



SHOPPERS STOP

Q4 | FY20
QUARTERLY PERFORMANCE

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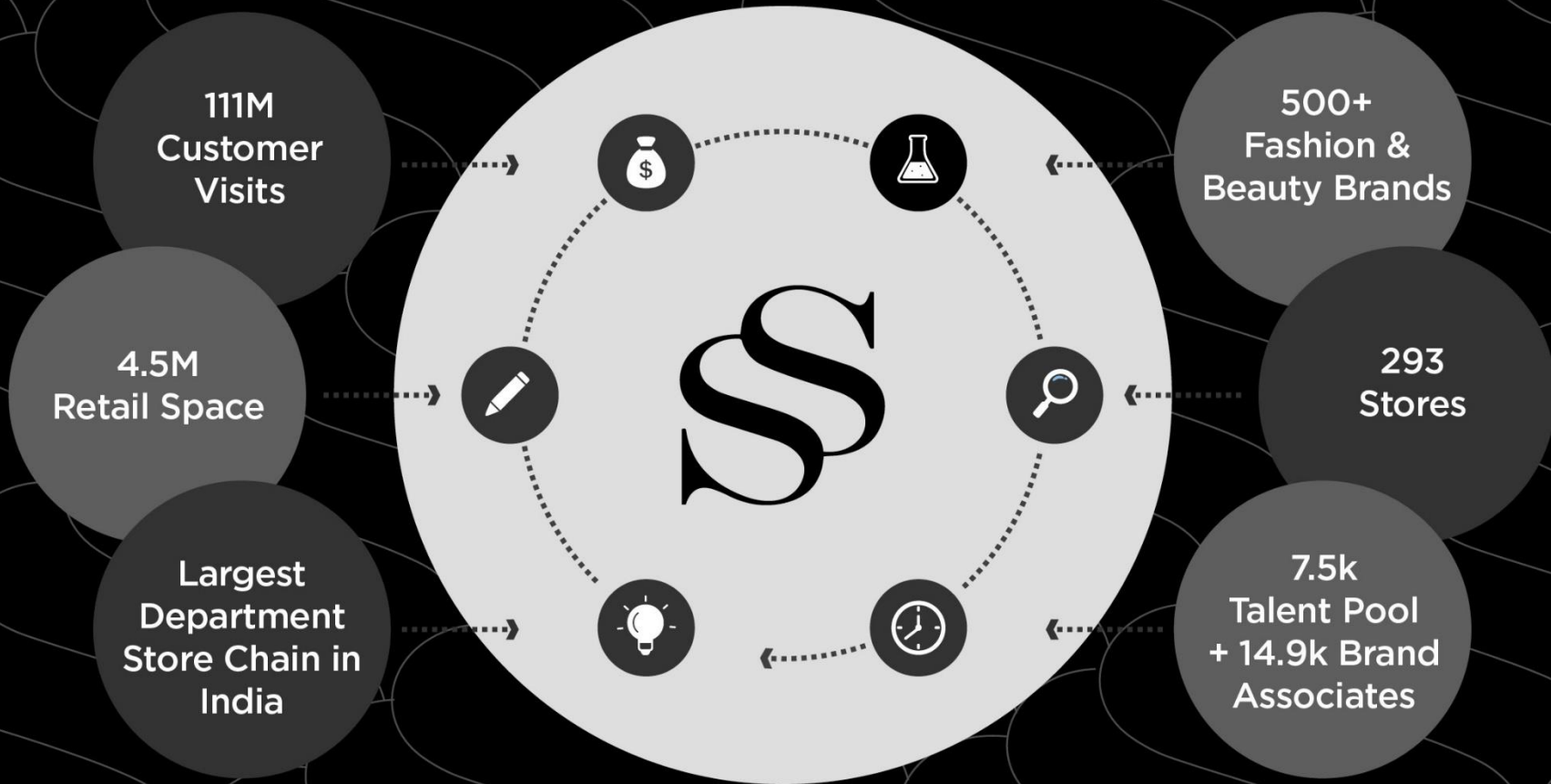
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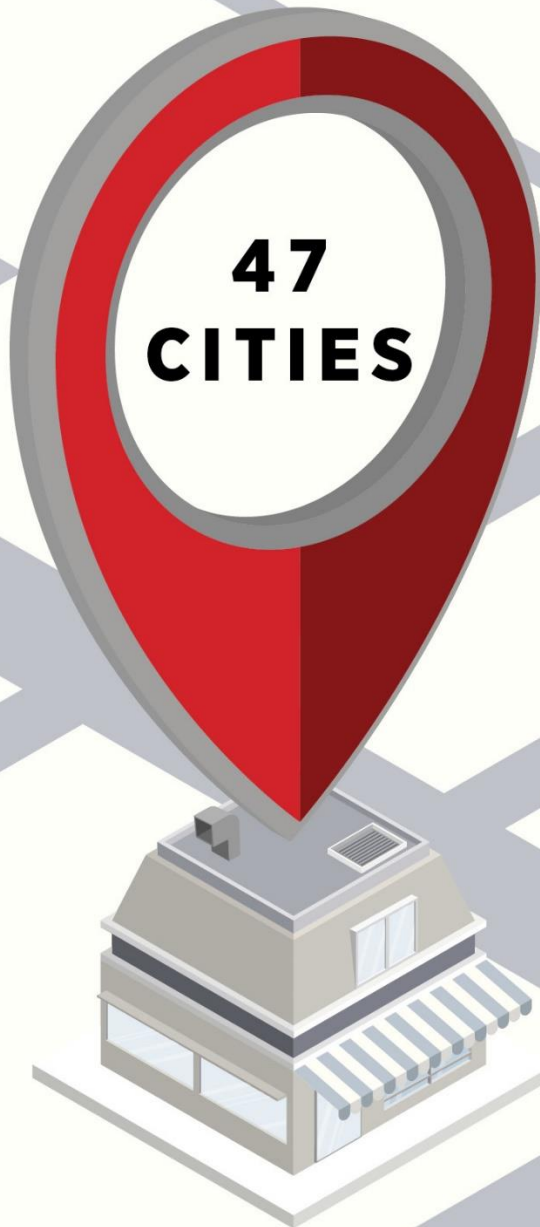
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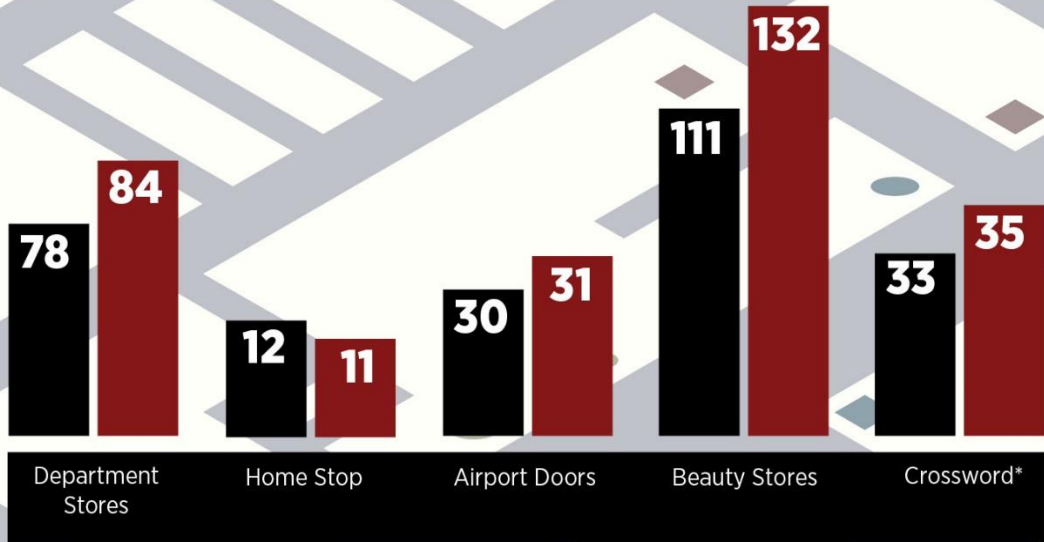
01. ABOUT US

Company
at a Glance





FootPrint in India
264 Stores (March 19) ; **4.3M sq.ft**
293 Stores (March 20) ; **4.5M sq.ft**



*CROSSWORD - Additional 38 Franchisee Stores

Our Customers

Our Core customer is a young family where the woman is the primary influencer.

