



Aditya Birla Fashion & Retail Ltd.

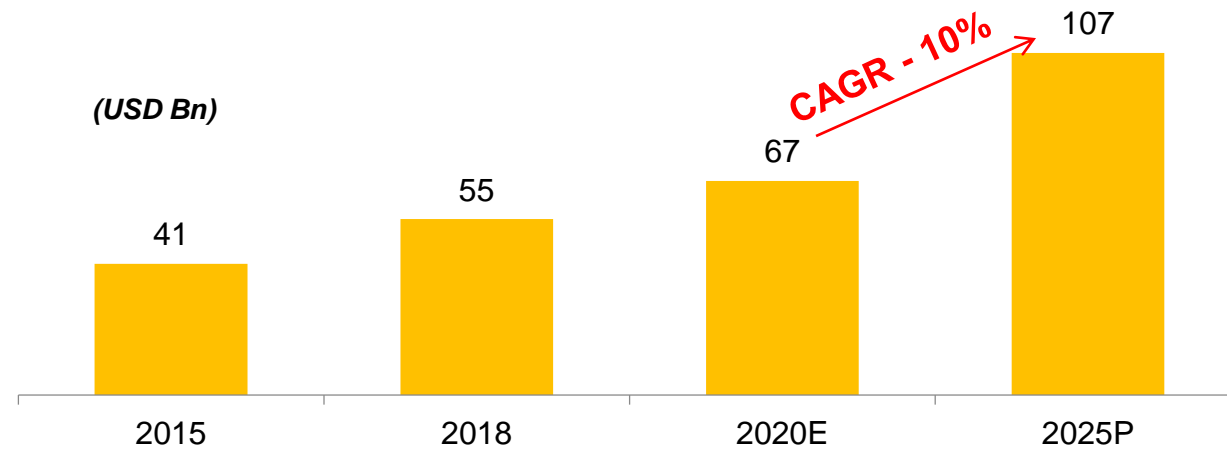
Corporate Presentation
March 2021



Executive Summary

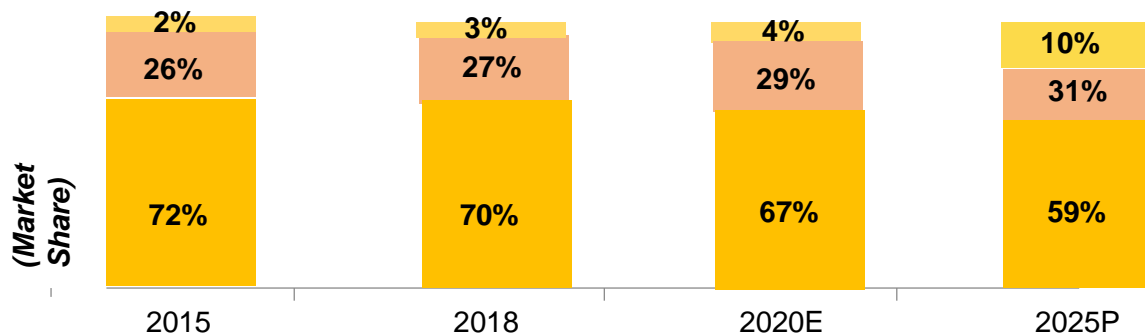
1. Indian Apparel Sector presents **large market opportunity – USD 100 bn +** by FY 25
2. ABFRL is a **pioneer in branded apparel industry**, with **30 years** of rich experience
3. Over long period of time, we have **demonstrated success** in
 - ✓ Building portfolio of the largest fashion brands in 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

