

PDS/SE/2019-20/18

03rd September, 2019

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 QUARTER ENDED 30TH JUNE, 2019.

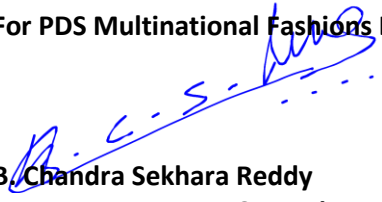
Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter ended 30th June, 2019 for the financial update to Investors of PDS Multinational Fashions Limited.

You are requested to please update the same and obliged.

Thanking you

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl.: a/a



PDS
MULTINATIONAL

Global | Collaborative | Ethical

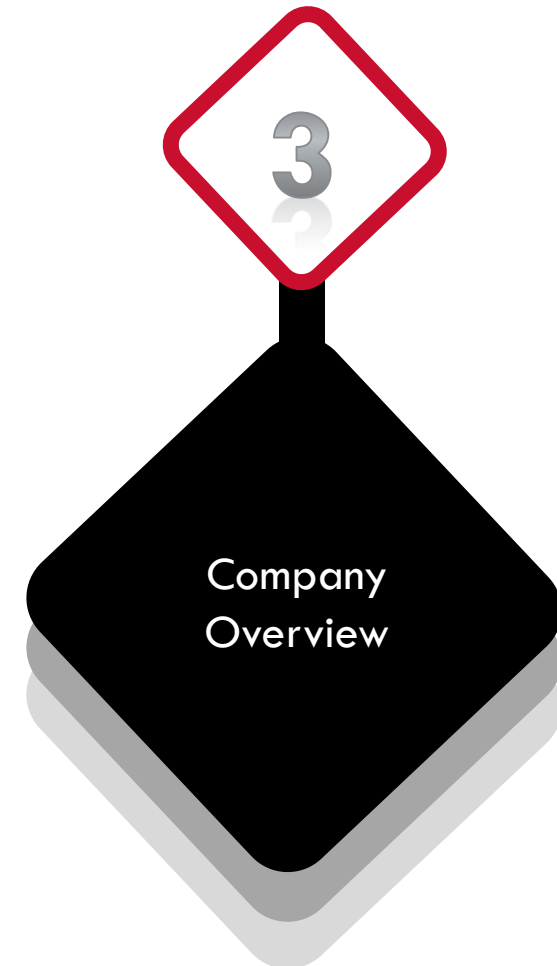
Q1 FY20 - Result Presentation

Safe Harbor

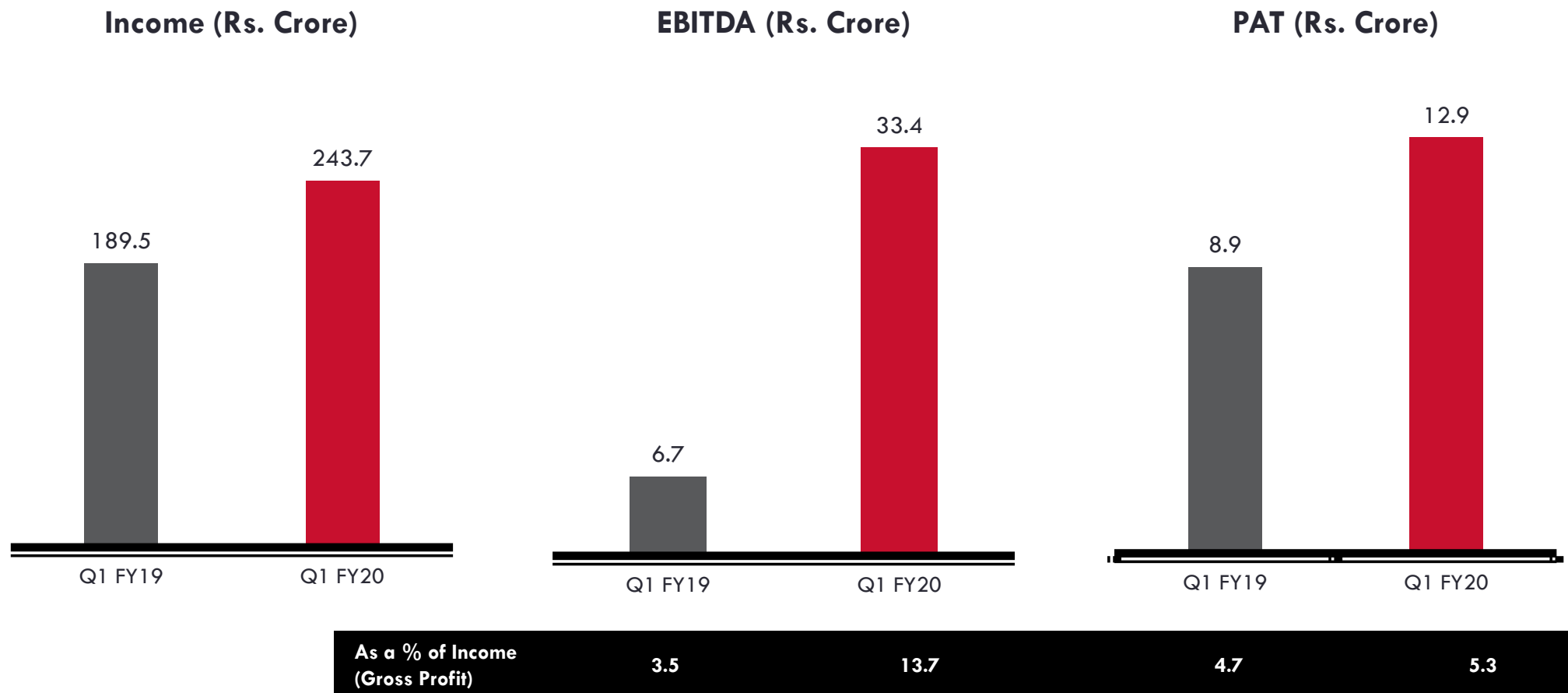
Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from 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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Q1 FY20 – Consolidated Highlights



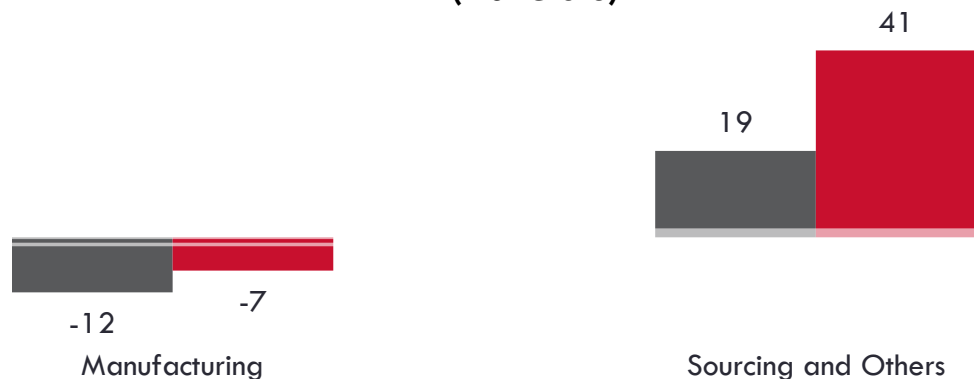
Q1 FY20 – Business Performance

■ Q1 FY19 ■ Q1 FY20

Total Operating Revenues (Rs. Crore)



EBITDA (Rs. Crore)



Q1 FY20

- **Sourcing and others business**
 - Revenue higher by 16% YoY
 - EBITDA higher by 117% YoY
- **Manufacturing business**
 - Revenue grew by 45% to Rs. 72 crore
 - Losses at EBITDA level have reduced considerably to Rs. 7 crore in Q1 FY20
- Manufacturing business which started about 2 years ago is under its early stages 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

