



SPECIALITY

RESTAURANTS LTD.

# Investor Presentation



February  
2017



# 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.***



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# Strategic Overview

## Enhance Dining Experience

0.96 million guests served during Q3  
FY2017 (1 million – Q3 FY2016)



## Sustainable Growth & Scalability



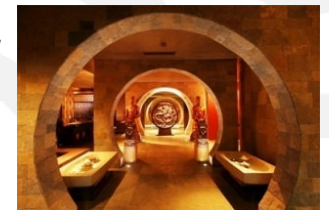
## Footprints in New Geographies

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



## Restaurant Network Expansion

- Sustainable Expansion Plan
- Expansion to focus on Asia Kitchen by Mainland China
- Strategic opening of other brand Hoppipola and oriental cuisine restaurants.



## Skilled and Motivated Workforce



MAINLAND CHINA

sigree  
GLOBAL GRILL



oh! Calcutta

## Leverage Brand Equity

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



# Pillars of Growth – FY 2017

## ✓ **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 124 Restaurants across all formats including Confectionaries (31<sup>st</sup> December, 2016) – 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



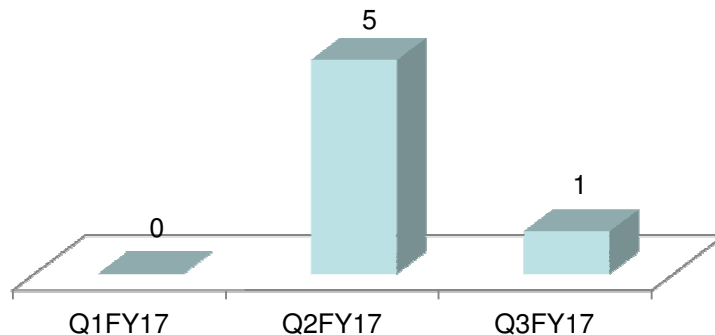
**Zoodles – Viviana  
Mall, Thane**



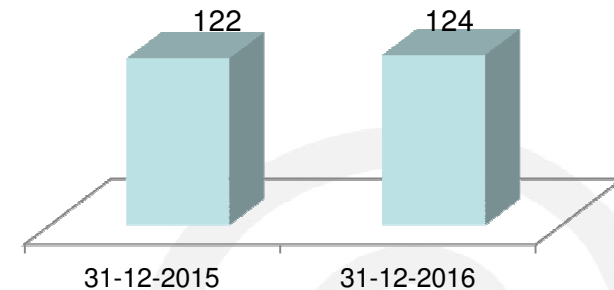
**Asia Kitchen & Bar –  
Sakinaka, Mumbai**

# Restaurant Accretions

## No. of Restaurants opened



## Total Number of Restaurants including Confectionaries



- ✓ 1 Restaurant opened in Q3 FY17 at Thane, closed 1 Confectionery (Sweet Bengal), re-launched its “Mainland China” restaurant at Saki Naka, Mumbai under new brand “Asia Kitchen & Bar” and converted “Shacks” restaurant to “Hoppipola” at Mani Square Mall, Kolkata.
- ✓ Total 124 Restaurants including Confectionaries as on 31<sup>st</sup> December, 2016 out of which 107 are Restaurants across brands and 17 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***



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# Region Wise Presence – Q3 FY17



82 Company Owned and Operated Restaurants, 25 Franchisee\*\*\* and 17 Confectionary outlets spread across 22 cities in India, 1 city in Bangladesh and 1 city in Tanzania

Brand	Total **	Cities
Mainland China and Asia Kitchen by Mainland China	50	22 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	18	Pune, Kolkata, Mumbai, Hyderabad, Bengaluru, Chennai, Indore and one in Dhaka, Bangladesh and one in Dar es Salaam, Tanzania
Haka	2	Kolkata
Machaan	2	Kolkata and Howrah
Flame & Grill	3	Hyderabad and Kolkata
Café Mezzuna	4	Kolkata, Mumbai and Bengaluru
Hoppipola	13	Bengaluru, Chennai, Pune, Kolkata and Mumbai
Kix and Kibbeh	2	Kolkata and Hyderabad
Zoodles – Asian Street Wok	4	Mumbai
<b>Sub-total</b>	<b>107</b>	
Sweet Bengal Confectionary	17	Mumbai
<b>Total</b>	<b>124*</b>	

\* This includes franchisee restaurants located in Dhaka, Bangladesh and Dar es Salaam, Tanzania, \*\* Data as on 31<sup>st</sup> March, 2016

