

November 2, 2018

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

The National Stock Exchange of India Limited
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Scrip Codes:

Equity: 540798

Debt: 958280, 958281

Script Symbol: FSC

Dear Sir / Madam,

Sub: Presentation to Analysts/ Investors

Please find enclosed herewith the presentation being forwarded to Analysts/Investors on the unaudited financial results of the Company for the quarter and half year ended September 30, 2018.

The aforesaid presentation shall also be available on Company's website at www.futuresupplychains.com

Kindly take the above information on your records.

Thanking you,

Yours faithfully,

For **Future Supply Chain Solutions Limited**


Vimal Dhruve
Company Secretary



Encl.: As above



Q2FY19
Investor Update
November 2, 2018

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, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Although the Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current views of the Company’s management on future events. No representation or warranty (whether express or implied) is given in respect of any information in this presentation.

All figures herein have been rounded off to the nearest integer.





Science of Supply Chain. **DELIVERED**



Business Overview



Standalone Q2 FY19 Snapshot: Driven By Strong Fundamentals



34.4%

Significant Revenue Growth



14.0%

Healthy EBITDA Margin



60.8%

Strong Net Profit Growth*



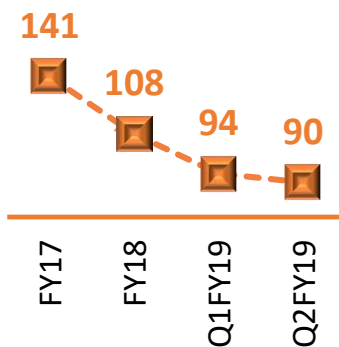
26.9%

High ROCE[^]; Driven by Asset Light Business Model

₹386 mn
EBITDA



Cash Profit
₹292 mn



Reducing Trade Receivable Days

Net Cash Position[#]
₹42 mn



Strong Balance Sheet





Well-Funded for Growth: Raised NCDs amounting to ₹1.99bn at attractive terms

Growth numbers on Y-o-Y basis; # Calculated as Total Cash & Bank Balance less Total Debt

* Growth percentage is calculated based on pre-exceptional net profit for Q2FY18 (excluding one-off other income)

[^] ROCE: Return on Average Capital Employed calculated by dividing Last Twelve Months Operating Profit by Average of Net Capital Employed of Q2FY18 and Q2FY19

		Mar-18	Jun-18	Sep-18
	Warehouse Space¹	4.58 mn sq. ft.	5.61² mn sq. ft.	6.40² mn sq. ft.
	Distribution Centres / Temperature-controlled Distribution Centres	55 / 4	66 / 4	80 / 4
	Hubs / Branches (Including Franchisees)	14 / 129	14 / 129	14 / 129
	Containerized Vehicles³ (Dedicated)	622	771	832
	Owned Reefer Trucks⁴	144	116	116

Note: 1. Includes one distribution center of customer operated by FSC with area of 0.29 mn. sq. feet of warehouse space

2. Includes 0.22mn warehouse space of Vulcan that has been integrated with FSC during H1 FY19

3. For contract and express logistics for the month of March 2018, June 2018 and September 2018 respectively

4. As of March 31, 2018, June 30, 2018 and September 30, 2018 respectively

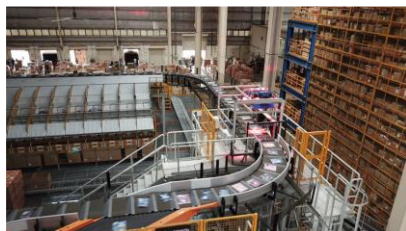
Strong 12-month sales funnel of ₹ 4,000 -5,000 mn: Potential customers at various stages of discussion

On-boarded several reputed customers, including Voltbek Home Appliances Private Limited (a Voltas JV), JK Helene Curtis Limited (part of Raymond Group), Tilda Limited and many more during Q2FY19

Signed 3.2 mn sq. ft. space in FY19 till date for Built To Suit Distribution Centers: Possession expected during FY19 and FY20

