



Ref: FLFL/BM/ 2018-19

31 October 2018

To
Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

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

Scrip Code : 536507
Debt – Scrip Code: 957150

Scrip Code : FLFL

Dear Sir/Madam,

Sub: Presentation to Analysts/ Investors

Please find enclosed herewith the presentation being forwarded to Analysts/ Investors on the Un-audited Financial Results of the Company for the Quarter and Half year ended 30 September 2018.

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

Kindly take the above information on your records

Thanking you,

Yours truly
for **Future Lifestyle Fashions Limited**


Sanjay Kumar Mutha
Chief-Legal & Company Secretary

Encl: As above

SCULLERS

FLF 
FUTURE
LIFESTYLE
FASHIONS

Investor update

31st Oct 2018, Mumbai.



Disclaimer

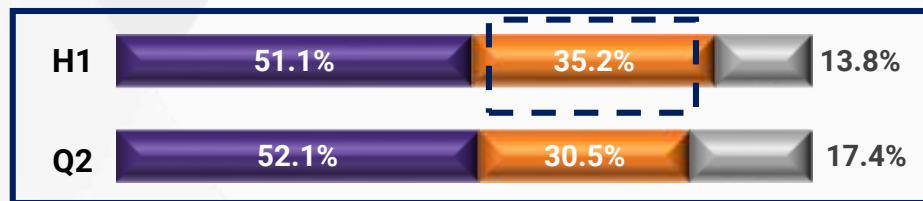
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including 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.



Q2 and H1 At a Glance

Business Update

- Own brands continue the transformation journey; showing YoY growth of ~30% during H1FY19
- Lee Cooper footwear commercial operation started, with placement in 625 LFR doors planned by Dec'18 and placement across 1500+ MBO doors
- 2 Central and 7 Brand Factory stores opened during Q2, taking total count: Central to 43 and Brand Factory to 76.
- Revenue segmentation: Significant shift in share of business of brand factory by close to 500 bps



CENTRAL
BRAND.NEWS



BRAND FACTORY
BEST BRANDS • SMART PRICES



Brands – EBOs and 3rd party channels

- Strong traction in e commerce business of aLL, driven through exclusive portal

Financial Update

- CRISIL reaffirms FLFL rating as AA- positive outlook, notch above CARE
- Well hedged debt schedule, ring fenced FLFL from the current financial market crisis
- FLFL has delivered strong Revenue and EBITDA growth (~20% and ~18% respectively) during H1FY19 backed by own brands in Q2
- Growth in Q2 has been driven largely by Power brands, clocking retail revenue YoY growth of 39%

Deliverables – 10th consecutive quarter of on-track performance

Area	FY 17	FY18	H1 FY19	Target
Revenue growth	17.5%	19.3%	20.6%	• 15-17% CAGR
EBITDA margin expansion%	9.4%	9.8%	9.6%#	• Expand by 40-50 bps over 3 years
SSG %	17.7%	12.0%	8.5%*	• Sustain close to double digit SSG
ROCE%	7.8%	11.7%	13.2%	• Expand by 450-600 bps over 3 years
Net Debt/ EBITDA	1.8	1.6	1.4	• Around 2 times of EBITDA

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

EBITDA % adjusted for start-up expenses of ~Rs. 5.5 cr. in H1FY19 on account of Lee Cooper footwear is 9.8%

* Adjusted for shift in Festive days. FLF SSG% is Central + Brand Factory SSG

Q2 FY19 – Financial Highlights

Central SSG%*

6.7%

(3.0% in Q2 FY18)

Brand Factory SSG%*

12.3%

(17.3% in Q2 FY18)

FLF SSG%*

8.6%

(5.1% in Q2 FY18)

Revenue

₹ 1,336 cr in Q2 FY19

19.5%

(₹ 1,118 cr in Q2 FY18)

Gross Margin

₹ 483 cr in Q2 FY19

18.9%

(₹ 406 cr in Q2 FY18)

EBITDA

₹ 129 cr in Q2 FY19

17.7%

(₹ 110 cr in Q2 FY18)

Commentary:

- Revenue has grown by ~20%, driven by growth in brands, especially power brands.
- Overall volume grew 19%
- Brand Factory share of revenue moving from ~28% to ~31% in Q2 impacts absolute EBITDA margin
- Without festive days adjustment Central SSG is 1% and Brand Factory SSG is 3.1%
- EBITDA growth adjusted for start-up expenses of ~Rs. 1.5 cr. on account of Lee Cooper footwear is 19.1%

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

FLF SSG% is Central + Brand Factory SSG. * Adjusted for shift in festive days

H1 FY19 – Financial Highlights

Central SSG%*

5.2%

(13.4% in Q2 FY18)

