



Ref: No: CS/S/L-262/2020-21

7th January, 2020

<p>To: The Listing Department NATIONAL STOCK EXCHANGE OF INDIA LIMITED “Exchange Plaza” Bandra-Kurla Complex Bandra (E), Mumbai-400 051 Scrip Code: VMART Fax: 022-26598120 Email: cmlist@nse.co.in</p>	<p>To: The Corporate Relationship Department THE BSE LIMITED Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip code: 534976 Fax: 022-22723121 Email: corp.relations@bseindia.com</p>
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Sub: Presentation to Analysts/Investors

Sir,

This has reference to our earlier intimation vide letter no. CS/S/L-261/2020-21 dated 7th January, 2021, please find enclosed herewith the investor presentation of the Company being discussed with the Analysts/Investors pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended.

The above presentation is also available on the company's website: <https://www.vmartretail.com>.

Request you to kindly take the same on record.

Thanking you,

Yours truly,

For V-Mart Retail Limited



Megha Tandon
Company Secretary

V-MART RETAIL LTD.

CIN- L51909DL2002PLC163727

Corporate Office : Plot No. 862, Udyog Vihar, Industrial Area Phase V, Gurgaon - 122 016 (Haryana)
Tel. : 0124-4640030, Fax No. : 0124-4640046 Email : info@vmart.co.in Website : www.vmart.co.in
Registered Office : 610-611, Guru Ram Dass Nagar, Main Market, Opp. SBI Bank, Laxmi Nagar, New Delhi - 110092



V-Mart Retail Limited



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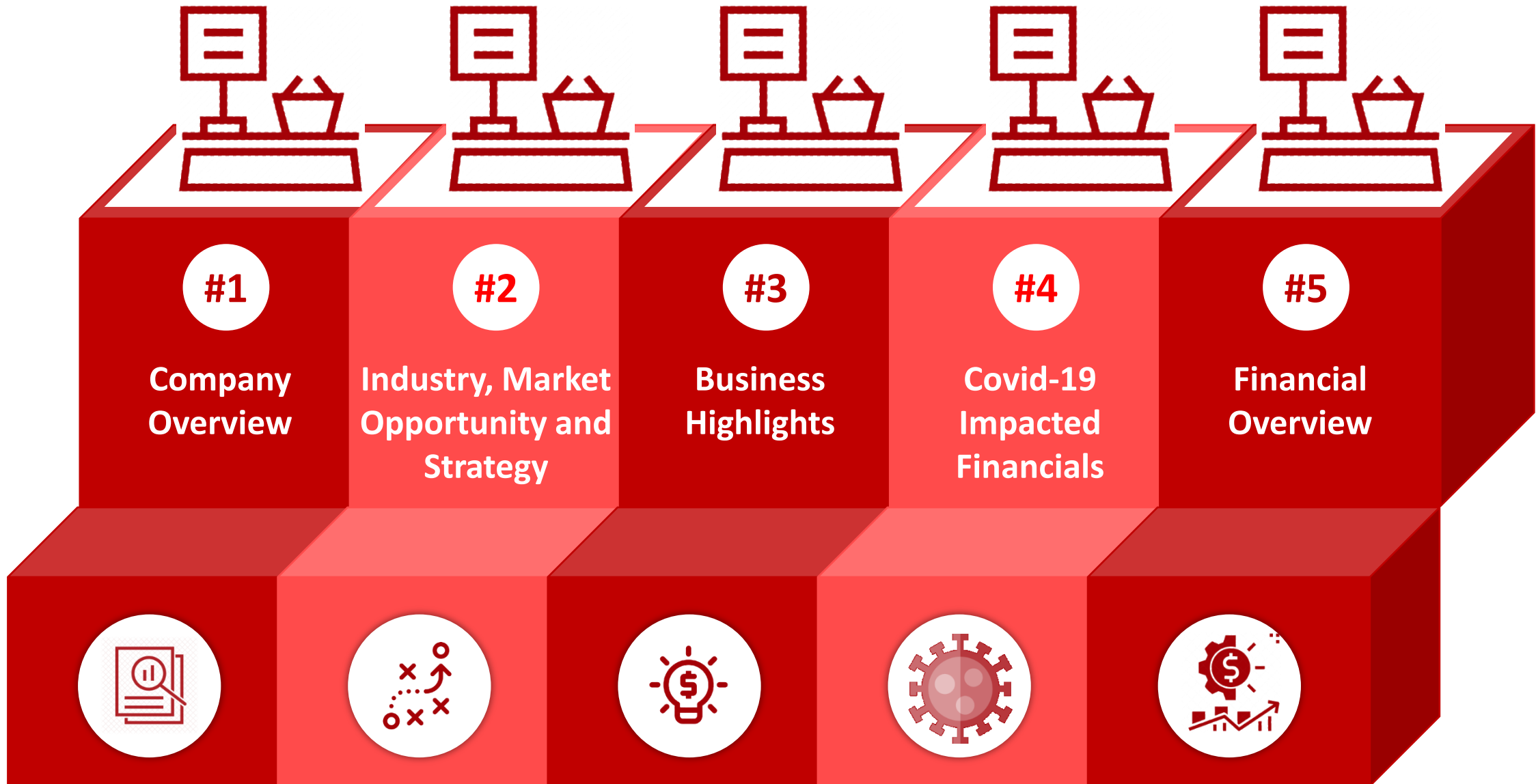
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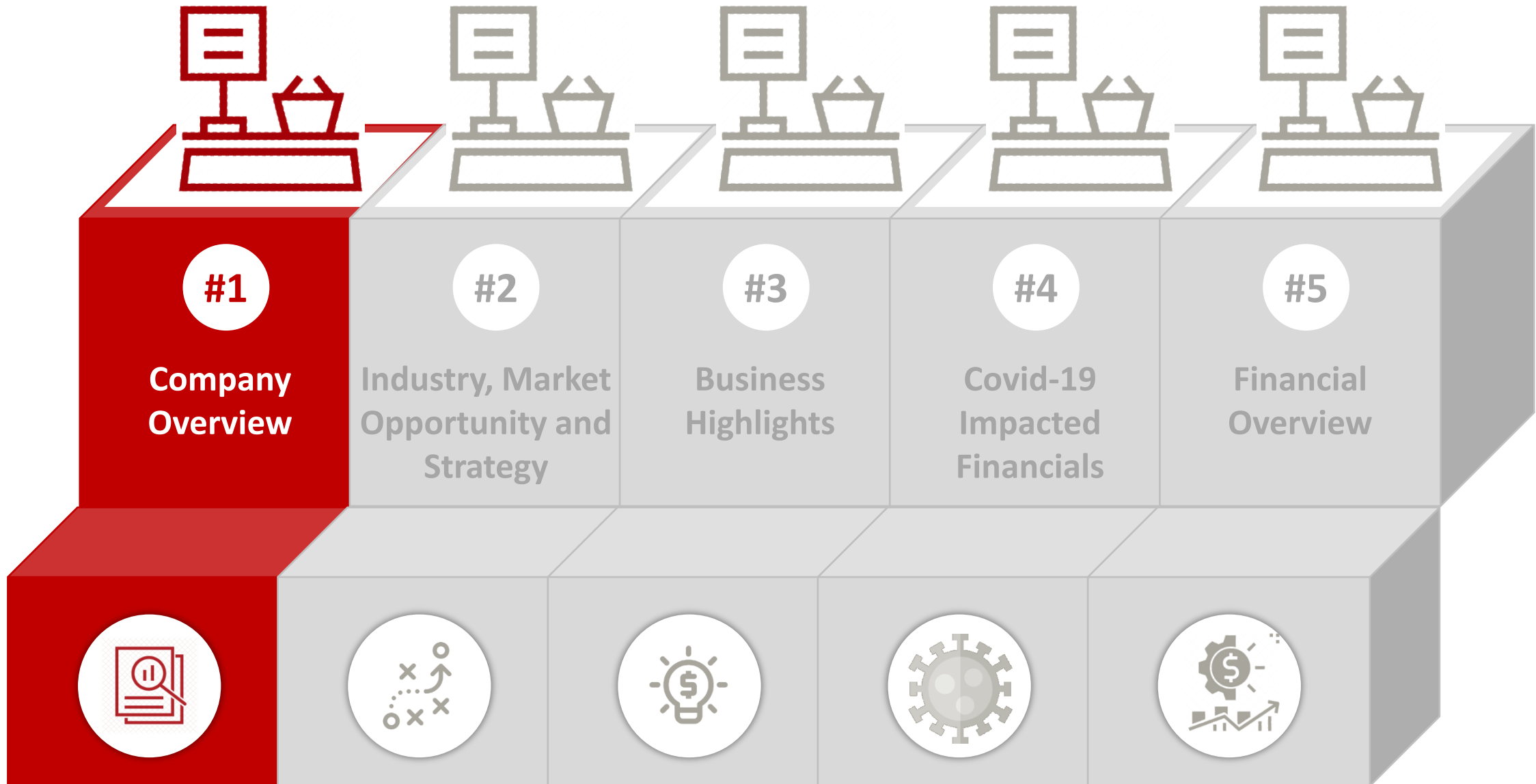
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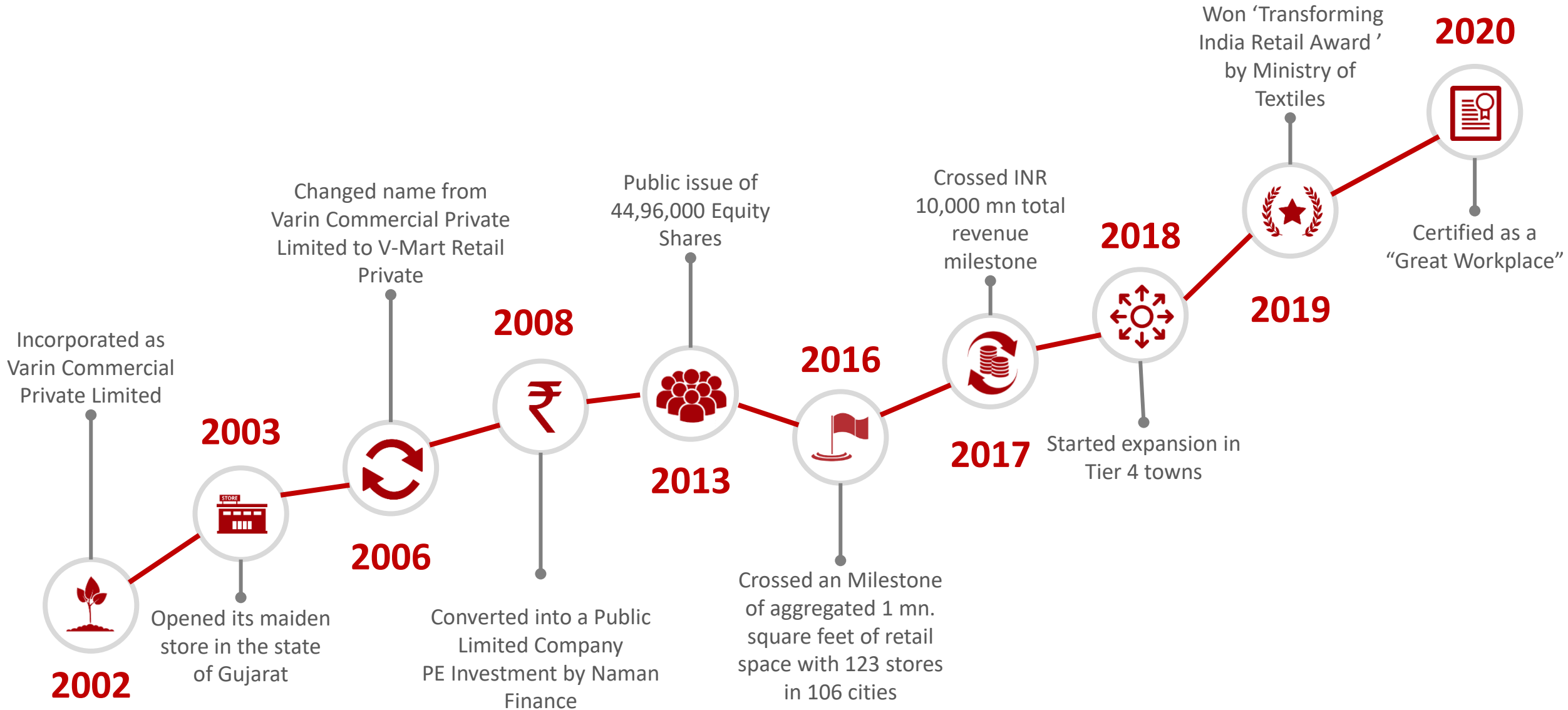
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Journey So Far



V-Mart is one of the pioneers in value retail



V-Mart offers an unparalleled shopping experience to the consumer

- V-Mart operates a chain of value retail stores in tier II , III and IV cities
- Has 274 stores spread across 188 cities in 19 states*
- Products offered include apparels, accessories, general merchandise and grocery
- It caters to the needs of the value and fashion conscious consumer residing in these cities
- The company operates on the “Price less fashion” principle and aims to offer fashionable and trendy products at affordable prices

Vision



Create value and make our ecosystem proud

Mission



Care for customer aspirations, discover and nurture talent, and create sustained ethical growth for stakeholders and harness vendor relationships

Leveraged strengths to achieve sustainable growth

- **Calibrated cluster expansion model**
 - Set up new stores within close proximity of an existing city benefits from economies of scale
 - Understand evolving regional fashion trends
 - Create brand visibility and recall among target audience
- **Relevant and differentiated product assortment**
 - Optimal mix of private and market labels to offer a wide and differentiated assortment to consumers
- **Loyal customer base**
 - 58% repeat sales[^] in FY'20 demonstrates well-established loyal consumer base
- **Culture of low cost process innovation and continuous improvement**
 - Tight cost control ensures that the final product delivered to the customer is at an affordable price point
 - Data analytics to ensures inventory management and its freshness
- **Focus on creating value for the entire stakeholder ecosystem**

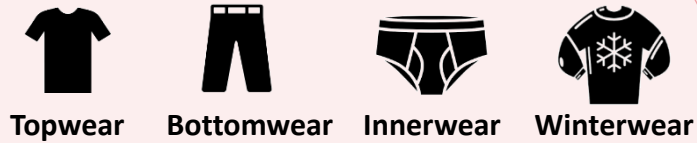
*As of December 31st, 2020

[^]Any customer who shops more than once in the last 2 years is repeat customer and repeat sales

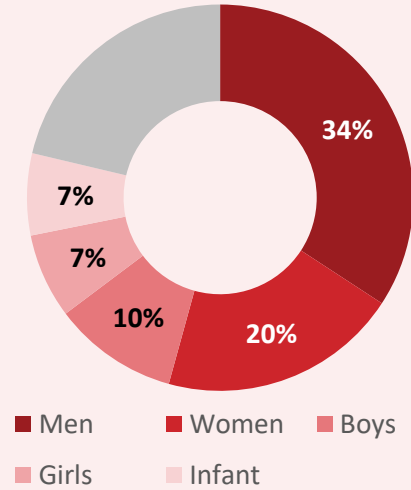
Well thought-out product assortment...