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



# Key Marketing Initiatives in Q3 FY17



**South-West Coastal Festival**  
Dip into the delicacies of the South-West Coast

**sigree**  
GLOBAL GRILL

Pune - City One Mall, Pimpri: 0222888 / 8738811335  
Ambarni Town Centre Mall, Hadapsar: 022286272 / 9570579601

Pune - Dhule Path Road: 02027388 / 8373779002  
Aundh: 02027388 / 8373779002



KITTY PARTIES WILL NEVER BE THE SAME AGAIN

EAT 10 PAY 8 & TWO EXTRA STARTERS - ON BUFFET  
20% Discount on A La Carte Food & Non-alcoholic Beverages  
A glass of complimentary Mocktail or Cocktail\*

Terms & Conditions: Offer valid for only ladies (minimum of 5 & above). Extra Starters on Buffet should be "Home Special Starters". 1 Veg & 1 Chicken Item. \*Applicable on specific Cocktails.

ASIA KITCHEN | MACAN | MEZZUNA | Flame Grill | sigree



Let the Rooster dance on your taste buds!

Chinese New Year  
Happy Rooster  
Celebrate from 27th January

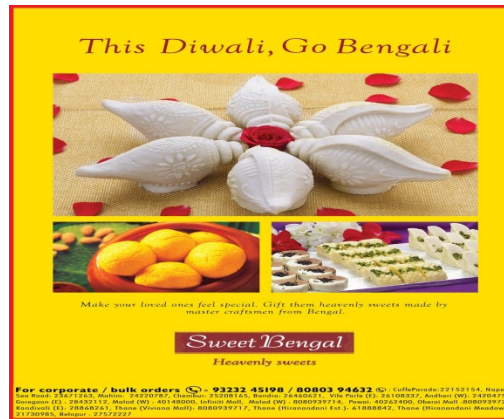
Welcome the Chinese New Year of the Rooster and bring in a year of good luck. Start off the new year with a great feast!

ASIA KITCHEN & BAR | MAINLAND CHINA | ASIA KITCHEN



Oh! Calcutta  
FOOD FESTIVAL  
Celebrate Durga Puja with our SPECIAL BUFFET over Lunch & Dinner  
1st-12th October, 2016  
**sigree**

1st Floor, Platinum Techno Park, Behind Raghuleela Mall, Vashi  
For Reservations: 9322115110 / 022 3927 2125 / 9



This Diwali, Go Bengali

Sweet Bengal  
Heavenly sweets

For corporate / bulk orders ☎ 93232 45198 / 80801 94632 ☎ Tollfree: 22110154, Mumbai ☎ 022 49671263, Andhra ☎ 08527877266, Bangalore ☎ 080 42814, Bhopal ☎ 440822, New Delhi ☎ 2410837, Anand (GJ) ☎ 74304756, Lucknow ☎ 0522 4117, Pune ☎ 020 2800, Indore ☎ 079 2411, Raipur ☎ 079 257174, Patna ☎ 0672400, Gurgaon ☎ 011 2688221, Thane (Cross Mall) ☎ 022 393717, Thane (Infinitti Mall) ☎ 2188842, Thane (Infinitti Mall) ☎ 2188846, Bikaner ☎ 0224222



TRUFFLE & Wine Fest  
Trufflacious!

CAFE MEZZUNA  
ALL DAY BAR AND KITCHEN

MUMBAI: Infinitti Mall, Andhri, ☎ 02226351048 / 8828435488  
KOLKATA: Forum Mall, ☎ 03340080444 / 9830164688  
South City Mall, ☎ 03324220295 / 9073322938



INTRODUCING  
ASIA KITCHEN & BAR

Embark on an exciting adventure of Asian Gastronomy and Mixology.

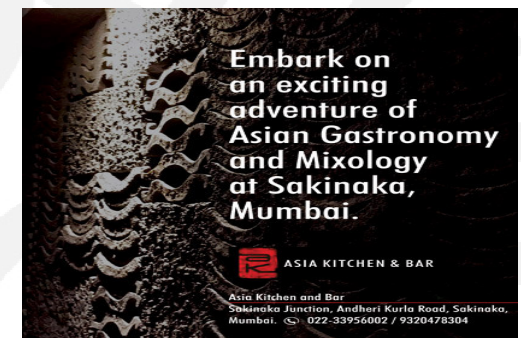
**CORPORATE DISCOUNT OF 10% ONLY ON A LA CARTE & NON ALCOHOLIC BEVERAGES**

Sakinaka Junction, Andhri Kurla Road, Sakinaka, Mumbai ☎ 022-33956002 / 9320478304



Discover The Robust Flavours Of South East Asia  
Southeast Asian  
FOOD Festival  
MAINLAND CHINA

Vashi: 27811561 / 2 / 9323176837  
Thane: 61701445 / 6 / 7498393541



Embark on an exciting adventure of Asian Gastronomy and Mixology at Sakinaka, Mumbai.

