

SRL:SEC:SE:2024-25/82

January 16, 2025

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (East),
Mumbai – 400 051
(Symbol: SPENCERS)

BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400 001
(Scrip Code: 542337)

Dear Sir / Madam,

Sub: Investor Update and Press Release for the quarter ended December 31, 2024

Pursuant to Regulation 30 of SEBI (LODR) Regulation, 2015, please find annexed herewith a copy of the Investor updates and press release dated January 16, 2025 for the quarter ended on December 31, 2024.

This information is available on the website of the Company at www.spencersretail.com.

You are requested to take the abovementioned information on record and oblige.

Thanking you.

Yours faithfully,
For Spencer's Retail Limited

Navin Kumar Rathi
Company Secretary & Compliance Officer

Encl: As above

Spencer's Retail Limited

Regd. Office: Duncan House, 31, Netaji Subhas Road, Kolkata-700 001
Corp. Office: RPSG House, 2/4 Judges Court Road, Kolkata-700 027
Tel: +91 33 2487 1091 Web: www.spencersretail.com
CIN: L74999WB2017PLC219355

Kolkata: Jan 16, 2024

Nature's Basket

Spencers reports a 46% YoY increase in EBITDA (Rs 17.5 Cr vs Rs 12 Cr in LY Q3).

Announces launch of new quick delivery proposition JIFFY

Mr. Shashwat Goenka, Chairman, said, "Despite a soft festive trading environment wherein LFL sales growth was flat, Spencer's delivered a very strong operational performance on the back of good GM% delivery (19.7%), strong control on all operational cost lines resulting in a milestone **EBITDA** (pre-INDAS) **positive** achievement. This is a strong validation of our decision to focus on core geographies, exit from loss making, non-strategic regions & drive improvement across all operating metrics such as margins, sales productivity, and costs and to bring the business to operational profitability. We are happy that we have been able to **achieve this ahead** of earlier committed timeline of FY 2526 and going forward we will prioritize & focus on **growing** both our offline & online business whilst keeping the same level of rigor and attention on productivity metrics and costs.

Mr. Goenka added, "We are also excited to announce the launch of our new quick delivery proposition **JIFFY** which will not only strengthen our omni-channel consumer proposition but will also be a key growth driver for the business in the coming quarters. We have made significant improvements in the tech stack allowing for an enhanced and seamless consumer experience and with a larger fulfillment footprint we will offer our consumers an instant delivery proposition"

Spencers (Standalone) Highlights

- Revenue at Rs 431 Cr with consistent LFL (continuing regions) growth
- Online growing at **20%**
- Gross Margins at **19.7%** (+80 bps) vs LY Q3 GM% of 18.9%
- Significant Operating costs reduction from Rs **102** Cr in Q3 LY to Rs **70** Cr in Q3 CY
- Operational (pre-INDAS) **EBITDA positive**, first time in last 22 Quarters
- Financial EBITDA at **4.1%** of Sales vs **2.1%** of Sales in Q3 LY

Natures Basket Highlights

- Revenue at Rs 86 Cr, YoY growth of **2%**
- Launched 2 new Artisan Pantry Stores in Bangalore MG Road and Ahmedabad Palladium Mall
- Stable Margins & EBITDA with room for growth

Unaudited Consolidated Financial Results Highlights for the quarter ended Dec 31, 2024:

- ✓ **Revenue** for the quarter ₹ **517 Cr**
- ✓ **Gross Margin** ₹ **110 Cr** at **21.3%** (+100 bps vs LY Q3)
- ✓ **EBITDA**, ₹ **15 Cr** and **PBT** (-) **47 ₹ Cr** vs LY Q3 (-) **51 Cr**
- ✓ Opened **2** stores during the quarter for Natures Basket with a trading area of **14 k sq.ft.**

Unaudited Consolidated Financial Results Highlights for the period ended Dec 31, 2024:

- ✓ **Revenue** for the period ₹ **1583 Cr**
- ✓ **Gross Margin** ₹ **312 Cr** at **19.7%**
- ✓ EBITDA at ₹ **60 Cr** (**3.8%** of Sales), vs ₹ **22 Cr** (**1.2%** of Sales) LY. Improvement of ₹ **38cr.**
- ✓ **PBT** ₹ (-) **178 Cr** vs (-) vs ₹ (-) **186 Cr** Last year



