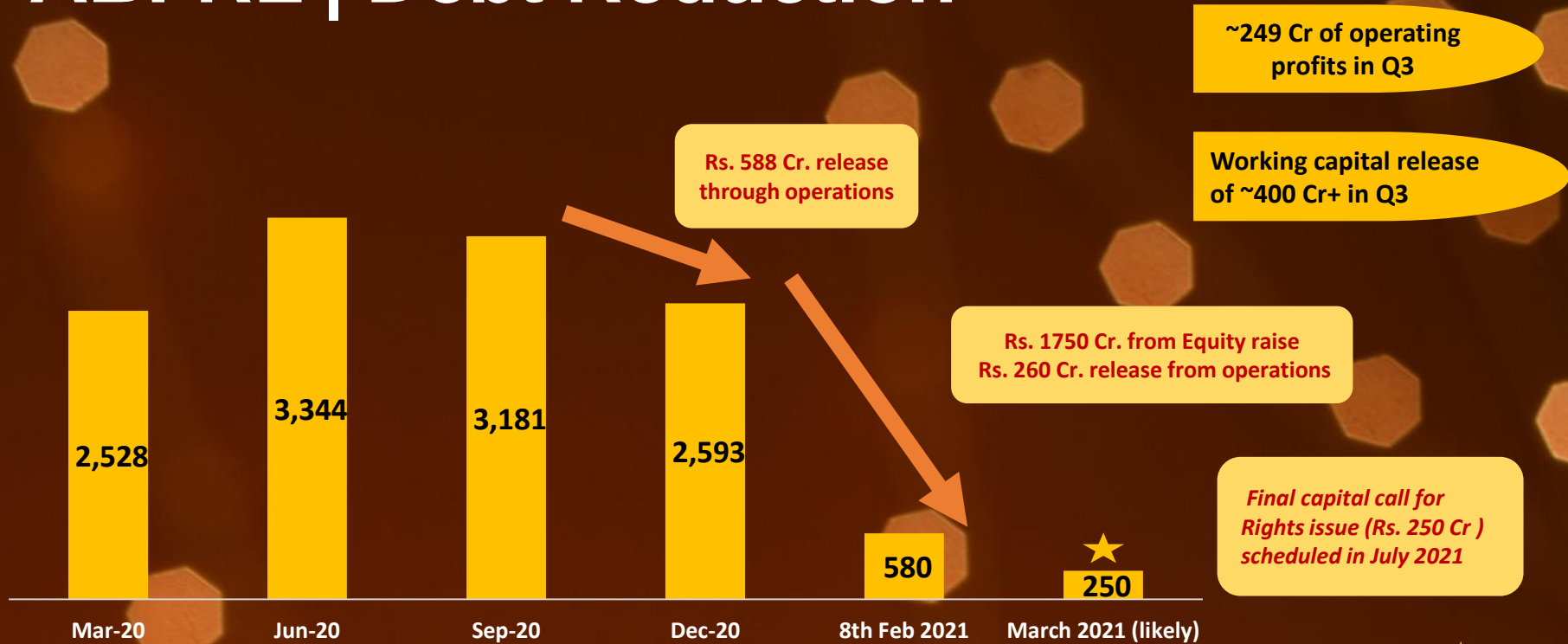
## Cost reduction Q3 FY21 vs Q4 FY20:

- Other Income includes fixed Rent reduction – Rs. 43 Cr.
- Other expenses - Rs. 42 Cr.
- Employee expenses – Rs. 72 Cr.

Total Cost Saving in Q3 – Rs. 157 Cr.  
 Total Cost Saving in Q2 – Rs. 417 Cr.  
 Total Cost Saving in Q1 – Rs. 455 Cr.

