

PDS/SE/2020-21/20

28th August, 2020

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 QUARTER AND YEAR ENDED 31ST MARCH, 2020.

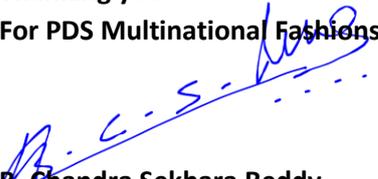
Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter and Year ended 31st March, 2020 for the financial update to Investors of the PDS Multinational Fashions Limited.

Kindly take the same on record.

Thanking you

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl.: a/a



Q4 & FY20 - Result Presentation

August 2020

Global.
Collaborative.
Ethical.

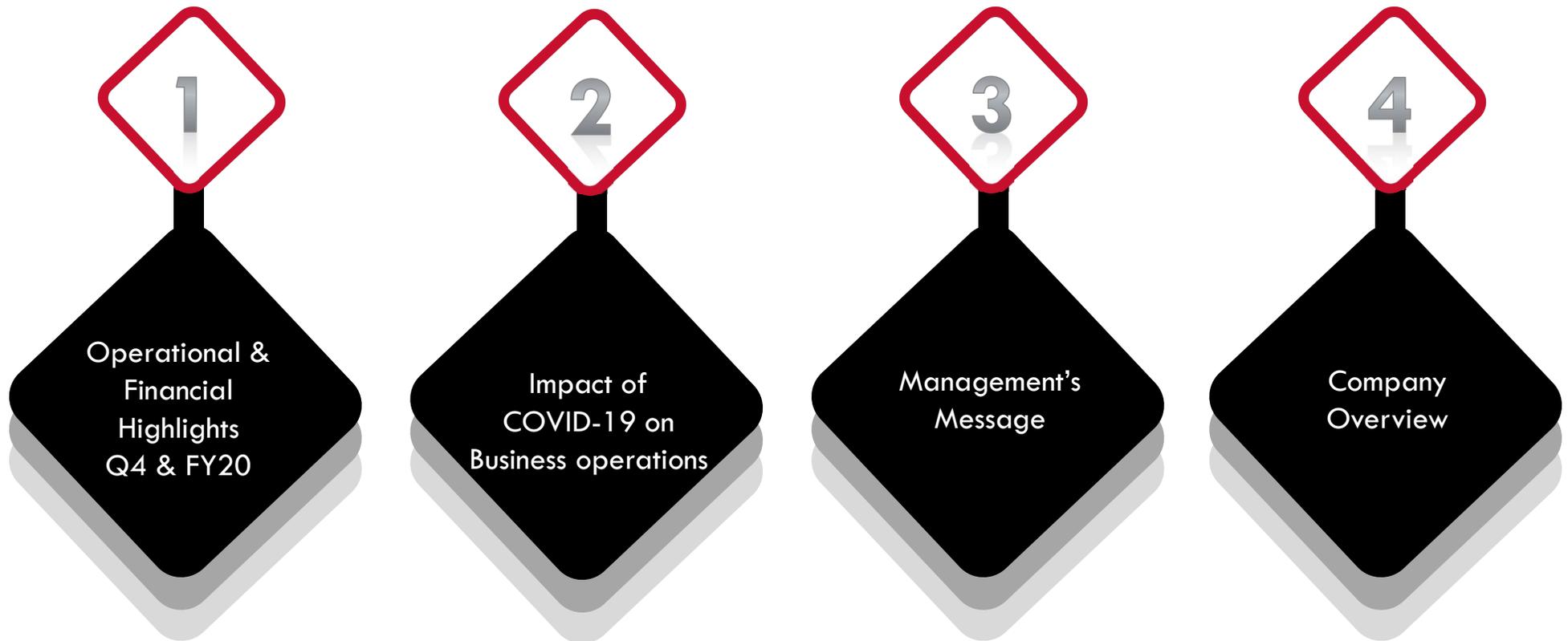
Safe Harbor



