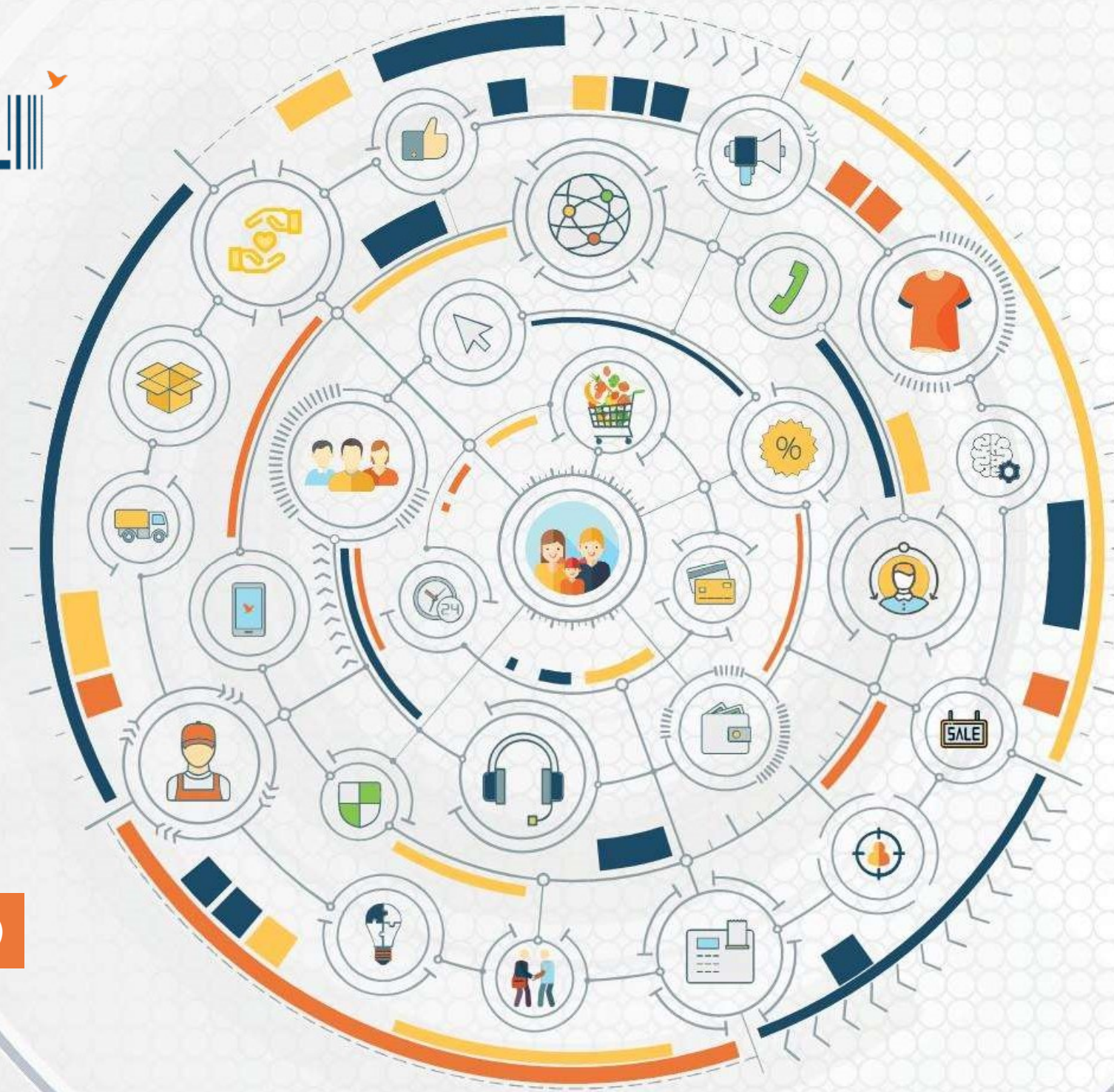


FUTURE RETAIL



Future Retail Limited (FRL)

Investor Presentation

December 2019

Disclaimer

This presentation contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, market position, expenditures, and financial results are forward-looking statements.

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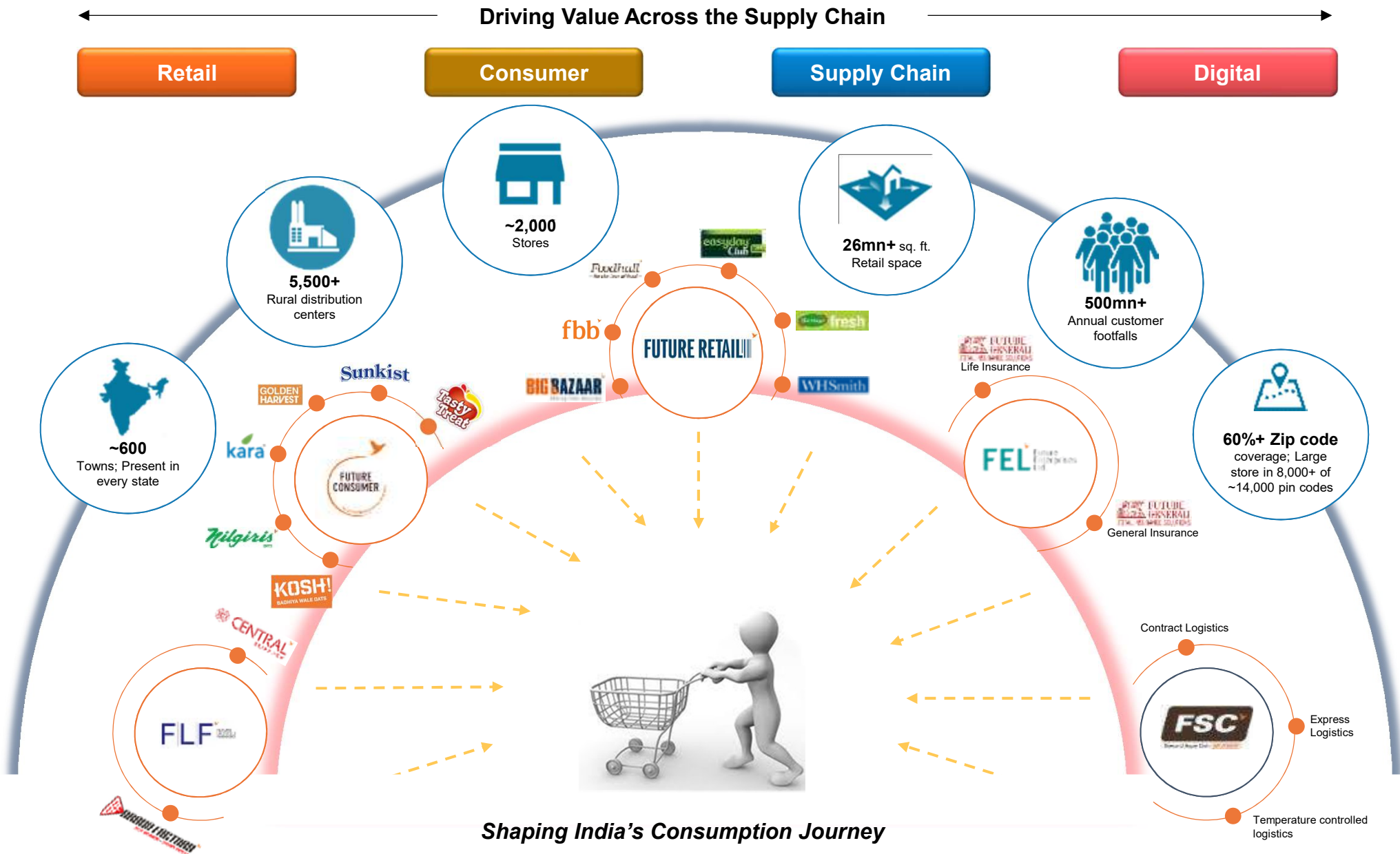
I. Future Group Overview



