




PDS
Multinational Group

November - 2015
Corporate 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.

Quick Facts

190+

GLOBAL LEADING RETAILERS
AND BRANDS AS CUSTOMERS

2,300

ASSOCIATES
WORLDWIDE

OPERATES IN OVER

31

OFFICES GLOBALLY

150

OWN DESIGNERS IN
KEY MARKETS

REVENUES STOOD AT

3,886

CRORE IN FY15

OPERATES

2,000+

MACHINES IN FACTORIES

<0.12

LONG-TERM DEBT/
EQUITY RATIO

GLOBAL PRESENCE IN
OVER

18

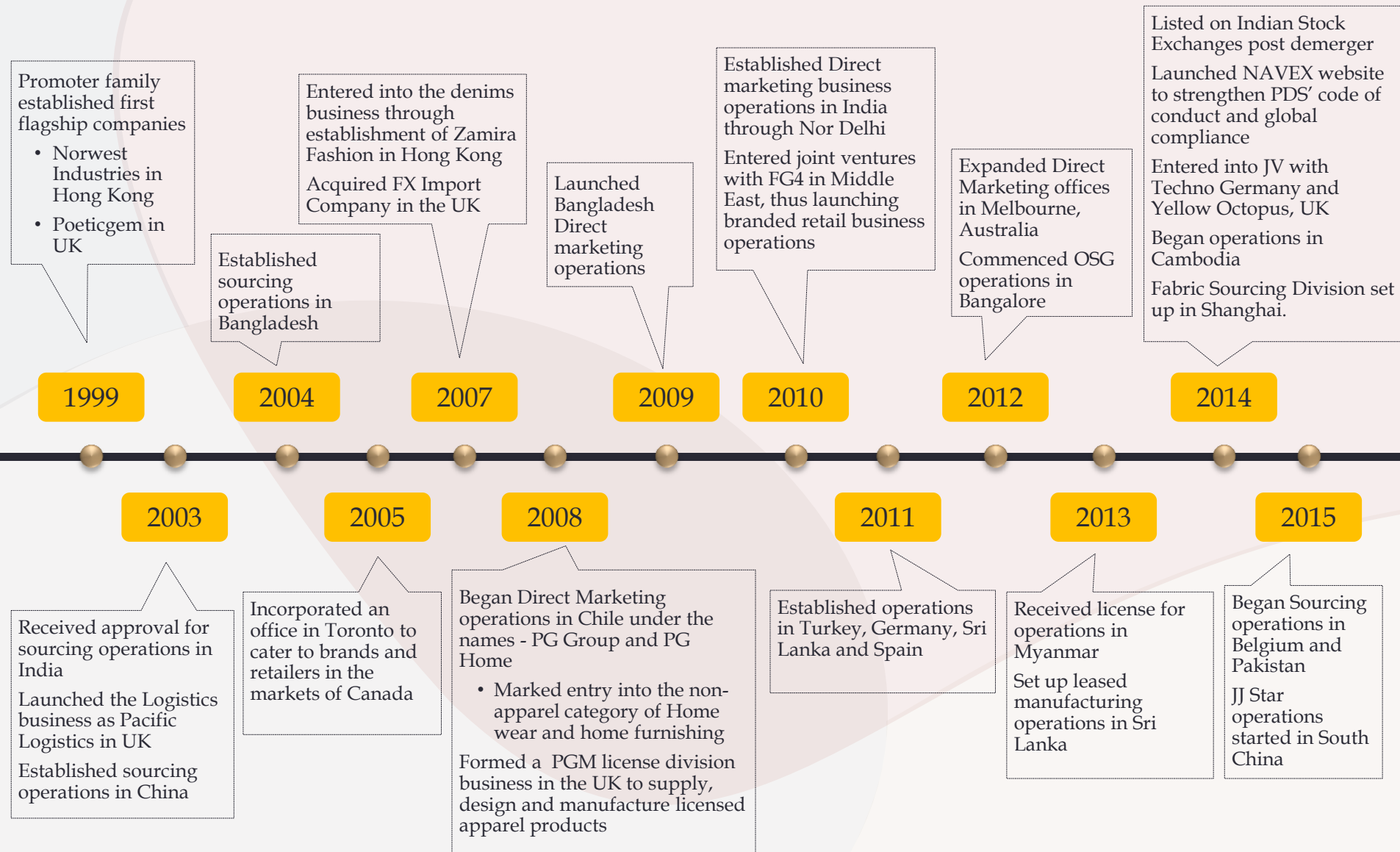
COUNTRIES

OVER

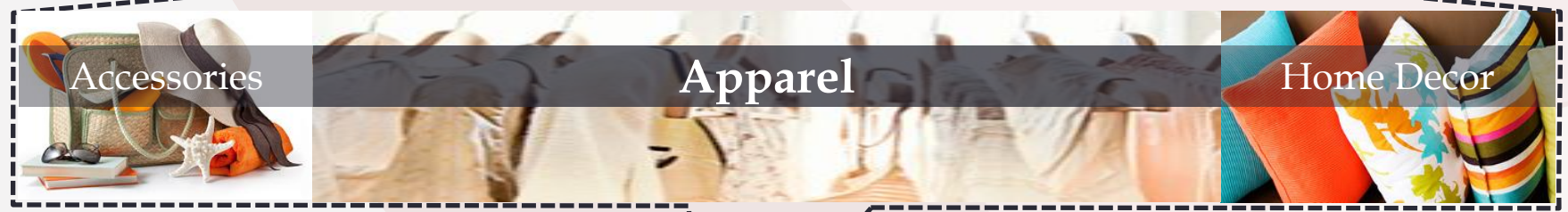
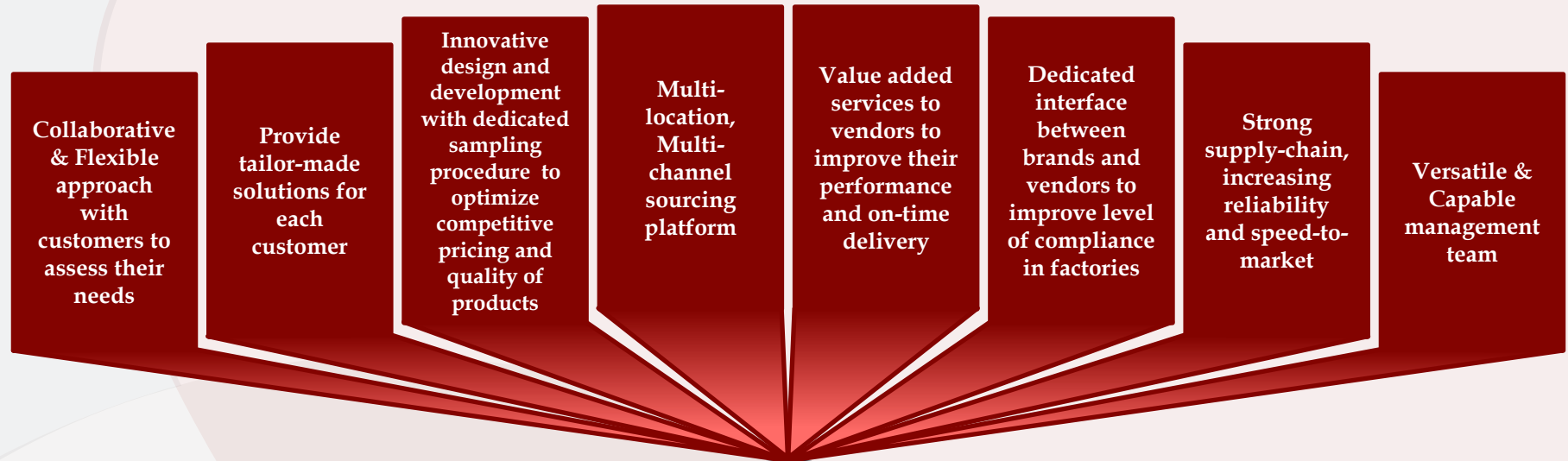
75

