BRAND CONCEPTS LIMITED
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Date: 21.08.2026

To,
National Stock Exchange of India Limited
Listing & Compliance Department
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai - 400051

To,
BSE Limited
Listing & Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Symbol: BCONCEPTS

Scrip Code: 543442

Sub: Transcript of Investor Call held on 19th August, 2026.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Listing Regulations, copy of transcript of the Investor call held on August 19, 2026 at 02:00 P.M. (Indian Standard Time) to discuss Company's performance for the Q1 & 3M FY27 ended on 30th June, 2026 for the FY27 is enclosed.

The aforesaid information is being uploaded on the Company's website at www.brandconcepts.in

This is for your information and records.

Yours Sincerely,
For Brand Concepts Limited,

Swati Gupta
Digitally signed by Swati Gupta
Date: 2026.08.21 11:17:00 +05'30'

Swati Gupta
Company Secretary and Compliance Officer
Mem No. A33016

Brand Concepts Limited

Q1 FY27

POST EARNINGS CONFERENCE CALL

August 19, 2026 2.00 PM IST

Management Team

Mr. Abhinav Kumar - Whole Time Director and CEO

Mr. Manish Peshwani - VP, Commercial

Mr. Kalyan Maheshwari - President, Finance

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Moderator: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY27 Post Earning Conference Call of Brand Concepts Limited. Today on the call from the management, we have with us Mr. Abhinav Kumar, Whole Time Director and CEO and the management team. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also, this is a reminder that this call is being recorded.

I would now request the management to detail us about the business performance highlights for the period ended June 2026, the growth perspective and the vision for the coming years, post which we will open the floor for Q&A. Over to the management team.

Abhinav Kumar: Hi, am I audible?

Vinay Pandit: Yes, yes. You are audible.

Abhinav Kumar: Vinay, I am actually joining from another system. There is some system problem. So, we will just log out and we are joining again from another. Sorry. Sorry for the initial glitch here. Okay. Hi. Good afternoon, everyone. Just a lot of introductions. I am Abhinav, Abhinav Kumar. I am the Whole Time Director and CEO of Brand Concepts. And I am joined with on my left, Mr. Kalyan Maheshwari. He is President, Finance and Accounts. Ms. Swati Gupta, she is the Company Secretary. And on my right is Mr. Manish Peshwani. He is Vice President, Commercial. So, welcome, everyone, for the FY27, Q1 post earnings call. And thank you all for taking your time and joining the call.

So just giving a summary, in terms of the revenue, we have grown by almost 11%. Our EBITDA growth is also very good, according to the revenue. And also, reduction in certain expenses that I had informed earlier also that we are working on reducing certain overheads, certain expenses, optimizing our resources. So all that has led to a healthy EBITDA growth as well. The bottom line, the PBT loss has widened marginally. It's again, continued pressure from higher depreciation interest costs and other operating investments.

Giving an outlook of the -- from the sales perspective, we have been consolidating most of the channels, focusing on the sustainable, better margin growth rather than just chasing a higher top line. So there are certain consolidation exercises that we have undertaken and very happy to share where things are going as per plans. One major restructuring that we have done is in our e-commerce, where certain high volume SKUs were realigned to certain channels. This is pertaining to a long-term strategy of sustainable growth. And hence, momentarily in this quarter, we have probably suffered some dent on our primary billing. However, our secondary continue to be strong.

So very confident that we should be able to bridge this gap in the coming quarters. Even in terms of modern trade, our focus is more on focusing on high-throughput counters, where we are healthy at the bottom line. There still seems to be a lot of challenges in terms of pricing pressures and new incumbent players coming into our category, specifically when it comes to the travel wear category. The pricing pressure still remains to be there. External conditions are not very, very bright. At the same time, it is further fuelled with war situations, which have escalated the cost of raw material to go up.

At the same time, curbing travel or reduction in travel is being seen. However, in spite of all of this, we are very, very happy and proud to share that we have not lost market share. On any basis, we have not lost market share. There are a lot of bigger companies in the premium space who have lost actually market share to new incumbent players. But thankfully, our company has not lost any market share. So, this is a very silver lining in the thing.

Another thing is we have been consolidating our BAGLINE. Last time also, I mentioned that we feel that single monogram stores are going to be more healthy for us. So, we have been consolidating on the BAGLINE. We have closed down certain stores, which were not profit-making, which were the bottom end of the thing. So long story short, in retail, every now and then, you need to clip your tail. And we have successfully undertaken that whole activity of clipping down the tail so that we remain profitable.

Our focus is on optimizing the balance sheet, optimizing our resources, and we are very confident that we are able to do that. So with this, we can open the session for Q&A.

Question-and-Answer

Moderator: Thank you. All those who wish to ask the question may use the option of raise hand. In case you are unable to raise your hand, just drop your question in Q&A box and we'll ask on your behalf. We'll take the first question from Ankit. Ankit, you can go ahead.

