

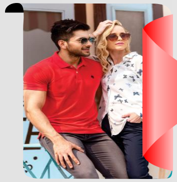



Cantabil Retail India Limited

May 2019





Disclaimer

CANTABIL ITALY International Clothing

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Table of Content

Company Overview

Who we are

Management

Key Strengths

Among Leading Retail Brands in India

CANTABIL International Clothing

World class designing, manufacturing, branding and retailing of apparels

- Market apparels under Brands **"CANTABIL", "CROZO", "LIL POTATOES", "KANESTON"**
- Presence across 16 states with 241 EBOs as on 31st March 2019
- Sales floor area - 2,53,539 sq. ft. as on Mar 31, 2019

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, importing from China, job workers

Strong Retail Network

- 241 Exclusive Brand Outlets
- Out of 241 EBOs - 194 stores are Company operated and 47 stores are Franchise operated

Reputed Clientele

- Raymond's, Splash (Lifestyle Group), Austin Reed (Apparel UAE), 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

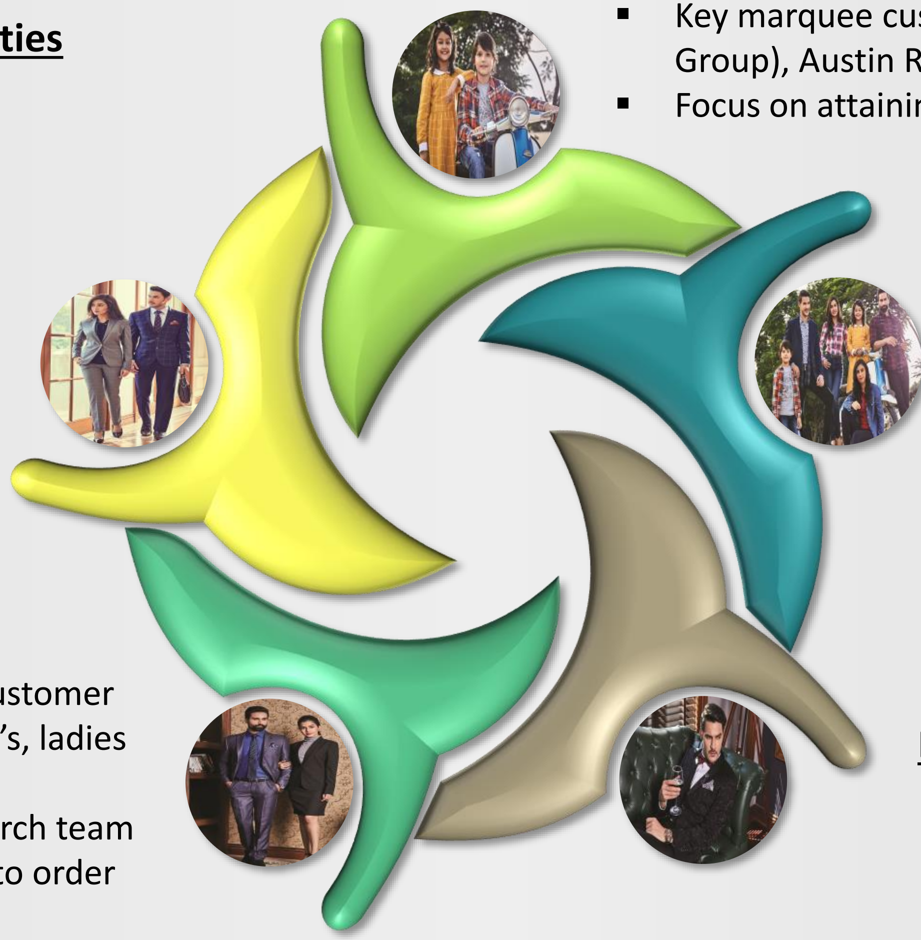
Key Strengths

Reputed and Long Term Clients

- Key marquee customers like Raymond's, Splash (Lifestyle Group), Austin Reed (Apparel UAE), Benetton etc.
- Focus on attaining highest level of customer satisfaction

State of Art Infrastructure Facilities

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



Strong Retail Presence

- Pan-India presence of 241 exclusive retail outlets with floor space of 2.53 lacs sq. ft across 16 states

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

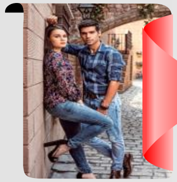
Dynamic & Experienced Leadership

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

CANTABIL ITALY
International Clothing

Business Overview

- Brands
- Manufacturing Plant
- Exclusive Brand Outlets
- Pan India Presence
- Avg. Revenue Statistics



Brands

"CANTABIL"

- Established brand with 20 years of growing acceptance
- Highly popular in middle class - 240+ stores across India

"CROZO"

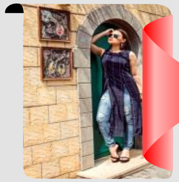
- Exclusive brand for ladies since 2012
- Complete & diverse range of fashion outfits for women - Shirts, Tops, Leggings, Kurtas, Kurtis, Capri, Pants, Jeans etc.

"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"

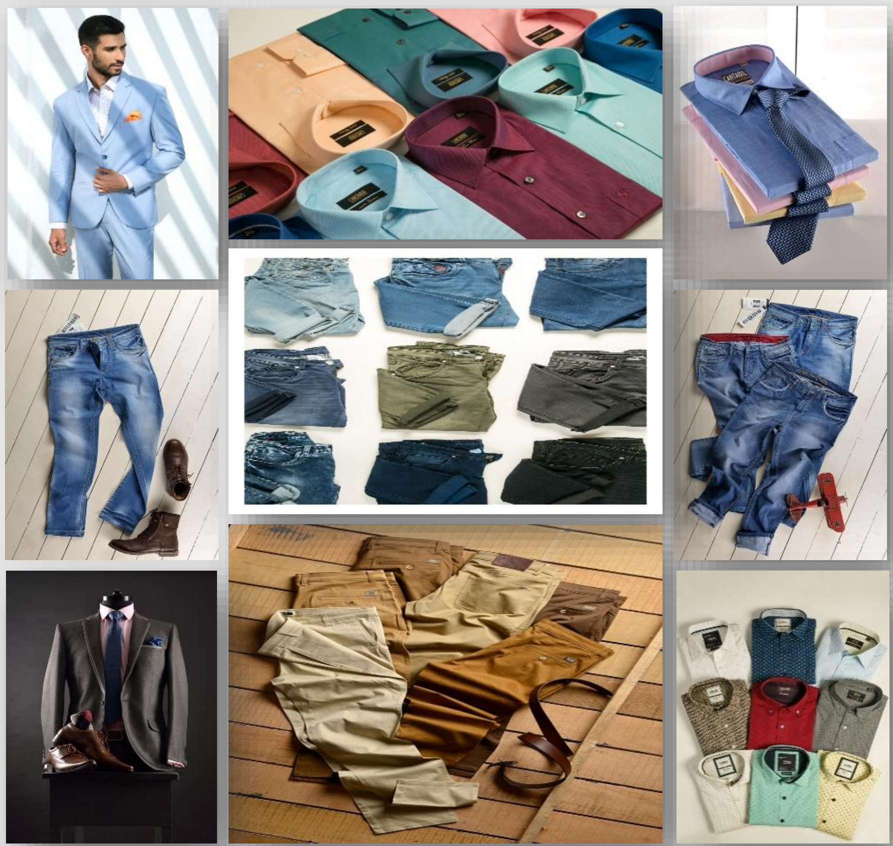
- Five years of experience in hosiery industries
- Well-known brand in men's accessories like Innerwears, Belts, Socks, Ties, Handkerchief & Deo



Our Brands

CANTABIL
International Clothing

"CANTABIL"



"CROZO"

Our Brands contd...

