# "Aditya Birla Fashion and Retail Limited Investor Day 2025"

## April 03, 2025

**MANAGEMENT:**

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**MR. PRASHANTH ALURU - CHIEF EXECUTIVE OFFICER & CO-FOUNDER, TMRW**
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**MR. AMIT DWIVEDI – HEAD STRATEGY, BUSINESS DEVELOPMENT AND INVESTOR RELATIONS**

**Amit Dwivedi:** Hi everyone, welcome to ABFRL Investor Day 2025. It's a pleasure to welcome all of you to this important event and also to all the participants who are joining us virtually from all over the world. We're extremely privileged and honored to have our Chairman, Mr. Kumar Mangalam Birla with us today to grace this occasion. From being acquired as a small INR200 crores company 25 years back, by the Aditya Birla Group, under his leadership, the company has seen its sales transform into a leading organization in Indian fashion and lifestyle space.

It's an honor that Chairman has agreed to open this session today by sharing his vision for the company and in his faith on how this company will not only shape the contours of the sector, but also build some of the most timeless and iconic brands for our customers.

With this, I would request all of you to please welcome Mr. Birla on the stage for his opening remarks.

**Kumar Mangalam Birla:** Good morning, everyone. Good morning, good evening to all our valued investors and analysts who have joined us here in person and also those across the web from India and around the world. On behalf of the Aditya Birla Group and ABFRL, it is my pleasure to welcome all of you to the ABFRL Investor Day 2025.

This is a platform where we seek to engage deeply with you our key stakeholders and share our business strategy, our performance and our vision for the future. I firmly believe that the Indian consumer market offers a very large and attractive opportunity, poised for significant growth over the coming decade. At the Aditya Birla Group, we are backing this conviction with deeper investments in multiple new consumer businesses such as paints, jewelry retail and real estate.

The Indian apparel industry, as you would know, is one of the largest consumer segments in the country and is set for rapid growth over the next decade. This expansion will be driven by rising aspirations, increasing consumerism and a rapid shift from the unorganized to the organized sector as per capita GDP increases from $2,500 to more than $4,000 over the next 5 years.

Over the last decade -- over the last 2 decades, ABFRL has established a strong position as the most comprehensive play in the Indian fashion industry. Our journey began with the acquisition of Madura Garments in 1999. Over the next decade, we invested deeply in these brands transforming them from sub-INR50 crores businesses into the largest apparel brands in the country.

In 2012, with the acquisition of Pantaloons, we entered the large mid-market segment and scaled it into becoming a leading player in its category. As India's fashion industry has evolved over the years, we have responded with greater ambition, sharper strategy and accelerated investments. Over the past 5 years, ABFRL has executed a comprehensive transformation strategy to build a significant presence in several large and high-potential segments of the market.

This has been achieved through a combination of organic initiatives as well as several inorganic moves. We have, as you know, strengthened the Madura portfolio with the addition of casual wear brands entered and now lead the ethnic wear market, we have enhanced our play in value retail, built a digital-first portfolio under TMRW and established a stronger foothold in the rapidly growing luxury segment. Each of these moves has been guided by a thoughtful analysis of long-term trends and shifts in consumer behavior.

Every decision has been shaped by its potential to create long-term value. While a transformation of this scale and nature brings some short-term challenges, I'm confident that this strategy will position the company strongly for the future. As Indian consumption evolves different segments from value to luxury to ethnic and traditional brands to new age brands will see significant growth.

What sets this approach apart is the depth and breadth of our portfolio, allowing us to cater to diverse consumer aspirations while staying ahead of market shifts. The execution of this strategy entails deep investments in acquiring and building multiple new businesses, each a growth engine in itself, this at times led to periods of high debt, lower profitability and slightly lower growth in certain parts of the businesses over the past few years.

With the portfolio now firmly in place, we are focused on the next phase. It's organic buildup of these existing businesses, we will see fruits of this cycle reflecting into robust growth in sales, profits and stronger cash flows. As a Group, we have never hesitated to place bold long-term bets on opportunities that we believe can be transformative. Time and again, we've done so across industries, and I remain confident that Fashion and Retail will be no exception, set to emerge as a cornerstone of our future growth on the back of all the investments that we have made already.

Building on this momentum, we have also undertaken two very significant corporate actions in recent months. First, we successfully raised $500 million of equity capital to strengthen the balance sheet and position the company for accelerated growth. Second, we announced a corporate demerger plan last year, aimed at creating two large and distinct entities each with a strong independent growth trajectory and significant value creation in themselves.

The demerger plan is well underway and is likely to be completed in the next few months. With these steps, our corporate transformation plan is now nearly complete. We now have two well-defined growth vehicles, a simplified and streamlined corporate structure and a robust balance sheet in both companies, setting the stage for both businesses to create substantial shareholder value.

For your support, I would like to thank all our investors and all our shareholders for their trust in this journey, your support and confidence has energized us to aggressively pursue the exciting opportunities that the Indian fashion industry has to offer.

With that, we now -- I now hand over to Ashish and the rest of the leadership team of ABFRL to walk you through our growth road map and strategic imperatives in greater detail. Thank you.

**Amit Dwivedi:** Thank you, Mr. Birla for sharing your vision with us. With that, we kick start the agenda for the day. Before we start, a couple of customary announcements. The presentation that we're going to use for the session today has already been uploaded on the website and the website of the exchanges. I would request you to read through the disclaimer.

The presentation today will have some forward-looking statements, which have to be interpreted in context of the current operating environment and we undergo a change of external context changes. We have a packed agenda lined up for the day. We'll have Ashish come up first, who will talk about the strategy of the entire fashion business, about what we have done so far and how he looks at growth -- next phase of growth for us.

Post that, we'll have business sections presented by respective CEOs. We'll have Vishak come up first, who will talk about our Western Wear brands portfolio, which pursuant to the demerger is going to be listed separately as Aditya Birla Lifestyle Brands Limited or ABLBL. Post that we'll get into the other part of the business, the demerged ABFRL portfolio, which will have all the other businesses to be, again, represented by their respective CEOs.

We'll have Sangeeta come up first, who will talk about value and masstige retail space, the opportunity that it offers and our play through Pantaloons and Style Up. We'll have ethnic businesses come up next, which will be presented by two gentlemen, Sooraj, who will take us through the Designer Wear and parts of Premium Ethnic Wear portfolio, and we'll have Anant, who will spend time on telling us on how TCSN is looking at its future.

Post this, we'll have Sathyajit, who will be interacting with all of you for the first time. And he'll tell us about how acquired organic growth engine is being built through the luxury portfolio under him. We'll have Prashanth come up towards the end of the section, who will talk about the exciting world of Digital-First brands in the fashion space.

We also have our CFO, Mr. Jagdish Bajaj, who along with business CEOs, and Ashish will address all your questions towards the end during the Q&A segment. So I'll request you to hold your questions towards the end. Post the event, we have an excellent reception organized for you outside the ballroom where we will host you for lunch and also offer an opportunity for all of you to interact informally with our entire executive leadership team.

With that, I'll turn it over to Ashish.

**Ashish Dikshit:** So good morning once again, and welcome to the ABFRL Investor Day. It's taken some time coming, and thank you very much for all of you to make the time and effort to come here. I also welcome all those who have joined over the webcast from India and around the world at this time. Over next couple of hours, I and my team will take you through various parts of our business, our plans and our strategies.

Let me start with a quick overview of our company. As you know, FY '24, we were about INR14,000 crores company. But more than the size and the profitability and the scale, I think what this company has is a set of most powerful brands that this country has seen.

A trajectory, as Mr. Birla said, started with a very humble beginning with less than INR200 crores, just about that and when Aditya Birla Group acquired this portfolio over last two decades has grown on to become a leading player in the industry with multiple business additions, new business launches, additional verticals, both through partnerships with international brands, designers as well as multiple new initiatives that we have launched.

A business which has been consistently growing, despite the challenges of COVID in the last few years, the business has managed to stage a faster recovery, growing at now about 13% for the last 4, 5 years. As Chairman has indicated, and you have seen the group's action across multiple consumer businesses as Aditya Birla Group is looking more actively in consumer spaces across multiple verticals. Fashion happens to be one of the first vertical in which the group had made the investment.

At ABFRL, we clearly have a very definitive play and between the two proposed companies, very, very strong consumer play that we'll build, and I'll take you through that space over the next 20 minutes. A quick look at how Indian consumption is shaping up. I think most of it is known to most of you.

Economy, which is set to grow in per capita GDP as consumers come into that space when they start consuming discretionary category once the per capita goes beyond 2,500, 2,700. We believe, as a country, we are in the cusp of next consumption boom, reflected in the size of consumption economy, which is set to reach almost 4 trillion, third largest in the world over the next few years.

What is also important is fairly significant middle and upper middle class categories, which are getting created from an economy which was largely lower income to now made and, of course, a significant growth at the elite segment and which has shaped most of our strategy. A question we get asked very often, but as Chairman laid out, in any business that we enter, we have a longer-term view about what would shape that. So we have carefully chosen the strategy of playing in meaningful segments of the market.

Around the world, we have seen fashion is a fragmented category, and all the leading players have had a very diversified portfolio to build their company over the years. We have taken that strategy and over a period of time, built identified meaning places and it fortifies us our business from changes in Fashion, shift in consumer behavior, prepares ourselves better for future, but it requires a more comprehensive, wider, more diverse play than a singular focus play, which many other people have chosen to take. So that's a fundamental belief in the larger Indian consumption, which has driven our strategy.

As we look back, Chairman described the journey over the first 20 years where a large part of the company was built around two basic ideas, the Madura business, which we acquired in late 90s and Pantaloons, which we acquired in 2012. In last 5 or 7 years, as the market shifted, as the consumption evolved, we have identified four large and one currently smaller theme, which drove our behavior over the last 5 years. So a lot of our strategic actions over the last 5 years can best be understood by these five shifts.

And let me quickly articulate that. The first one is really the casualization, the growth of athleisure, activewear and which is the space that we have identified as an adjacency for Madura and that's what is leading to a more healthy, broader, diverse plan ABLBL, which is the casualization space in the western wear. But that's adjacent diversification. I think our more meaningful and significantly different diversifications have come in the other two spaces that we have identified. The first one is the Indian ethnic wear market.

For long, this was fragmented. Very few large brands got created. But as we saw over the last 5 to 7 years, we have seen emergence of Indian ethnic wear market multiple large brands coming into it. It's a space in which nobody has a large play. There are a few individual players, but nobody has a diversified play in this, which is strong enough. We felt our right to win is strong in this space.

We also believe that this market is going to grow rapidly over the next 10 to 15 years. As India as a country, Indian consumers, as consumers show greater confidence and the cultural undertone of a pride that Indians have in everything Indian, including Indian artisanship, including Indian clothing and the cultural overtones of the society.

We believe we are sitting on something which, over the next 20, 25 years will create a very large competitive advantage. A lot of our actions for investments in leading designers of the country, one small acquisitions with Jaypore and more recently, our acquisition of TCNS is driven by this large multidecadal belief and conviction we have in the ethnic wear market.

The second large shift that we have done as a company is to look at how India and its consumers are going to be shaped over the next 20 years. As you all know, it's one of the youngest demography that we have the benefit of. India is also one of the most digital savvy consumers.

A young large number of, perhaps in the history of the world, largest number of young consumers who are so digitally savvy are entering and engaging in a category such as fashion. And that creates an opportunity for us to enter into the digital fashion business and the whole conception of TMRW and Prashanth will take you through later today. And our investment into that is built around a very, very long opportunity that we see in that business.

We also believe, as Indians get richer, the richer Indians will find for better, more luxurious products and therefore, a play in the luxury is what we have continued to build, slowly over last few years, but we are accelerating it as we go forward.

The large segment of value retail is another large opportunity that as significant number of Indians come from low income to mid income. We have a very strong vehicle in Pantaloons. And over the last few years, we have experimented with Style Up as a new concept and we will see a rapid action as this market, which is potentially the largest market by sheer size grows over the next decade.

So these are our pillars of strategy, which has actually given sort of rationale behind a lot of strategic actions that we have taken in the last 4 or 5 years. And with those actions, we've now clearly believe we are the most comprehensive play in the Indian apparel segment. We have a strong parentage of Aditya Birla Group, rich legacy of both building new businesses, acquiring business and turning around businesses. And most importantly, a most comprehensive portfolio of brands with proven execution across all the mature businesses over a period of time.

There are six pillars of our strength that we call out and which significantly have helped this company over the last multiple years. First is our ability to build brands, whether it is building brands ourselves. And when I speak of us, the company does not include just the brands, which we have built organically but also the brands which we have acquired. It's equally true for TCNS, Sabyasachi, Tarun Tahiliani, Masaba as much as it's true for Louis Philippe, Van Heusen and Reebok, Allen Solly, Peter England. So very strong trajectory of building brands.

The second, which I talked about at length is we are probably the only player who have a diverse, most comprehensive play. It prepares us better for future shifts in fashion, in taste, etcetera, sort of allows us to both write them as well as the shift moves from one side to other, we have a portfolio play which insulates us from those actions. We have one of the largest distribution in the country for a fashion company as well as a strong present in multiple play.

We have an ecosystem of nearly 30 years of experience of building brands, ecosystem of suppliers, partners, franchisees, technology partners, department store friends and so on and so forth. So a very strong ecosystem, which any brand in the system benefits from.

Over the last many years, we have invested deeply in our IT infrastructure and increasingly more in the digital part of the business and that will enable and power a large part of our future growth. And finally, we have always taken pride in the leadership and the management team and the talent and design and supply chain and sourcing and multiple parts of the business with very deep reserves of talent that we have consciously and carefully built as a part of both ABFRL and as a part of Aditya Birla Group's overall talent and people philosophy.

I won't spend much time. I think we've talked about and all of you are familiar with the powerful brands that we have. Perhaps there are very few examples in this country, and none in our industry, which has a portfolio of as diverse and as large brands as we have. We also looked at shifts in the market.

And wherever we found a meaningful size, we've tried to build the business there, which also tells us that we are an agile company in moving in new market segments, whether it's launch into digital space or entry into ethnic wear. We have a deep consumer connect our portfolio with close to 40 million-plus consumers who are part of our ecosystem and very deep and wide set of partners around.

Just a quick look at our brands, western brands, ethnic brands, digital brands and two kinds of formats. At the top, we have the Luxury Retail format with The Collective, the bridge to Luxury being India's largest retailer and at the bottom where we have Pantaloons and now increasingly investments in Style Up will create another large vehicle for us. These brands are well represented across consumer occasions. They reflect the market opportunity and also are present across the price points.

A wide distribution, one of the widest as it said, in terms of single brand distribution, more than 4,500 stores across the country, large number of multi-brand outlets mostly driven by our innerwear business, but even other businesses have access to it, partnerships with department stores, leading partnerships with all the e-commerce players. So very wide distribution, multichannel, omnichannel, fully ready to reach every consumer in any part of the country.

Over last two decades, we have added this as a significant arsenal of our capability and strength. While originally starting with a company which significant investment was in brand and design capability. In the last 15, 20 years, we've built deep capability in retail expertise, whether it's finding the best retail spaces in the country, creating distinctive and very sharply positioned consumer experience, curating merchandise, specifically for each kind of place, each kind of location and geography, intelligent replenishment and planning system, which fuels this as well as excellence in service along all the dimensions of retail, and this is what has helped us to create such a self-sustaining, fast-growing retail business over last 15, 20 years.

Our fourth element of -- pillar of our success is really our partnerships. And these partnerships have built over a long period of time. They're deep in the nature. They are wide in the categories that they cover. They are very deep with the quality of the partners that we have around, whether it's franchisee partners or sourcing relationship, our technology partnerships, our real estate partnerships. It's an ecosystem, which actually allows us to move faster and execute better than most others.

Our digital capability has been something that we have built over the last 7, 8 years, more significantly. The front end of our businesses, whether they are stores which are fully omnichannel, one of the largest omnichannel-enabled retail network in the country, by size, share largest -- large number of brand websites.

Some of the brands coming together in a super app form, some of them having their individual websites. But what lies behind them is the brain, the analytics, the intelligence increasingly enabled and powered by AI. And further behind that is a very strong IT and technology infrastructure, which powers both the brain and the consumer-facing part of the business.

Increasingly, as the world is shifting rapidly and reshaped by the transformation that AI has brought in last 3 or 4 years, particularly with the advent of Gen AI. Many parts of our value chain have offered significant opportunity, both to engage with customers better, to create unique propositions, to increase productivity and create new features and possibilities.

And every element of our company, whether it is marketing, where customized individualized campaigns are being formed at a rapid pace without -- with the use of AI, or is it in content creation where people are creating everything from design to merchandising to visual merchandising to campaigns, which is powered by AI as well as increasing adoption in demand planning.

Now this is a journey. We have well started on this, but this is going to transform and significantly shape the future of our company, both from a productivity point of view as well as in the way we will come across our consumers and our ability to serve them more uniquely.

Finally, the team, which is led by seasoned leaders with deep expertise and commitment, both to the consumers and their business and to the journey and the vision that we have for the company. We have consistently been as Aditya Birla Group, a believer in building a better world. All parts of our business have been investing in it.

At ABFRL ReEarth has been our mission for more than 15 years. We have been investing very systematically even from the time when it was not the glamorous thing to do, very meaningful deep investments in all parts of sustainability. Whether it is energy, whether it's sustainable product attributes, where the source of the product comes from, the vendors and the practices that they're in, the emission reduction, the renewable energy, the supplier assessment sustainability packaging, all aspects of ecosystem, both within our company and outside our ecosystem is something that we've been investing in consistently over 15 years.

It's no surprise that in the latest score for S&P Sustainability Index, ABFRL has been rated as 4th highest in the world in terms of retail industry, the highest in Asia and India. And that is a testimony of the work not for 1 year, for almost 15, 17 years that we've been investing in this. Our CSR mission is very much part of the group's overall CSR philosophy.

We follow it in a very dedicated manner. There are model villages, which we have converted in and around our factories where holistic development programs drives that. We measure there is improvement, and we see how much progress we are making on each one of them.

So this is really our company. I'll quickly move to the parts of strategy. I think we have covered most part of it and individual business will take you. But let me come back to what is happening right now. As Chairman has said in his opening remarks, the creation of two companies will create two independent, large, very valuable vehicles which will have very distinct journey: one, ABLBL, which has a history of consistent performance over a period of time, strong ROCE, good profitability, strong cash generation.

On the other side is the company, which is the remaining or the demerged ABFRL, which has very large growth opportunities in front of it, many new high-growth verticals and potentially reshaping multiple parts of the businesses. These are the brands, and I think we'll take you through in greater detail. Mr. Birla talked about the fundraise and that has significantly change our ability to invest and grow.

