



FMCG 2.0
NEW RECIPE OF CONSUMER DELIGHT

FUTURE CONSUMER LIMITED

Investor Update | Q1 FY20





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think
skin™

Clean
Mate™

Tasty
Treat

VOOM®

DREAMERY™

GOLDEN
HARVEST
PREMIUM

care
mate™

KOSH!

DESI ATTA
COMPANY™

ektaa™

Sunkist

FRESH
& PURE

GOLDEN
HARVEST

Sang's Kitchen™

Sensible
Portions™

Nilgiris
1905

prathal®
Pray • Bless • Live

Swiss
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veg
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TS

TERRA
real vegetable chips

kara®

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Smart Moms. Happier Babies.

prim™

mother earth™



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ENTERING MAINSTREAM CATEGORIES

Entry into Four Largest Mainstream FMCG Categories

Dairy



Market Size: ₹400,000cr; 25% Organized Market

Detergent



Market Size: ₹25,000cr

Biscuits



Market Size: ₹30,000cr

Munching and Namkeens



Market Size: ₹28,000cr

Voom - The Detergent of the New Era, “Fashionable Forever”!!



Why clothes love Voom®

-  Foams easily
-  Germ and Allergen Fighter**
-  Dissolves faster

Fabric Care Estimated Category Size by FY 2022 is ₹25,000 Cr

**based on lab studies under specific conditions and fabrics

Introducing a New Range of Liquid Detergents





Bucket Wash
Front Load
Top Load

How Voom® loves clothes



PRO COLOUR FORMULA



SHAPE DEFENSE AND SHINE PROTECTION TECHNOLOGY**



FIGHTS SHRINKAGE

**based on lab studies under specific conditions and fabrics

Don't just wash your clothes. Voom them.



1L=1.5 kg of Powder*

- 1  Pour a little liquid on the stains
- 2  Scrub gently with a nylon scrubber
- 3  Add remaining liquid in the machine dispenser

How much love your clothes need



Voom
40 ml

=



Other Detergents
60 ml

*based on recommended dosage of premium matic powders.

Voom - The Detergent of the New Era, “Fashionable Forever”!!



Liquid Detergents & Conditioners



Front Load



Bucket Wash



Top Load



Delicates



Fabric
Conditioner

Powder Detergents



Cross Category Placement



- Partnered with one of the world's leading Market Research Organization Intertek
- Product testing done by IMRB for customers across top 5 cities
- Multiple formulations were tested by industry specialists and consultants with the consumers along with leading competitor products
- Product tested on 100+ types of fabrics

Fonterra Future - Our “Dairy 2.0” Promise to Address New India



FonterraFuture
DAIRY™



Provide healthy, exciting & indulgent range of dairy

Leverage strengths of Future and Fonterra

Strong dairy manufacturing across the supply chain

Data led understanding of the evolving Indian consumer

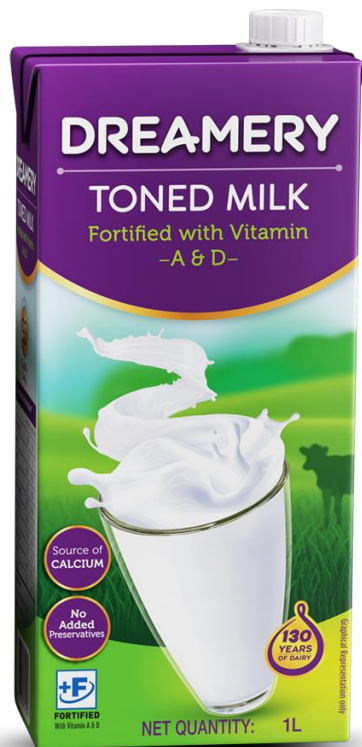
World Class R&D capabilities to develop disruptive dairy products

Consumer centric ecosystem

DREAMERY



Fonterra Future - Portfolio Crafted with 130 Years of Dairy Expertise



Designed in New Zealand with
130 years of dairy expertise



Easy to pour & reseal heli
cap to drive convenience



Calcium in Fonterra Future Dairy
Milkshake builds strong bones



Minimum 93 quality checks for
safe & high quality product

Display and Sampling in Stores



Tasty Treat Offers a Wide Range of Delectable Snacking Options



THE MOST INNOVATIVE PRODUCT IN THE BISCUITS CATEGORY!

