



Cantabil Retail India Limited

Investor Presentation
Q2 & H1 FY23



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Financial Highlights



CMD's Message



**Commenting on the results,
Mr. Vijay Bansal, Chairman & Managing
Director, Cantabil Retail India Limited said:**

“I am delighted to present the Q2 & H1 FY23 result which affirms our commitment of keeping the growth momentum going. A new milestone of 420 stores was reached during the quarter with the addition of 19 stores. The discipline, of sticking to set strategies and walking on the defined path with short term tactical adaptations, has enabled us to reach one target after another.

We have increased our Bahadurgarh factory capacity to produce garments per annum to 12 Lakhs and we are further increasing it to 15 Lakhs per annum. Our strategy of achieving higher top line and greater operational efficiencies led to higher EBITDA margin in 1st half of FY23. Last year we got good discounts on rentals due to Covid -19 second wave, but this year all costs have normalised with increments. This is evident in normalisation of PAT margins.

With all the expansion plans in place, the Company is maintaining the growth momentums. We are, now, working towards increasing our presence in different store formats and on online platforms. We have been identifying locations across geographies to stick to our new store targets.

I would like to thank the entire team of CRIL, as well as all our stakeholders, whose faith and efforts enable us to stay focused and generate better results”



About Us



1989

Incorporation



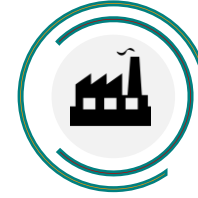
3

Decades of Rich Experience



22

years of establishment of brand "Cantabil"



3.5 ACRES

Production facility with 1.5L Sq. ft. of floor area in Bahadurgarh, Haryana



18 States

Brand Presence 210+ Cities and 400+ profit making exclusive brand outlets



12L

capacity to produce garments per annum



3500+

Employees and inclusive of semi-skilled



2,164 Cr

Market Cap (As on 30th September 2022)



23 Cr

PAT (For H1-FY23)



A-

outlook Stable" rating from ICRA even under most complex times of Covid

Offers Premium Quality at Competitive pricing with Superior shopping Experience

Entered into E-commerce space with Flipkart, Amazon, Myntra, Ajoio etc.

Investing in building new multi floor warehousing facility cum corporate office

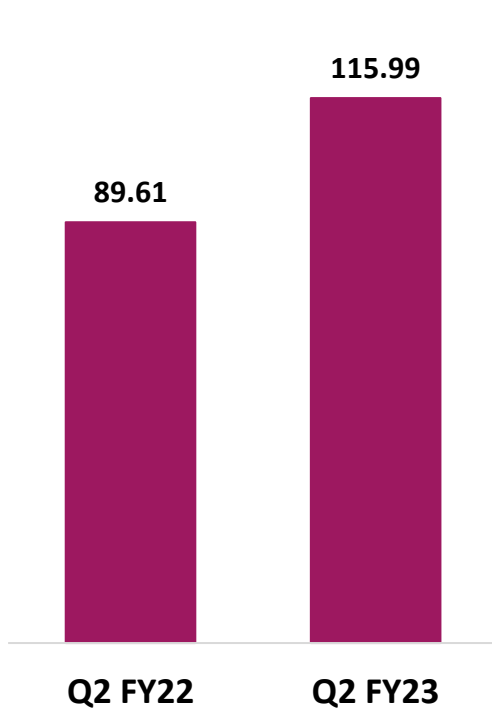


Strong Q2 FY23 P&L



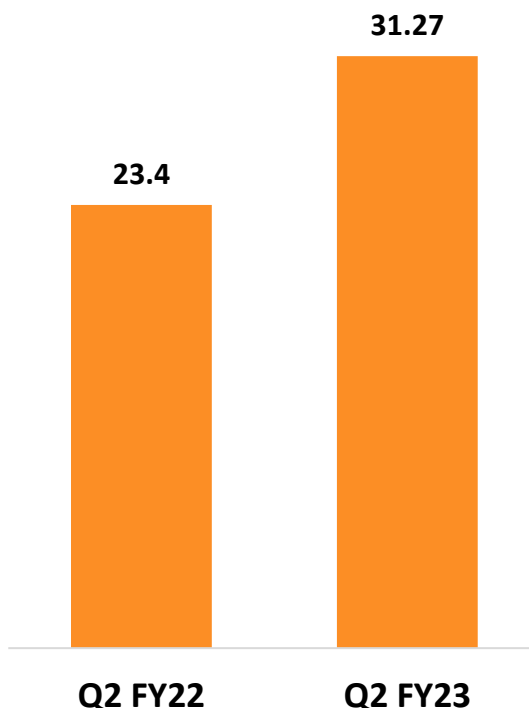
Revenue from Operations
Increased by **29%**

Revenue from Operations (Rs. In Crore)



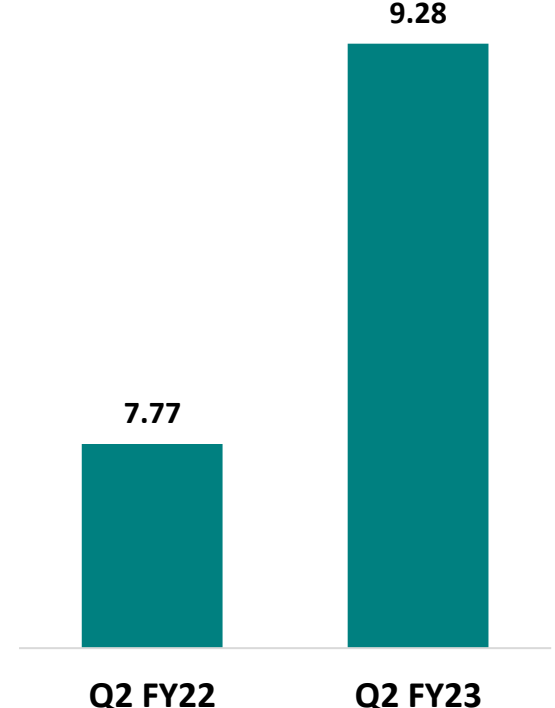
EBITDA Margin
26.96% in Q2FY23

EBITDA (Rs. in Crore)



PAT Margin
8.00% in Q2FY23

PAT (Rs. In Crore)



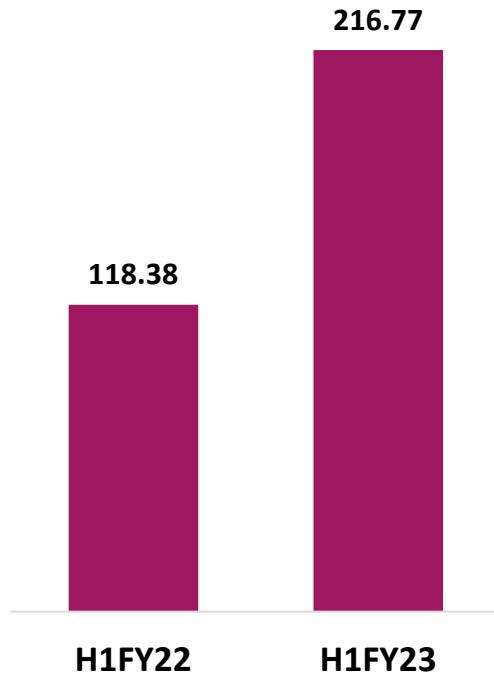


Strong H1FY23 P&L

Revenue from Operations

Increased by **83%**

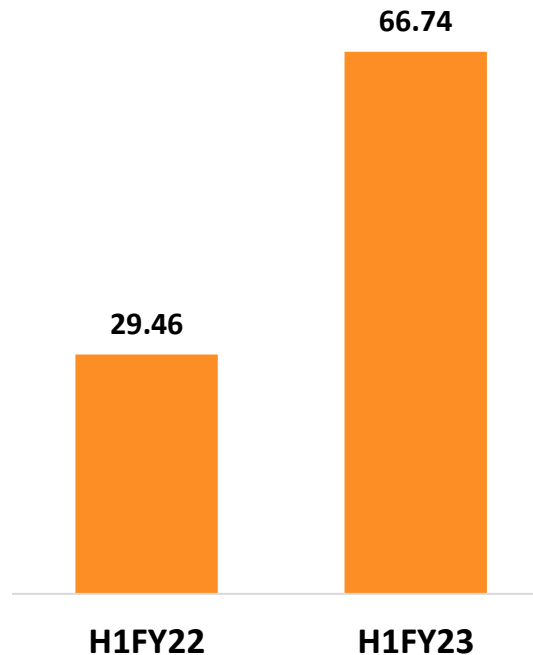
Revenue from Operations (Rs. In Crore)



