



FMCG 2.0

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September 30, 2019

## Key Pillars of FMCG 2.0

### Data Science

FCL works with a huge amount of real time consumer data that drives (almost) every decision and strategic direction within the company

### Multiple Categories

Our brands span across food, home care, personal care, and beauty

### Integrated Value-chain

Right from sourcing to manufacturing to supply chain and distribution, FCL ownership of the entire value chain enables velocity, launch, prototype, destroy and scale

### Digital Distribution Network

FCL uses modern retail and digital commerce as the key distribution platforms for its brands





With Data And Customer Proximity, FCL Is Building Brands And A Predictive, Responsive, Real-time Organization To Acquire The Lifetime Value Of A New Generation Of Indian Consumers

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## FCL Categories

### Food and Beverages



### Food and Beverages contd.



### Home Care



### Personal Care



### Beauty



### JV Brands





# Food and Beverages



Celebrating the undying love & unabashed pleasure pursuits of tasty food



The belief in doing and proactive choice-making that leads to positive approach to living



Nurturing the foundations with love that is infused in every home cooked meal



Providing only the finest quality ingredients sourced from the best origins



A flour and convenience brand that celebrates the diversity of Indian communities



Welcome to the Sunkist Life of fresh fruits & flavors from nature!



A brand with wholesome approach to nutrition and life with its range of organic staples



Bringing deliciousness from all over India to your plate



Wholesome daily essentials with untouched goodness of nature



Savour the goodness of Dairy & Bakery products that are made not manufactured



Discover the master chef in you with these magic mixes!



Bounty of season's freshest vegetables made available through out the year

# Home Care, Personal Care, Beauty



Going beyond merely hygiene, CareMate wants the world to look pristine, presentable, clean and fresh

**Clean  
Mate**

Cleaning is not about waging a war against dirt, it is an act of purification

**VOOM**  
FASHIONABLE FOREVER™

India's only fashion first fabric care brand

**think  
skin**

A democratized view on skin care regimes of Indians



True Self enabling you to reveal and not conceal



Smart solutions for a well-managed home

**MYSST™**

Sense of Smell is unique for India. Mysst captures this imagination in Air Care Space



Pratha enables one and all to carry forward traditions and takes care of our spiritual needs

**kara**

Beauty on the go

# JV Brands

**DREAMERY**

An exciting range of dairy products providing a richer, trusted & delightful sensorial experience



*Sensible Portions*

You need not compromise on taste when choosing a better-for-you snack.

**TERRA**  
real vegetable chips

You've never experienced vegetables like this



**Swissl Tempelle**

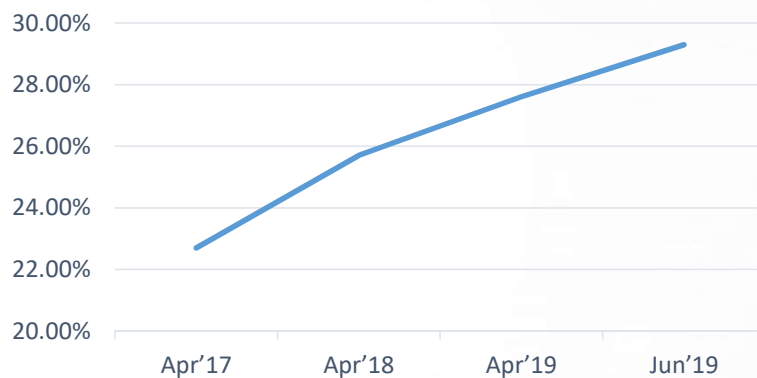
Beauty brand with unique fusion of exotic Swiss ingredients & Indian botanical extracts



# FCL Has Gained More Than 50% Market share In 30 Categories



FCL Market share



Note: Market share number refers to category share in the Future Group Universe



We have created brands for a large number of exciting categories and also found opportunity in new categories

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We also identified and developed strong partnerships with global category leaders

