



Disclaimer



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Table of Contents



Financial Highlights



Company Overview



Business Overview

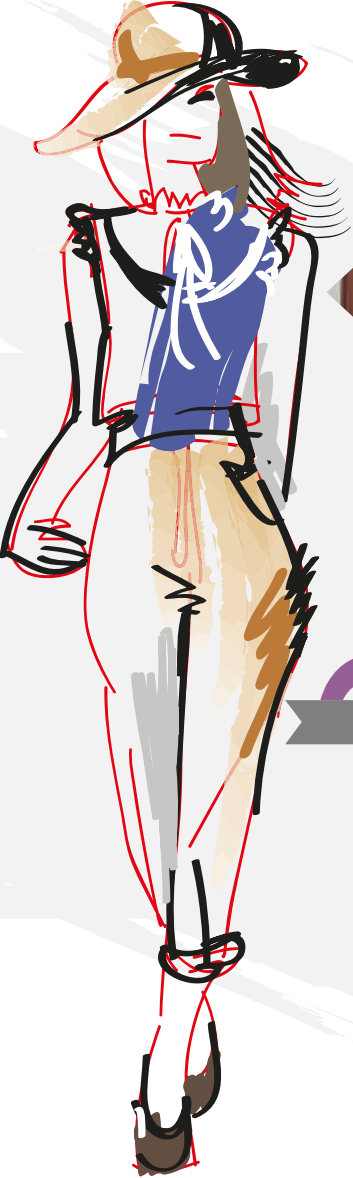


Industry Overview



Way Ahead





Financial Highlights





Management Comment



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

“We would like to share that our Q2 & H1 FY21 performance has been much better than the previous quarter, especially in such times. Our financial performance for the second quarter and half year ended 30th September 2020, we have delivered a revenue Rs. 61.31 crores and 2.83% EBITDA Margin (w/o IND AS 116)

The lockdown has almost been lifted and stores are now functioning on daily basis as before. Our Company expects momentum in growth to come in as compared to past few months. This gives us hope and makes us optimistic as festive season is around the corner, so sales should be picking up. The Company is being very cautious about opening new stores as well as focus on stability, growth and sustainability of the existing stores. However, we do have some stores in pipeline which will be opening soon when the Management is confident about it and sees the industry’s sustainable growth. The Company is currently operating with 298 Exclusive Brand Outlets (EBOs).

I thank the entire team of ‘Cantabil Retail India Limited’ for their untiring hard work, sincerity and high dedication. Also, I would like to thank our valued stakeholders, whose support and faith in our Company along with their critical inputs has given us the determination and ambition to grow from strength to strength.”



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 1L garments per month – 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, 140 + Cities and around 300 + profit making exclusive brand outlets with 3.25 L Sq. ft. of retail space – majorly 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 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 - approx 60% in-house production
- 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 a final dividend of 10% of face value for FY20



COVID-19 Impact on Business



- Sharp reduction of footfalls in multiple geographies



March First Half

- Continuation of reduction in footfalls and gradual closure in areas highly affected
- Last week 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

March Second Half Onwards



- 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 around 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



Mid May Onwards

- 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

June - July



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



August Onwards



Progressive continual recovery in operational store count and sales

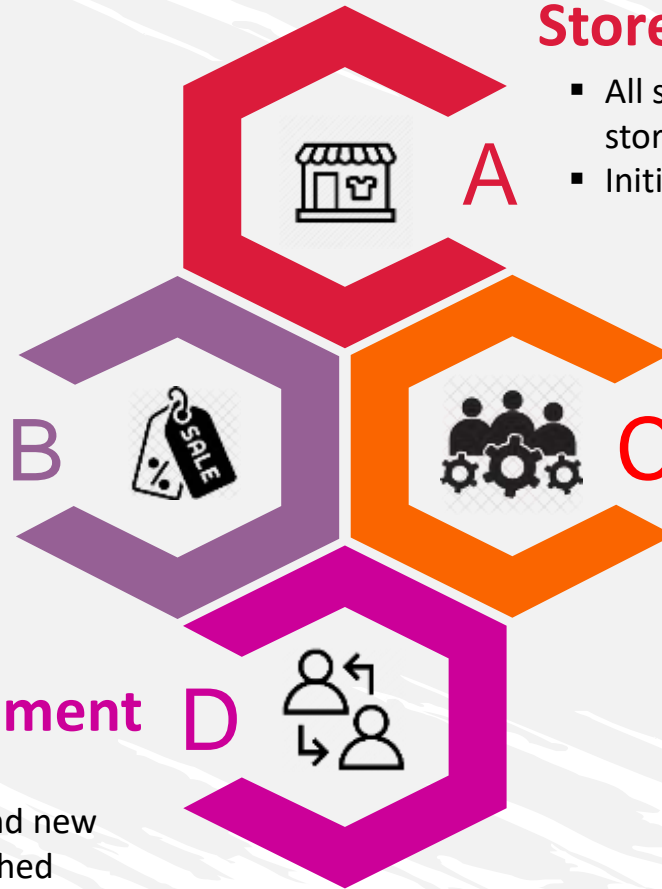


Sales

- Sales has recovered approx. 85% Y-o-Y in October of pre COVID-19
- Stores in areas less impacted by COVID are normalizing and sales is catching up like before
- 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



Store Opening

- All stores are now open on daily basis – high street stores as well as in malls
- Initially majority stores opened only on alternate days

Operations

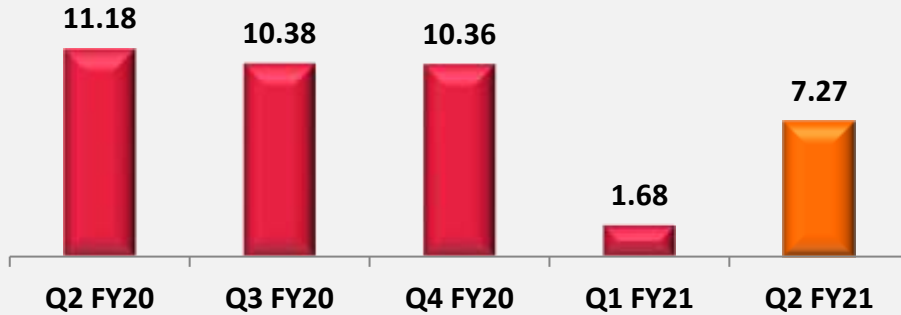
- Office, warehouses and third-party manufacturing units operational with proper precautions in place
- Business backed by appropriate cash reserves



