

PDS Multinational Fashions Limited



PDS/SE/2016-17/35

21st February, 2017

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 Nine Months Ended 31.12.2016

Dear Sir / Madam,


Please find attached herewith the Investor Presentation the Quarter and Nine months ended 31st December, 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 & Head-Legal



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 Q3 & 9M 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

14

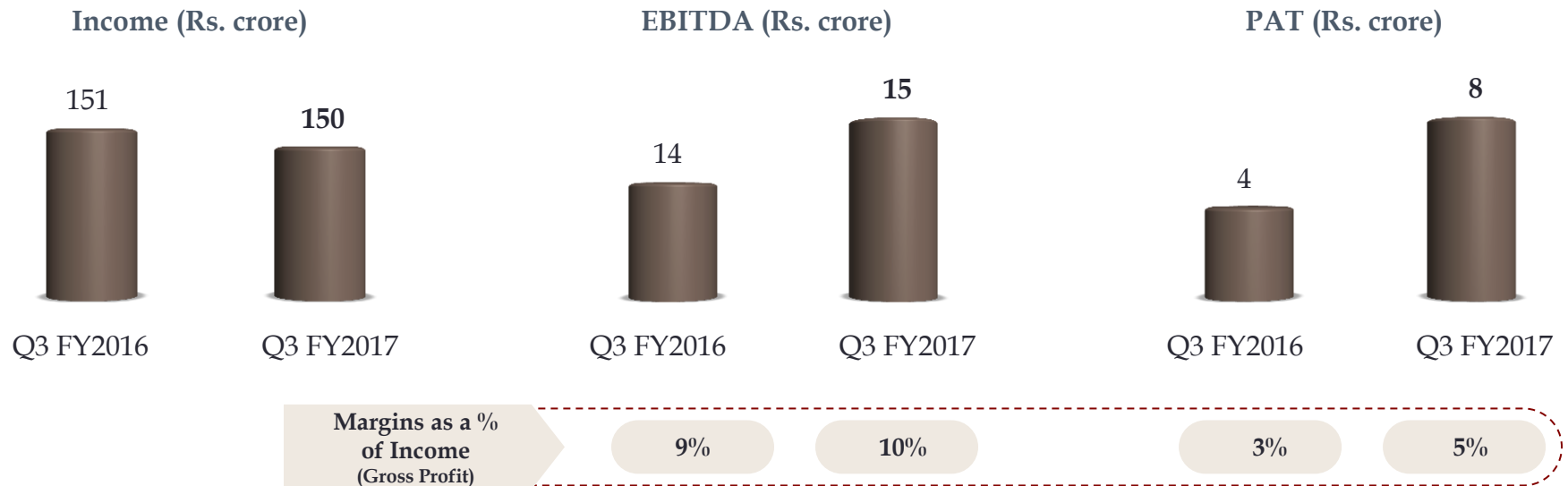
CUSTOMERS
ADDED IN THE
LAST 12
MONTHS

Note:

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

Q3 FY17 – Performance Highlights

PDS reports healthy quarter



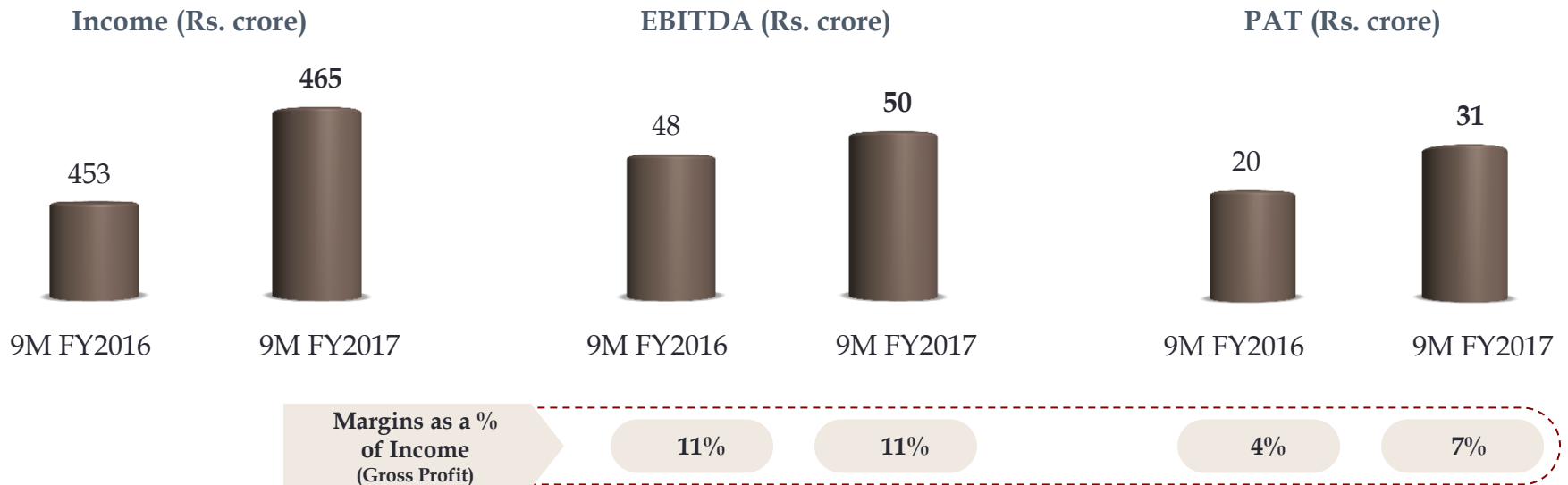
- Revenues stood at 1,067.2 crore, higher by 3%
- Income stood at Rs. 150.1 crore during Q3 FY17
- EBITDA at Rs. 15.1 crore, translating into EBITDA margin of 10.0%
- PAT marked strong improvement at 97% Y-o-Y, further translating into margins at 5.4%
- EPS solid at Rs. 1.45

Note:

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

9M FY17 – Performance Highlights

Business Fundamentals drive growth amid sluggish global environment



- In 9M FY17, Revenues improved by 6% to Rs. 3,282.3 crore
- Income stood at Rs. 464.9 crore, registering a growth of 3%
- EBITDA stood strong at Rs. 49.8 crore, higher by 4%
- Correspondingly, PAT was at Rs. 30.7 crore, up by 55%
- EPS at Rs. 7.97

Note:

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

Abridged Profit & Loss Statement - Consolidated

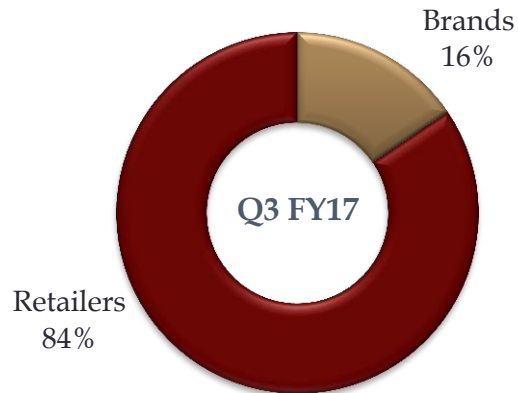
Rs. crore

Particulars	Q3 FY16	Q3 FY17	9M FY16	9M FY17
Revenues	1,036.48	1,067.20	3,105.90	3,282.28
Material Cost	885.75	917.07	2,653.34	2,817.39
- Purchases of Stock-in-Trade	846.67	880.75	2,498.60	2,723.83
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	39.07	36.33	154.74	93.56

Line No.	Particulars	Q3 FY16	Q3 FY17	9M FY16	9M FY17
1	Income (Gross Profit)	150.73	150.12	452.56	464.89
	Employee Expenses	59.30	62.25	179.68	192.89
	Other Expenses	77.46	72.81	225.08	222.17
2	EBITDA	13.98	15.06	47.80	49.83
	EBITDA Margin (2/1) (%)	9.27%	10.03%	10.56%	10.72%
	Depreciation	4.29	3.21	10.39	9.61
	Finance Cost	3.61	2.69	12.14	9.26
	Profit Before Tax	6.07	9.16	25.27	30.96
	Tax Expenses	1.98	1.10	5.45	0.28
3	Profit After Tax	4.09	8.06	19.82	30.67
	PAT Margin (3/1) (%)	2.71%	5.37%	4.38%	6.60%

