

PDS/SE/2021-22/99

January 31, 2022

Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Scrip Symbol: PDSMFL	Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 538730
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Re: ISIN - INE111Q01013

Sub: Investors' Presentation for the announcement of the Financial Results for the Quarter and Nine Months ended December 31, 2021, i.e., Q3-FY2021-22 Earnings Release

Dear Sir/ Madam,

In continuation of our previous letter dated January 31, 2022, please find enclosed herewith the revised Investors' Presentation of PDS Limited for the announcement of the Financial Results for the quarter and nine months ended December 31, 2021, i.e., Q3- FY 2021-22 Earnings Release.

We request you to kindly take the above on record for the purpose of dissemination to the Shareholders.

Thanking you,

Yours faithfully,
for **PDS Limited**
(Erstwhile PDS Multinational Fashions Limited)


Abhishekh Kanoi
General Counsel & Company Secretary
ICSI Membership No.: F-9530



Encl: As above

We are now officially
known as PDS Limited



PDS

Global | Collaborative | Digital | Ethical



PDS

Global | Collaborative | Digital | Ethical

Investor Update Quarter & Nine Months Ended December 2021

31 January 2022



Safe Harbour



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Power of the PDS Platform

Power of the PDS Platform

This Quarter & Nine Months Overview



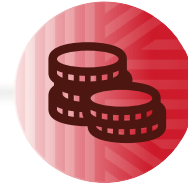
₹2,232cr
\$298mn

Q3 Topline



37% Y-o-Y

Q3 Topline Growth



₹81cr
\$11mn

Q3 Profit After Tax



38% Y-o-Y

Q3 PAT Growth



-ve 2 days
Net working cap



38% | 33%
ROCE & ROE



0.08x
Net Debt/EBITDA
0.00x
LT Debt/EBITDA



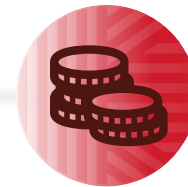
₹6,053cr
\$815mn

9M Topline



36% Y-o-Y

9M Topline Growth



₹207cr
\$28mn

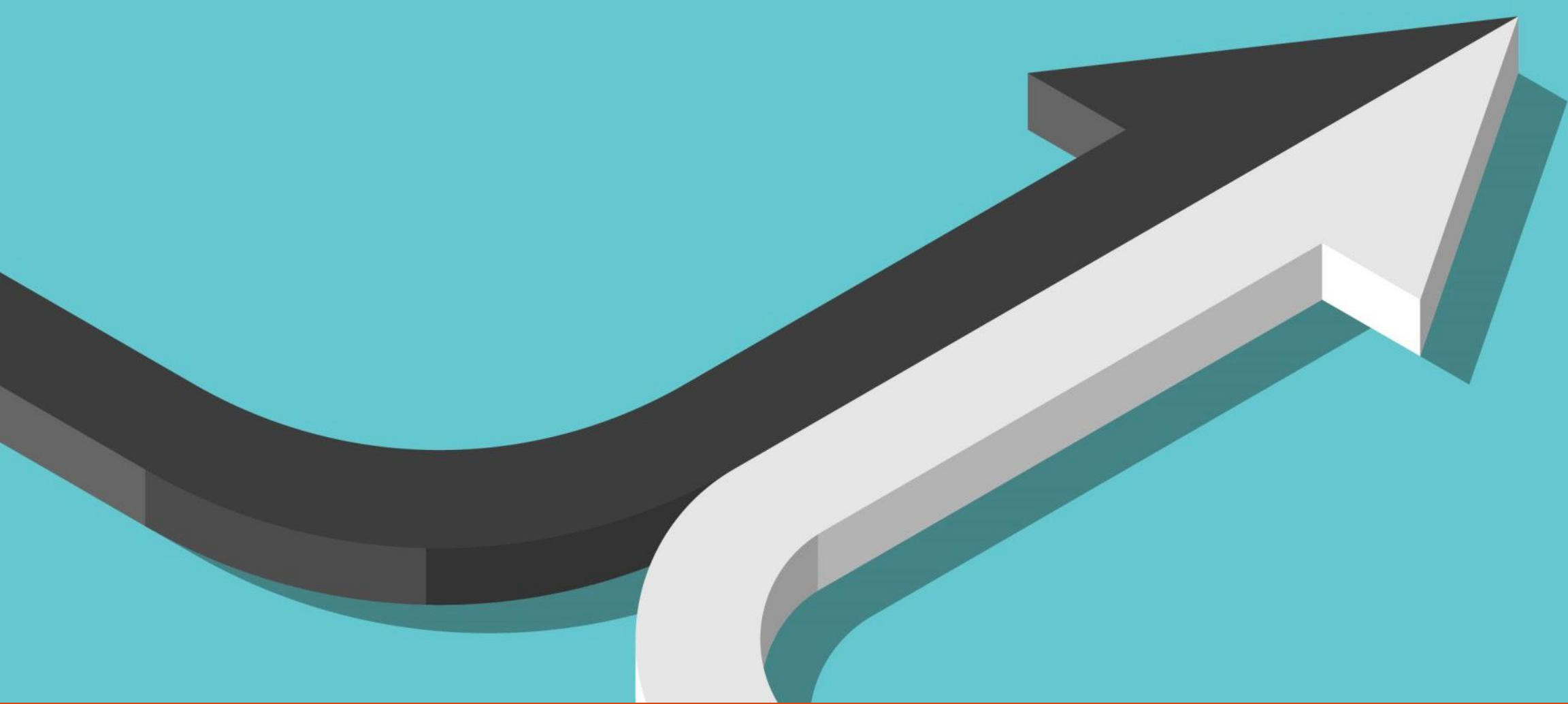
9M Profit After Tax



162% Y-o-Y

9M PAT Growth

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



Continue to Drive the Next Phase of Growth & Profitability
through a Strategic Play

- A** Driving a truly diversified portfolio – higher penetration with wider category offering
- B** Building “Sourcing as a Service” model driving long term exclusive agreements with marquee customers
- C** Investing in new teams to enable new category creation and expansion in new territories
- D** Expanding the North America Business
- E** Manufacturing since turned around



Customer engagement

Driving a truly diversified portfolio – higher penetration with wider category offering



Top-20 customer sales contribution



Vintage of Top-20 customers

Strong association with customers
3/4th of customers are associated for >5 years and are growing

Diversification of the portfolio

Home

Accessories

Fast Fashion

North America

Opportunities are galore which can easily be tapped given our multi-country presence and multi-category portfolio

