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Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Mumbai-4000051

Symbol: FORCAS

Sub: Transcript of Post Earnings Conference Call for the half and financial year ended March 31, 2026.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of transcript of Post Earnings Conference Call held on May 25, 2026 on the H2 & FY26 Post-Earnings Conference Call of Forcas Studio Limited is enclosed. In this regard, a transcript of the aforesaid Earnings Call is attached herewith.

Further, the said transcript shall also be available on the website of the Company.

Thanking You

Yours Faithfully
For Forcas Studio Limited

Sailesh Agarwal
Managing Director
DIN: 02856973

Encl. as above



Forcas Studios Limited

H2 & FY26

POST EARNINGS CONFERENCE CALL

May 25, 2026 12:00 PM IST

Management Team

Mr. Sailesh Agarwal - Managing Director

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations Team, I welcome you all to the H2 & FY26 Post Earnings Conference Call of Forcas Studios Limited. Today on the call, from the management we have with us Mr. Sailesh Agarwal, Managing Director.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

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

Sailesh Agarwal:

Hello. Good morning, everyone and thank you for joining the H2 & FY26 earnings call of Forcas Studios Limited. On behalf of my entire team and Forcas management, I would like to thank all our shareholders, investors, analysts, vendor partners and employees for their continued trust and support.

FY26 has been a landmark year for Forcas Studio. This year, we successfully strengthened our position as one of the fastest growing fashion-led companies in our segment, while simultaneously building the foundation of our next phase of scale. I am pleased to share that during FY26, our revenue from operations grew to approximately Rs. 198 crores, reflecting a strong growth of nearly 39% year-on-year.

More importantly, this growth was accompanied by significant profitability expansion. Our profit after tax increased by nearly 58% year-on-year to approximately Rs. 13.6 crores, while EPS increased from Rs. 5.5 to Rs. 7.76. H2FY26 was particularly strong for us, where we delivered revenue of approximately Rs. 114 crores with PAT of nearly Rs. 8 crores, reflecting strong momentum across channels and brands. What gives us even greater confidence is that this growth is not coming from a single product or a single channel. It is being driven by stronger brand acceptance, better distribution, increasing online traction, improving operating leverage, and our expanding omni-channel presence. When I say that, I mean our e-comm, our distribution, and also our Quick Comm.

Over the last few years, we have consciously invested in building a scalable backend across sourcing ecosystem, merchandising, product

development, warehousing, distribution, e-commerce and marketplace integration. We believe that the benefits of these investments are now becoming visible in our numbers and will continue to do so. However, while FY26 was about strengthening the foundation, FY27 will be all about expansion and category creation.

So, I would like to share our growth strategy for the upcoming 2 - 3 years. We believe the Indian fashion industry is going through a major transformation. Consumer buying behaviour is evolving rapidly towards convenience-led and omni-channel consumption. We believe the next large opportunity in fashion will emerge through Quick Comm and instant fashion delivery. In line with this vision, we are pleased to announce our planned expansion into Quick Comm during FY27. We will be preparing to partner with more quick commerce platforms. Currently, we are already onboarded on Zepto, and in the month of March, we were onboarded on Myntra M-Now. Going forward, probably by next month itself, we should be live on Flipkart Minutes. The paperwork for the same is closed.

We strongly believe fashion Quick Comm is still at a very, very early stage, but the opportunity ahead is extremely large. Unlike grocery-led Quick Comm, fashion e-comm has a very wide SKU width and large option-based buying behaviour. Customers increasingly want faster delivery, more styles, more fits and instant access to fashion with Gen Z preferring to buy from their comfort zone, which is their smartphone. We believe this is the future of fashion retail in India because Forcas Studio already has strong sourcing capabilities, marketplace relationships, warehousing infrastructure, e-commerce expertise and distribution access. We are very well-positioned to capitalize on this shift.

Also, I want to share our plans to expand our brand TRIBE. So, our premium entry brand TRIBE did pretty well in FY26. We almost did 3.5 times of what we achieved in FY25, which was a testing phase. We see TRIBE as a strong premium fashion opportunity for the company. Going forward, we will aggressively expand TRIBE into men and women premium bottoms. We will grow this through our distribution network, online marketplaces and Quick Comm. Our objective with TRIBE is not just scale but premiumization and margin enhancement.

As all age Indian consumers increasingly are shifting towards better quality and better fits, we believe TRIBE can become one of our strongest premium growth engines over the coming years. Also, it helps to increase our ASP.