Future Group: A Pioneer of Consumer Branded and Retail Business

FUTURE RETAIL

Full ecosystem across the consumption chain



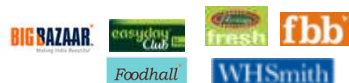
Overview of Future Group Companies

One of the leading players in the Indian consumer products and retail industry with a prominent presence across food, FMCG, apparel, retail, logistics and financial services

FUTURE RETAIL

- ❖ Leading Indian retail Company with a focus on distribution of key consumer products categories such as food, FMCG, fashion and household products
- ❖ Market cap: **INR169bn**
- ❖ FY19 revenue: **INR202bn**
- ❖ Promoter holding: **47.0%**

Key brands



Stores	1,550
Sq. ft (mn sq. ft.)	16.4

Marquee investors



- ❖ Warrants for INR 20bn issued to promoters in Mar'19 (INR 5bn already received in Apr'19)
- ❖ Amazon agreed to acquire 49% stake in Future Coupons Private Limited

FLF

- ❖ Focuses on integrated branded fashion from design to distribution; with a portfolio of brands in fashion space
- ❖ Market cap: **INR80bn**
- ❖ FY19 revenue: **INR57bn**
- ❖ Promoter holding: **45.9%**

Key brands



Stores	349
Sq. ft (mn sq. ft.)	7.3

Marquee investors



- ❖ Raised INR 4.5bn from marquee investors in FY18
- ❖ Raised INR 2.5bn in the Lee Cooper business in FY18
- ❖ Raised INR 3bn from AION Capital Partners
- ❖ Blackstone purchased 6% stake for INR 5.45bn in Jul'19

FUTURE CONSUMER

- ❖ Engages in the manufacturing, processing and distribution of fast moving consumer goods, food and processed food products
- ❖ Market cap: **INR47bn**
- ❖ FY19 revenue: **INR39bn**
- ❖ Promoter holding: **46.3%**

Key brands



Marquee investors



- ❖ Raised INR 2bn from UK's CDC group in FY18
- ❖ Allotted CCD's worth INR 0.7bn to Verlinvest & INR 2.1bn to IFC in May'19
- ❖ Preferential allotment of INR 0.7bn to promoters in May'19

FSC

- ❖ Leading Indian third-party supply chain and logistics service provider
- ❖ Market cap: **INR19bn**
- ❖ FY19 revenue: **INR12bn**
- ❖ Promoter holding: **52.4%**

Marquee investors



- ❖ Nippon Express to acquire 22% stake in FSC (combination of primary and secondary)

FEL

- ❖ Businesses include insurance, textile manufacturing, supply chain and logistics
- ❖ Market cap: **INR11bn**
- ❖ FY19 revenue: **INR60bn**
- ❖ Promoter holding: **50.2%**

Key entities



Marquee investors



- ❖ Generali, one of the largest European insurance companies, is a partner in insurance business.
- ❖ Non-core investments held to be monetized.

Source: Company information, BSE

Note: FY19 revenues represent standalone revenues for FRL and consolidated revenues for the rest; market cap as of 09 Dec, 2019 and store count and sq. ft as of 30 Sep, 2019



Future Retail at a Glance

FUTURE RETAIL

One of the largest organized retailer in India with a strong national presence



Notes: All data as of Sep-19, unless mentioned otherwise

1 excludes other operating income

2 comprises of Big Bazaar, fbb and Foodhall

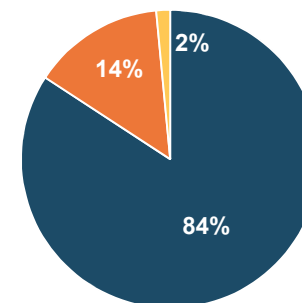
3 for FY19 Big Bazaar

4 including 4 Union Territories

5 as of FY19

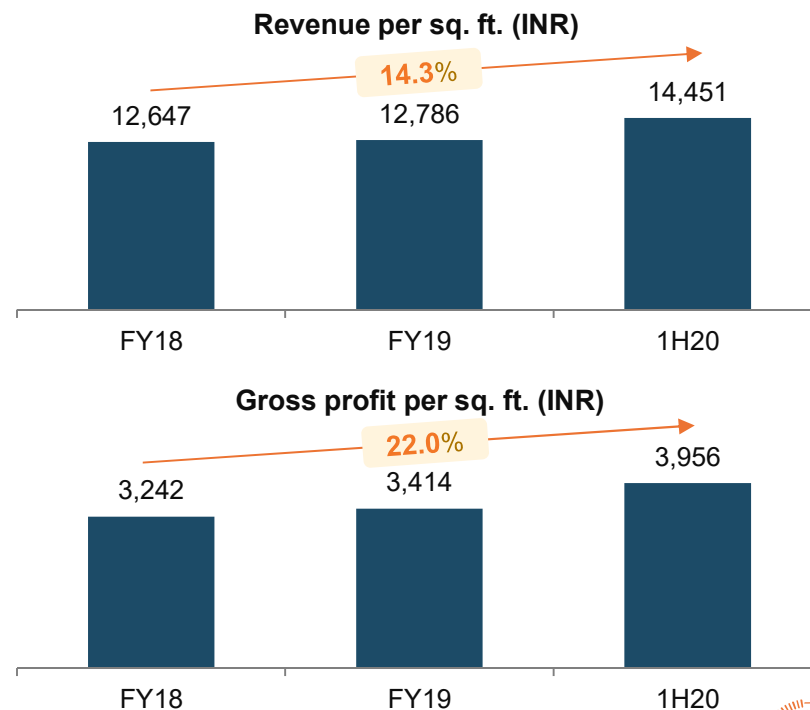
6 Revenue for H1FY20 considered as 45% of the annual revenue

