



March 1, 2021

**BSE Limited**

Scrip code: **535755 & 890148**

**National Stock Exchange of India Limited**

Symbol: **ABFRL & ABFRLPP1**

**Sub.: Corporate Presentation of 'ABFRL Investors Day Virtual Conference Call'**

- Ref.: 1. Regulation 30 (read with Schedule III - Part A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations");**  
**2. Our intimation dated February 23, 2021; and**  
**3. ISIN: INE647O01011 & IN9647O01027**

Dear Sir/ Madam,

Pursuant to the above referred, please find attached the Corporate Presentation for 'ABFRL Investors Day Virtual Conference Call' with the Analysts/ Institutional Investors being held today i.e. Monday, March 1, 2021 at 15:30 - 17:30 Hrs (IST) ("*said call*").

The above is also being made available on the Company's website i.e. [www.abfrl.com](http://www.abfrl.com). Further, please note that the transcript of the said call will also be uploaded on the Company's website in due course.

This is for your information.

Thanking you.

Sincerely,

For **Aditya Birla Fashion and Retail Limited**

**Geetika Anand**  
**Company Secretary & Compliance Officer**

*Encl.: As above*

**ADITYA BIRLA FASHION AND RETAIL LIMITED**

**Registered Office:**

Piramal Agastya Corporate Park, Building 'A',  
4<sup>th</sup> and 5<sup>th</sup> Floor, Unit No. 401, 403, 501, 502,  
L.B.S. Road, Kurla, Mumbai - 400 070

**CIN:** L18101MH2007PLC233901

**Tel.:** +91 86529 05000

**Fax:** +91 86529 05400

**Website:** [www.abfrl.com](http://www.abfrl.com)

**E-mail:** [secretarial.abfrl@adityabirla.com](mailto:secretarial.abfrl@adityabirla.com)



# Aditya Birla Fashion & Retail Ltd.

Corporate Presentation  
March 2021

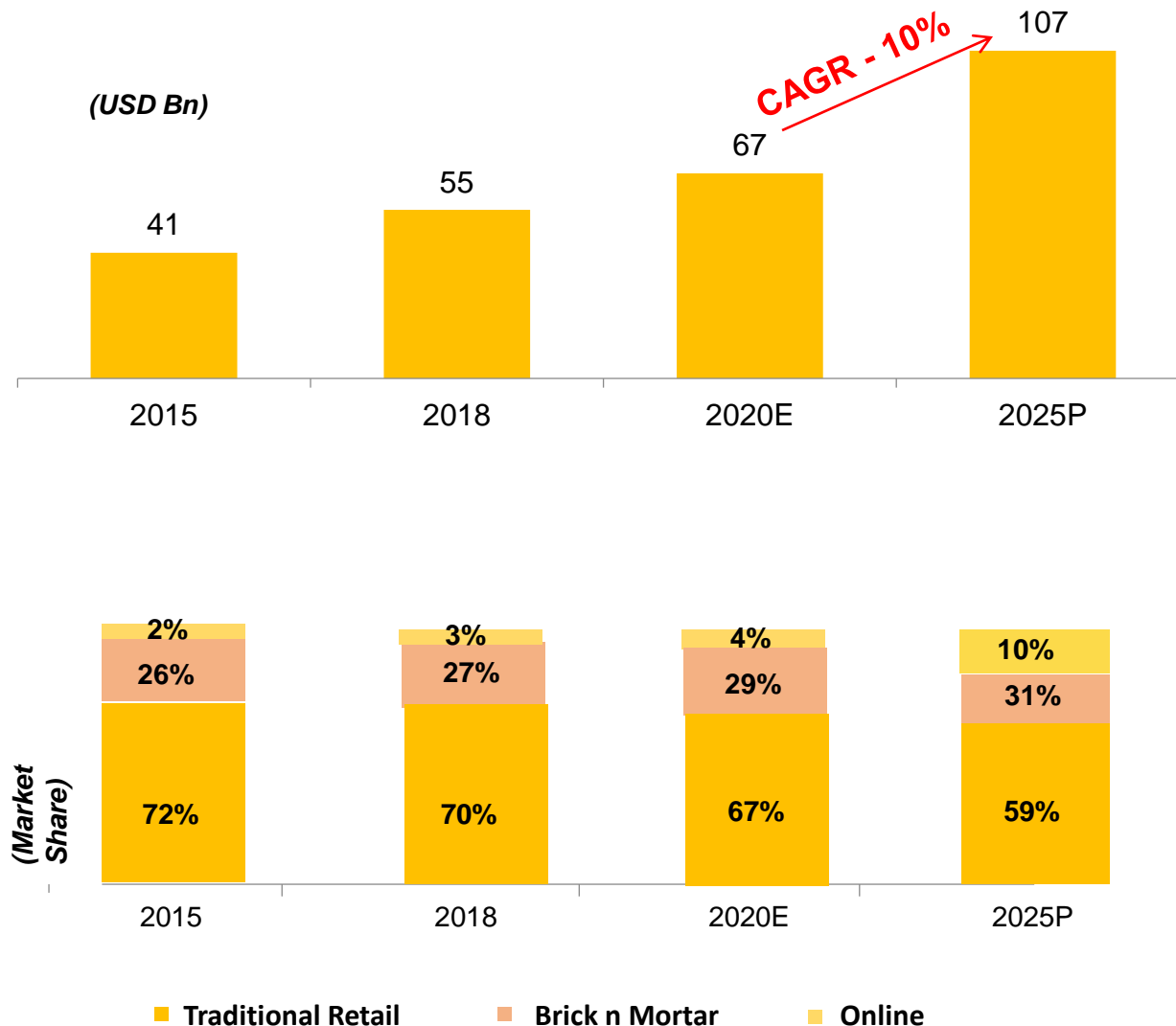


# Executive Summary



1. Indian Apparel Sector presents **large market opportunity – USD 100 bn +** by FY 25
2. ABFRL is a **pioneer in branded apparel industry**, with **30 years** of rich experience
3. Over long period of time, we have **demonstrated success** in
  - ✓ Building portfolio of the largest fashion brands in the industry
  - ✓ Acquiring and turn around large businesses
  - ✓ Entering new segments and create strong position in new categories
4. We have expanded our portfolio with entry into **new attractive segments**, in line with evolving consumer trends
5. ABFRL is uniquely positioned in the industry and well poised to deliver **long term growth, profitability, ROCE** and **strong cash flows**

# Apparel Market : One of the largest segments in Indian consumer industry



## Apparel Market

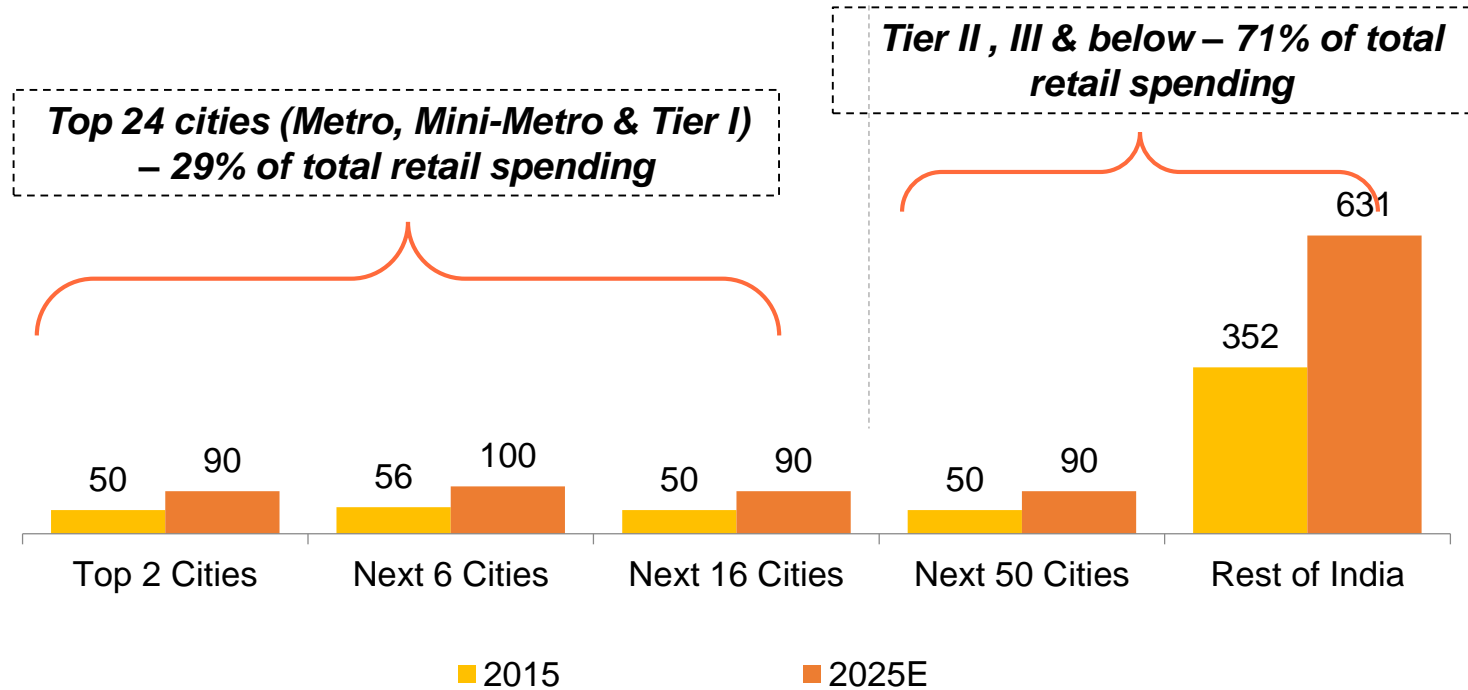
- Projected to grow at a 10% CAGR
- Reach ~\$107 Bn by FY25

## Rapid shift to Organized Market

- Traditional retail losing share
- Organized Retail (Brick n Mortar & Online) to grow from 33% to 41% in next 5 years

# Branded Apparel : Large headroom for growth

(USD Bn)



**Apparel Market Concentrated in Top 24 cities > 40% + of branded apparel sales**

**Tier II, III & IV cities to lead the retail consumer spending in next decade**

# Demographic and Consumption Trends promise Accelerated growth for Organized Fashion Play

## Changing Demographics

**1** Significant population with Age < 30 years

**2** Shift from Rural to Urban Areas

**3** Rising Affluent Middle Class

**4** Increase in Nuclear Families

**5** Rapid Development in Rural Areas

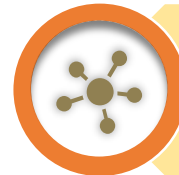
## Consumption Megatrends



**Increase in Brand Consciousness**



**Greater participation of Women in Workforce**



**Rise of Digitization**

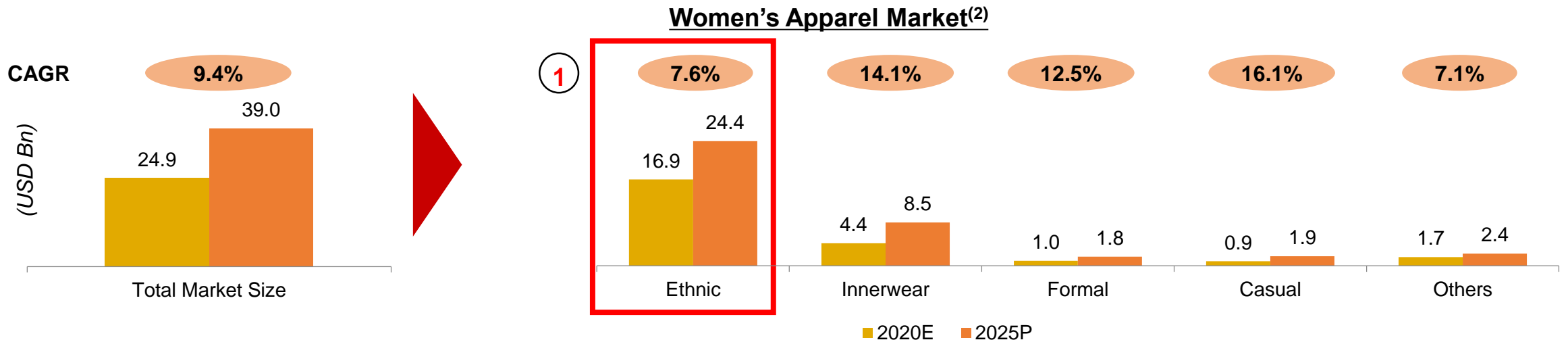
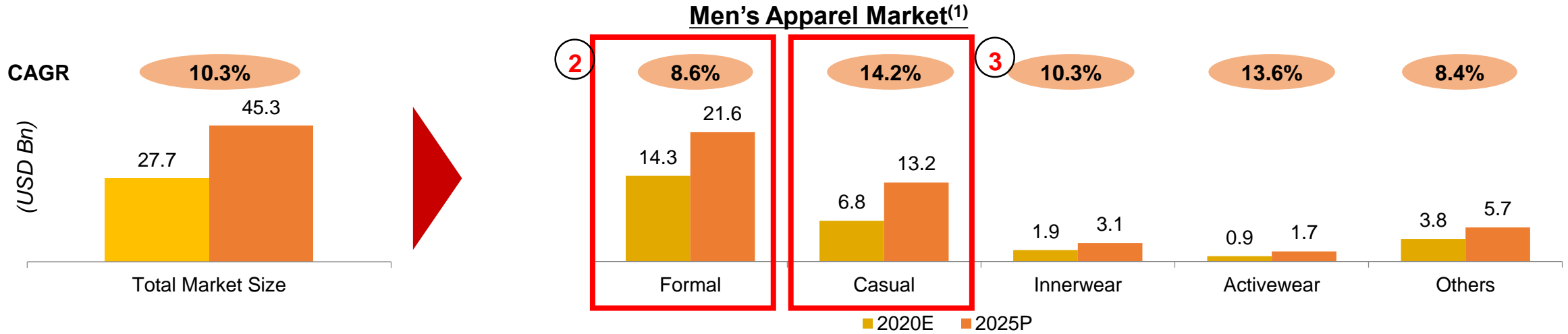


**Rising influence of Media & Technology**



**Rise in Aspirational Buying**

# Women's Ethnic, Men's Formal and Men's Casual wear will remain the three largest segments



Source: Report on India Fashion Market, June 2020 by Wazir Advisors

1. Men's Categorisation: Formals include Shirts, Trousers, Suits/Coats/Safari Suits; Casuals include T-shirts and Denim; Others include Winterwear, Ethnic etc.

