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PDS/SE/2024-25/48

July 24, 2024

<b>Listing Department</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Scrip Symbol: PDSL	<b>Corporate Relationship Department</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 538730
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Re: ISIN - INE111Q01021

Sub: Investors Presentation for the announcement of the Financial Results for the Quarter ended June 30, 2024, i.e., Q1 - FY2024-25 Earnings Release

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investors' Presentation of PDS Limited for the announcement of the Financial Results for the quarter ended June 30, 2024 i.e., Q1 - FY2024-25 Earnings Release.

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

Thanking you,

Yours faithfully,  
for PDS Limited

Abhishekh Kanoi  
Head of Legal & Company Secretary  
ICSI Membership No.: F-9530

PDS Limited

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Andheri East, Mumbai 400093, Maharashtra, India. ☎ +91 2241441100

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# INVESTOR UPDATE



Q1 FY25

**JULY 2024**



# Safe Harbour

The Presentation is to provide the general background information about the Company’s activities as at the date of the Presentation. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares. The Company makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information contained herein. This presentation may include certain “forward looking statements”. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others, general economic and business conditions in India and abroad, ability to successfully implement our strategy, our research & development efforts, our growth & expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its Directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein. No part of this presentation may be reproduced, quoted or circulated without prior written approval from PDS Ltd.

Figures have been rounded off to the nearest Cr/Mn except otherwise stated

Previous period figures have been re-grouped/ reclassified wherever necessary, to confirm to current period's classification and the impact of the same is not considered to be material.

