



SPECIALITY

RESTAURANTS LTD.

Investor Presentation

June 2015





Disclaimer

Statements made in this Presentation describing the Company's objectives, projections, estimate, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.



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Strategic Overview

Enhance Dining Experience

- 3.8 million (approximately) guests served during FY2015



Sustainable Growth & Scalability



Footprints in New Geographies

- Foray into Middle East Market through Joint Venture
- Early Mover Advantage
- Opportunistically set up Restaurants through FOCO / COCO model

Leverage Brand Equity

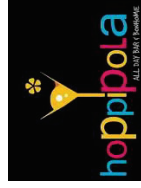
- Pan Asia Kitchen – Refreshing Flagship Brand
- Building on Power Brands

MAINLAND CHINA

MAINLAND CHINA
ASIA KITCHEN

sigree
GLOBAL GRILL

Oh! Calcutta

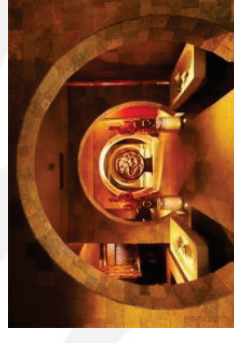


Skilled and Motivated Workforce



Restaurant Network Expansion

- Sustainable Expansion Plan
- Expansion to focus on Mainland China Asia Kitchen
- Strategic opening of other brands
- Sigree Global Grill & Hoppipola





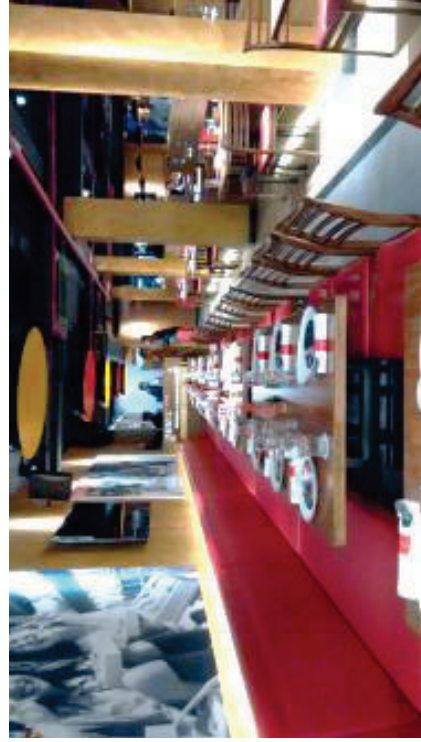
Pillars of Growth – FY 2016

- ✓ **Brand Leadership**
 - Mainland China brand refresh - through “Mainland China Asia Kitchen”
 - Offers South East Asia Cuisine with 60% Chinese and 40% Pan Asian Flavours
- ✓ **Sustainable Expansion Plan**
 - Total 115 Restaurants across all formats including Confectionaries (31st March 2015) – new additions to drive long term growth as and when discretionary spends pick up
 - Plans to open 10-12 restaurants in FY 2016
- ✓ **Foray into Newer Geographies**
 - Forayed into Middle East Market through JV with AL MOHANNADI Group
 - Opened restaurants in Tanzania
 - Opportunistically expand through COCO / FOCO in other regions
- ✓ **Continued Focus on Growth**
 - Maintain Footfalls and Average Cover turn-around
 - Multiple initiatives and ongoing Restaurant expansion/Sweating of assets
 - Consolidation and Transition of existing Indian brands under the umbrella of power brand Sigree Global Grill
 - Aggressively launch Casual Dining formats - Café Mezzuna and Hoppipola

