



Science of Supply Chain. **DELIVERED**

Future Supply Chain Solutions Limited



**Q2 FY20
Investor Presentation
November 02, 2019**

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.

Note

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.

Q2 FY20 Standalone Performance Snapshot



Revenue up
4.6% QoQ

Q2 FY20 Revenue at
₹ 3,125 mn up 11.5%
YoY and 4.6% QoQ



Gross Margin
expanded 110bps QoQ

Q2 FY20 Gross
Margin at 36.9%



EBITDA Margin
increased 140bps QoQ

Q2 FY20 EBITDA
Margin at 20.5%



EBITDA grew
12.0% QoQ

Q2 FY20 EBITDA
came in at ₹640 mn



PAT more than
doubled QoQ

Q2 FY20 PAT at ₹ 88
mn up from ₹ 34 mn in
Q1 FY20 (2.6x)



Announced acquisition of
22% stake by Nippon
Express at ₹ 664 per share
vs. prevailing share price
of ₹ 546.5 at that time
(premium of 22%)



Signed four new
customers for contract
logistics including a well-
known Indian ethnic wear
brand, a leading sports
brand and a reputed
FMCG brand



8.33 mn sq. ft.

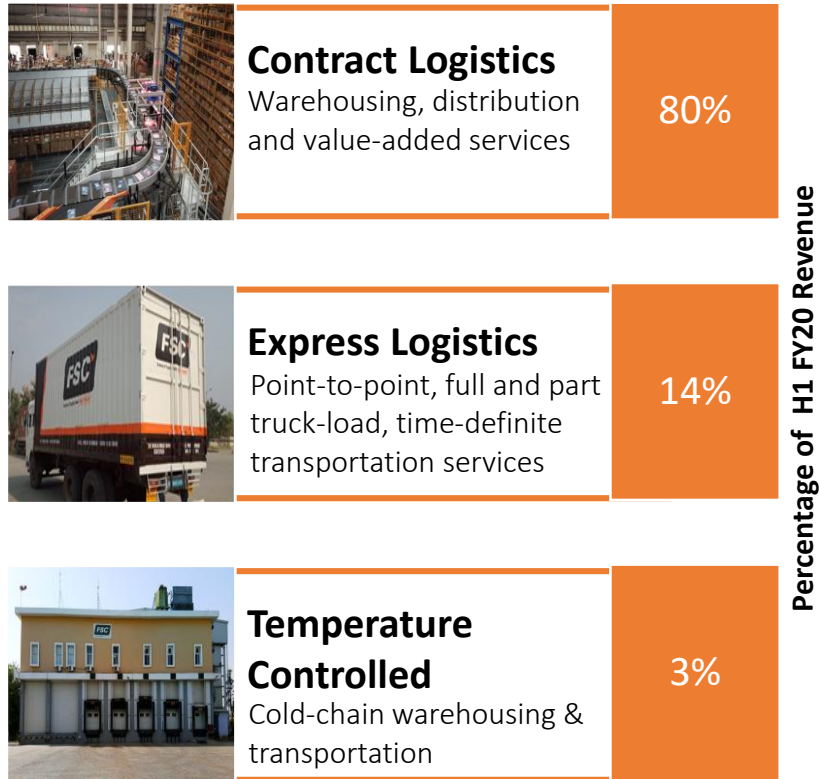
Warehouse Space at
September 30, 2019;
Net addition of
~25k sq. ft. in Q2 FY20

