



SPECIALITY

RESTAURANTS LTD.

# Investor Presentation



February 2016



# 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.***



# Strategic Overview

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## Enhance Dining Experience

- o 1 million guests served during Q3 FY2016 (0.99 million – Q3 FY2015)



## Sustainable Growth & Scalability



## Footprints in New Geographies

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



MAINLAND CHINA

sigree  
GLOBAL GRILL



oh! Calcutta

## Leverage Brand Equity

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



## Skilled and Motivated Workforce

## Restaurant Network Expansion

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





# Pillars of Growth – FY 2016

- ✓ **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 122 Restaurants across all formats including Confectionaries (31<sup>st</sup> December, 2015) – 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



# Our New Restaurants

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**Zoodles – Oberoi  
Mall, Goregaon East,  
Mumbai**



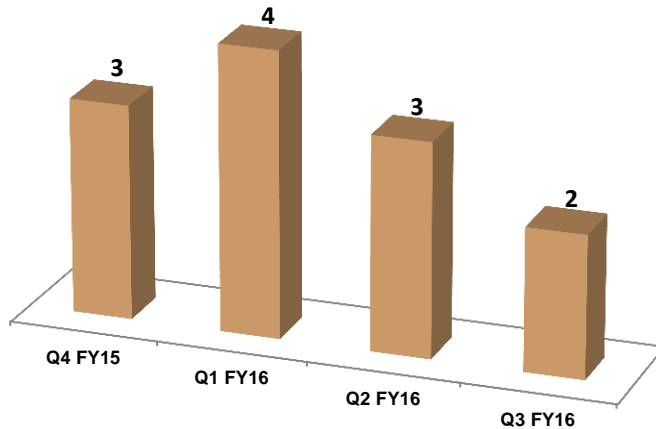
***Asia Kitchen by Mainland  
China – Acropolis Mall,  
Kolkata***



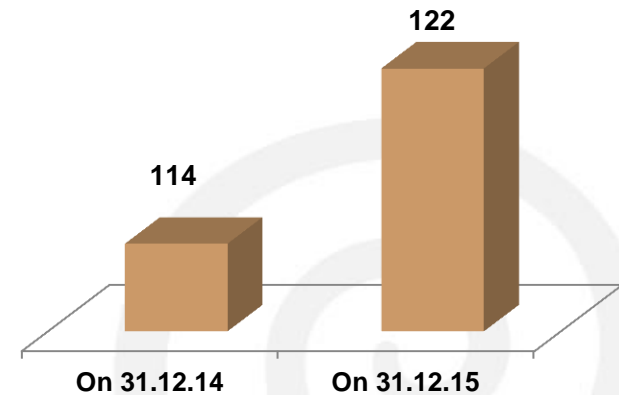
# Restaurant Accretions

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### Restaurants Opened



### Total Number of Restaurants including Confectionaries



- ✓ 2 Restaurants opened in Q3 FY16 at Mumbai & Kolkata
- ✓ Total 122 Restaurants including Confectionaries as on 31<sup>st</sup> December, 2015 out of which 103 are Restaurants across brands and 19 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***



# Region Wise Presence – Q3 FY16

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80 Company Owned and Operated Restaurants, 23 Franchisee\*\*\* and 19 Confectionary outlets spread across 23 cities in India, 1 city in Bangladesh and 1 city in Tanzania

Brand	Total **	Cities
Mainland China and Asia Kitchen by Mainland China	54	23 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	17	Pune, Kolkata, Mumbai, Hyderabad, Bengaluru, Chennai, Indore and one in Dhaka, Bangladesh and one in Dar es Salaam, Tanzania
Haka	2	Kolkata
Machaan	3	Kolkata, Guwahati and Howrah
Flame & Grill	3	Hyderabad and Kolkata
Café Mezzuna	2	Kolkata and Bengaluru,
Hoppipola	8	Bengaluru, Chennai, Pune and Mumbai
Kix, Shack and Kibbeh	3	Kolkata and Hyderabad
Zoodles – Asian Street Wok	2	Mumbai
<b>Sub-total</b>	<b>103</b>	
Sweet Bengal Confectionary	19	Mumbai
<b>Total</b>	<b>122*</b>	