Added 1.8 mn sq. ft. of warehousing space in H1 FY19 as compared to 0.60 mn sq. ft. in FY18, supported by strong visibility on revenue

Consolidated Revenue By Service Areas



Contract Logistics

Warehousing, distribution and value-added services

68%



Express Logistics

Point-to-point, full and part truck-load, time-definite transportation services

14%



Temperature Controlled

Cold-chain warehousing & transportation for perishable products

2%



Vulcan Express

Last mile delivery and value-added services, primarily for e-commerce sector

11%

Percentage of Consolidated Q2 FY19 Revenue *

**Witnessing Strong Traction from Marquee Customers;
Non-Anchor Revenue Contribution Increased to 39% in H1 FY19;
Revenue Contribution from Anchor Customers Robust at 61% in H1 FY19**

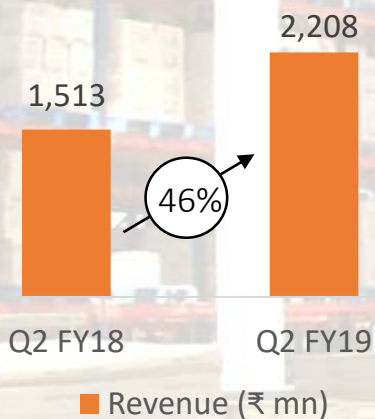
* Basis Consolidated revenue without adjustments for intra company transactions between key service offerings

Service Offering

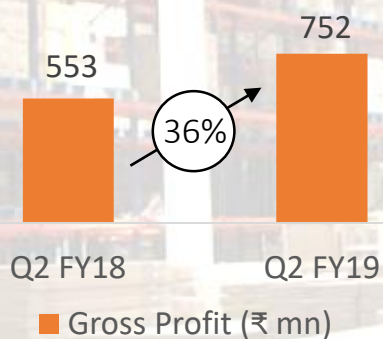
- Integrated Technology-enabled Warehousing
- Transportation & Distribution
- Supply Chain Solutions
- Value-Added Services



Strong Revenue Growth



Healthy Gross Profit Growth



80

Distribution Centres



6.40 mn sq. ft.

Warehouse Space



₹123

Q2 FY19 Average Revenue Per Square Feet per Month

Above Data As On September 30, 2018

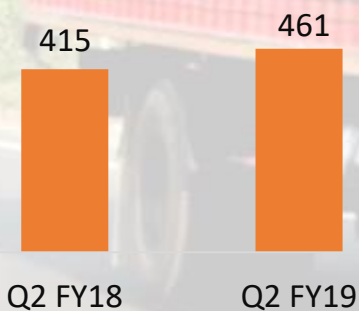
Express Logistics: Double-Digit Revenue Growth Despite Truckers Strike

Service Offering

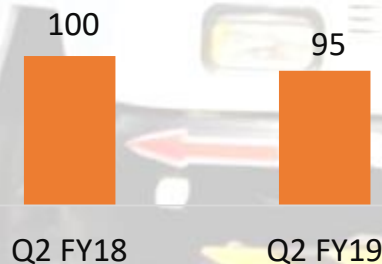
- Point-to-Point Part & Full Truck Load Transportation
- Time-definite Transportation Services
- Real-time tracking



Revenue



Gross Profit



■ Revenue (₹ mn)

■ Gross Profit (₹ mn)

**Modest Revenue Growth & Impact on Gross Profit
Due to One-Off Strike During Q2 FY19**



11,559

Pin Codes Covered



52K Tons

Weight Handled in Q2 FY19



250

Containerized Vehicles (September 2018)

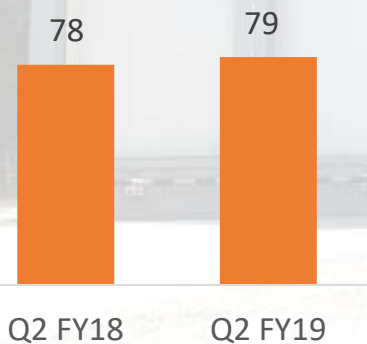
Above Data As On September 30, 2018

Service Offering

- Cold chain Warehousing
- Reefer Transportation & Distribution
- Solution Design & Route Planning

