

PDS Multinational Fashions Limited



PDS/SE/2019-20/11

12th June, 2019

To,

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 AND YEAR ENDED 31ST MARCH, 2019.

Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter and Year ended 31st March, 2019 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.: a/a



PDS
MULTINATIONAL

Global | Collaborative | Ethical

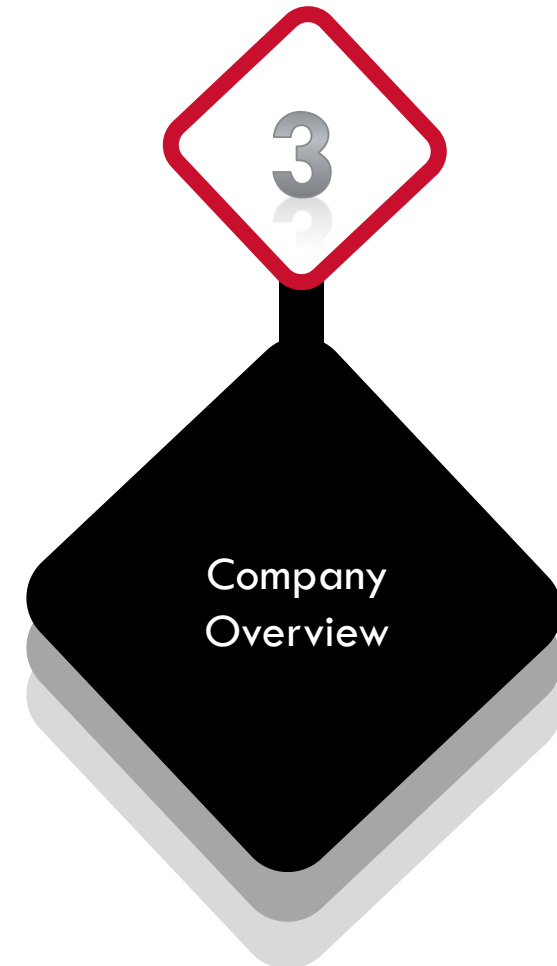
Q4 & FY19 - Result Presentation

Safe Harbor

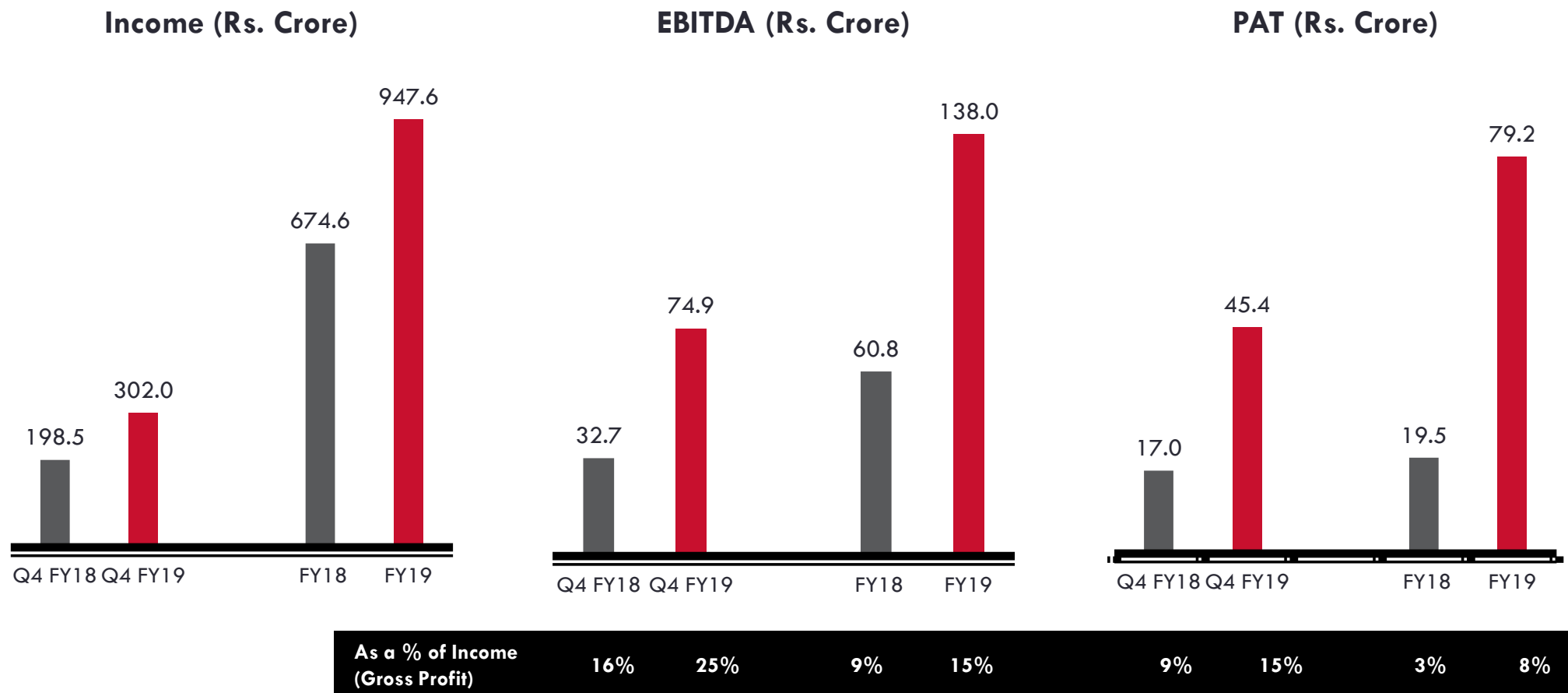
Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from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

