



# Monte Carlo's delivers strong Revenue and EBITDA growth despite delayed winter

Despite a late winter, Monte Carlo announces an increase of 18.7% YOY increase in Q3 FY15 Total Revenues and 35.4 % YoY Increase in Q3 FY15 EBIDTA w/o Other income.

**LUDHIANA, FEBRUARY 4, 2015:** Monte Carlo Fashions (MCFL), the Ludhiana-based woollen and cotton apparel manufacturer, announced its Third Quarter & First Nine Months FY15 Results today.

With respect to its financial performance, the Company announced that its Q3 FY15 Total Revenues from Operations increased by 18.7% YoY to Rs. 3168.6 mn from Rs. 2668.7 mn in Q3 FY14. This performance was delivered despite a delayed winter in 2014. The key reasons behind MCFL's strong revenue growth during the quarter were the persuasive brand positioning and the robust distribution network the Company has maintained.

The Q3 FY15 EBIDTA w/o Other income increased by 35.4 % YoY to Rs. 720.2 mn from Rs. 531.8 mn in Q3 FY14. EBIDTA Margin increased by 280 bps YoY to 22.7% from 19.9% in Q3 FY14 primarily due to the fact that Other Expenses as a % decreased mainly due to higher revenues during the quarter, resulting into an operating leverage as well as better operating efficiencies. Other income includes Interest /Income from funds currently invested in Fixed Deposits.

The Q3 FY15 PAT increased by 23.8 % YoY to Rs. 407.7 mn from Rs. 329.4 mn in Q3 FY14. The Depreciation figure is higher due to the change in Depreciation policy as per the New Companies Act 2013. The **Q3 FY15 Cash Profit of the Company increased by 30.4 % to Rs. 480.9 mn YoY from Rs. 368.9 mn in Q3 FY14.**

## PRESS RELEASE

813 words

### Sector / SEO TAGS

Garment, Fashion, Apparels, Textile Manufacturing

#### Additional Resources Available:

Logo and Pictures of Operations

[Ammeet.sabarwal@dickensonIR.com](mailto:Ammeet.sabarwal@dickensonIR.com)

Quarterly Investor Presentation Attached

### As of 4 February 2015

Price (NSE) Rs 531.60

Market Cap Rs 1,144~ crores

52-week high/low Rs 645/460.65

### Markets Code

ISIN: INE950M01013  
BSE: MONTECARLO (538836)  
NSE: MONTECARLO

### Short Business Description

**Monte Carlo Fashions Limited** is a leading manufacturer and retailer of woollen and cotton products, with manufacturing and design facilities in Ludhiana, Punjab. 'MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since Fiscal 2003 by International Society for Superbrands.

With respect to understanding the impact of seasonality, it should be noted that a significant amount of revenue for the Company is generated primarily during the third quarter of each fiscal year. Winter clothing products are typically higher in value and accordingly generate higher revenue, in comparison with the non-winter products.

In terms of its business operations, MCFL has added 11 exclusive retail outlets with space area of 10,895 sq. ft. Two of the stores are with a space area of 1300 sq. ft. and are on a COCO Basis, while 9 of its stores have a space area 9,585 sq. ft and are on FOFO Basis. The Company has also recently started its online e-commerce sale through our own portal [www.montecarlo.in](http://www.montecarlo.in), and has also established tie-ups with several online portals. The e-Retail portal and online business completely belongs to the Company. On the Product side, the Company has also commenced its in-house production of socks, t-shirts and thermals.

**Contact at MCFL:**

Mr. Dinesh Gogna (Director)  
[gogna@owmnaahar.com](mailto:gogna@owmnaahar.com)

**Resources / Attachments:**

1. Investor Presentation
2. Interview on CNBC on the 4<sup>th</sup> February 2015: [http://www.moneycontrol.com/news/results-boardroom/maintain-revenue-guidance-at-15-for-fy15-monte-carlo\\_1291924.html](http://www.moneycontrol.com/news/results-boardroom/maintain-revenue-guidance-at-15-for-fy15-monte-carlo_1291924.html)

**About MONTE CARLO FASHIONS LIMITED (MCFL):**

Monte Carlo Fashions Ltd is a leading manufacturer and retailer of woollen products, including sweaters and cardigans, and cotton knitted garments such as t-shirts and track suits. It also supplies accessories including belts, ties, inner wears, thermal wears and socks. MCFL's manufacturing facilities are primarily located in Ludhiana, Punjab, and are fully backed by capabilities in product development, design studio and an efficient sampling infrastructure. It follows an asset-light model for its cotton knitted garments and woven garments by primarily outsourcing the production of its knitted and woven products. The strength of its brand 'MONTE CARLO' has significantly contributed to the success of the business. 'MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since Fiscal 2003 by International Society for Superbrands.

The Company is listed on the Bombay Stock Exchange (BSE) (BSE: 538836) and the National Stock Exchange (NSE) (NSE: MONTECARLO, ISIN: INE950M01013), with a market capitalisation of Rs 1,144~ crore as on 4<sup>th</sup> February 2015.

**About DSIR:**

**DICKENSON FINANCIAL PR**

Dickenson Seagull IR is amongst India's foremost Investor Relations and Financial PR specialists. Based in Mumbai, the agency represents small-to-large cap listed companies for their engagement with the financial marketplace and the financial media. For more information on Dickenson, visit our website [www.dickensonir.com](http://www.dickensonir.com)

Dickenson Financial PR manages Investor Relations and Financial PR for Monte Carlo Fashions Limited. If you require further information or corporate access to Monte Carlo Fashions Limited, you may contact us and we shall be happy to make the arrangements.