2. Women's Categorisation: Formals include Top/Shirts, Formal Jackets, Trousers/Skirts; Casuals include T-shirts and Denim; Others include Winterwear, Sleepwear etc

# ABFRL Vision

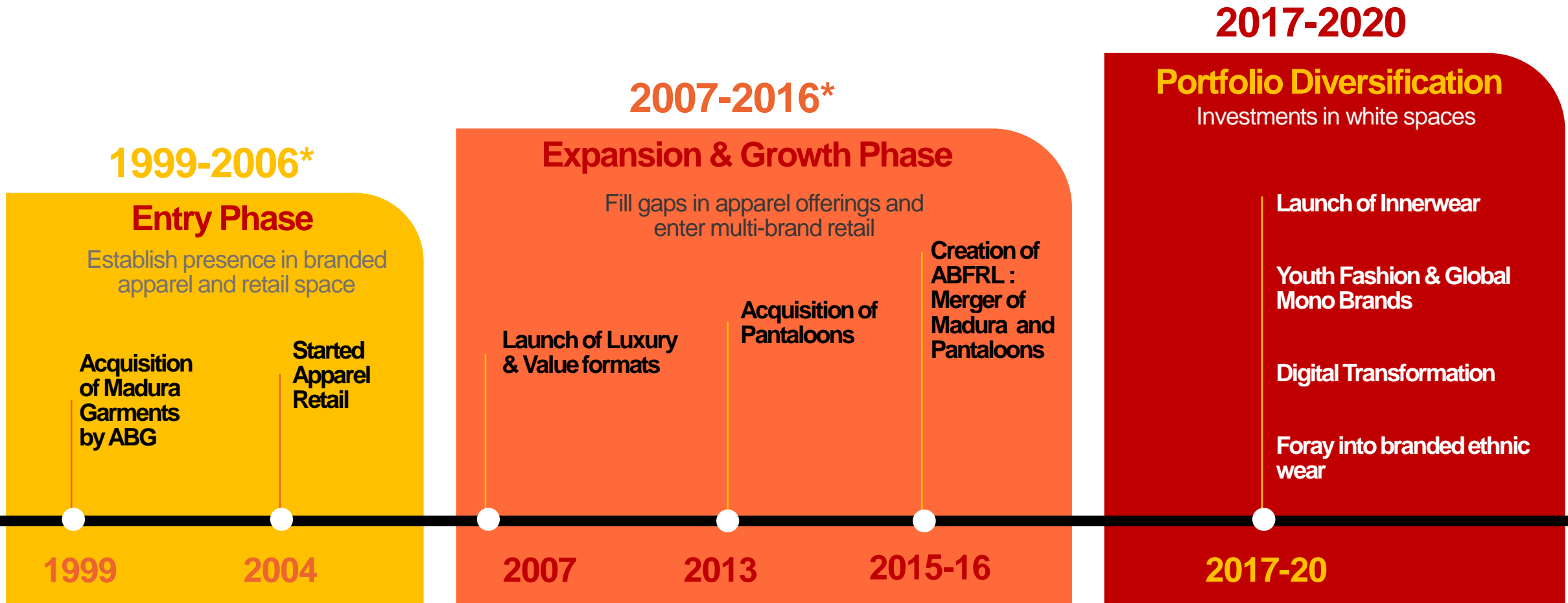
To passionately satisfy Indian consumer needs in fashion, style and value, across wearing occasions in Apparel and Accessories through strong brands and high-quality consumer experience with the ultimate purpose of delivering superior value to all our stakeholders

***Our Vision has consistently driven our strategic choices***



# ABFRL Journey

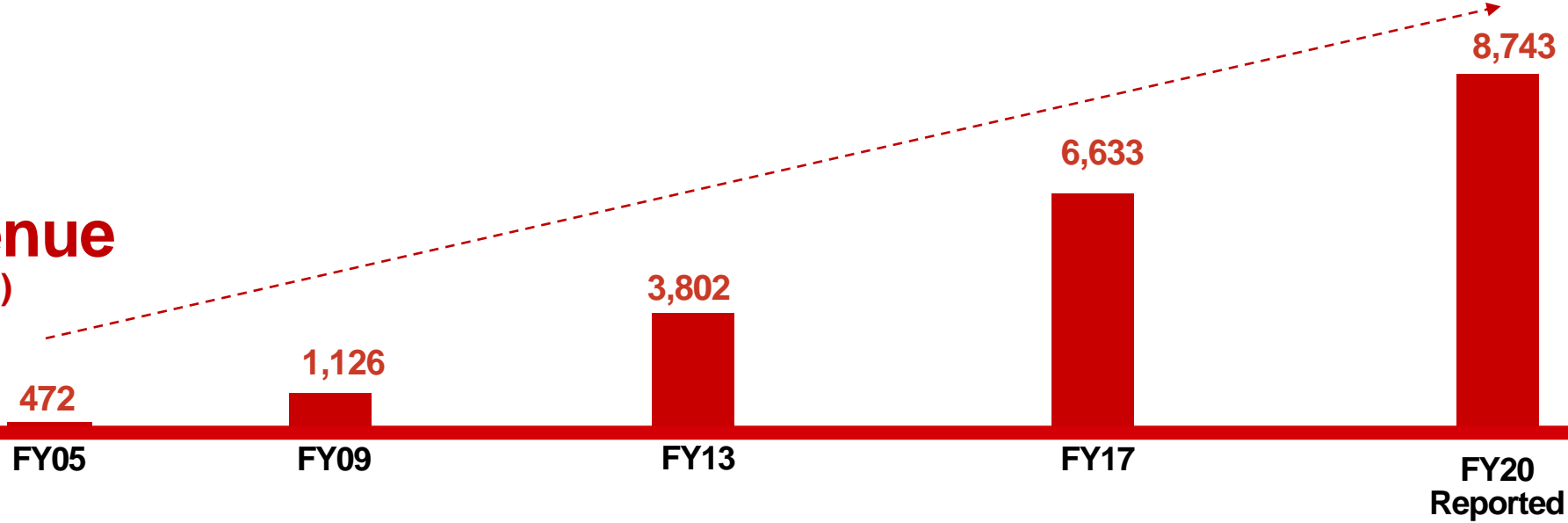
## Evolution of a Fashion Powerhouse



\*Housed under Aditya Birla Nuvo Limited, an Aditya Birla group entity

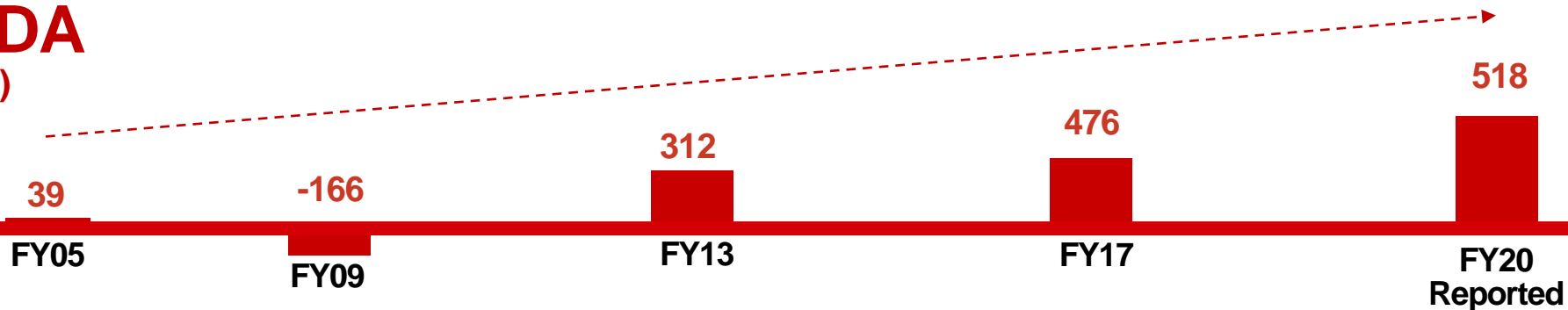
# ABFRL | Consistent Growth Story over the last 15 years

## Revenue (in Rs .Cr.)



18.5x in  
15 years  
CAGR  
~21%

## EBITDA (in Rs .Cr.)



13x in  
15 years  
CAGR  
~19%

# ABFRL | Powerhouse of Brands

Diversified portfolio addressing all Consumer Segments



Portfolio addressing varied segments



Men's Formals – 25%



Women's Western – 15%



Men's Casuals – 42%



Innerwear – 3%



Ethnic – 8%



Kids – 7%

Home to India's 5 Leading Apparel Brands



➤ Added Sabyasachi Couture & announced Tarun Tahiliani partnership recently

\*Indicative Split for FY20

# ABFRL | Widest Multi-channel Distribution across the country

**2,699**  
Exclusive Brand Outlets

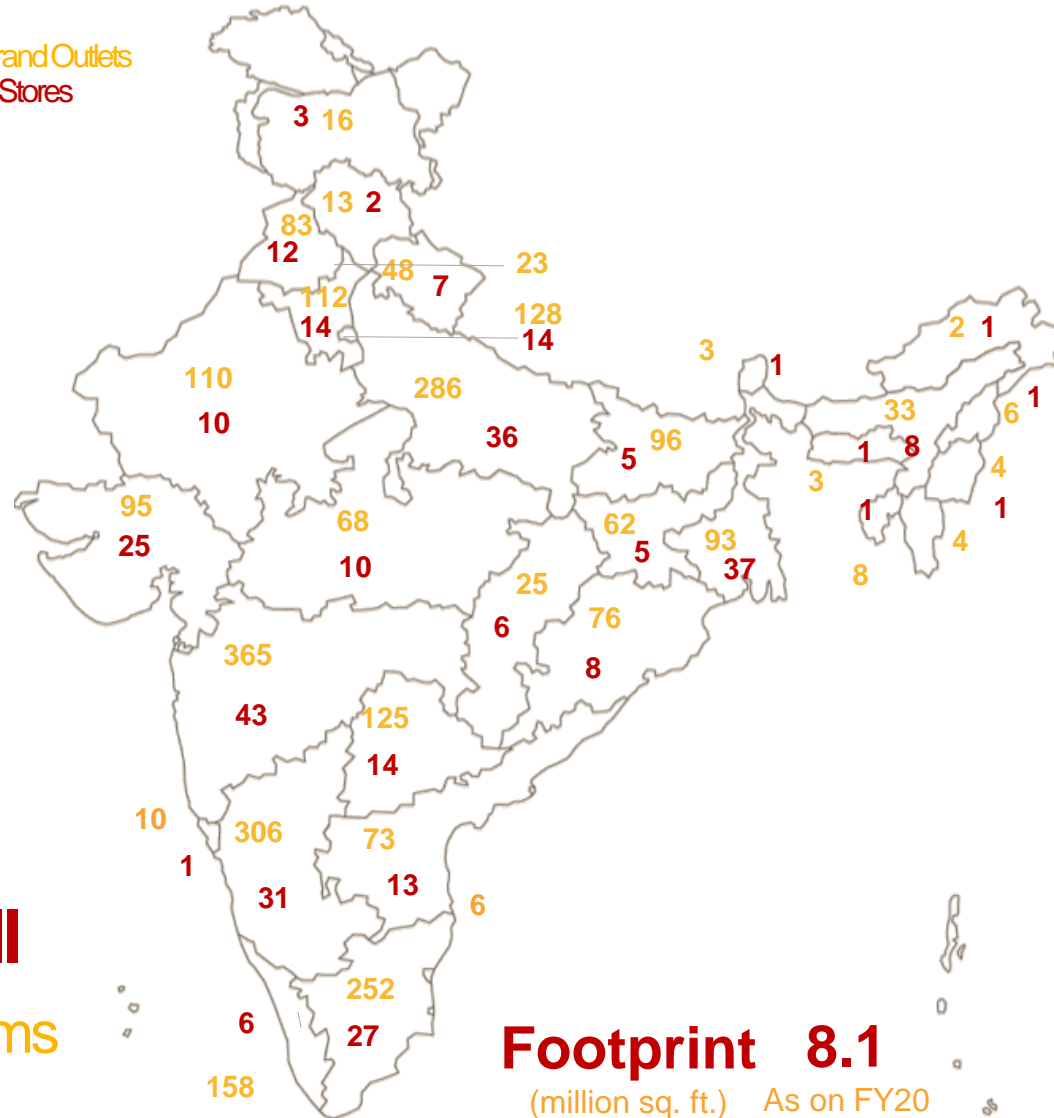
Legend:  
Exclusive Brand Outlets  
Pantaloons Stores

