

FUTURE RETAIL



Investor Presentation

May 2018

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FRL OVERVIEW



Per Capita Income	Below \$1,300	\$1,300 - \$2,000	\$2,000 – \$2,500	More than \$2,500
No of States / UT	8	7	8	8
States	Assam, Bihar, Jharkhand, MP, Manipur, Meghalaya, Odisha, UP	AP, Chattisgarh, J&K, Nagaland, Rajasthan, Tripura, WB	Arunachal Pradesh, Gujarat, HP, Karnataka, Mizoram, Punjab, TN, Telangana	Goa, Haryana, Kerala, Maharashtra, Sikkim, Uttarakhand, Delhi, Chandigarh
State GDP: FY17(\$bn)	500	460	752	674
Contribution to National GDP	21%	19%	32%	28%
Growth rate (5Y Historical)	12.0%	13.2%	12.7%	12.0%
	India represents a well dispersed opportunity			
No. of Districts	278	135	192	107
Urban Population (mn)	97	74	108	98
FRL points of connect	153	117	436	329
	Deeper presence in high-income states with an incumbency advantage in rest of India			
	100+ new airports, 15 new metros and over 100 smart cities indicating better living			

Source: Based on published government data
*GDP: Gross Domestic Product

States in orange represent FRL presence
Exchange rate: \$1=Rs 65

SCALE



1,035
Retail stores



14.5 mn sq.ft.
Retail Space



>US\$ 2.8 bn
FY18 Revenue
(* Exchange rate \$1=₹65)

EFFICIENCY



>67%
Revenue from
non-food
categories



25.6%
Gross Margins



9.9%
Same store
Sales Growth

DEPTH



>340 mn
Customer
footfalls in FY17



321
Cities



26
States

VALUE CREATION



4.3%
EBIT%



20.3%
ROCE



₹ 12.5
EPS (before one time
exceptional item)

What we set out for



Addition of
20 - 25 large
stores



Big Bazaar
target SSG:
12 - 15%



Small Stores to
achieve
breakeven



About 800 small
stores by
Mar '18



Strong case of
margin
improvement



"More out of the
Same"



What we delivered

50* new stores
added during
the year
(*including
Hypercity)

13.4% Big
Bazaar SSG for
FY18

On track to
deliver
breakeven at a
much larger
scale in FY19

756 small
stores as on
31 March 2018
(including 90 WH
Smith stores
w.e.f.
11 May 2018)

EBITDA margin
improved by
100 basis points
on a y-o-y basis

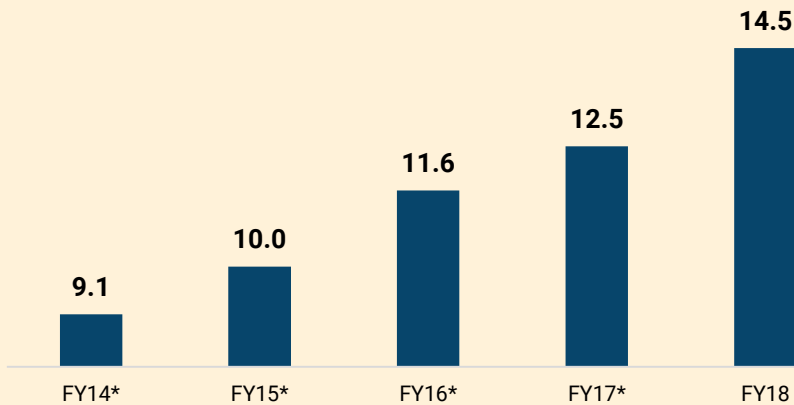
Big Bazaar
sales per sqft
has increased
by 11.5% to
~₹14,500*

* For stores that were operational for the full year

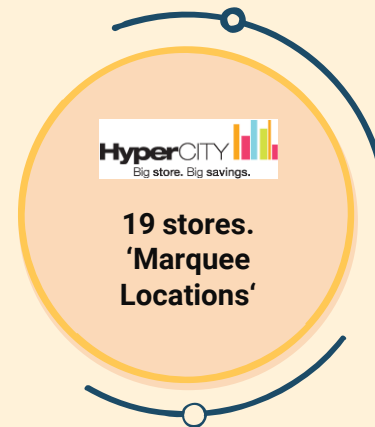
	Formats	As on 1 April 2017			Store additions	As on 31 March 2018		
		Stores	Cities	Area (mn sqft)		Stores	Cities	Area (mn sqft)
Large Stores	BIG BAZAAR Making India Beautiful	235	124	10.2	50	285 ¹	135	12.1
	fbb India's Fashion Hub	54	32	0.6	7	61	36	0.6
	Foodhall	7	4	0.1	3	10	5	0.1
Small Stores	easyday Club Heritage fresh	538	11 [#]	1.4	128*	666 ²	13 ³	1.5
Others	ezone smarter living	30	11	0.3	(17)	13	8	0.1
Cumulative		864	240	12.5	188	1,035	321	14.5

1. Including Hypercity stores 2. Excluding the acquisition of 90 stores of WH Smith. The transaction was closed on 11 May 2018 3. Clusters

Total Retail Area (mn sq.ft)

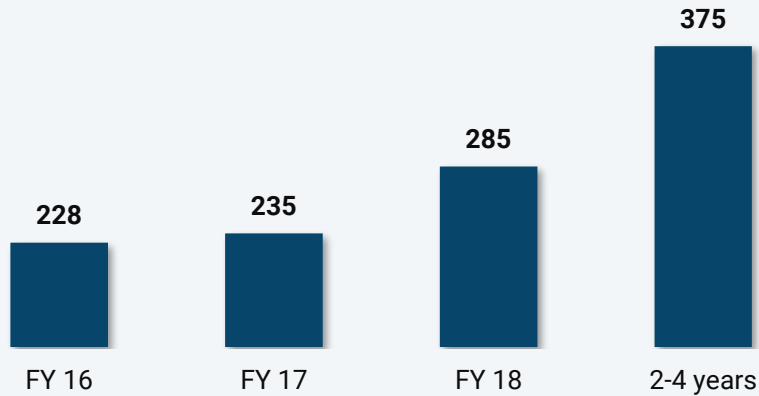


*Excluding HomeTown (Like for Like)

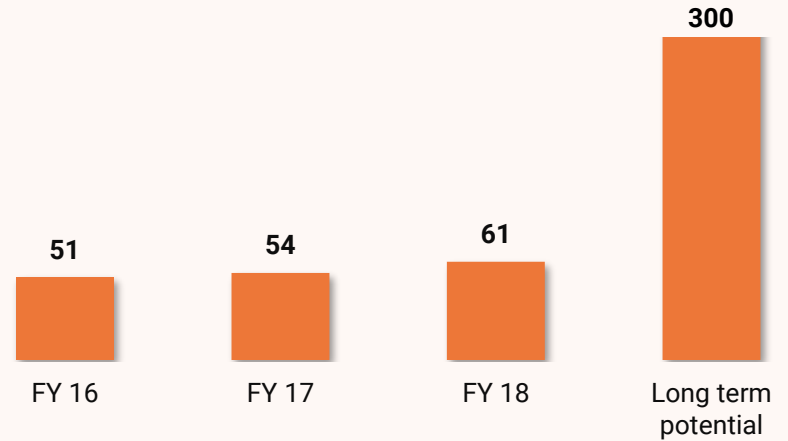




(No. of Stores)

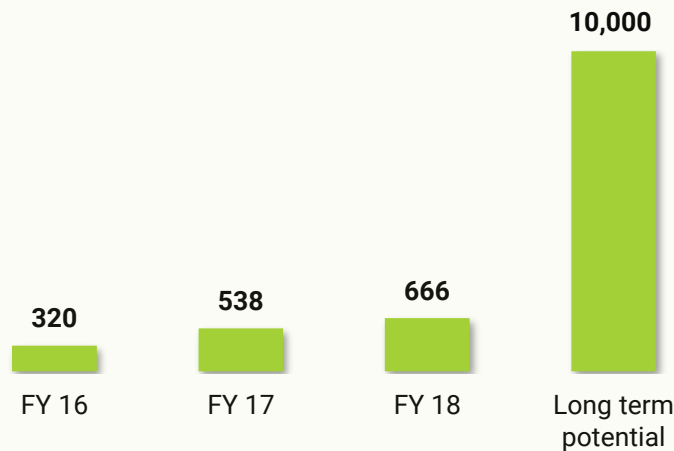


(No. of Stores)