GREAT TASTE | **EASY TO DIP**

Grab Eat Repeat

Tasty Treat WAFFER BITES CHOCOLATE

Tasty Treat WAFFER BITES STRAWBERRY

Continue to Advertise on Prime-Time Television during Widely Viewed Events such as IPL



ET BRAND EQUITY
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Marketing Advertising Digital Media Business of Brands The Pitch Report The People Report Bawdy Copy

This IPL season, groove with the Tasty Treat Army to some masaledaar moves by Melvin Louis

As the Official Partner for the Indian Premier League unveils a marketing campaign that unfolds unlimited entertainment for its consumers

ETBrandEquity | March 28, 2019, 10:00 IST

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Trending In Advertising

BE Exclusive: Not all is well with Ogilvy & Mather India **Ogilvy & Mather**

BE Exclusive: Creativity at test as

It's that time of the year when all cricket fans pick their favourite IPL team and go cheering for their victory. Indulging in this celebration **Tasty Treat**, the munching brand from Future Consumer Limited will execute a 360° marketing outreach that connects with its customers in their homes, stadiums and at all **Future Consumer** stores throughout the IPL.

vivo IPL
Tasty Treat
OFFICIAL PARTNER



New Launches across Munching Portfolio



STRONG TOPLINE GROWTH EVERY QUARTER ON CONSOLIDATED BASIS



25% increase in Consolidated topline on YoY basis



Strong secondary sales growth of **30%** on YoY basis



56% increase in Consolidated EBITDA on YoY basis

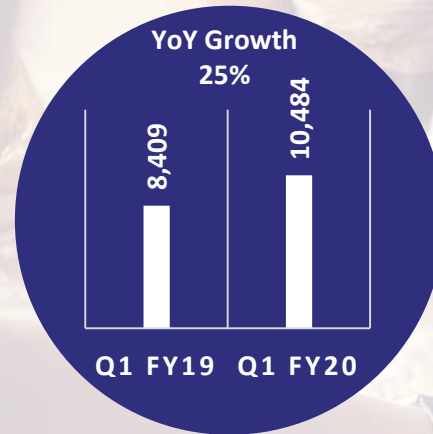


67% increase in Consolidated EBIT on YoY basis



Successfully completion of fund raise leading to improvement in debt equity mix and leverage ratios

FCL Consolidated Revenue
(₹ in Mn)



YoY Growth Across Key Brands



50%

KARMIQ

58%



27%

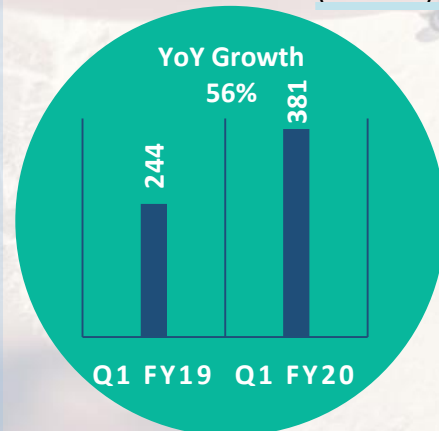


4.5x*

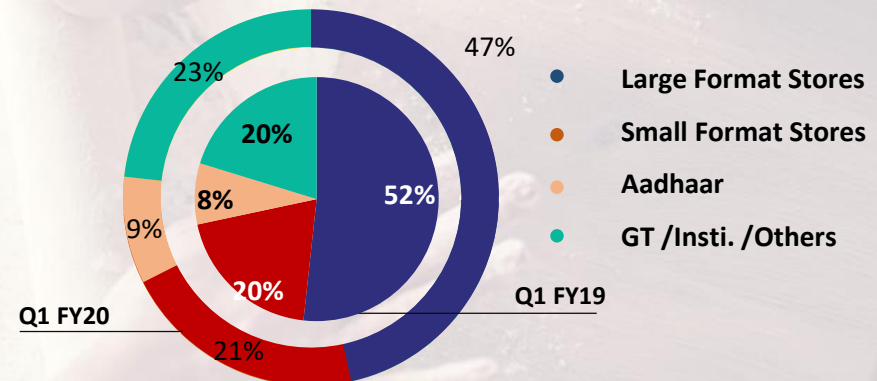
Sangli's Kitchen

*Spices business

FCL Consolidated EBITDA
(₹ in Mn)



Channel Wise Sales Mix



Note: Q1 FY20 financials are not comparable prior period on account of IND AS 116, Q1 FY20 comparable EBITDA / EBIT of ₹335 mn/ ₹191 mn (38% / 57% growth on YoY basis)

Portfolio Continuously Growing at A Rapid Pace (1/2)



Share of Revenues (%)		YoY Growth (%)	
1	Centre Of Plate	47%	20%
2	Processed Food	12%	1x
3	HPC	6%	3%
	Fresh Business	27%	32%
	Aadhaar	9%	28%
	Mfg.	3%	4.5x
	Inter Co.	-5%	