EBITDA Margins

30.79% in H1-FY23

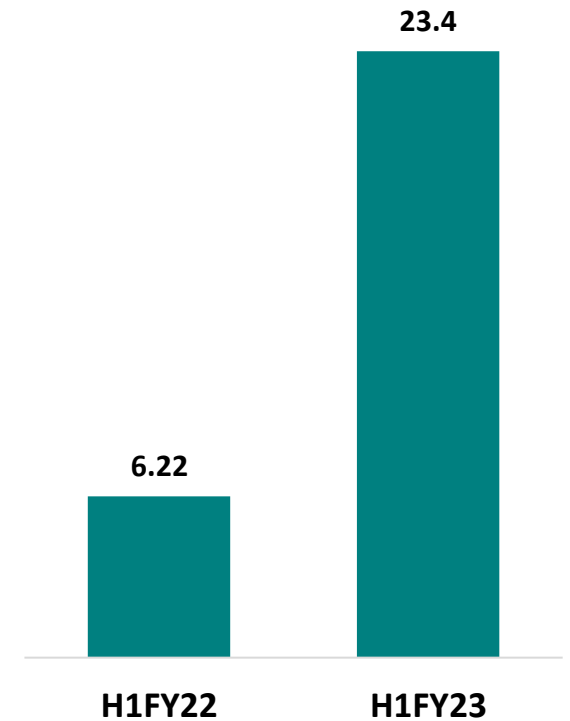
EBITDA (Rs. In Crore)



PAT Margins

10.80% in H1-FY23

PAT (Rs. In Crore)





Financial Highlights – Quarterly

(Rs. In Crore)	Q2 FY23 (With IND-AS 116)*	Q2 FY23 (W/O IND AS 116)	Q2 FY22 (With IND-AS 116)*	Q2 FY22 (W/O IND AS 116)	Y-o-Y (%) (With IND-AS 116)*	Y-o-Y (%) (W/O IND AS 116)	Q1 FY23 (With IND-AS 116)*
Revenue from Operations	115.99	115.99	89.61	89.61	29.44%	29.44%	100.77
Raw Materials	27.24	27.24	29.04	29.04			16.91
Employee Cost	24.18	24.18	16.09	16.09			21.58
Job Work Charges	14.82	14.82	6.84	6.84			9.85
Lease Rentals	0.37	13.83	0.33	8.53			0.68
Commission	6.64	7.56	5.81	6.21			6.03
Other Expenses	11.47	11.47	8.10	8.10			10.24
Total Expenditure	84.72	99.10	66.21	74.81			65.29
EBITDA	31.27	16.89	23.40	14.80	33.63%	14.12%	35.48
EBITDA Margin%	26.96%	14.56%	26.11%	16.51%	85 bps	-195 bps	35.21%
Other Income	0.79	0.79	3.99	0.61			0.90
Depreciation	13.27	3.20	10.55	2.36			12.08
Interest	6.31	0.69	5.88	0.73			5.62
Profit Before Tax	12.47	13.78	10.96	12.32	13.78%	11.85%	18.67
Tax	3.19	3.52	3.19	3.59			4.55
PAT	9.28	10.25	7.77	8.73	19.43%	17.41%	14.12
PAT Margin%	8.00%	8.84%	8.67%	9.74%	-67 bps	-90 bps	14.02%
Basic EPS in Rs.	5.68	6.27	4.76	5.35	19.32%	17.19%	8.65

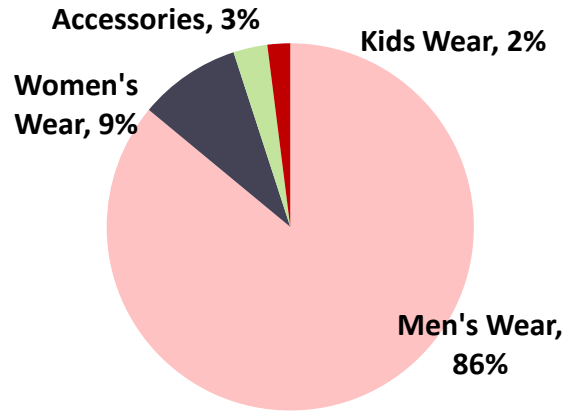
- Rental costs have normalized, which were otherwise negotiated lower in Q2 FY22 due to Covid-19
- Company opened 19 new stores in Q2 FY23, totaling it to 420 stores
- Growth in top line and control in fixed Cost led to higher EBITDA



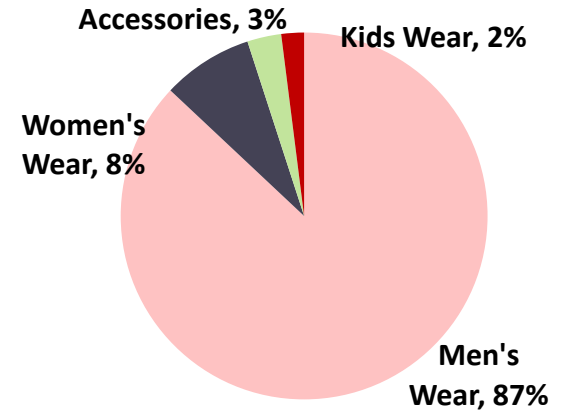
Revenue Breakup – Quarterly

Segmental

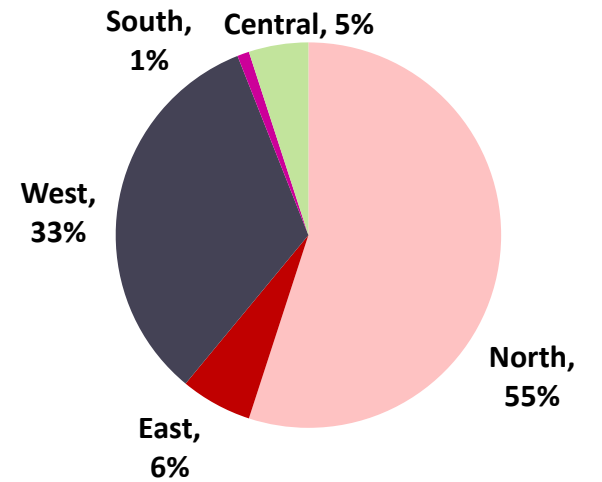
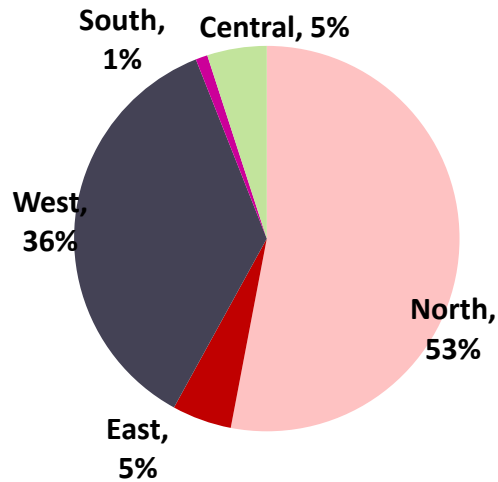
Q2 FY22



