
February 14, 2024

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code: 544058

Scrip Symbol: MUFTI

Dear Sir/Madam,

Sub: Media release

Please find attached a media release titled as "*Q3 & 9M FY24 Financial & Business Performance*".

This is for your information and dissemination on your website.

Thanking you,

Your faithfully,
For **Credo Brands Marketing Limited**

Sanjay Kumar Mutha
Company Secretary and Compliance Officer

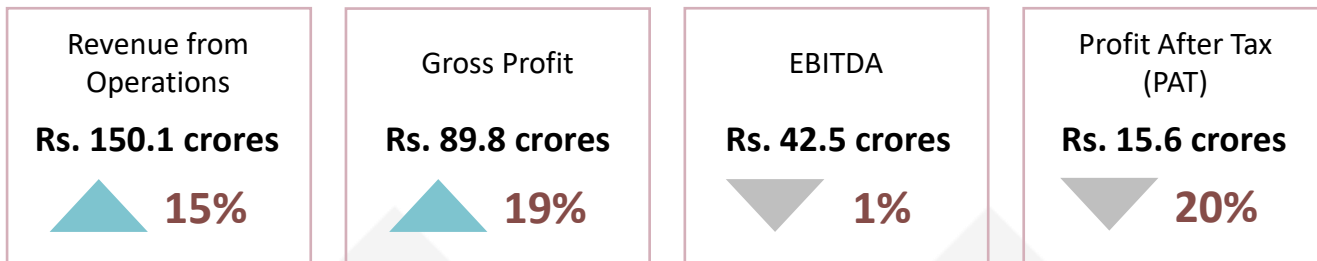
Encl. As above



Credo Brands Marketing Limited

Q3 & 9M FY24 Financial & Business Performance

Mumbai, 14th February 2024 – Credo Brands Marketing Limited (MUFTI), one of the prominent players in the men's casual wear providing a meaningful wardrobe solution for multiple occasions in a customer's life, with product offerings ranging from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing has announced its Unaudited Financial Results for the Quarter and Nine Months ended 31st December 2023.



For Q3 FY24

KEY FINANCIAL HIGHLIGHTS

Particulars (in Rs. Crs.)	Q3 FY24	Q3 FY23	Y-o-Y	9M FY24	9M FY23	Y-o-Y
Total Revenue	150.1	130.5	15%	434.3	365.4	19%
Gross Profit	89.8	75.4	19%	251.7	211.9	19%
<i>Gross Profit Margin (%)</i>	59.8%	57.8%		58.0%	58.0%	
EBITDA	42.5	42.9	-1%	129.6	123.2	5%
<i>EBITDA Margin (%)</i>	28.3%	32.9%		29.8%	33.7%	
Profit before Tax	20.7	26.0	-20%	69.0	74.8	-8%
PAT	15.6	19.4	-20%	52.1	55.8	-7%
<i>PAT Margin (%)</i>	10.4%	14.9%		12.0%	15.3%	

On Consolidated Basis

- Since the Company turned 25 this year, there has been a one-time ex-gratia payment to employees to the tune of Rs. 1.7 crores
- In Q3 FY24, Branding & Advertising spends amounted to Rs. 12.8 crores as compared to Rs. 4.5 crores in Q3 FY23, an increase of Rs. 8.3 crores. In 9M FY24, Branding & Advertising spends have increased to Rs. 23.7 crores as compared to Rs. 12.2 crores in 9M FY23
- Outsourced Manpower costs have increased by Rs. 2.6 crores in Q3 FY24 & by Rs. 7.3 crores in 9M FY24 on account of additional staff for the larger warehouse at Bangalore

KEY BUSINESS UPDATES

- **No. of EBOs added during 9M FY24 are 40 Stores on a Net Basis**
 - Total EBOs as on 31st December 2023 stood at 413 stores



Credo Brands Marketing Limited

- **Sales Mix for 9M FY24**

- EBO : 55.7%; MBO : 23.8%; LFS : 2.9%; Online : 14.0%; Others : 3.6%

- **Product Mix for 9M FY24**

- Shirts : 37.6%; T-shirts : 13.0%; Bottomwear : 38.2%; Outerwear : 8.1%; Others : 3.1%

- **Same Store Sales Growth (SSSG)** for EBOs stood at 1.4% for Q3 FY24 as compared to Q3 FY23 and stood at 0.5% for 9M FY24 as compared to 9M FY23

- **Working Capital Days** as on 31st December 2023 stands at 142 days.