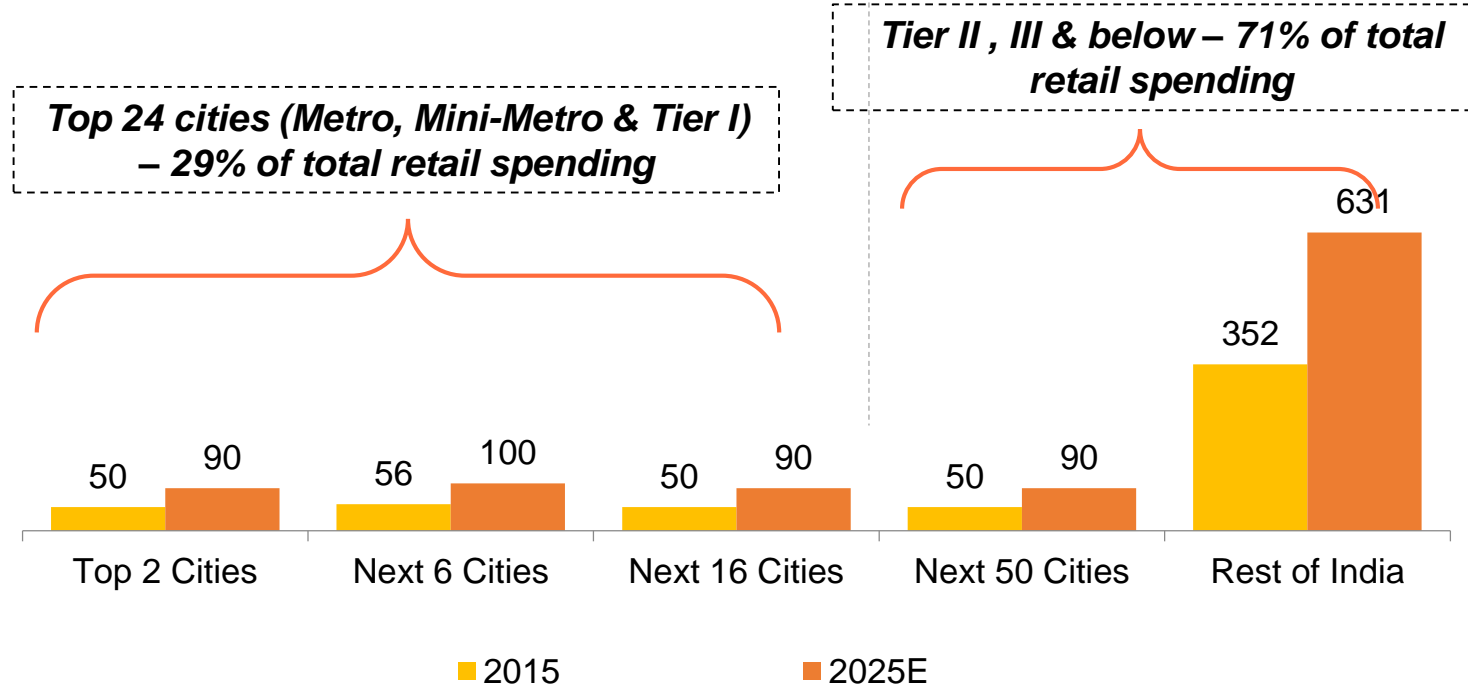


Rapid shift to Organized Market

- 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

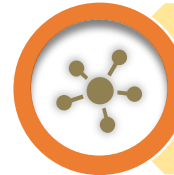
Consumption Megatrends



Increase in Brand Consciousness



Greater participation of Women in Workforce



Rise of Digitization

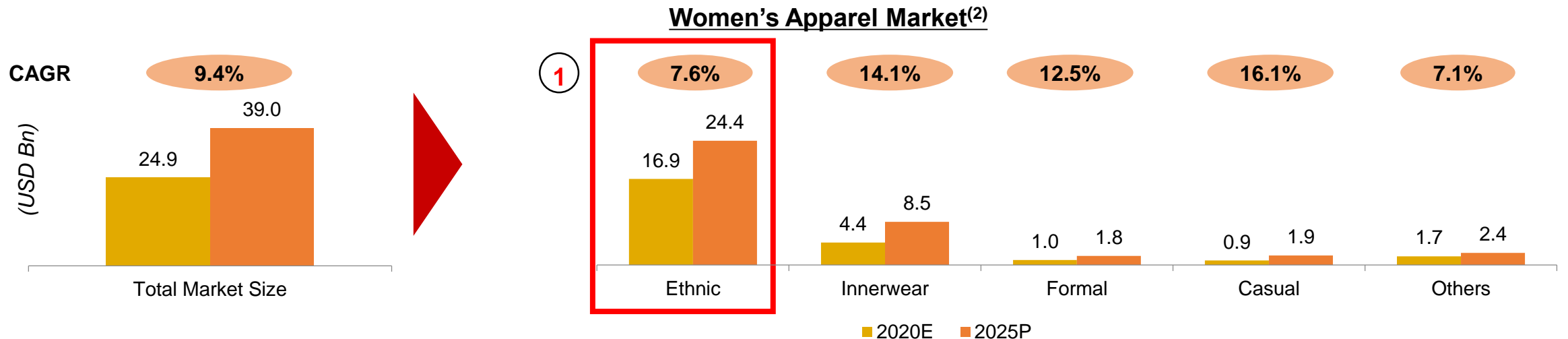
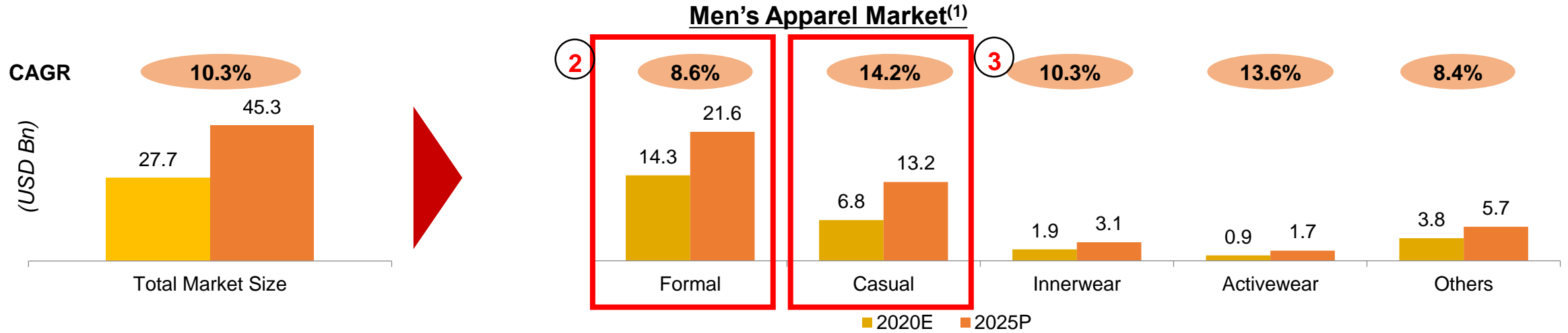


Rising influence of Media & Technology



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

1999-2006*

Entry Phase

Establish presence in branded apparel and retail space

Acquisition of Madura Garments by ABG

