



Ref. No. CS/S/L-418/2020-21

01st June, 2020

To: The Listing Department NATIONAL STOCK EXCHANGE OF INDIA LIMITED "Exchange Plaza" Bandra-Kurla Complex Bandra (E), Mumbai – 400 051 Scrip Code: VMART Fax: 022-26598120 Email: cmlist@nse.co.in	To: The Corporate Relationship Department THE BSE LTD Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 534976 Fax: 022-22723121 Email: corp.relations@bseindia.com
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Dear Sir(s),

Sub: Presentation to Analysts/Investors

Please find enclosed herewith the presentation being forwarded to Analysts/Investors on audited financial results of the Company for the fourth quarter and year ended 31st March, 2020.

The above presentation is also available on the company's website: <http://www.vmart.co.in>.

We request you to kindly take the above information on record.

Thanking you,

Your Truly
For V-Mart Retail Limited

Sd/-
Megha Tandon
Company Secretary

Encl: As above

V-MART RETAIL LTD.

CIN- L51909DL2002PLC163727

Corporate Office : Plot No. 862, Udyog Vihar, Industrial Area Phase V, Gurgaon - 122 016 (Haryana)
Tel. : 0124-4640030, Fax No. : 0124-4640046 Email : info@vmart.co.in Website : www.vmart.co.in
Registered Office : 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi - 110092

V-Mart Retail Ltd.

Financial Results & Analysis
Q4 FY'20





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Mid-Long term Outlook Remains Strong Despite COVID Challenges

Continuous Business Growth

- *Noteworthy performance during most of FY20*
- *Strong Q4 (till Mid March)*
- *Business model & economic fundamentals, irrespective of COVID, remain strong*

1

COVID-19 Pandemic

Impact Started from 1st week of March leading to :

- *50% of stores closed by 17th ; Complete Lockdown from 22nd*
- *Fear among customers and*
- *Deferment of non-essential purchases*
- *5 New Stores were ready to be open but couldn't open*

2

Managing the pandemic

- *Strong focus on cost reduction & cash preservation*
- *Getting teams ready for starting operations in the new Corona world*
- *To open maximum number of stores as lock down eases*
- *To help and sustain the entire eco system – employees, customers, vendors, stake holders*

3

Renewed Outlook

- *Impeccable focus on customer safety & stakeholder sustenance*
- *Business restoration in process with opening of 70%+ stores with constraints*
- *Building stronger brand salience with long & trusted relationship with customers*

4

April-March FY'20

Key Highlights
Financial Parameters
Operational Parameters

Key Highlights: April-March FY'20 vs. FY'19 Results

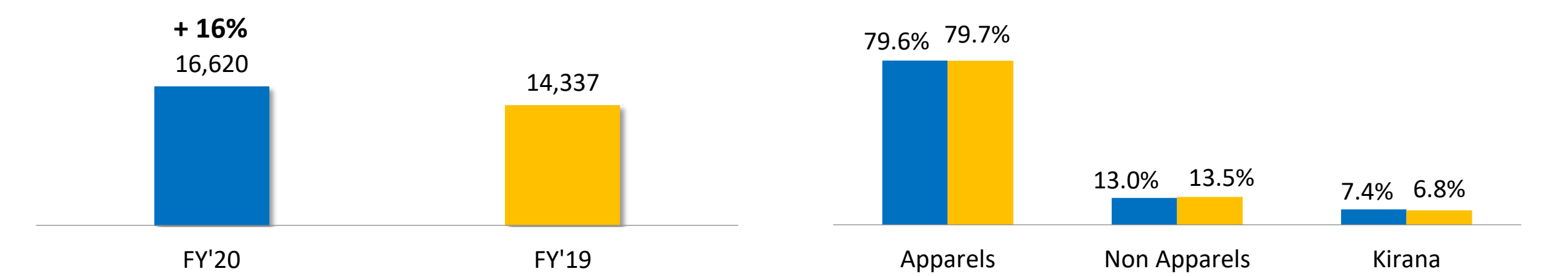


- Revenue grows by 16% ; YTD 15 Mar 2020 +21%
- Same Store Sales growth : (-2%) ; YTD 15 Mar 2020 +3%
- Number of Stores increases to 266 (added : 55 closed : 3)
- Sales per sq. feet (per month) : Rs. 759, -6%
- Contribution of segment to total revenue :
 - Fashion 93%
 - Kirana 7%
- Net profit of Rs. 493 million; (Comparable 799 million)
- Ind-AS 116 adoption w.e.f. April 1, 2019
- Net full year impact on PBT due to IndAS 116 adjustments (-Rs. 306 Mn.)

Financial Parameters : April-March FY'20 vs. FY'19

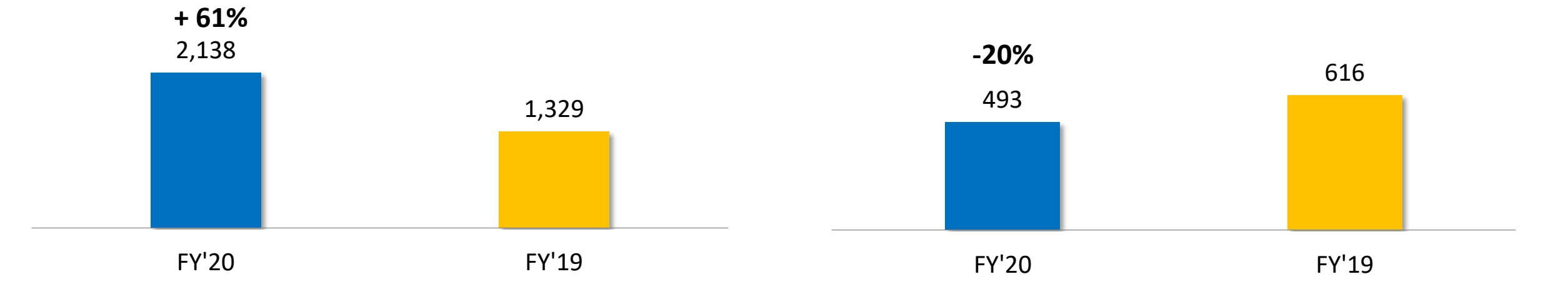
Sales (Millions)

Sales Mix (%)



