



FLF FUTURE
LIFESTYLE
FASHIONS

FLFL US Road Show June 2017



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.



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Key facts & figures

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



Total Revenue
₹23,000 cr+



Market Cap Increase
643% (01 Apr 14 to 18 Apr 17)



Retail Footprint
~ 1,300 Stores



Total Area
20 mn sq ft



Customer Footfalls
350 mn+



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

Future Group overview

Focussing on Food, Fashion & Home

FUTURE RETAIL

Operates across hypermarkets, convenience stores and home segment



Focuses on branded fashion from design to distribution; with a portfolio of brands in fashion space



Pure play integrated Food & FMCG company with a portfolio of brands across categories

The above businesses are driven through the following 5 Pillars

Power Brands

Small store network

Building Strong Brand Portfolio

Multi channel approach

Faster Stock to Cash Conversion

Business Backed by strong retail infrastructure & supply chain operations

FSC

Offers end to end logistics and supply chain solutions to the Group

FEL Future Enterprises Ltd.

Caters to in store retail infrastructure including furniture, fixtures, IT etc

Key Investors



Well capitalized businesses with leaner balance sheets and improving operating performance every quarter

Mission & Vision

Group Core Values



Indianness



Leadership



Respect & Humility



Introspection



Openness & Adaptability



Valuing & Nurturing Relationships



Simplicity & Positivity



Flow

Mission



Be the most preferred fashion destination of India



Create the most preferred portfolio of fashion brands



Be as the most innovative, efficient, and profitable retailer



Be the preferred employer in the fashion space



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



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.

Investment proposition

Indian Fashion Industry Rapidly Shifting towards Branded Apparel Coupled with Stronger Macroeconomics

Indian fashion market is a very large opportunity

India's fashion industry was worth ~US\$100bn in 2015. FLF's offerings are present across majority of the segments

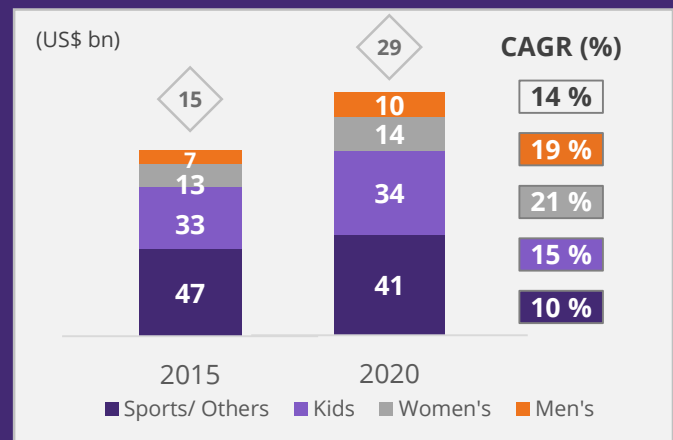
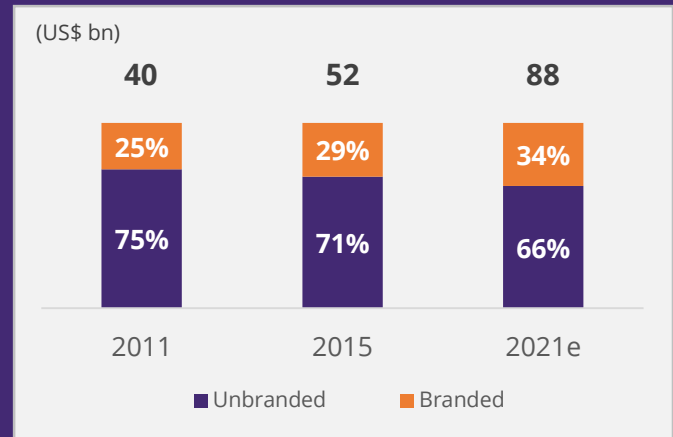
Clear and rapid shift towards branded products

- ◆ 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

Branded apparel market split by segment

- ◆ Men's and women's wear to comprise ~76% of market by 2020
- ◆ Athletics/sports wear / others category to grow at 2x of men's wear
- ◆ FLF is well positioned to capture growth across all segments – particularly Women's wear and athletics/leisure market through combination of own brands (e.g. Cover Story, aLL, Lee Cooper) and non-FLF brands

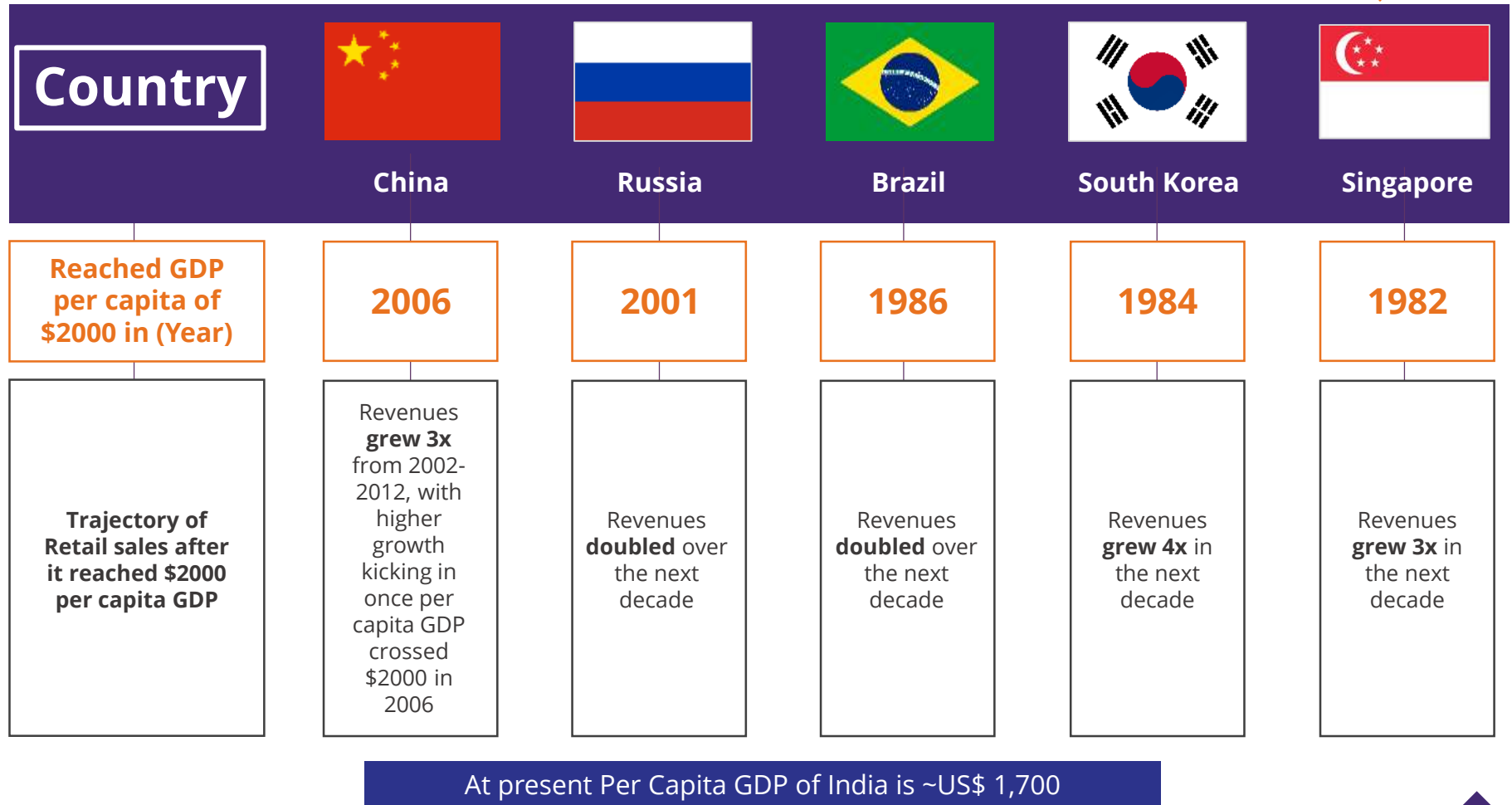
Branded Apparel Market Growing Faster Than Overall Market



Source: UNESCO, CLSA Report

Fashion Industry is at an Inflection Point

Fashion market expected to witness disproportionate growth as per Capita GDP nears US\$ 2,000 mark



Investment Proposition

Trends in apparel industry

- ◆ Buoyancy in branded fashion is expected to continue at an accelerated phase.
- ◆ Indian fashion and lifestyle segment is witnessing a paradigm shift with women's apparel expected to match men's apparel – 37 per cent market share each – in 2016.
- ◆ Fast fashion
 - ◆ A phrase used for designs that move quickly from the catwalk to showrooms, is growing at yearly pace of 25-30%, twice the rate of overall market.
 - ◆ Fast fashion brands bucked the economic downturn by offering stylish designs at prices that were reasonable to Indian consumers
 - ◆ International fast fashion brands such as Zara, H&M and domestic players like W, FabAlley are key players in India.
 - ◆ Fast Fashion requires more nimble and efficient supply chain.
- ◆ Women's wear seeing scale up of branded ethnic wear brands like BIBA, SOCH, Nalli and FAB India.
- ◆ Sports and At-Leisure category growing at faster phase.
 - ◆ This is also evidenced by lot of national brands working on brand extension in this category.
 - ◆ Marquee national brands which started out selling formal clothes, have launched semi-formal brand extensions.



