

# FUTURE RETAIL



Future Retail Limited (FRL)

Presentation  
February 2020



**Rakesh Biyani**  
Joint Managing Director, FRL\*

\* To be appointed as Managing Director, FRL  
(with effect from 05 March 2020)



**Sanjay Jain**  
CFO, Future Group#

# To be appointed as CEO, FRL (with effect  
from 05 March 2020)



**Saurabh Vijayvergia**  
Head, Strategy & Investor Relations,  
FRL

1

## Overview: Future Group

- ❑ Pioneer of Consumer Branded and Retail Business in India through businesses across the supply chain
- ❑ Present in ~600 towns across 26mn sqft+ retail space, garnering 500mn+ annual footfalls
- ❑ Founded by Mr. Kishore Biyani, the pioneer of modern retail industry in India

2

## Overview: Future Retail

- ❑ One of the leading organized retailers in India with a strong retail network
- ❑ Fulfilling consumer needs across Food, Fashion and Home with one of the highest margin profiles

3

## Key Highlights

- ❑ Uniquely positioned to take advantage of US\$ 642bn incremental revenue opportunity in India retail by FY25
- ❑ Core categories of FRL – organized food & groceries, apparel and footwear to grow at 14%+ CAGR
- ❑ Well-entrenched customer centric retail platform diversified across geographies, formats and categories
- ❑ Strategic collaborations with global majors such as Amazon and 7-Eleven

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## Key Transformational Pillars and Updates

- ❑ Key focus areas identified and progress on the same is underway

5

## Financial Overview

- ❑ Strong large format business providing robust financial profile
- ❑ Focus on operational efficiencies driving margin improvements in small format stores

FUTURE RETAIL

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## I. Key Highlights of Future Retail Limited



# FRL: Most customer centric model in Indian retail...

...delivering one of the highest margin profiles

## Strong scale and efficiency profile

### Scale



**1,388**  
Retail stores

### Depth



**>350 mn**  
Customer footfalls<sup>1</sup>

### Efficiency



**~11%**  
Same Store  
Sales Growth (SSSG)<sup>2</sup>



**16.1**  
**mn sq. ft.**  
Retail Space



**414**  
Cities



**28.7%**  
Gross Margin



Revenue split almost  
equally across North,  
South, West and East



**>67%**  
Revenue from non-food  
categories<sup>3</sup>

## Unparalleled network strength...

**65%**

of FRL stores in Tier-I cities and  
above in FY19

**24%**

of FRL stores in Tier-III and below  
towns in FY19

- ✓ Well-placed to capture metros and tier-I consumption story

- ✓ Grew by 50% in the last two years
- ✓ Well positioned to capture growth in relatively under-penetrated market

## ...with customer retention as key focus



**~25mn**  
High spenders' member  
customers

- ✓ Ensures customer-retention while focusing on growth
- ✓ Locks -in customers across formats and categories

Notes: All data as of Dec-19, unless mentioned otherwise

1 as of FY19






2 for Big Bazaar for FY19

3 as of Sep-19, excludes other operating income

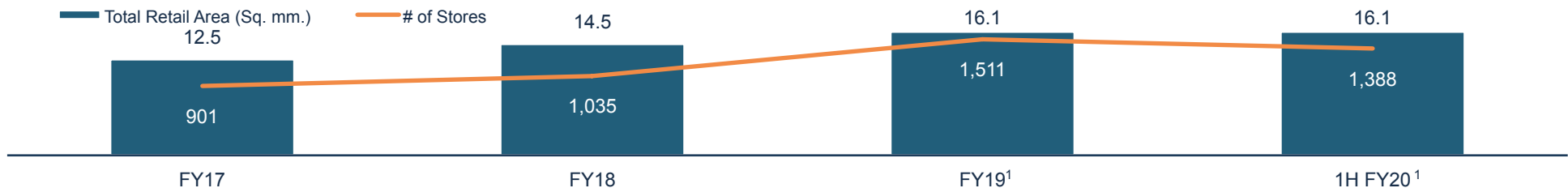


# Retail Network Overview

## Fulfilling consumer needs across Food, Fashion and Home

Category	Brands	# of stores	# of cities	Scale (FY19 Revenue)	Partner
Large Stores	 	290	148	~US\$ 2,315 mn	
		95	48		
Small Stores	   	990 <sup>1</sup>	315	~US\$ 501 mn	
Others		9	4	~US\$ 24 mn	
	<b>Cumulative<sup>(2)</sup></b>	<b>1,388</b>	<b>414</b>	<b>US\$ 2,886mn</b>	

### Total Retail Area (mn sq. ft.)



Note: All data as of Dec-19; 1 US\$ = 70 INR

<sup>1</sup> includes 98 WH Smith Stores owned by one of FRL's subsidiaries

<sup>2</sup> includes 4 consumer durable and electronic stores



# Strategic Collaborations with Global Best

## Deep relationships in the strategic ecosystem

### Amazon Partnership

Prime now deliveries through Future Retail

Own brands via Future Retail platform to Amazon Pantry

Fashion / fbb brands on Amazon

Electronics Brand Koryo on Amazon

General merchandize and home products on Amazon

Unlocking Digital wallet (Amazon Pay) opportunity

Digital integration of big events

#### Key Beneficiary

FUTURE RETAIL

#### Avenues for Synergy

amazon amazonpantry

prime

### 7-Eleven Partnership



- FRL entered into an 80 year franchisee agreement with 7-Eleven Inc.(SEI) to bring 7-Eleven convenience chain format to India in Feb'19
- Plans to open the first 7-Eleven store by Apr'20 in Mumbai
- Dedicated team of representatives from 7-Eleven Japan at the helm of execution

Amazon has a Call Option to acquire controlling stake in FRL between 3<sup>rd</sup> and 10<sup>th</sup> year subject to applicable laws

Gradual roll-out to be followed by fast-paced ramp-up





## II. Key Transformational Pillars



# Key Management Focus Areas And Updates (1/2)

## Management targets

1

### Efficiencies & focused execution

Driving **efficiency savings of ~INR 160-200 cr/yr** across corporate OH & store costs (marketing, rental, employee & utilities)

Driving **SSSG in large format** across network through leadership in key cities

**Breakeven** of **small format** stores in **3-6 months** (run-rate)

2

### Strong cash flow generation

Delivering **operating cashflow** (post capex) to **EBITDA** conversion of **~50%** - targeting monthly **~INR 200cr EBITDA & INR 100cr free cashflow** by Feb/Mar '20

Will deliver this through EBITDA expansion from efficiencies, margin uplift, tightly managing working capital, and by keeping minimal new store capex

3

### Balance sheet deleveraging

Deleveraging balance sheet through strong **cashflow generation and superior ROCEs** (>20% post tax ROCE in next 36 months)

Targeting **Net Debt/EBITDA** of **~1.5x in 15 months** (by April 2021) and **<0.2x in 3 years**

## Updates on targets

### Costs Optimization / Savings

- FRL has pruned its fixed costs across Corporate overheads, people costs and marketing costs
- The positive impact of these is expected to be seen over the next few quarters

### Small-format Stores

- 177 small format stores have been closed: A mix of new low-density clusters or bottom of the tail stores
- Over the past 2 months, several efficiency-led initiatives by the management were taken, initial results of which are encouraging
- FRL is on track for achieving the stated target of break-even by Sep' 2020

### Expansion Strategy

- Expansion of the large format stores (Big Bazaar, FBB) continues as per the plan
- In the near future, FRL shall be focused on opening new large format stores
- FRL shall only consider opening new small stores in existing profitable clusters in a gradual manner before scaling up roll-out of further stores

### Equity Infusion

- FRL announced issuance of 3,96,03,960 equity warrants to Future Coupons Limited on 04th Feb' 2019, amounting to Rs.2,000cr
- Future Coupons Limited infused 25% of the overall consideration i.e. Rs.500cr on 23rd April' 2019
- Equity infusion of ~Rs.1,500cr by Future Coupons Limited was concluded on 26th Dec' 2019, which has largely been utilized for payment of working capital loans
- FRL successfully completed the warrants' equity infusion significantly ahead of committed time-frame



# Key Management Focus Areas And Updates (2/2)

## Management targets

4

### Unwinding of RPTs with Future Enterprises Ltd.

On track to **buyback store assets from FEL** by FY20E at arms length fair value

Post-buyback, **RPTs with FEL to be unwound** across lease rentals (~Rs. 650 cr/yr)

**All corporate guarantees** provided by FRL on behalf of FEL (~Rs. 3,600cr) **will be fully removed**

## Updates on targets

### Asset Purchase from FEL

- Concluded the purchase of fixed assets from FEL for Rs.3,500cr, using the proceeds from recent bond issuance; balance asset-purchase to be concluded by FY20E
- Reduction in FRL annual lease rentals by ~Rs. 650cr (cash accrual), resulting in an increase of EBITDA by an equivalent amount <sup>(1)</sup>
- RPT unwinding execution to knock off outstanding corporate guarantees of Rs.3,583cr (as of FY19)

5

## Key leadership changes to realize FRL's transformational journey\*



**Kishore Biyani**

Chairman & Managing Director

Executive Chairman

- ✓ Provide strategic oversight and guidance to the management
- ✓ Lead scenario planning & development of new strengths & capabilities in the Company
- ✓ Ensure constructive participation of Board in development of Company's strategies & policies



**Rakesh Biyani**

Joint Managing Director

Managing Director

- ✓ Lead the entire business, review key developments, issues, opportunities, concerns, lead sourcing
- ✓ Be primary connect between the Chairman, the Board and the management of the company
- ✓ Play pivotal role in retail operations of the group's businesses



**Sanjay Jain**

Group CFO

Chief Executive Officer

- ✓ Lead the management teams of the all the present & future businesses of the Company – Big Bazaar, FBB, Food Hall, Small Stores, WH Smith and the upcoming 7-Eleven store network
- ✓ Implement process-driven culture and drive key initiatives across the Company

Key Responsibilities in new role

\*New CFO yet to be appointed. Till the time of identification of new incumbent for this role, Mr CP Toshniwal, who is handling this responsibility quite effectively, would continue in this role before moving to wider strategic role within the Group.



