

PDS/SE/2020-21/39

19th November, 2020

The General Manager, Corporate Service Department BSE Limited P. J Tower, Dalal Street, Fort, Mumbai-400001	The General Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
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Script Code/ID: BSE: 538730;

NSE: PDSMFL

SUB: Investor Presentation for the Quarter and Half Year Ended 30th September, 2020.

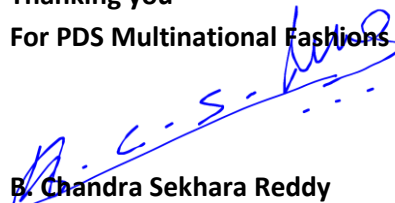
Dear Sir / Madam,

Please find attached herewith the Investor Presentation for the Quarter and Half Year ended 30th September, 2020 for the financial update to Investors of the PDS Multinational Fashions Limited.

Kindly take the same on record and oblige.

Thanking you

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl.: a/a



Q2 & H1 FY21 - Result Presentation

November 2020

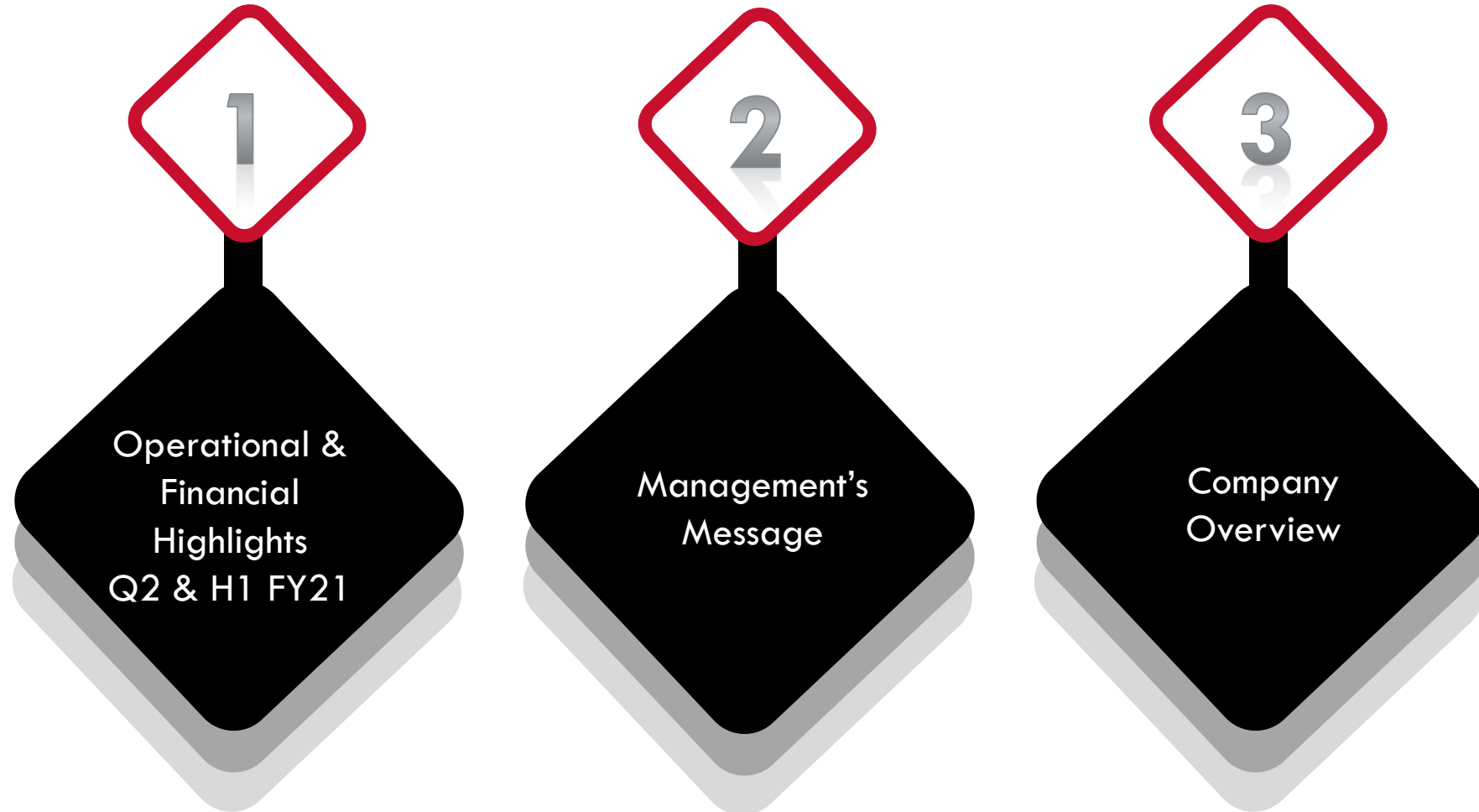
Global.
Collaborative.
Ethical.