KEY TAKEAWAYS

- **Processed Food** witnessed growth of **28%** on YoY basis (excluding Nilgiris)
- **HPC** registered strong secondary sales growth of **28%**

1 Centre of Plate Brands (47%) YoY Growth 20%

GOLDEN HARVEST	66%	12%
COP Foods	13%	39%
FRESH & PURE	10%	35%
Others	11%	35%

KEY TAKEAWAYS

- **COP Foods** registered ₹636mn in revenues in Q1FY20
- **Karmiq** achieved ~₹376mn in sales (YoY growth **58%**)

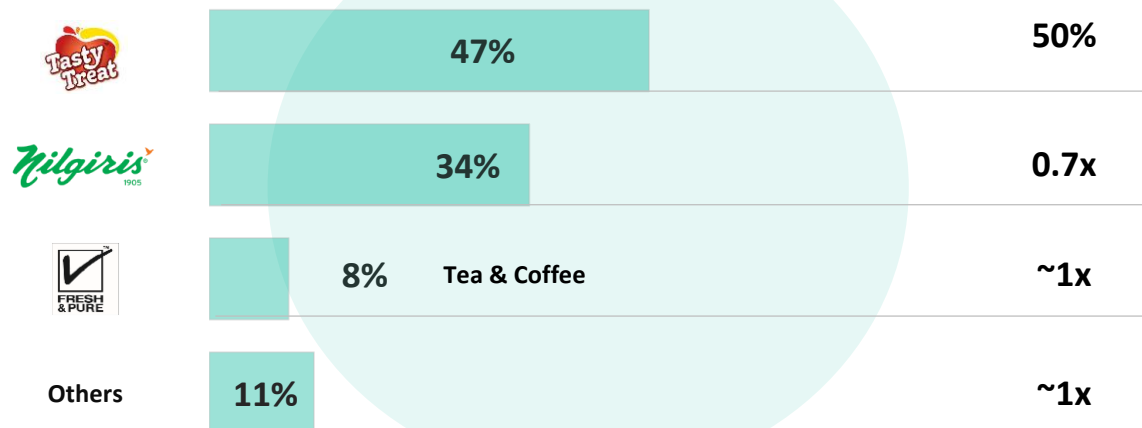
Portfolio Continuously Growing at A Rapid Pace (2/2)



2

Processed Food Brands (12%)

YoY Growth
4%*



KEY TAKEAWAYS

- Excluding Nilgiris the Processed Food portfolio grew by **28%**

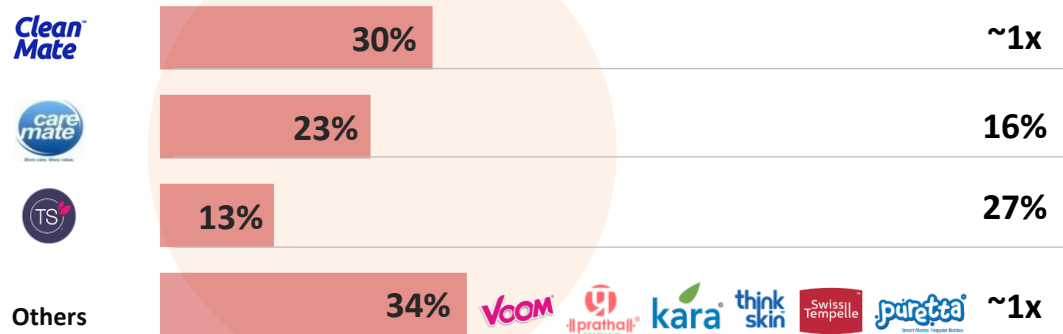
Tasty Treat

- Exhibited strong growth of **50%**
- Share in biscuits category increased to **22%** in Q1FY20

3

Home & Personal Care Brands (6%)

