Raymond
LIFESTYLE LIMITED
(Formerly known as
Raymond Consumer Care Limited)

Great Place To Work. Certified FEB 2023 – FEB 2024 INDIA

RLL/SE/26-27/11
May 14, 2026

To

The Department of Corporate Services - CRD
BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 544240

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051
Symbol: RAYMONDLSL

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") – Conference Call Transcript

Please find enclosed transcript of the conference call held on May 7, 2026, with respect to the financial results of Raymond Lifestyle Limited for the quarter and financial year ended on March 31, 2026.

The transcript has also been uploaded on the Company's website (www.raymondlifestyle.com)

This is for your information and records.

Thanking you,

Yours faithfully,
For **Raymond Lifestyle Limited**

Priti Nitin Alkari
Digitally signed by Priti Nitin Alkari
Date: 2026.05.14 18:11:38 +05'30'

Priti Alkari
Company Secretary

Encl as above

"Raymond Lifestyle Limited
Q4 FY26 and FY26 Earnings Conference Call"
May 07, 2026

MANAGEMENT: **MR. RAKESH TIWARY – GROUP CHIEF FINANCIAL OFFICER**
MR. SATYAKI GHOSH – CHIEF EXECUTIVE OFFICER
MR. E.C. PRASAD – CHIEF FINANCIAL OFFICER
MR. SUNNY DESA – HEAD, INVESTOR RELATIONS

MODERATOR: **MR. AVINASH KARUMANCHI – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Raymond Lifestyle Limited Q4 FY26 and FY26 Earnings Conference Call, hosted by Motilal Oswal Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Avinash Karumanchi from Motilal Oswal Financial Services. Thank you and over to you, sir.

Avinash Karumanchi: Thank you, Swapnali. On behalf of Motilal Oswal Financial Services, I would like to welcome all the participants to the Q4 FY26 and FY26 conference call of Raymond Lifestyle Limited. Today, we have with us from the senior management of Raymond Lifestyle Limited: Mr. Rakesh Tiwary, Group Chief Financial Officer, Mr. Satyaki Ghosh, Chief Executive Officer, Mr. E.C. Prasad, Chief Financial Officer, and Mr. Sunny Desa, Head, Investor Relations.

Without taking further time, I would like to hand the call over to Mr. Satyaki Ghosh. Over to you, sir.

Satyaki Ghosh: Hi everybody. Thank you for joining this call. My name is Satyaki Ghosh and I am the CEO for Raymond Lifestyle Limited. Before we dive into our performance, it is important to acknowledge the totally volatile macroeconomic environment that we are navigating. While India remains a bright spot with GDP estimates around 6.8% to 7.2%, global headwinds persist. We are closely monitoring from Raymond the US-Iran conflict, which has kept brent crude prices hovering over $100. And leading to increased energy, raw material prices, and freight costs.

Domestically, we face the dual challenge of extreme heat waves affecting multiple states and below-average monsoon forecast at 92%, which may impact discretionary spending. However, amongst all this doom, there is a silver lining. The US-India trade deal that currently looks quite open to the entire world and we don’t have a disadvantage. The UK-India FTA and the impending Euro-India FTA can create significant demand recovery for our exports.

It is against this backdrop of external volatility and emerging opportunities that Raymond Lifestyle has delivered a strong performance last year. It is my privilege to address you for the first time. And as I embark on this journey with an iconic brand that boasts of legacy spanning over a century, I want to share the context of my leadership and what I bring to the table. I have worked about 30 years in FMCG companies like General Electric, PepsiCo, L'Oreal. And I have worked in Indian groups like Spencer’s Retail, which was RPG and Aditya Birla Group before joining Raymond Group. So, I have experience in the FMCG part of the business and I also have experience in textiles, and hence Raymond seemed like the right opportunity where I get the opportunity to turn around a 100-year-old brand and take it to its next logical growth path. I am also happy to introduce our new Chief Financial Officer, E.C. Prasad. I will hand over to Prasad to introduce himself before I come back to address you.

E.C. Prasad: So, good evening, everyone and thank you for attending our call today. This is E.C. Prasad. I am a professional with about 29 years of experience. Prior to joining Raymond just three months back, I was the CFO for Bajaj Electricals and I also worked with Voltas Limited and Emami, predominantly in the FMCG and FMEG space. My focus here would be to strengthen our governance compliance and also to build cash and improve our working capital cycles with improved profitability. Thank you very much.

Satyaki Ghosh: Coming back, Satyaki here once again. FY26 has been a year of recovery for Raymond Lifestyle. Despite international headwinds, we have delivered a healthy performance driven by strong domestic consumption. For the first time in our history, we crossed the INR7,000 crores mark, recording our highest-ever total income of INR7,034 crores and 11% year-on-year growth. EBITDA for the year rose to INR804 crores with a 23% year-on-year growth, with an EBITDA margin of 11.4%.

We remain debt-free with a net cash surplus of INR179 crores. Net working capital improved significantly over last March and has come down by 10 days from 87 days to 77 days, showing efficiency in the system. Complementing this strength, our Q4 FY26 performance remained resilient. We recorded our highest-ever Q4 total income of INR1,810 crores, a 15% year-on-year growth. EBITDA for the quarter rose by 53% to INR152 crores.

Our EBITDA margin improved by 210 basis points Q-o-Q to 8.4%, and we created robust cash flows and we generated close to INR200 crores of net cash during this quarter. Our Q4 performance remains resilient and reflected sustained demand despite a challenging global environment.

In our Branded Textile segment, revenue grew 14% to INR831 crores in Q4, driven by robust volume growth and premiumization. EBITDA for the segment grew by 126% to INR115 crores on account of improved product mix, strong volume, ASP growth, and scale leverage. Branded Apparel segment - it is to note that our current Branded Apparel segment results include our emerging and new businesses. It has been the case in the past also. So, this quarter we are keeping it the way we have been reporting, but next quarter we will try to show you separately what are we doing in emerging businesses.