- **RoCE** stood at 32.1%; **RoE** stood at 20.8% for 9M FY24 (On annualized basis)

Commenting on the Result, Mr. Kamal Khushlani, Chairman & MD, Credo Brands Marketing Limited said

“The company has remained steadfast in its growth trajectory, despite persistent challenges at the industry level, placing significant emphasis on operational efficiency. Throughout the third quarter of FY24, the retail sector in India experienced subdued demand, which extended into the festive period.

Revenue for Q3 FY24 grew by 15% YoY to Rs. 150.1 crores, with Gross Margins at 59.8%. EBITDA for the quarter stood at Rs. 42.5 crores as compared to Rs. 42.9 crores in Q3 FY23, a de-growth of 1% Y-o-Y. Our EBITDA margin stood at 28.3%. This is mainly due to increased advertising expenses to the tune of Rs. 8.3 crores. This was done with the objective of communicating the brand in its new avatar to the consumers. The marketing spend has helped the company grow the revenues by 19% in 9M FY24, despite muted demand in industry. Excluding this expense, our EBITDA in Q3 FY24 would have grown by 18% YoY.

To enhance brand awareness and strengthen brand recall for our brand, we utilize targeted marketing campaigns, through digital and social media, billboards, multiplex cinemas, and live events. In keeping with the above, we have released our ad-films across cinemas in the country, driving a strong brand recall with our consumers. We have developed a strong brand identity through effective brand advertising and multiple marketing campaigns for our brand.

In order to adapt to an ever-changing retail landscape, we conducted an internal assessment in 2019 and put the learnings to reinvent the brand philosophy. As part of this brand reinvention, we developed, 1) a new Brand Identity; 2) a new merchandise architecture for increasing our share of customer’s wallet by providing designs suited for specific occasions in our customer’s life ranging from relaxed holiday casuals, authentic daily casuals to urban casuals, party wear and also athleisure; 3) a new Retail Identity. Since we made the above changes, the brand has gained in salience and the same is reflected in the performance of the Company.

We plan to expand our store network in existing and new cities. We have identified several markets as having potential for opening further EBOs. This offers the potential for market share gains, increased brand recognition and economies of scale. We are also looking to capitalize on the increasing e-commerce demand in Indian retail and grow our share of sales from own website and e-commerce partners.

We want to leverage technology to improve supply chain management and enhance customer experience. We intend to further invest in IT infrastructure to improve productivity and increase operating efficiency and customize buying experience of customers, both in-store as well as online.

Our sector's resilience, coupled with our adeptness in responding to evolving market dynamics and our commitments to technological advancements and product innovations, positions us favorably for attaining enduring growth. With focused expansion of our product portfolio. we intend to evolve brand Mufti as a 360°men’s lifestyle brand.”



Credo Brands Marketing Limited

About Credo Brands Marketing Limited

Credo Brands Marketing Limited (MUFTI) is a prominent player in the men's casual wear in India providing a meaningful wardrobe solution for multiple occasions in a customer's life, with our product offerings ranging from shirts to t-shirts to jeans to chinos, which caters to all year-round clothing.

The brand "Mufti" was launched with a vision to redefine menswear. The brand was created as an alternative dressing solution and was designed to deliver a casual alternative with a focus on creative, bold, and expressive clothing for the contemporary Indian man who wanted something more stylish than what was commonly available.

The products are available through a pan-India multichannel distribution network that we have built over the years comprising of EBOs, LFSs and MBOs, as well as online channels comprising of website and other e-commerce marketplaces. The Company's multi-channel presence is planned strategically in a manner that products across categories are available at consumers' preferred shopping channels.

The Company is asset-light with respect to the plant, property, and equipment, primarily due to outsourcing of our manufacturing operations. The Company comprehensively focuses on the design of products and outsources the manufacturing of products to various manufacturing partners. The Company conducts multiple levels of checks to ensure the desired quality. This structure provides agility with longstanding sourcing partners allowing the Company to manage supply, based on the demand from various distribution channels.

The Company has developed a strong brand identity through effective brand advertising and multiple marketing campaigns for the brand.

For more information, please contact

Company:
Credo Brands Marketing Limited

Investor Relations (IR)
Strategic Growth Advisors Pvt. Ltd.



CIN: U18101MH1999PLC119669

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

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Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.