

PDS Multinational Fashions Limited



PDS/SE/2016-17/30

18th November, 2016

The General Manager, Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	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 Half Year Ended 30.09.2016

Dear Sir / Madam,

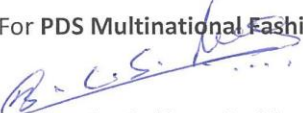
Please find attached herewith the Investor Presentation the Quarter and half year ended 30th September, 2016 for the financial update to Investors of the PDS Multinational Fashions Limited.

You are requested to please update the same and obliged.

Thanking you,

Yours faithfully,

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary



Encl.: as above



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



Operational & Financial Highlights Q2 & H1 FY2017



Management's Message



Company Overview

Quick Facts about PDS



190+

GLOBAL LEADING RETAILERS AND BRANDS AS CUSTOMERS

2,300

ASSOCIATES WORLDWIDE

31

OPERATES IN OVER

OFFICES ACROSS 18 COUNTRIES

150

OWN DESIGNERS IN KEY MARKETS

4,308

REVENUES STOOD AT

RS. CRORE IN FY16

610

INCOME STOOD AT

RS. CRORE IN FY16

0.03

LONG-TERM DEBT / EQUITY RATIO

1,000

OPERATES

MACHINES IN FACTORIES

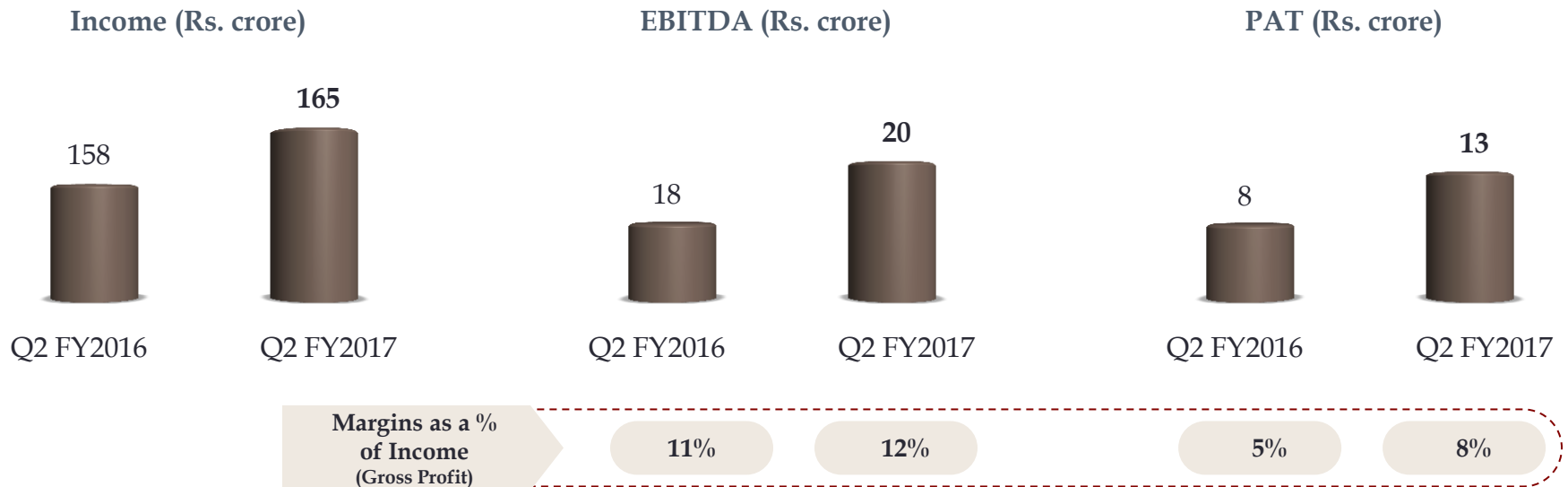
57

CUSTOMERS ADDED IN THE LAST 24 MONTHS

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

Q2 FY17 – Performance Highlights

Delivers a healthy quarter backed by strategic operational progress & robust financials