And what are we doing in our marquee brands, the four brands which is the core apparel business of Park Avenue, ColorPlus, Raymond Ready-to-Wear, and Parx. Our new ventures are currently in strategic investment phase and it will be good for everybody to know how these businesses are developing. The core four brands' revenue was INR1,667 crores with an EBITDA margin of 7.8%, which is without these new businesses.

So, the core brands are actually quite okay at 7.8% and we will endeavour to take it to double-digits over the next two years' time. So overall, Branded Apparel, the way we report today, is INR469 crores in Q4 with a 20% year-on-year growth. We witnessed double-digit like-for-like growth in retail channels of Branded Apparel segment. EBITDA for the segment grew significantly to INR19 crores, and if we exclude the emerging businesses, the margin was at 5.4% in Q4.

The Garmenting business, we saw demand recovery post the US-India trade deal, leading to the highest-ever monthly revenue in March. We also implemented duty-paid terms for US clients, which helped us keep the clients with us throughout the year and now we will get the benefit of that going into next year. The segment reported a revenue of INR342 crores in Q4 FY26 as compared to INR248 crores in the same quarter previous year, reflecting a growth of 38% Y-o-Y.

The segment reported an EBITDA of INR14 crores in Q4 FY26 compared to negative INR7 crores in Q4 FY25, and the EBITDA margin for the quarter was at 4.1%, which is higher than the rest of the year and is much higher than negative 2.9% in the same quarter last year. This business is going to go forward at a fast pace next year with the UK and Euro FTAs and US-India trade deal being equitable for the world.

In our high value cotton shirting, the B2B segment, revenue grew at 6% to INR197 crores in Q4 and EBITDA for the segment was INR20 crores as compared to INR61 crores in Q4 last year, but last year Q4 EBITDA of INR61 crores had a INR53 crores one-time subsidy from the government for our Amravati plant. So, the base is high. If you take that out, then the segment has done actually better than last year's same quarter.

Now let me talk a little bit about our marketing strategy. Our new CMO, Kalpana Singh, has just joined in March from HUL and she will be leading this for us. We will introduce her to you maybe next quarter. Our intent is to move forward from fragmented marketing to a more connected omnichannel system across the full consumer journey. Today we are executing many initiatives: thematic campaigns, impactful ideas, digital and retail efforts, but the whole idea now going forward is to put this in a 360-degree marketing campaign and make each of our brands stand on their own feet and get recognized separately between Park Avenue, Raymond Ready-to-Wear, Raymond MTM, ColorPlus, etc. This year we have advertised Raymond Linen in a big way. We have increased our presence in high-impact media like cricket and cinema. If you have watched Dhurandhar 2, we launched our cinema campaign with Dhurandhar 2, and we have started building digital and influencer ecosystem. Linen is doing very well for us at the moment.

At Raymond Lifestyle Limited, we have a target-driven ESG roadmap. Our emission reduction strategy runs across three levers renewable energy, fuel transition, and operational efficiency. All these three are active simultaneously. On renewable energy, we are on track to increase our renewable percentage between 5% to 6% this year from our baseline of FY25, and we remain on track to increase this to 25% of our total energy requirement by 2030. On Scope 1 and Scope 2 emissions, we have reduced between 4% and 5% this year from our baseline year of FY '25, and we are on track to reduce these by 15% by 2030.

The leadership transitions during the quarter marked a new chapter for the business. With the recent appointment of Rakesh Tiwary as Group CFO, Prasad as Lifestyle CFO, and myself as the CEO, and I just introduced Kalpana as the new CMO, Raymond Lifestyle Limited is poised to accelerate its growth agenda. The new leadership brings a renewed focus on expanding Branded Apparel, scaling newer categories, and driving operational efficiencies across the value chain.

As we enter FY '27, we would like to call this the Year of Consolidation. As we are shifting focus from restoring sustainable profitability, and we will do it through a lean and high-performing network. We plan to add a gross of about 100 EBO stores in FY '27; however, we will continue to exit underperforming stores during the year and we think the net increase would be 30 to 40 this year. Once we stabilize, then maybe year after, we will see if we can go aggressive on store opening or not, but that we will decide depending on the results of this year.

In terms of digital transformation, our investments in S/4HANA that we must have been talking about has now been implemented in the textile and home part of our business, and this will modernize our supply chain and enhance operational agility. For FY '27, our strategic growth pieces include premiumization across all segments, i.e., shift towards wool in suiting; linen in shirting, and more premium category of garments in branded apparel.

The second lever that we are going to push is casualization. In Branded Textiles, we will focus on comfort-first fabric, hybrid blends, relaxed visual aesthetics, versatile wearability, and knitwear. In Branded Apparel, we will move the product mix towards smart casuals, polos, chinos, t-shirts, corduroy, denim, etcetera. With our core portfolio, ColorPlus is the brand that is positioned as the primary casual brand to spearhead our casualization strategy, with our remaining three brands of Park Avenue, Raymond Ready-to-Wear, and Parx providing robust secondary support to drive this transition. So, number one is premiumization, number two is casualization.

We will also go towards GTM expansion in MBOs and LFS counters. In large format stores, our apparels are doing very well with SSPD right up with the top brands of the category, and in some LFSs we are the top brand. The whole idea is to enter LFSs on the casual section. We will also work on holistic marketing campaigns as we talked about: sharper brand positioning for each of our brands, differentiated communication, prudent media selection, and last-mile activities to drive awareness and footfall in our EBOs.