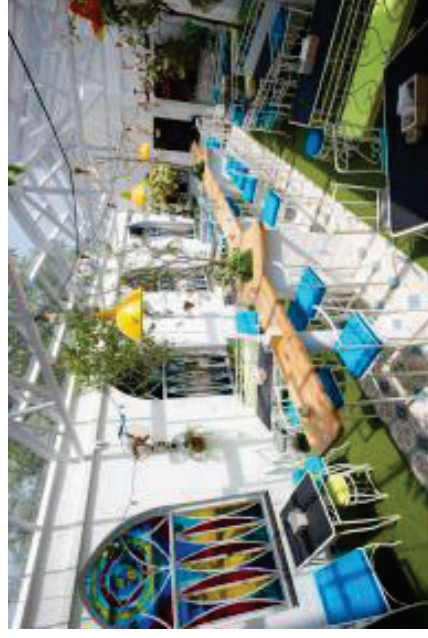


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Our New Restaurants



MLC Asia Kitchen-Spring Hotel –
Chennai



Hoppipola-Mathurudas Mill Compound-
Mumbai



Mainland China-Dar es Salaam
Tanzania

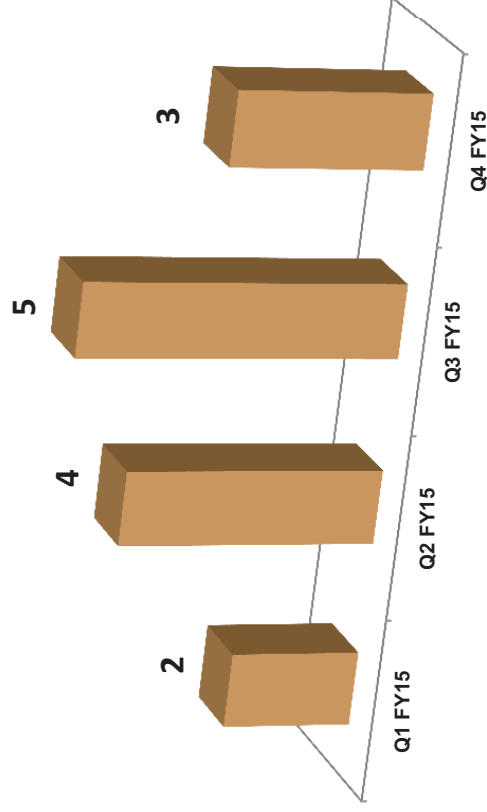


Sigree Global Grill-Amanora-
Pune

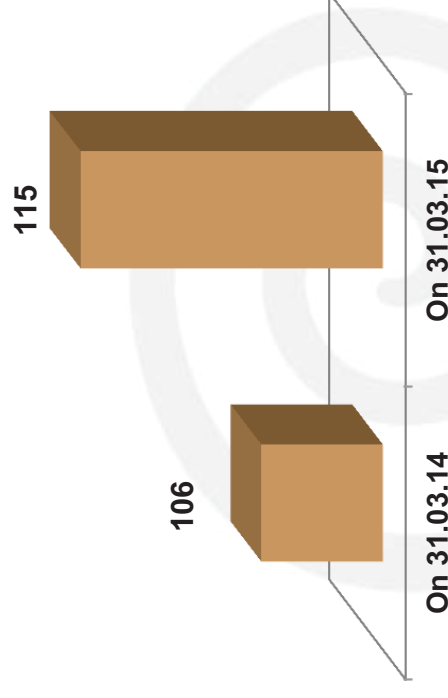


Restaurant Accretions

Restaurants Opened



Total Number of Restaurants including Confectionaries



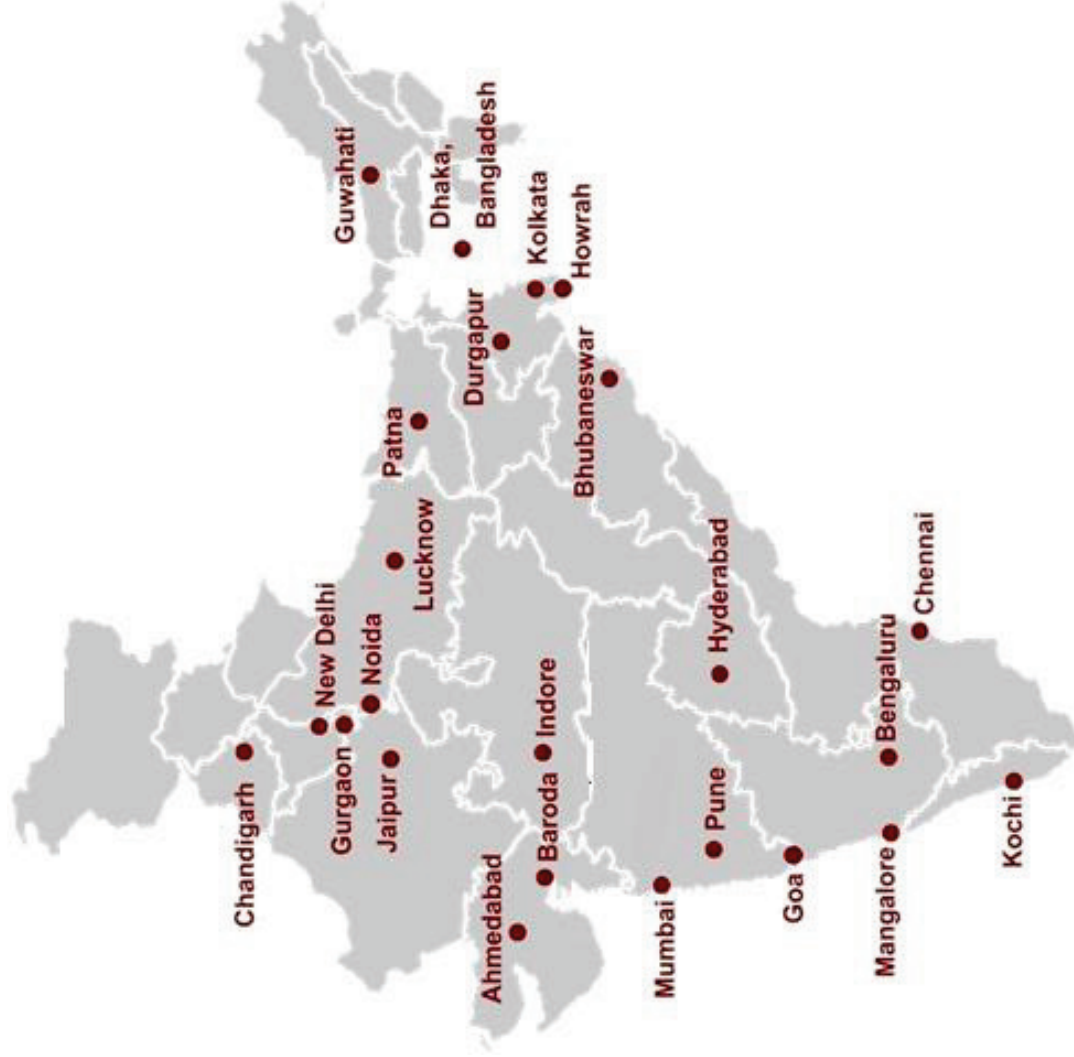
- ✓ 3 Restaurants opened in Q4 FY15 at Bengaluru & Tanzania
- ✓ Total 115 Restaurants including Confectionaries as on 31st March 2015 out of which 97 are Restaurants across brands and 18 are Confectionary stores

The Company follows a round the clock productivity and net revenue optimization review policy and closes restaurants that do not measure up to the set parameters



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Region Wise Presence – Q4 FY15



74 Company Owned and Operated Restaurants, 23 Franchisee* and 18 Confectionary outlets spread across 23 cities in India, 1 city in Bangladesh and 1 city in Tanzania**

