

# FUTURE RETAIL



**Q2FY19 Investor Presentation**

November 2018

# BIG PICTURE OF THE QUARTER & KEY HIGHLIGHTS



## Performance Snapshot

- Company delivered an underlying growth of **16%**
- Margin expansion continues with EBITDA expanding by **18%** on Y-o-Y basis to reach **5.1%**
- Over 13 consecutive quarters of almost double digit SSG at Big Bazaar
  - 9.4%** in Q2FY19
- Functional Integration led by payments @ Future Pay (~**25%** revenue contribution on a run-rate basis)

## Network Snapshot

- Present in **373** cities with 1,336 stores
- Over **50** cities with >1 million population have a Big Bazaar store
- In last 12 months, we have opened **26** large stores in Tier 2/3 towns
- Only company to have **15** stores in hilly regions & the North East

## Business Snapshot

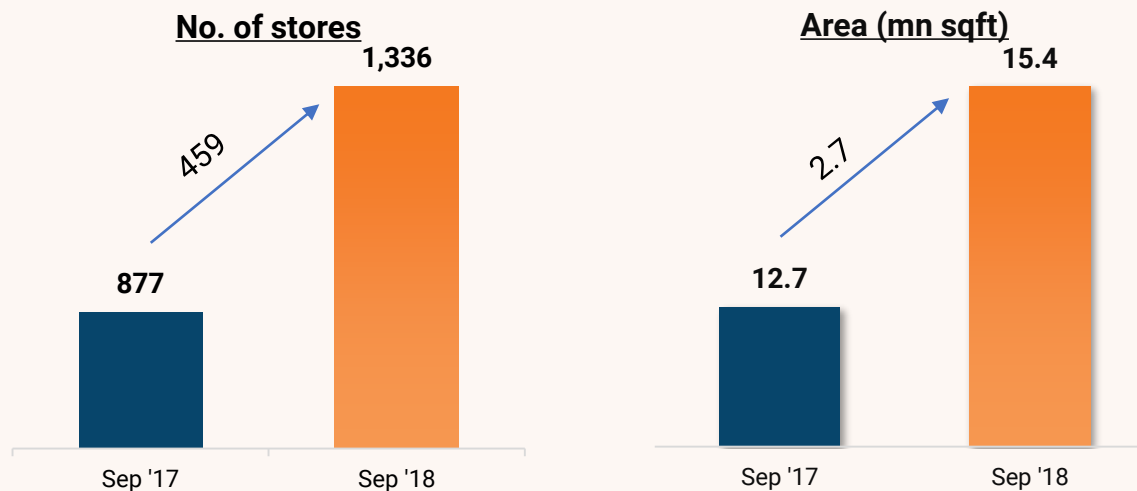
- The festive season moved from 15<sup>th</sup> Sep – 15<sup>th</sup> Oct '17 to 05<sup>th</sup> Oct - 05<sup>th</sup> Nov '18: Festive growth has been **18%** Y-o-Y
- Improvement by ~**20%** in footfall conversions
- Continued strong roll-outs of key membership programs like Future Pay & Easyday Savings Club

## FRL Store Network

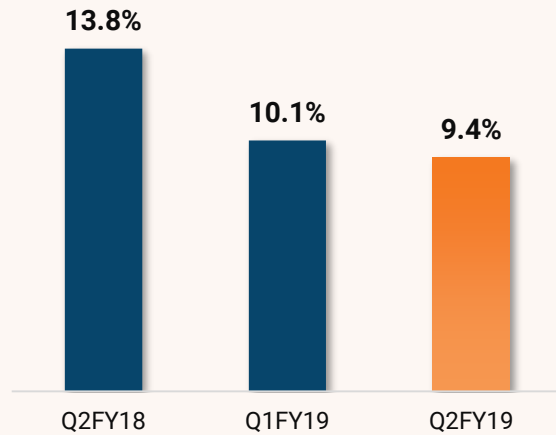
Format	As on 30 Sep 2018	During Jul – Sep '18	
		Store additions	Area added (mn sqft)
Large Format	<b>BIG BAZAAR</b> Making India Beautiful	284	143
	<b>fbb</b> Indian Fashion Hub	74	39
	<b>Foodhall</b>	10	5
Small Format	<b>easyday Club</b> , <b>Heritage fresh</b> , <b>WHSmith</b>	959	273
Others	<b>ezone</b> smarter living	9	6
<b>Cumulative</b>		<b>1,336</b>	<b>15.4</b>

\* 9 Smaller Food Bazaar stores in Hyderabad converted to Heritage stores; WH Smith stores included