**Contact: (IR/FPR Consultants)**

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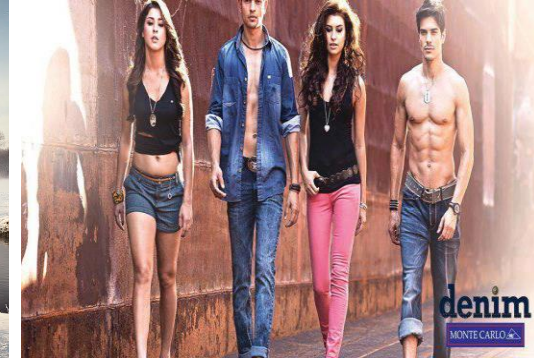
Its the way you make me feel



**Q3 & 9M FY15 INVESTOR PRESENTATION**  
**February 2015**

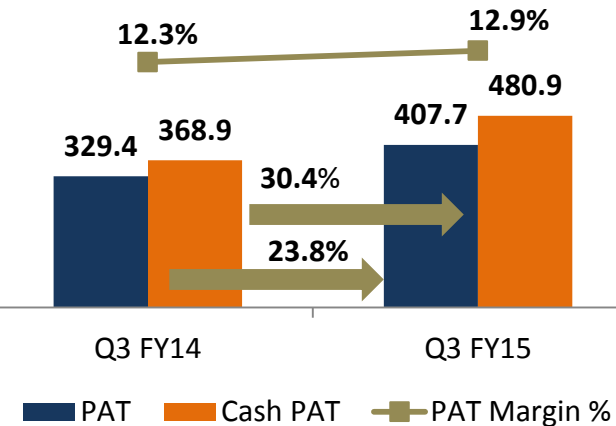
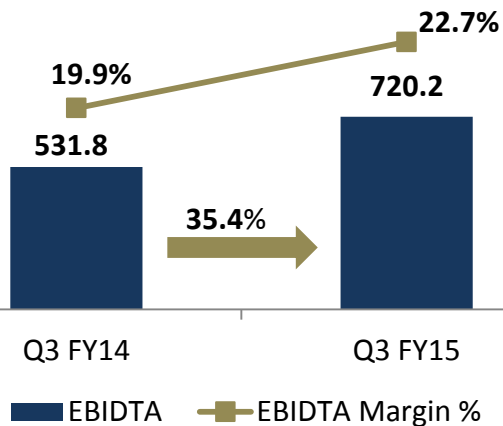
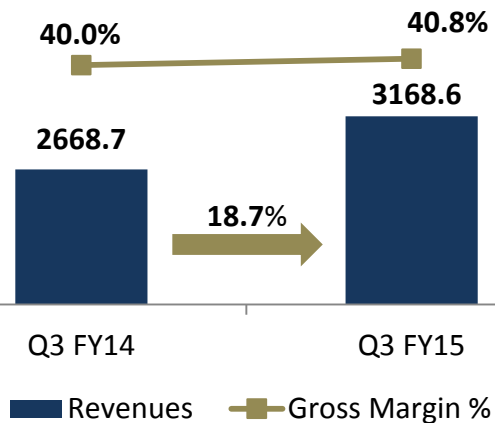
# DISCUSSION SUMMARY

- Q3 & 9M FY15 RESULTS HIGHLIGHTS
- OPERATIONAL HIGHLIGHTS
- FINANCIALS
- COMPANY OVERVIEW – ABOUT US
- UNDERSTANDING OUR BUSINESS MODEL
- SUSTAINABLE COMPETITIVE ADVANTAGES
- FUTURE GROWTH STRATEGY
- ANNEXURE

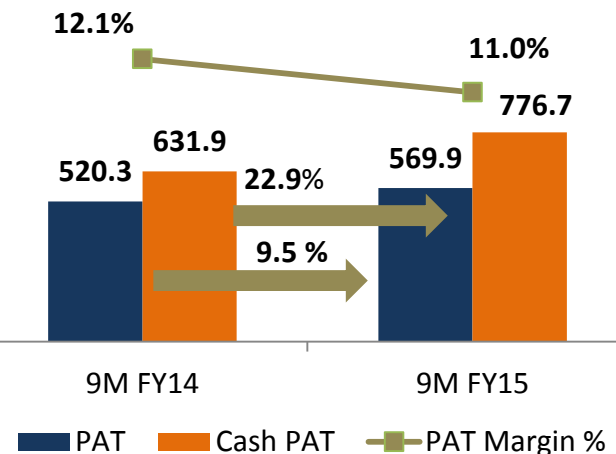
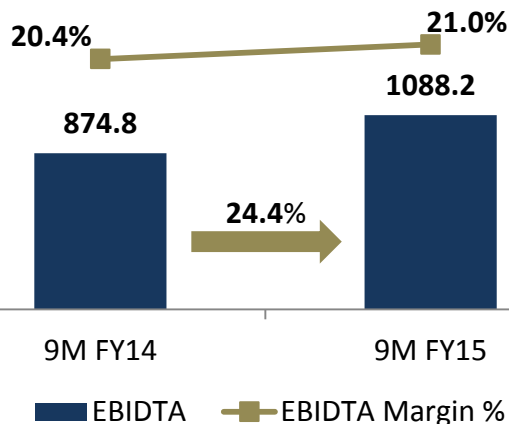
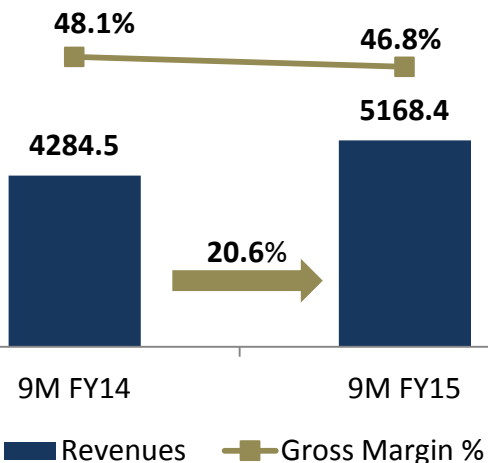


# Q3 & 9M FY15 – RESULTS HIGHLIGHTS

## Q3 FY15 YoY ANALYSIS



## 9M FY15 YoY ANALYSIS



Note – EBIDTA W/O Other Income Gross Profit -= Net Revenues - COGS

# Q3 & 9M FY15 – FINANCIAL HIGHLIGHTS



## FINANCIAL UPDATE -

- Q3 FY15 Total Revenues from Operations increased by 18.7% YoY to Rs. 3168.6 mn from Rs. 2668.7 mn in Q3 FY14.
  - Despite delayed winter, due to strong brand positioning and robust distribution network the company has maintained a strong revenue growth during the quarter.
- Q3 FY15 EBIDTA w/o Other income increased by 35.4 % YoY to Rs. 720.2 mn from Rs. 531.8 mn in Q3 FY14. EBIDTA Margin increased by 280 bps YoY to 22.7% from 19.9% in Q3 FY14 primarily due –
  - Other expenses as a % decreased mainly due to Higher revenues during the quarter resulting into operating leverage as well as better operating efficiencies.
- Other income includes Interest /Income from funds currently invested in Fixed Deposits.
- Q3 FY15 PAT increased by 23.8 % YoY to Rs. 407.7 mn from Rs. 329.4 mn in Q3 FY14. Depreciation is higher due to change in Depreciation policy as per the New Companies Act 2013.
- **Q3 FY15 Cash Profit increased by 30.4 % to Rs. 480.9 mn YoY from Rs. 368.9 mn in Q3 FY14..**
- **Understanding Seasonality - Significant amount of revenue generated primarily during the third quarter of each fiscal year.** Winter clothing products are typically higher in value and accordingly generate higher revenue, in comparison with the non-winter products.

