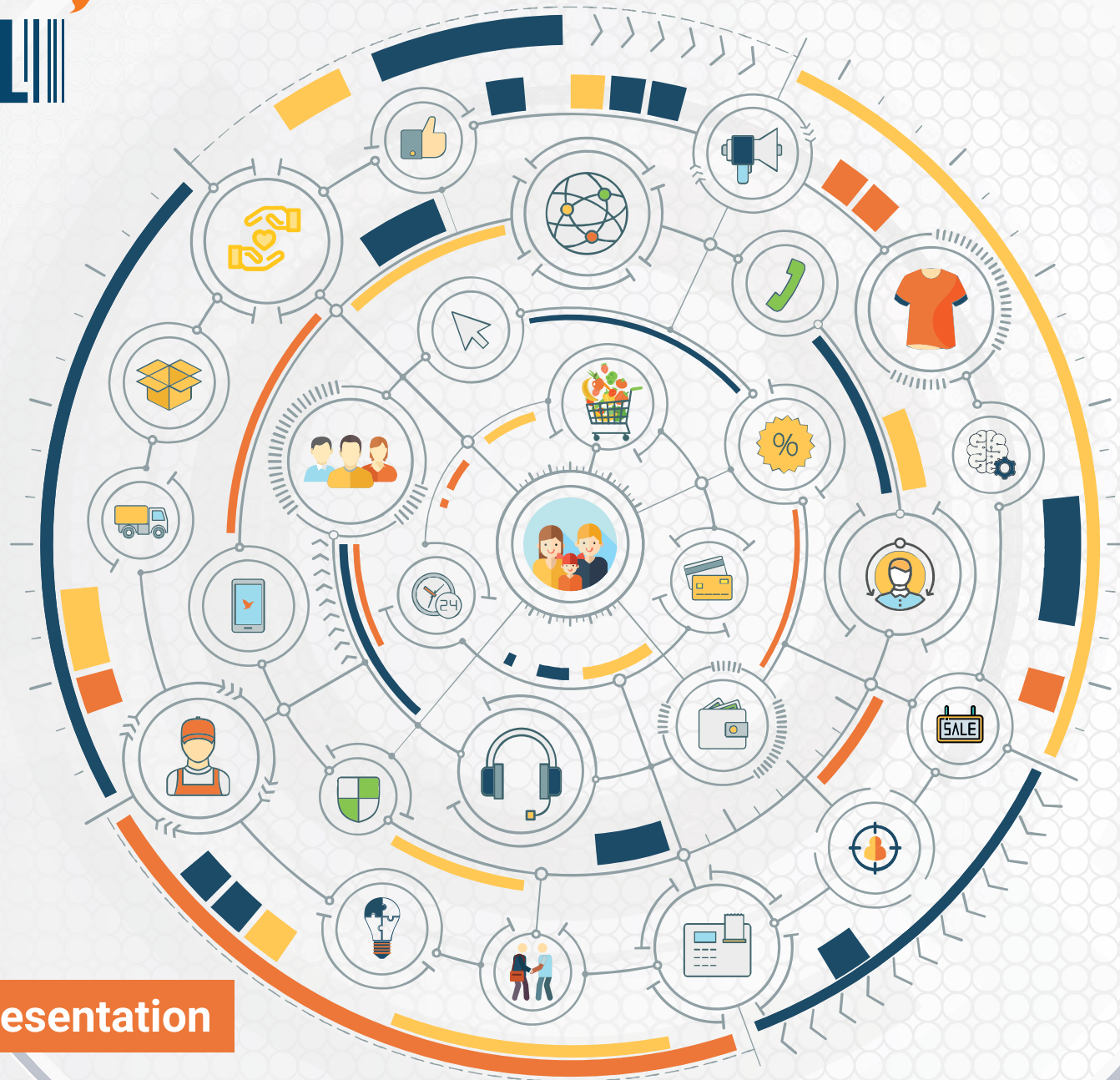


FUTURE RETAIL



Q1 FY20 Investor Presentation

July 2019

Table of Content

1	Business Updates	»»» »»» »»	03
2	Own Customer Ecosystem Continues to Grow	»»» »»» »»	06
3	Impact of IND AS 116	»»» »»» »»	12
4	Financial Update	»»» »»» »»	19

