

MONTE CARLO FASHIONS LIMITED

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August 8, 2020

National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.	BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
Symbol: MONTECARLO	Scrip Code: 538836

SUB: Q1FY21 INVESTOR PRESENTATION

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation for the Quarter ended June 30, 2020.

You are requested to take the same on record and acknowledge the receipt.

Thanking You,

FOR MONTE CARLO FASHIONS LIMITED


ANKUR GAUBA

COMPANY SECRETARY & COMPLIANCE OFFICER

Encl. As Above

MONTE CARLO
It's the way you make me feel



MONTE CARLO FASHIONS LIMITED
Q1 FY21 INVESTOR PRESENTATION



It's the way
you make me feel



MONTE CARLO 
It's the way you make me feel

DISCUSSION SUMMARY

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01

COMPANY OVERVIEW



MONTE CARLO: INDIA'S FIRST ORGANISED LIFESTYLE APPAREL BRAND

STRONG PEDIGREE

- Leading Winter wear Brand, launched in 1984 and part of Oswal Woollen Mills Ltd
- Recognised as **"Superbrand"** for woollen knitted apparel in each edition of Consumer Superbrands India

WIDE REACH

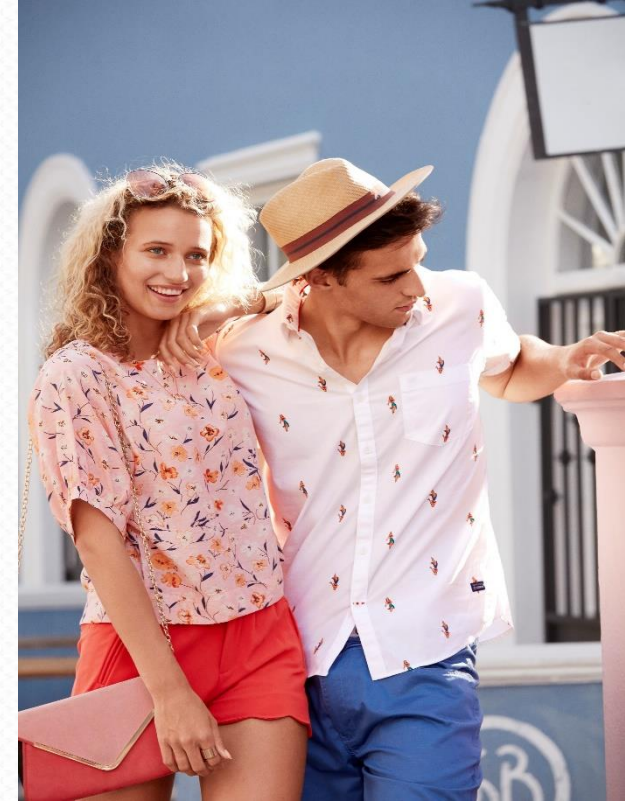
- Presence across India through a judicious mix of EBOs, MBOs and Shop in shop ,distributors and national chain stores and online
- Located in 20 states & 3 union territory

IN HOUSE DESIGNING TEAM

- Strong design team of over 30 professionals closely tracking the trending global fashion

DIVERSIFIED PRODUCT PORTFOLIO

- Successfully diversified brand across segments like Woollen , Cotton, Kids, Home Furnishing, & Healthcare.

