

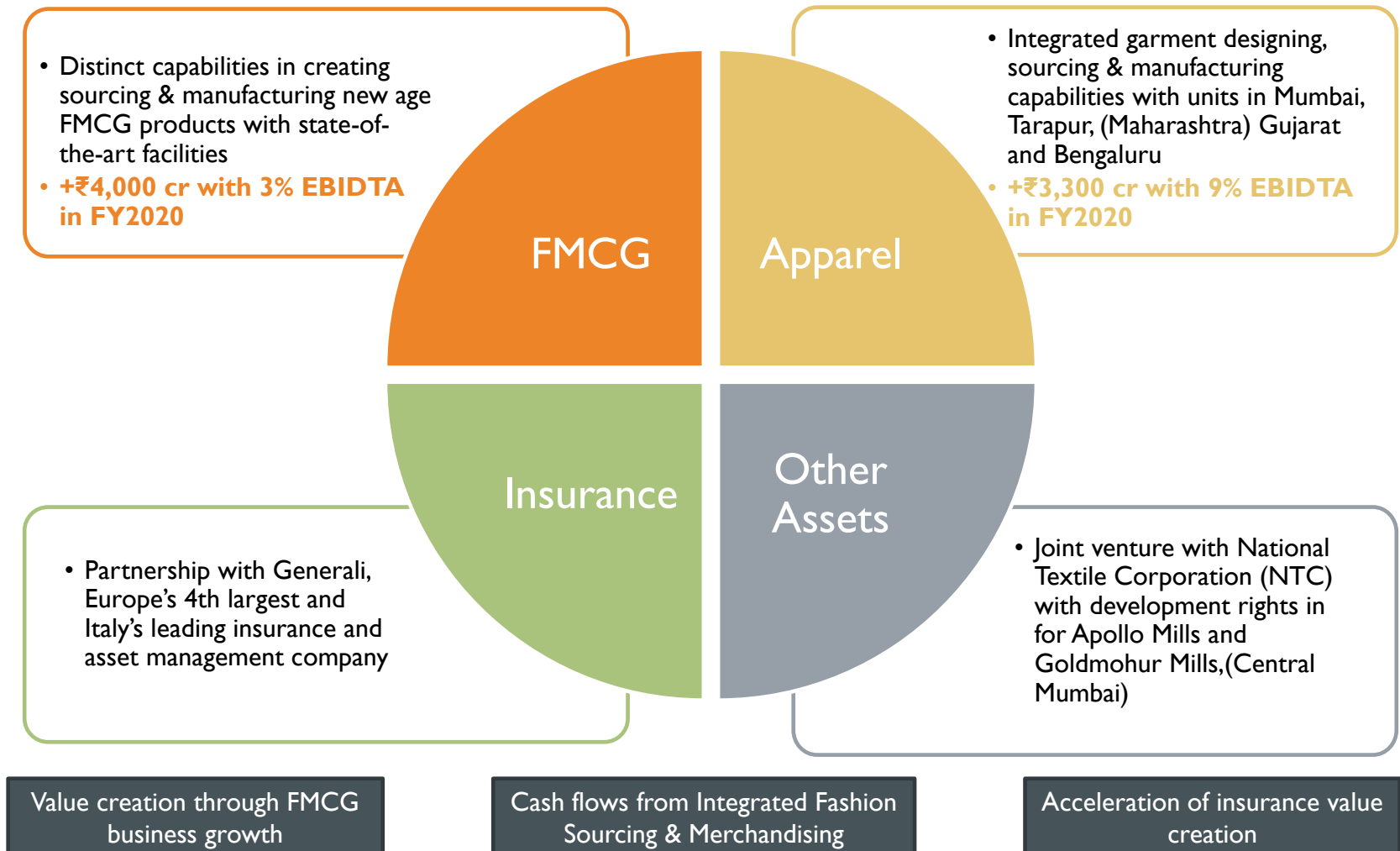
FUTURE ENTERPRISES LIMITED – EMERGING BUSINESS

AUGUST 2020



OVERVIEW – NEW EMERGING ENTITY