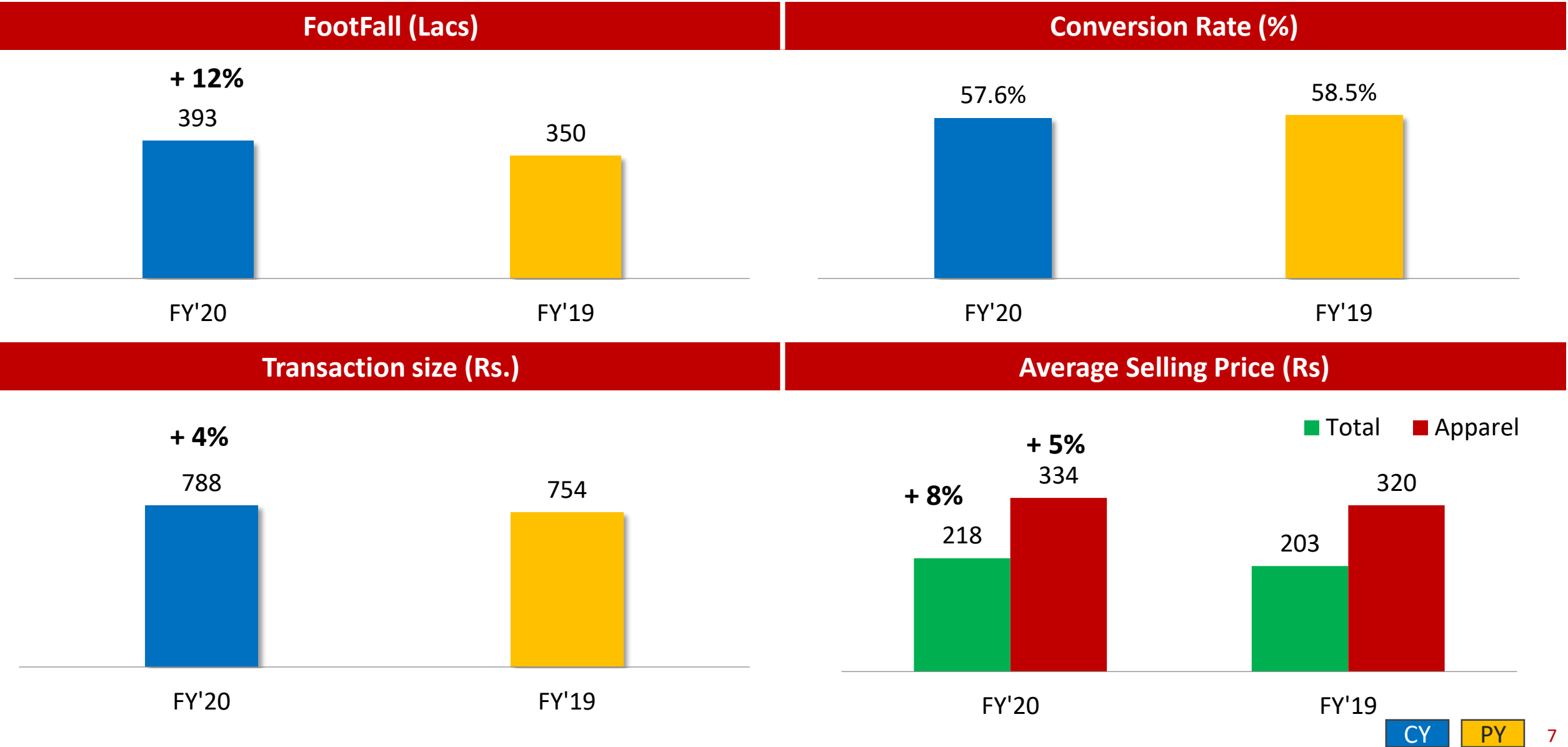
EBITDA (Millions)

PAT (Millions)



Note : FY'20 numbers are adjusted on account of IND-AS 116
: PY EBITDA excludes exceptional items

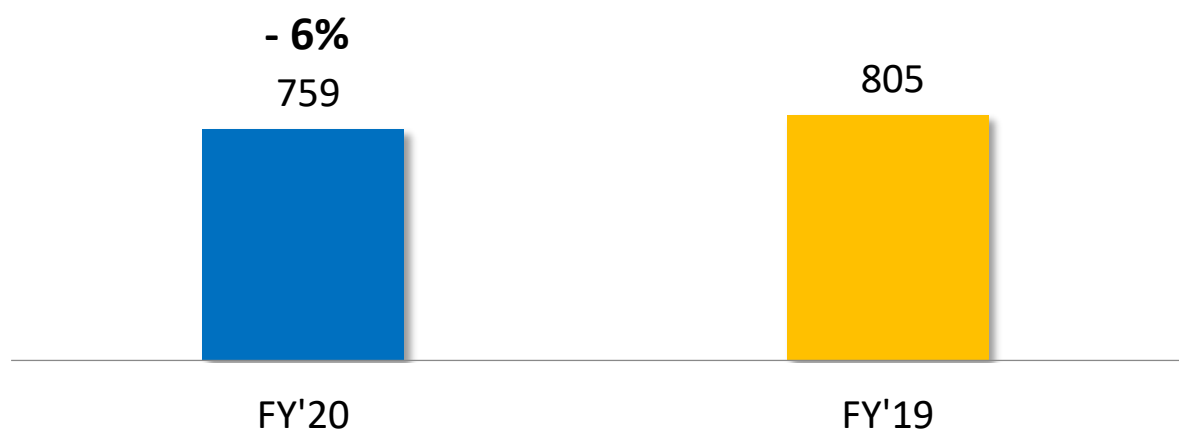
Operational Parameters : April-March FY'20 vs. FY'19



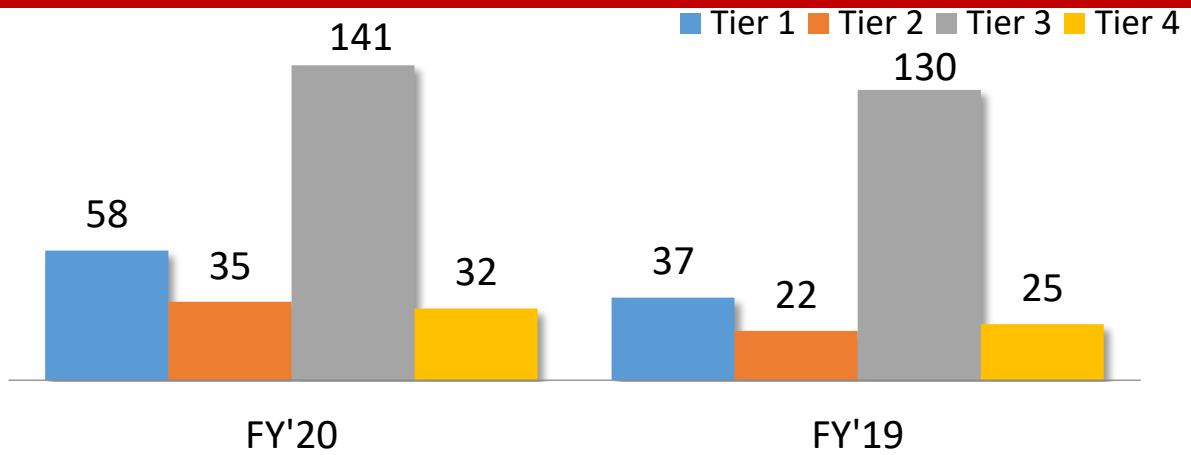
Operational Parameters : April-March FY'20 vs. FY'19



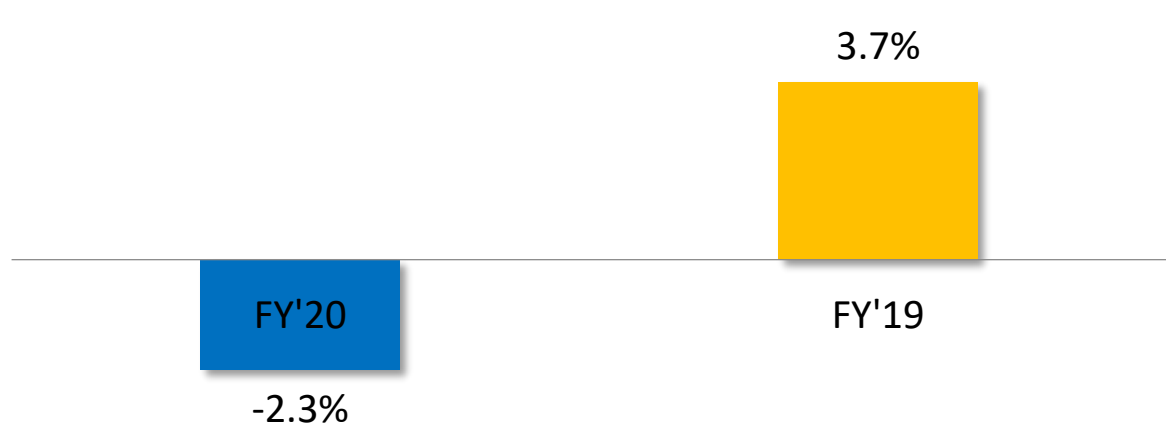
Sales per sq feet (per month)