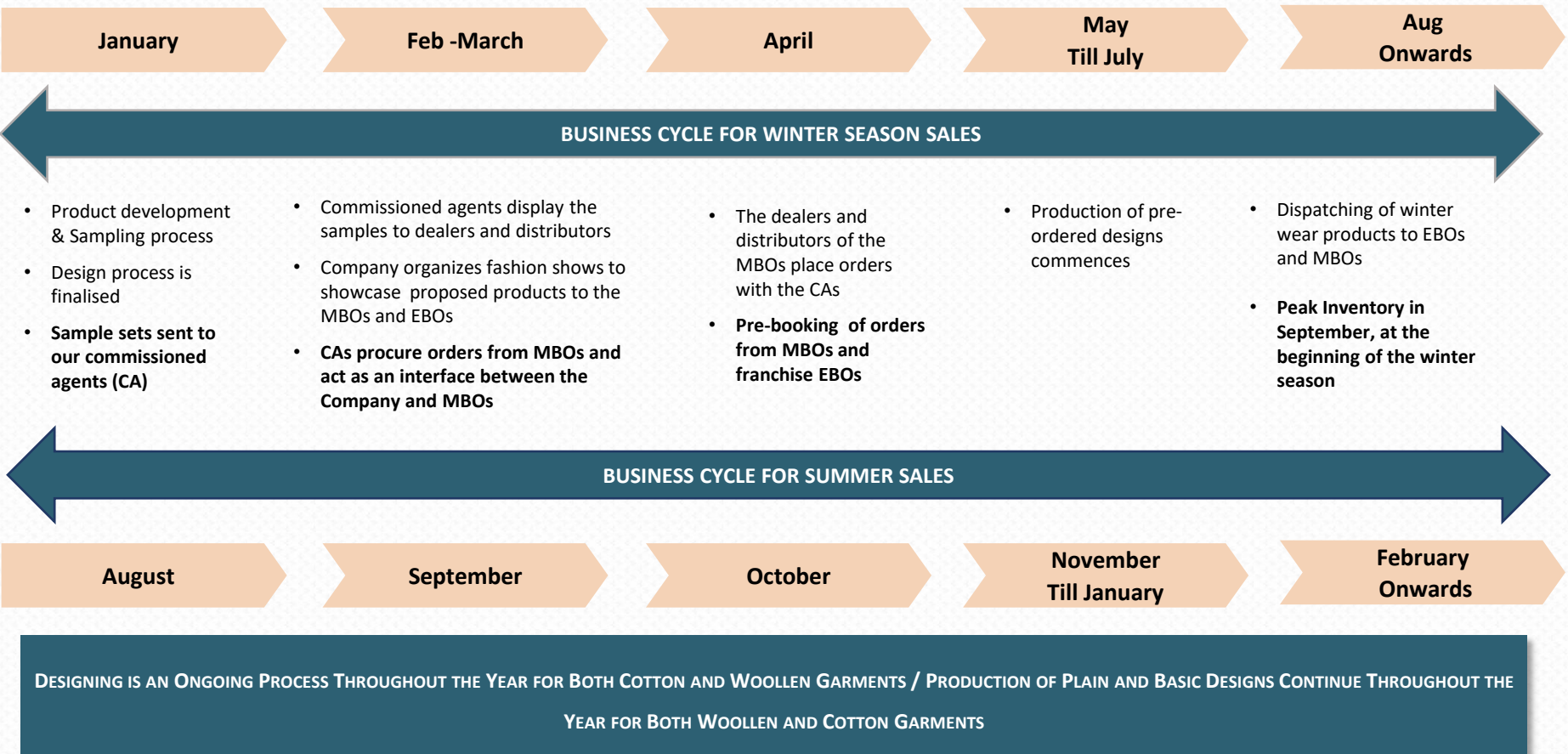


DIVERSIFIED PRODUCT PORTFOLIO

Range	Woollen	Cotton	Home Furnishing	Kids	Healthcare
Monte Carlo Mid Premium / Premium	Sweaters, Pullovers thermals, woollen accessories (caps, mufflers, shawls, stoles)	Shirts, trousers, t-shirts, track-suits and jackets	Mink blankets, bed sheets and quilts	-	-
Luxuria - Mid Premium / Premium	Cash wool sweaters , blazers ,coats	Cotton Shirts, trousers and t-shirts	-	-	-
Denim- Mid Premium / Premium	-	Denim Trouser (jeans) and Shirts	-	-	-
Alpha – Women wear	Sweaters , cardigans	Shirts, Tshirts, Trousers , jackets and sweat-shirts	-	Sweat Shirts	-
Tweens – Kids wear (7-13 years)	-	-	-	Sweaters, Cardigans, Shirt , T-Shirts and Bottoms	-
Cloak & Decker– Men's wear	Sweaters , cardigans	Cotton and cotton blended Tshirts	-	-	-
Rock It – Sports wear	-	Tank , Polo T-Shirt, Shorts, Track Pants	-	-	-
MC Healthcare	-	-	-	-	Face Masks (3 PLY, KN95 and N95) and Personal Protective Equipment (PPE) Kit