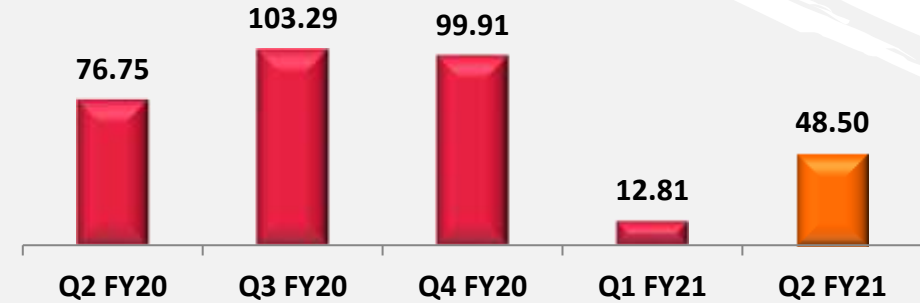
Financial Highlights



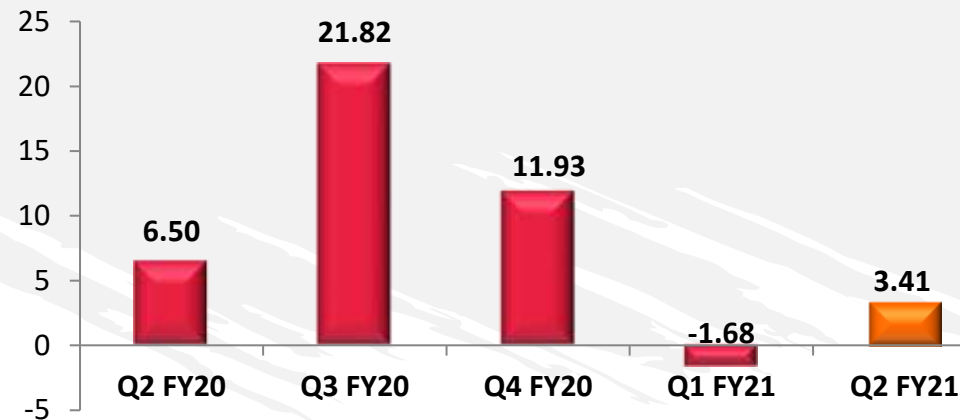
Sales Qty (pcs in Lacs)



Revenue from Operations (Rs. Cr)



EBITDA excluding Other Income (Rs. Cr)



• Above numbers are without taking into account IND-AS 116 effect



Financial Highlights



Rs. Cr	Q2 FY21* (With IND- AS 116)	Q2 FY21 (W/O IND- AS 116)	Q2 FY20* (With IND- AS 116)	Q2 FY20 (W/O IND- AS 116)	Y-o-Y(% (With IND- AS 116)	Y-o-Y(% (W/O IND- AS 116)	Q1 FY21 (With IND- AS 116)
Revenue from Operations	48.50	48.50	76.75	76.75	(36.81%)	(36.81%)	12.81
Raw Materials	15.44	15.44	27.18	27.18			1.89
Employee Cost	9.59	9.59	15.22	15.22			4.23
Job Work Charges	4.52	4.52	7.74	7.74			1.62
Lease Rentals	0.34	6.50	0.28	9.58			0.40
Commission	3.13	3.40	2.94	3.53			1.03
Other Expenses	5.64	5.64	6.96	7.01			3.08
Total Expenditure	38.65	45.08	60.32	70.25			12.25
EBITDA	9.84	3.41	16.43	6.50	(40.09%)	(47.52%)	0.56
EBITDA Margin%	20.30%	7.04%	21.41%	8.48%			4.37%
Other Income	4.71	0.84	1.03	1.03			5.98
Depreciation	9.47	2.32	10.90	2.59			10.08
Interest	6.09	1.13	6.01	1.93			6.20
Profit Before Tax	(1.00)	0.81	0.54	3.02			(9.74)
Tax	(0.31)	0.22	0.39	1.11			(2.68)
PAT	(0.69)	0.59	0.15	1.91	(548.05%)	(68.97%)	(7.06)
PAT Margin%	(1.42%)	1.22%	0.20%	2.49%			(55.07%)
Basic EPS in Rs.	(0.42)	0.36	0.09	1.17			(4.32)

- Company has achieved 63% Revenue w.r.t to Q2 FY20 and 65% Y-o-Y% in terms of sales quantity
- Revenue also includes sales from e-commerce
- Focused on increasing efficiency and reducing cost during these challenging times
- Re-negotiated lease rentals downwards resulting in lower expenses
- Above measures enabled Company to nearly achieve pre-COVID EBITDA Margins

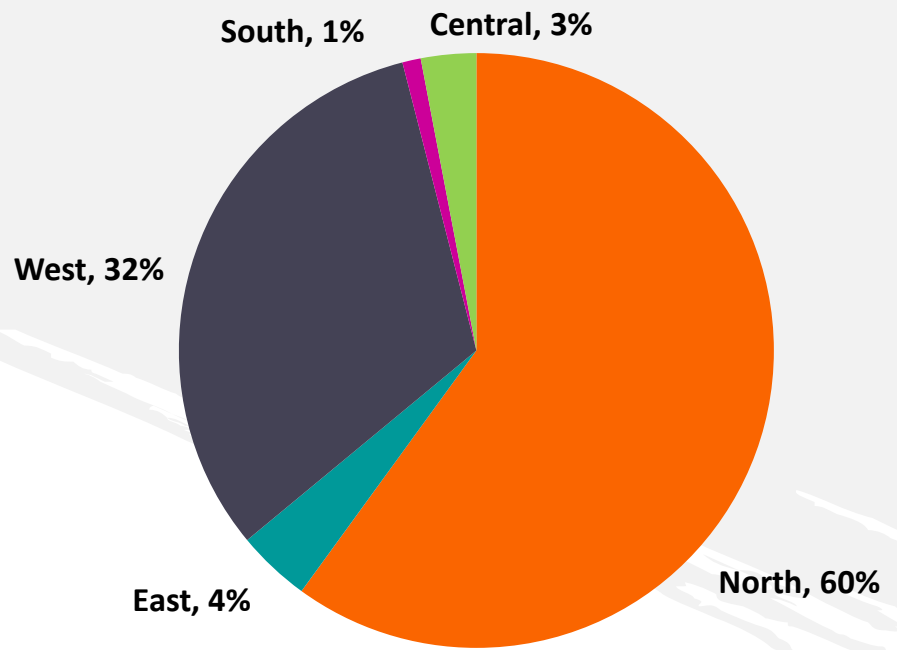
*reported numbers are as per IND-AS 116, consequently operating lease expenses have changed from rent, commission and other expenses to depreciation & amortization expenses, finance cost and other income.