### III. Management And Board





# Professional and Experienced Board and Management Team (1 of 2) **FUTURE RETAIL**

## Diverse and well-respected Board of Directors



**Kishore Biyani**  
*Chairman and Managing Director #*

- Has over 40 years experience in the field of manufacturing, marketing of ready-made garments and retail
- Known as the pioneer of modern retail industry in India and has led the Group's foray into organized retail and brands across food, fashion and home



**Rahul Garg**  
*Non-Executive Director*

- Partner and Co-Head of Premji Invest, a leading India based PE. He leads investments in BFSI and Consumer/Retail sectors
- Previously associated with ICICI Bank and worked across the entire financial services spectrum covering private equity, corporate banking, structured and project finance



**Rakesh Biyani**  
*Joint Managing Director \**

- Associated with Future Group for over 20 years. Leads the management and expansion of the Group's flagship formats, including 'Big Bazaar' and 'fbb'



**Ravindra Dhariwal**  
*Independent Director*

- Senior Advisor to TPG India and brings with him the experience of 39 years of building consumer business all over the World
- Previously associated with Bennett & Coleman & Co. Ltd. as CEO, Global President of International News Media Association and Pepsico



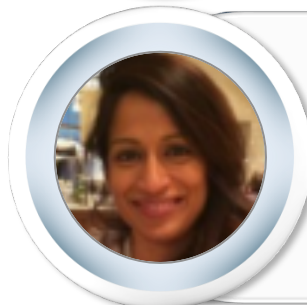
**Shailendra Bhandari**  
*Independent Director*

- Seasoned finance professional with ~36 years of experience and an impressive track record of accomplishments
- His areas of expertise include Banking, Private Equity and Mutual Funds



**Gagan Singh**  
*Independent Director*

- Previously CEO – Business (India) and Chairperson Sri Lanka Operations of Jones Lang LaSalle
- In past, has been associated with Benetton India, DCM International, Soaltee Group and Ranbaxy Laboratories



**Sridevi Badiga**  
*Independent Director*

- Currently runs a cross border advisory practice in the Middle East. Previously she worked in Investment Banking and was part of GAP Inc's Corporate Finance Team
- She holds an MBA degree from Kellogg School of Management

**FRL has 4 Independent Directors including  
2 Independent Women Directors**

# To be appointed as Executive Chairman, FRL (with effect from 05 March 2020)

\* To be appointed as Managing Director, FRL (with effect from 05 March 2020)



# Professional and Experienced Board and Management Team (2 of 2) **FUTURE RETAIL**

## Experienced and professional management team



**Sanjay Jain**  
*Group CFO\**

- Leads mgmt. teams across businesses- Big Bazaar, FBB, Food Hall, Small Stores, WH Smith and upcoming 7-Eleven store
- CFO of Future Group since 2014 & led partnerships with Amazon, Nippon Express, Premji Invest, L-Catterton, Blackstone, IFC
- Certified Six Sigma Black Belt with proficiency in business processes improvement



**CP Toshniwal**  
*Chief Financial Officer*

- With over 2 decades of experience as part of Future Group
- Brings in strong domain of Retail Industry and experience in Corporate and Strategic Planning, Financial Planning & Restructuring, Risk Management System and Process Implementation, M&A etc.



**Sadashiv Nayak**  
*Head – Big Bazaar*

- With over 20 years of experience in the industry and has been with Future Group for more than 12 years
- Previously worked with Hindustan Lever & Asian Paints
- Holds a Post Graduate Diploma in Business Management from XLRI Jamshedpur



**Dhananjay Sengupta**  
*Head – Small Format*

- Journey of over 22 years of core retail & experience of turning loss making zone's profitable
- Long associated with Future Group for over 13 years, with latest position being that of CEO-North Zone



**Rajesh Seth**  
*Head – fbb*

- Appointed as COO of fbb in 2016
- Has over 20 years of industry experience and has been associated with the Future Group for 15 years
- Previously worked at Trent Ltd. where he managed Marketing, Promotions and Loyalty



**Pawan Sarda**  
*Head – Digital Marketing*

- Spearheading online and offline for all Future Group formats and also driving E-Commerce businesses
- Close to 20 years of work experience in Retail, Housing, Digital, Content and Commerce

\* To be appointed as CEO, FRL (with effect from 05 March 2020)



## IV. India Retail Opportunity



# India has a Large and Growing Organized Retail Market



Note: Food and groceries consists of general merchandise, apparel consists of accessories  
1 Based on FY25E structure of Indian retail market from Technopak Research & Analysis



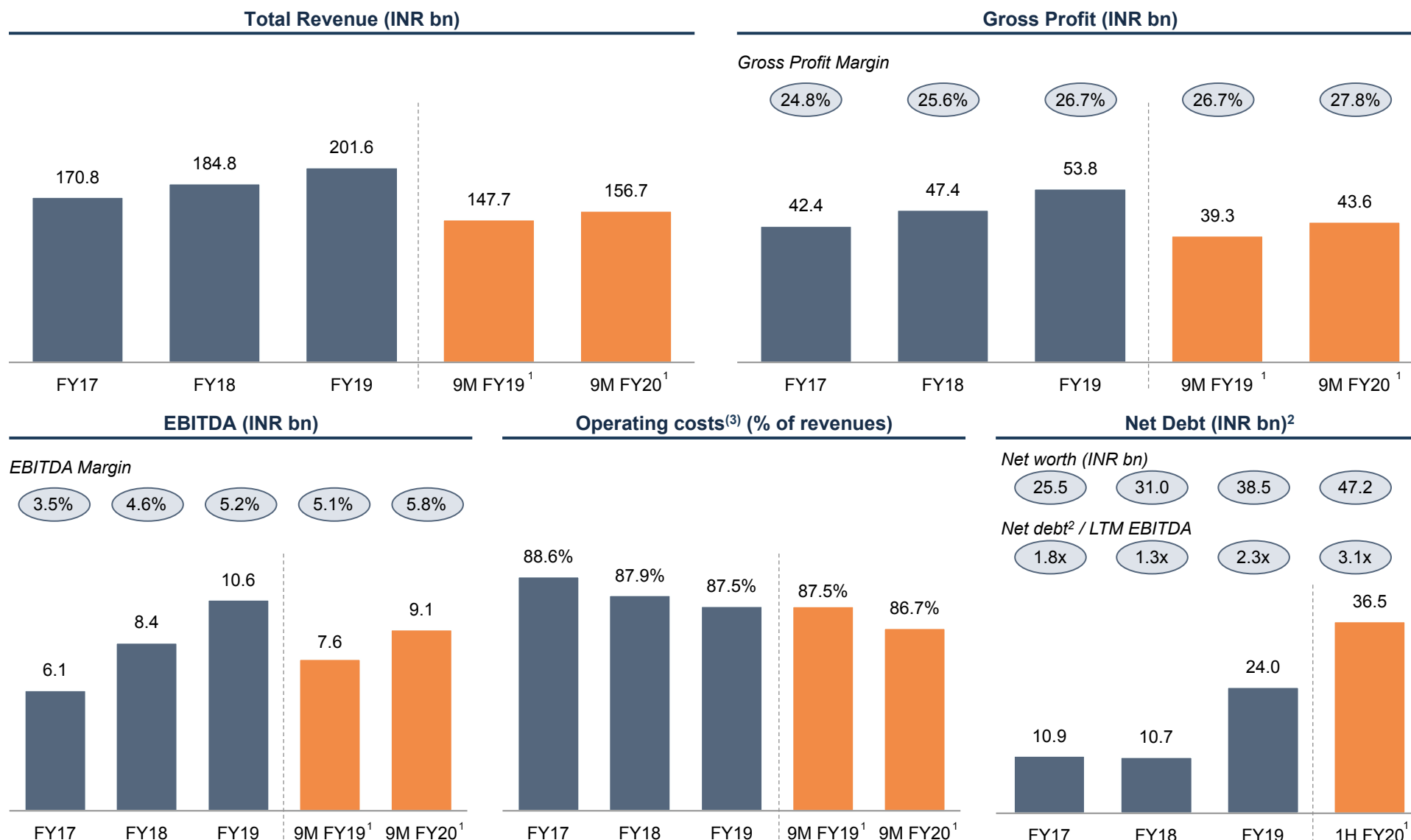


## V. Financial Overview



# Financial Overview

## Strong financial profile supported by diversified funding sources



Note: All the above financials are on standalone basis. Financials for FY ended Mar 2019 are not comparable with previous years, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail Undertaking of Heritage Foods Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company at different period of times during the previous years and in the financial year under review

