



Investor Presentation *March 17*

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Indian Consumer is Evolving....

A new generation of consumers have emerged who are

Young, and
Experimental

Confident
and
Expressive



Globally
Aware

Wedded to
choice and
convenience

What do these consumers demand??

COOK

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

Need?

- ❖ Quality, consistency and value-added basic food to make time more **productive**



Source: GFK Research

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

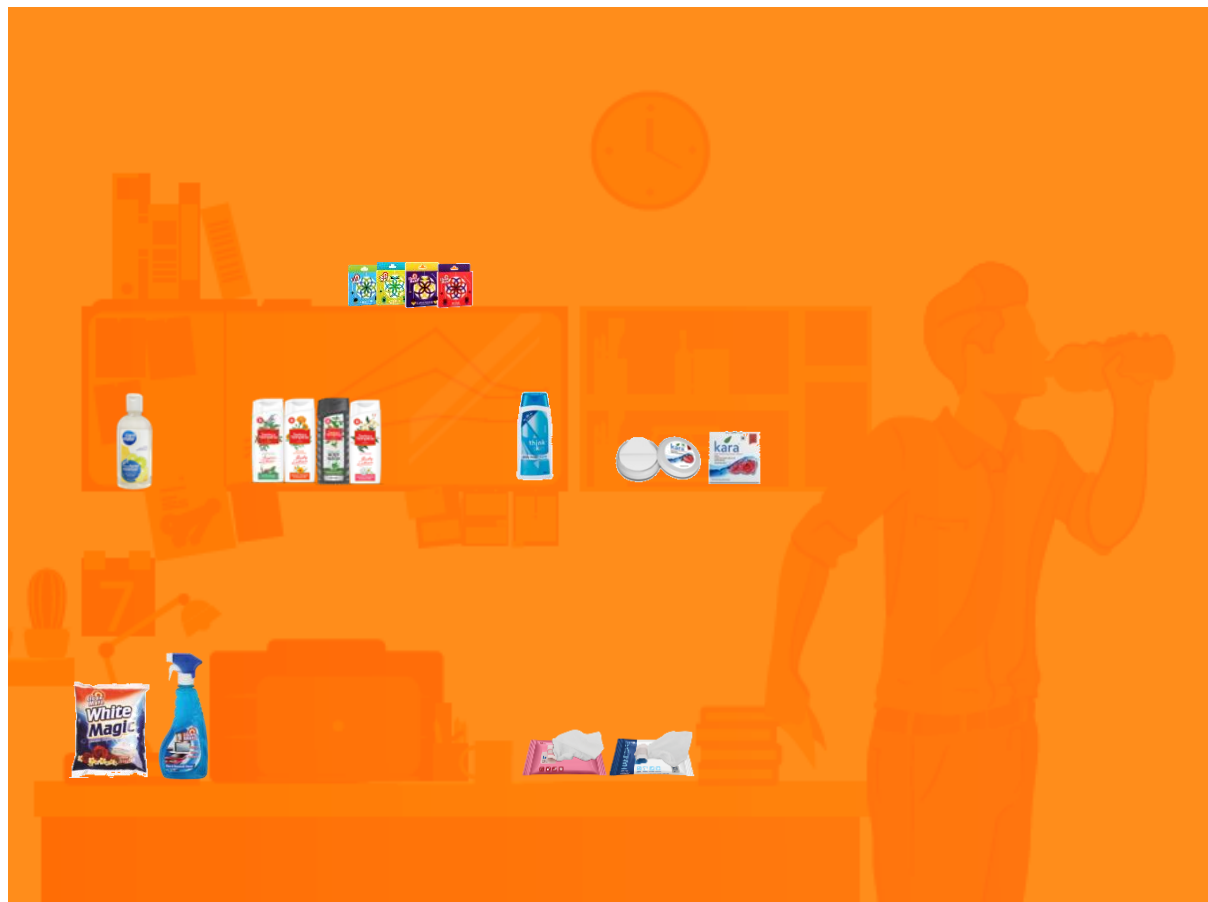


CARE

- ❖ 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?



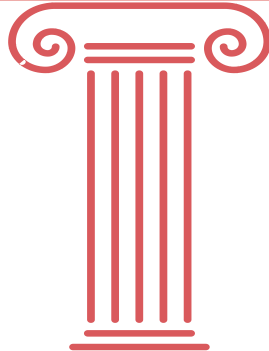
FCL is tapping into the unmet needs and unexpressed desires of this generation to create an organization that is geared to deliver...