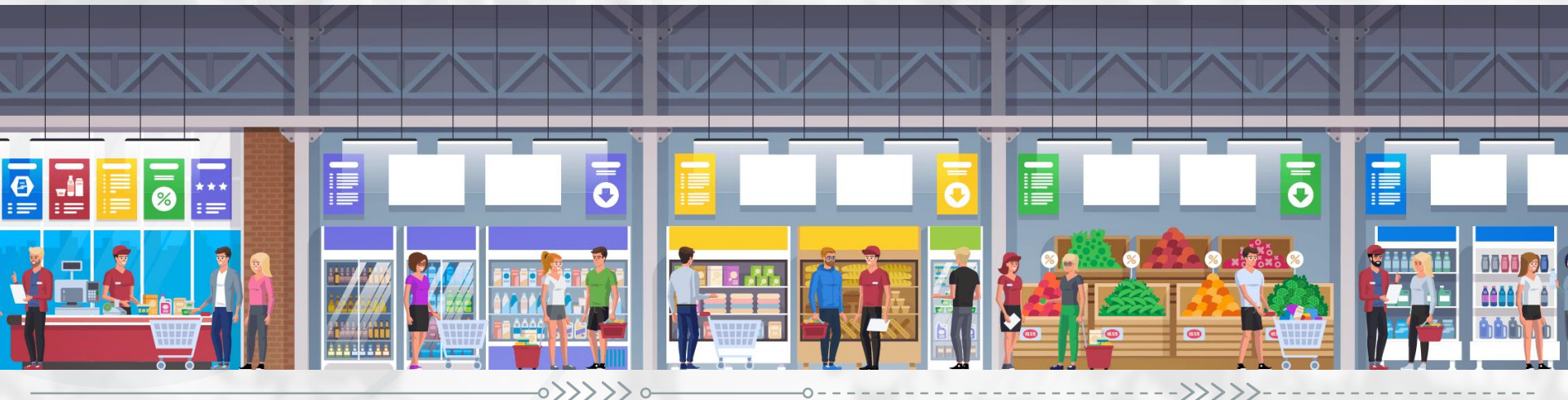


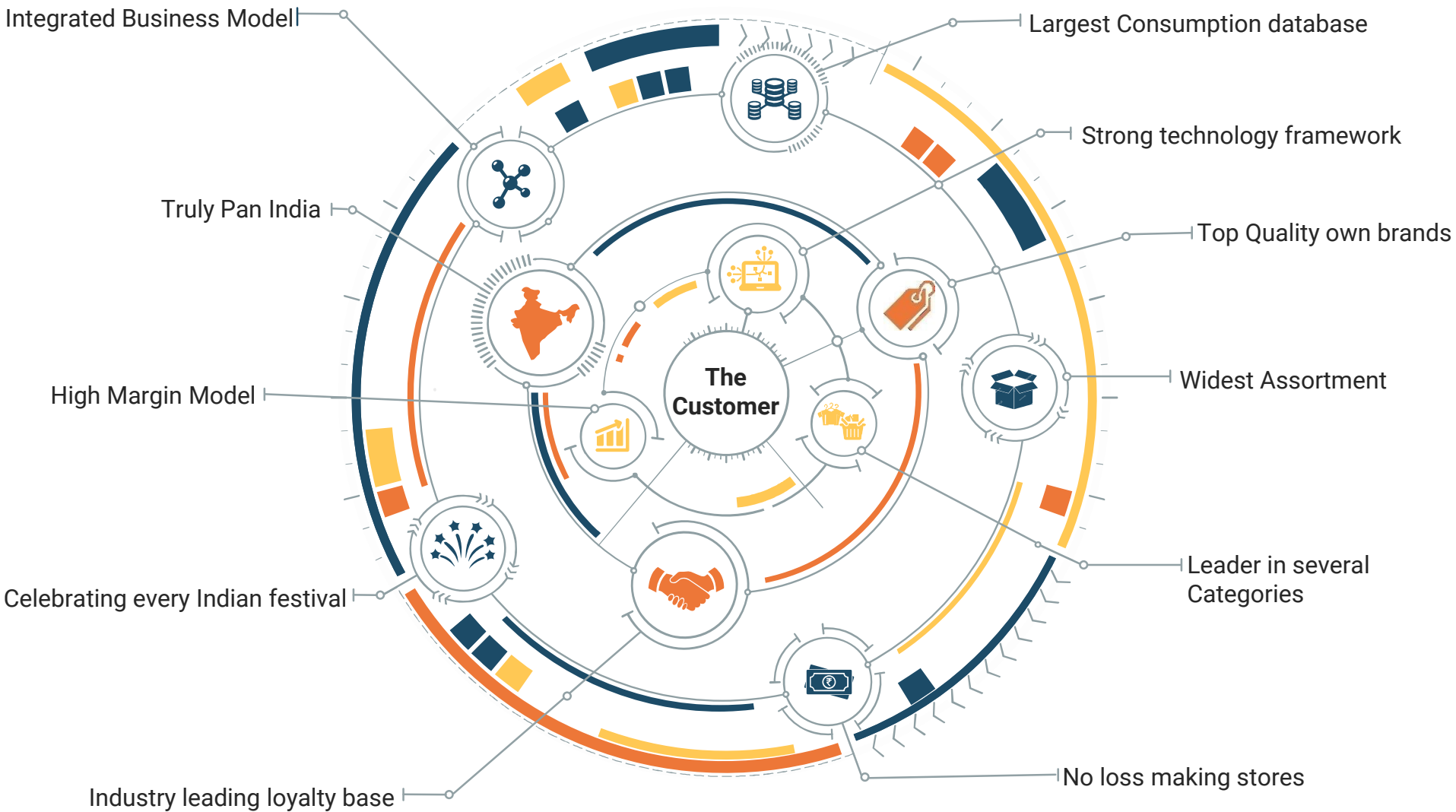
Small Stores

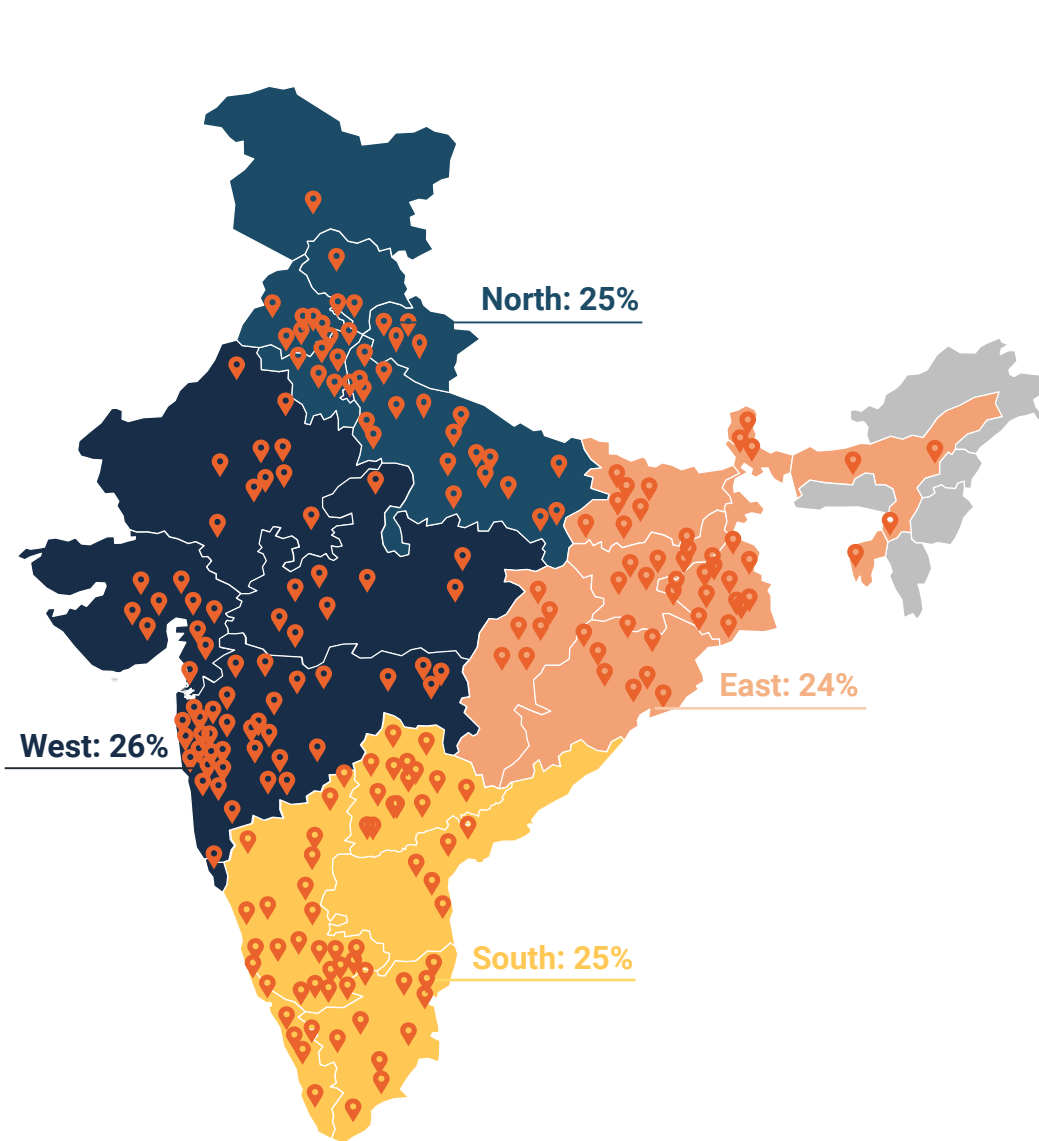
(No. of Stores)