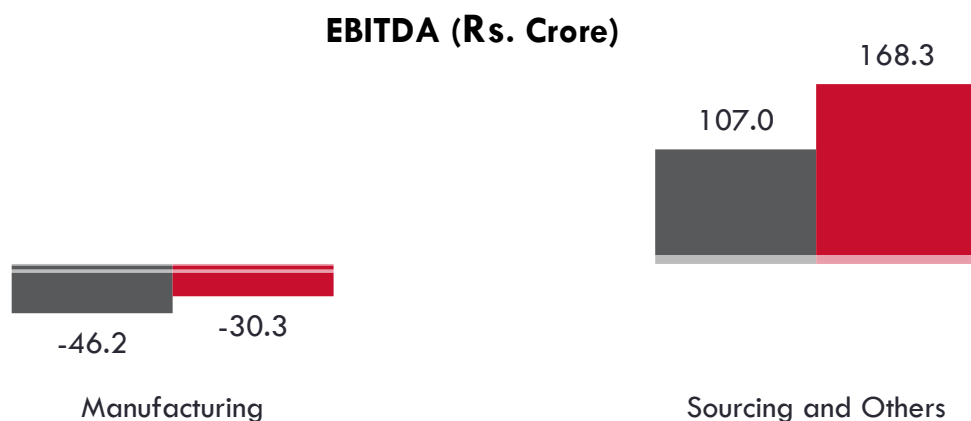
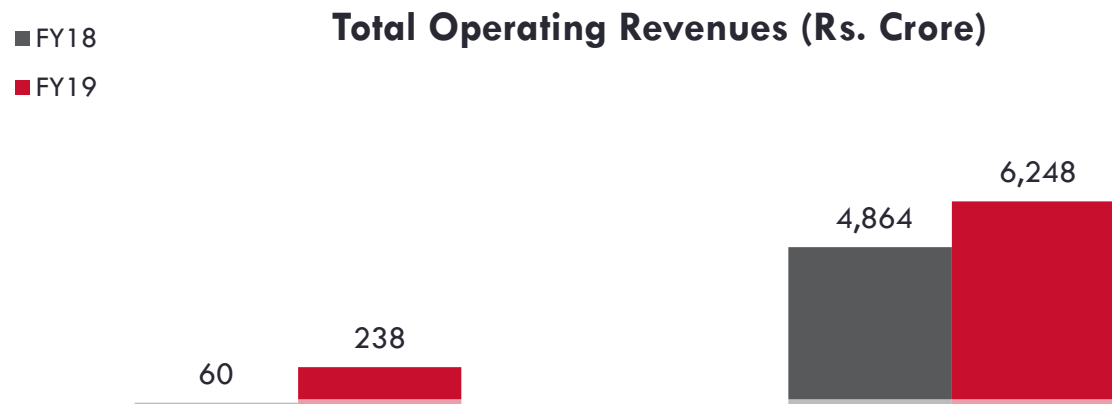
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Q4 & FY19 – Consolidated Highlights