**342**  
Pantaloons Stores

**~ 25,000**  
Multi-brand Outlets

**6,514**  
SIS across Dept. stores

Leading presence across **all**  
**major E- comm** platforms



**Footprint 8.1**  
(million sq. ft.) As on FY20

- ✓ Multi channel distribution built over years
- ✓ Wide distribution led by deep understanding of markets
- ✓ Distribution capability to be the most significant competitive advantage

# Diversification a conscious choice in line with our vision

## Why Portfolio play instead of narrow play

Large growth opportunities across multiple segments

In line with rapidly evolving consumer shifts

Bouquet of offerings to serve multiple consumer needs

## Why we can win the Portfolio play

**Rich Legacy**

A history of successful business incubation; strong parentage

**Design & Product**

Rich expertise in product and design accumulated over 25+ years

**Distribution Muscle**

Extensive distribution with an asset light expansion engine

**Talent & Know-how**

Powerhouse of industry shaping talent  
Deep understanding of consumer markets; across town classes

**Sustainable Growth**

Deep investment in Technology  
Globally awarded ESG program

# Our success is built on strong, sustainable pillars



## ① Diversified play

- **Business Models**: Brand and Retail
- **Price Points**: Luxury to Value
- **Consumer Segments**: Men, women, Kids
- **Categories**: Casual, formal, ethnic, innerwear, Athleisure
- **Channels**: Retail, Department stores, MBOs, Online

## ③ Strong Enablers

- Strong investment in **Design, merchandising, Sourcing & Supply Chain**
- **Digital** – Technology, Analytics, CRM, E Com, Omni channel
- Culture of **innovation** combined with disciplined **execution**

## ② Rich Brand Portfolio

- Largest & most loved fashion **brands**
- Leading **Value Fashion retailer**
- Partnership with best **Global** brands
- **Consumer** centricity and **Brand Building**

## ④ Governance & Talent

- Highest level of **Governance**
- Strong **processes** & Control systems
- Aditya Birla Group **Values**
- Unmatched **Employee Value Proposition**
- Leading **Sustainability** practices

**We are building an all round sustainable business by focusing on key long term trends**



**1 Digital Transformation**

**2 ESG**

# We are executing a comprehensive Digital Transformation program

## 1. Drive Revenues - Commerce



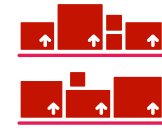
E-Commerce



Omni-channel

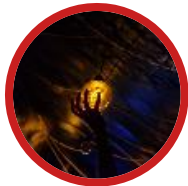


Digital in-store



Channel partner mgmt.

## 2. Build Stronger Brands: Engagement



Personalization



Digital marketing

## 3. Improve profitability: Efficiency Improvement



Markdown Management



Design, buying & allocation



Supply chain digitization



# Our E-commerce Strategy will leverage the existing ecosystem and build own captive capabilities & assets

## 1. Ecosystem Partnerships – Leverage partnership with leading fashion E-commerce players

- ✓ Wider assortment and enhanced service levels
- ✓ Extend brands into new online-heavy categories
- ✓ Launch pure online brands / sub-brands

## 2. Build Stronger Own Brand.com selectively

- ✓ Build brand.com through superior user experience, differentiated offering and premium services
- ✓ Build brand affinity through engagement

## 3. Build industry leading Omni-channel Play

- ✓ ABFRL has an early start in delivering a truly Omni-channel experience to consumers
- ✓ We will leverage our distinctive advantage of large loyal consumer base, wide network of stores & strong brands

# ABFRL is a pioneer in ESG in Indian apparel industry

## Consistent sustainability journey spanning over a decade



We are committed to

**give back more**

than what we take from the

**ecosystem**

- ✓ **Sustainable Product** – At ABFRL, we follow strict sustainability guidelines, and even use these to give preference to vendors which align with our sustainability ideologies
- ✓ **Sustainable Packaging** – Across our brands, we've been taking instrumental steps in completely removing the usage of single use plastics across the supply chain
- ✓ **Green Building Factories** – All ABFRL facilities have completed the Green Factory certification

# Recognized as Asia's most sustainable fashion Company

## 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



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



# Leadership Team

## Experienced Team, Decentralized Structure



**Ashish Dikshit**  
**Managing Director**

Total Years of Experience: 29  
Total Years with ABG : 23



**Jagdish Bajaj**  
**Chief Financial Officer**

Total Years of Experience: 31  
Total Years with ABG : 31



**Sangeeta Pendurkar**  
**CEO, Pantaloons**

Total Years of Experience: 32  
Total Years with ABG : 2.5



**Vishak Kumar**  
**CEO, Madura Fashion**

Total Years of Experience: 26  
Total Years with ABG : 26



**Chandrashekar Chavan**  
**Chief Human Resource Officer**

Total Years of Experience: 25  
Total Years with ABG : 24



**Praveen Shrikhande**  
**Chief Digital Officer**

Total Years of Experience: 30  
Total Years with ABG : 4



**Puneet Malik**  
**CEO, Innerwear Business**

Total Years of Experience: 27  
Total Years with ABG : 26



**R. Swaminathan**  
**Chief Supply Chain Officer**

Total Years of Experience: 29  
Total Years with ABG : 20



**Sooraj Bhat**  
**Dy CEO, Pantaloons**

Total Years of Experience: 21  
Total Years with ABG : 18



**Jacob John**  
**President, Premium Brands**

Total Years of Experience: 25  
Total Years with ABG : 21



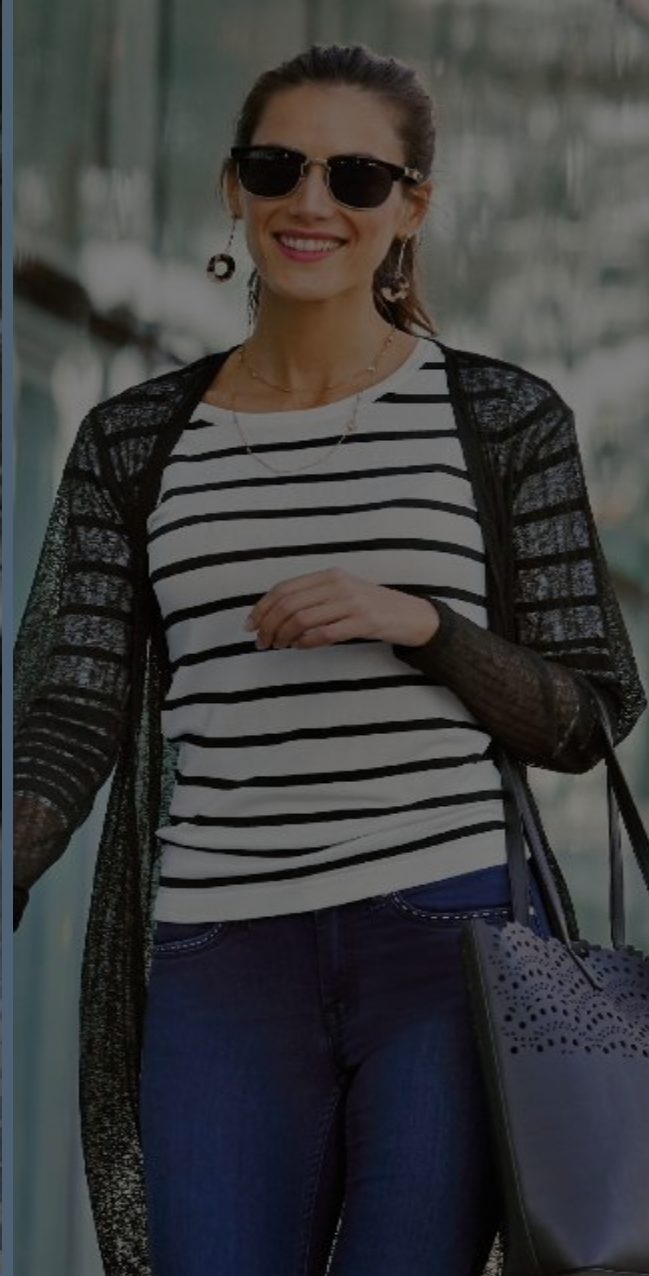
**Kedar Apshankar**  
**COO, Special Projects**

Total Years of Experience: 25  
Total Years with ABG : 15



**Dr. Naresh Tyagi**  
**Chief Sustainability Officer**

Total Years of Experience: 29  
Total Years with ABG : 12



  
LOUIS PHILIPPE

 VAN HEUSEN  
POWER DRESSING

**LIFESTYLE BRANDS**

 Allen Solly™

 PETER ENGLAND

# Lifestyle Brands

## India's Strongest Brand Portfolio

LOUIS PHILIPPE

VAN HEUSEN

Allen Solly  
Est 1744

PETER ENGLAND  
BE EVERYTHING YOU LOVE

ADITYA BIRLA  
FASHION & RETAIL

Versatile ever-growing brands

- Strong brand equity
- Evolving with consumer trends
- Across segments, usage occasions

Industry leading distribution

- Scalable and asset light
- Large headroom for growth

Strong economics

- Consistently profitable with 50%+ ROCE
- Projected to be ~Rs. 9000 Cr. by FY'26

Sustainable competitive advantage

- Unique 12 season business model
- Competence across Product, Brand Management, Off/Online commerce

