



Shoppers Stop Reported Revenue of Rs. 916 Crs And EBITDA Loss of Rs.17 Crs in Q4FY20

Mumbai, June 15, 2020: Shoppers Stop Ltd. (NSE: SHOPERSTOP | BSE: 532638) reported Sales of Rs.916 Crs and EBITDA Loss of Rs.17 Crs in the quarter (Non-GAAP). GAAP adjusted; the turnover is Rs. 709 Crs and EBITDA (before exceptional item) of Rs.83 Crs.

The retail industry as a whole has been adversely impacted by the spread of COVID-19. The Company faces significant challenges due to COVID-19, which has impacted the operations of the Company adversely starting from the month of March 2020 onwards, particularly by way of store closures due to complete lockdown. The near-term impact is contingent on various external factors such as lifting the lock down, opening of Malls and customer confidence on discretionary spending.

Overall Performance

Commenting on the quarterly performance of the company, Mr. Rajiv Suri, Customer Care Associate, Managing Director & Chief Executive Officer, Shoppers Stop Ltd. said, "This year and particularly this quarter have been unprecedented due to the impact of COVID-19. The year started with an exceptional pace of expansion and growth but closed on a sombre note as the world faced a one-of-its-kind crisis in the outbreak of COVID-19. The complete lockdown in March impacted the quarter performance as the full chain of 252 stores were shut down whilst all fixed costs remained in the books. We added 11 department stores 22 beauty stores and 5 Airport doors during this year, investing Rs.212 Crs. from our internal accruals to set us up for exponential growth in the coming years.

During the lockdown, we continued to engage with our First Citizen Customers, Employees and surrounding communities using our Personal Shoppers and social media platforms, which ensured a healthy exchange of ideas, knowledge and information.

Virtual sessions on DIY (Do It Yourself) in beauty, edutainment and fitness kept our audience engaged. As the brick and mortar stores shut down, we strengthened our e-commerce portal. We are following the guidelines of the Government and WHO, putting in place all the required safety measures while waiting to open all our stores soon"

The Company retains its purpose to be the most loved Shopping destination for the young Indian family and in turn helping communities to live and feel better. The Company has re-opened 50+ stores post lockdown and is actively engaged with our First Citizen customers both online and offline. The engagement across social media, e-commerce portal, website and App and Personal Shoppers has ensured a high brand recall. Investments are being made to sharpen our analytic capabilities, which will improve overall customer experience and personalization besides supporting our growth.

For the Quarter

Against a challenging Lockdown period, temporary store closures, strong base of Q4 FY19, and a subdued retail landscape, the Revenue growth was muted LTL (16%), though in January and February LTL growth was 2.4%. The company proactively increased its productivity and efficiencies by keeping the costs in control (LTL costs declined by Rs 16 Crs over last year).

The company has added 3 department stores and 6 beauty doors during the quarter taking the total footprint to 89 Department stores (net of 5 closures during the year) and 132 Beauty doors across 44 cities in India as at March 31, 2020. Our First Citizen Loyalty program contributed 79% (+5% Y-o-Y basis) of Revenue. The Beauty segment mix increased to 18% (+1% YoY). We launched Arcelia – the Premium Beauty Format store at Hyderabad Airport and have upgraded the beauty experience in existing two stores.

Covid 19 Update:

The Company has undertaken the following steps:

1. Manage liquidity and conserving cash – The Company has undertaken various cost savings initiatives including headcount optimization and other steps to maximize the cash flow such as, optimize inventory levels, reduce the capital expenditure, discretionary investments and transform the cost structure.
2. As per the financial estimates, the company has sufficient financial arrangements to fulfill its working capital requirements.
3. As on date, 53 Department stores, 7 Home Stores, 61 Beauty Stores and 2 Arcelia Stores are operational. With gradual releasing of the lockdown in the country, we expect the footfall and sales to increase in the coming quarters.

Financial Performance

*Non-GAAP Press Release for Immediate Distribution Financials:

Rs. In Crs.	Non-GAAP		GAAP	
Revenue from Operations	915.5	(12.3%) YOY	709.2	(10.4%) YOY
EBITDA	(16.7)	(126.0%) YOY	82.9	+28.8% YOY
First Citizens	As at 31.03.2020 7 Million +140K added in the quarter.			
Stores added	Shoppers Stop 3, Beauty and Others 6			
Total Retail Area	4.5M Sq. ft.			

The Ministry of Corporate Affairs (MCA) has mandated Accounting Standard AS 116 for accounting the Lease Contracts. A detailed working has been included in our Quarterly Performance presentation uploaded in our corporate website. 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 89 department stores in 44 Cities, the company also operates premium home concept stores (11 Stores), 132 Specialty Beauty stores of M.A.C, Estée Lauder, Bobbi Brown, Clinique, Smash box, Jo Malone and Arcelia, occupying an area of 4.5M 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 brands diversified Omni channel offering spans over 600+ recognised and trusted brands across an incomparable range of products that together serve our overarching objective of delivering customer delight.

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