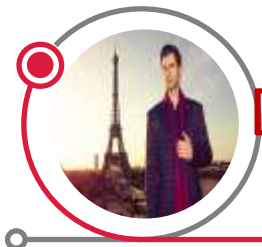


Cantabil Retail India Limited
Result Update Presentation
Q1 FY22





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Table of Contents



01

Financial Highlights



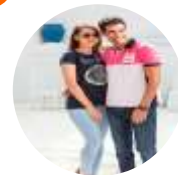
02

Company Overview



03

Business Overview



04

Industry Overview



05

Way Ahead





Financial Highlights



Management Comment



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

"In the wake of COVID-19 our Company is trying to perform and deliver to the best of its abilities with everyone working tirelessly, putting in all their efforts, to make sure our Company sustains as per promised Management expectations. In first quarter of current financial year, we delivered a Revenue of Rs. 28.77 crores with EBITDA Margins (w/o IND-AS 116) of 2.91%. The Covid related restrictions are not fully eased and weekend closure is still in place at several locations. Despite that we have been able clock positive EBITDA which we feel is really encouraging.

During this quarter, the country was affected with deadly second wave of COVID due to which during most of the quarter either stores were shut or operated at fewer working hours. State wise guidelines were provided to individual states depending on which at certain places stores also operated on alternate days.

As for us out of 325 stores at present 320 stores are operating at the moment. We also anticipate demand to increase and generate better sales in the coming quarters with festivities around the corner. Gradually online sales is also gaining traction and making its way towards contributing to topline. We are also continuously educating and training the store employees about the safety measures to be taken care of and thereafter keeping the customers informed about the same.

Our team has been the most important asset and the members have shown great maturity and sense of belonging by keeping each other motivated in recent challenging times. I would like to take this opportunity to thank each member of the CRIL family. I would also like to thank our Clients, Creditors, Banks, Financial Institutions, and all other Stakeholders. Their faith in us and support extended makes it easier for us to strive and excel."



Who We Are?



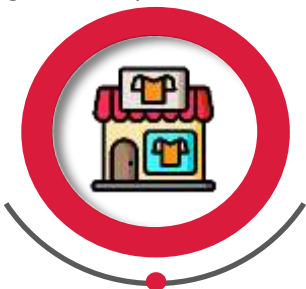
- Company was established in year 1989, is in business of designing, manufacturing and retailing of readymade garments with 20 year long well established success story in Mid Premium Segment
- Company has state of art fully integrated production facility spread over 3 acre plot with 1.5L Sq. ft. of floor area in Bahadurgarh, Haryana equipped with imported and latest technology machines, which has capacity to produce 10L garments per annum – it is one of most specialized suit plant in India
- Cantabil believes in Value for Money and offers high quality latest fashion apparel at affordable pricing – ‘Cantabil’ is one of preferred brand among millennials and aspirational class
- Cantabil caters to all three segments and wide range of products under one roof in Men’s category like Shirts - formal/casual, Trouser, Denim, Suit, Blazer, Jacket, Woollen & Accessories, Ladies wear and Kids wear to make it complete family brand
- Brand presence in 17 States, 150 + Cities and 325 profit making exclusive brand outlets with 3.60 L sq. ft. of retail space – with expanding presence in Tier I cities, large expansion in Tier II and Tier III cities and yet untapped area offers 3-4X wide scope of expansion of Retail footprints Pan India
- Company has also entered into E-commerce space through Market place model with leading players like Flipkart, Amazon, Snapdeal, Myntra, Ajio etc. - offering enormous scope of expansion beyond physical geographies
- Company has very fine balance of manufacturing, fabrication and FOB procurement to fulfil its complete production requirement due to its long and strong tie-ups with dedicated fabricators and trading vendors for FOB procurements
- Company’s strong financials has made it viable for expansion and opening of new stores through internal accruals only without increasing debt
- Company has been allotted “BBB+ outlook Stable” rating from ICRA even under most complex times of Covid
- Company’s compliance oriented approach - all operations are under surveillance of reputed Independent Auditors - Statutory Audit, Secretarial Audit, HR Audit and Inventory Audits. Grant Thornton (GT), one of top rated Auditors/consultants are Internal Auditors of the Company
- Company has also become a Dividend paying entity and distributed interim dividend of 10% of face value for FY21



COVID-19 Impact on Business



- Sharp reduction of footfalls in multiple geographies and gradual closure in areas highly affected
- Last week of March onwards -no business activities conducted - office, stores and warehouses shutdown due to nationwide lockdown
- Used this opportunity to upgrade our organization – develop skills of employees, educate and train them
- Interaction with customers to help them understand safety measures taken at store level
- Gradual opening of stores in non-red zone areas - end of May ~100 stores were operational all over India, numbers kept increasing as and when cities entered orange and green zone
- We also entered online space at most crucial hour which will gain traction in coming financial year



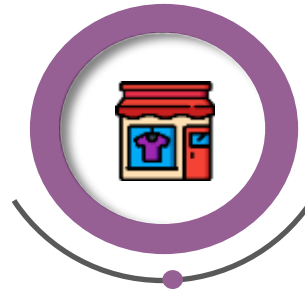
March – May'20

June – July'20



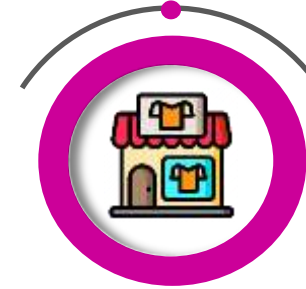
- Stores opened on alternate days and for certain hours depending on area wise restrictions
- Malls could open, hence majority of stores in malls are now open
- Over 285 stores were operational by the end of July

- Most stores were operational on daily basis for entire day
- Stores started gaining traction – festivals around the corner



August – March'21

April – May'21



- Sudden increase in cases from mid April, gradually spreading across country
- State wise lockdown as per State Govt orders
- Most of the states ordered operations of only essential services leading to store closures
- As of now only 180 stores are operational – 4 hours daily basis
- These stores are open on alternate days basis odd and even days

- As of now 320 stores are open across the country on weekdays only with restrictions in working hours depending on state wise rules
- Gradual movement to normalcy due to reduction in fear of COVID-19