Q2 FY23



Regional





Financial Highlights – Half Yearly



(Rs. In Crore)	H1 FY23 (With IND-AS 116)*	H1 FY23 (W/O IND AS 116)	H1 FY22 (With IND-AS 116)*	H1 FY22 (W/O IND AS 116)	Y-o-Y (%) (With IND-AS 116)*	Y-o-Y (%) (W/O IND AS 116)
Revenue from Operations	216.77	216.77	118.38	118.38	83.11%	83.11%
Raw Materials	44.15	44.15	34.83	34.83		
Employee Cost	45.76	45.76	24.25	24.25		
Job Work Charges	24.67	24.67	8.76	8.76		
Lease Rentals	1.05	27.09	0.75	13.91		
Commission	12.67	14.36	7.79	8.46		
Other Expenses	21.72	21.72	12.54	12.54		
Total Expenditure	150.02	177.75	88.92	102.75		
EBITDA	66.74	39.02	29.46	15.63	126.58%	149.65%
EBITDA Margin%	30.79%	18.00%	24.89%	13.21%	590 bps	479 bps
Other Income	1.69	1.69	10.90	1.45		
Depreciation	25.35	5.91	19.97	4.54		
Interest	11.93	1.11	11.59	1.49		
Profit Before Tax	31.14	33.67	8.80	11.05	253.86%	204.78%
Tax	7.73	8.37	2.58	3.24		
PAT	23.40	25.30	6.22	7.81	276.20%	223.94%
PAT Margin%	10.80%	11.67%	5.26%	6.60%	554 bps	507 bps
Basic EPS in Rs.	14.33	15.50	3.81	4.79	276.12%	223.59%

- Revenue also includes sales from e-commerce
- Addition of new stores, growth in same store sales led to excellent growth in topline (H1FY22 was hugely impacted because of Covid 2nd wave)
- Higher EBITDA on account of increasing ticket size, higher NOBs and better sales

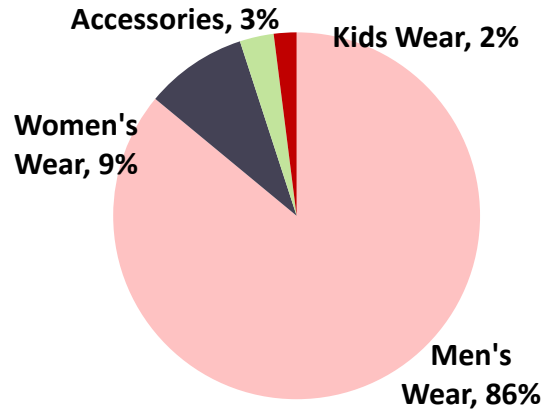
*Reported numbers are as per IND-AS 116, consequently operating lease expenses have changed from rent and commission to depreciation & amortization expenses, finance cost and previous year's other income



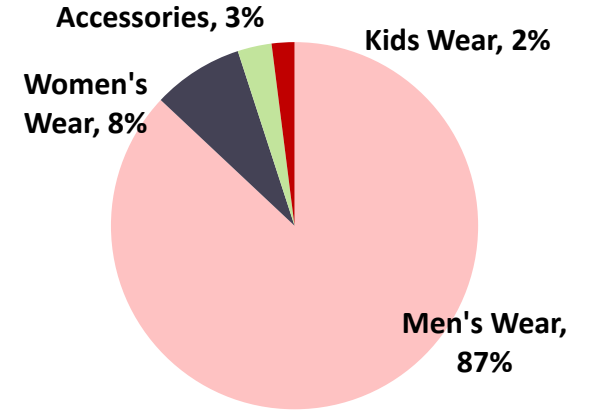
Revenue Breakup – Half Yearly

Segmental

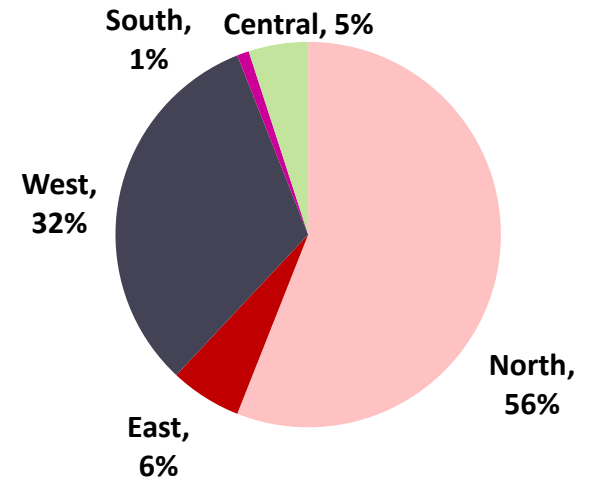
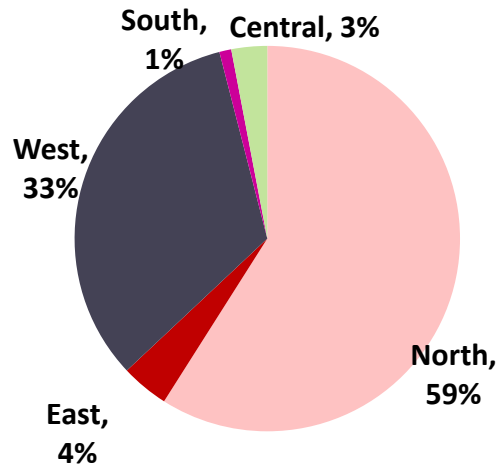
H1-FY22



H1-FY23



Regional





Company Overview



Product Portfolio



- Cantabil – 21 years old established brand with growing acceptance
- Highly popular in middle class
- Formals, Casuals, Ultra Casuals, Woollen, Knitwear

- Well-known brand in men's accessories
- Offers Innerwear, Belts, Socks, Ties, Handkerchief, Deo, etc.

- Retailing ladies wear since 2012
- Complete & diverse range of fashion outfits for women – Shirts, Tops, Leggings, Kurtas, Kurtris, Capri, Pants, Jeans etc.

- For Kids from 3-14 years
- Comfortable clothing with high fabric quality and soft hand feel
- Exciting range of apparels – Shirts, T-shirts, denims, tops, jeggings, shorts etc.

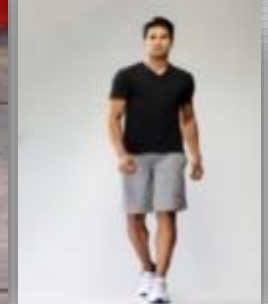
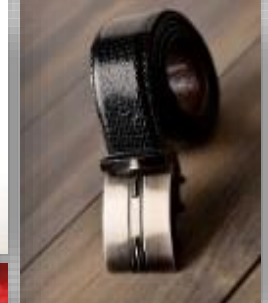


