

SRL:SEC:SE:2020-21/18

29 June, 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
(Scrip Code: 30028)
7, Lyons Range
Kolkata – 700 001

Dear Sir,

Sub: Investor updates/press release on audited financial results for the quarter/year ended 31 March, 2020.

Pursuant to Regulation 30 of SEBI (LODR) Regulation, 2015, Please find annexed herewith a copy of the Investor update / press release dated 29 June, 2020 on audited financial results for the quarter and year ended on 31 March, 2020.

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

Spencer's Retail Limited

Earnings Presentation – Q4 FY20

Key performance highlights

Scale

₹ 554 Cr.



**Q4 FY20
Operating
Revenue**

₹ 2,373 Cr.



**12M FY20
Operating
Revenue**

~ 0.02 lac sq. ft.



**Trading Area
added during the
Q4 FY20**

~ 0.66 lac sq. ft.



**Trading Area
added during
12M FY20**

1



**# of New Stores
opened during Q4
FY20**

10



**# of New Stores
opened during
12M FY20.**

Efficiency

>34%



**Q4 FY20 Revenue
from Non-Food
Categories**

>35%



**12M FY20
Revenue from
Non-Food
Categories**

21.2%



**Q4 FY20
Gross Margin**

21.1%



**12M FY20
Gross Margin**

5.8%



**Q4 FY20 vs Q4
FY19
Sales Growth**

8.5%



**12M FY20 vs 12M
FY19 Sales
Growth**

Financial numbers are of Standalone Business.

For Q4 FY20

- Revenue growth of **5.8%** Q4 FY20 vs Q4 FY19
- Gross Margin % stands at **21.2%**
- EBITDA of ₹ **26.01 Cr** and PAT of ₹ **(-)25.24 Cr**
- New **1** stores opened in Q4 FY20

For 12M FY20

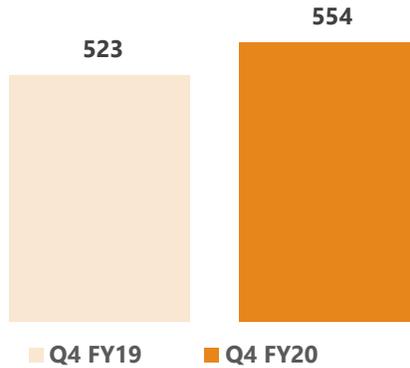
- Revenue growth of **8.5%** 12M FY20 vs 12M FY19
- Gross Margin % stands at **21.1%**
- EBITDA of ₹ **108.81 Cr** and PAT of ₹ **(-)57.02 Cr**
- New **10** stores opened in 12M FY20

Financial numbers are of Standalone Business.

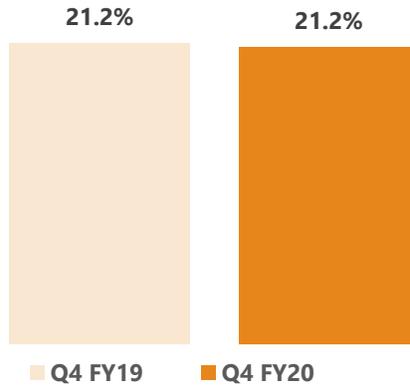
Financial Parameters FY20

Quarter

Revenue from Operation (₹ Cr)

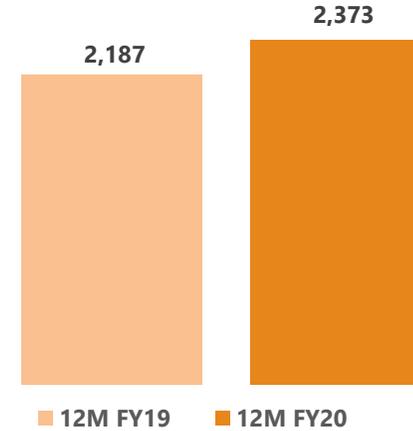


Gross Margin (%)

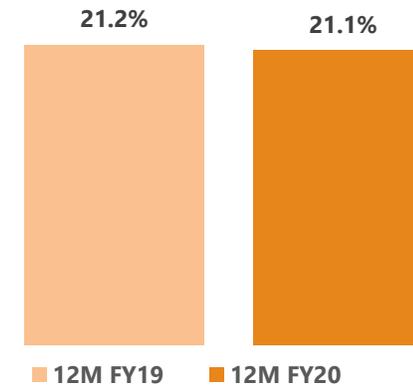


12 Months

Revenue from Operation (₹ Cr)



Gross Margin (%)



Financial numbers are of Standalone Business.