## BUSINESS UPDATE

- Added 11 exclusive retail outlets with space area of 10,895 sq. ft. Two of the stores with space area of 1300 sq. ft. are on COCO Basis and 9 stores with space area 9,585 sq. ft are on FOFO Basis.
- Recently started online e-commerce sale through our own portal [www.montecarlo.in](http://www.montecarlo.in) as well as tie-ups with several online portals. The e-Retail portal and online business completely belongs to the company.
- On the Product side, the company has also commenced in-house production of socks, t-shirts and thermals.

# OPERATIONAL HIGHLIGHTS

## REVENUE ANALYSIS – SEGMENT WISE

### Segment wise Revenues – Product Category wise (In Rs mn)

	Q3 FY15	Q3 FY14	% CHG	% of Total Revenues Q3 FY15
Woollen Segment	1347	1278	5.4%	44.1%
Cotton Segment	1303	1042	25.0%	42.7%
Kids	149	113	31.9%	4.9%
Economy	89	0	-	2.9%
Home Furnishings	163	144	43.0%	5.3%
<b>Total Revenues</b>	<b>3052</b>	<b>2577</b>	<b>18.7%</b>	<b>100%</b>

### Segment wise Revenues – Channel wise (In Rs mn)

	Q3 FY15	Q3 FY14	% CHG	% of Total Revenues Q3 FY15
MBO including NCS / Institutional	1781	1640	8.6%	58.4%
Retail Outlets - EBO – COCO	114	111	2.7%	3.7%
Retail Outlets - EBO - FOFO	1157	827	39.9%	37.9%
<b>Total Revenues</b>	<b>3052</b>	<b>2577</b>	<b>18.7%</b>	<b>100%</b>

MBO – Multi Brand Outlet  
 EBO – Exclusive Brand Outlet  
 COCO – Company own Company operated  
 FOFO – Franchise own Franchise operated

# OPERATIONAL HIGHLIGHTS

## STORE NETWORK ANALYSIS

- Total Number of EBOs – 214, spread across Pan India. Major Presence in North, Central & East.
- Have strong Distribution presence across more than 1400 Multi-Brand Outlets pan India.
- Have presence in 89 National chain store Outlets
  - Presence through 6 National Retail chains such as – Reliance Retail, Shoppers stop, Pantaloons, Metro, Carrefour and Madura Outlets.

### Total Network details

As on Dec-14

<b>No of Own EBO</b>	<b>20</b>
<b>No of Franchise EBO</b>	<b>194</b>
<b>No of MBO</b>	<b>1400+</b>
<b>No of NCS Presence</b>	<b>89</b>
<b>Institutional Buyers</b>	<b>60</b>

### Retail store - Exclusive Brand Outlets Network details (EBO)

	Dec-14	Mar-14	Mar-13	Mar-12
<b>Existing - No of Stores</b>	<b>193</b>	<b>166</b>	<b>152</b>	<b>144</b>
<b>New Opened</b>	<b>28</b>	<b>28</b>	<b>20</b>	<b>12</b>
<b>Closed</b>	<b>7</b>	<b>1</b>	<b>6</b>	<b>4</b>
<b>Total Number of Retail outlets</b>	<b>214</b>	<b>193</b>	<b>166</b>	<b>152</b>



# FINANCIALS

## P&L STATEMENT

Particulars (in million)	Q3 FY 15	Q3 FY 14	% Change	9M FY 15	9M FY 14	% Change	FY 14
Net Sales	3168.6	2668.7	18.73%	5168.4	4284.5	20.63%	5031
Cost of Goods Sold	1875.3	1601.1	17.13%	2751.2	2222.4	23.79%	2603.8
<b>Gross Profit</b>	<b>1293.3</b>	<b>1067.6</b>	<b>21.14%</b>	<b>2417.2</b>	<b>2062.1</b>	<b>17.22%</b>	<b>2427.2</b>
<b>Gross Margin</b>	<b>40.82%</b>	<b>40.00%</b>	<b>2.03%</b>	<b>46.77%</b>	<b>48.13%</b>	<b>-2.83%</b>	<b>48.24%</b>
Personnel Expenses	109.6	55.1	98.91%	319.6	183.4	74.26%	270.4
Other Expenses	463.5	480.7	-3.58%	1014.8	1003.9	1.09%	1229.7
<b>EBITDA</b>	<b>720.2</b>	<b>531.8</b>	<b>35.43%</b>	<b>1082.8</b>	<b>874.8</b>	<b>23.78%</b>	<b>927.1</b>
<b>EBITDA Margin</b>	<b>22.73%</b>	<b>19.93%</b>	<b>14.06%</b>	<b>20.95%</b>	<b>20.42%</b>	<b>2.61%</b>	<b>18.43%</b>
Other Income	42.3	45.3	-6.62%	129.9	109.7	18.41%	151.6
<b>EBITDA Margin (incl. Other Income)</b>	<b>24.06%</b>	<b>21.62%</b>	<b>11.28%</b>	<b>23.46%</b>	<b>22.98%</b>	<b>2.11%</b>	<b>21.44%</b>
Depreciation	73.2	39.5	85.32%	206.8	111.6	85.30%	162.1
Interest Expense	64.1	33.7	90.21%	135.7	78.4	73.09%	93.2
<b>PBT</b>	<b>625.2</b>	<b>503.9</b>	<b>24.07%</b>	<b>870.2</b>	<b>794.5</b>	<b>9.53%</b>	<b>823.4</b>
Taxes	217.5	174.5	24.64%	300.3	274.3	9.48%	279.4
<b>PAT</b>	<b>407.7</b>	<b>329.4</b>	<b>23.77%</b>	<b>569.9</b>	<b>520.2</b>	<b>9.55%</b>	<b>544</b>
<b>PAT Margin</b>	<b>12.87%</b>	<b>12.34%</b>	<b>4.24%</b>	<b>11.03%</b>	<b>12.14%</b>	<b>-9.18%</b>	<b>10.81%</b>
<b>EPS</b>	<b>18.76</b>	<b>15.16</b>	<b>23.75%</b>	<b>26.23</b>	<b>23.94</b>	<b>9.57%</b>	<b>25.03</b>

