

February 10, 2019

The Manager
The Department of Corporate Services
BSE Limited
P. J. Towers,
Dalal Street, Mumbai - 400 001
Scrip Code - 540775

The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol - KHADIM

Dear Sir / Madam,

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Investor Meet

This is with reference to the Investor Meet scheduled to be held tomorrow i.e, February 11, 2020.

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith our presentation on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2019 which would be presented before the investors.

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Khadim India Limited



Abhijit Dan
Company Secretary & Head – Legal
Membership No. A21358

Encl: As above

KHADIM INDIA LIMITED

REGD. OFFICE : 'KANKARIA ESTATE', 5TH FLOOR, 6, LITTLE RUSSELL STREET
KOLKATA-700 071, INDIA, Tel No. + 91-33-4009 0501, Fax No. + 91-33-4009 0500
E-mail : frontoffice@khadims.com; Website : www.khadims.com
CIN : L19129WB1981PLC034337



KHADIM INDIA LIMITED
Q3 FY20 RESULTS PRESENTATION
FEBRUARY 2020

***Khadi*m's[®]**

DISCUSSION SUMMARY

- BUSINESS OVERVIEW
- Q3 & 9MFY20 RESULTS
- BUSINESS STRATEGY & OUTLOOK
- FINANCIAL & OPERATIONAL SUMMARY
- MANAGEMENT TEAM & SHAREHOLDING PATTERN



BUSINESS OVERVIEW



BRITISH WALKERS



LAZARD



QUICK SNAPSHOT

1 Leading Footwear Brand in India

- 2nd largest footwear retailer in India *
- Largest presence in East India
- One of the top 3 players in South India
- Largest footwear retail franchise network in India
- Emerging brand in West and North India

2 Huge Market Growth Potential *

- Domestic footwear market expected to grow at 15% (FY16-20)
- Branded footwear market expected growth at 20% (FY16-20)
 - Branded retail - 18% CAGR (FY16-20)
 - Branded distribution - 23% CAGR (FY16-20)

6 Strong Design Capabilities

- Understanding latest domestic & global fashion trends
- Strong design capabilities have helped create and grow sub-brands, drive premiumisation and target and retain aspirational customers
- This has led to higher ASP and gross margin

Khadim's[®]

**'Affordable Fashion'
for the entire family
for every occasion**

3 Two-pronged Market Strategy

- Two distinct business models – retail & distribution, each with its own customer base, product range, sales channels
- Ability to capitalize on the growth potential of both the markets and de-risk dependence on any one business

5 Asset Light Model for Growth

Retail business

- 74% of retail presence through franchise route
- Outsource 90% of product requirement (FY19)

Distribution business

- Highly scalable model on the front end
- Mix of in-house and contract manufacturing

4 Extensive Reach & Presence

- Retail presence across 23 states & 1 union territory
- 830 'Khadim's' branded retail stores (Dec-19)
- Wide network of 583 distributors selling to MBOs across India (Dec-19)

Source: * Technopak, In terms of number of exclusive retail stores in FY16, # FY19 financials

Khadim's[®]

TWO-PRONGED MARKET STRATEGY OF RETAIL & DISTRIBUTION MODELS

	Retail Business	Distribution Business
Reach	830 'Khadim's exclusive branded outlets	583 distributors supplying to MBOs across India
Target Segment	Middle & upper middle income consumers in metros (incl. mini metros), Tier I – III cities	Lower & middle income consumers in Tier I – III cities, who shop in MBOs
Price Range	Rs 74 – Rs 3,699	Rs 64 – Rs 999
Product Range	Leather / non-leather sandals, slippers, boots, ballerinas, stilettos, moccasins, sports shoes and accessories *	EVA, basic and premium Hawaii, PVC, PVC DIP and PU and Stuck On products
Brands Offered	Khadim's brand and all sub-brands	Khadim's brand
Sourcing	91% outsourced (FY19) – smaller quantities of premium high quality products	Own manufacturing and contract manufacturing facilities
Sales Team	75 members in addition to store level sales personnel	39 members in sales team for distribution

Ability to straddle between the retail and distribution markets helps to de-risk for the dependence on any one business and cross leverage experience in each segment to capitalise the potential of both the business opportunities

*Accessories includes socks, shoe polishes, brushes, leather belts, wallets, laptop bags etc.