<sup>1</sup> Like to like basis (without IND AS 116)

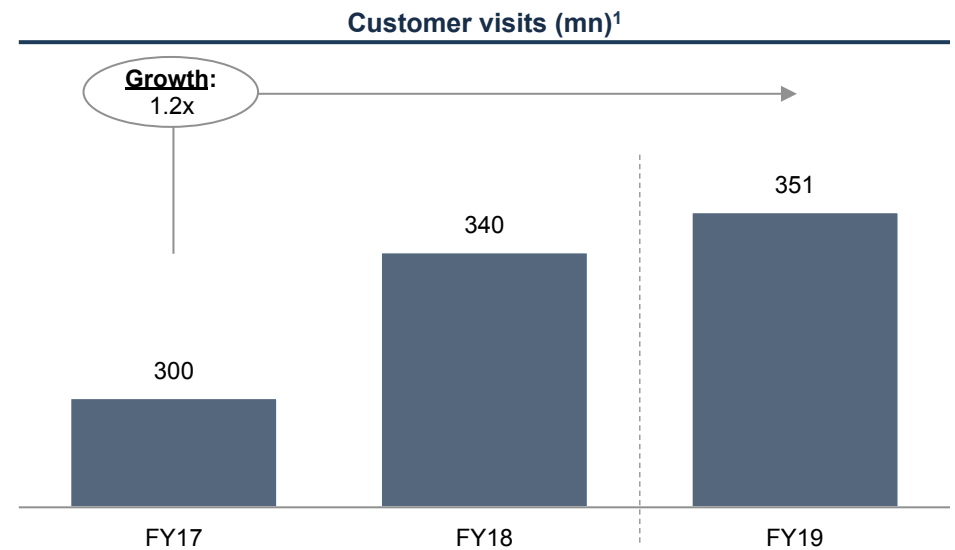
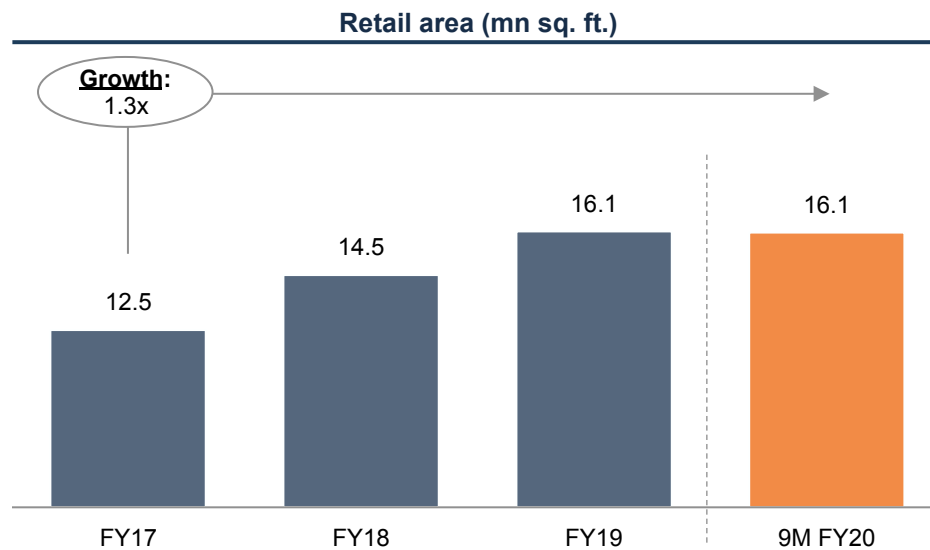
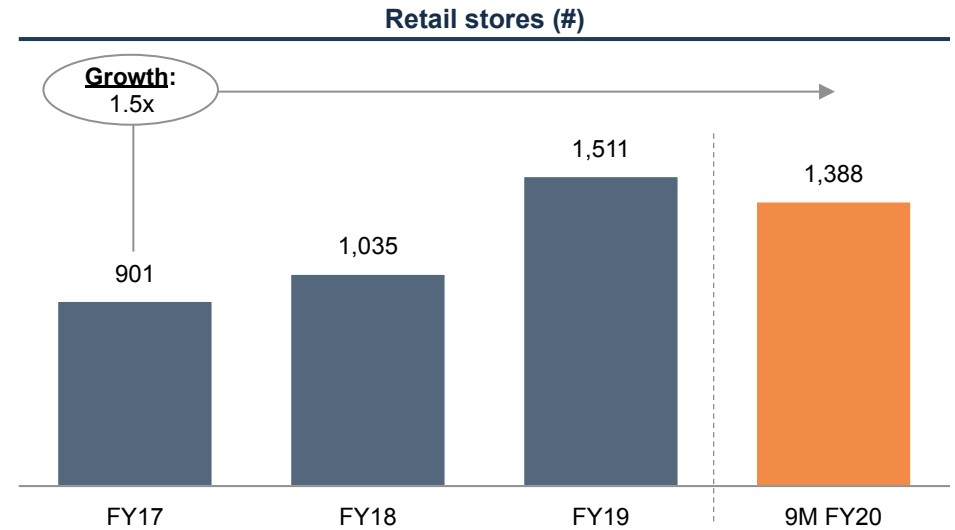
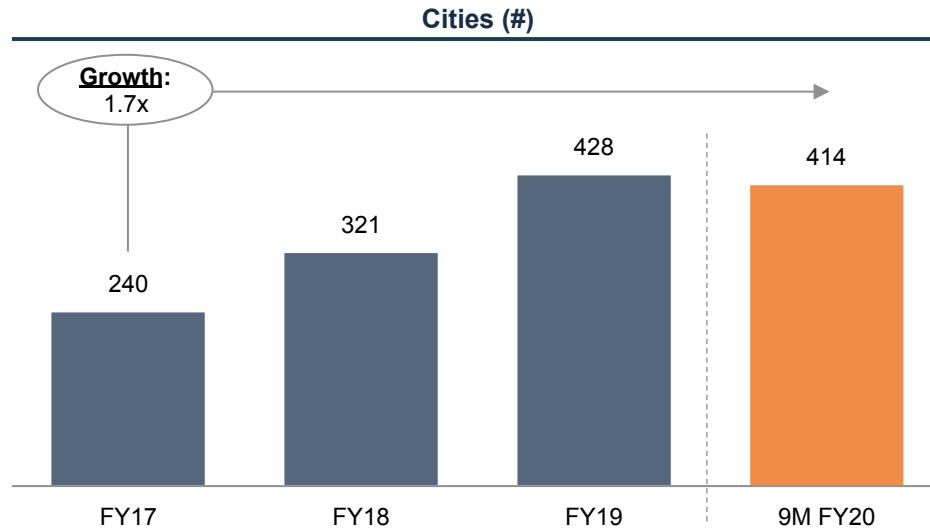
<sup>2</sup> Net debt defined as total long term borrowings, short term borrowings and current maturities of long term borrowings less cash and cash equivalents and bank balances

<sup>3</sup> Operating costs are inclusive of all costs above EBITDA except rental



