



SPECIALITY  
RESTAURANTS LTD.

February 2013



## Disclaimer

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***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.***








# Curtain Raiser



- Award winning leading portfolio of Fine Dining Brands
- 96 Restaurants serving Quality Food in Modern Ambience along with 14 Confectioneries (as on December 31, 2012)
- Flagship Brands: Mainland China and Oh! Calcutta -- having presence for over 20 years
- Other Brands - Sigree, Flame & Grill, Haka, KIBBEH, Kix, Machaan, Shack, as well as a confectionary brand, Sweet Bengal
- Uniform and Consistent standards across each brand, across geographies in line with international trends
- Asset Light Model



# Power Brands

Core Brands	Particulars
	<ul style="list-style-type: none"><li>• Menu features authentic Chinese cuisine embracing the principle of “harmony in contrast,” which stems from the Chinese concept of yin and yang</li></ul>
	<ul style="list-style-type: none"><li>• Erstwhile Only Fish, was rebranded as Oh! Calcutta</li><li>• Menu features dishes from Kolkata, created through research in libraries and old British colonial clubs</li><li>• Ambience: resembles a British colonial club in Kolkata</li></ul>
Other Brands	Particulars
	<ul style="list-style-type: none"><li>• A new concept of dining and a recent addition to the group portfolio, inspired by changing taste-buds</li><li>• The menu features a melange of fresh, grilled flavours from all around the globe</li></ul>
	<ul style="list-style-type: none"><li>• Sweet Confectionary</li></ul>
	<ul style="list-style-type: none"><li>• Serves Modern Chinese cuisine ideal for guests on-the-go</li></ul>

# Widespread Presence



**59 Company owned and operated restaurants, 23\* Franchisee\*\*\* and 14 confectionary outlets spread across 25 cities in India and one city in Bangladesh**

\* This includes franchisee restaurants located in Dhaka, Bangladesh; \*\* Data as on Dec 31<sup>st</sup>, 2012

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

Brand	Total **	Cities
Mainland China	48	25 cities in India and one in Dhaka, Bangladesh
Oh! Calcutta	8	Mumbai, Kolkata, Delhi, Pune, Bengaluru and one in Dhaka, Bangladesh
Sigree	6	Pune, Chennai, Kolkata, Mumbai and Hyderabad
Haka	3	Kolkata and Bhubaneswar
Machaan	6	Mumbai, Kolkata, Guwahati, Nashik, Surat & Howrah
Flame & Grill	7	Bengaluru, Hyderabad, Nashik, Ludhiana, Aurangabad and Kolkata
Kix	1	Kolkata
Just Biryani	1	Mumbai
Kibbeh	1	Hyderabad
Shack	1	Kolkata
<b>Sub-total</b>	<b>82</b>	
Sweet Bengal confectionary	14	Mumbai
<b>Total</b>	<b>96</b>	



# Key Growth Drivers

## **Leverage flagship *Mainland China* brand while selectively expanding into existing and new markets**

- Leverage the brand equity enjoyed by *Mainland China* brand by expanding in new locations in Metro and Tier 1 cities
- Plan to expand new restaurant formats such as Combos and Multi brands
- Plan to further expand selectively into Tier II cities through new restaurants or franchisee restaurants
- Include snack menu and keep restaurants open through the day in Malls – Increase Cover Turnover

## **Selectively develop other brands in the Portfolio**

- Plan to maintain a tight basket of brands with a focus on *Mainland China* brand, while targeting a few new market segments
- Increase number of Sigree outlets and merge Machaan with it

## **Focus on COCO Model for Expansion**

- Cost Curve – 120 days to launch and 6 months thereafter to breakeven
- Focus on COCO model for expansion combined with FOCO model opportunistically, to penetrate Tier II cities which the company may not otherwise exploit.