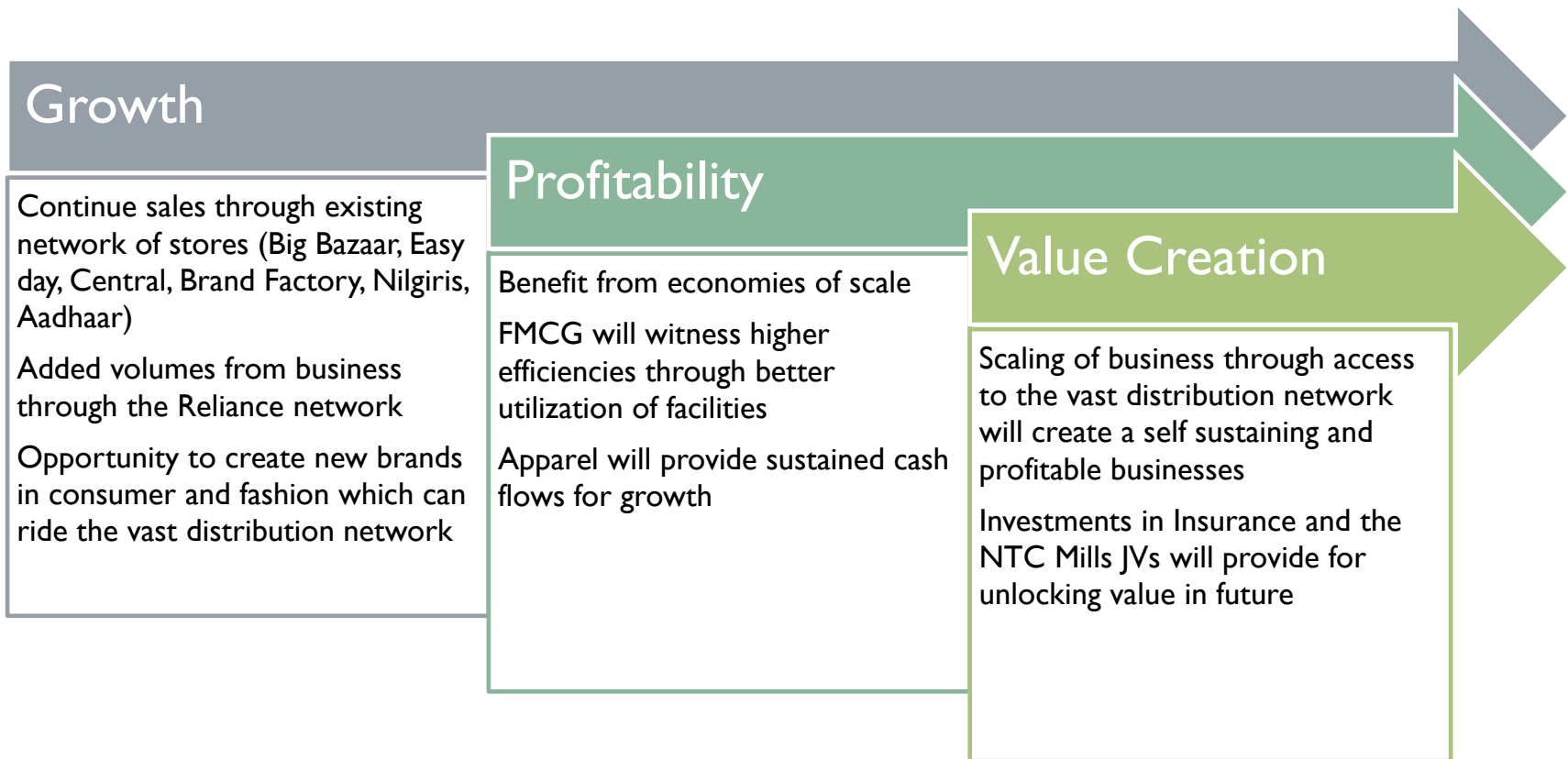
- An organization with multiple growth engines and clear path to value creation