Brand Factory SSG%*

14.0%

(24.2% in Q2 FY18)

FLF SSG%*

8.5%

(16.7% in Q2 FY18)

Revenue

₹ 2,654 cr in Q2 FY19

20.6%

(₹ 2,202 cr in Q2 FY18)

Gross Margin

₹ 945 cr in Q2 FY19

17.7%

(₹ 803 cr in Q2 FY18)

EBITDA

₹ 254 cr in Q2 FY19

17.7%

(₹ 215 cr in Q2 FY18)

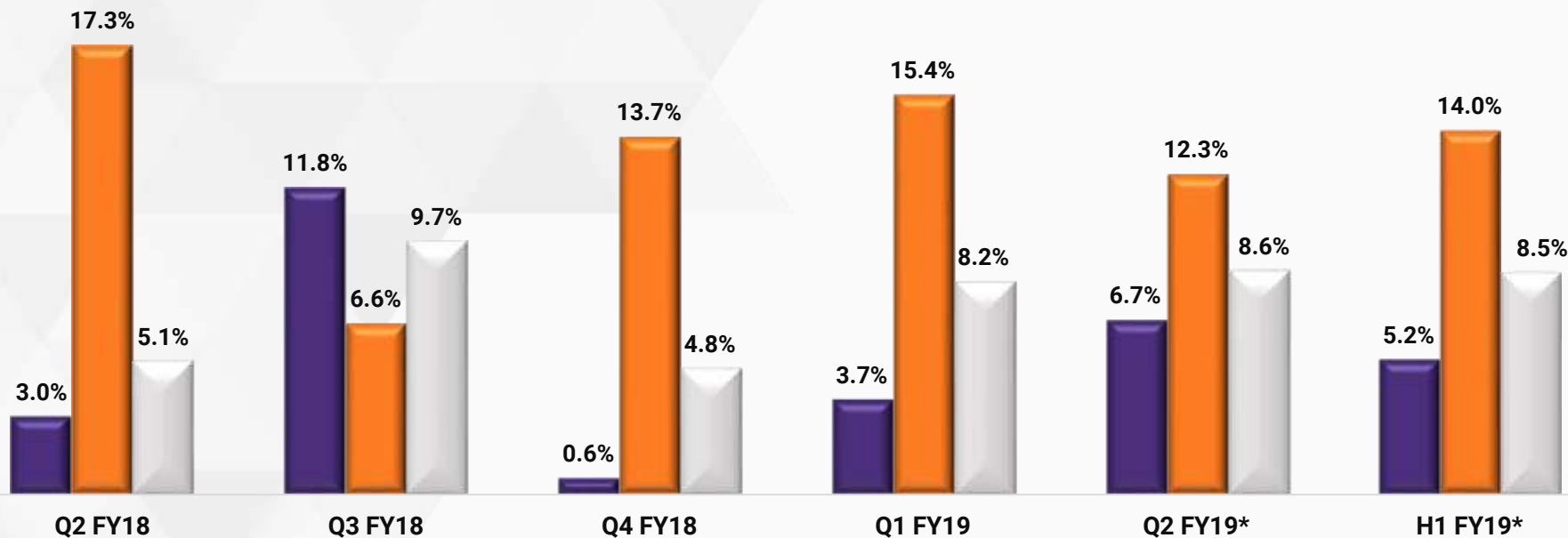
Commentary:

- Revenue has grown by ~21%, driven by growth in brands, especially power brands.
- Overall volume grew 26%
- Brand Factory share of revenue moving from ~31% to ~35% in H1 impacts absolute EBIDTA margin
- Without festive days adjustment Central SSG is 2.0% and Brand Factory SSG is 9.5%
- EBITDA growth adjusted for start-up expenses of ~Rs. 5.5 cr. on account of Lee Cooper footwear is 20.3%

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions.

FLF SSG% is Central + Brand Factory SSG. * Adjusted for shift in festive days

Same Store Retail Sales Performance



***Positive same store growth across Central and BF in Q2 FY19 as against industry after taking into account the impact of shift in festive days.**

Non adjusted festive days SSG for Central Q2FY19: 1% and H1FY19: 2%, Brand Factory Q2FY19: 3.1% and H1FY19: 9.5%