June'21 Onwards



Progressive continual recovery in operational store count and sales

Store Opening

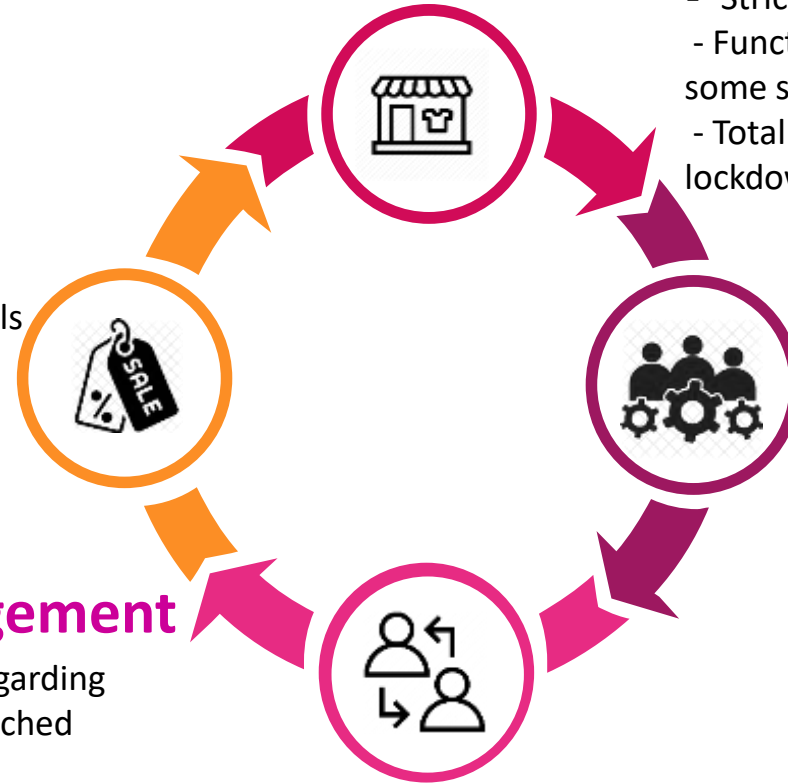
- As of now 320 stores are operational
- Strict adherence to state-wise norms:
 - Functional on alternate days for reduced working hours, some stores open on odd days and some on even days
 - Total store closure on weekends – states where weekend lockdown still continues

Operations

- Office, warehouses and third-party manufacturing units operational with proper precautions in place
- Business backed by appropriate cash reserves

Sales

- Stores in areas less impacted by COVID are normalizing, gradual increase in sales to be followed
- Sales in high street markets are more than malls



Continued Consumer Engagement

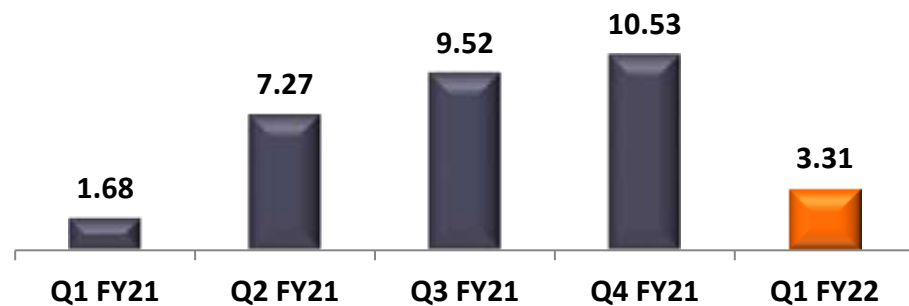
- Continuous updates given to customers regarding deals and new products and designed launched through SMS campaign
- Customers are also educated about all necessary precautions taken at store



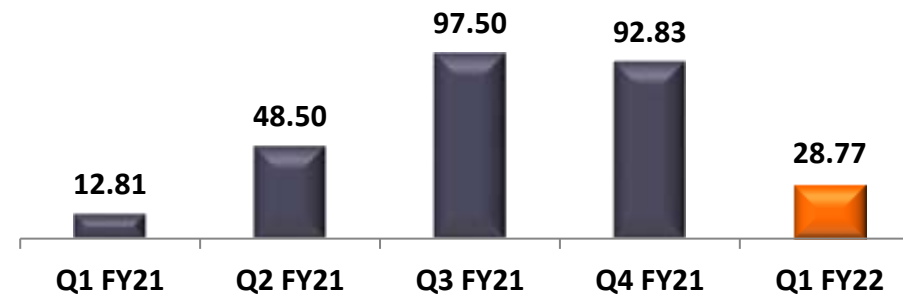
Financial Highlights



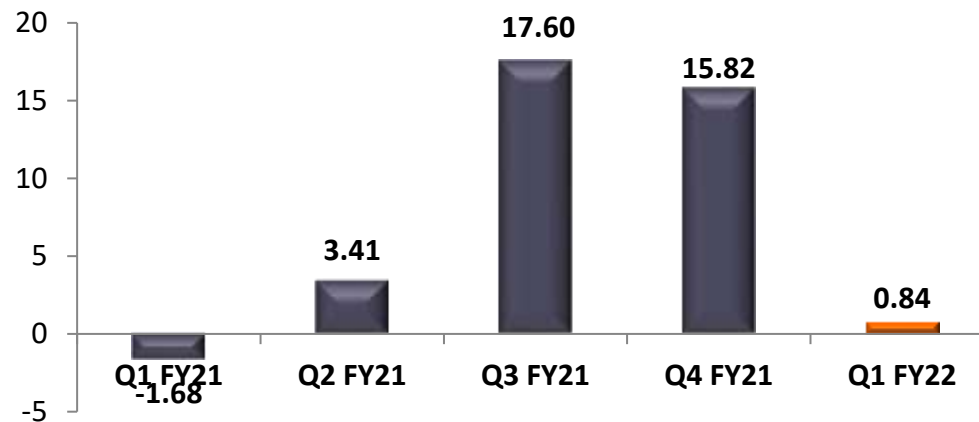
Sales Qty (pcs in Lacs)



Revenue from Operations (Rs. Cr)



EBITDA excluding Other Income (Rs. Cr)*



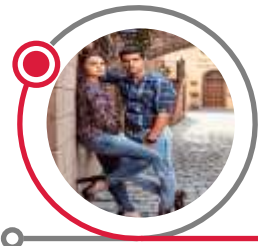
*EBITDA numbers are without taking into account IND-AS 116 effect

Financial Highlights

Rs. Cr	Q1 FY22* (With IND- AS 116)	Q1 FY22 (W/O IND- AS 116)	Q1 FY21* (With IND- AS 116)	Q1 FY21 (W/O IND- AS 116)	Y-o-Y(%) (With IND- AS 116)	Y-o-Y(% (W/O IND- AS 116)	Q4 FY21* (With IND- AS 116)
Revenue from Operations	28.77	28.77	12.81	12.81	124.50%	124.50%	92.83
Raw Materials	5.78	5.78	1.89	1.89			33.34
Employee Cost	8.16	8.16	4.23	4.23			14.68
Job Work Charges	1.92	1.92	1.62	1.62			5.84
Lease Rentals	0.42	5.37	0.40	2.54			0.60
Commission	1.98	2.25	1.03	1.14			5.98
Other Expenses	4.44	4.44	3.08	3.08			7.99
Total Expenditure	22.71	27.93	12.25	14.50			68.43
EBITDA	6.06	0.84	0.56	(1.68)	982.42%	149.74%	24.40
EBITDA Margin%	21.06%	2.91%	4.37%	(13.12%)	1669 bps	1603 bps	26.29%
Other Income	6.92	0.84	5.98	1.30			2.15
Depreciation	9.42	2.18	10.08	2.30			9.95
Interest	5.72	0.76	6.20	1.10			6.31
Profit Before Tax	(2.16)	(1.26)	(9.74)	(3.79)			10.28
Tax	(0.61)	(0.35)	(2.68)	(0.95)			3.00
PAT	(1.55)	(0.91)	(7.06)	(2.84)	78.05%	67.78%	7.28
PAT Margin%	(5.38%)	(3.18%)	(55.08%)	(22.15%)	4970 bps	1897 bps	7.85%
Basic EPS in Rs.	(0.95)	(0.56)	(4.32)	(1.74)	78.01%	67.82%	4.46

