



**MRVL**

MANDHANA RETAIL VENTURES LIMITED

Earnings Presentation

Q 1 F Y 1 8

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## Strategy

1. Double sales in 4 years for “Being Human” brand
  - a) Expansion of EBOs and Franchise stores from current 60 to 200 in India.
  - b) Tie up with international retail chains to boost exports
  - c) Introduce new categories in women's wear.
2. Introduce new brand on similar lines or asset light retail model by early FY19.

## FY18 Outlook

1. Business disruption due to demonetisation and GST
2. Increased discount periods and sluggish sales
3. Weakness continuing in Q2, expecting recovery from Q3
4. Implementation of IndAS
5. EBITDA margins to stabilise above 15%

1. Revenue recognition on actual sales instead of despatches  
⇒ More accurate reflection of business
2. Revenue reported as gross sales, instead of net of discounts  
⇒ Inflated sales revenue  
⇒ EBITDA margin understated
3. Discounts and margin reported as “other expenditure”

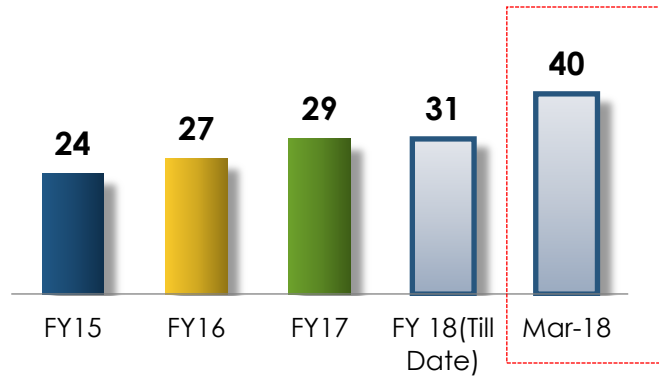
# Growing Distribution Network

Focused on creating an Asset Light Business Model; Faster Penetration in Tier 2 and 3

