SG's Edge in the Fast Fashion Industry

SG’s Vision & Competitive Advantage

“Emphasis on maintaining competitive advantage through

SUPERIOR QUALITY CONTROL

AGILE SUPPLY CHAIN

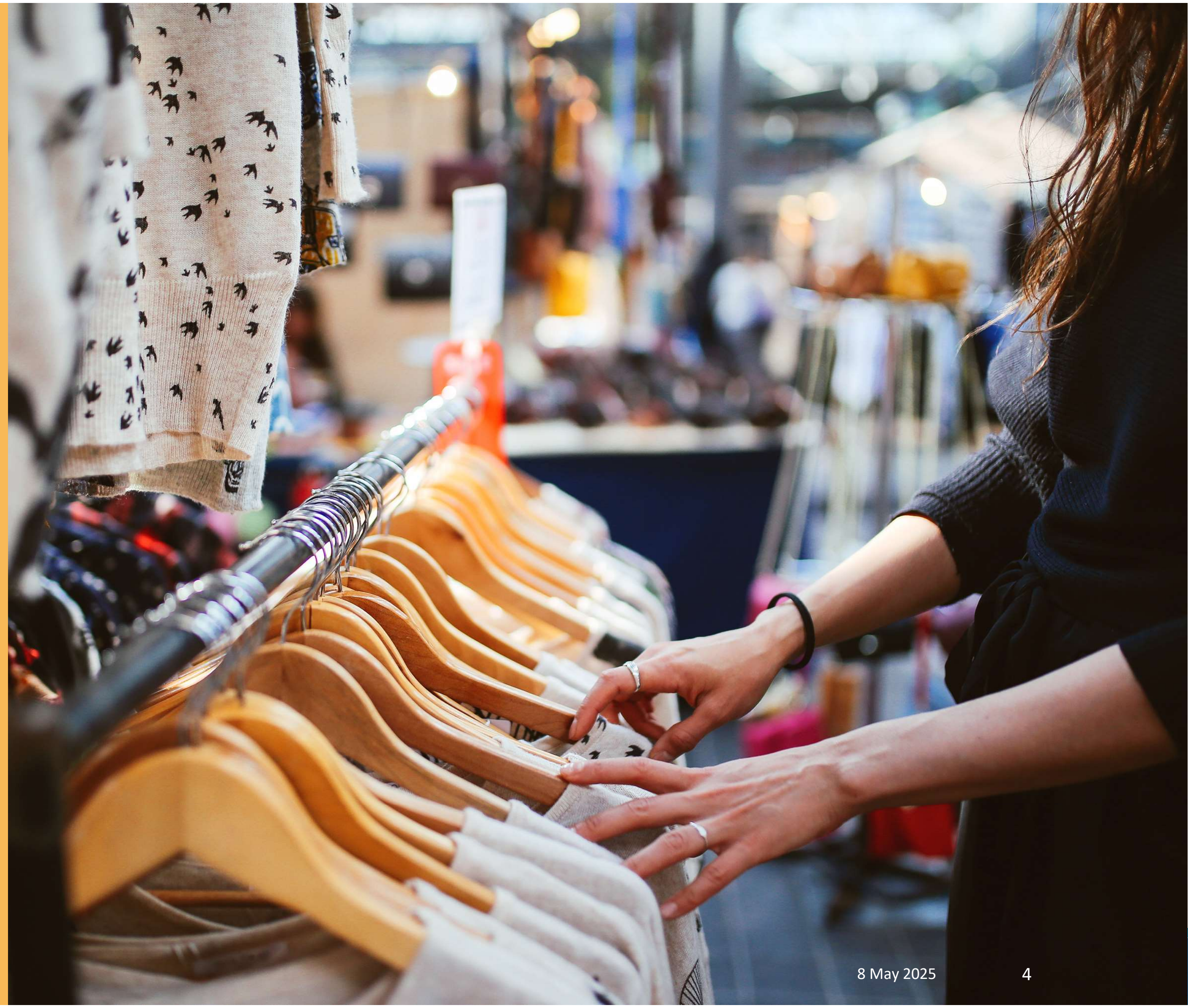
CUSTOMER-CENTRIC INNOVATION

Quality as a Differentiator

Robust quality control systems

High product standards across all collections

Builds **customer trust and brand loyalty**



Speed-to-Market Strategy

Minimize time between design creation and availability

Agile production cycles

Seamless integration between design, production, and distribution

Digital Integration & Delivery

Omnichannel presence

