

## MONTE CARLO FASHIONS LIMITED

Regd. Office : B-XXIX-106, G.T. Road, Sherpur, Ludhiana - 141003 (Pb.) India.

Tel.: 91-161-5048610, 5048620, 5048630, 5048640 Fax : 91-161-5048650

February 8, 2021

National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.	BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
Symbol: MONTECARLO	Scrip Code: 538836

SUB: Q3FY21 INVESTOR PRESENTATION

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation for the Quarter and Nine Months ended December 31, 2020.

You are requested to take the same on record and acknowledge the receipt.

Thanking You,

FOR MONTE CARLO FASHIONS LIMITED

  
ANKUR GAUBA  
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl. As Above

**MONTE CARLO**   
It's the way you make me feel



**MONTE CARLO FASHIONS LIMITED**  
Q3 & 9M FY21 INVESTOR PRESENTATION



It's the way  
you make me feel



## DISCUSSION SUMMARY

#		Page No
01	Company Overview	03
02	Q3 & 9MFY21 Highlights	08
03	Monte Carlo Advantage	14
04	Annexure	24

# 01

## COMPANY OVERVIEW



# MONTE CARLO: INDIA'S FIRST ORGANISED LIFESTYLE APPAREL BRAND

## STRONG PEDIGREE

- Leading Winter wear Brand, launched in 1984 and part of Oswal Woollen Mills Ltd
- Recognised as **“Superbrand”** for woollen knitted apparel in each edition of Consumer Superbrands India

## WIDE REACH

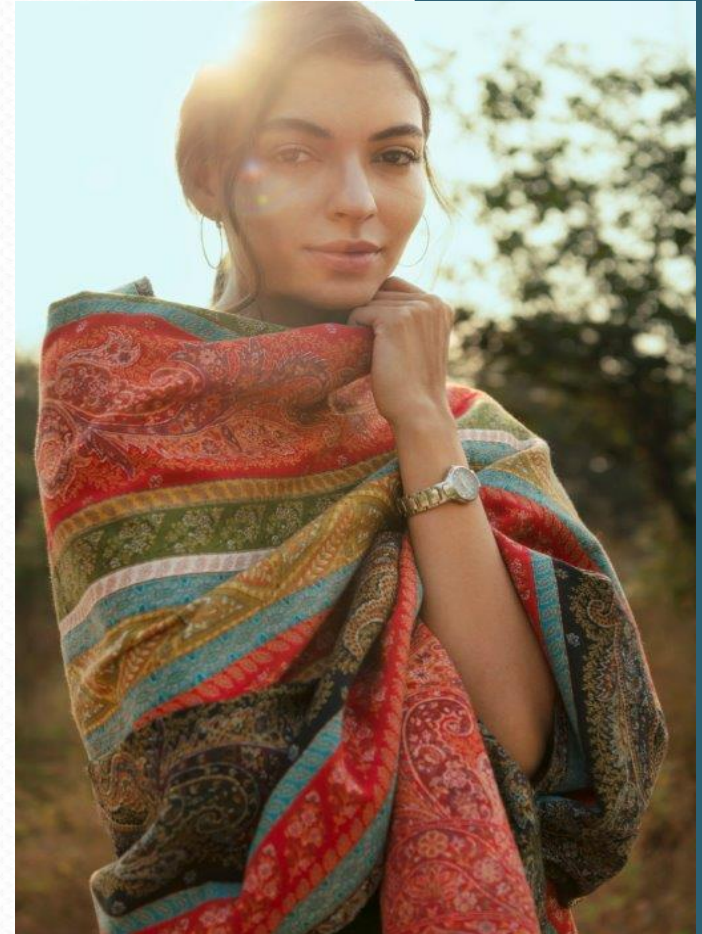
- Presence across India through a judicious mix of EBOs, MBOs and Shop in shop ,distributors and national chain stores and online
- Located in 20 states & 3 union territory

## IN HOUSE DESIGNING TEAM

- Strong design team of over 30 professionals closely tracking the trending global fashion

## DIVERSIFIED PRODUCT PORTFOLIO

- Successfully diversified brand across segments like Woollen , Cotton, Kids & Home Furnishing