YoY Growth
3%



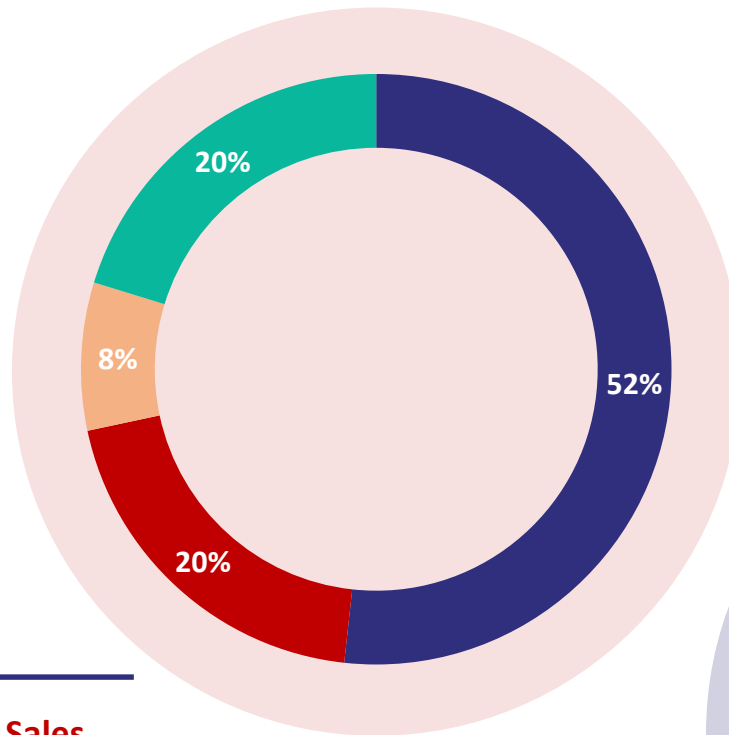
KEY TAKEAWAYS

- Healthy secondary sales growth of **28%**
- **Cleanmate** exhibited secondary sales growth of **14%**
- **Caremate's** secondary sales growth came in at **31%**

Revenue Distribution across Channels



SMALL STORES GROWING AT 32% YoY, CONTINUE TO GARNER LARGER SHARE IN THE REVENUE PIE

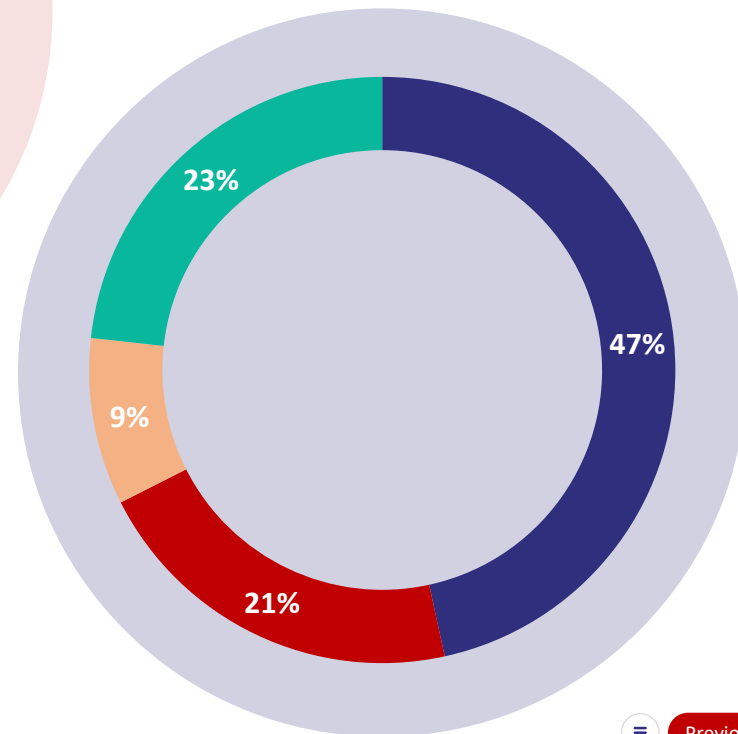


Channel Wise Sales Mix Q1 FY 19

- Large Format Stores
- Small Format Stores
- Aadhaar
- GT/Institutional/Others

Channel Wise Sales Mix Q1 FY20

- Large Format Stores
- Small Format Stores
- Aadhaar
- GT/Institutional/Others



FINANCIAL OVERVIEW

Understanding IND AS 116 Accounting



What is IND AS 116 implementation about?

- New lease standards effective from 1st April 2019
- No distinction between an operating lease and a finance lease
- Operating leases will also be recognized on the balance sheet
- Exemption provided for short term leases with tenure <=12 months and assets with low values

Impact of IND AS 116 implementation on key items

Particulars	↑	↓
Profit and Loss	EBITDA	EPS / PBT (Early years)
Balance Sheet	Total Assets	Net Assets
Ratios	<i>Gearing</i>	<i>Interest Cover, Asset Turnover</i>

Particulars	IND AS 17	IND AS 116
Assets / liabilities	Operating leases are off balance sheet and do not form part of either assets or liabilities	Operating leases shall reflect as a part of both assets and liabilities
Revenue	No impact	No impact
Operating Expenditure	All operating lease related expenses are accounted as a part of rental expense	Lease related expenses do not form part of rent and are captured as a part of depreciation and interest