These upwardly mobile, middle to high income families, shop across our stores for the widest selection of brands.

We have a fast growing young customer base of 18-25 years age.

These customers are shopping premium products with us, as they build their future dreams and careers.



Digital Footprint

67M

VISITS ONLINE

9.7M+

MOBILE APP
DOWNLOADS

25,000+

PIN CODE
COVERAGE

68 STORES

MOBILE ENABLED
BILLING

18%

OMNI CHANNEL
FIRST CITIZEN MIX

ENVIRONMENTAL SOCIAL & GOVERNANCE



ENVIRONMENT

Sustainable Brands
Sustainable Organisation

REDUCED PLASTIC CONSUMPTION BY 40 TONS

Paper Bags instead of Plastic

SAVED 2000 TONS OF PAPER

Re-using 1M Carton Boxes

REDUCTION IN CARBON EMISSION BY 5000 TONS

Through VFD & LED Installations

SAVED 0.15M SQ.FT WOODWORK (EQUIVALENT TO 600 TREES)

Eco friendly recyclable fit-out materials

RECYCLED 12.5 TONS OF CLOTHES

Distributed to 3500 families



PROMOTED GENDER EQUALITY, DIVERSITY & INCLUSIVENESS

40% Female Staff
Structured Policies for Working Mothers

SOCIAL (CSR)

Community Employment





**02.
OUR
RESPONSE
TO COVID 19**



Our Covid Response



BUSINESS CONTINUITY

1. Customer Engagement during Lockdown
2. Introduction of PPE Kits

MANAGING COSTS AND CASH FLOW

1. Re-negotiated Contracts including Leases
2. Liquidity Management - Revamp Costs, Optimize Inventory & Manage Payables

OMNI CHANNEL ECOMMERCE & AMAZON

1. Renewed Focus on E-Commerce
2. 84 Stores enabled with Ship from Stores

ACCELERATING TECHNOLOGY

1. Implementation of SAP & Gravy (Loyalty Engine)
2. Digitization of Store Operation Processes

TRANSFORMING WORKPLACE AND TALENT

1. Agile, Resilient & Digital Organization for the New Normal
2. Adherence to Health and Safety Protocols

Aarogya Setu Mandatory
for Employees and Customers



Contactless Billing



Health Check Up
for all Staff members



Face Masks and Gloves
Compulsory

Merchandise is Displayed
and Delivered under
High Hygiene Standards



Floor Markers for
Social Distancing



Deep Cleaning of Stores,
Warehouses and Office
at Regular Intervals



03. OUR STRATEGIC PILLARS





First
Citizen

**7M
PROGRAM
MEMBERS**

KEY GROWTH ENGINE

- Revenue contribution : 79%, 5+% YoY
- Repeat purchases : 69%, 4+% YoY
 - New enrollment in Q4 : 0.1M+
 - New enrollment in FY20 : 0.9M+

**79%+
CONTRIBUTION
TO COMPANY
SALES**



Personal
Shopper

**2.7X AVERAGE
TICKET SIZE**

**13%+
CONTRIBUTION
TO TOTAL
SALES**

**PROVIDING A DELIGHTFUL SHOPPING EXPERIENCE
THROUGH PERSONAL SHOPPERS**

- Consistent Customer Satisfaction (CSAT) score average 92+%
- Exclusive PS Lounge, Trial Rooms and No-Queue Billings
- Personal Shopper @ Home
- 10,000+ hours of training every year

Private & Exclusive
Brands

12%

CONTRIBUTION
TO BUSINESS



STOP
AT NOTHING

Life

KASHISH
kanot
... Making it Live ...

HAUTEcurry
Nayomi

FEMINA FLAUNT
FRATINI



Beauty

CONTINUED DOMINANCE IN BEAUTY SEGMENT ACROSS ALL CHANNELS.

