



SHOPPERS STOP

START SOMETHING NEW

Quarterly Performance : Q2 FY20

COMPANY AT A GLANCE

1st
Department
Store in India

110M Customer
visits

~ \$500M
Market Cap

~ 7.5K
Employees



~ 13.5K
Brand
Associates

SHOPPERS STOP

261
stores

500+ Fashion and
Beauty Brands

~4.3M
retail space

PRESENCE IN 40 CITIES



VISION



“To be an inspirational and trusted brand,
transforming customer’s lives
through fashion, beauty and a
delightful
shopping experience every time.”

OUR CUSTOMER



Our Core customer is a young family where the woman is the primary influence. These upwardly mobile, middle to high income family shops across our stores for the widest selection of brands.

We have a fast growing base of young consumers of 18-25 years of age. These customers are shopping for premium products with us as they build their future dreams and careers.

First Citizen Program



Personal Shopper Program



Strategic Pillars

Exclusive Brands



Beauty



FIRST CITIZEN LOYALTY PROGRAM



GETTING TO KNOW OUR CUSTOMERS BETTER

6.5M

FIRST CITIZEN LOYALTY
PROGRAM MEMBERS

(Q2 : 190K additional
members)

79%

CONTRIBUTION TO
COMPANY SALES

- Key Growth Engine for the Business
- New enrollment in Q2: 190K, +26% YoY, exhibiting strong affinity towards our brand.
- Revenue contribution: 79%, +5% YoY (Q2-19)
- Repeat purchases: 68%
- 15% of our base is now 18-25 age group ~ A funnel for future growth
- First Citizen Black Card launched across all the stores

PERSONAL SHOPPER



17%+

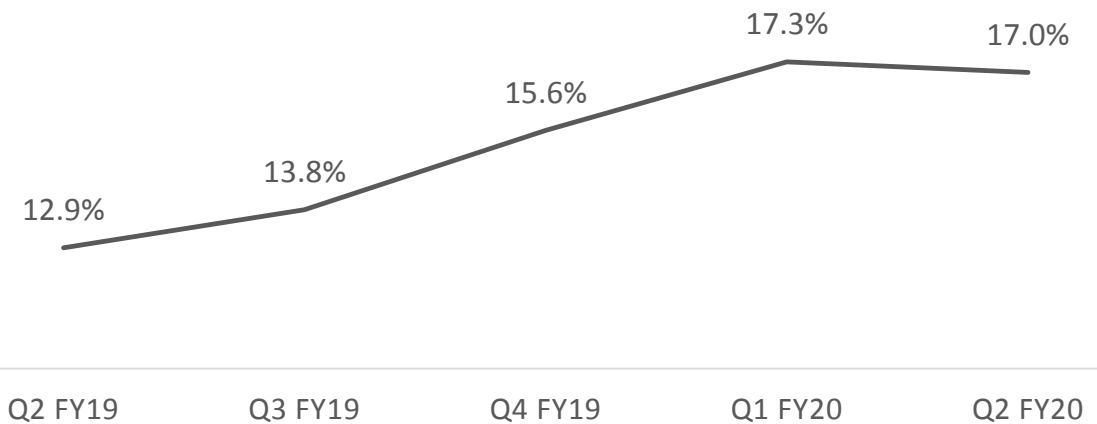
CONTRIBUTUON TO
SALES

2.8X

AVERAGE TICKET
SIZE

Providing a delightful shopping experience with our Personal Shopper Service.

% Personal Shopper Contribution



PRIVATE BRANDS



12%+ CONTRIBUTION TO
TOTAL SALES

- Design Studio, Sampling Unit and Testing Labs are fully operational.
- 4 new brands launched in AW19
 - Glam by Disha Patani –20 Doors.
 - Jones New York – 19 Doors
 - French Connection U.K (FCUK) – 60 Doors, exclusive for Department Stores
 - Back to Earth – 27 Doors - a contemporary brand with earthy and natural inspirations

LIFE

FRATINI
WOMAN

STOP
Everyday Awesome

RHESON

FEMINA
FLAUNT

KASHISH

HAUTEcurry

New Brand Launches AW19

Women



FOREVER NEW

bebe

JEALOUS 21



Men



Kids



Karrot (Relaunched)