Brand	Total **	Cities
Mainland China and Mainland China Asia Kitchen	53	23 cities in India and one in Dhaka, Bangladesh and one in Dar es Salam, Tanzania
Oh! Calcutta	9	Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad
Sigree and Sigree Global Grill	16	Pune, Chennai, Kolkata, Mumbai, Hyderabad, Bengaluru, Indore and one in Dhaka, Bangladesh and one in Dar es Salam, Tanzania
Haka	2	Kolkata
Machaan	3	Kolkata, Guwahati and Howrah
Flame & Grill	3	Hyderabad and Kolkata
Café Mezzuna	2	Kolkata and Pune
Hoppipola	5	Bengaluru, Pune and Mumbai
Kix, Shack and Kibbeh	3	Kolkata and Hyderabad
Zoodles – Asian Street Wok	1	Mumbai
Sub-total	97	
Sweet Bengal Confectionary	18	Mumbai
Total	115*	

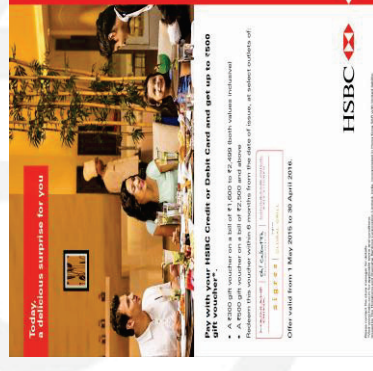
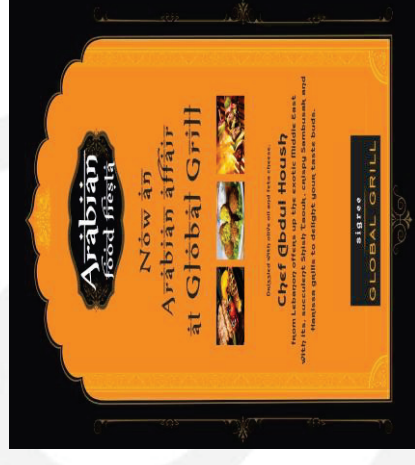
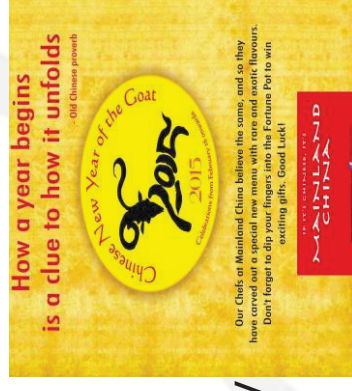
* This includes franchisee restaurants located in Dhaka, Bangladesh and Dar es Salam, Tanzania, ** Data as on 31st March, 2015

*** Franchisee Restaurant: Franchisee Owned, Company operated restaurants



Key Initiatives in Q4 FY15

- ✓ **Marketing Initiatives**
 - Promotion of Sichuan, Hunan Festival and Chinese New Year at Mainland China
 - Launch of Anglo India Festival at Oh! Calcutta
 - Launch of Arabian Food Festival and Lebanese Festival at Sigree Global Grill
 - Valentines Day Offers at Hoppipola
 - Tie-up with HSBC Bank
- ✓ **Drive Loyalty, Delight Customers**
 - Increase customer base under Loyalty programme - Speciality Preferred Cards
- ✓ **Operational Initiatives**
 - Continued focus on Cost Control and Optimization measures
 - Optimization of Kitchen Area
 - Import Substitution