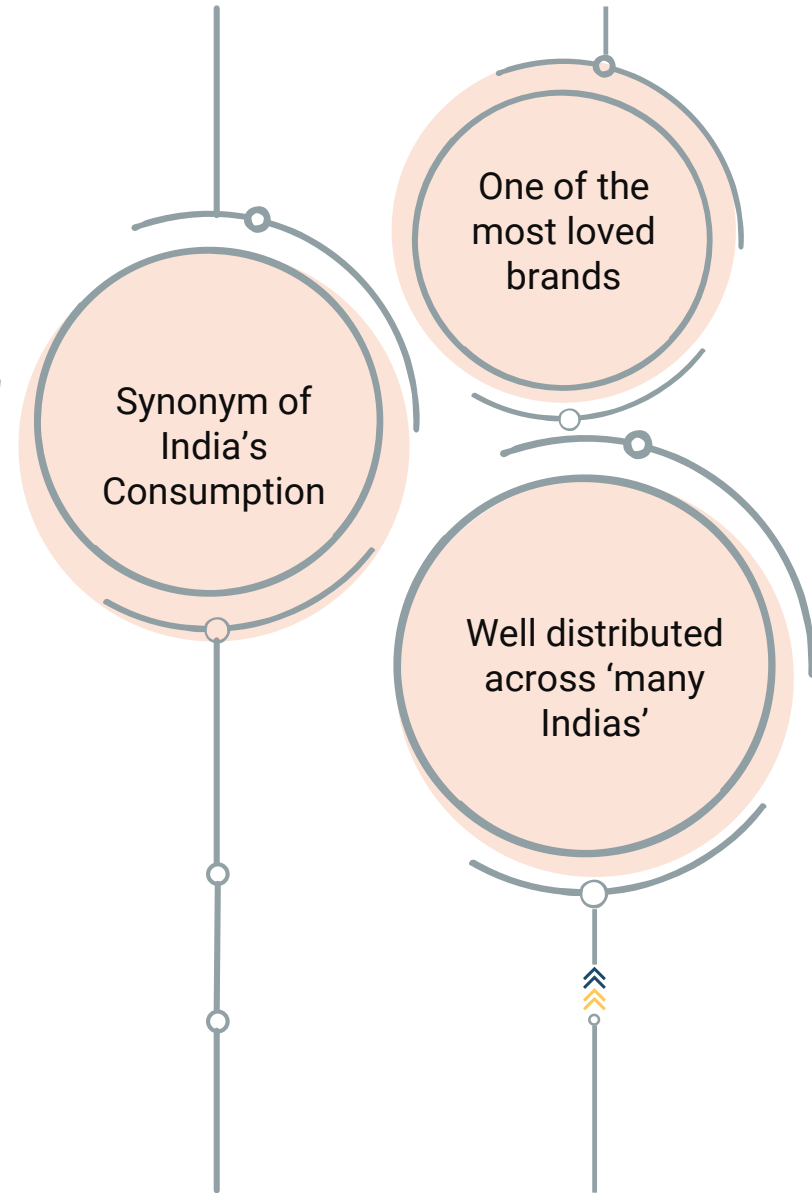
OUR LARGE STORES

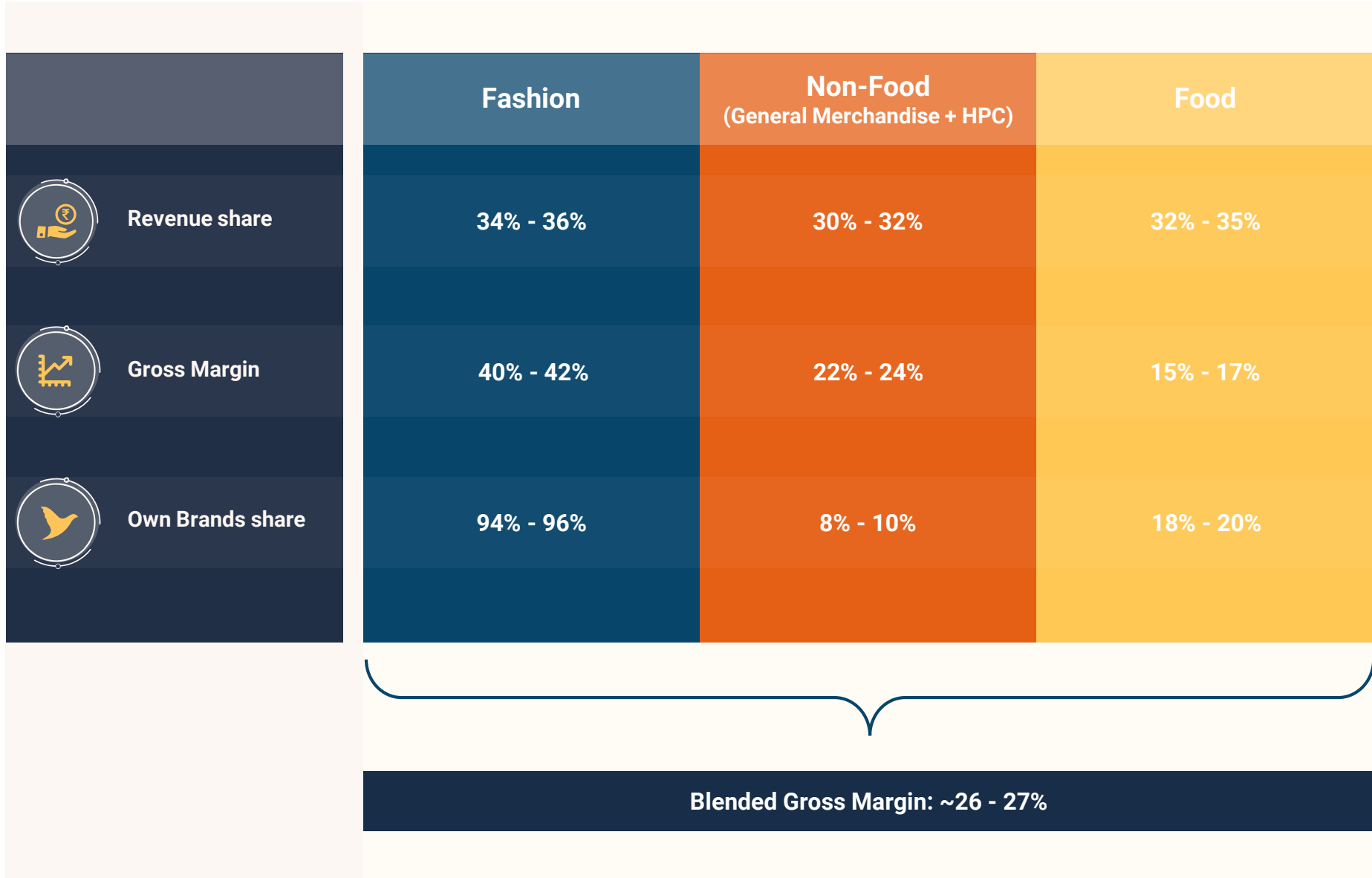






Note: % indicates FRL revenue share from the regions

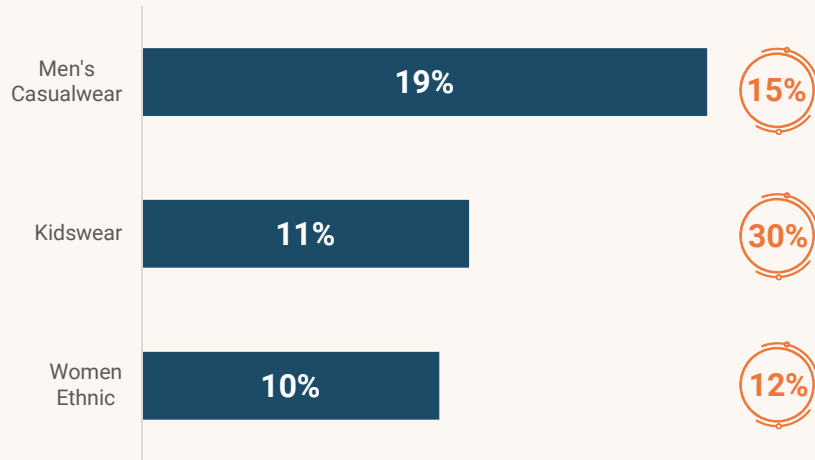




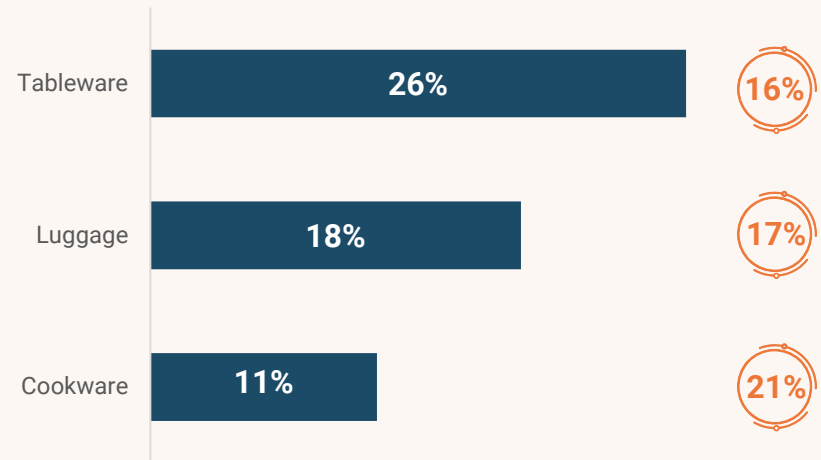
Prominent Market Share across select Fast Growing Categories

Note: Illustrative categories

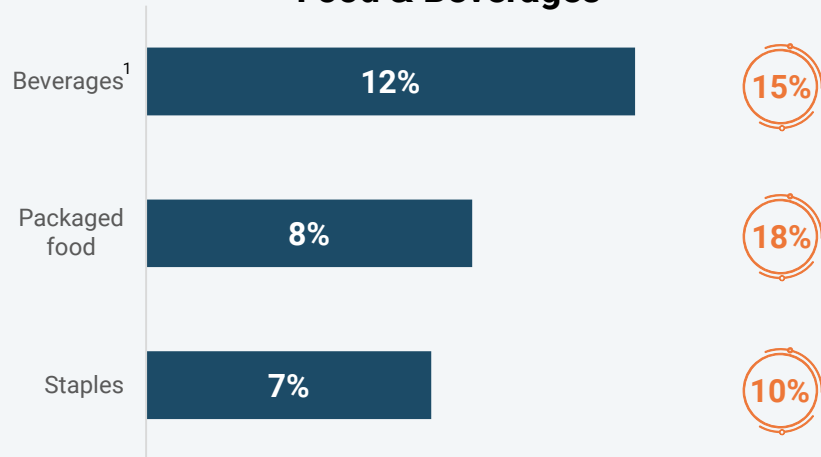
Fashion



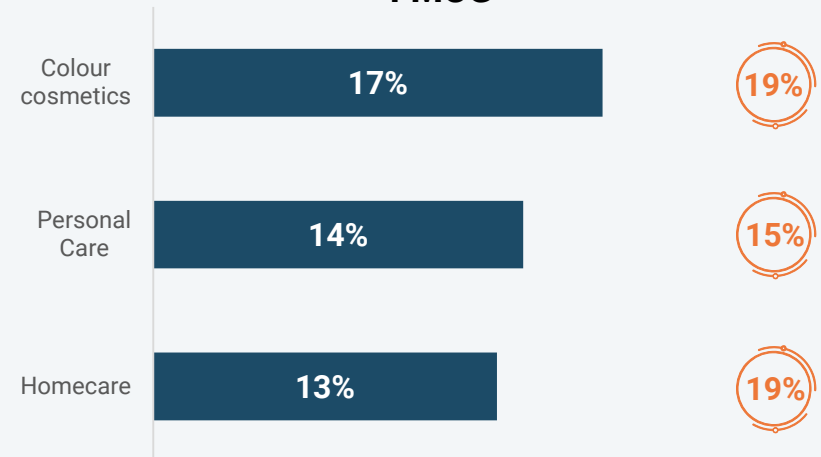
General Merchandise



Food & Beverages



FMCG



Estimated FRL Market share in Organised Retail



Expected Category Growth rates for next 3 years

Source: Various Industry Reports & Internal Estimates

Note:

1. Beverages refer to non alcoholic beverages excluding milk



Women's Wear

(₹ cr.)



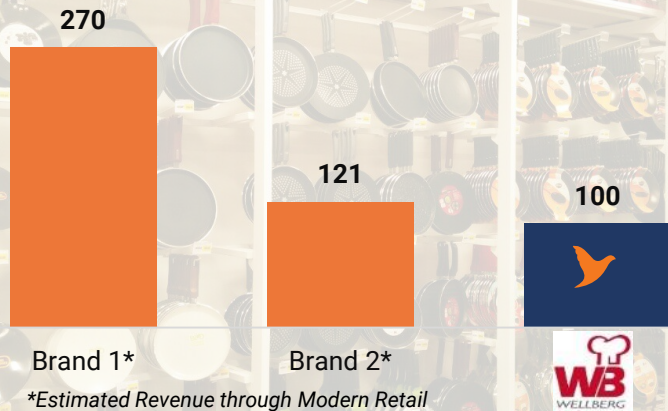
Men's Wear

(₹ cr.)



Cookware

(₹ cr.)



*Estimated Revenue through Modern Retail

Kids' Wear

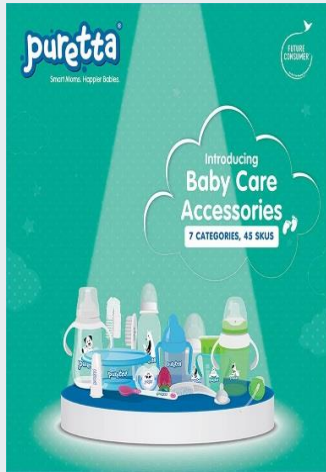
(₹ cr.)



Note: Estimated revenue of other brands and retailers from publicly available sources. Kidswear category is compared with other retailers'

... While new are being created and many extended.

Illustrative new categories & extensions'



Deck up with the latest and evergreen styles of Kurtis from fbb!



