



13 August 2025

The Secretary
Corporate Relationship Dept.
The Bombay Stock Exchange
1st Floor, New Trading Ring
Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

The Secretary
National Stock Exchange of India
Limited
Exchange Plaza
Bandra Kurla Complex
Mumbai – 400 051

Dear Sir,

Sub: Audio Recording and Transcript of Investor call

We herewith enclosed the transcript of investors call for the financial results for the quarter ending 30 June 2025.

Audio recording of the investor call is available in the following link:

<https://www.youtube.com/watch?v=Ciz7t5uYv08>

This is for your information and records.

Thanking you,

Yours truly,
For Page Industries Limited

Murugesh C
Company Secretary

Encl: as above



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**“Page Industries Limited Q1 FY ‘26 Earnings
Conference Call”
August 07, 2025**

**MANAGEMENT: MR. V. S. GANESH -- MANAGING DIRECTOR, PAGE
INDUSTRIES LIMITED
MR. DEEPANJAN BANDYOPADHYAY -- CHIEF
FINANCIAL OFFICER, PAGE INDUSTRIES LIMITED
MR. KARTHIK YATHINDRA -- CHIEF EXECUTIVE
OFFICER, PAGE INDUSTRIES LIMITED**

MODERATOR: MS. NUPUR JAINKUNIA -- VALOREM ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Q1 FY '26 Earnings Conference Call of Page Industries Limited.

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 “*” then “0” on your touchtone phone.

I now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you. And over to you, Ms. Jainkunia.

Nupur Jainkunia: Thank you, Good evening, everyone, and a very warm welcome to you all to the Earnings Conference Call of Page Industries Limited.

My name is Nupur Jainkunia from Valorem Advisors. On behalf of the company, I would like to thank you all for participating in the company’s Earnings Conference Call for the First Quarter of 2026.

Before we begin, a quick cautionary statement. Some of the statements made in today’s earnings conference call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management’s beliefs as well as assumptions made by and information currently available to management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today’s conference call is purely to educate and bring awareness about the company’s fundamental business and financial quarter under review.

Now, I would like to introduce you to the management. Participating with us in today’s earnings conference call and hand it over to them for opening remarks. We have with us Mr. V. S. Ganesh, Managing Director; Mr. Deepanjan Bandyopadhyay – Chief Financial Officer; and Mr. Karthik Yathindra – Chief Executive Officer.

Without any further delay, I request Mr. V. S. Ganesh to start with his opening remarks. Thank you, and over to you, sir.

V. S. Ganesh: Thank you, Nupur, and good afternoon, ladies and gentlemen. A very warm welcome to the earnings call for the First Quarter of FY '26. As Nupur said, I am joined by Mr. Karthik Yathindra – Chief Executive Officer.

Yes. So, as I was telling you, I am joined by Mr. Karthik and Mr. Deepanjan. And I will briefly touch upon our business performance in the quarter before handing over to Deepanjan to take us through the specific numbers, following which, Karthik and Deepanjan will be answering your questions, and I will butt in wherever required.

As we are seeing across the industry, we were not an exemption when it comes to consumption. We experienced subdued consumption during this quarter, which has affected our offline retail treasury performance in terms of growth. This is partly structural owing to shift in festive consumption in the month of April when compared to last year. And it is also partly due to the general slowdown in retail, especially due to the heightened geopolitical tension in the early parts of May.

It is however encouraging to note that we have witnessed steady recovery since May with May being stronger than April and June stronger than May. Our online business continues to deliver robust growth. With demand being subdued and with our product pricing remaining unchanged, our focus and effort were concentrated on maintaining operating margins during this quarter.

We have continued to be agile and cost conscious through efficient raw material sourcing, optimum manpower deployment, focused marketing investments and tight expense controls to hold up profit margins within our target range.

Albeit modest revenue growth of 3.5%, I am pleased to share that we have achieved a profit after tax growth of 23.6% for this quarter. Our key initiatives and investment for the year including the SAP S4 HANA migration and the new Salesforce distribution management system is progressing well. And we are very well on track for successful implementation of these initiatives.

We have commenced commercial operations at the new Odisha plant this quarter and we will be continuing to scale up gradually in the coming quarters. On the product side, we launched a new fashion range of products under JKY Groove on jockey.in and select EBOs in the country addressing a younger target audience. The range seems to be well accepted and the initial response to the collection has been very encouraging, and we look to further strengthen the range and expand its presence in the coming months.

Our consumer reach through diverse sales channels continue to expand and at the close of Q1, we have a network of 110,400 plus multi-branded outlets; 1,490 exclusive brand stores; and 1,296 large format point of sales. Our online network through jockey.in, mobile app, and key online marketplaces continue to expand.

With the initiatives we are undertaking as an organization in all aspects of a business, our long-term outlook remains strong. And we are very confident that we will see a consistent growth trajectory in the coming quarters. We express our sincere appreciation for your tremendous support and trust in our company.

I will now call upon Mr. Deepanjan to take us through the specifics as far as the quarter is concerned. Over to you, Deepanjan.

D. Bandyopadhyay:

Thank you, Mr. Ganesh. Good afternoon, everyone, again, and welcome to today's Earnings Call.

Taking you through the Q1 Results:

Revenue for the quarter was Rs. 13,156 million, which is a growth of 3.1% over last year. Sales volume in the quarter was 58.6 million pieces, which was growth of 1.9% year on year. EBITDA in the period was Rs. 2,947 million, which was a growth of 21.1% year-on-year. EBITDA margin is 22.4%. With efficient raw material sourcing, stable sewing efficiency, and continuing cost optimization measures, EBITDA margins have remained strong. There was no price increase in the quarter.