WHAT IS OUR BUSINESS MODEL



DISTRIBUTION MODEL


MINIMUM GOODS
RETURNED


LOW
CREDIT RISK


COMMANDS
PRICING POWER


ORDER TO PRODUCE
MODEL

	MBO and Distributors	NCS	Shop In Shop	EBO-COCO	EBO –FOFO
Distribution Sale Model	Pre-Booking of orders Outright Sales	SOR – Sale or Return / Outright Sales	Pre-Booking of orders Outright Sales	Inventory owned by Company	Pre-Booking of orders Outright sale
Goods Return Risk	No	Yes	No	N.A	Minimal 5% - 10 % of Products Return Allowed
Discount Sharing	No	Yes	Yes	Yes	Yes Range of 5% - 17.5%
Payment Collection Credit Risk	Exclusive commissioned agents are liable to pay	Reputed retail chains	Exclusive commissioned agents are liable to pay	-	Bank guarantee's and PDC taken from franchise



02

Q1 FY21 HIGHLIGHTS



Current Operational Status

In-line with Government directives, we resumed our operations on 21st April, 2020 complying with Government's safety and security norms for COVID-19. At present, we are operating at around 80% capacity and gradually ramping up the capacity. We have presence in 20 States & 3 Union Territory and continue to work with our business partners across all channels, i.e. Company-Owned Company Operated (COCO), Franchise Owned Franchise Operated (FOFO), National Chain Stores (NCS), Large Format Stores (LFS) and Multi-Brand Outlets (MBO).

Financial Performance and Liquidity Position

The COVID-19 pandemic followed by the nation-wide lockdown impacted the dispatches leading to a revenue loss of Rs 650 Mn in Q1FY21. Considering that the situation is unprecedented and is changing dynamically, we are planning production based on the estimate of demand. We have launched new products in healthcare segment i.e. Face Masks (3 PLY, KN95 and N95) and Personal Protective Equipment (PPE) Kit. We are confident in the underlying strength of our business model, and our medium- term liquidity needs are well covered. With adequate banking limits in place, company's ability to service its debts and financing obligations on time remains unaffected.

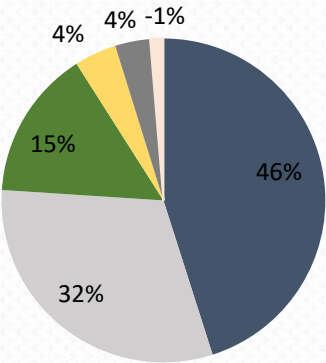
Future Outlook

The Company has implemented stringent cost control measures and is hopeful to sustain growth without any significant capex. We continue to evaluate the impact of the pandemic and are fully geared to withstand the challenges as the situation unfolds on the back of our financial and operational strengths. Our strong presence in winter wear market along with well-diversified product portfolio across ranges will help us to minimise the impact of COVID-19 for the full financial year 2021.

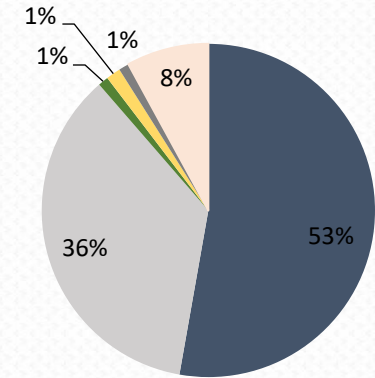
Q1 FY21: REVENUE DETAILS

REVENUE BREAKUP– REGION WISE
(Including Online Sales)

Q1 FY20: Rs 569.20 Mn



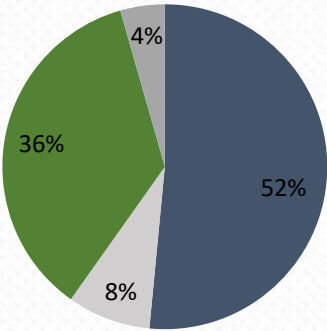
Q1 FY21: Rs 83.95 Mn



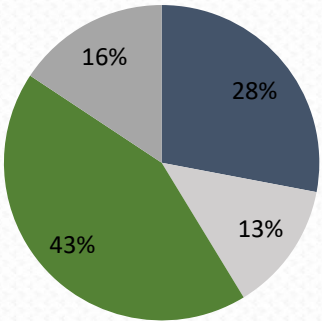
North East Central South West Others Including Online