New Store Launches



Opened 2 stores in Q2, Total Store Count is 43

New Store Details

Trivandrum: Aug

Mysore: Sep



Opened 7 stores in Q2, Total Store Count is 76

New Store Details

Bengaluru: July, Sep

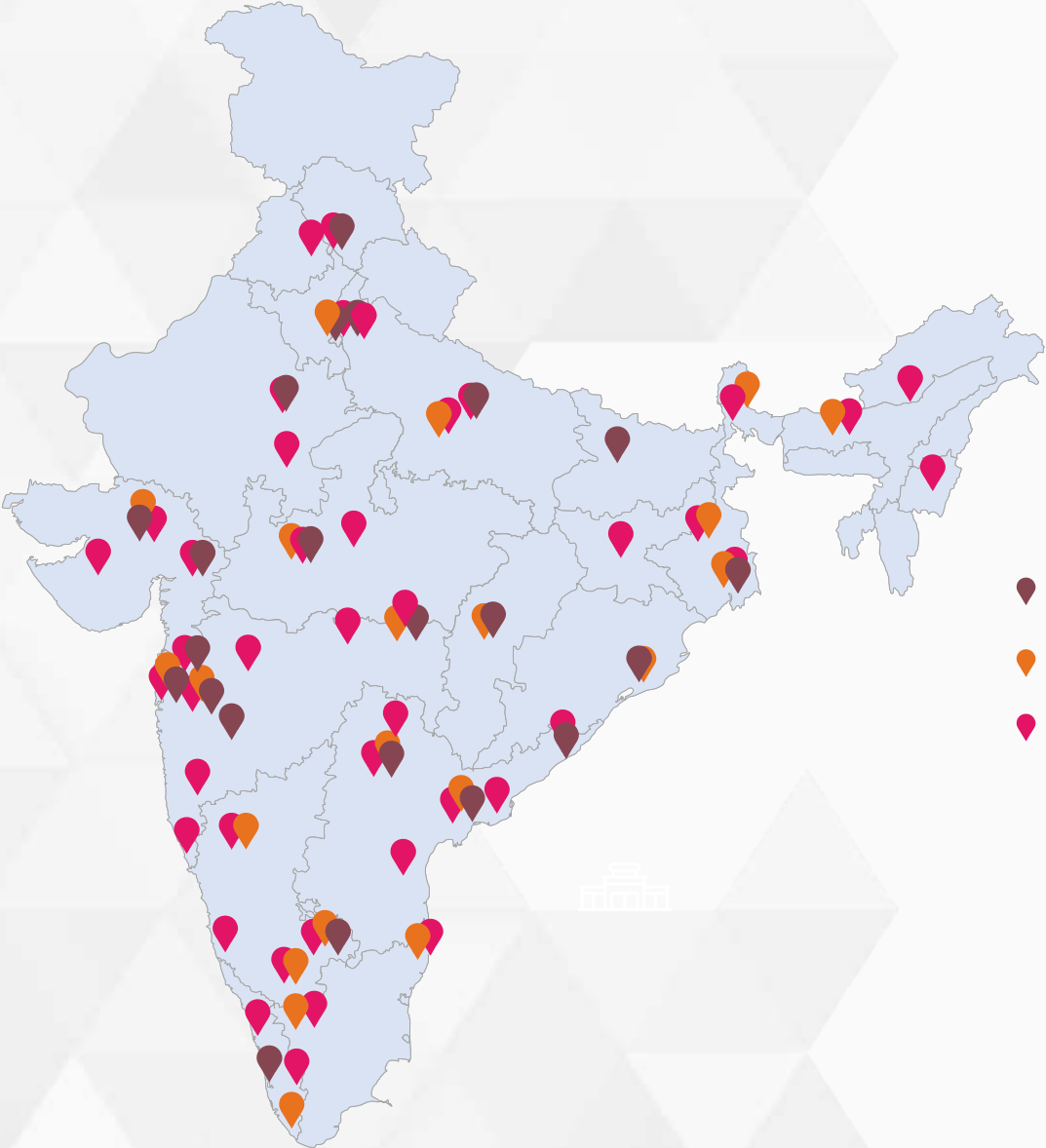
Salem: Sep




Zirakhpur: Sep

Vadodara: Aug

Agra: Aug

Patna: Sep



	Store count		
	Sep 17	Mar 18	Sep 18
 CENTRAL BRAND-NEW	37	40	43
 BRAND FACTORY BEST BRANDS • SMART PRICES	57	63	76
 EBOs	256	229	210
Total	350	332	329
Area (mn Sqft)	5.5	5.7	6.2

