



Ref: FLFL/BM/ 2018-19

7 August 2018

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

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

Scrip Code : 536507
Debt – Scrip Code: 957150

Scrip Code : FLFL

Dear Sir/Madam,

Sub: Presentation to Analysts/ Investors

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

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

Kindly take the above information on your records

Thanking you,

Yours truly
for **Future Lifestyle Fashions Limited**


Sanjay Kumar Mutha
Chief-Legal & Company Secretary

Encl: As above



Investor Update

Q1 FY18-19



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.

India is entering a watershed moment for the development of the ~US\$50bn domestic apparel market

Casual wear – leading growth

- Casualwear is growing faster than formalwear in last few years, whereas ethnic and traditional wear categories are opening up for brands, as discretionary spending improves
- Casualwear grew at 15% vis a vis 6% growth in formal wear in FY17

Value retailing growing fast

- Value retailing remains the fastest-growing category, as consumers uptrend from the unorganised sector
- The total apparel market is relatively less crowded with 6-7 large players
- Emergence of Brand Factory
- Controlled discounting, customers seeking brands at a value

Click vs brick

- E-com discounting intensity had subsided recently
- Multiple models like co-existence of 'Click & Brick', are emerging.
- Omni-channel has become the buzzword now

Tier-III markets opening up – Vmart, etc. India

- Tier-III markets are home to customers who are first-time buyers of branded Apparel.
- The growth in these markets going forward will be determined by providing differentiated products based on regional preferences and ethnicities

Supply Chain optimization becoming critical

- Fashion cycle is collapsing, forcing retailers to radically accelerate development and delivery times
- Growth of ecommerce over the last 3-4 years has raised customer expectations
- Margins in the retail sector can be improved by 3-5% just by improving SCM

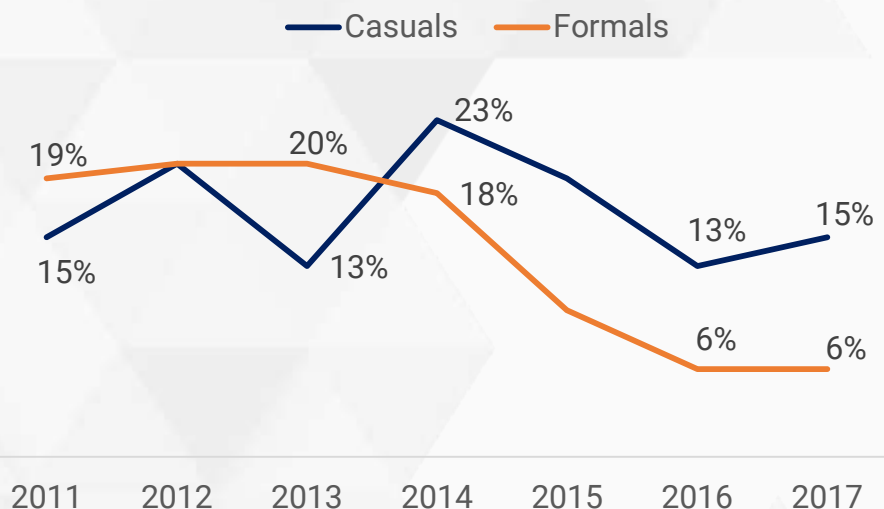
Growth Capital availability

- The Indian branded apparel space has seen a host of M&A deals/investments over the last few years amounting to ~Rs40-50bn
- Women's wear segment lead with ~60% of capital, followed up by Men's wear with ~25% and Men's Ethnic with ~15%.

