## MONTE CARLO FASHIONS LIMITED

Regd. Office : B-XXIX-106, G.T: Road, Sherpur, Ludhiana - 141003 (Pb.) India. Telı: 91-161-5048610, 5048620, 5048630, 5048640 Fax : 91-161-5048650

June 24, 2020

| National Stock Exchange of Indla Limited | BSE Limited. |
| :--- | :--- |
| Exchange Plaza, $5^{\text {th }}$ Floor, Plot No. C/1, | Phiroze Jeejeebhoy Towers, |
| G-Block, Bandra-Kurla Complex, |  |
| Bandra (E), Mumbai-400051. | Dalal Street, <br> Mumbai-400001. |
| Symbol: MONTECARLO | Scrip Code: 538836 |

## SUB: Q4FY20 INVESTOR PRESENTATION

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation for the Quarter and Financial Year ended March 31, 2020.

You are requested to take the same on record and acknowledge the receipt.

Thanking You,

FOR MONTE CARLO FASHIONS LIMITED


COMPANY SECRETARY \& COMPLIANCE OFFICER

Encl. As Above

## MONTE CARLO

It's the way you make me feel


## MONTE CARLO FASHIONS LIMITED <br> Q4 \& FY20 INVESTOR PRESENTATION



## DISCUSSION SUMMARY

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MONTE CARLO
It's the way you make me feel


## STRONG PEDIGREE

- Leading Winter wear Brand, launched in 1984 and part of Oswal Woollen Mills Ltd
- Recognised as "Superbrand" for woollen knitted apparel in each edition of Consumer Superbrands India



## IN HOUSE DESIGNING TEAM

- Strong design team of over 30 professionals closely tracking the trending global fashion


## WIDE REACH

- Presence across India through a judicious mix of EBOs, MBOs and Shop in shop ,distributors and national chain stores and online
- Located in 20 states \& 3 union territory



## DIVERSIFIED PRODUCT PORTFOLIO

- Successfully diversified brand across segments like Woollen , Cotton, Kids, Home Furnishing


| Range | Woollen | Cotton | Home Furnishing | Kids |
| :---: | :---: | :---: | :---: | :---: |
| Monte Carlo <br> Mid Premium / Premium | Sweaters, Pullovers thermals, woollen accessories (caps, mufflers, shawls, stoles) | Shirts, trousers, t-shirts, track-suits and jackets | Mink blankets, bed sheets and quilts | - |
| Luxuria - <br> Mid Premium / Premium | Cash wool sweaters, blazers ,coats | Cotton Shirts, trousers and t-shirts | - | - |
| Denim- <br> Mid Premium / Premium | - | Denim Trouser (jeans) and Shirts | - | - |
| Alpha - <br> Women wear | Sweaters, cardigans | Shirts, Tshirts, Trousers, jackets and sweat-shirts | - | Sweat Shirts |
| Tweens - <br> Kids wear (7-13 years) | - | - | - | Sweaters, Cardigans, Shirt, T-Shirts and Bottoms |
|  <br> Decker- <br> Men's wear | Sweaters, cardigans | Cotton and cotton blended Tshirts | - | - |
| Rock It - <br> Sports wear | - | Tank, Polo T-Shirt, Shorts, Track Pants | - | - |



Alpha§


## WHAT IS OUR BUSINESS MODEL



Designing is an Ongoing Process Throughout the Year for Both Cotton and Woollen Garments / Production of Plain and Basic Designs Continue Throughout the

[^0]

|  | MBO and <br> Distributors | NCS | Shop In Shop | EBO-COCO | EBO -FOFO |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Distribution <br> Sale Model <br> orders Outright <br> Sales | Pre-Booking of <br> Outright Sales <br> Return | SOR - Sale <br> orders Outright <br> Sales | Pre-Booking of <br> Inventory owned <br> by Company | Pre-Booking of <br> orders Outright <br> sale |  |
| Goods Return <br> Risk | No | Yes | No | N.A | Minimal <br> Products Return <br> Allowed |
| Discount <br> Sharing | No | Yes | Yes | Yes <br> Range of 5\% - <br> 17.5\% |  |
| Payment <br> Collection <br> Credit Risk | Exclusive <br> commissioned <br> agents are <br> liable to pay | Reputed retail <br> chains | Exclusive <br> commissioned <br> agents are liable <br> to pay |  | Bank guarantee's <br> and PDC taken <br> from franchise |



