

PDS/SE/2019-20/41

20th February, 2020

The General Manager, Corporate Service Department BSE Limited P. J Tower, Dalal Street, Fort, Mumbai-400001	The General Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
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Script Code/ID: BSE: 538730;

NSE: PDSMFL

SUB: Investor Presentation for the Quarter and Nine Months Ended 31st December, 2019.

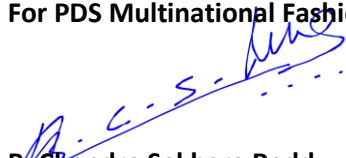
Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter and Nine Months ended 31st December, 2019 for the financial update to Investors of the PDS Multinational Fashions Limited.

Kindly take the same on record.

Thanking you

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl.: a/a



PDS
MULTINATIONAL

Global | Collaborative | Ethical

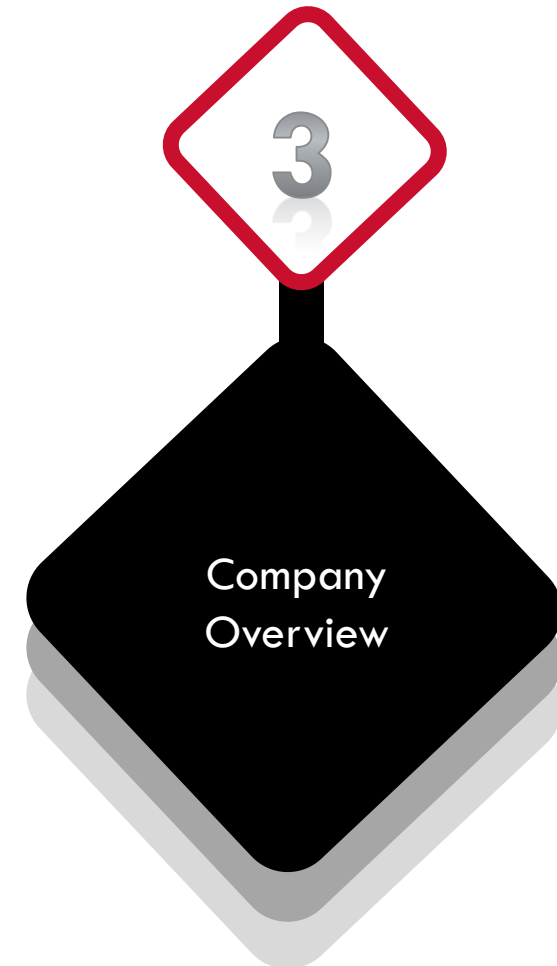
Q3 & 9M FY20 - Result Presentation

Safe Harbor

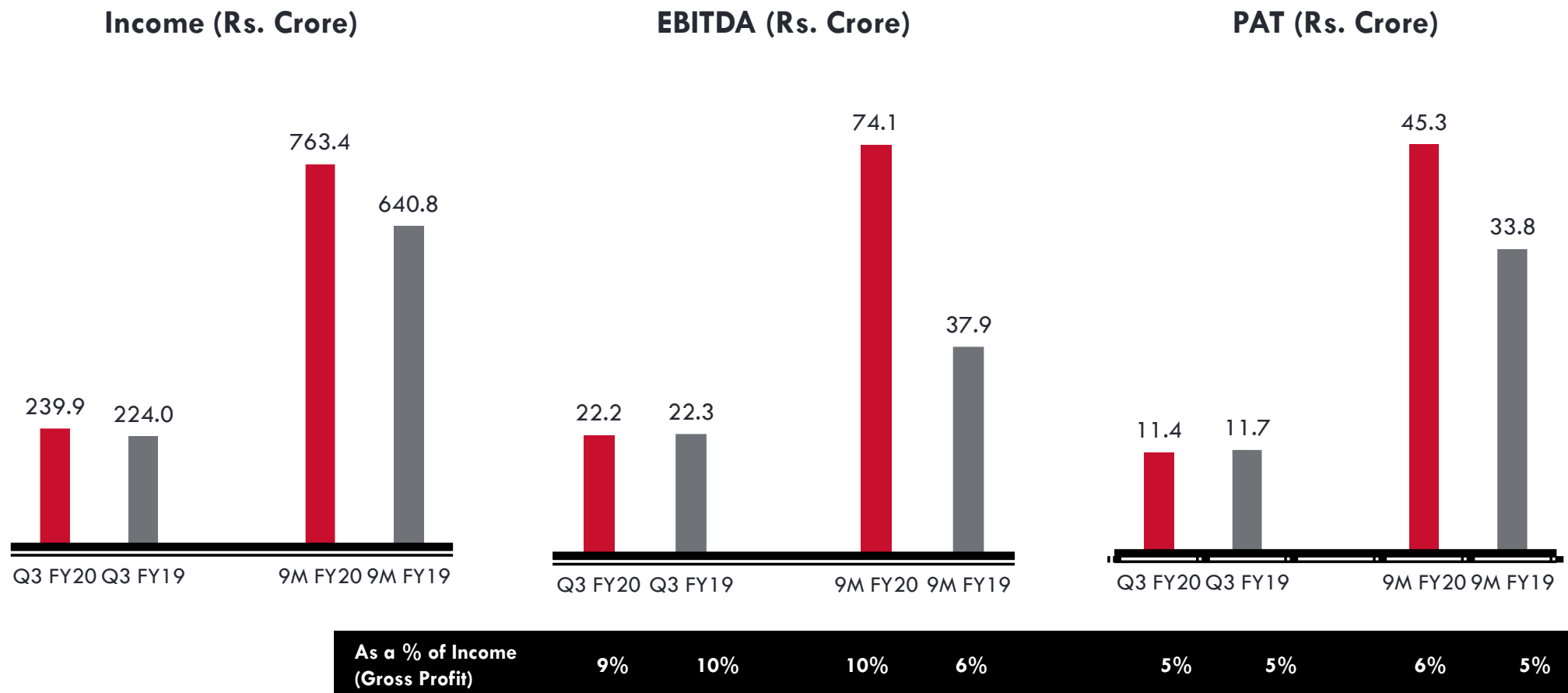
Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. PDS Multinational Group will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Note: Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions

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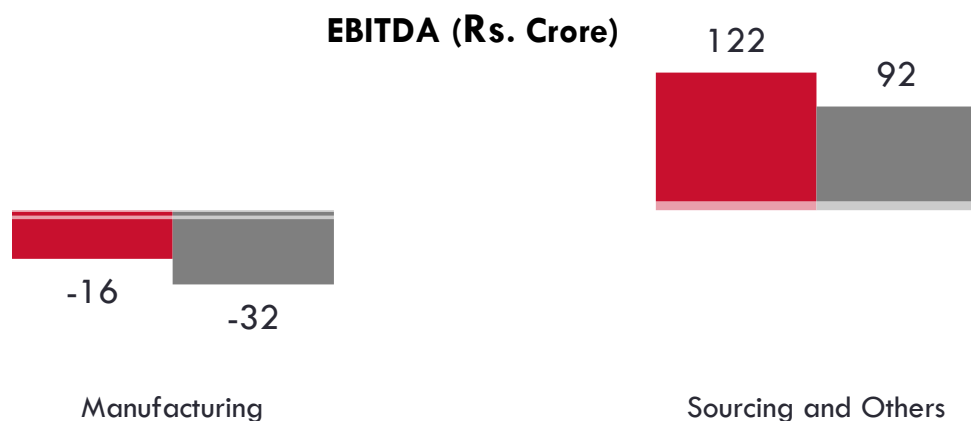
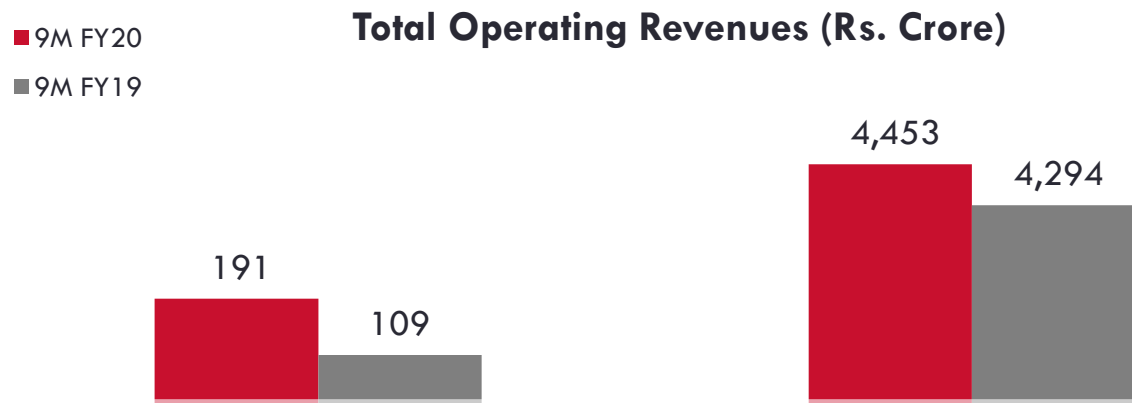


