

Review of Financial Result Q2 FY'20

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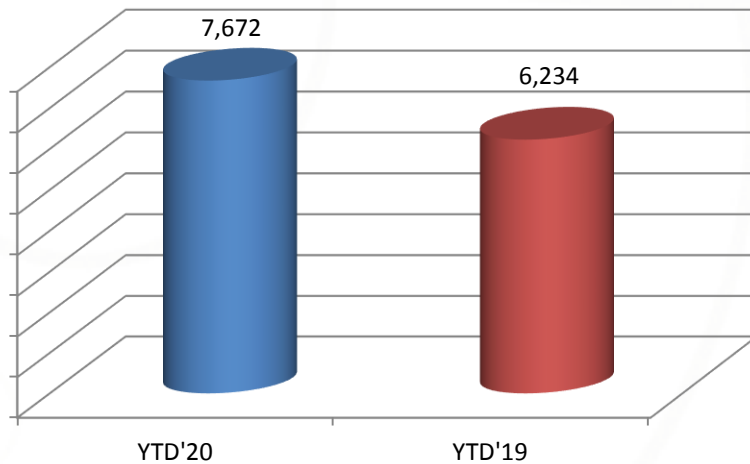
Key highlights : Apr-Sep FY'20 vs FY'19 results



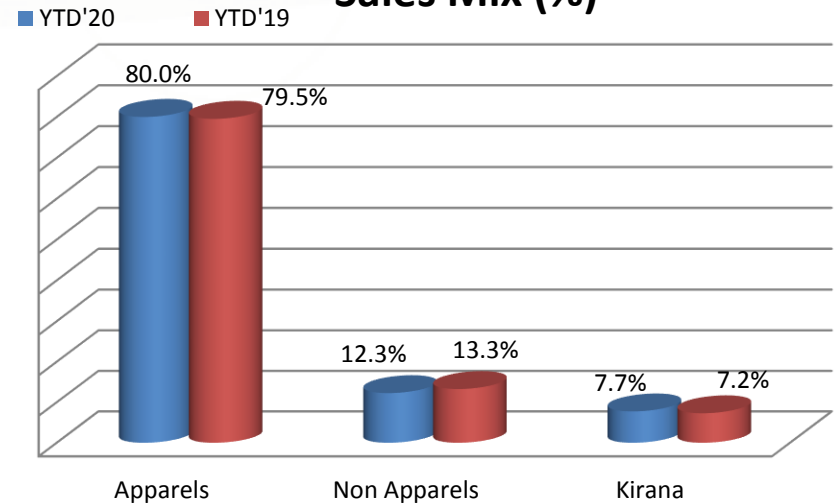
- **Number of Stores increases to 239 (add : 27 close : 0)**
- **Revenue grows by 23%**
- **Same Store Sales growth : Company 3%, Volume 0%**
- **Sales per sq. feet (per month) : Rs. 728**
- **Contribution of segment to total revenue :**
 - **Fashion 92%**
 - **Kirana 8%**
- **Net profit/(loss) of Rs. (4) million**
- **Ind-AS 116 adoption implemented w.e.f. April 1, 2019**
- **Net impact on PBT higher than rental value as notional interest cost accrued on notional RoU liability created (Rs. 148 Mn.)**

Financial Parameters : Apr-Sep FY'20 vs FY'19

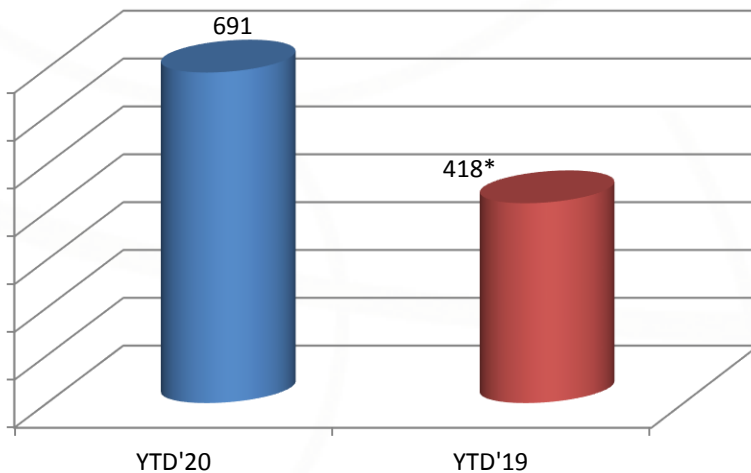
Sales (Rs. Mn)



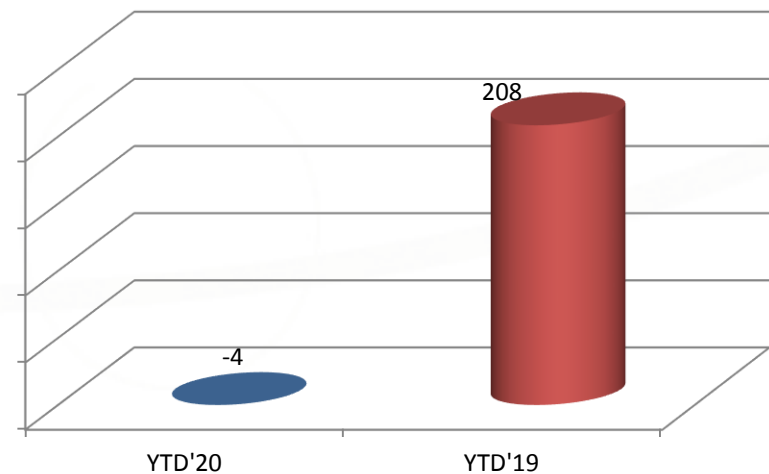
Sales Mix (%)



