



PDS

Global | Collaborative | Digital | Ethical

# Investor Update

**Q3 FY23 and 9M FY23**

January 2023



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*All values are rounded to the nearest crore or million except otherwise stated. Company reports its financials in ₹ terms.*

**01** Power Of The PDS Platform

**02** Key Business Updates

**03** Performance Overview

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# Key Financial Highlights for the Nine Months(9M FY23) PDS



**\$982mn**  
(₹7,835cr)

29% consolidated topline growth



**\$165mn**  
(₹1,317cr)

Gross Margin: 16.8% Margin



**\$41mn**  
(₹327cr)

46% EBITDA growth |  
Margin: 4.2%



**\$31mn**  
(₹250cr)

21% increase in PAT



**₹15.97**

Basic EPS



**\$3mn**  
(₹27cr)

Net Debt

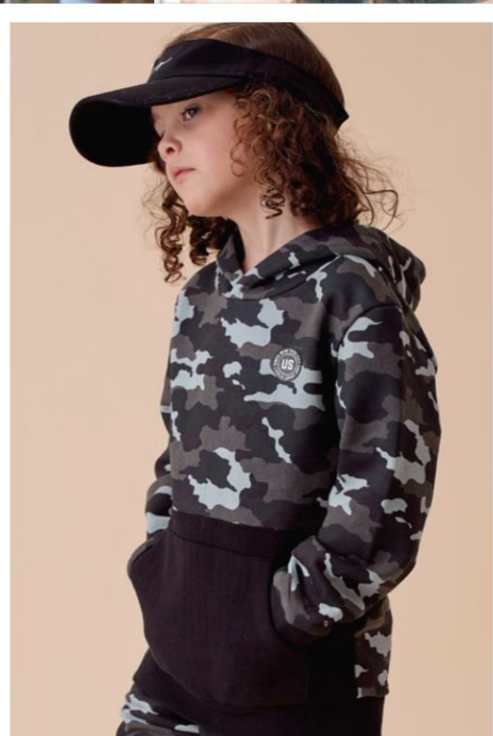
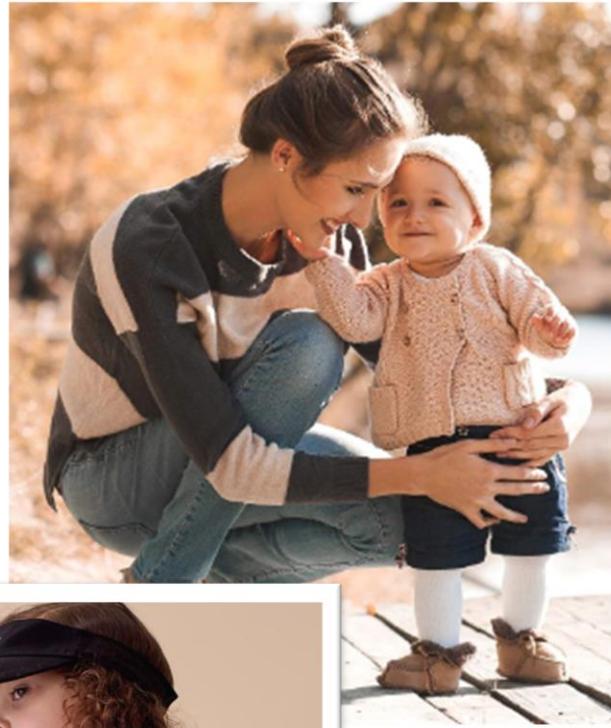


**0 Days**

Net Working Capital Days

**Note:** Growth rates, Margin, ROCE and ROE are based on ₹ figures.





# POWER OF THE PDS PLATFORM

# PDS - India's Largest B2B Apparel Company

Uniquely positioned to garner scale in India's fashion & apparel value chain



01

- ❑ PDS is India's largest multinational apparel company in terms of size of business<sup>(1)</sup> with global operations
- ❑ Operates through a unique and asset light global platform built to achieve growth & scalability
- ❑ Driving c.\$2.5bn in merchandise value of which c.\$1.5bn is as principal and c.\$1bn through sourcing as a service agreements

## Highly scalable asset-light model

- ❑ Largest Multi-country, Multi-product apparel company with an international network spread across +22 countries catering to over +200 retail and apparel brands
- ❑ Supported by +550 vendor manufacturing facilities

## Poised to lead 'Make In India' initiatives

- ❑ Initiatives rolled out by Indian Government to make India the leading player in the textile and apparel industry
- ❑ Exclusive sourcing agreements for the India region from leading brands like S.Oliver, Woolworth amongst others are expected to contribute to a higher share of exports

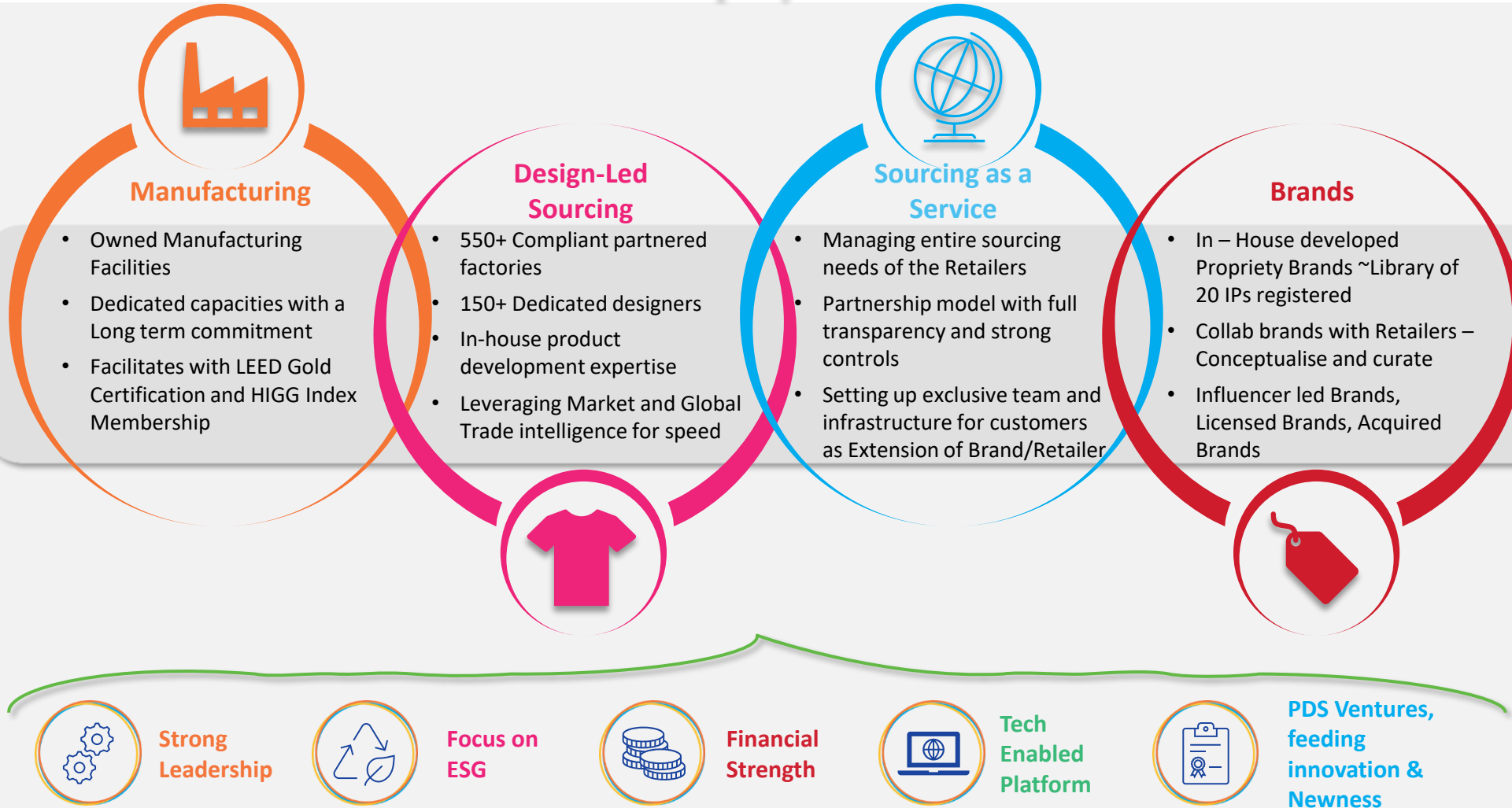
## PDS's India focus to benefit medium and small apparel manufacturers

