



FLF

FUTURE  
LIFESTYLE  
FASHION

Investor Update

2<sup>nd</sup> February 2019, Hyderabad

## Disclaimer

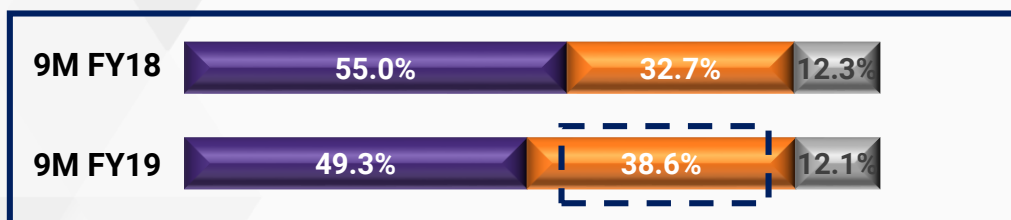
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



# Q3 and 9M At a Glance

## Business Update

- Initiatives undertaken in last 1 year yielding result for Own brands as it grew by 36% y-o-y.
- ~1 mn area added in 9 months FY19
- 1 Central and 13 Brand Factory stores opened during Q3, taking total count: Central to 44 and Brand Factory to 89.
- Revenue segmentation: Brand Factory continues to show higher growth momentum, thus increasing its share of business by close to 600 bps wrt LY



- Lee Cooper footwear commercial operation started, reaching 550+ store presence

## Financial Update

- FLFL has delivered strong Revenue, EBITDA and net profit growth (~38%, ~42% and ~52% respectively) in Q3FY19
- EPS for 9MFY19 is Rs. 7.16, a YoY growth of ~28%
- Growth in Q3 has been driven largely by Power brands, clocking retail revenue YoY growth of 42%

# Q3 FY19 – Financial Highlights

## Central SSG%

11.3%

(11.8% in Q3 FY18)

## Brand Factory SSG%

20.8%

(6.6% in Q3 FY18)

## FLF SSG%

15.1%

(9.7% in Q3 FY18)

## Revenue

₹ 1,692 cr in Q3 FY19

38.1%

(₹ 1,226 cr in Q3 FY18)

## Gross Margin

₹ 575 cr in Q3 FY19

30.6%

(₹ 440 cr in Q3 FY18)

## EBITDA

₹ 179 cr in Q3 FY19

41.8%

(₹ 126 cr in Q3 FY18)

### Commentary:

- Revenue has grown by ~38%, driven by growth in brands, especially power brands and brand factory new store addition
- Overall volume grew 40%
- Brand Factory share of revenue increased by ~800 bps wrt last year

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

# FLF SSG% is Central + Brand Factory SSG.

# 9M FY19 – Financial Highlights

## Central SSG%

5.5%

(12.8% in 9M FY18)

## Brand Factory SSG%

14.1%

(16.3% in 9M FY18)

## FLF SSG%

8.8%

(14.0% in 9M FY18)

## Revenue

₹ 4,347 cr in 9M FY19

26.8%

(₹ 3,427 cr in 9M FY18)

## Gross Margin

₹ 1,520 cr in 9M FY19

22.3%

(₹ 1,243 cr in 9M FY18)

