

FUTURE RETAIL

25th May, 2019

To
General Manager, Dept. of Corporate Services
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Listing Department
The National Stock Exchange Limited of India Limited
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051.

Scrip Code: 540064

Symbol: FRETAIL

Dear Sirs,

Sub.: Presentation to Analysts / Investors

Please find enclosed herewith the presentation being forwarded to Analysts / Investors on the Audited Financial Results of the Company for the Quarter and Year ended 31st March, 2019.

The above presentation is also available on Company's website www.futureretail.co.in.

This may also be treated as disclosure under Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above is for your information and record, please.

Thanking you,

Yours faithfully,
For Future Retail Limited



Virendra Samani
Company Secretary



Encl. : as above.

Future Retail Limited (Formerly known as Bharti Retail Limited)

Registered Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060

P +91 22 6644 2200, F + 91 22 6644 2201, www.futureretail.co.in

CIN : L51909MH2007PLC268269

FUTURE RETAIL



FY19 Investor Presentation

May 2019

Table of Content

| | | | |
|----------|-------------------------------|-----------|-----------|
| 1 | FRL Overview | »»» »»» » | 03 |
| 2 | Business Updates | »»» »»» » | 06 |
| 3 | Membership | »»» »»» » | 11 |
| 4 | Proximity Retail | »»» »»» » | 14 |
| 5 | Financial Update | »»» »»» » | 20 |
| 6 | Other Business Updates | »»» »»» » | 28 |

FRL OVERVIEW



NETWORK



~9 stores
opened per week



~31,000 sq ft
added every week



2
New cities entered
every week



FASHION (Units)



> 1,20,000
Men's trousers
sold per week



> 3,50,000
Ladies Ethnic wear
sold per week



> 5,00,000
Kidswear sold per
week



GENERAL MERCHANDISE (Units)



~60,000
Luggages sold
every week



~1,90,000
Cooking
essentials sold
every week



> 3,20,000
Kids Utilities sold
every week



MEMBERSHIP



>22,000
EDSC Members
enrolled per week



>10,000
BBPC Members
enrolled per
week

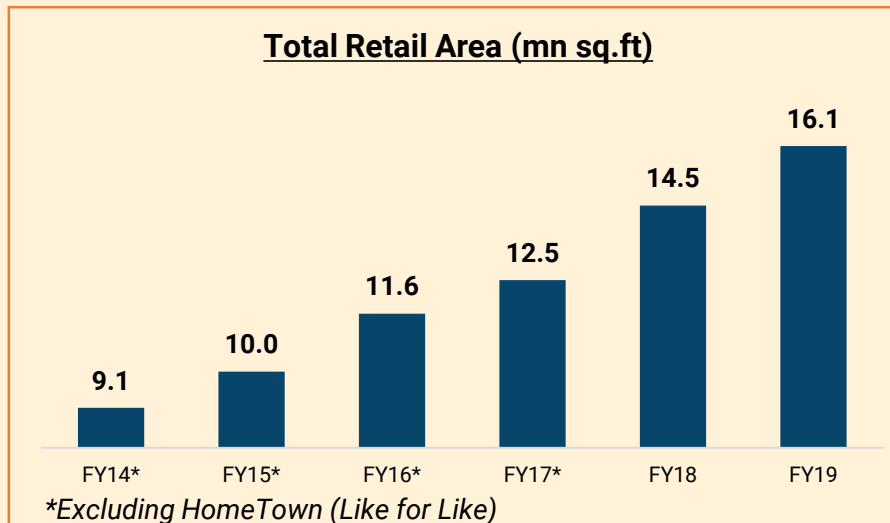


>1,10,000
New Future Pay
users per week

| | Formats | As on 1 April 2018 | | | Additions | | As on 31 March 2019 | | |
|-------------------|------------------------|--------------------|------------|----------------|------------|----------------|---------------------|------------|----------------|
| | | Stores | Cities | Area (mn sqft) | Stores | Area (mn sqft) | Stores | Cities | Area (mn sqft) |
| Large Stores | Making India Beautiful | 285 | 135 | 12.1 | 21 | 0.6 | 292 ¹ | 144 | 12.5 |
| | Ladies Fashion Box | 61 | 36 | 0.6 | 33 | 0.4 | 94 | 46 | 1.0 |
| | | 10 | 5 | 0.1 | 2 | 0.06 | 12 | 5 | 0.1 |
| Small Stores | | 666 | 215 | 1.5 | 440 | 1.0 | 1,106 ² | 338 | 2.5 |
| Others | smarter living | 13 | 8 | 0.1 | (6) | (0.07) | 7 | 4 | 0.1 |
| Cumulative | | 1,035 | 321 | 14.5 | 476 | 1.6 | 1,511 | 428 | 16.1 |

(1) 14 Food Bazaar stores converted/closed during the year

(2) Includes 99 WH Smith stores



- Big Bazaar continues to expand in existing and new markets
 - Opens **first** store in Nagaland
 - Opens 2nd store in Gorakhpur, after a successful beginning of the first store
- Foodhall creates signature presence with landmark stores at Bandra & Kemp's Corner, Mumbai

BUSINESS UPDATES



SCALE



1,511
Retail stores



16.1 mn sq.ft.
Retail Space



>US\$ 3.1 bn
FY19 Revenue
(* Exchange rate \$1=₹65)



EFFICIENCY



26.7%
Gross Margins



5.2%
EBITDA



6.8% Overall
10.9% Big Bazaar
SSSG



DEPTH



>350 mn
Customer
footfalls in FY19



428
Cities



29*
States



VALUE CREATION
(3 Year)[#]



~18%
Revenue
Growth



~75%
Growth in
Operational Profit



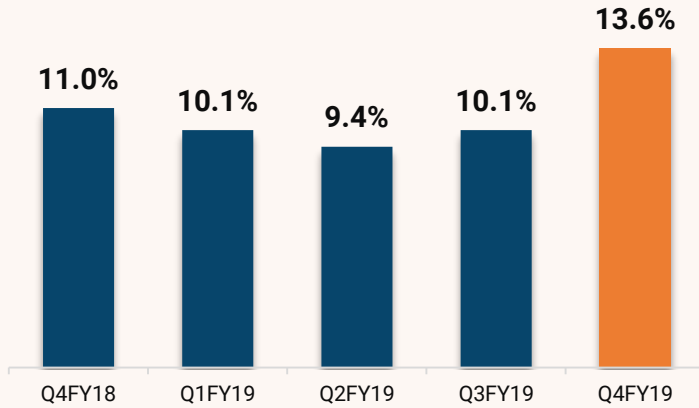
99%
Growth in Net
Earnings

* Including 4 Union Territories;