# Operating Metrics

## Expanding presence supported by increasing footfall

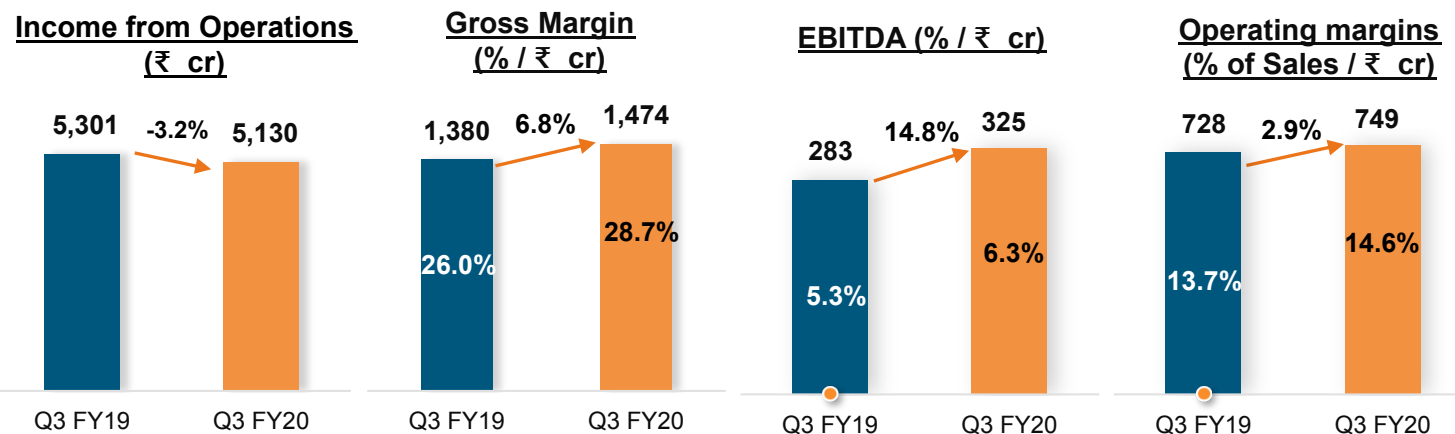


Note:  
1 Not released on a quarterly basis



# Like for Like Operating Performance (Without IND-AS)

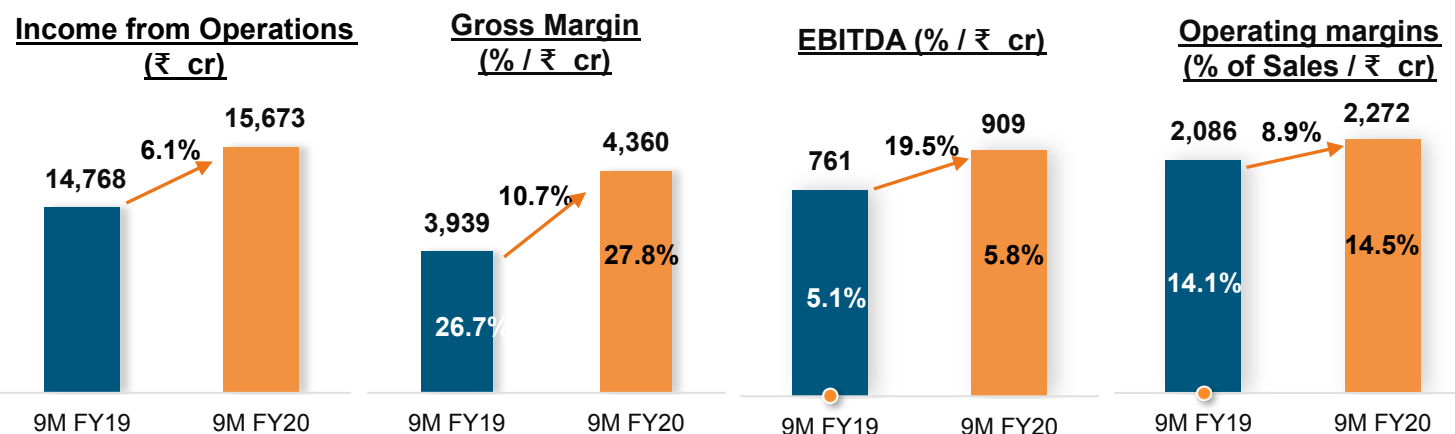
For the Quarter ended December 31, 2019



## Commentary

1. In order to do a like for like comparison, the numbers depicted here are pre IND-AS adjustments
2. Revenue was impacted by the loss of business due to political disturbances in a few large centers, closure of stores and decline in de-prioritized businesses; Consequently Q3 revenue declined by 3.2% and overall 9M revenue growth stood at 6.1%
3. However, the quality of earnings on the new business continues to be strong. Despite decline in business, GM grew by 7% and 11% while EBITDA grew by 15% and 20% for Q3 and the 9M period respectively.
4. Operating costs, including one-time expenditures, grew by ~3% for Q3. Adjusted for the one-time expenses, the costs had declined in the quarter on QoQ as well as YoY basis.
5. The main impact of cost optimizations shall accrue in the coming quarters.

For 9 months ended December 31, 2019

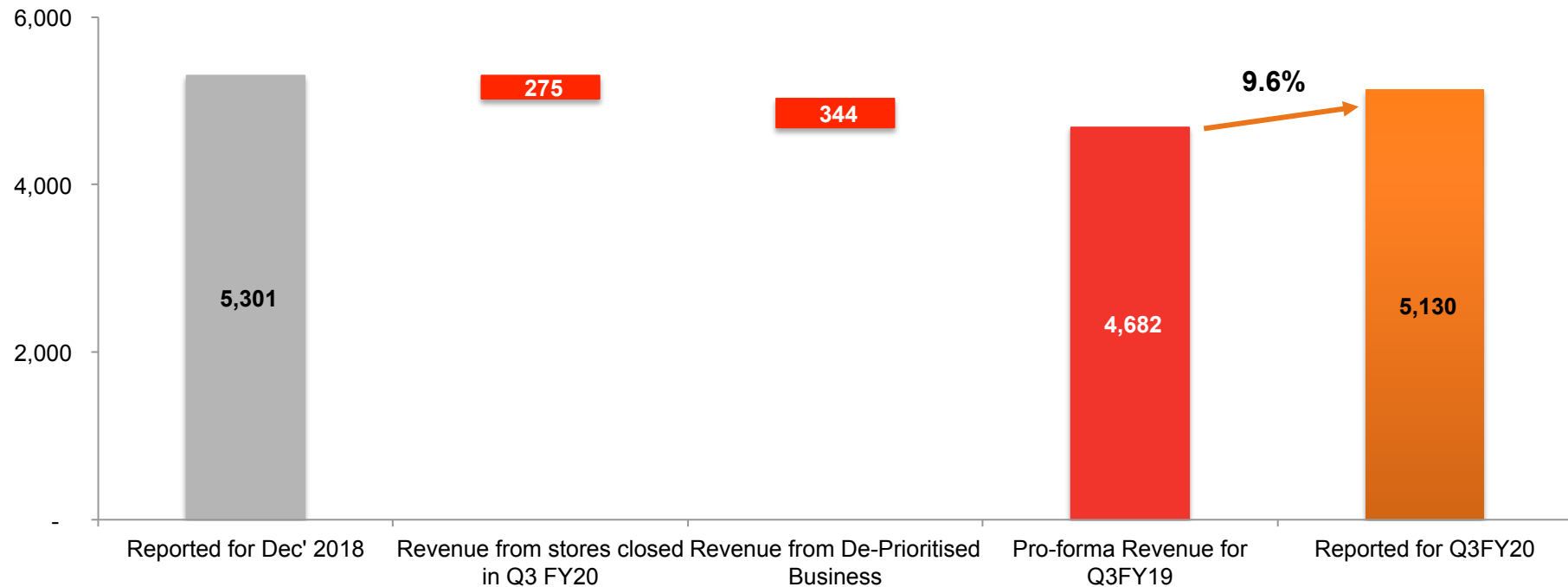


Note: Operating margins include revenue less all costs above EBITDA except rentals.



# Like for Like Q3 Revenue Bridge

## “Quarterly” Income from Operations



- Above numbers represent revenue from operations for quarter (base) ended Dec' 2018 and the adjustments on account of store closures, revenue from de-prioritized businesses and like for like comparable Q3FY20 revenues.
  - De-prioritized business comprises of business from electronics wherein the focus has shifted to Koryo (FRL own brand) for last 2 quarters and sub-categories exited within General Merchandise (such as Toys, Stationery,
- Adjusted for the above, implied growth in revenues was 9.6% in Q3FY20 over Q3FY19**
  - Overall FRL SSG for Q3FY20 was 2.1%
  - Small format SSG was 6.9% and Big Bazaar was 1.6%

