



February 7, 2020

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

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

Scrip Codes:
Equity: 540798
Debt: 958280, 958281

Scrip Symbol: FSC

Dear Sir / Madam,

Sub: Presentation to Analysts/ Investors

Please find enclosed herewith the presentation being sent to Analysts/Investors/ Media with respect to the unaudited financial results of the Company for the quarter and nine months ended December 31, 2019.

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

Kindly take the above information on your records.

Yours faithfully,
For Future Supply Chain Solutions Limited


Vimal K Dhruve
Company Secretary



Encl.: As above

Future Supply Chain Solutions Limited

Corporate Office : 7th floor.349, Business Point, Western Express Highway, Andheri (East), Mumbai 400069, India Phone +91 22 71429100
Registered Office : Knowledge House Shyam Nagar, Off. Jogeshwari- Vikhroli Link Rd. Jogeshwari (E), Mumbai 400 060 - www.futuresupplychains.com
An ISO 9001:2015 and BS OHSAS 18001:2007 Certified Company - CIN NO. : L63030MH2006PLC160376



Science of Supply Chain. **DELIVERED**

Future Supply Chain Solutions Limited



**Q3 FY20
Investor Presentation
February 7, 2020**



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.





₹ 2,831 mn Revenue

Q3 FY20 Revenue at ₹ 2,831 mn;
9M FY20 Revenue at ₹ 8,944 mn grew 10.3%



**41.0% Gross Margin;
Expanded 410 bps QoQ**

3Q FY20 Gross Profit at ₹ 1,161 mn



**23.4% EBITDA Margin;
Increased 290 bps QoQ**

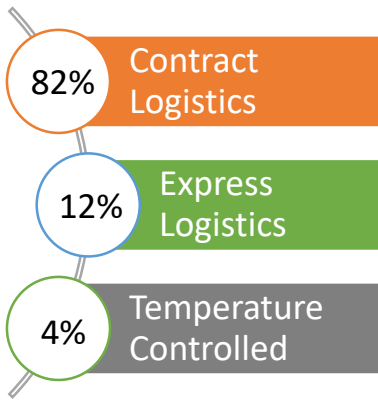
3Q FY20 EBITDA at ₹ 661 mn, +3.3% QoQ



PAT grew 24.4% QoQ

PAT grew 24.4% QoQ to ₹ 109 mn*

Integrated Service Offering



% of 3Q FY20 Revenue#



Warehouse Space at 8.09 mn as at December 31, 2019



Concluded acquisition of 22% stake by Nippon Express at ₹ 664 per share; Signed Business Collaboration Agreement to jointly explore revenue growth opportunities



Recently signed three customers for Contract Logistics; including a marquee FMCG giant and a leading appliances brand

* Pre-exceptional PAT, excluding the impact of one-time loss of ₹ 531 mn on account of sale of Vulcan Express

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



Business Update



FSC and Nippon Express Signed a Business Collaboration Agreement



Nippon Express – FSC Strategic Partnership

- Transaction a combination of primary issuance and secondary purchase from an institutional shareholder; FSC issued 37,89,350 shares at a price of ₹664 per share, at 22% premium to prevailing market price at the time the transaction was announced
- FSC has raised around ₹ 252 crore from primary issuance of equity shares to Nippon Express; Proceeds to be used to fund FSC's growth plans

