

**Investor Presentation  
August 2020**



# Company Overview

# Business Overview

<b>Manufacturing and Sourcing</b>	Manufacturing, sourcing and distribution of fashion apparels and trading of fabrics, readymade garments and other commodities to support Future Group's fashion business; Sourcing relationships with over 300 small, medium and large enterprises
	Leasing of retail infrastructure assets
	In-house manufacturing facility in Tarapur & Bengaluru; Apparel Park in Mumbai
	Supported by Joint Venture companies: Apollo Design Apparel Park & Goldmohur Design
<b>Substantial Investments</b>	Insurance: Owns substantial stakes in two insurance companies - life and general insurance along with the Generali Group, the largest insurer in Europe
	Supply Chain: Owns substantial stake in Future Supply Chain Solutions Limited – a third-party supply chain and logistics service provider that offers automated warehousing, pan India distribution and other logistics solutions to a wide range of customers

**With presence across logistics, design, sourcing, manufacturing and insurance, the company is well placed to benefit from India's growing consumption economy.**

# Investments Summary

Amount in INR Crore

Name of the Company	Nature of Business	% Stake <sup>#</sup>	Book Value <sup>1</sup>
<b><u>Insurance</u></b>			
Future Generali India Insurance Company Limited *	General Insurance	49.91%	366
Future Generali India Life Insurance Company Limited *	Life Insurance	33.03%	464
<b><u>Unlisted</u></b>			
Goldmohur Design and Apparel Park Limited	Manufacturing	39.00%	70
Apollo Design Apparel Parks Limited	Manufacturing	39.00%	74
Work Store Limited	Stationery & Office Products	62.63%	37
Bluerock eServices Private Limited (Fab Furnish)	Online Retail	100.00%	11
<b><u>Other Investments</u></b>	Miscellaneous	NA	242
<b>TOTAL</b>			<b>1,263</b>

# Brief of Other Investments

Name of the Company	Nature of Business	% Stake	Book Value on <sup>1,#</sup>
<b><u>Listed</u></b>			
Galaxy Cloud Kitchens Limited (Equity)	Food Services	13.95%	22
Galaxy Cloud Kitchens Limited (CCD's)	Food Services		11
<b><u>Non - Listed</u></b>			
Future Media (India) Limited	Media Business	93.1%	37
Future E-Commerce Infrastructure Limited (Equity)	Online Retail	86.71%	18
Future E-Commerce Infrastructure Limited (Preference)	Online Retail		49
Futurebazaar India limited	Online Retail	100.00%	19
Leanbox Logistics Solutions Private Limited	Supply Chain	37.48%	15
Ritvika Trading Private Limited	Trading	100.00%	0
LivQuik Technology (India) Private Limited	Digital Payment	38.19%	10
Future Merchandising and Sourcing Pte. Ltd.	International Trade	100.00%	0
Planet Retail Holdings Private Limited	Retail	0.73%	3
Mahindra & Mahindra Financial Services Limited (Bonds)	Investment		31
Bajaj Finance Limited (Bonds)	Investment		26
Others	Investments		1
<b>TOTAL</b>			<b>242</b>

