



Investor Update Q3 & 9M FY17

Disclaimer



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Table of content

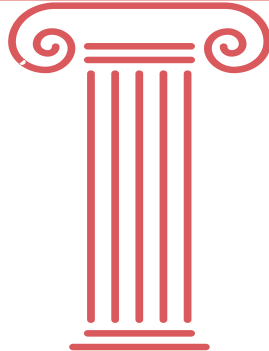
1	Business Overview	04-07
▶	Integrated Food & FMCG Company	05
▶	Q3 & 9M FY17 – At a Glance	06
▶	Portfolio: Key Brands and Categories	07
<hr/>		
2	Key Business Developments	08-11
▶	Extending the Portfolio across Food & Beverages	09
▶	Update on Food Park & Manufacturing Facilities	10
▶	Distribution Network Spanning across Channels	11
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3	Financial Update	12-20
<hr/>		
4	FCL Initiated an era of FMCG 2.0	21-23



BUSINESS OVERVIEW

Integrated Food & FMCG Company

Food & Key FMCG Brands



Distribution Network

- Overall distribution footprint of ~29,000 stores
- Access to a vast network of over 900 Future Group retail outlets
- Extended Modern trade distribution at Lulu & Haiko

Two Strong Pillars Supporting the Furtherance of Business Purpose



Sourcing & Manufacturing

- Strong presence in sourcing of agri commodities and fresh produces
- Dairy & Bakery manufacturing facility in Southern India
- Frozen Vegetables / Snacks and Chutney facilities
- Oats facility in Sri Lanka
- International tie-up with global brands

Q3 and 9M FY17- At a Glance



Revenues of INR 15,824 mn for 9M FY17 with top line growth of 40.8%*



EBITDA of INR 150 mn in 9M FY17 vs. loss of INR - 104mn in 9M FY16



Brands like Karmiq (3.1x), Kara (1.2x) Tasty Treat (31%), Veg Affaire (61%) exhibited strong growth in 9M FY17



Welcoming **FMCG 2.0**, a whole new way of looking at an age-old industry



Launches include New Age Namkeen, Exotic Dry Fruits & Spinach in the frozen foods category



Extended distribution footprint to Lulu and Haiko & leveraging Nissin's distribution network



FCL largely remained immune to demonetization due to its focus on Modern Trade



Appointed **Devendra Chawla** as the CEO of FCL

*Growth numbers on Like-to-like basis

Portfolio: Key Brands and Categories

Brands Business Constituted ~93%⁽¹⁾ of Top Line in 9M FY17
– An increase from 79% in 9M FY16

Food and Beverages (94%)



Brands Staples, Dairy and Bakery, Fruits and Vegetables, Snacks, Juices, Frozen Foods, Ready to Cook Foods among others

Home & Personal Care (6%)



Wipes, Body Wash, Body Lotion, Toilet and Floor Cleaners, Kitchen Aides

Note:

1) Remaining 7% largely represents revenues from Food Park, Aadhaar and others.



KEY BUSINESS DEVELOPMENTS

Extending the Portfolio across Food & Beverages



Tasty Treat starting a trend with the Indo Western fusion concept for snacks

Launched 4 new exciting flavors of the New Age Namkeen: Barbeque, Peri Peri, Schezwan & Wasabi



Nilgiris launched 4 variants of flavored Greek Yogurt – Natural, Blueberry, Strawberry & Mango



Karmiq's new launches add flavor and color to and an act of goodness to your diet

Introduced an Exotic Dry Fruit Range: **Dried Cranberries, Apricots, Prunes & Dried Blueberries**; sourced from the best locations across the globe



Veg Affaire extended its frozen food portfolio with the launch of Frozen Spinach providing convenience to consumers looking for speedy solutions



Fresh & Pure is a manifestation of the thought 'From farm to the Centre of the Plate'

Extending its range of tea with the launch of 'Kadak Chai'