FY2019 Revenue Mix¹ – By format



■ Large Stores² ■ Small Stores ■ Others

Value creation with improving productivity⁶

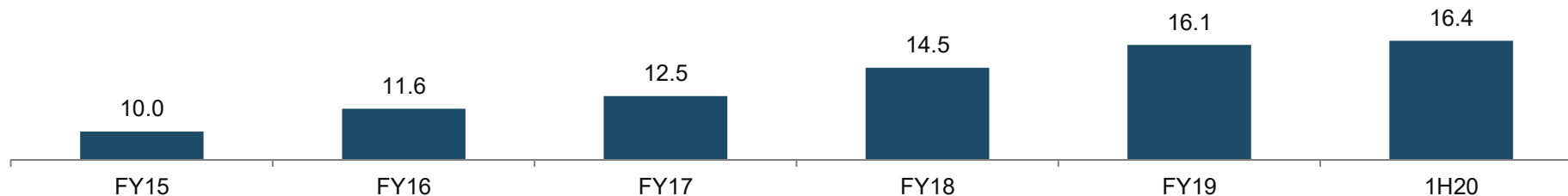


Retail Network Overview

Food, Fashion and Home

		Formats	# of stores	Area (mn sqft)	# of cities	Commenced Operations	Description	Target Consumer
Large Stores	Hypermarket		293	12.63	147	2001	Largest hypermarket chain in India	Low-to Mid income
	Fashion		95	1.04	47	2008	Affordable fashion destination	Low-to Mid income
Small Stores	Convenience	  	1,147 ¹	2.55	344	2015	Neighborhood stores with strong brands	Low-to Mid income
Others	Specialty Retail		6	0.06	4	2006	Lifestyle electronics retailer	Mid-to-High Income
	Gourmet Retail		9	0.13	4	2011	Premium food brand offering	High Income
		Cumulative	1,550	16.40	432			

Total Retail Area (mn sq.ft)²



Note: All data as of Sep-19

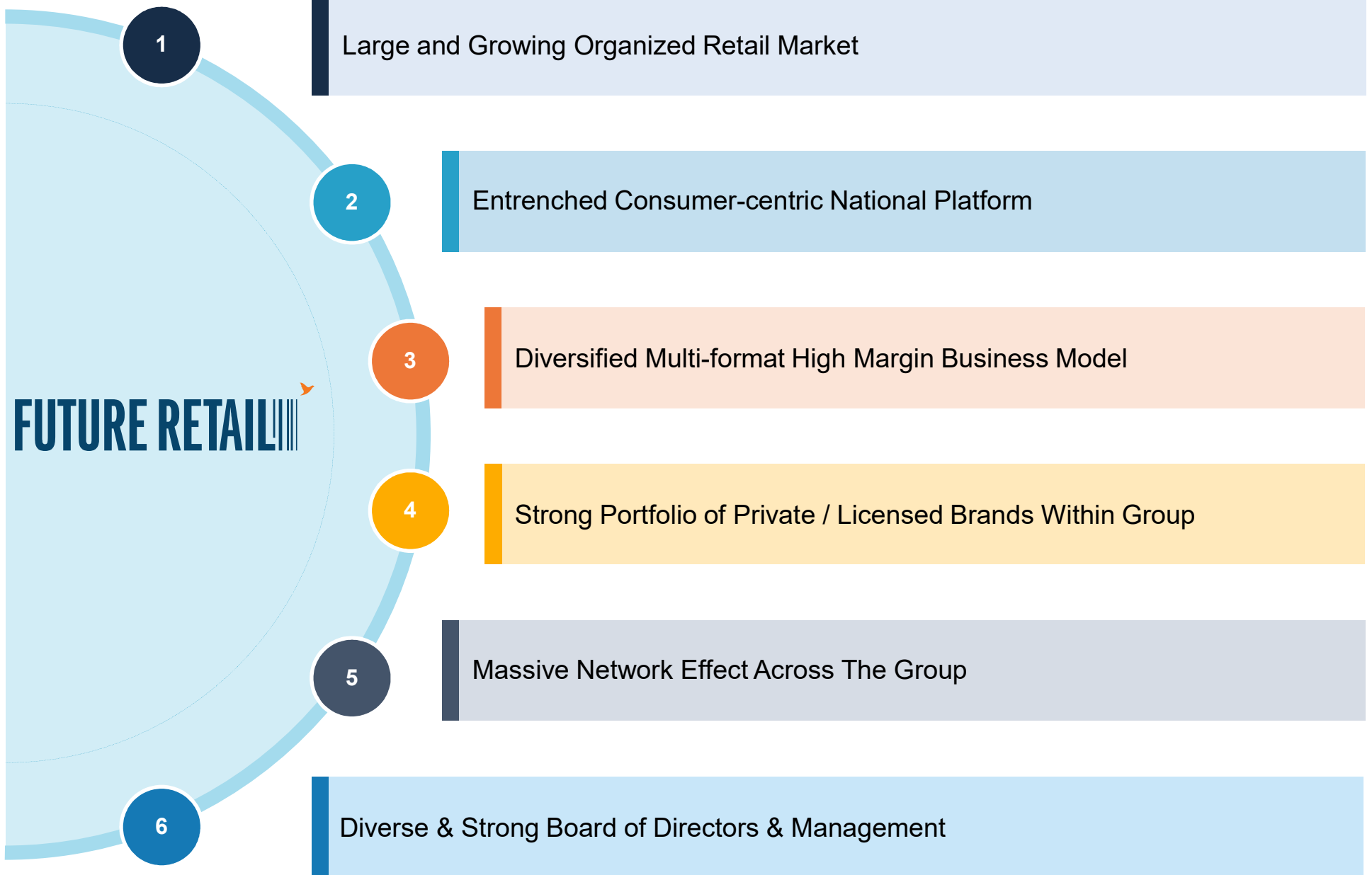
¹ includes 100 WH Smith Stores; ² Excluding HomeTown in FY15-17 for like-to-like comparison



