Aditya Birla Fashion & Retail Ltd.

Corporate Presentation
June 2020

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1. Industry Overview & Opportunity

Indian Apparel Market expected to touch ~$107 Bn by 2025

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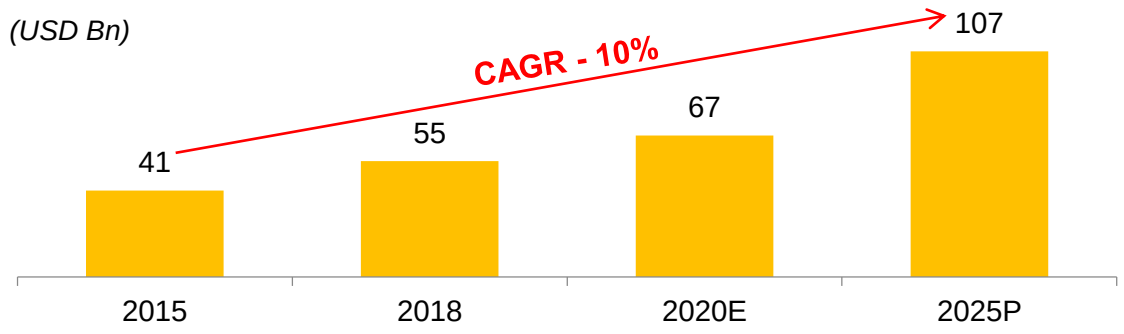
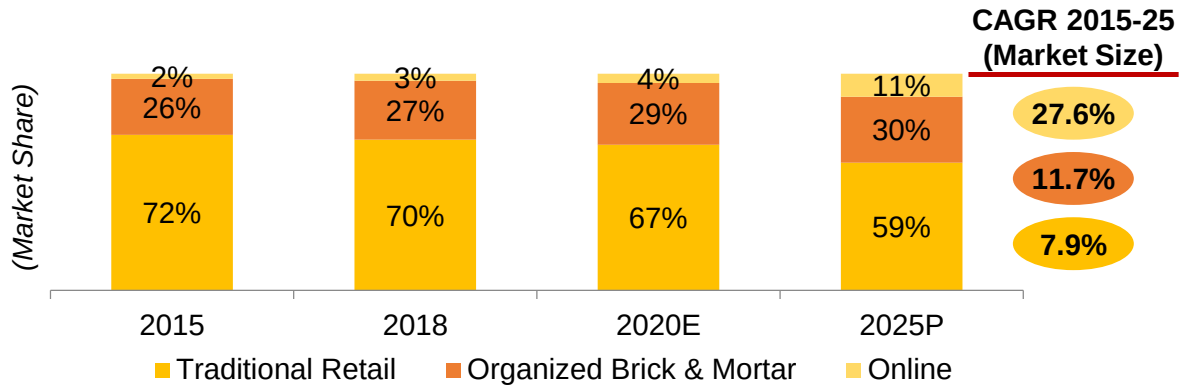
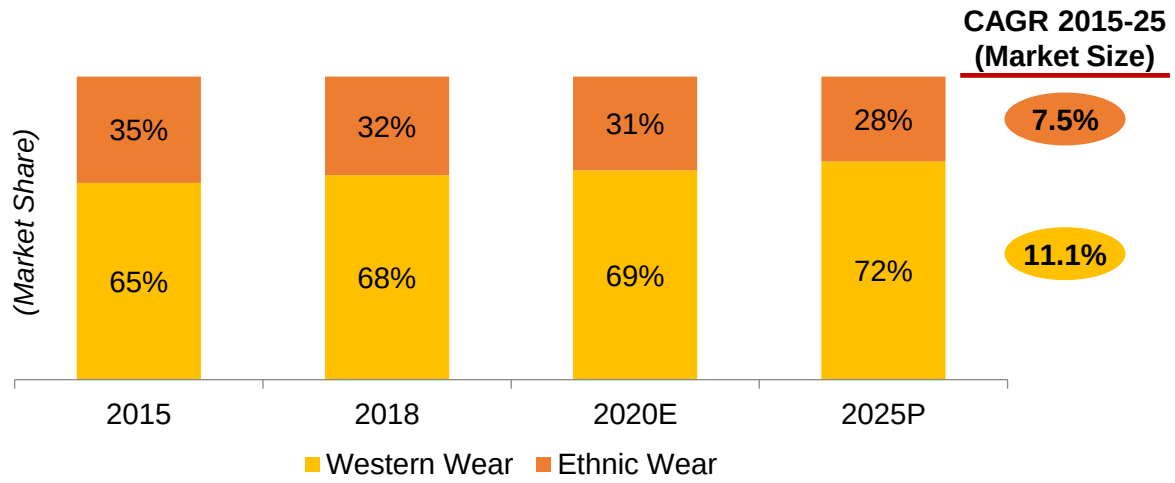
Indian Apparel Market - Projected to grow at a 10% CAGR to reach ~$107 Bn by FY25