[Click Here To Watch fbb's Forever Kurtis TVC](#)



Illustrations Only



SERVICE

CLIENT

ALLEGIANCE

BUSINESS

RATES

ALLEGIANCE

CONNECTION



LOYALTY



COMPANY

SATISFACTION

TRUST

CONFIDENCE

SUPPORT

Our Customers

Age (Years) **Customers Share**

Under 25 >>>>> **11%**

26 to 35 >>>>> **29%**

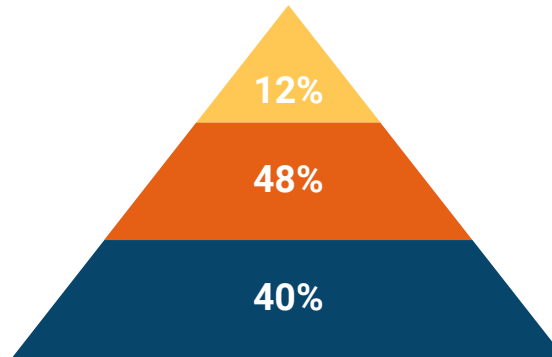
36 to 45 >>>>> **30%**

46 to 60 >>>>> **22%**

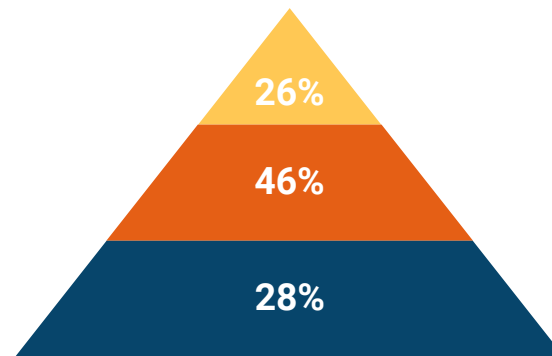
Above 60 >>>>> **8%**

Their evolving income levels (est)

>>> Customer base mix (2018)



>>> Customer base mix (2024)



Annual income (in ₹) :

■ 0.3 - 0.5 mn ■ 0.5 - 1 mn ■ >1 mn

And we know their consumption choices in great depth



Women's Apparel

>6.5mn
customers



Babycare

~5mn
customers



Health products

~4.5 mn
customers



Travel related products

~0.9mn
customers



Instant Noodles

~3.5mn
customers



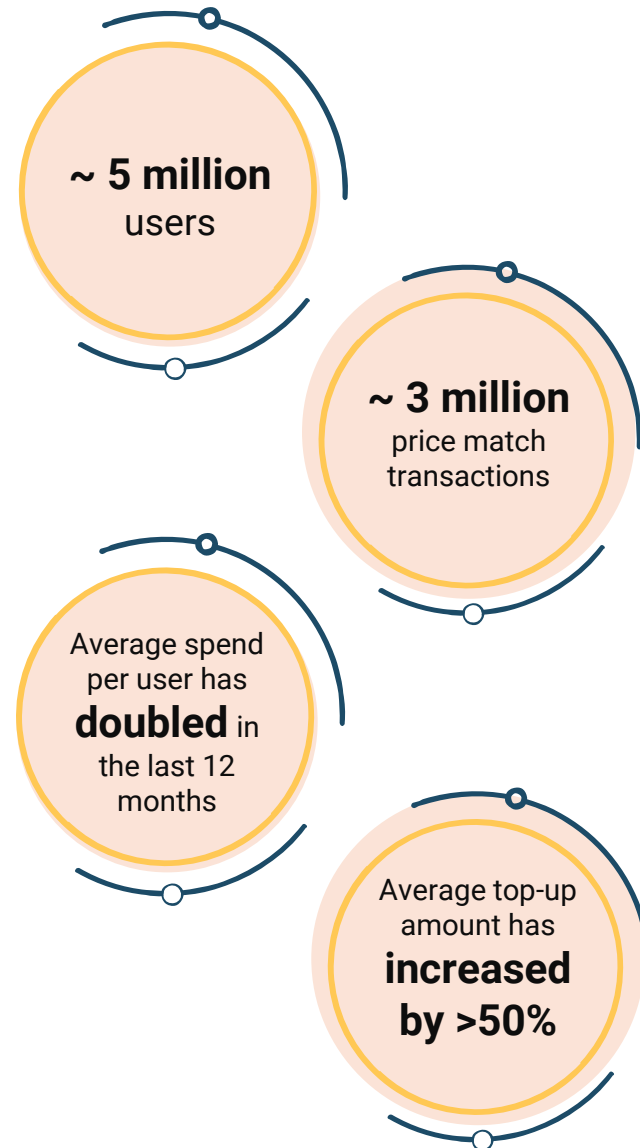
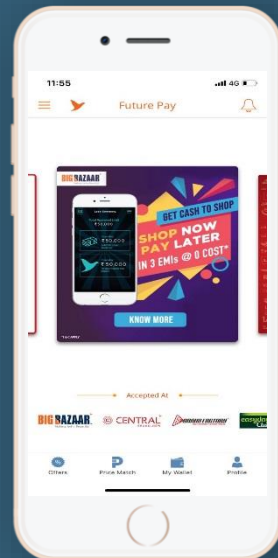
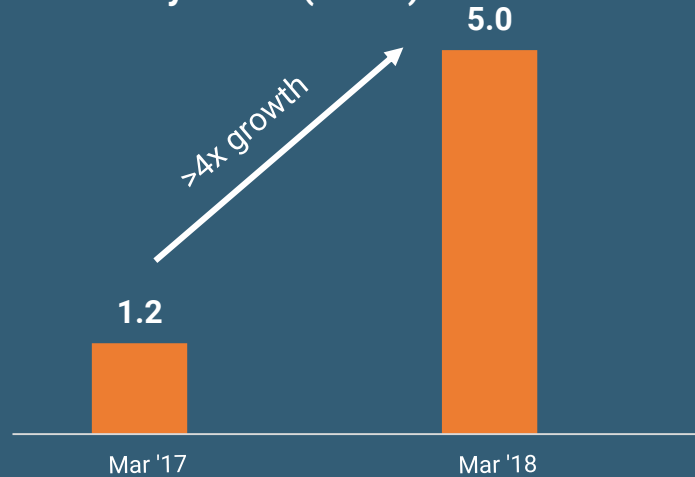
Soaps

~3mn
customers

*Estimates based on internal data



Future Pay Users (in mn)



SMALL STORES BUSINESS



Platform



Data-led & O2O ready platform

- Data: Key enabler for our new stores and operations' alike
- Capabilities in-place for last mile delivery

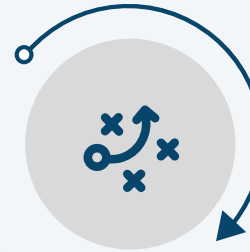


Strategy



Low cost operations blended with own brands' strategy

- Scale-up within clusters to bring the costs down
- Own brands' implicitly have superior terms & faster execution

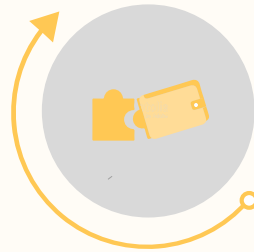


Firm Demand



Membership model that captures high wallet share

- Est 40 - 60% wallet share of over 0.5mn members at present
- Assortment predictability bringing in higher efficiencies



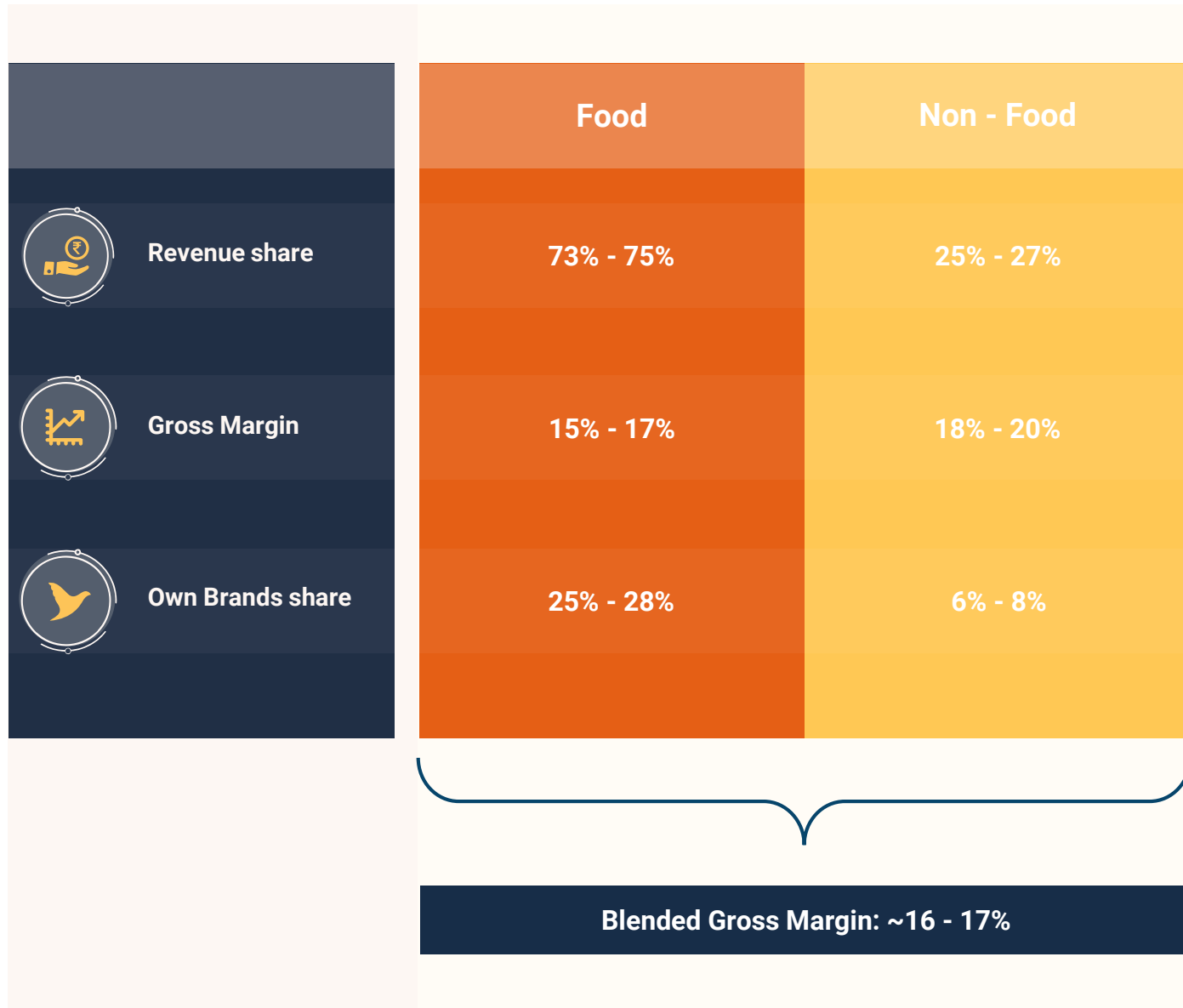
Execution

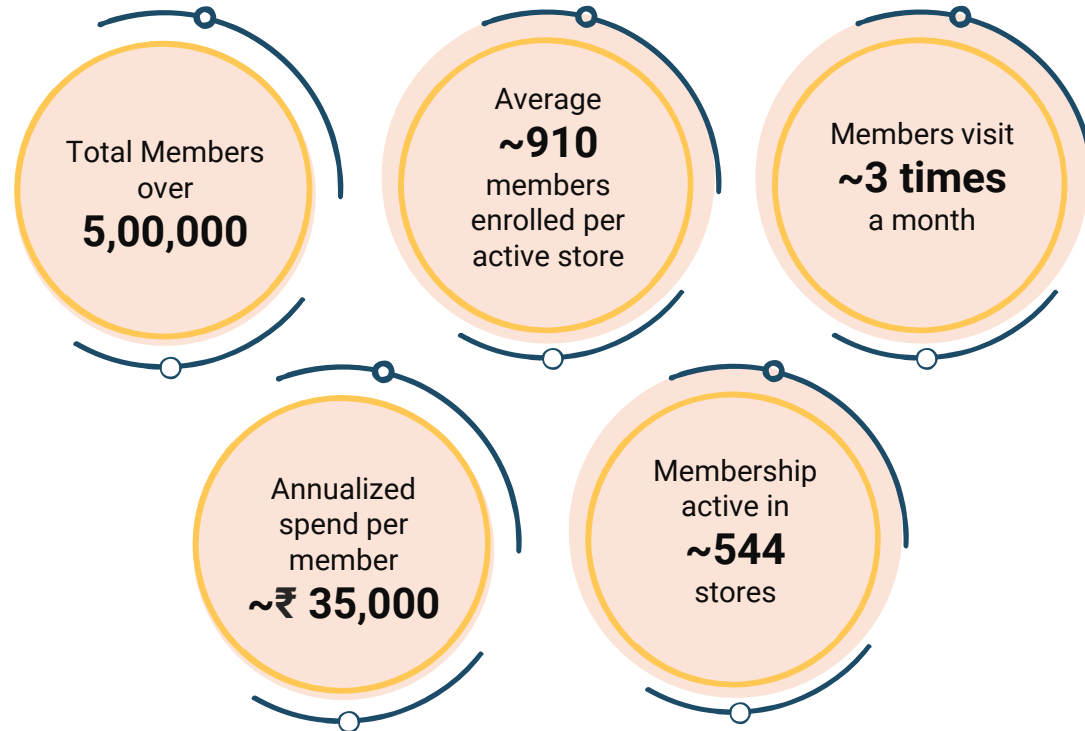


Focused clusters & assortment (4,000 SKUs in defined clusters)