As Chairman mentioned, in the last few years, some of our investments were constrained by the debt that the company had. Now today, we not only sit on very strong cash flows and very strong portfolio, but equally a very powerfully balanced balance sheet on both sides of our company, which will help us drive growth faster over the coming years.

So I think our strategy has landed us here, the largest Western Wear portfolio, clearly, the widest, most powerful brands and the largest Ethnic Wear portfolio in the country, one of the leading luxury retailer, a strong play in masstige and value segment with a large runway in the future and the single largest digital fashion and lifestyle brands portfolio in the country. So this is really who we are as a company as we stand today.

If last 5 or 7 years for this company was a story of significant transformation by investing in new businesses, launching new businesses, acquiring new businesses, I think the journey of the next 5 years is going to be very different. We now have a portfolio, which is strong, balanced and future-ready. We don't feel there will be a need for a future M&A in a significant manner over next 5 to 7 years. And therefore, one could clearly say that our growth is going to be driven by organic businesses that we have built.

Also, the balance sheet strength that we have built, means that the fundraise that we needed to do in past is a matter of history. We do not need any further fund raise now to drive this portfolio forward over the next 4 to 5 years. And therefore, the management focus will be really on improving the profitability, making the businesses grow faster and improving the returns on capital as well as return for shareholders in terms of ROEs. And that will fundamentally be the next phase of ABFRL and ABLBL, very different from the kind of deep, rapid and accelerated transformation that we had to do in the last 4 or 5 years.

So I think if you look at our businesses, you could cut our businesses into core, growth and the emerging businesses. The core businesses are the businesses we've been around, which have a fairly stable business model, are generating free cash flow, they will probably grow depending on each business between 10% to 15% over the next 5 years.

We have multiple high-growth businesses which will grow perhaps faster than that between 15% to 25%, whether it is the new businesses of ABLBL or many of the designer brands, which are in early stage of evolution and have a long runway in front of them, including some of the businesses in the ethnic premium, ethnic wear businesses, particularly business like Tasva, which is an early stage at this point of time.

We also have some businesses, which I would say are emerging because their size and scale potential is enormous, but they're early stage today, and they could surprise us by how large they could become, how quickly they could become. But definitely, the growth rate will be much higher than even the growth businesses that we have in excess of 25%, 30%, in some cases, even higher than that.

Each one of these businesses, we have fundamental principles on how we'll drive them, core businesses to continue to build their leadership, revitalize the brand, improving the productivity, growth businesses to grow, but continue to focus on profitability, so that we get the right shape of the business and the emerging businesses invest deeply at this point of time to get them to size and scale where they become meaningfully large and eventual cash flow generations of future.

If you look at our company, therefore, the portfolio of the brands, we're probably the only company, definitely only company in fashion industry, but one of the few consumer companies which will have a portfolio of close to seven, eight businesses, which will be more than INR2,000 crores, about eight, 10 businesses with more than INR1,000 crores. And these are individual brands I'm talking about. And that reflects the width and the depth of the portfolio that we've built over a period of time.

And increasingly, as these businesses evolve over next 5 years, many of them will move from the investment phase to a more mature base where they become part of the core, whether it's in ABLBL, where the Reebok and the Innerwear and the American Eagle business move there or in ABFRL, where many of the current growth businesses will move into the core businesses and many of the emerging businesses will become the growth business 5 years now. So even 5 years from now, we'll have multiple very high-growth business opportunities as we look forward.

To give you a sense of where does it lead us eventually. The first company Aditya Birla Lifestyle Brands, we believe, has the potential to grow. Now that its capital and cash is available for us to invest deeper something which was restraining and constraining its growth in the last 3 or 4 years. We believe it can grow closer to 13% to 15% over a period of time, supported by some of the newer businesses such as Reebok, but even the traditional brands.

As they grow, the profitability, which is currently at about 14%, 15%, 15-odd percent at post-India's level close to 8% in pre Ind AS level, will also move between 300 to 400 basis points, which means the absolute profit will perhaps be 3x the size while revenue may be 2x the size.

The business has always performed very well on the capital efficiency. We expect the ROCE of the business to move from 40%, 50% to north of 70%, 75%. The business will be debt free, and we can accelerate that. But at this stage, we want to also invest deeply in it. This is also a company which will have -- which consistently has generated strong free cash flow, and therefore, our journey to debt-free will be much faster.

It will also be a company which very early will come into a form since a profitable company will be a dividend paying. So a strong dividend paying, free cash flow generating, high ROCE of 70%, early double-digit growth rate is the nature of this company, and it will -- perhaps is best positioned to enjoy the consumer market journey that Indian economy offers.

The second company is more complex in the multiple nature of the businesses it has, but it has higher growth opportunities available for it. The business, which is currently INR6,500 crores last year, we believe can grow and become more than 3x its current size.

Individual businesses themselves have this opportunity of value driven by our accelerated investment in Style Up as well as growth in Pantaloon, could be 2.5x its size today. Our Ethnic business is growing very rapidly. We expect it to be 4x the size of what it was in FY '24.

Our Luxury business on a smaller base could be between 4x to 6x as we grow and the market evolves over a period of time, a Digital brand business, which is TMRW, which was just started 3 years back, and achieved scale of about INR300 crores, INR400 crores last year is set to grow between 7x to 8x over the next 4, 5 years.

So multiple very high-growth opportunities. The challenge of profitability of starting multiple new businesses as well as some businesses which are in the stage of transformation. We have laid out a journey for each of the business. We believe that the business will move from current 7%, 8% post Ind AS EBITDA margin to closer to 15%, 16% over this period from pre Ind AS terms currently from negative moving to about 7% to 8% is really where we believe this business will be able to get to at the scale that we have talked about.

Our ambition and goal is to get this business closer to 20% return on capital, we are some distance away from it. But as business gets scale and profitability, we are very confident that's the number we'll be able to get to. The company as a whole is very well capitalized. We have the opening cash on the balance sheet of between INR1,200 crores to INR1,300 crores.

We strongly believe that this will be adequate for the company to drive the growth agenda that we have created it, with the exception that we would probably raise capital for TMRW separately through outside investment, but rest of the capital will grow -- to grow -- will be used to grow this business. The entire company as a whole will become free cash flow positive by FY '29.

So this is really the goals that we have set for ourselves and the plans that we have for the business. Thank you very much for your time and attention, and thank you for tracking our company for giving us feedback, both critical and positive, at the same time, we take it seriously, and we look forward to engaging you further as we go along during the day. Thank you.

**Vishak Kumar:** Very good morning to everybody, and thanks for making it today and to those joining from the rest of the world. Thank you very much. A lovely day to you. Let me take you through the journey of ABLBL. And I must say this with the disclaimer of the three decades that I talk about, I've been in them for all three decades. So I can say this with some pride, I have seen the organization grow through from the beginnings of the brands and our business.

We started as a men's formal wholesale shirt brand company. From then, we have moved and how? So we, of course, added brands through our journey. We've moved to, of course, 1999 when we became part of ABG that gave another big flip to our growth path. We were able to invest. And one of the biggest shifts that we brought then was huge investments into suit manufacturing, making us one of the best suit manufacturers in the country, huge investments in retailing, and we became a significant retail player. And then, of course, we have also added brands, sub-brands, categories, segments, women's, kids, in recent times, American Eagle, Reebok.

Net-net from a men's shirt wholesale brand company to a portfolio of Lifestyle Brands, which cater to multiple consumer segments, multiple locations across multiple channels being where the consumer wants us to be. That's been broadly our journey over the last three decades. So as you can see, in '99, we got -- we became a part of the Aditya Birla Group and we had the four lifestyle brands. Each of these brands was built with a very, very strong consumer proposition, very, very strong, almost obsession with taking care of consumers.

If you look at the way Ashish also described the businesses, there are these four core brands. And then, of course, there are the future growth segments. I must confess to you that even in these four core brands, there is so much of juice for growth. There is so much that we need to do to make them bigger and bigger and make them even more of power brands.

And of course, on top of that, there is the exponential opportunity which exists with brands like American Eagle, with, of course, Reebok, which is the latest entrant into our portfolio and of course, with the entire innerwear, athleisure segment that we've got with Van Heusen innerwear. So clearly, there is a story where there is a lot of growth to be had in the organization.

Three decades of fairly proven track record. And I must say this at various points of time in our history, we've been asked, hey, this is great. I remember when we hit INR500 crores as an organization, there were conversations that are, that's great, but can you grow? And grow we did, and then we became INR1,000 crores, hey, this is great, can you grow? And each of our brands then became INR1,000 crores plus. And we have continuously in that sense, kept that pace of double-digit growth on sales and even faster growth actually on EBITDA. And that's the kind of trajectory that you see.

It's withstood recessions, downturns, even COVID and continuously bounced back, evolved continuously to make it a more consumer- relevant proposition, a host of brands. What's worked for us, of course, is very, very strong global sourcing capabilities, a very strong manufacturing capability, which I will talk to you more about, very strong retail organization, very deep capabilities around retail execution. Ashish spoke about digital and how the organization has always been very digital in DNA even before it's been fashionable to talk about some of these things.

And of course, I must say we are very proud of the relationships that we have in the marketplace with more than 800 franchisees, all large department stores where we work very closely with them, large e-com marketplaces, thousands of multi-brand retailers across the business -- across the length and breadth of the country, various vendor partners, mills, factories. I think that's really made our organization a strong one with all of these collaborations across the value chain. It's been a strong retail footprint. And I'm very proud to say this that our retail footprint is nearly -- more than two-thirds of our retail footprint is actually franchisee- driven.

There are organizations where franchisees primary role is to bring in capital. For us, the biggest thing that the franchisee brings to us is the entrepreneurial capability, the understanding of local markets, the ability to serve consumers better. And that's how we have built this. Most franchisees have worked with us over generations. They have added multiple stores after the first and the second and the third, and that's how we built this franchise store network for ourselves.

About 7, 8 years back, we just -- a couple of years before, COVID, we went into small town India, with a small pilot in a town called Dindigul in Tamil Nadu. And since then, we've opened nearly 600 stores in small town India, what you would call Tier 4 India towns with population, 1 lakh population towns. And that's again been a strong network, which has grown steadily for us.

We also have -- we are very proud of the relationships we have with all the top malls in the country, and we have very strong positions of prime locations at each of these malls. And of course, we've been able to establish multiple retail formats, including formats for kidswear, womenswear different formats that we have for us. So with all of this, I can proudly say that we've been a fairly formidable retail presence in this country. And it's also fairly safe to say it's across the length and breadth of our country.

In fact, a few years back, we did a project called Project Sunrise, which was to get stronger in the Northeast markets. And that, again, you will see in the chart tells us how we've been making inroads into every part of this country, and it's only growing stronger. It's also a continuous -- the fashion business, by definition, is a business of change. So here's a business where you've got to constantly keep evolving your businesses, constantly keep staying relevant to consumer segments.

So if you look at, for instance, how we've evolved with consumers from an age perspective, 53% of our business is for customers below 35. And it's a matter of great pride to us when we constantly engage with younger and younger consumers and get them into the brand. It's also a brand -- a portfolio of brands where we have a very strong business for work formals or business, the sort of clothes that we're wearing today, we have a fairly strong presence in Wedding business for definitely three of our brands where we have very -- and we love those wedding occasions where our brands are very, very relevant for consumers.

We have a very strong presence in casual wear, in jeans wear, evening wear, party wear. So it's also a portfolio of Lifestyle Brands, which have continuously evolved and shape themselves to be relevant to different usage occasions of consumers, a business where there is a fairly large women's presence and growing stronger. So in fact, in a brand like Reebok, 24% of our business is actually women's and growing, same with Van Heusen and Allen Solly.

Go to any leading business school campus in the country and ask what you're going to wear for your placements and you will see these brands, especially in the women's segment, you would -- probably two-thirds of them would be wearing either Van Heusen or an Allen Solly suit for their campus interviews. It's also a business of brands where the brands have been constantly relevant and top of mind for consumers.

So even the latest Kantar track would tell you that the highest top of mind brand today in this country is Allen Solly, very closely followed by Peter England. All our brands have been continuously in the Top 10 in brand recall, top of mind, spontaneous awareness, likability surveys, and we will continue to invest in that to make our brands continuously relevant to consumers.

So who are we? We are a business which wants to be a continuous double-digit growth and even faster EBITDA growing company. Our primary scope is the Indian market with a house of brands, which -- products that people wear and perhaps as an extension, which they carry, which includes handbags and products like that. Our purpose is to make India look and feel good, right? And I think -- and we take that job very seriously of building products, which help our consumers with that.

With a portfolio of sustainable, which Ashish spoke about, tech-driven brands, which make every occasion, a special occasion for our consumers. We want to be -- this is a portfolio where every part of the business has to be profitable. we would give 2 to 3 years for brands to grow and build to a scale where or -- any initiative to grow and build to a scale where it can get profitable. And then the entire portfolio, every player, every brand in this team adds to the overall profit of the portfolio.

How are we going to get there? How will we achieve our mission? So the big pillars at first level, and we are all about brands, and we worship our brands. We will continuously invest in them. We will -- as we speak, if you're into watching IPL, the whole of this month, starting from this weekend, you're going to be seeing all our brand campaigns, strong campaigns that you're going to see. We will continuously advertise for our brands.

We will be always ahead on the fashion curve to create innovations, to create differentiated propositions for our consumers. With a very strong retail network, omnichannel enabled retail network that we would have for all our brands. We see opportunity to add another 250 net stores every year for at least 5 years ahead.

Project stretch. Our average stores are about 1,450 square feet size. There is an opportunity to make our average store 2,000 square feet. So there is 50% growth possibility just by space increase in existing locations that we have.

Digital, very critical, and we do digital in creation. We do digital in assortment planning. We do digital in e-commerce transactions with consumers. Across the board, it's a digitally oriented organization and, of course, being versatile being able to continuously evolve to consumer requirements has been the way that we have built our business. All of this with the foundation of being a strong magnet for talent and with strong partners that we work with to drive consumer obsession.

We want to expand aggressively. And you will see that we would have in the next 5 years, added 50% of retail space to our business. We will continue to be strongly franchisee-driven. And for the reasons that I explained earlier, our franchisees bring skin in the game. They bring their entrepreneurship, their heart and soul, their understanding of local consumer requirements beautifully. We'll continue to be stronger in small town India.

And of course, the big four brands, each hopefully will have more than 1,000 stores in the next 5 years. Hence, as a consequence of all of this, maybe start -- maybe we'll see our retail business becoming even larger while every channel will grow because retail will grow even faster, our share of retail will reach 70% of our overall business. We will expand in existing markets. We will put up new markets. And of course, like I said earlier, we will also stretch our existing stores in existing locations.

There are locations, Brigade Road in Bangalore. We have some brands we don't have some, we will add. There are some stores where we have 2,000 square feet stores, can take 4,000 square feet, we'll make them 4,000 square feet. So across, we have opportunities to -- and, of course, a whole lot of new towns, which exist in this country where we can build a greater business.

What are our strengths? I spoke to you about our brands, and we will continuously invest in our brands. Our talent and as part of ABG, it becomes a little easier for us to attract talent as an organization, which has been a leader in the marketplace, we've been -- we've got a very strong management training program. We've got a program which attracts talent from the best of B-schools and fashion schools, design schools from across the country. It enables us, we have development programs which enable us to mold talent and to build strong leadership pipeline.

Scale has been a very important strength for us. We, for example, some of the best mills in the world, the best mills in the world, we are amongst the top 5 customers for them. So it helps us to drive speed, it helps us to drive meaningful product propositions for consumers. I think we can also say that we understand this country very well.

The length and breadth of this country, the seasons, the festivals, the weddings, how you dress for a haldi differently from how you address differently for a sangeet to the bachelors party, to the reception, we understand -- and length and breadth of the country, the influence of films, the influence of various other parts of society on products and merchandise. I think we know that better. Needless to say, we'll keep getting that sharper and sharper as we go along.

We're also a very strong product creation company. We have over 100 designers in the organization. We have over 100 product specialists in the organization to continuously drive superior products, better products, more relevant, more fashion, edgy products for our consumers. Very proud of our relationships in the marketplace. We'll only make them stronger. It's with their support that we've been able to become a good organization. We'll continue to build for retail, and I spoke to you about that continuously. And it's not just about running stores, it's about building stores.

We can build a store in 45 days flat. We have an internal projects team, which builds these stores. We have very strong processes for assortment planning, for replenishment and so on. We're very proud of our manufacturing setup. We have 11 factories. 60% of what we sell is produced by our own factories, which gives us tremendous strength to be able to withstand various fluctuations of supply side in the market, we have captive capacity, dedicated capacity that we have. It allows us speed the agility to be able to deliver a new product, a new design, a new gold seal fast into the market.

And of course, here's an organization which measures customer happiness. It measures how happy are customers with our service in the stores. It measures how happy are customers with a product after they have bought it, every consumer goes through that feedback process where we ask them how happy are you with the product. And I can tell you this, for the entire ExCom in our organization, it's even one of our KPIs and the KRA for the organization. So we take that consumer obsession very, very seriously to continuously build more relevant products for our consumers.

Quickly to look at our brands and what we will do on each of our brands. Louis Philippe has always been a leader in formal wear. As I see this room, I see a very large market share already for Louis Philippe here. We also take great pride -- we love weddings. As Louis Philippe, every wedding occasion is something that we love building for, and that's been something that fuels further growth.

We love making -- we take our casual wear also very seriously. So the kind of innovation, the kind of washes, the kind of finishes, the cuts, the silhouettes that go into making for Louis Philippe, premium casual wear is again something that we're very proud of. And also, Ashish spoke about it, Louis Philippe also seeks to lead on sustainability. We have to be the brand which leads the industry in India on sustainable fashion.

Reebok, the latest entrant into our portfolio. And here, we have a lot of catching up to do. There are larger players already playing in the market, but we see huge headroom for growth. Already, I must say this since the time we took over the business from Adidas, we have more than doubled our business. And it's only going to grow. There is a lot of opportunity.

We also see tremendous synergies in Apparel, where we have built a very strong creation capability. India is also a walking country. India loves walking and Reebok has been able to create a lot of innovative products for the walking segment. So net-net, a big, big opportunity to be able to create a sportswear powerhouse with Reebok.

Peter England. And Peter England has always been about making international quality at affordable prices. It's been leading in -- it's, by the way, the largest volume branded player in men's apparel, and we want to continue growing that momentum. It's been very strongly associated with cricket. It's also the brand, which must lead our foray into every market. When Peter England enters the market and does well, it gives us a good sense of the potential of that market.

