

## Bata India's Announces Q1 results, impacted due to lockdown

**New Delhi, 7<sup>th</sup> August 2020:** Bata India – the country's leading footwear brand – on Friday announced results for the quarter ended 30<sup>th</sup> June 2020. Revenue from operations for the quarter was Rs.1348 million (lower by 85% compared to the corresponding period last year due to the lockdown in April & May followed by a graded unlocking across the country). Consequently, the Company incurred a loss after tax of Rs.1,012 million as against profit after tax of Rs.1,006 million in the corresponding period last year.

Results in the first quarter of FY2020-21 were severely impacted because of disruptions caused by the ongoing COVID-19 pandemic. The Company witnessed a gradual improvement in business once the lockdown was lifted. While multiple measures taken by the Company for customer safety, product availability and channel expansion have helped increase sales, the prevailing uncertainties have dampened the consumer demand for discretionary spends. The Company is focusing on controlling its costs-related to retail stores, factories, rentals & operations and drive efficiencies in its value chain. The impact of cost saving exercise is visible in these results. Multiple work streams have been put into place to look at all cost-lines and come out of the pandemic fighting fit.

**Sandeep Kataria, CEO – Bata India Limited, stated:** *"It was an unprecedented quarter in Bata India's history. During the quarter we had low sales and no production due to lockdown mandated by the Government due to the pandemic. Our stores started opening up in a graded fashion, but running operations was a challenge due to frequent lockdowns and restrictions mandated by local administration across the country. We re-started our operations keeping safety of our customers & employees in mind and in line with government and our global standards. The results have to be viewed in this context. The team has responded admirably by focusing on recovery of the business through agile portfolio expansion, scaling up our digital presence via bata.in & e-comm partners and introducing 2 new hyper-local channels Bata Chat Shop for shopping over WhatsApp and 'Bata Stores on Wheels' mobile kiosks that allow customers to shop at their doorstep. In addition, we have increased our focus on franchise store rollout and extending our reach to multi-brand outlets to get even closer to our customers. We are hopeful that the improvement in sale will continue and get a further boost with the festivities in the coming quarter."*

*There is strong focus on cost saving across all cost lines including renegotiating lease rentals, controlling discretionary spends and improving productivity. We have used the past few months to recast our value chain and prepare the Company for the future "*

### Other Key Highlights:

- Retail stores re-opening efforts included a safety manual and SOP translated into 11 regional languages, a 20+ point checklist to ensure safety of customers and staff and equipping stores with sanitizers, gloves, masks, dispensers and quarantine boxes for shoes.
- E-commerce channel strengthened: bata.in now delivers to more than 1,300 towns pan-India; 900+ stores connected in endless-aisle rollout to help drive any-store home delivery; scaling up B2B E-Comm sales and market-place presence across all major E-Comm partners
- Two new hyper-local channels launched:
  - Bata ChatShop, new channel launched– allowing customers to shop remotely from neighborhood stores by interacting with store managers via WhatsApp. This is helping

Bata in reaching out to its core customer base, attesting to the brand's commitment in helping customers lead a relatively unrestricted life.

- Bata Store-on-Wheels, new channel launched: *that allows customers to shop at their doorstep*. The temporary stores are set-up in association with RWAs and condominiums, in residential localities, offering a safe and convenient shopping experience to all customers specially children and elderly who have restricted movement during the pandemic.
- Agile-portfolio development & launch:
  - Curated collection of relevant portfolio: Fitness-at-home, Easy-wash, Work-from-Home, Power active-wear apparel
  - Personal Protective Gear (PPG) such as anti-viral face masks
- Distribution channel ramped-up, now reaching 30,000 multi-brand outlets
- Franchise store rollout continues with a plan to open 500 by 2023
- Customer communication & experience included updating store operating timelines on Google store search, informing customers via Bata Club loyalty program, offering relevant promotions, sharing fitness content to keep customers healthy during pandemic, digital payment partner offers & contactless shopping
- Factory operations re-started in July, keeping demand & current off-take in mind

### **Financial Highlights**

(Amount in Rs. million)

	Quarter ended 30 <sup>th</sup> June 2020	Quarter ended 30 <sup>th</sup> June 2019
Revenue from Operations	1348	8821
(Loss)/Profit after Tax	(1,012)	1,006

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### **About BATA:**

Bata has held a unique place in the hearts of Indians for more than 85 years. Probably the only footwear brand that offers footwear and accessories for the entire family, Bata has redefined the modern footwear industry in India. It has established a leadership position in the industry and is the most-trusted name in branded footwear. It sells more than 49 million pairs of footwear every year and serves 120,000-plus customers almost every day.

Bata India is the largest footwear retailer in India, offering footwear, accessories and bags across brands such as Bata, Hush Puppies, Naturalizer, Power, Marie Claire, Weinbrenner, North Star, Scholl, Bata Comfit and Bubblegummers, to name a few. It retails in more than 1550 Bata own and franchisee stores, on [bata.in](http://bata.in) and in thousands of multi-brand footwear dealer stores pan-India. To make its products accessible to millions of Indians, Bata has evolved its channels and has recently launched new channels like Bata Chat Shop, Bata Home Delivery and Bata Store-on-Wheels for neighbourhood communities.

For more information on Bata India, please visit [www.bata.in](http://www.bata.in)

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