Business Collaboration Agreement

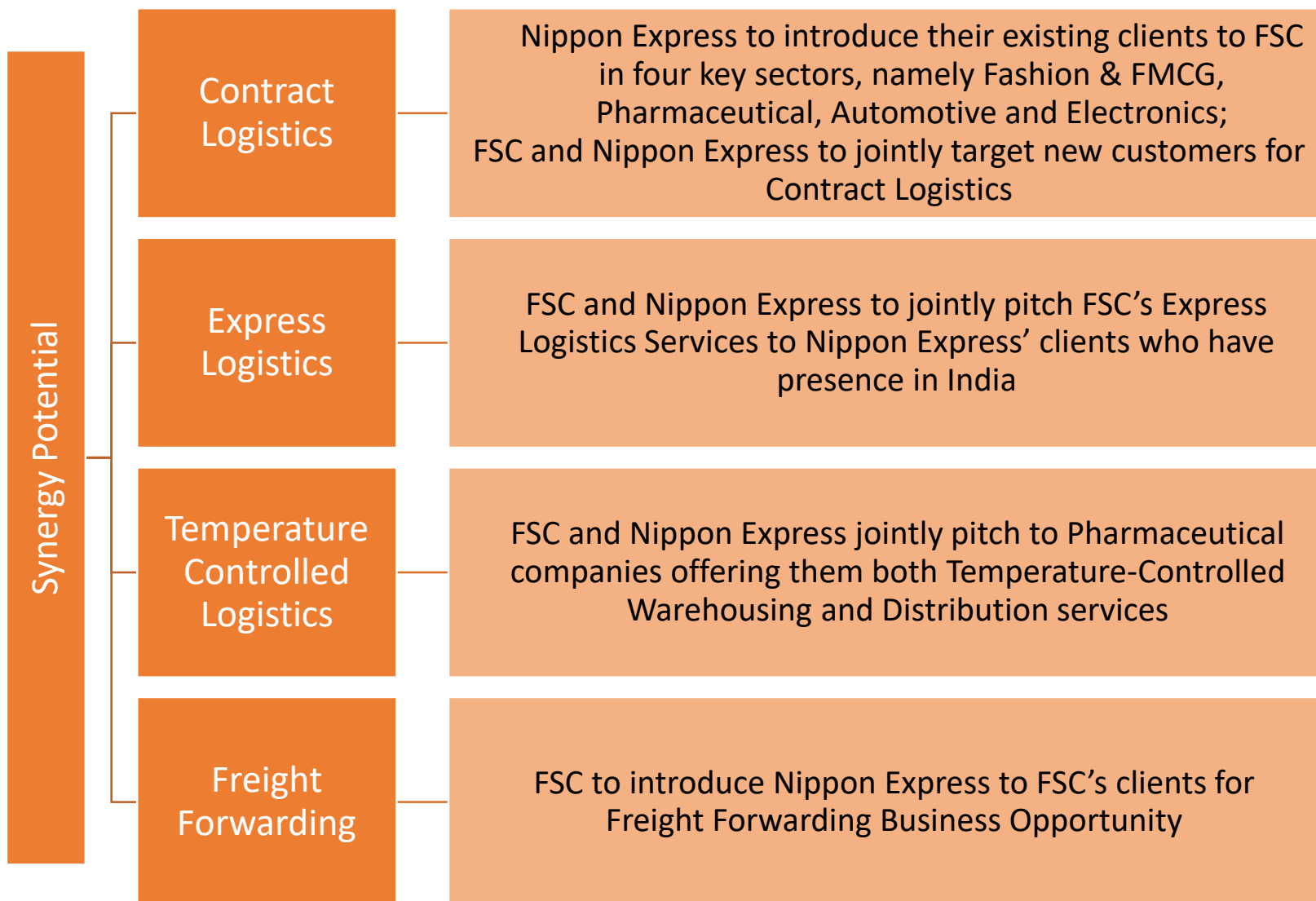
- Nippon Express to offer FSC's integrated service offering to their Japanese and other foreign customers.
- FSC to offer Nippon Express' global logistics services to Indian customers.
- Increase FSC's operational efficiencies through introduction of latest technologies and process improvements & Kaizen activity.

1. Complementary Strengths & Service Offering



2. Leveraging Customer Base & Expanding Sector Focus





Macro Economic Headwinds; Consumption Slowdown



- Macro-economic headwinds leading to customers re-evaluating business strategy
- Customers implementing cost rationalization initiatives, including supply chain cost
- Anchor Customer: Expansion plans curtailed for small format stores; closure of unprofitable stores; re-visiting supply chain strategy

Warehouse Capacity



- Reduction in warehouse capacity for anchor customers; Warehouse closures started in Q3 FY20 and likely to be completed in the next few months
- Expansion for next 2-3 quarters to be driven by new customers / network efficiencies

Increased Focus on Operational Efficiencies



- Project *Lakshya*: Transport cost rationalisation project implemented
- Labour productivity enhancement initiated at the warehouse level
- Fixed costs rationalisation efforts implemented
- Continue to invest in upgrading technologies to augment capabilities and efficiency