Van Heusen has been -- in some way, it's the #2 brand in our portfolio only because it's behind Louis Philippe, and it's the healthy competition that we have within our portfolio between our own brands, and I think that works very well for us. It's the brand which has driven a lot of tech innovations, it's the brand which is driving lot of modernity into men's apparel, men's formal wear, men's workwear. It also drives very strongly with the evening wear, party wear. Womenswear, especially workwear for women is again something that Van Heusen brings in very strongly.

Innerwear, I think the Indian consumer deserves a superior alternative. The Indian innerwear retailer also deserves more alternatives to be able to serve consumers better. And that's the role that we have for Van Heusen Innerwear. There is a very strong engine for driving product innovations, for creating superior products. It's a very intimate product, comfort, quality, et cetera, very critical to the consumer, and that's our goal to be able to drive some of that.

Allen Solly and Allen Solly has been making dressing up fun, for quite some time. In fact, we launched Friday Dressing in this country, and we've been building on that since then. It's also the brand which has men, women and kids. It's also the brand with which we want to grow stronger in the women's segment, stronger in the kidswear segment, gives us an opportunity to become a leader in the Winterwear segment, which is especially relevant for North and Eastern and central parts of India. And of course, it's the brand which will lead the way for sustainable fast fashion.

American Eagle, and this is a brand which any of you who've worn the product would know this, it's the best jeans that you can wear. And this is a brand which has again been on a very, very aggressive growth path over the last 4, 5 years, and we will continue to do that. We want to be in the Top 3 denim brands in the country. It's a fabulous product quality. Here's also a brand where we work very closely with American Eagle US, to be able to drive deeper synergies. And it's also a great opportunity to lead with the American Eagle for the Women's casual segment, and we're driving that.

So with all of this, to summarize, here's the next 5 years to be India's largest Western Wear branded portfolio. We have -- there are always going to be challenges in the market, but we have demonstrated our ability to get past them and continue to grow. The fact that we have a large portfolio across segments, etcetera, also allows us to be able to, in that sense, hedge some of these ups and downs stronger.

It's a brand which has covered multiple locations, has a portfolio of brands which have addressed various opportunities which have come the market way, while still staying very, very true to their core brand proposition. And with all of that, I believe that we have an opportunity for continuously driving double-digit growth in revenue and even faster growth in EBITDA. Thank you very much.

**Ashish Dikshit:** Thank you, Vishak, for taking us through ABLBL and its future. Let me move on to the next section of our presentation, which we are going to cover ABFRL, which is ex Madura, which is the new company, which will get formed post the demerger. It has four distinct business verticals. Sangeeta will take you first through a play in the value and the masstige segment, which would be followed by ethnic wear portfolio presentation, which will be done by Sooraj, who will present the designer and the premium part of ethnic wear presentation.

TCNS has been an important and a valuable addition to our portfolio. Anant is here to talk to you about TCNS, what we are doing. There have been several questions around it. I think you'll get a chance to see how we are thinking about it and how is reshaping that business. Finally be followed by Sathyajit, who presents the luxury portfolio, which is something that many of you probably don't have as much visibility. And towards the end, it will be Prashanth, who will take over and take you through TMRW, which is our fastest growing, perhaps the youngest and the most exciting part of our portfolio at this point of time.

So with that, may I invite Sangeeta to come on the stage and take us through her portfolio.

**Sangeeta Tanwani:** Very good morning, everyone, and thank you all for being here. It's a pleasure to be presenting to you the plans for two of our multi-category retail brands in the masstige & value segment. This segment per se offers a great potential, and we will walk you through the journey with a little bit of a rewind and then take you into the future.

So as I said, this segment, which is the masstige plus the value segment. It offers tremendous growth opportunity. Ashish talked about it in his initial slides. And this growth potential is largely led by three or four factors, which are listed on the slide, starting from increase increasing disposable income, the rapid increase in terms of urbanization.

Also, more importantly, the fashion journey that we have seen the consumer take and the way the consumer has evolved in terms of awareness of fashion and the way fashion is being consumed gives us tremendous confidence in terms of the headroom available for growth in this very segment.

As far as ABFRL is concerned, we play in this segment with two brands, two very distinctive propositions for two different consumer sets. First is a brand that all of us know. It is the large -- single largest brand within ABFRL, the multi-category, multi-label, large-format retail brand, Pantaloons, which clearly targets the late millennials. These are men and women who are a little bit more evolved in terms of fashion, a slightly more mature consumer in the age group of 25 to 35, going up to even to 40. And they make very informed choices as far as fashion is concerned.

They are very discerning as far as quality is concerned. It's a very important point, and we'll come back to that when we talk about the brand Pantaloons and they are willing to pay a price for it. As far as our second brand, this is the youngest brand that we have in our portfolio, which got launched about a couple of years back, offers tremendous potential. This is, again, a multi-category brand, but a single label brand, which is fast fashion, targeted very clearly to the Gen Z, a much younger consumer. They are largely trend scouters. Affordability and price point is of terrific importance to them. And therefore, in this segment, our play is with these two discrete brands with two different propositions.

So a little bit of a rewind in terms of the journey that Pantaloons has traversed. Many of you have been part of this journey. And as I talk about this, in terms of our financial performance, this business was acquired in 2012, the business was developed through '13, '14, '15, our play at that point of time, was largely in the value segment. And as we saw the fashion journey of the consumer evolving, in the year 2018 is when we took a call to really reset the strategy of this brand.

We saw, as you see on the slide on the right, a terrific shift in the trajectory of this business, both in terms of the top line and in terms of the profitability. This was a great ratification for us that the strategy that we had put in place in '18 actually gave us some terrific results in FY '20.

To jog your memory, I'll quickly walk you through some of the elements of the strategy and the shifts that we created through the years 2018 to 2020. First and foremost, as I said, we redefined our play from being a player in the value segment, upping our game to masstige. And this was done largely because we saw this as a white space. We saw the evolution of the consumer, and this came from some very deep understanding of the consumer and understanding of the competitive space.

As far as translating the strategy of playing in a very different segment, it required us to shift on various parameters, which are listed here. The first and foremost was for us to bring in a terrific amount of focus on our product. That was the first shift that we created. We looked at our private label strategy. We consolidated some of our labels at that point of time. There was a very strong mapping of occasions of our labels.

Keeping in mind the consumers that we were targeting, we launched some new labels to be relevant to the younger audience. labels like People that were brought into Pantaloons, launch of labels like 7-alt, which is a more evolved label for men and Street-808 which came in as an athleisure and a performance-led brand, but with very straight aesthetics was also launched.

This was a very big shift for the merchandising, buying, sourcing team. It required us to change a lot of our processes in-house. And I will talk about some of those. We also defined -- redefined our brand, and the brand really needed to be revitalized because at that stage, the consumer told us, yes, it's a brand with great legacy, but it required a lot more energy, it required a lot more relevance. And at that point of time, the investments in marketing was significantly stepped up.

Our digital presence went up including our branding and our logo, as many of you see today, the logo on the right is what we launched in the year FY '20, FY '21. A lot of our stores and our clothes, of course, carry this branding today, which is a lot more modern, a lot more contemporary, keeping in line with the expectations of the customer in the masstige segment.

We also strengthened our distribution. A lot of our stores that were signed up in '17, '18, '19. Of course, were keeping in mind our then strategy of value and a lot of our stores that opened at that point of time were of a different format, which was in keeping with the strategy that existed then. As we changed our strategy, and I will talk a little bit more about it in my subsequent slide, we realize the fact that our brand experience in the store and store as a brand is a concept that we brought into the organization.

We needed our customers to experience our stores differently. And therefore, our format needed some change. But we expanded at that point of time through '17, '18, '19 in a lot of stores with smaller format in the smaller pop strata and the lower pop strata, and that is something that got corrected subsequently.

We also enhanced our customer experience, as I said, store-as-a-brand has been a very important concept for us. The new retail identity got launched in the year FY '21, deferred a little bit by COVID. We were ready to launch it actually in March 2020, but we had to put it on hold for almost 1.5 years until we kind of got back into the market.

We also strengthened a lot in terms of our planning processes, which is a very, very important muscle that we have built over the last few years. We firmly believe planning as a function is really the nerve center of the organization and significant shifts that we brought in at that point of time, just to name a few freshness, for example, we realized the Indian consumer wanted fast fashion. The Indian consumer wanted fashion that was on trend.

At that point of time, we used to launch our entire season at one point of time in the season. We made that shift in FY '19, whereby we started bringing in freshness into our stores every 2 weeks. It was, again, a very foundational and structural shift, which required all our merchandising processes to be reset.

We also automated our allocation model to the stores. And this was again a very big shift. Therefore, this entire period, while we made shifts in our product, while our stores started looking better, while we changed our format, we needed to revisit a whole lot of our processes. Availability of relevant merchandise, freshness became the guiding norm as far as merchandising design was concerned and as far as planning processes were concerned. And to deliver all of these shifts, one of the most important things that we needed to do was to make sure that we reset the talent in our organization.

Very pleased to share with you that as we stand today, we have one of the best teams that we've ever had in the history of Pantaloons. We have best-in-class talent across almost all the functions, we've strengthened the organization with several, several new capabilities, be it in terms of shortening our merchandising time, be it in terms of analytics, be it in terms of our ability to personalize the customer experience, and we'll dwell a little bit more on that in the subsequent slides. So this was -- these were really the building blocks of our strategy, which came through in '19 and '20. And as I said, the results in FY '20 were a great ratification that this strategy absolutely had legs and it delivered some great results for us.

Now come COVID, all of us have seen the impact of COVID overall, both on the consumer, the competitive landscape change. And of course, the performance of several organizations got impacted, our business too was deeply impacted and it was not any exception. We saw changes from a consumer and a competitive landscape standpoint.

From a consumer standpoint, first, we saw shifts from a category preference standpoint. We saw casualization come up as a very big trend. We also saw certain categories. Ethnic as a category got impacted, Western wear, as people were lounging at home, many, many women actually invited Western wear into their wardrobes. And we saw that play between Western and Ethnic shifting during '21, '22, '23.

The other big change that we saw, and we are able to track this very strongly with the large loyalty program that we have because we are able to track the purchase of every customer from one purchase transaction to the next purchase transaction. The number of geographical shifts that we saw in terms of people either moving back to their hometowns or making choices to relocate in the wake of COVID and the impact post COVID was terrific. This was from a consumer standpoint.

From a competitive standpoint, we, of course, saw an explosion in the value segment. People were seeking high fashion at affordable prices. And of course, there was emergence of several online players across segments. And therefore, with these two seismic shifts that we saw, we had to really revisit our network strategy. As I said, during '17 to '19, '20, we had opened some smaller format stores. Through '21, '22, we revisited that. We continued our expansion. But through '23, '24, we made a very conscious choice to start opening larger stores in line with the proposition that was relevant for this new customer who we decided to target through '19, '20.

As we stand today, if we had to evaluate the business trend, I think there are several, and we feel extremely confident having built a lot of these new muscles over the last 18 months specifically. We feel very confident about the future possibilities of Pantaloons and the growth in Pantaloons, both in terms of top line and profitability.

Our first trend that I would call out is our ability in terms of creating merchandise, which is on trend. The fact that the customer recognizes this and my next slide will showcase a little bit about our customer understanding and from one of the largest studies that we've done. The customer calls out the fact that merchandise that is available today in Pantaloons is absolutely on-trend merchandise. Is the journey complete? Absolutely not.

We need to continue to get better. And as all of you know, this journey, especially in the fashion retail industry, there is never a dull moment, one has to constantly move forward to keep pace with the changing expectations on fashion.

And today, we have the capability both in terms of creating fantastic private label designs, which are on trend the visualization of collections, the way we do it in terms of the aesthetics, the fact that we have very strong labels today, which do get recalled in consumer conversations and the fact that our private label share, which was about 55% in FY '16, improved to 60% and then today stands at about 64%.

And we feel extremely confident that over a period of time, including the brands, which are the brands from both the companies, the demerged ABFRL, ABLBL, we will be able to take the share, which stands at about 75-odd percent to about 80%.

Second, as I talked about planning before, we have continued to evolve and continue to improve on planning and supply chain as a function. Our buying processes today are best-in-class. They are reviewed with great agility. The metrics that we have put in place to analyze the performance of every single option in every single store. Please imagine the combination of 400-odd stores into 5,000 options that we produce every season and to analyze that sell for every single option, I think is a huge exercise, which we do on a regular basis.

It's almost done on a weekly basis, and those metrics are reviewed. The fact that we have been able to optimize our base stock significantly because of the shift in these processes, and therefore, we've contributed positively in terms of our inventory management and cash release, I think, has been a huge, huge win for Pantaloons. This, in terms of metrics, has resulted in certain significant shifts. I'll talk about some of them here. Our sell-throughs, which used to be in the 50s, today, very pleased to share with you, stands at 75%. This is as of autumn/winter '24, and we feel very confident to step this up by another 5 to 10 percentage points in the coming years.

Our net working capital, therefore, which used to be in the 20s in FY '16 is down to a low single digit, and we feel very confident that we will be able to take it into a territory of negative working capital in the years to come. Also, effectively, our inventory turns continue to improve. We are inching towards 2, and our destination over the next few years is to really move to an inventory turn of 3.

Personalization and analytics capability, this goes across. This is true for our website. This is true for our CRM programs. This is not a muscle that we had a few years ago. And with the use of technology and AI and analytics, we've been able to step this up.

Omnichannel and digital capability, our launch of our website actually happened only in FY '18. We had to really accelerate this through COVID. And today, half our network is actually omni-enabled with a lot of new features that have been added. Our ambition is really for Pantaloons to deliver a seamless and integrated omnichannel experience across both the channels that we have. And we've also made significant improvements in the profitability of our e-commerce business. And therefore, that gives us the confidence that we can accelerate -- we are now poised to accelerate the growth of our online and e-commerce business in the years to come.

Digital, I'll just spend 30 seconds here. A lot of digitization and digital capability that has been built across our value chain is resulting in great amount of efficiency, improvement of our processes. We launched the PLM process, which is integral for any fashion business about 2 years ago. Our supply chain, which is -- was enabled better through a very strong transporter management system.

We are all set as we speak today to launch the RFID on all our products that are created in-house starting next season. And that in itself will bring many, many new use cases for further optimizing inventory and for improving the customer experience inside our stores. A lot of use of AI for our photo shoots is already in place.

Design and merchandise creation is another area where we are taking AI to really improve and shorten our merchandise cycle and improve the brand imagery. And therefore, we feel confident that our store economics are strong, 85%, of course, of our stores are profitable. But with everything that we are doing with the strengths that we have, we believe that this number is only going to improve.

And therefore, to list some of our competitive moats, strong brand equity. This, I will cover in my next slide, where I have a detailed slide on this. The fact that we have perhaps one of the widest assortments of merchandise across private label and very carefully chosen and complementing external brands. A lot of work has also happened in terms of stepping up the planning function in the external brands.

The choices of brands that we make, the price points, the curation of merchandise in the external brands is again an area that has been stepped up. Overall, the ambition is that the store must look coherent for this one consumer of whom we have a very, very sharp understanding today.

Our loyalty program, one of the largest in the industry, we continue to leverage it. It's been a great effort on part of the team to be able to retain many customers despite the fact that we've shut down a fair few stores, the fact that we continue to have good repeat rates and good retention rates. This is a huge asset for us and something that we have invested into in a very, very strong fashion.

We have the capability today of sending out bespoke personalized messages to every single customer based on that customer's last transaction with us. And therefore, we believe this is truly a source of competitive advantage for Pantaloons. Our supply chain and our vendor base, a lot of progress has been made here too.

As far as our network is concerned, we still have about 400-odd stores across the country. Three-fourths of our sales network, we have the capability today, which again, we didn't have 4 or 5 years back. We are able to service within a period of -- short period of 24 hours. This again required us to look at our DC distribution network, automation in our DCs. A lot of that has been in place.

One of the important planning aspects that I did not talk about is our ability to actively manage our merchandise during the season. We've built reverse logistics capabilities where today, based on, as I said, the performance of that particular option in that store, if we are able to identify a better place for that merchandise, we today have the capability and the principles and the norms to pull back that merchandise with great agility and put it in a store where the potential for that particular option is a lot better. But that, again, requires some significant shifts in the supply chain, all of which we have built and made in the last couple of years.

As far as sourcing is concerned, we used to work with about 350-odd vendors about 4, 5 years back. That has been consolidated to about 220 vendors. These are large vendors, with very strong capability and compliant vendors. It allows us the ability to innovate. It allows us the ability to be able to kind of manage the capacities or leverage the capacities of these vendors a lot more effectively. And it's, again, a very important and a critical aspect for us because product and innovation is core to our success.

And as I said, we do believe that we have best-in-class planning processes. Some of the new things, I have listed many, many aspects of planning, which changed in FY '18 to FY '20, some which we changed between '22 and '24 and '25 rather. And as we look forward, there are 2, 3 very important building blocks again, which we are working on, starting from looking at the fact that our space planning principles need to build a lot more efficiency in our store because all our actions are subordinated to improving the productivity of our stores.

And therefore, space becomes a very important element. A lot of science and art, both has gone into our space planning principles. We have also worked on a new allocation logic to drive relevance of our merchandise given that we still have a very, very large network. Our in-season management of merchandise, again, a new set of principles, we continue to evolve these principles to make sure that we are able to optimize our markdowns even further, while we have reduced our markdowns by about 30% from where we were 6, 7 years ago, we feel there's an opportunity to do more there.

Now, as we look forward, this is where we stand today. And this slide is a very important slide and a slide that has really informed a lot of our decisions for the future. The slide is from one of the largest bodies of work that has perhaps been done in the fashion industry. We invested a year ago in consumer understanding, a very large piece of qualitative and quantitative consumer research that was completed. We needed to understand with everything that we had done in the previous 4 to 5 years, what is the consumer perception of Pantaloons? Where are the white spaces for us to again further refine our strategy as we look at the future.

Very heartening to see the results of this, and this slide is completely from the research and is completely consumer based. Pantaloons in 2018, when we started the journey of premiumization, and premiumization is always relative. For us, premiumization is not moving to luxury. It is moving from value to masstige, to the next level. And we had recognized that white space, as I mentioned to you.

In this research, as we understood from the consumer, what they told us the perception of Pantaloons and where they perceive Pantaloons, we were very, very delighted and pleasantly surprised to see the shift that the consumer had recognized us for. And today, the consumer places Pantaloons up here alongside many of the masstige brands moving it away from this set of brands, which were largely the value brands. And this, ladies and gentlemen has been a very strong ratification for us that the strategy and the path that we have been on is the right path.

