

# V-Mart Retail Ltd.

## Review of Financial Results

### Q3 FY'20





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Apr-Dec FY'20 (YTD)

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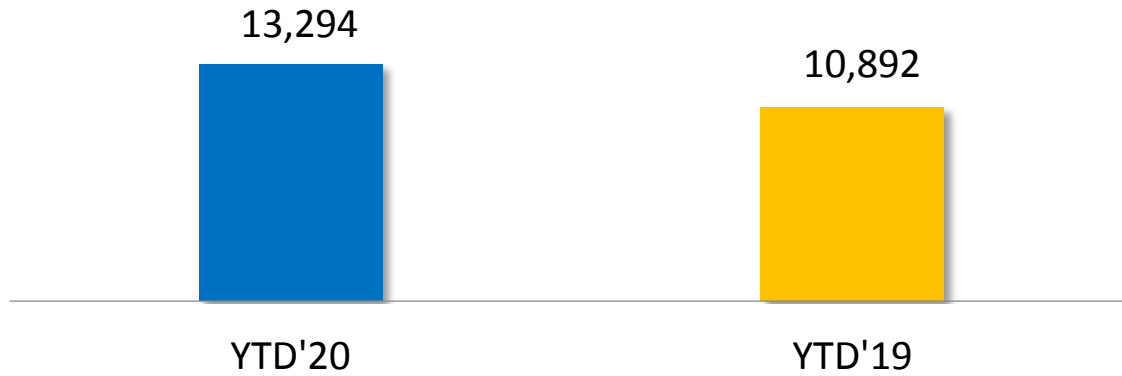
Key Highlights  
Financial Parameters  
Operational Parameters

# Key Highlights: Apr-Dec FY'20 vs. FY'19 Results

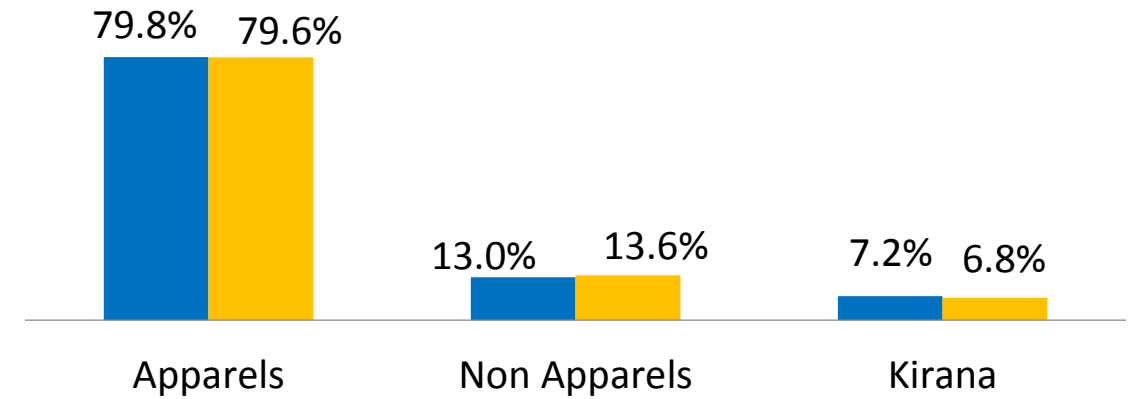
- **Number of Stores increases** to 257 (add : 46, close : 03)
- **Revenue grows** by 22%
- **Same Store Sales growth** : Company 2%, Volume (1%)
- **Sales per sq. feet (per month)** : Rs. 804
- **Contribution** of segment to total revenue :
  - Fashion 93%
  - Kirana 7%
- **Net profit** of Rs. 578 million
- **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. 226 Mn.)

# Financial Parameters : Apr-Dec FY'20 vs FY'19

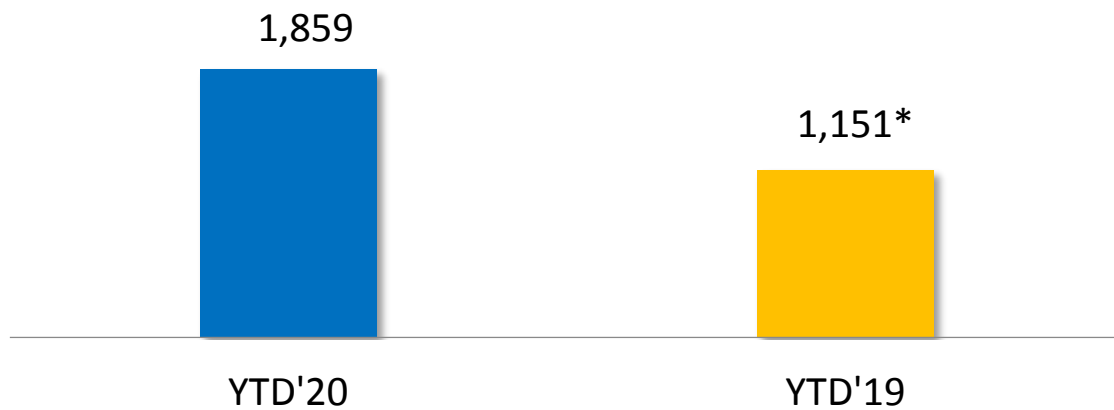
## Sales (Millions)



