

D Mart

AVENUE SUPERMARTS LIMITED

Standalone Total Revenue up by 10.1% at Rs. 7,433 Crore

Standalone PAT up by 19.3% at Rs. 470 Crore

For the Quarter ended December 31, 2020 (Q3FY21):

Standalone Results

- Total Revenue stood at Rs. 7,433 Crore, y-o-y growth of 10.1%
- EBITDA of Rs. 691 Crore; y-o-y growth of 16.6%
- PAT stood at Rs. 470 Crore; y-o-y growth of 19.3%
- Basic EPS for Q3FY21 stood at Rs.7.26, as compared to Rs.6.30 for Q3FY20
- 1 stores was added in Q3FY21

For the Nine months ended December 31, 2020 (9MFY21):

- Total Revenue stood at Rs. 16,484 Crore, lower by 10.8%
- EBITDA of Rs. 1,125 Crore; y-o-y decline of 34%
- PAT stood at Rs. 730 Crore; y-o-y decline of 31.3%
- Basic EPS for 9MFY21 stood at Rs.11.27, as compared to Rs.17.02 for 9MFY20
- 9 stores were added in 9MFY21 and 2 were closed and converted into Fulfillment Center for our E-Commerce Business in 9MFY21

Mumbai, January 9, 2021: Avenue Supermarts Ltd. (ASL), one of the largest food & grocery retailers in India, today declared its standalone and consolidated financial results for the quarter and nine months ended December 31, 2020.

Standalone results

Total Revenue for the quarter ended December 31, 2020 stood at Rs. 7,433 crore, as compared to Rs. 6,752 crore in the same period last year. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in Q3FY21 stood at Rs. 691 crore, as compared to Rs. 593 crore in the corresponding quarter of last year. EBITDA margin stood at 9.3% in Q3FY21 as compared to 8.8% in Q3FY20.

Net Profit stood at Rs. 470 crore for Q3FY21, as compared to Rs. 394 crore in the corresponding quarter of last year. PAT margin stood at 6.3% in Q3FY21 as compared to 5.8% in Q3FY20.

Basic Earnings per share (EPS) for Q3FY21 stood at Rs.7.26, as compared with Rs.6.30 for Q3FY20.

Total Revenue for 9MFY21 stood at Rs. 16,484 crore, as compared to Rs. 18,481 crore in the same period last year. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in 9MFY21 stood at Rs. 1,125 crore, as compared to Rs. 1,704 crore during 9MFY20. EBITDA margin stood at 6.8% in 9MFY21 as compared to 9.2% in 9MFY20.

Net Profit stood at Rs. 730 crore for 9MFY21, as compared to Rs. 1,063 crore in 9MFY20. PAT margin stood at 4.4% in 9MFY21 as compared to 5.7% in 9MFY20.

Basic Earnings per share (EPS) for 9MFY21 stood at Rs.11.27, as compared with Rs.17.02 for 9MFY20.

Consolidated results

Total Revenue for the quarter ended December 31, 2020 stood at Rs. 7,542 crore, as compared to Rs. 6,809 crore in the same period last year. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in Q3FY21 stood at Rs.689 crore, as compared to Rs. 597 crore in the corresponding quarter of last year. EBITDA margin stood at 9.1% in Q3FY21 as compared to 8.8% in Q3FY20.

Net Profit stood at Rs. 447 crore for Q3FY21, as compared to Rs. 384 crore in the corresponding quarter of last year. PAT margin stood at 5.9% in Q3FY21 as compared to 5.6% in Q3FY20

Basic Earnings per share (EPS) for Q3FY21 stood at Rs. 6.90, as compared with Rs. 6.14 for Q3FY20.

Total Revenue for 9MFY21 stood at Rs. 16,731 crore, as compared to Rs. 18,614 crore in the same period last year. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) in 9MFY21 stood at Rs. 1,130 crore, as compared to Rs. 1,711 crore during 9MFY20. EBITDA margin stood at 6.8% in 9MFY21 as compared to 9.2% in 9MFY20.

Net Profit stood at Rs. 686 crore for 9MFY21, as compared to Rs. 1,030 crore in 9MFY20. PAT margin stood at 4.1% in 9MFY21 as compared to 5.5% in 9MFY20.

Basic Earnings per share (EPS) for 9MFY21 stood at Rs. 10.58 as compared with Rs. 16.49 for 9MFY20.

D-Mart follows **Everyday low cost - Everyday low price (EDLC-EDLP)** strategy which aims at procuring goods at competitive price, using operational and distribution efficiency and thereby delivering value for money to customers by selling at competitive prices.

Commenting on the performance of the company **Mr. Neville Noronha, CEO & Managing Director, Avenue Supermarts Limited**, said:

DMart (Brick and Mortar) Business Overview

The quarter has seen further improvement in our business and financial metrics. Our overall sales and sales mix is now trending very close to our usual times except for specific customer consumption changes post Covid-19. Apparel, laundry, footwear, travel and such relevant out of home usage categories are taking more time to recover.

Agile OPEX management along with a good surge in festival shopping allowed us to deliver a significantly better quarter than the previous two quarters. However, December month didn't trend as well as the festival months of October and November. Two years and older D-Mart stores did ~96% of December 2019 sales in the month of December 2020. We have 162 stores that are 2 years or older. Restricted store operations in certain cities post Diwali due to night curfews and weekend closure led to significantly larger declines in those stores versus same period last year.

There continues to be a distinct behaviour of doing shopping more efficiently by shoppers. Lesser trips and higher basket values continue to be the norm. While there is a general reduction in basket values compared to peak pandemic levels, they still continue to be relatively higher than pre Covid-19 levels.

We also continue to face inconsistent supplies from the non FMCG sector. Raw material prices are also going up. Availability in certain categories is likely to get worse before getting better. This could therefore have an impact on sales mix and margins in the near term.

DMart Ready

This quarter we soft launched D-Mart Ready in select pin codes of Ahmedabad, Bangalore and Hyderabad. In addition, at some of our brick and mortar stores we have leased some part of the space to Avenue E-Commerce Limited (AEL) to commence E-Commerce operations in those cities. Post Covid-19 environment is creating opportunities to launch D-Mart Ready in more cities. However, we will continue with our approach of small trials, reviews and controlled acceleration for D-Mart Ready.

Conclusion

All our stringent safety precautions at stores shall continue as before to ensure our employees and customers have a safe place to work and shop.

We also intend to continue extended store operating hours. This is allowing us to serve our customers in a more safe and efficient way.

About Avenue Supermarts Limited: (www.dmartindia.com; BSE: 540376; NSE: DMART)

Avenue Supermarts Limited is a Mumbai-based company, which owns and operates D-Mart stores. D-Mart is a national supermarket chain that offers customers a range of home and personal products under one roof. The Company offers a wide range of products with a focus on Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories. The Company offers its products under various categories, such as grocery and staples, dairy and frozen, fruits and vegetables, home and personal care, bed and bath, crockery, footwear, toys and games, kids' apparel, apparel for men & women and daily essentials.

The Company opened its first store in Mumbai, Maharashtra in 2002. As of December 31, 2020, the Company had 221 operating stores with Retail Business Area of 8.17 million sq. ft. (adjusted for space leased to AEL during the quarter) across Maharashtra, Gujarat, Daman, Andhra Pradesh, Karnataka, Telangana, Tamil Nadu, Madhya Pradesh, Rajasthan, NCR, Chhattisgarh and Punjab.

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