Started Apparel Retail

1999

2004

2007-2016*

Expansion & Growth Phase

Fill gaps in apparel offerings and enter multi-brand retail

Launch of Luxury & Value formats

Acquisition of Pantaloons

Creation of ABFRL : Merger of Madura and Pantaloons

2007

2013

2015-16

2017-2020

Portfolio Diversification

Investments in white spaces

Launch of Innerwear

Youth Fashion & Global Mono Brands

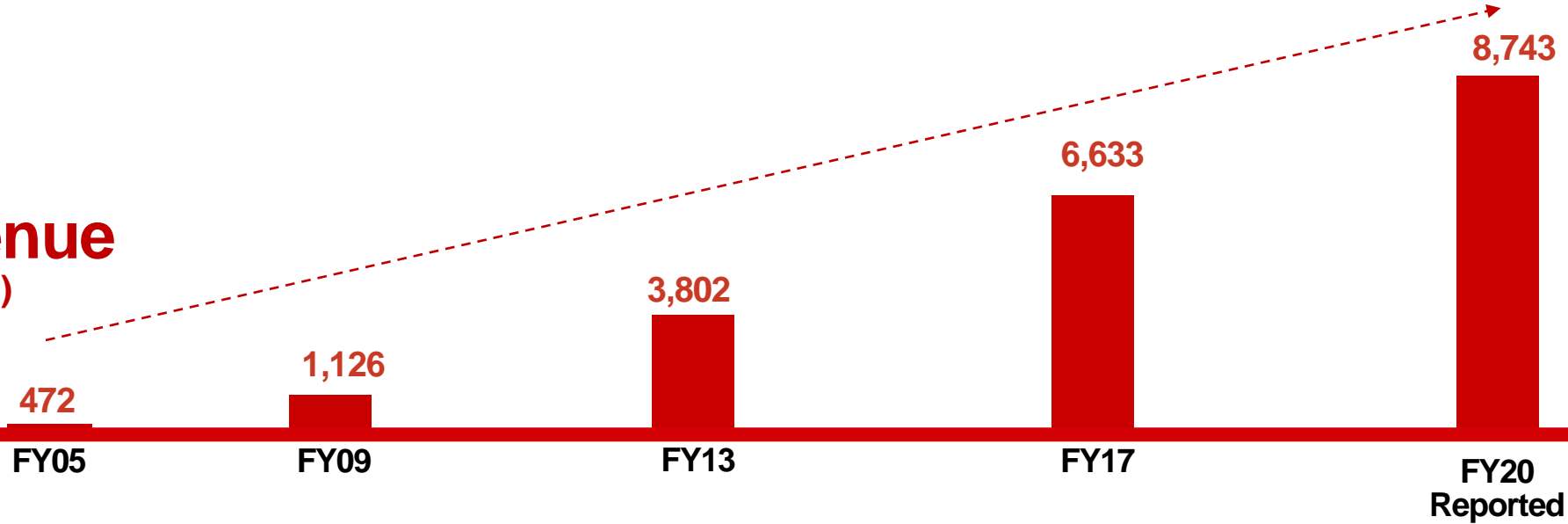
Digital Transformation

Foray into branded ethnic wear

2017-20

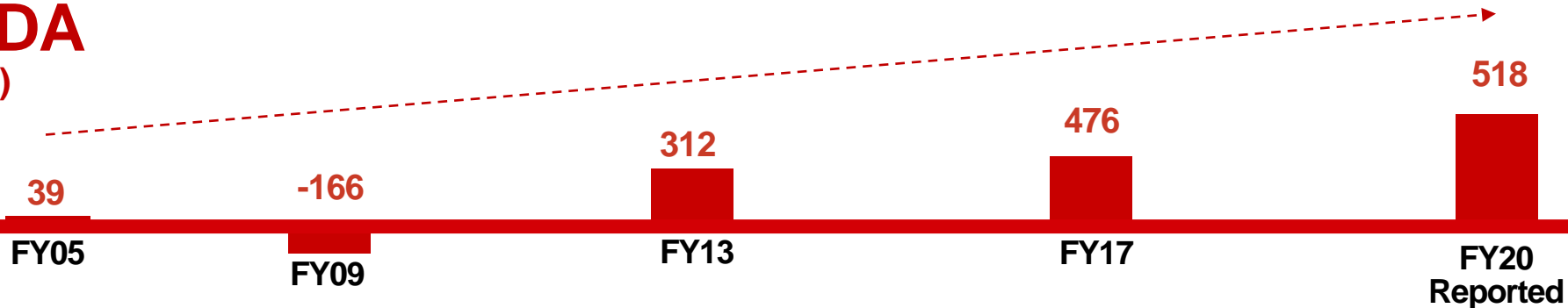
ABFRL | Consistent Growth Story over the last 15 years

