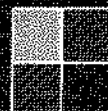




Report On FOOTWEAR RETAIL IN INDIA

7th April 2022



SECTION I: OVERVIEW OF THE INDIAN ECONOMY

INDIA GDP AND GDP GROWTH

Currently, India ranks sixth in the world in terms of nominal gross domestic product ("GDP") and is the third largest economy in the world in terms of purchasing power parity ("PPP"). India is estimated to be among the top three global economies in terms of nominal GDP by FY 2050. India is the fastest growing G20 economy since FY 2015.

The country wise GDP of key countries is given in the table below:

Exhibit 1: Country Wise GDP (US\$ trillion)

Country	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2025P	CAGR (2020-2025)
USA	15	15.5	16.2	16.8	17.5	18.2	18.7	19.6	20.6	21.4	20.9	25.7	5.0%
China	6.1	7.6	8.5	9.6	10.5	11.1	11.2	12.3	13.9	14.3	14.7	22.5	8.9%
Japan	5.7	6.2	6.3	5.2	4.9	4.4	5.0	4.9	5.0	5.1	5.0	6.3	4.7%
Germany	3.4	3.7	3.5	3.7	3.9	3.4	3.5	3.7	4.0	3.9	3.8	5.1	6.1%
UK	2.5	2.7	2.7	2.8	3.1	2.9	2.7	2.6	2.9	2.8	2.7	3.8	7.1%
India*	0.9	1.0	1.2	1.4	1.7	1.7	1.9	2.3	2.4	2.7	2.6	4.2	10.1%
France	2.6	2.9	2.7	2.8	2.9	2.4	2.5	2.6	2.8	2.7	2.6	3.4	5.5%
Italy	2.1	2.3	2.1	2.1	2.2	1.8	1.9	2.0	2.1	2.0	1.9	2.4	4.8%
Canada	1.1	1.8	1.8	1.8	1.8	1.6	1.5	1.6	1.7	1.7	1.6	2.3	7.5%
Korean Republic	1.1	1.3	1.3	1.4	1.5	1.5	1.5	1.6	1.7	1.6	1.6	2.1	5.6%

Source: India Data from RBI, up to 2019 data from World Bank, Future growth rate from OECD Data, Technopak Analysis
1US\$ = ₹ 75 (for 2019 India numbers)

* For India, CY 2019 means FY 2020

INDIA'S GDP GROWTH

Since FY2005, Indian economy's growth rate has been twice as that of the world economy and it is expected to sustain this growth momentum in the long term. In the wake of COVID-19, India's nominal GDP contracted in FY2021, but is expected to bounce back and reach US\$ 4 trillion by FY2025 growing ~10.7% over FY2022-2025.

Several structural factors are likely to contribute to economic growth in the long run. These include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, growing young and working population, information technology revolution, increasing penetration of mobile and internet infrastructure, increasing aspirations and affordability etc.

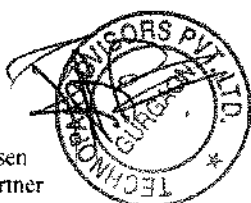
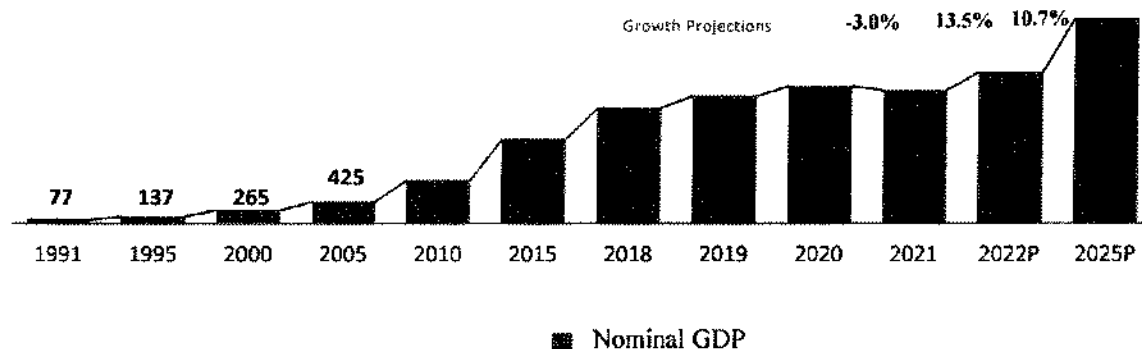


Exhibit 2: India's Nominal GDP in FY (US\$ billion)

17	15	13	13	9	7	7	7	6	6	5	5
----	----	----	----	---	---	---	---	---	---	---	---

India's Rank in World GDP



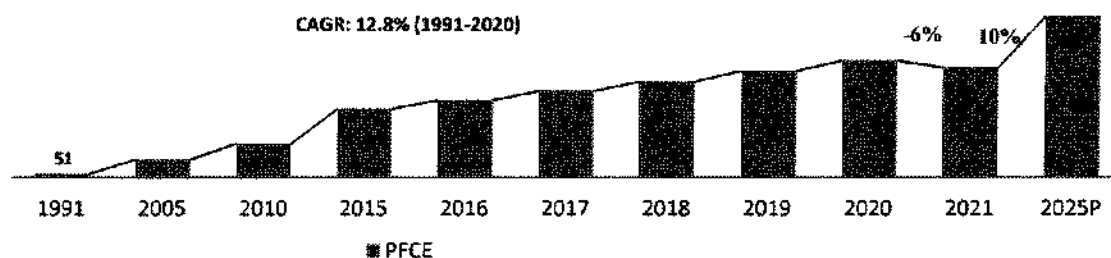
1 US\$ = ₹ 75

DOMESTIC CONSUMPTION

High share of domestic consumption in Private Final Consumption Expenditure (PFCE)

India's share of domestic consumption, measured as private final consumption expenditure, in its GDP was approximately 60.5% in FY 2020. This private consumption expenditure includes final consumption expenditures of households and non-profit institutions serving households, and comprises both goods (food, lifestyle, home, pharmacy etc.) and services (food services, education, healthcare etc.). In comparison China's domestic consumption share to GDP in 2020 was 39.24%. High share of private consumption to GDP has the advantage of insulating India from volatility in the global economy. It also implies that sustainable economic growth directly translates into sustained consumer demand for goods and services. India's domestic consumption has grown at a CAGR of 11.1% between FY 2014 and FY 2019, compared to 4.3% and 8.2% in the United States and China, respectively.

Exhibit 3: India's Private Final Consumption Expenditure (In US\$ billion)

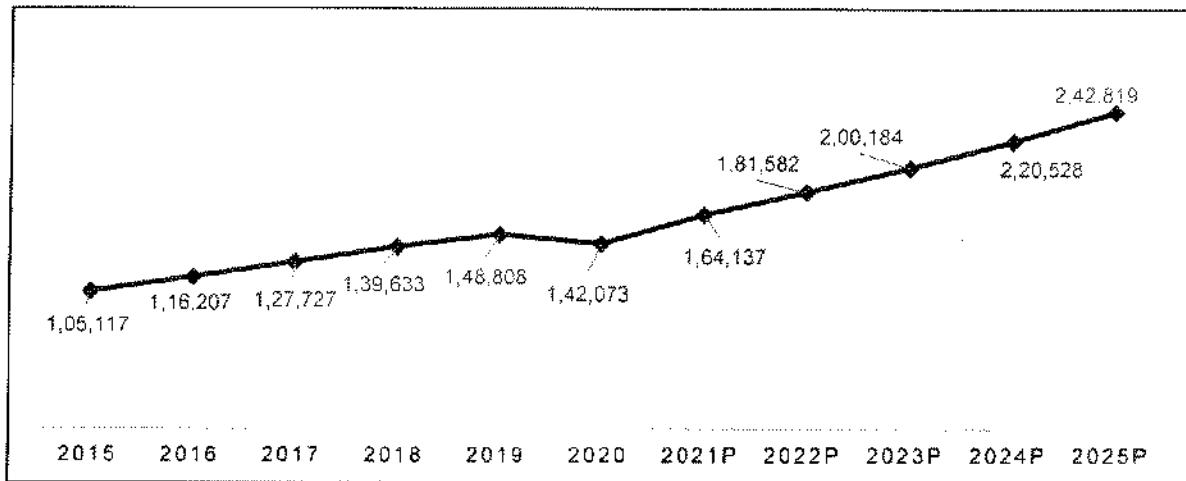


Source: Technopak Analysis, RBI Data; Year indicates FY

The annual growth rate for FY 1991-2005 was approximately 12% and this increased to approximately 14% for FY 2020. While consumption will suffer a setback in the short term, it is expected to reach to approximately US\$ 2.27 trillion by FY 2025.

PER CAPITA INCOME GROWTH

Exhibit 4: India's GDP Per Capita (₹) (Current Prices)



Year indicates CY

Source: IMF projections

Note: Numbers for 2021-2025 are Provisional

The per capita income of India has been showing an increasing trend since 2012; growing at a healthy CAGR of approximately 10%, the per capita income reached ₹1,48,808 in CY 2019. Given the impact of COVID-19, it decreased to ₹1,42,073 in CY 2020. However, it is expected to bounce back to ₹1,64,137 in CY 2021 and continue its growth journey at a CAGR of 10.3% between CY 2021 and CY 2025.

GROWTH DRIVERS

India's medium to long term growth and its positive impact on private consumption will be determined by inter-play of demographics, urbanization, and policy reforms.

DEMOGRAPHIC PROFILE OF INDIA

Young population

India has one of the youngest populations globally compared to other leading economies. The total population of India is 1,394 million for FY 2021. The median age in India is estimated to be 28.1 years in 2021 as compared to 38.1 years and 37.4 years in the United States and China, respectively, and is expected to remain under 30 years until 2030.

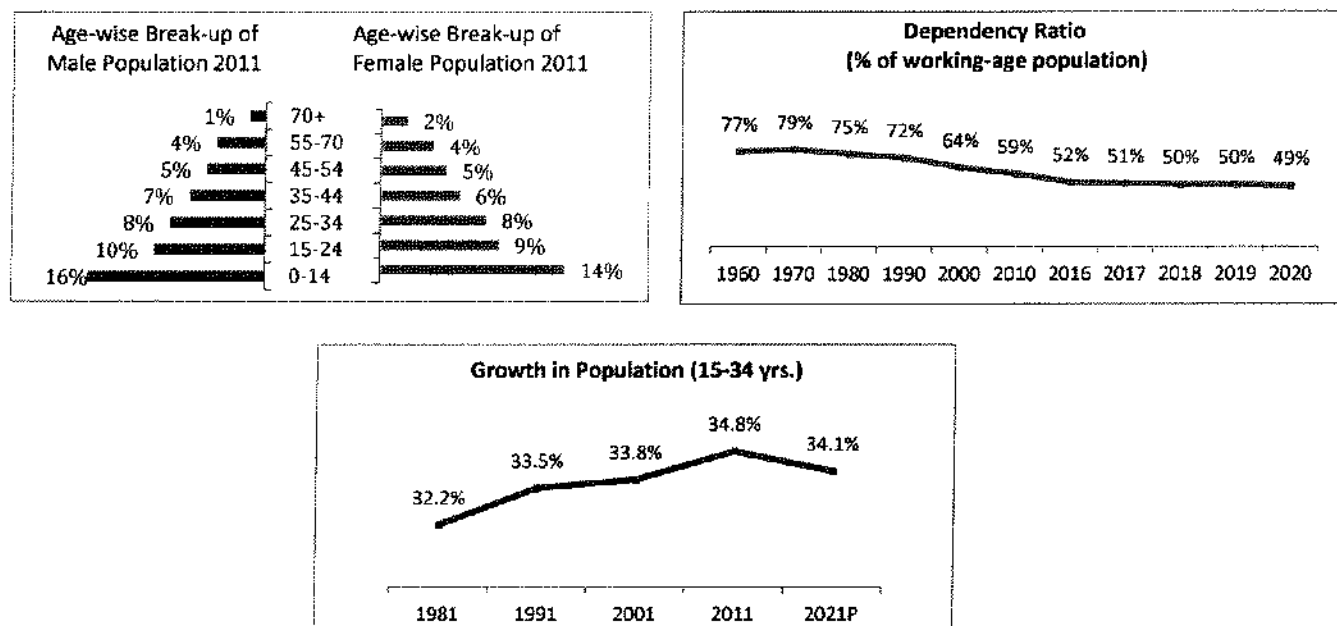
Exhibit 5: Median Age: Key Emerging and Developed Economies (CY 2021 Estimated)

Country	India	China	USA	Singapore	Russia	Korea	Canada	UK
Median age (years)	28.1	37.4	38.1	34.6	39.6	41.8	42.2	40.5

Source: World Population Review, Technopak Analysis

The size of India's young population is contributing to a decline in the dependency ratio (the ratio of dependent population size compared to the working-age population size (15 to 64 years of age), which has decreased from 64% in FY 2000 to 50% in FY 2018. This trend is expected to lead to rising income levels per household as well as higher levels of discretionary expenditure. A substantial rise in India's working age population from 36% in FY 2000 to 50% in FY 2019 is expected to continue sustaining the growth momentum of the Indian economy and lead to rising income levels in the long-term. The younger segment of the population is naturally pre-disposed to adopting new trends given their exposure to media and technology, which presents an opportunity for branded products and organized retail.

Exhibit 6: Age Dependency Ratio



Source: Census of India 2011, World Bank, MOSPI

Years mentioned are FY

Age wise break up of population is not adding up to 100% due to rounding off

Women Workforce

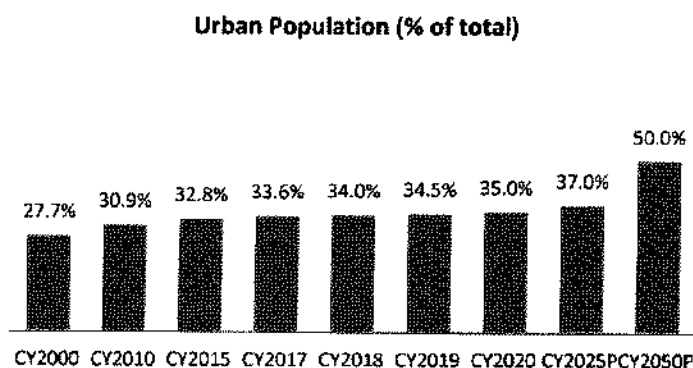
Numerous factors, including better health care and greater media focus are allowing women in India, in both urban and rural areas, to exercise greater influence on their families and society as a whole. The most important factor, however, is educational opportunity. Between 2005 and 2015, enrolment of girls in secondary education increased from 45.3% to 81% and in FY 2019 was higher than enrolment of boys. Higher education has also seen an increase in women enrolment, with almost 20% of women pursuing higher education studies compared to 22% of men.

These changes are expected to have a broad impact on societal factors, including workforce demographics and economic independence for women. The share of women workforce in the services sector has increased from 17.5% in CY 2010 to 28% in CY 2019. The overall share of working women increased from approximately 14% in 2000 to approximately 17.5% in 2010 and further to approximately 27% in 2018.

Urbanization

India has the second largest urban population in the world in absolute terms at 472 million in FY 2019, second only to China. However, only 34.5% of India's population is classified as urban compared to a global average of approximately 56%. It is the pace of India's urbanization that is a key trend to note for implication on India's economic growth. Currently urban population contributes 63% of India's GDP. Going forward, it is estimated that 37% (541 million) of India's population will be living in urban centers by FY 2025. Urban population is expected to contribute 55% of India's GDP by FY 2025 and 70% by FY 2030. This is expected to continue with ~50% of India's population expected to be living in urban centers by 2050 and contributing ~80% of India's GDP.

Exhibit 7: Increasing Urbanization (Years in CY)



Source: World Bank, Technopak Analysis

Urbanization is also creating two trends that are impacting India's domestic consumption habits:

Growing Middle Class

The households with annual earnings between US\$ 5,000-10,000 have grown at a CAGR of 10% between FY 2012-2020 and their number is projected to further double by 2025 from 2020 levels. The households with annual earnings between US\$ 10,000-50,000 have grown at a CAGR of 20% between FY 2012-2020.

Increasing number of households with annual earnings of US\$ 10,000 to US\$ 50,000 has been leading to an increase in discretionary spending on food and beverages, apparel and accessories, luxury products, consumer durables and across other discretionary categories. The consumption pattern also has moved towards higher spend on branded products and through organised channels.

Exhibit 8: Household Annual Earning Details

Year (CY)	Total House Holds (in million)	Households with annual earning US\$ 5,000 - 10,000 (million)	% of total Households	Households with annual earning US\$ 10,000 - 50,000 (million)	% share of total Households
2009	236	36	15.2%	11	4.7%
2012	254	60	23.8%	22	8.7%
2014	267	71	26.5%	27	10.2%
2015	274	85	30.9%	36	13.2%
2018	295	121	41.2%	86	29.3%
2020*	310	132	42.5%	95	30.6%

Source: Economist Intelligence Unit, *Technopak Estimates

Nuclearization

The growth in the number of households exceeds population growth, which indicates an increase in nuclearization in India. According to the 2011 census, 74% of urban households have five or less members, compared to 65% in 2001. It is expected that that smaller households with higher disposable income will lead to a greater expenditure in, among others, jewellery, fashion, home and living, packaged food and food services.

Increasing Disposable Income

Due to the growing number of middle- and higher-income households and rising per capita income, consumption of discretionary products is likely to grow. The World Economic Forum projects that high and upper-middle-income groups will grow from 25% in 2019 to 50% of household by 2030.

REFORMS: CRITICAL TO CREATE DEMAND STIMULUS

Structural reforms are critical to harness dividends of positive demographics and urbanization and there are risks if they fail to do so. In the last 10 years, government has pushed towards infrastructure investments in roads, railways, defense, and power; public-private partnerships; smart cities; skill development; widening of domestic

manufacturing base and taxation needs to yield jobs for India's working population. This push also needs to deliver sustainable urbanization that provides affordable housing, improved public health metrics and mass transportation. Many of these interventions continue to be work in progress and outcome on these initiatives will deliver the advantages of urbanization and India's demographic dividend towards sustained growth of private consumption and its positive impact on discretionary purchases.

Make in India Campaign

Government of India launched 'Make in India' campaign in 2014 to boost the manufacturing sector, promote foreign investments and reduce the dependency on imports with the primary goal of increasing the contribution of manufacturing sector to India's GDP to 25% by FY 2025. The government identified around twenty-five sectors where progress was possible in the short-term, and the likelihood of FDI was high. Some of the key sectors are leather, textiles, automobile and transportation, electrical and electronic systems, information technology, biotechnology, pharmaceuticals, energy, and tourism.

India footwear industry, being the 2nd largest producer of footwear globally, has benefitted tremendously with 100% FDI for leather products manufacturing via an automatic route. The government of India has also allowed 100% FDI in single-brand retail with a clause of 30% mandatory local sourcing. This, combined with the presence of multiple production centres in the form of Mega Leather Clusters (MLCs) with all required infrastructure, where investors can set up manufacturing units are some of the key reasons to invest in India. The preference for Indian footwear brands has also significantly increased due to the emergence of new and traditional brands keeping up with the latest trends. This has been possible due to an increased ease-of-manufacturing of Indian footwear industry.

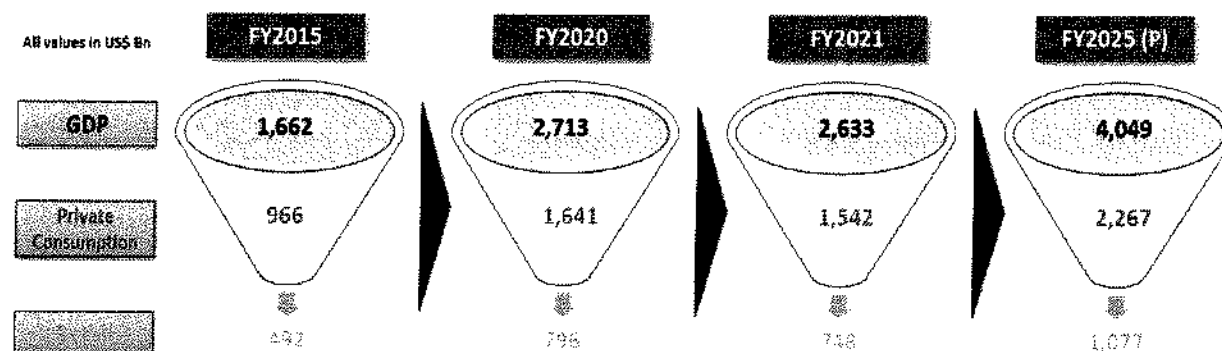


Ankur Bisen
Senior Partner

SECTION II: RETAIL MARKET IN INDIA

The retail market in India was valued at US\$ 796 billion (₹ 59,70,000 crore) in FY 2020 and is expected to grow at a CAGR of 6.23% to reach US\$ 1,077 billion (₹ 80,77,500 crore) by FY 2025. Some of the factors that will contribute to its growth are growing incomes, increasing working age population, shrinking household size, urbanisation, heightened exposure through internet and the meteoric rise of e-commerce.

