PDS
Multinational Group

PDS Multinational Fashions

Q4 & FY16 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.

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Quick Facts about PDS

PDS Multinational Group

190+ GLOBAL LEADING RETAILERS AND BRANDS AS CUSTOMERS

2,300 ASSOCIATES WORLDWIDE

31 OPERATES IN OVER OFFICES GLOBALLY

150 OWN DESIGNERS IN KEY MARKETS

610 REVENUES STOOD AT RS. CRORE IN FY16

1,000 OPERATES MACHINES IN FACTORIES

0.03 LONG-TERM DEBT / EQUITY RATIO

18 GLOBAL PRESENCE IN OVER COUNTRIES

57 CUSTOMERS ADDED IN THE LAST 24 MONTHS

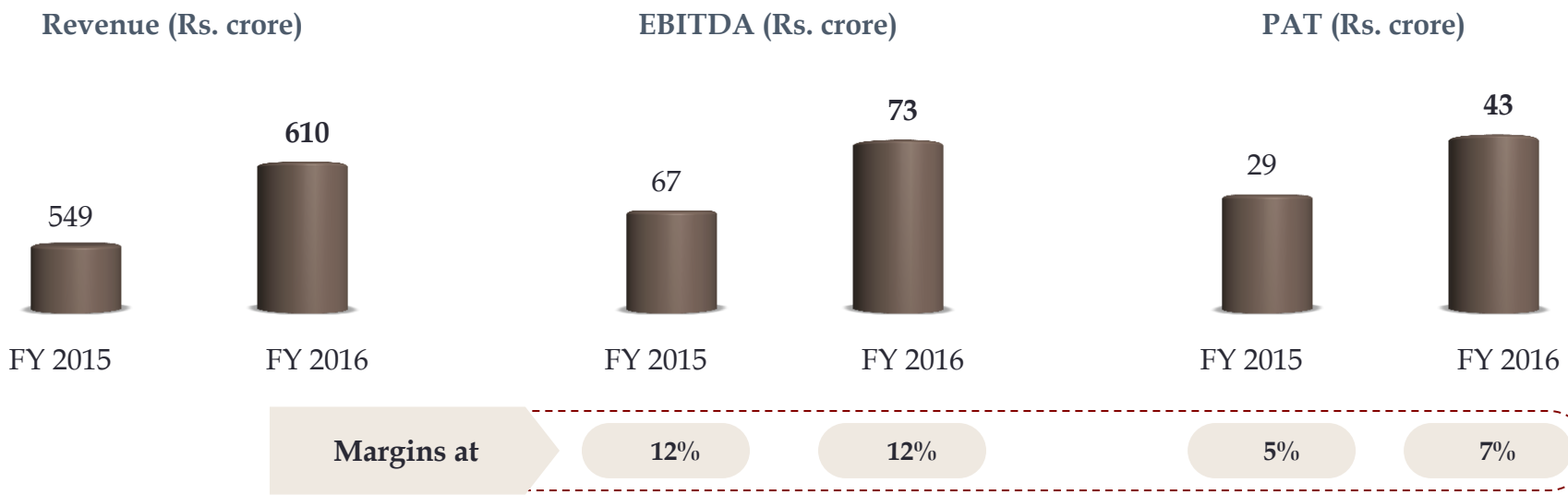
Note:

- Gross Profit considered as Revenues, as it represents actual receipt of payment for PDS Multinational Fashions.