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

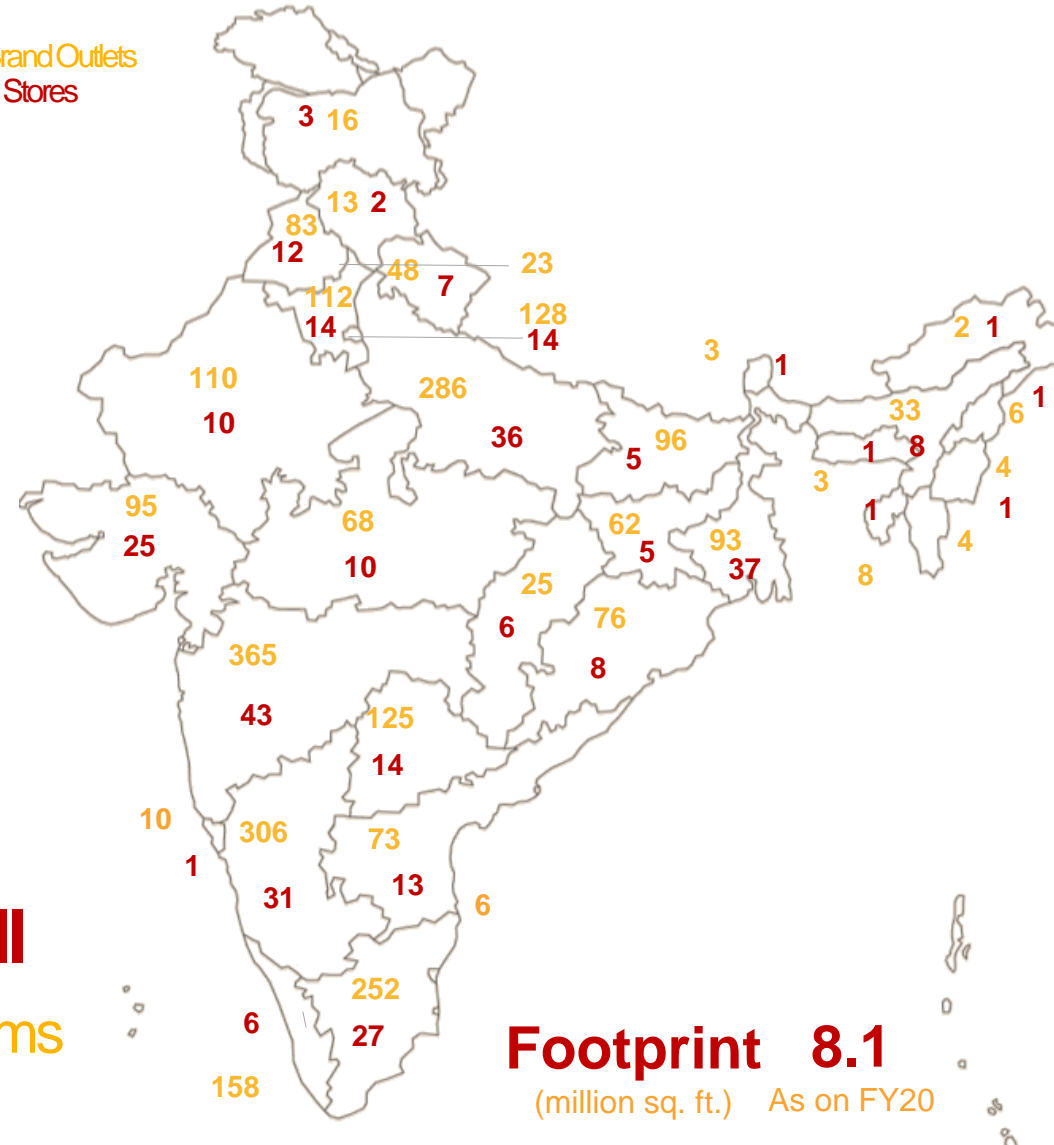
~ 25,000

Multi-brand Outlets

6,514

SIS across Dept. stores

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



✓ Multi channel distribution built over years

✓ Wide distribution led by deep
understanding of markets

✓ Distribution capability to be the most
significant competitive advantage

Footprint 8.1

(million sq. ft.) As on FY20

Diversification a conscious choice in line with our vision

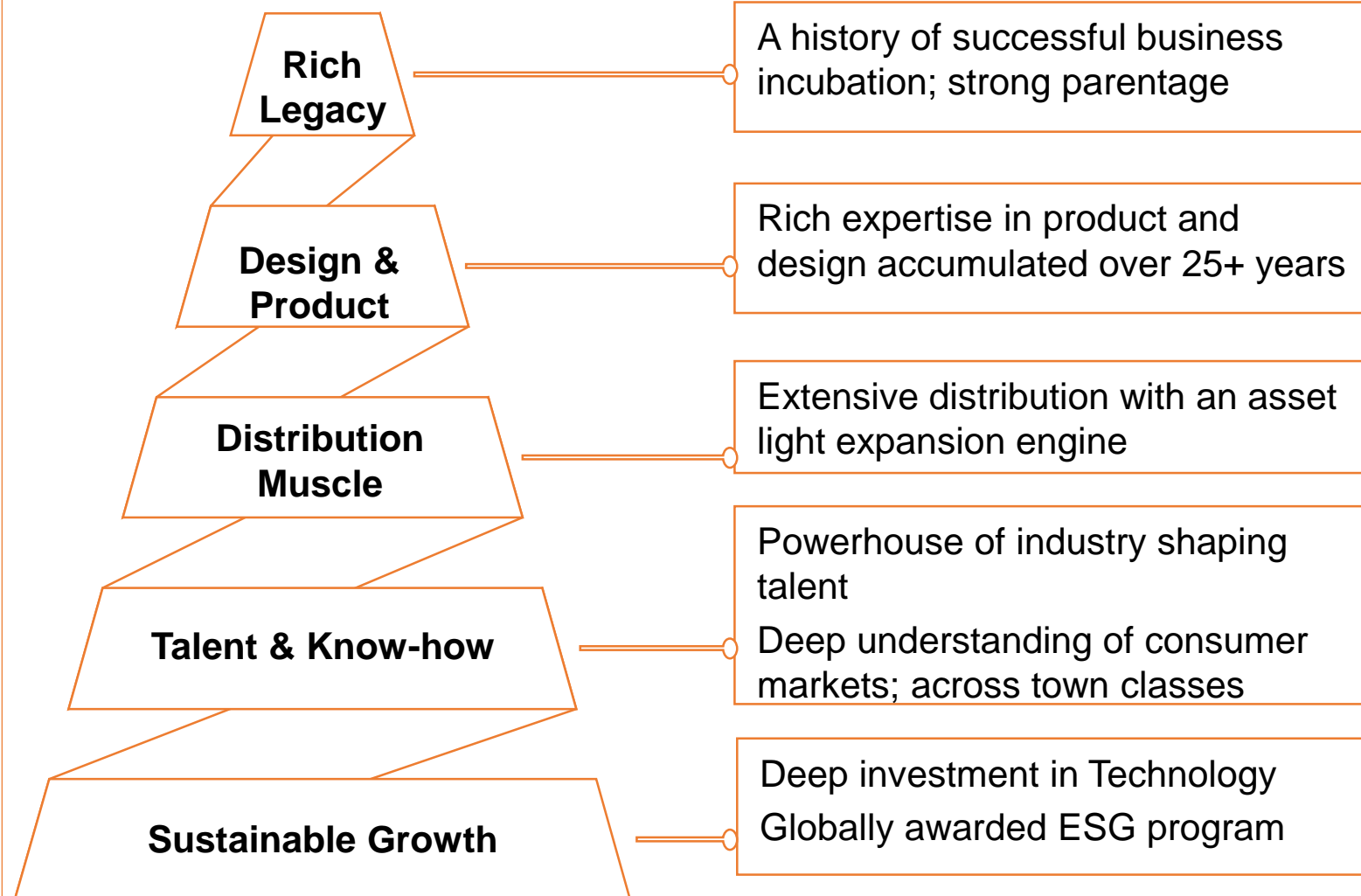
Why Portfolio play instead of narrow play

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



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



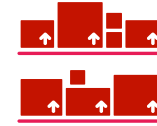
E-Commerce



Omni-channel

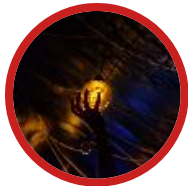


Digital in-store



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.