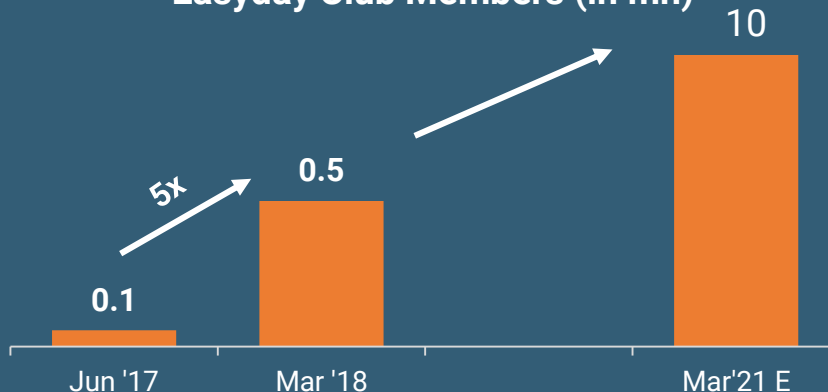
- Regional & local teams driving the execution
- Model with limited SKUs, clusters & targeted customers







Easyday Club Members (in mn)



Posters include:

- Pados ki taazgi
- Pados ka bharosa
- Pados wali service
- Pados ki WhatsApp shopping
- Naye andaaz wali shopping: Pesh hai membership wali faayde ki dukaan
- Pados ki bachat
- Pados ka parivaar
- Pados ki quality

Visit www.easyday.in
Become a member now

easyday Club For Members
Pados ki Dukaan

Just 100000
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

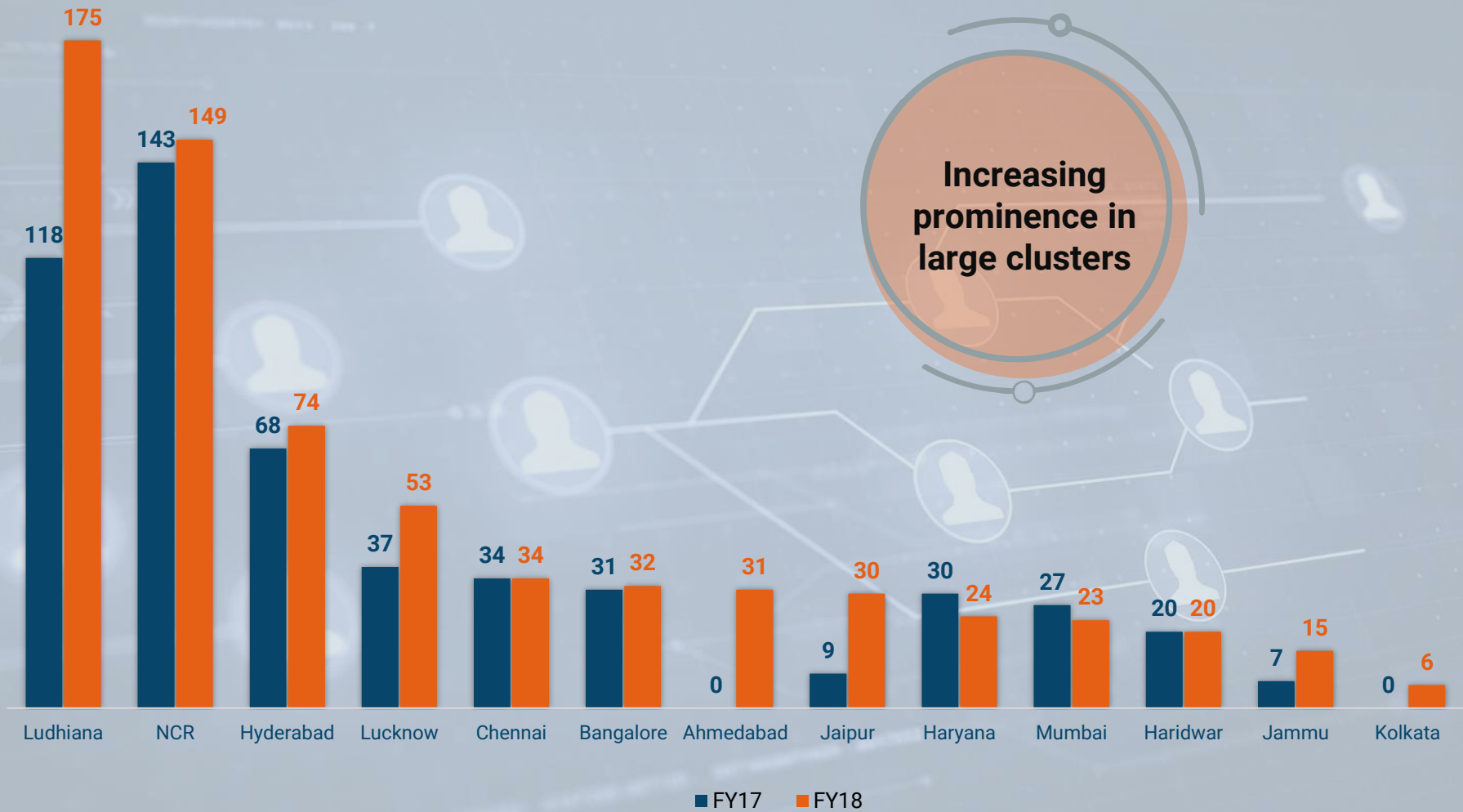
[@easydaystore](#) [@easydayclub](#) [@easydayclub](#) [@easydayclub](#)

21.11.17
More Power to the Consumers

Experience **Retail 3.0**
Live on **1 & 1**
Today at **5.30pm**

Join us in the LIVE stream on Twitter @fg_buzz and Future Group Facebook page to watch Kishore Bhasin introduce **Retail 3.0**
Be a part of this landmark event that will alter the retail landscape and empower the customer like never before!

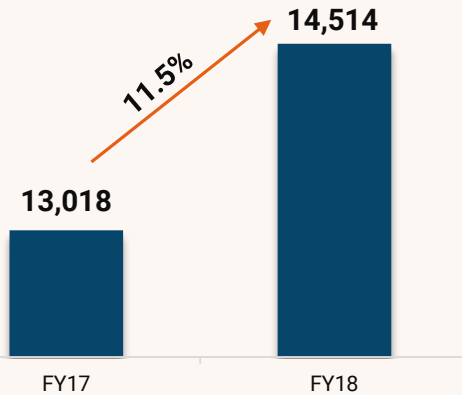
Broadcast LIVE from Mumbai, today at 5.30pm



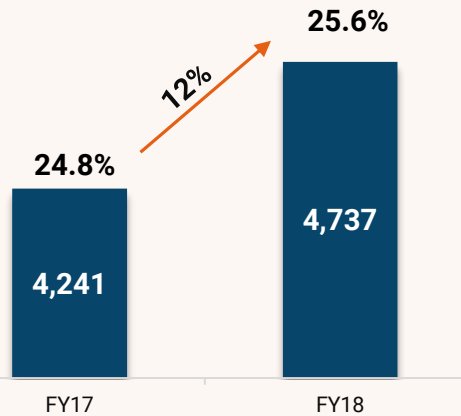
FINANCIAL UPDATE



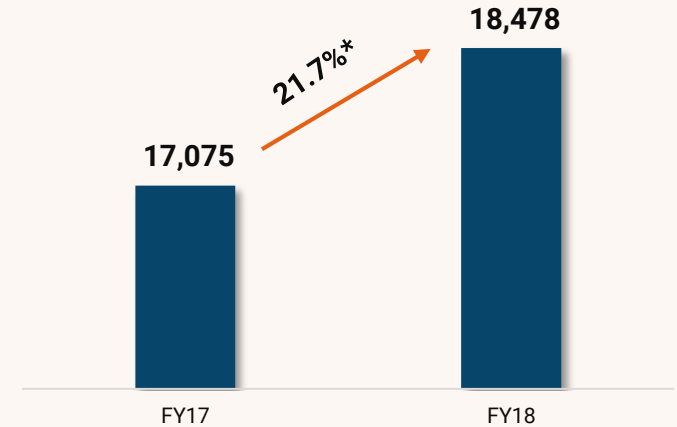
Big Bazaar Sales per sq ft# (₹)



Gross Margin (%)

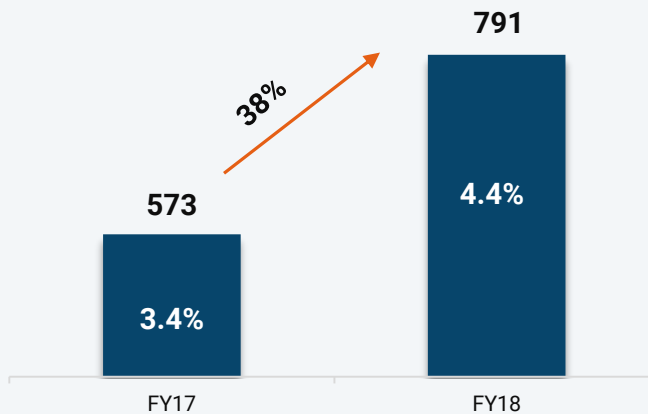


Income from Operations (₹ cr.)

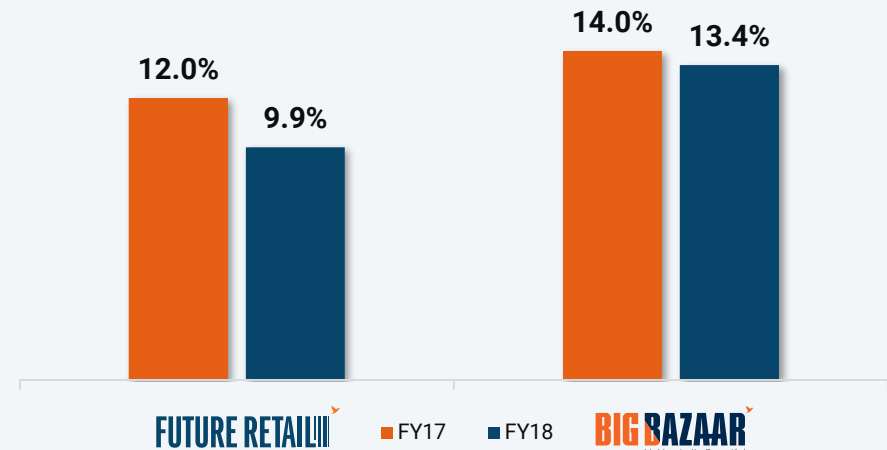


#Sales per sqft for stores that were operational for the full year

EBIT (₹ cr.)