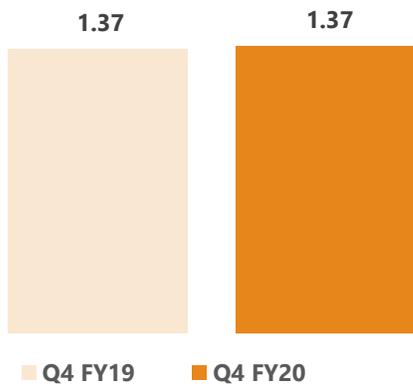
Operational Parameters FY20

Quarter

Store Count (Nos)

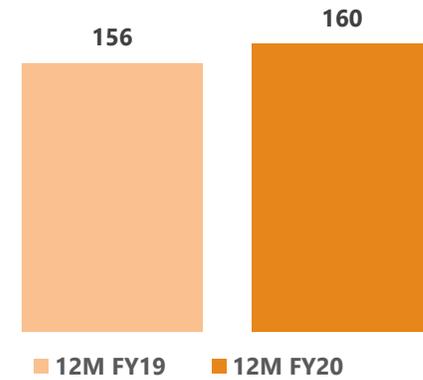


Trading Area (Mn Sq ft)



12 Months

Store Count (Nos)



Trading Area (Mn Sq ft)

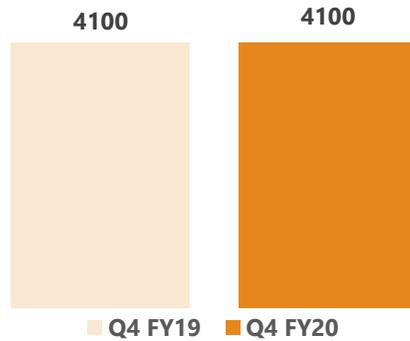


Financial numbers are of Standalone business.

Operational Parameters FY20

Quarter

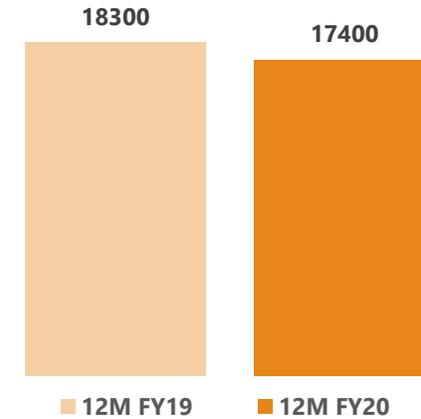
Gross Sales per Sq ft (₹)



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

12 Months

Gross Sales per Sq ft (₹)



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

Standalone Financials – Profit & Loss

3 months ended		Growth	Standalone (₹ Cr)	12 months ended	
31-Mar-20	31-Mar-19	Y-o-Y		31-Mar-20	31-Mar-19
1	10		New Stores added	10	29
160	156	3%	Total Store count	160	156
0.02	0.70		TA added (Lac sq.ft)	0.66	2.08
13.73	13.69	0%	TA exit (Lac sq.ft)	13.73	13.69
553.6	523.5	5.8%	Revenue from operations	2,373.3	2,187.2
436.5	412.3	6%	Cost of Goods Sold	1,872.1	1,722.7
117.1	111.2	5.3%	Gross Margin	501.2	464.5
21.2%	21.2%	-8 bps	Gross Margin %	21.1%	21.2%
39.8	29.6	34%	Employee expenses	160.6	142.1
62.3	79.1	-21%	Other expenses	261.3	308.5
11.0	7.9	40%	Other income	29.6	27.8
26.01	10.37		EBITDA	108.81	41.73
4.7%	2.0%	272 bps	EBITDA %	4.6%	1.9%
34.1	6.7		Depreciation	105.0	24.6
17.2	1.5		Finance costs	60.9	7.5
(25.24)	2.18	-1258%	PBT	(57.02)	9.73
-4.6%	0.4%	-498 bps	PBT %	-2.4%	0.4%
-	(0.6)		Tax Expenses	-	1.8
(25.24)	2.79		PAT	(57.02)	7.94
(0.4)	(0.5)		Other Comprehensive Income	(1.4)	(1.4)
(25.59)	2.34		Total Comprehensive Income	(58.44)	6.51