Product Portfolio – Men and Accessories



Men's Wear

Accessories





Product Portfolio – Women & Kids



Women's Wear

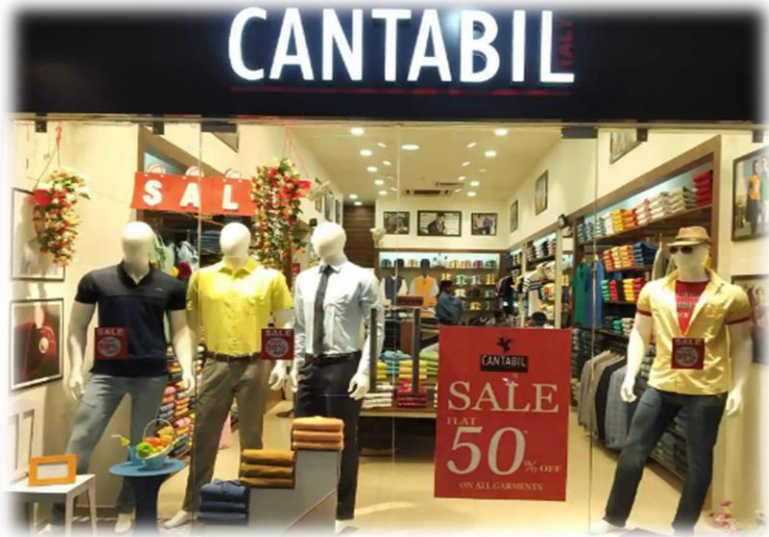


Kids Wear





Brand Outlets

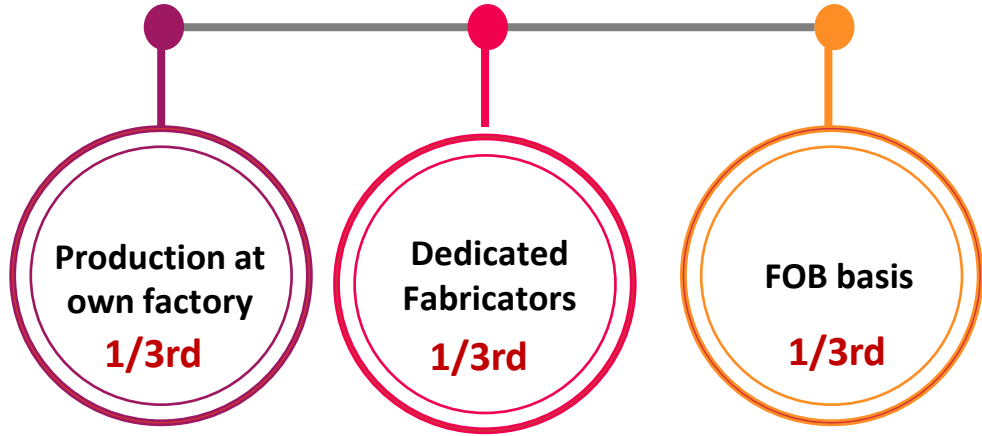




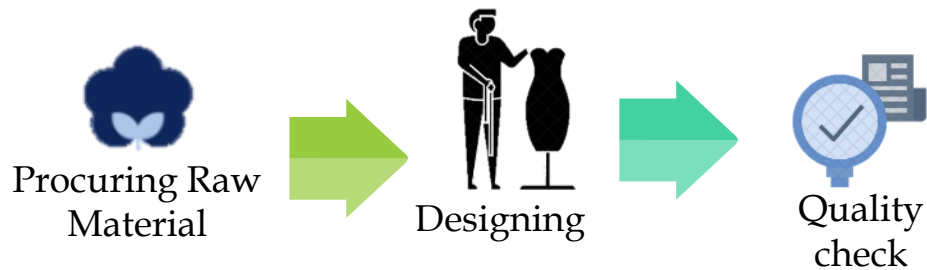
Business Overview



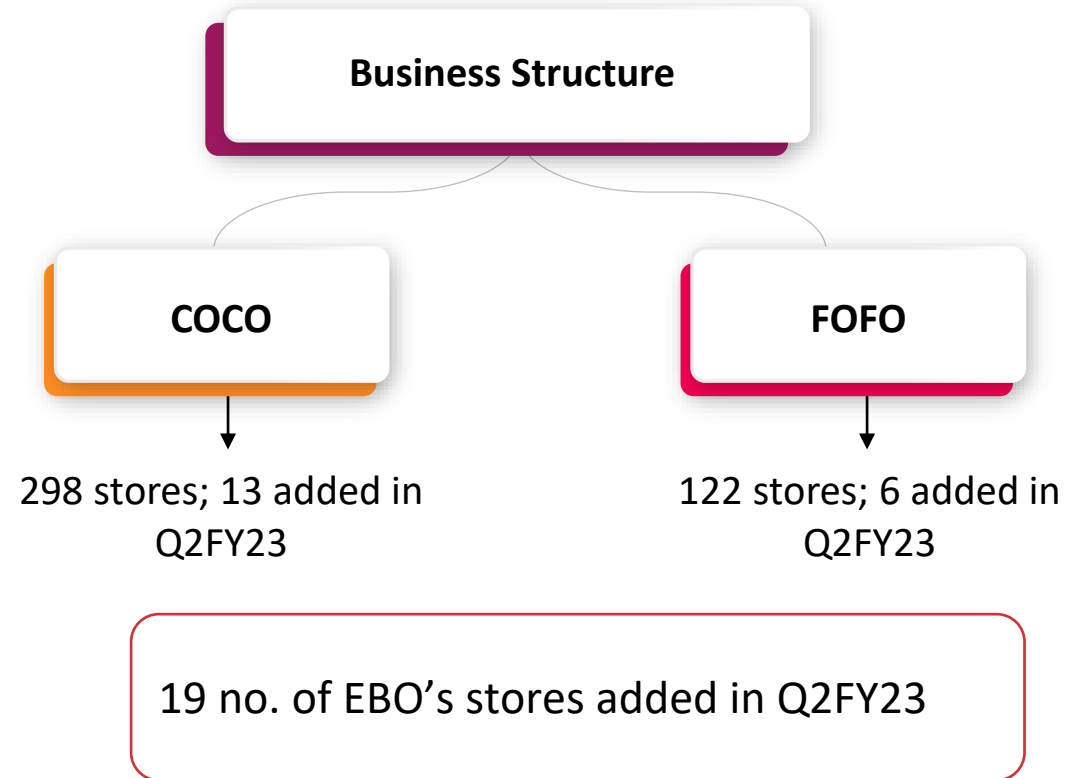
How different **we are**



Controls functioning of dedicated fabricators



Expansion in **Tier II and III towns and cities** has proven to be great success story for company





How different **we are**



State of Art Infrastructure Facilities

- One owned manufacturing facility and two centralized warehouses to ensure seamless & timely logistics of quality products
- Current combined capacity - 12 Lakh pcs. of garments p.a. at Bahadurgarh factory
- Focus on customer requirement & high-quality product – driven by combination of strong vendor tie-ups for sourcing and job workers
- All outlets at prime locations in respective markets

Dynamic & Experienced Leadership

- Strong management team with rich experience in Retail Industry
- Dedicated and skilled employee base

Strong Design and Marketing Team

- Team of 20+ including in-house designers and merchandisers
- Research team strongly focuses on market survey before opening new stores
- Online and offline marketing campaigns carried on by marketing team



Wide and Diverse Product Portfolio

- Apparel range catering to wide customer base across all segments i.e. men's, ladies and kids
- Strong in-house design and research team
- Fabrics and Fabric designs as per consumers need and prevailing trends

Robust Retail Presence

- 420 Exclusive Brand Outlets with floor space of 4.90 lacs sq. ft across 18 states
- Out of 420 EBOs - 298 stores are Company operated and 122 stores are Franchise operated
- Strong growing presence in tier 2 & 3 cities

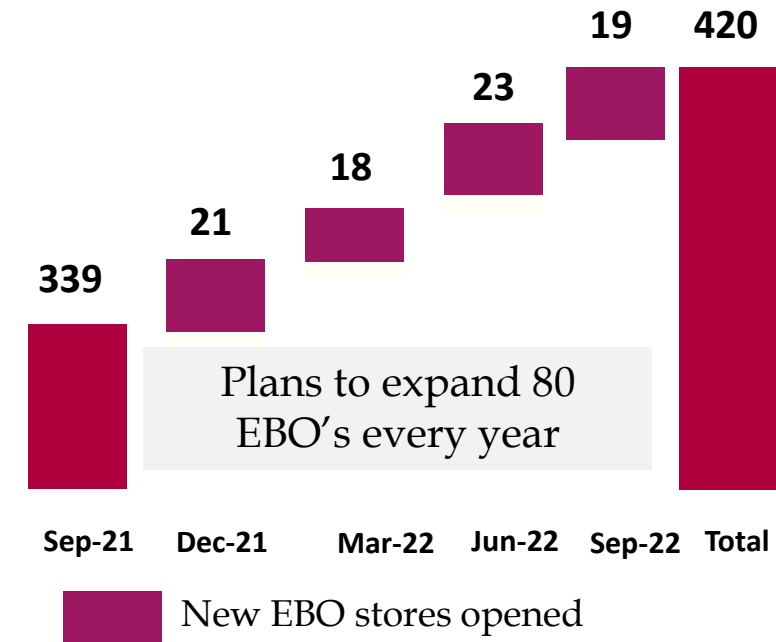


Pan India Presence



States	Jun'22	Sept'22
Assam	2	2
Bihar	12	13
Chhattisgarh	9	9
Delhi	53	53
Gujarat	25	28
Haryana	47	49
Himachal Pradesh	2	2
Jammu & Kashmir	10	11
Jharkhand	8	8
Madhya Pradesh	14	17
Maharashtra	44	44
Punjab	28	29
Rajasthan	65	69
Telangana	4	4
Uttar Pradesh	62	65
Uttaranchal	10	11
West Bengal	4	5
Chandigarh	2	1
Total	401	420