## Sales Mix (%)



## EBITDA (Millions)



## PAT (Millions)



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

\*FY'19 EBITDA reclassified on account of exceptional items

# Operational Parameters : Apr-Dec FY'20 vs FY'19



## FootFall (Lacs)

311



YTD'20

266



YTD'19

## Conversion Rate (%)

58.3%



YTD'20

58.6%



YTD'19

## Transaction size (Rs.)

790



YTD'20

756



YTD'19

## Average Selling Price (Rs)

■ Total ■ Apparel

218



YTD'20

330



202



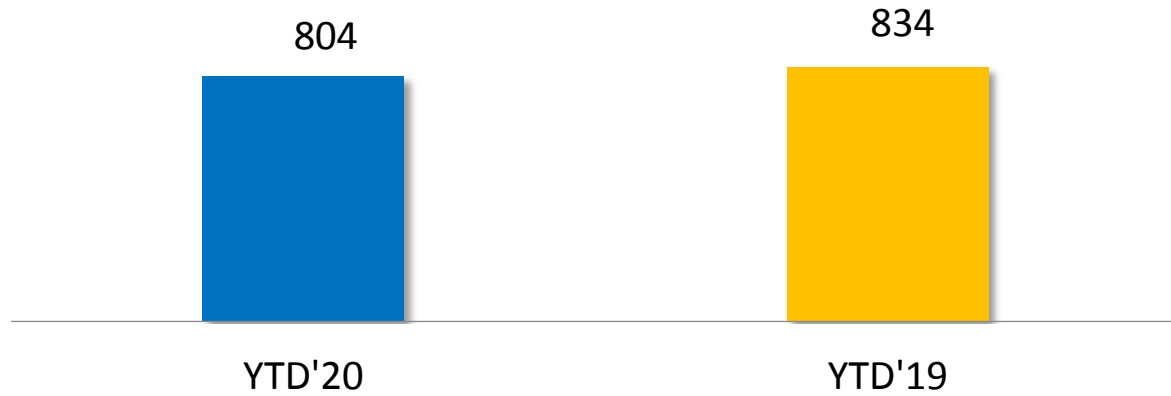
YTD'19

CY

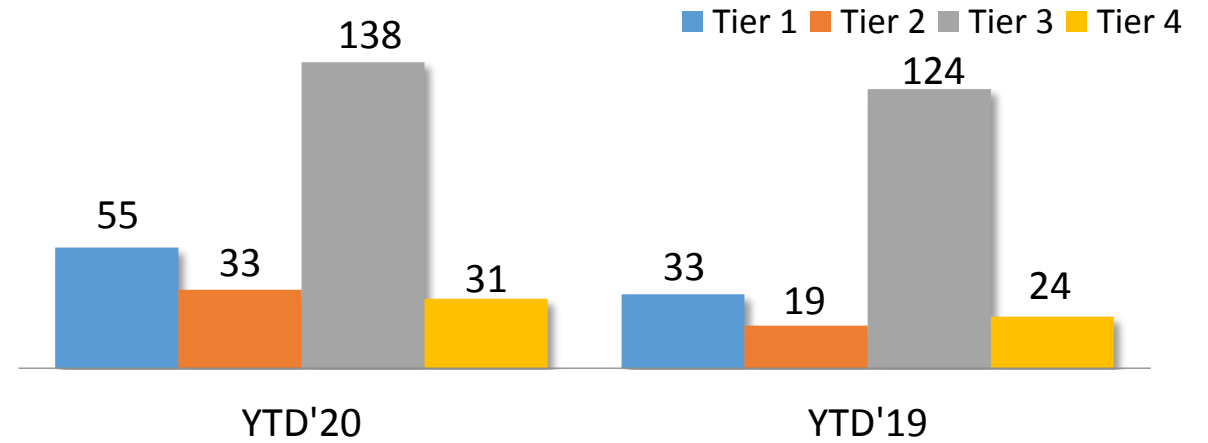
PY

# Operational Parameters : Apr-Dec FY'20 vs FY'19

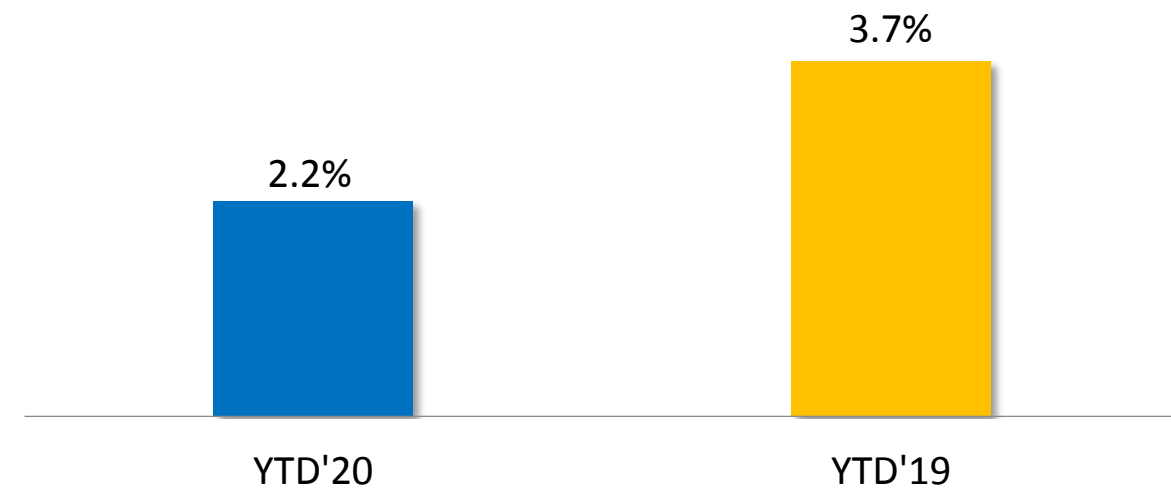
## Sales per sq feet (per month)