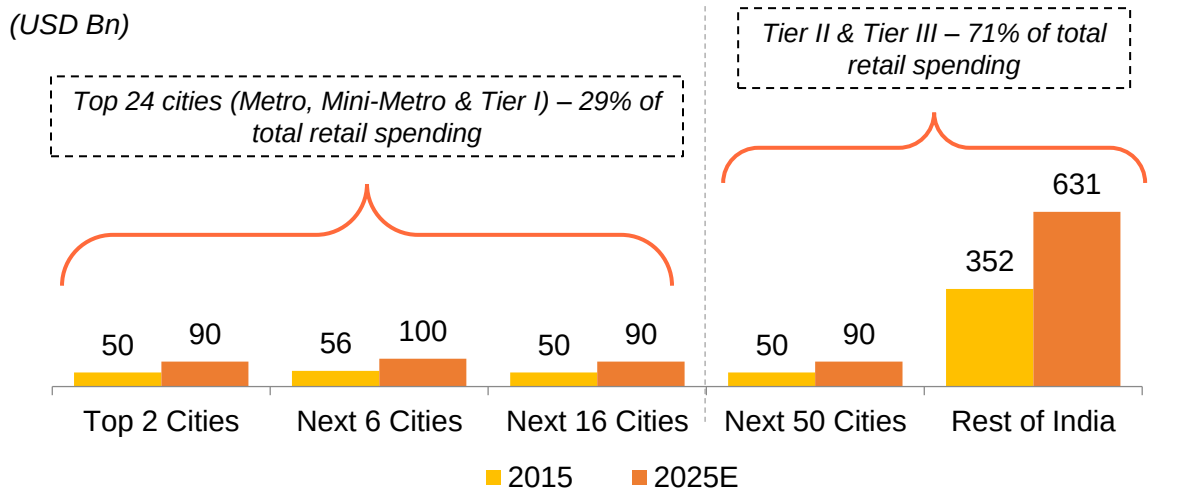
Channel Mix (Market Share) – Online as a channel is expected to grow the fastest, followed by Organised Brick & Mortar



Categorisation Mix (Market Share) - Indian Apparel Market is dominated by Western Wear and is expected to reach $77 Bn by FY25



Overall Retail Spend Across Different Cities[1] - Tier II & Tier III cities lo lead the retail consumer spending

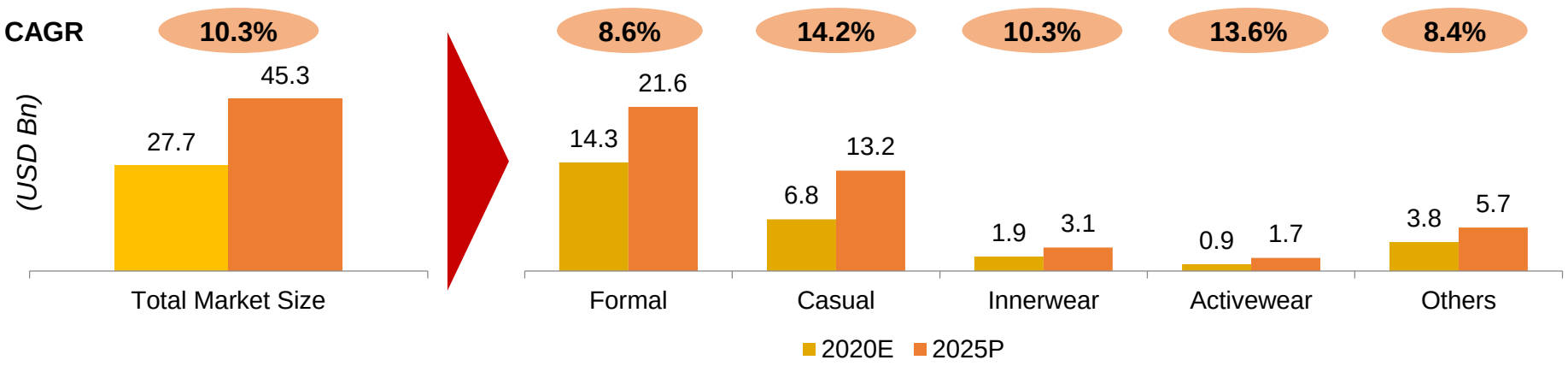


Source: Report on India Fashion Market, June 2020 by Wazir Advisors

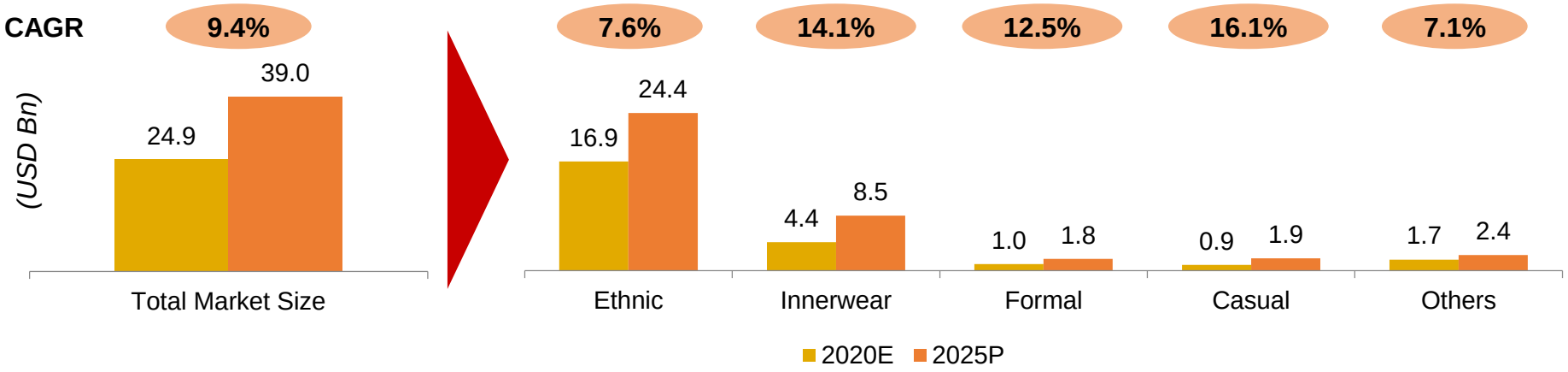
1. *Top 2 Cities - Delhi & Mumbai; Next 6 Cities – Bangalore, Chennai, Hyderabad, Ahmedabad, Pune Kolkata; Next 16 Cities – Surat, Jaipur, Lucknow, Nagpur, Patna Indore, Coimbatore, Vadodara, Ludhiana, Bhopal, Kochi, Vishakhapatnam, Madurai, Nashik, Jamshedpur, Guwahati; Next 50 (Indicative): Mostly Tier III Cities such as Kanpur, Kozhikode, Thrissur, Agra, Trivandrum, Varanasi, Rajkot, Meerut, Vijaywada, Amritsar, Jodhpur, Ranchi*