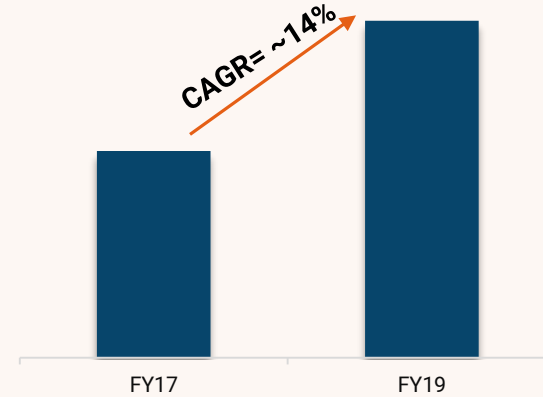
Based on FY2017 results



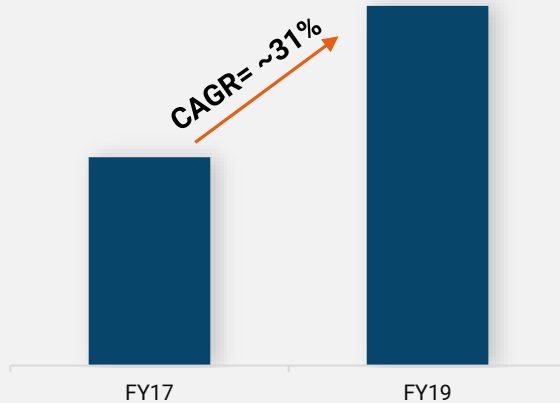
Same Store Sales Growth



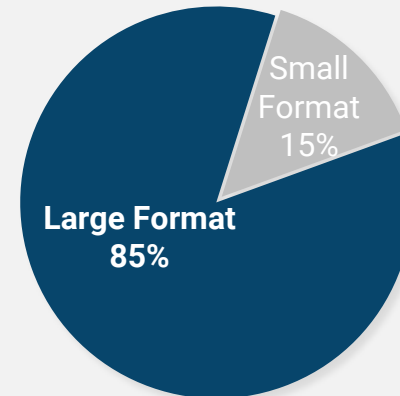
Gross Margins



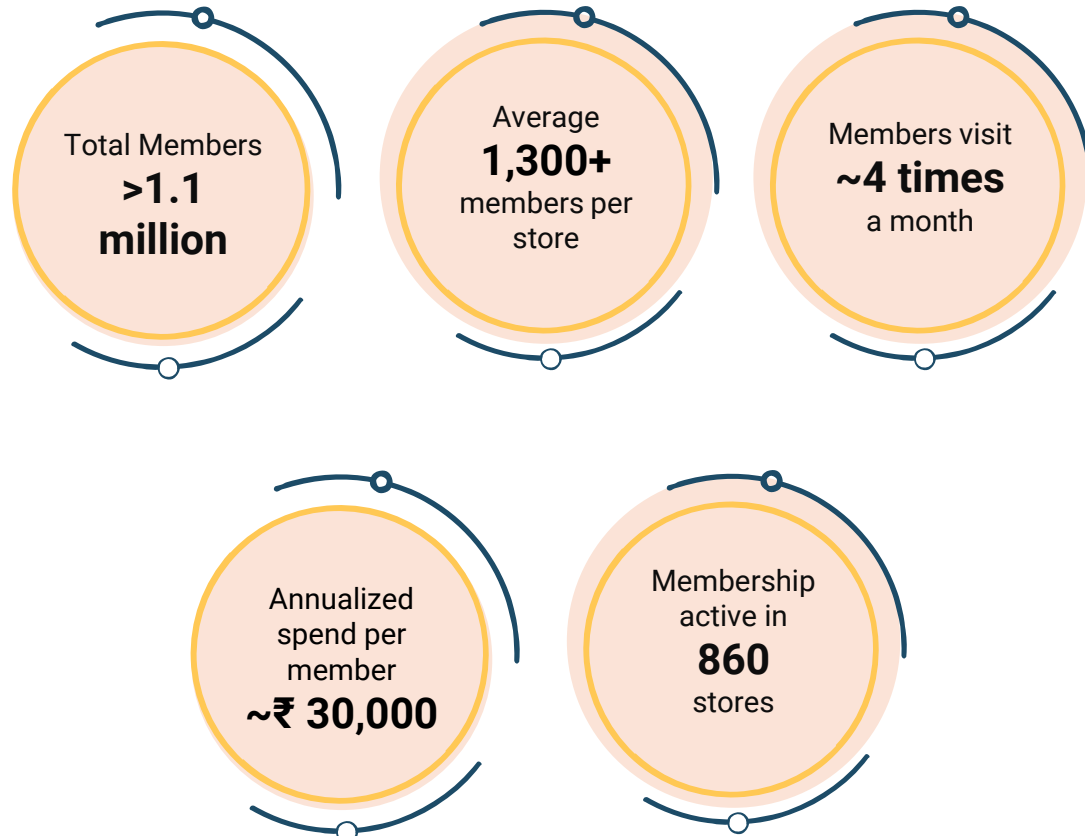
EBITDA Growth



Revenue Share

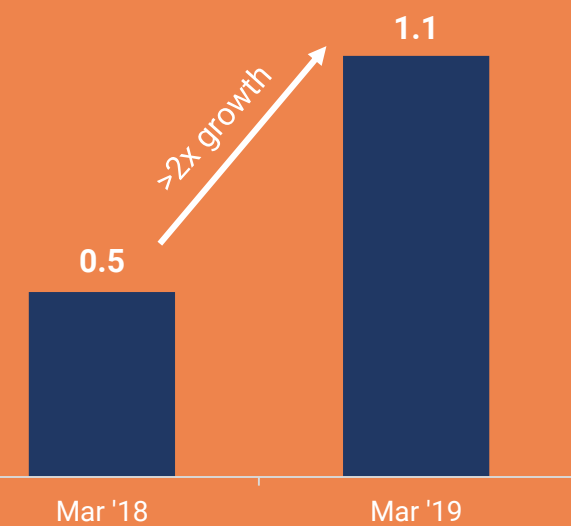


Growth momentum with Margin expansion continues



India's most unique Membership platform

Easyday Club Members (in mn)