DRIVERS OF GROWTH, PROFITABILITY & VALUE CREATION

FMCG & Fashion Sourcing businesses will continue to leverage the existing store network

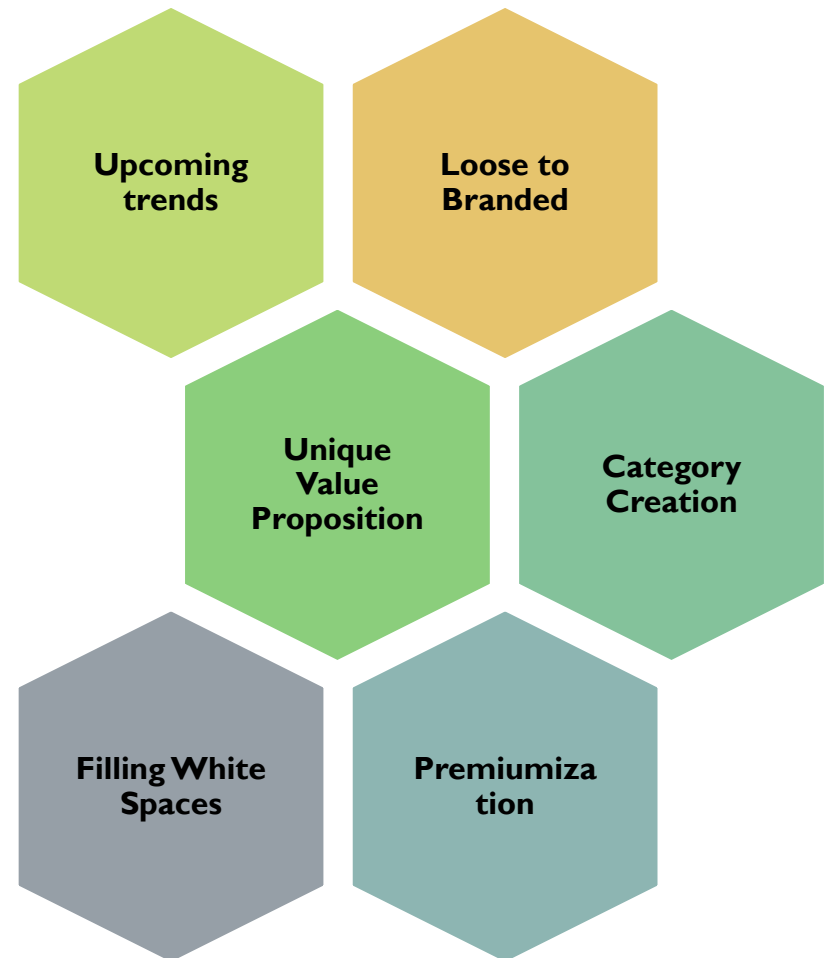
They will further benefit from potential growth from business from Reliance network



EXPERTISE IN CREATING FORMIDABLE BRANDS IN THE FMCG SPACE

- Addressable Market size is over ₹300,000 cr
 - Food & Beverages: ₹200,000cr
 - Home Care: ₹30,000cr
 - Personal Care: ₹55,000cr
 - Beauty: ₹45,000cr*
- Successfully built a basket of brands catering to significant portion of Food & Beverages, Home Care & Personal Care and Beauty
- Portfolio enjoyed a double-digit market share in modern trade
- Demonstrated scale backed by consumer validation and acceptance

Opportunities to Grow



Note: Source: Nielsen

*secondary data

OUR SUCCESS STORIES IN CREATING LEADING BRANDS



Successfully led the unbranded to branded transition of consumer in the daily essential's category
Created a +1000cr brand in a completely unbranded / unpenetrated market



Garnered a strong share in highly competitive categories like biscuits, cookies with over ₹200cr topline
Partnered with leading manufacturers providing great quality at great prices



Built India's first national dry fruit brand with over +240cr topline
Turned its first-mover advantage with branded & premium dry fruits into a strong category share, with consistent revenue growth & margin improvement