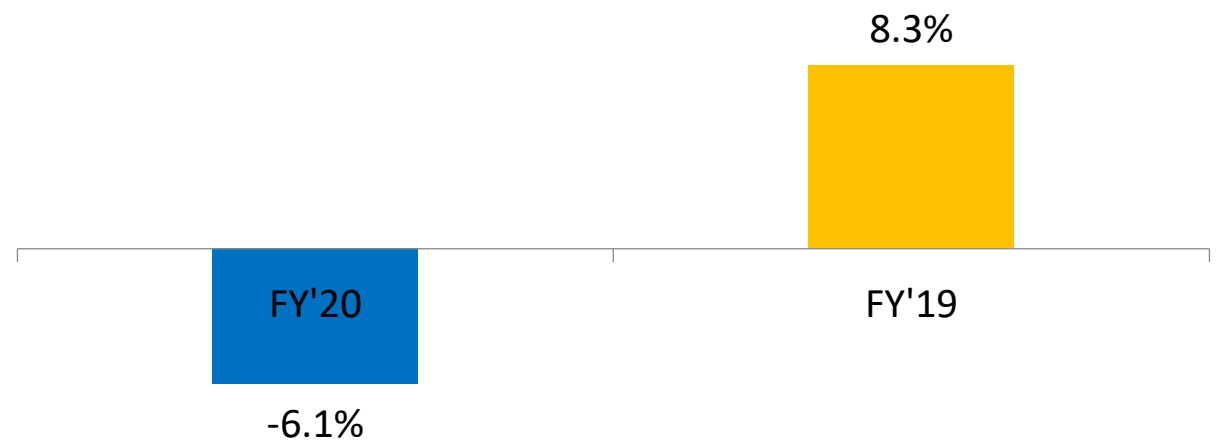
Store Count (Nos)



Same Store Sales Growth (%)



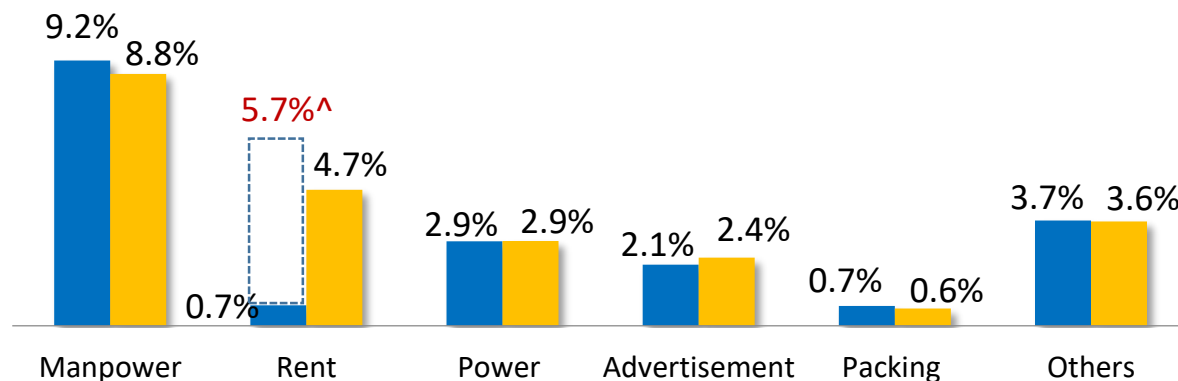
Same Store Volume Growth (%)



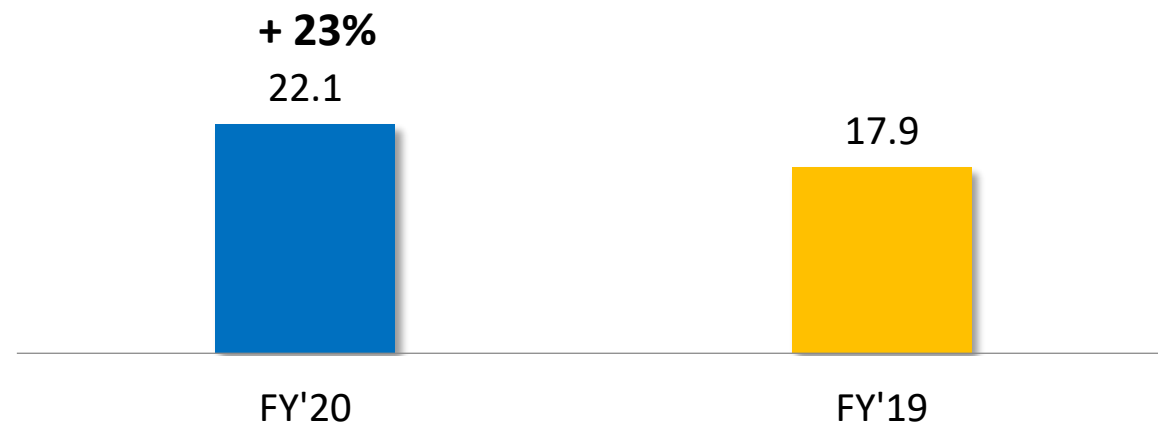
Operational Parameters : April-March FY'20 vs. FY'19



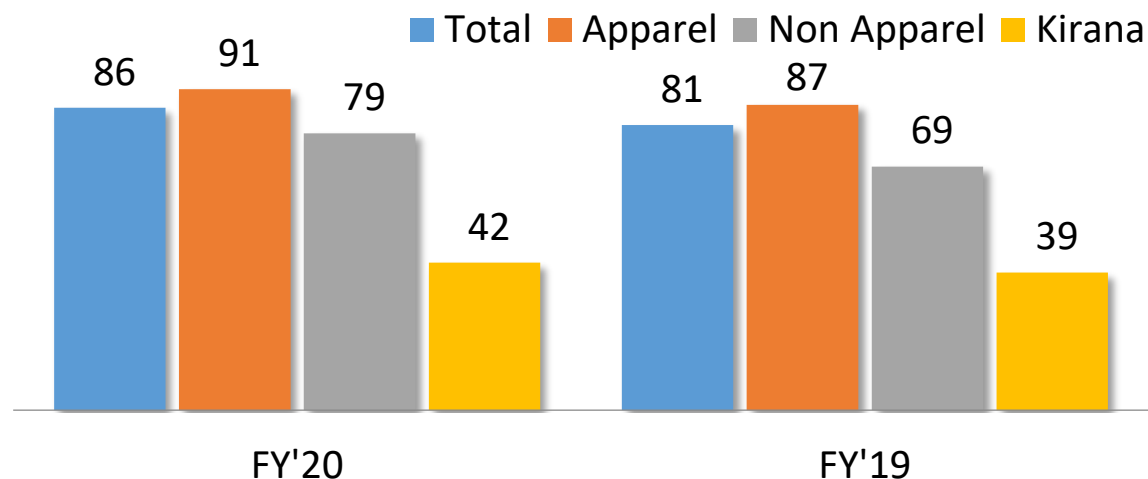
Expenses (% of Sales)



