

## August 2018

## FRL Store Network:

	Brand	As on 31 March 2018			Store additions	As on 30 June 2018		
		Stores	Cities	Area (mn sqft)		Stores	Cities	Area (mn sqft)
Large Format	<b>BIG BAZAAR</b> <small>Making India Beautiful</small>	285	135	12.1	-	285	137	12.1
	<b>fbb</b> <small>Big Bazaar's Fashion Bazaar</small>	61	36	0.6	6	67	38	0.7
	<b>Foodhall</b>	10	5	0.1	-	10	5	0.1
Small Format	<b>easyday Club</b> <b>Heritage fresh</b>	666	13*	1.5	83	749	13*	1.7
Others	<b>ezone</b> <small>smarter living</small>	13	8	0.1	(1)	12	8	0.1
<b>Cumulative</b>		<b>1,035</b>	<b>321</b>	<b>14.5</b>	<b>89</b>	<b>1,123</b>	<b>339</b>	<b>14.8</b>

\*Clusters

## Key performance Highlights for Q1 FY19:

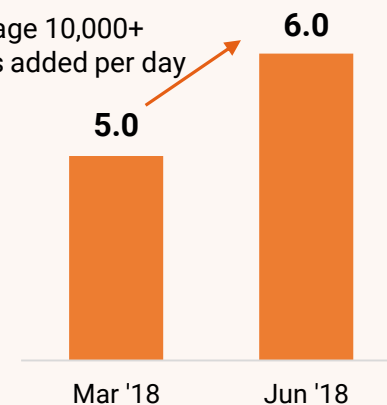
- Underlying growth in Income from Operations of 7.1%
- EBITDA increased to 5.8% - Increased by 100 basis points y-o-y, on a like to like basis
- Large format stores EBITDA margins expanded by 170 basis points
  - MOATS of networking effect & scale benefits continue to drive up the operating margins
- Big Bazaar SSG at 10.1% and 3.6% for FRL

## Key Strategic Updates:

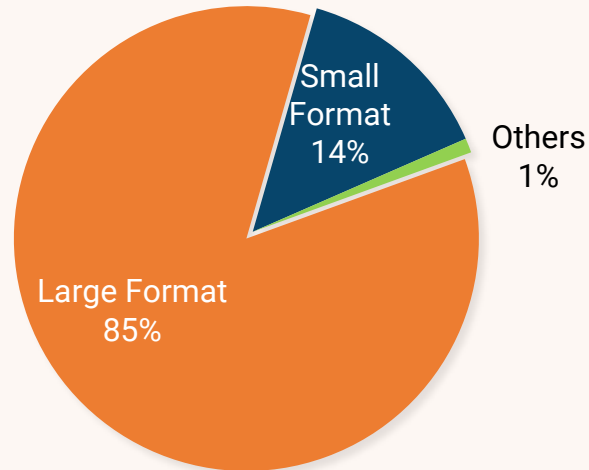
- Acquired 38 stores of Foodworld aggregating to ~0.1mn sqft w.e.f. 1<sup>st</sup> June 2018