Profit after tax was Rs. 2,008 million, which has grown by 21.5% year-on-year. Inventory days is 56 at the end of the quarter, which was 64 days in the beginning of the quarter. Networking capital was 48 days, again, 64 days at the beginning of the quarter.

We have availed a term loan in the current quarter of around Rs. 40 million, which is a credit link to get a benefit of the credit link capital subsidy and interest reimbursement schemes of Karnataka state government. This is for the upcoming KR Pet manufacturing facility. So we continue to enhance values to our stakeholders, while remaining strongly rooted in resource optimization and efficiency.

We can now take up your queries.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from Nihal Mahesh Jham with HSBC Securities. Please go ahead.

Nihal Mahesh Jham: Yes, greetings to the team. Sir, I had two questions. The first is on the growth part. You did mention about the fact that there was a certain impact because of maybe the shift in May. Even if I normalize that and take the average volume growth for the last two quarters, it comes to around 5%. So is that the expected normalized growth in volumes to expect, at least for the coming quarters? I know our aspiration is high single digits, but given how things are progressing, is that the better way to look at it in the coming quarters?

V. S. Ganesh: Nihal, yes, our expectation is much higher growth. The general retail environment is not so buoyant. That is why we had a subdued quarter. For us, with all the actions we have taken, we are aiming for a double digit growth when things normalize. And I think we have to wait for that.

But as far as brand is concerned, we are taking all necessary actions for that. One is not increasing the price, keeping the price under control, improving the products as far as the features are concerned, coming out with new and exciting products. Very concentrated expansion, which we are not looking at numbers, but a very productive expansion. Very, very focused intervention as far as marketing initiatives are concerned to create better awareness about the ranges and about the brand.

So all these actions will definitely help us. And as a country, the future looks very bright. It is just a question of passing or going through this phase. And then the recovery will definitely happen.

Nihal Mahesh Jham: Sure, sir. So the second question was on margin, with two parts to it. The first is that it is now four quarters since our margins have been higher than the guided 19% to 21% range. And we obviously have currently the visibility of how our raw material is. And despite in Q4, was mentioned that we are planning to step up IT costs. At least in this quarter, that is not visible. So how to look at margins as a whole for the remaining year or is this a structural step up?

Second part is that when we are seeing such a strong margin environment, does not it make relevant sense for us to invest a decent portion of it back into improving demand, rather than expecting for the overall macro to improve and drive growth?

V. S. Ganesh: Okay. So two aspects. We are very comfortable with the 19% to 21% margin. So, of course, there are some expenses, sometimes it is a question of timing, in certain quarters, the expenses can be higher because of payment dues or as far as projects are concerned, including IT expenses. But generally, we have been controlling costs without touching price and protecting margins. So it is not easy to do that, because it is continuous work on improving our operating efficiencies and making prudent investments.

We will continue to focus on that. As far as the second part is concerned, I fully agree with you. While we are controlling expenses, we are not controlling investments because our long-term outlook is very, very positive.

And therefore, be it the strategic investments in the IT side, be it on the distribution management system, SAP S4 HANA, or expanding capacities by way of new plants which are coming up, one in Odisha and one in Karnataka, coming out with new product ranges and investments in R&D, this will definitely continue unabated.

And that is because we know the medium-term, long-term story is going to be very positive for us. And we will continue to stay invested. So to answer your question, yes, we will control expenses. But we will continue to make aggressive investments, which are prudent for the business.

Nihal Mahesh Jham: Got it. So the 19% to 21% range stays for the margin as of now.

V. S. Ganesh: Yes.

Nihal Mahesh Jham: Thank you so much. I wish you all the best.

V. S. Ganesh: Thank you.

Moderator: Thank you. The next question comes from the line of Gaurav Jogani with JM Financial. Please go ahead.

- Gaurav Jogani:** Thank you for the opportunity. Sir, I will just follow up to the earlier part of the question. If you look at the gross margin expansion, it is the gross margin which is seeing a very sharp expansion and flowing through the EBITDA line. So if you could help us out, what is leading to this gross margin expansion really, and how much of this is sustainable going ahead as well?
- V. S. Ganesh:** Deepanjan, will you?
- D. Bandyopadhyay:** Yes.
- V. S. Ganesh:** Yes.
- D. Bandyopadhyay:** So, on the gross margin, while we compare the gross margin year-on-year, definitely, there is a sharp expansion, which is more of a reflection of the sewing efficiency over the years. So, we have been focusing on improving the sewing efficiency year-on-year for the last two years and three years. And that is what we saw that the increase in efficiency, more specifically, the labor cost per minute. So that has reduced as a part of the product component. So that is what is reflecting on year-on-year increase in the gross margin. But if you look at the sequential gross margin, that is Q4 last year versus Q1 now, there is not much of a difference in the gross margin. And the gross margin that you receive now is largely sustainable, and that will continue.
- Gaurav Jogani:** Okay. So generally, there is some variation in the gross margin on a quarterly basis, I am assuming, because of the interplay between the subcontracting expenses and the gross margin. So anything to read there? Because the employee costs this quarter around increased a bit sharply.
- D. Bandyopadhyay:** No, not much of a subcontracting part, while productions have slightly increased when we compare to the previous quarter, that is Q1 2025, there is an increase. But I think the major reason is the labor cost per minute has reduced over time. And that is reflecting in a sharper gross margin when we compare year-on-year.
- Gaurav Jogani:** Got it.
- V. S. Ganesh:** So sorry, Deepanjan, the employee cost increase is also because of the normal increment cycles.
- D. Bandyopadhyay:** Yes, which is more a Q1 phenomenon. But when we are comparing year-on-year, then the impact on gross margin is more because of the efficiency, which we have realized.
- V. S. Ganesh:** Correct, correct.
- Gaurav Jogani:** Sure, sir. That is helpful. Sir, my second and last question is with regards to if you look at the overall volume growth for you, and I am not talking about just the last one year - two years. But even if you look at a five year CAGR basis from the pre-COVID levels, the volume growth has really been in that high single-digit number only.