\$ values calculated using rates as below

	Q1 FY25	Q4FY24	Q1FY24
Average	83.42	82.98	82.21
Closing	83.39	83.94	





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01

# Key Highlights



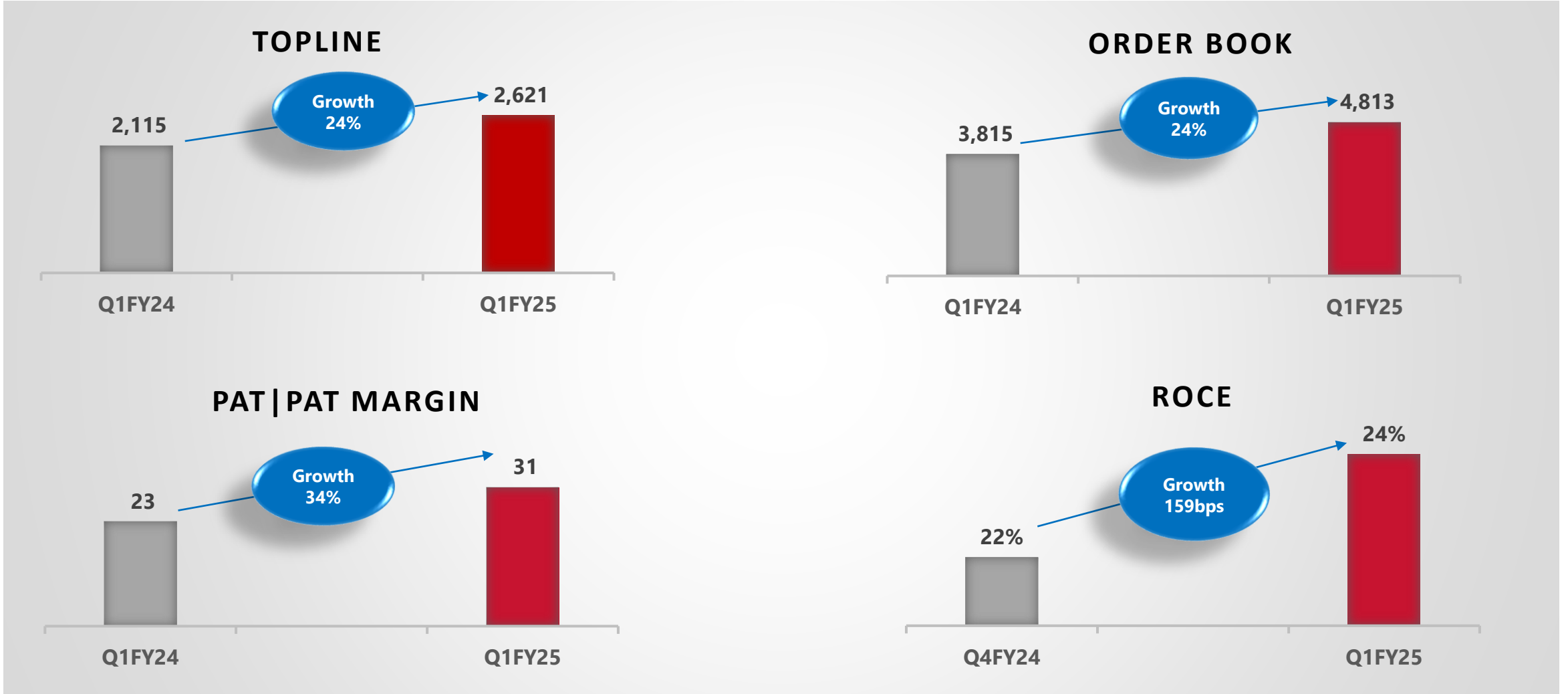
01/ FINANCIAL SNAPSHOT & KEY HIGHLIGHTS

02/ REVENUE BREAK UP



# Financial Snapshot (Q1 FY25)

₹ IN CRORE , UNLESS MENTIONED OTHERWISE



Note: Margins & Growth % are based on ₹ values | ROCE are based on LTM figures

# Brick by Brick Journey Towards our Vision

₹ IN CRORE AND \$ IN MN, UNLESS MENTIONED OTHERWISE

## 01 – GMV Increase

Clocked GMV of ₹3,898cr (\$467mn); 28% increase in y-o-y

## 03 – Margin Accretion

Increase in contribution of value accretive business to 15% of total revenue; Additionally, margin of existing business also expanded



## 05 – Operating Synergies

Plan in place for driving higher synergies across various raw material & operating costs

## 02 – North America Expansion

Contribution of US increasing in the overall pie; clocking 50% growth over same period last year

## 04 – Investment in New Verticals

Incubation journey continues with funding of verticals incubated over last 3 year. Sales grew by ~4x to c.\$11mn in Q1 FY25