# Lifestyle Brands

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# Louis Philippe

To inspire the quest of excellence



ATH.WORK®



FORMALS



SPORT



JEANS



ATH.WORK | ATH.PLAY

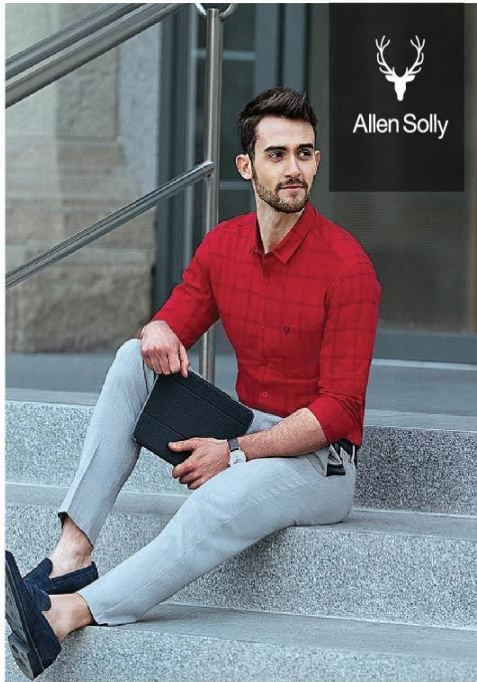
Formal: 52%

Casuals: 48%



# Allen Solly

To encourage you to explore your unconventional vibrant self



WORK  
MODERN | QWORK



EDITION 1744  
LUXURY SPORT



PRIME  
SMALL TOWN INDIA



ALLEN SOLLY JEANS  
DENIM LIFESTYLE



TRIBE  
YOUTH LIFESTYLE

Formal: 5%

Casuals: 95%

# Van Heusen

To make professionals fashionable



Formal: 55%

Casuals: 45%

# Peter England

To bring alive authenticity and trust in our relationships



Originals

Select

Sport

Pete

Active



Mainline Formals

Premium Formals

Smart Casuals

Jeans Lifestyle

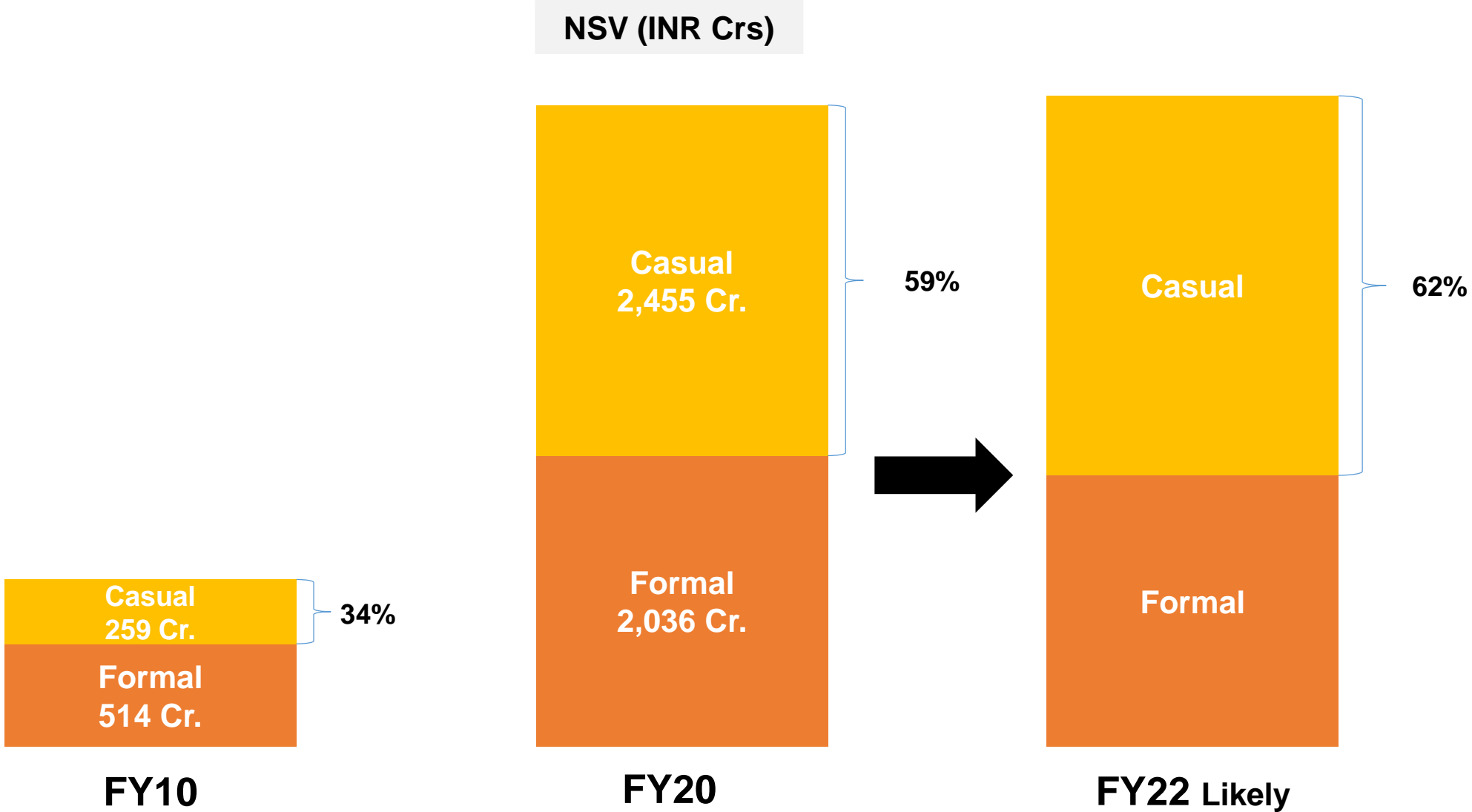
Active wear

Formal: 45%

Casuals: 55%

# Evolved our brands in line with Consumer Trends

## Share of casual business grew from 34% to 59% for Lifestyle Brands



# Lifestyle Brands

## India's Strongest Brand Portfolio

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VAN HEUSEN

Allen Solly  
Est 1744

PETER ENGLAND  
BE EVERYTHING YOU LOVE

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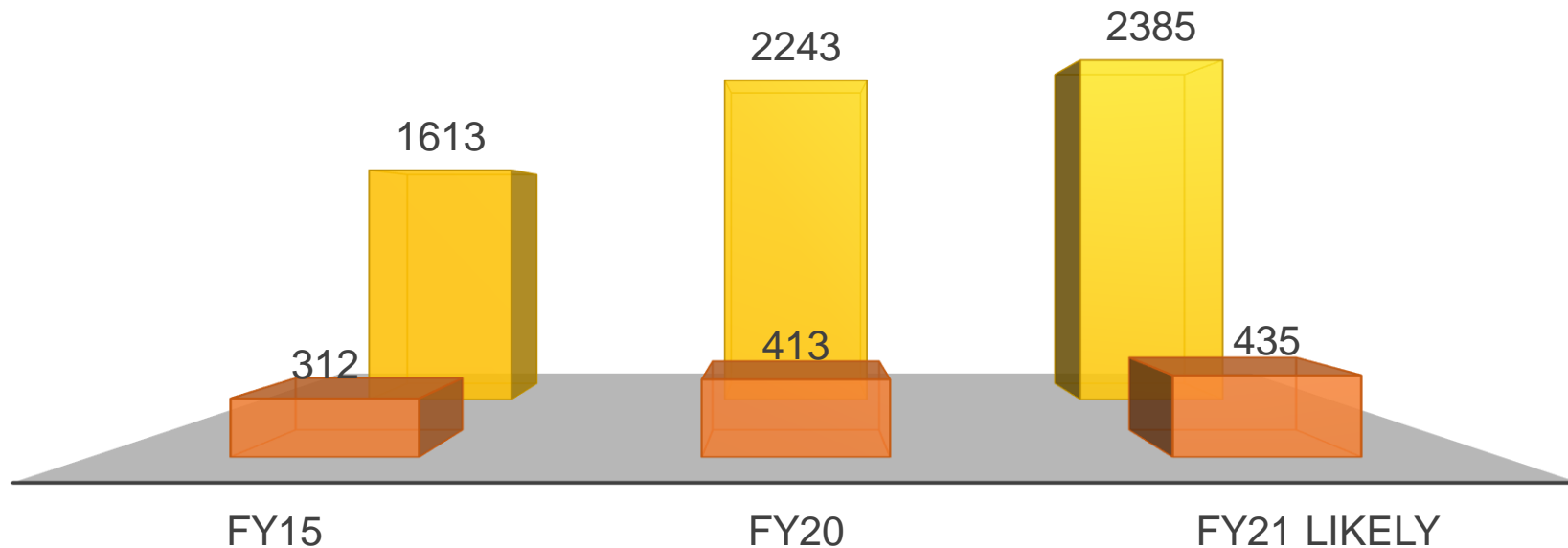
Sustainable competitive advantage

- Unique 12 season business model
- Competence across Product, Brand Management, Off/Online commerce

# Highly scalable asset light distribution model

## Driven by partnerships

■ Company Owned Stores    ■ Total Retail Network



- Only Company owned stores are with own capex
- Fastest retail expansion in FY20
- Franchisee led EBO expansion
- Omni-channel live across 800+ stores

# Large headroom available to double retail presence

## Riding on the growth of both urban and small town India

## EBO Presence and Future Opportunities

Brands	Current Stores	Current Towns	New Markets for expansion (next 5 years)
LP	407	175	500
VH	354	163	500
AS	300	145	750
PE	1014	450	2000

# Tapping the 'Bharat' Opportunity | Peter England Red

## Through a Profitable, Asset Light Model

### What is PE Red?

- **Exclusive format** for Tier 4-5 towns
- **Asset light**, 100% Franchisee led
- Quality product @ Value; Fashion @999
- Merchandise customized for **local needs**
- Network fostering **local entrepreneurship**
- **Hyperlocal** marketing & merchandizing
- Franchisee Payback in **3 years**

### What is the ambition?

Over Next 3 years – To build  
**Rs 900 Cr** business spread  
across **1000 Stores**





# Tapping the 'Bharat' Opportunity | Allen Solly Prime

Proof of concept established, Ready for rapid scale up

## Objective

- Penetrating **Small Town**
- Target to open 500 stores in 3 years

## Need Gap

- Strong **Aspirational brand** with high price value equation

## Expansion Strategy

- Own the State and **go deep**

## Financial Model

- **Low discount** model

## Merchandise strategy

- **Local** relevant
- High **Price Value** equation



Piloted 7 stores  
with **Avg SSPD** of  
**Rs 50+**

# Lifestyle Brands

## India's Strongest Brand Portfolio

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**Strong economics**

- **Consistently profitable with 50%+ ROCE**
- **Projected to be Rs. 9,000 Cr. by FY'26**

Sustainable competitive advantage

- Unique 12 season business model
- Competence across Product, Brand Management, Off/Online commerce

# Lifestyle Brands

## Strong Financial Model

(INR crs)	FY17	FY20N	FY26
Revenue	3,651	4,800	~ 9,000
Growth (CAGR)		10%	11-12%
EBITDA	423	550	~ 1,000
EBITDA %	11.6%	11.5%	~ 11-12%
Capital Employed (w/o GW)	468	772	1,522
Cumulative FCF (FY22 - FY26)	-	-	2,000
ROCE (w/o GW)	74%	45%	50%+

\*Goodwill = Rs. 628 Cr.

- Consistently generated strong ROCE for the last 15 years
- Annual Free Cash Flows averaging INR 300+ crores in each of the last five years
- **Strong brands, highly scalable, profitable asset light model : penetrating “Bharat”**

# Lifestyle Brands

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Strong economics

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- Projected to be Rs. 9000 Cr. by FY'26

**Sustainable competitive advantage**

- **Unique 12 season business model**
- **Competence across Product, Brand Management, Off/Online commerce**

# Pioneering use of Cutting-Edge Technology

## 12 Season Model



Product **lead times reduced** from 7 months to 45 days

State-of-the-art technology for **digital** design creation and order booking

**New design** creation **every month**

**Rapid response** lines with mills

Dedicated manufacturing for **operational flexibility**

# Pioneering use of Cutting-Edge Technology

## 12 Season Model : Advantages

### Product & Design

- **Quick response** to consumer needs
- **Agile** product launches
- **“Many India”** Merchandize

### Supply chain

- Efficient **inventory management**
- Better sourcing deals
- Buys based on **consumer feedback**
- Co-creation with vendors

### Sales Channels

- **Digital Trade Show**
- **Speedy liquidation** of slow-moving designs
- Better freshness due to **monthly drops**

# Phygital way of reaching consumers

## “Buy Online Ship from Stores” (BOSS)

Rapid Store Expansion

- **800+ stores live**

Speed of Delivery

- Order to dispatch < 6 hours

Merchandise Management

- **Intelligent assortments; automatic replenishment**

Inventory Management

- Greater assortment visibility to consumers

Customer Experience

- High quality **omni-channel** experience aided by “**Hyperlocal**”

# Lifestyle Brands

## Summarizing a winning Model

Strong and **Versatile** Brands

Scalable and Profitable **Asset-light** model

Strong Financial model with healthy growth, FCF and ROCE

Leadership across **multiple product categories**

Strong capabilities in **channel management, retailing, product creation**





# PANTALOONS



## **Story of the most successful turnaround in the Indian Fashion Industry**

# Pantaloons

## The turnaround strategy

### Redefining the Pantaloons proposition and customer experience :

1. Revamped **product strategy**
2. Re-energized **brand**
3. Established **growth model** for profitability and scalability
4. Reset **organizational capabilities** to win in the future
5. Robust and rapidly improving **financial model**

**Strong business model with a large headroom for growth**

# Pantaloons

## The turnaround strategy

### Redefining the Pantaloons proposition and customer experience :

1. **Revamped product strategy**
  - a. Improved Price-Value Equation
  - b. Increasing private label share

# 1. Revamped product strategy

## a) Improved price-value equation

- Improved **product design & aesthetics**
- **Redefined fits** for younger audience
- **Improved fashion quotient** of products to appeal to a more fashion aspiring audience



# 1. Revamped product strategy

## a) Improved price-value equation

- Redefined planning processes
  - **Increased freshness : New styles every fortnight**
  - **Revamped supply chain** through new allocation model and automated assortment planning
  - Focused on
    - Improving **Sell throughs**
    - Delivering **higher inventory turns**
    - Expanding **gross margins**

# 1. Revamped product strategy

## b) Strong actions to improve private label share

- Sharply defined and rationalized **private label architecture**
- New introductions :
  - Improve **relevance for young audience**: Launched PEOPLE, Candies
  - **Strengthen Women's Ethnic**: Foray into Saris with a modern take, **Premium Label launch in Sept 21**
  - **Strengthen Men's wear** - Premium Athleisure and Casual wear labels in FY 22
- Move from **Apparel to Life style**
  - Launched Home – **Living Scapes**
  - Strengthen Accessories
  - Build Beauty & Cosmetics