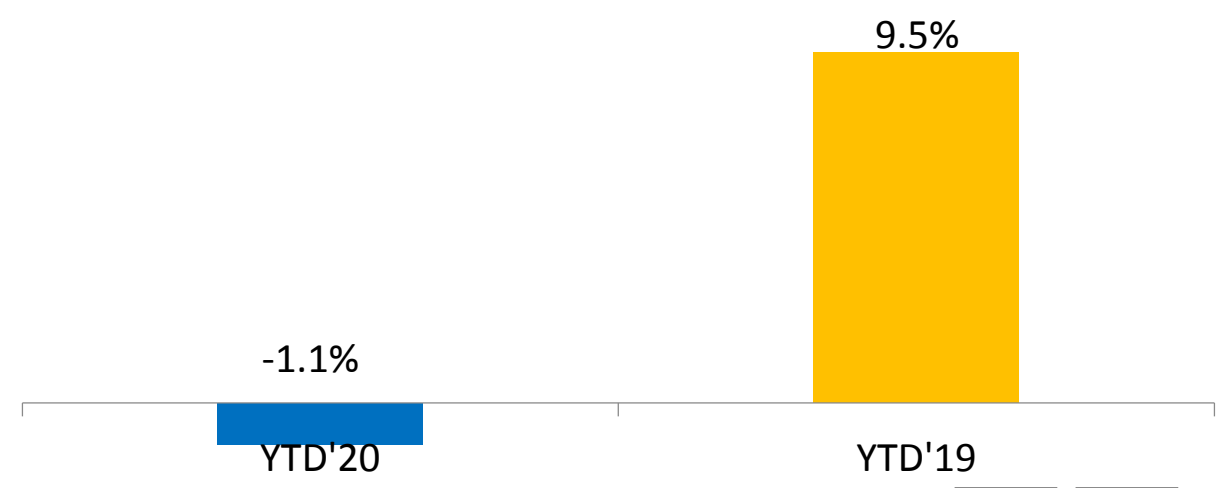
## Store Count (Nos)



## Same Store Sales Growth (%)

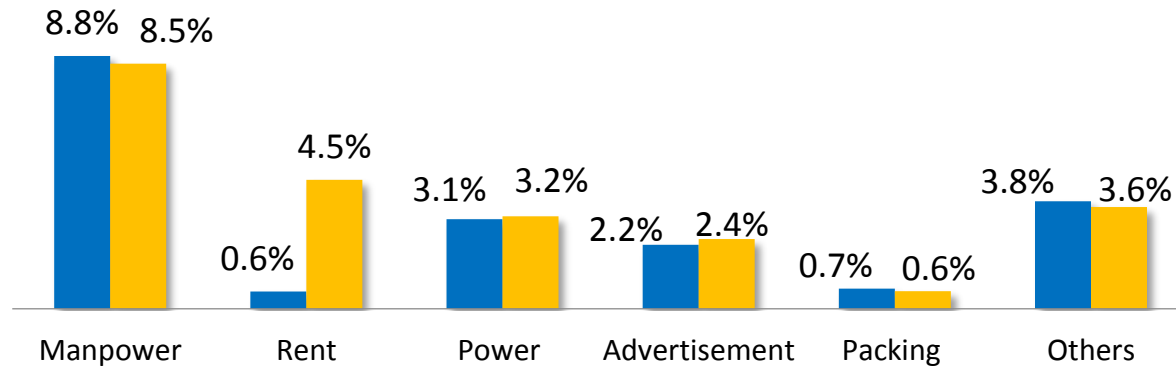


## Same Store Volume Growth (%)

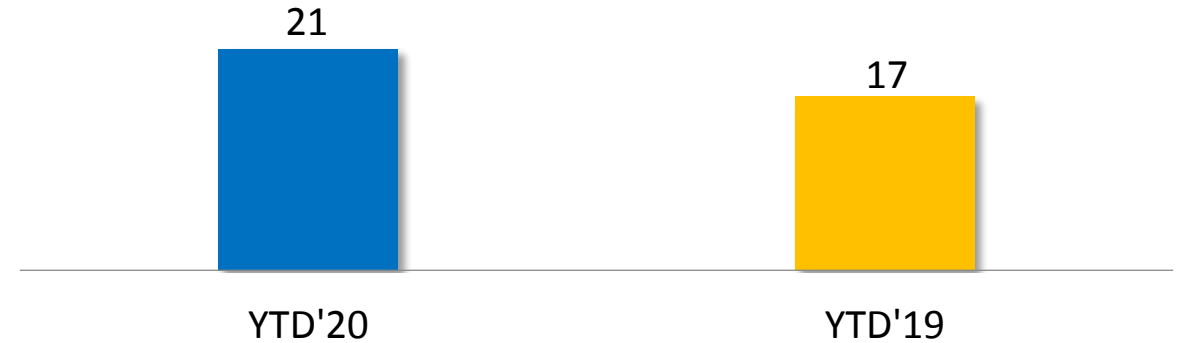


# Operational Parameters : Apr-Dec FY'20 vs FY'19

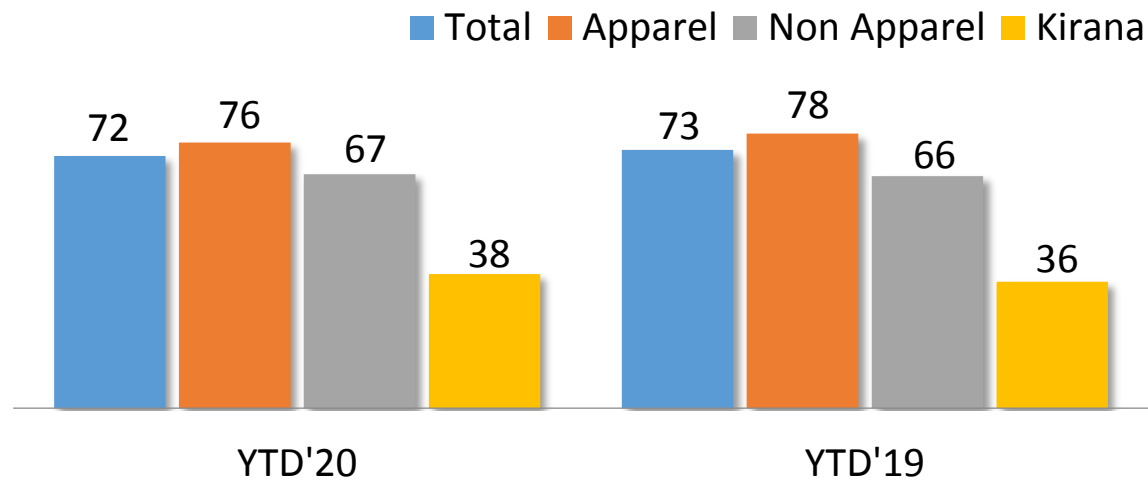
## Expenses (% of Sales)