Integrated Fashion Play is the Way to Go

◆ 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

VS

◆ 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



FLF best positioned to win since it is one of the few apparel players with strong own brands and a large retail channel



Own brands sales comprise ~40% of total FLF revenues



Own-channel comprises ~70% of own brand sales

◆ Brand ◆

&

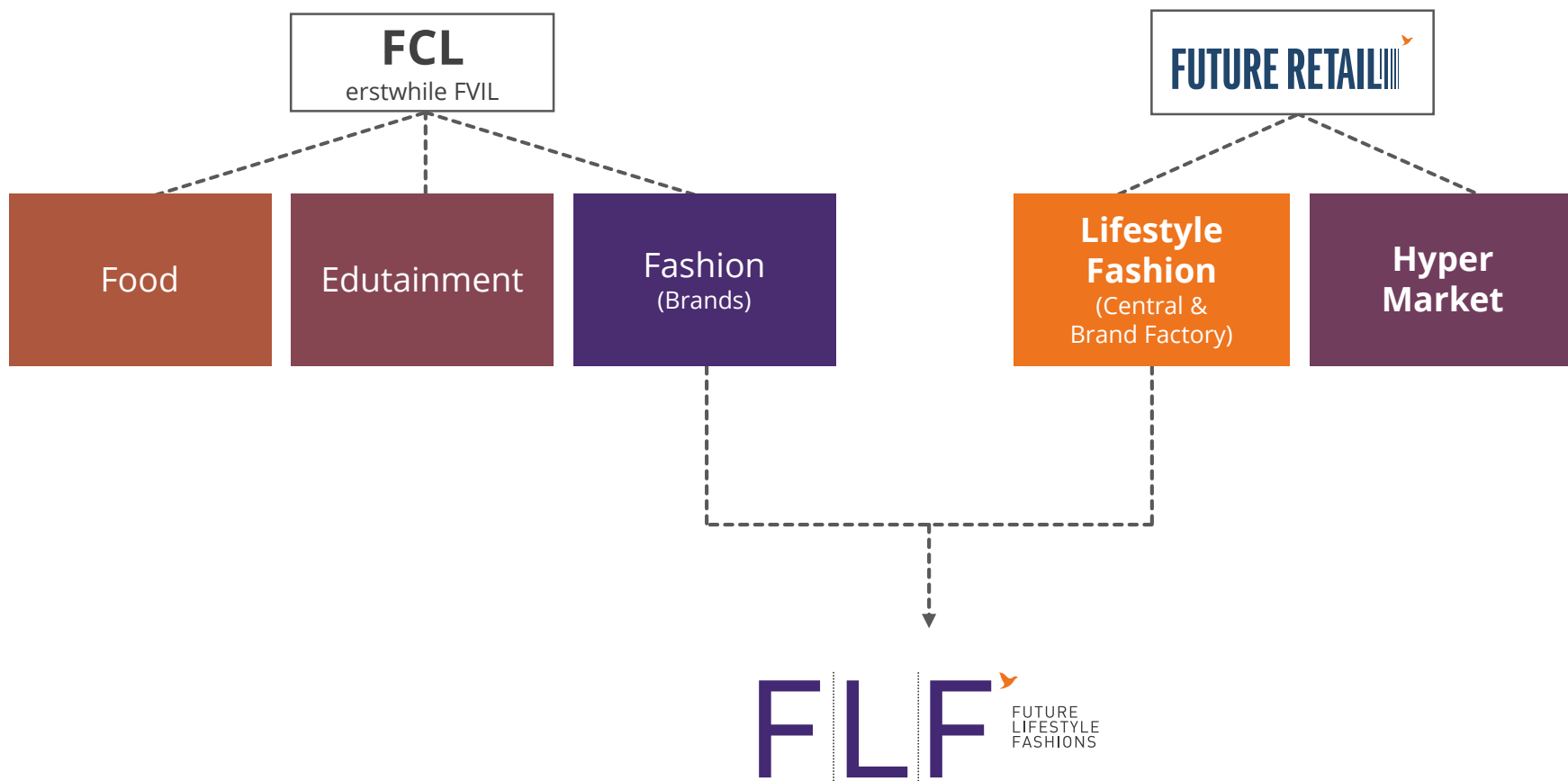
◆ Retail ◆

Investment in fashion entities accelerate growth momentum



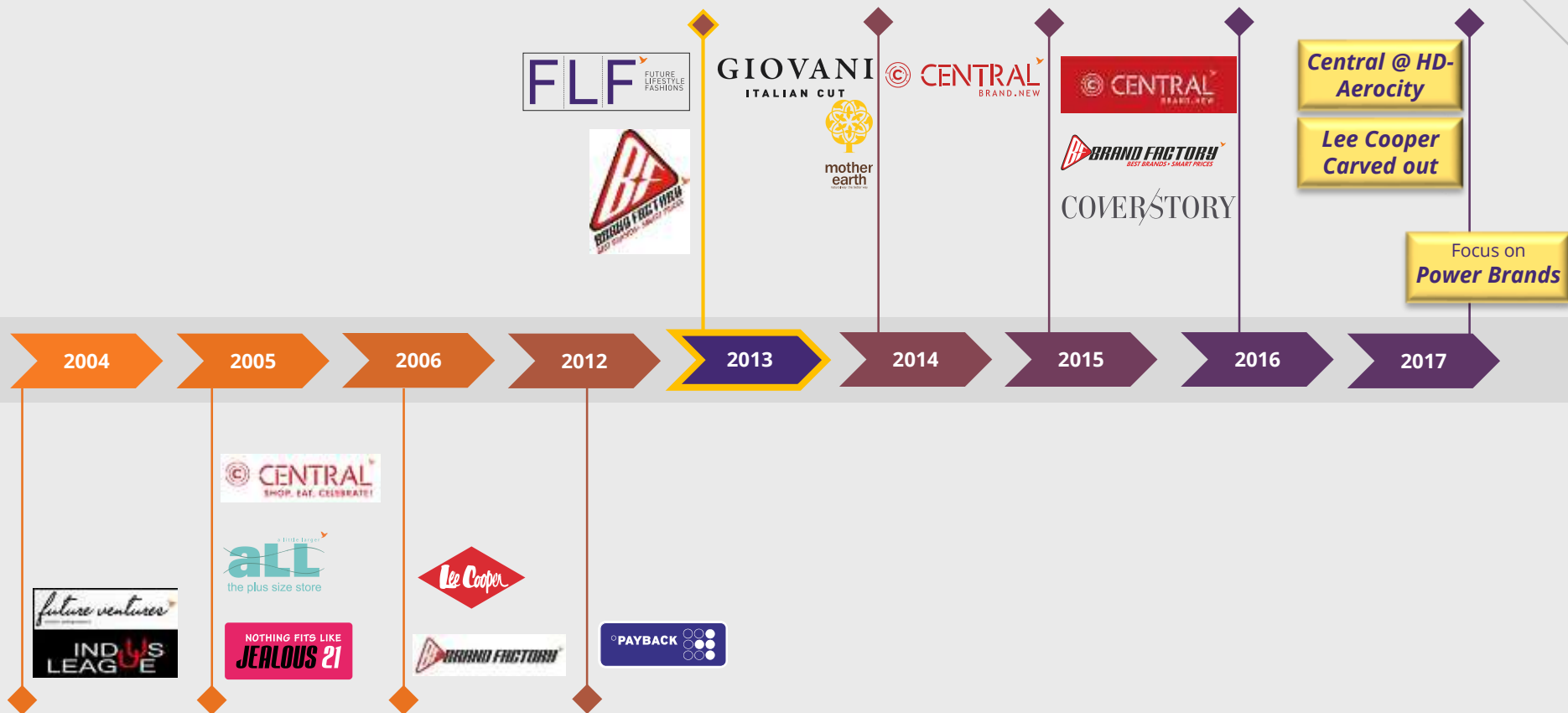
Company Overview

Company structure



Carved out in the year 2013

Milestones



Board of Directors



Shailesh Haribhakti
Chairman

During a career span of four decades, successfully established and led many innovative services. A Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner & Fraud Examiner