MONTE CARLO

## Q4 \& FY20 HIGHLIGHTS



$9.1 \% \longrightarrow 8.6 \%$



## Q4 FY20: REVENUE DETAILS



Q4 FY20: Rs 1,109 Mn


REVENUE BREAKUP - CHANNEL WISE

Q4 FY19: Rs 956 Mn


Q4 FY20: Rs 1,109 Mn


Online Sales Growth
INR (Mn)
49.4


## FY20: REVENUE DETAILS

It's the way you make me feel


FY19: Rs 6,715 Mn


FY20: Rs 7,235 Mn


REVENUE BREAKUP - CHANNEL WISE

FY19: Rs 6,715 Mn

$\square$ MBO+NCS EBO-COCO ■EBO-FOFO $\quad$ Others including online

FY20: Rs 7,235 Mn


Online Sales Growth
INR (Mn)
240.8
215.5


## Q4 \& FY20: REVENUE ANALYSIS

|  | REVENUE BREAKUP - SEGMENT WISE |  |  |  |
| :--- | :---: | :---: | :---: | :---: |
| In Rs Mn | Q4 FY19 | Q4 FY20 | FY19 | FY20 |
| Total Revenues* | 956 | 1,109 | 6,715 | 7,235 |
|  |  |  |  |  |
| Woollen Segment | $11.0 \%$ | $12.6 \%$ | $25.5 \%$ | $22.3 \%$ |
| Cotton Segment | $81.6 \%$ | $74.9 \%$ | $60.1 \%$ | $59.1 \%$ |
| Home Textiles | $2.8 \%$ | $6.4 \%$ | $9.1 \%$ | $11.7 \%$ |
| Kids | $4.6 \%$ | $6.1 \%$ | $5.3 \%$ | $6.9 \%$ |

## FOCUS ON PRODUCT DIVERSIFICATION

- Positioning as all fashion brand to reduce seasonality impact, woollen segment contribution has moved marginally lower in FY20 to $22.3 \%$

Revenue from core products (Excluding Yarn, Fabrics \& Miscellaneous sales)

* Q4 FY19 Sales of scrap and accessories was Rs. 8.9 Mn, Other Operating revenue was Mn \& INDAS adj. was Rs. -10.0 Mn
* Q4FY20 Sales of scrap and accessories was Rs. 18.3 Mn , Other Operating revenue was Mn\& INDAS adj. was Rs. -34.7 Mn
* FY19 Sales of scrap and accessories was Rs.29.6 Mn, Other Operating revenue was Mn \& INDAS adj. was Rs.-194.4 Mn
* FY20 Sales of scrap and accessories was Rs. 80.3 Mn , Other Operating revenue was Mn \& INDAS adj. was Rs. -70.7 Mn


## COVID19: Business Continuity Update

## - Current Operational Status

- Complying with Government directives on nation-wide lockdown the manufacturing facilities, corporate office and retail stores were temporarily closed from 23 ${ }^{\text {rd }}$ March, 2020
- Resumed operations at manufacturing facility from $21^{\text {st }}$ April 2020; currently operating at 70\% capacity utilisation with limited workforce
- Launched new products in healthcare segment i.e. Face Masks (3 PLY Mask, KN95 Mask and N95 Mask) and Personal Protective Equipment (PPE) Kit
$\square$ Liquidity Position
- Company's medium-term liquidity needs are well covered; continues to enjoy comfortable net cash position
- Adequate banking limits; ability to service debts and financing obligations on time remains unaffected
- Outlook
- Expect adverse impact on Financial performance in H1FY21 due to economic slowdown and lower demand
- Company's strong presence in winter wear market and well-diversified product portfolio to minimise the impact of COVID-19 for the full financial year 2021
- Fully geared to withstand the challenges on the back of our financial and operational strengths


