

FLF

Future Lifestyle Fashions

INVESTOR DECK
November 2017





Index

04 FLF Overview

Why grow with us

- 15 A burgeoning fashion market
- 19 A favourable shift in consumer preferences
- 31 A unique business model

Financial progress so far

- 36 Business overview
- 39 Key Deliverables
- 40 Against Competition
- 41 Key Financials
- 43 Stake Holder Value creation

44 Behind it all – Visionary Leadership

47 The Road Ahead

50 Top 5 Reasons to Invest in FLF

52 Good to Know

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.





FLF – An Overview

Our Parent – Future Group

Future Group, a retail pioneer, has evolved into a **CONSUMER GOODS** centric company with offerings across



Business Backed by strong retail infrastructure & supply chain operations



Key Investors



FLF

FLF - India's leading integrated fashion player from the house of Future Group

An integrated fashion company deriving its strength from

- Fashion brands
- Fashion distribution
- Investment in fast growing fashion companies



FY17 Financial Performance

Same Store Growth

16.4%

Industry leading SSG%
(8.6% in FY16)



Revenue

17.5%

₹ 3,877 Cr in FY17
(₹3,300Cr in FY16)



EBITDA

10.2%

₹ 365 Cr in FY17
(₹331Cr in FY16*)



*FY16 EBITDA is without one time profit on sale of investment

PBT

33.7%

₹ 60 Cr in FY17
(₹ 45 Cr in FY16)



EPS

54.7%

₹ 2.4 per share
(₹1.6 in FY16)



Debt Reduction

~50%

Debt to EBITDA 1.8 times
(3.4 times in FY16)



Dividend

100.0%

40% in FY17
(20% in FY16)



Numbers are on standalone basis

FLF - India's leading integrated fashion player from the house of Future Group

An integrated fashion company deriving its strength from

- Fashion brands
- Fashion distribution
- Investment in fast growing fashion companies

H1 FY18 Financial Performance

Central SSG%

13.4%

(13.3% in H1 FY17)



Brand Factory SSG%

24.2%

(17.3% in H1 FY17)



FLF SSG %

14.8%

(13.5% in H1 FY17)



Revenue

21.0%*

₹ 2,202 Cr in H1 FY18
(₹ 1,820 Cr in H1 FY17)



Gross Margin

20.0%

₹ 803 Cr in H1 FY18
(₹ 669 Cr in H1 FY17)



EBITDA

25.4%

₹ 212 Cr in H1 FY18
(₹ 172 Cr in H1 FY17)



PBT

27.7%

₹ 94 Cr in H1 FY18
(₹ 74 Cr in H1 FY17)



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

* Revenue growth is 23% adjusted for GST rates differentials in H1 FY 18

A winning combination of both – India’s iconic fashion brands and popular lifestyle retail destinations

FLF Retail Formats



A seamless mall and a department store chain offering a ‘complete shopping experience’ and retail in HD



A monopolistic player and daily discount family shopping destination offering much better customer experience than Factory Outlets

FLF Power Brands



Global Denim Brand, aspires to be a ₹1000 crore brand



The Largest Selling Plus Size Brand in the Country with PAN India retail presence



Inspired by Harvard Yale race, Scullers showcases an all-inclusive range for men, women and kids



Highly fashionable and wide range of casuals and denims for young women



Launched with the aim of delivering Fast Fashion to the young Indians



Focus on semi-casuals and one of the few players in the relaxed office wear category



Owning a subsidiary company that houses investee brands



Key Investee Brands

COVER/STORY

Super Trendy and Affordable Indian Fast Fashion brand for Women. A bridge between luxury and unorganised brands

Clarks®

SHOEMAKERS SINCE 1825

Expert shoemakers with 190 years of experience

TURTLE

Offers formidable value and international style across a range of menswear apparel and accessories

desi belle

GIOVANI

MINERAL

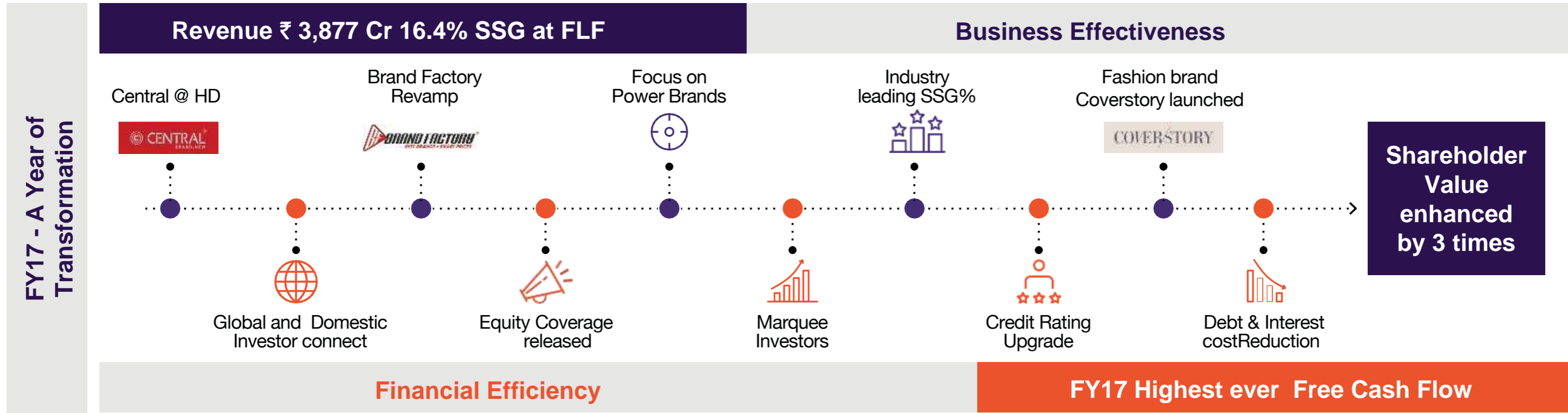
holii

SPUNK

celio*

mother earth
Looking Good
Doing Good

FLF Key Milestones



Awards & Recognition



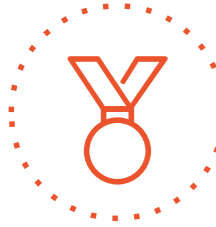
FLF was awarded the Most Admired Fashion Company of the year 2017.



Central @ HD was awarded the Design Concept of the Year – Theme Store.



Indigo Nation was awarded the Most Admired Fashion Brand of the Year in Men's Western Wear



Urbana won the Best Social Media Integrated Campaign of the Year at CMO Asia



FLF CFO was recognized as top 100 CFOs in India by CFO India Institute



CoverStory was awarded the Most Admired Brand of the Year – New Launch, at the India Fashion Forum.



Brand Factory's 'Free Weekend Sale' won the Most Admired Multi Fashion Retailer of the Year award, at the India Fashion Forum.



Scullers won the Best Marketing Campaign of the Year award at CMO Asia



Jealous 21 won the Best Facebook Campaign of the Year Award at CMO Asia



Key Highlights – H1 FY18



- ✓ Expansion of Central and Brand factory stores in line with plans – about 0.5mn gross sft added
- ✓ Power brands part of own brands portfolio registered double digit growth
- ✓ Continue to deliver sustainable SSG as at H1 FY18 and expanded margins vs FY17
- ✓ ESOP roll out completed for Senior Management team
- ✓ FLFL inducted into India MSCI Index
- ✓ FLFL rated by CRISIL as “AA- with positive outlook”
- ✓ First Listed Brand & Retail Fashion company to reach double digit ROCE%
- ✓ Successfully completed Ind AS compliance, implementation supported by Deloitte
- ✓ GST Roll out completed successfully



**Why grow with us-
Investment proposition**

FLF Is Championing India's Rising Fashion Momentum

enabled by

A burgeoning fashion market

A favourable shift in consumer preferences

A unique business model



**A burgeoning
fashion market**

Strong macroeconomics favour the segments FLF caters to



India - One of the largest and fastest growing economies of the world

Worth \$ 2.264 trillion, India's GDP is growing at the rate of 7.1% annually (Source: CSO)

.....

Strong demographic dividend

Nearly 50% of India's population is below the age of 30. 60% of the population is economically active (Source: 2011 Census)

.....

Key Policy and Tax Initiatives Supporting Formalisation of the Economy

Introduction of the landmark GST regime and the initiatives like demonetisation have catapulted the economy to be more organised and formal. (Source: CSO)

.....

India's fashion market is nearing an inflection point


India's fashion industry hit \$100bn in 2015 and is growing at the CAGR of 12%

Source: A T Kearney

India's per capita GDP is ~\$1700 at present

Source: World Bank

Global examples indicate when a country's per capita GDP nears ~\$2000, its fashion industry sees an exponential growth.

Country					
Reached GDP per capita of \$2000 in (Year)	China	Russia	Brazil	South Korea	Singapore
	2006	2001	1986	1984	1982
Trajectory of Retail sales after it reached \$2000 per capita GDP	3x	2x	2x	4x	3x

Source: UNESCO, CLSA Report

India's fashion retail market – A snapshot

The Indian Fashion Retail Market

\$46 billion fashion retail industry in India expected to grow to **\$115 billion** by 2026

9.7% CAGR expected for the next 10 years

Indian apparel industry is the second largest contributor in the retail industry after food and grocery



Men's Wear

The largest segment of the Indian fashion retail market (41% of market) \$19 billion market size, expected to reach \$45.5 billion by 2026

9% CAGR expected for the next 10 years

Men's denims, active wear and t-shirts showing double-digit growth across tiers



Region-Wise Distribution of Apparel Market

23% of the market contribution by metro cities such as Delhi/ NCR, Mumbai, Bengaluru, Chennai

54% of low and economy price segments of apparel market by rural population



Women's Wear

38% of the Indian fashion retail market \$17.5 billion market size, expected to reach \$44 billion by 2026

9.9% CAGR expected for the next 10 years

66% of the women's apparel is ethnic wear Casuals, inner wear and denims are witnessing double-digit growth



Price Segmentation of Apparel Market

The apparel market can be broadly divided into super premium, premium, medium, economy and low price segments

29% of market captured by the medium price segment

28% from the economy segment

The Indian Fashion Retail Market

2016	2026	CAGR
\$46 bn	\$115 bn	9.7%

Men's Wear

2016	2026	CAGR
\$19 bn	\$46 bn	9.0%

Women's Wear

2016	2026	CAGR
\$18 bn	\$44 bn	10%



**A favourable
shift in consumer
preferences**

A favourable shift in consumer preferences

How they shop - Evolution of the purchase driver leading to departmental shopping

The new age Indian consumer is

- Moving from product to brand to experience
- Moving from loyalty to choice
- Moving from time consuming to convenience led shopping

Leading to evolution of channels in India

FLF offers experience led shopping for both upscale and value based branded fashion through its Departmental stores:



Departmental stores are the way forward for experience led retail



A favourable shift in consumer preferences

Central

Overview

- Launched in 2004, a seamless mall and a department store chain offering a 'complete shopping experience'
- Positioned for the premium lifestyle segment, Central appeals to the fashion shopper with its spread of leading brands
- Focused strategy of premium offerings, upgrading ambience & increasing the freshness quotient
- Partnership with leading brands to widen premium offerings

Our Reach

- About 3.5 mn sq.ft of chargeable area
- Pan India Presence in around 23 cities, 37 stores
- More than 500 brands
- More than 33 mn customers visit every year
- Urban aspirational shoppers across all age groups
- Central format has an average store size of around 100,000 sq ft