Khadim's

Q3 & 9M FY20
RESULTS UPDATE



SHARON



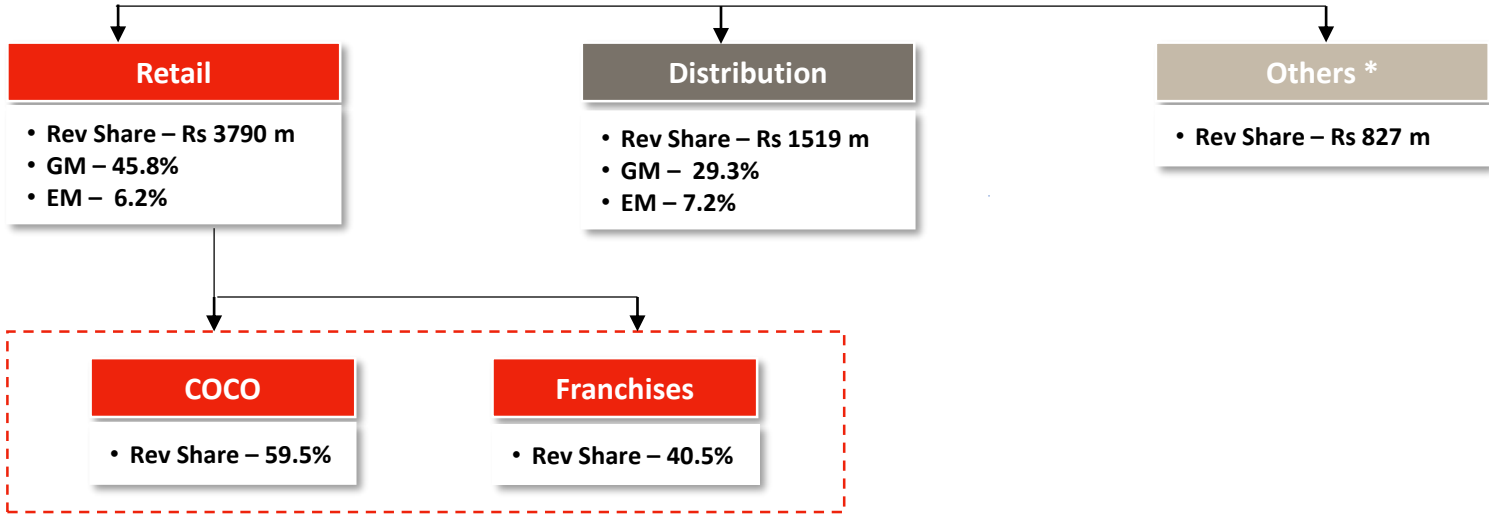
CLEO



RESULT HIGHLIGHT – 9M FY20

Khadim's[®]

9M FY20 Revenues
Rs Mn



Asset Light Model for Frontend Expansion and Scalability

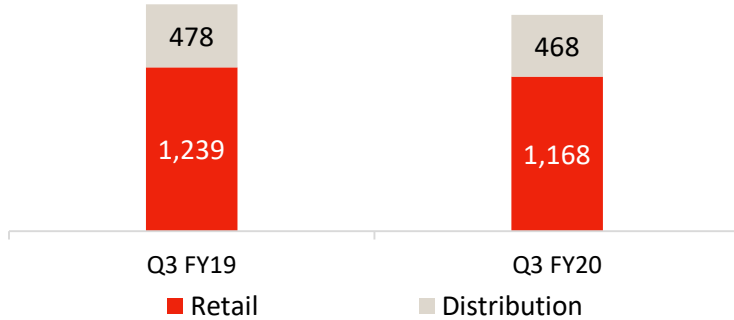
- **Retail Business** – Expand into new markets through COCO stores and further augment the presence through franchise stores. 74% of retail presence is through franchise route
- **Distribution Business** – Highly scalable model to capitalise on retail brand recall and target new markets

* Others include institutional sales, e-commerce sales, export sales and sale of packing materials, #EBITDA at store level

Khadim's[®]

Q3 & 9M FY20 RESULTS: SEGMENT ANALYSIS

Q3 FY20 YoY ANALYSIS – REVENUE BREAKUP

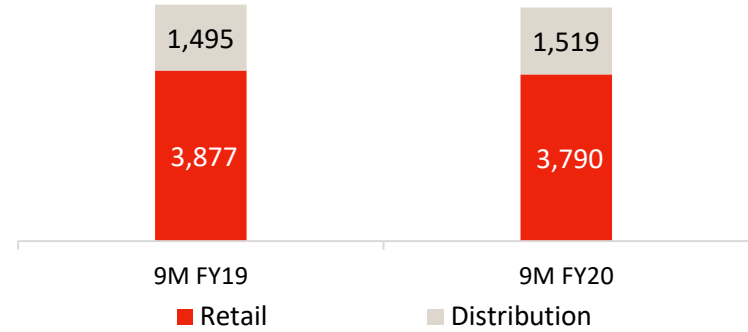


Segment Share % *	Q3 FY19	Q3 FY20
Retail	70.2%	66.8%
Distribution	27.1%	26.8%

Gross Margin %	Q3 [^] FY19	Q3 [^] FY20	Q3 FY19	Q3 FY20
Retail	49.1%	49.8%	48.2%	47.5%
Distribution	30.9%	34.6%	29.1%	31.5%

