



Ref. No. CS/S/L-606/2022-23

17th October, 2022

<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 LTD Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 534976 Fax: 022-22723121 Email: corp.relations@bseindia.com</p>
---	---

Sub: Presentation to Analysts/Investors

Dear Sir/Madam,

Please find enclosed herewith the presentation being forwarded to Analysts/Investors on acquisition of the LimeRoad Business as a going concern on a slump sale basis from A.M Marketplaces Pvt. Ltd.

The above presentation is also available on the Company's website: www.vmart.co.in.

We request you to kindly take the above information on record.

Thanking You,

Yours Truly
For V-Mart Retail Limited

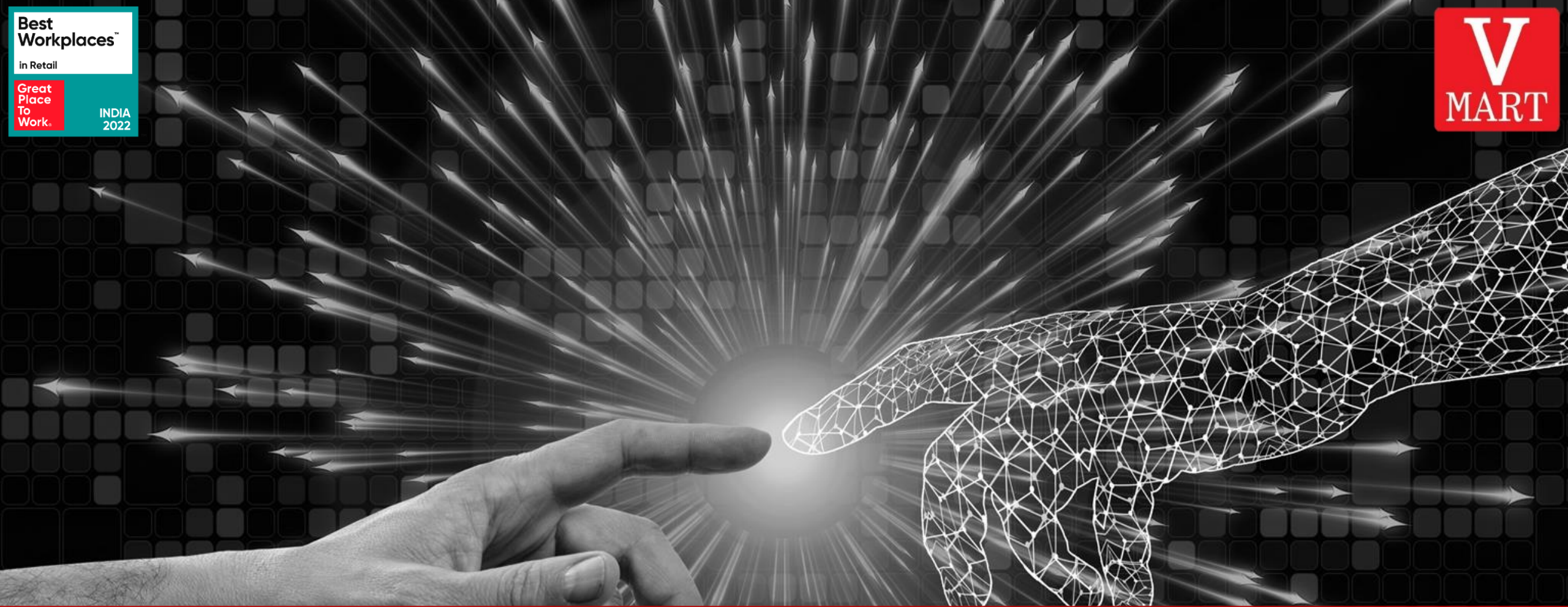
Anand Agarwal
(Chief Financial Officer)

Encl: As above

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

Acquisition of LimeRoad Business

Disclaimer

This presentation has been prepared by V-Mart Retail Limited (“V-Mart”) and does not constitute a prospectus or placement memorandum or an offer to acquire any securities. This presentation or any other documentation or information (or any part thereof) delivered or supplied should not be deemed to constitute an offer.

