Karnika

INDUSTRIES LIMITED

CRAFTING QUALITY. STYLING FUTURES.

Q1 FY27

INVESTOR PRESENTATION

A Complete Wardrobe Solution

QUALITY YOU TRUST | STYLES KIDS LOVE | SUSTAINABLE TOMORROW | COMPLETE WARDROBE

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01
Company Overview

Karnika: Building India's Scaled Kidswear Platform

Over 15 Years of Legacy in Integrated Manufacturing, Brands & Distribution

Winning Model

- India's **largest Integrated** Kidswear Platform at Scale
- **Asset-Light Model** Delivering Superior Capital Efficiency
- **Pan-India distribution** with expanding **export** presence
- **Omnichannel Presence** Driving Diversified Growth
- **4 Manufacturing Facilities in Howrah (WB)** Enabling Scalable Operations
- Well Positioned in India's **Fast-Growing** Kidswear Market

Financial Metrics

40%
Revenue CAGR (FY21-26)

34%
Gross Margins (FY26)

101%
PAT CAGR (FY21-FY26)

26%
ROCE (FY26)

0.8x
Net Debt-to-Equity

Operational Metrics

28 States Distributed PAN India

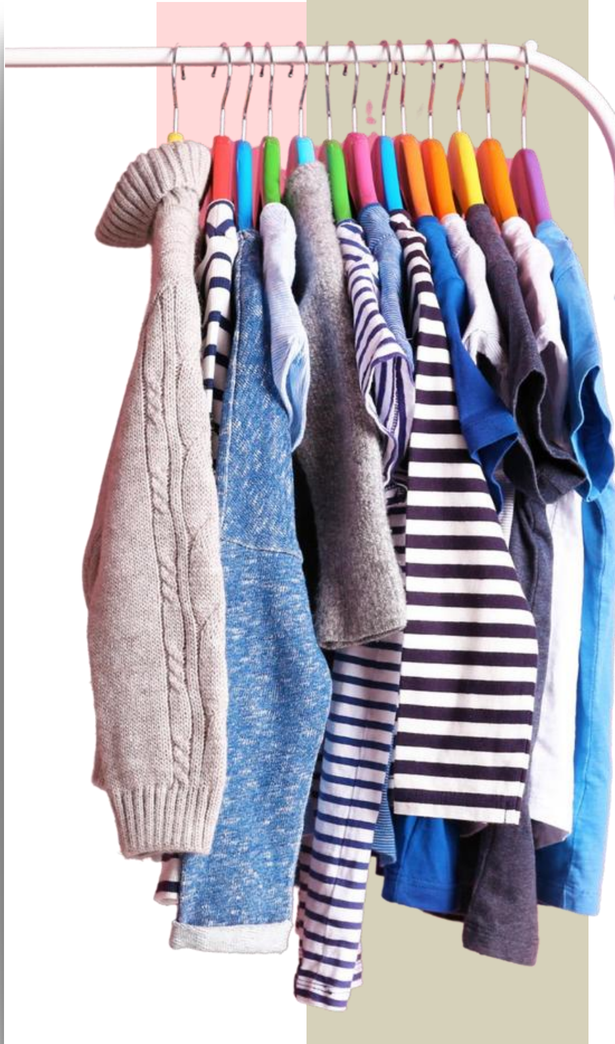
500+ SKUs

2500+ Trusted Clients

ISO 14001 Certification

90% Repeat Clientele

45 Lakh Production Volume (garments)



Asset-Light, Scalable Operating Model

Partner network for 90% operations. In-house for core value addition.

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OUTSOURCED		IN-HOUSE OPERATIONS	OUTSOURCED	IN-HOUSE OPERATIONS
STRATEGIC SOURCING	**FABRIC DEVELOPMENT**	**PRODUCT ENGINEERING**	**OUTSOURCED PRINTING & STITCHING**	**DISPATCH TO CUSTOMERS**
○ Direct Yarn Procurement ○ Vendor Management	○ Advanced knitting operations ○ Dyeing & Processing	○ In-house design development and pattern tracing ○ CAD pattern cutting operations	○ Precision Printing & embroidery ○ Stitching Centre	○ Quality Inspection ○ Ironing & Packing ○ Dispatch & Delivery

Omnichannel Presence

Connecting Every Parent, Everywhere

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1 Institutional & B2B Partnerships

Strategic collaborations across retail and corporate channels driving bulk reach and long-term associations..

Distributors – 150+

2 Marketplace Partnerships

Reaching parents where they shop online.

Flipkart
amazon
LimeRoad
firstcry
Myntra

3 Aggregation

HOPSCOTCH

Extensive distributor-led network across key regional markets

4 D2C Channels

Building direct consumer engagement through owned digital platforms

https://kidcity.shop/

KidCiTy

5 Kiosks

Building physical touchpoints for better discovery and engagement.