QoQ: Q2 FY20 growth calculated over Q1 FY20



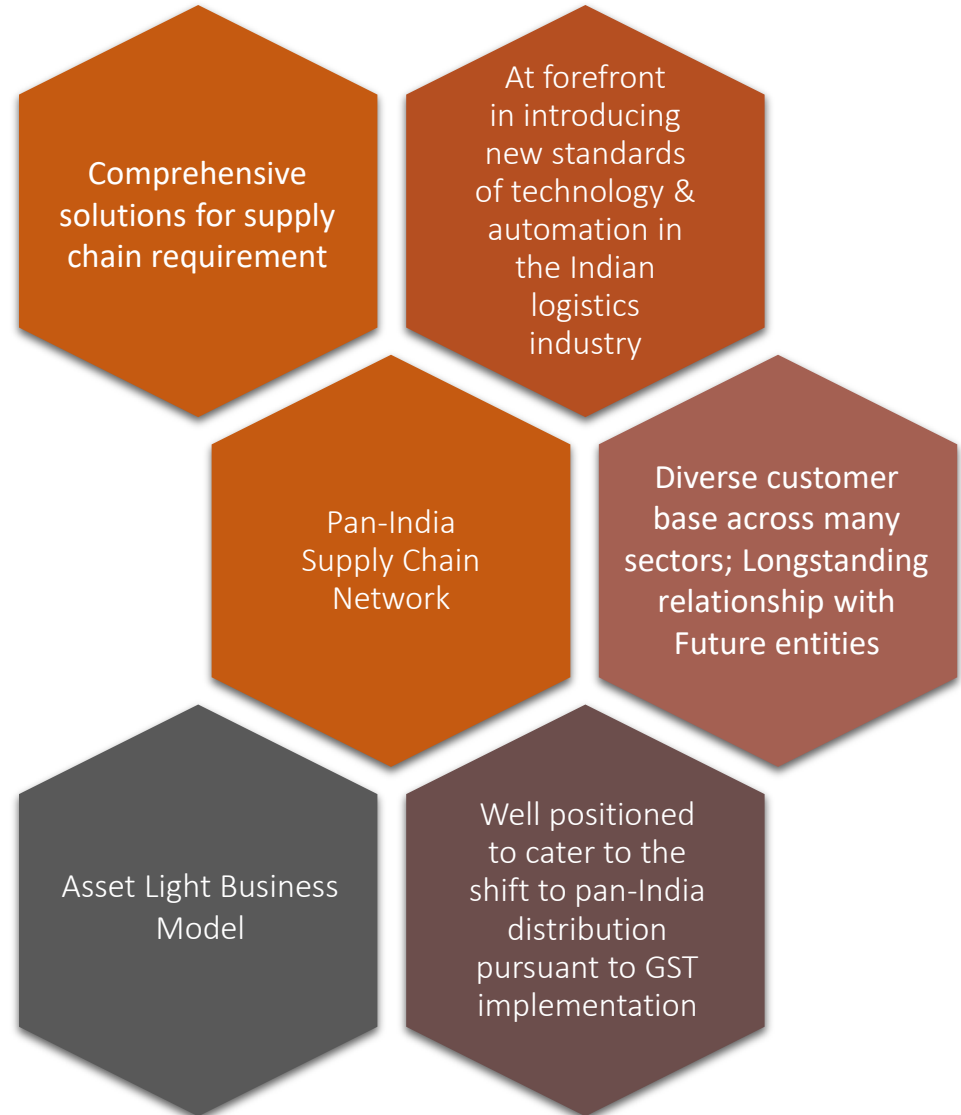
Business Overview





Revenue percentage is calculated basis revenue without adjustments for intra company transactions between key service offerings.

Amongst India's largest organized third-party logistics operators



Contract Logistics: Consistently Delivering Revenue Growth

Service Offering

Integrated Technology-enabled Warehousing

Transportation & Distribution

Supply Chain Solutions & Value-Added Services



Revenue (₹ mn)

2,490

2,531

Q1 FY20

Q2 FY20

Gross Profit (₹ mn)

962

1,030

Q1 FY20

Q2 FY20

Signed four new customers in Q2 including a well-known Indian ethnic wear brand, a leading sports brand and a reputed FMCG brand



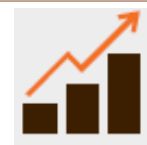
90

Distribution Centres



8.33 mn sq. ft.