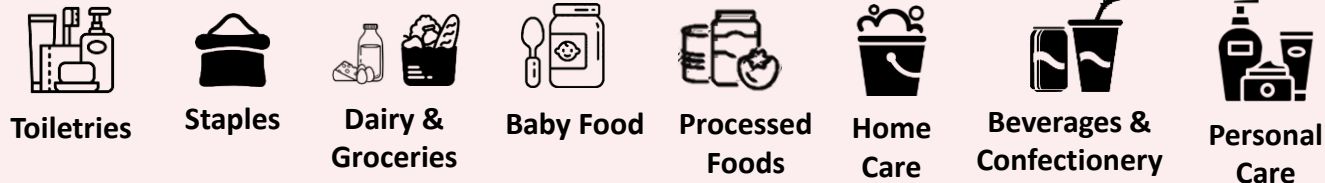
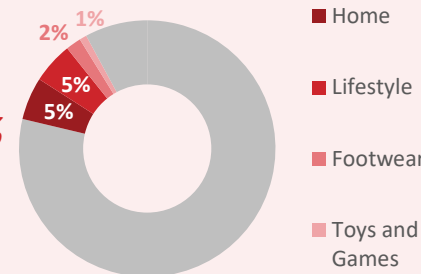
FLICK



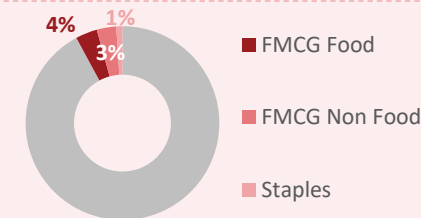
Apparel – 79%
Private Label – 59%*
ASP – INR 334



Non – Apparel – 13%
ASP – INR 127



Kirana – 8%
ASP – INR 68



*59% of revenue from apparel

..with strong procurement capabilities



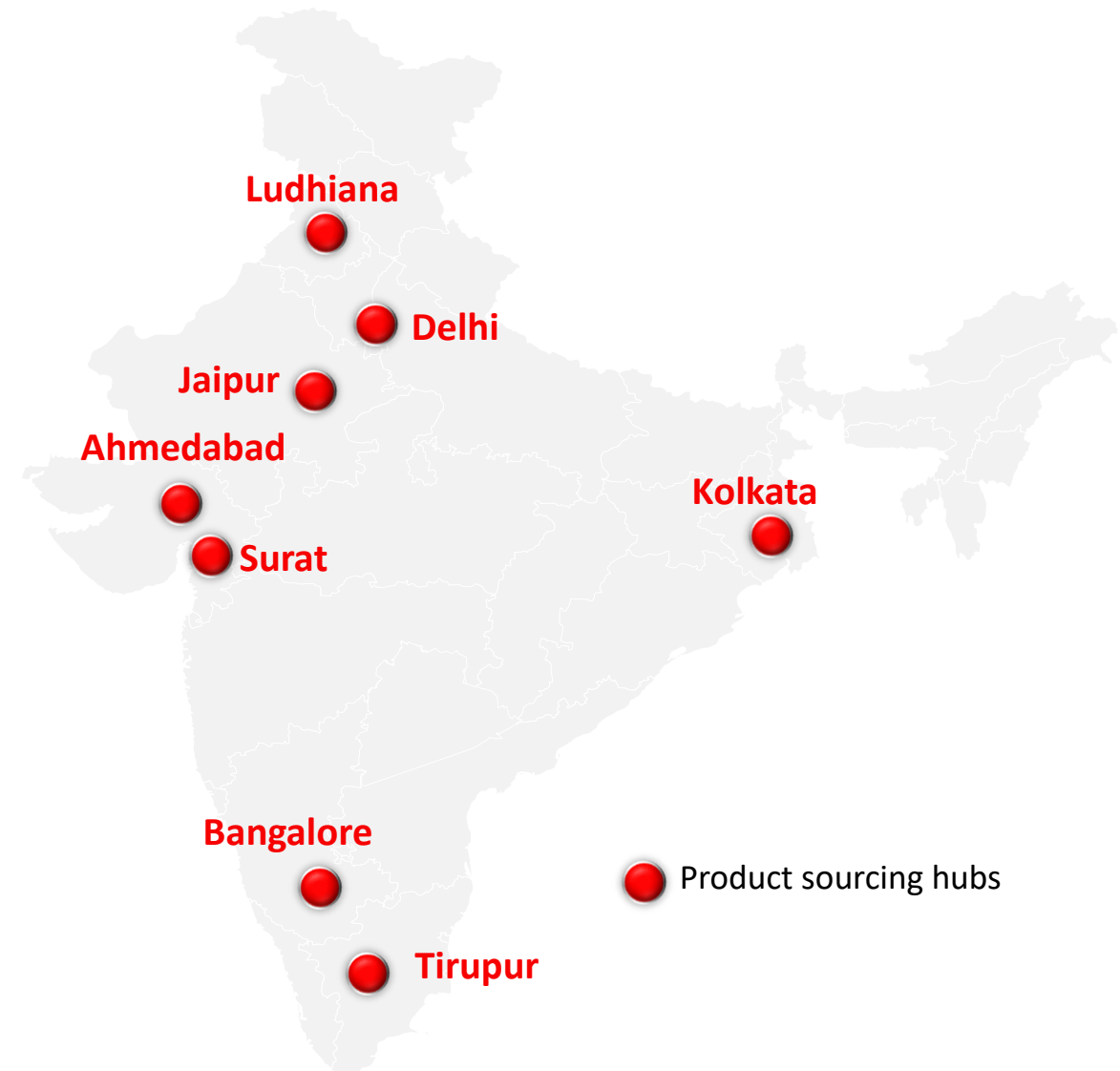
V-Mart's experience in sourcing has ensured that merchandise reflecting international and national fashion trends are supplied to the customers at affordable prices

V-Mart sources products directly from respective product hubs to ensure quality products

The company has an extensive vendor base of 550+ vendors

It has ensured that the vendors have the right capabilities to cater to the company's market and product strategy

Adopting data analytics and digital technologies in customer-facing and back-end processes has enhanced process efficiency and enabled the company to maintain right assortment at store level and with vendors

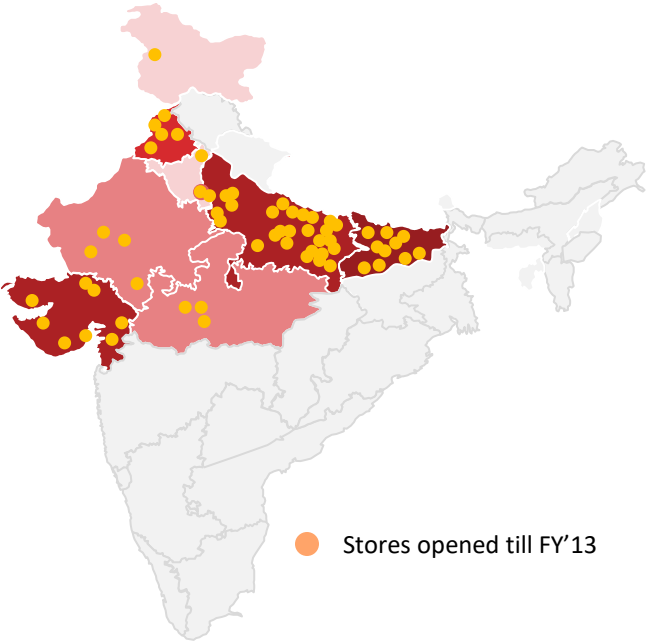


Expanding presence through a “cluster based” approach



63 Stores

10 States

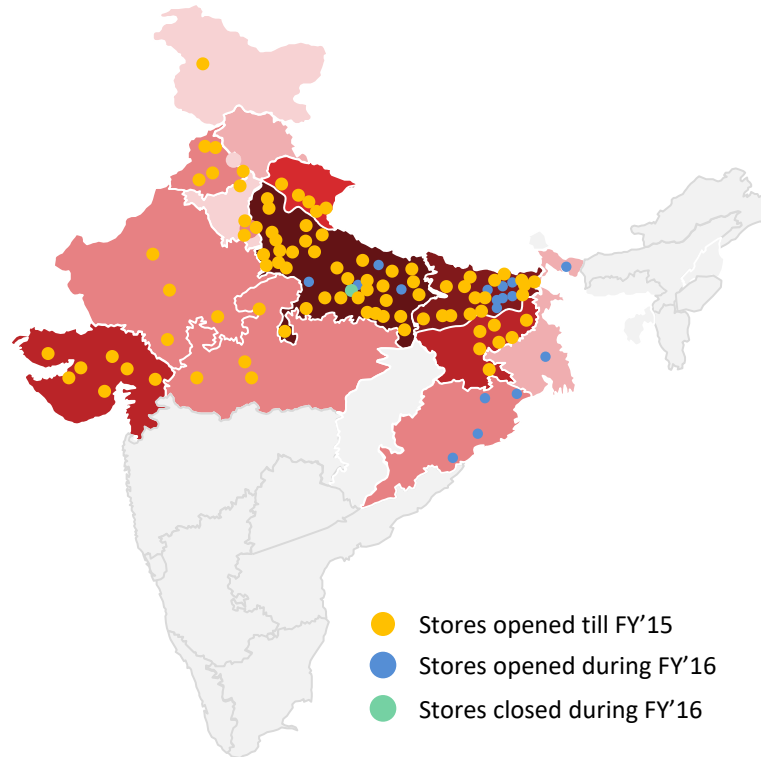


● Stores opened till FY'13

2012-13

123 Stores

14 States

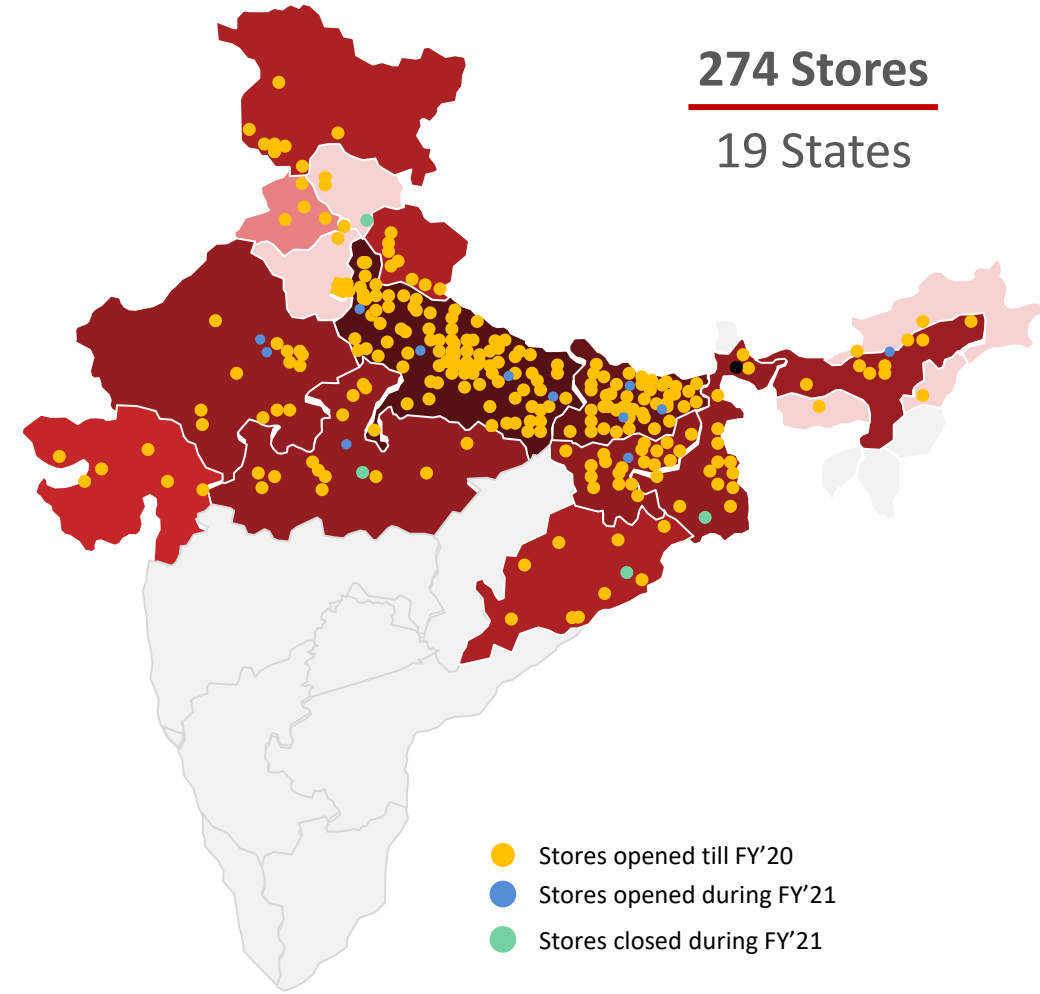


● Stores opened till FY'15
● Stores opened during FY'16
● Stores closed during FY'16

2015-16

274 Stores

19 States



● Stores opened till FY'20
● Stores opened during FY'21
● Stores closed during FY'21

As of December 31st, 2020

Low Concentration High Concentration

Board of Directors and senior management personnel



Board of Directors



Lalit Agarwal

Chairman & MD



Madan Agarwal

Wholetime Director



Aakash Moondhra

Independent Director



Murli Ramachandran

Independent Director



Sonal Mattoo

Independent Director



Govind S. Shrikhande

Independent Director

Senior Management Personnel



Anand Agarwal

Chief Financial Officer



Vineet Jain

Chief Operating Officer



Rajan Sharma

President - Procurement & Sourcing



Megha Tandon

Company Secretary & Compliance Officer



Snehal Shah

Senior Vice President Projects



M. Srinivasan

Vice President SCM & Planning



Ramesh Agarwal

Vice President SCM & FMCG



Ranjan Kumar

VP, Strategy and Corporate Communication



Syed Ali Athar

VP, Skill Development



Anjali Goel

Asst. Vice President Human Resources



Dinesh Srivastava

Asst. Vice President Information Technology

Awards and recognitions

Great Place to Work Institute

2020

“Great Workplace”

Bureau Veritas

2019

Certified as ‘Trusted Shop’ under IRF Trusted Mark Certification Scheme

Textile Ministry of India

2019

“Transforming India Retail Award”

Bloomberg

2018

“World’s best performing department stores chain”

Franchise India.