CUSTOMERS ADDED IN THE
LAST 24 MONTHS

Milestones



PDS - Operational Overview



Multiple Quality Checks of Consumer Goods

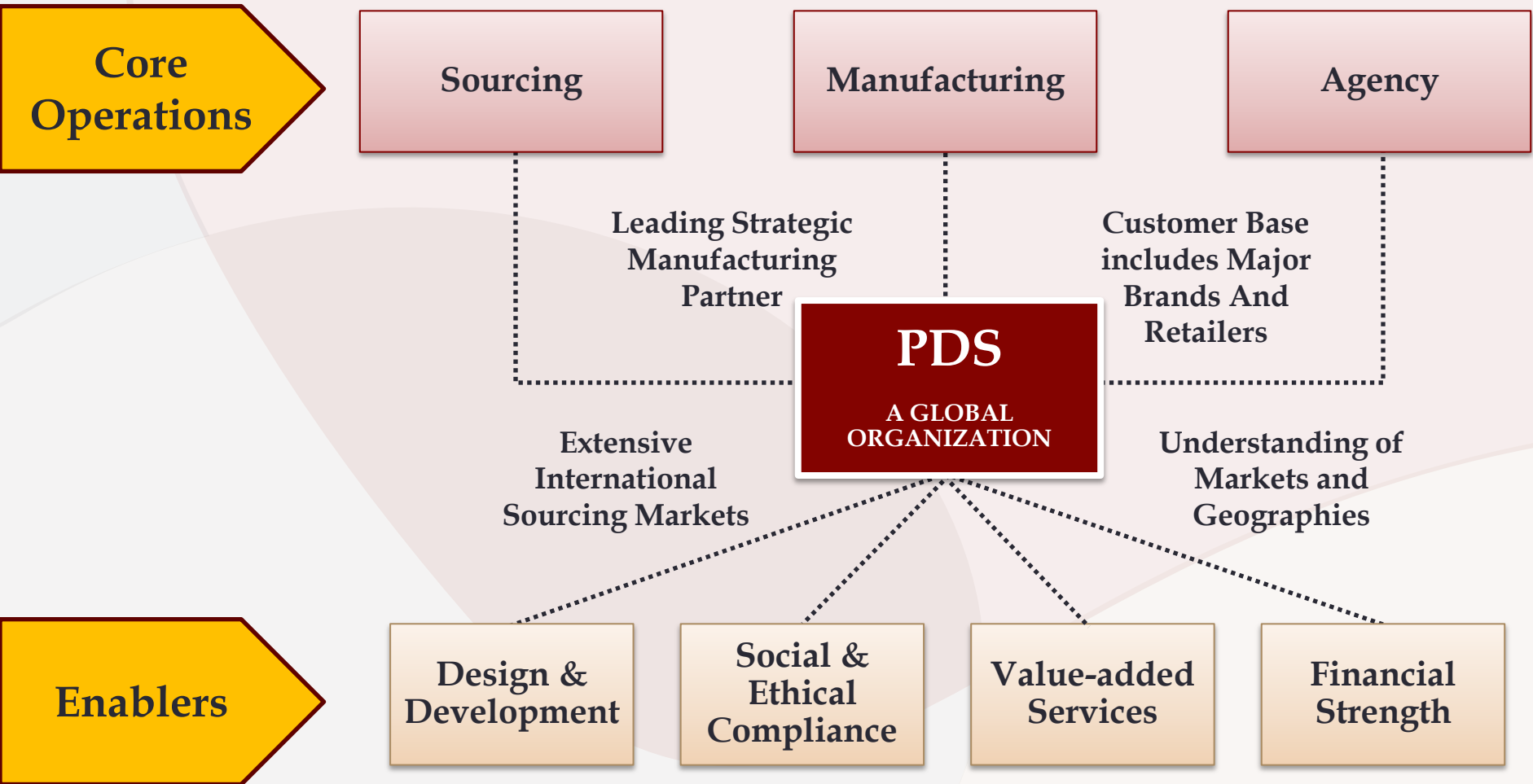


Efficient & Timely Delivery of Products to End-customers

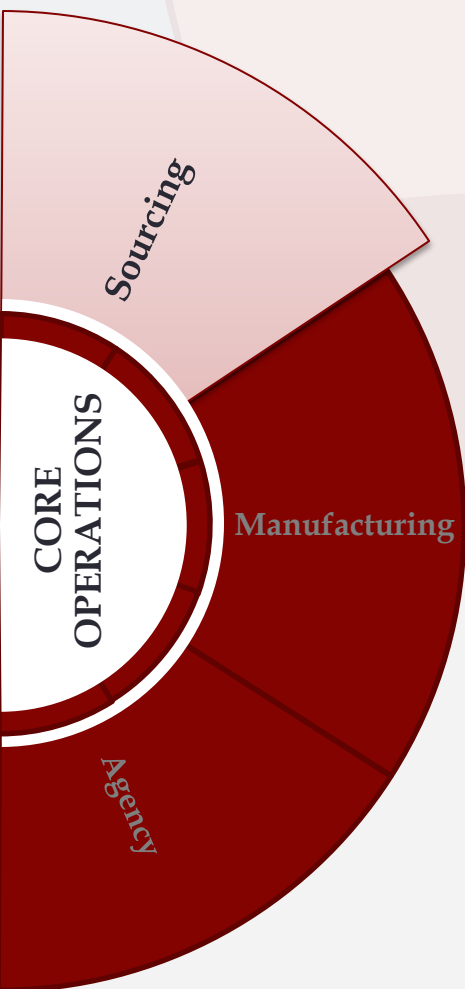


Higher Consumer Satisfaction | Enhanced Brand Name | Financial Performance

Company Overview

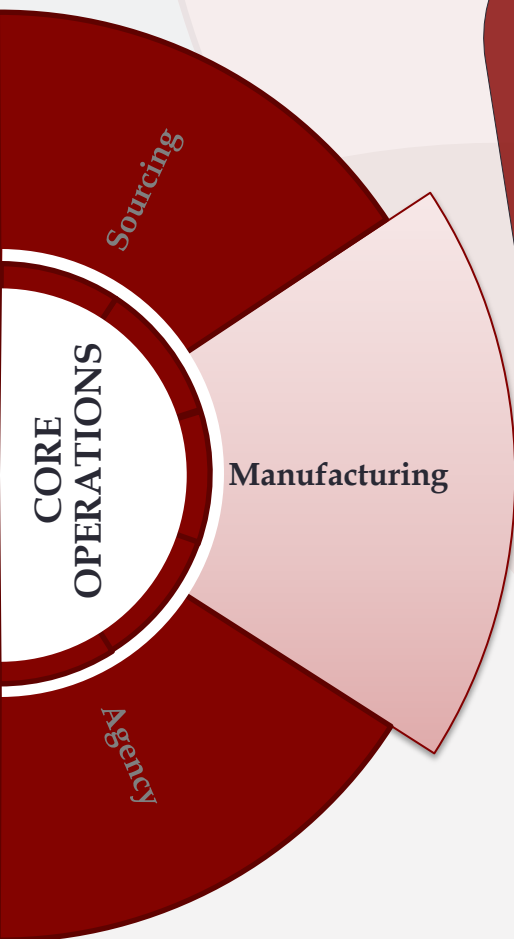


Core Operations



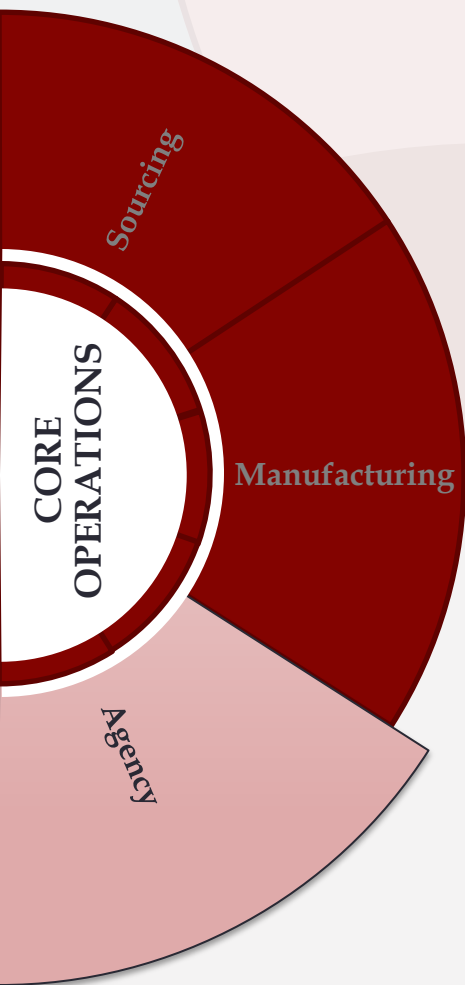
- Strong relationships with manufacturers across key sourcing geographies – Bangladesh, Cambodia, China, India, Morocco, Myanmar, Pakistan, Sri Lanka, Turkey
- Delivers complete sourcing solutions to global customers
- Global supply chain process management for major retailers and brands
- Extensive network of over 1, 000 suppliers to meet end customers' demands
- Adherence to highest benchmarks of quality and time-to-market
- Market intelligence provided to sourcing partners
- Thrust on productivity & efficiency optimization





- Efficient production capacity of over 25 million pieces/ annum
- Dedicated manufacturing facilities
 - 4 factories in Sri Lanka
 - Operates over 2, 000 machines
 - Capacity of 2 million pieces/ month
- New dedicated factories to be set-up in Ishwardhi, Bangladesh - Land allocated by Ishwardhi BEPZIA measuring 1, 72, 000 sq. ft
- Actively pursues virtual manufacturing operations in select regions
- Provides manufacturing training for factories to bring down lead times and improve time-to-market operations
- Offers financial support to select vendors
- Emphasis on enhancing technical and ethical compliance as well as productivity of factories both owned & partnered



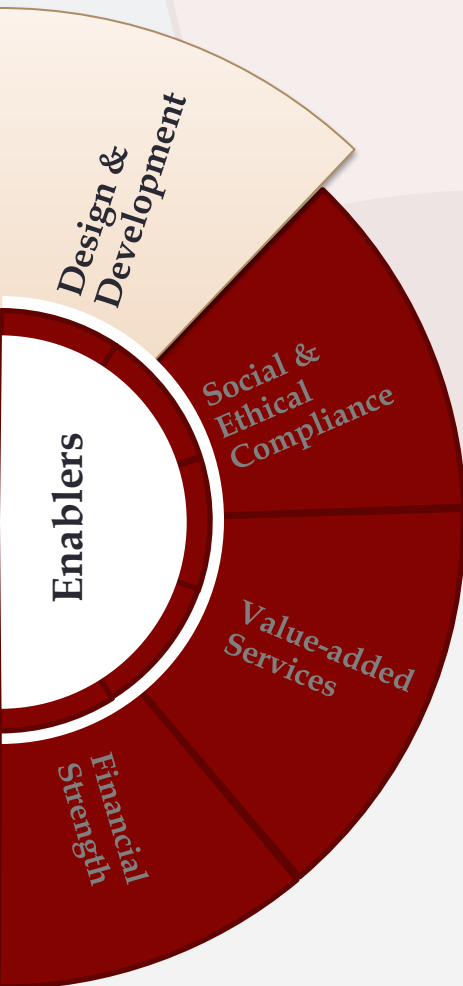


- A-la-carte approach towards managing the entire supply chain execution of end-customers