Q3 & 9M FY20 – CONSOLIDATED Highlights



Note: Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions
EBITDA excludes other income

9M FY20 – Business Performance



9M FY20

- **Sourcing and others business**
 - Revenue higher by 4% YoY
 - EBITDA higher by 33% YoY
- **Manufacturing business**
 - Revenue higher by 75% YoY
 - Losses at EBITDA level continue to be notably lower in comparison to previous quarters. This, is on account of better business efficiencies and faster ramp-up of the manufacturing business. The Company expects this trend to sustain
- Manufacturing business which started over 2 years ago is stabilising and various initiatives under marketing, operations, training & development are being carried out to enhance the productivity and improve efficiency. As the manufacturing business gains momentum, the Company expects profitability performance to improve

Abridged Profit & Loss Statement – Consolidated

Rs. crore

Particulars (Rs. Crore)	Q3 FY20	Q3 FY19	GROWTH (Y-o-Y)	9M FY20	9M FY19	GROWTH (Y-o-Y)
Income from Operations	1,436.6	1,491.3	-4%	4,644.0	4,402.7	5%
Raw Material Cost	1,196.7	1,267.2	-6%	3,880.6	3,761.9	3%
Gross Profit	239.9	224.0	7%	763.4	640.8	19%



Particulars (Rs. Crore)	Q3 FY20	Q3 FY19	GROWTH (Y-o-Y)	9M FY20	9M FY19	GROWTH (Y-o-Y)
1 Income (Gross Profit)	239.9	224.0	7%	763.4	640.8	19%
Employee Expenses	107.6	84.9	27%	318.2	262.9	21%
Other Expenses	110.2	116.9	-6%	371.1	340.0	9%
2 EBITDA	22.2	22.3	-1%	74.1	37.9	95%
EBITDA Margin (2/1) (%)	9%	10%	-71 bps	10%	6%	379 bps
Other Income	16.2	2.9	455%	34.0	22.2	53%
Depreciation	17.4	4.7	268%	35.4	13.9	155%
Finance Cost	7.6	9.3	-18%	23.1	27.3	-15%
Profit Before Tax	13.4	11.2	19%	49.6	19.0	163%
Tax Expenses	1.9	-0.3	-719%	2.3	-14.8	-116%
Profit After Tax	11.4	11.5	-1%	47.2	33.6	40%
Add: Share of Profit/(Loss) of Associates	0.0	0.2	-85%	-1.9	0.2	-1288%
3 Net Profit	11.4	11.7	-2%	45.3	33.8	34%
Net Profit Margin (3/1) (%)	5%	5%	-46 bps	6%	5%	66 bps

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EBITDA excludes other income

Q3 & 9M FY20 Financial and Operational Discussion

Income during Q3 FY20 stood at Rs. 239.9 crore, registering a steady increase of 7% Y-o-Y

9M FY20 Income higher by 19% to Rs. 763.4 crore

- The income of the Company marginally increased given the subdued sentiments in its key markets. Further, the Company continues to increase traction in client engagements to deliver business growth.
- During the period, the Company's sourcing and manufacturing business have registered growth. Further, manufacturing operations are steadily gaining strength.
- New Customer additions during the quarter stood at 7, 9M FY20 customer additions is at 18.

