

PDS/SE/2018-19/10

13th June, 2018

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

NSE: PDSMFL;

BSE: 538730

SUB: Investor Presentation for Quarter and Year Ended 31.03.2018

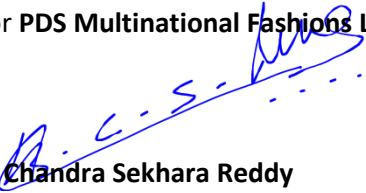
Dear Sir / Madam,

Please find attached herewith the Investor Presentation the Quarter and Year ended 31st March, 2018 for the financial update to Investors of the 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.: as above



PDS MULTINATIONAL FASHIONS

Q4 & 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
Q4 & FY18

2

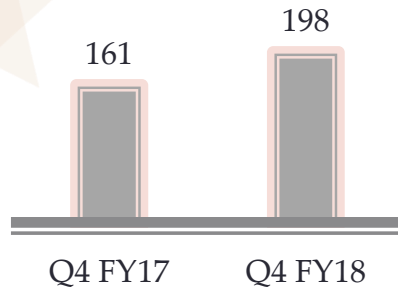
Management's
Message

3

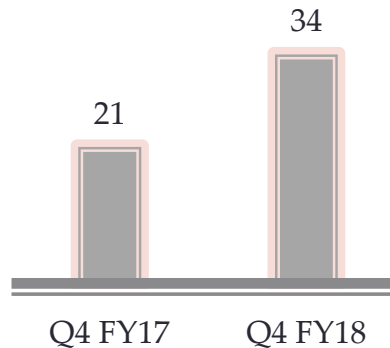
Company
Overview

Q4 FY18 – Performance Highlights

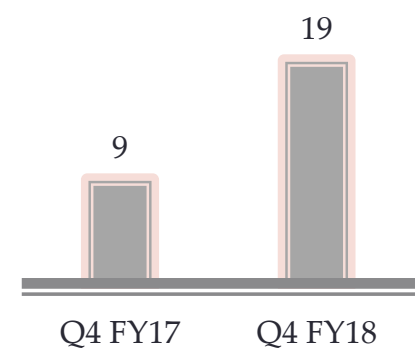
Income (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



Margins as a %
of Income
(Gross Profit)

13%

17%

5%

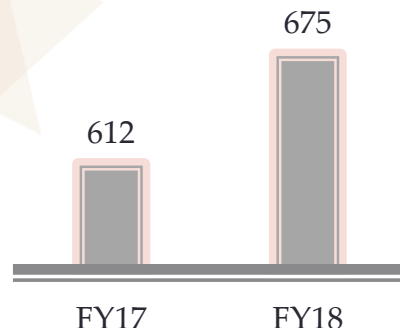
9%

- Revenues stood at Rs. 1,508 crore as against Rs. 1,348 crore, registering healthy growth of 12% Y-o-Y
- Income stood at Rs. 198 crore in Q4 FY18, significantly higher by 23% Y-o-Y
- Strong growth marked on the profitability front
 - EBITDA higher by 66% to Rs. 34 crore, translating into margin of 17%
 - PAT at Rs. 19 crore as against Rs. 9 crore in Q4 FY17
- The quarter delivered a strong performance on the back of an uptick in demand across key markets

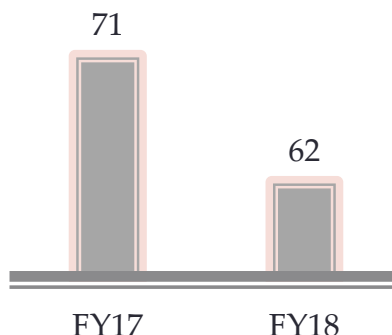
Note: Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions.

