FUTURE CONSUMER LIMITED (Formerly Future Consumer Enterprise Limited)
Corporate Office : 247 Park, Tower "C", 8th Floor, LBS Marg, Vikhroli (W), Mumbai - 400 083
(T) +91 22 6119 0000 | www.futureconsumer.in
Regd. Office : Knowledge House, Shyam Nagar, Off JVLR, Jogeshwari (East), Mumbai - 400 060
(T) +91 22 6644 2200 | CIN: L52602MH1996PLC192090

10th July, 2020

To,
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 533400

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051
Scrip Code : FCONSUMER

Dear Sir/Madam,

Sub.: Investor Presentation

Please find enclosed herewith Investor Presentation on the Audited Financial Results of the Company for the quarter and year ended 31st March, 2020.

The aforesaid presentation is also available on the Company's website www.futureconsumer.in.

Kindly take the same on record.

Yours truly,
For **Future Consumer Limited**

Manoj Gagvani
Company Secretary & Head – Legal

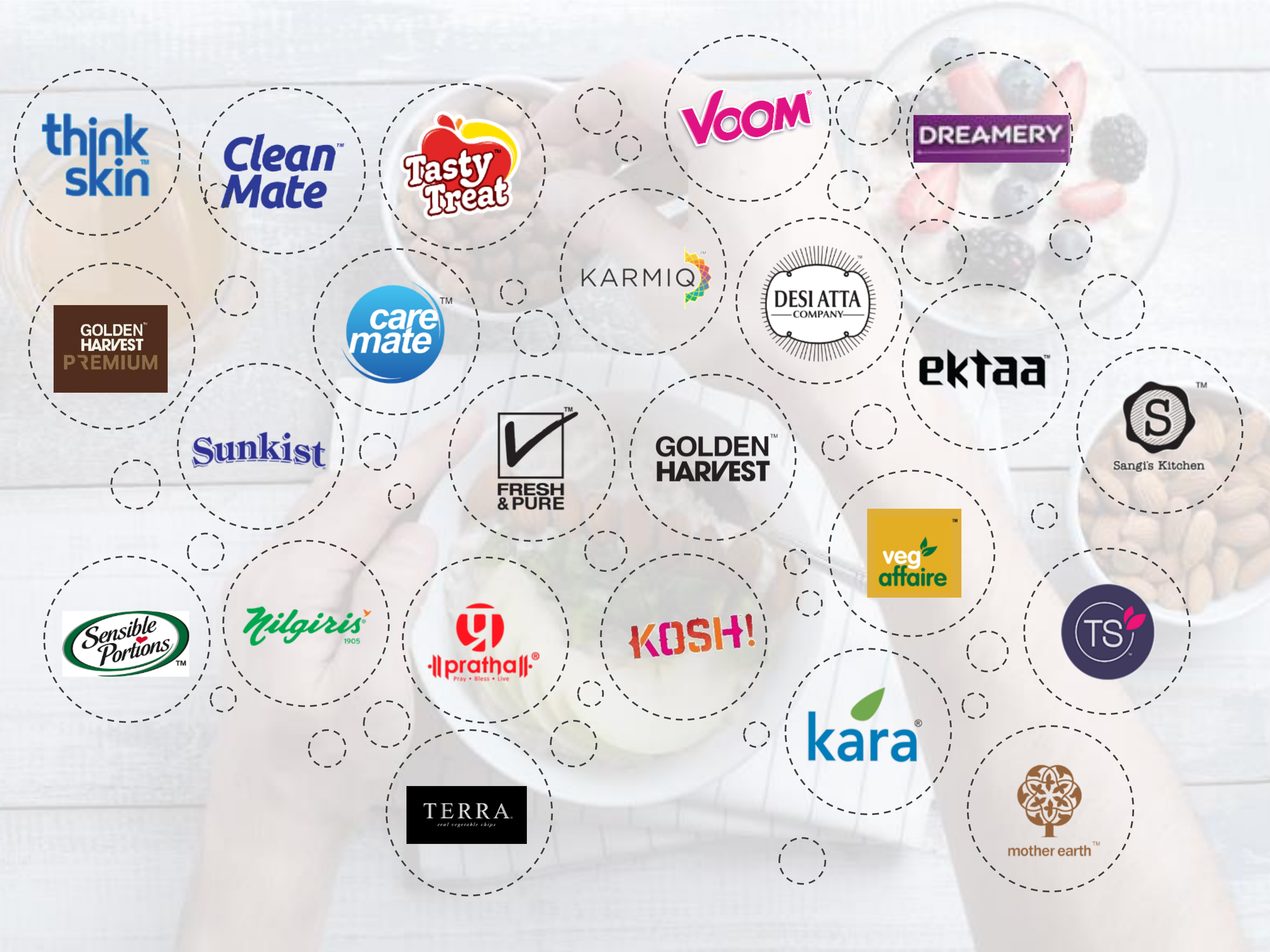
Encl: As above

FMCG 2.0

FUTURE CONSUMER

for the Fast Moving Consumer Generation

Q4FY20 and FY20 INVESTOR UPDATE
JULY 2020


think skin
Clean Mate
Tasty Treat
VOOM
DREAMERY
KARMIQ
DESI ATTA COMPANY
GOLDEN HARVEST PREMIUM
care mate
ektaa
Sangi's Kitchen
Sunkist
FRESH & PURE
GOLDEN HARVEST
veg affaire
Sensible Portions
Nilgiris 1905
prathal
Pray • Bless • Live
KOSH!
TS
kara
TERRA
real vegetable chips
mother earth

Safe Harbour Statement

This investor presentation has been prepared by Future Consumer Limited ("FCL") and does not constitute a prospectus or placement memorandum or an offer to acquire any securities. This presentation or any other documentation or information (or any part thereof) delivered or supplied should not be deemed to constitute an offer.