ASIA KITCHEN & BAR

Asia Kitchen and Bar  
Sakinaka Junction, Andhri Kurla Road, Sakinaka, Mumbai, ☎ 022-33956002 / 9320478304





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# Diverse Menu Offerings





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# **Q3 FY17 Results**

# **FINANCIAL ANALYSIS**



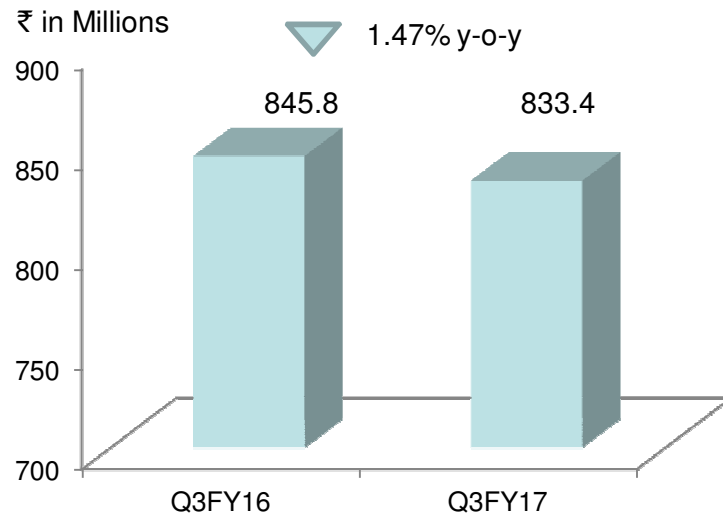
# Financial Overview

₹ In Million

Sr. No	Particulars	For the Quarter ended on			Financial Year	
		31.12.2016	30.09.2016	31.12.2015	2016	2015
<b>1</b>	<b>Income from operations</b>					
	(a) Net Sales	817.3	782.4	832.6	3,160.0	2,903.9
	(b) Other operating income	16.1	13.9	13.2	53.5	89.9
	<b>Total Income from operations</b>	<b>833.4</b>	<b>796.3</b>	<b>845.8</b>	<b>3,213.5</b>	<b>2,993.8</b>
	<b>Expenses</b>					
	(a) Cost of materials consumed	264.9	258.6	277.5	1,055.0	940.8
	(b) Employees benefits expense	204.7	217.3	206.2	831.7	719.6
	(c) Depreciation and amortisation expense	74.5	69.7	80.1	283.3	252.2
	(d) Other expenses	190.2	188.8	168.9	672.4	606.3
	(e) Lease Rent	130.4	126.8	121.3	482.9	435.9
<b>2</b>	<b>Total Expenses</b>	<b>864.7</b>	<b>861.2</b>	<b>854.0</b>	<b>3,325.3</b>	<b>2,954.8</b>
<b>3</b>	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>(31.3)</b>	<b>(64.9)</b>	<b>(8.2)</b>	<b>(111.8)</b>	<b>39.0</b>
<b>4</b>	Other Income	13.6	14.3	14.1	83.0	77.0
<b>5</b>	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>(17.7)</b>	<b>(50.6)</b>	<b>5.9</b>	<b>(28.8)</b>	<b>116.0</b>
<b>6</b>	Finance costs	0.1	-	0.1	0.5	0.8
<b>7</b>	<b>Profit from ordinary activities before tax (5-6)</b>	<b>(17.8)</b>	<b>(50.6)</b>	<b>5.8</b>	<b>(29.3)</b>	<b>115.2</b>
<b>8</b>	Tax expense	28.4	(24.9)	(4.2)	(31.9)	20.7
<b>9</b>	<b>Net Profit after tax (7-8)</b>	<b>(46.2)</b>	<b>(25.7)</b>	<b>10.0</b>	<b>2.6</b>	<b>94.5</b>