**On course to increase share of Private labels from 61 % in FY 20 to 75 % in FY 25**

# 1. Revamped product strategy

Labels for younger age group





# 1. Revamped product strategy

## Foray into Saris



# 1. Revamped product strategy

## Living Scapes – Entry into the Home category



LIVING  
scapes



# Pantaloons

## The turnaround strategy

1. Revamped product strategy
  - a. Improved Price-Value Equation
  - b. Increasing own brand share
  
2. **Re-energized brand**
  - a. New positioning and imagery, with high salience
  - b. Refreshed retail identity

## 2. Re-energized brand

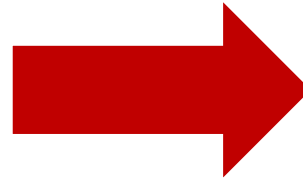
### a) New positioning and imagery, high salience

- Revamped **Imagery** – Young, Contemporary & Vibrant
- Stepped up marketing investments – **2X**
- Strong **Digital** marketing strategy to build salience and website traffic
- Harnessed the power of **16 Mn strong loyalty program member base**, through analytics and personalization



## 2. Re-energized brand

### a) New Retail Identity launched



**Vibrant, Modern & Interactive, based on international benchmarks**

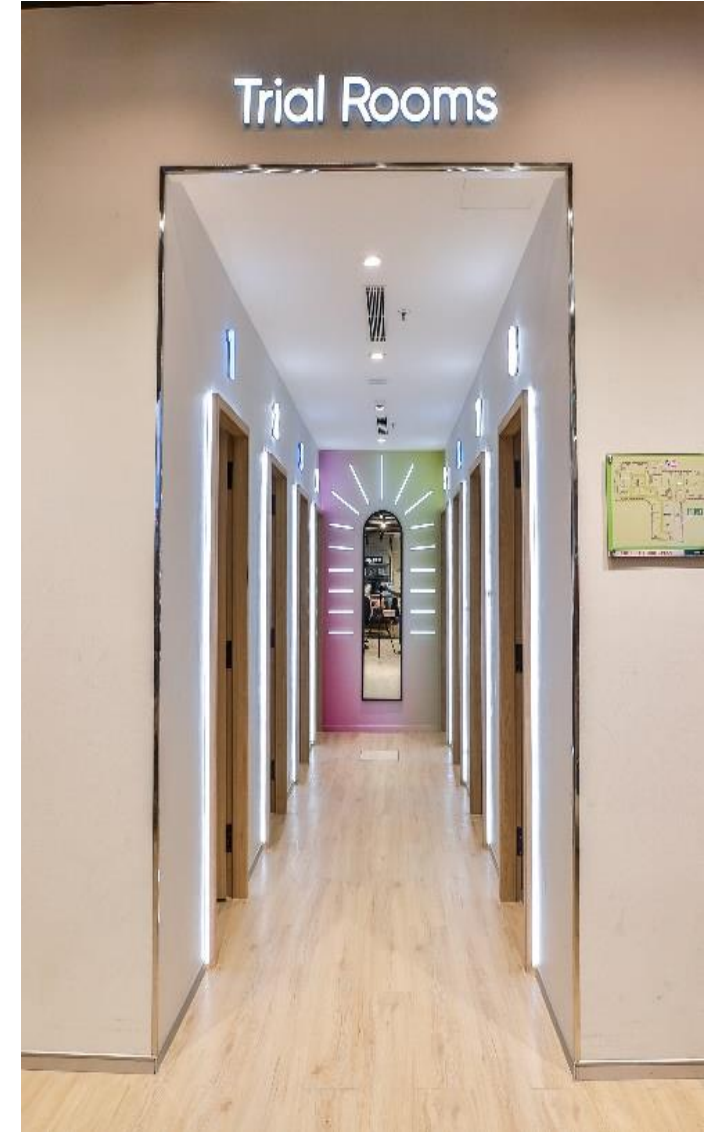
## 2. Re-energized brand

### a) New Retail Identity – Vibrant, modern & interactive



## 2. Re-energized brand

### a) New Retail Identity – Vibrant, Modern and Interactive



# Pantaloons

## The turnaround strategy



1. **Revamped product strategy**
  - a. Improved Price-Value Equation
  - b. Increasing own brand share
2. **Re-energized brand**
  - a. New positioning, imagery with high salience
  - b. Refreshed retail identity
3. **Established growth model – Scalability and unit profitability**
  - a. Strong store economics across store sizes and town classes
  - b. Robust expansion plans
  - c. Scale up of digital channels with agility



### 3. Established growth model

#### a) Proven store economics across store sizes and town classes

- Added 200+ stores over the last 4 years; present in 169 cities
- Average store ROCE of 30% in COCO stores, consistent across town classes

	COCO Stores			
	Metros (8)	Tier 1 & 2 (55)	Tier 3 & Below (55)	Total
Store Mix (275 stores)	45%	35%	20%	100%
ROCE%	34%	28%	22%	30%

### 3. Established growth model

#### b) Robust network expansion plans with a proven profitability model

- Driving penetration in Tier 2/3/4 towns a significant opportunity
- **Plan to add 250 stores in the next 3 years across 100 new towns**

City Tier	Current Foot print	FY 25 Foot print
Metro	8	8
Tier 1	31	44
Tier 2	36	43
Tier 3	94	173
<b>Total</b>	<b>169</b>	<b>268</b>

## 3. Established growth model

### c) Scale up of digital channels with great agility



- E-commerce channel scaled up 3x during FY 21; to **contribute 8-10% of sales by FY25**
- Stores migrating to become “**Phygital stores**”
  - 60 % network - **Omni-enabled**
  - **Social commerce** - a key channel going forward
- Plans in place to **accelerate partnered e-commerce business**
- **New website and app** planned for a superior customer experience

**Integrated online and offline retail play – a big bet for the future**

# Pantaloons

## The turnaround strategy



1. **Revamped product strategy**
  - a. Improved Price-Value Equation
  - b. Increasing own brand share
2. **Re-energized brand**
  - a. New positioning, imagery with high salience
  - b. Refreshed retail identity
3. **Established growth model – Scalability and unit profitability**
  - a. Strong store economics across store sizes and town classes
  - b. Robust expansion plans
  - c. Scale up of digital channels with agility
4. **Redefined organizational capabilities to win in the future**
  - a. Strong Digital transformation agenda across the value chain

# 4. Redefined organisational capabilities

## Strong Digital transformation agenda across the value chain

### DIGITAL MARKETING

- Drive traffic, improve conversions
- Personalization

### DIGITAL PRODUCT LEADERSHIP

- Agile Merchandising
- Systematic Planning

### ANALYTICS AS ORG FABRIC

- Insights led decision making



### PHYGITAL SHOPPING EXPERIENCE

- Create unique integrated Pantaloons experience across Physical and Digital modes

### OPERATIONAL EXCELLENCE

- Technology for efficient operations and superior customer experience

### DIGITALLY ENABLED EMPLOYEE

- Enable Collaboration, Productivity & Creativity

# Pantaloons

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  - a. Strong Digital transformation agenda across the value chain
5. **Robust and rapidly improving financial model**

## 5. Robust and rapidly improving financial model

Stellar financial turnaround; well positioned for accelerated growth

(Rs. Cr.)	FY17	FY20N	FY26E
Revenue	2,552	3,650	~ 8,500
CAGR		13%	15-16%
EBITDA	126	291	~ 900
EBITDA%	4.9%	8.0%	~ 11%
Capital Employed (w/o Goodwill)	512	600	1,622
CFCF (FY 22-26)	-	-	~ 500
ROCE (w/o Goodwill)	NA	27%+	40%+

\*Goodwill: Rs. 1,168 Cr.

**Over next 5 years, business to generate Rs. 2100 Cr cash; Invest back Rs. 1600 Cr. for growth, thereby delivering Rs. 500 Cr. of free cash flow**

# Pantaloons

## Strong growth and financial model



1. Revamped **product strategy** with improved design aesthetics, better freshness and new labels for younger consumers
2. Re-energized **brand** with new positioning, higher marketing investments and a strong digital & data strategy
3. Established **growth model** for store scalability & profitability with strong store economics across pop-strata, town classes and store vintage
4. Reset **organizational capabilities** to win in the future with strong talent, culture and a robust digital transformation planned across the value chain
5. Robust and rapidly improving **financial model** delivering double digit EBITDA, strong ROCE and surplus cash

**Potential to become a Rs. 8500 Cr multi-category retail brand,  
with an integrated online-offline play**





**VAN HEUSEN**  
INNERWEAR | ATHLEISURE

**VAN HEUSEN**  
WOMAN  
INTIMATES



**THE COLLECTIVE**

  
**POLO**  
RALPH LAUREN

**TED BAKER**  
LONDON

  
**FRED PERRY**

  
**AMERICAN EAGLE**  
OUTFITTERS

  
**HACKETT**  
LONDON

**FOREVER 21**



**JAYPORE**



SHANTANU & NIHIL

# New Business Segments

# New Business Segments

## Setting up Future Growth Platforms



- Building on our leadership position, forayed into potentially attractive segments:
  1. **Active athleisure innerwear**
  2. **Youth western fashion for men/women**
  3. **Super premium segment**
  4. **Ethnic wear**
- Over the course of last 4 years we have been perfecting business model in each of the segments
- Through these, we will create **long term growth platforms** offering attractive returns in future

# Innerwear & Athleisure

## The Industry Disruptor

- **Large unorganized and profitable market**
  - Driven by premiumization & growth of branded segment
- Van Heusen (VH) has emerged as **a clear number 2** player
  1. Aspirational brand
  2. Differentiated & innovative products
  3. Deep distribution
  4. Asset light scalable model
  5. Category extension from IW to Athleisure & Activewear
- Poised for **explosive growth and profitability**
  - **INR 1,500 Cr. sales in FY26 with ~15% EBITDA**

# Innerwear & Athleisure

## The Industry Disruptor



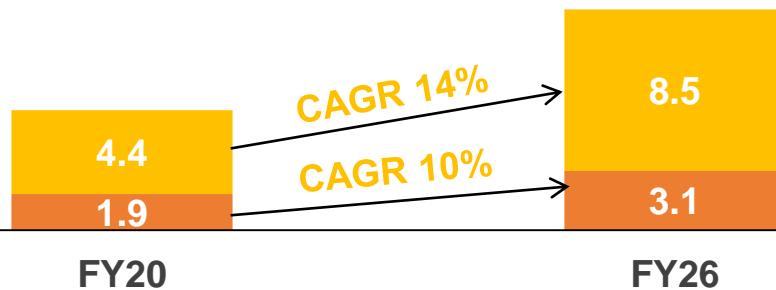
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# Large (~\$9 Bn) unorganized & profitable market

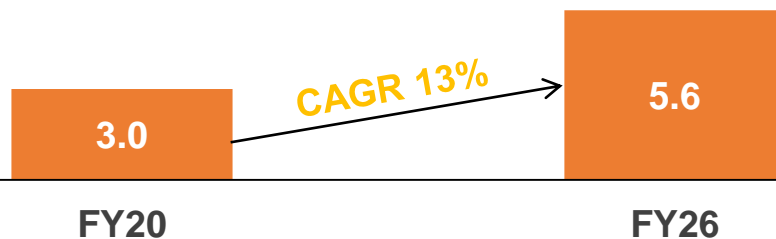
## Market projections<sup>1,2</sup> (USD Bn)

### Inner wear

■ Men ■ Women



### Athleisure & Active Wear



## Strategic Intent

- Large market size (\$9.3 Bn) with 12-13% expected future growth
- Large part of market **still unorganized**
- Lifestyle changes to drive faster growth & **premiumization**
- Large premium / mid-premium segment (~50% market) leading to significant headroom for **branded play**
- **High profitability** - Industry structure allows strong profitability

Source: Report on India Fashion Market, June 2020 by Wazir Advisors, Kearney estimates

1.. The market sizes for athleisure and active wear are for the urban market

1 USD = 72.5 INR

2. We have assumed FY21 as pause year and used FY20 market as base and then used 5-year growth formulae to project FY26 market size



# **We saw 5 clear opportunities for market entry through Van Heusen**

- 1. Large unorganized market**
- 2. Strong consumer pull towards aspirational brands**
- 3. Profitable industry structure**
- 4. Most players offering basic undifferentiated products - Opportunity for innovation**
- 5. Strong right to win through VH's aspirational positioning and natural adjacency**

