

October 27, 2021

BSE Ltd.  
Listing Dept. / Dept. of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Security Code : 500 101  
Security ID : ARVIND

National Stock Exchange of India Ltd.  
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: Outcome of the Meeting of the Board of Directors held on 27<sup>th</sup> October 2021**

**Ref.: Regulations 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September 2021 approved by the Board of Directors of the Company at their meeting held today along with Limited Review Reports by the Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, for the said quarter.
2. A copy of the press release being issued by the Company in respect of unaudited financial results for the quarter ended 30<sup>th</sup> September 2021.
3. Investor Presentation for Q2 and H1 issued in this regard.

The meeting of the Board of Directors of the Company commenced at 11:30 a.m. and concluded at 12:30 p.m.

You are requested to bring this to the notice of all concerned.

Thanking You,

Yours faithfully,

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



Encl: As above



# Arvind Limited Investor Review Note

27<sup>th</sup> October 2021 | Ahmedabad

## 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.

## Q2 FY22 Executive Summary: strong performance

	₹ Crs	Q2 FY22 (vs Q2 FY21)
<b>Revenues</b>		<b>2115 (+62%)</b>
Textiles		1711 (+68%)
Advanced Materials		297 (+60%)
<b>EBITDA margin</b>		<b>11.0% vs 10.3%</b>
Textiles		11.3% vs 11.6%
Advanced Materials		11.8% vs 15.1%
<b>Net Debt (30<sup>th</sup> Sept 2021)</b>		<b>1881 vs 2141 (June'21) and 1950 (Mar'21)</b>

- + Surge in volumes due to rebound in domestic market & continued strong export demand
  - + Price-increases secured to off-set input cost increases helped maintain unit EBIDTA margins
  - + Debt reduction by about 260 cr & 69 cr compared to June & March 21.
  - + Government announced RODTEP rates
- 
- Continuing increase in all input costs impacting percentage margins
  - Higher RM inventory positions add to working capital requirements
  - Logistics and shipping challenges continue to hamper movement to Bangladesh and other locations

# Q2 FY22 Consolidated P&L | Highest quarterly PBT and PAT since demerger in Q3 FY2019

<i>All figures in INR Crs</i>	Q2 FY22	Q2 FY21	YoY Change
Revenue from Operations	2,115	1,305	62%
EBIDTA	212	122	74%
EBIDTA %	10.0%	9.3%	
Other Income	18	13	
Interest	48	60	
Cash Accruals	182	75	142%
Depreciation	66	73	
<b>PBT</b>	<b>116</b>	<b>2</b>	
<b>PAT</b>	<b>70</b>	<b>23</b>	<b>204%</b>
Less : Exceptional Items	0	22	
<b>Net Profit</b>	<b>70</b>	<b>1</b>	

## ROCE in Textile business nearing 20%; overall ROCE crossed 12%

<i>In Inr Cr</i>	Q2 FY22				Q2 FY21			
<b>Business</b>	<b>Revenue</b>	<b>EBIDTA</b>	<b>EBIDTA %</b>	<b>ROCE %</b>	<b>Revenue</b>	<b>EBIDTA</b>	<b>EBIDTA %</b>	<b>ROCE %</b>
Textiles	1711	193	11.3%	19.5%	1017	118	11.6%	7.9%
Advanced Material	297	35	11.8%	22.9%	186	28	15.1%	21.4%
Others	90	-16			103	-11		
<b>Total</b>	<b>2098</b>	<b>213</b>	<b>10.1%</b>	<b>12.3%</b>	<b>1305</b>	<b>135</b>	<b>10.3%</b>	<b>4.9%</b>
RoDTEP for previous period	18	18						
<b>Reported Number</b>	<b>2115</b>	<b>230</b>	<b>10.9%</b>	<b>13.8%</b>	<b>1305</b>	<b>135</b>	<b>10.3%</b>	<b>4.9%</b>

Sharp increase in ROCE as EBIDTA increased due to

- Fabric volumes recovered sharply and surpassed pre-covid levels; Garment volumes also continued to improve steadily as planned
- Pricing improved across all segments and helped offset the significant increase in input costs
- Advanced Materials businesses delivered a 60% growth in revenue
- Retrospective RoDTEP resulted in one-time addition to EBITDA of Rs. 18 crores