### OUR PEDIGREE

- Launched in 1984 as an exclusive woollen brand by Oswal Woollen Mills Limited (“**OWML**”), “Monte Carlo” has emerged as one of the leading Indian apparel brands. Experienced management team led by Mr. Jawahar Lal Oswal who has over 50 years experience in the textile and woollen industry and with Mr. Sandeep Jain Executive Director .
- ‘Monte Carlo’ has been recognized as a ‘Superbrand’ for woollen knitted apparel in each edition of Consumer Superbrands India since its first edition in September 2004.
- Launched as an exclusive woollen brand, Company has successfully diversified with a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the ‘Monte Carlo’ brand

### OUR BRAND & PRODUCT PORTFOLIO

- Branded apparel business was demerged into Monte Carlo Fashions Limited (MCFL) in 2011. Ownership of the brand ‘Monte Carlo’ is with the Company
- ‘Monte Carlo’ is the flagship brand with a portfolio of woollen apparel and cotton and cottonblended apparel
- Have Launched different ranges under the Umbrella Brand “Monte Carlo” - ‘Platine’ is our premium range for men, ‘Denim’ is our exclusive range for denim apparel, ‘Alpha’ is our exclusive range for women and ‘Tweens’ is our exclusive range for kids.

### OUR REACH & PRESENCE

- Brands distributed through a network of Monte Carlo EBOs and MBOs including national chain store. Strong distribution network and wide presence across the country. In south & west the company has adopted distribution system through distributors.
- **MBOs** - Products are supplied through 21 exclusive commission agents to over 1400+ MBOs on outright basis.
- **EBOs – COCO - 20** stores are leased, managed by company personnel. Inventory is owned by MCFL
- **EBOs – FOFO – 194** EBOs are on Franchise basis. Products are supplied on Pre-order Outright basis.
- Also supplying through National Chain Stores for 6 Retail chains. E-commerce presence through own portal montecarlo.in and tie-ups with Digital platforms such as Flipkart, snapdeal etc

### OUR FINANCIALS

- Consolidated Revenues, EBITDA and PAT were Rs. 5,037 mn, Rs. 941 mn and Rs.544 mn in 2014
- Virtually debt-free balance sheet with Total Debt to Equity at 0.4 x as of Mar-14. Strong Cash Balance at Rs. 177.1 mn as on Mar-14.
- Healthy Return Ratios: 2014 ROCE of 20.3%, Cash Adjusted ROCE of 31.5% and ROE of 15.4%.
- Virtually the business model has no Inventory risk and credit risk, thus protected from normal hazards of Branded Apparel Business

# COMPANY OVERVIEW – ABOUT US

## SHAREHOLDING STRUCTURE



Market Data	As on 04.02.2015 (BSE)
Market Capitalization (Rs Mn)	11,380
No. of shares outstanding (Mn)	21.73
Face Value (Rs.)	10.00
52 week High-Low (Rs.)	632.45-460.65

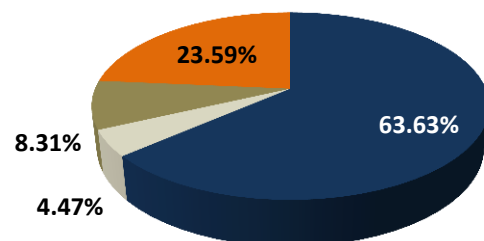
Source – BSE

Key Institutional Investors	% Holding
Kanchi Investments Ltd (Samara Capital) *	10.94
Birla Sun Life Trustee Co.	3.81
Aditya Birla Pvt Ltd	2.49
DB International (Asia) Ltd	1.65
ICICI Prudential Life Insurance	0.83
Tata Asset Management	0.55
Baroda Pioneer Mutual Fund	0.33