Kishore Biyani
CEO Future Group

Founder and Group CEO of Future Group. Has over 25 years experience and is known as the pioneer of modern retail industry in India



Rakesh Biyani
Non-Executive Director

Associated with Future Group for over 20 years. Led the management and expansion of the Group's flagship formats like 'Pantaloons', 'Central' 'Big Bazaar' and 'Food Bazaar'



Avni Biyani
Non-Executive Director

Closely involved with the launch of India's first fast fashion brand – Cover Story. Concept Head of Foodhall, the specialty food superstore of Future Group



C.P Toshniwal
Non-Executive Director

Associated with the Group since May 1997 with over 25 years of rich managerial experience. Won the Best CFO Award-2011 in Service Sector by ICAI.



Dr. Darlie O Koshy
Non-Executive Independent Director

Currently the Director General and CEO of Apparel Training & Design Centre (ATDC), network of 58 Institutes and two premier campuses of Institute of Apparel Management under the Aegis of AEPC



Bijou Kurien
Non-Executive Independent Director

Associated with marquee brands in the FMCG, consumer durables and retail industry in India for over 34 years. Previously worked with Reliance Retail, Titan Industries & Hindustan Unilever



Sharda Agarwal
Non-Executive Independent Director

Over 25 years of experience in marketing, brand development, brand strategies, sales & distribution strategies at Johnson & Johnson, India & US – Consumer Business, Coca-Cola India and Market Gate Consulting

Management Team



Vishnu Prasad
Head – Central

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.



Rachna Agarwal
Head – Brands

Over 22 years of experience in brand management, information system management & supply chain management. Serving as the Head of FLF Brands since 2008 engaged in lifestyle brand marketing



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 handling various corporate actions. Qualified Company Secretary from the Institute of Company Secretaries of India.

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



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

Cover Story was awarded the Most Admired Brand of the Year – New Launch

Brand Factory 'Free Weekend Sale' won them the Most Admired Multi Fashion Retailer of the Year award and the Retail Marketing Campaign of the year 2017 award.

FY 17 a year of transformation for FLF

Revenue
₹3,877 Cr
16.4% SSG at FLF

Business Effectiveness

Central @ HD



Brand Factory Revamp



Focus on Power Brands



Highest SSG% against competition



Cover Story



Converted Demonetization as Opportunity



Global and Domestic Investor connect



FLF Coverage released



Marquee Investors



Credit Rating Upgrade



Debt & Interest cost Reduction



Market Cap tripled



Financial Efficiency

FY17 Highest ever Free Cash Flow

Financial Performance at a Glance



SSG

16.4 %

Industry leading SSG%
(8.6% in FY16)



Revenue

17.5 %

₹ 3,877 Cr in FY17
(₹3,300 Cr in FY16)



EBITDA

10.2 %

₹ 365 Cr in FY17
(₹331 Cr in FY16)



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)



Free Cash Flow

72.8 %

₹ 146 Cr in FY17
(₹85 Cr in FY16)



Dividend

100.0 %

40% in FY17
(20% in FY16)

Company overview

Business Overview



**FY17 Revenue
₹3,877 cr**

**FLF Brands
(FY17 Revenue: ₹1,454 cr)**

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



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 372 stores in 90 odd cities, spread over 5.4 million square feet



Strategic Investments (FY17 Revenues ~ ₹600 cr)¹

COVERSTORY

Clarks

trèsmode

TURTLE



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

Investment Proposition

Snapshot – FY17



Total Income (Operations)
₹3,877 cr



EBITDA Margin
~9%



Total Debt Reduction
₹650 cr



Free Cash Flow
₹146 cr

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

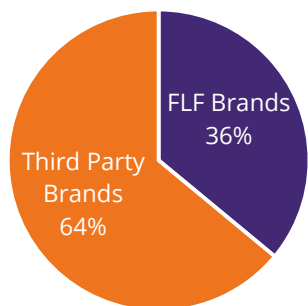
Retail

- ◆ Distributed across 372 Stores in 90 odd cities spread over 5.4 million Sqft
- ◆ ~86% of the total revenue contributed from Central & Brand Factory

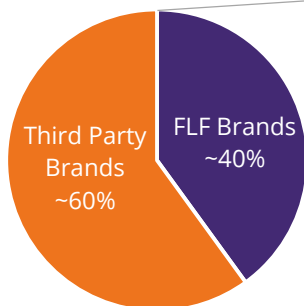
SSGs

- ◆ 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

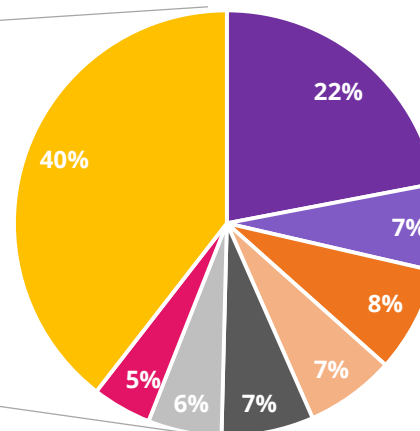


Net Sales: ₹2,744 cr
FY14



Net Sales: ₹3,877 cr
FY17

Top Brands Constitute 60% of FLF Brands Sales



Based on FY 17 Sales



Company overview

Company store network

Central

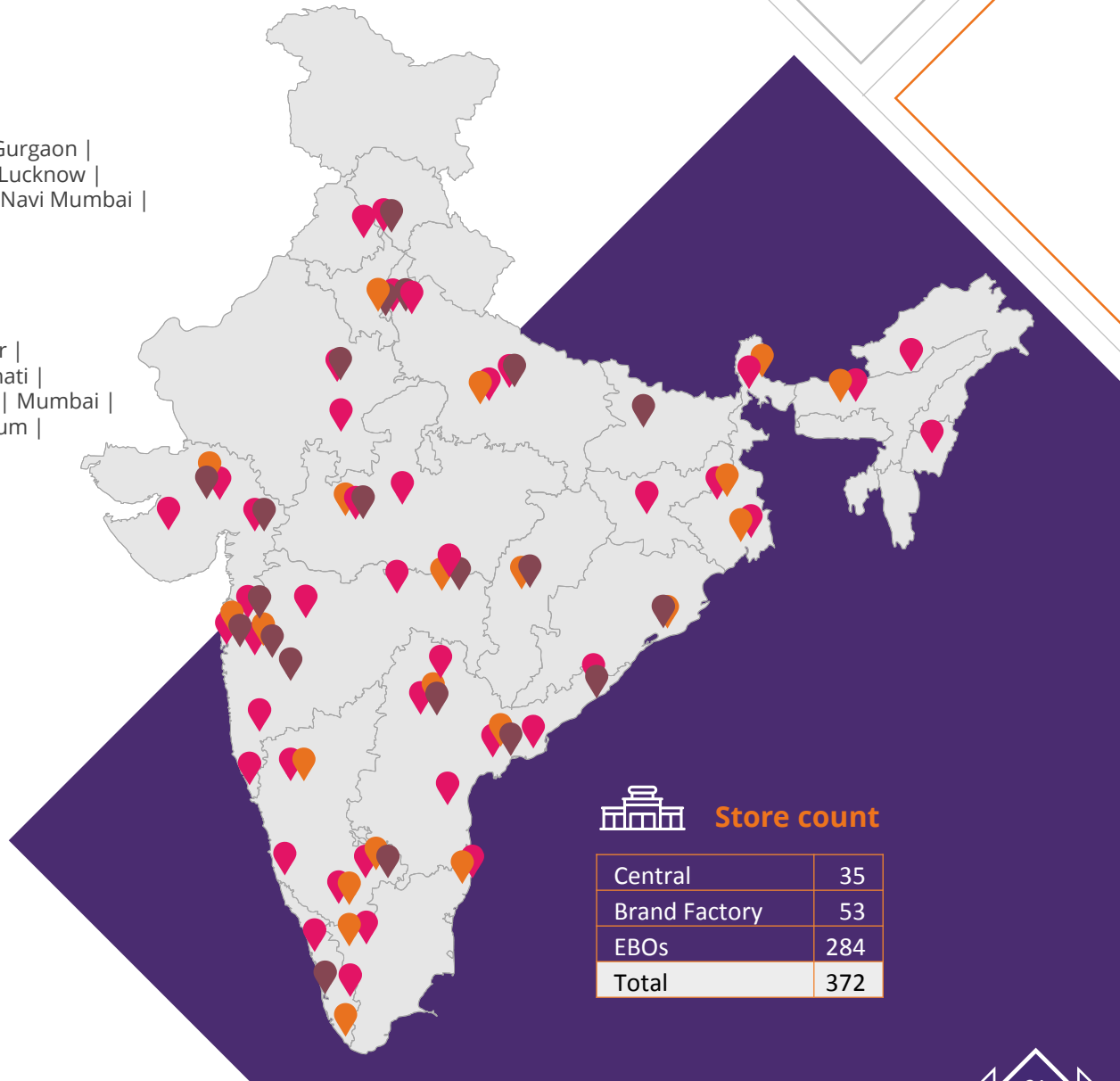
Ahmedabad | Bengaluru | Bhubaneswar | Delhi | Gurgaon |
Hyderabad | Indore | Jaipur | Kochin | Koregaon | Lucknow |
Mangalore | Mohali | Mumbai | Nagpur | Nashik | Navi Mumbai |
Noida | Patna | Pune | Raipur | Surat | Vadodara |
Visakhapatnam