# DIVERSIFIED PRODUCT PORTFOLIO

Range	Woollen	Cotton	Home Furnishing	Kids	Healthcare
<b>Monte Carlo</b> Mid Premium / Premium	Sweaters, Pullovers thermals, woollen accessories (caps, mufflers, shawls, stoles)	Shirts, trousers, t-shirts, track-suits and jackets	Mink blankets, bed sheets and quilts	-	-
<b>Luxuria -</b> Mid Premium / Premium	Cash wool sweaters , blazers ,coats	Cotton Shirts, trousers and t-shirts	-	-	-
<b>Denim-</b> Mid Premium / Premium	-	Denim Trouser (jeans) and Shirts	-	-	-
<b>Alpha –</b> Women wear	Sweaters , cardigans	Shirts, Tshirts, Trousers , jackets and sweat-shirts	-	Sweat Shirts	-
<b>Tweens –</b> Kids wear (7-13 years)	-	-	-	Sweaters, Cardigans, Shirt , T-Shirts and Bottoms	-
<b>Cloak &amp; Decker–</b> Men's wear	Sweaters , cardigans	Cotton and cotton blended Tshirts	-	-	-
<b>Rock It –</b> Sports wear	-	Tank , Polo T-Shirt, Shorts, Track Pants	-	-	-



TRENDY AND PREMIUM QUALITY APPROACH TO CLOTHING

# WHAT IS OUR BUSINESS MODEL



**BUSINESS CYCLE FOR WINTER SEASON SALES**

- January**
  - Product development & Sampling process
  - Design process is finalised
  - Sample sets sent to our commissioned agents (CA)
- Feb -March**
  - Commissioned agents display the samples to dealers and distributors
  - Company organizes fashion shows to showcase proposed products to the MBOs and EBOs
  - CAs procure orders from MBOs and act as an interface between the Company and MBOs
- April**
  - The dealers and distributors of the MBOs place orders with the CAs
  - Pre-booking of orders from MBOs and franchise EBOs
- May Till July**
  - Production of pre-ordered designs commences
- Aug Onwards**
  - Dispatching of winter wear products to EBOs and MBOs
  - Peak Inventory in September, at the beginning of the winter season

**BUSINESS CYCLE FOR SUMMER SALES**



DESIGNING IS AN ONGOING PROCESS THROUGHOUT THE YEAR FOR BOTH COTTON AND WOOLLEN GARMENTS / PRODUCTION OF PLAIN AND BASIC DESIGNS CONTINUE THROUGHOUT THE YEAR FOR BOTH WOOLLEN AND COTTON GARMENTS

# DISTRIBUTION MODEL

  
**MINIMUM GOODS RETURNED**

  
**LOW CREDIT RISK**

  
**COMMANDS PRICING POWER**

  
**ORDER TO PRODUCE MODEL**

	MBO and Distributors	NCS	Shop In Shop	EBO-COCO	EBO –FOFO
<b>Distribution Sale Model</b>	Pre-Booking of orders Outright Sales	SOR – Sale or Return / Outright Sales	Pre-Booking of orders Outright Sales	Inventory owned by Company	Pre-Booking of orders Outright sale
<b>Goods Return Risk</b>	No	Yes	No	N.A	Minimal 5% - 10 % of Products Return Allowed
<b>Discount Sharing</b>	No	Yes	Yes	Yes	Yes Range of 5% - 17.5%
<b>Payment Collection Credit Risk</b>	Exclusive commissioned agents are liable to pay	Reputed retail chains	Exclusive commissioned agents are liable to pay	-	Bank guarantee's and PDC taken from franchise