- This quarter witnessed higher sales volume on account of reducing fear of COVID and gradual movement of activities towards normalization which led to increase in Revenue by 124.50%
- Revenue also includes sales from e-commerce
- Increase in EBITDA Margins mainly on account of higher utilization, increasing footfalls and incremental sales volume

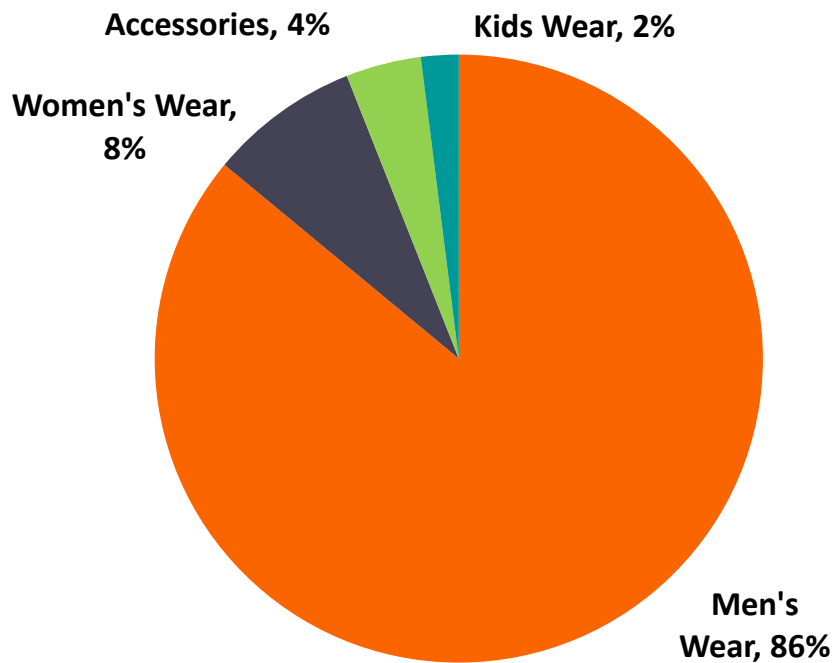
*reported numbers are as per IND-AS 116, consequently operating lease expenses have changed from rent, commission and other expenses to depreciation & amortization expenses, finance cost and other income.



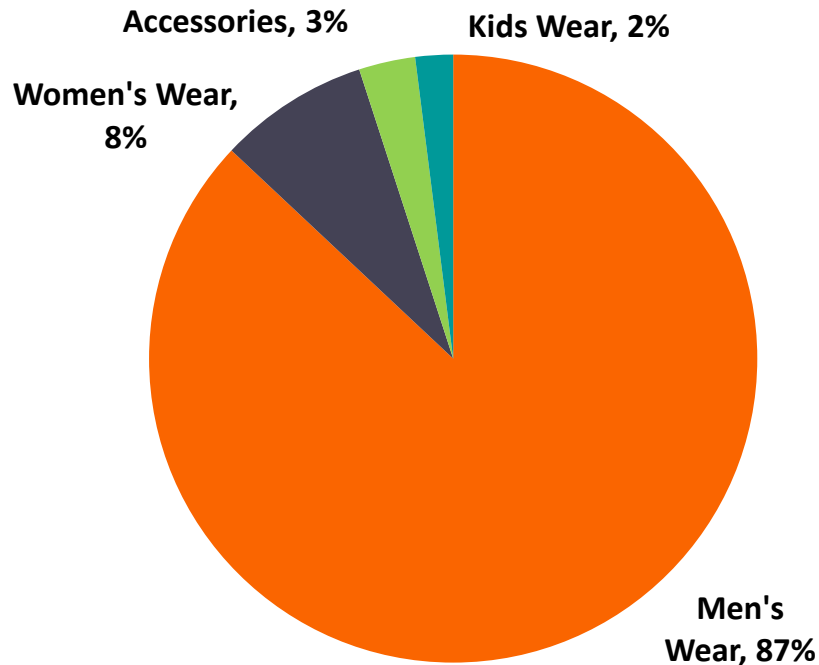
Revenue Break Up – Segmental



Q1 FY21



Q1 FY22



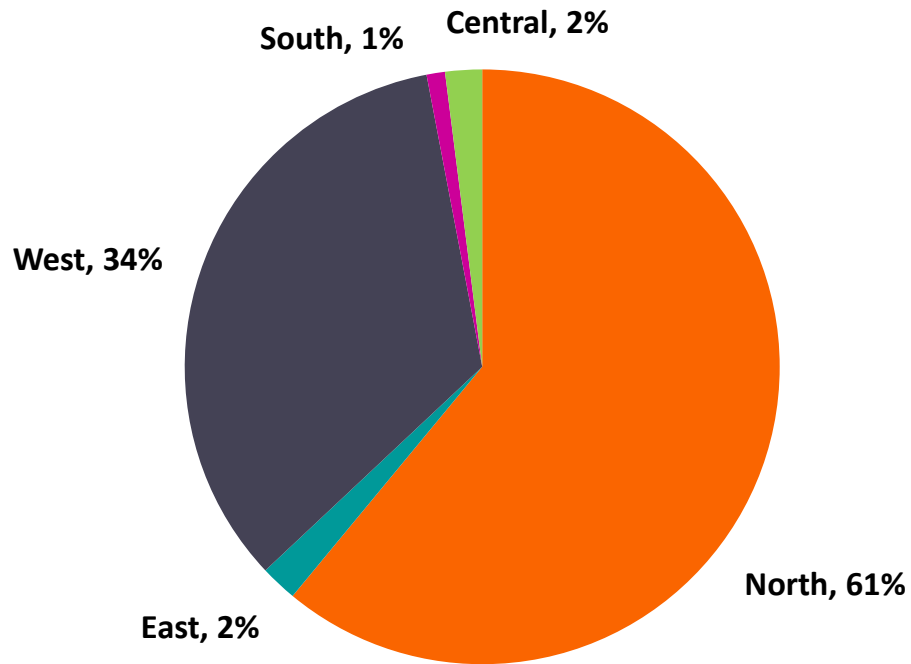
Entered e-commerce market as well – contributing approx. 2% to revenue