Particulars (Rs. Crore)		Q1 FY20	Q1 FY19	GROWTH (Y-o-Y)
Revenues (incl. other income)		1,544.2	1,321.5	17%
Material Cost		1,290.9	1,125.8	15%
- Cost of Material Consumed		110.0	63.1	74%
- Purchases of Stock-in-Trade		1,191.8	1,067.8	12%
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade		(10.9)	(5.1)	115%

Particulars (Rs. Crore)		Q1 FY20	Q1 FY19	GROWTH (Y-o-Y)
1	Income (Gross Profit)	243.7	189.5	29%
	Employee Expenses	100.1	89.3	12%
	Other Expenses	118.7	99.4	19%
	Add: Share of Profit/(Loss) of Associates	(1.1)	0.3	-504%
2	EBITDA	33.4	6.7	399%
	EBITDA Margin (2/1) (%)	13.7%	3.8%	+1,017 bps
	Depreciation	8.7	4.5	93%
	Finance Cost	11.4	8.6	33%
	Profit Before Tax	13.3	(6.4)	-308%
	Tax Expenses	0.4	(15.3)	-102%
3	Profit After Tax	12.9	8.9	45%
	PAT Margin (3/1) (%)	5.3%	4.7%	+60 bps

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Q1 FY20 Financial and Operational Discussion

Income during Q1 FY20 stood at Rs. 243.7 crore, registering a strong increase of 29% Y-o-Y

- The company began the new fiscal year 2020 on a strong note led by strong client engagements in the established markets of Europe and UK.
- Company's manufacturing operations have been steadily improving, which has resulted in lower losses compared to previous year.
- Customer additions during the quarter stood at 6

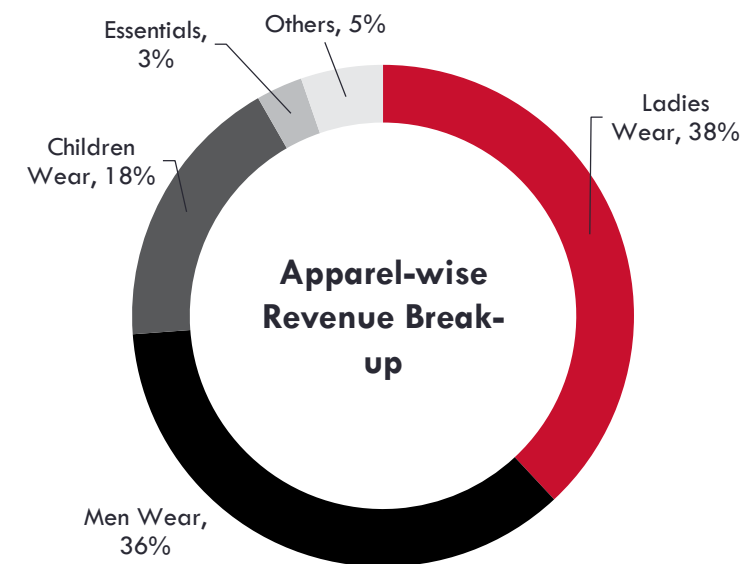
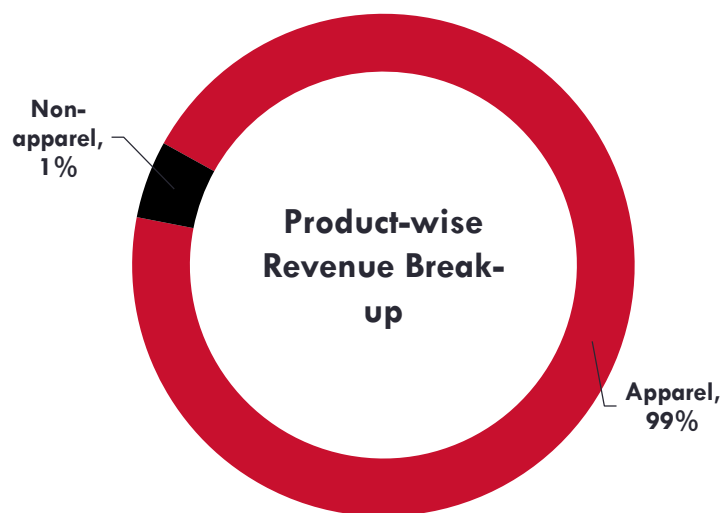
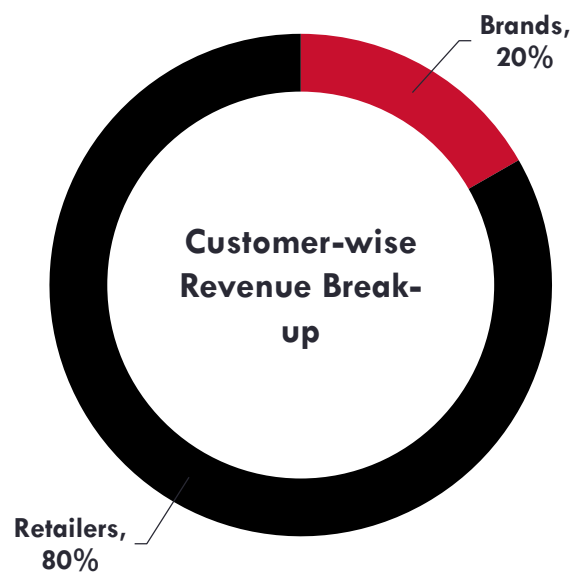
EBITDA stood at Rs. 33.4 crore, higher by 399%

