

PDS Multinational Fashions Limited

No. 758 & 759, 2nd Floor

19th Main, Sector -2, HSR Layout

Bengaluru – 560 102, Karnataka, INDIA

CIN: L18101DL2011PLC217162; Website: www.pdsmultinational.com



PDS/Listing/2015-16/47

February 16, 2016

The General Manager,
Corporate Service Department
BSE Limited
P. J Tower, Dalal Street, Fort,
Mumbai-400001

Scrip Code: 538730

SUB: Investor Presentation for Quarter and Nine Months Ended 31.12.2015

Dear Sir / Madam,

Please find attached herewith the financial update for the Quarter and Nine Months ended 31st December, 2015 for 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

A handwritten signature in black ink, appearing to read 'Chandra Kishor Jha', written over a horizontal line.

[Chandra Kishor Jha]
Company Secretary



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.



Operational & Financial Highlights Q3 & 9MFY2016



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 GLOBALLY

150

OWN DESIGNERS IN KEY MARKETS

3,886

REVENUES STOOD AT

RS. CRORE IN FY15

2,000+

OPERATES

MACHINES IN FACTORIES

<0.12

LONG-TERM DEBT / EQUITY RATIO

18

GLOBAL PRESENCE IN OVER

COUNTRIES

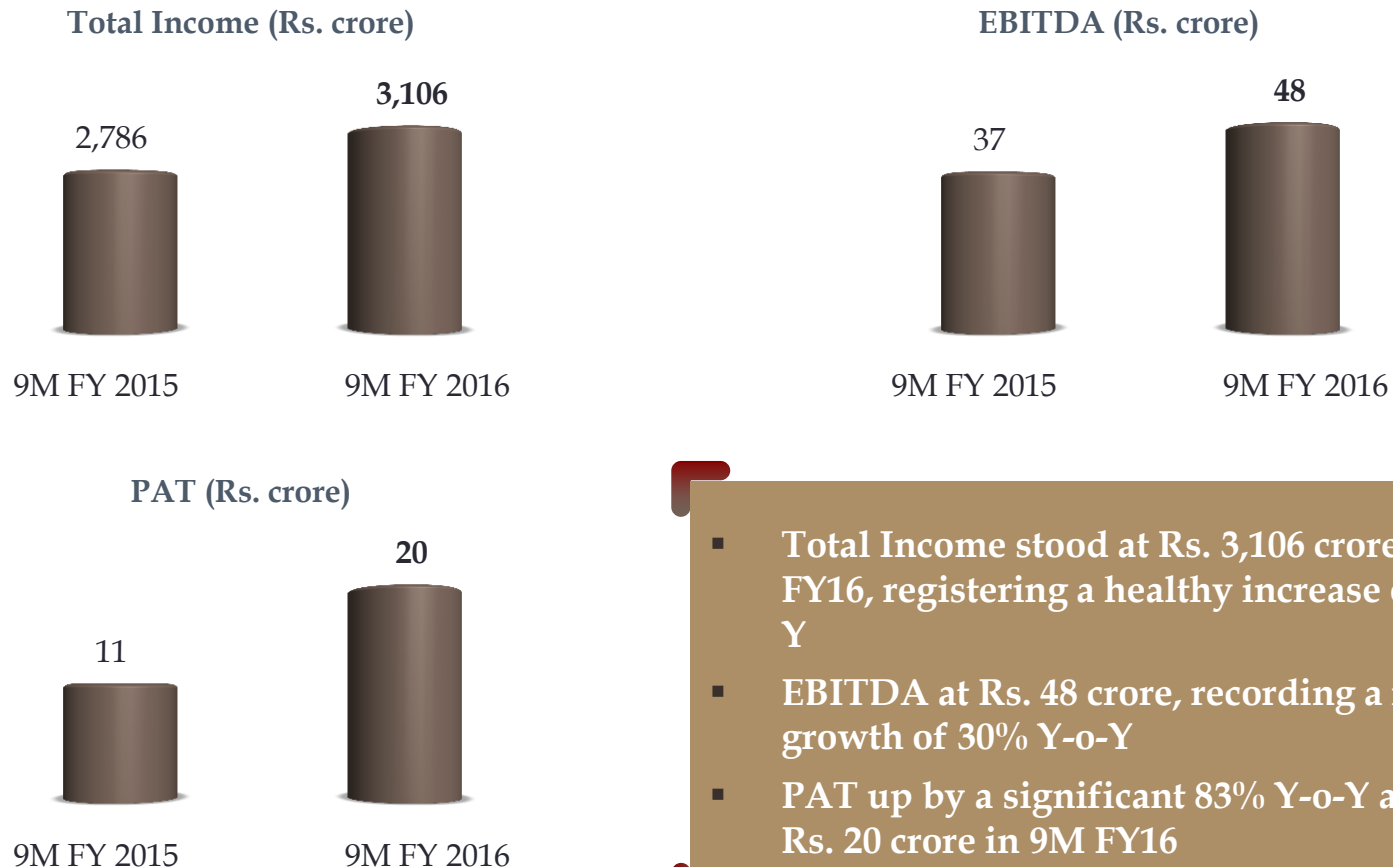
75

OVER

CUSTOMERS ADDED IN THE LAST 24 MONTHS

