August 10, 2026

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NSE Scrip Symbol: CANTABIL and Series: EQ

Fax No.: 022-26598237/38

Sub: Transcript of Earnings Conference Call dated 6.8.2026

Dear Sir/Ma'am,

With reference to captioned subject, we hereby enclose the transcript of Earnings conference call held on August 6, 2026 at 02:30 PM (IST).

This is for your information and further dissemination.

For Cantabil Retail India Limited

POONAM CHAHAL

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Encl: as above

"Cantabil Retail India Limited
Q1 FY27 Conference Call"
August 06, 2026

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company's website will prevail

MANAGEMENT: **MR. VIJAY BANSAL – CHAIRMAN AND MANAGING DIRECTOR – CANTABIL RETAIL INDIA LIMITED**
MR. DEEPAK BANSAL – WHOLE-TIME DIRECTOR – CANTABIL RETAIL INDIA LIMITED
MR. BASANT GOYAL – WHOLE TIME DIRECTOR – CANTABIL RETAIL INDIA LIMITED
MR. SHIVENDRA NIGAM – CHIEF FINANCIAL OFFICER – CANTABIL RETAIL INDIA LIMITED
MS. POONAM CHAHAL – COMPANY SECRETARY – CANTABIL RETAIL INDIA LIMITED
MARATHON CAPITAL – INVESTOR RELATIONS ADVISORS – CANTABIL RETAIL INDIA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Cantabil Retail India Limited Q1 FY27 Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Before we begin, a brief disclaimer.

The presentation which Cantabil Retail India Limited has uploaded on the stock exchange and their website, including the discussion during this conference call, contain or may contain certain forward-looking questions concerning Cantabil Retail India Limited business prospects and profitability, which are subject to several risks and uncertainties and the actual result could materially differ from those in such forward-looking statements. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone.

I now hand the conference to Mr. Vijay Bansal, CMD Cantabil Retail India Limited. Thank you, and over to you, sir.

Vijay Bansal: Good afternoon, everyone. On behalf of Cantabil Retail India Limited, I extend a warm welcome to all participants joining us for the Q1 FY27 Earnings Conference Call. Joining me today are Mr. Deepak Bansal, Whole Time Director, Mr. Basant Goyal, Whole Time Director, Mr. Shivendra Nigam, Chief Financial Officer, Ms. Poonam Chahal, Company Secretary, and our Investor Relation Advisors from Marathon Capital.

We trust you had the opportunity to review our Q1 FY27 results. The earnings presentation and financial statements are available on the stock exchanges and the company's website. Financial year 2026 marked a year of record performance for the company, driven by strong execution, expanding market presence, and our sustained consumer demand across our products portfolio.

Building on this foundation, we have entered FY27 with renewed momentum, delivering a strong Q1 FY27 that underscores the resilience of our business model and the effectiveness of our long-term growth strategy. During Q1, the company reported healthy revenue growth and the maintained industry-leading operating margins, reflecting disciplined cost management and scale efficiencies.

Same-store sales growth remained positive at 4.04%, highlighting strong consumer traction, improving store productivity, and the enduring strength of our brand across markets. Over the past five years, we have consistently delivered robust financial results, achieving revenue CAGR of 22% and PAT CAGR of 26%, demonstrating the strength of our operating model and our commitment to profitable, sustainable value creation.

With a strong brand foundation, a dedicated team, and a favourable industry outlook, we are confident in our ability to achieve new milestones in FY27 and continue creating lasting value for our whole stakeholders.

I now hand over the call to Mr. Shivendra Nigam for giving update on the financial and operational performance. Thank you.

Shivendra Nigam: Thank you sir, and a warm welcome to everyone. Standalone performance highlights for Q1 FY27, Revenue from operations for Q1 FY27 grew by 13% to INR178.8 crores as compared to INR158.7 crores in Q1 FY26.

EBITDA for quarter one FY27 grew by 21% to INR59.4 crores as compared to INR49 crores in Q1 FY26. EBITDA margins for Q1 FY27 improved to 33.2% as compared to 30.8% in Q1 FY26. PAT margins for quarter one FY27 grew by 11% to INR16.3 crores as compared to INR14.7 crores in Q1 FY26. PAT margins for quarter one FY27 stood at 9.1% as compared to 9.2% in Q1 FY26.

On the operational front, we continue to scale efficiency, with a total of 667 stores across the country, covering a total retail area of 9.42 lakh square feet. These results affirm the strength of our business model and our ability to drive consistent high-quality growth. With this, we may now begin the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: Good afternoon sir. I just have a couple of questions.