Food and Fast Moving Consumer Goods to the Fast Moving Generation

Integrated Food & FMCG Company



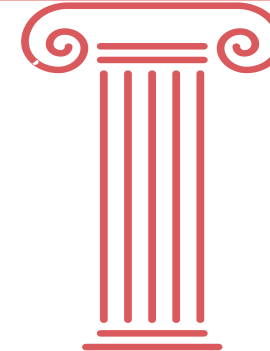
Food & Key FMCG Brands



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



BRANDS

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%)

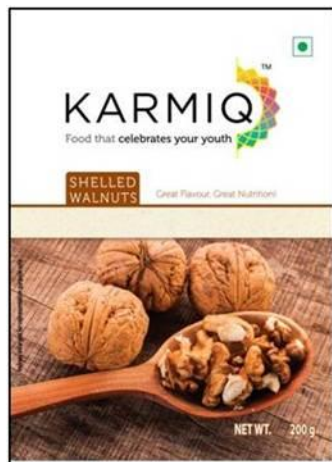


Wipes, Body Wash, Body Lotion, Toilet and Floor Cleaners, Kitchen Aides

Note:

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

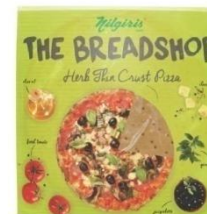
Broad Portfolio of Branded Commodities



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

Expanding Dairy and Bakery Footprint / Portfolio

- ❖ Along with its 110 year heritage the brand is, 'Made, Not Manufactured'
- ❖ Nilgiris operates a wide & integrated portfolio of over 200 SKUs in dairy & bakery
- ❖ Recently invested in upgrading the packaging and communication of the brand
- ❖ Commenced Bangalore based milk procurement for ~2,000 litres per day, extending sourcing to Karnataka
- ❖ Launched delicious varieties launched 5 variants of rich & creamy flavoured milk



Nilgiris
1905



Broad Range of Value Added Offerings



Personal and Homecare



kara



KOSH - Oats for Every Meal



100% Oats Atta



Wheat + Oats Atta



Instant Oats

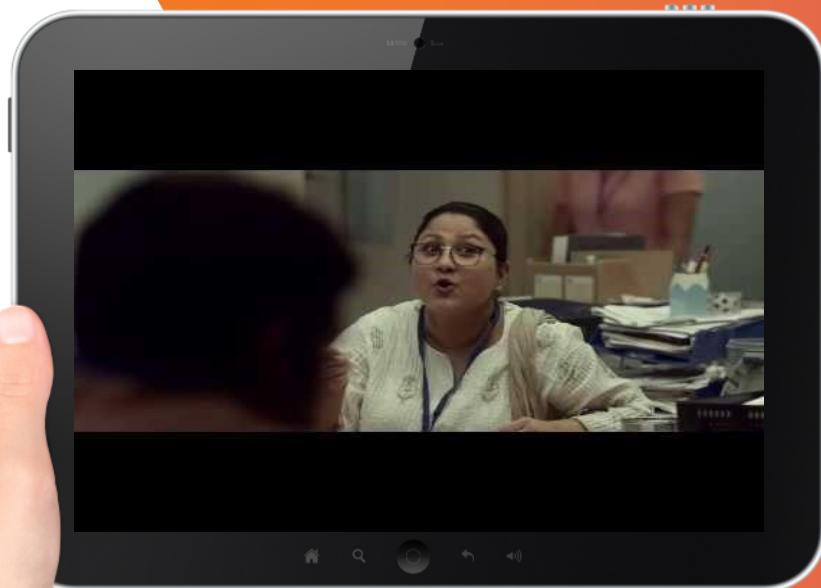


Broken Oats

- Idea is to place Oats in the staples basket of Indians, freeing it from the “packaged” food shackle
- Launched across Big Bazaar stores followed by launch across Future Group outlets, Modern Trade Outlets and General Trade

- ❖ Plan for a larger scale launch of KOSH via General Trade
- ❖ Initiated the General Trade launch in over 8,500 stores
- ❖ In process to set up distributor network to accelerate the launch
- ❖ Launch is well supported by media campaigns both traditional and new age digital customers

Kosh Advertisement Campaign



Ab khaana yummy yummy, pet healthy healthy

Roti ke pet mein kya hai?