FY18 – Performance Highlights

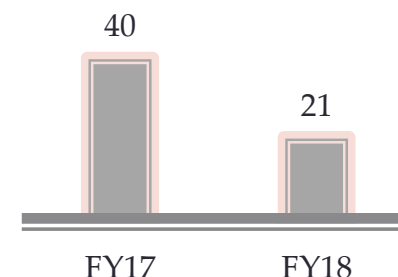
Income (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



Margins as a %
of Income
(Gross Profit)

12%

9%

7%

3%

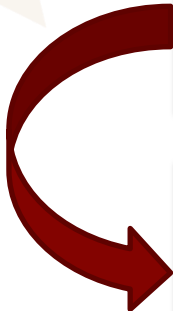
- Revenues improves by 7% to Rs. 4,948 crore
- Income at Rs. 675 crore in FY18, higher by 10% Y-o-Y
- EBITDA stood at Rs. 62 crore, translating into margin of 9%; PAT at Rs. 21 crore, with margins at 3% (Manufacturing business EBITDA Losses stood at Rs.46 crore)
- Strategic investments towards the Company's manufacturing initiative has impacted profitability during the period – the financial performance is expected to improve as manufacturing operations stabilize
- PDS maintains its strong focus on strengthening the business model, targeting newer markets and manufacturing operation. The strategic initiatives are expected to help deliver healthy performance over the medium to long term

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

Abridged Profit & Loss Statement – Consolidated

Rs. crore

Particulars	Q4 FY17	Q4 FY18		FY17	FY18
Revenues (incl. other income)	1,348.2	1,507.7		4,630.5	4,948.2
Material Cost					
- Purchases of Stock-in-Trade	1,186.5	1,305.9		4,005.7	4,262.3
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	0.0	0.7		(1.7)	(13.1)



	Particulars	Q4 FY17	Q4 FY18		FY17	FY18
1	Income (Gross Profit)	160.8	198.4		612.1	674.6
	Employee Expenses	67.1	81.7		260.0	306.4
	Other Expenses	73.9	85.1		295.2	330.4
2	EBITDA	20.7	34.2		71.4	62.1
	<i>EBITDA Margin (2/1) (%)</i>	12.9%	17.3%		11.7%	9.2%
	Depreciation	3.3	4.9		12.9	16.4
	Finance Cost	3.8	8.3		13.1	21.7
	Profit Before Tax	13.6	21.1		45.4	24.0
	Tax Expenses	4.8	2.5		5.1	3.2
3	Profit After Tax	8.8	18.6		40.3	20.8
	<i>PAT Margin (3/1) (%)</i>	5.5%	9.4%		6.6%	3.1%

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

Q4 & FY2018 Financial and Operational Discussions (Y-o-Y)

Income during Q4 FY18 stood at Rs. 198 crore, registering an increase of 23% Y-o-Y; FY18 Income higher by 10% to Rs. 675 crore

- Despite a challenging macro-environment, the Company registered healthy client wins led by an uptick in demand in the key markets of UK and Europe
- Established business saw a steady growth trend, driven by a combination of enhanced manufacturing capabilities, expanding reach to newer suppliers and a solid reference base
- Customer additions during the quarter stood at 4; FY18 – customer additions were at 20

EBITDA stood at Rs. 34 crore, higher by 66% in Q4 FY18 - EBITDA at 17% of income ; EBITDA in FY18 at Rs. 62 crore

- Strategic investments towards establishing manufacturing business operations impacted profitability performance during the year
- Increasing contribution from manufacturing and higher focus towards cost optimization should enable healthy profitability performance, going forward

PAT stood at Rs. 19 crore in Q4 FY18 ; PAT at Rs. 21 crore in FY18

Abridged Balance Sheet – Consolidated

Rs. crore

Particulars		31-Mar-17	31-Mar-18
a)	Non-current Assets	295.6	382.9
b)	Current Assets		
	- Inventories	34.6	64.7
	- Trade Receivables	728.5	782.6
	- Cash & cash equivalents	134.6	111.6
	- Other Balances	113.7	113.9
	- Others	130.3	204.4
	Total	1,437.4	1,660.0
	Revenues	4,616.0	4,923.9
	Working Capital	283	222
	Working Capital Days	16	22
	Inventory Days	3	5
	Debtors Days	58	58
	Creditors Days	30	36

