



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 (31st 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



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Our New Restaurants



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

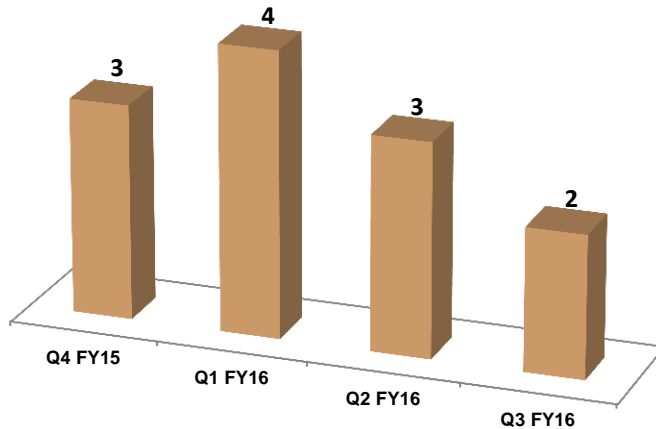


***Asia Kitchen by Mainland
China – Acropolis Mall,
Kolkata***

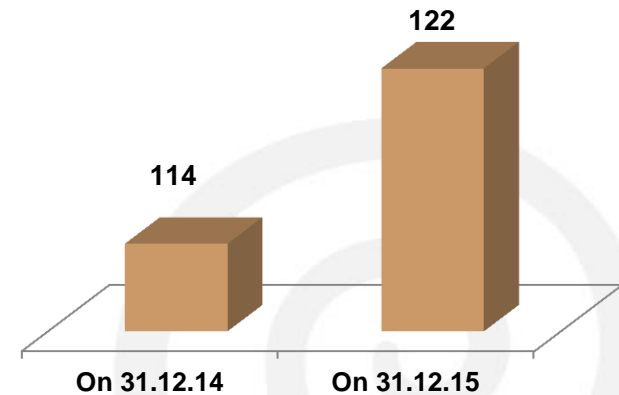


Restaurant Accretions

Restaurants Opened



Total Number of Restaurants including Confectionaries



- ✓ 2 Restaurants opened in Q3 FY16 at Mumbai & Kolkata
- ✓ Total 122 Restaurants including Confectionaries as on 31st 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 |
| Sub-total | 103 | |
| Sweet Bengal Confectionary | 19 | Mumbai |
| Total | 122* | |

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

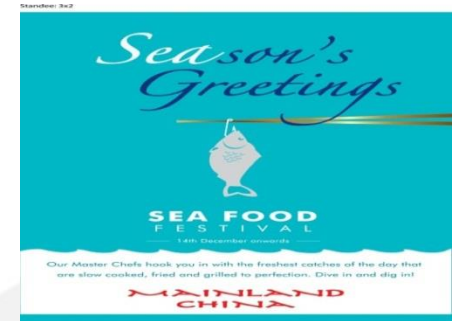
*** Franchisee Restaurant: Franchisee Owned, Company operated restaurants