Ankit Kanodia: Yeah, thank you for taking my question. This is Ankit Kanodia from Zen Nivesh. So, I really admire your philosophy of not going with what the general D2C players are doing in the market. Just wanted to understand, given that they have the financial muscle power and the way we have shared in our presentation about expanding to categories where probably we are entering into those categories where these guys are not there because they are majorly into -- I've been to some of their stores, they are majorly into luggage, and most of their luggages are sold through e-commerce at hefty discount. So, is it right to assume that increasingly our revenue will have more share of non-luggage items going forward?

Abhinav Kumar: See, I believe it's not that our luggage will not grow. We foresee that or we are very, very optimistic that even our luggage business will grow. In fact, as a matter of fact, from Q1 to -- from the last Q1 to this Q1, we have in fact grown in luggage, right? But the growth is probably low single digits, growth in luggage. Overall, travel care, we are sort of in negative, but not because of luggage, because of backpacks where certain SKUs, we needed to consolidate certain high volume, but low throughput or low margin items were sort of -- we had to take a call and discontinue a few of them. But otherwise, luggage has been growing.

But to answer the question in a broad way, luggage will keep on growing. I don't see a rhyme or reason for that. But current trend is that discounting is the way to lead, right? With all these new players coming in and sitting on a lot of private equity money, the idea is to grab market share from their side, right? They want to grab market share at -- even if the pricing is unsustainable, even at that price, they want to grab that market share. We haven't taken that route yet and we don't intend to take that route.

We don't want to do anything which is at an unhealthy pricing. Our new hard luggage plant gives us the opportunity to compete with a lot of these players at a fair price, market price, right? So that is a route that we are taking, backed by our manufacturing. We'll be able to compete better in the market. And apart from this, the other categories, we see strong momentum and hence we keep pushing on it. So I believe going forward, it's not one category getting marginalized over the other. I think we'll see a combined effect of all the categories coming together.

Ankit Kanodia: Yeah, that was very helpful. My next question is, see, we have our advantage in terms of manufacturing, but when it comes to sales and especially sales channels, the two big sales channels, which we have, one is the modern trade and the other one is e-commerce. And I think it is very difficult to escape the competition there from these D2C players. And if they are in the game of reducing their price point, how do we manage to still follow our philosophy of not going down that ladder of reducing price and yet manage to increase our sales? That is an area which I am unable to figure out.

Abhinav Kumar: So if I tell you, for example, in terms of travel gear, if I talk about modern trade, so if I talk about, for example, Shopper Stop, our growth this year from last year has been upwards of 12% at the secondary level. Primaries, we are, as I said, we are trying to optimize every counter. So if there is excess inventory anywhere, we've been trying to optimize all of that. But our secondaries continue to be strong. See, the biggest challenge that one has in travel gear versus the other categories. So now there is a luggage available for as low as INR900. So the question is, how will we be able to sell a luggage for INR8,000, INR9,000, correct? Now, if I take a parallel example of, for example, the apparel category, there are shirts available for INR200 also, right? You get a round neck t-shirt in Decathlon for as low as INR300, INR400. And it's a decent quality t-shirt. It's 100% cotton, decent quality t-shirt. But then people are ready to pay INR1,500 to INR2,000 rupees for a US polo t-shirt.

They're ready to pay INR3,000, INR3,500 rupees for a Tommy Hilfiger t-shirt. They pay INR8,000 rupees for a Hugo Boss t-shirt. So it's about -- it's not only about buying that product, it's about the perceived value of buying a brand, right? Sadly, in our category, specifically in travel gear category, nobody has focused on, or let's not talk about anybody else. I'm saying, consumers are still not that brand savvy, right? The brand penetration is still at a very low percentage level of the entire consumer base. But today or tomorrow, this is bound to happen.

Today, you might, you might shift -- a consumer might shift from an unbranded to a branded buying a branded INR1,500 rupees or INR1,200 rupee luggage rather than buying an unbranded. But eventually, all these consumers will aspire to grow ahead, right? And touchwood, if I talk about, for example, Tommy Hilfiger, we've launched some high price point, premium price point product. We've launched products at INR32,000 a set, set of three. We've launched product at INR27,000, INR28,000 a set, where the competition is selling, your mass brands are selling at INR4,000 to INR6,000, INR8,000. Even your new age players, premium brands, they are also selling for INR12,000, INR13,000, INR10,000 for a set.

And our top sellers, by volume also, in our top sellers, the INR27,000 set, the INR32,000 set comes in our top sellers. So I would say that consumer today is very, very discerning. He understands the value that they're getting. So, if at the premium end of the market, I believe there is still a resilience which the consumer has. And I think we should be able to capitalize on that.

Ankit Kanodia: Thank you so much for the elaborate answer. My next question was related to -- see, ultimately any retail business which has retail stores like ours, they report SSSG, same store sales growth. Any idea or any plan of doing that? I think our presentation is very detailed. I should congratulate you and your IR team for those details. But if we can just include SSSG also as a metric, I think that would be very helpful.