PLAY MORE WIN MORE

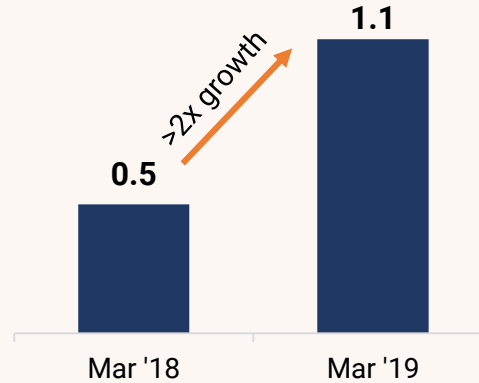
GRAB & WIN

EARN ₹100 FREE CASH IN JUST 60 SECONDS

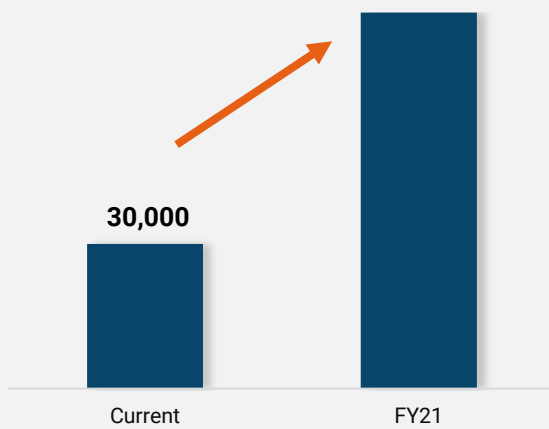
PLAY NOW

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

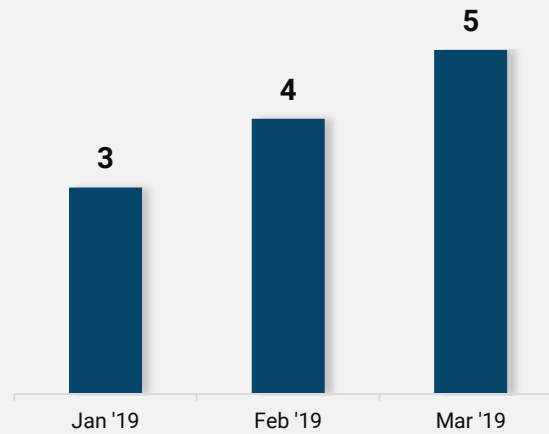
Easyday Club Members (in mn)



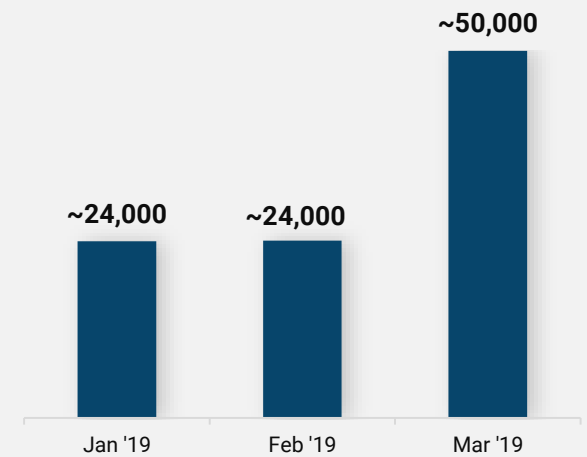
Avg annual spend per member (₹)



Monthly Frequency (last 3m)



Renewals (last 3m)





SERVICE

CLIENT

ALLEGIANCE

BUSINESS

RATES

ALLEGIANCE

CONNECTION

BRAND

CONSUMER

RELATIONSHIP

QUALITY

STRATEGY

MEMBERSHIP

RELIABLE

TRUST

RESPECT



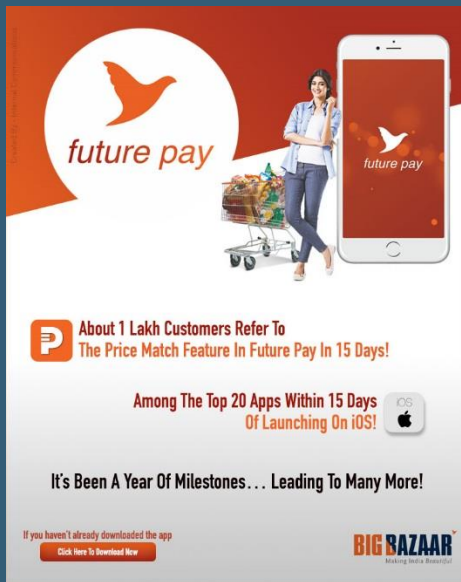
COMPANY

SATISFACTION

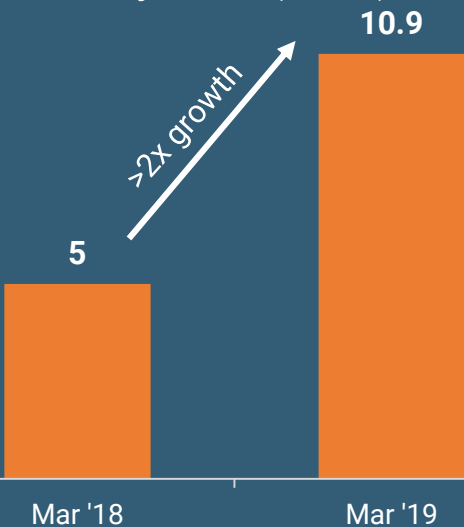
TRUST

CONFIDENCE

SUPPORT



Future Pay Users (in mn)



- ~ 10.9 million users
- Sale of >₹9,400 cr on an annualised basis
- 19 Average Yearly store visits
- Average ticket size of ~ ₹1,300
- ~ ₹25,000 Average annual spend per user