Segment Analysis

Men's Apparel Market(1)



Women's Apparel Market(2)



- ***Men's Apparel*** *- 42% contribution to the overall apparel market in FY20*
  - ✓ *Formals is the biggest component contributing nearly 50% of the overall men's category*
  - ✓ *Casuals and Activewear are the two fastest growing categories*
- ***Women's Apparel*** *- 37% contribution to the overall apparel market in FY20*
  - ✓ *Ethnic is the biggest component contributing nearly 70% of the overall women's category*
  - ✓ *Casuals and Innerwear are the two fastest growing categories*
- ***Kid's Apparel*** *- 21% contribution to the overall apparel market in FY20*
  - ✓ *FY20 market size is ~$14 Bn and is expected to grow at a CAGR of 10.5% to reach ~$23 Bn by FY25*

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*

Favorable Demographics leading to Consumption Megatrends

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Changing Demographics

1

- **Young population** are well travelled, brand conscious and well connected
- **By 2030, India's median age is expected to be under 30 years**

2

- **Only 33% of India's population classified as urban** compared to global average of 54% (FY16)
- **By 2050 India will have half of total population live in urban areas** and will account for well over 80% of GDP

3

- **India's affluent middle class is increasing** and its estimated that 23% of global middle class will be from India by 2030
- The households with annual earnings between USD 10,000-50,000 have also grown at a CAGR of 20% over the last 5 years

4

- **Increase in Nuclearisation**
- Fall in the average household size coupled with rising disposable income will lead to greater discretionary spending

5

- **Rural areas are developing at a rapid pace** and so is their purchasing power
- Mid- value India Fashion Market segment of western wear is the preferred choice of people from rural areas

Consumption Megatrends

Increase in Brand Consciousness

- Consumers in non-metros are realizing the importance of better brands
- Western wear brands are growing across all segments of the Indian market (premium, medium and value)

Far greater participation of women in the society

- Increase in the number of working women is expected to drive the western wear market in India

Rise of Digitization

- Apparel Retail through online channel is expected to grow at a CAGR of 31% from FY20-25
- In the post COVID era, rate of adoption of omnichannel strategy among fashion players is expected to increase

Rising influence of Media & Technology

- Rise of athleisure, online penetration of western wear, rise of private label expected to contribute to growth

Rise in Aspirational Buying

- Shift towards aspiration rather than need based buying and design innovations that appeal to Indian sensibilities

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

2. Company Profile

Our Journey

1999-2006*

Entry Phase

Establish presence in branded apparel and retail space

- 1999: Acquisition of Madura Garments
- 2004: Foray into Apparel Retail

2007-2016*

Expansion & Growth Phase

Fill gaps in apparel offerings and enter multi-brand retail

- 2007: Launch of Luxury & Value formats; Investment in Export Manufacturing
- 2013: Acquisition of Pantaloons
- 2015-16: Merger of Madura Division

2017-2020

Portfolio Diversification

Investments in white spaces

- 2017-20: Launch of Innerwear; Acquisition of Forever 21; International Brands; Digital Transformation; Foray into branded ethnic wear - Strategic investments in Jaypore and Shantanu & Nikhil

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

One of the Leaders in Indian Fashion

ADITYA BIRLA FASHION & RETAIL

Madura Segment

As on March 31, 2020

	Key Brands
Lifestyle Brands	Louis Phillipe, Van Heusen, Allen Solly, Peter England
New Businesses	
Fast Fashion	Forever 21
Global Brands	The Collective, Ralph Lauren, Fred Perry, Hackett, Ted Baker and American Eagle
Innerwear	Van Heusen
Ethnic Wear	Jaypore, Shantanu & Nikhil

2,699 Brand Stores

183 lakhs Loyalty Base^

₹ 5,434 Cr. Revenue (FY20)

Pantaloons Segment

As on March 31, 2020

Categories
Men
Women's Western
Women's Ethnic
Kids
Non Apps

342 Stores

169 lakhs Loyalty Base^

₹ 3,514 Cr. Revenue (FY20)

Balanced Portfolio Across Segments*

Men's Casuals – 42%

Men's Formals – 25%

Women's Western – 15%

Ethnic – 8%

Kids – 7%

Innerwear– 3%

Home to India's 5 Leading Apparel Brands LOUIS PHILIPPE · Allen Solly · VAN HEUSEN POWER DRESSING · PETER ENGLAND · pantaloons

*Indicative Split for FY20

^ There could be an overlap in the Loyalty Base between Madura and Pantaloons Segments