EBITDA (Rs. Mn)



PAT (Rs. Mn)

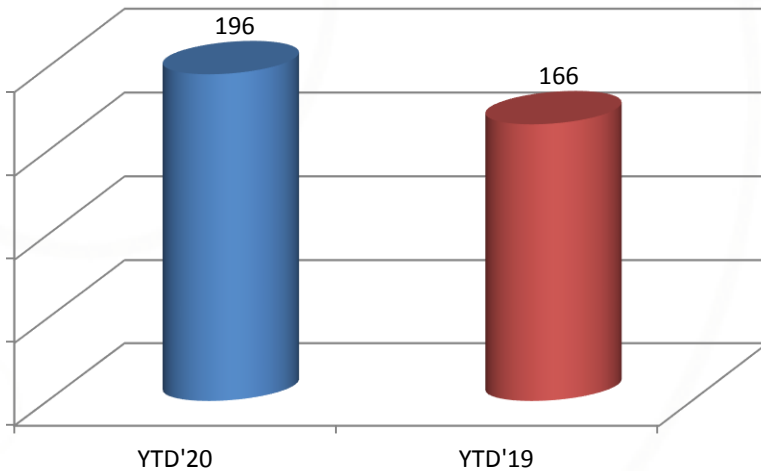


FY'20 numbers are adjusted on account of IND-AS 116

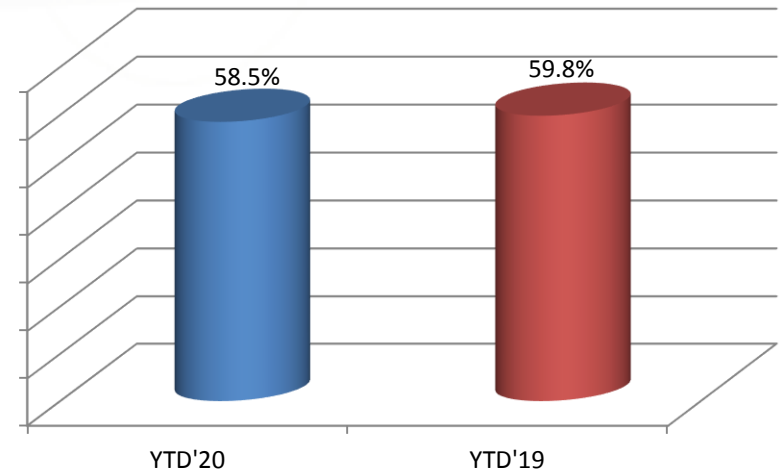
*FY'19 EBITDA reclassified on account of exceptional item

Operational Parameters : Apr-Sep FY'20 vs FY'19

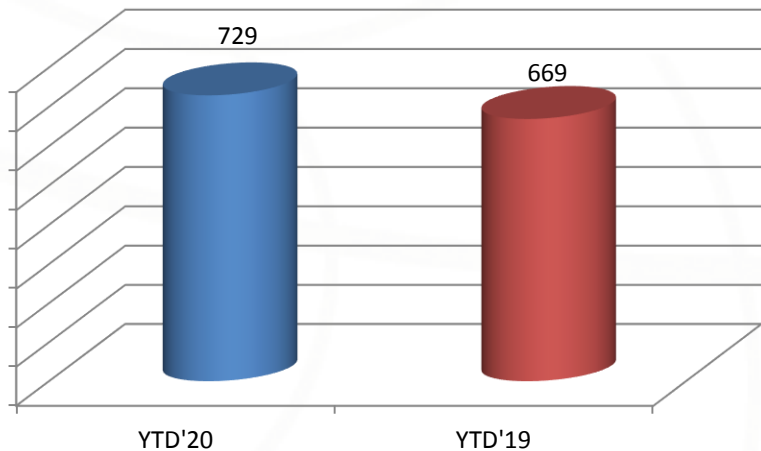
Footfall (lakhs)



Conversion Rate (%)

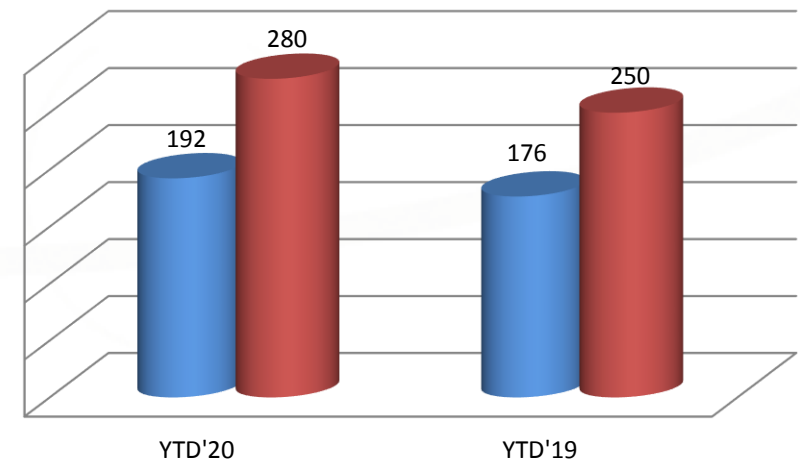


Transaction size (Rs.)