- Strong growth in income resulted in a higher EBITDA performance
- Profitability margins – EBITDA stood at 13.7% of income, higher by 1,017 bps

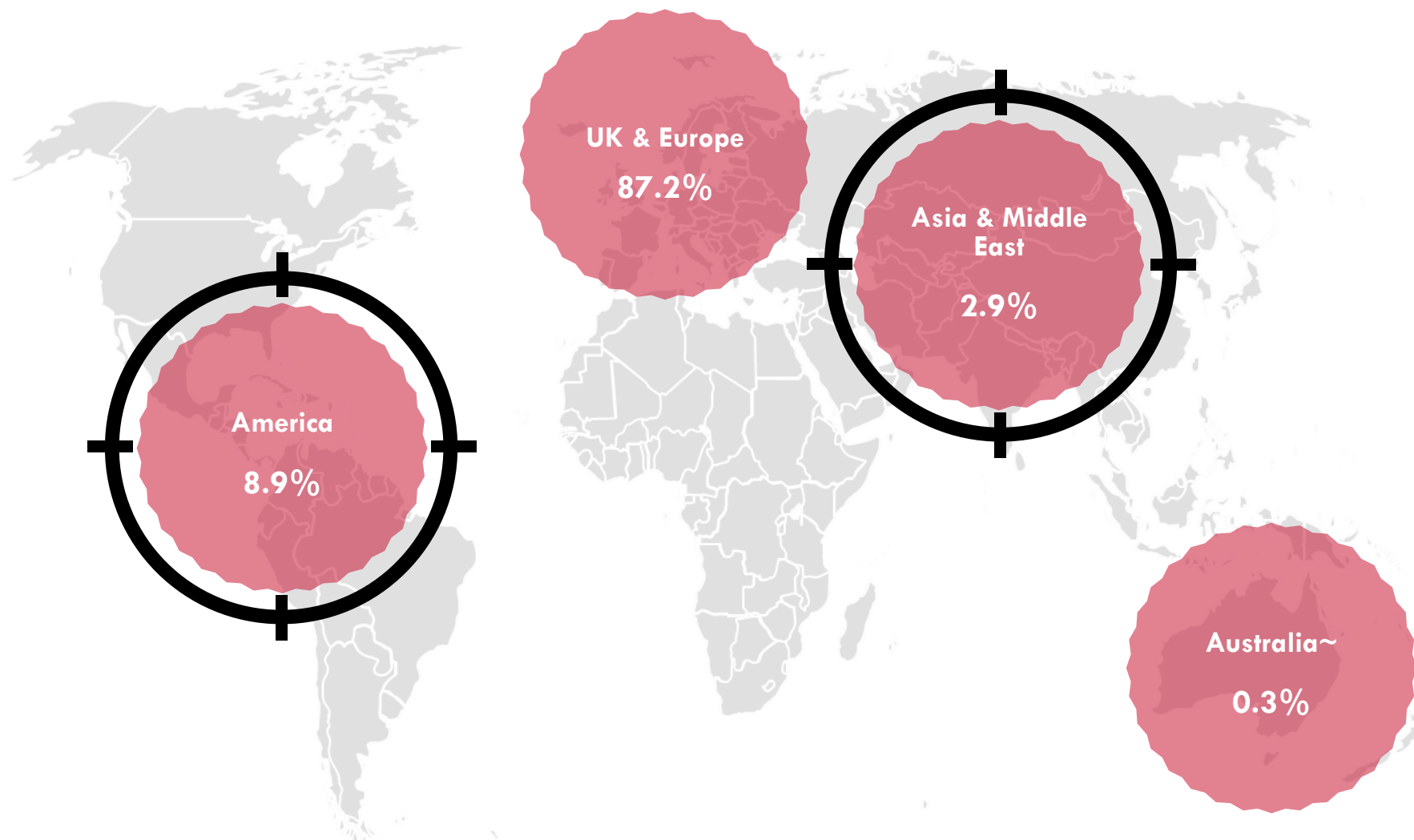
PAT stood at Rs. 12.9 crore, with PAT as a % of income at 5.3%