Management: Sir your voice is not clear. Can you please be a little loud?

Mohit Jain: Am I audible? Hello?

Management: Yes. Not clear, sir. Your question is not clear.

Moderator: Sorry to interrupt Mr. Mohit Jain, your voice is not clear. Can you please return to the question queue? We take the next question from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello? Am I audible sir?

Management: Yes please, Yes.

Disha: Yes. Couple of questions. Firstly on our gross margins. We have seen gross margin expansion both on the Y-o-Y basis and on a quarter-on-quarter basis. So what has led to this increase? Was it because of the mix? If you could just elaborate a bit more on that?

Management: So this is a combination of a little bit of mix and some inflation correction, right? So the normal inflation correction plus the mix has also been changed. So it is a mix of many things I would say. So broadly, it's a mix product mix as well as some inflation correction.

Disha: So, do we expect these margins to sustain going forward?

Management: Absolutely. We are working on our annual target, right? So couple of quarters it may be up and down, but overall target of maintaining the average annual margin of 60% is absolutely on track.

Disha: Okay. And EBITDA we are guiding for 28% to 30%, this quarter we have done 33%.

Management: Yes, this quarter is 33% because of Ind AS impact is there, because we are opening the bigger stores now. So yes, 30 plus percent what we delivered last financial year, it has to be maintained and it will be maintain.

Disha: Okay sir. And sir, in terms of our growth this quarter, I think we are targeting 20% sort of annual growth for this year. So what should be our key growth drivers at?

Management: Yes, INR1000 crores is on track.

Disha: And which categories are you seeing the most traction for?

Management: So the categories are the same, mens, ladies, kids, and accessories. So all the categories are growing equally. But growth drivers for achieving the 20% growth will be the new stores and the same-store sale growth and the online category growth.

Disha: And sir, what will be the total same-store growth we are targeting for this year?

Management: So we expect it to be around 5%.

Disha: For the entire year?

Management: For the entire year.

Disha: And what sort of store openings are in pipeline for the second quarter?

Management: So we expect to open around 28 to 30 stores in the Q2.

Disha: Okay, Yes. That is it sir. Thank you.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Bhargav Buddhadev from Ambit Asset Management. Please go ahead.

Bhargav Buddhadev: Yes, good afternoon team and congrats on a good set of performance. So my first question is that this time around, there was a minimum wage hike in the state of Haryana and UP. So did this have any impact in terms of our employee cost?

Management: Yes, we have taken that impact. So whatever the salary and wages cost is been there in a P&L side, that is all been included, some impact is there. Yes, because the around 30%-35% hike was there in Haryana and our factory is also there, right? So that impact has been considered.

Bhargav Buddhadev: So from here on, we don't see any impact, right? The full impact has been taken in the first quarter.

Management: Full impact of the quarter has been taken, and month-on-month basis, that this impact what is there in the Q1 would be continuing. There is no additional impact or any big impact. This has already been taken in the quarter and that will be continued.

Bhargav Buddhadev: Secondly sir, we had given this INR25 crores loan to some real estate developer in the month of March. Has any of this come back? Because I believe this may not be the appropriate capital allocation from your side. So if you can just give us some update on that front?

Management: Yes. On the basis of feedback, we have taken back in Q1 itself INR10 crores out of INR25 crores. And whatever is remaining is only INR15 crores which was due, and that will be returned back in a due course of time. Already INR10 crores before plan has been taken one in Q1 itself.

Bhargav Buddhadev: So by when do we expect the balance INR15 crores to come back?

Management: The end date is around February. So before February, it would be closed.

Bhargav Buddhadev: And we will not engage into such kind of transactions in the future, right? We can be basically...

Management: Yes, we have got a very good interest earning income on this, but the larger impact is there. So obviously, this is not going to happen.

Bhargav Buddhadev: Okay. My last question is that if we look at your store square feet expansion, we've seen a significant expansion of about 13%. But if we look at the volume growth, it has been about 7-odd percent. So when do we expect the volume growth to start sort of coming back?

I believe that the market environment may not be conducive, but this time around in the second half, do we expect that the volume growth can have a good comeback, especially like by the winter season et cetera?

Management: This time the Diwali is late. Last year we had Diwali in the mid-October and this time Diwali is around on 10th November. So we expect Q3 the volume growth will be seen. In Q2, I don't think there will be much volume growth.