Our ESG commitment would remain and we are advancing towards our 2030 goals, including the 25% renewable energy target and 40% female representation in our company. By integrating digital agility with transparent oversight, we are building a resilient, future-ready institution for all stakeholders. We hope that this year of consolidation actually gives us good growth and decent profitability. And with that, thank you very much and we are now open for questions.

Moderator: Thank you very much. We will take the first question from the line of Vijay Jangir from Systematix. Please go ahead.

Vijay Jangir: Thank you for the opportunity, ma'am. My first question is on gross margin. So, could you please explain what caused the decline in gross margins as we were doing 54% to 55% range in gross margins, now this quarter we declined to 51%-52%? So, first question on gross margin.

My second question is on EBITDA margin. So, what would be our range for the coming two to three years in EBITDA margin? And additional question is like, our gross margin declined but our EBITDA margin expanded. So, like manufacturing expenses went down, employee costs went down. So, are these sustainable declines or I mean just one-time? So, these are my two questions on gross margin and EBITDA margin.

Satyaki Ghosh: Thank you, sir, for your question. On the gross margin, I think I mentioned in my commentary that last year in our high value cotton shirting business, we had received a one-time subsidy of INR53 crores on our Amravati plant from the government. That is in the base. If you take that out, then the Q4 gross margins will look in the ballpark range of 44%-45%.

And for the year, including this INR53 crores in the base, we have still ended up at 44%. So, if you remove that, there's no drop in gross margin. The EBITDA has still grown. If you look at our opex, you will see in Quarter 4 our income grew 15%, our opex grew 1.2%. And for the year, income grew 11% and opex grew 5%, which means income grew faster and that has flown into EBITDA. The second thing that you must recognize here: how did the opex come down as a percentage? Our factory utilizations, which traditionally used to be between 80%-85%, have all gone above 90%.

There are factories which we have operated at 95% plus also, and this has given us a lot of scale advantage. It has given us drop in opex, which has flown into EBITDA. So, these -- the whole idea is that if we do a higher turnover this year than last year, then the factories should keep running at this pace and hence the opex reduction should be sustainable and hence EBITDA should hold.

The third question for you was the future EBITDA. We are not giving a guidance at this stage; however, our idea is even in the year of consolidation to keep a double-digit top-line growth and a double-digit bottom-line growth.

Vijay Jangir: Okay, sir. Thank you. Could you please explain more on employee cost? I mean, it is currently 12.5% of the sales in the last quarter of FY '26, it was 15%. So, what caused the decline in employee cost?

Satyaki Ghosh: Sorry, can you repeat the question one more time, sir? It was not clear this side.

Vijay Jangir: I mean, employee cost went down. In the 4Q FY '25 it was around 15% of the sales, this quarter it is around 12% to 13% of the sales. So, what caused reduction in employee cost? That's what I want to know. On absolute basis, it's declined around 1.5%. So, that's what I want to know.

Satyaki Ghosh: So, two things. One is we stay with our factory efficiencies. When factory produces more, the employee cost per unit starts going down. And on an absolute basis, because garmenting last year was not getting a lot of orders because of US, the utilization was little low and their labour is a little variable.

So, that cost got saved. Finally, as you know, we have been for a year or so closing down our non-profitable stores. And when you close down your non-profitable stores, two things happen: one is your employee cost goes down; on the other hand, stores that make consistent losses, if they get closed down, actually your profit goes up.

So, you get positive effect from both sides. So, we are opening calibrated stores. It's not that we have closed massive number of stores. What we have closed, we have roughly opened, but bad stores have gone, so that has reduced employee cost and has also increased profit by a little delta. So, you get all kinds of positive effects when you rationalize and do the right things for business. That's my answer.

Vijay Jangir: Okay. Okay, thank you, sir. And one more question on store opening in FY27. Could you please repeat, I mean, how many stores we are targeting in FY27?

Satyaki Ghosh: So, FY27 on a gross basis, we'll try more than triple digit, more than 100 stores, but we will continue our endeavour which has given us very good, I mean, not so good stores we will close down. So, I think net basis it will be between 30 and 40 stores because this is the year of consolidation.

We are not doing anything dramatically different this year and we will just concentrate on giving good growth and good profitable growth on a sustainable basis for four quarters before we embark on the next big journey. Just to tell you, so 100 gross and maybe between 30 and 40 net. Just to tell you that we are also employing one of the big consultancy firms to build a three-year strategy for us.

The work, the job has been awarded and we will start work on the strategy piece and then in three months we will start implementing that. So, this year as the consolidation year, we will do all the right things in the right way around governance, around ESG, around the way we do our quarter businesses in a profitable, sustainable manner, get the store economics right, get the factory economics right, build our strategy, and from next year we hope with a good base we start the next level of acceleration with a very, very good partner handling it with us.

Vijay Jangir: Okay, sir. And sir, in terms of our emerging and new business, how much is the run rate in terms of these activities, emerging and new business, which is included in our Branded Apparel revenue?

Satyaki Ghosh: It’s about.

Vijay Jangir: Sir emerging and new businesses.

Satyaki Ghosh: For the year, it is about INR140 crores, but on this INR140 crores, because we invest in these businesses, we incur losses. So, when you start looking at the four core brands, if you take out roughly INR140 crores of turnover and if you add back the losses to the profit, then you'll start seeing that the four apparel brands actually deliver between 7.5%-8% profit already.

But it gets shaded by all this, and from next quarter we will show you what is emerging, what is the four core brands, and we will give you the history also if you want because we'll cut the data like that and we will be consistent with that data. But right now, there is about INR140 crores and with INR30 crores loss. So, if you take out from the turnover INR140 crores and if you add back INR30 crores, you will see the business of the brands is looking not so bad as it looks right now in the reporting. INR140 crores top-line gone, INR30 crores profit increased. It just changes the game.

