



Investor Presentation Nov 16

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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??

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 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

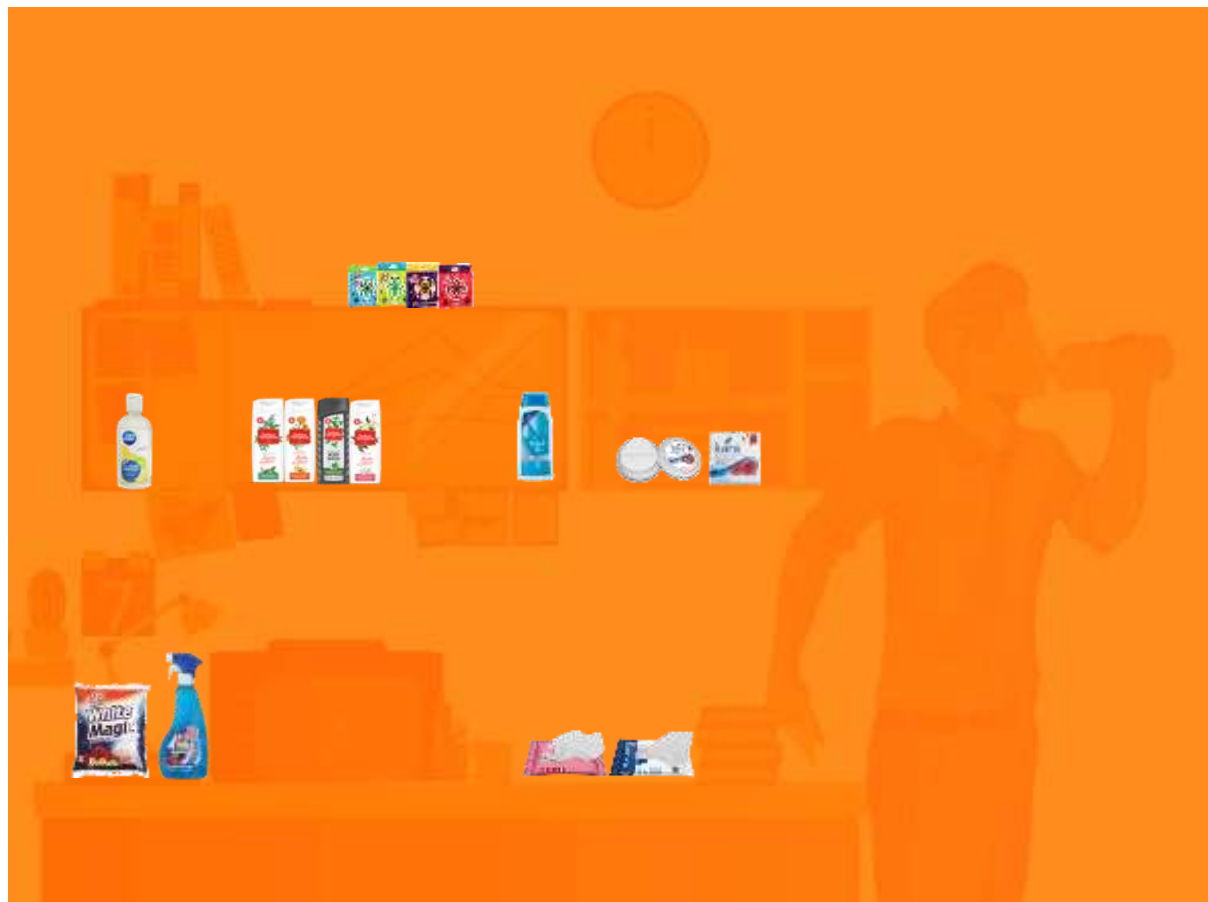


CARE

- ❖ 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



Two Strong Pillars

Supporting the Furtherance
of Business Purpose

Distribution Network

- Overall distribution footprint of ~22,000 stores
- Access to a vast network of over 780 Future Group retail outlets
- Extended Modern trade distribution at Metro, HyperCity, Star Bazaar and Spar
- Continue to leverage General Trade distribution of Kara and Rajasthan Fair Price Shops

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

H1 FY17 and Q2 FY17- At a Glance



Surpassed INR 10,000 mn revenue mark in H1 FY17 with top line growth of 53%⁽¹⁾



Reported EBITDA of INR 88mn in H1 FY17 vs. loss of INR 128mn in H1 FY16



Brands like Kara (55%), Tasty Treat (30%), Clean Mate (30%) exhibited strong growth in Q2 FY17