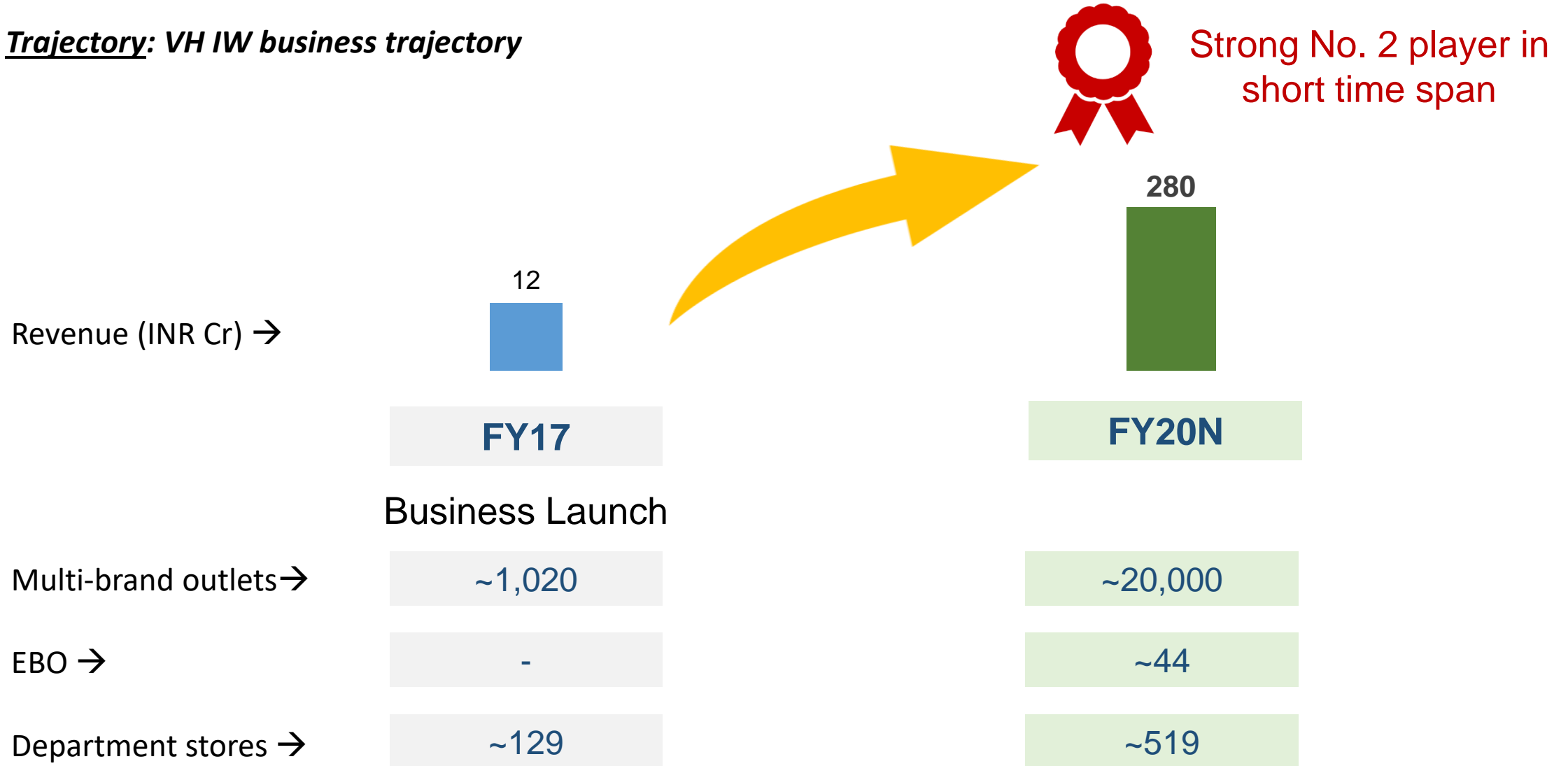
# Innerwear & Athleisure

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# In a short span of time, we have emerged as a clear No. 2

## Trajectory: VH IW business trajectory





# We have built our business on 5 differentiated pillars

---



# 1. Aspirational Brand

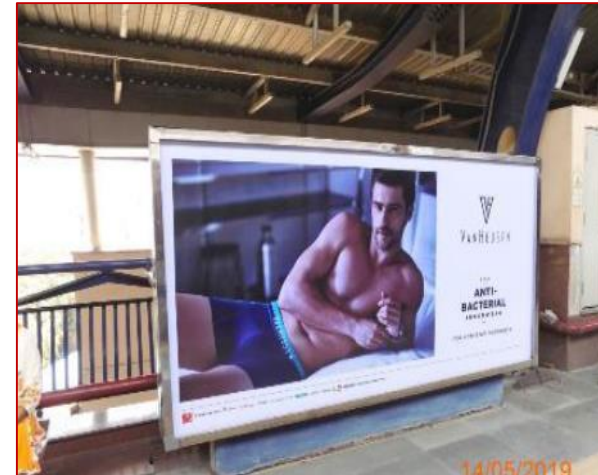


VAN HEUSEN

Aspirational brand to upgrade customers

Amplifying brand strength via 360° campaigns & high impact launches

## ATL campaigns



# 1. Aspirational Brand



VAN HEUSEN

**Aspirational brand to upgrade customers**

*Amplifying brand strength via 360° campaigns & high impact launches*

## BTL / activations

Fashion shows



Pop-up stores



SIS



'Brafessor'



# 1. Aspirational Brand

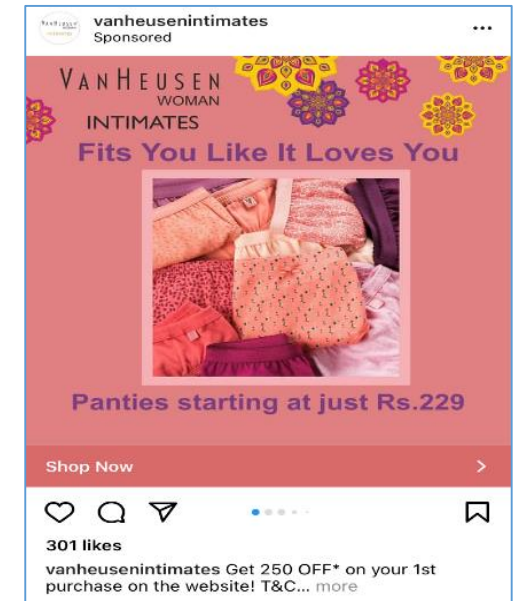
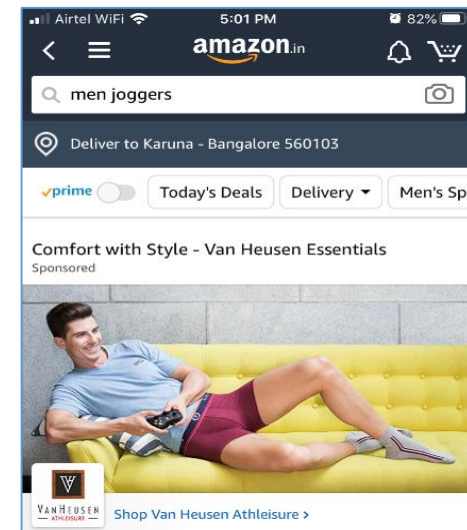
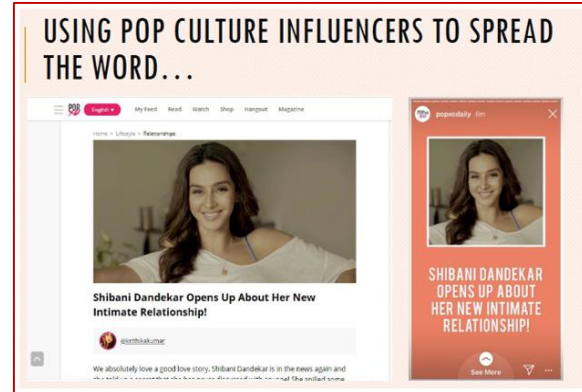


VAN HEUSEN

**Aspirational brand to upgrade customers**

*Amplifying brand strength via 360° campaigns & high impact launches*

## Targeted digital marketing



# 2. Differentiated & Innovative Products

## A Innovation to address unmet functional needs

Products launched to address need gaps around “comfort” and “fit”

Men’s wear (select examples)



Women’s wear (select examples)



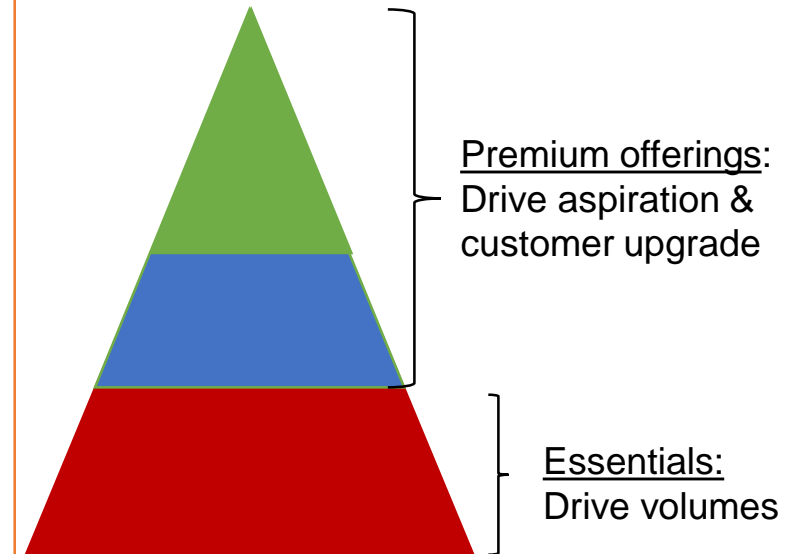
## B Strategic partnerships

Strategic partnerships with **best in class manufacturing facilities**



## C Product laddering to drive customer upgrade

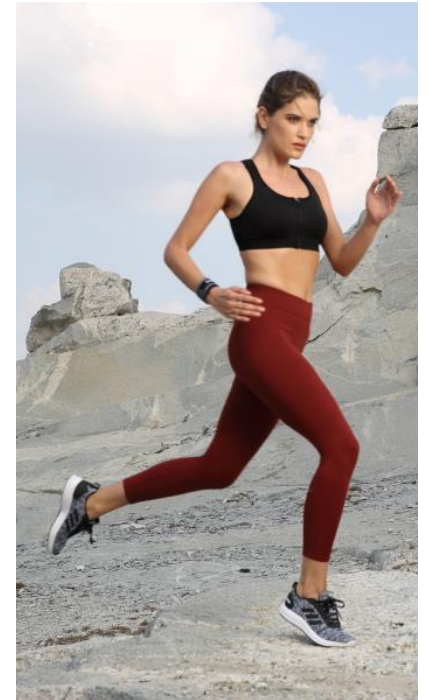
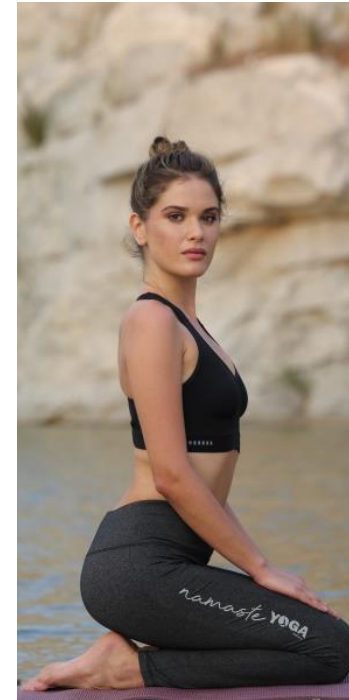
3-layered product architecture



## 2. Differentiated & Innovative Products - Created a diverse range of market winning products – Men



## 2. Differentiated & Innovative Products - Created a diverse range of market winning products – Women



# 3, 4. Deep Distribution and Asset Light Scalable Model

## A Trade

Rapid expansion; 60% weighted coverage already



22,000+ outlets  
450+ cities

## B Retail

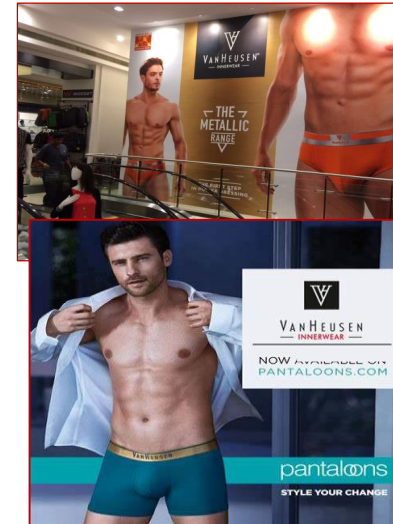
3 Winning retail formats

Asset light franchisee led model

50 stores to 500 stores over next 4 years

## C Dept Stores

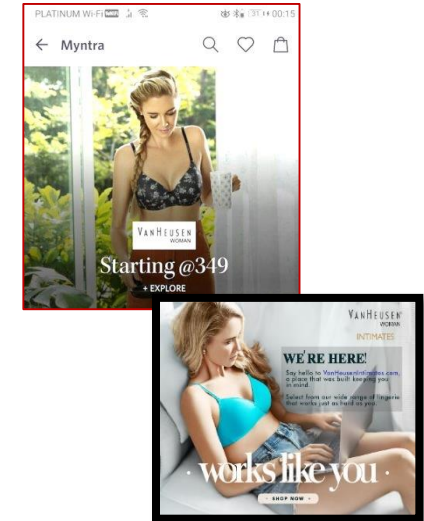
VH's superior positioning



500+ doors (incl. presence in Pantaloons)

