

Press Release for Immediate Distribution

Sales soar 35% YoY to Rs. 1070 Cr, returns to profitability and net debt to zero

Q3FY22 Performance Highlights

1. Business recovery continues with easing of mobility restrictions and consumers returning to stores
 - a) Strong sales rebound and revenue improves by 35% year-on-year to Rs.1070 Crores in Q3FY22, close to pre-covid levels
 - b) Private Brands revenue grows by 32% year-on-year
 - c) Beauty Segment revenue up by 40% year-on-year
 - d) First Citizen sales contribution from the offline channel at 72% and online at 42%
 - e) Personal Shoppers contribution at 10%
2. Earnings before interest, tax, depreciation and amortization (EBITDA), up by 57% to Rs.197 Crores while the gross margin grows by 170 basis points to 36%.
 - a) EBITDA performance driven by robust demand recovery and tight control on costs
 - b) E-commerce sales continues to grow rapidly, up by 39%
3. Investments continue for new stores and renovations with a capex of Rs.55 crores
 - a) Operating expenditure of Rs. 40 Crores for Omnichannel
 - b) 5 new stores opened
4. Back to Net Debt Free

Financial Performance

The Board of Directors of Shoppers Stop Limited (NSE: SHOPERSTOP | BSE: 532638), at its meeting today, approved the results for the quarter ended 31st December 2021. These are the financials, after factoring in necessary adjustments under Ind AS 116.

Rs. In Crs.	GAAP			NON-GAAP		
	Q3FY22	Q3FY21	Growth%	Q3FY22	Q3FY21	Growth%
Sales	1070	794	35%	1,190	885	34%
Gross Margin	387	273	+ 170 bps	392	275	+180 bps
EBITDA	197	126	57%	100	21	380%
PAT	50	(21)	-	47	(21)	-

Mr. Venu Nair, MD & CEO at Shoppers Stop, said, "We are witnessing positive signs from a strategy that we initiated in the last 2 years. As the fashion and beauty retail is seeing encouraging early trends from the Wardrobe Reboot, we are rightly poised to capture the pent-up demand. Customer sentiments are extremely positive owing to the double vaccination, lesser restrictions and an overall improvement in safety protocols, leading to increased customer footfalls for us."

"The Company has seen a sustained demand during the festive period and the marriage season in October and November. We have witnessed a high customer spend and a higher Average Transaction Value (ATV). While Omnichannel is here to stay, our present online contribution gives us immense headroom to grow," he added.

Each of our strategic pillars posted an encouraging performance:

- **First Citizen** Loyalty Customers continued to demonstrate a strong growth trajectory, with offline accounting for 72% of sales and online 42% (up by 160 bps). First Citizen Black Card Customers segment performed exceptionally with new enrollments increased by 85% year-on-year in Q3FY22. The First Citizen Black customer's yearly spend is typically four times that of First Citizen members.
- **Private Brand** sales improved 32% while the margins widened by 160 basis points. The segment contributed 14% of the overall sales wherein apparels contributed 18% and online sales 17%. Newly launched brands - men's Indian wear brand - Bandeya contributed 5% to Private Brands, while youth-centric D2C brand - Infuse has grown fast, at an annual run rate of Rs.5 crores.
- **Beauty** sales mix accounted for 17% of total sales which grew by 75 bps in Q3FY22. The quarter also witnessed the launch of 28 new brands (70 brands year-to-date). Arcelia, the private brand in the beauty segment, launched 40 SKUs of Perfumes, Deodorants and Sheet Masks. Another 75 SKUs of make-up and nails are to be launched in Q4FY22. Makeup accounts for 51% of the beauty sales mix.
- **Omnichannel** continued to display exceptional performance as the segment showed more than 39% growth due to revamped UI/UX that led to better user traction. While 130 lakh people downloaded the mobile app, better customer experience reflected in the improved app rating of 4.4 in Q3FY22 compared to 3.4 in Q3FY21. The Company has invested Rs. 40 Crores in digital as of date.
- **Personal Shoppers** Mix at 10% of overall business. With 200 trained Personal Shoppers providing a delightful customer experience, the average ticket size was 3 times more for this segment. Extensive tele calling generated 1% of store sales.
- **Store Expansion** – We opened 5 stores, 3 on departmental and 2 on beauty. We have 10 stores currently under fit-out, which are expected to open in the next quarter

Way forward

Encouraged by the strong rebound, the Company expects an accelerated growth trajectory now, driven by a robust recovery from the lockdown blues, accelerated small size store expansion, growth in the private-label mix, and an increased focus on high growth beauty business. The third wave may cause a small blip in the growth trajectory. Given the underlying business fundamentals, the enhanced digital capabilities and the balance sheet strength, Shoppers Stop is well poised to embark on a new wave of growth and create value for all stakeholders.

Note:

We have published a detailed Non-GAAP and GAAP Income Statement. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

--END--

About Shoppers Stop Limited: Shoppers Stop Ltd. is the nation's leading premier retailer of fashion and beauty brands established in 1991. Spread across 83 department stores in 45 Cities, the Company also operates 11 premium home concept stores, 129 Specialty Beauty stores of M.A.C, Estée Lauder, Bobbi Brown, Clinique, Jo Malone , Too Faced and Arcelia and 23 Airport doors, occupying an area of 4.29M sq. ft.

Shoppers Stop is home to one of the country's longest-running and most coveted loyalty program 'First Citizen'. The Company's one-of-a-kind shopping assistance service, 'Personal Shopper' is revolutionising the way Indians shop, bringing more value, comfort, and convenience to customer experiences. The brand's diversified omnichannel offering spans over 800+ recognised and trusted brands across an incomparable range of products that together serve our overarching objective of delivering customer delight.

For more information, contact:

Shoppers Stop:

Rohit Trivedi

(P) + 91- 9322672437

(E) Rohit.Trivedi@shoppersstop.com