- ❑ Exclusive sourcing agreements further create opportunities to increase sourcing from India from existing and new vendor partners
- ❑ Pursuing strategic opportunities to expand manufacturing footprint in India to further fortify our capabilities in the region

(1) based on the reported topline of listed companies in India in the apparel space

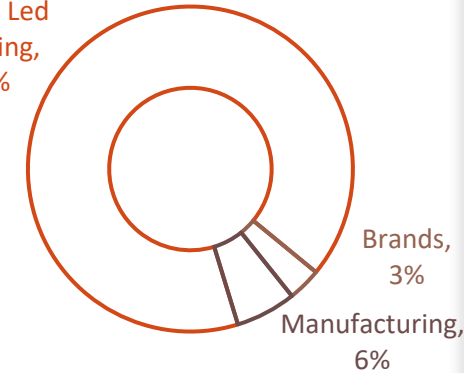
# Who are we?

Global Fashion Infrastructure Company with customized solutions to retailers & brands

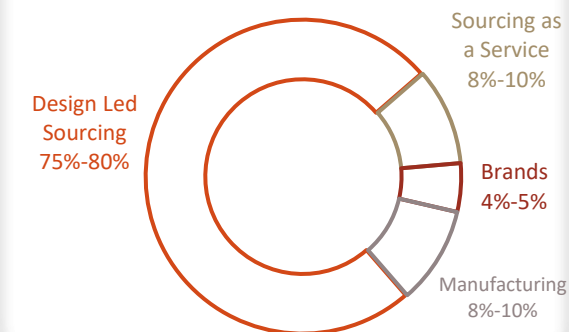


Revenues FY21-22: **\$1.2bn**

Design Led Sourcing, 91%



Annual Revenue Potential 4-5 years: **\$2.5bn**



**Note:** Revenue Split excludes contribution from others & intercompany eliminations



# Unique Business Model to Deliver Stakeholders Value



## Asset Light Platform

Driving high volumes and delivering high ROCEs

## Global Footprint

Diversified base of Customers and Vendors enabling balancing the portfolio

## Entrepreneurial Business Model

+40 Business Heads driving long term and strategic relation with customers



## Curated Service Offering

Design to Delivery offering | Sourcing |  
Manufacturing | Sourcing as a Service

## Focus on mass to mid retailers

Cushions from macro risk; Further supported by  
a robust risk management framework

## Committed to Sustainable Fashion

Constantly evolving the ESG goal across the  
value chain through sustainability reports and  
certifications





# KEY BUSINESS UPDATES

# Headwinds expected in short term, however, medium to long term outlook continues to be strong



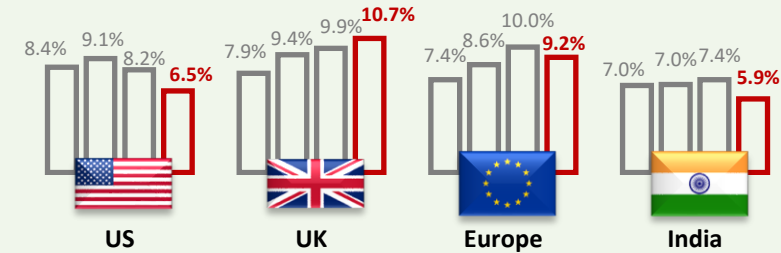
# Macro Economic Factors Driving the Industry

PDS navigating cautiously and continues to invest to augment its capabilities

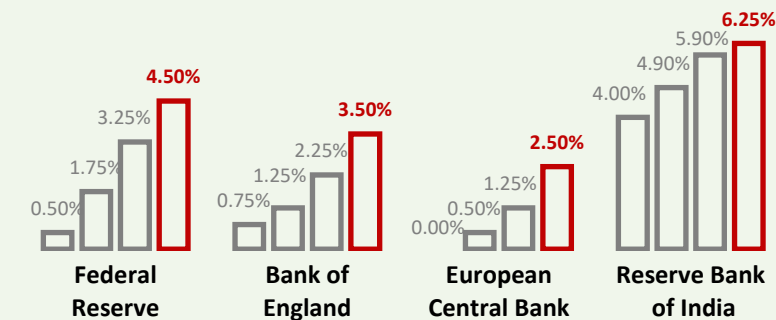


## Easing Inflation

■ March 22 ■ June 22 ■ September 22 ■ December 22

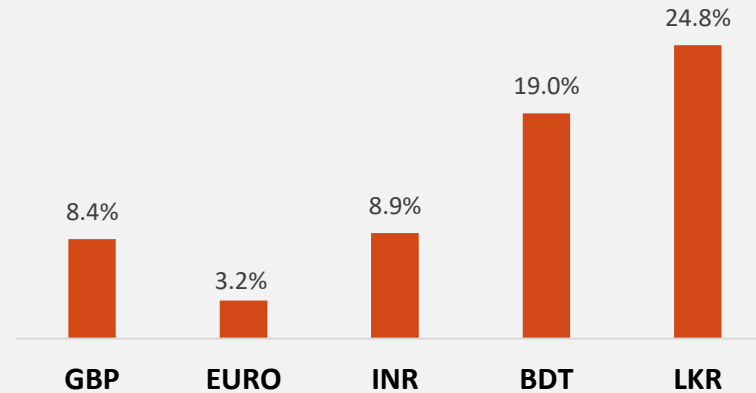


## Rising Interest Rates



## Strengthening of USD

Movement over the last 9 months



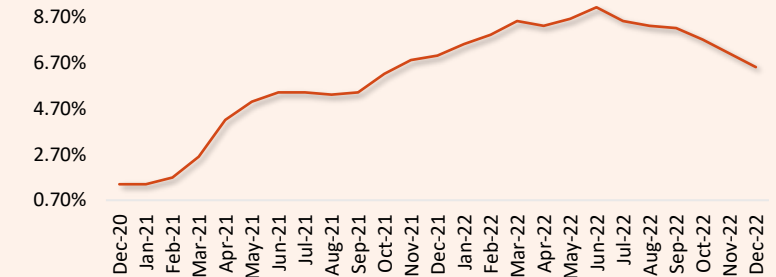
Cotton and Crude Oil prices continue to show decreasing trend with a fall of 38% and 19% respectively over last 9 months

PDS is cautiously navigating amongst macro economic developments



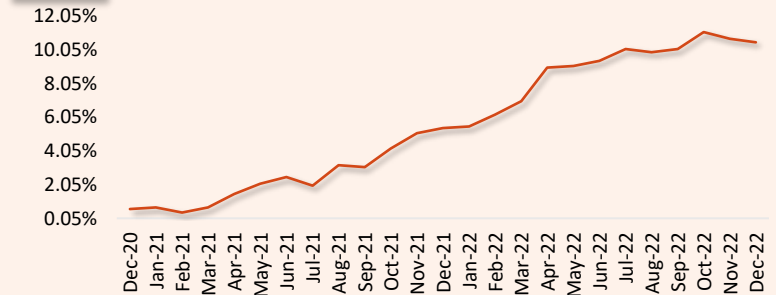
## US Consumer Price Index (CPI)

While CPI is showing a declining trend, it is still at high levels



## UK CPI

UK CPI rose by 10.5% over last 2 years from 0.60% in Dec 21



Source: <https://www.marketwatch.com/investing/future/ct.1> <https://www.emergingtextiles.com/220718-cotton-prices-on-international-and-domestic-markets-weekly/> <https://tradingeconomics.com/country-list/inflation-rate> RBI repo rate - Indian central bank's current and historic interest rates (global-rates.com), ECB refi rate - European Central Bank's current and historic interest rates (global-rates.com), BoE Official Bank Rate - British central bank's current and historic interest rates (global-rates.com), Federal funds rate FED - American central bank's current and historic interest rates (global-rates.com) [https://www.marketwatch.com/watchlist?mod=top\\_nav](https://www.marketwatch.com/watchlist?mod=top_nav) USD BDT | US Dollar Bangladeshi Taka - Investing.com India, <https://www.investopedia.com/terms/u/usdx.asp>, 12-month percentage change, Consumer Price Index, selected categories (bls.gov), <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>