Increase of EBO presence



Company's strategy to expand in tier 2 and 3 cities has proven to be successful



Brand Visibility & Recall Value



Campaigns



A BIG music concert organized by HT called FRIDAY JAM at Cyber Hub, Haryana in the month of July22 wherein top most star performed like **Kanika Kapoor, Kutle Khan, Rocknama etc** every Friday



A event organized by Business Standard on “Minds on the India Potential” India@75-Past, Present & Future on Sep’22. All the top notch CEOs / CFOs / Marketing Seniors were invited. The event’s chief guest was **Mr. Nitin Gadkari, Minister of Road transport & Highway**

Social Media Influencers



The Umar
Reach : 514K
Likes : 47.2K
Comments : 424






Rayees Mohiuddin
Reach : 48.7kK
Likes : 3.4K
Comments : 55



Taffsul
Reach : 88.3K
Likes : 7.2K
Comments : 128

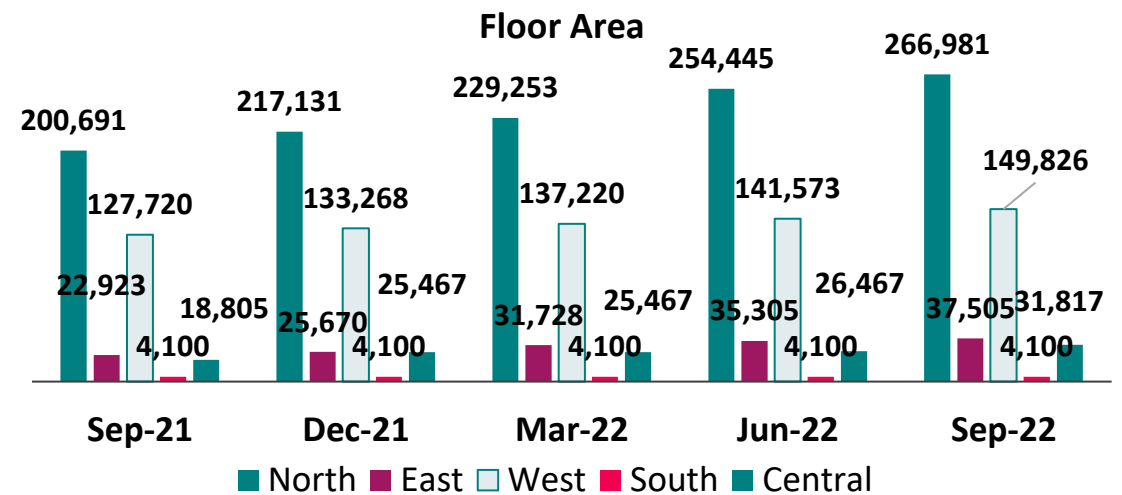
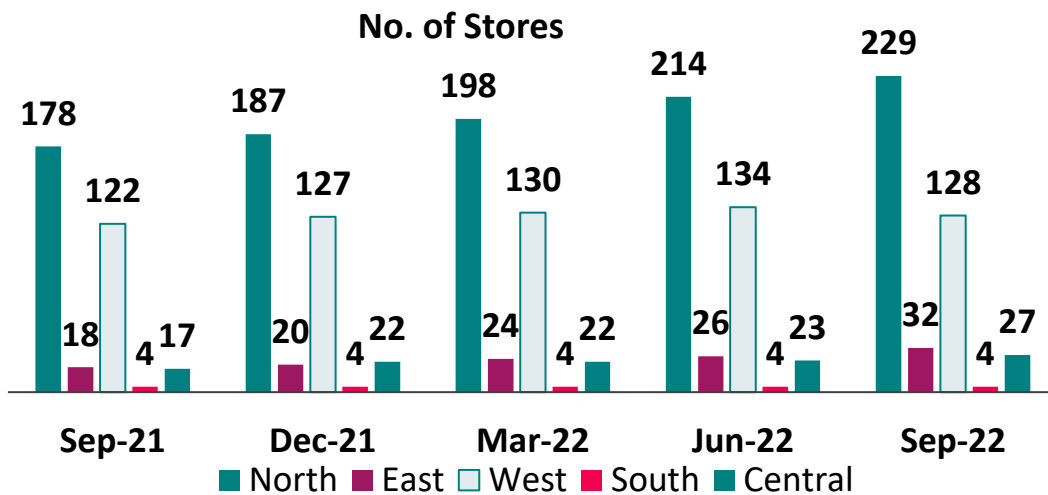
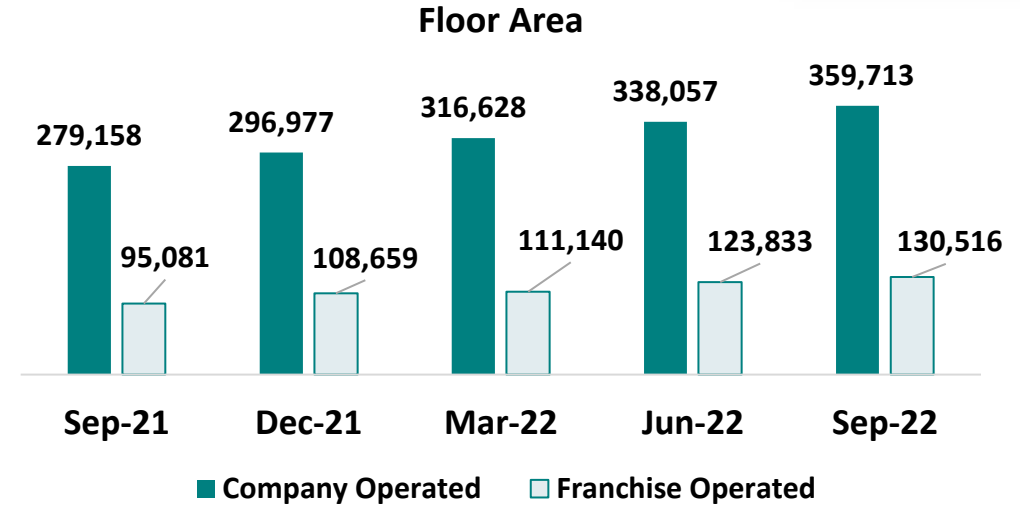
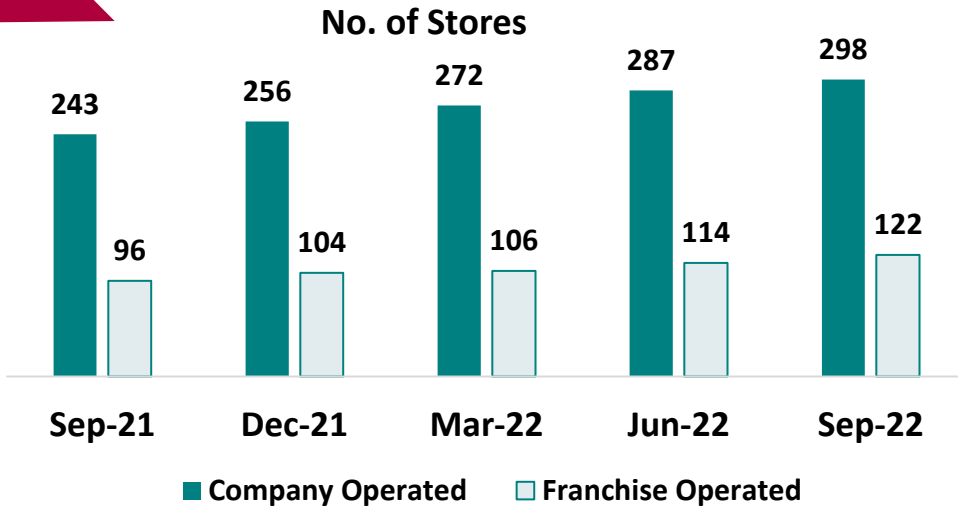