Then

Now



Stores
17

Revenue/sq.ft.
~₹6k

Ticketsize
~₹1.6k

Stores
37

Revenue/sq.ft.
~₹ 10k

Ticketsize
~₹3.1k



Men	48%
Women	35%
Others*	18%
Total	100%

Apparel	75%
Accessories	25%
Total	100%



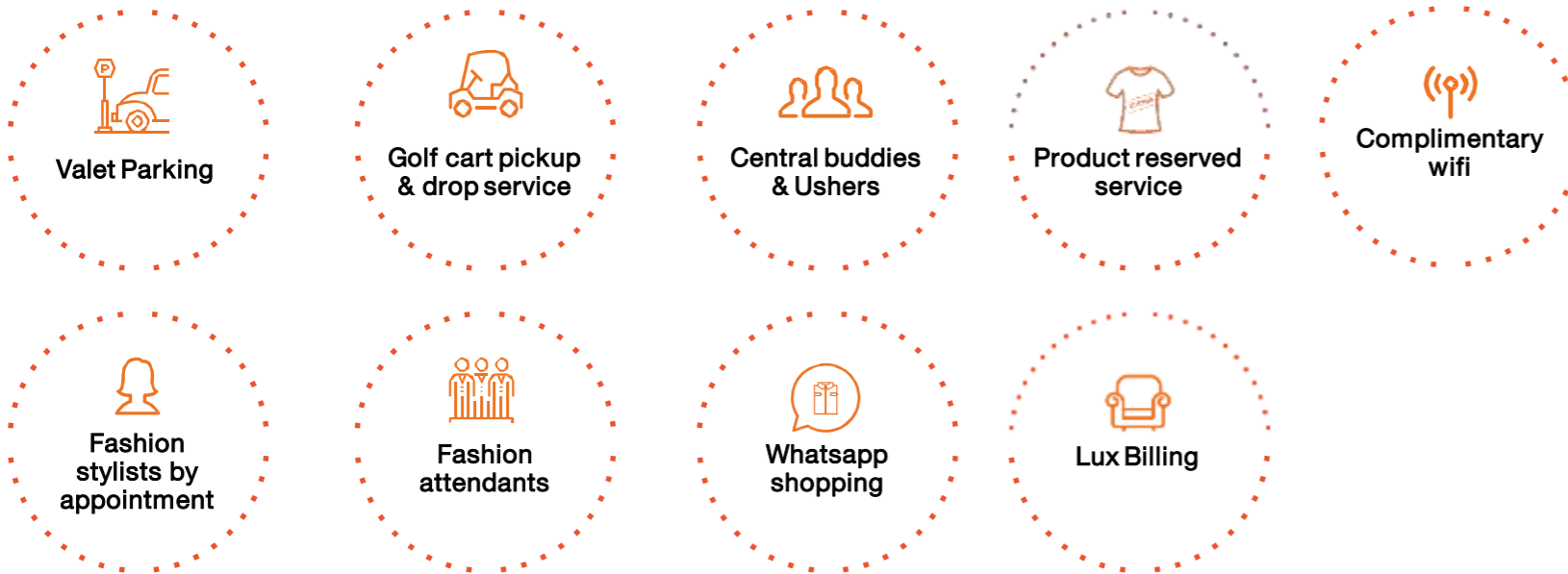
*Others include Kids, Sports equipment, Home care and SIS Income etc

A favourable shift in consumer preferences

Central – Hi Definition Fashion Experience

CENTRAL Hi Definition Fashion Experience

Assisted Shopping



Ambience and Store facilities



A favourable shift in consumer preferences

Brand Factory – India’s Leading Fashion Discount Chain

Overview

- Family shopping destination offering much better customer experience than Factory Outlets
- Typically offers 20% -70% discounts on more than 200 brands for men, women and kids
- Perfect answer to e commerce with 365 days attractive discounts
- Strong liquidation channel not just for FLF brands but for the industry
- Efficient supply chain enables freshness of stock at both Central and Brand Factory

Our Reach

- About 1.6 mn sq.ft of chargeable area
- Pan India Presence in around 23 cities, 57 stores
- More than 16 mn customers visit every year

Our Customers

- Value seeking suburban families
- Fashion following mini-metro/smart shoppers
- Brand conscious explorative youth
- Young qualified, status seekers

Key Highlights

- Exciting growth prospectus with no offline competition
- Availability of marquee brands for fantastic shopping experience
- Brand Factory has an average store size of around 30,000 sq ft
- Apparel contributed ~90% of total sales in FY17. Aspiration to take this format to next level tapping the significant market potential



Men	74%	Apparel	90%
Women	15%	Accessories	10%
Others*	11%		
Total	100%	Total	100%

FLF *Others include Kids, Sports equipment, Home care and SIS Income etc

Then



Stores : 13
Revenue/sq.ft. : ~₹4.5k
Ticketsize : ~₹1.3k

Now



Stores : 57
Revenue/sq.ft. : ~₹ 7.6k
Ticketsize : ~₹2.2k

A favourable shift in consumer preferences

Brand Factory - In a New Avatar

Brand Factory 2.0

- Large format contemporary branded value store catering to fashion aspiration of youth.
- Five floors covering categories like Men's Fashion, Women's Fashion & Kids Fashion, Sportswear, Travel & Handbags, Footwear and Fashion Accessories
- Store experience with more than 200 brands to choose from.

A different branding approach

- The overall thought is to give a definite character to the store
- Store reflects the brand personality visually as well as through language.
- Critical store touch points like Billing counter/CSD Desk/Entry and Exit points are also given a new twist



FLF



What they want to shop- Evident shift towards organised markets offering popular brands and best experience under one roof

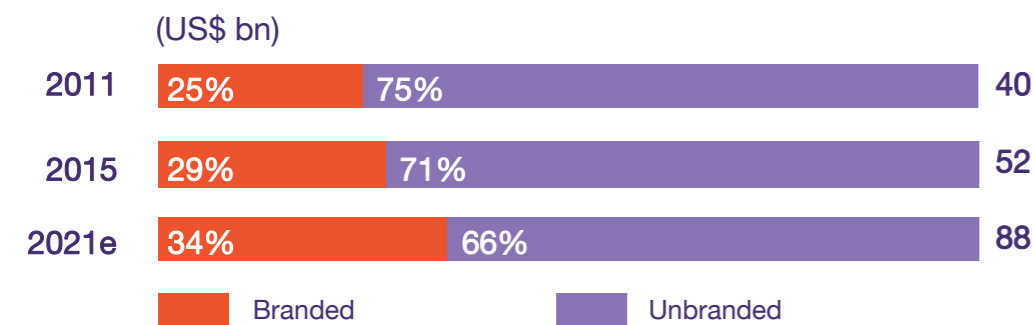
Clear and rapid shift towards branded products

- Branded fashion grew at 24% CAGR over 2011-15
- Branded apparel growing faster than overall market (14% vs. 9.2% CAGR)
- Modern retail has high (~43%) penetration of branded apparel

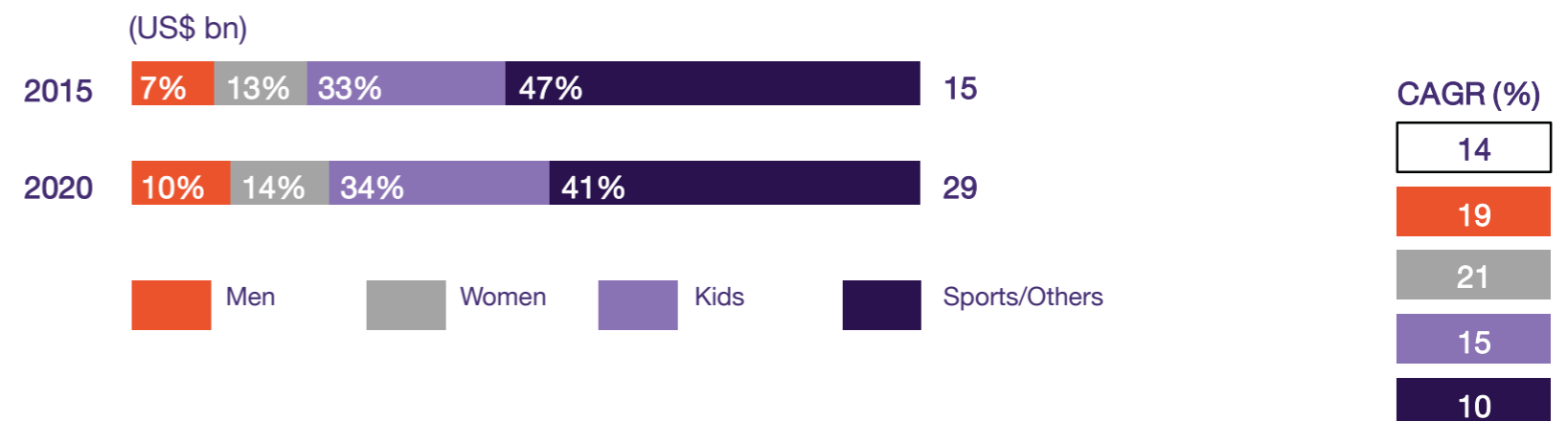
Growing desire for fast fashion

- Fast fashion in India is growing at a yearly pace of 25-30%, twice the rate of overall market.
- The rise in disposable income coupled with a growing desire for global fashion, has led the Indian consumer to go shopping, 10-12 times a year as compared to 1-2 occasion-led shopping before

Branded Apparel Market Growing Faster Than Overall Market


































Source: UNESCO, CLSA Report



A favourable shift in consumer preferences

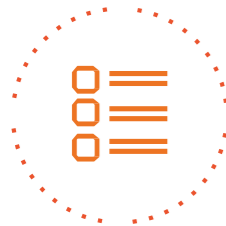
Brand Profile

FLF present across all key categories and well diversified (Not overly dependent on any category for growth)

Branded Market Opportunity	FLF Brands	Investee Brands
Men's wear Size: USD 7bn Growth: 10% CAGR	   	  
Unisex Brands	     	
Women's wear Size: USD 5bn Growth: 15% CAGR	     	 
Sports / Leisure wear	   	
Footwear / Others		   

A favourable shift in consumer preferences

Power brand – Lee Cooper



Category

Denim and Casual wear – one of the fastest growing segment



Target Customer

Young Men and Women who are relaxed, easy going yet strong and level headed



Competitors

Levi's, Pepe Jeans, Wrangler, Lee, Killer



Distribution

Sold through Central, Brand Factory, EBOs and is also available on leading ecommerce websites and third party Multi Brand Outlets

Overview

Original British Denim Brand having 100+ years of rich history with large international following. Licensed from Iconix Brand Group, Lee Cooper is sold in over 100 countries

FLF – Key Brands

Avg. Price Point (₹):

Lee Cooper Originals

1,500

Lee Cooper

2,500

Revenue (in ₹ Cr)

320



LC business has been carved out into a separate subsidiary of FLF in FY17 and 26 pc has been diluted



ORIGINAL BRITISH DENIM



A favourable shift in consumer preferences

Power brand – aLL



Category

Dedicated plus-size clothing category for men and women including everything from western to ethnic wear and accessories that make you look sexy, cool and confident



Target Customer

Population of overweight crowd that feels judged by modern culture and people who typically find it difficult to find clothes that are right for their body shapes



Competitors

Only plus size brand of meaningful scale



Distribution

Sold through the Central network. Also distributed through EBOs and its online store. aLL was also featured at the Lakme Fashion Week

Overview

Fashion for The Plus Size. aLL is the Largest Selling Plus Size Brand in the Country with PAN India retail presence. The plus size clothing category is pegged at ₹11,000 cr and is expected to double by 2020. It makes up 15% of the Indian apparel market.

FLF – Key Brands

Avg. Price Point (₹):

1,200

Revenue (₹ Cr.)

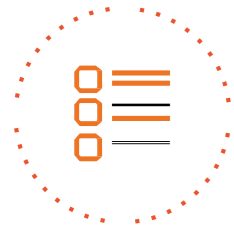
~120

FLF



A favourable shift in consumer preferences

Key Investee brand– Cover Story



Category

Fast Fashion for women, which is one of the fastest growing fashion segment, recently attracted international players such as Zara



Target Customer

23 to 40 years, Independent woman with a rising disposable income, She thrives on social media. Switches effortlessly between Indian and western wear



Competitors

H&M, ZARA



Distribution

Central and EBOs

Overview

Super Trendy and affordable Indian Fast Fashion brand for Women.
Fills up the gap between high priced luxury brands and low priced unorganized brands between the price point ₹1,000 to ₹ 5,000

FLF – Investee Brands

Avg. Price Point (₹):

1,800

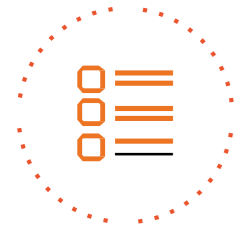
Stake (%)

90%



A favourable shift in consumer preferences

Key Investee brand– Clarks



Category

Premium boots, sandals and shoes



Target Customer

Men and women in the age group of 25 – 45yrs,
Upwardly mobile



Competitors

Hush Puppies, Aldo, Charles & Keith, Geox &
Woodland



Distribution

Sold through the Central network. Also
available at EBOs, third party MBOs and
ecommerce sites



Distribution

Launched at a Grand Fashion Show in 2011 as
part of a JV between Future Group and C. & J.
Clark International Ltd by CEO of Clarks
Melissa Potter. Offers excellent expertise in the
category to FLF

Overview

Expert shoemakers with 190 years
of experience in making
fashionable shoes that are a
pleasure to wear.
Known as a brand that
resonates with reliability.