FY16 – Performance Highlights

PDS Multinational Group

Despite a challenging environment, Topline up by 11% , PAT up by 51%



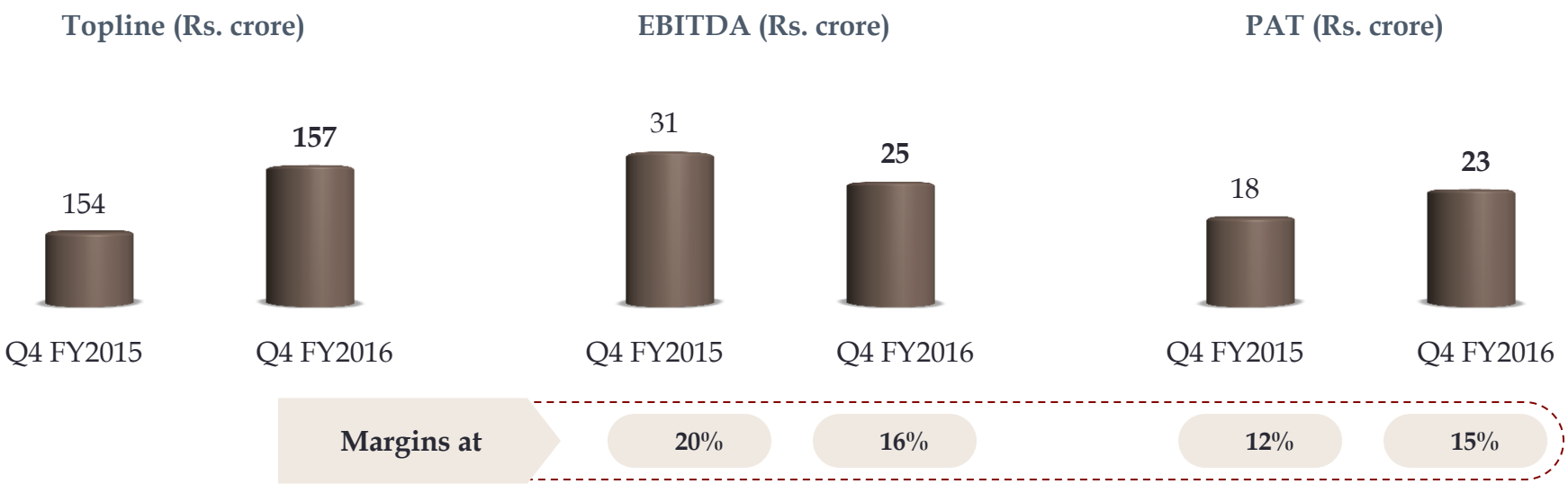
- **Income stood at Rs. 610 crore during FY16, registering a healthy increase of 11% Y-o-Y**
- **EBITDA at Rs. 73 crore, recording a robust growth of 8% Y-o-Y**
- **PAT up by a significant 51% Y-o-Y and stood at Rs. 43 crore in FY16**

Note:
- Gross Profit considered as Revenues, as it represents actual receipt of payment for PDS Multinational Fashions.

Q4 FY16 – Performance Highlights

PDS Multinational Group

Healthy Set of Results - PAT up by 31%



- **Income stood at Rs. 157 crore during Q4 FY16, recording an improvement of 2% Y-o-Y**
- **EBITDA at Rs. 25 crore, translating into EBITDA margin of 16%**
- **PAT up by a significant 31% Y-o-Y and stood at Rs. 23 crore in Q4 FY16, with PAT margin at 15%**

Note:
- Gross Profit considered as Revenues, as it represents actual receipt of payment for PDS Multinational Fashions.

Abridged Profit & Loss Statement - Consolidated

PDS Multinational Group

Rs. crore

Particulars	Q4 FY15	Q4 FY16	FY15	FY16
Total Income	**1,100.06**	**1,202.12**	**3,885.99**	**4,308.02**
Material Cost				
- Purchases of Stock-in-Trade	1,173.97	1,042.58	3,349.20	3,684.35
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	(227.60)	2.52	(12.09)	14.09

Line No.	Particulars	Q4 FY15	Q4 FY16	FY15	FY16
1	**Gross Profit**	**153.69**	**157.02**	**548.88**	**609.58**
	Employee Expenses	57.81	57.42	221.01	237.09
	Other Expenses	65.14	74.86	260.46	299.94
2	**EBITDA**	**30.73**	**24.74**	**67.41**	**72.54**
	EBITDA Margin (2/1) (%)	***20.00%***	***15.75%***	***12.28%***	***11.90%***
	Depreciation	3.36	4.26	14.63	14.65
	Finance Cost	6.94	2.02	18.83	14.16
	Profit Before Tax	20.44	18.46	33.95	43.73
	Tax Expenses	2.74	(4.79)	5.41	0.66
3	**Profit After Tax**	**17.70**	**23.25**	**28.54**	**43.07**
	PAT Margin (3/1) (%)	***11.52%***	***14.81%***	***5.20%***	***7.07%***