KOSH!
PREMIUM OAT GRAIN!

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



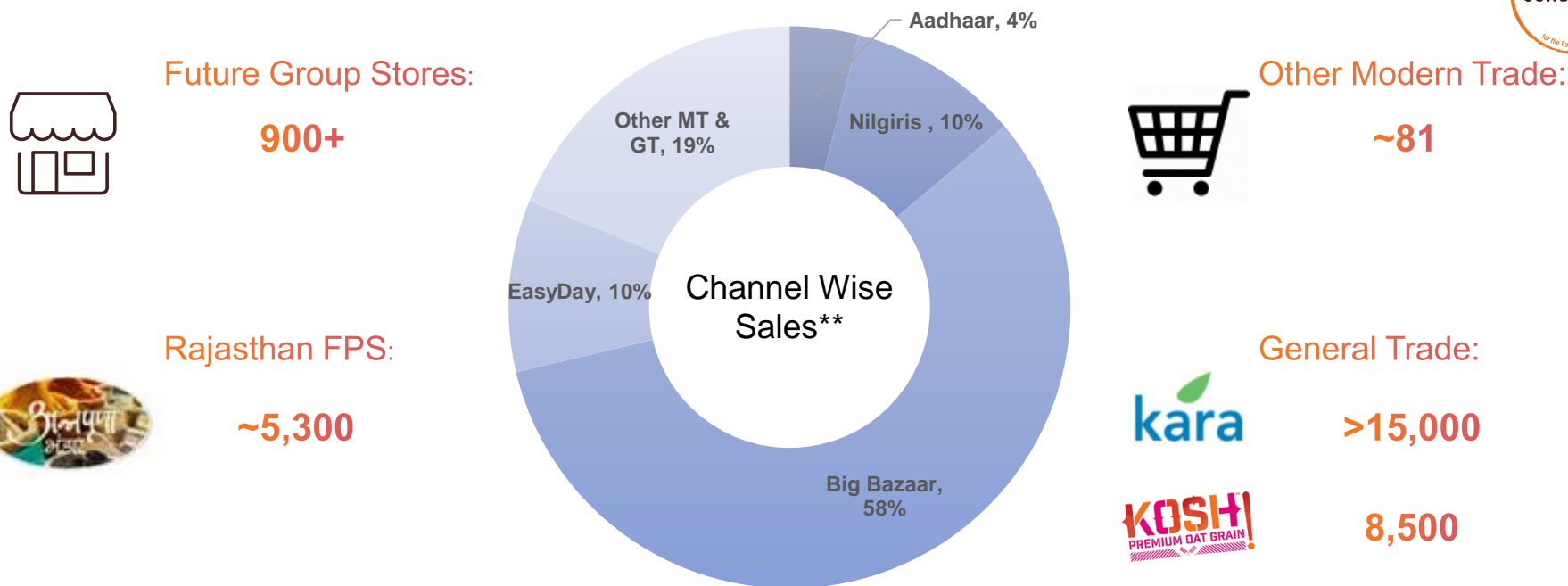
Fresh & Pure is a manifestation of the thought 'From farm to the Centre of the Plate'

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



DISTRIBUTION

Distribution Network Spanning across Channels



- ❖ FCL reaches over 400 million customers through Future Group and other 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)



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

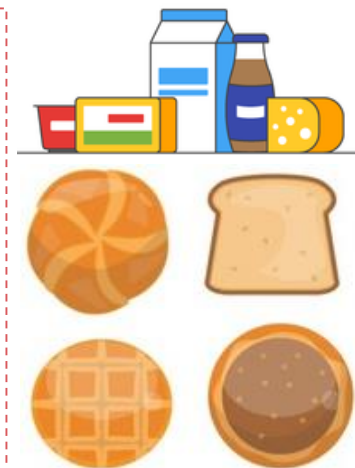
- ❖ Created fully integrated agri-commodity sourcing capabilities
 - Sourcing capacity of 1.5 lakh tonnes agri-produce
 - 71 sourcing hubs across the country and APMC licenses in 26 states
 - Warehousing facilities at 34 locations
 - 11 processing centers - includes mechanized processing centers
 - Other centers are for cleaning / sorting / grading