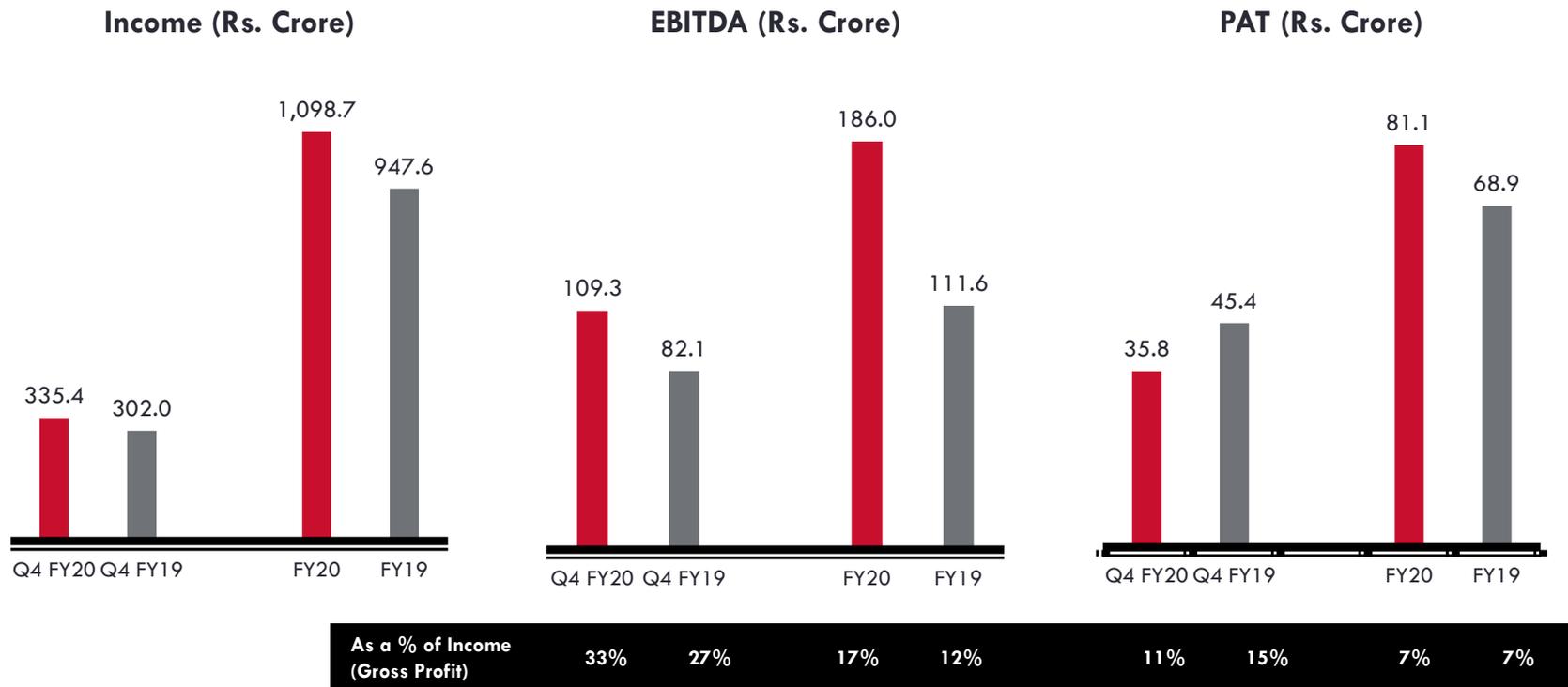
Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from 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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Q4 & FY20 – CONSOLIDATED Highlights



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

Abridged Profit & Loss Statement – Consolidated

Particulars (Rs. Crore)	Q4 FY20	Q4 FY19	GROWTH (Y-o-Y)	FY20	FY19	GROWTH (Y-o-Y)
Income from Operations	2,004.1	2,083.2	-4%	6,648.0	6,485.9	3%
Raw Material Cost	1,668.7	1,781.1	-6%	5,549.3	5,538.3	0%
Gross Profit	335.4	302.0	11%	1,098.7	947.6	16%