6 NEW STORES IN Q4:

- 1 Standalone MAC store at Ranchi
- 4 Shop-in-Shops : 3 MAC stores at Varanasi, Kozhikode and Hyderabad, 1 Clinique store at Hyderabad
- 1 Multi-Brand Beauty store Arcelia at Hyderabad Airport

**150+
BEAUTY BRANDS**

**18%
CONTRIBUTION
TO TOTAL
SALES**



04. NEW STORE ADDITIONS





FY20 STORE OPENINGS

**11
DEPARTMENT
STORES**

**22
BEAUTY
STORES**

**05
AIRPORT
DOORS**

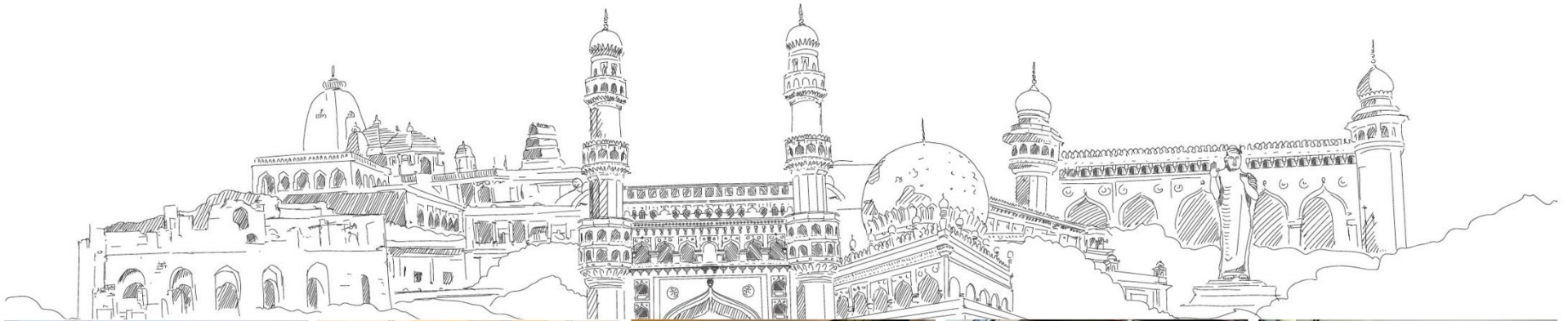
CAPEX SPEND OF Rs.200+ Crs. THROUGH OUR INTERNAL ACCRUALS

During the quarter, we opened 3 department stores, 6 beauty stores and 5 airport doors



Q4 OPENINGS

**03
DEPARTMENT
STORES**



Sarath City, Hyderabad



Sigra Mall, Varanasi





HiLite Mall, Kozhikode

**Q4
OPENINGS**

**06
BEAUTY
STORES**



1 Multi-Brand Beauty Store Arcelia at Hyderabad Airport

1 Standalone MAC, Ranchi

**4 Shop in Shops - MAC at Varanasi, Kozhikode and Hyderabad
and Clinique at Hyderabad**



Q4 OPENINGS

05 AIRPORT DOORS at Hyderabad



SS Studio
SS Black
Mithaas - Domestic & International Terminal
Department Store - International Terminal



05. **FINANCIAL** **OVERVIEW**



NORMALIZED RESULTS

We are presenting both Actual and Normalized (For Covid-19 Impact) Income Statements for your reference.

Normalized Financial Statements are based on our best estimates, which is based on immediate past trends and actual Operational Data for January, February and large part of March 2020.

We have provided this for better disclosure and understanding of Sales, EBITDA, Cash and other Important KPI's for FY20.

