

# **Future Lifestyle Fashions**

**Investor Update**

**Q2FY22**





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.

The Company may alter, modify or otherwise change in any manner the content of this report, without obligation to notify any person of such revision or changes. This report cannot be copied and/or disseminated in any manner.

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.



# Agenda

- |                                  |    |
|----------------------------------|----|
| 1. Economy & Consumer Insights   | 04 |
| 2. FLF Q2 Highlights             | 09 |
| 3. Q2 FY22 Financial Performance | 18 |



# Economic & Operating Indicators improved during Q2

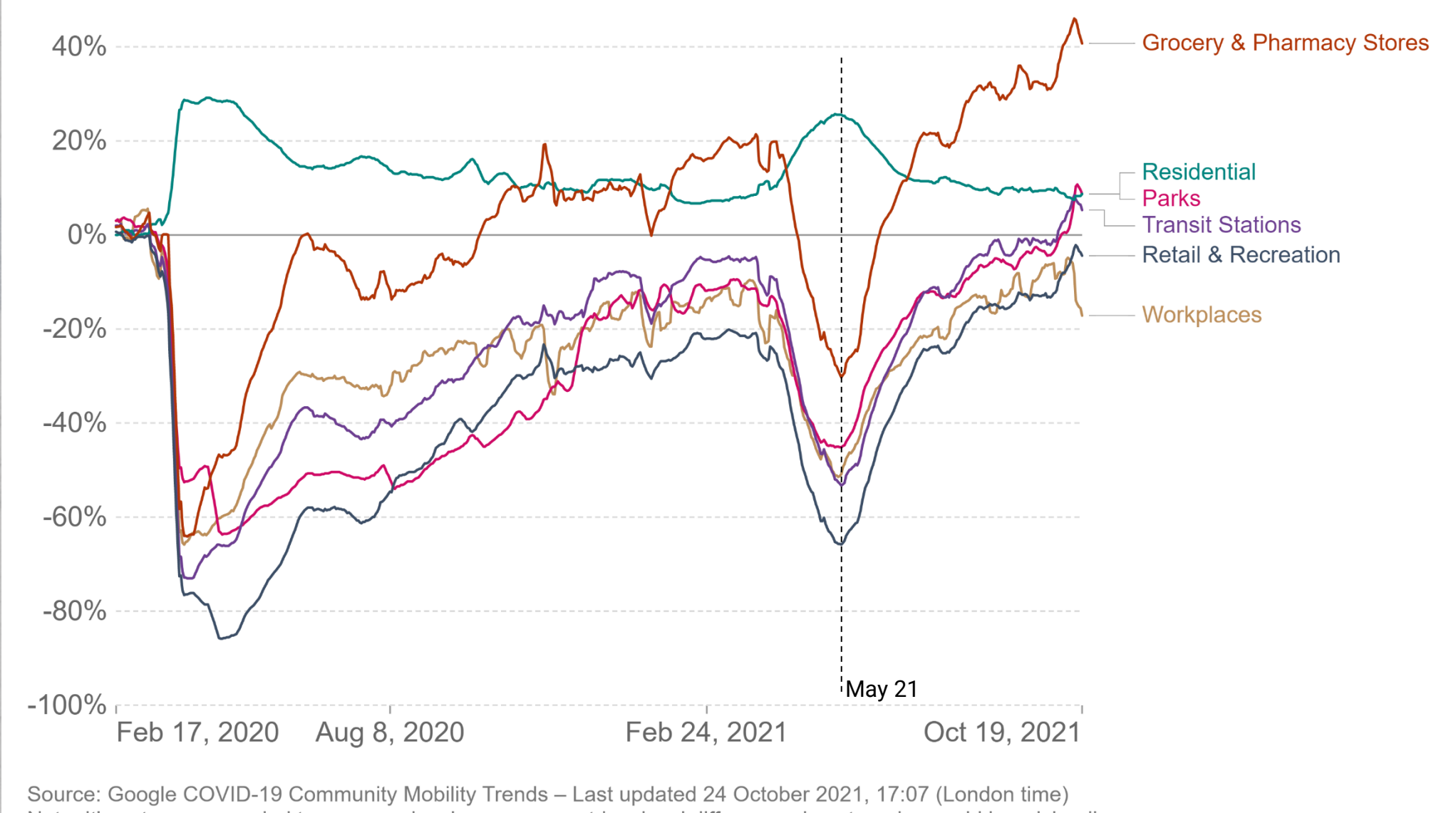
## Economic indicators improved during Q2 FY22

- Avg monthly GST collections in Q2 FY22 was Rs 1.15 lacs crore, 5% higher than monthly average of Q1 FY21.
- The manufacturing PMI accelerated to 53.7 in Sept 21 from lows of 48.1 in June.
- Industrial recovery also getting boost from “Production linked incentives” scheme.
- Total e-way bills generated stood at 6.8 cr in Sept 21 (18% growth over Sept 20 and 30% growth over Sept 19).
- Vehicle registration contracted -5% over Sept 20 and -13% over Sept 19, owing to shortage on raw materials.

