

Bhatia Communications & Retail (India) Limited

Q3 FY2021 Earnings Presentation



BHATIA'S[®]
The mobile one stop shop

Safe Harbour

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BUSINESS OVERVIEW

Problem

Quality Electronic Products with after-purchase **customer service**.

Existing Alternatives

There are **regional players**, having minimal presence, but they're unable to provide end-to-end solution. However, there is competition from **large retail giants**, but we have been easily able to compete with them.

Solution

PAN Gujarat presence with **100+ outlets**, providing premium quality Electronic products of various brands.

Key Metrics

Conversion rate – 98%

Proportion of customers entering the store and ending up buying a product.

Unique Value Proposition

Bhatia Communications & Retail (India) Limited is moving up the value chain increasing outlets with multiple products.

After Sales customer service.

First-mover advantage with strategically locating new stores.

High Level Concept

Smart Phones and Electronic Gadgets are no more considered a luxury item, they are **necessities** for everyone.

Unfair Advantage

- Competitive pricing.
- Customer Service.
- Wide range of products.
- Strong distribution network in Gujarat.

Channels

Direct marketing, social media, ads along with tie-up with **Financial Channel Partners** is helping the company reach wider audience.

Customer Segments

- **18+** age group.
- Shift witnessed from low-range mobile phones to premium smart phones.
- Average range of smartphones ~ **₹10,000 - ₹15,000**.

Early Adopters

- The company is updated with the **current trend** in handsets and other electronic devices.
- Strategically opening stores in locations where no regional or big retail player has its presence gaining **first mover advantage**.

Major Costs

- **Stock Purchase**.
- **Employee Expenses**.

Revenue Streams

Diversification of Products:

Number of Multi Product Outlets have increased from **21 to 69 STORES** in this Quarter. Thus making sure, there is perennial flow of revenue.

BUSINESS OVERVIEW: TILT-SHIFT OF CONSUMERS FROM ONLINE TO OFFLINE

Our faith in our **BUSINESS MODEL** is bolstered by looking at the new expansion plan of online mammoths for further growth-

1. Amazon is buying offline stores companies.
2. BYJUs buying offline classes company.

ONLINE TO OFFLINE



BUSINESS OVERVIEW: OPENING OF NEW STORES

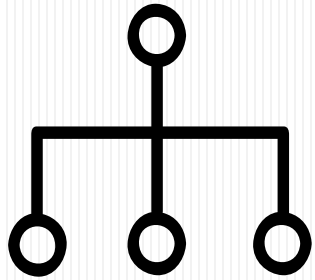


VIP ROAD, VESU



NEAR LP SAVANI SCHOOL

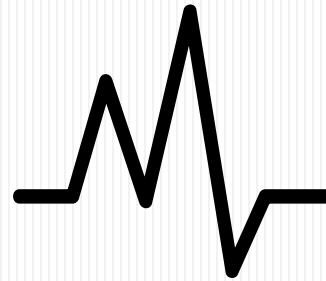
BUSINESS OVERVIEW: FOCUS AREAS



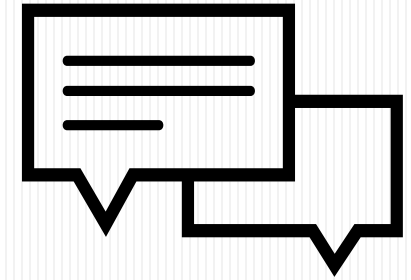
Marketing



Operations



Sales



Supply Chain

BUSINESS OVERVIEW: KEY MILESTONES

Number of Multi Product Outlets increased from **21 to 69 STORES** in this Quarter.



Improving same store Sales through **Intelligent Marketing**.



Diversification of Business with **majority outlets selling multiple products**.



Better **Inventory Management** through robust system.



Maintaining **price competitiveness**.



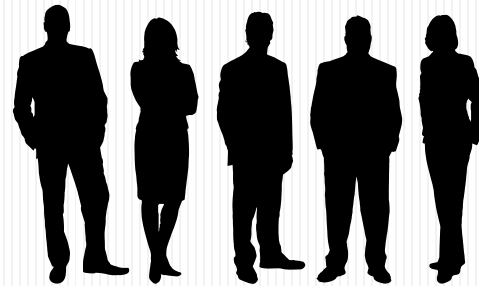
Increasing **number of Brands** for all **Electronic products**.



Strategically locating **Outlets** to **maximize Sales**.