Exhibit 9: India's consumption funnel (in US\$ billion)



1US\$ = ₹ 75

Source: Technopak Analysis

Exhibit 10: Country Wise GDP & Retail contribution (US\$ billion)

		USA	China	Germany	UK			India
CY2015	GDP	18,200	11,000	3,400	2,900	FY2016	GDP	1,745
	Retail	4,900	3,900	554	590		Retail	520
CY2020	GDP	20,936	14,722	3,806	2,707	FY2021	GDP	2,633
	Retail	5,506	5,130	610	553		Retail	748
CY2024	GDP	21,862	16,983	4,810	2,781	FY2025	GDP	4,049
	Retail	5,581	5,815	769	559		Retail	1,077

Source: Secondary Research, Technopak Analysis

RETAIL SIZE – OVERALL AND ACROSS KEY CATEGORIES

In FY 2020, India's retail basket was approximately 48.5% of its private consumption and it is expected to maintain roughly this share in private consumption for the next five years. The food and grocery ("F&G") segment forms the major share of India's merchandise retail expenditure (approximately 66%), it has jumped to approximately 73% amid the disruptions caused by COVID-19 in FY 2021. While other sectors in retail have contracted by 25-30% during FY 2021 due to the impact of COVID-19, need based categories like food and grocery and pharma retail have witnessed growth. However, the economic recovery post pandemic may lead to a swift bounce back for discretionary segments as well including apparel and accessories and footwear. Footwear retail market is expected to grow approximately at a CAGR of 8% during FY 20-25, and 22% over FY21-25, being one of the fastest growing discretionary categories during FY21-25.

Exhibit 11: Share of various categories in overall Indian Retail Basket (in US\$ billion)

	Categories	FY2015	FY2020	FY2021 (P)	FY2025 (P)	CAGR FY21-25
	Total Retail (US\$ billion)	492	796	748	1077	9.50%
Need based	Food and grocery	66.60%	66.10%	73.30%	63.30%	5.60%
	Pharmacy and wellness	3.00%	2.90%	3.20%	3.30%	10.70%
Discretionary	Apparel and accessories*	8.40%	8.30%	6.00%	9.30%	22.20%
	Jewellery	7.30%	7.50%	5.70%	8.40%	20.60%
	Consumer electronics	5.90%	6.40%	5.70%	7.10%	15.90%
	Home and living	4.50%	4.30%	3.00%	4.40%	20.30%
	Footwear	1.30%	1.20%	0.90%	1.30%	21.60%
	Others	3.00%	3.30%	2.20%	2.90%	17.15%
	Total	100.0%	100.0%	100.0%	100.0%	

*Accessories includes Bags, Belts, Watches and Wallets. Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.

Source: Technopak analysis; Year Indicates FY. Note: 1US\$ = ₹ 75

KEY GROWTH DRIVERS OF THE INDIAN RETAIL INDUSTRY

Growing youth, working age population and increasing propensity to spend

The median age of 28.1 in CY 2021(E) and workforce share of 50% of the population is suggestive of a large consuming youth population, consisting of both men and women, joining the workforce, and inclined to spend their earnings on aspirational lifestyle. Unlike the earlier generation, the youth is predisposed towards branded products and improved shopping experience and is continuously attempting to upgrade lifestyles.

Continuous exposure to content via television and smart phones

Exposure to content on television, OTT platforms, social media networking sites and other internet avenues are making consumers abreast with global fashion and retail trends. Brands are also leveraging these platforms to create seamless engagement with consumers. This exposure is elevating consumer's enthusiasm for lifestyle products and leading them to reconfigure their wardrobes and homes with different products for different occasions.

Availability of quality products across value segments

Focussed approach towards offering consistent quality at affordable prices has been driving growth in the lifestyle segment. The consistent delivery of this promise in tier II, III and IV cities has been aiding the transition of consumers from the unorganised traditional shops to the organised value retailers.

Growth in organised retail offering a great shopping experience

Entry of foreign brands, growth of organized retailers and proliferation of mall culture have conditioned the consumers to the idea of a robust shopping experience with air-conditioned environment, facility of trial rooms, wider product range, price transparency, quality assurance, on-floor service assistance.

Emergence of E-tailing

E-tail in India has witnessed a rapid growth trajectory and is expected to reach 9.6% (₹ 7,80,000 crore) of total retail by FY 2025 from its share of 4.6% in FY 2020 (₹ 2,77,500 crore), expected to grow at rate of 23%. Between FY 2015 and FY 2020, the e-commerce sales have grown at CAGR of 44%.

Retailers across categories are moving towards online channel to expand their offerings, to have a place in the 'Omni-channel Ecosystem' where all channels of retailing are essential to reach to the consumers. The dividing lines between offline and online retailing are blurring gradually, whereby consumers connect with brands through any medium of their preference. A purchase made by a consumer is often a mix of various mediums. E.g., A consumer searching online and reading reviews about a product before making a purchase decision, then going to an offline store to look and experience the product, and the eventual purchase could be through either of the channels. This makes presence across mediums essential of retailers to connect with the consumer at every touch point.

Increase in penetration of smart phones and low-cost internet data has led to a boost in online retailing. Several options of payment across various methods whether card, cash, wallets, and e-commerce transaction have gradually built comfort and security in the minds of the consumers. As the disposable income is increasing, and with increase in women employment, time paucity and convenience also led to the growth of e-commerce. COVID, accelerated these changes and made companies and consumers alike to adapt to the online medium.

KEY TRENDS

Consumers becoming more brand conscious

A fast-growing economy and burgeoning middle-class population exhibit a strong affinity towards branded products. Exposure to global trends and fast dissemination of information has fueled the aspiration to be associated with brands. Consumers also associate branded products with quality and performance. Besides the urban India, the rural India is also contributing significantly to the growth of acceptance of branded products.

Preference for Indian brands

Indian consumers increasingly want to buy products and brands that are made in India. Indian brands especially in the value segment have developed distribution capability to address the dispersed demand, product understanding and pricing framework for the Indian micro-markets. Indian brands also stand to gain where Indian sensibility in design and aesthetics or Indian value system rooted in nature and sustainability is the key selling proposition such as Good Earth and Fabindia in fashion lifestyle industry. Brands like Campus and Relaxo in the footwear retail industry are also examples of this trend. Campus is one of the very few established Indian brands in a segment which is primarily dominated by international brands.

Impact of social media

Use of digital media as a marketing tool is being adopted by all key players. Its wider reach and relatively lower cost of customer conversion makes it a medium of choice. Adoption of social media by youth has given an opportunity to brands to reach the consumers directly through targeted campaigns.

Increasing spend on Health and Wellness

Health and wellness have become an important lever to drive premiumization, specially post COVID-19 as the consumer has become more aware about health and fitness. This trend pervades across all segments of consumption from food and grocery to lifestyle products and services. Sports and Athleisure products have benefited from increasing consumer interest in exercise and sporting activity because of the health and wellness trend, as well as the rising demand for comfort. It has become an important differentiator so much so that many businesses have pivoted around this platform.

Emergence of D2C brands

D2C is a strategy where companies sell their products directly to consumers, eliminate intermediaries. Brands engaging this approach distribute their products via their own channels such as their own e-commerce websites, other e-commerce platforms, social media, or own branded retail stores. The D2C model gives an advantage of taking the product to the consumer in a shorter period compared to traditional channels and gives an opportunity to directly engage with the consumers. Brands in all sectors of retail including FMCG, apparel and accessories, footwear, home and living, consumer durables are foraying into direct selling, either completely depending on it or complimenting it with other channels. In last few years, more than 800+ Indian brands have picked-up the D2C retail channel to market and distribute their product. Companies like Boat, Intex, i-Ball, and Portronics in consumer electronics; Country Delight, Licious, Emami, Mamaearth, and Paper Boat in FMCG; Sugar, Nykaa, Bewakoof in beauty and fashion; and Urban Ladder, SleepyCat, and Wakefit in home and living; Elevar sports, Neemans, Wrogn in footwear; Roadster, Harvard etc. in apparel — have adopted the D2C route to reach to their consumers. The US brand Allbirds with a recent IPO valuation of USD 2.1 billion exclusively operates in the D2C model, with approximately 89% of their US\$ 219.3 million revenue (in 2020) coming from online channels.

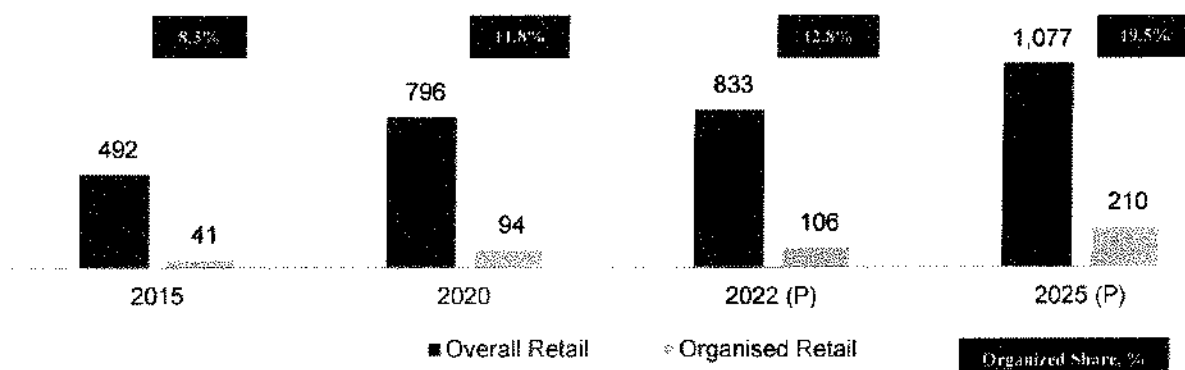
Premiumization

For nearly all retail segments, gradual escalation in Average Selling Prices (ASPs) contributes significantly to the growth of the segment along with growth in absolute volume. As the Indian consumption growth story continues, consumers remain in state of steady upgradation as corroborated by the response of businesses continuously creating demand for niche products, sub segments and premium versions of products from packaged food products to lifestyle products.

ORGANIZED RETAIL MARKET IN INDIA

While organized retail has been in India for 2 decades now, its contribution to total retail was low at 11.8% (US\$ 94 billion) in FY 2020. The organized retail penetration is expected to increase to approximately 20% by FY 2025. Organised retail includes both modern brick and mortar retail (EBOs, MBOs, large format stores) and ecommerce (Own website and marketplaces).

Exhibit 12: Overall Retail Market (US\$ billion)



Source: Technopak analysis, Organised Retail Penetration
B&M: Brick and mortar

PENETRATION OF ORGANIZED RETAIL ACROSS CATEGORIES

Currently, the Food and Grocery segment forms the major share of the retail market (approximately 66.1%). Food and Grocery will continue to be the dominant contributor in the retail market, however with a reduced 63.3% share in FY 2025. Apparel and Accessories, Jewellery and Consumer Electronics are the other three key categories which accounted 8.3%, 7.5% and 6.4% of retail respectively in 2020. All discretionary categories are expected to grow faster than the overall retail growth thereby contributing a higher share in the retail market in the coming 5 years.

Exhibit 13: Share of Organized Retail in various Retail Categories

	FY 2020				FY 2025 (P)				Key Retailers
	Share of Retail	Retail Size (US\$ billion)	% of Organized Retail	Organized Market Size (US\$ billion)	Share of Retail	Retail Size (US\$ billion)	% of Organized Retail	Organized Market Size (US\$ billion)	
Food and Grocery	66.10%	526	4.50%	23.7	63.30%	681	9.00%	61.3	Big Bazaar, DMart, Reliance Fresh
Jewellery	7.50%	60	32.00%	19.1	8.40%	91	40.00%	36.4	Tanishq, Kalyan
Apparel and Accessories*	8.30%	66	32.00%	21.1	9.30%	100	44.70%	44.7	Central, Shoppers Stop, Lifestyle, Westside, Zara, UCB, Titan
Footwear	1.20%	10	30.00%	2.7	1.30%	14	38.00%	5.3	Bata India, Metro Shoes, Khadim, Campus
Pharmacy and Wellness	2.90%	23	10.00%	2.3	3.30%	36	19.60%	7.1	Apollo, MedPlus
Consumer Electronics	6.40%	51	32.00%	16.3	7.10%	77	45.00%	34.5	Vijay Sales, Croma, Reliance Digital
Home and Living	4.30%	34	15.00%	5.1	4.40%	47	30.00%	14.1	Home Centre, Home Stop
Others	3.30%	26	14.00%	3.7	2.90%	31	22.00%	6.9	
Total	100%	796	11.80%	94	100%	1077	19.50%	210	

*Accessories include Bags, Belts, Wallet and Watches

Others include Books and Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages and Tobacco etc.

Source: Technopak Analysis, Note: 1US\$ = ₹ 75

Exhibit 14: Share of Brick and Mortar and E-commerce across Categories

	FY 2020					FY 2025 (P)				
	Share of Retail	Retail Size (US\$ billion)	Share of traditional retail	Share of B&M Retail	Share of E-commerce	Share of Retail	Retail Size (US\$ billion)	Share of traditional retail	Share of B&M Retail	Share of E-Commerce
Food and Grocery	66.10%	526	95.50%	4.00%	0.50%	63.30%	681	91.00%	5.00%	4.00%
Jewellery	7.50%	60	68.00%	28.00%	4.00%	8.40%	91	60.00%	33.00%	7.00%
Apparel and Accessories*	8.30%	66	68.00%	14.50%	17.50%	9.30%	100	55.00%	23.00%	22.00%
Footwear	1.20%	10	70.00%	14.00%	16.00%	1.30%	14	62.00%	16.00%	22.00%
Pharmacy and Wellness	2.90%	23	90.00%	7.80%	2.20%	3.30%	36	80.40%	11.20%	8.40%
Consumer Electronics	6.40%	51	68.00%	4.70%	27.30%	7.10%	77	55.00%	9.00%	36.00%
Home and Living	4.30%	34	85.00%	7.70%	7.30%	4.40%	47	70.00%	11.00%	19.00%
Others	3.30%	26	86.00%	5.30%	8.70%	2.90%	31	78.00%	11.00%	11.00%
Total	100%	796				100%	1077			

*Accessories include Bags, Belts, Wallets and Watches

Source: Technopak Analysis, Note: 1US\$ = ₹ 75

SECTION III: Global Sports and Athleisure Market

GLOBAL PERSPECTIVE OF SPORTS AND ATHLEISURE RETAIL MARKET

The global sports and athleisure market is projected to grow at a CAGR of 6-8% during the next five years. It broadly comprises of apparel, footwear, and gears. While USA is said to be the largest market for this segment, the Asia Pacific countries are expected to be the fastest growing markets in the coming 5 years.

Rising health and self-consciousness, desire to lead active lifestyles and to be fit, is encouraging consumers to incorporate sports and fitness activities into their daily routine. This increased participation which has led to a change in market dynamics, leading to an increased demand for athleisure products.

Sports Participation Rate

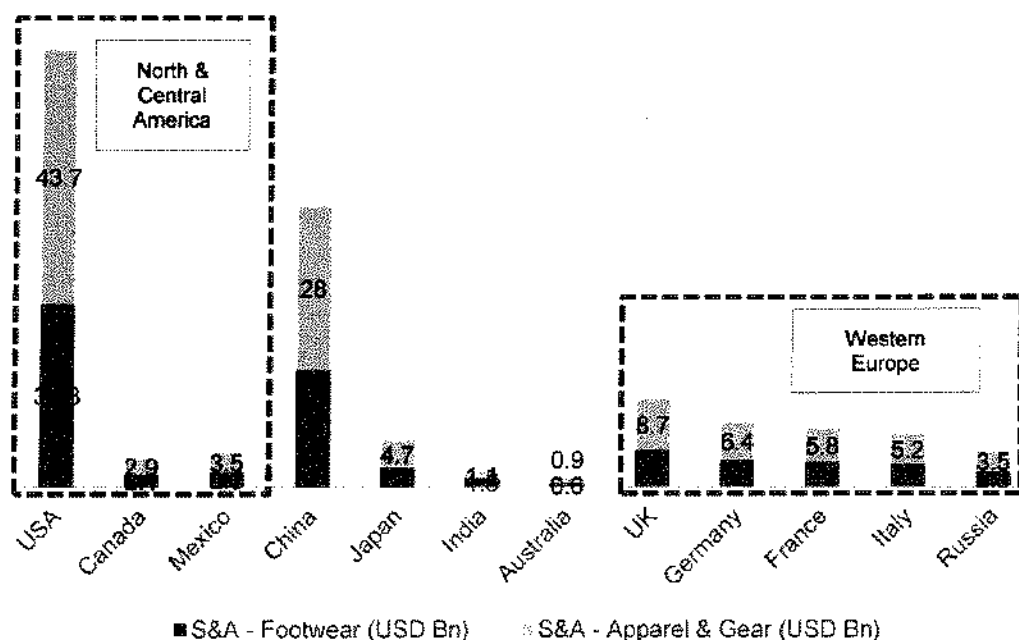
Approximately 33-35% of the world's population is estimated to regularly participating in some or the other form of sports. There has been increasing participation in sports across the world. From global sporting events like Olympics to Wimbledon or FIFA World Cup to ICC Cricket World Cup, global sporting events have often been the centre for cultural connection and helping boost the global economy. Sports and physical activity are also a high driver not just of physical health but also positive mental health.

In terms of sports participation rate, Australia and New Zealand have a very active population with a sports participation rate of approximately 75%, followed closely by USA with a participation of approximately 51-53%. USA dominates the global sporting arena with high focus on professional sports, with athletic talent valued at early age and large number of colleges ready to nurture the next generation sports persons. Similarly, in China the sports participation is quite high with the government's focus and plans to create a sizeable sports industry. The level of sports participation is approx. approximately 32-40% in China and continues to grow.

The overall effect can be seen across the globe as it has become very popular to wear sports clothing in everyday life, a trend commonly known as athleisure. Big brands like Nike, Adidas lead the way in support with home grown brands like Anta, Li-Ning, Puma, Campus, Sparx, HRX, Under Armour and others

In India, the sports participation rate is less than approximately 6% signifying low awareness and knowledge of sports in the country. Issues like gender discrimination, socio-economic factors, financial conditions, and cultural barriers obstruct sport development in India making it difficult to achieve the sports penetration in the nation. However, in the recent past, there has been more focus and government spending and India has moved towards being a multi- sport country and is witnessing high growth that will continue in the years to come.