## 06 – Technology: Key Enabler

Utilizing technology & digitization to drive decision making

# Key highlights for the Quarter

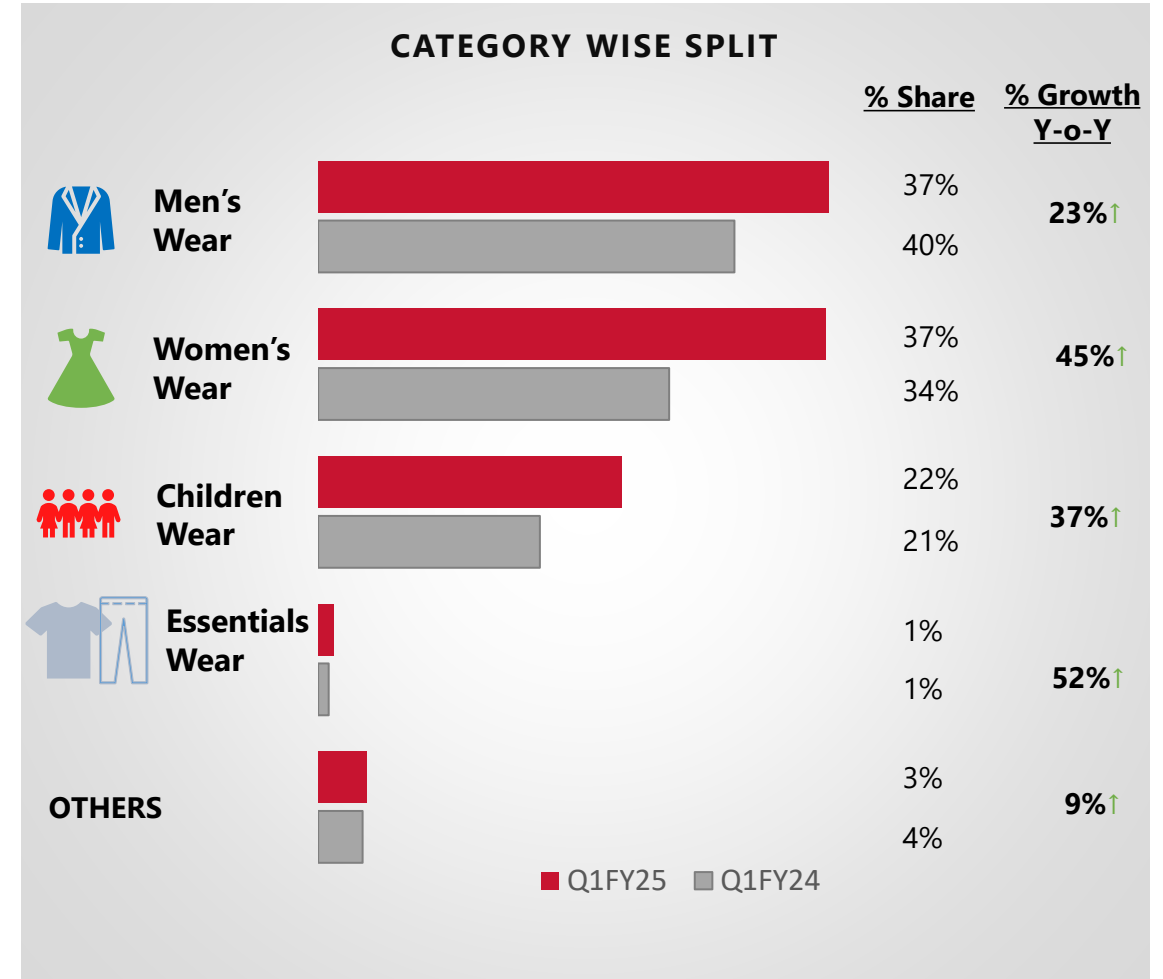
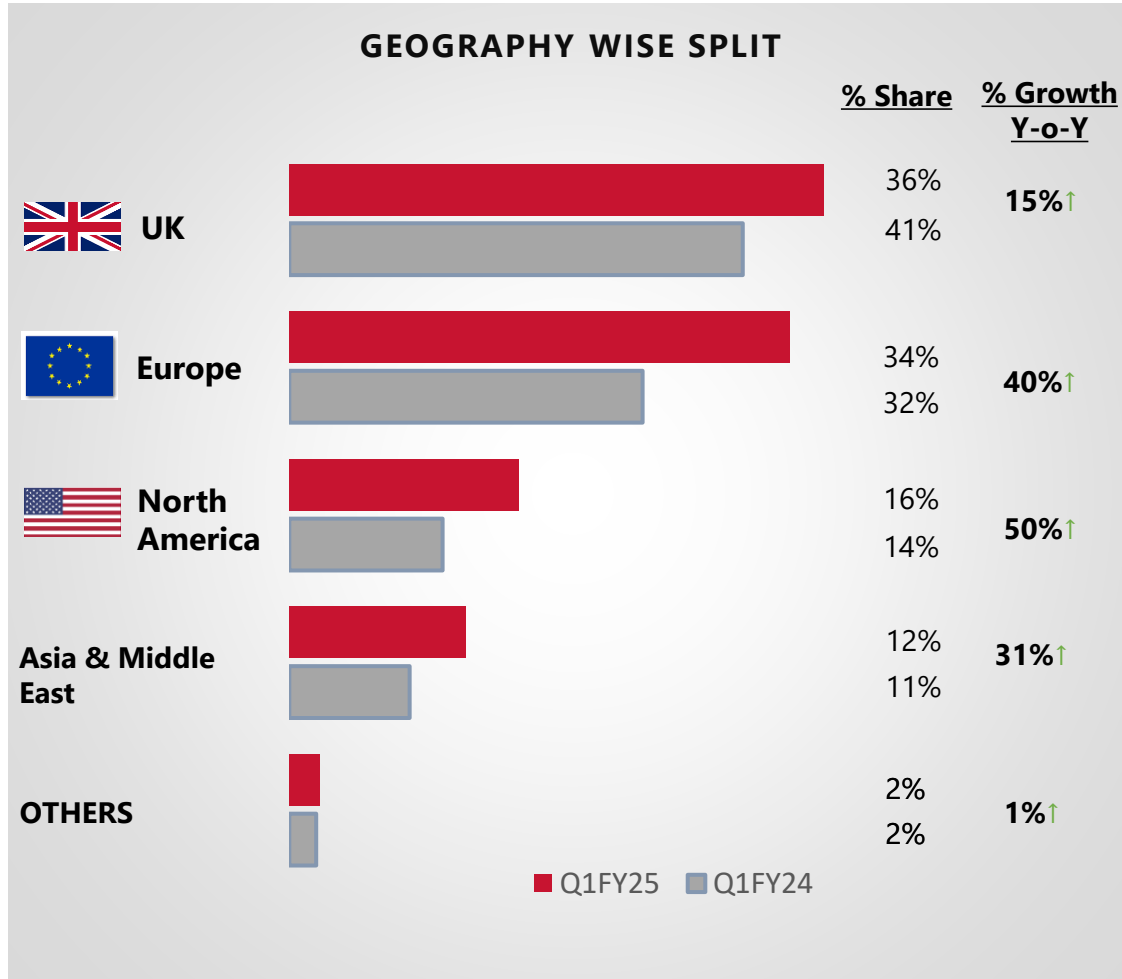
1. FY25 started on a strong note with a 28% increase in Gross Merchandise Value handled, translating into 24% growth in topline (YoY)
2. Order book continues to be strong with ₹4,813crs (\$576 Mn) clocking a growth of 24% over last year
3. Gross margin expansion journey continues on the back of value accretive business
4. Investment in new verticals for funding operations continued to reflect in the overall profitability
5. However, clocked a 34% growth in PAT Y-o-Y
6. US business continued to expand and recently onboarded a US fast fashion business
7. Continued to effectively manage working capital reducing it from 7 days to 2 days
8. Recent unrest in Bangladesh has had a very minor impact on our operations over the last few days. However, stability is expected shortly with business resuming as usual





