

25<sup>th</sup> January, 2023

To,  
**BSE Limited**  
Listing Dept. / Dept. of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Security Code: 500101**  
**Security ID: ARVIND**

To,  
**National Stock Exchange of India Limited**  
Listing Dept., Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G. Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

**Symbol: ARVIND**

Dear Sir/Madam,

**Sub: Investor Presentation on unaudited financial results for the quarter and nine months ended on 31<sup>st</sup> December, 2022.**

**Ref.: Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Investor Presentation issued by the Company in respect of unaudited financial results for the quarter and nine months ended on 31<sup>st</sup> December, 2022.

You are requested to take the same on records.

Thanking you

**Yours faithfully,**  
**For Arvind Limited**

**R.V. Bhimani**  
**Company Secretary**

Encl.: As above

**Arvind Limited Q3 FY23 results**  
*Investor Review Note*

25<sup>th</sup> January 2023

## Safe harbour statement

Certain statements contained in this document may be statements of future expectations and other forward looking statements that are based on management's current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. None of Arvind Limited or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document. This document does not constitute an offer or invitation to purchase or subscribe for any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

# Q3 FY23 highlights | good performance given market conditions

₹ crs      YoY      Sequential

Revenues		
<b>1980</b>	<b>-13%</b>	<b>-9%</b>

EBITDA (Without other Income)		
<b>186</b>	<b>-23%</b>	<b>-8%</b>

PAT (Before exceptional items)		
<b>75</b>	<b>97</b>	<b>84</b>

Closing Net Debt		
<b>1504</b>	<b>1719</b> (30 <sup>th</sup> Sept 2022)	<b>1682</b> (31 <sup>st</sup> Mar 2022)

- Topline grew for Woven and AMD, degrew for Denim and others
  - Woven volumes remained strong
  - Denim volumes saw decline and garment volumes were under pressure
  - AMD grew 26%
- Consolidated operating EBIDTA margins were slightly lower for Q3, but almost flat on 9M basis
  - Textile margins were lower by 90bps because of lower volumes
  - AMD margin improved to 13.8% as against 13.0% in Q3 FY22
- Overall debt reduced by ₹215 Cr during the quarter
  - LT debt saw net reduction of ₹135 cr and stood at ₹739 cr at the quarter close

**Notes:**

- All numbers excludes Discontinued Internet business which was sold during Q2FY23

# Q3 FY23 Consolidated P&L | healthy PAT on 9mo basis

<i>All figures in INR Crs</i>			YoY			YoY
	Q3 FY23	Q3 FY22	Change	9M FY23	9M FY22	Change
Revenue from Operations	1,980	2,270	-13%	6,502	5,813	12%
EBIDTA (Continuing Operations)	186	241	-23%	608	552	10%
EBIDTA %	9.4%	10.6%		9.4%	9.5%	
Other Income	12	13		32	40	
Interest	43	41		126	136	
Cash Accruals (Continuing Operations)	155	214	-27%	514	473	9%
Depreciation	63	65		187	192	
<b>PBT</b>	<b>92</b>	<b>149</b>		<b>327</b>	<b>281</b>	
<b>PAT</b>	<b>75</b>	<b>97</b>		<b>265</b>	<b>171</b>	
Exceptional Item	9	0		50	2	
Profit from Discontinuing Operations	0	-4		-7	-14	
<b>Net Profit</b>	<b>84</b>	<b>93</b>		<b>308</b>	<b>159</b>	

Notes:

- Q3 FY23 includes following one-time impacts
  - EBIDTA – INR 14.5 Cr of GST Cess write off and Electoral bonds
  - Interest – INR 2.6 Cr of write off/repayment of TUF interest subsidy
  - Tax – INR 14 Cr of tax credit on account of tax loss received for sale of shares of subsidiary in earlier years
  - Exceptional Item- Tax gain due to reduction in tax provision on sale of Arvind Internet Subsidiary
- Discontinuing business includes Arvind Internet business

# AMD delivered robust growth and improved margins; Textiles challenged by lower volumes in Denim and Garments

₹ Cr	Q3 FY23				Q3 FY22			
Business	Revenue	EBIDTA	EBIDTA %	ROCE %	Revenue	EBIDTA	EBIDTA %	ROCE %
<b>Textiles</b>	<b>1549</b>	<b>161</b>	<b>10.4%</b>	<b>14.6%</b>	<b>1917</b>	<b>217</b>	<b>11.3%</b>	<b>22.8%</b>
Advanced Material	337	46	13.7%	26.4%	267	35	13.0%	21.2%
Others & Inter Segment	94	-9			86	3		
<b>Total</b>	<b>1980</b>	<b>198</b>	<b>10.0%</b>	<b>11.2%</b>	<b>2270</b>	<b>254</b>	<b>11.2%</b>	<b>15.5%</b>