Namkeens & Sweets



Biscuits



Personal Care



Dairy



Healthy Munching



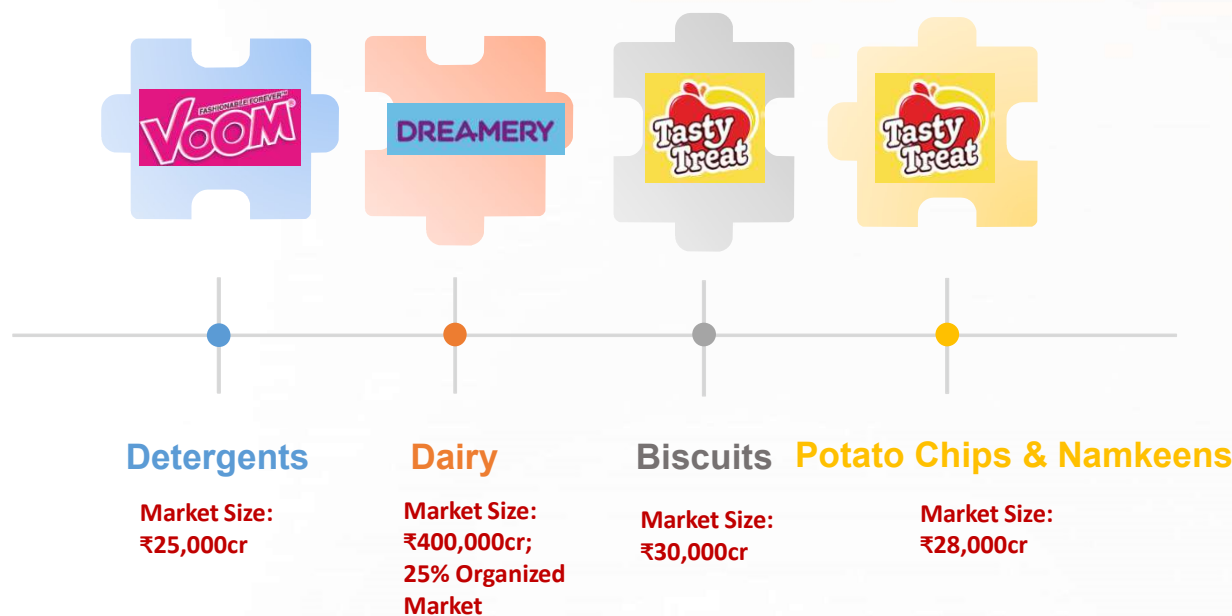
# Multiple Categories

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Our brands span across **Food & Beverages, Home Care & Personal Care, And Beauty**

# FCL Entered 4 Challenger Categories

Win in the largest mainstream FMCG categories with new consumer insights and data



Note: Data as of Q1 2020



# India's First Fashion-Forward Fabric Care Brand **Voom**<sup>™</sup>



Voom steers clear of stain and surface cleaning to second order benefits. It is not just created in chemical labs, it is **designed in fashion studios**.

Product ingredients sourced from global industry leaders such as **Milliken, Novozymes, BASF, Mane and Fermenich**

**Product Testing and Technical Validation:** Intertek

**Brand & Packaging Developed by** Elephant Design

**Advertising Agency:** TBWA India

1 out of every 4  
large format  
FMCG consumer  
has bought Voom  
Detergent Liquid





# How We Are Promoting Voom

## In-store Push With Pink Carpet



## Cross Promotion

Voom's association with fbb through neck tags led to high visibility with zero marketing expense



## Other Visibility: Co-branding with Bengal Warriors



## All Garment Labels Carry Wash Care Labels & Voom Outer Tags



# Biscuits: Creating Value Through Differentiation



Tasty Treat brings in a competitive offering and is innovated with pack sizes and many differentiated variants

**FCL has partnered with global snacking giant Pladis,** whose portfolio includes brands such as McVitie's, for biscuit manufacturing.

We are selling these products priced at par with other leading national brands in this category.

1 out of every 7 FMCG customers  
in large format stores buys Tasty Treat Biscuits

# Tasty Treat Is Buzzing India's Biscuits Category



## Tasty Treat – Chai Marie



For the first time in India, Tasty Treat has introduced a Finger marie. Marie lovers can now simply enjoy *chai* by easily dunking the **finger shaped Marie** in tea. Instead of breaking the old styled round shaped one biscuit into two pieces.

## Tasty Treat – Thin Cookies



We have introduced a new category with Tasty Treat Thin Cookies. Inspired from the Swedish Thins, our cookies come in **innovative flower like shape** and are available **in 3 exciting flavors** – Ginger, Chocolate and Coconut.

# Chips & Namkeens in India's Favourite Variants



## Potato-based Chips



The biggest launch in the Tasty Treat Munching portfolio is here! We have **5 exciting flavors in potato based chips** with **Cheese** being an innovative and never tried before flavor in the chips market.

**1 out of every 3 customers in large format stores buys Tasty Treat Potato chips**

## Namkeens



We are excited to launch our **5 best-selling variants** with one of the most reputed manufacturers in India – Bikano.

**1 out of every 5 customers in large format stores buys Tasty Treat Namkeens**



# Winning Customers With Innovative Flavours



Munching & Namkeens is a high engagement, fast moving category in the FMCG industry.

We have revamped this category and strengthened our portfolio with new launches.

We have been able to set a new quality benchmark and believe that we are ready to face any competition with superior quality and taste.

