

PDS/SE/2020-21/53

February 12, 2021

The Secretary  
BSE Limited  
Pheeroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001, Maharashtra (India)

**Scrip Code: 538730 (BSE)**

The Secretary  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor Plot No- 'C Block, G  
Block Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051, Maharashtra (India)

**Scrip Code: PDSMFL (NSE)**

**Sub: Investors' Presentation of PDS Multinational Fashions Limited for the announcement of the Financial Results for the Quarter and Nine Months Ended December 31, 2020**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investors' Presentation of PDS Multinational Fashions Limited for the announcement of the Financial Results for the Quarter and Nine Months Ended December 31, 2020.

The same will also be available on the website of the Company at [www.pdsmultinational.com](http://www.pdsmultinational.com).

You are requested to kindly take the same on records for the purpose of dissemination of the same to the shareholders of the Company.

Thanking you,

Yours faithfully,  
for PDS Multinational Fashions Limited

  
Abhishek Kanoi  
Head of Legal & Company Secretary  
ICSI Membership No.: F-9530



Encl.: a/a



# Investor Presentation & Q3FY21 Investor Update

DATE: 12<sup>TH</sup> FEBRUARY 2021

Global.  
Collaborative.  
Ethical.

# Safe Harbour



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# Company Overview

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# PDS Multinational Fashions Ltd - At a Glance



PDS Multinational Fashions Limited ("the Company"), one of the world's largest design-led sourcing, manufacturing & supply chain platforms catering to leading brands and retailers globally

## Key Facts



**190+**  
Global Leading  
Retailers And  
Brands As  
Customers



**20**  
Countries Presence  
With 50 Offices



**4400+**  
Associates &  
Factory Workers  
Worldwide



**6,648cr**  
FY 20 Topline



**186cr**  
FY 20 EBITDA



**81cr**  
FY 20 PAT



**Strong Financials and  
Risk Management  
Capabilities**



**Design Led  
Sustainable and  
Responsible Sourcing**

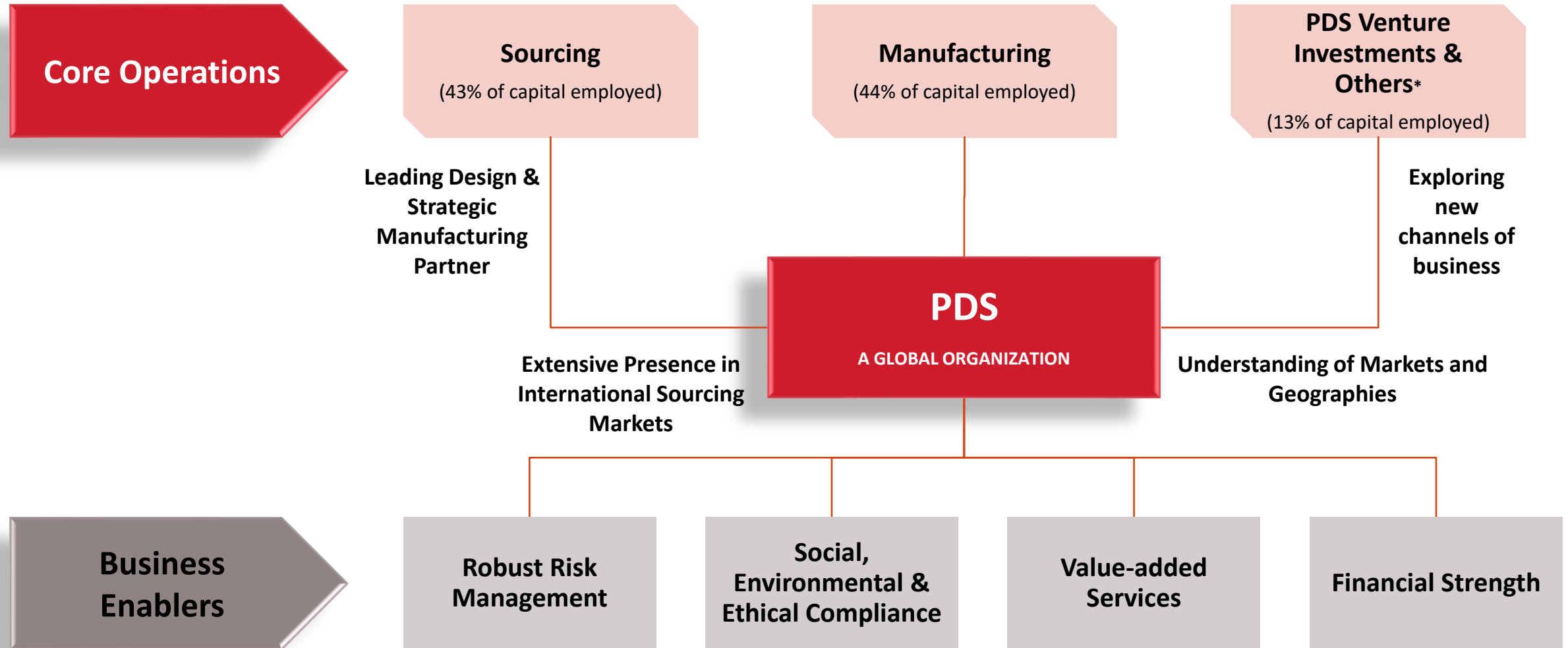


**Right Product, Right  
Market and Right  
Factory**



**Compliant and  
Transparent Supply  
Chain**

# What do we do?



# Key Milestones Over The Last 2 Decades

## Brick by Brick Building a Global Footprint



Promoter family established first flagship companies

- Norwest Industries in Hong Kong
- Poeticgem in UK

**1999**

Entered into denims through establishment of Zamira Fashion in Hong Kong

Acquired FX Import Company in the UK

Began Direct Marketing operations in Chile under the names - PG Group and PG Home

Marked entry into the non-apparel category of Home wear and home furnishing

Formed a PGM license division business in the UK to supply, design and manufacture licensed apparel products

**2007-08**

**2003-05**

Received approval for sourcing operations in India

Launched the Logistics business as Pacific Logistics in UK

Established sourcing operations in China , Bangladesh

**2009 -10**

Launched Bangladesh Direct marketing operations

Established Direct marketing business operations in India

Entered joint ventures with FG4 in Middle East, thus launching branded retail business operations



Established operations in Turkey, Germany, Sri Lanka and Spain

Expanded Direct Marketing offices in Melbourne, Australia

Commenced Corporate services operations in Bangalore

Received license for operations in Myanmar

Set up leased manufacturing operations in Sri Lanka

**2012-13**

**2014**

Listed on Indian Stock Exchanges post demerger

Launched NAVEX website to strengthen PDS' code of conduct and global compliance

Entered into JV with Techno Germany

Began operations in Cambodia

Fabric Sourcing Division set up in Shanghai

Began Sourcing operations in Belgium & Pakistan

JJ Star operations started in South China



Launched Manufacturing facilities in Bangladesh under Progress Group and Green Smart Shirts(GSS) Group

Forayed into Technology business to develop and offer cloud-based software and mobile applications in HRM -Qandle

**2016 -17**

**2018**

Commissioned 2 Mfg. units at Bangladesh

PDS Towers inaugurated in Gurgaon, India

Acquired a manufacturing unit in Sri Lanka (erstwhile TRINCO factory)

Strategic Investment in Atterley.Com Holdings, which is an online fashion retailer in United Kingdom



Acquired Kik Service Unit Limited in Bangladesh (Techno Sourcing Bangladesh Ltd)

Acquired Lilly & Sid Ltd, UK engaged in trading of Kids branded apparel.

**2019 -20**





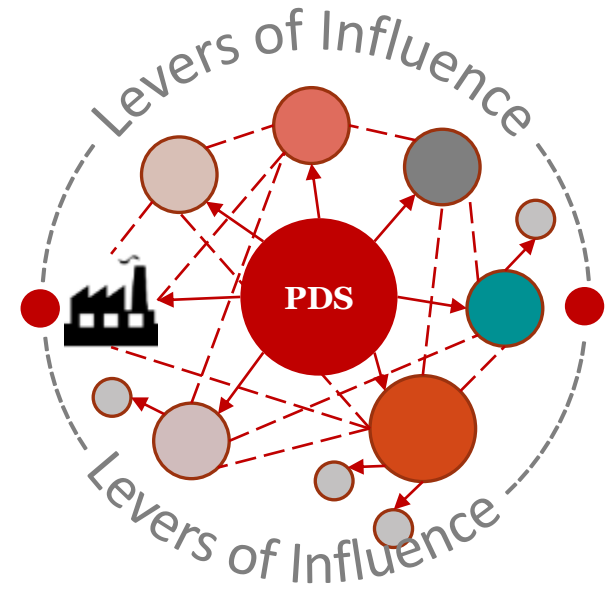
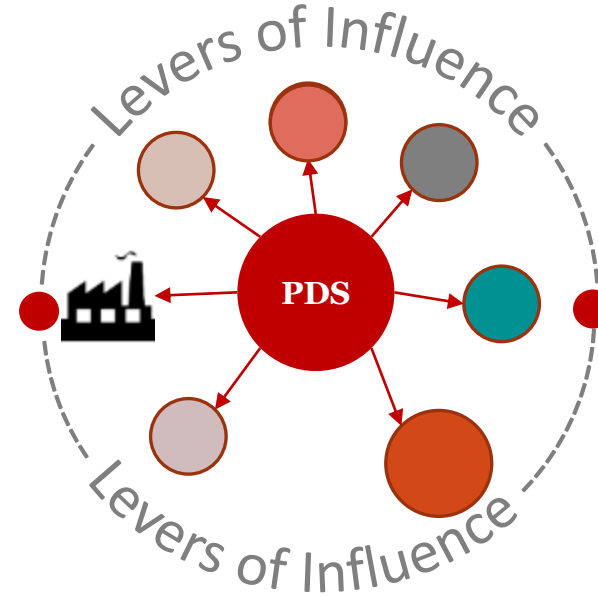
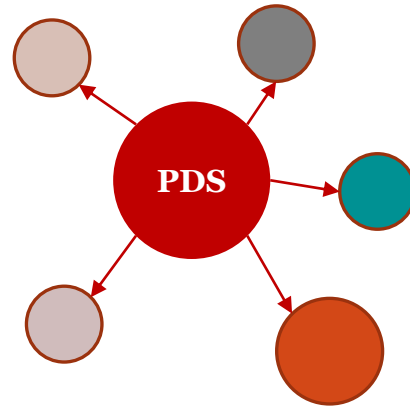
# PDS Business Model Evolution