2018

Mr. Lalit Agarwal, recognised as the ‘Retail Leader of the year’

Progressive Grocer

2018

Recognised as ‘One-stop Brand of Choice’

World HRD Congress

2018

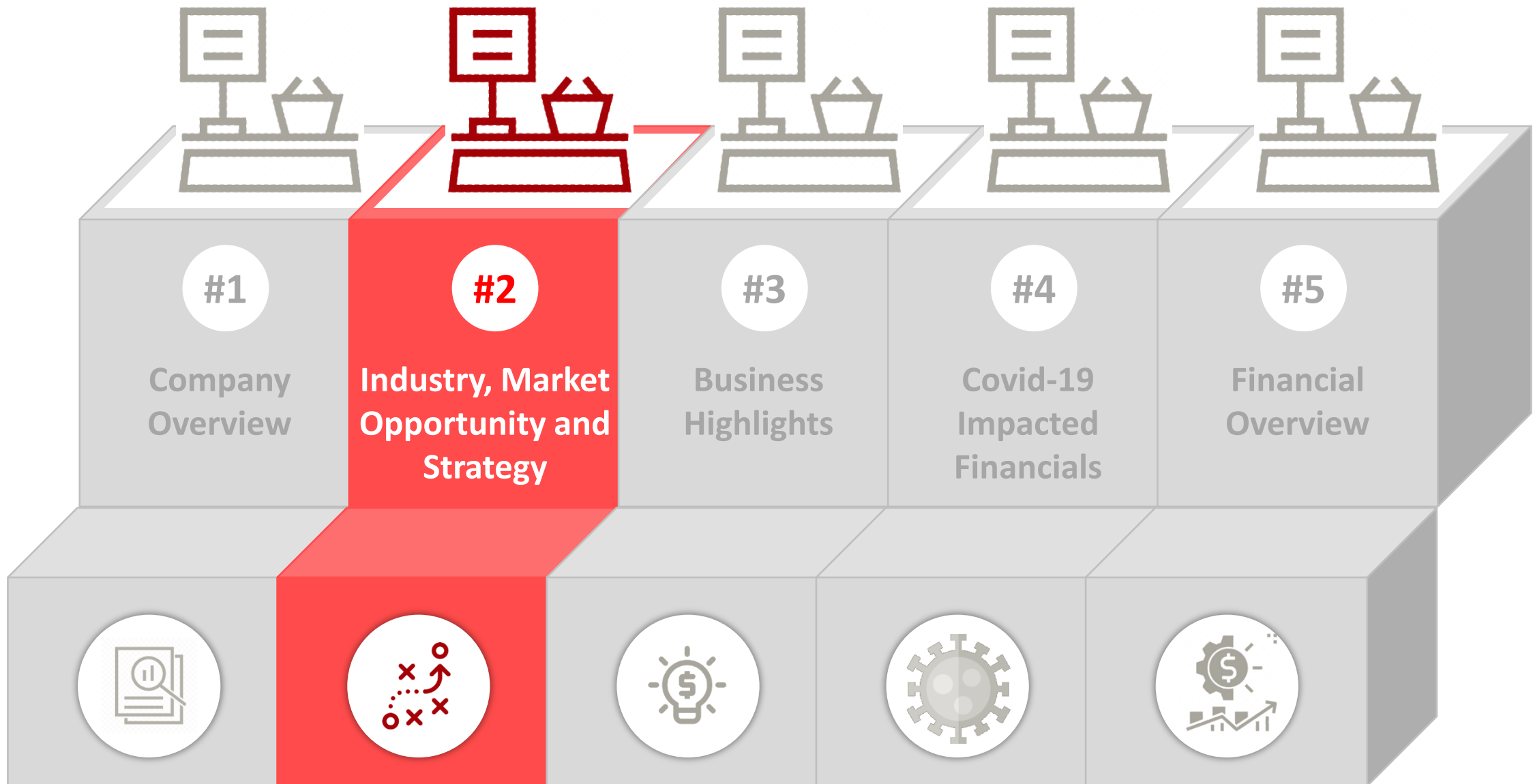
“Best Practice in Learning Transfer for improving Business Bottom Line”

Intl Brand Consulting Corporation, USA

2016

“India’s No 1 Brand”

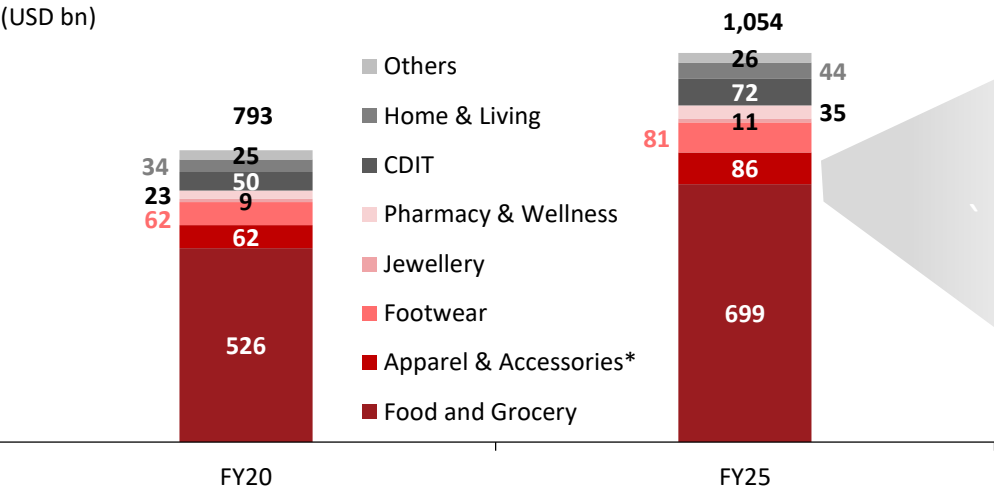
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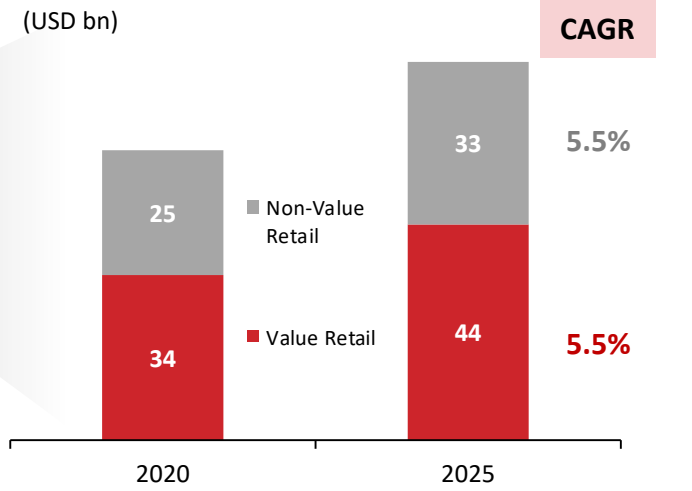
Value retail constitutes ~60% of the overall apparel retail market



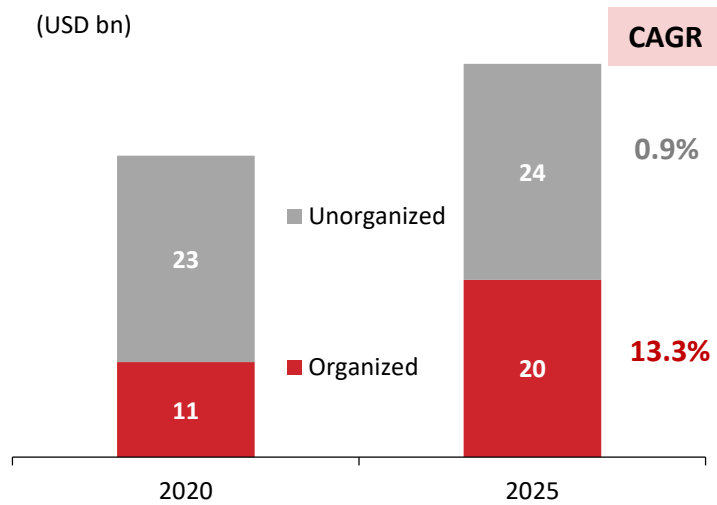
Indian Retail Overview



Apparel Retail – breakdown



Growth in value retail is primarily driven by organised value retail



Large addressable market

- 14-40 Age**
Millennial and Gen Y & Z customers
- Tier II, III & IV**
Residing in urban, semi-urban areas
- ₹ 121 mn**
Households with average annual income of US\$5,000-US\$10,000
- Youth and young families**
- Fashion Conscious, Value & Quality Seeking**

Driven by....

- Increasing disposable income
- Increasing propensity to spend
- Growth in organized retail offering a great shopping experience
- Consistent quality at affordable price
- Rising internet penetration
- Rapid urbanization

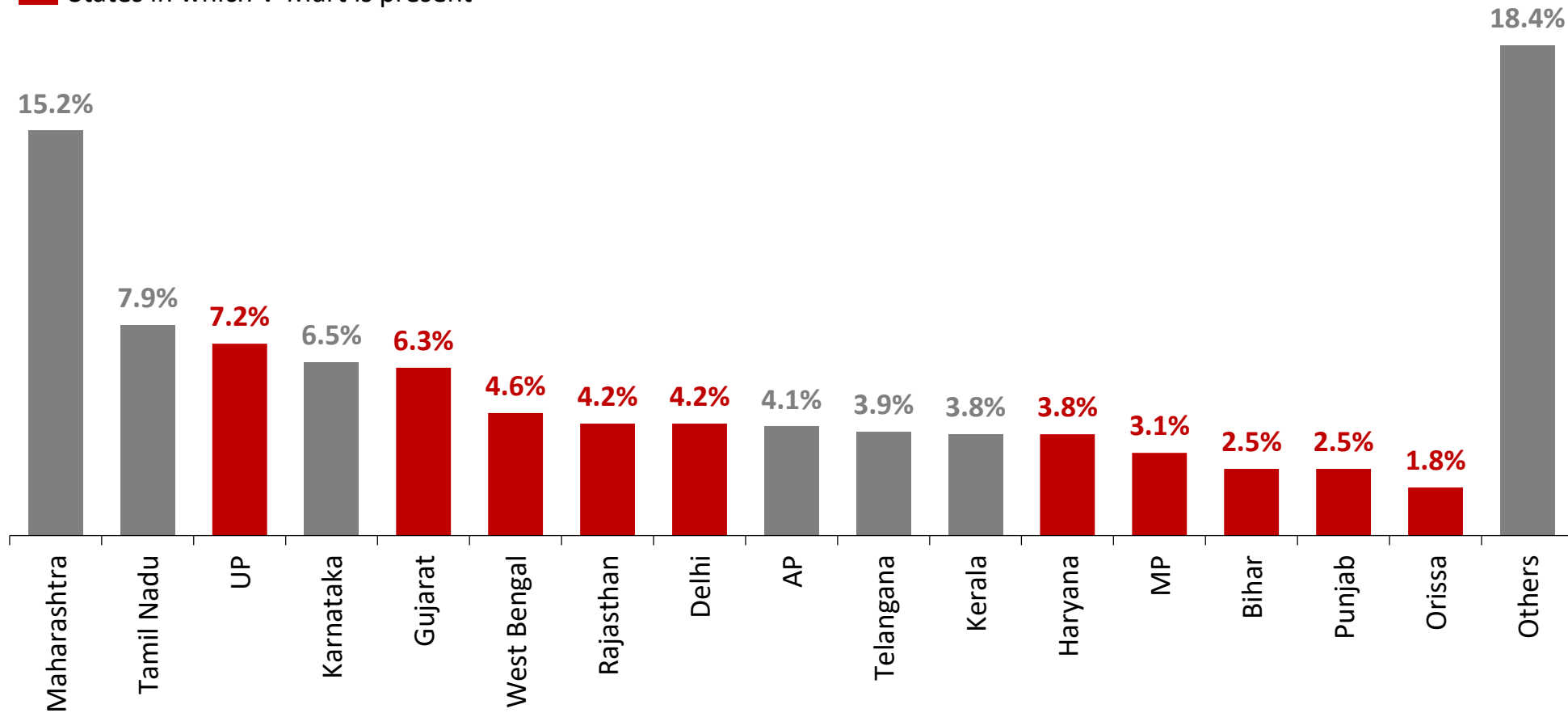
Source: Technopak industry report *Accessories include Bags, Belts, and Wallets;

V-Mart has presence in states constituting 40+% of the addressable market...



