

PDS/SE/2018-19/29

26th November, 2018

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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Scrip Code/ID:

NSE: PDSMFL;

BSE: 538730

SUB: Investor Presentation for Quarter and Half Year Ended 30th September, 2018.

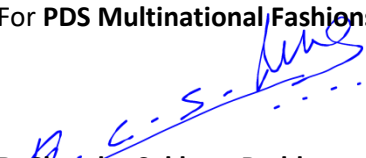
Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter and Half Year ended 30th September, 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



Q2 & H1 FY19 RESULT PRESENTATION

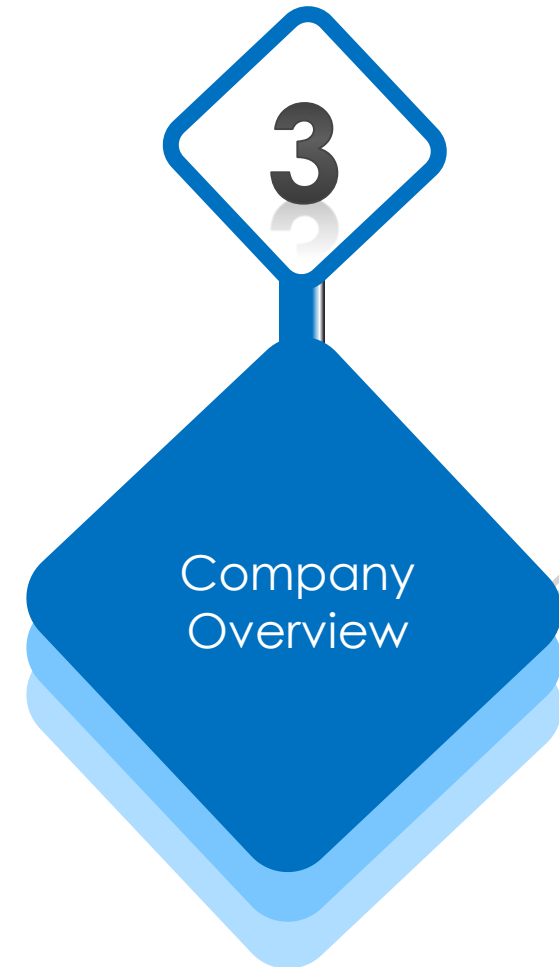
NOVEMBER 2018

PDS
MULTINATIONAL

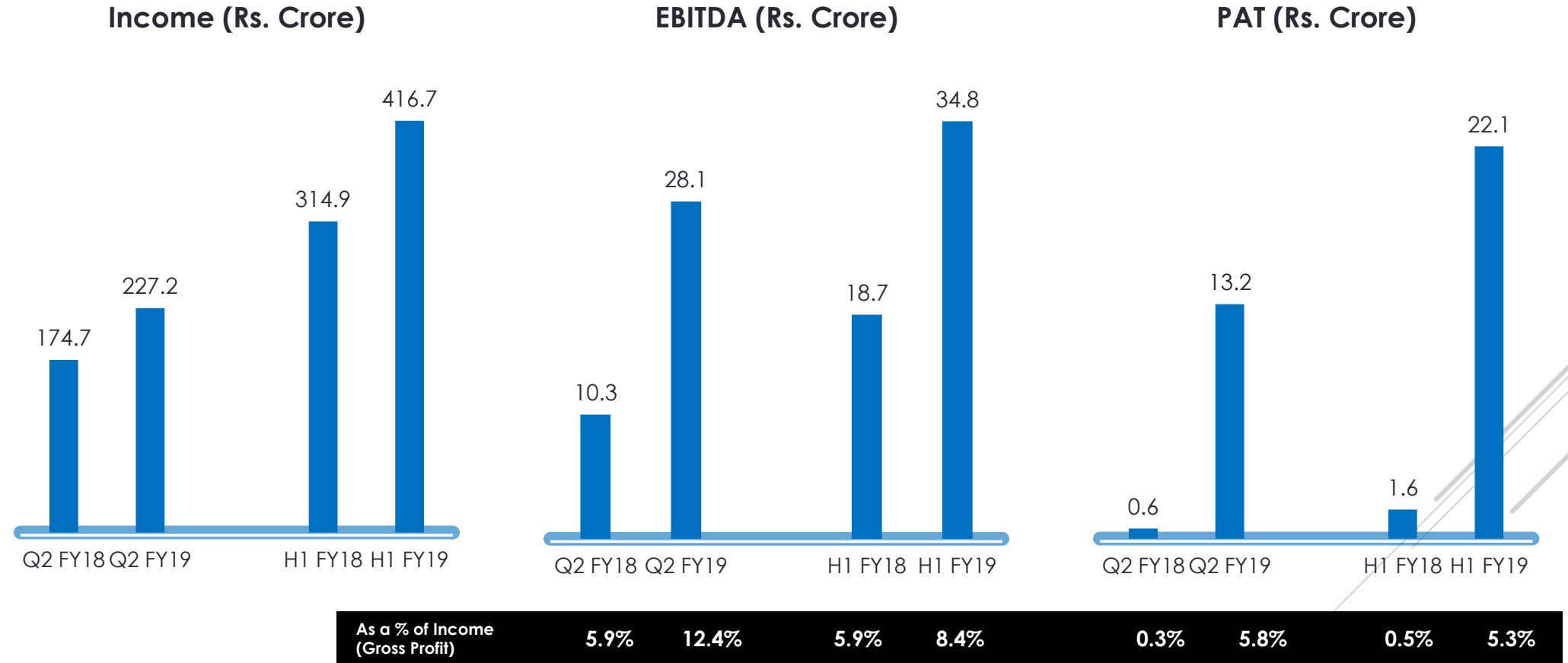
SAFE HARBOR

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

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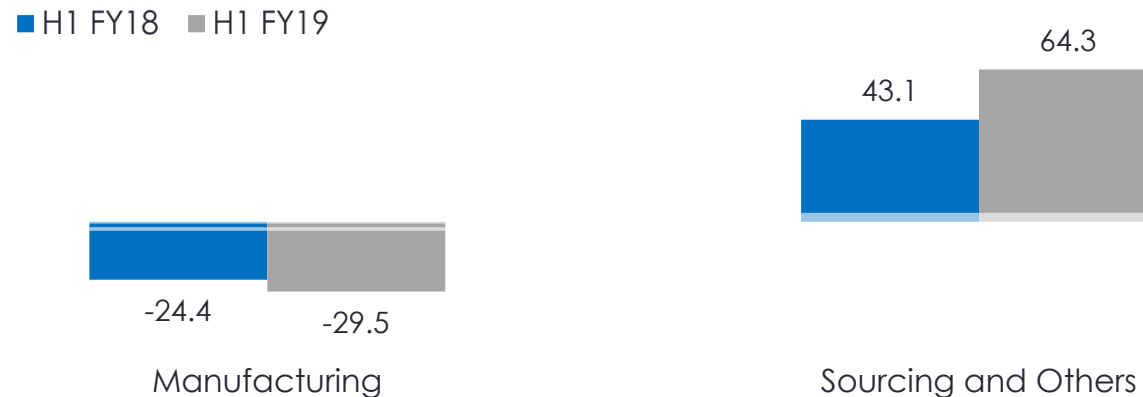
Note: Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions.

H1 FY19 – BUSINESS PERFORMANCE

Total Operating Revenues (Rs. Crore)



EBITDA (Rs. Crore)



H1 FY19

- 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
- The YTD EBITDA loss of Rs.(29.5 Crore), EBIT loss of Rs. (31.95 Crore) is combined result from the manufacturing operations which recorded a Total Revenue of Rs. 68.7 crores net of segment adjustments if any (in Q1 the total revenue was Rs. 49.53 Crore & Q2 the total revenue is Rs. 19.15 Crore)

ABRIDGED PROFIT & LOSS STATEMENT – CONSOLIDATED

Particulars (Rs. Crore)		Q2 FY19	Q2 FY18	GROWTH (Y-o-Y)	H1 FY19	H1 FY18	GROWTH (Y-o-Y)
Revenues (incl. other income)		1,609.22	1,245.90	29%	2,930.71	2,287.89	28%
Material Cost							
- Purchases of Stock-in-Trade		1,368.83	1,054.92	30%	2,499.72	1,961.39	27%
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade		0.06	6.52	(99%)	(5.02)	(3.47)	45%