Earnings Presentation

Q2 FY25

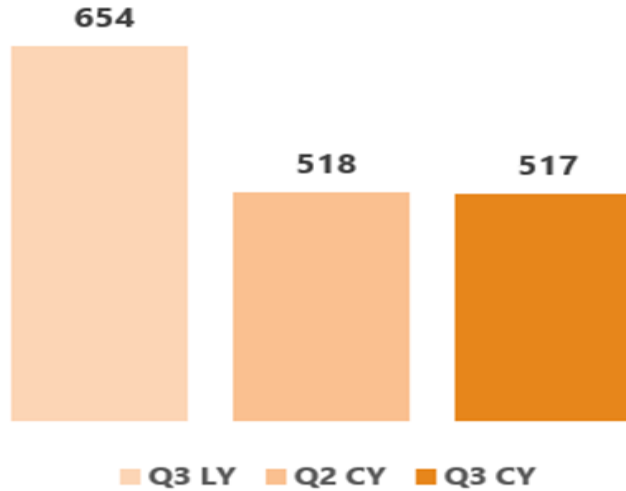


Q3 performance commentary...

- Soft Festive Quarter (for Industry & us) w.r.t. consumer spends
- Spencers delivered a strong efficiency led EBITDA improvement of **+46% YoY**, (**17.5 Cr** in Q3 CY vs **12 Cr** Q3 LY)
 - Muted Growth (LFL growth flat), Offline (-2%), Online (+14%)
 - Strong growth in Margins **19.7%** vs 18.9% Q3 LY
 - Sharp reduction in all operating (store+support) costs, Q3 CY **70 Cr** vs **102 Cr** Q3 LY
 - Achieving Milestone **Breakeven** (Pre INDAS) **EBITDA**
 - Financial EBITDA at **4.1%** of sales vs **2.1%** of sales LY
- Natures Basket had a moderate quarter
 - **2%** YoY Sales Growth, weak SPSF, Margins down **70 bps** (28.9% vs 29.6% Q3 LY)
 - Expenses went (**25 Cr.** Vs **20 Cr.** Q3 LY) up due to New store opening
 - Financial EBITDA of **+0.4 Cr** vs **+6 Cr** Q3 LY
- EBITDA at consolidated level was **15 Cr** vs LY Q3 **18 Cr** (down-**3Cr** : SRL+**5.5**, NB-**5.5**, ORIPL -**3**)
- PBT at consolidated level **(-)47Cr** vs **(-)51Cr** in Q3 LY