Note: <sup>1</sup> All figures in INR Crore unless otherwise mentioned

# All are equity stake except if specified otherwise

# Financials Overview

## Profit and Loss Statement – Quarter Ended (Standalone)

Particulars	In INR Crore			YOY%	SQOQ%	% of Total Income		
	Dec-19	Dec-18	Sep-19			Dec-19	Dec-18	Sep-19
Revenue from Operations	1,278.78	1,112.94	1,323.19	<b>14.90%</b>	<b>-3.36%</b>			
Other Income	5.62	7.48	8.09					
<b>Total Income</b>	<b>1,284.40</b>	<b>1,120.42</b>	<b>1,331.27</b>	<b>14.64%</b>	<b>-3.52%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
COGS	844.17	719.59	879.95					
<b>Gross Margin <sup>1</sup></b>	<b>434.60</b>	<b>393.36</b>	<b>443.24</b>	<b>10.49%</b>	<b>-1.95%</b>	<b>33.8%</b>	<b>35.1%</b>	<b>33.3%</b>
Total Operating Expenses	45.91	61.11	52.52	-24.88%	-12.59%	3.6%	5.5%	3.9%
EBITDA	394.32	339.73	398.81	16.07%	-1.13%	30.7%	30.3%	30.0%
Depreciation	232.14	196.14	219.30	18.35%	5.85%	18.1%	17.5%	16.5%
PBIT	162.19	143.59	179.51	12.96%	-9.65%	12.6%	12.8%	13.5%
Finance Costs	157.90	142.04	155.62	11.16%	1.47%	12.3%	12.7%	11.7%
PBT	4.29	1.54	23.89	177.87%	-82.05%	0.3%	0.1%	1.8%
Tax	1.25	0.48	7.67	159.44%	-83.78%	0.1%	0.0%	0.6%
<b>PAT</b>	<b>3.04</b>	<b>1.06</b>	<b>16.22</b>	<b>186.19%</b>	<b>-81.23%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>1.2%</b>
Other Comprehensive Income (OCI) (net of tax)	9.66	0.21	(3.85)			0.8%	0.0%	-0.3%
<b>Total Comprehensive Income</b>	<b>12.70</b>	<b>1.27</b>	<b>12.37</b>	<b>896.58%</b>	<b>2.68%</b>	<b>0.99%</b>	<b>0.11%</b>	<b>0.93%</b>
<b>Cash Profit</b>	<b>235.18</b>	<b>197.20</b>	<b>235.52</b>	<b>19.26%</b>	<b>-0.15%</b>	<b>18.31%</b>	<b>17.60%</b>	<b>17.69%</b>

Note: <sup>1</sup> Gross Margin doesn't include Other Income

# Profit and Loss Statement – Quarter Ended (Consolidated)

Particulars	In INR Crore			YOY%	SQOQ%	% of Total Income		
	Dec-19	Dec-18	Sep-19			Dec-19	Dec-18	Sep-19
Revenue from Operations	1,467.81	1,468.98	1,699.84	-0.08%	-13.65%			
Other Income	16.05	9.89	11.53					
<b>Total Income</b>	<b>1,483.86</b>	<b>1,478.87</b>	<b>1,711.37</b>	<b>0.34%</b>	<b>-13.29%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
COGS	965.33	978.97	1,127.70					
<b>Gross Margin <sup>1</sup></b>	<b>502.48</b>	<b>490.01</b>	<b>572.15</b>	<b>2.55%</b>	<b>-12.18%</b>	<b>33.9%</b>	<b>33.1%</b>	<b>33.4%</b>
Total Operating Expenses	82.06	122.97	127.35	-33.27%	-35.56%	5.5%	8.3%	7.4%
EBITDA	436.48	376.94	456.32	15.79%	-4.35%	29.4%	25.5%	26.7%
Depreciation	255.87	207.49	262.49	23.32%	-2.52%	17.2%	14.0%	15.3%
PBIT	180.60	169.45	193.83	6.58%	-6.83%	12.2%	11.5%	11.3%
Finance Costs	173.41	148.90	171.84	16.46%	0.91%	11.7%	10.1%	10.0%
PBT Before Exceptional Items	7.19	20.54	21.99	-64.98%	-67.29%	0.5%	1.4%	1.3%
Exceptional Items	3.53	-	-	0.00%	0.00%	0.2%	0.0%	0.0%
Share of Profit from Associate and Joint Ventures	2.59	2.50	7.46	3.61%	-65.29%	0.2%	0.2%	0.4%
PBT	13.31	23.04	29.45	-42.24%	-54.81%	0.9%	1.6%	1.7%
Tax	1.25	(13.47)	7.67	109.24%	-83.76%	0.1%	-0.9%	0.4%
<b>PAT</b>	<b>12.06</b>	<b>36.51</b>	<b>21.78</b>	<b>-66.96%</b>	<b>-44.61%</b>	<b>0.8%</b>	<b>2.5%</b>	<b>1.3%</b>
Other Comprehensive Income (OCI) (net of tax)	23.26	0.22	2.05			1.6%	0.0%	0.1%
<b>Total Comprehensive Income</b>	<b>35.32</b>	<b>36.73</b>	<b>23.83</b>	<b>-3.85%</b>	<b>48.22%</b>	<b>2.38%</b>	<b>2.48%</b>	<b>1.39%</b>
<b>Cash Profit</b>	<b>267.94</b>	<b>244.01</b>	<b>284.27</b>	<b>9.81%</b>	<b>-5.75%</b>	<b>20.86%</b>	<b>21.78%</b>	<b>21.35%</b>