Note:- Includes numbers of Lee Cooper business Stores.
Map is not to scale



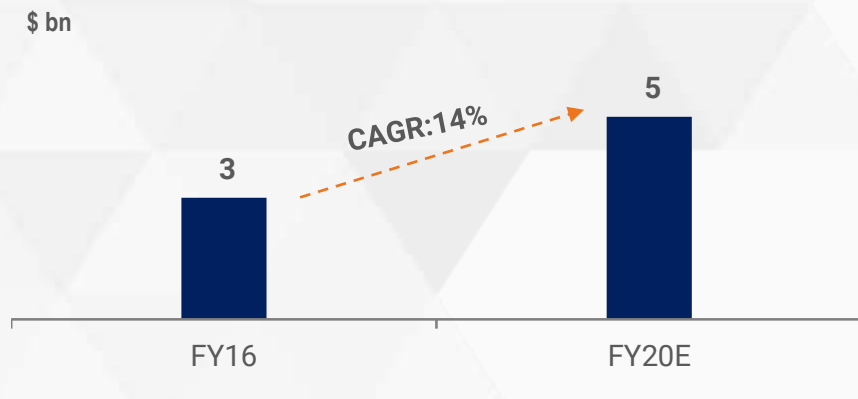
Industry trends - Footwear

Footwear Industry Overview

An increase of 1 in per capita consumption of India, to match China, will lead to 1.2 billion more pairs being consumed! ie 1.5 times the current market size of Rs. 50k Cr.

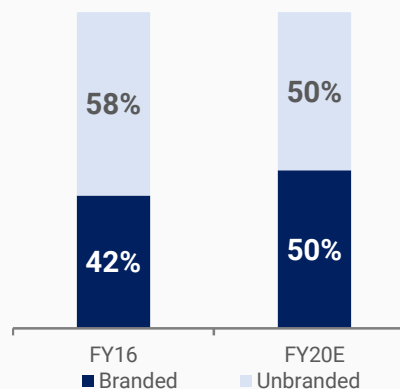
Footwear segment to follow a similar trend as apparel

Growth in Organised Footwear Segment



Growth in footwear to be led by branded products as well

Share of Footwear Segment

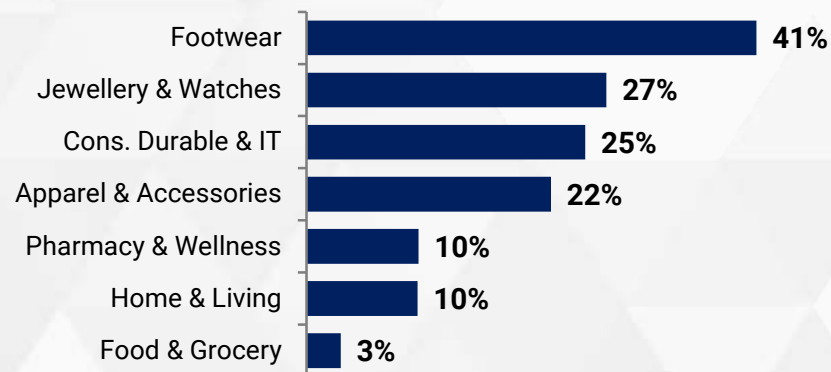


Growth Drivers

- Increasing disposable income and higher spending on lifestyle products
- Increased awareness of brands/ offerings
- Increase in number of working women
- Increasing adoption of trends owing to versatility in usage
- Increased reach of mid and economy brands to Tier II/ III Indian cities

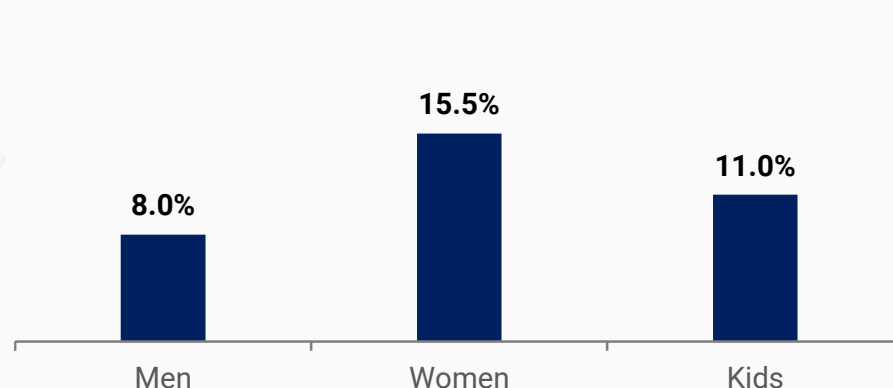
'Footwear' most organized category in Indian retail market

Organised segment as a % of total market (FY16)