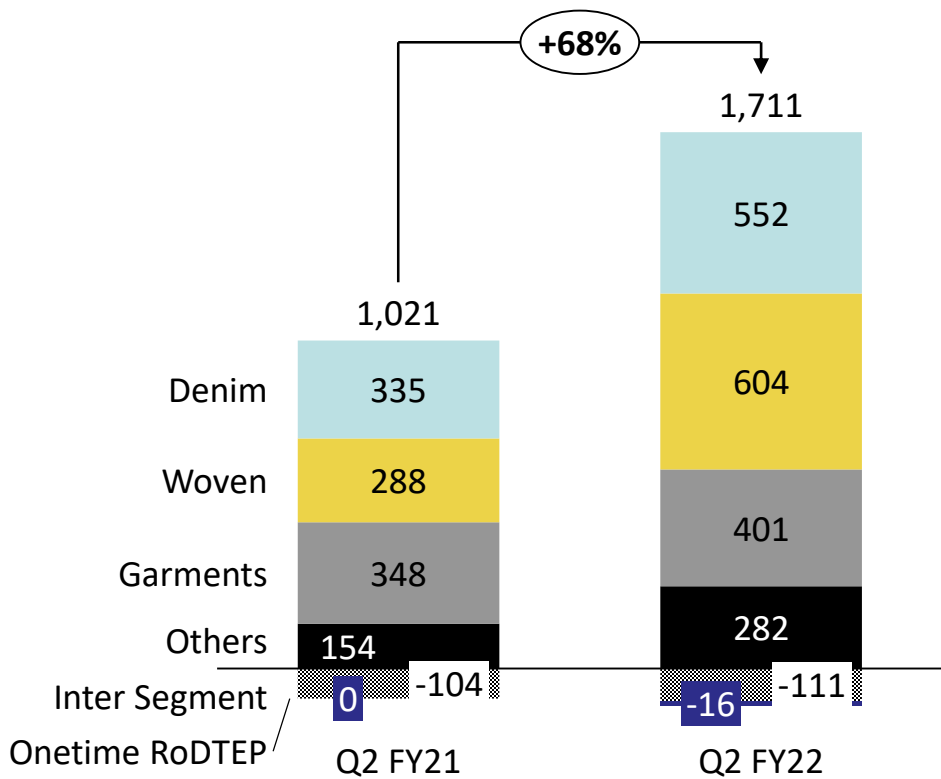
# Consolidated Balance Sheet as on Sept 30th 2021

Rs Cr	30th Sept 21	31st Mar 21
<b>Shareholders' Fund</b>	<b>2824</b>	<b>2767</b>
Share Capital	259	259
Reserves & Surplus	2543	2460
Minority Interest	23	47
<b>Borrowings</b>	<b>1976</b>	<b>2002</b>
long Term Borrowings	1063	1142
Short Term Borrowings	649	631
Long Term Liability Maturing in one year	265	230
<b>Lease Liabilities (Current + Non Current)</b>	<b>105</b>	<b>119</b>
<b>Other Liabilities</b>	<b>1955</b>	<b>1833</b>
<b>Total</b>	<b>6861</b>	<b>6721</b>
<b>Assets</b>	<b>3716</b>	<b>3816</b>
Fixed Assets	3507	3580
ROU Assets	77	89
Non Current Investments	68	70
Long term Loans & Advances	1	1
Other Non Current Assets	63	76
<b>Cash and cash equivalents</b>	<b>95</b>	<b>52</b>
<b>Other Current Assets</b>	<b>3051</b>	<b>2853</b>
<b>Total</b>	<b>6861</b>	<b>6721</b>

- Net Borrowings reduced by ~₹ 260 cr compared to June 2021 and ~ ₹ 69 cr compared to March 2021
- NWC managed tightly despite challenges in shipping out FG and longer cover required for key RM

# Textile revenues higher by ~68% of Q2 in FY22 resulting from surge in volumes, and higher price realizations

Textile revenues (₹ Crs)



### VOLUMES

- Denim volumes returned to 25 million meters after several quarters ; Exports contributed to 59%
- Wovens clocked a healthy 31 million meters as all segments continued to grow
- Garment volumes improved to ~9M pcs (+6% YoY)