Note: <sup>1</sup> Gross Margin doesn't include Other Income



## Profit and Loss Statement – Nine Month Ended (Standalone)

Particulars	In INR Crore		YOY%	% of Total Income	
	9M FY20	9M FY19		9M FY20	9M FY19
Revenue from Operations	3,699.60	3,344.56	10.62%		
Other Income	20.01	22.07	-9.30%		
<b>Total Income</b>	<b>3,719.61</b>	<b>3,366.63</b>	<b>10.48%</b>	<b>100.0%</b>	<b>100.0%</b>
COGS	2,444.90	2,240.80			
<b>Gross Margin <sup>1</sup></b>	<b>1,254.69</b>	<b>1,103.76</b>	<b>13.67%</b>	<b>33.7%</b>	<b>32.8%</b>
Total Operating Expenses	146.41	158.66	-7.72%	3.9%	4.7%
EBITDA	1,128.31	967.18	16.66%	30.3%	28.7%
Depreciation	655.31	570.20	14.93%	17.6%	16.9%
PBIT	473.01	396.97	19.15%	12.7%	11.8%
Interest	464.53	429.96	8.04%	12.5%	12.8%
PBT	8.48	(32.99)	125.70%	0.2%	-1.0%
Tax	2.04	(10.69)	119.05%	0.1%	-0.3%
<b>PAT</b>	<b>6.44</b>	<b>(22.29)</b>	<b>128.89%</b>	<b>0.2%</b>	<b>-0.7%</b>
Other Comprehensive Income (OCI) (net of tax)	0.88	7.13		0.0%	0.2%
<b>Total Comprehensive Income</b>	<b>7.32</b>	<b>(15.16)</b>	<b>148.30%</b>	<b>0.2%</b>	<b>-0.5%</b>
<b>Cash Profit</b>	<b>661.75</b>	<b>547.91</b>	<b>20.78%</b>	<b>17.8%</b>	<b>16.3%</b>

Note: <sup>1</sup> Gross Margin doesn't include Other Income

## Profit and Loss Statement – Nine Month Ended (Consolidated)

Particulars	In INR Crore		YOY%	% of Total Income	
	9M FY20	9M FY19		9M FY20	9M FY19
Revenue from Operations	4,582.38	4,416.26	3.76%		
Other Income	36.85	29.77	23.80%		
<b>Total Income</b>	<b>4,619.23</b>	<b>4,446.03</b>	<b>3.90%</b>	<b>100.0%</b>	<b>100.0%</b>
COGS	3,018.57	3,041.15			
<b>Gross Margin <sup>1</sup></b>	<b>1,563.81</b>	<b>1,375.11</b>	<b>13.72%</b>	<b>33.9%</b>	<b>30.9%</b>
Total Operating Expenses	314.04	341.61	-8.07%	6.8%	7.7%
EBITDA	1,286.63	1,063.28	21.01%	27.9%	23.9%
Depreciation	761.43	603.55	26.16%	16.5%	13.6%
PBIT	525.19	459.72	14.24%	11.4%	10.3%
Interest	512.93	442.48	15.92%	11.1%	10.0%
PBT Before Exceptional Items	12.26	17.25	28.92%	0.3%	0.4%
Exceptional Items	3.53	-	0.00%	0.1%	0.0%
Share of Profit from Associate and Joint Ventures	11.51	8.45	36.24%	0.2%	0.2%
PBT	27.30	25.70	6.22%	0.6%	0.6%
Tax	2.03	(10.69)	118.98%	0.0%	-0.2%
<b>PAT</b>	<b>25.27</b>	<b>36.40</b>	<b>30.56%</b>	<b>0.5%</b>	<b>0.8%</b>
Other Comprehensive Income (OCI) (net of tax)	20.39	7.16		0.4%	0.2%
<b>Total Comprehensive Income</b>	<b>45.66</b>	<b>43.55</b>	<b>4.84%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Cash Profit</b>	<b>786.70</b>	<b>639.95</b>	<b>22.93%</b>	<b>17.0%</b>	<b>14.4%</b>