No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements", including those relating to the general business plans and strategy of FCL, its future financial condition and growth prospects, future developments in its industry and its competitive and regulatory environment, and statements which contain words or phrases such as 'will', 'expected to', 'horizons of growth', 'strong growth prospects', etc., or similar expressions or variations of such expressions. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to risks with respect to its hair care, its healthcare business and its skin care business.

FCL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation cannot be copied and disseminated in any manner.

TABLE OF CONTENTS

Q4FY20 AND FY20 – AT A GLANCE 05

OVERVIEW OF FINANCIAL PERFORMANCE 11

Q4FY20 and FY20 at a Glance

FY20 : Key Operational Milestones (1/2)

Growth Engine Continues….

2 — Brands Crossed ₹2bn Milestone (Tasty Treat, KARMIQ)

Won "Product of the Year" 2020 Award (VOOM)

Formed partnership with Amazon (amazon)

GOAL

1. Profitable & Sustainable Growth
2. FCF generation
3. Return Enhancement

FY20 : Key Operational Milestones (2/2)

Efficiency Increase

- Sourcing efficiencies via Vendx and Agribid
- **805** — Slow Moving / Low Margin SKUs Rationalized
- **5** — Inventory optimization of 5 days leading to supply chain efficiencies & improved freshness index
- **₹** — First Full Year of Free Cash Flow Post Operations & Investment

GOAL

1. Profitable & Sustainable Growth
2. FCF generation
3. Return Enhancement

FY20 in Numbers: Q4FY20 Impacting the Full Year Performance

	9MFY20	Q4FY20	FY20
Sales	₹30,933mn ↑9%	₹9,471mn ↓9%	₹40,403mn ↑4%
Gross Margin	14% ↓ 20bps	11% ↓200bps	13% ↓ 60bps
EBITDA (Pre ECL)	₹1,208mn ↑44%	₹242mn ↓28%	₹1,451mn ↑23%
EBITDA (Post ECL)	₹1,202mn ↑45%	-₹612mn	₹590mn ↓49%

Note: 9MFY20, Q4FY20 and FY20 EBITDA is not comparable prior period on account of IND AS 116, * Expected Credit Loss (ECL) impact of ₹7mn, ₹854mn and ₹861mn for 9MFY20, Q4FY20 and FY20 respectively