## **Innovative Marketing Strategies focusing on Growth Opportunities**

- Loyalty Programme and increasing brand awareness complemented with periodic promotions and festivals
- Achieve a Higher Cover during the festive season – continue the momentum

## **Focus on Innovative and Emerging Trends in the Business**

- Focus on Outdoor Catering – Huge potential to be tapped
- Focus on 'takeaway market' – one of the fastest growing in the restaurant business segment
- Focus on ready-to-eat and one meal packages
- Tie up with Just Dial for logistics of home delivery model
- Integrate it with our existing business model
- Be prepared before the next uptick in the Economy and Discretionary Spends

## Key Growth Drivers

### **Mezzuna – All Day Bar & Restaurant serving International Cuisine**

- Our latest addition is a brand new concept for the young, well travelled and adventurous connoisseur.
- The trend of this young TG (19 – 26 years) with high disposable income is “chilling – spending time in an informal vibrant setting” - drinking out with friends and having finger food.
- Consultants/ Chefs from Europe and recruitments from Best Hotels/Restaurants in India
- Fresh and exciting format of all day casual dining - Higher Cover turnover as timing will be longer (open from 9am to 12 midnight)
- A lively menu of new world dishes - Mediterranean, Moroccan, East Asian, Continental, Spanish, Mexican and Italian flavours with a fantastic range of liquor which is of prime importance.
- Contemporary recipes made with select, healthful ingredients, highlighting a progressive gourmet cuisine.
- Increased asset utilization ( sweating of assets) as would become part of existing premises.



# MEZZUNA

ALL DAY BAR AND KITCHEN













## Key Growth Drivers

### **Sigree Global Grill Launched**

- A new concept of dining and latest addition to the group portfolio, inspired by changing taste-buds.
- A melange of fresh, grilled flavours from all around the globe like Mediterranean, Oriental, Spanish, Mexican and Indian cuisine.
- Live grills on each table - Unlimited starters that sizzle and grill on each table.
- Display kitchen and interactive cooking, enhanced by the thrilling and skillful display by master chefs. Dramatic ambience of fresh ingredients and exciting culinary styles.
- A global gourmet experience in an electrifying ambience.
- An all-day destination for the globe-trotting, next generation of food connoisseurs.