9M FY16 – Performance Highlights

Strong improvement in Profitability: EBITDA increases by 30% Y-o-Y; PAT up by 83%



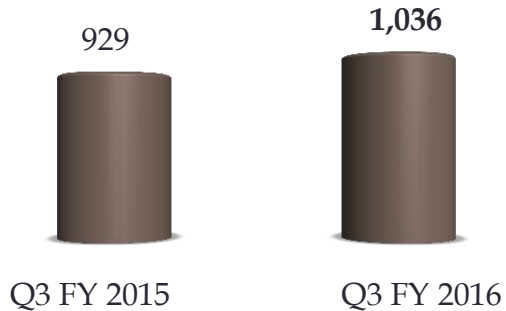
- Total Income stood at Rs. 3,106 crore during 9M FY16, registering a healthy increase of 11% Y-o-Y
- EBITDA at Rs. 48 crore, recording a robust growth of 30% Y-o-Y
- PAT up by a significant 83% Y-o-Y and stood at Rs. 20 crore in 9M FY16

Note: Total income and EBITDA include Other income, which also comprises of currency gains or losses. PDS Multinational, having global operations, hedges its currency risk with forward contracts and avoids entering into complex derivatives

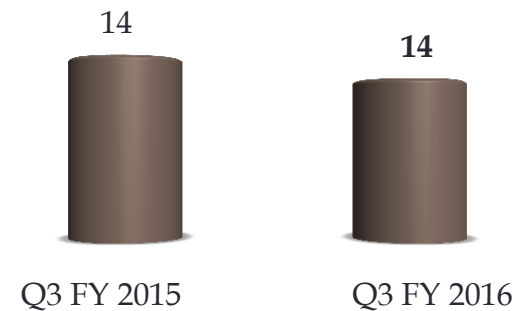
Q3 FY16 – Performance Highlights

Total Income increases by 12% ; Gross profit higher by 16%

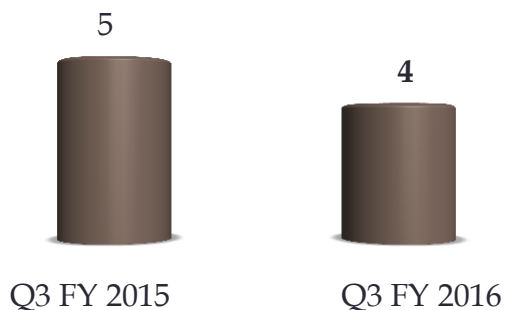
Total Income (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs. crore)



- Total Income stood at Rs. 1,036 crore during the quarter, higher by 12% Y-o-Y
- Gross Profit at Rs. 151 crore, higher by 16% Y-o-Y
- EBITDA at Rs. 14 crore in Q3 FY16
- PAT stood at Rs. 4 crore in Q3 FY16, translating into EPS of Rs. 0.67

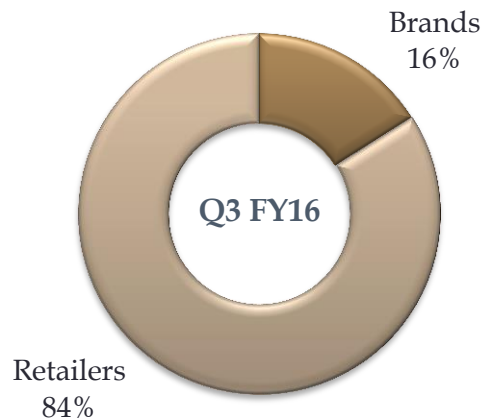
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Abridged Profit & Loss Statement - Consolidated