Recall Value

-  3.5 Million customer base
-  EBO's located in densely populated epicenters
-  Send “new launch collection” SMS to customer base



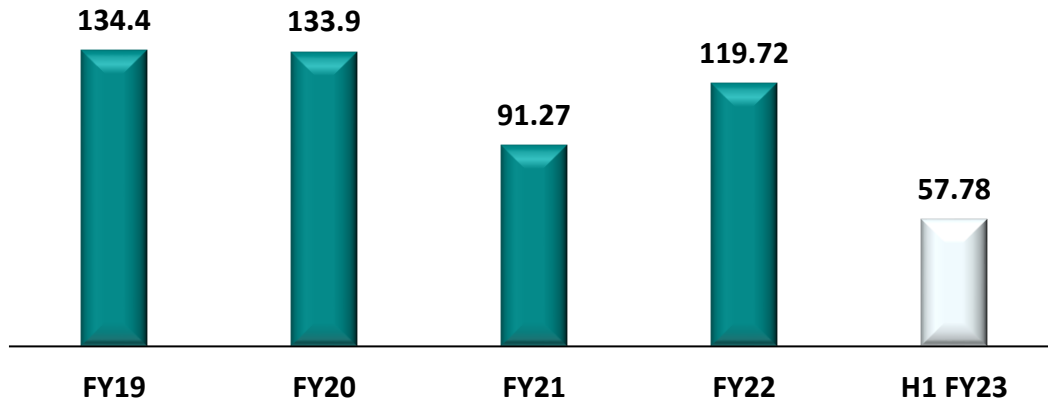
Continuous Increase **No. of Stores**



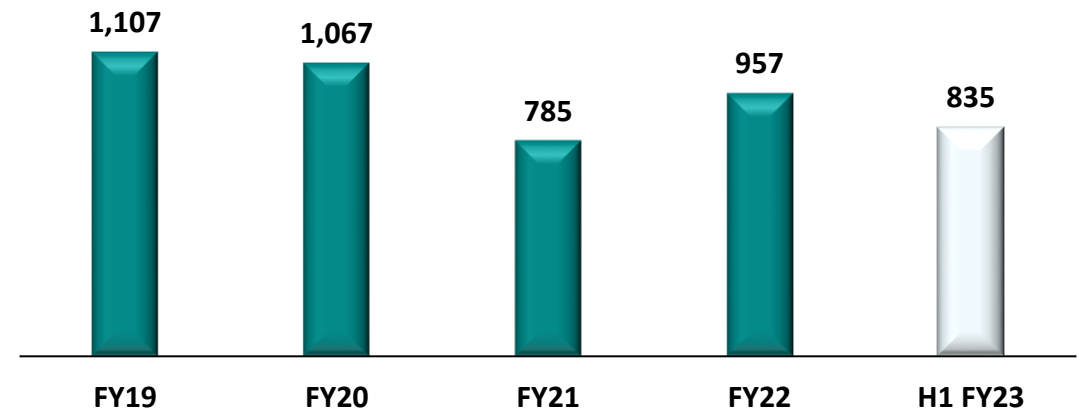


Avg. Revenue Statistics

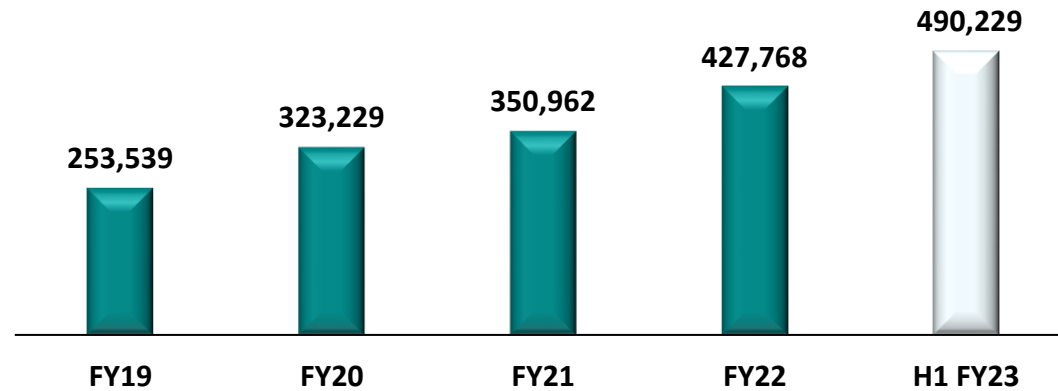
Weighted Avg Gross Revenue per Store (Rs. in lacs)



Weighted Avg Gross Revenue per Sq.ft per month (in Rs.)



Total sq. ft.





Manufacturing Plant - Haryana



- State-of-art world class manufacturing plant across area of **1.50 Lacs sq. ft.** in Bahadurgarh, Haryana
- Fully integrated infrastructure and systems for **modern manufacturing & retailing with complete automation**
- Current combined capacity to produce **12 Lac pcs. of garments per annum** - casual trousers of 3 lac pcs, formal trousers of 2 lac pcs, suits & jackets of 2 lac pcs and shirts of 3 lac pcs
- Equipped with best brand machines from **JUKI, Durkopp, Brother, Ngai Shing, Kansai, Pfaff, Maier, Siruba, Sako** and latest finishing equipment using hot and cold steam foam finishers from **Veit and Macpi**
- Space and scope to **double existing capacity**
- **Recently upgraded facility by investing in washing plant and adding latest machinery**





Management Team



Mr. Vijay Bansal – Chairman & Managing Director

- Rich & vast experience in Apparel and Retail Business
- Founded, Promoted and launched Brand “Cantabil” in 2000
- Awarded “Delhi Udyog Ratan Award 2008” by Government of Delhi and “GLOBAL BUSINESS ICON” award by Hon’ble Union Minister of Science & Technology in June 2018



Mr. Deepak Bansal – Whole Time Director

- Graduate in mathematics from Delhi University
- Substantial expertise in Retail Apparel Industry
- Responsible for marketing strategy and spearhead plans to expand
- Explore new markets & increasing retail footprint in India



Mr. Basant Goyal - Whole Time Director

- Graduate in Bachelor of Business Study from Delhi University
- Responsible for Production & overall Administration of Company



Mr. Shivendra Nigam (FCA) - Chief Financial Officer

- Commerce graduate and Chartered Accountant
- Extensive experience in Finance, Accounts, Administration, Management & Tactical planning and Regulatory compliances
- Responsible for ensuring financial, accounting compliances and reporting requirements



Ms. Poonam Chahal (FCS, LLB) - Company Secretary

- Holds Master’s degree in Commerce, degree in law and fellow member of ICSI
- Significant experience in Corporate Law, Securities Law, IPO, Due Diligence, Corporate Governance, Foreign Exchange Law & IPR
- Heads Legal and Compliance Department