Exhibit 15: Global Sportswear and Athleisure Retail Market – FY 2020



Source: Technopak

Ankur Bisen
Senior Partner

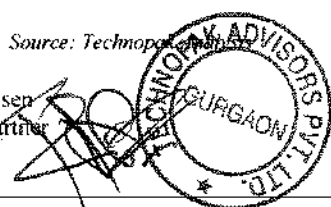


Exhibit 16: Global Sportswear and Athleisure Retail Market – FY 2020

	Total Retail FY 2020 (USD billion)	Sportswear and Athleisure Retail (USD billion)	Per Capita Expenditure in Sports and Athleisure (USD)	% Share in Global Sports and Athleisure Retail
Global		334.7		100%
India	796	2.6	1.9	1%
China	5,130	48.3	33.8	14%
USA	5,506	75.0	227.3	22%
Germany	610	11.0	131.0	3%
UK	553	15.0	220.6	4%

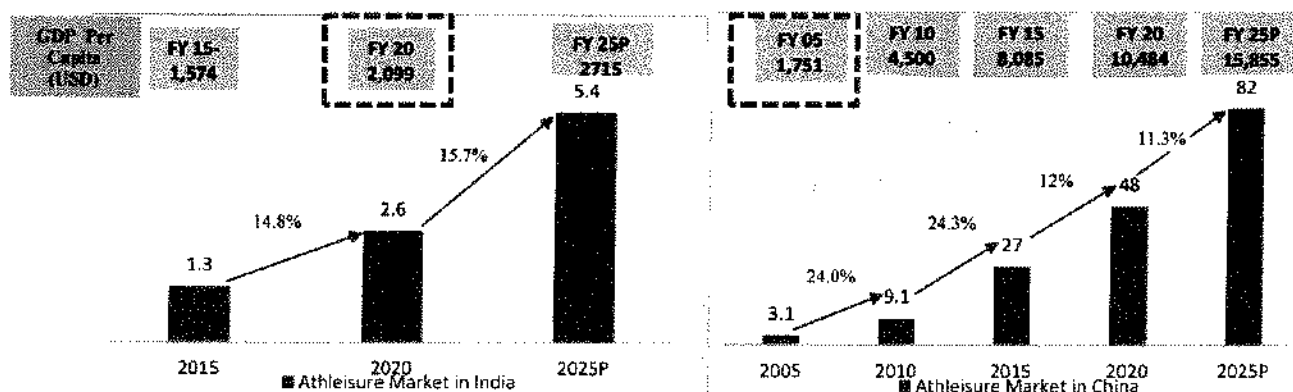
Source: Technopak Analysis

The Indian sports and athleisure market is estimated to be ₹ 19,500 crore in FY 2020 and is expected to grow at a rate of approximately 16% by FY 2025, almost doubling in size. There is a high level of under penetration of sports and athleisure footwear in India compared to global trends, leaving a huge opportunity for the key players to explore and grow in the segment with new designs and products.

Sports and Athleisure Retail Market in China

The domestic sports and athleisure market in China is estimated to be ~USD 48 billion in FY 2020. It is expected to sustain growth of ~10% growth till FY25, above that of most other countries. It is the second largest market after the US and continuously consolidating share in its favour. While the big names Nike and Adidas have been dominating the market, domestic brands including Anta and Li Ning have witnessed dynamic growth in the last few years because of products upgradation and consumers' growing patronage towards Chinese brands.

Historically, Chinese companies had taken a backseat in the eyes of Chinese shoppers. But in recent years, Anta has benefitted from a burgeoning preference among Chinese shoppers for homegrown names, allowing it to capitalize on the growing Chinese sportswear market.

Exhibit 17: India and China Sports and Athleisure Retail Market (In USD billion)

Source: Secondary Research; Technopak Analysis

FY 20 for India – Mar 19 to Apr 20

FY 20 for China – Jan 20 to Dec 20

Exhibit 18: USA - Per capita GDP for the same period (USD)

GDP Per Capita (USD)	2005	2010	2015	2020
US	44,115	48,467	56,863	63,544

Source: Technopak Analysis, GDP per capita IMF

In China, the athleisure market grew at CAGR of approximately 24% during the ten-year period from 2005 to 2015 with expansion in consumer spending power. Leading brands like Anta, Li-Ning, etc. captured a large share

of the market. Indian per capita GDP today is broadly where China's was in FY05. The Indian athleisure market is expected to witness similar growth in the next few years due to rising incomes and spending power, favourable trends for athleisure, and shift in the consumer buying preferences, among several other growth drivers. The Indian market was growing at CAGR of approximately 14.8% in FY15 to FY20 and is expected to grow at a CAGR of approximately 16% till FY25.

Trends	China	India
Footwear Production	China is the leading footwear producer	India is the second largest footwear producer after China
Share of Footwear retail in Total retail	Share of footwear retail in total retail for China market is like Indian market which is 1.2% with key players like Anta, Li Ning, Yearcon, Belle International	Share of footwear retail in total retail for Indian market is 1.2% with key players like Bata, Campus, Metro shoes, Khadim etc. dominating the Indian market
Athleisure Market	Athleisure market in China grew at a CAGR of 24% over 2005-15 with better consumer purchasing power and rise in the sales of brands like Anta, Li Ning, etc.	The Indian athleisure market is expected to grow at a similar rate like China. The athleisure market is growing at a CAGR of ~15% in 2015-20 and is expected to grow at a rate of ~16% till 2025.
Footwear Manufacturing	China is also the home of top manufactures like Anta, Li-Ning, Fila and others.	India is amongst the top manufacturers for global brands such as Nike, Puma and Adidas, with over 80% of their products being outsourced and manufactured in the Asia-Pacific (APAC) region

ANTA SPORTS PRODUCTS LIMITED

Anta Sports, primarily into manufacturing and retailing of sports and athleisure wear has built up its capabilities across the entire supply chain, from research and development to design, manufacturing to the distribution network, with an omni channel approach and focused D2C model. Anta's total research and development spend during the year 2019 was USD 123.3 million (2.3% of Revenue) and USD 136.1 million (2.5% of Revenue) during the year 2020 respectively. Anta has emerged as the market leader not only in the domestic market but also in the international market becoming a market leader in world's 2nd most populous and export-oriented economy.

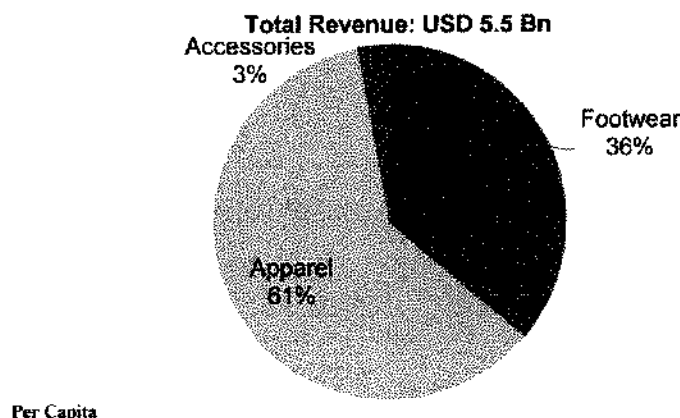
Fast track growth trajectory since the public listing: Founded in 1991 and listed on the HK stock exchange in 2007. From a revenue of almost USD 200 million in FY 2007, it is today world's 3rd largest sportswear company by revenue after Nike and Adidas.

Exhibit 19: Revenue and Profitability Growth

	FY 2015 (billion USD)	FY 2020 (billion USD)	CAGR 2015-2020
Revenue	1.7	5.5	26.18%
Profit	0.8	1.4	12.09%

Source: Annual Report, Note: USD ~ 6.45 RMB

Exhibit 20: Revenue by Categories (FY 2020)



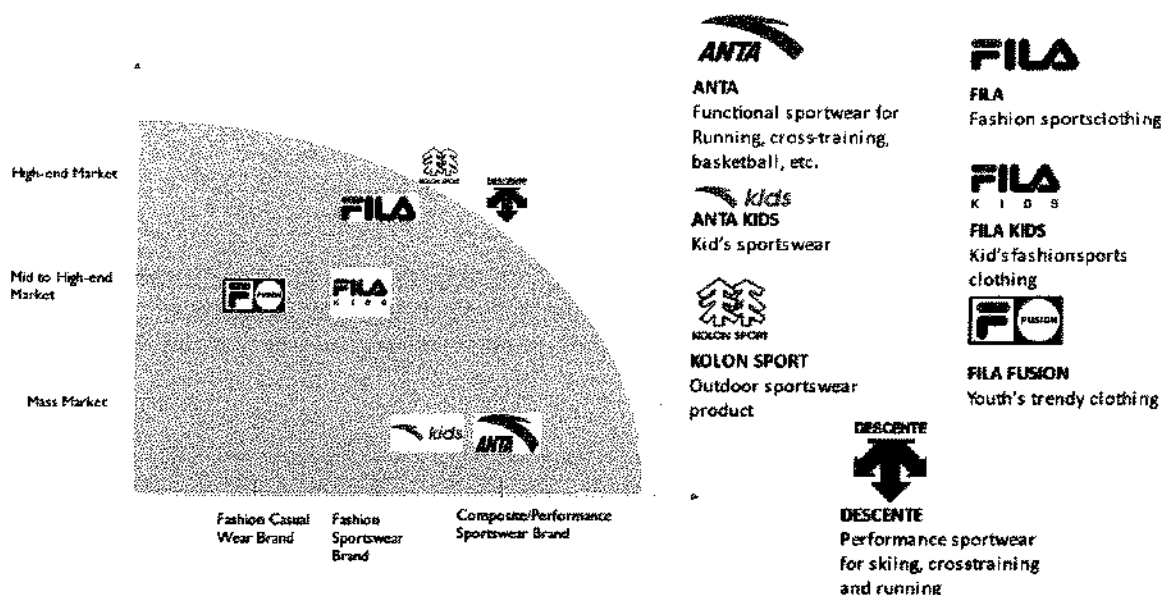
Source: Annual Report

Multi-Brand Portfolio to address all segments and niches:

Anta has 3 business groups to facilitate multi-brand strategy:

- (1) Performance Sports Group: Anta, Anta Kids, Sprandi
- (2) Fashion Sports Group: Fila, Fila Fusion, Fila Kids
- (3) Outdoor Sports Group: Descente, Kolon Sport

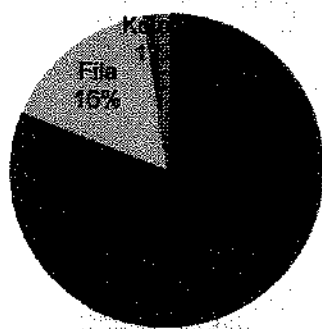
Exhibit 21: Brand Positioning Grid



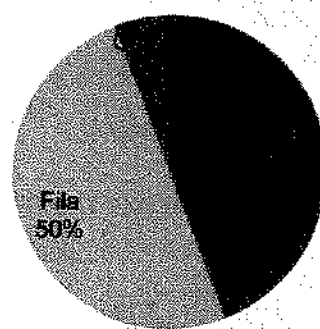
Source: Annual Report

Exhibit 22: Store Split and Revenue Split by Brands (FY 2020)

Total Number of Stores: 12,260



Total Revenue: USD 5.5 Bn



Source: Annual Report

Retail Journey: From Distribution led Approach to D2C

- Anta's business adopted a wholesale distribution model in China market and for more than 20 years this model has been effective in promoting the Anta business through a nationwide coverage that fulfilled different local business cultures and consumer preferences. However, as consumer habits are changing rapidly, Anta initiated the DTC model transformation in China to more effectively connect the information flow of the value chain from production to consumer.
- The group had more than 12,260 stores in China by FY 2020, up from 9,080 in FY25 implying a CAGR of 6.2%.
- Anta largely works through its offline network, about 70% of Anta sales are through brick and mortar stores and the rest comes from online platforms like Tmall, WeChat, etc. Anta has increased its sales by approximately 40% Y-o-Y with support of online channels.

- Key markets for Anta vary from Tier 1 and Tier 2 to Tier 3 and Tier 4 to lower tier cities based on the brand portfolio of the company. Anta Kids target the mass market and majority of their stores are in Tier 2 to lower tier cities. However, portfolio brands like Fila and Kingkow target the Tier 1 and 2 cities.

Growth through Acquisitions and Partnerships

- Anta focused on sports brands and acquired them to capture markets across value segments and niches.
 - (i) The company acquired sportswear brand Fila's China business in 2009. The approach placed Anta as a mass market brand while Fila targeted the high-end sports market.
 - (ii) The company also operates Descente and Sprandi stores in China
 - (iii) In July 2015, Anta acquired Henan Material, which manufactures shoe sole in the PRC.
 - (iv) In 2017, Anta Sports acquired the business of KINGKOW and formed a joint venture company to operate Kolon Sport business in China, Hong Kong, Macao and Taiwan.
 - (v) A consortium led by China's Anta Sports acquired Finland's Amer Sports that has internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, Suunto, Wilson in 2019. Fila contributed more than 50% of the total revenue in FY 2020.

Consistent Brand Management

- Anta sponsored the Sydney Olympic Games in 2000 that helped Anta move to international markets
- In 2008, the Beijing Olympics gave Anta another opportunity to bolster its presence.
- Anta is also the strategic partner for Chinese Olympic committee and will sponsor the winter Olympic games in Beijing in 2022.

LI-NING COMPANY LIMITED

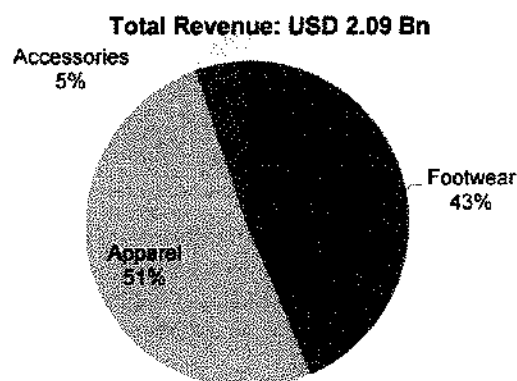
Fast track growth trajectory since the public listing: Founded in 1989 and listed on the HK stock exchange. The company is engaged in designing, developing, manufacturing, and marketing of professional sporting products including footwear, apparel and accessories, Li-Ning as of November 2020 ranked as the number one domestic brand in the sports category in China during the 11.11 shopping festival organized by Tmall and Taobao. Li-Ning's total research and development spend was USD 56.2 million (2.6% of Revenue) and USD 50.1 million (2.2% of Revenue) in FY 2019 and FY 2020 respectively.

Exhibit 23: Revenue Growth

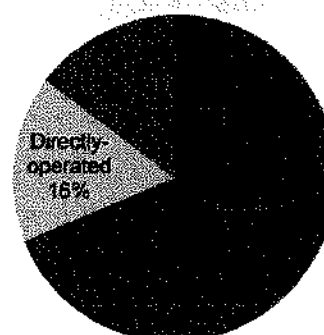
	FY 2015 (billion USD)	FY 2020 (billion USD)	CAGR 2015-2020
Revenue	1.14	2.09	12.88%

Source: Annual Report, Note: USD – 6.45 RMB

Exhibit 24: Revenue by Categories and Store Split (FY 2020)



Total Number of Stores: 6,933



Source: Annual Report

Retail Journey

- Li-Ning strategy of "Single brand, Multi-categories, Diversified channels" has helped the group to strengthen the core business. The group has focused on product functions and technological innovation

with analysing fashion trends and sports cultures, striving to provide consumers with diversified consumption experience, enhance consumer loyalty and strengthen brand influence.

- Li-Ning remained focused on the multi-channel strategy for distribution of goods and for more than 20 years this model has been effective in promoting the Li-Ning business through a nationwide coverage that fulfilled different local business cultures and consumer preferences. However, as consumer habits are changing rapidly, Li-Ning initiated the digital transformation to establish a strong online presence. For Li-Ning, e-commerce has risen to the second-biggest distribution channel with approximately 30% contribution to growth from e-commerce
- The group had more than 6,933 stores in China by FY20, up from 6,133 in FY15, a CAGR of ~2.5%.
- Li-Ning focused in the multi-channel strategy and enhanced the cooperation with high quality retailers, which has optimized the efficiency of retail channel and improved the quality of market coverage.
- Majority of Li-Ning stores are directly operated stores located in metro and top tier cities.

Consistent Brand Management

- Li-Ning sponsored the athletes and sports teams both in China and overseas to bolster its presence. For example, in 2016, it signed a sponsorship deal with Indian Olympics Association for Rio 2016 summer Olympics.
- Li-Ning is also in the strategic collaborations with NBA, Association of Tennis professionals, Chinese university of basketball and football association.

Exhibit 25: Revenue Evolution of Key Footwear Players in China

(RMB \$mm)	FY2005	FY2020	CAGR FY 2005-2020
Anta	670.0	35,512.0	30.3%
Li-Ning	2,451.0	14,457.0	12.6%

Exhibit 26: Key Asian Players in Sports and Athleisure

Brands	Country of Origin	Establishment year	Footwear	Apparel	Sports Gear	Price Range (US\$)	Number of FBO's	Revenue 2020 (USD bn)	Presence
Anta Sports	China	1991	✓	✓	✓	85-249	12,260	5.50	Worldwide
Li Ning	China	1990	✓	✓		53-150	-	2.23	Worldwide
Asics/Onitsuka	Japan	1949	✓	✓	✓	50-270	-	2.99	Worldwide
Fila	Korea	1911	✓	✓	✓	65-138	8,200	2.69	Worldwide
Xtep International	China	2001	✓	✓		-	-	1.26	Worldwide
361 Degrees	China	2003	✓	✓		80-160	-	0.37	China and India
PEAK Sport*	China	1989	✓	✓		69-550	5,000	0.20*	America, Europe, Asia, and Australia
Campus	India	2005	✓			5-48	50+	0.09	India
Liberty Force 10	India	1990	✓			7-48	396	0.06**	India
HRX	India	2013	✓	✓	✓	8-68	-	0.07	India

*Peak Sport data is of 2016 as it was acquired by Amer sports corporation post that

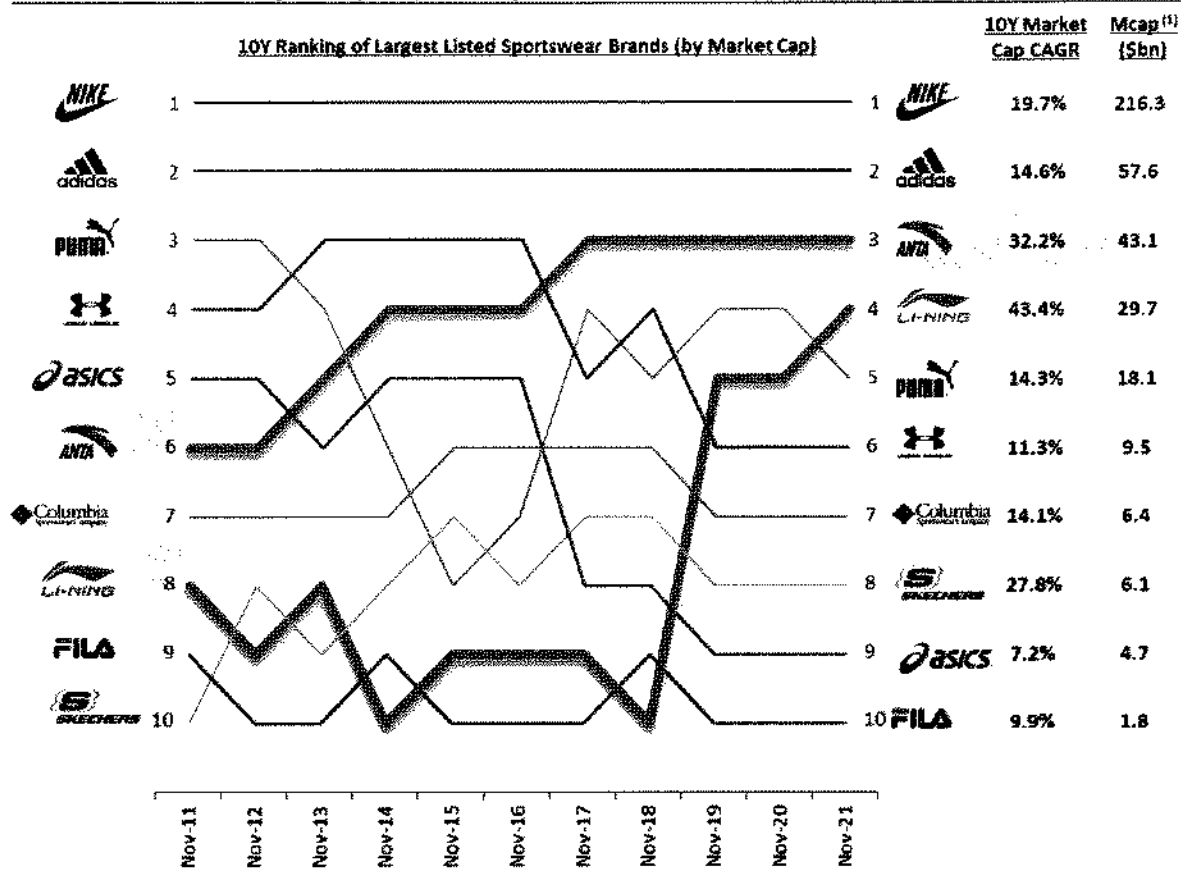
** Turnover for the company which has a large share of footwear in casual, fashion and school segments apart from sports and athleisure footwear