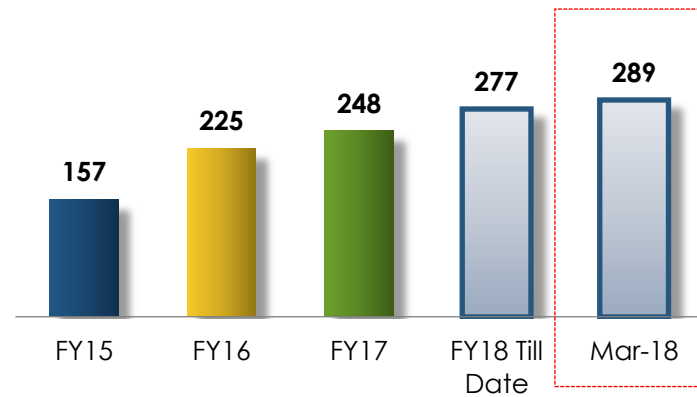
**44,112 Sq ft**

**38,397 Sq ft**

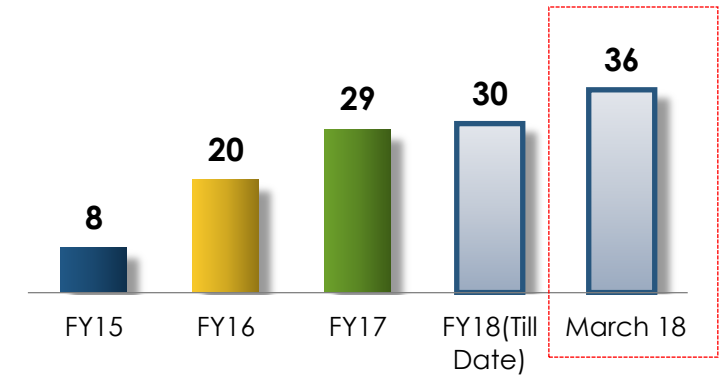
## Company Owned EBOs



## Shop-in-Shop



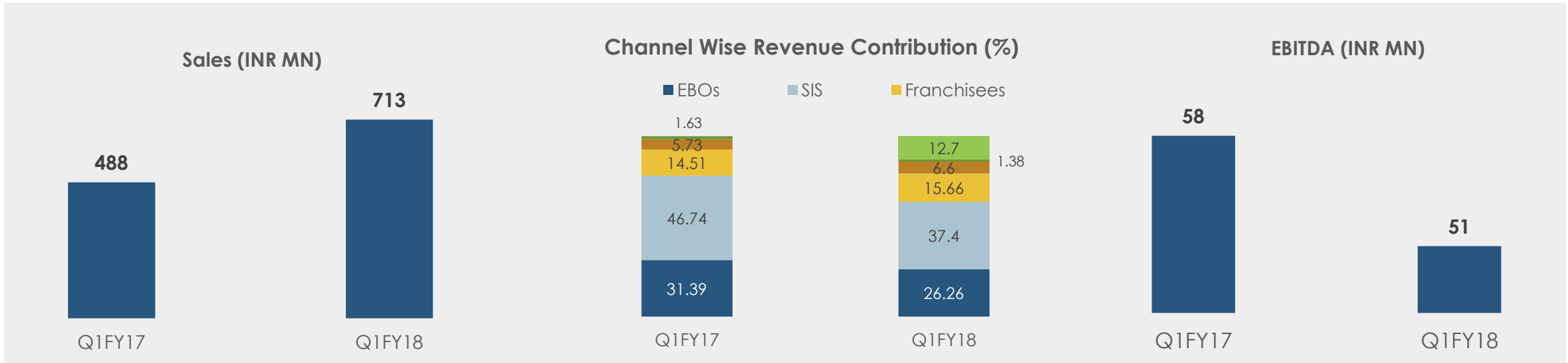
## Franchisee



Current  
**600+  
POS**

Vision  
**1,500 POS**

# Mandhana Retail Ventures – Q1 FY18 Highlights



## Highlights

- Revenue of Rs.717 mn; an increase of 46%
- EBITDA flat at Rs. 51 mn
- EBITDA margin of 7%
  - Margins adversely impacted due to larger volumes being sold during Sale period
  - Increase in professional fee and staff cost on account of annual increments and bonus
  - Other expenditure reflects higher discounts
- Advertisement cost continues to remain low at 3.28 % of revenue
- Strong balance sheet with cash and cash equivalents with negligible debt

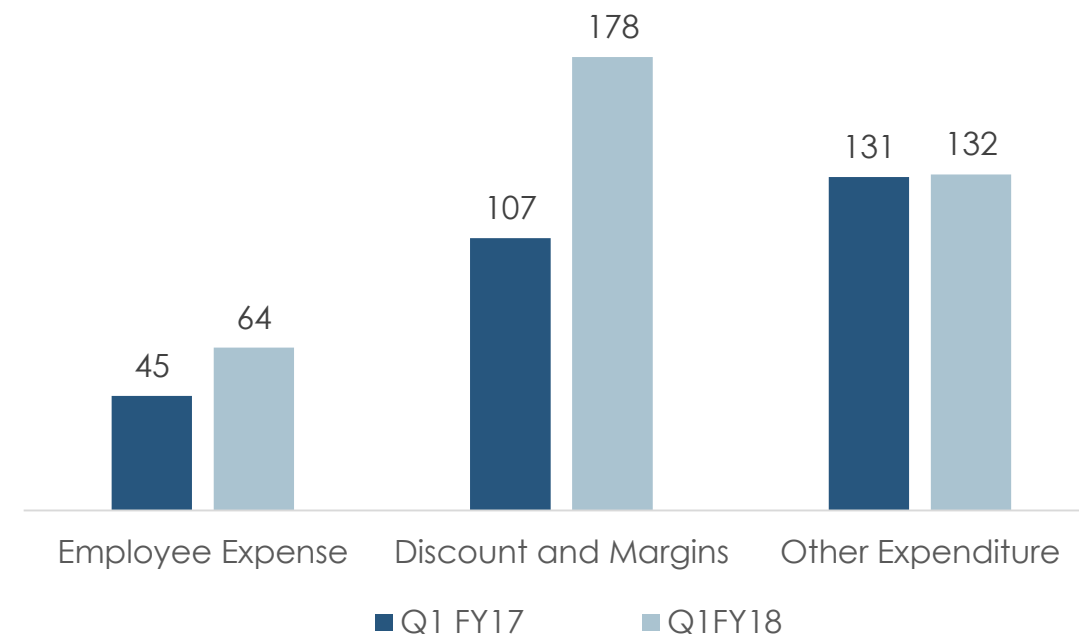
# Key Financial Highlights and Overheads Analysis

## Key Financial Highlights

INR MN except as stated	Q1FY18	Q1FY17	Q4FY17	FY17
<b>Revenue</b>	713	488	376	2,181
<b>EBITDA</b>	51	58	-41	402
<i>EBITDA Margin</i>	7%	12%	-	18.3%
<b>PAT</b>	24	28	-65	200
<i>PAT Margin</i>	3.39%	5.87%	-	9.13%
EPS (Rs/Share)	1.09	1.29	-2.92	9.07