Note:

Gross Profit considered as Revenues, as it represents actual receipt of payment for PDS Multinational Fashions

Abridged Balance Sheet - Consolidated

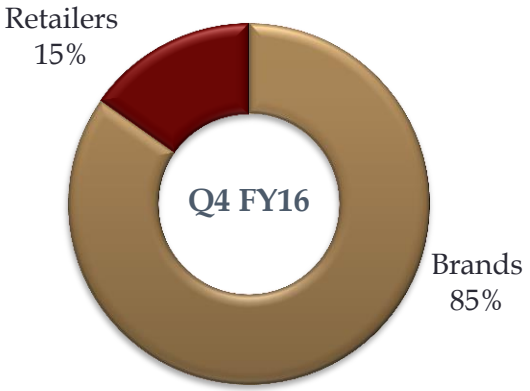
Rs. crore

Particulars	As at March 31, 2015	As at March 31, 2016
a) Non-current Assets	**228.34**	**268.90**
b) Current Assets	**1,159.65**	**1,175.68**
- Inventories	*88.51*	*50.27*
- Trade Receivables	*715.09*	*775.23*
- Cash & cash equivalents	*177.16*	*198.75*
- Others	*178.88*	*151.43*
Total	**1,387.99**	**1,444.58**
Working Capital	**324.73**	**293.02**
Inventory Days	**8**	**4**
Debtors Days	**67**	**66**
Creditors Days	**38**	**36**
Cash Conversion Cycle	**38**	**35**

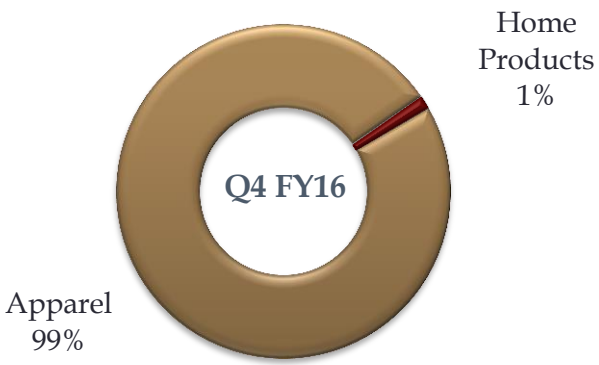
Key Metrics – Q4 FY16

PDS Multinational Group

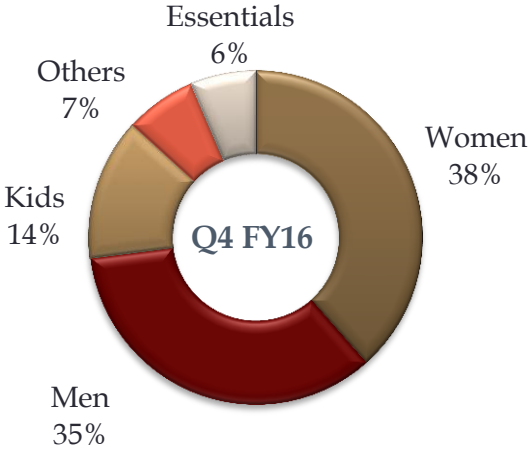
Customer-wise Revenue Break-up



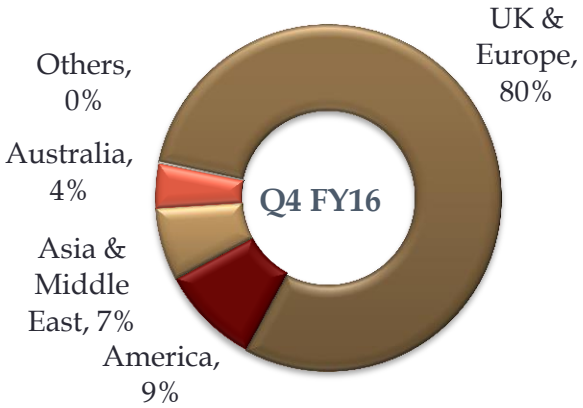
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