Update on Food Park & Manufacturing Facilities

Sr No.	Facility/ Particulars	Capacity	Status / Comments
1	Rice Mill	1.2 MT	Rice mill commissioned and leased to The Genoa Rice Mill Pvt Ltd for operations. Paddy procurement started
2	R&D Lab		A 11,000 sq ft Research & Development lab with an additional 3,000 sq ft area available for future expansion Facilities: i) Baking ii) Roasting & Coating iii) Dehydration iv) Blast freezer etc. Categories: i) Specialty flour ii) Sauces iii) Bakery iv) Biscuits v) Kettle chips vi) Roasted nut units
3	Solar Power Project	1 MW	Roof top solar pannel commissioned in Oct-16 Produced 97000KW in Dec-16
4	Avante - Kettle Chips		Snacks Line expected to be completed by 21 February, 2017
5	IQF Facility		Order for 200MT received covering many new varieties of vegetables

Rice Mill



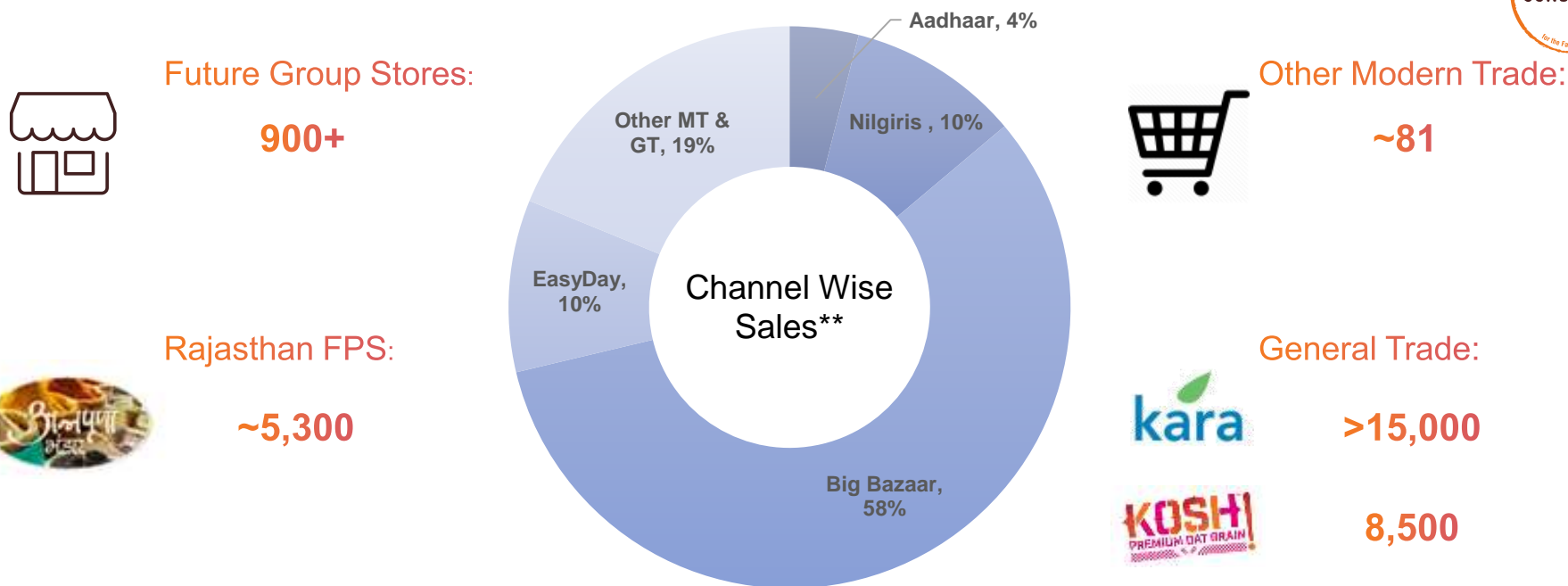
R&D Lab



Avante – Vegetable Washer



Distribution Network Spanning across Channels



- ❖ FCL reaches over 295 million customers through Future Group outlets
- ❖ To commence harnessing the distribution network of Nissin Foods to reach out to “kirana” stores