Support for **one-day delivery** expectations

Real-time inventory & fulfillment systems

Marketing, Communication & Analytics

Identify	Identify customer preferences
Engage	Engage diverse demographics
Track	Track trends and feedback using social listening tools
Analyze	Analyze what's selling in real time

Continuous Innovation for Sustainability

Ongoing product and process innovation

Balancing quality, pricing, and speed

Enhancing customer experience at every touchpoint

Global Presence & Strategic Positioning

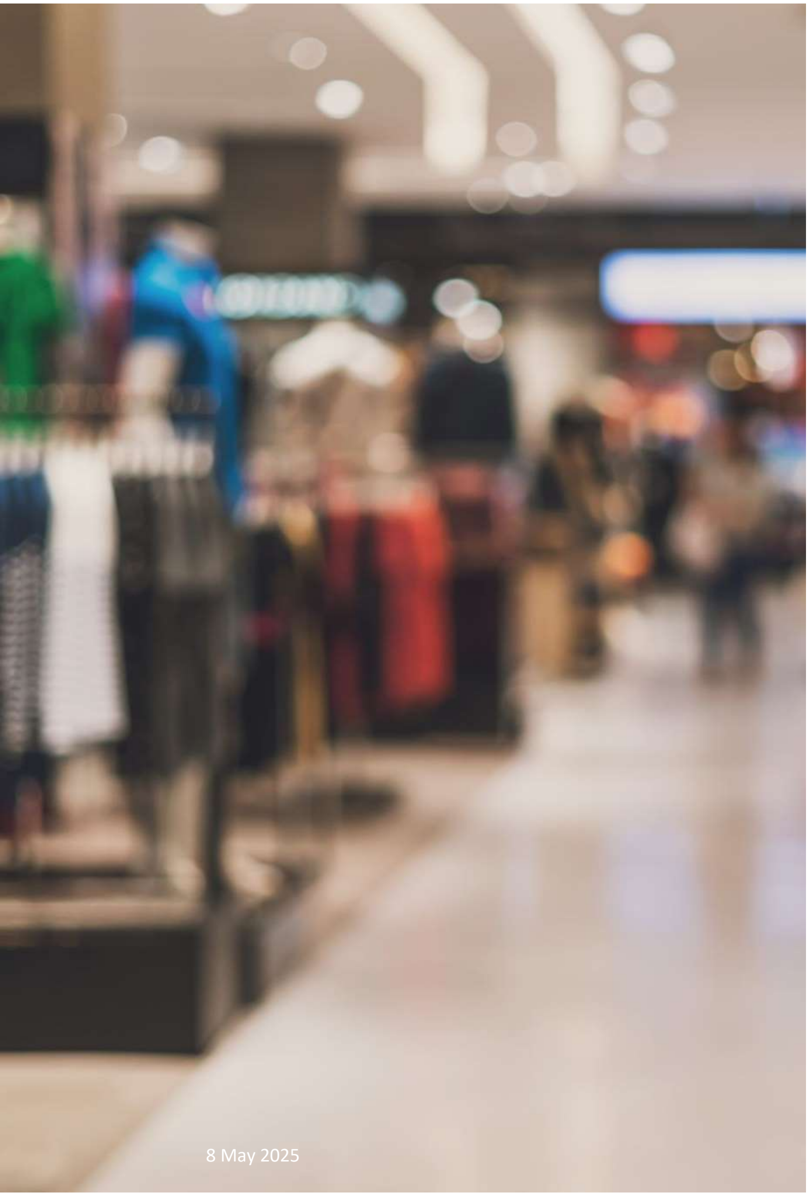
SG operates globally, with a strong footprint in Belgium

