GLOBAL APPAREL BUSINESS BENCHMARK

Inditex • H&M; Group • Fast Retailing
India entry recommendation for a hypothetical mid-size brand

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Decision in brief

Enter India through a staged omnichannel pilot: e-commerce plus two experience stores in Bengaluru and Delhi NCR, supported by local sourcing partners. Expand only after store contribution, repeat purchase, returns, markdowns and supplier reliability meet pre-set gates. This is a strategic scenario, not an investment or legal opinion.

Data caution: company fiscal years differ, currencies and brand mixes differ, and several fields require exact confirmation in full annual reports. The workbook flags estimated or unavailable values rather than inventing comparability.

1. Executive summary

Inditex combines a multi-brand portfolio with coordinated store, online, technology and logistics operations. H&M; Group highlights the customer offer, inventory productivity and cost control. Fast Retailing's UNIQLO proposition centres on LifeWear essentials and international growth. These models provide different lessons; no single ratio proves one model is universally superior.

CareEdge, as summarised by IBEF in January 2026, estimates India's apparel retail market at US$112bn in FY2025 and forecasts US$193bn by FY2030. Organised retail is estimated at about 41% of the market and e-commerce at about 22% of organised apparel retail. The opportunity is large, but the entrant must validate its own unit economics.

2. Scope and method

Sources include official company annual-report/results pages, IBEF/CareEdge market reporting, DPIIT/PIB policy materials and UNIQLO India's corporate information. Fiscal periods are not synchronised: Inditex FY2025 ended 31 January 2026; H&M; FY2025 ended 30 November 2025; Fast Retailing FY2026 ended 31 August 2026. Ratios are useful but not perfectly comparable because reporting definitions and business mix differ.

The workbook includes a standardised benchmark, ratio formulas, source register, caveats and a hypothetical three-year India scenario. Where a metric is missing or unverified, it remains blank or flagged for confirmation.

3. Financial snapshot

Company	Period / revenue	Gross margin	Operating margin	Interpretation
Inditex	FY2025; €39.9bn	58.3%	Exact EBIT line to verify	Reported gross margin; annual report describes investment in stores, e-commerce, tec
H&M Group	FY2025; SEK 228.285bn	53.4%	8.1%	Management cites improved customer offering, cost control and inventory productivity.
Fast Retailing	FY2026; ¥3.963tn	55.2%	18.7%	Revenue +16.6%; operating profit ¥743.1bn; group highlights international growth and

Fast Retailing gross margin is calculated from official FY2026 gross profit ¥2,188.524bn divided by revenue ¥3,963.389bn. Inditex EBIT, store count, inventory and capex must be confirmed in its detailed report; H&M; online sales are not included as a comparable absolute figure here.

Inditex operating model

Inditex's annual report describes investments in stores, e-commerce platforms, logistics infrastructure and technology. The integrated network is designed to connect the physical and digital customer experience. Gross margin is influenced by product mix, sourcing, pricing, markdowns and currency, so no single factor should be inferred from the headline figure alone.

H&M; operating model

FY2025 net sales were SEK 228.285bn; gross profit SEK 121.821bn; gross margin 53.4%; operating margin 8.1%. Inventory was SEK 35.427bn at year-end. Management pointed to a stronger customer offer, cost control and improved inventory productivity.

Fast Retailing operating model

FY2026 revenue reached ¥3.963tn (+16.6%) and operating profit ¥743.1bn. UNIQLO's LifeWear proposition emphasises functional everyday products and core items. The group's Southeast Asia, India and Australia combined performance is a regional aggregate and must not be represented as India-only results.

4. India market and competitors

CareEdge/IBEF estimates the apparel retail market at ■9.30 lakh crore (US$112bn) in FY2025 and forecasts nearly ■16 lakh crore (US$193bn) by FY2030, around 7% CAGR from FY2018 to FY2025. Other sources use broader textile-and-apparel definitions, so use one consistent series and state the scope.

Zara / Inditex has operated in India through a Tata/Trent joint-venture structure; this is an example of combining international brand capabilities with local market knowledge. H&M; has a physical-store and e-commerce presence. UNIQLO India Private Limited was established in May 2018; its official corporate page describes stores and e-commerce and listed 20 stores when accessed. Recheck all store counts before publishing because they change over time.

Regulation

Government policy materials state that single-brand retail trading may allow up to 100% FDI under the automatic route, subject to conditions. A 30% local-sourcing requirement is associated with FDI beyond 51%, with policy qualifications. Confirm the latest consolidated DPIIT policy, relevant press notes and specialist legal advice before any real investment. This report is not legal advice.

5. Entry recommendation

Hypothetical brand: contemporary everyday apparel for urban consumers aged roughly 22–38, positioned between value fashion and premium international high-street. Start with shirts, tops, trousers, dresses and lightweight layers; test fit, climate suitability, size inclusivity and repeat purchase before expanding.

Entry mode: e-commerce plus two company-operated experience stores in Bengaluru and Delhi NCR. Use stores for fit, returns/exchanges and customer learning. Build local supplier relationships early. Consider a local operating partner if it materially reduces execution and compliance risk, but choose ownership structure only after legal and financial review.

Illustrative three-year scenario (all assumptions hypothetical)

Year	Stores	Sales/store ₹cr	Revenue ₹cr	Gross margin	Operating costs	Operating profit ₹
1	2	18	36	52%	48% revenue	1.44
2	4	20	80	53%	46% revenue	5.60
3	7	22	154	54%	44% revenue	15.40

Revenue = stores × sales per store. Operating profit = revenue × (gross margin – operating cost ratio). This simplified model excludes financing, tax, working capital and corporate costs not captured in the assumption. It is a scenario, not a forecast.

Expansion gates

Scale only if store-level contribution after rent/staffing is positive; gross margin after markdowns is stable; repeat purchase and returns meet targets; inventory ageing remains controlled; suppliers meet quality and delivery standards; and legal/sourcing readiness is confirmed. Pause expansion if review periods miss the agreed gates.

6. Risks, limitations and conclusion

Risks include price sensitivity, domestic competition, mall rents, seasonality, fit/size expectations, returns, markdowns, supplier lead times, currency and regulatory complexity. A market growing in aggregate does not guarantee profitability for an entrant.

Limitations: fiscal years differ; currencies and business mixes differ; online-sales values are not directly comparable in this short-form dataset; some operational fields require full-report verification; and market estimates vary by scope. The workbook flags uncertain or missing values rather than inventing them.

Conclusion

The recommended approach is a small omnichannel pilot with local sourcing capability, a clearly defined customer, and pre-agreed expansion gates. Borrow principles from the benchmark rather than copying the scale economics of large global groups.

7. Sources

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Fast Retailing FY2026 Results Summary — Revenue ¥3.963tn (+16.6%); business profit and operating results.
https://www.fastretailing.com/eng/ir/news/2610081800.html

Fast Retailing financial tables — Consolidated revenue, gross profit, operating profit and store counts.
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https://www.pib.gov.in/PressReleasePage.aspx?PRID=1580052⟨=2®=48

UNIQLO India corporate information — Company establishment, store/e-commerce presence.
https://www.uniqlo.com/in/en/information/corp-about