Business Development

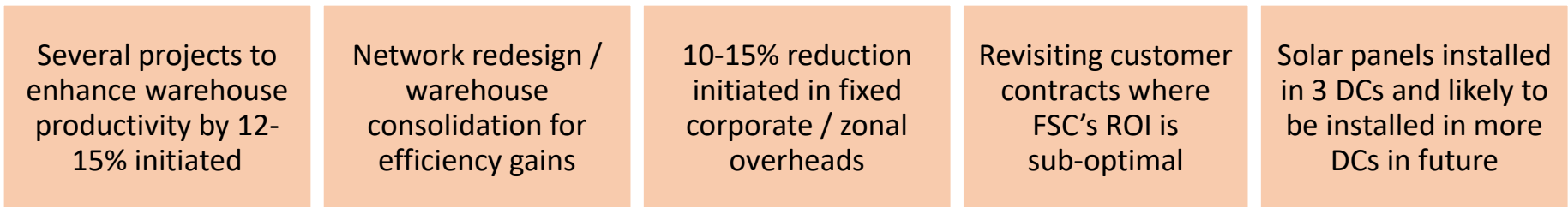


- Recently signed 3 new customers for Contract Logistics during Q3FY20; Customers added include a marquee FMCG giant and a leading appliances brand
- Sales funnel of over ₹6,000 mn: Potential customers at various stages of discussion

Transport cost rationalisation initiatives implemented to contribute to annualised cost savings of ₹ 400 mn



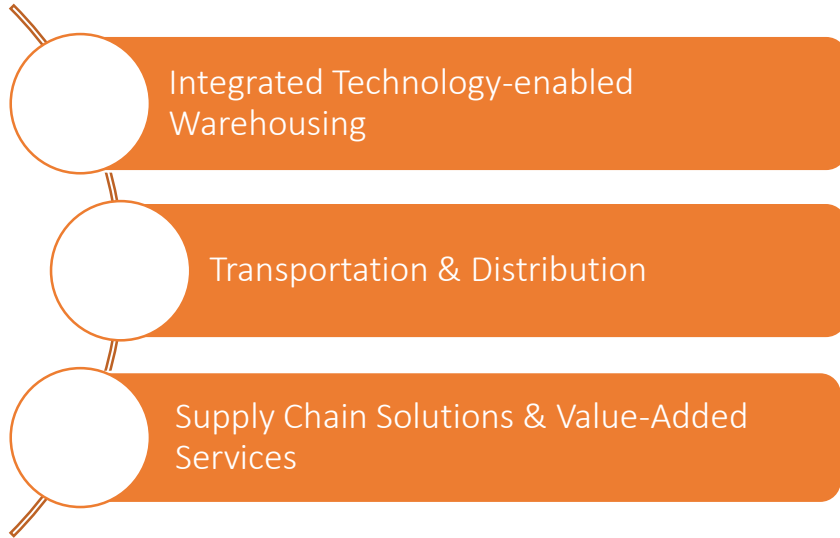
Other cost rationalisation initiatives expected to drive margin expansion in the coming quarters



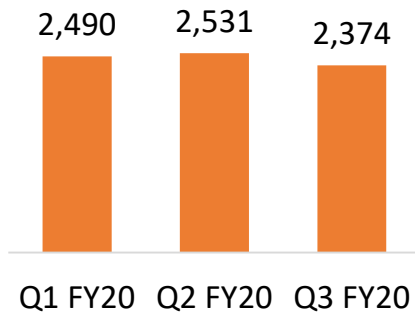
Key Operating Highlights

Key Operating Metrics	Unit	Q2FY20	Q3 FY20
Contract Logistics			
Number of Distribution Centres	#	90	80
Warehouse Area	Mn sq. ft.	8.33	8.09
Revenue Per Square Feet	₹ per month	101	96
Express Logistics			
Number of Hubs and Branches	#	13 / 132	13 / 126
Number of Pin Codes	#	11,068	11,434
Total Weight Handled	'000 tonnes	49	41
Temperature Controlled Logistics			
Number of Temperature Controlled Distribution Centres	#	8	9
Number of Pallets	#	16,273	16,553

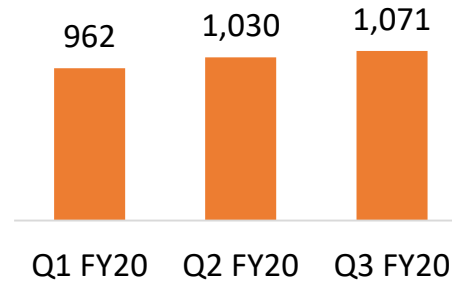
Service Offering



Revenue (₹ mn)



Gross Profit (₹ mn)



80

Distribution Centres



8.09 mn sq. ft.