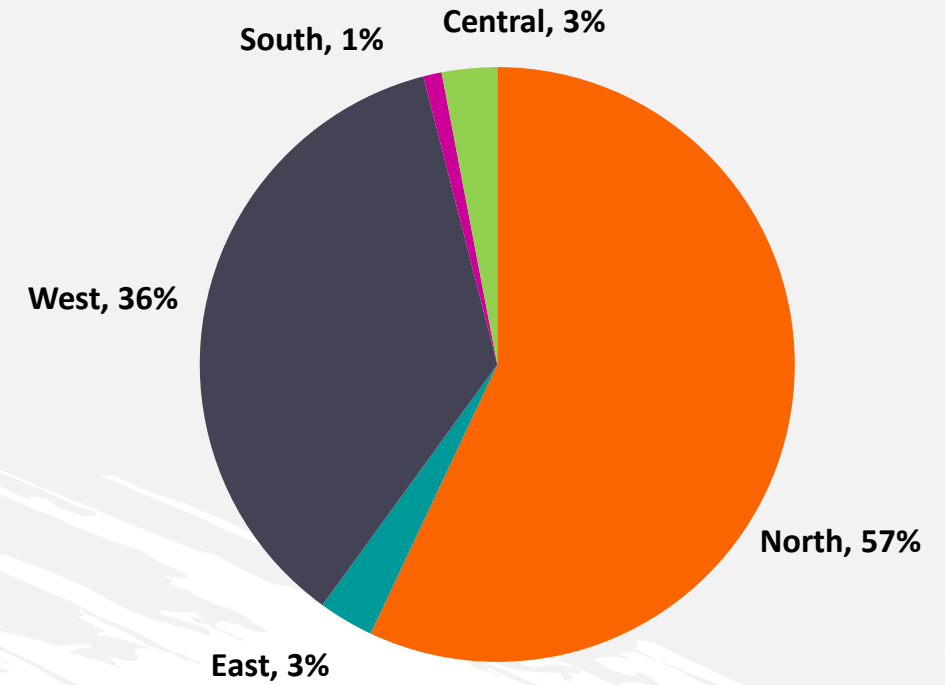
Revenue Break Up – Regional



Q2 FY20



Q2 FY21





Financial Highlights



Rs. Cr	H1 FY21* (With IND-AS 116)	H1 FY21 (W/O IND-AS 116)	H1 FY20* (With IND-AS 116)	H1 FY20 (W/O IND-AS 116)	Y-o-Y(% (With IND-AS 116)	Y-o-Y(% (W/O IND-AS 116)
Revenue from Operations	61.31	61.31	134.84	134.84	(54.53%)	(54.53%)
Raw Materials	17.33	17.33	39.89	39.89		
Employee Cost	13.82	13.82	29.15	29.15		
Job Work Charges	6.14	6.14	14.90	14.90		
Lease Rentals	0.74	9.03	0.51	18.41		
Commission	4.16	4.54	5.25	6.42		
Other Expenses	8.72	8.72	13.37	13.45		
Total Expenditure	50.91	59.58	103.07	122.22		
EBITDA	10.40	1.73	31.77	12.62	(67.25%)	(86.27%)
EBITDA Margin%	16.97%	2.83%	23.56%	9.36%		
Other Income	10.69	2.14	2.00	2.00		
Depreciation	19.55	4.62	20.38	4.93		
Interest	12.29	2.23	12.73	3.95		
Profit Before Tax	(10.74)	(2.98)	0.66	5.74		
Tax	(2.99)	(0.73)	0.09	1.57		
PAT	(7.75)	(2.25)	0.57	4.17	(1460.46%)	(153.81%)
PAT Margin%	(12.64%)	(3.66%)	0.42%	3.09%		
Basic EPS in Rs.	(4.75)	(1.38)	0.35	2.56		

- Revenue also includes sales from e-commerce
- Q1 FY21 weighed upon half-yearly numbers due to lockdown imposed throughout country
- Company has been steadily opening existing stores and achieving revenue targets month-on-month for rest of H1 FY21

*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.

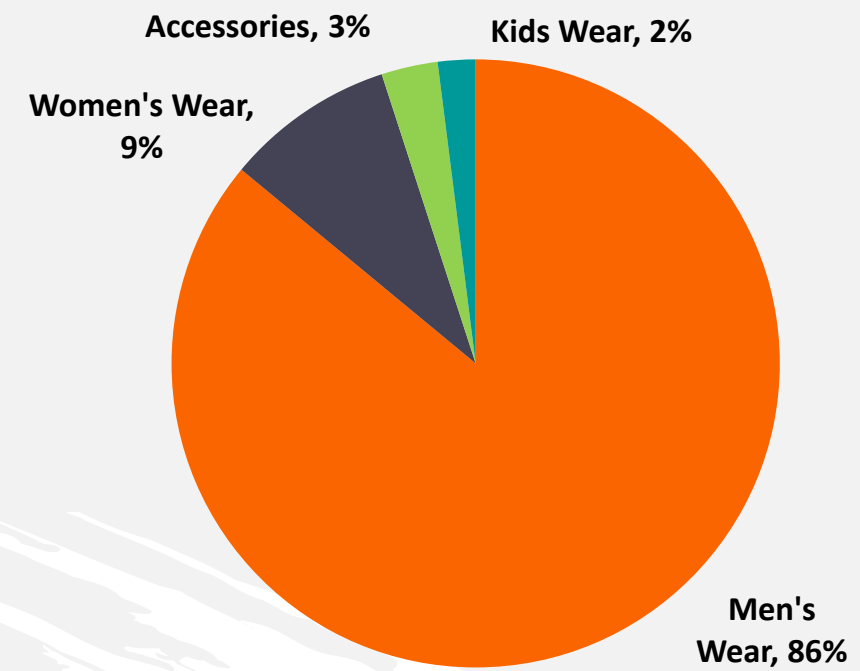
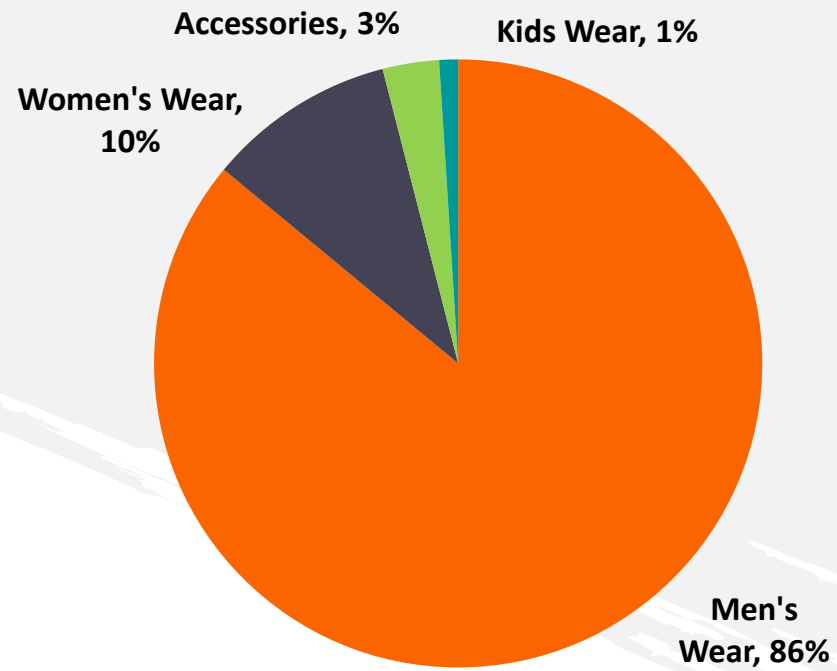