Of course, it got disrupted a little bit by COVID. But like I said, we have used this time to really strengthen ourselves and strengthen our business model. And the fact that we sit in a very different quadrant today requires us to further refine our strategy. The good news is we have a right to play and the right to win in this quadrant, right? And of course, our execution needs to get better. And some of the things that I'm going to talk about are the shifts that we need to make even more to ensure that we win in this space.

What did the consumer tell us about Pantaloons in this research? A few qualitative aspects. First, I have already talked about. The second one which, again, we have been working on very relentlessly has been about our product quality. The one thing they recognize Pantaloons for is on-trend merchandise, which is of good quality, right? It's not something that we would have perhaps heard 10 years back or 7 years back or even 5 years back, the consumer talked about.

And the premium look and feel of the store is also something that the consumer talks about and that reiterates our point that every single touch point in fashion retail is actually an opportunity for you to exemplify the imagery of your brand and to reiterate the imagery of our brand. So this is where we stand. We sit in this quadrant with these aspects being called out as trends of Pantaloons.

In terms of way forward, how do we see this journey? I've talked a lot about our product, but our first, second, third priority is to constantly continue to improve our product, both in terms of fashion and in terms of all the processes in terms of availability, discoverability in the store. But the right creation of merchandise and putting it in the right store at the right time is a key priority for us.

You're seeing here, these are actually visuals from some of our ranges that are in the store and some of the ranges that are about to come. On the left, you see Annabelle, which is our workwear label and evening wear label for the working women. And on the right is a label called 7-alt, which is from an aesthetic standpoint, a slightly more evolved label, which has done extremely well for us. And therefore, the journey for us in terms of merchandise, I hope that it brings it to life.

There are a couple of products right at the back. I hope during the break, you find some time to really interact with that and feel for yourself how we are looking at our entire merchandising strategy. These are, again, some more examples. These are actually products which are in-store today with the prices mentioned. We've tried to keep our prices very, very sharp, because the price value equation is again a very important parameter for us that we continue to monitor.

Affordability and aspirational fashion is something that we continue to build on. Kidswear has been a very important category for us that we have continued to invest in, and we've seen some terrific results. Building new categories to drive basket size, jewelry, beauty cosmetics. We've already launched the private label on beauty, cosmetics -- in beauty, cosmetics. And we have also relaunched the jewelry in private label, and these are categories we will continue to invest in.

Improving the customer experience in-store and online by improving discoverability continues to be a very important agenda. We see further opportunity to reduce our stock in stores. We are about to launch once again a new version of our retail identity in the next 3 to 4 months. Our visual merchandising capabilities will become far more dynamic because every store ends up having a different assortment basis what they sell and we build that capability in our stores, and we intend to further step up our omni features.

These are examples of some of out stores. This is our largest store in Bangalore at JP Nagar. Some of our new stores look like this today; very, very clean aesthetics and wonderful navigation in the stores and has been played back to us by the shoppers.

Also in terms of our network, a very important aspect of our strategy. We intend to make sure that we consolidate our network. A large part of the correction has been done over the last couple of years. A little bit more is yet to go. But what we have strengthened is our principles in terms of how we open our stores.

We call them internally the right store principle, which is all about our location about the size of the stores, the floor plate, very hard coded principles. And then once you get a right store, how do you make it perfect in terms of the relevance of merchandise, discoverability, service, freshness, etcetera.

We have talked about making sure that we eliminate the less productive part of our network, and we've been on this journey over the last 18 months. A large part of our expansion will be in metro -- mini metro and Tier 1 towns. We intend to open anywhere between 20 to 25 stores every year. And, of course, these are the targets that we are carrying for our new stores as we look into the future.

Very important aspect for us to reenergize our brand once again with a sharper understanding of the consumer and of our equity. A lot of digital content that's already on will get stepped up further, leveraging the loyalty base and making sure they emphasize and own the bold fashion credentials that we have defined for our brand will be important aspects of our marketing. You will see a lot more of this in the coming months.

And therefore, to summarize, Pantaloons, we feel very confident with these 4 pillars that we are all set to make Pantaloons as a multi-category, multi-label, multi-brand preferred destination for the late millennials and we offer them merchandise, which is in line with their fashion expectations.

I have a few slides moving to the next brand, which we talked about is Style Up. Style Up over the last 2 years, terrific amount of learnings. I think we are at a stage where we feel confident that we have the proof of concept with us. Our focus here continues to be on quality. And that, ladies and gentlemen, I believe is one of our -- one of the factors on which we are distinctive versus many competitors who exist in this segment. This again is something that the customers have played back to us.

Sharp price points for Gen Z, extremely important, and they like to be served in an elevated retail environment. Our distribution footprint today, we have about 45-odd stores in about 15, 16 cities. We've been very choiceful to make sure that we go wide in a city versus going wide across cities to make sure the brand has a relevant salience and brand has a relevance impact in that particular city. We've also ensured, given the business model of this label and this business is very different compared to Pantaloons.

We need to make sure that we leverage synergies with Pantaloons. So the back end is completely integrated with Pantaloons. Supply chain planning functions, marketing functions, IT, finance, HR are all integrated. So integrated at the back but different in the front in terms of the propositions and the team that we have in terms of our merchandising team, I think, is one of the best teams in a very short span of time in a period of 1 year, we were able to really launch this brand. And we've seen some very good results.

Of course, lots of learnings. We are not perfect by any stretch of imagination. And therefore, some glimpses here of the products; very stylish, very young and very sharp price points. This is how our stores look. And therefore, the way forward for us to ensure that we stay put with our cluster-based expansion approach.

We have to -- we see a varied performance in our stores, and those are all learnings that we've taken away. We need to further improve our productivity in our stores, and we need to continue to strengthen the proposition with very robust unit economics. And therefore, we feel that with Pantaloons in masstige and with Style Up in the value fashion segment, we believe that we are really poised to get to a leadership position in these 2 segments. Thank you very much.

**Sooraj Bhat:** Good morning, and welcome to the Ethnic presentation to all of you here and those who've joined us from online.

In the next 5 to 10 years, the ethnic market will see the emergence of several global first Indian brands, which while they originate from India, will create a global footprint over a period of time. In the short term, however, the task will be to create a large and successful business in India.

In our portfolio, we are very well poised to leverage this opportunity. The Ethnic portfolio can be split broadly into 2 areas. One is the designer-led brands and then the mass premium and premium Ethnic brands. If there is one thing that runs common across all the various brands that I will showcase, I would call it creative entrepreneurship.

Creative not just because of the world of craft and aesthetics that these brands inhibit, but also from the sheer energy at creating business opportunities, extending the brand into new areas which will create value for the companies, and entrepreneurship because of the sheer fast pace at which we are trying to build this business and the willingness to take risk. All of this will be achieved with several brands that we already have which have been nurtured over 10 to 40 years. And some brands that we've launched in the last 5 years, which we will similarly nurture as -- which we will similarly nurture.

It's one of the largest market opportunities in the Indian market. It's fast organizing, which means it's currently very fragmented. And as brands start making a play on it, there is an opportunity to create large brands. A tremendous national pride increase in cultural awareness, empowered women shoppers who seem to be adopting to this category is what are the key demand drivers for this segment.

Mostly when you see size of market, depending on price point, it's usually pyramid-shaped with the highest price point being the smallest market. Because of the incidence of the great Indian wedding and the amount of demand that gets created around that, the Ethnic market is a little more hourglass-shaped. The segments in bridge to luxury and luxury are substantial as compared to other segments in the market.

And you can see that we've had our portfolio we've created our plays across these price segments. If you look at the premium end, we have placed that across men's and women's wear. With the designer-led portfolios, either they've started in luxury and then moved to bridge to luxury or they've started in bridge to luxury and moved to luxury.

Over the next few slides, I'll be taking you through the journey and the future for each of these brands. Tarun Tahiliani. This is a couture business. It has more than tripled in the last 3 years on revenues. In the next 3 to 4 years, it's likely to triple again. And all of it while maintaining a very high EBITDA margin. Now this happens because over 40 years, Tarun has curated his brand into a core essence, which combines exploring craft, refined luxury and the beauty of drape, in a manner that only he can render into its brand and product.

Tarun's been quite a pioneer. He started the first multi-brand designer shop way back in '87 with Ensemble. He is the founding member of FDCI. And over a period of time has created his brand with 6 stores in 5 cities and constantly expanding in terms of consumer base. There is a lot of strength the brand has created in apparel, which is essentially the bridal wear for weddings in men's for the groom and for attendees.

In the next 3 to 4 years, we will build a large accessories business in this brand. And then we've just launched OTT, which is Tarun's pret label, which will give access to more consumers for non-wedding occasions, more everyday occasions and also a more accessible price point.

The rule book that Tarun follows comprises runway presentations where the consumer tends to access all the information either through runway or through social media events, and great collaborations like the recent collaboration he's done with Tanishq, Rivaah by Tanishq. Tarun's stores are an epitome of the core essence, which is essentially contempricing India's various crafts and modernizing it and bringing it alive in a magical manner in the stores.

This is the first OTT store launched in February in Gurgaon. And as you can see, it captures a lot of the more contemporary allure that OTT promises as opposed to the more classic traditionalism that Tarun Tahiliani's brand stands for. So in Tarun Tahiliani brand, the growth that I spoke about, we will achieve it by continuing to focus on the more traditional Tarun Tahiliani couture business, launching OTT well and scaling it up as we go along. There are more stores being planned in the pipeline.

Sabyasachi, the largest among the designer-led brands in India, the most famous and most globally renowned among the designer-led brands in India, a brand that has doubled -- nearly doubled in the last 4 years. And the brand that is set to be possibly one of the greatest Indian brands that could become globally famous. And the core of Sabya is exquisite luxury with great craftmanship, artisanal quality, and of course, a tremendous way of telling -- doing storytelling.

He's usually the first partner of choice for any international collaboration and currently is highly profitable with already having international presence. Started in 1999 from humble beginnings, Sabya quickly moved along to win young designer awards, there are Bollywood awards, the setting up of the Sabyasachi Art Foundation. And in terms of opening his stores in 6 cities, 4 in India and 1 in Dubai and 1 in New York has achieved a certain iconic status in terms of the complete experience and what he stands for.

His collaborations are not just with luxury brands like Christian Louboutin, but also more mass brands like an H&M and Disney and therefore, transcending normal definitions of what a brand can do and can't. Over the first 2 decades of the brand's existence, they've cemented a lot into apparel, which is essentially around bridal and groom. But in the last 3 to 4 years has built a large play in footwear, bags and accessories. And I think in the next 3 to 4 years, we'll probably enter one more new category and make a large play there.

The marketing rule book continues to be that of power weddings, digital focus and runway presentations. Sabya's stores are often described as museums, where you're conjuring up an imagination of India that comes to light only in his stores with artifacts curated from across the world personally done by Sabyasachi himself. This is the flagship Bombay store. That has opened about nearly a year back. This is the store in New York.

And as you can see, there is tremendous consistency in the brand and how the brand is positioned across geographies. So within Sabyasachi, we'll continue to focus on being very true to brand, staying very focused on the luxury segment and building strength globally across the next 5 to 10 years.

Shantnu & Nikhil. Most designers in the Indian space operate in a more classical traditional ethnic space. Shantnu & Nikhil is a disruptor. It's a brand that started off and in its history has focused a lot more invest in silhouette. It's one of the first to launch gowns in the market. It's focused a lot on trendy fashion when everyone is doing kurtas, it would do a drape kurta.

It would focus when a lot of people were focusing on Bollywood and celebrities, it built its connection with sport. So nearly every dimension, the brand has been disrupting, has been unshackling traditionalism as we call it within the company in terms of trying to bring a new proposition to the consumer.

While the couture business remains a niche because of its positioning, what the brand has done, and I refer to what I said about creative entrepreneurship. During COVID, they conceived and built a pret brand, which by now has hit 15 to 16 stores in the last 4 to 5 years, right, and it's the leading pret brand in the country today that got launched in this decade. We're currently in works in piloting a third brand, which is Shantnu & Nikhil Cricket Club or SNCC, and we should go live in the next few months on that.

If you look at the various plays, the plays are much stronger cemented in apparel, whether it's the couture business, which focuses more on wedding as an occasion, S&N, which focuses more on party or cocktails as an occasion and SNCC, which is a more leisure play, therefore, covering the entire gamut of locations for the consumer across the various brands. Accessories will be an area we'll focus on in the next 3 to 4 years also to build up.

Therefore, I think in the brand that is a fairly evolved sense of understanding of which are the occasions and the micro occasions that exist for the consumer across in place, and that's something that we will be constantly evolving.

The rule book, it's a brand that is heavily endorsed by Bollywood. Fashion shows are a key to how was it done. Recently, and just last week, we did the first fashion show for S&N after building up S&N over 4, 5 years. Now we're getting into a slight investment phase on marketing. The stores tend to carry signature of the brand events that tend to emphasize how the brand is distinct from others in the market.

Current footprint is 20 stores. Around 15 of them are the S&N stores. There are a couple of hybrid stores. So the brand moved seamlessly from across its various lines and brands. The focus will be on organically growing Couture business. The focus will be on S&N with some slight expansion every year, 3 to 4 stores for the next few years and to pilot and nurture SNCC as a third brand in the portfolio.

House of Masaba. Now while most designers tend to have started off, let's say, around 2 decades back. Masaba is a brand that got created around 15 years back, pretty much digital first, very new age, and actually India's first celebrity designer brand. The appeal of this brand goes beyond the normal designer brand and has a very, very different kind of impact in the market, which I'll cover as we go forward.

We have 2 plays in House of Masaba. There is a fashion play, which -- where they started off in what we call a pret and occasion, where pret is the fusion part of the business, with say, dresses. Occasion where is the more traditional part of the business with Saris and kurtas, which have a strong Masaba signature. We started that the company that we invested in had a play there. But recently, we've launched Bridal, with there's a pret version to the Bridal and there's Jewelry. So therefore, there is a whole Fashion business that's going to operate in 2 price segment and scale up as we go along.

Lovechild came from Masaba's vision to launch a beauty business for Indian skin tones. Very inclusive brand, which caters to a lot of consumers across the country and her dream to make a brand more accessible to the larger masses of India. So these are the 2 plays. And the brand has evolved over a period of time. I said digital first in New Age, she launched the brand with the Instagram Fashion Show. I said strong and distinct signature, prints, colors, all of it is extremely strong and consistent.

And you'll see in some of the images also, although she operates in the spaces that designers normally do, there is definitely a strong signature coming through, which is what will make this brand very salient and successful going forward. As I said, Fashion in pret and occasion wear and Masaba Bride Fine Jewelry in Couture.

This is the play in Masaba. I mentioned Signature. Therefore, it is very hourglass. It is very, very on brand and on point when you look at the product. There's a lot of -- the brand has been built around Masaba's personality and Masaba's celebrity status in the country. And therefore, it's very digital first in what it does. And very authentic and organic in all marketing actions that we do.

Currently, at 19 stores, given the digital-first nature, that's, it's a handsome contribution currently of the website. It's around 20%. As we expand retail, this mix is expected to come down just a little or hold but it is a testament to the fact that a lot of consumers find it easy to access the Masaba online.

Lovechild. As I said, we started with Masaba's vision to have an inclusive brand for Indian skin tones. We started with a certain assumption, quickly got feedback to premiumize it and, therefore, moved with great speed. Therefore, this is how the new look -- Lovechild look, this has been in the market for nearly 6 to 9 months now in the second version.

And true to the authentic nature of the brand and the authentic needs to the product opportunity, the brands leverage Masaba a lot in its marketing, which just adds to the allure but of course, then follows a set of digital-first initiative, with it's influencers, social media, performance marketing. And with a sharp focus this year has been about making the website business sizable.

In the last year, Masaba has grown -- Lovechild has grown 4x in FY '25 versus FY '24. And we plan to, therefore, multiply it as we go forward. Some pilots done in Retail and met with strong initial success. I think we exited -- we'll exit FY '25 with around 18 kiosks, and we plan to multiply the number of kiosks.

And this is offered as a key distribution lever to scale up this brand. So therefore, in House of Masaba, in Masaba Fashion, our effort will be to scale up this brand to its potential across the 2 plays on Luxury and richer luxury. In Lovechild, we see tremendous opportunity, and therefore, we hope to get to something between INR250 crores to INR300 crores over the next 4 to 5 years in Lovechild alone.

Tasva. So the -- most of the brands that have presented so far have focused predominantly on women's wear. And on the Richer Luxury and the Luxury segment. In the premium and mass premium space, the Indian menswear market is around INR15,000 crores as per reports. The consumer has a choice to either buy it and it's predominantly festive wear and wedding wear. The consumer has a choice to either buy from multi-brand outlets, smaller designers, or one large organized player.

Now in spite of being a smaller market than women's ethnic wear, there are 2 reasons why it's a very attractive market to enter. One is that it's practically a necessity purchase. If it's Diwali happening today and for consumers of a certain segment or if it's a wedding, we know that our research tells us is a budget of 4 men for 4 occasions that you have to buy new products in.

Secondly, nearly every player in the segment has demonstrated that it's a high gross margin business. The 2 combined, the fact that there is a necessary purchase and the fact that it's a high profitability segment makes this a very attractive segment to enter. What we needed was a sharply differentiated brand and product offering.

We tied up with Tarun to launch Tasva. Therefore, bringing in ABFRL's management expertise with Tarun's deep understanding of the segment and his desire to enter into a business segment at a more affordable price point.

Therefore, between the organized players that exist at lower price points and between small designers that existed a high price point Tasva seeks to bridge the gap between that and create a large brand in branded market for that. It was launched in style at Banaras in 2021 and carries with it a lot of the premium codes that come with the collaboration with Tarun. Our differentiated strategy are broadly 3-pronged around merchandise, around marketing and retail experience.

In merchandise, I mean, fundamentally, if you look at insight into product, a lot of people say, men's, festive wear and wedding wear are not to be worn too often, therefore, it's all right to have not so great quality. But our understanding of consumer and aspiration is that a lot of people want to buy a better product, which looks better on them, and they have no problem paying the price for it.

So therefore, on every aspect of product, whether it's a fabric, which is different from the polyester that competition uses, whether it is fit, whether it is the make and surprising elements but it's just the craftsmanship of the product.

Tasva products stand -- and most importantly, the aesthetics that our partner brings to the table. Tasva product stands head and shoulders above most of the people in the market. and where the product is comparable, it's much more expensive than the other brands. We have plays in almost all categories that are important for wedding. So we call it casuals and formals.