BUSINESS UPDATES



Performance Snapshot

- Company delivered a Y-o-Y revenue growth of **13.5%**
- EBITDA increased by **22%** on Y-o-Y basis to reach **5.3%** (expansion of 38 basis points)
- PAT increased by **11%** Y-o-Y to reach **3.3%** (comparable basis)
- Small format stores delivered a SSG of **11.3%**
 - Southern market grew below the format average as the integration is underway
- Over 15 consecutive quarters of strong SSG at Big Bazaar
 - **8.1%** in Q1FY20
 - **8.3%** Overall SSG in Q1FY20

Network Snapshot

- Present in **437** cities with 1,557 stores
- Over **50** cities with >1 million population have a Big Bazaar store
- Fast growing retail market share in several top Indian cities

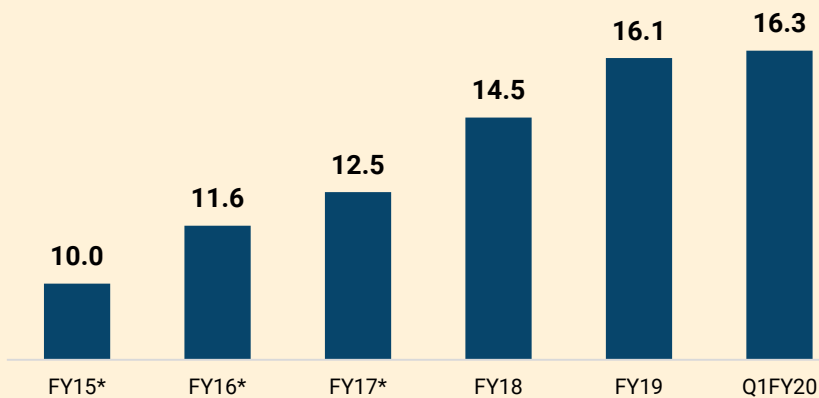
Omni-Channel Update

- **Successful pilots across multiple formats –**
 - Own digital platform in small formats in NCR: 25% members are now online
 - Partners: Amazon Now & India's leading delivery platforms
- **Early insights -**
 - 35-40% new customers added at the piloting
 - 30% customers returning to Big Bazaar, who had not shopped for 6 months
 - 40 – 45% customers have increased their frequency & therefore spends

	Formats	As on 31 March 2019			Additions	As on 30 June 2019		
		Stores	Cities	Area (mn sqft)	Stores	Stores	Cities	Area (mn sqft)
Large Stores	BIG BAZAAR Making India Beautiful	292	144	12.49	1	293	144	12.51
	fbb India's Fashion Best	94	46	0.99	2	96	48	1.02
	Foodhall	12	5	0.14	(1)	11	5	0.13
Small Stores	easyday Club Heritage fresh WHSmith	1,106	338	2.45	44	1,150 ¹	352	2.54
Others	ezone smarter living	7	4	0.07	-	7	4	0.07
Cumulative		1,511	428	16.14	46	1,557	437	16.27

(1) Includes 103 WH Smith stores

Total Retail Area (mn sq.ft)