EBITDA stood steady at Rs. 22.1 crore in Q3 FY20

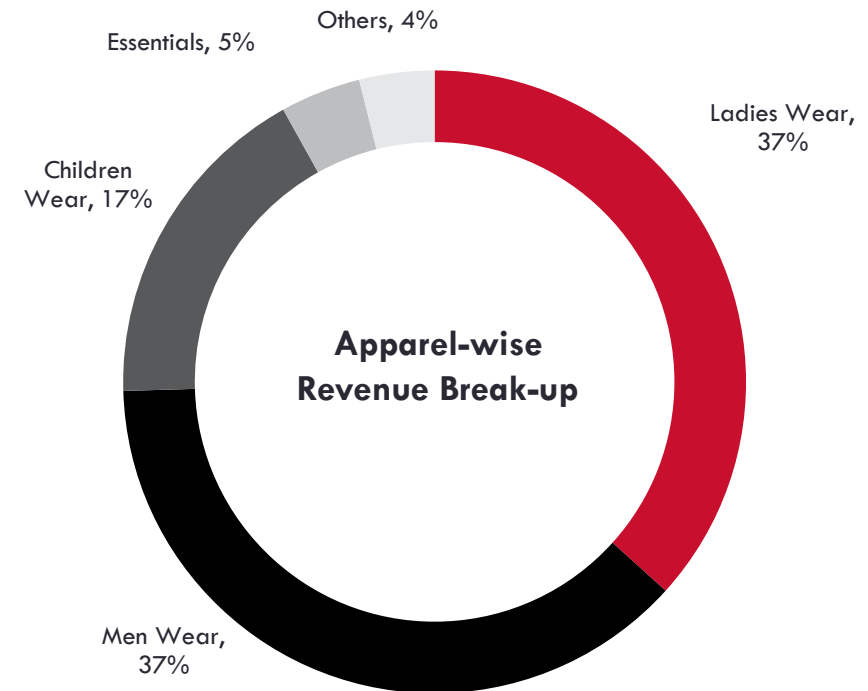
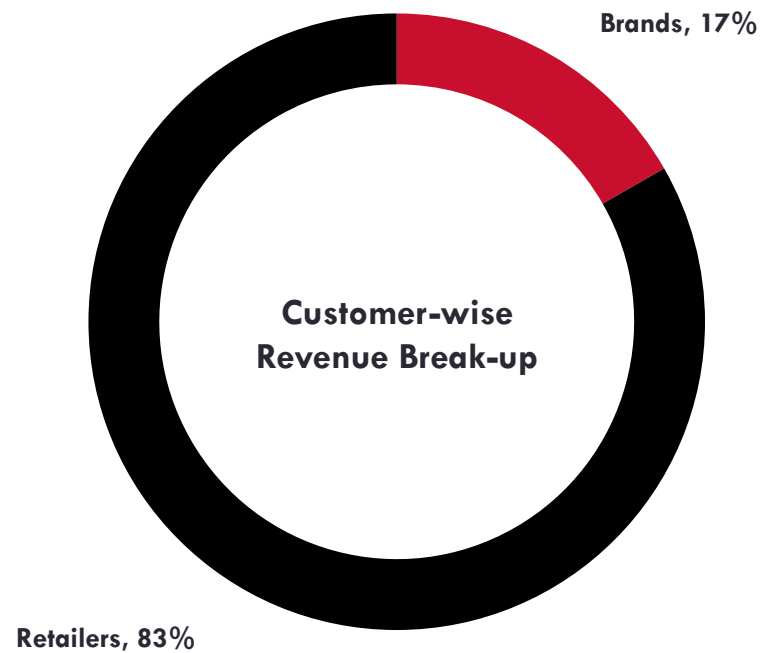
EBITDA in 9M FY20 at Rs. 74.1 crore, up by 95%

- In accordance with IFRS 16 – Leases / IND AS 116 – Leases, the depreciation on 'Right to Use asset' has been charged during the period and is included in the depreciation of Rs.35.38 crores in 9MFY20.
- Improved operating leverage and cost efficiencies resulted in a higher EBITDA performance in 9M FY20
- With steady profitability margins – in Q3 FY20, EBITDA stood at 9% of income, while in 9M FY20, EBITDA margins stood at 10%