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

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



Chandrashekhar 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

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

Louis Philippe

To inspire the quest of excellence



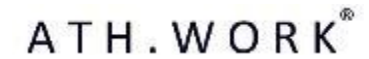
FORMALS



SPORT



JEANS



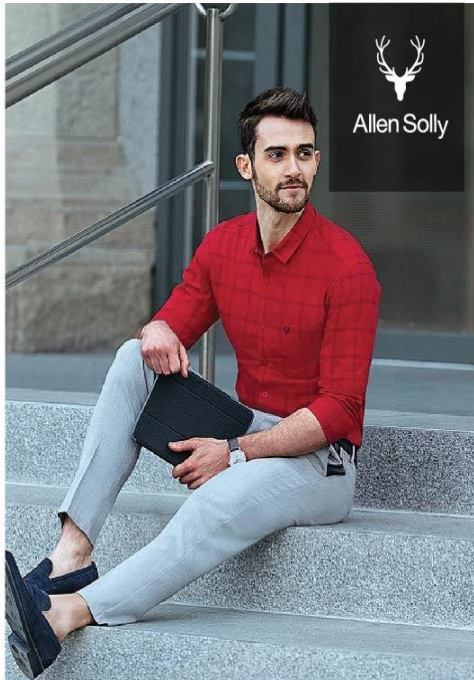
ATH.WORK | ATH.PLAY

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

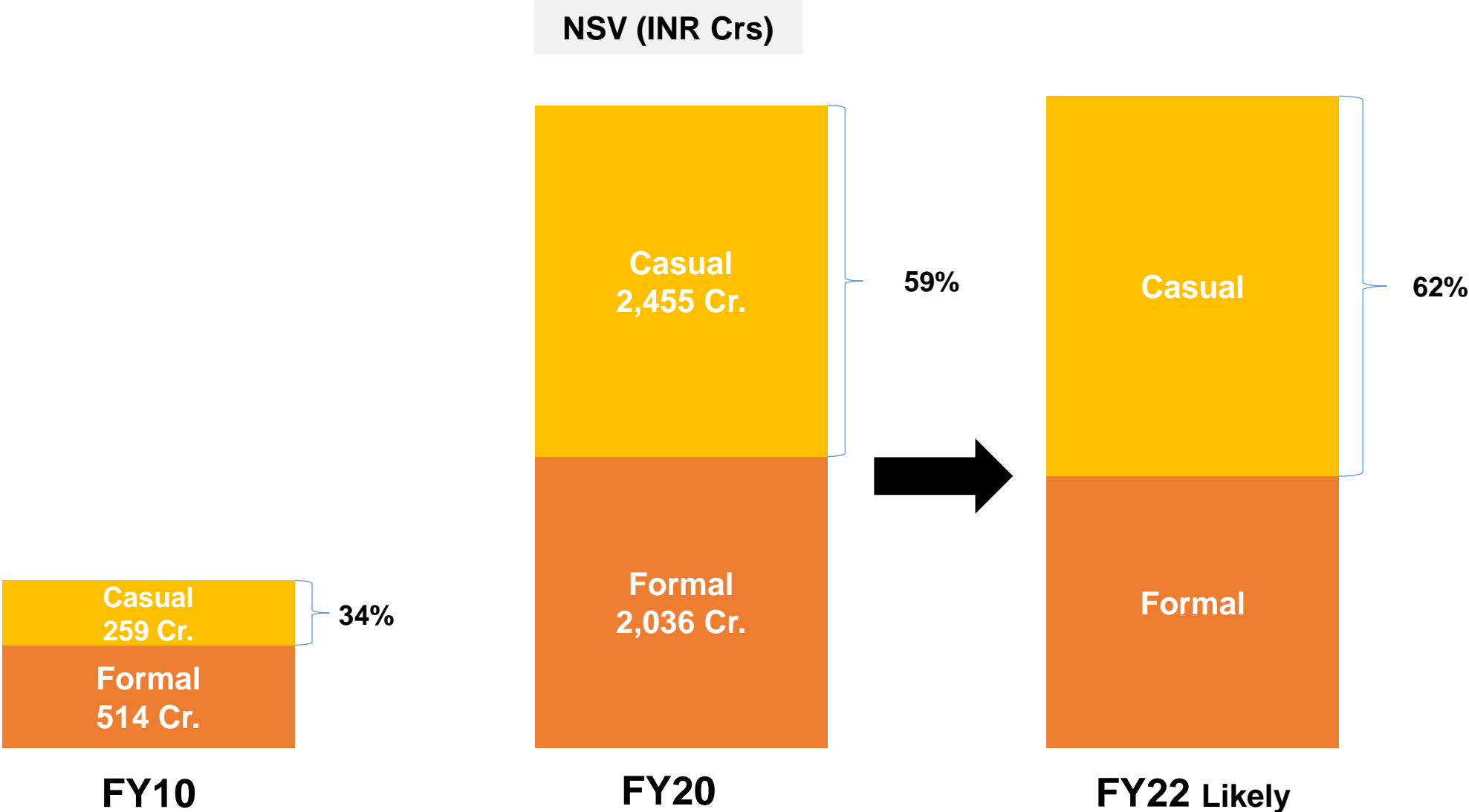
Active wear

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

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

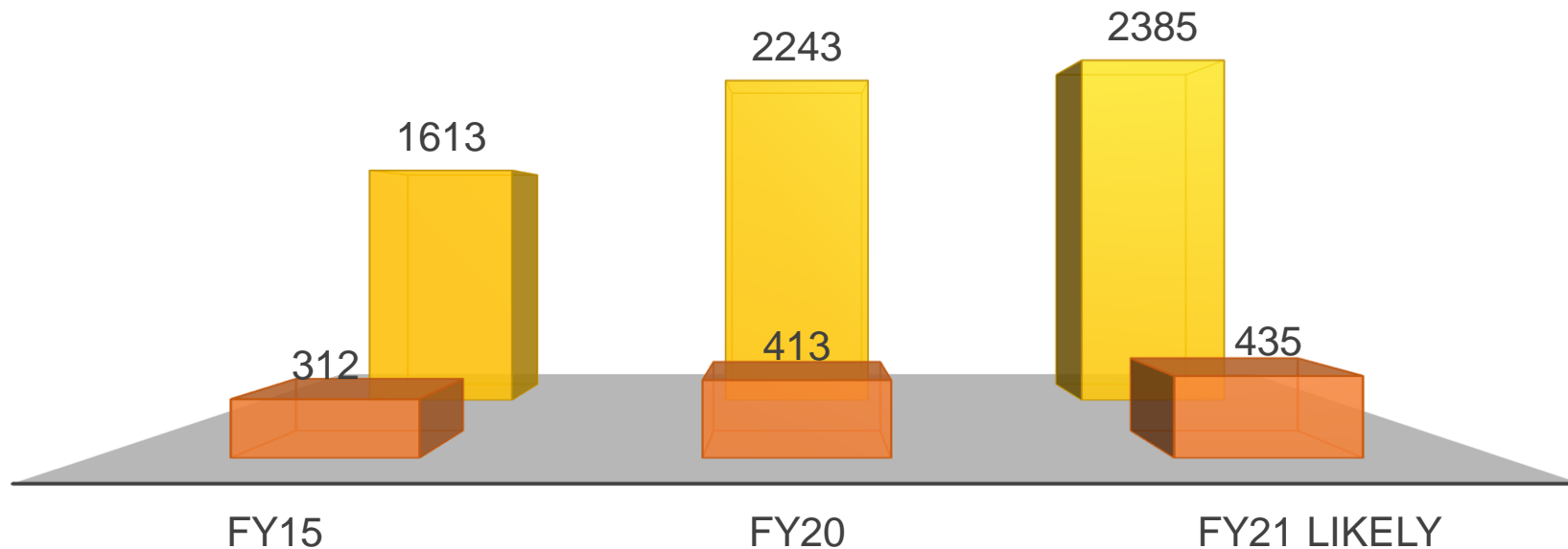
Sustainable competitive advantage

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

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

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. 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

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**

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



Pantaloon

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

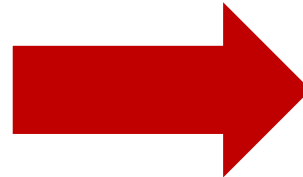
a) New positioning and imagery, high salience

- 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

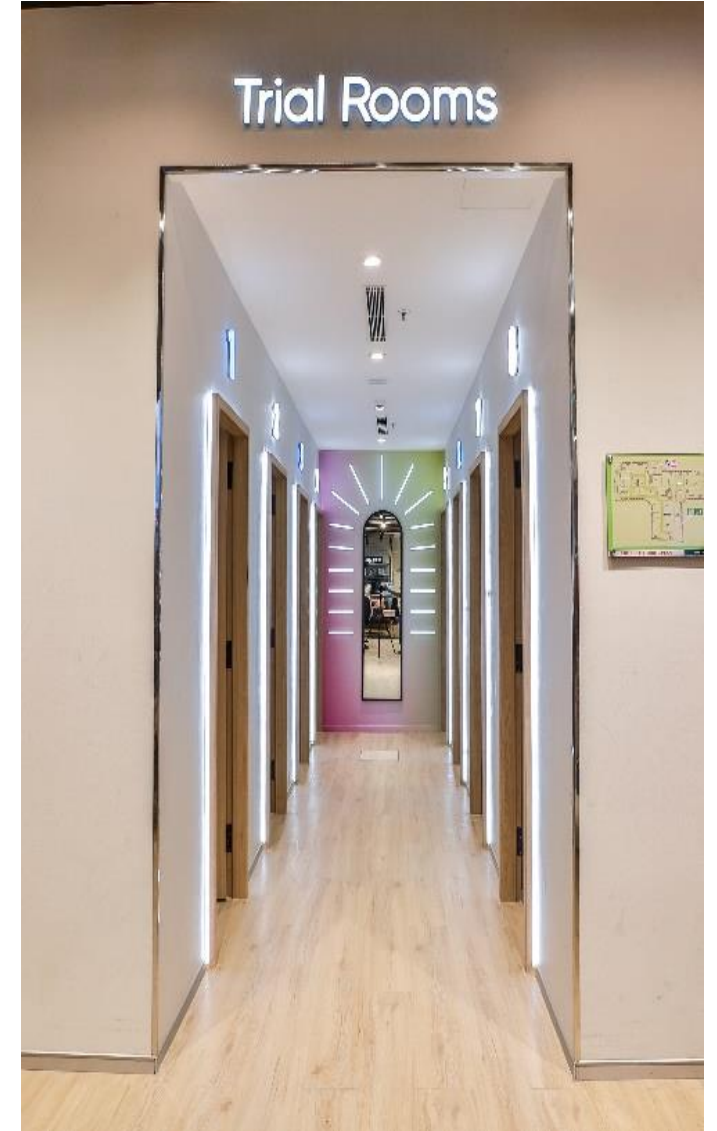
2. Re-energized brand

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
Total	169	268

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

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
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**



THE COLLECTIVE



JAYPORE



SHANTANU & NIHHIL

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

- **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

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

Market projections^{1,2} (USD Bn)