# Investing and Building Manufacturing Capabilities (1/2)

## Installation of Wash Plant at Bangladesh



### Joining hands with impact focused Netherlands based Good Fashion Fund

1. Progress Apparels is based in Adamjee EPZ in Dhaka Bangladesh manufacturing approximately 900,000 units per month
2. Wash plant has been installed in January 2023 and is fully operational
3. Capacity to wash to six million garments per annum
4. 90% of the current wash requirement will be undertaken inhouse
5. Expected to translate into savings in transportation costs and time required for delivery of the finished merchandise
6. Resulting in margin improvement
7. Progress Apparels is the first investment<sup>1</sup> of Good Fashion Fund in Bangladesh

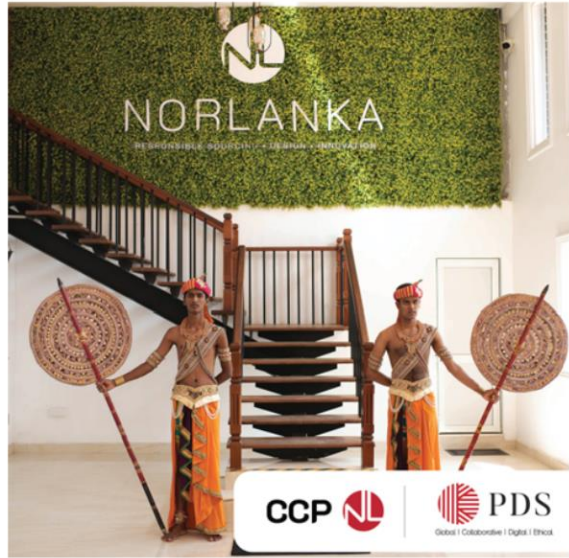


<sup>1</sup>Subject to required regulatory approval

# Investing and Building Manufacturing Capabilities (2/2) PDS

## New Centralised Cutting Plant at Norlanka, Sri Lanka

1. Norlanka, Sri Lanka installed a new centralised cutting plant with a capacity of cutting 250,000 pieces a day for babywear
2. Plant is operational with a digitalized and integrated system starting from mills inspection into a warehouse, fabric inspection, and the cutting process
3. Advanced automated machinery in partnership with TUKATECH, enabling smart cut planning and fabric cut efficiency to enhance the quality of the end product and productivity of the process
4. Environmentally structured plant having an efficient waste management system
5. Expected to serve all manufacturing facilities of Norlanka





# Investing in Operationalising the ASDA setup

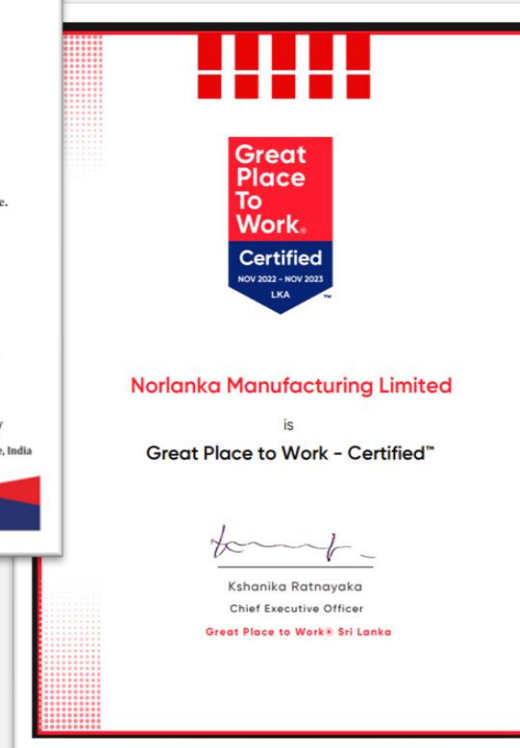
Catering to Sourcing as a Service Agreement for \$350mn merchandise value





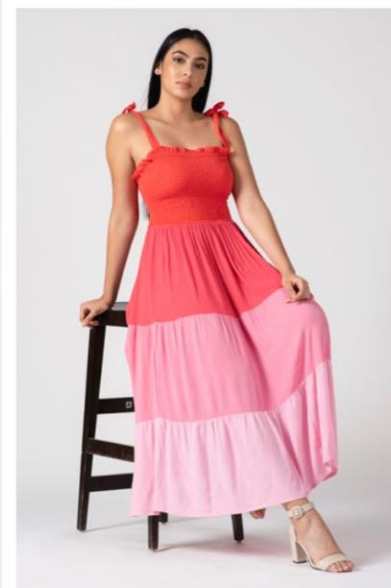
# Investing in Creating “Great Place to Work”

Testament to the people policies and culture of the organization



PDS Limited (India) & Norlanka Manufacturing (Sri Lanka) certified as a 'Great Place to Work' by GPTW, India and Sri Lanka respectively





# PERFORMANCE OVERVIEW

Quarter and Nine Months ended  
31<sup>st</sup> December 2022



# Key Financial Highlights for this Quarter (Q3 FY23)



**\$312mn**  
(₹2,574cr)

15% consolidated topline growth



**\$55mn**  
(₹450cr)

Gross Margin: 17.5% | ↑86bps



**\$16mn**  
(₹132cr)

27% EBITDA growth |  
Margin: 5.1%



**\$11mn**  
(₹93cr)

15% increase PAT



**₹5.94**

Basic EPS



**38%**

ROCE



**31%**

ROE

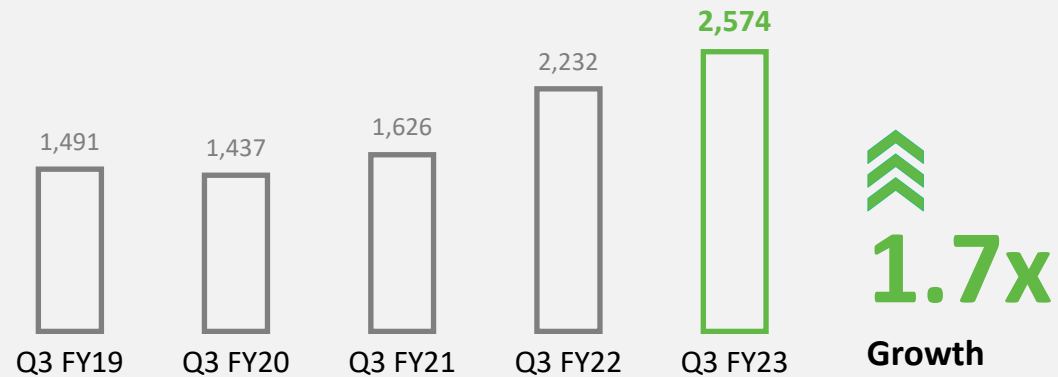
**Note:** ROCE is based on Net Capital Employed, EBIT includes other income emanating from capital employed. ROCE and ROE are based on TTM figures. Growth rates, Margins, ROCE and ROE are based on ₹ figures

# Performance in Q3 over last 5 years

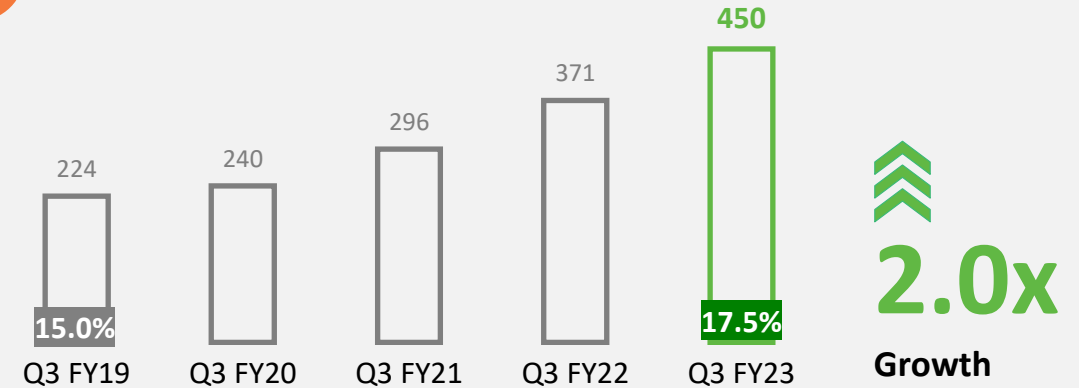
Consistently delivered growth & profitability