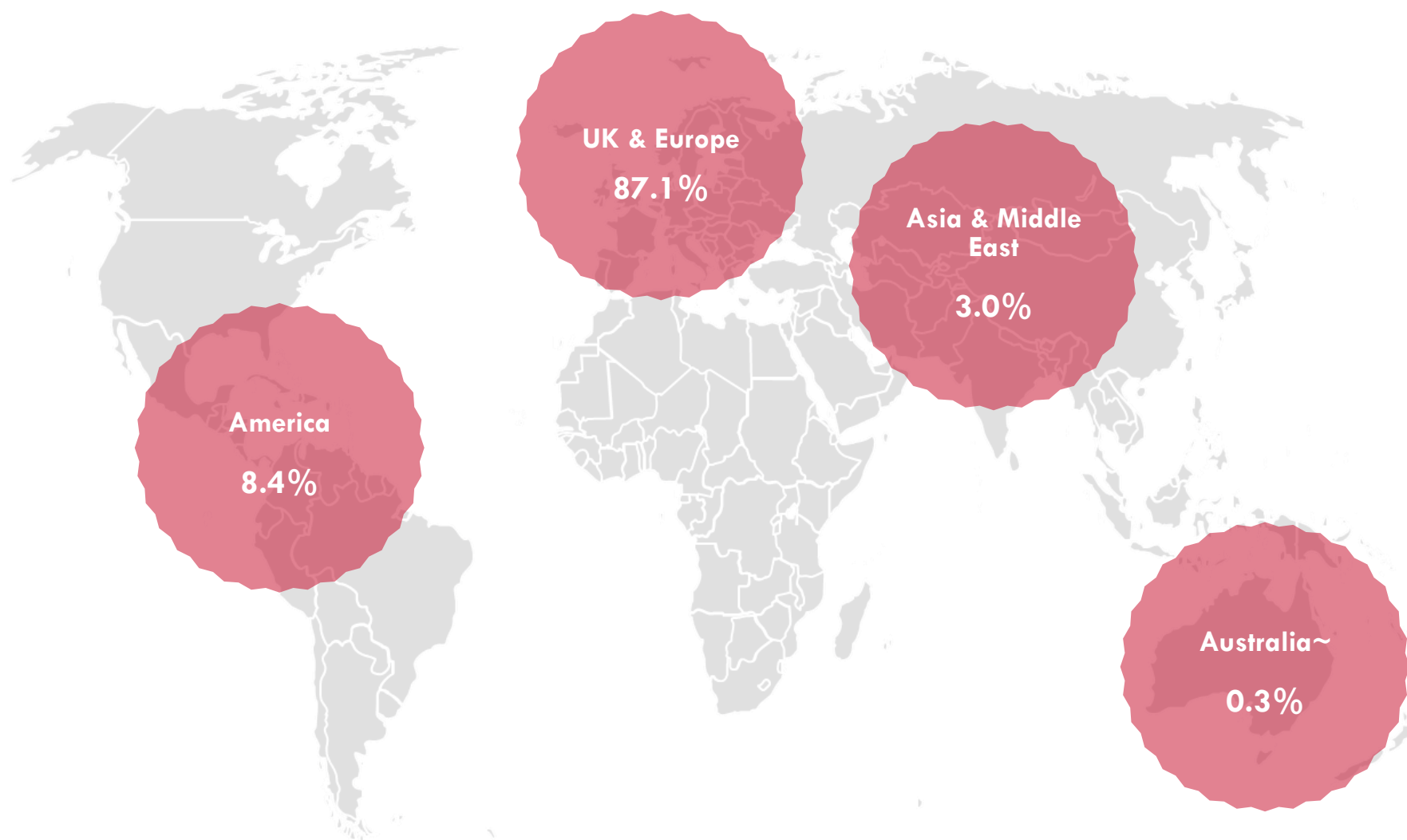
PAT stood at Rs. 11.4 crore in Q3 FY20, with PAT as a % of income at 5%