## Operating Indicators

- Declining COVID cases. Daily new cases less than 30,000.
- 100 cr+ vaccination doses administered
- Unemployment rate reduced to 6.8% in Sept-21 vs 9% in June and 12% in May
- Mobility index improved across sectors – for essentials as well as non-essentials

# Mobility improved since May end across various categories





# Consumer Confidence (for future) in upswing except Price trends

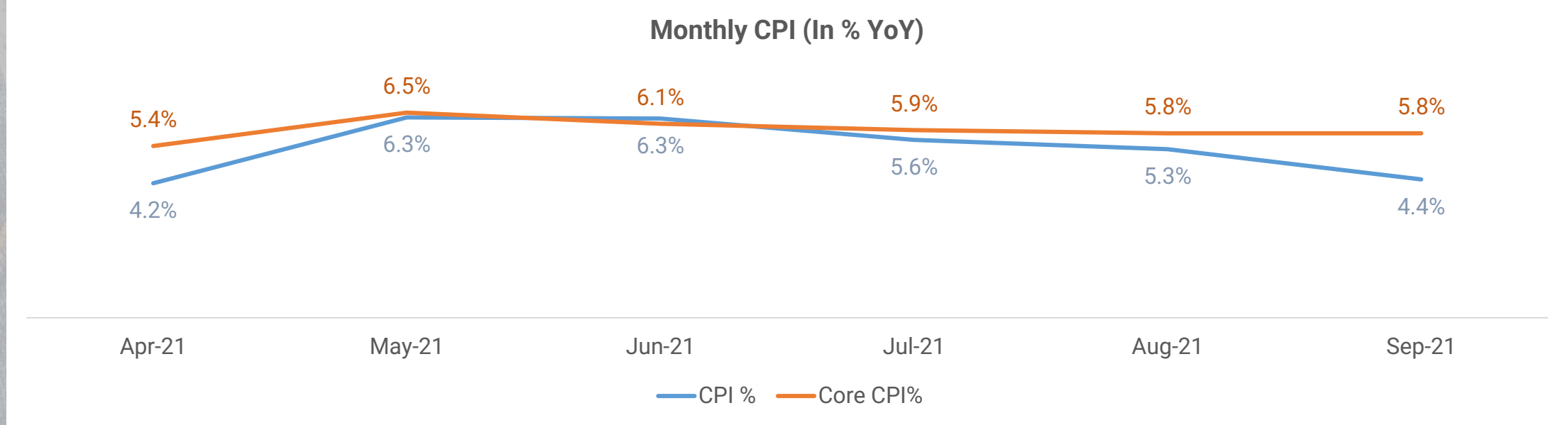
Summary based on Net Responses						
Main Variables	Current Perception compared with one-year ago			One year ahead Expectations compared with current situation		
	July-21	Sep-21	Change	July-21	Sep-21	Change
Economic Situation	-69.1	-57.4	↑	-4.8	1.5	↑
Employment	-68.2	-57.6	↑	0.9	7.9	↑
Price Level	-91.9	-90.6	↑	-59.5	-64.4	↓
Income	-59.1	-47.8	↑	30.6	31.3	↑
Spending	31.4	41.9	↑	52.8	58.8	↑
Consumer Confidence Index	48.6	57.7	↑	104.0	107.0	↑
↑	Positive Sentiments with sign of improvement compared to last round		↑	Negative Sentiments with sign of improvement compared to last round		
↓	Positive Sentiments with sign of deterioration compared to last round		↓	Negative Sentiments with sign of deterioration compared to last round		
↔	Positive Sentiments with no change compared to last round		↔	Negative Sentiments with no change compared to last round		

- Confidence on current situation improved over last 3 months, though it is still negative
- Sentiments on future situation is positive but with mixed signals on economic situation and inflation.