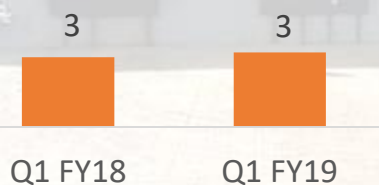


Revenue



■ Revenue (₹ mn)

Gross Profit



■ Gross Profit (₹ mn)



4

Temperature Controlled Distribution Centers



9,741

Number of Pallets



116

Owned Reefer Trucks

Above Data As On September 30, 2018

Integration Update

7 Vulcan warehouses integrated with FSC; Pilot on Last mile delivery for food and grocery initiated.

Cost reduction program initiated

Manpower and warehouse rationalisation to bring down current operating costs by 15-20% in FY19.

Grow revenues

Identified or initiated discussion with prospective clients for underutilised assets to increase revenues.



₹ 372 mn

Revenue
in Q2 FY19



₹ 37 mn

Gross Profit
in Q2 FY19



0.58 mn sq. ft.

Warehouse Space



3.78 mn

No. of Last Mile Deliveries
Completed During Q2 FY19



Over 2,200 Pin Codes

Last Mile Delivery Network

Above Data As On September 30, 2018



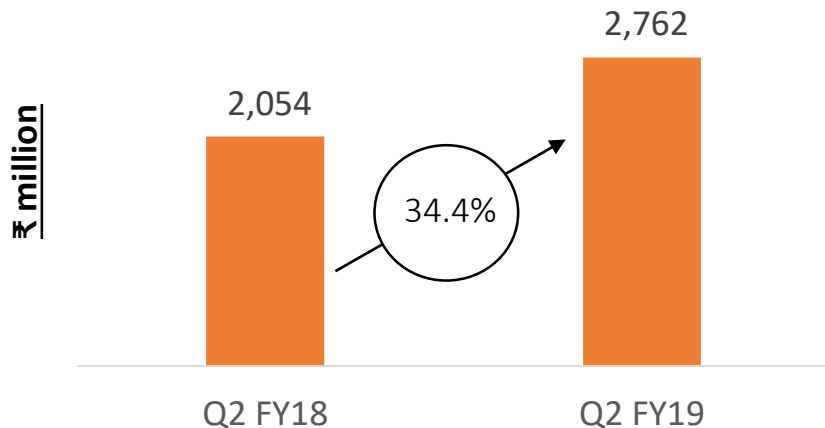
Financial Update: Standalone



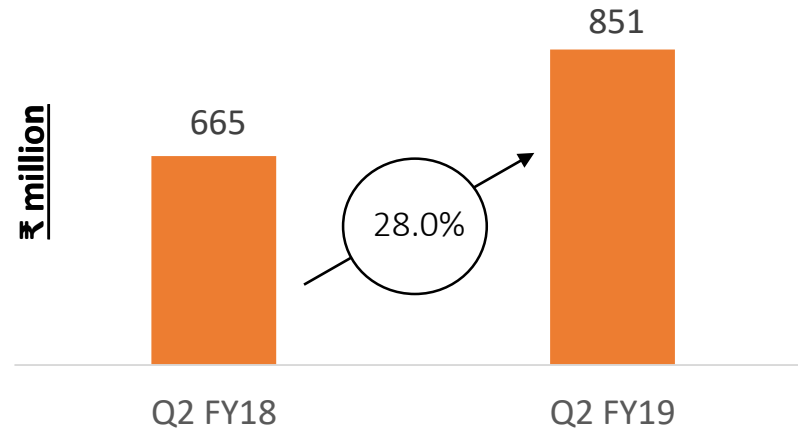
Strong Financial Performance Track Record



