

Bata India announces Q2 results, shows signs of recovery

New Delhi, 10 November 2020: Footwear major Bata India Limited today announced results for the quarter ended 30 September 2020. Revenue from operations for the quarter stood at Rs. 3679 million showcasing steady signs of a steady recovery after a dull first quarter. The net loss stood at Rs. 444 million, as against a loss of Rs. 1011 million in the previous quarter ended 30th June 2020 .

Since the opening up of the economy in June, the Company has continued its multiple measures to ensure customer safety, consumer relevant communication, product availability and drive channel expansion. All these have resulted in a consistent increase in footfalls across its retail outlets, along with growth seen via e-commerce platforms, expansion drive in smaller towns in Tier 3-5 and newly launched channels – Bata ChatShop and Bata Store-on-Wheels. However, the prevailing uncertainties continue to subdue the consumer demand for discretionary spends.

The Company continued to optimize its retail network and look for cost-savings across rentals & operations, manufacturing and drive efficiencies in its value chain. All the cost-focused initiatives that have been put in place across multiple work streams will continue to have long-term visible impact on the results, post-pandemic as well.

Sandeep Kataria, CEO – Bata India Limited, stated: *“We moved from revival to revitalization phase of our strategy. In this quarter, as all the stores opened-up gradually, we continued keeping safety of our customers & employees in mind. We focused on scaling up our presence in online marketplaces with an expanded range, scaling our own channel bata.in and our new digital channels such as ‘Bata ChatShop’, ‘Bata Home Delivery’ & ‘Bata Store-on-Wheels’ mobile kiosk to reach out to a wider customer base. On the physical stores, we expanded our reach in smaller towns by opening our 200th Franchise store, ensuring availability in multi-brand outlets via Distribution channel and also optimizing our network in the cities. Along with channel expansion initiatives, we continued our strong focus on cost-savings measures across our network, controlling discretionary spends and enhancing productivity. These measures have laid the foundation that will help us capture the emerging consumer demand. With the festive season underway, we launched our first major campaign of the year – ‘Kick Out 2020’ – along with our new collection, ‘Ready Again’ which is resonating well with consumers. As we inch back to a semblance of normalcy, we are mindful that this is going to be a slow & steady recovery. Therefore, innovation via agile product creation, introducing new emerging digital channels, expansion in Tier3-5 towns, and cost-saving digitalization will continue to be a priority”*

Showcasing its resilience in the most trying times, Bata India has rolled out a slew of measures to revive and revitalize growth. The brand has scaled up its digital initiatives by widening its portfolio on the website, bata.in, while also strengthening its presence across online marketplaces. With the launch & scaling up of three new hyper-local digital channels – Bata ChatShop, Bata Store-on-Wheels and Bata Home Delivery – the brand has been successful in reaching out to a wider audience and winning their trust.

Bata has witnessed increasing demand in semi-urban areas and has accordingly responded by opening up its 200th Franchise store at Tenali, Andhra Pradesh, a small town in Guntur district with 1.6 lakh population. As the demand was stronger in Tiers 2-5, given relatively lesser impact of pandemic, Bata also leveraged

the opportunity to expand its presence via Distributor-led Multi-brand outlets route. Today the brand is getting distributed in over 30,000 MBO's.

Other Key Highlights:

- New-launched digitally-enabled channels like Bata ChatShop, Bata Home Delivery and Bata Store on Wheels contribute over 10% of store revenues. These new channels allow customers to shop remotely from neighbourhood stores over WhatsApp, get a product home delivered if not available in the visited store and invite Bata to set-up a 'mobile kiosk' in their Condominiums displaying a curated selection & tablets allowing ordering from a wider assortment respectively.
- Portfolio mix evolved from Formals & Fashion categories to Casuals, Fitness, & Essential categories covering comfortable sneakers, open & sandals styles. This has led to faster pick up in volume growth that is currently leading value growth.
- Expansion across all leading marketplaces with full range & assortment, powered via Omni-channel technology; the orders being delivered from select nearby retail stores, thereby increasing their productivity. Bata.in continue to witness increasing demand & sales, driven by better assortment and conversion.
- Bata continued to scale its CSR efforts to benefit local communities. Key highlights:
 - 1Million shoe global donation drive: Committed to recognize frontline heroes (medical workers and their families), Bata India has donated more than 70,000 footwear till now in more than 20 cities across India with a target to donate 2 lkh by end of financial year.
 - For frontline heroes like Police, Government officials, ESI hospitals near its manufacturing units and regional offices, Bata distributed about 50,000 safety items consisting of masks, face-shields, hygiene kits (sanitizers, masks, gloves) & immunity booster kits
 - BCP (Bata Children's Programme): Over a lakh meals were distributed to the underprivileged families and children; virtual education sessions enabled by technology helped children from the BCP schools to continue their studies.
 - Donated over Rs 13 lakh towards PM COVID Relief Fund

Business results:

Amount in Rs. million

Particulars	Quarter ended September 2020	Quarter ended June 2020	Improvement over last quarter
Revenue from Operations	3,679	1,348	2,331
Profit/(loss) after tax	(444)	(1,011)	567

About 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.