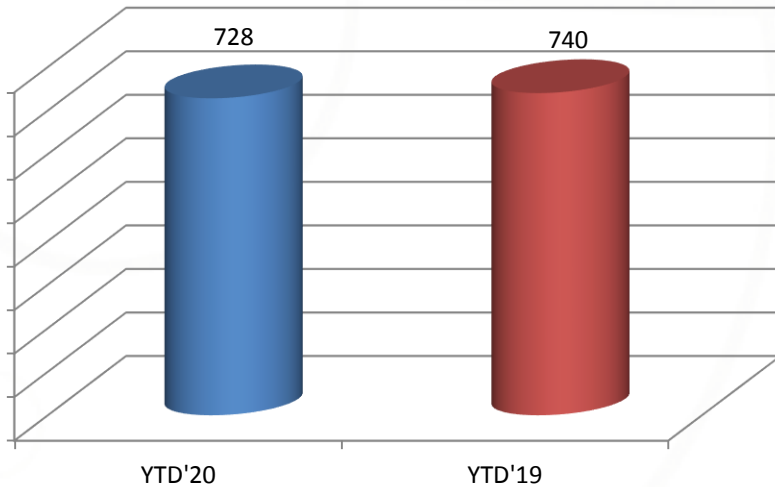
Average Selling Price (Rs)

■ Total ■ Apparel

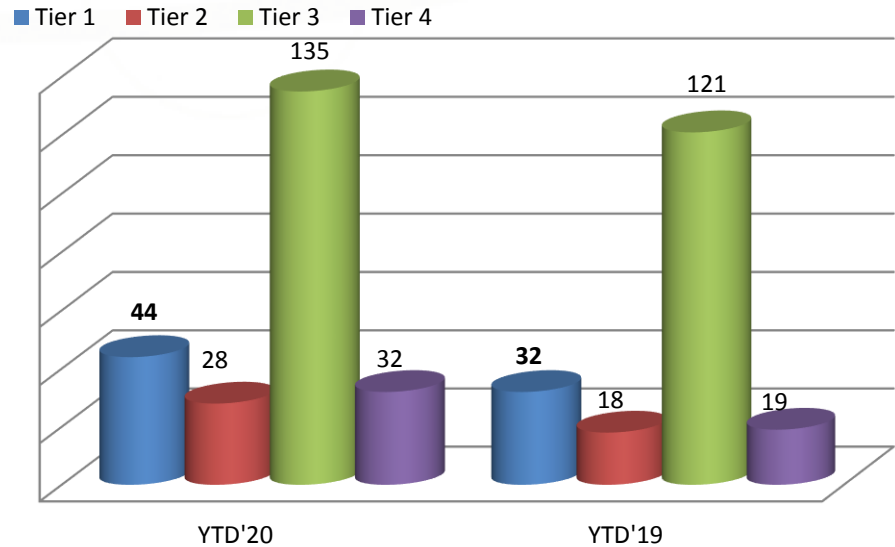


Operational Parameters : Apr-Sep FY'20 vs FY'19

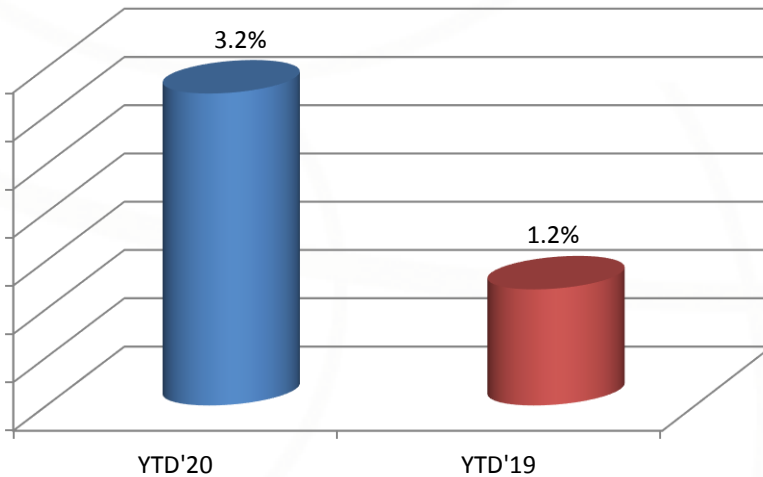
Sales per sq feet (per month)



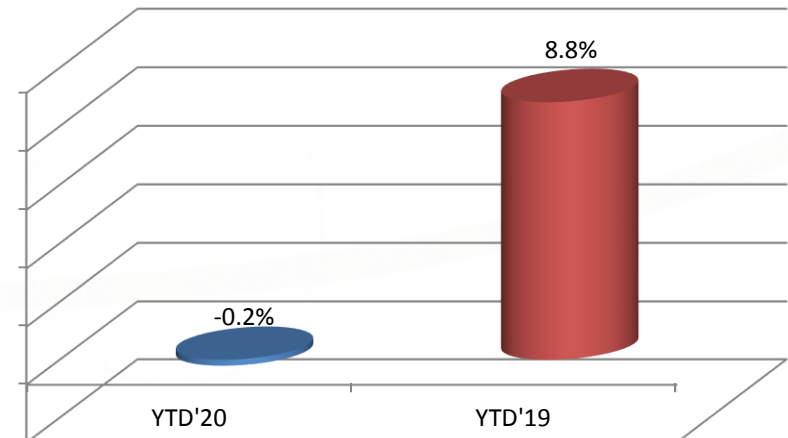
Store Count (Nos)



Same Store Sales Growth (%)