Accessories

MICHAEL KORS



COCCINELLE



BEAUTY



150+

BEAUTY BRANDS

16%+

CONTRIBUTION TO
TOTAL SALES

- Continued dominance in Beauty segment across all channels.
- 6 New Locations in Q2
 - Took over India Franchisee business of Jo Malone London, Luxury British perfume brand having 3 exclusive stores (Select Saket, Vasant Kunj & Palladium - Lower Parel)
 - 2 MAC stores launched in Noida and Bangalore
 - 1 Clinique Store in Jaipur
 - Kiko Milano launched in 2 stores, 1st time ever in a Department Store.
- 13 new locations in H1

DIGITAL FOOTPRINT

Omni Channel – Symbiotic Relationship of Clicks & Bricks

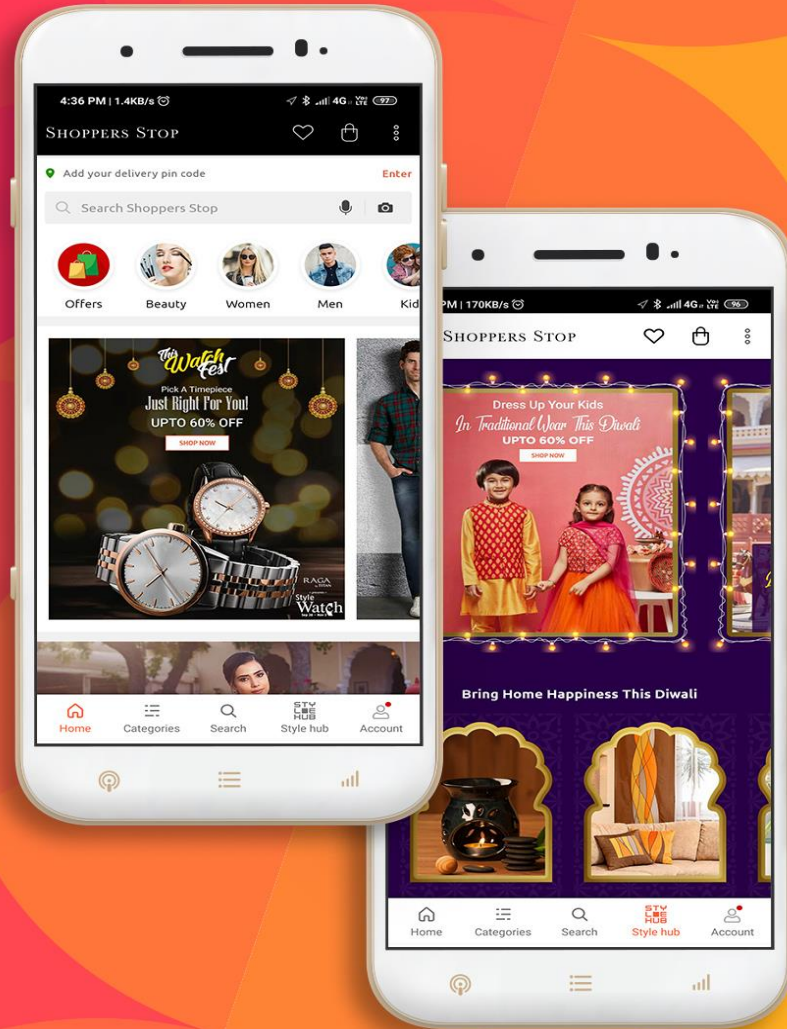
+18.3M
VISITS

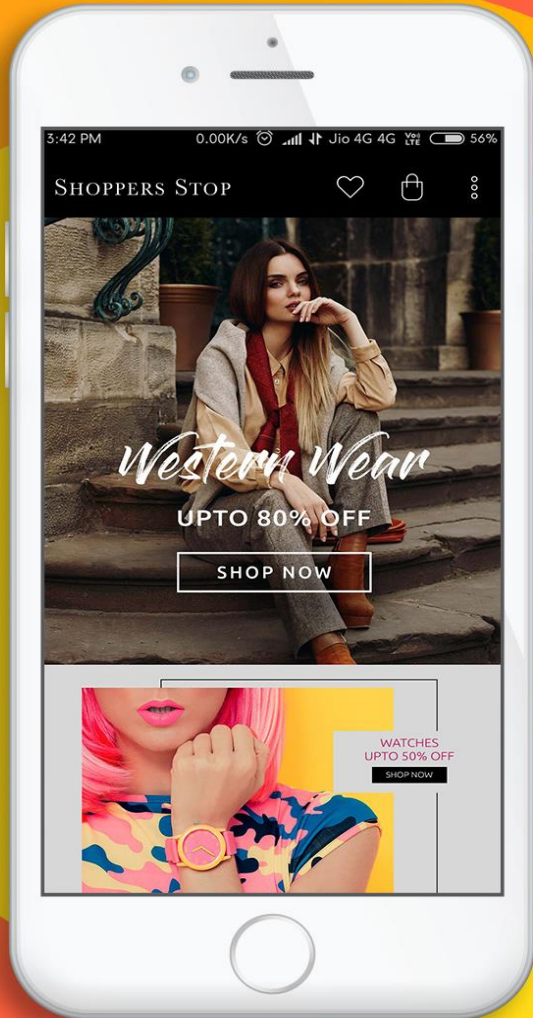
+25,000
PIN CODE
COVERAGE

1.9%
CONTRIBUTUON
TO SALES

+7.2M
MOBILE APP
DOWNLOAD

- 1.2M App downloaded in Q2
- Platform frequently used by Millennials and Young Professionals to converse with us
- Buy Online and Collect from the Store (51 stores)
- Ship from Store for fulfillment of Online Orders (51 stores)
- Buy Online and Return at the Store
- Irresistible Style Hub disseminating Latest Fashion Tips
- Cardless First Citizen Program





Amazon – Strengthen ties/ Re-launch

Amazon Content

- We participated in Amazon Great India Festival* and sales performance exceeded the expectation

EDI Integration

- 4 stores are live through EDI setup : Malad, Andheri, Bannerghatta Bangalore and Pacific Pune.
- India's only multi-brand retailer with store inventory being made available to Amazon Customers
- Only retailer to be directly integrated with Amazon systems.
- Ramp up plan
 - 5-6 stores and 4 DC's by Q3