Abhinav Kumar: We will, we will. See, right now, what is happening is we are also, as I said, this year is a year where we are also looking at certain consolidations, clipping of our tail. So once we've done all of that, I think we'll be in a much better position to share that information with all of our investors. And I've always maintained, all of us at Brand Concepts, we maintain that transparency. So, I don't have an issue in sharing that. So, we will probably, going forward, but give us a couple of quarters and we should start sort of putting a matrix together so that we are able to give you guys the correct picture on same store growth.

Ankit Kanodia: Great. Sir, one last question before I go back to the queue. In our presentation, in one of the slides, we have clearly highlighted phase one, phase two, phase three. Phase one is the foundation building, which is already done. Phase two, which is the platform expansion, which we are under. And phase three is the operating leverage. I'm not asking for a definite guidance, but conservatively speaking -- sorry, how many quarters down the line do you expect us to move into the phase three?

Abhinav Kumar: I think phase three would happen if I speak conservatively, about one and a half years from now.

Ankit Kanodia: Okay. Thank you so much, sir. I'll come back in the queue if I have more questions. Thank you and all the best.

Moderator: Thank you. We'll take the next question from Neysar Parikh. Neysar, you can go ahead.

Neysar Parikh: Yeah. Hi. Thank you. Hi, Abhinav. So, first of all, I just wanted to get your update on the Tommy Hilfiger license. Yeah.

Abhinav Kumar: So, I think there is a delay from the international counterparty. But we have been promised our business plan and everything is approved. So, if I can actually mention this, that we've got an assurance from the India team. Even the India team has not received their renewal. So, as soon as they receive, it's Tommy International giving the rights to Tommy India, giving the license to Tommy India, Tommy India giving the license rights to us. So the license rights of Tommy India is also not done yet. But I'm given to understand it is just a paperwork and we are very, very confident that our business discussions, business plans, all of that is already done and closed.

Neysar Parikh: And the last time we had a three-year license, you had mentioned that this time you will try for a longer 10-year license. So, just from a broad contractual perspective, in terms of both the duration as well as the terms like royalty, etc. Where does it stand? What will be different and same?

Abhinav Kumar: Yes. So, I can officially on record say this, that our 10-year business plan, royalties, figures, numbers have been closed. So, it's just the paperwork that we are waiting.

Neysar Parikh: And the royalty will be, is there any step?

Abhinav Kumar: Same.

Neysar Parikh: It will be same?

Abhinav Kumar: Same, same, same.

Neysar Parikh: Okay, got it. Okay. My second question is on manufacturing. Now it's been, I think, maybe a year or plus. So, just where do we stand in terms of our utilization? How much share are we doing in-house outsourced? And we were expecting margin benefits to obviously come in. So, if you can give us a bridge kind of thing to say that how much benefit has come in and how much of that we have had to pass on to the channel, either as pricing or discounts, that will just give a sense of the manufacturing benefit.

Abhinav Kumar: See, so inside the first phase of manufacturing, we set up the PC unit and very happy to share that we are already at 80% plus sort of a utilization of that. Currently, the entire thing is internal consumption. We have yet not started producing for external clients. The second leg of the manufacturing investment was on PP plant, on one PP machine, right? So, we've taken one PP machine at the moment. And that also, as we speak, trials are done. We are beginning with the production. By, at best in the next two months, I think we should reach 75%, 80% capacity over there also. So to put in perspective the PC unit has about a 25,000 kind of production capacity and same would be a PP, right? So, both together would be about a 50,000 capacity. Today, we are operating already at a 20,000 capacity plus. And by October or latest by November, we should start reaching about a 40,000 pieces a month.

In terms of margins, we are seeing a benefit. In fact if I internally, we do a SBU kind of this thing, very happy to report that the plant is positive at a 20,000 level itself which we had earlier anticipated that will take at least 30,000, 35,000 units for the plant to sort of breakeven or make money. But we have been able to do that in 20,000 pieces itself. In terms of what sort of EBITDA, see, it becomes very difficult because it is all internal, right? So, it is all internal consumption. So how do you take this, how do you, what do you load over there and what do you load over here?

But I believe that at a 40,000 pieces, I think the plant individually, if it was not applying to Brand Concepts, we would have easily made between a 11%, 13%, approximately a 12% kind of EBITDA at the plant level. So, that gets passed on to Brand Concepts. How much are we passing on to the -- in terms of pricing? I would say a bulk of it today to stay relevant, to get this thing right, we are passing on bulk of it in terms of our pricing to the end consumer at the moment.

But I believe once things start to settle down, see there are 10, 15 new players who have entered, who are currently flush with money, everybody is clamouring for growth. But do you think all 15 of them are going to survive? No, they are not. So, it is a matter of time. Rationalization will start happening in terms of pricing. And that is when we will also start seeing the true benefit.

Neysar Parikh: Right. My next was in terms of like, just like you said, they are flushed with money, right. And in competition, if we are sitting with debt and whatever our EBITDA is completely going into interest, so our operating cash flow investing, we are completely negative. Now to what extent can we sustain this? At some point, we are already closing stores as we speak. So, what is our capital plan? Because we can't assume they will run out of money in 12 months, maybe even we will. So, what do we do? Like, what is our plan over the next two years in terms of the capital?