FY19 – Business Performance



FY19

- **Sourcing and others business**
 - Revenue higher by 28% YoY
 - EBITDA higher by 57% YoY
- **Manufacturing business**
 - Revenue grew 4X to Rs. 238 crore
 - Losses at EBITDA level have reduced considerably to Rs. 30 crore in FY19 as against Rs. 46 crore in FY18
- 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)		Q4 FY19	Q4 FY18	GROWTH (Y-o-Y)	FY19	FY18	GROWTH (Y-o-Y)
Revenues (incl. other income)		2,077.1	1,507.7	38%	6,502.0	4,948.2	31%
Material Cost		1,781.1	1,306.7	36%	5,538.3	4,249.2	30%
- Purchases of Stock-in-Trade		1,770.9	1,305.9	36%	5,565.2	4,262.3	31%
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade		10.3	0.7	1350%	(27.0)	(13.1)	107%

Particulars (Rs. Crore)		Q4 FY19	Q4 FY18	GROWTH (Y-o-Y)	FY19	FY18	GROWTH (Y-o-Y)
1	Income (Gross Profit)	302.0	198.4	52%	947.6	674.6	40%
	Employee Expenses	105.3	81.7	29%	368.2	306.4	20%
	Other Expenses	114.6	85.1	35%	456.6	330.4	38%
	Add: Share of Profit/(Loss) of Associates	1.2	1.6	-26%	1.0	1.3	-24%
2	EBITDA	74.9	32.7	129%	138.0	60.8	127%
	EBITDA Margin (2/1) (%)	24.8%	16.5%	+834 bps	14.6%	9.0%	+554 bps
	Depreciation	7.6	4.9	54%	26.3	16.4	61%
	Finance Cost	7.0	8.3	-15%	32.3	21.7	49%
	Profit Before Tax	60.3	19.5	209%	79.3	22.7	249%
	Tax Expenses	14.9	2.5	495%	0.1	3.2	-96%
3	Profit After Tax	45.4	17.0	167%	79.2	19.5	305%
	PAT Margin (3/1) (%)	15.0%	8.6%	+648 bps	8.4%	2.9%	+546 bps

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

Abridged Balance Sheet – Consolidated

Particulars (Rs. Crore)	31-Mar-19	31-Mar-18
a) Non-current Assets	501	383
b) Current Assets	1,728	1,277
- Inventories	136	65
- Trade Receivables	1,029	783
- Cash & cash equivalents	241	112
- Other Bank Balances	130	114
- Others	193	204
Total Assets	2,229	1,660
c) Total Equity	568	544
d) Non-Current Liabilities	82	61
e) Current Liabilities	1,579	1,055
- Borrowings	627	492
- Trade payables	748	480
- Others	204	83
Total Liabilities	2,229	1,660
Revenues	6,486	4,924
Working Capital	150	222
Working Capital Days	8	16
Inventory Days	9	6
Debtors Days	58	58
Creditors Days	49	41

Q4 & FY19 Financial and Operational Discussion

Income during Q4 FY19 stood at Rs. 302.0 crore, registering a strong increase of 52% Y-o-Y

FY19 Income higher by 40% to Rs. 947.6 crore

- Despite the tough market conditions for retailers in UK and Europe, the company reported a strong performance during Q4 & FY19 led by supplier consolidation by key customers and increased revenues from new customers included in 2018-19 and 2017-18. Appreciation of INR currency against the dollar during the course of the year also assisted revenue growth
- The client base is seeing an improved momentum as the sourcing business continues to expand presence in newer markets. Further, manufacturing operations are steadily gaining strength and is leading to improved visibility across geographies
- Customer additions during the quarter stood at 8; FY19 – customer additions stood strong at 29

EBITDA stood at Rs. 74.9 crore, higher by 129% in Q4 FY19

EBITDA in FY19 at Rs. 138.0 crore, up by 127%

- Strong growth in income resulted in a higher EBITDA performance
- Robust profitability margins – in Q4 FY19, EBITDA stood at 25% of income, higher by 834 bps, while in FY19, EBITDA margins at 15%, higher by 554 bps