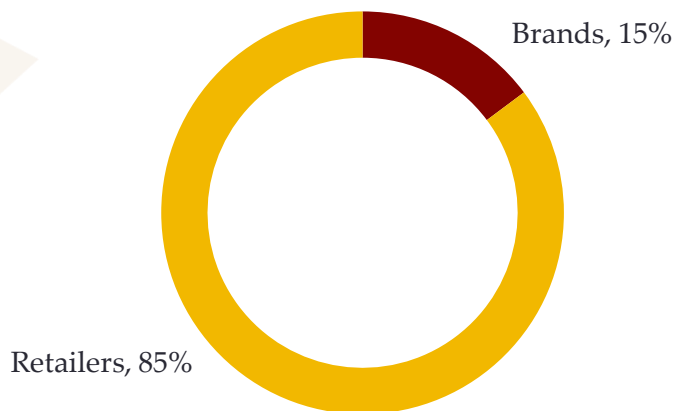
Q4 & FY2018 Financial and Operational Discussions (Y-o-Y)

Balance sheet position as on March 31, 2018

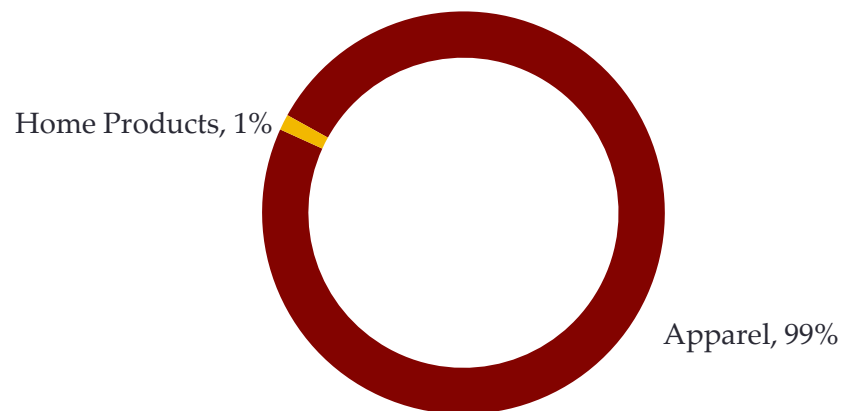
- Cash position healthy at Rs. 225 crore
- Total debt stood at Rs. 552 crore, with long-term debt at Rs. 60 crore and short-term debt at Rs. 492 crore
- The receivables position stood at Rs. 728 crore
- Long-term debt-to-equity position healthy at 0.13