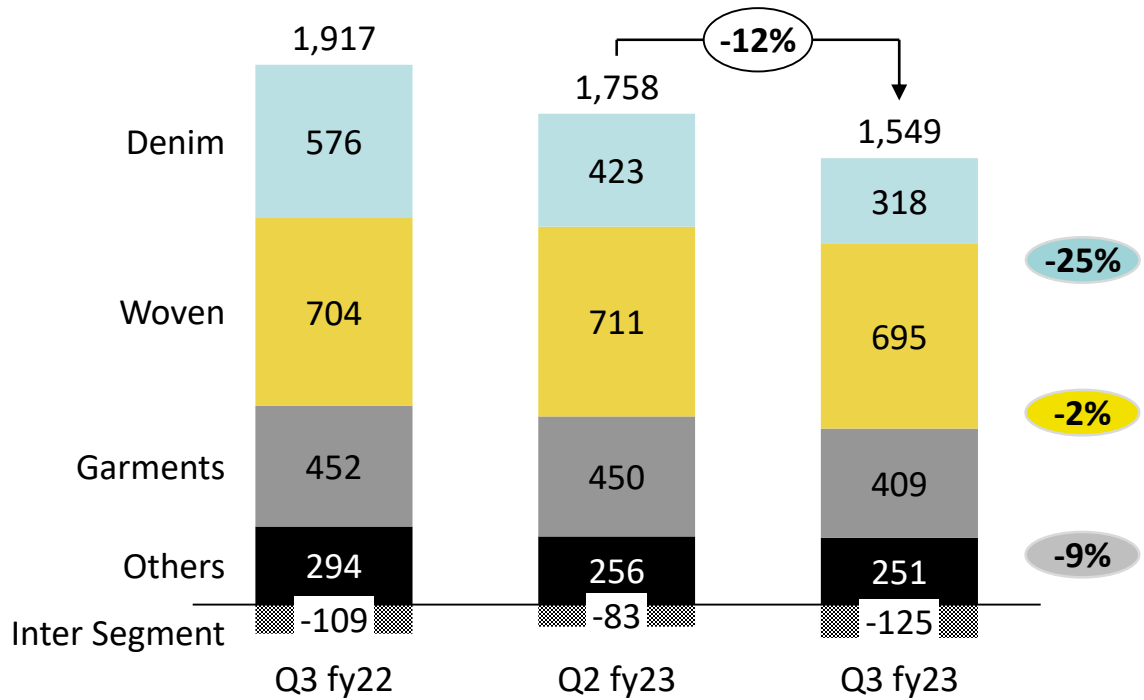
- Modest revenue growth
  - Woven volumes and revenues remained steady, denim continues to be challenged by lower demand and over-supply
  - Realizations across Textile businesses improved to offset the input cost increases
  - AMD delivered 26% growth
- Textile margins lower given higher denominator and impact of lower Denim and Garment volumes
- AMD margins improved as input cost overhang starts to ease and businesses continue to scale-up
- As explained, others include INR 14.5 cr of one time impact due to GST cess write off and Electoral bond.

Notes:

- Segment EBITDA includes Other Income
- Excluding discontinuing operations

# Lower volumes drove down revenues in Denim and Garments, Wovens revenues remained steady

Textile revenues (₹ Crs)



### Denim

- Quarterly volumes appear to be stabilizing around 11-12M m
- Realization started trending down in tandem with cotton prices and contributed to the quarterly decline