FCL Approach and Impact of IND AS 116 Accounting



FCL has followed the Blended Approach for IND AS 116 Implementation

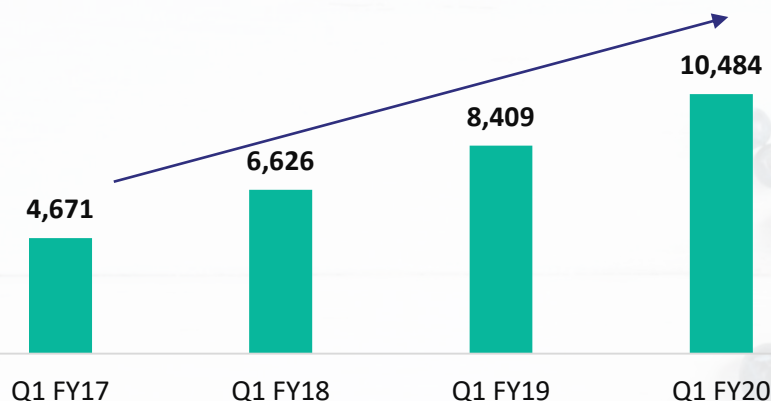
Particulars	Consolidated				Standalone		
	Q1 FY20	IND AS 116	Q1 FY20		Q1 FY20	IND AS 116	Q1 FY20
	Comparable	Adjustment	Reported		Comparable	Adjustment	Reported
Revenue from Operations	10,484	0	10,484		7,844	0	7,844
Other Income	21	-1	22		22	0	22
Rent & Other Expenses	-10,170	-44	-10,125		-7,523	-43	-7,480
EBITDA	335	45	381		343	43	385
Finance Cost	-181	20	-201		-70	17	-87
Depreciation & Amortisation	-145	34	-178		-91	34	-125
PBT	10	-8	2		182	-8	174
Right of Use Asset		720				622	
Lease Liability		789				691	
Deferred Tax		25				25	
Other Equity (net of Deferred Tax)		44				46	

High Growth Delivered with Underlying Profitability Turnaround

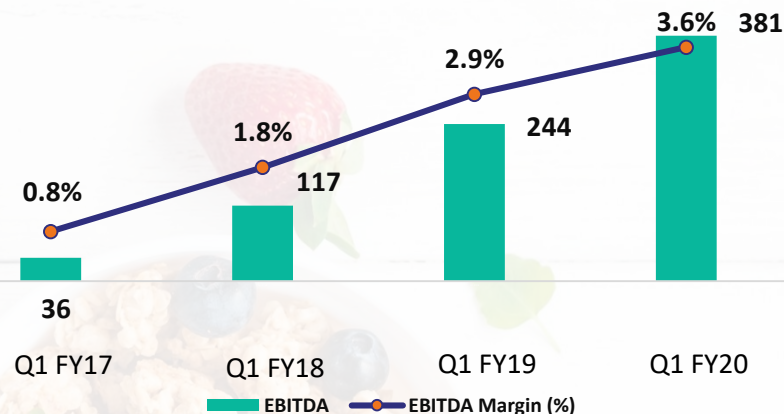


(₹ in Mn, Unless specified otherwise)

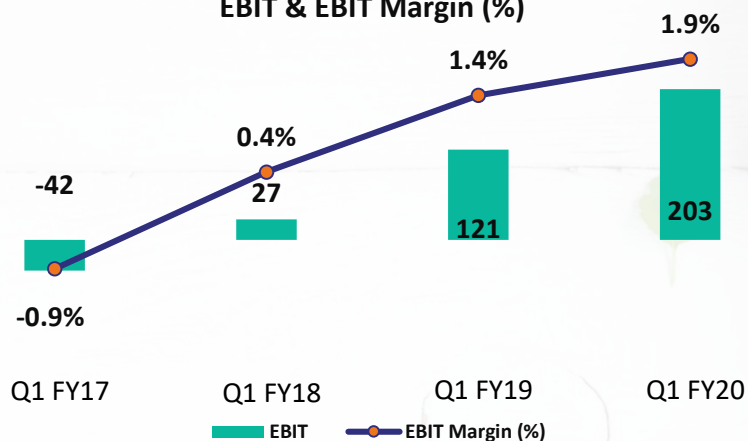
Revenue CAGR of 22%



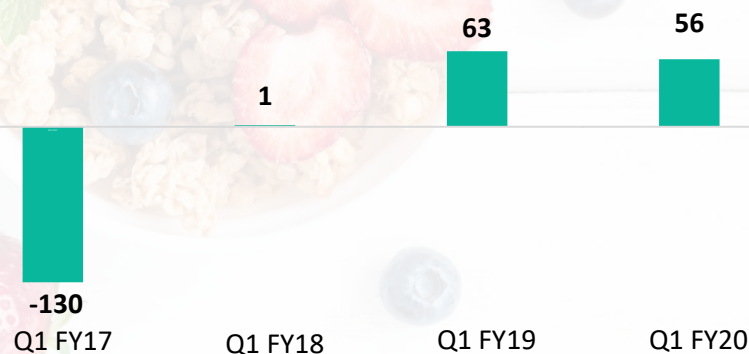
EBITDA CAGR of 120%



EBIT & EBIT Margin (%)