Kiosks: 55+ -on airports, high end streets

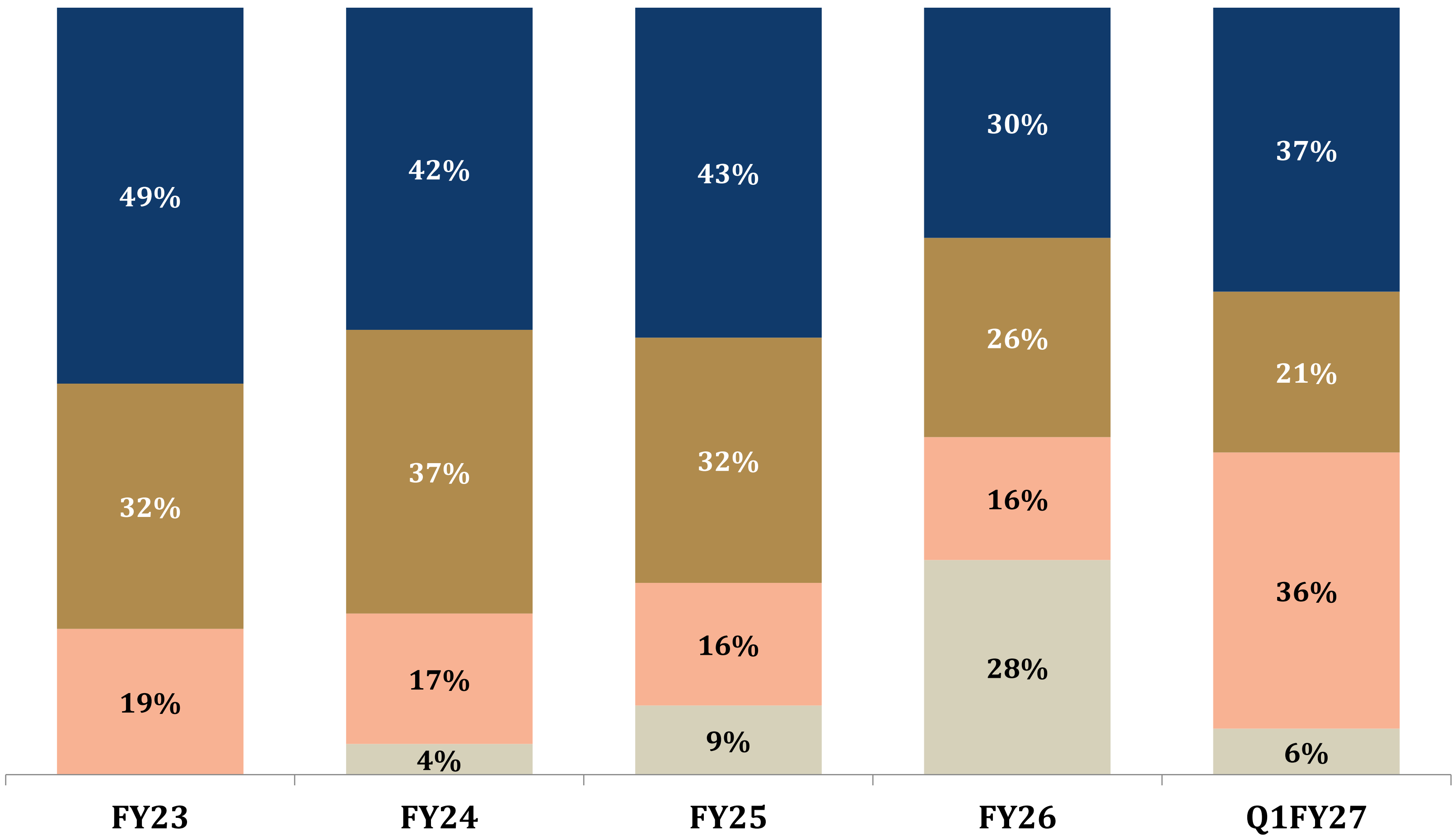
6 Shop-in-shop (SIS)

Expanding presence within leading retail destinations.

Across leading stores: Pothy's, Spencer's, Chennai Silks counters

Balanced Multi-Category Product Portfolio

Broad based mix supports resilient and scalable growth



Boys' Wear

Stylish & Comfortable fashion for boys

Girls' Wear

Trendy & adorable styles for girls

Infant

Gentle & safe essentials

Fabric

Quality fabrics for every occasion

India’s Kidswear Market: High-Growth Opportunity

Driven by rising disposable income, organized retail expansion, and premiumization trends.

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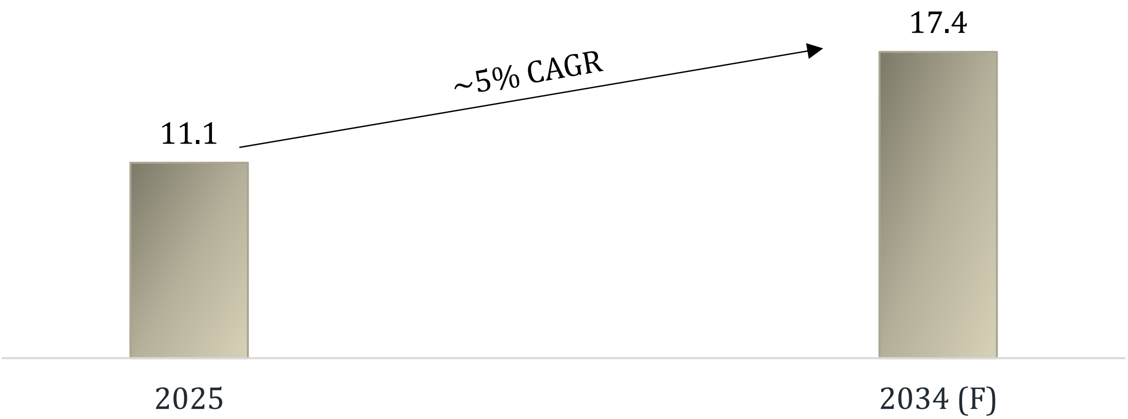
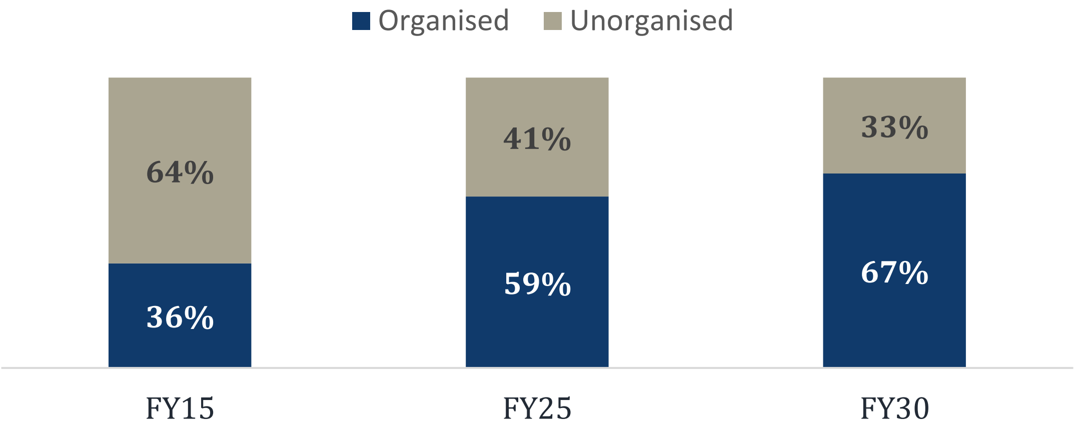
INDIA'S CHILDREN'S APPAREL MARKET (IN USD BN)



MARKET SEGMENTATION BY SECTOR



EMERGING OPPORTUNITIES

Tier II/III Expansion

Huge demand from aspiring consumers outside metros.