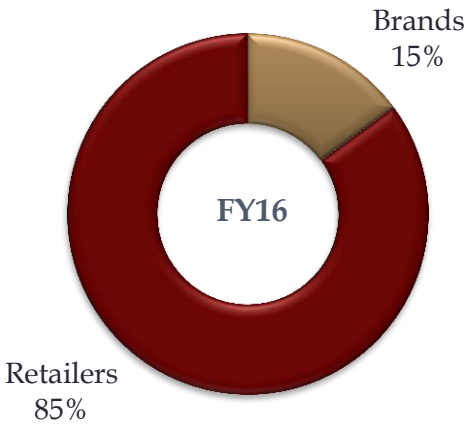
Region-wise Revenue Breakup *



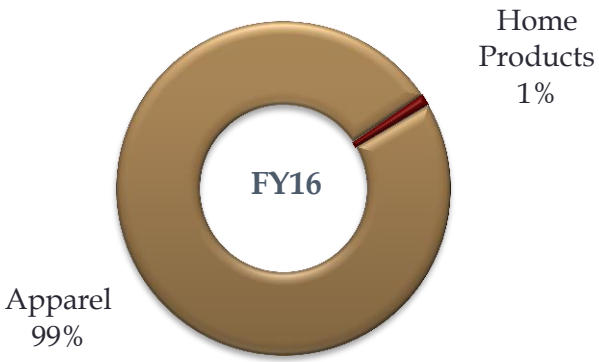
Note: * Based on customer locations, reclassified wherever necessary

Key Metrics – FY16

Customer-wise Revenue Break-up



Product-wise Revenue Break-up



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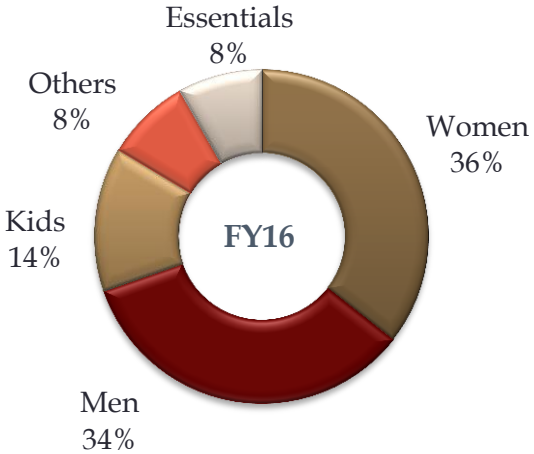

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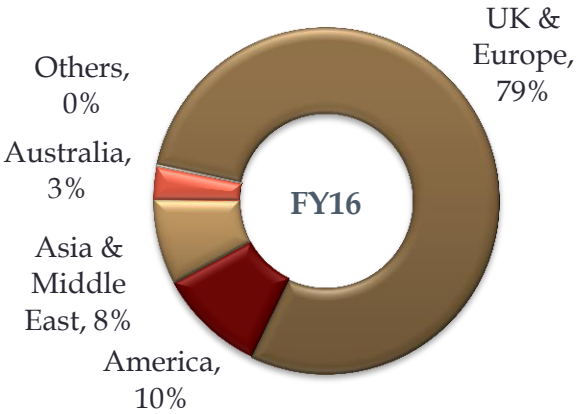
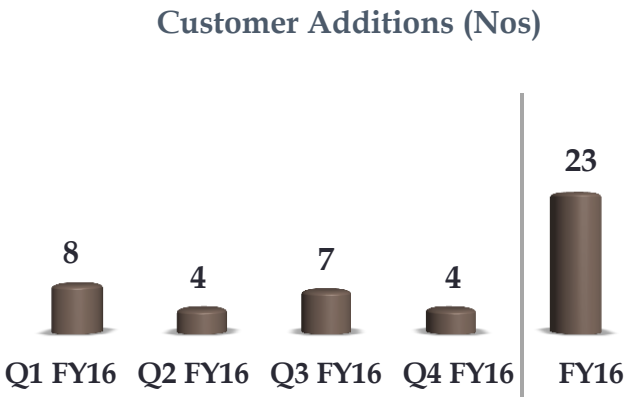