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 5,000 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**
 - Recently 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)**
 - Facility for Frozen Vegetables & Frozen Snacks
 - Sauces and Dips facility for brand Sangi's Kitchen
- **Contract Manufacturing**
 - Working with leading Food & FMCG manufacturers across segments
 - Working with dairy players in North to cater to Delhi market



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



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



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



K. K. Rath

Director

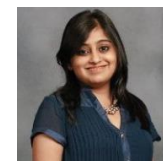
Qualified Chartered Accountant and company secretary
Previously served as CEO of Future Ventures and CFO with erstwhile Pantaloon Retail India Limited



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 designed 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 (1/2)



Devendra Chawla

CEO

Over 20 years of industry experience
Been associated with the Group for over 8 years leading the food retailing and FMCG business in various capacities
Previously associated with Reliance Fresh and Coco Cola



Murali Krishnan

Dairy & Bakery

Joined Future Group, post the acquisition of Nilgiris by FCEL in November 2014
A seasoned FMCG professional he has worked across geographies in India with some leading brands - Wipro Lighting, Gillette and Perfetti



Narendra Baheti

Agri & Staples Brands

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



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



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)

Management Team Footprint Well in Place Now (2/2)



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 & Unilever India previously



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



Manoj Saraf

Finance

Experience in various industries, including Dairy, Internet and Catalogue Retail and Media
~18 years of experience in financial accounting, taxation, strategic business planning, banking, development of strategic MIS and compliances



Jacob Peter

People Office

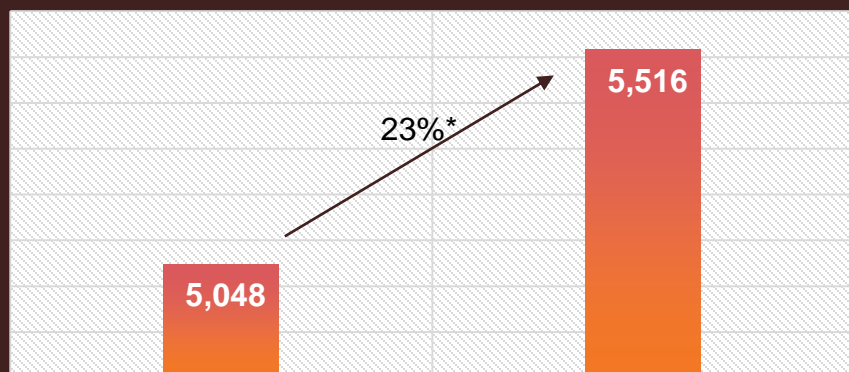
HR professional with strong understanding of business and is passionate about Entrepreneurship and developing people
Previously worked at KPMG India, Hay Group, Sun Microsystems, GE Capital and Mircoland Limited