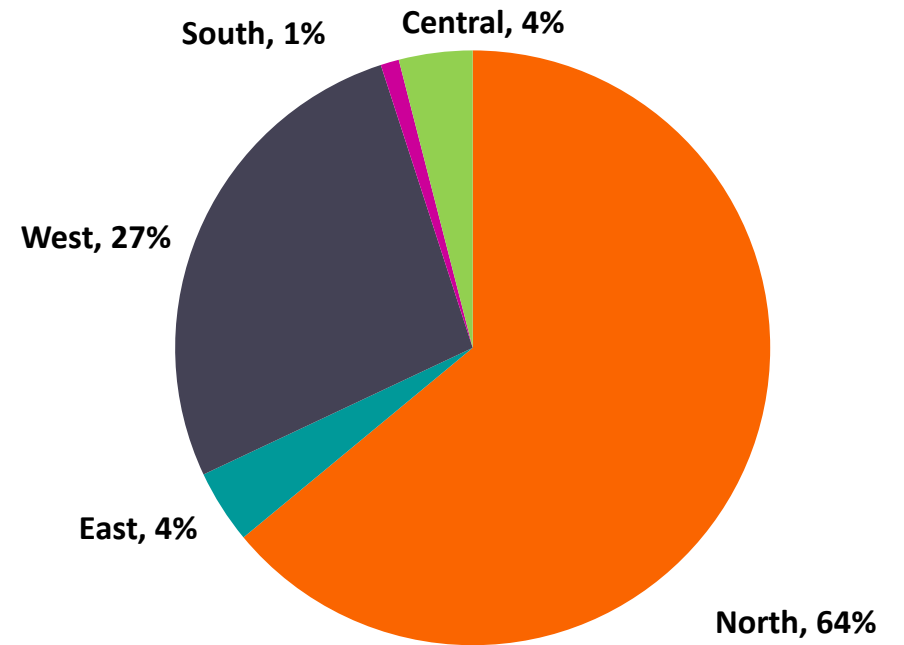
Revenue Break Up – Regional



Q1 FY21



Q1 FY22



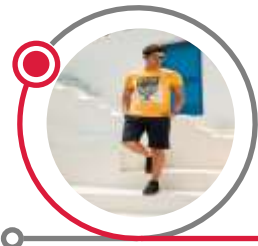
Financial Highlights



Rs. Cr	FY21* (With IND-AS 116)	FY21 (W/O IND-AS 116)	FY20* (With IND-AS 116)	FY20 (W/O IND-AS 116)	Y-o-Y(%) (With IND-AS 116)	Y-o-Y(%) (W/O IND-AS 116)
Revenue from Operations	251.64	251.64	338.04	338.04	(25.56%)	(25.56%)
Raw Materials	87.78	87.78	119.06	119.06		
Employee Cost	41.58	41.58	59.94	59.94		
Job Work Charges	16.86	16.86	28.95	28.95		
Lease Rentals	1.67	24.67	1.45	37.55		
Commission	16.51	17.71	15.76	18.15		
Other Expenses	27.88	27.88	28.14	28.14		
Total Expenditure	192.28	216.48	253.30	291.78		
EBITDA	59.36	35.16	84.73	46.25	(29.94%)	(23.98%)
EBITDA Margin%	23.59%	13.97%	25.07%	13.68%	(148 bps)	29 bps
Other Income	16.78	3.03	4.18	4.18		
Depreciation	39.09	9.49	44.19	10.41		
Interest	24.80	4.88	20.71	6.92		
Profit Before Tax	12.26	23.82	24.01	33.10		
Tax	2.59	5.96	7.58	10.23		
PAT	9.66	17.86	16.43	22.88	(41.18%)	(21.92%)
PAT Margin%	3.84%	7.10%	4.86%	6.77%	(102 bps)	33 bps
Basic EPS in Rs.	5.92	10.94	10.06	14.01	(41.15%)	(21.91%)

- Revenue also includes sales from e-commerce
- Nationwide lockdown in Q1 FY21 and conditions imposed on working of store days and hours in Q2 FY21 weighed upon full year revenue
- EBITDA has declined mainly due to drop in Revenue
- Tier 2 and Tier 3 cities have shown smart recovery along with Tier 1 cities as Tier 1 cities continue to stay affected by COVID impact
- Company repaid entire term loan and now stands at minimum borrowing level

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

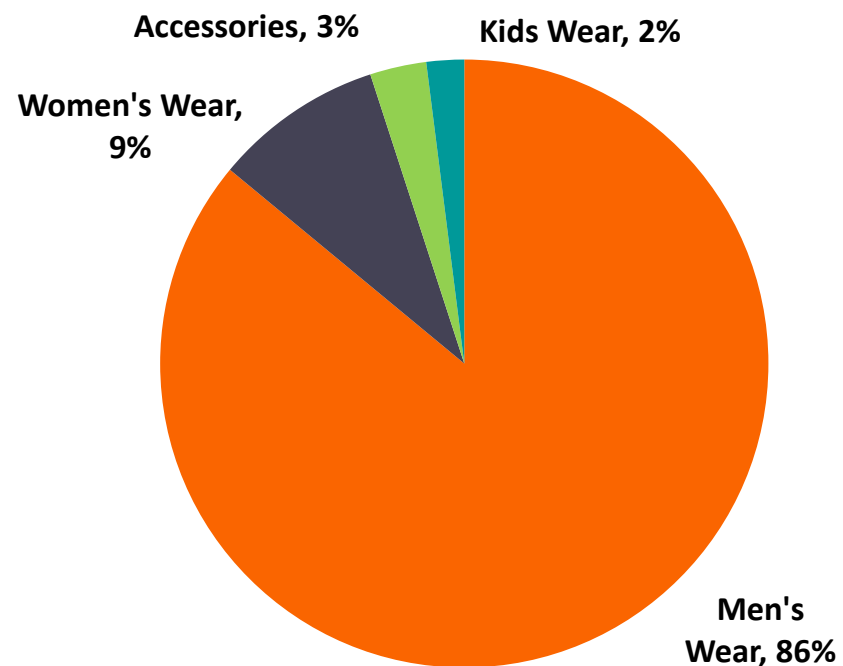
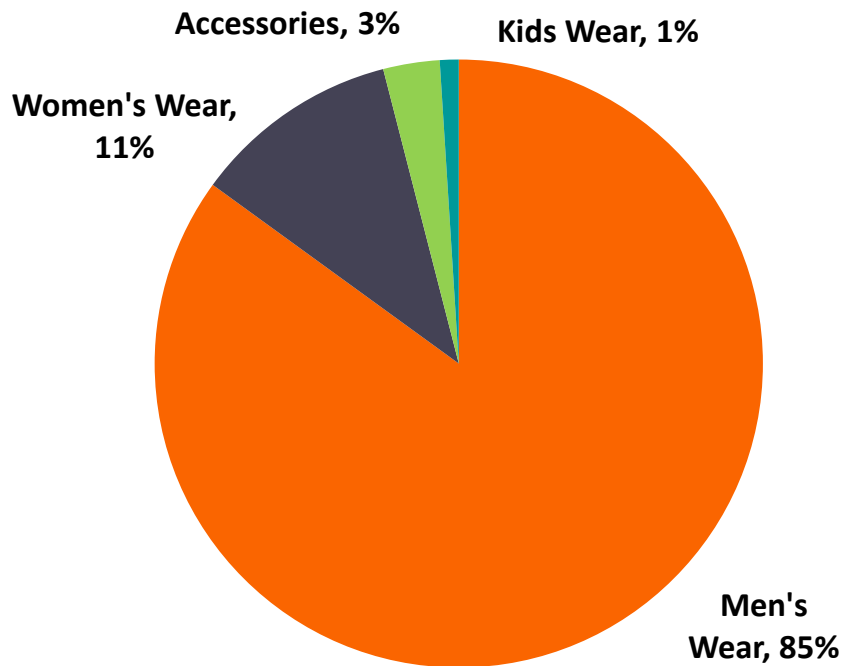