Particulars (Rs. Crore)	Q4 FY20	Q4 FY19	GROWTH (Y-o-Y)	FY20	FY19	GROWTH (Y-o-Y)
1 Income (Gross Profit)	335.4	302.0	11%	1,098.7	947.6	16%
Employee Expenses	117.8	105.3	12%	436.0	379.4	15%
Other Expenses	108.3	114.6	-5%	476.8	456.6	4%
2 EBITDA	109.3	82.1	33%	186.0	111.6	67%
EBITDA Margin (2/1) (%)	33%	27%	540 bps	17%	12%	510 bps
Other Income	-7.4	-6.1	NA	26.5	16.1	65%
Depreciation	16.8	7.6	122%	52.2	26.3	98%
Finance Cost	26.2	7.0	272%	49.3	32.3	52%
Profit Before exceptional items & taxes	58.9	61.5	-4%	111.0	69.1	61%
Add: Share of Profit/(Loss) of Associates	-2.4	-1.2	NA	-6.9	-0.1	NA
Add: Exceptional items	-13.6	-	NA	-13.6	-	NA
Profit Before Tax	42.9	60.3	-29%	90.5	69.0	31%
Tax Expenses	7.1	14.9	-52%	9.5	0.1	7425%
3 Profit After Tax	35.8	45.4	-21%	81.1	68.9	18%
Profit Margin (3/1) (%)	11%	15%	-430 bps	7%	7%	10 bps

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

Abridged Balance Sheet – Consolidated

Particulars (Rs. Crore)	31-Mar-20	31-Mar-19
a) Non-current Assets	571	444
b) Current Assets	1,809	1,728
- Inventories	183	136
- Trade Receivables	832	1,029
- Cash & cash equivalents	350	241
- Other Bank Balances	152	130
- Others	291	193
Total Assets	2,380	2,172
c) Total Equity	611	499
d) Non-Current Liabilities	80	18
e) Current Liabilities	1,689	1,654
- Borrowings	746	690
- Trade payables	579	748
- Others	363	216
Total Liabilities	2,380	2,172
Working Capital Days	20	8
Inventory Days	12	9
Debtors Days	46	58
Creditors Days	38	49

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EBITDA excludes other income

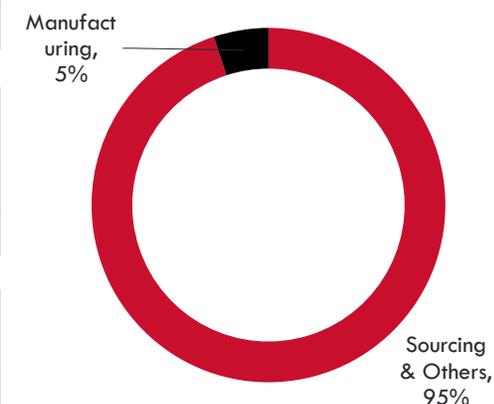
Q4 FY20 – Segment-wise Business Performance

Revenue Break-up (Rs. Crore)	Q4 FY20	Q4 FY19	GROWTH (Y-o-Y)	FY20	FY19	GROWTH (Y-o-Y)
Sourcing & Other	1,884.8	1,955.0	-3.6%	6,338.1	6,241.3	1.6%
Manufacturing	119.3	128.2	-6.9%	310.0	244.6	26.8%
Total Revenues from Operations	2,004.1	2,083.2	-3.8%	6,648.0	6,485.9	2.5%

EBITDA Break-up (Rs. Crore)	Q4 FY20	Q4 FY19	GROWTH (Y-o-Y)	FY20	FY19	GROWTH (Y-o-Y)
Sourcing & Other	99.7	78.7	26.8%	228.4	181.4	25.9%
Manufacturing	-11.4	-2.6	342.6%	-29.5	-53.7	-45.0%

EBITDA Margins (Rs. Crore)	Q4 FY20	Q4 FY19	GROWTH (bps)	FY20	FY19	GROWTH (bps)
Sourcing & Other	5.3%	4.0%	127	3.6%	2.9%	70
Manufacturing	NM	NM	NA	NM	NM	NA

Revenue Contribution – FY20



Q4 FY20 - Business operations

PDS witnessed healthy business operations in the start of Q4 FY20:

- Q4 FY20 began on a steady note for PDS Multinational Fashions. The Company witnessed stable demand and healthy client wins in the month of January 2020. However, the growing concerns around the spread of Covid-19 followed by lockdowns and restrictions in movement across Europe and Asia negatively affected the operating environment for the business and impacted company's sales during February and March 2020
- Despite challenging operating conditions, Income during Q4 FY20 stood at Rs. 335.4 crore, registering a steady increase of 11% Y-o-Y. FY20 Income higher by 16% to Rs. 1,098.7 crore

Operations:

- In compliance with government advisories, PDS Group temporarily suspended operations at its offices across India and implemented 'Work from Home' options
- Similarly, on the international front as applicable in each country, PDS Group's offices in UK, Europe, America's, Middle East, and Asia were temporarily shut and implemented work from Home option along with required controls such as daily temperature checks, sanitisation, social distancing, using of masks in offices where employees were working

Q4 FY20 - Business operations

Manufacturing Business:

- At the PDS Group's manufacturing plants in Bangladesh, operations are temporarily suspended for about a month from March 2020. However, pursuant to requisite approvals from the concerned Government Authorities, manufacturing operations were resumed partially in the month of May 2020
- PDS continues to undertake all mandatory measures and implementing stringent SOPs for all its employees at the plants as per necessary guidelines
- Currently, PDS Group's manufacturing units are operating at lower capacity due to subdued demand, availability of labour due to social distancing restrictions. The Company expects to ramp-up utilization across manufacturing facilities as demand picks up in the coming months

Sourcing Business:

- The Company witnessed disruption across the supply chain due to port closures and restrictions in movement across markets. This, in turn, impacted sourcing business operations.
- The Company continued to work closely with all business partners and distributors to ensure seamless deliveries and services to clients in these unprecedented times

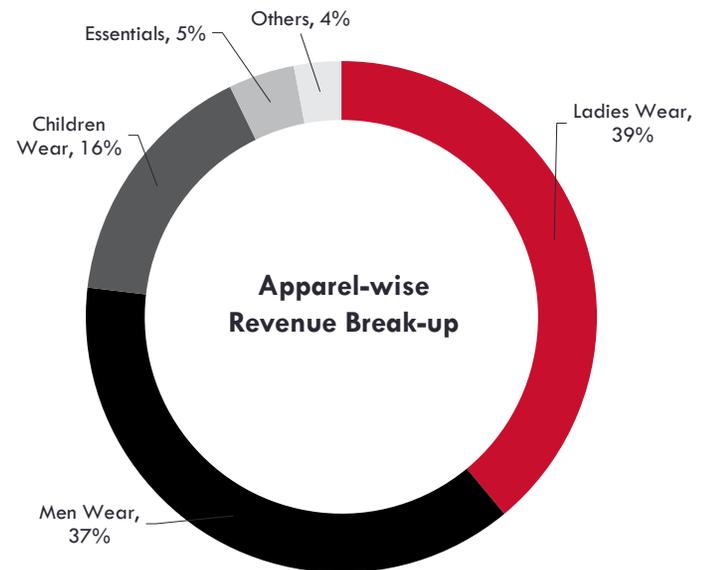
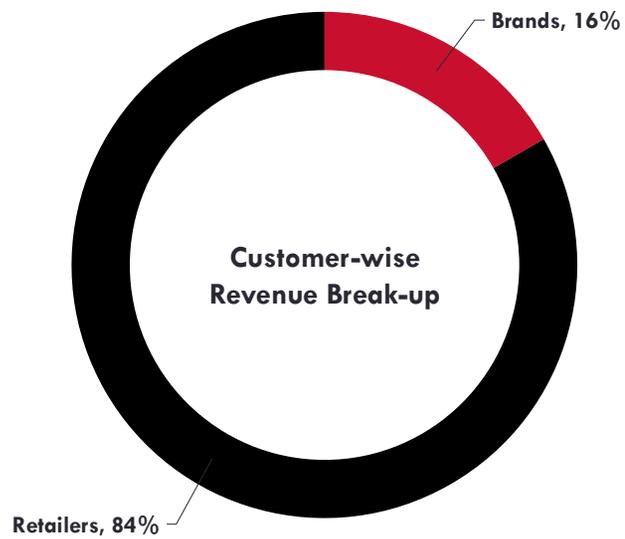
Measured steps undertaken to minimize COVID-19 impact on business operations