Source: Secondary Research

Revenue 2020 for International Brands - FY 2020 is Jan 20 to Dec 20

Revenue 2020 for Indian Brands - FY2021 is April 20 to Mar 21

Exhibit 27: Market Cap of Key Players in Sports and Athleisure



Source: Secondary Research

Note: (1) Market capitalization for each year is basis the figure as on November 30th of the respective year

SECTION IV: SPORTS AND ATHLEISURE RETAIL MARKET IN INDIA

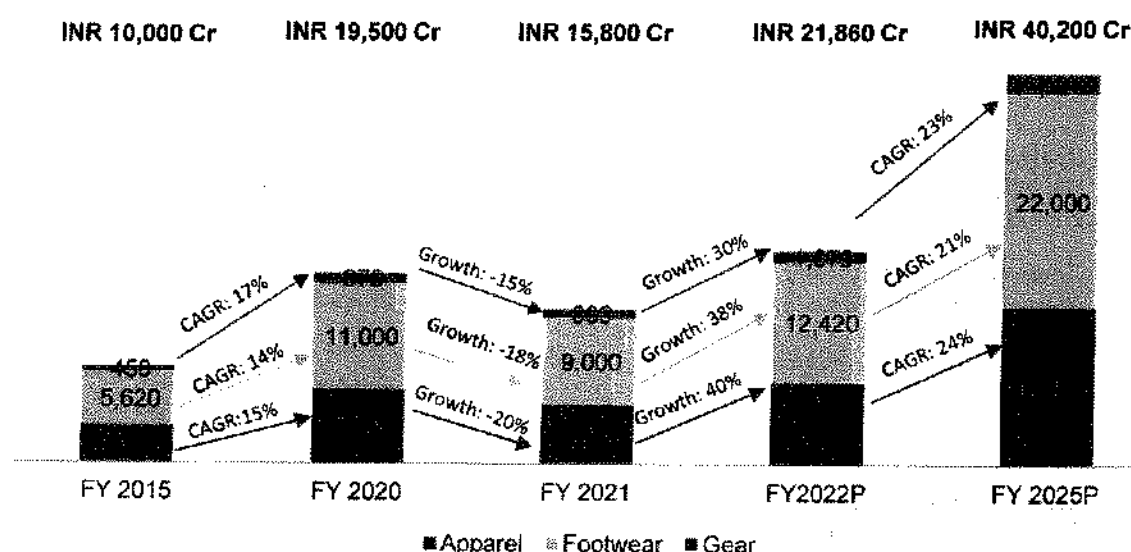
India is mirroring the global trend with respect to sports and athleisure and has outpaced the global growth rate of the segment. It is estimated to be ₹ 19,500 crore (USD 2.6 billion) in FY 2020 and is expected to grow at a rate of approximately 16% by FY 2025, almost doubling in size. With increasing discretionary incomes and heightened awareness about health, wellbeing and fitness coupled with growing infrastructure to support sports and physical activities and entry of brands across price points had propelled consumers to spend on such products.

The key categories in the segment are:

- (1) Apparel
- (2) Footwear
- (3) Gear (Yoga mats, health equipment's, gym gloves, belts and other things like skipping rope etc.)

While sports and athleisure footwear has been around since last few decades and has been widely adopted across city tiers since last 2 decades, sports and athleisure apparel has picked up paced only in the last few years. Gears still remain to be a small category, largely unbranded and highly fragmented. However, players like Decathlon are conditioning consumers to buy the right products and are making them available as a one stop solution.

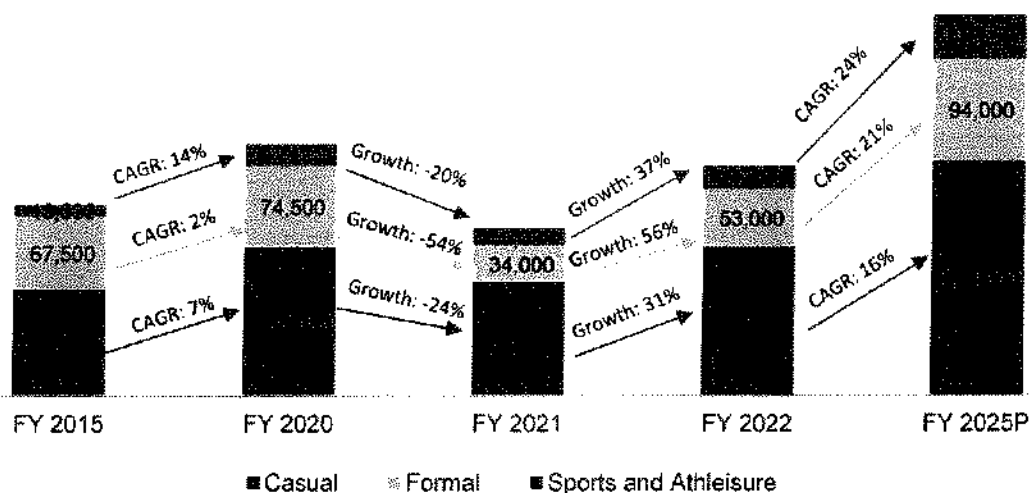
Exhibit 28: Sports and Athleisure Retail Market in India (in ₹ crore)



Source: Technopak Analysis

By usage, sports and athleisure is the fastest growing category in both apparel and footwear, growing at a CAGR of approximately 16% between FY20 and FY25, followed by casual and formal which are growing at 9% and 5% respectively over the same period. This is resulting from the gradual cultural transformation from formal and rigid dressing codes to a casual and fluid dressing culture blurring the lines between the two. This has been further propelled by COVID-19 wherein consumers have eased into working from home and step out for casual outings, thereby promoting adoption of athleisure apparel and footwear.

Exhibit 29: Category Segments - By Usage (₹ crore)



The category segments include Apparel, Accessories, Footwear and Gear
Source: Technopak Analysis

Key Players

- **Sport and Athleisure centric Players:** Players fulcrumed around sports and athleisure apparel, footwear and gears such as Adidas, Puma, Campus, Reebok, Nike, Skechers, Under Armour, Asics, Decathlon, New Balance,
- **Footwear retailers offering sport and athleisure footwear category:** Bata (Power), Liberty (Force10), Relaxo (Sparx) and Mirza International (Red Tape Athleisure and Bond Street)
- **Apparel players extended into sport and athleisure category:** H&M, Uniqlo, Marks and Spencer, W, Biba and Go Colors

Prominence for today's consumer

- Athleisure was a megatrend before COVID-19, but the pandemic has served to further blur the dividing lines between work and free time, and there is a rising acceptance of comfortable wear in previously more formal contexts. With fashion brands increasingly entering this segment, sports goods players also need to leverage their innovation abilities and market knowledge. Activities such as yoga, Pilates, home workouts, running, walking have gained wider acceptance leading to increase in sales of related products like running shoes, walking shoes, work out apparel, yoga pants etc.
- Increasing discretionary incomes and growing global exposure has conditioned consumers to adopt global trends, follow global athletes and fitness influencers. Digital training sessions and monitoring of milestones have also gained prominence. All these factors coupled with proliferation of global and home-grown brands and private labels across price points have made the smart products accessible to consumers at relevant pricing.

KEY GROWTH DRIVERS AND TRENDS

Democratization of sports: Proclivity towards sports and physical activities has been on a steady growth. Enthusiasm for sports is now moving beyond cricket and the well-heeled. It is on account of the following factors:

- **Sporting leagues favorably impacting the sporting arena:** The Indian Hockey Federation had conceived the Premier Hockey League (field hockey) in 2005. Indian Premier League (IPL) got established in 2008. Over 12 national professional sports leagues exist in India now, each at different levels of evolution. They attract the best of talents from across the world, which leads to massive television viewership not only in India but also globally, resulting in heightened awareness and enthusiasm about sports.

- **Sports stardom igniting aspiration in the Indian crowd:** The Indian sports journey began with the likes of the Milkha Singh, Dhyanchand, P.T. Usha and other sports persons, who bagged glorious victories despite humble backgrounds. Then, the laurels of the highest stature were won by the young brigade like Saina Nehwal, P.V. Sindhu, Abhinav Bindra, Sania Mirza, etc. More recently, with seven medals in the Tokyo Olympics 2020, not only have the athletes made India proud but also inspired parents to support their kids in pursuing several sports. This is seen as a potential gamechanger that can help revive the sports culture and lay the foundation for India to produce many more champions in the future. The emergence of these new heroes and their humble beginnings has rekindled appreciation for sports and outdoor activities.
- **Academic and training focus on sports:** The lack of infrastructure in sports has always been an issue in the country. However, last decade has witnessed the development of several government and private sports academies, training centers, sports excellence centers to promote sports in India. Initiatives by the government, private bodies and individuals are yielding positive results in strengthening the sports culture in India. This augurs well for various stakeholders including sporting good players.

Ability of home-grown brands to address the underserved demand: The market skimming approach of the premium global brands present in India has left the Indian market largely unaddressed. The ability of the home-grown brands like Campus and Relaxo to capture the eye of first time consumers of branded footwear, and address buying across a consumer's journey across mass segments as well as more aspirational buying in semi-premium segments, based on market knowledge, supply chain efficiencies, access to markets and price advantage presents a large sized opportunity to them. Reviewing the product strategy and recalibrating the prices can help the value players meet the demand at the right price.

Exhibit 30: Premium and Value Brand - Scale Comparison

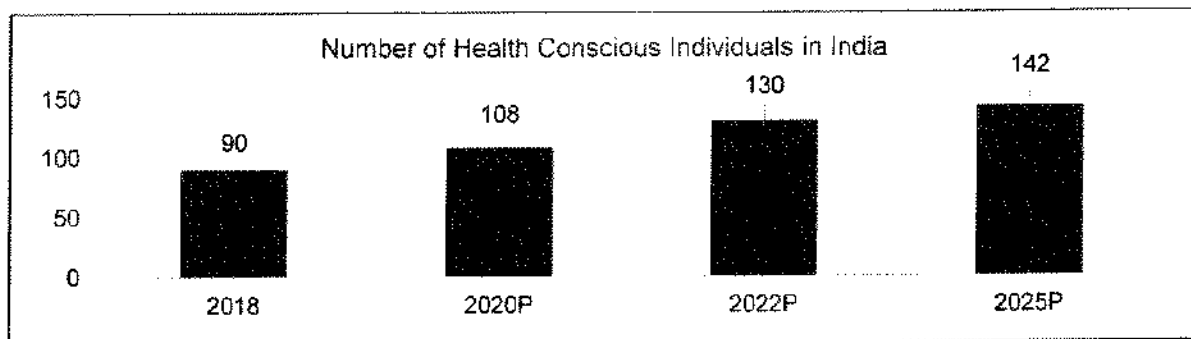
	FY 2011		FY 2015		FY 2020	
	Revenue (₹ crore)	Number of Stores	Revenue (₹ crore)	Number of Stores	Revenue (₹ crore)	Number of Stores
Nike	NA	NA	704	200	760	123
Relaxo	686	127	1,481	207	2,410	390

Source: Annual Report, MCA Report, Secondary Research

Emerging sub-segments: The transformative external forces are bolstering the development of several sports and outdoor activities. Brands have identified these niches such as Speedo in the space of swimwear, Quick Silver for water sports, Callaway and TaylorMade for golfing equipment's etc. Yoga bottoms have become all pervasive so much so that along with sports and athleisure players, ethnic wear players like W, Biba, lingerie and lounge wear brands like Jockey, retailers like Westside and Lifestyle have added it to their offering.

Health Awareness: COVID-19 pandemic has brought about a significant change in the Health and Wellness Industry, giving it a boost by making Indian consumers aware about the benefits of health and wellness. Businesses have adapted to the new normal by implementing doorstep delivery and e-retailing due to Indian government's push to prefer e-commerce as a major distribution channel to maintain social distancing.

Growing awareness towards health and preventive care is driving wellness as well as fitness category. Within Packaged Food and beverages, products such as Organic Staples, Organic Beverages, Concoctions, Immunity boosting products, Nutraceuticals, etc. saw high growth. There has been a rise in health conscious individuals in India with fitness related products such as sports footwear emerging as the biggest beneficiary of this trend.

Exhibit 31: Number of Health-Conscious Individuals in India (2018-2025) (in million)

In FY 2025P: Share of Total Number of Health Conscious Individuals in India
 Metros and Mini Metros* – 34%, Rest Of India- 66%, * Delhi NCR/ Mumbai/ Kolkata/ Bangalore/ Chennai/ Hyderabad/ Pune/Ahmedabad
 Source: Technopak Analysis

Additionally, changing market trends towards relaxed clothes with the increasing need for fashion, particularly at workplaces and social gatherings are important factors driving demand in the market. The growing awareness for a healthy lifestyle is leading to the adoption of physical fitness services and activities, thereby enhancing growth in the athleisure market. Health and Wellness proxies are growing at double digit CAGR since 2015 and will continue to grow at the same rate for the next 5 years.

Exhibit 32: Health and Wellness proxies (₹ crore)

	Market Size (₹ crore.)			CAGR (FY2020-FY2025)
	FY2015	FY2020	FY2025	
Nutraceuticals (Dietary)	12,750	31,500	77,250	19.7%
Nutraceuticals (Functional Food)	8,250	21,750	51,750	18.9%
Organic Food	820	2,160	6,350	24%
Sports and Athleisure Footwear	5,620	11,000	22,000	14.4%
Wearable Fitness Devices	824	4,935	28,341	42%

Source: Technopak Analysis

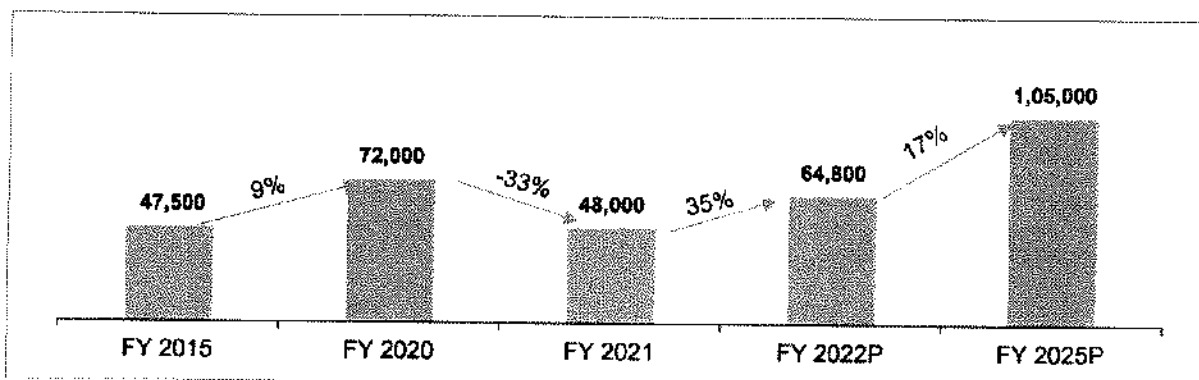
SECTION V: FOOTWEAR RETAIL MARKET IN INDIA

The domestic footwear retail market in India estimated at ₹ 72,000 crore in FY 2020 is projected to grow at a CAGR of ~8% to reach ₹ 1,05,000 crore by FY 2025. Footwear industry in India has grown at a CAGR of ~9% over FY2015 to FY20. India is one of the largest producer and consumer of footwear in the world, generating employment for over 2 million people. Men's footwear currently dominates this market with approximately 48% share, however growth in women's footwear segment will outpace the growth in men's to account for an almost equal share by value in FY 2025 against the current share of 41%. While casual segment is the largest segment accounting for almost 67% of the total market in FY 2020, sports and athleisure is one of the fastest growing segments.

Further growth will be driven by

- Increased adoption owing to versatility in usage and emergence of sub-segments such as sports and athleisure, outdoor etc.,
- Increasing middle class population and working population resulting in increasing disposable income of consumer and higher spending on lifestyle products; leading to shift from unbranded to branded play driving the average selling price of the segment.
- Increase in number of working women driving the growth of women's footwear market.
- Increasing urbanization and more focus towards branded footwear and organized retail.
- Easy availability and assortment width with the advent of online channel.
- Surge in sale of sports and athleisure footwear with increasing focus towards sports and events such as marathons and adventure trips.

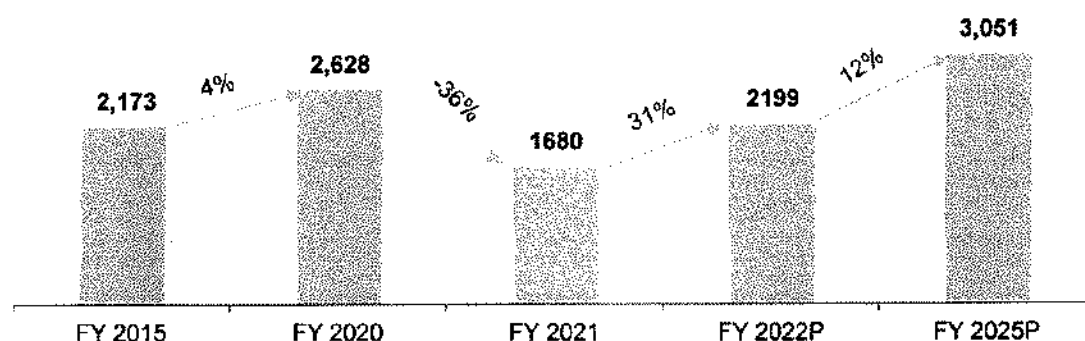
Exhibit 33: Footwear Retail Market in India (Value in ₹ crore)



Source: Technopak Analysts

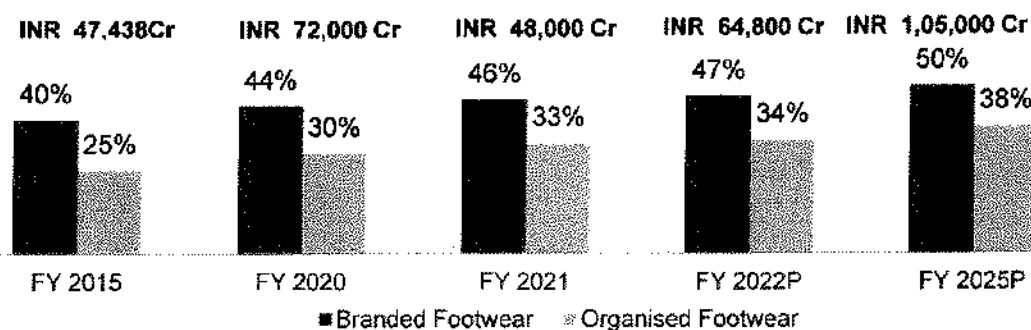
Given the muted consumption in FY 2021 due to restrictions in movement due to COVID-19, the footwear retail market in India contracted by approximately 33%. However, as the growth momentum is picking up, rapid recovery is expected with the segment growing at a CAGR of approximately 22% between FY 2021 and FY 2025.

Exhibit 34: Footwear Retail Market in India (Volume - Number of pairs in Million)



Source: Technopak Analysis

Exhibit 35: Share of Branded Footwear and Organized Footwear Retail as a percentage of Footwear Retail Market by value



Source: Technopak Analysis

Branded footwear signifies registered trademarks that are regularly patronized by customers and that are sold through both organized retail and trade channels. Organized retail signifies formal retail channels of Exclusive Brand Outlets (EBOs), Large Format Stores (LFS), E-commerce etc. Footwear retailed through these organized retail points of sales is necessarily branded. Therefore, organized share is less than the share of branded footwear in total share

In FY20, the organised footwear retail signified by exclusive brand outlets ("EBOs"), large format stores ("LFS") and e-commerce contributed a share of ~30% by value and ~13% by volume (number of pairs) to the total footwear retail market, corroborating the greater throughput of premium products through organised channels. Growing at rate of 13%, well above the growth rate of the overall category, the organised retail is expected to gain a share of 38% by value in the coming five years. The footwear segment is characterised by fairly high branded play compared to other lifestyle categories. The branded segment projected to grow at a rate of 11% by value in the coming 5 years is expected to gain a share equal to that of the unbranded segment by value by FY25.

