

SRL:SEC:SE:2019-20/126

11 February, 2020

The Manager
Listing Department,
National Stock Exchange of India Limited
(Symbol: SPENCERS)
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (East),
Mumbai – 400 051

The General Manager
Department of Corporate Service,
BSE Limited
(Scrip Code: 542337)
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400 001

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata – 700 001

Dear Sir,

Sub: Investor Updates/Press Release on Unaudited Financial Results for the Quarter/Nine Months ended 31 December, 2019.

Pursuant to Regulation 30 of SEBI (LODR) Regulation, 2015, Please find annexed herewith a copy of the Investor Update/Press Release dated 11 February, 2020 on Unaudited Financial Results for the Quarter and nine months ended on 31 December, 2019.


We request you to make this information public by disclosing the same on your website.

The above information is also available on the website of the Company: www.spencersretail.com

Thanking you,

Yours faithfully,

For Spencer's Retail Limited


Rama Kant
Company Secretary
FCS-4818
Encl: as above



Spencer's Retail Limited

(Formerly Known as RP-SG Retail Limited)

Regd. Office: Duncan House, 1st Floor, 31, Netaji Subhas Road, Kolkata-700 001
Corporate Office : RPSG House, 3rd floor, 2/4 Judges Court Road, Mominpore, Kolkata-700 027
Tel: +91 33 2487 1091 Web: www.spencersretail.com
CIN: L74999WB2017PLC219355

Spencer's Retail Limited

Earnings Presentation – Q3 FY20

Key performance highlights

Scale

₹ 607 Cr.



Q3 FY20
Operating
Revenue

₹ 1,820 Cr.



9M FY20
Operating
Revenue

~ 0.25 lac sq. ft.



Trading Area
added during the
Q3 FY20

~ 0.64 lac sq. ft.



Trading Area
added during
9M FY20

3



of New Stores
opened during Q3
FY20

10



of New Stores
opened during
9M FY20.

Financial numbers are of Standalone Business.

Efficiency

>34%



Q3 FY20 Revenue
from Non-Food
Categories

>35%



9M FY20 Revenue
from Non-Food
Categories

21.1%



Q3 FY20
Gross Margin

21.1%



9M FY20
Gross Margin

(-) 0.8%



Q3 FY20 Q-o-Q
Sales Growth

9%



9M FY20 Y-o-Y
Sales Growth

Key performance highlights

For Q3FY20

- Revenue growth of **(-)0.8%** (QoQ)
- Gross Margin % stands at **21.1%**
- EBITDA of ₹ **24.7 Cr*** and PAT of ₹ **(-) 17.1 Cr***
- New **3** stores opened in Q3 FY20

For 9M FY20

- Revenue growth of **9%** (YoY)
- Gross Margin % stands at **21.1%**
- EBITDA of ₹ **82.8 Cr*** and PAT of ₹ **(-) 31.8 Cr***
- New **10** stores opened in 9M FY20

*Excluding the impact of IND AS 116, Standalone EBITDA and PAT for the quarter ended Dec 31, 2019 is ₹ (-)1.04 Cr and ₹(-) 13.61 Cr.

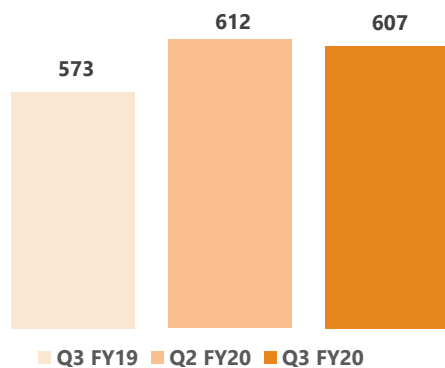
*Excluding the impact of IND AS 116, Standalone EBITDA and PAT for the period ended Dec 31, 2019 is ₹ 7.82 Cr and ₹ (-) 23.02 Cr.

Financial numbers are of Standalone Business.