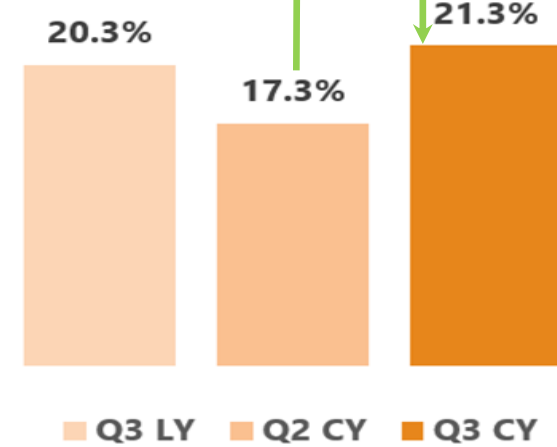
Consolidated Performance for Q3

Sales in ₹ Cr

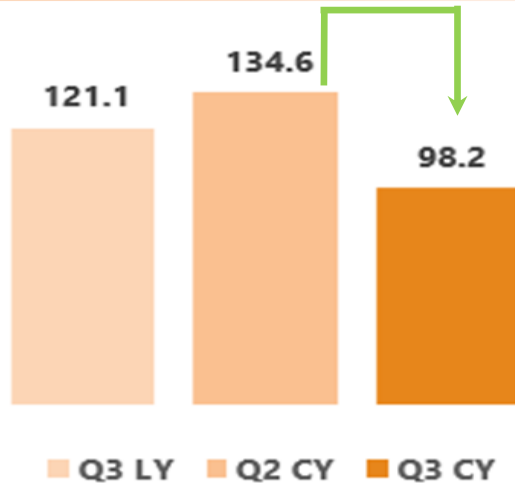


* Lower due to impact of closed stores @ SRL

Gross Margin %

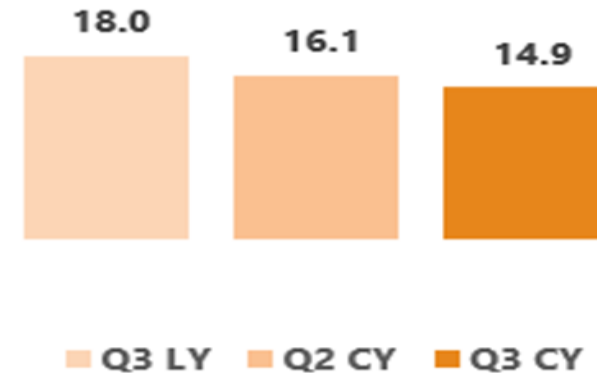


Operating Exps ₹ Cr



* Significant reduction on account of closed stores & successive rounds of support cost optimisation @ SRL

EBITDA in ₹ Cr



Nine month performance commentary...

- Revenue de-growth by (-) **12%** on YoY basis on account of region closure in SRL
 - Spencer's de-growth (-)**14%** YoY, LFL/continuing regions growing by **2%**,
 - Online grew by **20%** YTD, Offline grew by **1%** YTD
 - Natures Basket grew by **3%** YTD
- GM% is marginally down at **19.7%** (LY 20.3%)
 - Impact of Spencer's region closure in Q2 . YTD Margins at **18.2%** vs LY **19%**
 - Natures Basket margins flat at **28.2%**
- Operating Costs were lower by **23 Crs** on account of large scale optimisation at Spencers
 - Spencer's Operating Expenses lower by **42 Crs** (Full impact only from Q3)
 - Natures Basket Operating Expenses up by **11 Crs** (New Store openings/14K TA added)
- EBITDA at **60 Crs** (**3.8%** of Sales) YTD vs **22 Crs** (**1.2%** of sales) LY, improvement of **38 Crs** vs LY SP
- PBT at (-)**178 Crs** YTD (-)**186 Crs** LY SP

Validates our decision of regional exit, focus on core geographies, aggressively cutting costs & investing in Ecom. All of this will help achieve growth & continued +ve EBITDA at Spencers while we consolidate and improve the operating metrics at Natures Basket to bring it to a healthy level of EBITDA from Q4

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ON PURCHASE OF ₹2999 & ABOVE.