## From Single Entity to a Collaborative Model



1999

2020



### Single Entity Model

PDS Establishes itself in 1999 under our first flagship company

- Norwest Industries in Hong Kong

### Hub & Spoke Model

Created Hub & Spoke model under PDS by On-boarding Entrepreneurs and their team on 3 primary criteria

- **Product Specialization** ex. Knitwear, Footwear
- **Geographical Advantage** ex. Pakistan, Sri Lanka, Turkey
- **Customer base** ex. German, French Markets

### Platform Model

Establishment of PDS Platform to operate under a 'Plug & Play' model

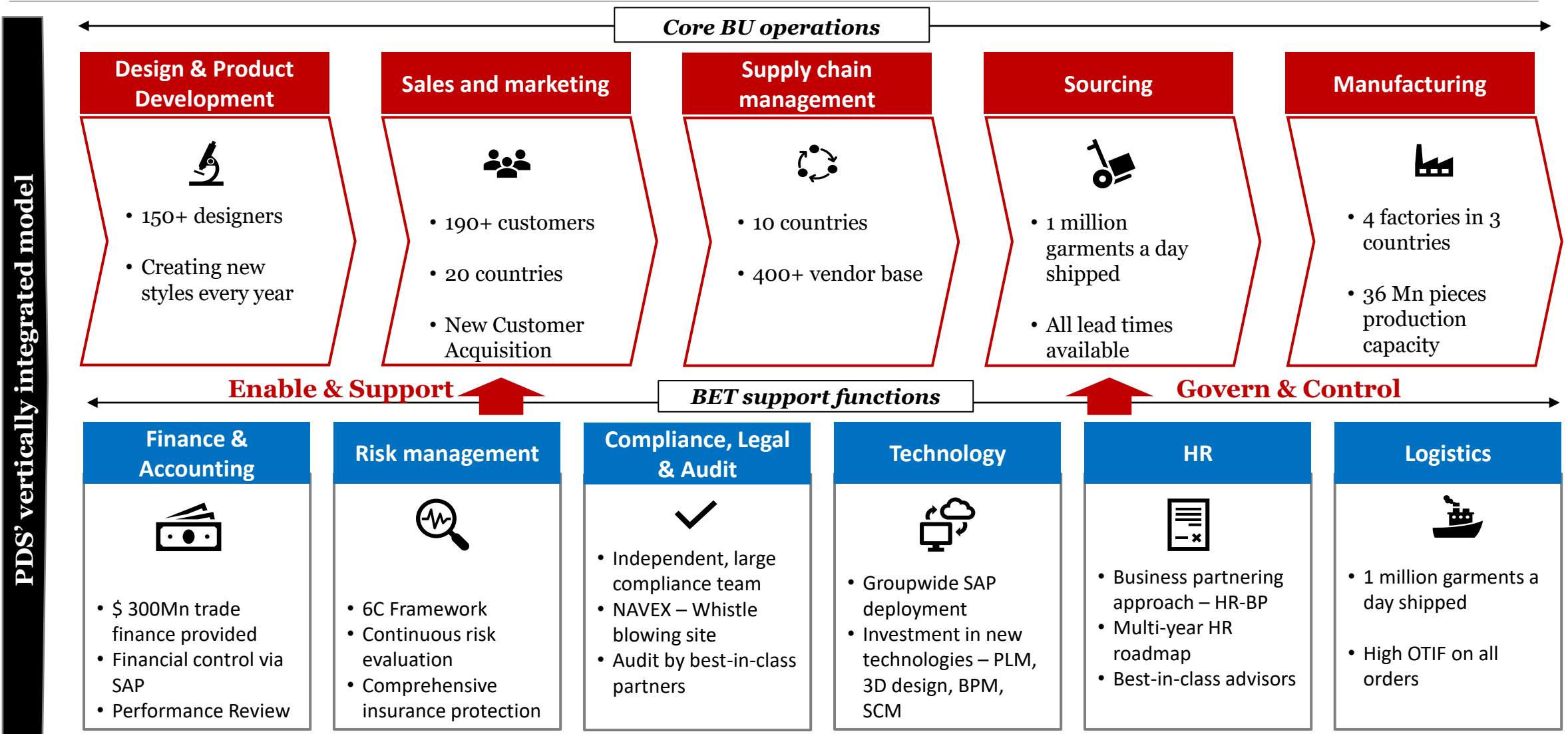
- Business Enabling Teams (BET)
- Best Practices & Standardization
- Levers of Influence

### Collaborative Model

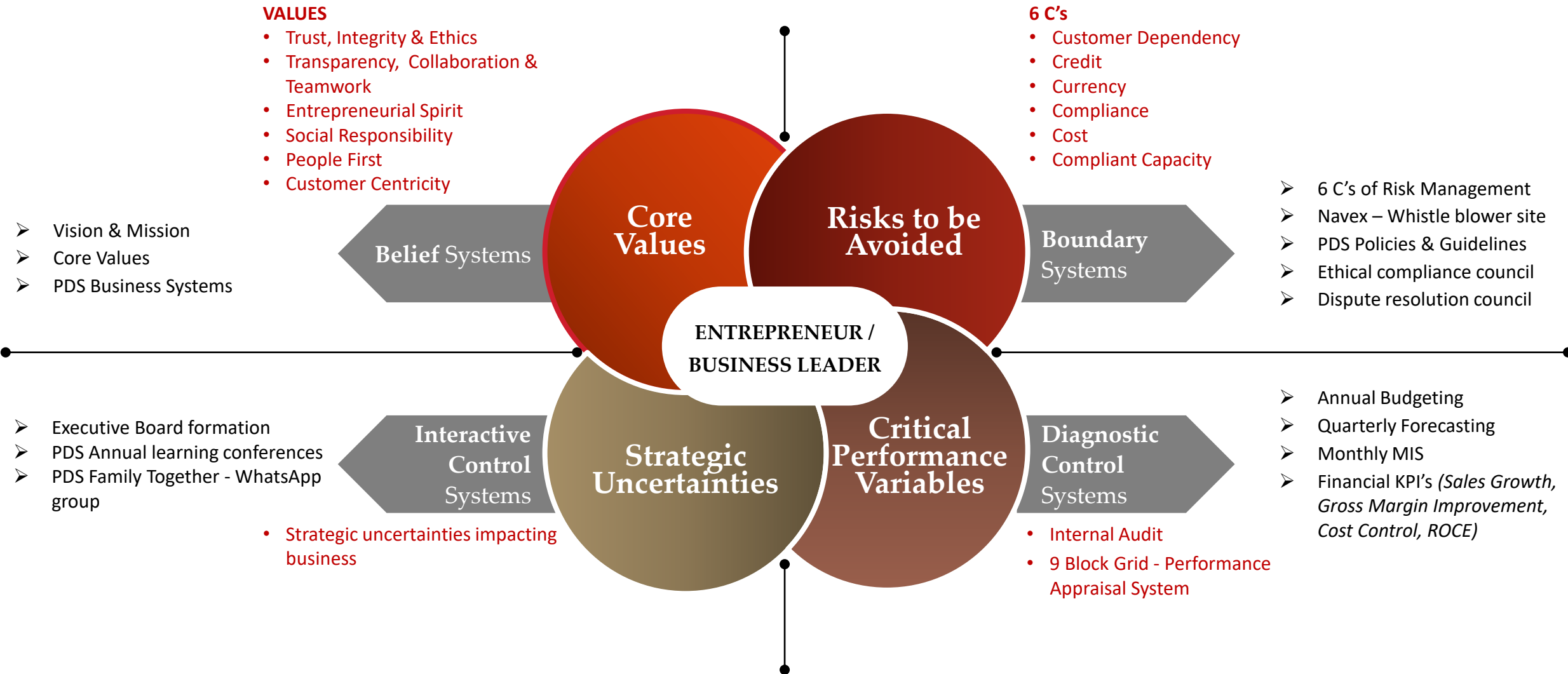
Solution based approach

- Best team forward as per customer requirement
- Inter-SBU collaboration
- Leverage Scale
- Mentoring
- Strategic Business Initiatives

# Platform Optimization With Clearly Defined Roles



# Building a Winning Culture- Levers of Influence



# PDS – Risk Management Principles



## CREDIT

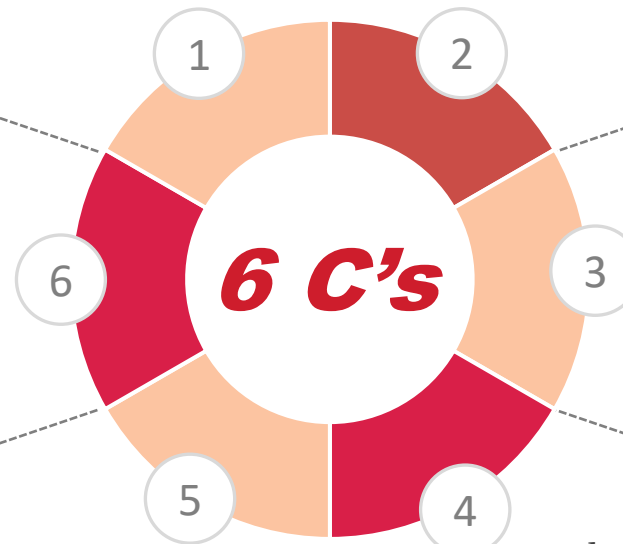
- Secured Credit Payment terms from Customers
- Insurance cover – Euler Hermes, Atradius, ECIC Hkg, ECGC India
- Regular monitoring of receivables and aged debtors