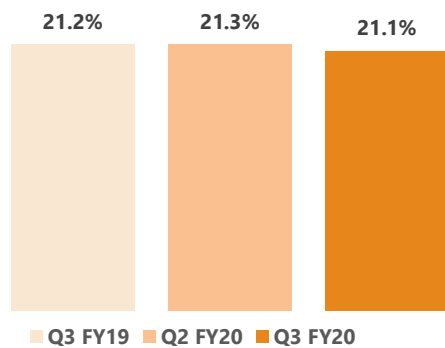
Financial Parameters FY20

Quarter

Revenue from Operation (₹ Cr)

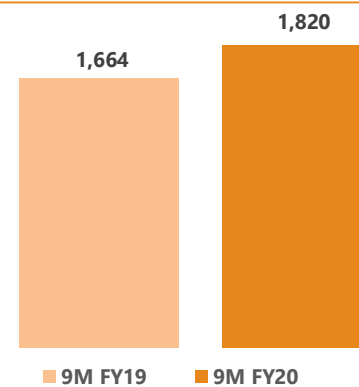


Gross Margin (%)

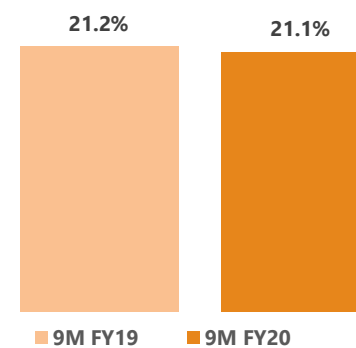


9 Months

Revenue from Operation (₹ Cr)



Gross Margin (%)

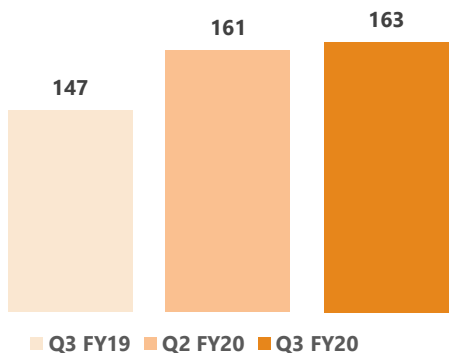


Financial numbers are of Standalone Business.

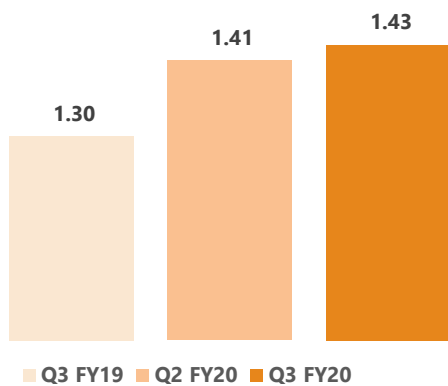
Operational Parameters FY20

Quarter

Store Count (Nos)



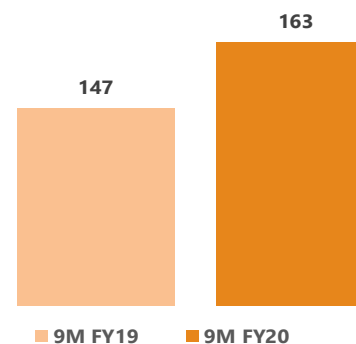
Trading Area (Mn Sq ft)



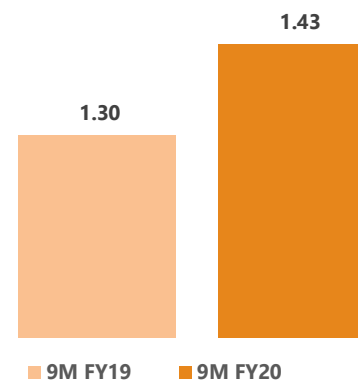
Financial numbers are of Standalone business.