Launch of Matic-Liquid range at price point below Matic Powder to upgrade consumers to Liquid led capturing 30% Market Share
Right positioning of "Fashionable Forever" and superior product quality



One of the very few companies in a niche branded flour market in India.
Premium branded atta business with 50+ variants



Democratizing the body wash and body care with affordable products
Brand launched to fill the white space between soaps and body wash



Dominating the wet wipes category in India. Brand is focused on Beauty on the go
Expanding the basic wipes category into specialized beauty products redefining the wet wipes segment

Consumer validation and acceptance has allowed various brands to scale up

CREATED SUCCESSFUL PARTNERSHIPS WITH GLOBAL ORGANIZATIONS (1/2)

Fonterra Future: Delivering “Dairy 2.0” Promise

- JV was signed on August 8, 2018 and the first set of products were launched in July 2019 under a new brand “Dreamery”
- JV partners bring in unique synergies of complementary strengths to enable “Fonterra Future Dairy (FFD)” to win in the marketplace
- Since 1886, Fonterra has built a legacy of trust as one of the world’s largest dairy producers, by focusing on quality and innovation to deliver delicious dairy products with unique nutritional benefits.



- Launched food service business of Anchor in India
- Products are currently imported from New Zealand
- Expansion of channel to Horeca via this business as it caters to food service players such as Pizza chains etc.

CREATED SUCCESSFUL PARTNERSHIPS WITH GLOBAL ORGANIZATIONS (2/2)

Hain Future Natural Products: Focused on “Better For You” Products

- 50:50 joint venture with wit Hain Celestial Group Inc., a leading organic, natural and better-for-you products organization
- Hain Celestial Group participates in almost all-natural categories with nearly 57 brands and introduced brands and products comprising Terra vegetable chips, Sensible Portions etc
- Set up a state of art manufacturing facility for brands Terra and Sensible Portions at India Food Park, Tumkur with a frying capacity of over 2 million cases per year



Made with real whole vegetables, Terra chips are made with Non-GMO ingredients and are gluten free



Combination of garden grown potatoes, ripe vegetables, and 30% less fat than the regular potato chips, with no artificial flavors or preservatives



INTEGRATED VALUE CHAIN AS A STRONG ENABLER



Agri-Sourcing/Processing Capabilities

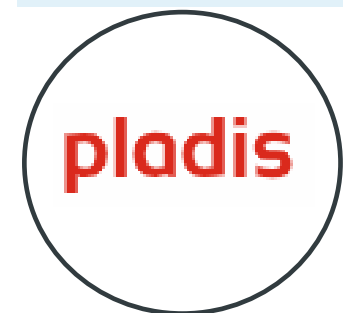
- Agri –Sourcing Capacity of 1.5lac tons
- APMC licenses in 26 states
- Pan India sourcing, processing & packaging facilities