Continue to drive customer engagement through “Right Product in the Right Country from the Right Factory”

B

Sole & Exclusive vendor to Hanes Brands in Bangladesh



PDS has created an exclusive team along with an independent office infrastructure to act as a Vendor for Hanes in Bangladesh



PDS can also source merchandise from its factory network in Pakistan, Egypt, India on non-exclusive basis



PDS will provide sourcing, manufacturing and support services

HANES *Brands Inc*

Topline: c.\$7bn

**\$400mn
Opportunity**

B

Exclusive strategic collaboration with s.Oliver

Acquired s.Oliver's India operations



s.Oliver®

TECHNO
design



1. Exclusively source textiles (excluding leather) in India and Sri Lanka for the s.Oliver Group
2. Acquired the existing Indian operations of s.Oliver Group
3. Existing employees and contracts successfully transitioned & integrated with the PDS platform
4. Partnership has the potential to translate into an annualized c.\$50mn (c.₹375cr) sourcing opportunity

C Investing in growth and expansion



1. PDS ethos is to operate in an asset light model and growth is driven by on-boarding the right business teams
2. Over the last 12 months, PDS has on-boarded new business teams – with an aim to expand categories, customers, geographies
3. Net operating expenses towards these new business is ~\$3mn (₹20 cr) in last 9 months
 - a. For PDS's asset light model this is the investment required for business growth

Opportunity to drive:
Sales +\$300mn
PBT of +4%
ROCE of +60%
by end of 3 years from now

Journey of a new business



Seeds (0-6 months)

- ❑ On-boarding the right team to drive business
- ❑ Putting in the required infrastructure in place
- ❑ Agreeing to a 3-year business plan

Seedling (6-12 months)

- ❑ On-boarding customers
- ❑ On-boarding vendors

Tree (12-36 months)

- ❑ Business start reporting revenues within 12 months
- ❑ Breakeven is achieved in 18 months

Fruit (+36 months)

- ❑ Business operating at full scale and is self sustaining
- ❑ Delivering robust and profitable business



>2 years ago:

9%

of topline

So far this year:

16%

of topline

Potential:

>20%

of topline



Significant rise in North American sales; so far crossing +\$120mn this year



Working capital cycle which saw a blip in the previous quarter → Transitioned some customers to FOB, discussions on with others + process efficiencies



Still there is a huge untapped opportunity as we have just scratched the surface

Manufacturing since turned around

Turnaround
Losses to profit



Fill up the capacity



Rigorous focus on execution



Alignment of efforts of management team towards common objectives



Objectivity of performance assessment



Way forward
Plan to 5% PBT



Fill up the capacity, but with orders fitting to our capabilities and objective of Earnings per Minute (EPM) maximization

Rigorous focus on execution & operational excellence

Elimination of undesirable costs such as air freights

Strengthening the management & operational teams

“Compliance” a way of doing business



Other Updates

We are now officially known as PDS Limited
Simplifying and further building the PDS brand



**PDS Multinational
Fashions Limited**



PDS Limited

Key Steps

1. Board approved on December 8, 2021
2. Shareholders approved on January 12, 2022
3. New Name Change Certificate received from the Ministry of Corporate Affairs; Registrar of Companies effective from January 28, 2022
4. Intimation to various regulatory bodies regarding the change of name underway



PDS is all geared for next year with the launch of Autumn Winter 2022 Collections across verticals



Lilly & Sid and Turtledove London launched new organic AW22 collections



Design Arc's AW22 Girls wear print is all about florals



Strengthening the PDS Platform

With Sustainability Focus and People First Approach



Continued sustainability focus across the ecosystem



1. Poeticgem (based in the UK) partnered with Goodwings enabling Net Zero travel!
2. Norlanka (based in Sri Lanka) won the CO Leadership Awards 2022 organized by the world's leading platform for the sustainable fashion business, Common Objective

People First Approach



1. PDS partners with Great Place to Work® Institute to conduct the Employee Engagement Survey
2. We aspire to make PDS a great workplace where employees trust whom they work for, take pride in what they do, and enjoy the company of the people they work with



Business & Financial Performance Overview

QUARTER AND NINE MONTH ENDED 31ST DECEMBER 2021

Key Business Highlights – Q3 FY22



Achieved a topline of \$298mn (₹2,232cr) (37% growth compared to Q3 FY21)

1. Reported best Q3 performance and geared for further growth and profitability during Q4 FY22
2. Gross Margins of 16.6% (with a growth of 25%)
3. EBITDA has touched a \$14mn (₹101cr); increased by 32% compared to Q3 FY21
4. PAT increased by 38% to \$11mn (₹81cr) compared to Q3 FY21



EBITDA includes the operating cost attributable to new businesses, on net basis the EBITDA impact is \$1mn (~₹7cr) vs \$0.4mn (₹3cr) | EBITDA (excluding new businesses) has increased from 4.6% to 5.1%



Manufacturing business has witnessed a good trajectory in Q3 FY22

1. Topline increased by 132% compared to Q3 FY21. The order book positions for Q4 FY22 is full
2. Compared to last year PBT losses have significantly declined by 85% y-o-y. Targeting PBT positive in Q4 FY22



On run-rate basis, expect to cross \$1bn topline this financial year

Key Financial Highlights for this Quarter



\$298mn
(₹2,232cr)

37% consolidated topline growth



\$50mn
(₹371cr)

Gross Profit (16.6% Margin)



\$14mn
(₹101cr)

32% growth in EBITDA



\$11mn
(₹81cr)