FINANCIAL OVERVIEW – FINANCIALS Q4-20

Rs.in Crs

PARTICULARS	ACTUAL	%	NORMALIZED	%	LY	%	ACTUAL GR%	NORMAL GR%
Revenue	916		1,132		1,044		-12.3%	8.4%
Other Income	15	1.6%	16	1.4%	16	1.5%	-7.1%	4.3%
Total Revenue	931		1,148		1,060		-12.3%	8.3%
Margin	283	30.9%	370	32.7%	350	33.5%	-19.3%	5.8%
Total Cost	314	34.3%	326	28.8%	301	28.9%	4.1%	8.3%
EBITDA	-17	-1.8%	60	5.3%	64	6.1%	-126.0%	-6.4%

LTL costs declined by Rs.16 Crs. Overall cost increase is largely due to New stores and one-off's

FINANCIAL OVERVIEW – FINANCIALS FY-20

Rs.in Crs

PARTICULAR	ACTUAL	%	NORMALISED	%	LY	%	ACTUAL GR%	NORMAL GR%
Revenue	4,385		4,601		4,428		-1.0%	3.9%
Other Income	62	1.4%	65	1.4%	62	1.4%	1.8%	4.8%
Total Revenue	4,448		4,666		4,490		-0.9%	3.9%
Margin	1,432	32.7%	1,520	33.0%	1,470	33.2%	-2.6%	3.4%
Total Cost	1,312	29.9%	1,325	28.8%	1,267	28.6%	3.5%	4.5%
EBITDA	183	4.2%	260	5.6%	265	6.0%	-30.9%	-1.8%

ACTUAL

GAAP VS NON GAAP RESULTS

FINANCIAL OVERVIEW – FINANCIALS Q4-20

Particulars	Non GAAP Financials			GAAP Financials		
	Q4-20	Q4-19	Gr%	Q4-20	Q4-19	Gr%
Revenue	916	1,044	-12.3%	709	791	-10.4%
Other Income	15	16	-7.1%	6	5	6.8%
TOTAL REVENUE	931	1,060	-12.3%	715	796	-10.2%
MARGIN	283	350	-19.3%	284	349	-18.7%
Margin%	30.9%	33.5%	(260 bps)	40.0%	44.1%	(410 bps)
Operating Exp.	314	301	4.1%	203	290	-29.8%
EBITDA	-17	64	-126.0%	86	64	33.5%
EBITDA %	-1.8%	6.1%	(790 bps)	12.1%	8.1%	400 bps
Depreciation ⁽¹⁾	98	46	114.1%	170	45	272.4%
Finance Cost	1	2	-58.1%	51	3	
PBT	-115	16		-138	16	
PBT%	-12.4%	1.6%		-19.2%	2.1%	
Impairment	20	Crossword Investments.		20		
PBT	-135	16		-158	16	
PBT%	-14.8%	1.6%		-22.2%	2.1%	
OCI ⁽²⁾	123	24		123	24	
PBT(Aft. OCI)	-258	-8		-281	-8	
Tax ⁽³⁾	-38	5		-25	5	
PAT	-220	-13		-256	-13	
PAT%	-24.0%	-1.2%		-36.1%	-1.6%	

Adjustment in Net Profit.	GAAP changes
PBT (as per Non – GAAP)- (A)	-135
Lease Rent (AS 116)	-94
Finance costs (AS 116)	49
Depreciation on ROU Assets (AS 116)	56
Acc Depn owing to Lease period (AS 109)	11
Remeasurement of leases life	-1
Depreciation on ROU deposit less interest	2
OCI Impact - Gratuity & others	1
PBT (as per GAAP)- (B)	-158

(1)

Depreciation includes the following:
 Accelerated depn due to possible closure of loss making stores. Rs.20 Crs
 Change in life of Assets – Rs.31 Crs

(2)

OCI include
 Mark to market FRL :CY Rs 121.9 Crs (LY(25.6) Crs)
 Re-measurement of Employee Benefit CY Rs 1.3 Crs (LY Rs (1.7) Crs)

(3)

TAX PROVISIONS INCLUDE :
 Normal (Rs.11 Crs)
 DTL Impact post corporate tax rate reduction (Rs.14 Crs)