Manufacturing Partnerships

Namkeens & Sweets



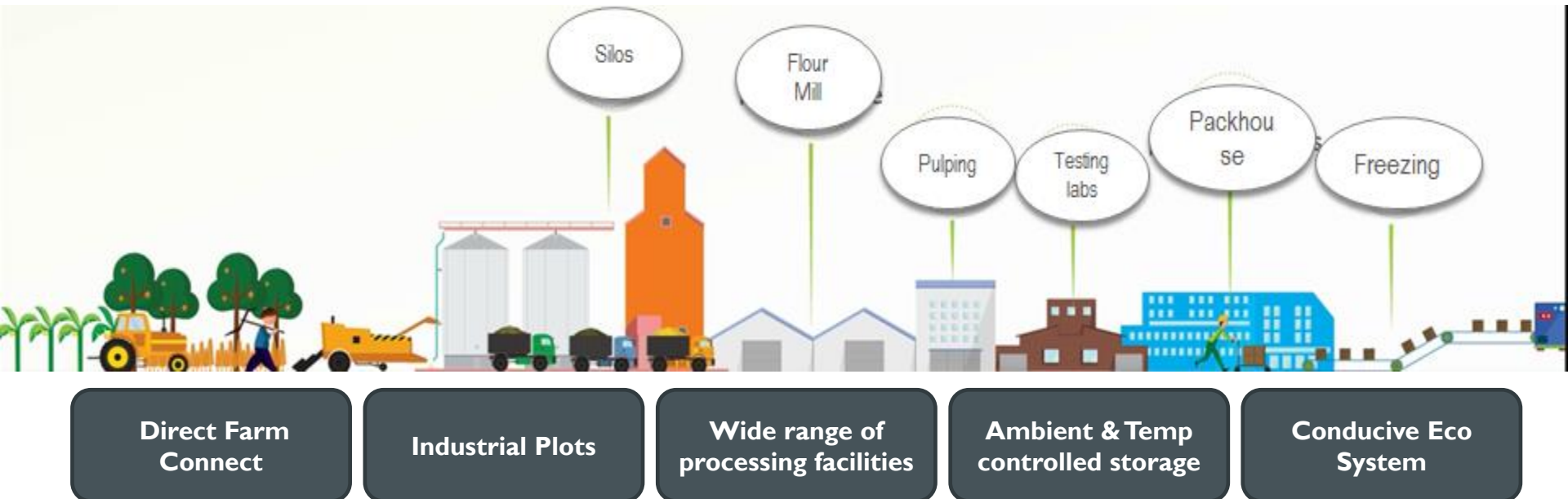
Biscuits



Created manufacturing capabilities to provide the agility of “kitchen”
to provide for changing consumer needs

110 ACRES OF WORLD CLASS FOOD PROCESSING INFRASTRUCTURE AT FOOD PARK (TUMKUR)

- Situated at Tumkur, Karnataka
- Integrates farmers, processors and consumers in a value chain of Source-Process-Distribute
- Earned ISO: 22000 certification
- Key facilities: storage capacity, cold storage unit and in-house pulping, dehydration and frying and roasting line, IQF, milling, flouring, spice and dal units
- Currently over 15 units are operational; Products manufactured by these units include differential cuisine sauces, wafer biscuits, atta, maida, rice, spices, batter, popcorn, nachos, cookies apart from lines for frozen foods, RTE and pulping etc



WIDE RANGE OF MANUFACTURING & PROCESSING FACILITIES AT THE FOOD PARK (TUMKUR)