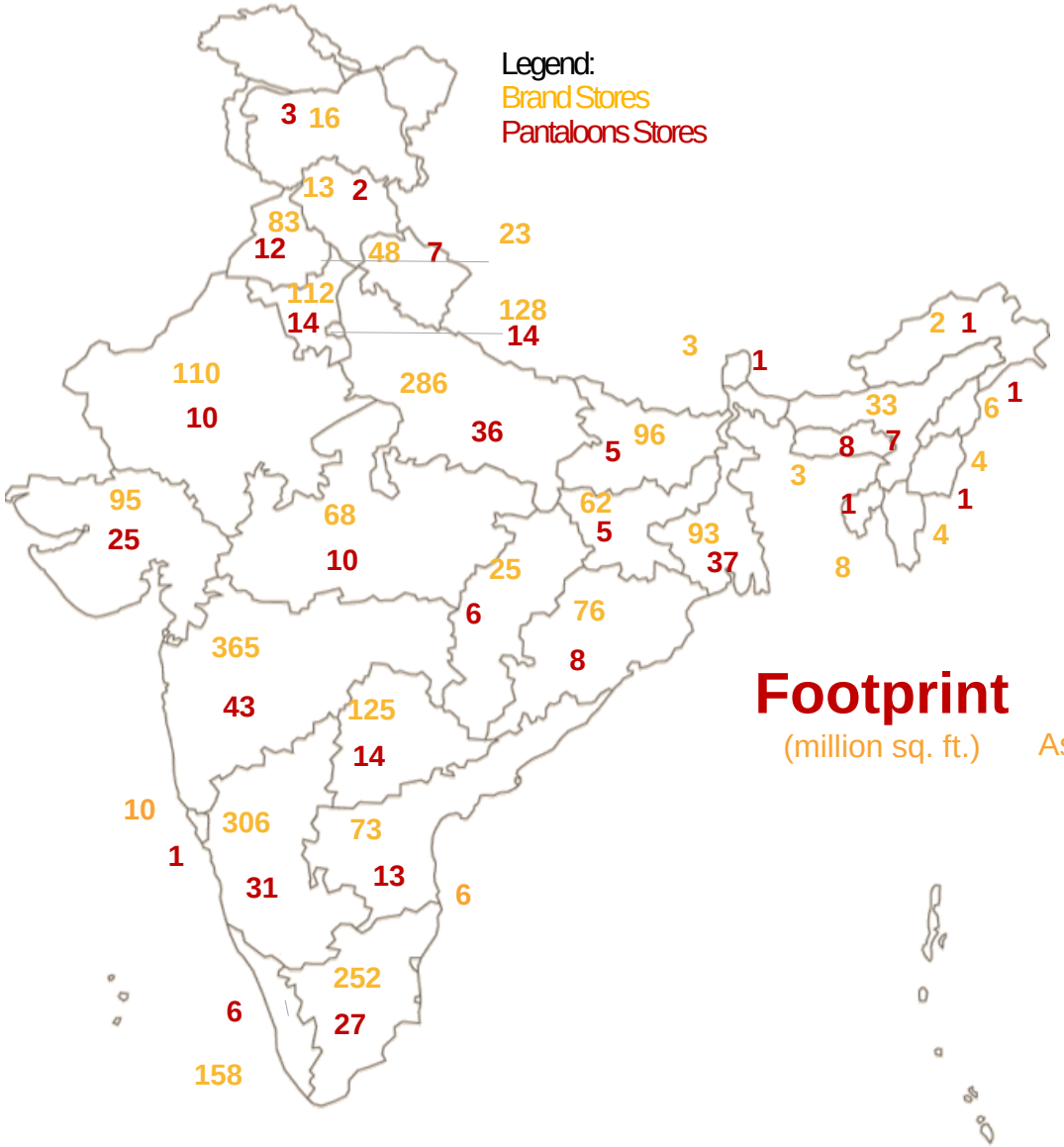
One of India's Widest Distribution Networks

2,699
Brand Stores

342
Pantaloons Stores

25,000
Multi-brand Outlets

6,514
SIS across Dept. stores



Footprint **8.1**
(million sq. ft.) As on March 31, 2020

Data as of March 31, 2020

Lifestyle Brands

Leading Branded Apparel Play

LOUIS PHILIPPE | VAN HEUSEN | Allen Solly Est 1744 | PETER ENGLAND BE EVERYTHING YOU LOVE

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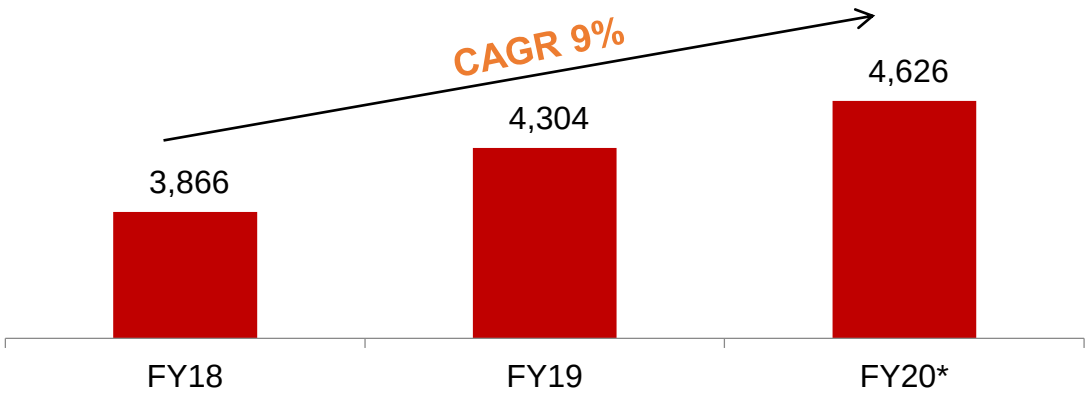
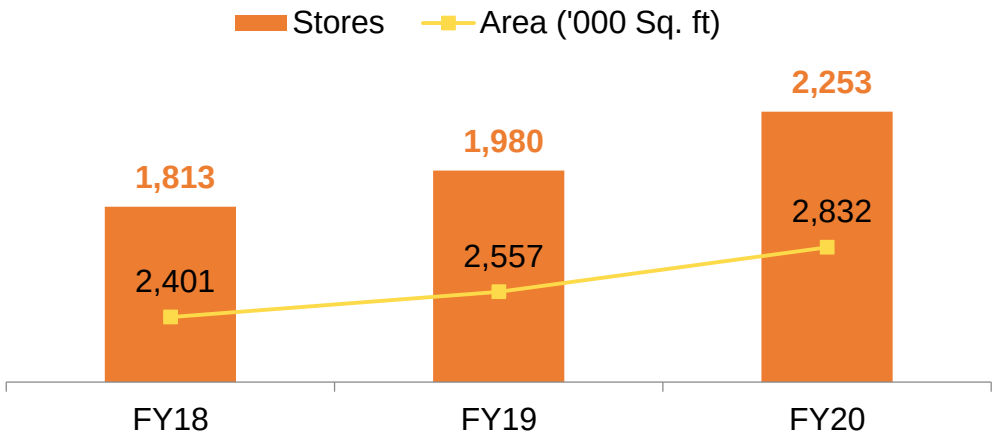
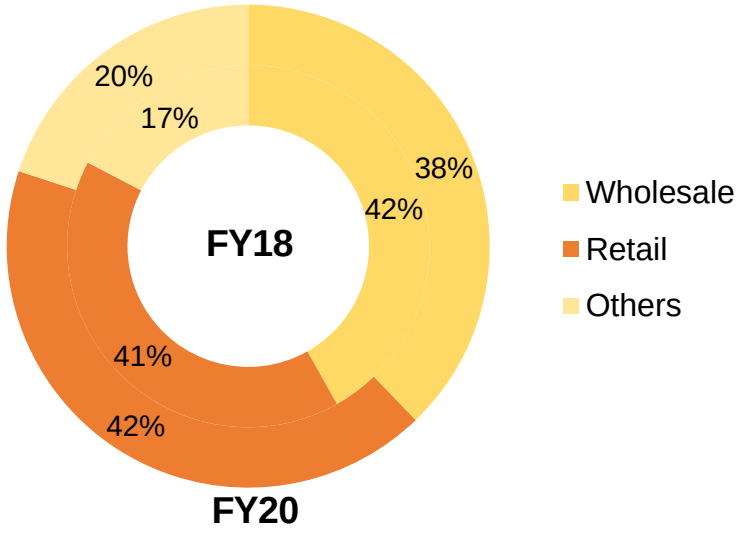
Revenue (₹ Cr.)