Net debt reduction⁽²⁾ of INR 2,121mn in H1FY17. Long term credit rating upgrade



Exciting launches include KOSH (Oats brand), Swiss Tempelle and Nilgiris flavored milk



Overall footprint of over 22,000 stores and counting



Upgradation to SAP S4 HANA under process



Built a strong management team, recently hired talent for manufacturing & packaging

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

2) Net Debt reduction based on Indian GAAP



BRANDS

Portfolio: Key Brands and Categories

Brands Business Constituted ~91%⁽¹⁾ of Top Line in H1 FY17
– An increase from 79% in H1 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%)

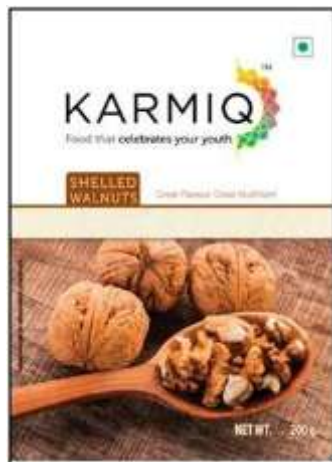


Wipes, Body Wash, Body Lotion, Toilet and Floor Cleaners, Kitchen Aides

Note: Kosh launched in Q3 FY17

1) Remaining 9% largely represents revenues from Food Park, Aadhaar and others.

Broad Portfolio of Branded Commodities



**GOLDEN
HARVEST**

**Premium
harvest**

KARMIQ
Food that celebrates your youth

DESI ATTA
COMPANY

**FRESH
& PURE**

KOSHI!
PREMIUM DAT GRAIN

EKTAA
Delicious India

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
1909



Broad Range of Value Added Offerings



Personal and Homecare



kara

care
mate

Swiss
Tempelle

Clean
Mate

think
skin

KOSH - Oats for Every Meal



100% Oats Atta



Wheat + Oats Atta



Instant Oats

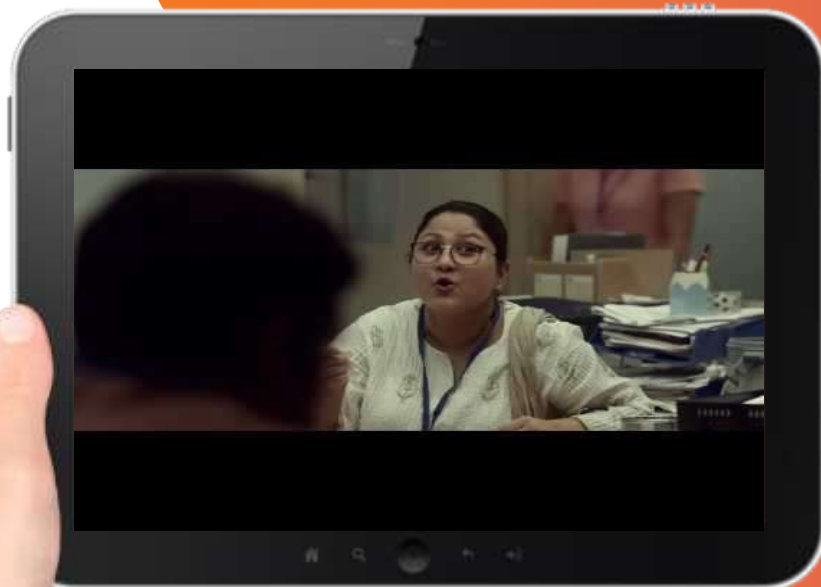


Broken Oats

- 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 200 stores in Mumbai Region
- ❖ 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?



Extending the Portfolio across Food & Beverages



Veg Affaire launched recipe ready mixes – Carrot Peas Mix, Mixed Bell Peppers and Chinese Mix



Desi Atta added Modak Atta to its portfolio during Ganesh Chaturthi

Launched the Upwas Parantha Mix during Navratri enriched with Extra Flavour and Nutrition!