Cash Profit



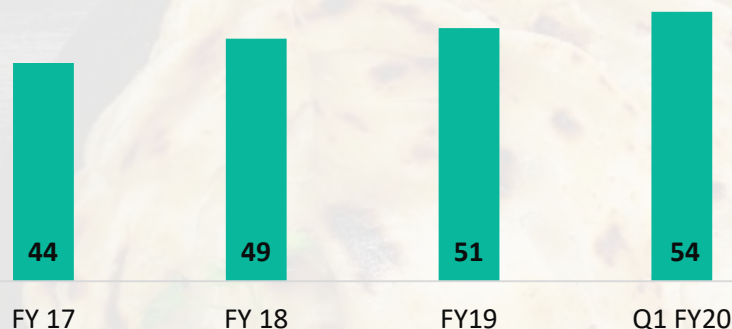
Focus on expanding margins and achieving higher profitability with higher contribution of value-added products

Note: Charts on consolidated basis, Q1 FY20 financials are not comparable prior period on account of IND AS 116, Q1 FY20 Comparable Numbers: EBITDA ₹335mn, EBITDA Margin: 3.2%, EBIT: ₹191mn, EBIT Margin: 1.8%

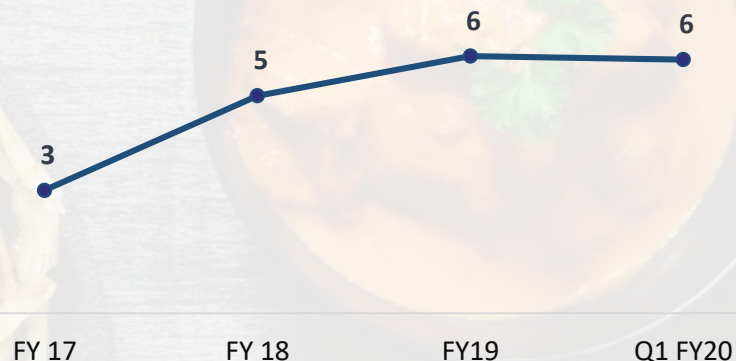
Geared to Achieve Higher Returns



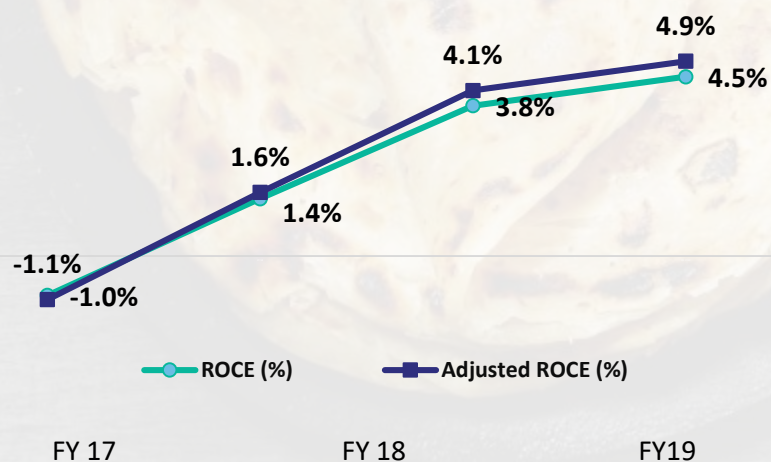
Net Working Capital (Days)



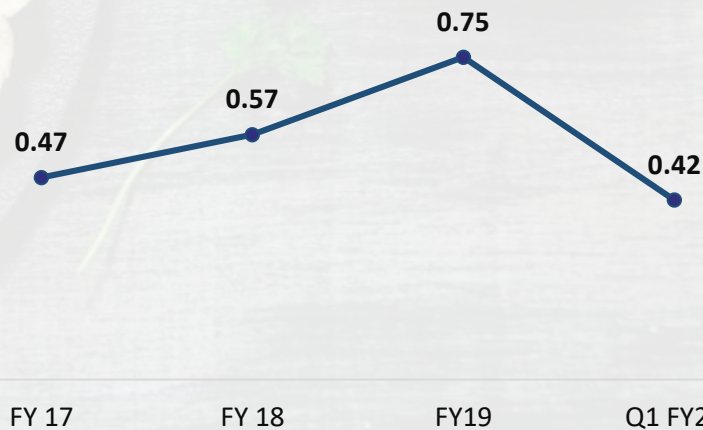
Net Fixed Asset Turnover (x)