FINANCIAL OVERVIEW – FINANCIALS FY-20

Particulars	Non GAAP Financials			GAAP Financials		
	FY20	FY19	Gr%	FY20	FY19	Gr%
Revenue	4385	4428	-1.0%	3381	3481	-2.9%
Other Income	63	62	1.8%	33	18	83.4%
Total Revenue	4448	4490	-0.9%	3414	3499	-2.4%
Margin	1432	1470	-2.6%	1413	1454	-2.8%
Margin%	32.7%	33.2%	(50bps)	41.8%	41.8%	0 bps
Operating Exp.	1312	1267	3.5%	860	1201	-28.4%
EBITDA	183	265	-30.8%	586	271	116.1%
EBITDA %	4.2%	6.0%	(180bps)	17.3%	7.8%	950bps
Depreciation ⁽¹⁾	187	135	38.6%	439	135	225.2%
Finance Cost	5	6	-15.0%	194	12	
PBT	-9	124	-107.4%	-51	124	-141.0%
PBT%	-0.2%	2.8%	(250bps)	-1.5%	3.6%	(500bps)
Impairment	20	Crossword Investments.		20		
PBT	-29	124	-107.4%	-71	124	-141.0%
PBT	-2.0%	8.4%		-5.0%	8.5%	
OCI ⁽²⁾	175	49		178	48	
PBT(Aft. OCI)	-204	75		-248	75	
Tax ⁽³⁾	-8	44		70	44	
PAT	-196	31		-318	31	
PAT%	-4.5%	0.7%		-9.4%	0.9%	

Adjustment in Net Profit.	GAAP changes
PBT (as per Non – GAAP)- (A)	-29
Lease Rent (AS 116)	-369
Finance costs (AS 116)	188
Depreciation on ROU Assets (AS 116)	192
Acc Depn owing to Lease period (AS 109)	44
Remeasurement of leases life	-15
Depreciation on ROU deposit net of Interest	3
OCI Impact - Gratuity & others	2
PBT (as per GAAP)- (B)	-71

(1)

Depreciation includes the following:
 Accelerated dep due to possible closure of loss making stores. Rs.20 Crs
 Change in life of Assets – Rs.31 Crs

(2)

OCI include
 Mark to market FRL CY Rs 174.9 Crs (LY(46.6) Crs)
 Re-measurement of Employee Benefit CY Rs 2. Crs (LY Rs (1.9) Crs)

(3)

TAX PROVISIONS INCLUDE :
 Normal Rs.25 Crs
 DTL Impact post corporate tax rate reduction Rs.45 Crs (net)

FINANCIAL OVERVIEW – BALANCE SHEET

PARTICULARS	MAR,20	MAR,19
Net worth	774	978
Loan Fund	124	40
TOTAL LIABILITIES	898	1,018
Fixed Assets (WDV)	641	630
Lease Deposit	216	183
Investments in CBL & FRL	71	267
Investment in Mutual Fund	154	42
Inventory	470	392
ROR Inventory	755	661
Debtors , loans and Advances	326	274
TOTAL CURRENT ASSETS	1,569	1,353
Trade Creditors Goods	526	413
Trade Creditors : ROR	755	661
Other Creditors & Liabilities	432	374
TOTAL CURRENT LIABILITY	1,753	1,458
NET CURRENT ASSETS	-184	-104
TOTAL ASSETS	898	1,018

Investment Include :

Crossword

Rs.35 Crs

Future Retail

Rs.36 Crs

FINANCIAL OVERVIEW – CASH FLOW

PARTICULARS	MAR-20	MAR-19
Cash Profit from Operations (after tax)	194	221
Increase in Creditors for Goods	110	43
Increase in Other Creditors and Liabilities	61	-10
Increase in Inventories	-78	-64
Increase in Loans & Advances & Sundry Debtors	-53	39
CASH GENERATED FROM OPERATIONS	236	230

+ Rs.6 Crs

INVESTMENTS DURING THE QUARTER	MAR-20	MAR-19
Fixed Assets(including CWIP) & Deposit	-241	-114
Reduction in Creditors for Capex	30	-14
CASH GENERATED FROM OPERATIONS	24	103