Abhinav Kumar: See, even if you look at last year, Neysar, Q1 was negative. But we ended the year at a positive bottom line, right. Or I would say, let us call it a break even. You just, I think, around a crore plus. But this year Q1 negative does not mean that my rest of the quarters are going to be negative. So, as I said, we have taken some consolidation exercises, which is a temporary sort of, you call it a short term sort of hit that we have taken.

But I am pretty confident that we will be ending up very healthy this year. So, in terms of cash running out or money running out, I don't see that happening because I think we have already bottomed out. From here on, our working capital cycle is going to go better. From March to Q1 itself our stock has come down. So, we have almost INR4 crores to INR5 crores of inventory, which has come down stock holding, which means that INR5 crores extra cash flow has come into the system. So, I think we have enough and more leverage.

Right now, I don't see a point of, neither we are short of capital, nor I foresee that we will need a lot of capital. Yes, whatever debt was available at that time, we have taken that debt to fund the growth. And I think we have healthy margins, which will be able to cover this debt. From a long term perspective, probably once we are absolutely fine, we are absolutely good we also aspire that probably 5 years down the line we create a debt-free company. But that is a long term vision that we have. At the moment I don't think money is a constraint where we will not be able to sustain. Closure of stores is not because we don't have money. Closure of stores is because those stores were draining money. So we are cutting down on our losses.

Neysar Parikh: No, no, fair. Sorry, just if I could just follow up. What I meant is that do we do we plan to get some more firepower because from -- we might be breaking even, but from a operating cash flow, we are obviously negative. So, do you have any capital raise plans? Do you think infusing some equity, does that help to give us the firepower to actually fight? And when we are more in a growth mode, because obviously we have a bunch of brands that we've taken. So, just from that perspective, I'm asking that, does capital pose a constraint to growth, which otherwise you would have done if you had more capital?

Abhinav Kumar: No. So, we did -- the promoters have already infused money when we needed the capital for new brands and it was primarily for new brands. And we infused INR20 crores of promoter capital. Out of the INR20 crores, I think INR15 crores is already into the system. So, when we required, we funded it. And promoter himself putting in the capital goes to prove that that we are absolutely confident of the story of how we are going.

Neysar Parikh: Got it. Okay. I'll come back in a bit. Thanks, Abhinav. Thank you again. Thanks. Thank you.

Abhinav Kumar: Thanks Neysar.

Moderator: Thank you. We'll take the next question from Resha Mehta. Resha, you can go ahead.

Resha Mehta: Yeah. Thank you. I hope I'm audible.

Abhinav Kumar: Yes, you are.

Resha Mehta: Yeah. So on the consolidation bit, if you can just talk about that for each channel, when did we begin this consolidation journey and how far are we into nearing completion of the consolidation in each of these channels? And yeah, maybe I will ask my second question after this.

Abhinav Kumar: Good. You want to ask the second question right away or…?

Resha Mehta: No, I'll wait for your response. So, probably it will be more of a follow up.

Abhinav Kumar: So, see every channel -- retail as a business, or I would rather say every business, it's a cyclic process, right? So you have expansion, expansion, expansion, then you have some consolidation. And then once you consolidate, and then you again get into an expansion. So, it's not about one particular channel that we are consolidating. It's across all the channels. So we have had a good run for the past three to four years. We have expanded into multiple stores, multiple categories, multiple channels. But we are not a company which is chasing only top line growth. We are very, very focused that we need to have a healthy balance sheet, we need to have a healthy bottom line. And in order to do that, every channel will have some superheroes and some villains. You need to clip the villains, every channel.

So, we take that as an exercise. And we keep strengthening ourselves. So, there might be a particular, for example, in e-commerce, there might be one particular SKU, which might be giving you INR10 crores, INR15 crores of revenue. But you feel that somewhere that SKU has now outlived its age, you want to change that because as a brand, you need to have that health check also in place, correct? So you have to take those calls for -- you might have to let go of some short term benefits. But keeping the long term in mind, you will have to take those calls to protect the brand.

Resha Mehta: Sorry, Abhinav, my question was actually in terms of the timelines. I appreciate the reasoning behind the consolidation. I think that is mentioned in your presentation also. When did we start off this consolidation journey? And how far away are we from nearing completion in each of these channels? And also in terms of -- yeah, and also in terms of your retail stores. So, I think the number of closures are pretty sizable, right? And with new additional nine stores on notice. So when do we see this consolidation coming to a closure across channels? And probably then, can we expect growth to come back? So, that really is the context of asking this question.

Abhinav Kumar: Okay. Yeah. So we embarked on this, I think, last year, Q4 onwards, January onwards, we started sort of, we said, this season, we're going to take on the consolidation drive. So we've started on that. And I think we are almost, at the moment, I can safely say, Manish or Mr. Maheshwari can actually comment on this, but I think we are almost 80% through, 75% to 80% through.

