



August 7, 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 Code:** 540798

**Script Symbol:** FSC

Dear Sir / Madam,

**Sub: Press release**

Please find enclosed herewith the press release titled as *“Poised to be the largest 3PL service provider in India in the consumption space; Aggressive infrastructure expansion plan supported by strong revenue visibility”* with respect to the financial results for the quarter ended June 30, 2018.

The same shall also be available at the Company’s website at [www.futuresupplychains.com](http://www.futuresupplychains.com).

This is for your information and records.

Thanking you,

Yours faithfully,  
**For Future Supply Chain Solutions Limited**

  
**Vimal Dhruve**  
Company Secretary



## Earnings Release

### Results for the Quarter Ended June 30, 2018

**Poised to be the largest 3PL service provider in India in the consumption space;  
Aggressive infrastructure expansion plan supported by strong revenue visibility**

August 7, 2018, Mumbai: Future Supply Chain Solutions Limited (FSC or the Company), a leading third-party supply chain solutions specialist and logistics service provider, today announced its results for the quarter ended June 30, 2018.

#### Key Standalone Financials:

- Revenue from operations grew 50.0% year on year to ₹ 2,279 million;
- EBITDA grew 33.5% year on year to ₹ 323 million;
- PAT grew 37.7% year on year to ₹ 179 million;
- Trade receivables days declined from 108 days in FY18 to 94 days in Q1 FY19;
- ROCE (adjusted)<sup>i</sup> remained strong at 27.7% in Q1 FY19.

#### Key Operating Highlights:

- Warehouse space increased by 1.03 million sq. ft. to 5.61 million sq. ft. during the quarter;
- Revenue per square feet increased by ~20% year on year to INR 110 per month;
- Contribution from non-anchor customers increased from 33% in FY18 to 41% in Q1 FY19<sup>ii</sup>.

Commenting on the results and the business outlook, Mayur Toshniwal, Managing Director of FSC said “I am pleased to report a strong start to FY19 with Q1 revenue from operations growing significantly at around 50% year on year. This is a culmination of strong growth from the anchor customer and increased traction from non-anchor customers.

During the quarter, we acquired several reputed clients in the consumption-driven sectors. I am thankful to them for their faith in FSC for managing such a crucial function for them.

Further, we have strong demand visibility for the medium to long term and as a result, the Company has now stepped up its warehousing expansion plan for the current year. I am happy to share that we have added close to 1 mn sq. ft. area in the first quarter and are looking to add around 2 million sq. ft. in the coming nine months. This expansion will largely be supported by our internal accruals and a strong balance sheet.”

#### Future Supply Chain Solutions Limited

Corporate Office: 7<sup>th</sup> Floor, 349 Business Point, Western Express Highway, Andheri East, Mumbai 400 069. P: +91 22 7142 9100

Registered Office: Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400 060

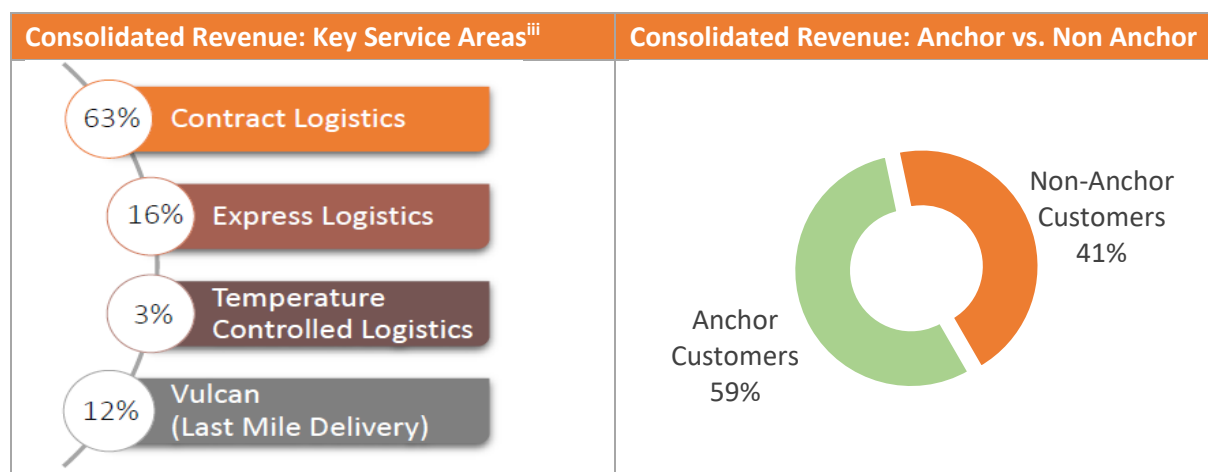
www.futuresupplychains.com | ISO 9001:2008 certified company