State wise Value Retail Spending (% of Total Value Retail in India)

■ States in which V-Mart is present



V-Mart is present in **19 states** and these states constitute **40+% of India's value retail market**

...with growth opportunities in untapped market

Robust growth strategy ensures that V-Mart is well positioned to capitalise on the opportunity



Expansion based on proven “cluster based” approach

Open new stores within close proximity of an existing store

Efficiency in operations

Proximity allows company to understand consumer taste and preferences

Increasing focus on women wear

- ❑ Relatively low presence in women value fashion segment including ethnic wear

Develop private labels

- ❑ A private label portfolio that accounts for 59% of revenue# from apparel in FY'20
- ❑ Experience in identifying international fashion trends and offering it to the consumers at low prices

Diversifying into new geographies

- ❑ Plans to become a pan-India player in next 5-10 years
- ❑ Continue cluster based approach for expansion

Increasing presence in existing geographies

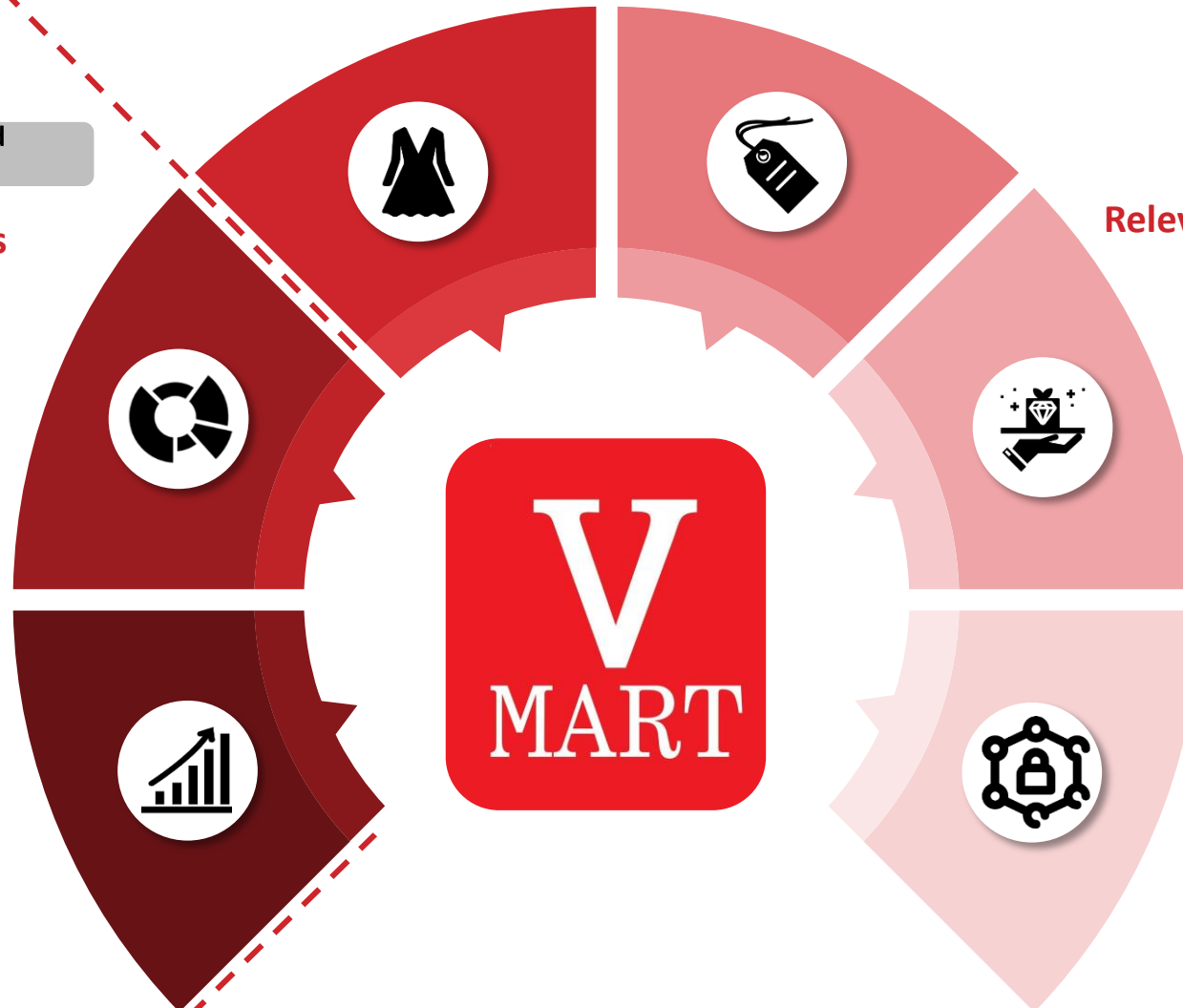
- ❑ Increase penetration at tehsil (sub-division) level within key districts that are underserved by value fashion
- ❑ Leverage the first-mover advantage, extensive physical presence, and established brand equity in these locations

Relevant and differentiated brand and value proposition

- ❑ Enhance differentiation in a crowded market through a more relevant and focused product assortment and in-store experience
- ❑ Attract and onboard the next ‘generation’ of organized value fashion consumers

Refining the store model

- ❑ Segmenting catchments based on demographics and fashion quotient
- ❑ Develop two new store formats
 - ❑ Fashion Dial-Up (FDU) - stores offering a higher mix of relatively higher average selling price and more fashionable merchandize;
 - ❑ Value Dial-Up (VDU) - smaller stores offering the entire merchandize at a sharper value pricing

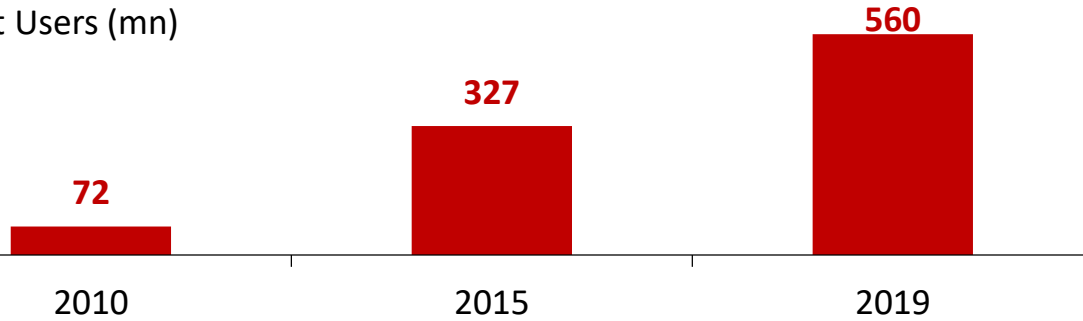


#Revenue from contract with customers

Omni channel strategy

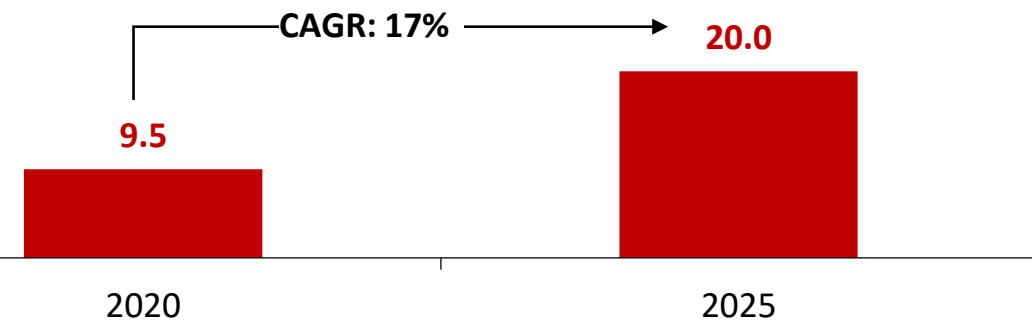
Online – an untapped opportunity[#]

Internet Users (mn)



Ecommerce – Apparel & Accessories[#]

(USD bn)



Two phased approach in building a robust Omni channel play

Phase 1



Launched online retail through website vmartretail.com and apps on both Google Play Store and Apple App Store



Offers home delivery to the customers



Leverage the multi city presence and reach of V-Mart to minimise logistics and operations costs



1 mn+ app downloads*

Phase 2



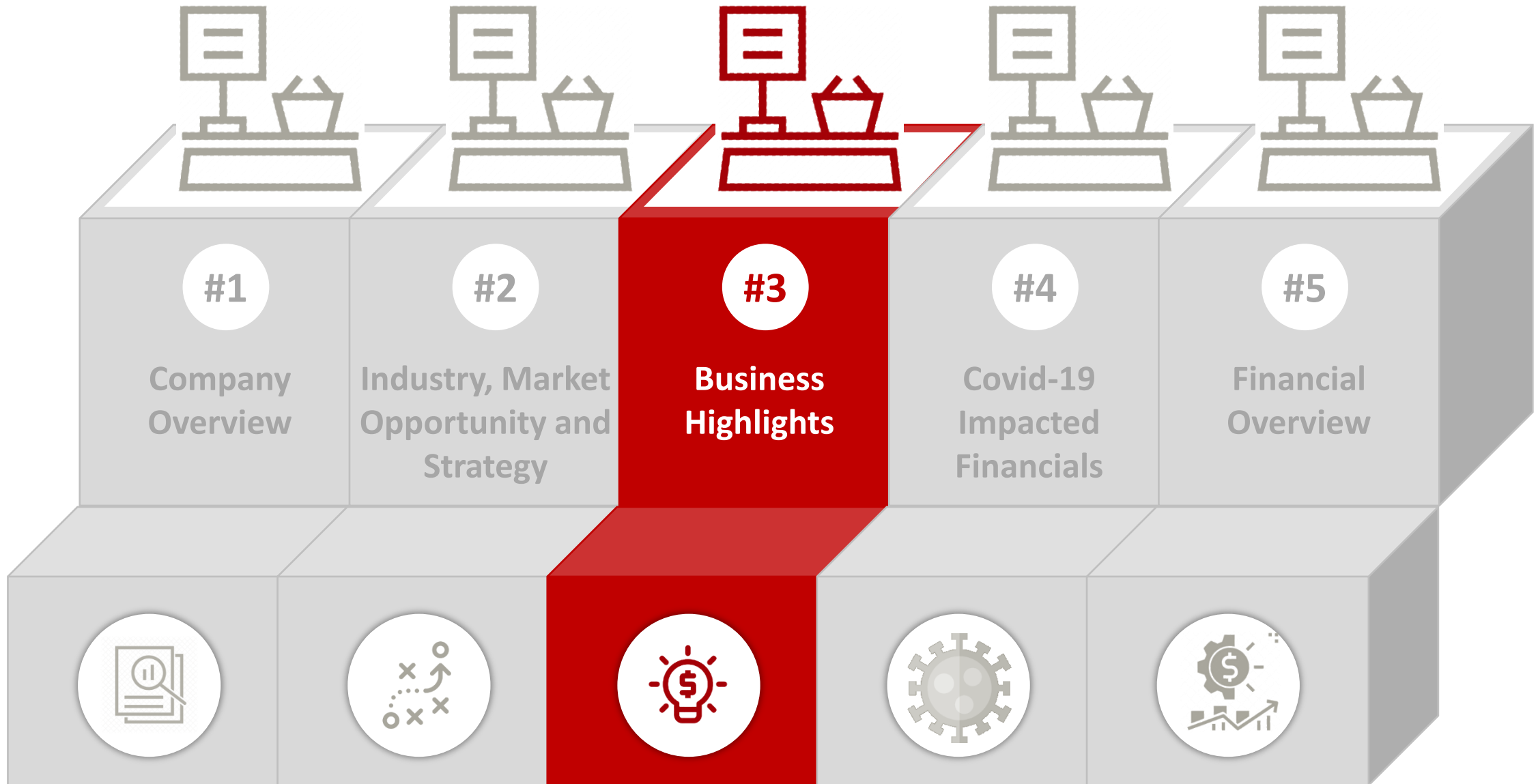
Build integrations with marketplace operators to reach out to newer customers



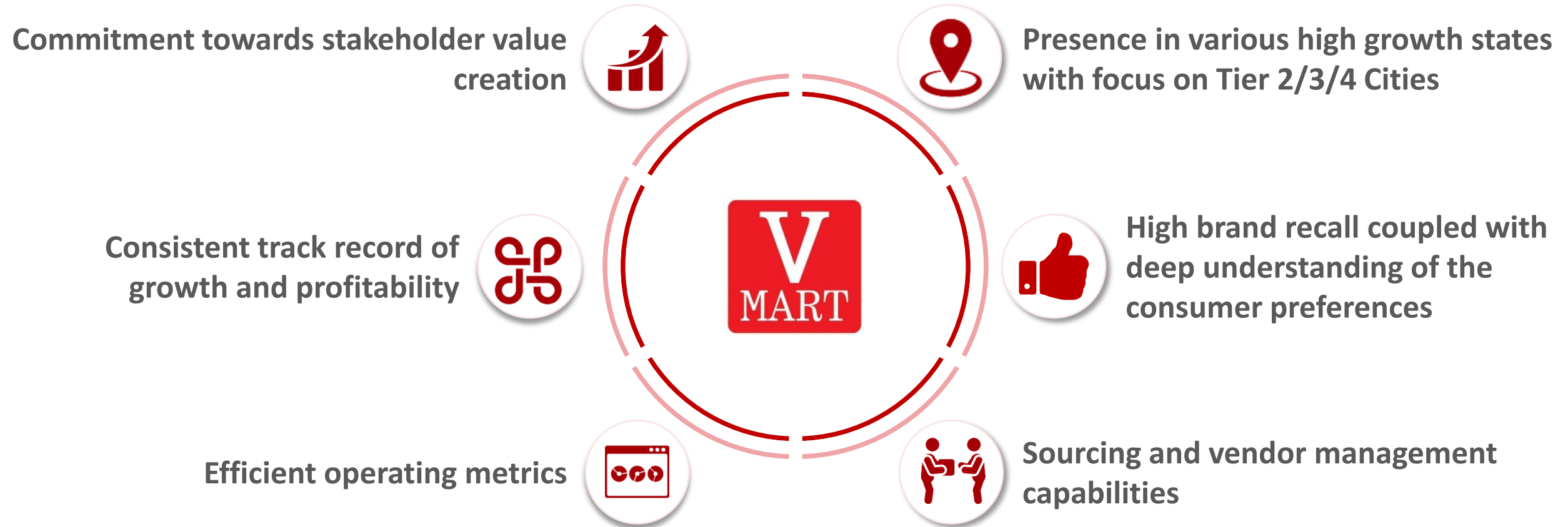
Offer affordable V-Mart pricing to a large unexplored market, at a sustainable operating cost

[#]Source: Technopak Industry Report; *Play Store app downloads as on January 5th, 2021