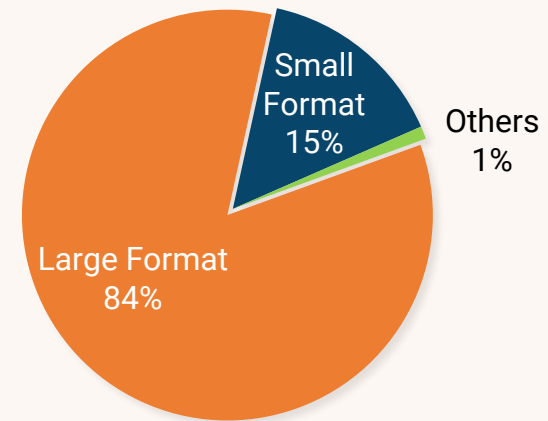
## Y-o-Y



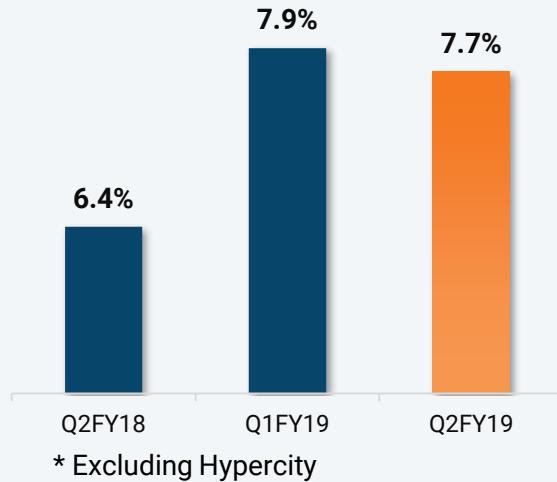
**Big Bazaar SSG%**



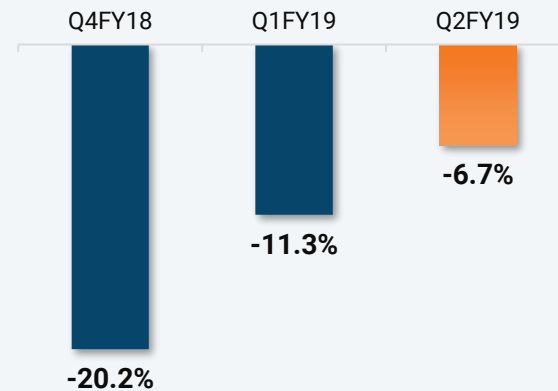
**Revenue Share**



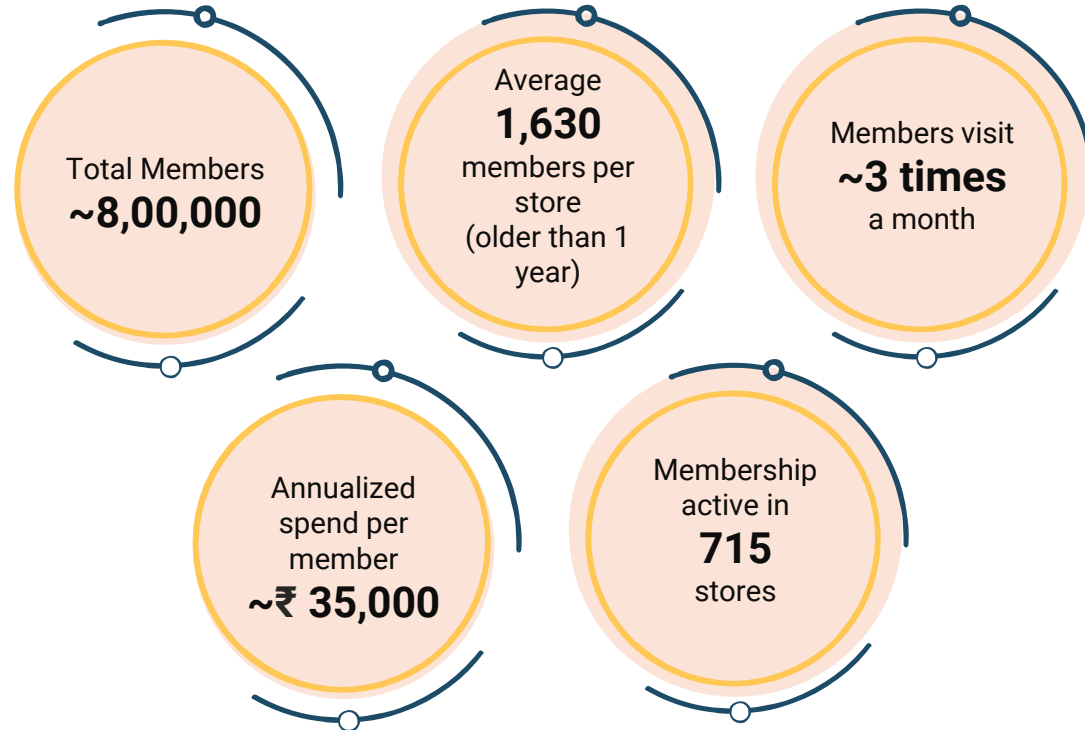
**EBITDA\*%**



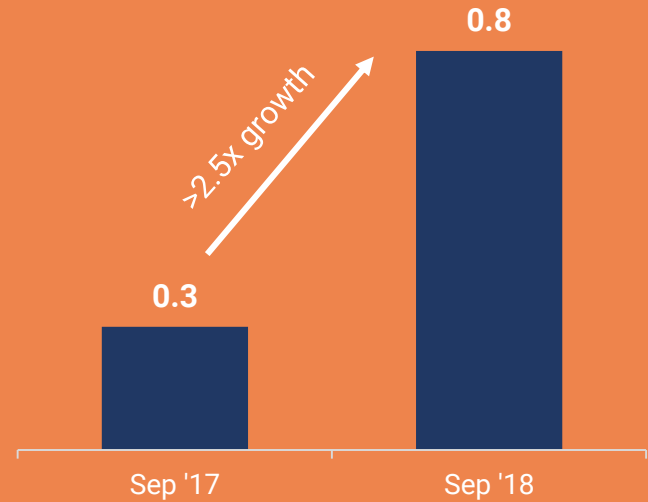
**Hypercity EBITDA%**



**On track to achieve 5% EBITDA in upcoming quarters**



## Easyday Club Members (in mn)



**Pados ki taazgi**  
Special offers on fresh produce, dairy and more.

**Pados ka bharosa**  
Quality products at the best prices.

**Pados wali service**  
Home delivery and more services.

**Pados ki bachat**  
Special offers on groceries.

**Pados ka parivaar**  
Special offers for families.

**Pados ki quality**  
Fresh and quality products.

**Naye andaaz waali shopping**

**Pesh hai membership waali faayde ki dukaan**

Visit [www.easyday.in](http://www.easyday.in)

Become a member now

**easyday Club** For Members

**Pados ki Dukaan**

Join the family! **SIRF 2000 MEMBERS** ke liye open

Ricky ko chahiye sab kuch fresh, jab grocery ka hai Sawaal.

Sonika ke Pados Ki Dukaan ke pass hai uska har Jawaab.