> 5 lakh members

~20 Average Yearly store visits

Average ticket size of > ₹2,000

~ ₹40,000 Average annual spend per user



Achieves Over 110%
With 1 lakh+ Recruitments In March 2019

Congratulations
To The Team For Living Up To Its Promise In The Year Of 110%

Created by: Internal Communications

Your Benefit Index Is Set To Soar High With The Big 5 Profit Days

BIG BENEFITS WITH PROFIT CLUB

Enrol or Renew Your Profit Club Membership

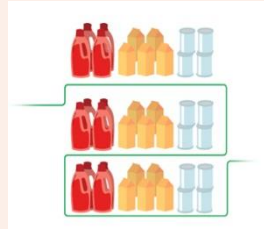
Created by: Internal Communications

PROXIMITY RETAIL: DATA SCIENCE & ARTIFICIAL INTELLIGENCE





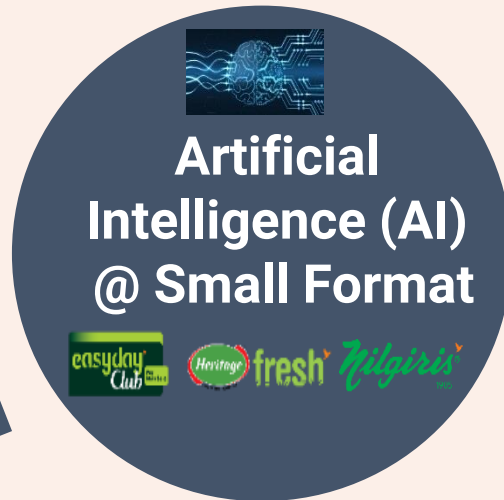
Member Spends & Demand Sensing



Predict Assortment



Predict Supply Chain



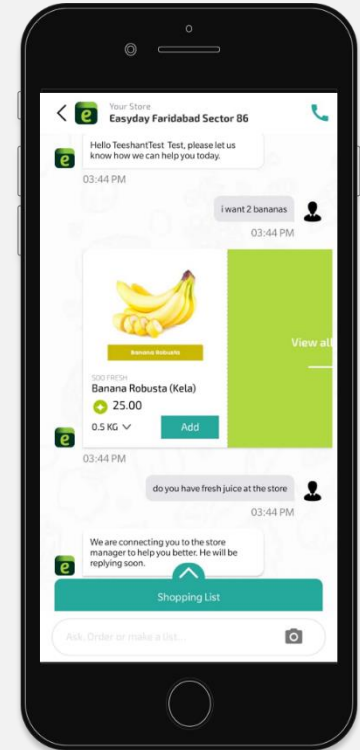
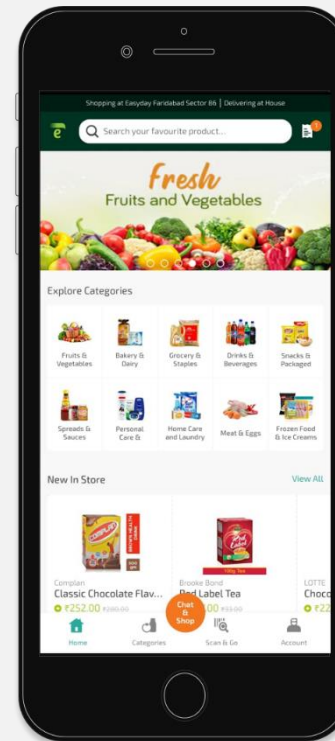
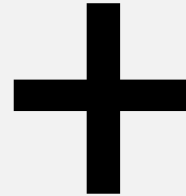
**Artificial Intelligence (AI)
@ Small Format**



Predict Store Location



Predict Manufacturing & Warehousing



**Physical Store
With Membership Model**

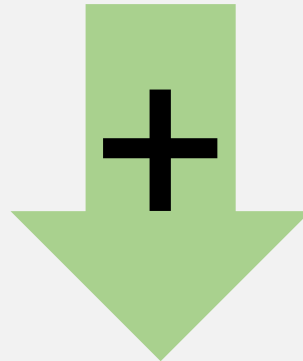
**Member & Conversational Commerce App
(Pilot under process in NCR; All India Launch in July)**



Normally, a customer visits a Local Kirana Store
300 times a year
Spends ₹ 1,50,000 p.a.



Through our Physical Stores, we have reached
₹ 36,000 p.a.
52 Visits



Through our Physical Stores + Member App, we want to reach more
₹ 60,000 p.a.
100 Visits

Where we have implemented in last 1 month

Monthly Spends (₹)