Retail Network



Channel-wise Revenue Mix



Loyalty Base^ – 183 lakhs

As on March 31, 2020

49%

of revenues from loyal customers

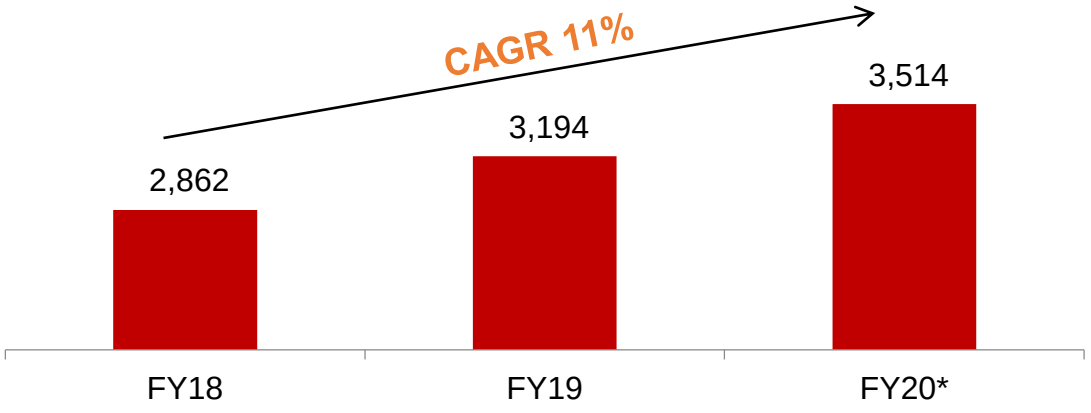
** Q4FY20 numbers impacted by COVID-19 and subsequent lockdown*

^ There could be an overlap in the Loyalty Base between Madura and Pantaloons Segments

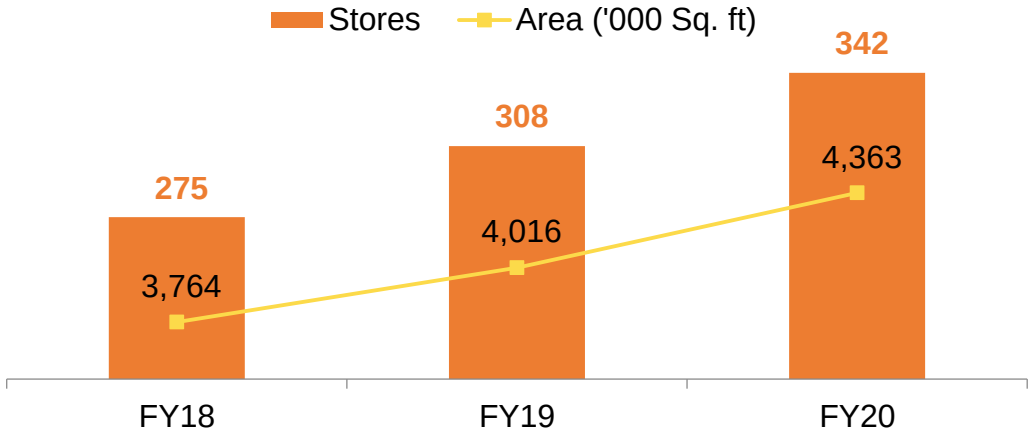
Pantaloons

Leading Large Format Fashion Retailer

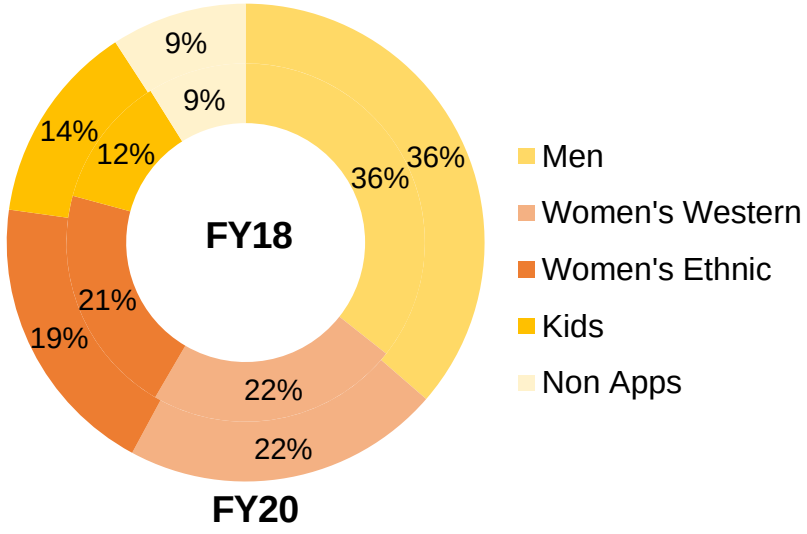
Revenue (₹ Cr.)