Evolution of various categories

India is entering a watershed moment for the development of the ~US\$50bn domestic apparel market

Casuals have outpaced formals in each of the last four years



- Global trends suggest that initially, a large part of organised retail spending is on men’s formalwear
- As discretionary spending on fashion increases, this incremental spending comes more from casualwear
- In Indian context, demand for casuals is driven by an increasing number of start-ups and companies adopting MNC culture

- Casual wear contributes ~ 55% to the overall sale of FLF. (Mens casual contributes ~ 42% and Ladies western ~13%)
- Own brand contribution to total casualwear category is ~40%
- Overall category has grown at a CAGR of >20% for last few years

Source: CLSA: Branded Apparel

India is entering a watershed moment for the development of the ~US\$50bn domestic apparel market

Ladies ethnic – high growth opportunity segment

- Share of the organised market in total women’s ethnic wear market is 22% and expected to rise to 33%
- Branded segment is expected to expand at a **CAGR of ~30%** over FY17-20, 4x the growth in the unbranded segment over the same period
- Ethnic wear contributed 47% to Women’s Indianwear in FY17
- Women’s Ethnic wear market positioning here below

FLF

CENTRAL BRAND.NEW

BRAND FACTORY BEST BRANDS • SMART PRICES



₹ 450 cr +

FY18 Sales

₹ 350 cr +

₹ 100 cr +

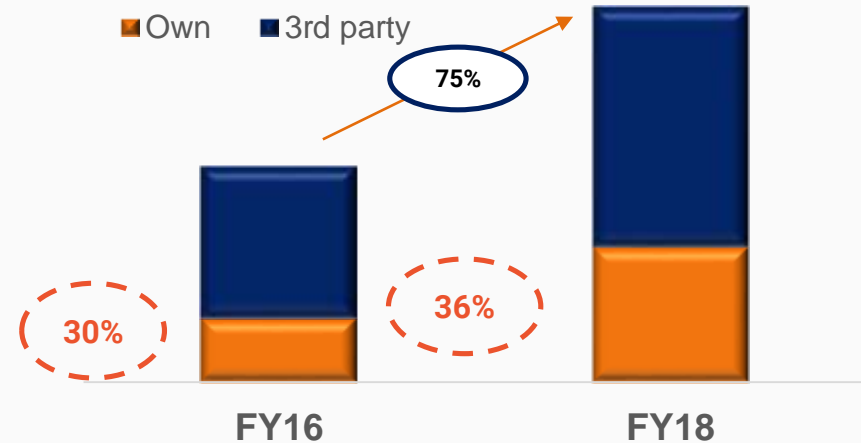
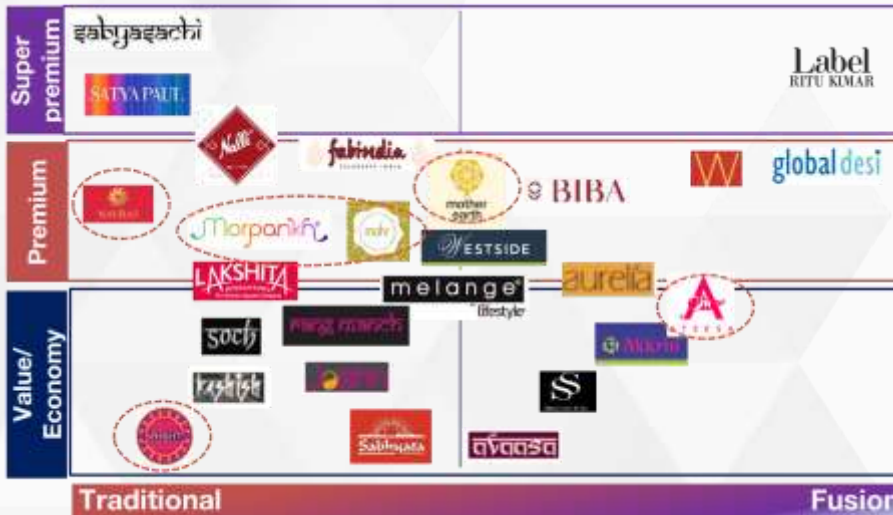