So apart from the recent slowdown in the demand environment, is there anything else, like competition from certain other players, not only the listed ones? Like, Trent now have seen very sharp increase in their innerwear sales. So is it there is some share loss, do you think, that is happening that is leading to the slower growth?

V. S. Ganesh:

Karthik, I think you will be the best person to --

Karthik Yathindra:

Yes. I mean, yes, I mean, we will have to put multiple things together to, in a way, respond to that. At a consumer level, yes, there is a possibility. But all the new entrants that you have spoken about are largely operating in the organized retail. Our trends, for instance, are in the form of private label, as far as innerwear is concerned, which has not directly come in play in the channels that we operate in.

In fact, our observation as far as competitiveness is concerned for Page, we have seen multiple brands exit the general trade channels in the last year or two years. When compared to what it was immediately after the pandemic, the intensity in competition has kind of become easier now. We do not know what the future holds, but as we stand today, that is how it is moved, with regards to competition in some of the core categories that we operate in.

Gaurav Jogani:

So Karthik, just to follow up, I mean in which segment are you seeing that pressure more? Is it the men's innerwear, women's innerwear, or the athleisure? Which segment are you seeing the intensity more?

Karthik Yathindra:

No. So see, as a brand today, we cannot identify one other brand with whom we compete with. That is because of the nature of business for Jockey and in a way work with multiple consumer segments as well as multiple product categories. So a competition, to have a view on that, we will have to first break down Jockey into multiple parts and then look at who is competition there. And when we do that, there are players in all the areas that we operate in. It is just that they are not common.

So for men's innerwear, there are different sets of competing brands which are very different from who we compete with for women's innerwear. Similarly, for athleisure. But intensity overall, from what it was about three years ago, is actually a lot better now in the marketplace.

Gaurav Jogani:

Okay, sure. Thank you, Karthik. That is all from me.

Moderator:

Thank you. The next question comes from Devanshu Bansal with Emkay Global. Please go ahead.

Devanshu Bansal:

Yes, sir. Hi. Thanks for the opportunity. So the volume has grown by 2%, but RM cost in absolute terms has declined by 8%. This actually implies that RM cost per piece has actually fallen by 10%. And this is a trend that we are seeing since the last couple of months. So wanted to check what is driving this. And pardon my ignorance, but I wanted to confirm this labor cost would be sitting in employee cost, right? So gross margin, if there is a lower cost of sewing from

a labor perspective, then it would sort of aid your lower employee cost, right, not the gross margin. So throw some light on that.

D. Bandyopadhyay: No, let me clarify that. So when you speak about product cost, product cost is naturally, since it gets into the inventory cost and cost of things, we capture three components in product cost, which is my raw material cost, labor cost which is cost of production, and related overheads, factory overheads. Combination of all these figures into my product cost.

So that is why when we say that the labor cost per minute has reduced, so this is because of the improved efficiency. It gets into my inventory cost or the product cost. So that is why any changes in labor cost per minute and the related overheads does impact my inventory cost.

So that is why what we are seeing now is that, yes, the raw material cost has not reduced. It has remained stable over the last few quarters. The effect of higher efficiency, the sewing efficiency, is what reflects in my manufacturing cost, of which labor cost per minute is a component. So the higher efficiency is what is reducing my product cost. And that is what we meant.

Definitely, as from a P&L perspective, employee cost is a separate line. But product cost captures all this thing. And over time, the way the labor cost per minute plays out, that does impact our product cost as well.

Devanshu Bansal: Sorry, I got confused from your last sentence. So this reported P&L that we see, the employee cost is including the labor that is employed in your factory. Is that the right assumption?

D. Bandyopadhyay: Again, P&L is a financial expenses or income presentation. The employee cost, which include wages, is definitely an expense item. Hence, it comes out separately. But at the same time, when you say product cost, it also includes the entire manufacturing cost component. So manufacturing cost is three factors, raw material cost, labor cost, and related overheads.

Devanshu Bansal: Fair enough. So this 41% cost that is there, what does that include which is seen to us in the P&L?

D. Bandyopadhyay: It includes all the three components. Whenever you speak about product cost, it includes all the three components.

Devanshu Bansal: Understood. And secondly, just to follow up on Nihal's question, so you are targeting double-digit growth. But as of now, because the average has been about 5%, so current demand environment is sort of indicating a 5% kind of a trend in terms of consumption. Is that the right number?

V. S. Ganesh: Very, very difficult to predict this, Devanshu, because it is very volatile out there. It is anybody's guess with so many geopolitical things happening, tariff pressures. Now we see a lot of pressure in the IT sector.

So we have to wait and watch about this. So it is anybody's guess. But as I told you in the opening commentary, we have been seeing month-on-month improvement. May was better than April. June was better than May. So that gives us hope. And one is because maybe because the market is slowly improving. Second is because of all the initiatives we are taking.

Devanshu Bansal: Understood, sir. And last question from my end. Sir, distribution from general trade perspective, over the last three quarters - four quarters has remained at 1,10,000 odd outlets. So what is your target performance here for this current year? That is the last question from my end. Thank you.

V. S. Ganesh: Karthik.

Karthik Yathindra: Yes. So Devanshu, actually, we have expanded in the last couple of years as far as distribution is concerned. Of course, we had reached 110,000 immediately after the pandemic, because a lot of non-traditional hosiery outlets were in a way tapped into retail Jockey products, which was rationalized thereafter in 2023. But thereafter, year-on-year, we have been adding anywhere between 8,000 outlets to 9,000 outlets per year. The target we have taken upon ourselves this year is also in the similar range.