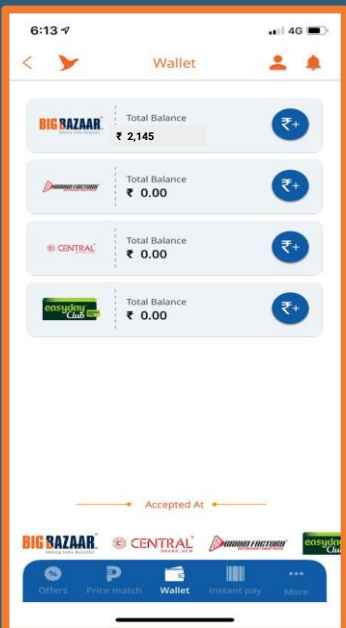
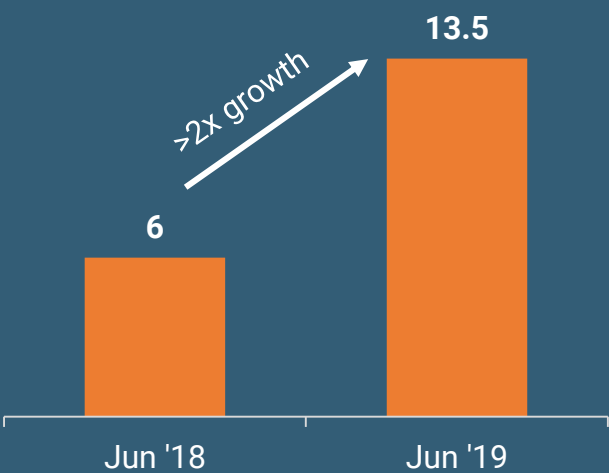
*Excluding HomeTown (Like for Like)

- Small Format Stores:
 - 82 new stores added during the quarter (0.18mn sqft)
 - 38 loss making stores closed during the quarter (0.09mn sqft)
- In the last 12 months, 1.4mn sq ft area has been added for 434 stores opened during the year

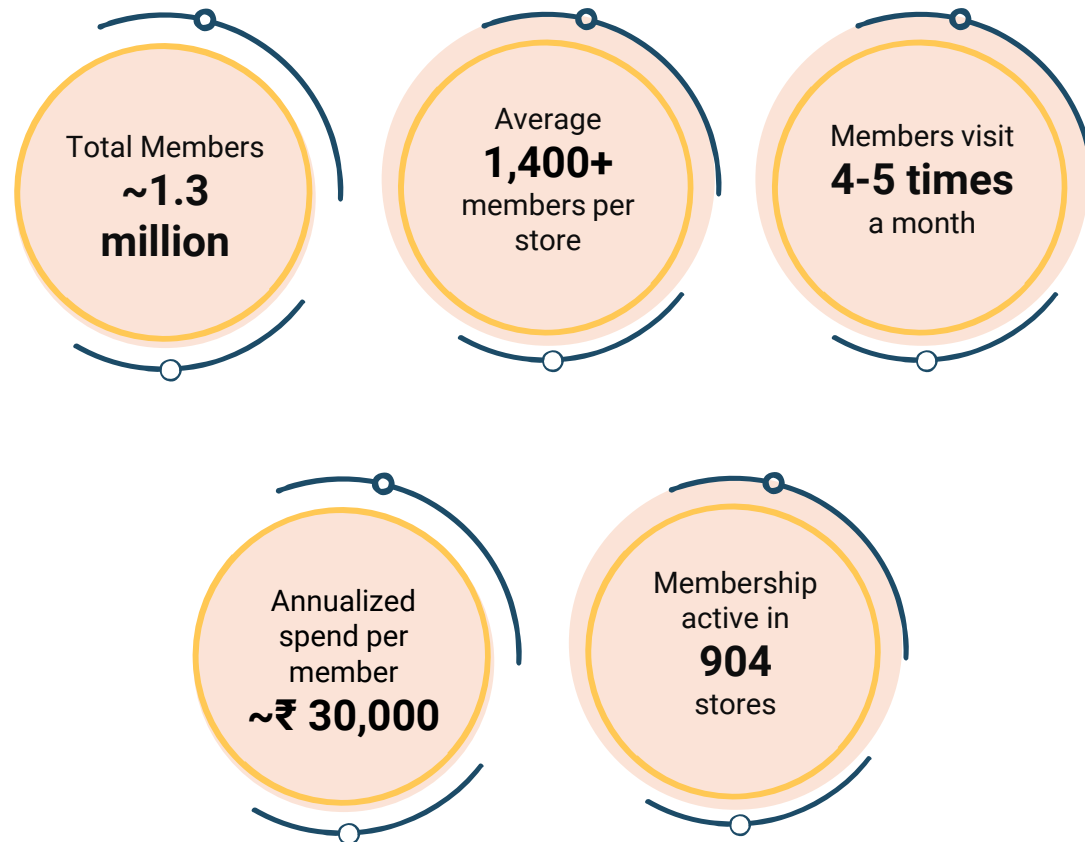
Own Customer Ecosystem Continues to Grow