Bhargav Buddhadev: Okay. So second half will be stronger as compared to first half. That, we can go by that assumption, right?

Management: Yes absolutely. So as for more clarification, we are opening like Q2 many stores, so obviously the quarter which has been opening, it started giving the output in a second quarter or third quarter. So highly expected from winter season and H2.

Bhargav Buddhadev: Great. Thank you very much and thanks for the clarification on the loan outstanding. Thank you and all the best.

Management: Thank you so much Bhargav.

Moderator: Thank you. The next question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: Good afternoon sir. Apologies on previous network issue. I had just a couple of questions. How much are we seeing the raw material inflation cost impact and are we able to pass this on in terms of increasing sale price?

Management: Raw material prices have increased like in the range of 10%. And we are passing it to the customers, we are not absorbing it. And there is no impact on the sales due to the passing of the prices to the customers. So -- but we expect this correction to happen soon because as the things get sorted out at the world level, the prices will see further correction in the raw material prices.

Mohit Jain: Got it sir. And sir, in this quarter our SSG growth was around 4%. Do we see improvement going forward to reach our annual target of 5%?

Management: Yes, we expect to achieve our target to 5% annually.

Mohit Jain: Got it. And how are we seeing the current quarter progressing in terms of demand and..?.

Management: So right now the July was having moderate numbers, not great numbers. But this time the Raksha Bandhan is on 30th or 28th August and last year Raksha Bandhan was on 10th August. So definitely the festive sale has got postponed. So it's too early to comment on the current quarter.

Mohit Jain: Got it, got it sir. Thank you and all the best for the coming quarters. Thank you.

Management: Thank you sir.

Moderator: Thank you. The next question is from the line of Jitendram an Individual Investor. Please go ahead.

Management: Yes sir.

Jitendram: Am I audible?

Management: Yes please.

Jitendram: Yes. So my first question is.

Management: Not audible, sir.

Jitendram: Now, what about now?

Management: Slightly, you repeat the question please.

Jitendram: On a broad level if we compare our business on a five-year horizon, the gross profit margin has increased steadily. But on the other hand, the same number has not been translated into PAT. Any specific reason for there?

Management: So what I understood, your question is our gross margin has been improved, but our PAT margin has not been improved in proportion, right? So you're talking about quarter or annual basis?

Jitendram: No no, annually. On a 5-year horizon, Yes.

Management: Sorry, sorry, didn't get. What you said?

Jitendram: On a 5-year basis like from 2022 to 2026, financial year 2022 to financial year 2026.

Management: Last last 5-year horizon, what you're saying? Last 5-years.

Jitendram: Yes.

Management: So if you have seen from last 4-5 years, probably, we were already in operating approximately 55% to 60%, right? However, if you see, our PAT in absolute term has been proportionately got doubled, right? There was a challenging year by the FY24 where we have seen a downside in the profit, so that has been covered back as well.

Now our PAT from 10% to 9% was the earlier range, has reached to plus 11%. And we are going forward expecting is approximately 12% -- 11% to 12%. So on those numbers, because we were expecting the gross margin maintained at a 59%-60% level, because of increase in e-commerce, this may be a couple of percent hit would have been there. So 12% is an ideal number in terms of maintaining PAT margin, which we are working.

Jitendram: Okay, understood. So my next question is that, so on a broad...

Management: Sir, you voice is not clear, your voice is not getting at all.

Jitendram: So I hope now it's clear, right?

Management: Your question is not clear sir.

Jitendram: Yes. Now the voice is clear, right?

Management: Not clear, not clear. Not getting.

Jitendram: Hello?

Management: Yes.

Jitendram: Yes. So what I'm trying to say, on the headline numbers like we have grown at a 26 CAGR for PAT level and plus 20 CAGR in top line. On the other hand, if we see the kind of return on capital employed that our business is currently showing has downgraded significantly. That the main component that is letting it do that is inventory. So are we doing something so that the inventory is kind of like the inventory days or inventory churn becomes faster or anything if you can throw some light on it?

Management: So I think 2-3 points you have highlighted. Number one is ROCE, then it is coming back to inventory days. So how we are optimizing it, right? So if you have seen, one we are talking about our FG inventory, last year it was 121 days. That is FY25. We have managed it to 114 days in FY26. Our working capital which was approximately 110, that is come down to approximately 100 days.