* Through our 100% subsidiary shoppersstop.com India Limited

NEW STORE ADDITIONS- Q2 FY20: GAUR NOIDA

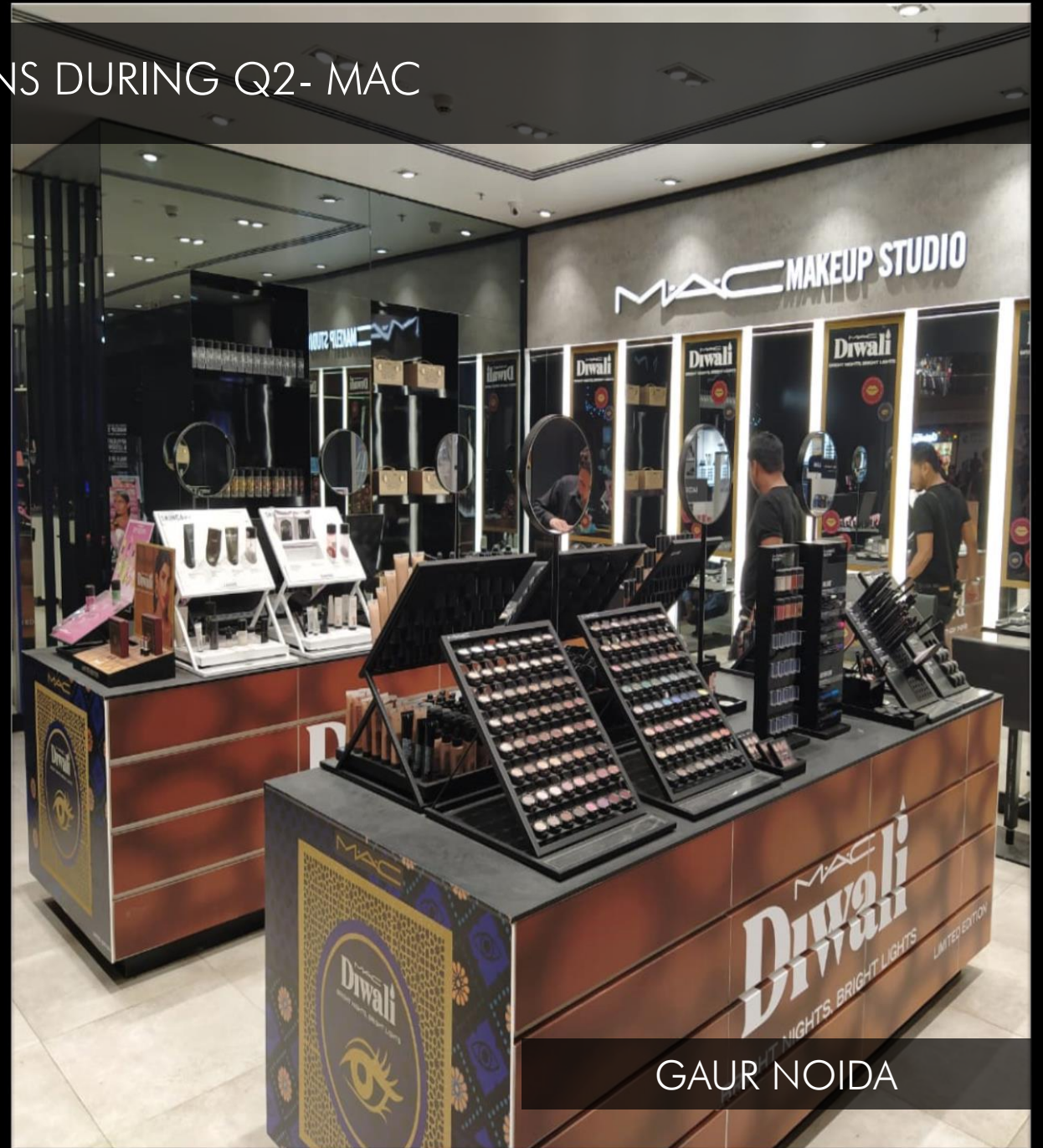


43000 SQ. FT.
300+ BRANDS
DESIGNED BY – Schwitzke & Partner, Dusseldorf, Germany

NEW STORE ADDITIONS DURING Q2- MAC



MANTRI MALLESHWARAM



GAUR NOIDA



Growth Acceleration

- Shoppers Stop lays foundation to accelerate growth for FY21 and beyond, by increasing the store openings in FY20
 - 8 to 10 Department Stores
 - 40 Beauty Doors
- Stores opened in H1 FY20 were EBITDA positive within 3 months of opening.

Increased investment in technology to use big data to improve Customer Experience and underpin growth with agility.