38% increase in PAT



₹25.24

vs ₹12.70 in Q3 FY21

Expansion in Basic EPS



38%

vs 27% in Q3 FY21

ROCE



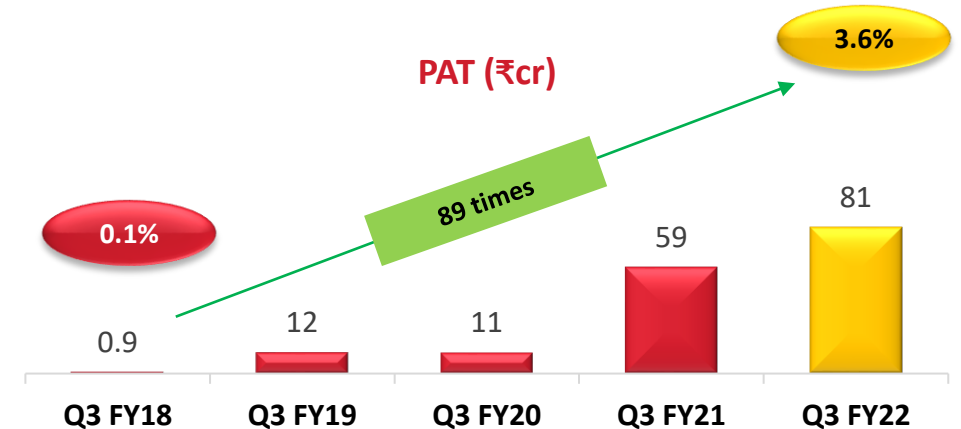
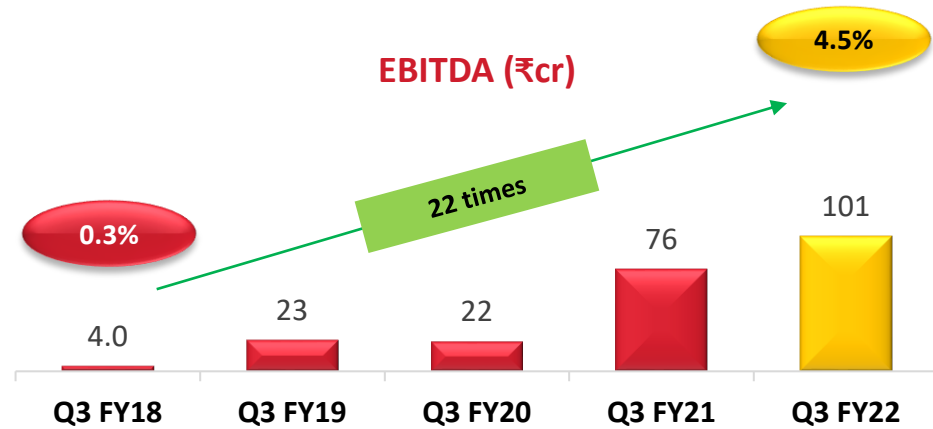
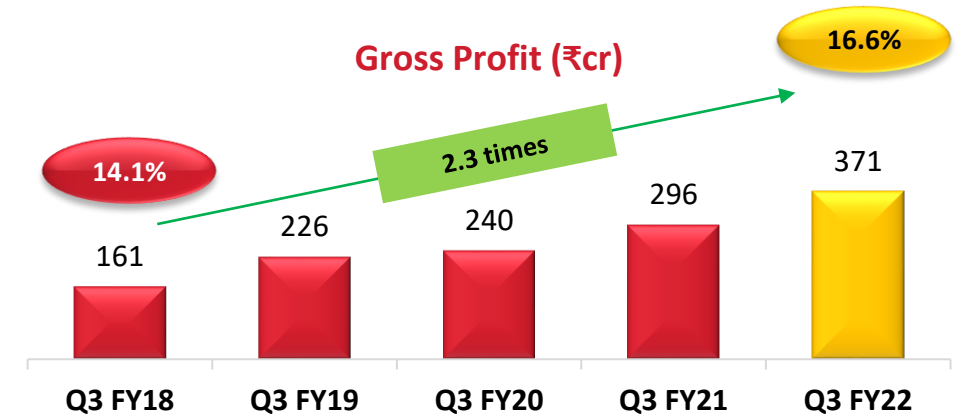
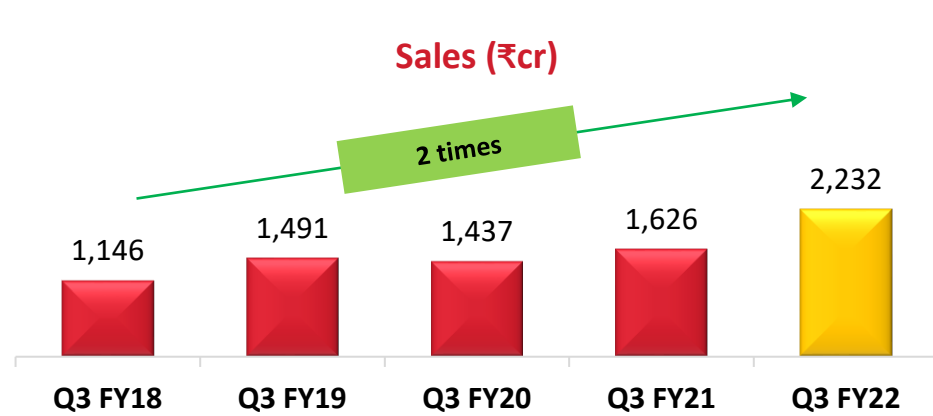
33%

vs 18% in Q3 FY21

ROE

Performance in Q3 over last 5 years

Consistently delivered growth & profitability and have reported best Q3 performance



Margin %

Key Business Highlights – 9M FY22



Achieved a topline of \$815mn (₹6,053cr) (36% growth compared to 9M FY21)



1. Gross Margins of 16.7% (increased by 92bps with a growth of 44%)
2. EBITDA of \$30mn (₹220cr) (increased 65%) compared to 9M FY21
3. PAT increased by 162% to \$28mn (₹207cr) compared to 9M FY21 (Surpassed FY21 full year PAT of \$20mn (₹148cr))



EBITDA includes the operating cost attributable to new businesses, on net basis the EBITDA impact is \$3mn (₹20cr) vs \$0.5mn (₹4cr)



Manufacturing business has witnessed a good trajectory in 9M FY22

1. Topline doubled compared to 9M FY21. Order book position in Q4 FY22 continues to be strong
2. Compared to last year PBT losses have significantly declined by 74% y-o-y. Targeting PBT positive in Q4 FY22



Process efficiencies and rigorous monitoring led to achievement of negative working capital days

Key Financial Highlights for the Nine Months



\$815mn
(₹6,053cr)

36% consolidated topline growth



16.7%

vs 15.8% in 9M FY21

Gross Margin



\$30mn
(₹220cr)

65% growth in EBITDA



\$28mn
(₹207cr)

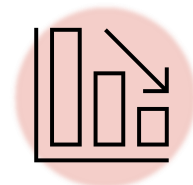
162% increase in PAT



₹65.76

vs FY21 Full Year EPS of ₹32.37

Expansion in Basic EPS



\$4mn
(₹26cr)