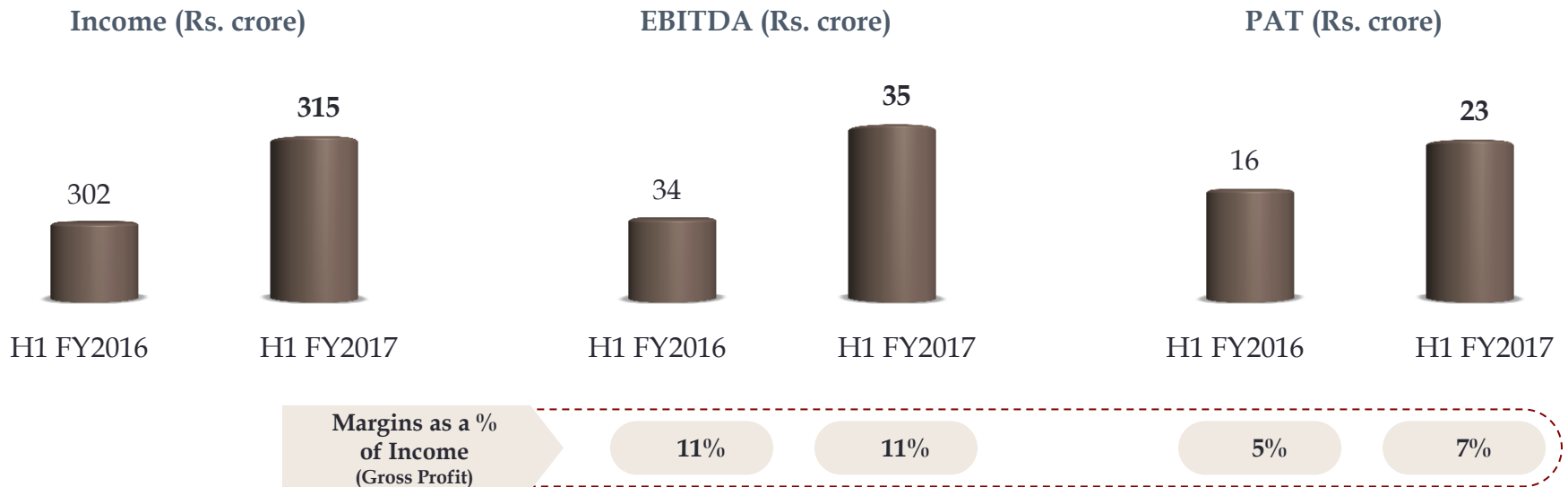
- Revenues stood at 1,197.82 crore, higher by 10%
- Income stood at Rs. 164.98 crore during Q2 FY17, registering an increase of 4% Y-o-Y
- EBITDA at Rs. 20.31 crore, translating into EBITDA margin of 12%
- PAT marked a significant improvement at 68% Y-o-Y, further translating into margins at 8%
- EPS solid at Rs. 3.95

Note:

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

H1 FY17 – Performance Highlights

Solid performance during the first half of the fiscal, especially considering the sluggishness across the macro-economic landscape



- In H1 FY17, Revenues improved by 7% to Rs. 2,215.09 crore
- Income stood at Rs. 314.76 crore, registering a growth of 4% on Y-o-Y basis
- EBITDA stood strong at Rs. 34.77 crore, higher by 3% on Y-o-Y basis
- Correspondingly, PAT was at Rs. 22.61 crore, translating into an EPS of Rs. 6.51

Note:

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

Healthy progress on upcoming Manufacturing facilities in Bangladesh under Progress Group and Green Smart Shirts(GSS) Group

- Progress Group and GSS Group structured to conduct business as per customer requirements either directly from Bangladesh or Hong Kong - significantly augments the Company's footprint across key markets
- Group has been allotted 452,000 sq. ft of land at Ishwardi by BEPZA, Bangladesh, to set up a garment manufacturing unit to produce Casual jackets and Knits
- Allotted a ready to set up manufacturing unit of 270,000 sft at Adamjee Export Processing Zone near Dhaka, will be establishing a facility with 50 lines/2500 machines to produce Woven-School wear, Formal trouser, Chino, Denim Jeans. Another 100,000 sq ft of area will be used for setting up washing, ETP and utilities
- Setting up a shirts manufacturing unit (men, women & children) across a 7 acre land in Mawna, Sripur District in Bangladesh equipped to produce about 7 million pieces annually ~ 30 lines / 1500 machines