Source: RBI Consumer Confidence Survey Sept-21



# Inflationary pressure across Sectors and Industries



- CPI inflation averaged 5.1% in Q2 FY22. Core inflation (ex-food, fuel and light), was at 5.8% in Sept-21.
- Food inflation reduced in Sept-21 but in October, food prices increased further.
- Inflationary pressure continue on account of:
  - Sector-specific demand-supply mismatches
  - Spillovers from rising global commodity prices
  - **Elevated prices of industrial raw materials, crude oil prices, logistics, energy, cotton & yarn leading to supply chain disruptions**
- Restricted imports from China is also impacting various product categories and supply chain.



- Economy is recovering, despite uncertainty around Third Covid Wave.
- Consumer confidence has improved over the last quarter and exhibit positive outlook for future but still have concerns over Economy and inflation.
- Inflation and rising raw material costs, coupled with supply chain disruptions pose a big threat to various sectors. Increased cotton yarn prices is impacting Fashion business margins.
- Current situation is showing positive signals, but with uncertainty around external environment, everyone is taking a more cautious approach rather than an aggressive one.





# Agenda

- |                                  |           |
|----------------------------------|-----------|
| 1. Economy & Consumer Insights   | 04        |
| 2. <b>FLF Q2 Highlights</b>      | <b>09</b> |
| 3. Q2 FY22 Financial Performance | 18        |



1. Drive business recovery with higher Gross margins
2. Drive recovery through Brands
3. Strengthen Online & Omni-capabilities
4. Sustain Operating Cost efficiencies



Q2 FY22 vs Q2 FY21

**Footfalls**

**+127%**

**Conversions**

**-5%**

**ATV**

**+23%**

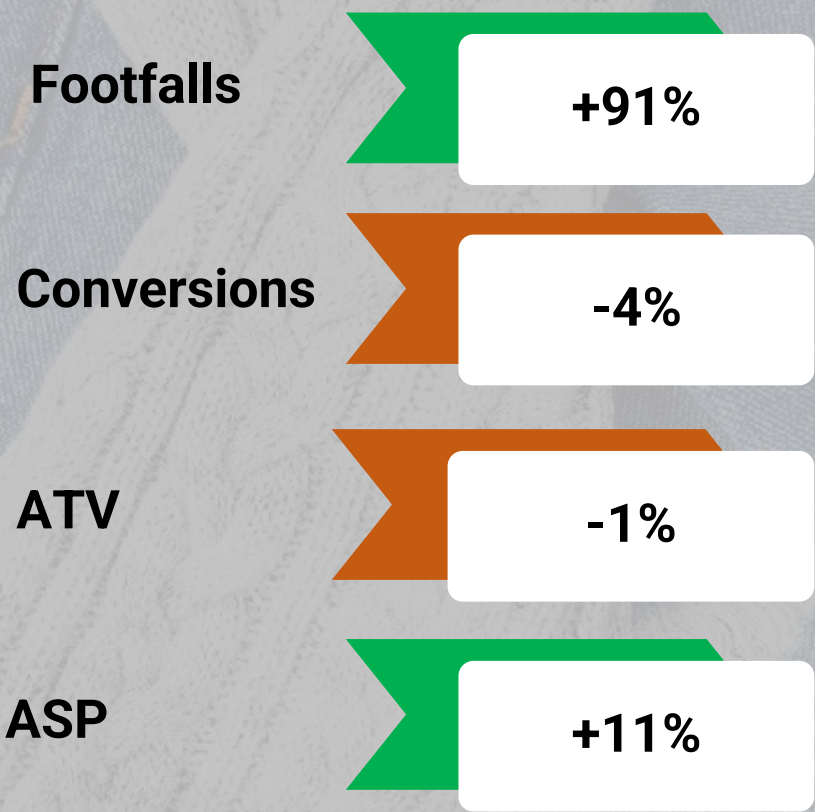
**ASP**

**+12%**

- Stores were operational for 78% of Q2
- Revenue achieved 2.2X of Q2 FY21
- Focus was on ATV increase through ticket size offers and bundled promotions