Casual is usually kurta, kurta sets, kurta bundi sets and bundies when the occasion, the wedding location is not something where as a consumer, you have a lot of stake in it. If you have a lot of stake in it, you're going to choose between Shervani, typically worn by a groom and immediate family or into Western outfit or bundgala or a dinner jacket is usually worn for the worn Western occasion that exists in Indian weddings.

And over a period of time, we've built capability on all 4 across design, sourcing and product management. We have invested tremendously in marketing. We have a strategy of endorsement by celebrities with Ranbir and Ananya being our celebrities for this brand. So therefore, our marketing has been a combination of top funnel advertising using the celebrities and ad campaigns.

Secondly, a lot of events, which emphasize the fashion credentials. So we participated in Lakme Fashion Week. We did enter the Fashion Show last year, which then is amplified across social media and manages to reach a lot of our -- in each core set of customers. And thirdly, it's a retail business. And therefore, there are stores in cities that need to be activated. Putting all 3 in place, we've -- as of last year, FY '24, we went from 0 to 100 in the second full year in Tasva.

More on the events and the store activities that we tend to do. Our Retail experience is widely acknowledged as tremendously coherent for the brand that we created. We just finished third full year on 31st March. And yet when you enter the Tasva store, you will be able to experience a sense of brand that comes through very clearly in spite of being so young. More and more stores, we are trying to make it communicative and inviting for consumers to walk in.

Where are we? We are at 67 stores right now. And over the next 2 years, we will hopefully more than double that number of stores. and therefore, with it, revenue. We have so far focused on company stores, not more than 10% to 15% of our current stores are with franchise partners. But as we go forward, there will be a higher and higher percentage of franchise lead expansion.

Our focus on design, product quality aesthetics will be relentless. And lastly, in terms of marketing, we'll continue to leverage marketing to create awareness to the brand and to drive walking into the stores. In 2019, we acquired a craft-first slow fashion brand called Jaypore. The brand was predominantly an online marketplace for craft products, and it had a couple of stores. The opportunity then and now is essentially for essentially to build a curated brand for the customer group of 40 to 60 affluent women professionals who have a need to wear everyday elegant clothes at work.

So Jaypore is a brand that's a little more niche than some of the other brands that I've spoken about. And yet it is a small beautiful opportunity, both in India as well as abroad. There is a lot of resonance for the core positioning of this brand within our core consumer group that comes through all the researches that we've done.

Additionally, given the craft-first positioning of the brand, it's actually a great brand to -- for us to pitch to reclaim India's cultural pride. So this deep capability in working with artisans working with craft clusters built over a period of time. The business is currently around what we call a stitched apparel, which is kurta, kurta sets, jewelry, footwear and bags.

Home is a very interesting opportunity for us in terms of gifting because this is also a space where a lot of gifting is done, whether it's in Diwali or during the normal time. The brand building will focus on being digital first, owning this race, reclaim your routes and also to constantly offer new products and new news through collaborations and otherwise to this core audience of 40 to 60 working women.

Our stores tend to reflect our commitment to brand and commitment to craft. And therefore, this is something that we call out a lot in the stores. And it's also a way to communicate why it's important to stay focused on being premium. Our key growth levers will be to -- fundamentally, will we be stores. We're exiting at a little under 30 stores right now. Over the next 5 years, we expect to get to close to 100 stores.

And with that, a lot more scale. And as we do that, we'll center our focus around apparel, jewelry and footwear and accessories and also continue to leverage home. The website will support this brand as being the online arm and will also scale up. But as we go forward, retail will be the much larger player. Thank you.

**Anant Daga:** A very good afternoon to all of you. It's really nice to see so many old friends in these rooms once again. See, as always, it's very exciting to present the TCNS story. But I've got very limited time, so let me straight away get into the slides.

A very quick overview of the company, 3 strengths I'll talk about. The first is a very, very diversified array of distinct brands. W and Aurelia, all of you would know about, but we have an equally exciting portfolio of emerging brands, Wishful, FOLKSONG, Elleven. While we will talk more about this in the coming slides, I think it's important to note that probably no other platform in the country today offer such richness of portfolio.

Our array of brands, which appeal to a very distinct consumer mindset of our product genres and play across occasions. The second strength is our distribution network. In an industry where most of the brands and labels are constrained by regional boundaries, by channel boundaries, by offline versus online play, I think here are brands which have traversed all these very successfully over a long, long time.

Today, we are a truly pan-India presence. We have presence across all channels. And with almost 500 stores and a very strong online business, we are set up for a very, very dominant omnichannel play.

The third strength that I would want to talk about is our ability to balance creativity and commerce. See, ethnic is a complex product. And to come out season after season with innovation at affordable prices takes to a very strong basis. The first is design and the second is accompanying supply chain.

Coming to design. Well, we have been able to institutionalize the design process and today can boast of one of the strongest design sectors in the country. And TCNS platform, almost every second person is involved with product creation, and that's the kind of depth we have as far as creative talent goes. What we also have, a set processes, set feedback loops, and most importantly, a very, very rich library of product successes and consumer preferences.

The second leg to it is a very, very diversified and strong sourcing and production network. If you look at it today, over the last 2 decades, investment in creating relationships across vendors, we have created the ability of sourcing even 100 meters of fabric from bylanes of Banaras to dealing with the largest mills sourcing 25,000, 50,000 meters.

Every season, we end up creating 3,000 unique fabrics. And when I say unique, these are all in-house. We don't do any market play. And this is the strength very, very unique to us. We do more than 1,000 trims. All this put together helps us create more than 1,000 products, distinct, unique, authentic products every single season.

Now what it has done for us? While we had a decadal journey of very high growth, let me just give you a glimpse of how 2014 to '19, just before COVID looked for TCNS. We became the first platform to draw across the INR1,000 crores mark in women's ethnic wear, growing at a CAGR of 40% plus, delivering best-in-class EBITDA margins of mid-teens, and we were a cash positive business.

Till about 2020, we only raised capital in 2011. That was INR40 crores. And with that, we traveled the journey from INR100 crores to INR1,200 crores company. Well, we were on the song and then suddenly COVID hit. Yes, COVID impacted everywhere, but a few were impacted more. As an industry, womenswear got more impacted than other segments, ethnic face the further brunt.

While the industry saw this slowdown and gradual recovery, slower recovery, I think what impacted us more was the changing pattern in consumer preference even within ethnic wear. 3 key trends: number one, work in casual usage came down because of the reasons known to all of us and occasional wear really exploded. Second, consumers moved from stand-alone kurtas to buying complete sets.

Now this was a reverse to the last 10 years of trend. Since 2010 to 2019, it was kurta growing all the way along. But certainly, this whole trend changed. And third, some of the consumers started asking for more natural fabrics, secular prints and products of those genres.

Now where were TCNS brands at that point time pivoted? We were -- work and casual wear play. We were a straight kurta play and offering a lot of synthetics and very bold placement prints. Obviously, everything can't be attributed to external factors. We -- that time to a couple of calls, wherein we prioritize some product attributes incorrectly and we also faced a brunt of some couple of failed ranges in the same period as COVID happened.

All this put tremendous pressure on our numbers, whether it is store profitability, whether it was inventory or it was cost. So obviously, these are the challenges, and I thought it's very important to give you a context that how this journey got halted. But that is the challenging part. Now I'll come to the more exciting part.

What has kept us busy over the last 2 years? Well, I'm very happy to say that with the merger with ABFRL, TCNS has got on a very, very strong transformation journey plan. There are 5 pillars to it, and I'll cover each one of them in detail.

The first was obviously to set the base right. Now when I say the base right, we have been extremely ruthless over the last 2 years. In shutting stores, we have shut more than 100 stores, making the network now as lean as ever was. We have been equally ruthless in cutting down inventories, whether it was provisioning, whether it was aggressive liquidation. I'm very happy to share that most of it is behind us now.

And finally, relooking at the cost basis, there were new business realities, and we did a thorough exercise. What it meant last 2 years, we have got more than our fair share of pain for this period. But today, it gives us a clean slate. And standing here, I can confidently say this is one of the best slates that we have got in the last 10 years.

Now on this platform, how are we planning to build further? As you would have seen, whether it was Vishak's presentation, whether it was Sooraj's presentation, people talked about various occasions. But as TCNS was pivoted only in formal and casual occasions, we were leaving an entire set of market ignored. So social occasions, festive occasions, traditional and celebratory is something where TCNS has very little play through Wishful.

As I spoke about the trends, it was clear that occasion there was gaining a lot of prominence. And if you look -- it's sorry, it's a slightly busy slide. But if you look at it, it simply says that there is the market can be divided into formal, casual and social occasions, at the same time, heavy festival celebratory. Our brands were just playing in the first 2 columns. But when we saw the market, it was very clear that in India, ethnic wear play without occasion there probably will never scale up as much as it could be. So we were looking. We were staring at a very, very big opportunity. At the same time, the opportunity was staring at us.

We did a very deep consumer research to exactly figure out whether we have a right to play and right to win in this category. And to our utter surprise, the most recurring theme in that consumer research was our -- consumers were saying, you need to expand to occasion wear play. They said there are not too many options. If you look at the entire occasional market, you have some of the lovely designer labels that Sooraj was talking about or you have very runoff mill Surat-like products, which are available at value prices.

But where are the mid-premium, premium segment play? There was nothing. Consumers could feel it. Second, base is that, last season, last festive, we actually launched a capsule range of about 15 to 20 styles, which were all catering to heavy occasion there. And mind you, it's not bridal, it's bridal minus. And we saw a tremendous response. We have not spent even one single rupee on marketing. We have not done any retail upgradation. It was just putting those products and seeing how consumers react.

This our experiment, this is the feedback. I'm very happy to again announce that this season, you will see TCNS brand coming out with the most comprehensive, occasion wear range that has ever come from our stable. You will see new categories like lehengas, like gowns, we will also experiment with Saris. And some of these have already been experimented, but this will now just be put on a large scale. And with that, TCNS would become a house where we will be catering to all occasions, minus bridal. So this is the first big shift.

Let me also tell you, since inception, we have never looked at an opportunity as big as this ever. This is the single largest opportunity that we are now foraying into. The second part, the movement from kurta to SKD. A lot of you would say, what's so difficult you were making kurta, you were making drape, you were making a bottom.

Put it together. No, it was not that easy. And it took us a couple of seasons to learn that. But today, again, I'm happy this is done and dusted. Almost 70% of our range by value is now SKDs. And again, looking at the consumer response, it's doing even better than kurtas.

The third part, a lot of us have this question that women are moving towards western wear. No, but women are also moving to Western silhouette wanting still the comfort of Indian wear. The product aesthetics of Indian wear. And this is where we see a lot of play in dresses. We see a lot of play in tunics, tops. This is something, again, we have added, seeing great response and we'll keep building on. So the first point was product, which impacted us the most, and this is something that we have taken head on.

By the way, I would really encourage all of you to go and check out our stores and do tell me, there are a lot of people who would have gone to our stores, who have been to our stores, please go and give a share of feedback. I'm sure you are already delighted.

Actually, we keep hearing this word W is back, what happened back. So I'm very happy. I'm very confident. Please go and visit. I also convinced our CFO to take his family and his family bought a lot of stuff from W. So I know it's in the safe zone.

Second thing, last 4, 5 years have been tough year. It's been very tough. And we didn't invest enough in marketing, in brand building. Two reasons. One, obviously, business was struggling.

Second, we didn't have a compelling story to say. But now with the product set, we have a compelling story to say.

And the first big bang campaign, we have just launched a New York Fashion Week by W, asking our customers to come see and experience our new range. Now this is a moment of pride not only for TCNS but for the industry. This is the first time our mainline ethnic wear brand has got showcased on an international fashion show week. So I think it's a great moment.

This is our moment of Glory at Times Square. Obviously, it's all over the media, so we have print via social buzz. And finally, a range of Bollywood celebrities donning the New York Fashion Week collection. You see much more action now.

Aurelia again, a very, very fresh look, and this is something, again, a lot of consumer research done, a lot of soul searching done. So Aurelia again is putting up a new look. And we are going to very soon unveil a new retail experience, taking consumer experience to the next level.

Talking of other brands, FOLKSONG, well this has been a solid addition to the platform. I think the market product fit is just fantastic. We have got a big thumbs up from all our customers. Today, it's retailed through 70-odd W stores, but it's already contributing to strong high teens to higher numbers in the W stores. This is a play which could be very, very big as we move on.

Elleven, it's our foray into bottom wear. Obviously, I don't need to tell anyone about the market potential. Product market fit again is done. But right now, we are yet to invest in the brand and retail. Obviously, we have some other priorities, but this is something which we'll be picking up very soon.

The third is Wishful. A lot of you would know about it. This was our toehold in the occasion wear category. But now with a full fledged foray, we'll be using vehicle -- Wishful as a vehicle -- go to vehicle for our occasion wear play. I have no doubt in my mind the opportunity that we are looking at, and we should not be surprised if in 5 years, Wishful becomes as big as W, because this is the nature of this opportunity.

Coming next to retail. Well, those of you who have interacted with me, I always proudly said, we are a product company, and we are channel agnostic. I think ABFRL merger changed my thinking at least, wherein we realize that, no, you need to win in retail as well. And thanks to our lifestyle brands help, we have learned a lot of trade and take figuring out what the formats could be, how we can drive same-store sales growth.

The first talking about a format. I think there is no other player in the market who can offer so much variety across occasions, product genres or brand sensibilities as TCNS could, and we will be launching our flagship stores. The promise would be simple, that you will get almost everything and ethnic wear under one roof. This will also give us a chance to put all our brands in full glory and really achieve their potential.

The other part. While that is a more glamorous part, this is every day toiling and this is how to drive my same-store sales growth. As you all know, in this business, it's extremely important to do this. This is where the meat is.

Again, taking cue from other brands in our organization, we have actually set ourselves on a very singular-minded focus on putting effort on each and every individual store, customizing solutions across merchandising, across marketing, across space alignment. I'm very happy to announce that we started this project called Project Ninja, wherein we had top 100 stores, wherein we have executed all these seamlessly. And that has now for 2 continuous season delivered strong double-digit SSSG growth even in the subdued market.

The task now is to scale it up to full network. The last leg, the fifth part, is responsive supply chain. And this is where, again, we have taken a lot of cues from, again, our group Pantaloon, where they have done a fantastic job of planning of allocation of replenishment.

So just to give you an idea, we have set dedicated teams. We have now an automated allocation and replenished mechanism. We today have now inter-store transfer capability, which means merchandise can seamlessly move from any store to any store in the country.

We have also developed a quick express replenishment module, which is very unique in off-line, wherein for most of our products, we can actually refill and mass produce it within 45 days once we placed in orders.

So all this probably now sets up to look at future, the hard work of setting the base right is done. All these elements individually are coming up. It's a matter of time when they all will collectively show in the marketplace.

So now looking at growth, three key aspects. The first is expanding brand and product portfolio. Obviously, occasion wear remains a big, big area for us. W and Aurelia has been on the premiumization journey. You'll experience it for yourself. And finally, emerging brands, FOLKSONG and Elleven, as we settle the other brands, I think that's where we'll be seeing a lot of growth.

The next part is scaling up of EBO business, again, the new format, the flagship stores; second, same-store sales growth; and third, it's time to expand again. I think with occasion wear play with product lines getting better and better with deep marketing investment, we'll again be looking at expanding our store base after a hiatus of almost 2 to 3 years.

And finally, the accelerated online play, happy to say that this year, we have done profitable online with very little pressure of now liquidating old merchandise, which is almost vanished. I think we can build our main go-to line for online as well.

So yes, this is where we are with our base screen with most of the challenges behind us, with all these initiatives working strong. I think we have clear direction on how to grow this business. And in the next 5 years, we hope to reach a number which is close to INR1,500 crores to INR2,000 crores and delivering double-digit EBITDA numbers.

So that's all from my side. Now I will invite Sathyajit to take you through the Luxury business. Thank you.

**Sathyajit Radhakrishnan:** Good afternoon all in the room and around the world. It's my endeavor over the next few minutes to sort of give you a deeper understanding about the luxury play for ABFRL and the possibilities for the business in the short, medium and long term. Let me begin by giving you a perspective or our perspective about the luxury market and how we see it growing over the next few years.

India is the third largest market in Asia for luxury products even today. As India closes in on a $4 trillion GDP, it's per capita GDP is at the same stage today as what China was about 15 years ago, which saw -- which triggered a huge surge in consumption in fashion goods, in accessories, in jewelry, but this proportionally show in the luxury segment.

As the top line grows, as India's GDP moves from $4 trillion to $5 trillion to $6 trillion, the key drivers are going to be the growth of the high net worth individuals, ultra-high net worth individuals. We see and there are studies that show that the number of high net worth individuals with investable assets of more than INR5 crores will more than double by 2027.

And the ultra high net worth individuals with investable assets of over INR30 crores will be close to about 20,000 households in this country. All this implies that the luxury fashion market will be close to about a $10 billion market by 2030. But there are 2 key things, 2 key trends, which I believe will further accelerate this growth, right. One is that India is going to see the largest transfer of wealth from one generation to the next to the tune of about $128 billion.

This money is going to go into the hands of people who are in the late '20s, early '30s, worked abroad, been sent to work abroad, live abroad, study abroad and now coming back to pursue the family business, take over the family business, start their own careers, and they have grown up with these brands as a part of their lifestyle.

The second and even more interesting trend is rapid urbanization and the dissolution of the joint family and the growth of the nuclear family. What this really means is that now there is greater disposable income with less restrictions and no permissions, and therefore, the ability to indulge in the emerging Luxury market.

We estimate the addressable market and when you say the addressable market, we have chosen the categories that we shall play in, which are essentially beauty products, personal care, luxury jewelry, fine jewelry, watches, designer bags and ready-to-wear about $4.5 billion to $5 billion, growing to about $12 billion over the next 4 to 5 years.

But the good news is that close to about 65% of this consumption is abroad, which means there is huge headroom for growth if you remove the supply constraints in this market. With many global brands looking at India, the big question that they ask is will India ever become the next China as far as the luxury market is concerned?

And my answer to that is that India will never become the next China. India will become the next India, right? And that's primarily because of 2 factors. The luxury market in China grew on the back of immense investment in luxury infrastructure. We are disadvantaged in that. And before that is a disadvantage for the market in general, but perhaps an opportunity for us in particular right.

And the second is, of course, the wholesale embracement of the Chinese consumer to Western brands and Western Fashion which, as we have seen in the last 2 presentations by Sooraj and Anant, we have a proud heritage of craftsmanship, artisanship, textiles, embellishments, which will only grow in the years to come.

So all that put aside, I think we will still be on a fast growth path, growing at about a 17% to 20% CAGR over the next 5 years, giving us an addressable market of about $10 billion. We at ABFRL, I believe, are well poised to cater to this segment.