Key Metrics – Q4 FY18

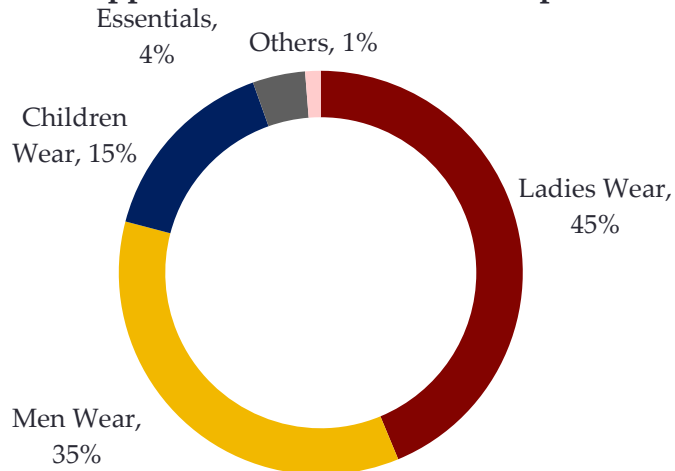
Customer-wise Revenue Break-up



Product-wise Revenue Break-up

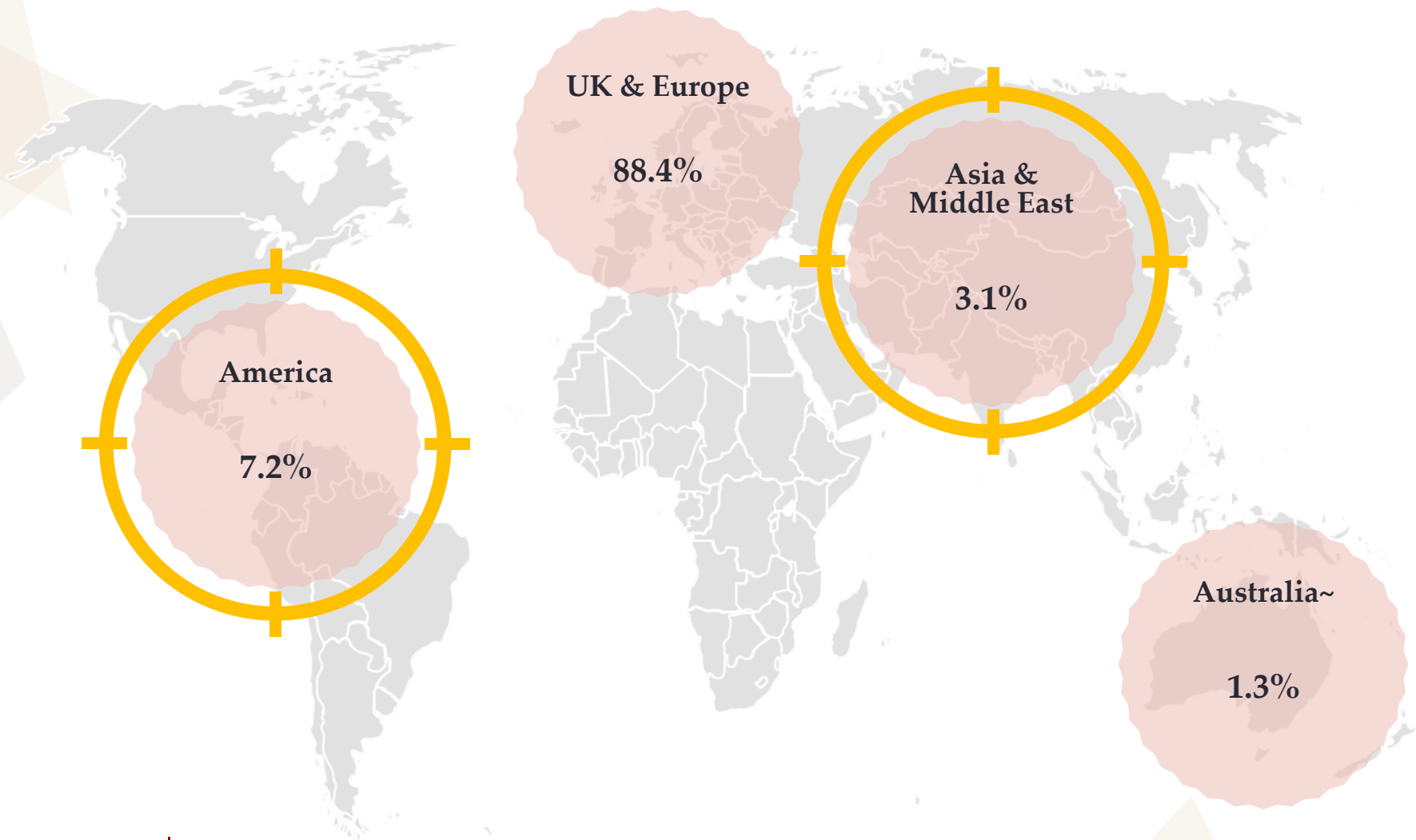


Apparel-wise Revenue Break-up



Note: * Based on customer locations, reclassified wherever necessary

Customer Profile as on March 31, 2018 *



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 ended the fiscal year on a steady note despite broader market challenges across global markets. In Q4 FY18, our income grew by 23%, while EBITDA marked a significant growth of 66% to Rs. 34 crore. On the operational front, the year saw us make further inroads against our strategic plans and initiatives - we operationalized Progress Apparels and Green Smarts Shirts facilities in Bangladesh in FY18. Although the investments behind our manufacturing venture impacted profitability performance during the year, in the longer term, we look forward to delivering robust contribution from this segment. The established and emerging business lines also registered a healthy growth during the year, with improved client metrics. The Company successfully added 20 customers to an ever-expanding client base.