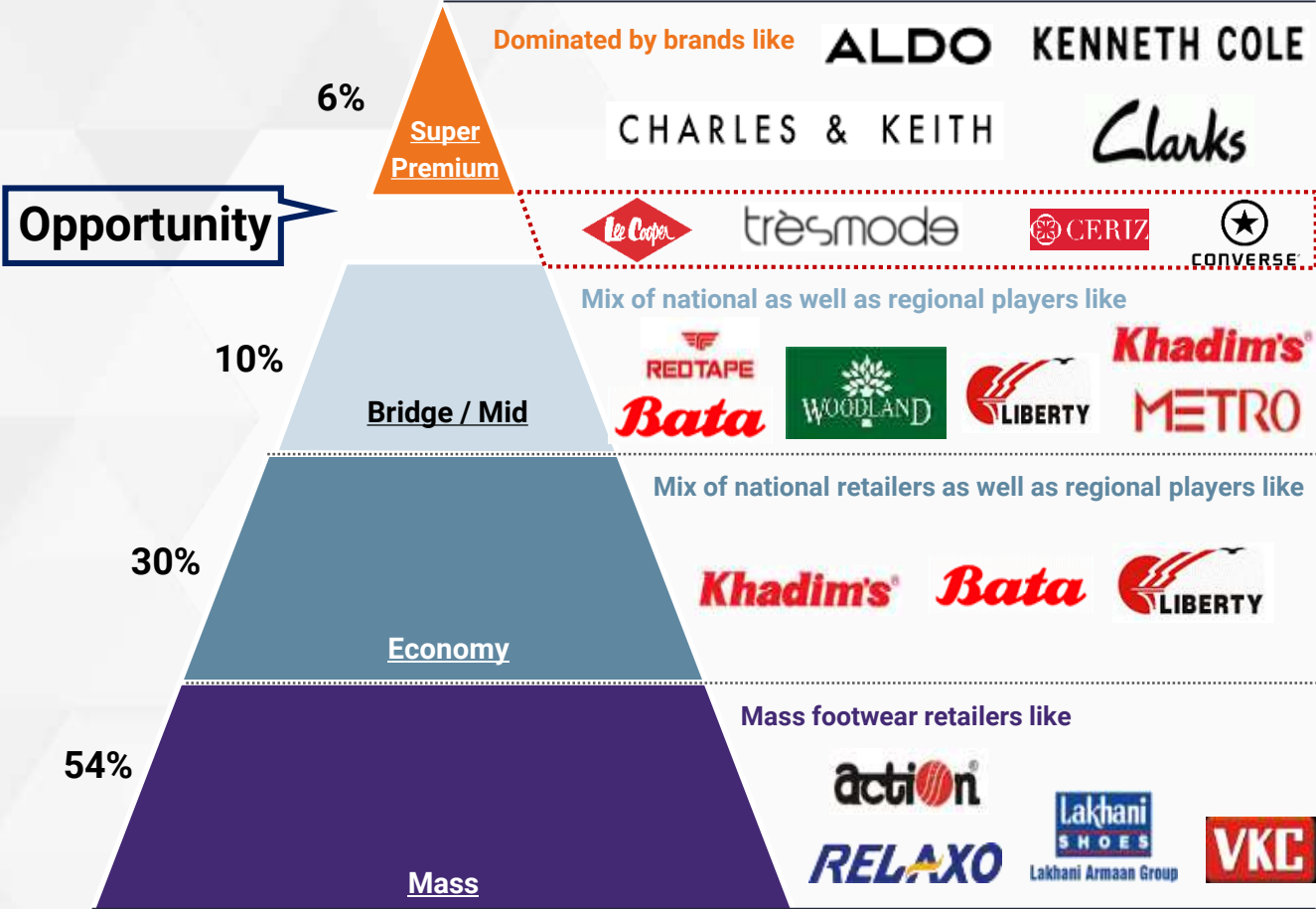
Women and kids footwear expected to grow faster than men

2017-22 Segment-wise Value Growth - Footwear Market (%)



