

# Financial Performance of PDS Limited

## PDS Limited Reported 9M FY 2022-23 with Revenue of ₹7,835cr (growth of 29% YoY)

### Highlights for 9M FY23 Consolidated Financials

- Topline of ₹7,835cr with a growth of 29% YoY
- EBITDA grew by 46% YoY to ₹327cr
- PBT stood at ₹271cr, a growth of 25%
- PAT stood at ₹250cr, a growth of 21%
- Reported ROCE 38% and ROE 31%
- Basic EPS stood at ₹15.97, growth of ₹21%

PDS Limited, the global fashion infrastructure company offering product development, sourcing, manufacturing, and supply chain management catering to leading global brands and retailers, has announced its financial results for Q3 and 9M FY23.

#### Key performance highlights (Q3 2023 vs Q3 2022) (Consolidated):

- Revenue from Operations increased by 15% to ₹2,574cr from ₹2,232cr in Q3 FY22
- Gross Profit ₹450cr compared to ₹371cr, increased by 21%, with margin expansion of 86bps
- EBITDA increased by 27% to ₹132cr from ₹104cr in Q3 FY22
- PBT was ₹99cr, a growth of 17%
- PAT increased to ₹93cr compared to ₹81cr in Q3 FY22
- Basic EPS stood at ₹5.94, a growth of 18%

#### Key performance highlights (9M 2023 vs 9M 2022) (Consolidated):

- Revenue from Operations increased by 29% to ₹7,835cr from ₹6,053cr in 9M FY22
- Gross Profit ₹1,317cr compared to ₹1,013cr in 9M FY22, increased by 30%
- EBITDA increased by 46% to ₹327cr from ₹223cr in 9M FY22
- PBT stood at ₹271cr, a growth of 25%
- PAT stood at ₹250cr vs ₹207cr in 9M FY22, growth of 21%
- Basic EPS stood at ₹15.97, growth of ₹21%

With a reported topline of ₹10,611cr<sup>1</sup>, PDS has established itself as India's largest multinational B2B apparel company in terms of size of business<sup>2</sup> with a unique global platform built to achieve growth & scalability. The initiatives rolled out by Indian Government are focused to make India the leading player in the textile and apparel industry. The Company has already garnered exclusive sourcing agreements from leading brands for India and is focused on further fortifying its footprint in the country. The Company is pursuing strategic opportunities to expand its manufacturing footprint for further strengthening its capabilities in the region. Through these initiatives, the Company aims to contribute to the growing exports of India and the "Make in India" drive.

The sourcing segment clocked a topline of ₹7,497cr in 9M FY23, accounting for 96% of the Company's topline with a growth of 29% compared to the previous year. The segment reported an EBIT of 4% with a ROCE of 47%. The manufacturing segment recorded growth of 32% with a topline of ₹502cr vs ₹382cr in 9M FY22. The segment

<sup>1</sup> Based on LTM sales

<sup>2</sup> Based on the reported topline of listed companies in India in the apparel space

reported an EBIT of 4.2% in 9M FY23 vs a loss of 5.6% in the previous year. Further, this segment delivered 3% PAT margin in 9M FY23 vs a loss of 6.3% last year.

With the installation of a washing plant in Bangladesh and a centralized cutting plant in Sri Lanka, the Company is augmenting its manufacturing capabilities which are expected to translate into margin accretion. The Bangladesh washing plant is funded by Netherlands based Good Fashion Fund. The manufacturing facility will also benefit from Good Fashion Fund's expertise in technical, environmental, and social matters for sustainable production. Further, the Centralised Cutting Plant in Sri Lanka will not only make the operations more streamlined and efficient, but the vacant space created will be used for setting up additional machines further increasing production capabilities. In line with its long term strategy, the Company is also evaluating manufacturing partnerships in Egypt (other than India which is expected to further build PDS's near shoring capabilities).

Speaking on the results, **Pallak Seth, Vice-Chairman**, said, *"As the globe is contending with demand pressures in the near term, we are capitalizing on opportunities within our supply chain to maximize our revenues and margins. With several strategic opportunities under our bespoke sourcing as a service model and expansion in manufacturing capabilities, we at PDS are looking towards stronger and sustainable long-term growth across the platform."*

Further added **Sanjay Jain, Group Chief Executive Officer**, *"At PDS we have built a strong sourcing and manufacturing platform focused on delivering great quality with operational excellence. Over the last few quarters, we have made strategic investments across our value chain, expanding capabilities and new business verticals, that are expected to enhance our expertise as a design to delivery platform."*

Lastly, the Company has become a signatory to the United Nations Global Compact and will support the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption. The Company continues on its journey and commitment to being a leading player in the fashion space offering sustainable solutions.