Devanshu Bansal: Fair enough, Karthik, sir. Thanks for taking it.

Moderator: Thank you. The next question comes from the line of Videesha Sheth with Ambit Capital. Please go ahead.

Videesha Sheth: Yes, hi. My first question again was on the revenue growth bit. Two parts to it. One was that which part of the portfolio dragged the volume performance, was it innerwear-led or was it athleisure-led? And the second bit is, while you have indicated that no pricing changes have been made, feedback from the channel suggests that some hikes have been taken in part of the menswear portfolio. If you could clarify on that, please.

Karthik Yathindra: Thanks for the question, Videesha. We do not share category-level performance, but I would say that innerwear as a portfolio has been a bit more muted in terms of retail consumption when compared to athleisure in the bygone quarter. Not a big difference, but still a difference between the two. With regards to price increase, there has been no price increase taken. There have been a few changes made more to correct the ladder of our portfolio, which we would not really account to as price increase, which has had an effect of about 0.3 percentage points, 0.4 percentage points overall, if you look at it at a brand level. They were essentially price ladder corrections that were taken in a few steps.

D. Bandyopadhyay: And this was also affected in the last quarter, not this quarter.

Karthik Yathindra: Not in this quarter. This was actually affected towards the end of quarter three last year.

Videesha Sheth: Okay, got it. And the second question was, again, a follow-up on margins. Are these digital or IT spends that you are talking about going to be back-ended, which makes you retain the margin guidance? And also, what were the ad spends during the quarter?

- D. Bandyopadhyay:** So answering the second question, ad spend has been around 3.5%, which is slightly lower in this quarter. But I think for the entire year, we will still be in that 4% to 5% range. So definitely, the benefit of lower ad spend is affecting the margin to some extent. Regarding margin, can you just repeat the first question?
- Videesha Sheth:** Yes, the first one was that the digital or IT spends that you are talking about, are they going to be back-ended as well, which is making you retain the margin guidance?
- D. Bandyopadhyay:** No, no, these are actually --
- Videesha Sheth:** One is, of course, the ad spends as well that you talked about, that they will be higher.
- D. Bandyopadhyay:** Yes.
- Videesha Sheth:** Okay.
- D. Bandyopadhyay:** No, the digital and IT spends are based on the accrual concept, as and when we are incurring it or as and when the contractual liability starts, we do account them. So there is no back ended accounting of that.
- Videesha Sheth:** Got it. Fairly clear. And just a third question, if I may. In context of this Jockey Groove launch and focus on younger consumers, given that younger consumers are relatively less brand loyal, what gives you the confidence that they will display the similar stickiness as your older consumer cohort? That is all from me. Thanks.
- Karthik Yathindra:** Good question, Videesha. I do not think the expectation is to have a similar stickiness as the older consumer. The way JKY Groove has been conceptualized itself is to have more frequent changes. It would be a fashion line, a very, very tight, limited line. But having complete change in the styling and design season after season, much like how many fashion brands operate. So that is still going to be a part of the portfolio, addressing this particular consumer. So we are not expecting stickiness to a certain product. But as long as the other consumer can come in and experience JKY Groove and come and find something new every season within that particular collection, that is the intent.
- Videesha Sheth:** And this product line is largely outsourced or manufactured in-house?
- Karthik Yathindra:** Both. So it is not specifically designed to either be outsourced or manufactured. It could be a combination.
- Videesha Sheth:** Got it. Thanks a lot. All the best.
- Moderator:** Thank you. The next question comes from Ashish Kanodia with Citi. Please go ahead.
- Ashish Kanodia:** Yes. Thank you, sir. The first question is on the growth statement, which were made like May being stronger than April, and then June being stronger than May. Just wanted to understand that

like, across the quarters also there are some quarters which are stronger and then there are some quarters which are relatively weaker. So typically, is this a phenomenon you see across the years that month-on-month, as you go from April to June, there is a month-on-month improvement or was this the first time you are seeing this trend?

Karthik Yathindra:

See, there is no specific pattern. Obviously, quarter-on-quarter, the contribution to the overall number varies, but in terms of growth rates, there is no specific pattern. Last year, that is what we experienced. Quarter one for us was slower when compared to the subsequent quarters in the year. As the year progressed, our performance, both at a retail level as well and also at a primary level, improved for us.

This year, we do not know. We have seen that within the quarter till June. It is also largely to do with a very muted April because of the festive impact. We have seen recovery in May and thereafter further recovery in June. So as of now in the quarter, that is how it is been. And if I take last year as a trend, yes, we have seen improvements quarter-on-quarter for the year as the year progressed.

Ashish Kanodia:

So, Karthik, let me put it this way, right? When we look at the full quarter number, there is a 2% volume growth, right? If you look at April, May and June on a Y-o-Y growth versus last year, right, how different the growth profile would be? I understand, April could be maybe meaningfully different because of the early festive. But when you look at May and June on a Y-o-Y growth basis, was the trend very similar or was it different? And similarly, is like are you seeing any uptake in July or is July also kind of very similar to what you have seen last quarter?

Karthik Yathindra:

So I cannot comment on July yet. So I will keep my comment to the quarter. So if you just look at it from a number point of view, last year, we had reported about a 4% revenue growth in quarter one. By the time we ended the year, it was about 8% - 8.5% for the whole financial year of FY '25. And that is where I said that the performance improved quarter-over-quarter. It is a similar pattern we have experienced in quarter one alone. I am not sure whether that is a reflection of what we will see in quarter two and quarter three. I will retain my comment for quarter one where we have seen a positive trajectory month-over-month.