Revenue Break Up – Segmental

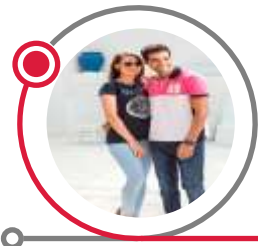


FY20

FY21



Entered e-commerce market as well – contributing approx. 1% to revenue

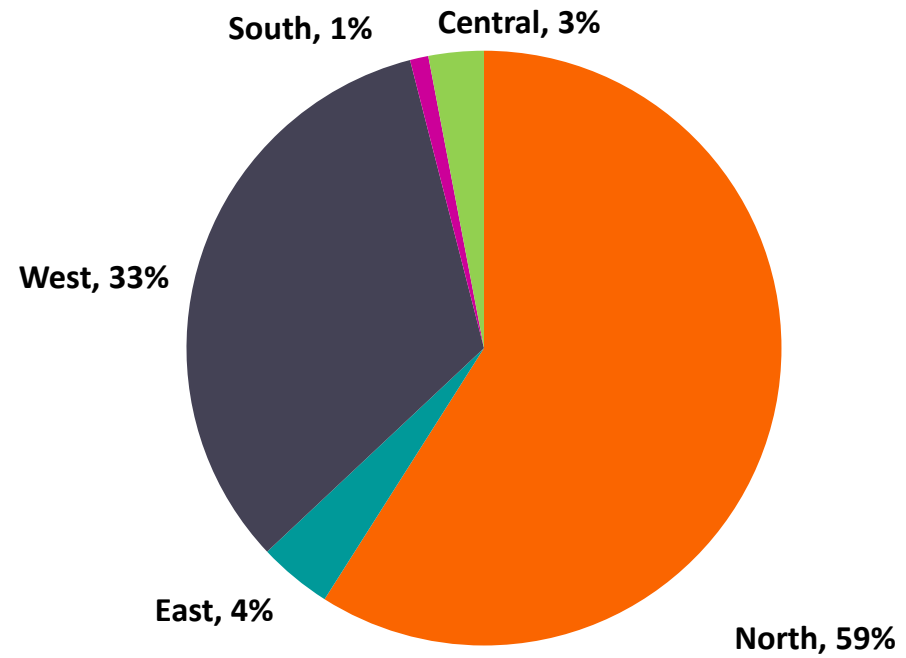
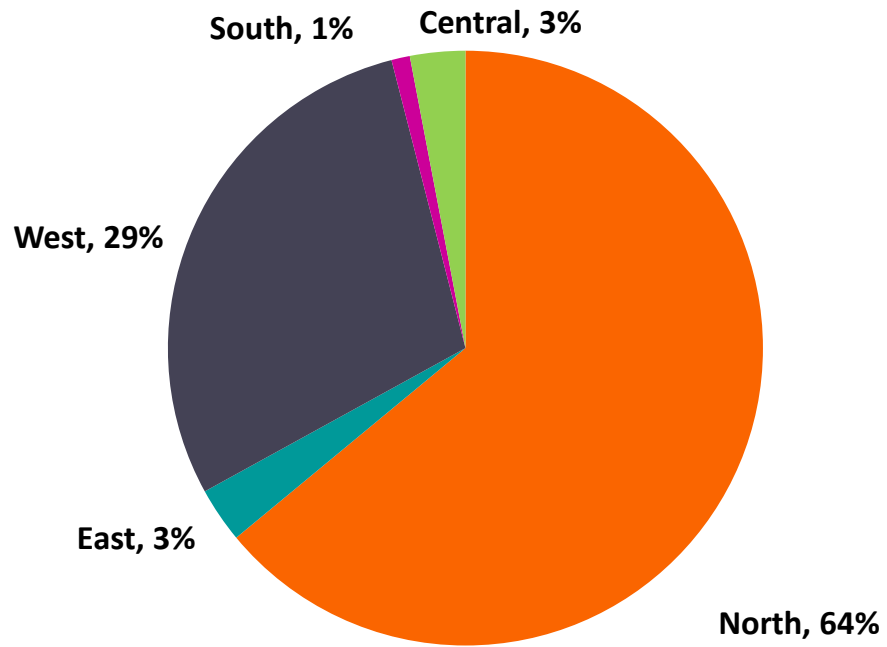


Revenue Break Up – Regional



FY20

FY21



Balance Sheet Highlights



Rs. Cr	As on 31 st Mar'21	As on 31 st Mar'20
Shareholder's Funds	124.06	118.07
Share capital	16.33	16.33
Other Equity	107.72	101.74
Non-current liabilities	211.05	226.78
Financial Liabilities		
(a) Borrowings	0.00	2.39
(b) Lease Liability	192.48	206.80
(c) Other Financial Liabilities	11.39	9.56
Provisions	3.50	3.70
Other Non - Current Liabilities	3.68	4.33
Current liabilities	93.50	103.37
(a) Borrowings	14.37	33.60
(b) Trade Payables		
(i) Total ostd dues of micro & small	6.46	4.79
(ii) Total ostd dues of other than	32.15	33.67
(c) Lease Liability	28.11	18.19
(d) Other Financial Liabilities	7.18	8.52
Provisions	2.61	3.03
Other Current Liabilities	2.08	1.58
Current tax Liabilities (Net)	0.54	0.00
Total Equities & Liabilities	428.61	448.22