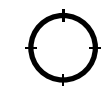
Disinvestment in Parc Designs Private Limited ('Parc'): The Board of Directors of the Company has approved to disinvest 32% shareholding in Parc to reduce negative financial impact on the Company

Key Metrics – Q1 FY20



Geographical Spread of Sales as on June 2019 *



 *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,

“We have begun the new fiscal year on an encouraging note in both Sourcing and manufacturing operations. On a consolidated basis, we delivered a growth of 29% on income, EBITDA by 399% to Rs. 34 crore, resulting in a PAT of Rs. 13 crore. During this period, we have successfully added 6 new customers across the US, Asia and the European markets.

The challenges due to the economic and geo-political environment across the world is a matter of concern and the Company is taking a cautious approach in dealing with the situation. Both, our sourcing and manufacturing businesses are growing despite a challenging retail environment. As we transform ourselves into a sustainable one-stop-shop player addressing requirements from sourcing, design to manufacturing for our diverse customer base, we continue to see a strong build-up in enquiries and leads across geographies. Our business is expanding presence and is gaining market share and building new client engagements. With the scale-up of our manufacturing vertical backed by a solid sourcing business model, we are confident to deliver an improving growth trend in the years ahead.

On the whole, given tough external conditions, we are cautiously optimistic about our growth potential across the established and newer markets.”