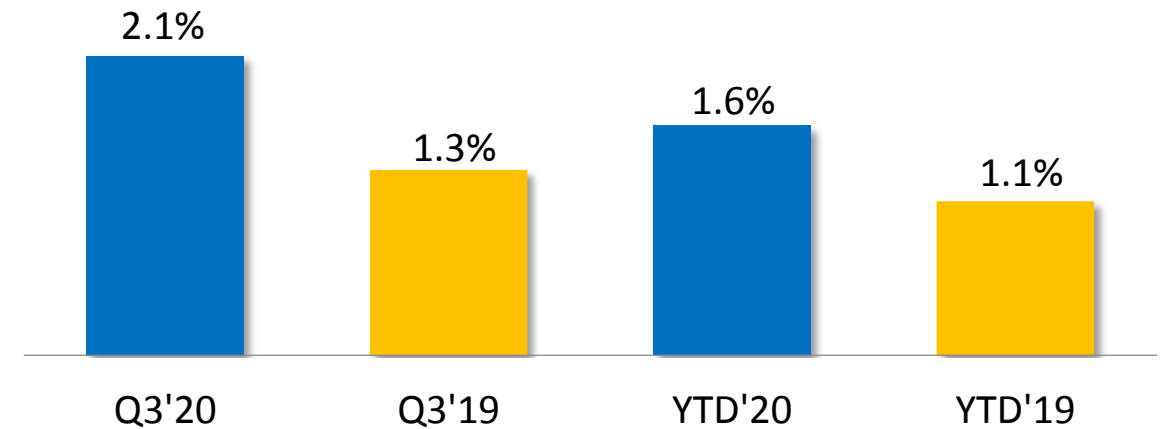
## Retail Space (Lacs Sq feet)



## Inventory (Days of Sales)



## Shrinkage (% of Sales)





Q3 FY'20 (QTR)

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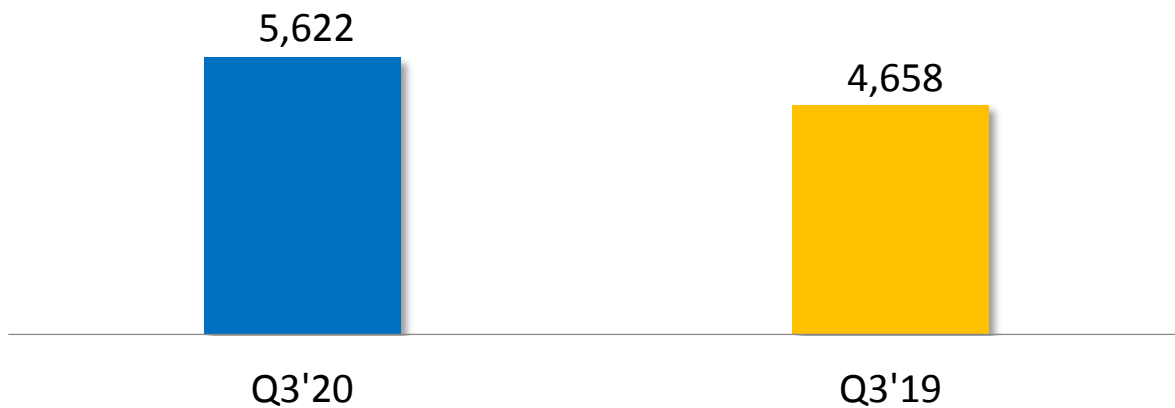
Key Highlights  
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## Key Highlights: Q3 FY'20 vs FY'19 Results

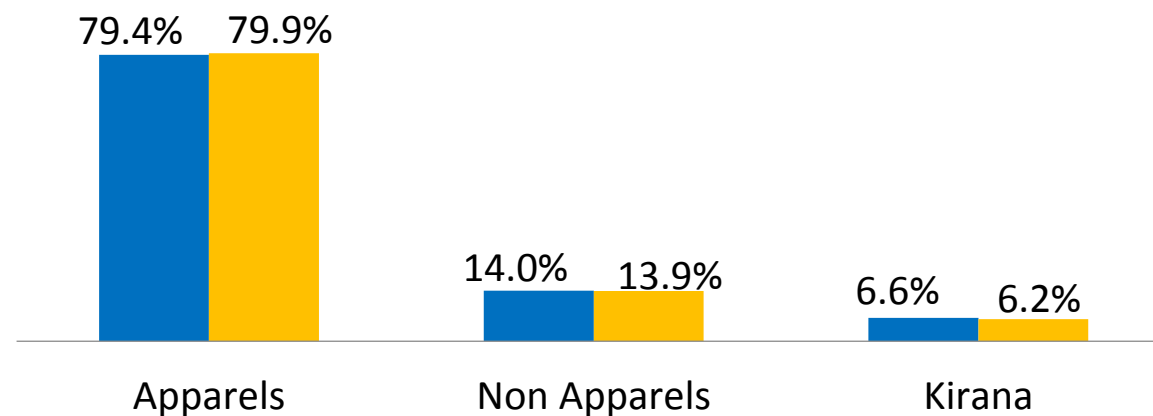
- Revenue grows by 21%
- Same Store Sales growth : Company 1%, Volume (3%)
- Sales per sq. feet (per month) : Rs. 941
- Stores count increases to 257 (add : 19 close : 1)
- Contribution of segment to total revenue
  - Fashion 93%
  - Kirana 7%
- Net profit of Rs. 582 millions
- Net impact on PBT higher than rental value as notional interest cost accrued on notional RoU liability created (Rs. 78 Mn.)