50 lacs +

Quantity sold

30 lacs +

20 lacs +



Source: CLSA: Branded Apparel, Avendus Capital, Technopak

Business Update

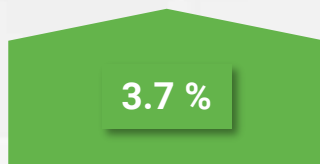
- 2 Central stores opened during Q1 –
 - Guwahati and Vishakapatnam
- 6 Brand Factory stores opened during Q1 –
 - Kolkata, New Delhi, Mumbai, Surat, Aurangabad and Bhuj
- Brand Factory's 3 week promotion, "Unbranded to Branded," was a huge success.
- Brand Factory contributes to ~40% of overall revenue in Q1 FY 2019 compared of full year average of ~31%.
- Lee Cooper launched two EBOS pilot stores in Andhra Pradesh at Nellore and Kakinada during Q1
- Own brands continue the transformation journey, contribution increased by 200 bps against the same quarter last year.

Financial Update

- FLFL Annual report released, one of the early fashion companies to adopt Integrated Reporting
- Q1 FY19 has been a softer quarter for industry due to higher base of Q1 FY18 (pre-GST sale in June 2017)
- However, FLFL has delivered strong Revenue and EBITDA growth (22% and 22%* respectively):
- Growth has been driven largely by Power brands at ~32%

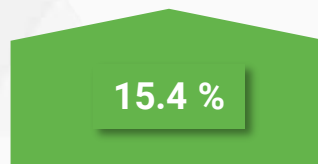
**EBITDA growth adjusted for start-up expenses of ~Rs. 4 cr. on account of Lee Cooper footwear.
Revenue growth adjusted for GST is 27%*

Central SSG%



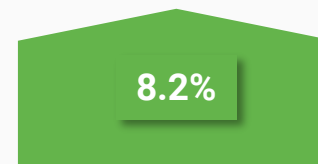
(31.1% in Q1FY18)

Brand Factory SSG%



(31.2% in Q1FY18)

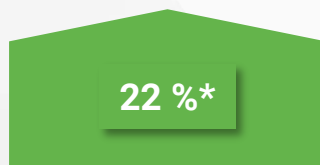
FLF SSG%[#]



(31.1% in Q1FY18)

Revenue

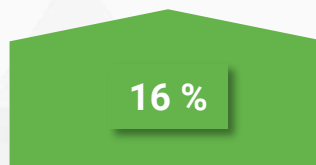
₹ 1,319 Cr in Q1FY19



(₹1,084 Cr in Q1 FY18)

Gross Margin

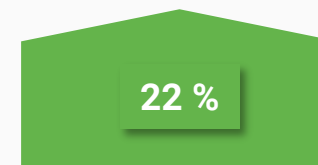
₹ 462 Cr in Q1FY19



(₹397 Cr in Q1 FY18)

EBITDA^{**}

₹ 128 Cr in Q1FY19



(₹106 Cr in Q1 FY18)

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

* Revenue growth % is not comparable due to tax rate differentials. Revenue growth adjusted for GST is 27%

FLF SSG% is Central + Brand Factory SSG ** EBITDA adjusted for start-up expenses of ~Rs. 4 cr. on account of Lee Cooper footwear.

Lee Cooper key marketing and strategic initiatives



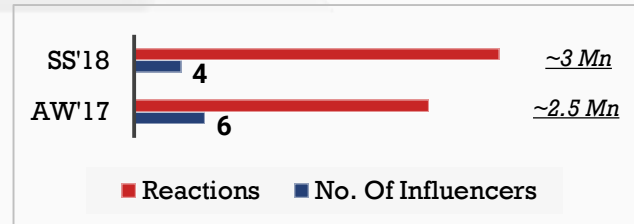
ADAH SHARMA
ACTRESS



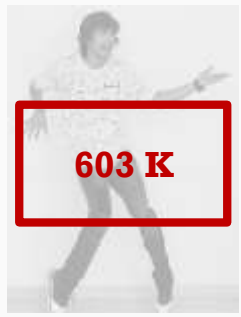
NIA SHARMA
ACTRESS

#Masters of Denim 2 - Influencers
Duration: 17th May – 17th June'18

Objective: Leverage the popularity of the *Social Media Influencers* and promote Lee Cooper SS'18 Collection to their fan base