Vijay Jangir: Yes, got it, sir. Got it.

Moderator: Thank you. We will take the next question from the line of Deepali Kumari from Arihant Capital Markets Limited. Please go ahead.

Deepali Kumari: Yes, hello. So, I have questions regarding geographical. So, management plans to reduce US dependency in garmenting.

Satyaki Ghosh: Ma'am we can't hear you properly.

Deepali Kumari: Am I audible?

Satyaki Ghosh: Yes, but it is not very clear of you come closer to the mic or something like that?

Deepali Kumari: Okay. So, I have questions regarding geographical. So, management planning to reduce US dependency in garmenting from 65% to 50%. So, with this recovery in Q4 following the US-India trade deal, why is the strategical shift towards the UK and Europe? Is this still a priority given the potential for higher logistical costs?

Satyaki Ghosh: So, ma'am, I'll try and explain this to you. We had about 65% to 66% dependency on US. Now, any sane business will say that when you have high penetration in a vendor or in a customer or in a geography, you are susceptible to route shuts. Now, this is what happened to us as the tariffs started coming in, 65% to 67% of our business went into trouble.

So, we started this process of expanding our geographical base and we have, we were scouting in Asian markets, strong Asian markets, and also European and UK markets. The advantage that we got was the UK FTA was announced and now the EU FTA is also announced, though they are not implemented but will get implemented.

So, we started getting a lot of interest from these places and contrary to belief, Europe can give you good margins also. For example, if you look at the West Asia conflict, if you look at from Indian ports, Nhava Sheva, this, that, to the American ports, the freight cost has gone up. If you look at from these same ports to European ports, the cost has actually come down last month.

So, from a freight perspective also Europe is better and from, you know, margin perspective it is not bad and it increases my Europe FTA concentration. But the US orders have also started coming back and hence as a directional guidance I'm saying that the garmenting business next year should be good for us because US orders will come back but we'll have incremental orders from Europe, so the mix will change, the margin structure will become better, and hence our top-line if it grows by high double digits, the bottom-line will grow at a much faster pace than that in garmenting.

Deepali Kumari: Okay, sir. And sir, like have you felt any recent disruption in raw material sourcing or export shipping timelines due to this US-Israel-Iran conflict?

Satyaki Ghosh: As of now, no. I think when, you know, troubled times come, bigger companies are more resilient to hold because we can hold some working capital. Our raw material, two main raw materials come from abroad: one is wool, which comes from Australia. There is frankly no major disturbance between Australia and India, it's on the other side of the world and containers are also available, freight has also not moved too much.

So, wool there is no problem, suiting has no problem. The only thing that comes majorly from Europe is flax for the linen. And here I am seeing India to Europe and Europe to India freights are actually slightly better in April than March. So, going forward, we think it will be okay.

And all of you have seen today's headline news, right, that Iran and US are trying to at least take steps forward towards opening Strait of Hormuz. And it is all over the news today, I think stock markets are going up because of that, and if that happens this quickly, I think we will be very well positioned to take advantage of that.

Deepali Kumari: Okay, okay, sir. Got it. And sir, you are also like focusing on shifting the product mix towards wool and linen across all the segments. So, what is the expected impact on your ASP and gross margin from this?

Satyaki Ghosh: So, the gross margin should go up because, two things here. Number one is as you sell more premium products, directionally your gross margin should go up. However, currently there is a challenge that the wool prices are going through the roof, Merino wool prices. Also, flax prices are going up. We have information that this year's crop, flax is one crop a year, but this year's crop is right now looking good. It is harvested in September, so it is on the fields right now and it is looking good. But the flax prices are also up. Now, when both prices are up, then protecting margin even in a premium situation can become debatable. So, on the one hand we are going for premiumization, on the other hand raw material prices are up. So, we think overall we should still look at some gross margin improvement, but it may not be humongous because there are tailwinds and there are headwinds both.

Deepali Kumari: Okay, sir. And sir, on the sleepwear side, I guess you are deciding to stop that. So, what was the annual drag on EBITDA from this segment?

Satyaki Ghosh: It's about INR20 crores was the annual drag. So, that we should get back, but this year to do that we have had to take some provisions and that is evident I think in the data that you have.

Deepali Kumari: Okay. And sir, one last question. What is the margin difference between an MBO and EBO and LFS?

Satyaki Ghosh: So, the best margins come in EBO because there you are D2C, ma'am. It is your product, it is your store, and the consumer buys directly from you. There is absolutely no doubt that for any company EBO is the most profitable channel. After which comes the MBO because in MBO you distribute and the consumer buys. In LFS, it is like for a FMCG company modern trade, LFS is like that for us, that the retailer is also strong and they negotiate. But when they negotiate, you also think that you build brand when you go to a LFS. For example, if you go to a Shoppers Stop and see a beautiful 12-foot, 16-foot wall of Park Avenue or Raymond Ready-to-Wear or Ethnix, then it registers to you that this is a brand of importance. More LFSs in Shoppers Stop, Lifestyle, you know, Reliance, and these kind of central, these kind of LFSs keep your brand, it becomes easier to distribute in MBOs because the MBOs then recognize you as a bigger brand. So, everything has its utility, but profit-wise EBO first, MBO second, and LFS third from a pure profit perspective.

Deepali Kumari: Okay. So, sir, what is the targeted revenue split between these channels?

Satyaki Ghosh: So, these guidances actually we do not provide, but if you look at, there'll be a e-commerce piece also in there. So, out of offline, you can imagine EBO will be our biggest channel, followed by MBO, followed by LFS in terms of volume because LFS are only those many in the country, right? MBOs there are a lot of numbers and EBO we are free to sell what we sell and how many ever doors we want to open.