Q4FY20 Impacting the Full Year Performance

- **Sales Mix tilted towards essentials impacting the gross margins**
- **SKU Rationalization and Liquidation**
  - 805 SKUs rationalized in FY20 impacted Q4 sales
- **Liquidation of near expiry SKUs in processed food and HPC impacted the margins**
- **Covid-19 started impacting the performance towards the end of March leading to disruptions in sourcing, supply chain and distribution impacted by store closures due to lockdown**

FY20: Hits & Misses

WE ACHIEVED

- Topline crosses the ₹40 bn milestone, despite rationalization of over 805 SKUs and fewer new launches
- Tasty Treat and Karmiq crossed the ₹2bn topline milestone and continue gaining scale
- Standalone gross margin expanded by 40bps
- Achieved similar EBITDA levels* in FY20 despite challenging Q4
- First full year of positive free cash flow post operations and investment
- Inventory correction as inventory days reduce by 5 days to 21

MISSES

- COVID Pandemic started disrupting the business in Q4 FY20
- Challenging environment led to increased prudence in accounting, provided for expected credit loss of ~₹861mn in receivables
- FY20 was impacted by over 290 stores closures in channel
- Receivables of 65 days outstanding affecting the cash conversion and sales turns

* Before Expected Credit Loss of ₹861mn

OVERVIEW OF FINANCIAL PERFORMANCE

Standalone: Profit & Loss Statement

(₹ in Mn, Unless specified otherwise)

Particulars	FY20	FY19	Q4 FY20	Q3 FY20	Q4 FY19
Total Income from Operations	**30,261**	**29,900**	**6,884**	**6,753**	**7,793**
Gross Profit	**4,410**	**4,240**	**825**	**1,053**	**1,085**
Gross Margin (%)	*14.6%*	*14.2%*	*12.0%*	*15.6%*	*13.9%*
Operating Cost	-3,077	-3,218	-714	-690	-787
Other Income	134	119	49	30	24
EBITDA	**1,467**	**1,141**	**159**	**394**	**322**
EBITDA (%)	4.8%	3.8%	2.3%	5.8%	4.1%
Expected Credit Loss (ECL)	-790	-2	-748	-2	0
EBITDA Post ECL	**677**	**1,139**	**-589**	**392**	**322**
Depreciation	-511	-349	-128	-130	-96
EBIT	**165**	**790**	**-717**	**262**	**226**
Net Interest	-271	-180	-58	-63	-66
PBT	**-105**	**610**	**-774**	**199**	**160**
Tax	-35	188	184	-52	188
PAT	**-140**	**798**	**-590**	**148**	**348**
Exceptional Items	-2,916	-192	-2,873	0	0
PAT Post Exceptional	**-3,057**	**605**	**-3,463**	**148**	**348**
Cash Profit	**1,063**	**958**	**57**	**298**	**256**

Q4 / FY20 financials are not comparable prior period on account of IND AS 116, EBITDA growth adjusted for IND AS 116 of 11% for FY20

FY20 vs FY19:

- Gross Margin expanded by 40bps
- EBITDA (pre ECL) increased by 29% with margin expansion of 100bps
- Post ECL EBITDA stood at ₹677mn
  - Includes a higher provision for Expected Credit Loss (ECL) due to unprecedented times
- Creation of deferred tax assets in FY19 led to increase in PAT before exceptional in FY19
- Cash profit increased from ₹958mn in FY19 to ₹1,063mn in FY20

Q4 FY20 vs Q4 FY19:

- Gross margin impacted by one time liquidation in Processed Food and HPC and incremental share of essentials
- Reported EBITDA of ₹159mn (pre ECL) and -₹589mn (post ECL)

Note: Exceptional items for Q4FY20 and FY20 include impairment on Aadhaar, Nilgiris and other

Consolidated: Profit & Loss Statement

(₹ in Mn, Unless specified otherwise)