Enhancing focus on the technology business - To develop and offer cloud-based software and mobile applications in HRM

- Development center in India, working on a cloud-based HRM solution & application for SMBs

Abridged Profit & Loss Statement - Consolidated

Rs. crore

Particulars	Q2 FY16	Q2 FY17	H1 FY16	H1 FY17
Revenues	1,093.73	1,197.82	2,069.42	2,215.09
Material Cost	935.25	1,032.84	1,767.60	1,900.33
- Purchases of Stock-in-Trade	861.27	1,007.81	1,651.93	1,843.09
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	73.98	25.03	115.67	57.24

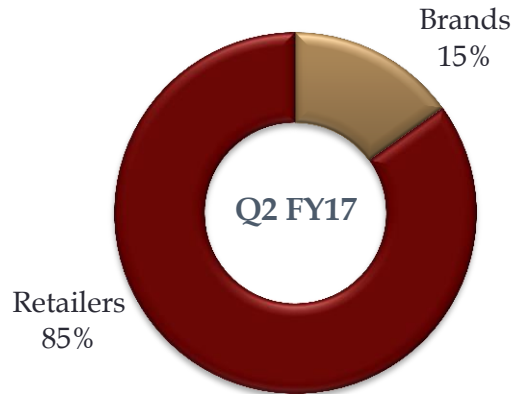
Line No.	Particulars	Q2 FY16	Q2 FY17	H1 FY16	H1 FY17
1	Income (Gross Profit)	158.48	164.98	301.83	314.76
	Employee Expenses	61.58	63.79	120.38	130.63
	Other Expenses	79.38	80.88	147.62	149.36
2	EBITDA	17.51	20.31	33.83	34.77
	EBITDA Margin (2/1) (%)	11.05%	12.31%	11.21%	11.05%
	Depreciation	2.50	3.20	6.10	6.40
	Finance Cost	4.48	3.36	8.53	6.57
	Profit Before Tax	10.53	13.75	19.19	21.80
	Tax Expenses	2.83	0.79	3.47	(0.81)
3	Profit After Tax	7.70	12.97	15.73	22.61
	PAT Margin (3/1) (%)	4.86%	7.86%	5.21%	7.18%

Abridged Balance Sheet - Consolidated

Rs. crore

Particulars	As at March 31, 2016	As at Sept 30, 2016
a) Non-current Assets	264.59	260.74
b) Current Assets	1,174.93	1,110.06
- Inventories	50.27	43.86
- Trade Receivables	775.23	596.19
- Cash & cash equivalents	198.75	254.65
- Others	150.69	215.36
Total	2,614.46	2,480.87
Total Revenues	4,276.77	2,204.82
Working Capital	294.14	155.59
Working Capital Days	15	14
Inventory Days	4	4
Debtors Days	66	49
Creditors Days	36	29

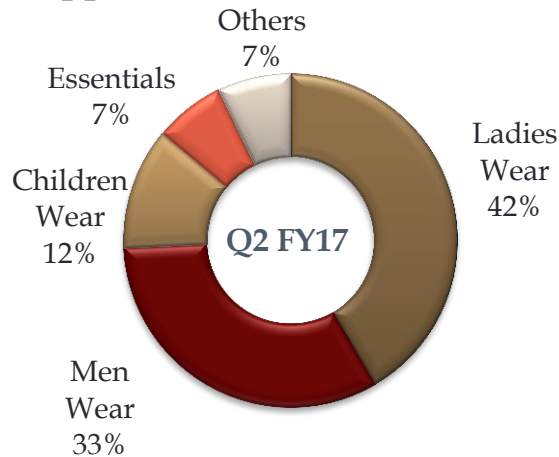
Customer-wise Revenue Break-up



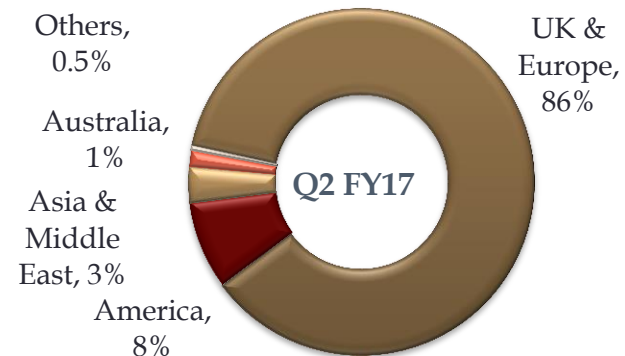
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up