The Collective whose doors we opened in 2008, has actually pioneered and shape this market over the past 15, 16 years. India's first ever luxury concept store, we scaled it up to 20-plus store over the last 15 years with an average footprint of 8,000 square feet. India's largest digital luxury retailer, inviting 15 lakh customers and visitors to the store every year and with an enviable contribution of e-commerce, about 20% to the overall business.

It's a well- established business model. It's been growing at a CAGR of about 21% over the last 8 years. But the more interesting thing and one which gives us great belief and confidence in the future, is that while our entry-level price points and entry-level price point brands have been growing at a CAGR of about 35% in this period, our high-level price points have actually grown at double that over last 5 years.

Our exit price points are growing faster than entry price points, right? And also the fact that we have set of extremely well set created partnerships with Western brands, global brands and Indian designer brands has given us a ringside view of the emerging trends, habits, preferences of the Indian consumer.

Just a glimpse of some of the stores that we have built over the years, extremely premium-looking but extremely democratic in its imitation to customers. We build on not just great stores, beautiful looking stores and great product but also through deep engagement with the customers through multiple events, activations.

And this one, for example, is when the Maharaja of Jaipur hosted a set of our clients at his residence for a very special evening. So we believe in deeply engaging with the right set of customers, the right set of influencers who will then, in turn, be loyal customers for us over the future.

Over the last 15 years, we believe we have built extremely strong foundations in this space. We have grown business 4 times over the last 5 years, effectively doubling business every 2.5 years. Underpinning this growth are 2 key pillars. One is our commitment to excellent customer service at the stores.

We have an in-house proprietary training module, which we have honed over the last 15 years, which leads us to be completely obsessed about how well we treat our customers, how well we understand their requirements and how well do we provide solutions to their needs. And this is reflected in a best-in-class industry NPS or Net Promoter Score of 85%, repeat customer base of 65%. And with the repeat customers contributing every year, increasing their bill value with us every year by over 10%.

The omnichannel business, we were amongst the first ones to pioneer this in the brick-and-mortar store in the country, has allowed us fascinating insights into growing pockets of consumption in the luxury space in key markets, and this allows us to enter these markets at appropriate times when we believe that the market has now matured to a level where it can take a store and leading us to faster route to profitability.

And overall, our bill values have grown by close to about 50% over the last 2 years, going from about INR20,000 to about INR35,000. And very critically, our high-valued client base has grown close to about 7x over the last 5 years. When I say high-value clients, I mean clients who spend more than INR2 lakhs or INR3 lakhs a year with us. We have seen that cohort grow by about 6x over the last 5 years.

So India now is well poised for an accelerated growth in luxury. I think that a lot of us have talked about many trends. But I think the key trend in this segment is led by women, women's ready-to-wear. There is very clearly a case, and I'm sure most of the women in the room will agree, is a case of there being demand but very limited supply, right?

And more importantly, one of the key changes between when we open the Collective about 15 years ago and today's advent of social media and the democratization of fashion in terms of trends, in terms of brands, customers are extremely well informed now. And they look forward to discovering new brands, new products, key trends, more open to experimenting. And today, they do that when they travel abroad. Tomorrow, we hope we can have them experience the same here.

Basis the understanding of the market, the growth in the market, the anticipated growth in this segment, our own understanding and ringside view of the evolving Indian customer, we believe that now is the right time for us to actually expand into the next level of accessible luxury. And tied up with Galeries Lafayette, which is one of the world's leading department store chains with a flagship store in Paris, and a natural extension into the segment.

Focus on underpenetrated categories like high-end beauty, high-end bags, footwear and RTW womenswear, then stapes that is menswear, watches and jewelry and then emerging categories of streetwear, youth wear and athleisure.

This store will have roughly about 250 brands, out of which 70% of them will be entering India for the first time. 75% of these brands will be exclusive to us. We will also introduce new concepts within the store with streetwear and services, which are really important. I think our belief is that at one level, while we are a retailer, at another level, we also need to dedicate and engage with our customers far beyond the obvious.

So first in India, VIP exclusive street, which allows customers to work with personal shoppers to put together their own looks or getting to choose from over 100 brands in the same space, which is a first for the country, butler service, handsfree shopping and, of course, omnichannel click and collect and a very, very strong engagement program we believe will make this a must-visit destination in the country. We will open the first Galeries Lafayette store in Bombay, followed by Delhi and then by Hyderabad over the next few years.

So let me end by just talking a little bit about the fact that this creates what I call is a positive flywheel for growth. Of course, this is a first mover advantage. It's always a competitive moat. But more than that, we believe that the synergies between Collective and Galeries Lafayette will actually allow us to create greater possibilities and greater expansion opportunities in this market.

So Galeries Lafayette is a safe haven or a safe umbrella for all the brands who wish to explore or enter this Indian market, though they may not know how or how the wherewithal to be able to enter it on their own.

As we build these brands, incubate these brands and as they fine-tune their product assortments and portfolio offerings and pricing, we are then able to channelize their further expansion through either Mono brand stores or through the Collective stores, which give the Collective stores more wings on which to take out same-store sales growth at a much faster rate, right, thereby improving the profitability profile of that business.

And also what this gives us is unparalleled access to hundreds of brands, which is a defensible moat for us in terms of our online play. Today, if we were to look at it, there are very few players in the luxury segment on online. And as we evidence from what we saw, the collective contribution of the e-commerce business of about 20%.

It clearly shows that there are pockets of consumption all across the country, which e-commerce can deliver to. This in combination with physical retail flagship stores of Galeries Lafayette and perhaps in the first 5 years, maybe three cities. And as the market expands and as it matures, we shall expand into greater and larger markets and many more markets, with the collective it allows us to expand into tier -- what we call as Tier 1 cities, which essentially means the next set of 10, 15 cities beyond the top metros, allowing us to double our business, double our store footprint and hopefully more than double our business over the next 5 years.

So in that -- in summary and also to add, I think there are multiple opportunities that the association with Galeries Lafayette offers us. One is, of course, the play the ability to create flagship stores. The second is the online play, which could be unparalleled in terms of the offerings. The third is also the ability to carve out smaller segments, certain categories into what we call as category stores on the next phase of our growth, perhaps 4 years, 5 years later when we establish the model well enough, which will allow us deeper penetration into same cities or different markets.

So in summary, I think we spent a fair bit of time studying the market, understanding the market, building the market, shaping the market. And on the back of what we believe will be extremely strong growth in this segment led by higher disposable income, transfer of wealth, urbanization, we are confident that we are in a strong space to more than -- to grow our business between 4x to 5x over the next 5 years. Thank you so much.

**Prashanth Aluru:** Good afternoon, everyone. So welcome to TMRW. So I'm going to talk about the brands of TMRW, which are today is emerging and disruptive brands and fundamentally, which we believe will be TMRW's leadership brands. And what we -- what we've built as part of the focus of TMRW's uniquely solve for the younger India, which is the Gen Zs and the millennial consumers that today form of a large part of the Indian demographic.

But their consumption patterns are such that they're starting to adopt the next generation brands and, hence, TMRW's focus from day zero has been to solve uniquely for this cohort. So it's new age brands for new age consumers and that's what -- and literally in less than 3 years of our existence from building TMRW from the grounds up, we've crossed INR1,000 crores scale on a full year basis.

And I'll talk about how we thought about the market opportunity, where we are playing, our existing portfolio and also the medium-term road map in terms of where we'll get to. So just to give you a quick sense of how we -- when we started TMRW back in middle of 2022, we look at the market opportunity from two lenses. One lens was the e-commerce market, which is a digital-first lens to the opportunity. The other lens was from a consumer angle, looking at Gen Zs and millennial and what part of this opportunity is catering to the younger consumer.

So what you see on this slide is, as you can see, in 2023 India was literally a sub 10% penetration of fashion e-commerce or fashion lifestyle e-commerce, and that we believe will go to more than 30% by 2030. And across all of the Indian e-commerce categories, together it will be a $350 billion market. But as TMRW, we focus only on one segment. We are a vertical focused player in digital- first, which is fashion lifestyle. And fashion lifestyle alone will grow to $75 billion.

So if you look at e-commerce is growing anywhere between 18% to 20% and fashion lifestyle within that will grow at 20% to 25% CAGR. And that will get us to a $75 billion underlying market, which is humongous. But, of course, all of our brands are not just playing in digital-first. They're also expanding into offline. Hence, the true addressable market is not just e-commerce, it's also the same brands across online and offline.

The second piece, like I said, was if you look at -- if you break down the $75 billion fashion lifestyle market, that includes apparel, it includes footwear, it includes accessories and also includes a smaller segment in beauty and personal care. Today, our journey has been largely focused on fashion with a big focus on apparel and expanding into non-apparel. That $75 billion market we believe is available to us.

But within that, we've taken out the economy end of the market, which is where players like Meesho operate which is a sub INR500 market, which is area that you see as the economy end. Our play is mostly going to be in the masstige and premium, which fundamentally is a $50 billion-plus ecosystem. And within that new age, digital-first brands, which are emerging disruptive brands will take about $20 billion of that 50 billion.

Hence, our serviceable market is about 20 billion, within a $50 billion brand play. And as part of it, of course, you will see the national brands, the international brands and some private labels of the larger e- commerce marketplaces also gain share. But we believe we'll gain disproportionate share both from the seller label, which is a mid-tail and long tail of today's India e-commerce, but also gain share from the traditional brands, which today may be losing share to the new age brands.

And the third lens is about 75% of our market is going to be Gen Z and millennial, the 18- to 25-year old, which is a Gen Z segment will be roughly about 33% of the market and the balance will be 42% of millennials. So I think our play will continue to be solving for the younger consumer and solving for all of their fashion use cases, which are both trend-led, but also aspirational brands, which combine aspiration with the price value equation coming together. So that's the underlying market.

In terms of our ambition, we've always thought about TMRW as a brand builder. When we started, there was a lot of similar models around us, which were aggregating a lot of seller labels, which is a mid-tail and long tail of India e-commerce. Being backed by Aditya Birla Group and ABFRL, we felt our right-to-win was always to take a brand builder mindset, but also invest in technology and data science and be a tech-led brand builder from day zero.

And we chose about 10 categories from the larger universe of what I said is the underlying market. We've clearly made a choice on where we want to play within apparel, but also in non-apparel. And in each brand, the idea is to get to leadership by owning 4%, 5% of the category and solving uniquely for that consumer TG. And some of our brands focus more on Gen Z and some of our brands focus more on millennials.

Some brands are more at the affordable end of the market, some brands are more premium. And if you look at the India e-commerce market, roughly 50% of the market would be under sub INR1,000. And the balance, 50% would be INR1,000 to INR2,000. So I think a lot of our Gen Z brands focus on the sub INR1,000, INR750 to INR1,000 price point range. Equally, we have brands which are a bit more premium for the younger consumer, which is on the INR1,000 to INR2,000 price point.

And a combination of those brands, we believe, will get us to the scale that we want to get to. But today, we are already -- like Ashish pointed out in the morning, we are number one by distance in digital-first in the fashion ecosystem. And through our focus, play on a few large brands, both category leaders that operate as number one, number two in their existing categories. And some category creation we've done in emerging categories that are yet to scale in the e-commerce universe.

A combination of that has gotten us to a full year INR1,000 crores scale number one in digital-first fashion and also expanding quite rapidly in the offline ecosystem. The third piece is the mix of brands in our portfolio. You see a combination of large brands, which are in the INR200 crores to INR300 crores scale; and emerging brands, which are in the INR50 crores to INR200 crores scale. And a lot of this has been, at the start, an M&A led path to building out the foundation.

But post acquisition, we've grown 30% to 35% as a CAGR. And with that trajectory continuing, our ambition is to get to $500 million scale by FY30. And also not just breakeven, but get to single-digit EBITDA by that time frame. So in the next 3 years to 4 years, we see paths to breakeven, but also getting to a single-digit EBITDA, which will come through a combination of category expansion, channel expansion.

And that's the other piece on this slide, which is making sure every brand has the right mix of the channel mix, whether it's D2C, which is your own website and app or whether it's presence on the leading marketplaces, but also the right share of offline and omni, which we believe at scale for us will be about 30% to 40% of the business. And the balance, 60% would be -- 60% to 65% would be the digital first play, continuing to build your own presence on your own D2C website and app, but also being number one, number two on the leading marketplaces.

I think the balanced channel mix is what will get us to not just scale, but also profitability. And the last piece is we've invested aggressively from day zero on two aspects, which I'll talk about in a couple of slides. One is our technology backbone and a data science capability that is tailored for e-commerce and digital-first play. And the second is horizontal COEs, which are brand founders and brands benefit from in terms of how the scaling part is being approached.

So if I look at the portfolio very quickly. So I'll talk about the first three brands first, which are the leading brands in our portfolio. Bewakoof is one of the leading OGs in the D2C space, owns expression and expressive wear for the younger India and squarely focused on Gen Zs. So it's the number two brand in the space and is rapidly expanding from a brand, which was largely focused on pop culture and fandom and expression around it to a more broad-based trend-led brand for Gen Zs.

Today it's a INR200 crores scale brand, but rapidly expanding not just on D2C, but also on marketplaces and on -- and their offline presence. We've entered offline as of FY25 and we are seeing very good signs of product market fit on how the brand is doing well in the offline channel. The second brand is a brand called The Indian Garage Company, which essentially owns men's casual with a very, very high fashion portion.

As you -- as a lot of you in the room would know, in the last 2 years, 2.5 years, men's casual has literally gone through a significant step change in terms of the fashion portion. So TIGC operates, it's a INR300 crores scale brand, a profitable brand was built initially on our Ajio and is now scaling rapidly on other marketplaces. We've invested in D2C and also on offline. So this is a brand that owns significantly high fashion portion, men's casual, expanding into women's Western wear and fast fashion as well.

And the third brand is a celebrity-led brand, which is part owned by Virat Kohli. This is a brand where we are in a minority position and we'll get the majority in the next 1 to 2 years. This is a brand which is a bit more premium focused on millennials. But building on the back of Virat as a personality, but also owning men's casual at the more premium price point has always stayed focus on men but has expanded into activewear, athleisure and other pieces of where the opportunity is.

The other three brands that you see on this page are category creators, a brand called Nobero, which is playing in athleisure with a fashion forward lens for millennials. It solves for the younger millennial that is a social traveler, so very much focused on travel use cases. This brand when we acquired was a sub INR10 crores scale. Today, we are closing the year at INR175 crores second half run rate. So it's been a hyper-growth scale category creation, number one in athleisure

Similarly, we have two brands on the Bharat end of the spectrum. These are value pricing focused brand, Urbano is a value denim brand expanding into other bottom wear. So it's also the bottom end of India on from a per capita income. And similarly, Veirdo is an expression-oriented brand, which is solving for the slightly more affordable value pricing play.

So with the combination of all of that, we have six leading brands, some being leading brands from a category leadership, some being category creators, uniquely solving for the emerging categories within e-commerce, but also across everything that the consumer is looking to buy. In terms of TMRW, I think we sort of look at five different areas, which sort of fundamentally give us a differentiation, and that's what led us to the number one status today.

But we're quite confident that we are on the right track to get to our ambition of 500 million, but also build strong unit economics and profitability driven brand scale up and not just scaling for the sake of growth. The first piece is I think we've sharply focused on one vertical and we've gone very deep on that vertical. I think that's helped us so far in terms of owning fashion and lifestyle and solving for every bit of what is needed, including the technology ecosystem.

The second piece is we've only built leadership brands or category creation. We've not gone after the subscale. There's a lot of emerging brands in the country, but we've chosen very carefully leadership brands or brands which have a breakout potential to get to category creation. The third is we've invested deeply into fashion tech and data science, which I'll touch upon.

And the fourth is a combination of the founding team that we put together at TMRW, but also our brand founders who we partner with quite closely on a day-to-day basis. That combination is a team that's powering TMRW and helping us get to the ambition that we want to get to. And the fifth is the combination of ecosystem that Ashish spoke about in the morning that ABFRL brings to us and also the ecosystem that we built on the digital-first play.

I think that capability set and that partnership and ecosystem is another big source of moat and differentiation for us. In terms of -- I'll skip this slide in the interest of time, but I think we've gone through a fairly rigorous exercise of building a playbook in terms of what matters, in terms of digital-first scaling, from demand sensing to looking at the product and pricing and also the -- all aspects of supply chain in the back end to the front end, elements of digital marketing, brand building and the expanded presence, whether it's category expansion or channel expansion.

I'll quickly touch upon the seven COEs that we have at the TMRW level, which help all of our brands accelerate their scaling parts and also get to capabilities that are needed for a INR200 crores brand or a INR300 crores to get to INR1,000 crores or equally for a INR50 crores to INR100 crores brand to get to INR500 crores. So the first is, of course, throughout the day, you heard about the design and product innovation, that's necessary.

I think in the digital- first world, it's even faster because these are faster launch cycles, in-season launch cycles, fast fashion capability. So we've invested centrally in bringing in design and product innovation and marrying that with a back-end agile supply chain, which solves for a low MOQ, low lead time and a stronger sourcing ecosystem including the relevant India plus China sourcing ecosystem.

We also have a forward supply chain, which is a shared infrastructure that all our brands run on across the country. As you know, e- commerce is a fairly dynamic business, but you also need to get inventory into the right warehouses across the country. The fourth is we've invested in customer experience for all of our D2C brands, which have a sizable play on D2C both on the website and on the app.

And in terms of marketplaces, we are by far the number one partner in terms of -- when it comes to Ajio, Myntra, Flipkart and Amazon. So marketplace from a planning perspective and all the way to running the operations, we have a fairly seasoned team. And the sixth COE is really around building on the creator presence of the brand, the content and the -- whether it's your brand store, whether it's your social presence or whether it's your performance marketing campaigns, brand marketing campaigns.

And the seventh piece is benefiting from the ABFRL ecosystem. We've also built a central team to drive business development and launching stores. I'll talk about -- we're ending the year with about 28 stores at the end of March, four brands have expanded into offline until date. And with that early learning from the 30 stores we've launched, we are on a path to accelerating offline as well.

The other piece is we've always been tech led and data science led from day zero. I think Ashish spoke about the face and the brain and the backbone in terms of how the tech ecosystem is being thought about within ABFRL. But for us within TMRW because we are a more digital-first business, we've invested in our own tech stack, which is fashion, not just fashion tech, but also the D2C tech. So all our brands, whether they have existing D2C presence or whether they're starting D2C from an early phase, straight out of the bag around the TMRW stack.

