PDS
Multinational Group

PDS Multinational Fashions

Q2 & H1 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.

Contents

1 Operational & Financial Highlights Q2 & H1FY2016

2 Management's Message

3 Company Overview

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

3,886 REVENUES STOOD AT RS. CRORE IN FY15

2,000+ OPERATES MACHINES IN FACTORIES

<0.12 LONG-TERM DEBT / EQUITY RATIO

18 GLOBAL PRESENCE IN OVER COUNTRIES

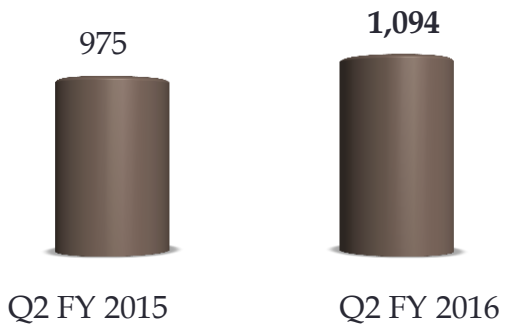
75 OVER CUSTOMERS ADDED IN THE LAST 24 MONTHS

Q2 FY16 – Performance Highlights

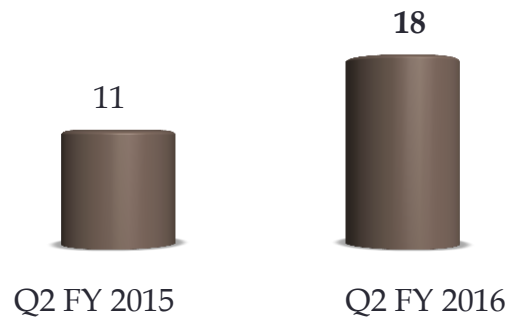
PDS Multinational Group

In a challenging macro-environment, PDS delivers robust performance during the quarter

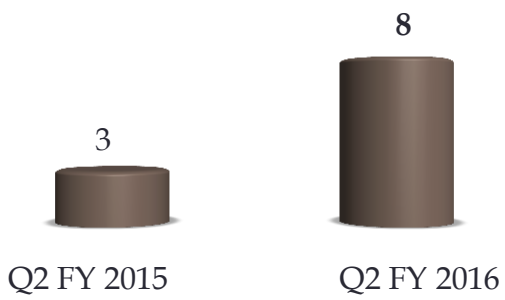
Total Income (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs. crore)



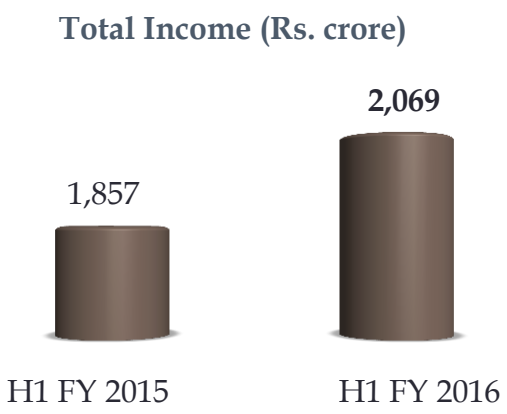
- **Total Income stood at Rs. 1,094 crore during the quarter, registering an increase of 12% Y-o-Y**
- **EBITDA stood at Rs. 18 crore, recording a healthy growth of 64%**
- **PAT stood at Rs. 8 crore in Q2 FY16, higher by a significant 206% Y-o-Y**

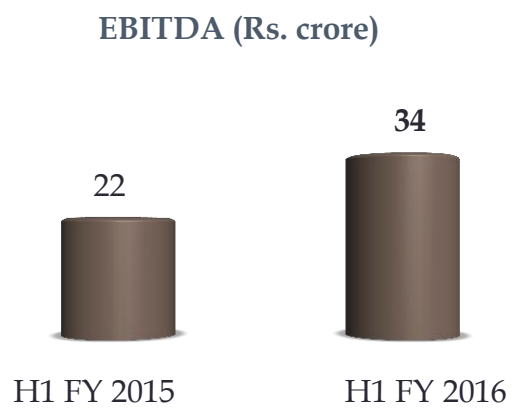
Note: Total income and EBITDA include Other income, which also comprises of currency gains or losses. PDS Multinational, having global operations, hedges its currency risk with forward contracts and avoids entering into complex derivatives