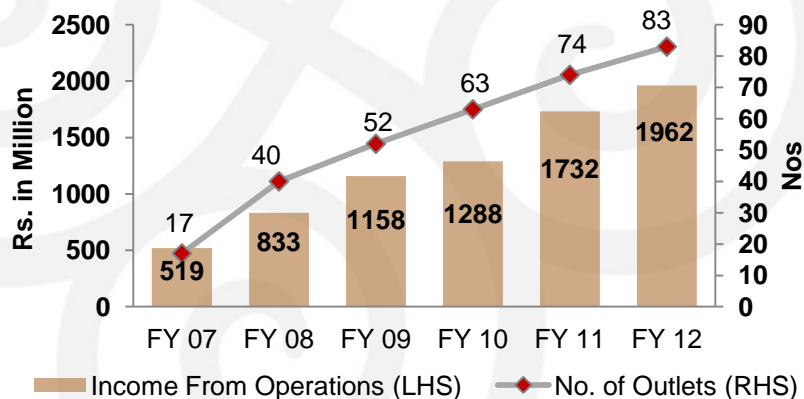




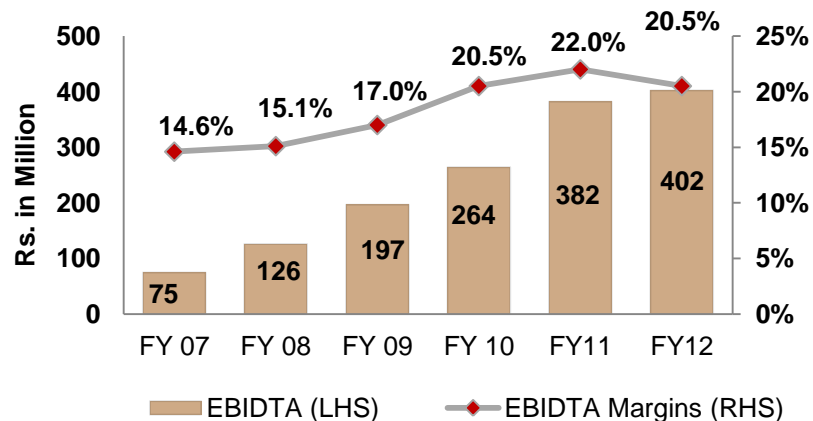


# Select Financials

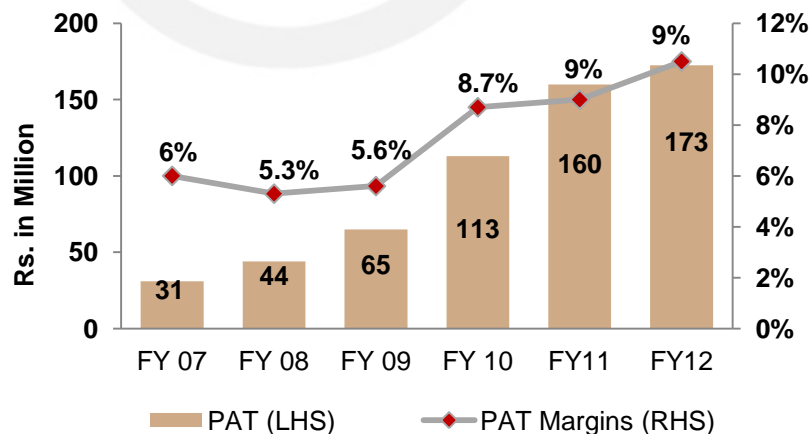
## Income From Operations and Outlets



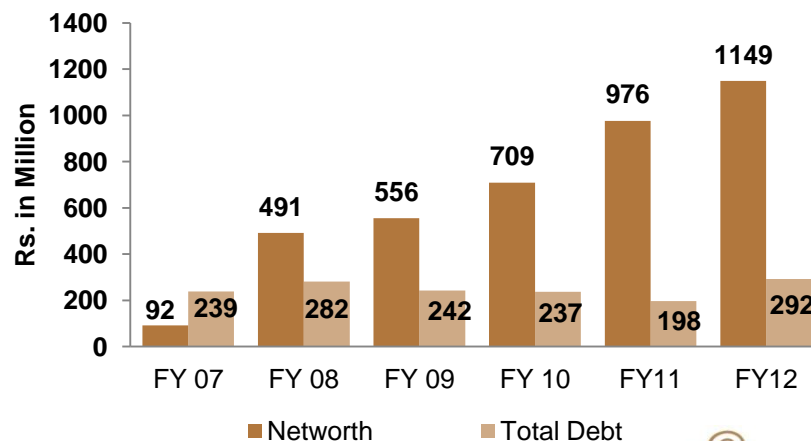
## EBITDA and EBITDA Margins



## PAT and PAT Margins



## Net worth and Total Debt



No. of Restaurants as of March 2012

EBITDA: Earnings before interest, tax, depreciation and amortization



# Financial Overview

Rs. In Lakhs

Sr. No	Particulars	For the Quarter ended on			For the Nine months ended on		Previous year
		31.12.2012	30.9.2012	31.12.2011	31.12.2012	31.12.2011	31.3.2012
		(Unaudited)					(Audited)
<b>1</b>	<b>Income from operations</b>						
	(a) Net Sales	5,854	5,211	5,238	16,039	14,357	18,781
	(b) Other operating income	261	262	115	808	624	842
	<b>Total Income from operations</b>	<b>6,115</b>	<b>5,473</b>	<b>5,353</b>	<b>16,847</b>	<b>14,981</b>	<b>19,623</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	1,709	1,501	1,465	4,555	3,907	5,102
	(b) Employee benefits expense	1,364	1,323	1,077	3,811	3,134	4,231
	(c) Depreciation and amortisation expense	376	357	372	1,050	913	1,287
	(d) Lease Rent	847	846	747	2,486	2,077	2,870
	(e) Other expenses	1,165	1,058	1,012	3,166	2,780	3,669
	<b>Total Expenses</b>	<b>5,461</b>	<b>5,085</b>	<b>4,673</b>	<b>15,068</b>	<b>12,811</b>	<b>17,159</b>
<b>3</b>	<b>Profit from operations before other income and finance costs</b>	<b>654</b>	<b>388</b>	<b>680</b>	<b>1,779</b>	<b>2,170</b>	<b>2,464</b>
