

PDS/SE/2019-20/34

06th December, 2019

The General Manager, Corporate Service Department BSE Limited P. J Tower, Dalal Street, Fort, Mumbai-400001	The General Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
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Script Code/ID: BSE: 538730;

NSE: PDSMFL

SUB: Investor Presentation for the Quarter and Half Year Ended 30th September, 2019.

Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter and Half Year ended 30th September, 2019 for the financial update to Investors of the PDS Multinational Fashions Limited.

You are requested to kindly take the same on record and oblige.

Thanking you

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl.: a/a



PDS
MULTINATIONAL

Global | Collaborative | Ethical

Q2 & H1 FY20 - Result 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.

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

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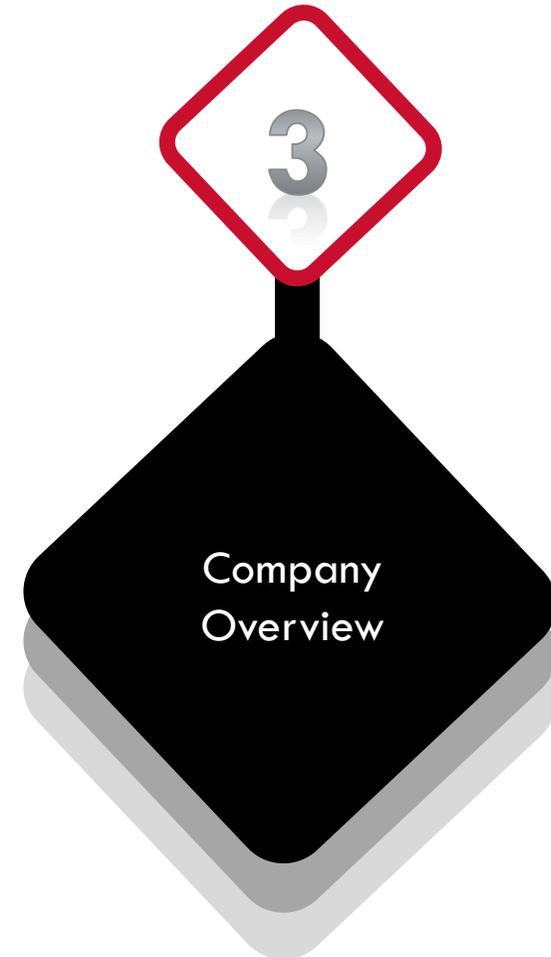
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Operational &
Financial
Highlights
Q2 & H1FY20