\* This includes franchisee restaurants located in Dhaka, Bangladesh and Dar es Salaam, Tanzania, \*\* Data as on 31<sup>st</sup> December, 2015

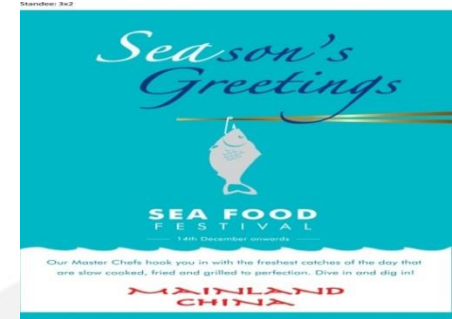
\*\*\* Franchisee Restaurant: Franchisee Owned, Company operated restaurants



# Key Initiatives in Q3 FY16

## Marketing Initiatives

*Seafood Festival at selected Mainland China Restaurants*



*Kebab & Curry Festival across all Sigree Restaurants*



*Roast and Grill Festival across all Oh! Calcutta Restaurants*







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# Diverse Menu Offerings





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# Q3 FY16 Results

# FINANCIAL ANALYSIS



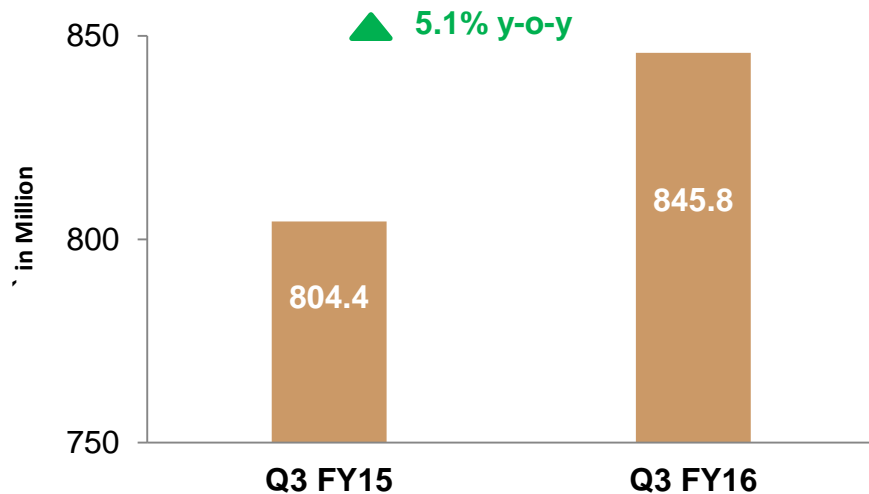
# Financial Overview

In Million

Sr. No	Particulars	For the Quarter ended on			Financial Year	
		31.12.2015	30.09.2015	31.12.2014	2015	2014
<b>1</b>	<b>Income from operations</b>					
	(a) Net Sales	832.6	784.4	791.1	2,903.9	2,458.5
	(b) Other operating income	13.2	12.4	13.3	89.9	180.0
	<b>Total Income from operations</b>	<b>845.8</b>	<b>796.8</b>	<b>804.4</b>	<b>2,993.8</b>	<b>2,638.5</b>
	<b>Expenses</b>					
	(a) Cost of materials consumed	277.5	261.0	251.9	940.8	759.1
	(b) Employees benefits expense	206.2	211.8	195.8	719.6	612.5
	(c) Depreciation and amortisation expense	80.1	66.3	64.8	252.2	190.2
	(d) Other expenses	168.9	168.1	154.7	606.3	536.3
	(e) Lease Rent	121.3	117.6	117.1	435.9	391.1
<b>2</b>	<b>Total Expenses</b>	<b>854.0</b>	<b>824.8</b>	<b>784.3</b>	<b>2,954.8</b>	<b>2,489.2</b>
<b>3</b>	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>-8.2</b>	<b>-28.0</b>	<b>20.1</b>	<b>39.0</b>	<b>149.3</b>
<b>4</b>	Other Income	14.1	38.0	19.6	77.0	98.4
<b>5</b>	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>5.9</b>	<b>10.0</b>	<b>39.7</b>	<b>116.0</b>	<b>247.7</b>
<b>6</b>	Finance costs	0.1	0.2	0.1	0.8	0.7
<b>7</b>	<b>Profit from ordinary activities before tax (5-6)</b>	<b>5.8</b>	<b>9.8</b>	<b>39.6</b>	<b>115.2</b>	<b>247.0</b>
<b>8</b>	Tax expense	-4.2	-0.4	7.4	20.7	58.0
<b>9</b>	<b>Net Profit after tax (7-8)</b>	<b>10.0</b>	<b>10.2</b>	<b>32.2</b>	<b>94.5</b>	<b>189.0</b>