Particulars (Rs. Crore)		Q2 FY19	Q2 FY18	GROWTH (Y-o-Y)	H1 FY19	H1 FY18	GROWTH (Y-o-Y)
1	Income (Gross Profit)	227.22	174.67	30%	416.73	314.92	32%
	Employee Expenses	88.67	78.17	13%	178.00	148.31	20%
	Other Expenses	123.72	97.61	27%	223.12	164.64	36%
	Add: Share of Profit/(Loss) of Associates	(0.20)	(1.68)	(88%)	0.07	(1.67)	(104%)
2	EBITDA	28.13	10.35	172%	34.82	18.69	86%
	EBITDA Margin (2/1) (%)	12.38%	5.93%	+646 bps	8.36%	5.93%	+242 bps
	Depreciation	4.74	4.50	5%	9.20	8.30	11%
	Finance Cost	9.39	4.49	109%	18.01	8.20	120%
	Profit Before Tax	14.00	1.35	934%	7.61	2.18	249%
	Tax Expenses	0.81	0.80	2%	(14.46)	0.54	-2761%
3	Profit After Tax	13.18	0.56	2261%	22.07	1.63	1251%
	PAT Margin (3/1) (%)	5.80%	0.32%	+548 bps	5.30%	0.52%	+478 bps

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

ABRIDGED BALANCE SHEET – CONSOLIDATED

Particulars (Rs. Crore)	30-Sep-18	31-Mar-18
a) Non-current Assets	420	383
b) Current Assets		
- Inventories	87	65
- Trade Receivables	816	783
- Cash & cash equivalents	201	112
- Other Bank Balances	133	114
- Others	308	204
Total Assets	1,965	1,660
c) Total Equity	608	544
d) Non-Current Liabilities	89	61
e) Current Liabilities		
- Borrowings	730	492
- Trade payables	453	480
- Others	84	83
Total Liabilities	1,965	1,660
Revenues	2,911	4,924
Working Capital	278	222
Working Capital Days	17	16
Inventory Days	6	6
Debtors Days	51	29
Creditors Days	33	41

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

Q2 & H1 FY19 FINANCIAL AND OPERATIONAL DISCUSSION

Income (Gross Profit) during Q2 FY19 stood at Rs. 227 crore, registering an increase of 30% Y-o-Y; H1 FY19 Income higher by 32% to Rs. 417 crore

- Despite certain macro-challenges, the Company registered strong client wins during the period under review. Further, higher sales were driven by healthy demand in the key markets of UK and Europe and enhanced manufacturing capabilities
- Customer additions during the quarter stood at 5; H1 FY19 – customer additions were at 9

EBITDA stood at Rs. 28 crore, higher by 172% in Q2 FY19 - EBITDA at 12% of income ; EBITDA in H1 FY19 at Rs. 35 crore

- Combined impact of growth from revenues, marginal increase in gross margins and currency gains positively impacted EBITDA Margin performance