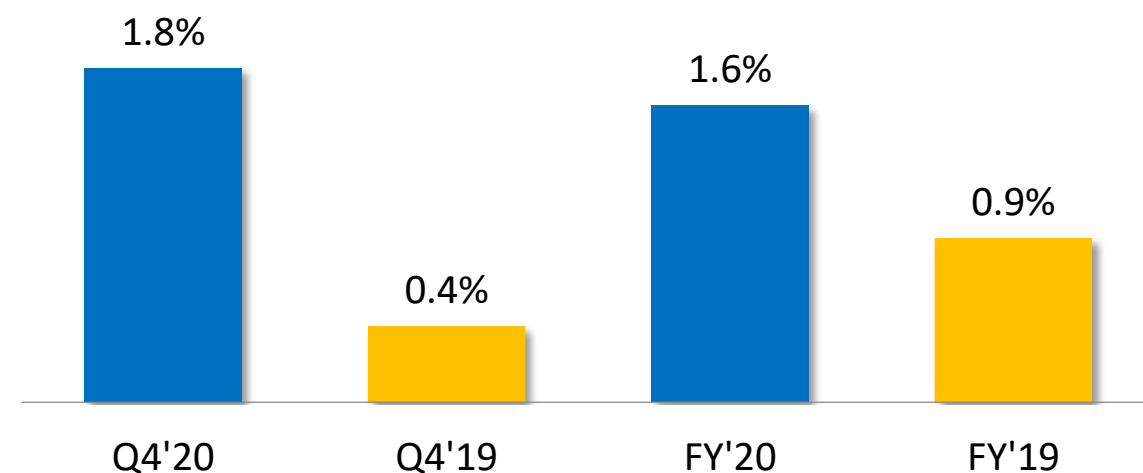
Retail Space (Lacs Sq feet)



Inventory (Days of Sales)



Shrinkage (% of Sales)



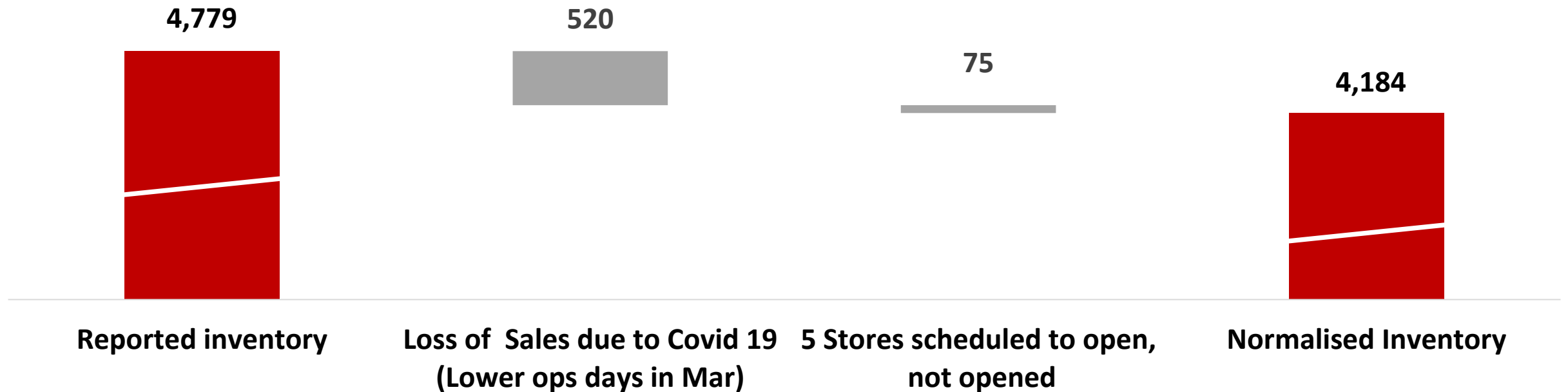
Note 1: Rent for FY'20, numbers are adjusted on account of IND-AS 116, ^Comparable number without IND-AS 116

Note 2: Shrinkage for FY'20 includes one time adhoc provision towards Covid mitigation

Inventory



(₹ in million, unless stated otherwise)



- Majority inwards for Spring Summer happened by 15th March
- Without Covid Impact, Normalized inventory would have been 4,184 Mn (DOI 80 days)
- No Fresh Inward since 15th Mar, except essentials
- Created one time inventory provision of Rs. 90 Mn (1.9% of Reported Inventory)

Q4 FY'20

Key Highlights
Financial Parameters
Operational Parameters

Key Highlights: Q4 FY'20 vs. FY'19 Results

- Revenue de-grows by (-3%); **QTD 15 Mar 2020 +29%**
- **Same Store Sales growth : (-18%); QTD 15 Mar 2020 +8%**
- **Sales per sq. feet (per month) : Rs. 619, -14%**
- **Stores count** increases to 266 (add : 9 close : 0 in Qtr)
- **Contribution of segment to total revenue**
 - Fashion 92%
 - Kirana 8%
- **Net profit/(loss)** of Rs. (-84) millions
- Net Q4'20 impact on PBT due to IndAS 116 (-Rs. 80 Mn.)

Strong Growth Trajectory impacted by COVID-19

Q4'20 witnessed revenue growth of 29%, LTL growth of 8% and EBITDA growth of 60% until 15th March, when the Covid-19 pandemic heightened, resulting into store closures and business disruption

Starting from 22nd March and until early May, 99% of the stores remained closed due to the Covid pandemic. During lockdown, centralized warehouse maintained a minimal level of operations to support the very few functional stores delivering essentials to customers and to support CSR activities

(Refer to COVID Response Section for details)

Financial Parameters – Q4 FY'20 vs. FY'19



Sales (Millions)

- 3%

3,327

Q4'20

3,445

Q4'19

Sales Mix (%)

78.7% 79.6%

Apparels

13.1% 13.4%

Non Apparels

8.2% 7.0%

Kirana

EBITDA (Millions)

+ 57%

278

Q4'20

178

Q4'19

PAT (Millions)