Ashish Kanodia:

Well, maybe I will take that offline. The second question is in terms of the earlier discussion around margins, right? Now, when I look at one, the EBITDA margin, you have a positive tailwind on the EBITDA margin. Even gross margin side, at least on the efficiency side, when you talk about improving efficiency, it looks like a structural advantage, right? That this benefit should continue. So in that context, for example, you talked about the correction in price product ladder, which had a positive impact, right, 0.3% - 0.4%.

As a brand, why not take a price cut or a price correction at the entry level price point, right, not across the portfolio, because at the entry level, if you take some price correction, it basically helps the brand to gain market share because the pricing difference between a, say, a lower brand product versus Jockey's entry level product, becomes slightly lower, right, and at least your

margins could easily support that. So from a strategy point of view, why is that not a thought process?

D. Bandyopadhyay: I think --

Karthik Yathindra: Yes, go ahead, Deepanjan, please.

D. Bandyopadhyay: See, there are two parts to this question. One is definitely the operating margin and whether it is right to reduce the price. Operating margin, I mean, we are in the range of 19%, 21%. Of course, it has been a bit higher in last few quarters. But as we have been telling and that is what is likely to happen, the subsequent quarter that we see, I mean, as we see, the margins will be within this range of 19% - 21%. This heightened or the increased margin of 21% plus is unlikely to be sustained. So we will come back within this range, more because our marketing spend will be in the range of 4% to 5%. And as we go ahead, our IT spends will be slightly on the higher side. So considering all these factors, it will be coming back within the range of 19% - 21%.

Coming to your question of why not price reduction to take advantage of the market, see, we as a brand all along have stood for value for money. And we are focused always on driving value to the consumer. So the kind of products or features that we provide in our products, our prices are very much in line with those features. So we do not see a requirement that by reducing price simply to capture the market share, our value proposition will be enhanced or will be affected. So we will maintain our value proposition and towards the same objective, we do not see any requirement of price increase.

Ashish Kanodia: Sure, Deepanjan. That is helpful. Thank you. That would be all from my side.

Moderator: Thank you. The next question comes from the line of Sameer Gupta with India Infoline. Please go ahead.

Sameer Gupta: Thanks for taking my questions, sir. And I know it is been asked by many participants, but just on this volume growth number. So 2% versus 8.5% last quarter, I understand that you mentioned the reasons as subdued consumer sentiments and festive timing mismatch. But frankly, we have not seen such a slowdown for any other retail company so far which have reported. Plus, you mentioned innerwear has seen a slightly more subdued and this is a more staple category. So, just wanted to understand a little more in granular detail. Any study or handle you have as to track brand relevance, whether those aspects are healthy, channel wise, if there is a problem, is EBO growing much faster than the GT channel? Any color that you could give additionally to what you have already given.

Karthik Yathindra: Sure, Sameer. Thanks for the question. I think it is probably the first thing on our minds as well, right? So, in terms of brand health and relevance for men's innerwear as well as women's innerwear as a category, brand score seems to be still at an all-time high. Just to get you in on the details, right, our top-of-mind awareness for the brand for men stand at about 55% and for women at about 36% - 37%, which has been the highest that it is ever been.

More importantly, we track a metric called MPB which is Most Preferred Brand. It is a general brand management metric where for men Jockey is at about 55% and for women, it is about 45%. Again, an all-time high that it is ever been since the time we have been tracking it. So, we do not have indications of the brand losing relevance amongst what we define as our target audience. In fact, the brand score seems to be on a high. This is through syndicated research.

Also, from anecdotal research that we collect when we speak to retailers on the ground, this is multi-brand retailers, as well as the information that we have on system, on record as far as our EBS stores are concerned, there is a marked drop in consumers at the store level.

That is what we have seen both in a multi-brand scenario as well as an exclusive brand scenario. And that is the reason we kind of push to attribute this more to the consumer level. And of course, the growth that are seen today is being aided by expansion. But at a consumer level, there seems to be stress at this point in time.

Sameer Gupta: Got it. Any difference in the MBO versus EBO growth rate?

Karthik Yathindra: No, at a like-to-like level, there is no difference. Of course, when you add in expansion, we have been adding about anywhere between 140 EBS to 160 EBS year-after-year. And hence, we have seen better growth rates overall as a channel. But if that were to be discounted and looked at a like-to-like store level performance, MBOs and EBOs seem to be performing in a similar manner, but there is a definite difference in performance between offline and online. Online seem to be growing a lot more robust and healthy when compared to offline.

Sameer Gupta: Got it. Second question is on the JKY Groove, the new launch product. Now just wanted to understand the thought process here. Is it coming after a feedback from the trade channels, because see, Jockey, as we know, is known for comfort and fit. Fashion is a different ballgame. It increases the risk of provisioning on inventory, dead stock, etc., and the competition here is much more intense versus your normal Jockey products, which stand for, as I said, comfort and fit. Also last year, we had experimented with jeans that have seen a limited success. So what exactly is the thought process behind launching this product?

Karthik Yathindra: Great question, Sameer. Thanks for the question. This is not a feedback from GT, not a feedback from retailers for the need for this. This is more to look at spaces for extending product portfolio within the brand ambit. That is where this is coming from. As you know, you have been following the brand over the years. We moved from innerwear to sleepwear, sleepwear to loungewear, loungewear to athleisure, athleisure to OneMile wear. We have also entered the performance activewear and we have seen large portions of success in all of these areas that we have gotten into. This is another space within apparel as a category and the apprehensions that you have are the apprehensions we have as well and that is the reason we have not gone out for a full-fledged launch from the get go.

What we did this quarter was more of a pilot just to understand how this space operates and whether there are going to be risks like you had mentioned. So this particular launch was

contained to just about 50 EBOs in the country and jockey.in and one other platform on e-commerce, just to assess what the response is going to be and also track business metrics in terms of turns, in terms of inventory, in terms of redundancy, etc., and this was launched about mid-May.