Brand Factory

Ahmedabad | Asansol | Bengaluru | Bhubaneswar |
Coimbatore | Chennai | Delhi | Ghaziabad | Guwahati |
Hubli | Hyderabad | Kanpur | Kolkata | Mangalore | Mumbai |
Mysore | Pune | Raipur | Secunderabad | Trivandrum |
Thane | Ujjain | Vijayawada

EBO's

Agartala | Amalapuram | Ahmedabad | Amaravati |
Aurangabad | Bengaluru | Bhimavaram | Bhopal |
Bhubaneswar | Calicut | Chandigarh |
Changanacherry | Chennai | Chiplun | Chittoor |
Coimbatore | Deoghar | Dhule | Delhi | Erode | Sri
Ganganagar | Ghaziabad | Guntur | Gurgaon |
Guwahati | Hubli | Hyderabad | Indore | Idukki |
Imphal | ITA Nagar | Jaipur | Jajpur | Jalandhar |
Jodhpur | Karimnagar | Kakinada | Kanchipuram |
Kannur | Kanpur | Khammam | Kochin | Kolkata |
Kolhapur | Koppal | Kota | Kottayam | Lucknow |
Ludhiana | Mallapuram | Mangalore | Manipal |
Mohalli | Mumbai | Mysore | Nagpur | Nanded |
Nasik | Navi Mumbai | Nellore | Noida | Ongole |
Palakkad | Panaji | Patna | Pune | Raipur
| Rajahmundry | Ranchi | Ratlam | Sambalpur |
Sikar | Siliguri | Solapur | Srikakulam | Surat |
Thalassery | Thane | Trivandrum | Thrissur |
Tirupur | Ujjain | Vadodara | Vellore | Vijayawada |
Vijayanagaram | Vishakapatnam | Warangal



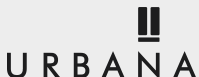


















Store count

Central	35
Brand Factory	53
EBOs	284
Total	372



FLF Brands

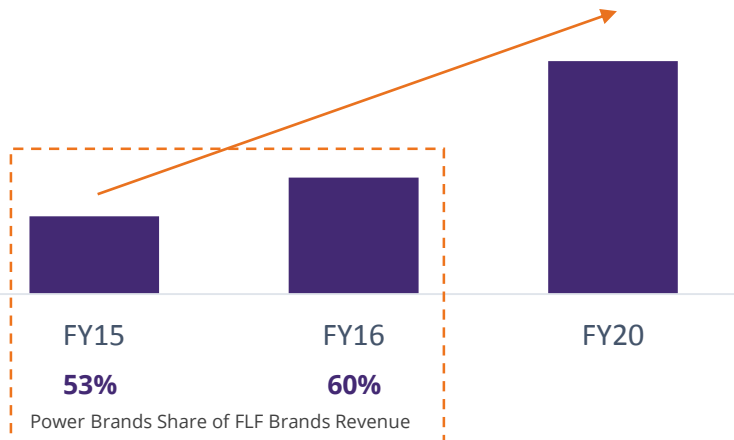
**FLF Present Across All Key Categories And Well Diversified
(Not Overly Dependent on Any Category For Growth)**

Branded Market Opportunity	FLF – Key Brands	Indicative Revenues Split	Investee – Key Brands
Men's wear Size: \$ 7bn Growth: 10% CAGR	  	~26%	 
Unisex Brands	   	~53%	
Women's wear Size: \$ 5bn Growth: 15% CAGR		~10%	
Sports / Leisure wear	   	~6%	
Footwear / Others		~5%	  
	TOTAL Brand Sales (FY17)	₹1,454 cr	~ ₹600 cr

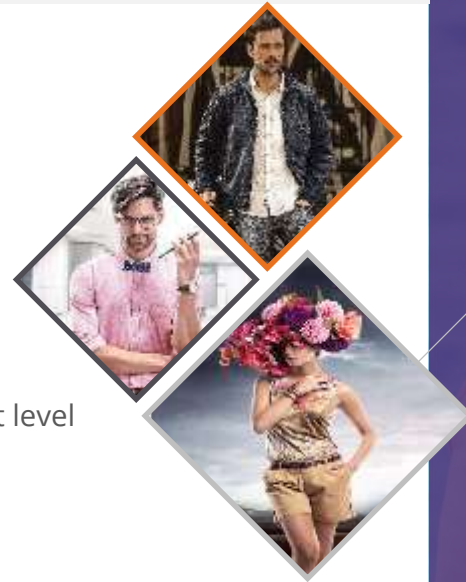
Focusing on Power Brands



- ◆ Focus on building Power Brands to deliver next stage of growth
- ◆ Identified 6 brands which can drive higher growth & profitability
- ◆ Focused on high growth categories in the fashion space
- ◆ Dedicated teams focusing to drive these brands
- ◆ Resources & Capital to be allocated to grow these brands to the next level



- Power Brands expected to constitute 65%-70% to own brand sales by FY20
- Expected to grow at a rate 2x growth rate of other brands



FLF Brands

Global Denim Brand



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



Avg. Price Point (₹):

Lee Cooper Originals: 1,500

Lee Cooper : 2,500



Revenue (₹cr): **~320**



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

Men's Fashion



Category

Shirts, trousers, business suits and accessories. Also introduced a range of relaxed office wear - John Miller Hangout in line with the more relaxed work culture
Growing faster than formal men's wear



Target Customer

Successful mid level executive who is inspired and who dresses for success. Playful but aware of decorum, Effortless and confident, Street Smart.



Competitors

Peter England, Excalibur



Distribution

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

John Miller



Avg. Price Point (₹)
1,200



Revenue (₹ cr)
~120



JOHN MILLER

MAKE IT LOOK EASY

Overview

Men's Fashion for the Workplace. In today's corporate parlance, success is about having an extra edge that makes one stand out and stride ahead. John Miller man believes it all starts by dressing for success. Positioned as semi-casual & affordable brand

FLF Brands

Brand inspired by Harvard Yale



Category

An all-inclusive range of casual and sportswear for men, women and kids. Renowned for its Chinos with more than 14 types



Target Customer

Crafted for those who believe that life is meant to be lived and that age doesn't matter generations do. The elegant set who display impeccable taste, and a formidable eye for detail.



Competitors

Parx, Color Plus



Distribution

Sold through the Central and Brand Factory network. Also available at EBOs and MBOs including Pantaloons, Reliance Trends and online fashion websites

Scullers



Avg. Price Point (₹)
1,700



Revenue (₹ cr)
~110



Overview

Inspired by the Harvard Yale boat race, known simply as the race. A race that reflects a privileged life, As much as it does kinship; the human spirit, As much as it does the beauty of blue Skies and open spaces.