FLF – Investee Brands

Avg. Price Point (₹):

4,500

Sales (₹ Cr.)

~130

Stake (%)

50%



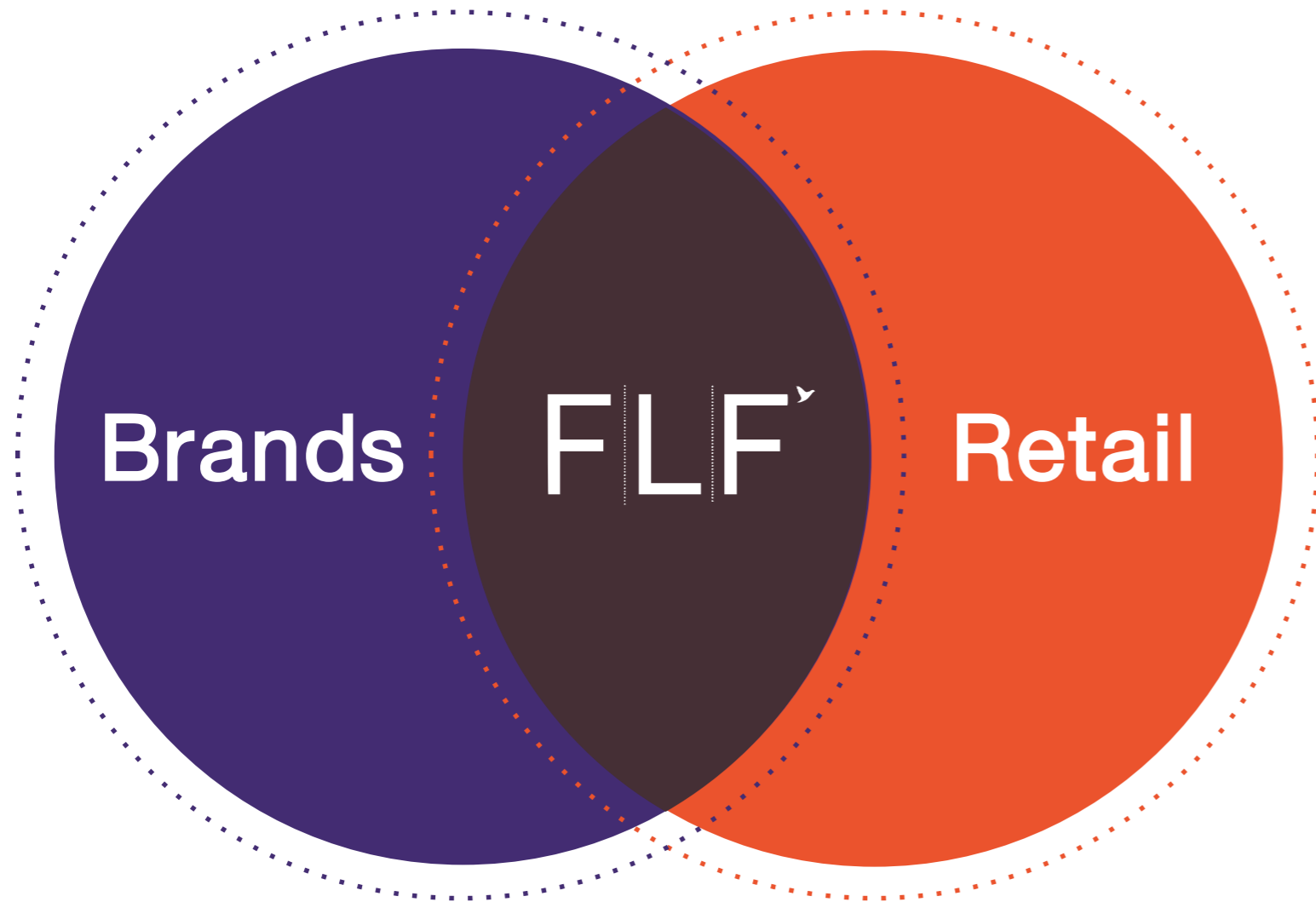
FLF



**A Unique
Business Model**

A unique business model

Integrated play is the way forward – THE FLF Advantage



FLF is best positioned to win, since it is one of the few apparel players with:

Strong own brands and a large retail channel to support it

Own brand sales comprising 40% of total FLF revenues

Own channel comprising 70% of own brands

A unique business model

Challenges of traditional, pure-play models

Pure Play Brand

Developed markets saw the emergence of distinct business models in fashion industry (i) Multi Brand Portfolios (ii) Specialty Retail

In emerging markets, this individualistic approach of focusing on either brands or retail has not worked

Pure-play retailers in India are facing price pressure from Ecommerce companies, leading to muted SSG growth for the last several quarters

Pure Play Retail

Retailers in India have consolidated now to big players (FLF, SS, Lifestyle)

Pure-play branded players without their own retail channel end up paying 35%-40% channel margins to large format retailers

Further, own store expansion for branded players is capital expensive and would lead to drag on ROCEs

A unique business model

Benefits of an integrated fashion play model

Better Brand Experience

Through better control of brand presence and display, customer experience is enhanced

Power of own distribution and brands

Quicker scale up of brands and better shopping experience

Cost and Scale Efficiency

Through multiple cross-selling avenues, efficiency is bolstered

Higher Profitability

Higher EBITDA Margins than industry average

Enhanced Value Creation

Owned channels and owned brands help in creating better business value

FLF





Key Financials

Business Overview

FLF Brands (FY17 Revenue: ₹1,454 cr)

Portfolio includes ~30 brands, catering to men, women and kids



FLF FUTURE LIFESTYLE FASHIONS

FY17 Revenue
₹3,877 cr

An integrated fashion company deriving its strength from – fashion brands, fashion distribution and investment in fast growing fashion companies



- EBOs & Others
- Online

Third Party Brands (FY17 Revenue: ₹2,423 cr)

- Third party brands are distributed to a wide distribution network of Central, and Brand Factory and Planet Sports stores
- Operates an overall distribution network of over 350 stores in 90 odd cities, spread over 5.5 million square feet



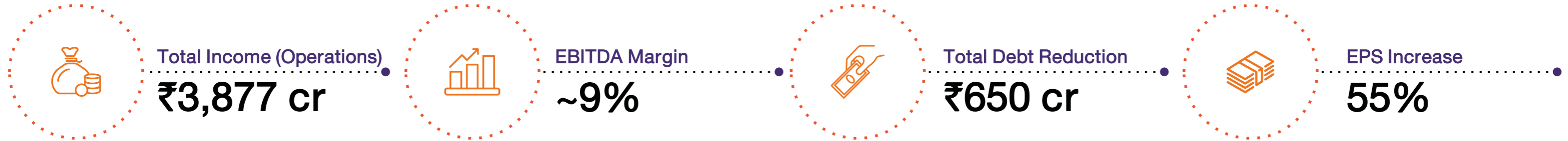
Strategic Investments (FY17 Revenues ~ ₹600 cr)¹



¹: As per latest filings, revenue figures are on unaudited basis & Strategic Investment revenues are not consolidated with Retail & Brand business

Note: Store network as of 30th Sep 2017

Investment Proposition Snapshot – FY17



FLF Brands

- Contributed ~40% to Total Income from Operations in FY17
- Leading brand Lee Cooper registered a robust year on year growth of 14% in Revenue.
- Indigo Nation and BARE reported double digit growth

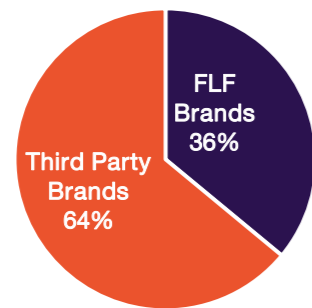
Retail

- Distributed across 350 Stores in 90 odd cities spread over 5.5 million Sqft
- ~86% of the total revenue contributed from Central & Brand Factory

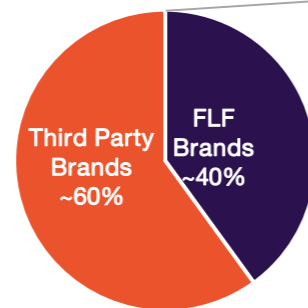
SSGs

- Delivered consistent same store growth across all Formats.
- Central clocks 18% and Brand Factory clocks 17% growth

Higher Share of Own Brand Penetration Leading to Margin Improvement

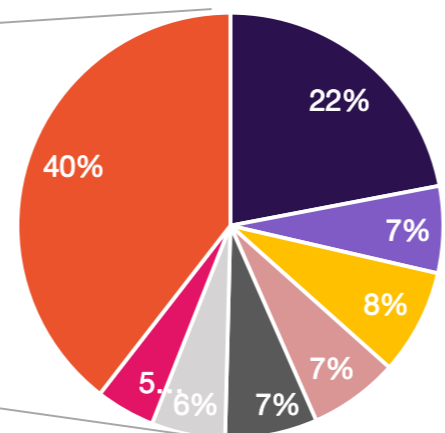


Net Sales: ₹2,744 cr
FY14



Net Sales: ₹ 3,877 cr
FY17

Top Brands Constitute 60% of FLF Brands Sales



Based on FY 17 Sales



Note: Store network as of 30th Sep 2017



Investment Proposition

Retail Formats



Department store chain that offers a complete shopping experience



Outlet model positioned as a stopover hub for graduating to lifestyle retailing

EBOs & Others

- Includes Planet Sports, Converse and other sports formats and franchisee stores
- EBOs facilitate brand building in asset light manner

Own Brands – non FLF Channels

- Includes third party stores such as Shoppers Stop, Lifestyle etc. and online sales



FY17 Revenue
₹2,274 cr (59%)



FY17 Revenue
₹1,045 cr (27%)



FY17 Revenue
₹261 cr (7%)



FY17 Revenue
₹297 cr (8%)



of Stores
37



of Stores
57



of Stores
256



of Stores
37



Area (mn. Sq. ft)
3.5



Area (mn. Sq. ft)
1.6



Area (mn. Sq. ft)
0.3



Area (mn. Sq. ft)
NA



Total Net Sales
₹3,877 cr

FLF focused on building own brand business and developing own channels

Note: Store network as of 30th Sep 2017

Key Deliverables

	FY17	H1FY18	Indicative trajectory
SSG%	16.4%	14.8%	Sustain close to double digit SSG
Revenue Growth %	17.5%	21.0%*	15-17% CAGR
Margin %	9.4%	9.8%	Sustain and expand margins by 100 bps over 3 years
ROCE%	7.8%	11.7%	Expand by 450-600 bps over 3 years
Debt/EBITDA	1.8	1.6	Around 2 times of EBITDA