Particulars	FY20	FY19	Q4 FY20	Q3 FY20	Q4 FY19
Total Income from Operations	**40,403**	**38,806**	**9,471**	**9,240**	**10,374**
Gross Profit	**5,209**	**5,246**	**1,017**	**1,232**	**1,318**
Gross Margin (%)	*12.9%*	*13.5%*	*10.7%*	*13.3%*	*12.7%*
Operating Cost	-3,894	-4,213	-827	-897	-1,019
Other Income	136	147	52	28	40
EBITDA	**1,451**	**1,180**	**242**	**362**	**339**
EBITDA(%)	*3.6%*	*3.0%*	*2.6%*	*3.9%*	*3.3%*
Expected Credit Loss (ECL)	-861	-25	-854	10	-12
EBITDA post ECL	**590**	**1,154**	**-612**	**373**	**327**
Depreciation	-705	-532	-169	-179	-143
EBIT	**-114**	**623**	**-780**	**193**	**184**
Net Interest	-746	-568	-174	-186	-177
PBT	**-860**	**55**	**-955**	**7**	**8**
Tax	18	166	181	14	181
Profit/(Loss) After Tax	-842	**221**	-773	**21**	188
Share of Profit/(Loss) in Asso. & JVs & MI	-463	-287	-151	-111	-111
Consolidated PAT	-1,305	**-66**	-924	**-90**	78
Exceptional Items	-853	2.2	-829	0	0
Consolidated PAT Post Exceptional	**-2,158**	**-64**	**-1,753**	**-90**	**78**
Consolidated Cash Profit	**81**	**548**	**-127**	**35**	**32**

Q4 FY20 and FY20 financials are not comparable prior period on account of IND AS 116, EBITDA growth adjusted for IND AS 116 for FY20 is 5%

FY20 vs FY19:

- Topline crossed ₹40bn milestone growing by 4%
- EBITDA (pre ECL) continues its growth trajectory as EBITDA grew by 23% on YoY basis while margins expanded by 60bps
- Operating Cost (pre ECL) declined by 7% compared to last year (120bps decline as % of sales)
- On post ECL basis, EBITDA stood at ₹590mn for FY20
- Includes higher provision for Expected Credit Loss (ECL) due to unprecedented times

Q4 FY20 vs Q4 FY19:

- Gross margin impacted by increase in share of essentials and liquidation in PF and HPC
- Operating Cost (pre ECL) declined by 19% compared to last year (100bps decline as % of sales)
- Reported EBITDA (pre ECL) of ₹242mn impacted by sales mix and COVID-19
- On post ECL basis, EBITDA stood at -₹612mn for Q4 FY20

Note: Exceptional items for Q4FY20 and FY20 include impairment on Nilgiris and other

Impairment in Aadhaar and Nilgiris – We Expect a Much Higher Growth Potential vs Modest Growth Assumed for Valuation

	Nilgiris	Aadhaar
Business Environment FY20	• Closing of unprofitable GT business and franchisees, outsourcing of manufacturing leading to temporary topline impact	• Strategically exited geographies which were impacting profitability leading to a softer topline
Valuation Basis	• Business environment led to conservative projections • Business valuation also factors in trailing sales numbers which were impacted by strategic re-haul of both the businesses	
Impairment	• ₹1.1bn	• ₹1.5bn

While the Valuation has been conservative given Covid scenario, we continue to believe in the potential of Nilgiris and Aadhaar and the value of these assets and the distribution promise they have in an asset light consumer proximate way

Expected Credit Loss

Standard - IND AS 109	• Expected Credit Loss (ECL) requirements is in accordance with standard IND AS 109 • Applicable to receivables, lease receivables, most loan commitments, financial guarantee contracts etc.
Provisions of the Standard	• Entities are required to recognize an allowance for either 12-month or lifetime expected credit losses (ECLs), depending on whether there has been a significant increase in credit risk since initial recognition • Measurement reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. • Incorporating forward-looking information involves considerable judgment of impact macroeconomic factors will have on ECLs • Assessment of significant increase in credit risk will also require new data and processes
Application for FCL	• FCL evaluates ECL on each reporting date on all applicable asset class • COVID 19 pandemic has led to a general slowdown in economy impacting the cash cycle and increased likelihood of delay / defaults of receivables going forward • Company has prudently recognized ECL considering current macro-economic environment despite no significant historical trends • **Impact:** ₹790mn in standalone financials and ₹861mn in consolidated financials. (LY ₹2mn Standalone / ₹25mn Consolidated)