So, there is another segment which we are getting into which we were already into but now we have distinguished this from the prime brand that is Fitness Exchange. So, we initially started FTX by the name of Fitness Exchange and we started with active wear and athleisure. But gradually, we evolved into a more of casual and fast fashion brand as the customer acceptance in that portfolio was high. But we see a huge opportunity in the athleisure and active wear segment. So, we are launching Fitness Exchange as a separate brand which will operate in the semi-premium affordable segment and will focus on active wear, athleisure, sports-inspired fashion and also accessories. We will introduce products for categories such as yoga, gym, running, riding, biking, cricket, pickle ball, swimming, etc.

The athleisure segment in India is witnessing strong sub-structural growth driven by rising health awareness, increasing fitness participation, growth in sports culture and casualization of fashion. Under Fitness Exchange, we also plan to introduce accessories because we already have access to e-commerce, distribution network and Quick Com and we have seen through data that accessories are becoming a huge pull in the Quick Com segment. This gives us a major execution advantage and allows us to scale faster with lower infrastructure cost because our base infrastructure is already ready to channelize all these three sales avenues.

So, strategically, FTX will continue focusing on scale, creation in the economy fashion segment targeting Gen Z. TRIBE will focus on premiumization and margin expansion and Fitness Exchange will target the rapidly growing athleisure opportunity across age groups. This multi-brand architecture positions us strongly for the next phase of growth.

So, our FY27 outlook is, looking ahead we remain highly optimistic about the future. The Indian organized fashion market continues to offer long-term opportunities. So, our FY27 focus will be scaling our brands, expanding Quick Commerce presence, strengthening our omni-channel distribution, improving our margins and building stronger consumer connect.

Based on our current visibility and expansion plans, we remain confident of delivering approximately 25% to 30% annual growth while continuing to improve profitability and brand strength. We believe Forcas Studio is entering a very exciting phase of growth and scale creation. I would also like to state that the consumer is largely shifting

from unorganized to branded clothing and category-wise brand creation is going to be the key for the future.

Thank you once again for your continued trust and support. We can see the presentation. It's already there with everyone; it has been mailed. We can open now the floor for the questions.

Question-and-Answer

Moderator: Yes, sir. If anybody wishes to ask a question may use the option of raise hand. If you are not able to raise hand or put your question in the chat box. Sir, we'll take the first question from the Majid Ahmed. Majid, you can go ahead, please.

Majid Ahmed: Am I audible sir?

Sailesh Agarwal: Yes, Mr. Majid. You are.

Majid Ahmed: Yes, sir. A very good set of numbers, sir. Congratulations for that. Sir, my first question that I have is going forward, earlier we used to guide 30% to 40% growth for next two years. And currently, we have reduced our guidance to 25% to 30%. What is the major reason for that? And secondly, I want to know about how we're looking to improve our margins and cash flow going forward?

Sailesh Agarwal: Okay, so I will answer -- that will be two questions. So, I'll answer the question one first. So, this year also, if you see, we have grown by almost 40%. We have always been communicating a growth of 25% to 35%. And we always like to understate and over deliver. So, we don't see our growth to be subdued by anything. Especially after Quick Comm coming in the picture we believe there will be a rapid growth there. Also, our e-comm has matured. And our brand TRIBE has done exceptionally well, both in distribution and digitally, we are just expanding it now. So just to not overcommit, we say 25% to 35%. But we are confident that we will overachieve.

And your next question was about the margins and the cash flow. So, we started testing the brand TRIBE in the semi-premium segment that is from the price point of Rs. 599 to Rs. 1,499. And this year, we have done almost 3.5x of what we did last year. So, the testing phase of that is over. We have found the right market fit products. We have found few hero products. We have reworked on our patterns, our colours, and the levers through which we can maximize the brand TRIBE. So, TRIBE is the brand where we are looking to expand our margins a little,

both through men and women. Also, taking TRIBE to e-comm and Quick Comm now, we'll see a higher ASP, again, because our overheads and the basic infrastructure is set. So over there, the premiumization will help us better our margins.

And this year, we are also starting with Fitness Exchange. So, Fitness Exchange will be the TRIBE of FY25. We will test the products and the market along with the categories I just mentioned. Fitness Exchange will be like a 50-50 clothing cum accessory brand. Because now we have our relationships with all the e-comm, Quick Comm and the distribution partners. We see because of the accessories not having the challenges which fashion has, the margins will improve there as well. But that is a gradual process. FY27, we will go easy with Fitness Exchange. We will do our market test. We have already done the data surfing and we have found out the gaps where we need to place ourselves. So, I believe these two brands going forward will help us improve our margins.

Majid Ahmed:

Got it Sir, but regarding the gross margins, this time we saw a gross margin of 25% in FY26. So how are we going forward with this mix between TRIBE and your FTX brand? How do you see the gross margin shaping up and the mix?