Future Pay Users (in mn)

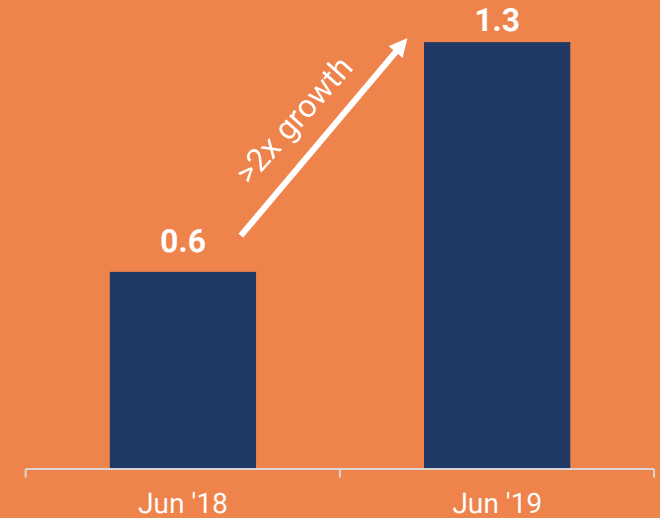


- ~ 13.5 million users
- ~50% Revenue from its users on a run-rate basis
- >20 Average Yearly store visits
- Average ticket size of ~ ₹1,500 at Big Bazaar
- ~ ₹30,000 Average annual spend per user at Big Bazaar



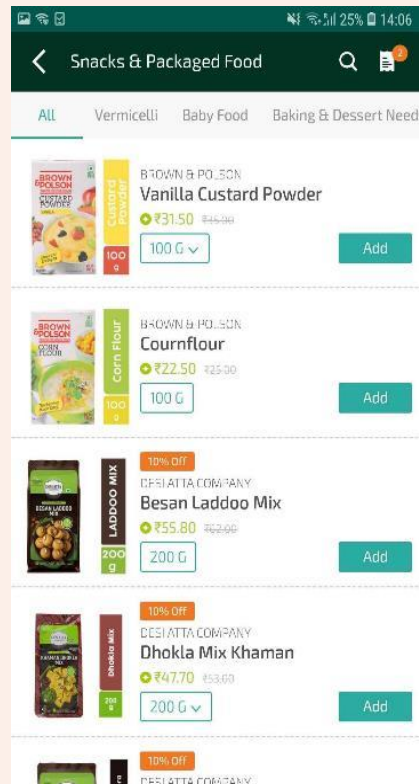
Member-centric high-value ecosystem

Easyday Club Members (in mn)