<b>4</b>	<b>Other income</b>	<b>234</b>	<b>270</b>	<b>100</b>	<b>649</b>	<b>230</b>	<b>271</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs</b>	<b>888</b>	<b>658</b>	<b>780</b>	<b>2,428</b>	<b>2,400</b>	<b>2,735</b>
<b>6</b>	<b>Finance costs</b>	<b>1</b>	<b>1</b>	<b>78</b>	<b>49</b>	<b>202</b>	<b>266</b>
<b>7</b>	<b>Profit from ordinary activities before tax</b>	<b>887</b>	<b>657</b>	<b>702</b>	<b>2,379</b>	<b>2,198</b>	<b>2,469</b>
<b>8</b>	<b>Tax expense</b>	<b>220</b>	<b>146</b>	<b>221</b>	<b>572</b>	<b>695</b>	<b>744</b>
<b>9</b>	<b>Net Profit after tax</b>	<b>667</b>	<b>511</b>	<b>481</b>	<b>1,807</b>	<b>1,503</b>	<b>1,725</b>



# Financial Highlights

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## Sales

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- Good Traction due to festive season
- Maturity of new stores opened in last fiscal and Q1 FY 2013
- Expansion plans on track
- Pressure on discretionary spends to continue

## Expenses

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- Launch Expenses - Mezzuna
- Delay of Price Hikes

## EBITDA

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- Cost Pressures
- Front end cost sociated with new Launches

## Profit after Tax

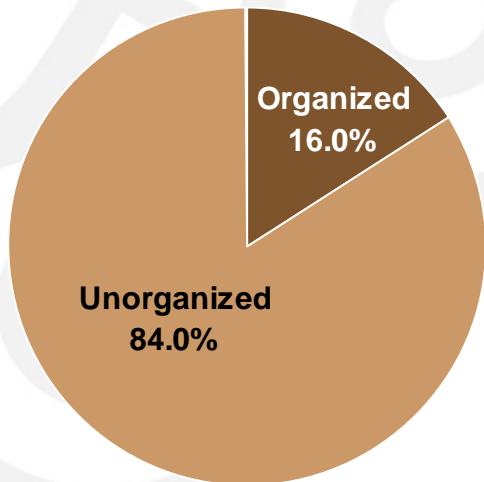
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- Pressure at EBITDA levels

# Industry Potential

## Market segments and growth projection – Organised Segment

2010



Total Industry: Rs 43,000 cr. (Rs 430 bn.)

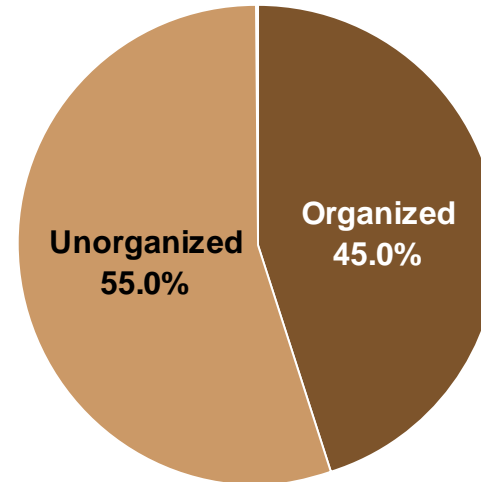
CAGR: 8%

Organized Segment: Rs 6,900 (Rs 70 bn.)