10+ channel partners providing **EMI/credit facilities** to customers.



BUSINESS OVERVIEW: KEY METRICS

CONVERSION
RATE

98%

TOTAL
SQ. FEET

1,16,450

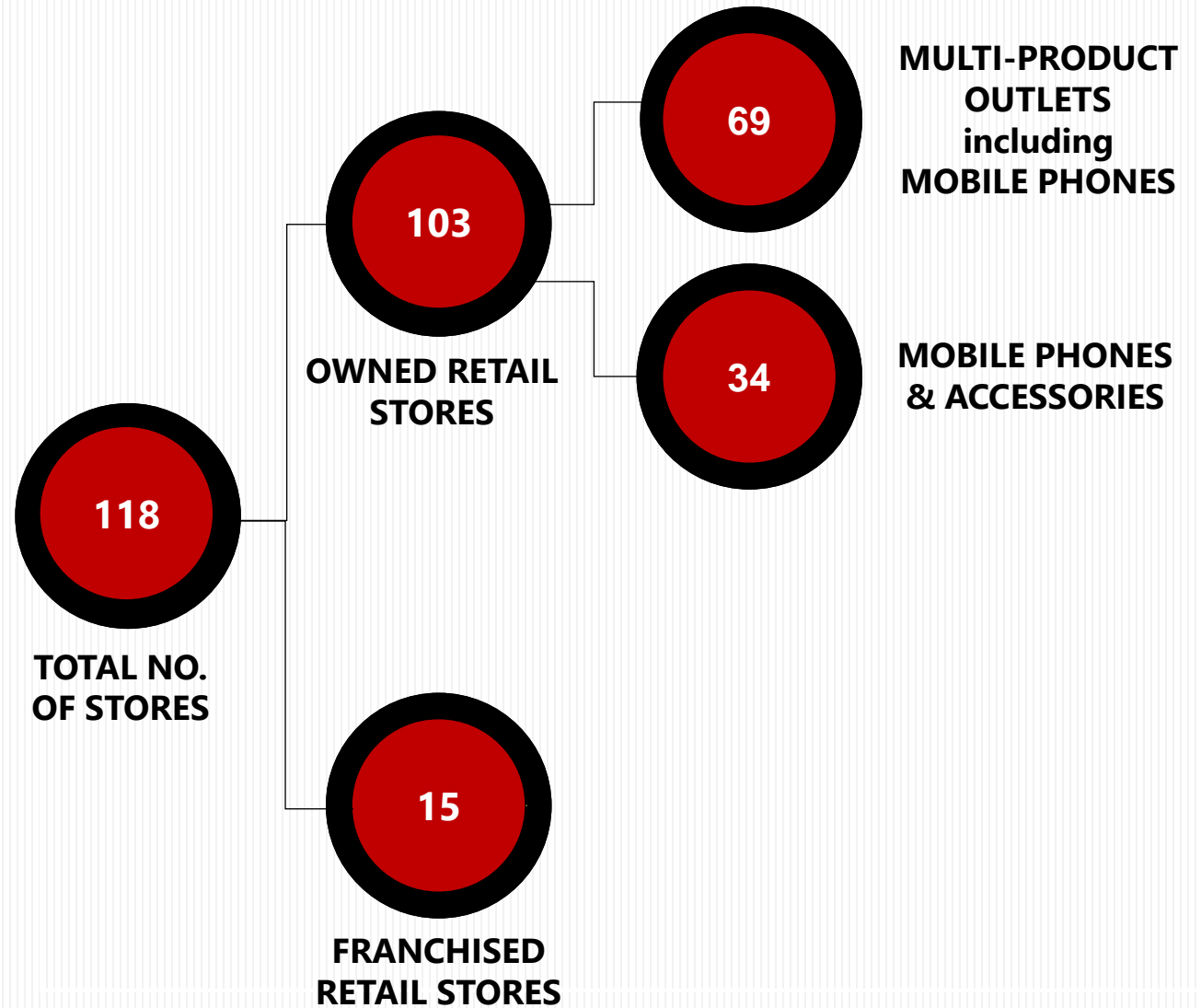
REVENUE
PER SQ. FEET

₹5250

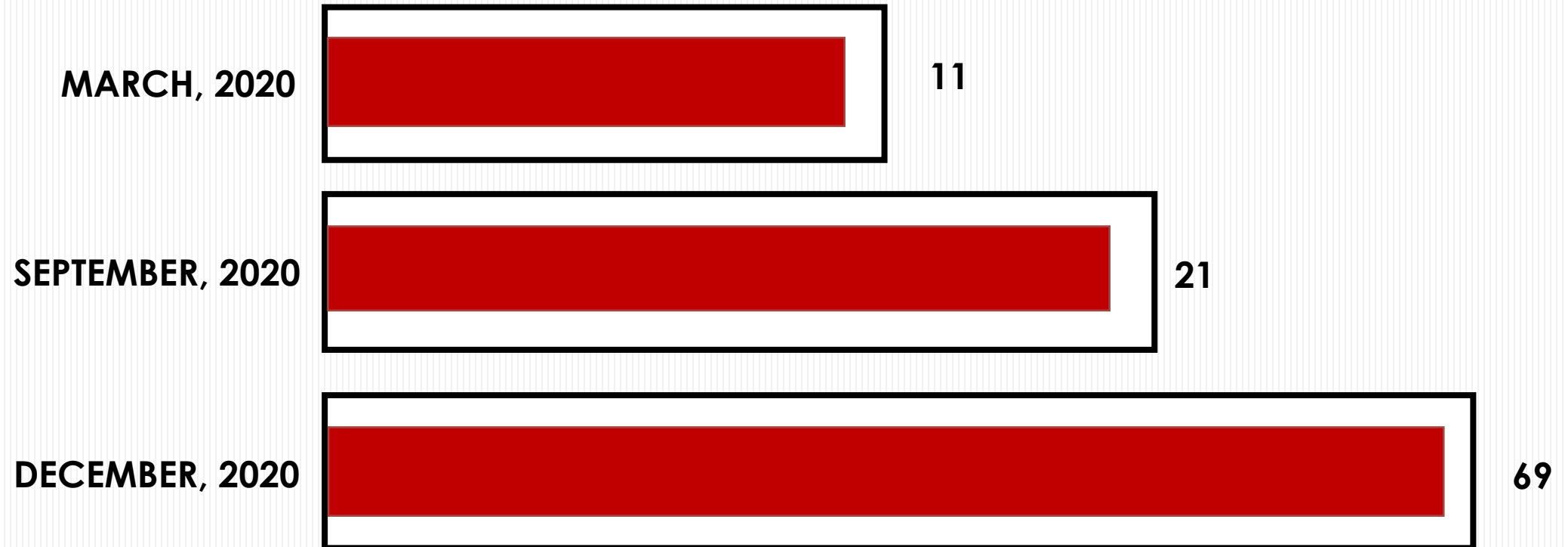
December Quarter

****Conversion rate:** Proportion of customers entering the store and ending up buying a product.

BUSINESS OVERVIEW: NO. OF STORES



BUSINESS OVERVIEW: NO. OF MULTI PRODUCT OUTLETS



BUSINESS OVERVIEW: GROWTH STRATEGY

Bringing experience closer to consumers through stores.



Taking advantage of global movement towards in-store purchases.



Using tailwinds of revenge buying in white goods industry to our advantage.



GROWTH STRATEGY

BUSINESS OVERVIEW: SWOT ANALYSIS

STRENGTH

S

- Experienced Promoters and Management Team with a very Active Marketing Team.
- Strong work force of 100+ employees.
- Diversification of products.

OPPORTUNITY

O

- Under penetration of smart phone, smart TV, Air-Conditioner markets.
- People shifting from non-smart phones to smart phones.
- Rising Disposable Income of people.



W

WEAKNESS

- Limited Mobile Network Infrastructure in rural areas would make going PAN-Gujarat difficult.
- Lack of Resource Availability as compared to some of the big giants.