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





Diverse Menu Offerings





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Q3 FY16 Results

FINANCIAL ANALYSIS



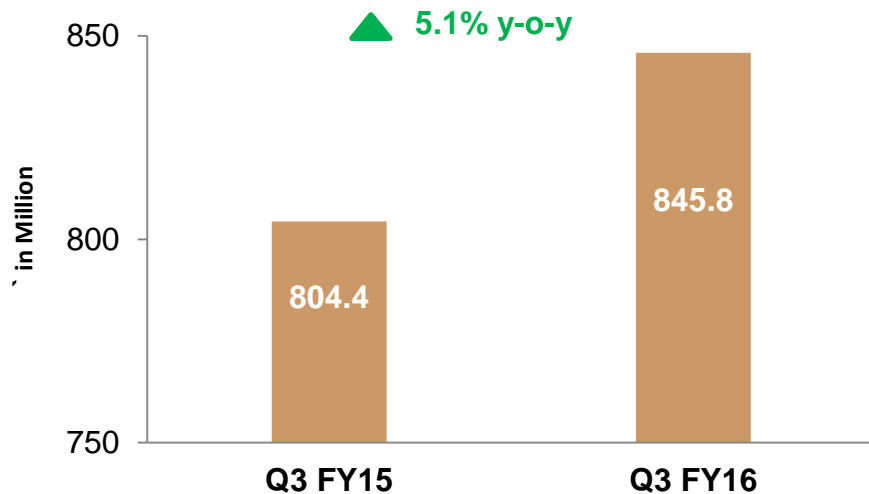
Financial Overview

In Million

| Sr. No | Particulars | For the Quarter ended on | | | Financial Year | |
|----------|---|--------------------------|--------------|--------------|----------------|----------------|
| | | 31.12.2015 | 30.09.2015 | 31.12.2014 | 2015 | 2014 |
| 1 | Income from operations | | | | | |
| | (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 |
| | Total Income from operations | 845.8 | 796.8 | 804.4 | 2,993.8 | 2,638.5 |
| | Expenses | | | | | |
| | (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 |
| 2 | Total Expenses | 854.0 | 824.8 | 784.3 | 2,954.8 | 2,489.2 |
| 3 | Profit from operations before other income and finance costs (1-2) | -8.2 | -28.0 | 20.1 | 39.0 | 149.3 |
| 4 | Other Income | 14.1 | 38.0 | 19.6 | 77.0 | 98.4 |
| 5 | Profit from ordinary activities before finance costs (3+4) | 5.9 | 10.0 | 39.7 | 116.0 | 247.7 |
| 6 | Finance costs | 0.1 | 0.2 | 0.1 | 0.8 | 0.7 |
| 7 | Profit from ordinary activities before tax (5-6) | 5.8 | 9.8 | 39.6 | 115.2 | 247.0 |
| 8 | Tax expense | -4.2 | -0.4 | 7.4 | 20.7 | 58.0 |
| 9 | Net Profit after tax (7-8) | 10.0 | 10.2 | 32.2 | 94.5 | 189.0 |



Total Income from Operations



Increase in Total Income from Operations due to :

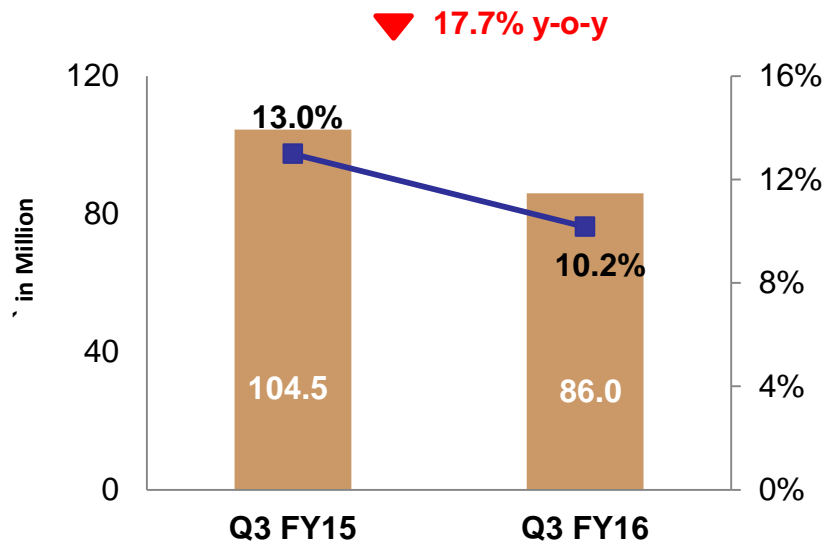
✓ *Revenues from new restaurants opened during the period*

✓ *Positive response to brand refresh & innovative formats*

Total Restaurant Network at 122 including Confectionaries as on 31st December, 2015



EBIDTA & EBIDTA Margins (%)

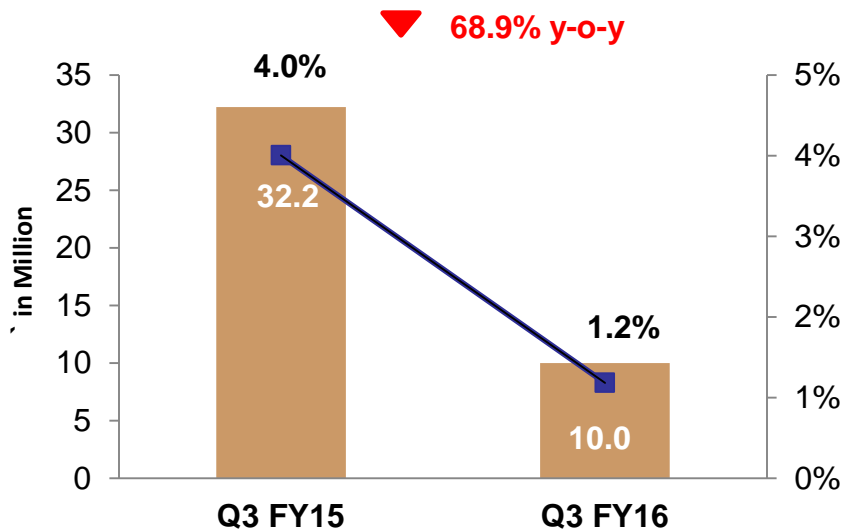


Lower EBIDTA Margins primarily due to :

- ✓ *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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