Plus size unisex brand



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

aLL



Avg. Price Point (₹)
1,200



Revenue (₹ cr)
~120



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 Brands

Brands Appealing to The New Generation



Category

Work, Street, Club and Casual wear for young men



Target Customer

Young urban Indian male aged 21-30 years



Competitors

Wrangler, Parx



Distribution

Sold through the Central and Brand Factory network. Also available at EBOs and MBOs including Pantaloons, Reliance Trends etc and ecommerce sites

Indigo Nation



Avg. Price Point (₹)

1,500



Revenue (₹ cr)

~110



Overview

Indigo Nation was launched with the aim of delivering Fast Fashion to the young Indian dude who forever aspires to be IN. Indigo Nation is Young, Restless, Wired, Ambitious Wild and is always Changing.

FLF - Key Brands

FLF Brands

Casual Unisex Brand



Category

Casual and denim wear brand for Kids and unisex



Target Customer

A comprehensive brand catering to all demographics. Bare offers multiple ranges catering to specific segments



Competitors

Lee, Pepe Jeans, Colour Plus, Indian Terrain, Allen Solly.



Distribution

Sold through the Central and Brand Factory network. Also distributed through EBOs, Pantaloons, other MBOs and ecommerce sites



BARE



Avg. Price Point (₹)
1,000



Revenue (₹ cr)
~110

Overview

Fashion for everyone. This unisex brand encompasses variety of clothing ranges for multitude demographics. Bare has presence in casual wear, denim-wear and kids-wear.

FLF - Key Brands

FLF Brands

Women's Fashion



Category

Casual and denim wear brand for women



Target Customer

Chic and vibrant kind of girl in groove when it comes to fashion and lifestyle, settling for nothing less than what she wants.
Upper to middle income group



Positioning

Women who express herself & shows her attitude



Competitors

Forever New, Levi's, Pepe Jeans



Distribution

Sold through the Central and Brand Factory network. Also distributed through EBOs, Pantaloons, other MBOs and ecommerce sites

Jealous 21



Avg. Price Point (₹)

1,500



Revenue (₹ cr)

~90

HOPEFULS WITH LIPS
JEALOUS 21



Overview

Always stood for more than great clothes for women. It also reflects the hip, unapologetic young girl of today – empowering her to stand up for what she believes in, arming her with confidence, style and independence.

FLF – Key Brands



Retail Formats



Department store chain that offers a complete shopping experience



FY17 Revenue
₹2,274 cr (59%)



of Stores
35



Area (mn. sq. ft)
3.5



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



FY17 Revenue
₹1045 cr (27%)



of Stores
53



Area (mn. sq. ft)
1.5

EBOs & Others

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



CONVERSE



FY17 Revenue
₹261 cr (7%)



of Stores
284



Area (mn. sq. ft)
0.4

Own Brands – non FLF Channels

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



FY17 Revenue
₹297 cr (8%)



of Stores
250+



Area (mn. sq. ft)
NA

Total Net Sales
₹ 3,877 cr

FLF focused on building own brand business and developing own channels

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 premiumization of offerings, upgrading ambience & increasing the freshness quotient
- ◆ Partnership with leading brands to widen premium offerings
- ◆ Launched 1st TVC currently being shown on 33 channels
- ◆ Recently launched an iconic Central at Aerocity, New Delhi, truly depicting fashion in HD
- ◆ Strategy to showcase brands in high definition
- ◆ Store to be refreshed & repositioned at upper end (eg: Aerocity)
- ◆ Drive fast fashion

Our Reach

- ◆ About 3.5 mn sq.ft of chargeable area
- ◆ Pan India Presence in around 24 cities, 35 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



	Stores 17
	Revenue/ sq.ft. ~₹6k
	Ticket size ~₹1.6k

Now



	Stores 35
	Revenue/ sq.ft. ~₹10k
	Ticket size ~₹3k



Retail Formats

Central – Hi Definition Fashion Experience

Assisted Shopping



Valet Parking



Fashion attendants



Golf cart pickup & drop service



Whatsapp shopping



Central buddies & Ushers



Lux Billing



Product reserved service



Complimentary wifi



Fashion stylists by appointment

Ambience and Store facilities



Central Aroma



Mother's room



Central privilege shoppers



Retail Formats

Central - Hi Definition



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 Customers

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

Our Reach

- ◆ About 1.5 mn sq.ft of chargeable area
- ◆ Pan India Presence in around 21 cities, 51 stores
- ◆ More than 16 mn customers visit every year

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 ~95% of total sales in FY17. Aspiration to take this format to next level tapping the significant market potential

Then

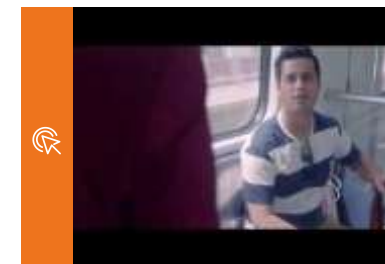


	Stores
13	
	Revenue/ sq.ft.
~₹4.5k	
	Ticket size
~₹1.3k	

Now



	Stores
53	
	Revenue/ sq.ft.
~₹7.6k	
	Ticket size
~₹2k	



Retail Formats

Brand Factory





Investee Brands

Investee Key Brands

Clarks

TURTLE

holii

trèsmode

COVER/STORY

A Portfolio of over 12 Brands Generating ~₹600cr

- ◇ Invested in businesses backed by talented designers / entrepreneurs at early stage
- ◇ Typical investment size is smaller, however, offers a significant value unlocking potential over the years

Benefits to Future Lifestyle Fashions

- ◆ Access to multiple categories like footwear, handbags, accessories among others with smaller quantum of investments
- ◆ Specialized and hard to build skills become easily accessible
- ◆ Completing the entire spectrum of offerings by investing in complementary categories
- ◆ Current portfolio of investments expected to generate significant value in the near future

Benefits to the Brand

Opportunity to join hands with a Group with over 2 decades of experience in the fashion industry and significant retail footprint

Successfully divested stakes in AND and BIBA at 24x and 6x investment value, proceeds largely utilized for debt reduction

Cover Story - A Fast Fashion Brand for Women



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



Cover Story



Avg. Price Point (₹)
1,800



Stake (%)
90%



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

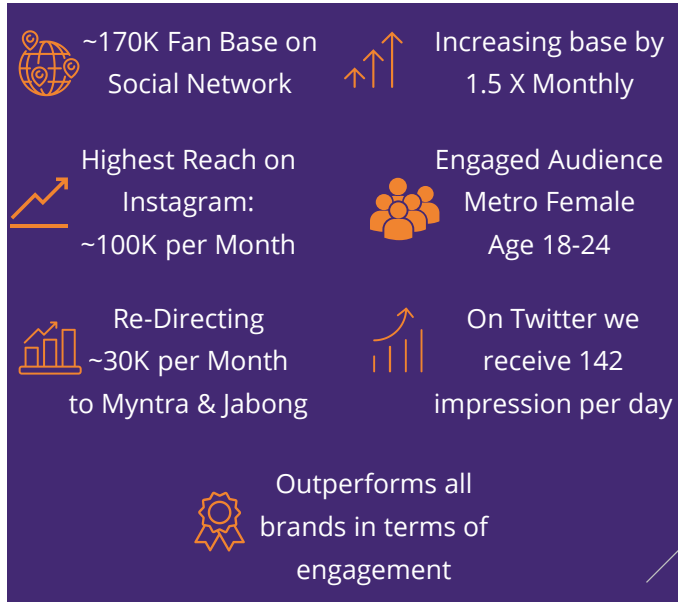
Investee - Key Brands

Cover Story - Digital Foot Print



Website Re-Direction - SS17 Canvas Ad on FB created a Reach of 327K and Results of ~ 10K