Export Potential

Indian garment players are gaining global traction amid supply chain diversification.

Formalization of Unorganised Sector

Quality players like Karnika can capture market share from local suppliers.

KEY GROWTH DRIVERS

Rising Disposable Income: Increase in urban and semi-urban families' spending power.

E-commerce & D2C Growth: Online channels and D2C brands are making branded kidswear more accessible.

Sustainability Preference: Growing demand for organic and eco-conscious clothing among parents.

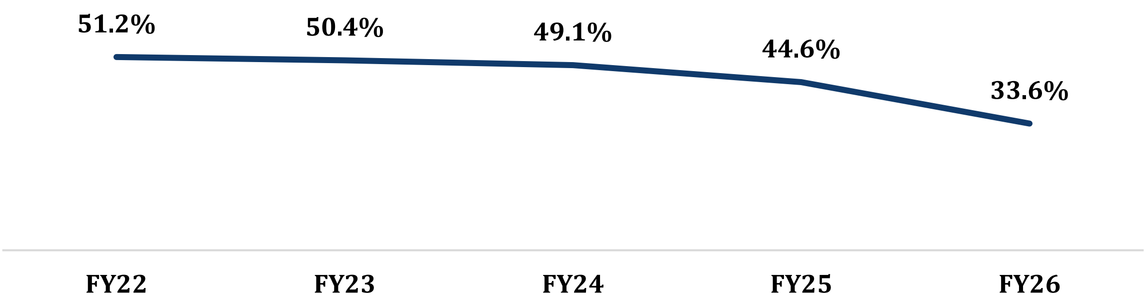
Smaller Families: More spend per child on quality and premium apparel.

Source: Statista; Imarc Group

Investment-Led Transition Phase

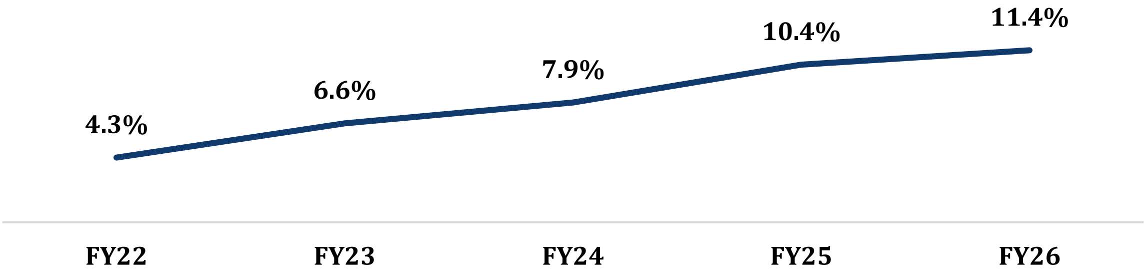
Near-term expansion supporting scalable growth and long-term capital efficiency

Gross Margins



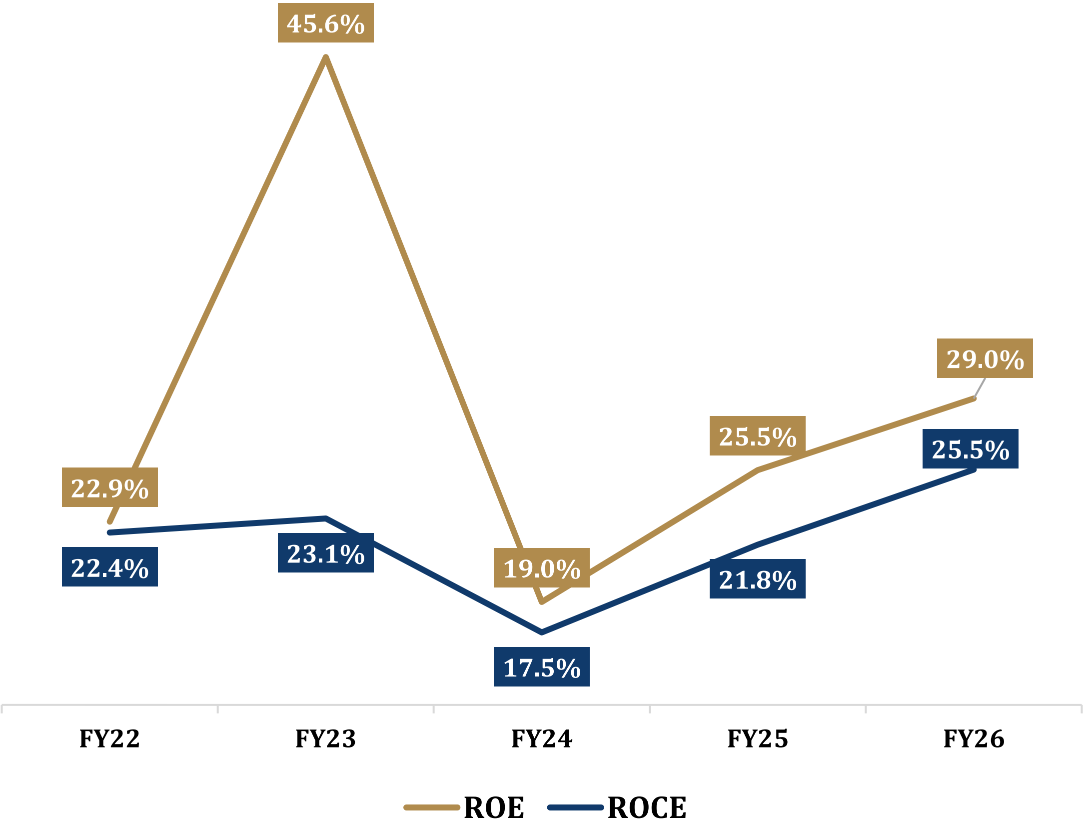
Our ***Gross Margins*** reflect product mix transition and input cost normalization post peak FY22 levels.