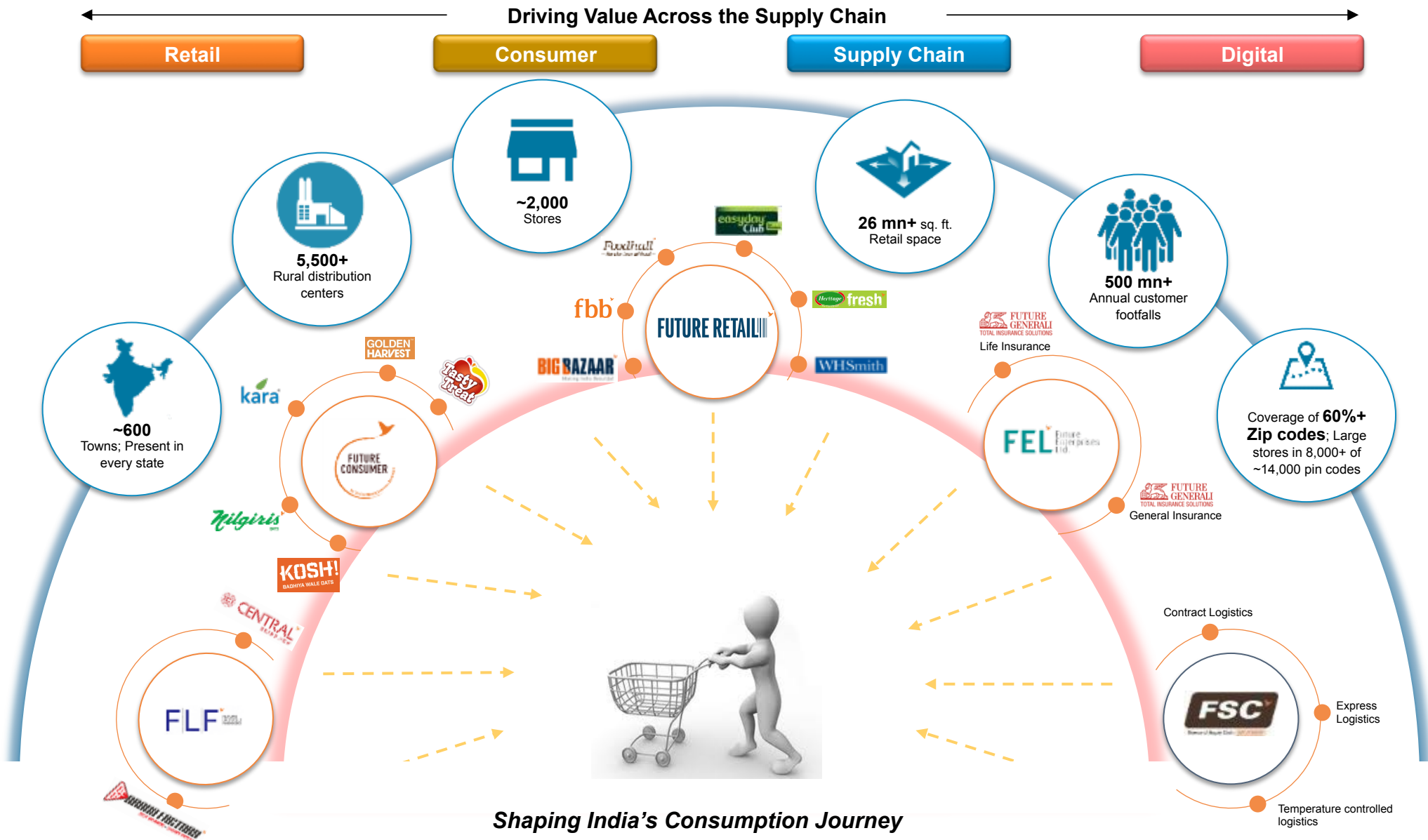
## Appendix 1: Future Group Overview



# Future Group: Pioneer of Consumer Branded and Retail Business

FUTURE RETAIL

Full ecosystem across the consumption chain...



Shaping India's Consumption Journey

...with a well-established comprehensive platform that encompasses end-to-end control of value chain

Source: Company information as of Q3FY20

FRL Presentation| Feb 2020



# Future Group: Key Group Companies

One of the leading players in the Indian consumer products and retail industry with a prominent presence across food, FMCG<sup>1</sup>, apparel, retail, logistics and financial services

## FUTURE RETAIL

- ❖ Leading Indian retail player with focus on distribution of key consumer products categories such as food, FMCG, fashion and household products
- ❖ Rakesh Biyani to be the new MD with Sanjay Jain (ex-CFO at Essel Group) as CEO
- ❖ Market cap: **INR172bn**
- ❖ FY19 revenue: **INR202bn**
- ❖ Promoter Group holding: **47.0%**

### Key brands



Stores	1,388
Sq. ft (mn sq. ft.)	16.1

### Key strategic investors

Amazon<sup>2</sup>

### Other marquee investors

Bennett, Coleman & Co.

Arisaig

Premji Invest

Westwood

L&T MF

## FLF

- ❖ Focuses on integrated branded fashion from design to distribution; with a portfolio of brands in fashion space
- ❖ CEO: Vishnu Prasad
- ❖ CFO: Kaleeswaran Arunachalam (ex – Financial Director at Mondelez)
- ❖ Market cap: **INR77bn**
- ❖ FY19 revenue: **INR57bn**
- ❖ Promoter Group holding: **45.9%**

### Key brands



Stores	354
Sq. ft (mn sq. ft.)	7.5

### Key strategic investors

Blackstone

### Other marquee investors

L Catterton

Life Insurance Corporation of India

Premji Invest

## FUTURE CONSUMER

- ❖ Engages in the manufacturing, processing and distribution of fast moving consumer goods, food and processed food products
- ❖ CEO: Rajnikant Sabnavis (ex – COO at Jyothy Labs)
- ❖ Market cap: **INR40bn**
- ❖ FY19 revenue: **INR39bn**
- ❖ Promoter Group holding: **46.3%**

### Key brands



### Key strategic investors

IFC

Proterra

CDC

### Other marquee investors

Verlinvest

Arisaig

## FSC

- ❖ Leading Indian third-party supply chain and logistics service provider
- ❖ MD: Mayur Toshniwal (ex - CEO (North) at Aditya Birla Fashion and Retail)
- ❖ CEO: P V Sheshadri
- ❖ Market cap: **INR19bn**
- ❖ FY19 revenue: **INR12bn**
- ❖ Promoter Group holding: **47.9%**

### Key stats

Warehouses	80
Sq. ft (mn sq. ft.)	8.1

### Key strategic investors

Nippon Express

### Other marquee investors

Edelweiss

L&T MF

## FEL

- ❖ Businesses include insurance, textile manufacturing, supply chain and logistics
- ❖ Market cap: **INR11bn**
- ❖ FY19 revenue: **INR60bn**
- ❖ Promoter Group holding: **50.1%**

### Key entities



### Key strategic investors

Generali<sup>3</sup>

### Other marquee investors

Bennett, Coleman & Co.

Life Insurance Corporation of India

Source: Company information, BSE

Note: Revenue for all Future Group companies (except FRL) are on consolidated basis; market cap as of 17-Feb-2019; Promoter Group holding for all companies (except FRL) as of 31-Dec-2019 and for FRL as of 4-Jan-2020; store count and sq. ft as of 31-Dec-2019

1 FMCG: Fast Moving Consumer Goods; 2 Amazon has invested in Future Coupons Limited (one of the promoter holding entities of FRL); 3 For insurance business only



## Appendix 2: Detailed Financials



# Quarterly (Q3) Y-o-Y Income Statement: With and Without Ind AS 116

Particulars (₹ cr) For 3 months ended	Without IND AS 116 31-Dec-18	Without IND AS 116		With IND AS 116	
		31-Dec-19	Y-o-Y	31-Dec-19	Y-o-Y
<b>Total income from Operations</b>	<b>5,301</b>	<b>5,130</b>	<b>-3.2%</b>	<b>5,130</b>	<b>-3.2%</b>
<b>Gross Profit</b>	<b>1,380</b>	<b>1,474</b>	<b>6.8%</b>	<b>1,474</b>	<b>6.8%</b>
<b>Gross Margin %</b>	<b>26.0%</b>	<b>28.7%</b>		<b>28.7%</b>	
Employee benefits expense	277	234	-15.6%	234	-15.6%
Rent including lease rentals	375	415	10.6%	29	
Other Expenditures	450	515	14.3%	515	14.3%
<b>Total expenditure</b>	<b>1,103</b>	<b>1,164</b>	<b>5.5%</b>	<b>778</b>	<b>-29.5%</b>
Other Income	5	15		15	
<b>EBITDA</b>	<b>283</b>	<b>325</b>	<b>14.8%</b>	<b>711</b>	<b>151.2%</b>
<b>EBITDA%</b>	<b>5.3%</b>	<b>6.3%</b>		<b>13.9%</b>	
Depreciation and amortisation	25	42		271	
<b>EBIT</b>	<b>258</b>	<b>283</b>	<b>9.9%</b>	<b>440</b>	<b>70.6%</b>
<b>EBIT %</b>	<b>4.9%</b>	<b>5.5%</b>		<b>8.6%</b>	
Finance Costs	56	88	56.6%	269	
<b>PBT</b>	<b>201</b>	<b>195</b>	<b>-3.1%</b>	<b>171</b>	<b>-15.2%</b>
<b>PBT%</b>	<b>3.8%</b>	<b>3.8%</b>		<b>3.3%</b>	
Tax Expenses	-	-		-	
<b>PAT</b>	<b>201</b>	<b>195</b>	<b>-3.1%</b>	<b>171</b>	<b>-15.2%</b>

# 9M Y-o-Y Income Statement: With and Without Ind AS 116

Particulars (₹ cr) For 9 months ended	Without IND AS 116 31-Dec-18	Without IND AS 116		With IND AS 116	
		31-Dec-19	Y-o-Y	31-Dec-19	Y-o-Y
<b>Total income from Operations</b>	<b>14,768</b>	<b>15,673</b>	<b>6.1%</b>	<b>15,673</b>	<b>6.1%</b>
<b>Gross Profit</b>	<b>3,939</b>	<b>4,360</b>	<b>10.7%</b>	<b>4,360</b>	<b>10.7%</b>
<b>Gross Margin %</b>	<b>26.7%</b>	<b>27.8%</b>		<b>27.8%</b>	
Employee benefits expense	799	748	-6.4%	748	-6.4%
Rent including lease rentals	1,107	1,223	10.5%	84	
Other Expenditures	1,287	1,525	18.5%	1,525	18.5%
<b>Total expenditure</b>	<b>3,193</b>	<b>3,496</b>	<b>9.5%</b>	<b>2,356</b>	<b>-26.2%</b>
Other Income	14	44		44	
<b>EBITDA</b>	<b>761</b>	<b>909</b>	<b>19.5%</b>	<b>2,048</b>	<b>169.3%</b>
<b>EBITDA%</b>	<b>5.1%</b>	<b>5.8%</b>		<b>13.1%</b>	
Depreciation and amortisation	68	116	69.8%	772	
<b>EBIT</b>	<b>692</b>	<b>793</b>	<b>14.6%</b>	<b>1,276</b>	<b>84.3%</b>
<b>EBIT %</b>	<b>4.7%</b>	<b>5.1%</b>		<b>8.1%</b>	
Finance Costs	163	241	47.9%	772	
<b>PBT</b>	<b>530</b>	<b>553</b>	<b>4.3%</b>	<b>504</b>	<b>-4.8%</b>
<b>PBT%</b>	<b>3.6%</b>	<b>3.5%</b>		<b>3.2%</b>	
Tax Expenses	-	-		-	
<b>PAT</b>	<b>530</b>	<b>553</b>	<b>4.3%</b>	<b>504</b>	<b>-4.8%</b>