Rs. crore

Particulars	Q3 FY15	Q3 FY16	9M FY15	9M FY16
Total Income	929.25	1,036.48	2,785.92	3,105.90
Material Cost				
- Purchases of Stock-in-Trade	748.37	881.67	2,175.23	2,641.77
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	51.26	4.07	215.50	11.57
Gross Profit	129.62	150.73	395.19	452.56
Gross Margin (%)	13.95%	14.54%	14.19%	14.57%
Employee Expenses	51.31	59.30	163.20	179.68
Other Expenses	63.92	77.46	195.32	225.08
EBITDA	14.40	13.98	36.68	47.80
EBITDA Margin (%)	1.55%	1.35%	1.32%	1.54%
Depreciation	3.87	4.29	11.28	10.39
Finance Cost	3.69	3.61	11.89	12.14
Profit Before Tax	6.84	6.07	13.51	25.27
Tax Expenses	2.22	1.98	2.67	5.45
Profit After Tax	4.62	4.09	10.84	19.82

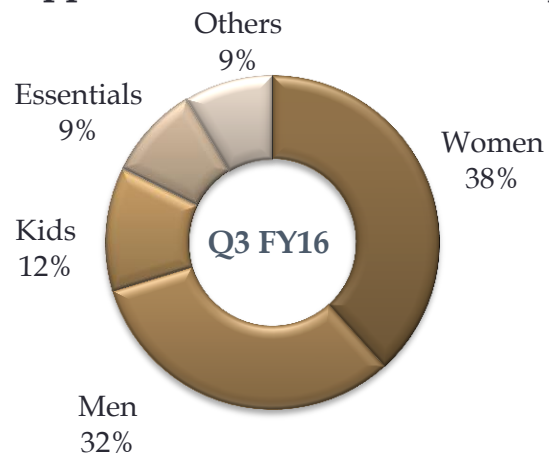
Customer-wise Revenue Break-up



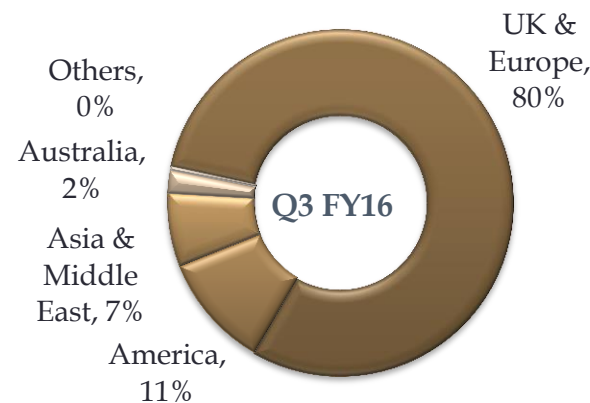
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



Region-wise Revenue Breakup *

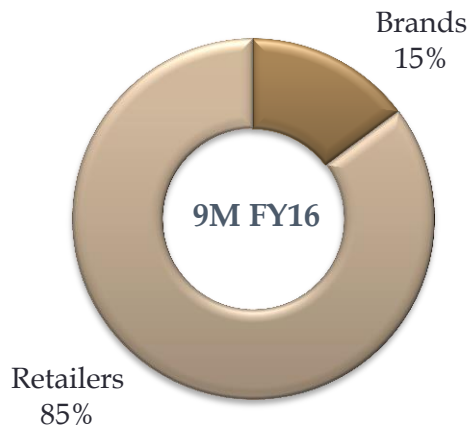


Note:

- * - Based on customer locations, reclassified wherever necessary

Key Metrics – 9M FY16

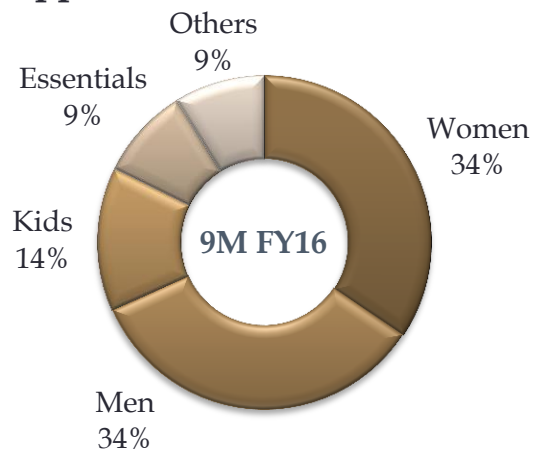
Customer-wise Revenue Break-up



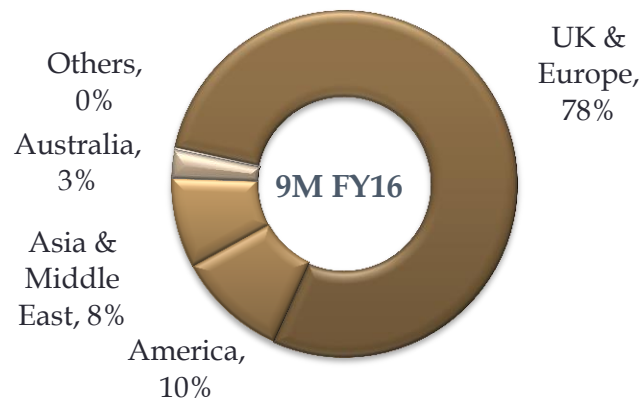
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



Region-wise Revenue Breakup *



Note:

- * - Based on customer locations, reclassified wherever necessary

Customer-centric organization

Customer base of 190+
Global Leading Retailers and
Brands

Long-term relationships with
25 brands

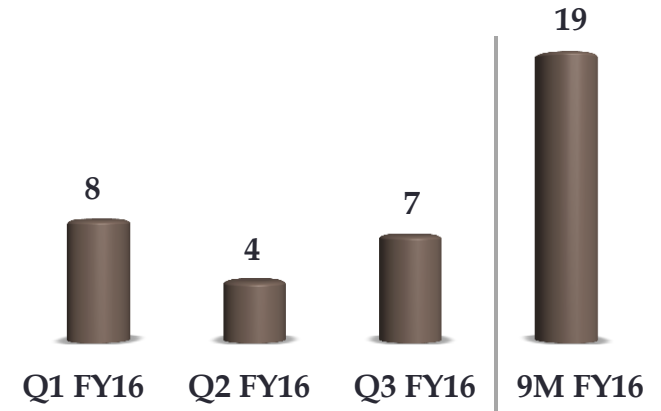
Despite Macro-volatility, Outlook for Key Markets Remains Stable

Demand from Repeat Customers steady

Ongoing Healthy Customer Engagements

Continued Scale-up in Newer Geographies

Customer Additions (Nos)



* Customers with sales value more than USD 100K

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

“We are pleased with our performance for the period ending December 2015, especially considering materially slower pace and volatile shifts in the global economy. The Company continued to deliver healthy progress in this environment, with revenues increasing 11% Y-o-Y in 9M FY16, translating into a significant PAT growth of 83%. The unique strength of brand ‘PDS’ constantly resonated well with our worldwide client base, with each of our product verticals and geographies delivering steady growth.

Our strategic initiatives to expand business also continue to yield solid results; the third quarter saw the Company growing its footing across targeted high-potential geographies of Brazil, Middle Eastern Countries and LATAM, while also strengthening market share in established regions of UK & Europe.

We firmly believe that our unique business model is a key differentiator for us and moving ahead, we will continue to deploy new strategies to add strength and depth to our existing business skills. At the same time, our goal remains on adding scalability to our established and growth businesses through enhanced market share and elevated brand name. Overall, we will strive to deliver a healthy operating performance, going forward”