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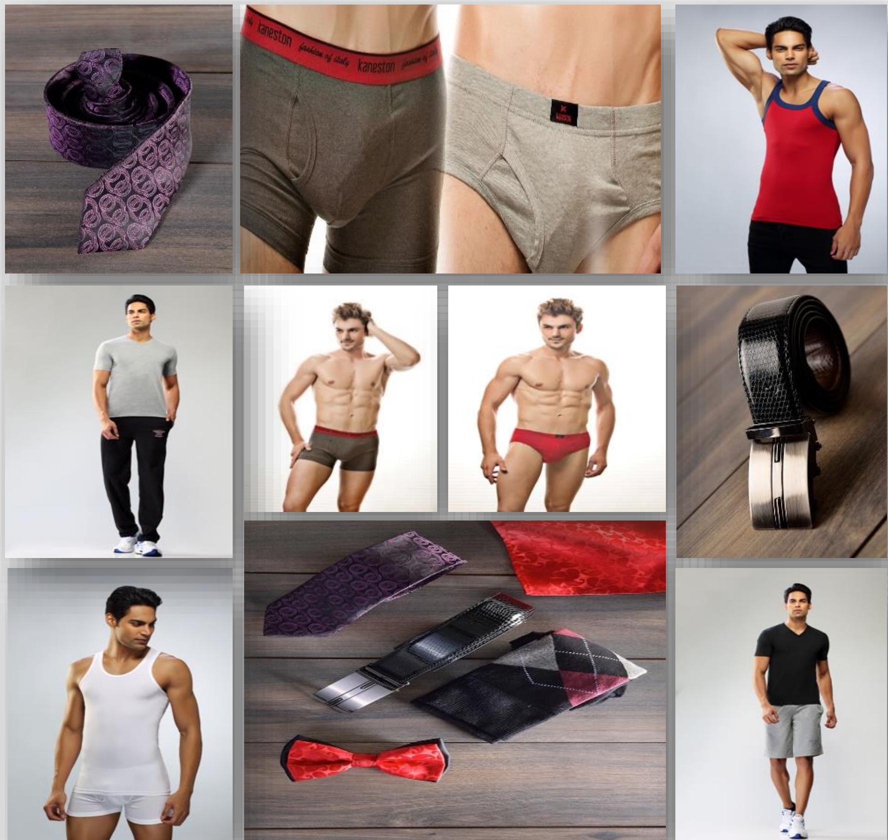
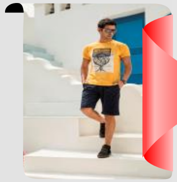
"KANESTON"



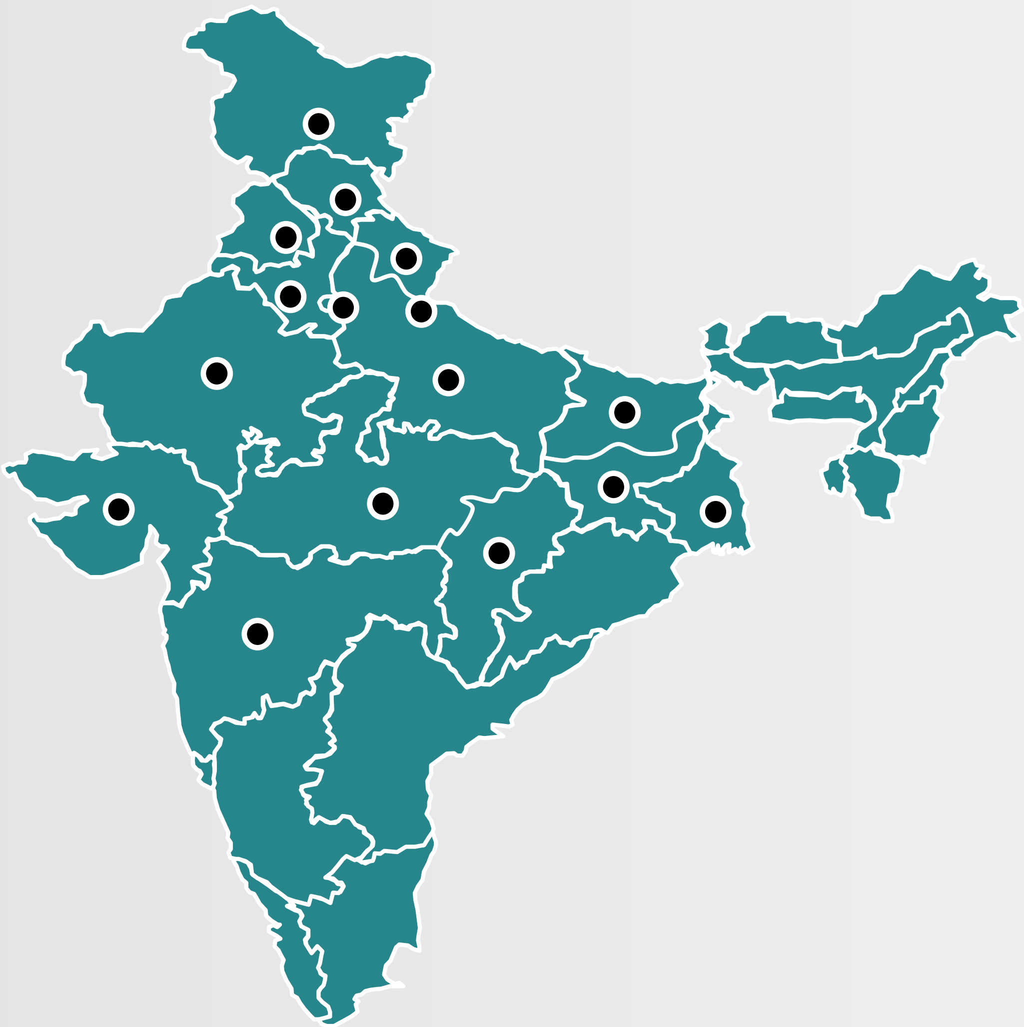
"Lil' Potatoes"



