

Investor Presentation September 17

FMCG 2.0

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Indian Consumer is Evolving....



A new generation of consumers have emerged who are









Wedded to choice and convenience

What do these consumers demand??

More Value for their Time



COOK

Indian house makers spend 13.2 hours within the kitchen, compared to global peers who spend just 6 hours

Need?

 Quality, consistency and valueadded basic food to make time more **productive**



Source: GFK Research

Premium and Value Ad FMCG Products



SHARE

Barely one-third of the US\$185 billion FMCG market is branded, dominated by home and personal care and tobacco products.

Need?

- Demographic and income changes are moving consumption towards discretionary food items such as snacks, savories, juices, ready to cook packs growing at 3-4X over next five years.
- Consumers are looking at premium products and value ads



Source: Boston Consulting Group

Safer and Holistic Home and Personal Care Options

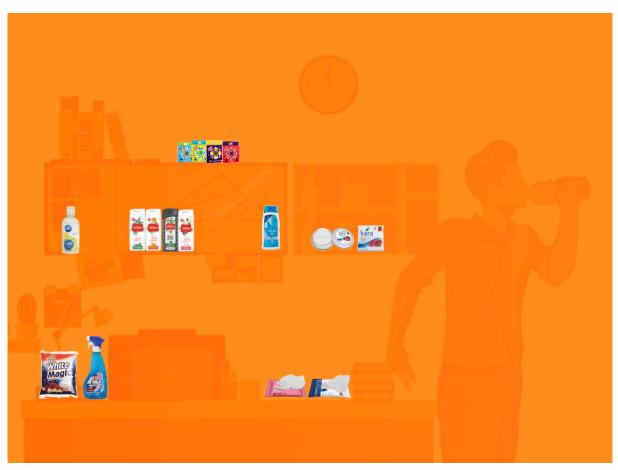


CARE

- Over 80% of India's home and personal care market, estimated to be around US\$ 28 billion, is branded
- Yet existing brands face new challenges with changes in consumer preference towards premium products

Need?

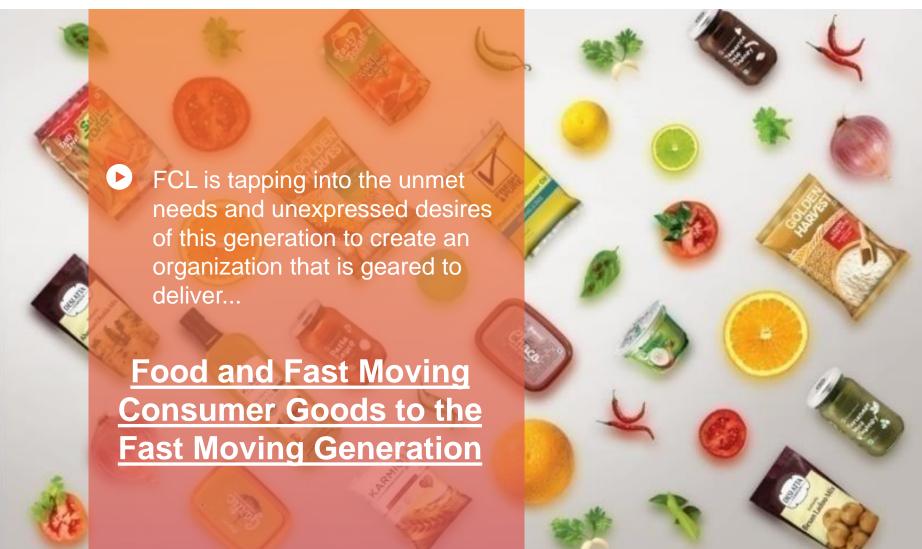
 Healthier options that take care of body



Source: FMCG market details are as per Boston Consulting Group research

What do we Offer?