Source: Euromonitor, Edelweiss, CLSA research

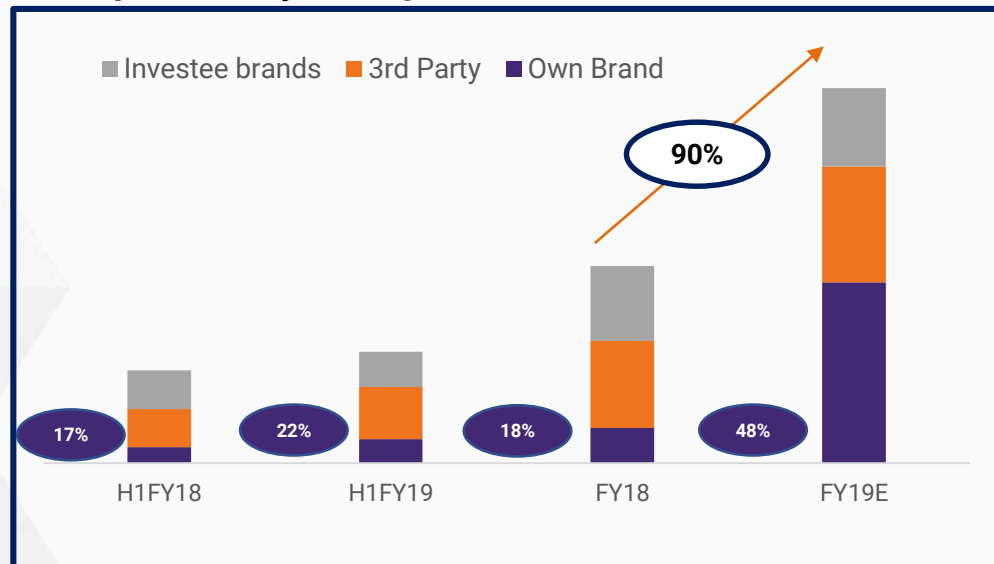
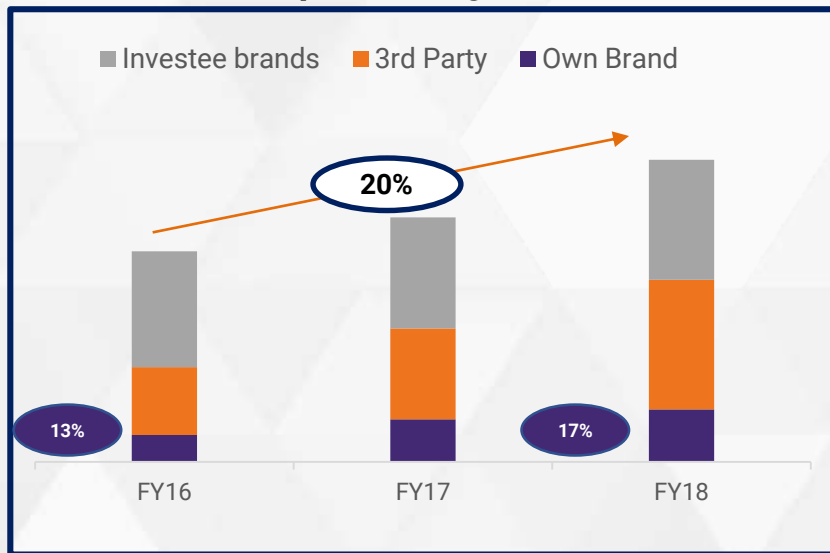
An increase of 1 in per capita consumption of India, to match China, will lead to 1.2 billion more pairs being consumed! ie 1.5 times the current market size of Rs. 50k Cr.



Source: KSA Technopak Analysis



FLF is well poised to grow its Footwear business exponentially through Own and Investee brands



*Lee Cooper Footwear was not part of FLFL in FY18. FY19E Own brand nos assumes Lee Cooper footwear full year pro forma sales no.



Business Events

Latest Events at Central

Yamaha Fascino Miss Diva-Styled by Central



From an entry pool of **4000+ young aspirants**, Central invited top 20 entries countrywide to Mumbai to select Central's Fashion Icon

Central Friend Circle



Digital Led Promotion for friendship day where we got 2 lakh registrations and 30% conversion from registered customers

Central Youth Wall



On International Youth Day, digital led promotion to connect with Youth, which is the key segment of customers for Central

Central Recycle Fashion



Recycle Fashion Week – on return of every old garment, customers were given Rs.1000 worth vouchers to refresh their wardrobe. These vouchers saw a 35% redemption

Brand Factory Major Events

RED ZONE
PICK ANY
5 PCS
AT
₹999/-

THE BIG BAG SALE

WHERE PRICES WON'T MATTER

TILL 15TH AUGUST

GOLD ZONE
PICK ANY 3 PCS
@ ₹999/-

PURPLE ZONE
PICK ANY 2 PCS
@ ₹1199/-

BRAND FACTORY
BEST BRANDS • SMART PRICES

3rd – 30th August 2018

BRAND FACTORY
presents

India's 1st
UNBRANDED TO BRANDED
Festival

6TH - 23RD SEPT
Get exchange value for old + Discount on new products

₹200 40% OFF
₹100 40% OFF
₹400 50% OFF
₹300 40% OFF
₹500 50% OFF

₹500 CASH ON DELIVERY
ON SHOPPING OF ₹1000 & ABOVE

BRAND FACTORY
BEST BRANDS • SMART PRICES

8010350000

31 Aug - 25 Sept: East Zone
6 - 25 Sept: Rest of India

aLL key initiatives

aLL PRIMERO

Launch at Lakme Fashion Week 2018

A collection that encourages people to feel confident in their own skin

ZAREEN KHAN AT LFW '18 PLUS-SIZE MODEL AUDITIONS

WINNERS OF THE #aLLatLFW 18 AUDITIONS

aLL New Collection

Launch in stores

aLLways stylish. aLLways ahead.

ONE-STOP PLUS SIZE FASHION DESTINATION

Women's top wear starts from size 38 to 48in & bottom wear size 34 to 44in.