### PRICE REALIZATION

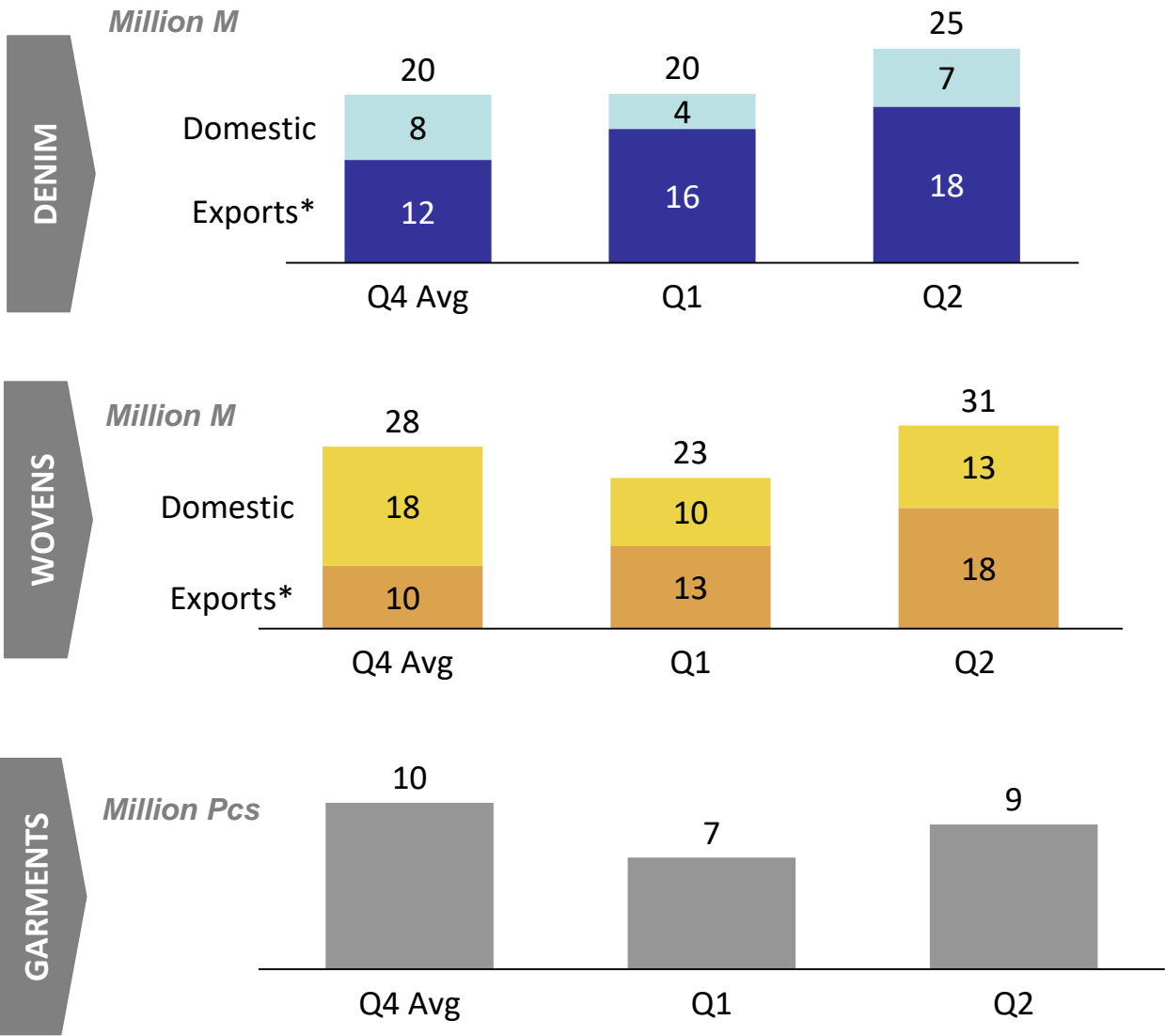
- Denim average realization improved to ₹214/meter (₹202/m in Q1 and ₹190/m in Q2 last year)
- Woven average realization improved to ₹176/meter (₹159/m in Q1)
- As a background, Woven price realization had dipped to ₹143/m in Q2 FY21, from ₹172/m of Q2 FY20 given product mix changes

### COTTON COSTS

- Avg Cotton Cost for Q2 increased to Rs 136 / Kg (Rs 127 / Kg in Q1 FY22 and Rs 97 / Kg in Q2 FY21)