Integrated Food & FMCG Company



Key Food & FMCG Brands























Two Strong Pillars

Supporting the Furtherance

of Business Purpose



Distribution Network

- Overall distribution footprint of ~67,000 stores
- Access to a vast network of over 1,000 Future Group retail outlets (including Heritage Stores)

Sourcing & Manufacturing

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

JVs & Associations



FCL has developed strong JV partnerships for its foray into specialized segments:



Mibelle AG - Personal Care

- Swiss-based Mibelle, one of the largest Consumer Goods company in Central Europe
- 'Swiss Tempelle' has launched body wash and lotions and further extending the range













Hain Celestial - Organic and toddler food

- Known for Tilda rice in India, Hain Celestial is a leading organic, natural, and better-for-you products company
- JV, long with a manufacturing base at the Food Park, will introduce brands and products comprising of:
 - Terra vegetable chips, Garden of Eatin Tortilla Chips, Dream rice and soya milk, Sensible Portions, health snacks for toddlers



Aussee Oats - Oats-based products

- Commissioned state of the art "oats-based" food manufacturing facility in Sri Lanka via a JV with SVA India
- Launched 'Kosh' to make oats the third grain of the Country.
- Offerings currently include instant oats, broken oats, wheat and oats flour and plans to launch variety of sweet and savory oats categories



- Leaders in packaged rice, led by basmati rice brand, "Dawaat"
- Set up a Rice Mill and Processing plant at the Food Park
- Currently operationalized for Sona Masoori rice with an aim of developing the first national brand in this space

LT Foods

Strategic Associations



Nissin Foods – General Trade Distribution Network

Tie-up for the distribution of New Age FCL products and increasing reach of General Trade outlets across India

FMCG 2.0 Investor Presentation





Portfolio: Key Brands and Categories



Brands Business Constituted ~94%⁽¹⁾ of Top Line in Q1 FY18 - An increase from 91% in Q1 FY17

Food and Beverages (93%)





























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

Home & Personal Care (7%)











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

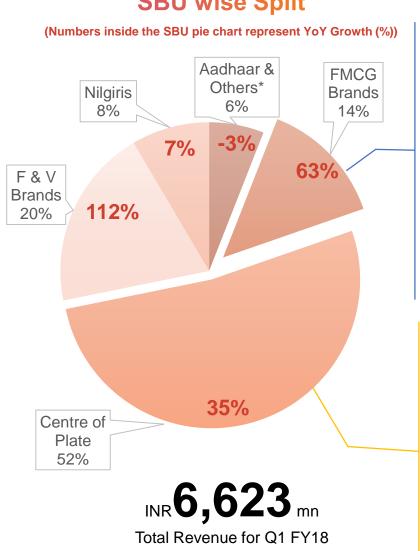
Note:

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

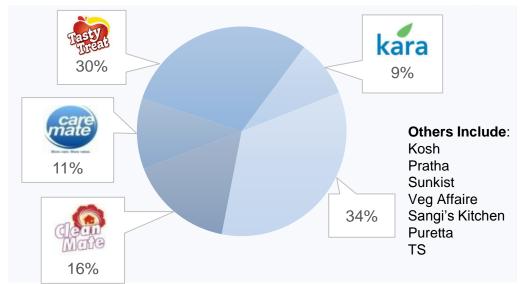
Revenue Split Across SBUs & Brands Thereof

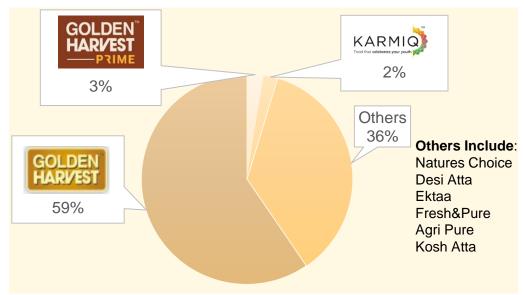


SBU wise Split



Brand wise Split



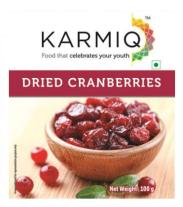


Portfolio of Brands under Centre of Plate

































Entering into high margins products such as specialty flour, rice bran oil, olive oil among others

Expanding Dairy and Bakery Footprint / Portfolio

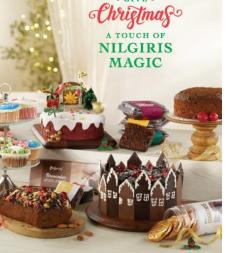
FUTURE CONSUMER

- An iconic dairy and bakery brand with over 110 year heritage operating an integrated portfolio of over 200 SKUs
- Nilgiris enjoys a strong patronage in southern markets, the brand is perceived as 'Made, Not Manufactured'
- Undertook mass advertising for the first time with newspaper advertising in Chennai and Bengaluru
- Building digital with presence on Facebook and Instagram
- Exploring distribution opportunities outside the Group network with launches in HyperCity, Spencers etc.
- Recently launched 4 variants of flavoured Greek Yogurt





















Broad Range of Value Added Offerings





































Personal and Homecare

































Kosh Advertisement Campaign





Ab khaana yummy, pet healthy healthy





Nearly 60,000 students secure Nearly 60,000 students secure Nearly 60,000 students secure FYJC seats in 1st special round FYJC seats in 1st special round FYJC seats in 1st special round

Roti ke pet mein kya hai?