Sailesh Agarwal:

Yeah, I will tell you the gross margin will be given by three factors. The major factor is going to be Quick Comm. So, the Quick Comm this year had just begun for us, but we are seeing very good traction on it. So, we believe that at least a mix of around 10% to 15% of the business will come through Quick Comm, if not more. What happens with Quick Comm is that your logistics cost, the forward courier charges and the return courier charges go down drastically. And that helps any brand to improve their gross margins.

So gradually, Quick Comm is going to take at least 30% to 40% of the entire revenue, maybe in a couple of years. Over there, we will see a good scale in the margins. Number 2 is with FTX, we are operating only between price point of Rs. 199 to Rs. 599, whereas the TRIBE brand, we are starting with Rs. 699 sort of a price point and going up till Rs. 1,499, which after testing the market a little more, we might also expand. So, TRIBE is not going to be the only scale lever for us. It is also going to be the margin lever.

So, we are very hopeful that the mix of new brands and Quick Comm, also FTX maturing, we are launching a lot of new products, a lot of fashion products, and we are getting very good acceptance of our new

options, where we have also hiked the margins a little. So, a mix of all this, we believe, will showcase in improving the margins quite a bit. Commenting on the exact number on margin improvement is a little off. But yeah, means we are focused on that and we completely believe that our plans will work.

Majid Ahmed: Just finally want to know about the cash flow, sir. How are we then managing? Because last time in H2, due to winter season, you have to pay a lot of money upfront to your suppliers and how do now -- how are things shaping up with all this?

Sailesh Agarwal: See, we are getting very good response in terms of our brand visibility. So, what happens in this fashion business is, once you establish your brand means the customer has seen the brand for a while and they have used it, tried it, they have checked the review ratings, they have a feel of it and it becomes more visible. So subconsciously, they start believing on the brand. This results in faster movement of your inventory. So, this is a gradual process and this will keep on improving year-on-year. But this is also a phase of growth for us and we have successfully established FTX as a brand.

TRIBE is also right there. I think FY27 we will see good numbers in TRIBE and we are experimenting with Fitness Exchange. I believe gradually when our higher margin products are also set in the market, this cash flow will improve in a couple of years for sure.

Majid Ahmed: Okay. That's all from my side, sir. Thank you, and all the best.

Sailesh Agarwal: Thanks, Majid.

Moderator: Thanks, Majid. Sir, we'll take the next question from Gaatha Jain. Gaatha, you can go ahead, please.

Gaatha Jain: Hi, sir. Thank you so much for the opportunity. I just had two questions. One being that we are an asset light model company. So how does white labelling work? If you could just give me a little detail on the white labelling part of our business.

Sailesh Agarwal: Yes, thanks for the question. So, I will explain you this. So, what we do with white labelling is initially our company used to do only white labelling for other retailers and brands. So white labelling is one channel which not only gives us clean margins, but also means because in white labelling, we don't need to carry stocks. The stock is only for the WIP

period or, till the pickup period. And then we receive our payments on whatever terms, we have with the brands.

So white labelling is only around 20% - 22% of our revenue. But this helps us to have the access to all the major retailers and fashion brands in the country. So, our team regularly visits them. We are in touch with their design team; we are in touch with their planning team. So, there is a lot of intellectual learning, which we get from. So as in Forcas, we always believe that in fashion, you alone cannot know everything. We are always open to learning and a learning which comes with some earning and some business never harms.

So, we never want to go -- completely stop our white labelling. We want to keep doing it. And yeah, we don't want the mix to go beyond 20% - 25%. So, this is it. I think I've answered your question.

Gaatha Jain.:

Yes, yes. Sir, I wanted to understand that why would a consumer come to you if they want to get a product white labelled when you are not the manufacturer? Like why would they pay that extra percent of margin to you and not directly go to a manufacturer?

Sailesh Agarwal:

So how it works in this industry is, any retailer has say any, big retailer you name, for an example, a Landmark Group. So Landmark Group has a max and say an easy buyer has two of their prime brands. So, each brand has multiple products, multiple categories, and each category, they have multiple MRPs, which they are selling at. So, they have their certain targets. So, for Rs. 190 MRP, they have a money target Rs. 350. So, they are ready to pay to MRP Rs. 350. It doesn't matter to them if the stitching part of the vendor is outsourced or it's in-house, till they are able to match the quality and the price.

They also always want to be associated with companies who have a niche for fashion trends, for the colour trends, for the forecasting. So maybe 70% to 75% of the products outsourced by any brand or retailer is mostly from the manufacturers. But the balance 30% - 35% is always from people who are semi-manufacturers, who are probably, who have their setup like us, who doesn't have integrated factories, but have a good supply partner who can manufacture, the stitching part. But the rest, everything, be it the fabric control, be it the designing, be it the timing, we have those controls. So, they work with us.