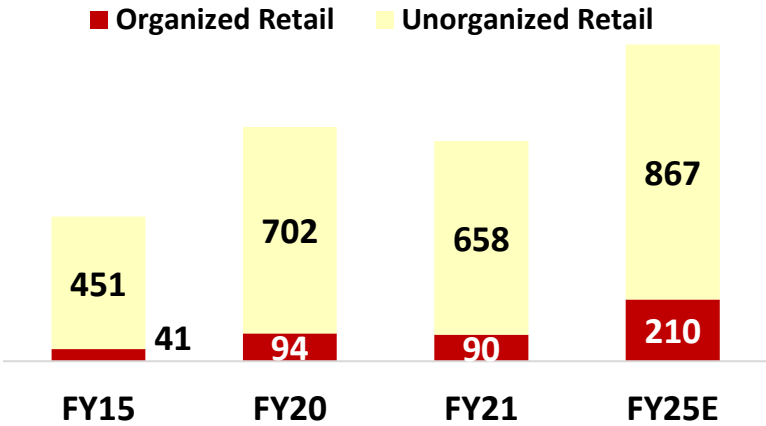
Industry Overview



Indian Apparel Industry

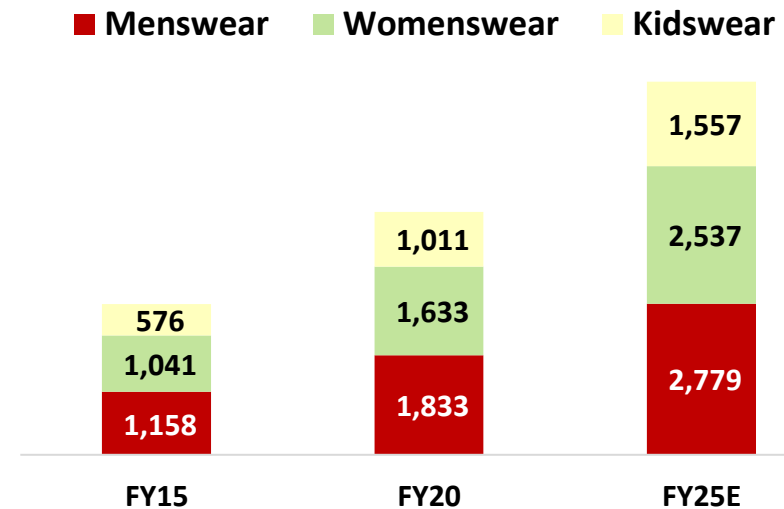
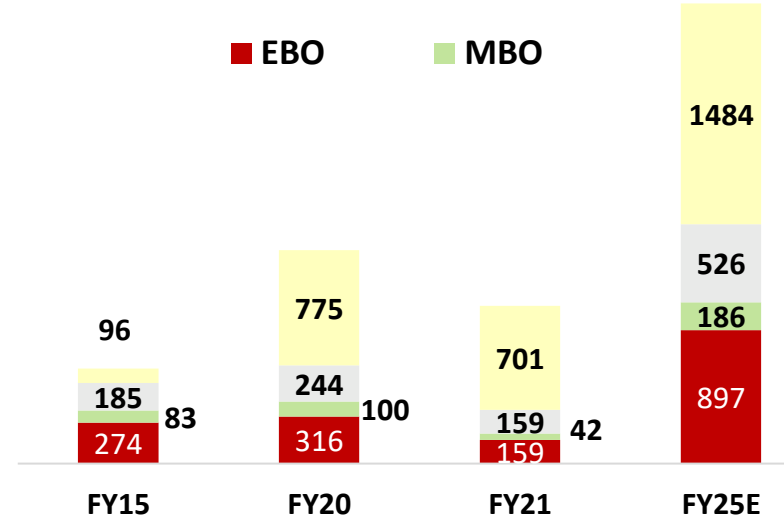
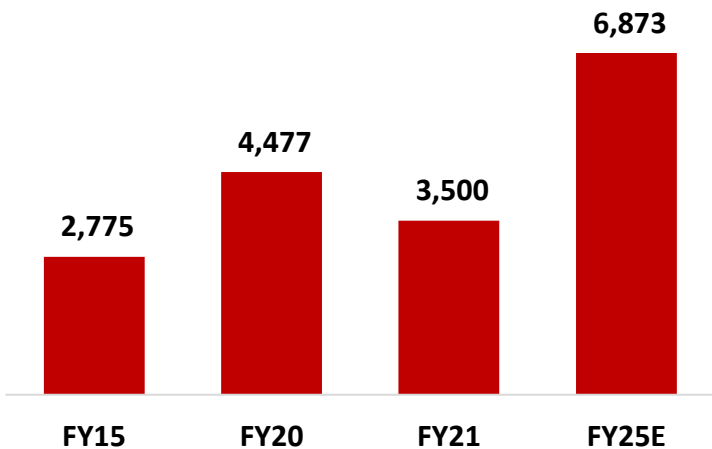


Segment & growth of Indian retail mkt (US\$ bn)



- **Second largest** contributor in retail after food
- India would become one of the top five retail markets in the world by economic value
- Indian retail market value
- In FY20 was US\$ 796
- Estimated to be more than US\$ 1,077 bn by FY25 (Urbanization, Income growth, and Rise in nuclear families)
- With the increasing brand awareness in Tier II & III cities and significant improvement in income levels and affordability, organized retail penetration is expected to increase to ~19% by FY25, registering a CAGR growth of 17.4% during FY20-25E
- CAGR of EBO and MBO apparel retail during FY20-25 is expected to grow 13.8% and 16.6% respectively
- Fitness and healthcare concerns in youth to lead growth at high CAGRs of 14%, 14% and 12% in denim, active wear and t-shirts respectively
- Per capita expenditure on apparel expected to reach at Rs. 8,000 from Rs. 3,100 in 2015. Thereby expected to grow to Rs. 11.7 Lakh Crore (USD 180 bn) by 2025

Organized Apparel market size (US\$ bn)





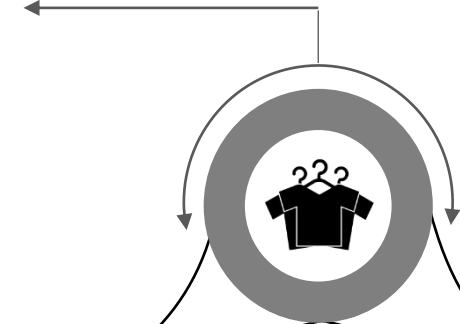
Way Ahead



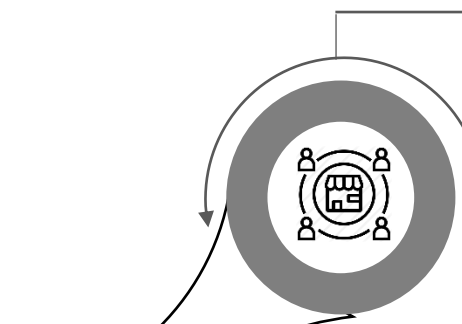
Way Ahead

- Adopt latest technology and best manufacturing practices to enhance manufacturing capabilities
- Further space and scope to gradually add equal quantity to existing capacity as per increase in demand by sizeable numbers
- Recently upgraded facility by investing in washing plant and adding latest machinery

Enhancing manufacturing capacities



Widening customer base, Adding new markets and Increasing wallet share



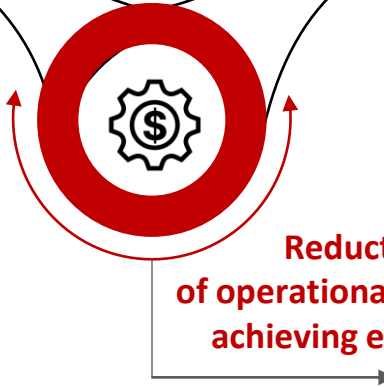
- Growing market opportunities available - endeavor to grow business by adding new customers in existing markets and increasing wallet share of existing customers by adding more product lines
- Increasing geographical presence - identifying new markets in India - expand and enhance across all own brands
- Widen and increase customer base in online space as well

- Open new stores
- Expand exclusive stores for Ladies and kids wear
- Enhancing shopping experience by providing 'Best Brand Mix
- Planned and phased expansion to Deeper penetration in tier 2 & 3 cities
- Plan to reach 700+ stores with target turnover of Rs. 1000 crore in next 4 years

Increasing Retail Presence



Reduction of operational costs and achieving efficiency



- Focus on areas to reduce costs and achieve efficiencies in order to remain competitive
- Reduce wastage and control fabrication on production floor through effective supervision
- Company investment in new multi level Warehousing Facility along with Corporate Office - to result in lower cost, higher efficiencies and better inventory & supply chain management

Women empowerment is strategic goal of Cantabil – Company invests in training and skill development of female population leading to overall development of society at large – Company has approx. 1,000 women employees currently