# Quarterly Q-o-Q Income Statement: Without Ind AS 116

Particulars (₹ cr)	Without IND AS 116 31-Dec-18	Without IND AS 116		Without IND AS 116	
		31-Dec-19	Y-o-Y	30-Sep-19	Q-o-Q
<b>Total income from Operations</b>	<b>5,301</b>	<b>5,130</b>	<b>-3.2%</b>	<b>5,394</b>	<b>-4.9%</b>
<b>Gross Profit</b>	<b>1,380</b>	<b>1,474</b>	<b>6.8%</b>	<b>1,464</b>	<b>0.7%</b>
<b>Gross Margin %</b>	<b>26.0%</b>	<b>28.7%</b>		<b>27.1%</b>	
Employee benefits expense	277	234	-15.6%	232	0.8%
Rent including lease rentals	375	415	10.6%	413	0.3%
Other Expenditures	450	515	14.3%	528	-2.6%
<b>Total expenditure</b>	<b>1,103</b>	<b>1,164</b>	<b>5.5%</b>	<b>1,174</b>	<b>-0.9%</b>
Other Income	5	15		21	
<b>EBITDA</b>	<b>283</b>	<b>325</b>	<b>14.8%</b>	<b>310</b>	<b>4.7%</b>
<b>EBITDA%</b>	<b>5.3%</b>	<b>6.3%</b>		<b>5.8%</b>	
Depreciation and amortisation	25	42		39	
<b>EBIT</b>	<b>258</b>	<b>283</b>	<b>9.9%</b>	<b>272</b>	<b>4.2%</b>
<b>EBIT %</b>	<b>4.9%</b>	<b>5.5%</b>		<b>5.0%</b>	
Finance Costs	56	88	56.6%	84	4.5%
<b>PBT</b>	<b>201</b>	<b>195</b>	<b>-3.1%</b>	<b>188</b>	<b>4.0%</b>
<b>PBT%</b>	<b>3.8%</b>	<b>3.8%</b>		<b>3.5%</b>	
Tax Expenses	-	-		-	
<b>PAT</b>	<b>201</b>	<b>195</b>	<b>-3.1%</b>	<b>188</b>	<b>4.0%</b>

# Quarterly Income Statements: As Reported

Particulars (₹ cr)	31-Dec-18	31-Dec-19	Y-oY	30-Sep-19	Y-o-Y
For 3 months ended					
<b>Total income from Operations</b>	<b>5,301</b>	<b>5,130</b>	<b>-3.2%</b>	<b>5,394</b>	<b>-4.9%</b>
<b>Gross Profit</b>	<b>1,380</b>	<b>1,474</b>	<b>6.8%</b>	<b>1,464</b>	<b>0.7%</b>
<b>Gross Margin %</b>	<b>26.0%</b>	<b>28.7%</b>		<b>27.1%</b>	
Employee benefits expense	277	234	-15.6%	232	0.8%
Rent including lease rentals		29		28	0.8%
Other Expenditures	825	515	-37.6%	528	-2.6%
<b>Total expenditure</b>	<b>1,103</b>	<b>778</b>	<b>-29.5%</b>	<b>789</b>	<b>-1.5%</b>
Other Income	5	15		21	
<b>EBITDA</b>	<b>283</b>	<b>711</b>	<b>151.2%</b>	<b>695</b>	<b>2.3%</b>
<b>EBITDA%</b>	<b>5.3%</b>	<b>13.9%</b>		<b>12.9%</b>	
Depreciation and amortisation	25	271		261	4.1%
<b>EBIT</b>	<b>258</b>	<b>440</b>	<b>70.6%</b>	<b>435</b>	<b>1.2%</b>
<b>EBIT %</b>	<b>4.9%</b>	<b>8.6%</b>		<b>8.1%</b>	
Finance Costs	56	269	378.0%	263	2.1%
<b>PBT</b>	<b>201</b>	<b>171</b>	<b>-15.2%</b>	<b>171</b>	<b>-0.3%</b>
<b>PBT%</b>	<b>3.8%</b>	<b>3.3%</b>		<b>3.2%</b>	
Tax Expenses	-	-	-	-	-
<b>PAT</b>	<b>201</b>	<b>171</b>	<b>-15.2%</b>	<b>171</b>	<b>-0.3%</b>

# Standalone and Consolidated Profit & Loss Statement

(Mar y/e, INR mn)	Standalone				Consolidated	
	FY17	FY18	FY19	9M20	FY19	9M20
<b>Income</b>						
Revenue from operations	170,750.9	184,779.7	201,649.0	156,729.7	203,325.8	158,393.6
Other income	238.0	116.7	204.7	441.2	231.4	464.3
<b>Total income</b>	<b>170,988.9</b>	<b>184,896.4</b>	<b>201,853.7</b>	<b>157,170.9</b>	<b>203,557.2</b>	<b>158,857.9</b>
<b>Expenses</b>						
Purchase of stock-in-trade	132,129.2	144,225.5	154,318.5	117,707.0	155,159.0	118,437.4
Change in inventories of stock-in-trade	(3,785.7)	(6,818.7)	(6,507.7)	(4,581.0)	(6,553.9)	(4,552.6)
Employee benefits expense	8,034.4	9,299.5	10,744.1	7,475.4	10,901.7	7,658.8
Finance costs	2,042.3	1,753.8	2,239.8	7,716.8	2,281.2	7,944.7
Depreciation and amortization expense	325.8	534.3	1,005.9	7,719.5	1,040.2	8,163.9
Other expenses	28,560.1	29,750.2	32,725.0	16,088.7	33,454.6	16,288.1
<b>Total expenses</b>	<b>167,306.1</b>	<b>178,744.6</b>	<b>194,525.6</b>	<b>152,126.4</b>	<b>196,282.8</b>	<b>153,940.3</b>
<b>Profit before exceptional items and tax</b>	<b>3,682.8</b>	<b>6,151.8</b>	<b>7,328.1</b>	<b>5,044.5</b>	<b>7,274.4</b>	<b>4,917.6</b>
Exceptional items	—	(6,038.7)	—	—	—	—
Share of loss from joint venture	—	—	—	—	(2.4)	(28.0)
<b>Profit before tax</b>	<b>3,682.8</b>	<b>113.1</b>	<b>7,328.1</b>	<b>5,044.5</b>	<b>7,272.0</b>	<b>4,889.6</b>
Tax expense	—	—	—	—	0.1	0.6
Current tax	—	—	—	—	0.1	0.6
<b>Profit for the year</b>	<b>3,682.8</b>	<b>113.1</b>	<b>7,328.1</b>	<b>5,044.5</b>	<b>7,271.9</b>	<b>4,889.0</b>



# Standalone and Consolidated Balance Sheet

(Mar y/e, INR mn)	Standalone				Consolidated	
	FY17	FY18	FY19	1H20	FY19	1H20
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	949.7	4,886.2	8,626.4	69,426.2	8,709.4	71,680.6
Capital work-in-progress	24.1	243.1	1,478.2	1,796.8	1,479.0	1,799.8
Intangible assets	4,588.1	5,299.4	5,781.8	5,540.6	6,536.7	6,295.3
Intangible assets under development	94.4	92.7	423.6	432.6	423.6	432.6
<b>Financial assets</b>						
Investment	0.0	0.1	1,040.0	1,190.0	43.4	33.4
Loans / Deposits	2,669.9	2,734.9	3,953.2	5,900.9	4,161.9	6,083.7
Others	3.3	3.1	1.3	3.0	1.3	44.0
Other non-current assets	832.0	1,326.6	2,751.4	2,647.8	2,831.4	2,816.6
<b>Total non-current assets</b>	<b>9,161.5</b>	<b>14,586.1</b>	<b>24,055.9</b>	<b>86,937.9</b>	<b>24,186.7</b>	<b>89,186.0</b>
<b>Current assets</b>						
Inventories	37,351.6	44,174.1	50,655.9	55,979.6	50,849.7	56,194.9
<b>Financial assets</b>						
Trade receivables	2,280.6	2,383.5	3,164.6	4,561.2	3,224.7	4,863.6
Cash and cash equivalents	1,284.5	1,753.4	2,049.1	1,485.6	2,078.9	1,521.2
Bank balances other than cash and cash equivalents	275.9	396.4	479.0	427.8	479.3	428.1
Deposits	14,404.2	13,065.0	15,401.3	22,914.4	15,407.0	22,920.2
Others	146.2	829.0	998.4	543.3	1,083.9	611.1
Other current assets	4,470.8	4,757.3	8,472.6	10,663.2	8,557.8	10,789.9
<b>Total current assets</b>	<b>60,213.8</b>	<b>67,358.7</b>	<b>81,220.9</b>	<b>96,575.1</b>	<b>81,681.3</b>	<b>97,329.0</b>
<b>Total assets</b>	<b>69,375.3</b>	<b>81,944.8</b>	<b>105,276.8</b>	<b>183,513.0</b>	<b>105,868.0</b>	<b>186,515.0</b>
<b>Equity and liabilities</b>						
<b>Equity</b>						
Equity share capital	943.6	1,004.0	1,005.2	1,005.2	1,005.2	1,005.2
Other equity	24,593.0	29,958.7	37,514.3	31,989.8	37,461.3	31,352.6
<b>Total equity</b>	<b>25,536.6</b>	<b>30,962.7</b>	<b>38,519.5</b>	<b>32,995.0</b>	<b>38,466.5</b>	<b>32,357.8</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	8.1	2,233.3	3,753.1	5,447.1	3,753.1	5,447.1
Other financial liabilities	—	—	—	68,812.6	93.4	71,266.4
Provisions	454.8	522.6	577.6	588.2	586.6	598.0
Other non-current liabilities	1,441.6	1,185.0	1,369.9	—	1,381.0	1.4
<b>Total non-current liabilities</b>	<b>1,904.5</b>	<b>3,940.9</b>	<b>5,700.6</b>	<b>74,847.9</b>	<b>5,814.1</b>	<b>77,312.9</b>
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	10,775.9	10,014.1	21,786.7	32,964.7	21,786.7	32,964.7
Trade payables	27,799.9	34,242.3	29,373.2	26,641.8	29,788.3	27,373.6
Other financial liabilities	1,806.2	832.7	1,214.0	7,609.5	1,273.6	8,029.3
Other current liabilities	1,495.5	1,912.4	8,605.7	8,334.4	8,659.5	8,354.9
Provisions	56.7	39.7	77.1	119.7	79.3	121.8
<b>Total current liabilities</b>	<b>41,934.2</b>	<b>47,041.2</b>	<b>61,056.7</b>	<b>75,670.1</b>	<b>61,587.4</b>	<b>76,844.3</b>
<b>Total equity and liabilities</b>	<b>69,375.3</b>	<b>81,944.8</b>	<b>105,276.8</b>	<b>183,513.0</b>	<b>105,868.0</b>	<b>186,515.0</b>