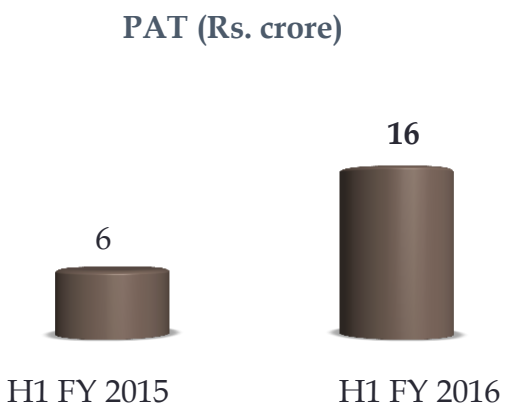
H1 FY16 – Performance Highlights

PDS Multinational Group

Prolific Growth in Performance; PAT higher by 153% Y-o-Y







- **Total Income stood at Rs. 2,069 crore during H1 FY16, registering a healthy increase of 11% Y-o-Y**
- **EBITDA stood at Rs. 34 crore, recording a strong growth of 53% Y-o-Y**
- **PAT up by a significant 153% Y-o-Y and stood at Rs. 16 crore in H1 FY16**

Note: Total income and EBITDA include Other income, which also comprises of currency gains or losses. PDS Multinational, having global operations, hedges its currency risk with forward contracts and avoids entering into complex derivatives

Abridged Profit & Loss Statement - Consolidated

PDS Multinational Group

Rs. crore

Particulars	Q2 FY15	Q2 FY16	H1 FY15	H1 FY16
Total Income	**975.20**	**1,093.73**	**1,856.67**	**2,069.42**
Material Cost	840.15	935.25	1,591.11	1,767.60
- Purchases of Stock-in-Trade	*811.72*	*932.64*	*1,586.58*	*1,760.10*
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	*28.42*	*2.61*	*4.53*	*7.50*
Gross Profit	**135.05**	**158.48**	**265.57**	**301.83**
Gross Margin (%)	***13.85%***	***16.25%***	***27.23%***	***30.95%***
Employee Expenses	59.34	61.58	111.89	120.38
Other Expenses	64.95	79.38	131.40	147.62
EBITDA	**10.75**	**17.51**	**22.28**	**33.83**
EBITDA Margin (%)	***1.10%***	***1.80%***	***2.28%***	***3.47%***
Depreciation	3.83	2.50	7.41	6.10
Finance Cost	4.11	4.48	8.20	8.53
Profit Before Tax	**2.81**	**10.53**	**6.67**	**19.19**
Tax Expenses	0.30	2.83	0.45	3.47
Profit After Tax	**2.51**	**7.70**	**6.22**	**15.73**

Abridged Balance Sheet - Consolidated

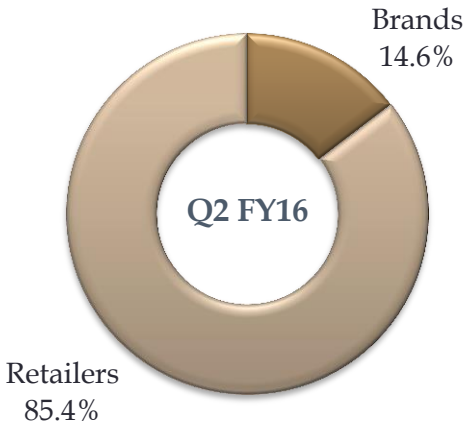
Rs. crore

Particulars	As at March 31, 2015	As at Sept 30, 2015
a) Non-current Assets	**228.34**	**247.81**
b) Current Assets	**1,159.65**	**1,218.46**
- Inventories	*88.51*	*71.99*
- Trade Receivables	*715.09*	*724.06*
- Cash & cash equivalents	*177.16*	*214.83*
- Others	*178.88*	207.58
Total	**1,387.99**	**1,466.27**
Revenues	**3,885.99**	**2,069.42**
Working Capital	**324.73**	**294.37**
Working Capital Days	**31**	**26**
Inventory Days	**10**	**14**
Debtors Days	**67**	**64**
Creditors Days	**38**	**36**