PAT Margins



Healthy PAT margins reflecting strong operating discipline and efficient cost management

Return Ratios Adjusting with Capacity & Capital Expansion



Improving earnings conversion supporting **superior ROCE and ROE** trajectory over the medium term

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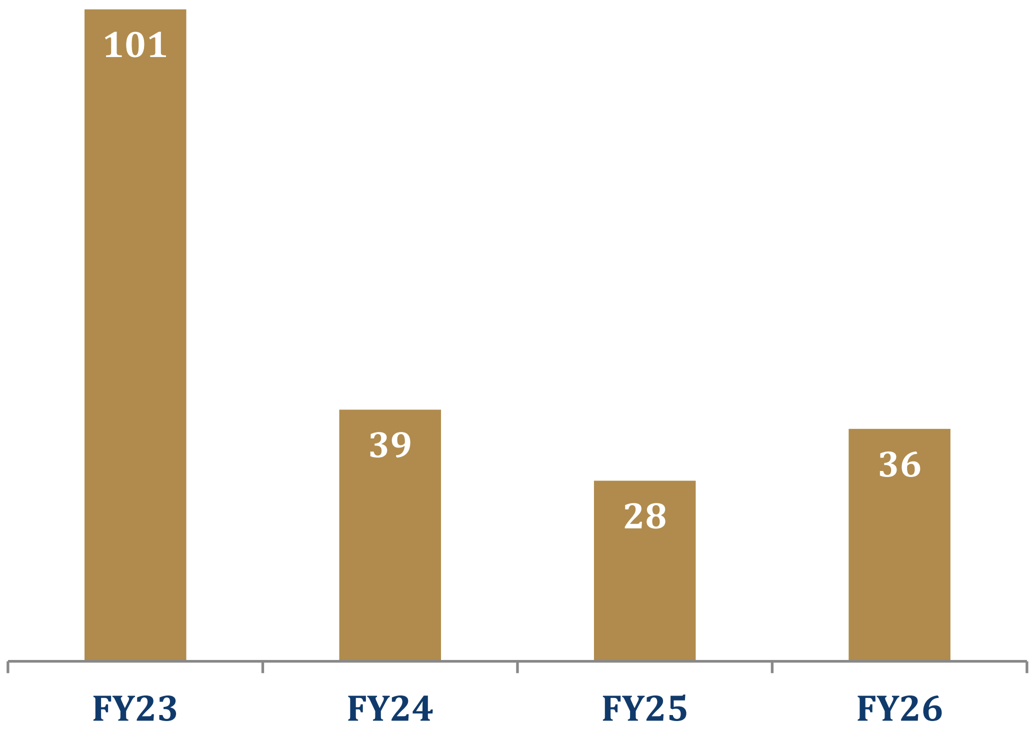
02
USPs

Lean & Scalable Business Model

Outsourced production model supports flexibility, low fixed costs, and efficient capacity utilization.

FIXED ASSET TURNOVER (x)



26%

ROCE

Strong capital productivity driven by asset-light operations

90%+

OUTSOURCED OPERATIONS

Enhances scalability and reduces fixed costs

90%+

CAPACITY UTILIZATION LEVEL FOR ALL PLANTS

SCALABLE CAPACITY WITHOUT ADDITIONAL CAPEX ON PLANT

Growth supported without heavy manufacturing investments

End-to-End Kidswear Solutions

One trusted destination for stylish, comfortable, and practical kidswear.

Karnika®

HOLISTIC PRODUCT PORTFOLIO

9 categories. Every need. Every moment.

SHORTS
Everyday comfort

JOGGERS
Playful & relaxed

TEES
Everyday essentials

SLEEP SUITS
Sweet dreams

DRESSES
Stylish & comfortable

ROMPERS
Easy & adorable

PYJAMAS
Cozy & breathable

WINTER WEAR
Warm & durable

INFANT WEAR
Gentle & safe

WIDE AGE COVERAGE

From infants to tweens, we grow with every child.

0–1 yr	1–3 yrs	3–6 yrs	6–10 yrs	10–14 yrs
Infants	Toddlers	Preschool	Kids	Tweens

BRANDS:

- Karnika® Cool
- Karnika® Ring
- Karnika® key
- Karnika® Eco
- Karnika® Life
- Karnika® club
- Karnika® Cube
- Karnika® ICE

Strong Domestic Foundation. Expanding Global Footprint.

Gaining market share

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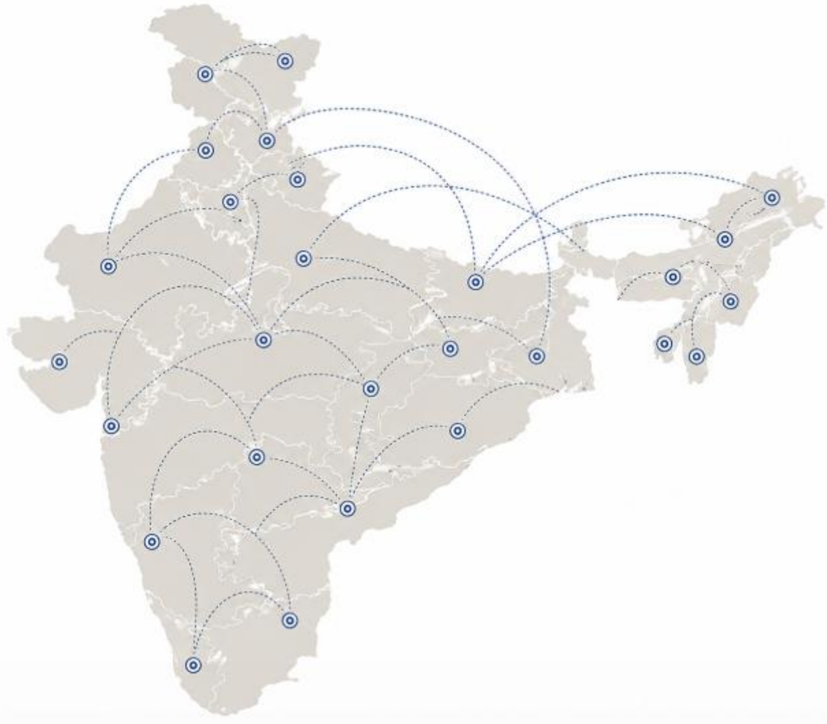
DEEP & WIDESPREAD PRESENCE ACROSS INDIA



EXPORT PRESENCE – MIDDLE EAST & SOUTHEAST ASIA

28

States Covered

Pan-India distribution network with deep dealer and **B2B relationships**

150+

Distribution Partners

<1%

Revenue from Exports (As of Q1FY26)

Powered by Smart Technology

Building agile and data-driven processes to support seamless growth and operational control

Karnika®

CAD-Based Product Development

Integrated CAD tools enable precise product sampling, faster design iterations, quicker approvals, and improved pattern accuracy.

