

SHOPPERS STOP

Press Release for Immediate Distribution

Sales soar 383% YoY to Rs. 1190 Cr, PBT of Rs. 32 Cr against a loss of Rs. 157 Cr in Q1FY22

Growth momentum accelerates

Key Financial Highlights for Quarter ended 30th June 2022:

1. The momentum continued from Mar22 as the industry witnessed the first disruption-free quarter, and the Company recorded a strong quarterly performance, despite End of Season Sale delayed by 10 days.
 - a) Revenue surged by 383%% YoY to Rs. 1190 Crores in Q1FY23 (+8% Vs FY20)
 - b) Private Brands revenue grew by 387% YoY (+29% Vs FY20)
 - c) Beauty Segment revenue up by 321% YoY (+28% Vs FY20)
 - d) E-commerce sales continue to grow, by 29% YoY (+266% Vs FY20)
2. The Average Selling Price (ASP) has improved by 15% YoY and the Average Transaction Value (ATV) by 7% YoY in Q1FY23
3. EBITDA for the quarter Rs.67 Crs vs Loss of Rs.116 Crs in Q1FY22. Our GAAP EBITDA for the quarter is Rs.168 Crs vs Rs.1 Crs in FY22
4. Profit before tax (PBT) Rs.32 crores in Q1FY23 vs loss of Rs.157 Crs in Q1FY21. Our GAAP Profit Before Tax of Rs.32 Crs vs loss of Rs.137 Crs in Q1FY22.
5. Continue to remain debt free
6. Opened six new stores during the quarter
7. On boarded Bollywood actor, Sanya Malhotra as the brand ambassador for Private Brands

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 30th June 2022. The financials are appended below, after factoring in necessary adjustments under Ind AS 116.

Q1FY23

Rs. In Crs.	GAAP			NON-GAAP		
	Q1FY23	Q1FY22	Growth%	Q1FY23	Q1FY22	Growth%
Sales	942	201	368%	1190	246	383%
Gross Margin	397	78	350 bps	401	70	540 bps
EBITDA	168	1		67	(116)	
PAT	23	(118)		23	(137)	

GAAP Revenue is Net of GST, Gross of GST revenue is Rs 1058 Crs Vs Rs 225 Crs in Q1FY22

Mr. Venu Nair, MD & CEO at Shoppers Stop, said, "The strong growth momentum, seen March 22, persisted through first quarter of FY23 and continuing in July. We recorded a strong quarterly performance, and believe that the growth will continue in the coming quarters due to easing of Covid-related restrictions. This, coupled with the upcoming festive season, is likely to release a significant pent-up demand and further aid the Company's revenue growth.

All our product categories and channels have witnessed a surge during the quarter. Consumer sentiments have improved with the economy reopening which has led to an increase in footfalls. Our digital sales base remained intact in spite of our robust offline performance.

We expect good demand in tier-2 cities and beyond, with the rise in smartphone penetration, and the growing adoption of digital payment systems. We plan to launch new stores primarily in tier-2 and tier-3 cities while sustaining our investments in store renovations, during the year."

Each of our strategic pillars posted an encouraging performance:

- **First Citizen** Loyalty Customers continued to demonstrate a strong growth trajectory, with offline accounting for 80% (up by 261 bps) of sales and online 38% (up by 305 bps). The First Citizen Black Card customer segment performed exceptionally well with the First Citizen Black Card customers' quarterly spend was typically four times that of the First Citizen members.
- **Private Brand** sales grew 387% YoY (+29% vs FY20). The segment accounted for 14% of the overall sales, wherein apparels contributed 21%. Segment contributed 18% to total online sales wherein apparels contributed 46%. The women's Indian wear brands, Kashish and Stop, were up 122% and 77%, respectively and are among Top 5 Women Indian Wear brands, while women's western brand, Fratini saw a major growth of 117% in Q1FY23(Vs FY20).

- **Beauty** sales was up by 321% YoY (+28% vs FY20). The segment contributed 16% of total sales, in Q1FY23. The quarter also witnessed the launch of 30 new brands in D2C segment. Arcelia, the private brand in the beauty segment, launched 63 SKUs of nail range, 28 SKUs of Accessories and 10 SKUs of Fragrances. Another 130+ SKUs of make-up and bath/body are to be launched in Q2FY23. Fragrance accounts for 26% and make-up 19% of the beauty sales mix.
- **Omnichannel** continued to show exceptional performance as the segment grew by 29% YoY; 266% Vs FY20.. While 600K people downloaded the mobile app (14.6M cumulative), a better customer experience reflected in the consistent app rating of 4.4 (Android) & 4.6 (iOS) in Q1FY23. The Company invested Rs. 12 Crores in digital in Q1. Building Content to commerce capabilities .
- **Store Expansion** – We opened 6 new stores, 2 department, 3 beauty and 1 at the International airport..
- **Brand Ambassador** – Onboarded Bollywood actor, **Sanya Malhotra** as the brand ambassador for private brands to strengthen the engagement with women shoppers and simultaneously build our private label portfolio.

Way forward

We expect FY23 to be one of the strongest year for the retail industry. Returning mobility and higher ticket purchases led by the pent-up demand will likely drive retail spending over the coming months. The hybrid work culture and the festive season will provide excellent growth opportunities for categories like beauty, formal wear, and Indian wear.

We believe that digital channels will continue to witness higher growth, and Shoppers Stop will lead the change with its customer-friendly digital platforms that provide a smooth shopping experience. The retail industry is poised on a growth trajectory this fiscal year, and we remain optimistic about delivering a sustainable long-term growth, creating 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.

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About Shoppers Stop Limited: Shoppers Stop Ltd. is the nation's leading premier retailer of fashion and beauty brands established in 1991. Spread across 90 department stores in 47 Cities, the Company also operates 11 premium home concept stores, 138 Specialty Beauty stores of M.A.C, Estée Lauder, Bobbi Brown, Clinique, Jo Malone, Too Faced, SS Beauty and 25 Airport doors, occupying area of 3.8 M 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 revolutionizing the way Indians shop, bringing more value, comfort, and convenience to customer experiences. The brand's diversified omnichannel offering spans over 800+ recognized 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