Financial Highlights



Strong H1 FY23 P&L Statement

Particulars (Rs. In Crore)	FY 21	FY 22	H1-FY23
Income from Operations	251.89	383.39	216.77
Other Operating Income	0.00	0.00	0.00
Excise Duty	0.00	0.00	0.00
Revenue from Operations	251.89	383.39	216.77
Raw Material Expenses	87.73	127.85	44.15
Job Work Charges	16.85	23.81	24.67
Rent including Lease Rentals	1.67	1.30	1.05
Commission	16.50	25.41	12.67
Employee Expenses	41.81	61.99	45.76
Other Expenses	27.92	32.72	21.72
Total Expenditure	192.48	273.08	150.02
EBITDA	59.40	110.31	66.74
EBITDA Margin	23.58%	28.77%	30.79%
Othe Income	16.74	15.19	1.69
Depreciation	39.09	43.30	25.35
EBIT	37.05	82.20	43.08
EBIT Margin	14.71%	21.44%	19.87%
Interest / Finance Cost	24.80	22.63	11.94
Exceptional Item (Gain) / Loss	0.00	0.00	
PBT	12.26	59.57	31.14
Tax	2.59	21.53	7.74
PAT	9.66	38.04	23.40
PAT Margin	3.84%	9.92%	10.80%
Other Comprehensive Income	-0.42	-0.39	-0.10
Net Profit	9.24	37.65	23.30



H1 FY23 Balance Sheet



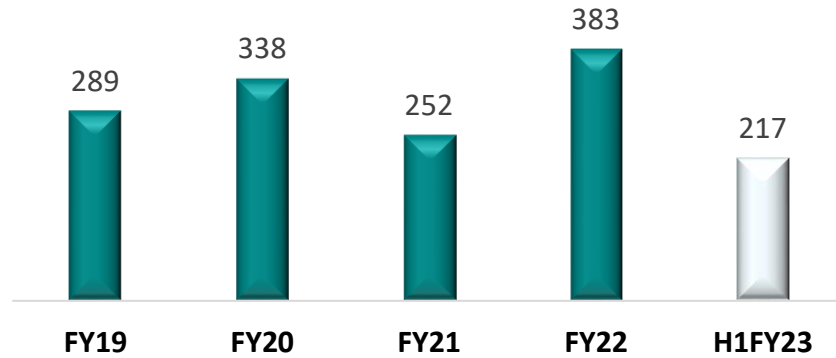
Rs. in Crs	Mar-21	Mar-22	H1-FY23
Shareholder's Funds	124.04	160.08	180.93
Share capital	16.33	16.33	16.33
Other Equity	107.72	143.75	164.6
Non-current liabilities	211.05	233.43	250.6
Financial Liabilities			
(a) Borrowings	0	0	0.00
(b) Lease Liability	192.48	212.81	226.36
(c) Other Financial Liabilities	11.39	12.26	12
Provisions	3.5	4.3	6.02
Other Non - Current Liabilities	3.68	4.06	6.22
Current liabilities	93.5	102.32	175.6
(a) Borrowings	14.37	0	36.55
Lease Liability	28.11	33.58	37.5
(b) Trade Payables			
(i) Total ostd dues of micro & small	6.46	12.56	13.99
(ii) Total ostd dues of creditors other than above	32.15	39.72	64.08
(d) Other Financial Liabilities	7.18	8.65	14.95
Provisions	2.61	3.01	4.61
Other Current Liabilities	2.08	2.76	3.91
Current Tax Liabilities(Net)	0.54	2.02	
Total Equities & Liabilities	428.6	495.83	607.13

Rs. In Crs	Mar-21	Mar-22	H1-FY23
Non-Current Assets	281.73	334.86	362.01
Property, Plant and Equipment	55.05	92.45	99.3
Capital work in progress	2.32	0.9	3.06
Right of use Asset	182.15	202.91	217.85
Investment Property	3.59	3.53	3.51
Other Intangible Assets	0.33	1.51	1.5
Investments	0.11	0.1	0.1
Other Financial Assets	10.19	11.88	11.69
Loans	0	0	0
Deferred tax assets (Net)	18.65	13.9	15.7
Other non-current assets	9.35	7.68	9.3
Current Assets	146.87	160.96	245.12
Inventories	123.62	146.85	222.74
Investments	0	0	0
Trade Receivables	3.89	3.74	5.81
Loans	0	0	
Cash & Cash Equivalent	8.32	3.23	3.82
Other Financial Assets	4.87	1.03	1.51
Current tax assets (Net)	0.86	0.86	2.62
Other Current Assets	5.32	5.25	8.62
Total Assets	428.6	495.83	607.13

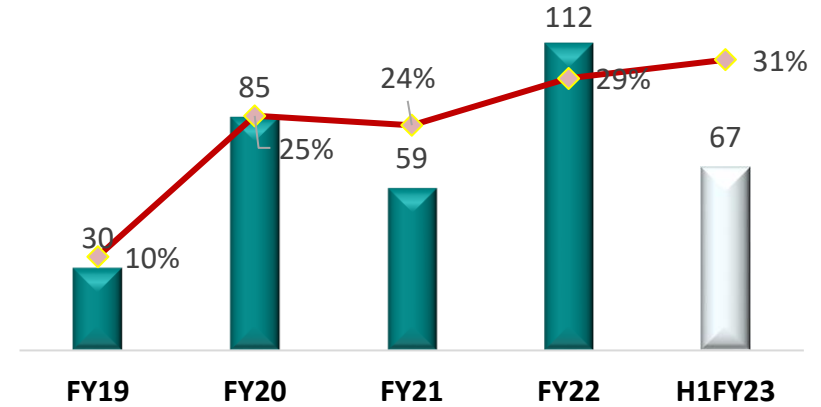


Strong Ratios

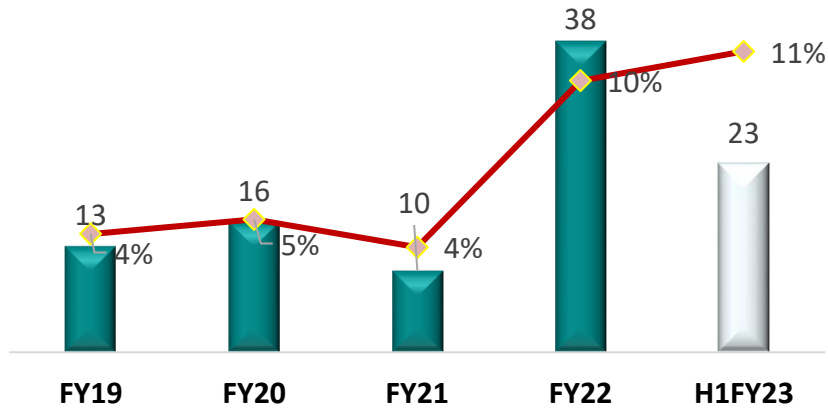
Revenue (Rs. In Crore)



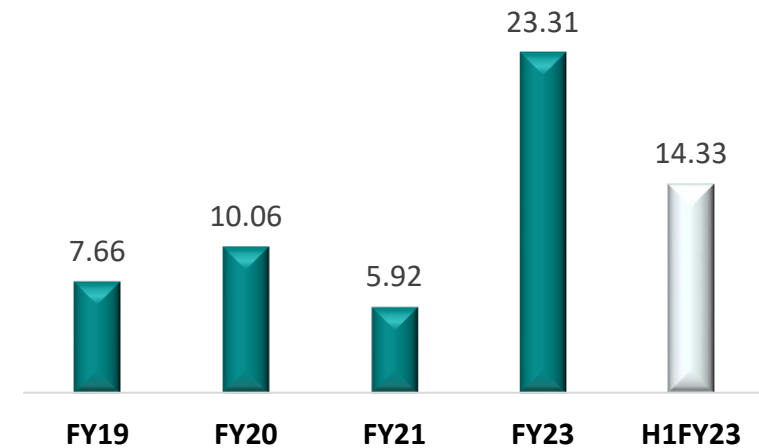
EBITDA (Rs. In Crore) & margin (%)



Net Profit (Rs. In Crore) and margin (%)



EPS (In Rs.)





Thank You

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