# How We Are Promoting Tasty Treat



## In-store Marketing Initiatives



## Outside Visibility



The biggest ever "Taste ka attack" commercial launched on TV during IPL

# Dairy 2.0 Promise to Address New India

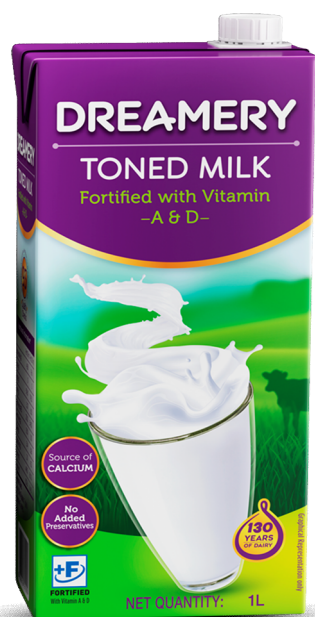
## DREAMERY

130 YEARS OF TRUSTED DAIRY





# Launch Portfolio



Toned  
Milk: 1L



Chocolate Milkshake:  
180ML



Strawberry Milkshake:  
180ML



Base Curd: 200G/ 400G



# How We Are Promoting Dreamery



## In-Store Push & Sampling



**1 out of every 10 customers  
in large format stores buys Dreamery Flavoured Milk**

## Cross Promotion Future Pay App integration – Banners & Offers

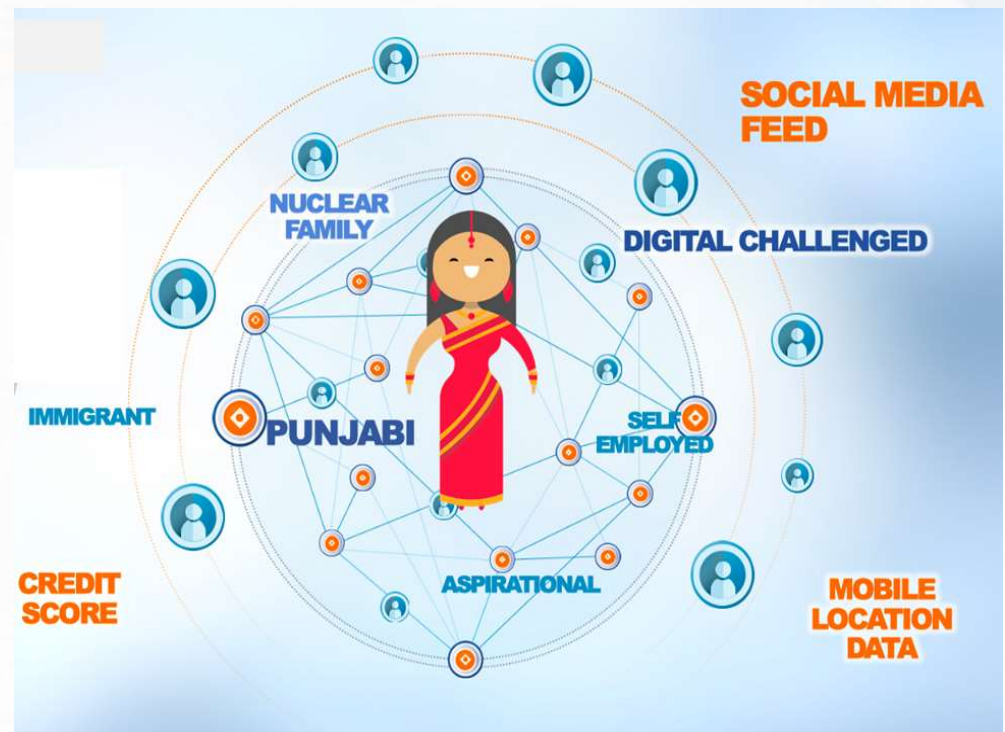
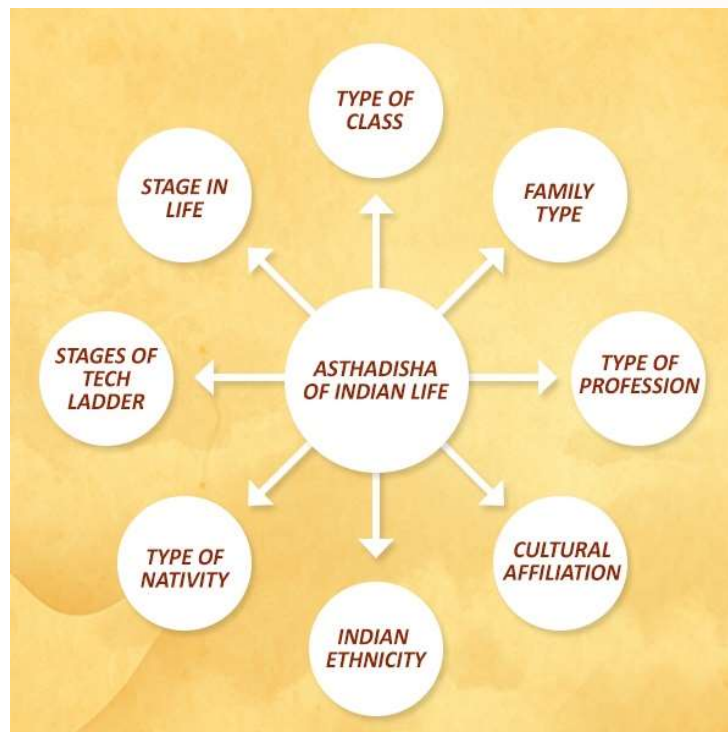


# Data Science

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FCL works with **real-time consumer data** that drives (almost) every decision and strategic direction within the company

# FCL Is The Only FMCG Company That Gets Offtakes Data With One-day Lag



FCL Uses Data To Predict Customer Cohorts That Will Be  
The **Early Adopters** Of A New Category Or Brand