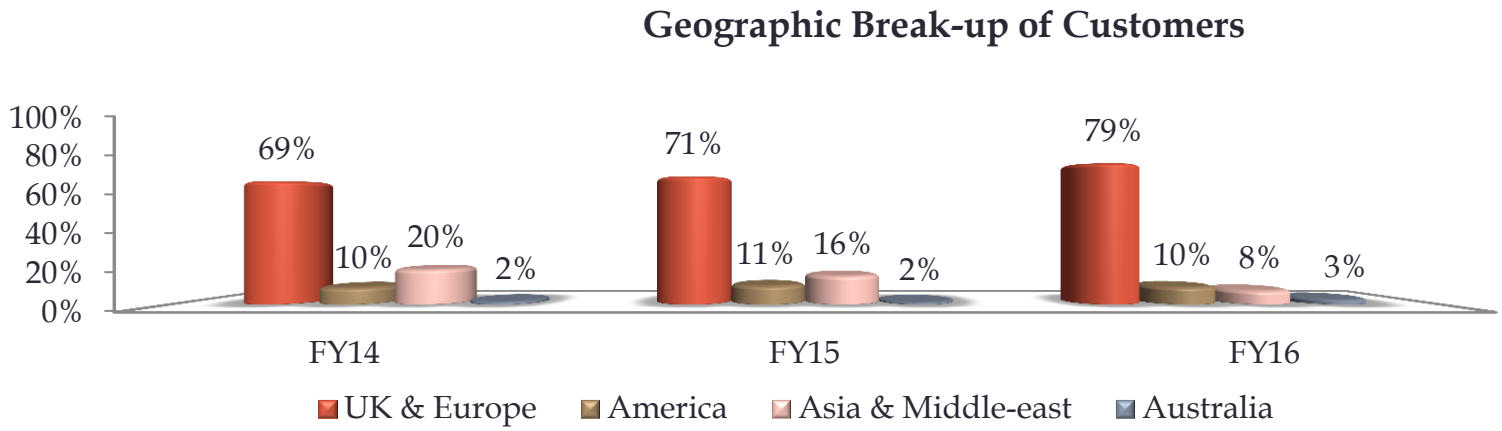
Note: * Based on customer locations, reclassified wherever necessary

Customers

Despite Macro-volatility, Outlook for Key Markets Remains Stable

- Healthy Customer Additions during the Year
- Strong Engagements with Existing Customers
- Continued Scale-up in Newer Geographies