We also have invested in every aspect of data science that matters, learning from the likes of Shein globally in terms of what matters across the fashion value chain, whether it's demand sensing, demand forecasting, supply chain optimization, inventory management, etcetera. And the backbone of all of that is underlying analytics and the operational tech. In terms of growth, to get to our -- to continue to sort of build on our current fast track momentum, we are investing in two major areas.

I think one is on the channels front, all brands which have existing D2C presence are accelerating D2C, but they're also scaling up marketplace business in a meaningful way. And offline has, of course, been a very, very promising start of the journey, but in the next 1 to 2 years, we'll expand the network from the 30 store footprint to about 150, 200 stores. And the fourth piece is quick commerce and fashion while it's nascent.

We believe that there are very good signs of quick commerce both through the existing horizontal platforms, the likes of Myntra launching Myntra Now. And also our own faster delivery promise. We've invested in same-day, next-day delivery and we're also starting to build out faster quick commerce, dark store footprint that our brands would ride on. So that's the channel side of growth.

The other side of growth is category, of course, which is every brand has a right to win and the right to play in terms of the existing leadership categories, but we are expanding them into the adjacent categories that the brand has right to win, whether it's a top wear brand moving into bottom wear. A lot of that is trends led and also product innovation led from a fabric tech and product itself expanding.

The other piece of category expansion for us has been more about premiumization. Our guard rail is to run the business at the entry level pricing at a 50% gross margin, but we are starting to invest in 55% to 60% plus gross margin lines, which not only help you on the D2C side but also help you on the offline expansion. And the last piece of the growth engine for us is really non-apparel. Every brand is expanding into two to three non-apparel categories. One team is a sneakerization trend, within the younger consumer, within footwear, sneakers is a big theme for a lot of the brands.

But every brand will own a different signature on what kind of sneakers they launch. The other is backpacks and other kinds of accessories which existing brands are expanding into. So I'll skip this slide. I think this is just the starting point of where the brand has presence and the kind of expansion they're going through. Every brand has a very clear road map on what they've invested in terms of category expansion and a very good foundation laid in FY25 to get to the next level.

So this is just a glimpse of -- by the end of March, like I said, we are closing the year with -- we closed the year with about 30 stores. But every brand is bringing in new age retail experiences that are tailored for the young India. And it's not just about the retail ID and the visual merchandising within the store. It's also about the kind of engagement that we're bringing to the consumer. In some places, we brought a collaboration with coffee brands to bring in a coffee experience into the stores.

In some cases, we've done influencer partnerships to engage consumers. We've done standup comedy partnerships in some stores. So all kinds of new age engagement hooks, which not only bring in the original buzz around the store launch, but sustain the engagement through the year and through different occasions. So I think the four brands we've chosen to expand offline are Bewakoof, Wrogn, TIGC and Nobero. And between these four early moves, we see a lot of green shoots in terms of what's possible for digital-first brands to scale meaningfully in the offline world.

This is just a quick case study of one of the brands, like Nobero was a brand, which was a very small niche brand operating just on D2C when we acquired sub INR10 crores brand at the outset. Today, it's closing on a INR175 crores run rate. So it's been a 9x growth on net sales, but also with a very strong focus on unit economics and the near profitability path to scaling that rapidly. So it's a brand which is close enough to breakeven, at the same time has seen phenomenal hypergrowth.

And this is one where the brand building has been done with literally no celebrity association, largely on the back of building strong social presence. When we started, it was literally a sub 50,000 follower base on Instagram, but it crossed 500,000. So it's owning the social traveler with a theme called the other side is calling and Unhustle. So if you look at today's millennials, they're all in a 9 to 9 hustle kind of mode. This brand is solving for you to be out there on the other side and Unhustle.

And the category expansion has been very true to the brand's DNA, which is travel, in some cases innovative products like travel joggers and travel hoodies. And in some cases, being minimalistic, but high fashion approach athleisure. And supply chain and offline has been the other ingredients of the success story. The supply chain has been a more clear moat for the brand and offline is a more early green shoot, starting with the two stores, we have one store in Hyderabad and one store in Pune, which again, give us very good confidence at a brand which was born on Instagram, born on the D2C side is starting to show up with full strength in the offline space.

So with that, just to summarize, I think, like Ashish said, we are one of the few -- one of the exciting businesses in the larger portfolio, solving for young India with a clear ambition to get to $0.5 billion in the next few years with a very strong focus on unit economics and parallel path through not just breaking even, but good, healthy EBITDA levels. And owning leadership from a number one status that we bought today, but continuing to not just disrupt but gain share and be a leader in the market.

**Amit Dwivedi** Thanks, Prashanth. With this, we come to an end to the main presentation and we are ready to get into the Q&A segment. We'll get the infrastructure set up here. I'll request the management team to please join us on stage for the Q&A and while it's being setup people who have joined us virtually I will request them to please starting posting their questions, we will have a tight Q&A session. In the meantime I will request Mr. Jagdish Bajaj to give an update on the demerger process.

**Jagdish Bajaj** Hi good afternoon. On demerger actually we have received the pronouncement from the honorable NCLT which is put on BSE. We are awaiting the certified copy from the court, once we receive it we will make the efforts to make the scheme effective. So practically, with pronouncement, I think we have two companies already. I'm awaiting for the certified copy, and we make all the efforts to complete the process of demerger during this quarter, it means by end of June 30. This year, it means I have to prepare two sets of balance sheets. You will get full numbers of ABLBL and ABFRL, remaining ABFRL.

**Amit Dwivedi:** We have volunteers here who will help you with the mic. We just wait for everyone to take the seat. We will just wait for two minutes. Before we commence, another customary announcement I request all of you to please restrict the questions around today's presentation, more entered around strategy and the long term view for the business. Any house keeping questions can be separately handled with us with IR team. I would request the participants to please introduce yourself before you ask your questions. As I said volunteers are there please identify yourself and they will reach out to you.

**Atul Mehra:** Yes. Hi, Atul Mehra, Motilal Oswal Mutual Fund. I have a question for Ashish. In terms of -- as we look back, one of the issues that we've seen with ABFRL over the years has been the capital intensity. Capital intensity of the business has been extremely high versus the business in terms of top line. So what are we -- firstly, the prognosis of the past and second is in terms of future, how are you looking to improve the capital intensity of the business? That's the first question.

And second is obviously on profitability. So while we have, I would say, a number of brands, but the strength of the brand is always seen in its profitability. So it doesn't trickle down to profitability. So what is the major issue that you see why having like a very, very large number of brands over the years, the brands do not showcase in terms of profitability and strength in that sense?

**Ashish Dikshit:** Thank you. First of all, I must thank all of you for patiently sitting through last couple of hours. As you can make out, we have a large number of interesting stories to tell about what we are building. And thank you for your patience to all of you. To your question, I think the first question about capital intensity to the revenue. I would say, I think that is the large part of significant shift that we wanted to make to our company in the last 5 years.

If you look at where has the capital gone, a significant part of our capital in the last 5 years has gone into either building new businesses or even more importantly acquiring businesses. In an industry where it takes 10, 15, sometimes 20 years to build strong brands. It will also take capital if you were to acquire strong brands. And to that extent, in short to medium term, it makes business very capital heavy in that period.

You heard Mr. Birla talk about the view that the group has in this business, the lens with which we see opportunity. And therefore, in this period, in the last 5 years to your point about reflecting on that, that piece was indeed capital intensive because we raised a lot of capital, we invested a lot of capital, but it was done thoughtfully with the intent of building properties, which give us next 10, 15, 20 years of run.

If you look at the businesses that we have acquired, these businesses have not been built in 3, 4, 5 years. These businesses, every single business that we have invested in has at least 20 years of careful brand building and so on. And we hopefully will have a journey over the next 10, 15, 20 years. But in the interim, it has caused us a deep investment in capital and made the ratio of capital to revenue perhaps inferior to many other organic plays, which would be possible. So fairly fully take that point.

Having said that, I will also say that it makes our job over the next 5, 10 years easier because we have the assets, quality of assets, which will allow us to grow now organically over much wider consumer segments in places we described today without having to put the kind of capital that we had to do. And so it's in the journey of the company with the past 5 years were about investments. I think the next 5, 7, 10 years sets us free to do more capital productive growth in that sense.

On the question on profitability, I think if you look at it, the business has multiple highly profitable business. And those are hidden by multiple either less profitable, loss-making and sometimes very new businesses that we are investing in. So the profitability of, let's say, lifestyle brands get utilized by investments in Tasva or for that matter, in TMRW, which you just saw Prashanth's presentation.

And therefore, to that extent, the profitability was not visible. I think a strong brand, which have been around for a long period of time, are very strong. Whether you take it for Madura brands to turnaround Reebok, the journey that Pantaloons Sangeeta took through, the Collective journey that you've heard even TCNS, which currently under our fold has gone through 2 years of challenge, has a very strong 15-year history of not just profitability but also cash flow.

So one of the challenges we had in a diversified portfolio during investment phase is a lot of profitable business have got mix with less profitable business, taking away the overall profitability of the company. And that's something that we are seeking to address. One, the first step was actually the demerger, which clearly gives visibility to one side of the business to investors, although our rationale for demerger is really to leave free capital because as Vishak said, we believe that business is also a high-growth business, but it requires investments and some of that cash is being used to do other parts of the business.

So I would say profitability concern as point, well noted. It was part of the portfolio mix that is making the overall picture look worse than what the individual parts are. Over a period of time, you'll see the quality of assets that we have showing up and resulting in the profitability. And that is the kind of projection that we have put out there today.

**Devanshu Bansal:** Devanshu from Emkay. Sir, related question. In lifestyle, ABLBL, the new entity that will be there. So the projections are the margins will improve from 8% to 11%? So I guess, bulk of this improvement is coming from the new segments, Reebok, Innerwear, American Eagle, as you said that the lifestyle brands continues to be a very good profitable business. So this, last time when we met in '21 -- 2021, so there was a big potential of margin improvement for these new segments then also.

But that didn't turn out to be. So my question is what is giving you the confidence now that the other new segments, which is within the ABLBL, will now sort of turn profitable and contribute such incremental 300 basis points of margin improvement?

**Ashish Dikshit:** I'll comment first, and I'll get Vishak to answer. In FY21, we did not have Reebok. We did not have American Eagle. And large part of our inability to meet that plan has largely contributed to Forever 21. And which is a business that we have tried for a few years. We found that it's highly competitive, our ability, our levers in our hands were fewer. And, therefore, over a period of time, we have exited. And some of the losses are sitting in that 8%. So if you take that out, perhaps as it is we are closer to the target we have indicated. That's the first part.

Second, your assumption that the shift in profitability will come only from new businesses is not true. I think our organic businesses themselves, when given full fresh capital and focus that the new company will bring, will also improve profitability. And I'll leave for Vishak to talk about.

**Vishak Kumar:** And a simple answer, Devanshu, is, yes, margins have expanded even in the lifestyle for brands. I mean some of that might not be visible as you see the agglomeration, including Forever 21, took away some of that. Happy to say, for instance, that Reebok is already a profitable business.

So when you see that, it didn't happen to the magnitude that we would have wanted, but it has expanded closer to where we wanted it.

**Devanshu Bansal:** Got it. One last question. From a portfolio perspective, Vishak, very good presentation as in you sort of alluded to the categories we are present from our age profile that we are sort of targeting. One thing which I could notice was that our presence in hard core casual category. We are good in work casuals, but in the hard core casual category, across brands is limited. So any thought processes in because this is a fast-growing segment within all categories. So any thought process around improving our presence in that particular category?

**Vishak Kumar:** So first, look at it from a portfolio perspective. So, for instance, at it's extreme, American Eagle is an out-and-out casual wear brand. Most of what we sell in Reebok apparel is out-and-out casual wear right from cargoes to jogger pants, to various such things that we sell. As we go to the fourth lifestyle brands, please recognize two parts. One is in each of these brands, there is a very significant, let's say, jeans wear business, cargo pants business, mix business, etcetera.

And these are continuous process of constantly bringing stronger. For instance, most of our campaigns that you will see in the months ahead will be around a lot of casual products, including, for instance, in Van Heusen, you will see some amazing evening casual products as well. So that is a part of the journey as you build. Must remember, Devanshu, that they still have to be within the filter of the brand point of view. I mean each brand cannot be doing all kinds of merchandise.

So we'll have to stay very firmly anchored on that brand's point of view, that brand's interpretation of that consumer segment. So when Louis Philippe does casual wear, it will be from a certain quality standpoint, perfection, excellence, etcetera that Louis Philippe brings to that product, which will be very different from the way, let's say, a Peter England or an American Eagle would do that same product.

**Devanshu Bansal:** Good sir. Thanks for taking my question.

**Gaurav Jogani:** Sir, this is Gaurav from JM Financial. My question is with regards to the remaining pieces of the business in the ABFRL. Firstly, on Pantaloons. So if Pantaloons, we see we did premiumize during the '18/'19 era and we try to move up the ladder there. Do you think -- but the market at that same time shifted to maybe at the more in the value segment. And that is where players like Zudio and all took the larger market share? And does that positioning still exists or does that market and that pace still exists for us to build a bigger business going ahead?

**Ashish Dikshit:** Again, I'll start, and Sangeeta will complete the part. See, Pantaloons, we sell -- and not today. 5 years back, 10 years back. Denim's at INR3,000 because Pantaloons is an eclectic mix of brands and private label. We, in fact, foresaw the growth of deep value, which is what you're describing.

And we felt that Pantaloons, perhaps, is better placed because our customer is a little bit more premium and is staying higher price. So in a category where you're selling INR2,000 beautiful set, INR3,000 Denim, it would have been quite an effort to turn that business around to try to compete with INR1,000 products. And that is what led to the thinking around 2 brands.

Sangeeta, you want to add?

**Sangeeta Tanwani:** Yes. And just to add to that, I think when we did all the consumer work at that point in time, we realized at that point of time that there is a clear white space there, and there is room for more players. And as we see -- when I talked in my presentation, the journey and evolution of fashion, remember 6, 7 years back, Instagram had just set in.

Every occasion to go out was an occasion to look different and to be Instagram ready. That's how the consumer was looking at fashion. And therefore, what we evaluated that point of time, I think, still holds true today. We feel we are -- with all the changes that we have done, we are even much better place today, to be able to leverage that market where our ability to be distinctive and different from the rest of the market, I think, is stronger. So that's our endeavor to improve as we go forward.

**Ashish Dikshit:** So, one of the important points I want to make here is, apparel is perhaps one of the few categories where you can get Denim for INR199. We sell, in Pantaloons, Denims at INR1,000. Vishak sells an American Eagle at INR4,000. And Sathyajit and collective sells same blue Denim at INR27,000.

Therefore, the idea that the market doesn't exist at certain price points is not really true thing. What is happening is that there's a rapid evolution of deep value. A lot of these customers, as they want to move up in life, would want to get better things. And those, some will move all the way up to INR4,000 and buy American Eagle, but I think a larger number would look for a better quality product at slightly more accessible price.

And that's why players like Pantaloons have a very large opportunity there. In fact, they will feed off the customers that will get born in the deep value segment.

**Gaurav Jogani:** So, just a follow-up here. We have now guided of opening 20-25 stores over the next couple of years. So if we are sorted on the product portfolio side, the pricing side, why the cautious approach in terms of store opening going ahead then?

**Sangeeta Tanwani:** So, I think this is just in line with the strategy and the potential. We've been very choiceful in terms of what kind of stores we open. We're opening larger stores, because the way we have defined the proposition, one of the important things we want to deliver is the fact that the consumers today are looking for complete ensembles.

They want to shop a complete look. So, from shirts that I may buy, I must find the same trouser. And therefore, to make sure that your offering is complete across all product classes, complemented with the relevant accessories. And therefore, the focus, we've stepped up already our play in bags and footwear and jewelry and beauty and cosmetics.

And therefore, to offer that proposition, we of course need larger format of stores. And therefore, we feel it's only befitting and right for our strategy to focus on fewer stores, but larger stores. And make sure that the proposition is coherent and harmonious across all town classes.

We also believe that basis our evaluation of our current network. We have made a choice to kind of eliminate the poor-performing stores or stores that the productivity is low. And because our price point is today a little above value, which is the Masstige segment, we just believe the potential is much higher in the Metros and Mini Metro.

So both the reasons, higher potential, but the proposition itself being elevated, it's right for us to focus on Metro, Mini Metro in Class 1 towns. And therefore, whatever we want to do, we want to do it well and make sure we have more number of stores which are in line with the proposition and are also profitable.

**Ashish Dikshit:** So remember, Pantaloons already has 400 stores plus, which is, for its proposition, it is one of the most expanded concept in the industry. So base number is high. We are opening 20-25 stores, but bigger stores and this more in line with the strategy.

**Gaurav Jogani:** And just last on the ethnic piece. I mean, while our designer brands are doing good profitability, I think it's the drag from TCNS and also from TASVA that is pulling the overall profitability of the segment down. So, how is the part to profitability we are seeing over the next at least couple of years, given that the bulk of rationalization in TCNS is now done in terms of the inventory, in terms of the unprofitable stores.

And prior to COVID, TCNS used to do a good double-digit profitability. So, how is the profitability there? And in TASVA, how are we thinking in terms of profitability going ahead?

**Ashish Dikshit:** Two different challenges or questions. One is on TCNS and other is on TASVA. On TCNS, clearly, as Anant laid out, we have a clear path on what was going wrong, what needed to be corrected and what's our way forward. Remember, this is a business which is not just profitable. It was the most profitable, one of the most profitable business in its segment. And that's a history over 15, 20 years. So it's not a short-term blip that we have.

We have identified what went wrong. We are taking corrective measures. We are confident in the horizon that we're talking about in the next 4 years to 5 years. TCNS will come back to pre Ind AS good double-digit EBITDA margin business. And that's really the projection. And some part of our overall ethnic profitability, in fact, a very large part of it is brought down in the last 1 years or 2 years by that business.

On TASVA it's a different problem. Stores are profitable, but the network we are investing, because we believe it's a much larger opportunity for the business. It's still about INR150 crores size of business. We think it can be 3x to 4x that size over the next 4 years to 5 years, which would require investment, both in brand and the scaling of that business.

So, this is more the corporate overheads and advertising that we have to invest to get to the scale because it's a very large, high- growth opportunity with very strong unit economics. The gross margins are very good, consumer proposition working well, stores are profitable. And therefore, we have to just scale it up, and that's the level of investment.

Again, TASVA will take perhaps longer, maybe 2 years to 3 years to become profitable. But we expect TASVA also to be strong double-digit profitable business.