Note: Future Group stores include Heritage

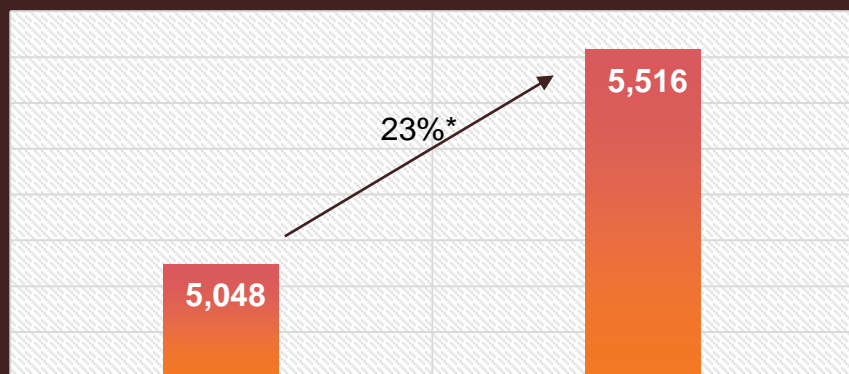
** Represents split for Brand Business (93% of FCL topline)



FINANCIAL UPDATE

Performance Overview - Q3 FY17

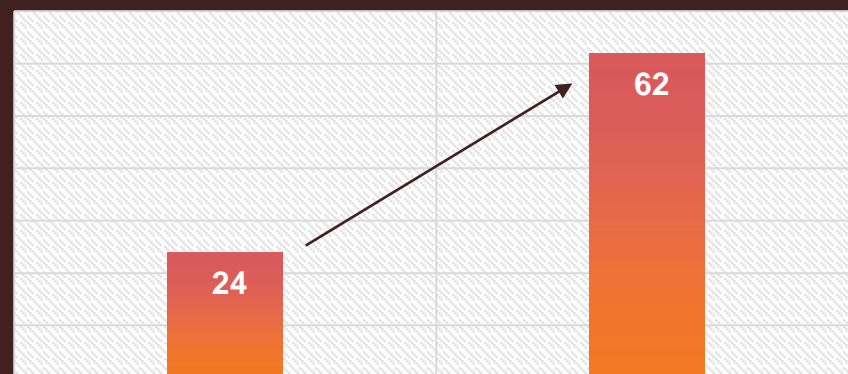
Top Line Growth



Q3 FY16

Q3 FY17

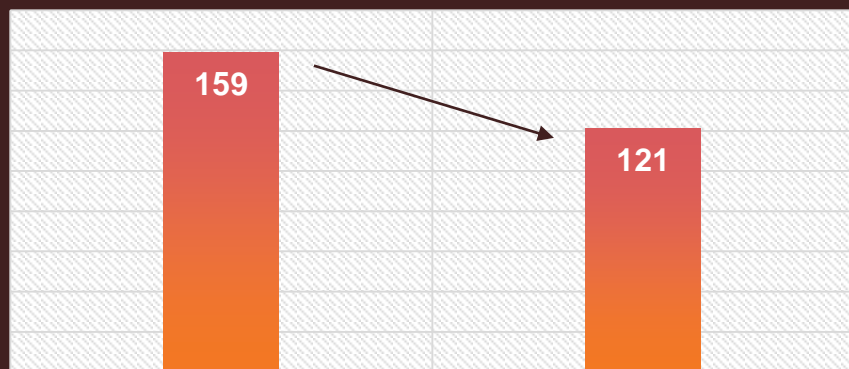
EBITDA Improvement on the Back of High Growth and Efficiency