Rs. Cr	As on 31 st Mar'21	As on 31 st Mar'20
Non-Current Assets	281.80	299.09
Property, Plant and Equipment	55.05	60.26
Capital work in progress	2.32	0.71
Right of use Asset	182.15	198.12
Investment Property	3.59	3.64
Other Intangible Assets	0.33	0.35
Investments	0.11	0.12
Other Financial Assets	0.71	0.72
Loans	9.54	8.29
Deposits with bank	0.00	0.00
Deferred tax assets (Net)	18.65	18.92
Other non-current assets	9.35	7.95
Current Assets	146.81	149.13
Inventories	123.62	128.05
Investments	0.00	0.04
Trade Receivables	3.89	4.52
Loans	0.58	0.76
Cash & Cash Equivalents	8.26	4.05
Other Financial Assets	4.29	4.27
Current tax assets (Net)	0.86	1.10
Other Current Assets	5.32	6.33
Total Assets	428.61	448.22



Company Overview





Among Leading Retail Brands in India



World class designing, manufacturing, branding and retailing of apparels

- Market apparels under Brand “CANTABIL”
- Presence across 17 states with 325 EBOs as on 30th June 2021
- Sales floor area - 3,60,233 sq. ft. as on June 30, 2021

Wide and Diverse Product Portfolio

- Men’s wear - Formals, Casuals, Woollen, Knitwear & Accessories
- Women’s Wear – Formals, Casuals, Woollen/Knitwear
- Kids Wear - Casuals

State of Art Manufacturing Facility

- One owned manufacturing facility and two centralized warehouses to ensure seamless & timely logistics of quality products
- Current combined capacity - 10 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

Robust Retail Network

- 325 Exclusive Brand Outlets
- Out of 325 EBOs - 233 stores are Company operated and 92 stores are Franchise operated
- Strong growing presence in tier 2 & 3 cities

Certifications & Awards

- Awarded “Best Quality Design Award” for 2008
- Awarded “Best Brand Award” in 2018





Strong & Experienced 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



Key Strengths



State of Art Infrastructure Facilities

- World class integrated manufacturing facility spread across 1.50 Lacs sq. ft. at Bahadurgarh, Haryana operating through Exclusive Brand Outlets
- All outlets at prime locations in respective markets

01



Wide Apparel Range with Quality Garments

- 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 made to order as per customers' need

02



Dynamic & Experienced Leadership

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

03



Robust Retail Presence

- Pan-India presence of 325 exclusive retail outlets with floor space of 3.60 lacs sq. ft across 17 states
- Strong growing presence in tier 2 & 3 cities

04



Strong Design and Marketing Team

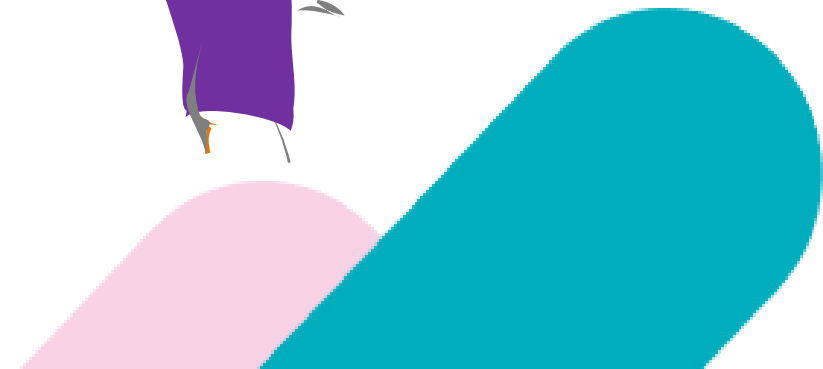
- Team of 15+ including in-house designers and merchandisers
- Research team strongly focuses on market survey before opening new stores
- Online and offline marketing campaigns carried on by marketing team

05



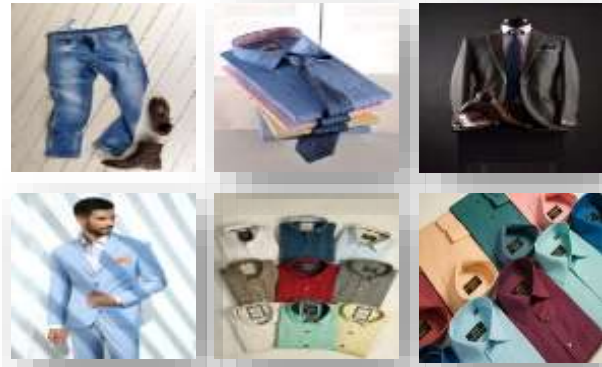


Business Overview





Brand Cantabil



Men's Wear

- Established brand with 20 years of growing acceptance
- Highly popular in middle class
- 320 stores across India
- Formals, Casuals, Ultra Casuals, Woollen, Knitwear



CANTABIL ITALY
International Clothing



Women's Wear

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

Kids Wear

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



Accessories

- Five years of experience in hosiery industries
- Well-known brand in men's accessories like Innerwear's, Belts, Socks, Ties, Handkerchief, Deo, etc.

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** - from cutting to manufacturing and finishing of formal and casual trousers, formal shirts & men's suits, waistcoats, blazers in formal, casual and party-wear range
- Current combined capacity to produce **10 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**



Pan India Presence



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

State	30 th June' 2021	31 st Mar' 2021
Assam	1	1
Bihar	6	5
Chhattisgarh	7	7
Delhi	52	53
Gujrat	21	20
Haryana	38	39
Himachal Pradesh	1	1
Jammu & Kashmir	7	7
Jharkhand	7	7
Madhya Pradesh	8	7
Maharashtra	40	40
Punjab	23	22
Rajasthan	54	52
Telangana	4	4
UP	46	45
Uttaranchal	7	7
West Bengal	3	3
Total	325	320