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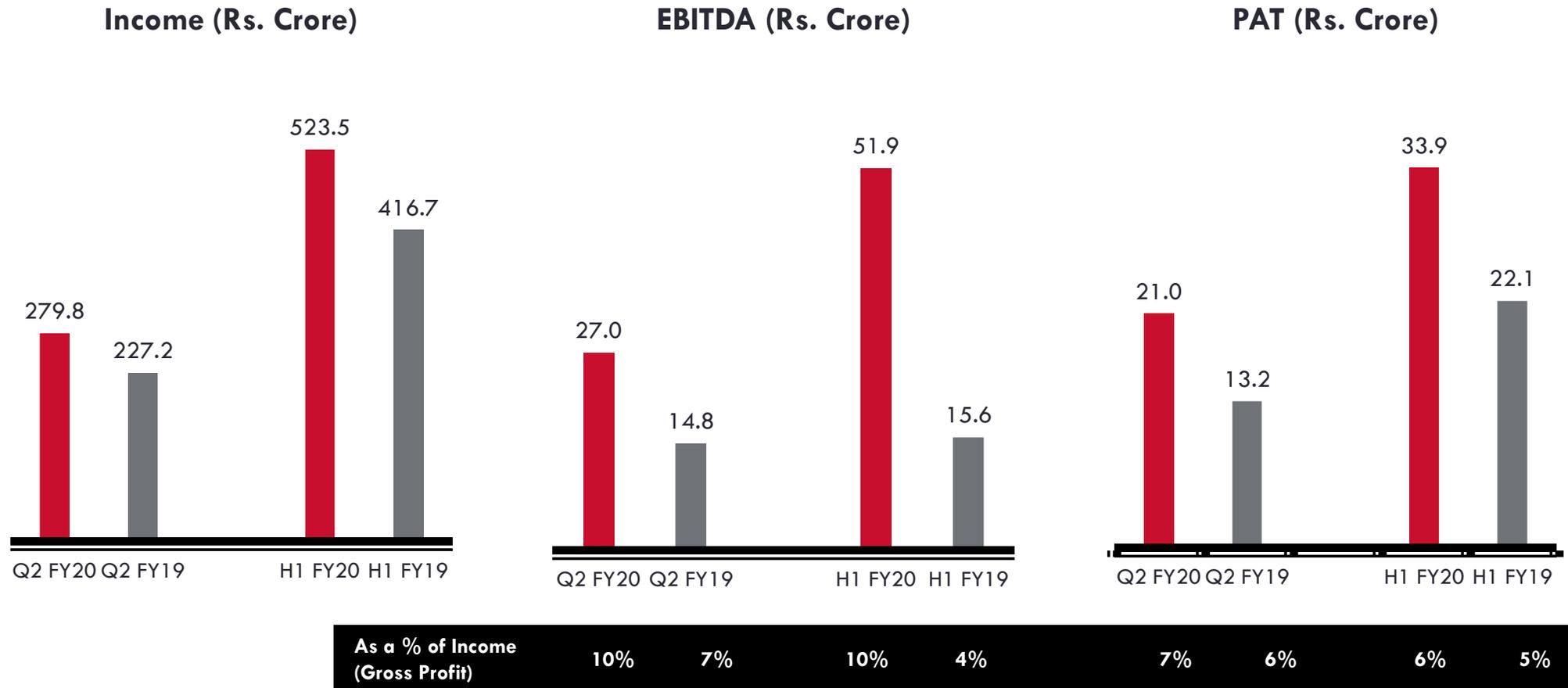
Management's
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