Key Initiatives & Associations for Enhancing Brand Awareness











Innovative Products Catering to Indian Festive Habits





Associating with various festivals around the year helps building a stronger brand recall

Extending the Portfolio across Food & Beverages





mother earth™









Introducing Tasty Treat
Twist – adding a spicy
twist with a launch of 5
new Indian flavors:

- 1. Spicy Pineapple
- 2. Chilli Guava
- 3. Fruit Chaat
- 4. Chatpata Kokum
- 5. Litchi Rose

Launched FCL's first
Organic, all natural,
pesticide free Brand –
Mother Earth,
offering:

- 1. Pulses
- 2. Spices
- 3. Rice
- 4. Sugar and more

Pooof! Potato Kettle Chips

Introduced new range of Kettle Chips with 2 new flavors:

- 1. Spicy Peri-Peri
- 2. Tangy Tomato

All new range of Frozen Snacks by Tasty Treat

- 1. Aloo Tikki
- 2. Barbeque Potato Bites
- 3. Cheese Poppers
- 4. Crinkle Cut Fries

Sunkist extending its fusion drinks range with the launch of peppy summer flavors

- 1. Citrus Twist
- 2. Kiwi Lemon
- 3. Apple Ginger Honey
- 4. Pinacolada
- 5. Berry Punch

Other New Product Launches & Brand Initiatives









FCL catering to the ever evolving generation

Media Campaigns and Promotions



Akshay Kumar Creating Awareness through FCL's Home Care Range



Award Winning TVC







Baba Sehgal's epic rap videos celebrating the Firangi Bhujiyas





Distribution Network Spanning across Channels





Future Group Stores:

895

Heritage Stores:

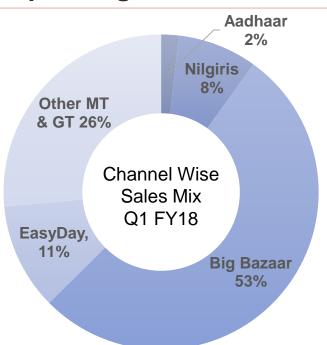


120



Rajasthan FPS:

5,276



A A

Other Modern Trade:

180

General Trade:



26,000



18,500



16,000



STAR BOOKER QUE ALCOHOLOGIS & U P E R M A - A L E I

SPAR (A)
Hypermarket
Hyper



Walmart :

Presence across leading organized retailers with an overall footprint of over

~67,000 stores

amazon



firster







SOURCING AND MANUFACTURING



Significant Value Addition Capabilities



Our value addition centers, well connected through a logistics network, act as solid building blocks to our brand portfolio



Created Strong Backend Infrastructure



Sourcing Strengths

- Created fully integrated agri-commodity sourcing capabilities
 - Sourcing capacity of 1.5 lakh tonnes agri-produce
 - 71 sourcing hubs across the country and APMC licenses in 26 states
 - ~50 Warehousing and Processing centers





Dairy & Bakery Facilities

- One manufacturing facility each for dairy and bakery near Bangalore
- Daily milk handling capacity of 1.8lac ltr per day
- Installed capacities for dairy for wide range of products like milk, butter, different variants of cheese, curd etc
- "Dedicated" Chilling Center at Muthur
- Planning strategic tie ups with other dairy players in Northern & Western markets
- Dairy business procures 54,000 litres of milk everyday from a network of over 9,000 farmers and 200 milk traders in Tamil Nadu and Karnataka
- Monthly installed capacities of 450 tonnes of bread, 100 tonnes of cake among other products

