



PDS MULTINATIONAL FASHIONS

Q1 FY18 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. Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions

Table of Content

1

Operational &
Financial
Highlights
Q1 FY18

2

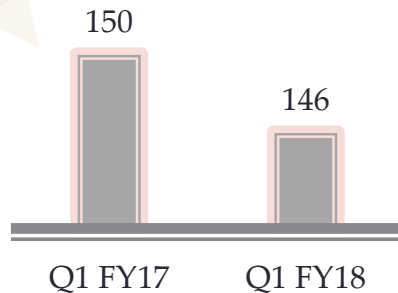
Management's
Message

3

Company
Overview

Q1 FY18 – Performance Highlights

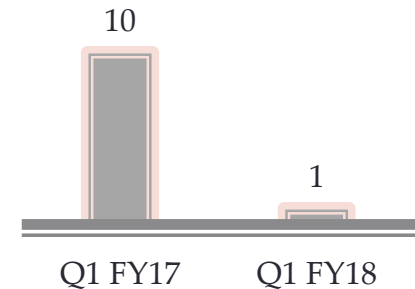
Income (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



Margins as a %
of Income
(Gross Profit)

10%

6%

6%

1%

- Revenues stood at Rs. 1,042 crore as against Rs. 1,017 crore, up by 2% Y-o-Y
- Income stood at Rs. 146 crore
- EBITDA at Rs. 8 crore, translating into margin of 6%
- Broader geopolitical market challenges impacted business performance during the quarter
- Profitability was impacted due to strategic investments towards establishing manufacturing initiative

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

Q1 2018 Financial and Operational Discussions (Y-o-Y)

Total Income at Rs. 146 crore as against Rs. 150 crore

- Growing pricing pressures across key markets of Europe, UK and Asia impacted business performance
- Company maintains a positive stance towards a stable annual growth rate supported by solid progress across the established and growth business segments
- Customer additions during the quarter stood at 4

EBITDA stood at Rs. 8 crore; EBITDA margin at 6%

- Strategic investments towards establishing manufacturing business operations impacted profitability performance.
- Scaling up the 'own manufacturing' venture is a key area of focus - expect robust contribution from the segment in the coming years.

PAT stood at Rs. 1 crore

- The Company's manufacturing operations to generate profits in the coming years which will augment profitability performance

Abridged Profit & Loss Statement – Consolidated (IndAS)

Rs. crore

Particulars	Q1 FY17	Q1 FY18	Shift % (+/-)
Revenues	1,017.3	1,042.0	2.4%
Material Cost			
- Purchases of Stock-in-Trade	873.6	906.5	
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	(6.1)	(10.0)	

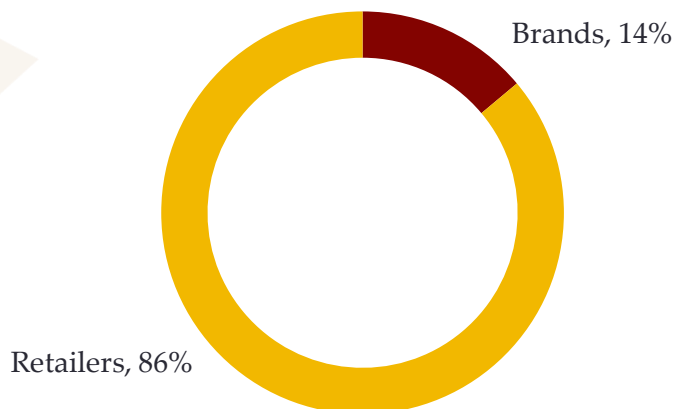
Line No.	Particulars	Q1 FY17	Q1 FY18	Shift (+/-)
1	Income (Gross Profit)	149.8	145.5	-2.9%
	Employee Expenses	66.8	70.1	
	Other Expenses	68.5	67.0	
2	EBITDA	14.5	8.3	-42.4%
	<i>EBITDA Margin (2/1) (%)</i>	9.7%	5.7%	
	Depreciation	3.2	3.8	
	Finance Cost	3.2	3.7	
	Profit Before Tax	8.1	0.8	-89.8%
	Tax Expenses	(1.6)	(0.3)	
3	Profit After Tax	9.7	1.1	-88.9%
	<i>PAT Margin (3/1) (%)</i>	6.4%	0.7%	

