

# *Reliance Retail*

- Store functioning and digital commerce fulfilment severely impacted by lockdown and restrictions
  - 50% stores fully shut through quarter, 29% partially operated
  - Consumer Electronics and Fashion & Lifestyle business suspended in April and partially in May / June
  - Grocery stores continued operations with limitations and logistical challenges
- Operations across the network including supply chain disrupted by sporadic changes in regulations
- Overall footfalls for the quarter were down -57% YoY (June: -39% YoY), even in Grocery stores

## Stores Non-Operational During the Quarter

Store Concepts	Apr	May	June	Overall
Consumer Electronics	90%	45%	20%	52%
Fashion & Lifestyle	100%	76%	37%	65%
Grocery	4%	3%	2%	3%
Total	79%	51%	24%	50%

**Digital commerce and omni-channel helps us manage revenues**

- 21% growth across fully operational businesses of Grocery and Connectivity
  - Grocery grew 5% YoY despite operational constraints; Connectivity up 30% YoY led by continued momentum on Jio
- Store closures in Electronics + Fashion & Lifestyle impacts overall growth; further drag from device unavailability
- Given the operating context, overall Gross Revenues fell by 17% YoY, though performance well ahead of market
- Despite the challenges, business delivered a positive EBITDA of Rs 1,083 crore (although lower by 47% YoY)
  - Impact alleviated by cost savings and redeployment of resources to scale up digital commerce
- Opened 69 new stores and SIS sections; >250 stores could not be commissioned due to prevailing situation
- Bringing New Commerce to life (online X offline) – JioMart launch, Ajo ramp up, reliancedigital activation

**Significant progress on priorities around digital commerce, omni-channel capabilities and portfolio adaptation**

In ₹ Crore

Parameter	1Q FY21	1Q FY20	% Growth
Gross Revenue	31,633	38,216	-17%
Net Revenue	28,197	34,237	-18%
EBITDA	1,083	2,060	-47%
<i>EBITDA Margin on Net Revenue (%)</i>	<b>3.8%</b>	6.0%	-220 bps

- Gross margin improvement across all key segments in view of better realizations (fuller price, higher bill values)
- Cost management initiatives lead to lower fixed costs, helping cushion impact of lower profits from lower sales
- Overall margin delivery particularly impacted by drop from profitable categories (Fashion & Lifestyle)

**Resilient profit delivery in a challenging operating context**

# Revenue Performance

*In Rs Crores*

Consumption Basket	1Q FY21	% Mix	Change YoY	% Growth YoY	Footfall drop due to Lockdown
Consumer Electronics	3,243	10%	-7,375	-69%	-65%*
Fashion & Lifestyle	939	3%	-2,282	-71%	-90%
Grocery	8,027	25%	394	5%	-45%
Connectivity	16,939	54%	3,942	30%	-
Petro Retail	2,485	8%	-1,262	-34%	-
<b>Total</b>	<b>31,633</b>	<b>100%</b>	<b>-6,583</b>	<b>-17%</b>	<b>-57%</b>

**Operational businesses of Grocery and Connectivity leading the way**



- Broad based growth across categories upon reopening
  - Quick response to needs on Work from Home essentials & appliances
    - Laptops, tablets and productivity devices up 2.5x
    - Dishwashers, appliances, gaming & tech accessories doubled
- Rapid scale up of omni-channel capabilities
  - Activated [www.reliancedigital.in](http://www.reliancedigital.in); # of digital bills up 11x
  - Enabled fulfilment from store inventory
  - Unmatched delivery service proposition - 70% delivered <6 hours
- Leveraged vendor relationships to secure product availability
- Drag from unavailability of devices due to the COVID disruption

Green shoots in June post reopening led by pent up demand



## Apparel & Footwear

- Leveraging AJIO for driving Trends' revenues through online channel
- 80% of Trends stores and DCs omni enabled (vs 30% pre-COVID)
- Alternative modes of selling – Trends on wheels, community
- Introduced 'Work from Home', 'At Home Essentials' and Athleisure portfolio

## Jewellery

- Gold Coin booking on Ajo during 'Akshaya Tritiya'
- Strong rebound in June post store reopening

## Luxury & Premium Brands

- Pioneering 'Distance Selling' across 38 cities
- Tele-calling, WhatsApp and Video Walkthroughs to drive sales