In light of the COVID-19 Pandemic and disruptions in operating environment, the Company has outlined the following focus areas to minimize the impact of the macro-environment on business operations,

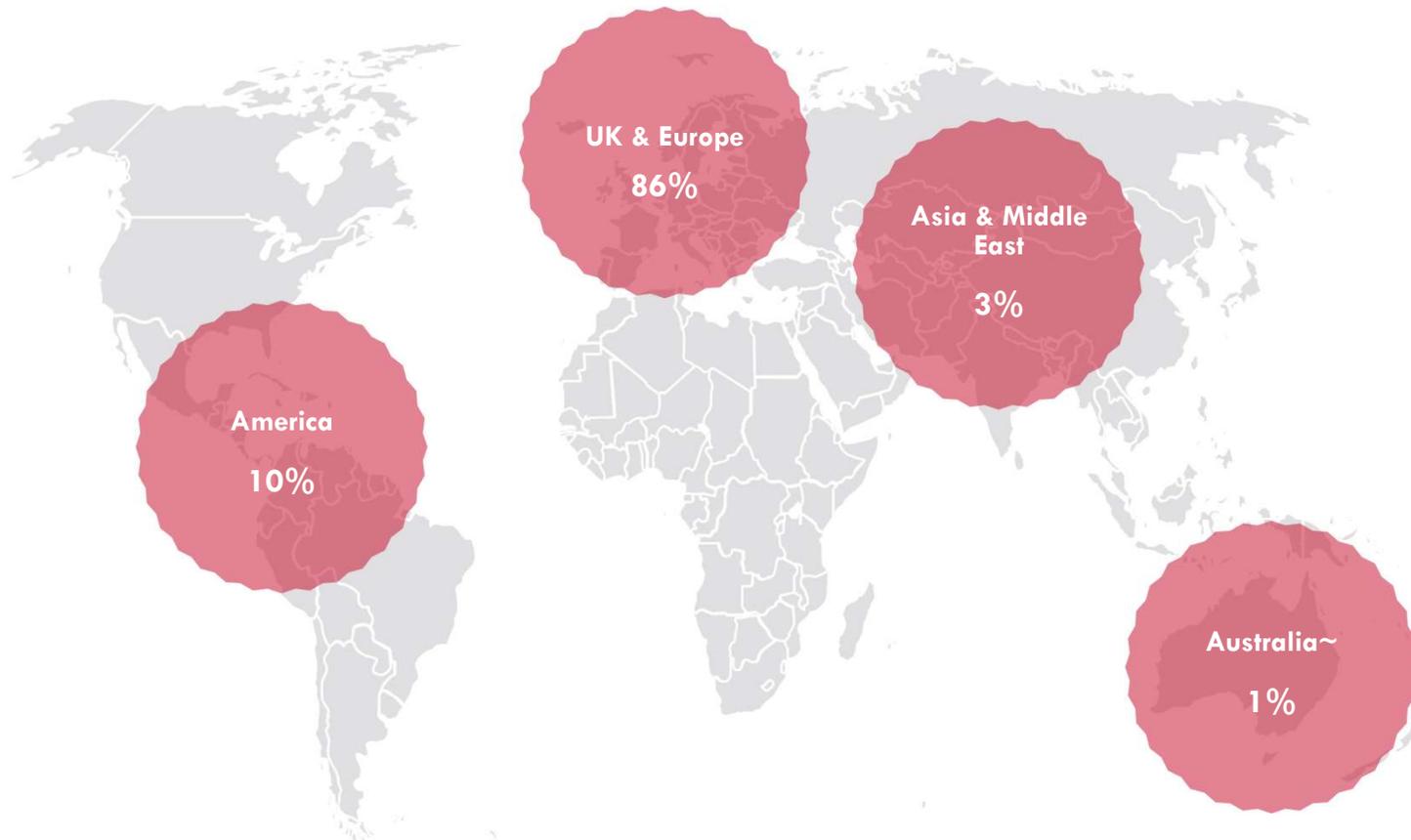
- As an organization, PDS Multinational remains solid, with stable business operations. The management's primary focus is towards undertaking all necessary measures to ensure safety and well-being of its employees, business partners and communities during these trying times
- In light of the current challenges, the Company's strategic intent and focus is towards,
 - Realigning efforts/resources to ensure solid client engagements
 - To meet all statutory liabilities and compliances across the group
 - Retain top talent to ensure the Group hits the ground running as soon as situation normalizes
 - To meet all banking commitments and debt obligations
- Liquidity and cash flow position of the Group continues to be strong
- The Company's associations and contracts across its existing customer base continues to remain intact
 - While there could be deferments or delays in order wins and supplies in Q1 FY21, the management is monitoring the situation on a daily basis and will undertake all necessary measures as directed by the concerned Governments and authorities, from time to time, to overall safeguard the interests of all customers to the best possible extent