II. Key Highlights

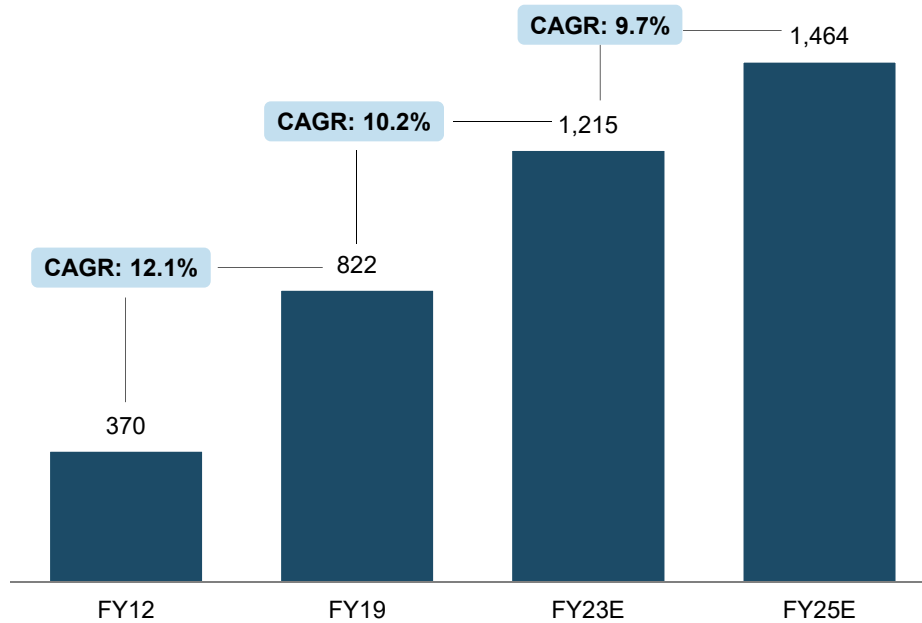


Key Highlights

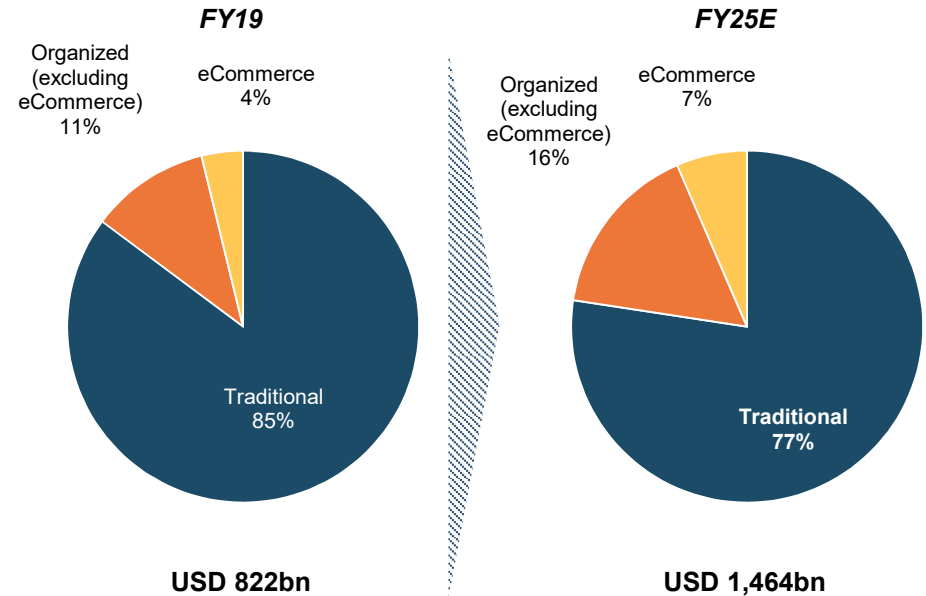


1 Large and Growing Organized Retail Market

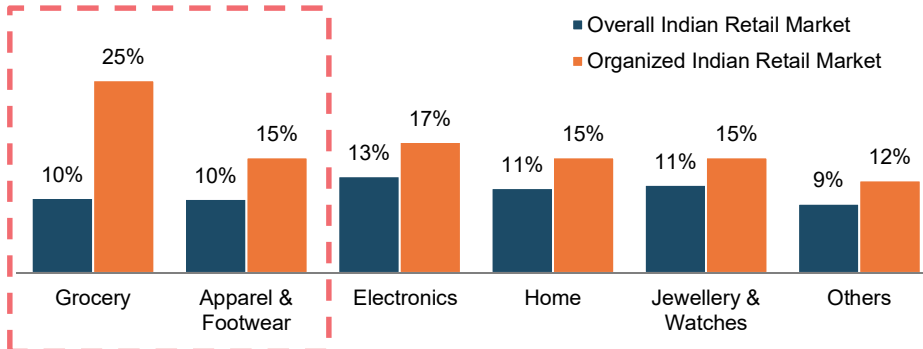
Overall Indian Retail Market (USD bn)



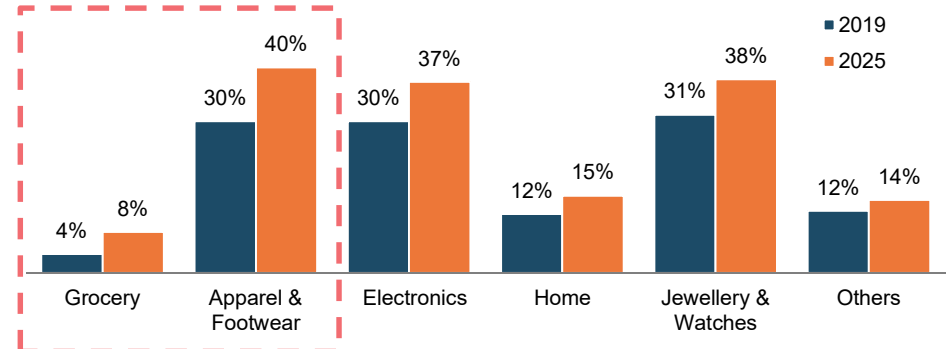
Structure of Overall Indian Retail Market



Indian Retail Market - FY19-25 CAGR (%)