## COST

- Adopt global best practices to reduce costs or bring savings
- Review OPEX continuously and micro-managing the costs
- Continuous review - 20+ Financial Controllers (CPA / CA)

## CUSTOMER DEPENDENCY

- No Single Customer having more than 15% of Group's revenue
- Top 20 customers contribute to only 70% of the total revenue
- 190 customers (Brands, Hypermarkets, High street retailers)



## COMPLIANCE

- Adherence to PDS code of conduct (ZTV policy) and customer compliance requirements
- ZERO tolerance on unauthorised sub-contracting
- In house 40 member team managing compliance

## CURRENCY

- Buy & Sell in same currency
- If Buy & Sell in different currency immediate forex cover to be taken
- Periodic review & forward cover for the local currency expenses

## COMPLIANT CAPACITY

- Budget turnover only based on compliant capacity & annual review of factory audit status
- 400+ active Vendors globally

**A rigorous application has led to successful management of financial position**

# Sustainable Business Built Over 2 Decades



## Supplier Consolidation

Retailers are increasingly looking at Strategic relationships with reliable and consistent suppliers to meet constant evolving demand

## Design Excellence

150 designers based out of customer location and developing new styles every month backed by reliable sourcing

## Sustainability

Promote usage of Sustainable Material in line with Industry Best Practices and Investing in Sharing Economy



## Global Footprint

Right Product, Right Country, Right Factory – Design, Sourcing and Manufacturing

## Financial Stability

Availability of working capital lines and debt free company

## Strong Ethics & Compliance

Industry experts leading 40 member team to maintain Social, Technical and Ethical Compliance standards across 200 factories

**Key to Long Term Success of PDS Multinational Fashions**



# Overview of Global Textile & Apparel Industry and Addressable Market for PDS



# Industry Overview



## Overall market size

1. The global textiles and apparel industry market had a **retail market value of \$1.9 trillion in 2019**
2. As per Boston Consulting Group projected by to **reach \$3.3 trillion in 2030**, growing at a CAGR of 3.5%
3. The growth of the global apparel market is expected to remain moderately strong, owing to increasing disposable income in middle-class people globally to shorten the fashion cycles along with increasing influence of social media, micro-influencers and fashion icons

## Geographic and Category Split

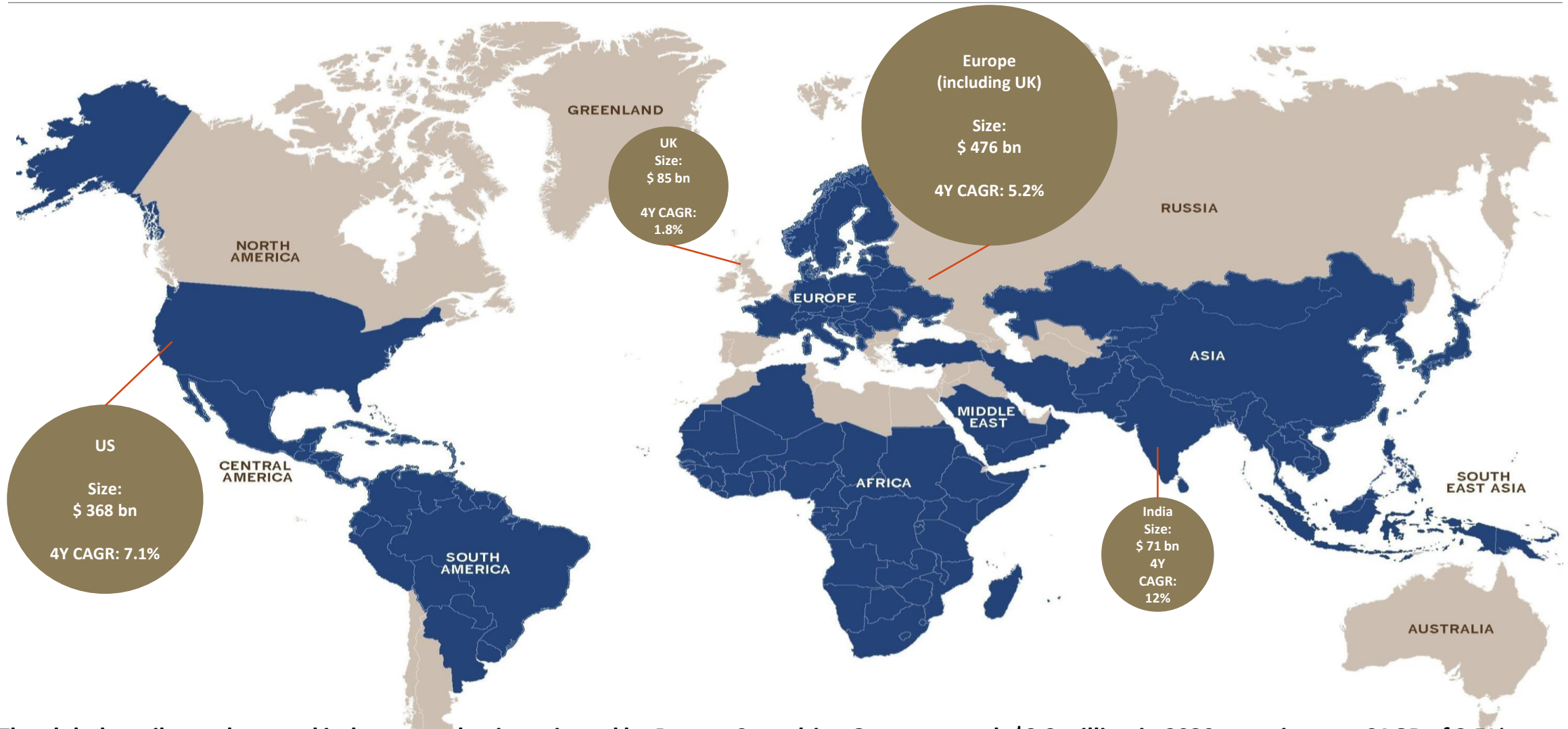
1. The three world regions with the largest apparel markets are:
  - a) 28 member states of the European Union (Size: \$476 bn; CAGR 2021-2025: 5.2%)
  - b) United States (Size: \$368 bn; CAGR 2021-2025: 7.1%)
  - c) China (Size: \$321 bn; CAGR 2021-2025: 8.2%)
2. Asia Pacific region had witnessed the highest level of growth over the last 5 years
3. For most of the aforementioned markets, Women's Apparel constitutes the market's largest segment

## Emergence of Digital Channels

1. The disruptions due to COVID are changing the consumer buying habits with the primary driver of growth in the coming year to continue to be digital channels, reflecting the fact that people in many countries remain reluctant to gather in crowded environments
2. In key markets of the World, sales through digital platforms have already crossed 20% and growing

# Global Textile & Apparel Market

Where is the World Consuming?

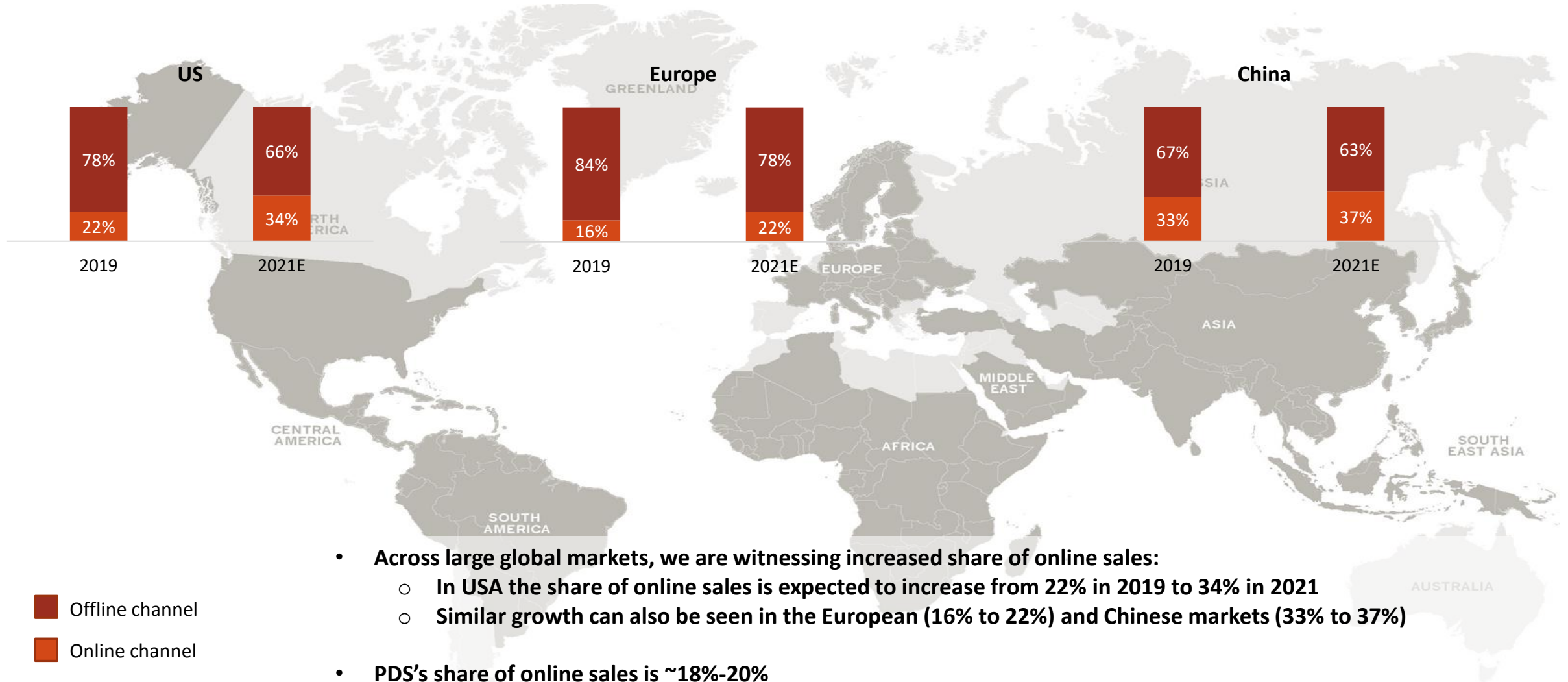


The global textiles and apparel industry market is projected by Boston Consulting Group to reach \$3.3 trillion in 2030, growing at a CAGR of 3.5%