Revenue Break Up – Segmental



H1 FY20

H1 FY21



Entered e-commerce market in June'20 – already contributing 1% to revenue

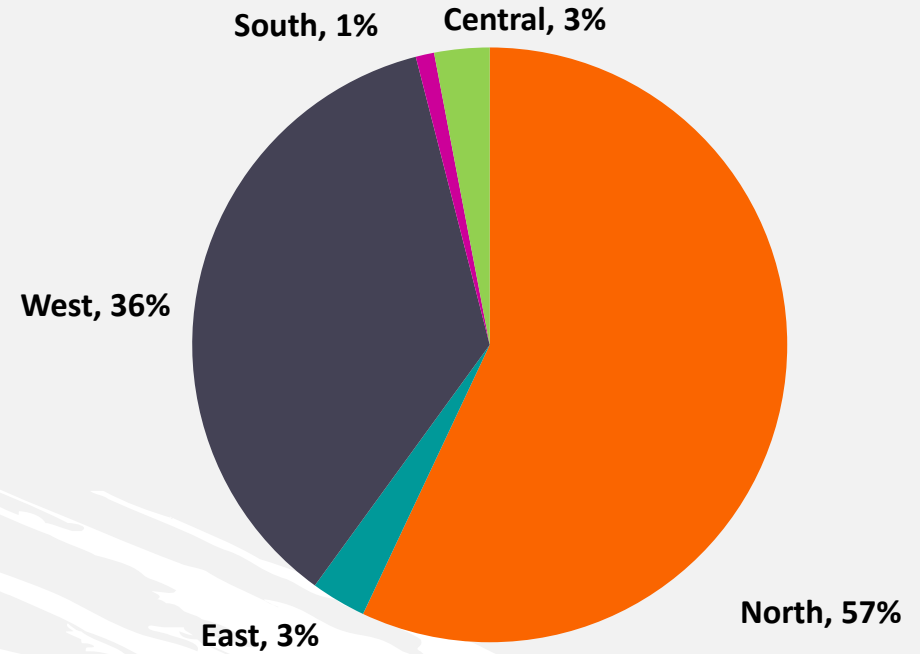
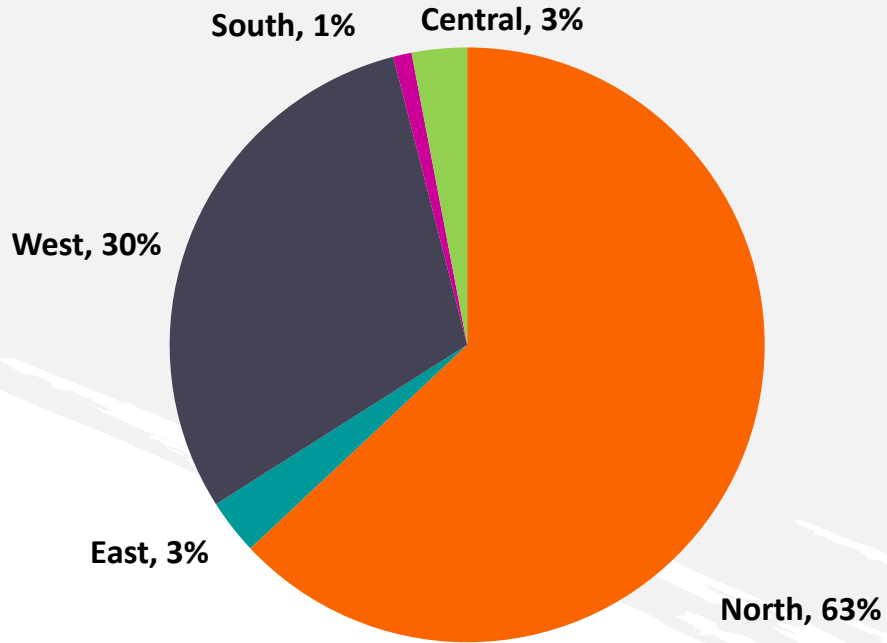