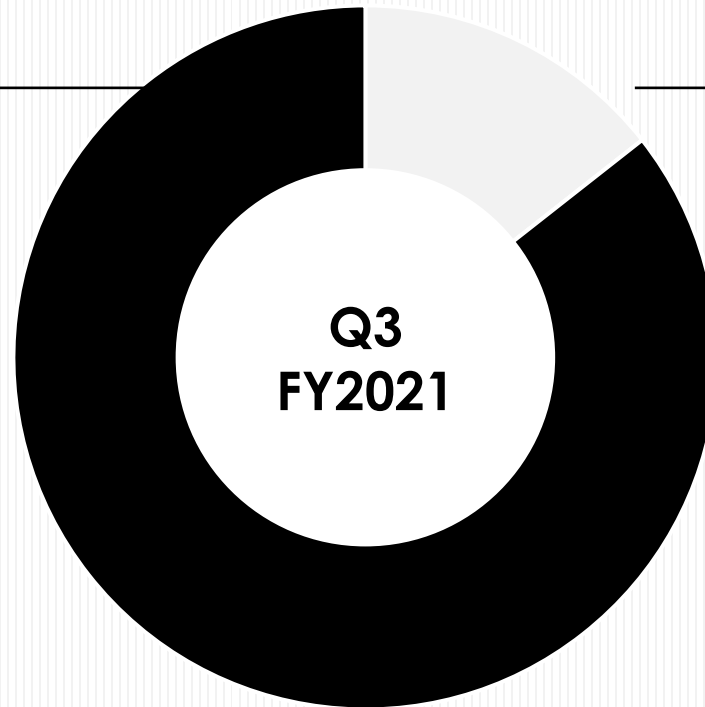
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THREATS

- Competition from both big and small Players.
- Low Entry barriers for new entrants.
- Online platform bringing in competition.

BUSINESS OVERVIEW: REVENUE BREAK-UP

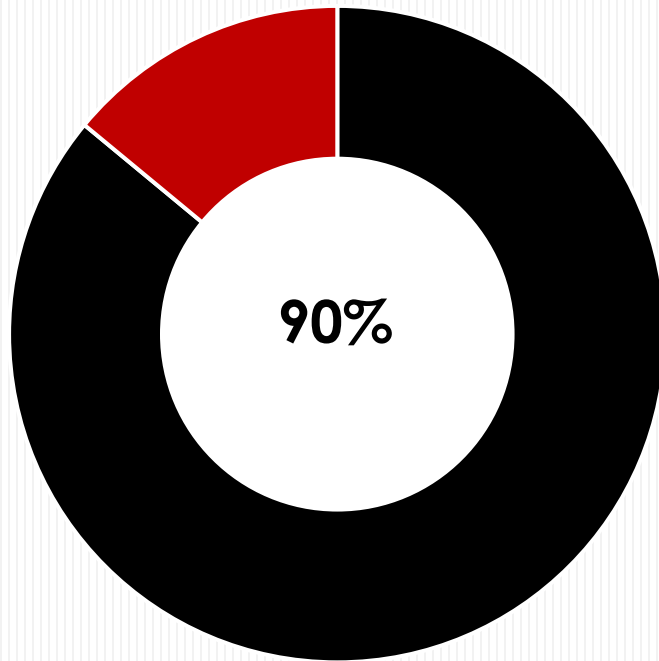
OWNED RETAIL OUTLETS
90% of TOTAL REVENUE