ECL is a non-cash provision which can get reversed post realization of amount/value

FY20: FCL Approach and Impact of IND AS 116 Accounting

Particulars	Consolidated FY20 Comparable	Consolidated IND AS 116 Adjustment	Consolidated FY20 Reported	Standalone FY20 Comparable	Standalone IND AS 116 Adjustment	Standalone FY20 Reported
Revenue from Operations	40,403	0	40,403	30,261	0	30,261
Other Income	124	+12	136	136	+2	134
COGS	-35,194	0	-35,194	-25,851	0	-25,851
Rent & Other Operating Expenses	-4,093	+199	-3,894	-3,272	+194	-3,077
EBITDA	1,240	+211	1,451	1,274	+196	1,467
Finance Cost	-665	-81	-746	-200	-71	-271
Depreciation & Amortisation	-560	-145	-705	-361	-150	-511
PBT	15	-15	0	713	-25	685
PAT Before Exceptional Items	-1,290	-15	-1,305	-116	-25	-140

Particulars	Consolidated Q4 FY20 Comparable	Consolidated IND AS 116 Adjustment	Consolidated Q4 FY20 Reported	Standalone Q4 FY20 Comparable	Standalone IND AS 116 Adjustment	Standalone Q4 FY20 Reported
Revenue from Operations	9,471	0	9,471	6,884	0	6,884
Other Income	43	+9	52	51	-2	49
COGS	-8,454	0	-8,454	-6,060	0	-6,060
Rent & Other Operating Expenses	-877	+50	-827	-773	+59	-714
EBITDA	183	+59	242	102	+61	159
Finance Cost	-155	-19	-174	-40	-17	-58
Depreciation & Amortisation	-132	-37	-169	-87	-41	-128
PBT	-104	+3	-101	-25	-3	-27
PAT Before Exceptional Items	-927	+3	-924	-593	+3	-590

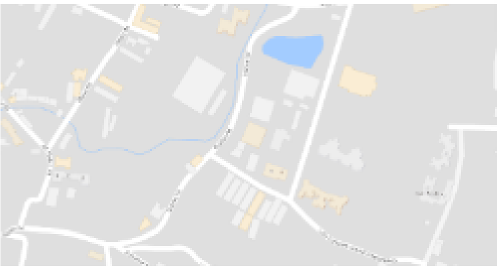
Consolidated Balance Sheet

(₹ in Mn, Unless specified otherwise)

Particulars	As on		
	31-Mar-20	31-Dec-19	31-Mar-19
Shareholder's Fund	10,542	12,273	9,902
Minority Interest	0	-29	-24
Gross Debt	5,948	6,225	8,137
Less: Cash and Cash Equivalents	590	649	684
Net Debt	5,357	5,576	7,453
Lease Liabilities and debt component of CCDs	1,008	958	
Less: Investment in JVs	-1,308	-1,344	-1,415
Net Adjusted Capital Employed	**15,600**	**17,435**	**15,916**
Fixed Assets	4,178	6,160	6,194
Right to Use Assets	1,368	681	
Assets Held for Sale	1,199		
Goodwill and Intangibles	2,636	3,449	3,567
Net Current Assets	6,219	7,145	6,156
Total Net Assets	**15,600**	**17,435**	**15,916**

Note: Balance Sheet for period ending Mar'20 and Dec'19 are not comparable with that of Mar'19 on account of IND AS 116

Thank You



Corporate Office:
Future Consumer Limited
Embassy 247, Tower 'C', LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 22 6119 0000

Registered Office:
Future Consumer Limited
Knowledge House, Shyam Nagar Off JVLR,
Jogeshwari(East), Mumbai 400 060
Tel: +91 22 6644 2200

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