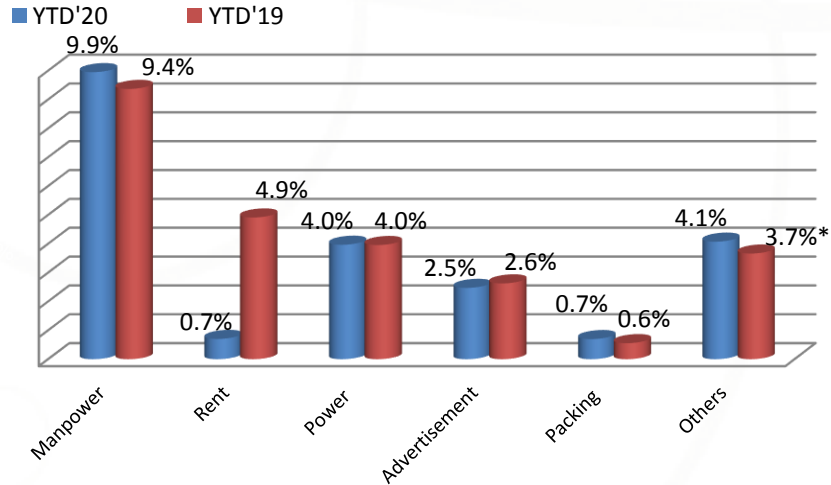


Same Store Volume Growth (%)

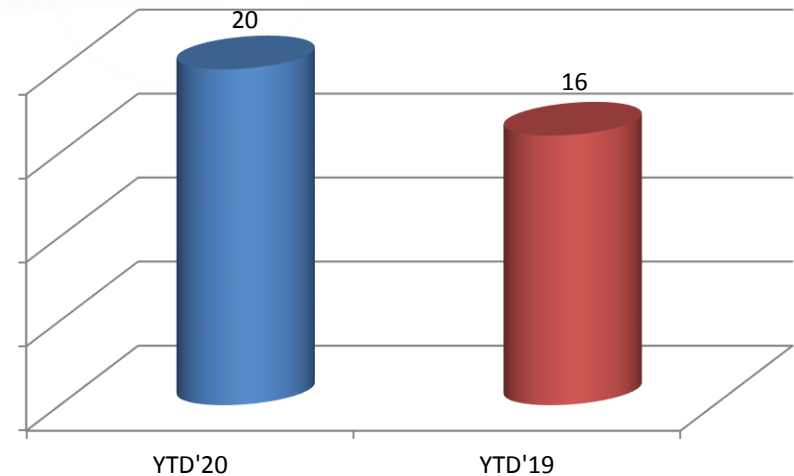


Operational Parameters : Apr-Sep FY'20 vs FY'19

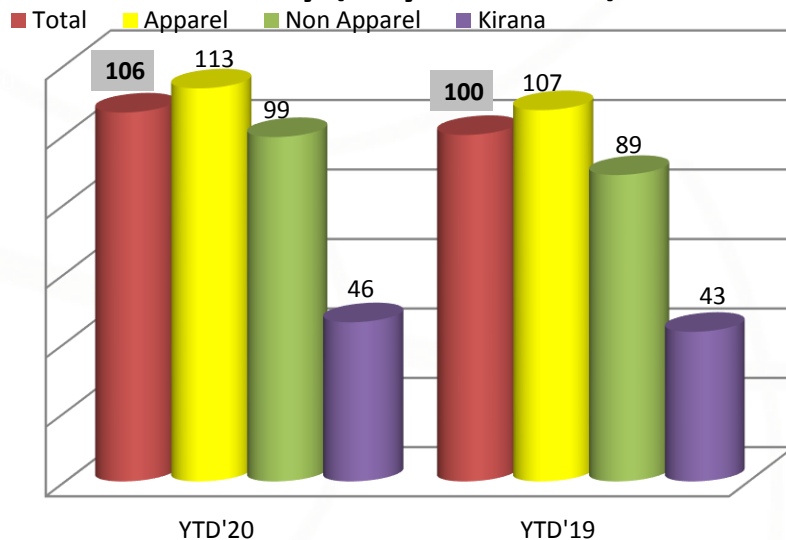
Expenses (% of Sales)



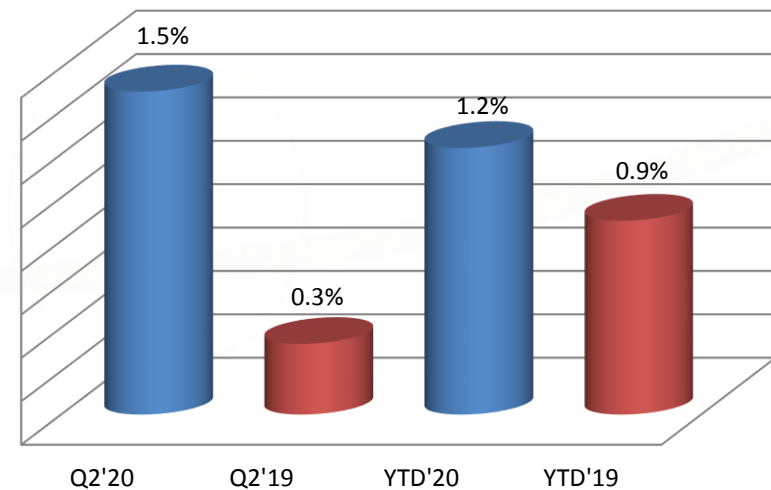
Retail Space (lakhs Sq feet)



Inventory (Days of Sales)



Shrinkage (% of Sales)