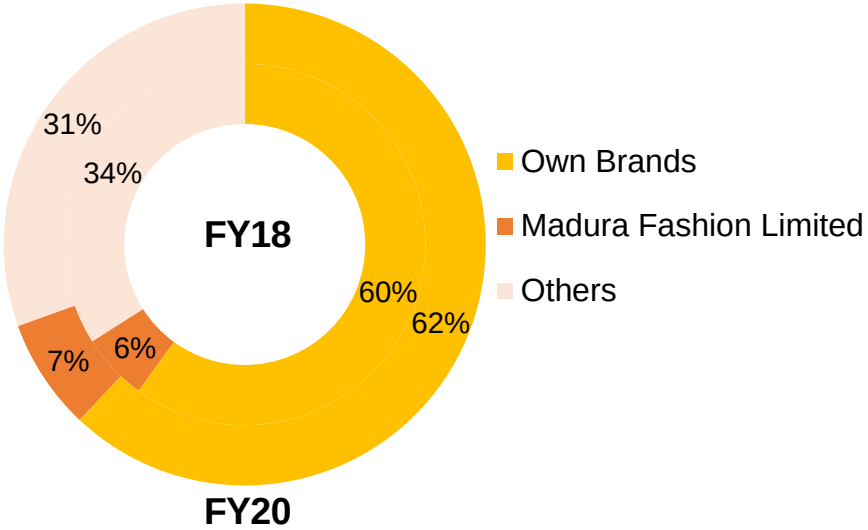
Retail Network



Category Mix



Private Label Mix



Loyalty Base^

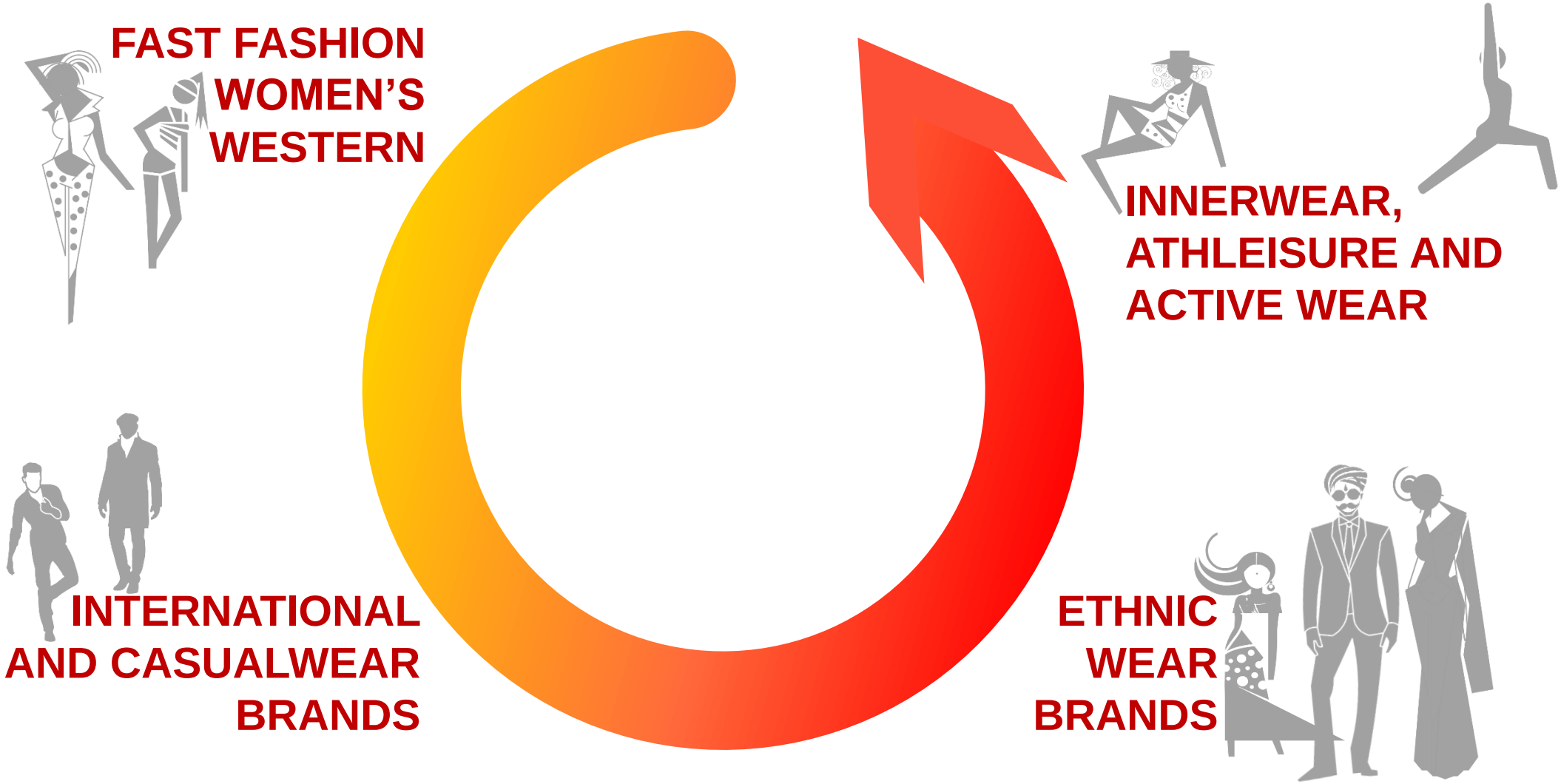
169 lakhs

As on March 31, 2020

** Q4FY20 numbers impacted by COVID-19 and subsequent lockdown*

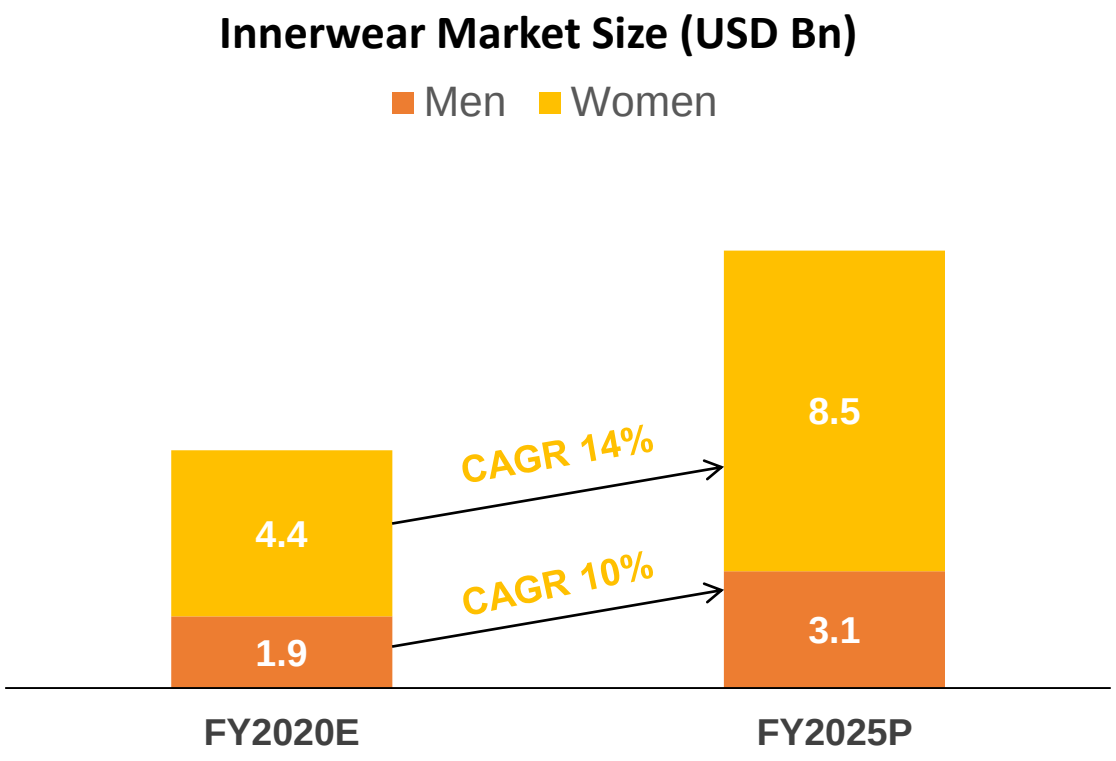
^ There could be an overlap in the Loyalty Base between Madura and Pantaloons Segments

New Business in line with Evolving Market



Our Play – Innerwear

Innerwear Market Opportunity



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