Deepali Kumari: Yes, okay, sir. Thank you so much.

Satyaki Ghosh: Thank you, ma'am.

Moderator: Thank you. We will take the next question from the line of Avinash from Motilal Oswal Financial Services. Please go ahead.

Avinash: Thank you, sir. Thank you for this opportunity. So, my question is regarding the Branded Textile segment, which is the core cash cow. So, if I look at it like four years back and till now, the revenues were barely up and the profitability has actually declined compared to the FY '23 level. So, I mean, I know there are a bit of uncertainties that happened in between, but how should we look this segment going forward? What are the opportunities here in terms of the profitability drivers?

Satyaki Ghosh: Sir, can you please repeat the question once more? It is not very clear on this side.

Avinash: Am I audible now?

Satyaki Ghosh: Better now.

Avinash: Yes. So, my question is regarding the Branded Textile segment, which is the cash cow for the company. So, if I look at the numbers from FY '23 to '26 over the last four years, revenue has barely gone up and profitability has declined. I understand that there are a few things that went wrong, but how should we look at this segment going forward? I'm not asking for the guidance, but what would be the drivers of profitability for this segment?

Satyaki Ghosh: So, Branded Textile as a business in India keeps growing at a particular growth rate, low to medium single digit. The business is also moving from particular tier of cities to the next layer of cities where the demand for fabric and stitched fabric still remains. The occasion for stitched fabric is largely around marriages and occasions and Diwali and festivals, etcetera., when large-scale buying happens. And the good piece here is that the Tier 1, 2 cities are coming back to designers and bespoke tailoring.

So, more and more in cities like Bombay and Delhi, you'll see designer shops opening up. They are not only the big designers but a lot of small designers creating bespoke, and that's an opportunity for fabric business. So, fabric business going forward, my take is that should keep growing in lower single digit in volume. We will preimmunize, so we will try to do value growth higher than volume growth.

We will also casualize, like I said, because people are moving from full suits to jackets, they are moving to corduroy, they are moving to, you know, blended material which suits them in every occasion and every climatic condition. We will adapt to these, we will service the top-end boutique distribution, we will go to lower town classes.

And as Raymond, we support a large ecosystem of tailoring, which we will ramp up from this year onwards once more, almost how, you know, hairdressers' thing was supported by some of the beauty companies. So, we are going to build that. I have experience in it; I came from L'Oreal and we changed the salon industry. We will try to do things for the tailor and try to be the best recommended brand. This is our cash cow; our job is to protect this.

Second, on the export side, you know, fabric, when you do fabric business, you should also know how-to do-good export business because the world buys readymades, but readymades need fabric. And you can do profitable business in Europe and U.S. by exporting fabric, so we will explore that with more intensity along with our garmenting business, which is pure fabric export.

So, we will find levers in lower town classes, in boutique business, in export businesses by preimmunizing, by casualizing, by working with the tailors to build this business. I believe that we will build gross margins over here and I believe it will come back to the older profitable -- older levels of profitability over a period of time.

Avinash: Okay, okay, understood. And the next question is same thing regarding the Branded Apparel. So, in this space, you have recently built a INR2,000 crores of brands. But even if I look at it like the pre-Ind AS EBITDA margin adjusted for the rental cost, even at a INR2,000 crores base also, it is still in the loss-making. So, apart from the A&P that you will be trimming down going forward, what other levers are there for this segment?

Satyaki Ghosh: So, our strategy remains consistent. Number one, I'll reiterate again, is premiumization and number two is casualization. Amongst the four brands, ColorPlus is our frontrunner for our casualization drive. If you look at the consumer today, consumers are wearing, like I said, less suits but more jumpers, more jackets. People are wearing a lot of knitwear, people are wearing a lot of denim, people come to office with denim. So, we will lead this casualization chart with ColorPlus.

We are changing the entire design system; we are putting digitization in demand in design system. I don't want to use the small -- the cliched, much-cliched AI word, but today everybody is moving towards that and we are taking steps towards building our design capabilities on AI. So, we will shorten our supply chain, we will shorten the turnaround time, and we will have much better designs which will come through web crawling of the best of the best in the world. So, our design capabilities are going up.

ColorPlus will lead this chart, but if you look at brands like Raymond Ready-to-Wear and Parx at the lower price point, but ColorPlus more in the EBO and the more evolved segment. In terms of Park Avenue and Raymond Ready-to-Wear, our casual portfolio is right now about 15% of our total revenues, and we are still quite a formal-looking brand. The whole idea is to push the limits and take it from -- it was 10% year before, it's 15% now -- to take it towards 20%-25% and over a period of time aim towards 45%, which does not mean that I will let go of the formal segment where I'm strong. I just have to grow on the back of casualization.

In the Formal segment, we are making special products, the non-iron shirts where you don't have to iron, etcetera, etcetera, and we will keep preimmunizing, and these are the segments that we will focus on where, the K-shaped recovery will help us with an opportunity over there. So, we will change the design system, we will force casualization.

We will work on premiumization, we will improve our product quality, and distribution will keep becoming better because I talked about stores opening and stores closing. We will be more calibrated and keep our apparel stores in the higher town classes and stop some stores which are not making so much money and not making sense. So, the mix keeps becoming better and it keeps giving us operational efficiency and we get into a virtual cycle.

Avinash: Okay, got it. And one last book-keeping question. So, the capex for this year is around INR180 crores. Can you give the breakup of this and how should this number be going forward?

E.C. Prasad: So, the capex for the next year also would remain almost on the similar lines. So, of the INR180 crores, INR50 crores is on account of our SAP implementation that we did. About INR60 crores on account of our new garmenting factory in Hyderabad, and the balance are all new stores and plant maintenance capex.