RP - Sanjiv Goenka Group

FLASH BLACK FRIDAY

29TH NOV - 1ST DEC

10 SAAL PURANE DAAM!

2014 TROLLEY PRICE ₹2099

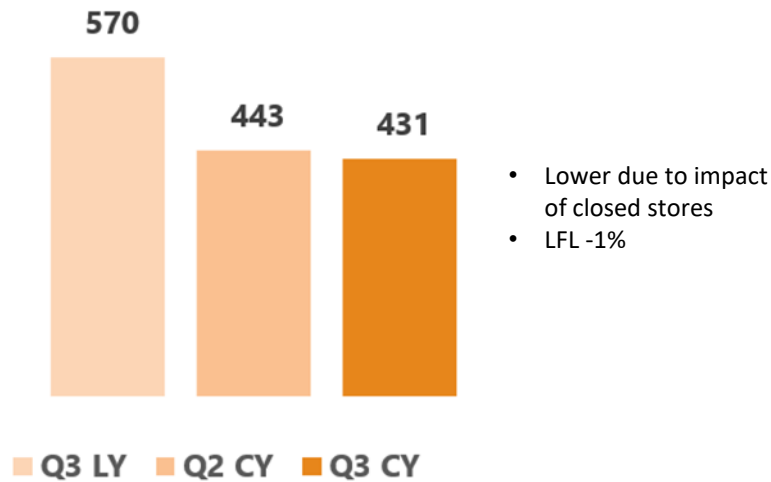
2024 TROLLEY PRICE MRP ₹6431

NOW AT ₹2099

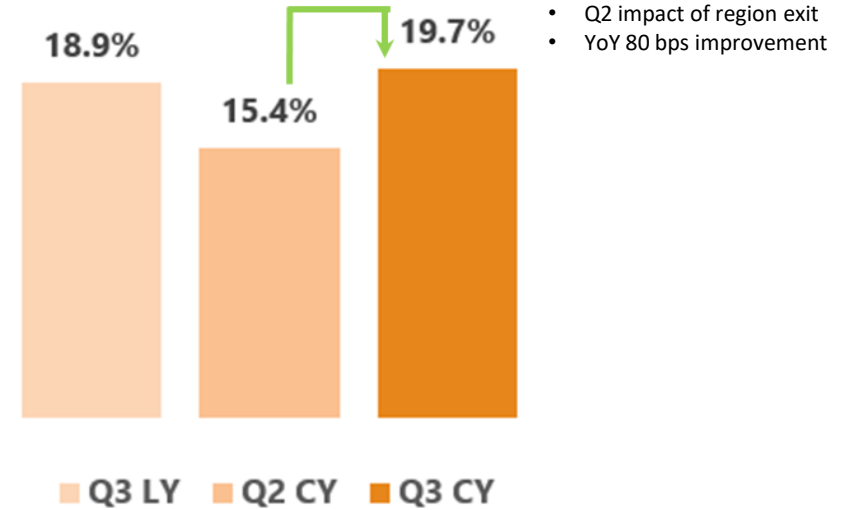
spencers

Efficiency led EBITDA turnaround @ Spencers

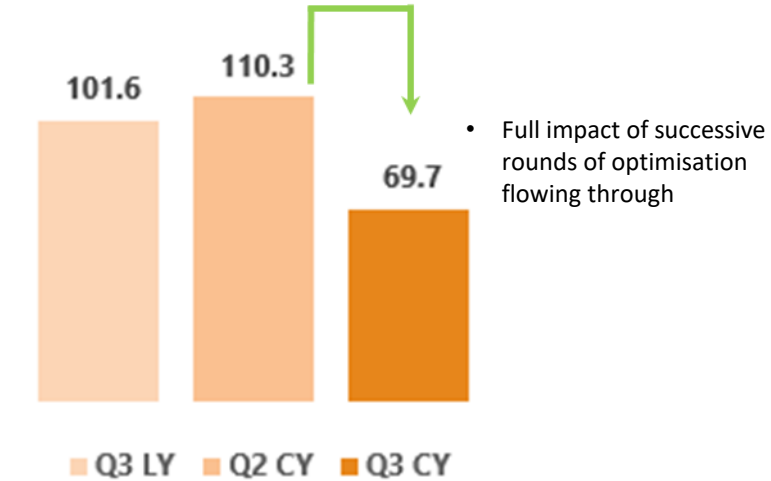
Sales in ₹ Cr



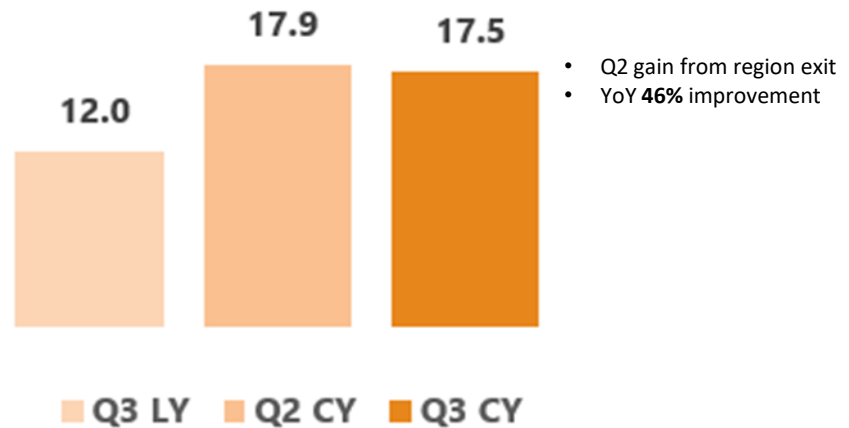
Gross Margin %



Operating Exps ₹ Cr



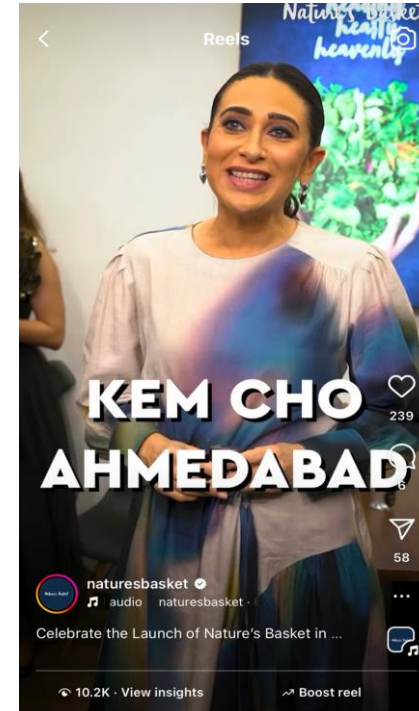
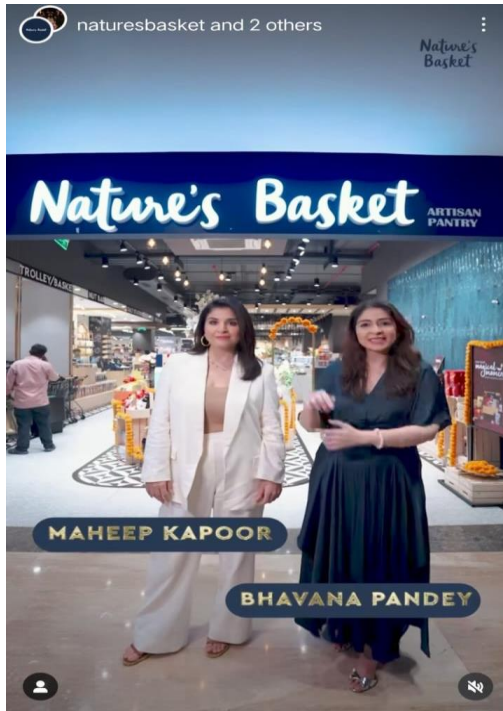
EBITDA in ₹ Cr



	3 months ended			Growth		SRL Standalone (₹ Cr)	9 months ended	
	31-Dec-24	30-Sep-24	31-Dec-23	Q-o-Q	Y-o-Y		31-Dec-24	31-Dec-23
	-	1	2			New Stores added	2	2
	90	98	132			Total Store count	90	132
	-	0.13	0.24			TA added (Lac sq.ft)	0.22	0.24
	7.80	9.17	12.57			TA exit (Lac sq.ft)	7.80	12.57
YoY not LFL given Q2 closure of 47 stores	431	443	570	-2.7%	-24.4%	Revenue from operations	1,350	1,572
	346	375	463	-8%	-25%	Cost of Goods Sold	1,105	1,272