Source – Company / Bloomberg

Note - \* - Lock in for 1 year along with Promoter Holding

### Dec-14 Shareholding

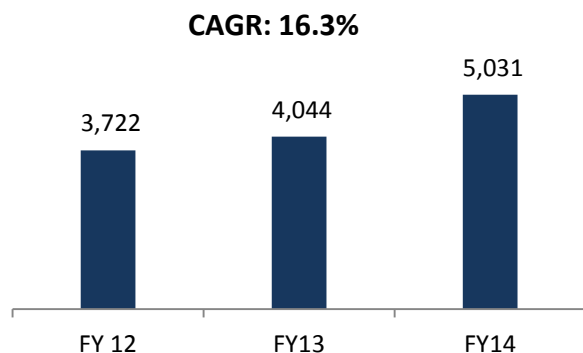


■ Promoter ■ FII ■ DII ■ Public

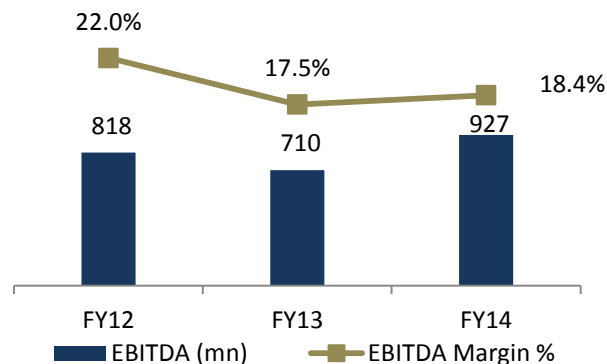
# COMPANY OVERVIEW – ABOUT US

## FINANCIAL HIGHLIGHTS

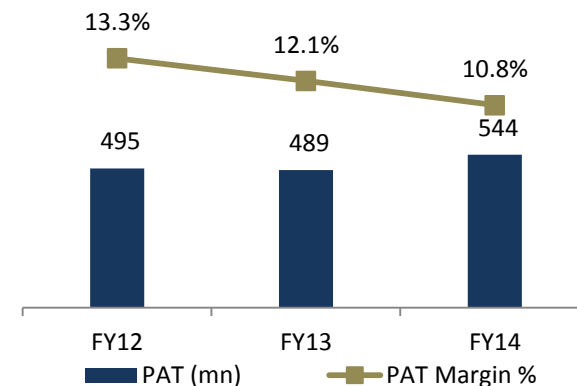
### REVENUES



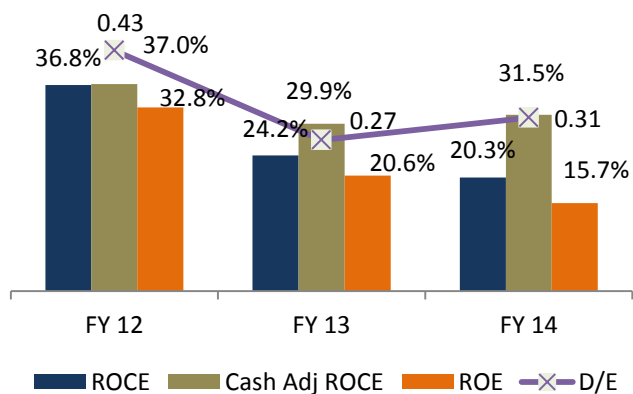
### EBITDA & EBITDA Margin



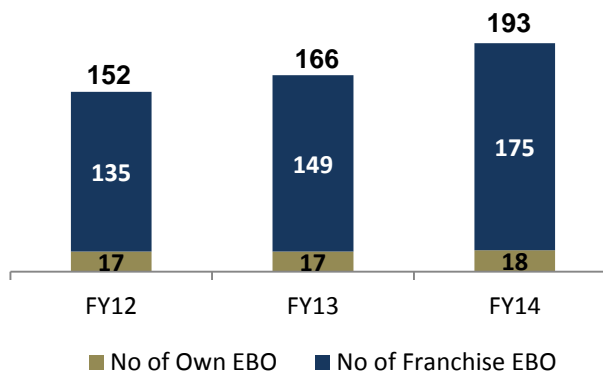
### PAT & PAT Margin



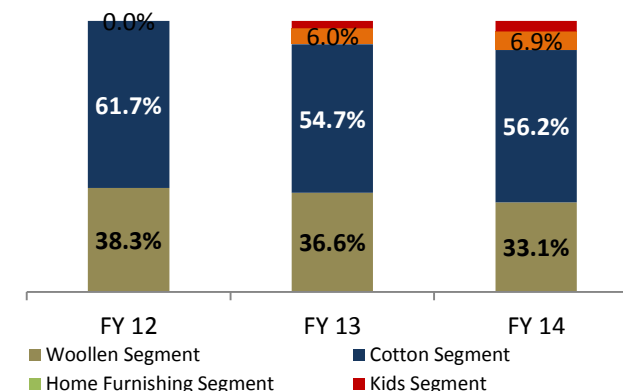
### LEVERAGE & RETURN RATIOS



### EBO – STORE GROWTH



### REVENUE – SEGMENT WISE















Source - RGP

Note – ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&E)]

# COMPANY OVERVIEW – ABOUT US

## OUR PRODUCT PORTFOLIO



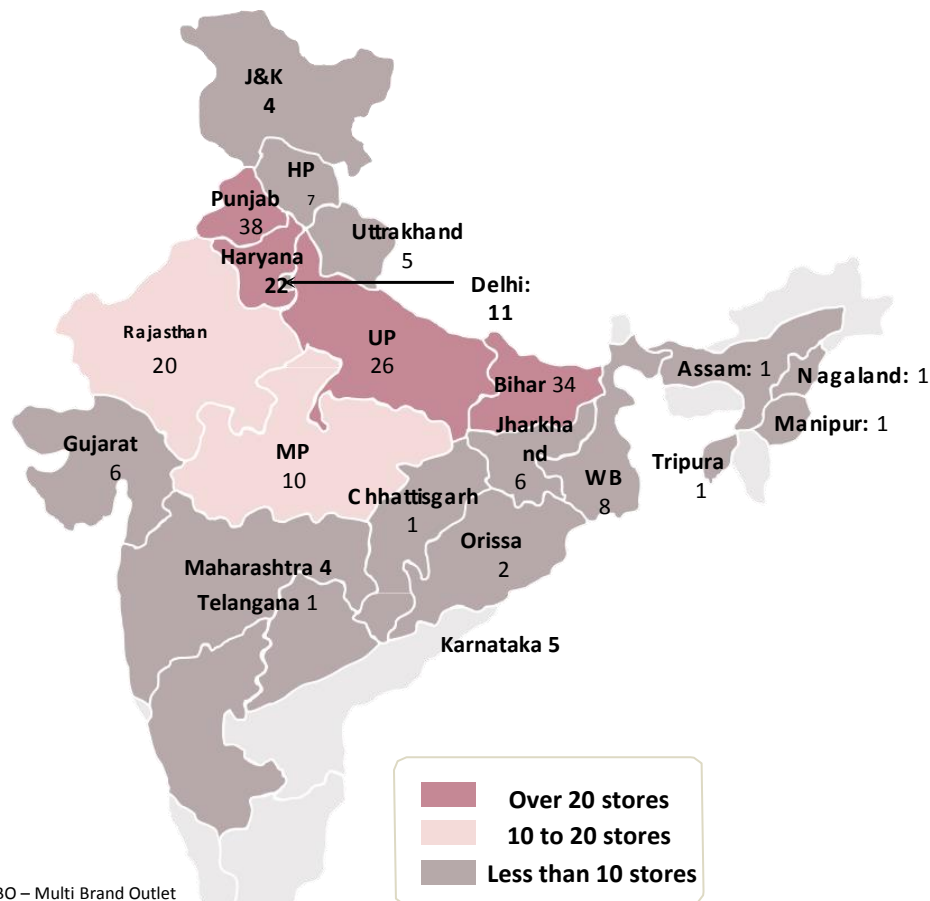
<p><b>Woollens</b></p>		<p>Sweaters Jackets, Shawls</p>	
<p><b>Cottons</b></p>	  	<p>T-shirt, Shirts, Trousers</p>	
<p><b>Kids</b></p>		<p>Sweaters Jackets, T-shirt, Sweat Shirts</p>	
<p><b>Economy range</b></p>		<p>T-Shirts, Sweatshirts, Thermal-wear</p>	
<p><b>Home Furnishing Range</b></p>		<p>Mink Blankets, Bed Sheets, Quilts</p>	

# COMPANY OVERVIEW – ABOUT US

## OUR RETAIL PRESENCE & RETAIL NETWORK



Monte Carlo exclusive brand outlets (EBO)# -Total 214 EBOs with presence across India. Mainly into North, East & Central