Warehouse Space



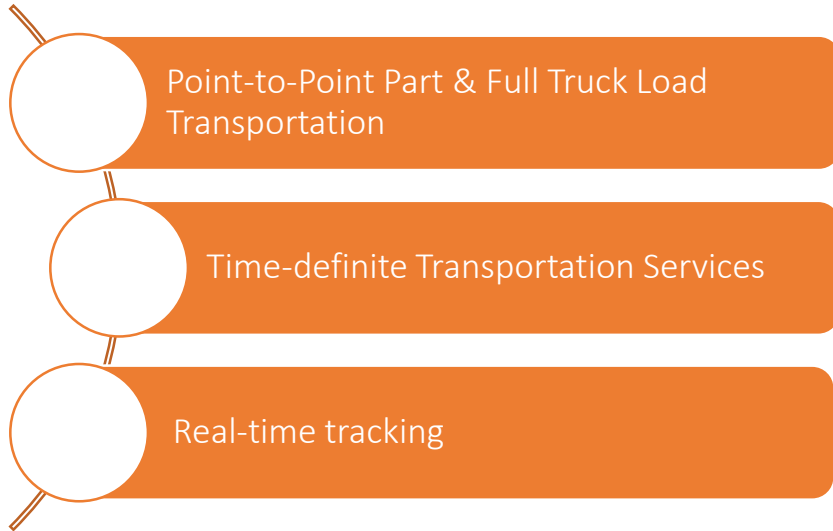
₹ 96

Q3 FY20 Average Revenue
Per Square Feet per Month

Recently signed three new customers including a marquee FMCG giant and a leading appliances brand

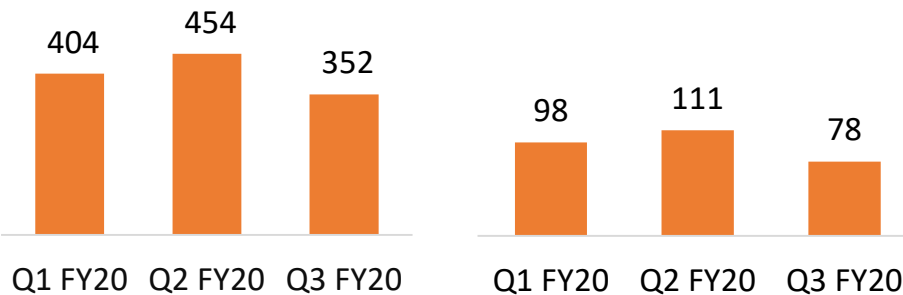
Above Data As On December 31, 2019

Service Offering



Revenue (₹ mn)

Gross Profit (₹ mn)



Revenue decline in Q3FY20 is primarily driven by volume (tonnage) decline due to weak festive consumption.



13 / 126

Number of Hubs & Branches
(Including Franchisees)



11,434

Pin Codes Covered



41k Tons

Weight Handled in Q3 FY20

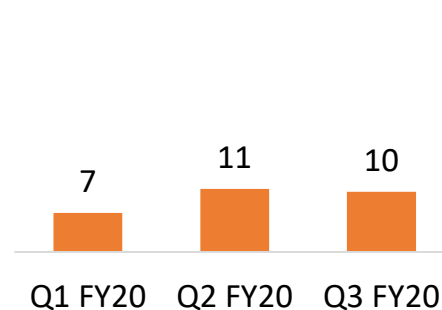
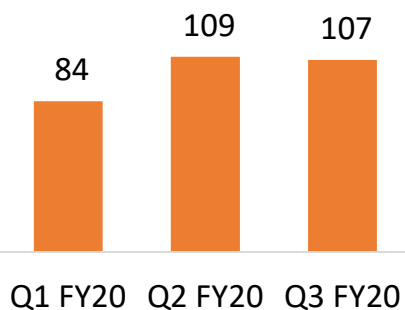
Above Data As On December 31, 2019

Service Offering



Revenue (₹ mn)

Gross Profit (₹ mn)



9

Temperature Controlled Distribution Centers



16,553

Number of Pallets

Added 74 refrigerated trucks in Q3FY20 to expand secondary temperature-controlled transportation; Increased pallet capacity by 280 pallets during the quarter.

Above Data As On December 31, 2019



Solar Panels at Koka DC



Solar Panels at Banur DC



Solar Panels at Chennai DC

Nearly 2,000 solar panels with total capacity of over 630 kw installed in the past few months across 3 warehouses and more planned for the coming few quarters...