# Financial Parameters – Q3 FY'20 vs FY'19

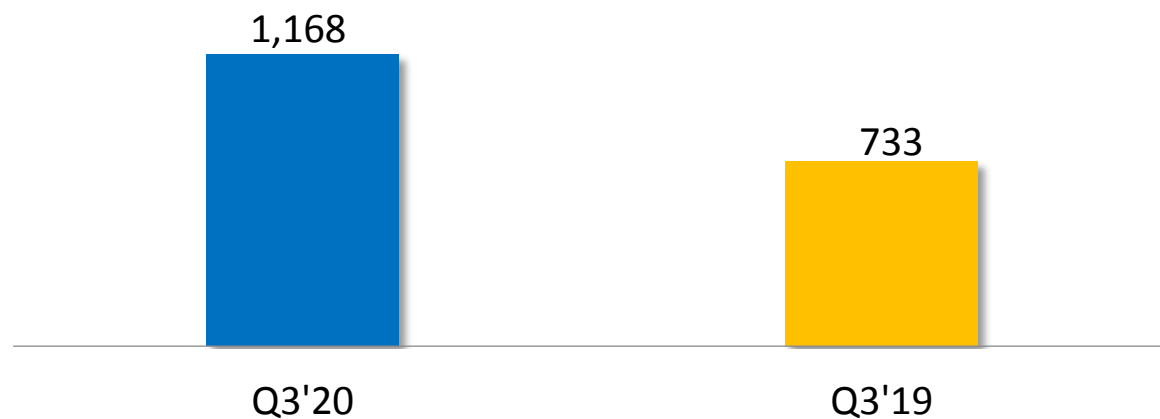
## Sales (Millions)



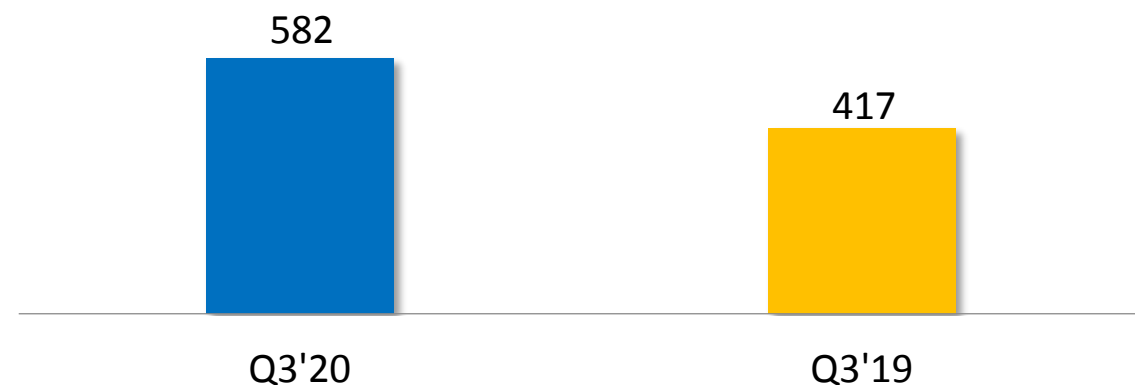
## Sales Mix (%)



## EBITDA (Millions)



## PAT (Millions)

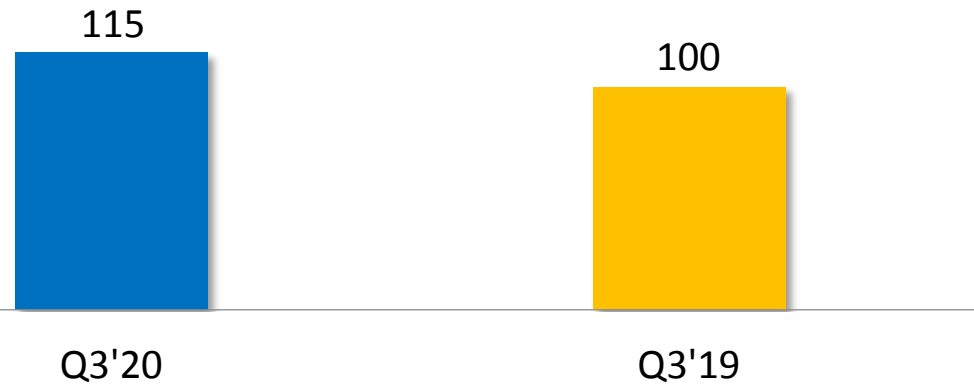


Note : FY'20 numbers are adjusted on account of IND-AS 116

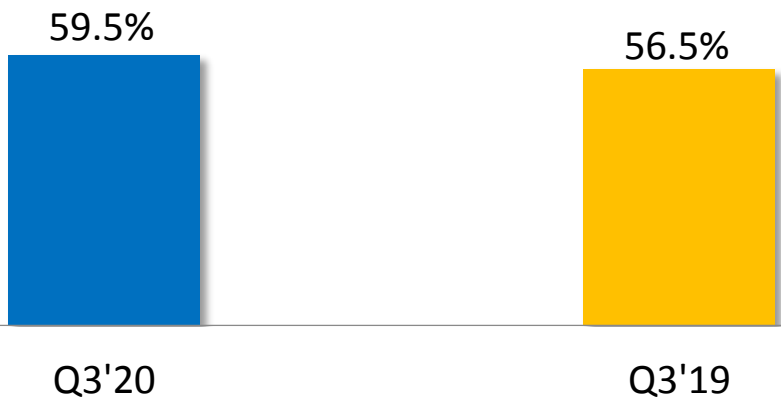
# Operational Parameters – Q3 FY'20 vs FY'19