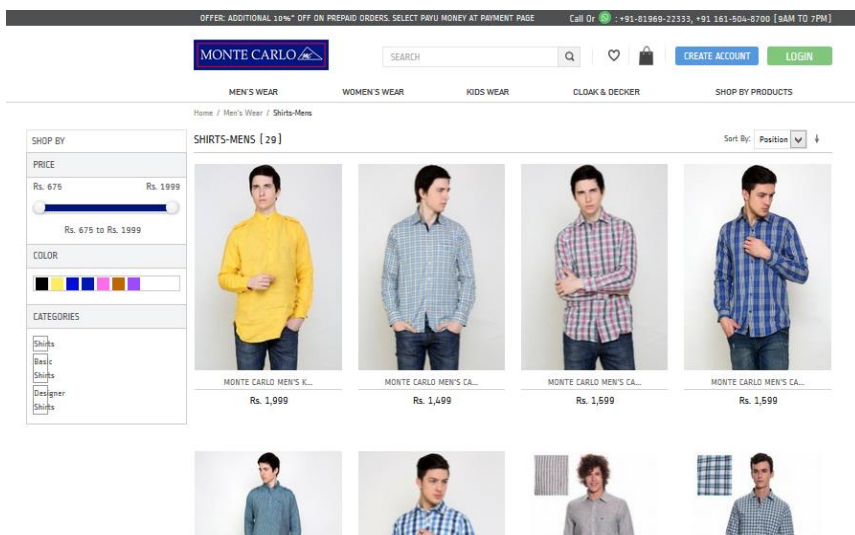
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 EBO – Exclusive Brand Outlet  
 COCO – Company own Company operated  
 FOFO – Franchise own Franchise operated

- Brands distributed through a network of Monte Carlo EBOs and MBOs including national chain stores
- MBOs - Products were supplied by 21 exclusive commission agents to over 1,400 MBOs on outright basis
- EBOs – Company-Owned-Company-Operated
  - With a focus to develop brand equity by opening stores at High streets at Premium Retail Locations and showcasing an extensive range of products.
  - 20 stores are leased and managed by company personnel. Inventory is owned by MCFL
- EBOs – Franchisee-Owned-Franchisee-Operated
  - Fit-outs layout and fixtures defined by MCFL. But franchisees lease premises for stores and bear staff and operational costs
  - With no major capex from the company side, the format is highly scalable
- NCS – Products are also supplied to 89 National chain stores (NCS) on Consignment / Outright basis. Supply to 6 Retail chains such as Reliance retail, Shopper stop, Madura, Pantaloons, Metro & Carrefour.
- Entered into distribution agreements with online sales through digital commerce platforms

### RETAIL PRESENCE THROUGH E-COMMERCE -

- Recently started online e-commerce sale through our own portal [www.montecarlo.in](http://www.montecarlo.in) as well as tie-ups with several online portals. The e-Retail portal and online business completely belongs to the company.
- Have Entered into distribution agreements with some of the leading Indian digital commerce platforms for sale of our products online.

### OWN PORTAL – [WWW.MONTECARLO.IN](http://WWW.MONTECARLO.IN)



### TIE-UPS WITH ONLINE PLATFORMS



# COMPANY OVERVIEW – ABOUT US

## IN-HOUSE DESIGN & PRODUCTION CAPABILITIES

### IN-HOUSE DESIGN & PRODUCT DEVELOPMENT

- In-House dedicated design team of over 30 professionals which travels and follows the emerging global fashion trends for creation of the designs for our new collections.
- Focus on developing new products, improving existing ones and forecasting fashion trends.
- In addition, our Exclusive Commissioned Agents have direct access to the dealers, distributors and retailers in India and they conduct regular market surveys to understand consumer demand and feedback.

### MANUFACTURING CAPABILITIES –

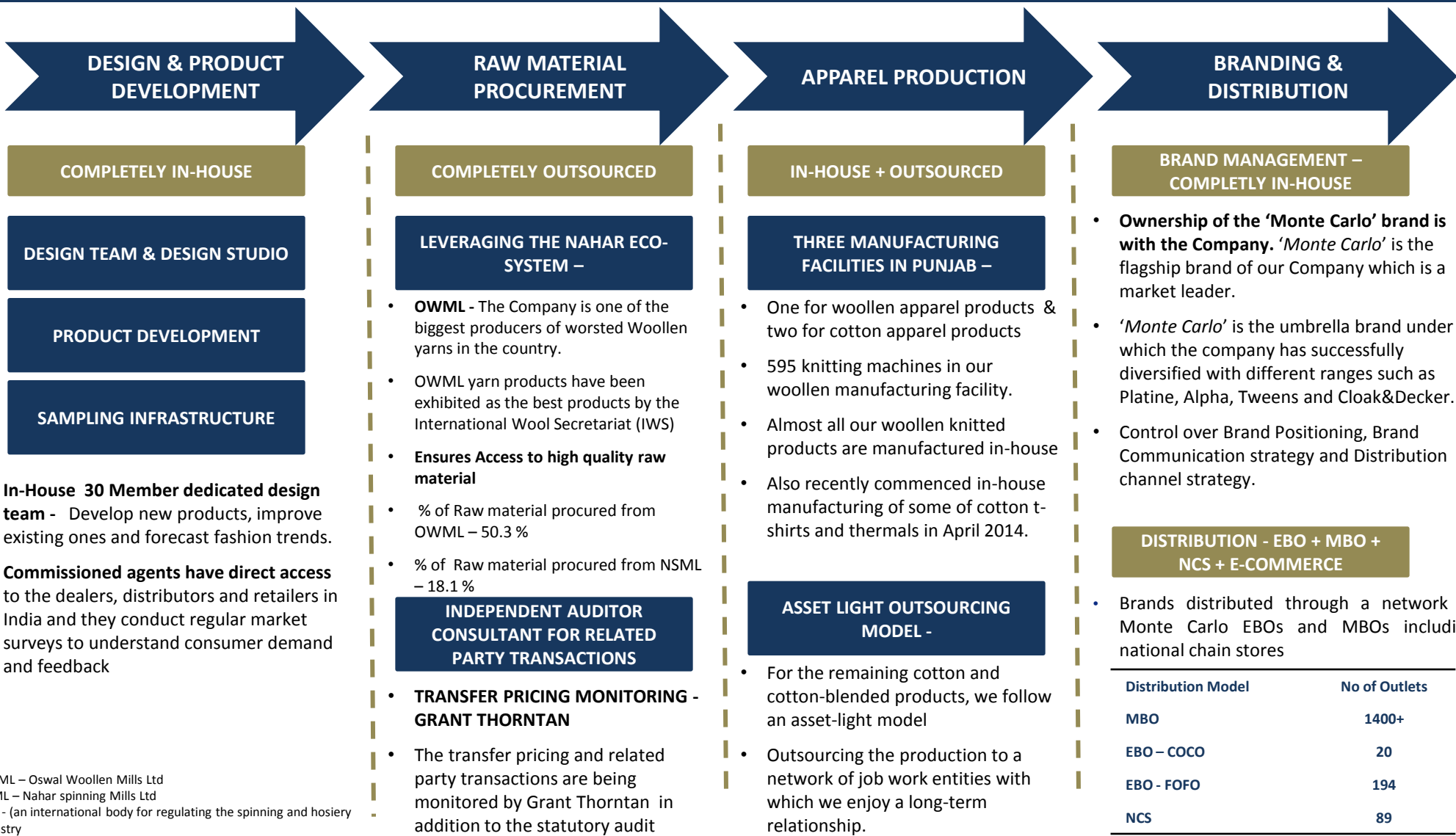
- Three manufacturing facilities in Ludhiana, Punjab :-
  - One for woollen apparel products
  - Two for cotton apparel products.
  - The manufacturing facilities include facilities for product development, a design studio and sampling infrastructure.
- Almost all woollen knitted products are manufactured in-house. Recently also commenced in-house manufacturing of some of our cotton t-shirts and thermals in April 2014.
- For the remaining cotton and cotton-blended products, we follow an asset-light model by outsourcing the production to a network of job work entities with which we enjoy a long-term relationship.