PAT stood at Rs. 45.4 crore in Q4 FY19, with PAT as a % of income at 15%

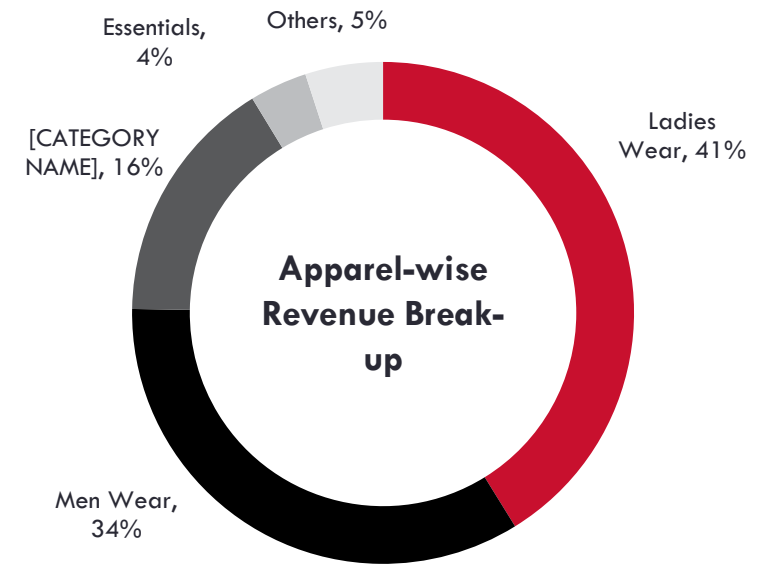
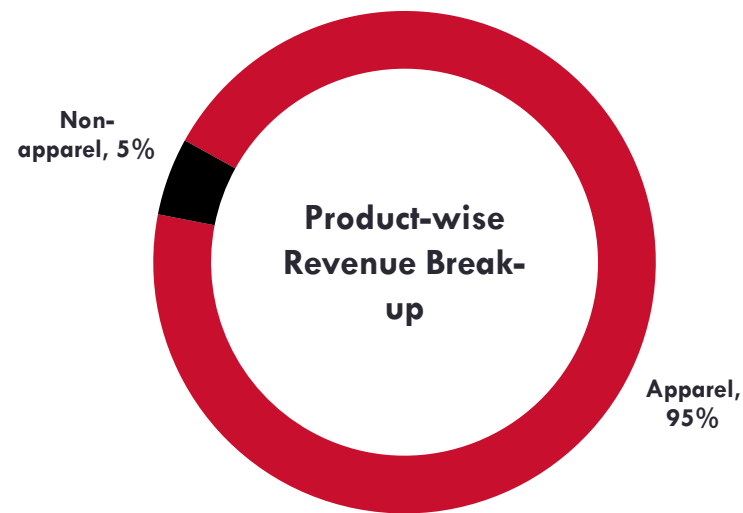
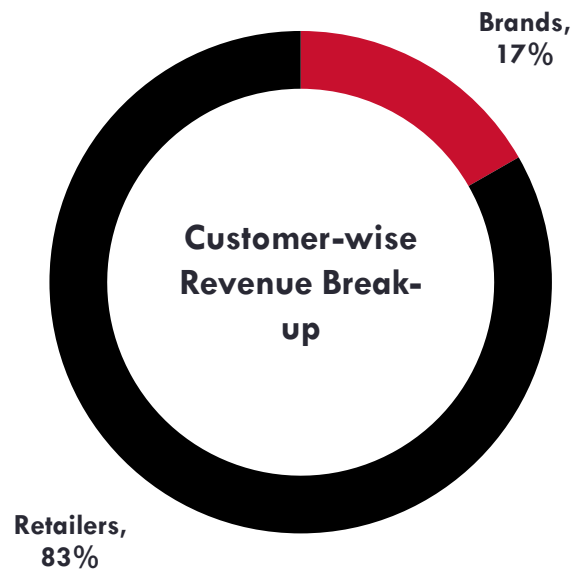
In FY19, PAT stood at Rs. 79.2 crore and margins at 8%

