
Trinethra- Fabmall

A case study in PE investment

Identifying the opportunity

- Large market 80K crores
- Fragmented market
- Budding players
- Scale brings value
- Scanning, staying in touch, keeping track

Trinethra & Fabmall- An introduction

Fabmall

- Bangalore based start-up
- Professional six member management team
 - Experienced retail industry professionals at the next level
- Process driven operations
- Well known brand in Bangalore
- Franchise Model

Trinethra

- Hyderabad based company with years of operations
- Family based business
- Excellent brand in AP, good reputation for the products
- Larger business in revenue (2 times)

The New Entity

- Largest supermarket chain in the South
- Two excellent brands
- Significantly experienced management team
- Significant supply chain synergies

Structuring the deal

- Fabmall management, Trinethra scale
- Investment to expand operations significantly
- Merged entity- movement to a common brand
- Working capital to cater to expanded inventory requirements
- Investments in offices, new stores, warehouses
- Scale up management team further with experienced industry personnel

Making it work

- Scale.. 65 stores to 225 in two years
- Multiple geographies.. TN, Kerala
- Margin expansion- 16% to 22%
- Revenues 75 crores- 270 crores
- One of the top three grocery chains in the country

Getting out!

- Running the deal- background work
- EOI's, Deal terms, Documentation
- Valuation, strategic interest, management challenges
- Closing the loop!
- Building on the success!

Thank You