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# Data Science Helps Us Optimize Product & SKU Mix For Each Channel Allowing Us To Leverage The Integrated Value Chain



# Data Science Is Driving More Optimized Sampling Of Products, Creating Suggestive Baskets And Exploring Subscriptions To Acquire Lifetime Value Of Consumers



Our Member Data Enables Us To Deliver Frequency, Understand Repeats, Create Recency-based Prompts, Promotions And Alerts To Our Customers

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# Improving Freshness And Velocity

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**Rationalization of portfolio across the organization, build the core and continuously reduce the tail.**  
– **Businesses aligned to stock to cash norms and guidelines**

Visibility to daily **Offtakes** enable us with better **demand sensing and forecasting**

Created a **smarter product supply organization** to build synergies for back end mind to market/ farm to plate. This is enabling faster stock-to-cash cycles

**Smart network design** of supply chain - to reduce the distance travelled of inventory before it reaches consumer plates



# Data Science Is Helping Us Read Early Signals, Prototype Our Launches And Test Various Hypothesis

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**MEMBER**  
*Who*

X



**GEOGRAPHY**  
*Where*

X



**TIME**  
*When*

X

**PRODUCTS**  
*What*



X



**PAYMENT MODE**  
*How*

# A Snapshot of Member Data Dashboard

Member360



Actions

Overview

Member Details

Member Enrichment

FuturePay Wallet

Action Items

Member-level P&L

Campaigns Redeemed 0

Personal Information

Birth Date	
Salaried?	No
Has Infant?	Yes
Diabetic?	Yes
Skin Type	Dry Skin
Non-Veg?	Non Vegeterian
Community	Marwari
Adoption Score Tier	Early Adopters

Membership Information

First transacted date	4 Oct 2017
Customer UID	m_38183546
FuturePay Wallet	Y
Mobile Number	

Photo

Financial Statistics

Total spend (annualized)	61,720
Total spend	120,227
Average basket value	318
Rank In Home Store	48

Where

Number of formats shopped	2
Most Visited Store Name	EASY DAY-UNA-HAMIRPUR ROAD-SF

When

Visits (annualized)	143
Visits (total)	279
Avg. Interval (days)	2
Last Transacted Date	13 Sep 2019



# FCL Uses Data Science For New Product Development

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# FCL Used Data To Break The Myth That Detergents Is A High Stickiness FMCG Category

Our members keep switching between laundry brands at our stores

Date	Product Desc
2017-08-30	Brand A
2017-08-24	Brand B
2017-08-22	Brand A
2017-08-11	Brand C
2017-08-04	Brand D

Member 1

Date	Product Desc
2019-03-31	Brand A
2019-03-14	Brand B
2019-01-22	Brand C
2018-12-17	Brand D
2018-10-08	Brand E
2018-04-25	Brand F

Member 2

Date	Product Desc
2019-03-29	Brand A
2019-03-29	Brand B
2019-03-04	Brand B
2019-03-04	Brand C
2019-03-04	Brand D
2018-12-16	Brand E
2018-09-29	Brand C
2018-09-29	Brand C

Member 3



# FCL Uses Data Science For Marketing and Promotions

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# Case in Point: Desi Atta Company



We used community specific data insights to target the fasting community of Gujaratis and Maharashtrians during Ekadashi

Community	Desi Atta Sales %	Overall Food Sales %	Index
<b>NORTH INDIANS</b>	37%	35%	<b>106%</b>
SIKH / PUNJABI	19%	22%	<b>83%</b>
BENGALI	9%	9%	<b>100%</b>
MUSLIM	5%	7%	<b>68%</b>
MARWARI	6%	6%	<b>97%</b>
<b>MARATHI</b>	6%	4%	<b>104%</b>
<b>GUJARATI</b>	4%	3%	<b>147%</b>
<b>ORIYA</b>	3%	3%	<b>120%</b>
JAIN	2%	2%	<b>104%</b>
SINDHI	2%	2%	<b>92%</b>
TELUGU	1%	2%	<b>103%</b>
KANNADIGA	2%	2%	<b>84%</b>
CHRISTIAN	1%	2%	<b>116%</b>
ASSAMESE	1%	1%	<b>91%</b>
JATT	1%	1%	<b>86%</b>
TAMIL	1%	1%	<b>85%</b>
MALAYALI	1%	0%	<b>118%</b>



**Targeting the highlighted communities during Ekadashi, resulted in a 10% lift in sales**



# Integrated value chain

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Right from sourcing to manufacturing to supply chain and distribution, FCL ownership of the entire value chain **enables velocity, launch, prototype, destroy and scale**