## D E-Commerce

Strategic partnerships in place



All leading platforms + exclusive online stores



# 5. Category extension from IW to Athleisure & Activewear

Men's Innerwear



Men's Loungewear



Men's Athleisure



Men's Thermals



Men's Activewear



Men's Socks



FY21

FY17

Entered Women's segment in FY19 –

1. Compete as a strong & credible alternative to the market leader with a comprehensive offering
2. Accelerate Men's growth
3. Make EBO viable



Women's Innerwear



Women's Loungewear



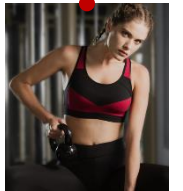
Women's Athleisure



Women's Thermals



Vitals bra



Sports bra



Women's Activewear

# Innerwear & Athleisure

## The Industry Disruptor

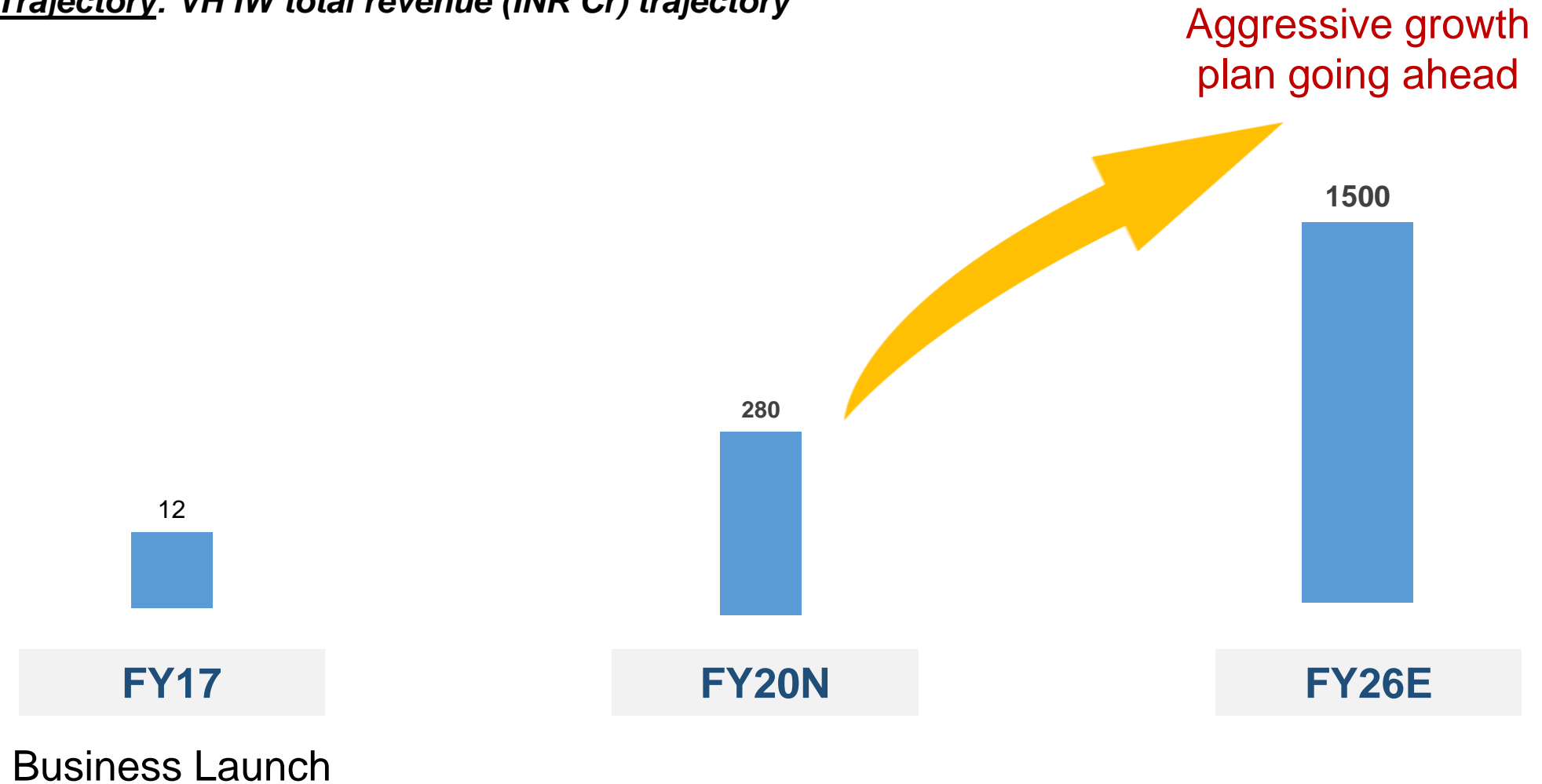
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- Poised for **explosive growth and profitability**
  - **INR 1,500 Cr. sales in FY26 with ~15% EBITDA**

# We have a clear strategy built on strong pillars...

- 1 Aspirational brand**
- 2 Differentiated & innovative products**
- 3 Deep distribution**
- 4 Asset light scalable model**
- 5 Category extension from IW to Athleisure & Activewear**

... which will allow us a strong position in the market

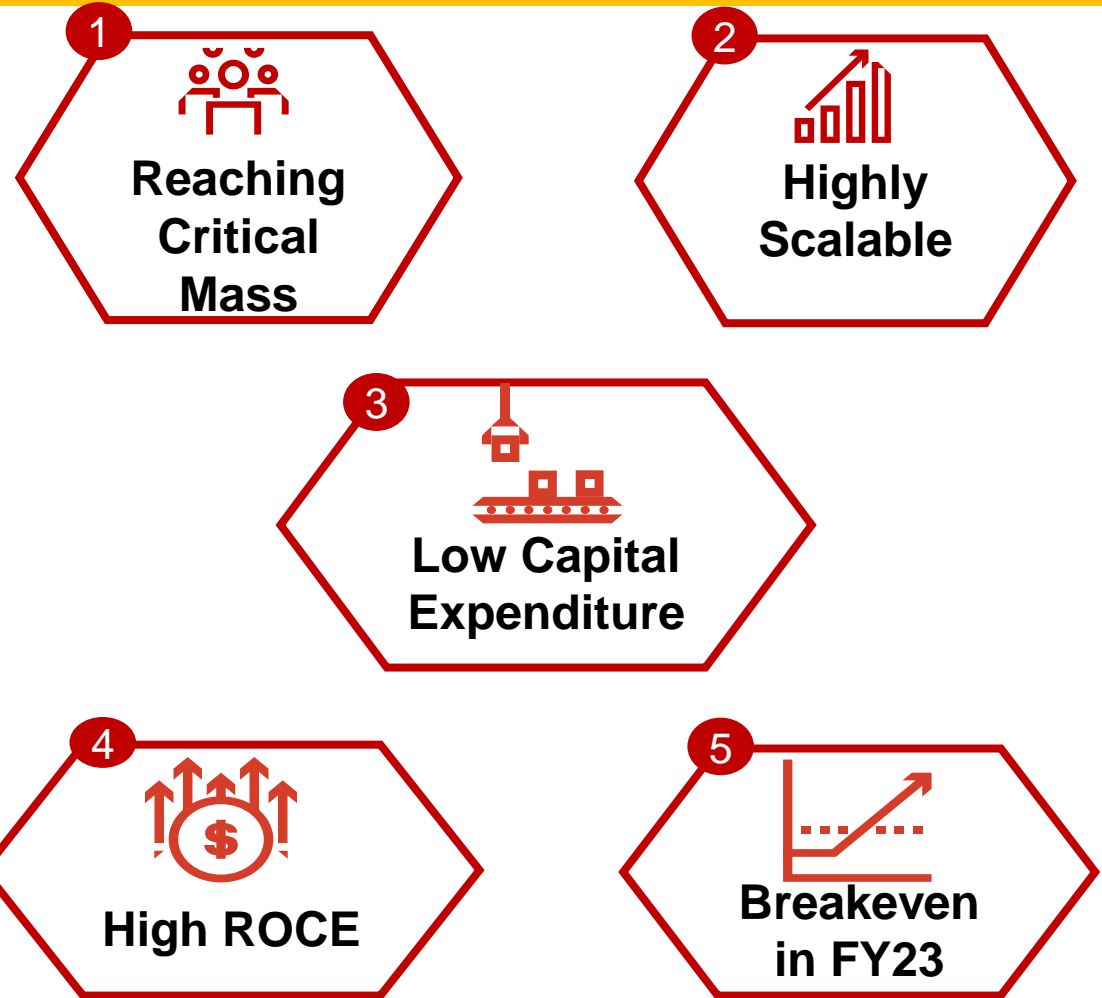
Trajectory: VH IW total revenue (INR Cr) trajectory



# ...and help us deliver outstanding financial performance

(Rs. Cr.)	FY17	FY20N	FY26
Revenue	12	280	~ 1,500
CAGR			32%
EBITDA	-18	-48	~ 225
EBITDA%		-19%	~ 15%
Capital Employed	17	173	~ 480
CFCF (FY 22-26)	-	-	~ -100
ROCE	NA	NA	50%+

We will need further cash infusion of INR 100 - 150 Cr to achieve this scale



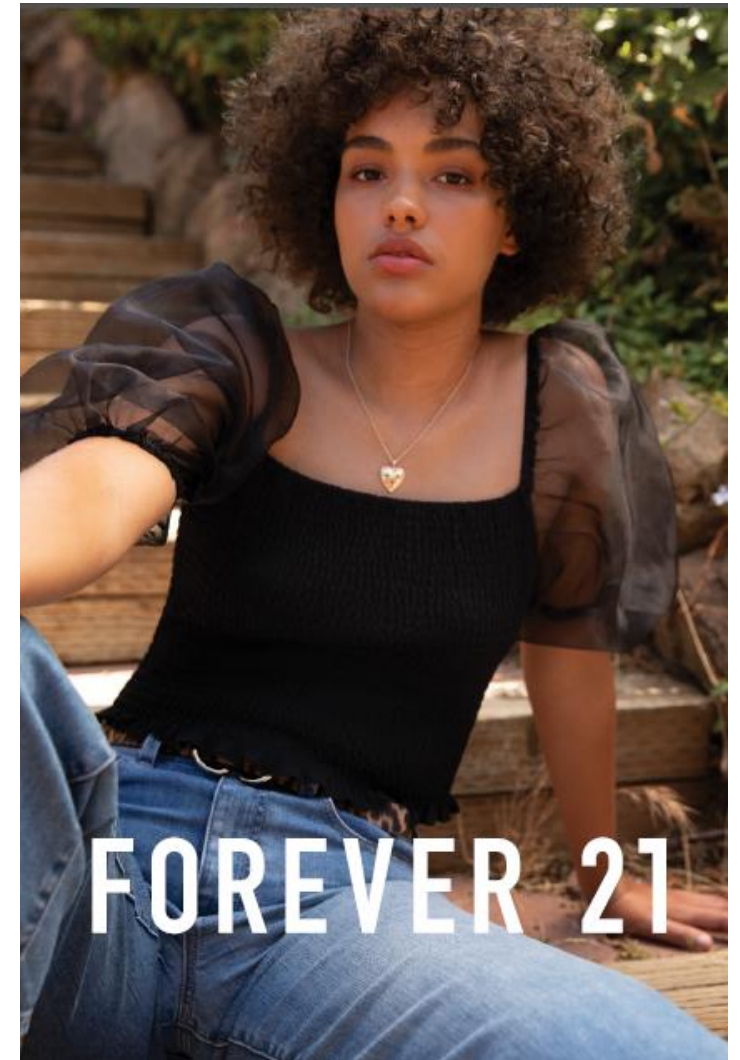
**Strong headroom to grow even further...**

# Youth Fashion Brands

## Forever 21 – Turned around in last 3 years

(Rs. Cr.)	FY17	FY20N	FY26
Revenue	201	160	~ 500
CAGR			21%
EBITDA	-34	-1	~ 40
EBITDA%			~ 8%
Capital Employed (W/O) GW)	150	79	~ 86
CFCF (FY 22-26)			~ 10 Cr
ROCE	NA	NA	15%+

- Acquisition didn't work out as per plan mainly due to challenges with erstwhile parent
- New Terms signed with new Parent - Royalty % reduced to half
- Business likely to turn EBIT and Cash positive by FY23



# Youth Fashion Brands

## American Eagle

(Rs. Cr.)	FY20N	FY26
Revenue	43	200-250
CAGR	NA	~ 34%
EBITDA	-17	~ 20
EBITDA%		~ 10%
Capital Employed	42	~ 80
CFCF (FY 22-26)		~ -10 Cr
ROCE	NA	15%+

- Strong Denim brand in the ABFRL portfolio
- Ambition to be in Top 3 denim brands in 5 years
- Business expected to turn EBITDA +ve next year



A Powerful Brand.  
With a powerful Stance. Unique  
Brand Positioning.