9 Months

Store Count (Nos)

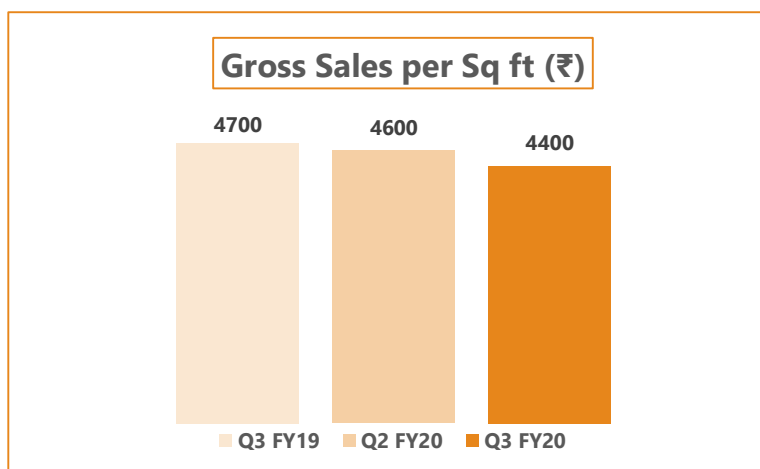


Trading Area (Mn Sq ft)



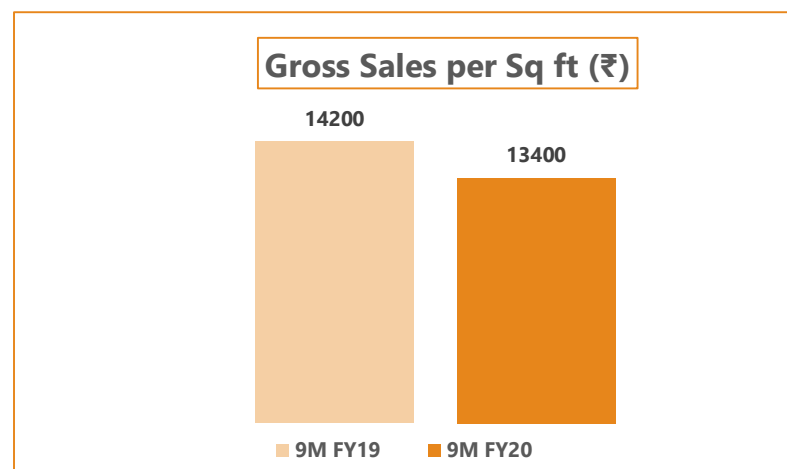
Operational Parameters FY20

Quarter



*Gross Sale includes Taxes
Gross Sales per sq ft calculated on Standalone basis for Quarter ended

9 Months



*Gross Sale includes Taxes
Gross Sales per sq ft calculated on Standalone basis for nine months ended