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**

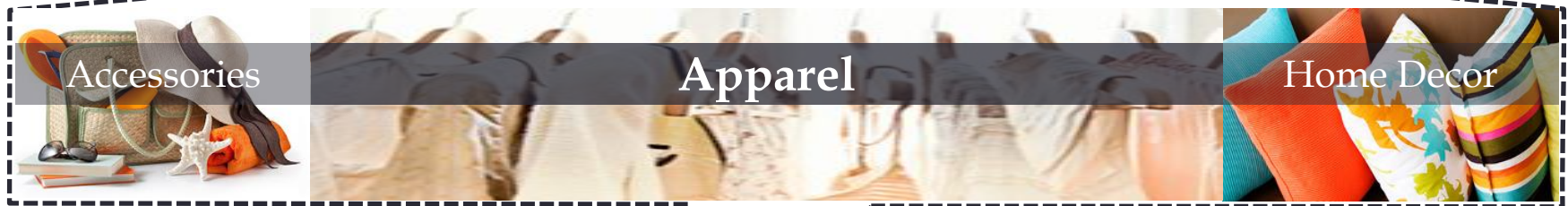
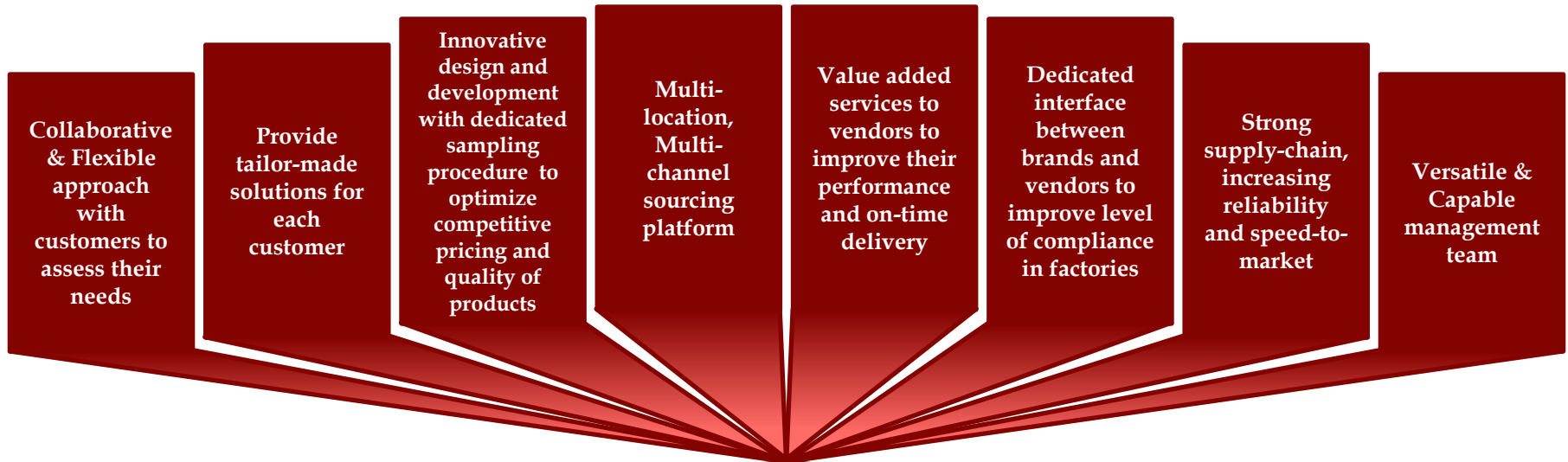
Capacity Utilization

- **Asset-light model**
- **Strong pool of over 1,000 outsourced factories in the various sourcing markets of the world**
- **Efficient production capacity of over 25 million pieces/per annum**
- **Plans to invest in further 10,000 new machines over the next 3-4 years**
- **Manufacturing facilities in Sri Lanka & Bangladesh**
 - ❑ 4 factories
 - ❑ Operates over 2,000 machines
 - ❑ Capacity at 2 million pieces/per month

Design Studio & Product Development Centers

Design Studio & Product Development Centers	
Asia	Hong Kong
	Sri Lanka
	Bangladesh
	China
	India
UK & Europe	London
	Manchester
	Turkey
	Spain

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 95% of the overall revenue in FY15
- 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% in FY15 – aiming for 10% in the longer-term



Manufacturing Capacity Expansion

- The Company is planning to expand its capacity by further investing in 10,000 new machines over the next 3–4 years
- Capacity expansion will assist medium term growth
- New dedicated facilities to be set-up in Bangladesh
- Land measuring 1,72, 000 sq. ft allocated to the Company in Bangladesh by Ishwardhi BEPZIA



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, Morocco, Myanmar, Pakistan, Sri Lanka, Turkey

A Win-win Business Model



PDS Multinational Fashions

PDS Multinational Fashions 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 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 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:

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Thank You