Q4'20

-84

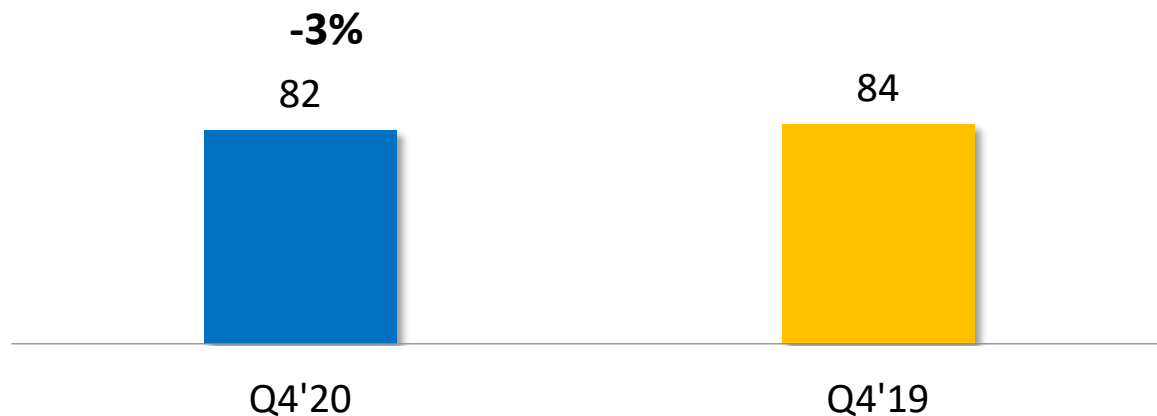
Q4'19

-9

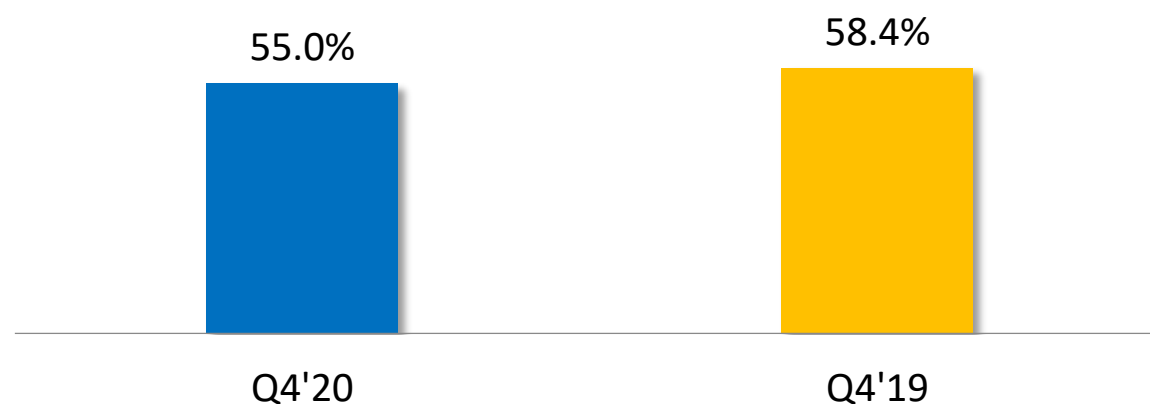
Operational Parameters – Q4 FY'20 vs. FY'19



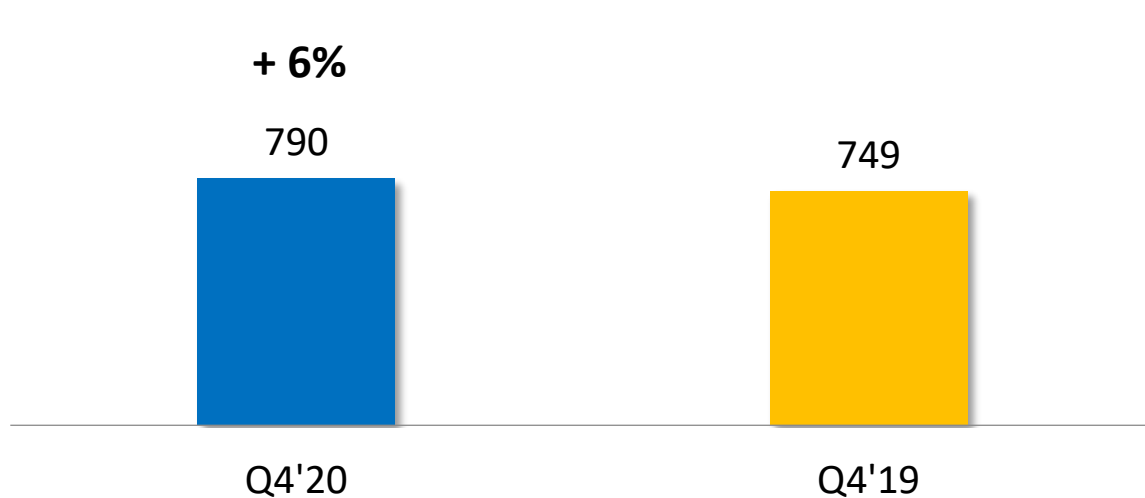
FootFall (Lacs)



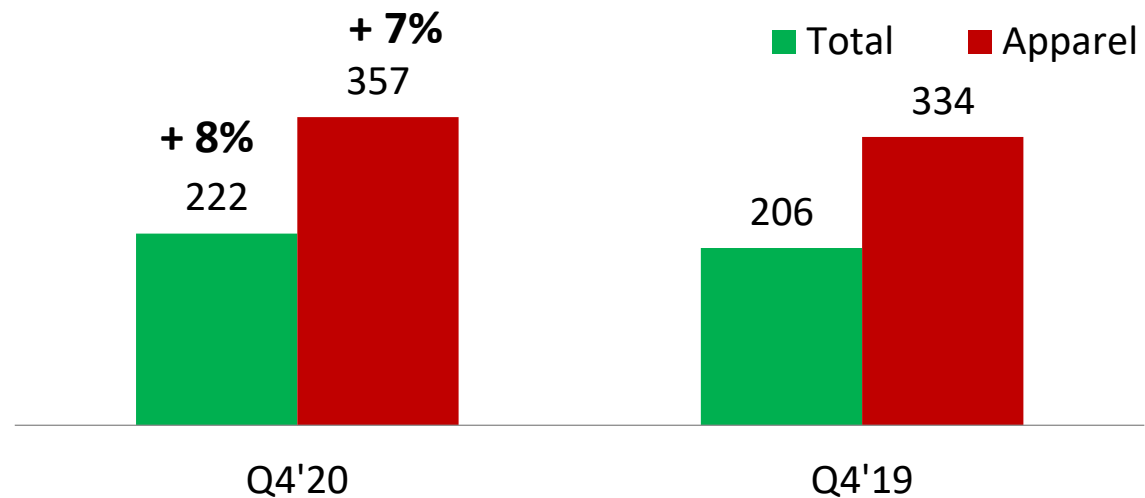
Conversion Rate (%)



Transaction size (Rs.)



Average Selling Price (Rs)



Financial Review

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

MCA has mandated 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 a Right of Use Asset (ROU) on the Balance Sheet
- A corresponding amount (grossed up for accrued notional interest) is added under Non-Current Liabilities
- Interest is accrued on the long term cost of capital (commensurate to the avg. lease period)
- ROU asset is depreciated over the lease period on SLM basis
- Rentals are replaced by Depreciation & Interest expense. Thereby in FY 20 :
 - increasing EBITDA (to the extent of rentals) (Rs. 813 Mn.)
 - increasing Depreciation (future rentals depreciated on SLM) (Rs. 605 Mn.)
 - increasing Interest Expense (for interest on future rental liability) (Rs. 514 Mn.)
- Net full year additional impact on PBT : Total actual rental cost less depreciation less notional interest expense = (-Rs. 306 Mn.)

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



(₹ in million, unless stated otherwise)

Adjustments to increase / (decrease) in PAT	Reported FY'20	Ind-AS adjustment	Comparable FY'20
Revenue	16,620	(10)	16,630
Rent	119	(823)	942
Total Other expenses (incl. Rent)	1,684	(823)	2507
Finance cost	548	514	34
Depreciation & Amortization	939	605	334
PBT	695	(306)	1,001

Reconciliation			
Revenues	16,620	(10)	16,630
EBITDA	2,138	813	1,325
PBT	695	(306)	1,001
EBITDA margin (%)	13%		8%
PBT margin (%)	4%		6%

Ind-AS 116 : P&L Impact (Q4 FY'20)

(₹ in million, unless stated otherwise)

Adjustments to increase / (decrease) in PAT	Reported Q4'20	Ind-AS Adjustment	Comparable Q4'20
Revenue	3,327	(3)	3,330
Rent	39	(215)	254
Total Other expenses (incl. Rent)	303	(215)	518
Finance cost	139	132	7
Depreciation & Amortization	252	160	92
PBT	(105)	(80)	(25)