# COMPANY OVERVIEW

## UNDERSTANDING OUR BUSINESS MODEL



OWML – Oswal Woollen Mills Ltd  
 NSML – Nahar spinning Mills Ltd  
 IWS - (an international body for regulating the spinning and hosiery industry)

# COMPANY OVERVIEW

## UNDERSTANDING OUR BUSINESS MODEL



### UNDERSTANDING WOOLLEN SEGMENT

JANUARY

FEBRUARY - MARCH

APRIL

MAY TILL JULY

AUGUST ONWARDS

- Product Development & Sampling Process
- **Design process is finalised. Sample sets sent to our Commissioned Agents. (CA)**
- Commissioned Agents take these sample sets to various cities for display and invite the dealers and distributors
- Company Organizes fashion shows to showcase proposed products to the MBOs.
- **CA procure orders from the MBOs and act as an interface between us and the MBOs. These CA are Exclusive to the Company.**
- The dealers and distributors of the MBOs place orders for our products with the CA
- **Pre Booking of Orders from MBOs and Franchise EBOs**
- Production for these specific designs for which orders are placed, commences from the month of May.
- Start dispatching our winter wear products to the 'Monte Carlo Exclusive Brand Outlets' and MBOs from August onwards.
- **Peak Inventory in September,**

### UNDERSTANDING COTTON SEGMENT

AUGUST

SEPTEMBER- OCTOBER

OCTOBER

NOVEMBER TILL JANUARY

FEBRUARY ONWARDS

- **Separate Dedicated Design team for non-winter products**
- **Design process is finalised. Sample sets sent to our Commissioned Agents. (CA)**
- Commissioned Agents take these sample sets to various cities for display and invite the dealers and distributors
- Company Organizes fashion shows to showcase proposed products to the MBOs.
- **CA procure orders from the MBOs and act as an interface between us and the MBOs. These CA are Exclusive to the Company.**
- The dealers and distributors of the MBOs place orders for our products with the CA
- **Pre Booking of Orders from MBOs and Franchise EBOs**
- Production for these specific designs for which orders are placed, commences from the month of November.
- Start dispatching our non-winter wear products to the 'Monte Carlo Exclusive Brand Outlets' and MBOs from August onwards.

Designing is an ongoing process throughout the year for both cotton and woollen garments.  
Production of plain and basic designs continue through out the year for both Woollen and cotton segments

	Total Revenues (Rs. Mn)	% of Revenues in Third Quarter		Avg. Ticket price (Rs.)
FY 2012	3,722	53.6 %	Winter wear - Sweater, Jackets & Cardigans	~2000
FY 2013	4,044	59.9 %	Shirts	~1000
FY 2014	5,037	53.4 %	Denim	~900
			Trouser	~900
			T-shirt	~600

**Winter clothing usually comprises of high-ticket products, with approximately 4 months of winter revenues comparable to 8 months of summer business**

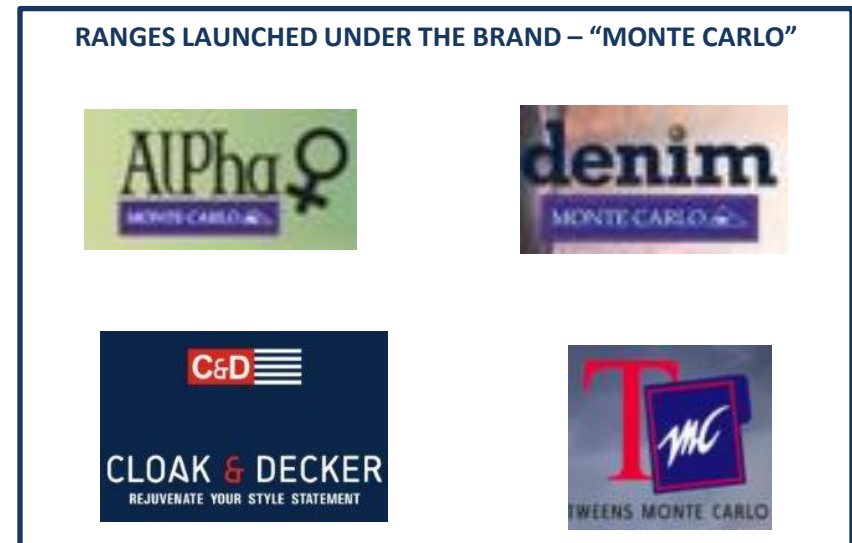
- Significant amount of revenue generated primarily during the third quarter of each fiscal year.
- The seasonality is primarily because the sales of our winter products which includes sweaters, jackets, cardigans and sale of certain cotton and cotton-blended products such as cotton jackets, suits, sweat shirts, full sleeve t-shirts and shirts in the winter mainly occurs between October and January.
- Winter products are typically higher in value in terms of production cost as well as sales revenue, and accordingly generate higher revenue, in comparison with the non-winter products.