# Volumes recovered across all segments in Q2



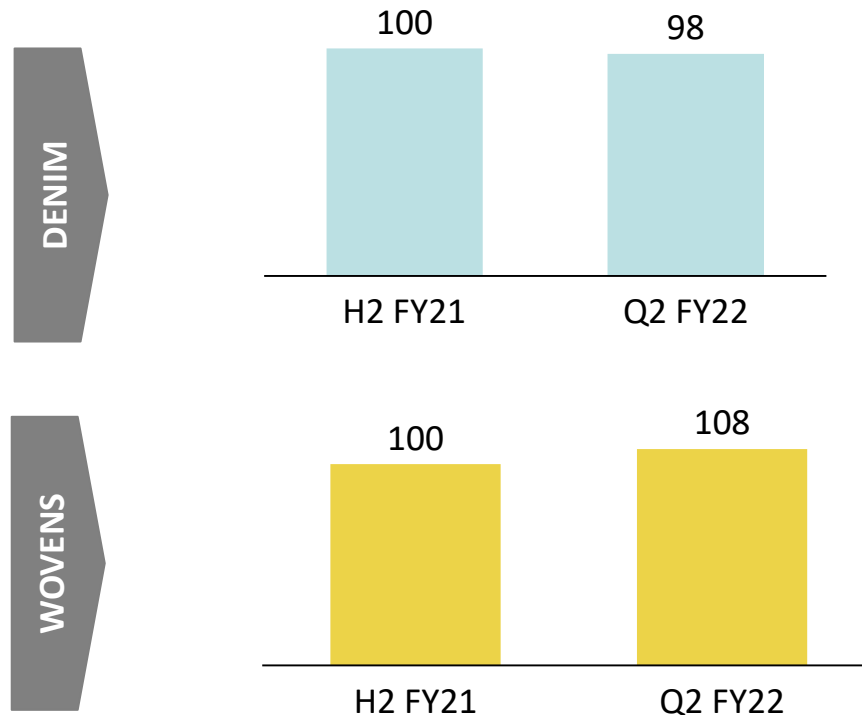
- Demand stayed robust across all segments; global customers have stated preponing deliveries given potential delays in shipping

- Supply side challenges continued – severe congestion along Bangladesh border, availability of key raw materials (esp the ones imported from China)

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

## EBIDTA per unit maintained at pre-wave 2 (H2 FY2021) levels despite record increases in input costs

**Indexed to H2 FY2021**

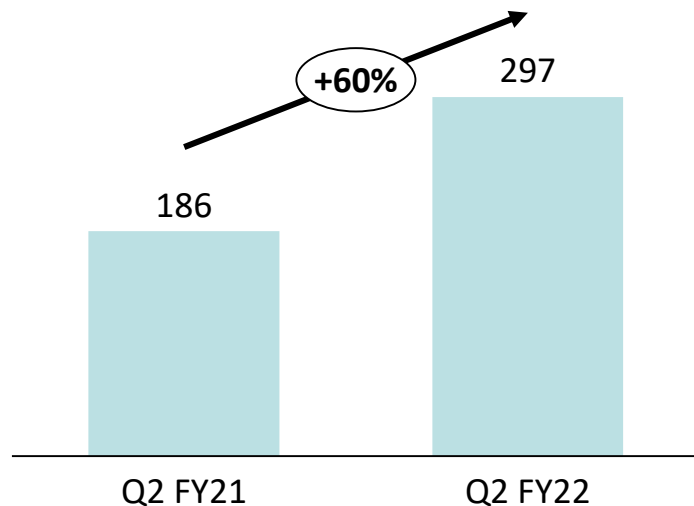


- Input cost pressures continued to push the product costing thru September 2021
  - Cotton prices were a record high
  - Imports from China continued to be impacted by high freight costs
  - Energy prices also started to inch-up towards the end of Q2
- Margins preserved given a combination of price increases, product mix changes and efficiency improvements

# AMD delivered a healthy growth in Q2 FY22 as planned; margins remained under pressure

## Financials

### Revenues ₹ Crs



### EBITDA margin

15%

12%

## Commentary

### Tailwinds:

- Strong demand across all segments – human protection, industrial belts and filters, composites
- Business mix continues to shift towards higher margin products
- Focused efforts to build key accounts starting to deliver good repeat/continuing business

### Headwinds:

- Input costs continue to surge – price increases lag cost increases despite best efforts
- Logistics challenges and costs continue to hamper the largely export oriented businesses

## Forward looking commentary regarding Q3 FY22

### **Both export and domestic demand expected to stay strong**

- Export customers have already preponed ordering for Summer 22 and brands continue to project strong momentum
- Domestic market likely to stay strong post festival buying
- Overall demand may get hampered if fresh wave of infections set-in

### **Revenue to grow by over 40% over Q3 FY 21 (4-5% sequentially)**

- Marginal increase in volumes in textiles and AMD
- Price increases to mitigate cost push

### **EBIDTA to increase**

- EBIDTA to grow over Q2 FY 22 due to volume growth & price increases to take care of cost push

### **Expect to reduce debt further during Q3**



Thank You!