GLOBAL FOOTWEAR RETAIL MARKET

Exhibit 36: Size of Footwear Retail in various Countries (CY2020 Data, USD billion)

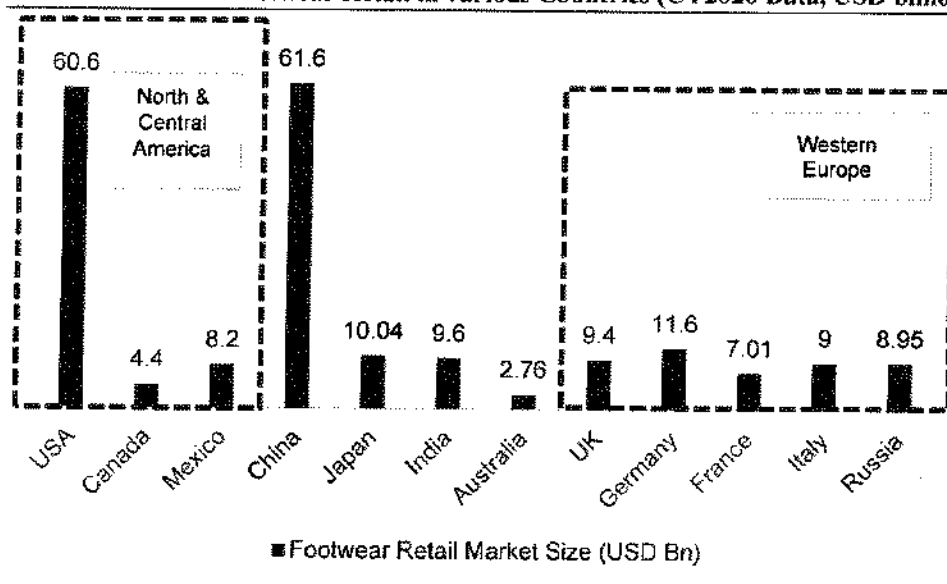
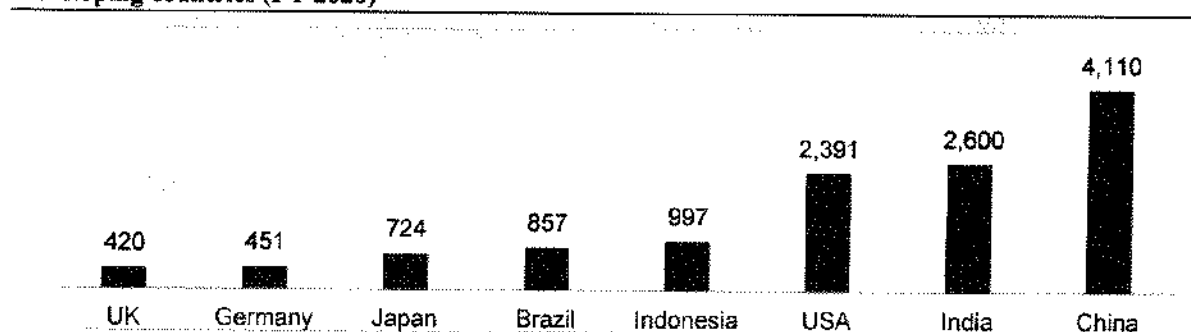


Exhibit 37: Share of Footwear Retail in various Countries (CY2020 Data, USD billion)

Country	Retail Market Size	Footwear Retail Market Size	Share of Footwear Retail	Key Players
USA	5,506	60.6	1.1%	New Balance, Steve Madden, VF Corp
China	5,130	61.6	1.2%	Anta, Li Ning, Yearcon, Spider King, Belle International
Germany	610	11.6	1.9%	Ash, Bugatti, Bufallo, Caprice
India	796	9.6	1.2%	Bata India, Campus, Metro Shoes, Khadim, Relaxo
UK	553	9.4	1.7%	Dr. Martens, Hunter Boots, and Clarks

Source: Technopak Analysis

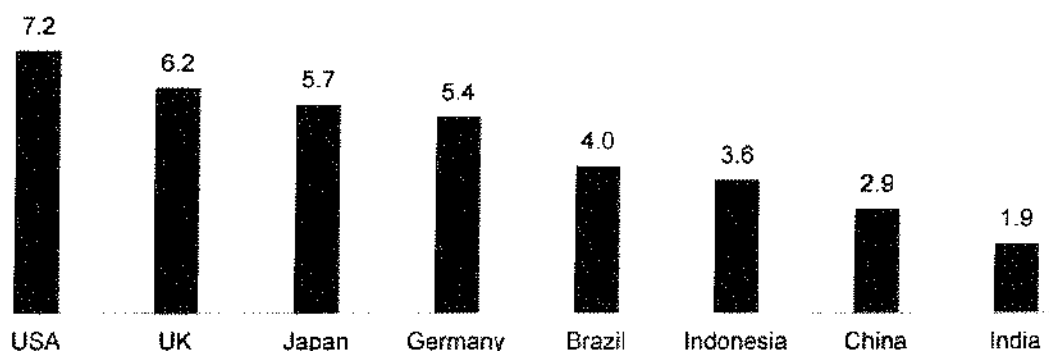
Exhibit 38: Annual Footwear Consumption (Number of pairs in million) – Across Key Developed and Developing countries (FY 2020)



Source: Secondary Research

The global average annual footwear consumption per capita is estimated to be approximately 3.2 pairs. India's annual footwear consumption per capita is very low, compared to developed and other developing countries, at approximately 1.9 pairs suggesting headroom for growth.

Exhibit 39: Annual Footwear Consumption (Number of pairs) per capita – Across Key Developed and Developing countries



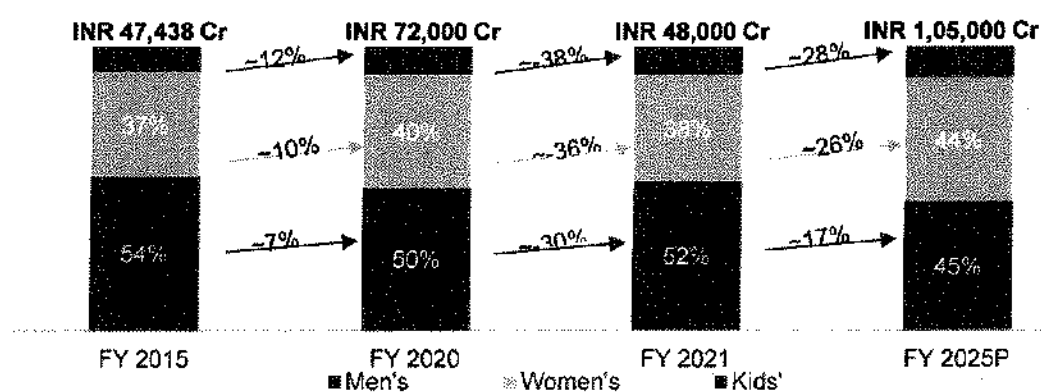
Source: Technopak Analysis

SEGMENTATION OF FOOTWEAR RETAIL MARKET IN INDIA

Segmentation by Customer Demographic

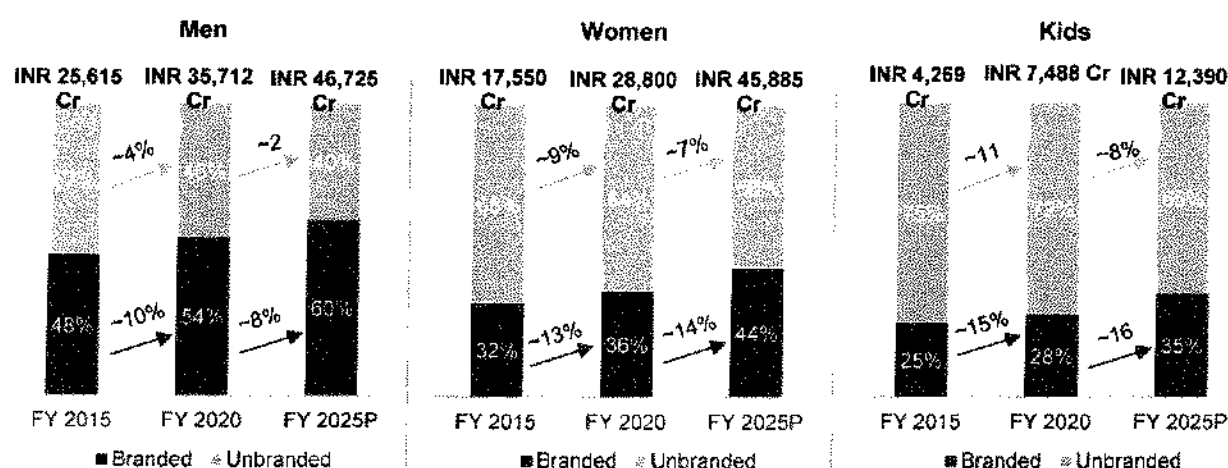
Historically, the footwear category in India has been dominated by men's products accounting for more than 50% of the footwear retail market by value until FY 2015. However, women's and kids' segment have been growing at a faster pace as compared to men's segment to account for 40% and 10% of the market respectively in FY 2020. By FY 2025, women's segment will have inched closer to be at par with the men's segment in terms of value. The growth in women's segment will be driven by increasing number of working women and increasing disposable income. Also, women tend to possess a greater number of pairs for different occasions driving volume growth. Market for kids' footwear is growing rapidly with increasing number of working parents resulting in higher spending on kids. Also, with the advent of activity-based learning in schools, different shoe types are needed for varied different activities. Penetration of organized retailing continues to be higher in men's footwear as compared to women's and kids' owing to the dominance of retail led players like Bata, Mirza International and many others in this segment. The adoption of branded products happened much earlier in the men's segment as compared to that in other segments.

Exhibit 40: Customer Segment Split in Indian Footwear Retail Market



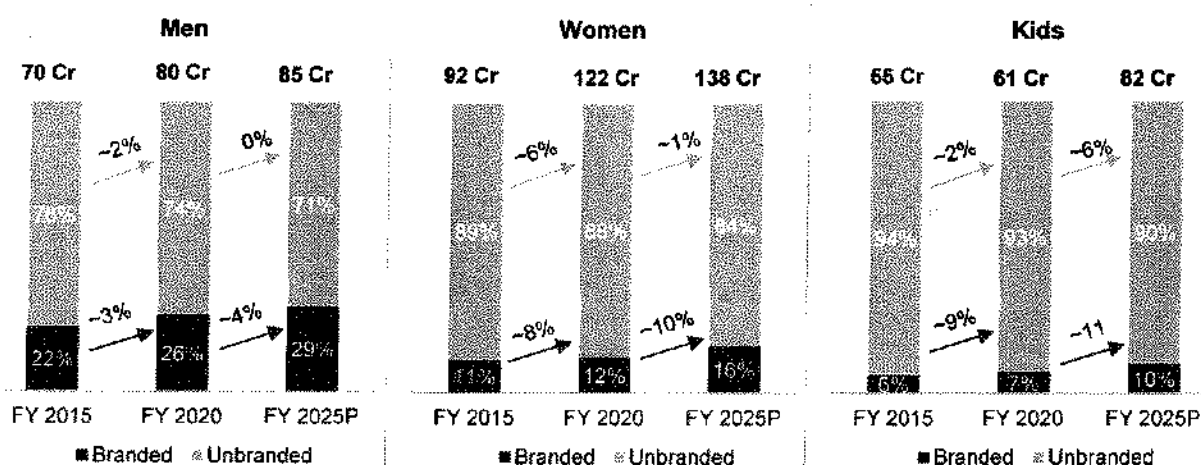
Source: Technopak Analysis

Exhibit 41: Penetration of Branded Footwear across Customer Segments in Indian Footwear Retail Market - By Value



Source: Technopak Analysis

Exhibit 42: Penetration of Branded Footwear across Customer Segments in Indian Footwear Retail Market - By Volume (Number of pairs)

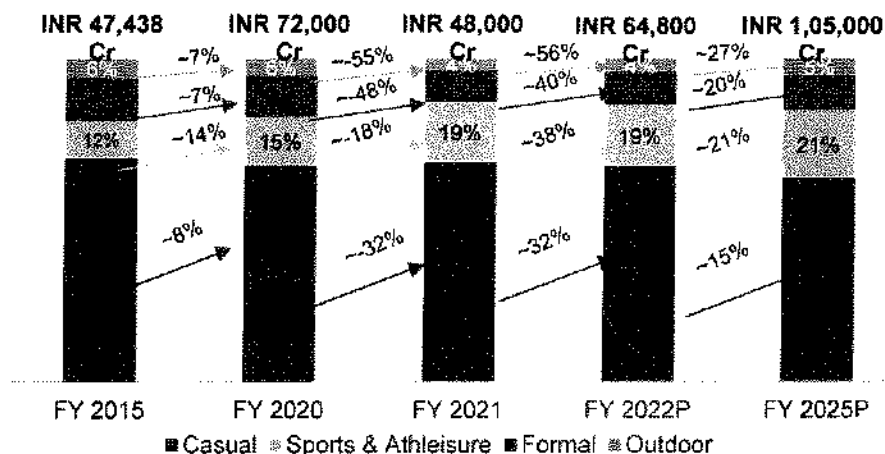


Source: Technopak Analysis

SEGMENTATION BY USAGE

Indian footwear retail market is loosely defined around formal or dress, casual, sports and athleisure and outdoor segments. While casual segment is the largest segment accounting for almost 67% of the total market in FY 2020, sports and athleisure is the fastest growing segment gradually consolidating market share. Health, fitness and well-being have become an important pivot for most retail categories including food and grocery, apparel and accessories, footwear, gadgets etc. Footwear is mirroring that trend, with sports and athleisure footwear expected to double itself in value from ₹ 11,000 crore in FY 2020 to reach a market size of ~₹ 22,000 crore by FY 2025, growing at a CAGR of ~15% between FY 2020 and FY 2025. Further, the branded sports and athleisure footwear segment is also expected to grow at a CAGR of ~17% during the same period.

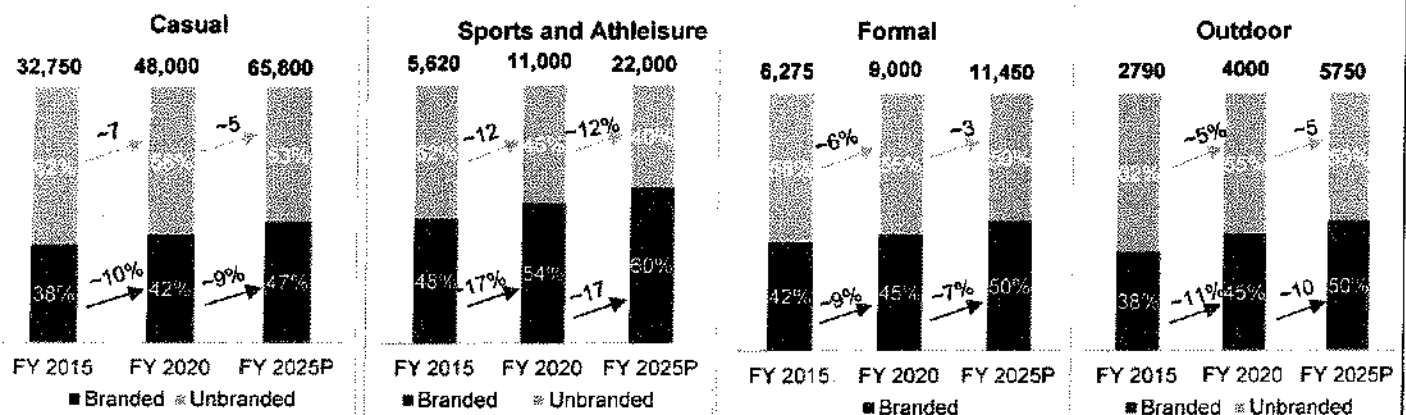
Exhibit 43: Usage wise Split in Indian Footwear Retail Market



Source: Technopak Analysis

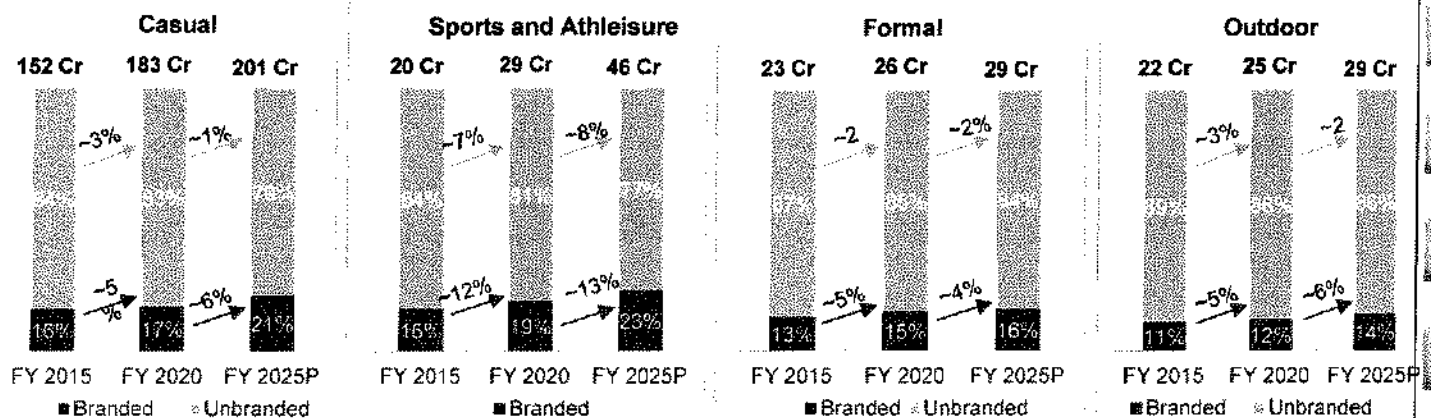
Penetration of Brands

Exhibit 44: Penetration of Branded Products across Usage Types in Indian Footwear Retail Market - By Value



Source: Technopak Analysis

Exhibit 45: Penetration of Branded Products across Customer Segments in Indian Footwear Retail Market- By Volume (Number of Pairs)



Source: Technopak Analysis

Retail Channels

Footwear retail market is amongst the most organized categories with a 30% penetration of the organised retailing. The organised retail is largely characterised by the EBOs of the leading brands along with LFSs and other large MBOs. E-commerce has rapidly gained foothold in the market and is now driving the growth of the organised footwear retail. Growth in the organized format will also be driven by emergence of value brands and increasing penetration of EBOs in Tier II, Tier III and below towns across the country.

However, the unorganised retail channels continue to be the cornerstones of the demand. Distribution led brands, regional labels and unbranded products continue to depend on the deeply entrenched traditional multi-brand stores.

- EBOs are of players like Bata, Khadim, Sree Leathers, Relaxo, Liberty, Adidas, Reebok, Puma, Nike, Campus etc.
- LFSs include department stores like Shoppers Stop, Lifestyle, Central, Pantaloons etc. and hypermarkets such as Big Bazaar, Spencer's etc.
- MBOs include retailers like Metro, Mochi, Regal, Inc. 5, Planet Sports etc. selling multiple brands which include their own who sell their own [private labels / brands] as well as products of brands like Campus, Skechers, Puma etc.
- Traditional includes typical Mom and Pop footwear stores.