 - Sourcing
 - Design
 - Quality Check
- Minimized risks of cancellation/delays from customers
- Low overheads & operational costs
- Enhanced Customer transparency and control of the operations
- Provides in-house expertise and market know-how in managing global trade
- Proactive approach towards regulation-compliant goods
- PDS Multinational is an exclusive sourcing agent in Asia for ANWB





Enablers



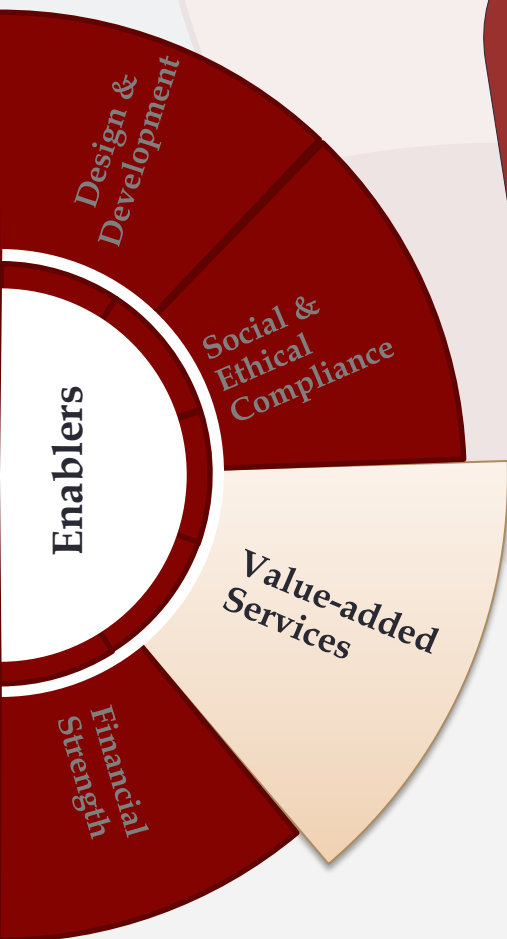
- Over 150 highly qualified in-house designers
- Develops over 1,000 new styles every month
- Produces over 10,000 samples every month
- In-house product development, design, sampling, and technical teams
- Team of Design specialists comprehensively track and deliver the latest trends in business
- Large proportion of total products sourced and sold are designed by the Company itself
- Operates own sample rooms managed by experienced product development professionals, resulting in a high-quality stylish final product
- Offers customized and innovative products to cater specifically to the customers' target markets





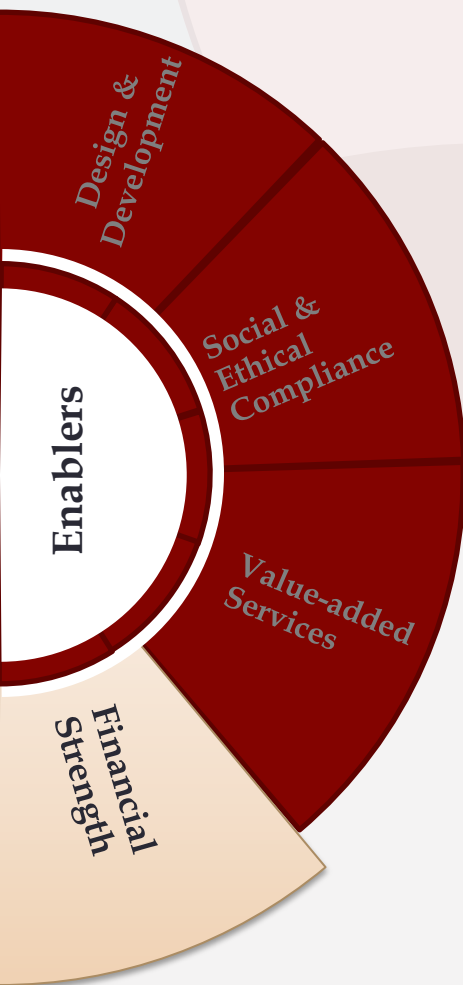
- Great emphasis on core PDS values - Transparency, Ethics and Social Compliance
- Invested in Navex Global, a leading solution provider of GRC management processes, to ensure highest level of compliance and ethics in the garments industry
- PDS' Code of Conduct is highly stringent
- Senior management at PDS Group immediately alerted to any breaches of the Code of Conduct
- Focus on improving working and environmental conditions for factory employees across all regions
- Rigorous on-going audits ensure vendor partners to be in complete compliance with local social, labour, human rights and environmental standards