RITHVIK DHANJANI
ACTOR



SHANTANU MAHESHWARI
ACTOR & DANCER

#Lee Cooper SS'19 Range Preview



Strategic Initiatives

Pilot EBO Concept :

- Planned launch of 5-8 Stores covering major cities of **Andhra and Telangana**
- Covering Hyderabad and Tier II Cities like Vijayawada, Guntur, Rajamundry, Karimnagar
- Opened EBOs in Nellore & Kakinada.

Enhanced Brand Building:

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

Product evolution:

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

Channel

Increased foothold in **123 POS** in LFS channels during Q1 FY'19
Focusing on Shoppers and Lifestyle expansion & consolidation in Reliance

aLL key initiatives

#WhatsYourPlusPoint TVC Launch



182% increase in Monthly Online Sales

275% increase in avg traffic

~7 Million views on Digital

~4 lac clicks to website

#aLLNightSale - May



Draw traffic to the online store with #aLLNightSale

Highest ever single day Sale

New customers on 30th-31st May 200+ (Contributed 10% to overall monthly sale)

Users on the Sale Day ~23K on 30th May and ~27K on 31st May- against ~3K avg users

#aLLNightSale - June



Draw traffic to the online store with #aLLNightSale

Highest ever single day Sale

New customers on 20th-21st June 200+

Users on the Sale Day ~20K on 20th June June- against ~4K avg users

Meet & Greet Activity



Generated footfalls & increased new customer walk-ins at Andheri store

Highest sales on the event day

60 Footfalls on the Event Day (Average is 45)

25 New customer Walk-ins (Average is 7)



#RamdanKareem

To celebrate local festivals and bring our customer more closer to our brands during ramadan. Ramadan is one of the biggest festivals in Kerala (Specifically north kerala).

#John Miller bonus week

April is the time when most of corporate employees get their bonus and this campaign bring more closer to brand
Validity: 5 to 15 April



#Avengers Infinity War collection

Association with Marvel's Avenger infinity merchandise make perfect sense as avenger series is very much popular amongst youth and it fits in brand Target Group.



#ConversexMiley Campaign

Earned media coverage - Elle Magazine
– Jul'18 edition
Featuring Bollywood celebrities
Rajkumar Rao and Aditi Rao Hydari

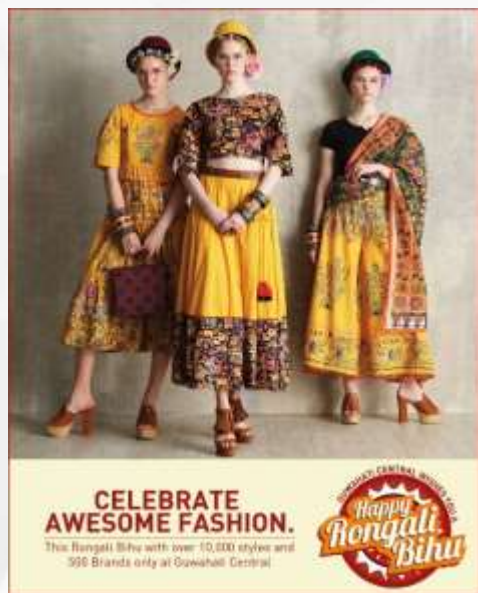


Latest Events at Central



- Times Woman drive (TWD)
 - Aims to spread awareness about breast cancer
 - Central nominated 4 wild card entries for TWD
- Poila Baisakh celebration
 - Poila Baisakh promotion in Kolkata – CENTRAL’s first Poila Baisakh in Kolkata
- Shop like a queen
- Luggage fest
 - Bi-yearly campaign on luggage, Backpacks & Duffels targeting the customers who travel during summer holidays

Times Woman drive





BRAND FACTORY
India's 1st
**UNBRANDED
TO BRANDED**
Festival

31st MAY - 31st JUNE
Get exchange value for ₹40 + Discount on new products.