Key Metrics – Q3 FY17

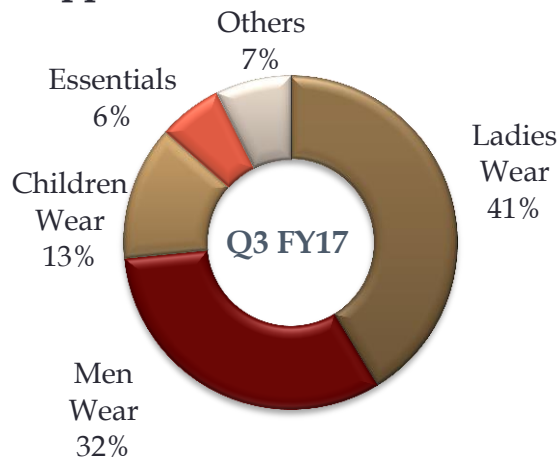
Customer-wise Revenue Break-up



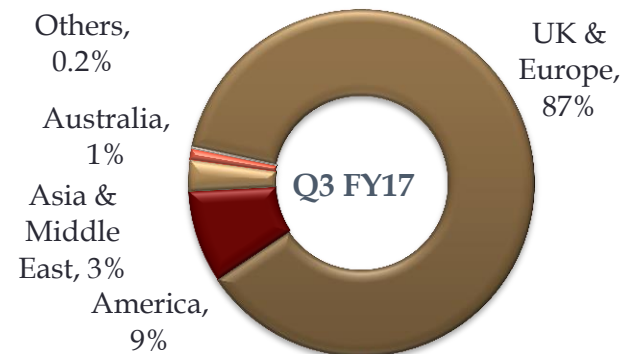
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



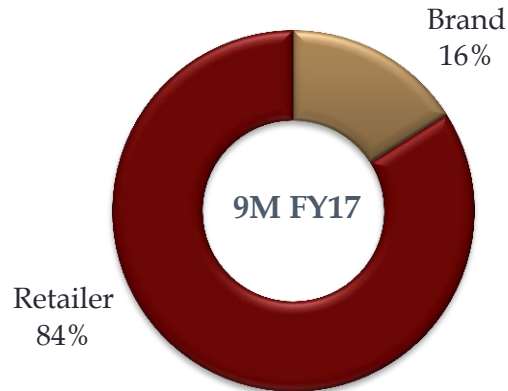
Region-wise Revenue Breakup *



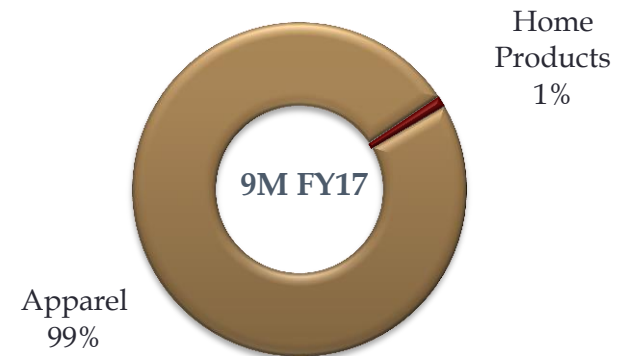
Note: * Based on customer locations, reclassified wherever necessary

Key Metrics – 9M FY17

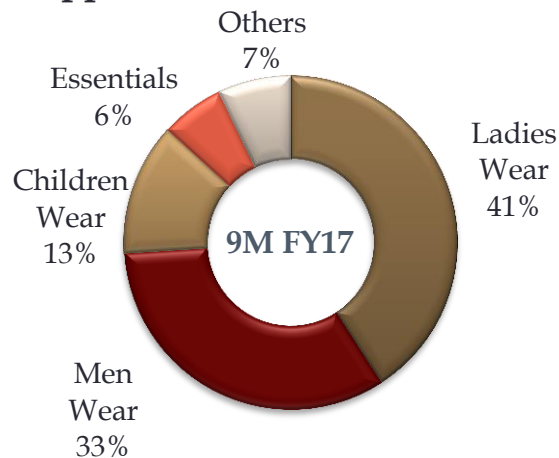
Customer-wise Revenue Break-up



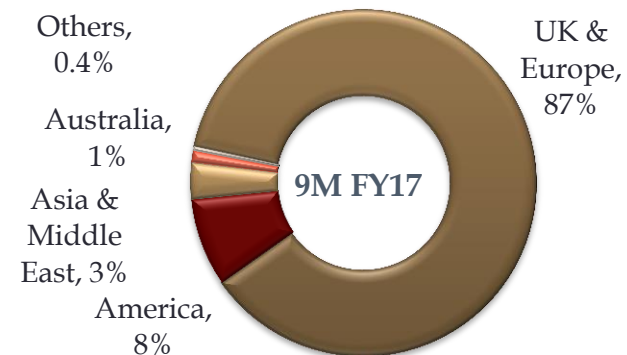
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