SAP S4 HANA implementation in progress with TCS.

- Support and enable a modern and flexible business model
- Reduce complexity in Business Processes
- Modernize system with Digital code to drive operational efficiency and agility

Other Technology Initiatives

- Implementation of New Loyalty Engine with Gravty
- X Store Oracle to upgrade Cash Tills for better Customer Experience
- Hybris Upgrade, to enhance our Omni-channel journey

BRAND CAMPAIGNS

3 AWARD WINNING CAMPAIGNS

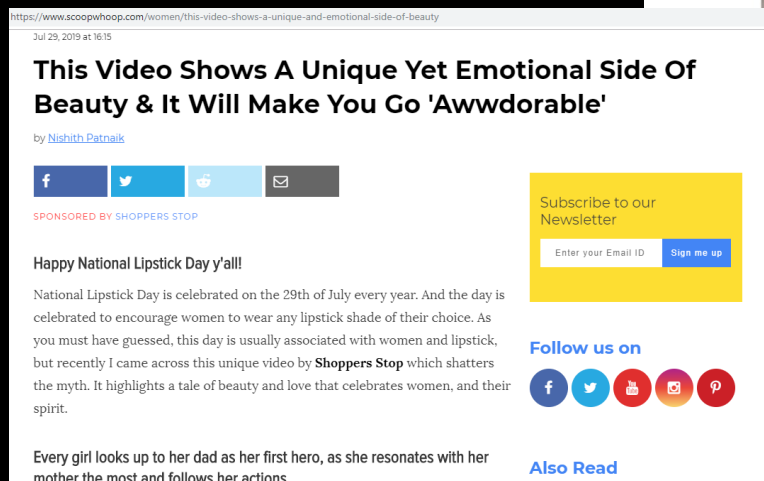
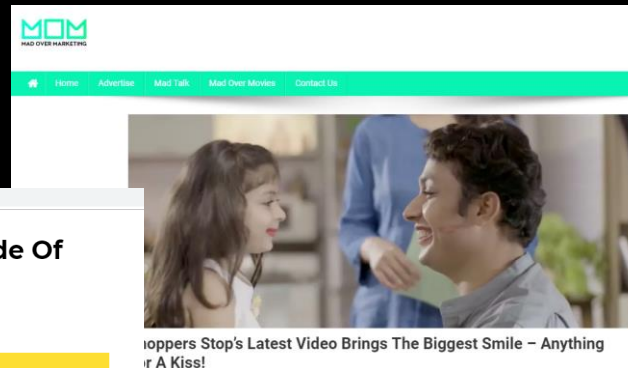
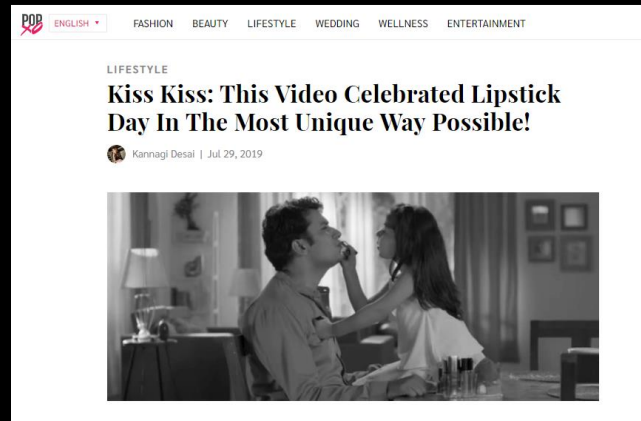