₹250	₹49	₹150	₹39
₹500	₹99	₹400	₹79
₹150	₹39	₹150	₹39
₹500	₹99	₹500	₹99

BRAND FACTORY
BEST BRANDS - BEST PRICES

5% discount on SBI | 10% Cashback on

BRAND FACTORY
**Pan's
on fire**
28th APRIL - 1st MAY
TOP BOTTOMWEAR BRANDS.
LOWEST PRICES.

ONLY FOR TODAY
ON ALL KIDS WEAR
T-shirts, Shirts, Ties, Pants, Denim, Shorts & more

Topwear
Up to ₹899 - ₹599
₹199
₹500 - ₹899
₹299
₹900 - ₹1299
₹499

Bottomwear
Up to ₹899 - ₹399
₹399
₹1200 & above
₹699

BRAND FACTORY
BEST BRANDS - BEST PRICES



Brand Factory awarded for one of the best campaigns during VIVO IPL 2018 by Star REiMAGiNE

New Store Opening



Opened 2 stores in Q1 taking the total store count to 42

- **Guwahati :** April
- **Vishakhapatnam:** April



নমস্কার
GUWAHATI

India's Favourite Fashion
Department Store with over 500 BRANDS
NOW IN GUWAHATI



Opens 6 stores in Q1FY19 taking the total count to 69

- **Mumbai:** April
- **New Delhi:** April
- **Aurangabad:** May
- **Bhuj:** May
- **Kolkata :** April
- **Surat:** May