In 9M FY20, PAT stood at Rs. 45.3 crore and margins at 6%

Key Metrics – 9M FY20



Customer Profile – 9M FY20



 **Strong Focus on Augmenting Market share in the upcoming months**

- *Customers with sales value more than USD 100K
- ~Australia & Others

Management's Message



Commenting on the performance, Mr. Pallak Seth, Vice-Chairman, PDS Multinational Fashions, said,

“Subdued demand conditions, general macro-slowdown and tepid festive sales impacted the retail environment across our key markets during the period under review. However we have delivered an encouraging performance during the quarter and 9M FY 20 ended December 31, 2019. Against the challenging backdrop, we have reported a stable and well-rounded performance. On a consolidated basis, in Q3FY20, we delivered a steady 7% growth in Income, while EBITDA was steady at Rs. 22 crore, with margins at 9%.

We are also happy to share that our core vertical of Sourcing and the Manufacturing initiative have contributed to the improved metrics in 9M FY20.

We continue to innovatively expand our offerings and leverage our capabilities to better cater to the emerging trends in the retail sector. During the quarter, we have successfully added 7 new customers. Stable contribution from new customer additions along with underlying growth from repeat customers led to an uptick in performance.

Looking ahead, although the near-term market conditions remain fluid, we are optimistic on the medium-term outlook. As we strengthen our business capabilities, we remain confident in our ability to deliver a sustainable and healthy growth trajectory going forward.”

Company Statistics

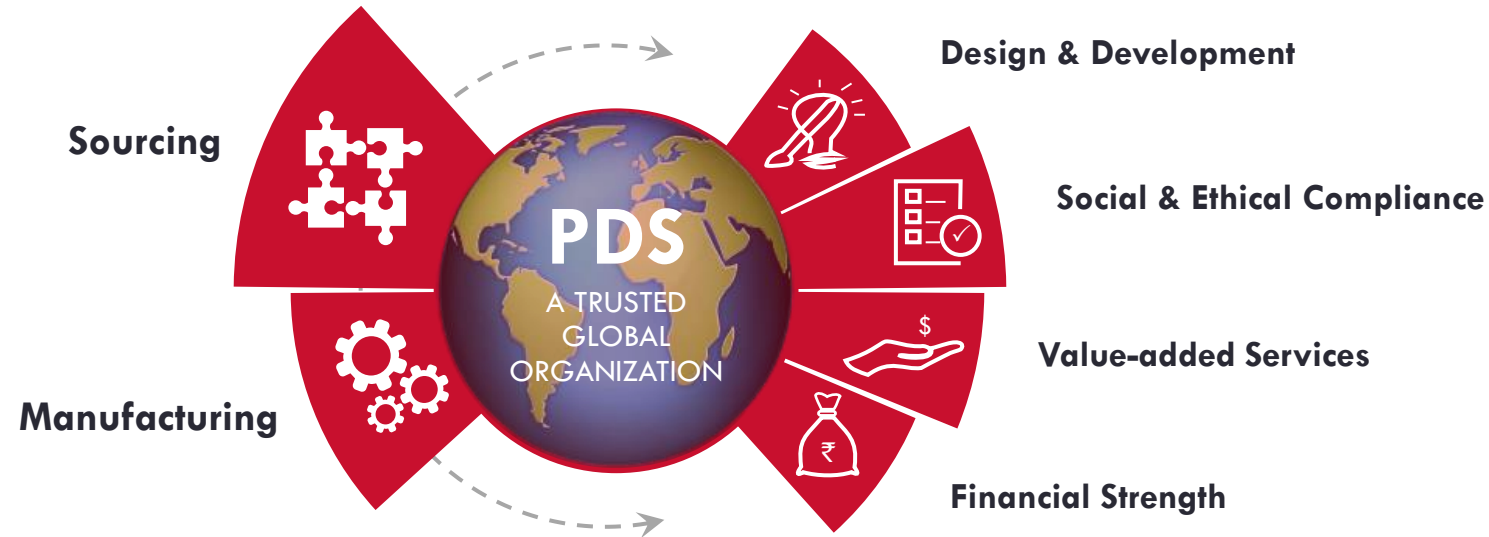
One of the leading global organizations - strategic sourcing partner and manufacturer to major brands and retailers