Increasing the presence in the high growth Frozen Food category with an exciting launches – Launched French Fries and delicious flavors of Frozen Pizza, ready to eat in 7 minutes



Make the fluffiest soft rotis with Atta made out of Premium Sharbati Wheat – Golden Harvest Supreme Atta



Nilgiris launched 5 variants of rich & creamy flavoured milk – Belgian Chocolate, Strawberry milk, Coffee Caramel, Mango and Elaichi Milk



DISTRIBUTION

Distribution Network Spanning across Channels

Till Date

- ❖ Overall footprint of over 22,000 stores till date
 - Includes access to a strong network of over 780+ hypermarkets & convenience stores of Future Group
 - 124 Heritage stores to add to the distribution of FCL
 - Extended Modern Trade to Booker Wholesale during the quarter
- ❖ Launched Kara's at SRS Value Bazaar, a 30 store retail chain based in North India
 - Kara also sells across 15,000 GT stores and additional Modern Trade chains
- ❖ Distribution to Rajasthan Fair Price Shops now covers all 33 districts in Rajasthan State taking the store count to 5,000 stores
- ❖ Launched KOSH in General Trade and Modern Trade outlets

Future Group Stores:



900+

Other Modern Trade (excl KARA):



~100

Rajasthan FPS:



~5,000

General Trade:



>16,000



Presence across leading
organized retailers



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

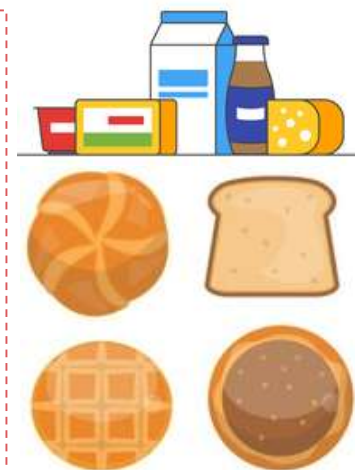
- ❖ Created fully integrated agri-commodity sourcing capabilities
 - Sourcing capacity of 1.5 lakh tonnes agri-produce
 - 71 sourcing hubs across the country and APMC licenses in 26 states
 - Warehousing facilities at 34 locations
 - 11 processing centers - includes mechanized processing centers
 - Other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

Food & FMCG Brands

Worked as VP & Head of Merchandising & Format at Reliance Fresh
Served at Coca Cola as GM and Director Area Operations
Big Bazaar won the “Most Admired Retailer of the Year – Private Label” under his leadership for 3 years



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

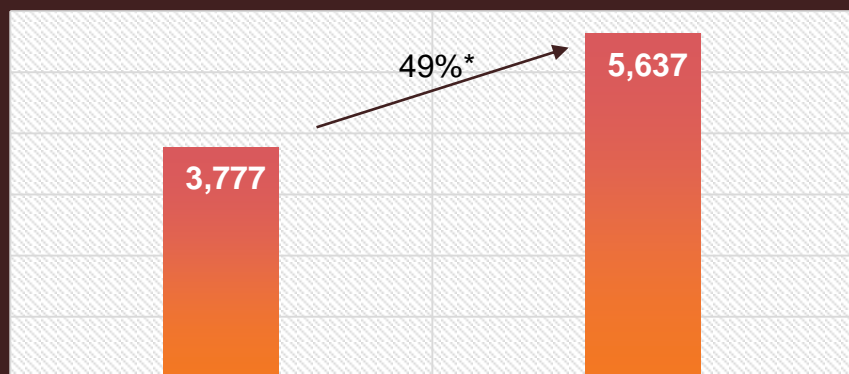
HR professional with strong understanding of business and is passionate about Entrepreneurship and developing people
Previously worked at KPMG India, Hay Group, Sun Microsystems, GE Capital and Mircoland Limited