# Super Premium and Luxury

## Nurturing a profitable business

(Rs. Cr.)	FY17	FY20N	FY26
Revenue	106	170	~ 500
CAGR		17%	30%
EBITDA	-13	-6	40-50
EBITDA%			8 – 10%
Capital Employed	36	60	~ 150
CFCF (FY 22-26)			< -10Cr
ROCE	NA	NA	20%+

- Business nurtured over decade, strong consumer and business partner equity
- Business growing profitably through careful store expansion
- Excellent traction on own E-com; large and profitable online luxury play under work
- The Collective & Mono brands to be EBIT positive by FY22 and FY23 respectively
- Total cash infusion required over next 5 years is < Rs. 10 Cr.





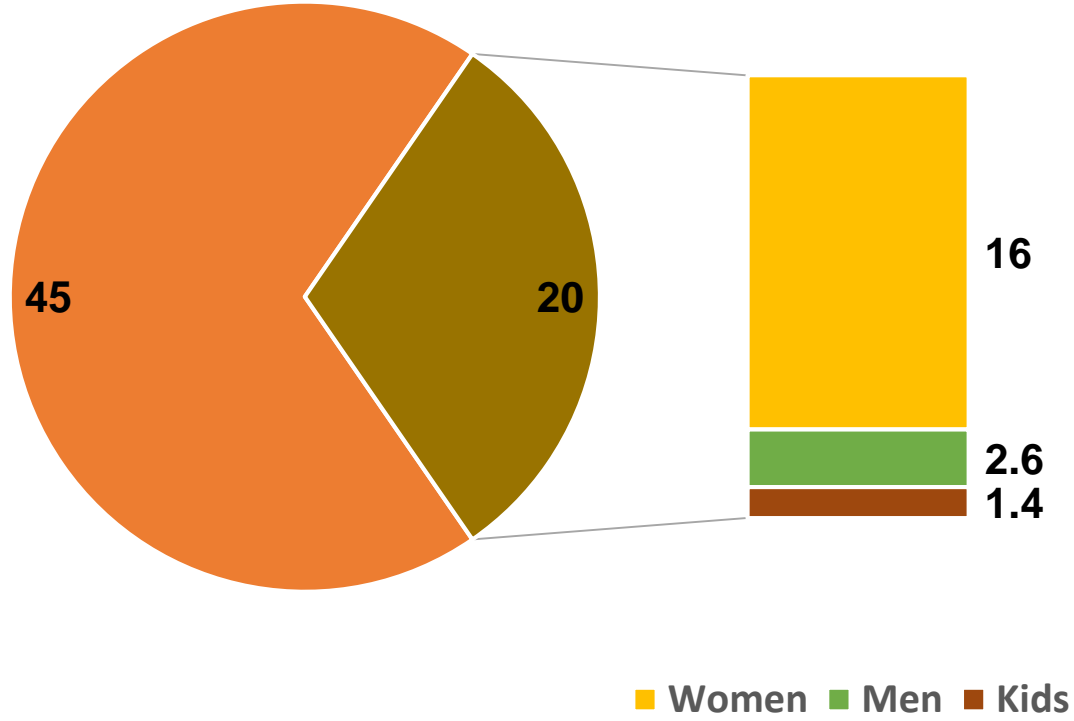
# Ethnic Wear - Vision

**To be a leader in the Indian ethnic wear market, with presence across all key segments and serving the consumers through a portfolio of strong brands**

# The opportunity

Indian Apparel Market  
USD 65 Bn, CAGR 12 %

Ethnic Wear Market  
USD 20 Bn



- Largest segment in the apparel industry
- Women's wear the largest segment
- Organized segment USD 3.5-4.5 Bn, growing at 15 % and evolving
- Very few scale players; no international competition



**Large segment, with a white space for a strong national player**

# Ethnic market : Unique Structure with high share of luxury

Organized market  
\$3.5-4.5 Bn

Growth & profit  
Potential

Market

Brands

Luxury

18- 20%



Designer led

TARUN TAHILIANI  
MANISH MALHOTRA



SABYASACHI  
CALCUTTA

ROHIT

SHANTANU & NIRHIL

gauravgupta™



RITU KUMAR

ANITA DONGRE

Label  
RITU KUMAR

GRASSROOT  
ANITA DONGRE

SON

Diwan Sahab GOOD EARTH

Bridge to Luxury

7-10%



Designer Pret  
Collections

JAYPORE  
TANEIRA

ethnix  
By raymond

g NICOBAR

BIBA globaldesi

Nalli®

Manyavar

fabindia

Meena Bazaar

soch

WESTSIDE

Rangriti  
Gets a New Look

Joshn

pantalons  
IN WITH FASHION

MAROUK

fbb

Reliance trends

max  
Sadhya

Premium

30-33%



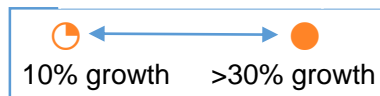
Several established  
brands

Value/  
Mid-market

38-40%



Store brands,  
marketplace labels



# A visible, marked shift towards ethnic wear in last few years – poised for acceleration now

- **Ethnic wear** – symbolic of who we are
- **Connecting with the roots** – a significant trend amongst Millennials
- Substantial increase in the number of **ethnic relevant occasions**
- **Weddings/Celebrations** – big demand booster



**Ethnic wear gaining rapid relevance once again**

# Rationale for building ethnic play for ABFRL



**Sizeable, still evolving** segment, with opportunity to build scale



**Our right-to-win:** Solid foundation of category & consumer understanding built in Pantaloons (> Rs 750 Cr ethnic wear business) with deep knowledge of ethnic supply chain



**Lower competition:** Very few sizable players; no international competition



**A vacant space:** Space for a comprehensive Indian ethnic fashion play is vacant



**Strong legacy:** History of building strong businesses and powerful brands

# We laid down a clear & distinct strategy to win in each segment



	Share of organized market %	ABFRL Strategy	Route
<b>Luxury</b> ₹₹₹₹	18- 20%	Invest in established, aspirational designer brand	Inorganic, partnership
<b>Affordable Luxury</b> ₹₹₹	7-10%	Launch pret lines of Designers	Brand Extensions
<b>Premium</b> ₹₹	30-33%	Launch new brands & grow aggressively	Organic, Madura brand playbook
<b>Value</b> ₹	38-40%	Play through Pantaloons	Leverage Pantaloons' portfolio of private brands

**\$3.5 - \$4.5Bn**

# We have completed our portfolio through recent partnerships & proposed organic plans

Organized market  
\$3.5-4.5 Bn

## ABFRL Participation Strategy

Luxury

18- 20%

Existing



New



Bridge to Luxury

7-10%



Launches in FY 21



Premium

30-33%

JAYPORE

- Premium **Women's** Ethnic brand – Aug '21
- Premium **Men's** Ethnic brand with Tarun Tahiliani – Sep '21

Value/  
Mid-market

38-40%

Pantaloons

# Our Play – Branded Ethnic

## Platform for Large, Long Term Value Creation

<b>Rs. Cr.</b>	<b>FY20N</b>	<b>FY26</b>
<b>Revenue</b>	50	2,000
<b>Growth (CAGR)</b>		90%
<b>EBITDA</b>	-18	~ 225
<b>EBITDA%</b>	-39%	~ 11%
<b>Capital Employed (w/o GW)</b>	61	~ 800
<b>CFCF (FY22 to FY26)</b>		-300
<b>ROCE (w/o GW)</b>	NA	20%+

\*Goodwill 334 Cr.

- **Build a strong ethnic portfolio of brands with an ambition to build Rs. 2,000 Cr in 5 years**
- We expect the normalized EBITDA to be around 10% - 12% & ROCE of 20%+
- Business to be EBITDA +ve by FY 24 and FCF +ve by FY25



# Summing up ... the key tenets of ABFRL strategy

- **Grow the Core**
  - Lifestyle Brands and Pantaloons have a well tuned operating model.
  - Poised for accelerated growth (FY 22-26)
- **Enrich the portfolio**
  - Build meaningful presence in innerwear, casual wear and super premium
  - Rapid scaling of these formats will create a new growth platform
- **Efficient Business Model**
  - Asset light growth model
  - Agility in design, merchandising & supply chain
  - High intrinsic ROCE in every business
- **Future Ready**
  - Investments in Digital Transformation & Sustainability



## 4. Financial Performance

# ABFRL | P&L Trajectory

Well placed portfolio in a large growing apparel market.....



<b>Revenue</b> (INR crs)	<b>FY17</b>	<b>CAGR</b> (FY17 - 20)	<b>FY20N</b>	<b>CAGR</b> (FY20 - 26)	<b>FY26</b>
Lifestyle Brands	3,651	10%	4,800	11% - 12%	~ 9,000
Pantaloons	2,552	13%	3,650	15%-16%	~ 8,500
New Businesses	464	23%	870	32%	~ 4,500
<b>ABFRL*</b>	<b>6,633</b>	<b>11%</b>	<b>9,100</b>	<b>~ 15%</b>	<b>~ 21,000</b>

<b>EBITDA</b> (INR crs)	<b>FY17</b>	<b>Multiplier</b>	<b>FY20N</b>	<b>Multiplier</b>	<b>FY26</b>
Lifestyle Brands	423	1.3x	551	1.8x	~ 1,000
Pantaloons	126	2.3x	291	3.3x	~ 900
New Businesses	-80		-125		550
<b>ABFRL*</b>	<b>476</b>	<b>1.5x</b>	<b>693</b>	<b>3.4x</b>	<b>~ 2,350</b>

\*ABFRL consolidated numbers post eliminations

# New Business

## Aggressive build up of new growth engines

<b>Revenue</b> <i>(INR crs)</i>	<b>FY20N</b>	<b>CAGR</b>	<b>FY26</b>
<b>Inner Wear</b>	280	32%	1,500
<b>Global Brands + Youth Fashion</b>	373	24%	1,200
<b>Ethnic Businesses</b>	50	85%	2,000
<b>New Business</b>	703		~ 4500

<b>EBITDA</b> <i>(INR crs)</i>	<b>FY20N</b>		<b>FY26</b>
<b>Inner Wear</b>	-48		225
<b>Global Brands + Youth Fashion</b>	-60		100
<b>Ethnic Businesses</b>	-18		225
<b>New Business</b>	-125		~ 550

\*FY20N doesn't include PEOPLE, others

# ABFRL | Balance Sheet trajectory

..with clear focus on balancing Growth, Capital Employed and ROCE



Capital Employed (INR crs)	FY20N		FY26	
	With GW	W/o GW	With GW	W/o GW
Lifestyle Brands	1,400	772	2,150	1,522
Pantaloons	1,768	600	2,800	1,632
New Business	624	436	2,100	1,702
<b>ABFRL</b>	<b>3,792</b>	<b>1,900</b>	<b>7,050</b>	<b>4,856</b>

ROCE	FY20N		FY26	
	With GW	W/o GW	With GW	W/o GW
Lifestyle Brands	30%	45%	35%+	50%+
Pantaloons	10%	27%+	25%+	40%+
New Business	N/A	N/A	20%+	25%+
<b>ABFRL</b>	<b>-</b>	<b>12%</b>	<b>25%+</b>	<b>35%+</b>

# Consistently improving financial performance...

	<b>FY17</b>	<b>FY20N</b>	<b>FY26</b>
<b>Revenue</b>	<b>6,633</b>	<b>9,100</b>	<b>~ 21,000</b>
<b><i>Growth (CAGR)</i></b>		<b>12%</b>	<b>15%</b>
<b>EBITDA</b>	<b>476</b>	<b>693</b>	<b>~ 2,350</b>
<b>EBITDA%</b>	<b>7.2%</b>	<b>7.6%</b>	<b>11.2%</b>
<b>ROCE (w/o goodwill)</b>	<b>7%</b>	<b>12%</b>	<b>35%+</b>

**Continuous focus on profitable growth, as reflected in improved EBITDA and Margins**

# ..... that will result in significant value creation

- ✓ **Strong Growth Trajectory** – CAGR of ~ 15% from FY20 to FY26
- ✓ **Sharp improvement in Profitability** - EBITDA margin expansion of ~ 360 bps
- ✓ **Robust Cash Flows from FY22 to FY26**

Cumulative operating cash flows of ~ Rs. 2,000 Cr.

- Rs. 4,000 – 4,500 Cr of operating cash flows
- Rs. 2,000 – 2,500 Cr of capex

Rs. 750 – 1,000 Cr. in taxes and interest

- ✓ **High ROCEs** - ROCE to move from 12% to ~ **35%+**
- ✓ **Enhanced Balance Sheet strength**
  - Significantly strengthened in FY21
  - Normalized Net Debt/ EBITDA to remain between 1.0x to 1.5x

# Thank You

*For further queries, please contact our investor relations team*

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