**Saved fixed costs of Rs. 1029 Cr from peak cost base (Q4 FY20)**

# ABFRL | Debt Reduction



★ The closing debt does not include the capital outlay towards acquisition of 51% in Sabyasachi Brand

# Key segments | Q3 Highlights

<b>Consolidated Financials</b> (In Rs. Cr.)	<b>NSV</b>			<b>EBITDA</b>		<b>EBITDA %</b>	
	Q3 FY20	Q3 FY21	Growth	Q3 FY20	Q3 FY21	Q3 FY20	Q3 FY21
<b>Madura</b>							
Lifestyle Brands	1295	1026	-21%	224	192	17.3%	18.7%
Other Businesses	237	220	-7%	-1	25	-0.3%	11.2%
<b>Madura Segment</b>	<b>1532</b>	<b>1246</b>	<b>-19%</b>	<b>223</b>	<b>217</b>	<b>14.6%</b>	<b>17.4%</b>
<b>Pantaloons Segment</b>	<b>1083</b>	<b>811</b>	<b>-25%</b>	<b>197</b>	<b>190</b>	<b>18.2%</b>	<b>23.4%</b>
Elimination	-52	2		3	19		
<b>ABFRL</b>	<b>2562</b>	<b>2059</b>	<b>-20%</b>	<b>424</b>	<b>425</b>	<b>16.5%</b>	<b>20.7%</b>
Ethnic Subsidiaries	20	17	-15%	-1	-3	-2.9%	-20.0%
<b>ABFRL Consolidated</b>	<b>2583</b>	<b>2076</b>	<b>-20%</b>	<b>423</b>	<b>422</b>	<b>16.4%</b>	<b>20.3%</b>

**Highest ever standalone quarterly EBITDA**

# Key segments | YTD Q3 Highlights

<b>Consolidated Financials</b> <i>(In Rs. Cr.)</i>	<b>NSV</b>			<b>EBITDA</b>		<b>EBITDA %</b>	
	YTD Q3 FY20	YTD Q3 FY21	Growth	YTD Q3 FY20	YTD Q3 FY21	YTD Q3 FY20	YTD Q3 FY21
<b>Madura</b>							
Lifestyle Brands	3554	1746	-51%	632	163	17.8%	9.4%
Other Businesses	651	442	-32%	-7	14	-1.1%	3.1%
<b>Madura Segment</b>	<b>4205</b>	<b>2188</b>	<b>-48%</b>	<b>625</b>	<b>178</b>	<b>14.9%</b>	<b>8.1%</b>
<b>Pantaloons Segment</b>	<b>2888</b>	<b>1262</b>	<b>-56%</b>	<b>507</b>	<b>189</b>	<b>17.6%</b>	<b>15.0%</b>
Elimination	-167	-53		-14	24		
<b>ABFRL</b>	<b>6925</b>	<b>3398</b>	<b>-51%</b>	<b>1118</b>	<b>390</b>	<b>16.1%</b>	<b>11.5%</b>
Ethnic Subsidiaries	31	30	-3%	-7	-15	-22.8%	
<b>ABFRL Consolidated</b>	<b>6956</b>	<b>3427</b>	<b>-51%</b>	<b>1110</b>	<b>375</b>	<b>16.0%</b>	<b>10.9%</b>



# Performance of Key Portfolios

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## Lifestyle

Robust growth driven by product innovation; aggressive network expansion kick started



## Pantaloons

Outstanding festive performance; highest ever EBITDA margin in the history



## Other Businesses

Exceptional resilience of the portfolio, strong profitable growth posted



## Ethnic

New store launches in acquired businesses, portfolio expanded through new acquisition





performance of  
key portfolios

# LIFESTYLE BRANDS

  
LOUIS PHILIPPE

  
PETER ENGLAND

 VAN HEUSEN  
POWER DRESSING

 Allen Solly™

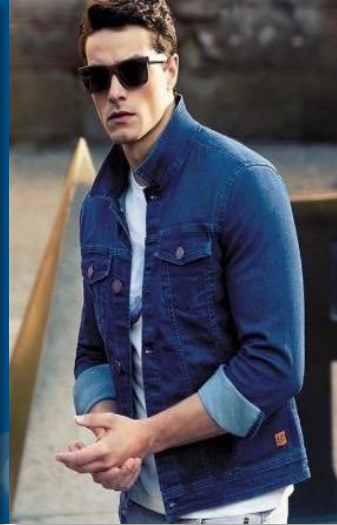
# The House of LOUIS PHILIPPE



FORMALS



SPORT

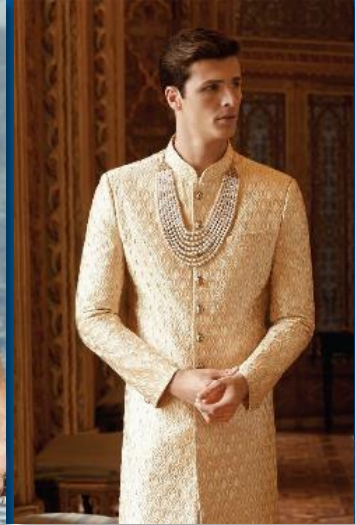


JEANS



ATH.WORK | PLAY

ATH.WORK®



ETHNIC



Portfolio of iconic brands evolving with changing consumers

- Excellent Festive performance led to ~ 80% recovery vs LY
- **EBITDA margin expanded by 140 bps over LY**