Click to watch

Follow their story on our social media handles

[@easydaystore](#) [@easydayclub](#) [@easydayclub](#) [@easydayclub](#)

**21.11.17 More Power to the Consumers**

Experience **Retail 3.0**

Live on **Facebook**

Today at **5.30pm**

Join us in the LIVE stream on Twitter @fg\_buzz and Future Group Facebook page to watch Kishore Bhasi introduce **Retail 3.0**

Be a part of this landmark event that will alter the Retail landscape and empower the customer like never before!

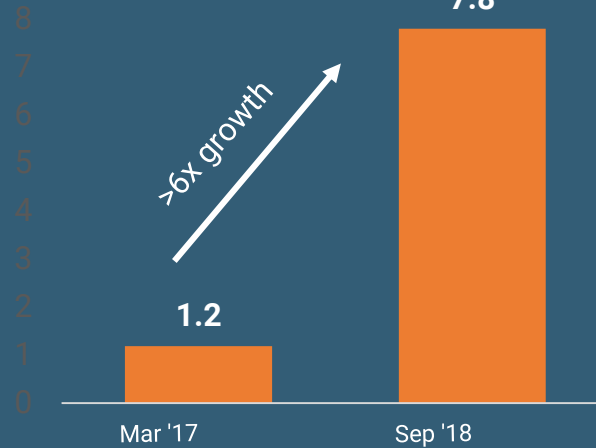
Broadcast LIVE from Mumbai, today at 5.30pm



# WE CONTINUE TO DO THINGS DIFFERENTLY



Future Pay Users (in mn)



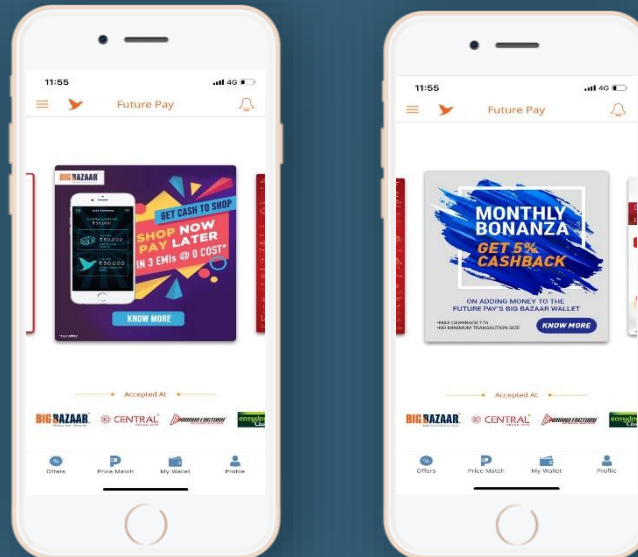
~ 7.8  
million  
users

Sale of  
**₹6,000 cr** on  
an annualised  
basis

**32%**  
Y-o-Y  
increase in total  
transactions  
during the  
quarter

Average spend  
per user of  
**> ₹700**

~ 4 million  
price match  
transactions





Multiple Strategies

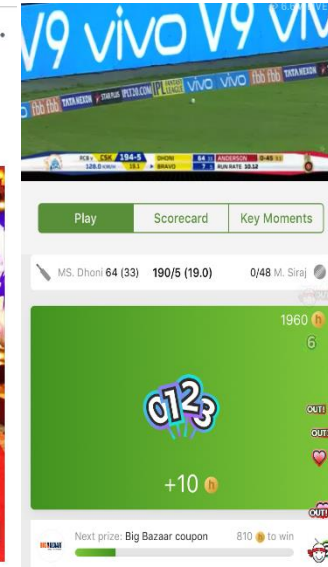
Shopatainment

Gamification

Partnerships

Digital IP's

What did we do?



