



SPECIALITY
RESTAURANTS LTD.

Morya Land Mark – 1, 4th Floor, B-25, Veera Industrial Estate, Off New Link Road, Andheri (W), Mumbai - 53
Tel No. (022) 3341 6700 Fax No. (022) 3340 6878 Website. www.speciality.co.in

February 13, 2017

To,

✓ **General Manager,
Listing Operations,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai - 400 001.**

~~**Vice President,
Listing Compliance Department,
National Stock Exchange of India Limited,
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.**~~

Scrip Code: 534425

Scrip Code: SPECIALITY

Dear Sir/ Madam,

Sub: Investor Presentation – February 2017.

Please find attached the following document on the above matter:-

1. Speciality Restaurants Limited – Investor Presentation February 2017.

Kindly take the above document on record.

Thanking you.

Yours sincerely,

For Speciality Restaurants Limited


Authorized Signatory



Name: Avinash Kinhikar
Designation: Company Secretary & Legal Head

Encl: As above



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Investor Presentation



February
2017



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

0.96 million guests served during Q3
FY2017 (1 million – Q3 FY2016)



Sustainable Growth & Scalability



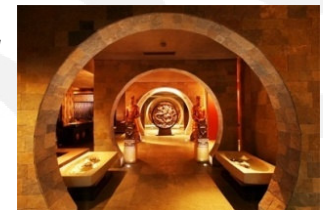
Footprints in New Geographies

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



Restaurant Network Expansion

- Sustainable Expansion Plan
- Expansion to focus on Asia Kitchen by Mainland China
- Strategic opening of other brand Hoppipola and oriental cuisine restaurants.



Skilled and Motivated Workforce



MAINLAND CHINA

sigree
GLOBAL GRILL

ASIA KITCHEN
MAINLAND CHINA

oh! Calcutta

Leverage Brand Equity

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





Pillars of Growth – FY 2017

✓ **Brand Leadership**

- Mainland China brand refresh - through “*Asia Kitchen by Mainland China*”
- Offers South East Asia Cuisine with 60% Chinese and 40% Pan Asian Flavours

✓ **Sustainable Expansion Plan**

- Total 124 Restaurants across all formats including Confectionaries (31st December, 2016) – new additions to drive long term growth as and when discretionary spends pick up

✓ **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



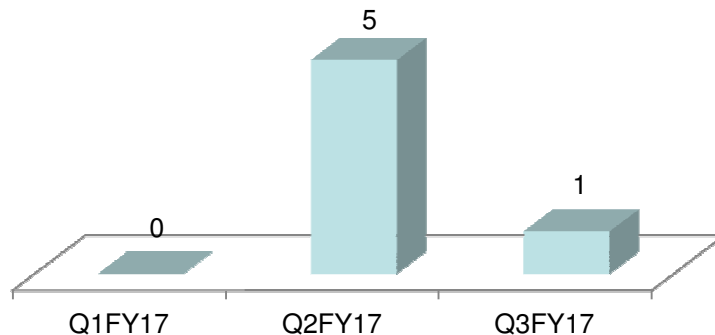
**Zoodles – Viviana
Mall, Thane**



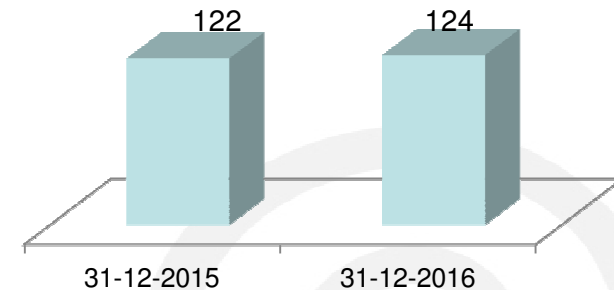
**Asia Kitchen & Bar –
Sakinaka, Mumbai**

Restaurant Accretions

No. of Restaurants opened



Total Number of Restaurants including Confectionaries



- ✓ 1 Restaurant opened in Q3 FY17 at Thane, closed 1 Confectionery (Sweet Bengal), re-launched its “Mainland China” restaurant at Saki Naka, Mumbai under new brand “Asia Kitchen & Bar” and converted “Shacks” restaurant to “Hoppipola” at Mani Square Mall, Kolkata.
- ✓ Total 124 Restaurants including Confectionaries as on 31st December, 2016 out of which 107 are Restaurants across brands and 17 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 – Q3 FY17



82 Company Owned and Operated Restaurants, 25 Franchisee*** and 17 Confectionary outlets spread across 22 cities in India, 1 city in Bangladesh and 1 city in Tanzania