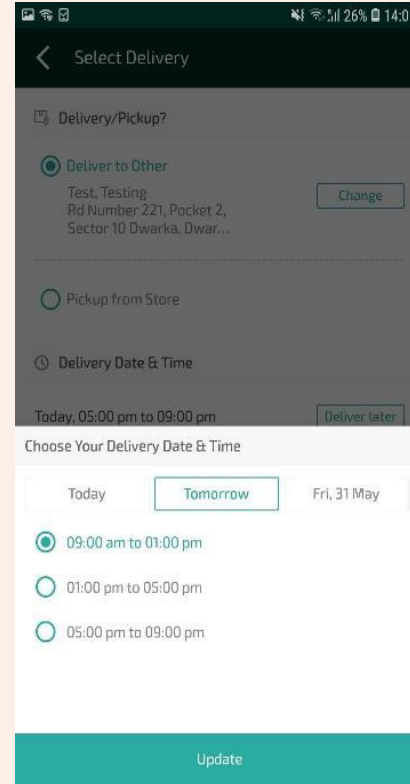




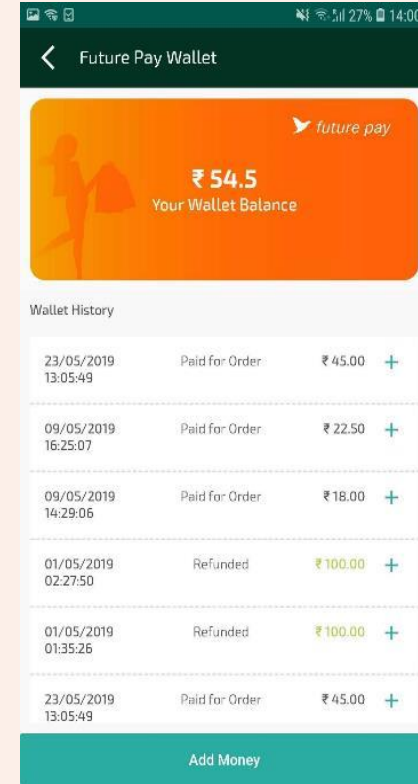
Member only shopping experience on Desktop, Mobile Web & Android



Browse and Search store offers & products



Home Delivery & Pick from store fulfilment options



Future Pay Wallet & Membership management

~9 lakh members

~20 Average Yearly store visits

Average ticket size of > ₹2,000

~ ₹40,000 Average annual spend per user



30TH APRIL
MEMBER'S PREVIEW DAY!

10 MILLION+
MEMBERS INVITED
TO AVAIL ALL PHS OFFERS IN ADVANCE



future group
Co-Founders
Of The **New**


FOOD HERO

FUTURE RETAIL LTD
WINS BIG AT THE
7TH ANNUAL
FOOD HEROES
AWARDS

FOR ITS CONTINUOUS
EFFORTS OF GETTING BETTER
& HEALTHIER MEALS FOR
KIDS IN GOVT SCHOOLS

BIG BAZAAR
cook
along
5 - 6 pm

Shilpa Shetty invites you to the
100th LIVE episode



Give a missed call on **18002706999**
and be a part of the event.
At BB gennext, Atria Mall, Mumbai

6th June, 5 pm onwards

Watch the LIVE On **BIG BAZAAR**
Food

THE MOST EXCITING
FASHION
CHANNEL IS HERE



LAUNCHING THIS THURSDAY
11.30 AM **f LIVE**

IMPACT OF IND AS – 116



- New lease standards effective from 1st April 2019.
- No distinction between finance lease & operating lease.
- All leases to be recognized in the balance sheet as an Asset and Liability.
 - The lease liability is measured at present value of minimum lease payments to be made over the lease term.
 - The right to use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, if any
 - Right to use is depreciated over a lease term on a straight-line basis. Interest is added on lease liabilities and actual payments are reduced from the liabilities balance.
- Operating lease expenses will be replaced by Depreciation and interest expenses.
- Exemptions available in the standard is pertaining to short term leases (≤ 12 months) and assets having low values.

Balance sheet		
	Ind AS 17	Ind AS 116
	Finance Leases	Operating Leases
Assets	---	---
Liabilities	---	---
Off balance sheet rights / obligations	---	---

Income statement		
	Ind AS 17	Ind AS 116
	Finance Leases	Operating Leases
Revenue	---	X
Operating costs (excluding depreciation and amortization)	---	---
EBITDA	---	↑↑
Depreciation and amortization	Depreciation	Depreciation
Operating Profit	---	↑
Finance costs	Interest	Interest
Profit before tax	---	↔

Financial Impact		
Profit/Loss	EBITDA	↑
	EPS/PBT(in early years)	↓
Balance Sheet	Total Assets	↑
	Net Assets	↓
Ratios	Gearing	↑
	Interest Cover	↓
	Asset Turnover	↓

Charts were excerpted from the IASB's IFRS 16 Effects Analysis

- FRL has lease term ranging from 3 to 25 years on an average.
- Non-Variable rental contracts have been considered for Ind AS 116
- Non-Cancellable period on an average is 3 years
- Estimated useful lives of leasehold improvement is 15 years or agreement period, whichever is earlier.
- For Ind AS 116 ,FRL has considered the following
 - *Lease term – As per agreement*
 - *Lease term for New Property Signed – 5 Years*
 - *Non-Cancellable minimum period – per agreement*
 - *Incremental borrowing rate for transition to Ind AS 116 is 10.15%*
- FRL stands to have the advantage to hold property beyond the cancellable period which is a distinct feature
- Impact on FRL Profit & Loss Statement in FY20 is negligible. Q1 impact on Profit and Loss statement is Rs 7.5 Crores in Standalone and 9.6 Crores in Consolidated Statements .