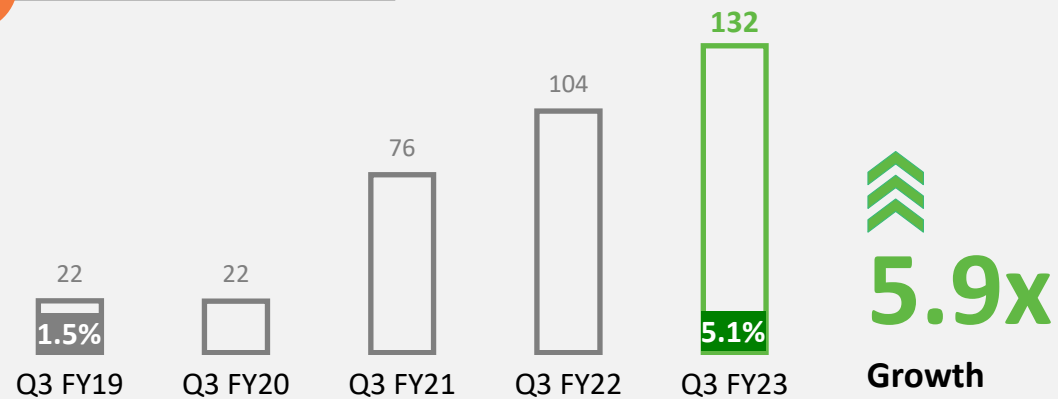
## 1 Sales (₹ cr)



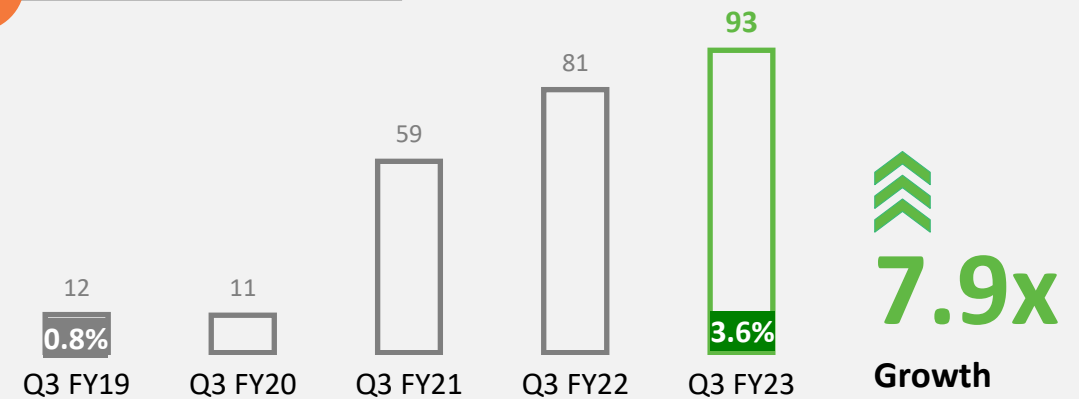
## 2 Gross Profit ₹ cr



## 3 EBITDA (₹ cr)



## 4 Reported PAT (₹ cr)

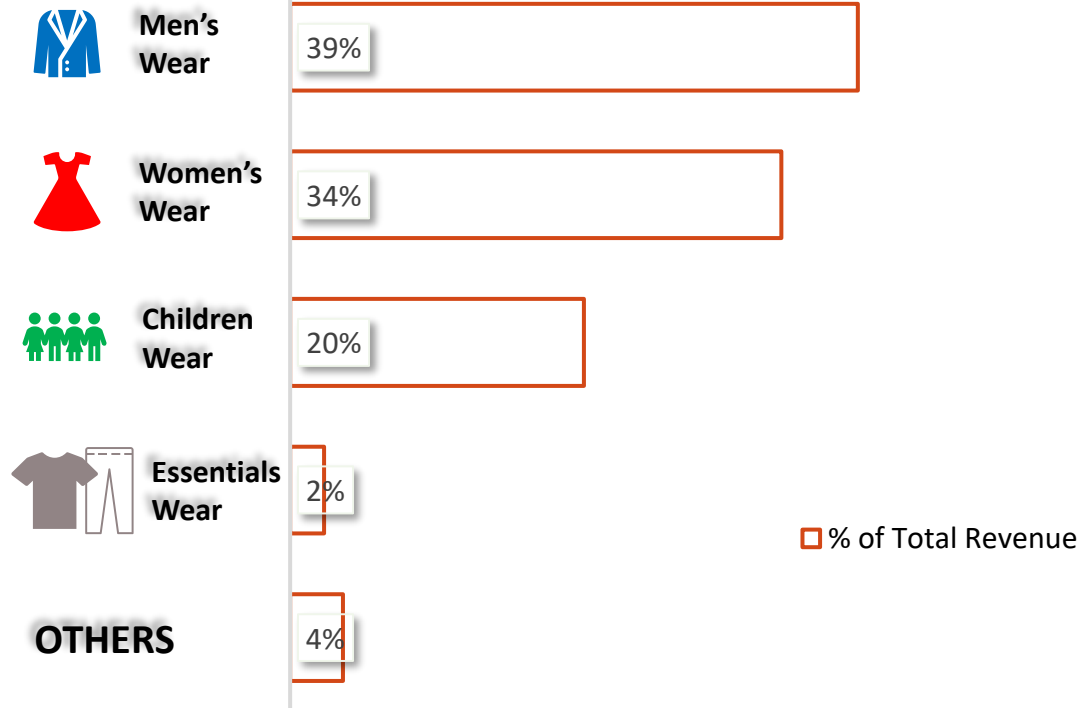




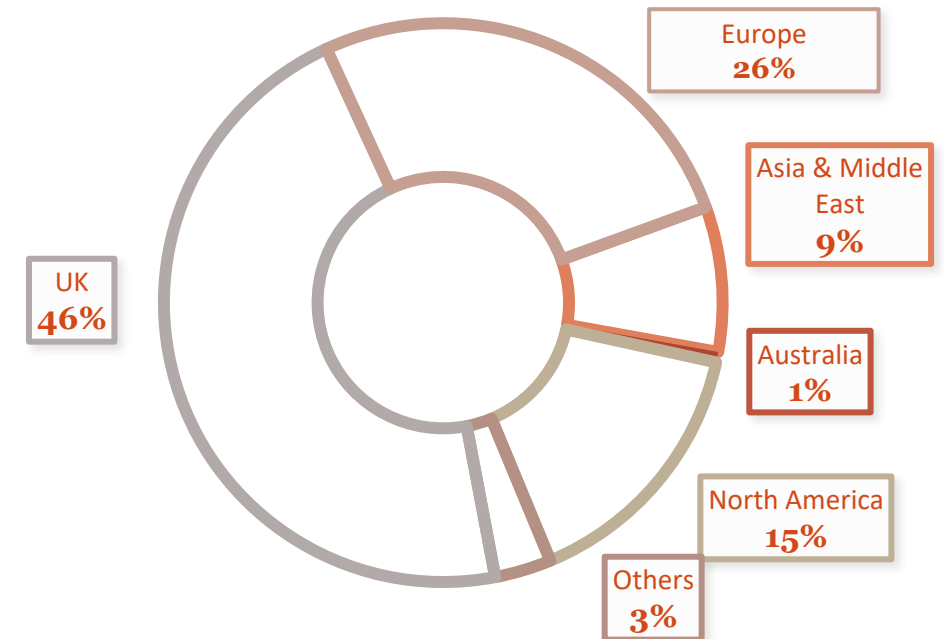
# Revenue Break-up and Margin Thereof for 9M FY23