Exhibit 46: Key Footwear Retail Channels

		Channels	Share in Footwear Retail – FY 2020	Share in Footwear Retail – FY 2025	CAGR (FY 2020-2025)
Organised	B&M	Exclusive brand outlet (EBO)	9%	11%	10%
		MBOs* and LFS*	5%	5%	
	Online	Brand Website	5%	8%	16%
		Marketplaces	11%	14%	
Unorganised	B&M	MBO	70%	62%	6%

Source: Technopak Analysis

*MBO – Multi Brand Outlet, LFS – Large Format Stores

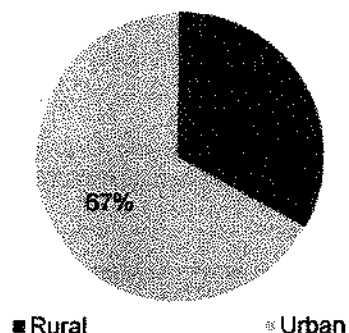
Since the omni channel and direct consumer connect is driving the expansion strategy of retail industry, several footwear brands are now focusing on D2C expansion through EBOs (Exclusive Brand Outlets) and are launching their own brand website. EBOs not only allows brands to directly connect with their customers, offer variety and experience but also facilitates omnichannel retail.

Geographical Segmentation

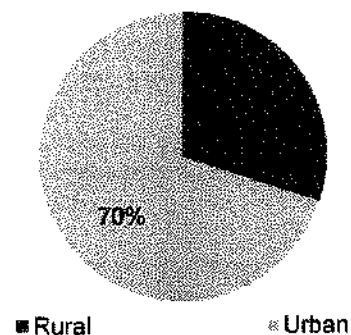
Given the largely discretionary nature of the category, urban India accounts for 67% of the footwear market in India by value. Top 8 cities (metro and mini metro cities) contribute to 40% of the urban footwear market and is dominated by the presence of leading national and international brands. Tier II and below cities contribute approximately 35% to the overall urban footwear market and it is expected to grow further with increasing penetration of EBOs and online retail in these cities. Tier I, Tier II and below cities are poised for growth thereby opening up new opportunities for retailers to expand.

Exhibit 47: Region wise distribution of Footwear Retail in India

Total Footwear Market (FY2020): INR 72,000



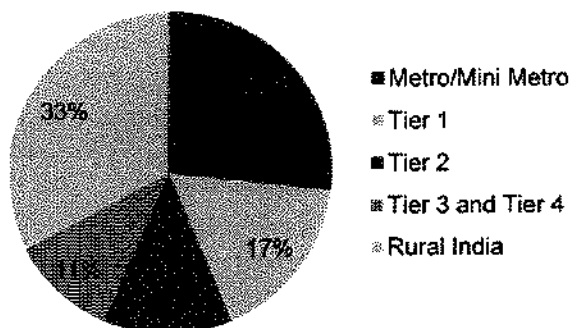
Total Footwear Market (FY2025): INR 1,05,000 Cr



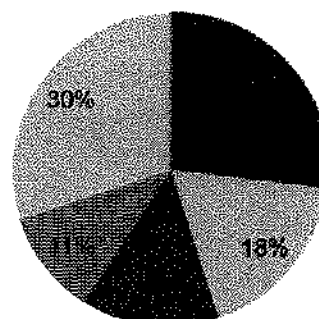
Source: Technopak Analysis

Exhibit 48: Region wise distribution of Footwear Retail in Urban India

FY2020 (INR 72,000 Cr)



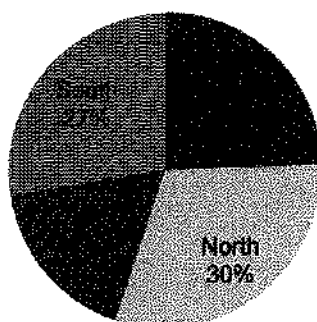
FY2025 (INR 1,05,000 Cr)



Source: Technopak Analysis

Exhibit 49: Region wise distribution of Footwear Retail in India

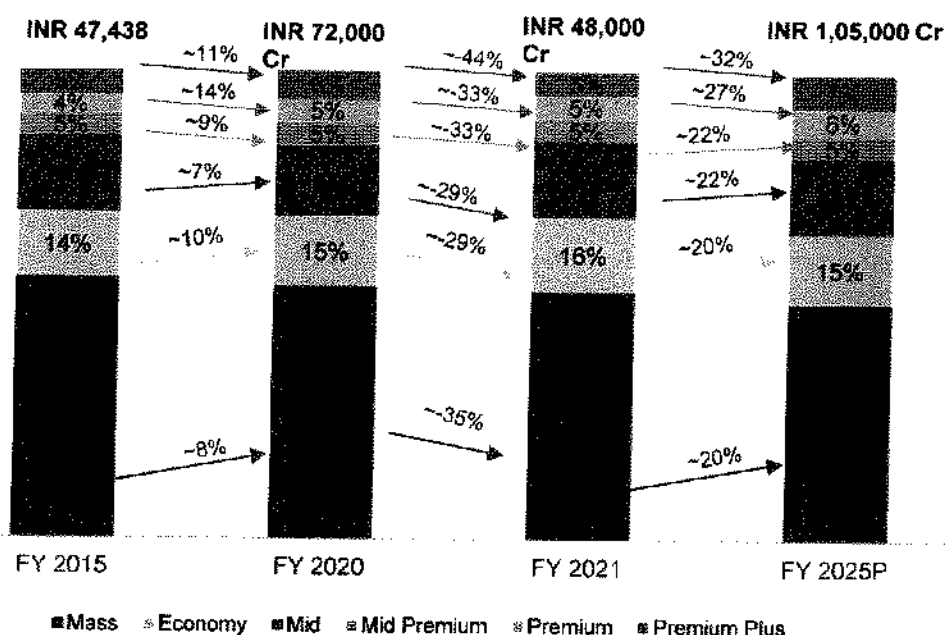
FY 2020 (INR 72,000 Cr)



Source: Technopak Analysis

Value Segmentation

Exhibit 50: Value Segmentation in the Indian Footwear Retail Market



Source: Technopak Analysis

Mass (< ₹ 500), Economy (₹ 501 - ₹ 1,000), Mid (₹ 1,001 - ₹ 1,500), Mid Premium (₹ 1,501 - ₹ 2,000), Premium (₹ 2,001 - ₹ 3,000), Premium Plus (₹ 3,000+)

The premium and premium plus segment is marked by international brands such as Aldo, Charles & Keith, Kenneth Cole, Clarks, Adidas, Puma, Nike etc. that are currently focusing on Indian metro-centric centres. The segment is signified primarily by the Exclusive Branded Outlet format.

The economy, mid and mid premium segment is marked by brands such as Campus, Khadim, Bata, Metro, Woodland, Lotto with a share of 40%, adopt a mixed retail approach of EBOs, LFSSs, e-commerce and distribution led coverage.

Mass footwear brand retailers such as VKC, Lakhani Shoes, Relaxo, Ajanta Footwear, Lancer etc. that occupy 54% of the market, are characterized by a predominant distribution channel.

Most players have distinct positioning allowing them to capitalize on either retail or distribution business.

The retail-centricity of the sector implies a SKU offering in the range of 400-600 across dress, casual, outdoors and sports. Hence key retailers necessarily play across a) both gender segments as well as b) usage segment for completing the SKU range. International brands dwell on the international principals for design ideas and are leveraging compliant and quality hubs across India for sourcing. Indian brands have increasingly focused on offering relevant fashion at smart pricing, therefore the potential for design to act as a product differentiator.

GROWTH DRIVERS OF FOOTWEAR INDUSTRY

Growing niches and sub-segments for different occasions

The per capita consumption in terms of number of pairs of footwear owned has increased, especially in urban areas, as consumers prefer several pairs of footwear to match different occasions and outfits. Casuals and flats are preferred for daily wear as they are comfortable while travelling and commuting. Office goers opt for formal shoes for work and casuals while commuting. Dress footwear, such as high heels and glittered footwear for women and smart loafers or moccasins for men, are preferred for outdoor meets or parties. Sports and athleisure footwear is required for active lifestyle. While many brands like Bata have a comprehensive offering for all usages, brands like Adidas, Reebok, Puma, Nike and Campus are pivoted primarily around sports and athleisure.

Formal vs Casual and Open vs Closed footwear

Covid has changed consumer buying patterns across segments, from FMCG, personal care, apparel or footwear. With consumers focus on health and fitness, the demand for sports and athleisure footwear has grown. Running shoes also emerged as a top searched item under the sports footwear category. Additionally, running and walking shoes have witnessed growth, evidencing a shift from formal to casual and sports footwear. Open footwear continues to dominate the women casual and dress footwear with limited share in Men's and kids category.

Open footwear primarily has lower realization as compared to closed footwear, which has a higher realization

Footwear evolved from utility product to fashion statement

Footwear has evolved from just being a necessity as cover and protection for the feet to an important part of the fashion outfit. Along with clothing, footwear and accessories have become integral to put together a complete look. This trend in turn is continuously driving growth in volume as well as the average selling price of the footwear. Sneaker became style items and statements of identity style and youth culture that came together to form the foundations of what we now understand as sneaker culture.

High growth in sports and athleisure footwear

- **Health and Fitness:** Increasing health and fitness awareness developing sports and outdoor infrastructure, heightened influence of sports personalities and sports events is creating higher demand for sports and athleisure footwear. This is the fastest growing segment as compared to other footwear segments. Consumers are increasingly adopting an active lifestyle by participating and engaging in activities such as running, trekking, home work-outs, working out in the gym, yoga and sports such as tennis, cricket, badminton, basketball, and football. This had led to a rise in the demand for activity-specific sports footwear. Sports as a habit is increasing across demographics of gender and age thereby broad basing the target customer. COVID-19 has accelerated the demand in this segment.
- **Casual Comfort:** Consumers also increasingly prefer sports and athleisure footwear for long-distance travelling and vacation. Doctors also advise its usage for daily wear for better foot coverage and support for old-age group.
- **Fashion:** Sports footwear, now being used as a fashion element of an outfit as well, increases the target audience manifold. Buoyed by the rampant comfortable and casual dressing culture, the sports look is now being sported by celebrities and influencers not only during travelling and work outs but also for public events and appearances. It has become a mainstream fashion category so much so that casual wear brands across premium and luxury segments like Zara, H&M, Ralph Lauren have introduced product lines related to sports and athleisure.

Women segment to rise with rise in women workforce

With an increase in the women workforce, the demand for women's footwear has grown tremendously on account of growth in household incomes and emergence of varied occasions. The share of women's footwear has risen from approximately 37% in FY 2015 to approximately 41% in FY 2020 and is projected to grow at 9%, surpassing the growth of the overall category to account for approximately 44% of the total footwear market in FY 2025. Women's footwear segment entails more niches thereby necessitating to have more variety and styles as compared with men's footwear. In India, women tend to place greater emphasis on fashion than men and consequently purchase footwear more frequently as compared to men.

High growth in kids' segment

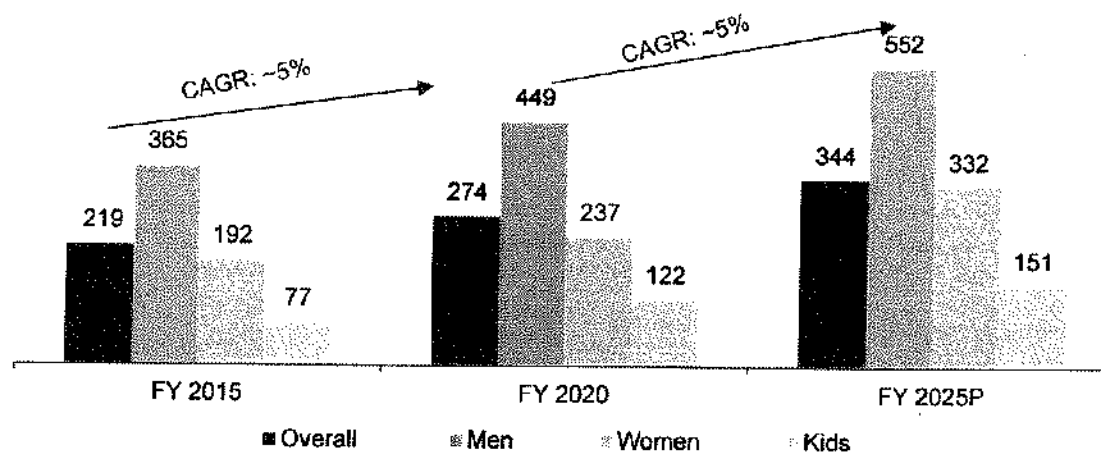
As household incomes have risen, expenditure on kids' products have also witnessed a growth. Kids footwear is expected to grow at a rate of 10% in the coming 5 years, well above the growth of the overall footwear market.

Premiumization

The average selling price in the Indian footwear industry has increased owing to premiumisation over the last decade. The mass segment (under ₹ 500) which constituted 56% of the total footwear retail market in FY 2015, is expected to gradually decline to account for almost 51% of the total market by FY 2025 owing to a shift in consumer preference towards high-priced products. The average selling price of a pair of footwear has grown at approximately 5% CAGR from ₹ 220 per pair in FY 2015 to ₹ 275 per pair in FY 2020 and it is expected to be ₹

345 per pair by FY 2025. Brand consciousness, entry of international and home-grown brands and private labels, rising income levels, and demand for quality footwear have led consumers shifting to higher price points.

Exhibit 51: Average Price per pair (₹)



Source: Technopak Analysis

Owing to the rising middle class and the reverse migration post the pandemic, consumption in the Tier II and III cities is witnessing growth and this trend is expected to continue. Brands across categories including footwear are intending to increase productivity and sales by improving the value mix in these cities. Exposure to a wide variety of brands as a result of media and internet exposure, travel etc. has created a shift and consumers in smaller cities also have started to view footwear as a lifestyle product.

E-commerce significant to the growth of organised retail

Since FY 2015, e-commerce in footwear has witnessed a high CAGR of 30% and it is expected to grow at a CAGR of 16% in the coming 5 years. From a 6% market share in FY 2015 to a share of 16% in FY 2020, it is expected to account for 22% of total footwear retail by FY 2025. Vertical and horizontal marketplaces like Myntra, Ajio and Flipkart have become an alternative platform for both retail and distribution led brands. Along with this, marketplaces have also provided access to markets for smaller labels and brands. Many digital first brands and private labels like HRX have evolved through these platforms, thereby multiplying the throughput.

Multi-channel approach to address wider market segments

As players set out to address the wider market segments, players are adopting a multi-channel approach to meet that business objective. Almost 30% of the branded goods by value are sold through traditional retail. Relaxo along with close to 400 EBOs, also leverages its deeply entrenched distribution network of approximately 50,000 retailers through 650 distributors. Bata, despite a well-entrenched network of approximately 1,560 EBOs is also present across approximately 25,000 traditional retailers. Campus distribution network covers approx. 50 EBOs, 400 Distributors, and a very strong presence on e-commerce.

Branded play and organised retail propelled on the back of urbanisation

The share of the urban population has increased from 28% in FY 2000 to 35% in FY 2020 and is expected to increase further to 50% by CY 2050. The rise in urbanization has facilitated, boosted and aggregated demand for organised retailing and the sale of branded products in India. Increased urbanization has led to higher customer density areas thus enabling retailers to use lesser number of stores to target a given number of customers.

Increase in brand consciousness

Exposure to global trends and fashions have increased overall brand consciousness among Indian consumers, especially the younger generation in urban areas. Aspiration levels have also improved over time with an increase in disposable incomes and appreciation of branded products across segments. Brand endorsements by celebrities and eminent personalities in sports and cinema have led to an increase in brand awareness among the Indian youth. In the current context, social media has played a critical role in facilitation of faster dissemination of information.

Entry of international brands in India

Brands such as Steven Madden, Adidas, Reebok, Puma, Hush Puppies, Crocs, Sketchers, Aldo, New Balance, Charles and Keith, and Asics are present in the Indian footwear industry.

Ability of home-grown brands to address the underserved demand

The market skimming approach of the premium global brands present in India has left the Indian market largely unaddressed. The ability of the home-grown brands like Campus and Relaxo to address demand across price segments based on market knowledge, supply chain efficiencies, access to markets and price advantage presents a large sized opportunity to them. Reviewing the product strategy and recalibrating the prices can help the value players meet the demand at the right price. Homegrown brands are uniquely placed in the Indian footwear industry considering their market knowledge, product offerings, mid to premium pricing and distribution mix with significant D2C presence to benefit from the industry trends like increasing focus on fitness and health, brand consciousness, rise of e-commerce, preference for homegrown brands and premiumization.

Product extensions available to footwear players

Brand positioning, retail network and market distribution ability is viewed as a competency that can be leveraged for product extension opportunity. During FY 2019-20, Mirza International has increased its product lines by launching new products under Red Tape brands like travel bags, undergarments etc. and also increased its product mix in garment and shoes segments as well. Players like Adidas, Reebok, Nike, Puma, Asics, Skechers positioned as sports and athleisure players have almost 40-50% of their total SKUs dedicated to categories other than footwear such as apparel, accessories, sports gear and luggage. Players like Under Armour and HRX have an even lesser share of footwear in their assortment. Wider portfolio with a cohesive assortment enables the players to cross sell solutions. Additionally, the other categories due to the current small base are witnessing high growth.

Sports and athleisure apparel and gear are large and fast-growing categories. Estimated at ₹ 7,500 crore, the sports and athleisure apparel market is estimated to grow at a CAGR of 16% till FY 2025. The sports and athleisure gear market currently at ₹ 975 crore is estimated to grow to ₹ 2,025 crore at a CAGR of 16%.

KEY SUCCESS FACTORS

Supply Chain Efficiencies: Agility and quick response have become a key imperative especially after COVID-19 when efficient supply chains are characterized by shorter demand cycles, technology, and closer direct-to-consumer relationships. While the south-east Asian countries have maintained their dominance in manufacturing for most global brands due to the price advantage, many global brands have also turned to local-for-local sourcing. Indian brands exercise a mixed approach of in-house manufacturing and outsourcing to local and foreign partners. For example, Campus has in-house manufacturing for uppers (~10%) and soles (~35%), with outsourcing partners being exclusive, and 100% in-house assembly, a critical aspect of the business which results in a low lead time.

Multi-channel Approach through a robust Retail Network and Distribution: Product availability across channels and geographical catchments is of paramount importance. Therefore, all major brands engage retail and distribution networks to access the markets. The financial pressures on physical stores have necessitated purpose-driven retail footprint, with specific formats for different store types.

Sustained efforts in Product Development: Quality, design technical and aesthetic, relevant pricing inventory turns are becoming lesser - The footwear industry, like other fashion-oriented industries, has a shorter design life span and requires a large number of stock keeping units ("SKU") in terms of varieties in colour, design, sizes, and types. On account of this, key footwear players typically tend to introduce new designs frequently to stay relevant and attract customers. Managing the supply chain to make it more responsive to frequent introductions of new design is a key challenge for retailers. Campus has been launching over 700 styles per year.

SPORTS AND ATHLEISURE FOOTWEAR RETAIL MARKET

The sports and athleisure footwear retail market is estimated to be ~₹ 11,000 crore in FY20. It contributed a share of ~15% in the overall footwear retail market. The market fell by 18% in FY21 as compared to FY20 primarily on account of the COVID-19 pandemic. Expected to grow at a CAGR of ~15% over FY20-25, well above the footwear category average, it is likely to double itself in value and account for ~21% of overall footwear retail by FY25. Amongst retail categories, sports and athleisure footwear has the highest branded penetration of ~54% in FY20, which grew to 56% in FY21, and is expected to grow to 57% in FY22 and 60% in FY25.

This organized retailing largely signified by the premium segment of the sports and athleisure footwear market in India has been dominated by the international brands such as Adidas, Nike, Adidas, Puma and Lotto. Most of these brands entered the country in the 1990s and in the years that followed and established their presence through local franchisees. However, the entry of new Indian brands along with international brands across value segments and niches is propelling this segment to grow. Campus is one of the very few established Indian brands in a segment which is primarily dominated by international brands.