Warehouse Space



₹101

Q2 FY20 Average Revenue
Per Square Feet per Month

Above Data As On September 30, 2019

Express Logistics: Long Term Growth Outlook Intact

Service Offering

Point-to-Point Part & Full Truck Load Transportation

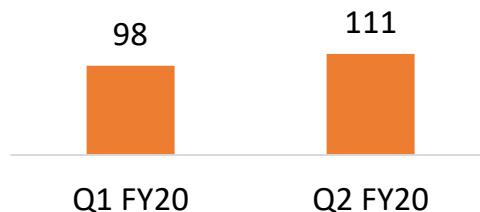
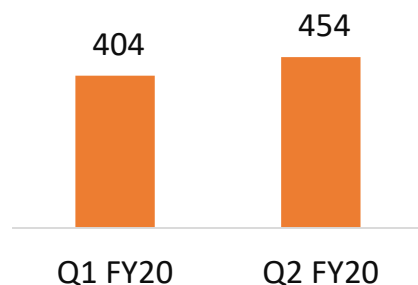
Time-definite Transportation Services

Real-time tracking



Revenue (₹ mn)

Gross Profit (₹ mn)



13 / 132

Number of Hubs & Branches
(Including Franchisees)



11,068

Pin Codes Covered



49k Tons

Weight Handled in Q2 FY20

Above Data As On September 30, 2019

Temperature Controlled Logistics: Nearing Inflection Point

Service Offering

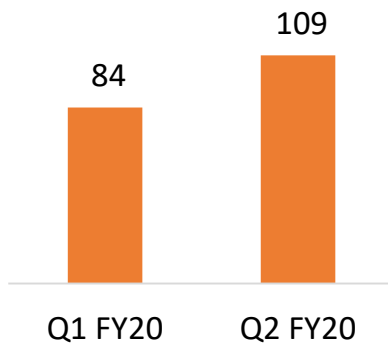
Cold chain Warehousing

Reefer Transportation & Distribution

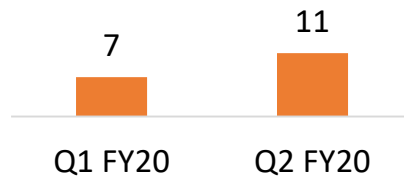
Solution Design & Route Planning



Revenue (₹ mn)



Gross Profit (₹ mn)



Added 3,412 pallets during the quarter on asset light model



8

Temperature Controlled Distribution Centers

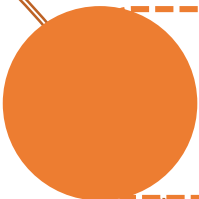


16,273

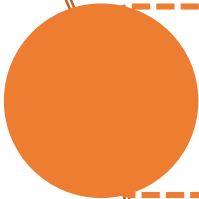
Number of Pallets

Above Data As On September 30, 2019

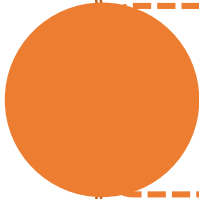
Nippon Express to Acquire 22% Stake in FSC



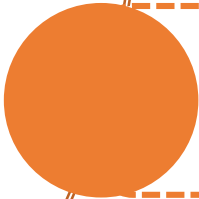
Nippon Express, Japan's leading global logistics player, to acquire 22% stake in Future Supply Chain Solutions Limited (FSC)



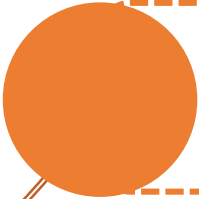
Transaction is a combination of primary issuance and secondary purchase from institutional shareholder(s); FSC to issue 37,89,350 shares to Nippon Express at a price of ₹664 per share at a 22% premium to prevailing market price at that time



FSC to raise around ₹252 crore from primary issue of equity shares to Nippon Express; Proceeds to be used to fund FSC's near term growth plans



Nippon Express and FSC to explore synergies: Jointly evaluate leveraging Nippon Express' competency in diverse sectors for the Indian market; FSC to leverage Nippon Express' Japanese and MNC clients for exploring new business opportunities in India