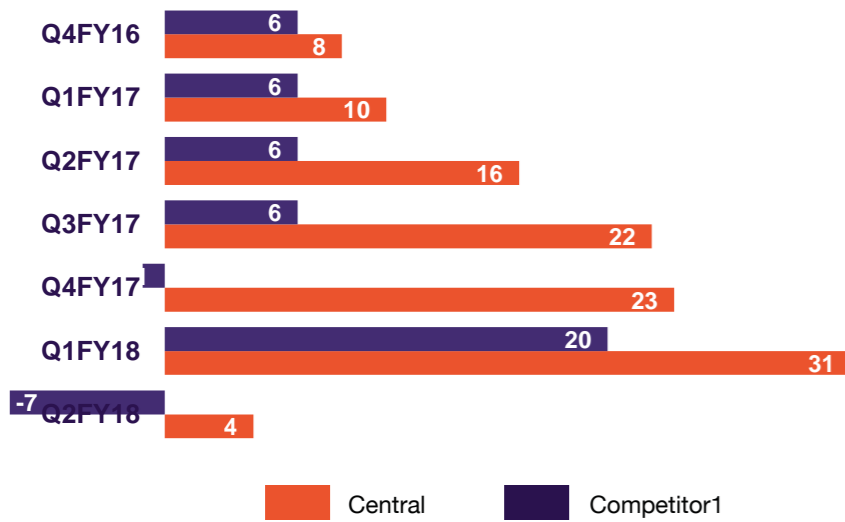
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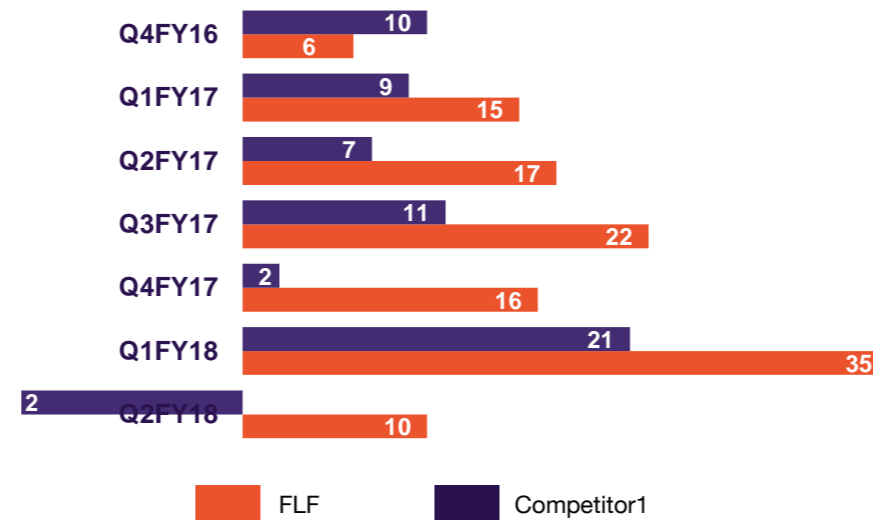


Financial Performance vs Peer

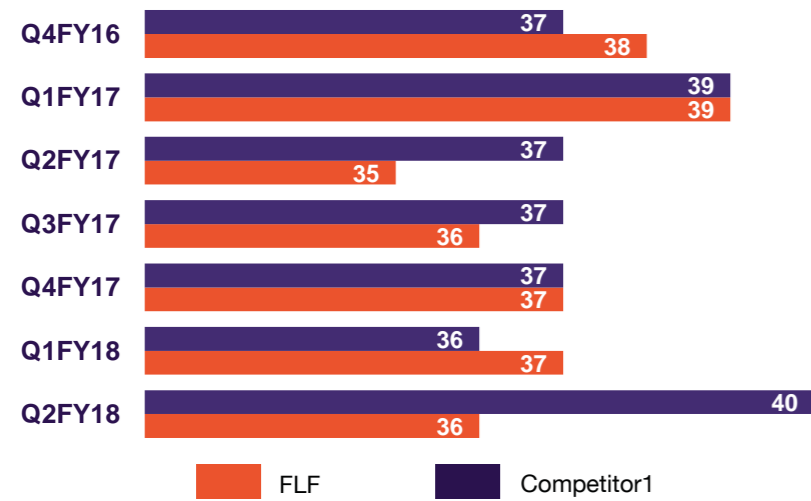
SSG (YoY%)



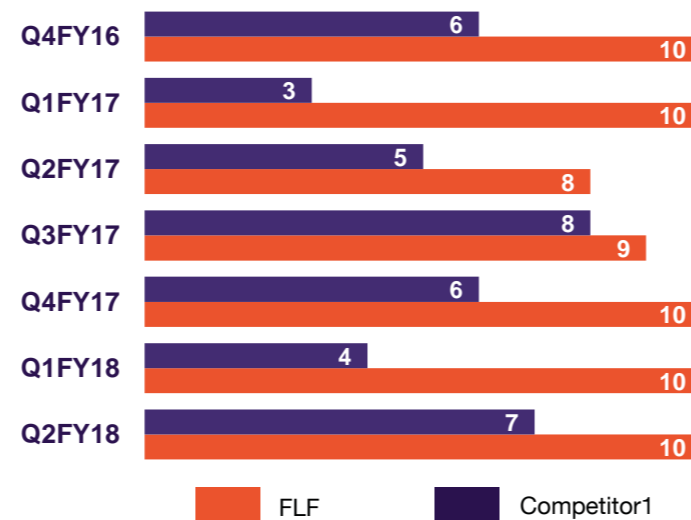
Revenue (YoY%)



Gross Margin (%)



EBITDA Margin (%)



Financial Overview – FY 17

- Investment Grade Credit Rating of CARE "AA-, stable"
- Consistent margin delivery and SSG growth
- Total Debt Reduction of ~₹650 cr in FY17
- As part of value unlocking leading to debt reduction at stand alone level the company has:
 - Carved out Lee Cooper as a separate step down subsidiary valued at ~ ₹1000 Crs and diluted 26%
 - Investee brands were moved into a separate company and unlocked value for ₹450 Crs

Income Statement (₹ cr.)	Twelve Months ended	
	FY16	FY17
Particulars		
NetSales	3,229	3,800
OtherOperatingIncome	71	77
TotalIncomefromOperations	3,300	3,877
Gross Profit	1,255	1,432
Gross Margin %	38.0%	36.9%
TotalExpenditure	929	1,074
EBITDA	325	358
Net Profit	29	46

Balance Sheet (₹ cr.)	As of	
	31-Mar-16	31-Mar-17
Particulars		
Shareholders'Funds	1,623	1,673
NetDebt	1,126	653
Less:CurrentInvestments	375	43
Net Adjusted Capital Employed	2,374	2,282
NetNon-CurrentAssets	1,632	1,695
NetCurrentAssets	742	588
Net Adjusted Capital Employed	2,374	2,282

Financials are on Standalone basis



Financial Overview – H1 FY 18


- FLFL rated by CRISIL as “AA- with positive outlook”
- Consistent margin delivery and SSG growth
- First Listed Brand and Retail Fashion company to reach double digit ROCE%
- Successfully completed Ind AS compliance, implementation supported by Deloitte
- GST Roll out completed successfully


Income Statement (₹ cr.)	Six Months ended	
	H1 FY17	H1 FY18
NetSales	1,781	2,161
OtherOperatingIncome	38	41
TotalIncomefromOperations	1,820	2,202
Gross Profit	669	803
Gross Margin %	36.8%	36.5%
TotalExpenditure	929	1,075
EBITDA	172	215
Net Profit	48	62


Balance Sheet (₹ cr.)	As of	
	31-Mar-17	30-Sep-17
Shareholders’Funds	1,673	1,319
NetDebt	653	655
Less:CurrentInvestments	43	48
Net Adjusted Capital Employed	2,282	1,926
NetNon-CurrentAssets	1,695	1,499
NetCurrentAssets	588	427
Net Adjusted Capital Employed	2,282	1,926




Stakeholder Value Creation

- 

Sustainable SSG%
Close to double digit
- 

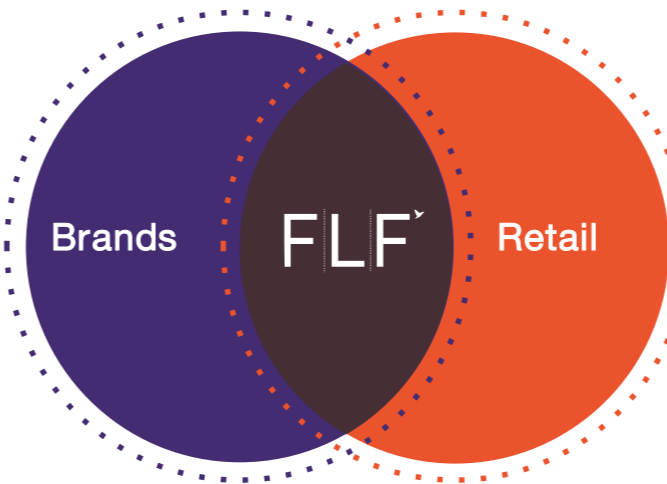
Good Revenue Growth
15-17 % CAGR
- 

Better ROCE
Expand by 450-600 bps over 3 years
- 

Lower Debt
around 2 times of EBITDA

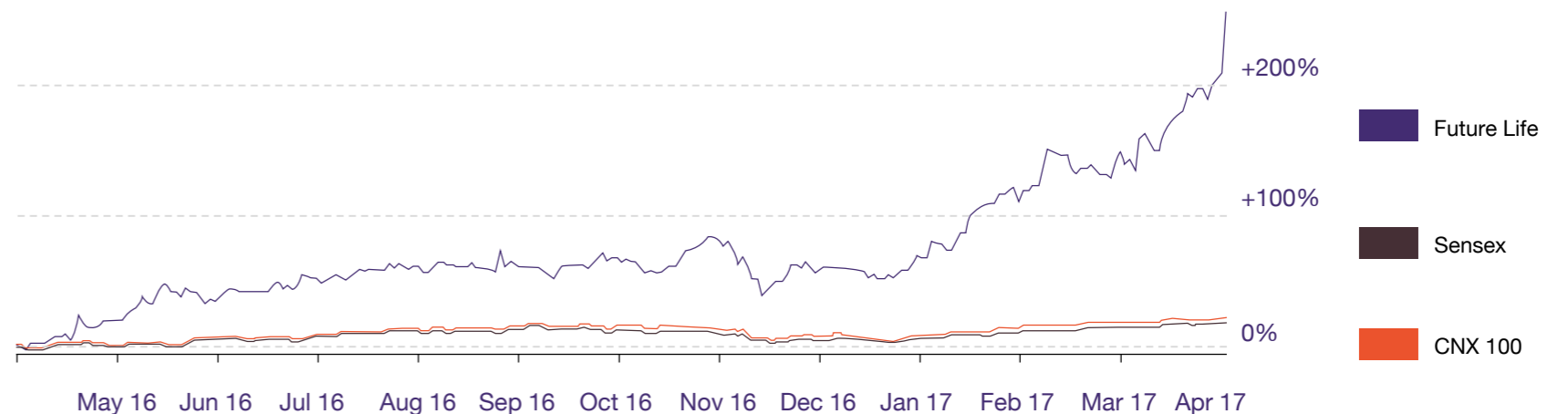
**MAXIMISING
STAKEHOLDER
VALUE**

Underlined by a unique business model



Stellar Shareholder Returns

FLF has time and again proved itself in the bourses with the stock prices ramping up. Compared to the benchmark indices of both the BSE and NSE, the growth of FLF stock has been exceptional



Top Institutional Holders*

Institutions	OS %
Premji Invest	11.4
Timf Holdings	2.7
Bennett, Coleman and Co Ltd	2.4
HSBC Global Investment Funds	1.1
L&T Mutual Fund and Tax Advantage Fund	1.1

Share Holding Pattern*

Promoter	60.6
Institutional Holders	22.6
Non -Institutional Holders	16.8

FLF

* Shareholding as on 30th Sep 2017



**Behind It All –
Visionary Leadership**

Board of Directors



Shailesh Haribhakti
Chairman

Is a Fellow CA and the Chairman of Haribhakti & Co. LLP. With over decades of hands-on professional involvement, he now serves on the board of large multinational and Indian companies and chairs multiple audit committees. He also lends his expertise to several professional and regulatory bodies. He is currently Chairman & Trustee of the NPS Trust and Member of Pension Advisory Committee of Pension Fund Regulatory & Development Authority.



Kishore Biyani
Managing Director

Is the founder and group CEO of Future Group and is widely recognised among the pioneer of modern retail in India. He has led the Future Group's emergence as among the leading consumer goods organisation in the fashion, food and personal care space.



Dr. Darlie O Koshy
Non-Executive Independent Director

Is a Doctorate in Management from IIT Delhi. He was founder faculty member at NIFT from 1987 to 2000 and was Director of National Institute of Design from 2000 to 2009. He had developed the "National Design Policy" which was approved by Govt. of India in 2007. He also served the Executive Board of World Body of Design (ICSID) for 3 terms. He currently serves as Director General and CEO of Apparel and Training & Design Centre, since 2009 which have a network of 200 institutes across country.



Bijou Kurien
Non-Executive Independent Director

Is a consumer industry veteran having been involved with the launch of iconic brands such as Titan, Fastrack and Tanishq. He started his career with Hindustan Unilever and was till recently associated as CEO of Reliance Lifestyle.



Rakesh Biyani
Non-Executive Director

Part of the founding team at Future Group and has led the fashion business of the group through his strong hands-on expertise in operations management, supply chain and technology.