# Revenue Break-up: Geography & Category (Q1 FY25)

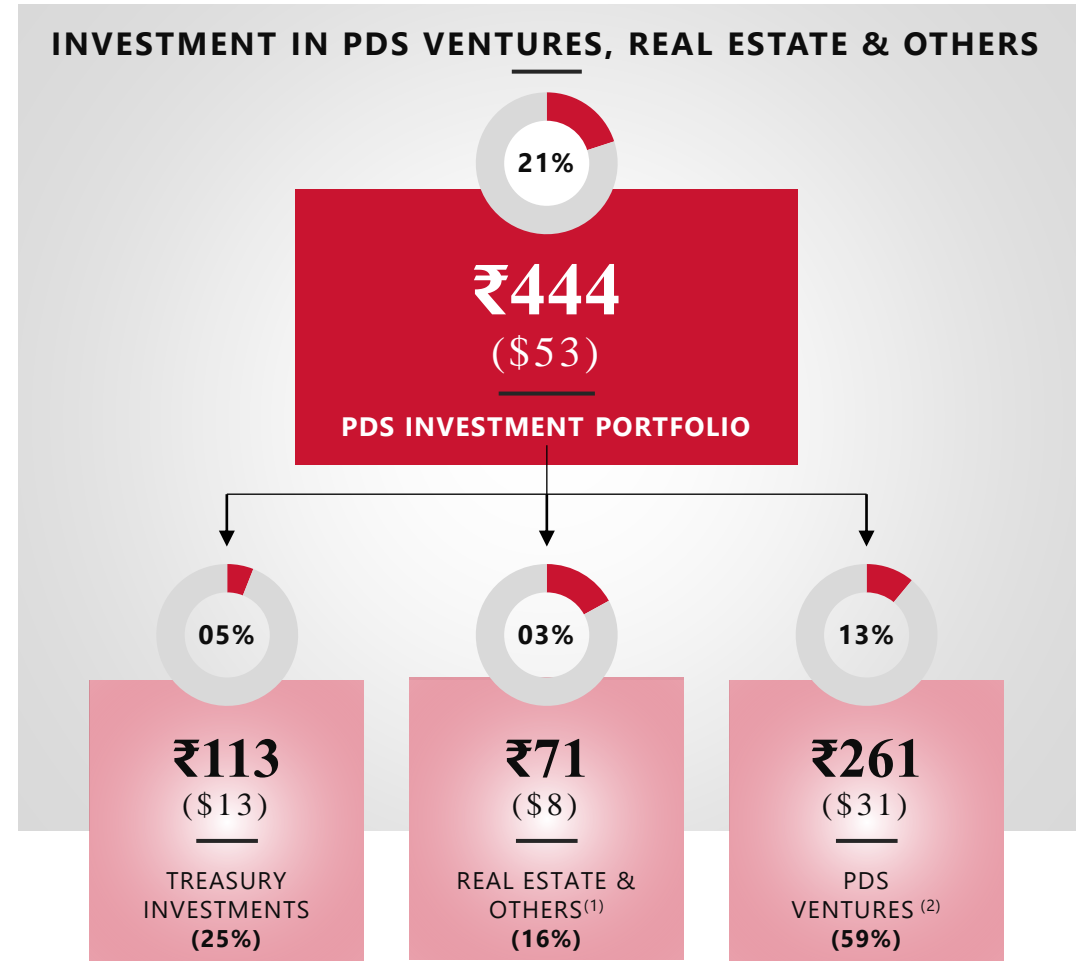
Growth witnessed across geographies and categories