## Category Wise Split

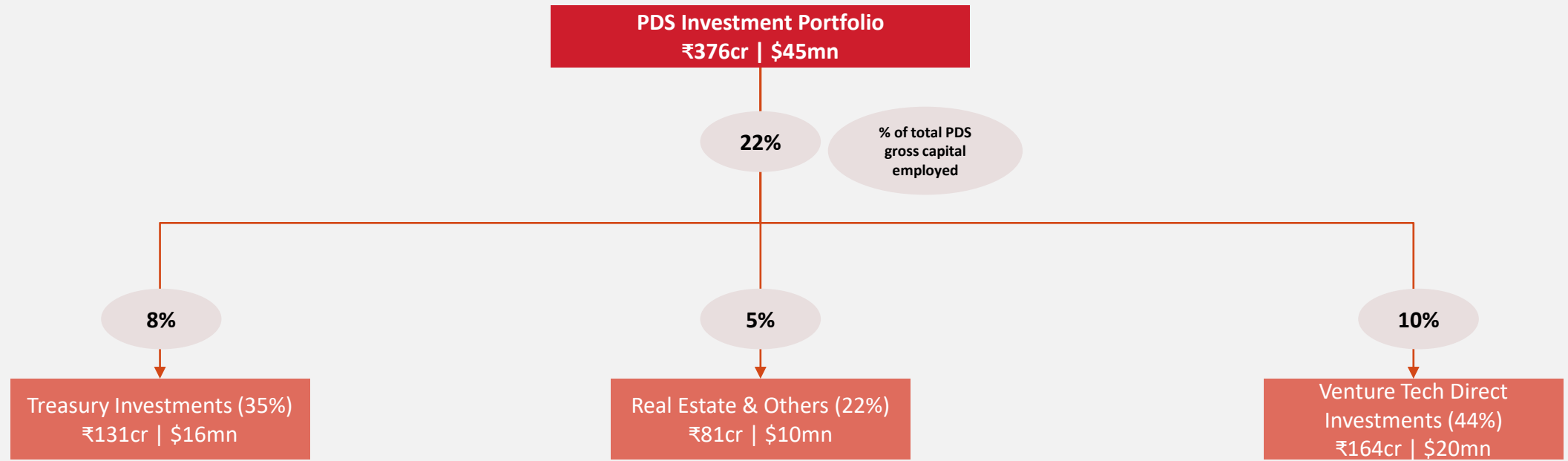


## Geography Wise Split



PDS's portfolio of value and mass retailers cushions the impact of demand disruption due to macro and geopolitical factors

\*Broad Estimates



Note: Excludes HK real estate property used for operating purposes at a book value of \$3.2mn (₹25cr)

# 9M FY23 Performance Across Segments



	Sourcing	Manufacturing	PDS Venture Tech Investments <sup>#</sup>	PDS Consolidated
Revenue	\$940mn   ₹7,497cr up 29% vs LY	\$63mn   ₹502cr up 32% vs LY	\$0.4mn   ₹3cr Revenue captured in Other Income	<b>\$982mn</b> ₹7,835cr
EBIT (Including other income)	\$34mn   ₹274cr up 26% vs LY	\$2.6mn   ₹21cr (Margin: 4.2%   -ve 5.6% LY)	\$3mn   ₹24cr Gain from sale of real estate, Rental & Treasury	<b>\$40mn   ₹318cr</b> Margin: 4.1%
Gross Capital Employed <i>% of Total</i>	\$95mn   ₹784cr 46%	\$65mn   ₹541cr 32%	\$45mn   ₹376cr 22%	<b>\$206mn</b> ₹1,700cr
Net Capital Employed				<b>\$133mn</b> ₹1,104cr
ROCE	47%*	5%*	7%*	<b>38%</b>

\*based on gross capital employed | Consolidated ROCE based on net capital employed | PDS Consolidated numbers above are post eliminations. Growth rates are based on ₹ figures.

<sup>#</sup> Includes others |

# Consolidated Profit & Loss

For the Quarter ended December



₹ in cr, unless mentioned otherwise

Particulars	Quarter ended 31-Dec-22	Quarter ended 31-Dec-21	Q3 Growth (Y-o-Y)	Quarter ended 30-Sep-22	Year Ended 31-Mar-22
Income from Operations	2,574	2,232	15%	2,921	8,828
COGS	2,124	1,861	14%	2,426	7,396
<b>Gross Profit</b>	<b>450</b>	<b>371</b>	<b>21%</b>	<b>495</b>	<b>1,432</b>
<b>Gross Margin (%)</b>	<b>17.5%</b>	<b>16.6%</b>	<b>86 bps</b>	<b>16.9%</b>	<b>16.2%</b>
Employee Expense	193	154	25%	203	621
% of Income from Operations	7.5%	6.9%	58 bps	6.9%	7.0%
Other Expenses	125	113	11%	171	484
% of Income from Operations	4.9%	5.1%	-18 bps	5.9%	5.5%
<b>EBITDA</b>	<b>132</b>	<b>104</b>	<b>27%</b>	<b>121</b>	<b>327</b>
<b>EBITDA Margin (%)</b>	<b>5.1%</b>	<b>4.7%</b>	<b>47 bps</b>	<b>4.1%</b>	<b>3.7%</b>
Depreciation	19	17	12%	20	70
Other Income	7	5	43%	39	86
<b>EBIT</b>	<b>120</b>	<b>92</b>	<b>31%</b>	<b>140</b>	<b>343</b>
<b>EBIT Margin (%)</b>	<b>4.7%</b>	<b>4.1%</b>	<b>55 bps</b>	<b>4.8%</b>	<b>3.9%</b>
Finance Cost	21	8	170%	16	33
Profit before exceptional items and tax	100	85	18%	124	311
Add: Profit/(Loss) of Associates	0	0	-457%	0	-1
<b>Profit Before Tax</b>	<b>99</b>	<b>85</b>	<b>17%</b>	<b>124</b>	<b>310</b>
Tax Expenses	7	4	65%	11	17
<b>Profit After Tax</b>	<b>93</b>	<b>81</b>	<b>15%</b>	<b>113</b>	<b>293</b>
<b>PAT Margin (%)</b>	<b>3.6%</b>	<b>3.6%</b>	<b>-1 bps</b>	<b>3.9%</b>	<b>3.3%</b>
- Owners of the Company	78	66	18%	94	248
- Non controlling interest	15	15	2%	19	44

## Key Highlights

1. Income from Operations increased by 15%
2. Gross Margins increased by 86bps to 17.5% vs 16.6%
3. EBITDA increased by 27% largely driven by expansion in Gross Margins
4. EBITDA Margin increased to 5.1% vs 4.7%
5. Finance costs have increased due to the increased cost of borrowing over the last year
  - a) Impact has been partially mitigated by an increase in early payment discounts captured in gross margins
6. PAT increased by 15% with 3.6% margin

# Consolidated Profit & Loss

For the Nine Months ended December



₹ in cr, unless mentioned otherwise

Particulars	Nine Months ended 31-Dec-22	Nine Months ended 31-Dec-21	9M Growth (Y-o-Y)	Year Ended 31-Mar-22
Income from Operations	7,835	6,053	29%	8,828
COGS	6,518	5,040	29%	7,396
<b>Gross Profit</b>	<b>1,317</b>	<b>1,013</b>	<b>30%</b>	<b>1,432</b>
<b>Gross Margin (%)</b>	<b>16.8%</b>	<b>16.7%</b>	<b>8 bps</b>	<b>16.2%</b>
Employee Expense	572	444	29%	621
% of Income from Operations	7.3%	7.3%	-4 bps	7.0%
Other Expenses	418	345	21%	484
% of Income from Operations	5.3%	5.7%	-36 bps	5.5%
<b>EBITDA</b>	<b>327</b>	<b>223</b>	<b>46%</b>	<b>327</b>
<b>EBITDA Margin (%)</b>	<b>4.2%</b>	<b>3.7%</b>	<b>48 bps</b>	<b>3.7%</b>
Depreciation	58	51	14%	70
Other Income	49	65	-24%	86
<b>EBIT</b>	<b>318</b>	<b>238</b>	<b>34%</b>	<b>343</b>
<b>EBIT Margin (%)</b>	<b>4.1%</b>	<b>3.9%</b>	<b>14 bps</b>	<b>3.9%</b>
Finance Cost	47	21	125%	33
Profit before exceptional items and tax	272	217	25%	311
Add: Profit/(Loss) of Associates	-1	1	-230%	-1
<b>Profit Before Tax</b>	<b>271</b>	<b>217</b>	<b>25%</b>	<b>310</b>
Tax Expenses	21	11	92%	17
<b>Profit After Tax</b>	<b>250</b>	<b>207</b>	<b>21%</b>	<b>293</b>
<b>PAT Margin (%)</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-22 bps</b>	<b>3.3%</b>
- Owners of the Company	208	171	22%	248
- Non controlling interest	42	35	18%	44