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Diverse Menu Offerings





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Q4 FY15 Results

FINANCIAL ANALYSIS



Financial Overview

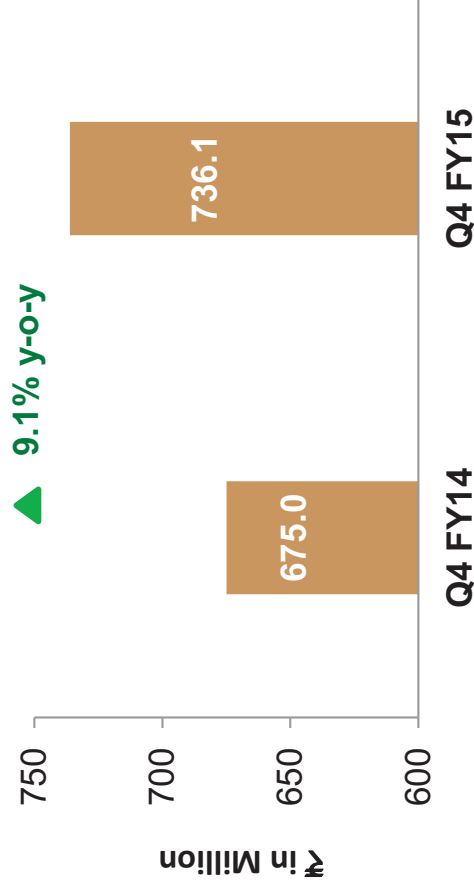
₹ In Million

Sr. No	Particulars	For the Quarter ended on			Financial Year	
		31.03.2015	31.12.2014	31.03.2014	2015	2014
1	Income from operations					
	(a) Net Sales	721.1	791.1	632.9	2,903.9	2458.5
	(b) Other operating income	15.0	13.3	42.1	89.9	180.0
	Total Income from operations	736.1	804.4	675.0	2,993.8	2,638.5
	Expenses					
	(a) Cost of materials consumed	224.4	251.9	200.8	940.8	759.1
	(b) Employees benefits expense	177.5	195.8	153.0	719.6	612.5
	(c) Depreciation and amortisation expense	71.1	64.8	54.8	252.2	190.2
	(d) Other expenses	160.0	154.7	148.3	606.3	536.3
	(e) Lease Rent	98.5	117.1	105.9	435.9	391.1
2	Total Expenses	731.5	784.3	662.8	2,954.8	2,489.2
3	Profit from operations before other income and finance costs (1-2)	4.6	20.1	12.2	39.0	149.3
4	Other Income	18.1	19.6	26.3	77.0	98.4
5	Profit from ordinary activities before finance costs (3+4)	22.7	39.7	38.5	116.0	247.7
6	Finance costs	0.2	0.1	0.2	0.8	0.7
7	Profit from ordinary activities before tax (5-6)	22.5	39.6	38.3	115.2	247.0
8	Tax expense	3.1	7.4	4.0	20.7	58.0
9	Net Profit after tax (7-8)	19.4	32.2	34.3	94.5	189.0



Total Income from Operations

Increase in Total Income from Operations due to :



✓ Revenues from various expansion initiatives

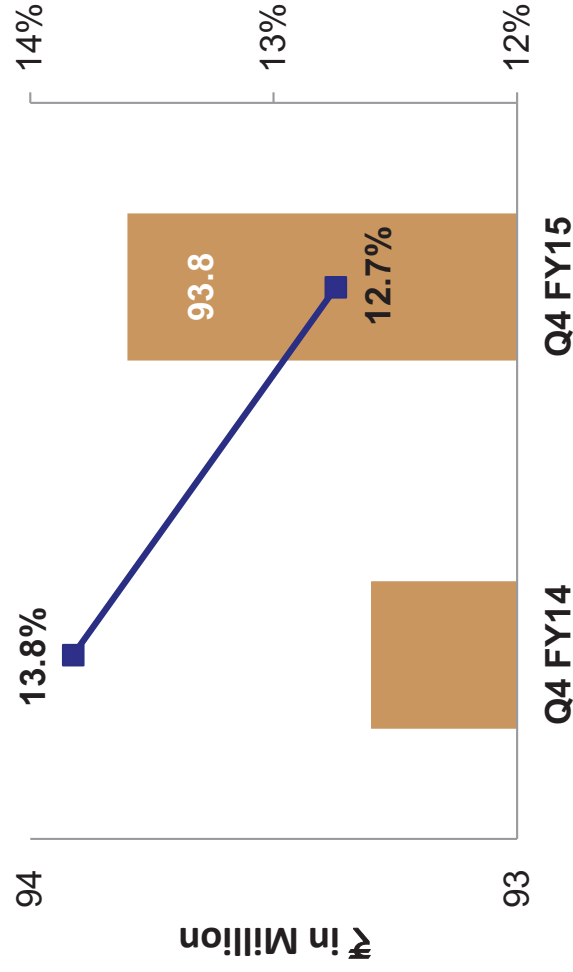
✓ Brand Refresh for Flagship Brand – launch of Mainland China Asia Kitchen