Q3 FY16

Q3 FY17

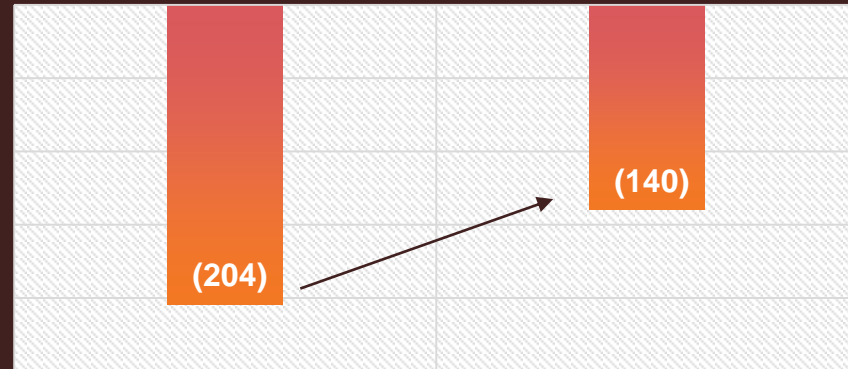
Interest Expense Declined by INR 38 mn



Q3 FY16

Q3 FY17

PAT loss narrowed by INR 64 mn



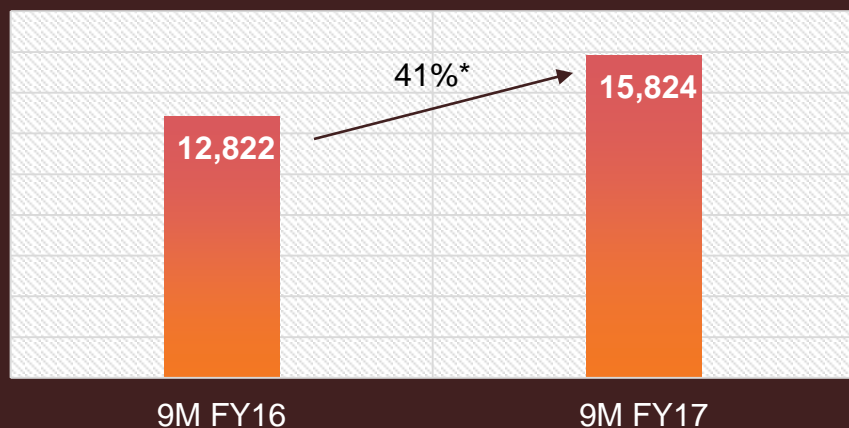
Q3 FY16

Q3 FY17

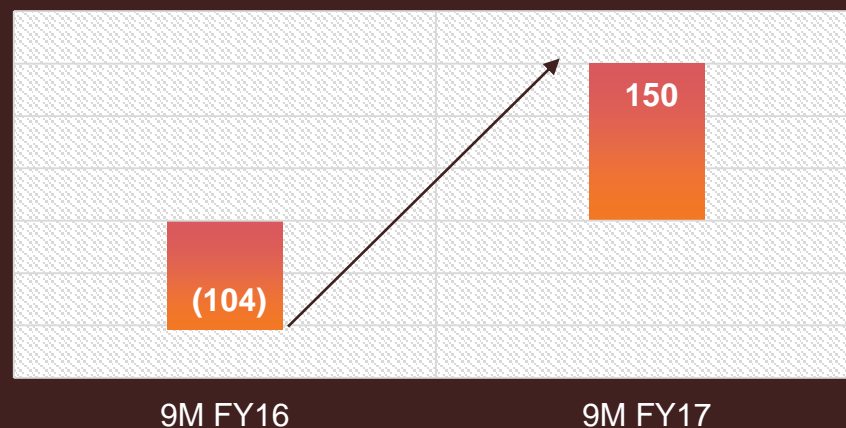
* Like to like growth, excluding impact of convenience stores franchised effective from Feb'16