Reconciliation			
Revenues	3,327	(3)	3,330
EBITDA	278	212	66
PBT	(105)	(80)	(25)
EBITDA margin (%)	8%		2%
PBT margin (%)	(3%)		(1%)

Financial Review – Profit & Loss Statement



₹ in million (except per share data)

Particulars	For the period ended	
	31.03.2020	31.03.2019
	(Audited)	(Audited)
I. Revenue from operations	16,620	14,338
II. Other income	45	59
III. Total Revenue (I + II)	16,665	14,397
IV Total Expenses (IV)	15,970	13,301
V Exceptional items	0	98
VI Profit before tax (III-IV-V)	695	998
VII Total tax expense* (VII)	202	382
VIII Profit for the year (VI-VII)	493	616
IX Other Comprehensive Income	0	-3
X Total Comprehensive Income for the period (VIII+IX)	493	613
XI Earnings per share (before extraordinary items) (of ₹10 each) (not annualized)		
(a)Basic	27.18	34.01
(b)Diluted	27.17	33.90

* Tax expense includes deferred tax

Financial Review - Balance Sheet and CFS

(₹ in million, unless stated otherwise)

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
I ASSETS		
Non-current assets		
Property, plant and equipment	1,712.72	1,622.07
Right to use	4,921.11	-
Capital work-in-progress	24.67	40.10
Intangible assets	36.59	32.87
Financial assets		
Investments	33.15	98.25
Loans	118.85	96.02
Other financial assets	12.52	11.77
Deferred tax assets (net)	160.12	118.30
Other non-current assets	40.86	83.21
	7,060.59	2,102.59
Current assets		
Inventories	4,779.22	3,289.84
Financial assets		
Investments	45.75	508.53
Loans	0.34	0.56
Cash and cash equivalents	48.96	148.87
Other bank balances	0.93	42.69
Other current assets	300.69	225.32
	5,175.89	4,215.81
Total Assets	12,236.48	6,318.40
II EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	181.56	181.30
Other equity	4,407.76	3,911.40
	4,589.32	4,092.70
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	-	0.26
Lease liability	4,378.38	-
Other financial liabilities	-	59.95
Employee benefit obligations	61.23	51.08
	4,439.61	111.29
Current liabilities		
Financial liabilities		
Borrowings	10.47	-
Lease liability	778.26	-
Trade payables		
a) total outstanding dues of MSME	504.37	236.26
b) total outstanding dues of other than MSME	1,463.53	1,246.34
Other financial liabilities	260.81	423.40
Employee benefit obligations	25.49	21.16
Liabilities for current tax (net)	96.71	97.18
Other current liabilities	67.92	90.07
	3,207.55	2,114.41
Total Equity and Liabilities	12,236.48	6,318.40

V-Mart Retail Limited

Cash Flow Statement for the period ended March 31, 2020

	For the period ended 31 March 20	For the period ended 31 March 19
A. Cash flows from operating activities		
Profit before Income Tax	695	998
Adjustment for:	1,500	373
Operating profit before working capital changes	2,195	1,371
Movements in working capital :	(1,091)	(275)
Cash flow from operations	1,104	1,096
Taxes paid	(241)	(332)
Net cash flow from operating activities	863	764
B. Cash flows used in investing activities		
Net cash flow from/(used in) investing activities*	5	(734)
C. Cash flows from/(used in) financing activities		
Net cash flow from/(used in) financing activities	(943)	(44)
Net increase/(decrease) in cash and cash equivalents	(75)	(14)

- Net Capex ₹546 million (previous year: ₹407 million)
- Free Cash Flows : ₹317 million (previous year: ₹357 million)

Financial Data – FY 2020 and Q4'20

(₹ in million, unless stated otherwise)

FY'20	FY19	FY 20 (Comp)	Growth YoY (Comp)	FY 20 (Ind-AS116 Adj)	Growth YoY (Ind AS Adj)
Revenues	14,337	16,630	16.0%	16,620	15.9%
Total Revenues <i>(incl. other and financial income)</i>	14,397	16,675	15.8%	16,665	15.8%
Gross profit	4,635	5,367	15.8%	5,358	15.6%
EBITDA	1,329	1,324	-0.4%	2,138	60.8%
EBIT	1,053	990	-6.0%	1,198	13.8%
PBT	998	1,001	0.3%	695	-30.3%
PAT	616	799	29.7%	493	-19.9%

Q4'20	FY19	FY 20 (Comp)	Growth YoY (Comp)	FY 20 (Ind-AS116 Adj)	Growth YoY (IndAS Adj)
Revenues	3,445	3,329	-3.4%	3,327	-3.4%
Total Revenues <i>(incl. other and financial income)</i>	3,468	3,337	-3.8%	3,334	-3.8%
Gross profit	999	952	-4.7%	949	-4.9%
EBITDA	178	66	-63.0%	278	56.6%
EBIT	105	-26	-124.9%	26	-75.0%
PBT	51	-25	-148.4%	-104	-304.7%
PAT	-9	-5	49.5%	-84	-837.0%

Consistent Legacy of Strong Financial Performance

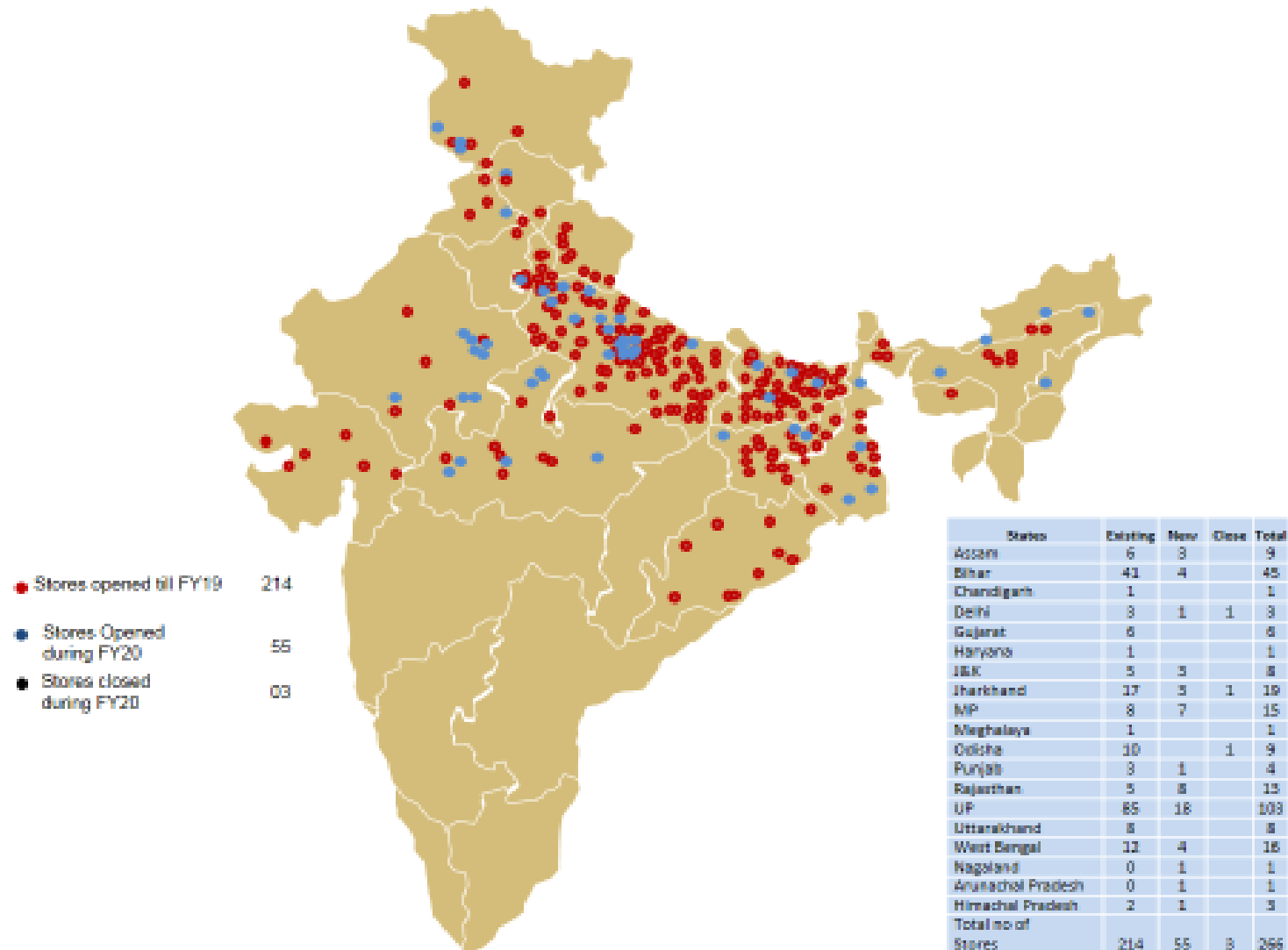
(Without Ind AS and ₹ in million, unless stated otherwise)