- An array of value-added services offered to vendors
 - Financing
 - Quality and operational assistance
 - Compliance and Ethics implementation
- Improves operational performance and on-time delivery speed of vendors
- Financial assistance to help execute and deliver large orders
- Dedicated teams set up for each customer to ensure the highest level of quality, service and confidentiality
 - Accredited laboratory for quality assurance
 - In-house washing and finishing experts to maintain finishing standards
 - Stringent factory evaluations, on-site production monitoring and inspection at in-house lab
- Fabric Sourcing Division support in China
- Design Hub in the UK supported by designers and product development teams across geographies





- Financially strong business – 2 year revenue CAGR at 14%
- Healthy Balance Sheet
- Asset-light business model
- Large credit and working capital limits with several banks across geographies
- Bridges the gap between quality small vendors and large global brands
- Provides Financial assistance to select and qualified vendors
 - Offers CMT (Cut, Make and Trims) operations to support select and qualified vendors
 - Advance payments/Pre shipment finance support to procure raw material
- Financial Risk management – Inventory, Forex & Credit



Mitigating Inventory Risk

Commencement of Production Only After Having Secured Credit Payment Terms

Strict Policy of Partnering with AAA+ Rated Customers

All Orders Pre-sold



Minimal Inventory Risk

Taking PDS to the Next Level

Scaling-up PDS



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

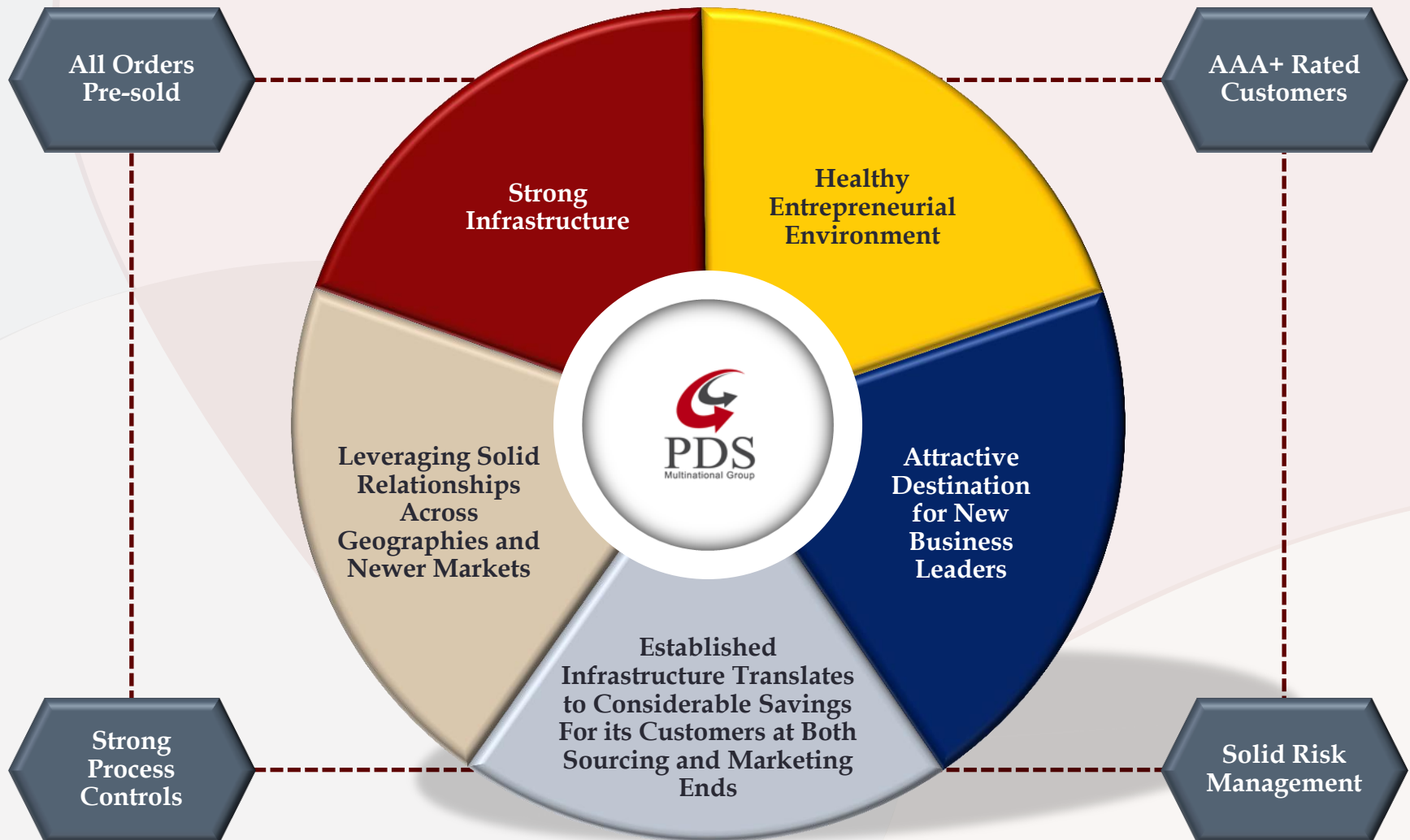
PDS Global Presence

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
- Expansion of operations in progress in Bangladesh, Belgium, Cambodia, China, India, Myanmar, Pakistan, Sri Lanka & Turkey
- Well entrenched relations with Retailers and Customers have further boosted group's global reach

PDS – A Win-win Business Model



PDS – Business Cycle

GROWTH BUSINESSES

- Term : < 3 years since inception
- High-growth & Scalable Businesses
- Investments towards building solid growth foundation
 - Identifying new-customer relations
 - Putting in place infrastructure
 - Business development
- Well defined agreed strategy with tangible targets
- Periodic reviews to ensure progress in line with plan

After 3 years,

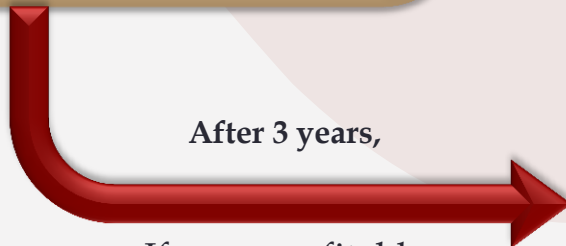


If, profitable

ESTABLISHED BUSINESSES

- Term: \geq 3 years since inception
- Demonstrated strong operational & financial performance
- Established customer relationships
- Focus on expanding customer base
- Deriving business from repeat customers
- Enhanced ROI
- Healthy margin contribution

After 3 years,



If, non-profitable

Restructure

Emphasis of restructuring plan is on minimizing loss of investments to PDS - Future investments would be performance-linked

GROWTH BUSINESSES

- Initial investment in OPEX to support growth plans of businesses resulted in negative profitability
- Losses declined in FY15
- Thrust on periodic monitoring of performance; making course corrections if necessary
- Profitable or restructure post 3 years

Revenue Contribution from Growth Business
(Rs. crore)



PAT from Growth Business (Rs. crore)