** Customers with sales value more than USD 100K*

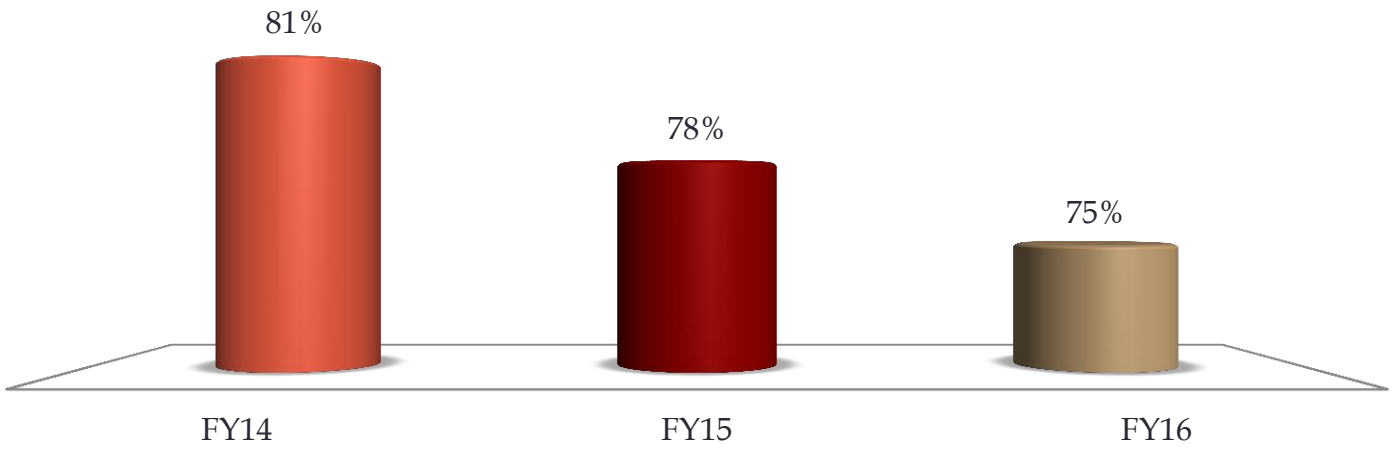
Top 15 customers

Customer-centric organization

Customer base of 190+ Global Leading Retailers and Brands

Long-term relationships with 25 brands

Revenue Contribution from Top 15 customers



IMPROVING DIVERSIFICATION IN REVENUE BASE

Management's Message

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

"We are pleased with our overall robust performance in FY16, despite a challenging retail environment in our key markets. During the year, we made significant progress on strategic initiatives improving the quality of our growth. As a result of such initiatives, our revenues grew by 11% on a Y-o-Y basis, translating into a 51% PAT growth. The growth was made possible by improved operating competences across product verticals, a strong presence spanning over 20 key markets and an overall enriched business proficiency.

The year also saw the Company direct focus towards improved market reach, extended manufacturing capabilities and other brand building and brand development activities. Our business enjoys a mass appeal across multiple categories of clients ranging from smaller accounts to larger business models, which provides a competitive-edge to brand 'PDS'.

We are investing for the longer term and accelerating the pace of our business efficiency, to capitalize on the changing consumer demands and trends. As we look ahead to greater prosperity, we believe that the multiple initiatives taken this year will result in benefits that will be sustained and far-reaching in nature"

PDS Global Presence

Wide Global Footprint to support long-term growth plans

- Sourcing / Manufacturing Operations
- Sales & Design Operations
- Corporate Office

- Over the last few years, PDS Multinational Fashions has widened its presence all across the globe
- Well entrenched relations with Retailers and Customers have further boosted group's global reach

Development & Design and Capacity Overview

PDS Multinational Group

Development & Design

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

Design Studio & Product Development Centers	
Asia	Hong Kong Sri Lanka Bangladesh China India
UK & Europe	London Manchester Turkey Spain