Quality Control Process

Multi-point quality checks across production ensure continuous improvement, complete traceability, and audit readiness.

Automated Cutting Technology

Automated cutting machines improve consistency, reduce fabric wastage, and support quality at scale.

Cloud-Based Reporting & Decision Support

Cloud-enabled dashboards provide real-time insights on capacity utilisation, order status, and lead times for faster decision-making.

ERP-Driven Workflow Management

Real-time inventory, production scheduling, and dispatch planning improve visibility, coordination, and operational efficiency.

Cybersecurity & Data Integrity

Regular IT audits and access controls safeguard sensitive data, strengthen compliance, and reduce digital risk.

Strategic Brand Engagement Initiatives

Connecting with customers through curated industry events and showcases.

TRADE SHOWS & EXHIBITIONS

FASHION SHOWS

GARMENT FAIRS

01 TRADE SHOWS & EXHIBITIONS

Enhances brand visibility and facilitates networking with potential clients.

02 FASHION SHOWS

Demonstrates creativity, quality, and innovation in children's wear.

03 GARMENT FAIRS

Participation generates advance orders and facilitates market expansion.

03 Financial Performance

Management Commentary

FY27 has commenced on a strong note, driven by the strength of our integrated business model, expanding distribution network, and growing acceptance of our branded kidswear portfolio.

We delivered an exceptional performance, with **121.6% YoY revenue growth, 154.9% EBITDA growth, and 197.1% PAT growth**, reflecting strong demand, operating leverage, and disciplined execution.

India's branded kidswear market continues to offer significant long-term opportunities as the shift toward organized players accelerates. With our diversified brand portfolio, integrated manufacturing capabilities, and expanding pan-India presence, we remain well positioned to capitalize on this growth.

Going forward, our focus remains on strengthening brand equity, expanding market reach, enhancing operational efficiencies, and delivering sustainable profitable growth while creating long-term value for all stakeholders.