Monthly Visits

In Store

3,000

6

+

+

Incremental
Through App

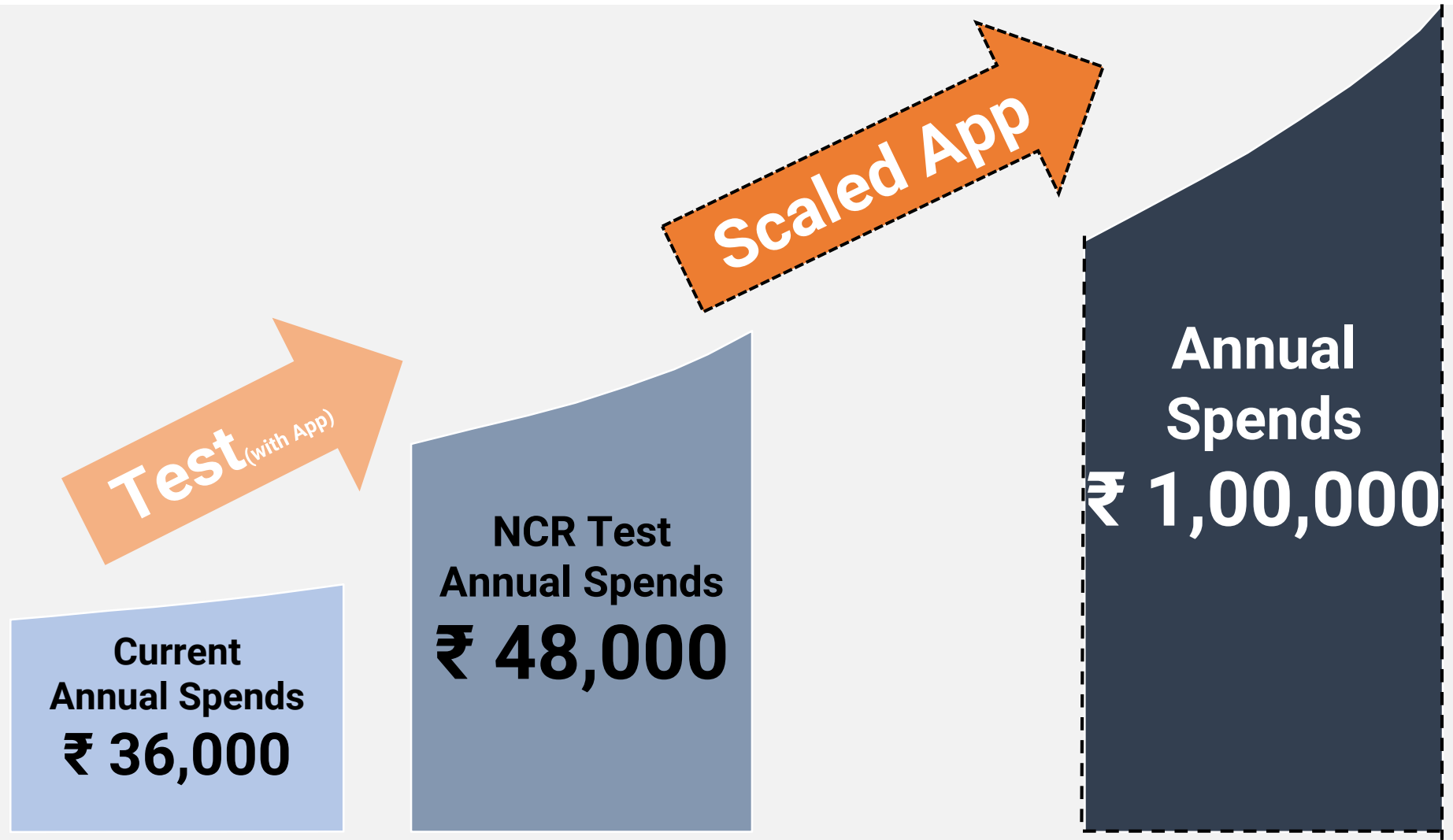
1,000

4

Total

4,000 /-

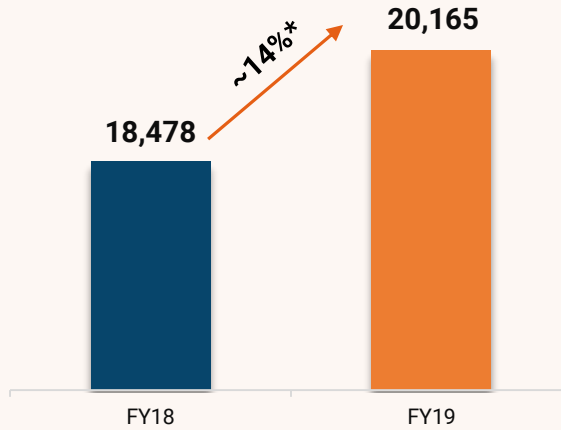
10



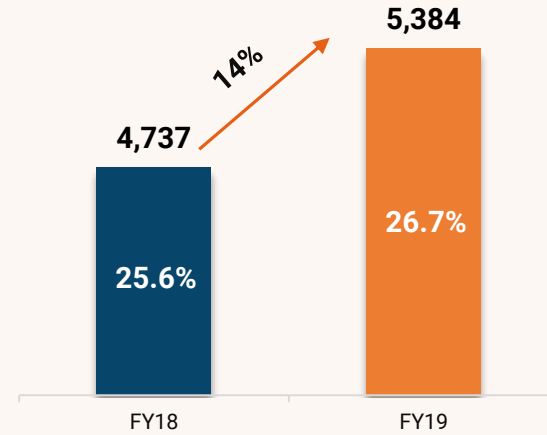
FINANCIAL UPDATE



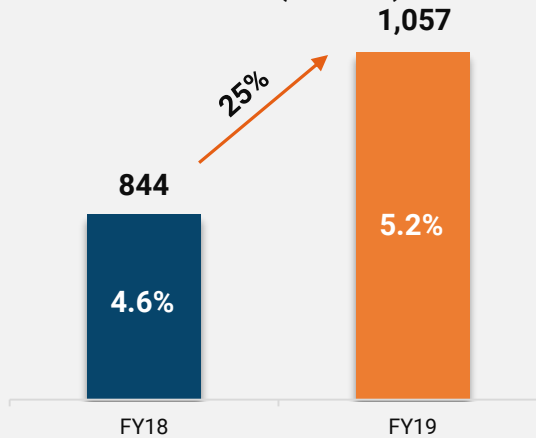
Income from Operations (₹ cr)



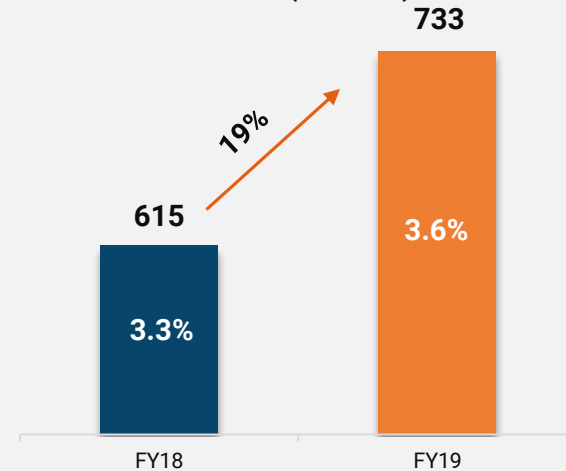
Gross Margin (% / ₹ cr)



EBITDA (% / ₹ cr)



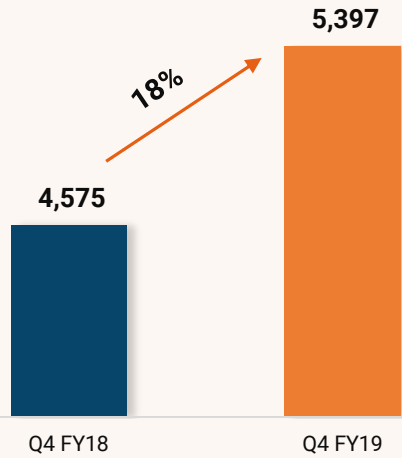
PAT* (% / ₹ cr)



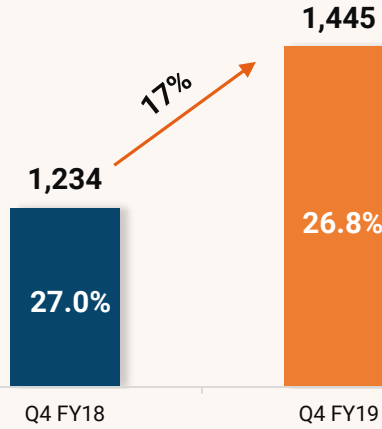
*Excluding exceptional non-cash item

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

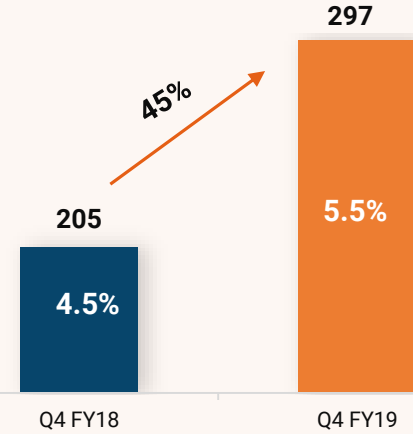
Income from Operations (₹ cr)



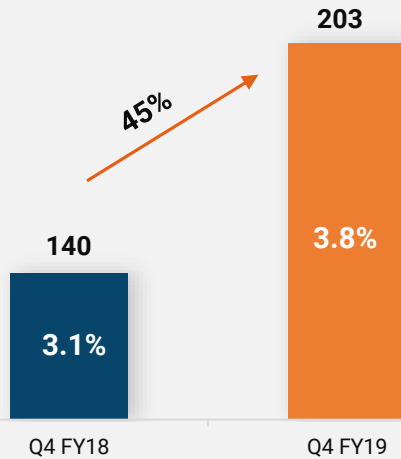
Gross Margin (% / ₹ cr)



EBITDA (% / ₹ cr)