Improving momentum from our existing client base and increasing business depth are helping us grow market penetration across geographies. On the whole, the overall outlook is encouraging and as we look ahead, we will be focusing on fortifying our market share and delivering improved performance in the upcoming quarters. ”

Company Statistics

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

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



» **1,700** Associates and **2,700** factory workers worldwide



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



» Revenue Stood at Rs. **4,948** Crore in FY18



» Income stood at Rs. **675** Crore in FY18



» **150** Own designers in key markets



» **0.13** Long-term debt/equity ratio as on March 31, 2018



» Operates **2** factories in Bangladesh and **1** factory in Sri Lanka



» **20** 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

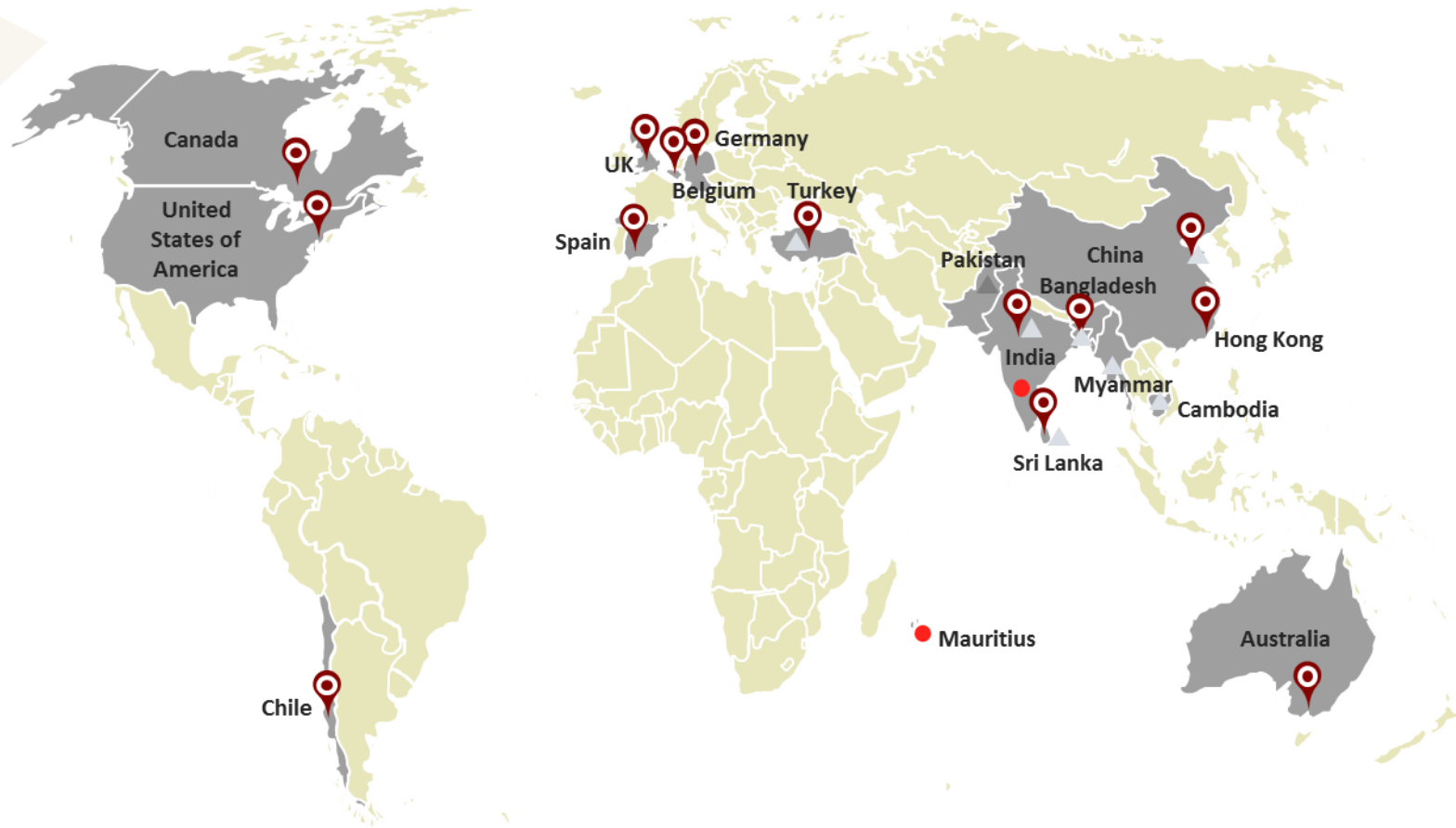


Company works with ~200 partner factories to deliver more than 1 million units a day across a massive retail customer base

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

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 1,700 Associates and 2,700 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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THANK YOU