Revenue Break Up – Regional



H1 FY20

H1 FY21



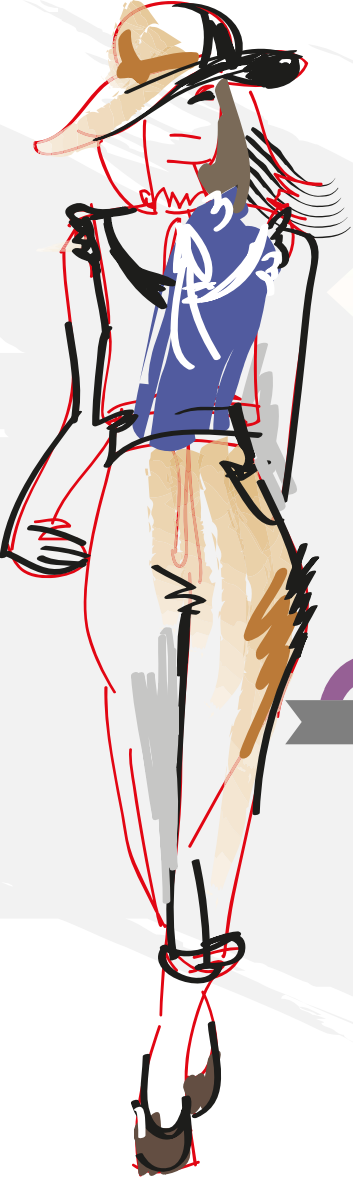


Balance Sheet Highlights

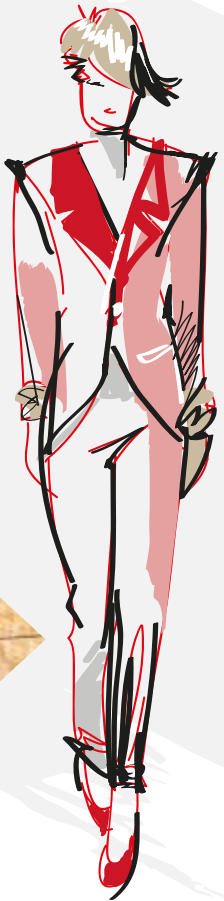


Rs. Cr	As on 30 th Sept'20	As on 31 st Mar'20
Shareholder's Funds	108.30	118.07
Share capital	16.33	16.33
Other Equity	91.97	101.74
Non-current liabilities	215.52	226.78
Financial Liabilities		
(a) Borrowings	2.28	2.39
(b) Lease Liability	195.72	206.80
(c) Other Financial Liabilities	10.22	9.56
Provisions	3.82	3.70
Other Non - Current Liabilities	3.48	4.33
Current liabilities	111.04	103.36
Financial Liabilities		
(a) Borrowings	48.42	33.60
(b) Trade Payables		
(i) Total ostd dues of micro & small	3.09	4.79
(ii) Total ostd dues of creditors other than above	23.09	33.67
(c) Lease Liability	23.54	18.19
(d) Other Financial Liabilities	6.40	8.52
Provisions	3.67	3.03
Other Current Liabilities	2.84	1.56
Total Equities & Liabilities	434.86	448.21

Rs. Cr	As on 30 th Sept'20	As on 31 st Mar'20
Non-Current Assets	285.08	299.09
Property, Plant and Equipment	56.46	60.26
Capital work in progress	1.01	0.71
Right of use Asset	184.63	198.12
Investment Property	3.61	3.64
Other Intangible Assets	0.33	0.35
Investments	0.12	0.12
Other Financial Assets	0.74	0.72
Loans	8.66	8.29
Deposits with bank	0.00	0.00
Deferred tax assets (Net)	22.08	18.92
Other non-current assets	7.44	7.95
Current Assets	149.78	149.12
Inventories	130.38	128.05
Investments	0.05	0.04
Trade Receivables	4.42	4.52
Loans	0.74	0.76
Cash & Cash Equivalents	2.84	4.05
Other Financial Assets	4.26	4.27
Current tax assets (Net)	0.91	1.10
Other Current Assets	6.17	6.32
Total Assets	434.86	448.21



Company Overview





Among Leading Retail Brands in India



World class designing, manufacturing, branding and retailing of apparels

- Market apparels under Brands “CANTABIL”, “CROZO”, “LIL POTATOES”, “KANESTON”
- Presence across 16 states with 298 EBOs as on 30th Sept 2020
- Sales floor area - 3,25,392 sq. ft. as on Sept 30, 2020

Wide and Diverse Product Portfolio

- Men’s wear - Formals, Casuals, Ultra 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

- 298 Exclusive Brand Outlets
- Out of 298 EBOs - 219 stores are Company operated and 79 stores are Franchise operated
- Strong growing presence in tier 2 & 3 cities

Reputed Clientele

- Raymond’s, Benetton, etc.

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
- 13+ years of experience 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
- 12 years of 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

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

Reputed and Long-Term Clients

- Key marquee customers like Raymond's, Benetton etc.
- Focus on attaining highest level of customer satisfaction

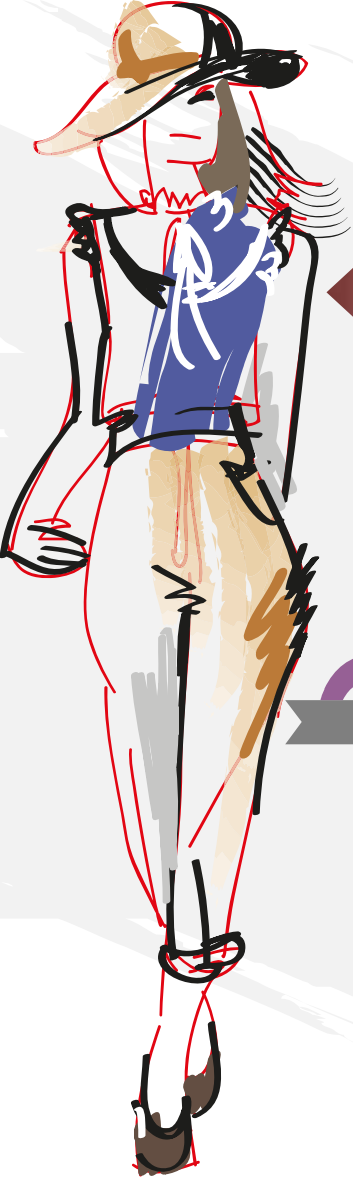
Robust Retail Presence

- Pan-India presence of 298 exclusive retail outlets with floor space of 3.25 lacs sq. ft across 16 states
- Strong growing presence in tier 2 & 3 cities

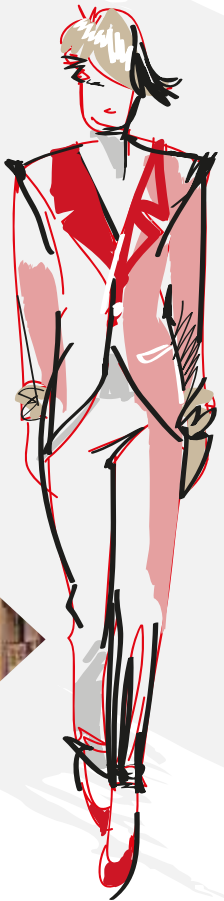
Dynamic & Experienced Leadership

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





Business Overview





Our Brands



“CANTABIL”

- Established brand with 20 years of growing acceptance
- Highly popular in middle class – approx. 300 stores across India



“CROZO”

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

“Lil’ Potatoes”

- Exclusive brand 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



“KANESTON”

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



Our Brands contd...