## EBITDA

₹ 433 cr in 9M FY19

26.6%

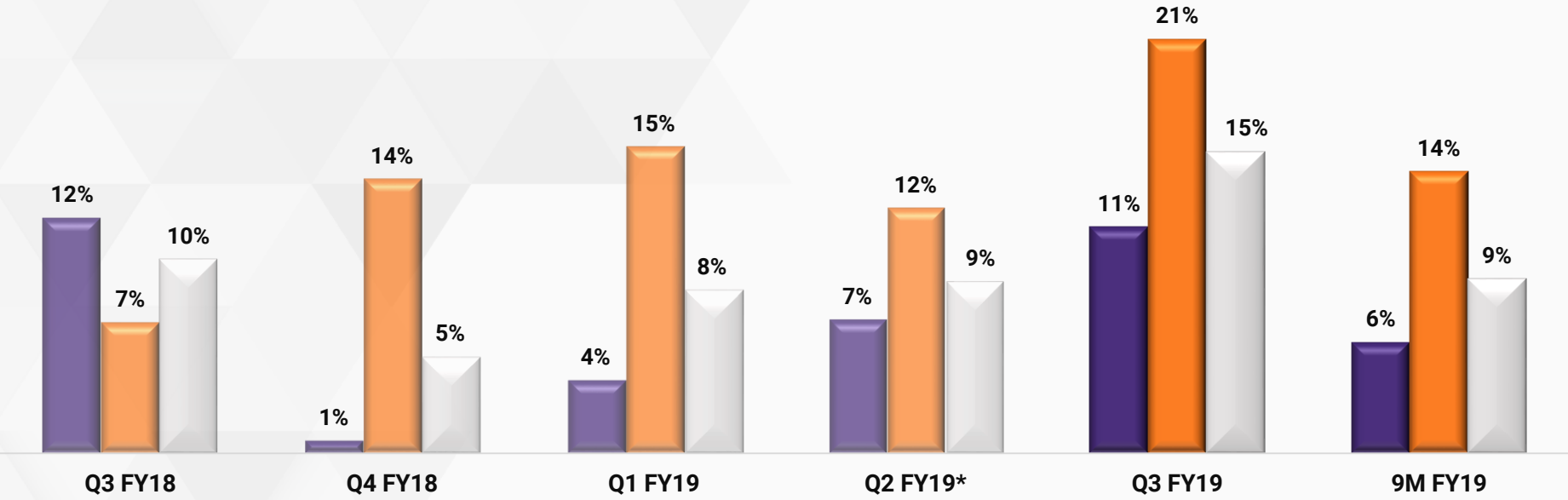
(₹ 342 cr in 9M FY18)

### Commentary:

- Revenue has grown by ~27%, driven by growth in brands, especially power brands and brand factory new store addition.
- Overall volume grew 31%
- Brand Factory share of revenue increased by ~600 bps wrt last year
- EBITDA growth adjusted for start-up expenses of ~Rs. 5.5 cr. on account of Lee Cooper footwear is 28.2%