FINANCIAL UPDATE

Performance Overview - Q3 FY17

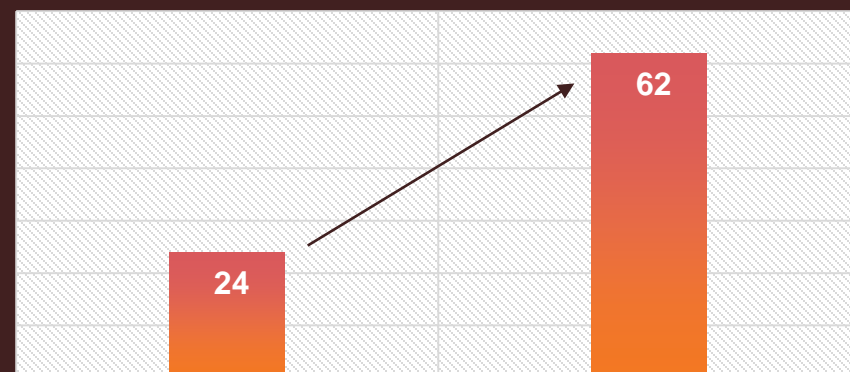
Top Line Growth



Q3 FY16

Q3 FY17

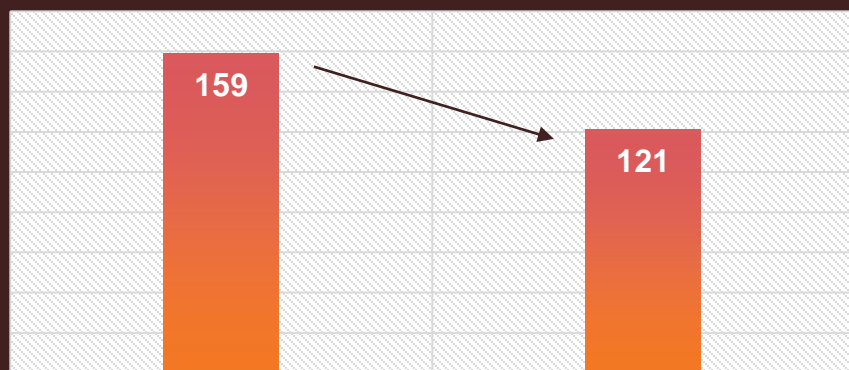
EBITDA Improvement on the Back of High Growth and Efficiency