REVENUE BREAKUP – CHANNEL WISE

Q1 FY20: Rs 569.20 Mn

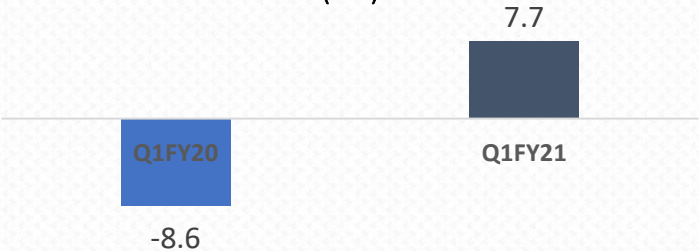


Q1 FY21: Rs 83.95 Mn



MBO+NCS EBO-COCO EBO-FOFO Others including online

Online Sales
Rs (Mn)



REVENUE BREAKUP - SEGMENT WISE

In Rs Mn	Q1 FY20	Q1 FY21	FY19	FY20
Total Revenues*	569.2	83.9	6,715	7,235
Woollen Segment	-11.9%	-36.8%	25.5%	22.3%
Cotton Segment	83.7%	85.3%	60.1%	59.1%
Home Textiles	22.3%	53.8%	9.1%	11.7%
Kids	5.9%	-3.3%	5.3%	6.9%
MC Healthcare	-	1%	-	-

FOCUS ON PRODUCT DIVERSIFICATION

Positioning as all fashion brand to reduce seasonality impact, woollen segment contribution has moved marginally lower in FY20 to 22.3%

• Revenue from core products (Excluding Yarn, Fabrics & Miscellaneous sales)

* FY19 Sales of scrap and accessories was Rs.29.6 Mn, Other Operating revenue was 13.5Mn & INDAS adj. was Rs.-194.4 Mn

* FY20 Sales of scrap and accessories was Rs.80.3Mn, Other Operating revenue was 11.5 Mn & INDAS adj. was Rs. -70.7Mn

* Q1 FY21 Sales of scrap and accessories was Rs.1.29Mn, Other Operating revenue was 0.6Mn & INDAS adj. was Rs. 26Mn

* Q1 FY20 Sales of scrap and accessories was Rs.13.7Mn , Other Operating revenue was 1.5Mn & INDAS adj. was Rs.14.75Mn

Q1 FY21: PROFIT AND LOSS STATEMENT

Particulars (In Rs Mn)	Q1 FY21	Q1 FY20	FY20	FY19
Revenue From Operations	112	599	7,256	6,564
Material Cost	7	195	3,831	3,444
Gross Margin	105	404	3,425	3,120
Gross Margin %	93.7%	67.5%	47.2%	47.5%
Personnel Expenses	85	153	696	595
Advertisement Expenses	4	54	301	360
Other Expenses	159	221	1,167	1,135
CSR Expenditure	0.1	0	16	47
Operating EBITDA	-143	-24	1,244	983
EBITDA Margin %	-	-	17.1%	15.0%
Other Income	56	26	115	182
Depreciation	79	72	334	191
Finance cost	30	35	170	89
PBT	-196	-105	855	885
Tax Expense	-61	-43	228	289
PAT	-135	-62	627	596
PAT Margin %	-	-	8.6%	9.1%
EPS (Rs.)	-	-	30	27

03

**MONTE CARLO
ADVANTAGE**



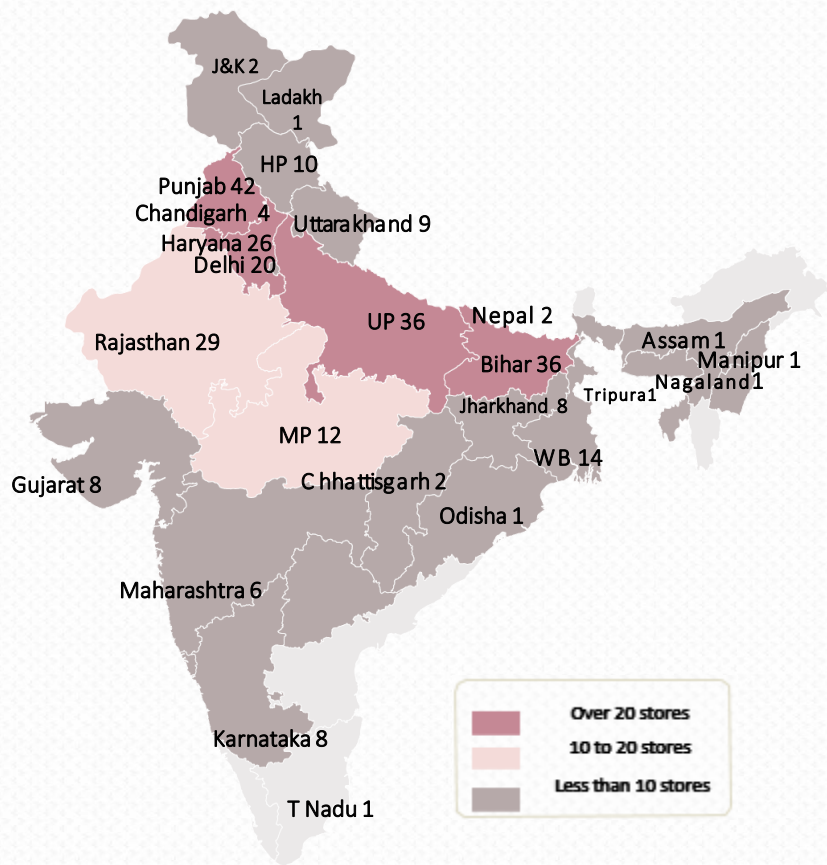
STRONG BRAND EQUITY ...