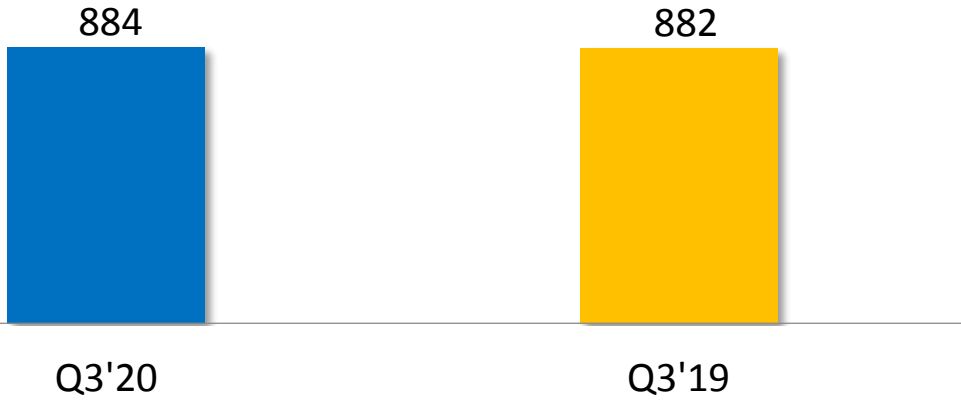
FootFall (Lacs)



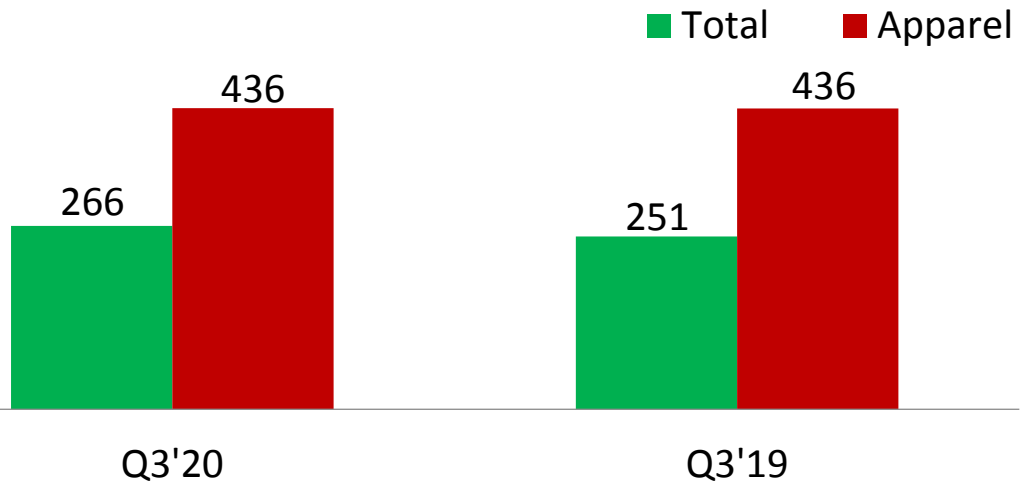
Conversion Rate (%)



Transaction size (Rs.)



Average Selling Price (Rs)



# Financial Review

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Ind-AS 116 : P&L Impact  
Profit & Loss Statement  
Balance Sheet and CFS

## 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. 608 Mn.)
  - increasing Depreciation (future rentals depreciated on SLM) (Rs. 445 Mn.)
  - increasing Interest Expense (for interest on future rental liability) (Rs. 382 Mn.)
- Net impact on PBT higher than rental value as notional interest cost accrued on notional RoU liability created (Rs. 226 Mn.)

# Ind-AS 116 : P&L Impact (YTD FY'20)

(₹ in million, unless stated otherwise)

Adjustments to increase / (decrease) in PAT	Reported FY'20	Ind-AS 1 16 adjustment	Comparable FY'20
<b>Revenue</b>	<b>13,294</b>	<b>(7)</b>	<b>13,301</b>
Rent	73	(608)	681
Total Other expenses (incl. Rent)	1,380	(608)	1988
Finance cost	409	382	27
Depreciation & Amortization	687	445	242
PBT	800	(226)	1,026

Reconciliation			
Revenues	13,294	(7)	13,301
EBITDA	1,859	601	1,258
PBT	800	(226)	1,026
EBITDA margin (%)	14%		9%
PBT margin (%)	6%		8%

# Ind-AS 116 : P&L Impact (Q3 FY'20)

(₹ in million, unless stated otherwise)

Adjustments to increase / (decrease) in PAT	Reported Q3'20	Ind-AS 1 16 Adjustment	Comparable Q3'20
<b>Revenue</b>	<b>5,622</b>	<b>(3)</b>	<b>5,625</b>
Rent	23	(226)	249
Total Other expenses (incl. Rent)	467	(226)	693
Finance cost	158	141	17
Depreciation & Amortization	245	161	84
PBT	770	(78)	848

Reconciliation			
Revenues	5,622	(3)	5,625
EBITDA	1168	223	945
PBT	770	(78)	848
EBITDA margin (%)	21%		17%
PBT margin (%)	14%		15%



# Financial Review – Profit & Loss Statement

₹ in million (except per share data)

Particulars	For the period ended	
	31.12.2019	31.12.2018
	(Unaudited)	(Unaudited)
I. Revenue from operations	13,294	10,892
II. Other income	37	37
<b>III. Total Revenue (I + II)</b>	<b>13,331</b>	<b>10,929</b>
<b>IV Total Expenses (IV)</b>	<b>12,531</b>	<b>9,982</b>
<b>V Profit before tax (III-IV)</b>	<b>800</b>	<b>947</b>
VI Total tax expense* (VI)	222	322
<b>VII Profit for the year (V-VI)</b>	<b>578</b>	<b>625</b>
VIII Other Comprehensive Income	-3	4
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>	<b>575</b>	<b>629</b>
<b>X Earnings per share (before extraordinary items) (of ₹10 each) (not annualized)</b>		
(a) Basic	31.83	34.50
(b) Diluted	31.80	34.39

\* Tax expense includes deferred tax

# Financial Review - Balance Sheet and CFS

(₹ in million, unless stated otherwise)