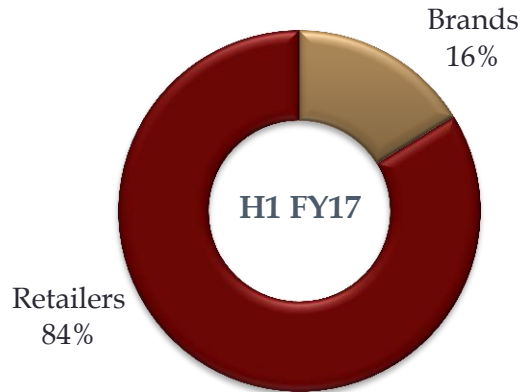


Region-wise Revenue Breakup *



Note: * Based on customer locations, reclassified wherever necessary

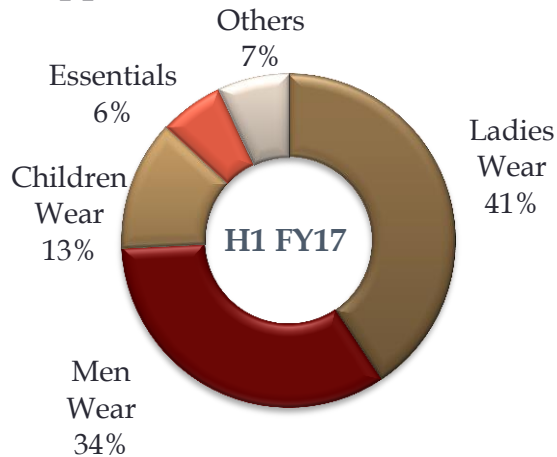
Customer-wise Revenue Break-up



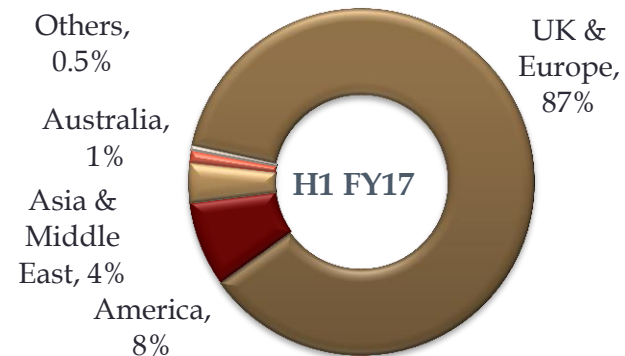
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



Region-wise Revenue Breakup *



Note: * Based on customer locations, reclassified wherever necessary

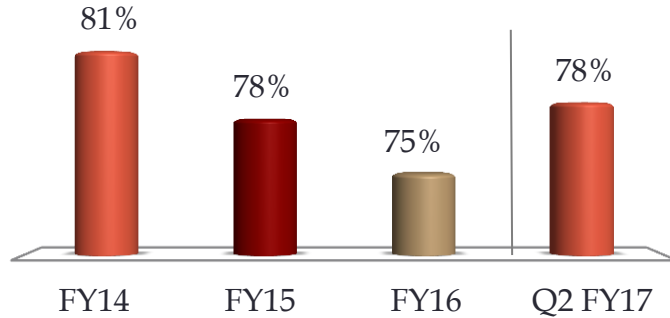
Customer Profile*

Customer-centric organization

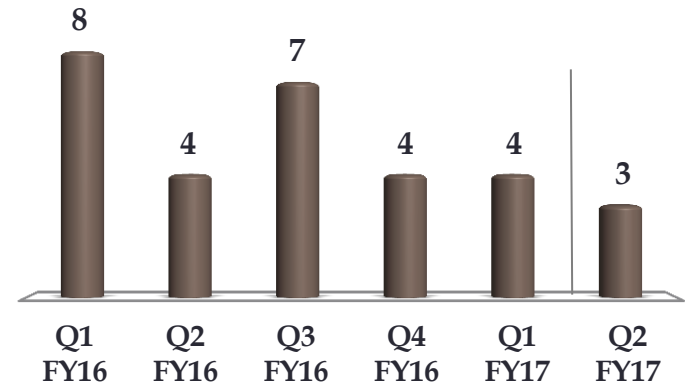
Customer base of 190+ Global Leading Retailers and Brands