Rent YTD_FY'20 adjusted on account of IND-AS 116

*FY'19 Other expense reclassified on account of exceptional item

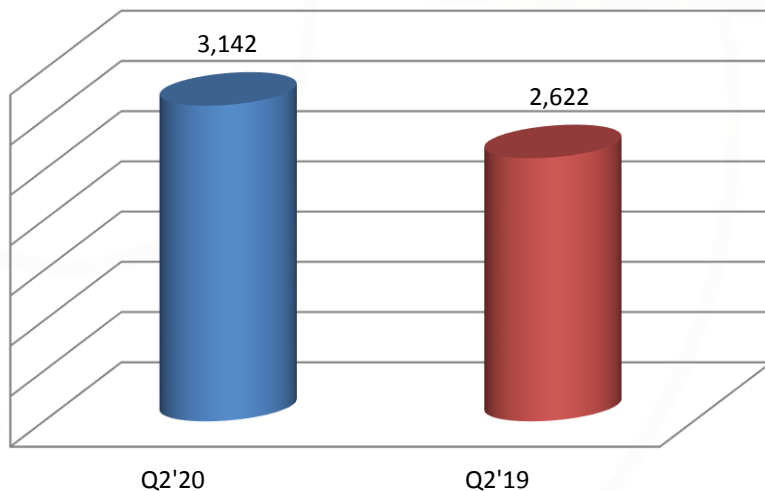
Key highlights of Q2 FY'20 vs FY'19 results



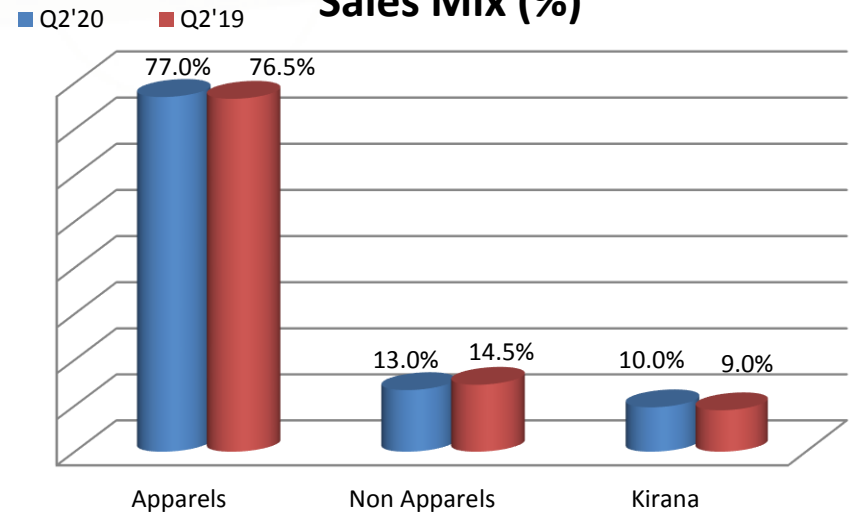
- **Revenue grows by 20%**
- **Same Store Sales growth : Company 1%, Volume (8%)**
- **Sales per sq. feet (per month) : Rs. 590**
- **Stores count increases to 239 (add : 14 close : 2)**
- **Contribution of segment to total revenue**
 - **Fashion 90%**
 - **Kirana 10%**
- **Net profit/(loss) of Rs. (180) millions**
- **Net impact on PBT higher than rental value as notional interest cost accrued on notional RoU liability created (Rs. 74 Mn.)**
- **Increase in expense in current quarter :**
 - **Higher expenses incurred on opening of new stores before Diwali**
 - **Festival shift by 12 days as compared to last year leading to higher marketing spend and other expenses in the current quarter**
 - **Inventory build up for upcoming festival season and 15 new stores opened in October 2019**

Financial Parameters – Q2 FY'20 vs FY'19

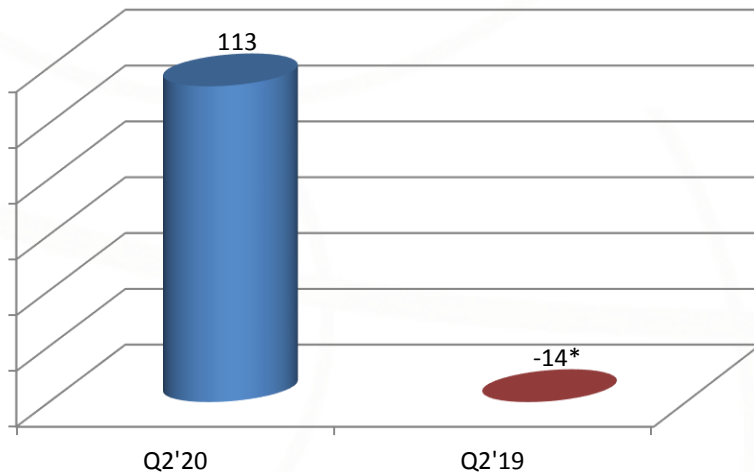
Sales (Rs. Mn)



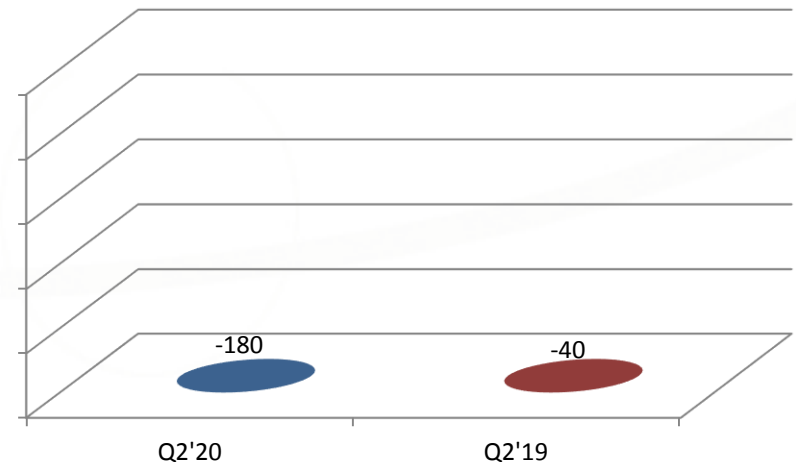
Sales Mix (%)