# Global Textile & Apparel Market

## Channels through which World is Selling?



# Global Textile & Apparel Market

## Key Takeaways



1

UK & Europe are the largest markets in the world and PDS is well entrenched in this geography. Focus on capturing larger share of customer wallets, increasing penetration and reach out to new customers

2

North America is one of the largest markets globally. Apart from its existing on ground presence, PDS has recently on-boarded senior industry leaders to further strengthen its position in this geography

3

China & India are the fastest growing markets and PDS is increasing its efforts in these geographies

4

Online channels continues to gain traction. PDS is participating through their customers online efforts. PDS now aims to augment its relations with large ecommerce companies



## Deep Dive into Business Verticals of PDS



# PDS Sourcing Business- Design Led

~43%% of Capital Employed



**Design Excellence**



**Market Intelligence**



**Expertise in Technical,  
Wash and  
Sustainability**



**1 Mn pieces a day  
400+ Partner  
Factories**

Managing the entire supply chain execution of end-customers

Provides in-house expertise and market know-how in managing global trade

In-house product development, design, sampling, and technical teams

100% Pre-sold, No Inventory Risk, Asset Light

Designers based in London, Hong Kong, New York, Barcelona, Dusseldorf, New Delhi, Shanghai, Colombo, Santiago and Brussels

# PDS Sourcing Business:

A Well Diversified Based Of Marquee Customers



Catering to both offline & online channels



JACK WILLS

**KOHL'S**

PRIMARK®

Sainsbury's



極度乾燥 (しなさい)  
**Superdry.**

BESTSELLER®

TOPSHOP  
TOPMAN

MATALAN

ASOS

George.

**NEWYORKER**

**T.K.maxx®**

MANGO

RIVER ISLAND

amazon.com

PULL&BEAR

next

URBAN  
OUTFITTERS

ZARA



Myntra

Top 10 Customers account for nearly 2/3<sup>rd</sup> of sales  
Continuous efforts underway in managing credit risk through application of 6Cs

# PDS Manufacturing Business: (~44% of Capital Employed)

## Creating A World Class Manufacturing Base



6000 Machine Capacity with 130 production lines spread across Bangladesh, India and Sri Lanka  
Annual in-house production of 36 Million pieces

### »» PROGRESS APPAREL, BANGLADESH



- Planned capacity of 2500 Machines
- World Class Manufacturing facility with Accord Compliant (95%)
- Primarily focused on bottom wear
- Next, C&A and Express

### PARC DESIGN, INDIA ««



- Total Planned capacity of 1000 machines
- Specializes in Ladies Softs and Girls-wear
- Bestseller and Matalan
- Held through minority stake

### »» GREEN SMART SHIRTS, BANGLADESH



- Manufacturing facility with planned capacity of 2000 machines
- Formal & Casual shirts/blouses for Ladies, Men and Kids
- Next, Primark and Bestseller

### NOR LANKA, SRI LANKA ««



- Manufacturing Facility based out of Sri Lanka with 600 Machines
- Specializes in Knits Kids wear – Body Suits and Sleep Suits
- ASDA George, Next, Primark
- Based on a job work arrangement

**100% Pre-sold, LEED Platinum and Gold certified Best in Class facilities**

# PDS Venture Investments & Others\*

13% of Capital Employed



## Collaborations



### True PDS Fund



### Apex Black VC Fund



### PDS Impact Fund



### PDS Direct Investments

## Overview

Major focus on sustainable & tech-oriented fashion retail and consumer related Investments

Key Focus Area- Sustainable and deep Tech/ AI - ML backed companies

Focused investments in Circular fashion – sustainability across fashion supply chain

Focus on Fashion, technology & sustainability sectors for strategic alignment

## Value Add

- True Portfolio companies can **add revenue sources** for PDS group (eg- Hush, Cotswold)  
- **Network effect** with True's partners- Primark, John Lewis, TJX, J & J, 7 Eleven

Provide PDS Customers **new upcoming tech solutions** in the space – sustainable ways of growing cotton/ optimization of revenue profit, cost reduction or supply chain efficiency through AI /ML tools

Provide PDS customers with a **portfolio of companies involved in Circular Economy** increasing the customer engagement & keep customer with PDS for a longer time & adding more business

Making PDS brand synonymous with **ESG compliance & best sustainable practices** – Investments in Sustainable Brand Rating platforms or Sustainable sourcing platforms

## PDS Impact

### Revenue ↑

- More share of wallet of existing customers to PDS
- Retention rate of Customers increased
- New Customers added

### Profitability ↑

- Low cost of acquisition
- Low cost of retention

### - Better Customer Engagement

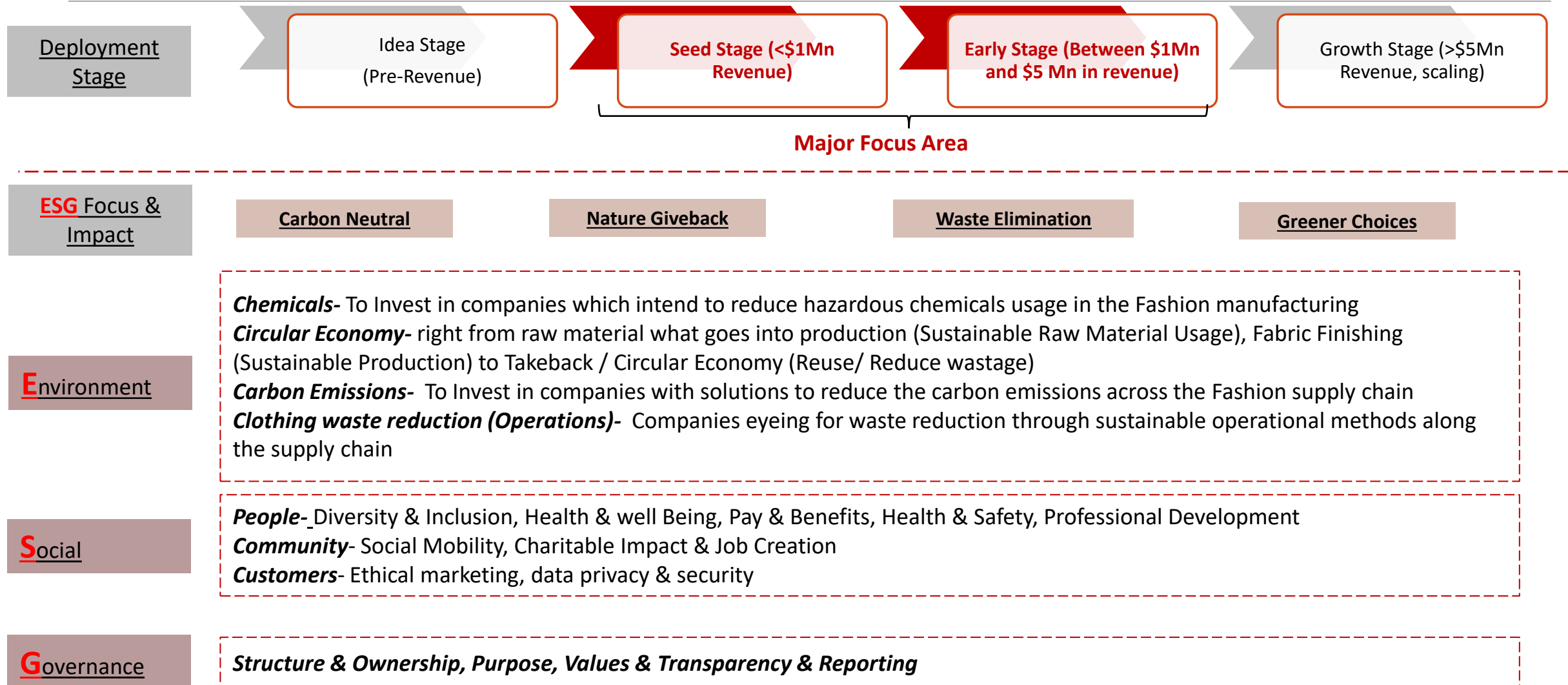
- Add on services through portfolio companies
- New technological solutions provided through portfolio companies

### - PDS Brand

- High on sustainability
- Incubator & enhancer for tech revolutions in the space
- ESG compliant

# PDS Venture Investments

## Key Investment Criterion





# PDS Venture Investments

## Few Illustrative Investments



### Materra (erstwhile Hydrocotton)

**A Technology (AI/ML) Company to grow cotton using 80% less water & no Pesticides company**

- It uses controlled environments & data driven agriculture, radically improving farm efficiency, reliability & sustainability
- Controlled environments act as climate stabilisers
- Precision Irrigation prevents runoff, enables recirculation
- Biological pests replaces pesticides

Relevance to Business



Impact on Customers



Impact on PDS Business



<https://www.hydrocotton.tech/>

### Evrnu

**A revolutionary, new technology that recycles cotton garment waste to create premium, renewable textile**

- Evrnu technologies are used to create engineered fibers with extraordinary performance & environmental advantages, made from discarded clothing
- NuCycl Technologies by Evrnu include Regenerative Cellulosics, Next generation regenerative Cellulosic solvent systems, Regenerative Polyester, Recoverable Stretch and Bio Engineered Fibers

Relevance to Business



Impact on Customers



Impact on PDS Business



<https://www.evrnu.com/>

### Cerebra

**An AI platform to help retailers & consumer product companies in the optimizing for revenue, profit, cost reduction or supply chain efficiency**

The Cerebra AI platform and predictive analytic applications extract insights from both internal and external signals to identify trends, with data sources such as transaction processing data, customer service databases, social media feeds, inventory tracking software and customer reviews helping retailers and consumer products companies take more precise decisions.