# Total Income from Operations



*Increase in Total Income from Operations due to :*

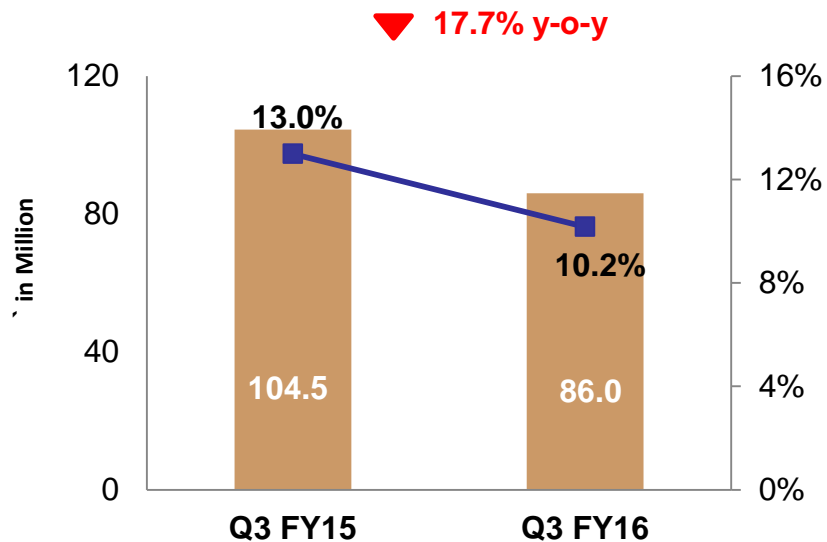
✓ *Revenues from new restaurants opened during the period*

✓ *Positive response to brand refresh & innovative formats*

*Total Restaurant Network at 122 including Confectionaries as on 31<sup>st</sup> December, 2015*



# EBIDTA & EBIDTA Margins (%)

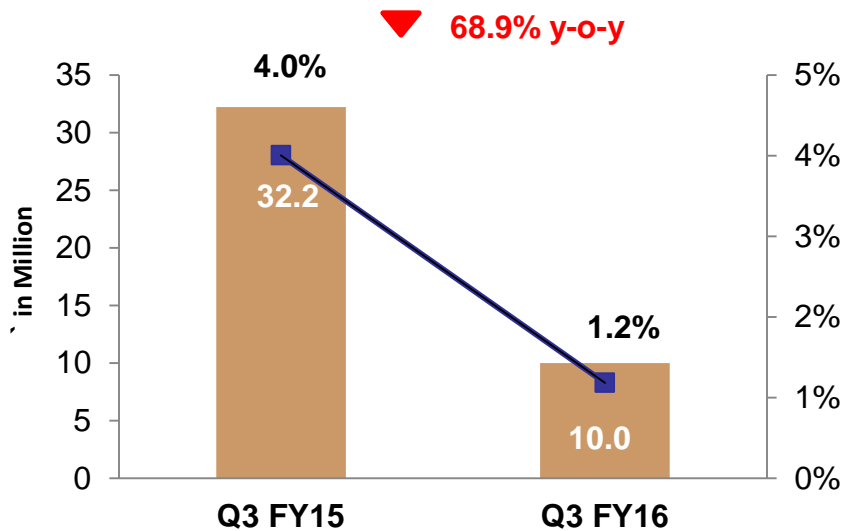


*Lower EBITDA Margins primarily due to :*

- ✓ *Extended breakeven period of new restaurants*
- ✓ *Rise in input costs*



# PAT & PAT Margins (%)



*Profit After Tax decreased primarily due to :*

- ✓ *Pressure on Discretionary Spend*
- ✓ *Increased Operational Expenditures*
- ✓ *Impairment Cost of two restaurants closed*



# 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**



# ***IR Contact***

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