## Q4 \& FY20: PROFIT AND LOSS STATEMENT

| Particulars (In Rs Mn) | Q4 FY20 | Q4 FY19 | YoY\% | FY20 | FY19 | YoY\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue From Operations | 1,095 | 958 | 14\% | 7,256 | 6,564 | 11\% |
| Material Cost | 591 | 656 | -10\% | 3,831 | 3,444 | 11\% |
| Gross Margin | 504 | 302 | 67\% | 3,425 | 3,120 | 10\% |
| Gross Margin \% | 46.0\% | 31.5\% |  | 47.2\% | 47.5\% |  |
| Personnel Expenses | 186 | 155 | 20\% | 696 | 595 | 17\% |
| Advertisement Expenses | 76 | 138 | -45\% | 301 | 360 | -16\% |
| Other Expenses | 240 | 264 | -9\% | 1,167 | 1,135 | 3\% |
| CSR Expenditure | 1 | 47 | -98\% | 16 | 47 | -66\% |
| Operating EBITDA | 1 | -302 | -100\% | 1,244 | 983 | 27\% |
| EBITDA Margin \% | - | - | - | 17.1\% | 15.0\% |  |
| Other Income | 10 | 57 | -82\% | 115 | 182 | -37\% |
| Depreciation | 90 | 49 | 83\% | 334 | 191 | 75\% |
| Finance cost | 33 | 15 | 120\% | 170 | 89 | 90\% |
| PBT | -112 | -310 | 64\% | 855 | 885 | -3\% |
| Tax Expense | -10 | -122 | -93\% | 228 | 289 | -21\% |
| PAT | -102 | -188 | 46\% | 627 | 596 | 5\% |
| PAT Margin \% | - | - | - | 8.6\% | 9.1\% |  |
| EPS (Rs.) | - | - | - | 30 | 27 |  |

## FY20: BALANCE SHEET STATEMENT

| Particulars (Rs In Mn) | FY20 | FY19 | Particulars (Rs $\ln \mathrm{Mn}$ ) | FY20 | FY19 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Equities \& Liabilities |  |  | Non-Current Assets |  |  |
| Equity Share Capital | 207 | 207 | Property,Plant and equipment | 1,518 | 1,485 |
|  |  |  | Right-of-use assets | 759 |  |
| Other Equity | 5,244 | 4,630 | Capital work in progress | 25 | 0.2 |
| Total Equity | 5,451 | 4,837 | Other Intangible Assets | 6 | 9.4 |
| Non-Current Liabilities |  |  | Financial Assets |  |  |
| Long-term Borrowings | 163 | 129 | Investments | 357 | 477 |
| Other financial Liabilities | 169 | 153 | Loans | 40 | 43 |
| Lease Liability | 704 |  | Other financial assets | 81 | 1 |
|  |  |  | Income Tax Assets | 89 | 91 |
| Other Long-term Liabilities | 12 | 13 | Deferred tax assets | 79 | 71 |
| Provisions | 19 | 20 | Other non-current assets | 17 | 13 |
| Total of Non-current liabilities | 1,067 | 315 | Total non-current assets | 2,971 | 2,190 |
| Current Liabilities |  |  | Current Assets |  |  |
| Short-term Borrowings | 154 | 317 | Inventories | 2,162 | 1,912 |
| Trade Payables |  |  | Financial Assets |  |  |
|  | 1,674 | 1,346 | Investments | 979 | 898 |
| Lease Liability | 100 | - | Trade Receivables | 2,521 | 2,199 |
| Other financial Liabilities | 544 | 985 | Cash \& Bank Balance | 127 | 349 |
| Other Current Liabilities | 92 | 70 | Short-term Loans \& Advances | 6 | 12 |
| Short-term Provisions | 23 | 13 | Other financial assets | 14 | 5 |
|  | 23 | 13 | Other Current Assets | 324 | 318 |
| Total Current Liabilities | 2,586 | 2,731 | Total Current Assets | 6,133 | 5,693 |
| Total Equity \& Liabilities | 9,104 | 7,883 | Total Assets | 9,104 | 7,883 |

MONTE CARLO
It's the way you make me feel

## 03

## MONTE CARLO

ADVANTAGE


## STRONG BRAND EQUITY ...

* "Monte Carlo", has

Strong Brand Equity

* Being a Premium Brand, Monte Carlo enjoys Pricing Power \& Customer Loyalty
* Regular Investment in Brand Building \& Marketing Initiatives


Aspire to Service End to End Wardrobe requirements of Indian Consumers by further Introducing Exciting Range of New Products

## DISTRIBUTION NETWORK



| STORE NETWORK |  |  |  |
| :--- | :---: | :---: | :---: |
| Type of Store | FY18 | FY19 | FY20 |
| EBO - COCO | 21 | 27 | 37 |
| EBO - FOFO | 214 | 229 | 241 |
| MBO and Distributors | $2,500+$ | $2,500+$ | $2500+$ |
| NCS | 283 | 306 | 566 |
| SIS | - | 85 | 126 |
| E-Commerce | Amazon, Flipkart, Myntra, Jabong and |  |  |
| Kapsons |  |  |  |


| EBO - NET ADDITIONS |  |  |  |
| :--- | :---: | :---: | :---: |
|  | FY18 | FY19 | FY20 |
| Existing | 231 | 235 | 256 |
| New Opened | 10 | 27 | 31 |
| Closed | 6 | 6 | 9 |
| Total EBOs | 235 | 256 | 278 |