EBITDA Margin %	Q3 FY19	Q3 FY20
Retail	6.0%	2.3%
Distribution	4.7%	1.6%

9M FY20 YoY ANALYSIS – REVENUE BREAKUP



Segment Share % *	9M FY19	9M FY20
Retail	65.4%	61.8%
Distribution	25.2%	24.8%

Gross Margin %	9M [^] FY19	9M [^] FY20	9M FY19	9M FY20
Retail	47.9%	47.5%	46.8%	45.8%
Distribution	32.9%	34.3%	28.2%	29.3%

EBITDA Margin %	9M FY19	9M FY20
Retail	8.8%	6.2%
Distribution	6.4%	7.2%

*All figures as per IND-AS, In Rs Mn

[^] Gross margins without impact of IND-AS, as per IGAAP

CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q3 FY20	Q3 FY19	YoY %	Q2 FY20	QoQ %	9M FY20	9M FY19	YoY %	FY19
Revenue	1,747.6	1,764.7	-1.0%	2,228.2	-21.6%	6,136.5	5,925.1	3.6%	7,991.8
COGS	1,048.9	1,034.7	1.4%	1,383.7	-24.2%	3,804.0	3,579.6	6.3%	4,964.6
Gross Profit	698.8	730.0	-4.3%	844.5	-17.3%	2332.6	2345.6	-0.6%	3027.2
Gross Margin %	40.0%	41.4%	-139 bps	37.9%	208 bps	38.0%	39.6%	-158 bps	37.9%
Employee Expenses	180.4	176.0	2.5%	190.5	-5.3%	549.4	537.2	2.3%	720.6
Other Expenses	483.4	431.3	12.1%	499.4	-3.2%	1,393.9	1331.9	4.7%	1,737.3
EBITDA	34.9	122.8	-71.6%	154.6	-77.4%	389.2	476.5	-18.4%	569.4
EBITDA Margin %	2.0%	7.0%	-496 bps	6.9%	-493 bps	6.3%	8.0%	-170 bps	7.1%
Depreciation	108.4	47.9	-	104.4	-	311.5	138.0	-	184.3
Finance Cost	80.6	30.8	-	69.6	-	215.1	82.7	-	116.4
Other Income	14.4	18.3	-	20.5	-	51.3	54.7	-	63.4
PBT	-139.6	62.4	-	1.1	-	-86.1	310.4	-	332.0
Tax Expense	-7.7	22.7	-	16.3	-	27.5	110.8	-	120.3
PAT	-132.0	39.7	-	-15.1	-	-113.7	199.7	-	211.7
PAT Margin %	-7.6%	2.2%	-	-0.7%	-	-1.9%	3.4%	-	2.6%

BUSINESS STRATEGY
& OUTLOOK



BUSINESS GROWTH STRATEGY



**Expand Store Network
pan-India with focus on
Asset Light Model &
optimum capacity utilisation**

Retail Business

- Expanding retail footprint in markets across South India, West India and in Uttar Pradesh in North India
- Focus on entering into new markets through COCOs and further augment presence in such markets through franchisees

Distribution Business

- Focus on penetration in existing markets in Eastern and Southern India and capitalise on retail brand recall and target markets in West and North India
- Increase utilisation of existing installed capacity and invest in machines and moulds at existing manufacturing facilities



**Strengthen the Brand and
focus on Premiumisation of
product offerings**

Retail Business

- Given the aspirational nature of customer base, increase focus on sub-brands to drive premiumization
- Khadim's brand helps to capture the target audience transitioning from unorganised to organised market
- Sub-brands helps to target and retain aspirational customers

Distribution Business

- Introduce premiumized versions of product offerings in Hawaii, PVC and PU
- Continue to focus on enhancing product range by focus on increasing ASPs

POSITIVE INDUSTRY OUTLOOK

Favourable macro and demographic tailwinds

Population Growth

- Young demographics - 78% of the population is below 45 years of age

Urbanisation

- Increasing urbanisation which currently stands at ~32%, expected to go up to 35% by 2020