Manufacturing Plant - Haryana

- State-of-art world class manufacturing plant across area of **1.50 Lakh sq. ft.** in Bahadurgarh, Haryana
- Fully integrated infrastructure and systems for modern manufacturing & retailing with complete automation - from Cutting to manufacture 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 Lakh pcs.** of garments per annum with Casual trousers of **3 lac pcs,** Formal trousers of **2 lac pcs**, Suits & jackets to **2 lac pcs** and shirts to **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

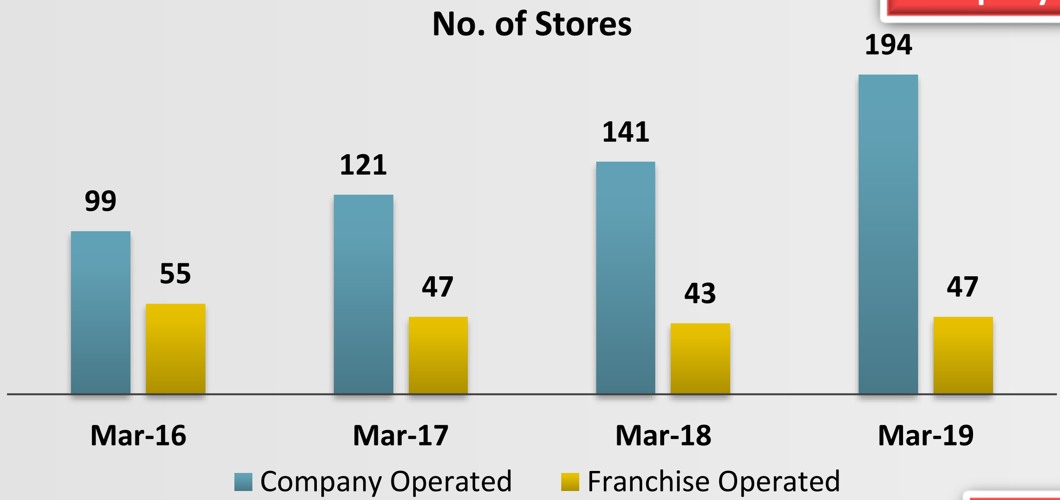


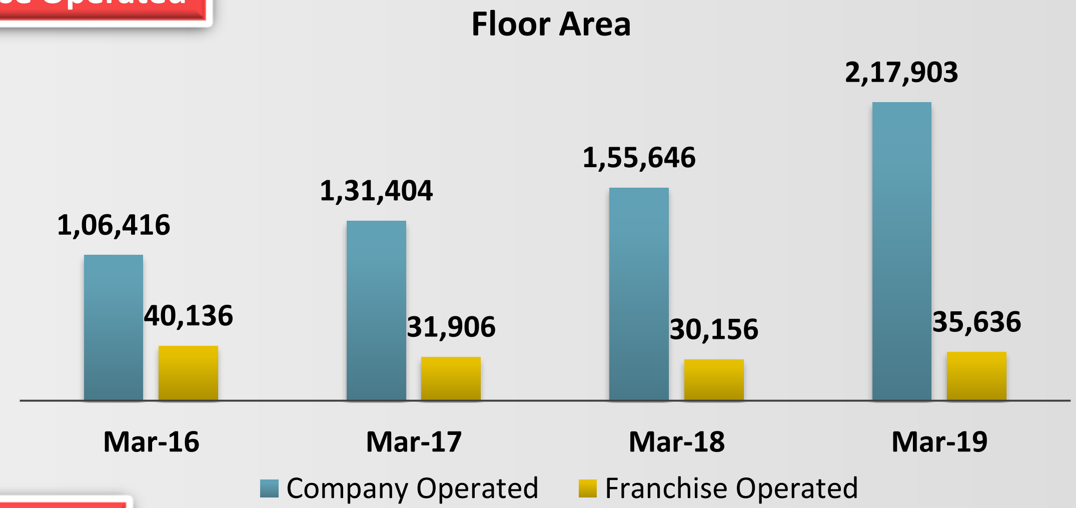
State	31st Mar' 2019	31st Mar' 2018
Bihar	3	1
Chhattisgarh	6	4
Delhi	54	49
Gujrat	13	9
Haryana	32	24
Himachal Pradesh	1	1
Jammu & Kashmir	4	4
Jharkhand	6	3
Maharashtra	29	20
Madhya Pradesh	2	1
Punjab	15	11
Rajasthan	28	23
Telangana	2	2
UP	39	27
Uttaranchal	6	4
West Bengal	1	1
Total	**241**	**184**

