

# **Future Lifestyle Fashions**

**Investor Update**

**Q1FY23**





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.

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The Company has assessed the impact of the countrywide lockdown imposed to curtail spread of COVID-19 pandemic, on its business operations and financial status and has considered all relevant information available up to the date of approval of financial results, in determination of the recoverability and carrying value of its financial assets and non-financial assets. The impact of COVID-19 pandemic and consequent global slowdown of business and uncertain overall economic environment may affect the underlying assumptions and estimates used to prepare the Company's financial results, whereby actual outcome may differ from those assumptions and estimates considered as at the date of approval of these financial results.



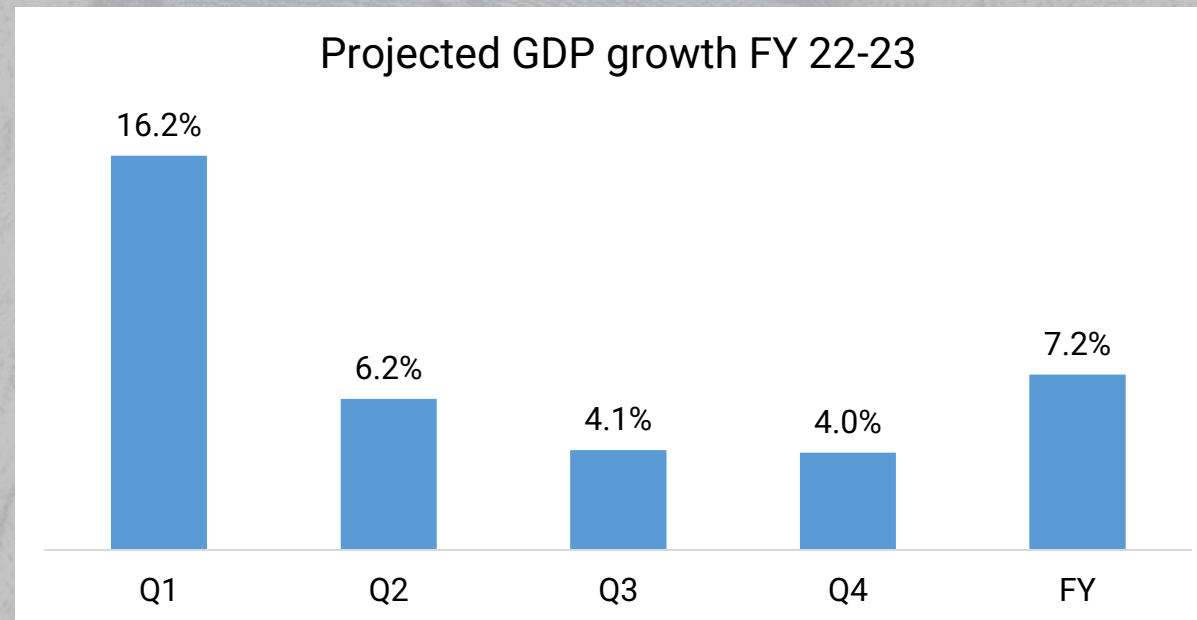
# Contents

1. **Economic Snapshot**
2. **Q1 FLF Business Update**

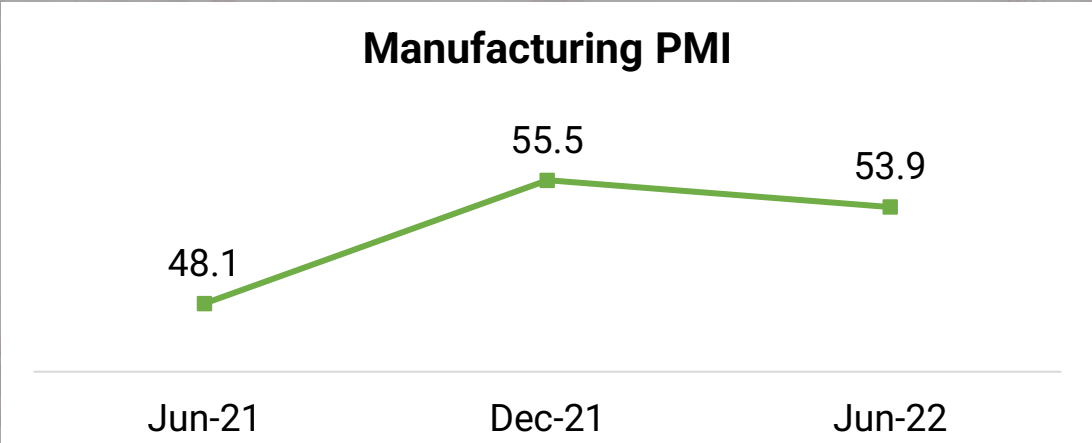
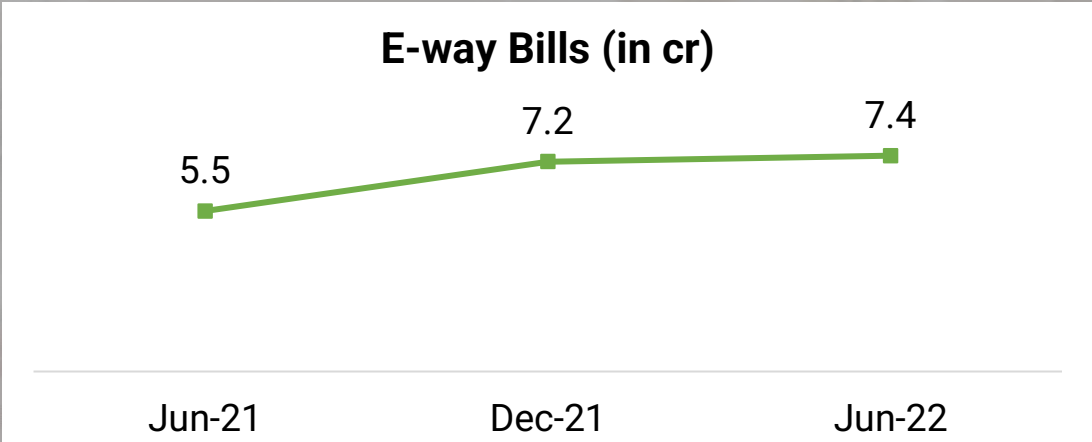
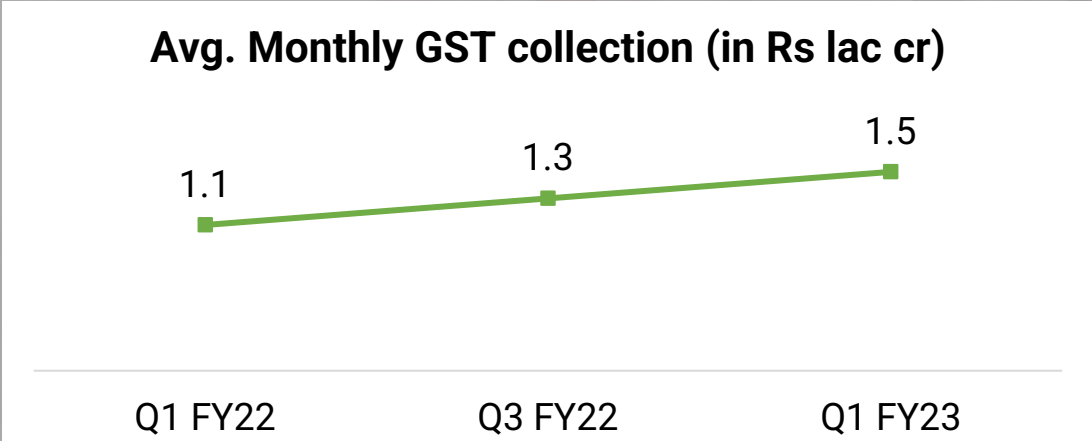


## Economy projected to grow at 7-7.5% in FY23

- Economic momentum is expected to be strong in current FY.
- The recovery in contact-intensive and discretionary sectors such as travel, vacations, dining out is supporting economic growth.
- Q1 is expected to grow in double-digits due to low base in PY on account of second covid wave.