Inner wear

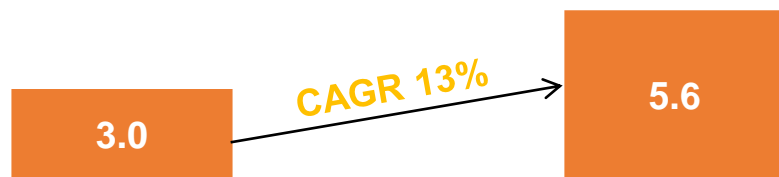
■ Men ■ Women



FY20

FY26

Athleisure & Active Wear



FY20

FY26

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**

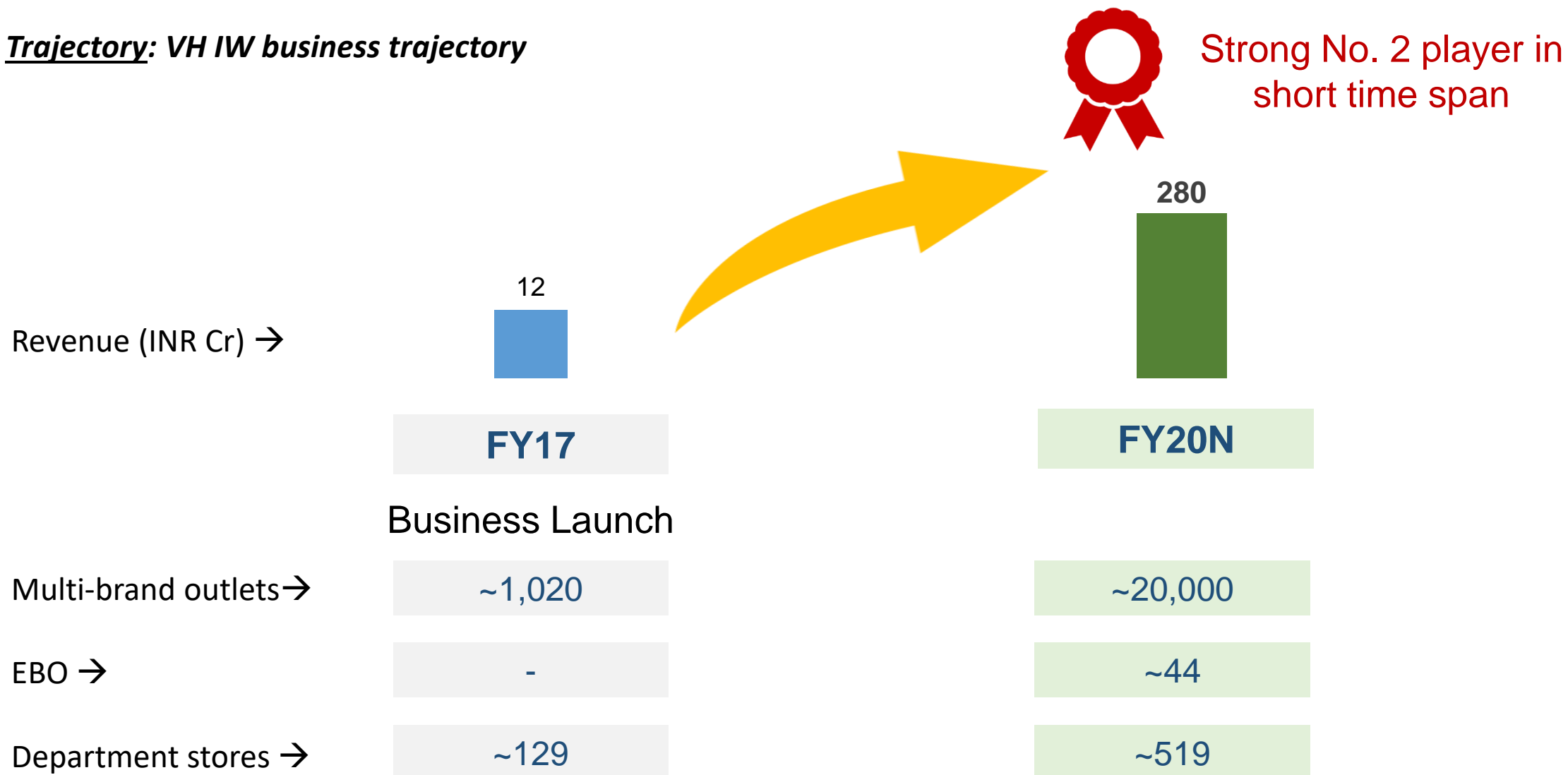
Innerwear & Athleisure

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

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

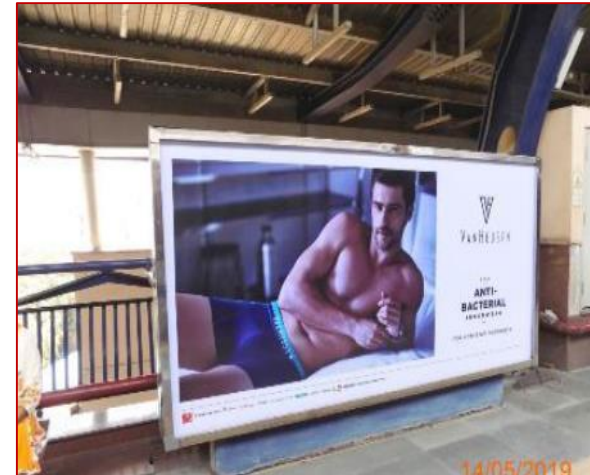


VAN HEUSEN

**Aspirational brand to
upgrade customers**

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

ATL campaigns



1. Aspirational Brand



**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

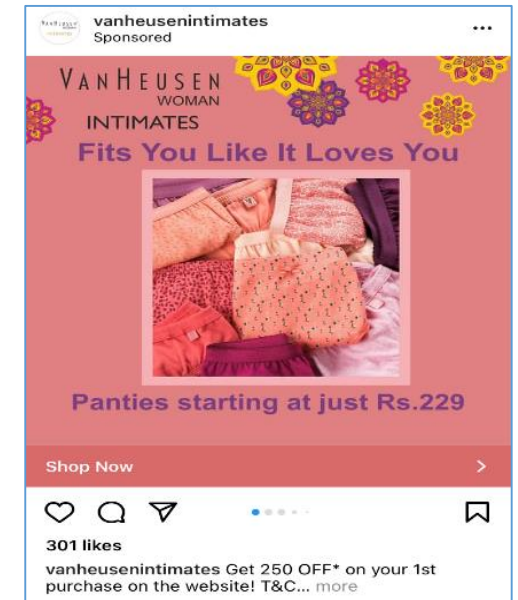
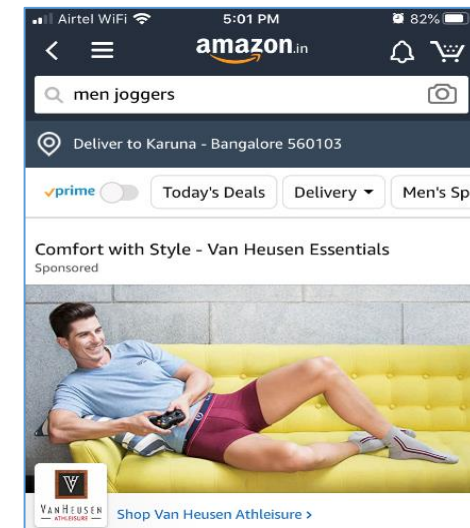
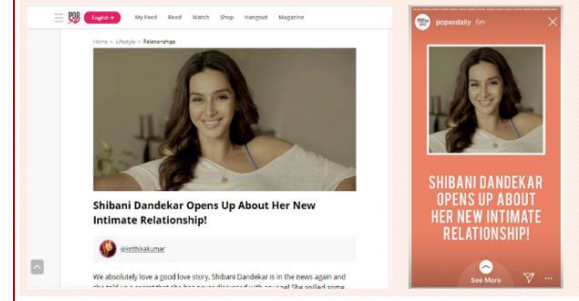


Aspirational brand to upgrade customers

Amplifying brand strength via 360° campaigns & high impact launches

Targeted digital marketing

USING POP CULTURE INFLUENCERS TO SPREAD THE WORD...



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

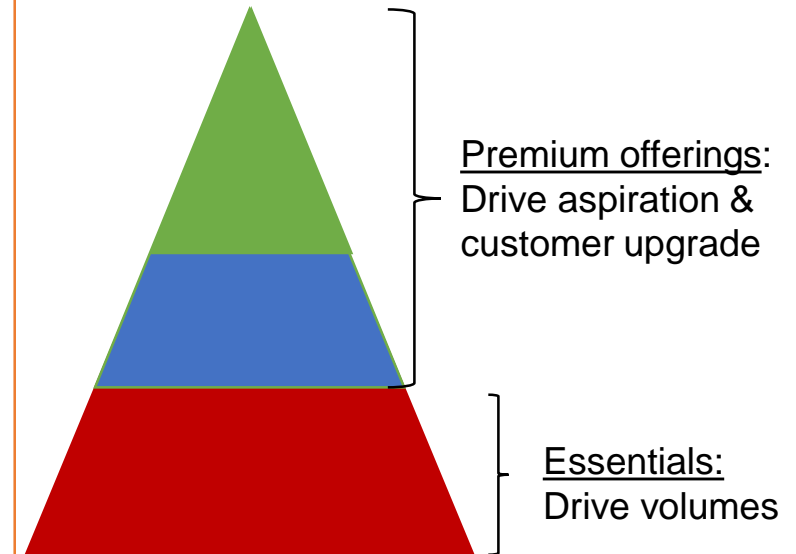
Strategic partnerships with **best in class manufacturing facilities**



C

Product laddering to drive customer upgrade

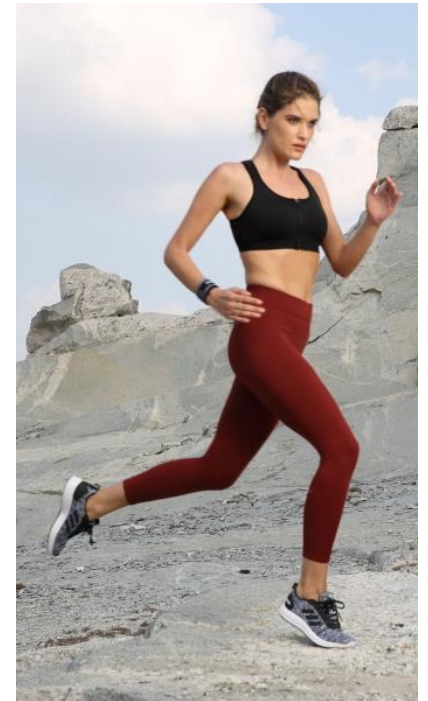
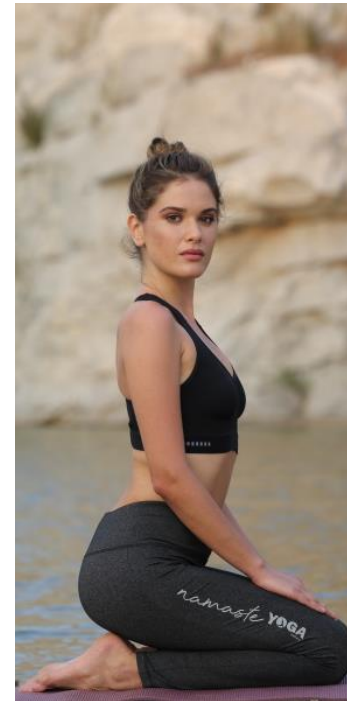
3-layered product architecture