Impact Assessment

- Footfalls: 250,000 (40% conversion rate)
- Revenue: Rs. 50cr at an ATS: Rs. 2,075 and a high GM%
- Young and sticky customers generated
- ~600,000 coupons given in H1 FY19

**BIG BAZAAR**  
Making India Beautiful

**ONLY FOR MEMBERS!**  
**SHOP FOR ₹5000**

**GET BACK ₹1000\***  
28-29 JULY 2018

\*₹200 x 5 MONTHS  
STARTING 1<sup>ST</sup> AUG 2018

future pay  
Mobile Wallet

SCAN QR CODE

DOWNLOAD FUTURE PAY @

GIVE A MISSED CALL TO DOWNLOAD  
**8010 35 0000**

OFFER VALID AT

**BIG BAZAAR** **FOOD BAZAAR** **Hypercity** **fbb** **ezone**

**BIG BAZAAR**

**THE PRESSURE IS BUILDING UP!**

**GREAT INDIAN HOME FESTIVAL**

CLICK HERE TO WATCH THE TVC

CATCH THE BEST OFFERS TO UPGRADE YOUR HOME THIS SEASON!

**BIG BAZAAR**

**5 DAYS MAHA BACHAT**  
11-15 AUGUST

JOIN THE NATION IN CELEBRATING  
**INDIA'S GRANDEST SHOPPING FESTIVAL!**

WATCH THE VIDEO AND HAQ SE KHAREDO!

**BIG BAZAAR**  
Making India Beautiful

**WATCH YOUR FAVOURITE STARS IN**  
**MAHABACHAT KI MAHAFAMILY**

**24hr** **BIG BAZAAR** **5 DAYS MAHA BACHAT**  
11-15 AUGUST

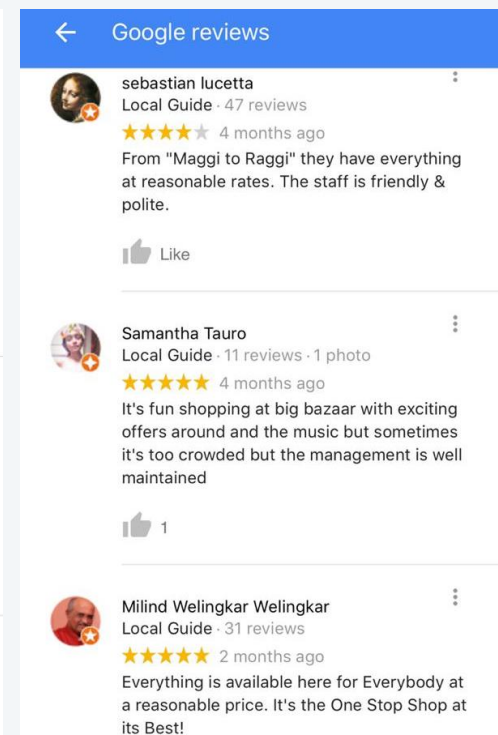
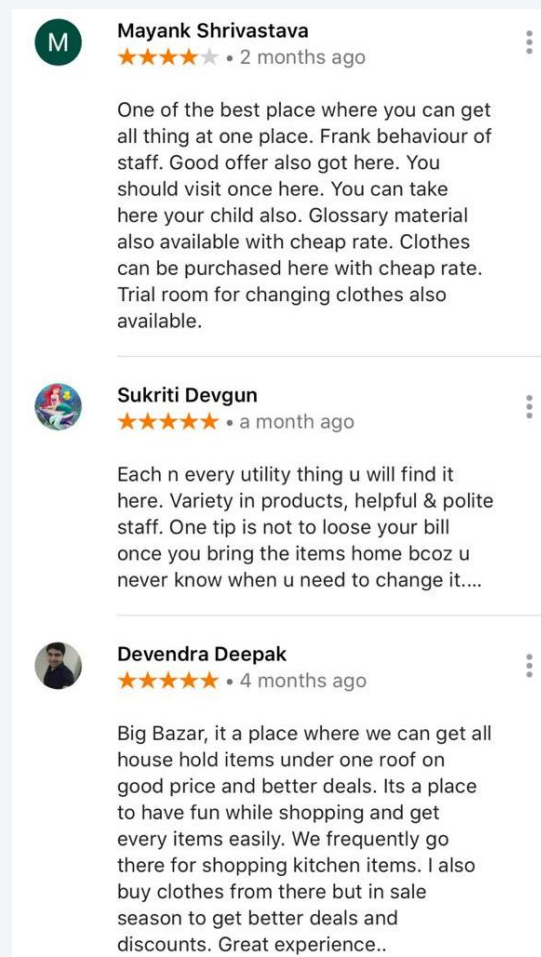
Join us on BigBazaar **f** Page.