Key Metrics – FY20



Note: * Based on customer locations, reclassified wherever necessary

Customer Profile – 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,



“From the beginning of 2020, the global retail landscape has seen an unprecedented slowdown in demand and change in industry dynamics due to the COVID-19 pandemic. In these challenging times, our primary focus was towards undertaking all necessary measures to ensure safety of our employees and to honour our commitment to our customers, suppliers and bankers to the best possible extent.

Although we started the fourth quarter on a steady note with healthy performance in the month of January 2020, lockdowns in our key markets of Europe, Asia and the US impacted demand and supply chain operations, which in turn affected our performance in February and March. Despite the challenges, our client base broadly has remained intact. We are actively in discussion with all our customers to continuously assess and be prepared for any change in the situation and are also undertaking necessary steps to ensure sustained supplies to our clients. I am also pleased to share that we have rapidly resumed business and manufacturing operations and all our employees and partners are undertaking all measures to ensure continuity in operations with minimal disruption.

While we are, currently, seeing a slowdown in demand across our key international geographies as a result of the macro-situation, in the near-term, we believe there should be a gradual bounce back in demand and consumer sentiment. The end-to-end supply chain system is also expected to stabilize in the near future. We are hopeful that in a normalized operating environment, we should be able to deliver a healthy and sustained performance, going forward.”

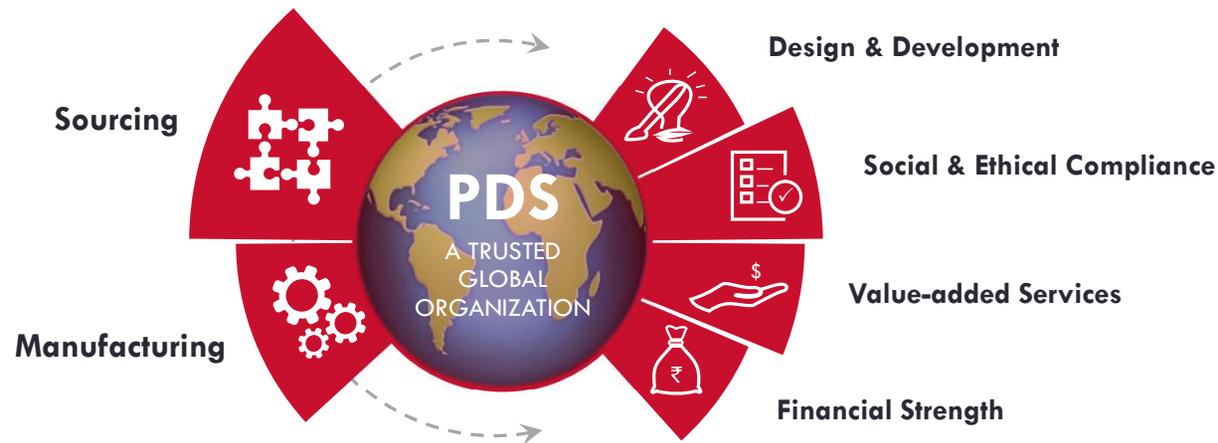
Company Statistics

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. 6,648 Crore in FY20	
»	Income stood at Rs. 1,099 Crore in FY20	
»	150 Own designers in key markets	
»	Operates 2 factories in Bangladesh, 1 factory in Sri Lanka	