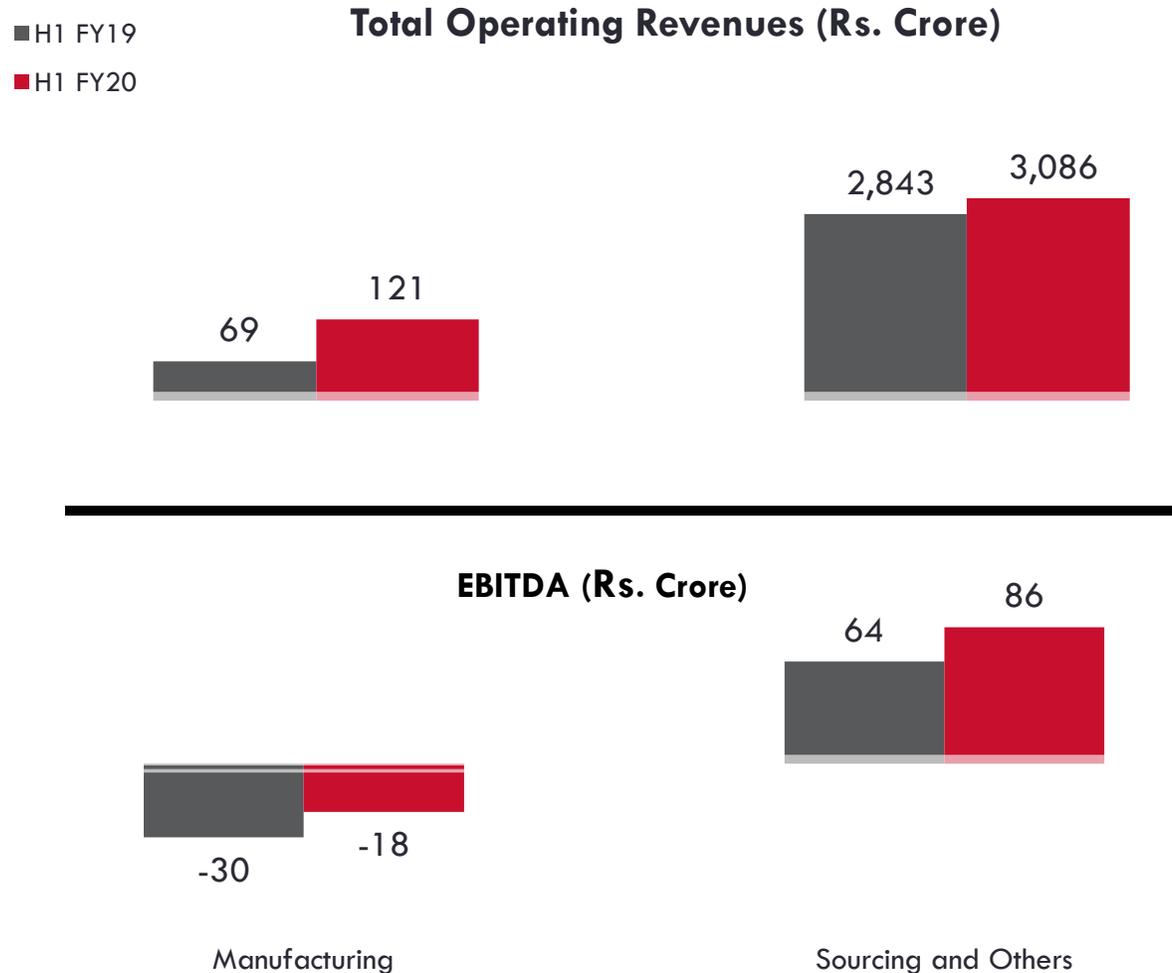
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Company
Overview