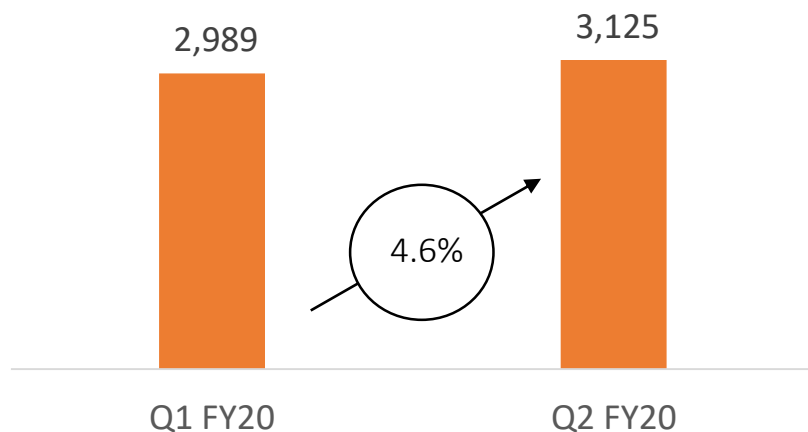
Status of approvals: Received approval of shareholders of FSC; Received in-principle approval of BSE Limited and The National Stock Exchange of India Limited; Application to the Competition Commission of India has been filed



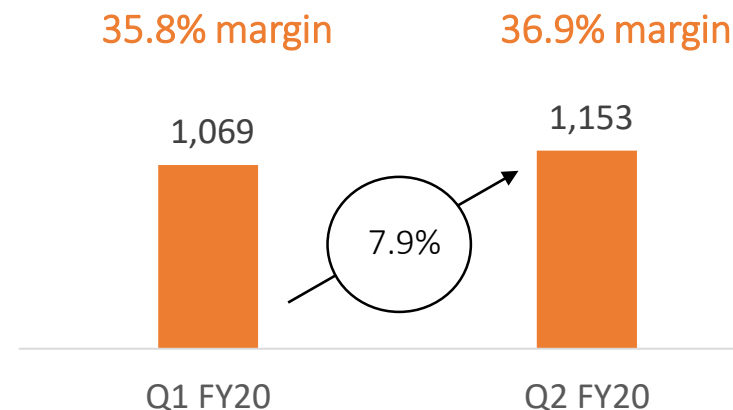
Financial Update



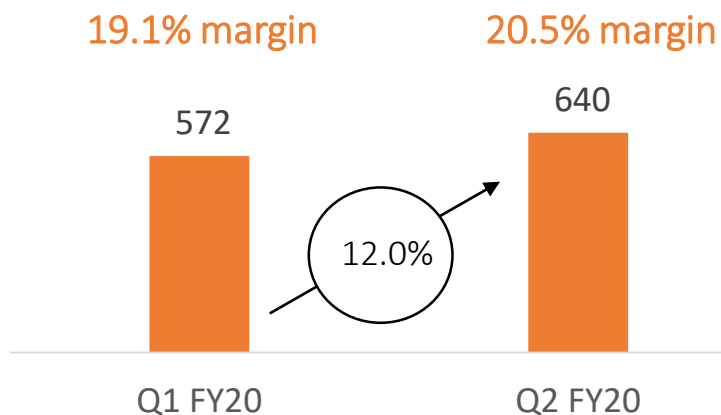
Revenue (₹ million)



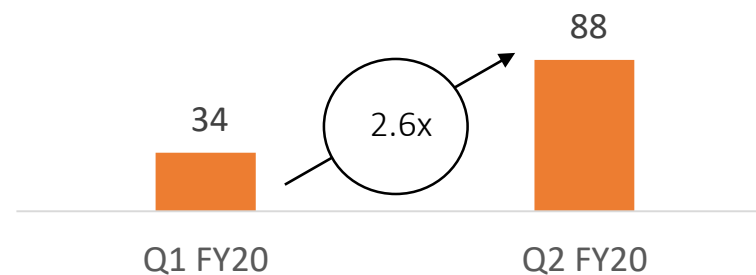
Gross Profit (₹ million)