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Key Business Details

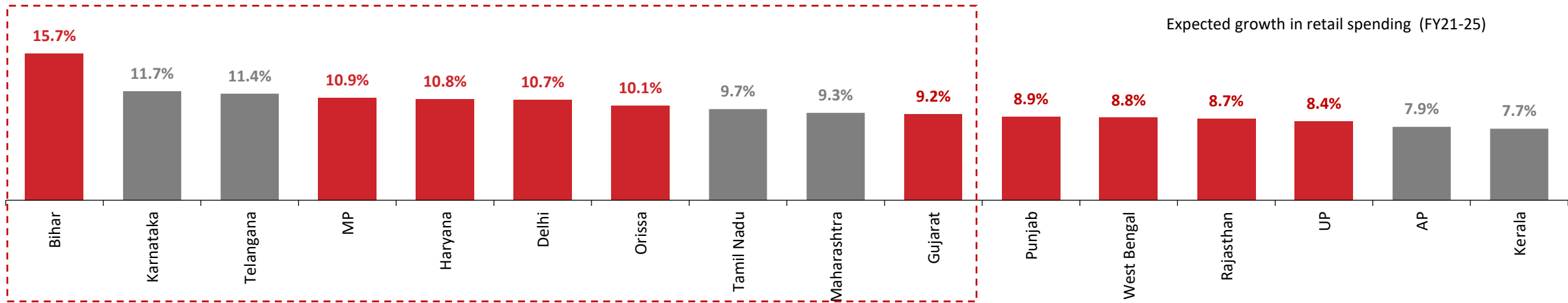


Presence in high growth states with focus on Tier 2/3/4 Cities

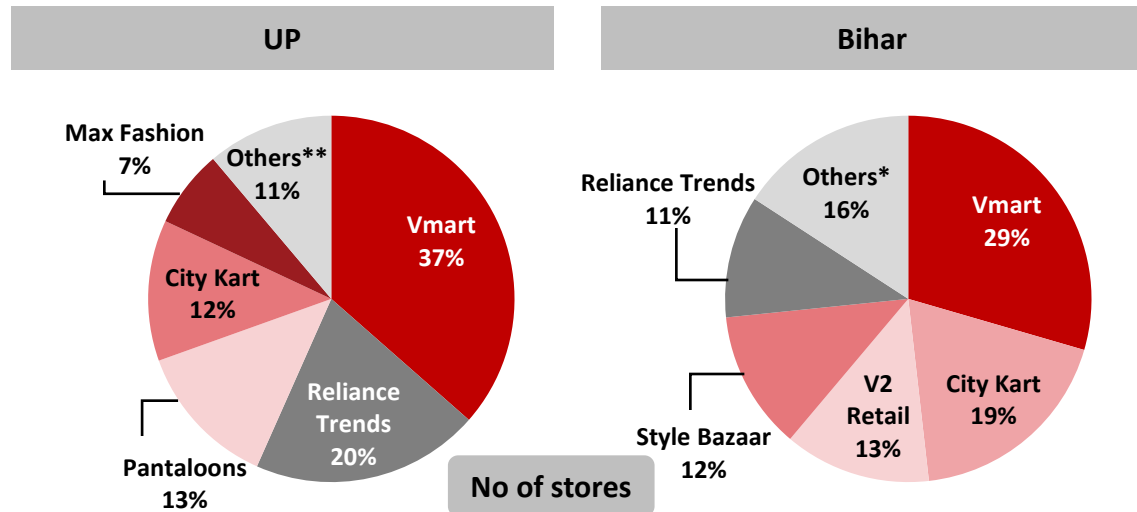


Strong presence
High Brand Recall
Superior sourcing
Operating Metrics
Growth & Profitability
Stakeholder

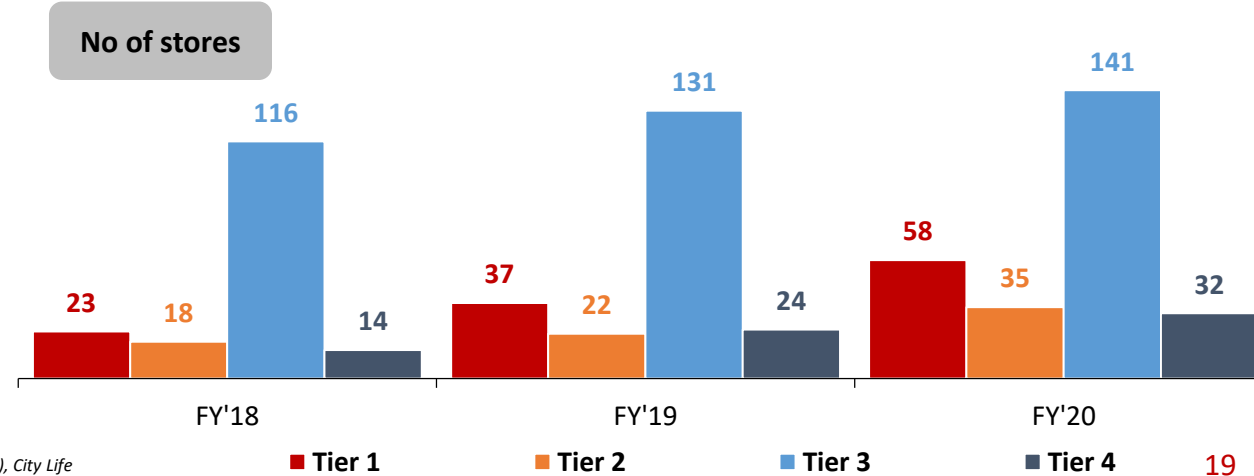
Presence in 6 out of top 10 states with highest expected retail spending growth#



Coupled with leading presence in key states...



...through strong foothold in Tier 2,3,4 cities which constitute the largest market segment



#Source: Technopak Industry Report; *Others include Bazaar Kolkata (6%), Max Fashion (4%), Pantaloons (3%), Brand Factory (1%), Zudio (1%), EasyBuy (0%), City Life Retail (0%); **Others include V2 Retail (6%), Bazaar Kolkata (2%), Brand Factory (2%), Zudio (1%), EasyBuy (0%), Style Bazaar (0%), City Life Retail (0%)

High brand recall and deep understanding of consumer preferences



Deep understanding of consumer preferences

Relevant and differentiated fashion

Youth-centric product assortment

Reliable quality

Affordable price points

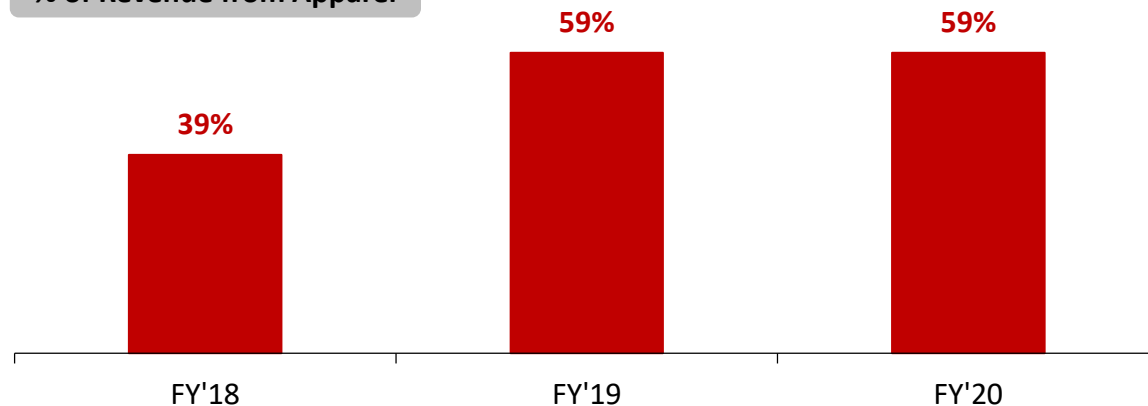
Easy and convenient access

Leading to loyal customer base

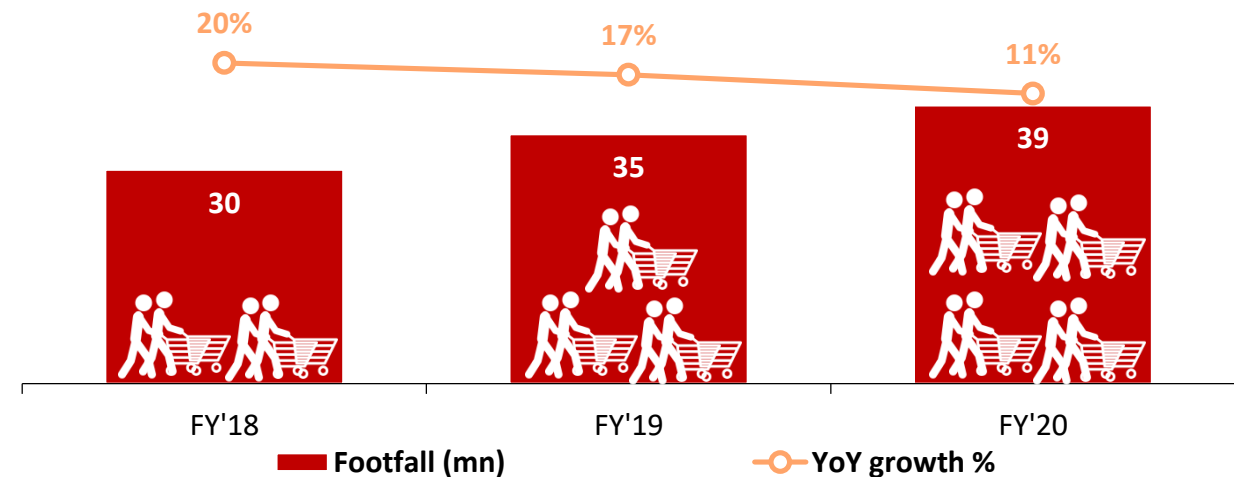
58% repeat sales (FY'20)

Showcased by increasing contribution of private label...

% of Revenue from Apparel



..High footfall and stable conversion rate



*Footfall: Number of person coming in our stores (measured by manual tick machine, recorded hourly)
 Conversion: total invoices divided by total footfall; Repeat Sales: Any customer who shops more than once in the last 2 years is repeat customer and repeat sales; Revenue: Revenue from contract with customers*

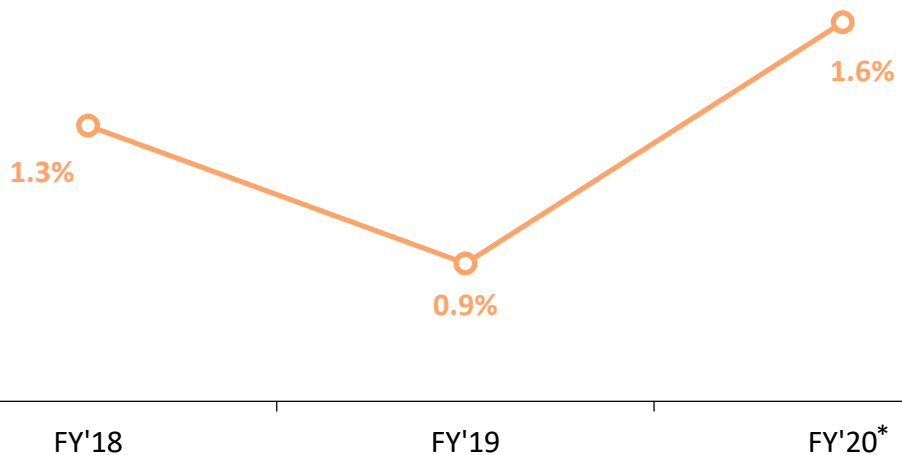
Conversion Rate of ~57% for the last 3 years

Superior sourcing and vendor management built on trust



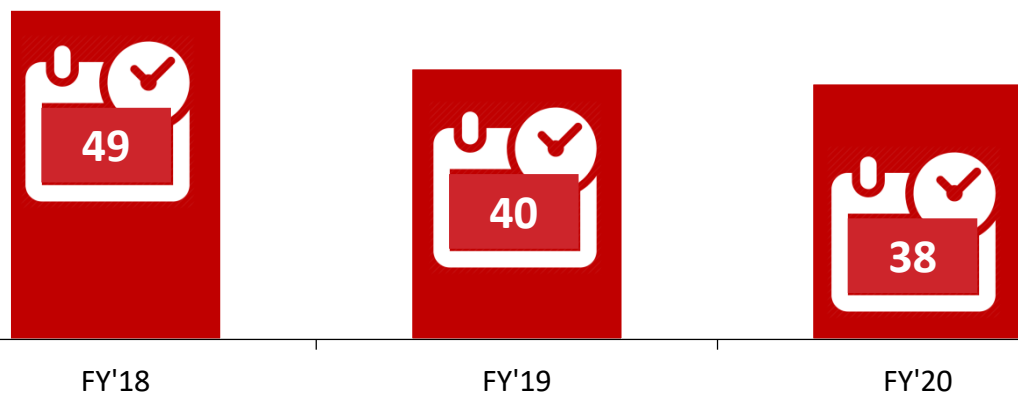
Strong presence
High Brand Recall
Superior sourcing
Operating Metrics
Growth & Profitability
Stakeholder

Stable shrinkage over the past 3 years (% of Revenue#)



Note: Shrinkage includes provision for slow moving and old inventory

Vendor trust built through quicker payment cycles (Payable days)



#Revenue from contract with customers; *FY20 impacted by Covid-19; ** as of FY 20
Shrinkage: It includes pilferages (internal and external theft), inventory provision due to ageing

Efficient inventory holding period (Days of Sales) across categories**



91

Apparels



79

Non-Apparels

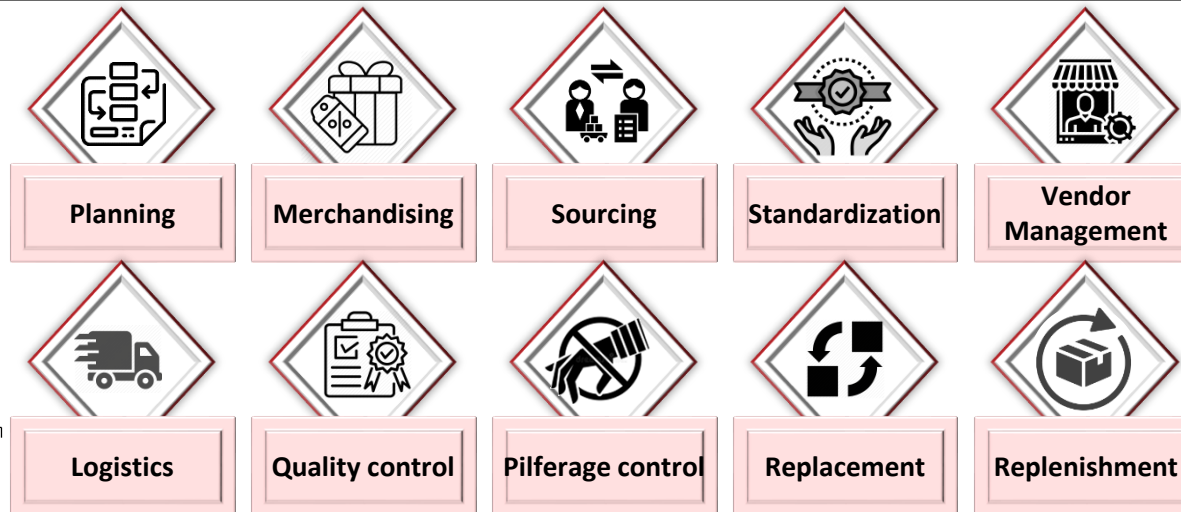


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Kirana

Increasing trust with vendors has led to company to rationalise inventory levels from INR 5,621 mn (30 Sep 2019) to INR 3,646 mn (30 Sep 2020)