Increasing working women

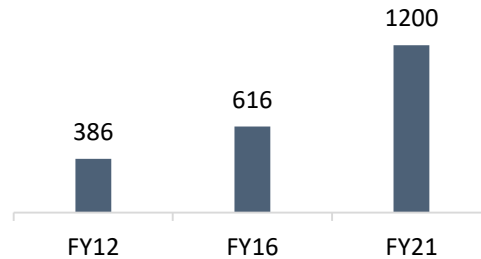
- Increasing number of working women driving the growth of women's footwear market

Income Growth

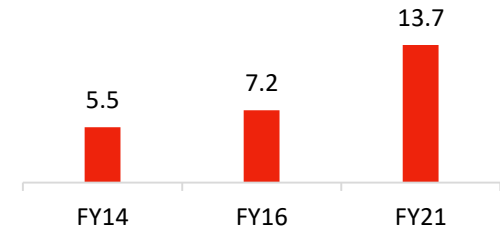
- Increasing disposable income of consumer and higher spending on lifestyle products, leading to shift from unbranded to branded play

Domestic footwear retail to grow at a faster pace compared to the overall retail industry

Overall retail market in US \$ Bn

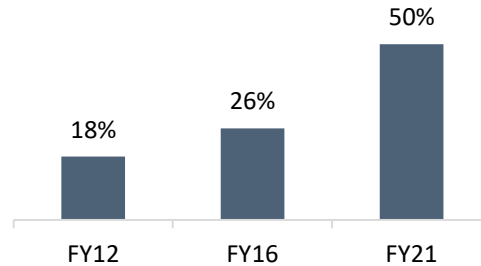


Domestic footwear market at retail price in US \$ Bn

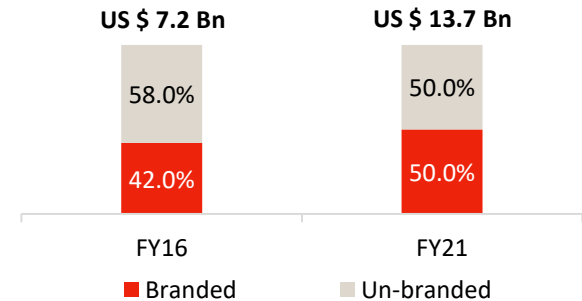


Continued shift towards organised retail with increasing preference for branded products