Q4 & FY19 Financial and Operational Discussion

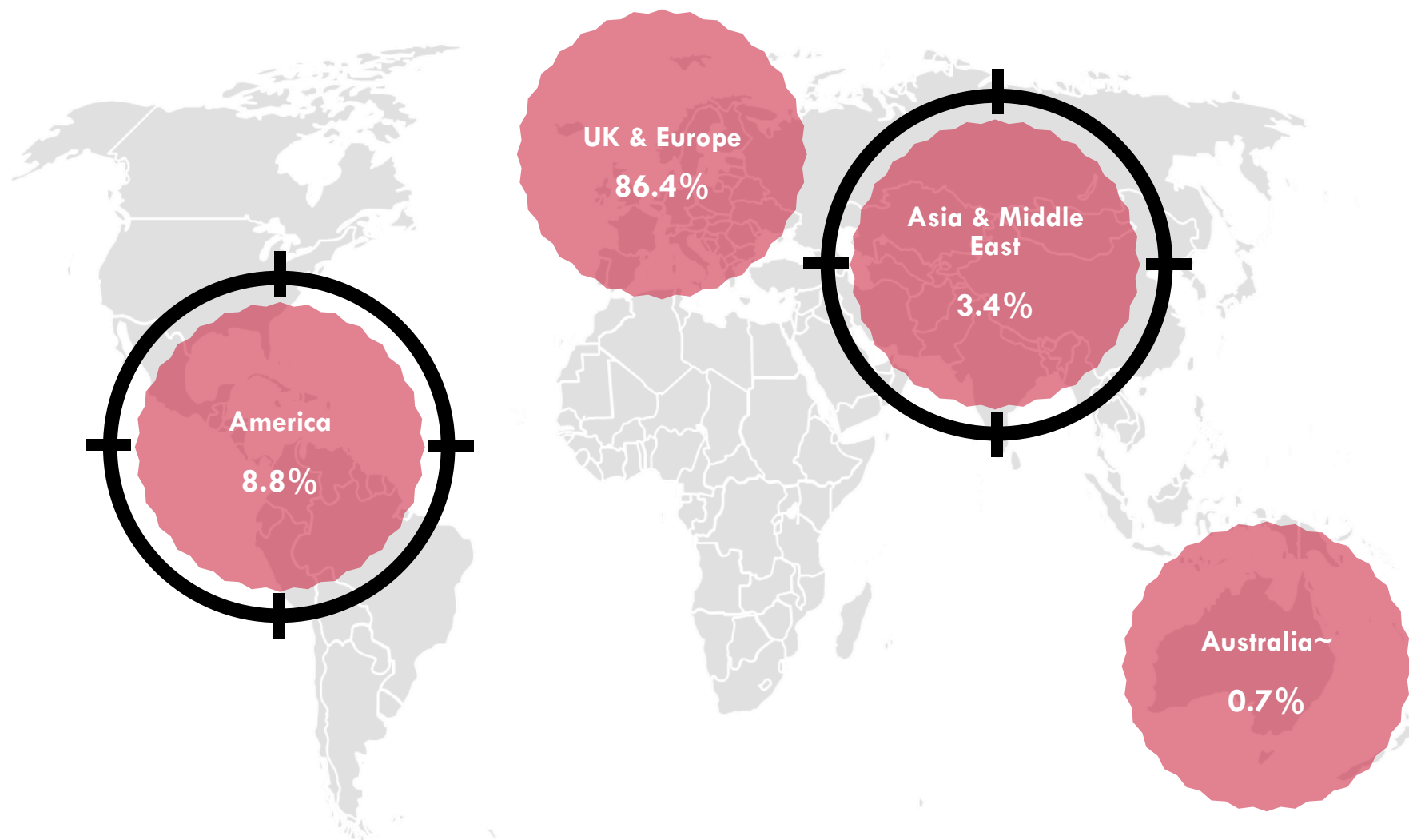
Balance sheet position as on March 31, 2019

- Healthy cash position at Rs. 370.2 crore
- Total debt stood at Rs. 700.1 crore, with long-term debt at Rs. 73.0 crore and short-term debt at Rs. 627.1 crore
- The receivables position stood at Rs. 1,028.7 crore
- Long-term debt-to-equity position was healthy at 0.14

Key Metrics – FY19



Geographical Spread of Sales as on March 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 ended the fiscal year on a strong note despite tough market conditions for retailers in Europe and UK. On a consolidated basis, in FY19, we delivered a solid growth of 31% on revenues, while EBITDA grew ~2.5X to Rs. 138 crore and PAT grew ~4X to Rs. 79 crore. Operationally, we have marked a robust growth in customer additions and have successfully added over 29 new customers across the US, Asia and the European markets in FY19.

On the segmental front, the sourcing and others businesses, which contribute to 96% of total revenues, delivered across all financial parameters and reported improved client metrics. This vertical is expanding presence into newer geographies and is rapidly gaining market share. Within the own manufacturing business, we continue to focus on seeding brand presence in newer geographies and building new relationships. With the scale up of this business vertical and increased demand across markets, we expect to deliver an improving growth trend in the years ahead.