No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements”, including those relating to the general business plans and strategy of V-Mart, its future financial condition and growth prospects, future developments in its industry and its competitive and regulatory environment, and statements which contain words or phrases such as ‘will’, ‘expected to’, ‘horizons of growth’, ‘strong growth prospects’, etc., or similar expressions or variations of such expressions. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include but are not limited to risks with respect to its hair care, its healthcare business and its skin care business.

V-Mart may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation cannot be copied and disseminated in any manner.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of V-Mart. This presentation is strictly confidential.

Transaction Summary

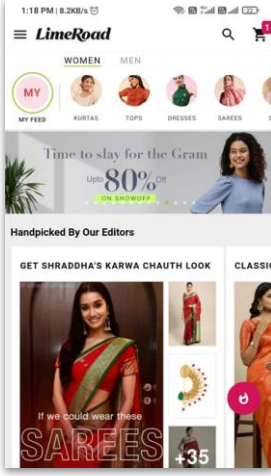
Transaction Overview

- V-Mart has agreed to acquire the business of 'LimeRoad' for purchase consideration of ~Rs 31Cr* and assume liabilities of ~Rs 36Cr* through a business transfer from Limeroad, on a slump sale basis, as a going concern.
- The completion of the transaction is subject to necessary approvals and customary condition precedent and closing conditions.
- Suchishree Mukherjee, founder of LimeRoad, and the key management team will continue to run LimeRoad as a separate business unit within V-Mart

Rationale

- Acknowledged need to strengthen digital capabilities & V-Mart has invested in this for the last 3 years
- While our current customer base is not highly penetrated in eCommerce, but is bound to form a meaningful contribution mix in the coming years
- We also believe that the future customer will be an Omni customer, requiring the flexibility to shop from both offline and online mediums
- V-Mart had originally planned to invest Rs 100 Cr over next 3 years for building its Omni channel capabilities internally. This acquisition allows us to fast track the plan at a similar cost through
 - Experienced management team with demonstrated capabilities of running online business
 - Advanced tech platform which has handled GMV of 700Cr+ (in FY19)
 - 1.7 Cr loyal customer base with repeat rate of 60% (NPS score of 44)
 - Best in Class CAC, Customer NPS & Retention rates
 - Best in class supply chain management