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

# FLF SSG% is Central + Brand Factory SSG



**Robust same store growth for Central and Brand Factory in Q3**

*Note: \*Q2FY19 ssg adjusted for shift in festive days*

# New Store Launches



Opened 1 store in Q3, Total Store Count is 44

### New Store Details

New Delhi: Dec

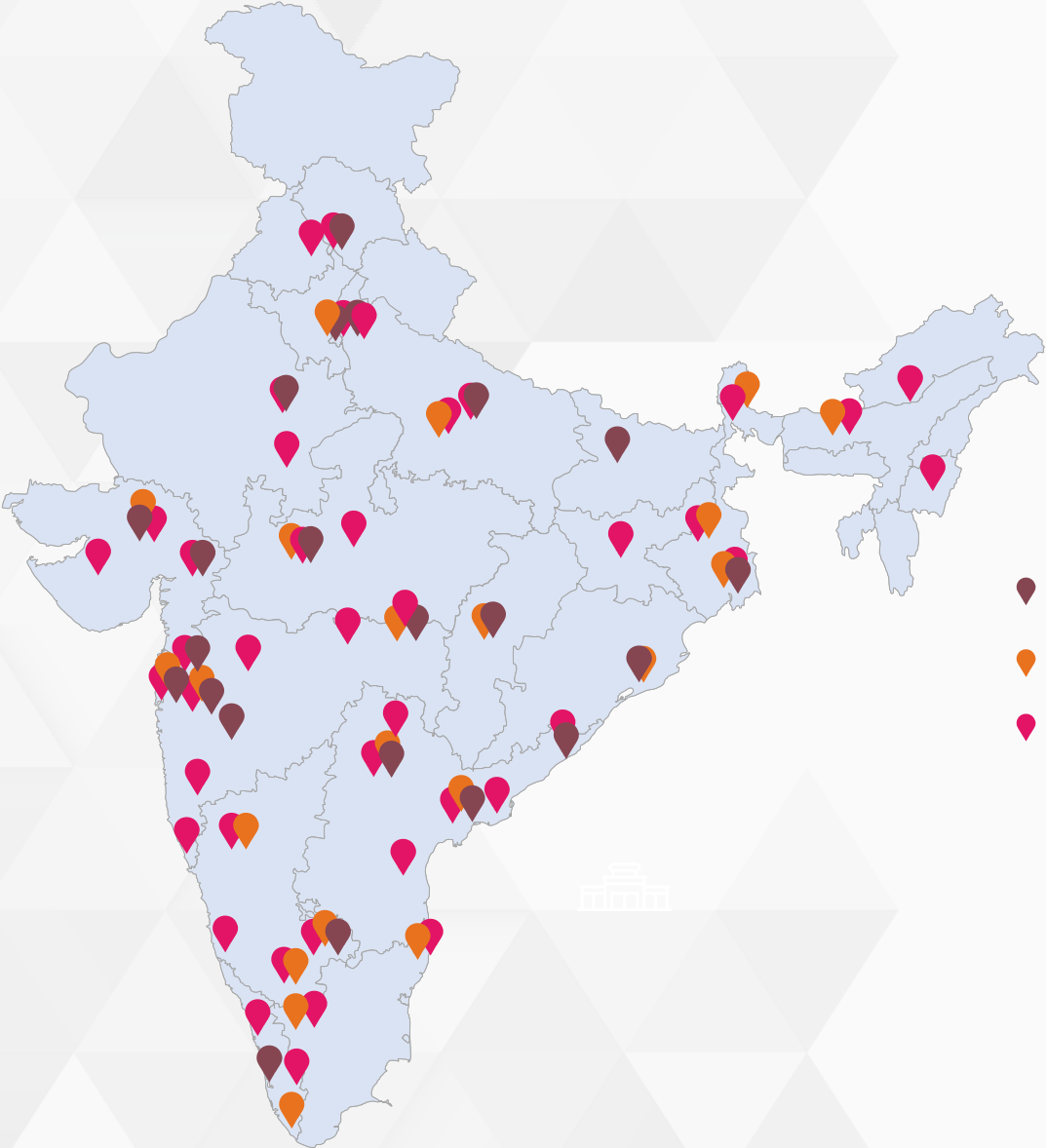


Opened 13 stores in Q3, Total Store Count is 89

### New Store Details

Chennai: Oct	Amritsar: Oct	Lucknow: Oct	Jaipur: Oct
Patna: Nov	Surat: Nov	Jammu: Nov	Bengaluru: Nov, Dec
Indore: Nov	Mumbai: Dec	Kolkata: Dec	Secuderabad: Dec





	Store count		
	Dec 17	Mar 18	Dec 18
CENTRAL BRAND-NEW	39	40	44
BRAND FACTORY BEST BRANDS • SMART PRICES	60	63	89
EBOs	246	229	205
<b>Total</b>	<b>345</b>	<b>332</b>	<b>338</b>
<b>Area (mn Sqft)</b>	<b>5.6</b>	<b>5.7</b>	<b>6.6</b>

Note:- Includes numbers of Lee Cooper business Stores.  
Map is not to scale



# Business Events

# Latest Events at Central

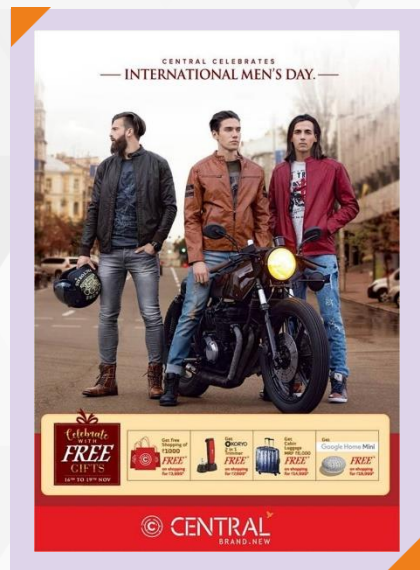
## Central Fashion Instacast



### First Ever Fashion Instacast on 11th Oct

Festive collection launch on Instagram live from Facebook Office

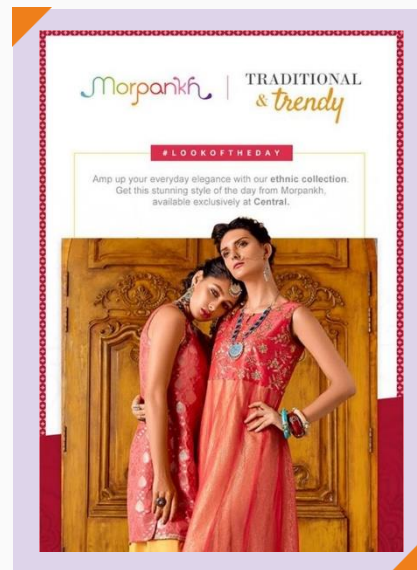
## Central International Men's Day



Central honored the Men in vogue by celebrating international Men's Day on 19th November 2019.