Same Store Sales Growth (%)



FUTURE RETAIL

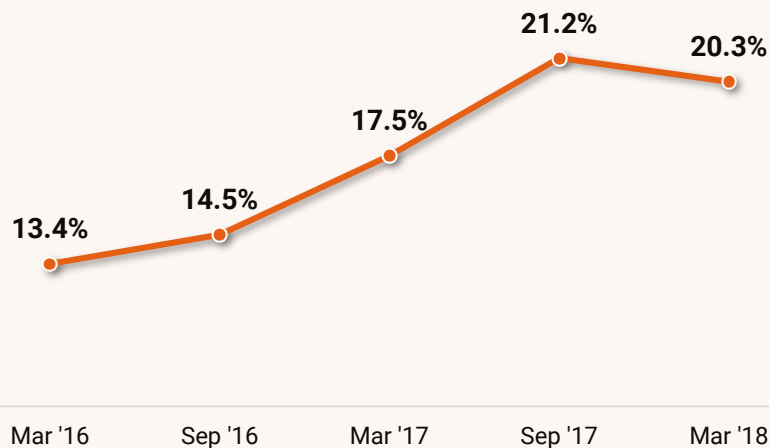
■ FY17

■ FY18

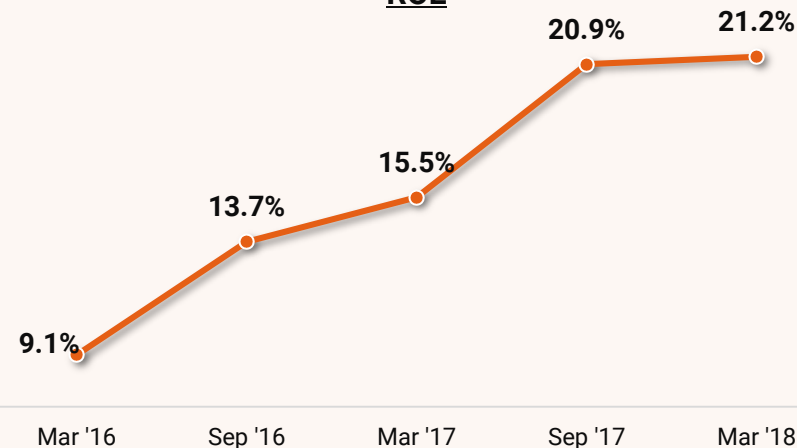
BIG BAZAAR
Making India Beautiful

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

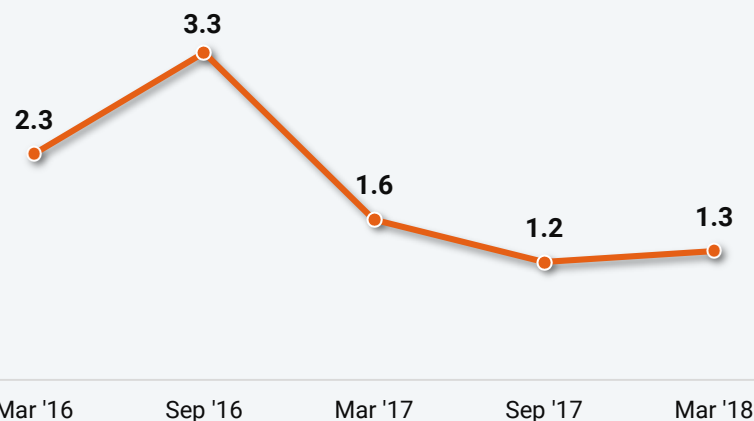
ROCE



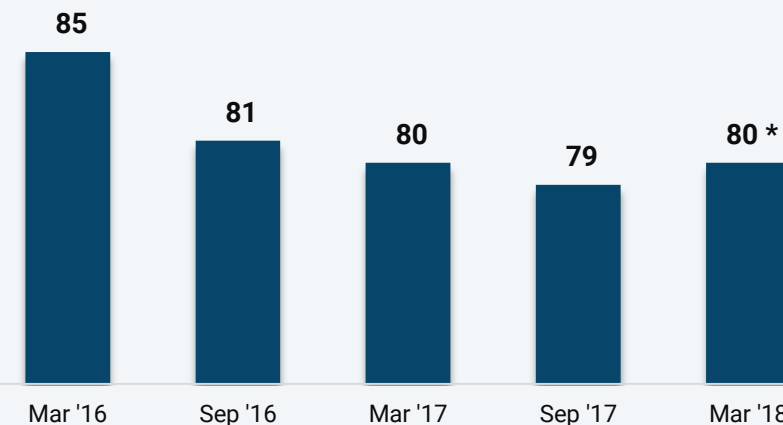
ROE



Debt/EBIT



Inventory Days (Revenue)



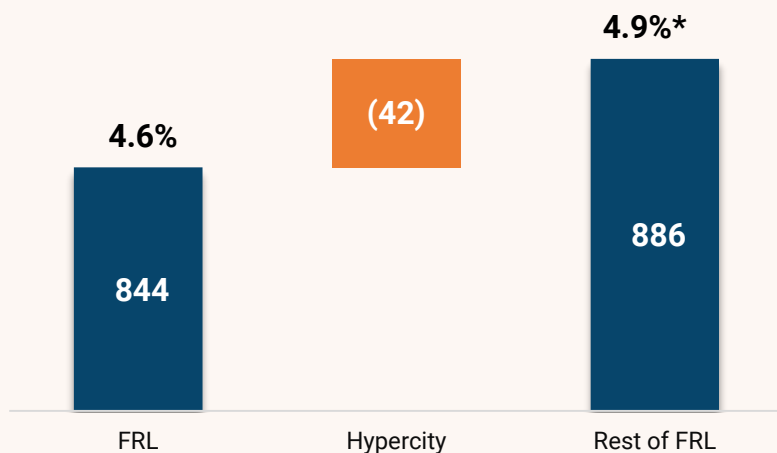
* Based on annualized revenue from Hypercity stores

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

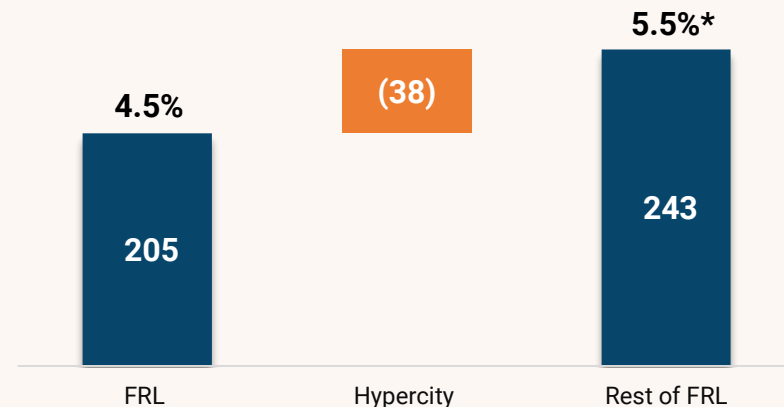
EBITDA (FY18)

(₹ cr.)



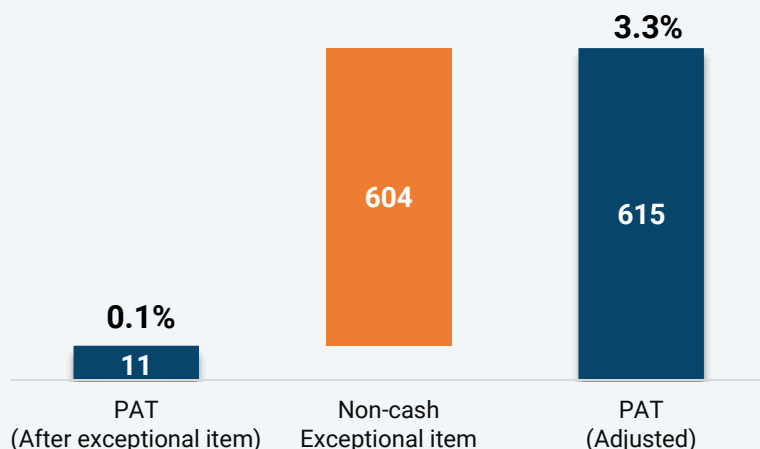
EBITDA (Q4 FY18)

(₹ cr.)



PAT (FY18)

(₹ cr.)



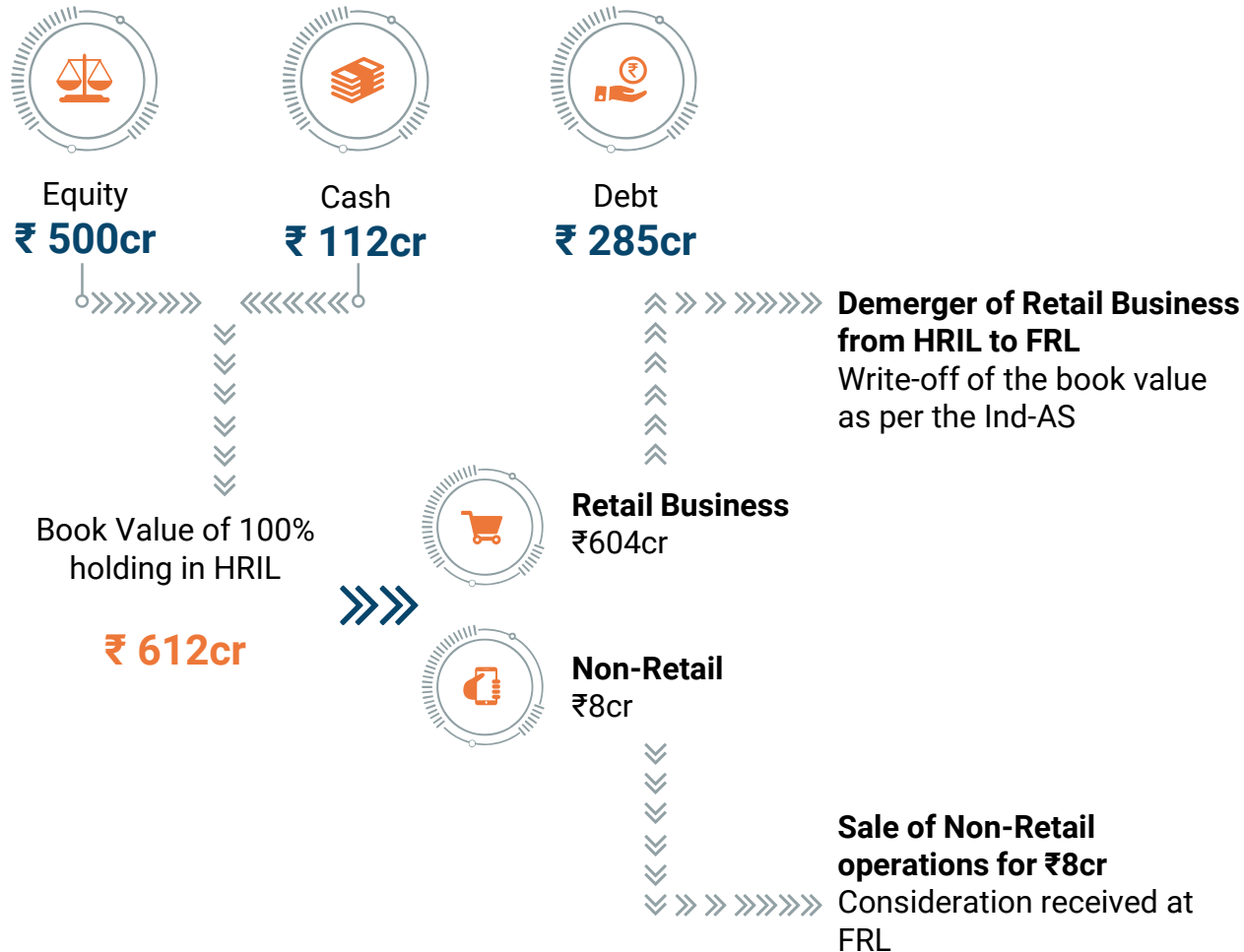
- Hypercity stores were under upgradation and renovation in FY18
- EBITDA at 5.5% on a like-to-like basis
- Hypercity business included for 4 months in FY18
- We believe Hypercity stores to be EBITDA accretive in first 12 - 18 months of operations
- PAT (adjusted) for FY18 at 3.3% as compared to 2.2% in FY17