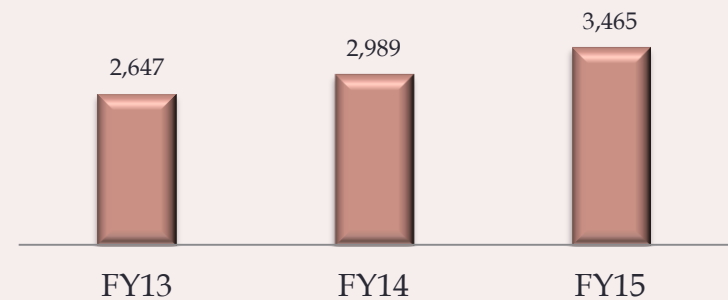


Financials

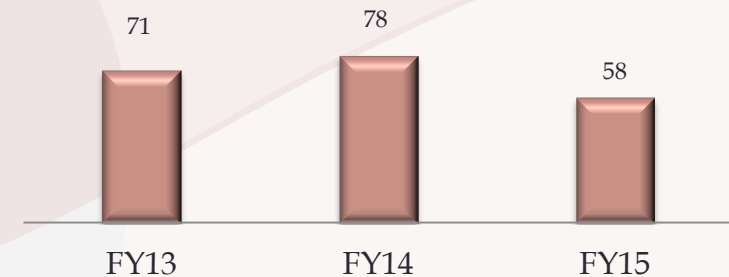
ESTABLISHED BUSINESSES

- All financials in this slide pertain to Established business
- Healthy growth in revenues
- Overall FY15 performance was reflective of the weakening consumer sentiment and increased volatility in most key markets
 - Decline primarily due to softening of retail markets and depreciation of currency
- Future business plans drawn realistically keeping in mind softer retail environment
- Going forward, emphasis will be on:
 - Partnering with customers
 - Reducing sensitivity to any particular customer
- Long-term growth prospects for mature businesses remain solid

Revenue Contribution from Established Business (Rs. crore)



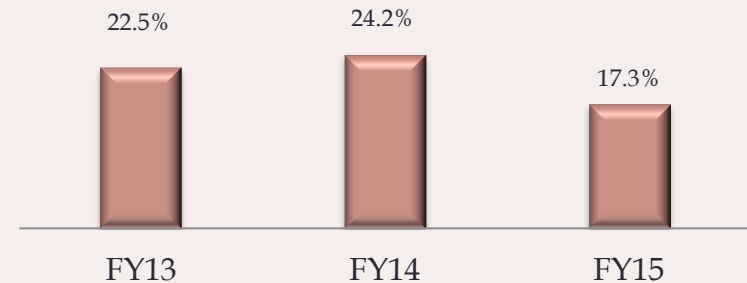
PAT from Established Business (Rs. crore)



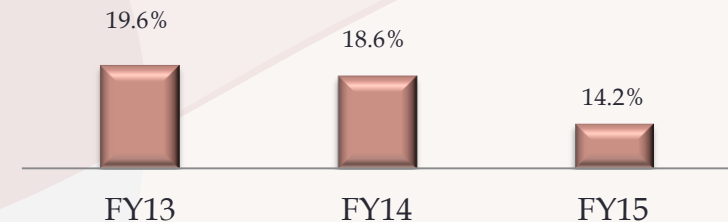
ESTABLISHED BUSINESSES

- All financials in this slide pertain to Established core business
- Non-core assets include investments in Property Residential and Warehouse in UK, and investment in Mutual funds, bonds and Retail.
- Calculation for Capital Employed (established business) : Total Net worth + Short Term borrowings - Capital employed of Growth business - Investment in Non-core assets

ROE for Established business (%)



ROCE for Established Business (%)

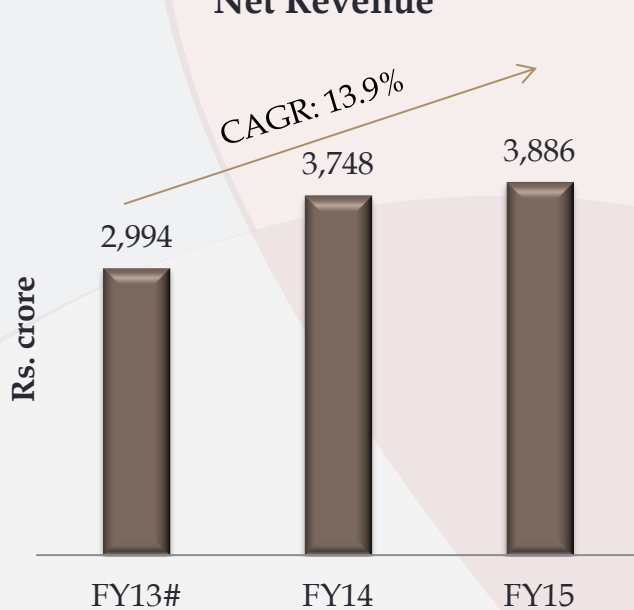


Consolidated Financials

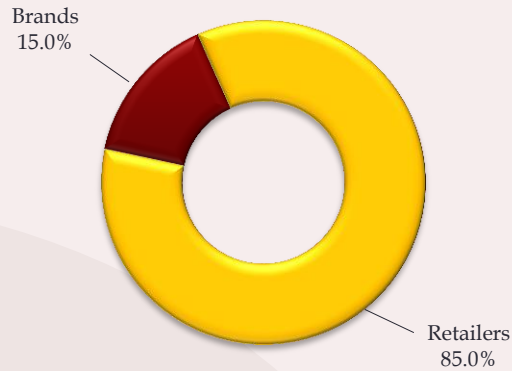
Financial Track-record - Consolidated

Revenues up by 14% CAGR over the last 2 years

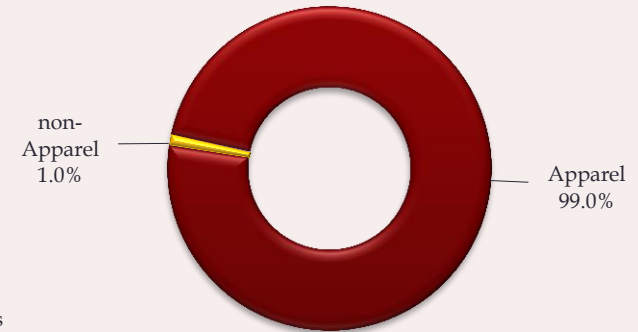
Net Revenue



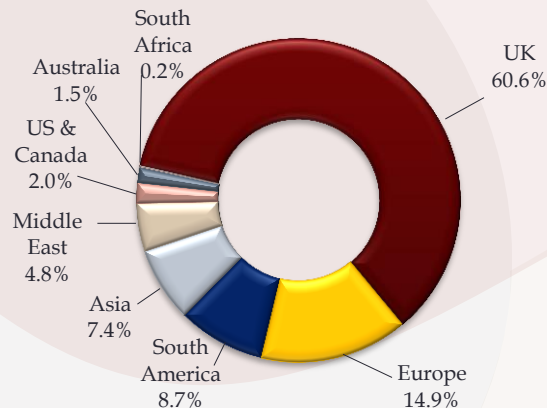
Customer-wise Revenue Break-up FY2015



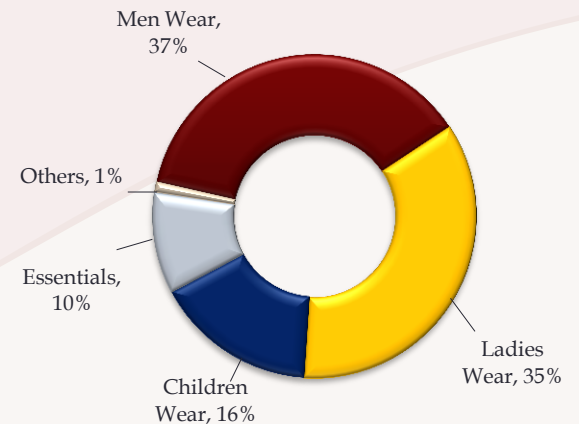
Product-wise Revenue Break-up FY2015



Region-wise Revenue Breakup * FY2015



Apparel-wise Revenue Break-up FY2015



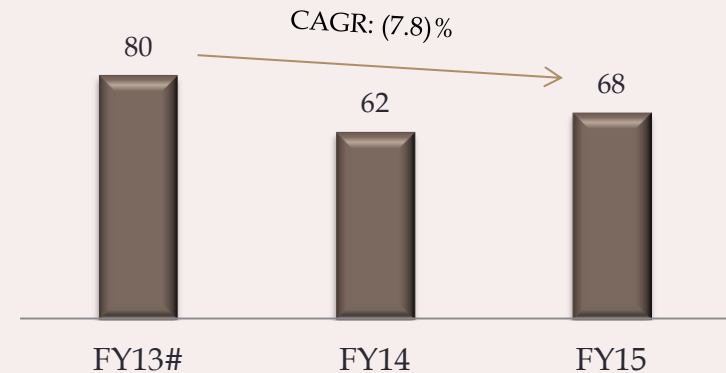
Note:

- * - Based on customer Locations
- # - Pro-forma financial numbers

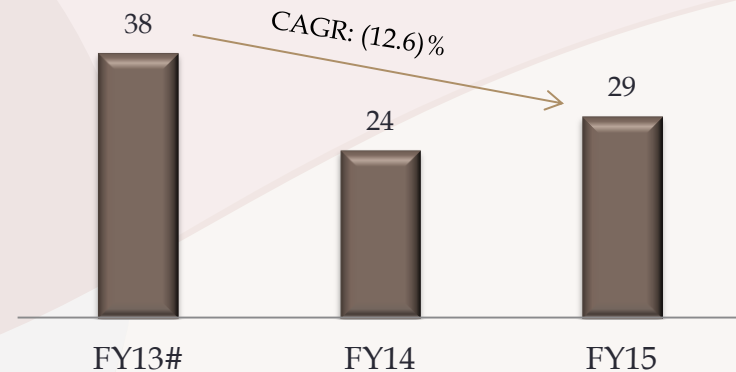
Profitability - Consolidated

- In FY2013, large fires in the garment and textile factories, collapse of multi-storied factory in Bangladesh severely disrupted the Company's operations, which led to higher costs and investments, thereby affecting the Company's profitability in FY14
- Strategic initiatives taken are expected to show considerable improvement in profitability, going forward

EBITDA (Rs crore)



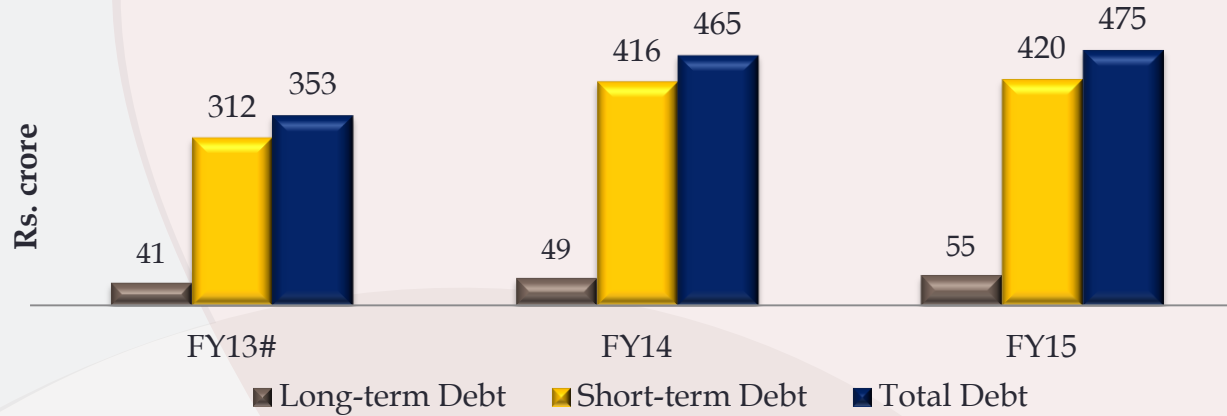
PAT (Rs crore)



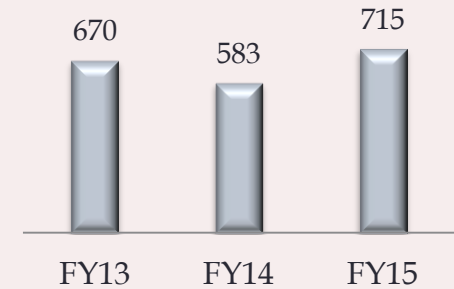
Note:

- # - Pro-forma financial numbers

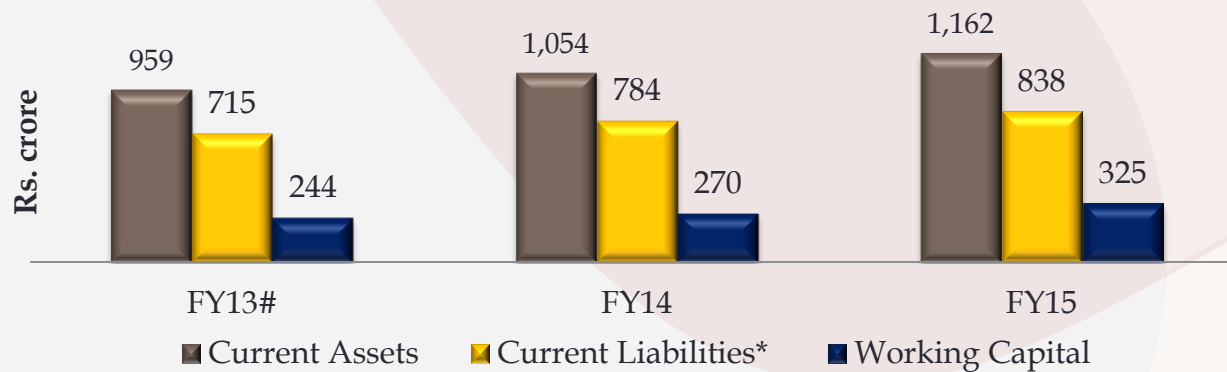
Key Financials - Consolidated



Receivables (Rs crore)



Receivables consistently higher than short-term/Working Capital Debt



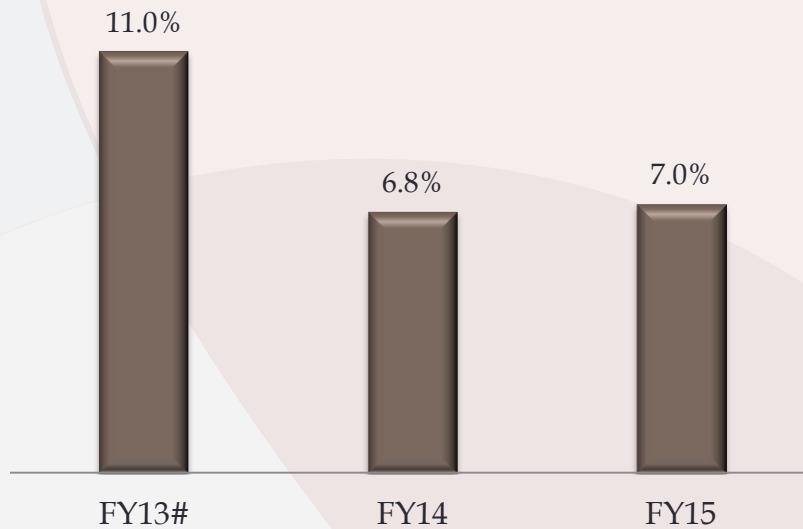
* - Current Liabilities includes Short-term borrowings

Note:

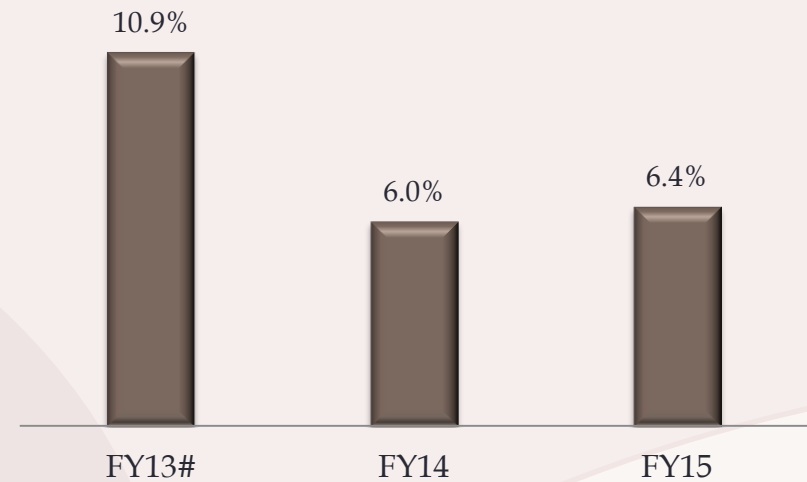
- # - Pro-forma financial numbers

Key Ratios - Consolidated

ROCE



ROE



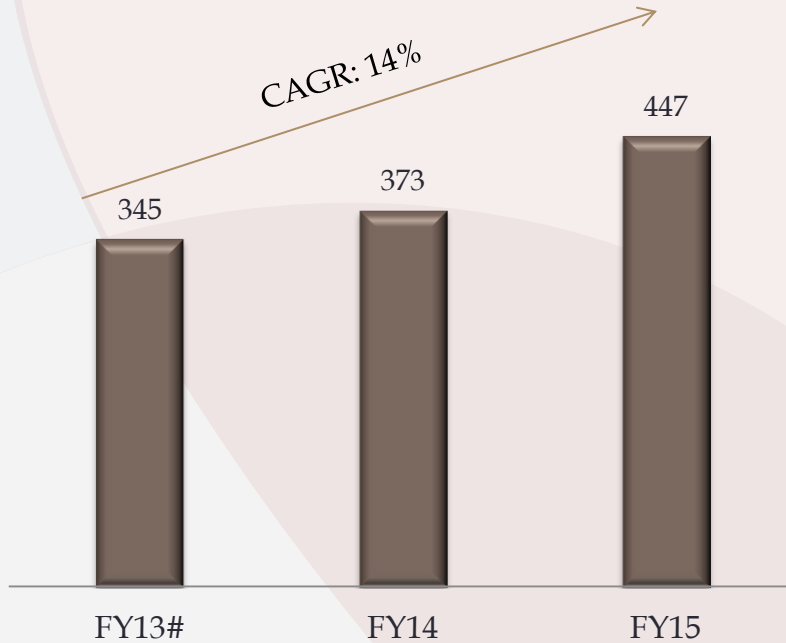
- With increased investments in Growth business and weak retail impacting profitability of the overall business, has resulted in lower return on Equity and Capital Employed.

Note:

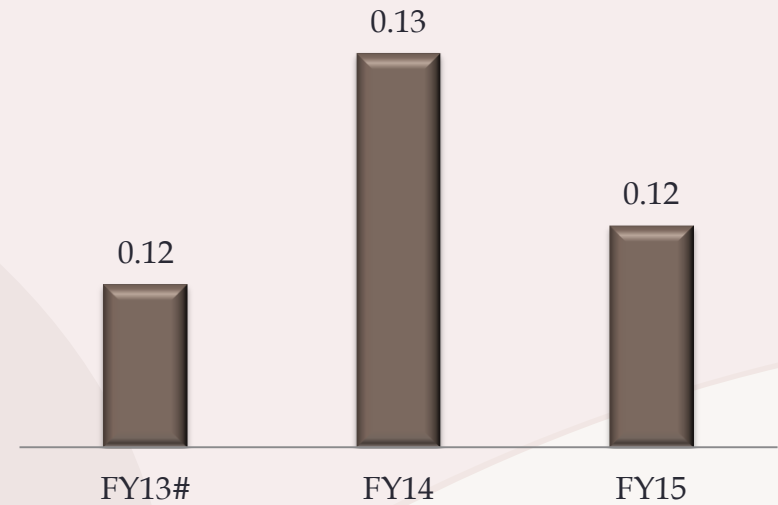
- # - Pro-forma financial numbers
- Calculation for Capital Employed: Total Assets - Current liabilities

Key Financials - Consolidated

Net Worth (Rs crore)



Long-term Debt - Equity Ratio



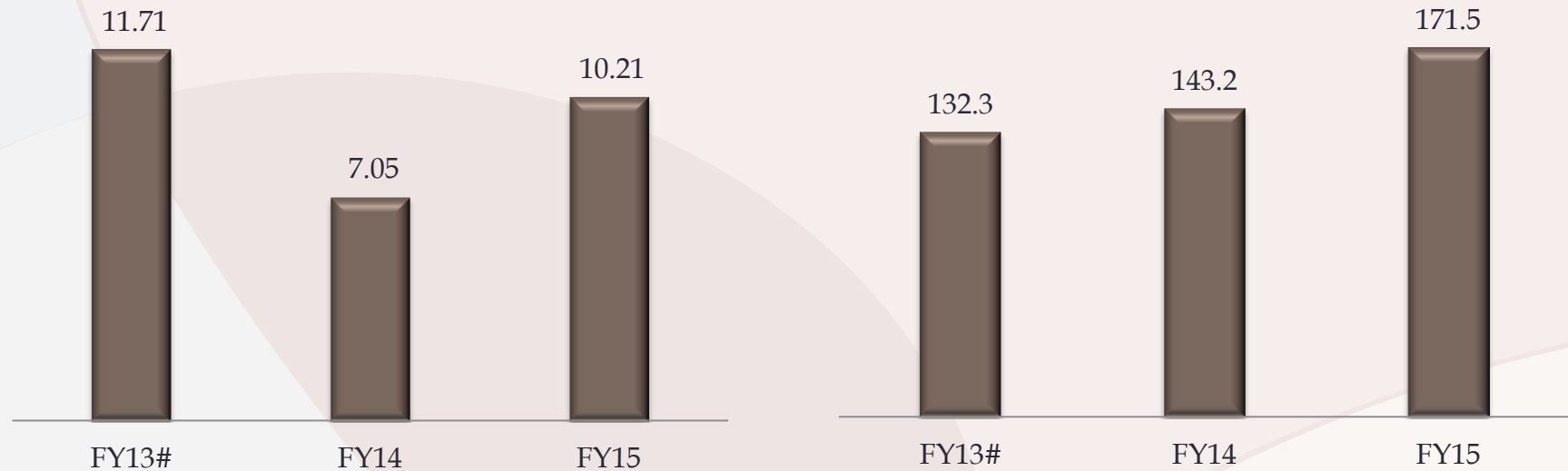
Note:

- # - Pro-forma financial numbers

Key Financials - Consolidated

Earning Per Share (Rs)

Book value per share (Rs)



Note:

- PDS Multinational Fashions was listed on the NSE & BSE in October 2014
- Stock Price (NSE) as on March 31, 2015 : Rs. 152.00. and Stock Price (NSE) as on September 30, 2015 : Rs. 182.30
- # - Pro-forma financial numbers