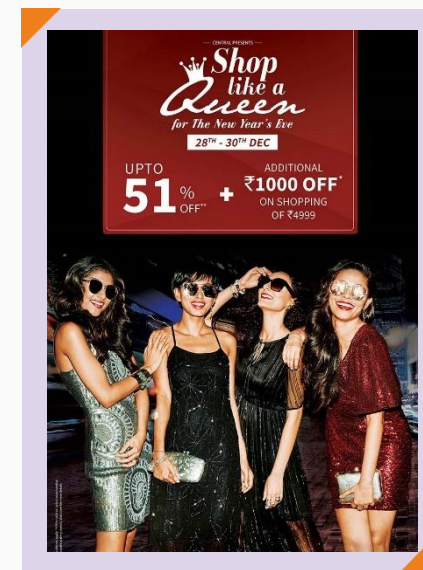
Customized GWP program ran during the period honouring men with gifts of their interest.

## Central Look of the day



Happiness Sale to drive demand for Women's category

## Central Shop like a Queen



Happiness Sale to drive demand for Women's category

# Brand Factory Major Events

**BOOKINGS NOW OPEN** Scan QR code to book passes

**BRAND FACTORY**  
**FREE SHOPPING WEEKEND**  
 12<sup>th</sup> TO 16<sup>th</sup> DECEMBER

SHOP FOR ANYTHING WORTH ₹5000 MRP  
 PAY ONLY ₹2000  
 AND GET THAT ALSO BACK AS\*

FREE APPAREL WORTH ₹500 MRP + GIFT VOUCHERS WORTH ₹1200 + future pay up to ₹300 CASHBACK (STANDARD 10% OFF ON CASHBACK)

**BOOK NOW** TO SHOP GET PASSES FROM BRANDFACTORYONLINE.COM (NEW) AND IN STORE

**PREMIUM PASS** ₹250 (LIMITED TO 1 PER CUSTOMER) FREE ENTRY FOR 2000 MRP TO PASSES

**CLASSIC PASS** ₹100 (LIMITED TO 1 PER CUSTOMER) FREE ENTRY FOR 1000 MRP TO PASSES

**BRAND FACTORY**  
 BEST BRANDS • SMART PRICES

200+ BEST BRANDS • 20% - 70% OFF • 365 DAYS DISCOUNT

**NOW OPEN AT MALAD (W), UMANG TOWER, BEHIND INORBIT MALL**

12<sup>th</sup> – 16<sup>th</sup> December

**ONLY FOR WEEKEND - SAT & SUN**  
 OFFER VALID TILL STOCK LASTS  
 29<sup>th</sup> - 30<sup>th</sup> DEC

Sandals & Flip-Flop up to ₹1799 @ ₹699

Footwear up to ₹3999 @ ₹999

Footwear up to ₹7999 @ ₹1499

**BRAND FACTORY SUPER SHOE SALE**

Footwear above ₹8000 @ 60% OFF

Be the first to know about all our offers, give a missed call on 98822 3333.

Reebok, Puma, Converse, Lacoste, and many more...

**BRAND FACTORY**  
 BEST BRANDS • SMART PRICES

100 ORIGINAL BRANDS • 20-70% DISCOUNT • SALE 365 DAYS

29<sup>th</sup> – 30<sup>th</sup> December

# Lee Cooper key marketing and strategic initiatives

## Wear Your Mix



## Spread the Rhombus



## Strong TV Plan



## Strategic Initiatives

### Wear Your Mix

Integrated marketing campaign, celebrating both Apparel + Footwear.