**11<sup>th</sup> Aug, 10am onwards.**

What did we do?

- We created Big Bazaar Gen Nxt stores -  
Amalgamation of Best Product & Service Delivery experience from across all group formats

What did the Customers say?



Our Strategy

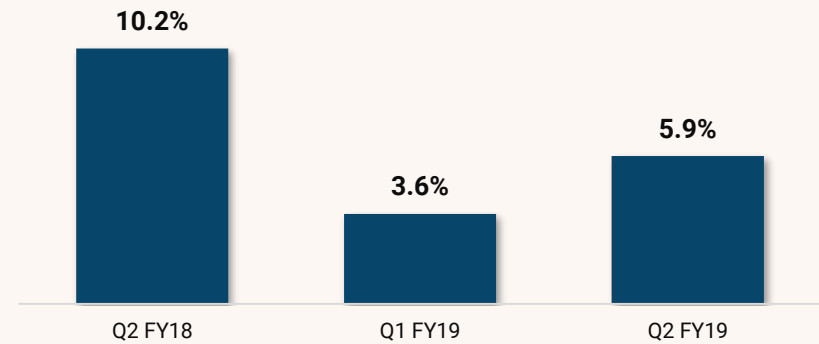
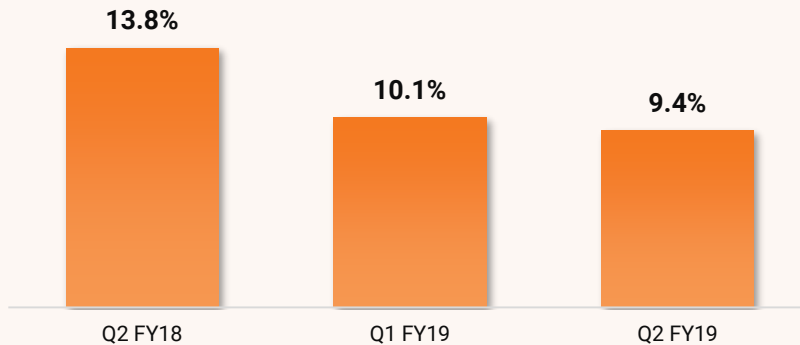
Inculcating The Best Assortment & Service practices of Gen Nxt into all stores now!!



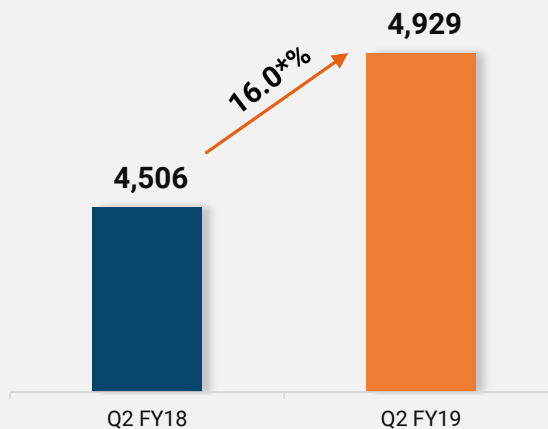
# QUARTER IN NUMBERS



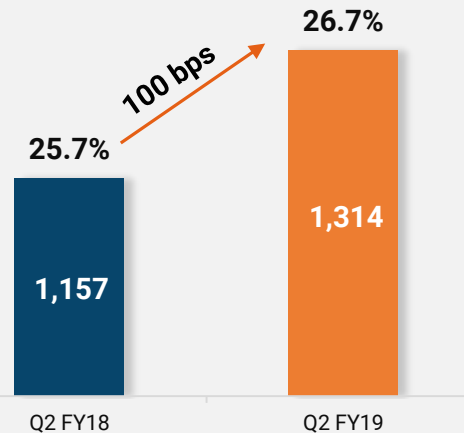
## Same Store Sales Growth (%)



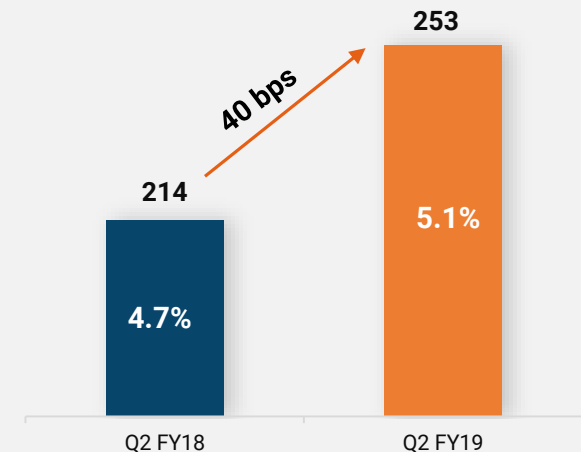
## Income from Operations (Rs cr)