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

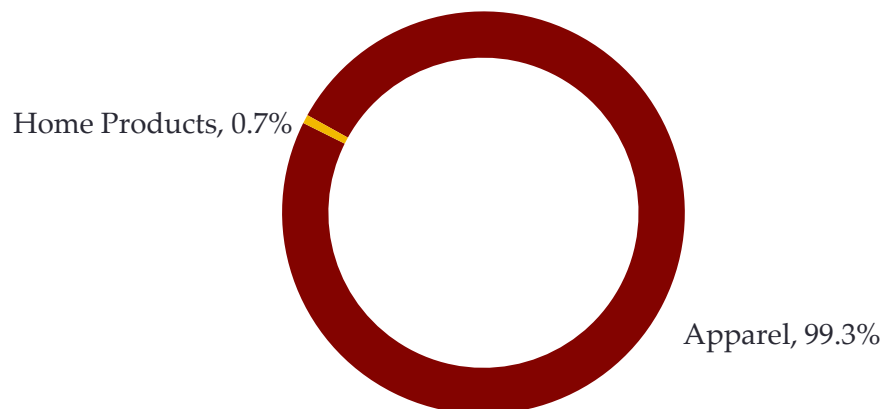
- The Company has adopted Ind-AS reporting from Q1FY18 onwards. The like-to-like financials for the corresponding quarter (Q1FY17) has been restated accordingly
- There has been no significant impact on financials due to Ind-As adoption