**Omni-channel and alternative options activated to drive revenue**





- Leveraged offline stores and inventory for last mile fulfilment
  - Trends' share doubles
- Expanded portfolio across brands and categories
  - Brands listing up 85% YoY; Marketplace further expanded
  - Watches category launched
- Build capacity to handle scale up of orders and deliver service within SLAs
  - Shipment handling capacity scaled up 5X across stores and DCs
- Impactful marketing, event activation and promotional offers
  - Stepped up events that saw strong traction

**More than doubled the business with new record highs**





- Sustained performance well ahead of the market\*
- Lower footfalls offset by higher bill values since lockdown
- Stores open with restrictions on operations and portfolio to be sold
- Growth led by essentials (staples) and processed foods
- Served customers through multiple options in addition to stores
  - Stores 'on Wheels', serving over 3,000 societies
  - Orders through online / telephone / WhatsApp / NetMeds
- JioMart launch accelerated with rapid capacity build up of home delivery
- Worked closely with vendors and farmers to secure availability

**Building digital commerce capability to supplement offline store strength**

**JioMart.com**

A New World of Online Grocery Shopping

**Incredibly**

**Low Prices** on all Grocery Items



## INDIA'S LARGEST HYPERLOCAL SOLUTION

200 cities | 3,500 pin codes | 10,000+ items | Fresh produce | D+2 delivery service

**FREE HOME DELIVERY**  
**NO MINIMUM ORDER**



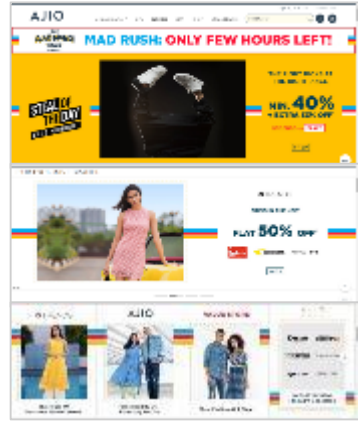
- 1 Enhancing **safety & hygiene standards**
- 2 Strengthening **Digital Commerce and Omnichannel** capabilities
- 3 Accelerating roll-out of **Jio Mart New Commerce**
- 4 Bolstering supply chain/fulfilment capacity to handle **home delivery**
- 5 Developing **Own Brands portfolio** in keeping with emerging trends

**Steady and significant progress on strategic priorities**



- Implemented comprehensive SOP and guidelines
  - For Employees, Customers, Specific Service Areas, Roles
- Seal of Safety implemented across stores to reassure customers
- Mandatory use of PPEs for those involved in contact operations
- Active interventions on prophylactics, antigen testing, medical camps





## Consumer Electronics

- Activated reliancedigital.in, refreshed apps
- Linked stores to digital platform for fulfilment
- Ready for launch on JioMart in Q2

## Fashion & Lifestyle

- AJIO ramped up; increase in omni-enabled stores across Trends network
- Jewels listed on AJIO, digital platform (reliancejewels.net) launched in July
- Apparel and footwear launch on JioMart in Q2

## Grocery

- Launch across 200 cities and rapid scale up; iOS & Android apps in July
- Hyperlocal offline store based fulfilment model established

## 3 Accelerating rollout of JioMart New Commerce

- Operational issues addressed to ensure seamless experience and service delivery
- Customer activation initiated – app downloads and daily orders scaling up
- Strong technology backbone – WhatsApp Care chatbot, voice ordering, multilingual support
- Developing marketplace and subscription models; expansion of categories underway
- Kirana expansion of cities currently in progress with rapid increase in kiranas onboarded





- Fulfilment capacity stepped up for home delivery orders; being further augmented
- Supply chain design completed for 200 cities; infrastructure ramp up from Q2
- Conversion of Markets stores into fulfilment centers
- Rapid expansion of Smart Points planned
- Expanding partnership with farmers/FPOs for direct sourcing of fresh produce and staples







- Fashion portfolio curation based on occasions/themes; extending brands to new categories
- Introduced SITRA approved PPE suits and protective wear
- Developing fashionable safety/protection gear
- Safety & hygiene kits launched; range extension to sanitizers, cleaners and Suraksha packs
- Further brand development in progress for on-trend/emerging categories

- Overall 1Q FY21 performance resilient considering the adverse operating environment
- Grocery continued to rise to the occasion and serve customer needs through multiple options
- Decisive actions are being take to adapt and strengthen operating models/capabilities for a post COVID world
- Focus on reopening (as locally permitted) and normalizing operations -
  - Digital commerce activity to scale up further
  - Offline expansion and supply chain infrastructure ramp up to resume
  - Partnerships with kiranas/merchants, vendors and farmer ecosystem to be accelerated

**Business models stress tested and made fit for purpose in new context**