Company store network

Company store network

Central

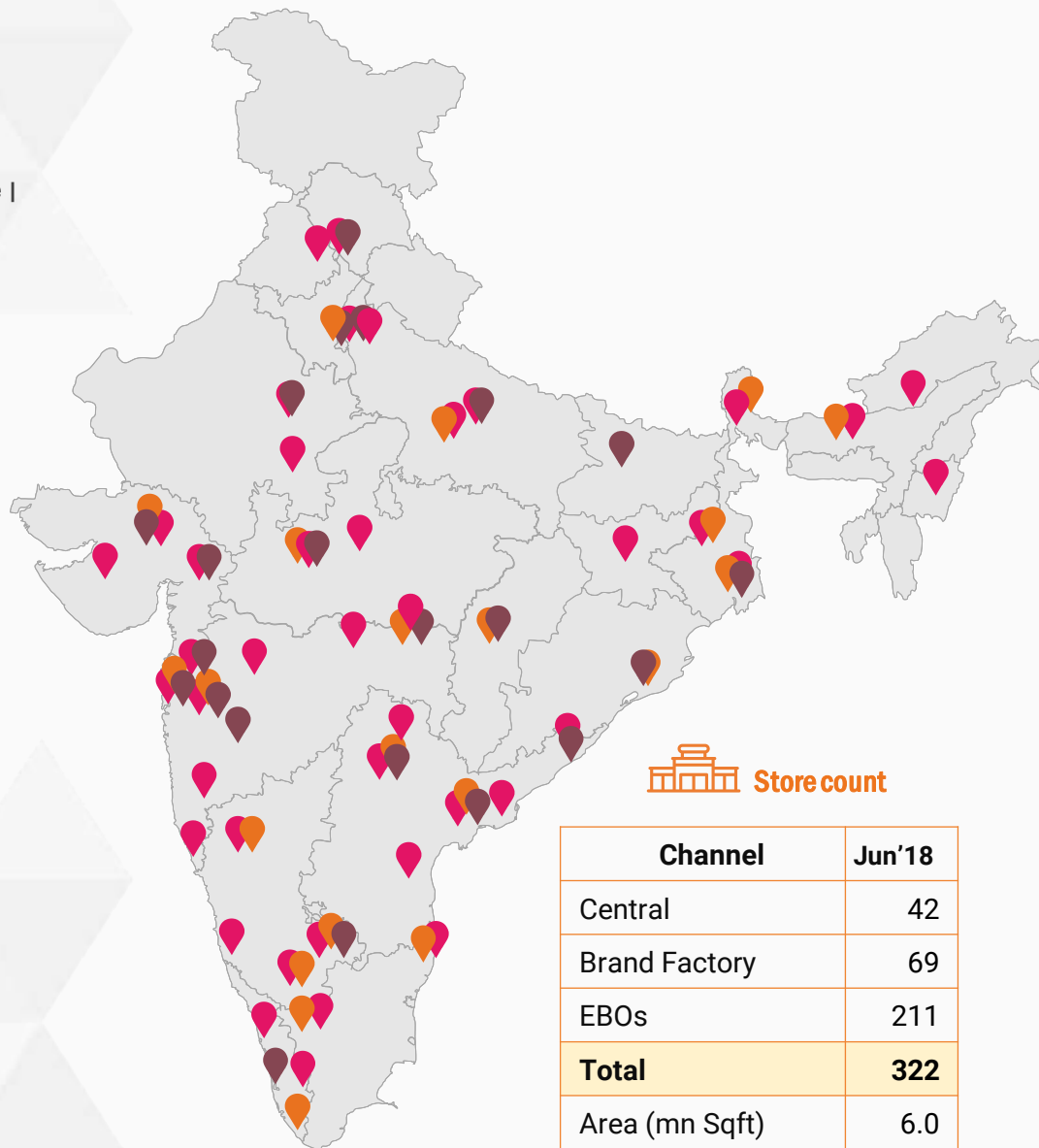
Ahmedabad | Bengaluru | Bhubaneswar | Delhi | Gurgaon | Guwahati
Hyderabad | Indore | Jaipur | Kochin | Kolkata | Koregaon | Lucknow | Mangalore |
Mohali | Mumbai | Nagpur | Navi Mumbai | Nasik |
Noida | Patna | Pune | Raipur | Surat | Vadodara | Visakhapatnam

Brand Factory

Ahmedabad | Asansol | Aurangabad | Bengaluru | Bhubaneswar | Bhuj |
Calicut | Coimbatore | Chennai | Delhi | Ghaziabad | Guwahati |
Hubli | Hyderabad | Kanpur | Kolkata | Mangalore | Mumbai | Mysore | Nasik |
Navi Mumbai | Pune | Raipur | Secunderabad | Surat |
Thiruvananthapuram | Ujjain | Vijayawada | Visakhapatnam