# Integrated Value Chain Provides An Opportunity To Increase Velocity Of Doing Business

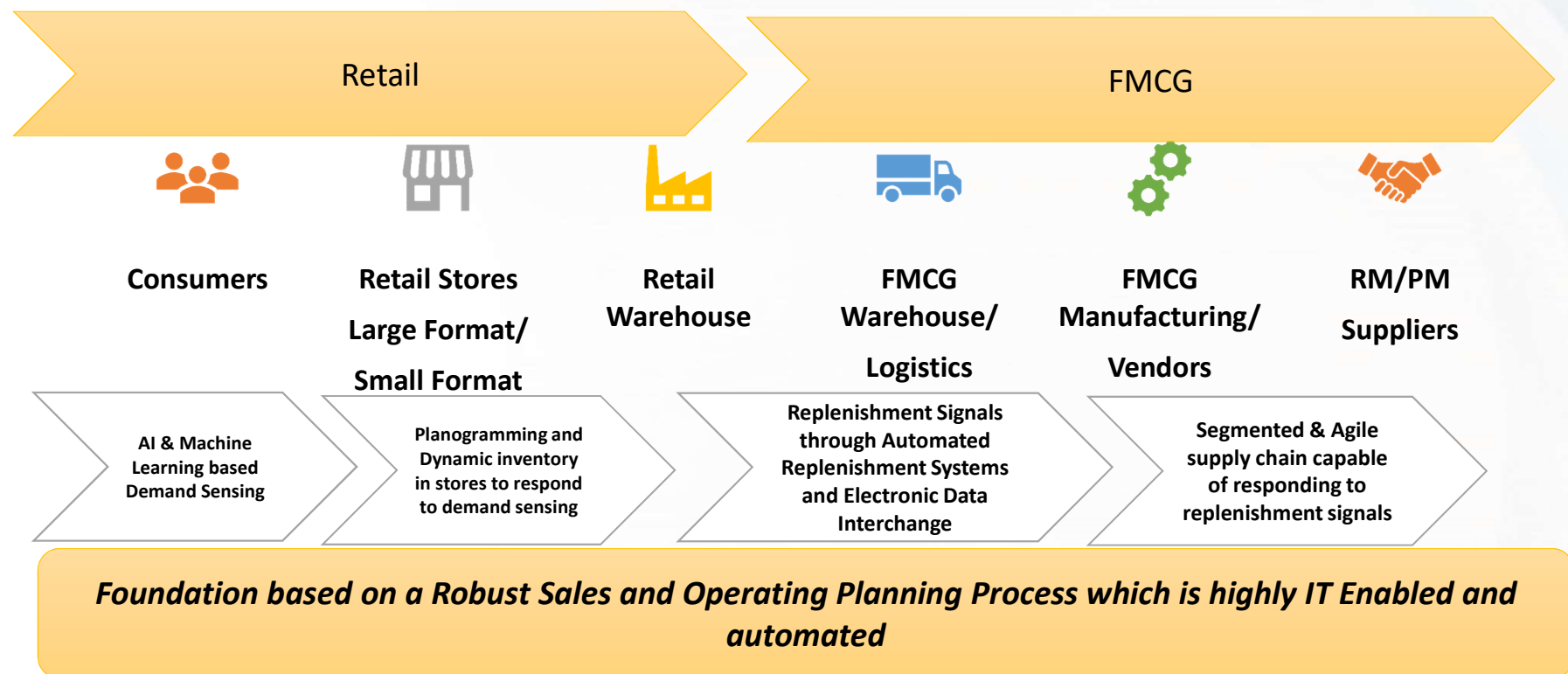




# Data Enables Us to Create, Destroy, Grow and Respond with Agility



# We Are Creating A Digital & Agile Supply Chain By Investing In Data Science Driven Platforms



## Data Gives Us Best Demand Sensing And Forecasting Abilities

# Digital Distribution Network

FCL uses **modern retail and digital platforms** as the key distribution channels for its brands

# Future Group Has The Largest Scale And Coverage In India

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**483+ unique towns**

Present in every state



**450 mn**

Customer footfalls annually



**2000+ Stores**

Including fashion



**23 mn+ sq ft**

Retail Space



**Over 55%**

Zip code coverage



# FCL Is Building A Distribution Network Across Modern Trade Channels, Within And Outside Future Group Network

## FG Network

**BIG BAZAAR**  
Making India Beautiful

**easyday**  
Club  
Pados ki Dukaan

**Heritage**  
**fresh**

**WHSmith**

**Foodhall**  
— for the love of food —

**Milgiris**  
1905

**AADHAAR**  
WHOLESALE CENTRE

**NISSIN**

## Outside Channels

**spencer's**

**star**

**Haiko**  
SUPERMARKET



**BOOKER**  
WHOLESALE

**LuLu**

**Dorabjee's**

Tasty Treat Wafer biscuits reaches > 30K outlets through this partnership.