Other Facilities



- Oats Facility in Sri Lanka
 - Launched an Oats manufacturing facility
 - Enables to capture Oats segment in India with a wide variety of products
- Other Facilities in Southern India (as part of Food Park)
 - F&V unit at the Food Park recently achieved ISO 22000 Food Safety Management System certification
 - Land leased to Hain Celestial Organic Food Company
 - Set up Rice and Combi Mills
- Contract Manufacturing
 - Working with leading Food & FMCG manufacturers across segments

Significant Value Addition Capabilities















BOARD OF DIRECTORS & KEY MANAGEMENT



Effective Board with Vast Experience





G. N. Bajpai
Chairman

Previously been the Chairman of SEBI, LIC, the Corporate Governance Task Force of International Organization of Securities Commission and the Chairperson of the Insurance Institute of India and Served on the BOD of various institution



Kishore Biyani

CEO Future Group

Founder and Group CEO of Future Group. Has over 25 years experience and is known as the pioneer of modern retail industry in India



Frédéric de Mévius

Director

Founded Verlinvest & has been its managing director since then, serves as non-executive director of portfolio companies

Acting as representative of DLF SA Previously served on the Board of Directors of Interbrew and Spadeal



Vibha Rishi

Director

Currently on the Board of prestigious companies like Asian Paints, Tata Chemicals, Indian Hotels, Go Airlines, Taj SATS Air Catering, PNB Metlife India Insurance, Tata Teleservices



Deepak Malik

Director

Acting representative of Proterra Investment Partners

Managing Director of the private equity team in Proterra and serves on Board of various investee companies

Effective Board with Vast Experience





Narendra Baheti

Director

Been associated with Future Group since 2002

Instrumental in successfully leading agri-sourcing business of the group Helped in building strong brands such as Golden Harvest, Fresh & Pure, Premium Harvest, Ekta



K. K. Rathi

Director

Qualified Chartered Accountant and company secretary

Previously served as CEO of Future Ventures and CFO with erstwhile Pantaloon Retail India Limited



Adhiraj Harish

Independent Director

Member of the Bar Council of Maharashtra & Goa and has been practicing as an Associate at D.M. Harish & Co., Advocates
Primary expertise in the area of real estate laws & instrumental in

successful completion of numerous

real estate transactions



Ashni Biyani

Director

Instrumental in bringing in designled thinking within the group Led the conceptualization and launch of a number of retail formats for Future Group

Management Team Footprint Well in Place Now





Sadashiv Nayak

Interim CEO

With over 20 years of experience in the industry and has been with Future Group for more than 12 years. Previously worked with Hindustan Lever & Asian Paints Holds a Post Graduate Diploma in Business Management from XLRI Jamshedpur



Narendra Baheti

Agri & Staples Brands

Been associated with Future Group since 2002

Instrumental in successfully leading agri-sourcing business of the group Helped in building strong brands such as Golden Harvest, Fresh & Pure, Premium Harvest, Ektaa



Saurabhkumar Lal

Manufacturing

~20 years of manufacturing and supply chain experience across FMCG, printing and packaging At HUL, looked after supply and operations of 3 company owned and 15 contract manufacturing plants of FMCG products



Rahul Kansal

Marketing

Joined from Times Group, most recently served as Executive President looking after brand and business strategy for TOI, Mirrors and language brands

Previous experience of leadership positions at Leo Burnett, Mudra Communications, Ogilvy & Mather



Maneesh Sharma

Packaging

26+ years of experience in FMCG Packaging portfolio covering Beauty, Homecare, Food and healthcare etc. for both Indian as well as Global Markets
Associated with Marico, Dabur &



Ravin Mody

CFO

Recently appointed as CFO of FCL Over 11 years experience at Marico of working in various positions, last held position being Head-Treasury, IR. M&A

Experience across Corporate Finance, Cross Border M&A, post acquisition integration, treasury, forex, fund raise etc.