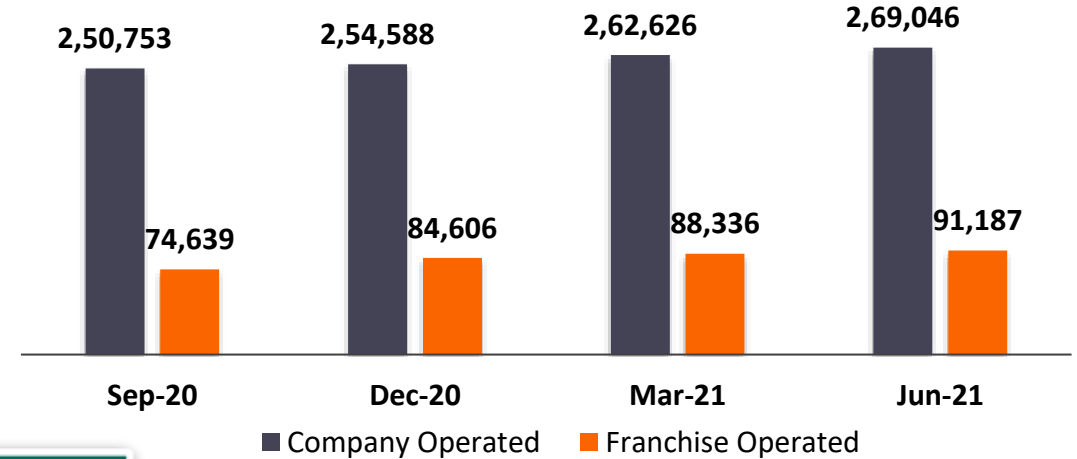
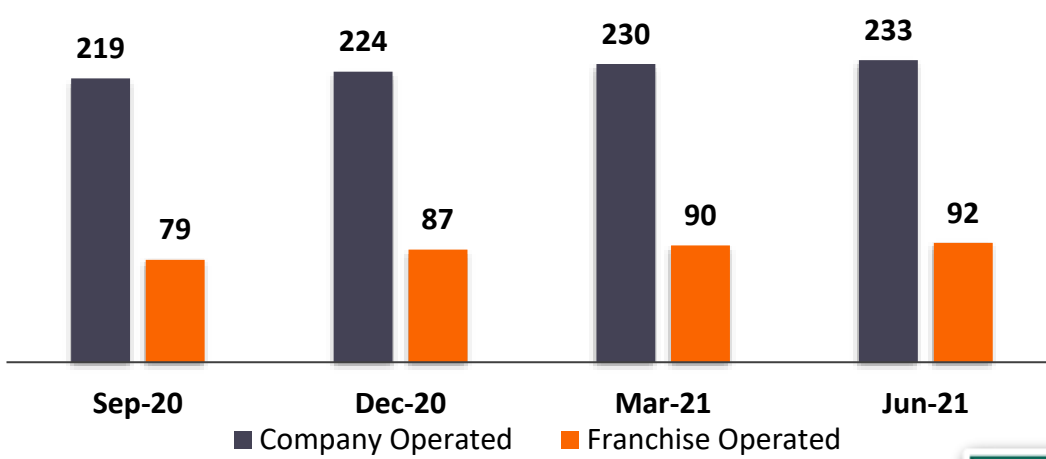
Exclusive Brand Outlets



No. of Stores

Company & Franchise Operated

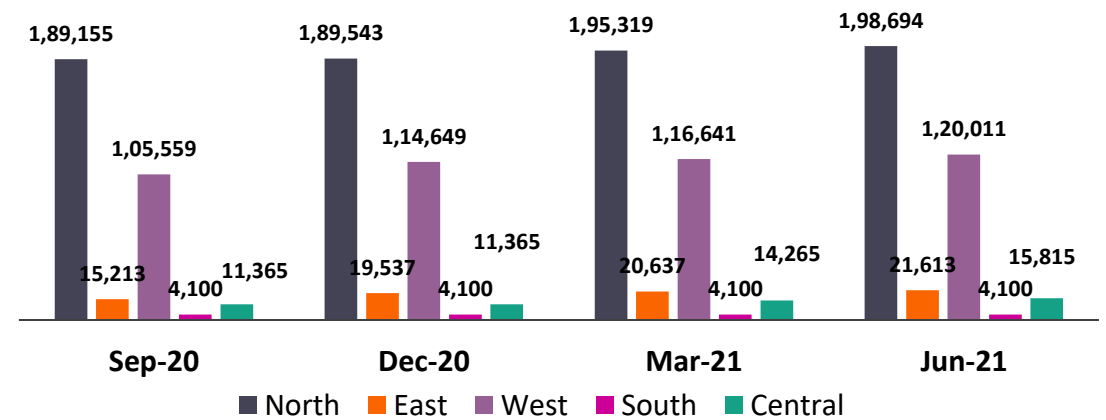
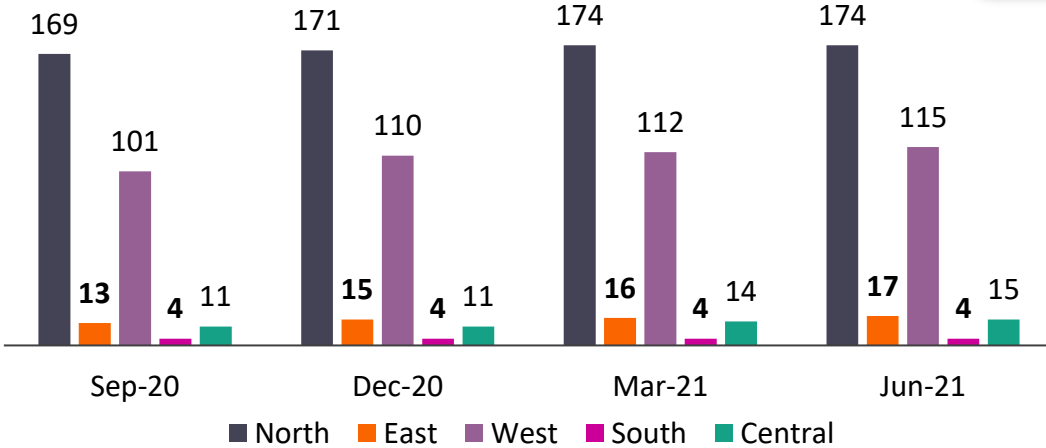
Floor Area