About LimeRoad

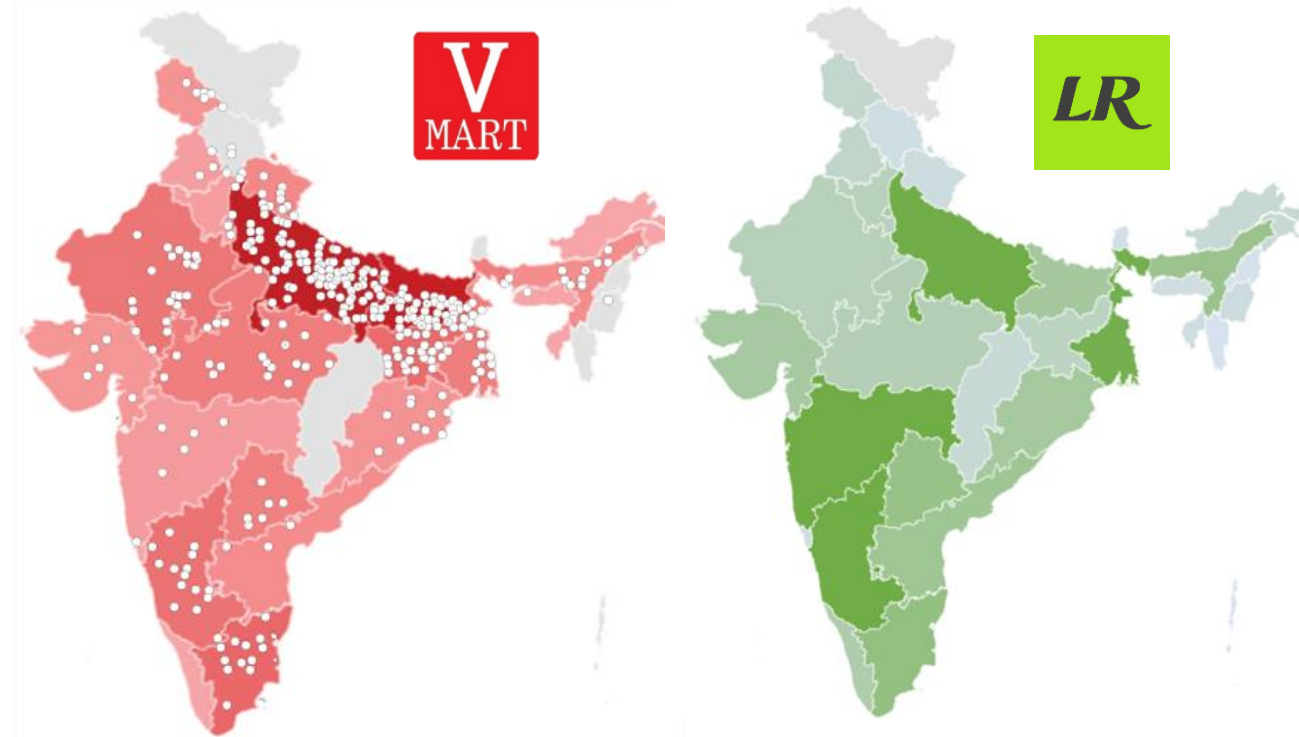
<p>1</p> <p>D2C platform with an inventory free model</p>	<p>2</p> <p>Efficient supply chain capabilities</p>	<p>3</p> <p>High online engagement</p>	<p>4</p> <p>Best in class product & tech</p>	<p>5</p> <p>Freshest and trendiest fashion experience</p>	<p>6</p> <p>Highly differentiated fashion UI</p>
<p>₹10cr+ FY22 monthly NMV run rate</p> <p>32% Consistent CM1* Margin over the years</p>	<p>2018 Economic Times Supply Chain of the Year Award</p> <p>44 NPS# score FY21</p>	<p>250,000+ Peak app downloads per day</p> <p>₹840 Current AOV\$</p>	<p>Fastest web speeds in India > Amazon, Flipkart</p> <p>Lightest app in India (<10MB)</p>	<p>3X LTV/CAC for women buyers</p> <p>#3 All India play store ranking FY20</p>	

LimeRoad is among India's *most attractive value-focused, fashion and lifestyle pureplay online commerce platform today*

Strong overlap with VMart core market & similar target group customers

- Core customers with household income of below 5 lacs for both, 70% of V-Mart's customers and 65% of LR's are non metro/Tier 1
- LR has strong customer base in UP, will synergise with V-Mart's offerings
- Maharashtra, Karnataka, UP & West Bengal are the top contributors and will complement the offline business of V-Mart
- 30% of SKUs sold on LimeRoad have ASPs below 499, which is a very strong overlap with V-Mart with 56% of SKUs sold under 500

Customer Concentration



ASP < Rs 499 Mix

56%

~30%

Repeat rate

58%

60%

Target age group

15-35 years

18-40 years



This partnership would help us increase our Digital channel sales, increase Omni offering, footfalls and customer base