New Store Launches



## Sh. Jawaharlal Oswal (Chairman \& MD)

- Sh. Jawahar Lal has More than 50 years of experience in the textile and woollen industry
- Awarded the 'Udyog Ratna Award' by the PHD Chamber of Commerce and Industry, the 'LMA-Sat Paul Mittal Life Time Achievement Award' by the Ludhiana Management Association and the 'Achievers of the North' by the Economic Times


## Sh. Sandeep Jain (Executive Director)

- Sh. Sandeep Jain is has more than 21 years of experience in the field of administration
- He is Bachelor's degree in Pharmacy, Diploma in Export Management
- Prior to joining Monte Carlo in 2008, he has worked with Oswal Woollen Mills Limited


## Sh. Rishabh Oswal (Executive Director)

- Rishabh Oswal is part of third generation of Oswal family
- Rishabh Oswal completed his BA Hons in Management Studies from University of Nottingham, UK in 2013 and then went on to pursue an Executive MBA from the prestigious Indian School of Business, Hyderabad


## Sh. Dinesh Gogna (Director)

- Sh. Dinesh Gogna has more than 35 years of experience in the field of Corporate Finance and Taxation
- He has Bachelor's Degree in Law, completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance


## RESULTING IN STRONG FINANCIALS



## Consistent Reward to Shareholders

$\square$ Dividend\%
Buy Back


- Company has done buy back of Rs. 550 Mn in FY19 to reward shareholders. Promoters have not participated in the buy back

Strong Track Record and Proven Expertise to Generate Healthy, Predictable and Sustainable Returns


Note - Previous year figures have been recast as per Ind AS to make them comparable with current year figures EBITDA does not include other income
Revenues exclude Raw Material Sales (Yarns, Fabrics \& Trims)
Inventory Data related to FY18 onwards is according to the cost method of valuation and the data related prior to FY18 is according to retail method of valuation

## GROWTH STRATEGY

- Cotton share maintained over 59.11\% of total FY20 revenue reflecting shift towards Cotton from Woollen segment
- Textile and Kids segment delivered robust growth, contributing higher revenue to the overall business
- Sales through SIS Model
- Focus on Online Sales through own portal
- Own Portal sales has gradually increased to Rs 51.2 Mn in FY 19-20 from 41.6 Mn in FY 18-19
- Capex of Rs ~Rs100-150mn for FY20-21 majorly for de-bottlenecking and modernization of existing facilities
- Ability to sustain Robust growth without any major capex; Return Ratios set to improve


## 05

ANNEXURE

## BRANDING INITIATIVES

## Proven track record in building brands in India

Clothing partner for the blockbuster Bollywood films Saaho, Barfi, Mary Kom, Bhaag Milkha Bhaag, and Student of the Year


TIE-UPS WITH ONLINE PLATFORMS -5! !

JABONG


Clothing Partner for reality Shows like Big boss, Khatron ke Khiladi


Other Strategic Tie-ups

Airline Tie-ups

Air Asia - Overhead Bins
Go Air - Overhead Bins
Air India - Seat Back Devices + Inflight Magazine
Vistara - Inflight Magazine Indigo - Inflight Magazine

Theatres

- PVR
- Cinepolis
- Inox
- Carnival
- SRS
- 800 + screens across India


## BRAND AMBASSADOR

- Celebrate life by going fit- Andre Russell way!!
- Rock It - India's premium athleisure brand starts the season in pomp as it ropes in Mr. Russell as the brand ambassador.

TIE-UPS WITH ONLINE PLATFORMS

## Paytm

## amazon

## We believe in "fulfilling aspirations and transforming lives "



## THANK YOU



## MONTE CARLO

It's the way you make me feel

## Mr. Dinesh Gogna

Director
Email: gogna@owmnahar.com

## DICKENSON

Ms. Manasi Bodas
Consultant

Mr. Vikash Verma
Director
Email: monte.carlo@dickensonworld.com

## Disclaimer:


 about the business, industry and markets in which MCFL operates.





[^0]:    Year for Both Woollen and Cotton Garments

