



PRICE "LESS" FASHION

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22nd January, 2021

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Sub: Press Release on the financial results for the third quarter ended on 31st December, 2020

Sir,

Please find enclosed herewith the press release on the financial results of the Company for the third quarter ended on 31st December, 2020.

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

Thanking you,

Yours truly,

For V-Mart Retail Ltd.



Megha Tandon
Company Secretary & Compliance Officer

V-MART RETAIL LTD.
CIN-L51909DL2002PLC163727

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V-Mart reports 167% QoQ sequential revenue growth; revenue and EBITDA recover to 84% and 89% levels YoY, respectively

New Delhi, Friday, 22nd Jan, 2021: V-Mart Retail, a value fashion pioneer in India, announced its financial results for Q3 ended 31st Dec, 2020. The results were approved at its Board meeting conducted virtually on 22nd Jan, 2021.

In Q3, the Company's revenue recovered to 84% of Q3, FY20, while like-to-like (LTL) sales stood at 81% of last year. The strong recovery in revenue` was despite the slower recovery in customer footfalls, which stood at 72% level YoY, partial curfews and restrictions on public movement in some markets, and the prevailing fear of pandemic among the general public.

The quarterly and YTD results presented below have to be viewed in the aforementioned context.

(Rs'Cr)	Q3, FY20	Q3, FY21	Achievement/ Recovery (YoY)	Q2, FY21	Growth (Q3 vs. Q2 '21)	YTD, FY20	YTD, FY21	Achievement/ Recovery (YoY)
Revenue	563	470	84%	176	167%	1329	723	55%
EBITDA	117	104	89%	0	-	186	100	54%
PAT	58	48	82%	-19	-	58	-5	-

Operational Update

In Q3, the Company reported revenue of Rs. 470 Cr, growing 167% sequentially over Q2. The combined effect of festive season, marriage-related, and winter shopping and the lifting of lockdown bode well for an uptick in discretionary consumption, which is well reflected in the Company's strong quarter-on-quarter recovery momentum. The two largest markets of the Company, Uttar Pradesh and Bihar, have led the recovery, accounting for 66% of sales in the third quarter.

On the profitability front, the Company made a remarkable turnaround in Q3, generating EBITDA of Rs. 104 Cr, and recovering to 89% level YoY. The strong recovery in topline, well supported by an effective cost reduction mechanism and proactive inventory management measures has significantly cushioned the pandemic's impact on the Company's profitability, bringing it to a net cash positive status.

Focusing on expansion opportunities with a long-term view, the Company also launched 11 new stores during the quarter, taking the tally of new launches for the year to 13. The majority of these stores were launched in Uttar Pradesh and Bihar, the Company's two largest markets, while Rajasthan, Assam, Madhya Pradesh, and Jharkhand accounted for the rest.

The convergence of festive and marriage-related shopping with change of season and an early onset of winter was visible in customer shopping metrics. In line with the trend seen in Q1 and Q2, the average basket size (ABS), apparel average selling price (ASP), and conversion stood 9%, 2%, and 7% higher YoY, respectively. These trends have remained consistent during the year and establish that post-pandemic, customers are continuing to prefer spending a higher share of their reduced

discretionary budget at the Company's stores, which underscores the high trust they have in the Company's value-for-money proposition.

On the product front, sweatshirts, jackets, cardigans, and pullovers were the highest selling categories for both men and women, with customers starting their winter shopping relatively early in the quarter. Trendy casual wear and street wear made a strong comeback, as the aspirational youth combined need-based shopping with replenishing the fashion collection in their wardrobe.

Benefitting from the leanest-ever inventory levels achieved by Q2-end and maintained well into Q3, the Company procured and stocked its stores with fresh merchandize. Further, the Company came up with innovative marketing campaigns and promotional offers that resonated well with its customers, driving footfalls and sales during festive and marriage-related shopping, as well as giving an impetus to winter merchandize sales. Marking an auspicious beginning of festive shopping, the Gold Coin offer of the Company became a talking point among its customers, and connected deeply with their intent to derive maximum value from every penny spent. All these steps aided higher footfalls and conversions, resulting into a higher sell-through rate for both existing and fresh merchandize.

Commenting on the Company's performance, Mr. Lalit Agarwal, CMD, said, "During the pandemic crisis, V-Mart has successfully managed the tough balancing act between defending its cash flow and profitability, keeping a lean inventory, delivering greater value to customers, and sustaining the entire stakeholder ecosystem. We have emerged stronger and more resilient from the crisis. I am ever more confident in my team, and our organizational capacity and capability to pursue accelerated growth and reach greater heights."

About V-Mart Retail Limited:

Founded in 2002, V-Mart is a retail store chain for the complete family, offering fashion apparel, footwear, home furnishings, general merchandise and kirana. Primarily focusing on Tier II and III cities, V-Mart has 273 stores with an average store size of approximately 8,000 sq. ft. The company follows the concept of 'value retailing', by fulfilling the growing aspiration of the rapidly-expanding middle class for affordable, high-quality fashion. V-Mart stores, in untapped markets, provide customers with an enhanced shopping experience, comprising a vast range of value retail products in a modern ambience and the feel of a large retail mall.

For more information, contact:

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