Sharda Agarwal
Non-Executive Independent Director

Is a noted marketing and brand expert with over two decades of experience in various industries and sectors. She was the co-founder of MarketGate Consulting and has served as Director of Marketing at Coca Cola India and was also associated with Johnson & Johnson in India and the United States. She is currently co-founder of Sepalika - a website that partners people to reverse chronic disease.



Avni Biyani
Non-Executive Director

Brings on board the pulse of India's millennial generation and has been closely involved with the conceptualisation and launch of brands such as CoverStory. She is the founder and concept head of India's pre-eminent gourmet chain, Foodhall.



C.P Toshniwal
Non-Executive Director

Has been associated with the Future Group for over 25 years leading strategic planning and finance functions across group entities. He is also the recipient of the Best CFO Award 2011 in the services sector by ICAI.

Management Team



Vishnu Prasad
CEO-FLF

Over 30 years of sales and retail experience. Joined Future Group in 2001 to set up the Big Bazaar stores in the south before moving on to head the Central business.



Hetal Kotak
Head – Lee Cooper & aLL

Over 17 years of experience across branded apparel and retail. Past experience includes Brand Director and Chief Operating Officer, Color Plus and Park Avenue at Raymond Limited.



Suresh Sadhwani
Head – Brand Factory

20 years of rich retail experience. Heading Brand Factory since 2014 since then the format has doubled its turnover and added more than 20 new stores across India.



Manjula Tiwari
Head – Cover Story

Over 22 years experience in the fashion & lifestyle industry. Launched and developed a range of high street brands like Esprit, Benetton bringing significant knowledge of Indian customers. Heads Future Style Lab looking after Cover Story



Kaleeswaran Arunachalam
CFO - FLF

Comes with an experience of over 15 years in the Food & Fashion industry. Previously worked with Mondelez International, Aditya Birla Nuvo & TVS Motors. A qualified Chartered Accountant from ICAI & Masters of Business Administration (Finance), Singapore.



Venkatesh Raja
Human Resources

Heads the People Office for FLF with 23 years of varied experience in organizations like Sterling Holidays, Reliance Petroleum, Reliance Infocom, MTS Group.



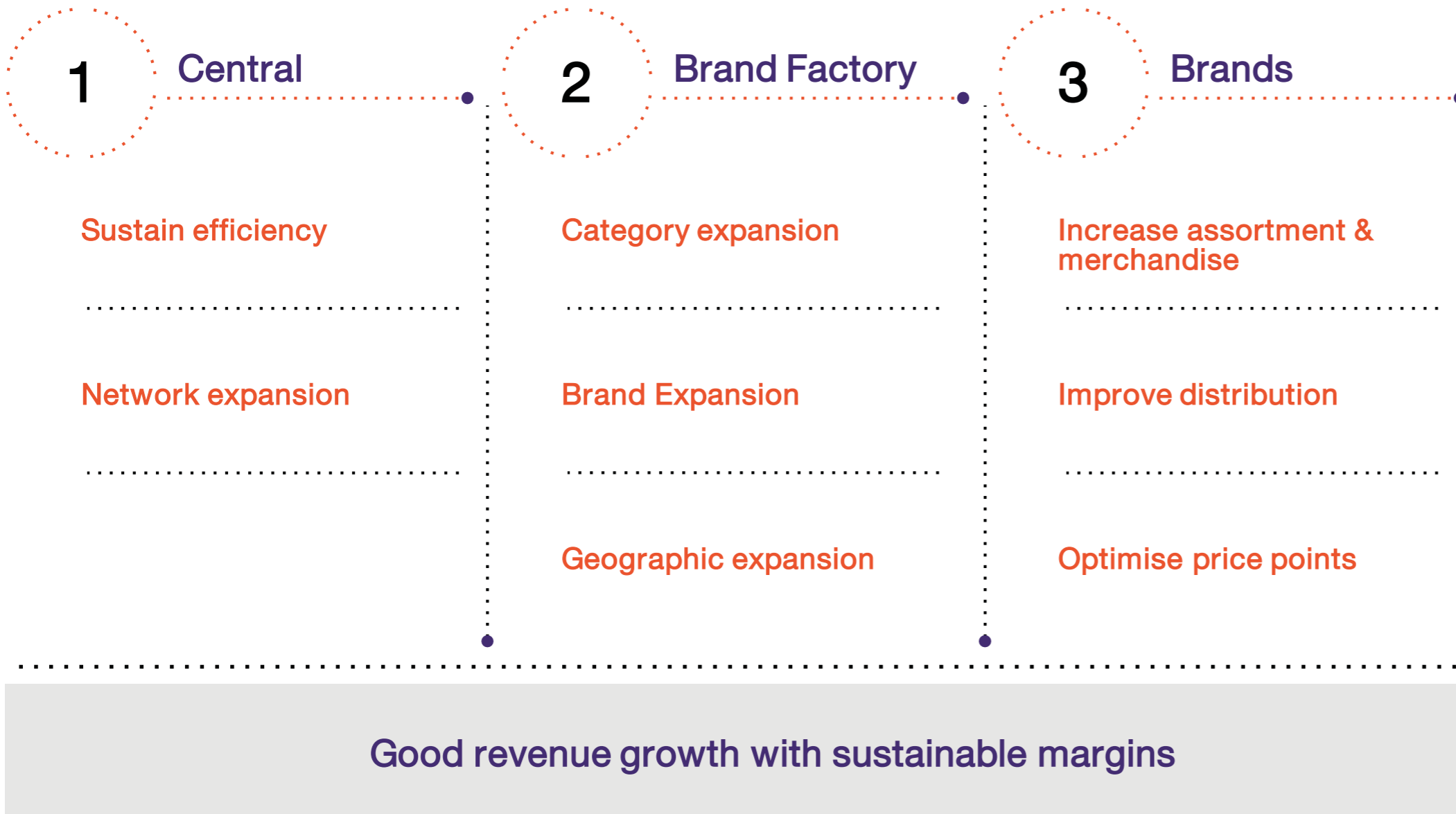
Sanjay Mutha
Company Secretary

Corporate experience of over 16 years in the Secretarial and Legal functions and handled various corporate actions. Previously worked with Mather & Platt, Mahindra and Mahindra and CMI FPE. A qualified Company Secretary from ICSI.



The Road Ahead

Growth strategy



The Way Forward to maximise stakeholder value

Indicative Top line Growth / Margin Expansion

Targeted Revenue Trajectory



X

EBITDA Margin Expansion Potential



=

Resultant ROCE Improvement



Growth of 15%-17% FY20

Potential Own Brand Share of Revenues



Potential EBITDA margin expansion of around 100 bps on the back of,

- Premiumization of the Portfolio
- Increasing own brand penetration
- Supply chain optimization

Potential for ROCE expansion of 450-600 bps over next 3 years driven by,

- Top line growth
- Higher share of own brand
- Margin expansion



Top 5 reasons to invest in FLF

The Way Forward to maximise stakeholder value

1

Burgeoning fashion market

FLF's offer is in the right place at the right time

- Strong macroeconomics
- Fashion industry to grow exponentially due to an inflection point

2

Consumer preferences shifting in our favour

FLF's offer is aligned to what consumers want and how they want it

- Shift towards Fast fashion and branded apparel
- Shift towards experience led shopping

3

Unique business model

FLF has an integrated fashion play model of both brands and retail – a winning combination

- Circumvents challenges such as channel margins, price pressure and drag on ROCE in individualist pure play models
- Benefits such as better cost and scale efficiency, higher value creation, higher profitability, better brand experiences in the FLF model

4

Strong financial performance

FLF has an integrated fashion play model of both brands and retail – a winning combination

- High credit rating, industry leading SSG Growth, high free cash flow, higher value unlocking and debt reduction

5

Maximised shareholder value creation

FLF – creating and increasing shareholder wealth

- With strong key metrics, young store vintage, and a very good room to grow, FLF is poised for high growth, thereby creating ultimate shareholder value





Good to Know

Future Group in Numbers

The Foremost Player Catering to the
“Consumption Sector” in India



Total Revenue

₹23,000 cr+



Total Area

20 mn sq ft



Market Cap Increase

643%

(01 Apr 14 to 18 Apr 17)



Customer Footfalls

350 mn+



Retail Footprint

~ 1,300

Stores



Cities Present

250+



*:Market Cap for 18 Apr 17 includes FRL , FLF, FCEL and FEL while for 01 Apr 14 includes erstwhile FRL, FLF and FCEL

FLF

Mission & Vision

Group Core Values



Indianness



Openness & Adaptability



Leadership



Valuing & Nurturing Relationships



Respect & Humility



Simplicity & Positivity



Introspection



Flow

FLF

Mission



Be the most preferred fashion destination of India



Be the preferred employer in the fashion space



Create the most preferred portfolio of fashion brands



Be the trendsetter in Indian fashion through superior understanding of the culture, style code, passion and aspirations of Indian consumers



Be as the most innovative, efficient, and profitable retailer



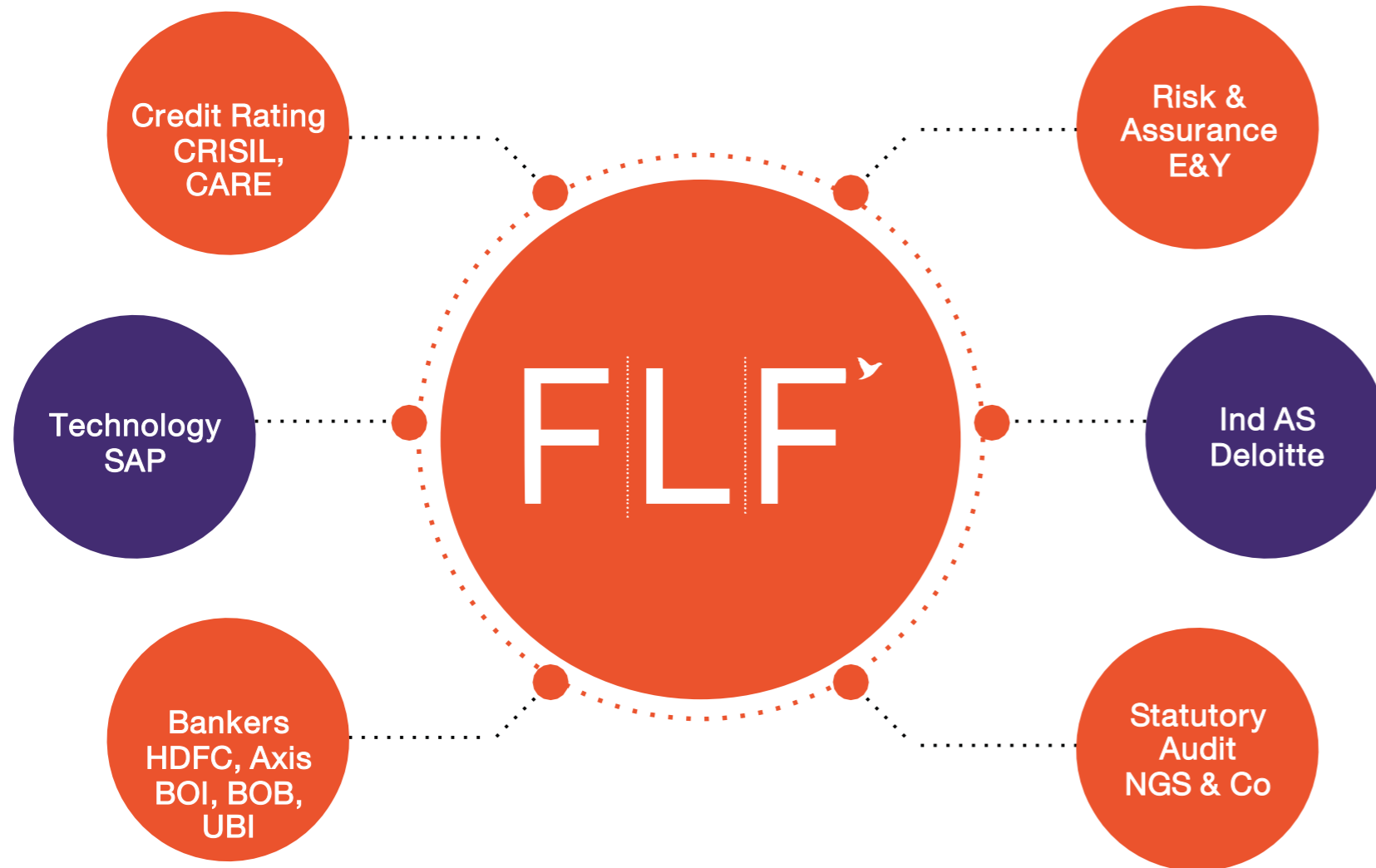
Create happiness for customers, colleagues, business partners and every stakeholder



Vision

To be the leading lifestyle fashion company in India by creating exceptional brands and shopping experiences that will bring alive the Indian idiom of fashion.