Our focus areas to build the Innerwear business

Deep Distribution

Trade Footprint across ~ 20,000 outlets*

Product Innovation

Driving brand differentiation through product innovations in both men's and women's segments

High Impact Marketing

Propelled expansion through impactful market launches and focused communication campaigns

Portfolio expansion aligned with consumer trends

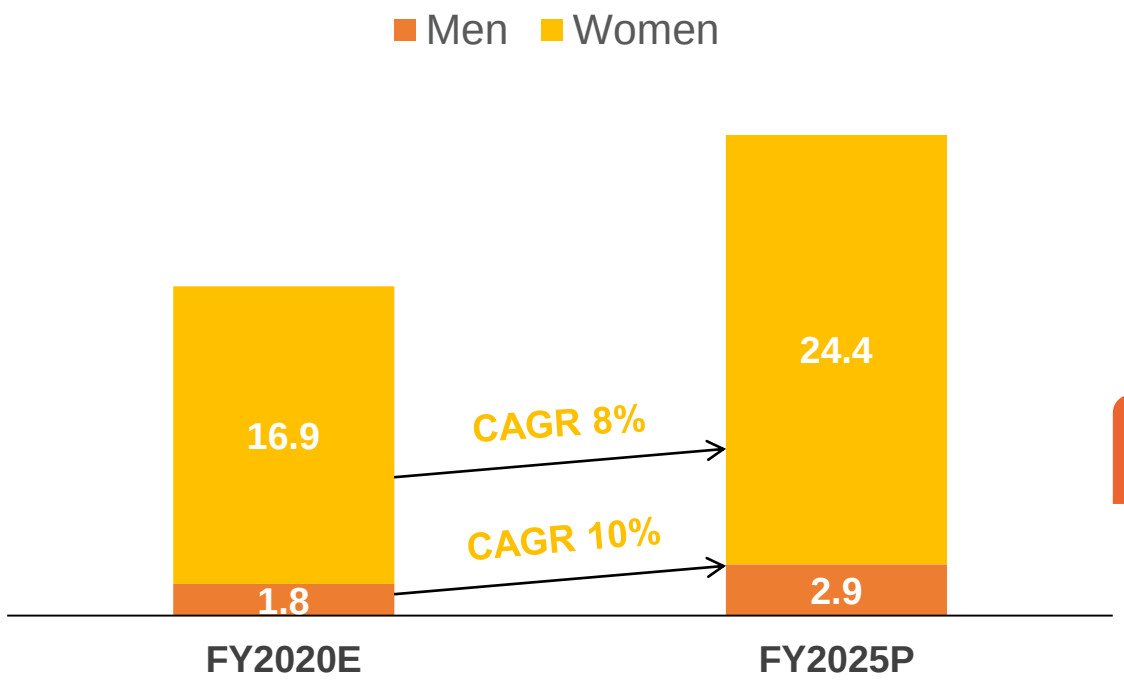
Adding relevant categories in line with evolving consumer trends to ride on wide and deep distribution network