- ❖ “Monte Carlo”, has Strong Brand Equity
- ❖ Being a Premium Brand, Monte Carlo enjoys Pricing Power & Customer Loyalty
- ❖ Regular Investment in Brand Building & Marketing Initiatives



ASPIRE TO SERVICE END TO END WARDROBE REQUIREMENTS OF INDIAN CONSUMERS BY FURTHER INTRODUCING EXCITING RANGE OF NEW PRODUCTS

... HAVING PAN INDIA PRESENCE ...



DISTRIBUTION NETWORK

STORE NETWORK				
Type of Store	FY19	FY20	Q1 FY21	Q1 FY20
EBO – COCO	27	37	37	30
EBO – FOFO	229	241	242	232
MBO and Distributors	2500+	2500+	2500+	2500+
NCS	306	566	144	103
SIS	85	126	124	101
E-Commerce	Amazon, Flipkart, Myntra, Jabong and Kapsons			

EBO – NET ADDITIONS

	FY19	FY20	Q1 FY21
Existing	235	256	278
New Opened	27	31	1
Closed	6	9	0
Total EBOs	256	278	279

In addition to 279 EBO'S, company has 2 EBO in Nepal

NEW STORE LAUNCHES

FOFO: CENTRAL (1)

... & REGULAR TECHNOLOGY UPGRADATION

Whole Garment Machine



Cotton

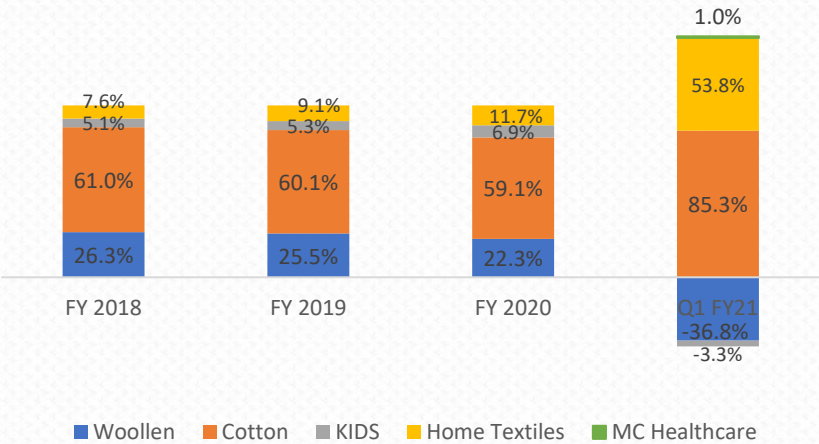


Woollen

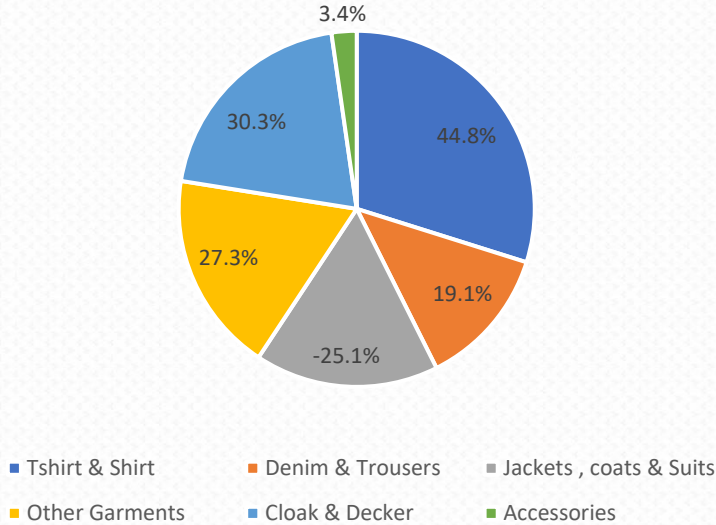


- 30 professionals closely tracking the trending global fashion
- To meet the standards of technology upgradation and modernisation, Company has installed the automatic whole-garment state-of-art manufacturing facility, at the existing Ludhiana's unit.
- This technology, in knit is one entire piece which provides a seam-free fit and comfort, unmatched by any other knitwear. This helps in elimination of multiple manufacturing processes, thereby, reducing the wastage and increasing the efficiency.

SEGMENT COMPOSITION



COTTON SEGMENT BIFURCATION- Q1 FY21



- Woollen share gradually reducing due to diversification, focusing more on cotton products