Manish Peshwani: Yes, by September, Whatever stores, we have decided, we will be out of it.

Abhinav Kumar: Okay. So, by September, I think we should be through with this. E-commerce, as I said, we have already, whatever new listings that we have to take, we've already taken that. So, hopefully, from this month itself, we are now sort of getting back on track. In e-commerce, certain old, redundant, SKU styles have been done away with, channel strategy is in place. So, e-commerce, we are getting back within this month itself. We are starting to see the results. And from modern trade perspective, I think, by September, we should be done with all of this. Then going forward, it will always be a continuous process, but it will not be at a scale, probably, that we've done it right now.

Resha Mehta: So, which means that at a company level, we should probably get back to growth October onwards?

Abhinav Kumar: Yes, 100%. I would love to see it earlier than that, but yes, by October, for sure.

Resha Mehta: [Inaudible]

Abhinav Kumar: Sorry, your voice is not very clear, Resha. Hello?

Moderator: Resha, your voice is not clear.

Abhinav Kumar: We can't hear you, Resha.

Moderator: Meanwhile, we'll move to the next participant. We'll take the next question from Ranadeep Pal. Ranadeep, you can go ahead.

Ranadeep Pal: Yeah, thank you for the opportunity. Sir, my question is regarding the 19 stores which will get closed. So, how much would be the impact on top line? That is my first question. And we had earlier discussed about INR1,000 crore top line.

Abhinav Kumar: Sorry. So, one was on the impact of the closure of these stores. And second?

Ranadeep Pal: Yeah, we had earlier alluded about INR1,000 crore top line over 4, 5 years. So, are we on track on that target or we need to recalibrate?

Abhinav Kumar: So, answering your first question, Ranadeep, whatever figures that we report are post all these closures and everything. So now, one advantage that we have is we have a very healthy mix of the channels. So, for example, our EBO business overall, all the stores put together was about 10% of our overall business. So, even if we close a few bottom stores, the impact on the overall revenue is not going to be so high, number one. Number two, while we are closing the bottom ones, we are also opening new ones. We are still opening new high throughput area stores.

So, for example, just giving an example of a new brand Off-White, we opened one in Bangalore and we have already opened one in Delhi. And touchwood the initial response of our Delhi store is fabulous. It is giving us very, very good numbers. Even the Bangalore store, though our floor, the entire mall is not operational, a few brands yet need to come in. But we have been consistently giving good numbers, getting good numbers in that store. So, I might have closed a store which might be doing INR5 lakhs, INR7 lakh rupees of sales a month. But I've added a store which is now giving me INR30 lakh rupees sales a month. I've added a Delhi store, which on a weekend is giving me INR15 lakh rupees a sale. So, it's always a combination.

We've always taken a policy that whatever we are doing, we will obviously inform it to the consumer. So, don't get this thing by the fact that, oh, the company is shutting down 10 stores, what will happen? I think the previous gentleman also this thing that, yes, they don't have money that's why they are shutting the stores, nothing of that sort. And we are very much on track to that INR1,000 crores journey, no deterring from that.

Ranadeep Pal: Okay. Yeah, it makes sense. Thanks for the pivot. And my next question is, you have mentioned that you have not lost any market share at company level. But have we lost any market share at brand level like Tommy Hilfiger versus Urban Jungle or Mokobora?

Abhinav Kumar: No, no, no. Tommy, in fact, has overall we remained flattish. But if I see my ASP growth is better, probably volume, there might have been some low minus single digit negative. But ASP level probably we've grown and we are retaining the market share. Only place where I think we've not done to our true potential is, and I am being very candid and open about it, is yet Benetton. We've had a couple of strategies that we tried and which has not worked well for us. We have already revisited those strategies, pivoted ourselves and we are going on a new path now when it comes to Benetton. So Benetton, we've seen a de-growth in our primaries. But I'm very confident that this year we'll be able to turn that whole business around and we should be back on. We've covered for whatever lost opportunities.

Ranadeep Pal: Okay. And my last question, Abhinav, is that since you're cutting the long tail, so currently our inventory days is around 300. So what's our target inventory days? Like our competition mostly has around 120 days, right?

Abhinav Kumar: It's not 300 days, we had INR128 crores of inventory at March end. Currently, we have about INR123 crores by June end. So it's about 130 odd days of inventory, sir.

Ranadeep Pal: Okay.

Abhinav Kumar: Yeah.

Ranadeep Pal: Okay, then it's good. Yeah. Thank you.

Abhinav Kumar: Yeah. Thank you. Thank you, sir.

Moderator: Thank you. We'll take a follow up question from Ankit. Ankit, you can go ahead.

Ankit Kanodia: Yeah. Thank you so much for allowing a follow up. Sir, when I compare our quarterly results with the other larger listed players, what I see is that the seasonality is a little different in our case compared to them. So they have generally Q1 as their best quarter and Q2 is their weakest quarter. And in your case, it is just the reverse. I think Q1 is the weakest quarter and Q2 is the strongest quarter. Why is that? And is it going to remain like that in the subsequent quarter as well?