Long-term relationships with 25 brands

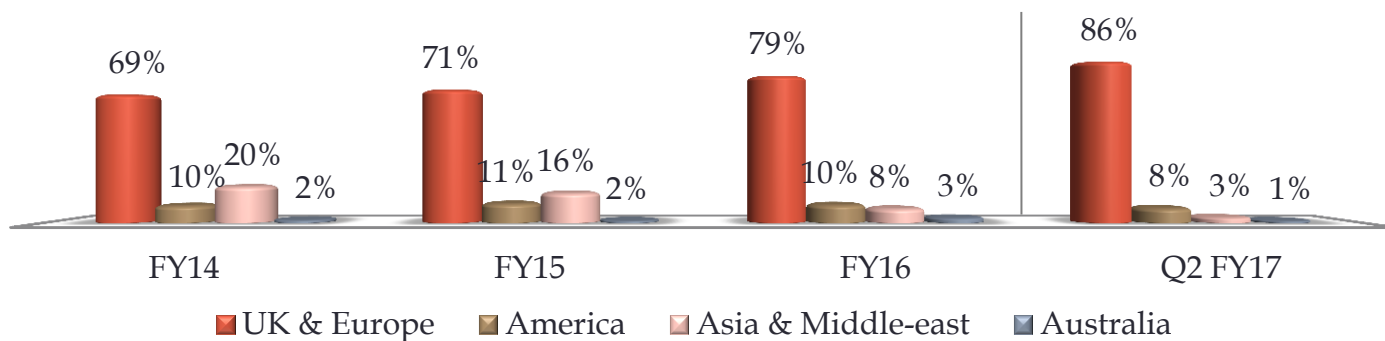
Revenue Contribution from Top 15 customers



Customer Additions (Nos)



Geographic Break-up of Customers



* Customers with sales value more than USD 100K

Commenting on the performance, Mr. Pallak Seth, Vice-Chairman, PDS Multinational Fashions, said,

“We are pleased to report a healthy set of results during the quarter and first half of the fiscal, registering a solid PAT growth of 68% in Q2 FY17. The robust growth radiates from our strong and diverse set of business skills coupled with a solid domain expertise. The period also saw notable progress marked across our operational agendas and key strategic parameters; our focus on improving scalability of our business model across key markets continues to gain a strong momentum.

Well-entrenched relationships with customers have, over time, helped us enhance our foothold beyond domains and geographies, imparting better business visibility. Our upcoming manufacturing facilities in Bangladesh are progressing well and moving ahead, we will continue to focus on scaling-up capacity across markets. Overall, we are positive about the prospects for our established and growth business segments and we believe, the Company is well-placed to capitalize on potential opportunities, given the unique business model, stellar brand equity, strong compliance policy, and an overall enriched business profile”

Wide Global Footprint to support long-term growth plans



- Over the last few years, PDS Multinational Fashions has widened its presence all across the globe
- Well entrenched relations with Retailers and Customers have further boosted group's global reach

Development & Design

- **Design-driven Company**
- **Over 150 in-house designers**
- **Develops over 1,000 new styles every month**
- **Produces over 10,000 samples every month**