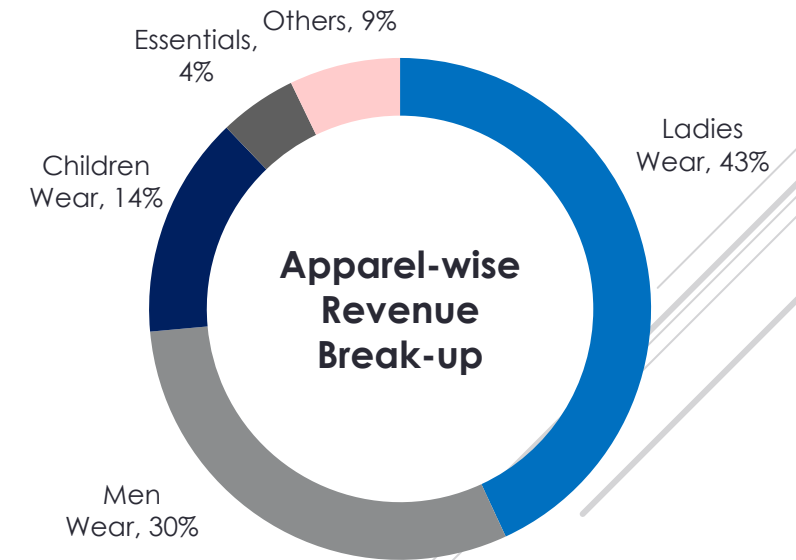
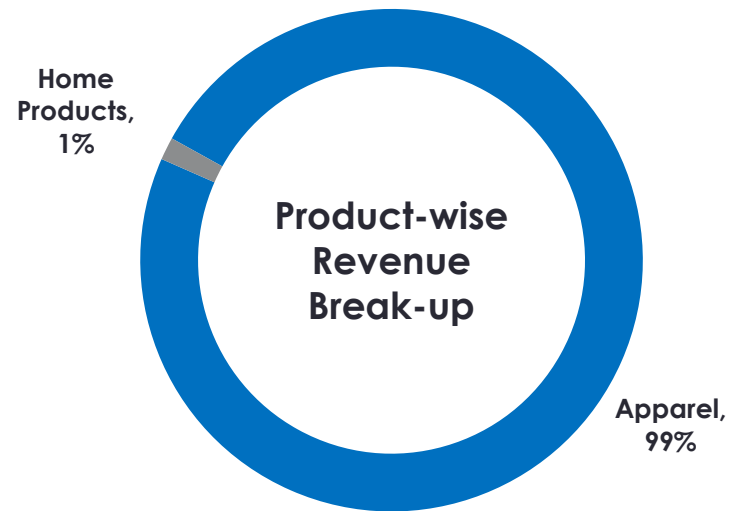
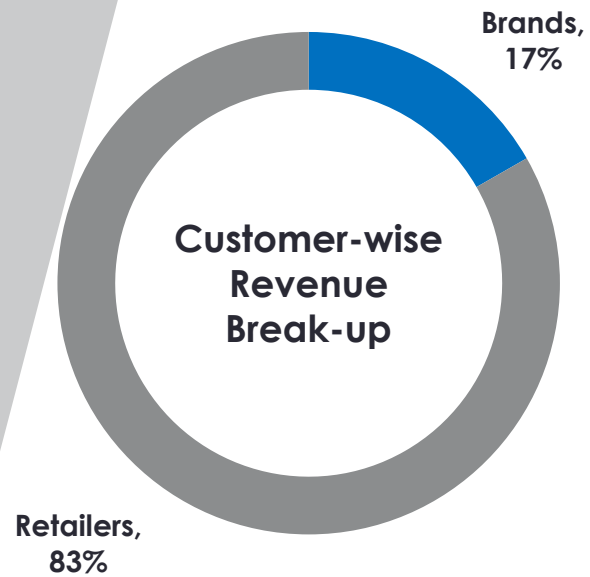
PAT stood at Rs. 13 crore in Q2 FY19; Rs. 22 crore in H1 FY19