# Segmental Performance AT A GLANCE

₹ IN CRORE AND \$ IN MN, UNLESS MENTIONED OTHERWISE

SOURCING	MANUFACTURING	PDS VENTURES AND OTHERS	PDS CONSOLIDATED
<b>REVENUE</b> Y-o-Y Growth % <b>₹2,505</b> (\$300) ↑ 23%	<b>REVENUE</b> Y-o-Y Growth % <b>₹180</b> (\$22) ↑ 54%	<b>REVENUE</b> <b>₹1</b> (\$0.2)	<b>REVENUE</b> Y-o-Y Growth % <b>₹2,621</b> (\$314) ↑ 24%
<b>EBIT</b> (Including other income) <b>₹55</b> (\$7) Margin: 2.2% LY 2.2%	<b>EBIT</b> (Including other income) <b>₹10</b> (\$1) Margin: 5.7% LY 3.5%	<b>EBIT</b> (Including other income) <b>₹5</b> (\$0.7)	<b>EBIT</b> (Including other income) <b>₹70</b> (\$8) Margin: 2.7% LY 2.4%
<b>GROSS CAPITAL EMPLOYED</b> % of Total <b>₹1,112</b> (\$133) 54%	<b>GROSS CAPITAL EMPLOYED</b> % of Total <b>₹514</b> (\$62) 25%	<b>GROSS CAPITAL EMPLOYED</b> % of Total <b>₹444</b> (\$53) 21%	<b>GROSS CAPITAL EMPLOYED</b> % of Total <b>₹2,070</b> (\$248)
<b>NET CAPITAL EMPLOYED</b> - -	<b>NET CAPITAL EMPLOYED</b> - -	<b>NET CAPITAL EMPLOYED</b> - -	<b>NET CAPITAL EMPLOYED</b> <b>\$1,484</b> (₹178)
<b>ROCE</b> <b>30%*</b>	<b>ROCE</b> <b>6%*</b>	<b>ROCE</b> <b>-ve*</b>	<b>ROCE</b> <b>24%</b>




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

Note:(1) Excludes HK real estate property used for operating purposes at a book value of \$3.1mn (₹26cr) | Represents only Property Book Value



02

# Performance Overview



03/ PROFIT & LOSS STATEMENT

04/ BALANCE SHEET



# Profit and Loss (CONSOLIDATED)

PARTICULARS (₹ IN CR, UNLESS MENTIONED OTHERWISE)	QUARTER ENDED			
	30-Jun-24	30-Jun-23	(Y-O-Y)	31-Mar-24
<b>GROSS MERCHANDISE VALUE</b>	<b>3,898.4</b>	<b>3,043.4</b>	<b>28%</b>	<b>4,525.9</b>
INCOME FROM OPERATIONS	2,621.1	2,114.9	24%	3,215.2
COGS	2,076.0	1,719.8	21%	2,575.9
<b>GROSS PROFIT</b>	<b>545.1</b>	<b>395.1</b>	<b>38%</b>	<b>639.2</b>
<b>GROSS MARGIN (%)</b>	<b>20.8%</b>	<b>18.7%</b>	<b>211 bps</b>	<b>19.9%</b>
EMPLOYEE EXPENSE	273.0	200.4	36%	281.7
OTHER EXPENSES	198.8	127.4	56%	243.9
<b>EBITDA</b>	<b>73.3</b>	<b>67.3</b>	<b>9%</b>	<b>113.6</b>
<b>EBITDA MARGIN (%)</b>	<b>2.8%</b>	<b>3.2%</b>	<b>-38 bps</b>	<b>3.5%</b>
DEPRECIATION	23.3	21.5	8%	26.4
OTHER INCOME	19.6	4.8	309%	5.8
<b>EBIT</b>	<b>69.6</b>	<b>50.5</b>	<b>38%</b>	<b>93.0</b>
<b>EBIT MARGIN (%)</b>	<b>2.7%</b>	<b>2.4%</b>	<b>27 bps</b>	<b>2.9%</b>
FINANCE COST	33.0	23.4	41%	27.8
PROFIT BEFORE TAX & ASSOCIATES & JV	36.6	27.1	35%	65.1
ADD: PROFIT/(LOSS) OF ASSOCIATES & JV	-0.8	1.2	-168%	4.6
PROFIT BEFORE TAX	35.8	28.3	26%	69.7
TAX EXPENSES	4.6	5.0	-8%	4.3
<b>PROFIT AFTER TAX</b>	<b>31.2</b>	<b>23.3</b>	<b>34%</b>	<b>65.4</b>
<b>PAT MARGIN (%)</b>	<b>1.2%</b>	<b>1.1%</b>	<b>9 bps</b>	<b>2.0%</b>
- OWNERS OF THE COMPANY	<b>19.9</b>	<b>18.8</b>	<b>6%</b>	<b>45.8</b>
- NON-CONTROLLING INTEREST	<b>11.3</b>	<b>4.5</b>	<b>151%</b>	<b>19.6</b>