Note:

*Adjusting for Hypercity revenue of 188cr & 283 cr for 3 months and 4 months in the quarterly and annual revenues respectively

Transaction Consideration

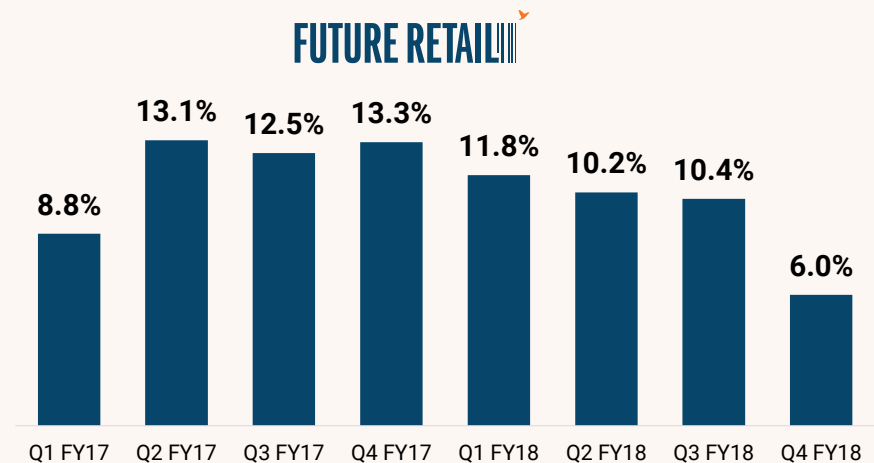
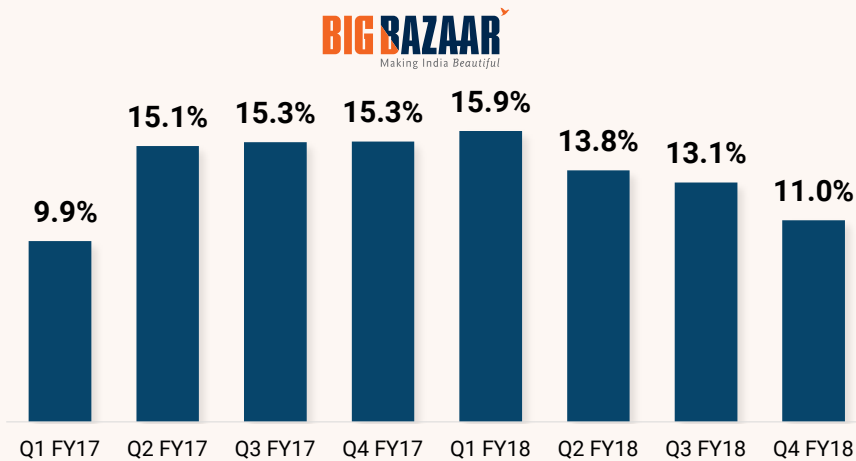
100% stake purchase by FRL in Hypercity Retail India (Pvt) Ltd ("HRIL")



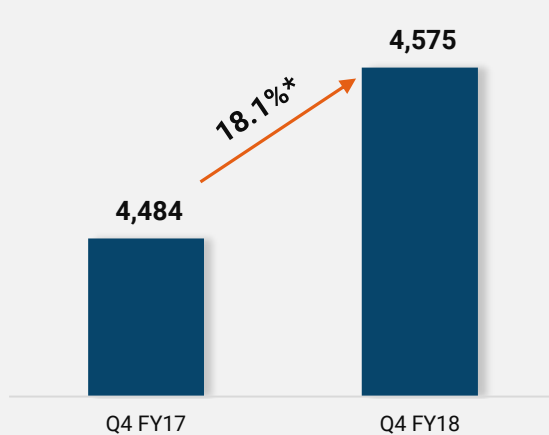
Advantages of this structure

- Hypercity stores residing in FRL directly
- Significant cost synergies on sourcing & operations
- Historical losses of HRIL amounting to ₹520cr to carry forward in FRL
- Non-cash & one-time adjustment to P&L
- Realization of ₹8cr from the non-core business

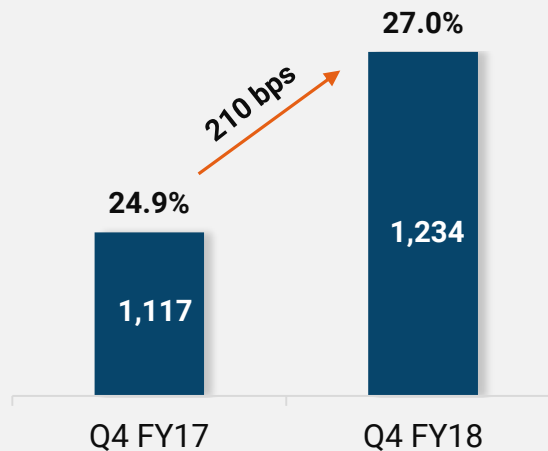
Same Store Sales Growth (%)



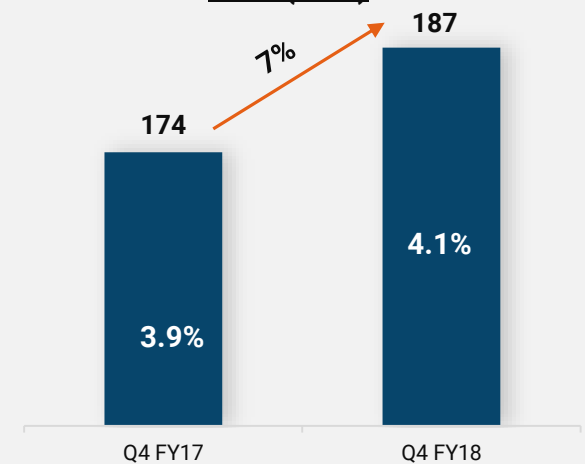
Income from Operations (₹ cr.)



Gross Margin (%)



EBIT (₹ cr.)



*Underlying Y-o-Y growth adjusting for eZone rationalization, HomeTown demerger and GST impact
FRL SSSGs are on like-to-like basis

Particulars (₹ cr.)	3 months ended		Growth		Year ended		Growth
	31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17	
Total income from Operations	4,575	4,484	18.1%*		18,478	17,075	21.7%*
Gross Profit	1,234	1,117	10%		4,737	4,241	12%
Gross Margin %	27.0%	24.9%			25.6%	24.8%	
Employee benefits expense	245	211	16%		930	803	16%
Rent including lease rentals	360	350	3%		1,405	1,360	3%
Other Expenditures	429	376	14%		1,570	1,496	5%
Total expenditure	1,033	937	10%		3,905	3,659	7%
Other Income	3	3	23%		12	24	(51%)
EBITDA	205	183	12%		844	605	39%
Depreciation and amortisation	18	9	102%		53	33	64%
EBIT	187	174	7%		791	573	38%
EBIT %	4.1%	3.9%			4.3%	3.4%	
Finance Costs	46	51	(9%)		175	204	(14%)
PBT	140	123	14%		615	368	67%
PBT%	3.1%	2.7%			3.3%	2.2%	
Exceptional non-cash item	(604)	-			(604)	-	
PBT (after exceptional item)	(464)	-			11	368	
Tax Expenses	-	-			-	-	
PAT	(464)	123			11	368	

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

PARTICULARS (₹ cr.)	As at 31 Mar 2018	As at 31 Mar 2017
A) ASSETS		
Non-Current Assets	1,459	916
Inventories	4,417	3,735
Trade Receivables	270	228
Other Current Assets	1,865	1,902
TOTAL ASSETS	8,011	6,781
B) EQUITY AND LIABILITIES		
Equity	3,096	2,554
Non-Current Liabilities	171	190
Net Debt	1,042	922
Trade Payables	3,424	2,780
Other Current Liabilities	278	336
TOTAL EQUITY AND LIABILITIES	8,011	6,781