Brand	Total **	Cities
Mainland China and Asia Kitchen by Mainland China	50	22 cities in India and one in Dhaka, Bangladesh and one in Dar es Salaam, Tanzania
Oh! Calcutta	9	Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad
Sigree and Sigree Global Grill	18	Pune, Kolkata, Mumbai, Hyderabad, Bengaluru, Chennai, Indore and one in Dhaka, Bangladesh and one in Dar es Salaam, Tanzania
Haka	2	Kolkata
Machaan	2	Kolkata and Howrah
Flame & Grill	3	Hyderabad and Kolkata
Café Mezzuna	4	Kolkata, Mumbai and Bengaluru
Hoppipola	13	Bengaluru, Chennai, Pune, Kolkata and Mumbai
Kix and Kibbeh	2	Kolkata and Hyderabad
Zoodles – Asian Street Wok	4	Mumbai
Sub-total	107	
Sweet Bengal Confectionary	17	Mumbai
Total	124*	

* This includes franchisee restaurants located in Dhaka, Bangladesh and Dar es Salaam, Tanzania, ** Data as on 31st March, 2016

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



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Diverse Menu Offerings





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Q3 FY17 Results

FINANCIAL ANALYSIS



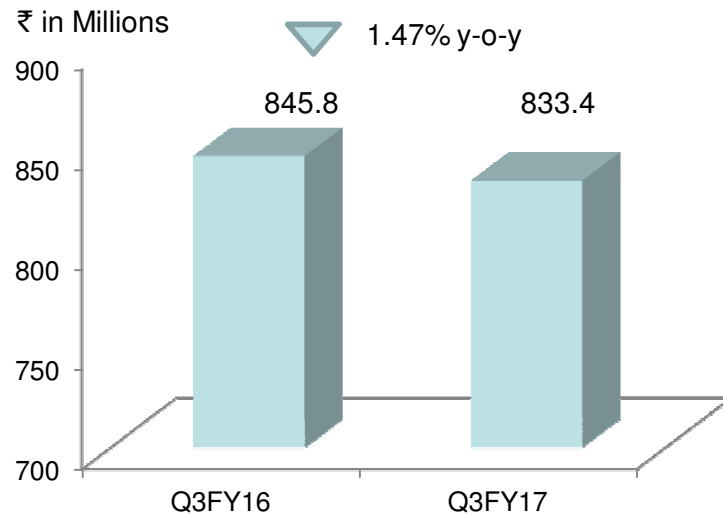
Financial Overview

₹ In Million

Sr. No	Particulars	For the Quarter ended on			Financial Year	
		31.12.2016	30.09.2016	31.12.2015	2016	2015
1	Income from operations					
	(a) Net Sales	817.3	782.4	832.6	3,160.0	2,903.9
	(b) Other operating income	16.1	13.9	13.2	53.5	89.9
	Total Income from operations	833.4	796.3	845.8	3,213.5	2,993.8
	Expenses					
	(a) Cost of materials consumed	264.9	258.6	277.5	1,055.0	940.8
	(b) Employees benefits expense	204.7	217.3	206.2	831.7	719.6
	(c) Depreciation and amortisation expense	74.5	69.7	80.1	283.3	252.2
	(d) Other expenses	190.2	188.8	168.9	672.4	606.3
	(e) Lease Rent	130.4	126.8	121.3	482.9	435.9
2	Total Expenses	864.7	861.2	854.0	3,325.3	2,954.8
3	Profit from operations before other income and finance costs (1-2)	(31.3)	(64.9)	(8.2)	(111.8)	39.0
4	Other Income	13.6	14.3	14.1	83.0	77.0
5	Profit from ordinary activities before finance costs (3+4)	(17.7)	(50.6)	5.9	(28.8)	116.0
6	Finance costs	0.1	-	0.1	0.5	0.8
7	Profit from ordinary activities before tax (5-6)	(17.8)	(50.6)	5.8	(29.3)	115.2
8	Tax expense	28.4	(24.9)	(4.2)	(31.9)	20.7
9	Net Profit after tax (7-8)	(46.2)	(25.7)	10.0	2.6	94.5



Total Income from Operations



Decrease in Total Income from Operations due to :