Exclusive Brand Outlets

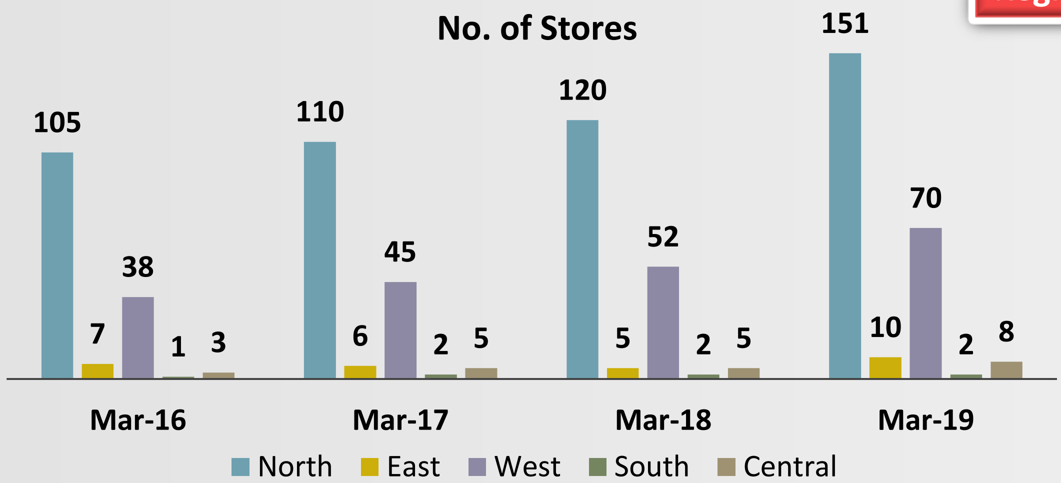
CANTABIL ITALY International Clothing

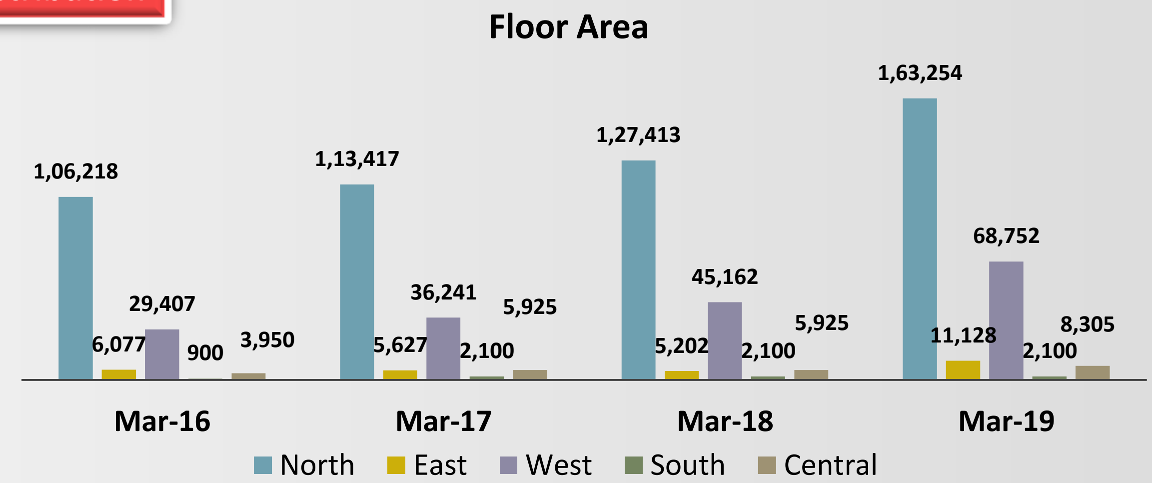
Company & Franchise Operated





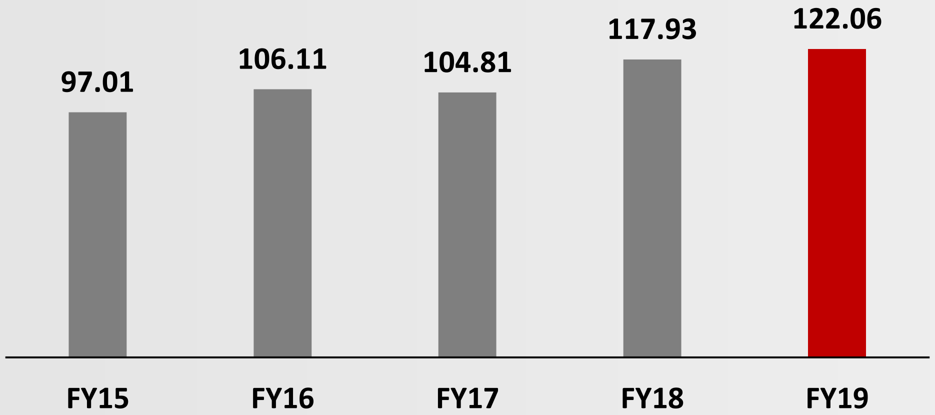
Régional Distribution



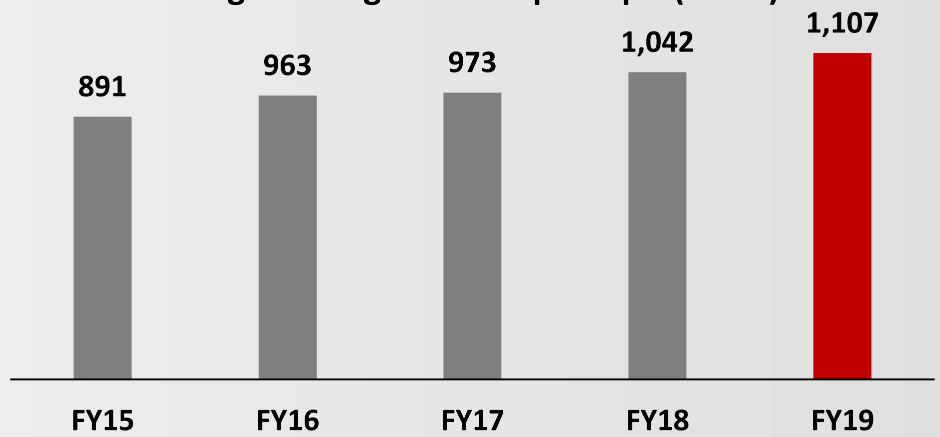


Avg. Revenue Statistics

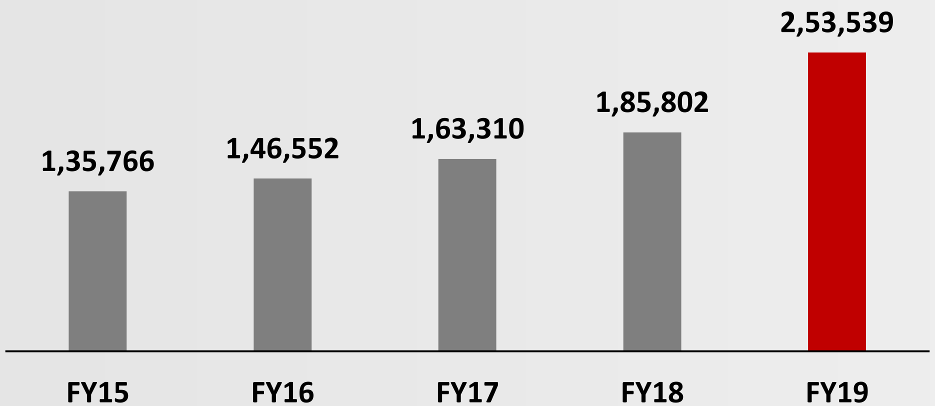
Avg Revenue per Store (in lakhs)



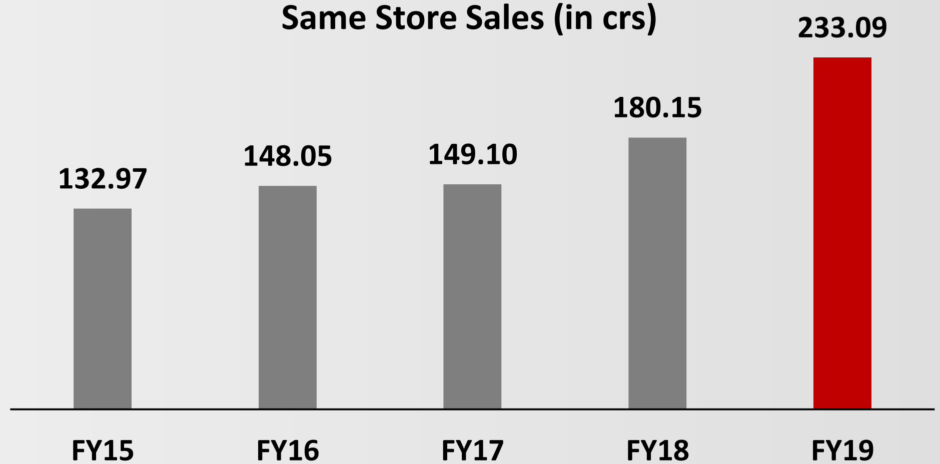
Weighted Avg Revenue per Sq.ft (in Rs.)