"CANTABIL"



"KANESTON"



"CROZO"



"Lil' Potatoes"





Manufacturing Plant - Haryana

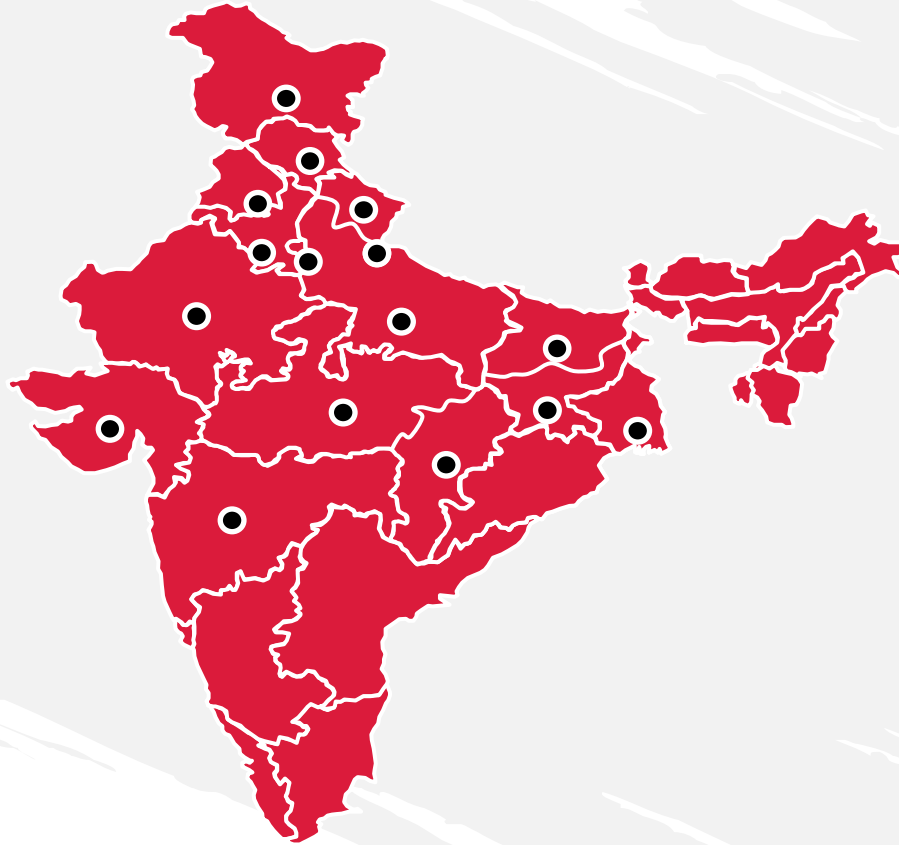


- State-of-art world class manufacturing plant across area of **1.50 Lacs sq. ft.** in Bahadurgarh, Haryana
- Fully integrated infrastructure and systems for modern manufacturing & retailing with complete automation - from cutting to manufacturing and finishing of formal and casual trousers, formal shirts & men's suits, waistcoats, blazers in formal, casual and party-wear range

- Current combined capacity to produce **10.00 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



State	30 th Sept' 2020	30 th Jun' 2020
Bihar	5	4
Chhattisgarh	6	6
Delhi	52	54
Gujrat	19	19
Haryana	38	37
Himachal Pradesh	1	1
Jammu & Kashmir	6	6
Jharkhand	6	6
Maharashtra	36	37
Madhya Pradesh	5	5
Punjab	19	19
Rajasthan	46	44
Telangana	4	4
UP	46	48
Uttaranchal	7	7
West Bengal	2	2
Total	298	299