Q2 & H1 FY19 FINANCIAL AND OPERATIONAL DISCUSSION

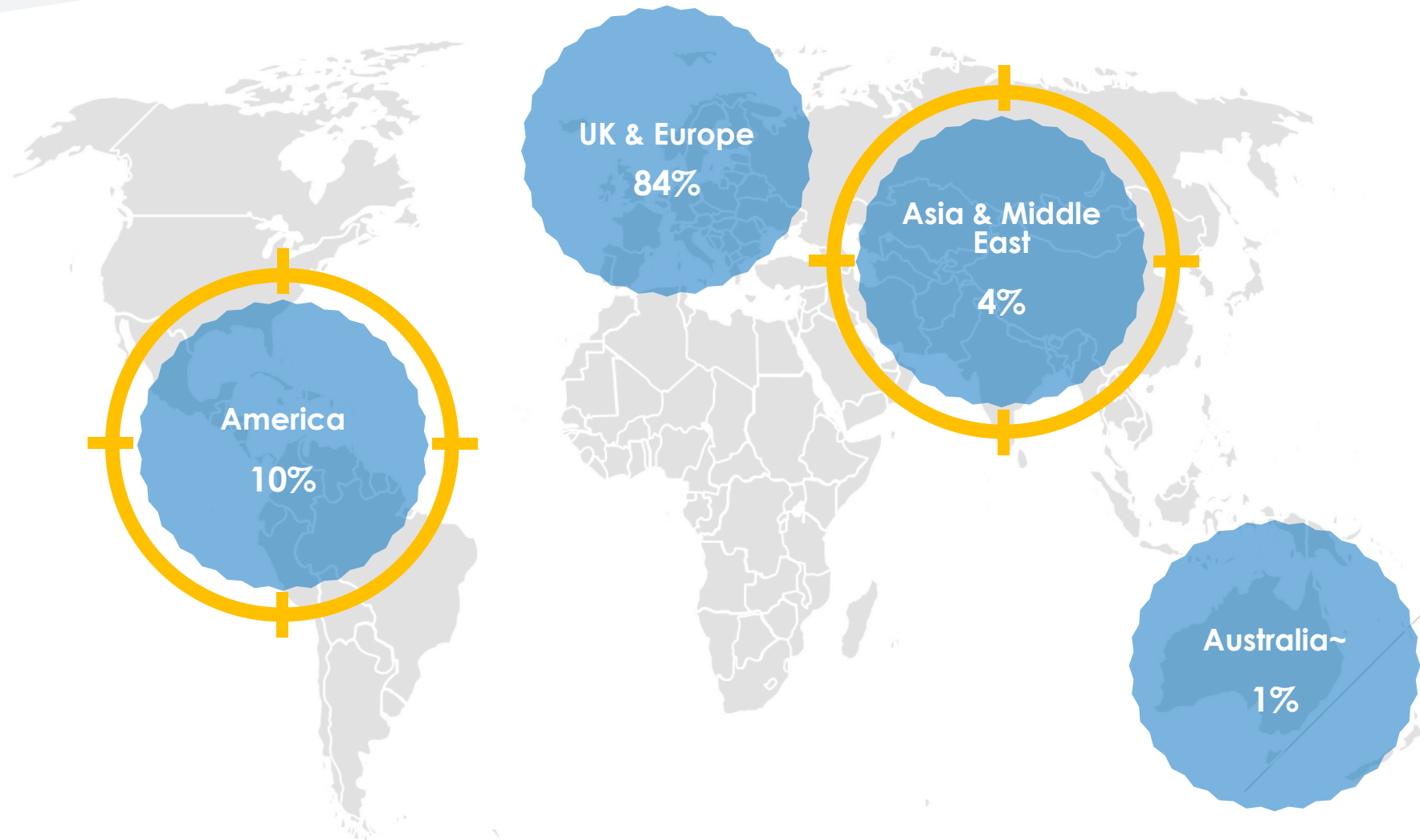
Balance sheet position as on September 30, 2018

- Cash and other balances healthy at Rs. 334 crore
- Total debt stood at Rs. 817 crore, with long-term debt at Rs. 87 crore and short-term debt at Rs. 730 crore
- The receivables position stood at Rs. 816 crore
- Long-term debt-to-equity position healthy at 0.17

KEY METRICS – H1 FY19



CUSTOMER PROFILE AS ON SEPT 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 are pleased to deliver a strong set of results during the second quarter of fiscal 2019. Our business posted a double-digit revenue growth and a solid profit growth, despite adverse operating environment across key geographies. We added over 5 new customers across the US and the European markets during the quarter. Our established businesses which contribute close to 90% of total revenues continue to deliver strongly across all financial parameters. These businesses enjoy strong relationships on the sourcing and marketing fronts and will help take us to the next level of growth.

We continue to receive an encouraging response from our own manufacturing business. The vertical is augmenting our brand visibility, while also consolidating PDS' position as a one-stop-shop providing tailor-made offerings right from sourcing to design to manufacturing products. 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.