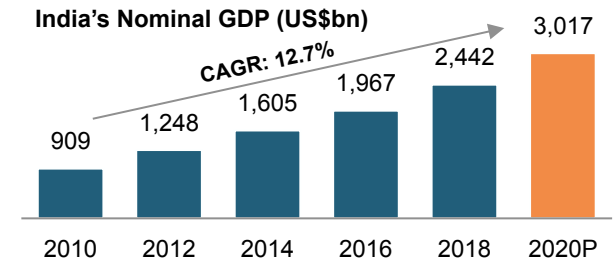


## Appendix 3: India Consumption Story



# India: Macroeconomic overview

- India is **seventh** in terms of nominal GDP and is the **third largest** economy in PPP terms globally — estimated to be amongst **top 3 economies** by CY 2050
- Consumption-led economy** with private consumption contributing c.60% of the GDP in FY19
- India has the **2nd largest population** but accounts for **3% of global consumption** in 2019 which is expected to increase significantly

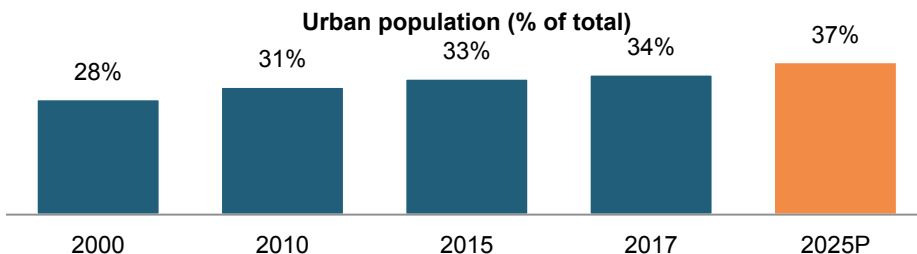


## Growth levers for consumption growth in India

### A Growing young and working population

Country	India	China	USA	UK
Median Age (years) <sup>1</sup>	26	35	37	40

### B Increasing urbanization

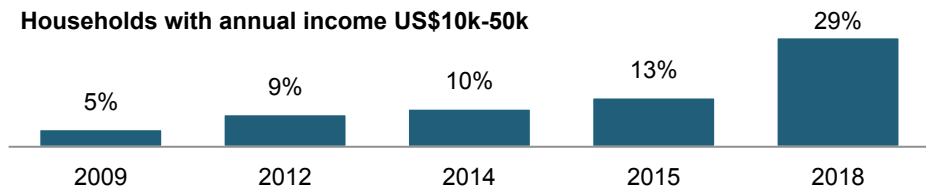


Source: World Bank, UN data, Technopak, RBI, EIU, Census data (2011)

Note:

<sup>1</sup> As of FY12

### C Growing Middle Class and Rising Disposable Income



### D Nuclearization

% of urban households with five or less members

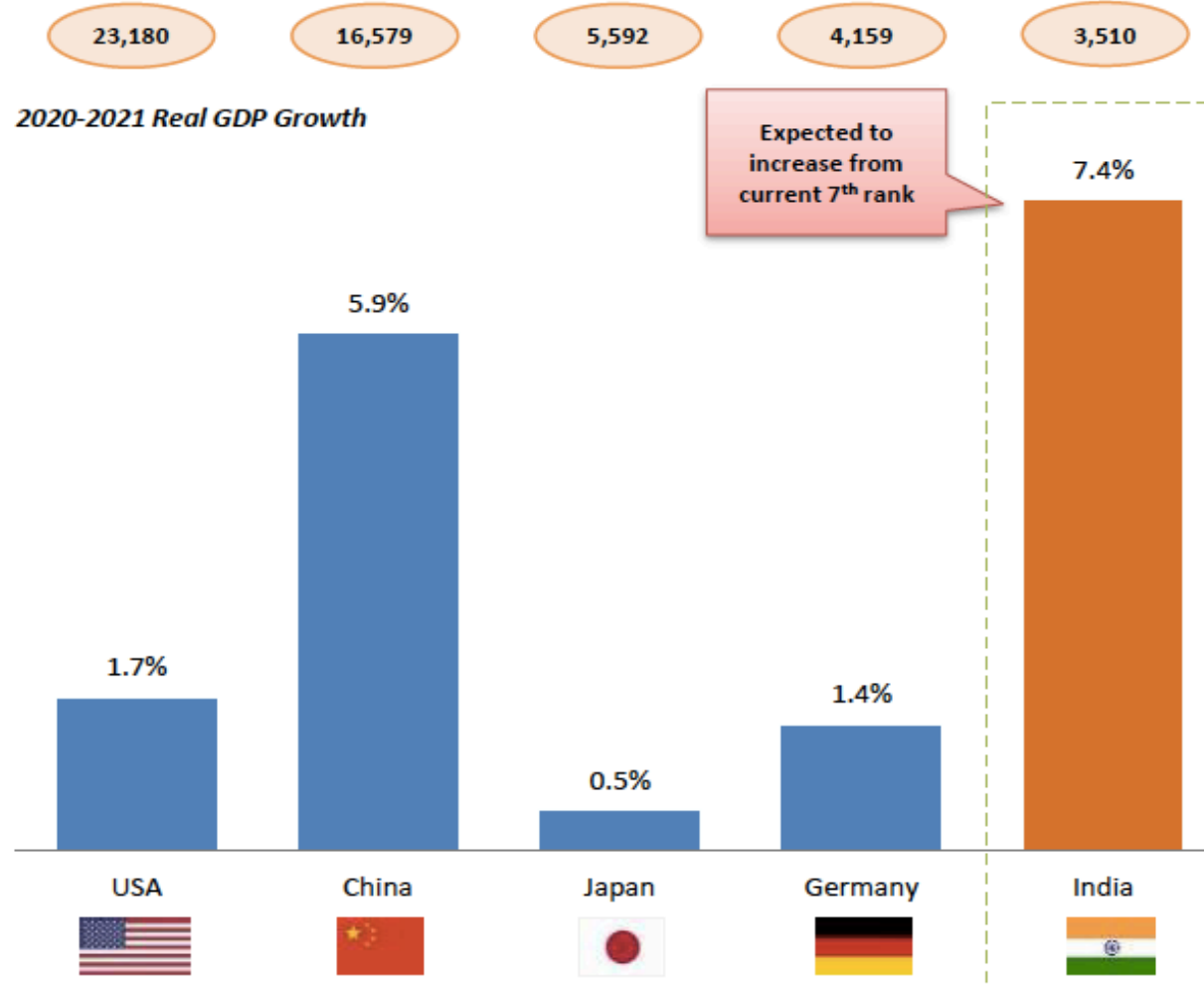
65%  
2001

74%  
2011

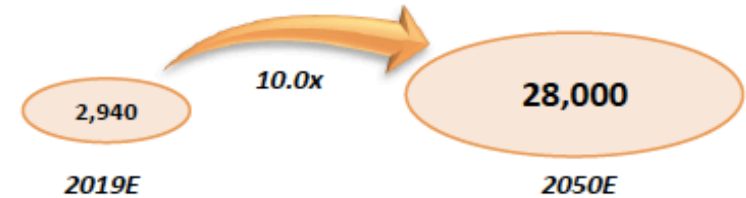


# Indian Economy expected to grow 10x by 2050

2021E Nominal GDP (\$bn)