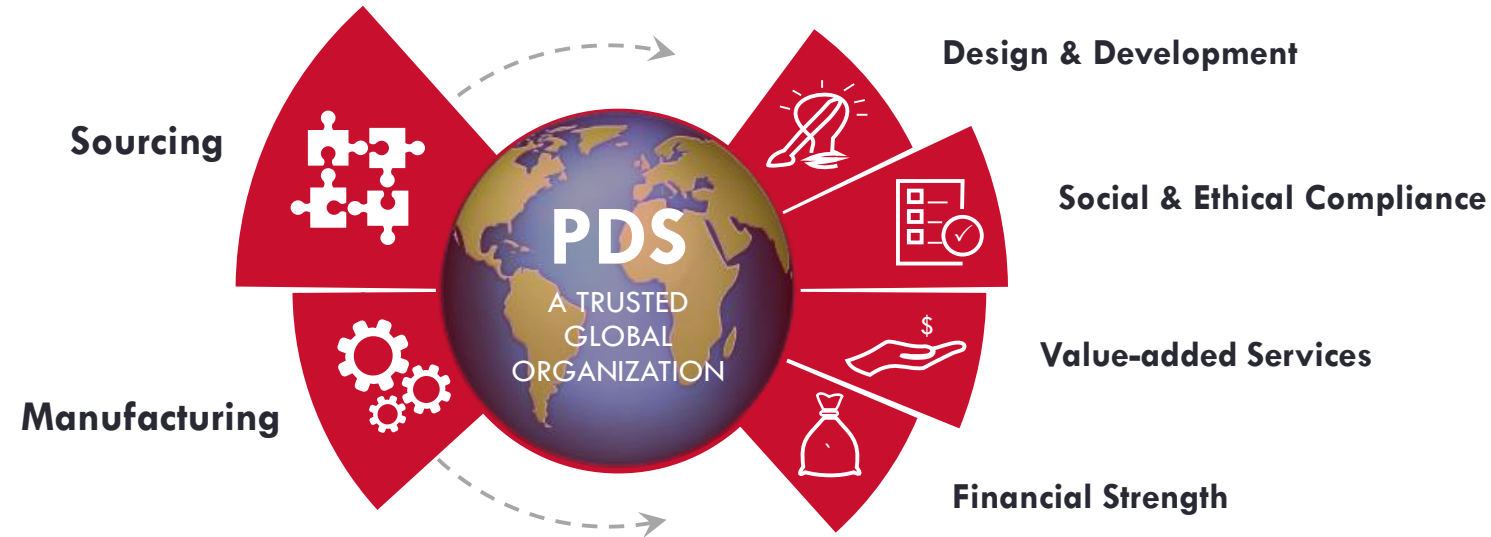
Company Statistics

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	
»	0.14	Long-term debt/equity ratio as on March 31, 2019	
»		Operates 2 factories in Bangladesh, 1 factory in Sri Lanka and 1 factory in India	
»	29	Customers added in the last 4 quarters	

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Global Fashion Manufacturing & 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 social audit and compliance of all its partner factories

The PDS Edge

Design & Product Development

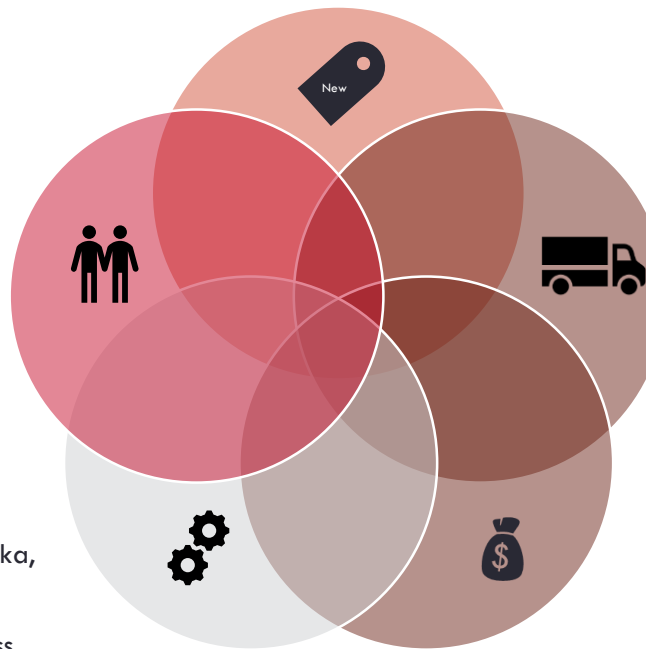
- ▶ 150 designers working on consumer requirements
- ▶ Design Studio's set up in Key Markets
- ▶ Develops over 1,000 new styles/ month
- ▶ Design Centers in key sourcing locations