Standalone Financials – Profit & Loss

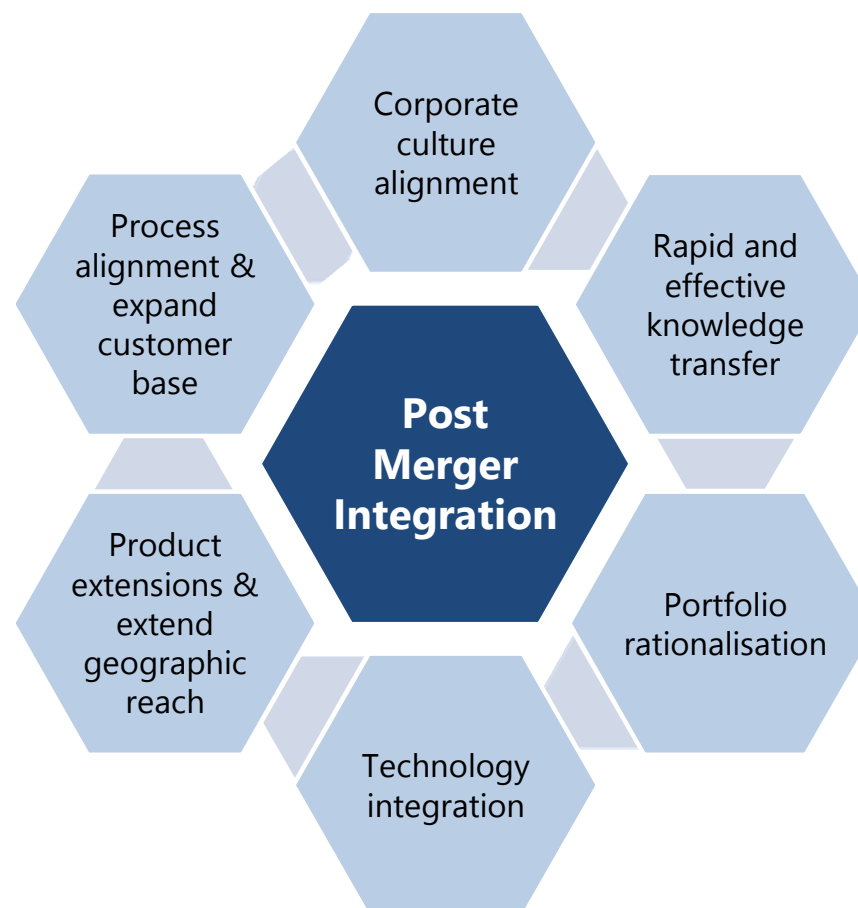
| 3 months ended | | | Growth | | Standalone (₹ Cr) | 9 months ended | |
|----------------|-----------|-----------|----------|---------|----------------------------|----------------|-----------|
| 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | Y-o-Y | Q-o-Q | | 31-Dec-19 | 31-Dec-18 |
| 3 | 3 | 9 | | | New Stores added | 10 | 19 |
| 163 | 161 | 147 | 11% | 1% | Total Store count | 163 | 147 |
| 0.25 | 0.23 | 0.53 | | | TA added (Lac sq.ft) | 0.64 | 1.37 |
| 14.29 | 14.06 | 12.97 | 10% | 2% | TA exit (Lac sq.ft) | 14.29 | 12.97 |
| 607.1 | 611.8 | 573.5 | 5.9% | -0.8% | Revenue from operations | 1,819.7 | 1,663.7 |
| 478.9 | 481.8 | 451.6 | 6% | -1% | Cost of Goods Sold | 1,435.7 | 1,310.4 |
| 128.2 | 130.0 | 121.9 | 5.2% | -1.4% | Gross Margin | 384.0 | 353.4 |
| 21.1% | 21.3% | 21.2% | -12 bps | -13 bps | Gross Margin % | 21.1% | 21.2% |
| 41.1 | 41.3 | 38.1 | 8% | 0% | Employee expenses | 120.8 | 112.5 |
| 69.3 | 68.1 | 80.2 | -14% | 2% | Other expenses | 199.0 | 229.4 |
| 6.9 | 2.3 | 6.8 | 1% | 195% | Other income | 18.6 | 19.9 |
| 24.72 | 23.06 | 10.34 | | | EBITDA | 82.80 | 31.36 |
| 4.1% | 3.8% | 1.8% | 227 bps | 30 bps | EBITDA % | 4.6% | 1.9% |
| 25.5 | 23.6 | 6.2 | | | Depreciation | 70.9 | 17.9 |
| 16.3 | 15.1 | 1.8 | | | Finance costs | 43.7 | 5.9 |
| (17.09) | (15.62) | 2.34 | -830% | 9% | PBT | (31.78) | 7.55 |
| -2.8% | -2.6% | 0.4% | -322 bps | -26 bps | PBT % | -1.7% | 0.5% |
| - | - | 0.9 | | | Tax Expenses | - | 2.4 |
| (17.09) | (15.62) | 1.46 | | | PAT | (31.78) | 5.15 |
| (0.4) | (0.4) | (0.4) | | | Other Comprehensive Income | (1.1) | (1.0) |
| (17.45) | (15.97) | 1.09 | | | Total Comprehensive Income | (32.85) | 4.17 |

*Excluding the impact of IND AS 116, Standalone EBITDA and PAT for the Quarter ended Dec 31, 2019 is ₹ (-)1.04 Cr and ₹ (-) 13.61 Cr.

*Excluding the impact of IND AS 116, Standalone EBITDA and PAT for the period ended Dec 31, 2019 is ₹ 7.82 Cr and ₹ (-) 23.02 Cr.