## Future Pay Users (in mn)

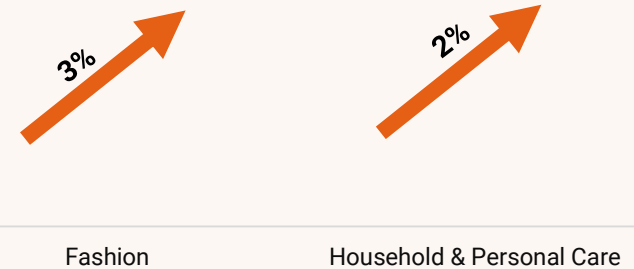
Average 10,000+ users added per day



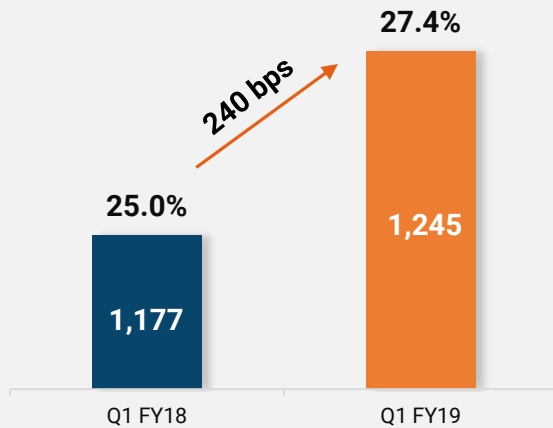
**Revenue Share**



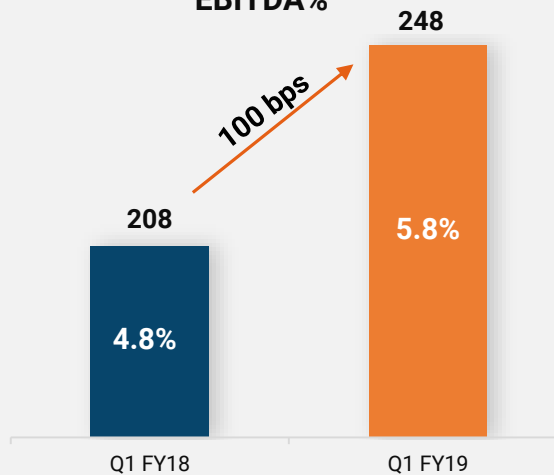
**Increase in Revenue mix of high-margin categories**



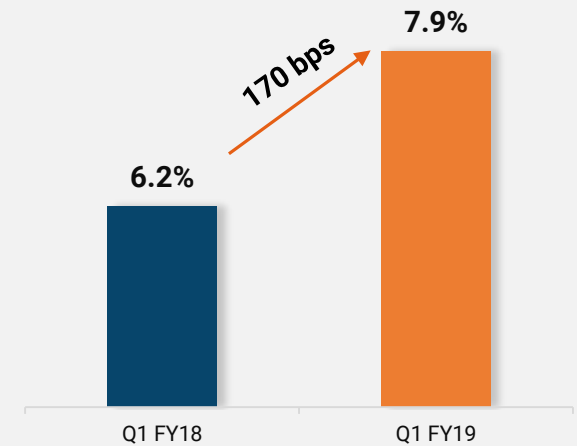
**Gross Margin (%)**



**EBITDA%\***



**Large Format EBITDA%\***



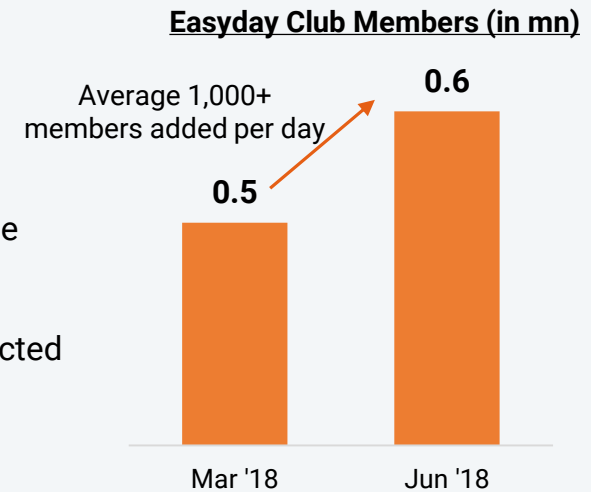
\* On a like-to-like basis excluding Hypercity, Ezzone and Home Town

### Hypercity Integration:

- Renovations and upgradations continued until 30<sup>th</sup> June 2018 across the stores acquired
- EBITDA shrinkage reduced from ₹ 38cr in Q4FY18 to ₹ 22cr in Q1FY19
- In the next 6 - 9 months, we expect Hypercity stores to be at an EBITDA of over 5%

### Update on Small Stores:

- Company continues to build this as a long term strategic fit
- 83 stores added in the current quarter
- Gross margin improved by 130 bps on Y-o-Y basis; the same was reinvested in the build-up phase
- Staples and staple connected category (35% revenue mix in the format) was affected by price deflation to the extent of 20 - 25%
- Easyday Savings Club (as of 30<sup>th</sup> June 2018):
  - 6.2 lakh members with an average of 1,011 enrolled per store
  - Members continue to visit 3 - 4 times a month
  - Program active in 612 stores



Particulars (₹ cr.)	3 months ended			Growth Y-o-Y
	30-Jun-18	31-Mar-18	30-Jun-17	
<b>Income from Operations</b>	<b>4,539</b>	<b>4,575</b>	<b>4,705</b>	<b>7.1%*</b>
<b>Gross Profit</b>	<b>1,245</b>	<b>1,234</b>	<b>1,177</b>	<b>6%</b>
<b>Gross Margin %</b>	<b>27.4%</b>	<b>27.0%</b>	<b>25.0%</b>	
Employee benefits expense	251	245	222	13%
Rent including lease rentals	365	360	368	-1%
Other Expenditures	408	429	377	8%
Total expenditure	1,024	1,033	967	6%
Other Income	3	3	3	-
<b>EBITDA</b>	<b>224</b>	<b>205</b>	<b>212</b>	<b>6%</b>
<b>EBITDA%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>4.5%</b>	
Depreciation and amortisation	20	18	11	84%
<b>EBIT</b>	<b>204</b>	<b>187</b>	<b>201</b>	<b>1%</b>
<b>EBIT %</b>	<b>4.5%</b>	<b>4.1%</b>	<b>4.3%</b>	
Finance Costs	51	46	53	-4%
<b>PBT</b>	<b>153</b>	<b>140</b>	<b>148</b>	<b>4%</b>
<b>PBT%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>3.1%</b>	
Exceptional non-cash item	-	(604)	-	
PBT (after exceptional item)	153	(464)	148	
Tax Expenses	-	-	-	
PAT	153	(464)	148	