**kara**

## Online

**amazon** **NYKAA**

Kara reaches > 30K outlets through General Trade



# The Urban Reach Is Built & Guaranteed Through Large-Format & Small-Format Stores

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We Are Creating A Hub & Spoke Model To Capture Semi-Urban And Rural India



We Have Identified Semi-urban And Rural Markets Which Have Distribution Gaps Of Other Brands

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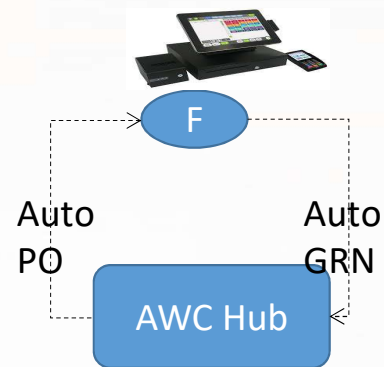
We Want To Build Distribution Strength Using These Gaps

## Prioritise Semi-urban & Rural India

- ✓ To fill distribution gaps in national brands
- ✓ To fulfil retailers' requirement of a FMCG organization that is quick and a one-stop refill source
- ✓ To empower and unlock value out of local entrepreneurs building on the retail gene of Future Group



## Prioritise Franchises/ Mitras And Smart POS



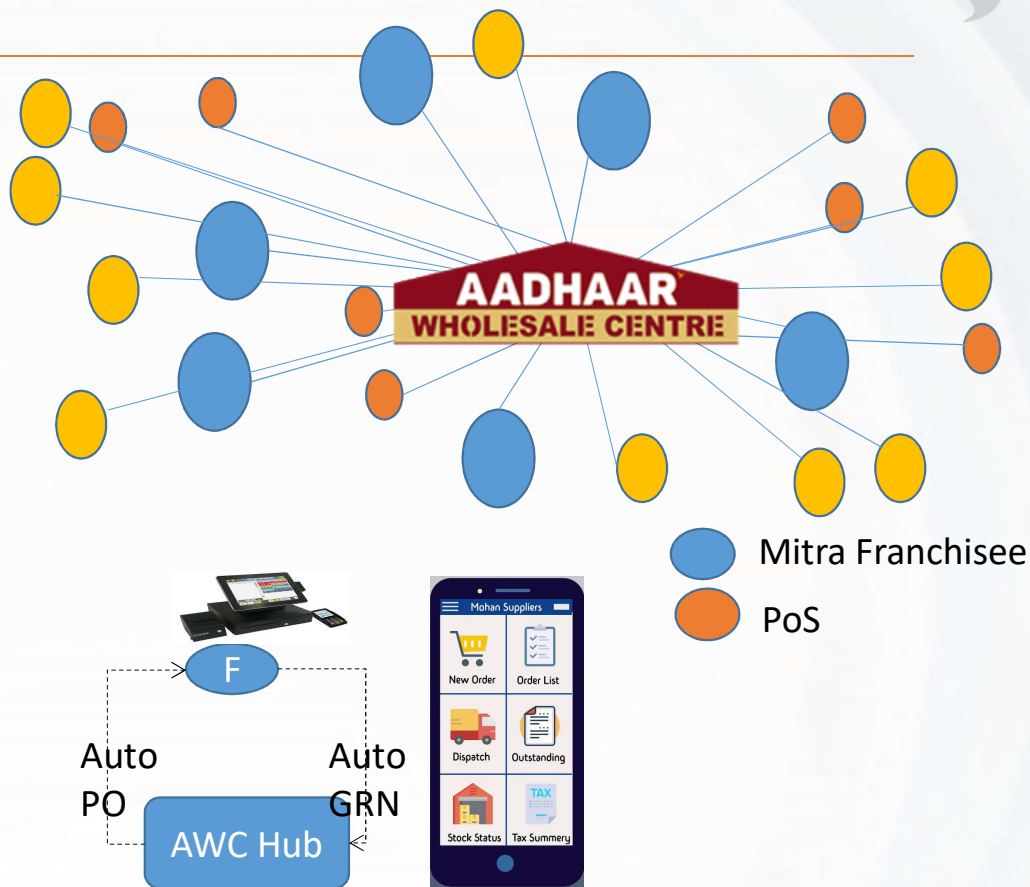
- ✓ To build scale fast, to meet distribution and reach of our own brands
- ✓ Build a low cost, asset-light model
- ✓ Focus on “digital first” acquisition of end consumer sale points, to create a “right to win”



# Leverage General Trade Using PoS Platform

## Building a **Digital First** distribution

- ✓ Auto PO generated based on sales at spoke;  
Auto GRN used to reconcile against this PO
- ✓ Minimal stock held at Mitras - store replenishment within 24 to 48 hours
- ✓ Cheaper acquisition and servicing of GT Footprint with POS
- ✓ Showcase AWCs, with scan and buy, for digital-first discovery, optimized for sqft
- ✓ Customised retailer lifecycle management – promotions, loyalty & rewards, access to credit



## We Are Optimizing Our Presence In 3 States

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☐ Punjab

☐ Gujarat

☐ Rajasthan

and exploring opportunities to enter  
new regions...



# Expanding Online Footprint

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Leverage Amazon's partnership with Future Group to develop it as a significant alternate channel for selling FCL brands. Focus brands for Amazon channel



We are already building our beauty brands on Nykaa. We use both Nykaa's on-site and offsite properties for greater visibility, sampling, and brand building. Nykaa helps us access the right target audience through their platforms.