	85	68	108	24%	-21%	Gross Margin	245	300
Best in Class % GM delivery on a reduced T/O	19.7%	15.4%	18.9%	424 bps	79 bps	Gross Margin %	18.2%	19.1%
32 Cr reduction in operating costs vs LY SP	21	38	42	-46%	-51%	Employee expenses	92	122
	49	72	60	-32%	-18%	Other expenses	175	187
	2	60	6	-96%	-60%	Other income	66	15
Significant EBITDA Improvement	17	18	12	-2%	46%	EBITDA	43.0	8
Operational (pre INDAS) EBITDA Positive	4.1%	4.0%	2.1%	2 bps	196 bps	EBITDA %	3.19%	0.5%
	14	55	22			Depreciation	89	71
	33	33	31			Finance costs	101	86
	(29)	(69)	(41)			PBT	(147)	(149)
	-6.8%	-15.7%	-7.2%	889 bps	43 bps	PBT %	-10.9%	-9.5%
	-	-	-			Tax Expenses	-	-
	(29)	(69)	(41)			PAT	(147)	(149)
	0.2	0.2	(0.5)			Other Comprehensive Income	0.6	(1.5)
	(29)	(69)	(41)			Total Comprehensive Income	(146)	(151)

Business Highlights

Nature's Basket



- Launch stores in Ahmedabad & Bangalore.
- Festive campaign with Bollywood Wives Team
- Black Friday Sale