PULPING LINE



BLAST FREEZER



COLD ROOMS



SPIRAL FREEZER



POLY HOUSE

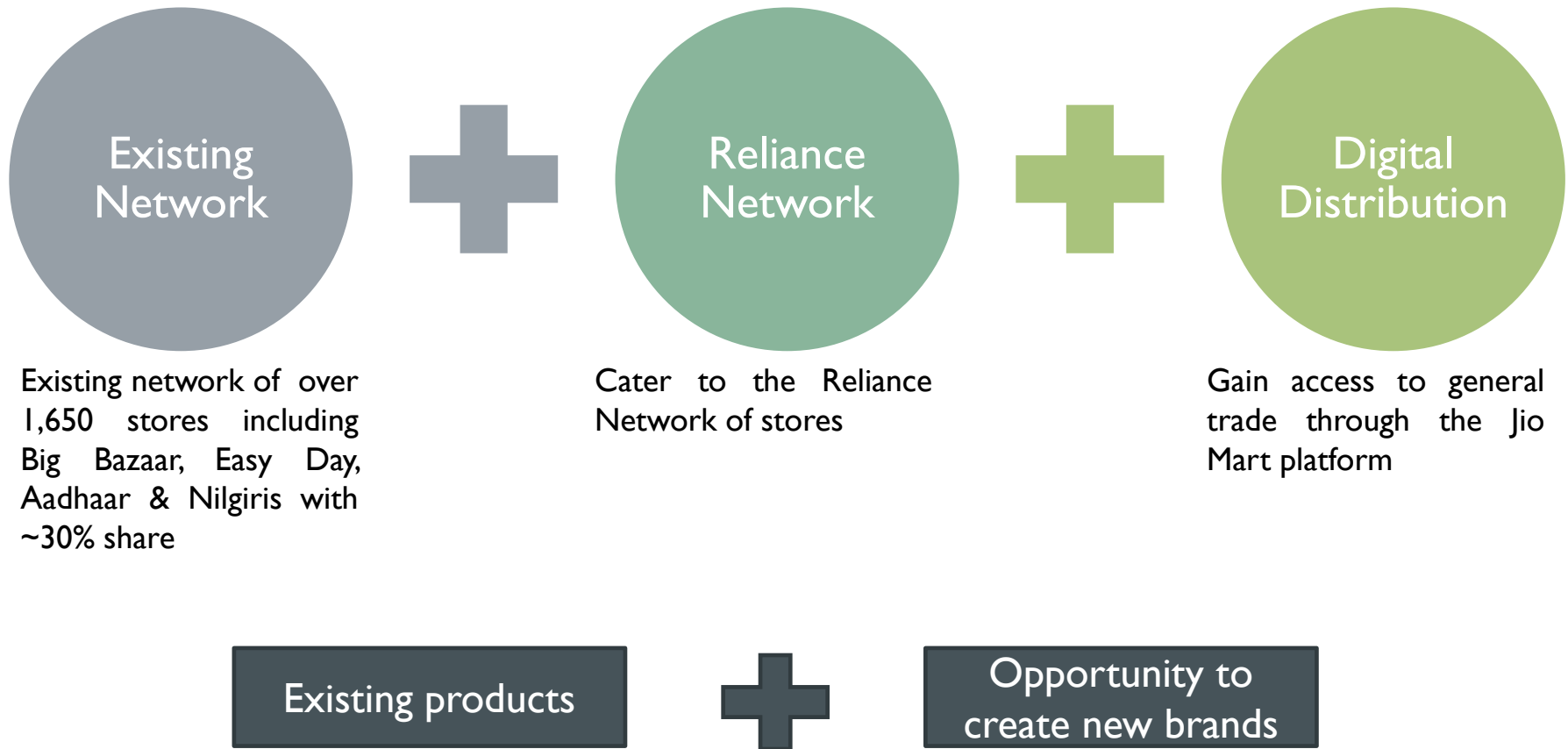


RIPENING CHAMBER - BANANA & MANGO



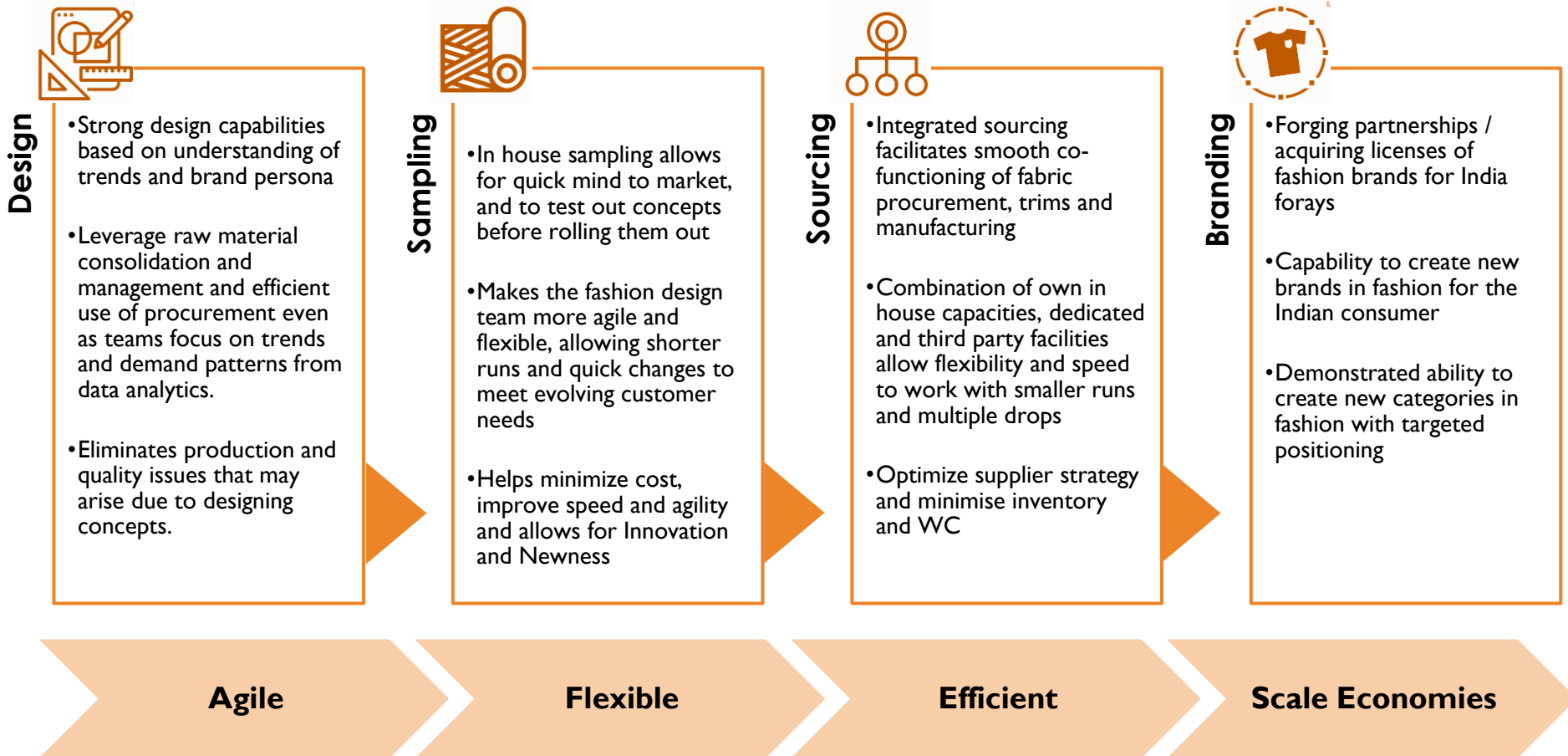
EXPANSION IN THE DISTRIBUTION NETWORK

Strategic supply agreement to provide enhanced distribution for the FMCG portfolio



FASHION SOURCING & MERCHANDISING

INTEGRATED SOURCING AND MERCHANDISING EXPERTISE



Strong and experienced team that allows managing a complex integrated sourcing operation

CAPABILITIES ACROSS PRODUCT CATEGORIES

Versatile Capabilities

- **Price Points** - Caters to all the categories of customers ranging from value to premium

Value  Premium

- **Across Categories** – expertise across formal wear, casual wear, western - ethnic wear, tops and bottoms
- **Customer** – teams catering to entire range of menswear, kids wear and products for women



Manufacturing

- **Large scale sourcing capability**
Sourcing of over 100mn garments a year, across product categories and segments
- **Own Manufacturing**
In-house sampling and manufacturing capacities at multiple locations across Tarapur, Bengaluru and through NTC JVs in Mumbai for over 7mn garments
- **Third Party Manufacturing**
Vendors with dedicated capacities that allow visibility on manufacturing

Strong relationships with domestic and international manufacturers for special ranges / peak demand

Sourcing

- Strong understanding of overall fashion ecosystem and supplier base
- Strong relationships with global manufacturers and large domestic suppliers for fabric and trims, and garment manufacturers
- Relationships with hundreds of suppliers and specialized artisans for a range of fabric, products, embroidery and finishes including handicraft-driven sectors
- Designers and merchandisers work closely with these enterprises in developing unique and differentiated products

In house teams that can work across product categories and price points

A SUPPLY PARTNER TO THE FASHION FORMATS FOR THEIR OWN BRAND PORTFOLIO

Design, manufacture & source apparel assortment for existing formats and Reliance's fashion formats

Existing Formats

Design, manufacture and source for portfolio of FBB, Central, Brand Factory

Reliance Formats

Opportunity to cater to the fashion portfolio of fashion formats of Reliance



Existing supplies



Opportunity to create new age fashion brands

INSURANCE JOINT VENTURES



STRONG LIFE & GENERAL INSURANCE FRANCHISES (1/2)