# Total Income from Operations



*Decrease in Total Income from Operations due to :*

✓ *Negative same store sales growth*

✓ *Demonetisation of currency*

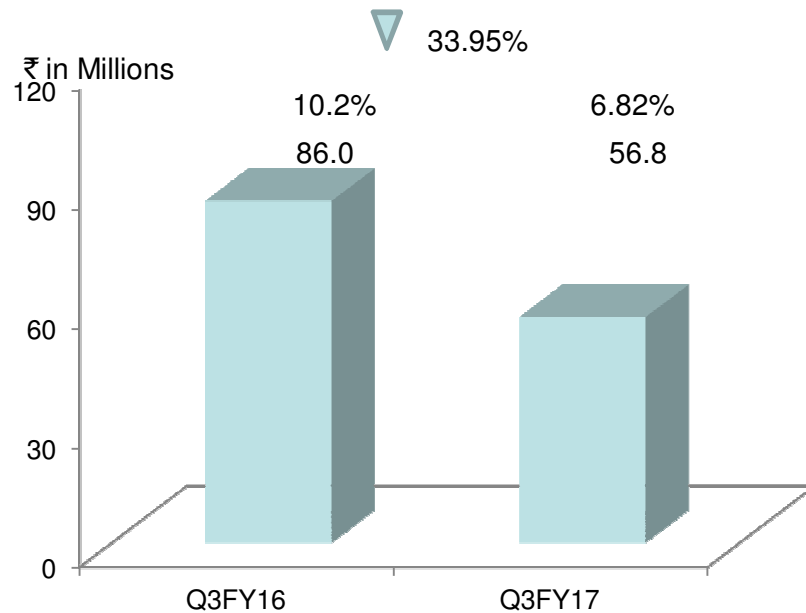
*Total Restaurant Network at 124 including Confectionaries as on 31<sup>st</sup> December, 2016*





# EBIDTA & EBIDTA Margins (%)

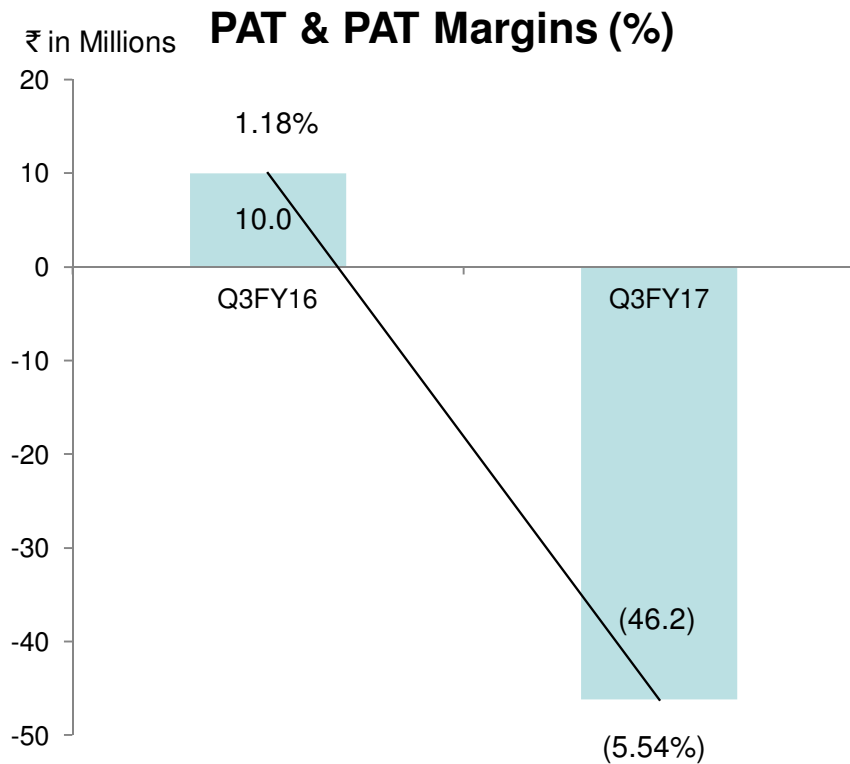
## EBIDTA & EBIDTA Margins (%)



*Lower EBIDTA Margins primarily due to :*

- ✓ *Lower revenue at same restaurants y-o-y*
- ✓ *Extended breakeven period of new restaurants*

## PAT & PAT Margins (%)



*Profit After Tax decreased primarily due to :*

- ✓ *Pressure on Discretionary Spend*
- ✓ *Increased Operational Expenditures*
- ✓ *Impairment due to closure of restaurant*



# 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**



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## ***IR Contact***

### ***For Additional Information :***

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