Gaatha Jain.:

All right. That makes sense. A very hypothetical situation. What if Zudio or Westside comes into the quick commerce segment and they

also deliver within what, 30-40 minutes? What USP do we have over them? The price range is also somewhat similar.

Sailesh Agarwal: So, you said Zudio and second brand, what did you say?

Gaatha Jain.: Westside, for example.

Sailesh Agarwal: Okay. So, coming to that. So, number one, Zudio is, or Westside for the sake, are both retail organization. In a couple of podcasts, which the Zudio CEO has done, he has clearly stated that, which I have been saying that it will be completely unviable for them to get into a quick comm or even an e-com. If you see Zudio doesn't even sell from their website. So, what happens is that they are basically retailers and they have franchisees who run their stores or have invested in their stores. So, for an example, if you are a franchisee of Zudio and has paid, say whatever, Rs. 5 crores, Rs. 2 crores, Rs. 6 crores, whatever for their store, depending on the size. And now the customer knows that this product, he can buy through Zudio website. Then probably he will just check the product at your store and next time he will start buying from their store. So, their retail model will completely collapse. So, they can never be omni in a franchisee model thing. It doesn't work. So, this is not possible, number one.

Number two, in hypothetical case, if they do also, again, I tell you, it's a Rs. 15 lakh crore market. Not only Zudio can service the entire country. In fact, a single Zudio can't even -- with the complete capacity can't even service even 2% to 3% of the entire nation. If everybody wants to buy Zudio also, they'll not be able to supply. So, this is one business where there can never be a single winner. There will be hundreds of wins, depending on their abilities and people who follow the particular brand.

Gaatha Jain.: All right. That made really sense. Thank you so much.

Moderator: Thanks, Gaatha. Sir, we'll take the next question from Harleen Kaur. Harleen, you can go ahead please.

Harleen Kaur: Hello, am I audible, sir?

Sailesh Agarwal: Yes, yes.

Harleen Kaur: Good afternoon, sir. Sir, thank you for the opportunity. I have a few questions. Sir my first question is, over the last few years, your revenue growth has accelerated meaningfully, while the margins have also

improved. What structural changes in sourcing, product mix or channel strategy are driving this improvement? And how sustainable are these margins as the company scales further?

Sailesh Agarwal:

Very good question, Harleen. So, I will answer you this in a simple way. So, I believe there are only three factors, which downsize your margin. So, number one comes the competition. Number two is the retail cost or rental cost. If you are an offline retailer, and number three is your Meta or Google ad costs, or say the per click cost, CPC, which makes a product expensive. So, I'll answer the first two. This is the reason that our brand FTX, which is in the price point between Rs. 199 to Rs. 599, doesn't operate a single store of their own. We operate through third party MBOs, established retailers.

And number three, we don't sell anything through our own website. So, we have strategically taken care of these two factors, where we will not be harmed by the competition or by the increasing costs.

Coming back to competition, so again, this is an industry where there will be many players. And there is a design language of every brand, and their particular customer segment, who will prefer yours and somebody will prefer some other brand. About competition, you will have to be there for long term. Think of brandifying the brand and not just selling the price. You have to sell the design, you have to sell the comfort, you have to sell speed. So, if you're solving these multiple problems, 95% to 98% of the unorganized or the smaller players, the fight will be among the top 1% or 2%. And we probably are there almost, and we will have our share. And this is the reason that you know, the profitability and the top line both are gone.

Harleen Kaur:

Okay. Sir the next question is, could you please help us understand the current revenue mix between B2B versus D2C, marketplace versus own channels, and brand versus private label business?

Sailesh Agarwal:

Just a minute, yes. You will have to give me a minute for this. Okay, so I don't have it handy, but I will be there approximately. So, 20% is the white labelling business. So, if you remove that 20%, we are left with around Rs. 158 crores, around 51% is the digital business. And the balance is the distribution business. So yeah.

Harleen Kaur:

Sorry, please continue.