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



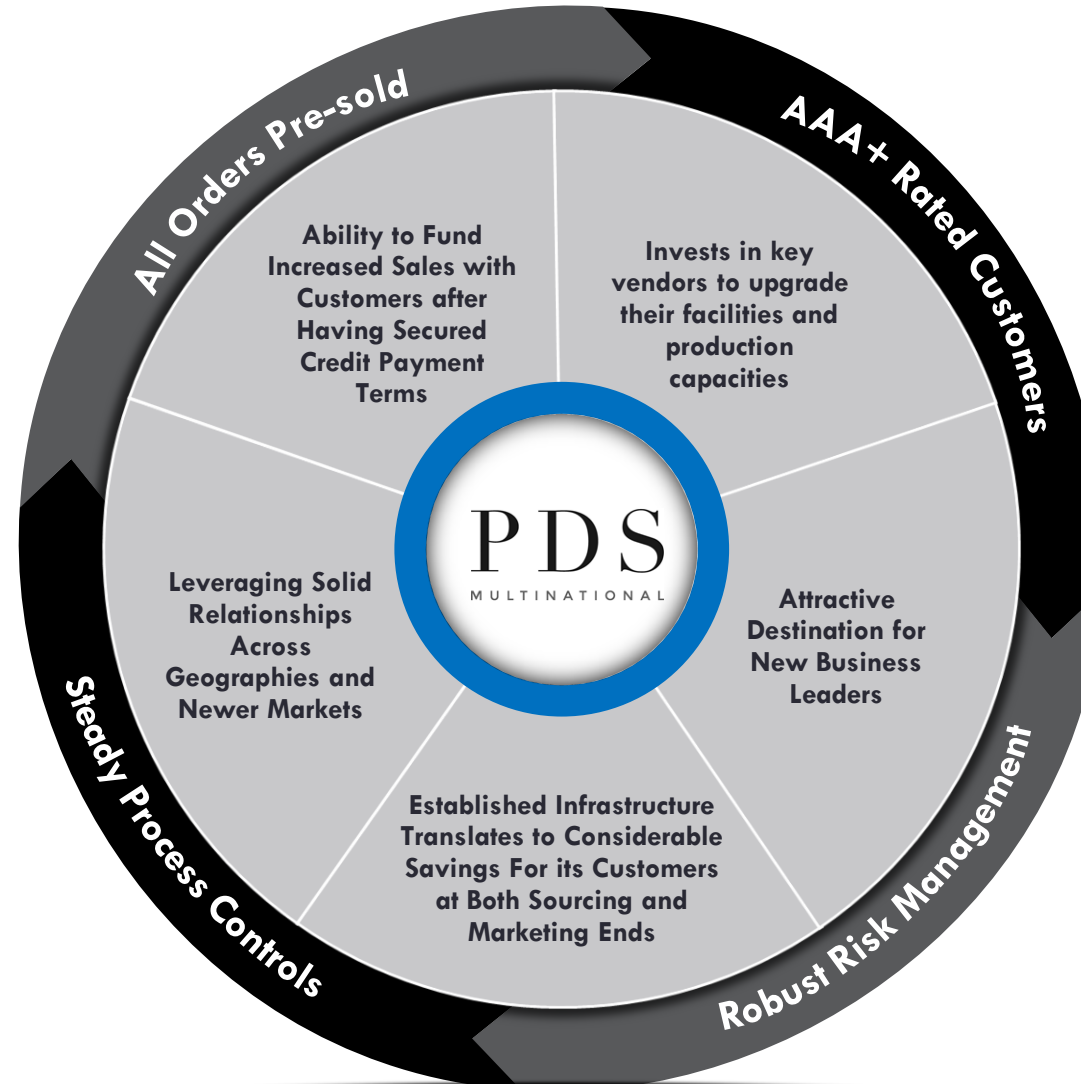
Logistics & Supply Chain

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

Financial Strength

- ▶ USD 287 mn 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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