Organised footwear as % of footwear industry



Share of Footwear Market



Source: Industry Reports, IBEF

FINANCIAL & OPERATIONAL
SUMMARY

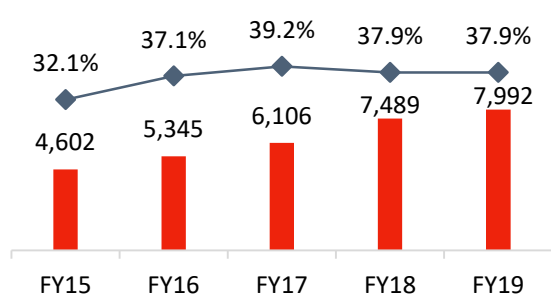


FINANCIAL SUMMARY*

In Rs Mn

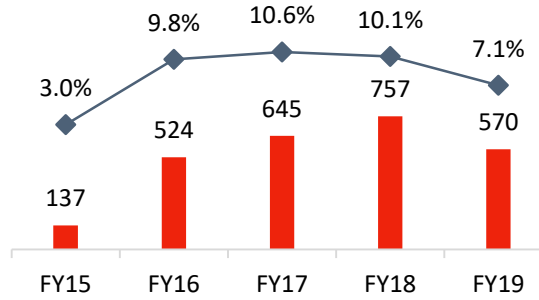
Revenues & Gross Margin

CAGR: 14.8%

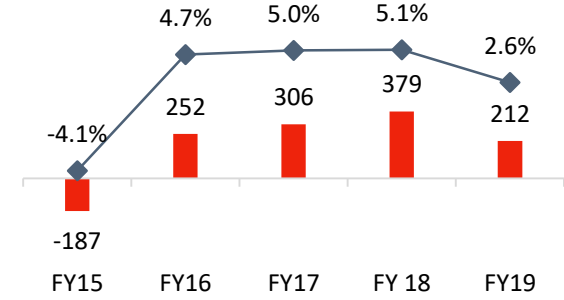


EBITDA & EBITDA Margin

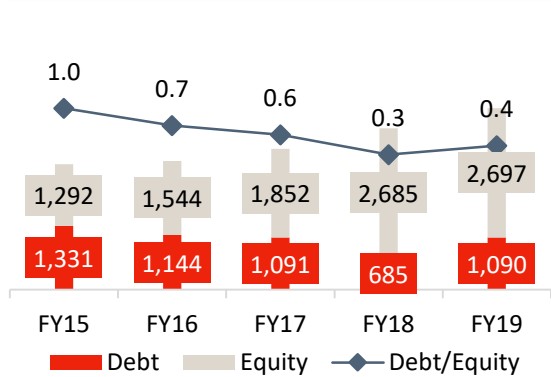
CAGR: 42.8%



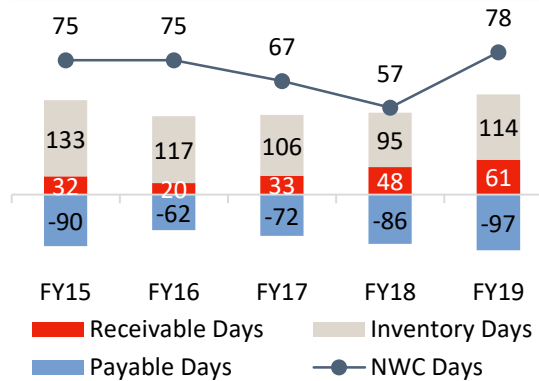
PAT & PAT Margin



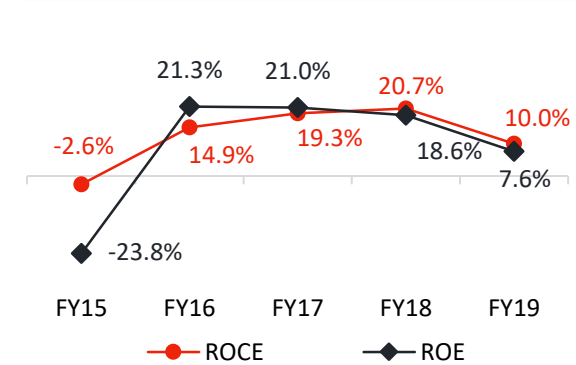
Leverage Analysis



Working Capital Analysis



Return Ratios *



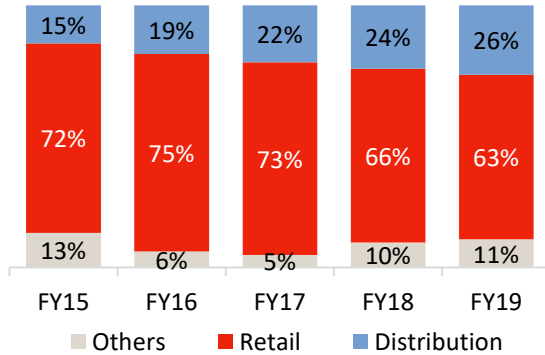
FY17 onwards, numbers are as per IND-AS, while those in previous years are as per I-GAAP. Sales scheme and commissions were included in sales in I-GAAP, these are deducted in IND-AS and net sales are reported

* Return ratios are calculated excluding amalgamation reserve of Rs. 230mn

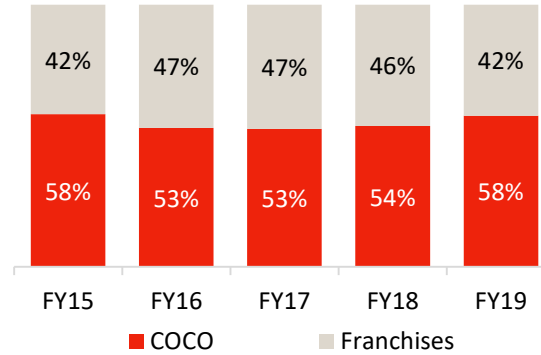
FINANCIAL SUMMARY

In Rs Mn (I-GAAP)