- Sailesh Agarwal:** Yeah, so out of the Rs. 198 crores, 20%, approximately Rs. 39 crores, Rs. 40 crores is the white labelling business. And out of the Rs. 158 crores, around Rs. 145 crores is the FTX business.
- Harleen Kaur:** Okay, sir. Sir and how do you see this mix evolving over the next three to five years?
- Sailesh Agarwal:** Come again, please. I didn't get it.
- Harleen Kaur:** How do you see this mix evolving over the next three to five years?
- Sailesh Agarwal:** See, next three years, I can comment. We have planned to keep the white labelling business at 20%. 2% plus or minus of the 20%. We see online and digital business growing to anywhere between 50% to 60% of the balance and the 30% to 40% should be the distribution business. But again, this depends on which channel fires when, you never know that. So, this is the plan and we are trying to execute this.
- Harleen Kaur:** Okay, sir. Sir, my next question is what proportion of growth in FY26 came from volume expansion versus higher realizations or the improved mix?
- Sailesh Agarwal:** I think it's the channel mix and a lot of hero products have come out. So, what happens is that any brand which establishes itself generally is up because of a number of certain number of products which go viral, be it, online or offline. So, in 2025, we have cracked at least good double digit hero SKUs, which have driven our growth. It has also given us certain learnings through data points, and through which we are also introducing more products in the same line. And we are getting decent results on that. So, we believe this will continue and we will be able to take out far more hero products, which will drive the growth.
- Harleen Kaur:** Okay, sir. Sir my last question is what operational bottlenecks do you believe could constrain the next phase of growth, manufacturing capacity, working capacity, distribution, talent or brand investments?
- Sailesh Agarwal:** I believe, honestly, there are two challenges which we need to solve. Number one, yes, talent is one thing which we need to focus more on and need to hire more people from the industry and established brands. And number two is the brandification process, it doesn't have a particular way of doing. They don't have a same copybook strategy which you can follow and brandify yourself. So, this is a learning curve where you need to learn, implement, fail, learn, implement, fail and find your own way.

So, this is also one bottleneck, which we are working hard to solve. So, these are the two things which we see as bottlenecks and need to be solved at the best.

Harleen Kaur: Okay, thank you so much, sir.

Sailesh Agarwal: Thank you.

Moderator: Thank you, Harleen. So, we'll take the next question from Aditya Shaw. Aditya, you can go ahead, please.

Aditya Shaw: Yeah, hi. It's a good set of numbers, sir. Sir, just trying to understand on the page 15 in your investor presentation slide, investment in advertising and promotion of new products, right? So, I want to understand in more detail, if I understand correctly, does it, does this mean, mainly refer to spending on platform like Amazon, Myntra, to improve the product visibility on ranking or to come in a first stage placement, right?

Sailesh Agarwal: Yes, mainly this is it. We only spend currently on the marketplaces or the Quick Comm places. From this year itself, we will start spending on our offline channels also to increase the visibility and to fasten our process of brandifying the brands.

Aditya Shaw: So, sir, could you please give me some numbers, like how much you have spent in '25 and '26 and expectations to expand in FY27?

Sailesh Agarwal: Our FY26 numbers, exact numbers is not handy of the percentage of advertisement spent on marketplaces. But the ballpark figure we take as a company is between 3% to 4%.

Aditya Shaw: Sir, if I am understanding correctly, if we just reduce this cost, spending costs on Amazon, Flipkart and Myntra on this, so our revenue will also fall in the same percentage like sales growth on demand generation side, like via this, we are generating a demand from this visibility side, right? Am I understanding, correct?

Sailesh Agarwal: No, no, it doesn't work like that. If that would have been the case, then any brand would have come up with similar products, maybe spend the same amount of money and achieve the same revenue. So, what happens is that the marketplace currently in India are in a state where they give visibility, organic visibility to brands whose conversion rates are higher, number one.

Number two, who are able to deliver to customers pan India within the fastest mean, maybe 24 hours or 48 hours. That means who have their stock present in maximum states. Number three is organic searches. So, any brand which the customer has already used or is seeing their community using, they come back and search for the brand. So, advertisement is only one part of it. So, there are multiple layers. It is not that, that we have 4% and if we increase it to 6%, our revenue will go 1.5 times, or if we reduce it to 2%, our revenue will half. So, this is just one tool of staying relevant.

Aditya Shaw:

Got it, sir. And sir, my second question on the balance sheet side, on inventory. So, inventory has increased sharply from Rs. 14 crore around in FY25, to almost Rs. 50 crore in FY26. So, I don't understand the key reason behind the increase, and whether it is linked to higher demand expectations, product launches, channel stocking, or any other operation factors. And at the age of other, at the same time, the short-term borrowings have also increased. So, am I correct to understanding the working capital stretch during FY26?

And additionally, the cash conversion cycle has also increased from 168 days to almost 251 days in FY26. And what does the management have your expectations in FY27 side, working capital, capital normalizations and inventory level improvements and cash conversion cycle in a positive level, positive cash operating flow side?

Sailesh Agarwal:

So good questions. I will explain you this. So as your brand starts getting recognition, the availability of the product is key in our country. So, say example, you wanted FTX, but you searched for it, and you are seeing that the delivery will be convenient. And there is this other brand, which is equally good or similar, has a delivery period of 2 days. So, this Gen Z Janata, which we are serving is a very impatient Janata and their behaviour or their buying behaviour, buying pattern is a little different. So that's why we truly believe that Quick Comm is -- after Quick Comm switching is going to be the next big thing.

So, we are expanding rapidly in Quick Comm and the Quick Comm way of working is very different than your distribution or your e-comm business. So, in Quick Comm, you have to initially keep stock of a wide variety in all the possible...