Mr. Niranjan Mundhra

Chairman & Managing Director

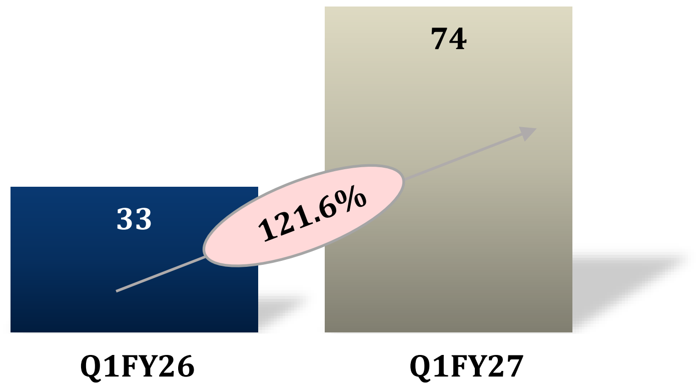
Q1FY27 Financial Performance

Steady Revenue Growth

In INR Cr

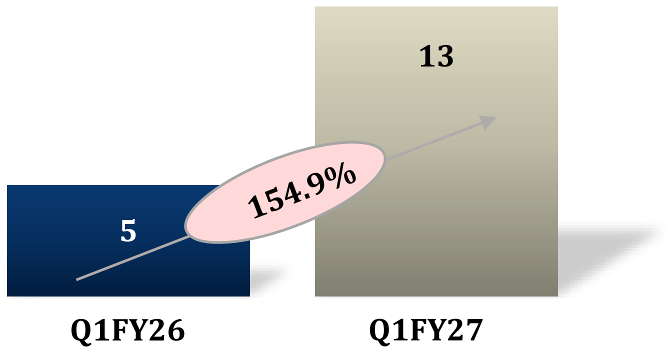
Q1 FY26

Revenue from Operations



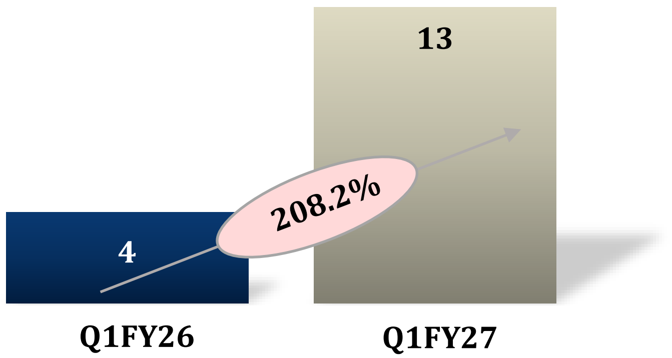
EBITDA

Margins → 15.0% 17.2%



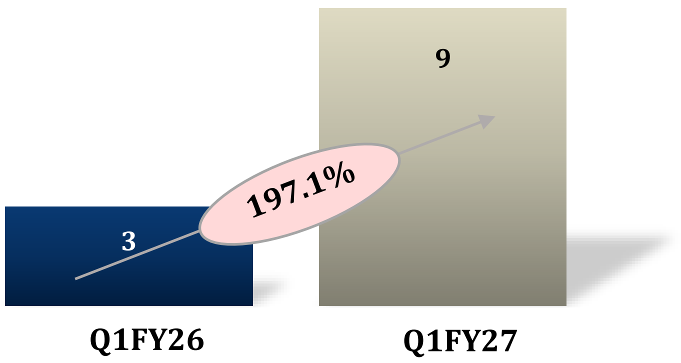
PBT

Margins → 12.5% 17.3%



PAT

9.2% 12.4%



Q1 FY27 Financial Performance

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Particulars (INR Cr)	Q1FY27	Q1FY26	Y-o-Y (%)	Q4FY26	Q-o-Q (%)
Revenue from Operations	**74**	**33**	**121.6%**	**72**	**2.8%**
Expenses	61	28	115.8%	64	-4.7%
EBITDA	**13**	**5**	**154.9%**	**8**	**65.5%**
EBITDA Margins (%)	**17.2%**	**15.0%**	**225 bps**	**10.7%**	**652 bps**
Depreciation	0.2	0.4	-39.3%	0.4	-40.4%
Other Income	2	1	85.8%	7	-76.1%
Finance Cost	1	1	3.1%	1	7.9%
Profit Before Tax	**13**	**4**	**208.2%**	**13**	**-2.6%**
PBT Margins (%)	**17.3%**	**12.5%**	**487 bps**	**18.3%**	**-97 bps**
Tax	4	1	240.3%	4	-4.3%
Profit After Tax	**9**	**3**	**197.1%**	**9**	**-1.9%**
PAT Margins (%)	**12.4%**	**9.2%**	**315 bps**	**13.0%**	**-60 bps**
EPS Diluted (INR)	**1.44**	**1.28**	**12.5%**	**1.45**	**-0.7%**

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04
Strategic Priorities

Strategic Priorities

Scaling an integrated kidswear platform through distribution, efficiency and profitable growth

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01 HIGHER MARGINS & CAPITAL EFFICIENCY

Forward integration into retail captures higher value across the value chain

Asset-light SIS & kiosk model enables profitable scaling with limited capex

Operating leverage improves as distribution and volumes expand

02 PAN-INDIA CONSUMER FRANCHISE

Expands direct consumer reach across Tier 2 & Tier 3 markets

Multi-channel presence across offline retail, D2C & leading marketplaces

Strengthens brand visibility with EBO and KIOSK expansion.

03 CREATING A SCALABLE INTEGRATED PLATFORM

End-to-end control from sourcing to consumer shelf

Diversified revenue streams improve business resilience

Positions Karnika for long-term profitable growth and stronger market leadership

Karnika + KidCity Acquisition Rationale

Building India's Most Integrated & Scalable Kidswear Platform

01
END-TO-END INTEGRATION

Seamless control from yarn sourcing to consumer shelf enables better quality, faster response and stronger brand consistency.

02
STRATEGIC VALUE & COST ADVANTAGE

Integrated scale drives cost efficiencies and allows offering premium quality kids wear at attractive price points (Rs. 199 - Rs. 499).

03
EXPANDED CONSUMER REACH

Wider footprint across offline retail, D2C and marketplaces with strong presence in Tier 2/3 cities unlocks a large and growing consumer base.

04
DIVERSIFIED REVENUE STREAMS

Balanced mix of manufacturing and retail channels reduces concentration risk and enhances business resilience.

05
STRONG PLATFORM FOR PROFITABLE GROWTH

Integrated operations, scalable retail model and multi-channel presence position Karnika for sustained growth and margin expansion.

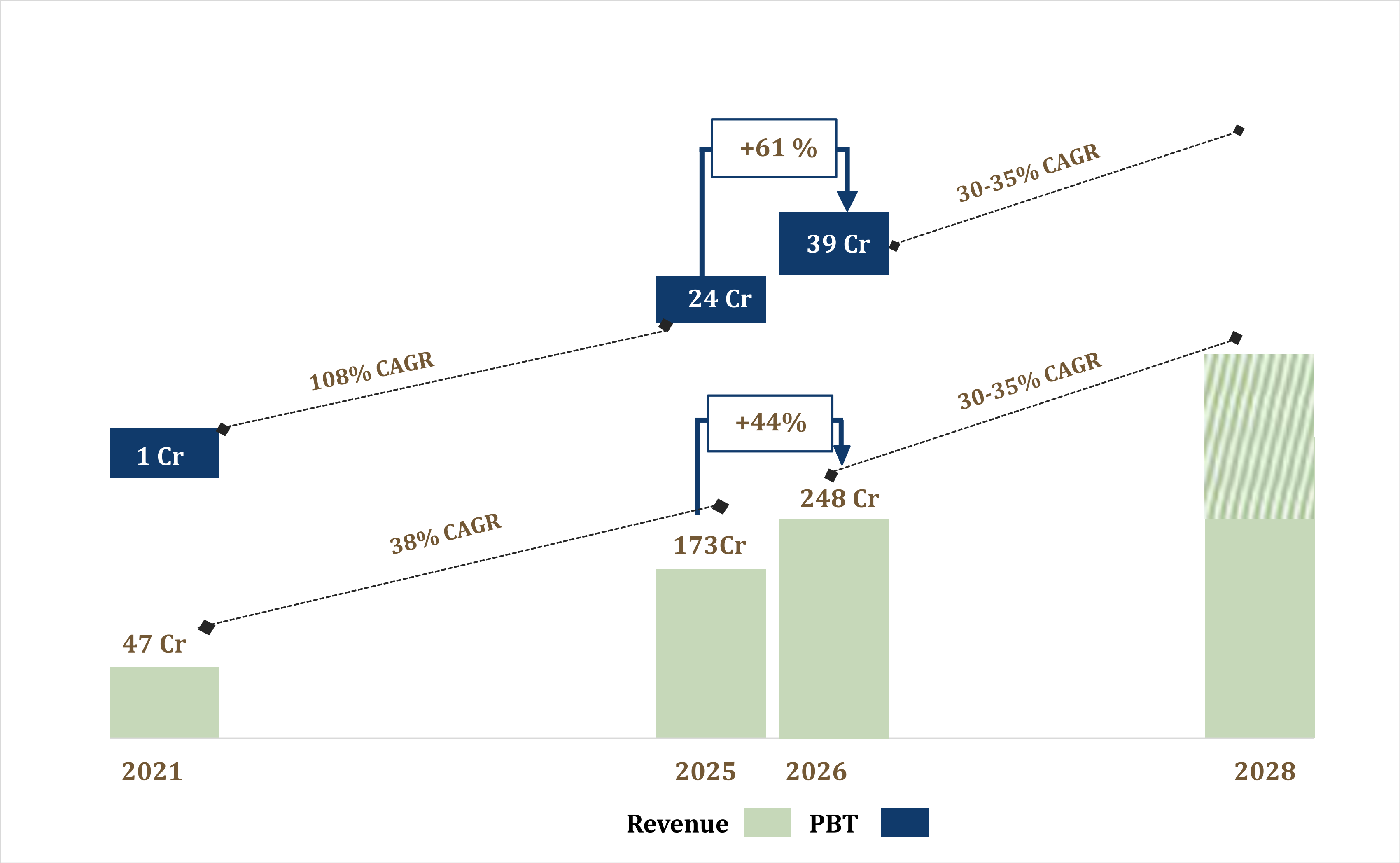
2028: Accelerating the Next Growth Phase