FLF Environment



4 Pillars Driving Growth

Power Brands

- Fast Fashion vs Core Merchandise
- Focus on power brands
- Opportunity to take brands to the next level

Distribution Networks

- Hi-definition retail
- Right stores at the right locations
- Extending third party distribution

Loyalty Programs

- Loyalty program and Data analytics at core of driving business
- Partnered with leading firms for analytics and data driven retailing

Supply Chain Transformation

- Operating efficiencies in cost and reduce net working capital
- Optimum utilization of resources

Enablers



People

Led by a professional and experienced management team

Talented team across levels, good workplace practices

Industry veterans represent the Board of Directors



Process

Good corporate governance and process

Dedicated top management focus on periodic MIS reviews and corrective actions



IT Systems

Robust IT Systems in place to support the existing business

Implementing advanced Planning Module covering product lifecycle management and forecasting

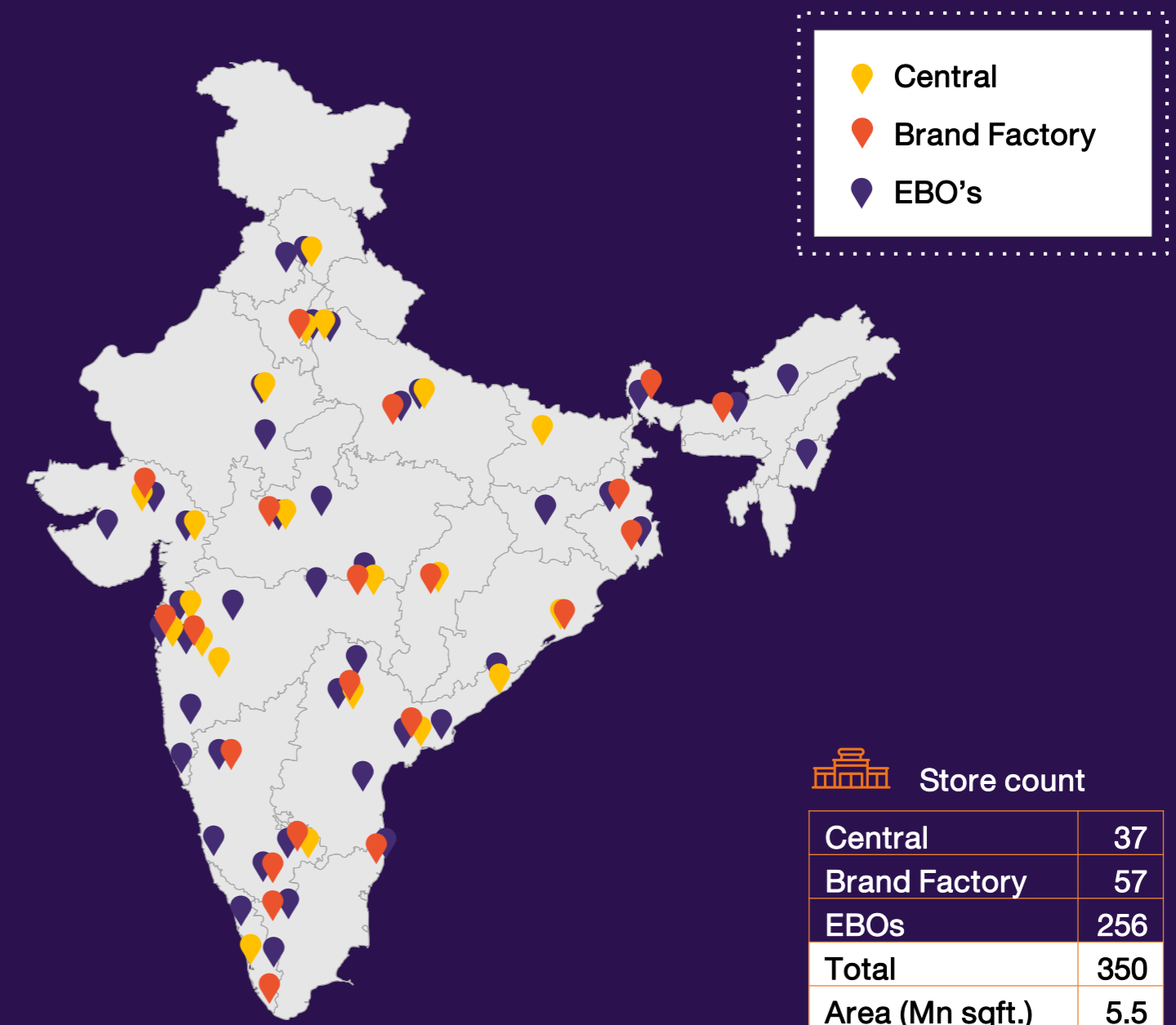
Young store vintage and vast Company store network

Age of Store	Central	Brand Factory	EBOs	Total
Greater than 5 Yrs	15	11	87	113
3-5 Yrs	9	19	77	105
Less than 2 Yrs	13	27	92	132
Total Store Count	37	57	256	350
Less than 5 Yrs Mix %	59%	81%	66%	68%

Indicative Graphical representation of store journey

Central	Y1-Y2	Y3-Y4	Y4-Y5	Y6 Onwards
Store Maturity Cycle	Cash Break Even	Scale up	Pay Back	Matured & High ROCE
Brand Factory	Y1	Y2-Y3	Y4	Y5 onwards
Store Maturity Cycle	Cash Break Even	Scale up	Pay Back	Matured & High ROCE

*Store Network as on 30th Sep 2017



Brands Digital Footprint ~ 1 Mn

Cover Story
@CoverStoryFSL

Your summer wardrobe is here! Get #OOTD worthy pictures every day for your holiday with outfits from Cover Story!

118,133 people like this

118,164 people follow this

358 posts, 4779 followers, 85 following

Following

Scullers
@scullerspage

199,066 people like this

197,738 people follow this

Lee Cooper India
@LeeCooperIndia

481,902 people like this

480,977 people follow this

Lee Cooper
@LeeCooperin

1,107 tweets, 6,701 following, 5,173 followers, 632 likes

Keep it simple and stylish! Which cool t-shirt would you pair with this denim on a hot day of summer? This or that?

#SS17 #LeeCooper #OriginalBritishDenim #Summer #Denim

Jealous 21
@Jealous21

733,381 people like this

728,044 people follow this

525 posts, 1919 followers, 118 following

Following

Indigo Nation
@indigonationpage

1,608 tweets, 247 following, 1,027 followers, 249 likes

John Miller

konijnendijkmode Perfect shirt van John Miller!

blank_minded Rate me girls

isatyamm Fashion is about what you r inside

jamziya #mirror photography #mensfasion

Retail Digital Foot Print ~ 2 Mn

Facebook

Central Shopping Mall
@centralandme 3.9 ★★★★★

Community

874,963 people like this

871,355 people follow this

Shilpa Chitnis Joshi reviewed Central –
6 Apr at 10:35am

Kristy Robinson reviewed Central –
2 Jan at 10:31am

Instagram

222 posts 1712 followers 57 following

sunbae_sparrow Fashion Show- Summer Collection in Whites' #pic2 #styleatcentral #ThatThanksgivingSpeech

Twitter

So @centralandme really has the latest collection from so many brands #AllNewWhitefieldCentral

Central Official @centralandme
TWEETS 5,568 FOLLOWING 642 FOLLOWERS 26.7K LIKES 1,965

Look at all the brands they have in store and more #AllNewWhitefieldCentral @centralandme #Bangalore

missmallini Current mood. Thanks @styleatcentral for the sale of the year! #CentralFreeShopping



Brand Factory Official @brandfactoryofficial
847,280 people like this
835,647 people follow this

Brand Factory Official
April 18 at 12:47pm

Step up your style quotient with our #BrandOfTheWeek – Scullers. Buy 2 Get 1 Free only this week!
Visit your nearest store to avail this offer-
<http://www.brandfactoryonline.com/brandfactory-locateus.aspx>

Like Comment Share

2.6K

111 posts 5726 followers 0 following

kamal2all Its shopping Time... #Suitedup #Trending #Brandfactory #Bff #Tryingnewstufs #HappyDays

78 likes nezzil_bandyod Owzm selectionnZzzz###brandfactory###in tvm###

omies_bhuvad Shopping time #brandfactory #highlander #denim #love this#color

TWEETS 797 FOLLOWING 1 FOLLOWERS 1,667 LIKES 117

Brand Factory @BrandFactoryIND
ad_mohammad_ #vw #pumaferri #rayban #brandfactory

s_h_a_h_i_d_TRENDZFASHI
ON STORE
#passion #love #fashion #shopit #brandfactory

gopikrishnan.sm Bunkd Classes! #BrandFactory!

<http://www.centralandme.com/>


EXCLUSIVE PERKS FOR CENTRAL SHOPPERS

- Golf Cart Service
- Fashion Stylists
- Shopping by Appointment
- Product Reservations
- WhatsApp Shopping
- Valet Parking
- Complimentary WiFi
- Lux Billing

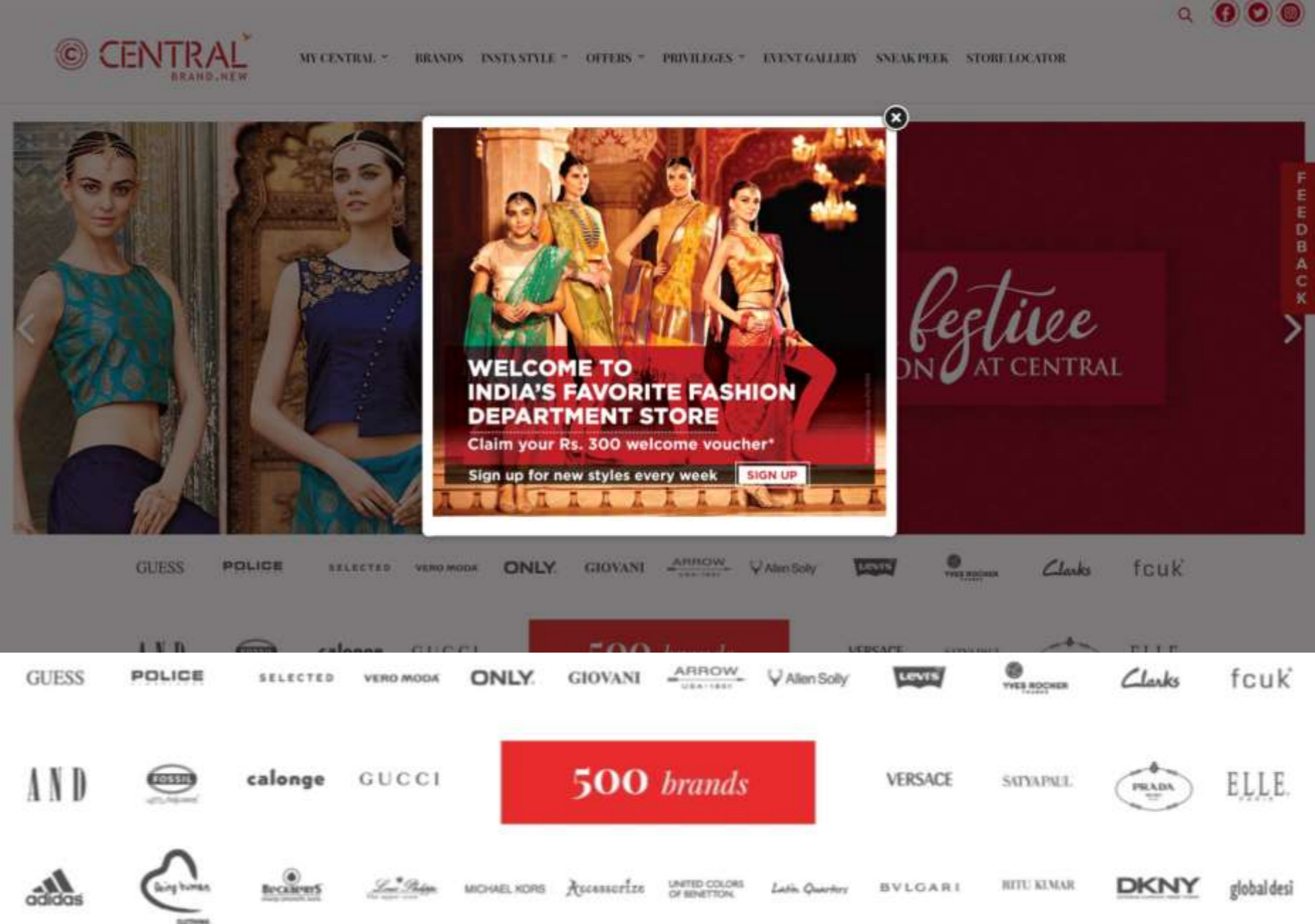
WHAT PAYBACK IS?