So, as I am speaking to you, we have about 75 days of tertiary data compared to the primary that we made and/or the products that we made and hence, sell through information. So far, the performance has been really, really good and promising. That being said, I do not think tomorrow, this will become the mainstay of Jockey or the face of Jockey or we will expand straight away to 50,000 outlets - 60,000 outlets. That is not the intent.

We will spread this area cautiously, look to expand in a methodical manner, season-after-season until we get a hang of this, get a clear understanding of what it means to business and how it affects our metrics. But it is an opportunity for us to talk to the younger audience. It is an opportunity for us to extend ourselves into a new space. That is how we are looking at it.

Sameer Gupta:

Great. This is really, really helpful, really detailed answer. Thanks for this. One more question, if I may squeeze in. This is specifically on the international business. Now, we have had these territories, Middle East and Bangladesh, Nepal, Sri Lanka, etc., for many years now. But we have not seen anything meaningful happening on the international front. It is still sub 5% as a percentage of sales. What is the thought process here? I mean, are you limited in terms of bandwidth to explore waters outside India? I mean, how do you look at it?

Karthik Yathindra:

Honestly, I think for many years now, the focus has been India. India has been writing the growth story for Page, not just for Page, for any category you look at across brands. And I think it continues to do so. The promise that India gives is there. It is intact and we are very, very committed to building the business here.

But about a year, year and a half ago is where we have actually consciously invested in infrastructure as well as resources to dedicatedly handle our international geographies. Now, some of these geographies are strategically not being entered into for reasons. But the areas that we have entered into, like we look at Middle East or Nepal, these are areas where infrastructure efforts and investments have been made in the last couple of years.

We have invested now a lot into research and market understanding so that we can, in a way, get back into these territories with a new niche, so to speak, right, and look at it with all intent now that we have invested in that geography. So, yes, at this point in time, it is a very small contributor to the overall revenues of the brand. But we are seeing opportunities in each of these geographies to grow and contribute in a meaningful manner to the overall revenues of Page. So we will see change in this area this year and the next year onwards.

Also, the entry into these areas has a long gestation period for us to actually launch or re-launch the brand to make it a success and have meaning in that business. And that is why you are seeing

that lag. But yes, when we do choose to move in there and build the brand meaningfully, that time we will start seeing results.

Sameer Gupta: Any target you have internally or whatever you can share as to what kind of contribution it should have, let us say, in five years from now?

Karthik Yathindra: No, I do not think we are targeting from a contribution point of view. Internally, there are independent business plans at a country level. That is the way we are looking at it based on the potential that the country throws at us, rather than looking at it as a contribution metric to the overall business.

Sameer Gupta: Got it. This is helpful. So, thanks, again. I will come back in the queue for any follow-ups.

Moderator: Thank you. The next question comes from the line of Ankit Kedia with PhillipCapital. Please go ahead.

Ankit Kedia: Sir, my first question is on the manufacturing cost. If you look, the volumes have been low in the quarter. So did we get some benefit out of that, given that the manpower cost would have been low, apart from the efficiency gains you are talking of? And by the end of the quarter, if the volume increases, say, by the end of the year, will we get leverage on that front or it will be in line to the sales or volume growth?

D. Bandyopadhyay: No, definitely. I think there will be a benefit coming from manufacturing efficiency. There are two parts to it. If the volume increases substantially, and that is what we are hopeful, that volume will increase in the coming quarters. So with increasing sales volume, there will be a requirement of increasing the production, and maybe the requirement of recruiting more people will also come in, though efficiency is increasing. So if there is more recruitment of workforce, then the benefit of higher manufacturing efficiency will be, to some extent, diluted. But if you continue to leverage the existing workforce and produce more, then the benefit of further manufacturing efficiency or overabsorption of overheads will flow into the manufacturing cost.

Ankit Kedia: Sure. And, sir, from the Odisha plant, we had some benefits from the state government. While we had filed it today, did we see some benefit of that also flowing? Because on the manpower front, we have some thousand manpower out there. So I do not think we are running at even half the capacity today. So how do we see that ramp-up coming in? And if the volume growth is say to a little bit high single-digit, when do you think the full capacity utilization of Odisha can happen? Given that we have set ourselves an Rs. 8,000 crore target, and this is a new plant, and another plant is expected to come in a year's time. So can both the plants be absorbed for the Rs. 8,000 crores of target you have set yourself or is these two plants for very long term in the future?

D. Bandyopadhyay: So both or even from our plans of expansion in the next few years, both these manufacturing facilities will be fully up and running. And also for a significantly longer term where there is more production requirements and more sales requirement, this will be good addition to our total capacity. At the same time, the Odisha facility as well as the new upcoming KR Pet facility, they

are much more modern, much more I would say technically and even from sustainability perspective, it is a much more modern manufacturing facility. So that also helps.

From the Odisha subsidy part of it, it is a bit early now because that is what the plan is while we have just started operations, the subsidies typically starts flowing in only from beginning of next financial year, nothing will flow in this year. So it is a bit early now.

Ankit Kedia: Sure. And my last question is for Karthik. Karthik, you said you did an external study where the footfalls were lower at the MBO and EBO level. In the study, did you see a retailer like a Zudio is gaining share in the innerwear category? Or the study was only for innerwear, where you would have seen that overall growth is not there, and probably some of the innerwear brands exiting the market in the MBO channels, but value fashion retailer gaining significant market share in a category which is not your competitor overall?

Karthik Yathindra: Yes. Thanks, Ankit. No, it did not come out clearly in the study to be honest. And also from a price point at which the brand that you mentioned operates in, it would, I would imagine come directly and compete with some of the economy brands that operate in that price point. Both in terms of product quality, the spec as well as price point, I do not believe that would directly compete with or will be comparable with Jockey as a brand that we operate in.