CAGR: 30-32%

Organized Segment: over 3,000 outlets

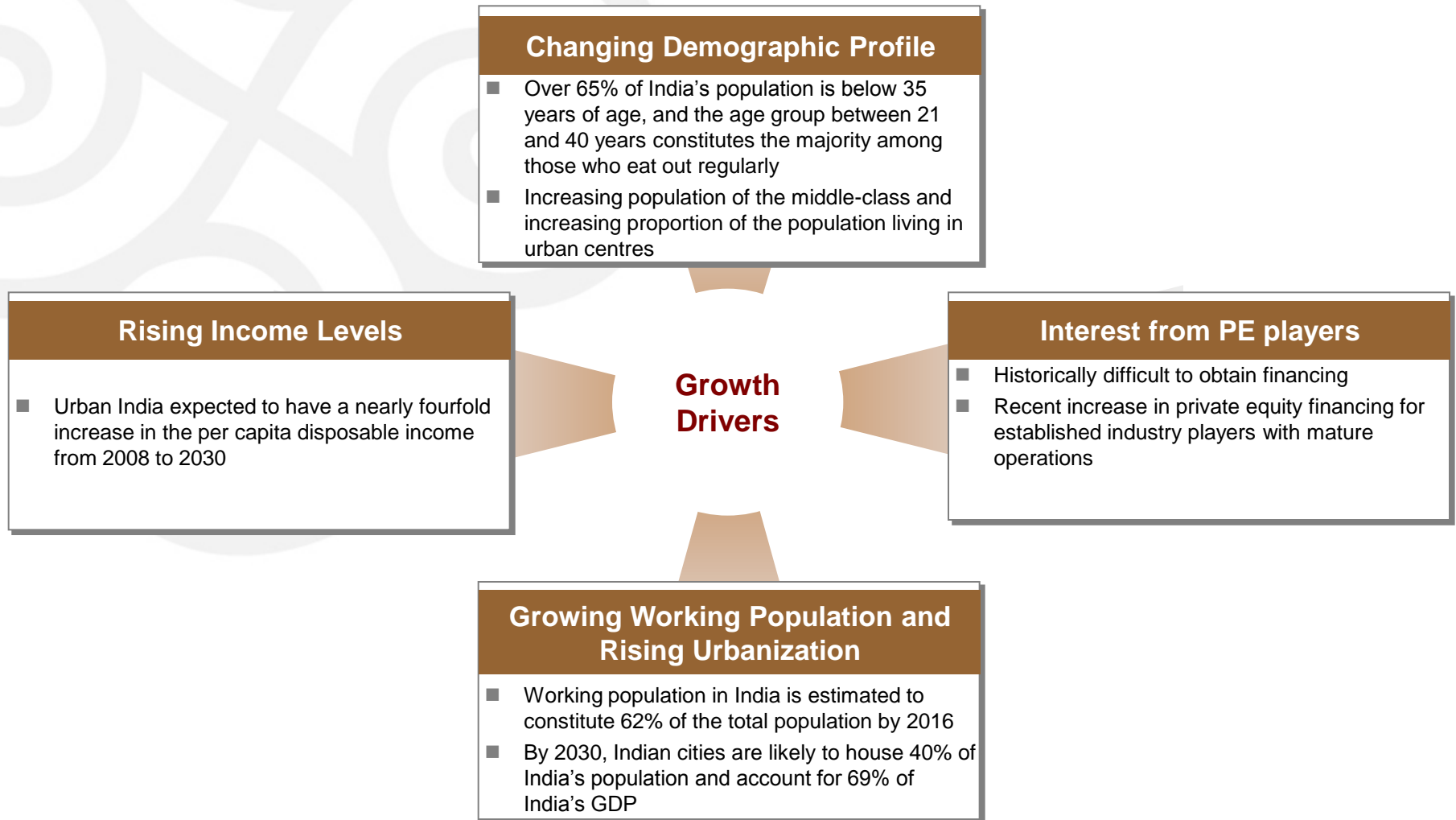
2015\*



Total Industry: Rs 62,500 cr. (Rs 625 bn.)