<i>Channel-wise Revenue (in Rs. crore)</i>	Q3 FY20	Q3 FY21	Growth %
Wholesale	394	144	-63%
Retail	642	591	-8%
Others	259	291	12%

- **Retail channel achieving 92% of LY sales – industry leading performance**
  - testimony to the diversity and relevance of our product portfolio
- In Q3, Primary sales to Wholesale channel down by 63%, though secondary sales back to 70-80%
  - Primary sales to bounce back strongly in Q4 FY21

# Expansion agenda back on track.....

- Aggressive expansion into newer markets – over indexing on smaller towns
  - Opened 229 new stores YTD Q3
  - PE Red crosses 300+ store milestone
  - With the success of PE Red, Successfully piloted Allen Solly Prime across select markets

## Retail Network

	Q3 FY20	Q3 FY21
<b>Area</b> (,000 sq.ft.)	2739	2949
<b>Stores</b>	2187	2341

## Loyalty Base (lakh)



**52%**  
of revenues  
from loyal  
customers

Note: Wholesale includes MBO, DS and Buy and Sell EBOs. Others includes ecommerce, value stores, manufacturing and exports



performance of  
key portfolios

pantaloon's

# Highest ever quarterly EBITDA margin

## PANTALOONS

- Business recovered to 75% at the back of strong festive
- LTL for the business was -27%
- Differential performance across markets/micro markets
  - Mall business down 30%; high street lower by 18%
  - Metro & Tier 1 markets behind smaller towns in terms of recovery
- Strong profitability improvement driven by
  - Superior inventory management and lower discounting led to better Gross margin vs Last year
  - Better overall cost management led to highest ever EBITDA margin of 23%+

# PANTALOONS

- Ramped up store addition plans, Added 7 stores this quarter and more in pipeline for Q4
- Ecommerce/Omni continues to grow by leaps
  - Total ecom grows 2.3 x
  - Pantaloons.com grew 50%+
  - launched omni across with ecom partners across 15% of network
  - PT.com omni rolled out across 60% of the stores
    - Channel operating at 97%+ order fulfillment rates
- New channels of sales continue to grow

## Retail Network

	Q3 FY20	Q3 FY21
<b>Area</b> (,000 sq.ft.)	<b>4363</b>	<b>4366</b>
<b>Stores</b>	<b>343</b>	<b>344</b>

Diversifying  
Portfolio with  
Private Labels in  
Bags, Sarees,  
Home and  
Accessories





# Pantaloons New Store Identity



# Intensified marketing to capitalize strong festive opportunity

TYOHAAR HOGA SHURU, JAB HUM KARENGE SHURUAAT.

DIWALI WITH

pantaloons

STYLE YOUR CHANGE

SBI card 7.5% CASHBACK WITH SBI CREDIT CARD

EXCITING OFFERS IN-STORE

SHOP ONLINE AT [www.pantaloons.com](http://www.pantaloons.com)

This advertisement features three women in elegant, festive attire. One woman is wearing a red dress, another a blue and black ensemble with a shawl, and the third a red dress. They are standing in a well-lit, modern interior. The background includes a staircase and decorative elements. The overall aesthetic is clean and contemporary.

TYOHAAR HOGA SHURU, JAB HUM KARENGE SHURUAAT.