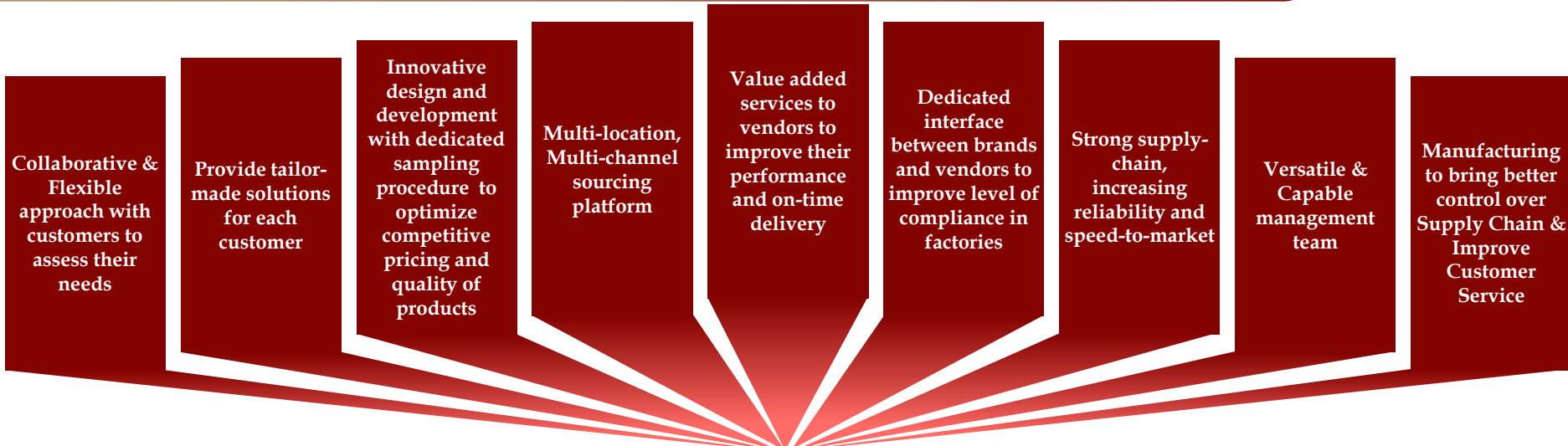
Design Studio & Product Development Centers

Asia	Hong Kong
	Sri Lanka
	Bangladesh
	China
	India
UK & Europe	London
	Manchester
	Turkey
	Spain

Capacity Utilization

- **Asset-light model**
- **Strong pool of over 1,000 outsourced factories in the various sourcing markets of the world**
- **The Company will be setting up Manufacturing facilities in Bangladesh under Progress Group and Green Smart Shirts(GSS) Group**
- **Sri Lanka facilities have been restructured and operates with 1,000 machines**

PDS - Operational Overview



Multiple Quality Checks of Consumer Goods

Efficient & Timely Delivery of Products to End-customers

Higher Consumer Satisfaction | Enhanced Brand Name | Financial Performance



Lateral Growth

- Enhancing levels of engagement with existing customers
- Business from repeat customers accounts for ~90% of the overall revenue
- Global presence being augmented leading to improved market penetration
- Scaling up distribution network in the Australia, Brazil, India, Middle Eastern Countries and LatAm
- Aggressively focusing on improving market share in the Emerging Markets, thus enhancing export share revenue



Optimizing Agency Model

- Improving focus towards agency model of operations with large retailers
- Safeguarded profitability margins
- Reduced operational costs
- Currently, revenue contribution from agency model around 5% - aiming for 10% in the longer-term
- Customers include ANWB (Exclusive), Trampolin, Wool worth and Wibra



Manufacturing Capacity Expansion

- Capacity expansion to assist medium term growth
- New dedicated facilities to be set-up in Bangladesh under Progress Group and Green Smart Shirts(GSS) Group
 - Land measuring 1,72,000 sq. ft allocated by Ishwardhi BEPZA to Progress Group
 - Progress Group also allotted a ready manufacturing-building of 135,000 sft at Adamjee
 - GSS Group setting up a shirts manufacturing unit on a 6 acres land



Strengthening Sourcing Base

- Diversifying and Expanding the sourcing base to newer regions
- Optimize Sourcing Base by financing Factories
- Focuses on improving the technical and ethical compliance at each factory
- Focusing on extending virtual manufacturing operations in select regions
- Expanding footprint in manufacturing markets - Bangladesh, Cambodia, China, India, Myanmar, Pakistan, Sri Lanka, Turkey



Embarking Technology Business

- Forayed into Technology business to develop and offer cloud-based software and mobile applications in HRM
- Development center set up in India. Teams employed to work on a cloud-based HRM solution & application for SMBs
- 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

A Win-win Business Model



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 three 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**

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Thank You