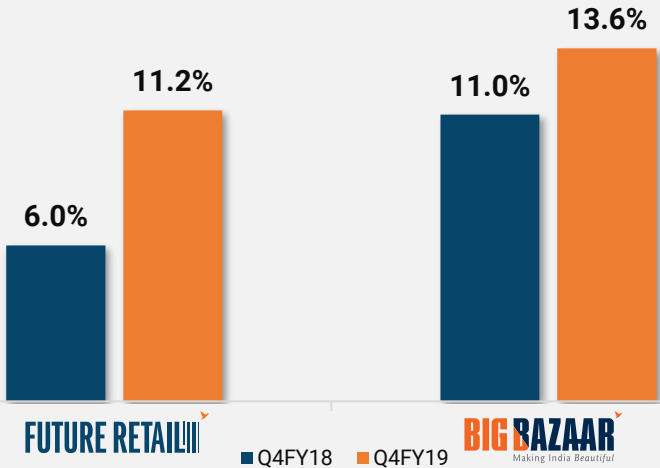


PAT* (% / ₹ cr)



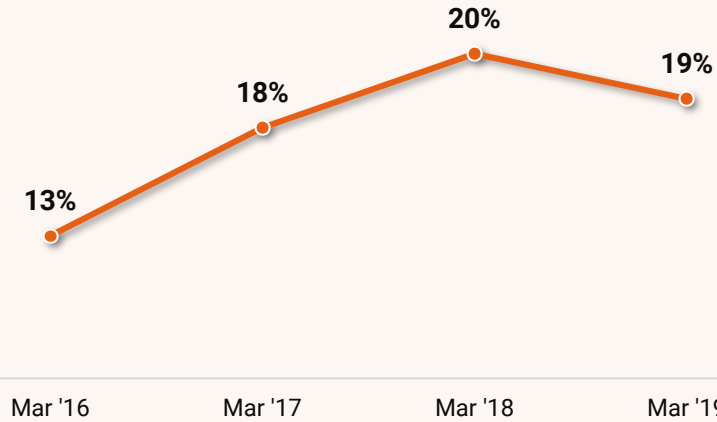
*Excluding exceptional non-cash item

Same Store Sales Growth (%)

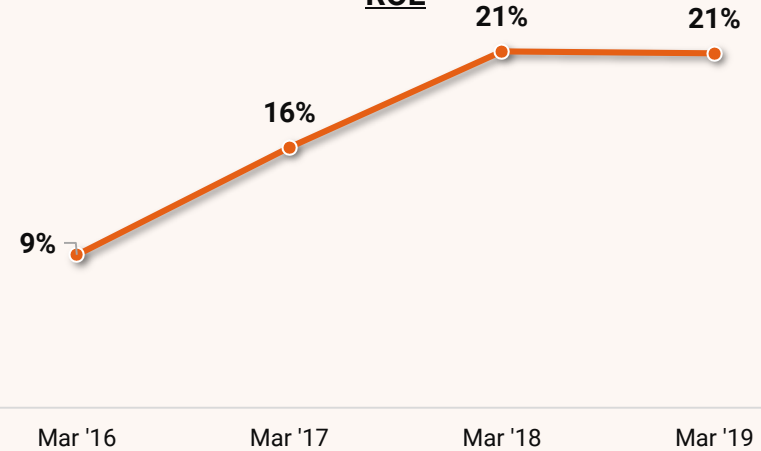


FRL SSSGs are on like-to-like basis

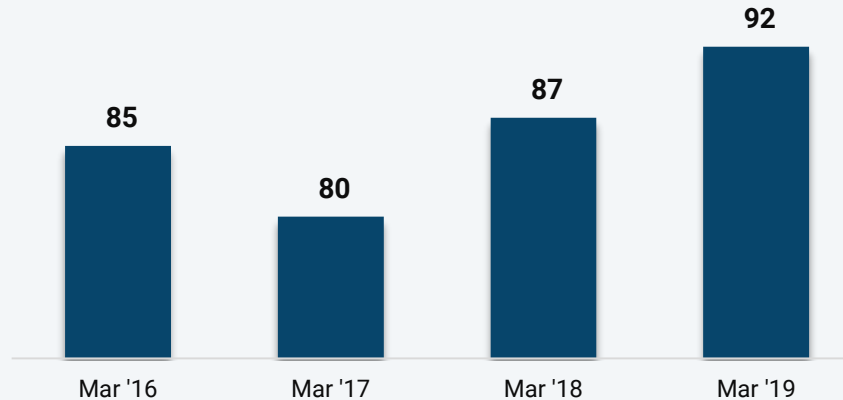
ROCE



ROE



Inventory Days (Revenue)



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

- 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

Standalone P&L Statement

| Particulars (₹ cr) | 3 months ended | | | Growth | | Year ended | | Growth |
|-------------------------------------|----------------|--------------|--------------|------------|-----------|---------------|---------------|-------------|
| | 31-Mar-19 | 31-Dec-18 | 31-Mar-18 | Y-o-Y | Q-o-Q | 31-Mar-19 | 31-Mar-18 | Y-o-Y |
| Total income from Operations | 5,397 | 5,301 | 4,575 | 18% | 2% | 20,165 | 18,478 | 14%* |
| Gross Profit | 1,445 | 1,380 | 1,234 | 17% | 5% | 5,384 | 4,737 | 14% |
| Gross Margin % | 26.8% | 26.0% | 27.0% | | | 26.7% | 25.6% | |
| Employee benefits expense | 276 | 277 | 245 | | | 1,074 | 930 | |
| Rent including lease rentals | 380 | 375 | 360 | | | 1,487 | 1,405 | |
| Other Expenditures | 498 | 450 | 429 | | | 1,785 | 1,570 | |
| Total expenditure | 1,154 | 1,103 | 1,033 | | | 4,347 | 3,905 | |
| Other Income | 6 | 5 | 3 | | | 20 | 12 | |
| EBITDA | 297 | 283 | 205 | 45% | 5% | 1,057 | 844 | 25% |
| EBITDA% | 5.5% | 5.3% | 4.5% | | | 5.2% | 4.6% | |
| Depreciation and amortisation | 32 | 25 | 18 | | | 101 | 53 | |
| EBIT | 264 | 258 | 187 | | | 957 | 791 | |
| EBIT % | 4.9% | 4.9% | 4.1% | | | 4.7% | 4.3% | |
| Finance Costs | 61 | 56 | 46 | | | 224 | 175 | |
| PBT | 203 | 201 | 140 | 45% | 1% | 733 | 615 | 19% |
| PBT% | 3.8% | 3.8% | 3.1% | | | 3.6% | 3.3% | |
| Exceptional non-cash item | - | - | (604) | | | - | (604) | |
| PBT (after exceptional item) | 203 | 201 | (464) | | | 733 | 11 | |
| Tax Expenses | - | - | - | | | - | - | |
| PAT | 203 | 201 | (464) | | | 733 | 11 | |