- During the quarter Shirts, Tshirts, Cloak & Decker(New economy range) together contributes 70% to the total Cotton contribution
- Company has diversified itself into Fitness Regime through Brand “Rock.It”
- Launched new products in healthcare segment i.e. Face Masks (3 PLY Mask, KN95 Mask and N95 Mask) and Personal Protective Equipment (PPE) Kit

Sh. Jawaharlal Oswal (Chairman & MD)

- Sh. Jawahar Lal has More than 50 years of experience in the textile and woollen industry
- Awarded the 'Udyog Ratna Award' by the PHD Chamber of Commerce and Industry, the 'LMA-Sat Paul Mittal Life Time Achievement Award' by the Ludhiana Management Association and the 'Achievers of the North' by the Economic Times

Sh. Sandeep Jain (Executive Director)

- Sh. Sandeep Jain is has more than 21 years of experience in the field of administration
- He is Bachelor's degree in Pharmacy, Diploma in Export Management
- Prior to joining Monte Carlo in 2008, he has worked with Oswal Woollen Mills Limited

Sh. Rishabh Oswal (Executive Director)

- Rishabh Oswal is part of third generation of Oswal family
- Rishabh Oswal completed his BA Hons in Management Studies from University of Nottingham, UK in 2013 and then went on to pursue an Executive MBA from the prestigious Indian School of Business, Hyderabad

Sh. Dinesh Gogna (Director)

- Sh. Dinesh Gogna has more than 35 years of experience in the field of Corporate Finance and Taxation
- He has Bachelor's Degree in Law, completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance

... RESULTING IN STRONG FINANCIALS

HEALTHY RETURN RATIOS

- ❖ Ability to sustain Robust growth without any major capex; Return Ratios set to improve