## Gross Margin (%)



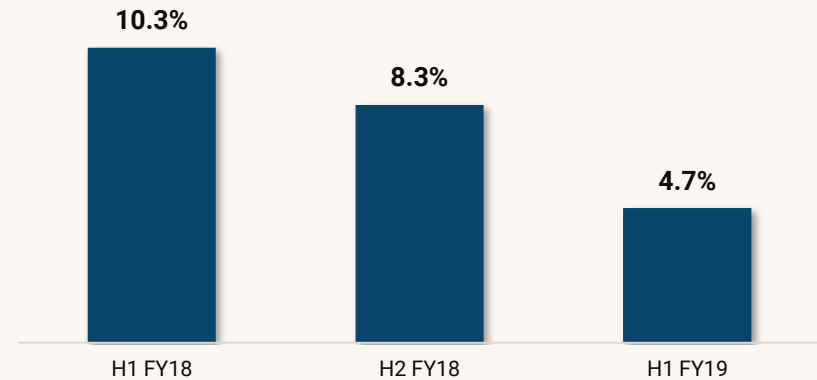
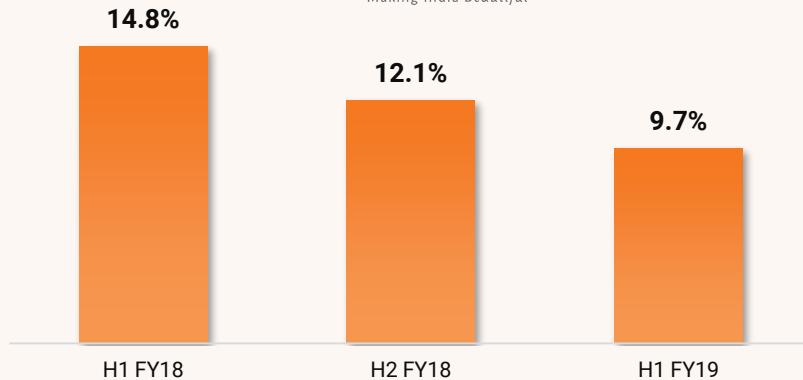
## EBITDA (Rs cr)



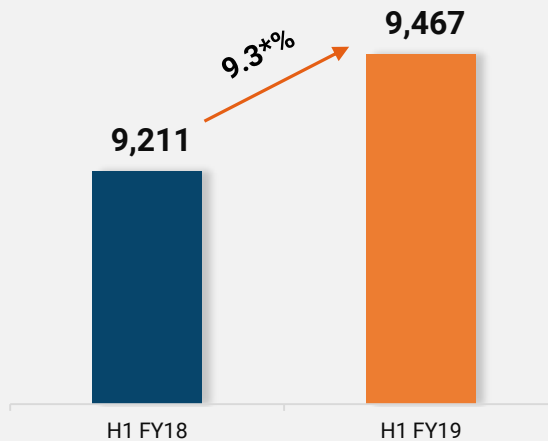
\*Underlying Y-o-Y growth adjusting for eZone rationalization and HomeTown demerger



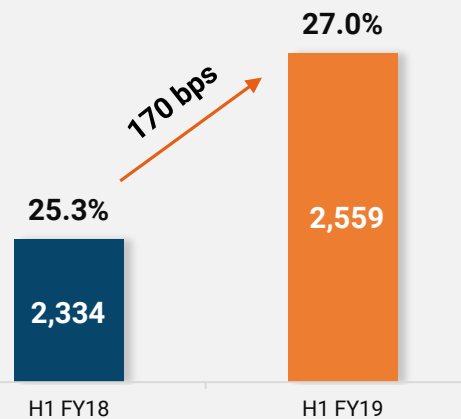
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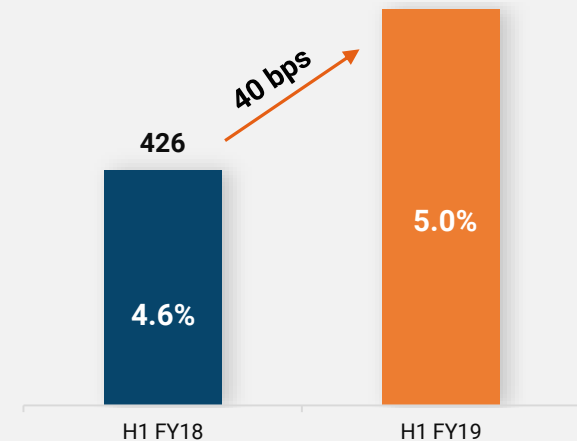
## Income from Operations (Rs cr)