\*Underlying Y-o-Y growth adjusting for eZone rationalization, HomeTown demerger and GST impact



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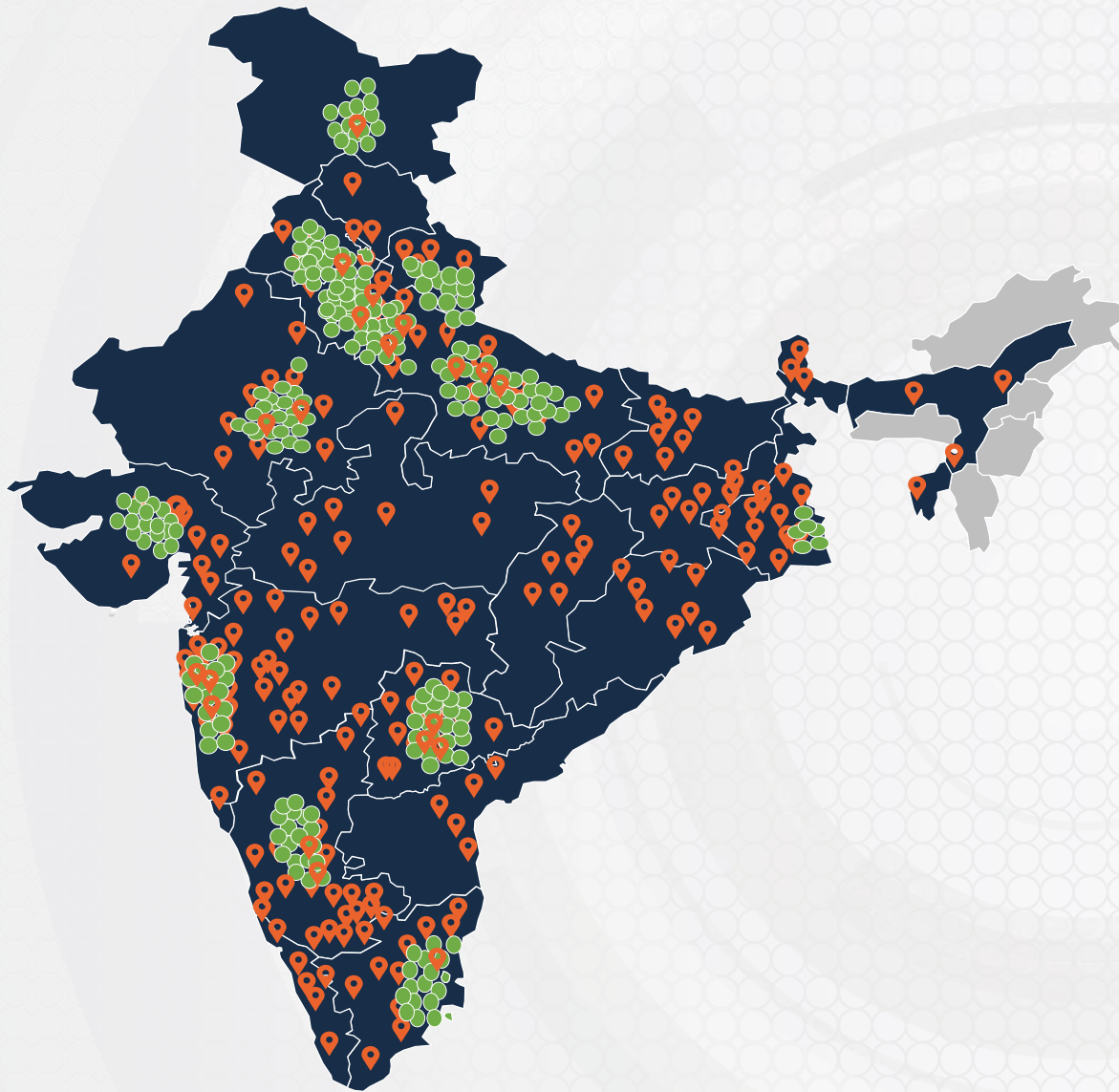
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