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

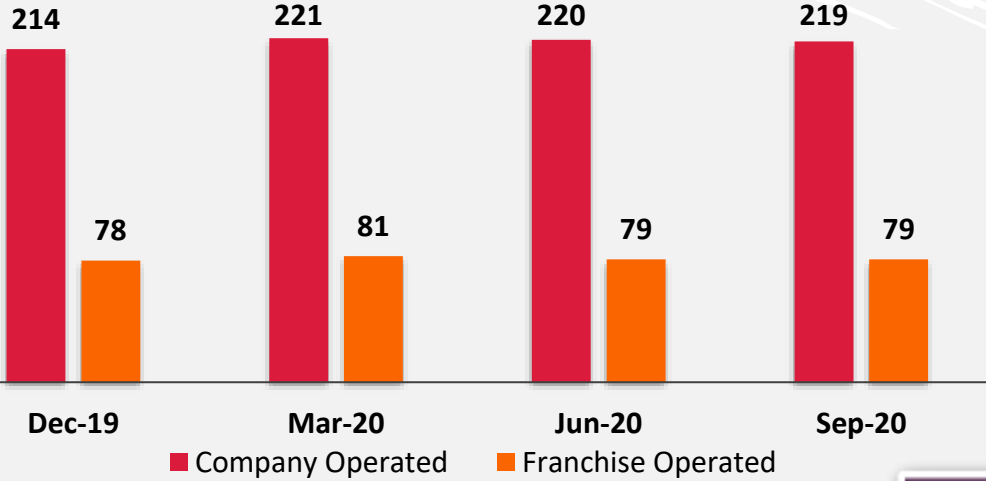


Exclusive Brand Outlets

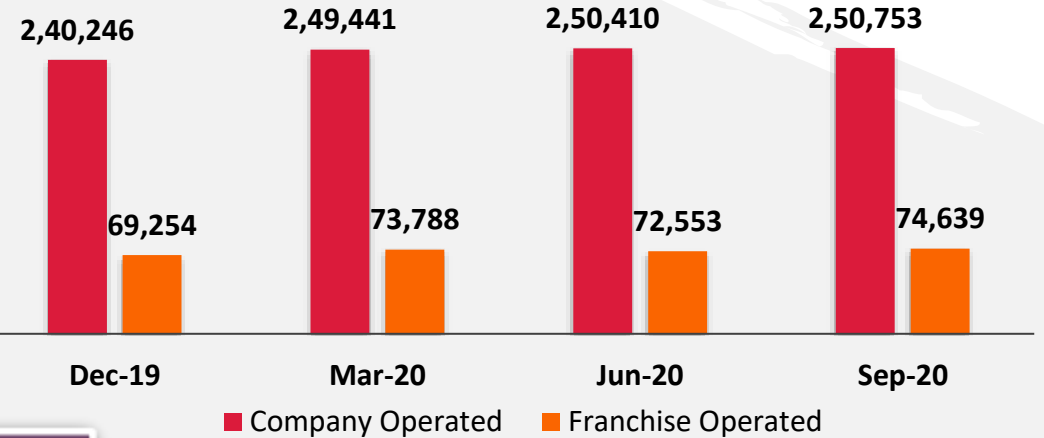


Company & Franchise Operated

No. of Stores

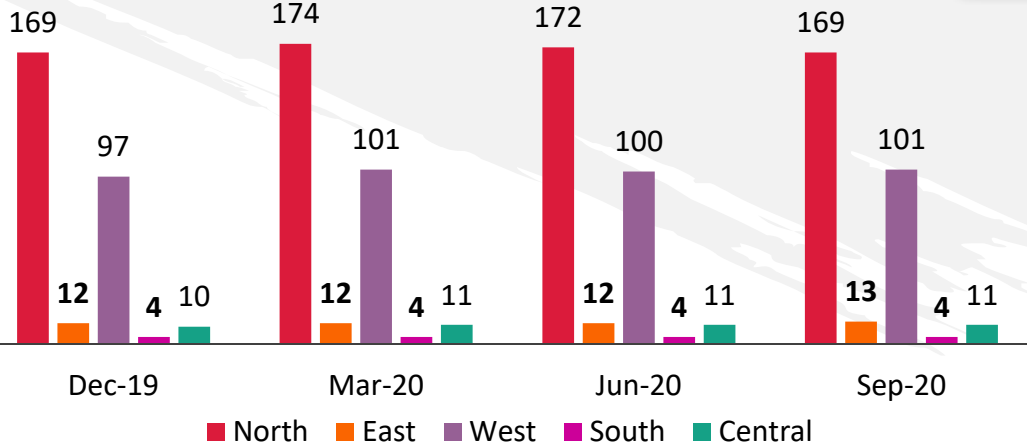


Floor Area

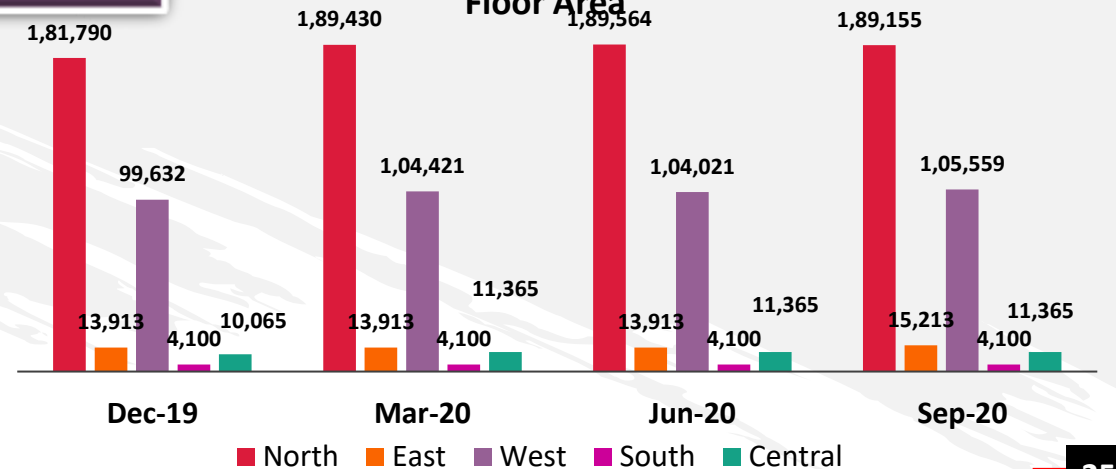


Régional Distribution

No. of Stores



Floor Area

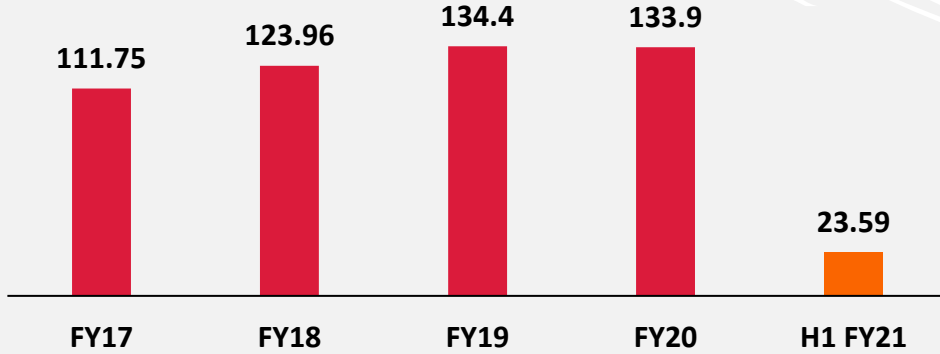




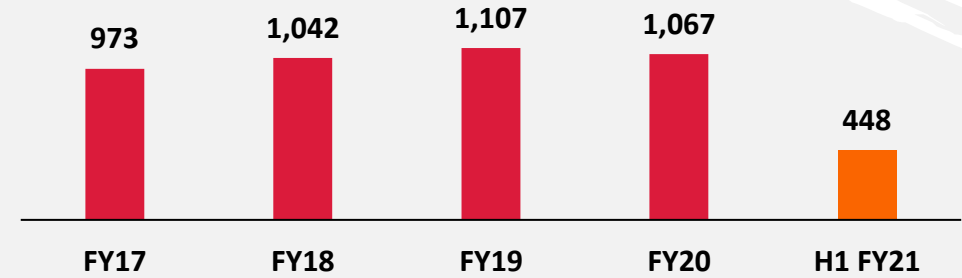
Avg. Revenue Statistics



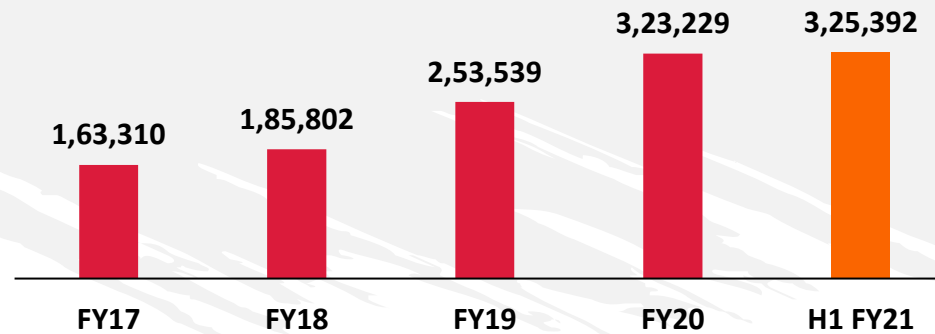
Avg Gross Revenue per Store (in lacs)*



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

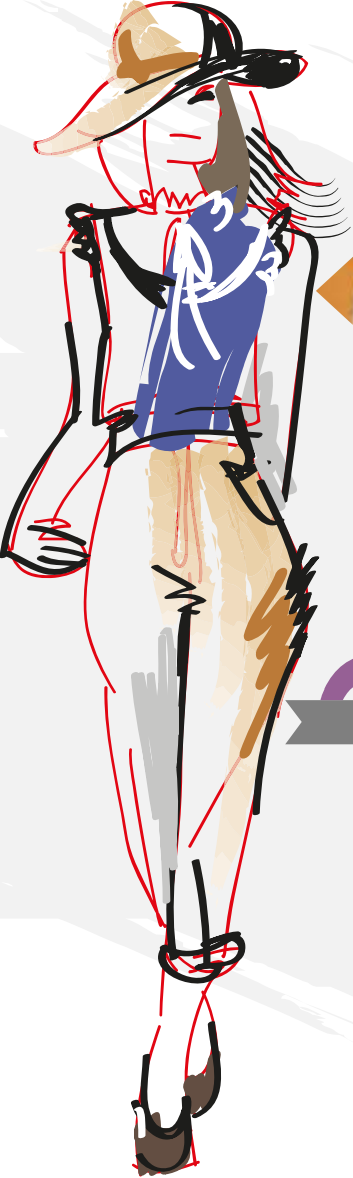


Total sq. ft.

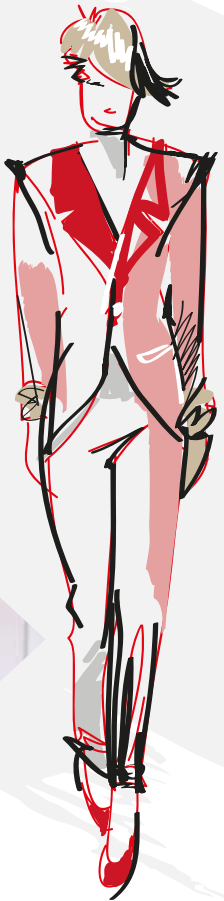


*Revenue does not include online sales

- H1 FY21 numbers are mainly impacted due to lockdown in Q1 in many parts of India due to COVID-19 - stores were functional on alternate days with reduced working hours in majority states



Industry Overview



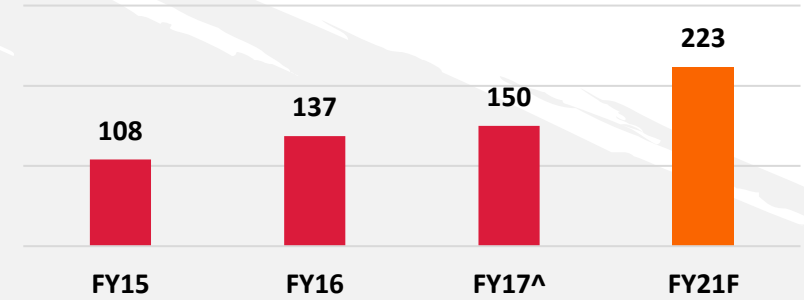


Indian Apparel Industry

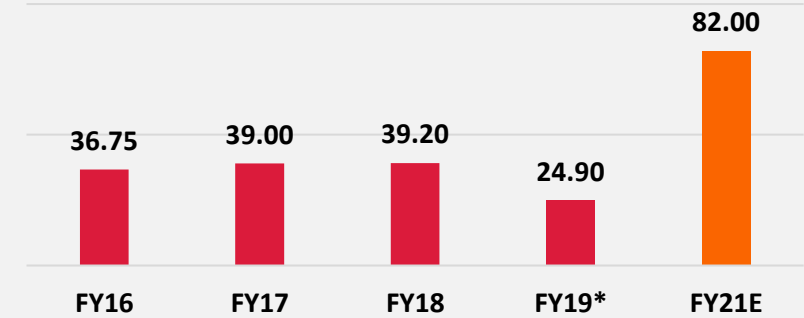


- **Second largest contributor** in retail after food and grocery industry in India