Total sq. ft



Same Store Sales (in crs)



Industry Overview

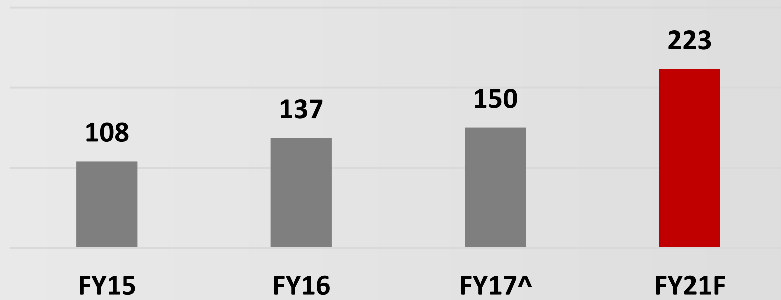
Apparel Market

Retailers

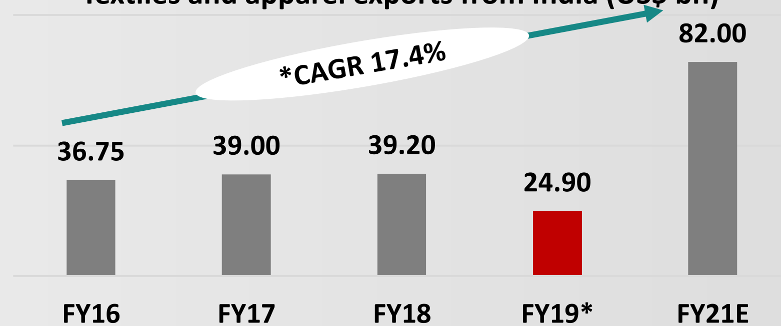
Indian Apparel Industry

- **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 a 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 a CAGR of approx. 10-11%.

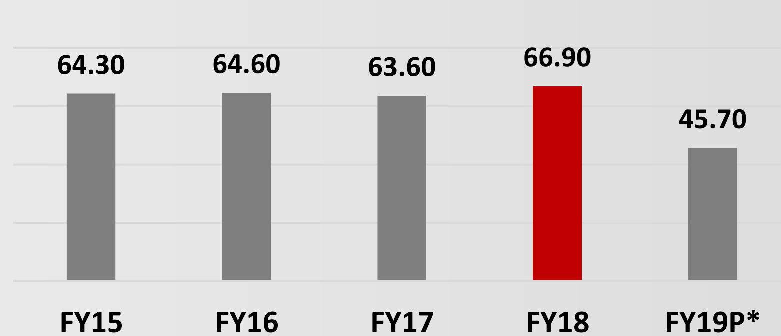
Textile and apparel industry in India (US$ bn)



Textiles and apparel exports from India (US$ bn)



Total cloth production in India (bn sq. mtrs)

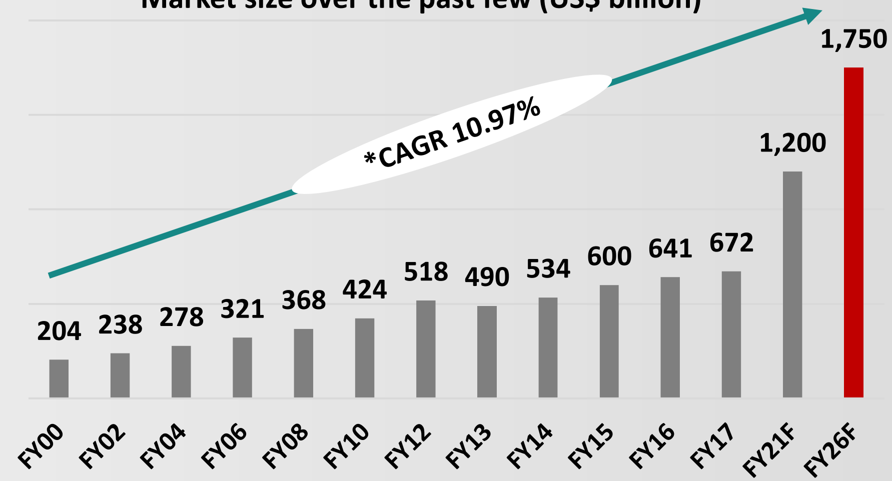


Notes: E – Estimate, F – Forecast, ^ - as of November 2017, * - between April–November 2018, P - Provisional CAGR up to FY18, P – Provisional / Source : IBEF

Strong Growth in Indian Retail Industry

- Total market size of Indian retail industry reached **US$ 672 bn in 2017**. Forecasted to increase to **US$ 1,200 bn by 2021** and **1,750 bn by 2026**
- India – fast growing market for fashion retailers on back of favorable demographics, increase in awareness of fashion trends, disposable incomes and relaxed FDI norms
- By 2021 **traditional retail** to hold major share of **75%, organized retail** share to reach **18%** and **e-commerce retail** share to reach **7%** of total retail market
- **Organized retail market** in India growing at a **CAGR of 20-25%** per year
- Global large retailers such as **Walmart, GAP, Tesco etc** in process of increasing their sourcing from India and moving from third-party buying offices to establishing their own wholly-owned/wholly-managed sourcing and buying offices
- **FDI** in **multi-brand retail** approved to **51%** and increased FDI limit to **100%** (from 51%) in single brand retail, and has plans to allow **100% FDI** in e-commerce, under arrangement that products sold must be sourced or manufactured in India

Market size over the past few (US$ billion)



Online retail in India (US$ billion)

Note: *CAGR for 2000-2016, F – Forecast, E – Estimated , Source : IBEF - https://www.ibef.org/download/retail-feb-2019.pdf

Financial Highlights

- Management Comment
- Financial Highlights – Annual
- Revenue Breakup - Segmental
- Revenue Breakup - Regional
- Key Financial Ratios
- Balance Sheet Highlights

Management Comment – FY19

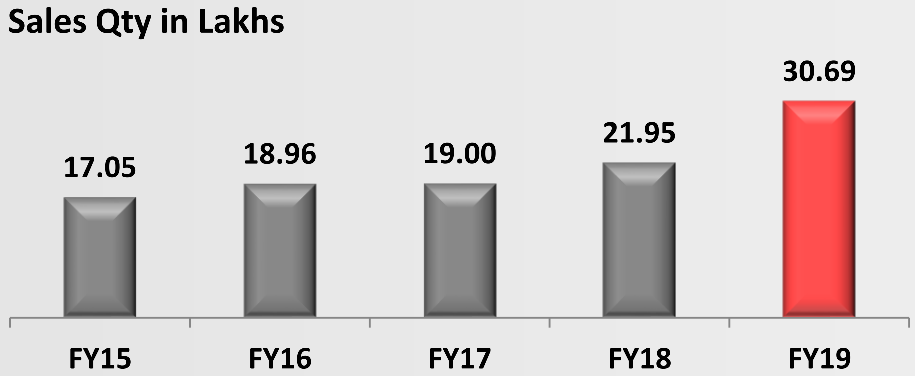
**Commenting on the results,
Mr. Vijay Bansal, Chairman & Managing Director, Cantabil Retail India Limited said :**