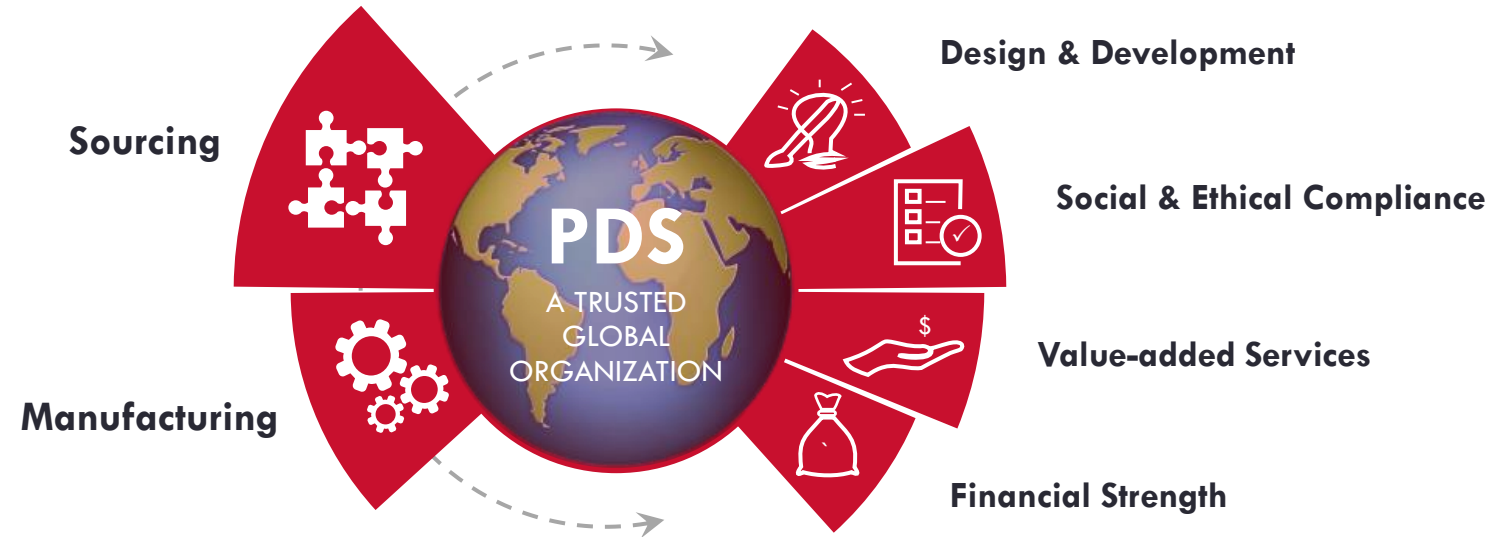
On the whole, we are witnessing buoyancy in enquiries and enhanced growth prospects for our business segments across the established and newer markets and remain confident of continuing the growth momentum in the years ahead. ”

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 19 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	

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

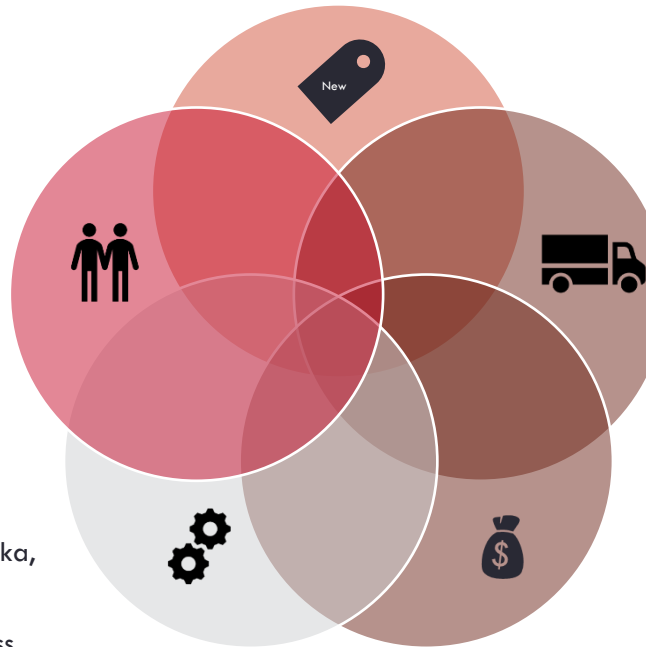
- ▶ 150 designers working on consumer requirements
- ▶ Design Studio's set up in Key Markets
- ▶ Develops over 1,000 new styles/ month
- ▶ Design Centers in key sourcing locations