Performance Overview - 9M FY17

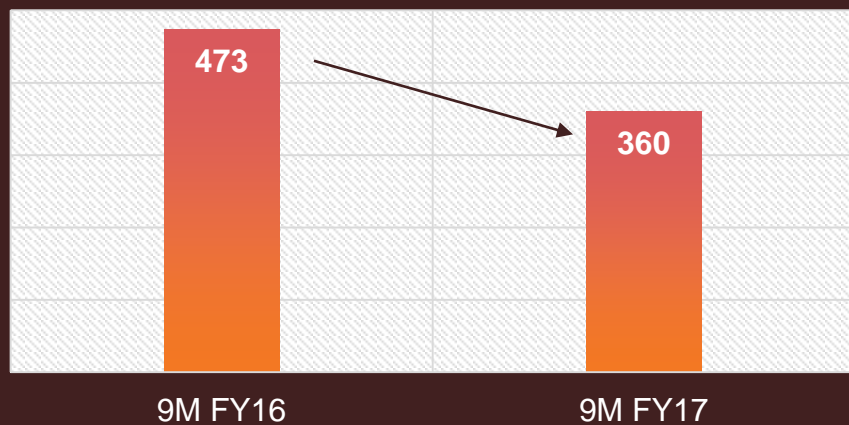
Top Line Growth



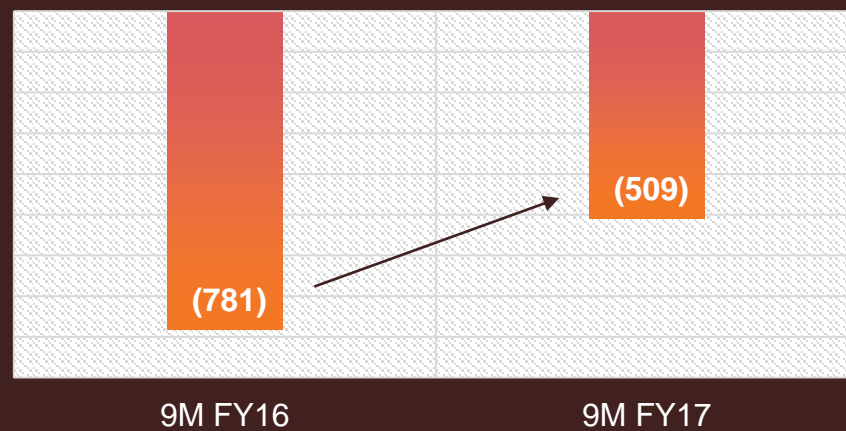
EBITDA Improvement on the Back of High Growth and Efficiency



Interest Expense Declined by INR 113 mn



PAT loss narrowed by INR 272 mn



* Like to like growth, excluding impact of convenience stores franchised effective from Feb'16

FCL Growth Reflects Impact of Demonetization

- ✓ Since 75% of the topline is driven by Modern Trade channels, FCL witnessed limited impact of demonetization
- ✗ On the other hand, Aadhaar was impacted by demonetization
 - 75% of Fair Price Shop business is cash based
 - 90% of Aadhaar's business is wholesale and is cash only transactions
- ✗ Wholesale F&V business witnessed a dip in sales due to demonetization
 - Shortage of cash led to a fall in selling price of fruits and vegetables
- ✓ Demonetization impact has been neutralized since December 2016
 - Wholesale and Fruits & Vegetables businesses are reporting a steady sequential growth

Business Highlights

YoY Growth



69%



66%



31%



3.1x



1.2x

Food & Beverages witnessed strong growth across brands driving the overall top line

- **Tasty Treat & Karmiq** launched gift boxes during the festive season which received a good response
- **Veg Affaire** continued to register a strong YoY growth of 61%

F&V business has been shaping up well with a robust growth of 159%

Other Updates:

- ❖ Aadhaar reported a robust growth of 71% on YoY basis
 - Expanded Fair Price Shops network to a total of 5,300 stores

Employee Count:



Mar 31, 2016

1,693



Dec 31, 2016

2,194

Note: Growth numbers represent 9M FY17

Consolidated Income Statement – Q3 & 9M FY17



FY 2015-16		Particulars (INR Mn)	FY 2016-17	
Q3	9M FY16		Q3	9M FY17
5,015	12,715	Sales	5,473	15,699
33	107	Other Operating Income	43	125
5,048	12,822	Total Income from Operations	5,516	15,824
4,312	10,909	COGS	4,734	13,634
736	1,913	Gross Margin	782	2,190
14.6%	14.9%	Gross Margin%	14.2%	13.8%
13	54	Other Income	30	79
726	2,071	Other Operating Cost	750	2,119
24	-104	EBITDA	62	150
0.5%	-0.8%	EBITDA%	1.1%	0.9%
77	223	Depreciation	88	256
159	473	Interest Expense	121	360
-44	-156	Interest Income	-34	-91
-167	-645	PBT	-113	-375
1	1	Tax	0	7
-35	-135	Share of JV, Associates & Minority Interest	-27	-126
-204	-781	Consolidated PAT	-140	-509
-4.0%	-6.1%	PAT %	-2.5%	-3.2%