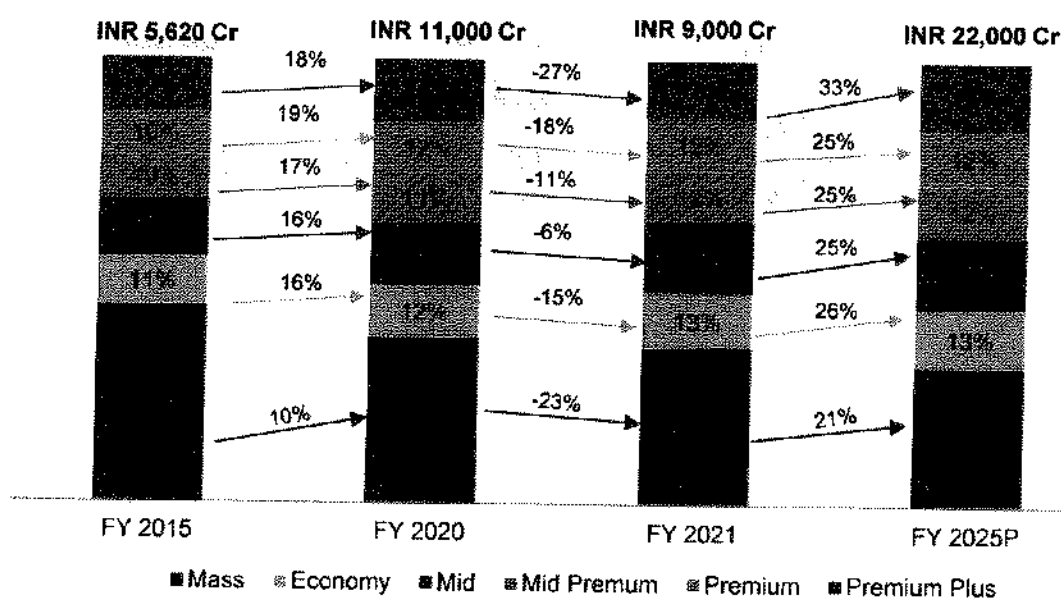
Sports and athleisure footwear is highly under penetrated in India. The under penetration in this segment is evidenced by the extremely low footwear penetration per capita as compared to developed economies, as well as the low contribution of sports and athleisure footwear to overall footwear. These factors suggest a high growth runway for the segment.

Exhibit 52: Contribution of Sports and Athleisure Footwear – FY2020

	Footwear Retail (USD bn)	Sports and Athleisure Footwear Retail (USD bn)	Share	Population (billion)	Per Capita Annual Expenditure on Sports and Athleisure Footwear (USD)
Global	340.0	103.8	31%	7.80	13.3
India	9.6	1.5	15%	1.38	1.1
China	61.6	20.0	32%	1.43	13.9
USA	60.6	31.3	52%	0.33	94.8

Source: Secondary Research

Exhibit 53: Price Segments Split in the Sports and Athleisure Footwear Retail Market



Source: Technopak Analysis. Note: Mass (<₹ 500), Economy (₹ 501 - ₹ 1,000), Mid (₹ 1,001 - ₹ 1,500), Mid Premium (₹ 1,501 - ₹ 2,000), Premium (₹ 2,001 - ₹ 3,000), Premium Plus (₹ 3,000+)

The contribution of men's products in the organized sports and athleisure footwear is estimated to be higher than that in the overall footwear category. While the women's and kids' market did not witness a rapid growth initially, in the last few years, this market has registered a significantly increased demand.

Exhibit 54: Age Segmentation in Sports and Athleisure Footwear Retail Market

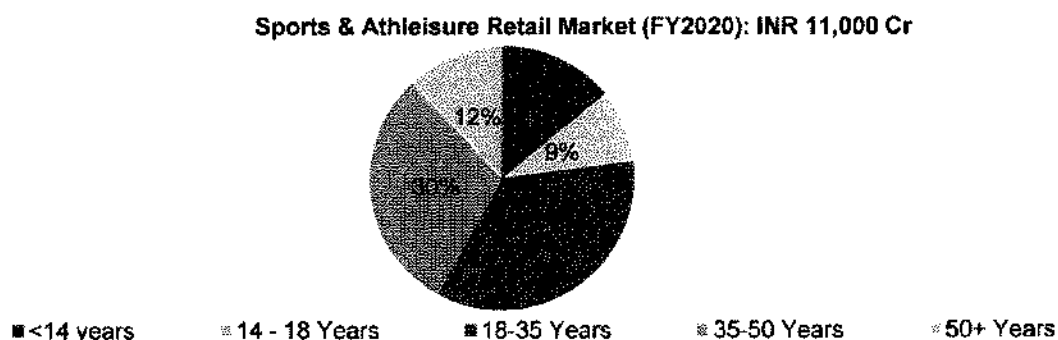
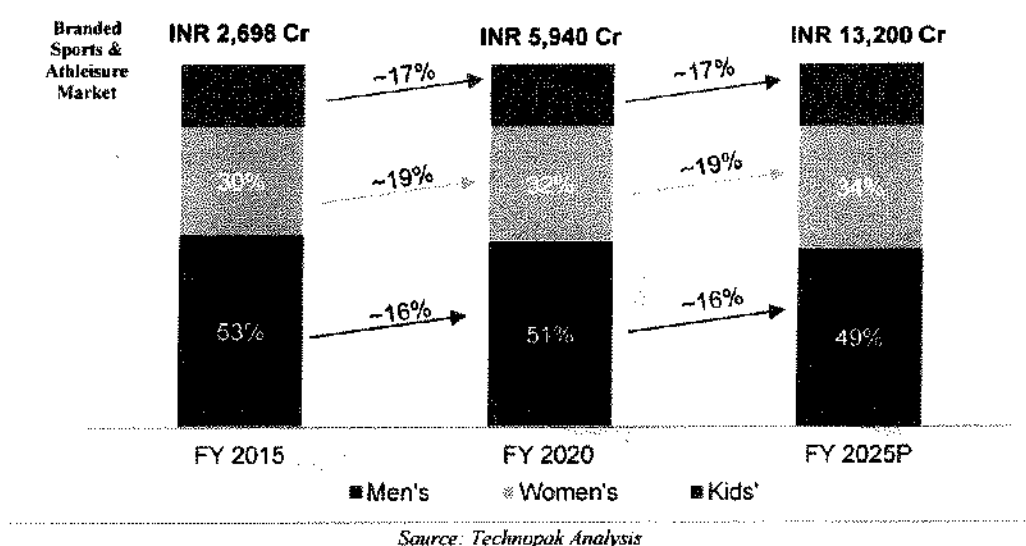


Exhibit 55: Customer Segment Split in Branded Sports and Athleisure Footwear Retail Market



KEY PLAYERS IN SPORTS AND ATHLEISURE FOOTWEAR RETAIL MARKET IN INDIA

Indian sports and athleisure market has a number of international players like Adidas, Puma, Nike etc. Few Indian brands like Liberty and Khadims have extended into the category with a small share of the revenue from the sports and athleisure segment. Campus is the only homegrown sports and athleisure brand with almost 90% of its revenue from the category. The top three players in the category in India include two international players and one domestic player – Adidas, Puma and Campus. While Campus was one of the top 3 sports and athleisure footwear brands in FY 2019 and FY 2020, it is the largest sports and athleisure footwear brand in India by value in Fiscal 2021. Campus was also the fastest growing scaled sports and athleisure footwear brand in India over FY 2019 to FY 2021 (scaled brands being those with over ₹ 200 crores of revenue in FY19).

Exhibit 56: Revenue of Key Sports and Athleisure Focussed Players in India (₹ crore)

Key Sports and Athleisure Focussed Brands	Indian/International	Total Revenue			Revenue from Footwear Segment			CAGR FY19-21 (Revenue)	Total Footwear Volume (Estimated)	
		FY 2019	FY 2020	FY 2021	FY 2019	FY 2020	FY 2021		FY 2020	FY 2021
Campus	Indian	590	732	710	590	732	710	10%	1.4	1.3
Puma	International	1153	1,412	1,271	600	734	650	4%	0.4	0.3
Adidas	International	1221	1,198	914	599	756	517	-7%	0.5	0.3
Skechers**	International	627	750	650	439	525	455	2%	0.2	0.2
Nike *	International	814	760	NA	549	502	377	-17%	0.3	0.2
SparX	Indian	770	840	670	340	380	270	-11%	0.7	0.6
Reebok	International	400	429	310	311	334	263	-8%	0.3	0.2
Power	International	440	458	256	440	458	256	-24%	0.8	0.5
Asics	International	137	162	177	119	141	156	14%	0.1	0.1
Asian	Indian	64	103	NA	64	103	NA	NA	0.2	NA

Source: MCA Report, Annual Reports, Secondary and Primary Research

*Nike – FY 2021 MCA not available so revenue estimated. Estimates are arrived at basis reference from relevant data on geographic performance for the year that has been published in respective regulatory filings of the internationally listed parent companies.

Puma has its financial year ending as on Dec 31st; hence CY 2017 has been considered as FY 2018 and so on

**Skechers – FY2020 and FY2021 MCA available only for one entity out of 2 registered entities so total revenue estimated

*** Brand 'Power' from Bata

*** Sparx from Relaxo has a number of footwear segments including large share (fabricated) slippers/ flip-flops and casual footwear contributing almost approximately 50-60% to the brand revenue so only relevant segment has been considered for turnover from footwear

Campus had an approximately 15% share of the branded sports and athleisure footwear retail market in India by value in FY20, which increased to approximately 17% share in FY21. Campus is the largest sports and athleisure footwear brand in India by volume, with a market share of 21-24% of the branded market in FY2020, which increased to 25-28% in FY2021.

It is to be noted that for the purpose of computing market share by value at retail, a 20% mark-up has been applied on reported revenues of the players to account for various channel margins. A similar 20% mark-up has also been considered while arriving at the retail market size.

SECTION VI: COMPETITIVE LANDSCAPE

EVOLUTION OF SPORTS AND ATHLEISURE FOOTWEAR IN INDIA

Phase 1: Emergence of Indian Brands (1985-1994)

The decade 1985-1995 is the evolutionary phase of branded play and organized retailing in footwear retail market in India, majorly focused on casual and formal footwear marked by the presence of only a handful of brands such as, Action, Relaxo.

Phase 2: Advent of global athleisure Players and EBOs (1995-2004)

The next decade was signified by entry of global brands like Adidas, Nike, Reebok, Fila. Most of these global brands happened to sports and athleisure centric creating a branded premium sports and athleisure segment within the footwear market. These brands developed their retail footprint by establishing a network of EBOs as contrast to the distribution led approach of brands in the previous years. Engagement with athletes and sports people for endorsements enabled to garner popularity and aspirational value.

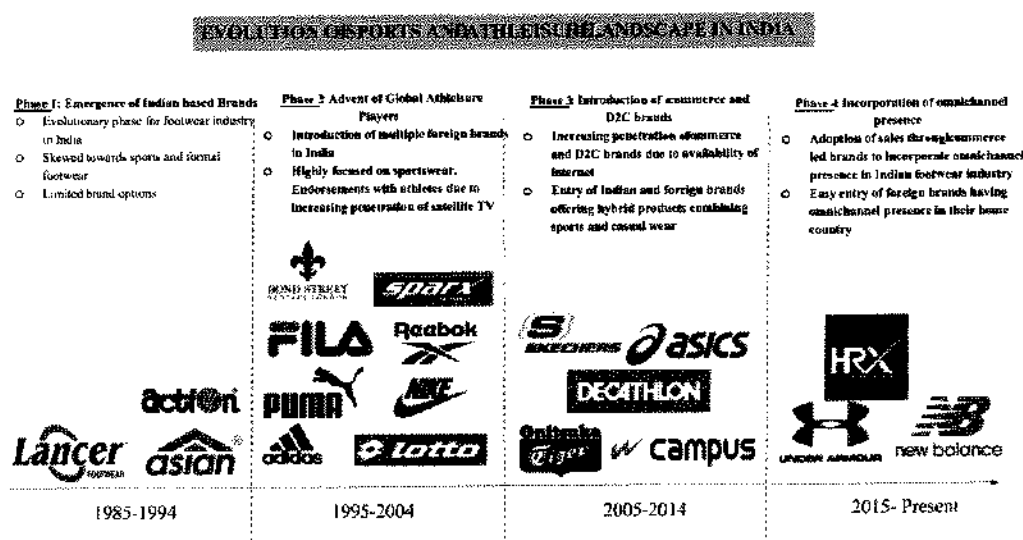
Phase 3: Introduction of e-commerce and D2C Brands (2005-2014)

From 2005 onwards, the market became more dynamic with the entry of many more international luxury and premium brands, homegrown brands in the value segment, expansion in footprints, large format multi-brand retail formats and their private labelling and emergence of e-commerce. During this decade brands like Puma, Lotto, HRX, Campus, Skechers were launched in the Indian footwear market. E-commerce marketplaces, both horizontal and vertical started gaining emerging as sales platforms. However, the scale remained limited due to reservation in adoption and logistics constraints such internet and device penetration, challenges in deliveries and payments. Retailers also developed their transactional websites to enable digital sales. Some D2C brands like Decathlon, Solethreads operating with a combination of stores and website and many digital first brands came into being.

Phase 4: Strengthening of Omnichannel Presence (2015-present)

Since 2015, e-commerce has continued to gain foothold. Share of e-commerce within the overall footwear retail has been steadily growing as is the revenue share for brands through e-commerce. Many international premium brands like Onitsuka Tiger/Asics and Under Armour choose e-commerce partnerships with Myntra to enter and test waters in India. HRX, a private label of Myntra launched in 2015 has been spun off as independent brand. Brands expanding their business model to focus on direct connect with consumers through EBOs and online presence.

Exhibit 57: Evolution of Sports and Athleisure Footwear Landscape in India



Sports and Athleisure Footwear Retail Market: Competition Mapping

Indian sports and athleisure footwear market is dominated by certain large national and international players like Adidas, Asian Footwear, Asics, Bata, Campus, Decathlon, Fila, HRX, Khadim, Lancer, Liberty Shoes, Lotto, pMetro Shoes, Mirza International, New Balance, Nike, Onitsuka Tiger, Puma, Reebok, Skecher, Under Armour etc.

The transformed lifestyle has been complemented with access to gyms and neighborhood parks, pushing an increased number of people to take up activities like running and cross fit and has led to an increase in popularity and traction in consumers across all socio-economic levels. Sports and athleisure footwear has seen penetration of brands and private labels across a wide spectrum ranging from value to luxury.

(1) SKU Mapping

Product Type

While brands like Adidas, Reebok, Nike, Puma, Skechers, Asics, Under Armour, Campus, Lotto, Fila, HRX, Lancer and Columbus are fulcrumed around sport and athleisure, brands like Bata, Khadim, Liberty, Metro Shoes are leaning towards casual and formal footwear. Apart from the International brands in the sports and athleisure footwear segment which offer a large number of SKUs, Campus is the only Indian brand with a wide portfolio of sports and athleisure footwear in India as of FY 2021. Campus offers one of the widest portfolios of footwear products among sports and athleisure footwear brands in India in terms of SKUs as of September 30, 2021. Other Indian footwear brands have extended into the sports and athleisure footwear segment with a limited product portfolio.

Exhibit 58: Key Players: Footwear SKU Offer across Usage Types

Brands	Total Footwear SKUs	Casual	Sports and Athleisure	Formal	Outdoor	School Uniform
Adidas	7,673	0%	92%	0%	8%	0%
Asian Footwear	3,970	62%	38%	0%	0%	0%
Asics	1,486	21%	60%	0%	19%	0%
Bata	5,176	69%	10%	17%	2%	2%
Campus	6,388	0%	100%	0%	0%	0%
Decathlon	292	0%	80%	0%	20%	0%
Fila	1,000	0%	100%	0%	0%	0%
HRX	470	34%	62%	0%	4%	0%
Khadim	1,281	38%	12%	30%	17%	3%
Lancer	3,000	20%	70%	2%	4%	4%
Liberty Shoes	1,516	52%	19%	18%	9%	2%
Lotto	200	0%	100%	0%	0%	0%
Metro Shoes	1,419	63%	0%	20%	17%	0%
Mirza International	1,364	15%	50%	30%	4%	1%
New Balance	3,049	30%	66%	0%	4%	0%
Nike	2,570	15%	76%	0%	9%	0%
Onitsuka Tiger	453	0%	100%	0%	0%	0%
Puma	7,234	28%	64%	0%	8%	0%
Reebok	1,644	6%	78%	0%	16%	0%
Relaxo	5,175	72%	18%	5%	0%	5%
Skechers	1,117	10%	47%	4%	39%	0%
Under Armour	160	15%	80%	0%	5%	0%

Source: Secondary Research, Technopak Analysis; Considered Myntra for HRX and Under Armour, Amazon for Lancer and Fila; SKU listing as of Sept 2021 from the company website

(2) Customer Segments

Men's footwear currently dominates the sports and athleisure footwear retail market. Players like Campus, Columbus, Lancer, Mirza International are men centric, whereas Asian and Metro Shoes are women focused brands. Brands like Adidas, Reebok, Decathlon, Lotto, Nike, and Puma maintain an equitable focus on men, women, and kids commensurate with the organised market forces.

Exhibit 59: Key Players: Footwear SKU Offer across Customer Segment Type

Brands	Total Footwear SKUs	Men	Women	Kids
Adidas	7,673	57%	23%	20%
Asian Footwear	3,970	22%	75%	3%
Asics	1,496	65%	29%	6%
Bata	5,176	44%	43%	13%
Campus	6,388	69%	9%	22%
Decathlon	292	43%	29%	28%
Fila	1,000	50%	50%	0%
HRX	470	54%	46%	0%
Khadim	1,281	35%	45%	20%
Lancer	3,000	90%	9%	1%
Liberty Shoes	1,516	54%	33%	13%
Lotto	200	53%	23%	24%
Metro Shoe	1,419	27%	63%	10%
Mirza International	1,364	82%	16%	2%
New Balance	3,049	52%	35%	13%
Nike	2,570	56%	25%	19%
Onitsuka Tiger	453	44%	47%	9%
Puma	7,234	44%	34%	22%
Reebok	1,644	57%	34%	9%
Relaxo	5,175	52%	35%	13%
Skechers	1,117	39%	48%	13%
Under Armour	160	51%	49%	0%

Source: Secondary Research, Technopak Analysis; Considered Myntra for HRX and Under Armour, Amazon for Lancer and Fila; SKU listing as of sept 2021 from the company website

(3) Price Segmentation

Branded penetration in the market has a skew towards mid to premium price points and there is limited offering in the value and mid premium price points leading to pricing gaps in the market. These gaps in the market have provided an opportunity for retailers to capture these segments. Brands like Bata, Campus, Khadim, Liberty Shoes, Relaxo, Asian Footwear and Lancer are filling in this gap. Among key sports and athleisure brands (more than 60% of their SKUs are sports and athleisure footwear segment), the international brands are largely present in the semi premium and premium segment. Players like Campus and HRX not only have a wide portfolio but are also present in 3 or more price segments. Campus is one of the most relevant brands in sports and athleisure footwear in India, and covers over 85% of the addressable market as of Fiscal 2021, which is the highest amongst key sports and athleisure footwear brands. Campus is also one of the only Indian brands in the premium category of the sports and athleisure footwear industry in India as of Fiscal 2021.