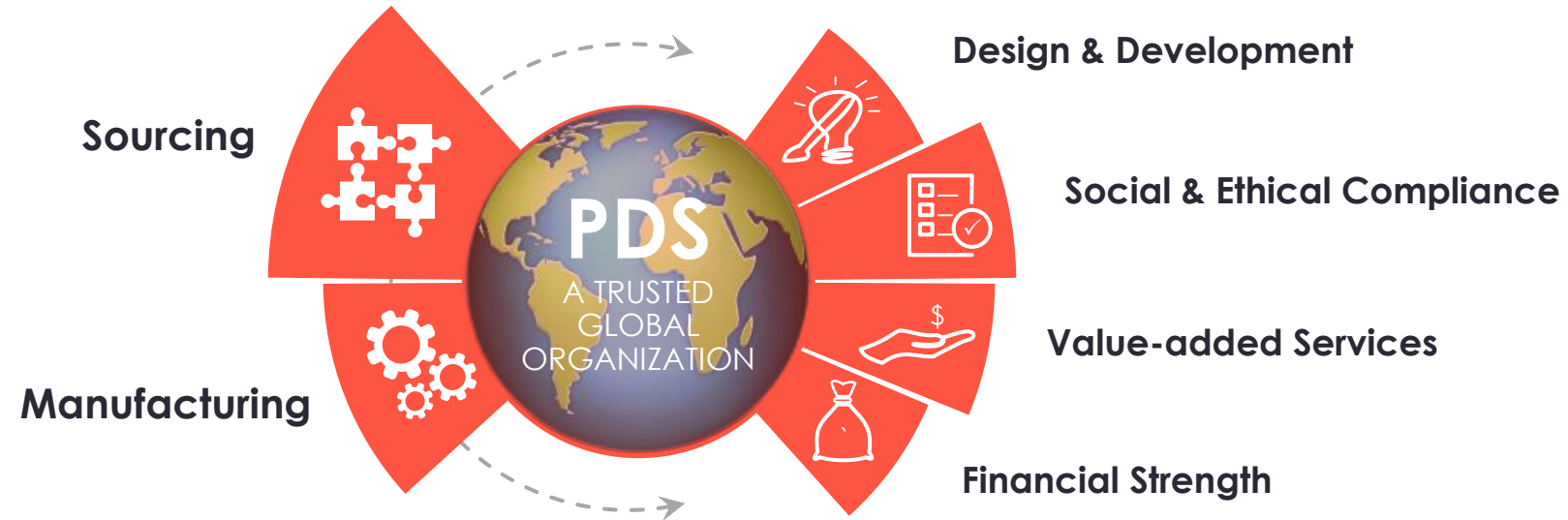
Overall, we remain focused towards developing an agile diversified business model, upscaling performance from the manufacturing segment and improving outreach to newer clients and geographies. This, will enable us to deliver a healthy and sustained performance, going ahead. "

COMPANY STATISTICS

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

- » **160+** Global Leading Retailers And Brands As Customers 
- » **1,700** Associates and **4,000** factory workers worldwide 
- » **50** Offices Across **18** Countries 
- » Revenue Stood at Rs. **4,948** Crore in FY18 and Rs. **2,931** Crore in H1 FY19 
- » Income stood at Rs. **675** Crore in FY18 and Rs. **417** Crore in H1 FY19 
- » **150** Own designers in key markets 
- » **0.12** Long-term debt/equity ratio as on March 31, 2018 and **0.17** as on September 30, 2018 
- » Operates **2** factories in Bangladesh, **1** factory in Sri Lanka and **1** factory in India 
- » **21** 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



People

- ▶ 1,700 Associates and 4,000 factory workers worldwide
- ▶ Over 70% focused on Sourcing, Quality Control and Merchandising