Avinash: Okay, sir. I'll join in the queue. Thank you.

Moderator: We have the next question from the line of Mayank Vaswani from CDR India. Please go ahead.

Mayank Vaswani: Thank you for the opportunity. My first question is for Mr. Ghosh. Sir, it's still fairly early days in your tenure, so would just like to hear your thoughts on, what excites you with this, 100-year-old brand that you are now at the helm of, and which of the verticals, whether it is the Branded Apparel or the Garmenting. Do you see, holds a lot of potential and if it does even come close to potential, we could possibly see doubling or tripling or more over the next two to three years?

Satyaki Ghosh: So, thank you for the encouragement. I missed your name, what's it -- Mayank. Thank you very much. It's almost like a warm welcome to the job, and coming from somebody who's not my boss or not from the organization. Really happy to get the question.

So, I'll tell you my motivation of joining this organization. I think when you get a chance in your life to work for a 100-year-old brand and everybody thinks, even analysts like you think, that there is an opportunity of doubling and tripling it, you imagine if you are in the thick of the things and you are the guy who is supposed to lead that.

It gives you a huge amount of excitement, energy, gives you enough topics to stay awake in the night, right? We also know and you as analysts know that Raymond has promised and always not delivered to that expectation. So, I would try to make promises that I can keep and I want to be a person who really builds this with a lot of passion.

There's an opportunity of a cultural change here, there's an opportunity of complete digitization over here, and then you imagine that you are at the helm of a brand Raymond which arguably is a top 10 brand in India amongst Indian brands. If you ask an average consumer, "Tell me 10 brands on the street," he may say SBI, I don't know, he may say LIC.

I don't know, he can potentially say Raymond. All of us I think we have had one Raymond suit. All of you can ask yourself, maybe your Shadi suit was Raymond; mine was for sure. So, when I got this opportunity and I thought it's a 360-degree revival of the brand, but the brand already does INR7,000 crores, already has double-digit EBITDA

So, it is not that you are going into a pond where you have to discover the pond. The water is there; you have to clean it and make it bigger and make it much bigger. So, I think the opportunity really excited me and hence I came.

From the verticals that you talked about; I think the biggest opportunity for us is Branded Apparel. Last gentleman asked me that you've built a business of close to INR2,000 crores. Where do you think it can go? I think if I stay a decade and work a decade for this organization, sky is the limit.

We should really double down on Branded Apparel and build our brands, make them digital, make them relevant for the new-age consumer. The big challenge for me would be the brand piece where Raymond, everybody thinks it's my brand because I am quite old now. I'm saying Satyaki's brand.

Earlier they used to call it uncle's brand; now I am the uncle actually. So, I don't want to be the target consumer for Raymond. I want somebody who is much younger than me to be the target consumer and I have to create it with my marketing team and I am really excited about it. And then there are ancillary brands like Park Avenue, like Ethnix

Everybody has a right to live and how do we build the brand step by step by step, I think that excites me. But Branded Apparel, big opportunity. Garmenting, I think huge opportunity because nobody makes suits like us. We make suits for brands that on this call I cannot take my customers' names, but if you come and meet me someday, I can tell you

I can take you to my factory and show you which global big brands that you buy suits at I don't know what prices are made by Raymond because Raymond is one of the best organizations to make suits globally. So, shirts also we make well, but suits you have to come to us to see how well we make suits in garmenting.

So, our product is fantastic. Our reach in US was great. We will double down on Europe and UK and I think this business can really step up. That's my feeling. Some of the nascent businesses let me talk about. Our home business turned EBITDA neutral last year and it should make some money this year.

Our innerwear business, which we were struggling with, our products are fantastic. So, if you go to the market and buy Park Avenue top-end innerwear, you will see the product is as good as the runaway market leader, if not better. That's the feedback that we are getting.

So, this year we will consolidate on innerwear also, we will clean up the system and put new product, but I can assure you that in the next two years innerwear as a, add-on to my apparel business would be another profitable business that we start driving. So, there are many, many verticals that I am very excited about. Does that answer your question?

Mayank Vaswani: Yes, sir. Wonderful, wonderful. So, my next question is for Mr. Prasad. So, sir, I'm sorry if this is a repetition, I just wanted to understand on the store count. As we indicated, we will continue to rationalize the underperforming stores

But we've seen the network now come to about 1,650-odd stores. So, if this continues for the next two or three quarters, do we see the network dipping below 1,600 or would it go as low as say 1,500? I know one doesn't have the answer.

Satyaki Ghosh: No, no, I will take the question. It will not dip below 1,653. In a particular month it might that I open 10 and close 15, but for the year, we will open more than 100 gross and we will close in between 50 and 60, so net 40 addition will be there and at the end of next year, I think you should hear a number around 1,700.

And this year is about consolidation, right? So, that is why we are not going very gung-ho. But EBO, like I indicated to the lady before, is our most profitable channel and we will take off on this at some point in time. We just want to be ready; we want to keep our strategy ready; we are working with the strategy partner.

We want to understand the clear science of opening 90% stores that are right because everybody makes mistakes, but we will get all those pieces right and most probably, if we do decent this year, then next year we will really talk about expansion. But that we will see closer to the end of this year. That's the answer.

Mayank Vaswani: Noted, noted. And just one last question from my side. Fairly commendable performance on the working capital front. So, sir, what further levers do we see to take this even lower? I'm talking about the NWC days.

E.C. Prasad: So, I think there are a lot of levers, especially around debtors. So, we have now started our reviews trying to bring down our -- clamped down on the overdue outstanding. So, all of that has actually helped us. We will also be working on the inventory and we are actually targeting less than 70 days of working capital, sorry, yes, less than 70 days of working capital in the next financial year.