EBITDA (Rs. Mn)



PAT (Rs. Mn)

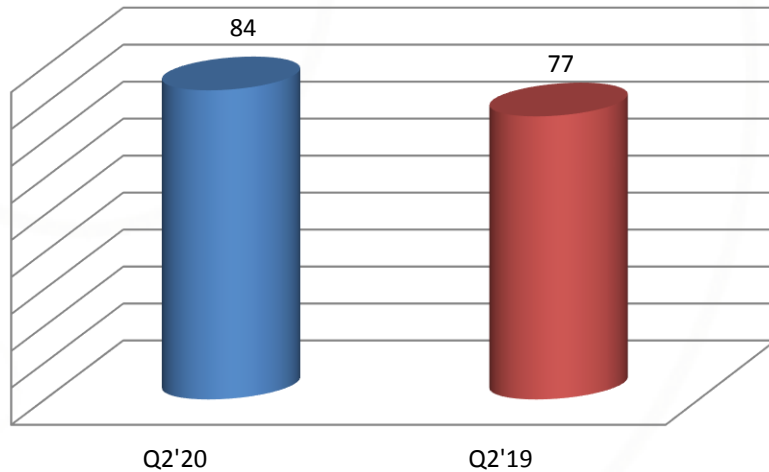


FY'20 numbers are adjusted on account of IND-AS 116

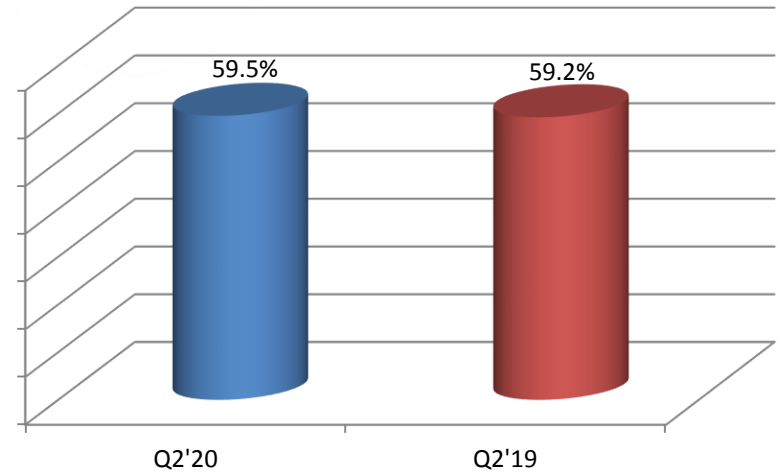
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Operational Parameters – Q2 FY'20 vs FY'19

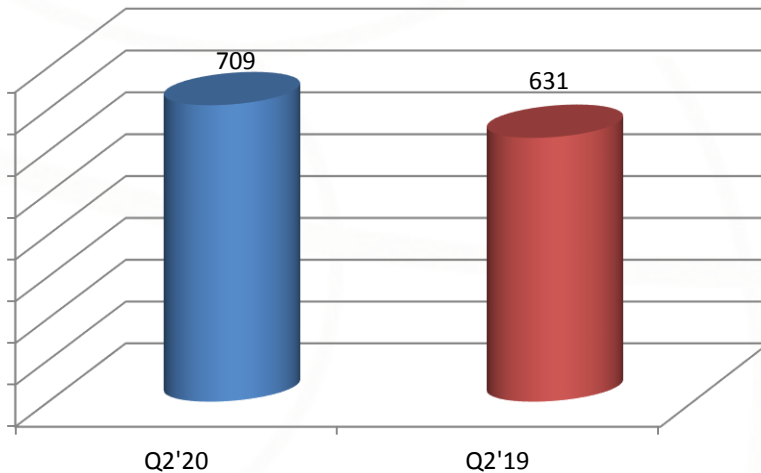
Footfall (lakhs)



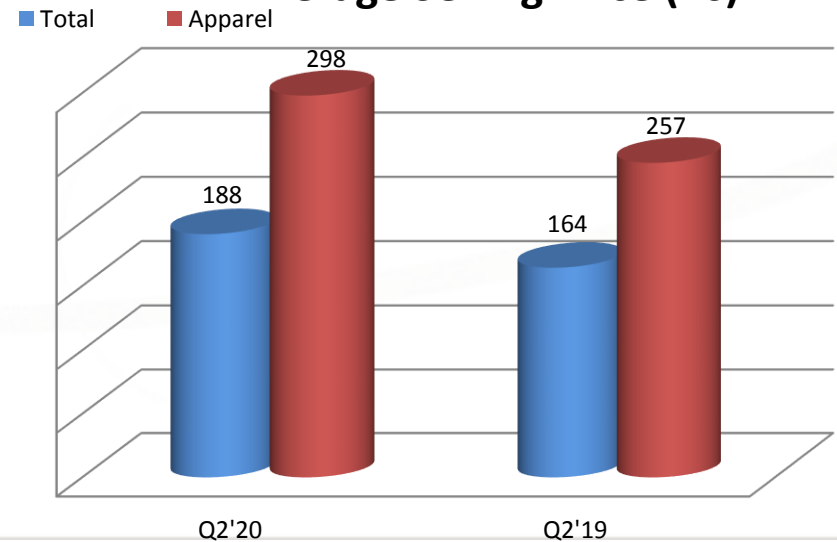
Conversion Rate (%)



Transaction size (Rs.)