Region-wise Revenue Breakup *



Note: * Based on customer locations, reclassified wherever necessary

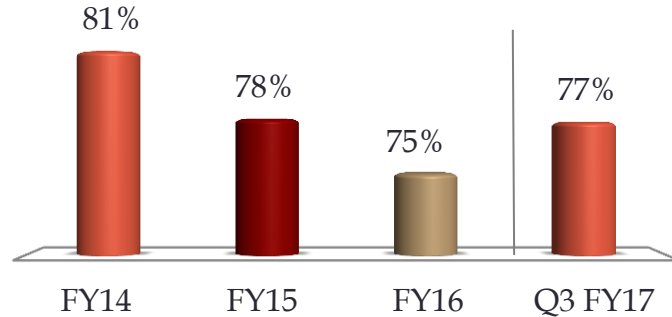
Customer Profile*

Customer-centric organization

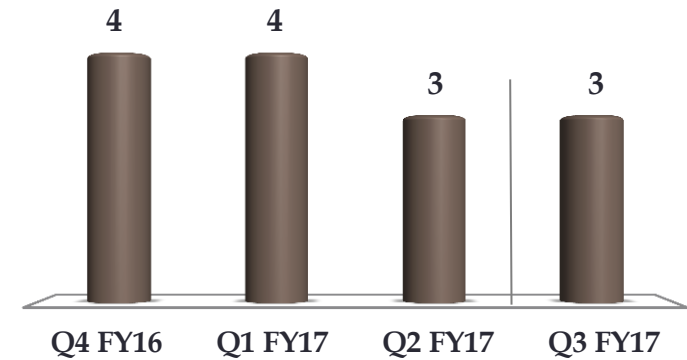
Customer base of 190+
Global Leading Retailers and
Brands

Long-term relationships with
25 brands

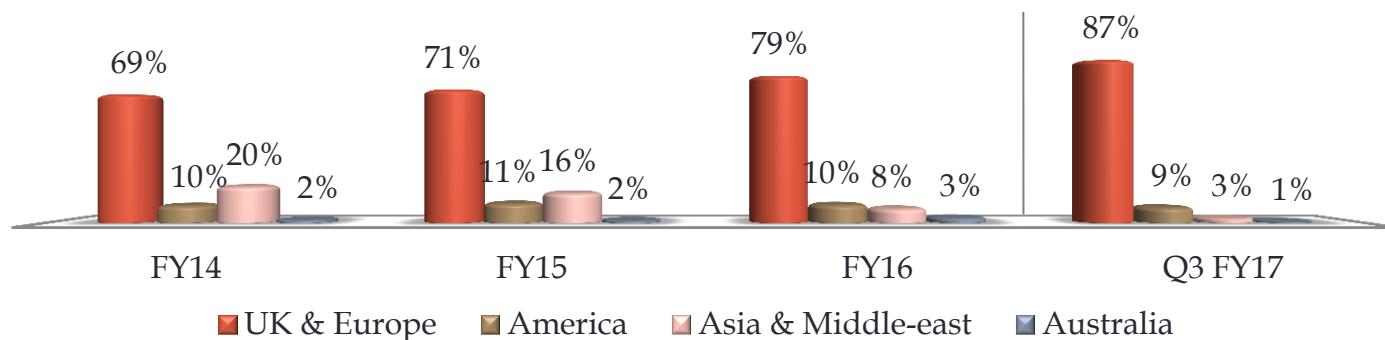
Revenue Contribution from Top 15 customers



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 deliver healthy growth across our core and new business verticals. Although broader market challenges led to some pricing pressures across key markets, the overall business perspective remained steady, driven by our solid business fundamentals.