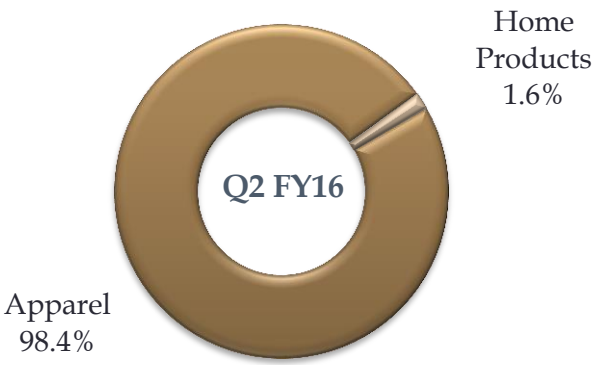
Key Metrics – Q2 FY16

PDS Multinational Group

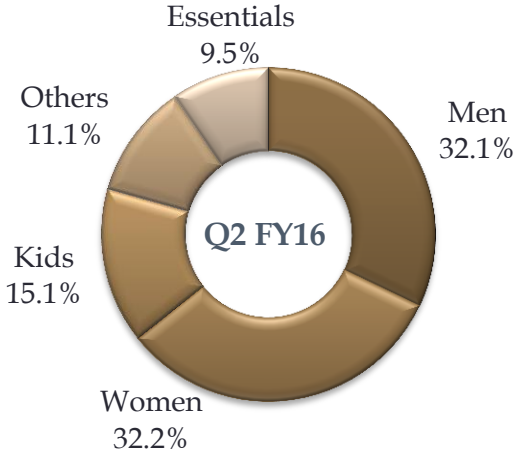
Customer-wise Revenue Break-up



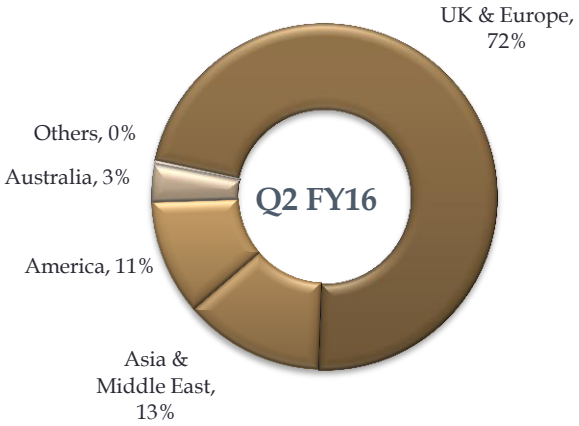
Product-wise Revenue Break-up



Apparel-wise Revenue Break-up



Region-wise Revenue Breakup *

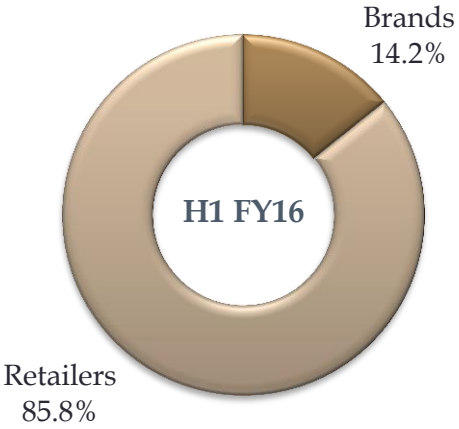


Note:

- *** - Based on customer Locations**

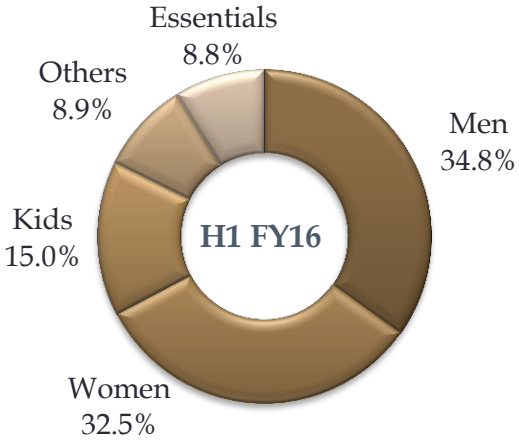
Key Metrics – H1 FY16

Customer-wise Revenue Break-up

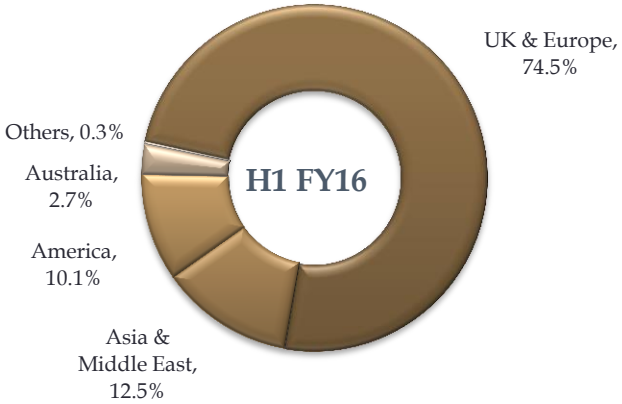


Product-wise Revenue Break-up

Apparel-wise Revenue Break-up



Region-wise Revenue Breakup *



Note:

- *** - Based on customer Locations**

Customers

PDS Multinational Group

Customer-centric organization

Customer base of 190+ Global Leading Retailers and Brands

Long-term relationships with 25 brands

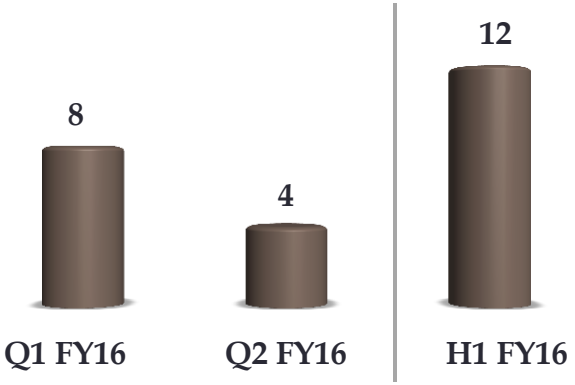
Healthy Momentum in Key Markets

Steady Demand from Repeat Customers

Encouraging New Customer Wins

Continued Outreach to Newer Customers

Customer Additions (Nos)



* Customers with sales value more than USD 100K

Management's Message

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

"In the backdrop of continued uncertainty and volatility in the global macro-economic landscape, we are pleased to report a stable performance for the first half of the fiscal. The steady growth, in many ways, is a reflection of strong and diverse capabilities that enable a resilient business model.

During the period, we continued to leverage our sourcing strengths ensuring optimal quality and efficient and timely delivery. The quarter also saw us focus on improving scalability of our growth businesses, while enhancing value of our established businesses.

Our overall ability to provide complete sourcing solutions to customers, on-time delivery speed, financial risk management and rigorous emphasis on social & ethical compliance, further contribute to the PDS brand.

Amid a challenging and fragmented retail industry, our key markets continue to show promise, thus providing a thrust to the scalability, strength and reach of the Company. From an overall standpoint, we believe, we are well on our way towards delivering healthy operational and financial performance, going forward"

PDS Global Presence

Wide Global Footprint to support long-term growth plans

- Sourcing
- Design & / or Product development centers
- Sales & marketing centers
- Corporate Office

- Over the last few years, PDS Multinational Fashions has widened its presence all across the globe
- Expansion of operations in progress in Bangladesh, Belgium, Cambodia, China, India, Myanmar, Pakistan, Sri Lanka & Turkey
- 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

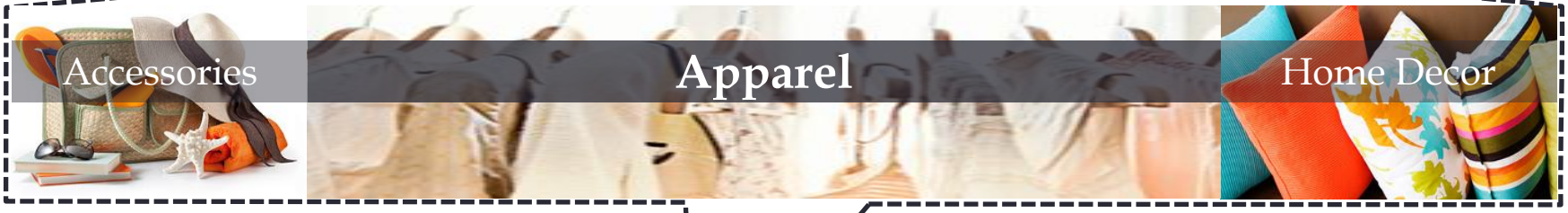
Capacity Utilization

- **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**
- **Manufacturing facilities in Sri Lanka & Bangladesh**
  - 4 factories
  - Operates over 2, 000 machines
  - Capacity at 2 million pieces/per month