Net Debt declined by \$28mn
(₹206cr) since Q2 FY22



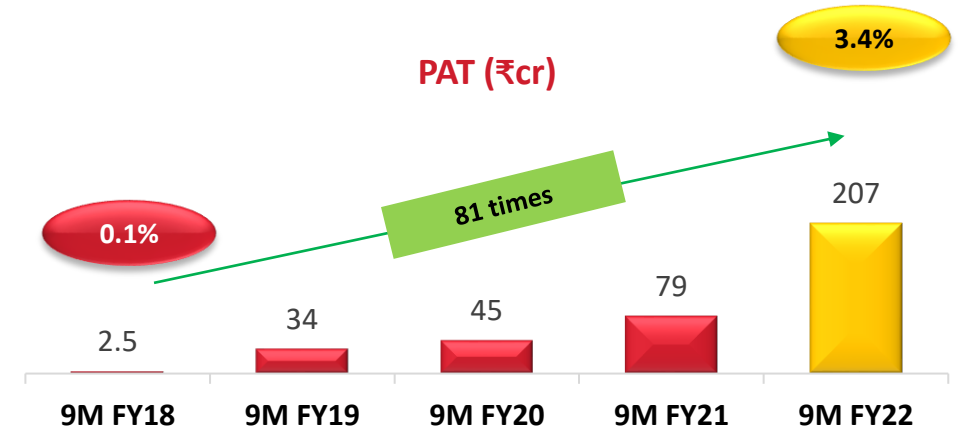
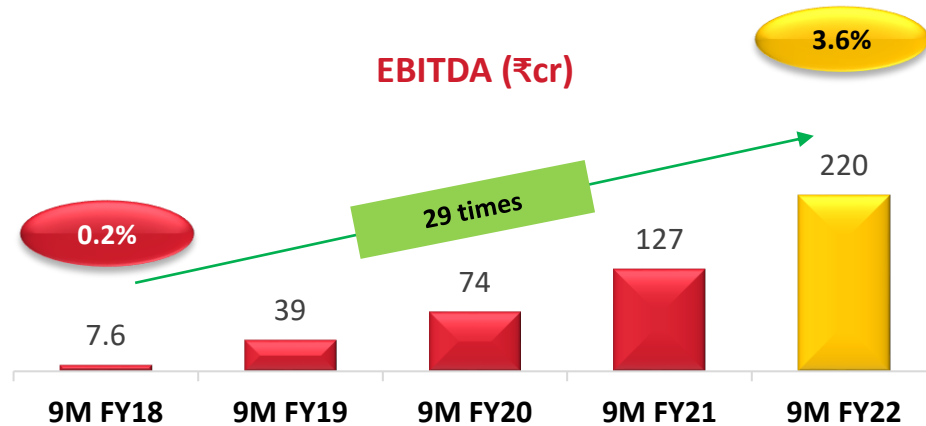
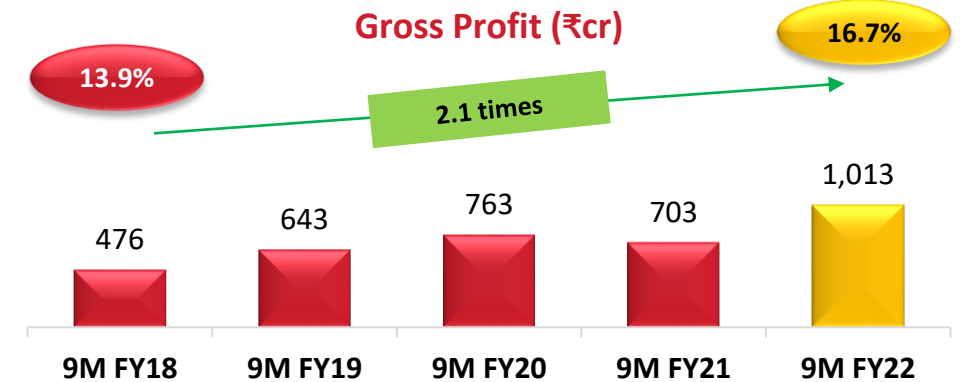
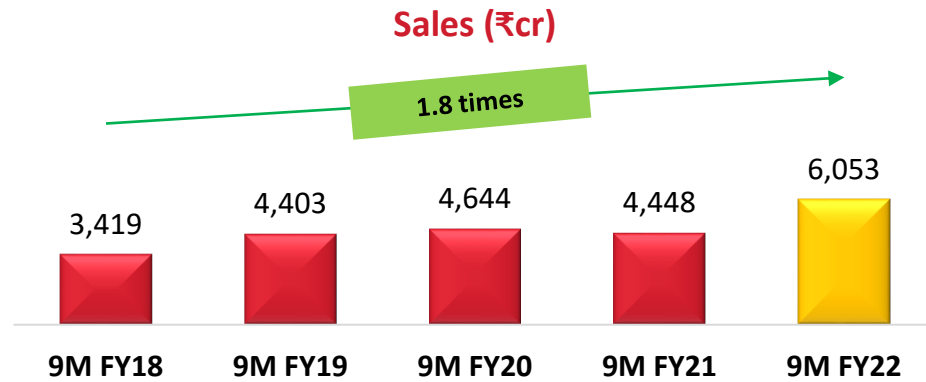
-ve **2** days

vs 10 days in Sep'21

Net Working Capital Days

Performance in 9M over last 5 years

Consistently delivered growth & profitability and have reported best 9M performance

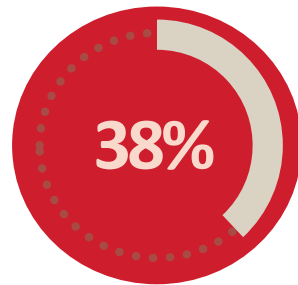


Margin %

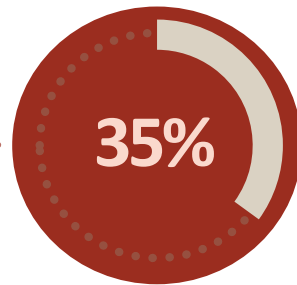
Revenue Break up (9M FY22)*



Category wise
(% share)



