

Bata India Announces Q4 and FY19-20 Annual Results; Revenue up by 4% on annual basis

New Delhi, 25th May 2020: Bata India – India’s leading footwear brand – has declared its audited Q4 and FY2019-2020 Annual Results. The Company reported Rs 6197 million in net sales and Rs 574 million in profit before tax for the last quarter of the year, a drop of 9% and 45% respectively vs corresponding quarter year ago. The decline is primarily attributed to the severe disruption in operations caused by lockdown due to the COVID 19 Pandemic.

Highlights of FY2019-2020

- 80% Dividend declared Rs 4 per equity share
- Revenue from operations increased 4%
- Gross Margin up 140 bps
- Comparable Profit before tax (Without impact of Ind AS – 116) up 4%

This year’s growth can be credited to Bata India’s continuous focus on strengthening its product portfolio, innovation and design, new store openings and renovation, enhancing customer experience as well as new marketing campaigns. The Company also bolstered its omni-channel home delivery offerings in 900+ stores, increasing its pan-India footprint. This was also supported by growth in Franchisee and Distribution business channels on the back of investments made in previous quarters in people, product and infrastructure. To offer category-leading experiences, Bata opened multiple “Experience Centers” offering services like 360 foot-scanning, customized insoles, medicated pedicure and shoe laundry.

Bata has been driving its impetus of emerging as an agile, sought-after, millennial-friendly brand. To further promote the brand’s fashion-forward narrative, Bata collaborated with Lakme Fashion Week 2020 as their showcase partner. Bata’s annual Power Fitness Challenge resonated well with customers, logging over 28,000 participants from more than 600 cities throughout India.

Ashwani Windlass, Chairman – Bata India Limited added: *“Bata results are impressive given the context we are in today. The management has taken a series of steps to safeguard and re-open the business, as lockdown continues. These include safety norms for customers & employees, remaining agile in areas of supply chain & manufacturing partners and evolving to a portfolio that is relevant in today’s times.*

As India’s most loved footwear brand, we at Bata also feel responsible towards all our stakeholders including the communities in which we operate. This is why the Bata India has committed to donate 2 lakh pairs of shoes to health care workers, volunteers and their families, the front-liners fighting the Covid-19 with admirable courage and dedication every day. Globally, Bata will donate 1 Mn pairs of shoes. Bata India employees through its ‘Bata Heroes’ initiative, have been working with its government officials and other organizations to respond to the COVID-19 pandemic with donations in areas of PPE equipment like masks, face shields & food packets.”

Sandeep Kataria, CEO – Bata India Limited, stated: *“It is gratifying that despite of closure of our retail outlets due to the lockdown, we were able to close the year with turnover & profit growth. This was possible on account of focus on diversification of product portfolio, consumer-centric campaigns, new & franchise store openings, non-retail and digital businesses. Given the ongoing crisis, we are expanding our e-commerce footprint via ramping our presence in online marketplaces allowing delivery in over 1300 cities, rolling out home delivery across 900+ stores and giving customers the option to shop from homes via WhatsApp chat with our neighborhood stores. While re-opening our stores, customer safety comes first and we are ensuring adherence to a safety checklist with over 20+*

points in all our stores on a daily basis. We have already supplied sanitizers, gloves, masks, dispensers and quarantine boxes for shoes to all our stores. The long-term sustainability of an organization like Bata starts with its employees. We are not only ensuring their well-being but also continuing to retain all our employees and ensuring timely payments of salaries. While the pandemic will have an impact on consumer behavior and demand, we believe brands such as Bata are strong trust marks and with the investment in our quality over the years and safety in stores to build confidence, we will gain share as consumers tend to avoid risk post the crisis.”

Way Forward

Adhering to the government’s guidelines, Bata initiated the reopening of its retail stores as per government-laid safety guidelines. Leveraging global practices from its network across multiple markets, Bata has curated a detailed store reopening manual, which was translated into 11 regional languages for easy understanding of staff and customers. We are following a 20+ point checklist to ensure safety of its customers, staff and stores by equipping its stores with sanitizers, gloves, masks, dispensers and quarantine boxes for shoes.

As the market leader, Bata is closely working with CFLA & RAI to take up industry-relevant issues like rentals, safety of customers and retailers’ needs. In parallel, it is working on various cost-optimization measures including rentals renegotiation, closure of unviable stores and digitalization drive across the organization etc. to eliminate redundancies and bring efficiency in value chain.

Financial Highlights

(Amount in Rs. million)

	Year ended 31 st March 2020	Year ended 31 st March 2019	Increase/(Decrease)%
Revenue from Operations	30,535	29,284	4%
Profit before Tax	4,851	4,783	1%

(Amount in Rs. million)

	Quarter ended 31 st March 2020	Quarter ended 31 st March 2019	Increase/(Decrease)%
Revenue from Operations	6,197	6,794	(9%)
Profit before Tax	574	1,052	(45%)

Bata had good growth of ~8% (Jan & Feb 2020) before the pandemic forced closure of stores in Mid March resulting in a decline for the quarter.

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About BATA

Bata

Bata has held a unique place in the hearts of Indians for more than 85 years. Probably the only footwear brand that offers footwear and accessories for the entire family, Bata has redefined the modern footwear industry in India. It has established a leadership position in the industry and is the most-trusted name in branded footwear. It sells more than 47 million pairs of footwear every year and serves 120,000-plus customers almost every day.

Bata India is the largest footwear retailer in India, offering footwear, accessories and bags across brands such as Bata, Hush Puppies, Naturalizer, Power, Marie Claire, Weinbrenner, North Star, Scholl, Bata Comfit and Bubblegummers, to name a few. It retails in more than 1,400 Bata stores, on bata.in and in thousands of multi-brand footwear dealer stores pan-India.

For more information on Bata India, please visit www.bata.in