Over the last few quarters, we have weaved in a focused approach towards building and strengthening our business model. While we are marking healthy progress across our upcoming manufacturing facilities in Bangladesh, our new business line, the technology business, also continues to track well as per internal objectives.

As we look ahead, market factors such as Brexit, US dollar strengthening, interest rate hikes, etc. could pose challenges to the business. Although manufacturing initiative of the Company would impact the business results in the coming quarters, we expect this initiative to strengthen our customer servicing capabilities and enable us to perform better in the longer term."

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

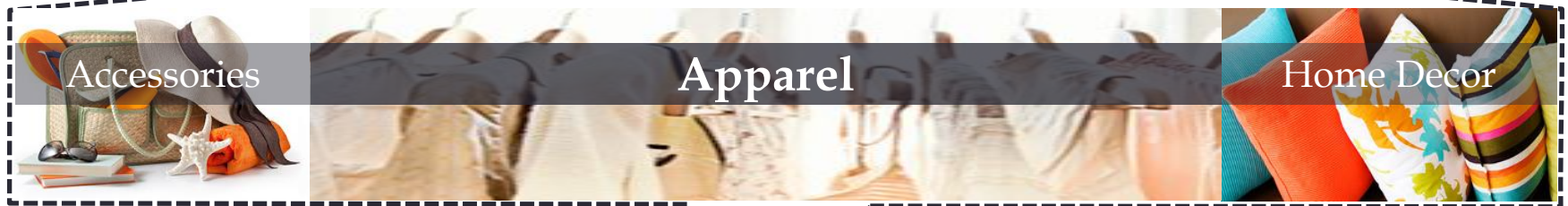
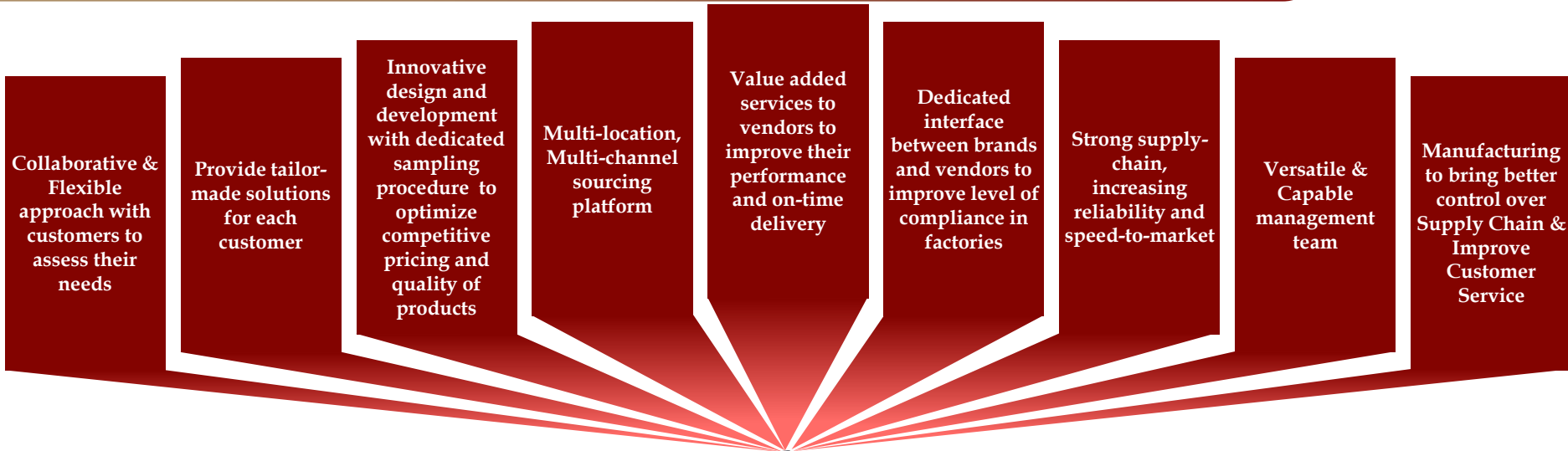
- **Design-driven Company**
- **Over 150 in-house designers**
- **Develops over 1,000 new styles every month**
- **Produces over 10,000 samples every month**

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 sqft at Adamjee
 - GSS Group setting up a shirts manufacturing unit on a 6 acres land