Note: All growth rates and margins are based in ₹ values

## KEY HIGHLIGHTS

- GMV increased by 28% Y-o-Y
- Topline witnessed a growth of 24% with gross margin expansion 211bps Y-o-Y
- Employee expenses increased by 36% Y-o-Y however sequentially have decreased by 3%
  - Increase is largely due to Ted Baker, Gerry Webber & new businesses which were not there last quarter
- Other Expenses increased Y-o-Y largely due to Ted Baker & Gerry Webber & new businesses, however expenses declined over the previous quarter
- EBITDA increased by 9%, normalized EBIDTA increased by 41% with margin increase of 69bps. Refer to next slide.
- EBIT Margin increased by 27bps to 2.7% compared to Q1FY24
- ETR reduced to 13% from 18% last year
- Overall profitability improved with at PAT ₹31crs and margin of 1.2% vs 1.1% last year

# Normalised EBITDA (CONSOLIDATED)

PARTICULARS (₹ IN CR, UNLESS MENTIONED OTHERWISE)	QUARTER ENDED			Q1 GROWTH
	30-Jun-24	30-Jun-23	31-Mar-24	(Y-O-Y)
INCOME FROM OPERATIONS	2,621.1	2,114.9	3,215.2	23.9%
% GROWTH	23.9%			
EBITDA	73.3	67.3	123.7	9.0%
% EBITDA MARGIN	2.8%	3.2%	3.8%	-38 bps
<b>INVESTMENTS MADE THROUGH P&amp;L</b>				
NEW VERTICAL INCUBATION OPERATING COSTS	(48.1)	(18.7)	(33.4)	157.6%
<b>NORMALISED EBITDA</b>	<b>121.4</b>	<b>86.0</b>	<b>157.0</b>	<b>41.3%</b>
<b>% NORMALISED EBITDA MARGIN</b>	<b>4.8%</b>	<b>4.1%</b>	<b>5.1%</b>	<b>69 bps</b>

Investment in new verticals towards expanding core operations in design led sourcing, brand management, North America, expanding footprint & services.

**Note:** In Q4FY24 EBITDA adjusted for impact of JV to subsidiary conversion.

# Balance Sheet (CONSOLIDATED)

PARTICULARS (₹ IN CR, UNLESS MENTIONED OTHERWISE)	AS ON	
	30-Jun-24	31-Mar-24
<b>NON-CURRENT ASSETS</b>	<b>1,131.6</b>	<b>1,111.3</b>
<b>CURRENT ASSETS</b>	<b>2,718.6</b>	<b>2,950.6</b>
INVENTORIES	346.3	328.6
TRADE RECEIVABLES	1,423.6	1,677.1
CASH AND CASH EQUIVALENTS	343.9	461.5
OTHER BANK BALANCES	242.5	222.6
OTHER CURRENT ASSETS	362.3	260.7
<b>TOTAL ASSETS</b>	<b>3,850.2</b>	<b>4,061.9</b>
<b>TOTAL EQUITY</b>	<b>1,239.0</b>	<b>1,245.7</b>
<b>NON-CURRENT LIABILITIES</b>	<b>158.0</b>	<b>152.0</b>
BORROWINGS	49.9	45.5
OTHER NON-CURRENT LIABILITIES	108.1	106.5
<b>CURRENT LIABILITIES</b>	<b>2,453.2</b>	<b>2,664.2</b>
BORROWINGS	781.3	897.4
TRADE PAYABLES	1,418.4	1,504.2
OTHER CURRENT LIABILITIES	253.5	262.6
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,850.2</b>	<b>4,061.9</b>

PARTICULARS	AS ON	
	30-Jun-24	31-Mar-24
INVENTORY DAYS	15	15
DEBTOR DAYS	47	59
PAYABLES DAYS	60	66
<b>NWC DAYS</b>	<b>2</b>	<b>7</b>
TOTAL DEBT (₹ in cr)	831.2	942.9
<b>NET DEBT (₹ in cr)</b>	<b>244.8</b>	<b>258.8</b>

## KEY RATIOS & OTHERS

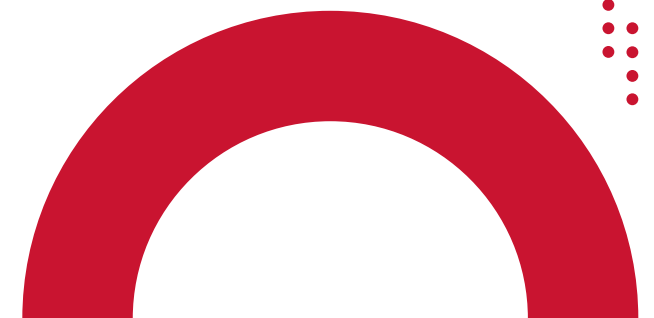
- Net Debt / Equity: 0.2x
- Net Debt / EBITDA: 0.6x
- NWC Days: 2 days
- ROCE: 24%