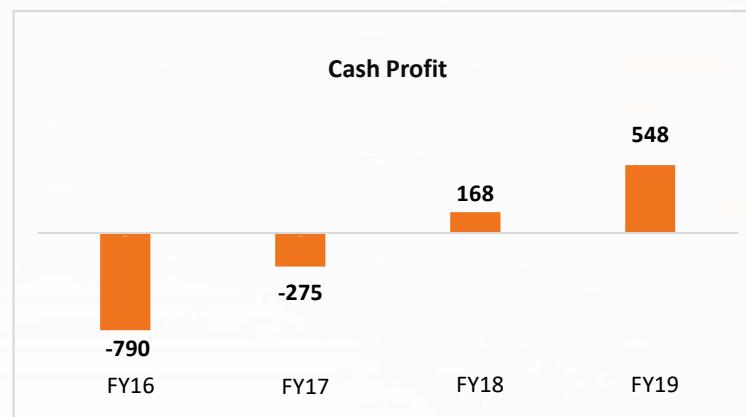
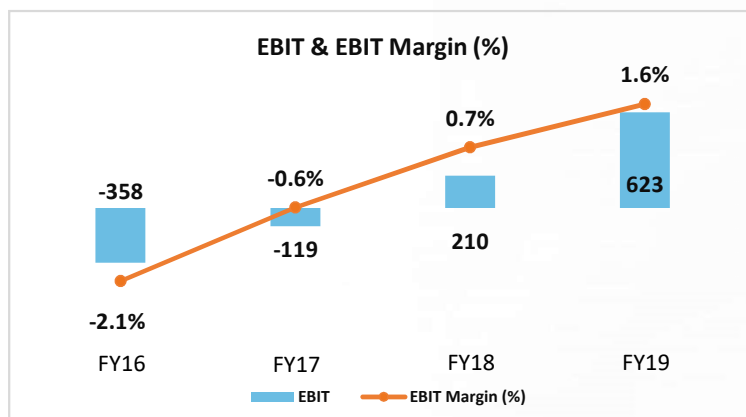
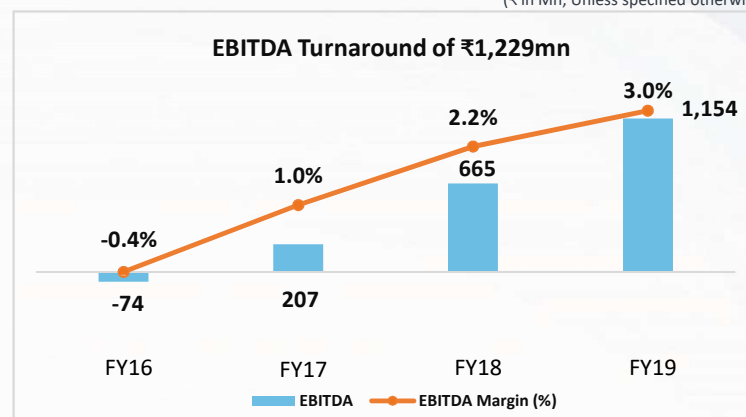
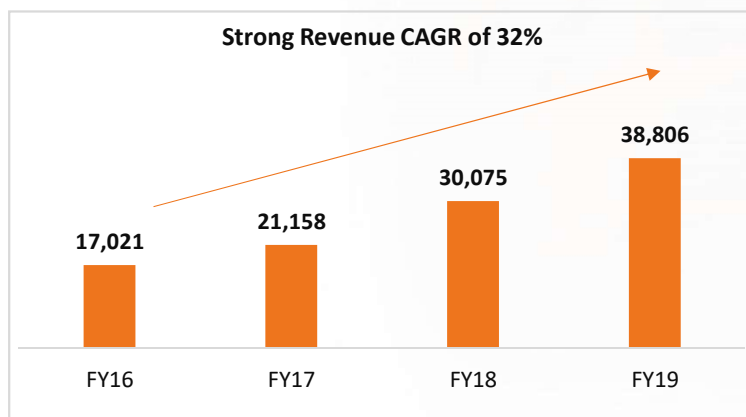


# Financial Overview

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# Driving Sustainable Profitable Growth

(₹ in Mn, Unless specified otherwise)