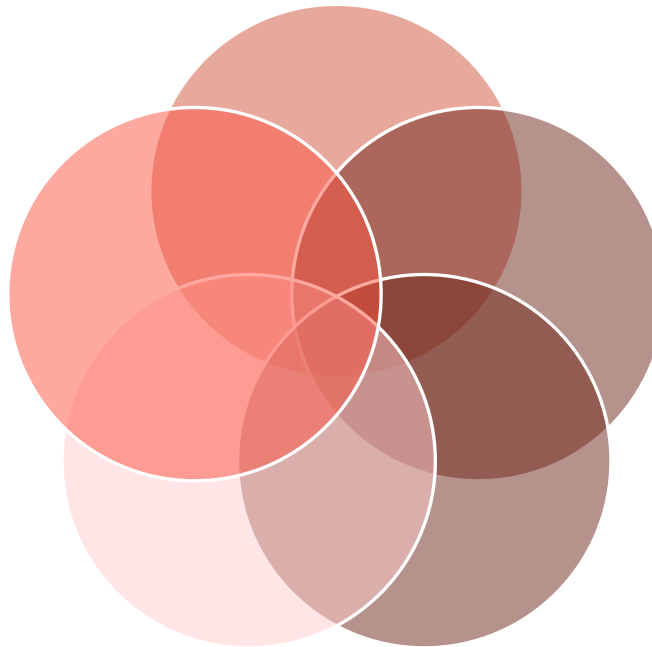
Sourcing, Manufacturing & Marketing

- ▶ 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



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



Logistics & Supply Chain

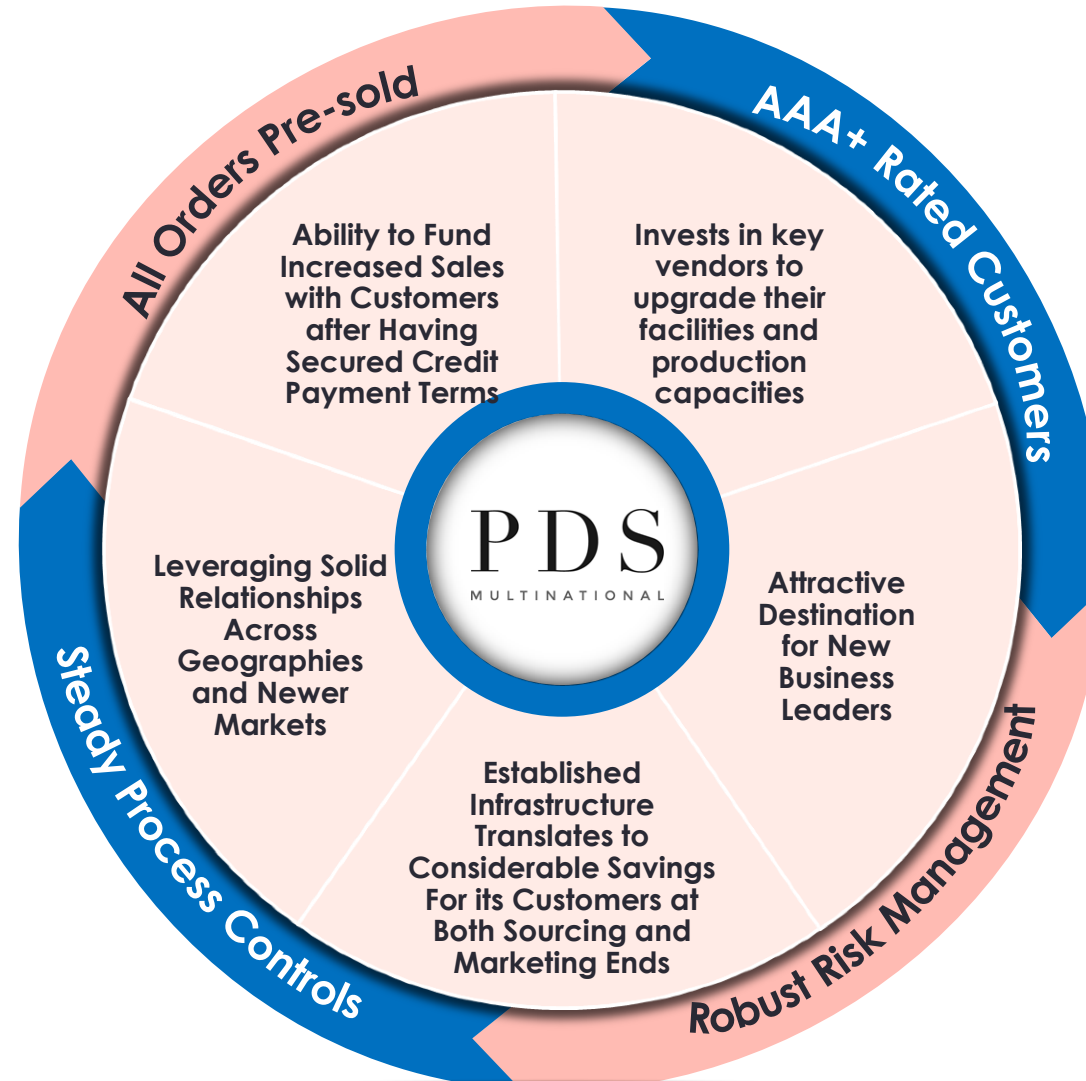
- ▶ Established logistics and warehousing capabilities
- ▶ Inventory holding and stock management facility
- ▶ Ensures efficient and shorter delivery time



Financial Strength

- ▶ USD 300mn 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 31 offices, 18 countries and over 1,700 Associates and 4,000 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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PDS Multinational Fashions**

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THANK YOU