FINANCIAL OVERVIEW – RATIOS

PROFITABILITY AND EFFICIENCY RATIOS

YEAR TO MARCH	FY20N	FY20	FY19	FY18	FY17	FY16
ROE(%)	7.6%	-0.4%	12.6%	9.1%	6.4%	8.9%
ROCE(%)	8.6%	-1.0%	12.6%	9.4%	6.3%	10.3%
Inventory Days		121	142	120	116	138
Debtors Days		2	4	4	3	2
Creditors Days		57	44	50	45	51
Cash Conversion Ratio		64	98	70	71	87
Current Ratio		0.9	0.8	1.0	1.0	1.0
Gross Debt/EBITDA		0.4	0.2	1.5	2.9	2.7
Gross Debt/Equity		0.2	0.0	0.1	0.8	0.8
Adjusted Debt/Equity		0.2	0.0	0.1	0.8	0.8
Interest Coverage Ratio		-0.9	16.9	3.9	2.3	3.1

ROE and ROCE considers Rs.50 Crs of depreciation due to change in life of assets and accelerated depreciation for vulnerable stores.

FINANCIAL OVERVIEW – RATIOS

OPERATING RATIOS

YEAR TO MARCH	FY20	FY19	FY18	FY17	FY16
Total Assets Turnover Ratio	4.5	4.3	3.5	3.0	2.8
Fixed Assets Turnover Ratio	6.6	6.8	6.3	6.2	5.9
Equity Turnover Ratio	5.0	4.6	4.9	5.3	4.9

