

Press Release for Immediate Distribution

Rising footfall lifts Sales by 45% YoY to Rs. 3111 Crores in FY22

Key Financial Highlights for Quarter ended 31st March 2022:

1. Financial Highlights
 - a) Revenue improves by 8% year-on-year to Rs. 890 Crores in Q4FY22
 - b) Private Brands revenue grows by 9% year-on-year
 - c) Beauty Segment revenue up by 9% year-on-year
 - d) E-commerce sales continue to grow, up by 5%

Post the Omicron wave in January, the Company has seen a sharp recovery in footfalls. March revenue is up by 40% over FY21. The good momentum peaks in April with a double-digit growth over the pre-covid period

2. The Average Selling Price (ASP) has improved by 17% year-on-year and the Average Transaction Value (ATV) by 17% year-on-year in Q4FY22, primarily due to premiumization
3. Profit before Tax before one-off (- Rs 26 Cr) vs (- Rs 28 Cr) in Q4FY21 and after one-offs, Rs (47 Cr)
4. Net Debt at near zero levels, despite Covid impacting January 2022.

Key Financial Highlights for Year ended 31st March 2022:

1. Given our vast network of physical stores, Shoppers Stop has witnessed a strong recovery due to easing off restrictions, the return-to-office trend and the higher customer footfalls.
 - a) Revenue increases by 45% year-on-year to Rs.3111 Crores in FY22
 - b) Gross Margins up by 70bps year-on-year
 - c) Private Brands revenue grows by 45% year-on-year
 - d) Beauty Segment revenue up by 55% year-on-year
 - e) E-commerce sales grow by 59%
2. Overall customer footfall increased by 56% year-on-year in FY22. The Average Selling Price (ASP) also gained 18% year-on-year and the Average Transaction Value (ATV) improved by 15% year-on-year.
3. Improved margins on back of higher volumes, better operating leverage, cost rationalization, store optimization, prudent inventory management, and zero debt are potential triggers that would sustain the Company performance
4. Losses were significantly reduced by 65% to (-) Rs 88 crores on GAAP Financials

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 March 2022 and for the full year ending 31st March 2022. The financials are appended below, after factoring in necessary adjustments under Ind AS 116.

Q4FY22

Rs. In Crores	GAAP			NON-GAAP		
	Q4FY22	Q4FY21	Growth%	Q4FY22	Q4FY21	Growth%
Sales	798	753	6%	890	825	8%
Gross Margin	285	275	4%	278	275	1%
EBITDA	97	116	(17%)	(13)	10	(236%)
PAT	(17)	(37)	55%	(14)	(40)	65%

Full Year FY22

Rs. In Crores	GAAP			NON-GAAP		
	FY22	FY21	Growth%	FY22	FY21	Growth%
Sales	2,803	1,933	45%	3,111	2,142	45%
Gross Margin	990	660	50%	984	662	49%
EBITDA	434	272	59%	(27)	(188)	85%
PAT	(88)	(252)	65%	(147)	(304)	52%

Operating highlights:

1. Launched co-branded credit card in partnership with HDFC Bank that is expected to bring unmatched benefits HDFC and Shoppers Stop customers, while improving customer retention and business revenue.
2. Back on track with the store expansion strategy with continued investments in opening new stores and renovating existing ones at a capex of Rs.46 crores in Q4 (For FY22 Rs 101 Crores)
 - a) Opened 19 stores (5 on departmental and 14 on beauty/airport) during the Q4 while 24 stores opened during the year (8 Departmental and 16 Beauty/Airport). We plan to add another 27 Stores in FY23 (12 Departmental and 15 Beauty/Airport).
 - b) 6 stores, currently under fit-out, are expected to open in the Q1FY23
 - c) 3 stores were renovated during Q4 and 9 stores, during the year. We plan to renovate another 8 Department stores in FY23.
 - d) So as on March 2022, including new stores opened and renovations done in last three years, 40% of our Department Stores are with new identity. This will be close to 54% for FY23.
 - e) Incurred an operating expenditure of Rs.13 Crores for Omnichannel (For FY22 Rs. 53 Crores)

Mr. Venu Nair, MD & CEO at Shoppers Stop, said, "The Company ended the quarter on a satisfactory note despite Q4FY22 getting disrupted due to the partial lockdowns caused by the Omicron wave in January. The underlying demand continued to be strong across all businesses with most segments posting a Y-o-Y growth over a very strong Q4 FY21 base. The network expansion and campaigns have continued to progress well in anticipation of an upbeat FY23 - expected to be a normal year after a gap of two years of lockdowns."

Each of our strategic pillars posted an encouraging performance:

- **First Citizen** Loyalty Customers continued to demonstrate a strong growth trajectory, with offline accounting for 79% (up by 191 bps) of sales and online 37% (up by 561 bps). Sales from First Citizen Black Card customer performed exceptionally well with a contribution of 9% (+154 bps vs FY21); the First Citizen Black Card customers' yearly spend was typically five times that of the First Citizen members.
- **Private Brand** sales grew by 9.4%. The segment accounted for 13% of the overall sales and within apparels it contributed 19%. Private Brand contribution on online sales was 20%. Newly launched brands - ethnic inspired men's brand - Bandeya, up 52% vs FY21 while the women Indian wear brand, Kashish was up 56% vs FY21. Women's western brand, Insense saw a major growth of 83% vs FY21
- **Beauty** sales grew by 9%. The sales mix, 17.6% of total sales increased by 20 bps in Q4FY22. The quarter also witnessed the launch of 24 new brands (94 brands year-to-date). Arcelia, the private brand in the beauty segment, launched 60+ SKUs on make-up and nails and 25+ SKUs of Accessories. Another 100+ SKUs of make-up and bath n body are to be launched in Q1FY23. Fragrance accounts for 25% and make-up 19% of the beauty sales mix. We anticipate the beauty segment to do well as soon as the mask requirements are lifted.
- **Omnichannel** grew by 5.1%. Integration with "Unicommerce" enabled us to create a Managed Marketplace Model to drive wider assortment. While 640K people downloaded the mobile app (14M cumulative), better customer experience reflected in the improved app rating of 4.4(android) & 4.6(iOS) in Q4FY22. The Company has invested opex of Rs. 53 Crores in digital as of date.
- **Personal Shoppers** Mix at 11% of overall business. With 200 trained Personal Shoppers providing a delightful customer experience, the average ticket size was 3 times more for this segment.

Way forward

For the apparel segment, the recent months have been strong and encouraging compared to the last 2-3 years and we are optimistic that this growth is highly sustainable. While January had concerns around the Omicron variant, we believe that consumers will continue to spend as normalcy returns along with ensuing wedding season that would help stabilise the demand further.

We believe that the robustness in the consumer demand has offset rising costs, driving the margins higher. We expect to grow in line with the retail industry at a double-digit pace, this fiscal.

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 88 department stores in 46 Cities, the Company also operates 11 premium home concept stores, 136 Specialty Beauty stores of M.A.C, Estée Lauder, Bobbi Brown, Clinique, Jo Malone, Too Faced, SS Beauty and 24 Airport doors, occupying an area of 4.47M 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.

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