PDS

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PDS Limited crosses US$1 billion in Topline

Reported Financial Results for Q4FY22 and FY22

Highlights for FY22 Consolidated Financials

- Topline topline of ₹8,828cr a growth of 42% YoY
- EBIT stood at ₹339cr, grew by 70%
- Profit After Tax grew by 97% to ₹293cr
- Basic EPS at ₹95.38 as compared to full-year FY21 EPS of ₹32.37
- Achieved working capital of -ve 3 days and ROCE of 38% with ROE of 31%
- Declared Dividend of ₹23.85 per share*
- Manufacturing Business Turnaround in Q4 FY22

PDS Limited (erstwhile PDS Multinational Fashions Limited), a leading global plug and play design-led platform offering product development, sourcing, virtual manufacturing & supply chain solutions catering to leading brands and retailers globally, has announced its financial results for the quarter and year ended March 31, 2022.

Key performance highlights (FY22 vs FY21) (Consolidated):

- Revenues from operations stood at ₹8,828cr as compared to ₹6,213cr in FY21; y-o-y growth of 42%
- EBIT of ₹339cr against ₹200cr in FY21 (growth of 70%)
- PAT stood at ₹293cr vs ₹148cr in FY21. The Company's PAT margin expanded to 3.3% vs 2.4% in FY21
- Basic EPS during FY22 stood at ₹95.38 vs FY21 EPS of ₹32.37, a growth of 195%
- Announced a Dividend of Basic ₹23.85 per share translating into a 25% payout based on EPS, subject to shareholder approval

Key performance highlights (Q4 FY22 vs Q4 FY21) (Consolidated):

- Revenues from operations stood at ₹2,775cr as compared to ₹1,765cr in Q4 FY21; y-o-y growth of 57%
- EBIT of ₹105cr against ₹87cr in Q4 FY21; growth of 21% y-o-y
- PAT stood at ₹86cr vs ₹69cr in Q4 FY21, a growth of 24% y-o-y

The sourcing segment clocked a topline of ₹8,507cr accounting for ~96% of the Company's topline with a growth of 40% compared to the previous year. This segment reported an EBIT of ₹311cr with a ROCE of 43%.

*Subject to the approval of shareholders

The manufacturing segment reported a growth of 92% with a topline to ₹547cr vs ₹285cr in the last financial year. The initiatives to fill capacities and drive efficiencies translated into losses after tax declining by 80% in the financial year. Further, in the fourth quarter ended 31st March 2022, this segment reported profit after tax margins of 2.7%. The continued focus on higher efficiencies and disciplined execution would result in full-year profitability achievement in FY2022-23.

Mr. Pallak Seth, Vice Chairman commented "We are pleased to announce that PDS has crossed the $1bn topline mark in the financial year 2022. This year we have witnessed long-term association with leading brands and retailers offering them "Sourcing as a Service" for exclusive territories including Hanes Brands in Bangladesh and S.Oliver in India. Further, we are also witnessing sourcing opportunities that are unfolding with retailers and brands increasingly seeking to partner with integrated supply chain players like PDS. Given these opportunities, we are actively exploring avenues for expanding and strengthening our footprint in key geographies like Egypt, Vietnam, Jordon, and India which benefit from nearshoring and China+1 opportunities respectively."

Commenting on the results, **Mr. Sanjay Jain, Group CEO** added, "This financial year has been an exciting year for us. Despite the disruptions that have impacted the industry and value chain, we achieved high growth of 42% compared to last year and reported a 38% return on capital employed. In Q4 FY22, our manufacturing operations turned around and going forward this segment is expected to contribute to the bottom line. Our stringent review and control mechanisms have enabled us to operate with negative working capital days while also achieving negative net debt. However, there are macro and geopolitical events that have a bearing on our operations, and we as an organization are focused on treading the journey cautiously with our eye on sustaining our growth and profitability momentum."

The operating performance further translated into the Company achieving negative working capital of -ve 3 days vs +5 days in the last year. This additionally translated into a net debt reduction from ₹59cr last year to net cash of ₹41cr this year. This combination of operational efficiencies and financial prudence has resulted in the Company achieving strong leverage ratios and robust return ratios with a ROCE of 38% and ROE of 31%.

In line with the dividend distribution policy adopted last year, the Company declared* a 238% dividend of ₹23.85 per share, translating into a 25% EPS payout.

*Subject to the approval of shareholders