Conducted Trainings on Need for Nutritious Food



Distributed Seed Kits and Clothes at Bhiwandi



Cleanliness Rally



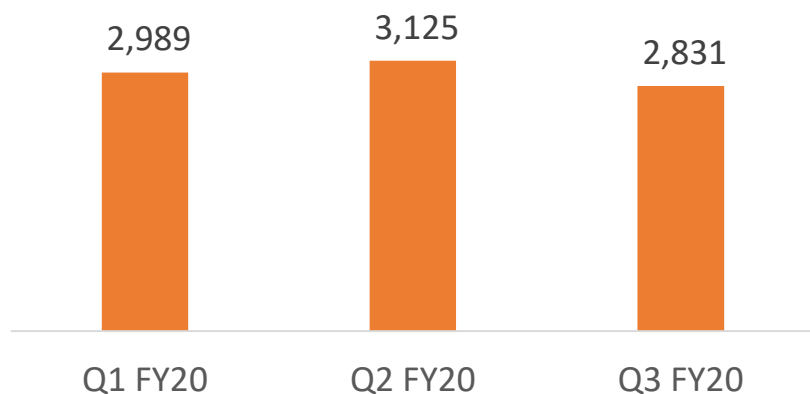
Financial Update



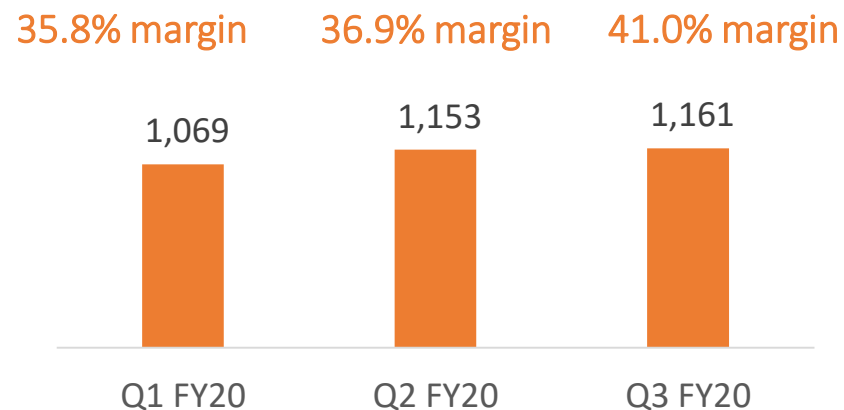
Standalone Financial Performance



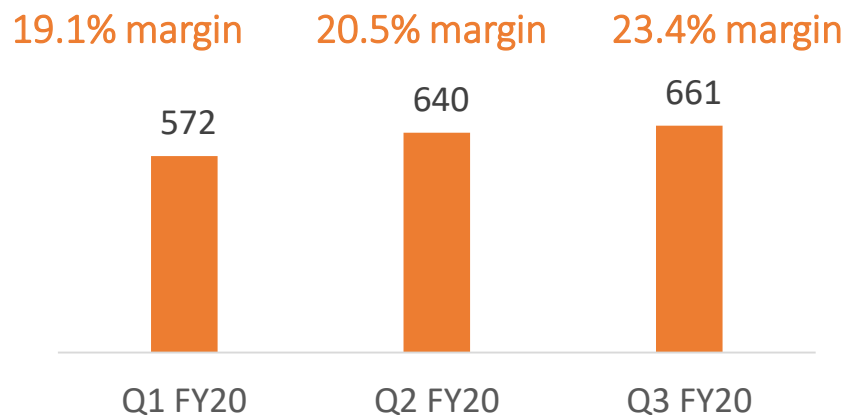
Revenue (₹ million)



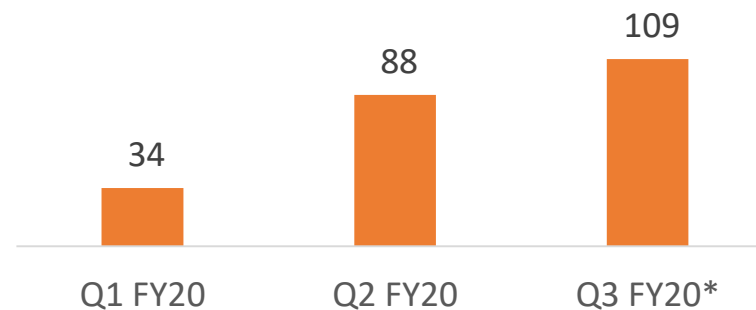
Gross Profit (₹ million)



EBITDA (₹ million)



Profit After Tax (₹ million)



* Q3 FY20 PAT is Pre-Exceptional PAT, i.e. prior to taking into account loss on sale of Vulcan Express of ₹ 531 million