Q2 & H1 FY20 – CONSOLIDATED Highlights



H1 FY20 – Business Performance



H1 FY20

- **Sourcing and others business**
 - Revenue higher by 8.5% YoY
 - EBITDA higher by 34% YoY
- **Manufacturing business**
 - Revenue higher by 75%
 - Losses at EBITDA level have reduced considerably to Rs. 18 crore
- Manufacturing business which started about 2 years ago is in its early stages and various initiatives under marketing, operations, training & development are being carried out to enhance the productivity and improve efficiency. As the manufacturing business gains momentum, the Company expects profitability performance to improve

Abridged Profit & Loss Statement – Consolidated

Rs. crore

Particulars (Rs. Crore)	Q2 FY20	Q2 FY19	GROWTH (Y-o-Y)	H1 FY20	H1 FY19	GROWTH (Y-o-Y)
Income from Operations	1,672.8	1,596.1	5%	3,207.4	2,911.4	10%
Raw Material Cost	1,393.0	1,368.9	2%	2,683.9	2,494.7	8%
Gross Profit	279.8	227.2	23%	523.5	416.7	26%



Particulars (Rs. Crore)	Q2 FY20	Q2 FY19	GROWTH (Y-o-Y)	H1 FY20	H1 FY19	GROWTH (Y-o-Y)
1 Income (Gross Profit)	279.8	227.2	23%	523.5	416.7	26%
Employee Expenses	110.5	88.7	25%	210.6	178.0	18%
Other Expenses	142.3	123.7	15%	261.0	223.1	17%
2 EBITDA	27.0	14.8	82%	51.9	15.6	232%
EBITDA Margin (2/1) (%)	9.7%	6.5%	+ 313 bps	9.9%	3.7%	+ 617 bps
Other Income	8.2	13.1	-37%	17.8	19.3	-8%
Depreciation	9.3	4.7	97%	18.0	9.2	96%
Finance Cost	4.0	9.4	-57%	15.5	18.0	-14%
Profit Before Tax	21.8	13.8	58%	36.2	7.7	372%
Tax Expenses	0.1	0.8	-93%	0.4	(14.5)	NA
Profit After Tax	21.8	13.0	68%	35.8	22.1	62%
Add: Share of Profit/(Loss) of Associates	(0.8)	0.2	NA	(1.9)	(0.1)	NA
3 Net Profit	21.0	13.2	59%	33.9	22.1	53%
Net Profit Margin (3/1) (%)	7.5%	5.8%	+169 bps	6.5%	5.3%	+117 bps

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Abridged balance Sheet – Consolidated