3 months ended			Growth	Standalone (₹ Cr)	For the period
31-Mar-20	31-Dec-19	5th Jul'19 - 30th Sep'19	Q-o-Q		5th Jul'19 - 31st Mar'20
-	-	-		New Stores added	-
31	33	36	-6%	Total Store count	33
-	-	-		TA added (Lac sq.ft)	-
0.88	0.89	0.89	-1.5%	TA exit (Lac sq.ft)	0.88
86.3	94.4	87.9	-8.6%	Revenue from operations	268.7
63.5	72.3	72.5	-12%	Cost of Goods Sold	208.3
22.8	22.1	15.5	3.1%	Gross Margin	60.4
26.4%	23.41%	17.59%	300 bps	Gross Margin %	22.5%
6.3	8.5	9.5	-25%	Employee expenses	24.3
16.0	16.3	27.6	-2%	Other expenses	59.9
1.1	0.2	0.2	396%	Other income	1.6
1.62	(2.46)	(21.38)		EBITDA	(22.22)
1.9%	-2.61%	-24.31%	448 bps	EBITDA %	-8.3%
12.0	7.5	9.4		Depreciation	28.8
6.0	6.1	6.2		Finance costs	18.3
(16.28)	(16.12)	(36.92)	1%	PBT	(69.32)
-18.9%	-17.07%	-41.98%	-179 bps	PBT %	-25.8%
(16.28)	(16.12)	(36.92)		PAT	(69.32)
0.6	0.1	0.1		Other Comprehensive Income	0.8
(15.64)	(16.06)	(36.80)		Total Comprehensive Income	(68.50)

We have completed the integration of Natures Basket limited with Spencer's and the synergy will start reflecting from Q1FY21

Consolidated Financials – Profit & Loss

3 months ended		Growth	Consolidated (₹ Cr)	12 months ended	
31-Mar-20	31-Mar-19	Y-o-Y		31-Mar-20	31-Mar-19
640.1	523.5	22.3%	Revenue from operations	2,640.1	2,187.2
500.2	412.3		Cost of Goods Sold	2,073.1	1,722.7
139.9	111.2	25.8%	Gross Margin	566.9	464.5
21.9%	21.2%	62 bps	Gross Margin %	21.5%	21.2%
47.8	31.0	54%	Employee expenses	191.3	147.6
83.8	78.5	7%	Other expenses	318.3	308.0
12.9	7.9	63%	Other income	31.8	28.2
21.15	9.62		EBITDA	89.13	37.06
3.3%	1.8%	147 bps	EBITDA %	3.4%	1.7%
47.7	6.9		Depreciation	138.2	25.4
22.9	1.5		Finance costs	82.0	7.5
(49.45)	1.22		PBT	(130.97)	4.18
-7.7%	0.2%	-796 bps	PBT %	-5.0%	0.2%
(0.2)	(0.6)		Tax Expenses	(0.2)	1.8
(49.26)	1.83		PAT	(130.78)	2.39
0.3	(0.5)		Other Comprehensive Income	(0.6)	(1.4)
(48.95)	1.38		Total Comprehensive Income	(131.37)	1.00

*Natures Basket Limited was acquired in July'2019 hence the Financials of period ended Mar'20 are not comparable with previous year

Consolidated (₹ Cr)	As at	
	31-Mar-20	31-Mar-19
A) Assets		
Assets	1,279	599
Inventories	248	270
Total Assets	1,527	869
B) Equity & Liabilities		
Equity	274	548
Other Liabilities	946	53
Trade Payables (Net)	308	267
Total Equity & Liabilities	1,527	869

Natures Basket Limited was acquired in July'2019 hence the Financials of period ended Mar'20 are not comparable with previous year

Our COVID Response

Business Continuity

1. Ensured safe and hygiene environment for employees and customers
2. No Mask No Entry, Social distancing, Thermal screening & frequent sanitization