Men's Top Wear starts from 44 to 54cm & Bottom Wear 40 to 50in.

aLL the plus size store

- Launch the exclusive collection, **aLL PRIMERO by Narendra Kumar** at Lakme Fashion Week
- Created a platform for Plus Size Fashion Show using real plus size people
- Bollywood Actor, Zareen Khan, as the celebrity judge for the auditions
- Over **350 participants** came for the auditions
- Received **8000+ Registrations** during LFW promotion

- Launch new Collection in stores & online using Cinema Slides, Outdoor, Leaflets in key markets
- Promotion of the festive collection in east markets during Durga Puja
- Store launch in new markets to create visibility & awareness

SS '19 Apparel Road Show



SS '19 Footwear Trade show



Strategic Initiatives

Pilot EBO Concept

- Continued focus on Tier II Cities like Vijayawada, Guntur, Rajamundry, Karimnagar & Hyderabad.
- Opened EBOs in Nellore & Kakinada, Habsiguda.
- Targeting EBOs @ Airports (opened in GOA, & plan to open at Lucknow & Bhubneshwar)

Enhanced Brand Building

- A consolidated proposition including Footwear thru Seasonal Range Preview and exploring possibility of differentiated TVCs

Product Evolution

- Continued focus on improvement of Jeans (wash, style, etc.) to drive better acceptance of Jeans across lines & establish Lee Cooper as a strong DENIM player

Channel

- Focusing on Shoppers, Lifestyle expansion & consolidation in Reliance



Financial Performance – Q2 FY19 and H1FY19

FLF Snapshot – Q2 and H1 FY19

Total Income
From Operations

Gross Profit

EBITDA Margin

PAT

Gross Space Addition
(mn. sq. ft.)

Q2 FY19	₹1,336 Cr	₹483 Cr	9.7%	₹37 cr	0.27
H1 FY19	₹2,654 Cr	₹945 Cr	9.6%	₹70 cr	0.55

FLF Brands

- Contributed ~41% of Revenue in Q2FY19.
- Brands registered a growth of 30% in H1FY19.

Q2 Margins

- EBITDA % adjusted for start-up expenses of ~Rs. 1.5 cr. in Q2FY19 on account of Lee Cooper footwear is 9.8%

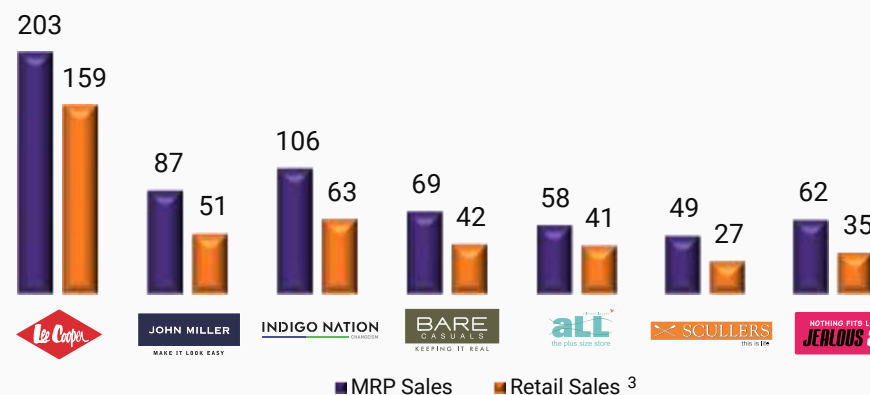
H1 SSGs

- FLF : 8.5%
- Central: 5.2%
- Brand Factory: 14.0%

Total Sales¹ Summary (₹ Cr)

Particulars	Q2 FY18	H1 FY18
FLF Brands	607	1,152
- Owned Brands	160	311
- Licensed Brands	447	841
Third Party Brands ²	865	1,783
Total Sales¹	1,472	2,935
Less: Consignment / SIS	35	70
Less: Taxes & Duties	127	255
Net Sales after Tax	1,310	2,610

Top Brand Performance Q2 FY19 (₹ Cr)



1: Includes SIS & consignment sales

2: Third party brands represent non FLF brands and includes SIS sales and consignment sales

3: Retail Sales indicate Net Sales before Tax

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions. SSG nos have been adjusted for shift in festive days
EBITDA % adjusted for start-up expenses of ~Rs. 5.5 cr. in H1FY19 on account of Lee Cooper footwear is 9.8%