Standalone Income Statement (June Quarter)	Impact (Rs cr)
Revenue	-
Operating costs (excluding depreciation and amortization)	-367.84
EBITDA	+ 367.84
Depreciation and amortization	+204.20
Operating Profit (EBIT)	+163.64
Finance costs	+171.16
Profit before tax	-7.52

Consolidated Income Statement (June Quarter)	Impact (Rs cr)
Revenue	-
Operating costs (excluding depreciation and amortization)	-381.76
EBITDA	+ 381.76
Depreciation and amortization	+215.14
Operating Profit (EBIT)	+166.62
Finance costs	+176.23
Profit before tax	-9.61

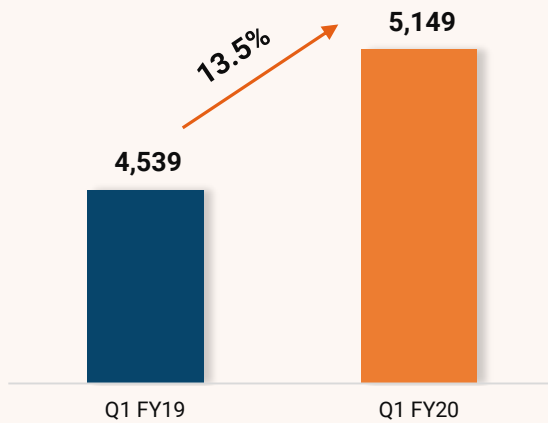
Particulars (₹ cr) For 3 months ended	30-Jun-18	With IND AS 116		Without IND AS 116	
		30-Jun-19	Y-o-Y	30-Jun-19	Y-o-Y
Total income from Operations	4,539	5,149	13%	5,149	13%
Gross Profit	1,245	1,423	14%	1,423	14%
Gross Margin %	27.4%	27.6%		27.6%	
Employee benefits expense	251	281	12%	281	12%
Rent including lease rentals	365	27	-93%	395	8%
Other Expenditures	408	482	18%	482	18%
Total expenditure	1,024	790	-23%	1,158	13%
Other Income	3	9	193%	9	193%
EBITDA	224	642	186%	274	22%
EBITDA%	4.9%	12.5%		5.3%	
Depreciation and amortisation	20	240	1,099%	36	78%
EBIT	204	402	97%	238	17%
EBIT %	4.5%	7.8%		4.6%	
Finance Costs	51	239	369%	68	34%
PBT	153	162	6%	170	11%
PBT%	3.4%	3.2%		3.3%	
Tax Expenses	-	-		-	
PAT	153	162		170	

Particulars (₹ cr)	With IND AS 116	Without IND AS 116
For 3 months ended	30-Jun-19	30-Jun-19
Total income from Operations	5,197	5,197
Gross Profit	1,450	1,450
Gross Margin %	27.9%	27.9%
Employee benefits expense	286	286
Rent including lease rentals	29	410
Other Expenditures	488	488
Total expenditure	803	1,185
Other Income	9	9
EBITDA	656	274
EBITDA%	12.6%	5.3%
Depreciation and amortisation	251	36
EBIT	405	238
EBIT %	7.8%	4.6%
Finance Costs	245	69
PBT	160	169
PBT%	3.1%	3.3%