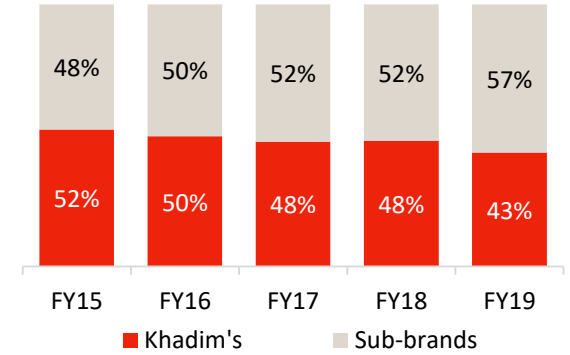
Revenues – Segment wise



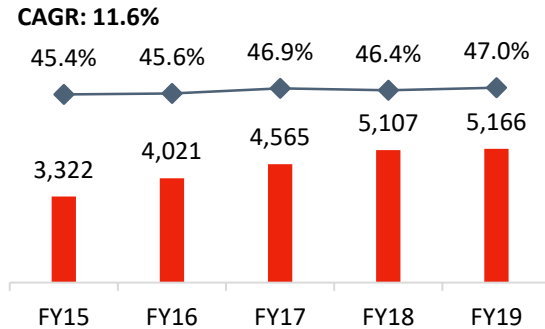
Retail Revenues – COCO vs Franchises



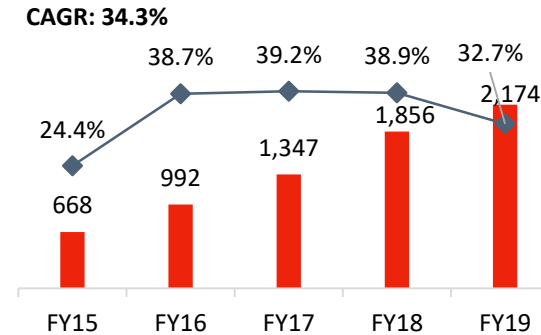
Retail Revenues – Khadim's vs Sub-brands



Retail Revenues & Gross Margin



Distribution Revenues & Gross Margin



ANNEXURE



WIDE PRODUCT RANGE ACROSS VARIOUS CATEGORIES & PRICE POINTS

'Affordable Fashion' brand catering to the entire family for all occasions



Khadim's

- Men / Women / Kids
- Fashionable & casual footwear for value conscious customers



- Menswear
- Formal shoes & sandals using premium quality leather



- Menswear
- Semi-formal & casual shoes / sandals, using premium quality leather and faux leather



- Menswear
- Outdoor boots / sandals using premium quality faux leather



- Men & Women wear
- Sports / activity sneakers / floater / sandals in mesh / synthetic / canvas uppers



- Womenswear
- Fashionable yet functional sandals using premium quality faux leather



- Womenswear
- Light & trendy sandals using premium quality faux leather



- Men & Women wear
- Closed & open shoes / sandals using premium quality soft leather and faux leather



- Womenswear
- Comfortable and fashionable footwear for pre-teen and teenage girls



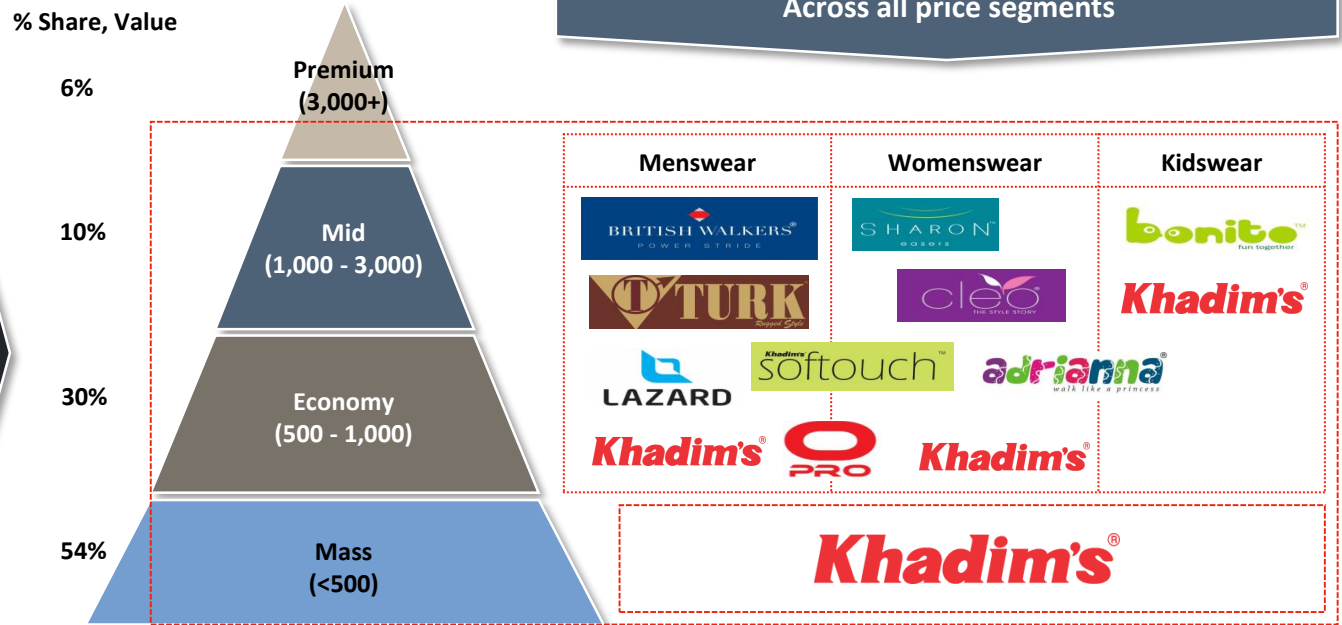
- Kidswear
- Range of fun and colourful shoes for toddlers and children