- **41% of Men's wear, 38% Women's wear and 21% kid's wear**
- Per capita expenditure on apparel expected to reach Rs. **8,000 by 2025**, rising from Rs. **3,100 in 2015**. Thereby expected to grow to Rs. **11.7 Lakh 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**

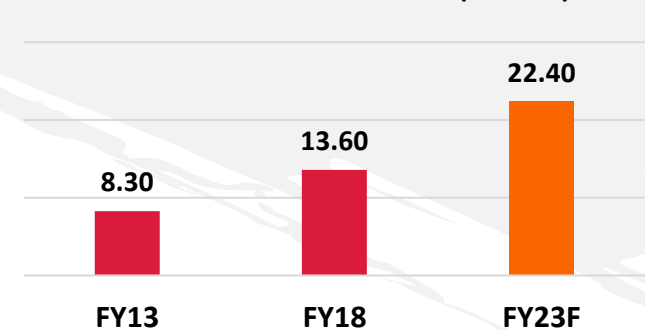
Textile and apparel industry in India (US\$ bn)



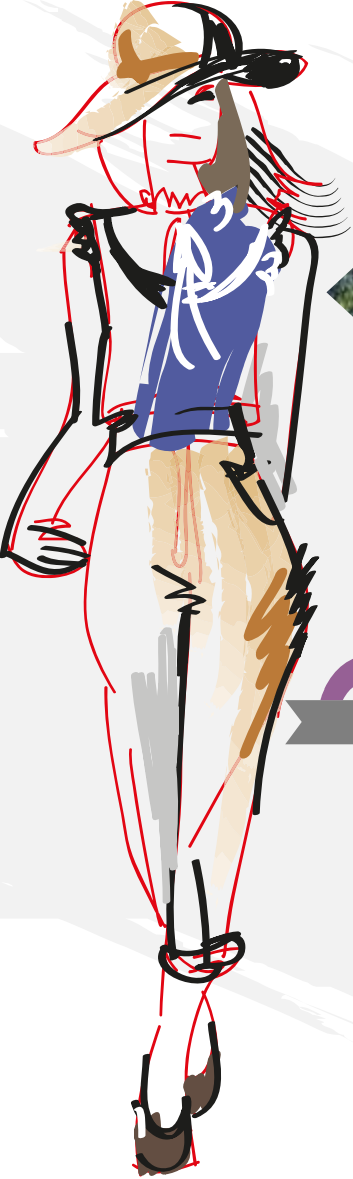
Textiles and apparel exports from India (US\$ bn)



Kids Wear Market in India (US\$ bn)



Notes: E – Estimate, F – Forecast, ^ - as of November 2017, * - between April–November 2018, / Source : IBEF



Way Ahead





Way Ahead



Increasing Retail Presence – focus on tier 2 and tier 3 cities

- Planned and phased expansion to 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
- 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

- Right selection of property with building brand which includes strongest basic parameters of product – to enhance customer loyalty
- 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



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