Modest Q3 @ Natures Basket, YTD & FY Outlook stable

	3 months ended			Growth		NBL Standalone (₹ Cr)	9 months ended	
	31-Dec-24	30-Sep-24	31-Dec-23	Q-o-Q	Y-o-Y		31-Dec-24	31-Dec-23
	34	33	33			Total Store count	34	33
	1.29	1.16	1.09			TA exit (Lac sq.ft)	1.29	1.09
2.3% YoY Growth, YTD 3% Growth Addition of 2 stores	86	75	84	14%	2%	Revenue from operations	233	226
	61	54	59	13%	3%	Cost of Goods Sold	167	161
Slight dip in % GM in Q3, YTD Steady	25	21	25	18%	-1%	Gross Margin	66	64
	28.9%	28.0%	29.6%	92 bps	-69 bps	Gross Margin %	28.2%	28.5%
Increase in Operating Costs	9	9	8	3%	15%	Employee expenses	26	22
	16	14	12	20%	38%	Other expenses	43	36
	1	1	1	-39%	21%	Other income	27	6
Drop in Q3 EBITDA , YTD is at 23.4 cr vs LY YTD 13.4 cr	0.36	0.0	6.0	703%	-94%	EBITDA	23.4	13.4
	0.4%	0.1%	7.1%	36 bps	-671 bps	EBITDA %	10.1%	5.9%
	7	9	9			Depreciation	26	28
	8	7	7			Finance costs	22	20
	(15)	(15)	(9)			PBT	(24)	(35)
	-17.0%	-20.5%	-11.2%	350 bps	-587 bps	PBT %	-10.1%	-15.3%
	-	-	-			Tax Expenses	-	-
	(15)	(15)	(9)			PAT	(24)	(35)
	(0.0)	(0.0)	0.0			Other Comprehensive Income	(0.0)	0.0
	(15)	(15)	(9)			Total Comprehensive Income	(24)	(35)

Good progress on path to profitability, efficiency measures yielding results, driving profitable growth to be key priority going forward

	3 months ended			Growth		Consolidated (₹ Cr)	9 months ended	
	31-Dec-24	30-Sep-24	31-Dec-23	Q-o-Q	Y-o-Y		31-Dec-24	31-Dec-23
	517	518	654	-0.2%	-21.0%	Revenue from operations	1,583	1,798
						Expenses:		
	407	428	521			Cost of Goods Sold	1,271	1,432
	110	90	133	23%	-17%	Gross Margin	312	366
	21.3%	17.3%	20.3%	397 bps	96 bps	Gross Margin %	19.7%	20.3%
	32	49	52	-35%	-38%	Employee expenses	126	151
	66	85	69	-23%	-5%	Other expenses	217	215
	3	61	6	-95%	-51%	Other income	92	21
	15	16	18			EBITDA	60	22
	2.9%	3.1%	2.8%	-23 bps	13 bps	EBITDA %	3.8%	1.2%
	22	64	32			Depreciation	115	101
	41	40	38			Finance costs	123	107
	(47)	(87)	(51)			PBT	(178)	(186)
	-9.2%	-16.8%	-7.8%	767 bps	-133 bps	PBT %	-11.3%	-10.3%
	(0.1)	(0.1)	(0.1)			Tax Expenses	(0.2)	(0.3)
	(47)	(87)	(51)			PAT	(178)	(185)
	0.2	0.2	(0.5)			Other Comprehensive Income	0.6	(1.5)
	(47)	(87)	(52)			Total Comprehensive Income	(177)	(187)

YoY not LFL given Q2 closure of 47 stores @ Spencers

Good % GM delivery on a reduced T/O in Q3

22 Cr reduction in operating costs vs LY SP (driven by Spencers)

Gains in Spencers EBITDA (+5.5) offset by drop in Natures Basket (-5.4) & ORIPL (-3)

Thank You

About Spencer's Retail Limited: Spencer's Retail Limited, part of RP-Sanjiv Goenka Group, is a multi-format retailer providing a wide range of quality products across categories such as FMCG, fashion, food, staples, general merchandise, personal care, home essentials, electrical and electronics to its consumers. specialty sections such as Spencer's Gourmet, Patisserie, Wine & Liquor and Epicuisine section are some of the key differentiators in our hypermarket stores and in Natures Basket Limited L'exclusif, healthy alternatives and Natures.

The first ever hypermarket in India was launched by Spencer's in Hyderabad in 2000. Today, Spencer's (including Natures Basket) runs 131 stores with a total 10.34 Lacs Square Feet in over 27 cities in India. Spencer's brand positioning – **MAKES FINE LIVING affordable** – embodies its philosophy of delighting shoppers with the best products and services that enable a fine living at reasonable prices, while providing them with a warm, friendly and educational retail environment.

Value Market format is 'maha bachat har din' on your daily essentials household needs with best quality.

Natures Basket Limited is a one shop destination for all multi cuisine cooking needs, healthy food including international food products.

ORIPL is an E-commerce company 100% owned Subsidiary of Spencer's Retail Limited. It is an OMNI Channel platform for Food, Grocery, Fresh, Apparel, General Merchandise and Liquor.

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