DIWALI WITH

pantaloons

STYLE YOUR CHANGE

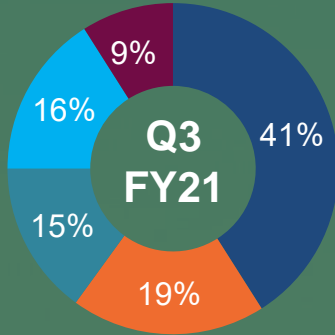
SBI card 7.5% CASHBACK WITH SBI CREDIT CARD

EXCITING OFFERS IN-STORE

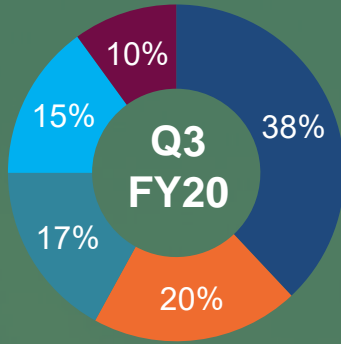
SHOP ONLINE AT [www.pantaloons.com](http://www.pantaloons.com)

This advertisement shows a group of four people (two men and two women) in festive attire, celebrating. One man is holding a blue gift box. They are in a similar modern interior setting as the first ad. The lighting is warm and festive, with decorative elements like flowers and lights.

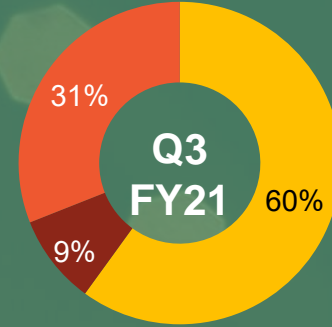
## Category Mix



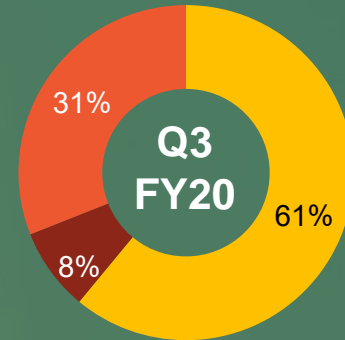
- Men
- Women's Western
- Women's Ethnic
- Kids
- Non Apps



## Ownership Mix



- Own Brands
- MFL
- Others



*Private label share marginally lower as business relied on external brands for winter wear*



performance of  
key portfolios

# OTHER BUSINESS SEGMENTS

Youth Fashion

Innerwear/ Athleisure

Global Brands

Ethnic

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# YOUTH FASHION

Delivers profits this quarter

**FOREVER 21**

**FOREVER 21**

- Sharp recovery of 80% YOY
- Forever21.in business on consistent growth path, Delivered 3x sales YOY

**AMERICAN EAGLE**

**AMERICAN EAGLE**

- American Eagle grew 42% over last year, backed by strong penetration of denim category
- Ecommerce grew 170%; Multiple marketplace engagements drove digital visibility many folds

Van Heusen Innerwear  
& Athleisure | Menswear  
A formidable range



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Van Heusen Innerwear & Athleisure | Womenswear  
Continue building a product range that wins with consumers





# INNERWEAR & ATHLEISURE

Business grew 24% YOY

- Aggressive expansion continues – Available across ~20000 outlets
- Athleisure and WFH categories enjoy strong Consumer traction
- Ecommerce continues with its momentum, grew 270%+ over last year
  - Focused campaigns on product innovations, brand imagery, seasonal themes such as Thermals & Pre-Winter wear continued



THE COLLECTIVE

TED BAKER  
LONDON

HACKETT  
LONDON

SIMON CARTER  
EST. 1985

RALPH LAUREN

FRED PERRY

# Global Brands

## Extraordinary resilience

- Business continues to beat pandemic blues
  - Delivered 20% Growth yoy
  - Turnaround performance with strong profitability
- Ecommerce and Omni channel continue to scale up well
  - Own ecommerce site of thecollective.in business grew **500%**