EBITDA (₹ million)



Profit After Tax (₹ million)



Summary of Financial Statements – Standalone Profit & Loss Statement

Particulars (In ₹ million)	Standalone Profit & Loss Statement For Period			
	Q2FY19	Q1FY20	Q2FY20	FY19
Revenue From Operations	2,802	2,989	3,125	11,128
Cost of Logistics Services	1,937	1,920	1,971	7,735
Gross Profit	865	1,069	1,153	3,392
Gross Margin (%)	30.9%	35.8%	36.9%	30.5%
Employee Benefits Expense	244	264	250	977
Other Expenses	245	232	263	930
EBITDA	376	572	640	1,485
EBITDA Margin (%)	13.4%	19.1%	20.5%	13.3%
Depreciation & Amortization Expense	98	389	411	417
EBIT	278	183	229	1,068
EBIT Margin (%)	9.9%	6.1%	7.3%	9.6%
Other Income	9	13	14	56
Finance Costs	20	162	156	161
Profit Before Tax From Continuing Operations	267	34	88	964
PBT From Discontinued Operations, Net of Tax	(70)	-	-	(312)
Profit Before Tax	197	34	88	652
Income Tax	-	-	-	-
Profit After Tax	197	34	88	652
PAT Margin (%)	7.0%	1.1%	2.8%	5.9%

Financial numbers for Q1 FY20 and Q2 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			
	Q2FY19	Q1FY20	Q2FY20	FY19
Revenue From Operations	3,101	2,993	3,125	12,284
Cost of Logistics Services	2,218	1,924	1,971	8,860
Gross Profit	883	1,068	1,153	3,424
Gross Margin (%)	28.5%	35.7%	36.9%	27.9%
Employee Benefits Expense	294	266	250	1,173
Other Expenses	271	233	264	1,040
EBITDA	317	570	640	1,211
EBITDA Margin (%)	10.2%	19.0%	20.5%	9.9%
Depreciation & Amortization Expense	105	389	412	454
EBIT	212	181	228	757
EBIT Margin (%)	6.8%	6.0%	7.3%	6.2%
Other Income	9	13	15	58
Finance Costs	24	162	156	178
Profit Before Tax	197	31	87	636
Income Tax	-	0	-	0
Share of Profit (Loss) in Associate Company	(4)	(108)	(60)	(21)
Profit After Tax	193	(77)	27	615
PAT Margin (%)	6.2%	(2.6%)	0.9%	5.0%

Financial numbers for Q1 FY20 and Q2 FY20 are not comparable to prior quarters due to adoption of IND AS 116 starting Q1 FY20.

Summary Balance Sheet

Particulars (In ₹ million)	Standalone		Consolidated	
	31-Mar-19	30-Sep-19	31-Mar-19	30-Sep-19
Equity	6,003	5,690	5,422	4,937
Net Debt	1,001	1,575	935	1,575
Capital Employed	7,005	7,264	6,357	6,512
Net Fixed Assets	4,761	5,548	4,835	5,554
Net Non Current Assets (Excluding Non-Current Lease Liability)	1,774	1,989	1,230	1,263
Right of Use Assets	-	2,562	-	2,562
Lease Liability (Non Current + Current)	-	(2,996)	-	(2,996)
Net Current Assets (Excluding Current Lease Liability)	470	162	293	127
Total Net Assets	7,005	7,264	6,357	6,512

Financial numbers for Q2 FY20 are not comparable to prior quarters due to adoption of IND S 116 starting Q1 FY20.



Appendix



Particulars (In ₹ million)	Standalone Profit & Loss Statement For Period		
	Quarter ended September 30, 2019 Comparable Basis	Changes due to IND-AS 116 Increase / (decrease)	Quarter ended September 30, 2019 As Reported
Cost of Logistics Services	2,277	(306)	1,971
Other Expenses	269	(6)	263
Depreciation and Amortisation Expense	159	252	411
Finance Costs	87	69	156
Profit Before Tax	97	(9)	88

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THANK YOU

Investor Relations Contact

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