Award winning campaigns creating strong customer affinity to the brand

#CelebrateSisterhood – Rakhi Campaign

- A video created celebrating Rakhi with a different perspective – celebrating sisterhood
- Digital Media attained a cumulative reach of 12M users with an estimated 11M unique users across channels.
- 57.5k addition in store visits on the Rakhi day over last year across Delhi stores.
- FB, You tube & Google reached 8.8M Unique Users – Members and Non-Members combined

BRAND CAMPAIGNS



#NATIONALLIPSTICKDAY – JULY 2019

- Campaign showcased a man wearing lipstick which broke the clutter among the retail industry advertising space
- 7 Mn. Unique consumers reached on social media across channels
- 3 Mn. Total views for the campaign video across channels
- Campaign was featured and covered by leading digital publishers

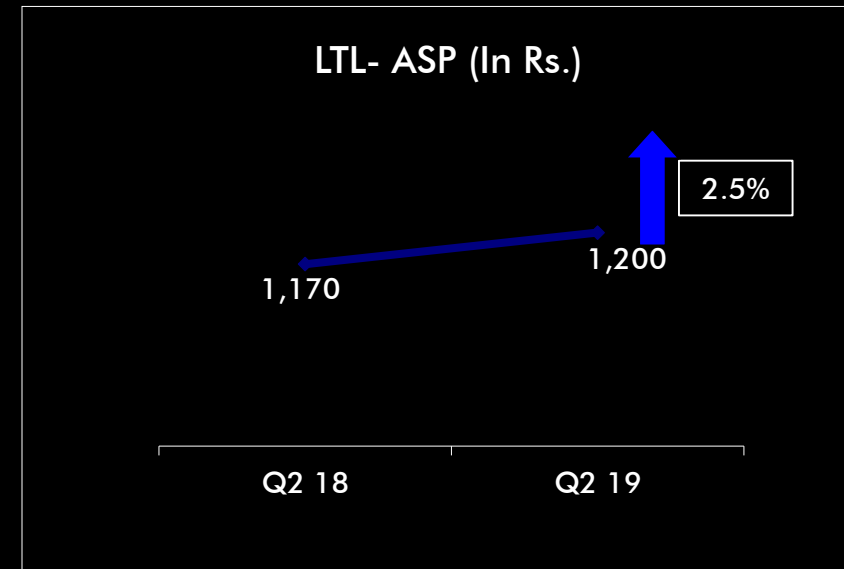
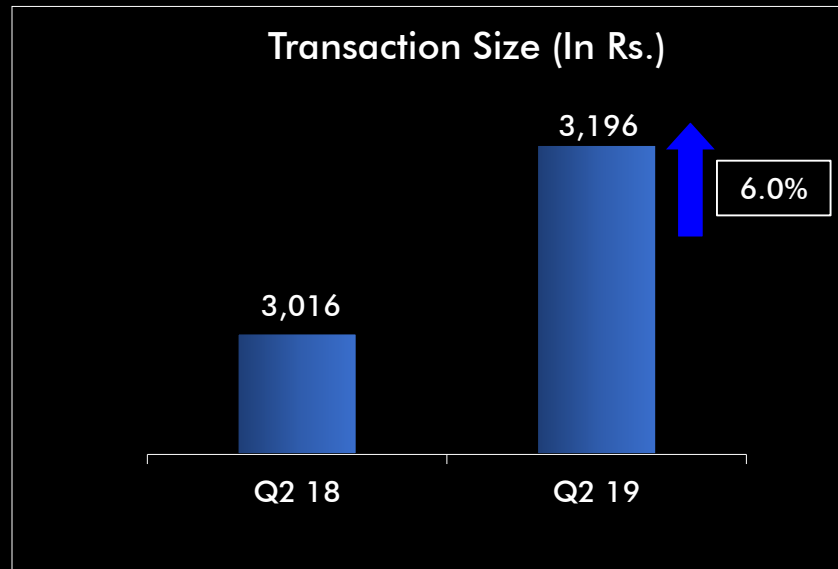
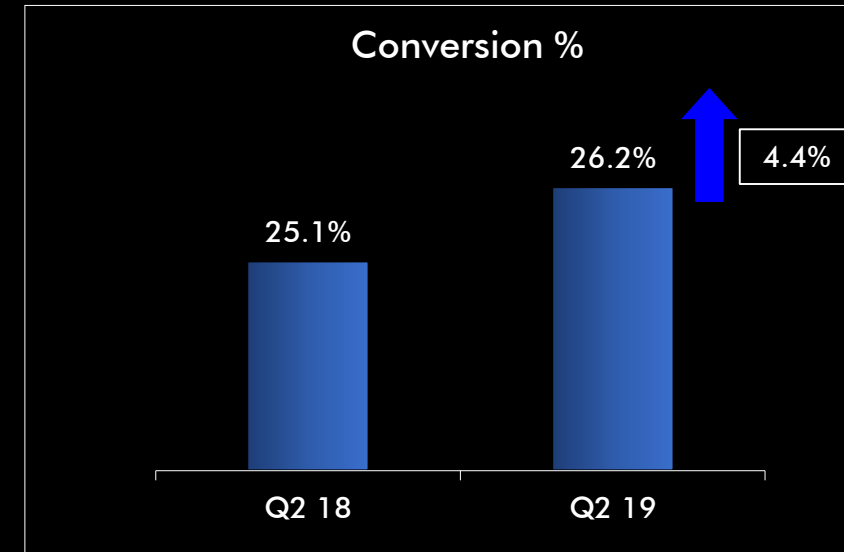
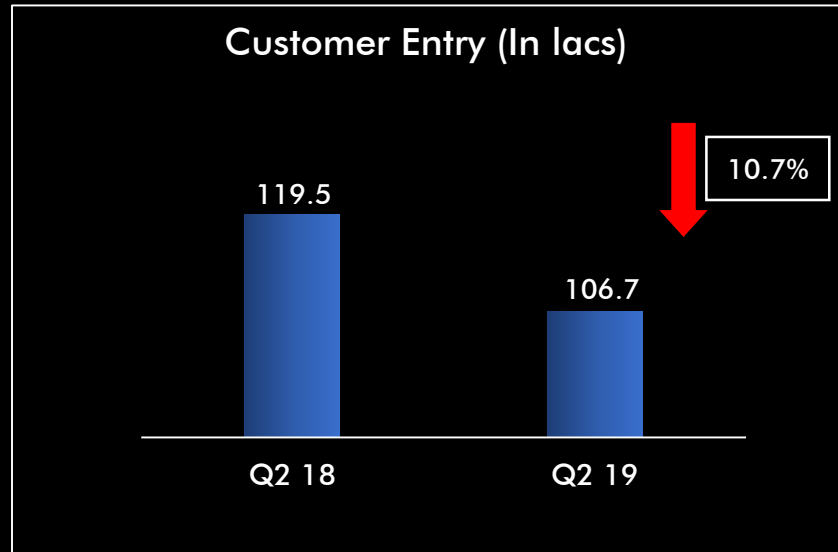
BRAND CAMPAIGNS



#JaagoTumiJaago – Pujo Campaign covering East festive season – Kolkata, Siliguri, Durgapur, Guwahati, Ranchi

- Pujo campaign in entire east market across TV, Press, Digital and Catchment
- Campaign in 4 regional TV channels and all digital platforms reaching over 4.6 million customers within our TG
- Press ads in leading publication in East region
- Outdoor at prominent location in Kolkata covering the catchment of stores

Operational Indicators – Q2 -2019-20



LTL Volume Growth % ↓ (3.5%)