FRANCHISED STORES
10% OF TOTAL REVENUE

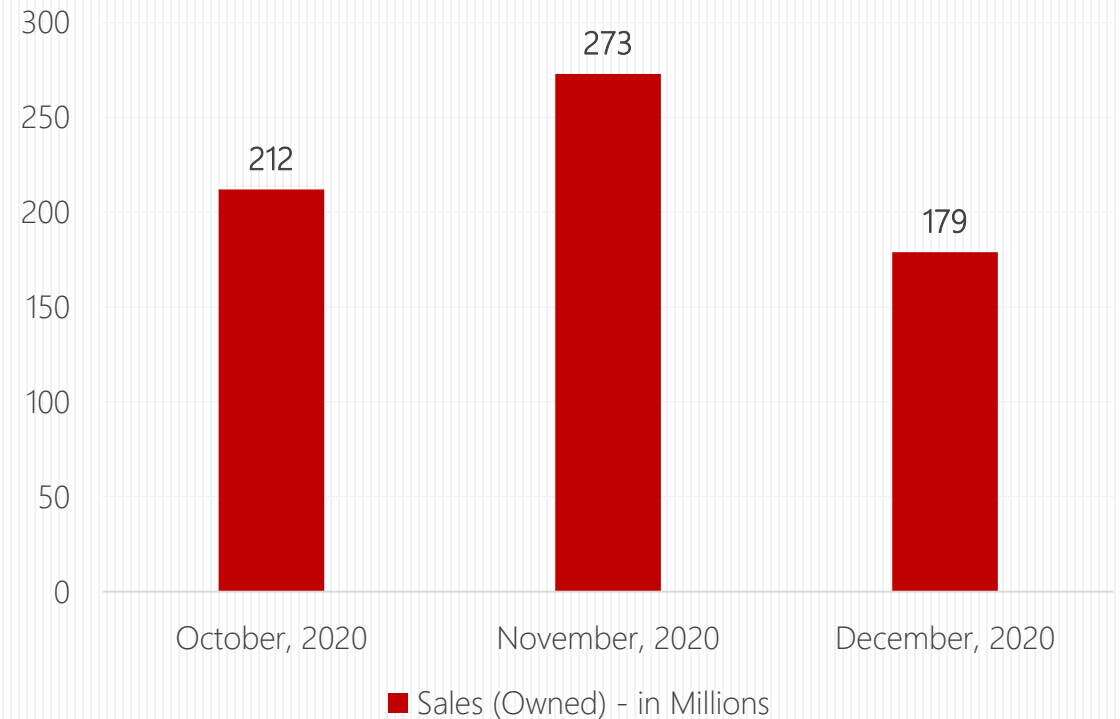
BUSINESS OVERVIEW: OWNED RETAIL STORES

OWNED RETAIL OUTLETS



(Q3 FY21)

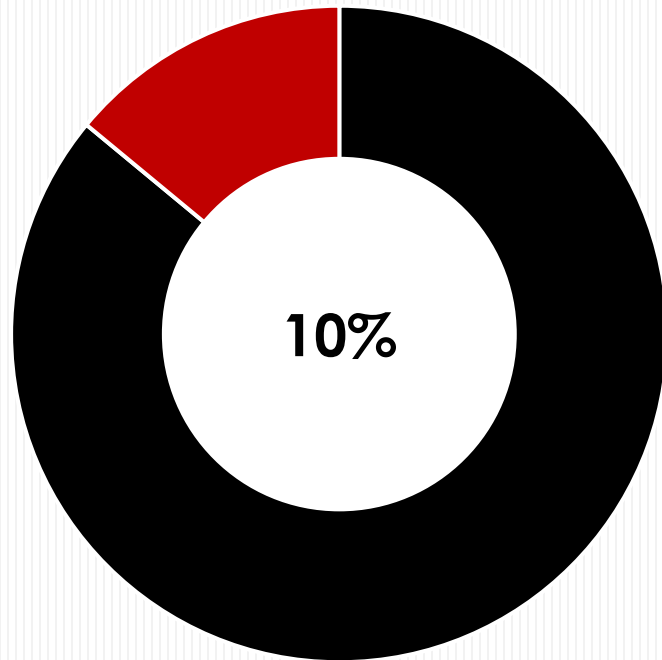
Q3 Sales FY2021 – In Millions (Owned Retail Outlets)



**** Sales amount (without) net of returns; after GST**

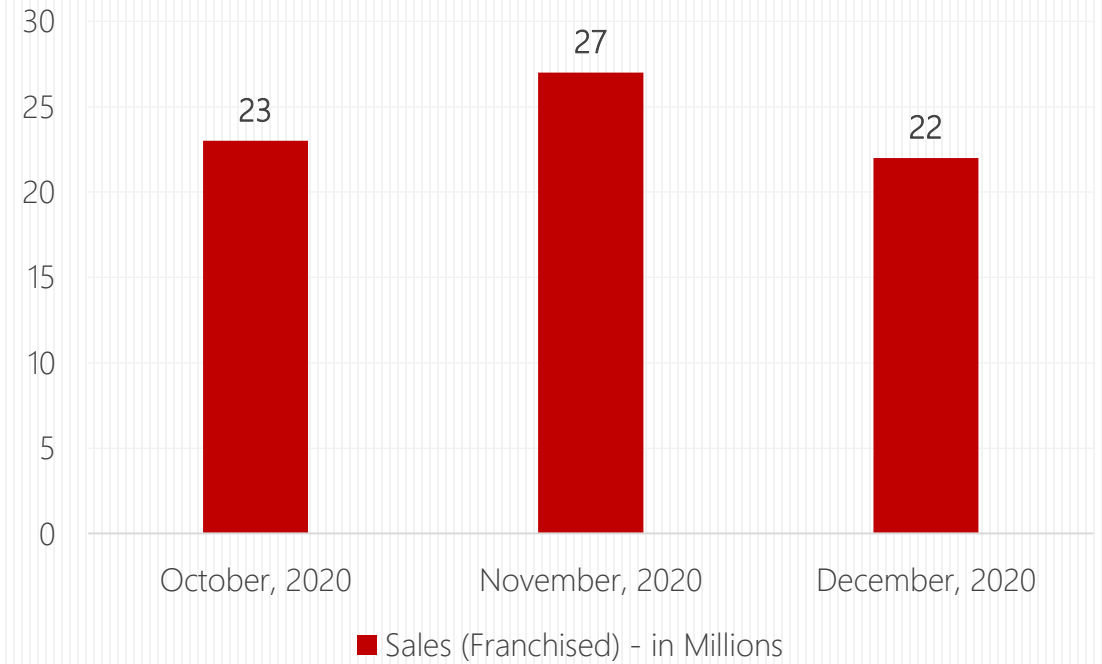
BUSINESS OVERVIEW: FRANCHISED RETAIL STORES