**Note:** Ratios based on LTM figures | ROCE based on net capital employed



03

# Business Updates



# Expanding our footprint in the US

## Strategic Sourcing Agreement with a US Online Player

1. Strategic sourcing partner for a US based online player across various regions, including China, Myanmar, Cambodia, Vietnam, Morocco, Pakistan, Bangladesh, India, Turkey, and Egypt, among others.
2. Establish dedicated teams and independent infrastructure to enhance sourcing capabilities in the apparel category of the customer
3. This marks a significant milestone in PDS's ongoing efforts to establish a presence in the US market
4. Aim is to leverage our global sourcing network and expertise to meet the dynamic demands of the American fashion industry.





# Augmenting Platform Capabilities across Categories, Fast Fashion and Services



**Melanie Wilson**

Leading Health & Beauty Segment



**Andrew Reaney**

CEO PDS On line Enterprise (OLE)



**Dawn Ridley**

Head of Sales & Design (SAAS)



**Isak Halfon**

Senior Industry Expert



**Dan Coen**

President –Strategy & Markets



**AlixPartners**

Joining from Sep '2024

# Collaborating with GFA for sustainable solutions

1. Global Fashion Agenda has collaborated with PDS Ventures to launch a #Trailblazer Programme
2. Non-profit organisation that fosters industry collaboration on sustainability in fashion to accelerate impact
3. With the vision of a net positive fashion industry, it drives action by mobilising, inspiring, influencing and educating all stakeholders
4. This initiative offers an investment of up to \$200,000 to empower early-stage innovators offering sustainable solutions within the fashion industry and drive positive change



## Driving Innovation

*Powering the Changemakers*



## Conclusion

1. Backed by 24% growth in order book, Company expects sales momentum to continue
2. As investment in new verticals shapes up, it should lead to augmentation of overall profitability
  - a) North America Sales up by 50%
  - b) New verticals clocked 4x growth to \$11mn
3. The capacity fill up at both manufacturing locations in Bangladesh is looking good
4. Plan put in place to derive operating synergies



04

# Annexures



05/ PROFIT & LOSS IN \$ MN



06/ BALANCE SHEET IN \$ MN



# Profit and Loss (CONSOLIDATED IN \$ MN)

PARTICULARS (\$ IN MN, UNLESS MENTIONED OTHERWISE)	QUARTER ENDED			
	30-Jun-24	30-Jun-23	(Y-O-Y)	31-Mar-24
<b>GROSS MERCHANDISE VALUE</b>	<b>467.3</b>	<b>370.2</b>	<b>26%</b>	<b>545.4</b>
INCOME FROM OPERATIONS	314.2	257.3	22%	387.5
COGS	248.8	209.2	19%	310.4
<b>GROSS PROFIT</b>	<b>65.3</b>	<b>48.1</b>	<b>36%</b>	<b>77.0</b>
<b>GROSS MARGIN (%)</b>	<b>20.8%</b>	<b>18.7%</b>	<b>211 bps</b>	<b>19.9%</b>
EMPLOYEE EXPENSE	32.7	24.4	34%	34.0
OTHER EXPENSES	23.8	15.5	54%	29.4
<b>EBITDA</b>	<b>8.8</b>	<b>8.2</b>	<b>7%</b>	<b>13.7</b>
<b>EBITDA MARGIN (%)</b>	<b>2.8%</b>	<b>3.2%</b>	<b>-38 bps</b>	<b>3.5%</b>
DEPRECIATION	2.8	2.6	7%	3.2
OTHER INCOME	2.3	0.6	303%	0.7
<b>EBIT</b>	<b>8.3</b>	<b>6.1</b>	<b>36%</b>	<b>11.2</b>
<b>EBIT MARGIN (%)</b>	<b>2.7%</b>	<b>2.4%</b>	<b>27 bps</b>	<b>2.9%</b>
FINANCE COST	4.0	2.8	39%	3.4
PROFIT BEFORE TAX & ASSOCIATES & JV	4.4	3.3	33%	7.9
ADD: PROFIT/(LOSS) OF ASSOCIATES & JV	-0.1	0.1	-167%	0.6
PROFIT BEFORE TAX	4.3	3.4	24%	8.4
TAX EXPENSES	0.5	0.6	-9%	0.5
<b>PROFIT AFTER TAX</b>	<b>3.7</b>	<b>2.8</b>	<b>32%</b>	<b>7.9</b>
<b>PAT MARGIN (%)</b>	<b>1.2%</b>	<b>1.1%</b>	<b>9 bps</b>	<b>2.0%</b>
- OWNERS OF THE COMPANY	2.4	2.3	4%	5.5
- NON-CONTROLLING INTEREST	1.4	0.5	148%	2.4