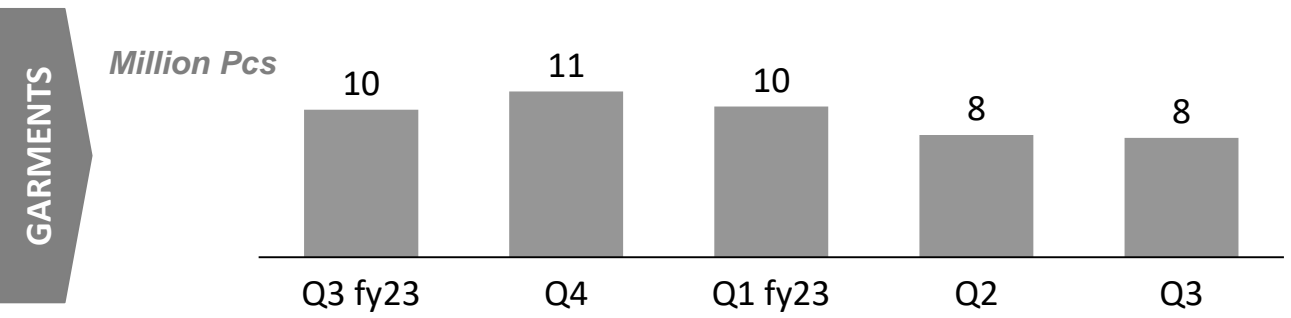
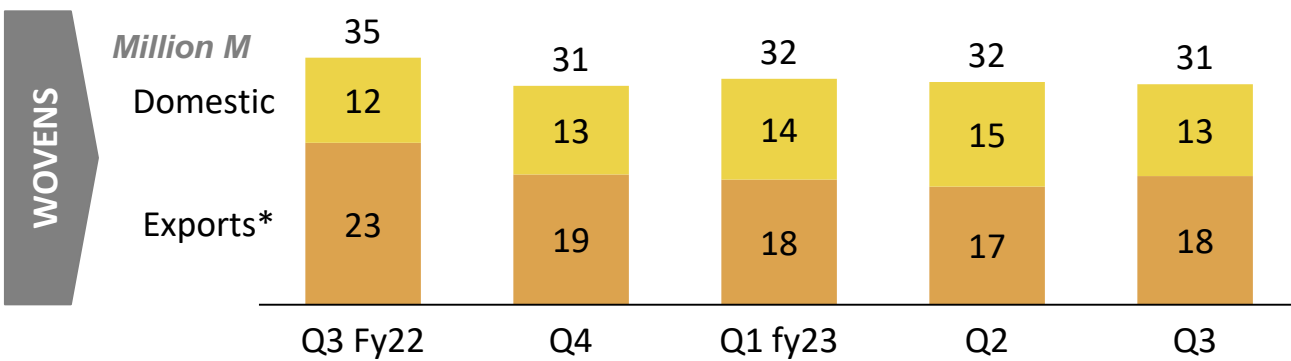
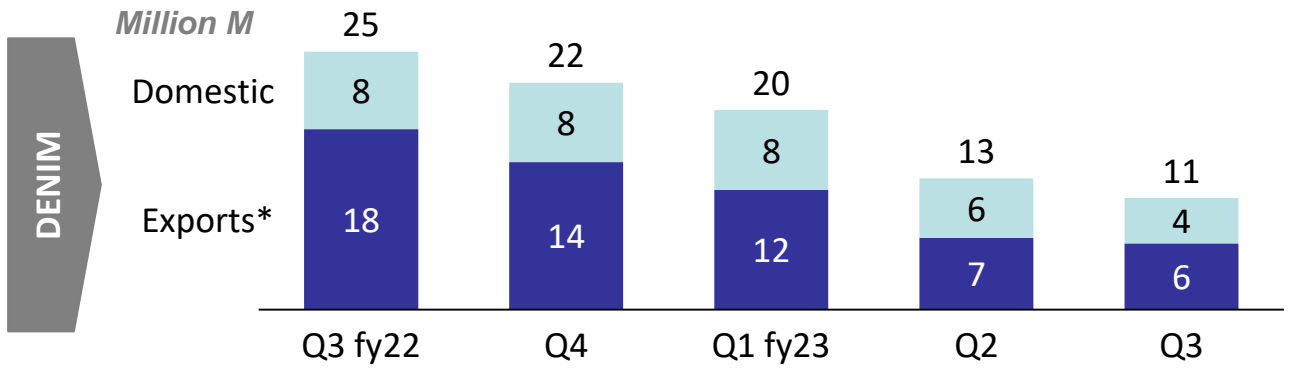
### Woven

- Q3 volume remained steady around 31/32 for last 2/3 quarters
- Realization saw slight reduction QoQ

### Garments

- Q3 volumes ~7.9 M pcs

# Volumes dropped in Denim & Garments as customers continue to postpone purchases



- Consumer confidence in the US markets continued to be low thru November, but saw a jumped from 101.4 to 108.3 in December, to a large extent driven by lower oil prices

- Commentaries issued by key brands in October/November reflect a better set of Q3 results though outlook remains muted

- Most export customers have started postponing their buying and also increased the number of shipments/drops