Abridged Balance Sheet - Consolidated

Rs. crore

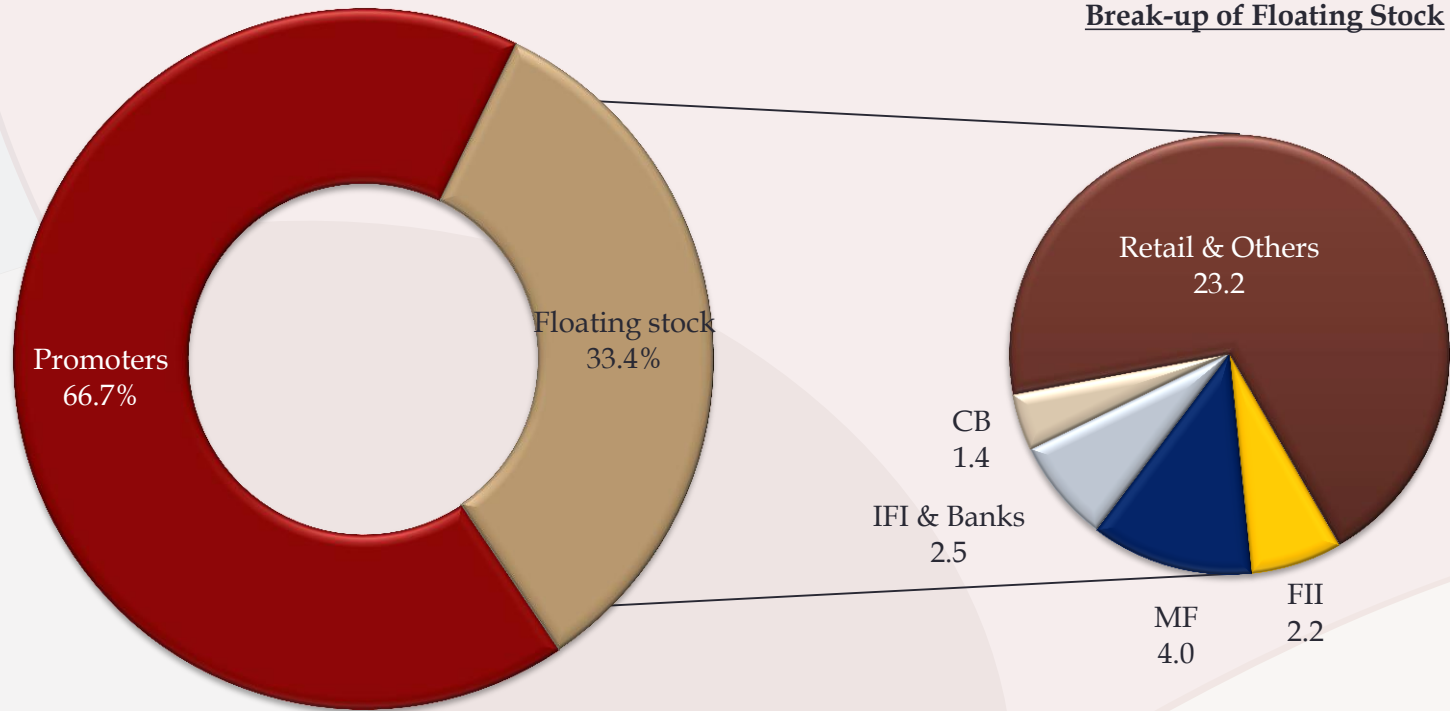
Application Of Funds	As at March 31, 2014	As at March 31, 2015
a) Non-current Assets	219.99	228.34
b) Current Assets	1,053.91	1,162.26
- Inventories	120.72	88.51
- Trade Receivables	583.17	715.09
- Cash & cash equivalents	211.89	177.16
- Others	138.14	181.50
Total	1,273.91	1,390.61
Working Capital	269.96	324.73
Working Capital Days	26.29	30.50
Inventory Days	13.98	9.65
Debtors Days	56.79	67.17
Creditors Days	34.92	32.87

Abridged Profit & Loss Statement - Consolidated

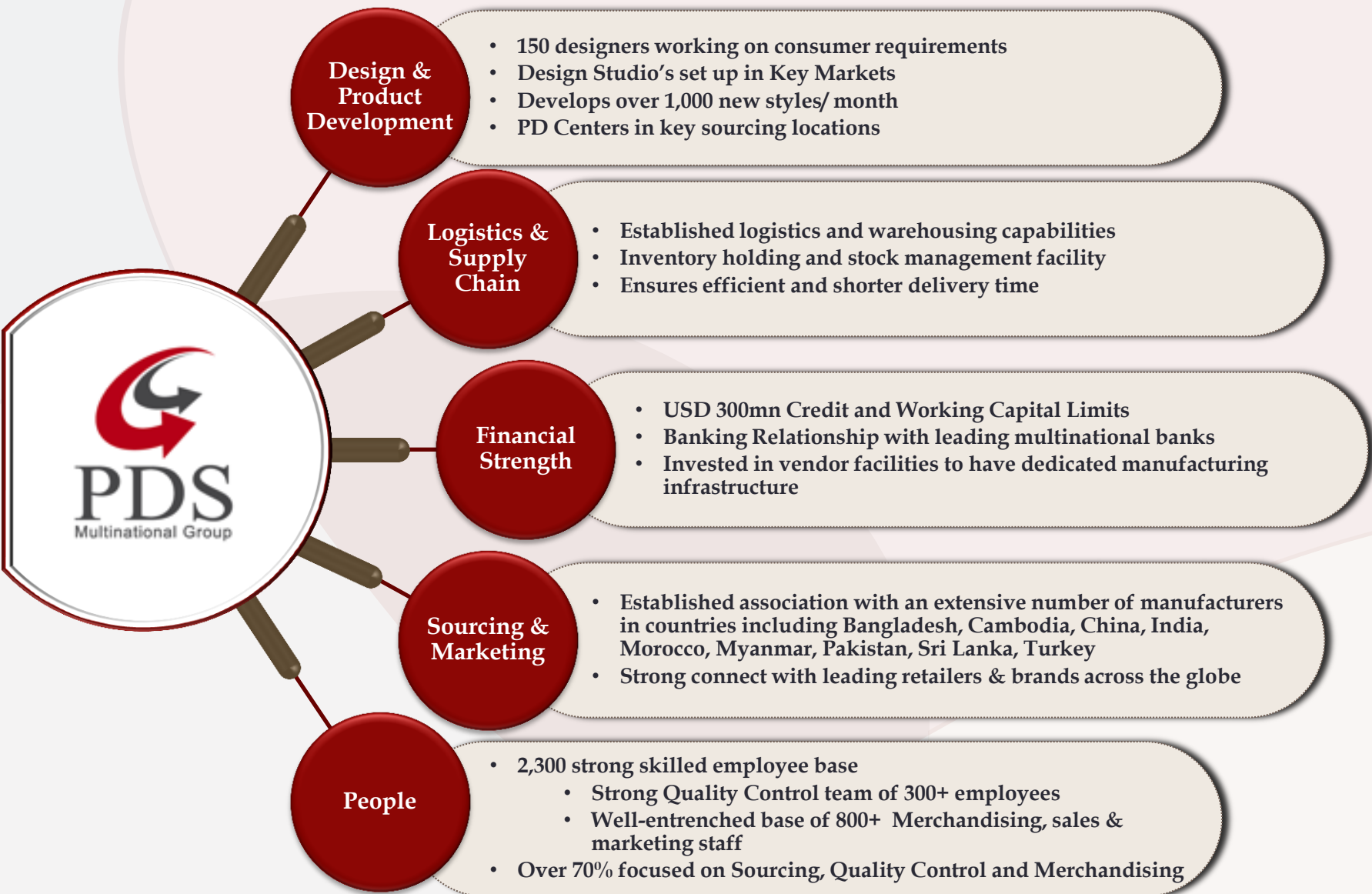
Rs. crore

Particulars	FY14	FY15
Total Net Revenues	3,748.07	3,885.99
Material Cost	3,164.57	3,337.11
- Purchases of Stock-in-Trade	3,152.67	3,349.20
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	11.90	(12.09)
Gross Profit	583.50	548.88
Gross Margin (%)	15.6%	14.1%
Employee Expenses	233.36	221.01
Other Expenses	291.20	260.46
EBITDA	58.94	67.41
EBITDA Margin (%)	1.57%	1.73%
Depreciation	15.53	14.63
Finance Cost	16.82	18.83
Profit Before Tax	26.59	33.95
Tax Expenses	2.82	5.41
Profit After Tax	23.77	28.54

Shareholding as on September 30, 2015



The PDS Edge





Thank You