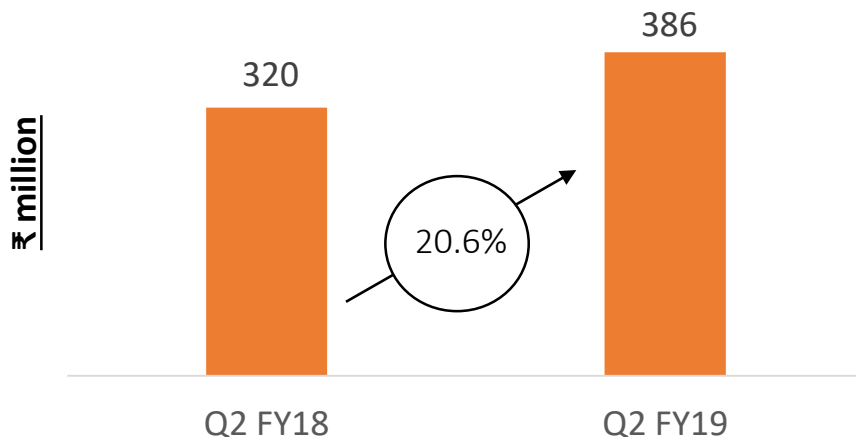
Strong Revenue Growth



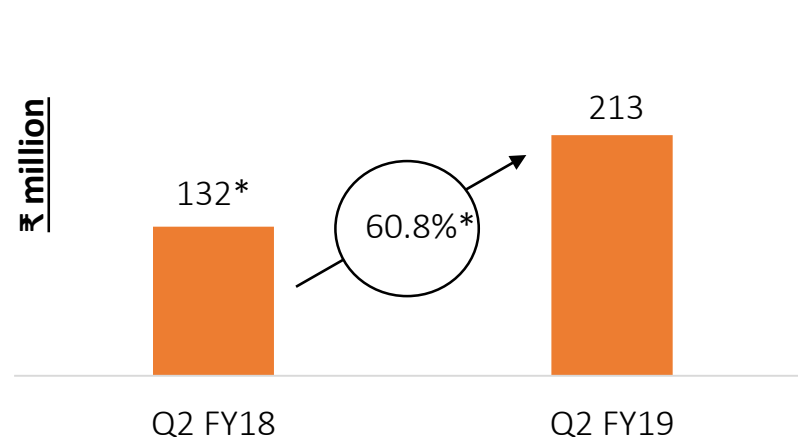
Strong Gross Profit Growth



Steady EBITDA Growth

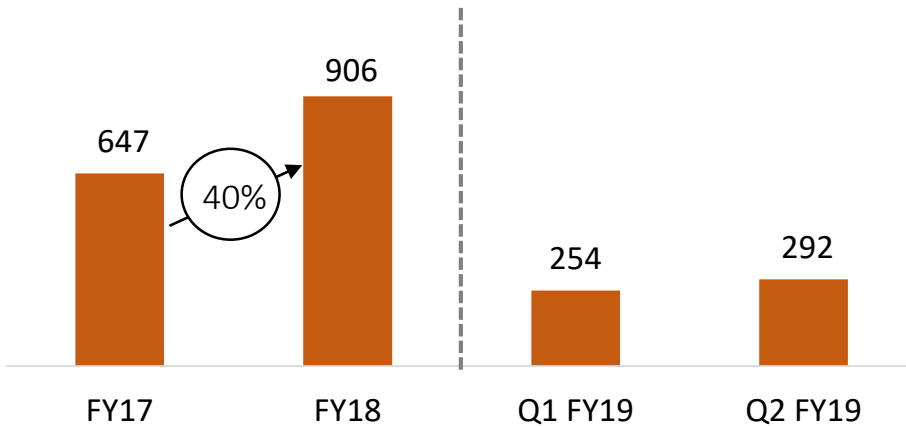


Steady Profit After Tax

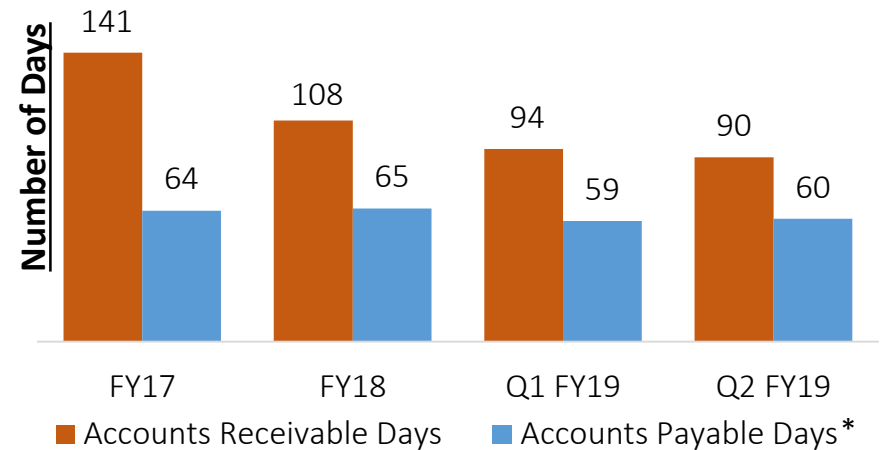


* Growth Percentage is calculated based on Q2FY18 pre-exceptional net profit, adjusting for impact of one-time other income of ₹ 70.6 million

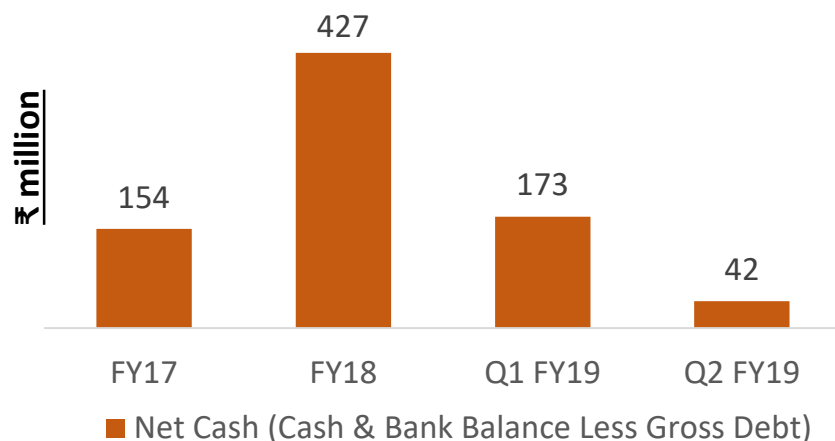
Growing Cash Profits



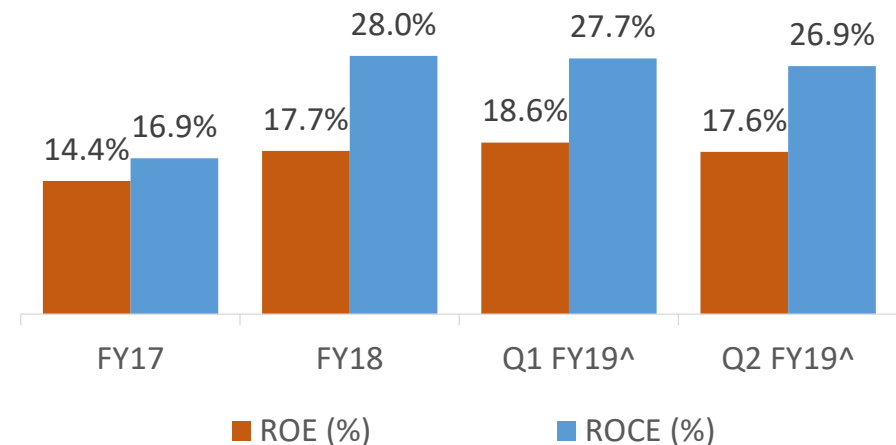
Declining Working Capital Days



Strong Balance Sheet with Net Cash Position



Healthy Ratios with Asset Light Business Model



* Calculated as Trade Payables divided by Revenue from Operations;

[^] Q1 & Q2 FY19 ROCE is calculated dividing Last Twelve Months Operating Profit by Average of Capital Employed (excluding cash) for Q4FY17 and Q1FY19 for Q1FY19 and Average of Capital Employed (excluding cash) of Q2FY18 and Q2FY19 for Q2FY19; Q1 & Q2 FY19 ROE is calculated by dividing Last Twelve Months Profit after Tax by Average Equity for similar periods as the ROCE