Sanjay Malpani

Food Park

25 years of professional career in India & abroad with leading MNC, large corporate & start-ups in Finance, strategy, governance and general management Associated with Sara Ltd (HK), Cura Group, Alghanim Group (Kuwait)



Girish Rao

CTO

Recently joined FCL with over 26 years of prior experience in the field of Information Technology
Associated with Marico for over 24 years with last held position being Head - IT and Business Analytics
Previously worked with Bristlecone and Mahindra Consulting

10

Unilever India previously

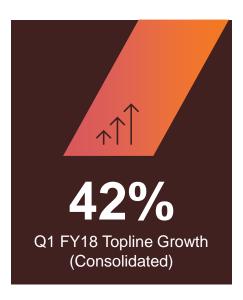


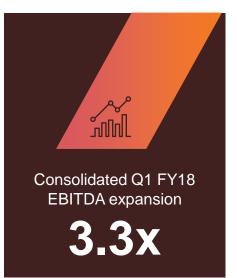


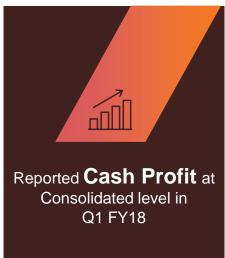


FY17 & Q1 FY18 - At a Glance







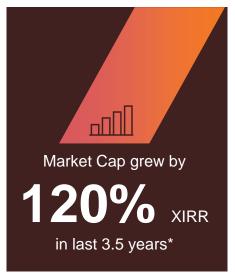












*Over 1st April 2014 to 18th Sep 2017 on fully diluted basis

Standalone Income Statement



EV 2016 17	FY 2015-16	Particulars (INR Mn)	FY 2017-18
F1 2010-17			Q1
16,450	13,380	Total Income from Operations	5,173
2,143	1,758	Gross Profit	680
317	-51	EBITDA	143
1.9%	-0.4%	EBITDA%	2.8%
80	-588	РВТ	62
78	-585	PAT	62
0.5%	-4.4%	PAT %	1.2%
250	-433	Cash Profit	113

Topline Growth 42%

PBT Turnaround of INR 667 mn

EBITDA INR 317 mn vs INR-51 mn PAT INR 78 mn vs INR-585 mn

Consolidated Income Statement

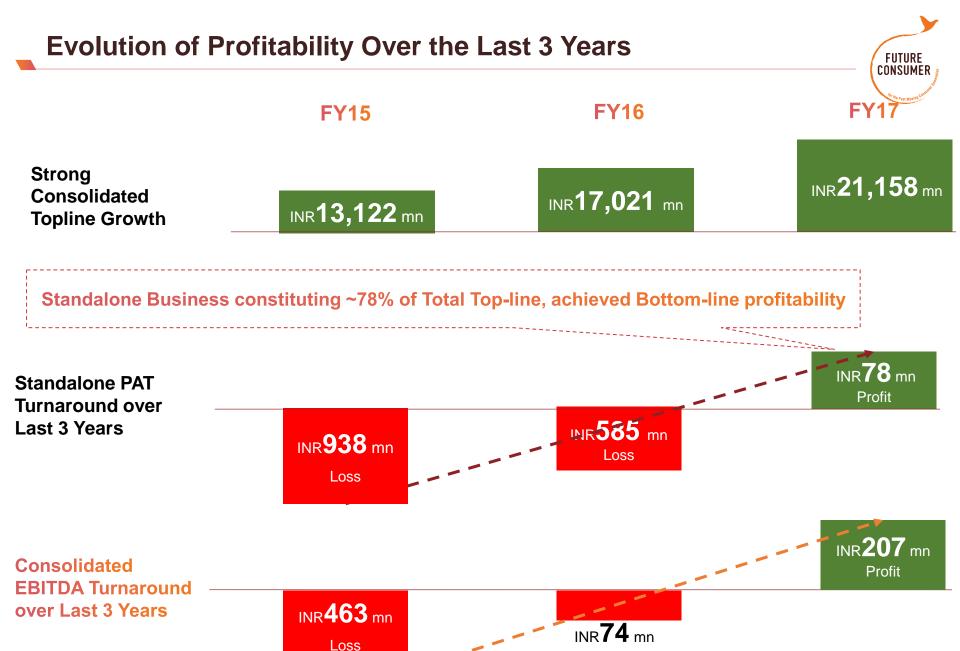


EV 2016-17	FY 2015-16	Particulars (INR Mn)	FY 2017-18
F1 2010-17			Q1
21,158	17,021	Total Income from Operations	6,623
2,928	2,553	Gross Profit	924
207	-74	EBITDA	117
1.0%	-0.4%	EBITDA%	1.8%
-427	-877	РВТ	-74
-610	-1,077	Consolidated PAT	-88
-2.9%	-6.3%	PAT %	-1.3%
-284	-793	Cash Profit	1