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

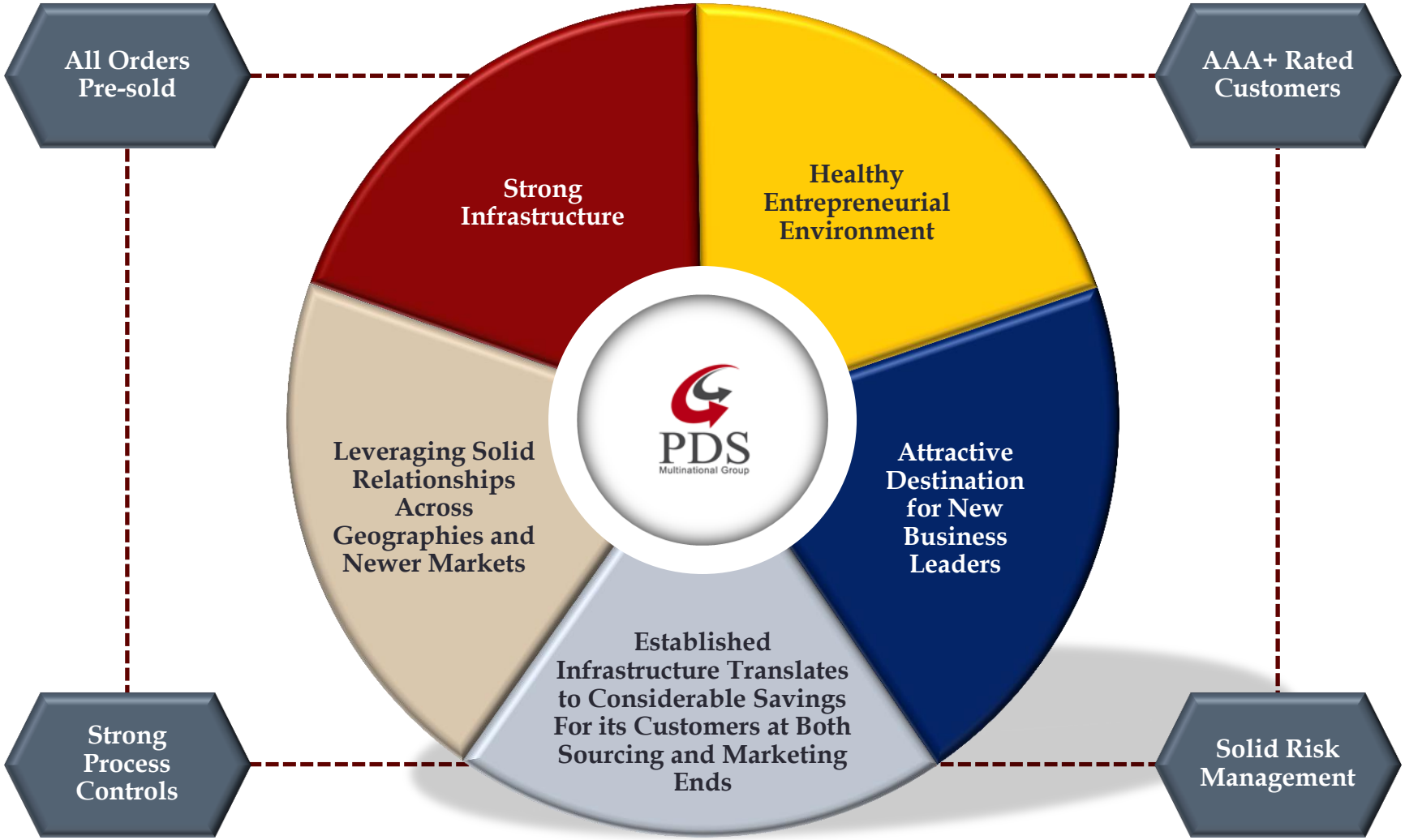
Manufacturing Capacity Expansion

- 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

PDS – A Win-win Business Model



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