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.

Note: Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions

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Abridged Profit & Loss Statement – Consolidated



Global | Collaborative | Ethical

Particulars (Rs. Crore)	Q2 FY21	Q2 FY20	SHIFT (Y-o-Y)	H1 FY21	H1 FY20	SHIFT (Y-o-Y)
Revenue from Operations	1,855.5	1,672.8	11%	2,822.2	3,207.4	-12%
Raw Material Cost	1,610.6	1,393.0	16%	2,415.6	2,683.9	-10%
Gross Profit	244.9	279.8	-12%	406.6	523.5	-22%



Particulars (Rs. Crore)	Q2 FY21	Q2 FY20	GROWTH (Y-o-Y)	H1 FY21	H1 FY20	GROWTH (Y-o-Y)
1 Income (Gross Profit)	244.9	279.8	-12%	406.6	523.5	-22%
Employee Expenses	101.9	110.5	-8%	176.7	210.6	-16%
Other Expenses	107.6	142.3	-24%	173.3	261.0	-34%
2 EBITDA	35.4	27.0	31%	56.5	51.9	9%
EBITDA Margin (2/1) (%)	14%	10%	480 bps	14%	10%	399 bps
Other Income	9.8	8.2	20%	20.9	17.8	17%
Depreciation	16.0	9.3	71%	31.5	18.0	75%
Finance Cost	5.1	4.0	27%	15.6	15.5	1%
Profit Before exceptional items & taxes	24.1	21.8	10%	30.3	36.2	-16%
Add: Share of Profit/(Loss) of Associates	-0.9	-0.8	NA	-3.1	-1.9	NA
Add: Exceptional items	-	-	-	-	-	-
Profit Before Tax	23.2	21.0	10%	27.2	34.3	-21%
Tax Expenses	5.0	0.1	8590%	6.9	0.4	1514%
3 Profit After Tax	18.2	21.0	-13%	20.3	33.9	-40%
Profit Margin (3/1) (%)	7%	7%	-5 bps	5%	6%	-147 bps

Note: Income represents Gross profit, which is actual receipt of payment for PDS Multinational Fashions.
EBITDA excludes other income

Q2 FY21 - Highlights

Revenues stood at Rs. 1,855.5 crore (Q2 FY20: Rs. 1,672.8 crore ; Q1 FY21: Rs. 966.7 crore)

Income stood at Rs. 244.9 crore (Q2 FY20: Rs. 279.8 crore ; Q1 FY21: Rs. 161.7 crore)

EBITDA stood at Rs. 35.4 crore (Q2 FY20: Rs. 27.0 crore ; Q1 FY21: Rs. 15.5 crore)

PAT stood at Rs. 18.2 crore (Q2 FY20: Rs. 21.0 crore ; Q1 FY21: Rs. 2.1 crore)

- Easing of lockdowns across our key geographies, especially in UK and Europe during the quarter resulted in an uptick in demand and consumption on a Q-o-Q basis. This, resulted in a significant improvement in performance across categories when compared to Q1 FY2021
- In addition, the combined impact of postponement of shipments from Q1FY21 to Q2FY21 along with continued sales of PPE products and the cost reduction initiatives implemented during the period have helped in improving the Revenue and PBT growth during Q2 FY21 on a sequential basis
- Combined Sourcing and other business segment grew strongly on a Q-o-Q basis as compared to manufacturing business
 - Sourcing and other business: Revenues grew by 94% and PBT by 178% on a Q-o-Q basis
- Impact of Covid disruption on manufacturing business is higher and resulted in slower recovery than expected due to customer order cancellations and deferment of shipments by customers. Order cancellations has led to provision for inventory write-off to the tune of Rs. 22.4 cr which impacted PBT performance in Q2 FY21
 - Manufacturing business: Revenues grew by 4% and Loss increased by (91%) on a Q-o-Q basis