Satyaki Ghosh: So, we came from 87 to 77 this year. We will target another 8-9 days to take off from the working capital and give you a much happier picture next year. This is what we attempt-- we would attempt, but we think there are enough levers to do that.

Mayank Vaswani: Wonderful and wish you all the best. Thank you.

Satyaki Ghosh: Thank you, sir.

Moderator: We will take the next question from the line of Ashutosh Joytiraditya from ICICI Securities. Please go ahead.

Ashutosh Joytiraditya: Yes, hello. Thank you for the opportunity, sir. So, my question is on relatively smaller business, which is Raymond Ethnix. So, just wanted to understand how is the competitive intensity there, how is the demand, and like in last one, one and a half years, like after the success of Manyavar, there like has been sudden jump in many regional or even smaller players who have come up in this space.

Especially if you see like UP or Bihar market, there are many small players who have actually ramped up. So, just wanted to understand how is the overall growth here and what kind of opportunities do you see here?

Satyaki Ghosh: So, you're right, Ethnix, this Shadi market, Manyavar really led it. And kudos to them that they did and hence others have jumped in. The market keeps growing, this market keeps growing and we will participate in this growth. I think we are recalibrating, like I said this year is about consolidation.

So, we are recalibrating this business and we are thinking that, where do we have the right to succeed? There's a Manyavar brand which is doing well, you are saying. Last one and a half years, maybe the growth is not that high for them because others have come in, exactly what you said, in other markets local players are coming in.

And in this category, as you would understand that a Bengali Shadi and a Punjabi Shadi and a Tamil Shadi and a Maharashtrian Shadi, the dresses are quite different. So, it is quite difficult for a national brand to replicate something in their factory like a black suit and sell it everywhere. This is about customization.

So, that we realize after running Ethnix for some time. Hence, we think that for the year of consolidation we will concentrate on the product on two fronts. On the product, we will rather than being the bridegroom's main brand, we would be the brand for everybody else around the bridegroom. So, these are lighter products, less structured, but the numbers are higher.

And once we double down on this, this is like kurtas, bandis, what used to be called Nehru jackets, what is now called Modi jacket, that kind of stuff, we will really double down on them because here, apart from our Ethnix stores, we have a right to succeed in our -- The Raymond Shop where you go in to buy suiting, shirting or any readymade apparel.

You might want to buy a kurta, etcetera, from me and that distribution for me is given. My EBO network is very solid and it is growing. So, I have a right to win as a bridegroom's friends' brand. And I let the bridegroom buy from the local guys who are really sitting in Bihar and know what the Bihari bridegroom wants maybe better than me.

Second, I think we will also venture into Indo-Westerns, which are, let's say Indo-Western is a bandhgala instead of a sherwani. We make the best suits in the world, at least in the country there is absolutely no doubt that who makes the best suits. And in those factories, a bandhgala is really a very decorated jacket.

And we have a right to win on our production capabilities and design capabilities on that. So, once again, it becomes the bridegroom's party's dress bandhgala, while the bridegroom may be wearing a sherwani that is very locally designed. So, we will get onto this.

And the third piece that I talked about is AI stepping into designing. This is the next big tool for us to attack the bridegroom with heavy products, but that maybe we will do after our year of consolidation. This year, we will clean up our Ethnix business, we will provide merchandise. We will distribute it better through our TRS stores apart from our Ethnix stores.

And we will attack the bridegroom's friends while the bridegroom can come in the future, by that time we'll get our hyper-local design sensibilities right. Does that answer your question?

Ashutosh Joytiraditya: Yes, sir. I think that is very detailed answer. Thank you, thank you for that and all the best for FY27.

Satyaki Ghosh: Thank you.

Moderator: Thank you. We will take the next question from the line of Dev an Individual Investor. Please go ahead.

Dev: Yes, thank you for the opportunity and congratulations on a good set of numbers. So, firstly on the Branded Apparel segment, wanted to understand how should we think about the sustainability of this growth momentum we have witnessed going forward? You believe the current growth in this Branded Apparel can sustain over the next few quarters?

Satyaki Ghosh: Thank you for the question. I think the directional answer is an emphatic yes. The only problem in India is that today people are getting a little spooked by the West Asia war and the way the share market is going. When share market doesn't do well, the affluent class, they don't lose money, I don't believe they lose money

They are just seeing their paper money go down and they feel that their conspicuous consumption should not be that much. That is the only problem. The growth projections for the country which were at high 7% point something high are coming down towards 6.8%, 6.6%, different agencies are talking about that.

So, that indicates that the conspicuous consumption comes down and Branded Apparel frankly is not dal, rice, etcetera. It is not essential; it is just good to have. But most categories that we do business in, right from my food FMCG days to personal care FMCG days, I have worked in discretionary categories and discretionary categories in small price points actually bounces back very well.

Because in difficult times you don't put big investments in big things that you want to do, but you still want to satisfy yourself as a consumer and you buy the smaller things that give you happiness. And hence I think Branded Apparel directionally will keep growing. India is urbanizing, India is moving forward directionally, and there is absolutely no reason to believe that our growth momentum will drop.

Dev: Right, right. So, that is helpful. And so, secondly on this Garmenting business, is there scope for this current traction to continue going forward?

Satyaki Ghosh: Actually, next year Dev, should be much better than this year because the US thing has become better, EU is responding, our order books are solid. Let me tell you that my first quarter order books are completely full. I am doing the latter half of second quarter order booking right now. So, our order books are solid.

Unless something dramatic happens in the Middle East war or US comes back with another 30%-40% tariff under some other pretext, in the current business situation, order books are very robust and there is absolutely nothing to worry about growth in this business.