OMNI Channel Ecommerce

1. Leveraged E commerce channel for ease ordering & wider reach
2. Store as a platform; Scaled multi channel out of store business

Value partnership & operations

1. Strategic partnership with Uber, Swiggy, Rapido & etc.
2. Modified back end operations to enable 'Out Of Store' initiatives

Improving cost structure & managing liquidity

1. Transforming cost structures & various cost savings initiatives
2. Managing cash flows by efficient working capital

Durable during tough times

1. Enhanced outreach to potential customers through social media platform
2. Being part of the community via hyper local



Embracing the new normal



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 and in Natures basket limited L'exclusif, healthy alternatives and Natures.

The first ever hypermarket in India was launched by Spencer's in Hyderabad in 2000. Today, Spencer's (including Nature's Basket) runs 193 stores with a total 14.6 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.

Q4 FY20 – Highlights: Consolidated Revenue from Operations at ₹ 640 Crore; Gross Margin stands at 21.9% (21.2% in Q4FY19).

On a Standalone basis, Spencer's Q4'20 Revenue from Operations grew 5.8% YoY.

Kolkata: June 29, 2020: Spencer's Retail Ltd reported standalone turnover of ₹ 554 crore and Gross Margin of 21.2% for quarter ended March 31, 2020. During the quarter, the Company has added 1 store.

On full year basis, the Company's total trading area has increased to 13.73 Lacs square feet as on March 31, 2020, from 13.69 Lacs square feet as on March 31, 2019. The company opened 10 new stores during the year and net of closures, the total number of stores has increased to 160 as on March 31, 2020 from 156 stores as on March 31, 2019.

Natures Basket Ltd reported turnover of ₹ 86 crore in Q4'20 with total 33 stores having trading area of 0.88 Lacs square feet as on March 31, 2020.

Audited Consolidated Financial Results for the quarter ended March 31, 2020:

- ✓ **Revenue from Operations** for the quarter ₹ 640 Cr
- ✓ **Gross Margin** for the quarter ₹ 140 Cr at 21.9%
- ✓ Positive **EBITDA** ₹ 21.15 Cr
- ✓ **PAT (-)** ₹ 49.26 Cr

Audited Consolidated Financial Results for the period ended March 31, 2020:

- ✓ **Revenue from Operations** for the quarter ₹ 2640 Cr
- ✓ **Gross Margin** for the quarter ₹ 567 Cr at 21.5%
- ✓ Positive **EBITDA** ₹ 89.13 Cr
- ✓ **PAT (-)** ₹ 130.78 Cr

Mr. Shashwat Goenka, Sector Head, said, "For the financial year 2019-20, we have grown by 8.5% on a standalone basis despite headwinds in the retail industry. Our endeavour is to continuously build Spencer's as a truly Omni channel business using our stores as the hubs, giving our customers the best experience. We have also successfully completed the integration of Natures Basket Limited and we will start witnessing synergies in the coming months"

The outbreak of COVID-19 has taken the entire globe by storm and has forced all the organisation's to take measures towards this unprecedented period. Investments which we had made over the years in building our stores both at Spencer's & Natures Basket with safe and hygienic environment has helped us in this pandemic.

During the lockdown period all of our Stores were fully operational (to the extent permitted) and we were selling only essential items complying with all the requisite orders of the government on due time. Our revenues from non-food merchandise (Apparel, General Merchandise and Electricals & Electronics) has been adversely affected which have impacted our gross margins and EBITDA disproportionately.

We have taken several measures to mitigate the risk quickly arising with the crisis. Some of them are:

1. Ensured safety for employees & customers by training social distancing to staff & providing free masks to customers not wearing one in-store
2. Motivated & incentivized employees by arranging passes and hired vehicles to commute staff
3. Safeguarded supply side continuity with proactive and non-stop measures by establishing early communications with manufacturers & distributors.
4. Actively managed truck delivery operations by working with local government officials
5. Unified focus on Digital which has helped us to expand our reach
6. Transforming our cost structures and other cost savings initiatives to generate adequate liquidity

Our customer value proposition across segments offers wide range of assortments in hygienic environment along with our various initiatives including "Out of Store' delivery, "Stores as back-end for online delivery" will help us combat this severe economic disruption.

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