Organized Segment: ~Rs 28,000 cr. (Rs 280 bn.)

# Industry Growth Drivers

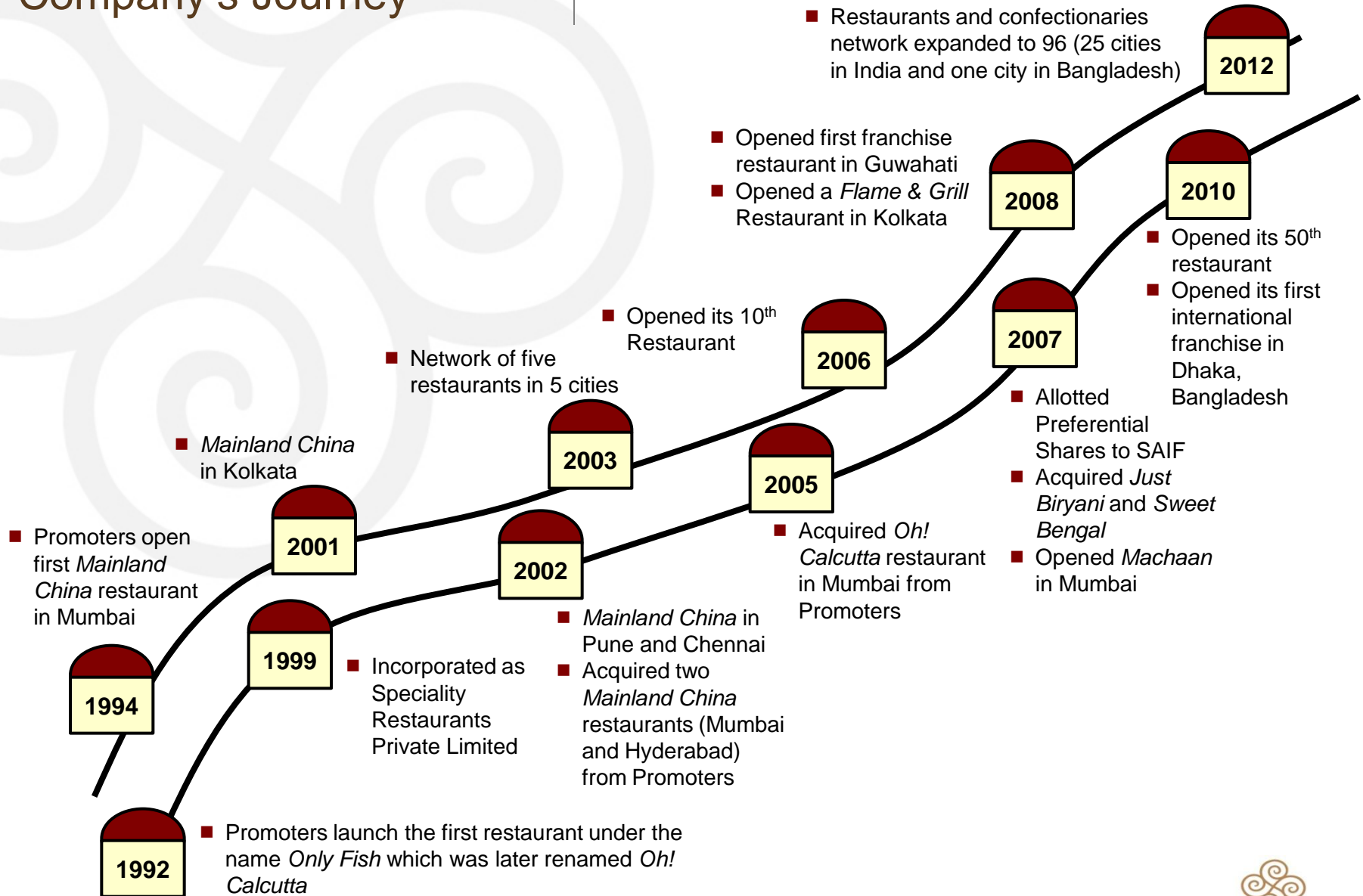




# ANNEXURES



# Company's Journey





# Directors' Profile

**Mr. Anjan Chatterjee**  
Promoter Director

- Overall in charge of the Company
- Over 30 years of experience in the advertising and hospitality industry

**Mrs. Suchhanda Chatterjee**  
Promoter Director

- Over 11 years of experience in hospitality industry

**Mr. Indranil Ananda Chatterjee**  
Whole Time Director

- In charge of overall commercial operations
- Over 28 years of experience in finance and marketing

**Mr. Susim Mukul Datta**  
Chairman and non-executive  
Independent Director

- Currently Chairman of Castrol India, Philips Electronics India and IL&FS Investment Managers; over 50 years of experience in manufacturing, marketing, banking, finance, hotels, etc.
- He was also the chairman of Hindustan Lever and certain Unilever group companies

**Mr. Tara Sankar Bhattacharya**  
Non- Exec. Independent Dir.

- Former managing director of SBI
- Has over 41 years of experience in banking and finance

**Mr. Jyotin Mehta**  
Non- Exec. Independent Dir.

- Over 28 years of experience in finance, secretarial, legal, quality management and general management

**Mr. Dushyant Rajnikant Mehta**  
Non- Exec. Independent Dir.

- Has over 30 years of experience in sales, advertising and marketing

**Mr. Vishal Sood**  
Non- Exec. Non-Indpdt. Dir.

- Over 15 years of experience in software, investment banking and private equity



# Key Management

**Mr. Indraneil Palit**  
Chief Operating Officer

- Holds a diploma in hotel management, catering technology and applied nutrition
- 28 years of experience in the hospitality industry including at the Indian Hotels Company Limited