Total Restaurant Network at 115 including Confectionaries as on 31st March, 2015



EBIDTA & EBIDTA Margins (%)

While, EBIDTA increased from Rs. 93.3 million in Q4 FY14 to Rs. 93.8 million in Q4 FY15, the EBIDTA Margin has declined from 13.8% in Q4 FY14 to 12.7% in Q4 FY15

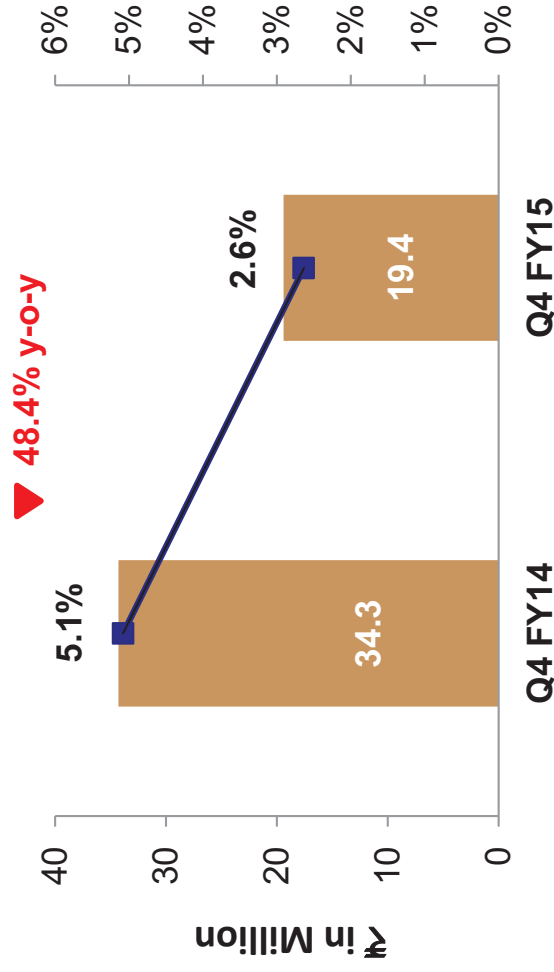


Reduction in EBIDTA Margins primarily due to :

- ✓ Postponement of Raw Materials cost decline
- ✓ Upfront loading of new Restaurant Launch Costs
- ✓ Reduction in discretionary spends



PAT and PAT Margins (%)



Profit After Tax declined primarily due to :

- ✓ Deferred impact of reducing input costs
- ✓ Deferral of Menu Price increase
- ✓ Statutory increase in Depreciation Costs on account of changes in Companies Act, 2013



The Road Ahead

Revenues

- ✓ Planning to open 10-12 restaurants in FY16
- ✓ Focus on sustainable growth by sweating of assets and leveraging of our brand equity of our flagship brand
- ✓ Focus on driving penetration by expanding geographies

Innovation

- ✓ Drive Innovation across menus to provide a unique guest experience
- ✓ Focus on delivering high quality food
- ✓ Innovate with indigenously developed food items thereby reducing dependence on imports

Profitability

- ✓ Continuing efforts to improve EBIDTA Margins and PAT Margins
- ✓ Optimize opportunities through continuous evaluation of Guest feedback and economic conditions
- ✓ Drive initiatives around efficient Operational Management

Focused on driving sustainable long term growth in Sales and remaining the Market Leader

Expecting Consumer Discretionary spends to improve as the economy revives



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IR Contact

For Additional Information :

*Mr. Rajesh Kumar Mohta
Executive Director – Finance and CFO*

Contact No : 022-33416700
Email ID : rkm@speciality.co.in