



V2 Retail Limited

July 30, 2019

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Sub: Press Release on unaudited Financial Results for the quarter ended June 30, 2019

Dear Sir,

Please find enclosed Press Release on unaudited Financial Results for the quarter ended on June 30, 2019.

Kindly take the same on your record.

Thanking You,

For V2 Retail Limited


Umesh Kumar
Company Secretary & Compliance Officer



Press Release dated July 30, 2019

V2 Retail Limited, one of the India's fastest growing Retail Company, has declared its Unaudited Financial Results for the Quarter ended June 30, 2019

Particulars (₹ in mn)	Q1FY20	Q1FY19	FY2019
Revenue	2,023	1,878	7,484
Gross Profit	591	630	2,421
Gross Margin %	29.2%	33.5%	32.3%
EBIDTA	276	199	469
Profit Before Tax & Exceptional Items	77	178	417
Profit After Tax	114	112	204

Financials at a Glance:

Revenue:

- Despite significantly increased competitive intensity and weakened consumer sentiment our Revenue grew by 8% Y-o-Y in Q1 FY20 from ₹ 1,878 mn to ₹ 2,023 mn.

Gross Profit:

- Gross Profit for the quarter declined from ₹ 630 mn to ₹ 591 mn. Gross margins for the quarter declined from 33.5% to 29.2%.

IND AS 116 became applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard, using the modified retrospective approach for transition. Consequently in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent / Other Expenses" in the previous period to " Depreciation and amortisation expense" for the right to use assets and "Finance Cost" for interest accrued on lease liability. As such EBIDTA and PBT figures may not be exactly comparable with other periods.

EBIDTA:

- EBIDTA for Q1 FY20 stood at ₹276 mn. EBIDTA for Q1 FY19 was ₹ 199 mn.

Profit Before Tax:

- Profit / (Loss) Before Tax (PBT) stood at ₹ 77 mn in Q1 FY20. Profit / (Loss) Before Tax (PBT) but before exceptional item for Q1 FY19 stood at ₹ 178 mn.

Profit After Tax (PAT):

- Profit / (Loss) After Tax (PAT) grew by 1% from ₹ 112 mn in Q1 FY19 to ₹ 114 mn in Q1 FY20.

Others:

- The Company has opened 1 new stores and closed 1 existing store during Q1 FY20



- The Company operates 77 stores spread across 17 states and 72 cities with a total retail area in excess of 8 lac Sq. Ft.

Commenting on the results and performance, Mr. Ram Chandra Agarwal, Chairman & Managing Director said:

“Despite significantly increased competitive intensity and weakened consumer sentiment, V2 revenue grew by 8%. This growth at a time of weakness reinforced the company’s recall value and consumer confidence in us. The retail sector continues to face general slowdown in consumption and lower consumer confidence. Management envisage the trend to reverse with the onset of festival season.

The strong performance in Q1 FY20 was a result of continued momentum driven by strategic initiatives taken during the recent past such as improvement in technology and processes, strengthening product mix, enhancing customer experience and relationship and vendor management.

At V2 Retail, we believe that continuous improvement in technology and processes are important for any organisation to attain sustained growth. We have strengthened our differentiation through a superior price-value position extending far beyond the ‘sabse sasta’ positioning. At our company, the difference starts from our store design, the friendliness, the engagement quality and the transformation in our offerings mix. The result is that V2 Retail is shifting the needle from quality products to holistically superior experiences. We are offering a choice that addresses the aspirational needs of consumers. We are providing the consumer with far more reasons to spend more and live better.

We believe in profitable growth of our existing stores and hence our focus would be on improving same store sales growth in the coming quarters.

The country’s retail consumption needle is clearly moving from the visible locations to the less visible; from few large urban clusters to a larger number of relatively mid-sized and small urban pockets. This ‘volumisation’ of the country’s retail sector is possibly one of the most exciting retail stories anywhere in the world: it provides the largest under-penetrated consumption market in the world. A growth in incomes is likely to grow this market attractively from this point onwards.”

About V2 Retail Limited:

V2 Retail is one of the fastest growing retail company in India and enjoys strong brand equity from customers across segments. The company offers a portfolio of products, including apparel and life style products. V2 stands for ‘Value and Variety’ it sells good quality fashion garments at affordable prices, which suits every individual and household. The Company has a Strong presence in Northern & Eastern India. The Company caters to the neo middle class group of population living in Tier 2 and Tier 3 cities.

For further information, please contact

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