Of course, channel also is a play because for us, largely in the general trade and exclusive brand stores in the offline space where we operate whereas that would operate like any other private label so to speak. So, yes, I mean I do not have a clear answer to say yes or no, there is a possibility, but I am not sure whether that is what happened over here.

Ankit Kedia: And when you say the innerwear got impacted, how was the growth in the modern classic category of men's innerwear? Because that pricing would be similar to the retailer whom we are discussing. So is modern classic growth more muted compared to P1, P2 category for us?

Karthik Yathindra: No. So interestingly, across price points, we have seen consistent performance in the bygone quarter. And specifically to the comparison, even modern classic will be priced premium when compared to the player in question here.

Ankit Kedia: Sure. That is helpful. Thank you so much, Karthik.

Karthik Yathindra: Thank you.

Moderator: Thank you. The next question comes from Prerna Jhunjhunwala with Elara Securities. Please go ahead.

Prerna Jhunjhunwala: Hello. Thank you for the opportunity. First, I would like to understand the growth in the various channels. As you mentioned that, the MBO and EBO channel growth was similar and D2C continues to grow. What I was trying to understand is what restricts the physical distribution channel on growth apart from retail environment not being that great as mentioned earlier. Is there any challenge on footfalls or in terms of attracting customers to the stores? I mean, just

trying to understand, what is restricting the distribution channel growth, whether it is EBO or MBO.

Karthik Yathindra: Yes. So like I said, whatever growth we have posted this year is on the back of expansion in a way. So where the growth is being muted is at a consumer level, like-to-like. So that is where it is being attributed to walk-ins or consumption being subdued this bygone quarter. But otherwise expansion in terms of number of doors, in terms of presence has definitely gone up when compared to last year same quarter and also gone up within the quarter from March closing to June. So that in terms of efforts or inputs is on. We continue to expand, but where we have seen a stress is largely at a like-to-like growth level.

Prerna Jhunjunwala: And I understand that you are doing a lot of product innovation. But apart from that, any customer engagement activities that you have ramped up? Could you give some instances over that that could help us understand it, okay, the future growth rate should be much higher than what we have seen in this quarter?

Karthik Yathindra: Yes. We have a very robust marketing plan in place like we do every year in terms of strengthening brand with clear actionable call outs to make sure that we are able to drive consumption. That is how we are approaching this year as well. And over the last three years, our investment in marketing has gone up year-after-year and today, we operate anywhere between 4.5% to 5% in terms of investment in marketing. And that is the kind of investment that is going in as well this year.

It is just that in quarter one, largely owing to timing and how the sporting calendar is out, we are seeing a muted investment in quarter one. That is because last year, we participated in the World Cup campaign, which happened to be in the month of June. And hence, we are seeing a difference over there as far as this year is concerned. But otherwise, when you look at it in totality, full year to full year, we have a solid marketing plan in place, backed with adequate investments for us to activate consumers.

Prerna Jhunjunwala: Okay. And my second question is on GenZ, a younger audience product category that you have launched in JKY Groove. What is the current distribution reach that you have reached in that product category?

Karthik Yathindra: So like I said earlier, the --

Prerna Jhunjunwala: And where would you want to reach by the end of this year?

Karthik Yathindra: Yes. So I think we will have to take it one month at a time, one quarter at a time as far as this collection is concerned, because like I said, it is a test at this point in time. We need to see how it performs. The pilot itself was launched in 52 exclusive brand stores to be precise, as well as jockey.in. That is the level of presence that it had. It was not extended to the general trade market in the first season.

We wanted to keep it really tight, that we have very clear understanding of the sell throughs, as well as who is buying it. And it was a line of about 14 different products, plus colors and sizes, to also get a sense of what is appealing to this audience when it comes from a brand like Jockey. So at this moment, it is a very, very contained distribution. But as we go forward, as we learn more about this space, we will gradually increase its presence in the country, both across exclusive brand stores, as well as multi-brand retail.

Prerna Jhunjunwala: Sir, my last question is on women and athleisure categories. Your annual report talks about these categories being your focus going forward. Could you just help us understand, what will be the key initiatives that you plan to take this year to improve the growth rate in this category?

Karthik Yathindra: I think largely it is going to be product, in terms of what we will see in terms of introduction in the portfolio in these two areas. We are going to have a completely new range a new range of elevated premium products coming in as far as the women's innerwear space is concerned. It is just in a way going in now, just in time for the festive season and that is going to be one of the key pillars for us.

Also, in the athleisure side, we have done a lot of work in upgrading and elevating our existing products in terms of features, in terms of fits, to make it a lot more modern than what it is today to suit the younger consumer, at the same time, not alienate our existing loyal consumer set. So that has been a massive exercise that the product team has undergone with every product that is currently in the portfolio.

And then, of course, Groove is going to be a pillar when it comes in season two. And then there are a few initiatives, which I cannot give away too much at this point in time for all of our benefit, but that is something that is planned sometime in quarter three of this year. So, a large portion of focus, which is disproportionate in this area when compared to the other categories is going to be on product enhancement.

Prerna Jhunjunwala: Understood, sir. Thank you. And last question will be on inventory. What is the status of inventory levels for athleisure? Has it started declining as mentioned in Q4 call? There was a difference of around 7 days, as you mentioned, between the inventory.

Karthik Yathindra: At the partner level is what you checked, right?

Prerna Jhunjunwala: Yes.

Karthik Yathindra: Yes. So we are seeing a decrease month-after-month as far as inventory days are concerned at a partner level. I think I had mentioned the last time as well, as far as innerwear as a portfolio is concerned, we are already where we want to be, which is our optimum inventory level. Outerwear still has, like I think I would mentioned this last time, we will be taking the whole of this year, at least the first three quarters for us to reach an optimum level. But I do not believe that is holding us back in a big way in terms of performing both in terms of primary and secondary.