- 
- Partnership with Generali, Europe's 4th largest and Italy's leading insurance and asset management company
 - Operating one of the leading private sector insurance franchises through independent entities
 - Future Generali India Insurance (FGII)
 - Future Generali India Life Insurance (FGILI)
 - Led by highly experience management team
 - India is a highly insurance starved nation and is expected to show tremendous growth as Indians become more conscious of its benefits

STRONG LIFE & GENERAL INSURANCE FRANCHISES (2/2)

Future Generali Life Insurance at a Glance



Gross Written Premium

FY 20 – 1,480 Cr

FY 19 – 1,243 Cr



AUM

FY 20 – INR 4347 Cr

FY 19 – INR 3776 Cr



Solvency Ratio

FY 20 – 159 %

FY 19 – 162 %



Cost Ratio

FY 20 – 46 %

FY 19 – 33 %



First Year Premium

FY 20 – 768 Cr

FY 19 – 715 Cr

Future Generali General Insurance at a Glance



Gross Written Premium

FY 20 – 3,490 Cr

FY 19 – 2,601 Cr



AUM

FY 20 – 4,326 Cr

FY 19 – 3,629 Cr



Profit After Tax

FY 20 – 100 Cr

FY 19 – 118 Cr



Claim Settlement

FY 20 – 95 %

FY 19 – 94 %



Retention Ratio

FY 20 – 62 %

FY 19 – 66 %



Loss Ratio

FY 20 – 60 %

FY 19 – 69 %

- Partnership with Generali, Europe's 4th largest and Italy's leading insurance and asset management company
- Amongst the leading private sector insurance players, well placed on path to high growth and profitability

Significant Investments in Recent Years Have Created a Strong Growing Franchise

ENHANCED DISTRIBUTION AND DIGITAL OPPORTUNITIES

- Digital distribution emerging as key growth driver in insurance globally
- Future Generali Life and General Insurance companies are well placed with significant investments made in technology and digital distribution, and capability to create new products and sachet insurance
- Creation of customized products / sachets and enhance customer stickiness digitally
- Focus on enhancing customer engagement and provides a bundled solution at the point of sale
- Currently, the business leveraged the existing Future Group retail network and now will have the opportunity to participate in the enhanced network

VALUE CREATION OPPORTUNITY



STRONG VALUE CREATION OPPORTUNITY

- Secular growth opportunity for FMCG business, driven by strategic partnership with Reliance
- Large opportunities through creation / penetration in new categories and participation in general trade
- Fashion to deliver consistent cash flows, with opportunity to create new age brands at the opportune time
- Insurance to continue accelerate its value creation with access to added physical distribution channels

Investment by Reliance Showcases Strategic Intent

FINANCIAL OVERVIEW (1/2)

Rs Cr

FMCG	FY19	FY20
Revenue	3,881	4,040
EBITDA	122	126
EBIDTA %	3%	3%

FMCG – KEY DRIVERS

- Supplies to Reliance group will help scale up business and deliver economies of scale.
- Creation of new brands, distribution to general trade will further help growth
- Will help business grow 25%+ for next few years with an expansion in margins

Rs Cr

Fashion	FY19	FY20
Revenue	3,823	3,331
EBIDTA	344	307
EBITDA %	9%	9%

FASHION – KEY DRIVERS

- Fashion Sourcing and Merchandising business will scale with FEL's strengths in design, sourcing, manufacturing, merchandising and QC
- Revenues can grow at a 20% CAGR, with added opportunity to create new age fashion brands

Strong Growth in Revenues and EBITDA as Businesses Scale

FINANCIAL OVERVIEW (2/2)

Rs Cr

	Pro-forma
Net worth	3,290
Net Borrowings*	2,315

* Gross debt less cash consideration from transaction and preferential allotment

Rs Cr

	Pro-forma
Net Block	1,045
Investments	4,000
Net Current Assets	560

- Pro forma Balance Sheet Post Slump Sale & Preferential Allotment

- Investments include Insurance JVs, NTC Mill JVs and FMCG joint ventures
- Potential value unlocking through insurance JVs and real estate development

THANK YOU

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.

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