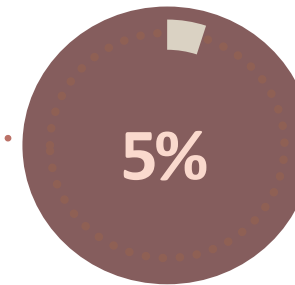
Ladies wear



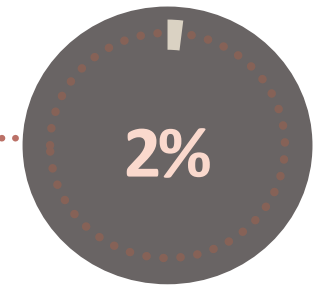
Men's wear



Children's wear

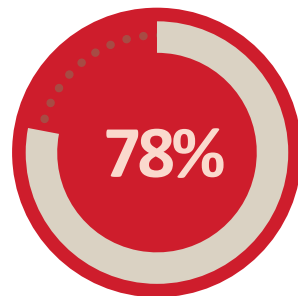


Essentials

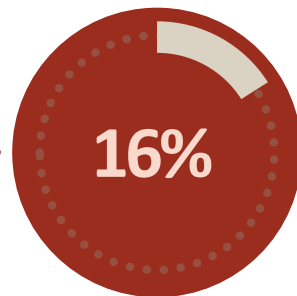


Others

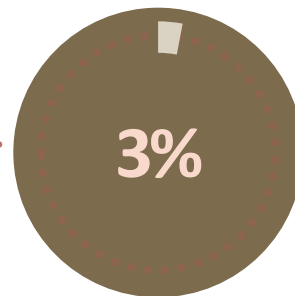
Geography wise
(% share)



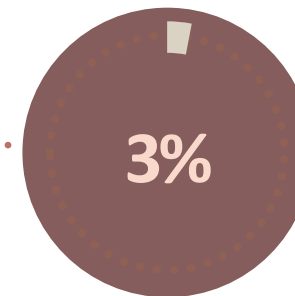
UK & Europe



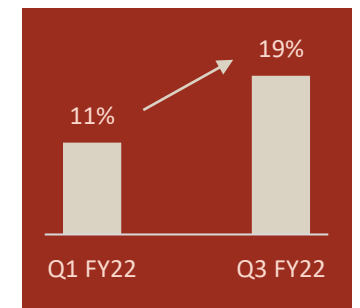
North America



Asia & Middle East



Others



9M Performance Across Segments



	Sourcing	Manufacturing	PDS Venture Tech Investments	PDS Consolidated
Revenue	\$782mn ₹5,807cr up 34% vs 9M LY	\$51mn ₹382cr up 101% vs 9M LY	\$1mn ₹4cr Revenue captured in Other Income	\$815mn (₹6,053cr)
EBIT (Including other income)	\$29mn ₹213cr up 7% vs 9m LY	-\$3mn -₹21cr down 76% vs 9M LY	\$6mn ₹43cr Rental, Treasury & Sale of Real Estate	\$31mn (₹234cr)
Gross Capital Employed (% of Total)	\$83mn ₹617cr (44%)	\$72mn ₹537cr (38%)	\$33mn ₹249cr (18%)	\$189mn (₹1,402cr)
Net Capital Employed				\$115mn (₹852cr)
ROCE	51%*	-ve*	17%*	38%

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

Consolidated Profit & Loss

For period ended December for respective years



₹ in cr, unless mentioned otherwise

Particulars	Quarter 3		Growth (Y-o-Y)	Quarter 2 FY22	Nine Months		Growth (Y-o-Y)	Full Year FY21
	FY22	FY21			FY22	FY21		
Income from Operations	2,232	1,626	37%	2,195	6,053	4,448	36%	6,213
COGS	1,861	1,329	40%	1,835	5,040	3,745	35%	5,185
Gross Profit	371	296	25%	360	1,013	703	44%	1,028
Gross Margin (%)	16.6%	18.2%	-161 bps	16.4%	16.7%	15.8%	92 bps	16.5%
Employee Expense	154	92	69%	155	444	268	66%	414
<i>% of Income from Operations</i>	<i>6.9%</i>	<i>5.6%</i>	<i>129 bps</i>	<i>7.1%</i>	<i>7.3%</i>	<i>6.0%</i>	<i>131 bps</i>	<i>6.7%</i>
Other Expenses	115	129	-10%	121	349	302	16%	383
<i>% of Income from Operations</i>	<i>5.2%</i>	<i>7.9%</i>	<i>-273 bps</i>	<i>5.5%</i>	<i>5.8%</i>	<i>6.8%</i>	<i>-102 bps</i>	<i>6.2%</i>
EBITDA	101	76	32%	84	220	133	65%	230
EBITDA Margin (%)	4.5%	4.7%	-17 bps	3.8%	3.6%	3.0%	64 bps	3.7%
Depreciation	17	16	5%	17	51	47	7%	68
Other Income	5	7	-22%	11	65	27	136%	37
EBIT	89	67	33%	78	234	113	107%	200
EBIT Margin (%)	4.0%	4.1%	-12 bps	3.6%	3.9%	2.5%	132 bps	3.2%
Finance Cost	5	5	0%	7	17	21	-17%	26
Profit before exceptional items and tax	85	62	36%	71	217	92	134%	174
Add: Profit/(Loss) of Associates	0	0		0	1	-3		-4
Profit Before Tax	85	62	37%	71	217	89	144%	170
Tax Expenses	4	3	26%	4	11	10	7%	22
Profit After Tax	81	59	38%	67	207	79	162%	148
PAT Margin (%)	3.6%	3.6%	1 bps	3.0%	3.4%	1.8%	164 bps	2.4%

Key Highlights of performance:

Q3 FY22 vs Q3 FY21:

1. Income from Operations increased by 37%
2. Gross Margin and EBITDA Margin were 16.6% and 4.5% respectively
3. PBT increased by 37% to ₹85cr
4. PAT increased by 38% from ₹59cr to ₹81cr
5. PAT margin was 3.6%

9M FY22 vs 9M FY21:

1. Income from Operations increased by 36%
2. Gross Margin increased by 92bps to 16.7%
3. EBITDA increased by 64bps to 3.6%
4. PBT increased by 1.4x to ₹217cr
5. PAT increased by 1.6x from ₹79cr to ₹207cr

Consolidated Balance Sheet



₹ in cr, unless mentioned otherwise

Particulars	As on	
	31-Dec-21	31-Mar-21
Non-Current Assets	684	594
Current Assets	2,164	1,752
Inventories	328	197
Trade Receivables	987	910
Cash and cash equivalents	400	293
Other Bank Balances	150	137
Other Current Assets	299	214
Total Assets	2,848	2,346
Total Equity	825	716
Non-Current Liabilities	72	66
Borrowings	1	2
Other Non-Current Liabilities	80	64
Current Liabilities	1,951	1,564
Borrowings	576	488
Trade Payables	1,177	892
Other Current Liabilities	188	184
Total Equity & Liabilities	2,848	2,346

Particulars	As on	
	31-Dec-21	31-Mar-21
Inventory Days	18	14
Debtor Days	46	53
Payables Days	66	63
NWC Days	-2	5
Net Debt	26	59

Working Capital & Leverage Ratios:

1. In 9M FY22, Net Working Capital Days reduced to –ve 2 days
2. Net Debt has decreased by ₹206cr since Q2 FY22
3. PDS operates at comfortable leverage ratios, with Net Debt/Equity of 0.03x, Net Debt/EBITDA of 0.08x and insignificant Long-Term Debt / EBITDA of 0.00x

Return to Stakeholders:

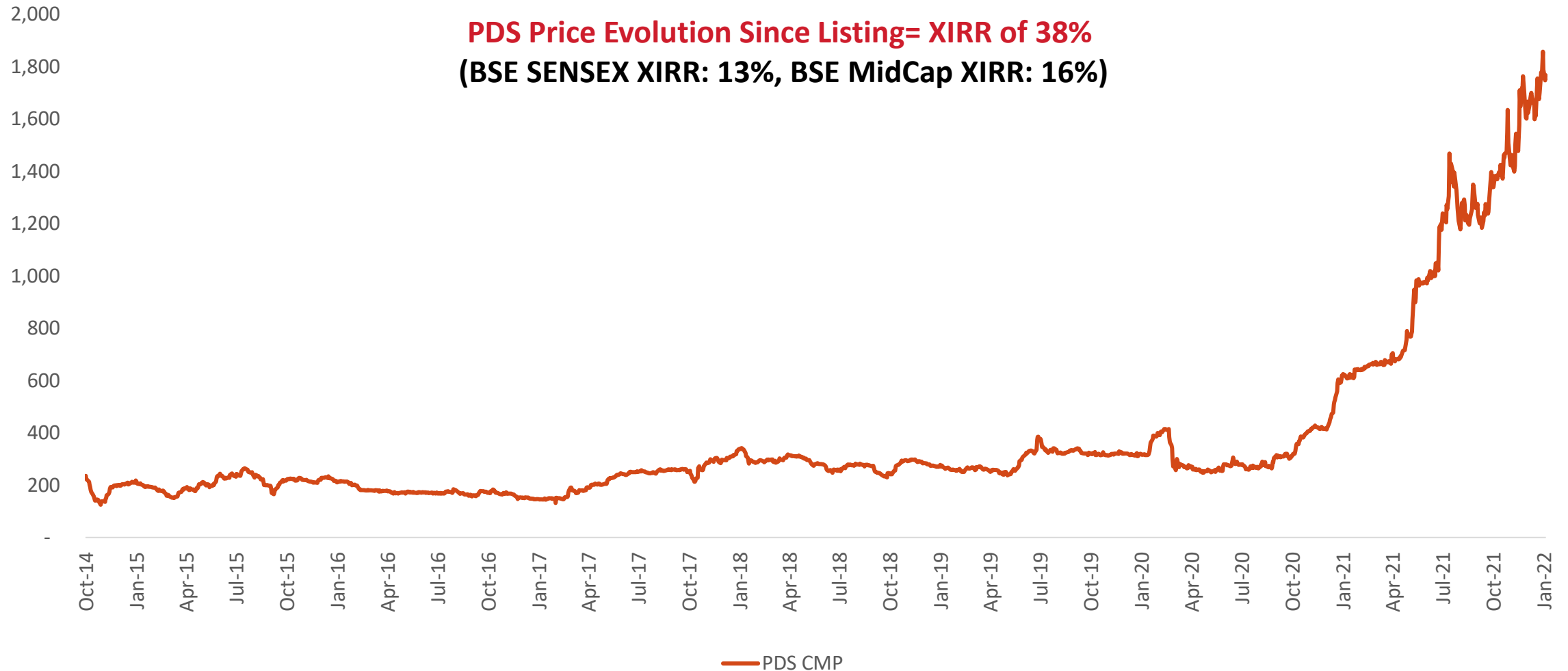
1. ROCE has increased to 38% vs 27% last year
2. ROE has increased to 33% vs 18% last year

The background of the slide is a blurred image of a stock price chart. A pen is visible in the upper right corner, pointing towards the chart. The chart shows a line graph with some data points and a dotted trend line. The overall color scheme is dark blue and grey.

PDS Stock Price Performance Since Listing

What PDS has achieved since listing?

PDS Share Price Evolution since Listing



Note: BSE Sensex and BSE MidCap XIRR calculated from October 2014 till 25 Jan 2022

Source: BSE



Annexure

Consolidated Profit & Loss

For period ended December for respective years



US\$ in mn, unless mentioned otherwise

Particulars	Quarter 3		Growth (Y-o-Y)	Quarter 2 FY22	Nine Months		Growth (Y-o-Y)	Full Year FY21
	FY22	FY21			FY22	FY21		
Income from Operations	298.0	219.8	36%	297.0	815.0	595.7	37%	837.0
COGS	248.5	179.8	38%	248.2	678.7	501.6	35%	698.6
Gross Profit	49.5	40.0	24%	48.7	136.4	94.2	45%	138.4
Gross Margin (%)	16.6%	18.2%	-158 bps	16.4%	16.7%	15.8%	92 bps	16.5%
Employee Expense	20.6	12.4	66%	21.0	59.8	35.9	67%	55.8
<i>% of Income from Operations</i>	<i>6.9%</i>	<i>5.6%</i>	<i>128 bps</i>	<i>7.1%</i>	<i>7.3%</i>	<i>6.0%</i>	<i>131 bps</i>	<i>6.7%</i>
Other Expenses	15.4	17.3	-11%	16.4	47.0	40.4	16%	51.7
<i>% of Income from Operations</i>	<i>5.2%</i>	<i>7.9%</i>	<i>-272 bps</i>	<i>5.5%</i>	<i>5.8%</i>	<i>6.8%</i>	<i>-102 bps</i>	<i>6.2%</i>
EBITDA	13.5	10.3	32%	11.4	29.6	17.8	66%	31.0
EBITDA Margin (%)	4.5%	4.7%	-13 bps	3.8%	3.6%	3.0%	64 bps	3.7%
Depreciation	2.2	2.2	3%	2.3	6.8	6.4	7%	9.1
Other Income	0.6	0.9	-28%	1.5	8.7	3.7	137%	5.0
EBIT	12.0	9.0	33%	10.6	31.5	15.1	108%	26.9
EBIT Margin (%)	4.0%	4.1%	-9 bps	3.6%	3.9%	2.5%	132 bps	3.2%
Finance Cost	0.7	0.7	-2%	1.0	2.3	2.7	-17%	3.5
Profit before exceptional items and tax	11.3	8.3	35%	9.6	29.2	12.4	136%	23.4
Add: Share of Profit/(Loss) of Associates	0.0	0.0		0.0	0.1	-0.5		-0.5
Profit Before Tax	11.3	8.3	36%	9.6	29.3	11.9	145%	22.9
Tax Expenses	0.5	0.4	25%	0.6	1.4	1.3	8%	2.9
Profit After Tax	10.8	7.9	37%	9.0	27.8	10.6	163%	20.0
PAT Margin (%)	3.6%	3.6%	4 bps	3.0%	3.4%	1.8%	164 bps	2.4%