- Earn points on every purchase
- Get a wide selection of redemption options

[KNOW MORE](#)



PAYBACK



CENTRAL BRAND NEW

MY CENTRAL | BRANDS | INSTASTYLE | OFFERS | PRIVILEGES | EVENT GALLERY | SNEAK PEEK | STORE LOCATOR

WELCOME TO INDIA'S FAVORITE FASHION DEPARTMENT STORE

Claim your Rs. 300 welcome voucher*

Sign up for new styles every week [SIGN UP](#)

festive ON AT CENTRAL

500 brands

BRANDS: GUESS, POLICE, SELECTED, VERO MODA, ONLY, GIOVANI, ARROW, Allen Solly, LEVI'S, TYRES ROCKER, Clarks, fcuk, AND, FOSIL, calonge, GUCCI, VERSACE, SATYAPALLI, PRADA, ELLE, adidas, Gung Huma, BUCKLE UP, Linn Polina, MICHAEL KORS, Accessorize, UNITED COLORS OF BENETTON, Laika Quarters, BVLGARI, BITU KIMAR, DKNY, global desi

Payback – Loyalty Program



WELCOME TO PAYBACK!

GO SHOPPING, EARN POINTS
AND REDEEM EXCITING REWARDS

Now with PAYBACK, India's largest loyalty program, you get lots of advantages on your daily shopping at Big Bazaar and many other partners in your city as well as online PAYBACK partners. Become a member of the PAYBACK loyalty program today!

YOUR PAYBACK ADVANTAGES AT A GLANCE

-  Start earning points with your new PAYBACK card at Big Bazaar and other leading PAYBACK partners from different categories
-  Benefit from exclusive as well as bonus point offers
-  Enjoy attractive possibilities to redeem your points

MANY REWARDS AND MANY WAYS TO REDEEM POINTS.

PAYBACK allows you to redeem points in many ways. You can redeem at any of the Big Bazaar stores or log on to www.payback.in and choose to redeem them from over 500 unique rewards. You can also redeem your points when shopping at our online partners.

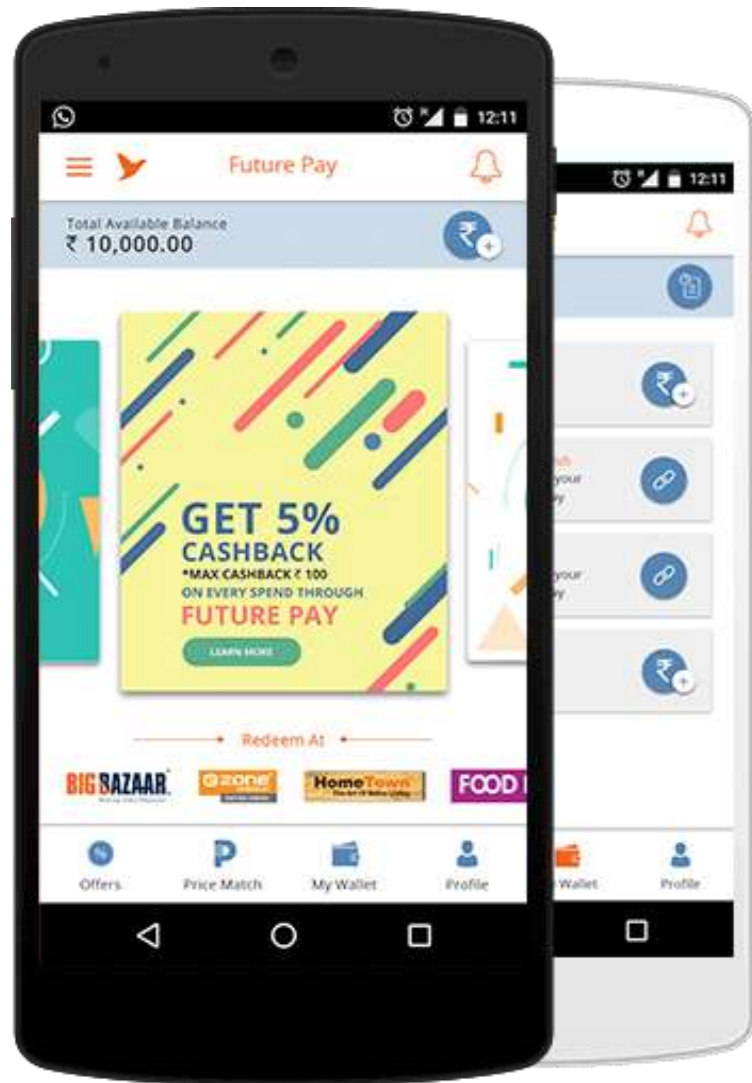


- A Future Group coalition program with Payback.
- This is a points based system where currently aggressive enrolments in all FG formats to track customer purchase behavior
- The Nature of campaign is based on targeted objective which is detailed below:

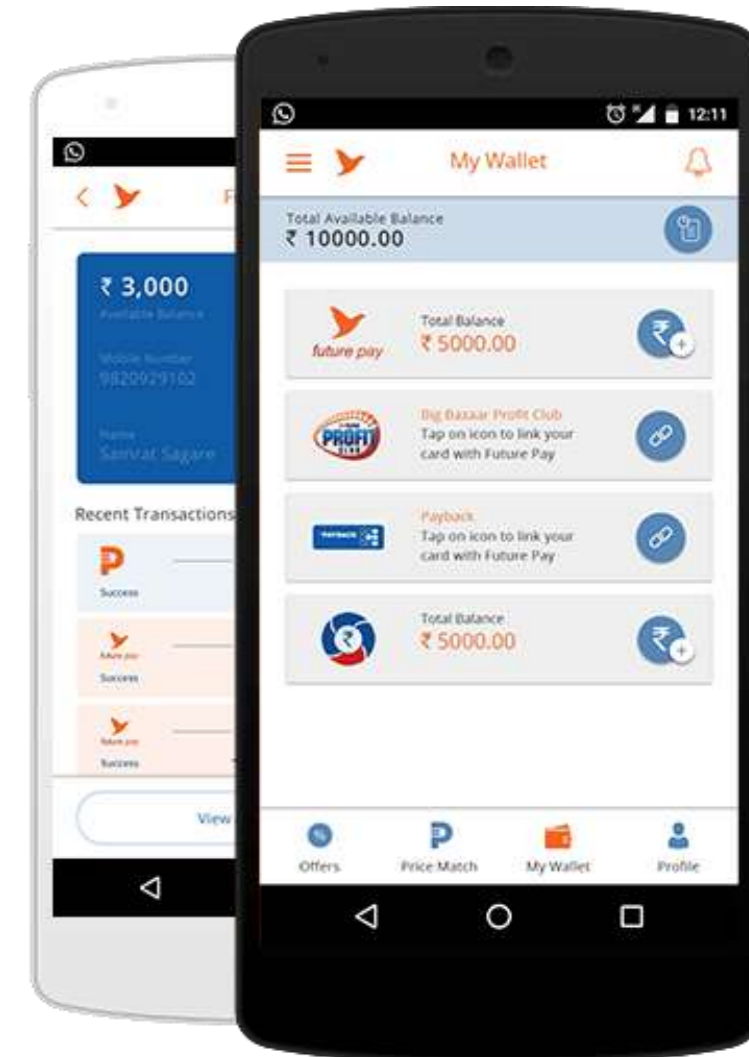
Campaign	Objective
Birthday	Target PB Customers with exclusive offer in their Birthday month
Segments	Bucket PB customers into 4 categories as a) Beginners , b) Gold Premium , c) Lapser Premium , d) One timer based on their shopping behaviour & target them with customized offers every month
Lapsers	Activate Lapser base with aggressive offer & drive them to store
Points Redemption	Drive PB Points Redemption at our stores
New Stores	Target PB customers in the catchment of new store with launch offer
Weak Stores	Identify Weaker stores & Target PB customers in the catchment of store with aggressive offer

KPIs	Central	Brand Factory
Total Active Base	2.2 Million	2.5 Million
Sales Contribution %	70%	60%
Frequency (Loyalty/Regular base)	2.0 / 1.2	3.5 / 1.8
ATS (Loyalty/Regular base)	3200 / 2950	2300 / 2100

Future Pay Wallet



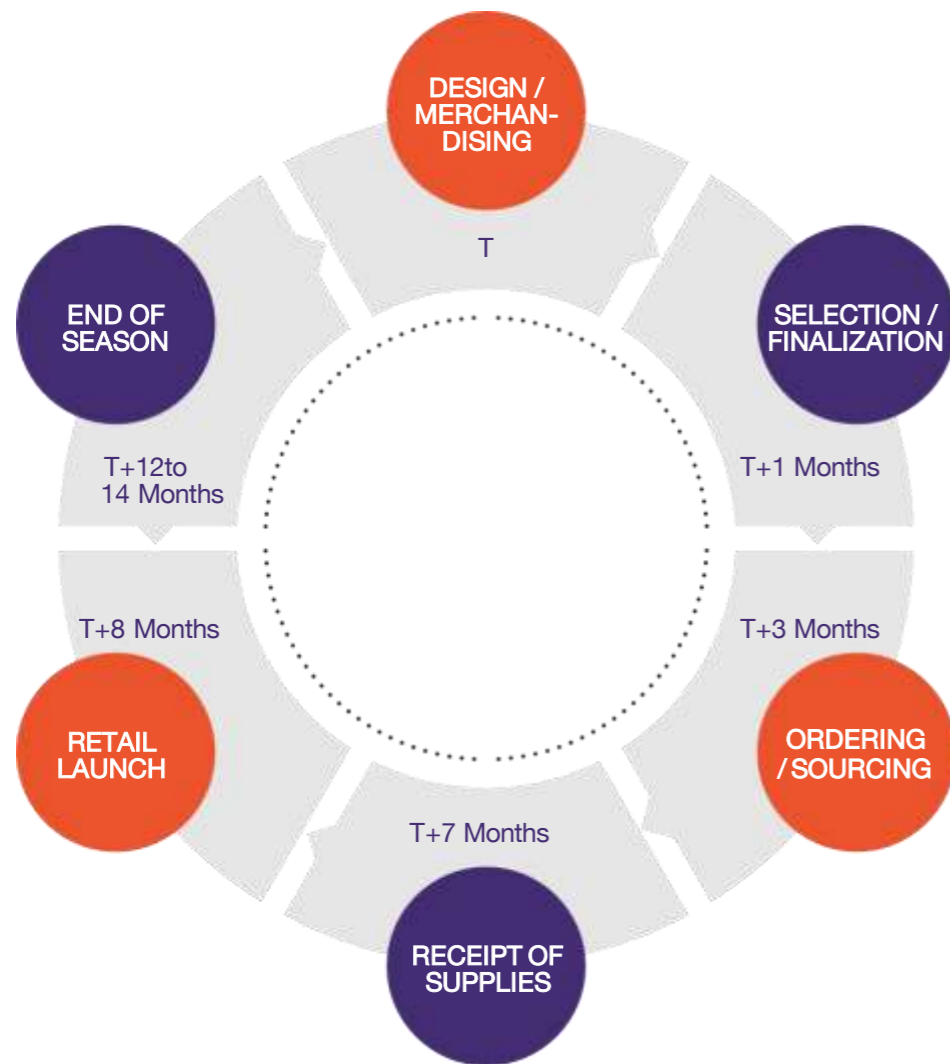
- ✓ Future Pay is India's most convenient and secure digital wallet for shopping across all Future Group outlets.
- ✓ It allows you to manage all your loyalty accounts like Payback at your fingertips. Currently it is having ~ 3 million users
- ✓ For Central & Brand Factory Future Pay wallet recently went live on 1 Nov 2017.
- ✓ FLF runs customized cashback offers and load money into wallet where we regularly run promos through Future pay for festive and other in-store offers.
- ✓ Communication is sent regularly to customers who have cash back balance inviting them to redeem
- ✓ We have seen a 3X sales multiplier to the cash back amount



