



V2 Retail Limited

October 26, 2019

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Sub: Press Release on unaudited Financial Results for the half year and quarter ended September 30, 2019

Dear Sir,

Please find enclosed Press Release on unaudited Financial Results for the half year and quarter ended on September 30, 2019.

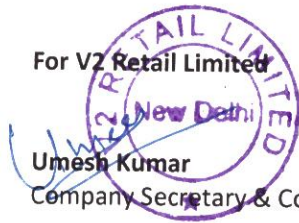
Kindly take the same on your record.

Thanking You,

For V2 Retail Limited

Umesh Kumar

Company Secretary & Compliance Officer





Press Release dated October 26, 2019

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

Particulars (₹ in mn)	Q2FY20	Q2FY19	Y-o-Y	H1FY20	H1FY19	Y-o-Y	FY2019
Revenue	1,507	1,557	-3%	3,530	3,434	3%	7,484
Gross Profit	418	463	-10%	1,009	1,093	-8%	2,421
Gross Margin (%)	27.7%	29.8%		28.6%	31.8%		32.3%
EBIDTA	116	(79)	247%	392	120	228%	469
EBIDTA Margin (%)	7.7%	-5.1%		11.1%	3.5%		6.3%
Profit Before Tax	(97)	(317)		(20)	(139)		151
Profit After Tax	(104)	(185)	44%	10	(73)	114%	204

Financials at a Glance:

Revenue:

- Our Revenue declined marginally Y-o-Y in Q2 FY20 from ₹ 1,557 Mn to ₹ 1,507 Mn.

Gross Profit:

- Gross Profit for the quarter was ₹ 418 Mn as compared to ₹ 463 Mn in Q2 FY19. Gross margins for the quarter stood at 27.7%.

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 Q2 FY20 stood at ₹116 Mn. EBIDTA for Q2 FY19 was ₹ (79) Mn.

Profit Before Tax:

- Profit / (Loss) Before Tax (PBT) stood at ₹ (97) Mn in Q2 FY20. Profit / (Loss) Before Tax (PBT) for Q2 FY19 stood at ₹ (317) Mn.

Profit After Tax (PAT):

- Profit / (Loss) After Tax (PAT) for Q2 FY20 stood at ₹ (104) Mn as compared to ₹ (185) Mn in Q2 FY19.

Others:



- The Company has opened 1 new stores and closed 3 existing store during Q2 FY20
- The Company operates 75 stores spread across 17 states and 70 cities with a total retail area in excess of 8.4 lac Sq. Ft.

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

“Despite significantly increased competitive intensity, weakened consumer sentiment, extended monsoon in most part of the country and floods during festive seasons where we command a leadership position, V2 revenue grew by 3% during H1 FY20. 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 Q2 FY20 was a result of continued momentum driven be 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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Mr. Umesh Kumar

(Company Secretary & Compliance Officer)

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