...backed by a comprehensive SCM system



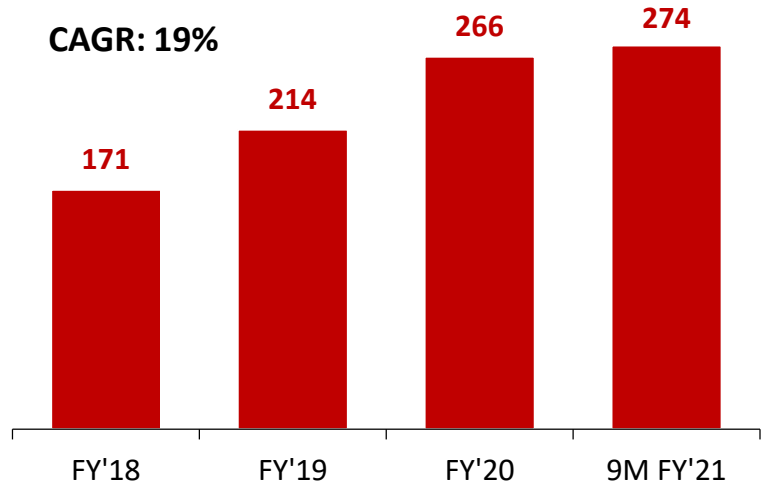


Efficient operating metrics

Strong presence
High Brand Recall
Superior sourcing

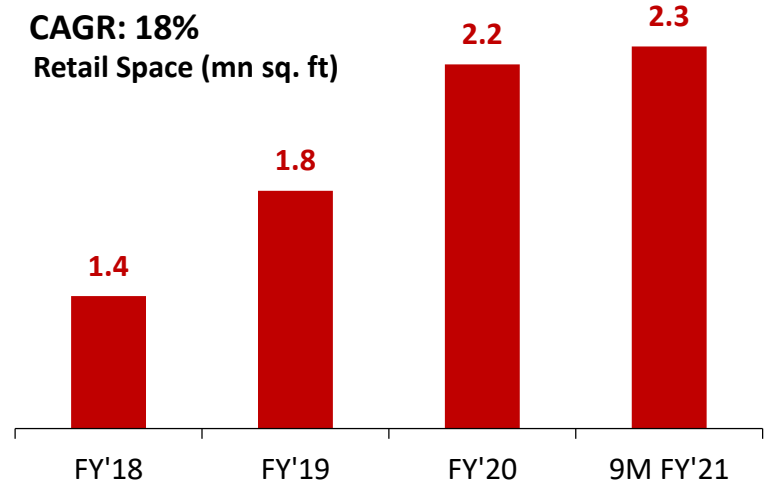
Continuous increase in number of stores

CAGR: 19%



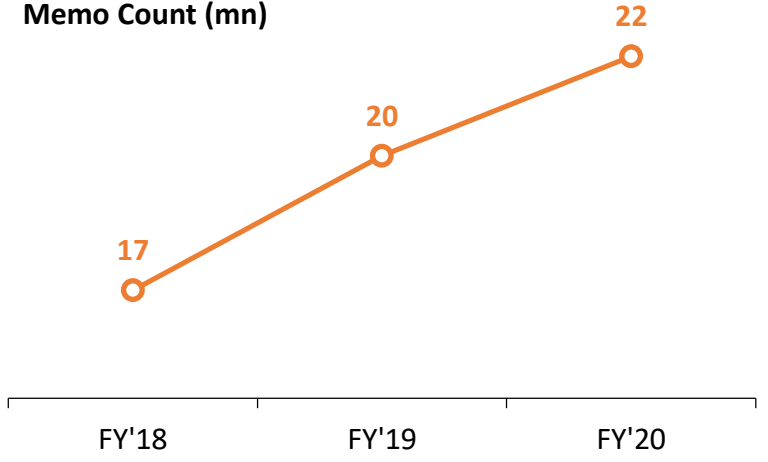
...with sustained increase in retail space

CAGR: 18%
Retail Space (mn sq. ft)



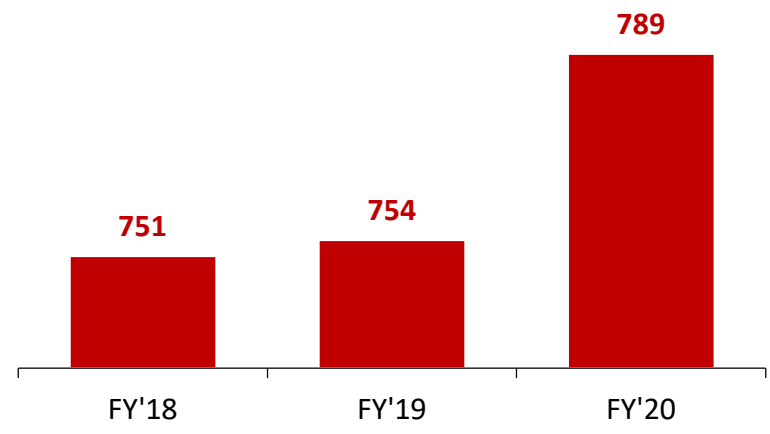
...increasing bill cuts

Memo Count (mn)

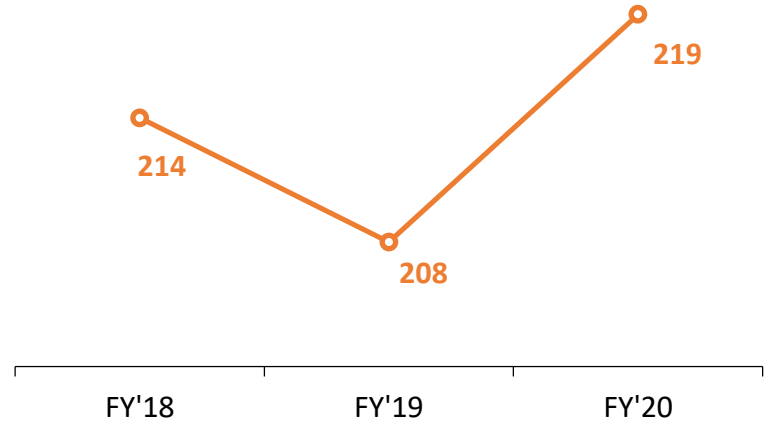


Operating Metrics
Growth & Profitability
Stakeholder

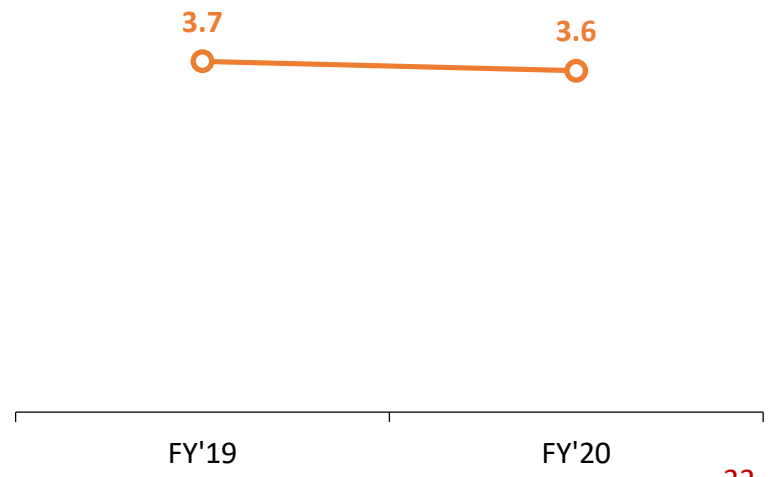
Increasing average transaction size



...driven by increasing average selling price from FY'18-20



And sustained units per transaction

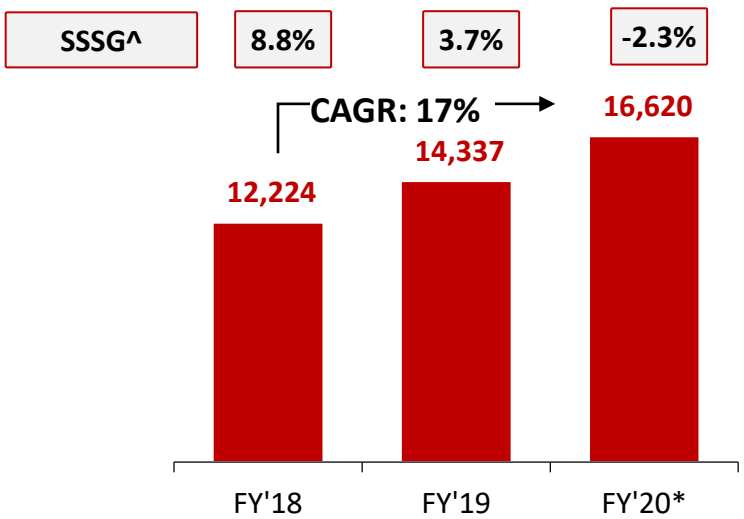


Bill Cuts: Number of invoices during specified period
Note: average transaction size and average selling price are based on sales inclusive of taxes

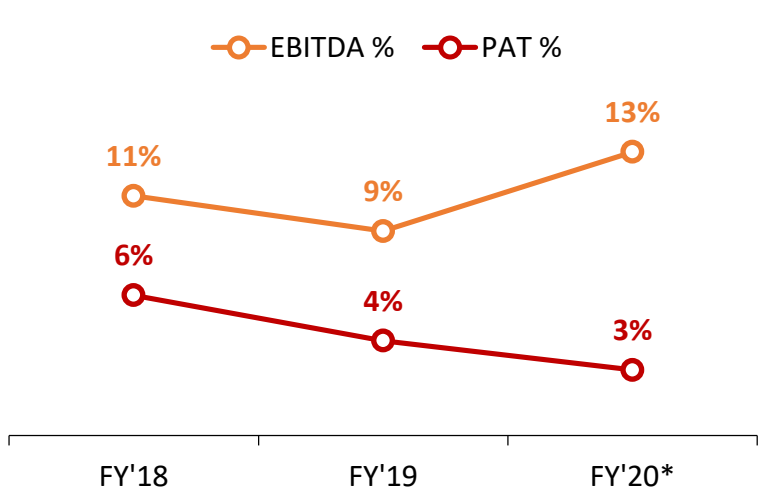
Consistent track record of growth and profitability

Strong presence
High Brand Recall
Superior sourcing
Operating Metrics
Growth & Profitability
Stakeholder

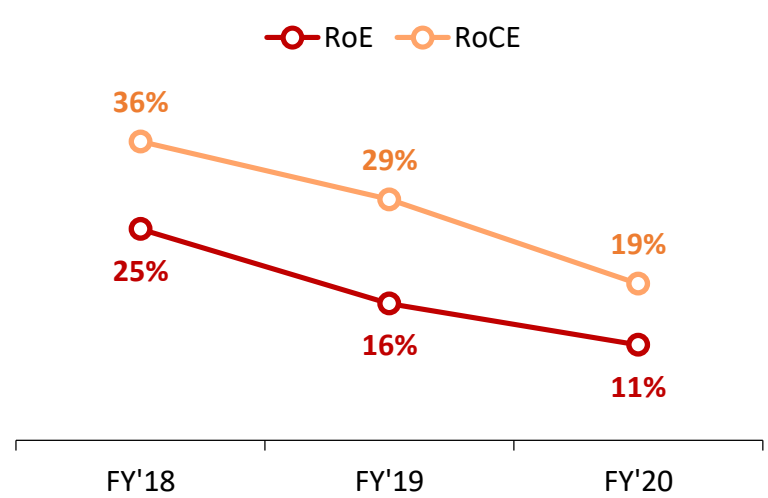
Strong Revenue# Growth (in INR mn)...