Business Integration underway

- Cultural integration
- Ensuring continuity of customer experience and business
- Store profitability actions
 - Shutdown of 3 Loss making stores
- Business synergies and cross synergies identification
- Supply Chain Opportunities
- SAP integration underway



Standalone Financials – Profit & Loss

Nature's Basket

| 3 months ended | | Growth | Standalone (₹ Cr) | For the period |
|----------------|--------------------------|----------|-----------------------------------|--------------------------|
| 31-Dec-19 | 5th Jul'19 - 30th Sep'19 | Q-o-Q | | 5th Jul'19 - 31st Dec'19 |
| - | - | | New Stores added | - |
| 33 | 36 | -8% | Total Store count | 33 |
| - | - | | TA added (Lac sq.ft) | - |
| 0.89 | 0.91 | -2.5% | TA exit (Lac sq.ft) | 0.89 |
| 94.4 | 87.9 | 7.4% | Revenue from operations | 182.4 |
| 72.3 | 72.5 | 0% | Cost of Goods Sold | 144.8 |
| 22.1 | 15.5 | 42.9% | Gross Margin | 37.6 |
| 23.4% | 17.59% | 581 bps | Gross Margin % | 20.6% |
| 8.5 | 9.5 | -11% | Employee expenses | 18.0 |
| 16.3 | 27.6 | -41% | Other expenses | 43.9 |
| 0.2 | 0.2 | 15% | Other income | 0.4 |
| (2.46) | (21.38) | | EBITDA | (23.84) |
| -2.6% | -24.31% | 2171 bps | EBITDA % | -13.1% |
| 7.5 | 9.4 | | Depreciation | 16.9 |
| 6.1 | 6.2 | | Finance costs | 12.3 |
| (16.12) | (36.92) | -56% | PBT | (53.04) |
| -17.1% | -41.98% | 2491 bps | PBT % | -29.1% |
| (16.12) | (36.92) | | PAT | (53.04) |
| 0.1 | 0.1 | | Other Comprehensive Income | 0.2 |
| (16.06) | (36.80) | | Total Comprehensive Income | (52.86) |

* Excluding the impact of INDAS 116, EBITDA and PAT for the quarter ended Dec 31, 2019 is (-) ₹ 9.70 cr and (-) ₹15.02 cr.

* Excluding the impact of INDAS 116, EBITDA and PAT for the period ended Dec 31, 2019 is (-) ₹ 38.89 cr and (-) ₹51.06 cr.

Consolidated Financials – Profit & Loss

| 3 months ended | | | Growth | | Consolidated (₹ Cr) | 9 months ended | |
|----------------|-----------|-----------|----------|--------|----------------------------|----------------|-----------|
| 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | Y-o-Y | Q-o-Q | | 31-Dec-19 | 31-Dec-18 |
| 699.8 | 699.5 | 573.5 | 22.0% | 0.0% | Revenue from operations | 2,000.0 | 1,663.7 |
| 549.4 | 548.5 | 451.6 | | | Cost of Goods Sold | 1,573.0 | 1,310.4 |
| 150.4 | 150.9 | 121.9 | 23.4% | -0.4% | Gross Margin | 427.1 | 353.4 |
| 21.5% | 21.6% | 21.2% | 24 bps | -9 bps | Gross Margin % | 21.4% | 21.2% |
| 51.2 | 52.5 | 39.6 | 29% | -2% | Employee expenses | 143.6 | 116.6 |
| 86.9 | 84.3 | 80.2 | 8% | 3% | Other expenses | 234.5 | 229.6 |
| 7.2 | 2.5 | 6.9 | 4% | 187% | Other income | 19.0 | 20.3 |
| 19.46 | 16.66 | 9.00 | | | EBITDA | 67.98 | 27.44 |
| 2.8% | 2.4% | 1.6% | 121 bps | 40 bps | EBITDA % | 3.4% | 1.6% |
| 35.2 | 33.2 | 6.4 | | | Depreciation | 90.5 | 18.6 |
| 23.8 | 23.0 | 1.8 | | | Finance costs | 59.0 | 5.9 |
| (39.50) | (39.56) | 0.77 | | | PBT | (81.52) | 2.96 |
| -5.6% | -5.7% | 0.1% | -578 bps | 1 bps | PBT % | -4.1% | 0.2% |
| - | - | 0.9 | | | Tax Expenses | - | 2.4 |
| (39.50) | (39.56) | (0.11) | | | PAT | (81.52) | 0.56 |
| (0.3) | (0.2) | (0.4) | | | Other Comprehensive Income | (0.9) | (0.9) |
| (39.80) | (39.80) | (0.48) | | | Total Comprehensive Income | (82.42) | (0.38) |