Particulars (Rs. Crore)	30-Sept-19	31-Mar-19
a) Non-current Assets	544	501
b) Current Assets	1,433	1,728
- Inventories	178	136
- Trade Receivables	630	1,029
- Cash & cash equivalents	230	241
- Other Bank Balances	132	130
- Others	263	193
Total Assets	1,977	2,229
c) Total Equity	605	568
d) Non-Current Liabilities	87	82
e) Current Liabilities	1,284	1,579
- Borrowings	616	627
- Trade payables	438	748
- Others	230	204
Total Equity & Liabilities	1,977	2,229
Working Capital	148	150
Working Capital Days	9	8
Inventory Days	12	9
Debtors Days	36	58
Creditors Days	30	49

Q2 & H1 FY20 Financial and Operational Discussion

Income during Q2 FY20 stood at Rs. 279.8 crore, registering a healthy increase of 23% Y-o-Y

H1 FY20 Income higher by 26% to Rs. 523.5 crore

- Healthy growth in the revenues was led by improving demand conditions in the key markets of UK and Europe. Further, the Company also saw improved client engagements during the period under review
- The Company's sourcing business is also gaining traction led by increasing market presence and improved share gains. Further, manufacturing operations are steadily gaining strength and is leading to improved visibility across geographies
- Customer additions during the quarter stood at 5

EBITDA stood at Rs. 27.0 crore, higher by 82% in Q2 FY20

EBITDA in H1 FY20 at Rs. 51.9 crore, up by 232%

- Strong growth in income resulted in a higher EBITDA performance
- Healthy profitability margins – in Q2 FY20, EBITDA stood at 10% of income, higher by 313 bps, while in H1 FY20, EBITDA margins at 10%, higher by 617 bps

PAT stood at Rs. 21.0 crore in Q2 FY20, with PAT as a % of income at 7%

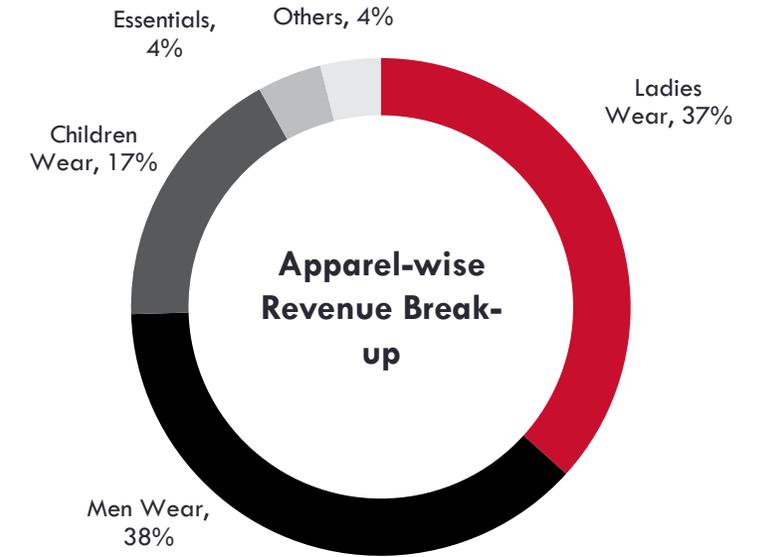
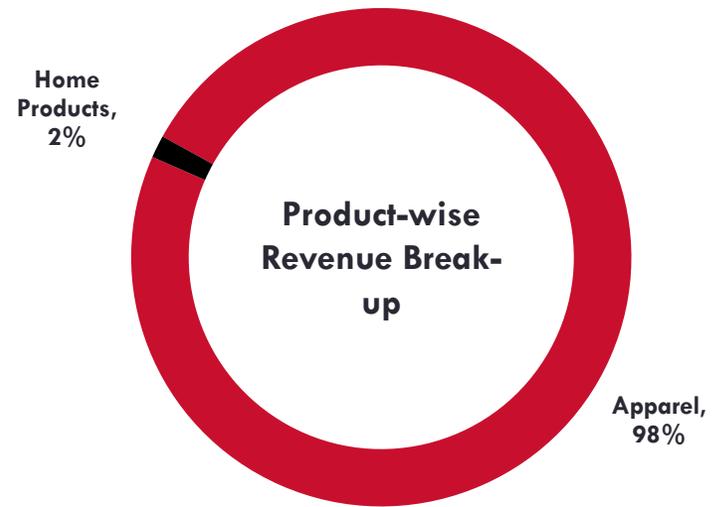
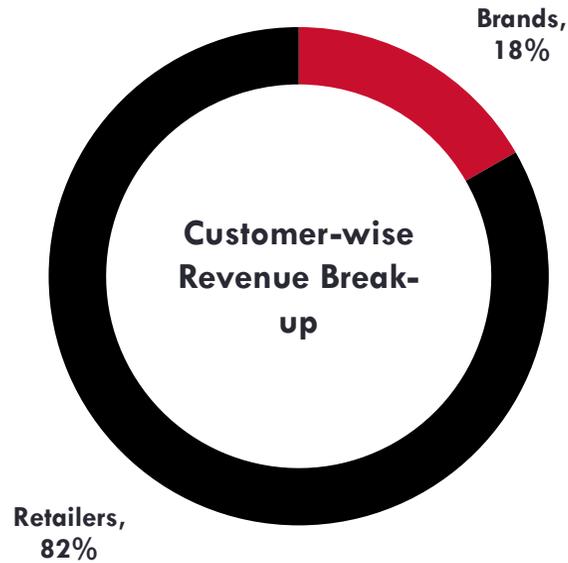
In H1 FY20, PAT stood at Rs. 33.9 crore and margins at 6%