Topline Growth 39%

PAT Loss narrowed by INR467 mn

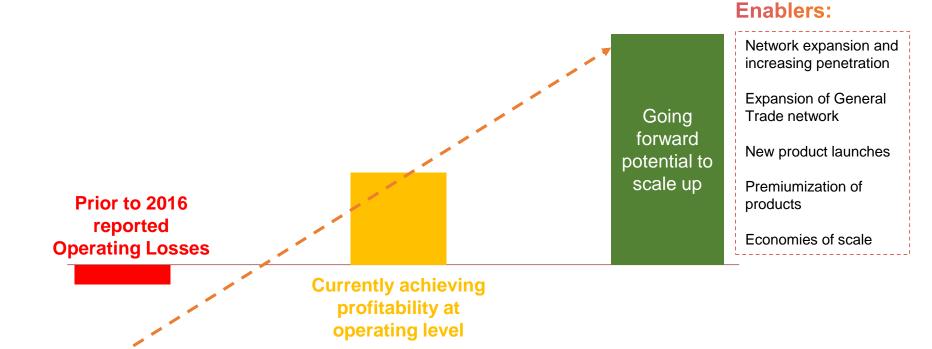
EBITDA INR 207 mn vs INR-74 mn Cash Profit of INR 1 mn in Q1 FY18



Loss

Evolution of Operating Profits





Consolidated Balance Sheet



Dortiouloro (IND mn)	As on		
Particulars (INR mn)	31-Mar-17	30-Jun-17	
Shareholder's Fund	8,885	8,848	
Minority Interest	78	65	
Gross Debt	4,714	5,117	
Less: Cash and Cash Equivalents	475	121	
Net Debt	4,239	4,996	
Net Adjusted Capital Employed	13,202	13,908	
Fixed Assets	5,173	5,341	
Goodwill and Intangibles	4,163	4,176	
Net Current Assets & Others	3,866	4,392	
Total Net Assets	13,202	13,908	

While the Top Line witnessed a growth of 42% in Q1 FY18 the balance sheet grew only by 5% YoY

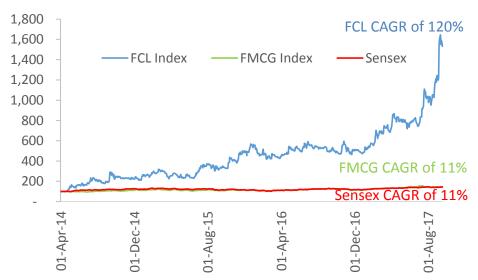
Value Creation for Stakeholders

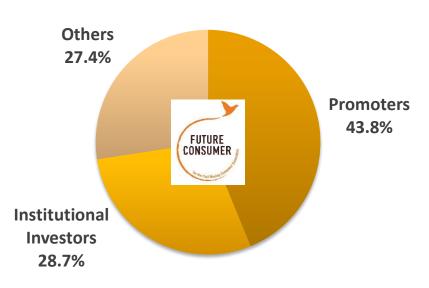


Stock Exchange Data (as on 18th September, 2017)			
Market Capital (INR mn)	103,906		
Shares Outstanding	1,882,839,795		
Free Float (%)	56%		
Symbol (NSE/BSE)	FCONSUMER / 533400		

Top Institutional Holders	% Holding
Arisaig	8.1%
Verlinvest	7.5%
Proterra	7.0%
IFC	3.1%

FCL vs FMCG Index & Sensex (1st April 2014 – 18th September 2017)





While the FMCG Index grew at a CAGR of 11% during the period 1st April 2014 to 18th September 2017, FCL Market Cap grew at a CAGR of 120% over the same time period

The Road Ahead...



- Leveraging the Group's strong knowhow of Indian Consumer
- Building a dynamic organization based on holacratic design to execute multiple ideas and initiatives at a time
- Building a strong portfolio of brands in high margin and value add categories
- Tap the immense potential of Modern Retail as the urban consumption story grows
- At the same time, building a strong multi-channel distribution across the country
- Continue journey towards profitability with expansion of operating profit with each quarter
- Further improving balance sheet position to improve stakeholder returns
- Significant portion of capital employed has recently got into commercial activity and should now gradually lead to value creation

Disclaimer



This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

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