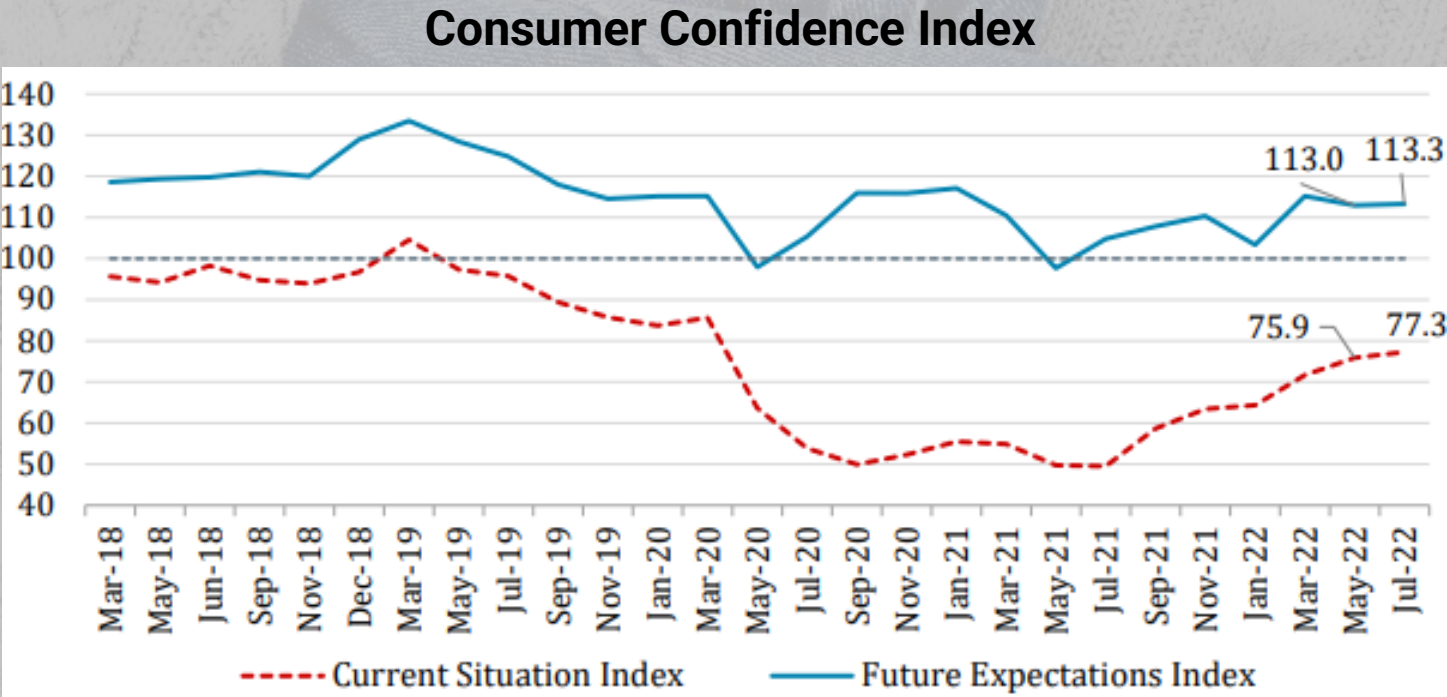
# Economic Indicators improved during Q1 FY23, indicating optimism



- In April-22, GST collections stood at Rs 1.67 lac cr and crossed Rs 1.5 lac cr mark for the first time.
- Manufacturing PMI growth is impacted by rising input costs and inflationary concerns.



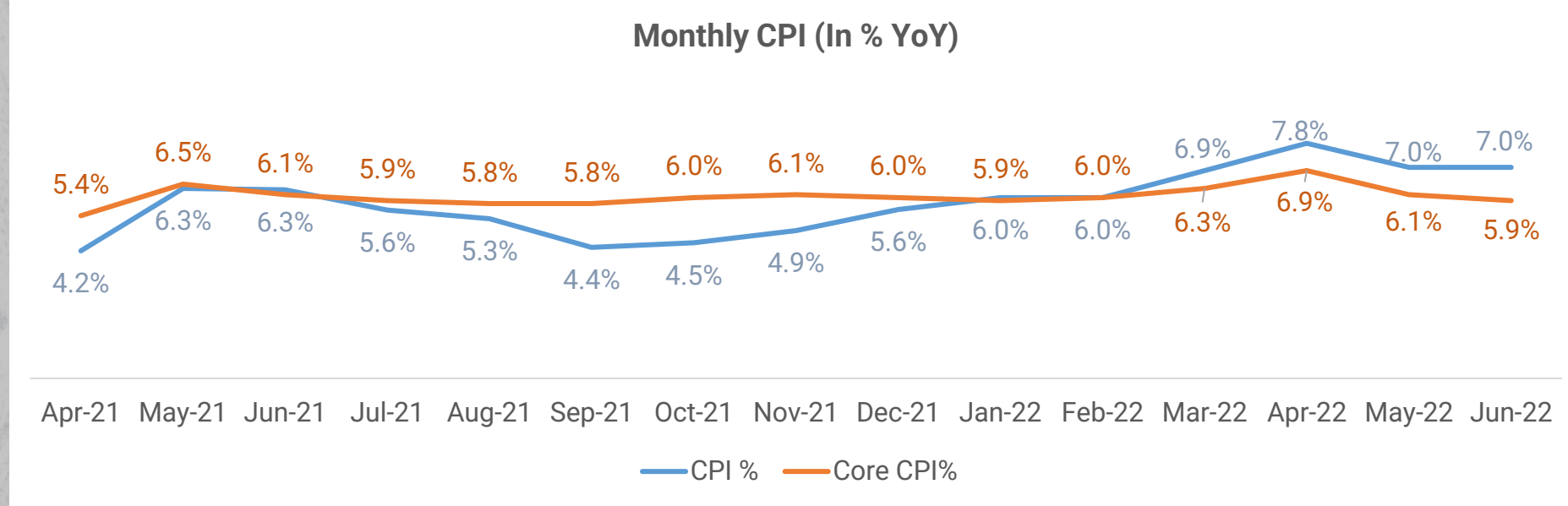
- Consumer confidence for the current period has been consistently improving since July 21.
- One year ahead outlook of households remained in growth terrain despite marginal moderation in sentiments.