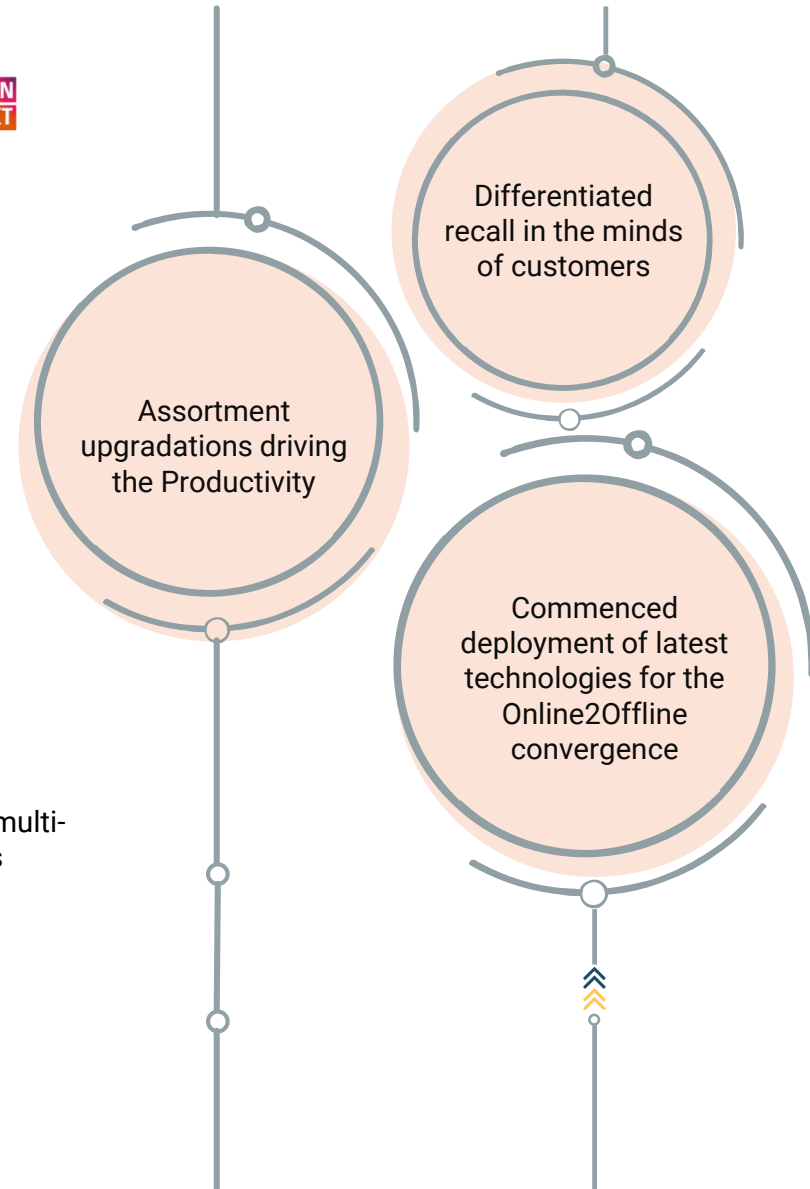
CONSISTENT CUSTOMER CENTRICITY

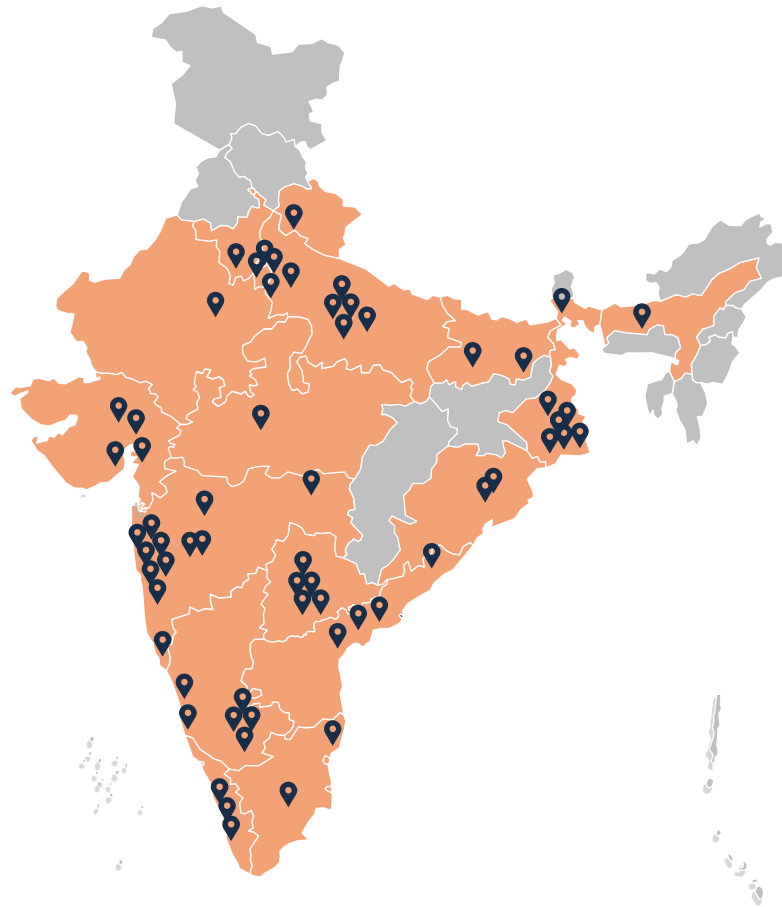




BIG BAZAAR GEN NXT

- » Faster checkouts
- » Sit-down lounges for checkouts
- » Endless aisles
- » Digital shelf talkers
- » Experience zones with multi-sensorial food products
- » Wider merchandise and assortments
- » Large digital screens

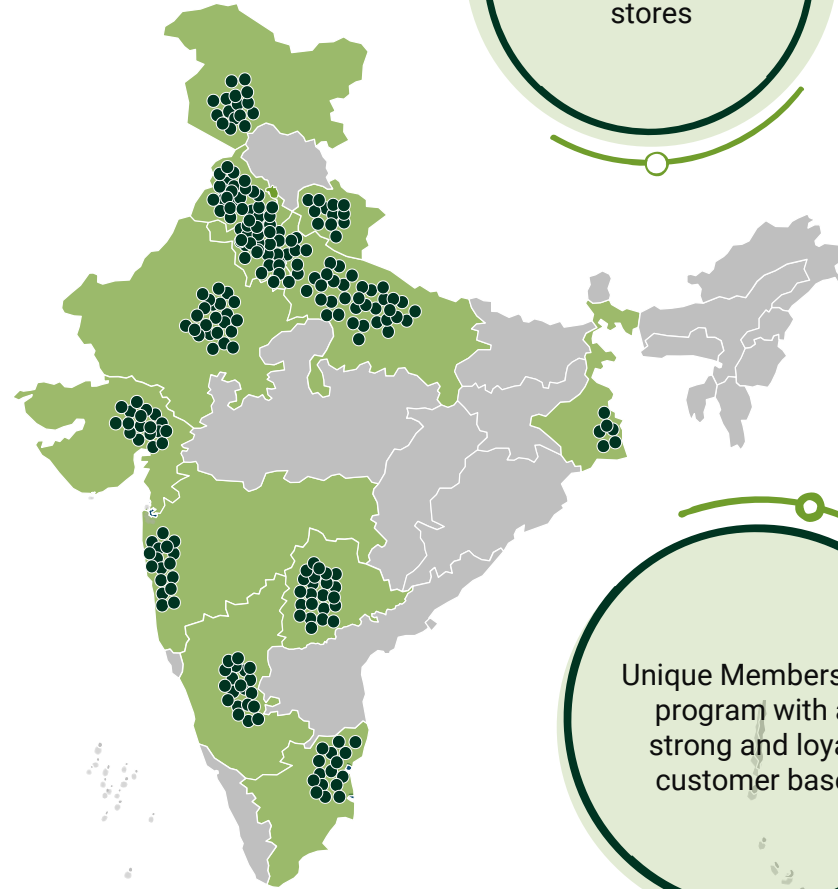




"Making India
thoda aur
Stylish"

In-house design
teams ensure
fastest design-
to-store time

Provides style
and quality at
pocket friendly
prices



Re-imagined
neighbourhood
food and grocery
stores

Driven by local
communities and
consumption
patters

Modern and
personalized
shopping
experience

Unique Membership
program with a
strong and loyal
customer base



Foodhall



Best of global and local foods and customer delight

Understanding evolving food and consumption patterns

Stores at the most premium locations in **Mumbai, Bangalore, Delhi and Gurgaon**

Offers unique experiences like gourmet kitchens, world foods, spice station etc.



World's first
24hr
f LIVE

#IndiaChalaShopping

26th Jan | Starts at 9 AM

SABSE SASTE DIN 5
24-28 JAN



ARE YOU READY FOR
INDIA'S BIGGEST SHOPPING
BLOCKBUSTER!

CATCH THE MAGIC. BAG GREAT OFFERS.

SABSE SASTE DIN 5
24-28 JAN

MUSIC



FAST BILLING
IN 5 MIN

Book your pass
ONLINE for ₹50 & get
that back on shopping

SABSE SASTE DIN 5
24-28 JAN

Book now



KITCHEN STOCK EXCHANGE

How to reduce your kitchen ka kharcha by half?









Register Now!
29th Mar - 4th Apr

Vote for 5 products to bring the price down
5th Apr

Shop at Big Bazaar
7th - 8th Apr

BOURNVITA 1KG ▼ Closed at Rs318 MAGGI 420 ▼ Closed at Rs53 KORYO HEALTHY FRYER KHf 2215 ▼

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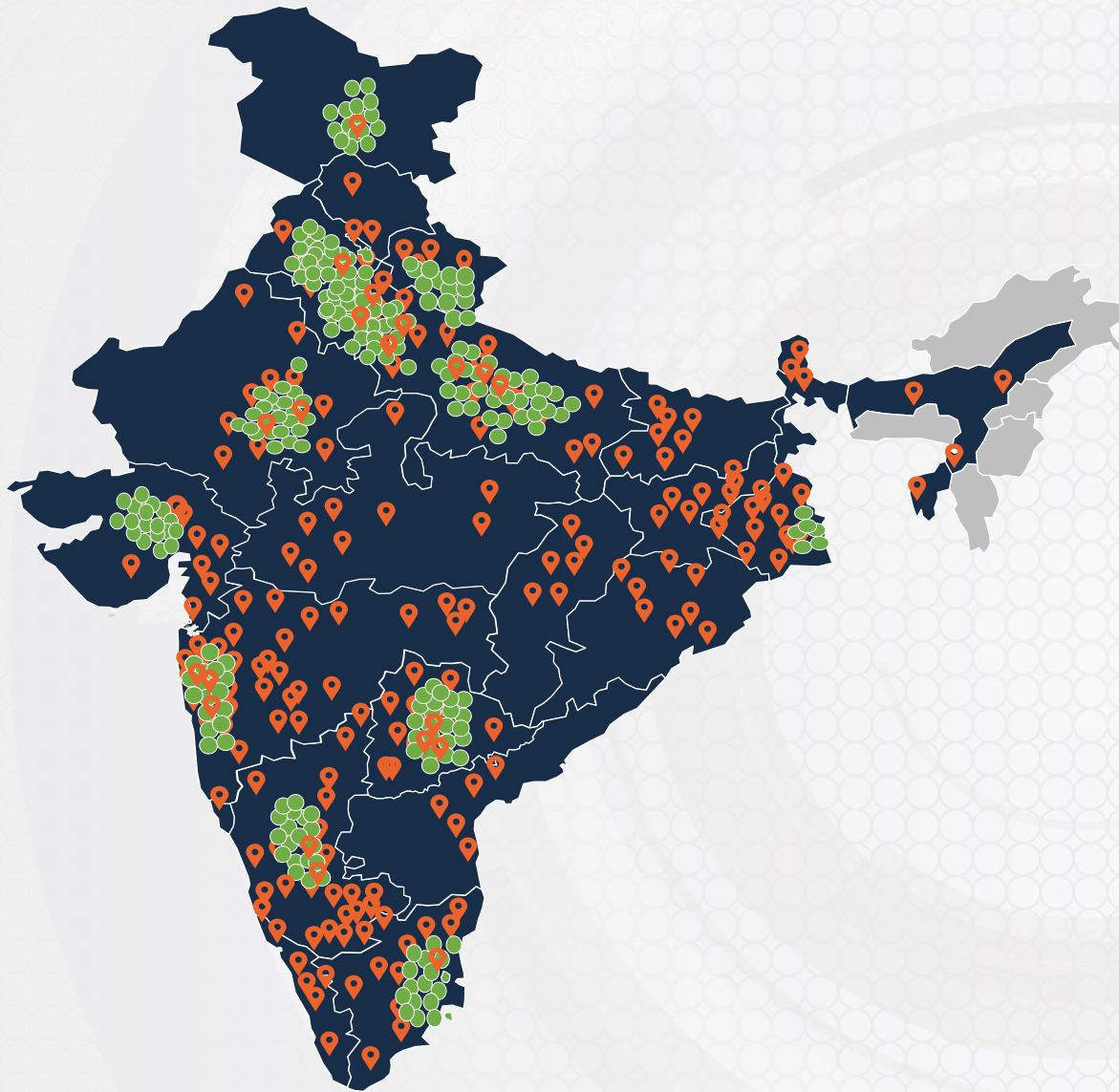
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