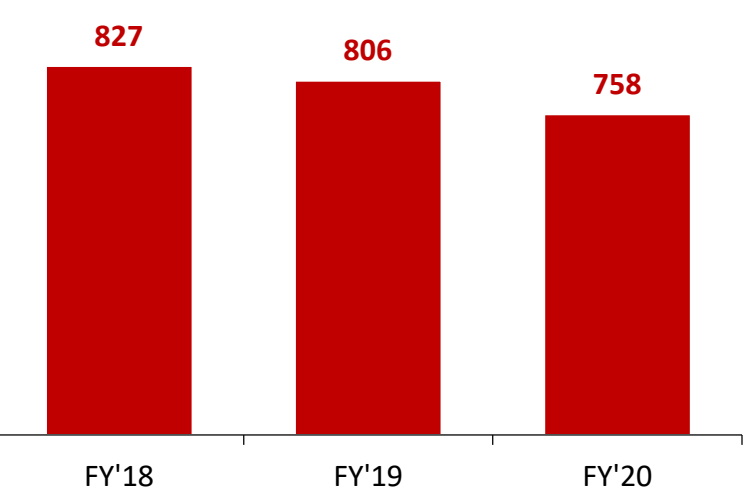
..while maintaining profitability



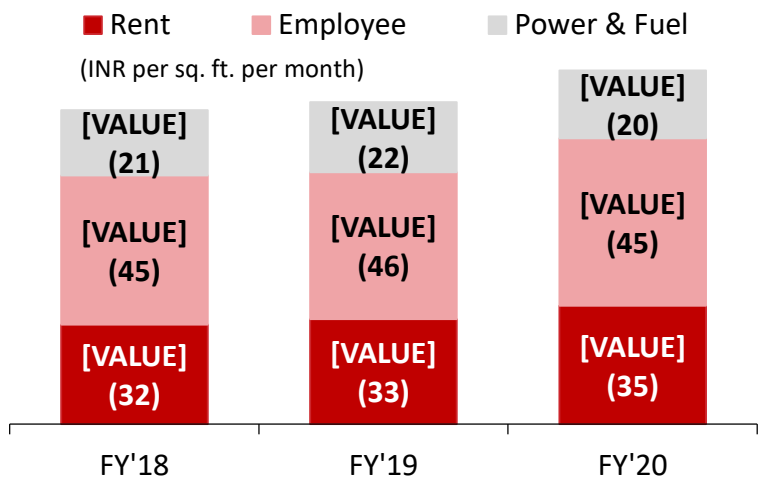
Return Metrics



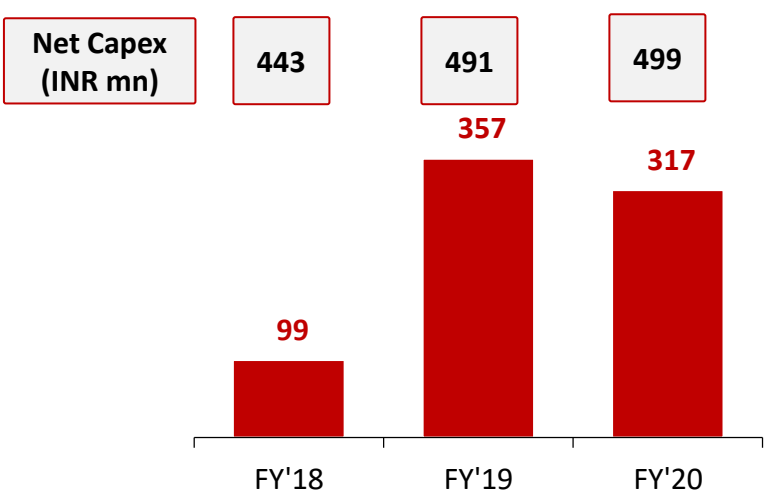
Stable sales^^ per sq. ft. per month



..while maintaining low cost economics**



...and sustained free cash flow



#Revenue from contract with customers; *Ind-AS 116 adoption wef 1st April, 2019; ^ SSSG – Same Store Sales Growth; **Store cost only - % of Revenue from contract with customers ^^ Sales inclusive of taxes

Commitment towards stakeholder value creation



Strong presence
High Brand Recall
Superior sourcing
Operating Metrics
Growth & Profitability
Stakeholder

SUPPLIERS



96% local sourcing



25% MSME suppliers



Prompt payment to vendors

ENVIRONMENT



Abolished single use plastic carry bags



10.2 lakhs carton reused

EMPLOYEES



55% of employees from underprivileged local communities



Certified as a "Great Workplace"

CSR INITIATIVES



Scholarship provided to **1500+** students

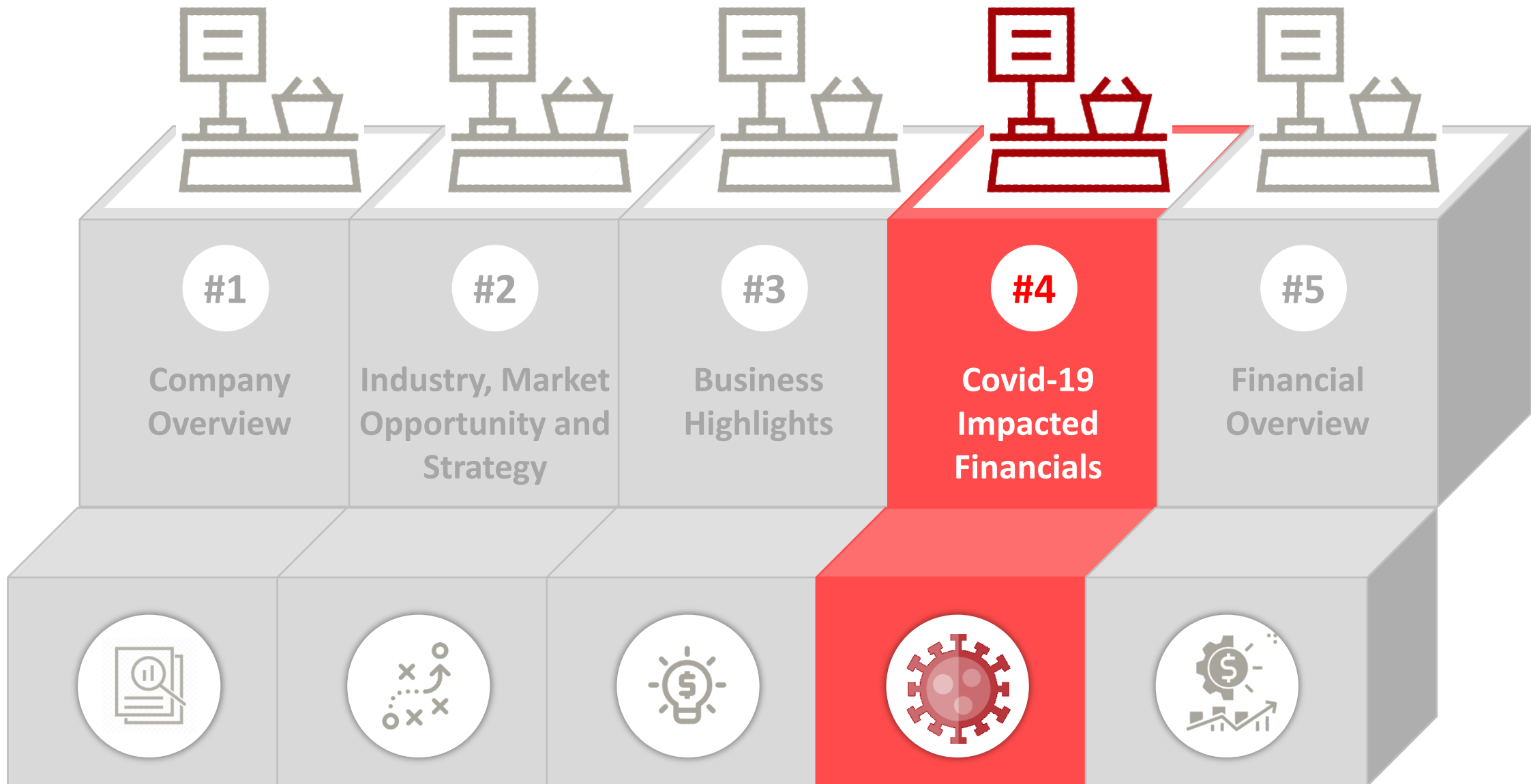


One teacher one village - Support **30 schools**



Free Schooling for **street children**

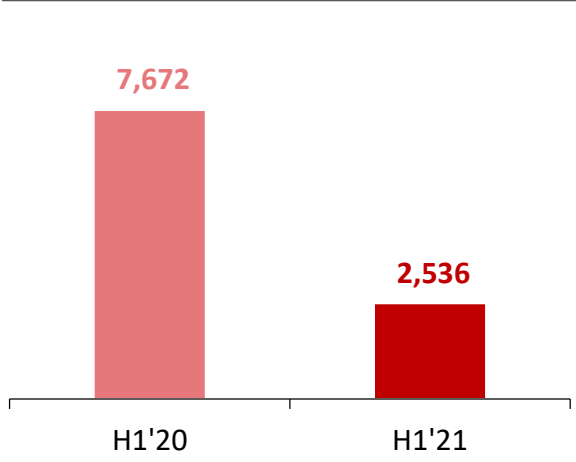
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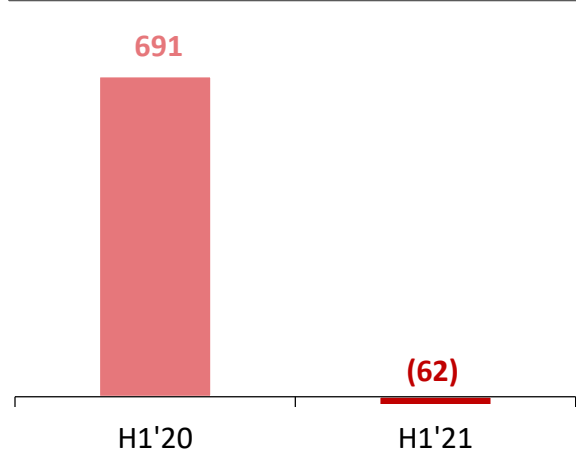


Covid-19 impacted financials

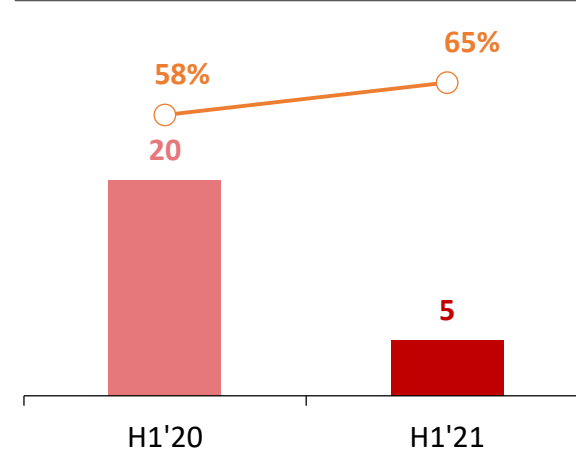
Revenue# (INR mn)



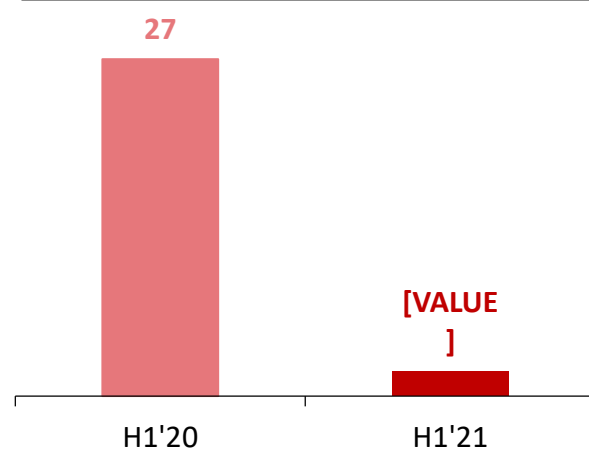
EBITDA (INR mn)



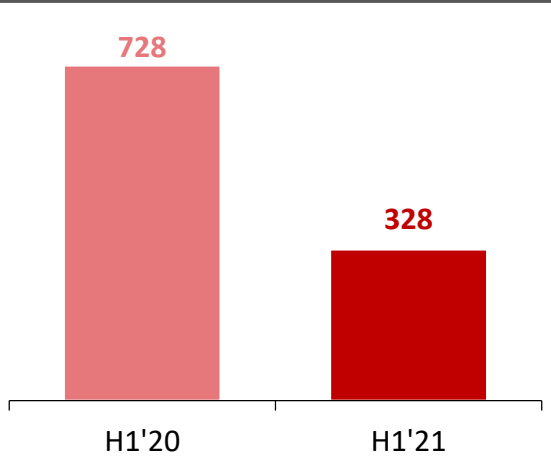
Footfall (mn)



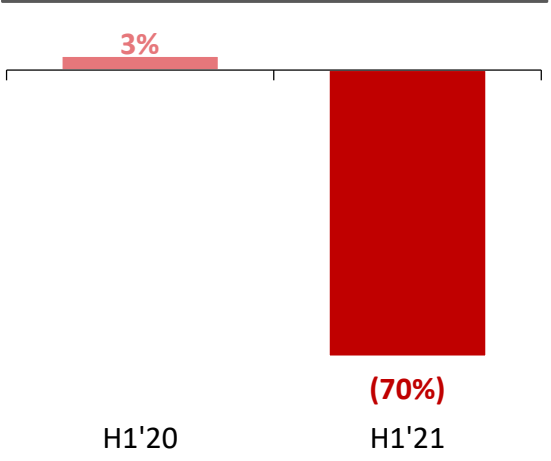
No. of stores opened



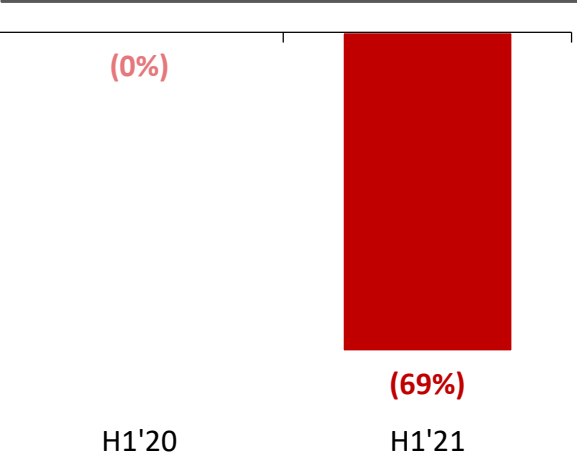
Sales ^ per sq.ft per month (INR)



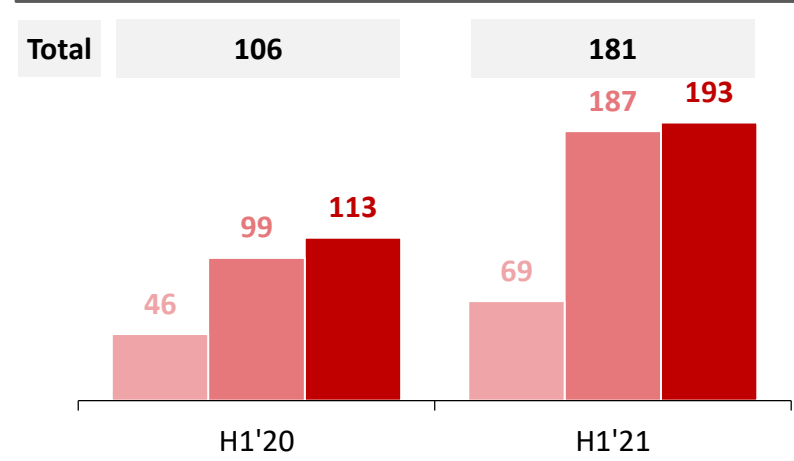
Same Store Sales Growth (YoY%)