Relevance to Business



Impact on Customers



Impact on PDS Business



<https://www.cerebra.tech/>

### Reflaunt

**A Technology platform focusing on Circular Economy connecting the Industry Collaborators**

- The technology connects brands to the secondhand marketplaces
- Enable shoppers to resale past purchases on the brand's website to earn shopping credits
- The piece is rehomed and given a second life, taking fashion full circle

Relevance to Business



Impact on Customers



Impact on PDS Business

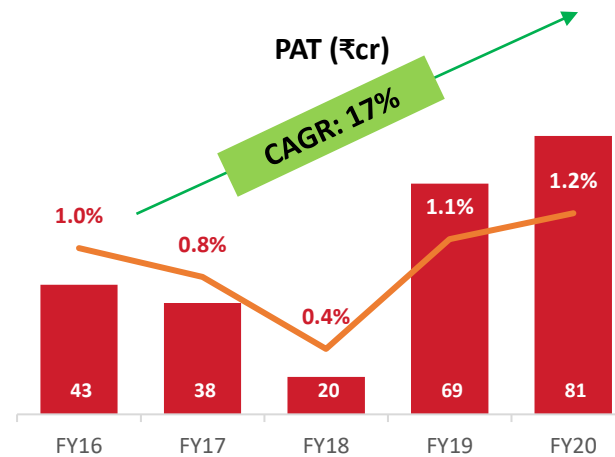
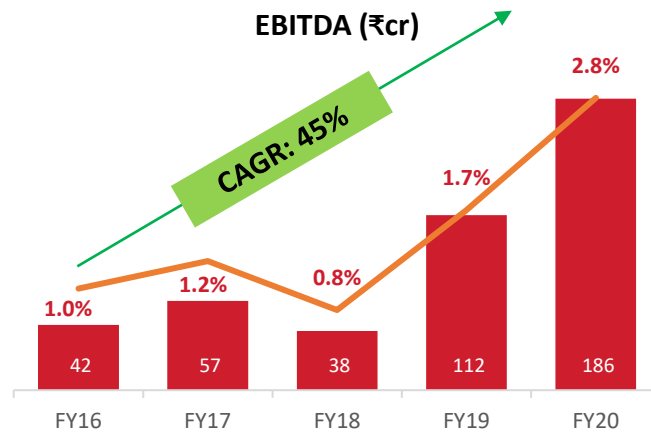
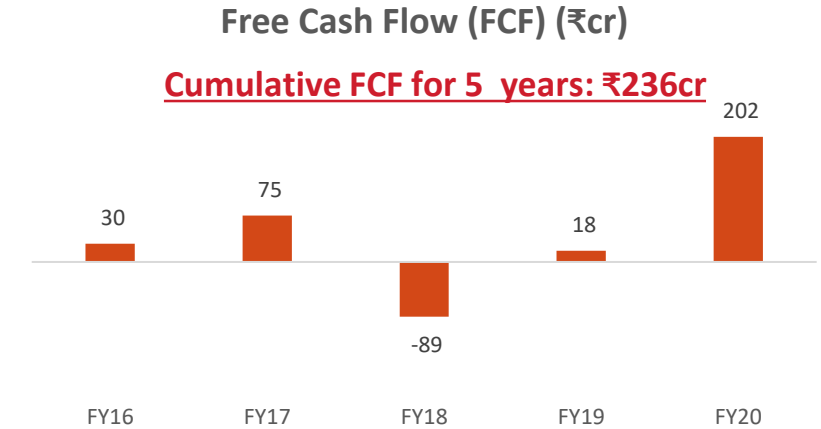
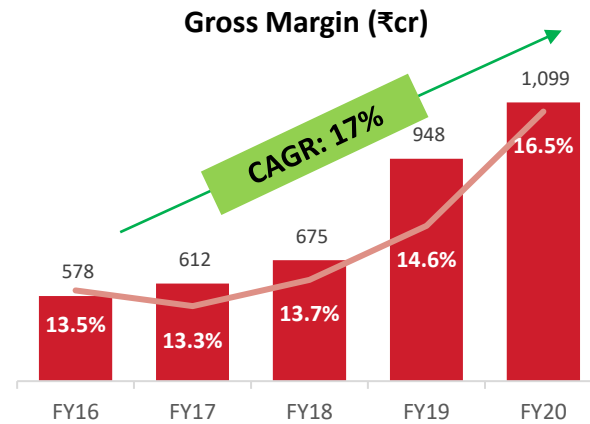
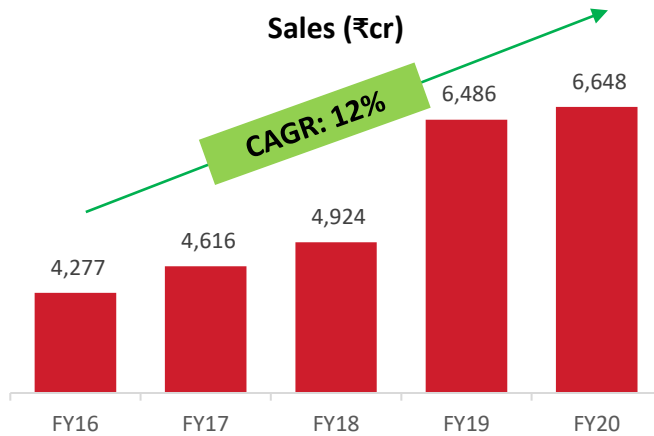


<https://www.reflaunt.com/>

The background of the slide features a blurred image of a magnifying glass held over a bar chart. The chart has blue and green bars grouped by quarter, with labels Q1, Q2, Q3, Q4 visible. A '1,000' scale marker is also present on the right side of the chart. The title '5-year Historical Financial Performance Overview' is centered over the image in white text, with a thin white horizontal line underneath it.

# 5-year Historical Financial Performance Overview

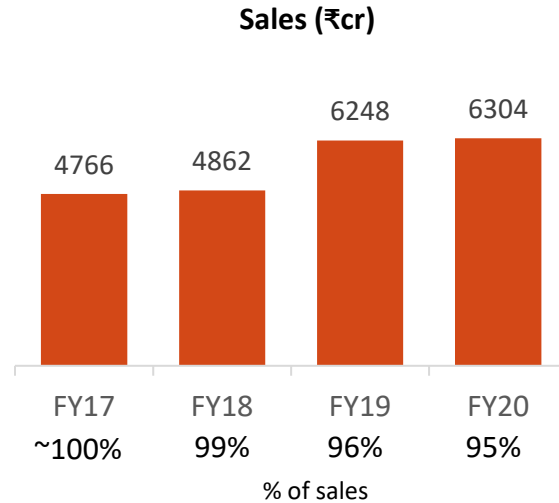
# 5-year Financials Snapshot



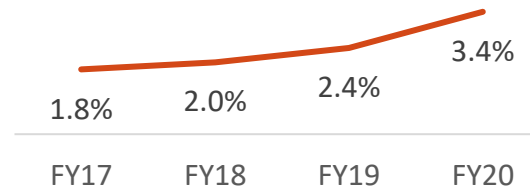
**Note:** Other Expenses primarily include Legal & Professional charges, Travelling & conveyance, Commission & brokerage

# Deep Dive into Sourcing & Manufacturing Business PDS

## Sourcing



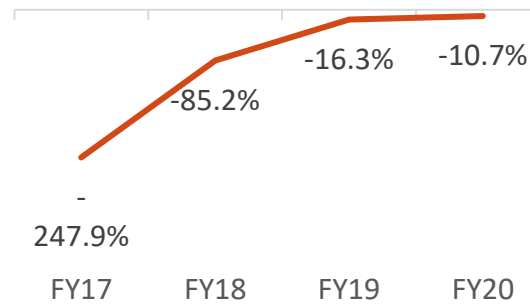
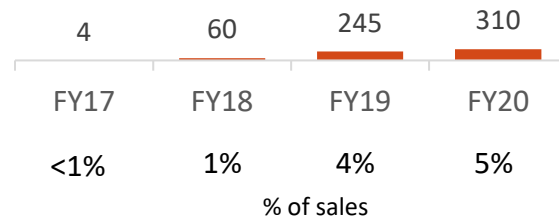
## EBITDA Margin %



## ROCE %

**46%**  
Based on Annualized  
9MFY21

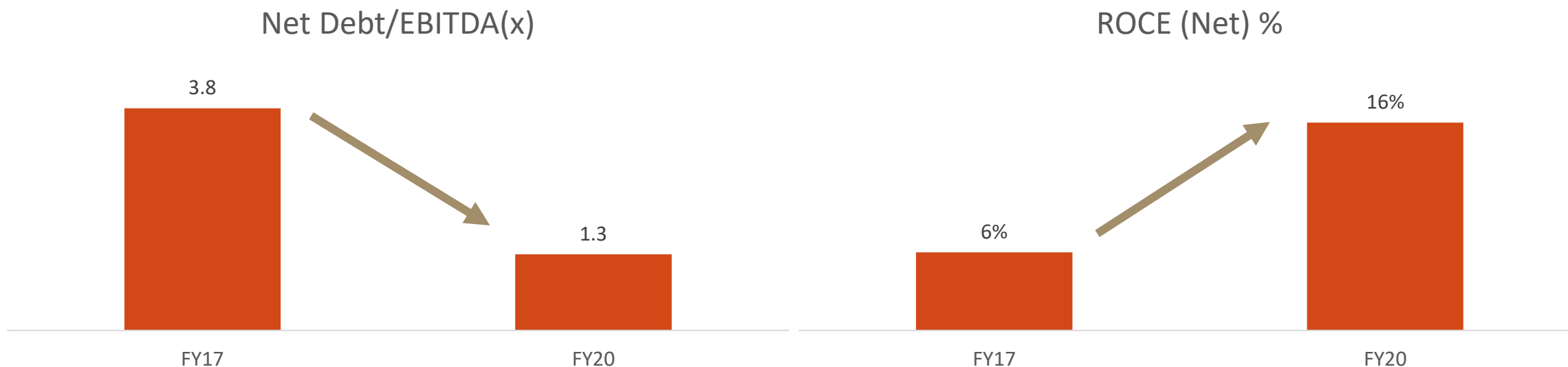
## Manufacturing



- ROCE is -ve due to -ve EBIT

- Manufacturing business started in FY17

# Enhanced Key Leverage and Return Ratios



## Key Takeaways:

- Net Debt/EBITDA has improved over last 3-years:
  - Attributable to increase in EBITDA with the Net Debt being under control
- ROCE has increased significantly over last 3-years:
  - Attributable to increase in EBIT with the Net Capital Employed being under control