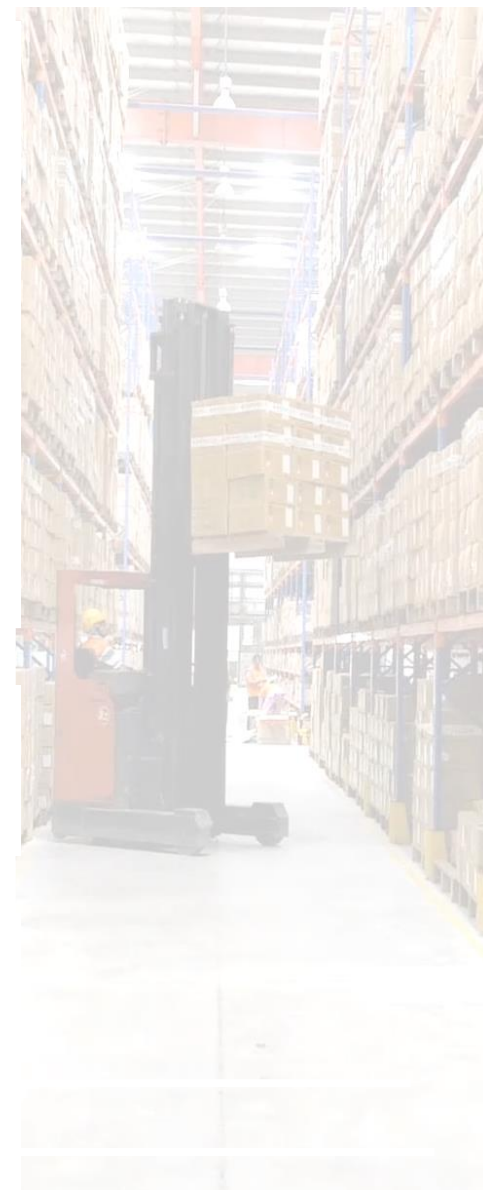
Summary of Financial Statements –Profit & Loss Statement



Particulars (In ₹ mn)	Standalone Profit & Loss Statement For Period			
	Q2FY18	Q1FY19	Q2FY19	FY18
Revenue From Operations	2,054	2,279	2,762	7,750
Cost of Logistics Services	1,389	1,557	1,910	5,073
Gross Profit	665	722	851	2,677
Gross Margin (%)	32.4%	31.7%	30.8%	34.5%
Employee Benefits Expense	159	206	233	743
Other Expenses	186	193	233	722
EBITDA	320	323	386	1,212
EBITDA Margin (%)	15.6%	14.2%	14.0%	15.6%
Depreciation & Amortization Expense	55	75	79	232
EBIT	265	249	307	980
EBIT Margin (%)	12.9%	10.9%	11.1%	12.6%
Other Income	76	6	8	94
Finance Costs	40	18	20	87
Profit Before Tax	301	237	295	987
Income Tax	98	58	82	313
Profit After Tax	203	179	213	673
PAT Margin (%)	9.9%	7.9%	7.7%	8.7%

Summary of Financial Statements – Balance Sheet

Particulars (In ₹ mn)	Standalone	
	31-Mar-18	30-Sep-18
Equity	4,170	4,535
Gross Debt	330	2,259
Cash & Bank Balance	757	2,302
Net Debt	(427)	(42)
Capital Employed	3,743	4,492
Fixed Assets	2,646	2,998
Investments	631	909
Other Non Current Assets (Net)	115	193
<u>Current Assets - A</u>		
Trade Receivables	2,289	2,693
Other Current Assets	156	273
Total Current Assets	2,445	2,966
<u>Less: Current Liabilities - B</u>		
Trade Payables	1,384	1,810
Other Current Liabilities and Provisions	711	763
Total Current Liabilities	2,095	2,573
Net Current Asset (A-B)	351	392
Total Net Assets	3,743	4,492





THANK YOU

Investor Relations Contact

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