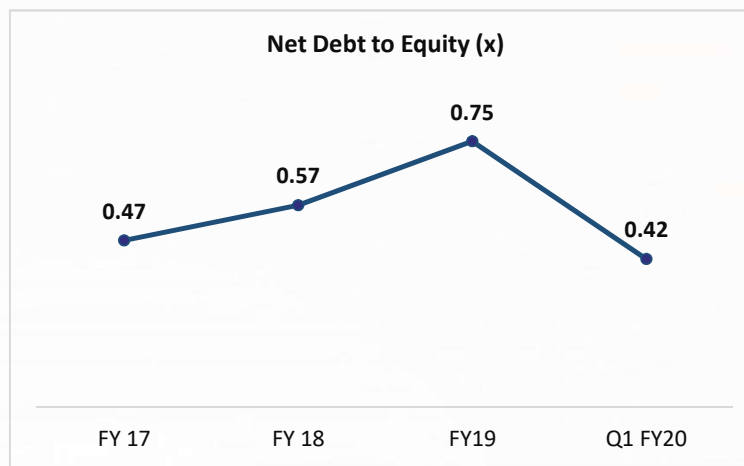
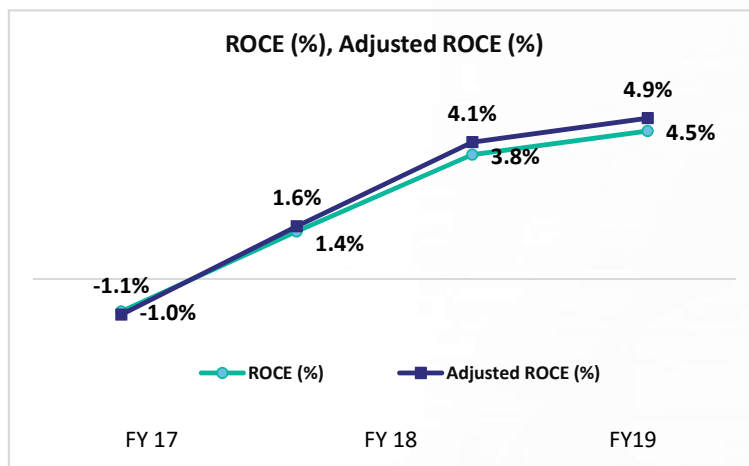
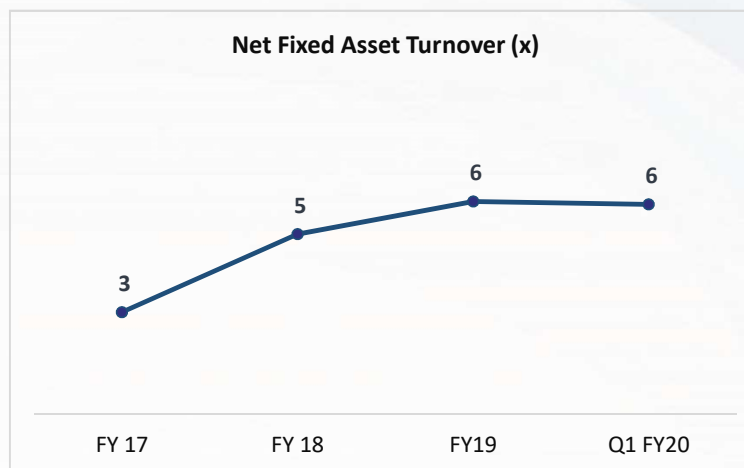
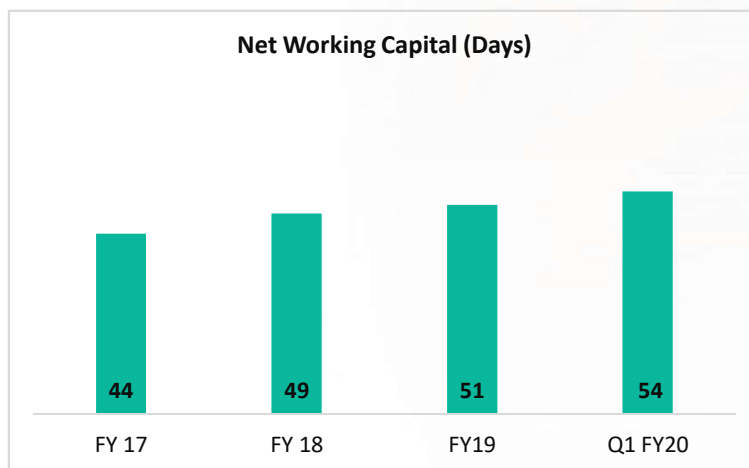


Focus on expanding margins and achieving higher profitability with higher contribution from value added products

Note: Charts on consolidated basis, Cash profit calculated as Consolidated PAT post JV and Associates + Depreciation + non-recurring items



# Geared to Achieve Higher Returns



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*

# ROCE Improvement Initiatives

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## Sales Mix

- Share of value-added products to go up

## Portfolio Correction

- Continuously Revisit tail and non-performing Brands

## Pricing

- Correct pricing to offset inflation / reap market share gain benefit

## Back End

- Consolidation of vendors, re-negotiating terms

## Supply Chain

- Re-organize supply chain to ensure freshness and reduce shrinkage/ expiry

# FCL Leadership Team



**Ashni Biyani**

● ● ● ● ●  
Managing Director



**Narendra Baheti**

● ● ● ● ●  
Executive Director



**Ravin Mody**

● ● ● ● ●  
Chief Financial Officer



**Sadashiv Nayak**

● ● ● ● ●  
CEO – Integrated Food Business



**Jude Linhares**

● ● ● ● ●  
Director, Product Supply Organization



**Anand Ramaswamy**

● ● ● ● ●  
Chief – Supply Chain Officer



**Joyeeta Chatterjee**

● ● ● ● ●  
Chief People Officer



**Satyam Viswanathan**

● ● ● ● ●  
Chief Marketing Officer



**Manoj Gagvani**

● ● ● ● ●  
Company Secretary & Head-Legal

The background features a soft, artistic illustration. A large, multi-colored rainbow arches across the upper right portion of the frame. In the upper left, a bright sun is partially visible, with rays extending outwards. Three small, dark birds are depicted in flight, positioned along the curve of the rainbow on the right side. The overall color palette is light and airy, with pastel tones.

Thank you

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