V-Mart

33

million registered customer base

Together we will have

50

million customers across **India**

LimeRoad

17

Million registered customer base

29

million footfall in FY22 across 380+ stores, 98% sales in stores, 2% online

244

million **Online & Offline footfall** in FY22

215

million visits in FY22, web and app, 97% on mobile



LimeRoad's strength in women's category to create synergies for VMart

₹806

AOV for women 1st time buyer on LimeRoad website

₹1100

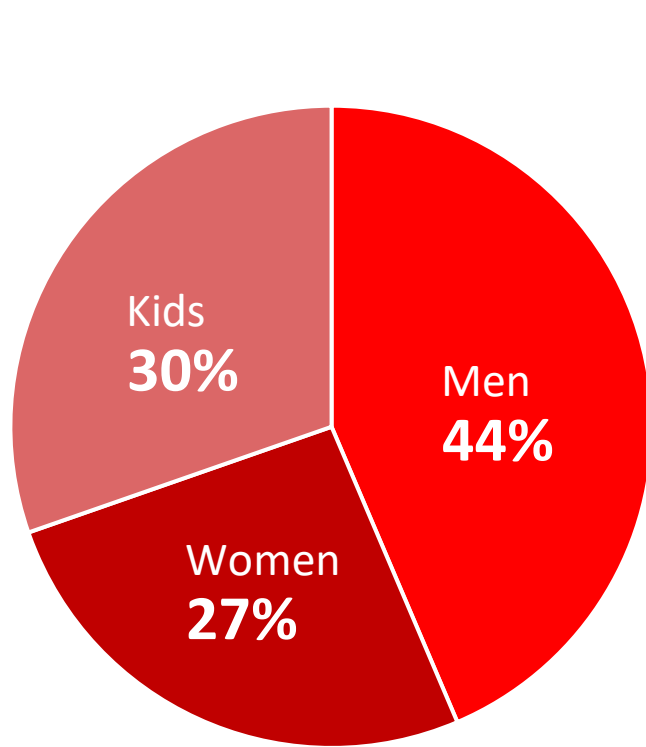
AOV for high frequency repeat women buyers

23%

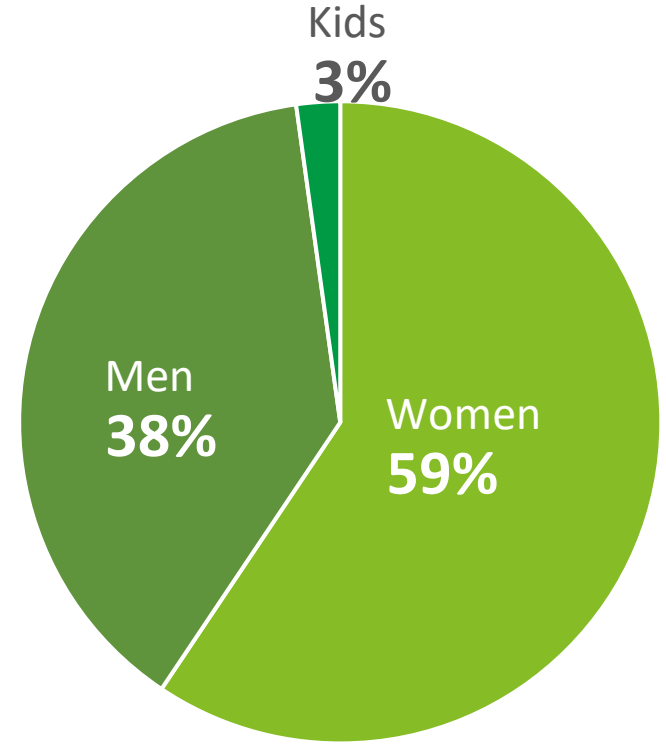
AOV for women higher than AOV for men

86%

Sales from apparel, V-Mart's is 80%



VMart
FY22



LimeRoad
FY22

V-Mart would be able to deliver enhanced omnichannel experience & digital convenience to customers via LimeRoad's technology

1

Incremental online orders for stores

Store fulfillment

V-Mart stores would get additional orders from online while LimeRoad gets last mile capabilities