Q2 & H1 FY20 Financial and Operational Discussion

Balance sheet position as on September 30, 2019

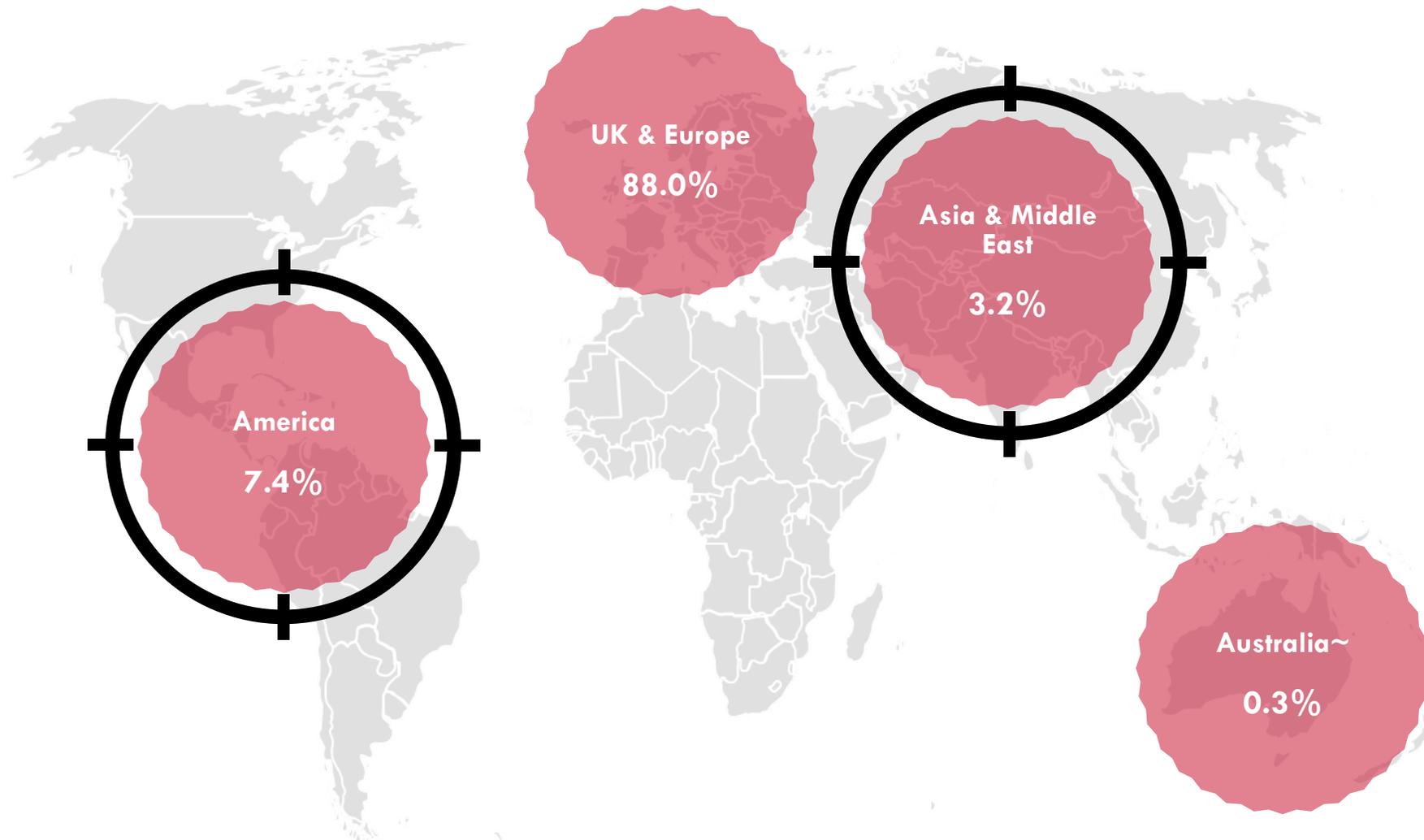
- Healthy cash position at Rs. 230.4 crore
- Total debt stood at Rs. 671.2 crore, with long-term debt at Rs. 55.0 crore and short-term debt at Rs. 616.2 crore
- The receivables position stood at Rs. 629.6 crore
- Long-term debt-to-equity position improved to 0.1