STABLE WORKING CAPITAL CYCLE

- ❖ Stable core working capital whilst achieving 11% growth in revenues for FY20

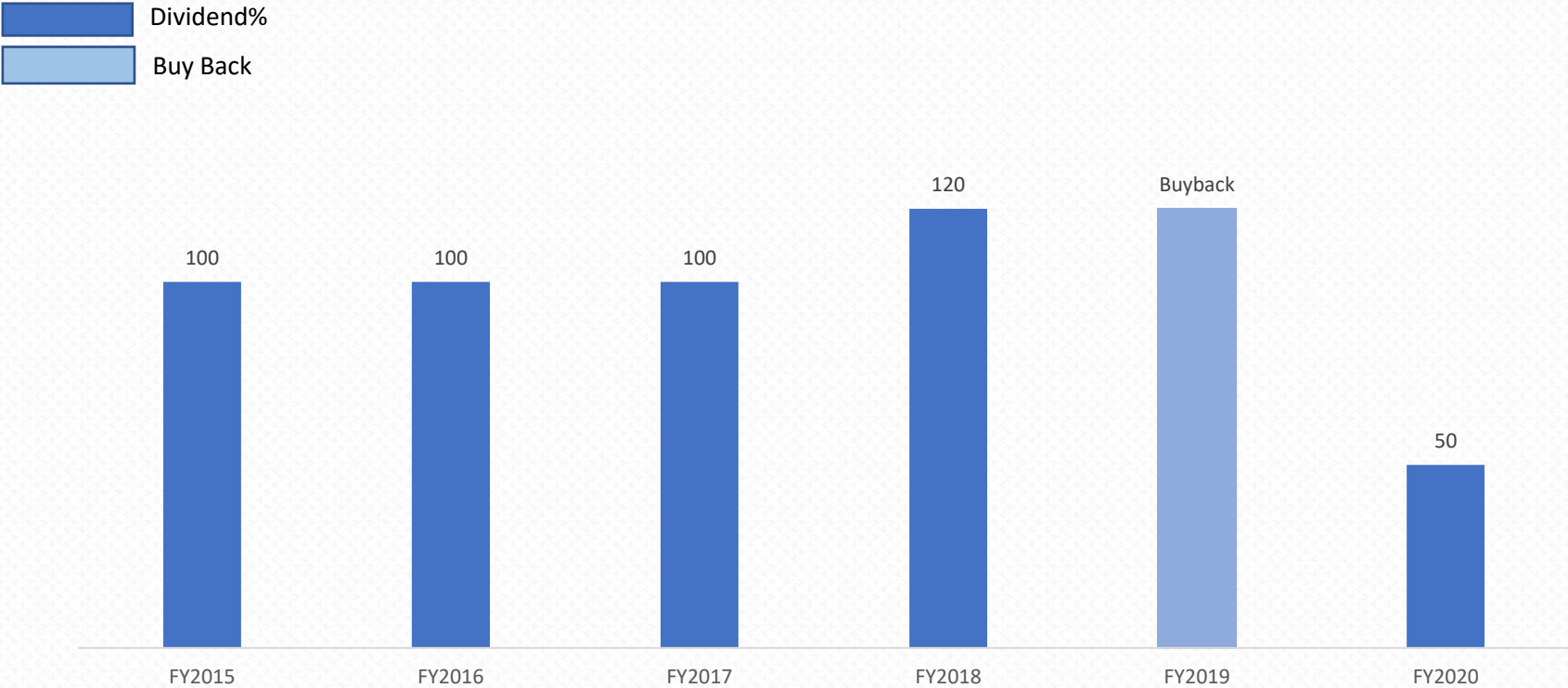
STRONG BALANCE SHEET POSITION

- ❖ Cash balance of Rs 1,284.8 Mn (includes cash and bank balance along with current and non-current investments)

LOWER DEBT

- ❖ Low overall debt; Long term borrowing at Rs.153.11 Mn as of June 2020

CONSISTENT REWARD TO SHAREHOLDERS

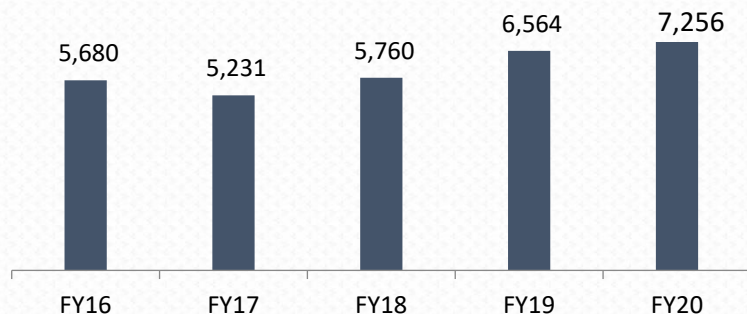


Company has done buy back of Rs. 550 Mn in FY19 to reward shareholders. Promoters have not participated in the buy back

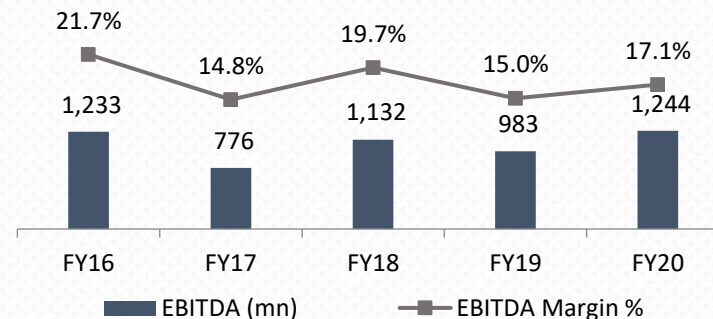
Strong Track Record and Proven Expertise to Generate Healthy, Predictable and Sustainable Returns