Khadim's

DISTINCT BRAND POSITIONING FOR VARIOUS MARKET SEGMENTS

Khadim's brand presence and product range makes it capable to address ~85% of the total Indian footwear market potential

Footwear Market Segmentation
(MRP at retail stores in Rs)



Distinct brand positioning to target customers
Across all price segments

Khadim's is well positioned to tap the industry growth potential across both retail and distribution segments

Note: FY19 Revenues – Menswear 51%, Womenswear 34%, Kids wear 15%

ASSET LIGHT MODEL & STRONG DESIGN CAPABILITIES

Asset Light Model makes the business highly scalable, less capital-intensive and leads to higher operating leverage and increasing profitability

Backend
Manufacturing

Retail Business – Maximise Outsourcing

- Retail business requires lower volume per SKU; outsourced vendors are able to deliver smaller quantities of premium high quality products
- 90% of total product requirement in FY19 was outsourced from vendors

Distribution – Maximise Capacity Utilisation

- Distribution business requires larger volume per SKU (basic products)
- Focus on higher utilisation of existing in-house capacity (81% in FY19) and invest in machines and moulds at existing facilities
- Engage in contract manufacturers to restrict investment in property and buildings and provide necessary machinery and moulds on a case to case basis

Strong Design Capabilities

- Design team of 21 people in Kolkata
- Designs are prepared to maintain trends across various seasons – Festive, Winter, Marriage, Spring-Summer
- Typical design cycle is planned over 6 months
- Regular market research is done to take cognizance of latest fashion trends in international and domestic markets
- Pricing is fixed post finalisation of the product, keeping in mind unique positioning of smart priced value fashion

Product Premiumisation Strategy

- 'Khadim's brand largely appeals to mass & economy segment; and the sub-brands cater to premium customers and their trending fashion aspirations
- Brand is positioned to capture the target audience transitioning from the unorganised to organised market and the sub-brands help to retain the aspirational customers, leading to improved brand equity and customer loyalty
- Increasing brand recall drives the demand for more premium products leading to upscaling of product mix in both retail and distribution business
- premiumization of product offerings in Hawaii, PVC & PU in distribution business

MARKETING INITIATIVES TO STRENGTHEN BRAND RECALL AND CUSTOMER CONNECT

Key Marketing Triggers

Celebrity Brand Ambassadors

Season based
new arrivals

Scheme promotions, discount
sales, consumer offers

New store openings

- Regional media based (TV, print and outdoor)
- Sponsoring the Kolkata Knight Riders & Chennai Super Kings team in the Indian Premiere League, since 2016 - present

Celebrity Brand Ambassadors with a combined outreach of 14 million* followers on social media



*Total following across Twitter & Instagram

Khadiim's

PROMOTER & BOARD OF DIRECTORS



Siddhartha Roy Burman, Chairman & Managing Director

- Associated with the Company since its incorporation. He has 34 years of experience in the footwear industry
- Responsible for the overall strategic decision making and provides leadership to all operations

Dr Indra Nath Chatterjee, Non-Executive, Independent Director

- 42 years of experience in multi-national companies
- Earlier worked with Hinduja Group, Jindal Drilling & Industries, ONGC, Tata Motors, Indian Airlines, Calcutta Business School, IFFCO- Tokio General Insurance Co.

Alok Chauthmal Churiwala, Non-Executive, Independent Director

- Over 20 years experience in capital markets, IIM-A & ISB alumnus
- Former Vice Chairman of BSE Broker Forum, Board member of ICSA (Int. Council for Securities Assoc.) & advisory Board of ICCL (Indian Clearing Corporation Ltd)

Prof. (Dr.) Surabhi Banerjee, Non-Executive, Independent Director

- 37 years of experience as an academician
- Earlier associated with Netaji Subhas Open University as the vice chancellor, with Gour Banga University as the vice-chancellor, and with the Central University of Orissa as vice-chancellor

Ritoban Roy Burman, Non-Executive Director

- He is a graduate in Mass Communication from St. Xavier's College, Kolkata.
- He joined Khadim India Limited in 2013 as Manager-Marketing and worked till 30th November 2017. He has gained good exposure in various aspects of footwear marketing during his tenure with the Company.