FRANCHISED STORES



(Q3 FY21)

Q3 Sales FY2021 – In Millions (Franchised Stores)

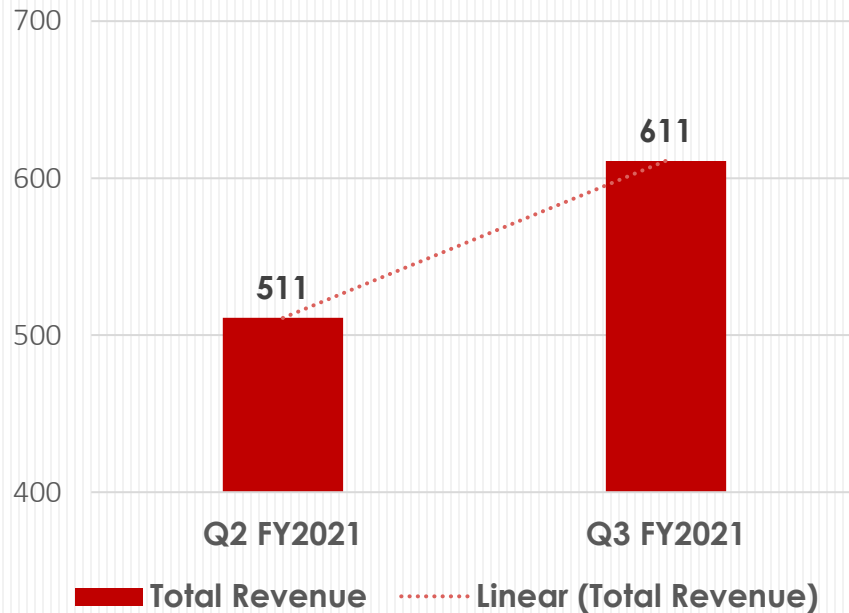


**** Sales amount (without) net of returns; after GST**

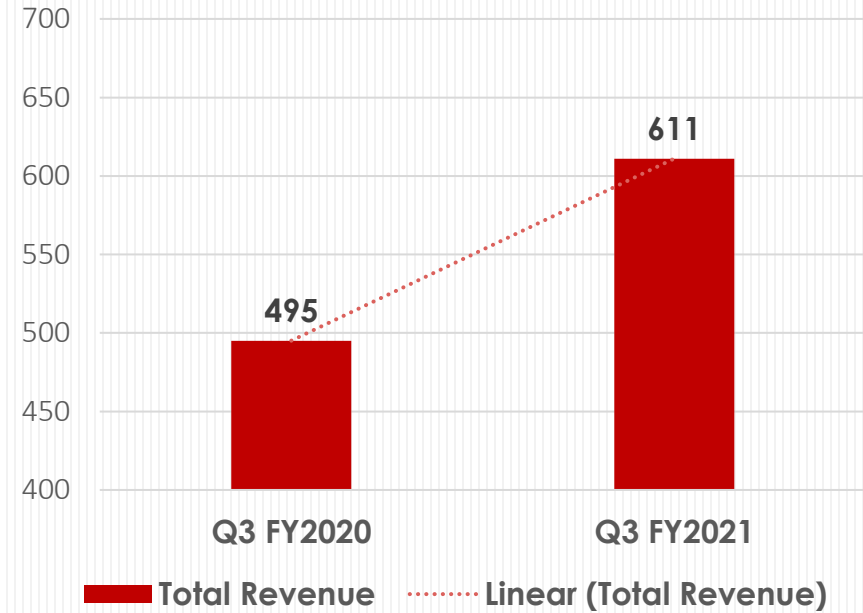
KEY FINANCIALS

FINANCIAL PERFORMANCE: Q3 FY2021

QoQ comparison
Total Revenue (in millions)