Summary of Financial Statements – Standalone Profit & Loss Statement



Particulars (In ₹ million)	Standalone Profit & Loss Statement For Period					
	Q3FY19	Q2FY20	Q3FY20	9MFY19	9MFY20	FY19
Revenue From Operations	2,983	3,125	2,831	8,107	8,944	11,128
Cost of Logistics Services	2,084	1,971	1,670	5,624	5,561	7,735
Gross Profit	899	1,153	1,161	2,482	3,384	3,392
Gross Margin (%)	30.1%	36.9%	41.0%	30.6%	37.8%	30.5%
Employee Benefits Expense	263	250	242	730	757	977
Other Expenses	246	263	257	697	753	930
EBITDA	390	640	661	1,055	1,874	1,485
EBITDA Margin (%)	13.1%	20.5%	23.4%	13.0%	20.9%	13.3%
Depreciation & Amortization Expense	104	411	412	303	1,211	417
EBIT	285	229	250	752	662	1,068
EBIT Margin (%)	9.6%	7.3%	8.8%	9.3%	7.4%	9.6%
Other Income	24	14	96	45	123	56
Finance Costs	60	156	236	98	555	161
Profit Before Tax (Pre-Exceptional)	249	88	109	698	231	964
Income Tax	-	-	-	-	-	-
Profit After Tax (Pre-Exceptional)	249	88	109	698	231	964
PAT Margin (Pre-Exceptional)	8.3%	2.8%	3.9%	8.6%	2.6%	8.7%
Loss From Discontinued Operations, Net of Tax	(52)	-	-	(207)	-	(312)
Exceptional Items	-	-	(531)	-	(531)	-
Profit After Tax (Post-Exceptional)	197	88	(422)	491	(300)	652
Cash Profit	301	499	521	794	1,442	1,069

Cash Profit has been calculated as Net Profit + Depreciation + Exceptional Items (Non-Cash)

Financial numbers for Q1 –Q3 FY20 are not comparable to prior quarters due to adoption of IND AS 116 starting Q1 FY20.

Summary of Financial Statements – Consolidated Profit & Loss Statement



Particulars (In ₹ million)	Consolidated Profit & Loss Statement For Period					
	Q3FY19	Q2FY20	Q3FY20	9MFY19	9MFY20	FY19
Revenue From Operations	3,333	3,125	2,831	9,024	8,949	12,284
Cost of Logistics Services	2,407	1,971	1,670	6,485	5,566	8,860
Gross Profit	926	1,153	1,161	2,539	3,383	3,424
Gross Margin (%)	27.8%	36.9%	41.0%	28.1%	37.8%	27.9%
Employee Benefits Expense	309	250	242	889	758	1,173
Other Expenses	271	264	264	778	761	1,040
EBITDA	345	640	655	872	1,865	1,211
EBITDA Margin (%)	10.4%	20.5%	23.1%	9.7%	20.8%	9.9%
Depreciation & Amortization Expense	111	412	412	327	1,213	454
EBIT	234	228	243	546	652	757
EBIT Margin (%)	7.0%	7.3%	8.6%	6.0%	7.3%	6.2%
Other Income	25	15	96	46	124	58
Finance Costs	64	156	236	111	555	178
Profit Before Tax, Pre Exceptional	195	87	103	481	221	636
Income Tax	-	-	-	-	-	-
Profit After Tax (Pre-Exceptional)	195	87	103	481	221	636
Share of Profit (Loss) in Associate Company	(3)	(60)	-	(9)	(168)	(21)
Net Profit (Pre-Exceptional)	192	27	103	471	53	615
Exceptional Items	-	-	35	-	35	-
Net Profit (Post Exceptional)	192	27	138	471	89	615

Financial numbers for Q1 –Q3 FY20 are not comparable to prior quarters due to adoption of IND AS 116 starting Q1 FY20.



Appendix



Particulars (In ₹ million)	Standalone Profit & Loss Statement For Period		
	Quarter ended December 31, 2019 Comparable Basis	Changes due to IND-AS 116 Increase / (decrease)	Quarter ended December 31, 2019 As Reported
Cost of Logistics Services	1,993	(323)	1,670
Other Expenses	264	(7)	257
Depreciation and Amortisation Expense	163	249	412
Finance Costs	162	74	236
Gain on Re-assessment	0	(1)	(1)
Profit Before Tax, Pre-Exceptional	101	8	109

Effective April 1, 2019, the Company has adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Resultantly, the figures for the current period are not comparable with the previous periods.

THANK YOU

Investor Relations Contact

Nupur Agarwal | nupur.agarwal@futuresupplychains.com