**Tejas Shah:** Tejas from Avendus Spark. First of all thanks for very detailed presentation from all of you. I have 3 questions, one each for Ashish, Vishak and Sangeeta and Amit allows, I'll ask all the 3 questions. Ashish first. There were broadly 2 set of guidance which came from you today. One is more of a discipline that what you won't do, right? You won't dilute, you won't do M&A and you will be much more ROE focused?

And the second bucket of guidance is more about growth that what each brand aspire or you aspire as a company. Now the second bucket, there is a backdrop of assumption that will continue to grow. In fact, we are not growing even today, a GDP at 8%. And in the first 5 years of this decade has been very volatile, if I have to be generous on that objective?

And today, coincidentally, what U.S. has done on -- it has also set a very volatile path for next 5 years, also 3 years till the time this term is there. So, I just wanted to know, what does the plan B possibly if at GDP level, we disappoint. And what is the plan B -- whether at what point you will say that you will compromise? Or what will you safeguard?

Whether you safeguard your guidance on growth at any cost or you will protect your first bucket of guidance that you won't compromise on those principles. And even if it means that you won't achieve the guidance that you have set for yourself?

**Ashish Dikshit:** I think, largely your second question is the one you want to answer to. The first, I think we have stated out. As much as discipline, it is about a matter of strategy. We spent 5 years strategically investing in acquiring assets, which we think will create translation for the next 10 years. That's what we have done. We have said so, we've done that. We have perhaps done more than what most people had thought at that point of time. But then that's the part that is over.

The next part, as Mr. Birla himself, and I have in my presentation encapsulated, is really about making these assets work for us. And that's the first part of it. And we'll do it with a fair degree of discipline and execution. On the second part, you're right, Tejas. I think, the Indian consumer markets, while longer-term story is always true, the short to medium term goes through a lot of turbulence.

That's the challenge that our country has had over a very period. All of you have tracked consumption market over a long period of time. I've been in this industry for 30 years, and I have seen multiple cycles of medium to low growth, at least 2, 3 year cycles of that time. It's happened even in the last 10, 15 years, at least twice.

We will remain conscious of the fact that there is right to grow the business, that businesses have to earn. And those businesses, which earn the right to grow through strong unit economics, good practical, productive -- capital productivity are the ones which will get the growth capital and our ambition to be there.

And we have shown that Tejas over past, whether it's scaling down our ambition in Innerwear when you saw the Athleisure market slowing down, scaling down and shifting the strategy of Pantaloons when the market context changed and talking about 20 stores. If you heard us speak 2019, '20, you're talking of 70 stores at that point of time.

We will continue to remain disciplined. It's our good sort of applied estimate of where we can reach, where we should in the normal condition reach, but we'll have to be alive to the reality on ground and we'll act accordingly as we go forward.

**Tejas Shah:** Very clear. Vishak, so the question is, you are actually running a very mature portfolio. And coincidently, we heard this line very recently from Mr. Bharat Puri that there are no mature categories, there are only tired managers. So, when we look at your portfolio and your scale, the very obvious question which comes to us is that how will you grow from here?

Even from expansion part, you are already -- if I heard you correctly, you said that we are already at less than 50,000 or 1 lakh population towns also. So how should one think about expansion of store count? SSG is a very different game. But how do you see when you see the potential of rollouts? And how fast it can happen in -- at the base that you are?

**Vishak Kumar:** So while we are well distributed, I would still say there is juice for another 10 years, even in the current ways of doing business. It's not to say we'll stop after that. I see a net 250 store plus addition, at least for the next 5 years. Where is it going to come from? At one level, it is a whole lot of new markets, which keep emerging even in big cities, mid-level cities, etc.

Including, for instance, every time a new mall opens, it creates new consumption opportunity, and we are quick to take that. New towns. Even small town India, we've still only scratched the surface. As business models get stronger and stronger, your ability to scale into sharper, also becomes easier. So that will continue to be a significant growth driver for some time to come.

Even in existing markets, it's not as if all brands are there in all markets. Linking Road in Bombay is a good market, but we have only Louis Philippe there. We don't have a Van Heusen or an Allen Solly. Brigade Road, we don't have an Allen Solly. So even in existing markets, there are -- 100 Feet Road in Indiranagar, we have 2 Louis Philippe stores, but we have only one Van Heusen store and so on.

Then our average store size, it's still -- there's a lot of room for growth, okay? We found, through multiple store extensions that we've done, that when you increase the store size, to a fair extent, you can hold on to these same SSPD, sometimes even increase the sales per square foot. So there is that juice also to move from 1,400 square foot to 1,900, 2,000 over time.

That also, as we've done in more and more markets, like in Phoenix Market City in Bangalore, Louis Philippe was 1,000 square feet store, it's now 3,000 square feet store. So with almost tripling of business. Allen Solly was 1,200 square feet, it's 3,000 square feet and so on for each of our brands, but there is so much more in that dimension also which remains to be done.

Then, of course, brands like Reebok, etc., are underpenetrated. There is -- we have only some 160 stores for Reebok. So there is a catching up to do as well to be able to create a stronger distribution. So there is, in that sense, just on distribution alone, a fair degree of growth. These headwinds will be there. Every once in a while, that will come, they will be stressed. But medium term, there is enough growth opportunity there, Tejas.

**Tejas Shah:** Sangeeta, last one for you. You spoke at length about how our supply chain has become agile and perhaps you used the word that we have best ever team today on planning and supply chain for Pantaloons. If I marry that with 2x inventory turn, it is very underwhelming when we try to marry the 2x.

And another question is that private label ambition, even at 80%, looks -- I'm just curious because now, multiple players in India have proven that the only way to scale big box profitably and fast is actually having the full control on the supply chain, which comes from private label. So why not fully going 5 years within 100% private label? What -- there must be some merit to your 20% also. So what actually stops us from going 100%?

**Sangeeta Tanwani:** Okay. So I'll take the second question -- second question first. So look, the 80% share that I talked about is a huge shift, like I said, from where we used to be. Remember, and Ashish alluded to the fact that we have the widest distribution today in terms of large format, and we have stores of varying sizes, starting even today from 10,000 going up to 50,000, 55,000 and one store which sits at 70,000.

While we continue to improve our journey on private label, as I talked about, and we feel supremely confident having built the muscles that we have built, it's important for us to also recognize that some of the large stores, it's important -- it's hard to create private labels just for those 2 large stores. And therefore, there is that one challenge, given the diversity of sizes of our stores.

The second thing is that there is a complementing role that we believe that the external brands play in terms of occasions, in terms of being able to serve to price points where the private label will not operate. So when we do our deep analysis in terms of role of the external brands from the large database -- data that we have on our transaction and our bills, we do find that there are certain customers -- and that's a function of how we build our proposition, that there are customers, especially the way men shop. There is a reason why men choose brands first, and the way the shop is different from the way women shop.

So, I think when we look at our net analysis, today, it seems that we have visibility of 80%. Of course, does it stop us from taking that 80% to 85%? Absolutely not. So we'll continue to get better at that game. That's the visibility we have today constrained by the size of our stores. We've created some of our own private labels.

So, Marigold Lane if you see in ethnic, is a very premium label that we have created, with a very distinctive handwriting, which takes on some of the other ethnic brands. We are going to be doing similar things in the other categories. And our hope is that we'll actually surpass the 80%, barring some of the large stores, which will still continue to carry the external brands.

The first point on inventory, yes, could we have done better? Yes, it's been a journey for us. We want to get to the higher numbers sooner than later, but that, again, has been a function of all the changes. If you kind of put together all the changes that we've made, from consolidation of labels, to introducing new labels, to shutting some stores. While we have gotten better from where we were on our inventory turns, I think the journey from here to the next milestones will only be faster.

**Percy Panthaki:** This is Percy Panthaki from IIFL. Two questions from my side. Firstly, if you can let me know a little bit about your organization structure, in light of the fact that you operate in so many different categories, so many different brands. So how does it work? Does each brand manage its own procurement, supply chain, real estate, merchandising, etc.?

Or are these functions shared services, which each brand calls upon and manages or if it's a hybrid model where some functions are specific to brands and some functions are shared services? How does the entire organization structure work here? And sub question to this is, whatever the arrangements you're working with right now, do they change with the demerger? And if they do, what are the cost implications? Is it net cost saving or net cost incremental? So that's my first question.

Secondly, again, sorry, too many questions on Pantaloon, but I have to ask this. So you have taken a lot of initiatives over the years to improve the business. However, as it stands today, sales per square feet is somewhere maybe around 8,000. Pre Ind AS EBITDA margins are probably around 3% to 4%?

So, if I look at the EBITDA per square feet, maybe INR250 to INR300. Given the fixed and working capital invested per square feet, the return on investment is probably -- correct me, I might be wrong in my calculations, but probably somewhere around high single digits or just barely in double digits return on investment, which would probably be below the cost of capital?

So my question is, what more do we need to do in order to improve the EBITDA per square feet and in order to improve the return on investment of this format, yes. So those are my two questions?

**Ashish Dikshit:** So, let me start with the organization question first. As you can make out, each of the large business verticals is run by a CEO. So Sangeeta runs the format. Under her, Vishak runs the portfolio of brands. Under him, similarly, there are multiple ethnic businesses, which are run inside.

One of the things in apparel industry that we have learned over a period of time, and it's part of our belief system because it's not now that we have more brands. In 1999, also, we had 5 brands. So even 25 years back. And if you look around the world, we have learned that design, merchandising, brand marketing needs to be integrated inside the brand.

So, the Louis Philippe team, for this business, is integrated and Louis Philippe just as TASVA team or Pantaloons teams and so on and so forth. The level of synergies that lies is, let's say, on the sourcing side is, if similar kind of products are being sourced. So the lifestyle brand segments, which are more similar in mill-based fabric of a certain premium quality, etc. So the sourcing, we have been able to synthesize and run it as a common function.

But Pantaloons sources very different kind of products with different kinds of price points, with different needs of supply chain, etc. So Pantaloons run it's own supply chain. Similarly, TASVA is a very different kind of fabric base, very different manufacturers make it. So we run a different supply chain integrated into.

My broader point is that when you run deeply integrated, we are more focused on making sure what works best in that market for that customer, what gives us the competitive edge. And there is no merit in synergy for the sake of it. It takes away the distinctness or it takes a very competitive advantage and a right to win with the consumers.

And therefore, to that extent, the only places where broad synergy is undisputed is Finance, which Jagdish runs; HR and People, which Shobha sitting here, she runs -- which is -- because talent is more mobile. In fact, talent wants diversity of experience. That's why these people want to work with us. And technology, because you can't make -- with small sort of changes, broad base of technology needs to come in. So those are -- and those will remain...

**Percy Panthaki** What about Real Estate?

**Ashish Dikshit:** So, let me come to it. Even Real Estate, there are businesses in our portfolio where you saw Sooraj's presentation, Sabyasachi and Tarun Tahiliani have 5 stores in the country. They need 6 stores, maybe once in a while, of a different kind. Vishak wants to open 300 stores, very different.

Sangeeta is opening 20, 25 large stores, but perhaps in Style Up, we look to open 50, 70, maybe 100 stores of different kind. Sometimes it requires that focus, but the strategy in Style Up might be, look, let's open Andhra Pradesh today and Rajasthan tomorrow, while Reebok may require an all India expansion.

Keeping all this in mind, we run sort of semi-located businesses together. But when it comes to, let's say, talking to a mall developer, which is bringing 5 million square feet of space, that's when we get together, our heads of business development, space acquisition. They get together and they go together as one.

Look, this is the deal we want. We have everything in our portfolio. This, in fact, a lot of Real Estate people want that from us, because they get to fill their malls with unique and distinctive propositions more directly in one place. So we are choiceful about where we bring our strengths together, because it either brings significant, competitive leverage or scale leverage.

But we are not sort of doing it for the sake of common pieces because our businesses are indeed very diverse, and we want to make sure that what matters most to customers is at the top of our decision making. On the organization, therefore, post demerger, we practically will run in most ways as we have been running.

The ABLBL will move -- the executives who run that business, just cut off and move to that business. The leadership and the management team and executives who are on this side move on this side. There'll be a few, as I said. Technology, Finance and HR are 3 things, where for some foreseeable future, we see common coverage because we don't want to build extra costs where it's not required.

There are some statutory rules which will be required to fill in the second company, which we'll go ahead and do that, but that wouldn't add any further cost to our mind.

**Percy Panthaki:** Right. And on Pantaloons?

**Ashish Dikshit:** Okay. On Pantaloons, I'll take for a short and Sangeeta will answer. You're right. Where we are is not the place which is a happy place. We were in a happy place in 2020 when we had achieved pre Ind AS 8% EBITDA. The business was growing at 20%. Our net working capital turns were still about 15%, 18% at that point in time.

On one dimension, we have made progress, which is our net working capital turn, Sangeeta has alluded, is practically 0 or close to 1% or 2% to 3%. Our aspiration is to be a negative working capital business. So, it becomes capital light to that extent. So in a sense, you run a INR4,500 crores business with 0 net working capital. And therefore, capital will go only towards capital expenditure part, which is the store opening, and that number is also going to be limited to that extent.

So ROCE, therefore, the task from capital productivity point of view, is left to move that 3.5%, 4% number to 8% to 10%. It's essentially, once we do that, because the denominator is low and practically 0, hopefully, over a period of time, negative, where other than the net fixed assets, the working capital will be very, very small.

Our big shift in ROCE will come from improving that number from 4% to where we were 4, 5 years back. So it's not something that we had not tested. And remember, Pantaloons as a business has grown, as Sangeeta showed in her presentation, for seventh consecutive year, 100 basis point to 150 basis point improvement.

We deeply are aware of the context change that has happened. The strategy shift is in place. I think the fruits of that will come over the next 3, 4 years. It's visible this year itself. If you notice the Pantaloons performance over the last 3, 4 quarters in profitability terms over the past year. But we fully acknowledge the journey is only halfway through, and our large part needs to be done.

How will it happen? Better store productivity, rationalization of network, improvement of product and therefore, driving gross margins. A part of gross margin improvement also comes from superior inventory terms that we talked about. And therefore, a lot of focus you would have seen in Sangeeta's presentation was on planning.

What does planning deliver? It has 2 goals. One is to win for customer, a good variety, freshness and great choice. But there is a second economic goal of planning, which is to deliver so profitably with lowest sort of leftover inventory. And that's what we are aspiring to do. So a combination of leverage with same-store growth will bring, rationalization of network and improved planning process driving gross margin is the path for that journey.

**Ashish Kanodia:** First, for example, on the ABLBL side, you said excluding the Forever 21 losses, the margins are maybe closer to where the targets are. So when we look at both the business ABLBL and the demerged ABFRL, especially on the margin side, on the guidance, is it more like a slightly conservative margins? Or is it that maybe some of the business have -- and as you said, hit the maturity level of margin expansion could be difficult?

And the second thing is when you look at a 5-year period, there will always be some cyclicality. And when you have a large portfolio of business, some businesses may have some disruptions. It could be maybe the value end or TMRW, just there will be businesses which could face different cycles and challenges, competitions.

So on the margin side, are you building in that a bit of challenges, maybe 2 businesses does really well, but there could be one business like Forever 21, it could be something else where there could be some disruptions?

**Ashish Dikshit:** So Ashish, your second question is the answer to the first question. You are suggesting we are conservative in our projection of margin in some parts of the business. I don't think our ambition is only that much. Our ambition is more, but we have to factor in realities of sometimes some things not working, situations.

But remember, in ABLBL part, we have a history of delivering that consistently over 20, 25 years, including during COVID and post-COVID. So there's never been any significant shift. So that's the resilient and strength of that part of the portfolio. I think as the first question today was answered, margin shift is a little bit improvement on those, which we have achieved in the past.

And therefore, with time, we'll get to, as well as the remaining part of the portfolio is starting to contribute, which was taking away some of the profit on ABLBL. On ABFRL, you're right. The portfolio of business is very diverse, so are the margin profile, so is the predictability on some of those businesses.

Even on that side, there are fairly predictable, profitable businesses, but there are some turnaround tasks or scaling up task that lie. Whether you look at TCNS, which you saw in his presentation, we have a plan to do that. There is TASVA, which needs to scale up and therefore, will require that level of investment. TMRW, journey is going to be deeper in terms of investment.

But let me also say that most of our investment phase businesses have probably peaked their losses, almost every single -- as I'm thinking about it, every single business. So every one of them is on improvement product. And the extent of improvement, the combination of results is what we have factored in to come to the kind of projections that we've talked about.

**Ashish Kanodia:** Sure. And just last bit is, just building up on what Tejas asked. So in your presentation, there are 3 parts. One is growth, the other one is margins and then capital. Now given that business environment is very dynamic. And when you look at, say, 5 years out from now. From a strategy point of view, I did not got the answer.

So I'm just harping back on it. What will you prioritize between growth, margins and capital? Because when there is a disruption, there are always bigger opportunities, right? Like in COVID, you saw -- there were businesses which were available because of disruption. So whenever there will be a disruption, there will be opportunities as well, great assets, relatively cheaper valuation. So between capital growth and margins, what would be the priority?

**Ashish Dikshit:** I think, we've tried to be as straightforward as possible. You heard straight from Mr. Birla today about the next phase of the company is about organic growth. I mean that's the answer you want to hear. You've heard it from the Chairman of the Board of the 2 companies. I had said so that we were in a phase -- it was not disruption and opportunistic.

In 2019 -- '18, '19, we laid out our plan to enter ethnic wear segment. And we did justice to that, and our opportunities came at different points of time, but none of them were opportunistic. They were very thoughtful and carefully crafted. There would be some opportunistic pieces like Reebok, which we got. But at this point of time, we have thought a lot about it before carefully putting to you that our strategy is organic growth.

And we've also said the second thing, which is that we want to operate with the capital that we have, except tomorrow, where we'll raise capital separately. We have called out no need to raise capital in the remaining years. So these are 2 questions you wanted the answer. And we will, therefore, these become our operating constraints. Within that, we will optimize for growth, we'll optimize for profitability.

The focus is really in this market and with the long-term orientation that the group has and we have as a company. We have the assets. We don't need to rush into growth. Growth will come with the quality of assets that we have. We need to make our businesses stronger, more profitable, and that's the journey.

Of all the dimensions, I think capital will be a limiting constraint and profitability will be our priority. Revenue, if it comes, great, and the market set up, we'll live with that because we are not here to achieve revenue for 1 year or 3 year or 5 years.

**Ashish Kanodia:** Thank you.

**Amit Dwivedi:** Thank you. So with that, we come to an end of the event. I would like to thank all of you and the people who joined us virtually for participating in today's event and making it a success. Thanks to the management team for sparing time. Please do reach out to the IR team for any further questions or observations or comments you have about the session today. We formally close the event now. I request all of you to please join us for lunch outside. Thank you.