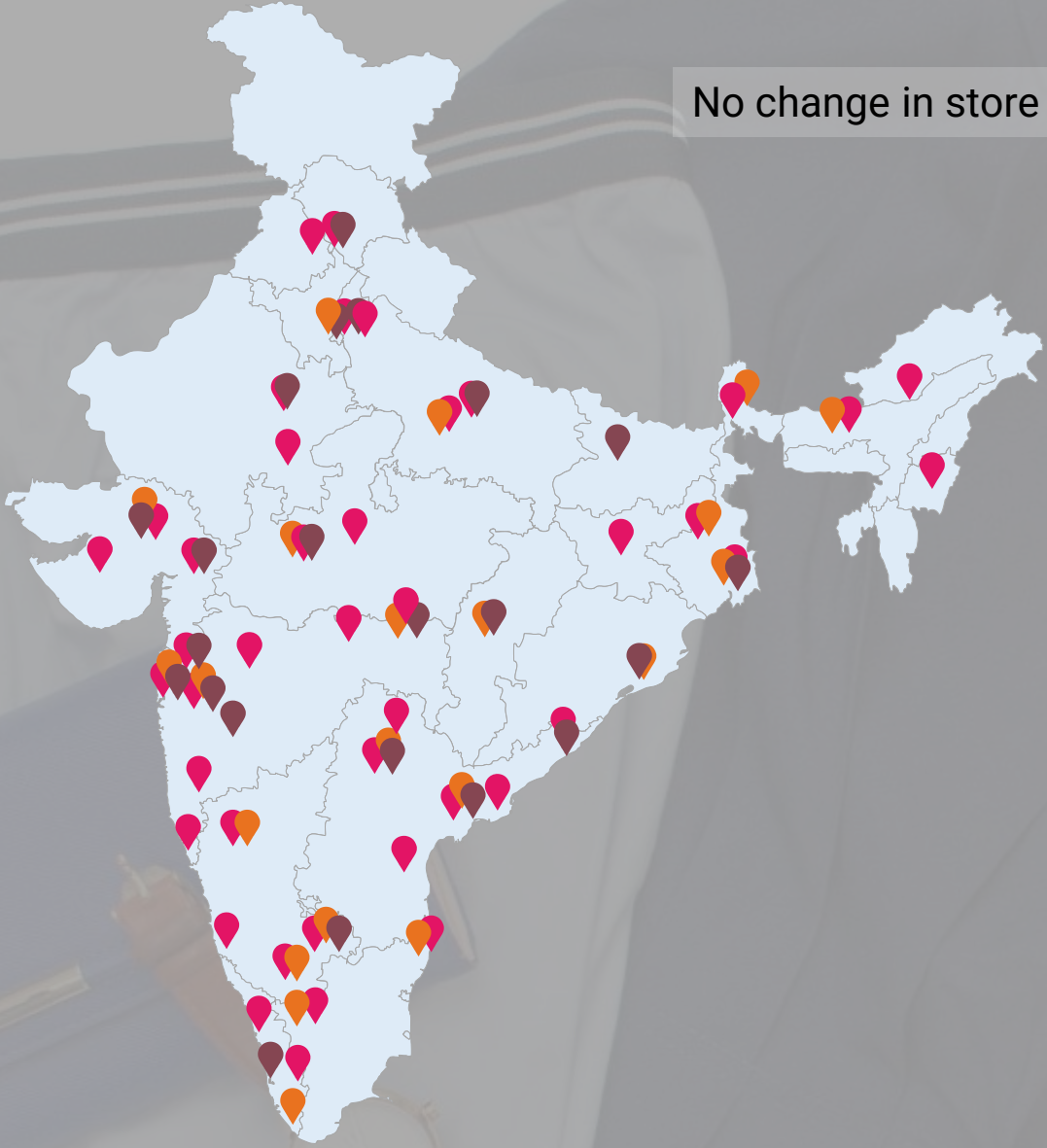
Q2 FY22 vs Q2 FY21



- Stores were operational for 89% of Q1
- Revenue achieved 1.6X of Q2 FY21



No change in store count and area.



Store count	
June 21	Sep 21
46	46
106	106
181	181
333	333
7.6	7.6

- CENTRAL BRAND.NEW
- BRAND FACTORY
- EBOs
- Total
- Area (mn Sqft)

Note:- Includes numbers of Lee Cooper business Stores. Map is not to scale





Festivals of India

Celebrations with content makers



Brand X Central

Exclusive collection launch on Digital assets of Central







New Brand launch



Ladies Ethnic Reel  
94k views



Mens Casual Reel  
30K views

Going Social / Topicals

Captured the moments / in-trend memes  
Celebrated Special days such as Teacher's day, Friendship Day



Festival Celebrations





Indigo Nation



Scullers

Converse



Jealous21



## aLL at your doorstep



- Continued to serve customers through **aLL At Your Doorstep** using **Google Forms** & **Missed Call service – 7045678970** for Shopping
- Communication to customers by SMS/ tele-calling/WhatsApp

## #unapologetically me



Building a powerful platform for the audience to unapologetically be themselves (Ongoing)

## Pilot influencer activation in East



Influencer Nivriti Das Store-Walk at Acropolis Store. Promoted the reel through all social media handles.