So we keep on working on it. But the ideal number, as in our earlier commentary also clarified many times, that what the pieces would required per square feet. So on this basis, the ideal number is 120 days internally. However, we worked on and make it to 114 days in terms of finished goods inventory last year. We are planning to make it more 110 days approx, but that is the somewhere in between 110 days to 120 days, couple of days here and there would have been there.

So these are the ideal number in terms of considering our store opening, store sizes per square feet requirement, which we are going to maintain. And ROCE is approximately 40% that is the number which would have been there.

Jitendram: Okay, understood. Thank you for the clarification.

Management: Thanks sir.

Moderator: Thank you. The next question is from the line of Anupama from RatnaTraya Capital. Please go ahead.

Anupama: Yes. We just wanted to know what is the SSG growth that you are seeing for the long-term basis, like 3 to 5 years? Medium to long term, what would be the expectation on SSG?

Management: So we have always been focusing on SSG of approximately 5% to 6%. This quarter also it is there, so that is the number we are continuously want to deliver.

Anupama: Okay. And is there a point of time beyond which you actually shut down an existing store sir?

Management: So, we have agreement renewed from 9 to 12 years. So most of the stores get renewed after the 9 years also. Yes, but every year some stores get closure due to the performance or the market get outdated or some franchise issue erupts up. So around 20-25 stores get closed every year. But I think that's a normal number, it's nothing abnormal about the closures.

Anupama: Okay, got it. And the you, from what I understood, you were saying you expect the raw material prices to fall. Is that the right expectation, did I hear it right?

Management: So earlier the raw material prices had increased around 20%-25%. Now there is correction around 10%-15%, only 10% hike is there from the earlier figures. So we expect that this 10% should also come down.

Anupama: Okay. I was just double checking on this, because the cotton prices seem to have shot up and they have not backed off. So is there any particular basis on which we are saying the RM prices will fall?

Management: No, please come again, I didn't get your question.

Anupama: I think the cotton prices have been up significantly. So I mean, is there any particular reason why we are saying that the prices will fall off now?

Management: Cotton prices also have increased around 10% to 12% only. So there isn't beyond 15% increase, 10% to 15% increase is there in the cotton prices. So...

Anupama: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Varun Thakkar from Yes Securities Limited. Please go ahead.

Varun Thakkar: Hi. Sir, my question is a little on the competitive side and the brand specifically. What I wanted to know is how do we compare with the new age fast fashion brands and online only D2C sort of brands that have come up? And what makes Cantabil brand competitiveness so strong that a customer will only come to a Cantabil store for certain products and not go to other brands?

Management: So the new age brands, what we are making is the basic casuals, basic formals. We are not making the high fashion and the loud fashion garments. So when it comes to new age brands also, they also have collection which cater to the basic fashion. Means they around their 50% to 60% collection is also about the collection which we are making. Only around 40% collection is what is different from them.

So we have our own customer base, 25 years base we have, and these people new age brands are mostly catering to the generation Z. And we have the middle-aged customers also. So naturally, there will be some difference in the collection. But yes, around 50% to 60% collection is same in the new age brands also.

Varun Thakkar: Okay. And what other brand initiatives are we taking to premiumize our brand or are we going to be a price-sensitive sort of a player all the time going ahead?

Management: So customer, we are not planning to premiumization. So our ASP is around INR1100 and we want to maintain the same kind of average selling price.

Varun Thakkar: Okay. Thank you sir, that is from my side. Thank you so much.

Management: Thank you sir.

Moderator: Thank you. The next question is from the line of Chintanandan, an Individual Investor. Please go ahead.

Chintanandan: Hello? I hope I'm audible.

Moderator: Yes sir, please go ahead.

Chintanandan: Yes. So following up the last question that we can see the numbers -- our business is currently doing great and it's running smooth all good. But are we planning to do something like to boost our growth? Like we can see our share price has been flattened for last 2 years or so. So we need to do something extra right? So are we planning to do it or we are absolutely certain about not doing anything else?

Management: Sir, you are not at all audible.

Chintanandan: Hello? So my entire question wasn't audible right?

Management: You are not audible at all. Sir you are not audible.

Chintanandan: Now if I am clear. Audible, right?

Management: Very little, very little.

Chintanandan: Okay. I'll join back the queue. Thank you.

Management: The voice is cracking a bit.

Moderator: The current participant has left the queue. We'll take the next question from the line of Bhargav Buddhadev from Ambit Asset Management. Please go ahead.