Note: <sup>1</sup> Gross Margin doesn't include Other Income

# Disclaimers & Disclosures

Following information has been shared as part of diligence:

- Management Review financial statements of 31<sup>st</sup> March 2020 along with schedules and key notes to accounts
- Financial details of various business verticals of FEL, such as the capex details, details of gross margin, financial facility utilization details.
- Details of one-off/exceptional/non-recurring items of income and expenditure, such as profit/loss on sale of fixed assets as quantified in the income/other expense
- Details and Contracts relating to the properties, licenses and statutory approvals required thereof
- Organisation chart describing reporting lines and number of staff in each division was shared. Summary of FEL's business highlighting group structure, categories it deals into, and key aspects from buying to selling
- Summary of souring arrangement with top vendors of Fashion
- Details of various internal reports relating to the business and minutes
- Details of majority of customers (including copies of contracts, level of contribution in the total revenues of FEL, and relevant terms and conditions governing the terms or engagement with such customers).
- Copies of income tax returns, computation of total income, tax audit reports, assessment status
- Copies of withholding tax returns filed on sample basis.
- Reconciliation of revenue, expenses with GST returns (on sample basis)
- Material financing / loan agreements relating to indebtedness
- Details of off-balance sheet arrangements
- Copies of various returns and documents filed with the ROC with respect to the financial facilities.
- Copies of the scheme of arrangement(s) and / or acquisitions of controlling interest / voting rights, business transfer agreements / asset transfer agreements and status of implementation of the same, along with documents evidencing the same, including subsisting shareholder agreements, joint venture agreements and investment agreements.
- Details of interests of the Director in the Company with respect to shares, options, warrants, etc. along with complete list of personal guarantee(s) and indemnities furnished by the Directors on behalf of the Company.
- Material contracts (i.e. lease agreements; customer contracts and third-party vendor agreements, investment agreements, labour contracts and agreements with respect to the business etc.) for FEL and copies of termination notices received or served
- Details of services, facilities, supplies, resources or assets (movable and immovable) procured from, provided to or shared with any group companies or related parties of the Company and agreements thereto
- Copies of various insurance policies, details of software, hardware and IT applications used by FEL and subsidiary companies in its business, details of trademarks (owned or licensed) and details of other intellectual property
- Basic details of corporate information like Directors and KMPs (including their interest in other entities), list of related parties and copies of agreements entered with related parties, committee details, delegation of authority, Power of Attorneys, offices locations, shareholding structure (including details of ESOP) etc.
- Details of various compliances made by the Company under the Companies Act, SEBI Act, Listing Regulations, FEMA, Local and other State Government's laws etc and notices received from any statutory authorities and replies given by the Company
- Details and supporting documents for ongoing litigations
- Details of all officials and key employees of FEL including the details of remuneration, bonuses and other key terms, including designation, primary duties and annual compensation. Sample employment offer letter/employment agreement across management levels in FEL, code of conduct and copies of various HR and internal policies, labour and employment compliances like PF, ESIC etc.

# Disclaimers & Disclosures

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, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Although the Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current views of the Company's management on future events. No representation or warranty (whether express or implied) is given in respect of any information in this presentation.

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All figures herein have been rounded off to the nearest integer.



**THANK YOU**

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