Key Highlights of performance:

Q3 FY22 vs Q3 FY21:

1. Income from Operations increased by 36%
2. Gross Margin and EBITDA Margin were 16.6% and 4.5% respectively
3. PBT increased by 36% to \$11.3 mn
4. PAT increased by 37% from \$7.9 mn to \$10.8 mn
5. PAT margin was 3.6%

9M FY22 vs 9M FY21:

1. Income from Operations increased by 37%
2. Gross Margin increased by 92bps to 16.7%
3. EBITDA increased by 64bps to 3.6%
4. PBT increased by 1.5x to \$29.3 mn
5. PAT increased by 1.6x from \$10.6 mn to \$27.8 mn

Consolidated Balance Sheet



US\$ in mn, unless mentioned otherwise

Particulars	As on	
	31-Dec-21	31-Mar-21
Non-Current Assets	92	81
Current Assets	291	240
Inventories	44	27
Trade Receivables	133	124
Cash and cash equivalents	54	40
Other Bank Balances	20	19
Other Current Assets	40	29
Total Assets	383	321
Total Equity	111	98
Non-Current Liabilities	10	9
Borrowings	0	0
Other Non-Current Liabilities	11	9
Current Liabilities	262	214
Borrowings	77	67
Trade Payables	158	122
Other Current Liabilities	25	25
Total Equity & Liabilities	383	321

Particulars	As on	
	31-Dec-21	31-Mar-21
Inventory Days	18	14
Debtor Days	46	54
Payables Days	66	64
NWC Days	-2	5
Net Debt	4	8

Working Capital & Leverage Ratios:

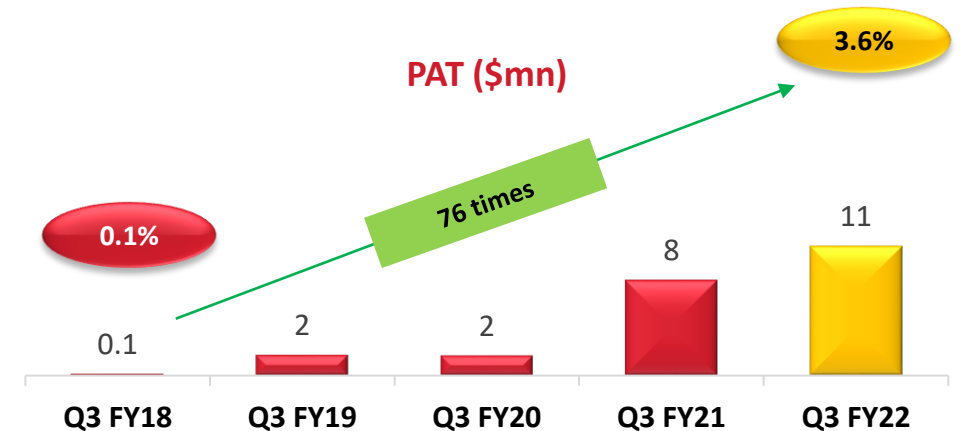
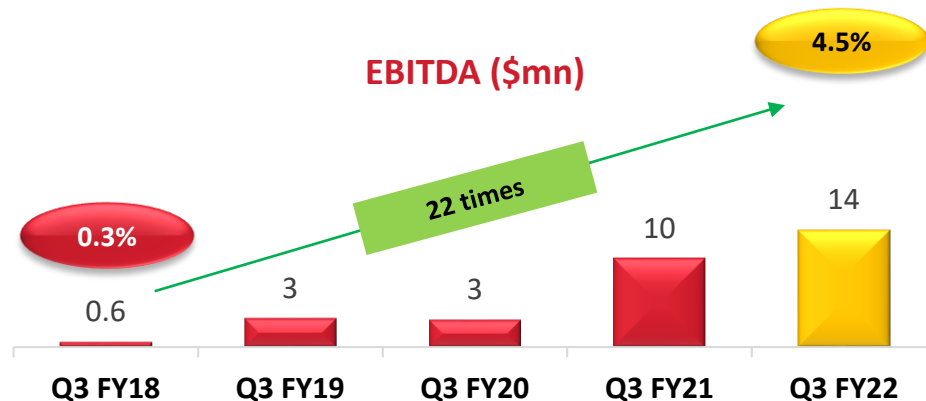
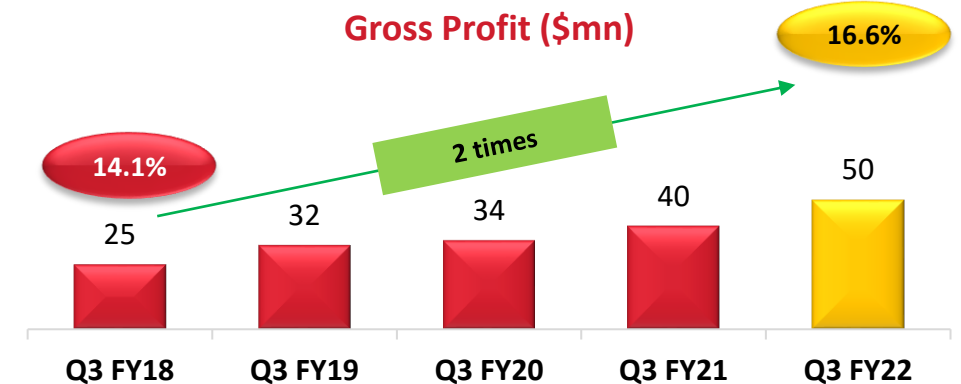
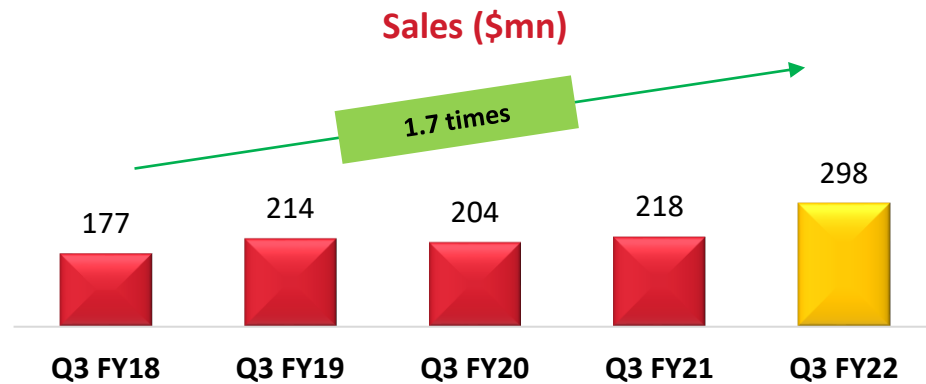
1. In 9M FY22, Net Working Capital Days reduced to -ve 2 days
2. Net Debt has decreased by \$28mn since Q2 FY22
3. PDS operates at comfortable leverage ratios, with Net Debt/Equity of 0.03x, Net Debt/EBITDA of 0.08x and insignificant Long-Term Debt / EBITDA of 0.00x