Competes with leading fast fashion brands:

RopTop, Rametton, R&M

Leverages market understanding and localization to sustain relevance

Over 20,000 designs annually — showcasing creative agility and scale



Pricing & Market Differentiation

SG follows a **strategic pricing model**

Balances **affordability** with **premium perception**

Price strategy supports:

Targeted customer segments

Brand positioning distinct from mass-market and luxury competitors

Reinforces SG's niche in the **value-fashion** segment

Dual Pricing Strategy by Region - South Asia

TARGET: **MIDDLE CLASS** (LARGEST MARKET SEGMENT)

STRATEGY: **PENETRATION PRICING / CHARMING PRICE TACTIC**

APPROACH: PRICES **BELOW MARKET** TO ATTRACT **PRICE-SENSITIVE** CONSUMERS

OBJECTIVE: MAXIMIZE **MARKET SHARE**

Dual Pricing Strategy by Region - Europe

TARGET: AFFLUENT CONSUMERS / **HIGH SOCIAL STATUS**)

STRATEGY: **PREMIUM PRICING**

APPROACH: HIGHER PRICE POINTS FOR **FASHION-CONSCIOUS, BRAND-LOYAL BUYERS**

OBJECTIVE: ENHANCE **BRAND PRESTIGE** & **PROFIT MARGINS**

Strategic Pricing Across Segments

SG serves a **broad customer base**:	• **Women, Men, and Children**
Pricing designed to:	• Appeal to **middle-income households** • **Attract premium buyers** seeking trend-forward fashion
Region-specific strategy enhances:	• **Market penetration** in cost-sensitive regions • **Brand perception** in fashion-centric, affluent markets

SG’s 4Ps Marketing Mix

Product

Diverse product portfolio: **Women, men, and children’s fashion**

Regular **new launches** to meet fast-evolving fashion trends

Price

Region-specific pricing:

- **Penetration pricing** in South Asia
- **Premium pricing** in Europe

Aligned with **consumer behavior** and local market conditions

Promotion

Strong presence on **social media** and digital platforms

Real-time **trend tracking** and **customer engagement**

Place (Distribution)

Global retail footprint, with strong presence in **Belgium and South Asia**

Focus on **omnichannel strategy**: physical stores + online platforms

Minimalist Advertising – SG's Unique Brand Philosophy

Zero-advertising policy

Advertising spend: Only 0.8% of sales vs. **5% industry average**

R**einvest revenue** into:

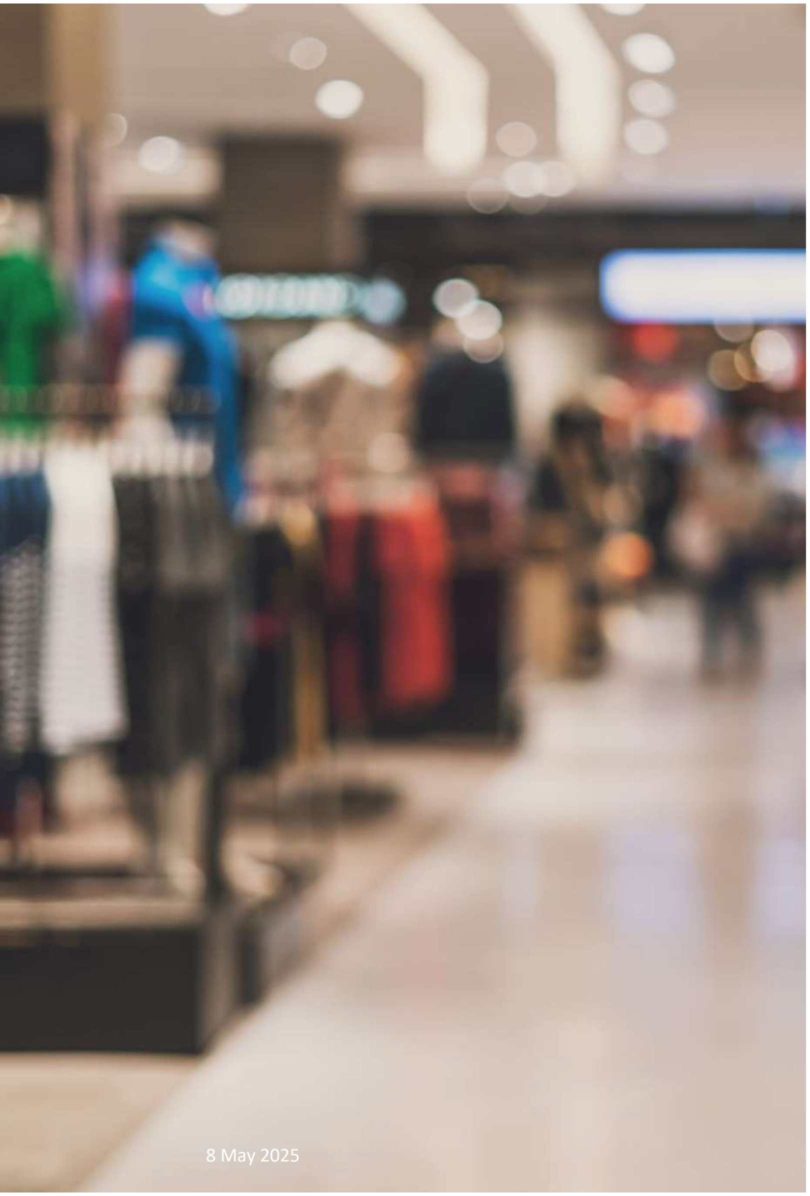
- **Opening new stores**
- **Enhancing in-store experience**