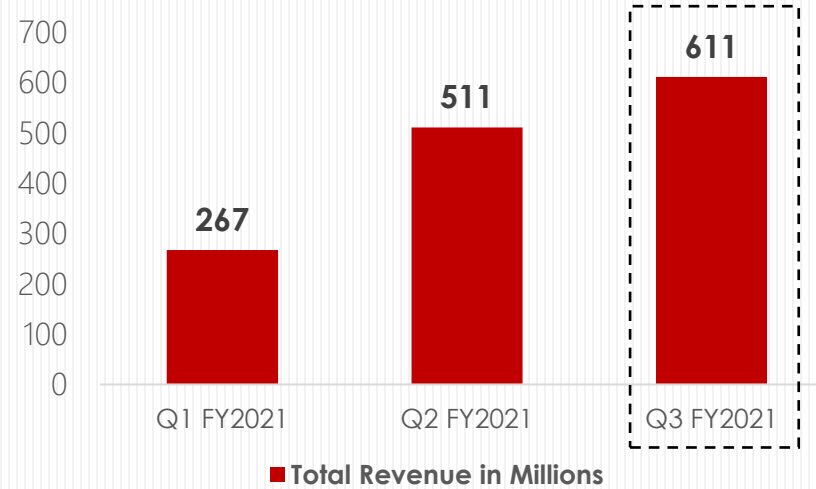


YoY comparison
Total Revenue (in millions)

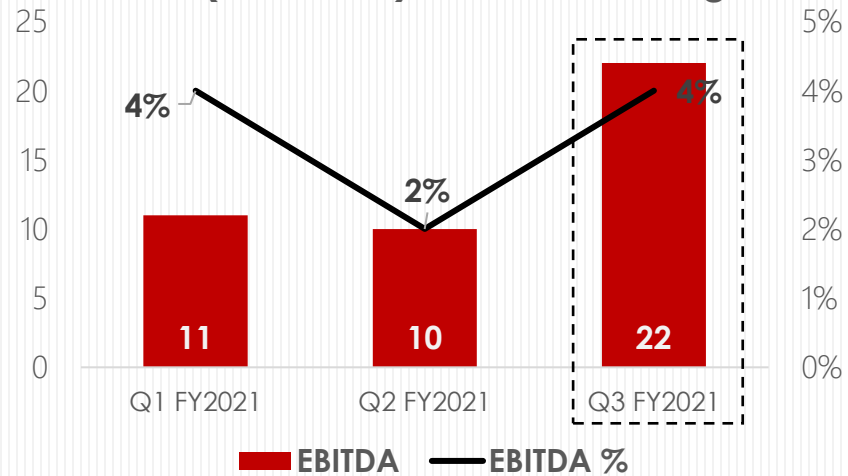


FINANCIAL PERFORMANCE: Q3 FY2021

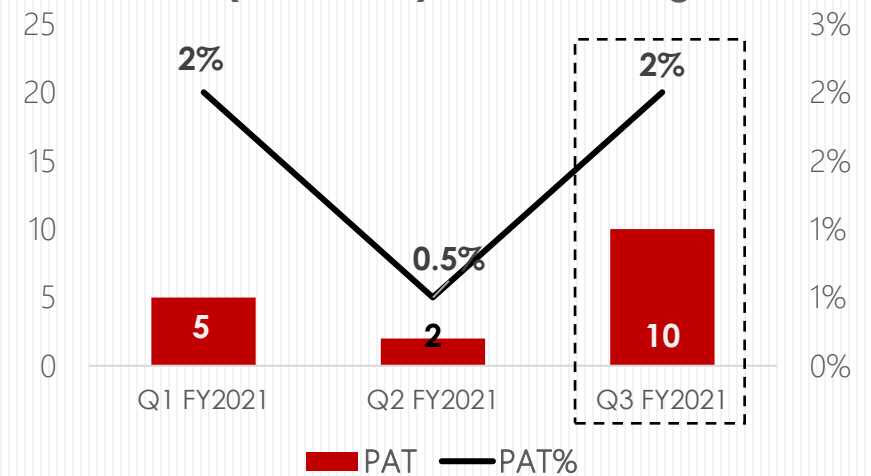
Revenue (in millions)