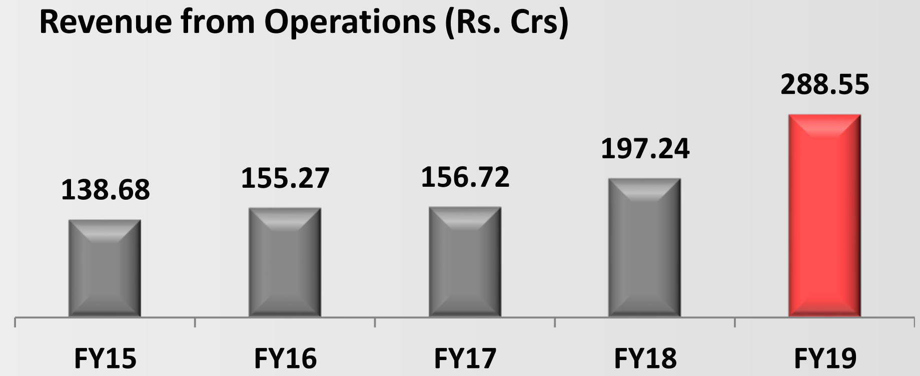
We are happy to share that our financial & operational performance has been in line with our expectations. During the year we registered a strong revenue growth of over 47% and recorded a significant increase in our profits. This is on account of increase in sales from our existing stores as well as sales from new stores that we added across India during the year.

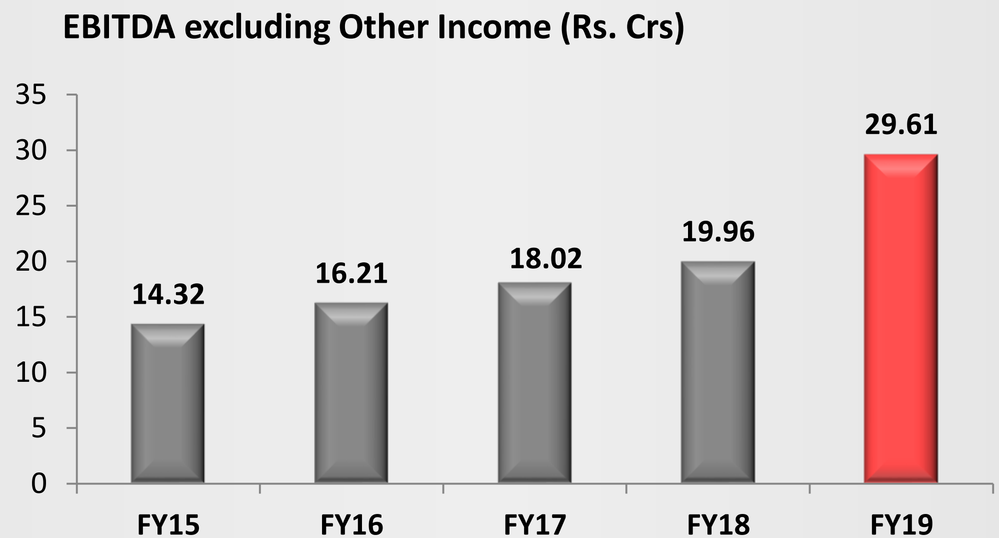
Our focus will remain on maintaining our operational efficiencies leading to a better profitability. We believe we are well positioned to capitalize on opportunities in the industry and will be able to increase our market share progressively. We see lot of opportunities in opening up new stores and increasing our presence across India and focus to grow our retail business.

I thank the entire team of 'Cantabil Retail India Ltd' for their untiring efforts, hard work, sincerity and high dedication. Also, I would like to thank our valued Shareholders, 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."

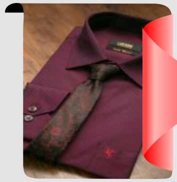
Financial Highlights – Annual*







** Numbers as per Ind AS guidelines*



Financial Highlights – FY19*

47.08%

Revenue from Operations
Rs. 288.55 Crore

48.29%

EBITDA
Rs. 29.61 crore

8 bps

EBITDA Margin
10.26%

- 47% YoY growth in Revenue on account of increase in number of stores from 184 in FY18 to 241 in FY19 and higher same store sales
- Average revenue per store increased from Rs. 1.18 cr in FY18 to Rs. 1.22 cr in FY19
- Same store sales increased from Rs. 180.15 cr in FY18 to Rs. 233.09 cr in FY19

** Numbers as per Ind AS guidelines*

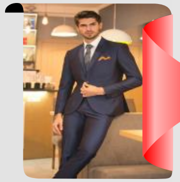
Financial Highlights – Annual*

Rs. Cr	FY19	FY18	Y-o-Y(%)
Income from Operations	288.55	197.24	
Excise Duty	0.00	1.05	
Revenue from Operations	**288.55**	**196.19**	**47.08%**
Cost of Goods Sold	136.26	68.66	
Employee Cost	51.47	37.12	
Job Work Charges	10.18	19.60	
Lease Rentals	27.31	24.46	
Other Expenses	33.73	26.37	
Total Expenditure	**258.95**	**176.22**	
EBITDA	**29.61**	**19.96**	**48.29%**
EBITDA Margin%	**10.26%**	**10.18%**	
Other Income	4.00	1.41	
Depreciation	8.89	8.84	
Interest	8.52	6.80	
Exceptional Item	0.00	1.89	
Profit Before Tax	**16.19**	**7.63**	
Tax	3.69	(12.36)	
PAT	**12.50**	**19.99**	**(37.46%)**
Adj. PAT (for def. tax on previous losses)	**12.50**	**8.89**	**40.61%**
EPS in Rs.	**7.66**	**12.24**	**(37.42%)**