# Business & Financial Performance Overview

---

Q3 FY2021 AND 9M FY21

# Key Business Highlights (1/2)



1. Notwithstanding adverse impact of COVID in key markets i.e. UK/EU/US, the Company has successfully managed credit risk along with topline growth (13% yoy), expansion of gross margins (1.5% yoy), opex reduction (17% in 9MFY21) and reduction in net working capital (10 days to 4 days in YTD)
2. As a result of the above and reduction in cost, Net Debt has reduced in 9MFY21 by ₹144cr
3. With an aim to expand into new categories and make indoors in the American retailers, the Company has on-boarded business leaders
4. Focus on turning around manufacturing operations in Bangladesh
5. CEO has been on-boarded along with a value creation team
6. ESOP scheme has been launched and shareholder approval is being taken

# Key Financial Highlights (2/2)



Reported consolidated Q3  
FY21 topline growth

**13%**

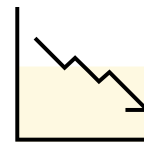
on YoY basis



Gross Margin expansion

**154bps**

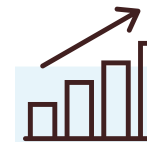
in Q3 FY21 on YoY basis



Opex Reduction of

**17%**

from ₹689cr in 9MFY20 to  
₹570cr in 9MFY21



EBITDA of

**₹76cr**

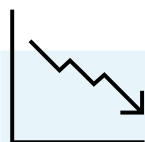
4.7% in Q3 FY21 316bps  
increase yoy



Reported PAT Q3 FY21

**₹59cr**

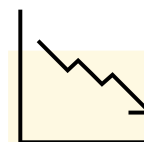
↑ of 413% with 3.6%  
margin a 281 bps ↑yoy



Net Working Capital

**4days**

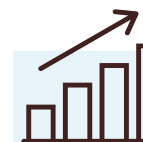
from 10 days in March  
2020



Net Debt Reduction

**₹144cr**

from March 2020



ROCE of

**15.3%**

in 9M FY21



# Consolidated Statement of Profit & Loss



₹ in cr, unless mentioned otherwise

Particulars	Q3 FY21	Q2 FY21	Q3 FY20	Growth (Y-o-Y)	9M FY21	9M FY20	Growth (Y-o-Y)	FY20
Income from Operations	1,626	1,856	1,437	13%	4,448	4,644	-4%	6,648
COGS	1,329	1,611	1,197	11%	3,745	3,881	-3%	5,549
<b>Gross Profit</b>	<b>296</b>	<b>245</b>	<b>240</b>	<b>24%</b>	<b>703</b>	<b>763</b>	<b>-8%</b>	<b>1,099</b>
<b>Gross Margin (%)</b>	<b>18.2%</b>	<b>13.2%</b>	<b>16.7%</b>	<b>154 bps</b>	<b>15.8%</b>	<b>16.4%</b>	<b>-63 bps</b>	<b>16.5%</b>
Employee Expense	92	102	108	-15%	268	318	-16%	436
% of Income from Operations	5.6%	5.5%	7.5%	-186 bps	6.0%	6.9%	-82 bps	6.6%
Other Expenses	129	108	110	17%	302	371	-19%	477
% of Income from Operations	7.9%	5.8%	7.7%	24 bps	6.8%	8.0%	-121 bps	7.2%
<b>EBITDA</b>	<b>76</b>	<b>35</b>	<b>22</b>	<b>245%</b>	<b>133</b>	<b>74</b>	<b>80%</b>	<b>186</b>
<b>EBITDA Margin (%)</b>	<b>4.7%</b>	<b>1.9%</b>	<b>1.5%</b>	<b>316 bps</b>	<b>3.0%</b>	<b>1.6%</b>	<b>139 bps</b>	<b>2.8%</b>
Depreciation	16	16	17	-8%	47	35	34%	52
<b>EBIT</b>	<b>61</b>	<b>19</b>	<b>5</b>	<b>1172%</b>	<b>86</b>	<b>39</b>	<b>121%</b>	<b>134</b>
<b>EBIT Margin (%)</b>	<b>3.7%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>339 bps</b>	<b>1.9%</b>	<b>0.8%</b>	<b>109 bps</b>	<b>2.0%</b>
Other Income	7	10	16	-59%	27	34	-19%	27
Finance Cost	5	5	8	-35%	21	23	-11%	49
Profit before exceptional items and tax	62	24	13	367%	92	50	87%	111
Add: Share of Profit/(Loss) of Associates	0	-1	0	-1088%	-3	-2	82%	-7
Add: Exceptional items	0	0	0		0	0		-14
<b>Profit Before Tax</b>	<b>62</b>	<b>23</b>	<b>13</b>	<b>363%</b>	<b>89</b>	<b>48</b>	<b>87%</b>	<b>91</b>
Tax Expenses	3	5	2	65%	10	2	328%	9
<b>Profit After Tax</b>	<b>59</b>	<b>18</b>	<b>11</b>	<b>413%</b>	<b>79</b>	<b>45</b>	<b>74%</b>	<b>81</b>
<b>PAT Margin (%)</b>	<b>3.6%</b>	<b>1.0%</b>	<b>0.8%</b>	<b>281 bps</b>	<b>1.8%</b>	<b>1.0%</b>	<b>80 bps</b>	<b>1.2%</b>

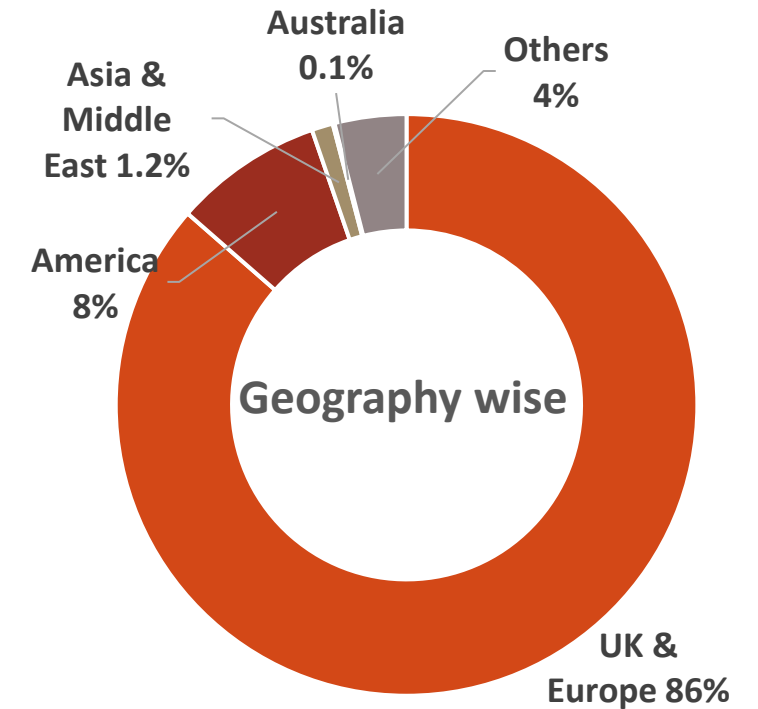
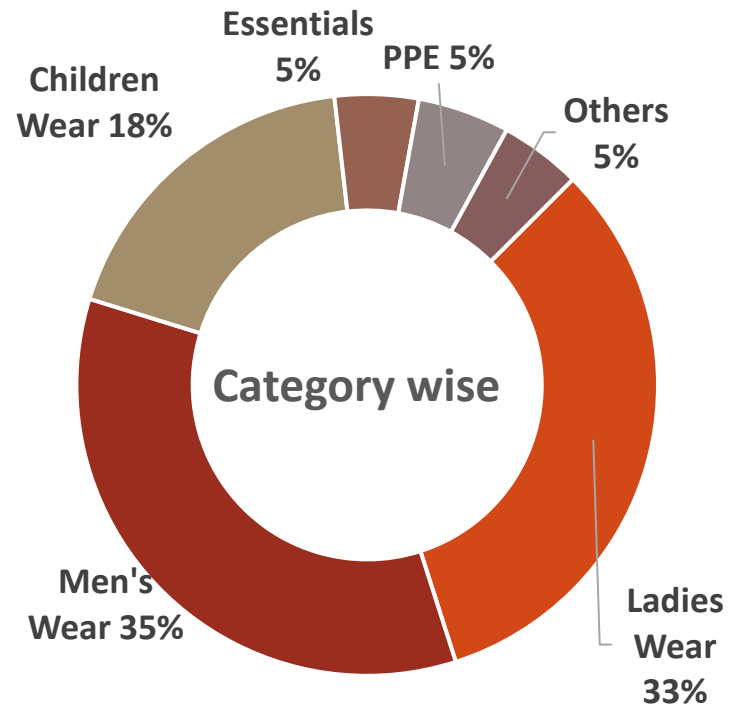
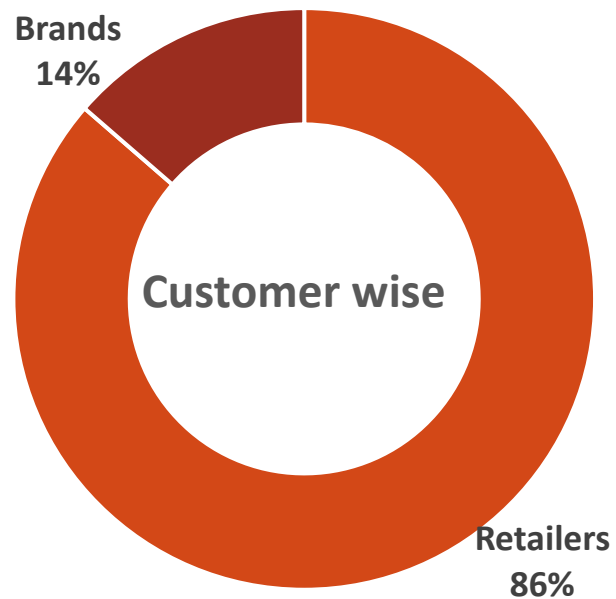
## Q3FY21