Moderator:

Sailesh, your voice is moving away from the system.

Sailesh Agarwal:

I am right there.

Moderator: Yeah, yeah. Now it is fine.

Sailesh Agarwal: Better?

Moderator: Yeah.

Sailesh Agarwal: Okay. So, we are expanding rapidly on Quick Comm in Zepto, which we started last year. We started with 10 stores, then we went up to 30 in Q3. Today we are at 120 stores and also, we are expanding our SKUs and designs in all those. M-Now has just begun and M-Now has more than 100 stores aligned and they are coming up with 1,000 more. Also, Flipkart Minutes is going to expand drastically. So, this Quick Comm business can be achieved only by letting the customer see that you are available within 10 to 15 minutes.

As this business matures, your rotation cycle gets better and also the capital requirement goes higher here initially, but it significantly improves your margins. So, this is one.

Second is we are expanding our brand TRIBE and Fitness Exchange in the same season. So, this is the second reason that we are experimenting more with the inventory. And coming here, we have far better expectations from our brand FTX. And if you mix all these, these are the main reasons that you are seeing a little higher stocks than usual.

Aditya Shaw: Great. Thanks.

Moderator: Thanks, Aditya. Sir, we will take the next question from Tanya Kalra. Tanya, you can go ahead please.

Tanya Kalra: Good afternoon, sir. Thank you for the opportunity. Sir, my first question is that in a highly fragmented menswear market, how does the brand differentiate itself versus larger peers and other fast fashion online brands?

Sailesh Agarwal: So, I will tell you, we are placed at such price point that no national brand is our direct competition. So, you don't have any other menswear brand in FTX who sells between our price point. Whatever others, other competitions are available, they are all labels and not national brands. Number two, we are the only brand at this price point who has an omni-channel strategy where we are offline also and we are online also. That also being asset light, we do not operate our own stores and we do not run our own factories. So, this gives us a big edge to move swiftly and

to focus completely on the operations and the designs and the branding side of the business.

Again, as I say, this is a humongous category and you have to find your niche of where you want to place yourself. So FTX has been placed for the TG, which is Gen Z. We have described our customers' buying power and his household income. So, we target there, we are working on the availability part which improves the speed. So basically, FTX is trying to be the omni-channel brand which serves good quality, fast fashion between Rs. 199 to Rs. 599 price points and delivers within say 15 minutes to 24 hours to your home. So, I believe that this market is so big where if you are trying to solve all these and this gets solved, you will -- you are bound to get results.

Tanya Kalra:

Okay, sir. And could you elaborate a little on the positioning strategy of FTX, TRIBE and Conteno? Are these intended to target different consumer categories, price points or geographies?

Sailesh Agarwal:

Absolutely. So, the geography is pan-India, all three. So, Conteno, we are not going ahead with the kidswear brand as of now. So, we have fast forwarded our Fitness Exchange brand. So, it is going to be FTX, TRIBE and Fitness Exchange. So, FTX is going to be the Gen Z, power pricing, fast fashion, fast delivery, omni-channel.

So, the TG is between 16 years to 33 years, average age is 23-24 years, household incomes get to Rs. 40,000 to say Rs. 75,000 or a Rs. 1 lakh. The pricing is between Rs. 199 to Rs. 599 and the clothes are fast fashion. So, this is FTX. TRIBE is only bottom wear for both men and women, pricing between Rs. 599 to Rs.1,499, average pricing to be at Rs. 899. The products are going to be for all age group. It is not a Gen Z product line with better quality fabrics and the right fit for the working men and women of our country. This will be placed through e-commerce, through Quick Comm and through distribution channel.

So, we tried this in the distribution channel for a year and we have got great response. We have done the hard learning and we have worked a lot on our patterns and options and we are scaling it this year.

Then Fitness Exchange will be a mix of athleisure, sportswear into accessories and clothing. Clothing is going to be 50% - 50% is going to be accessories, all sports accessories where we will be launching products for yoga, for cycling, for swimming, for gym, sports activity - based products and clothing will be Fitness Exchange. Price point again starts from Rs. 399 goes up till Rs. 1,499.

Tanya Kalra: Okay. Sir, my next question is what are the company's plans around premiumization? Do you see scope for improving the ASPs and gross margins through branding and design like differentiation rather than only scale?

Sailesh Agarwal: Absolutely. See, if you ask a Zudio whether they need to increase their ASP, so they will say that they do not want to go beyond Rs. 999 because that is the strategy they have built. They have found a market fit there and they are playing there.