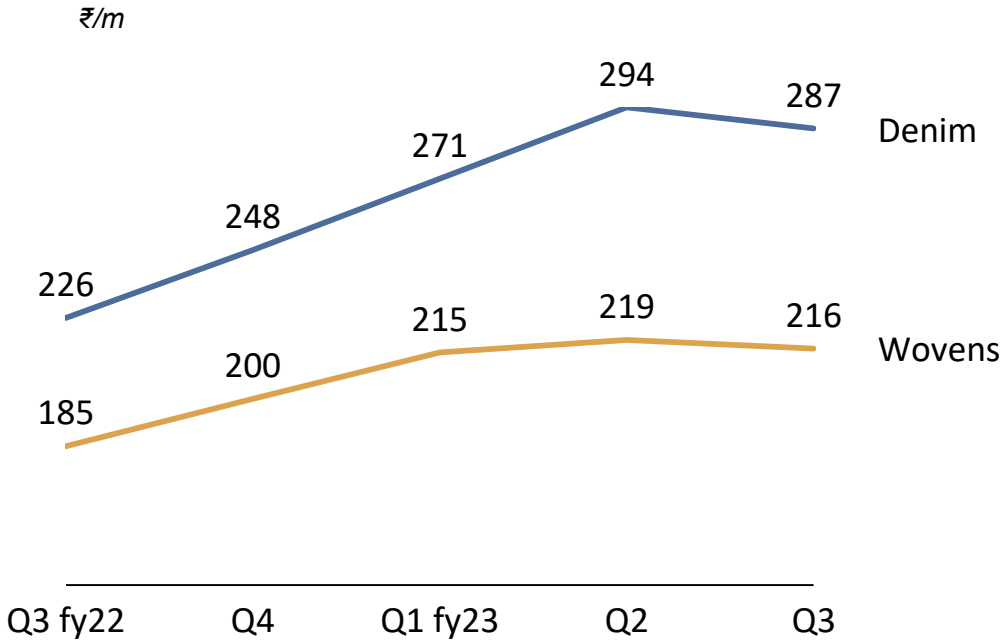
- Domestic demand has been muted, and the opportunity not adequately remunerative

\* Exports volumes includes sales made to export customers and shipments made to their garment factories in India