ROCE (%), Adjusted ROCE (%)



Net Debt to Equity (x)



Note: Charts on consolidated basis, Q1 FY20 financials are not comparable prior period on account of IND AS 116, Q1 FY20 Comparable Numbers: ROCE 4.3%, Adjusted ROCE 5.0%, Fixed Asset Turnover 7x, Post Ind AS 116, Net Debt to Equity excludes impact of lease liabilities and debt portion of CCDs, *adjusted ROCE (%) excludes Investments in JVs and Associates*

Consistent Improvement in Operating Profitability



Profit & Loss A/C (Consolidated)

(₹ in Mn, Unless specified otherwise)

Particulars	Q1 FY20	Q4 FY19	Q1 FY19	FY19
Total Income from Operations	10,484	10,374	8,409	38,806
Gross Profit	1,423	1,318	1,215	5,246
Gross Margin (%)	14%	13%	14%	14%
Operating Cost	-1,064	-1,030	-1,017	-4,238
Other Income	22	39	46	147
EBITDA	381	327	244	1,154
EBITDA(%)	4%	3%	3%	3%
Depreciation	-178	-143	-123	-532
EBIT	203	184	121	623
EBIT (%)	2%	2%	1%	2%
Net Interest	-201	-177	-119	-568
PBT Before Exceptional	2	8	2	55
Tax	-64	181	0	166
Operating Profit/(Loss) After Tax	-62	189	2	221
Share of Profit/(Loss) in Associates, JVs and MI	-87	-111	-61	-287
PAT Before Exceptional	-149	78	-59	-66
Exceptional Items	0	0	0	2
PAT	-149	78	-59	-64
Cash Profit	56	32	63	548

Q1 FY20 vs Q1 FY19:

- Revenue growth of 25% on YoY basis
- 56% increase in EBITDA
- 67% jump in EBIT

IND AS 116 Impact Q1 FY20:

- Rent and other expenses declined by ₹44mn
- Interest expenses increased by ₹20mn
- D&A increased by ₹34mn
- PBT decreased by ₹8mn

Particulars	Q1 FY20	Q4 FY19	Q1 FY19	FY19
Current Tax	-13	-8	0	-23
Deferred Tax	-51	188	0	188
Total Tax	-64	181	0	166

Note: Q1 FY20 financials are not comparable prior period on account of IND AS 116

Significant Improvement in Standalone Profitability Metrics



Profit & Loss A/C (Standalone)

(₹ in Mn, Unless specified otherwise)

Particulars	Q1 FY20	Q4 FY19	Q1 FY19	FY19
Total Income from Operations	7,844	7,793	6,504	29,900
Gross Profit	1,201	1,085	956	4,240
<i>Gross Margin (%)</i>	<i>15%</i>	<i>14%</i>	<i>15%</i>	<i>14%</i>
Operating Cost	-837	-787	-775	-3,220
Other Income	22	24	40	119
EBITDA	385	322	221	1,139
<i>EBITDA (%)</i>	<i>5%</i>	<i>4%</i>	<i>3%</i>	<i>4%</i>
Depreciation	-125	-96	-79	-349
EBIT	261	226	142	790
<i>EBIT (%)</i>	<i>3%</i>	<i>3%</i>	<i>2%</i>	<i>3%</i>
Net Interest	-87	-66	-33	-180
PBT Before Exceptional	174	160	109	610
Tax	-57	188	0	188
PAT Before Exceptional	117	348	109	798
Exceptional Items	0	0	0	-192
PAT	117	348	109	605
<i>PAT (%)</i>	<i>1%</i>	<i>4%</i>	<i>2%</i>	<i>2%</i>
Cash Profit	268	632	188	1,160

Q1 FY20 vs Q1 FY19:

- Revenue growth of 21% on YoY basis
- 60bps expansion in gross margins on YoY basis
- 74% increase in EBITDA, while 83% jump in EBIT
- Reported PAT of ₹117mn

IND AS 116 Impact Q1 FY20:

- Rent and other expenses declined by ₹43mn
- Interest expenses increased by ₹17mn
- D&A increased by ₹34mn
- PBT decreased by ₹8mn