- Income from Operations increased by 13% in Q3FY21 vs Q3FY20
- Gross Margins expanded by 154bps on account of lower COGS as a % of Income from Operations compared to Q3FY20
- As a result, EBITDA margin improved by 316 bps along with reduction in Employee Expense as % of Income from Operations
- PAT increased 5.1x from ₹11 cr in Q3 FY20 to ₹59 cr in Q3 FY21

## 9MFY21

- EBITDA increased by 80% from ₹74 cr in 9M FY20 to ₹133 cr in 9M FY21
- PAT increased by 74% from ₹45 cr in 9MFY20 to ₹79 cr in 9M FY21

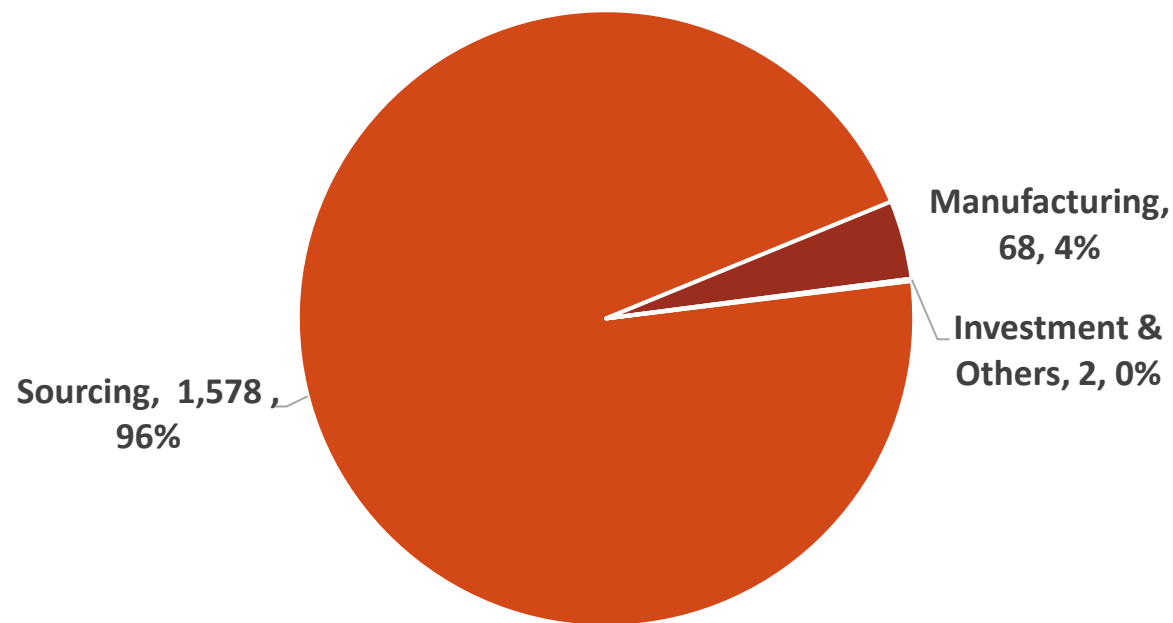
# Revenue Break up (9M FY21)\*



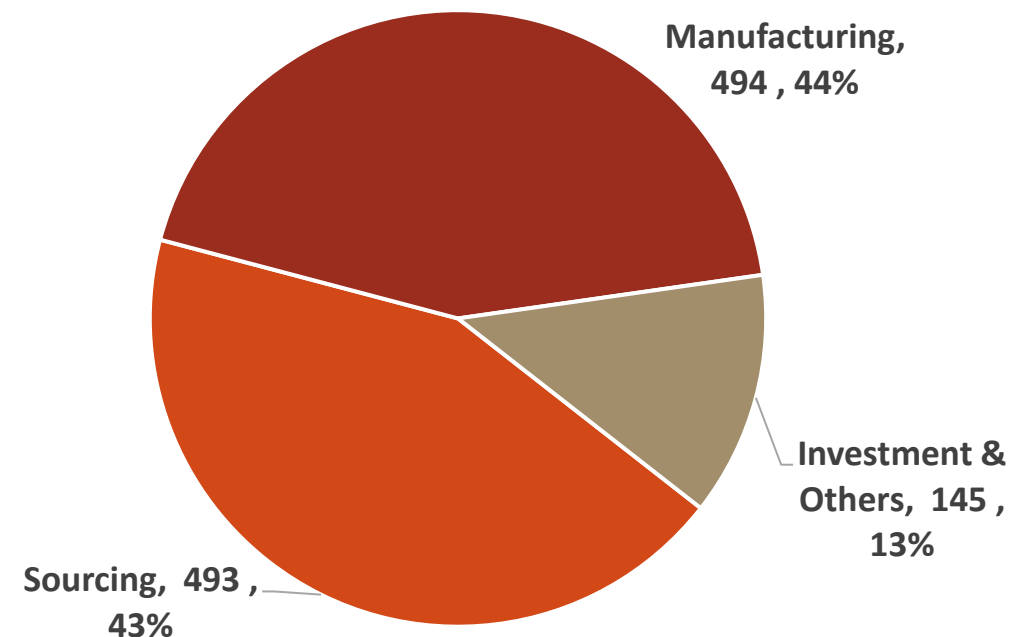
# Segment wise Business Performance



Revenue break up (₹cr, % of total)



Capital Employed break up (₹cr, % of total)



Gross Capital Employed: ₹1,133cr  
Net Capital Employed: ₹745cr  
(Excludes cash & bank balance of ₹388cr)

- Sourcing Business contributes 96% of topline with ~43% of capital employed
- However, the Sourcing Business currently contributes 100% of Profit Before Tax
- ~57% of Capital Employed is attributable to Manufacturing, Investment & Others (Real Estate) business
- The manufacturing business is on the cusp of turnaround

Revenue is unadjusted for intercompany

Segment wise based on Gross Capital Employed as of 31 Dec 2020 | Others – Real Estate (includes offices in various locations)

# Consolidated Balance Sheet



₹ in cr, unless mentioned otherwise

Particulars	As on	
	31-Dec-20	31-Mar-20
<b>Non-Current Assets</b>	<b>560</b>	<b>571</b>
<b>Current Assets</b>	<b>1,607</b>	<b>1,773</b>
Inventories	195	183
Trade Receivables	785	832
Cash and cash equivalents	246	350
Other Bank Balances	142	152
Other Current Assets	239	255
<b>Total Assets</b>	<b>2,167</b>	<b>2,344</b>
<b>Total Equity</b>	<b>645</b>	<b>611</b>
<b>Non-Current Liabilities</b>	<b>71</b>	<b>84</b>
Borrowings	2	5
Other Non-Current Liabilities	69	79
<b>Current Liabilities</b>	<b>1,451</b>	<b>1,649</b>
Borrowings	486	742
Trade Payables	807	729
Other Current Liabilities	158	178
<b>Total Equity &amp; Liabilities</b>	<b>2,167</b>	<b>2,344</b>

Particulars	As on	
	31-Dec-20	31-Mar-20
Inventory Days	14	12
Debtor Days	48	46
Payables Days	59	48
<b>NWC Days</b>	<b>4</b>	<b>10</b>
ROE (%)	16.3%	13.3%
Net Debt / Equity	0.16 x	0.40 x
Net Debt / EBITDA	0.57 x	1.32 x

- Net Debt has decreased by ₹144cr since Mar 2020
- Net Debt/Equity decreased from 0.40x to 0.16x
- Net Debt/EBITDA decreased from 1.32x to 0.57x
- Net Working Capital Days decreased from 10 days to 4 days
- ROCE for 9M FY21 is 15.3%
- ROE has increased from 13.3% in FY20 to 16.3% in 9MFY21