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

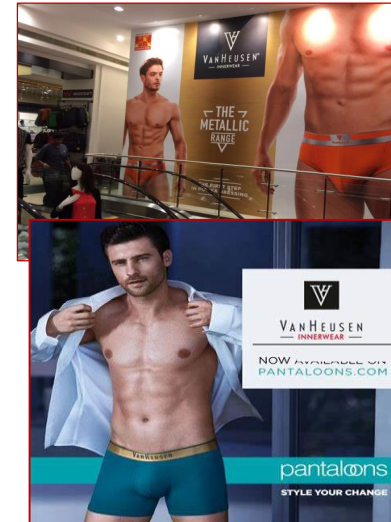
3 Winning retail formats

Asset light
franchisee led model

50 stores to 500
stores over next 4
years

C Dept Stores

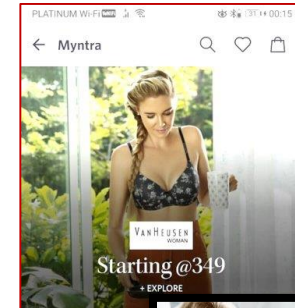
VH's superior
positioning



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



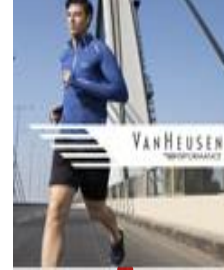
Men's
Athleisure



Men's
Thermals



Men's
Activewear



Men's Socks



FY21

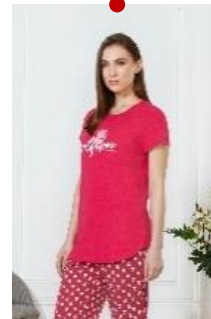
FY17

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



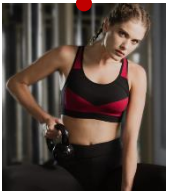
Women's
Athleisure



Women's
Thermals



Vitals bra



Sports bra



Women's Activewear

Innerwear & Athleisure

The Industry Disruptor

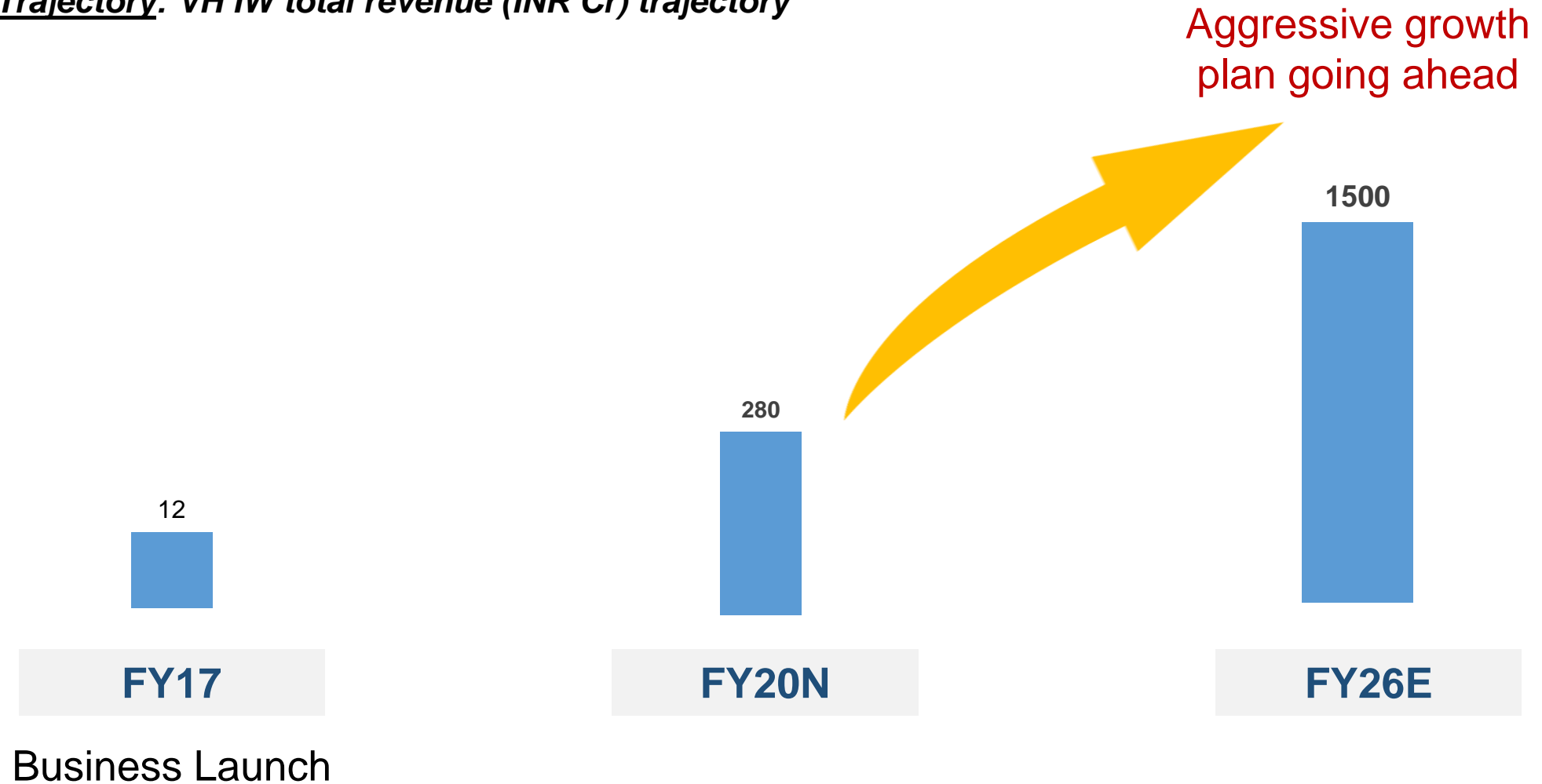
- Large unorganized and profitable market
 - Driven by premiumization & growth of branded segment
- Van Heusen (VH) has emerged as **a clear number 2** player
 1. Aspirational brand
 2. Differentiated & innovative products
 3. Deep distribution
 4. Asset light scalable model
 5. Category extension from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

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

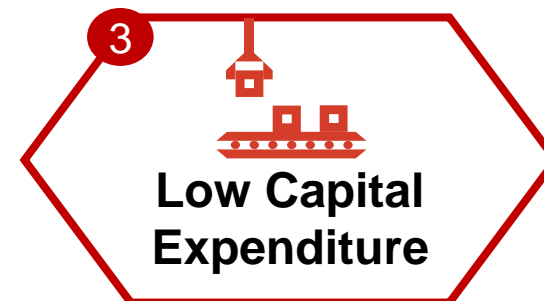
Trajectory: VH IW total revenue (INR Cr) trajectory



...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...