Key Metrics – H1 FY20



Note: * Based on customer locations, reclassified wherever necessary

Customer Profile – H1 FY20



 *Strong Focus on Augmenting Market share in the upcoming months*

- *Customers with sales value more than USD 100K
- ~Australia & Others

Management's Message



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

“We have delivered a healthy performance during Q2 & H1 FY20 despite a consumption slowdown across our key markets. In a challenging global retail environment, we are happy to share that both our verticals of Sourcing and Manufacturing have delivered a steady growth. On a consolidated basis, in Q2FY20, we delivered a steady 23% growth in Income, while EBITDA grew 82% to Rs. 27 crore. Operating Margins improved to 10%, marking an increase of 313 bps. During the quarter, we have also successfully added over 5 new customers across the US, Asia and the European markets.

On the segmental front, the sourcing and others business, has reported improved client metrics. Within the own manufacturing business, we are constantly focusing towards improving client engagements, cross-selling in newer geographies and gaining market share. Going ahead, we believe the scale up of this business vertical along with our improved market share gains should enable us to deliver a strong and sustainable growth trend in the years ahead.

We are witnessing a slowdown in consumption especially in the global markets and we remain cautious towards our business segments across the established and newer markets. On the whole, we remain positive on building growth momentum in the years ahead.”

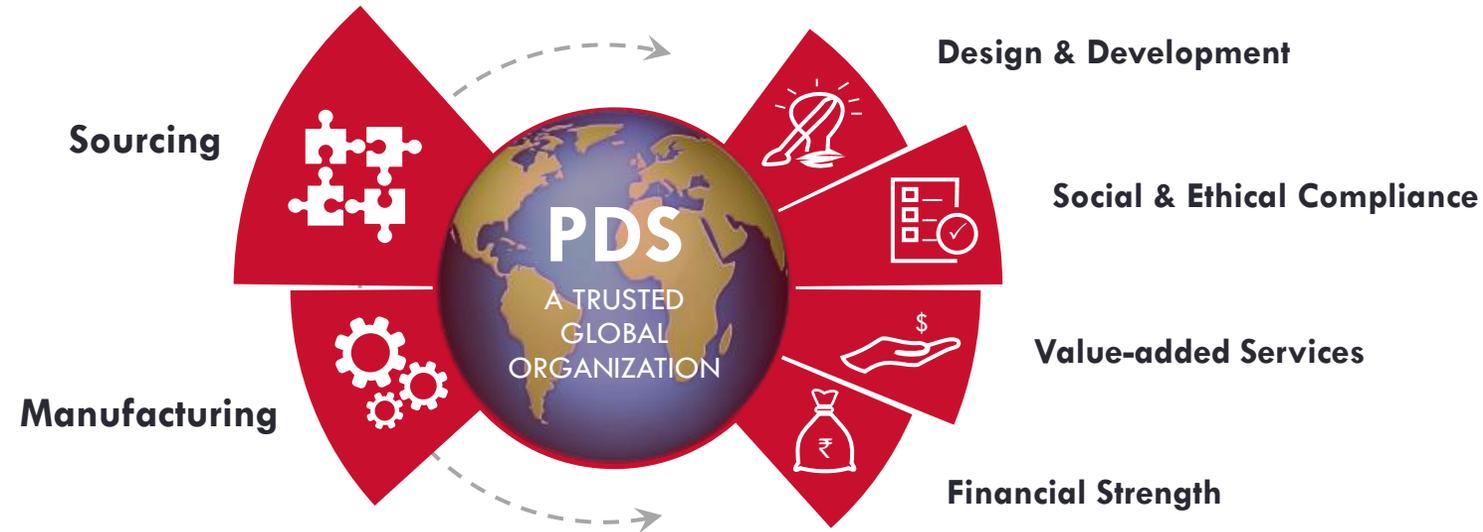
Company Statistics

One of the leading global organizations - strategic sourcing partner and manufacturer to major brands and retailers

»	190+ Global Leading Retailers And Brands As Customers	
»	1,800 Associates and 5,100 factory workers worldwide	
»	50 Offices Across 20 Countries	
»	Revenue Stood at Rs. 6,502 Crore in FY19	
»	Income stood at Rs. 948 Crore in FY19	
»	150 Own designers in key markets	
»	0.1 Long-term debt/equity ratio as on Sept 30, 2019	
»	Operates 2 factories in Bangladesh, 1 factory in Sri Lanka and 1 factory in India	

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

Global Fashion Manufacturing & Sourcing Business Global | Collaborative | Ethical



Company works with ~200 partner factories to deliver more than 1 million units a day across a massive retail customer base

Stringent ethical standards – PDS Group handles social audit and compliance of all its partner factories

The PDS Edge

Design & Product Development

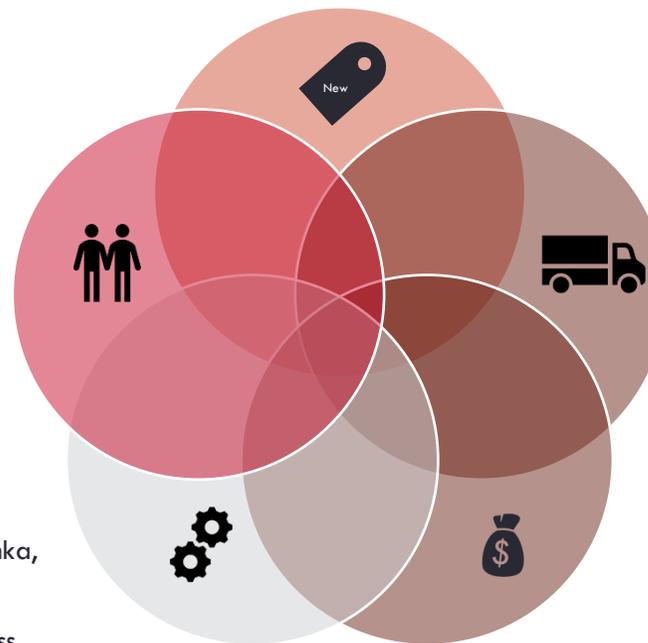
- ▶ 150 designers working on consumer requirements
- ▶ Design Studio's set up in Key Markets
- ▶ Develops over 1,000 new styles/ month
- ▶ Design Centers in key sourcing locations

People

- ▶ 1,800 Associates and 5,100 factory workers worldwide
- ▶ Over 70% focused on Sourcing, Quality Control and Merchandising

Sourcing, Manufacturing & Marketing

- ▶ Established association with an extensive number of manufacturers in countries including Bangladesh, Cambodia, China, India, Myanmar, Pakistan, Sri Lanka, Turkey
- ▶ Strong connect with leading retailers & brands across the globe
- ▶ Setting up Manufacturing facilities to have better control over supply chain and improve customer service