## Key Highlights

1. Income from Operations increased by 29%
2. Gross Margins increased by 8bps to 16.8% vs 16.7%
3. EBITDA increased by 46%
4. Margin increased to 4.2% vs 3.7%
5. Finance costs have increased due to the increased cost of borrowing over the last year
  - a) Impact has been partially mitigated by increase in early payment discounts captured in gross margins
6. PBT increased by 25% to ₹271cr vs ₹217cr in 9M FY22
7. PAT increased by 21% with 3.2% margin



# Normalized PBT in Q3FY23 and 9M FY23



₹ in cr, unless mentioned otherwise

Particulars	Quarter ended 31-Dec-22	Quarter ended 31-Dec-21	9M ended 31-Dec-22	9M ended 31-Dec-21
Income from operations	2,574	2,232	7,835	6,053
PBT	99	85	271	217
% PBT Margin	3.9%	3.8%	3.5%	3.6%
Less: One time gain on real estate	0	0	36	41
Add: Loss of new business	-14	-7	-37	-18
PBT Normalized	114	92	272	194
% Normalized PBT Margin	4.4%	4.1%	3.5%	3.2%

ESOP Cost considered as operational in nature since it is now captured in Y-o-Y numbers

➤ Y-o-Y Normalized PBT margins expanded by +25bps in Q3 FY23 and 9M FY23

# Consolidated Balance Sheet



₹ in cr, unless mentioned otherwise

Particulars	As on 31-Dec-22	As on 30-Sep-22	As on 31-Mar-22
<b>Non-Current Assets</b>	<b>883</b>	<b>822</b>	<b>787</b>
<b>Current Assets</b>	<b>2,357</b>	<b>2,488</b>	<b>2,611</b>
Inventories	361	344	305
Trade Receivables	1,061	1,226	1,421
Cash and cash equivalents	403	449	460
Other Bank Balances	193	178	205
Other Current Assets	339	291	220
<b>Total Assets</b>	<b>3,240</b>	<b>3,309</b>	<b>3,398</b>
<b>Total Equity</b>	<b>1,077</b>	<b>994</b>	<b>936</b>
<b>Non-Current Liabilities</b>	<b>115</b>	<b>115</b>	<b>112</b>
Borrowings	0	0	0
Other Non-Current Liabilities	1	115	112
<b>Current Liabilities</b>	<b>2,049</b>	<b>2,201</b>	<b>2,350</b>
Borrowings	623	710	623
Trade Payables	1,244	1,312	1,566
Other Current Liabilities	181	179	160
<b>Total Equity &amp; Liabilities</b>	<b>3,240</b>	<b>3,309</b>	<b>3,398</b>

Particulars	As on 31-Dec-22	As on 30-Sep-22	As on 31-Mar-22
<b>Calculated basis LTM P&amp;L items</b>			
Inventory Days	15	15	15
Debtor Days	36	44	59
Payables Days	51	56	77
<b>NWC Days</b>	<b>0</b>	<b>3</b>	<b>-3</b>
Total Debt	624	710	623
<b>Net Debt</b>	<b>27</b>	<b>82</b>	<b>-41</b>

## Working Capital & Leverage Ratios:

1. Net Working Capital Days of 0 days vs 3 days as of September 2022
2. Net Debt has decreased from ₹82cr in Sep 2022 to ₹27cr in Dec 2022

## Return to Stakeholders:

1. Reported ROCE of 38%
2. Reported ROE of 31%

# Consolidated Cash Flow



₹ in cr, unless mentioned otherwise

Particulars	Nine Months ended 31-Dec-22	Nine Months ended 31-Dec-21
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	271	217
Depreciation and amortization expense	58	51
Finance Costs	47	21
Gain on sale of subsidiary/investment property	-36	-41
(Increase)/Decrease in Net Current Assets & Others	-84	12
<b>A. Total Cash Flow from Operating Activities</b>	<b>255</b>	<b>260</b>
<b>B. Cash Flow from Investing Activities</b>		
Capex	-44	-28
Proceeds from disposal of real estate	57	
(Increase) / Decrease in bank deposits	11	-13
Venture Tech & Treasury Investments	-64	-61
Investment in JVs & Subsidiaries & Others	-52	-14
<b>B. Total Cash Flow from Investing Activities</b>	<b>-92</b>	<b>-116</b>
<b>(A+B) Total Cash Flow from Operating and Investing Activities</b>	<b>163</b>	<b>144</b>

Particulars	Nine Months ended 31-Dec-22	Nine Months ended 31-Dec-21
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from borrowings (net)	-63	82
Interest paid	-47	-21
Payment of dividend to equity shareholders	-95	-41
Payment of dividend to non-controlling interests	-47	-44
Payment of principal portion of lease liabilities & Others	-18	-16
<b>C. Total Cash Flow from Financing Activities</b>	<b>-270</b>	<b>-39</b>
<b>(A+B+C) Net increase / (decrease) in Cash and cash equivalent</b>	<b>-107</b>	<b>105</b>
Foreign exchange fluctuation & others	6	-3
Add: Cash at the beginning & Cash of acquired business	465	282
Add: Bank overdraft	39	16
<b>Cash and cash equivalent at the end</b>	<b>403</b>	<b>400</b>

TECHNO  
DESIGN



simple approach  
LTD.



Poeticgem



CASA  
COLLECTIVE

clover collections

spring

YELLOW  
OCTOPUS.



Grupo Sourcing Ltd.

PDS FASHIONS

SOURCING  
SOLUTIONS  
PAKISTAN

BRAND  
COLLECTIVE



JCraft Array Limited

zamira  
Fashion Limited

FAREAST VOGUE

PDS FAR.EAST

KRAYONS



NORLANKA

Lilly + Sid  
Organic Collection



DBS LIFESTYLE



STYLEBERRY

**For Further Information,  
please contact**

**Abhishekh Kanoi**

Head of Legal & Company Secretary

[abhishekh.kanoi@pdsLtd.com](mailto:abhishekh.kanoi@pdsLtd.com)

**Reenah Joseph**

Head Corporate Finance & Investor Relations

[Reenah.Joseph@pdsLtd.com](mailto:Reenah.Joseph@pdsLtd.com)

**PDS Limited**

(erstwhile PDS Multinational Fashions Limited)

Unit No.971, Solitaire Corporate Park,  
Andheri-Ghatkopar Link Road, Andheri (E),

Mumbai-400093, Maharashtra, India

CIN: L18101KA2011PLC094125

Tel.: +91-22-41 441 100

Email: [investors@pdsLtd.com](mailto:investors@pdsLtd.com)





# Annexures



# PDS GIVING BACK TO THE SOCIETY



# Investing in Our Ecosystem

Nearly 90% of the workforce in our Bangladesh facilities are women



## Initiatives at PDS manufacturing facility in Bangladesh (Green Smart Shirts)

Various initiatives like **Shwapno Project, Pre-primary school for factory associates' children, Transport facilities, etc** taken for empowering the women workforce, giving them a happy work environment with opportunities to flourish and make them financially self-dependent

## MANGROVE RESTORATION PROJECT

### GOALS

- ✓ Restoration of mangrove ecosystems in the Sri Lankan coast.
- ✓ Creating awareness about the importance of mangrove ecosystems.