Régional Distribution

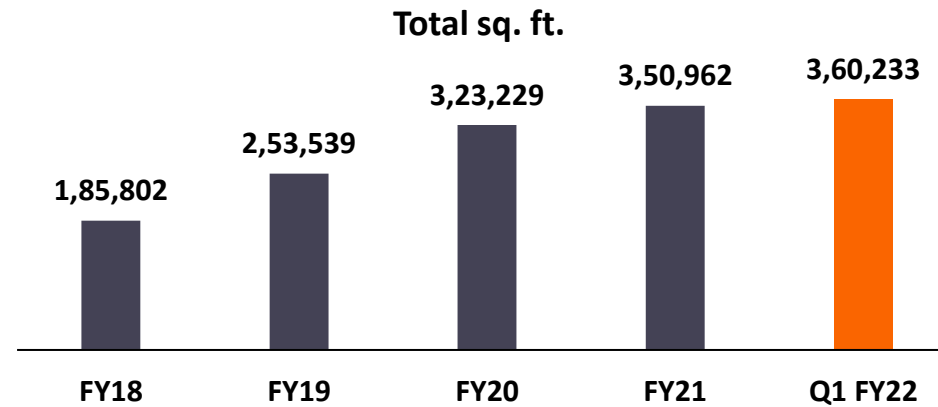
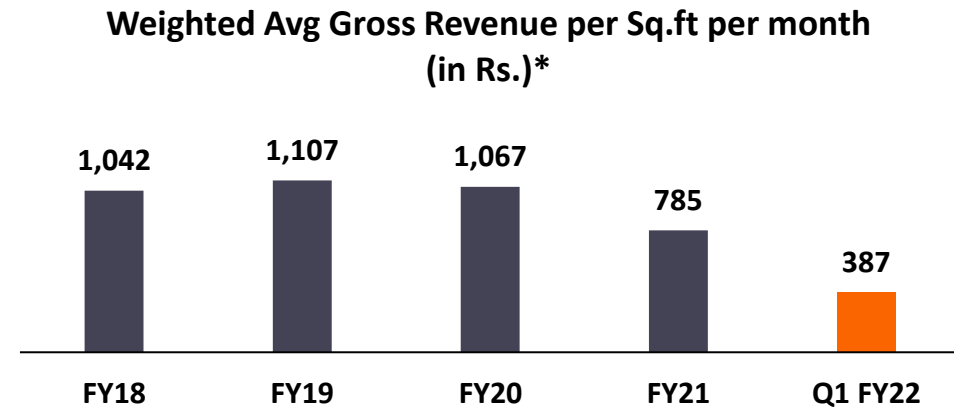
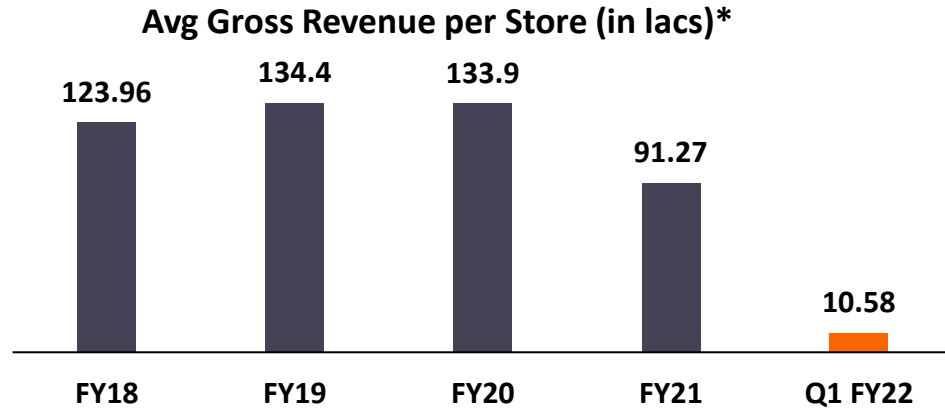
No. of Stores

Floor Area





Avg. Revenue Statistics



*Revenue does not include online sales

- FY21 numbers are mainly impacted due to lockdown in Q1 & Q2 in many parts of India due to COVID-19 - stores were functional on alternate days with reduced working hours in majority states
- Calculations based on stores opened till 30th June'21 – 320 out of 325 stores in view of COVID-19, functional on reduced working hours basis



Industry Overview

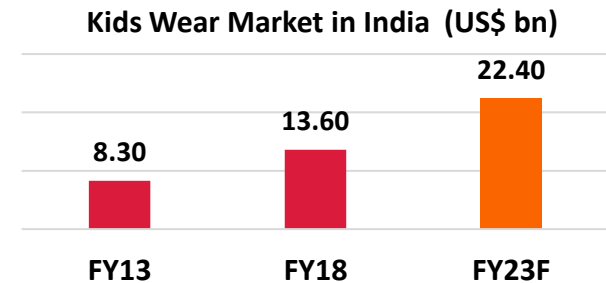
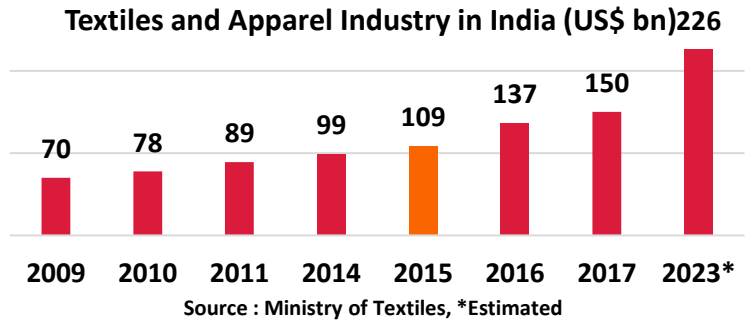
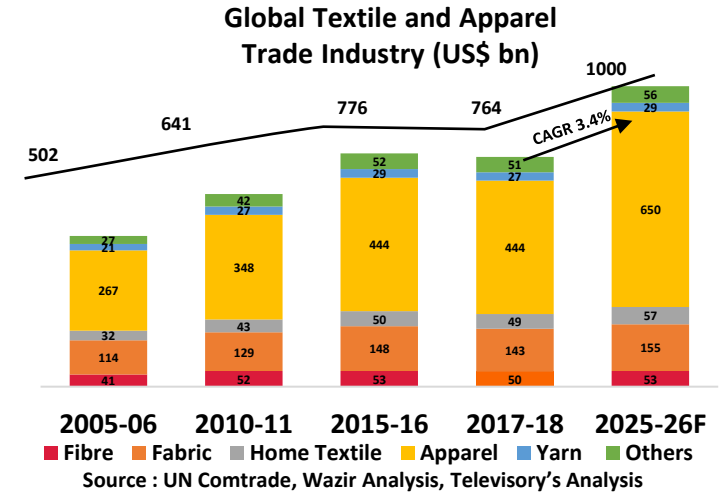




Indian Apparel Industry



- **Second largest contributor** in retail after food and grocery industry in India
- **41% of Men's wear, 38% Women's wear and 21% kid's wear 2025**
- Per capita expenditure on apparel expected to reach Rs. **8,000 by**, rising from Rs. **3,100 in 2015**. Thereby expected to grow to Rs. **11.7 Lakh Crores (USD 180 bn) by 2025**
- 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**
- Women's wear - Expected to grow at **CAGR of 9.9%** to reach **US \$44 bn in 2026**
- Urban areas witnessing clear shift in Women's Wear- from saree to salwar kameez, kurti's, shirts, tops, trousers and denims – expected to remain high growth product categories & **grow at CAGR of 12-16%**
- Significant opportunity in branded kid's wear as currently less number of players in India - expected to reach **Rs. 1,57,000 Crores by 2025 at CAGR of approx. 10-11%**
- Due to COVID-19, Indian textile industry fell – yarn and readymade garments exports **fell by 90% during April 2020**
- To survive pandemic – **about 15-20% of over 8000 exporters** in the country have resumed operations with **25-30% workforce**
- Export demand to fall further – **US and Europe account for 60% of exports**





Way Ahead





Way Ahead

Increasing Retail Presence

- Open new stores (on account of COVID impact)
- Expand ladies brand store network to 200 stores from existing 165 over coming years
- Enhancing shopping experience by providing 'Best Brand Mix
- Planned and phased expansion to Deeper penetration in tier 2 & 3 cities
- Planned to reach over 650 stores with target turnover of Rs. 1000 crores in next 4-5 years

Enhancing manufacturing capacities

- 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

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

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



Thank You



For further information, please contact:

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