Q3 FY16

Q3 FY17

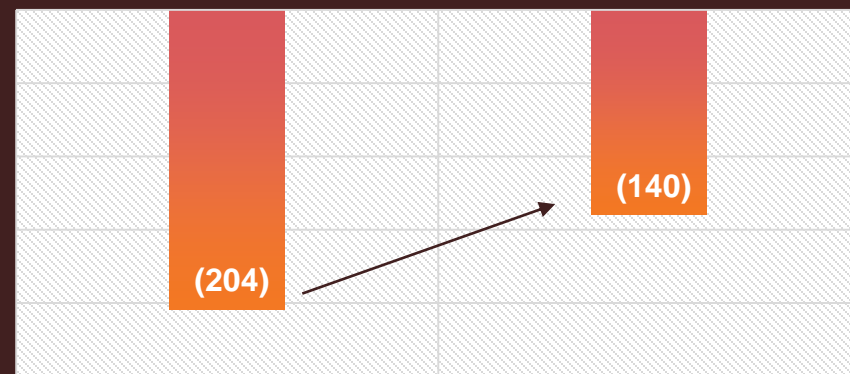
Interest Expense Declined by INR 38 mn



Q3 FY16

Q3 FY17

PAT loss narrowed by INR 64 mn



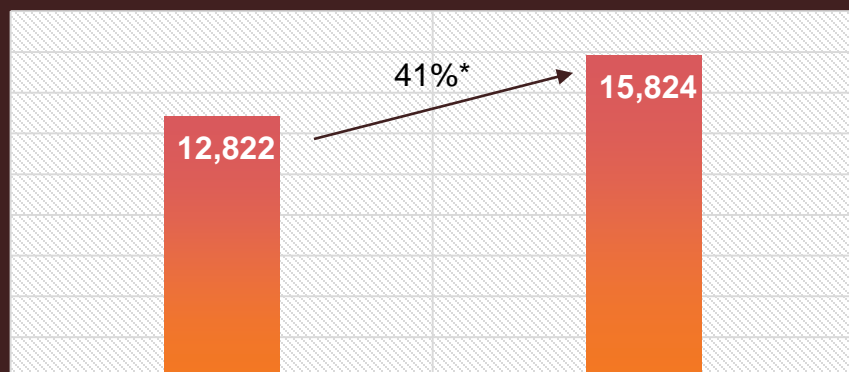
Q3 FY16

Q3 FY17

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

Performance Overview - 9M FY17

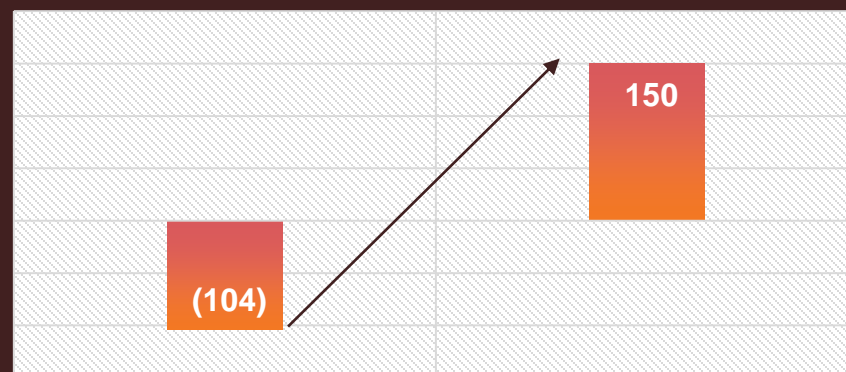
Top Line Growth



9M FY16

9M FY17

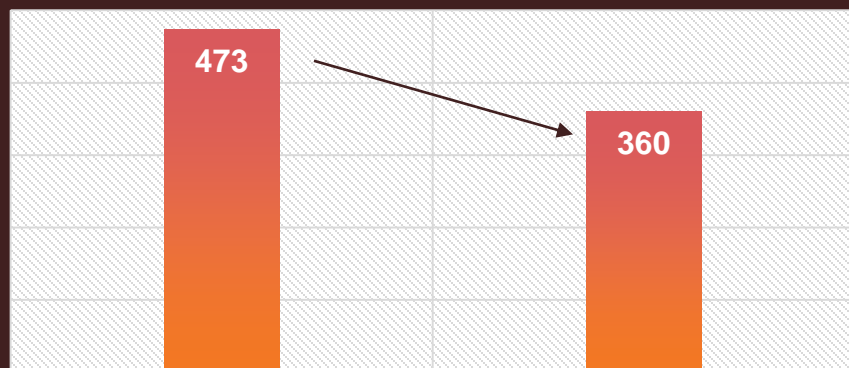
EBITDA Improvement on the Back of High Growth and Efficiency



9M FY16

9M FY17

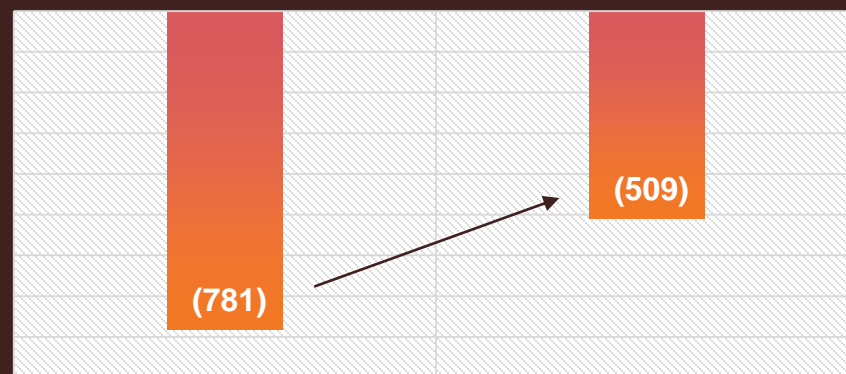
Interest Expense Declined by INR 113 mn



9M FY16

9M FY17

PAT loss narrowed by INR 272 mn



9M FY16

9M FY17

* 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

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

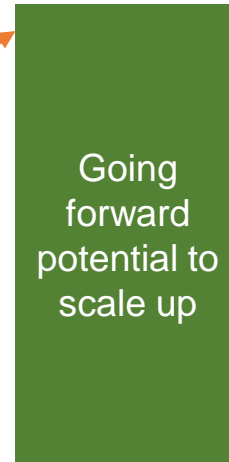
**Prior to 2016
reported
Operating Losses**



**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

Marquee Consumption Focused Funds Invested in FCL



Shareholding Post Allotment to Proterra, Promoters and IFC



Shareholding Pattern	FCL	
	# of Shares	%
Promoters	751,688,794	39.9%
Institutional Investors	515,871,701	27.4%
<i>Arisaig Partners</i>	<i>152,043,000</i>	<i>8.1%</i>
<i>Verlinvest</i>	<i>140,513,969</i>	<i>7.5%</i>
<i>Proterra</i>	<i>131,918,269</i>	<i>7.0%</i>
<i>IFC</i>	<i>58,953,025</i>	<i>3.1%</i>
<i>Other Institutional Investors</i>	<i>32,443,438</i>	<i>1.7%</i>
Others	615,279,300	32.7%
Total	1,882,839,795	100.0%

* Shareholding is as on 31 December, 2016 and is adjusted for conversion of CCD / warrants to Proterra, IFC and Promoters
Assuming no change in other shareholding

India Food Forum Awards



FROM THE BIGGEST PUSH TO THE SMALLEST NUDGE,
YOUR EFFORTS MADE KOSH WIN



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

**#WHAT THE
TAK**

FMCG 2.0

**THE FAST MOVING
CONSUMER GENERATION**

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%



3

2

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

*Growth numbers on Like-to-like basis

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

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.

The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Thank
You

**FUTURE
CONSUMER**

for the Fast Moving Consumer Generation

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