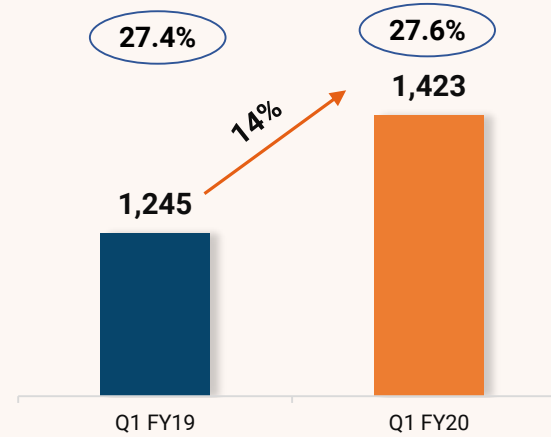
FINANCIAL UPDATE



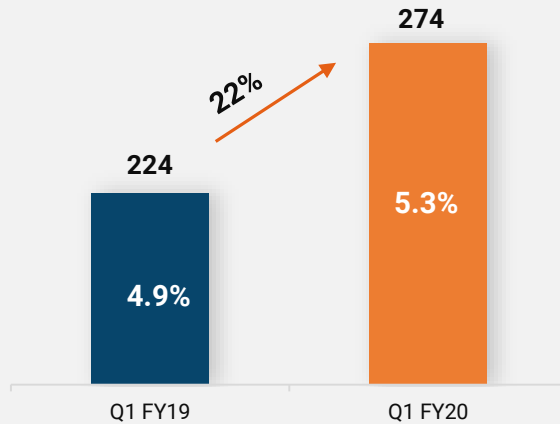
Income from Operations (₹ cr)



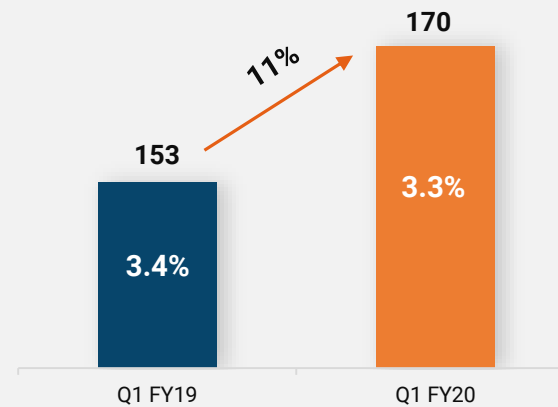
Gross Margin (% / ₹ cr)



EBITDA* (% / ₹ cr)



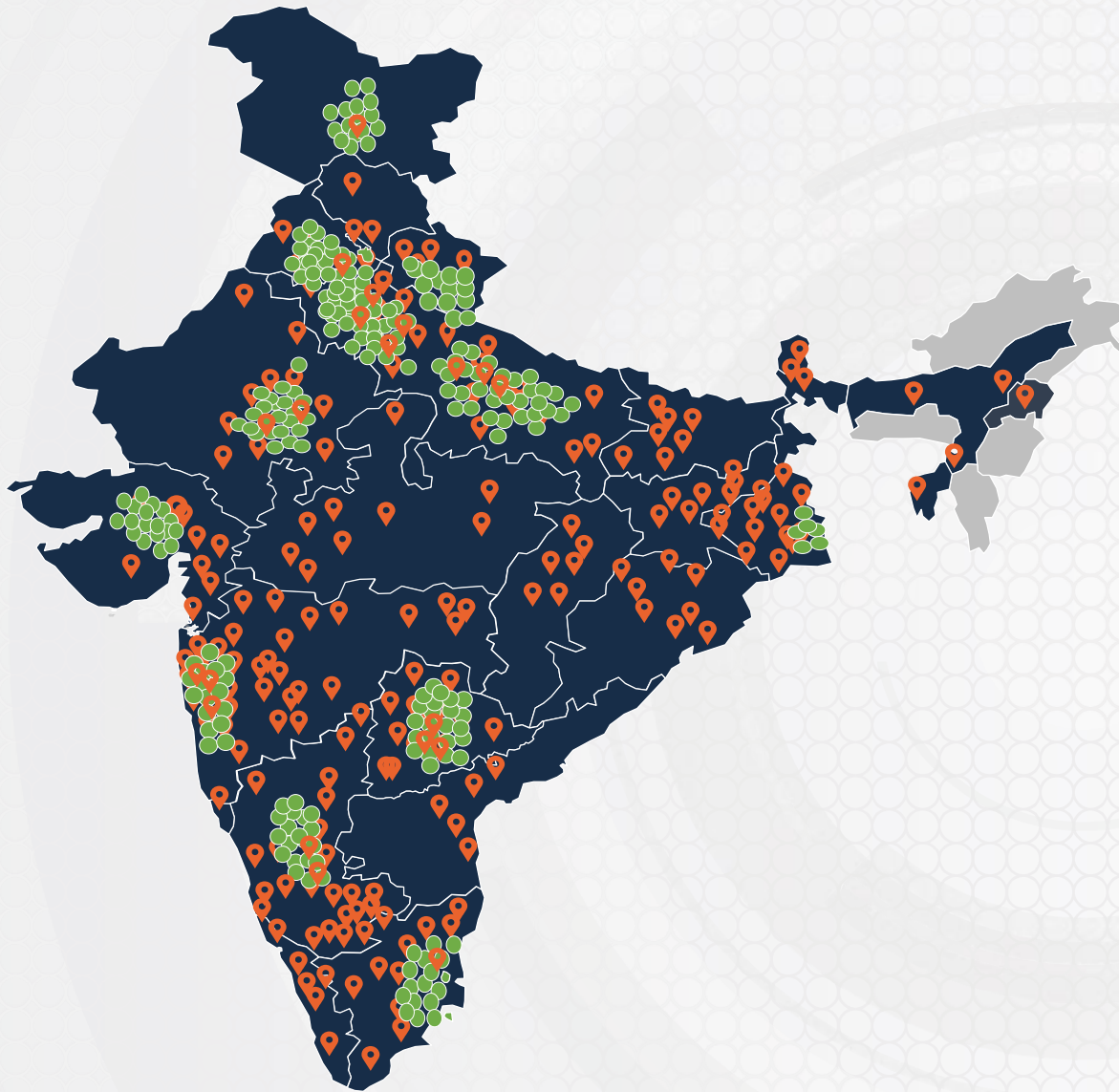
PAT* (% / ₹ cr)