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

Global Fashion Manufacturing & Sourcing Business



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

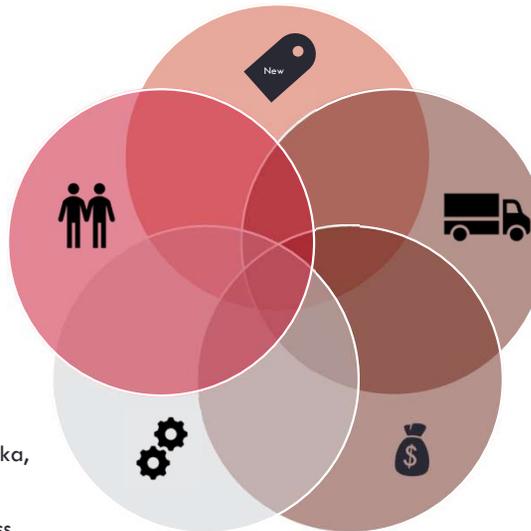
- ▶ 150 designers working on consumer requirements
- ▶ Design Studio's set up in Key Markets
- ▶ Develops over 1,000 new styles/ month
- ▶ Design Centers in key sourcing locations

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



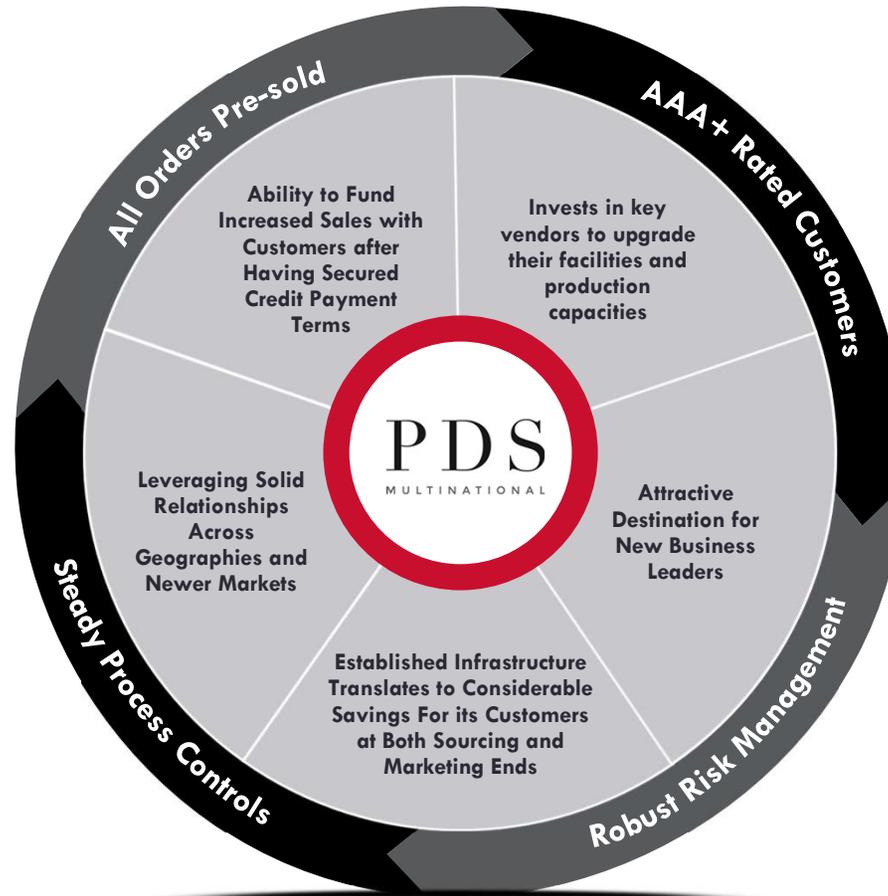
Logistics & Supply Chain

- ▶ 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:

Chandra Sekhara Reddy, Company Secretary,

PDS Multinational Fashions

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PDS

Together we're building a better,
more sustainable supply chain