Building scale with disciplined execution.

Brand Amplification

Distribution Expansion

Operational Efficiencies



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05
Annexure

The People Behind Karnika

Building a future-ready brand through strategic leadership & innovation

Mr. Niranjan Mundhra
Managing Director

- ~10 years of experience in the textile industry
- Played a key role in building the family business into a recognized name in the kidswear garment segment

Mr. Shiv Shankar Mundhra
Whole-Time Director

- MBA professional with 12+ years of experience in fabric manufacturing and apparel trade
- Strong expertise in operations management and manufacturing execution

Mr. Mahesh Kumar Mundhra
Whole-Time Director

- Strong leader with a focus on team building and quality execution
- Oversees operations, budgeting, and client management

Mrs. Kirti Mundhra
Non-Executive Director

- Strong foundation in accounting, finance, and business management
- Skilled in financial analysis and business operations

Mrs. Kirti Taparia
Independent Director

- Holds an Honours degree in Bachelor of Commerce
- ~10 years of experience in finance and accounts

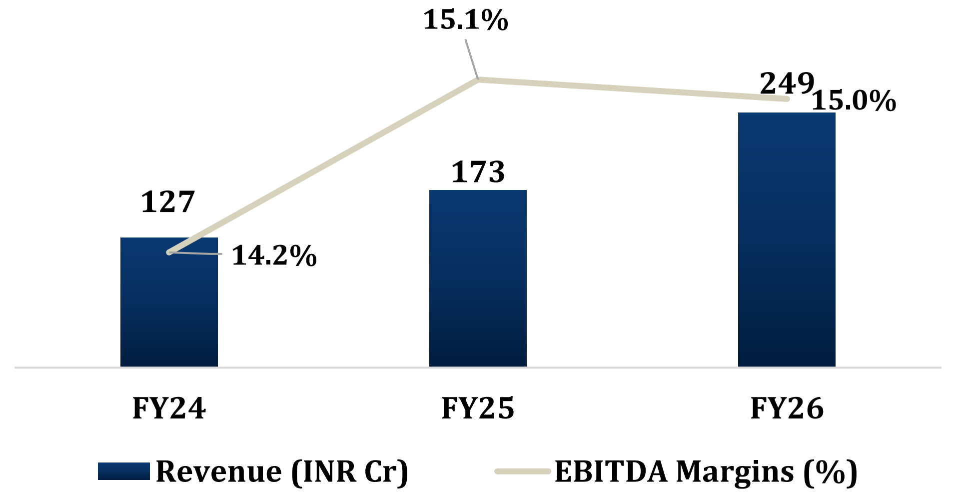
Mr. Yash Jhawar
Independent Director

- Background in Actuarial Science with strong analytical expertise
- ~3 years of experience as an Insurance and Investment Analyst