Outlook

- While there is moderated optimism in key geographical markets, the second wave of COVID in Europe, especially during the Holiday season, is being closely monitored
- PDS is taking all measures to mitigate business risks and secure its business operations in these challenging times
- Client engagements during the period continue to remain stable
- The Company has ensured on-time delivery of goods and high quality service leading to significant gains in customer confidence
- In the manufacturing business, the customer orders are marking a healthy improvement and plants are expected to perform at improved operating capacities in the coming months
- A lean cost structure and sustainable cost-optimization measures to enable healthy margin profile, going forward

Measured steps to minimize COVID-19 Impact on Operations

Health & Safety

- Implemented necessary measures to ensure safety and well-being of employees, business partners, communities
- Stringent safety measures & SOPs through manuals and training across its offices, plants and facilities

Client Engagements

- PDS Group working closely with all business partners and distributors to ensure seamless deliveries and services to clients in unprecedented times
- Implemented measures to safeguard the interests of customers and distributors to the best possible extent

Financial Strength

- Undertaking several steps to drive savings in Direct, Indirect and Administrative costs
- A lean cost structure will improve margins and cash flows
- Lean and Agile business model to meet 100% all banking commitments and debt obligations, statutory payments and supplier dues
- Liquidity and cash flow position of the Group continues to be strong

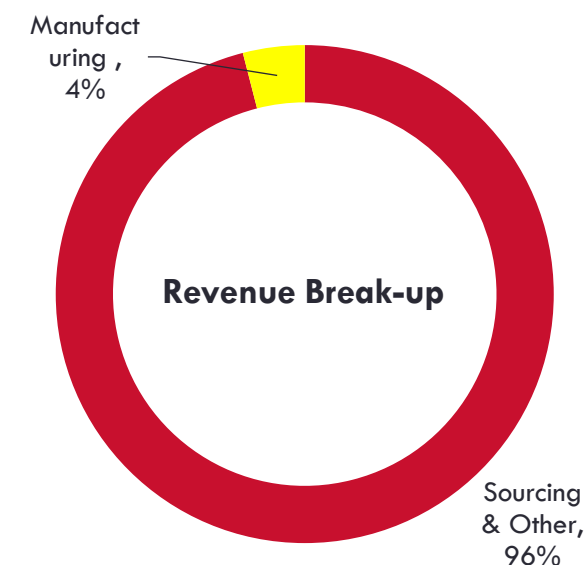
New Product Segment

- In order to address the growing demand for Personal Protection Equipment (PPE) across the globe, PDS Group is exploring new product lines to widen its existing product portfolio and grow business with new product categories, customer segment and markets
- In Q2 FY2021, the Company reported 8% of total sales from this segment. However, this is transitory in nature and the Company expects this to normalise to lower levels, going forward

Q2 & H1 FY21 – Segment-wise Business Performance

Revenue Break-up (Rs. Crore)	Q2 FY21	Q2 FY20	SHIFT (Y-o-Y)	H1 FY21	H1 FY20	SHIFT (Y-o-Y)
Sourcing & Other	1,785.0	1,623.4	10%	2,701.0	3,086.0	-12%
Manufacturing	70.5	49.4	44%	121.2	121.0	0%
Total Revenues from Operations	1,855.5	1,672.8	11%	2,822.2	3,207.4	-12%

PBT Break-up (Rs. Crore)	Q2 FY21	Q2 FY20	SHIFT (Y-o-Y)	H1 FY21	H1 FY20	SHIFT (Y-o-Y)
Sourcing & Other	64.1	38.2	68%	91.2	64.6	41%
Manufacturing*	-40.0	-16.4	NA	-60.9	-28.4	NA
Total PBT before Share of Profit / (loss) of Associates and Joint Venture	24.1	21.8	NA	30.3	36.2	NA