Abhinav Kumar: Very interesting question, Ankit. Actually, if you see, 2, 3 years back and the other listed players that we're talking about, I'm sure you'll be comparing us to either Safari or VIP. If you look at Safari also, if you study 2, 3 years back, you're absolutely right that Q1 used to be much bigger. But now I think over the past 1 to 2 years, if you look at, I think there also you will realize that Q2 has started becoming bigger, generally than Q1. And it also coincides with the fact that now even with these listed players, a large part of their business is coming from e-commerce. And Q2, you get a lot of primary orders from all these players and the supply happens because then you're preparing for the festive season. And hence, the supply generally happens, the primary filling happens in Q2. So hence, Q2 now has started tending to be bigger than Q1.

Ankit Kanodia: So, we'll have the same Q2 trajectory this year as well. Is it right to assume?

Abhinav Kumar: Yes.

Ankit Kanodia: And the EBITDA margin trajectory, which we have shown considerable improvement year-on-year, will that also continue to be there? I'm not asking for a definite guidance, but generally just a trajectory.

Abhinav Kumar: Yes, I hope so. Because all these changes, all these consolidations, everything that we've been doing, we've done it to make the balance sheet healthy. And hence, I foresee that EBITDA margins will continue to show a healthy trend.

Ankit Kanodia: And one last question. Is it right to assume that FY26 debt is the peak debt and probably by FY27 end, we'll have debt a little bit lower than what we see today in the balance sheet?

Abhinav Kumar: Yes, we do not intend to, at the moment at least, we do not intend to sort of take more debt. I think we've availed the government scheme which was available and it was prudent to do so. But apart from that, we're not increasing our debt levels. I think we are sufficiently funded for now.

Ankit Kanodia: And same will go for the depreciation also. We have done with all our manufacturing. So depreciation for FY27 end should be lower than FY26 or should be higher? Or what would be the trajectory?

Abhinav Kumar: Marginally higher because FY26 was not full year operation for manufacturing. So FY27 would be the full year of operation and hence the depreciation would be marginally higher. But just to answer your question also on another level, in terms of major CapEx investment, I think we are done for the next one to two years until unless suddenly we get -- we are seeing an order pipeline which is looking very, very healthy for our luggage plant. But until unless we suddenly get a windfall gain and we get 10 new clients even for our manufacturing and then we need to invest, I'll come back and I'll tell all of you guys that now we're choosing to invest further. But at the moment, I think major capacity expansion, we've done for the next two years at least. So you will not see any major capital expense expenditure happening for the next two years.

Ankit Kanodia: Thank you so much and all the best.

Abhinav Kumar: Thanks, Ankit.

Moderator: Thank you. We'll take the next follow up question from Resha Mehta. Resha, you can go ahead.

Resha Mehta: Yeah, thanks. Sorry, I had some network issues. So just on the depreciation and the interest bit, I did hear your response to the previous participant. So depreciation, INR4 crores run rate that we have seen in Q1, can that be assumed? So around INR16 crores for the full financial year, would that be a right number or would that still be higher?

Abhinav Kumar: Almost would be the same, Resha.

Resha Mehta: Got it. And then on the interest bit, I think so basically on the debt side, I think what you said was that, yes, by FY27 end, we should peak out on our debt. That understanding is right?

Abhinav Kumar: Yes.

Resha Mehta: Okay. And now just on your manufacturing. So we are at somewhere around like you said, 25,000 pieces per month capacity for both PC and PP.

Abhinav Kumar: For each, yes.

Resha Mehta: Yeah. So and you said you are at 80% utilization rate for each.

Abhinav Kumar: We are already at an 80% for PC. PP, we are now starting because PPE, you need you need moulds and that's a complicated process. So cutting a long story short, we've got one mould and we'll be getting another three to four moulds, three moulds at least by next month end. So October we'll start and hence I said either by October or max by November, we should be at 80% replacement in PPE as well.

Resha Mehta: So this existing plant or facility, what is the peak capacity that it can reach for both PC and PP each?

Abhinav Kumar: So the existing building few tweaking around changes here and there and we can have another 40,000 or another two lines set up in the same building premises. I will have to make small bit of investments for an FMS sort of warehousing and all of that, godowns and all of that, but that will not be a massive investment. So this particular building can suffice up to four lines and every line can have 25,000 peak capacity. So 100,000 pieces per month can be housed over here. Though there will be an investment required in terms of the machinery, two more lines to be set up. So net-net, just to give you a brief broad understanding, another INR10 cr. of investment can give us another 50,000 capacity.

Resha Mehta: Sorry, INR10 cr. can give us another 50,000 capacity.

Abhinav Kumar: Yeah.

Resha Mehta: Okay. And I did hear that you mentioned that we will also basically -- so basically the entire manufacturing facility will not be used for captive consumption. We would even have other clients for whom we may be doing third party manufacturing. Right. So was it always a part of the plan when we set out this plan or has it been an afterthought? Or if you could just highlight there. And out of this 1 lakh peak capacity, eventually how do we envisage a split between captive consumption versus third party manufacturing?