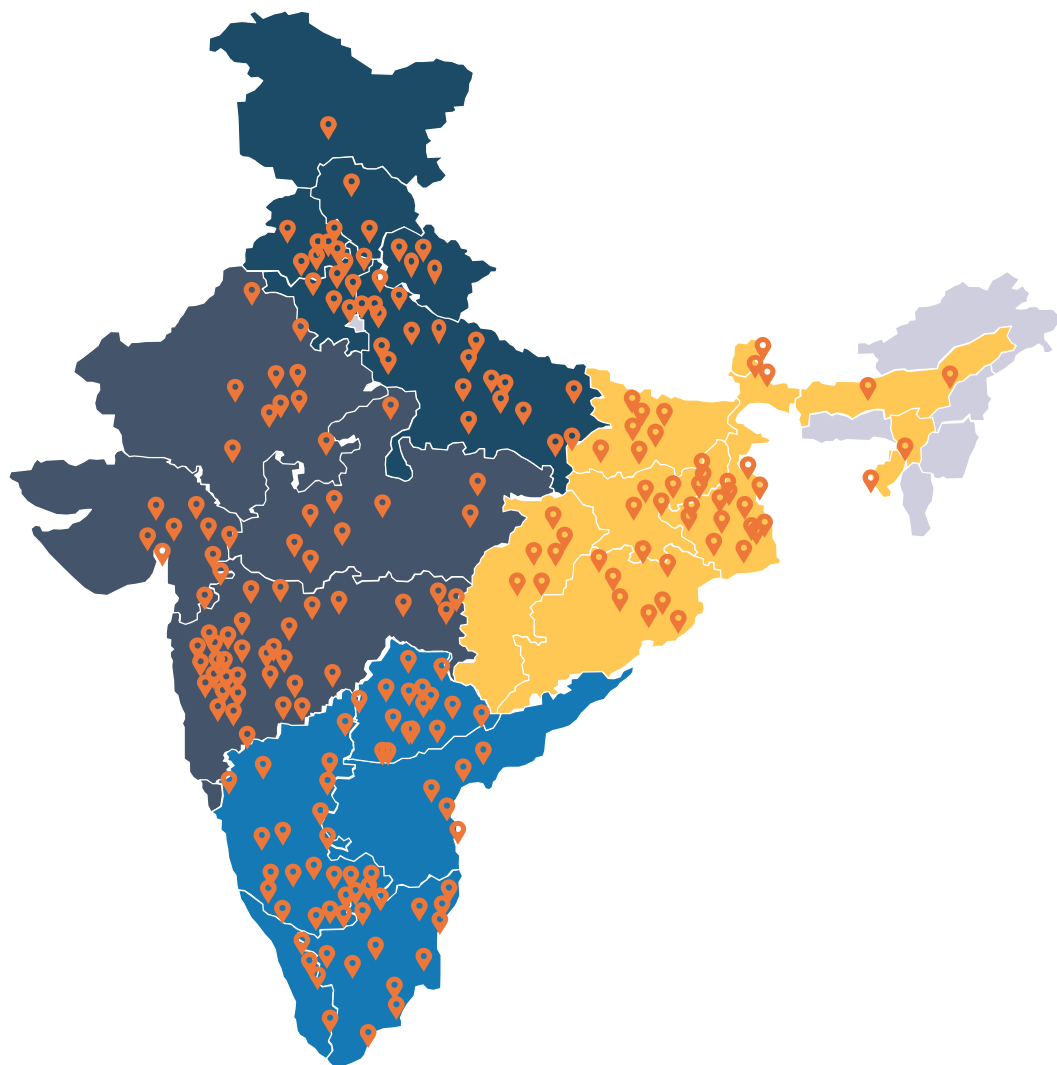
Penetration of Organized Retail across categories



Organized retail market size to reach USD 235bn in 2025E by growing at 18% CAGR¹



India's leading multi format pan India retailer



432 cities across **29** states¹

Note: All data as of Sep-19; ¹ Including union territories; ² By Interbrand India