Strengthening Sourcing Base

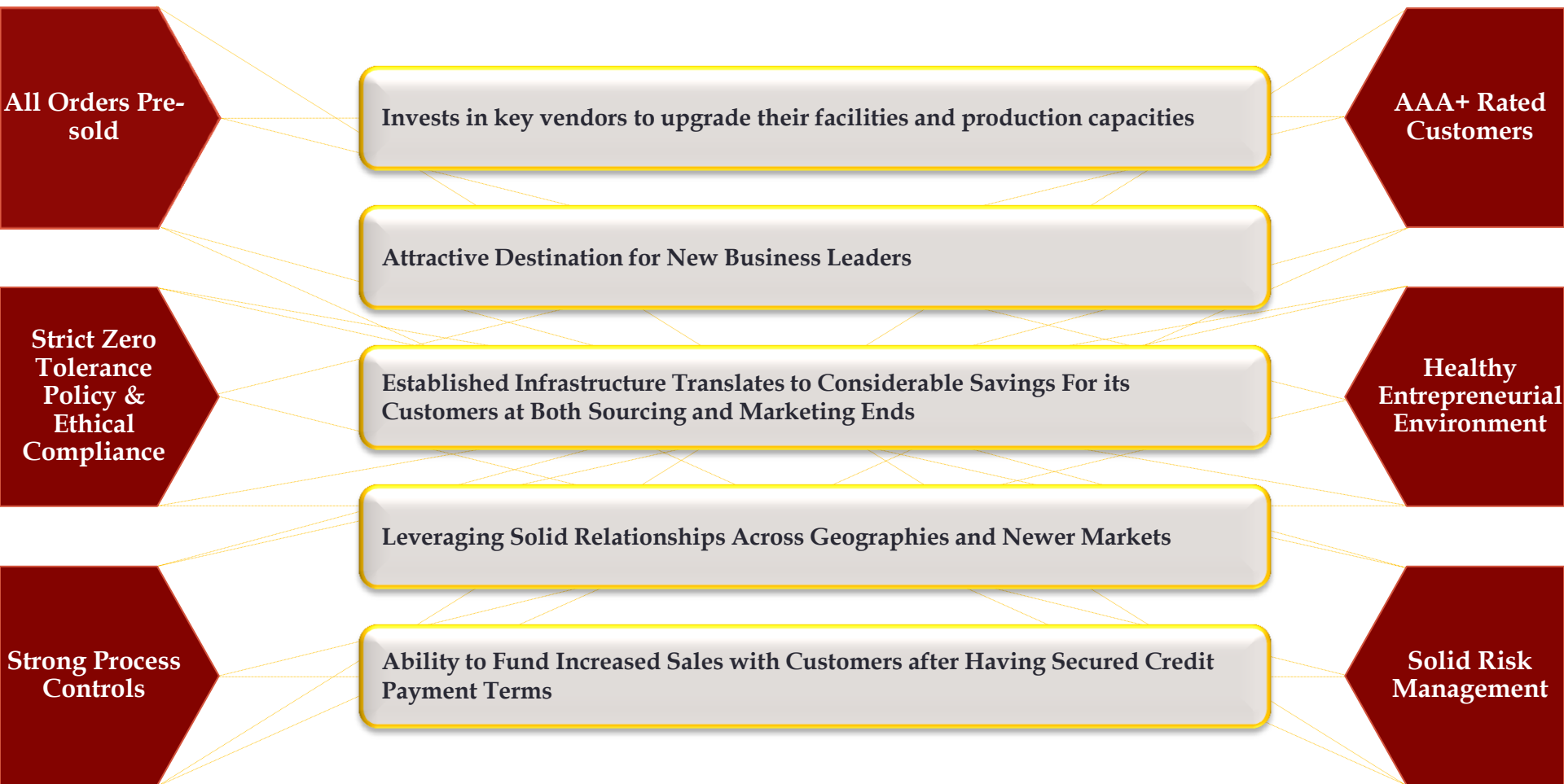
- Diversifying and Expanding the sourcing base to newer regions
- Optimize Sourcing Base by financing Factories
- Focuses on improving the technical and ethical compliance at each factory
- Focusing on extending virtual manufacturing operations in select regions
- Expanding footprint in manufacturing 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:

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PDS Multinational Fashions**

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Thank You