Abhinav Kumar: So third party manufacturing was always part of the plan right from the day we conceived. Even in our backpack unit, if you will look at one of our largest client today is the Samsonite group. We manufacture Go-To-Wander bags for American Tourister and other brands. So even with the hard luggage, we always had the vision that we will not keep it only on captive consumption. In fact, to be very honest, I personally believe -- I don't know, I might be right, I might be wrong, but I personally believe that of the total installed capacity neither your consumption should be more than 50% and the other way around also. So I think that gives you a very healthy balance.

So we always had plans that we will have third party clients also. And we are actually in talks with a lot of brands. We also look at, I particularly see a huge, huge opportunity of the export market as well. But probably currently looking at all the events that are happening around the globe, it might not be -- right now, it's a little difficult. It's tough waters, but eventually that could also fuel a lot of growth for us. And we will not shy away from all of that. We've built a world-class manufacturing facility. We've built a state-of-the-art facility. It's 100% compliant facility. So why not encash that? So it was always a part of the plan.

How much of -- whether we go to that one lakh today or tomorrow, again, right now, we're good with 50% capacity, 50,000 litres capacity. And most of it at the moment, 100% of it is in-house consumption. But tomorrow, even if we get third party, I would believe that for some time, I would want to run it at this level and keep maximum capacities to be consumed in-house. Then we will evaluate. Once the plant is running efficiently, all our metrics is in place, expansion is just a matter of putting in the money and purchasing those machines. So we are ready for that.

Resha Mehta: Just the last one? PC & PP is fungible?

Abhinav Kumar: PC -- no, they are not. So PC is a different mould, different technology. PP is a different mould, different technology.

Resha Mehta: All right. Thank you.

Moderator: Thank you. We'll take another follow up question from Neysar. Neysar, you can go ahead.

Neysar Parikh: Hi, thanks for doing my question again. So on the PP side, we discussed this last time also. So for the festive season will we be launching that? Because that could be the combination to the lower end.

Abhinav Kumar: Yes. Yes. 100%.

Neysar Parikh: And what like from a revenue contribution, do you see like that reaching what level for this year or season, however you track?

Abhinav Kumar: It's too early to say that. But see the cost of production of PP from a raw material perspective, from man power perspective, everything is better than PC, okay? So and because today there is this price sort of war which is there and a price factor which is coming so strongly, we believe this will give us a lot of bite. Okay, how much are we able to bite? How much are we able to chew? I think that we whether those styles are successful, not successful. If they're successful, then you can for sure tell you that straight away you can add up from October onwards, you can add up 20,000 pieces a month. And if I do the math right, 20,000 pieces a month at the average selling price, even if I calculate say at around INR1,500 that gets added.

But so I don't know how much that would be at a larger scheme of this thing. How much will come in value, but I think it will give us the confidence of sort of adding more lines. We will start seeing real volume growth.

Neysar Parikh: Right. But will we be competitive given that our skill is obviously like maybe in like 1%, 2% of what some of these larger players produce, PP at. So like will we be competitive from a cost perspective or will it get more expensive for us actually to manufacture in-house at a lower scale?

Abhinav Kumar: No, we'll be competitive. See, obviously, if you compare us with, say, a Safari, for example, they are already at, I think, a 10 lakh, 12 lakh pieces per month. And from what I hear, they have again bought another land in Gujarat -- they again have bought a land on which they can install another 10 lakh, 12 lakh. So obviously, to compete at that scale probably would be difficult in terms of costings. But the advantage with us, Neysar, is that we're talking about brands like Tommy Hilfiger. We're talking about brands like Benetton, Superdry, all of this. So I feel very confident that we'll be able to sell at certain premium.

Neysar Parikh: No, it makes sense. Last question is just you mentioned the brands, right? And that's where I want to get to that. Besides Tommy, if you can just talk a bit about how these other brands are doing and what is the plan? Because eventually they also need to fire. So just if you can talk a bit about the hits and misses over there.

Abhinav Kumar: So I think they've already started firing. See, Superdry and Off-White, I think they're too early to be talked about because we launched both of them in around April. So it's just been three months. Superdry, Touchwood, again, initial response is good. Off-White, I think, Touchwood, brilliant response we've got till now. We are already there in collective. We are already there on your luxury e-commerce platforms. Bangalore store has opened. We've opened the Delhi store. We're going to be doing the launch of the Delhi store in the 6th of September. Then we've already secured a location in Kolkata. And I'm talking the best malls in the country. So Bangalore is Mall of Asia. Delhi is DLF Promenade Mall, right? Kolkata, we're opening in Quest. Next, Q1, we'll be opening Bombay Palladium. And I mentioned this way back also when I've taken the brand that this will open up new doors for us. And which it has. So we are now in the top malls in the country.