Income Statement (₹ Cr) Particulars	Published			Standalone + Lee Cooper		
	Q2'18	Q2'19	Gr%	Q2'18	Q2'19	Gr%
Revenue from Operations	1,022	1,222	19.6%	1,118	1,336	19.5%
COGS	638	771	20.9%	711	852	19.8%
Gross Profit	384	451	17.5%	406	483	18.9%
Gross Margin %	37.5%	36.9%		36.4%	36.2%	
Employee Benefits Expense	62	72	15.9%	67	80	20.1%
Rent including Lease Rental	105	128	21.1%	106	128	20.9%
Other Expenditures	128	149	16.4%	129	153	18.4%
Total Expenditure	295	348	18.0%	302	362	19.7%
Other Income	6	8	30.5%	6	8	34.2%
EBITDA	94	110	17.0%	110	129	17.7%
EBITDA Margin %	9.2%	9.0%		9.8%	9.7%	
Depreciation	36	45	26.6%	41	47	13.6%
EBIT	58	65	11.1%	69	83	20.1%
Finance Costs	24	26	7.8%	24	28	16.2%
PBT	34	39	13.5%	45	55	22.2%
Tax expense	11	14	22.4%	15	18	24.4%
Net profit	23	26	9.3%	30	37	21.1%

1: Published Income Statement without Lee Cooper since it is carved out as separate company w.e.f 29-Mar-2017

2: Standalone + Lee Cooper Income Statement with Lee Cooper net of eliminations

3. EBITDA % adjusted for start-up expenses of ~Rs. 1.5 cr. in Q2FY19 on account of Lee Cooper footwear is 9.8%

4. PAT% % adjusted for start-up expenses of ~Rs. 1.5 cr. in Q2FY19 on account of Lee Cooper footwear is 2.9%

Income Statement (₹ cr.) Particulars	Published			Standalone + Lee Cooper		
	H1FY18	H1FY19	Gr%	H1FY18	H1FY19	Gr%
Revenue from Operations	2,053	2,490	21.3%	2,202	2,654	20.6%
COGS	1,294	1,599	23.6%	1,399	1,709	22.2%
Gross Profit	759	891	17.3%	803	945	17.7%
Gross Margin %	37.0%	35.8%		36.5%	35.6%	
Employee Benefits Expense	119	143	19.8%	128	158	23.9%
Rent including Lease Rental	225	253	12.6%	226	254	12.4%
Other Expenditures	242	289	19.5%	246	297	20.7%
Total Expenditure	586	685	16.9%	600	709	18.2%
Other Income	12	17	38.5%	12	17	41.8%
EBITDA	186	223	19.8%	215	254	17.7%
EBITDA Margin %	9.0%	8.9%		9.8%	9.6%	
Depreciation	68	89	31.6%	74	92	23.2%
EBIT	118	133	13.0%	141	162	14.8%
Finance Costs	47	51	8.1%	47	55	15.9%
PBT	71	82	16.3%	94	107	14.2%
Tax expense	24	29	19.2%	32	37	15.9%
Net profit	47	54	14.8%	62	70	13.4%

1: Published Income Statement without Lee Cooper since it is carved out as separate company w.e.f 29-Mar-2017

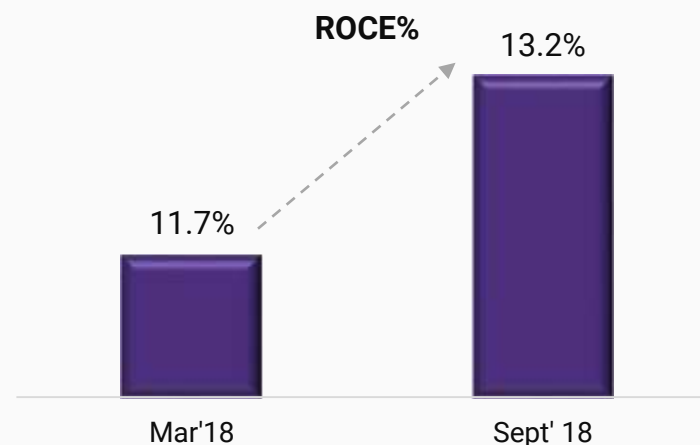
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4. PAT% % adjusted for start-up expenses of ~Rs. 5.5 cr. in Q2FY19 on account of Lee Cooper footwear is 2.9%

Capital Employed Statement ₹ in Cr	As on	
	Mar-18	Sept-18
Shareholder's Funds	1,530	1,607
Net Debt	690	729
Less: Total Investment	42	104
Net Adj Capital Employed	2,177	2,232
Net Non Current Assets	1,558	1,606
Net Current Assets	619	626
Net Adj Capital Deployed	2,177	2,232

Ratios	Mar-18	Sept-18
ROCE %	11.7%	13.2%
Debt/Equity	0.5	0.5
Net Debt/EBITDA	1.6	1.4
EPS	6.7	3.7
NWC Days	56	56



Standalone + Lee Cooper Capital employed statement with Lee Cooper net of eliminations



Thank You



FLF FUTURE
LIFESTYLE
FASHIONS

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