Rittick Roy Burman, Non-Executive Director

- Bachelor's degree in commerce from University of Calcutta
- Management Graduate from University of California
- He has taken charge of driving long-term strategy, new initiatives and merchandising

EXPERIENCED MANAGEMENT TEAM

Namrata Chotrani, CEO

- She was associated with KPMG & Fairwinds Asset Managers Limited (since 2012) and has a total experience of over nine years in tax, private equity and mergers.
- She was previously on board of the company representing Fairwinds

Tapas Ghosh, GM - Business Development & Systems

- 21+ years of experience in accounts, strategic planning, IT, business development and sales
- He is responsible for the COO and EBO sales in the company
- Earlier worked with K.M. Khadim & Co

Indrajit Chowdhury, CFO

- 15+ yrs of experience in finance & accounts, taxation and strategic planning
- Responsible for all commercial & strategic planning and has assisted in providing the corporate structure of the company as it stands today
- Earlier associated with P. G. Shah and Co

Vineet Bajaj, GM – Sales & manufacturing

21 years of experience in footwear manufacturing, sales and marketing,

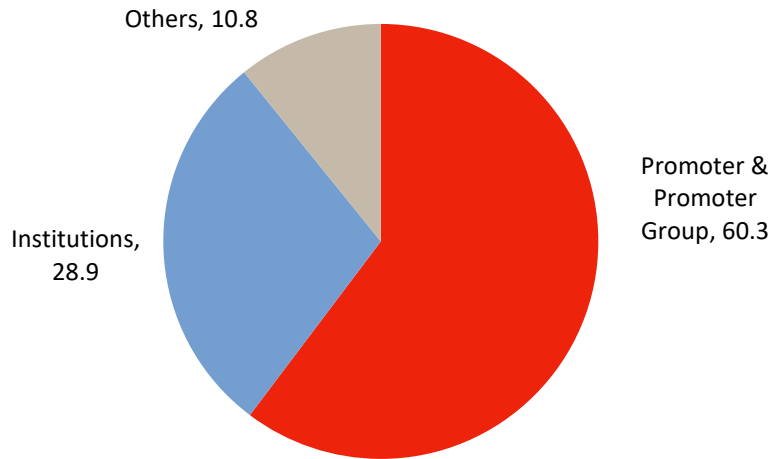
- He is responsible for the franchise business of the company
- Earlier worked with Desire Overseas, Vinayak Industries, Inframech Solutions

Aranya Ray, GM - Supply Chain Management

- 17 years of experience in supply chain operations, buying and merchandising
- He is responsible for supply chain, logistics, procurement and merchandising in the company
- Earlier worked with ICI India Limited and ITC Limited

SHAREHOLDING STRUCTURE

% Shareholding – Dec-19



Key Institutional Investors

% Holding

IDFC MUTUAL FUND	5.3%
UTI MF	3.2%
MIRAE ASSET MUTUAL FUND	4.9%
SUNDARAM MUTUAL FUND	4.3%
FRANKLIN INDIA FUND	2.0%
ICICI PRUDENTIAL FUND	1.1%

Source: BSE

KEY MILESTONES

1981

- Acquired and took over the business of M/s S.N. Industries as a going concern with all its assets and liabilities
- Incorporated as a private limited company

1993

- Commenced retail business through COOs for footwear products

1999

- Commenced retail operations in South India through with two outlets in Chennai and one each in Bengaluru and Secunderabad

2002

- Commenced manufacturing operations for footwear and leather products at Kasba Industrial Estate, West Bengal

2005

- Accredited with ISO 9001:2000 certification for with respect to the manufacturing facility at Kasba Industrial Estate, West Bengal

2017

- Listed on NSE & BSE with an IPO of Rs 5,431 Mn –
 - Fresh issue of Rs 500 Mn
 - Offer for sale of Rs 4,931 Mn

2016

- Accredited with ISO 9001:2015 certification with respect to Kasba facility

2015

- Expanded retail business to include the 'shop-in-shop' retailing model

2014

- Commenced e-commerce retailing operations through Company's e-commerce website, while also utilizing online market place(s)

2013

- Investment by Fairwinds Trustees Services (Reliance Alternative Inv Fund)
- Accredited with ISO 9001: 2008 certification with respect to Kasba facility

2010

- Commenced distribution operations at central distribution centre at Bantala, West Bengal

DISCLAIMER

This presentation and the following discussion may contain “forward looking statements” by Khadim India Limited (“Khadim” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Khadim about the business, industry and markets in which Khadim operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Khadim’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Khadim.

In particular, such statements should not be regarded as a projection of future performance of Khadim. It should be noted that the actual performance or achievements of Khadim may vary significantly from such statements.



Thank
you!

Khadim's[®]

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