We've seen good response of Off-White. But it's just been three months. So Superdry, we are already there in their own stores. Off Reliance, we're there in about 70-odd stores of theirs. We are already there in Shopper's Shop. So it's growing, it's expanding. We're taking our learnings. Some products are working, some products probably not working. But today that entire range is not complete. We haven't been able to launch Superdry luggage yet. Moulds have just come in. Trials are happening. So now we'll be launching Superdry luggage. So these two brands are relatively new.

But Juicy, I had launched last year. And I'm very, very happy to share that we're doing well in Juicy, in terms of our revenue, in terms of top line. Last year, we closed at almost what? INR14 crores? INR15 crores? INR12 crores. We closed at INR12 crores top line last year. And this year, we aim to cross at least INR20 crores, INR22 crores kind of revenue in Juicy. So we've been growing strong. All these new brands, as I said, are really, really doing well. They are firing, but give it a little more time. You'll start seeing very, very good results after that.

Neysar Parikh: And Benetton, what's the plan?

Abhinav Kumar: Benetton, we had some sort of strategic failure. So when we launched the first time, we went offline first. And then the market crashed. The pricing sort of crashed. And hence, we were a little, we were left irrelevant in terms of pricing in the offline market, in the distribution general trade market. Then we tried to pivot and we said we'd come online. But by then, obviously, online also was heavily discounted and a lot of pricing pressure. We had that whole inventory. So first and foremost, we had to liquidate all that inventory, which we did. And we had to recheck the strategy, we came up with new products. Back with our own manufacturing, we were able to lower those costs.

And now we are able to sort of segregate two clear, distinct lines. One, which we've dedicated to e-commerce, where we're playing that a sharp price point game. And even on the offline side, where we are launching, as we speak, we are launching by next month. We'll be there in the market, launching with new styles and this thing. In Benetton, we have another very good development. So hopefully we should be starting the CSD business also pretty soon in Benetton. So we should be entering the Canteen Shows Department with Benetton as well. In Tommy, we've already seen that success.

We are also, in fact now introducing other ranges apart from luggage, apart from travel gear, we are also introducing other ranges in Canteen Shows Department, and in Benetton. And we are also now getting into Canteen Shows Department with Benetton as a brand. So we're working on a sort of a 360 degree distinct product for each channel and then scaling the business.

Neysar Parikh: And Aeropostale, we are like planning to give up. And also any new brand that is any discussions or anything that or right now the focus is just on these brands.

Abhinav Kumar: We'll focus mostly on these brands, Aeropostale. Yes, time to give up, to be honest.

Neysar Parikh: Okay. All right. Thank you so much. And all the best.

Abhinav Kumar: Thanks. Thanks.

Moderator: Thank you. We'll take the last follow up question from Ranadeep Pal. Ranadeep, you can go ahead.

Ranadeep Pal: Yeah, thank you. So, Abhinav, regarding Juicy and Off-White, so how much percentage of the products we are doing in-house and small goods, leathers or in luggage?

Abhinav Kumar: So our categories, accessory categories, we are doing completely in-house, not in Off-White. Off-White is a complete import model. In

Juicy, our products, we are doing complete in-house, but apparel is completely imported. But now we are getting into getting the apparel also in-house. So we've already invested in the right team and we are starting small. We're starting with small India capsules. But I can safely say that this fall, winter, we'll have a very small India capsule. Spring, summer, obviously the capsule will go bigger. By next fall, winter, which is Q3 of the next financial year, I think 70%, 75% of even the apparel line in Juicy should be in-house, which would give us a much better margin.

Ranadeep Pal: And my last question. So do you have any target about the Off-White and Juicy, the number of store counts over next 12 months you want to roll out?

Abhinav Kumar: See Off-White, we have thought of five stores in totality. I think we are done for now. By next Q1, we'll be opening the fourth one in Bombay. And I think we are done for Off-White. There is a diffusion line of Off-White internationally. They have launched their brand by the name L/AB. We've got that as well. But there might be some store plans in that. But it's too early for me to talk about it right now.

But Off-White, Off-White, four say, four stores and we are done. Juicy, we already have three stores. I think we're going to open a couple of more. And then we'll not be in a rush to open stores. We'll understand these stores. We will take our learnings. We'll do all the metrics. We'll get all the matrices right. Once the matrices are right, once we know that the India merchandise is also doing well, then I think the potential is huge. But next one year, we're going to be cautious, going easy.

Ranadeep Pal: Sure. Yeah. Thank you so much. Wish you all the very best.

Abhinav Kumar: Thanks. Thanks. Yeah.

Ranadeep Pal: Bye.

Moderator: Thank you, sir. Since this was the last question, would you like to give any closing comments?

Abhinav Kumar: No, I think good. Thank you all for joining and taking our time and hearing me patiently. I think just as a closing this thing, I would like to say that we are now in a good position. And I'm very, very happy and very, very confident that this year should be a good year for us. And whatever bottoming out had to happen, I think has happened. So it's all upwards, up and upwards from here on. So thank you, everyone. And thank you for your good wishes always.

Moderator: Thank you to the management team for your valuable time. And thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You may all disconnect now. Thank you.