FINANCIAL UPDATE

Performance Overview - Q2 FY17

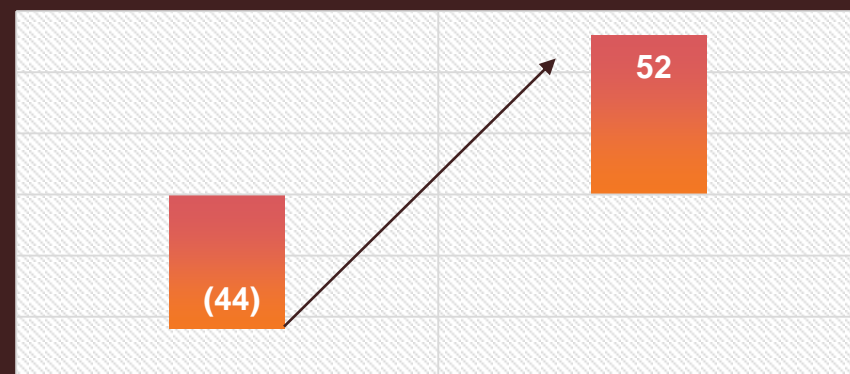
Top Line Growth



Q2 FY16

Q2 FY17

EBITDA Improvement on the Back of High Growth



Q2 FY16

Q2 FY17

Interest Expense Declined by INR 42 mn



Q2 FY16

Q2 FY17

PAT loss narrowed by INR 125 mn



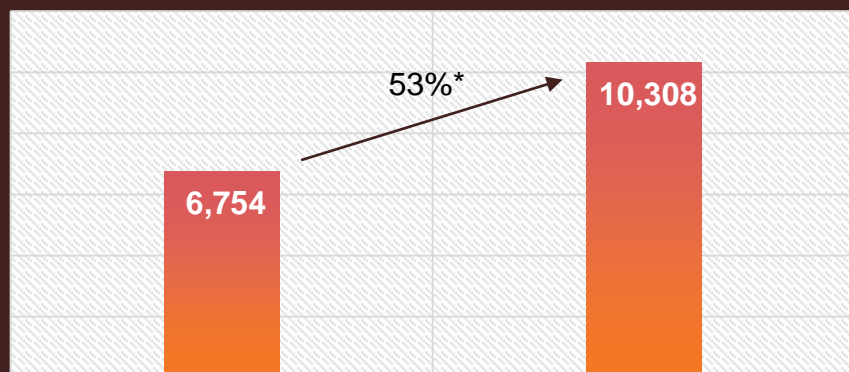
Q2 FY16

Q2 FY17

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

Performance Overview - H1 FY17

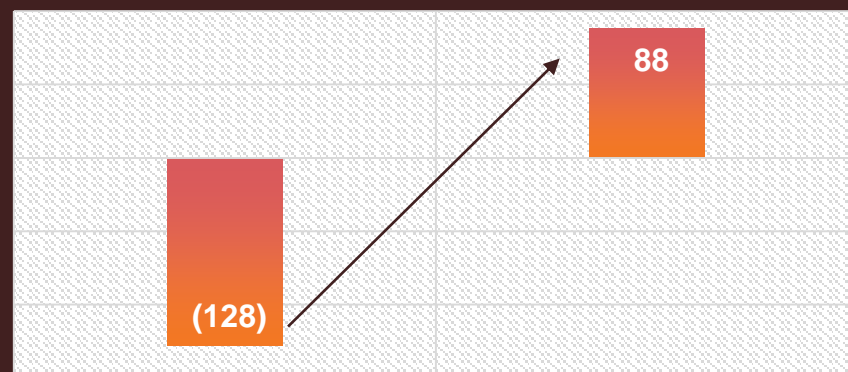
Top Line Growth



H1 FY16

H1 FY17

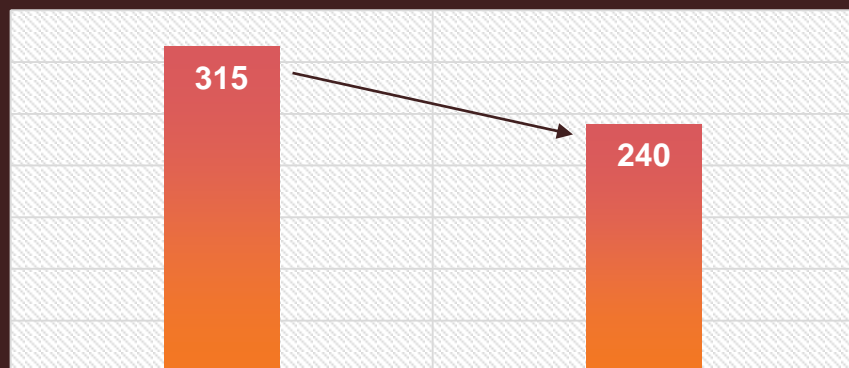
EBITDA Improvement on the Back of High Growth