Particulars	Q1 FY20	Q4 FY19	Q1 FY19	FY19
Current Tax	-5	0	0	0
Deferred Tax	-52	188	0	188
Total Tax	-57	188	0	188

Note: Q1 FY20 financials are not comparable prior period on account of IND AS 116, Comparable numbers EBITDA: ₹343mn, EBITDA Growth:55% YoY, EBIT ₹252mn, EBIT Growth 77%

Capitalization of Balance Sheet Leading to Improvement in Leverage Ratios



Balance Sheet (Consolidated)

(₹ in Mn, Unless specified otherwise)





Particulars	As on	
	30-Jun-19	31-Mar-19
Shareholder's Fund	12,539	9,902
Minority Interest	-26	-24
Gross Debt	6,191	8,137
Less: Cash and Cash Equivalents)	(886)	(684)
Net Debt	5,305	7,453
Lease Liabilities	771	
Debt Component of CCDs	148	
(Less: Investment in JVs)	(1,455)	(1,415)
Net Adjusted Capital Employed	17,283	15,916
Fixed Assets	6,201	6,194
Right to Use Assets	660	
Goodwill and Intangibles	3,528	3,567
Increase in Net Current Assets	6,893	6,156
Total Net Assets	17,283	15,916

- **Reduction in debt by ~₹2bn**
- Lease liabilities of ₹771mn and debt component of CCDs of ₹148mn aggregating to ₹920mn is classified as debt
- Fixed assets include an impact of ₹660mn as a result of IND AS 116

Shareholder Information

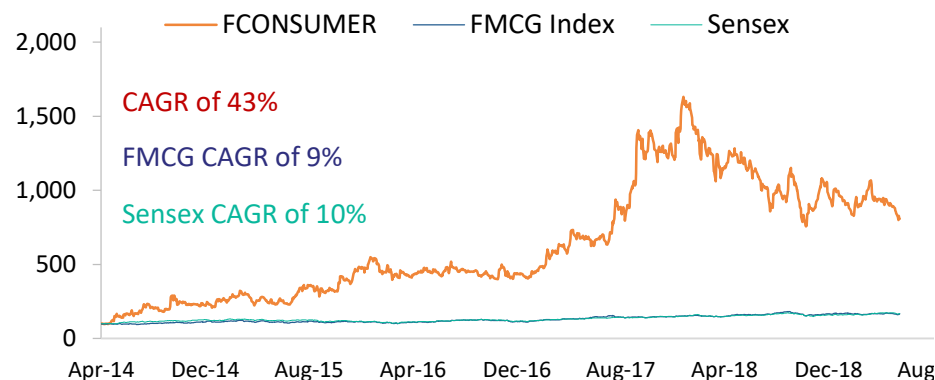


Stock Data (As on 21st May 2019)

 Market Capitalization (₹)	53,872 Mn
 Shares Outstanding	~192 Mn
 Free Float	54%
 Symbol (NSE/ BSE)	FCONSUMER / 533400

Particulars	May-19	Jun-19	Jul-19
Volume in mn	1.3	1.0	1.3
Delivery %	47%	54%	55%

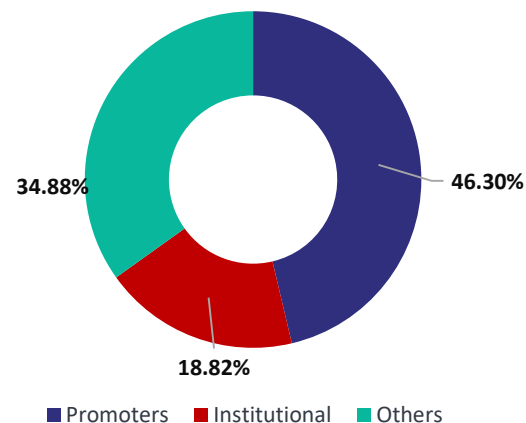
Stock Chart (1st April 2014 – 09th Aug 2019)



While the FMCG Index grew at a CAGR of 9% during the period 1st April 2014 to 09th Aug 2019, FCL Market Cap grew at a CAGR of 43% over the same time period

Note: CAGR is calculated using XIRR, Free Float calculated by excluding promoter group shareholding

Shareholding Pattern (%) (As on 30th June 2019)



Note: Shareholding classification as per Stock Exchange

Key Holders (As on 30st June 2019)

Particulars	OS (%)
Proterra	7.62
Verlinvest	7.32
Arisaig	6.99
IFC	3.04
Tata MF	1.66

Note: Verlinvest and IFC holding does not include conversion of recently acquired CCDs

Thank You



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