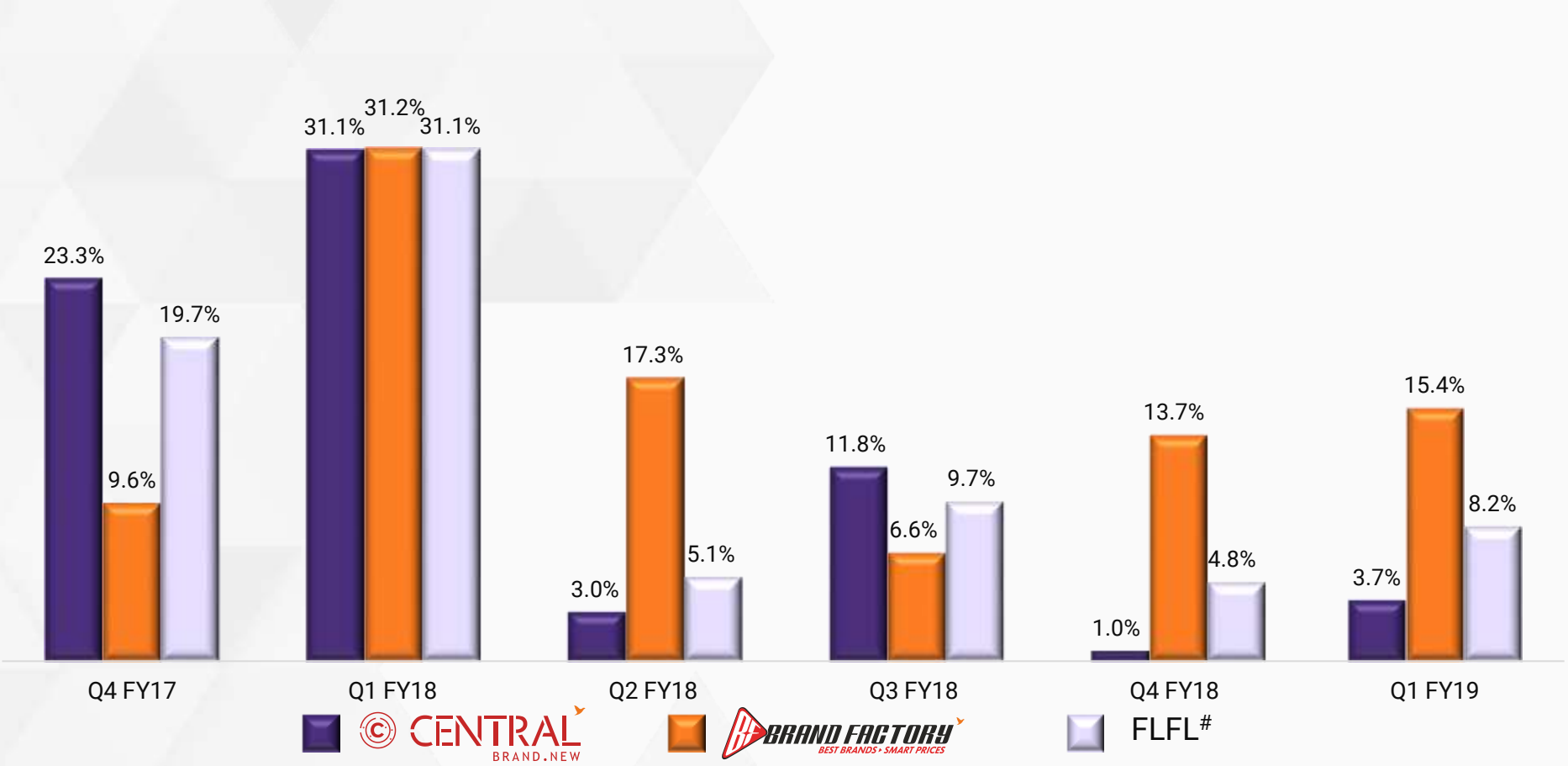
EBO's

Agartala | Amalapuram | Ahmedabad | Amaravati |
Bengaluru | Bhimavaram | Bhopal | Bhubaneswar | Calicut |
Chandigarh | Changanacherry | Chennai | Chittoor |
Coimbatore | Deoghar | Dhule | Delhi | Erode |
Ghaziabad | Gurgaon | Guwahati | Hubli | Hyderabad |
Indore | Idukki | Imphal | ITA Nagar | Jaipur | Jalandhar |
Karimnagar | Kakinada | Kanchipuram | Kannur | Kanpur |
Khammam | Kochin | Kothagudem | Kolkata | Kota |
Kottayam | Lucknow | Mallapuram | Mangalore |
Mohalli | Mumbai | Mysore | Nagpur | Nanded | Nasik |
Navi Mumbai | Nellore | Noida | Ongole | Palakkad | Palasa | Pune |
Rajahmundry | Rajkot | Ranchi | Ratlam | Sambalpur | Siliguri | Sikar | Solapur |
Srikakulam | Surat | Thalassery | Thane | Trivandrum | Thrissur |
Vadodara | Vijayawada | Vijayanagaram | Vishakapatnam | Warangal



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

Same Store Retail Sales Performance



▶ Continuous to have positive same store growth across Central and Brand Factory

FLF SSG% is Central + Brand Factory SSG

FLF Snapshot – Q1 FY19

Total Income From Operations

Gross Profit

EBITDA Margin

PAT

Gross Space Addition (mn. sq. ft.)