	FY16	FY17	FY18	FY19	FY20N [^]	FY20A (Comp) (w/o IND AS 116)
Revenue	8,093	10,017	12,224	14,337	17,319	16,630
Growth	12.3%	23.8%	22.0%	17.3%	20.8%	16.0%
EBITDA	630	889	1,369	1,329	1,593	1,325
EBITDA %	7.8%	8.9%	11.2%	9.3%	9.2%	8.0%
ROCE	17.9%	25.0%	34.9%	29.3%	29.3%	23.3%
DOI	88	86	86	81	80	86

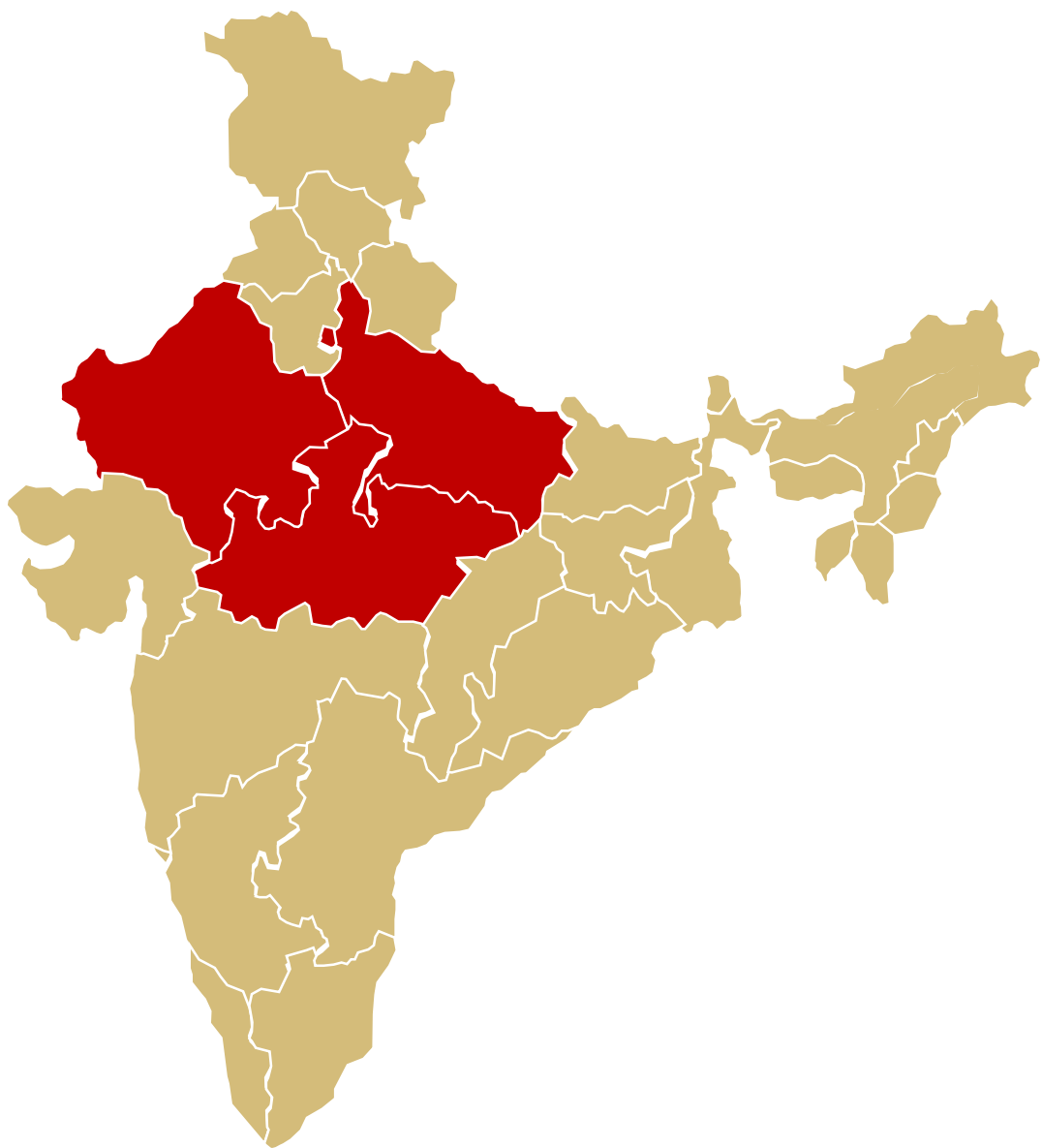
- [^]Normalized financials above are management estimates which are only indicative in nature and are based on certain assumptions.
- Normalized financials above have been provided for better disclosure and comparison purposes only and there is no certainty of having achieved such normalized financials if COVID-19 had not happened.
- Normalized financials are not indicative of future performance of the Company and any reliance on this data should be limited to the context set out above

Stores Geographic Spread & Sales Promotions Q4 FY'20

Stores Geographical Spread



New Stores Addition (Qtr 4)



State	No. of stores	Retail space added (Sq ft)
Madhya Pradesh	1	6,522
Rajasthan	2	14,497
Uttar Pradesh	6	38,981

Quarter	Store Opening
Q1	13
Q2	14
Q3	19
Q4	9
Total	55

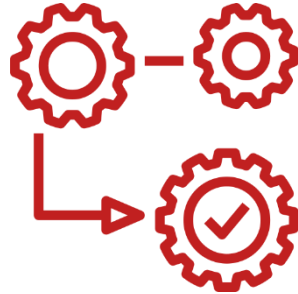
COVID-19 Responding to Crisis

Deciphering COVID-19



C ommunity

Collaborated with Local Administration and NGOs to support the community



O ppportunity

Revamping operating model to optimize costs and ensuring liquidity for long term sustenance



V alues

Acting as per organizational ethos & value system to safeguard the interest of all stakeholders



I nnovation

Home Delivery of essentials, Scaling-up Omnichannel Pilot and setting operations in online market places



D ynamic

Implemented WFH with agility, invested in capability building and fast tracking all stores to become Coronal Safe Trust Zones