Key Metrics – Q1 FY18

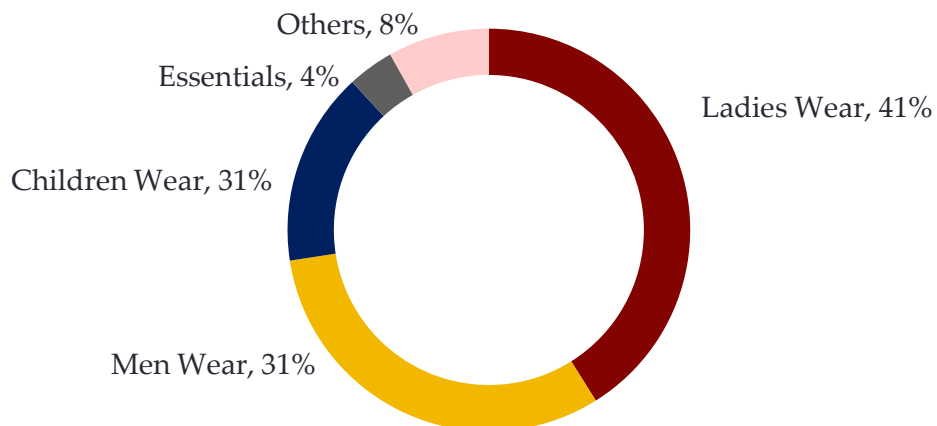
Customer-wise Revenue Break-up



Product-wise Revenue Break-up

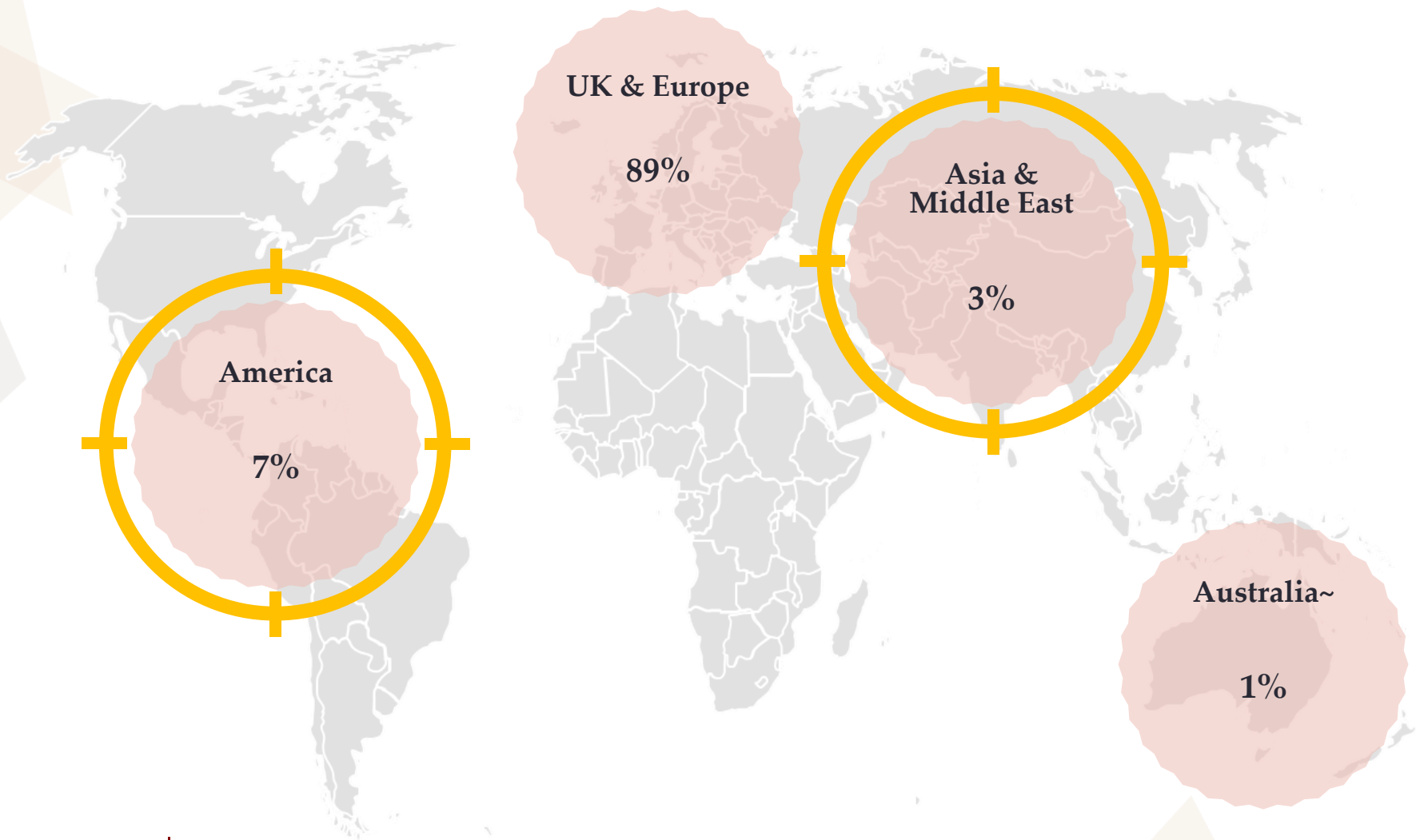


Apparel-wise Revenue Break-up



Note: * Based on customer locations, reclassified wherever necessary

Customer Profile as on June 30, 2017 *



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,

“Our operational performance during the period was marked by new customer additions and gains from existing reference base. The potential across markets is encouraging and our team is doing extremely well in customer retention, maintaining and enhancing customer relationships. Today, our customer profile includes over 200 leading brands and retailers in the value to mid-market sector and we believe, we are well on-track to expanding outreach to newer clients and geographies in the upcoming months.

The ‘Own Manufacturing Business’ segment is tracking healthy progress in Sri Lanka and we are planning to roll out our two state-of-the-art manufacturing facilities in Bangladesh in FY18. The investments behind our new manufacturing ventures resulted in an adverse impact on our profitability performance during the quarter. Although we anticipate these investments to slightly impact business results in the coming quarters as well, we believe, overall, this will set us up for stronger growth, going forward.”