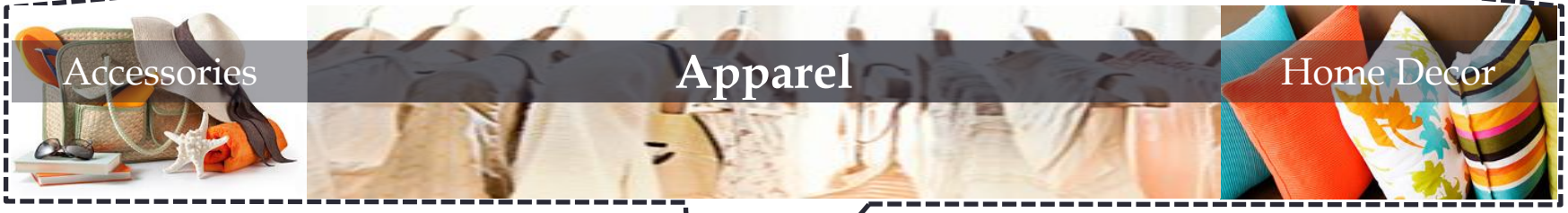
Capacity Utilization

- Asset-light model
- Strong pool of over 1,000 outsourced factories in the various sourcing markets of the world
- Efficient production capacity of over 25 million pieces/per annum
- Plans to invest in further 10,000 new machines over the next 3–4 years
- Land measuring 1,72, 000 sq. ft allocated to the Company in Bangladesh by Ishwardhi BEPZIA
- Signed up a JV to set up another Manufacturing facility in Bangladesh
- Sri Lanka facilities have been restructured
  - Company, currently, operates 2 factories with 1000 machines

PDS - Operational Overview

PDS Multinational Group

- Collaborative & Flexible approach with customers to assess their needs
- Provide tailor-made solutions for each customer
- Innovative design and development with dedicated sampling procedure to optimize competitive pricing and quality of products
- Multi-location, Multi-channel sourcing platform
- Value added services to vendors to improve their performance and on-time delivery
- Dedicated interface between brands and vendors to improve level of compliance in factories
- Strong supply-chain, increasing reliability and speed-to-market
- Versatile & Capable management team



Multiple Quality Checks of Consumer Goods → Efficient & Timely Delivery of Products to End-customers

Higher Consumer Satisfaction | Enhanced Brand Name | Financial Performance

Scaling-up PDS

PDS Multinational Group

Lateral Growth

- Enhancing levels of engagement with existing customers
- Business from repeat customers accounts for 95% of the overall revenue in FY15
- Global presence being augmented leading to improved market penetration
- Scaling up distribution network in the Australia, Brazil, India, Middle Eastern Countries and LATAM
- Aggressively focusing on improving market share in the Emerging Markets, thus enhancing export share revenue

Optimizing Agency Model

- Improving focus towards agency model of operations with large retailers
- Safeguarded profitability margins
- Reduced operational costs
- Currently, revenue contribution from agency model around 5% in FY15 – aiming for 10% in the longer-term

Manufacturing Capacity Expansion

- The Company is planning to expand its capacity by further investing in 10,000 new machines over the next 3–4 years
- Capacity expansion will assist medium term growth
- New dedicated facilities to be set-up in Bangladesh
- Land measuring 1,72, 000 sq. ft allocated to the Company in Bangladesh by Ishwardhi BEPZIA

Strengthening Sourcing Base

- Diversifying and Expanding the sourcing base to newer regions
- Optimize Sourcing Base by financing Factories
- Focuses on improving the technical and ethical compliance at each factory
- Focusing on extending virtual manufacturing operations in select regions
- Expanding footprint in manufacturing markets - Bangladesh, Cambodia, China, India, Morocco, Myanmar, Pakistan, Sri Lanka, Turkey

A Win-win Business Model

PDS Multinational Group

All Orders Pre-sold

Strict Zero Tolerance Policy & Ethical Compliance

Strong Process Controls

Invests in key vendors to upgrade their facilities and production capacities

Attractive Destination for New Business Leaders

Established Infrastructure Translates to Considerable Savings For its Customers at Both Sourcing and Marketing Ends

Leveraging Solid Relationships Across Geographies and Newer Markets

Ability to Fund Increased Sales with Customers after Having Secured Credit Payment Terms

AAA+ Rated Customers

Healthy Entrepreneurial Environment

Solid Risk Management

About Us

PDS Multinational Fashions

PDS Multinational Fashions 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 has strength and expertise in custom product design and development to provide total global sourcing solutions for its customers. The Company was established three decades ago by Mr. Deepak Seth and is currently helmed by the second generation of promoter family.

PDS Multinational Fashions operates a vast global network covering over 31 offices, 18 countries and over 2,300 employees across UK, Europe, Americas and Asia. The Company has implemented a strong global compliance program and has set a Zero Tolerance Violation and Critical Violation policy that aims at improving end-to-end transparency and visibility.

For more information, visit www.pdsmultinational.com

For further information, please contact:

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Thank You