Unmatched
scale



1,550
Retail stores



16.4
mn sq. ft.
Retail space



>350mm
Customer
footfalls

Leading
market
position

#1

Organized
Retail Player

In food, grocery and general
merchandise

Leading
position

In fashion retail

Market leading brands

BIG BAZAAR
Making India Beautiful

Among the top 40 most valuable brands in India²

fbb

fresh

easyday
Club For Members

WHSmith
EST-1792

@zone

Foodhall



Deliver higher margins

Better control over quality / pricing

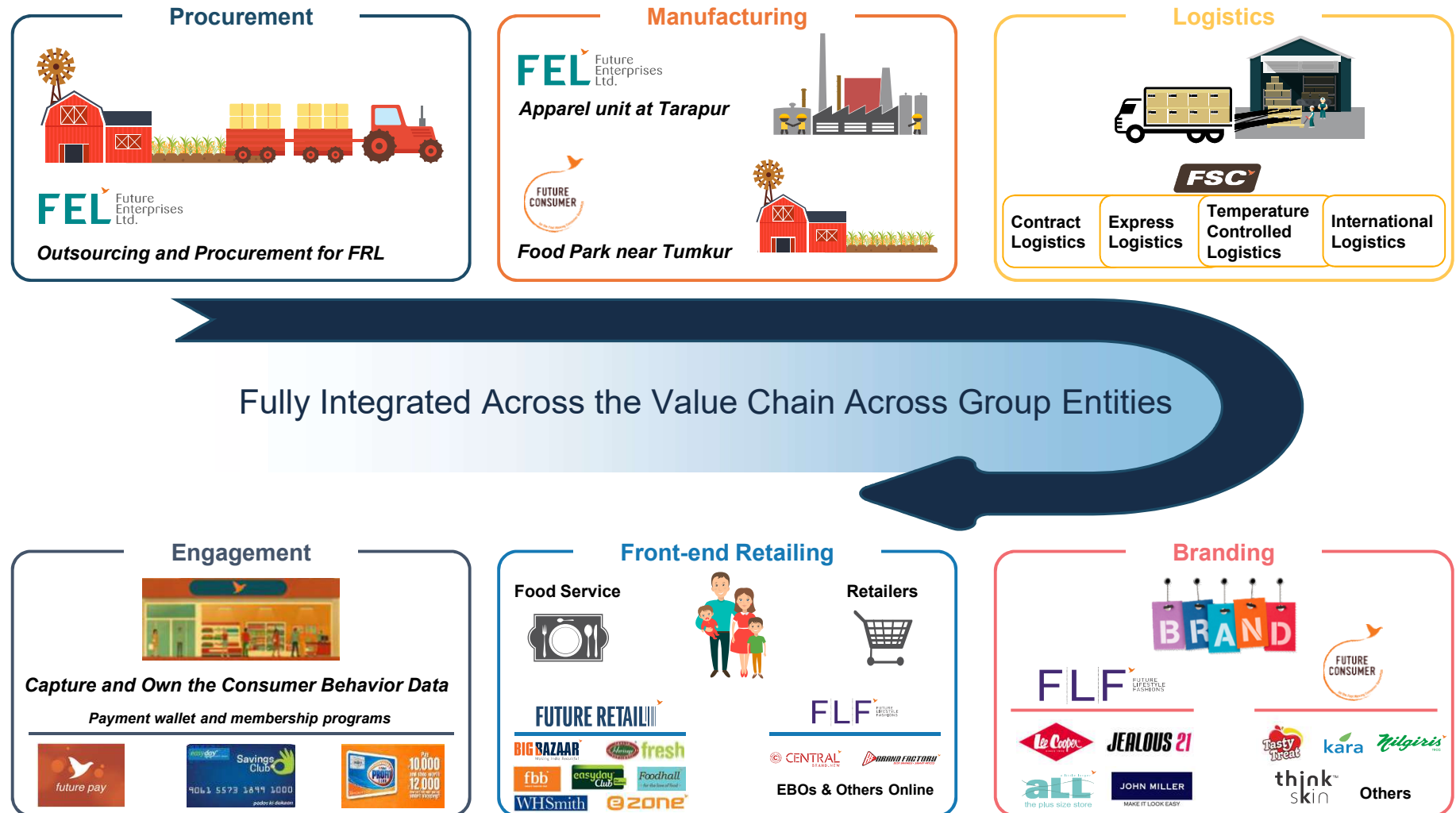
Better control of supply chain

Efficient inventory management and a wider assortment

Efficiently match demand with SKUs

Massive Network Effect Across The Group

A well-established comprehensive platform that encompasses end-to-end control of value chain



Equity infusion from promoters

2015: Rights issue of INR 16,000 mn

2015: Preferential issue of warrants worth INR 2,000 mn to promoters

2019: Subscription to warrants worth INR 20,000 mn (INR 5,000 mn already received in April 2019)





Kishore Biyani
Managing Director

- Founder and Group CEO of Future Group. Has over 25 years experience and is known as the pioneer of modern retail industry in India. Led the Group's emergence as India's leading player catering to the entire basket of Indian consumers



Rahul Garg
Non-Executive Director

- Partner and Co-Head of India based Private Equity of Premji Invest. He leads investments in BFSI and Consumer/Retail sectors
- Holds an industry experience in varied financial service spectrum for over 18 years through corporates like Premji Invest and ICICI Bank Ltd.



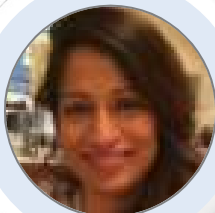
Rakesh Biyani
Joint Managing Director

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



Ravindra Dhariwal
Independent Director

- Senior Advisor to TPG India and brings with him the experience of 39 years of building consumer business all over the World
- Previously associated with Bennett & Coleman & Co. Ltd. as CEO, President of International News Media Association, Pepsico



Sridevi Badiga
Independent Director

- Currently runs a cross border advisory practice in the Middle East. Previously she worked in Investment Banking and was part of GAP Inc's Corporate Finance Team
- She holds an MBA degree from Kellogg School of Management



Gagan Singh
Independent Director

- Previously CEO – Business (India) and Chairperson Sri Lanka Operations of Jones Lang LaSalle
- In past, has been associated with Benetton India, DCM International, Soaltee Group and Ranbaxy Laboratories



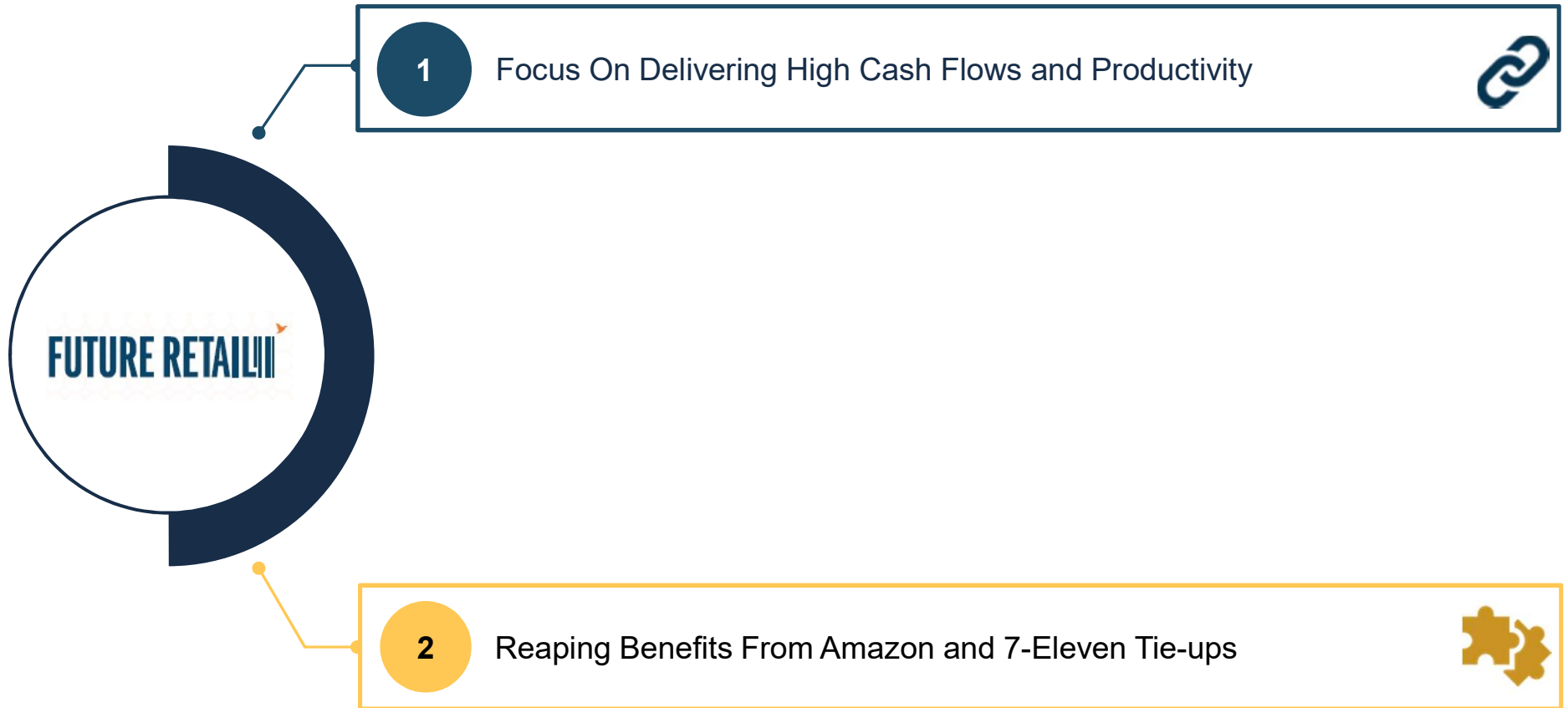
Shailendra Bhandari
Independent Director

- Seasoned finance professional with 34 years of experience and an impressive track record of accomplishments.
- His areas of expertise include Banking, Private Equity and Mutual Funds