Targeted Blend of Mainline & Digital to create an Optimal Media Mix. An approach to Launch the TVC & build the buzz on social media Print & OOH

More than **7 Million** views on various digital platforms

### Spread the Rhombus

Consumers had to make a Rhombus in the coolest way possible. Click a Picture and upload it on Social Media with **#WearYourMix** & **#LeeCooperIndia**

**200+ Unique Entries**

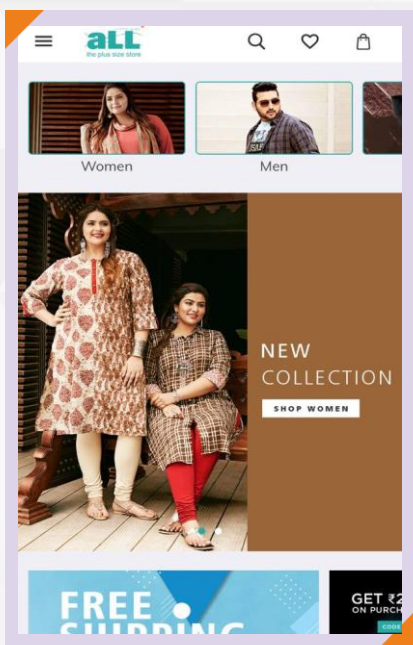
### Strong TV plan

Spot buys in India vs West Indies ODI & T20 matches. Spots in prime time shows like Dance+, KBC & Indian Idol

Nearly 4000 Ad spots across genres

Created new reasons for customers to shop using different campaigns

### aLL Online App



- Launch aLL online app, created a mobile app
- App download mentions on all the social media campaigns
- Downloads till date – **19k+**
- Contribution to Online Sales – **39%**

### 48 Hrs Non stop shopping



- Created 48 Hrs non-stop shopping online & at stores & promoted new arrivals.
- Registrations by giving users early access to this occasion (on 1st Oct at 9 pm).
- Registrations – 372, and traffic on site – Over 16K in 2 days

### International Men's Day



- Created an offer exclusively for this & promoted it on social media and through search
- Traffic on site – Over 12K



# Financial Performance – Q3 FY19 and 9MFY19

# FLF Snapshot – Q3 and 9M FY19

Total Income From Operations

Gross Profit

EBITDA Margin

PAT

Gross Space Addition (mn. sq. ft.)

Q3 FY19	<b>₹1,692 cr.</b>	<b>₹575 cr.</b>	<b>10.6%</b>	<b>₹67 cr</b>	<b>0.44</b>
9M FY19	<b>₹4,347 cr.</b>	<b>₹1520 cr.</b>	<b>10.0%</b>	<b>₹138 cr</b>	<b>0.99</b>

## FLF Brands

- Contributed ~38% of Revenue in Q3FY19.
- Brands registered a growth of 36% in 9MFY19. Power brands grew by 42%

## Q3 Margins

- Reported Gross Profit of ₹575 Cr and EBITDA Margins of 10.6% in Q3 FY19

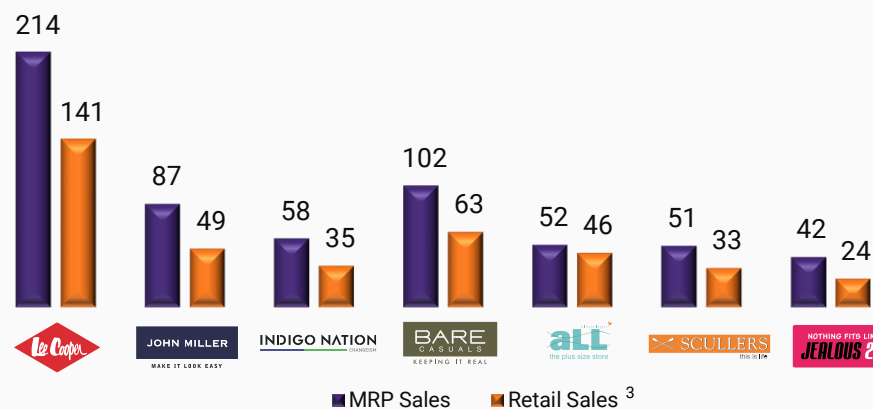
## 9M SSGs

- FLF : 8.8%
- Central: 5.5%
- Brand Factory: 14.1%

## Total Sales<sup>1</sup> Summary (₹ Cr)

Particulars	Q3 FY19	9M FY19
FLF Brands	705	1,857
- Owned Brands	163	474
- Licensed Brands	542	1,383
Third Party Brands <sup>2</sup>	1,176	2,959
<b>Total Sales<sup>1</sup></b>	<b>1,881</b>	<b>4,816</b>
Less: Consignment / SIS	53	122
Less: Taxes & Duties	170	426
<b>Net Sales after Tax</b>	<b>1,658</b>	<b>4,268</b>