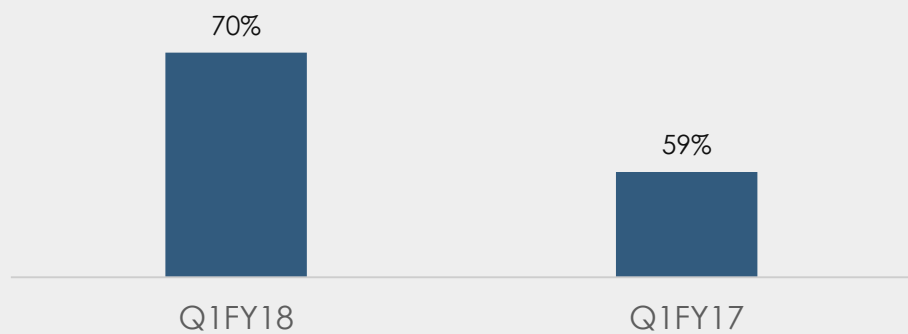
Q4 and FY17 numbers are based on IGAAP

## Overheads Analysis

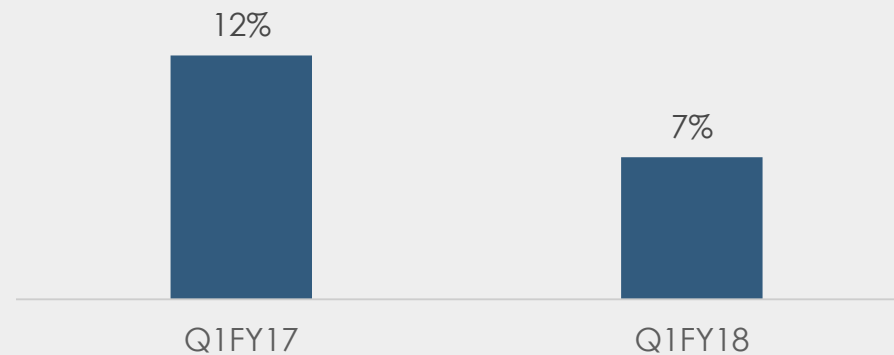


# Key Performance Indicators

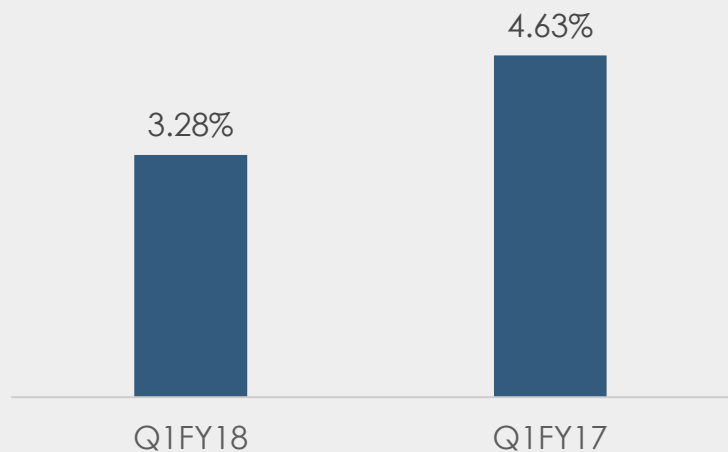
### Gross Profit %



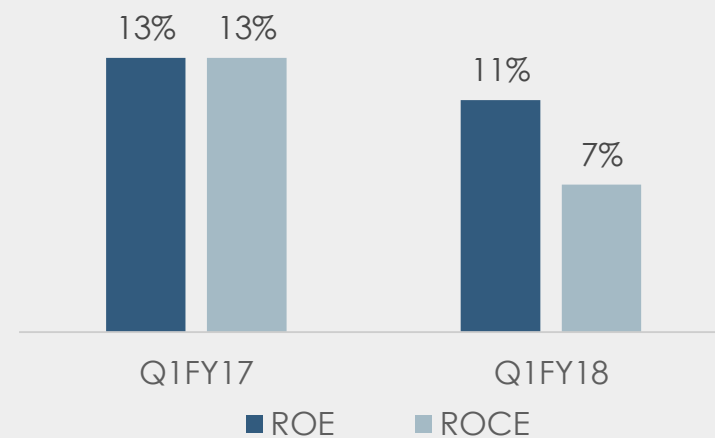
### EBITDA Margin %



### Advertisement Cost (% of Revenue)



### Return Ratios







**JOY**

100%



**CARE**

**LOVE**



**SHARE**

**HOPE**

**HELP**

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