CIN No: L63030MH2006PLC160376

## Q1 FY19 Financial & Operational Performance

Key Standalone Financial Metrics (₹ million)	Q1 FY18	Q1FY19	% Growth
Revenue	1,520	2,279	50.0%
Gross Profit	538	722	34.2%
EBITDA	242	323	33.5%
Profit after tax	130	179	37.7%

Key Operating Metrics	FY18	Q1FY19
<b>Contract logistics</b>		
Warehouse area (mn. sq. ft.)	4.58	5.61
Average revenue per sq. ft. per month (₹)	113	110
<b>Express logistics</b>		
Total weight handled (000 tonnes)	164	45
<b>Temperature-controlled logistics</b>		
Number of pallets (x)	9,650	9,728



### Increasing traction from new and prospective clients to provide revenue visibility

The business outlook for third party logistics sectors continues to be strong driven by product companies' increased focus on their core competencies and outsourcing of the non-core activities including supply chain management. With GST now becoming a well-entrenched reality, product companies are re-thinking about their supply chain strategy and are likely to consolidate their warehousing operations. This will create a need for managing large scale warehouses, which requires specific domain expertise. Hence the role of 3PL service providers, such as FSC, is likely to increase in future.

In the recent past, the Company has added several reputed names to its customer portfolio. This includes Haldirams (a reputed Indian snacks brand), Crompton Greaves Consumer Electricals Limited (an established appliances brand), Myntra (a well-known e-commerce platform) and many more.

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The Company continues to focus on acquiring many more new clients in the consumption driven sectors. The Company has a healthy 12-month sales funnel of INR 4,000-5,000 million, where it is at various stages of discussion with the prospective clients. It expects healthy conversion from this funnel to drive strong growth in its revenue in the current and next fiscal year.

**Aggressive warehouse expansion plan for FY19**

The Company has announced that it aims to add 3 million sq. ft. of warehousing space in FY19. This is supported by internal accruals and a strong balance sheet. The Company has clear revenue visibility for this additional space and hopes to scale up operations in these distribution centres in the next 6-12 months. It added 1.03 million sq. ft. of area during the quarter ending June 30, 2018, which is a stellar achievement as per the Company management.

**Received two-notch rating upgrade for its credit facilities**

Recently, CARE Ratings Limited upgraded the credit rating of the Company by two notches, for the bank facilities availed by the Company. This is likely to help the Company bring down its cost of debt. The details of the changes in the credit rating are highlighted in the table below:

Type of Credit Rating	Previous Rating	Revised Rating
Long-Term Bank Facilities - Fund Based	CARE A; Stable	CARE AA-; Stable
Short-Term Bank Facilities - Fund Based	CARE A2+	CARE A1+
Long-Term Bank Facilities - Term Loan	CARE A; Stable	CARE AA-; Stable

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A copy of the unaudited Q1FY19 financial results are available on the company website at <http://www.futuresupplychains.com/>.

**Future Supply Chain Solutions Limited**

## Forward Looking Statements

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.

## Company Background

Future Supply Chain Solutions Limited is a public company domiciled in India and incorporated on March 8, 2006. The Equity Shares of FSC were listed on BSE Limited and the National Stock Exchange of India Limited on December 18, 2017.

FSC is a leading third-party logistics service operator in India and covers the entire gamut of supply chain services across logistics value chain including smart warehousing, an efficient transportation and distribution system, temperature controlled logistics and last mile delivery logistics. FSC operates a pan-India distribution network, offers integrated warehouse management systems with highly automated state-of-the-art technology systems, and hub and spoke transportation model that enable innovative service offerings to the customers in an optimised and cost efficient manner. It caters to corporates in Fashion & Apparels, Food & Beverages, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise and E-Commerce sectors.

As of June 30, 2018, FSC operations are run through 66 distribution centres across India, covering approximately 5.63 million sq. ft. of warehouse space. Its “hub-and-spoke” distribution model comprising 14 hubs and 129 branches across India, covering 11,328 pin codes across 29 states and 5 union territories. During June 2018, FSC operated 771 containerized vehicles and 116 Company owned refrigerated trucks.

## Investor Relations Contact:

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Head, Investor Relations

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<sup>i</sup> Adjusted Return on Average Capital Employed calculated by dividing Last Twelve Months Operating Profit by Average of Capital Employed ex. Cash & Bank Balance of Q4FY17 and Q1FY19

<sup>ii</sup> Based on consolidated revenues i.e. including Vulcan Express revenue

<sup>iii</sup> Basis Consolidated Revenue without adjustments for intra company transactions between key service offerings

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