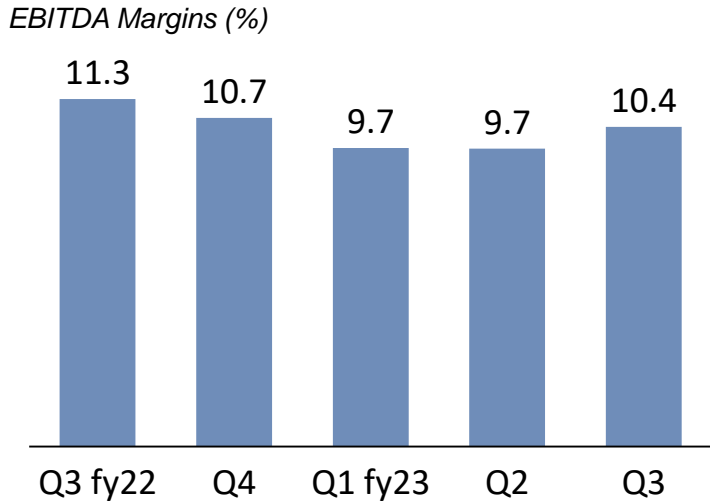


# Strong realization helped manage textile margins

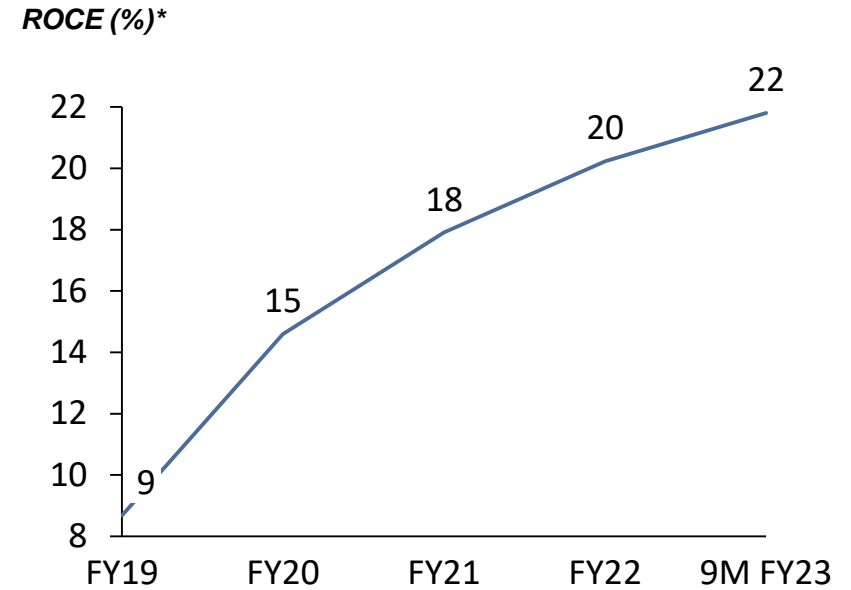
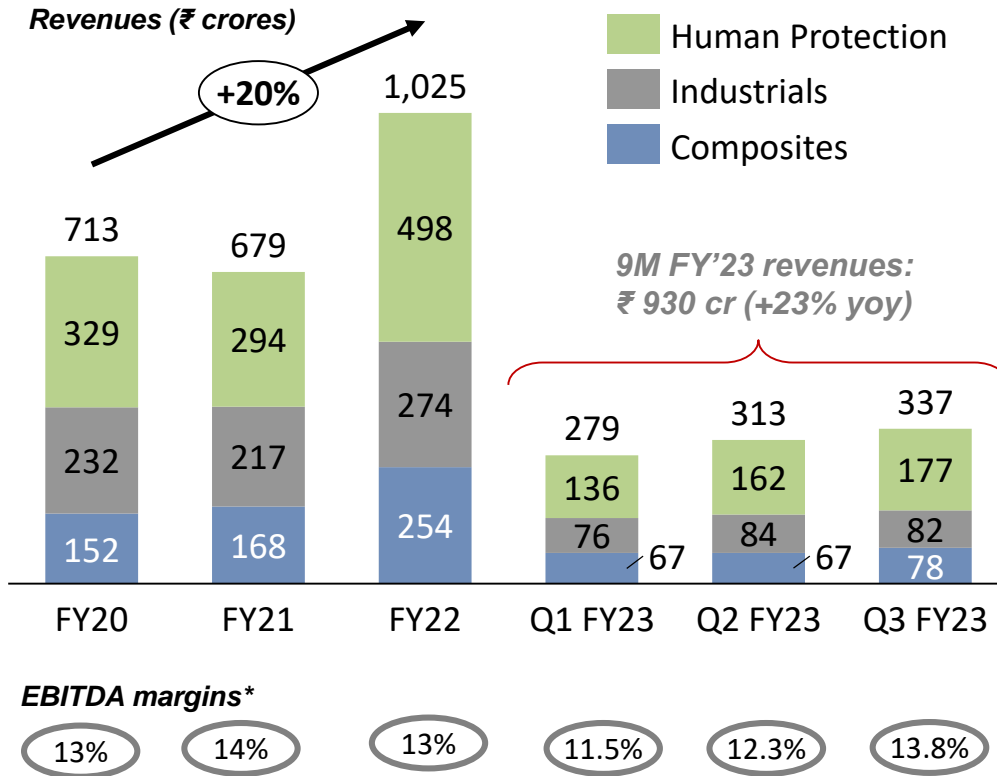
*Rupee price realization kept up with costs..*



*... helped manage textile margins*



# AMD continues to grow at 20%+ and ROCE also continues to increase



**Demand remains strong across all segments; Expanded capacities have started to go on-stream starting with Industrials**

## Outlook for Q4

### **Export markets seeing lower than expected slow-down, though wholesale buying is yet to pick-up**

- Macro environment in US/EU markets has started to show some improvement in the outlook, though the overall prognosis still remains cautious given still higher than target inflation in US, continuing war in Europe and reopening of China
- Key export customers continue to defer fresh buying to last minute given uncertainty

### **Retail demand in domestic textile and apparel segments is expected to improve from an unexpectedly muted Q3**

### **Input costs saw reduction, but continue to see material volatility**

- Cotton and other input costs expected to stay range bound around current level; oil prices may firm up

### **We expect Textiles businesses to improve marginally compared to Q3, though plan for a range of outcomes; AMD business likely to remain strong**

- Volume improvements in textile segments expected to happen gradually over coming quarters
- AMD is on track for a full year top-line growth of 20+%

### **We expect a reduction of ~ Rs 300 crores in the Long Term debt for the full year FY2023**



Thank You!