Note: All growth rates and margins are based in \$ values

## KEY HIGHLIGHTS

- GMV increased by 26% Y-o-Y
- Topline witnessed a growth of 22% with gross margin expansion 211bps Y-o-Y
- Employee expenses increased by 34% Y-o-Y however sequentially have decreased by 4%
  - Increase is largely due to Ted Baker, Gerry Webber & new businesses which were not there last quarter
- Other Expenses increased Y-o-Y largely due to Ted Baker & Gerry Webber & new businesses, however expenses declined over the previous quarter
- EBITDA increased by 7%, normalized EBIDTA increased by 39% with margin increase of 69bps
- EBIT Margin increased by 27bps to 2.7% compared to Q1FY24
- ETR reduced to 13% from 18% last year
- Overall profitability improved with at PAT \$3.7mn and margin of 1.2% vs 1.1% last year

# Normalised EBITDA (CONSOLIDATED IN \$ MN)

PARTICULARS (\$ IN MN, UNLESS MENTIONED OTHERWISE)	QUARTER ENDED			Q1 GROWTH
	30-Jun-24	30-Jun-23	31-Mar-24	(Y-O-Y)
INCOME FROM OPERATIONS	314.2	257.3	387.5	22.1%
% GROWTH	22.1%			
EBITDA	8.8	8.2	14.9	7.4%
% EBITDA MARGIN	2.8%	3.2%	3.8%	-38 bps
<b>INVESTMENTS MADE THROUGH P&amp;L</b>				
NEW VERTICAL INCUBATION OPERATING COSTS	(5.8)	(2.3)	(4.0)	153.9%
<b>NORMALISED EBITDA</b>	<b>14.6</b>	<b>10.5</b>	<b>18.9</b>	<b>39.2%</b>
<b>% NORMALISED EBITDA MARGIN</b>	<b>4.8%</b>	<b>4.1%</b>	<b>5.1%</b>	<b>69 bps</b>

Investment in new verticals towards expanding core operations in design led sourcing, brand management, North America, expanding footprint & services.

**Note:** In Q4FY24 EBITDA adjusted for impact of JV to subsidiary conversion.

# Balance Sheet (CONSOLIDATED IN \$ MN)

PARTICULARS (\$ IN MN, UNLESS MENTIONED OTHERWISE)	AS ON	
	30-Jun-24	31-Mar-24
<b>NON-CURRENT ASSETS</b>	<b>135.7</b>	<b>133.2</b>
<b>CURRENT ASSETS</b>	<b>326.0</b>	<b>353.8</b>
INVENTORIES	41.5	39.4
TRADE RECEIVABLES	170.7	201.1
CASH AND CASH EQUIVALENTS	41.2	55.3
OTHER BANK BALANCES	29.1	26.7
OTHER CURRENT ASSETS	43.5	31.3
<b>TOTAL ASSETS</b>	<b>461.7</b>	<b>487.0</b>
<b>TOTAL EQUITY</b>	<b>148.6</b>	<b>149.4</b>
<b>NON-CURRENT LIABILITIES</b>	<b>18.9</b>	<b>18.2</b>
BORROWINGS	6.0	5.5
OTHER NON-CURRENT LIABILITIES	13.0	12.8
<b>CURRENT LIABILITIES</b>	<b>294.2</b>	<b>319.4</b>
BORROWINGS	93.7	107.6
TRADE PAYABLES	170.1	180.4
OTHER CURRENT LIABILITIES	30.4	31.5
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>461.7</b>	<b>487.0</b>

PARTICULARS	AS ON	
	30-Jun-24	31-Mar-24
INVENTORY DAYS	15	14
DEBTOR DAYS	47	59
PAYABLES DAYS	60	66
<b>NWC DAYS</b>	<b>2</b>	<b>7</b>
TOTAL DEBT	99.7	113.1
<b>NET DEBT</b>	<b>29.4</b>	<b>31.0</b>

## KEY RATIOS & OTHERS

- Net Debt / Equity: 0.2x
- Net Debt / EBITDA: 0.6x
- NWC Days: 2 days
- ROCE: 24%

**Note:** Ratios based on LTM figures | ROCE based on net capital employed



# PDS

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# THANK YOU

## CONTACT US

### **PDS LIMITED**

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