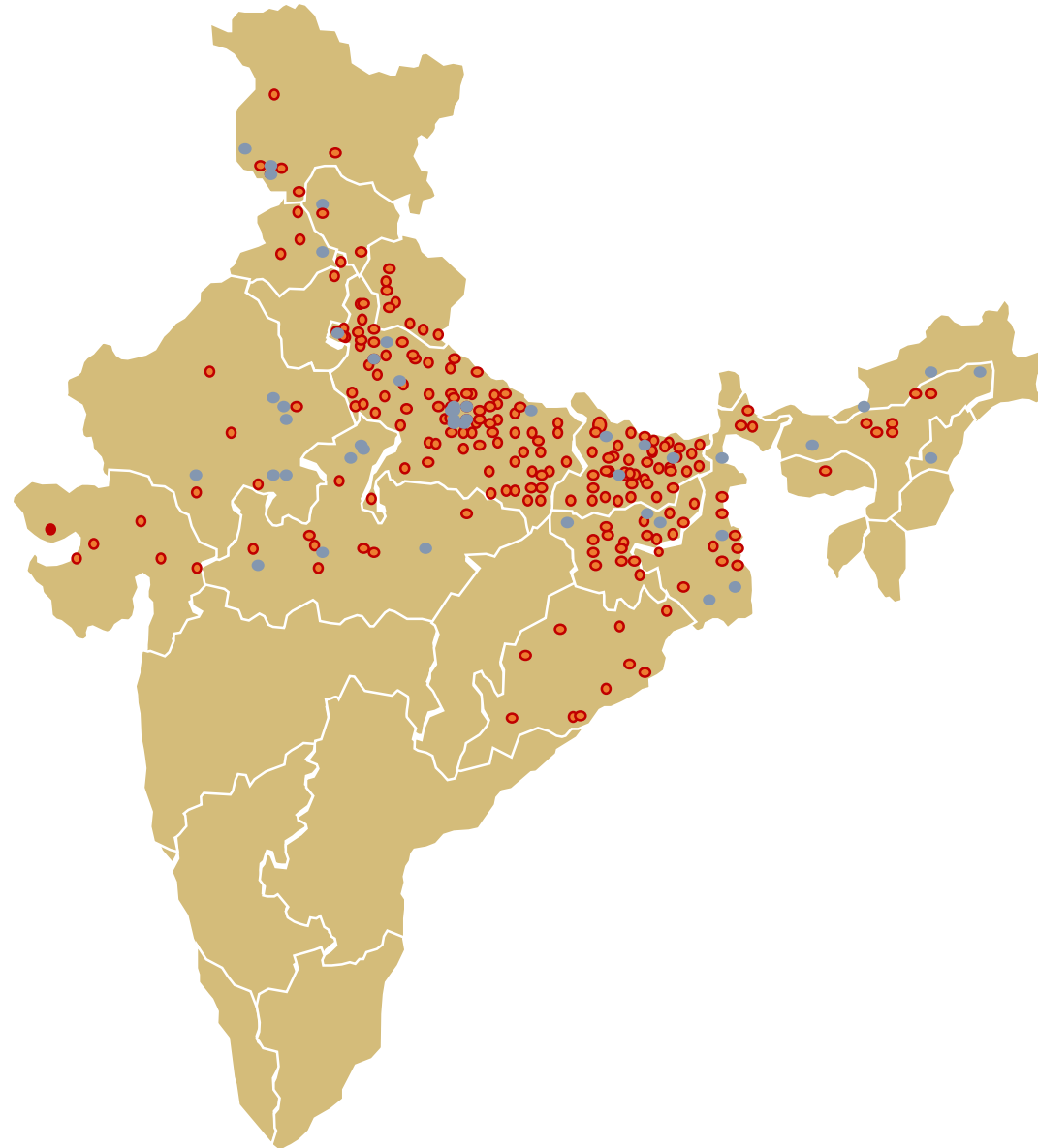
V-Mart Retail Limited		
Balance Sheet as at December 31, 2019		
(All amounts in Rs Lakhs, except for share data, per share data and unless otherwise stated)		
	As at 31 December, 2019	As at 31 March, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,784.10	1,622.07
Right to use	4,849.41	-
Capital work in progress	20.43	40.10
Intangible assets	32.42	32.87
Financial assets		
Investments	32.43	98.25
Loans	114.95	96.02
Other financial assets	12.34	11.77
Deferred tax assets (net)	153.09	118.30
Other non-current assets	80.22	83.21
	<u>7,079.39</u>	<u>2,102.59</u>
<b>Current assets</b>		
Inventories	4,414.72	3,289.84
Financial assets		
Investments	4.16	508.53
Loans	0.49	0.56
Cash and cash equivalents	133.22	148.87
Other bank balances	6.69	42.69
Other current assets	285.29	225.32
	<u>4,844.57</u>	<u>4,215.81</u>
	<u>11,923.96</u>	<u>6,318.40</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	181.56	181.30
Other equity		
Security premium	947.61	934.51
Amalgamation reserve	15.48	15.48
Other reserves	3,521.21	2,961.42
	<u>4,665.86</u>	<u>4,092.71</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	-	0.26
Other financial liabilities	4,783.06	59.95
Employee benefit obligations	57.62	51.08
	<u>4,840.68</u>	<u>111.29</u>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	-	-
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	445.96	236.26
b) total outstanding dues of creditors other than micro enterprises and small enterprises	818.43	1,246.33
Other financial liabilities	931.05	423.40
Employee benefit obligations	25.92	21.16
Liabilities for current tax (net)	155.86	97.18
Other current liabilities	40.20	90.07
	<u>2,417.42</u>	<u>2,114.40</u>
	<u>11,923.96</u>	<u>6,318.40</u>

V-Mart Retail Limited		
Cash Flow Statement for the period ended December 31, 2019		
	For the period ended 31 Dec 2019	For the period ended 31 March 2019
<b>A. Cash flows from operating activities</b>		
Net profit before tax and before extra-ordinary items	800	993
Adjustment for:	1,105	373
Operating profit before working capital changes	1,905	1,366
Movements in working capital :	(1,875)	(270)
Cash generated from operations	30	1,096
Taxes paid	(190)	(332)
Net cash flow from operating activities	(160)	764
<b>B. Cash flows used in investing activities</b>		
Net cash flow used in investing activities*	198	(734)
<b>C. Cash flows from/(used in) financing activities</b>		
Net cash flow from/(used in) financing activities	(53)	(44)
Net increase/(decrease) in cash and cash equivalents	(15)	(14)
* Investment in fixed assets is ₹429 million (previous year: ₹407 million) in net cash flow used in investing activities		