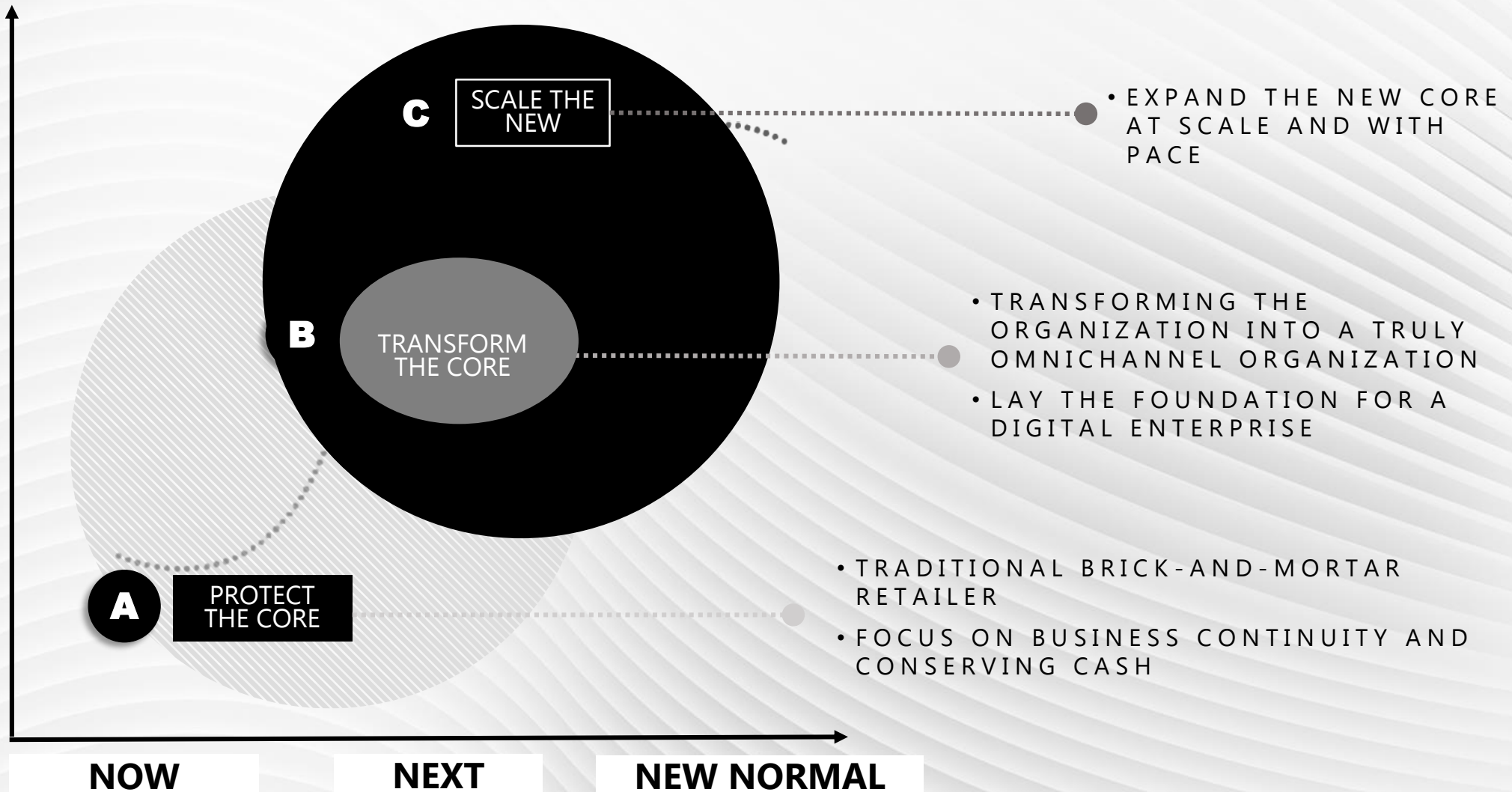
VALUATIONS PARAMETER

YEAR TO MARCH	FY20	FY19	FY18	FY17	FY16
Adj. Diluted EPS	-2.4	9.0	1.4	-2.4	3.0
Adjusted Cash EPS	20.8	25.0	15.5	11.5	14.6
Diluted P / E (X)	-81.0	52.7	390.1	365.0	120.3
P / B (X)	2.0	4.2	4.7	4.0	3.9
EV / SALES (X)	0.4	0.9	1.1	0.8	0.8
EV / EBIDTA (X)	9.4	15.7	20.0	15.1	14.0
Dividend Yield (%)	-	15.9%	14.2%	20.5%	20.6%

WAY FORWARD

A PERFECT **STORM** IS ALSO A PERFECT **OPPORTUNITY**

A pivot is essential for successfully transforming the core of our business to thrive in the new normal



NEW NORMAL

NOW

NEXT

NEW NORMAL

A. Protect the "CORE"

1

BUSINESS CONTINUITY

- Employee safety
- Trust in brand Shoppers Stop
- First Citizen engagement
- Secure supply chain
- Store reopening protocols
- New Revenue Streams
- New Partnerships

2

LIQUIDITY MANAGEMENT

- Revamping the cost structure
- Optimize Working Capital – Improve Cash Conversion Cycle
- Rationalize Capital Expenditure
- Terms of trade, Payables

B. Transform the "CORE"

3

RING FENCE FIRST CITIZENS

- Develop improved offering and services to ensure we lock-in First Citizen into Shoppers Stop ecosystem – with online focus

4

BUILD THE DIGITAL CORE

- Set the data and analytics foundation
- Digitize all processes and adapt to new normal

5

REIMAGINE ROLE OF STORE

- Define new role of the store
- Define role of the store staff and personal shoppers

6

WORKFORCE OF THE FUTURE

- Work from Home culture & digital adoption
- Focus on Agility, Learning and Adapting

C. Scale the "NEW"

7

THE NEW NORMAL

- Transition from a largely-offline retailer to a truly Omni-channel organization
- Laying the foundation for a digital enterprise – on the back of strong data management and detailed use of analytics
- Strategic technology investments to augment the right-to-win
- New Board Member with Digital and Technology background.

DISCLAIMER

Certain statements in this release concerning our future growth prospects are forward-looking statements within the meaning of applicable securities laws and regulations, and which involve number of risks and uncertainties, beyond the control of the Company, that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

Shopper's Stop Ltd. may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company. The Company also expects the media to have access to all or parts of this release and the management's commentaries and opinions thereon, based on which the media may wish to comment and/or report on the same. Such comments and/or reporting maybe made only after taking due clearance and approval from the Company's authorized personnel. The Company does not take any responsibility for any interpretations/ views/ commentaries/reports which may be published or expressed by any media agency, without the prior authorization of the Company's authorized personnel.

In case of any clarifications please contact on investor@shoppersstop.com