Q3 FY17 Performance

- ❖ Reported a like to like growth of 23%
- ❖ EBITDA Margins doubled to 1.1% in Q3 FY17 from 0.5% in Q3 FY16
- ❖ Interest expense declined by ~INR 38 mn on YoY basis
- ❖ PAT loss narrowed further by INR 64 mn

9M FY17 Performance

- ❖ Reported a like to like growth of 41%
- ❖ EBITDA of INR 150 mn vs loss of INR 104 mn
- ❖ Interest expense declined by ~INR 113 mn on YoY basis
- ❖ PAT loss narrowed further by INR 272 mn

Note: Q3 & 9M FY16 includes convenience stores which were franchised in Feb'16

Evolution of Operating Profits

Enablers:

- Network expansion and increasing penetration
- Expansion of General Trade network
- New product launches
- Premiumization of products
- Economies of scale

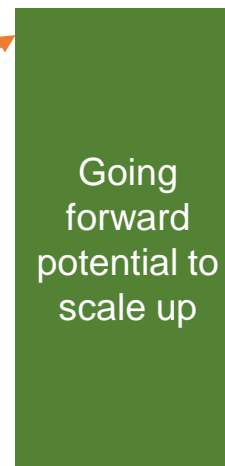
**Prior to 2016
reported
Operating Losses**



**Currently achieving
profitability at
operating level**



**Going
forward
potential to
scale up**



Consolidated Balance Sheet (Proforma & Unaudited)

Particulars (INR mn)	As on
	31-Dec-16
Shareholder's Fund	9,348
Minority Interest	-12
Net Debt	4,298
Net Adjusted Capital Employed	13,633
Fixed Assets	4,375
Goodwill and Intangibles	4,608
Non-Current Assets	1,113
Current Assets	5,902
Total Assets	15,998
Less: Non-Current Liabilities	690
Less: Current Liabilities	1,675
Total Net Assets	13,633

- ❖ Balance Sheet is as per IND-AS
- ❖ Debt reduction of INR 646 mn during 9M FY17

India Food Forum Awards



Kosh Wins India Food Forum's Prestigious Food & Grocery Innovation of the Year Award!

Devendra Chawla was awarded the 'Food & Grocery Professional of the Year'





FCL INITIATED AN ERA OF FMCG 2.0

FMCG

- ❖ Primarily focused on goods
- ❖ Built to cater to yesterday's consumers
- ❖ Goods are not really fast moving



FMCG 2.0

- ❖ Shifting the focus towards **consumers**
- ❖ Built on “**Future Consumers**”
- ❖ **FAST MOVING CONSUMER GENERATION**
- ❖ **Opportunity** to lead the space



FCL's Journey Towards FMCG 2.0



Reasons to Believe

- ▶ Unprecedented retail success
- ▶ Catering to the full spectrum of consumers: Foodhall > Aadhar PDS
- ▶ Expertise of Future Brands and Future Ideas aiding innovative product development
- ▶ Future Consumer Limited delivering products dedicated to the fast-moving consumer

Building the Brand

- ▶ Developing brands by upgrading and transforming a “branded commodity” to a **Genuine Brand**
- ▶ Communicating the brand vision
- ▶ Building the organization via on going initiatives of engaging with consumer on various platforms and through advertisements

In Q3 FY17 FCL
reported topline growth
of 23.1% vs Peers
Average of -0.5%



In 9M FY17 FCL
reported topline growth
of 40.8% vs Peers
Average of 2.0%



*Growth numbers on Like-to-like basis

Thank
You

**FUTURE
CONSUMER**

for the Fast Moving Consumer Generation



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