H1 FY16

H1 FY17

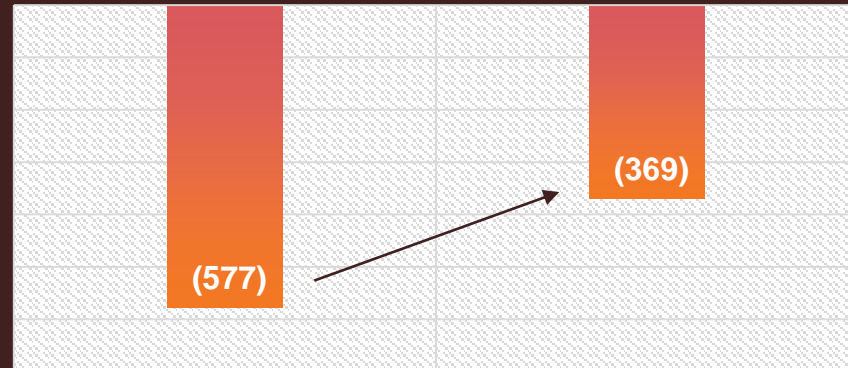
Interest Expense Declined by INR 75 mn



H1 FY16

H1 FY17

PAT loss narrowed by INR 208 mn



H1 FY16

H1 FY17

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

Consolidated Income Statement – Q2 FY17 & H1 FY17



FY 2015-16		Particulars (INR Mn)	FY 2016-17	
Q2	H1 FY16		Q2	H1 FY17
4,287	7,701	Sales	5,598	10,226
39	74	Other Operating Income	39	82
4,326	7,774	Total Income from Operations	5,637	10,308
3,678	6,597	COGS	4,891	8,900
648	1,177	Gross Margin	746	1,408
15.0%	15.1%	Gross Margin%	13.2%	13.7%
27	40	Other Income	21	49
719	1,345	Other Operating Cost	715	1,369
-44	-128	EBITDA	52	88
-1.0%	-1.6%	EBITDA%	0.9%	0.8%
74	147	Depreciation	90	167
148	315	Interest Expense	106	240
-44	-112	Interest Income	-33	-57
-223	-477	PBT	-112	-263
0	0	Tax	0	7
-64	-100	Share of JV, Associates & Minority Interest	-50	-99
-287	-577	Consolidated PAT	-162	-369
-6.6%	-7.4%	PAT %	-2.9%	-3.6%

Note: Q2FY16 includes convenience stores which were franchised in Feb'16

- ❖ Reported a robust 30% top line growth on YoY basis in Q2
 - Like to like growth of 49% in Q2 FY17 excludes impact of convenience stores franchised effective from Feb'16
- ❖ Q2 FY17 Gross Margins reflect high growth in branded staples and F&V; contributing more than 73% of Sales
- ❖ Reported a positive EBITDA of INR 52mn compared to loss of INR44 mn in Q2 FY16
- ❖ Interest expense declined by ~INR 42 mn and ~INR 75 mn in Q2 FY17 and H1 FY17 on YoY basis
- ❖ PAT loss narrowed further by INR 125 mn and INR 208 mn in Q2 FY17 and H1 FY17 respectively

Consolidated Balance Sheet

Particulars	(INR mn)
	30-Sep-16
Shareholder's Fund	9,687
Minority Interest	-2
Gross Debt	3,777
<i>Less: Cash and Cash Equivalents</i>	287
Net Debt	3,490
Net Adjusted Capital Employed	13,175
Fixed Assets	4,249
Goodwill and Intangibles	4,872
Non-Current Assets	1,268
Current Assets	5,433
Total Assets	15,821
Less: Non-Current Liabilities	713
Less: Current Liabilities	1,934
Total Net Assets	13,175

- ❖ Net Debt as per IND AS of INR 3,490 mn at the end of Q2 FY17
- ❖ Debt reduction of INR 2,121 mn during H1 FY17

Marquee Consumption Focused Funds Invested in FCL



Shareholding Post Allotment to Proterra, Promoters and IFC



Shareholding Pattern	FCL	
	# of Shares	%
Promoters	75,16,88,794	40.0%
Institutional Investors	50,16,86,660	26.7%
<i>Arisaig Partners</i>	<i>15,20,43,000</i>	<i>8.1%</i>
<i>Verlinvest</i>	<i>14,05,13,969</i>	<i>7.5%</i>
<i>Proterra</i>	<i>13,19,18,269</i>	<i>7.0%</i>
<i>IFC</i>	<i>5,89,53,025</i>	<i>3.1%</i>
<i>Other Institutional Investors</i>	<i>1,82,58,397</i>	<i>1.0%</i>
Others	62,51,14,341	33.3%
Total	1,87,84,89,795	100.0%

* Shareholding is as on 30 September, 2016 and is adjusted for conversion of CCD / warrants to Proterra, IFC and Promoters
Assuming no change in other shareholding

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

Thank
You

**FUTURE
CONSUMER**

for the Fast Moving Consumer Generation

Registered and Corporate Office:

Future Consumer Limited

Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road,
Jogeshwari (East), Mumbai 400 060

☎: +91 22 30841300

🌐: www.futureconsumer.in

Incase if any queries please contact: investor.care@futureconsumer.in