# Value Creation and Way Forward for PDS

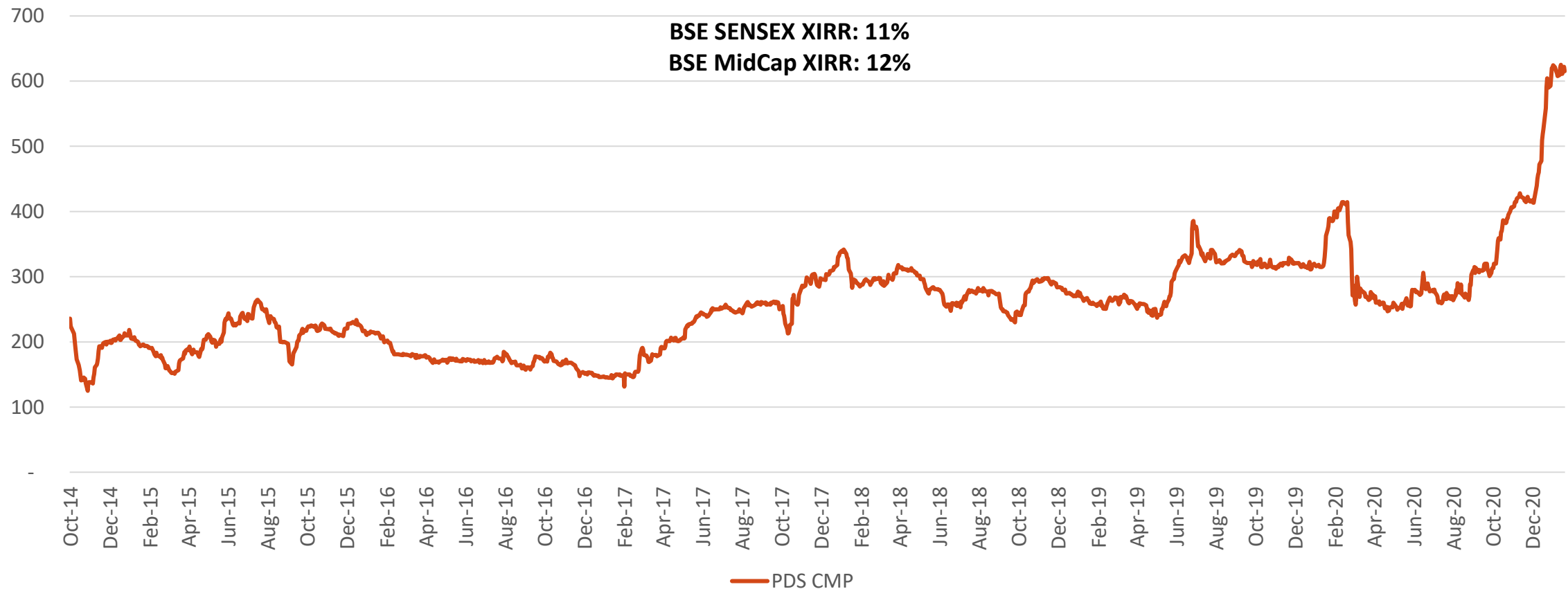
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# What PDS has achieved since listing

## PDS Share Price Evolution since Listing



### PDS Price Evolution Since Listing= XIRR of 16%

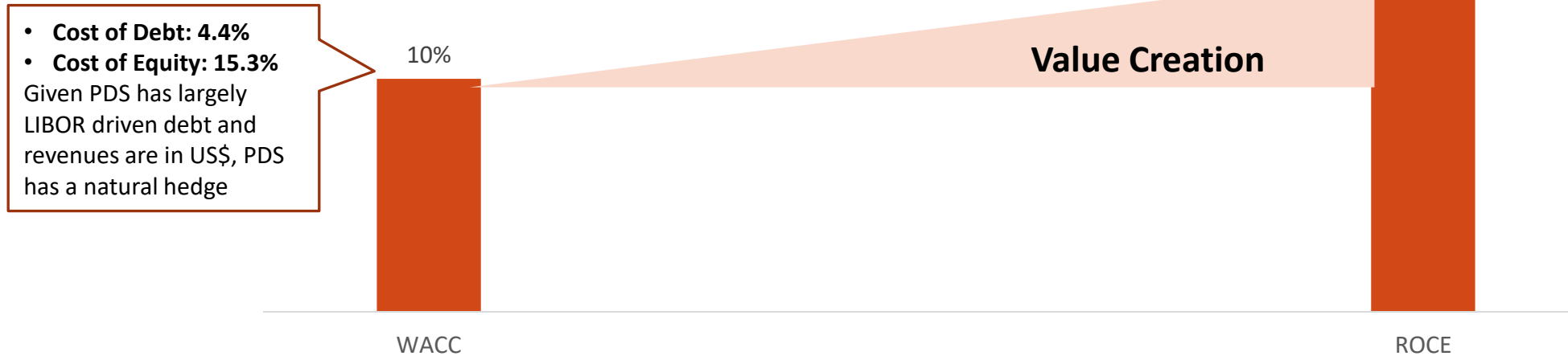


**Note:** BSE SENSEX and BSE MidCap XIRR calculated from October 2014 till 9 Feb 2021.

**Source:** BSE

# What PDS has achieved?

PDS Generating Return Higher than Cost of Capital



**PDS has a Positive Economic Value-Added (EVA) generating returns in excess of the required minimum return (WACC)**

**ROCE (net) exceeds the WACC by ~5%**

# Way Forward



## Geographic Expansion

US is one of the top 5 apparel markets globally. Focus on penetrating the US market

Strengthening team in US and leveraging the Group network for servicing customers

Discussion on with leading retailers in US

New team focused on Australia New Zealand & Scandinavian countries

## Category Expansion

PDS has a strong presence in apparel and is deepening its relationship with existing customers by focussing on expanding into new categories

With a quick time to market, PDS successfully launched PPE masks across leading retailers

Focus on expanding in other categories like home fashion and active wear across geographies

## Margin Expansion

Collaborating with retailers for creation of in-house brands

Successfully launched brands like Adapt, Wiseprotec

Focus on in-house brands is more margin accretive

Focus on turning around the manufacturing facilities by leveraging the Group network will enable expansion of consolidated margin

Continue to monitor & optimize operating costs

## Balance Sheet Optimization

Continue to operate on an asset light model

Expansion in margins and turn around of manufacturing business will enable PDS generate higher return on capital employed

Explore opportunities in new age sustainability focused, tech-enabled business which will generate higher returns than PDS's cost of capital

**PDS endeavours to double the turnover to cross \$2bn with PAT of +4% resulting in ROCE of +25%**



# Annexure

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# Standalone Statement of Profit & Loss



₹ in cr, unless mentioned otherwise

Particulars	Q3 FY21	Q2 FY21	Q3 FY20	Growth (Y-o-Y)	9M FY21	9M FY20	Growth (Y-o-Y)	FY20
Income from Operations	16.2	9.8	10.6	52%	31.4	29.7	6%	41.1
COGS	7.7	3.8	0.0		11.5	0.0		0.0
<b>Gross Profit</b>	<b>8.5</b>	<b>6.0</b>	<b>10.6</b>	<b>-20%</b>	<b>19.9</b>	<b>29.7</b>	<b>-33%</b>	<b>41.1</b>
<b>Gross Margin (%)</b>	<b>52.4%</b>	<b>61.6%</b>	<b>100.0%</b>		<b>63.5%</b>	<b>100.0%</b>		<b>100.0%</b>
Employee Expense	3.8	2.5	6.4	-41%	9.4	16.8	-44%	22.6
<i>% of Income from Operations</i>	<i>23.5%</i>	<i>25.4%</i>	<i>60.3%</i>		<i>30.0%</i>	<i>56.5%</i>		<i>54.9%</i>
Other Expenses	2.2	1.2	2.7	-19%	4.6	7.6	-39%	10.9
<i>% of Income from Operations</i>	<i>13.6%</i>	<i>12.3%</i>	<i>25.8%</i>		<i>14.7%</i>	<i>25.5%</i>		<i>26.4%</i>
<b>EBITDA</b>	<b>2.5</b>	<b>2.3</b>	<b>1.5</b>	<b>66%</b>	<b>5.9</b>	<b>5.3</b>	<b>10%</b>	<b>7.7</b>
<b>EBITDA Margin (%)</b>	<b>15.2%</b>	<b>23.9%</b>	<b>14.0%</b>	<b>128 bps</b>	<b>18.8%</b>	<b>18.0%</b>	<b>75 bps</b>	<b>18.7%</b>
Depreciation	0.6	0.8	0.6	-8%	2.1	1.9	9%	2.5
<b>EBIT</b>	<b>1.9</b>	<b>1.5</b>	<b>0.8</b>	<b>123%</b>	<b>3.8</b>	<b>3.4</b>	<b>11%</b>	<b>5.2</b>
<b>EBIT Margin (%)</b>	<b>11.6%</b>	<b>15.2%</b>	<b>7.9%</b>	<b>369 bps</b>	<b>12.1%</b>	<b>11.6%</b>	<b>53 bps</b>	<b>12.6%</b>
Other Income	0.6	0.1	0.3	93%	1.6	0.9	84%	0.8
Finance Cost	0.4	0.4	0.4	-4%	1.2	1.3	-8%	1.7
Profit before exceptional items and tax	2.0	1.2	0.7	187%	4.2	3.0	41%	4.2
<b>Profit Before Tax</b>	<b>2.0</b>	<b>1.2</b>	<b>0.7</b>	<b>187%</b>	<b>4.2</b>	<b>3.0</b>	<b>41%</b>	<b>4.2</b>
Tax Expenses	0.5	0.3	1.4	-63%	1.1	1.1	-2%	1.5
<b>Profit After Tax</b>	<b>1.5</b>	<b>0.9</b>	<b>-0.7</b>		<b>3.2</b>	<b>1.9</b>	<b>65%</b>	<b>2.7</b>
<b>PAT Margin (%)</b>	<b>9.5%</b>	<b>9.2%</b>	<b>-6.6%</b>		<b>10.0%</b>	<b>6.5%</b>	<b>359 bps</b>	<b>6.5%</b>

# Standalone Balance Sheet



₹ in cr, unless mentioned otherwise

Particulars	As on	
	31-Dec-20	31-Mar-20
<b>Non-Current Assets</b>	<b>135</b>	<b>137</b>
<b>Current Assets</b>	<b>10</b>	<b>9</b>
Trade Receivables	4	1
Cash and cash equivalents	3	2
Other Bank Balances	0	0
Other Current Assets	2	6
<b>Total Assets</b>	<b>144</b>	<b>146</b>
<b>Total Equity</b>	<b>114</b>	<b>111</b>
<b>Non-Current Liabilities</b>	<b>6</b>	<b>7</b>
Borrowings	2	4
Other Non-Current Liabilities	4	3
<b>Current Liabilities</b>	<b>24</b>	<b>28</b>
Borrowings	7	7
Trade Payables	6	3
Other Current Liabilities	11	18
<b>Total Equity &amp; Liabilities</b>	<b>144</b>	<b>146</b>



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

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