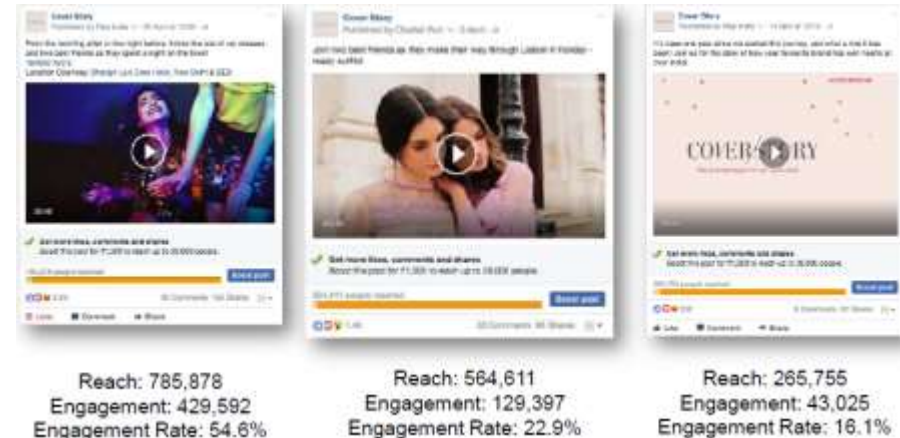
Advert Link: <http://fb.me/2df4m8MZGWGEs4>



Avg Cost per engagement is < ₹ 2/- vs Industry standard of ₹3/-

Brand (Founded in)	FB Fans	Engagement%	PTAT*
Cover Story (2016)	~120K	21.2%	~30K
Vero Moda (2012)	282K	0.4%	11K
ONLY (1995)	770K	16.6%	127K
The Lable Life (2012)	447K	6.3%	28K
Zara (2011)	2.5Mn	0.2%	53K

* People Talking About That



Few of our recent best performing posts in terms of engagement on FB

Investee - Key Brands

Clarks - Footwear brand for Men and Women



Category

Premium boots, sandals and shoes



Target Customer

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



Partnership

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

Clarks



Avg. Price Point (₹)
4,500



Sales (₹ cr)
~130



Stake (%)
50%



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.

Investee - Key Brands

Turtle - Focused on Men'sWear



Category

Shirts, Trousers, T-Shirts, Denims, Suits, Gilets, Jackets, Windcheaters, Pullovers and Accessories for men



Target Customer

Men in the age group 20-40



Competitors

Arrow, Zodiac, Van Heusen



Distribution

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

Turtle



Avg. Price Point (₹)
1,800



Sales (₹ cr)
~175



Stake (%)
26%

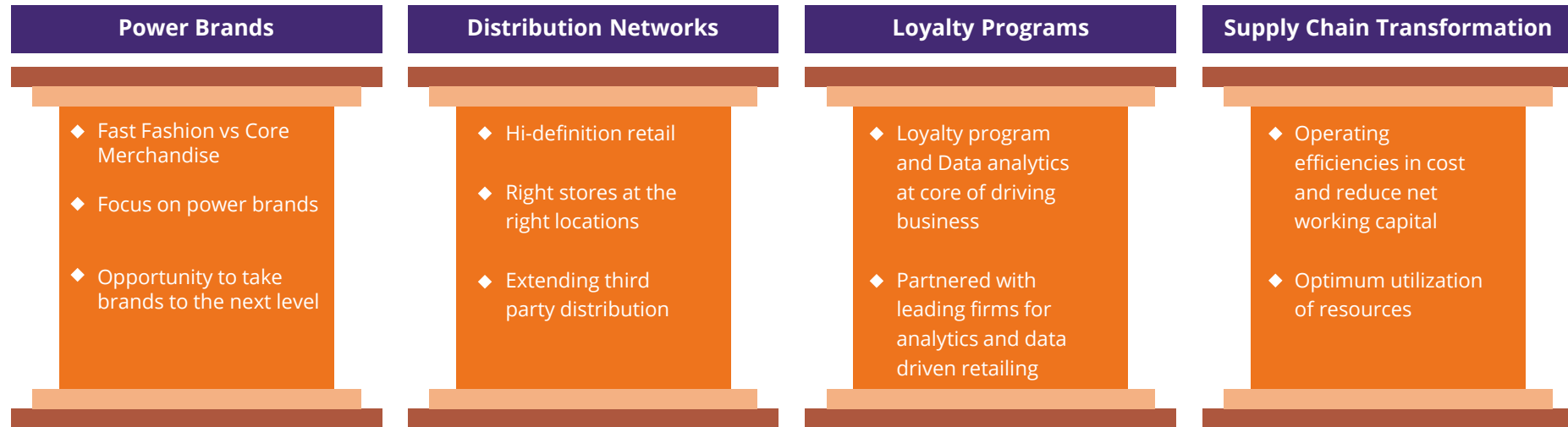


TURTLE

Overview

Offers formidable value and international style across a range of menswear apparel and accessories. Operates over 70 exclusive Turtle and London Bridge stores. Winner of Brand Trust Award from Eastern India Retailers Forum in FY 2015-16

4 Pillars Driving Growth



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

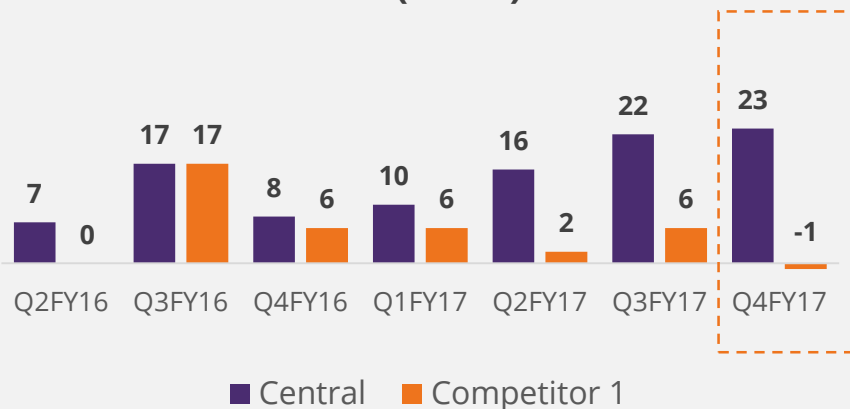
Implementing advanced Planning Module covering product lifecycle management and forecasting



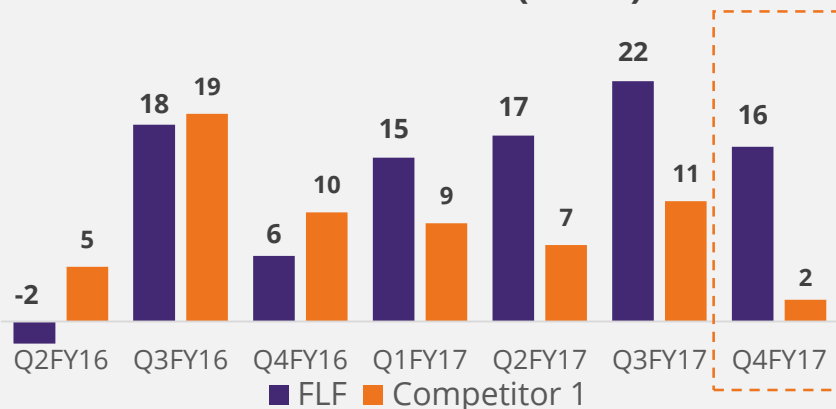
Financials

Financial Performance vs Peers

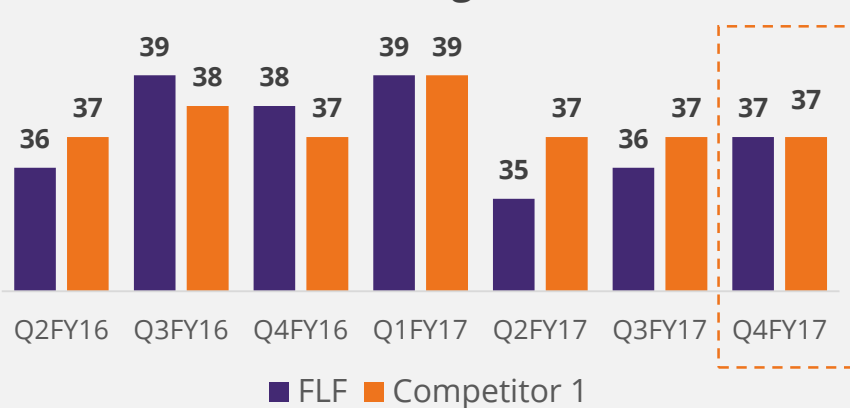
SSG (YoY%)