**Mr. Phiroz Savak Sadri**  
Director\* – Operations &  
Brand Standards

- Holds a bachelors degree in commerce and a diploma in hotel management, catering technology and applied nutrition
- 24 years of experience in the hospitality industry including at Indian Hotels Company Limited

**Mr. Jayanta Chatterjee**  
Director\* – Business  
Development & Planning

- Holds a bachelors degree in commerce
- 21 years of experience in the hospitality industry including at Indian Hotels Company Limited

**Mr. Rajesh Dubey**  
Director\* - Food Production

- Holds a diploma in hotel management, catering technology and applied nutrition
- 23 years of experience in the hospitality industry; prior to joining the Company, was executive sous chef with Indian Hotels Company Limited

**Mr. Rajesh Mohta**  
Chief Financial Officer

- Holds a bachelors degree in commerce and is an associate member of the ICAI
- 23 years of experience in finance and accounts; prior to joining the Company, worked as general manager (finance) at Rockwood Hotels & Resorts Limited

**Mr. Sanjay Goyal**  
GM – Materials Management  
and Controls

- Holds a bachelors degree in commerce, bachelors degree in law, a diploma in hotel management, diploma in international trade management and is a certified purchasing manager
- 22 years of experience in the hospitality industry; prior to joining the Company, worked as materials manager at one of the leading hotels in India

**Mr. V.S. Satyamoorthy**  
Company Secretary and  
Compliance Officer

- Holds a bachelors degree in commerce, is an Associate member of the ICAI, ICSI and a graduate member of the ICWAI
- 30 years of experience in areas of accounts, finance and secretarial matters

\* Non-Board position





Thank You