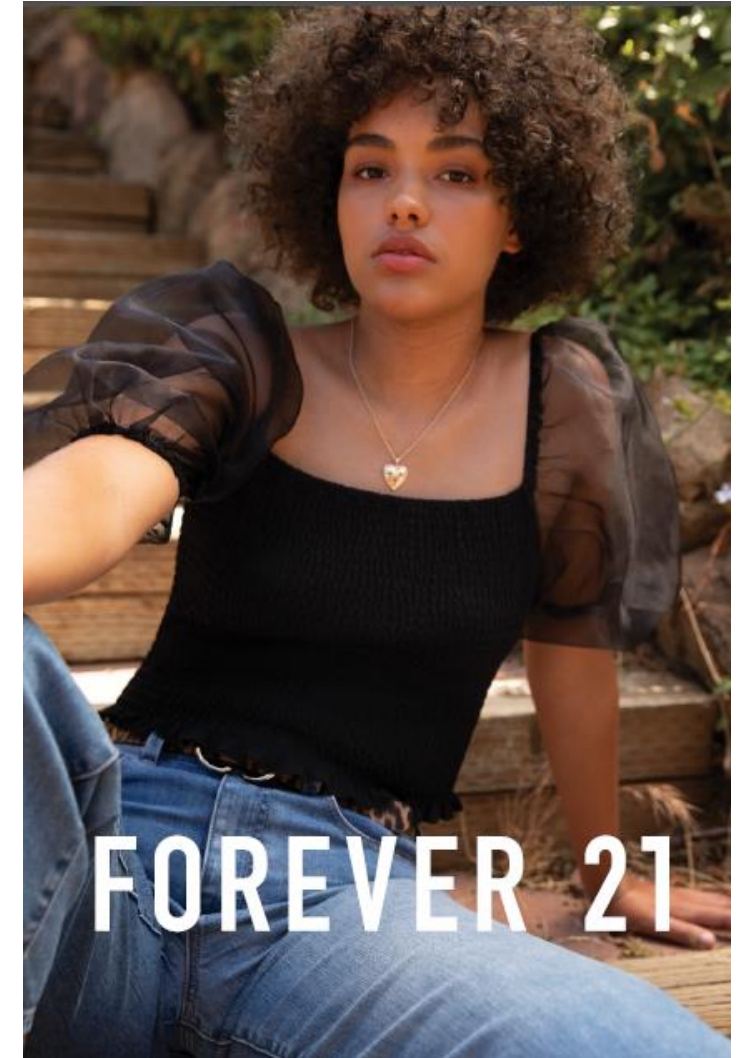
Youth Fashion Brands

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.

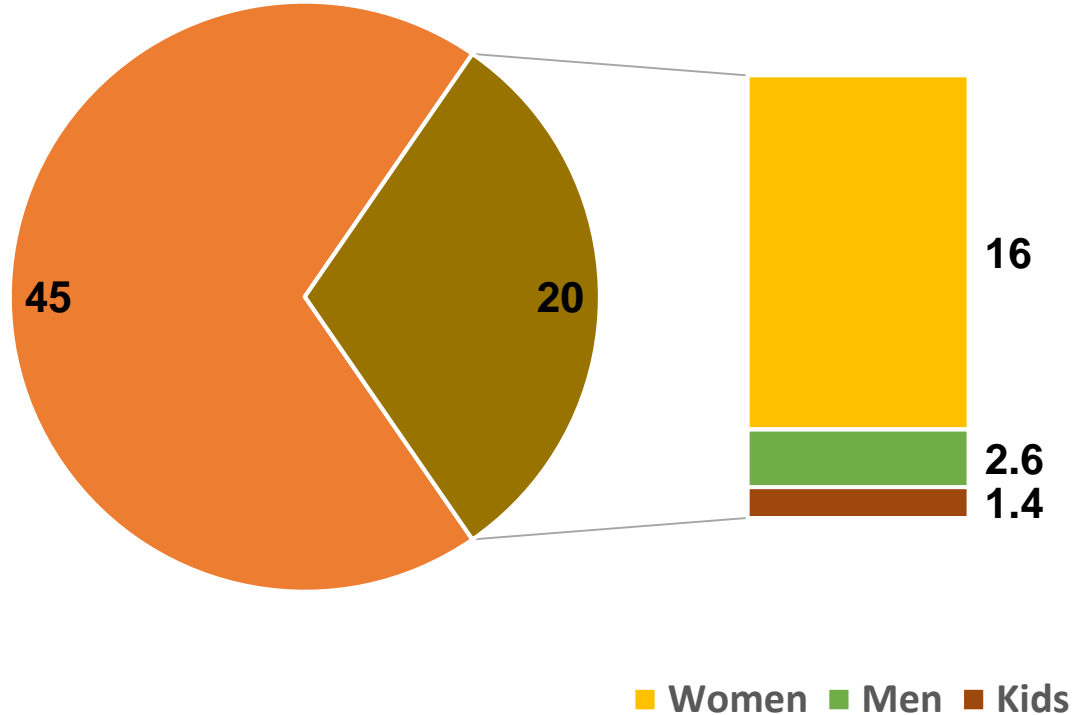


To be a leader in the Indian ethnic wear market, with presence across all key segments and serving the consumers through a portfolio of strong brands

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



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



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



	Share of organized market %	ABFRL Strategy	Route
Luxury ₹₹₹₹	18- 20%	Invest in established, aspirational designer brand	Inorganic, partnership
Affordable Luxury ₹₹₹	7-10%	Launch pret lines of Designers	Brand Extensions
Premium ₹₹	30-33%	Launch new brands & grow aggressively	Organic, Madura brand playbook
Value ₹	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

SABYASACHI
CALCUTTA
TARUN TAHILIANI

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

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

Revenue (INR crs)	FY17	CAGR (FY17 - 20)	FY20N	CAGR (FY20 - 26)	FY26
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
ABFRL*	6,633	11%	9,100	~ 15%	~ 21,000

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

*ABFRL consolidated numbers post eliminations

New Business

Aggressive build up of new growth engines

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

EBITDA (INR crs)	FY20N		FY26
Inner Wear	-48		225
Global Brands + Youth Fashion	-60		100
Ethnic Businesses	-18		225
New Business	-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
ABFRL	3,792	1,900	7,050	4,856

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%+
ABFRL	-	12%	25%+	35%+

Consistently improving financial performance...

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

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

*Rahul Desai
Amit Dwivedi*

Rahul.desai@Abfrl.adityabirla.com
Amit.dwivedi@Abfrl.adityabirla.com

+91 9820092234
+91 9818824937

Disclaimer

Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” including, but not limited to, those relating to general business plans & strategy of Aditya Birla Fashion and Retail Limited (“ABFRL”), its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in ABFRL's business, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in the countries in which ABFRL conducts business. Important factors that could make a difference to ABFRL's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in ABFRL's principal markets, changes in Government regulations, tax regimes, competitors actions, economic developments within India and the countries within which ABFRL conducts business and other factors such as litigation and labour negotiations.

This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of ABFRL's shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of ABFRL.

ABFRL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. ABFRL assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. ABFRL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation may not be copied and disseminated in any manner.

INFORMATION PRESENTED HERE IS NOT AN OFFER FOR SALE OF ANY EQUITY SHARES OR ANY OTHER SECURITY OF ABFRL

This presentation is not for publication or distribution, directly or indirectly, in or into the United States, Canada or Japan. These materials are not an offer of securities for sale in or into the United States, Canada or Japan.

Aditya Birla Fashion and Retail Limited / CIN L18101MH2007PLC233901

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

Website www.abfrl.com **Email** invrelations.abfrl@adityabirla.com