✓ *Negative same store sales growth*

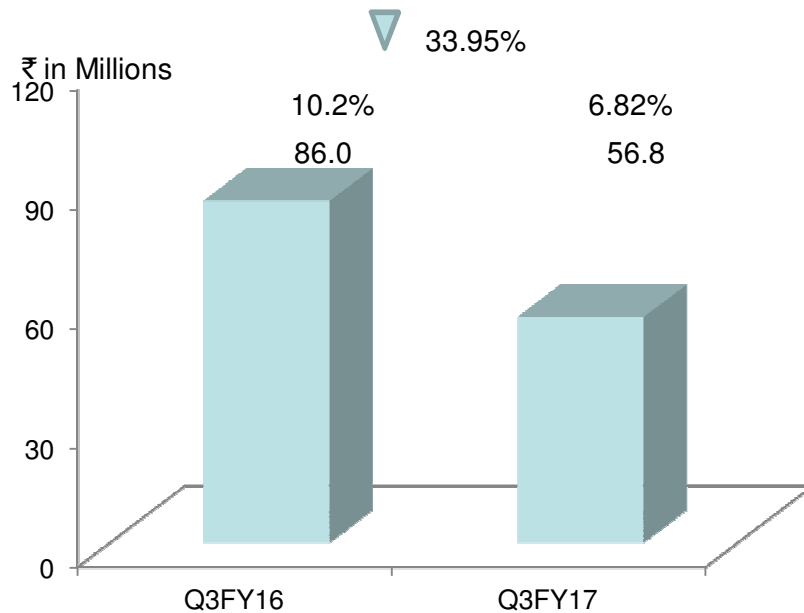
✓ *Demonetisation of currency*

Total Restaurant Network at 124 including Confectionaries as on 31st December, 2016



EBIDTA & EBIDTA Margins (%)

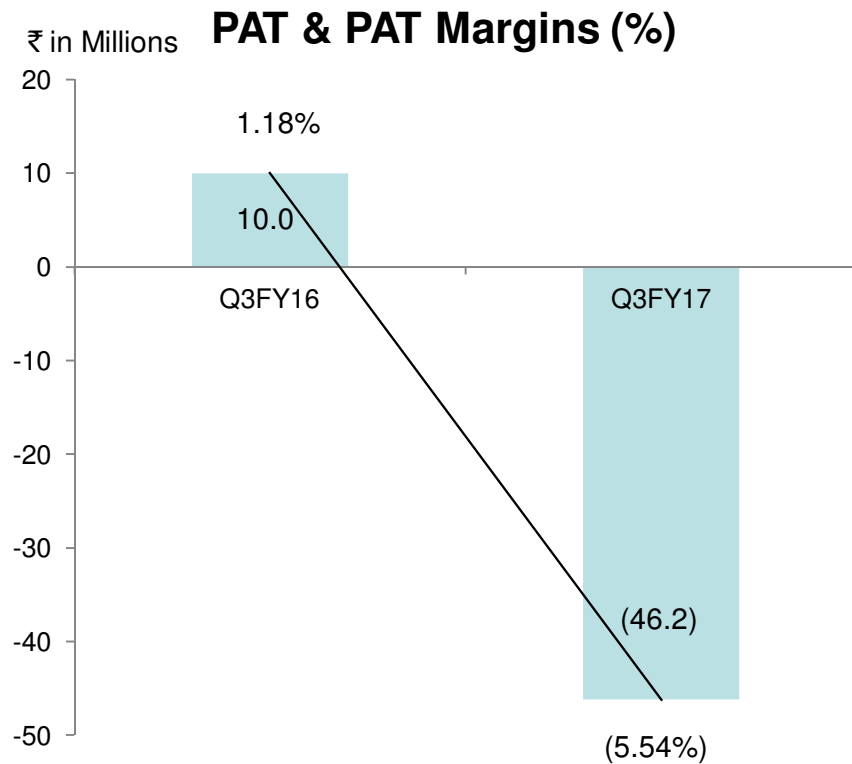
EBIDTA & EBIDTA Margins (%)



Lower EBIDTA Margins primarily due to :

- ✓ *Lower revenue at same restaurants y-o-y*
- ✓ *Extended breakeven period of new restaurants*

PAT & PAT Margins (%)



Profit After Tax decreased primarily due to :

- ✓ *Pressure on Discretionary Spend*
- ✓ *Increased Operational Expenditures*
- ✓ *Impairment due to closure of restaurant*



The Road Ahead

Revenues

- ✓ Focus on sustainable growth by sweating of assets and leveraging brand equity of our flagship brand
- ✓ Focus on driving penetration by expanding geographies

Innovation

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

Profitability

- ✓ Rationalization of input costs
- ✓ Price hike at opportune time
- ✓ Continuing efforts to improve EBIDTA Margins and PAT Margins

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 :

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Executive Director – Finance and CFO

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