Average Selling Price (Rs)



Ind-AS 116 – Leases

Introduction

MCA has mandated a new Accounting Standard IND-AS 116 for Accounting for Leases with effect from April 1, 2019

Impact

- Requires lessee to recognize on Balance Sheet measured at present value of minimum lease payments to be made over the lease period, as Right of Use Asset (ROU)
- Interest is added, payments are reduced from lease liability for the future period
- ROU is depreciated over the lease period on SLM basis
- Rentals are replaced by Depreciation & Interest expense, thereby:
 - increasing EBITDA (to the extent of rentals) (Rs. 381 Mn.)
 - increasing Depreciation (future rentals depreciated on SLM) (Rs. 285 Mn.)
 - increasing Interest Expense (for interest on future rental liability) (Rs. 240 Mn.)
- Net impact on PBT higher than rental value as notional interest cost accrued on notional RoU liability created (Rs. 148 Mn.)

Ind-AS 116 : P&L Impact

(Rs. in million)

Adjustments to increase / (decrease) in PAT	Reported H1FY'20	Ind-AS 1 16 adjustment	Comparable H1FY'20
Revenues	7,672	4	7,668
Rent	54	(381)	435
Total Other expenses (incl. Rent)	913	(381)	1294
Finance cost	251	240	11
Depreciation & Amortization	443	285	158
PBT	30	(148)	178
Reconciliation			
Revenues	7,672	4	7,668
EBITDA	691	381	310
PBT	30	(148)	178
EBITDA margin (%)	9%		4%
PBT margin (%)	0.4%		2%

Ind-AS 116 : P&L Impact

(Rs. in million)

Adjustments to increase / (decrease) in PAT	Reported Q2'20	Ind-AS 1 16 adjustment	Comparable Q2'20
Revenues	3,142	2	3,140
Rent	30	(194)	224
Total Other expenses (incl. Rent)	476	(194)	670
Finance cost	131	122	9
Depreciation & Amortization	223	144	79
PBT	(229)	(74)	(155)
Reconciliation			
Revenues	3,142	2	3,140
EBITDA	113	194	(81)
PBT	(229)	(74)	(155)
EBITDA margin (%)	4%		(3%)
PBT margin (%)	(7%)		(5%)

Financial Review – Profit & Loss Statement



` in million (except per share data)

Particulars	For the period ended	
	30.09.2019	30.09.2018
	(Unaudited)	(Unaudited)
I. Revenue from operations	7,672	6,234
II. Other income	33	19
III. Total Revenue (I + II)	7,705	6,253
IV Total Expenses (IV)	7,675	5,976
V Profit before tax (III-IV)	30	277
VI Total tax expense* (VI)	34	68
VII Profit for the year (V-VI)	-4	209
VIII Other Comprehensive Income	-3	3
IX Total Comprehensive Income for the period (VII+VIII)	-7	212
X Earnings per share (before extraordinary items) (of `10 each) (not annualized)		
(a) Basic	-0.24	11.50
(b) Diluted	-0.24	11.46

* Tax expense includes deferred tax

Financial Review - Balance Sheet and CFS



(` in million, unless stated otherwise)

Statement of Assets and Liabilities:

Particulars	As at Sept. 30, 2019	As at March 31, 2019
	(Un-audited)	(Audited)
I ASSETS		
Non-current assets		
Property, plant and equipment	1,730.03	1,622.08
Right to use	4,458.70	-
Capital work-in-progress	55.34	40.10
Intangible assets	32.51	32.87
Financial assets		
Investments	31.70	98.25
Loans	104.97	96.02
Other financial assets	12.14	11.77
Deferred tax assets (net)	135.83	118.30
Other non-current assets	190.84	83.21
	6,752.06	2,102.59
Current assets		
Inventories	5,621.02	3,289.84
Financial assets		
Investments	4.09	508.53
Loans	0.22	0.56
Cash and cash equivalents	94.28	148.87
Other bank balances	14.60	42.69
Other current assets	487.83	225.32
	6,222.03	4,215.81
Total Assets	12,974.09	6,318.40
II EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	181.54	181.30
Other equity	3,894.56	3,911.40
	4,076.10	4,092.70
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	-	0.26
Other financial liabilities	4,315.04	59.95
Employee benefit obligations	56.78	51.08
	4,371.82	111.29
Current liabilities		
Financial liabilities		
Borrowings	94.00	-
Trade payables		
a) total outstanding dues of MSME	445.96	236.26
b) total outstanding dues of other than MSME	2,343.78	1,246.34
Other financial liabilities	1,424.62	423.40
Employee benefit obligations	34.13	21.16
Liabilities for current tax (net)	62.16	97.18
Other current liabilities	121.52	90.07
	4,526.17	2,114.40
Total Equity and Liabilities	12,974.09	6,318.40