500 Mangrove Plants in 2 Hectares



Total Carbon Sequestration 1640 MT



154,000 Kg of CO<sub>2</sub> Removed (6150 Kg Per Year)





# Making difference in our Communities

Soham\*- Efforts toward training adults and schooling children in Hyderabad and Dhaka



**Facilitating children with a platform to acquire knowledge on various educational fields with active participation in extra curricular activities and vocational training program for adults, Soham is contributing to their all-round growth and development**

\*Primary School Education initiative under the Soham umbrella

# PDS signatory to United Nations Global Compact

Voluntary Initiative based on CEO's commitment to implement universal sustainability principles



**Committed to support the 10 principles of the UN Global Compact**

## Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

## Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

## Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source- <https://www.unglobalcompact.org/>





# Financial Performance

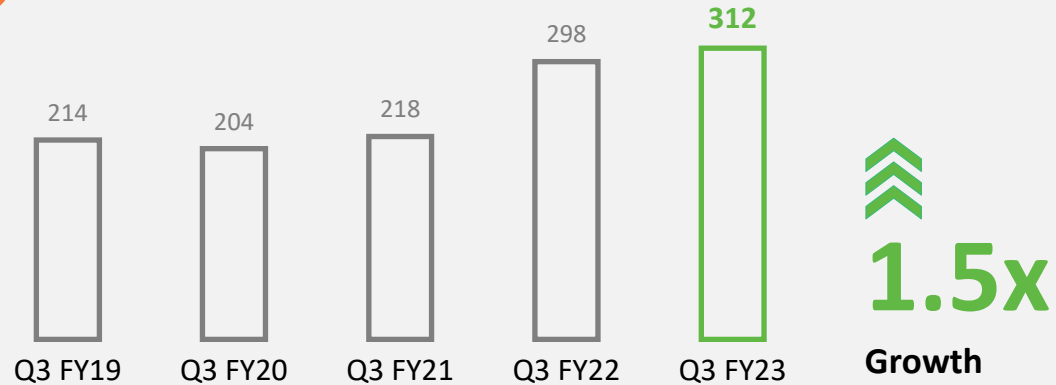
(Figures in \$mn)

# Performance in Q3 over last 5 years

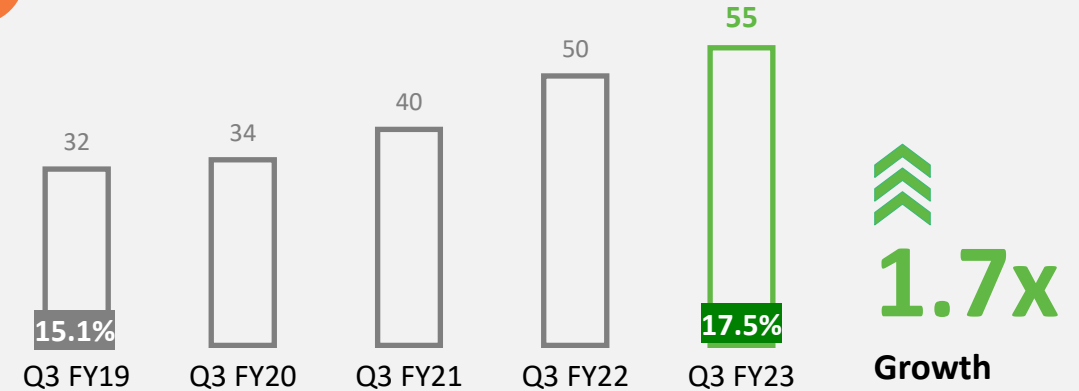
Consistently delivered growth & profitability



## 1 Sales (\$ mn)



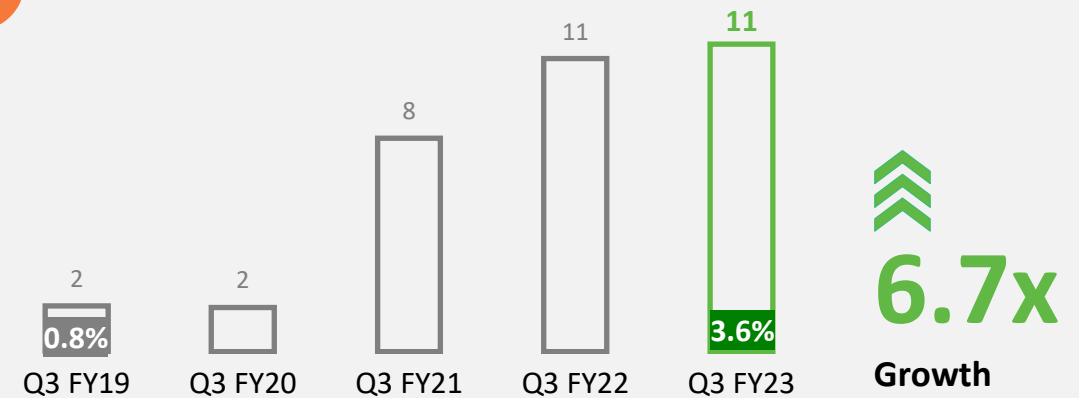
## 2 Gross Profit (\$ mn)



## 3 EBITDA (\$ mn)



## 4 PAT (\$ mn)





# Consolidated Profit & Loss

For the Quarter ended December



US\$ in mn, unless mentioned otherwise

Particulars	Quarter ended 31-Dec-22	Quarter ended 31-Dec-21	Q3 Growth (Y-o-Y)	Quarter ended 30-Sep-22	Year Ended 31-Mar-22
Income from Operations	312.4	298.0	5%	366.8	1,184.8
COGS	257.6	248.5	4%	304.6	992.6
<b>Gross Profit</b>	<b>54.7</b>	<b>49.5</b>	<b>10%</b>	<b>62.2</b>	<b>192.2</b>
<b>Gross Margin (%)</b>	<b>17.5%</b>	<b>16.6%</b>	<b>90 bps</b>	<b>17.0%</b>	<b>16.2%</b>
Employee Expense	23.4	20.6	14%	25.4	83.3
% of Income from Operations	7.5%	6.9%	59 bps	6.9%	7.0%
Other Expenses	15.1	14.9	2%	21.4	65.0
% of Income from Operations	4.8%	5.0%	-15 bps	5.8%	5.5%
<b>EBITDA</b>	<b>16.1</b>	<b>14.0</b>	<b>15%</b>	<b>15.3</b>	<b>43.9</b>
<b>EBITDA Margin (%)</b>	<b>5.2%</b>	<b>4.7%</b>	<b>45 bps</b>	<b>4.2%</b>	<b>3.7%</b>
Depreciation	2.3	2.2	2%	2.5	9.4
Other Income	0.8	0.6	28%	5.0	11.5
<b>EBIT</b>	<b>14.7</b>	<b>12.5</b>	<b>18%</b>	<b>17.8</b>	<b>46.1</b>
<b>EBIT Margin (%)</b>	<b>4.7%</b>	<b>4.2%</b>	<b>52 bps</b>	<b>4.9%</b>	<b>3.9%</b>
Finance Cost	2.5	1.2	117%	2.1	4.38
Profit before exceptional items and tax	12.2	11.3	8%	15.7	41.69
Add: Profit/(Loss) of Associates	0.0	0.0	-434%	0.0	-0.08
<b>Profit Before Tax</b>	<b>12.1</b>	<b>11.3</b>	<b>7%</b>	<b>15.7</b>	<b>41.62</b>
Tax Expenses	0.8	0.5	50%	1.4	2.32
<b>Profit After Tax</b>	<b>11.3</b>	<b>10.8</b>	<b>5%</b>	<b>14.3</b>	<b>39.3</b>
<b>PAT Margin (%)</b>	<b>3.6%</b>	<b>3.6%</b>	<b>0 bps</b>	<b>3.9%</b>	<b>3.3%</b>
- Owners of the Company	9.5	8.9	6%	11.9	33.3
- Non controlling interest	1.9	2.0	-8%	2.5	6.0

## Key Highlights

1. Income from Operations increased by 5%
2. Gross Margins increased by 90bps to 17.5% vs 16.6%
3. EBITDA increased by 15% largely driven by expansion in Gross Margins
4. EBITDA Margin increased by 45bps to 5.2% vs 4.7%
5. Finance costs have increased due to the increased cost of borrowing over the last year
  - a) Impact has been partially mitigated by an increase in early payment discounts captured in gross margins
6. Reported PAT of \$11.3mn with 3.6% margin