*Like to like basis (without IND AS 116)

Particulars (₹ cr)	For 3 months ended		
	30-Jun-19	31-Mar-19	30-Jun-18
Total income from Operations	5,149	5,397	4,539
Gross Profit	1,423	1,445	1,245
Gross Margin %	27.6%	26.8%	27.4%
Employee benefits expense	281	276	251
Rent including lease rentals	27	380	365
Other Expenditures	482	498	408
Total expenditure	790	1,154	1,024
Other Income	9	6	3
EBITDA	642	297	224
EBITDA%	12.5%	5.5%	4.9%
Depreciation and amortisation	240	32	20
EBIT	402	264	204
EBIT %	7.8%	4.9%	4.5%
Finance Costs	239	61	51
PBT	162	203	153
PBT%	3.2%	3.8%	3.4%
Share of Profit/(Loss) of Joint Ventures	-	-	-
PBT	162	203	153
Tax Expenses	-	-	-
PAT	162	203	153

Particulars (₹ cr)	For 3 months ended		
	30-Jun-19	31-Mar-19	30-Jun-18
Total income from Operations	5,197	5,462	4,589
Gross Profit	1,450	1,473	1,269
Gross Margin %	27.9%	27.0%	27.7%
Employee benefits expense	286	280	255
Rent including lease rentals	29	380	375
Other Expenditures	488	526	417
Total expenditure	803	1,186	1,048
Other Income	9	7	4
EBITDA	656	294	225
EBITDA%	12.6%	5.4%	4.9%
Depreciation and amortisation	251	33	21
EBIT	405	262	205
EBIT %	7.8%	4.8%	4.5%
Finance Costs	245	62	52
PBT	160	200	152
PBT%	3.1%	3.7%	3.3%
Share of Profit/(Loss) of Joint Ventures	(0.4)	(0.2)	-
PBT	159	199	152
Tax Expenses	-	0.01	-
PAT	159	199	152



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.

Corporate Office:

Future Retail Office, 9th Floor, Tower C, 247 Park, LBS Marg, Vikhroli (West) Mumbai: 400083 , +91 22 30842336 | www.futureretail.in