EBITDA (in millions) and EBITDA Margins

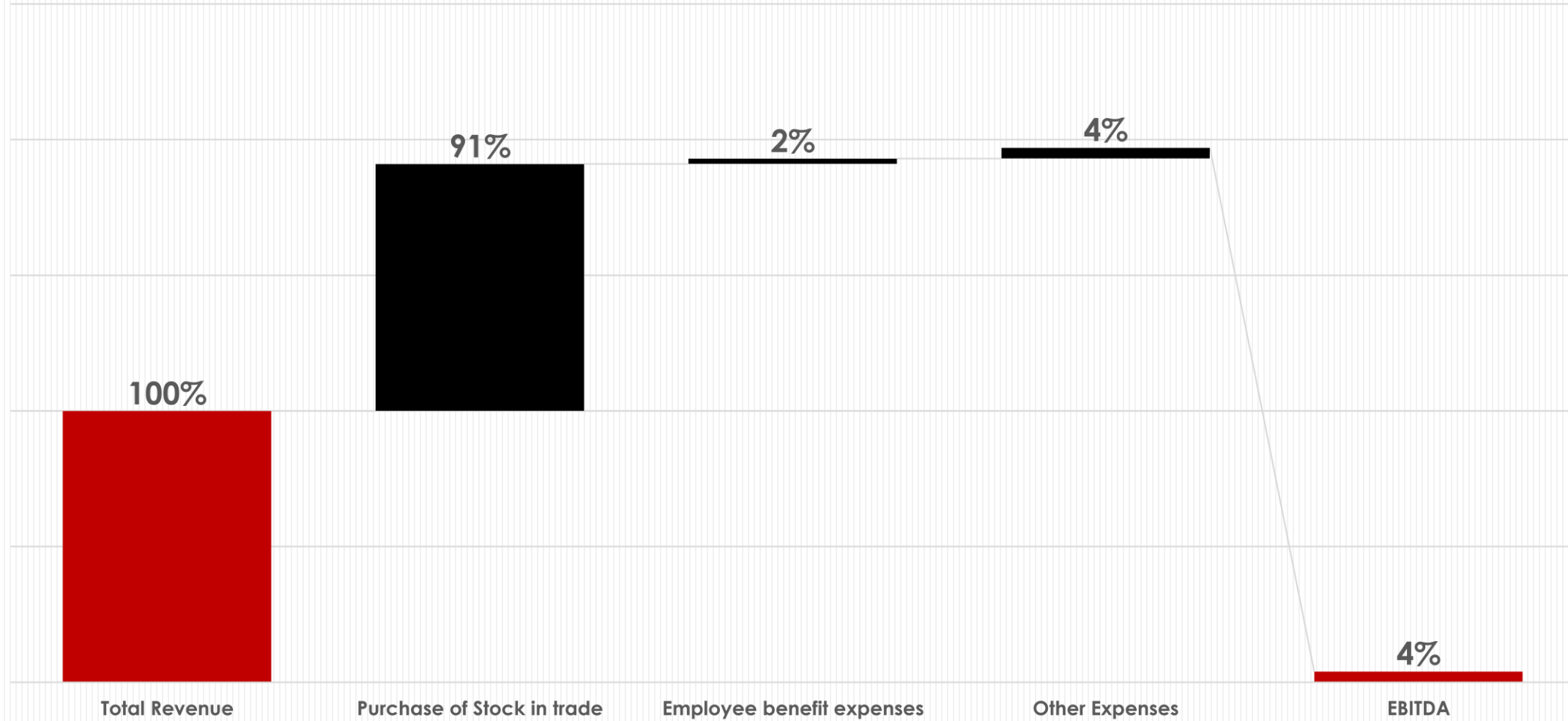


PAT (in millions) and PAT Margins



FINANCIAL PERFORMANCE: MARGIN PERCENTAGE BRIDGE

**The percentages have been rounded off.



FINANCIAL PERFORMANCE: PROFITABILITY HIGHLIGHTS

3 months ending (in millions)	Q3 FY21	Q2 FY21	Q3 FY20
TOTAL REVENUE	611	511	495
Purchase of Stock-in-trade	556	473	441
Employee Benefit Expenses	9	9	9
Other Expenditure	24	19	17
EBITDA	22	10	28
EBITDA Margin	4%	2%	6%
Depreciation	3	3	3
Finance Costs	4	3	4
Exceptional Items	-	-	-
PBT	15	4	21
Tax Expenses	6	1	6
PAT	10	2	16
PAT Margin	2%	0.5%	3%



**We are committed
to growth.**

Thank You

BHATIA'S[®]
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+91- 261 - 2349892

info@bhatiamobile.com