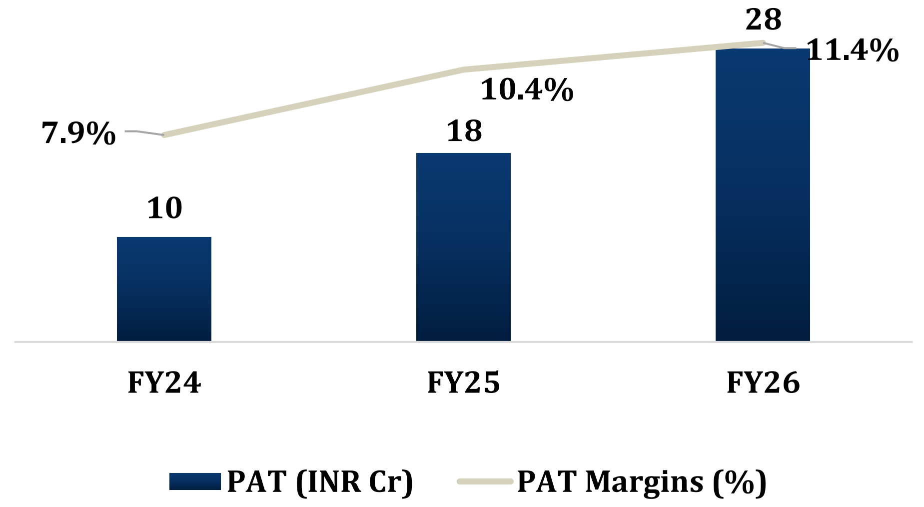
Execution led growth

Building a Scalable & Profitable Growth Franchise

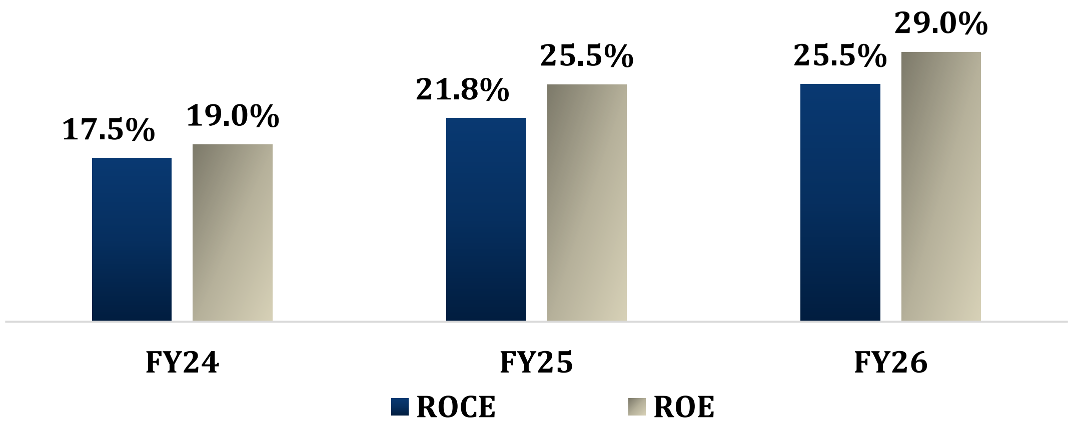
Delivering Growth with Margin Expansion



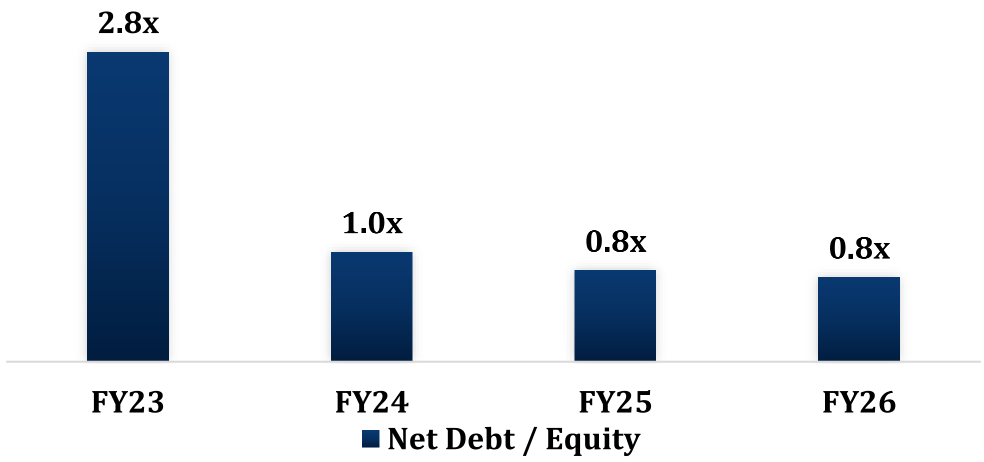
Strengthening Bottom Line Performance



Higher Capital Efficiency & Returns



Sharp Reduction in Leverage Levels



Timeline

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2008

Foundation Year

Started kidswear garment manufacturing operations in Howrah, West Bengal with a focus on quality and timely delivery.

2017

Formalisation as Karni International

Operations restructured under Karni International to streamline manufacturing and improve efficiency.

2022

Karnika Industries Limited Incorporated

Transitioned into a public limited company, marking the next phase of structured growth.

2023

IPO & NSE Emerge Listing

Successfully launched SME IPO - Funds utilized for debt reduction, working capital support, and modernization initiatives.

2024

Expansion, Automation & Export Growth

Installed automated machinery, implemented ERP systems, and initiated export operations.

2025

Acquired Kidcity Stake

Acquired a 75% controlling stake in Kidcity, a fast-growing D2C and omni-channel kidswear brand.

Bonus Issue Successfully completed a bonus share in the ratio of 1:4

Historical Statement of Profit & Loss

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Particulars (INR Cr)	FY23	FY24	FY25	FY26
Revenue from Operations	**125**	**127**	**173**	**248**
Cost of Goods Sold	62	65	96	165
Gross Profit	**63**	**62**	**77**	**84**
Gross Margin (%)	50.4%	49.1%	44.6%	33.6%
Employee Cost	6	7	6	8
Other Operating Expenses	41	38	45	39
EBITDA	**15**	**18**	**26**	**37**
EBITDA Margins (%)	12.2%	14.2%	15.1%	15.0%
Other Income	1	1	4	9
Interest	5	5	4	5
Depreciation	0	1	1	2
Profit Before Tax	**11**	**14**	**24**	**39**
Tax	3	3	6	10
Profit After Tax	**8**	**10**	**18**	**28**
PAT Margins (%)	6.6%	7.9%	10.4%	11.4%
Basic EPS	8.99	8.15	14.54	6.72
Diluted EPS	8.99	8.15	14.54	6.72

Historical Balance Sheet

Karnika®

Particulars (INR Cr)	FY 23	FY24	FY25	FY26
Shareholders' Fund				
Equity Share Capital	9	12	12	62
Reserves & Surplus	9	41	58	34
Non Controlling Interest	0	0	0	2
Total Equity	**18**	**53**	**71**	**98**
Non-current Liabilities				
Long term borrowings	0	2	1	1
Deferred Tax Liability (Net)	0	0	0	0
Long term provisions	0	0	0	0
Total Non-Current Liabilities	**0**	**2**	**1**	**1**
Current Liabilities				
Short term borrowings	52	50	59	75
Trade payables	26	13	21	34
Other current liabilities	2	1	2	7
Short term provisions	0	0	0	0
Total Current Liabilities	**80**	**65**	**82**	**116**
Total Equity and Liabilities	**98**	**120**	**154**	**215**

Particulars (INR Cr)	FY 23	FY24	FY25	FY26
Non-Current Assets				
Property, plant, equipment and intangible assets	2	5	7	6
Capital Work-in-progress	0	0	0	1
Goodwill	0	0	0	0
Non-Current Investments	0	0	9	20
Deferred tax assets (net)	0	0	0	1
Other Non-Current Assets	0	1	1	1
Total Non-Current Asset	**2**	**6**	**17**	**29**
Current Assets				
Inventories	49	48	50	58
Trade receivables	40	51	75	88
Cash and bank balances	2	12	0	0
Short term loans and advances	1	1	9	15
Other financial assets	0	0	1	22
Other current assets	5	3	2	2
Total Current Assets	**96**	**114**	**137**	**185**
Total Assets	**98**	**120**	**154**	**215**

Karnika®

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