»	190+ Global Leading Retailers And Brands As Customers	
»	1,800 Associates and 5,100 factory workers worldwide	
»	50 Offices Across 20 Countries	
»	Revenue Stood at Rs. 6,502 Crore in FY19	
»	Income stood at Rs. 948 Crore in FY19	
»	150 Own designers in key markets	
»	0.1 Long-term debt/equity ratio as on Sept 30, 2019	
»	Operates 2 factories in Bangladesh, 1 factory in Sri Lanka	

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Global Fashion Manufacturing & Sourcing Business

Global | Collaborative | Ethical



Company works with ~200 partner factories to deliver more than 1 million units a day across a massive retail customer base

Stringent ethical standards – PDS Group handles social audit and compliance of all its partner factories

The PDS Edge

Design & Product Development

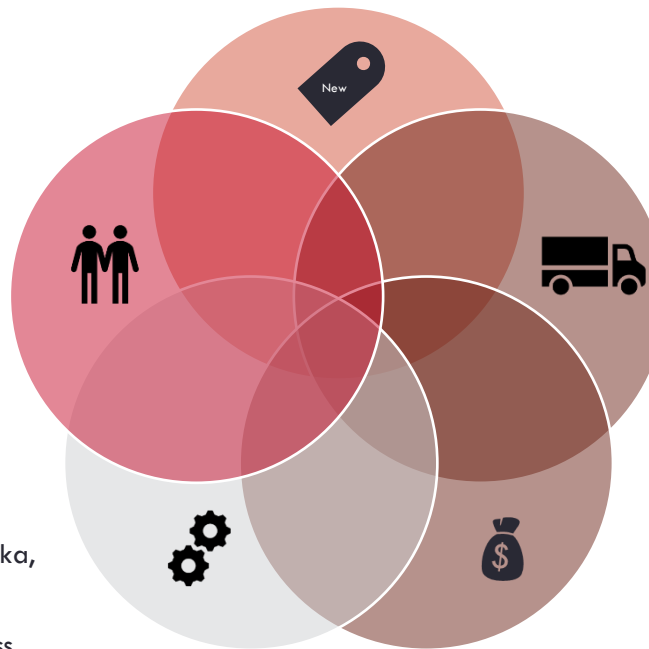
- ▶ 150 designers working on consumer requirements
- ▶ Design Studio's set up in Key Markets
- ▶ Develops over 1,000 new styles/ month
- ▶ Design Centers in key sourcing locations

People

- ▶ 1,800 Associates and 5,100 factory workers worldwide
- ▶ Over 70% focused on Sourcing, Quality Control and Merchandising

Sourcing, Manufacturing & Marketing

- ▶ Established association with an extensive number of manufacturers in countries including Bangladesh, Cambodia, China, India, Myanmar, Pakistan, Sri Lanka, Turkey
- ▶ Strong connect with leading retailers & brands across the globe
- ▶ Setting up Manufacturing facilities to have better control over supply chain and improve customer service