Return to Stakeholders:

1. ROCE has increased to 38% vs 27% last year
2. ROE has increased to 33% vs 18% last year

Performance in Q3 over last 5 years

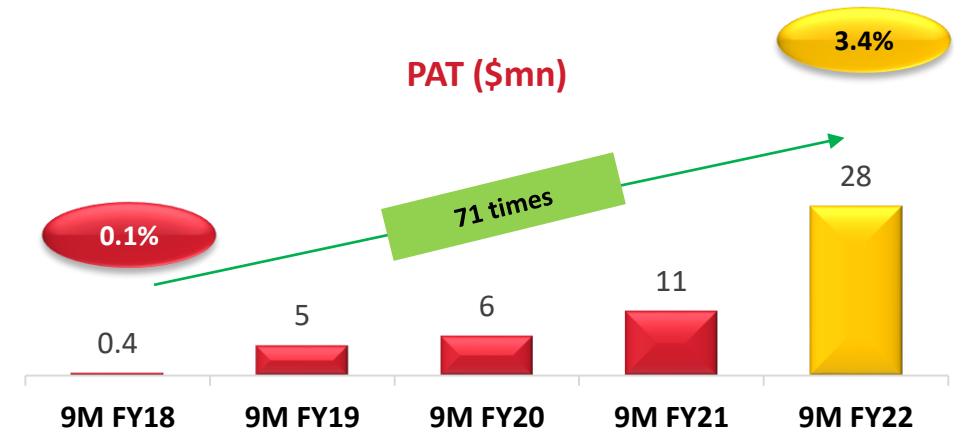
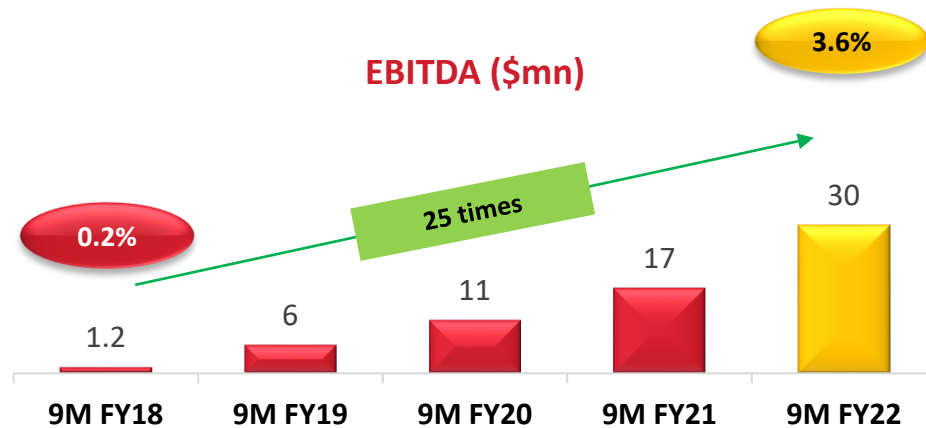
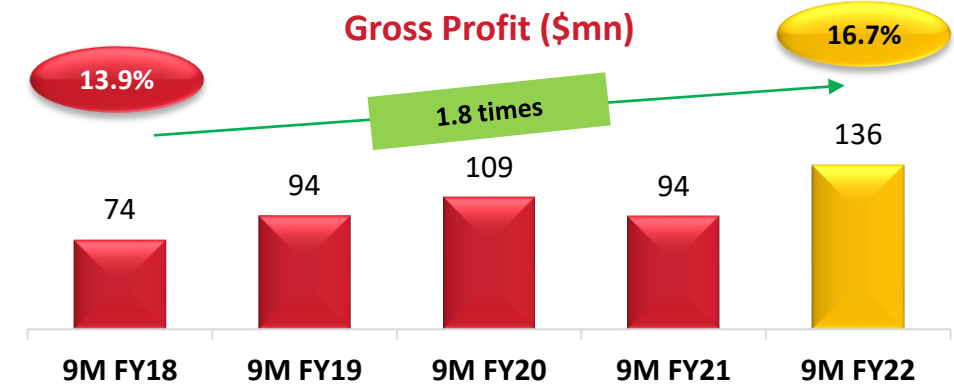
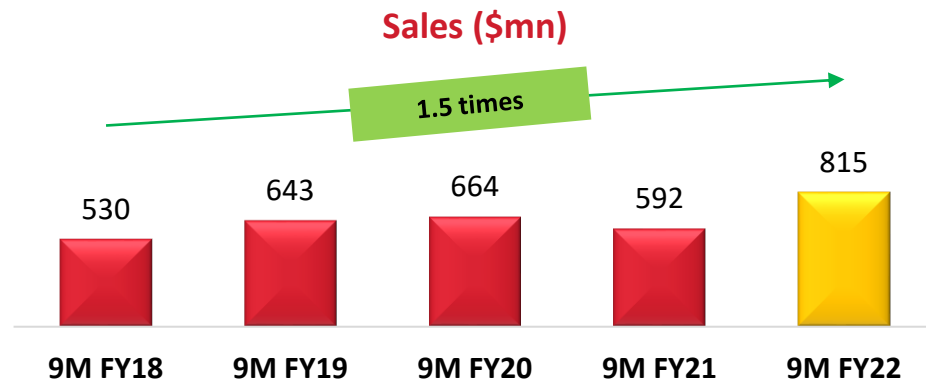
Consistently delivered growth & profitability and have reported best Q3 performance



Margin %

Performance in 9M over last 5 years

Consistently delivered growth & profitability and have reported best 9M performance



Margin %



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

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