Exhibit 60: Key Players: Footwear SKU Offer across Price Segments

Brands	Total Footwear SKUs	Mass (<₹ 500)	Economy (₹ 501 - ₹ 1,000)	Mid (₹ 1,001 - ₹ 1,500)	Mid Premium (₹ 1,501 - ₹ 2,000)	Premium (₹ 2,001 - ₹ 3,000)	Premium Plus (₹ 3,000+)
Adidas	7,673	0%	1%	4%	4%	18%	73%
Asian Footwear	3,970	8%	77%	15%	0%	0%	0%
Asics	1,496	0%	0%	2%	2%	4%	92%
Bata	5,176	17%	31%	8%	12%	11%	21%
Campus	6,388	10%	45%	23%	18%	3%	approximately <1%
Decathlon	292	3%	13%	15%	18%	18%	32%
Fila	1,000	0%	0%	0%	0%	0%	100%
HRX	470	0%	0%	0%	0%	30%	70%
Khadim	1,281	37%	49%	8%	3%	2%	<1%
Lancer	600	0%	65%	15%	20%	0%	0%
Liberty Shoes	1,516	21%	38%	12%	12%	8%	9%
Lotto	200	0%	0%	0%	0%	0%	100%
Metro Shoes	1,419	0%	0%	0%	6%	9%	85%
Mirza International	1,364	0%	0%	0%	0%	7%	93%
New Balance	3,049	0%	0%	0%	1%	4%	95%
Nike	2,570	0%	0%	0%	0%	6%	94%
Onitsuka Tiger	453	0%	0%	0%	0%	0%	100%
Puma	7,234	0%	0%	0%	10%	30%	60%
Reebok	1,644	0%	1%	3%	4%	10%	82%
Relaxo	5,175	78%	16%	4%	2%	0%	0%
Skechers	1,117	0%	0%	0%	0%	6%	94%
Under Armour	160	0%	0%	0%	0%	3%	97%

Source: Secondary Research, Technopak Analysis; Considered Myntra for HRX and Under Armour, Amazon for Lancer and Fila; SKU listing as of sept 2021 from the company website

Sports and Athleisure Footwear

Exhibit 61: Key Players: Footwear SKU Offer across Price Segments (%)

Brands	Total Footwear SKUs	Mass (<₹ 500)	Mid / Economy (₹ 501 - ₹ 1,000)	Semi-Premium (₹ 1,001 - ₹ 1,500)	(₹ 1,501 - ₹ 2,000)	(₹ 2,001 - ₹ 3,000)	Premium Plus (₹ 3,000+)
Adidas	7,059	0%	1%	4%	4%	18%	73%
Asian Footwear	1,509	0%	87%	14%	0%	0%	0%
Asics	898	0%	0%	0%	0%	3%	97%
Bata	518	0%	63%	14%	13%	0%	10%
Campus	6,388	10%	45%	23%	18%	3%	approximately <1%
Decathlon	234	3%	13%	15%	18%	18%	32%
Fila	1,000	0%	0%	0%	0%	0%	100%
HRX	291	0%	0%	0%	0%	30%	70%

Brands	Total Footwear SKUs	Mass (< ₹ 500)	Mid / Economy (₹ 501 - ₹ 1,000)	Semi-Premium (₹ 1,001 - ₹ 1,500)	(₹ 1,501 - ₹ 2,000)	(₹ 2,001 - ₹ 3,000)	Premium Plus (₹ 3,000+)
Khadim	154	10%	78%	12%	0%	0%	0%
Lancer	2,100	0%	73%	11%	16%	0%	0%
Liberty Shoes	288	0%	51%	14%	17%	12%	6%
Lotto	200	0%	0%	0%	0%	0%	100%
Metro Shoes	0	0%	0%	0%	6%	0%	0%
Mirza International	682	0%	0%	0%	0%	11%	89%
New Balance	2,012	0%	0%	0%	0%	5%	95%
Nike	1,953	0%	0%	0%	0%	9%	91%
Onitsuka Tiger	453	0%	0%	0%	0%	0%	100%
Puma	4,630	0%	0%	0%	9%	14%	77%
Reebok	1,282	0%	0%	0%	5%	7%	88%
Relaxo	932	9%	74%	10%	7%	0%	0%
Skechers	525	0%	0%	0%	0%	3%	97%
Under Armour	128	0%	0%	0%	0%	2%	98%

Source: Secondary Research, Technopak Analysis; Considered Myntra for HRX and Under Armour, Amazon for Lancer and Fila; SKU listing as of sept 2021 from the company website

Retail Channels

Retail led Brand: Brands which largely depend on their own network of EBOs or their own website sales such as Adidas, Bata, Decathlon, Nike, Puma.

Distribution led Brands: Brands which largely depend on intermediaries such as distributors and wholesalers to gain market access such as Campus, Relaxo, Columbus, Lancer.

Many mid to premium brands adopt a hybrid approach for maximum market coverage. Markets wherein stores may not be commercially viable are accessed through distributors and their retail network. Presence across distribution channels also hedges business risks.

Exhibit 62: Presence across Retail Channels

Brands	Modern Retail			Traditional Retail
	EBOs	LFSs/MBOs	Online	
Adidas	✓	✓	✓	-
Asian Footwear		✓	✓	✓
Asics	✓		✓	-
Bata	✓	✓	✓	✓
Campus	✓	✓	✓	✓
Decathlon	✓	-	✓	-
Fila	-	✓	✓	-
HRX	-	-	✓	-
Khadim	✓	✓	✓	✓
Lancer	-	✓	✓	✓
Liberty Shoes	✓	✓	✓	✓
Lotto	✓	✓	✓	
Metro Shoes	✓	✓	✓	✓
Mirza International	✓	✓	✓	✓
New Balance	✓	✓	✓	-
Nike	✓	✓	✓	-
Onitsuka Tiger	✓	✓	✓	-
Puma	✓	✓	✓	-

Reebok	✓	✓	✓	-
Relaxo	✓	✓	✓	✓
Skechers	✓	✓	✓	-
Under Armour	✓	✓	✓	-

Source: Secondary sources, Technopak Analysis.

Average Selling Price

Among the key players of footwear retail market, international sports and athleisure footwear brands like Adidas, Fila, New Balance, Nike, Onitsuka Tiger, Puma, Reebok, Skechers, Under Armour have average selling price (ASP) in the range of ₹ 2,000-4,000. While Indian brands like Columbus, Liberty Shoes, Lancer, Metro Shoes, HRX, Khadim, Relaxo, etc. have an average selling price in the range of ₹ 500-1,400.

Exhibit 63: Average Selling Price

Brands	ASP in ₹
Adidas	~1,800-2,400
Asian Footwear	~ 600-800
Asics	~ 1,900-2,300
Bata	~ 900
Campus	~ 600-700
Decathlon	~ 800-1,100
Fila	~ 2,800-3,200
HRX	~ 1,200-1,500
Khadim	~ 1,000-1,300
Lancer	~ 700-900
Liberty Shoes	~ 500-700
Lotto	~ 3,000-3,300
Metro Shoes	~ 1,200-1,400
Mirza International	~ 3,300-3,600
New Balance	~ 3,200-3,600
Nike	~ 2,900-3,200
Onitsuka Tiger	~ 3,400-3,800
Puma	~ 2,800-3,400
Reebok	~ 3,000-3,300
Relaxo	~ 150-250
Skechers	~ 3,600-4,000
Under Armour	~ 4,000-4,500

Source: Annual Reports, Secondary Research, Technopak Analysis; Store Locators; Company Websites; General Discounts are on online sales only; NA – Not Available; Data for Campus is provided

Manufacturing and Assembly Policy

India is amongst the top manufacturers for global brands such as Nike, Puma and Adidas, with over 80% of their products being outsourced and manufactured in Asia-Pacific Countries (APAC) region. Given the small scale, D2C brands like HRX, are outsourcing to countries like China, wherein quality and design standards are met in a cost-efficient way. Footwear brands such as Bata, Liberty and Mirza International follow a mix of in-house manufacturing and outsourcing (mix of Indian and foreign vendors). Established brands such as Metro Shoes and Khadim also prefer to outsource their manufacturing and maintaining an asset-light model. Due to high requirement of outsourcing, footwear manufacturing specialists have emerged within India such as SSIPL, which have developed capabilities to be the exclusive manufacturers for brands such as Puma, Lotto for the Indian market. They also work with other reputed international brands such as Asics, Converse, and Power with an average output of 2.4 million shoes per annum. The industry average for manufacturing lead time is 90 to 120 days.

Exhibit 64: Manufacturing/Outsourcing Approach of Key Players of footwear Industry

Brands	Manufacturing/Outsourcing Approach
Adidas	-Almost 100% outsourced
	-25 manufacturing partners globally in footwear
Nike	- 85% of Nike's footwear is delivered on lean manufacturing lines
	-96% manufacturers are in Vietnam, China, Indonesia, and Thailand
Puma	-96% production from APAC countries with Vietnam producing 35% of all Puma products
Bata	-4 manufacturing plants strategically located PAN India
	-Largest factory in Batanagar started in 1931
	- approximately 50% manufacturing in-house, 50% outsourced
	- Annual production capacity 21 million pairs
Campus	- In-house manufacturing for uppers (approximately 10%) and soles (approximately 35%)
	- 100% in-house assembly
	- approximately 90% outsourcing for uppers and approximately 65% for soles
HRX	- Manufactured in various parts of China and Vietnam
Liberty Shoes	-6 manufacturing plants located PAN India
	-Produces approximately 50,000 pairs per day
Khadim	- 2 manufacturing plants in Kolkata and Kanpur
	- Follow an asset light model
	- 2 exclusive outsourced manufacturing facilities
	- approximately 90% of all products* sold are outsourced
Metro Shoes	- 100% third party outsourced products
	- Maintain an Asset light model
Mirza International	- 6 integrated manufacturing facilities PAN India
	- 6.4 million pairs produced per annum
	- approximately 55% of all products* are manufactured in-house
	- Outsource production of footwear to China who exclusively manufacture for Mirza International

Source: Annual Reports, Secondary Research, Technopak Analysis

Note*: All products include Footwear, apparels, and accessories

Raw Material Procurement Policy

Production of footwear requires raw materials such as leather, rexine (registered trademark of an artificial leather like fabric), inter-lining, PVC sole, rubber, net, cotton, etc. China and other Asia Pacific countries are the largest exporters of raw materials required for producing footwear.

Adidas' global business operation division categorises suppliers into five categories -strategic suppliers, subcontractors, material and service providers, licensees and agents. Adidas currently has over 35 strategic suppliers for footwear, 60+ suppliers for apparel and 15+ suppliers for hardware. Approximately 80% of these strategic suppliers are based in APAC region. In India, Adidas sources approximately 30% of their raw materials from small and medium enterprises. Nike India and HRX procures 100% of its raw material from other countries, mainly China and Vietnam. Liberty Shoes is looking to align its supply chain with 'Vocal for Local' strategy started by Government of India and aims to prioritise local markets for its raw material requirement. Metro Shoes procures approximately 58% of their raw materials from domestic sources and 42% of raw material from international country and international third-party agents. Campus has more than 85% raw material sourcing from domestic market, which provides it with significant supply chain efficiencies, while maintaining quality standards through 100% in-house assembly.

Financial Metrics

Revenue

Revenue registered in FY 2018 and FY 2020 indicate that most players have been able to register growth. Players like Decathlon, Campus, Puma have witnessed high growth, driven by their increasing appeal to consumers, strong marketing and presence in the high growth segment of sports and athleisure.

Exhibit 65: Revenue (in ₹ crore) for Private and Public Listed Players

Brands	Revenue				CAGR 2018-20	Growth 2020-21
	FY 2018	FY 2019	FY 2020	FY 2021		
Adidas	1114	1221	1198	914	4%	-24%
Asian Footwear	47	64	103	NA	48%	NA
Asics	93	137	162	176	32%	9%
Bata	2641	2931	3056	1708	8%	-44%
Campus	510	595	732	711	20%	-3%
Decathlon	1277	1775	2208	NA	32%	NA
Khadim	749	799	772	626	2%	-19%
Lancer	78	103	99	NA	13%	NA
Liberty Shoes	544	602	652	458	9%	-30%
Metro Shoes	1043	1217	1285	800	11%	-38%
Mirza International	972	1152	1260	1049	14%	-17%
Nike	815	814	760	NA	-3%	NA
Puma	1031	1153	1412	1215	17%	-14%
Reebok	388	400	429	316	5%	-26%
Relaxo	1949	2292	2410	2359	11%	-2%
Under Armour	NA	NA	44	NA	NA	NA
Skechers	345	507	659	577	38%	-12%

Source: Annual Reports from respective company websites or MCA, Secondary Research, Technopak Analysis, Revenue for standalone businesses as MCA reports

FY 2021 data is not available for some players; NA-Not Available, Puma has its financial year ending as on Dec 31st; hence CY 2017 has been considered as FY 2018 and so on

The overall footwear retail market in India witnessed de-growth in FY 2021 owing to the impact of COVID 19. While key public listed players like Bata, Metro Shoes and Liberty Shoes witnessed a de-growth of 30-45%, Relaxo (value segment) and Campus (sports and athleisure footwear) witnessed only marginal de-growth of 2-3%, showcasing inelasticity of demand for their products. International players like Adidas and Reebok also witnessed a 24-26% degrowth in FY 2021.

Margins

Gross Margins - Gross margin is the money a company retains after incurring the direct costs associated with producing the goods it sells and the services it provides.

EBITDA Margins - EBITDA margin is a measure of a company's operating profitability. EBITDA margins for certain players have increased from FY19 due to a change in the accounting methodology (adoption of IND-AS 116), which impacts retail focused players who follow a lease model.

PAT Margin - PAT margin is the percentage of revenue remaining after all operating expenses, interest and taxes have been deducted from a company's total revenue.

Exhibit 66: Margin Profiles

Brands	Gross Margin				EBITDA Margin				PAT Margin			
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018	FY 2019	FY 2020	FY 2021
Adidas	47%	47%	47%	41%	19%	21%	21%	10%	12%	14%	13%	5%
Asian Footwear	36%	35%	33%	NA	13%	11%	8%	NA	3%	3%	3%	NA
Asics	35%	38%	38%	34%	14%	7%	4%	8%	9%	3%	1%	5%
Bata	54%	56%	58%	51%	14%	17%	28%	10%	8%	11%	11%	-5%
Campus	43%	46%	48%	47%	16%	16%	19%	16%	6%	7%	8%	4%
Decathlon	41%	39%	34%	NA	-3%	1%	6%	NA	0%	1%	-3%	NA
Khadim	43%	38%	36%	29%	10%	7%	4%	1%	0%	3%	-4%	-5%
Lancer	35%	35%	35%	NA	8%	9%	10%	NA	3%	3%	3%	NA
Liberty Shoes	47%	48%	48%	52%	7%	7%	9%	11%	1%	1%	1%	0%
Metro Shoes	56%	55%	56%	55%	21%	28%	27%	21%	13%	12%	12%	7%
Mirza International	51%	43%	44%	44%	18%	12%	14%	11%	8%	4%	4%	1%
Nike	44%	47%	44%	NA	3%	10%	8%	NA	-6%	1%	4%	NA
Puma	41%	43%	45%	47%	3%	2%	3%	-3%	1%	0%	-1%	-1%
Reebok	40%	43%	44%	33%	11%	11%	17%	3%	9%	9%	16%	1%
Relaxo	55%	52%	57%	56%	16%	14%	17%	21%	8%	8%	9%	12%
Under Armour	NA	NA	42%	NA	NA	NA	-19%	NA	NA	NA	-20%	NA
Skechers	43%	45%	40%	39%	19%	24%	17%	11%	11%	15%	9%	3%

Source: Annual Reports from respective company websites or MCA, Secondary Research, Technopak Analysis.

FY 2021 data is not available for some players; NA-Not Available; Gross Margin = (Revenue-COGS)/Revenue; EBITDA Margin = EBITDA/Revenue from operations; PAT Margin = PAT/Total income; Puma has its financial year ending as on Dec 31st; hence CY 2017 has been considered as FY 2018 and so on

Key Financial Ratios

Return on Capital Employed

ROCE (Return on capital employed) indicates the company's efficiency because it measures the company's profitability after factoring in the capital that has been used to achieve that profitability. Players like Bata, Decathlon, Puma, Relaxo, have revenue 2-4 times what Campus had in FY 2020, but the ROCE metrics indicate that Campus is more efficiently generating profit from its capital. ROCE is a better gauge for the performance or profitability of the company over long periods. Campus had amongst the highest return on capital employed footwear brands in India in over the last four financial years. ROCE for Campus for the nine months period ended December 31, 2021 was 25.06%.

Exhibit 67: Return on capital employed

Brands	ROCE			
	FY 2018	FY 2019	FY 2020	FY 2021
Adidas	31%	30%	21%	7%
Asian Footwear	19%	17%	22%	NA
Asics	22%	13%	5%	10%
Bata	22%	26%	21%	-0.5%
Campus	40%	38%	30%	21%
Decathlon	-10%	-2%	-1%	NA

Brands	ROCE			
	FY 2018	FY 2019	FY 2020	FY 2021
Khadim	25%	15%	-1%	-6%
Lancer	18%	22%	20%	NA
Liberty Shoes	9%	14%	9%	6%
Metro Shoes	36%	26%	20%	10%
Mirza International	17%	12%	13%	6%
Nike	-39%	-115%	15%	NA
Puma	21%	13%	16%	-22%
Reebok	21%	20%	25%	2%
Relaxo	21%	24%	22%	24%
Under Armour	NA	NA	-18%	NA
Skechers	60%	61%	26%	9%

Source: Annual Reports from respective company websites or MCA, Secondary Research, Technopak Analysis. FY 2021 data is not available for some players: NA-Not Available; ROCE = EBIT/ (Total Assets - Current Liabilities); Puma has its financial year ending as on December 31, hence CY17 has been considered as FY18 and so on.

Exhibit 68: Comparison with Key Listed Players



Brands	ROCE		
	FY 2019	FY 2020	FY 2021
Bata	26.09%	20.64%	-0.50%
Campus	38.38%	30.07%	20.72%
Relaxo	23.93%	21.61%	23.64%



Disclaimer

- This information package is distributed by Technopak Advisors Private Limited (hereinafter "Technopak") on a strictly private and confidential and on 'need to know' basis exclusively to the intended recipient. This information package and the information and projections contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other person(s) without our written consent. The person(s) who is/are in possession of this information package or may come in possession at a later day hereby undertake(s) to observe the restrictions contained herein.
- Only leading players are profiled and benchmarked for the purpose of the report and does not necessarily cover all types of players.
- The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. No one should act upon such information without taking appropriate additional professional advice and/or thorough examination of the particular situation. This information package is distributed by Technopak upon the express understanding that no information herein contained has been independently verified. Further, while all information has been obtained by Technopak from sources believed by it to be true and reliable and after exercise of due care and diligence by us, no representation or warranty (expressed or implied) is made nor is any responsibility of any kind accepted with respect to the completeness of any information as maybe contained herein or the accuracy of the sources. Also, no representation or warranty (expressed or implied) is made that such information remains unchanged in any respect as of any date or dates after those stated here in with respect to any matter concerning any statement made in this Information package. Technopak and its directors , employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or of any omissions from the information package and any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this information package and/or further communication in relation to this information package.
- All recipients of the information package should make their own independent evaluations and should conduct their own investigation and analysis and should check the accuracy, reliability and completeness of the information and obtain independent and specified advice from appropriate professional adviser, as they deem necessary.

Ankur Bisen
Senior Partner



1. A small, dark, rectangular object, possibly a seed or a small plant.

2. A small, dark, rectangular object, possibly a seed or a small plant.

3. A small, dark, rectangular object, possibly a seed or a small plant.

4. A small, dark, rectangular object, possibly a seed or a small plant.

5. A small, dark, rectangular object, possibly a seed or a small plant.

6. A small, dark, rectangular object, possibly a seed or a small plant.

7. A small, dark, rectangular object, possibly a seed or a small plant.

8. A small, dark, rectangular object, possibly a seed or a small plant.

9. A small, dark, rectangular object, possibly a seed or a small plant.

10. A small, dark, rectangular object, possibly a seed or a small plant.

11. A small, dark, rectangular object, possibly a seed or a small plant.

12. A small, dark, rectangular object, possibly a seed or a small plant.

13. A small, dark, rectangular object, possibly a seed or a small plant.

14. A small, dark, rectangular object, possibly a seed or a small plant.

15. A small, dark, rectangular object, possibly a seed or a small plant.

Authors of the Report

Ankur Bisen
Partner & Head of Retail
ankur.bisen@technopak.com

Madhulika Tiwari
Partner
madhulika.tiwari@technopak.com

Puneet Arora
Senior Associate
puneet.arora@technopak.com

Kushal Madke
Associate
kushal.madke@technopak.com

www.technopak.com
Technopak Advisors Pvt. Ltd.
Lemon Tree Hotel (Corporate Park)
5A and 5B, 5th Floor, Block A,
Village Ullhawas, Tehsil Wazirabad,
Sector 60, Gurgaon-122011
T: +91.124.454 1111 | info@technopak.com
Corporate Identification Number: U74140DL1994PTC61818

Ankur Bisen
Senior Partner