Company Statistics

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

» **200+** Global Leading Retailers And Brands As Customers



» **2,300** Associates worldwide



» **31** Offices Across **18** Countries



» Revenue Stood at Rs. **4,630** Crore in FY17



» Income stood at Rs. **627** Crore in FY17



» **150** Own designers in key markets



» **0.08** Long-term debt/equity ratio as on March 2017



» Operates **1,000** Machines in factories



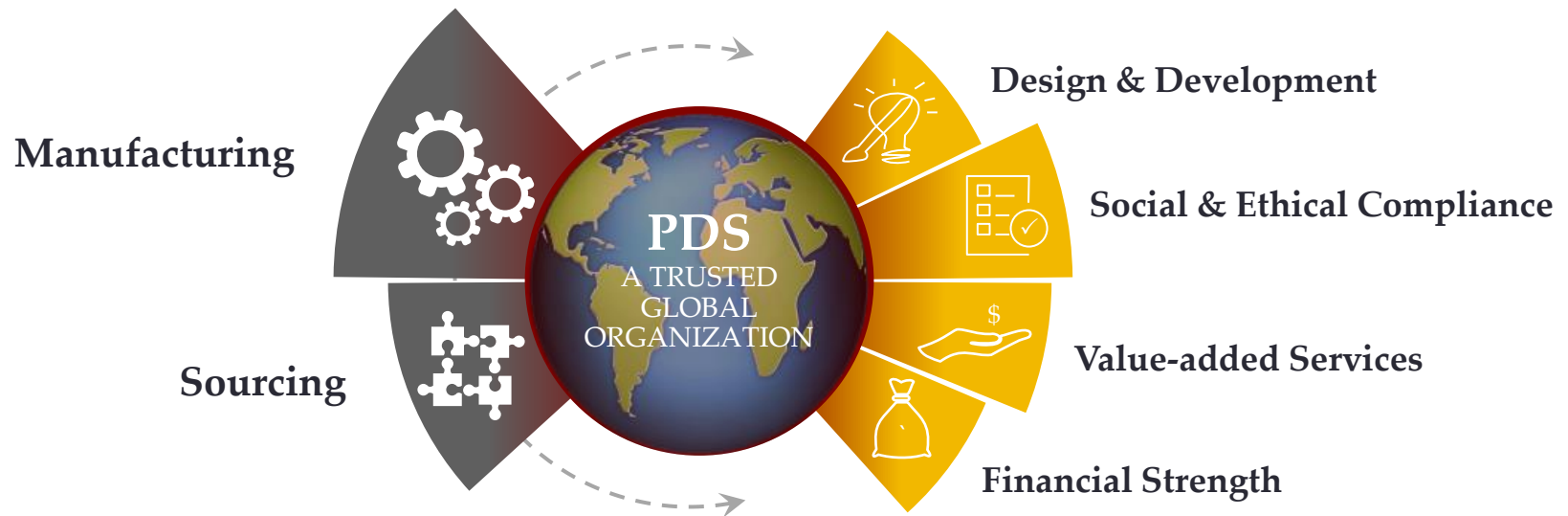
» **16** Customers added in the last 12 months



Note:

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

Global Fashion Manufacturing and Sourcing Business

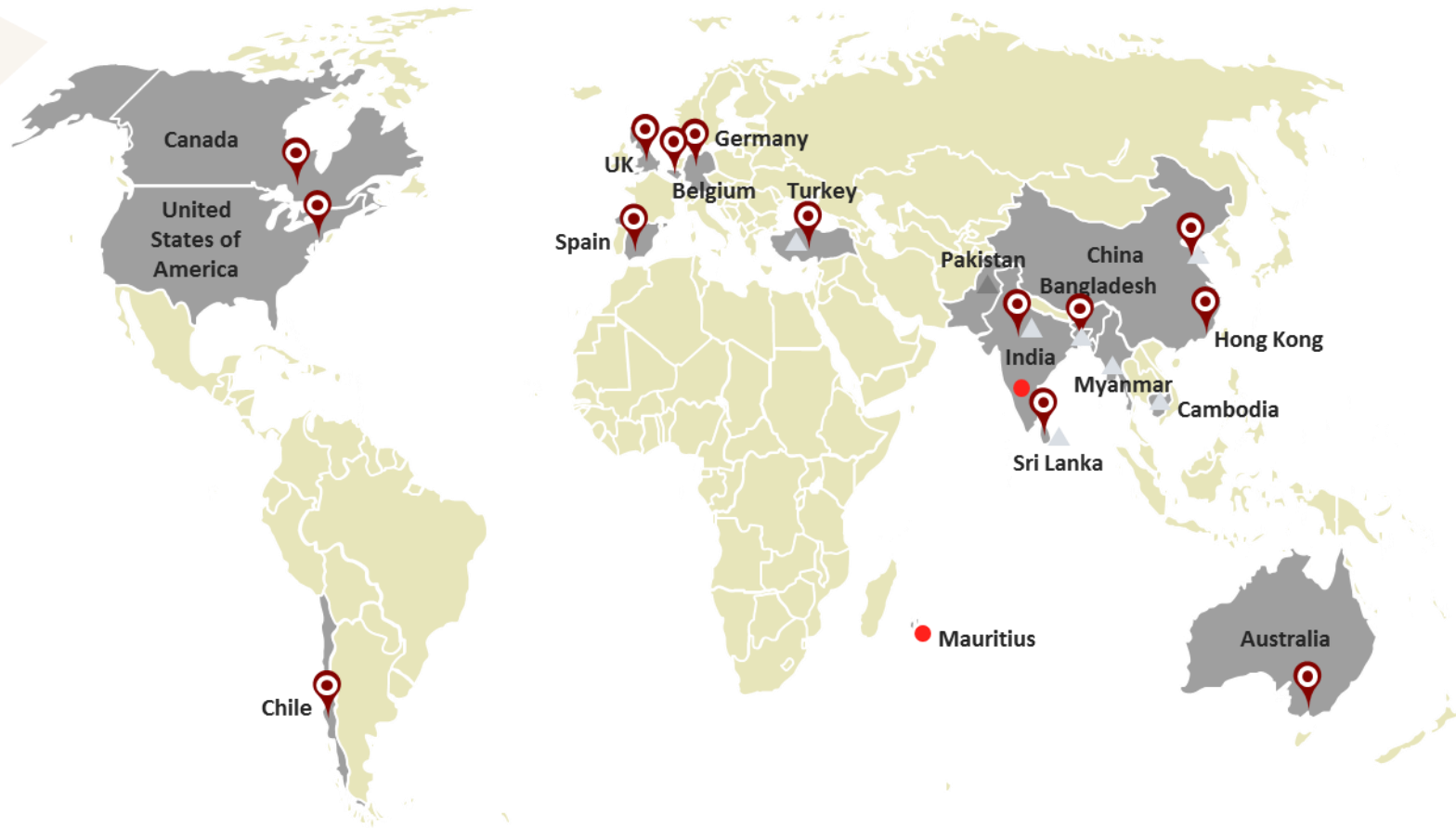


Company works with ~200 partner factories to deliver more than 1 million units a day across a massive retail customer base

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

Close-to-demand Global Market presence

Over the last few years, PDS Multinational Fashions has widened its presence all across the globe



Sourcing / Manufacturing Operations



Sales & Design Operations



Corporate Office

Transformation Underway..

Figures in Rs. crore



Particulars	FY2014	FY2017
Income	584	627
PAT	24	38
Net Worth	373	463
Long-term Debt Equity Ratio	0.13	0.08
Cash & Bank Balances	212	248
Market Presence (Countries)	14	18

Impressive Growth Trend (FY14 – FY17)

17%
Growth in PAT

~40%
Cash & Bank Balances / Market Cap*

10x
Growth in Retailer & Brands Base

* MUPA - Million Units Per Year

Upscaling PDS - Confidence in the future growth

Paving inroads in Manufacturing

- Manufacturing facilities in Bangladesh under Progress Group and Green Smart Shirts (GSS) Group in addition to the current factory facilities in Sri Lanka
- Strategic investments in two new in-house apparel manufacturing factories to create a fully integrated supply chain
- The venture will facilitate expansion and better penetration in the high-potential US markets

Strengthening Existing Relationships

- Enhancing levels of engagement with existing customers
- Scaling up distribution network in Australia, Brazil, India, Middle Eastern Countries and LatAm
- Aggressively focusing on improving market share in the Emerging Markets, thus enhancing export share revenue growth

Deep Expertise

- PDS on the back of a strong balance sheet and proven pedigree over several years has in place large limits with several banks in the geographies wherein it operates
- The Company's investors, partners, bankers remain very confident on the business prospects despite a dreary macro-economic outlook
- Company's high standard of operations and unparalleled balance sheet profile

Technology Business Initiative

- Forayed into Technology business to develop and offer cloud-based software and mobile applications in HRM through Qandle
- Focus towards developing affordable cloud-based applications
- In a space currently occupied by large ERP companies providing expensive solutions, the Company will deploy cost-effective solutions

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 31 offices, 18 countries and over 2,300 employees 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:

**Chandra Sekhara Reddy, Company Secretary,
PDS Multinational Fashions**

Tel: +91 80 6765 3030

E-mail: bcs.reddy@pdsmultinational.com

**Gavin Desa / Shikha Kshirsagar
CDR India**

Tel: +91 22 6645 1237/ 6645 1243

Email: gavin@cdr-india.com

shikha@cdr-india.com



THANK YOU