India Nominal GDP (\$bn)



Per capita income of ~\$17,000 by 2050

Economies of India's **top 5 cities** will be comparable to **Malaysia, Philippines and Vietnam** by 2030

India has the world's highest number of 10-24 year-olds at **242mm**

India's Ease of Doing Business rank has improved from **142 to 77** in the past 4 years

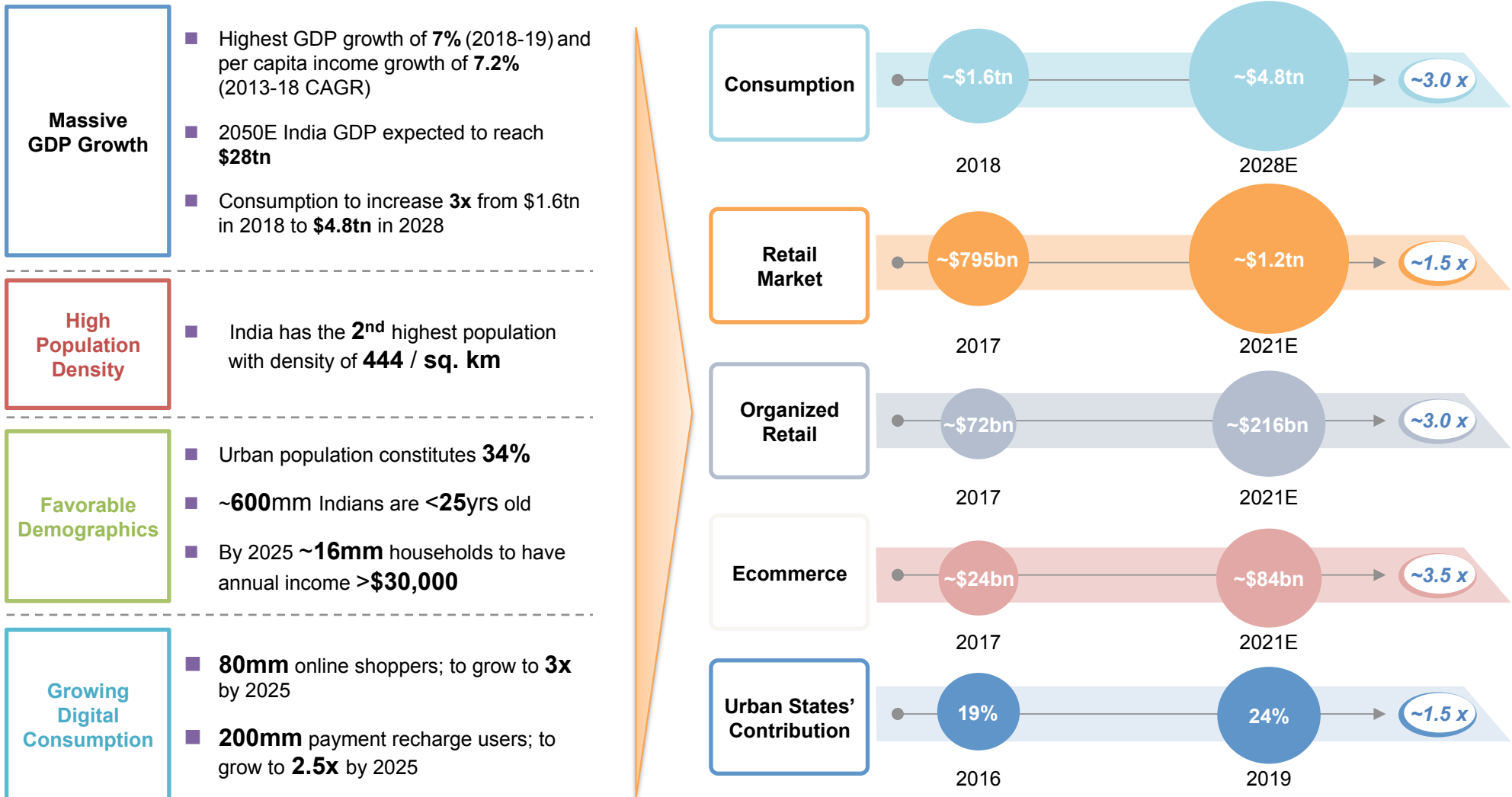
>50% households in India earning **\$5,000+** every year

Source: IMF Data, Euromonitor, MOSPI report dated 2017 titled "Youth in India", News run, World Economic Forum report dated Jan-2019 titled "Future of Consumption in Fast-Growth Consumer Markets: INDIA" and McKinsey Report dated Aug-2016 titled "India's Ascent: Five Opportunities for Growth and Transformation"



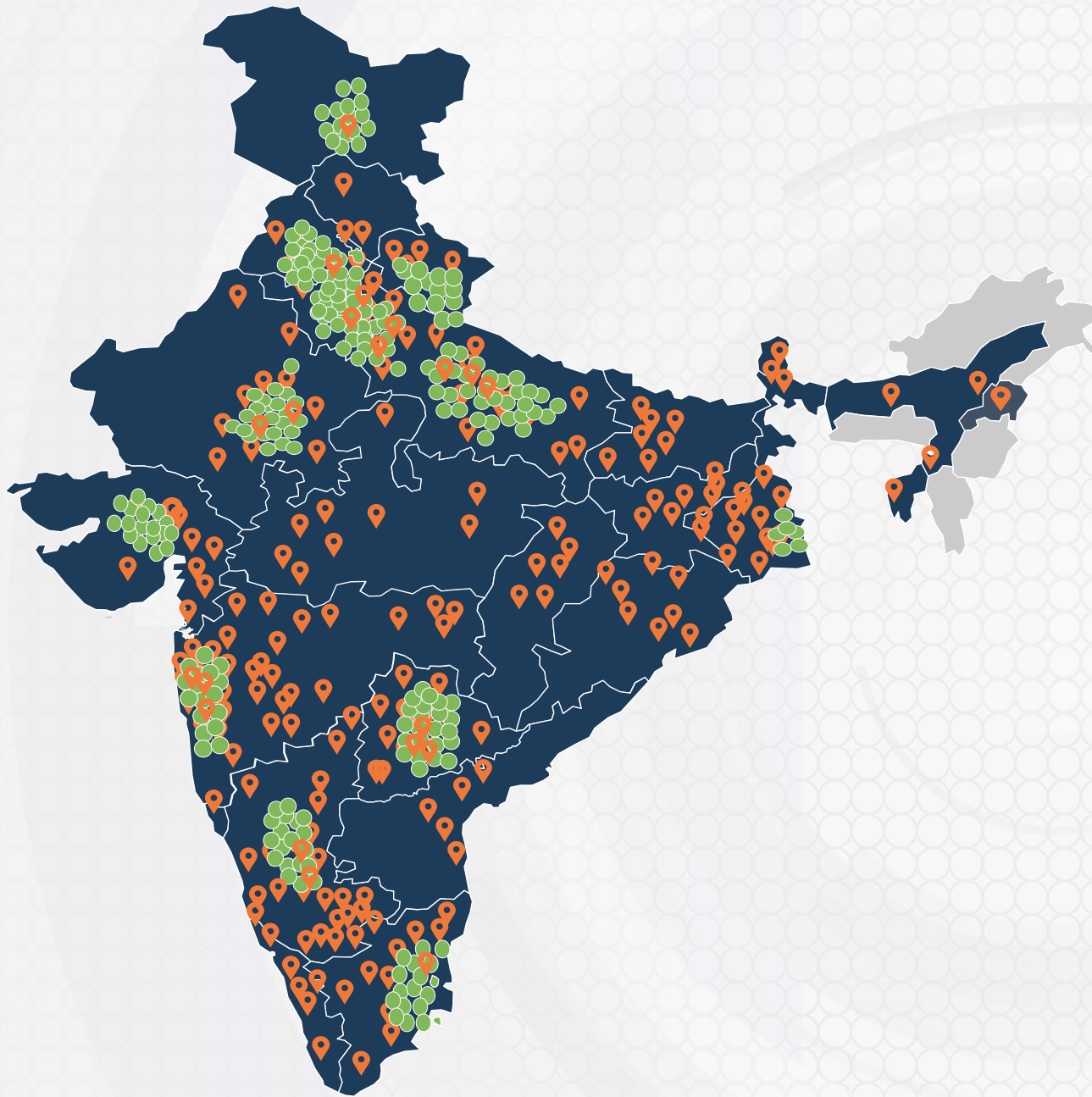
# India's Consumption Story

## Leading to a massive addressable market opportunity



Source: MOSPI, Euromonitor, IBM Kalaari report dated Apr-2018 titled "Imagining Trillion Dollar Digital India"; Deloitte report dated Feb-2019 titled "Unravelling the Indian Consumer"; BCG report dated Feb-19 titled "Going for Gold", BCG report titled "Entertainment Goes Online" dated Nov-2018, news article and broker research;

Note: Ecommerce includes sale of products and services through electronic transactions including home shopping



# FUTURE RETAIL: RIGHT NEXT TO YOU

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.

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