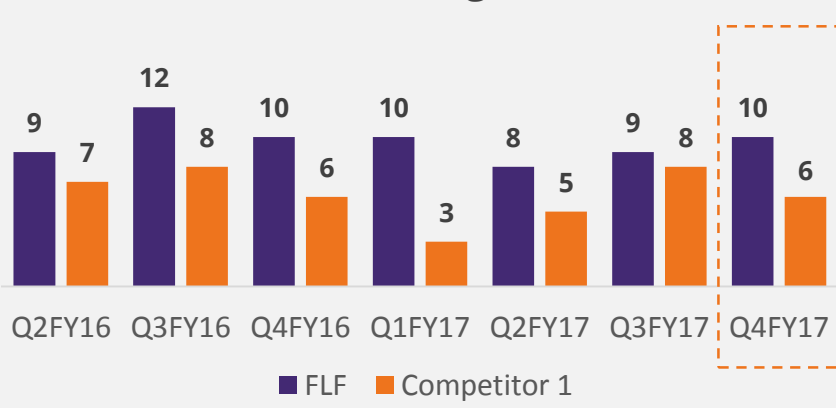
Revenue Growth (YoY%)



Gross Margin (%)



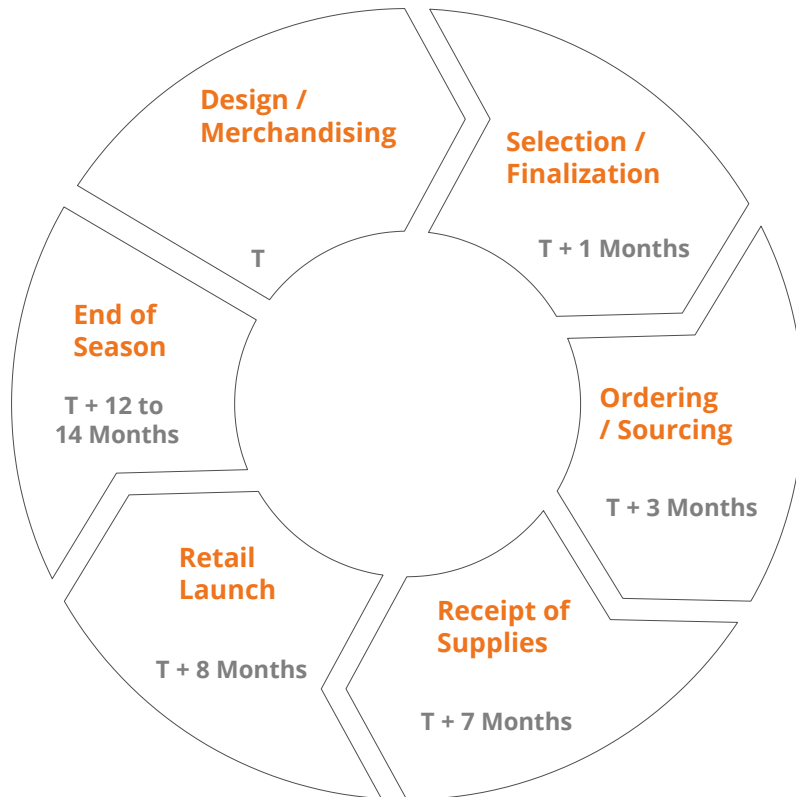
EBITDA Margin (%)



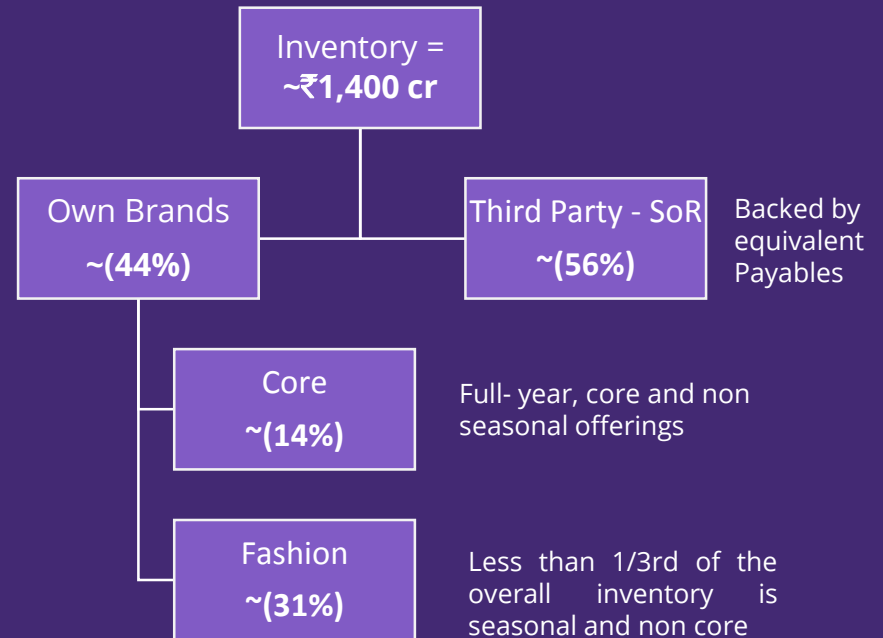
Typical Fashion Season

Concept to Consumption

Design to Consumer- 12 to 14 months cycle



Indicative Inventory Overview



Financial Overview (Standalone)

Income Statement (₹ cr.)	Twelve Months ended	
	FY16	FY17
Particulars		
Net Sales	3,229	3,800
Other Operating Income	71	77
Total Income from Operations	3,300	3,877
Gross Profit	1,255	1,432
Gross Margin %	38.0%	36.9%
Total Expenditure	929	1,075
EBITDA	325	357
Net Profit	29	47

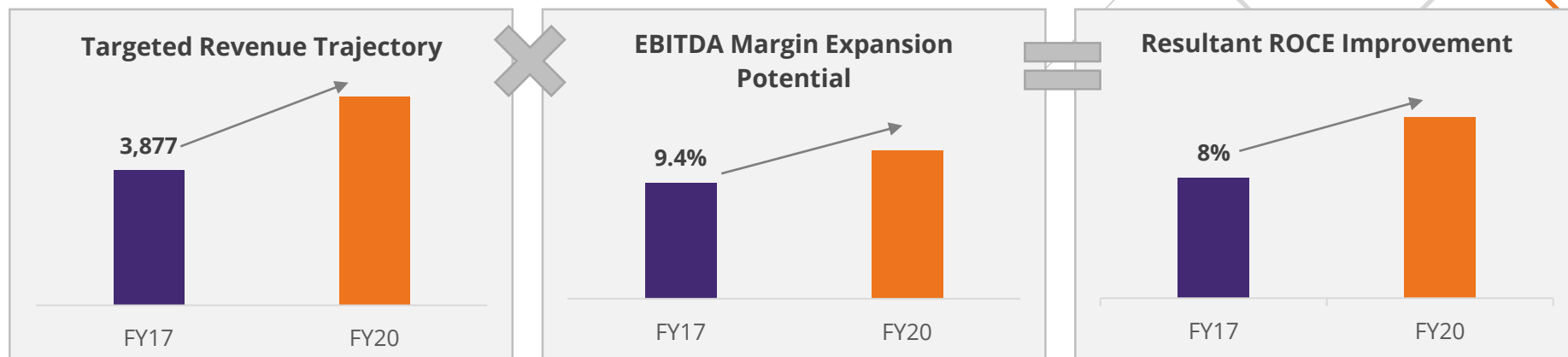
Balance Sheet (₹ cr.)	As of	
	31-Mar-16	31-Mar-17
Particulars		
Shareholders' Funds	1,623	1,673
Net Debt	1,126	653
Less: Current Investments	375	43
Net Adjusted Capital Employed	2,374	2,282
Net Non-Current Assets	1,632	1,695
Net Current Assets	742	588
Net Adjusted Capital Employed	2,374	2,282

Cash Flow (₹ cr.)	FY16	FY17
Net Cash from Operating Activities	358	512
Less:-		
Net Capex	138	248
Interest paid	135	117
Free Cash Flow	85	146

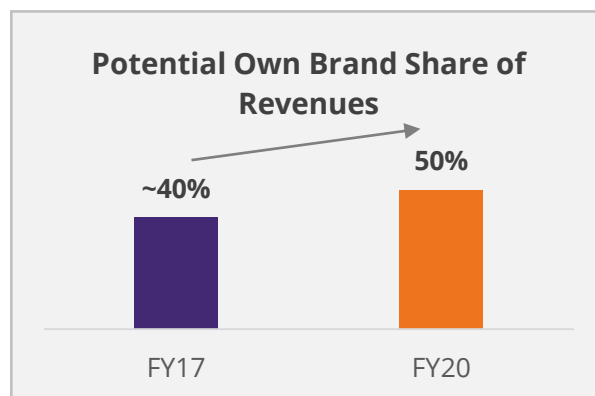
- ◆ Investment Grade Credit Rating of CARE A+
- ◆ Consistent margin delivery and SSG growth
- ◆ Total Debt Reduction of ~₹650 cr in FY17
- ◆ Free Cash flow of ₹146 cr in FY17 vs a negative Cash Flow of ₹249 cr in FY15 and positive Cash Flow of ₹85 cr in FY16.
- ◆ As part of value unlocking leading to 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