Same Store Volume Growth (YoY%)



Inventory (Days of Sales)

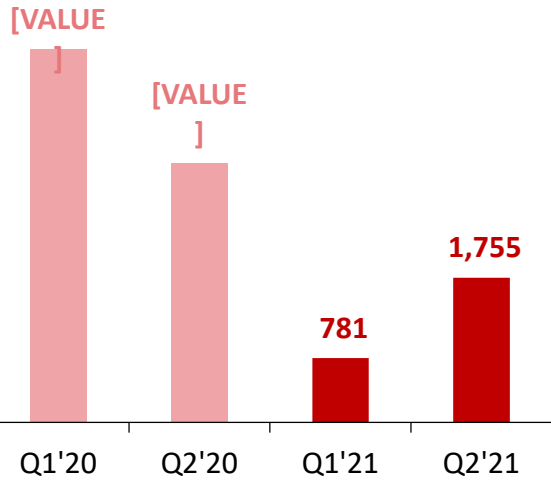


#Revenue from contract with customers ^Sales inclusive of taxes
Footfall: Number of person coming in our stores {measured by manual tick machine, recorded hourly}
Conversion: total invoices divided by total footfall

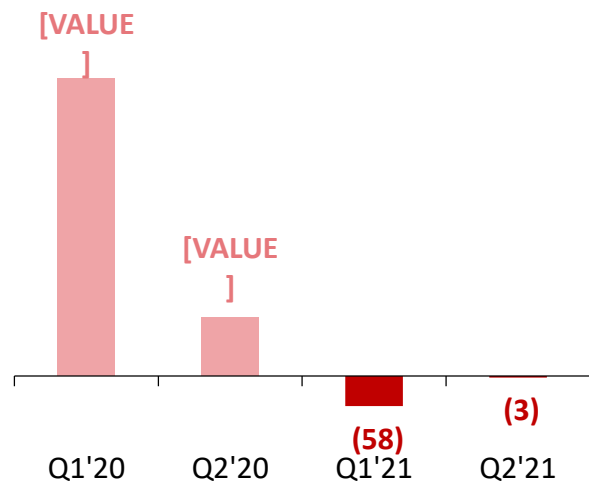
Covid-19 impacted financials



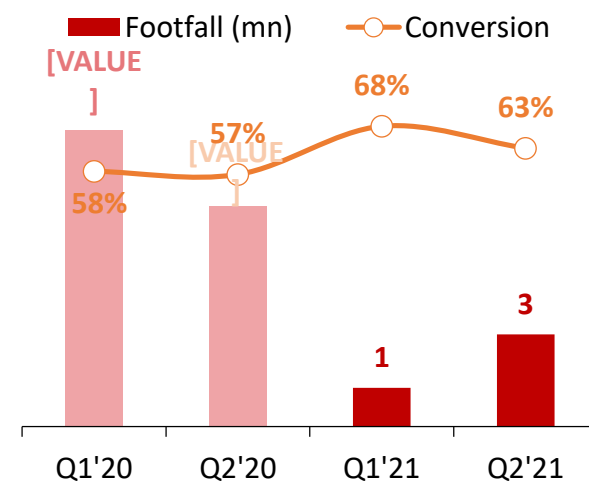
Revenue# (INR mn)



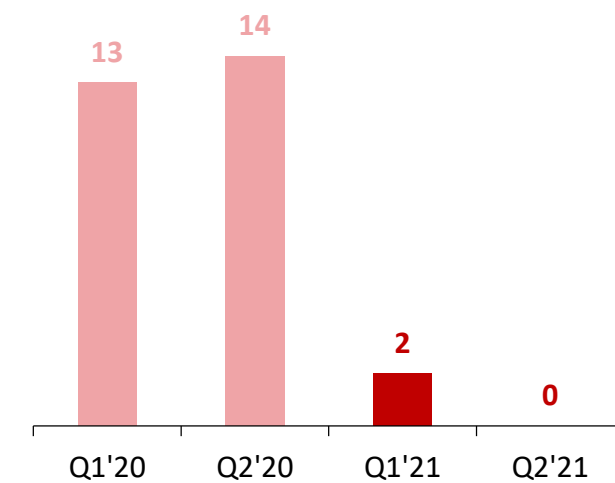
EBITDA (INR mn)



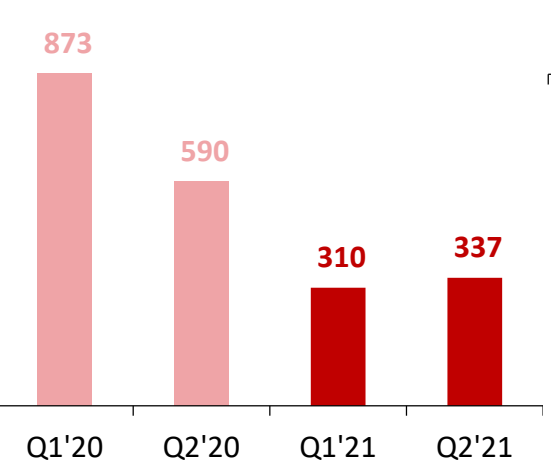
Footfall (mn)



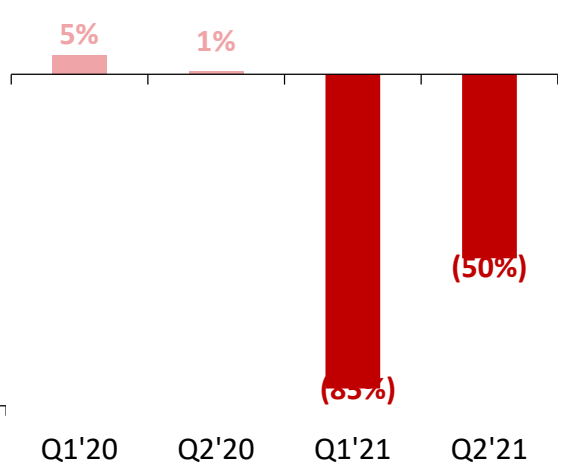
No. of stores opened



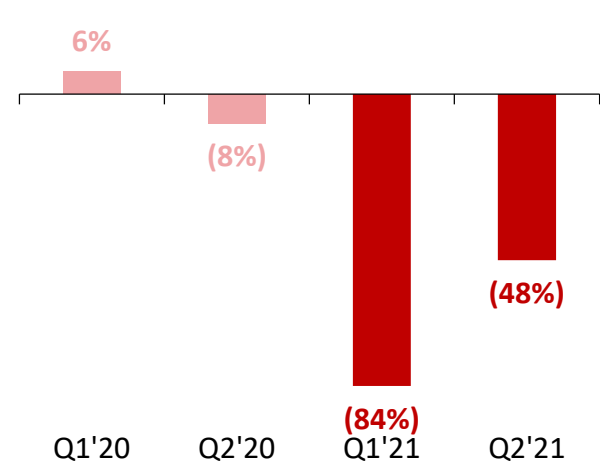
Sales ^ per sq.ft per month (INR)



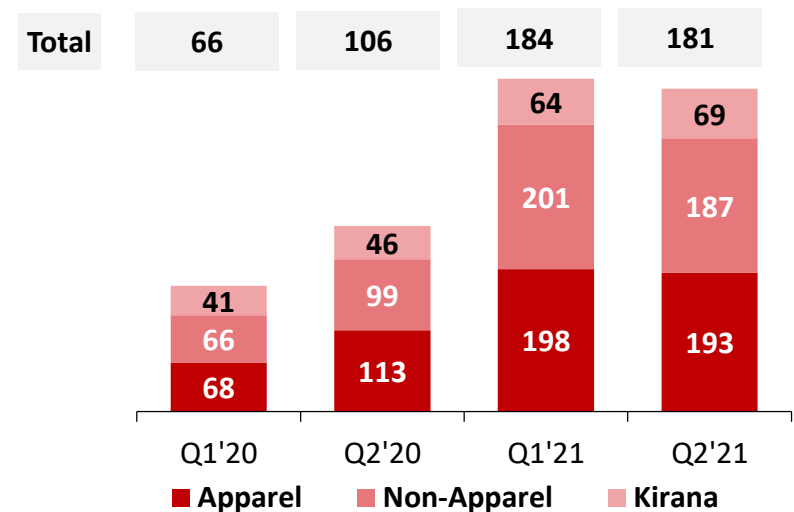
Same Store Sales Growth (YoY%)



Same Store Volume Growth (YoY%)



Inventory (Days of Sales)

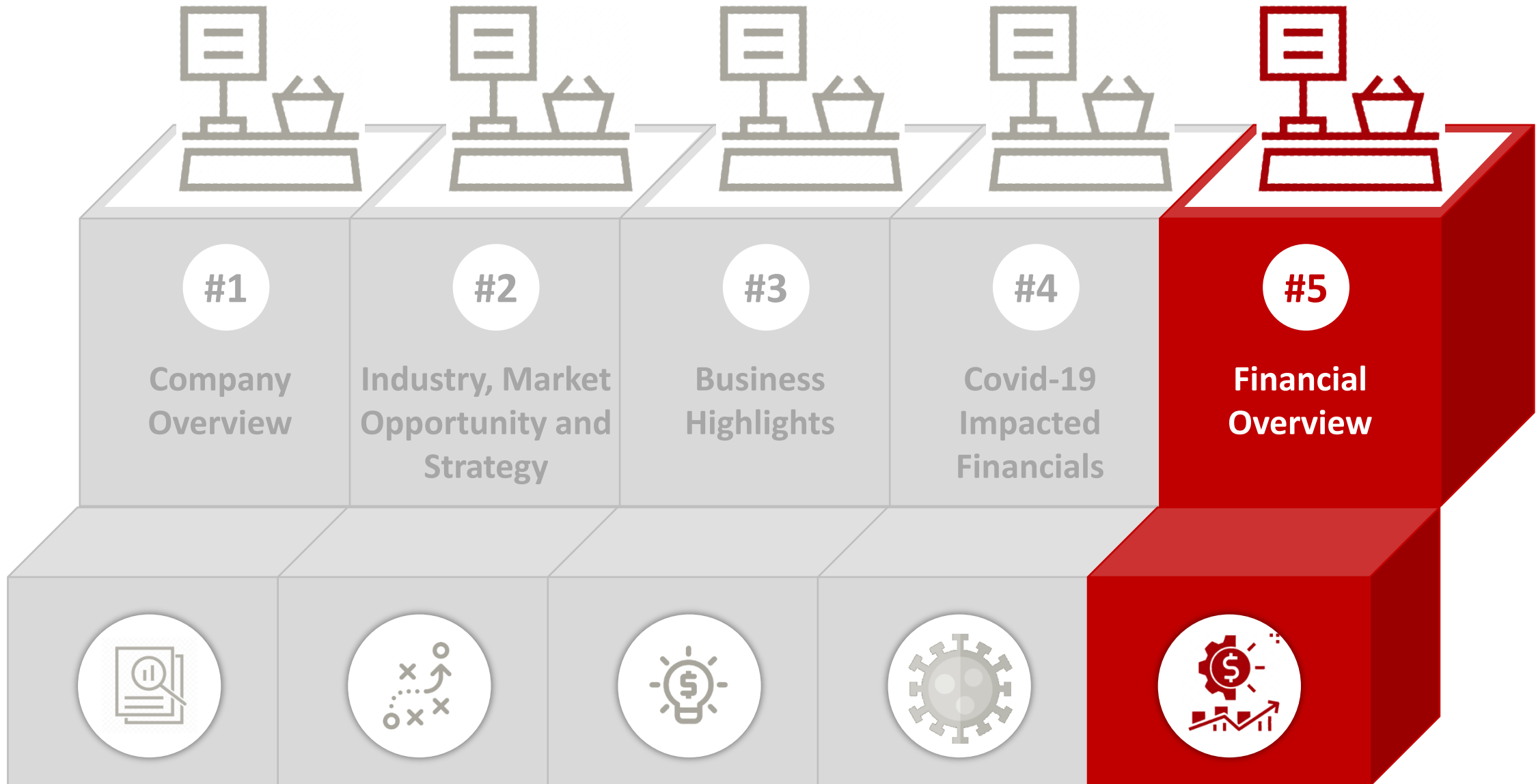


#Revenue from contract with customers ^Sales inclusive of taxes

Footfall: Number of person coming in our stores {measured by manual tick machine, recorded hourly}

Conversion: total invoices divided by total footfall

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Financial overview - key financial indicators

Profit and Loss	Particulars	FY 2018	FY 2019	FY 2020*
Loss (INR mn) <i>Starting from 22nd March 20 and until early May, majority of the stores remained closed due to the COVID. This impacted FY 20 financials .</i>	Revenue^^	12,224	14,337	16,620
	YOY Growth (%)	22%	17%	16%
	EBITDA	1,328	1,329	2,138
	(%)	11%	9%	13%
	EBIT	1,099	1,053	1,198
	(%)	9%	7%	7%
	PAT	777	616	493
(%)	6%	4%	3%	

CAGR 3 Yrs. Up to FY2020

Revenue 17%

EBITDA 27%

Balance Sheet	Particulars	FY 2018	FY 2019	FY 2020*
Sheet (INR mn)	Fixed Assets	1,483	1,695	6,695 [#]
	Current Assets ^{##}	3,686	4,216	5,176
	- Inventories	3,071	3,290	4,779
	Non - Current Liabilities	84	111	4,440
	Current Liabilities	1,941	2,114	3,208
	Net Worth	3,474	4,093	4,589
	Free Cash Flows	99	357	317

FY 2020

ROE 11%**

ROCE^ 19%

*Nos. adjusted on account of Ind-AS 116 adoption; ^ROCE = EBIT/Avg. Capital Employed, **Free Cash Flows** = Net Cash Flow from operating activities less Net CapEx; **ROE = PAT / Avg. Total Shareholder Equity;
[#]Fixed Assets includes ROU (INR 4,921 mn); ^{##} Current Assets includes Inventory; **EBITDA**: Revenue from contracts with customers – (Purchase of traded goods + (Increase) in inventories + Employee benefits expense + Other expenses)
EBIT: EBITDA - Depreciation and amortization expense; ^^ Revenue from contract with customers

Thank You

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