Supported by an experienced management team

III. Future Retail Strategy





Immediate execution targets

“Lean and Nimble” : Driving business efficiencies

- **Significant cost-saving initiatives in progress** across store rental renegotiations, store opex reduction, lower employee costs, leaner & targeted marketing spends, process automation at corporate HQ
- Shutting down unprofitable stores across small format – already in progress

“More from the same” : Large format SSSG growth and margin expansion

- Driving **SSSG growth through existing store network** through leadership in key cities, aligning assortment more closely with customer needs and driving better loyalty
- **Gross margin expansion in Large format through better pricing / markdown management**

“Business model enhancements” : Small format breakeven in near term

- **Shut all unprofitable stores and stores outside delivery network**
- **Optimize remaining network with no net space addition**
- **Focus on growth in core markets (Punjab, NCR) to deliver sustained healthy SSSG**

Immediate execution targets

- **No new net space addition** across small format stores
- **No acquisitions** – only organic growth
- Minimal maintenance capex – **store renovation journey now complete**

- **Revenue per sq. ft. growth** through sustained healthy **SSSG** in large format
- **GM expansion** through better markdown management and product mix
- **EBITDA expansion** through cost efficiencies
- **Shutting unprofitable stores** across large and small format

Strong cash flow generation

- **Efficient inventory management**
- **Tight working capital management – lower inventory days** every year through sharper buying, cutting long tail of SKUs and supply chain initiatives
- Target to realize the balance equity upside

Near-to-medium term targets



- In August 2019, FRL announced its partnership with Amazon that provides a **first mover advantage** to the Company as it takes the path to become **truly omni-channel** and positions itself **strongly against its competition**
- Amazon agreed to acquire 49% stake in Future Coupons Private Limited, one of the promoter holding entities of FRL, with an **option to acquire the entire stake in the future**
- Amazon has been granted a call option which allows Amazon to **acquire all or part of Promoters' shareholding in FRL**, and is **exercisable between the 3rd to 10th years**
- The partnership brings together **massive synergies**



- In February 2019, FRL entered into an **80-years franchisee agreement** with 7-Eleven to bring 7-Eleven's convenience chain format to India
- 7-Eleven is **world's largest convenience chain** with more than 67,000 stores across 17 countries globally and known for its iconic brands such as Slurpee, Big Bite and Big Gulp
- The growth and expansion of 7-Eleven will be an important part of **growing FRL's food and FMCG brands** and in bringing new services, formats and conveniences for customers
- A dedicated team has been set up to bring together the **best practices of 7-Eleven and FRL's understanding of India**, to create the best proposition and offerings for customers

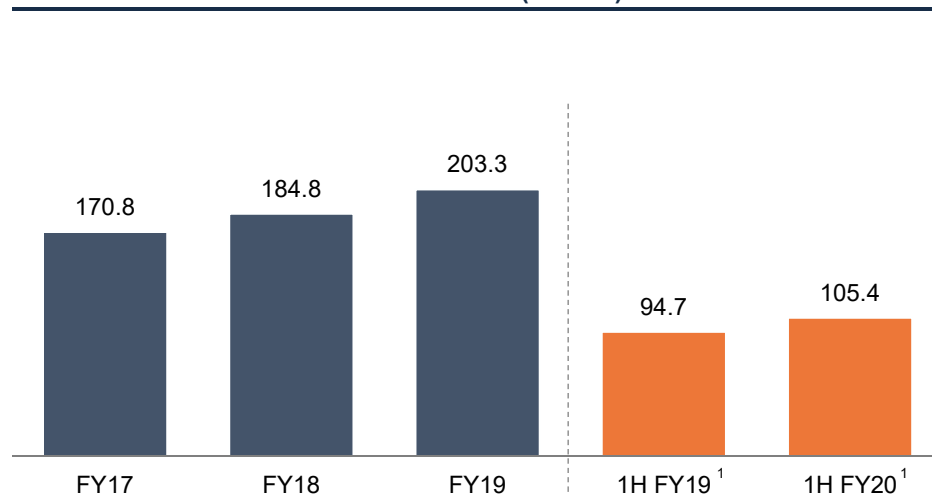
IV. Financial Overview



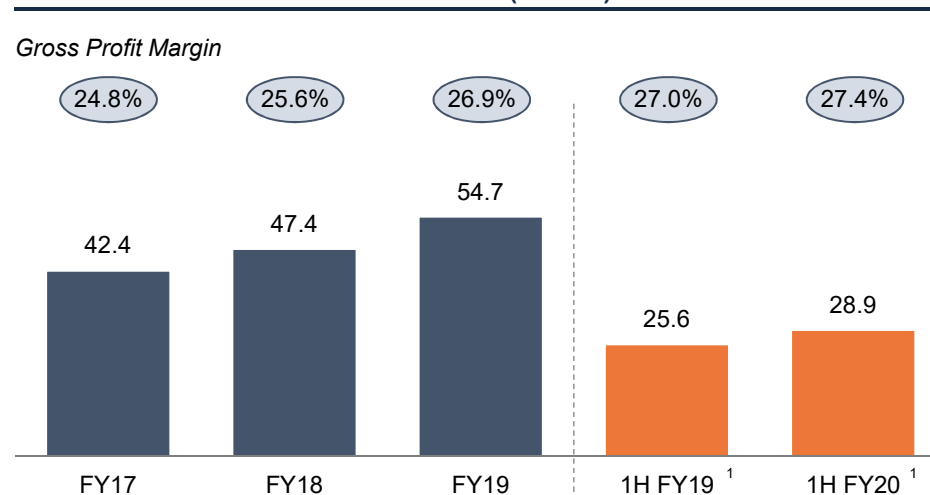
Financial Overview

Strong financial profile

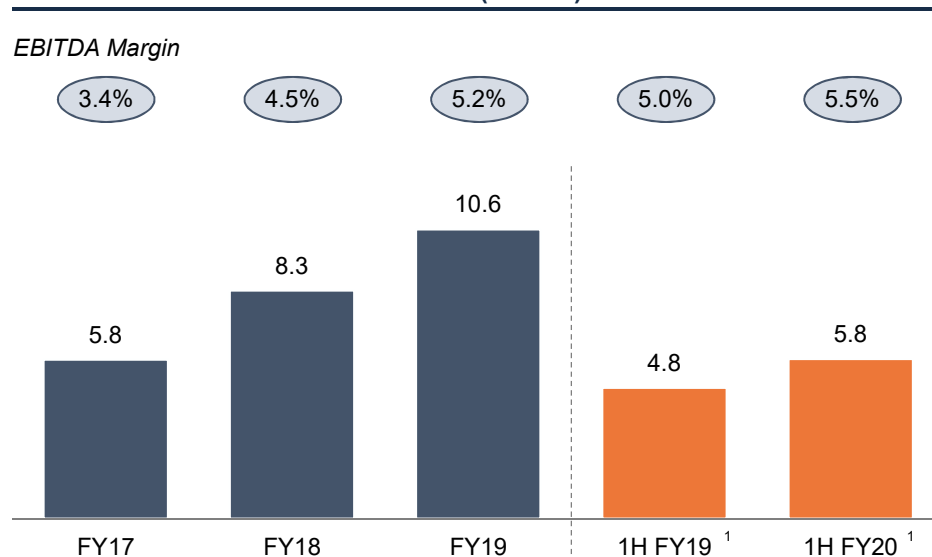
Total Revenue (INR bn)