Dev: So, have the inventory levels like across our customers now normalized? Like, could that also potentially act like as a tailwind for us in the next two-three quarters going forward or?

Satyaki Ghosh: US -- I am thinking you are still on the garmenting business. The US pipelines are quite good because US could not import from a lot of countries, not only India. People who got 35% also, everything that they import the prices were going up, right, for the consumer there.

So, they kept holding, kept holding and they kept selling, so their pipelines are decent right now. There is no major in US. And US orders are coming back. Europe, the markets are not great, but like I said every difficulty we have seen post-COVID, the recovery always has been K-shaped.

So, the premium part of the market actually there is no problem where we operate in Europe as well. In the domestic market, like I said with 6.6%, 6.8%, 7.2%, this kind of GDP growth numbers. If a brand that is not the market leader, like our Branded Apparels and we are not market leaders, if we do not beat the GDP growth percentage, then you have to do it. And hence I think double-digit growth should happen in Branded Apparel.

Dev: All right, all right. So, that is helpful, sir. That's all from my side. Thank you and all the very best.

Satyaki Ghosh: Thank you, Dev.

Moderator: Thank you. We will take the next question from the line of Ujjwal Lal, an Individual Investor. Please go ahead.

Ujjwal Lal: Okay, thank you for the opportunity. Most of my questions have been answered. I just have one question for Rakesh sir. Is he on the call, right?

Satyaki Ghosh: No, Rakesh is not there on the call. Prasad is here.

Ujjwal Lal: Okay. So, I had a question that Raymond Limited has bought around 4.85% of our company's stock. So, what's the rationale over there and like are they planning to increase this? I think maybe Prasad can't answer this. We'll give you a pause on this.

Satyaki Ghosh: Rakesh will answer this maybe the next quarter when we speak. You come back with this question; I'll get Rakesh on the call.

Ujjwal Lal: Okay, sure. Thank you and all the best for this year.

Satyaki Ghosh: Thank you, sir.

Moderator: We will take the next question from the line of Amrish Kumar Singh, an Individual Investor. Please go ahead.

Amrish Singh: Hi, good evening, Mr. Satyaki. Congratulations on your new job and wish you all the best. I'm sure we are in safe hands. The question to you is, like our corporates, I'm sure you work on numbers, forward-looking numbers.

So, what is the revenue targets that you see three years, five years, and 10 years down the line? During the call, I heard you say 10 years from now. I wish you and me both are here. What are the numbers we are looking at that stage?

Satyaki Ghosh: Sir, I have done 100 days of Raymond job and I have done 88 days of the job after taking charge. I have taken charge on 9th February; you are talking to me on 7th May -- 88 days. And February is a smaller month, if I calculate it's less.

So, difficult for me to talk about 10-year and five-year turnover plans, but directionally in these first 90 days, I have gone through a pitch process of the top consultants of the country and we have finalized one of them. We will shortly announce that and they will work on a long-term strategy for us.

We will work together and see what are the opportunities. what are the levers that we can push and how can we take this company somewhere. Another individual investor I think said that Raymond can double, can triple if you push the right levers.

So, mentally I am there with you. Number-wise I am not sure because I am still new in this business, though I am absorbing very, very fast and totally in charge right now, but I would like to give it some more time before I start committing these kinds of numbers.

Amrish Singh: Got it, sir. A leading question from here: what is the timeline we have with our consultant to come up with the plan? Can we look at it in the next concall?

Satyaki Ghosh: Most probably no, because we've just finalized, so one round of cost negotiation Prasad and team will do, and so that -- you are an investor in the company, you don't want us to hire a consultant at the wrong price. We will get the price right and maybe if we start now, they will start work around 20th-25th May, if not 1st June

Because they'll have to get a team together, etcetera, etcetera. Strategy project is also somewhere between 12 to 14 weeks and then presentation another two weeks, so let's look at 16 weeks. So, June, we are looking at October. I think November-ish we should have a plan and start execution on it, let's say third quarter. So, after that maybe we can have a discussion.

Amrish Singh: Thank you, Mr. Ghosh. I think directionally we are on track and hope we keep the pace. All the best.

Satyaki Ghosh: Thank you, sir.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, with that concludes the question-and-answer session. I now hand the conference back to Mr. Satyaki for the closing comments. Thank you and over to you, sir.

Satyaki Ghosh: Thank you, ma'am. I would like to thank all the investors, whether you're corporate or individual investors, for attending the call and asking questions that were very, very pertinent and thought-provoking. Some of the questions we are taking back with us, we will try to answer them in due course of time, like the last gentleman's question also.

We just want to assure you that a new management team from Group CFO to me to your CFO, which is Raymond Lifestyle CFO, your new CMO, and we are right now on the lookout for a new CIO, which hopefully we should be able to announce next quarter.

We are creating a new management team; we are really excited about this 100-year-old brand and its transformation. This year will remain the year of consolidation after the year of recovery where we have recovered well, double-digit top-line growth, high, very high double-digit 20% plus bottom-line growth.

We will look at this year once again as a double-digit growth in the year of consolidation. Bottom-line should grow faster than top-line, so we will give you decent returns this year. And if we consolidate and build our strategy well this year, then next year maybe we will talk to you about some kind of acceleration and moving forward.

But thank you very much meanwhile for remaining invested. I'm Satyaki. I have worked with big multinationals globally: in Paris with L'Oreal, in Thailand with ABG, in Hong Kong with Pepsi. I come with the best practices from these organizations. I worked for General Electric.

And I am really committed to turning this Raymond Lifestyle business around along with, Rakesh, Prasad, Kalpana, and all of them. You are in good hands and we hope we will deliver on our promises this year. Thank you very much.

Moderator: Thank you members of the management. On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you all for joining with us today and you may now disconnect your lines. Thank you.