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

| PARTICULARS (₹ cr) | As at 31 Mar 2019 | As at 31 Mar 2018 |
|-------------------------------------|----------------------|----------------------|
| A) ASSETS | | |
| Non-Current Assets | 2,406 | 1,459 |
| Inventories | 5,066 | 4,417 |
| Trade Receivables | 316 | 270 |
| Other Current Assets | 2,487 | 1,865 |
| TOTAL ASSETS | 10,275 | 8,011 |
| B) EQUITY AND LIABILITIES | | |
| Equity | 3,852 | 3,096 |
| Non-Current Liabilities | 195 | 171 |
| Net Debt | 2,301 | 1,042 |
| Trade Payables | 2,937 | 3,424 |
| Other Current Liabilities | 990 | 278 |
| TOTAL EQUITY AND LIABILITIES | 10,275 | 8,011 |

| PARTICULARS (₹ cr) | For 12 months ended 31 Mar 2019 |
|-----------------------------|------------------------------------|
| Source of Funds | |
| Retained Earnings (PAT) | 733 |
| Increase in Net Debt | 1,260 |
| | 1,993 |
| Use of Funds | |
| Investment in subsidiary | 104 |
| Capex | 578 ¹ |
| Long term deposits & Others | 264 |
| Increase in Working Capital | 1,047 ² |
| | 1,993 |

Note 1:

- Gross Increase in area: ~2.1 mn sqft- Capex (including renovations): ~Rs 480 cr
- Technology & Software capex- ~ Rs 100 cr

Note 2:

Increase in Working Capital includes:

- Increase in inventory for new stores: ~ Rs 350 cr; Further some increase in inventory is due to slower fashion sales in Q4FY19
- Other current assets include balances with statutory authorities & GST input credit : ~Rs 450 cr
- Additionally, there was a reduction in payables, as the company extended support to vendors in a tight liquidity environment

P&L Statement

| Particulars (₹ cr) | Year ended |
|-------------------------------------|---------------|
| | 31-Mar-19 |
| Total income from Operations | 20,333 |
| Gross Profit | 5,472 |
| Gross Margin % | 26.9% |
| Employee benefits expense | 1,090 |
| Rent including lease rentals | 1,494 |
| Other Expenditures | 1,852 |
| Total expenditure | 4,436 |
| Other Income | 23 |
| EBITDA | 1,060 |
| EBITDA% | 5.2% |
| Depreciation and amortisation | 104 |
| EBIT | 956 |
| EBIT % | 4.7% |
| Finance Costs | 228 |
| PBT | 727 |
| PBT% | 3.6% |
| PAT | 727 |
| PAT% | 3.6% |

Balance Sheet

| Particulars (₹ cr) | As at 31 Mar 2019 |
|-------------------------------------|----------------------|
| A) ASSETS | |
| Non-Current Assets | 2,419 |
| Inventories | 5,085 |
| Trade Receivables | 322 |
| Other Current Assets | 2,505 |
| TOTAL ASSETS | 10,331 |
| B) EQUITY AND LIABILITIES | |
| Equity | 3,847 |
| Non-Current Liabilities | 206 |
| Net Debt | 2,298 |
| Trade Payables | 2,979 |
| Other Current Liabilities | 1,001 |
| TOTAL EQUITY AND LIABILITIES | 10,331 |

OTHER BUSINESS UPDATES





An IP that integrates the traditional touch and feel of retail with the reach & convenience of social media inducing a sense of inclusion in the price decision process



An interactive shopping festival and the mass appeal of television and film targets the right customer



Setting up of an interactive mode of brand communication hence enhancing customer conversations

fbf BIG BAZAAR
INDIA'S FASHION HUB

YOUR OLD APPAREL ARE WORTH THE LATEST STYLES AND TRENDS ONLY AT

fbf WARDROBE XCHANGE
16th FEB - 10th MARCH

CLICK HERE TO WATCH THE TVC!

Created by Internal Communications

#chillinlinen

think fashion think **fbf**
INDIA'S FASHION HUB

Don the cool colours! Feel effortlessly stylish with a range of linen shirts crafted in highly breathable premium fabric. Pick your favourite from a wide range of cotton to pure linen starting from ₹999/-.

fbf BIG BAZAAR
INDIA'S FASHION HUB

STARTS AT ₹799

NON-IRON SHIRTS & STRETCH TROUSERS FOR WRINKLE-FREE LIFE

THE WRINKLE-FREE RANGE FROM **fbf!**

CLICK HERE TO WATCH THE TVC!

Hitting A Hat-Trick With The Legendary League!

fbf Celebrates The 3rd Year Of Association With VIVO IPL!

vivo IPL | **fbf**
OFFICIAL PARTNER

Get Ready! The Cricketing Bonanza Starts On 23rd March!

Created by Internal Communications

WHEN STRIPES MEET BLING AND THE WILD GAL MEETS THE DIVA! YOU KNOW YOU GOTTA... BLEND IT LIKE KAT!

The Wild gal look

CLICK HERE TO WATCH THE LATEST TVC

fbf BIG BAZAAR
INDIA'S FASHION HUB

Created by Internal Communications

170 BIG BAZAAR STORES, 5 HYPERCITY STORES AND 5 FOOD BAZAAR STORES ARE OBSERVING THE



SWITCH OFF YOUR LIGHTS TODAY BETWEEN 8:30PM TO 9:30PM AND CONNECT TO EARTH

BE A PART OF THIS HOUR THAT PROMISES TO MAKE A DIFFERENCE!

From The Ellen Show to Big Bazaar Food channel. Watch **Little Chef Kicha LIVE!**

3:00 PM onwards

on **BIG BAZAAR Food** channel

BIG BAZAAR Making India Beautiful

Big Bazaar believes in inclusiveness. Celebrating this value is Big Bazaar's 'Sab Ke Liye' spirit. Taking this thought ahead, we will be observing the 'Quiet Hour' at our Big Bazaar store in Matunga, Mumbai.

Our store is ready to provide qualified assistance to customers with autism. We humbly invite you and anyone close to you who may be a person with autism to join us in our effort to serve everyone better

QUIET HOUR

December 03, 9:30am - 11:30am
Big Bazaar, New Era Road, Matunga Road, Matunga West

Customer Care: +91 22-49268116

For The First Time Ever At **BIG BAZAAR**
A Preview Day Sale Only
For Differently-Abled Shoppers!