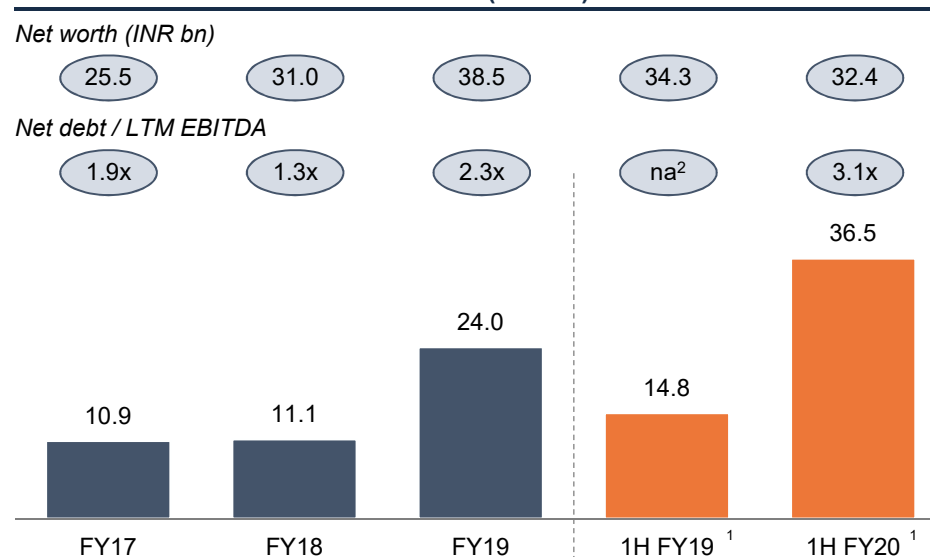
Gross Profit (INR bn)



EBITDA (INR bn)



Net Debt (INR bn)



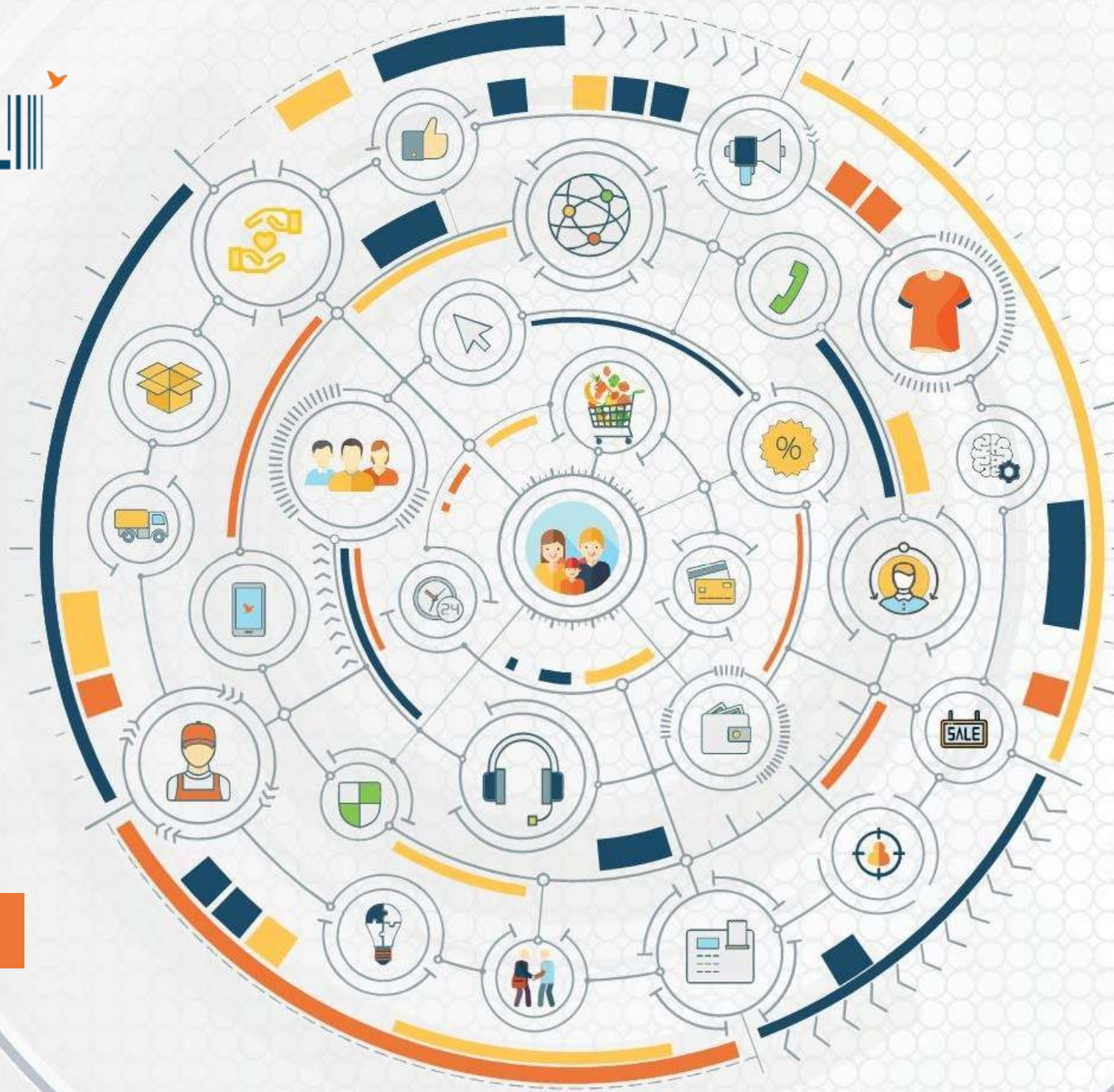
Note: Financials for FY ended Mar 2019 are not comparable with previous years, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail Undertaking of Heritage Foods Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company at different period of times during the previous years and in the financial year under review

¹ Like to like basis (without IND AS 116)

² Like to like basis 1H FY19 net debt / LTM EBITDA is na



FUTURE RETAIL



Thank You