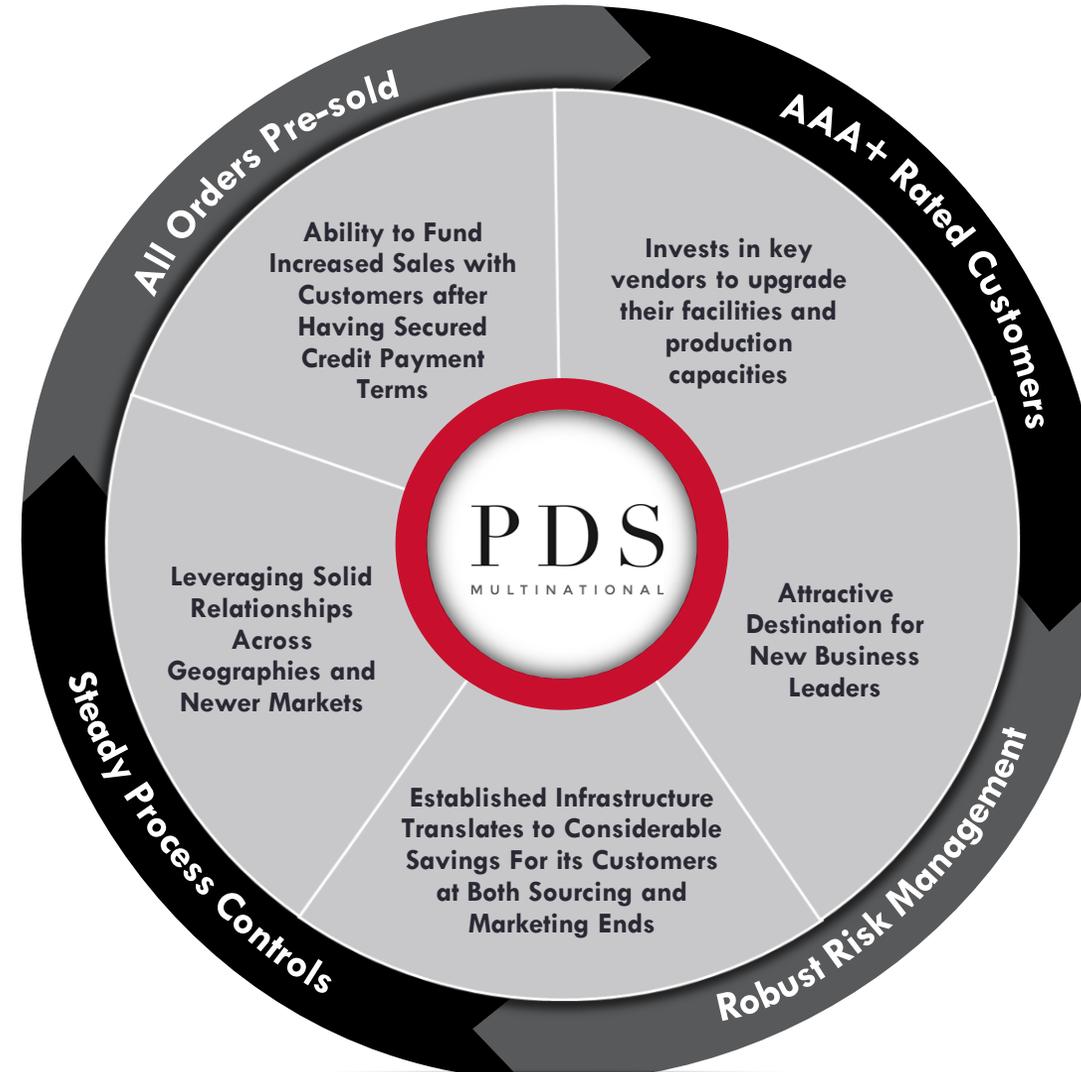
Logistics & Supply Chain

- ▶ Established logistics and warehousing capabilities
- ▶ Inventory holding and stock management facility
- ▶ Ensures efficient and shorter delivery time

Financial Strength

- ▶ USD 287mn Credit and Working Capital Limits
- ▶ Banking Relationship with leading multinational banks
- ▶ Invested in vendor facilities to have dedicated manufacturing infrastructure

Well-balanced Business Model



About Us

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 four 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 50 offices, 20 countries and over 1,800 Associates and 5,100 factory workers 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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