JAYPORE



SHANTANU & NIKHIL

SABYASACHI  
CALCUTTA



JAYPORE

# Ethnic Portfolio

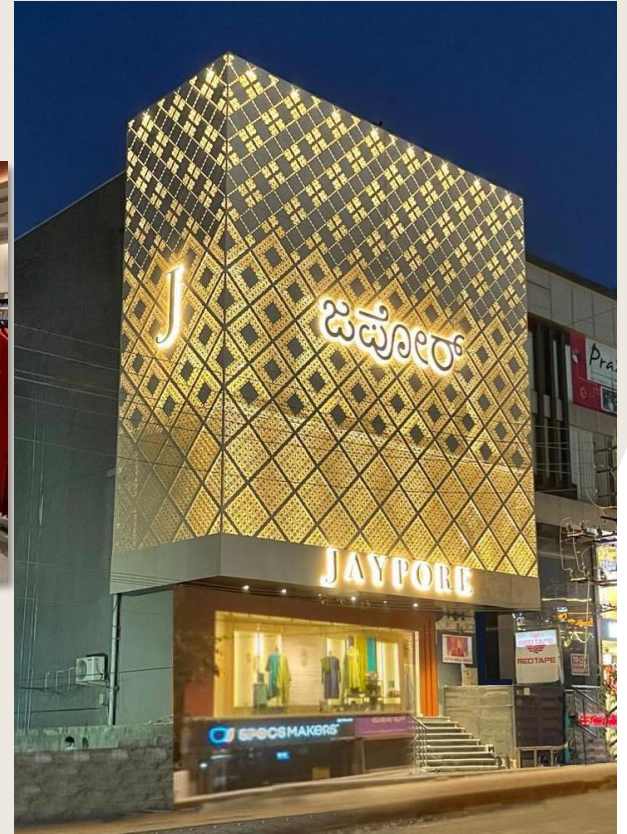
- Jaypore grew 15% backed by
  - Strong online sales
  - Growth in Home category
- Opened its first store post acquisition



SHANTANU & NIKHIL

- Opened 3 EBOs in bridge-to-luxury celebration wear brand
- Launched brand commerce sites
- Moved to a state-of-the-art new factory and design studio

# New Store Launches | Jaypore



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# New Store Launches | S&N



SHANTANU & NIKHIL



# Partnership with Iconic Global Luxury Brand from India

Undisputed leader  
in bridal and ethnic  
wear in the country  
for over 2 decades



Extends its artistry  
and quality into a  
**holistic store  
experience** and  
bespoke consumer  
engagement  
approach



Nurtures **India's  
Heritage** of  
textiles, fabrics &  
artisanal  
workmanship



India's  
**biggest global fashion ambassador**  
through powerful collaborations |

# Highly aspirational brand; Impressive Business



India's largest luxury designer house with revenue ~ **INR 274 Cr.**

~4x sales of the next competitor

Partner of 1<sup>st</sup> choice for global iconic brands for collaborations across categories

Presence in key locations across India and globally

and key Indian cities

Best in class EBITDA exceeding 20%

Consistent sequential growth in margins

**Numero Uno** of Indian bridal market  
Adorned by global and domestic icons

Only Indian luxury house to successfully leverage brand equity into new verticals – jewellery and accessories  
In the top 10 jewellers in the country within 2 years of foray



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# Sustainability @ ABFRL : Global & National Recognition

## S&P Global Corporate Sustainability Assessment -2020

Asia's most sustainable company in textiles, apparels and luxury goods industry\*

- Global 8th rank in sector
- First rank in Asia Pacific region
- First Rank in Emerging Markets

Note\* :The SAM CSA methodology is used among others , to select companies for the Dow Jones Sustainability Indices (DJSI)



Among the *most sustainable companies in India* for sustainability assessment in joint research of Business World India and Sustain Lab Paris.







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# Financials

<i>ABFRL - Consolidated</i>	<i>In Rs. Cr.</i>	Q3 FY20	Q3 FY21	YTD Q3 FY20	YTD Q3 FY21
<b>Revenue from Operations</b>		<b>2583</b>	<b>2076</b>	<b>6956</b>	<b>3427</b>
Other Income		15	57	49	379
<b>Total Income</b>		<b>2597</b>	<b>2133</b>	<b>7005</b>	<b>3806</b>
<b>EXPENSES</b>					
Cost of Materials Consumed		171	115	563	257
Purchases of Stock-in-Trade		921	524	2994	893
Changes in Inventories		144	350	-225	568
Employee Benefits Expense		284	211	797	635
Finance Costs		105	111	305	382
Depreciation & Amortisation		225	231	652	709
Rent Expense		157	153	381	247
Other Expenses		497	359	1384	831
<b>Total Expenses</b>		<b>2505</b>	<b>2053</b>	<b>6852</b>	<b>4522</b>
Profit before Tax		92	80	153	-716
Tax Expenses		130	21	171	-176
<b>Net Profit after Tax</b>		<b>-38</b>	<b>58</b>	<b>-18</b>	<b>-540</b>

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