So, same goes with FTX. FTX is placed between Rs. 199 to Rs. 599 and we want this brand to only be placed there and be the best player there. To improve the overall ASP of the company, we have TRIBE and Fitness Exchange coming in. So, gradually in a couple of years, we see Tribe and Fitness Exchange also contributing to 30 to 35% of the sales mix. This will lead to a higher ASP and better margins as well.

Tanya Kalra: Okay. Sir, one last question. If you had to define the single biggest reason why we could become materially larger over the next five years versus where we are today, what would that be?

Sailesh Agarwal: I'm sorry, you have to come again. I didn't get the question right.

Tanya Kalra: So, if you had to define, can you help give me the biggest reason where we could become materially larger over the next five years versus where we are today?

Sailesh Agarwal: We can become what?

Tanya Kalra: Larger in the next five years.

Sailesh Agarwal: Larger?

Tanya Kalra: Larger in the next five years versus where we are today. So, what would that reason be?

Sailesh Agarwal: So, I think the biggest reason will be our asset-light model, which helps us scale faster and stay profitable at the same time. Number two, the relationships which we have developed in the omni-channel, like the offline distributions also, with the e-commerce, all the companies also, and the Quick Comm space also. So, we have become really relevant and we are trying to leverage that through introducing TRIBE and Fitness Exchange and such brands.

So, we believe FTX is going to have a humongous market going forward. It is on us how quickly we can turn it to a brand. TRIBE and Fitness Exchange will get the advantage of the existing team and the ecosystem we have developed through FTX, where we can get an easy access to all the 600 - 700 distributors we have, all the marketplaces and the Quick Comm. Same goes with Fitness Exchange, where accessories are going to play a major role, where the turnaround time is way faster and even the margins are better and we see a huge gap there. So, I believe combining all these three and the strategies which we have taken should take us big in the next 4 - 5 years.

- Tanya Kalra:** Okay. Sir, thank you. That's it from my side. All the best to you.
- Moderator:** Thank you. Sir, we'll take the next follow-up question from Gaatha Jain. Gaatha, you can go ahead, please.
- Gaatha Jain.:** Thank you so much for giving me the opportunity again. Sir, could you give me the number and the repetitive rate of customers coming back and buying the clothes from your company again?
- Sailesh Agarwal:** See, online marketplaces, exact data is impossible. But the gross data which we have is around 29% - 30%. So, that is on the online. For offline, almost 65% - 70% of our retailers repeat our products within 4-6 months.
- Gaatha Jain.:** All right. And could you also give me the revenue that you earn through the Quick Commerce?
- Sailesh Agarwal:** Just a minute. So, our Quick Comm revenue this year was around Rs. 7.5 cr.
- Gaatha Jain.:** Okay, got it. Sir, could you also give me the margin between the three sectors, the three different segments, the white label, digital and the distribution?
- Sailesh Agarwal:** Just a minute. You mean to say the gross margins?
- Gaatha Jain.:** Yeah.
- Sailesh Agarwal:** So, the digital business, gross margin is the highest. It's around 30% to 35% depending on Quick Comm and e-comm. Distribution is around 22% - 23%. And white labelling is almost similar. It's around 19% to 21%.

- Gaatha Jain.:** Okay, got it. Those were the only questions I had. Thank you so much.
- Sailesh Agarwal:** Thank you.
- Moderator:** Thank you, sir. We'll take the next question from Diya Jain. Diya, you can go ahead, please.
- Diya Jain:** Hi, sir. Thank you for the opportunity. Sir, can you provide the revenue mix that we're targeting for FY27 from FTX, TRIBE and new brand Fitness Exchange?
- Sailesh Agarwal:** So FTX, we are targeting almost -- see the white labelling revenue we are targeting to be anywhere between Rs. 50 crores to Rs. 60 crores. FTX revenue, we are targeting to be Rs. 160 crores, Rs. 170 crores and tribe should be another Rs. 30 crores to Rs. 35 crores. The balance we'll see goes into Fitness Exchange, how much it scales.
- Diya Jain:** Okay, sir got it. And can we expect like a 12% to 13% of EBITDA margins going forward now that we have so many efforts in line?
- Sailesh Agarwal:** Yes, we are obviously targeting to improve. We have already improved our EBITDA from FY'25 to '26. And with the TRIBE and Fitness Exchange, if they both perform well, obviously we are trying to -- we have the strategy placed to improve the margins.
- Diya Jain:** Okay, so thank you. All the best.
- Moderator:** Thank you, sir. We'll take the last question from Achyut Parbhat. Achyut, you can go ahead, please.
- Achyut Parbhat:** Yeah, hello, sir. Firstly, congratulations on great set of numbers? Sir my first question is, who is the direct peer-to-peer listed comparison player with our company, sir?
- Sailesh Agarwal:** Direct listed player?
- Achyut Parbhat:** Yeah.
- Sailesh Agarwal:** See, that is a very difficult question. And even I have been looking for this because I don't see any brand, any company with a B2B cum e-comm asset light model, which we have doing similar stuff. Most of the brands either have their own retail stores, maybe company owned or franchisee owned, and then they are on e-commerce, or you have more

of e-commerce companies who are coming to offline retail now. So, this is a very difficult questions for me to answer. I don't know the exact name. But I think close ones, the listed space is it's very difficult. I just know the bigger brands who are working, but they also again sell through their own websites or operate through their own stores. So, I think mostly players in this field are unlisted or they're about to get listed.