FINANCIAL OVERVIEW : SHOPPERS STOP LIMITED : Q2FY20

	Non - GAAP Financials			GAAP Financials		
	Q2-20	Q2-19	Gr%	Q2-20	Q2-19	Gr%
Revenue	1,070.3	1,075.7	-0.5%	845.3	864.5	-2.2%
Other Income	14.5	14.8		18.1	2.6	
Total Revenue	1,084.8	1,090.4	-0.5%	863.5	867.1	-0.4%
Margin	350.2	360.2	-2.8%	350.2	355.0	-1.4%
Margin%	32.7%	33.5%	(80 bps)	41.4%	41.1%	30 bps
Operating Exp.	317.5	318.5	-0.3%	213.0	301.0	-29.2%
EBIDTA	47.3	56.4	-16.3%	155.3	56.6	174.4%
EBIDTA %	4.4%	5.2%	(80 bps)	18.4%	6.5%	1190 bps
Depreciation	27.6	31.1		87.8	31.1	
Finance Cost	1.6	2.5		47.4	2.7	
PBT	18.1	22.9	-20.7%	20.1	22.9	-12.0%
PBT %	1.7%	2.1%	(40 bps)	2.4%	2.6%	(20 bps)
Exceptional Item/OCI	49.1	51.9	-5.3%	49.7	51.9	-4.3%
PBT (Aft. Excp & OCI)	-31.0	-29.0	-6.8%	-29.6	-29.0	-1.9%
Tax	7.0	8.4		25.4	8.4	
PAT	-38.0	-37.5	-1.4%	-54.9	-37.5	-46.7%
PAT %	-3.5%	-3.5%		-6.5%	-4.3%	(220 bps)

- Lower Margins owing to intense promotions to remain competitive in subdued economy.
- LTL Costs declined owing to significant operating efficiency.

Adjustment in net profit.	GAAP changes
PBT (as per Non – GAAP)- (A)	18.1
Lease Rent (AS 116)	(90.4)
Finance costs (AS 116)	45.4
Depreciation on ROU Assets (AS 116)	44.5
Acc. Depn owing to Lease period (AS 109)	11.2
Net Others	(12.0)
PBT (as per GAAP)- (C) = (A-B)	20.1

FINANCIAL OVERVIEW : SHOPPERS STOP LIMITED : H1FY20

	Non - GAAP Financials			GAAP Financials		
	H1-20	H1-19	Gr%	H1-20	H1-19	Gr%
Revenue	2,169.8	2,123.9	2.2%	1,677.7	1,691.1	-0.8%
Other Income	30.0	28.6	4.6%	20.5	9.7	111.3%
Total Revenue	2,199.8	2,152.5	2.2%	1,698.3	1,700.8	-0.1%
Margin	718.3	702.7	2.2%	706.1	693.9	1.8%
Margin%	33.1%	33.1%		42.1%	41.0%	110 bps
Operating Exp.	650.9	631.5	3.1%	430.7	598.4	-28.0%
EBIDTA	97.4	99.9	-2.5%	295.9	105.2	181.2%
EBIDTA %	4.5%	4.7%	(20 bps)	17.6%	6.2%	1040 bps
Depreciation	59.7	61.7	-3.2%	176.2	61.7	
Finance Cost	3.2	0.1		95.8	5.5	
PBT	34.5	38.1	-9.4%	23.9	38.1	-37.2%
PBT %	1.6%	1.8%	(20 bps)	1.4%	2.3%	(90 bps)
Exceptional Item/OCI	34.3	41.9	-18.0%	35.4	41.9	-15.5%
PBT (Aft. Excp & OCI)	0.2	-3.8	104.9%	-11.5	-3.8	-201.7%
Tax	8.2	14.7		26.6	14.7	
PAT	-8.0	-18.5	56.9%	-38.0	-18.5	-105.9%
PAT %	-0.4%	-0.9%	50 bps	-2.3%	-1.1%	(120 bps)

Adjustment in net profit.	GAAP changes
PBT (as per Non – GAAP)- (A)	34.5
Lease Rent (AS 116)	(179.4)
Finance costs (AS 116)	91.8
Depreciation (AS 116)	88.1
Acc Depn owing to Lease period (AS 109)	22.1
Depreciation on ROU Deposit net of Interest (AS 109)	(11.8)
PBT (as per GAAP)- (C) = (A-B)	23.9