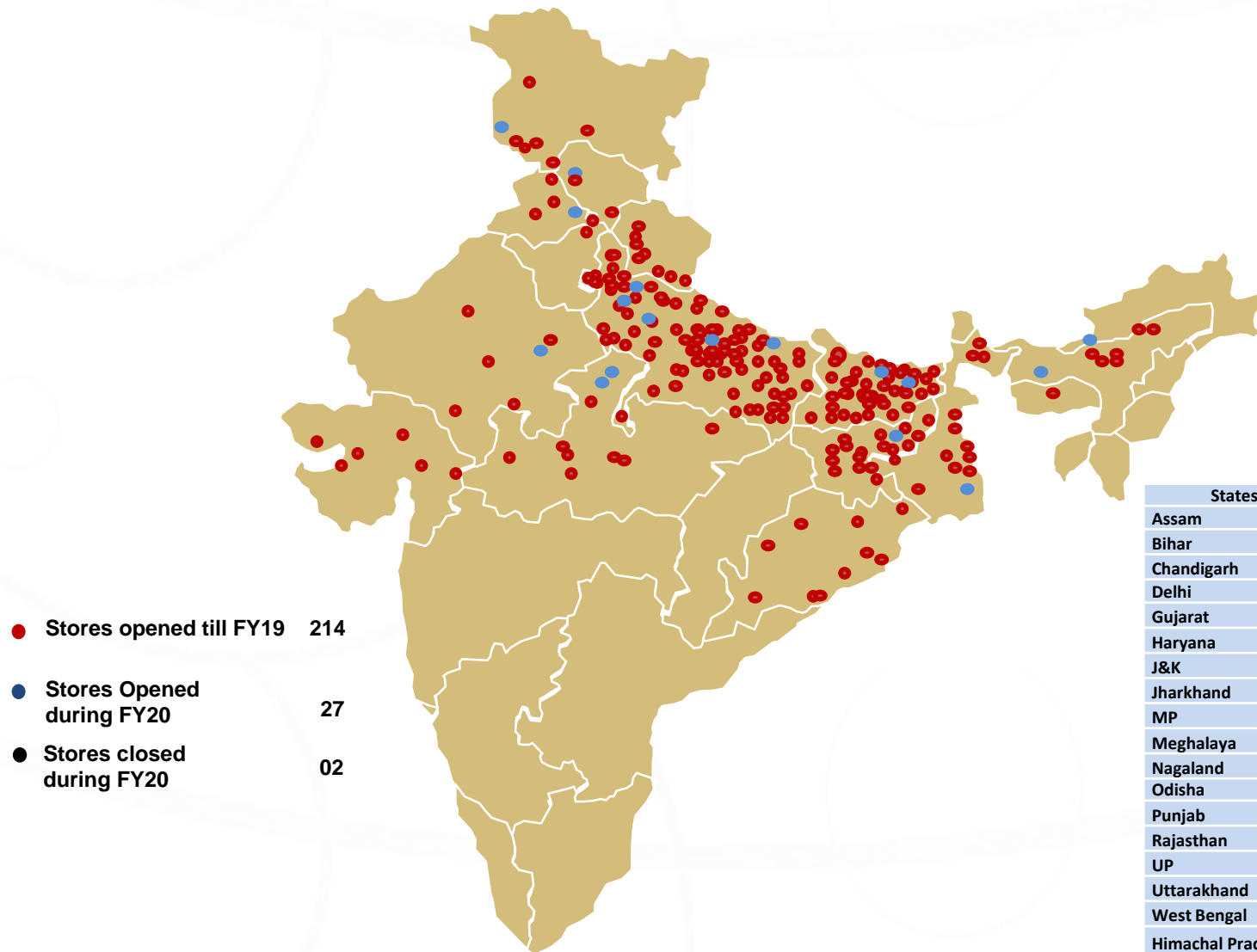
V-Mart Retail Limited

Cash Flow Statement for the period ended September 30, 2019

	For the period ended 30 Sept 2019	For the period ended 31 March 2019
A. Cash flows from operating activities		
Net profit before tax and before extra-ordinary items	30	993
Adjustment for:	683	373
Operating profit before working capital changes	713	1,366
Movements in working capital :	(966)	(270)
Cash generated from operations	(253)	1,096
Taxes paid	(179)	(332)
Net cash flow from operating activities	(433)	764
B. Cash flows used in investing activities		
Net cash flow used in investing activities*	322	(734)
C. Cash flows from/(used in) financing activities		
Net cash flow from/(used in) financing activities	56	(44)
Net increase/(decrease) in cash and cash equivalents	(55)	(14)

* Investment in fixed assets is `297 million (previous year: `407 million) in net cash flow used in investing activities

**STORES GEOGRAPHIC SPREAD
&
SALES PROMOTIONS
Q2 FY'19**



States	Existing	New	Closed	Total
Assam	6	3		9
Bihar	41	3		44
Chandigarh	1			1
Delhi	3		1	2
Gujarat	6			6
Haryana	1			1
J&K	5	1		6
Jharkhand	17	3	1	19
MP	8	3		11
Meghalaya	1			1
Nagaland	0	1		1
Odisha	10			10
Punjab	3	1		4
Rajasthan	5	2		7
UP	85	5		90
Uttarakhand	8			8
West Bengal	12	4		16
Himachal Pradesh	2	1		3
Total no of Stores	214	27	2	239

New Stores



S. No.	State	Retail Space (Sq ft)
1.	Uttar Pradesh	13661
2.	Rajasthan	17863
3.	Punjab	9350
4.	Nagaland	7421
5.	Jharkhand	12792
6.	West Bengal	25422
7.	Bihar	5942
8.	Assam	5646
9.	Madhya Pradesh	8912

PROMOTIONS – CAMPAIGNS – Q2



Campaign	Period
<i>EOSS</i>	July
<i>EOSS</i>	August
<i>Rakshabandhan</i>	August
<i>Durga Puja</i>	September

Thank you

In case of any queries, pls contact the IR Team :

Girish Garg – girish.garg@vmart.co.in