Reopening of all stores & Restoration of operations with

Safe Shopping Destination

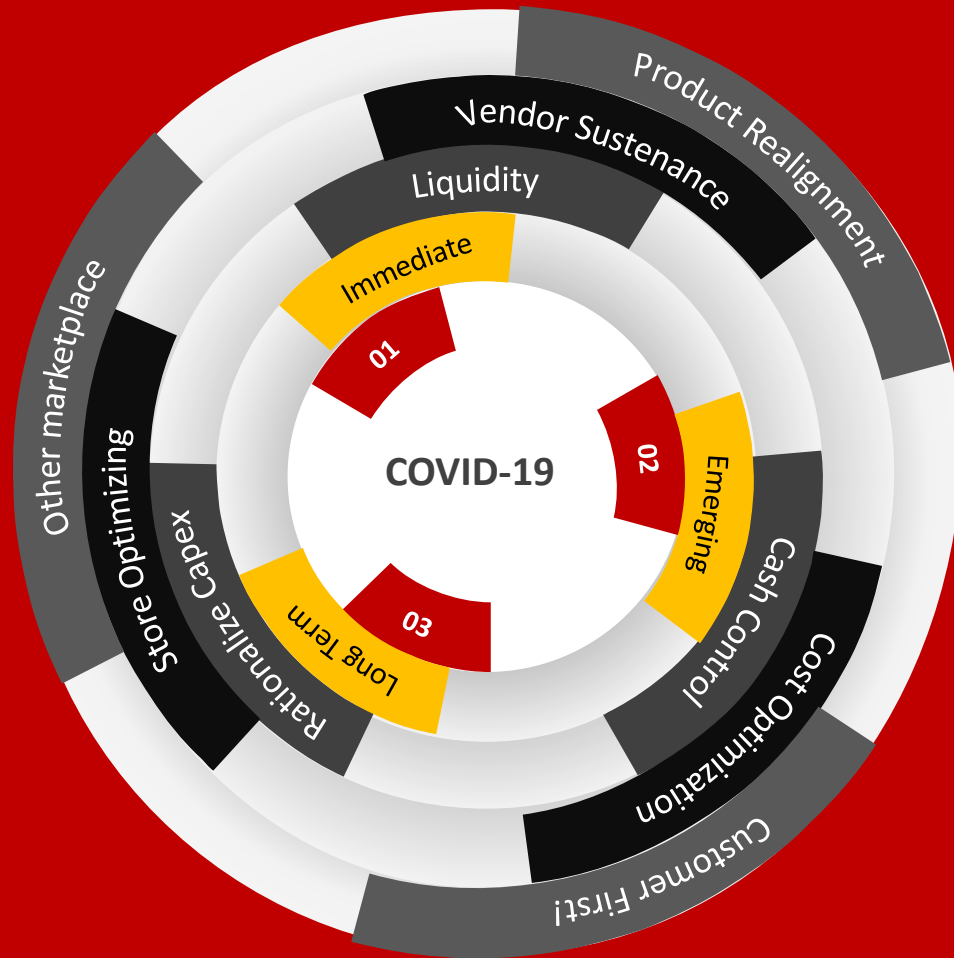
Secured Working Environment

- Established store safety protocols ○
- Face masks mandatory ○
- Mandatory thermal screening ○
- System monitored footfall & customer entry ○
- Regular deep cleaning, disinfection & sanitization ○
- Frequently disinfection of common surfaces ○
- Revised exchange process ○
- Sanitization of customer utilities & shopping bags ○
- Contactless billing with social distancing ○
- Extensive trainings & monitoring of compliances ○

*Safe
Shopping
Destination
& Secured
Workplace*

- Established Employee Safety Protocols ○
- Frequently disinfection of common surfaces ○
- Mandatory thermal screening ○
- Face masks mandatory ○
- Cafeteria restricted ○
- Workplace restructuring for social distancing ○
- Regulated common area usage ○
- Work from Home Policy implemented ○
- Stand-up & virtual meetings prescribed ○
- Aarogya Setu App mandatory for all employees ○

Response to COVID



01

Immediate Steps

Tactical response to combat Covid-19 to manage 3 Cs

02

Emerging Action Areas

Medium-Term Responses to recover & continue growth trajectory

03

Long-term Focus Areas

Explore Alternative & Innovative Models

Immediate Steps



Customer & Employee Health & Safety

- **Restarting operations with augmented safety norms for making V-Mart:**
 - **Safe place to work**
 - **Safe shopping destination**
- **Prime focus on 'Customer & Employee first' while devising mitigation strategy**
- **Regular sanitization, social distancing norms, mandatory use of masks, contactless shopping & digital payments**
- **Health & safety program for all employees across locations**



Cost Reduction

- **Renegotiating rentals with all landlords for :**
 - **Zero rental for lock down period**
 - **Lower rental for mid-long term**
- **Will swap historical bottom performing locations with better propositions, basis availability**
- **Full salary payouts till Apr, no lay-offs, graded cuts proposed in May**
- **Optimization of all variable & other overheads**
- **Embargo on all discretionary spends**



Cash Conservation & Liquidity

- **50% increase in bank limits since February**
- **Credit Ratings reaffirmed as AA- (Long Term) and A1+ (Short Term)**
- **No purchase inwards since 15th March, except for essentials**
- **Focus on Inventory Control**
- **All capital expenditure on hold**
- **Collaborative negotiations with trade partners & suppliers**
- **Minimizing outflows to maintain liquidity for long term**

Emerging Action Areas



Integrated Go to Market Approach

- *Re-opening all stores to offer full range of merchandise to customers*
- *Offering FMCG at additional apparel stores*
- *Use more technology in all parts of ecosystem to generate efficiency*
- *Increased coordination with Suppliers & Stakeholders*



People & Governance

- *Invested significant resources in nurturing Human Capital*
 - *Comprehensive trainings imparted to operations, managerial and leadership team for securing people and increasing operating effectiveness*
 - *Ensuring physical & mental wellbeing by conducting series of fitness, technical and knowledge sessions digitally*
- *Augmenting scale & depth of governance frameworks & systems*



Augmenting Omnichannel

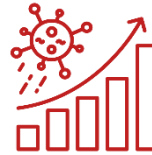
- *Accelerating Omnichannel pilot project to an augmented e-commerce platform*
- *Expanding FMCG footprint across marketplaces for serving essential needs of customers digitally*
- *Expose product catalogue on marketplaces to augment reach*

Long-term Focus Areas



Applying lessons learnt during COVID-19

- *Enabling long range planning with optimum resources & human capital*
- *Imbibing success stories for Long Term follow-through:*
 - *Cost Reductions*
 - *Cash conservation*
 - *Efficiency improvements*
- *Building War Chests for managing future disruptions*
- *Exploring Work from Home as a possible work culture*
- *Increased learning opportunities & connectivity with digital channels*



Leveraging & Sustaining Strong Enablers

- *Getting closer to our customers - Customer First Approach*
- *Building private label brand salience*
- *Revamped product lines - Faster and more trendy collections to meet youth & young aspirations*
- *Sustainable network expansion*
- *Focusing on innovative models for creating more value for stakeholders*
- *Leveraging customer trust with emphasis on value-led purchases*



Digital & Organizational Transformation

- *Best processes & systems*
- *Leveraging decentralized structure*
- *Continue swapping of bottom performing stores with new attractive locations*
- *Exploring intelligent automations*
- *Continuous investment in Digital ecosystem - Technology, Customer Experience, CRM, Online*
- *Driving cost reductions, optimizing resources & operating costs*

Thank You

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