FINANCIAL OVERVIEW : BALANCE SHEET

Particular	Sep-19	Mar-19
Networth	960.8	977.6
Loan Fund	20.0	40.0
Total Liabilities	980.8	1,017.6
Fixed Assets & Lease Deposit	847.9	813.0
Investment	235.6	266.7
Investment in Mutual Fund	45.5	42.5
Inventory	420.2	367.5
ROR Inventory	717.0	686.0
Debtors , loans and Advances	349.1	299.7
Total Current Assets	1,486.3	1,353.2
Trade Creditors	681.5	568.2
ROR Creditors	717.0	686.0
Other liabilities and provisions	236.0	203.5
Total Current Liability	1,634.5	1,457.7
Net Current Assets	(148.2)	(104.5)
Total Assets	980.8	1,017.6

Investment Includes :
Rs 53.9Crs.: Crossword Book Store Limited
Rs 255.44 Crs. : Future Retail Limited (MTM
provision Rs.73.81 Crs.)

Increase in Inventory due to Festive season
shift

FINANCIAL OVERVIEW : CASH FLOW

Particulars	Sep 2019	Sep 2018
Cash Profit from Operations (after tax)	89.2	85.5
Increase in Creditors for Goods	94.8	53.8
Increase in Other Creditors and Liabilities	46.8	12.0
Increase in Inventories	(52.7)	(38.2)
Increase in Loans & Advances & Sundry Debtors	(51.7)	7.2
Cash generated from Operations	126.4	120.2

Investments during the quarter	Sep 2019	Sep 2018
Fixed Assets(including CWIP) & Deposits	(98.1)	(57.4)
Reduction in Creditors for Capex	4.2	(10.3)
Net Cash inflow	32.5	52.4

FINANCIAL OVERVIEW : KEY FINANCIAL RATIO

Profitability and Efficiency Ratios

Year To March	Q2-FY20	FY19	FY18	FY17	FY16
Inventory Days	89	142	120	116	138
Debtors Days	3	4	4	3	2
Creditors Days	60	44	50	45	51
Cash Conversion Ratio	29	98	70	71	87
Current Ratio	1.1	0.9	1.0	1.0	1.0
Gross Debt/Equity	0.0	0.0	0.1	0.8	0.8

Valuation Parameters

Year To March	FY19	FY18	FY17	FY16
ROE(%)	12.6%	9.1%	6.4%	8.9%
ROCE(%)	12.6%	9.4%	6.3%	10.3%
Adjusted EPS	9.0	1.4	-2.4	3.0
Adjusted Cash EPS	24.3	15.5	11.5	14.6
Diluted P / E (x)	52.7	390.1	365.0	120.3
P / B (x)	4.2	4.7	4.0	3.9
EV / Sales (x)	0.9	1.1	0.8	0.8
EV / EBIDTA (x)	16.0	20.0	15.1	14.0
Dividend Yield (%)	0.2	0.1	0.2	0.2

Operating Ratios

Year To March	Q2-FY20**	FY19	FY18	FY17	FY16
Total Asset Turnover Ratio	4.6	4.3	3.5	3.0	2.8
Fixed Asset Turnover Ratio	7.2	6.8	6.3	6.2	5.9
Equity Turnover Ratio	4.7	4.6	4.9	5.3	4.9

- Sustained improvement in efficiency ratios in last 2 years
- Company remains debt free
- Optimal utilization of assets, resulting to improved turnover ratio

**Q2-FY20 : Annualized

Industry Recognitions

AWARDS – Q2 –2019-20



- ✓ *MAPIC India's Most Admired Retail Company of the Year*



Most admired Retailer of the year in Categories

- ✓ *Customer Experience – Personal Shopper*
- ✓ *Dynamic Design & VM – Vasant Kunj Signature Store*
- ✓ *Visual Merchandising -VM for recycling clothes program with NGO Goonj*



Most Admired Retail Tech Implementation of the Year for

- ✓ *Loyalty and Customer Engagement – Brand Earned Burned*
- ✓ *Business Enabler – Omni channel's Category Based Search Engine*

AWARDS – Q2 –2019-20



- ✓ *Best Innovation & Creativity in a Digital Campaign - The Unclaimed Kendall+Kylie Virtual Handbag by Shoppers Stop*
- ✓ *Best BTL Campaign by a Retail Enterprise- The Unclaimed Kendall+Kylie Virtual Handbag by Shoppers Stop*
- ✓ *Best Multi Channel Campaign by a Retail enterprise - Share My New Year by Shoppers Stop*



- ✓ *Best Content Marketing Campaign-Mother's Day Campaign*

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.

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