Bhargav Buddhadev: Yes sir. In your opening remarks, you mentioned that you're opening larger stores. So is it possible to highlight what is the increase in terms of square footage in the new stores, which you're opening. I believe at Karol Bagh also you've opened a very large store. And with this increase in store sizes, are you seeing any change in your merchandise in terms of average bill value or mix in terms of rising female share, child share, et cetera?

Management: Yes our store size is continuously increasing Bhargav-ji. Last year we ended up, if you see last to last year 1300 average size, but for last 2 years 1500 square feet of average store. In Q1, our average size of opening store is 1810. And we are expecting more bigger stores opening in Q2 as well. So our size is continuously increasing. So average size by the end of this financial year, we are expecting approximately 1500 square feet per store.

Bhargav Buddhadev: Okay, understood. Secondly sir, if you look at your repeat sales, it is closer to 50%. Are we doing anything to reward those loyal customers through any loyalty program?

Management: We are not planning to have point-based loyalty program, because Cantabil is most of the time offering the bundle offers. So combining the points with the -- can be tricky in the long run. So we have always prevented ourselves from launching the point-based programs. But yes, we have the ability, we have the system in place to get it done anytime. So when we feel there is a need to launch the point-based program, definitely we will do it.

Bhargav Buddhadev: No, because sir, if you look at your gross margins, your gross margins are far superior compared to the other peers. You're operating at virtually 60% to 75% in gross margins on an average. So I mean, does it not make sense to slightly compromise on gross margins and focus more on revenue growth by rewarding the loyal customers?

Management: We take your suggestion in a positive manner. We will give a thorough deliberation on it. But we need some time to decide.

Bhargav Buddhadev: Sure. Okay. Thank you. Thank you so much.

Management: Thank you sir.

Moderator: Thank you. The next question is from the line of Niril from Awriga. Please go ahead.

Niril: Hi sir. Am I audible?

Management: Yes sir.

Niril: Okay. So my question is on your inventory part. How much of your inventory is less than 1 year old, between 1 to 3 years, and more than 3 years old?

Management: So out of our total inventory, my inventory at fresh stores, that is less than 1 year, is approximately 75%. And my 1 to 3 years inventory is approximately -- out of my total inventory is approximately 20%. And we are just keeping approximately 5% more than 3 years, which is basically on the surplus factory outlet.

Niril: Okay. And sir, just one more question from my side. Of the stores which you have opened prior to 3 years, what is the average sales in that stores and what is the run rate which is going on over the new stores which you are opening?

Management: So I didn't get the store name. Which store you were talking about?

Niril: Sir, for example, if you had 100 stores 3 years back and you added 30 stores in the last 3 years. So of that total sales you have, what amount of those sales is coming from the 100 stores, the stores opened 3 years back?

Management: What you are saying, probably, what I'm getting, because there's a huge disturbance in line what I feel. You're comparing 3 years old store versus last 3 years opened store?

Niril: Yes, yes, I am just comparing what is the sales -- what is the sales run rate of the stores which has been opened 3 years back? And what is the current run rate of the stores -- those stores?

Management: So, store needs 2, 2.5 years to get mature. Yes, the stores which are opened 3 years ago have bigger sale than the stores which are newly opened. So there must be around a difference of 20. So our average sale for the store, if we see by FY26, was INR1.26 crores. That is our average stores, right? It includes all. 1-year store, 2-year store, 3-year and 3-year plus store.

If I'll bifurcate it, my average average sale of all put together, few stores may be 5 crore, 8 crore, but if I'll take it average, my complete matured stores must be giving 1.5. Exact data I'm not available, I can share you separately, 1.5 crore. And obviously, the new store which has been only one year, less than a year or one and a half year, it would be 1 crore. So there is a difference of approximately you can say 10 to 15% in this range. However, if you want exact data, that we can share separately.

Niril: Yes, thanks a lot. That is from my side sir.

Management: Thank you, sir.

Moderator: Thank you. The next question is from the line of Yash Tawani from Qode Advisors. Please go ahead.

Yash Tawani: Now sir, I just wanted to understand one thing. So as it's been many year to us in the business and the profitability over the last 5 years has been very good and going in a great rate. But looking at the franchise, the FOCO model count like the last -- like the FY23 count for the franchise has been 130 stores and today it's sitting at -- the count was 178 store and today sitting at 130 store. Just wanted to get a sense on, as the profitability for us has been so good and the business model is tested enough, so why -- like are we not focusing on expanding FOCO, that is one?