Focus Going Forward

Top line Growth / Margin Expansion Expected to Drive Returns



Growth of 17%-19% FY20



Potential EBITDA margin expansion of around 200 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 brands
- ◇ Margin expansion

Operates an Integrated Fashion Ecosystem

- ◆ Leveraging the Vertical Integration and Omnipresence in the value chain
- ◆ Target revenue growth of 17-19% over FY17 to FY20
 - Power brands to drive the top line growth and profitability
 - Expanding presence in 3rd party chains
 - Offer industry leading retail experience and cut across consumer segments
- ◆ Margin expansion by increasing the share of Own Brands
- ◆ Strengthening the Loyalty Programs by leveraging data analytics
- ◆ Value creation from focused investments in IT and leveraging the supply chain expertise of the Group
- ◆ Focused efforts to achieve ROCE expansion targets of 450- 600bps over next 3 years
- ◆ Continue to focus on attracting best talent and talent retention to build a dynamic organization



Total Income

₹3,877 cr



Net Profit

₹46 cr



Total Retail space

5.4 mn sq.ft.



Store Count

372



Lee Cooper gross sales

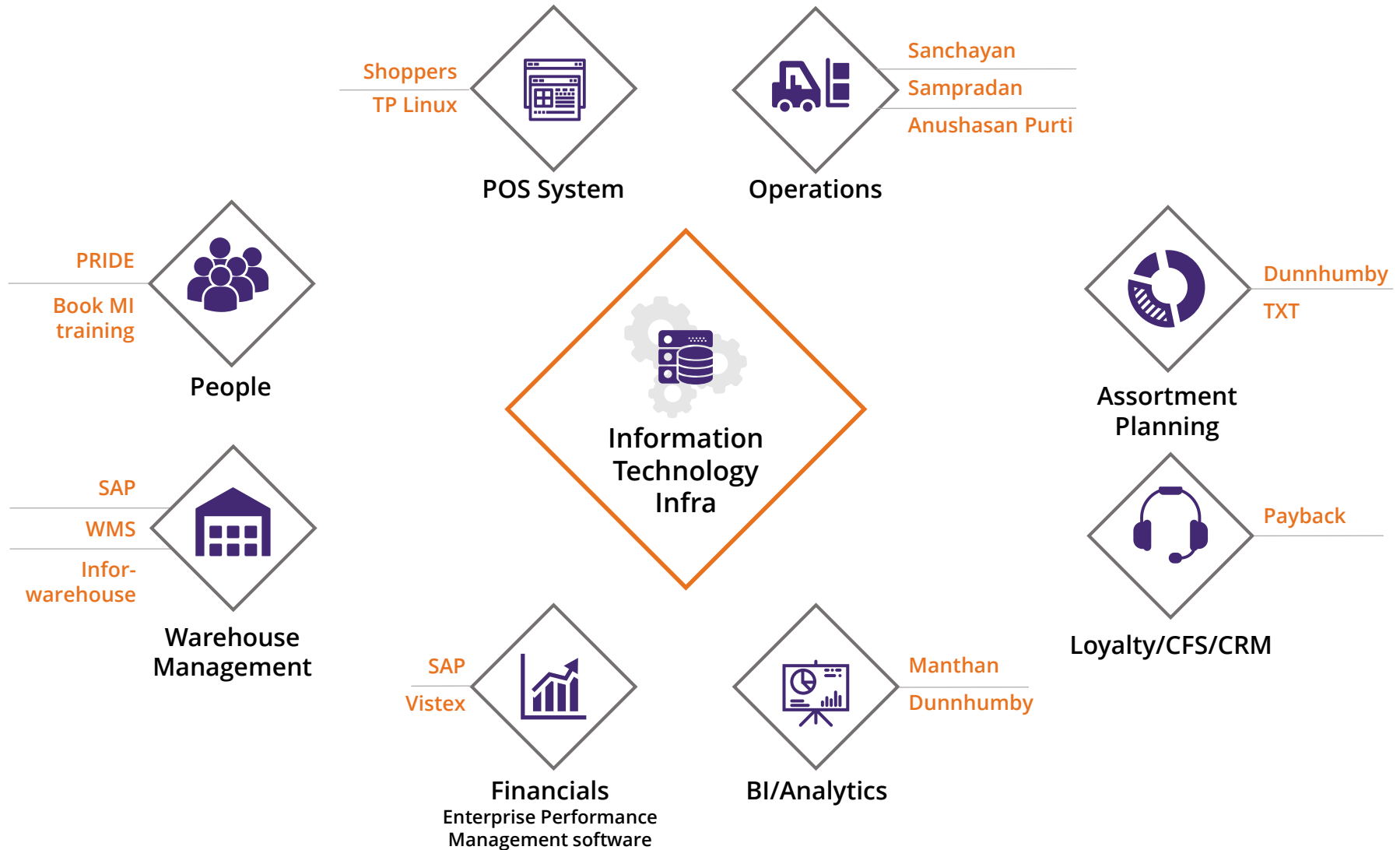
₹650 cr



Central sale growth

~18%

Technological Architecture



Appendix

Share Information

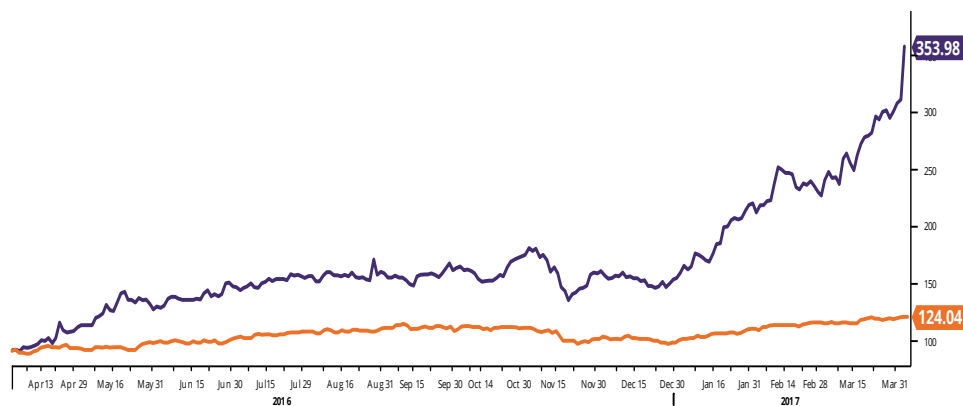
Stock Data (as on 31st March, 2017)

Market Capitalization	₹52,966.3mn
Shares Outstanding	190.0mn
Free Float (%)	59.2
Symbol (NSE/BSE)	FLFL/536507
Average Daily Volume	262,145.6

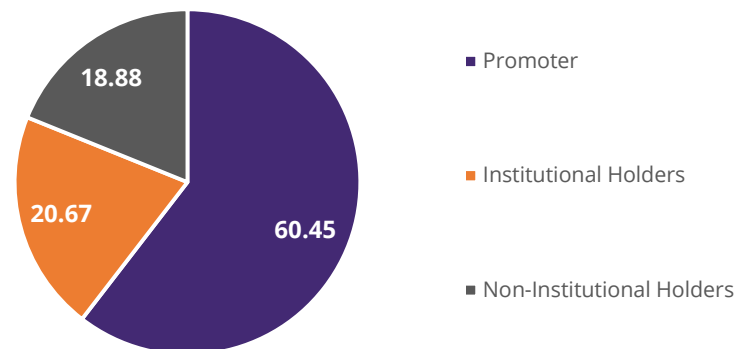
Top Institutional Holders

Institutions	OS %
Premji Invest	8.1
Timf Holdings	2.7
L&T Mutual Fund Trustee Ltd-L&T Tax Advantage Fund	2.4
India Opportunities Growth Fund Ltd - Pinewood Strategy	2.3

Stock Chart (YTD) (as on 31st Mar. 2017)



Share Holding Pattern





Thank You



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