Of course, freeing up that level of capital at the partner level will help us introduce more relevant products for those markets, which should again help us in better secondary sell-throughs. But yes, it is a phase that we will need to live through, and I am hoping that in the next couple of quarters, we should be able to reach optimum levels with outerwear as well.

Prerna Jhunjhunwala: Thank you, sir. That is really helpful. All the best.

Moderator: Thank you. The next question comes from the line of Tejash Shah with Aventus Spark. Please go ahead.

Tejash Shah: Hi, thanks for the opportunity. And I have joined a bit late, so sorry if this question has been asked in any form before. Sir, we are now at the scale where macro trends dominate performance. And then we are seeing this in many other category leaders also across consumption space. Now one possible solution that we have seen off late is that to create a portfolio organically or inorganically within the larger portfolio of low index categories or brands.

Now since the brand vector is not with us, brand extension is the only lever that we have. And we have done many launches also in past with perhaps not with this mindset alone, but we have seen in many category extensions. So are there any bright spots in the portfolio clearly outperforming the average? And when you do the sum total, you can say that 20% - 25% of our overall portfolio is growing way above what the company is today delivering number.

Karthik Yathindra: Tejas, thanks for the question, right? But this is the function of the lifecycle in which that particular space within the portfolio is at. So definitely, there are going to be areas within the portfolio, which is outdoing the average. It is got to do with what stage of the lifecycle is that portfolio at and it is also got to do with how we cut the portfolio. So I can straightaway say, for example, accessories is a portfolio where we sell socks, towels, caps, handkerchiefs as a portfolio is outdoing the brand average by a big margin. That is also because it is in a nascent stage.

It is not completely fully distributed to the extent that we would like it to be, and hence there is a lot of inorganic opportunity for growth which is sitting over there. Further, if we had to dissect each of our portfolios further, right, let us say within men's innerwear, if you have to break it down further, or within women's innerwear, if you have to break it down further, either in the form of product types, either in the form of collections, either in the form of material groups, you will find parts of the portfolio that is outdoing the average, all of which are in a way opportunities for organic growth.

That is also because unlike FMCG or the number of SKUs that we deal with, which are truly differentiated from each other, either in the form of fit or product type or material or price point, there is opportunity for us to grow. So, yes, there are many parts within the portfolio today, which is far outdoing the portfolio average and leading that inorganic agenda for us.

Tejash Shah: Yes. And sir, JKY Groove, though it is actually kind of extension of what we just spoke about, but launching it just in 50 EBOs and only in our portal, what markers will actually give you

confidence from such limited launch actually will give you confidence to roll it further? And just wanted to know that is it like targeting a certain category of audience at the price point, because I was just looking at the site, it is largely priced below Rs. 1,000, and with some fashion risk element also in the product line. So broadly, just wanted to understand your view on here.

Karthik Yathindra:

Yes. So I think, I responded to a similar question just before. The markers that we are looking for is firstly consumer acceptance, because it is new for Jockey as a brand. Secondly, we are having a lookout for who is actually shopping this. Is it the existing Jockey consumer who is shopping this or are we attracting new consumers into the brand by making this available? The third is to see inventory turns itself and sell throughs, right? We had a certain plan. Obviously, because of the number of stores that we had planned for, we had planned limited quantities, but keeping in mind the number of stores, and hence store level performance of sell throughs is a very good indication of how things are happening. We are also keeping an eye because this is relatively high fashion when compared to what Jockey otherwise operates and what the kind of redundancy that is going to be left with at the end of the season. Are there anything that is going to be left at all? These are something that we are really looking out for so that we can build clear business metrics in this space before we can expand. And that is the reason it has been limited to the distribution that we have kept in mind. We believe it is sufficient width for us to get a clear reading of this part of the business. And then once we justify this to ourselves in terms of performance, kicking it would be relatively easier.

Moderator:

Thank you. The next question comes from the line of Rajiv Bharati with Nuvama. Please go ahead.

Rajiv Bharati:

Yes. Thanks for the opportunity. So, this is regarding JKY Groove. So this looks exciting. So the question is product market fit which you talked about. The way you offer this in trade channel, is that a marker to suggest that you have established the product market fit? And the continuation of that is the success of various launches, extensions, which we have seen over the years has gone down. How does trade actually accept this kind of launches?

Karthik Yathindra:

So see, there is already some level of inherent demand in trade for JKY Groove. We have been receiving a lot of requests from our partners in the general trade channels to extend the portfolio into their stores as well. Again, I am guessing this is because of the experience with which these retailers come. They deal with consumers on a daily basis. They have a fair sense of what will work with their consumers, what will not work with their consumers. Having considered all of that, if there is some level of latent demand for this, I am assuming that there is a market for this in general trade as well.

Whether we will consider it successful the minute it goes into general trade, I do not know. We have always taken a phased approach. We are taking the similar approach now. Even within our organized retail space itself, out of close to 1,500 stores that we have, it was today this is only at about 50. So, there is a long way of expansion opportunity available here as well. And then, of course, general trade is a massive opportunity which is also there. Once we are able to establish the relevance of this product at this price point from this brand for consumers in that channel.

Then we will go after expansion to make it available in as many test points as possible so that more consumers can come and experience this particular brand, which will flow into business as well.

Rajiv Bharati: Yes. Thanks a lot, sir. And all the best.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing remarks.

D. Bandyopadhyay: So, thanks again. It was really wonderful discussing the Q&A with all of you. So I think with this, we can close the earnings call.

Moderator: Thank you. On behalf of Page Industries Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.