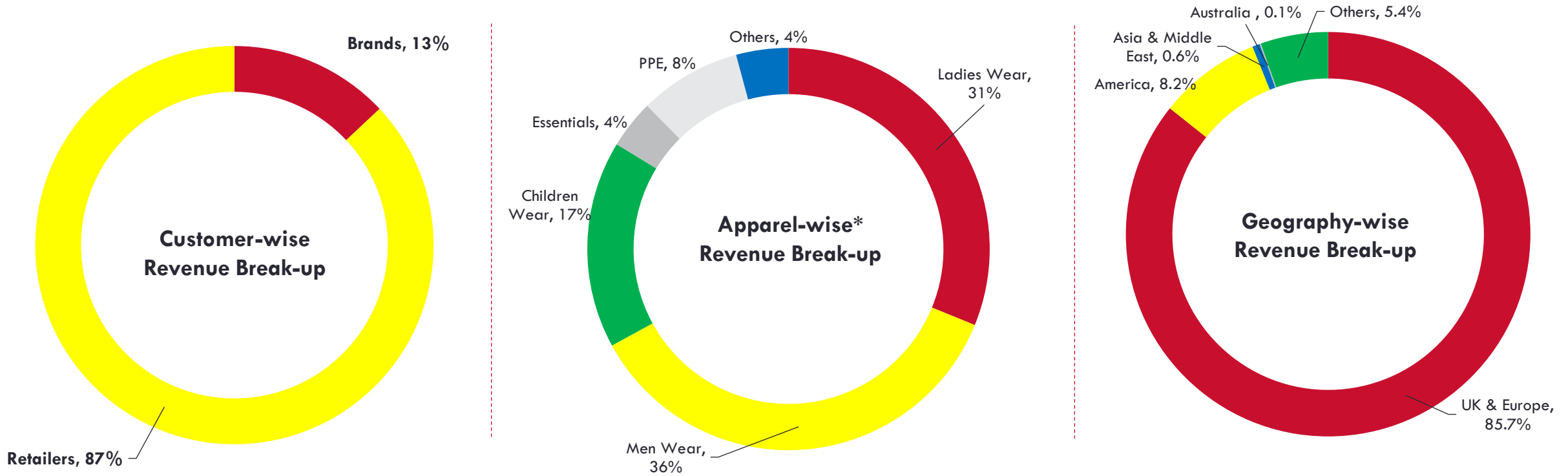


Note: *During Q2 FY21, PDS saw inventory write-off of Rs 22.35 Cr towards unshipped/cancelled stocks.

Abridged Balance Sheet – Consolidated

Particulars (Rs. Crore)	30-Sep-20	31-March-20
a) Non-current Assets	560.4	571.3
b) Current Assets	1,784.5	1,773.0
- Inventories	183.2	183.0
- Trade Receivables	845.6	832.4
- Cash & cash equivalents	305.9	350.4
- Other Bank Balances	153.7	152.1
- Others	296.1	255.1
Total Assets	2,345.0	2,344.4
c) Total Equity	604.9	611.1
d) Non-Current Liabilities	84.0	84.1
e) Current Liabilities	1,689.0	1,654.0
- Borrowings	542.1	742.1
- Trade payables	951.7	728.9
- Others	162.3	178.0
Total Equity & Liabilities	2,345.0	2,344.4

Key Metrics – H1 FY21



Note: *In H1 FY2021, the Company reported increased sales of the PPE equipment. However, this is transitory in nature and the Company expects this to normalise to lower levels, going forward

Management's Message

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



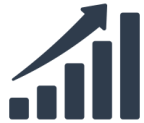
“We have reported a resilient performance during the quarter. Our key markets and geographies, especially UK and Europe, reported recovery in demand and consumption, which enabled us to deliver improved income on a QoQ basis. In addition, have sustained a few cost-optimisation levers implemented during the pandemic that enabled us to report improved profitability in the quarter.

While we have been witnessing a steady recovery, the implementation of lockdowns in the European market, especially during the peak Holiday season are to be reckoned with. We have undertaken several concerted measures to secure our business operations to the best possible extent and have brought in higher efficiencies in processes during this period. We are constantly monitoring the macro-situation and remain cautious in the near-term.

Overall, we remain comforted by our fundamentally strong business model and in a stabilized operating environment, we expect to report sustainable growth in the coming years.”

About PDS Group

Design led Sourcing and manufacturing to the world's leading apparel retailers and brands



Rs. 6,488 cr Revenue for
FY19-20



190+ leading retailers
& brands



Sustainable and
Responsible Sourcing



Strong Financials and Risk
Management Capabilities



Right Product, Right
Country and Right
Factory



Compliant and
Transparent Supply
Chain

PRIMARK®

TESCO

Sainsbury's

KOHL'S

George.

next

RIVER ISLAND



TAKKO
FASHION

joules



MATALAN

ASOS

Superdry.

SPORTS
DIRECT.COM

NEWYORKER



BESTSELLER®



PDS

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

**For further
information, please
contact:**

Chandra Sekhara Reddy, Company Secretary,

PDS Multinational Fashions

Tel: +91 80 6765 3030

E-mail: bcs.reddy@pdsmultinational.com

Gavin Desa / Shikha Kshirsagar

CDR India

Tel: +91 22 6645 1237 / 6645 1234

Email: gavin@cdr-india.com / shikha@cdr-india.com

Visit our website:

www.pdsmultinational.com