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



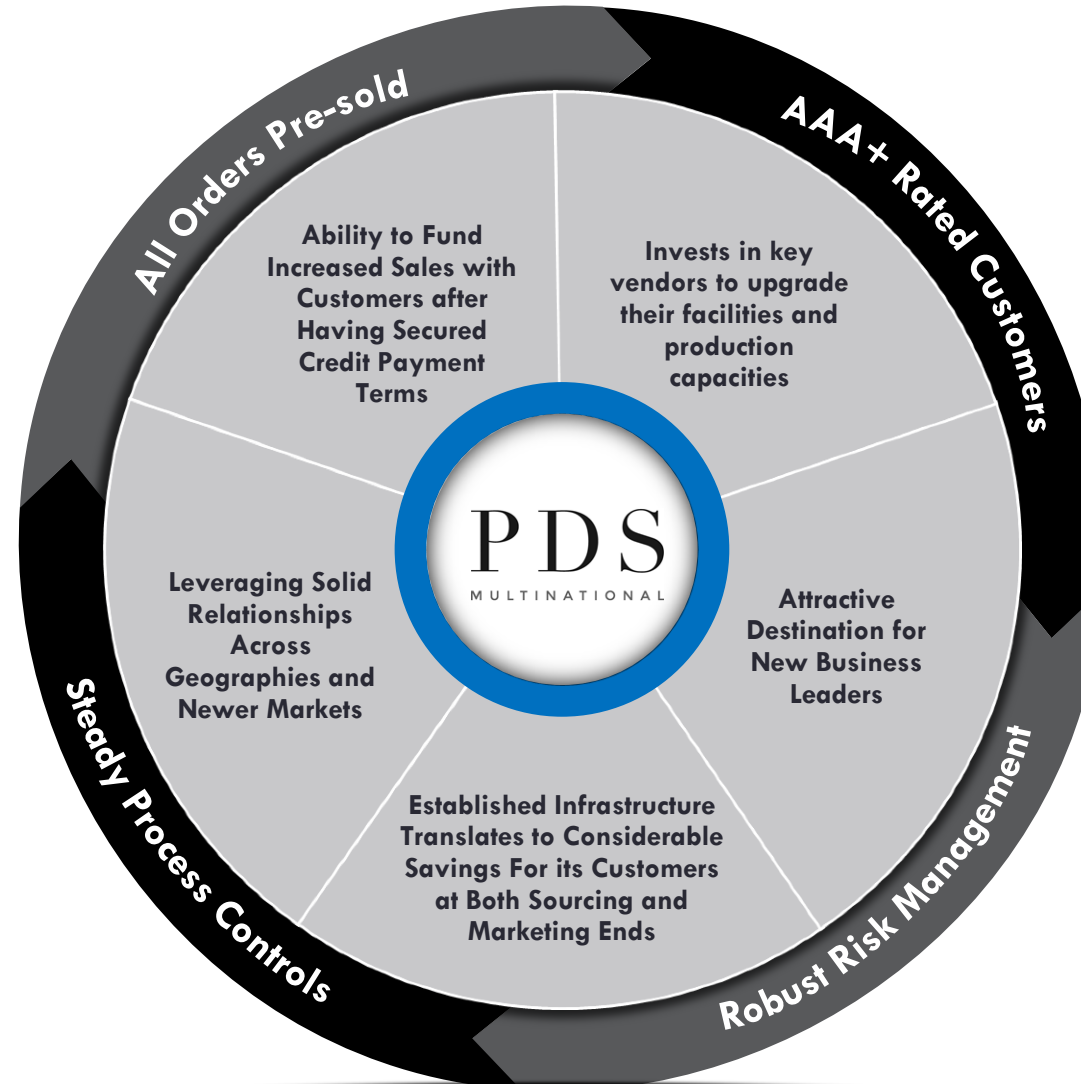
Logistics & Supply Chain

- ▶ 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, 19 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:

Chandra Sekhara Reddy, Company Secretary,

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