## Gross Margin (%)

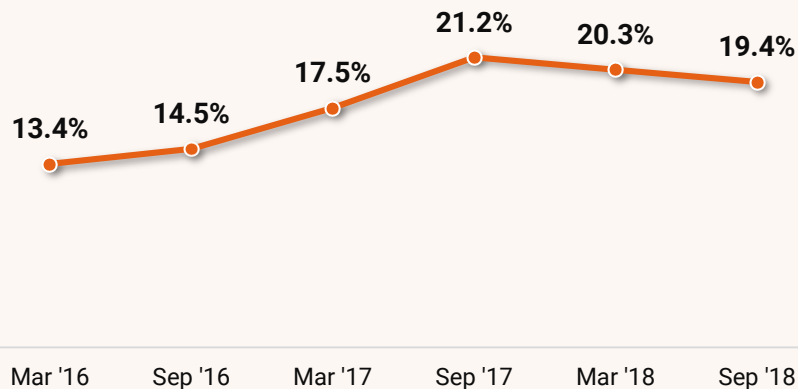


## EBITDA (Rs cr)

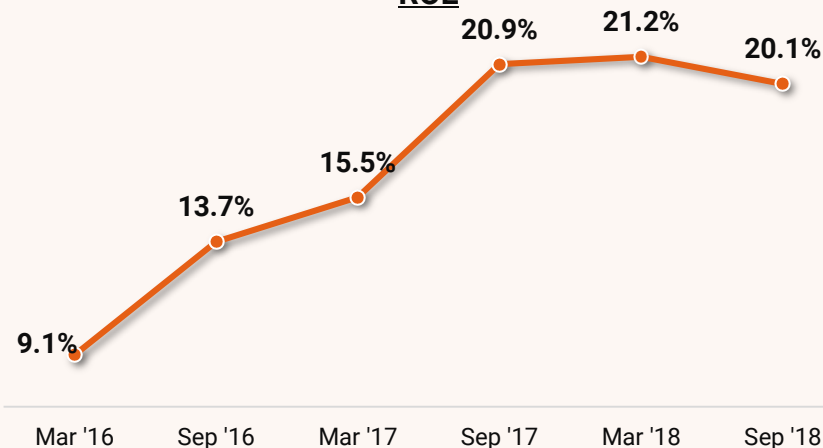


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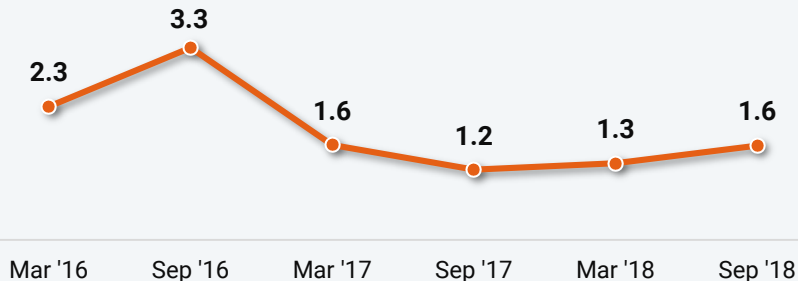
**ROCE**