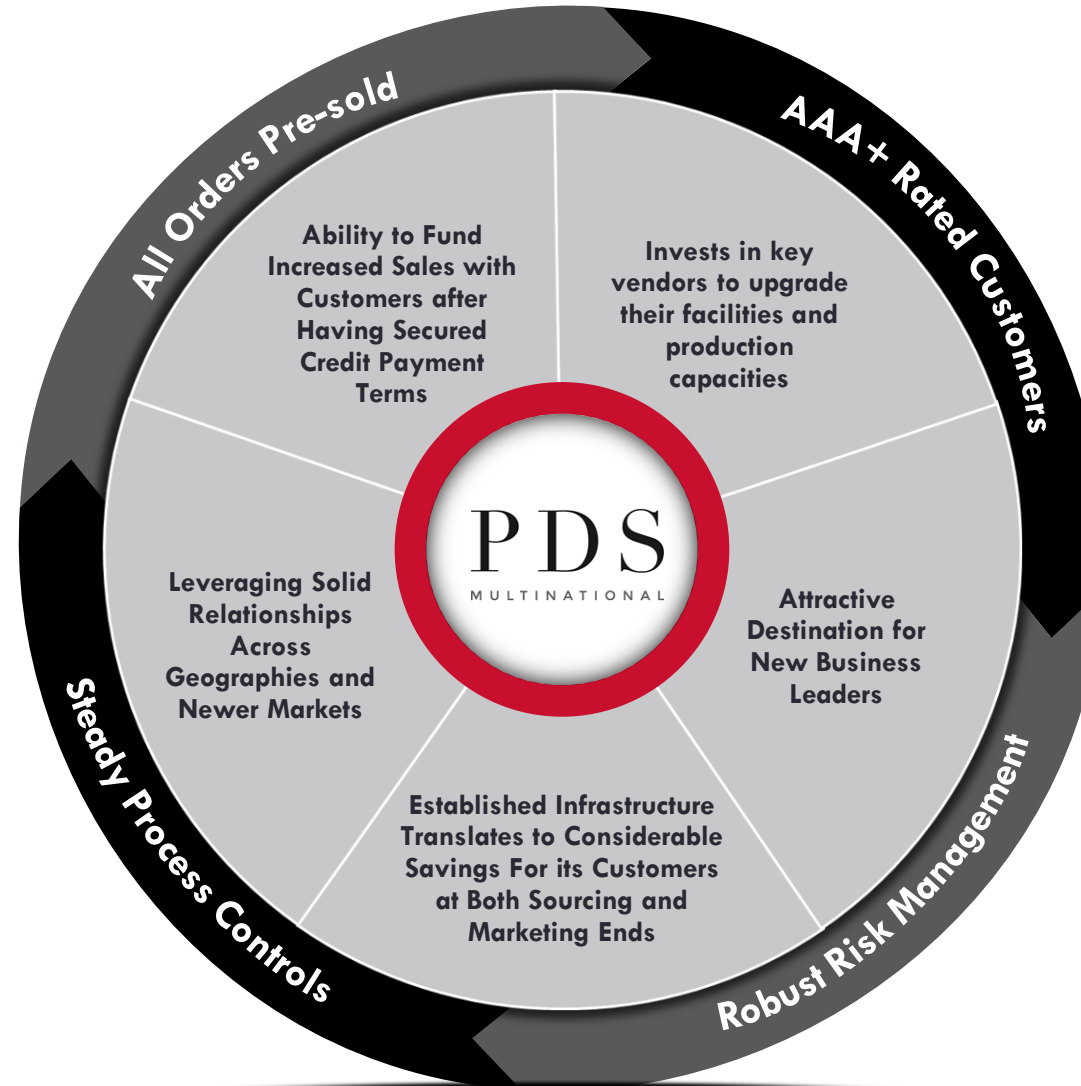
Logistics & Supply Chain

- ▶ Established logistics and warehousing capabilities
- ▶ Inventory holding and stock management facility
- ▶ Ensures efficient and shorter delivery time

Financial Strength

- ▶ USD 287mn Credit and Working Capital Limits
- ▶ Banking Relationship with leading multinational banks
- ▶ Invested in vendor facilities to have dedicated manufacturing infrastructure

Well-balanced Business Model



About Us

PDS Multinational Fashions Limited

PDS Multinational Fashions Limited is a global organization that is a strategic manufacturing partner to major brands and retailers. In addition to the broad range and diversity of consumer products available through its extensive international sourcing network, PDS Multinational Ltd has strength and expertise in custom product design and development to provide total global sourcing solutions for its customers. The Company was established four decades ago by Mr. Deepak Seth and is currently helmed by the second generation of promoter family. PDS Multinational Fashions Ltd operates a vast global network covering over 50 offices, 20 countries and over 1,800 Associates and 5,100 factory workers across UK, Europe, Americas and Asia. The Company has implemented a strong global compliance program and has set a Zero Tolerance Violation and Critical Violation policy that aims at improving end-to-end transparency and visibility.

For more information, visit www.pdsmultinational.com

For further information, please contact:

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