# Agenda

- |   |           |
|---|-----------|
| 1. Economy & Consumer Insights          | 04        |
| 2. FLF Q2 Highlights                    | 09        |
| 3. <b>Q2 FY22 Financial Performance</b> | <b>18</b> |



## Financial Performance Q2 FY22 FLF Standalone and Consolidated

Income Statement	Standalone		Consolidated	
Particulars	Q2 FY21	Q2 FY22	Q2 FY21	Q2 FY22
Revenue from Operations	388	793	409	833
COGS	268	534	285	568
Gross Profit	120	259	124	265
Gross Margin %	31.0%	32.7%	30.3%	31.8%
Employee Benefits Expense	45	55	48	58
Rent including Lease Rental	17	27	17	27
Other Expenditures	103	111	106	136
Total Expenditure	165	193	172	220
Other Income	15	10	15	10
EBITDA	(30)	76	(33)	54
EBITDA Margin %	-7.7%	9.6%	-8.1%	6.5%
Depreciation	134	165	138	166
EBIT	(164)	(89)	(171)	(112)
Finance Costs	85	75	87	75
Exceptional loss	-	-	-	(7)
PBT	(249)	(164)	(258)	(194)
Tax expense	0	-	(5)	(10)
Share in Net Loss of Associates and Joint Ventures	-	-	(4)	(26)
<b>Net profit</b>	<b>(250)</b>	<b>(164)</b>	<b>(258)</b>	<b>(209)</b>



# Financial Performance 6M FY22 FLF Standalone and Consolidated

Income Statement	Standalone		Consolidated	
Particulars	6MFY21	6MFY22	6MFY21	6MFY22
Revenue from Operations	468	1,058	495	1,131
COGS	325	713	348	773
Gross Profit	143	345	148	358
Gross Margin %	30.5%	32.6%	29.8%	31.7%
Employee Benefits Expense	83	111	90	120
Rent including Lease Rental	24	40	24	40
Other Expenditures	172	204	186	246
Total Expenditure	279	355	300	405
Other Income	25	21	25	21
EBITDA	(111)	12	(127)	(26)
EBITDA Margin %	-23.8%	1.1%	-25.7%	-2.3%
Depreciation	302	330	310	333
EBIT	(413)	(319)	(437)	(359)
Finance Costs	166	170	169	174
Exceptional loss	-	-	-	(7)
PBT	(579)	(489)	(606)	(541)
Tax expense	0	-	(5)	(16)
Share in Net Loss of Associates and Joint Ventures	-	-	(10)	(33)
Net profit	(579)	(489)	(611)	(557)



Capital Employed Statement	Sep-20	Mar-21	Sep-21
Shareholder's Funds	1,028	701	142
Debt	1,623	1,712	1,772
Less: Cash and cash equivalent	39	50	33
Net Debt	1,583	1,663	1,739
Less: Current Investment	40	38	38
Net Adj Capital Employed	2,572	2,326	1,843



Cash Flow	Sep-20	Mar-21	Sep-21
Profit after tax	(611)	(933)	(557)
Adjustments of Other Operational and Non Cash Items	496	967	532
Change in Working Capital	124	271	314
<b>Cash flow from Operational Activities</b>	<b>10</b>	<b>304</b>	<b>289</b>
Income Tax Paid	(3)	(1)	(3)
<b>Net cash flow from Operational Activities</b>	<b>7</b>	<b>303</b>	<b>286</b>
Capex new stores and renovation	(13)	(68)	(3)
Other items of Invest Activities	27	55	19
<b>Cash flow from Investing Activities</b>	<b>13</b>	<b>(13)</b>	<b>16</b>
Proceeds from Debt & Equity	240	330	60
Payment of Interest and Dividend	(103)	(220)	(113)
Payment of Lease Liabilities	(140)	(368)	(266)
<b>Net cash used in financing activities</b>	<b>(2)</b>	<b>(259)</b>	<b>(319)</b>
<b>Net increase in cash and cash equivalents</b>	<b>18</b>	<b>32</b>	<b>(17)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12</b>	<b>12</b>	<b>45</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>30</b>	<b>45</b>	<b>28</b>





**Namaste !**

**Registered and Corporate Office:**

Knowledge House, Shyam Nagar, Off JVLR,  
Jogeshwari (East), Mumbai 400 060

+91 22 30842336 | [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in)

[www.futurelifestyle.in](http://www.futurelifestyle.in)