	Q1 FY19	Q1 FY18
Total Income From Operations	₹1,319 Cr	₹1,084 Cr
Gross Profit	₹462 Cr	₹397 Cr
EBITDA Margin	9.7%*	9.7%
PAT	₹38 Cr*	₹32 Cr
Gross Space Addition (mn. sq. ft.)	0.27	0.16

FLF Brands

- Contributed ~37% of Revenue in Q1FY19.
- Brands registered a growth of 30% Y-o-Y and 20% Q-o-Q

Q1 Margins

- Delivered Gross Profit of ₹462 Cr and EBITDA Margins of 9.7%* in Q1 FY19

Q1 SSGs

- FLF# : 8.2%
- Central: 3.7%
- Brand Factory: 15.4%

Total Sales¹ Summary (₹ Cr)

Particulars	Q1 FY19	Q1 FY18
FLF Brands	544	418
- Owned Brands	151	115
- Licensed Brands	394	303
Third Party Brands ²	919	765
Total Sales¹	1,463	1,183
Less: Consignment / SIS	35	55
Less: Taxes & Duties	129	66
Net Sales after Tax	1,300	1,063

Top Brand Performance Q1 FY19 (₹ Cr)



1: Includes SIS & consignment sales

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

3: Retail Sales indicate Net Sales Before Tax

Note:- all figures includes numbers of Lee Cooper business undertaking after netting off Inter-company transactions. # FLF SSG% is Central + Brand Factory SSG.
* EBITDA % and PAT adjusted for start-up expenses of ~Rs. 4 cr. on account of Lee Cooper footwear.

Income Statement (₹ Cr) Particulars	Published			Standalone + Lee Cooper		
	Q1'18	Q1'19	Gr%	Q1'18	Q1'19	Gr%
Revenue from Operations	1,032	1,268	22.9%	1,084	1,319	21.7%
COGS	656	828	26.2%	687	857	24.7%
Gross Profit	376	440	17.0%	397	462	16.5%
Gross Margin %	36.4%	34.7%		36.6%	35.0%	
Employee Benefits Expense	57	71	24.1%	61	75	23.9%
Rent including Lease Rental	119	125	5.1%	120	126	4.8%
Other Expenditures	114	141	22.9%	116	142	21.9%
Total Expenditure	291	337	15.8%	297	343	15.4%
Other Income	6	9	46.1%	6	9	49.0%
EBITDA	92	112	22.7%	106	128	21.5%
EBITDA Margin %	8.9%	8.9%		9.7%	9.7%	
Depreciation	32	44	37.2%	33	45	35.0%
EBIT	60	68	14.9%	72	83	15.3%
Finance Costs	23	25	8.5%	23	27	15.6%
PBT	36	43	19.0%	49	56	15.1%
Tax expense	13	15	16.6%	17	19	8.7%
Net profit	24	28	20.3%	32	38	18.7%

Notes:

1. Published Income Statement without Lee Cooper as it is carved out as separate company.
2. 'Standalone + Lee Cooper' Income Statement is after netting off Inter-company transactions.
3. Revenue growth % for Q1 not comparable due to tax rate difference. Revenue growth adjusted for GST is 27%.
4. EBDITA for 'Standalone + Lee Cooper' adjusted for start-up expenses of ~Rs. 4 cr. on account of Lee Cooper footwear.



Thank You



FLF FUTURE
LIFESTYLE
FASHIONS

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