# SUSTAINABLE COMPETITIVE ADVANTAGE

## STRONG BRAND & BRAND RECALL



- The strength of our brand 'MONTE CARLO' has significantly contributed to the success of our business.
- **The Ownership of the 'Monte Carlo' brand as well as all the sub-brand ranges are the registered trademarks and belong to the Company.**
- Monte Carlo enjoys significant premium and brand recall on a pan-India basis
- **Leading Indian Apparel brand by revenue** – as per Technopak report 2014
- As per the Technopak Report, 2014, we are the leading woollen knitted apparel brand in India in the premium and mid-premium segment.
- **In 2014, Monte Carlo was honored as one of ASIA'S BEST MARKETING BRANDS by World Consulting & Research Corporation (WCRC)**
- **MONTE CARLO' has been recognized as a 'Superbrand' for woollen hosiery garments since September 2004 by International Society for Superbrands.**
- Introduced successfully a number of ranges under the umbrella brand and seek to build its brand-equity based on new products
- **Showcases our ability to anticipate, identify and respond to changing fashion trends in a timely manner.**
- Scale of our business provides us the ability to increasingly focus on branding and promotion to further increase our visibility and market share across India



# SUSTAINABLE COMPETITIVE ADVANTAGE

## WELL DIVERSIFIED PRODUCT MIX



- Launched as an exclusive woollen brand, the Company now offers a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the 'Monte Carlo' brand.
- The woollen and woollen blended product category contribute 33 % of revenues in FY14.**
- Over last 3 years, New ranges have been successfully launched under the Umbrella Brand – "Monte Carlo":
  - An exclusive women's wear range 'Alpha'
  - Kids wear range 'Tweens' - for age group 7-13'
  - Premium men's range of woollen sweaters under 'Platine' and
  - Economy range for men under 'Cloak and Decker'
- Also Introduced its range of home furnishing products like mink blankets, quilts and sheets

Segment wise Revenues	9M FY15	FY14	FY13	FY12
<b>Total Revenues (Rs. Mn)</b>	<b>5156.2</b>	<b>5017.2</b>	<b>4013.2</b>	<b>3743.0</b>
<b>% Revenues - Woollen Segment</b>	<b>34.3%</b>	<b>33.1%</b>	<b>36.6%</b>	<b>38.3%</b>
<b>% Revenues - Cotton Segment</b>	<b>53.4%</b>	<b>56.2%</b>	<b>54.7%</b>	<b>61.7%</b>
<b>% Revenues – Home Furnishing Segment</b>	<b>8.3%</b>	<b>6.9%</b>	<b>6.0%</b>	<b>0.0%</b>
<b>% Revenues - Kids Segment</b>	<b>4.0%</b>	<b>3.9%</b>	<b>2.7%</b>	<b>0.0%</b>

### Range, positioning and products offered

Range	Woollens & Woollen-blended	Cottons & Cotton-blended	Home Furnishing	Kids
<b>Monte Carlo</b> - Premium and mid-premium segments for men	Sweaters, jackets, thermals, woollen accessories (caps, mufflers, Shawls, stoles)	Shirts, trousers, t-shirts, track-suits	Mink blankets, bed sheets and quilts	
<b>Platine</b> - Premium range for Men	Cashmere and cash-wool sweaters, blazers, coats	Cotton shirts, trousers and t-shirts		
<b>Denim</b> - mid-premium Range		Denim trousers (jeans) and shirts		
<b>Alpha</b> - Exclusive range for Women	Sweaters, cardigans	Shirts, t-shirts, tops and trousers		
<b>Tweens</b> - Exclusive Kids wear Collection				Sweaters, Cardigans, Shirts, t-shirts and Bottoms
<b>Cloak &amp; Decker</b> - Economy range for men		Cotton and cotton-blended t-shirts		

# SUSTAINABLE COMPETITIVE ADVANTAGE

## ROBUST DISTRIBUTION MODEL

	MBO	NCS	EBO-COCO	EBO –FOFO
Total Number of Outlets	1400+	89	20	194
% of Revenue Contribution – FY14	58.3 % (NCS Contribute less than 10%)		31.3 %	
Distribution Sale Model	Pre-Booking of Orders Outright Sale	SOR – Sale or Return / Outright Sale	Inventory owned by MCFL	Pre-Booking of Orders Outright sale
Inventory Risk	No	Yes	Yes	Minimal – 5-15 % of Products Return Allowed
Discount Sharing	No	No	Yes	Yes, Range from 5% to 17.5%
Payment Collection – Credit Risk	Exclusive Commission Agents are Liable to pay	Reputed Retail Chains	-	Bank Guarantee's and PDC taken from Franchise

**ROBUST DISTRIBUTION MODEL ASSURES MINIMAL INVENTORY RISK AND CREDIT RISK.**

**TILL DATE, THERE HAS BEEN NO BAD DEBTS OR RECEIVABLES WRITE OFF FOR THE COMPANY**

# FUTURE GROWTH STRATEGY

## FOCUS ON BRAND & PRODUCT PORTFOLIO EXPANSION

- Focus on branding and promotion to further increase our visibility and market share across India
- Focus on a comprehensive range of cotton and cotton-blended products which cater to all seasons in-order to expand our all-season product range and strengthen our pan-India operations.

## FOCUS ON RETAIL NETWORK EXPANSION

- Target to open 275 EBOs by the end of Financial Year 2016-17 mainly through the franchise route.
- Plan to diversify our pan-India presence by penetrating into the southern and western regions of India.
- Focus on Online sales through own portal as well as Tie-ups with e-commerce portals such as Flipkart, Jabong, Snapdeal and India Shopping.

## FOCUS ON RETURN RATIOS EXPANSION

- No major capex requirement for over next 2 years. Have already built the Manufacturing building facility, need to install additional machinery to expand production facility.
- Ability to sustain Robust growth for next 2-3 years without any major capex. Therefore Return ratios set to improve.

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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.*

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# THANK YOU



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# MONTE CARLO FASHIONS

## STORE IMAGES



# MONTE CARLO FASHIONS

## OUR CAMPAIGNS & COLLECTIONS