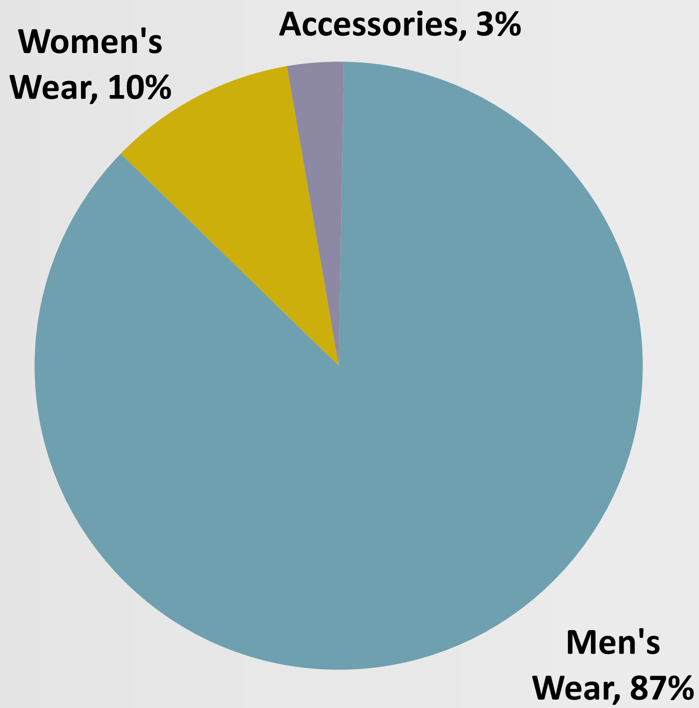
Numbers as per Ind AS guidelines

- Revenue growth on account of additional stores and higher same store sales
- Higher average revenue per store leading to incremental EBITDA
- Interest includes notional cost of Rs. 1.85 cr in FY19 and 0.45 cr in FY18 for Unwinding of Interest costs on security Deposits
- Adj. PAT - in compliance with provisions of Ind AS 12, one time adjustment of deferred tax asset of Rs. 11.10 cr created in Q4 FY18 on account of carry forward losses of Rs. 40.29 cr

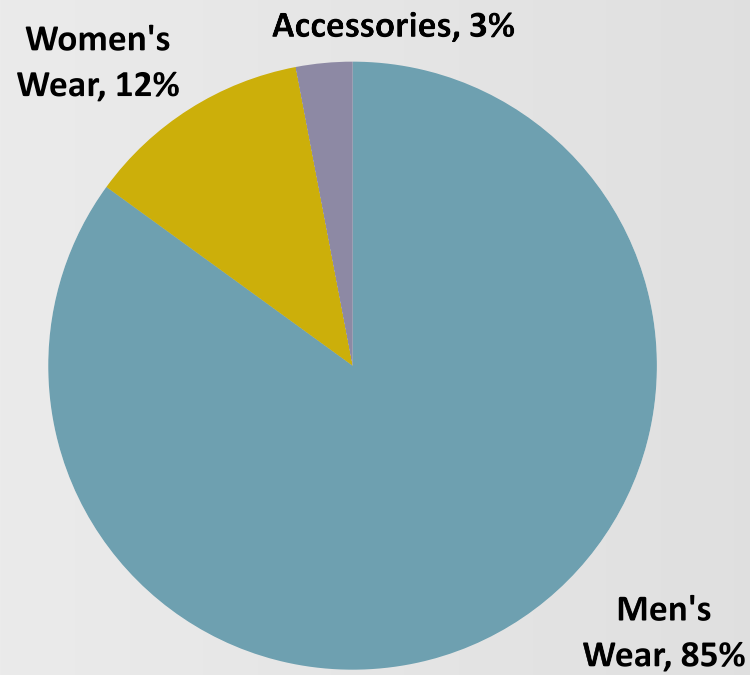
Revenue Break Up – Segmental



FY18



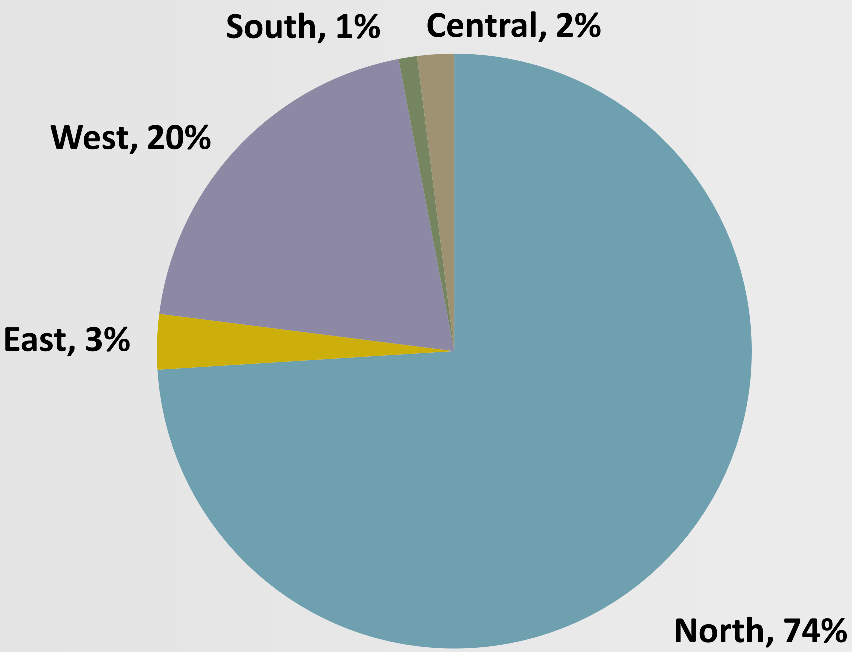
FY19



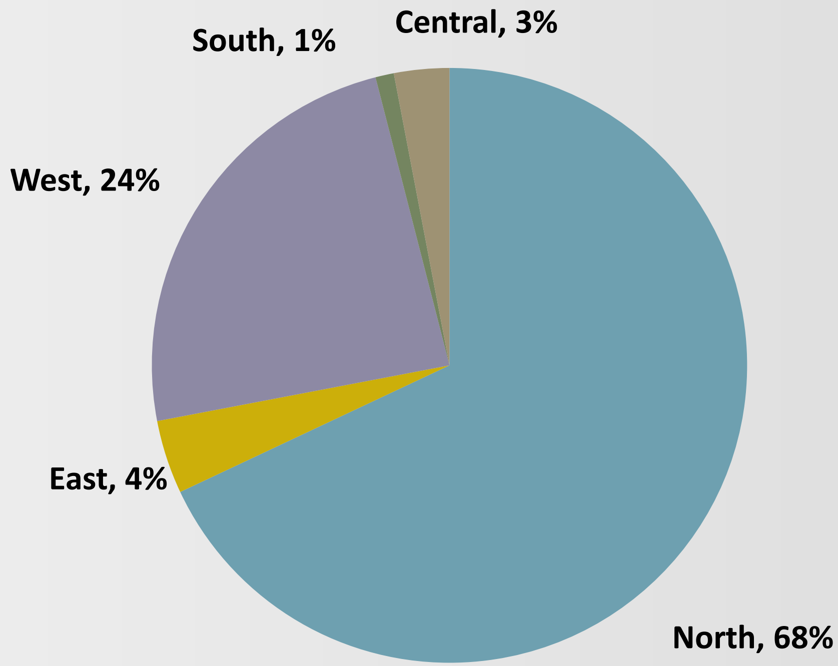
Kid’s wear brand - “LiL’ Potatoes” launched in Nov’18