Or what's stopping us to expand the FOCO because like if the profitability is good and from a business model perspective it should incline more people to get enrolled on the FOCO model and it's good from company perspective because we expand on an asset light model and from an incremental return perspective also. So what is the picture going on that angle? So just wanted to get an understanding there.

Management: We are opening bigger stores now and bigger investment. So franchises are not very comfortable in the Tier 3 towns doing the big investment on the stores. So earlier we were opening small stores and our majorly stores are in the Tier 2 towns and beyond. So we don't have much franchises in that category available who are able to do big investment in the large format stores.

Yash Tawani: Okay. Got it. Okay, thank you sir.

Management: Thank you sir.

Moderator: Thank you. The next question is from the line of Aditya from Morde Food Private Limited. Please go ahead.

Aditya: Hi am audible?

Management: Yes sir.

Aditya: Hi. Sir just one question. The company has reiterated its revenue target of INR1000 crores for FY27. However, based on the Q1 FY27 growth over Q1 FY26 and assuming quarterly growth rate trends similar to the historical growth seen in FY25 over 2024, the implied full year revenue appears to fall short of this target. So could you elaborate on the key drivers or initiatives that give you the confidence in achieving this INR1000 crores revenue?

Management: So we have opened around 27,000 square feet in Q1 and we expect to open 55,000 to 60,000 square feet in Q2, so that is more than double square feet we are planning to open in Q2. So we will be able to recover the shortfall we have seen in Q1 by the sales and the new stores in Q2.

Aditya: Okay. Thank you so much sir. That answers my question and all the best.

Management: Thanks sir.

Moderator: Thank you. The next question is from the line of Devang from Shah Group. Please go ahead.

Devang: First of all congratulations on a good set of number.

Management: Thank you.

Devang: I have couple of questions. One is, we have guided for a INR1,000 crores revenue target for FY27. So just wanted to understand how much would be because of increase in MRP and how much would be the normal sales growth?

Management: So, if you see our SSG always we have taken a target of 50-50, means, 5%-6% of the SSG. We are looking for inflation obviously inflation has to be absorbed, that is 50, say 3% and balance is from the volume growth. So approximately if I'll say in this numbers as well, you have seen 8% of the volume growth in totality and 13% is total. So that number would have been there.

So we are expecting more in volume growth in coming season. So 18%-19% growth for INR1,000 crores we are looking at. Definitely 10% to 12% of the volume growth and balance is from the inflation a little bit, Yes.

Devang: Secondly, what would be the working capital cycle? I know -- understand you have given numbers for inventory.

Management: 100 to 105 days sir, 100 to 105 days.

Devang: Okay. And my last question is more of a broader strategic question. The marketing spend typically has been in the range of 2%. And we are very low on debt that or virtually zero on debt, right? Can't we accelerate our growth targets in terms of opening more stores? One is, because we have sufficient headroom to take debt and secondly, improve the visibility in terms of spending a bit more on marketing considering we have a very industry leading EBITDA margin. So more of a strategic question, just wanted to understand?

Management: We have opened 15 stores in Q1 and we plan to open around 30 stores in Q2. And for the marketing spend, we plan to increase our marketing spend on digital marketing, digital advertisements. So we are in the process of reinventing our marketing strategy in the online space. So yes, you will see the change in the strategy in the marketing space.

Devang: Sure. And what was the online sale contribution for the quarter? I understand only yearly numbers again.

Management: So last year we did online sales was 6%. This year we plan to do 8% from the online sales.

Devang: And what about the quarter?

Management: Quarter we did a little bit of dip in the quarter itself because of we are changing our software end-to-end integration, so that has taken some hit. So overall if I'll take quarter, it is 5%.

Devang: And in terms of the gross margin and EBITDA for online sale vis-a-vis your normal store sales?

Management: Obviously offline is more, offline is more in terms of margin, but we are trying to operate it on a above EBITDA level for online business as well.

Devang: Great. That's it from my side and all the best for future quarters. Thank you.

Management: Thank you sir.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Deepak for closing comments.

Deepak Bansal: Building on the record achievement of financial year 2026, Cantabil has continued its strong trajectory in Q1 FY27, delivering sustainable growth, healthy consumer traction and resilient financial performance. We remain focused on expanding our footprint, enhancing customer engagement and driving sustainable long-term value creation.

We thank our stakeholders for the continuous trust and support and look forward to carrying this performance through the remainder of the year. We hope we have been able to answer your queries. Please feel free to reach out to our CFO or IR team for any clarifications or feedback. Thank you all.

Moderator: On behalf of Cantabil Retail India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.