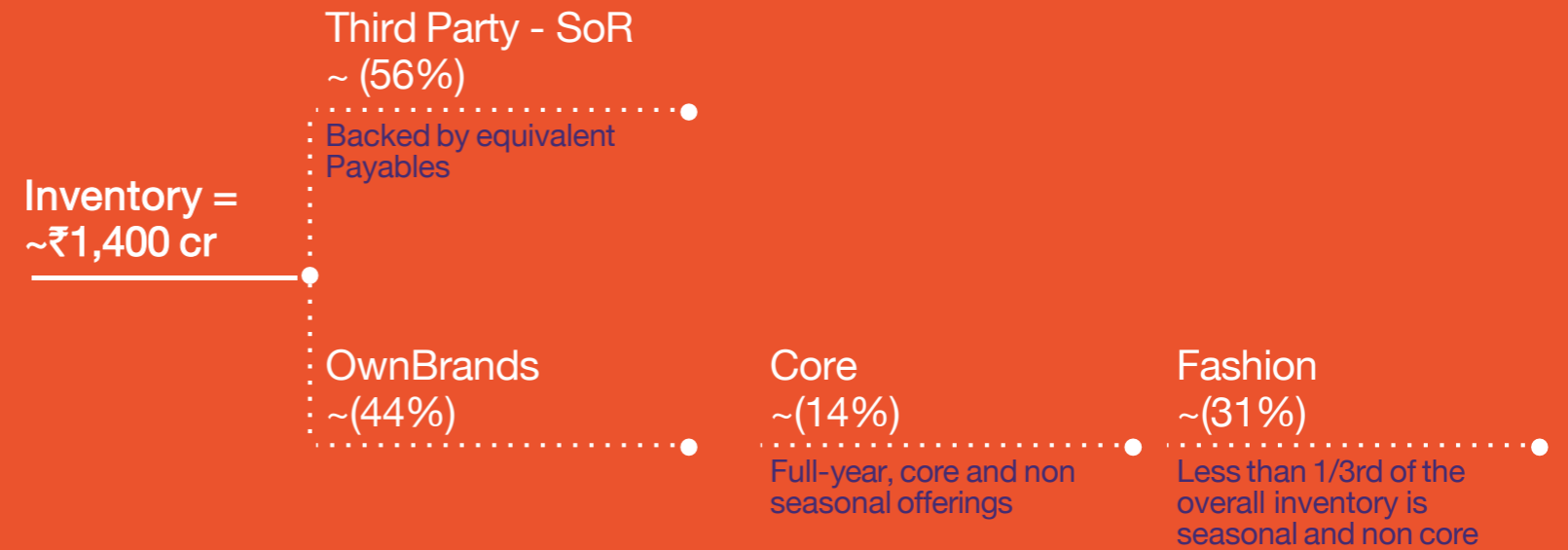
Typical Fashion Season

Concept to Consumption

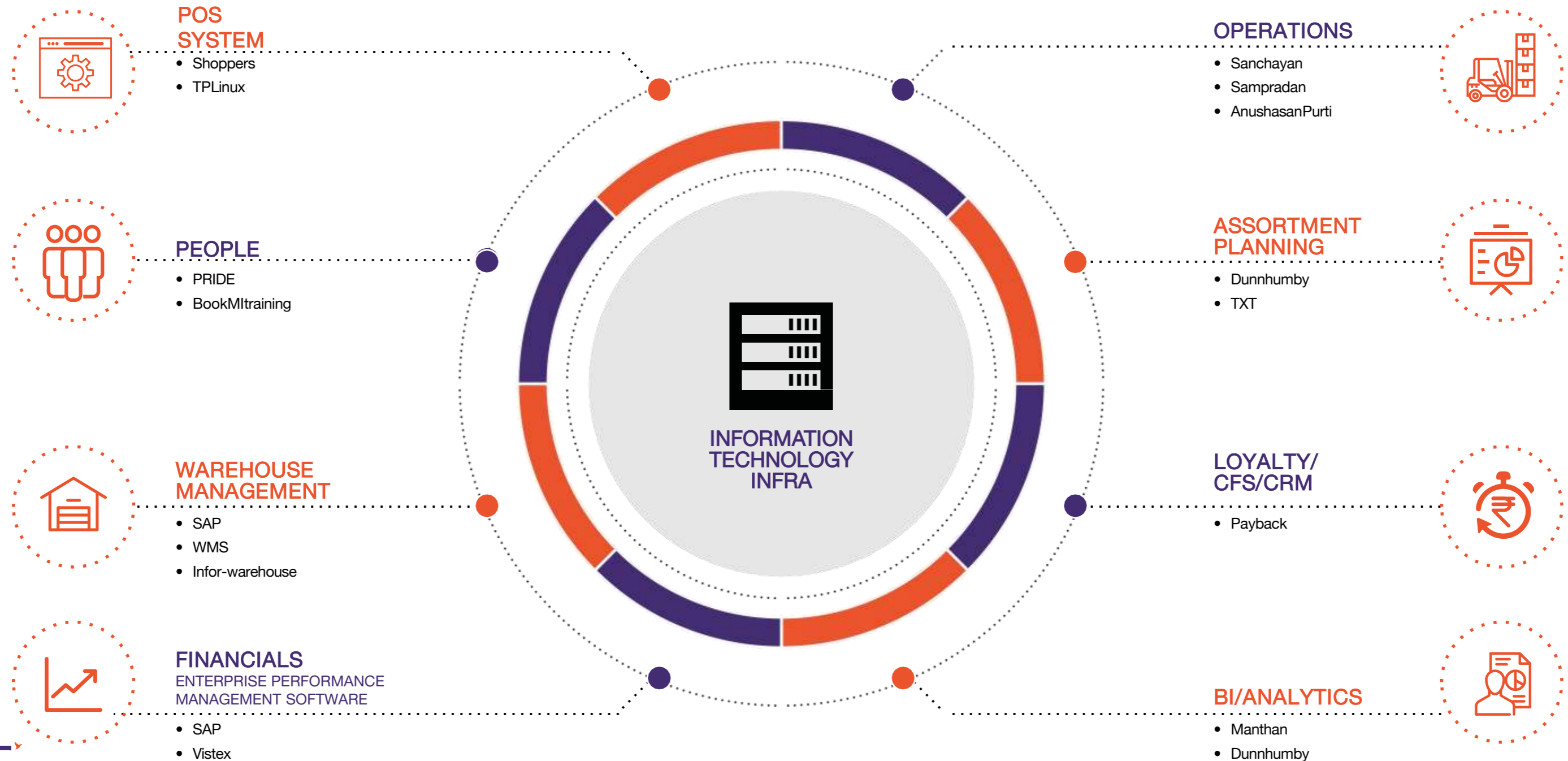
Design to Consumer – 12 to 14 months cycle



Indicative Inventory Overview



Technological Architecture



Key Performance Highlights

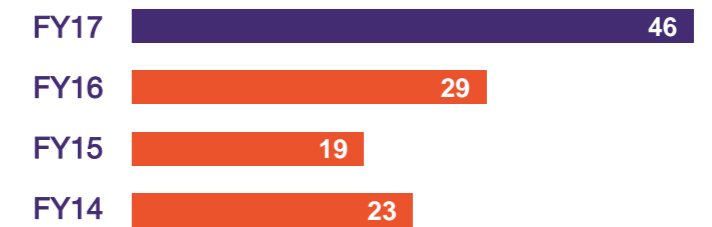
Revenue (in ₹ Crore)



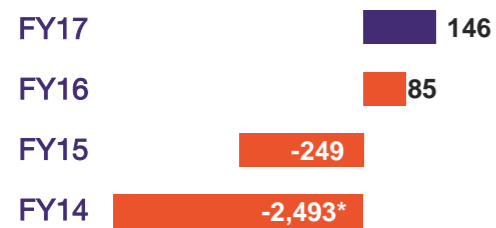
EBITDA (in ₹ Crore)



PAT (in ₹ Crore)



Free Cash Flow (in ₹ Crore)

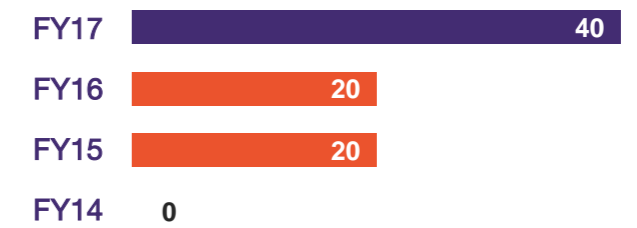


*Not to scale

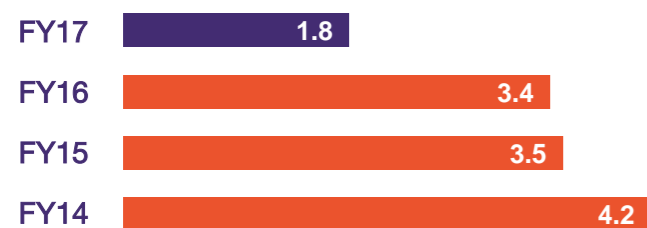
ROCE (%)



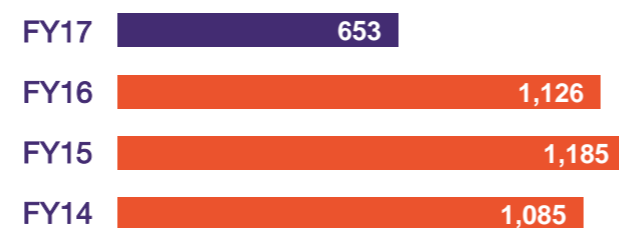
Dividend Payout (%)



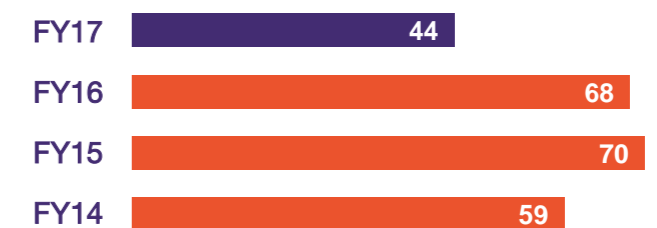
Net Debt / EBITDA



Net Debt (in ₹ Crore)



NWC Days



All Numbers are on standalone basis

Key Accounting Policies

Revenue Recognition

- Revenue is recognized basis the economic benefits that will flow to the Company and that can be reliably measured.
- Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyers.
- Sale of goods are recorded at net of trade discounts, rebates and taxes
- Revenue from services are recognized as they are rendered based on agreements/arrangements with the concerned parties and recognized net of taxes.

Fixed Assets & Depreciation

- FLFL opens its stores on leased premises and invest in fixed assets like electrical equipment, furniture & fittings. lease hold improvements etc.,
- Company depreciates its Fixed Assets over the useful life of the assets and in case of store related assets depreciation is charged basis useful life of assets or renovation period which ever is earlier.

Inventory

- Being the brand and retail player – FLFL revenue for about 60% of its business is through third party brands. Inventory for these third party brands are in FLFL Books and equally backed by creditors hence no impact on working capital. General commercial terms for these third party brands are largely on sale or return basis.
- About 40% of FLFL revenue comes from own brands for which inventory is also owned by FLFL
- The company provides for shrinkage, aged/Damaged & Dead inventory on a periodic basis using historical rate of sales.



Thank you

Registered and Corporate Office:

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Jogeshwari (East), Mumbai 400 060
+91 22 30842336

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Chief Financial Officer
Kaleeswaran.Arunachalam@futuregroup.in