Revenue Break Up – Regional

FY18

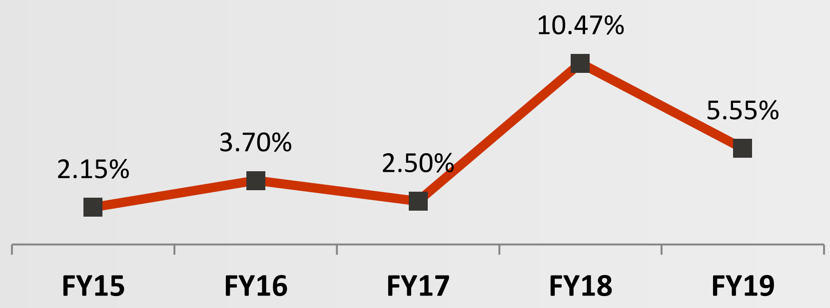


FY19

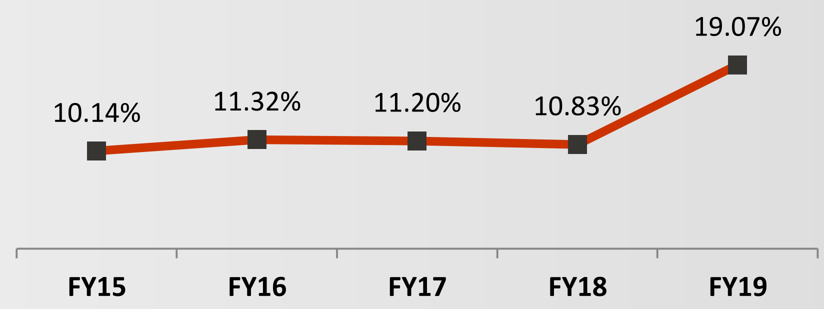


Key Financials Ratios*

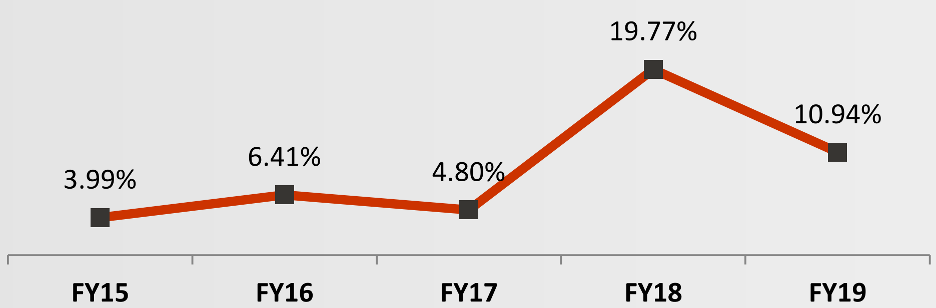
ROA** (%)



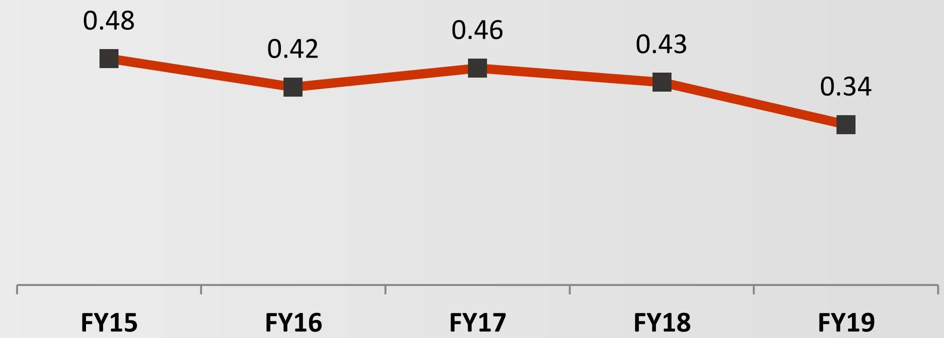
RoCE (%)



RoE** (%)



Debt to Equity



**PAT is adjusted in compliance with provisions of Ind AS 12, one time adjustment of deferred tax asset of Rs. 11.10 cr created in Q4 FY18 on account of carry forward losses of Rs. 40.29 cr

RoE = Net Profit/Total Equity; RoA = Net Profit/Total Assets ; RoCE = EBIT/(Total Assets – Current Liabilities) ; Debt to Equity = Total Debt/Total Equity **Numbers as per Ind AS guidelines*

Balance Sheet Highlights - Annual*

Rs. Crs	Mar-19	Mar-18
Total Equity	**114.30**	**101.10**
Equity Share capital	16.33	16.33
Other Equity	97.97	84.77
Non - Current Liabilities	**15.31**	**14.66**
Borrowings	4.29	6.98
Other Financial Liabilities	5.52	3.93
Provisions	2.77	2.29
Other Non - Current Liabilities	2.73	1.46
Current Liabilities	**95.52**	**75.14**
Borrowings	34.56	36.32
Trade Payables	49.13	26.18
Other Financial Liabilities	7.53	5.46
Provisions	2.36	2.03
Other Current Liabilities	1.94	5.15
Total Equities & Liabilities	**225.13**	**190.89**

Rs. Crs	Mar-19	Mar-18
Non-Current Assets	**94.75**	**87.84**
Property, Plant and Equipment	59.36	54.54
Capital work in progress	0.34	0.16
Investment Property	3.70	3.76
Other Intangible Assets	0.36	0.32
FA - Investments	0.15	0.10
FA - Other Financial Assets	0.13	0.11
FA – Loans	6.67	5.97
Deferred Tax Assets (Net)	16.90	17.38
Other Non - Current Assets	7.14	5.50
Current Assets	**130.38**	**103.05**
Inventories	96.90	81.06
FA - Investments	0.06	0.05
FA - Trade Receivables	18.45	10.50
FA - Loans	0.56	0.34
FA - Cash & Cash Equivalent	2.57	2.59
FA - Other Financial Assets	4.18	4.12
Current Tax Assets (Net)	0.23	0.49
Other Current Assets	7.44	3.89
Total Assets	**225.13**	**190.89**

** Numbers as per Ind AS guidelines*

Way Ahead

CANTABIL ITALY
International Clothing

Way Ahead

CANTABIL ITALY
International Clothing

Increasing Retail Presence	Enhancing manufacturing capacities	Reduction of operational costs and achieving efficiency	Widening customer base, Adding new markets and Increasing wallet share
• Planned expansion to open 5 to 7 stores per month • Expand ladies brand store network to 130 stores from existing 104 in next 12 months • Enhancing shopping experience by providing 'Best Brand Mix'	• 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 an equal quantity to the existing capacity as per the increase in demand by sizeable numbers	• 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	• With 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

Thank You

BSE	533267
NSE	CANTABIL
Bloomberg	CANT IN
REUTERS	CRIL.BO

For further information, please contact:

Company :

Cantabil Retail India Ltd.

Mr. Shivendra Nigam
shivendra.nigam@cantabilinternational.com

www.cantabilinternational.com

Investor Relations Advisors :

Bridge Investor Relations Pvt. Ltd.

Mr. Amit Sharma
amit@bridge-ir.com

Ms. Disha Shah
disha@bridge-ir.com

www.bridge-ir.com