Source: RBI Consumer Confidence Survey Aug-22



## However, Inflationary pressure remains high posing growth concerns



- CPI inflation averaged 7.2% in Q1 FY23 (vs 6.3% in Q4 FY22) while Core inflation (ex-food, fuel and light), averaged at 6.3% (vs 6% in Q2 FY22).
- Inflationary pressure increased on account of:
  - Food inflation
  - Impact of Russia-Ukraine war
  - Spillovers from rising global commodity prices
  - Elevated prices of industrial raw materials, crude oil prices, logistics, energy, cotton & yarn leading to supply chain disruptions



- Economy is expected to be buoyant in FY 22-23
- Consumer confidence is on a continuous upswing over past few months and exhibit positive outlook for future
- Inflationary pressure remains high posing downside risks but is expected to moderate over next few months.





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1. Key task was to maximise business within available resources and network
2. Margin improvement
3. Internal brands contribution improvement



## Central: Q1 Update for Operational Stores

Q1 FY23 vs Q1 FY22

**Footfalls**

**315%**

**Conversions**

**0%**

**ATV**

**-10%**

**ASP**

**-10%**

**Business**

**+270%**

- Stores were operational for 93% days during Q1
- Revenue recovery of 370% of Q1 FY22
- Internal brands contribution at 32% in Q1 FY23



Q1 FY23 vs Q1 FY22

Footfalls

212%

Conversions

-3%

ATV

+1%

ASP

-14%

Business

+192%

- Stores were operational for 82% days during Q1
- Revenue recovery of 292% of Q1 FY22
- Internal brands contribution at 50% in Q1 FY23



There is no major change in store count in Q1.



Store count



EBOs  
Total  
Area (mn Sqft)

Mar-22	Jun-22
11	10
28	28
141	139
180	177
2.5	2.4



## Financial Performance Q1 FY23 FLF Standalone and Consolidated

Income Statement	Standalone		Consolidated	
Particulars	Q1 FY22	Q1 FY23	Q1 FY22	Q1 FY23
Revenue from Operations	265	266	298	273
COGS	179	171	205	178
Gross Profit	86	95	93	95
Gross Margin %	32.5%	35.6%	31.3%	34.6%
Employee Benefits Expense	56	31	62	31
Rent including Lease Rental	13	13	13	13
Other Expenditures	93	53	110	53
Total Expenditure	161	97	185	96
Other Income	11	21	11	28
EBITDA	(64)	19	(80)	26
EBITDA Margin %	-24.3%	7.1%	-27.0%	9.5%
Depreciation	165	100	167	100
EBIT	(229)	(81)	(248)	(74)
Finance Costs	96	61	99	61
Exceptional loss	-	-	-	-
PBT	(325)	(142)	(347)	(136)
Tax expense	-	-	(6)	-
Share in Net Loss of Associates and Joint Ventures	-	-	(7)	(0)
Other Comprehensive Income/(Loss)	0	-	0	0
<b>Net profit</b>	<b>(325)</b>	<b>(142)</b>	<b>(348)</b>	<b>(136)</b>





**Namaste !**

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