Get **sabse sasta** offers before everyone else

- Wheelchair Assistance
- Priority Bill Counters
- Shopping Assistance
- Home Delivery

SABSE SASTE 5 DIN 23-27 JAN

21st Jan, 10 AM

PAYMENT PARTNER
10% RuPay CREDIT | DEBIT | PREPAID
50% cashback on all transactions

BIG BAZAAR Making India Beautiful

AGARTALA BELGAUM
AHMEDABAD BENGALURU
BHATINDA GHAZIABAD
HYDERABAD DIBRUGARH
FARIDABAD GUWAHATI GUNTUR
JAMSHEDPUR NEW DELHI
KORBA GURGAON
KURNOOL KOLKATTA
LUCKNOW NAGPUR
MADURAI RANCHI
MANGALORE JAIPUR
MYSORE SILIGURI
PUNE MUMBAI
RAIGARH PATNA
Brought to you by **Swiss Tempelle** TIRUNELVELI DURGAPUR SHIMOGA
VISHAKHAPATNAM RAJAHMUNDRY UDUPI

BIG BAZAAR Presents
WALK-A-THON
ON 16TH FEBRUARY



zendesk
future group
Udha hai. Aaj. Abhi.

Wins At The

zendesk
DX India Customer Excellence Award 2019

For
**Customer Excellence
In Retail Sector**

ORGANIZED BY
SYNNEX
www.synnexgroup.com

BIG BAZAAR
Making India Beautiful

Lauded with the **DNA FPH Winners In Life 2019 Award** in the Corporate and PSU category

Recognised for **outstanding contribution and employment scope** for the disabled community



Congratulations to the Big Bazaar family!

future group
Udha hai. Aaj. Abhi.



Wins At The Prestigious
12th Edition, Customer Loyalty Awards

Best Card Based Loyalty Program

Best Loyalty Program in Retail Sector
(Single/Speciality Format)



Congratulations, Team Big Bazaar Profit Club!

Created by Internal Communications

future group
Udha hai. Aaj. Abhi.

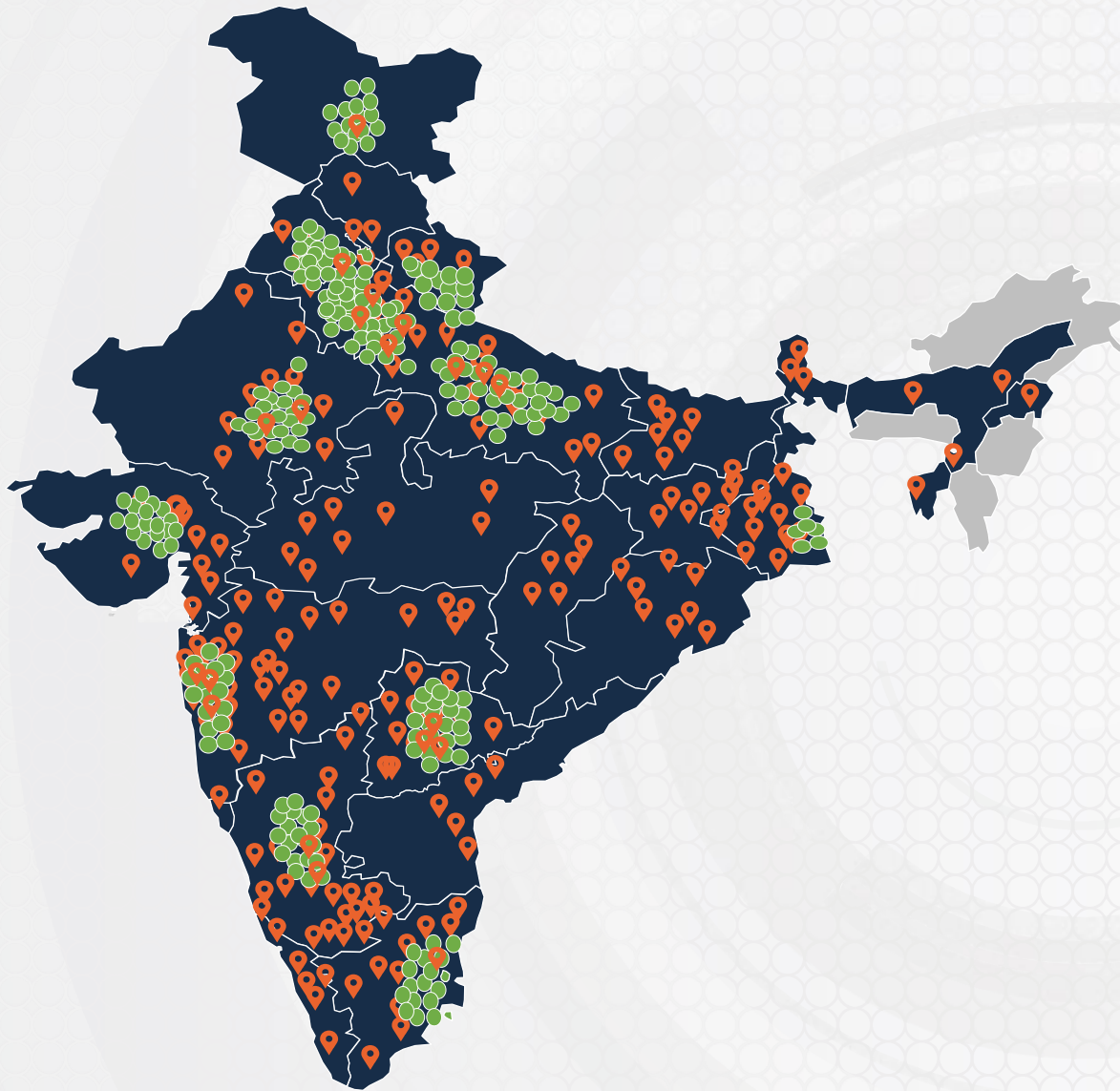
FUTURE GROUP WINS BIG AT THE VMRD RETAIL DESIGN AWARDS 2019!



CONGRATULATIONS TO THE WINNERS:

| | | |
|---|--|----------|
| CENTRAL @ VASANT KUNJ, DELHI | - BEST DEPARTMENT STORE | - GOLD |
| FOODHALL @ MITT, CHANAKYAPURI | - FOOD GROCERIES & GENERAL MERCHANDISE | - GOLD |
| FOODHALL @ TWIN HORIZON | - FOOD GROCERIES & GENERAL MERCHANDISE | - MERIT1 |
| BIG BAZAAR BEN KAT @ VASANT KUNJ 2, DELHI | - FOOD GROCERIES & GENERAL MERCHANDISE | - MERIT2 |
| FOODHALL @ MITT, CHANAKYAPURI | - BEST SHOP FITTING | - MERIT1 |

CREATED BY - INTERNAL COMMUNICATIONS



**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