Achyut Parbhat: In the long term, do you want to stay in the same category? Or do you have any plans expansion into retail stores, like owning your own stores?

Sailesh Agarwal: See, with FTX, we will be asset light on this. We don't see FTX having its own stores or own website ever. Because the price point, we operate at doesn't give us the kind of luxury to go with our own stores and our own website. And I think that is our strength, because it narrows down our concentration on building everything on market places and Quick Commerce and through distribution. With TRIBE and Fitness Exchange, it is too early. So, TRIBE is just one year old now means with the proper execution. With Fitness Exchange we are experimenting this year. And we are open to having stores with brands which has ASP above Rs. 700 to Rs. 800 only with also better gross margins than our other brands, because FTX is a different play completely.

We thoroughly believe that your own website or the physical stores in fashion business cannot be under certain gross margins. You have to achieve that and then only we can think about having stores. So currently in FY27, we don't have any plans for any stores with FTX, we will never have a store.

Achyut Parbhat: Sir, what is the plan for long term growth? Like do you want to expand to more states or do you want to grow in long term?

Sailesh Agarwal: Yes, absolutely. So offline, we are present into eight states and we'll be adding two states this year. E-comm, we are there in all the major marketplaces. Myntra was not there till FY2025-'26, we got into Myntra and we are scaling very fast. In Myntra, we are also in talks with some collaborated partnerships with Myntra brands. So that is also one lever of growth, which we will take.

Thirdly, I think the biggest growth should come from Quick Comm, where Zepto has already partnered with us and M-Now has just gone live, Minutes is coming. Gradually we will get into other Quick Comm

channels. This is one thing where the availability increases drastically and we should see a good growth here going forward.

Achyut Parbhat: Yeah, thank you so much, sir. We are done.

Moderator: Thank you, sir. We'll take the last question from Surbhi Mishra. Surbhi you can go ahead, please.

Surbhi Mishra: Hello, am I audible?

Moderator: Yes, hello.

Surbhi Mishra: Congratulations, sir, on great numbers. I wanted to know if the industry demand weakens for like two or three quarters, what aspects of the business model will provide resilience and profitability and cash flows?

Sailesh Agarwal: So, you want to understand the long-term plan for profitability and cash flows?

Surbhi Mishra: Yes, sir.

Sailesh Agarwal: Okay. So again, coming back to our brand strategy. So FTX was, is the low price point or say the entry price point, high execution, low asset, or say no asset, asset light brand, where we wanted to leverage the growth targeting Gen Z, providing them the products at the right price, with the fastest way possible. And we are very happy that we have been able to solve that problem. And we are emerging as a decent brand at our price point, both online and offline. So, increasing a couple of percentage of margins here is not a much of a problem. And we will gradually obviously do that.

For improving the overall margin of the company, we don't want to displace the concentration we have on FTX, we want it to be between Rs. 199 to Rs. 599 only. For this, we have introduced TRIBE, which will have an Rs. 899 or Rs. 999 types of an ASP with both men and women. And we believe that the margins will be taken care by TRIBE. Also with Fitness Exchange, where the brandification will be more. Both these brands will have the advantage of our existing network of so many retailers, distributors, the e-comm partners, the Quick Comm partners. So, it will be far easier for us to scale this.

So, with TRIBE, we have already done the testing in FY2026. This year, we are going to expand it. And we are launching Fitness Exchange and

trying this year and trying to create a product market fit and go aggressively with the same in the second part of 2027.

Surbhi Mishra: Thank you, sir.

Moderator: Thank you. Sir, since there are no further questions, would you like to give any closing comments?

Sailesh Agarwal: So, thank you, everyone. I thank everyone again for your questions, for joining. At Forcas Studios, we believe in the India story. We believe in the consumer-led, especially the Gen Z-led brand building. In the coming years, we believe that a lot of brands will be made in our country in the next two to five years. Maybe that number of brands were not built in the last 50 years, because the branding strategy has completely changed and the consumer behaviour has also completely changed.

We believe that we are understanding that strategy pretty well. And we thank you for your continuous support and trust in the company. We will try our best to take things good in the coming years. Thank you.

Moderator: Thank you. 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 all may disconnect now. Thank you.