Founder's Approach

Mr. Goyal, - **9th richest man globally**

N**ever spoken to media** or engaged in **personal brand promotion**

Philosophy: Let **product, store experience, and quality** speak for the brand



In-Store Experience as a Marketing Tool

Global Presence

1,113 retail stores in **93 countries**

Flagship locations

Store as a Marketing Channel

Window displays top collections

•Designed by **creative teams**

•**F**ast fashion cycles

Stores reflect SG's **visual branding**

•High foot traffic = high visibility

Employee Presentation

Staff as **brand ambassadors**

"Uniforms" tailored to **regional socio-economic context**

Reinforces **local connection**

Strategic Pricing as a Growth Driver

- SG's **broad product range** supports its appeal across global markets
- **Smart pricing strategy** gives SG an edge over competitors
- Pricing is **market-sensitive**:
  - Designed to **maximize returns**
  - Aligned with **consumer needs and expectations**
- Outcome:
  - **Strengthened global presence**
  - Accelerated **demand-driven expansion**

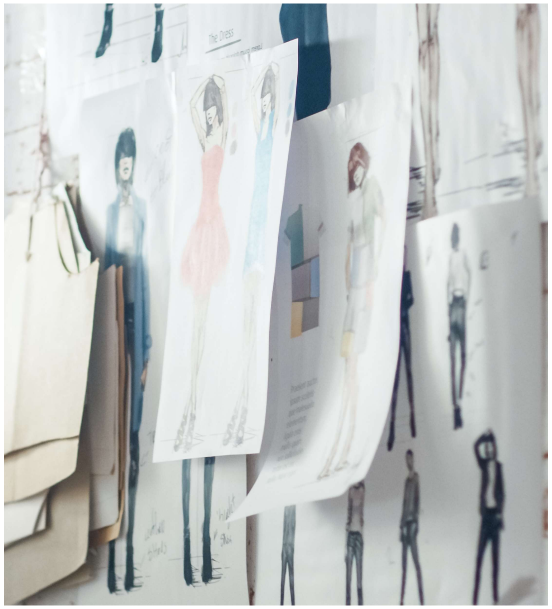
Vertical Integration & Supply Chain Agility

Recognized globally for its retail innovation

Minimizes time from **design to store**: **~2 weeks**, vs. industry average of several months

Achieves this through:
- **Vertical integration** — full control over design, production, and distribution
- **No outsourcing** — ensures **speed, consistency, and quality**

Enables **rapid response to market trends** and **customer demand shifts**



SG's Agile Business Model for Fast Fashion

Short lead times: reflect latest fashion trends

Limited production runs:

Minimizes risk of unsold inventory

Enables fast exit from unpopular designs

Focus on style over volume:

Emphasizes **trend alignment**, not mass

Keeps collections **fresh and in demand**

Manufacturing in Asia:

Supports **vertical integration**

Enables **real-time production adjustments**

SG's Digital Expansion – Mobile App Strategy

Strategic Partnership with Ramson smartphones:

- Since **2012**, SG's mobile app has been preinstalled on all **Ramson devices**
- The app allows **seamless access** to SG's **fashion collections**

The SG fashion app:

- Showcases the latest collections, available for purchase
- Enhances **customer engagement** with **real-time browsing** and **immediate purchases**

Significant sales growth driven

Digital innovation expands SG's reach beyond physical stores

SG India – Employee Benefits & Profit Distribution

Headcount: ~1,000 employees

Leave Policy:

35 days Privilege Leave (PL)

15 days Sick Leave (SL)

10 days Casual Leave (CL)

Leave Carry Forward:

10 PL and 5 SL days can be carried forward to the next year

SG India – Employee Benefits & Profit Distribution

Employee Benefits Usage

- **800 employees**: 10 days PL & 5 days SL
- **200 employees**: 5 days PL & 2 days SL

Profit Distribution

- **Profits (2023-2024)**: ₹2,000 crores
- **Employee Profit Share**:
  - Initial estimate: **4%** of profits
  - Adjusted due to turnover: **3.5%** expected payout
- **Employee Pay-out (2023-2024)**: ₹20 crores

Post-Employment Benefit Plan

- **Defined Contribution Fund**
  - **Due within 12 months from the accounting period**

SG India – CSR Initiatives

Issued to **shareholders**, including employees, reinforcing employee ownership and engagement

Donates shares to an **NGO** focused on:

Promoting **gender equality**	**Empowering women**	Establishing **homes and hostels** for women and orphans	Setting up **old age homes** and **daycare centers** for senior citizens	Reducing **inequalities** for socially and economically backward groups

SG India – Acquisition Details – Gwalior Plant

Machines Purchased on 1st April 2023

SG India – Acquisition Details – Gwalior Plant

Total Costs Incurred

- **List Price**: ₹80,00,000
- **Import Duty**: ₹5,00,000
- **Delivery Fees**: ₹1,00,000
- **Electrical Installation Costs**: ₹10,00,000
- **Pre-Production Testing**: ₹5,00,000
- **Maintenance Contract**: ₹7,00,000 (5-year contract)

Discounts

- **Trade Discount**: 10% on List Price
- **Settlement Discount**: 5% for payment within one month

SG India – Acquisition Details – Gwalior Plant

Total Paid	Operating Below Capacity (First 4 months)
• Payment made on **20th April 2023** after receiving discounts	• **Production Costs**: ₹2,00,000 per month • **Sales Proceeds**: ₹1,50,000 per month • **Pre-Production Testing Sales**: ₹1,00,000

SG India – Real Estate Transaction

Transaction Overview

- **Asset Involved**: Commercial plot in **Mumbai**, India
- **Seller**: **SG India Ltd**
- **Broker**: **M/s. Best Broker**, Headquartered in the **USA**
- **Buyer**: **Legacy Estate Inc.**, based in the **USA**
  - Classified as **Person Resident in India** under FEMA, 1999
  - Controlled from **India**

Deal Details

- **Sale Price**: USD 7,00,000
- **Exchange Rate Assumed**: 1 USD = ₹84
- **INR Value of Sale**: ₹5.88 crores

SG India – Real Estate Transaction

Commission Payable

- **Rate**: 7% of Sale Proceeds
- **Amount**: USD 49,000 (i.e., ₹41.16 lakhs approx.)
- **Remittance**: Payable in **USD to Broker's Head Office in the USA**

Regulatory Note

- Even though buyer is incorporated abroad, it's **resident in India** under FEMA
- Commission remittance to a non-resident (Broker in USA) is a **current account transaction**, subject to FEMA compliance