# Stores Geographic Spread & Sales Promotions Q3 FY'20

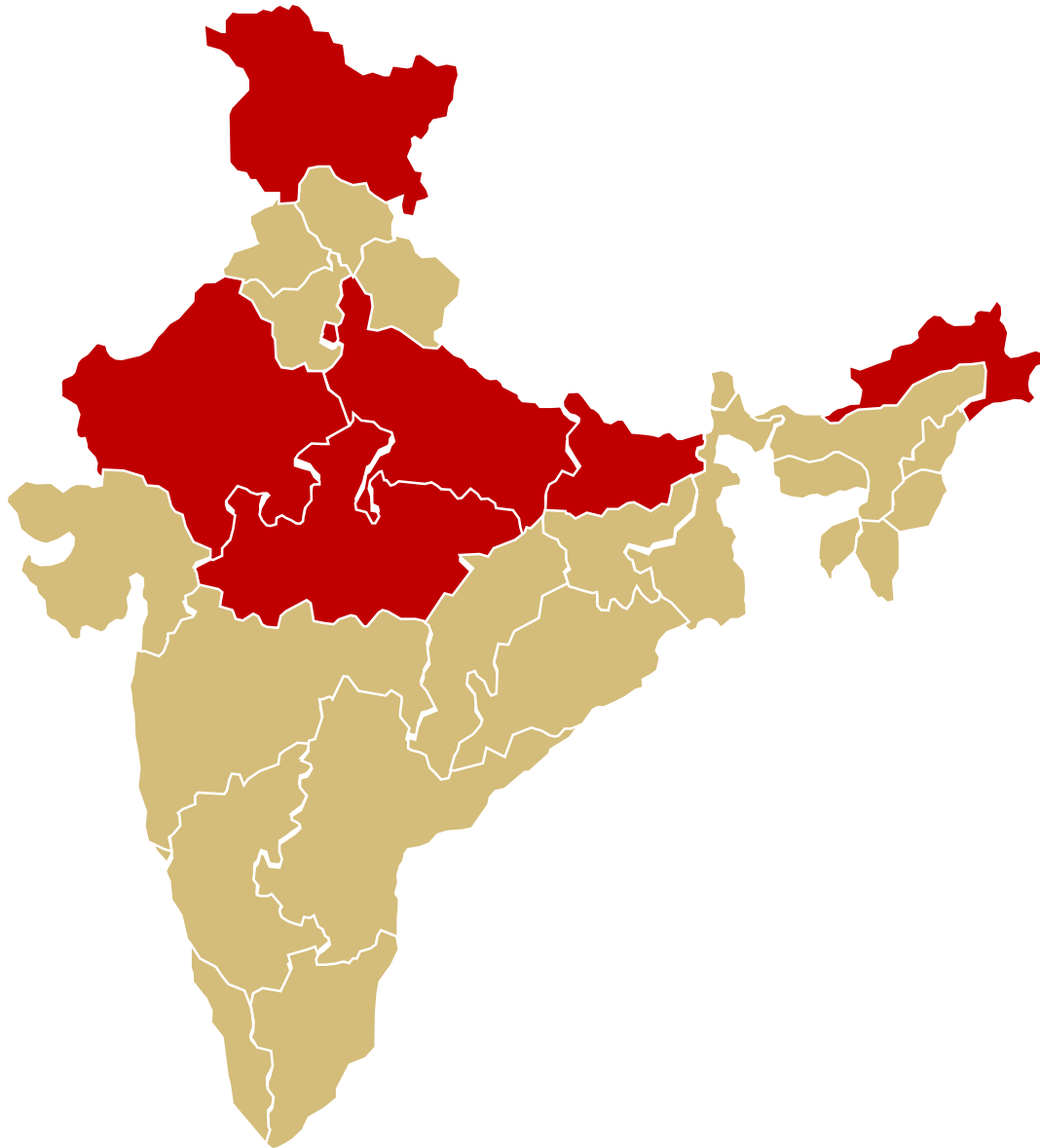
# Stores Geographical Spread



- Stores opened till FY19      214
- Stores Opened during FY20      46
- Stores closed during FY20      03

States	Total
Assam	9
Bihar	45
Chandigarh	1
Delhi	3
Gujarat	6
Haryana	1
J&K	8
Jharkhand	19
MP	14
Meghalaya	1
Odisha	9
Punjab	4
Rajasthan	11
UP	97
Uttarakhand	8
West Bengal	16
Nagaland	1
Arunachal Pradesh	1
Himachal Pradesh	3
<b>Total no of Stores</b>	<b>257</b>

# New Stores Addition



State	No. of stores	Retail Space (Sq ft)
Arunachal Pradesh	1	13,300
Bihar	1	8,809
Delhi	1	6,656
Jammu & Kashmir	2	19,217
Madhya Pradesh	3	18,854
Rajasthan	4	30,294
Uttar Pradesh	7	55,645

# Promotions & Campaigns – Q3 FY'20

**सिकन्दरा, आगरा**

**THE Wedding COLLECTION**

**V MART**

**तैयार For त्यौहार**

**₹500 फ्री शॉपिंग** **₹1500 की खरीद पर**

**₹5000 की खरीद पर एक Gold Coin मुफ्त**

**आकर्षक विन्टर कलेक्शन अब हर स्टोर में उपलब्ध।**

**THE DENIM COLLECTION**

**THE PARTY WEAR COLLECTION**

इस करवाचौथ चार चाँद लगाएं!

HAPPY *Karwa Chauth*

Campaign	Period
Diwali	October
Karwachauth	October
Chath	October
Lucky Draw	November
Christmas	December

# Thank You

In case of any queries, please contact the IR Team:  
Girish Garg - [girish.garg@vmart.co.in](mailto:girish.garg@vmart.co.in)