2

Wider range of products

Endless aisle

Returning customers at stores can find larger collection on LimeRoad app

3

Engaging fashion feed and content

Personalized fashion feed

Keep **5 Cr. customers** engaged with editorials and personalized fashion feed

4

Convenience for customers at store

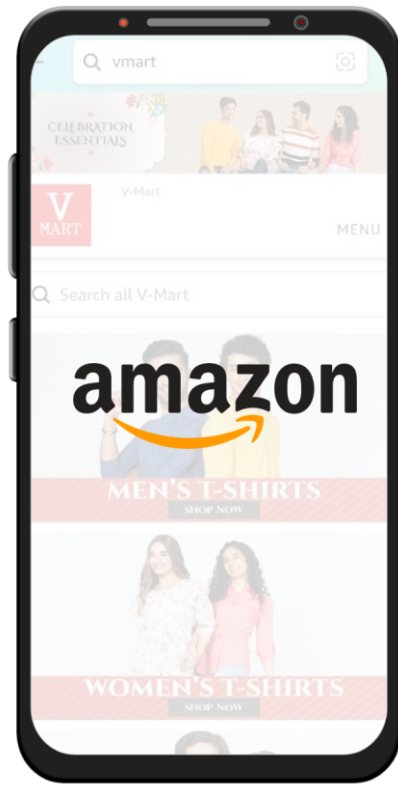
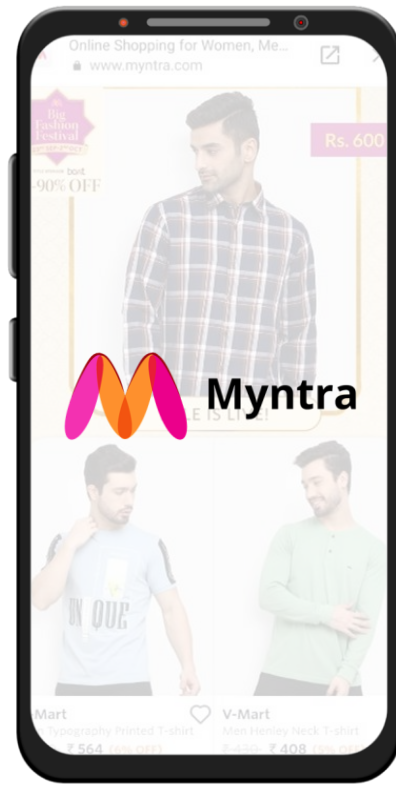
Digital convenience

Click-n-try
Click-n-collect
Queueless payment
Hassle free returns

LimeRoad will become a primary omni channel vehicle for V-Mart while continuing to operate on other marketplaces



Vmartretail.com will redirect to V-Mart's brand page on LimeRoad



V-Mart and LimeRoad : Key Statistics

<i>Parameters</i>	<i>V-Mart</i>	<i>LimeRoad</i>
Monthly Footfall	3.2Mn across 400+ stores	18Mn online visitors, web + app
Registered Customer Base	33Mn (Offline First)	17Mn (Digitally Native)
Channel Sales Mix	98%+ offline , 2% online	100% online, 97%+ on mobile
Metros/Tier 1 : Non-metros	30%:70%	35% : 65%
ASP mix of units sold <i><₹499 : ₹500-899 : ₹899+</i>	<i>56% : 30% : 14%</i>	<i>30% : 37%: 33%</i>
Sales Breakup By Product Category		
<i>Apparels</i>	<i>80%</i>	<i>85%</i>
<i>Home & Kitchen</i>	<i>10%</i>	<i>1%</i>
<i>Others</i>	<i>10%</i>	<i>14%</i>
Core Customer Profile	Tier 2+ mindset, 15-35 years, household income <Rs. 5L per year	Tier 2+ mindset; 18-40 years, household income <₹5L per year
Gross Margin / CM1	34%+	~32%

Acquisition will be highly accretive to V-Mart's value lifestyle and omni-channel strategy

- An attractive build vs buy investment, with a total investment of ~ Rs 67 Cr to pay off the existing liabilities.
- This acquisition will help us accelerate our omni channel plans and bring in a strong team, digital brand presence, community experience, technology stack, product capabilities and customer base
- A capital efficient business model engineered for growth and profitability, aligned to V-Mart's ethos, will continue to operate with a priority on cash flows and profitability overgrowth. Additional investments of Rs 60-70 cr expected over the next 2 years, which should not exceed 15-20% of VMart's EBITDA
 - LR has an asset light platform with zero capex, zero inventory, negative working capital cycle
 - Enjoys strong D2C type economics with 40%+ platform take rates and market-leading low-cost fulfilment
 - Consistently delivering 30%+ contribution margin (CM1) in the business, delivered positive contribution (~9% in FY22) after adjusting for customer acquisition costs, before fixed/corporate costs
- LimeRoad will run as an independent business unit within V-Mart, preserving its start up culture; all the existing employees including founders to continue with strong ESOP incentives for long term commitments
- V-Mart together with LimeRoad, will be a **unique, one of its kind, profitable and omnichannel play** in India, with online accounting for >10% of overall combined sales within current financial year to grow to 20%+ in 24-36 months

Thank you!

In case of any queries, please contact the IR Team:
ir_vmart@vmartretail.com