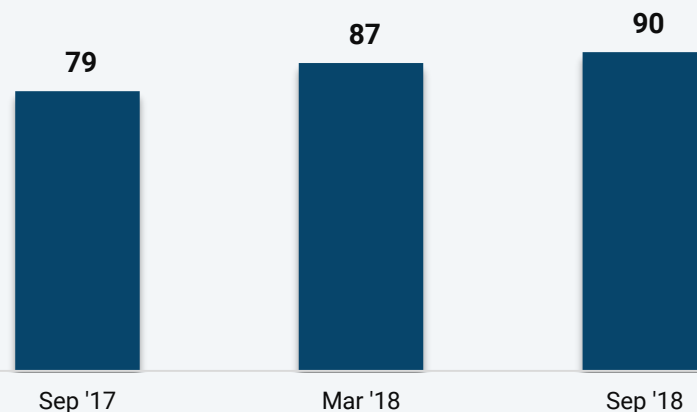
**ROE**



**Debt/EBIT**



**Inventory Days (Revenue)**



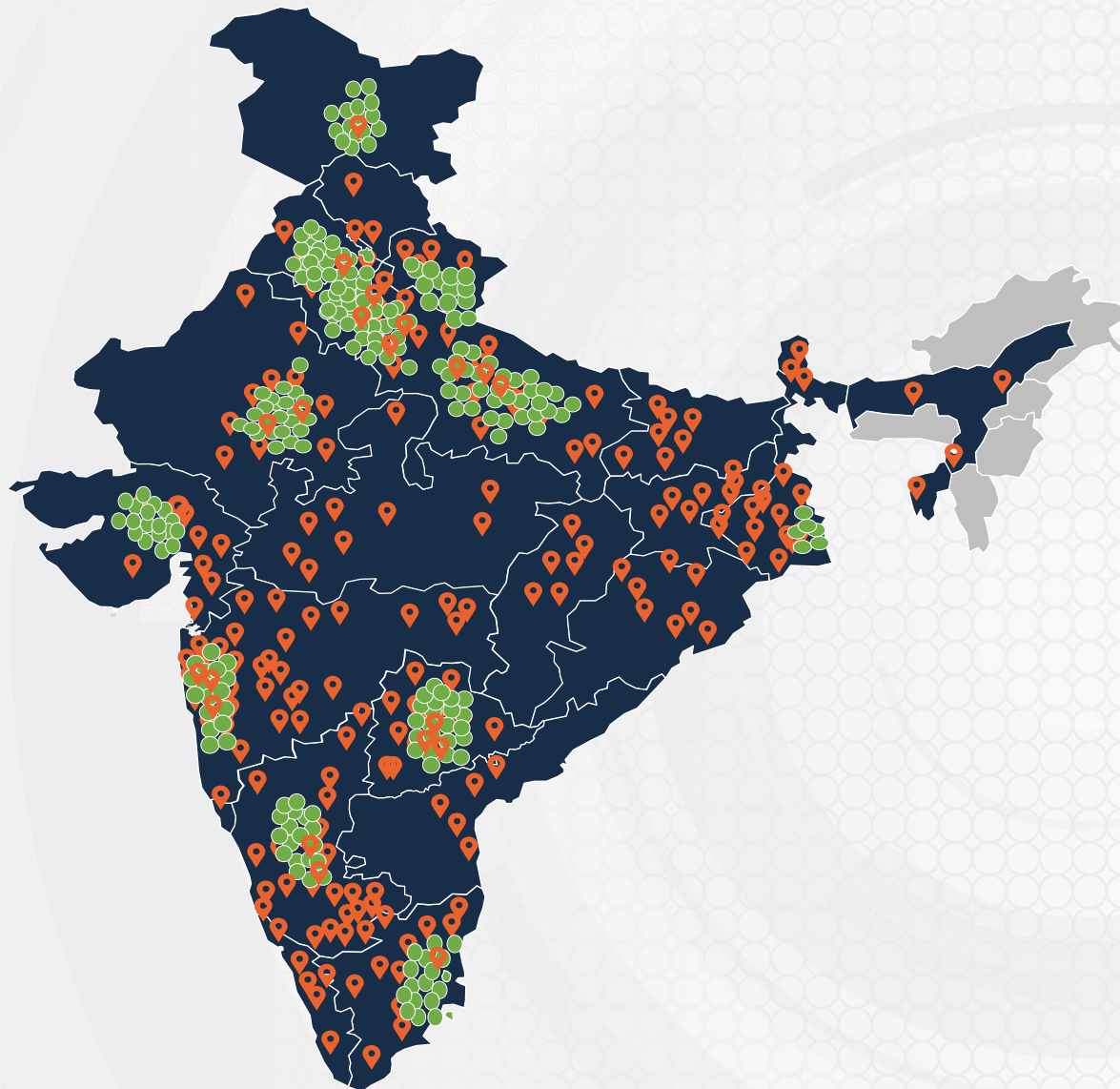
Note: The ratios pertaining to FY16 have been derived on a comparable basis

- Net Debt / EBIT = (Borrowings – Cash & Bank Balances) / EBIT
- ROCE = EBIT / Average (Equity + Optionally convertible debentures + Borrowings – Cash & Bank Balances)
- ROE = PAT before exceptional items / Average (Equity + Optionally convertible debentures)
- Inventory days = (Inventory / Income from Operations) \* 365

Particulars (₹ cr)	3 months ended				Growth	
	30-Sep-18	30-Jun-18	30-Sep-17		Y-o-Y	Q-o-Q
<b>Income from Operations</b>	<b>4,929</b>	<b>4,539</b>	<b>4,506</b>		<b>16%*</b>	<b>9%</b>
<b>Gross Profit</b>	<b>1,314</b>	<b>1,245</b>	<b>1,157</b>		<b>14%</b>	<b>6%</b>
<b>Gross Margin %</b>	<b>26.7%</b>	<b>27.4%</b>	<b>25.7%</b>			
Employee benefits expense	270	251	231		17%	8%
Rent including lease rentals	367	365	337		9%	1%
Other Expenditures	429	408	378		14%	5%
Total expenditure	1,067	1,024	946		13%	4%
Other Income	6	3	3		106%	82%
<b>EBITDA</b>	<b>253</b>	<b>224</b>	<b>214</b>		<b>18%</b>	<b>13%</b>
<b>EBITDA%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>4.7%</b>			
Depreciation and amortisation	23	20	11		106%	16%
<b>EBIT</b>	<b>230</b>	<b>204</b>	<b>203</b>		<b>14%</b>	<b>13%</b>
<b>EBIT %</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.5%</b>			
Finance Costs	55	51	50		12%	8%
<b>PBT</b>	<b>175</b>	<b>153</b>	<b>153</b>		<b>14%</b>	<b>14%</b>
<b>PBT%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.4%</b>			
Tax Expenses	-	-	-			
<b>PAT</b>	<b>175</b>	<b>153</b>	<b>153</b>		<b>14%</b>	<b>14%</b>

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

PARTICULARS (₹ cr)	As at 30 Sep 2018	As at 31 Mar 2018
Shareholders' Funds	3,433	3,096
Net Debt	1,479	1,103
<b>Total Capital Employed</b>	<b>4,912</b>	<b>4,199</b>
Less: Investments	68	0
<b>Net Adjusted Capital Employed</b>	<b>4,845</b>	<b>4,199</b>
Fixed Assets	1,338	1,052
Net Non-Current Assets	236	236
Net Current Assets	3,271	2,912
<b>Total Net Assets</b>	<b>4,845</b>	<b>4,199</b>



# 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:

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