**As of March 31, 2020*

Steadily Nurturing Ethnic Business

Ethnic Wear Market Opportunity

Ethnic Wear Market Size (USD Bn)



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

Our focus areas to build the Ethnic business

Men's Ethnic

- Premium Market
- Bridge to Luxury Market

Women's Ethnic

- Premium/ Bridge to Luxury/ Lifestyle
- Super Premium Bridal Wear
- Everyday/ Work Wear

Company has forayed into premium ethnic wear through investments in

JAYPORE

SHANTANU & NIKHIL

Global Brands and Fast Fashion

Global Indians: Our Play – Global Brands

THE COLLECTIVE

RALPH LAUREN

AMERICAN EAGLE

FRED PERRY

HACKETT LONDON

SIMON CARTER LONDON

TED BAKER LONDON

Young, Fashionable India: Our Play – Fast Fashion

FOREVER 21

Leadership Team

Ashish Dikshit
Managing Director
Total Years of Experience: 28
Total Years with ABG : 22

Vishak Kumar
CEO, Lifestyle Brands
Total Years of Experience: 25
Total Years with ABG : 25

Sangeeta Pendurkar
CEO, Pantaloons
Total Years of Experience: 32
Total Years with ABG : 2.5

Sooraj Bhat
CEO, Fast Fashion & International Brands
Total Years of Experience: 21
Total Years with ABG : 18

Puneet Malik
CEO, Innerwear Business
Total Years of Experience: 27
Total Years with ABG : 26

Jagdish Bajaj
Chief Financial Officer
Total Years of Experience: 31
Total Years with ABG : 31

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

Kedar Apshankar
COO, Special Projects
Total Years of Experience: 25
Total Years with ABG : 15

R. Swaminathan
Chief Supply Chain Officer
Total Years of Experience: 29
Total Years with ABG : 20

Dr. Naresh Tyagi
Chief Sustainability Officer
Total Years of Experience: 29
Total Years with ABG : 12

ABG – Aditya Birla Group

3. Strengths & Strategies

Key Strengths

Flagship Fashion & Retail Arm of the Aditya Birla Group

- Strong & Established Brands
- Diversified Product Portfolio and Deep Expertise in Design, Product Development & Sourcing
- Extensive Distribution Network with a Diversified Geographical Presence
- Robust People Processes
- Leadership Capability

Evolving our strategy with long term shift in consumer trends

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1 Women moving to Western Wear

2 Rise of the Value Customer

3 Shift towards Casualwear

4 Growing International Influence

5 Emergence of branded ethnic wear

6 Luxury/Super-Premium Accelerating

7 Digital and Ecommerce driving rapid growth

Key Strategies

1. Build Strong Brands
2. Continue to Enhance our Portfolio
3. Expanding Distribution Footprint
4. Digital Transformation

ABFRL Digital Transformation Agenda

Commerce

E-Commerce

Omni-channel

Digital in-store

Channel partner mgmt.

Engagement

Personalization

Digital marketing

Efficiency Improvement

Markdown Management

Design, buying & allocation

Supply chain digitisation

4. Sustainability & CSR

ReEarth

Sustainability at ABFRL

ReEarth
for our tomorrow

We are committed to

give back more

than what we take from the

ecosystem

10 Missions setup under ReEarth

- Energy conservation
- Carbon footprint
- Green Building
- WASH Pledge
- Water Management
- Waste Reduction
- Sustainable Product
- Packaging
- Safety
- CSR

Awards & Accolades

Dow Jones Sustainability Indices -2019 : 8th Rank globally in textiles, apparels and luxury goods sector*

Sustainable Corporate of the Year 2019 : Frost & Sullivan and TERI Sustainability Awards 4.0

CII-IGBC Green Champion of the Year 2019

ABFRL Sustainability Case study presented at UN Headquarters

CSR
Contribution to Society

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Model Villages

Employee Volunteering | Women Empowerment

Education
- Formal / Govt schools
- Balwadis for elementary education
- Quality primary education
- Girl child education
- Community education programme

Health & Sanitation
- Primary health care centres
- Mother and child care projects
- Immunisation programmes with a thrust on polio eradication
- Health care for visually impaired, and physically challenged
- Preventive health awareness programmes

Sustainable Livelihood
- Formation of Self help groups
- Groups for women empowerment
- Vocational / employability training
- Agriculture development and better farmer focus

Water & Watershed
- Safe drinking water
- Rainwater harvesting
- Watershed development
- Community ponds
- Bore well recharge pits

Digitalization
- Village information centres
- Computer training at government schools

Employee Volunteering | Women Empowerment

Model Villages

Education — 29,190 Beneficiaries

Healthcare — 1,24,295 Beneficiaries

Skilling — 1,186 Beneficiaries

Volunteering — 24,249 hours

Water & Watershed — 36,414 Beneficiaries

Digital — 17,152 Beneficiaries

Orissa Project — 20,546 Beneficiaries

FY20 milestones

5. Financial Performance

Financials and COVID-19 Strategy disclosed in Q4FY20 presentation of the Company dated May 27, 2020, uploaded on Company website: (http://www.abfrl.com/docs/investors/financial_reports/performance_update/ABFRL_Performance_update_May_27_2020.pdf) and the Stock Exchanges: www.bseindia.com and www.nseindia.com

Thank You