# Consolidated Profit & Loss

For the Nine Months ended December



US\$ in mn, unless mentioned otherwise

Particulars	Nine Months ended 31-Dec-22	Nine Months ended 31-Dec-21	9M Growth (Y-o-Y)	Year Ended 31-Mar-22
Income from Operations	982.1	815.0	21%	1,184.8
COGS	817.0	678.7	20%	992.6
<b>Gross Profit</b>	<b>165.1</b>	<b>136.4</b>	<b>21%</b>	<b>192.2</b>
<b>Gross Margin (%)</b>	<b>16.8%</b>	<b>16.7%</b>	<b>8 bps</b>	<b>16.2%</b>
Employee Expense	71.7	59.8	20%	83.3
% of Income from Operations	7.3%	7.3%	-4 bps	7.0%
Other Expenses	52.5	46.4	13%	65.0
% of Income from Operations	5.3%	5.7%	-36 bps	5.5%
<b>EBITDA</b>	<b>40.9</b>	<b>30.1</b>	<b>36%</b>	<b>43.9</b>
<b>EBITDA Margin (%)</b>	<b>4.2%</b>	<b>3.7%</b>	<b>48 bps</b>	<b>3.7%</b>
Depreciation	7.2	6.8	6%	9.4
Other Income	6.2	8.7	-29%	11.5
<b>EBIT</b>	<b>39.9</b>	<b>32.0</b>	<b>25%</b>	<b>46.1</b>
<b>EBIT Margin (%)</b>	<b>4.1%</b>	<b>3.9%</b>	<b>14 bps</b>	<b>3.9%</b>
Finance Cost	5.9	2.8	109%	4.38
Profit before exceptional items and tax	34.0	29.2	17%	41.69
Add: Profit/(Loss) of Associates	-0.1	0.1	-221%	-0.08
<b>Profit Before Tax</b>	<b>33.9</b>	<b>29.3</b>	<b>16%</b>	<b>41.62</b>
Tax Expenses	2.6	1.4	79%	2.32
<b>Profit After Tax</b>	<b>31.4</b>	<b>27.8</b>	<b>13%</b>	<b>39.3</b>
<b>PAT Margin (%)</b>	<b>3.2%</b>	<b>3.4%</b>	<b>-22 bps</b>	<b>3.3%</b>
- Owners of the Company	26.1	23.2	13%	33.3
- Non controlling interest	5.2	4.8	10%	6.0

## Key Highlights

1. Income from Operations increased by 21%
2. Gross Margins increased by 8bps to 16.8% vs 16.7%
3. EBITDA increased by 36% with margin expansion of 48bps to 4.2% vs 3.7%
4. Finance costs have increased due to the increased cost of borrowing over the last year
  - a) Impact has been partially mitigated by increase in early payment discounts captured in gross margins
5. PBT increased by 16% to \$34mn vs \$29mn in 9M FY22
6. PAT increased by 13% with 3.2% margin

# Consolidated Balance Sheet



US\$ in mn, unless mentioned otherwise

Particulars	As on 31-Dec-22	As on 30-Sep-22	As on 31-Mar-22
<b>Non-Current Assets</b>	<b>106.7</b>	<b>101.0</b>	<b>103.8</b>
<b>Current Assets</b>	<b>284.9</b>	<b>305.8</b>	<b>344.6</b>
Inventories	43.6	42.3	40.3
Trade Receivables	128.2	150.7	187.5
Cash and cash equivalents	48.7	55.2	60.7
Other Bank Balances	23.4	21.9	27.0
Other Current Assets	41.0	35.7	29.0
<b>Total Assets</b>	<b>391.6</b>	<b>406.8</b>	<b>448.4</b>
<b>Total Equity</b>	<b>130.2</b>	<b>122.2</b>	<b>123.5</b>
<b>Non-Current Liabilities</b>	<b>13.8</b>	<b>14.1</b>	<b>14.8</b>
Borrowings	0.0	0.0	0.0
Other Non-Current Liabilities	0.1	14.1	14.8
<b>Current Liabilities</b>	<b>247.6</b>	<b>270.5</b>	<b>310.1</b>
Borrowings	75.4	87.2	82.2
Trade Payables	150.4	161.3	206.7
Other Current Liabilities	21.9	22.0	21.2
<b>Total Equity &amp; Liabilities</b>	<b>391.6</b>	<b>406.8</b>	<b>448.4</b>

Particulars	As on 31-Dec-22	As on 30-Sep-22	As on 31-Mar-22
<b>Calculated basis LTM P&amp;L items</b>			
Inventory Days	14	14	15
Debtor Days	35	41	58
Payables Days	49	52	76
<b>NWC Days</b>	<b>0</b>	<b>2</b>	<b>-3</b>
Total Debt	75	87	82
<b>Net Debt</b>	<b>3</b>	<b>10</b>	<b>-5</b>

## Working Capital & Leverage Ratios:

1. Net Working Capital Days of 0 days vs 2 days as of September 2022
2. Net Debt has decreased from \$10mn in Sep 2022 to \$3mn in Dec 2022

## Return to Stakeholders:

1. Reported ROCE of 40%
2. Reported ROE of 33%

ROCE and ROE are based on \$ values

# Normalized PBT in Q3FY23 and 9M FY23



US\$ in mn, unless mentioned otherwise

Particulars	Quarter ended 31-Dec-22	Quarter ended 31-Dec-21	9M ended 31-Dec-22	9M ended 31-Dec-21
Income from operations	312	298	982	815
PBT	12	11	34	29
% PBT Margin	3.9%	3.8%	3.5%	3.6%
Less: One time gain on real estate	0	0	5	6
Add: Loss of new business	-2	-1	-5	-2
PBT Normalized	14	12	34	26
% Normalized PBT Margin	4.5%	4.1%	3.5%	3.2%

ESOP Cost considered as operational in nature since it is now captured in Y-o-Y numbers

➤ Y-o-Y Normalized PBT margins expanded by 26bps in Q3FY23 and 43 bps in 9M FY23



# Consolidated Cash Flow



US\$ in mn, unless mentioned otherwise

Particulars	Nine Months ended 31-Dec-22	Nine Months ended 31-Dec-21	Particulars	Nine Months ended 31-Dec-22	Nine Months ended 31-Dec-21
<b>A. Cash Flow from Operating Activities</b>			<b>C. Cash Flow from Financing Activities</b>		
Profit before tax	32.7	29.2	Proceeds from borrowings (net)	-7.6	11.0
Depreciation and amortization expense	7.0	6.8	Interest paid	-5.6	-2.8
Finance Costs	5.6	2.8	Payment of dividend to equity shareholders	-11.5	-5.5
Gain on sale of subsidiary/investment property	-4.4	-5.5	Payment of dividend to non-controlling interests	-5.7	-5.9
(Increase)/Decrease in Net Current Assets & Others	-10.2	1.6	Payment of principal portion of lease liabilities & Others	-2.2	-2.1
<b>A. Total Cash Flow from Operating Activities</b>	<b>30.8</b>	<b>35.0</b>	<b>C. Total Cash Flow from Financing Activities</b>	<b>-32.6</b>	<b>-5.3</b>
<b>B. Cash Flow from Investing Activities</b>			<b>(A+B+C) Net increase / (decrease) in Cash and cash equivalent</b>	<b>-13.0</b>	<b>14.1</b>
Capex	-5.3	-3.8	Foreign exchange fluctuation	0.7	-0.3
Proceeds from disposal of real estate	6.8	0.0	Add: Cash at the beginning & Cash of acquired business	56.3	38.0
(Increase) / Decrease in bank deposits	1.4	-1.7	Add: Bank overdraft	4.8	2.2
Venture Tech & Treasury Investments	-7.7	-8.2	<b>Cash and cash equivalent at the end</b>	<b>48.7</b>	<b>53.9</b>
Investment in JVs & Subsidiaries & Others	-6.3	-1.9			
<b>B. Total Cash Flow from Investing Activities</b>	<b>-11.1</b>	<b>-15.7</b>			
<b>(A+B) Total Cash Flow from Operating and Investing Activities</b>	<b>19.7</b>	<b>19.3</b>			

**Note:** Cash flow conversion based on closing rates. Variation in P&L items is due to exchange rate which is on average rates.