*Excluding the impact of IND AS 116, Consolidated EBITDA and PAT for the quarter ended Dec 31, 2019 is ₹ (-) 13.54 Cr and ₹(-) 32.26 Cr.

*Excluding the impact of IND AS 116, Consolidated EBITDA and PAT for the period ended Dec 31, 2019 is ₹ (-) 22.05 Cr and ₹ (-) 65.60 Cr.

Thank You

About Spencer's Retail Limited: Spencer's Retail Limited, part of RP-Sanjiv Goenka Group, is a multi-format retailer providing a wide range of quality products across categories such as FMCG, fashion, food, staples, general merchandise, personal care, home essentials, electrical and electronics to its consumers. specialty sections such as Spencer's Gourmet, Patisserie, Wine & Liquor and Epicuisine section are some of the key differentiators in our hypermarket stores. The first ever hypermarket in India was launched by Spencer's in Hyderabad in 2000. Today, Spencer's (including Nature's Basket) runs 196 stores with a total 15.2 Lacs Square Feet in over 42 cities in India. Spencer's brand positioning – **MAKES FINE LIVING affordable** – embodies its philosophy of delighting shoppers with the best products and services that enable a fine living at reasonable prices, while providing them with a warm, friendly and educational retail environment.

Disclaimer: Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Spencer's Retail Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Q3 FY20 – Highlights: Revenue from Operations at ₹ 700 Crore (22% YoY growth); Gross Margin stands at 21.5% (21.2% in Q3FY19); Opened 3 new stores of Spencer's. Standalone basis Spencer's Revenue from Operations grew 6% YoY.

Kolkata: February 11, 2020: Spencer's Retail Ltd reported turnover of ₹ 607 crore and Gross Margin of 21.1% for quarter ended December 31, 2019.

As on December 31, 2019 the total number of stores has increased to 163 from 147 stores as on December 31, 2018. During the quarter the Company has added 3 stores into its existing cluster. The Company's total trading area has also increased to 14.29 Lacs square feet as on December 31, 2019, from 12.97 Lacs square feet as on December 31, 2018.

Natures Basket Ltd reported turnover of ₹ 94 crore with total 33 stores having trading area of 0.89 Lacs square feet as on December 31, 2019.

Unaudited Consolidated Financial Results for the quarter ended December 31, 2019:

- ✓ **Revenue from Operations** for the quarter ₹ 700 Cr
- ✓ **Gross Margin** for the quarter ₹ 150 Cr at 21.5%
- ✓ Positive **EBITDA ₹ 19.46 Cr***
- ✓ **PAT (-) ₹ 39.50 Cr***

*Excluding the impact of IND AS 116, EBITDA and PAT for the quarter ended December 31, 2019 is (-) ₹ 13.54 Cr and (-) ₹ 32.26 Cr respectively.

Mr. Shashwat Goenka, Sector Head, said, "We continue to remain focused on our long term strategy which have helped us to deliver resilient performance during the quarter. Business Integration is still underway for Natures Basket Limited and we have started witnessing signs of its initial synergies with Spencers Retail Limited."

Completed the acquisition of Natures Basket Limited on July 4, 2019 from Godrej Industries Limited. Natures Basket Limited has 33 stores in the western part of India including prime locations in Mumbai, Pune and Bengaluru. This acquisition will help us unlock synergy and will give us access to the western India market.

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