FINANCIAL PERFORMANCE

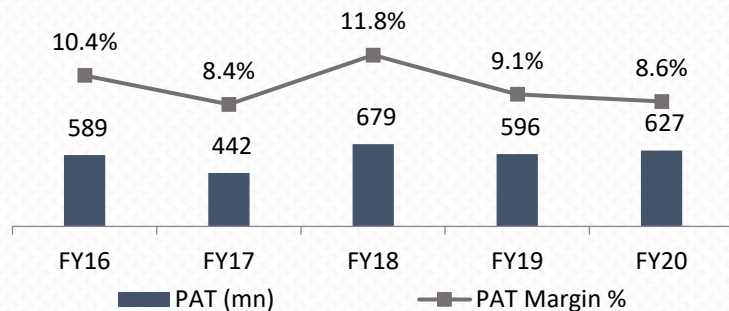
CONSISTENT REVENUES



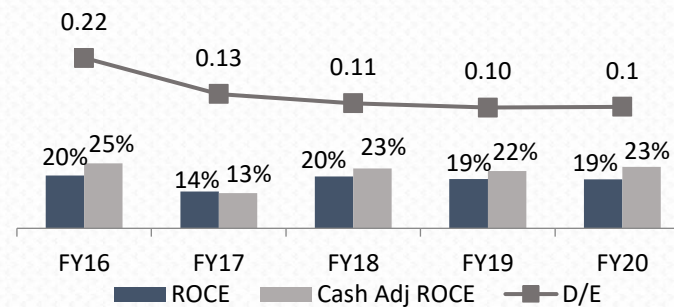
EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



LEVERAGE & RETURN RATIOS



Note – Previous year figures have been recast as per Ind AS to make them comparable with current year figures

EBITDA does not include other income

Revenues exclude Raw Material Sales (Yarns, Fabrics & Trims)

Inventory Data related to FY18 onwards is according to the cost method of valuation and the data related prior to FY18 is according to retail method of valuation

**PRODUCT
MIX
MOVING
TOWARD
COTTON**

- Cotton share maintained over 59.11% of total FY20 revenue reflecting shift towards Cotton from Woollen segment
- Textile and Kids segment delivered robust growth, contributing higher revenue to the overall business

**FOCUS ON
RETAIL
NETWORK
EXPANSION**

- Sales through SIS Model
- Focus on Online Sales through own portal
- Own Portal sales has gradually increased to Rs 2.8 Mn in Q1 FY21 from 2.7 Mn in Q1 FY20

**FOCUS ON
RETURN
RATIOS
EXPANSION**

- Capex of Rs ~Rs100-150mn for FY20-21 majorly for de-bottlenecking and modernization of existing facilities
- Ability to sustain Robust growth without any major capex; Return Ratios set to improve

04

ANNEXURE



BRANDING INITIATIVES

Proven track record in building brands in India

Clothing partner for the blockbuster Bollywood films
Saaho, Barfi, Mary Kom, Bhaag Milkha Bhaag, and Student of the Year



TIE-UPS WITH ONLINE PLATFORMS



Clothing Partner for reality Shows like Big boss, Khatron ke Khiladi



Other Strategic Tie-ups

Airline Tie-ups

Air Asia - Overhead Bins
Go Air - Overhead Bins
Air India - Seat Back Devices + Inflight Magazine
Vistara - Inflight Magazine
Indigo - Inflight Magazine

Theatres

- PVR
- Cinepolis
- Inox
- Carnival
- SRS
- **800 +** screens across India



WE BELIEVE IN “FULFILLING ASPIRATIONS AND TRANSFORMING LIVES “

Education



The organization has worked towards the betterment of various schools & institution at Dhandari Kalan Government Primary school , Govt School (Magra Lulu), Brailee Bhawan Ludhiana by providing them operational & Financial support

Environment



Oswal Foundation renovated fountain chowk in Ludhiana also planted numerous trees to promote greenery and to enhance the flora and fauna

Sports



Contributed in this field by organizing on open women Taekwood Championship at LETC, Katani Kalan, Ludhiana

Health



In this sector Oswal Foundation has done its bit by organizing eye camp & by providing medical support to those in need ,through various means

THANK YOU



MONTE CARLO 
It's the way you make me feel

Mr. Dinesh Gogna

Director

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DICKENSON

Ms. Manasi Bodas

Consultant

Mr. Vikash Verma

Director

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Disclaimer:

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These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond MCFL's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of MCFL.

In particular, such statements should not be regarded as a projection of future performance of MCFL. It should be noted that the actual performance or achievements of MCFL may vary significantly from such statements.