## Top Brand Performance Q3 FY19 (₹ Cr)



1: Includes SIS & consignment sales

2: Third party brands represent non FLF brands and includes SIS sales and consignment sales

3: Retail Sales indicate Net Sales Before Tax

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

EBITDA % adjusted for start-up expenses of ~Rs. 5.5 cr. in 9MFY19 on account of Lee Cooper footwear is 10.1%



Income Statement (₹ Cr)	Published			Standalone + Lee Cooper		
	Particulars	Q3'18	Q3'19	Gr%	Q3'18	Q3'19
Revenue from Operations	1,189	1,616	35.9%	1,226	1,692	38.1%
COGS	768	1,075	40.1%	785	1,118	42.3%
Gross Profit	421	541	28.4%	440	575	30.6%
Gross Margin %	35.4%	33.5%		35.9%	34.0%	
Employee Benefits Expense	62	76	21.8%	67	84	25.9%
Rent including Lease Rental	113	142	26.0%	114	143	26.2%
Other Expenditures	142	175	22.9%	145	181	24.9%
Total Expenditure	317	392	23.8%	325	409	25.6%
Other Income	11	12	9.3%	11	13	10.9%
EBITDA	116	161	38.9%	126	179	41.8%
EBITDA Margin %	9.7%	9.9%		10.3%	10.6%	
Depreciation	39	50	30.1%	39	51	32.9%
EBIT	77	111	43.3%	88	128	45.7%
Finance Costs	22	26	16.2%	22	28	25.4%
PBT	55	84	54.5%	65	99	52.8%
Tax expense	17	29	72.7%	21	32	55.3%
<b>Net profit</b>	<b>38</b>	<b>55</b>	<b>46.3%</b>	<b>44</b>	<b>67</b>	<b>51.6%</b>

1. Published Income Statement without Lee Cooper since it is carved out as separate company w.e.f 29-Mar-2017
2. Standalone + Lee Cooper Income Statement with Lee Cooper net of eliminations

Income Statement (₹ cr.)	Published			Standalone + Lee Cooper		
	Particulars	9MFY18	9MFY19	Gr%	9MFY18	9MFY19
Revenue from Operations	3,242	4,106	26.6%	3,427	4,347	26.8%
COGS	2,062	2,675	29.7%	2,184	2,827	29.4%
Gross Profit	1,181	1,432	21.2%	1,243	1,520	22.3%
Gross Margin %	36.4%	34.9%		36.3%	35.0%	
Employee Benefits Expense	181	218	20.5%	195	242	24.6%
Rent including Lease Rental	337	395	17.1%	340	398	17.0%
Other Expenditures	384	464	20.8%	391	477	22.2%
Total Expenditure	903	1,077	19.3%	925	1,117	20.8%
Other Income	24	29	24.4%	24	30	26.8%
EBITDA	302	383	27.2%	342	433	26.6%
EBITDA Margin %	9.3%	9.3%		10.0%	10.0%	
Depreciation	106	140	31.1%	113	143	26.5%
EBIT	195	244	25.0%	229	290	26.6%
Finance Costs	70	77	10.7%	70	83	19.0%
PBT	125	167	32.9%	159	207	30.0%
Tax expense	41	58	41.5%	53	69	31.4%
<b>Net profit</b>	<b>85</b>	<b>109</b>	<b>28.8%</b>	<b>106</b>	<b>138</b>	<b>29.3%</b>

1. Published Income Statement without Lee Cooper since it is carved out as separate company w.e.f 29-Mar-2017
2. Standalone + Lee Cooper Income Statement with Lee Cooper net of eliminations
3. EBITDA % adjusted for start-up expenses of ~Rs. 5.5 cr. in 9MFY19 on account of Lee Cooper footwear is 10.1%
4. PAT% % adjusted for start-up expenses of ~Rs. 5.5 cr. in 9MFY19 on account of Lee Cooper footwear is 3.3%



Thank You



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