# 02

## Q3 & 9M FY21 HIGHLIGHTS



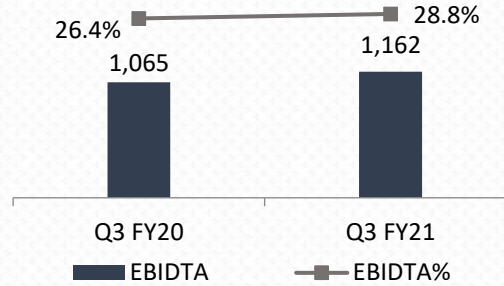
In Rs Mn

**REVENUES**

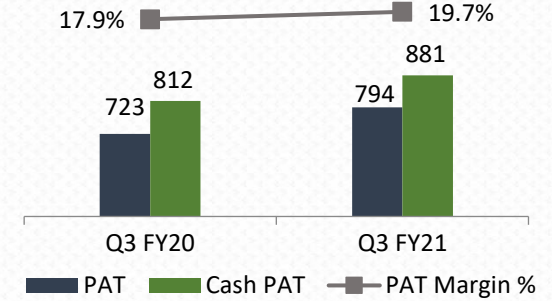


**Q3 FY21**

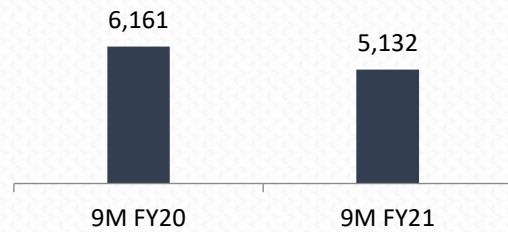
**EBIDTA & EBIDTA MARGIN %**



**PAT, CASH PAT & PAT MARGIN %**

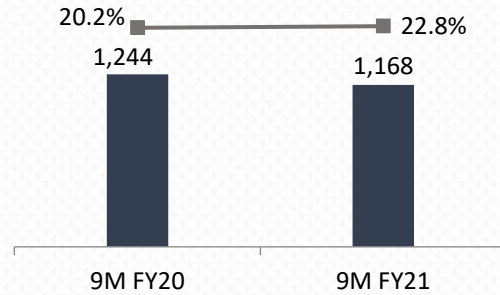


**REVENUES**

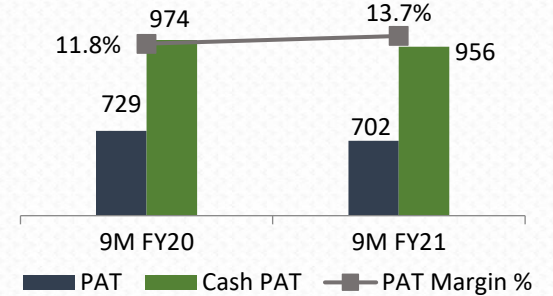


**9M FY21**

**EBIDTA & EBIDTA MARGIN%**



**PAT, CASH PAT & PAT MARGIN %**



# Q3 FY21: REVENUE DETAILS

## REVENUE BREAKUP- REGION WISE (Including Online Sales)

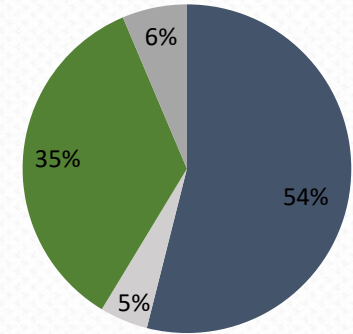
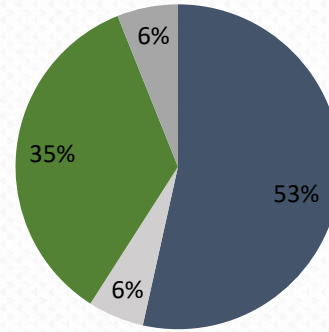
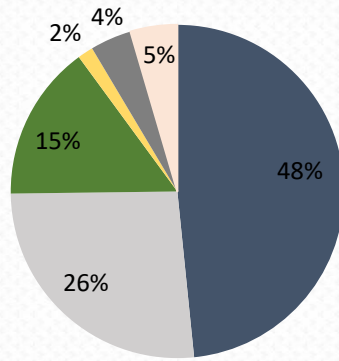
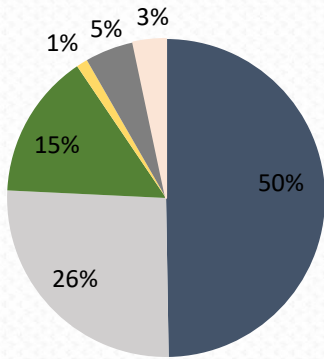
## REVENUE BREAKUP - CHANNEL WISE

Q3 FY20: Rs 4,046 Mn

Q3 FY21: Rs 3,997 Mn

Q3 FY20: Rs 4,046 Mn

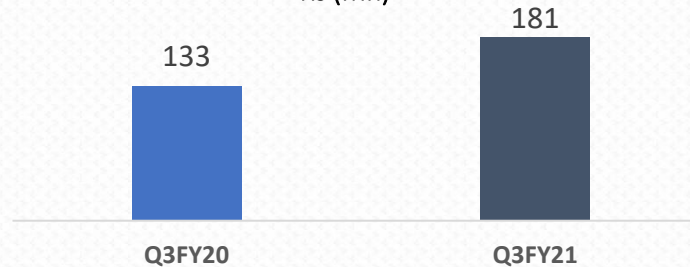
Q3 FY21: Rs 3,997 Mn



■ North ■ East ■ Central ■ South ■ West ■ Others Including Online

■ MBO+NCS ■ EBO-COCO ■ EBO-FOFO ■ Others including online

Online Sales  
Rs (Mn)



# 9M FY21: REVENUE DETAILS

## REVENUE BREAKUP- REGION WISE (Including Online Sales)

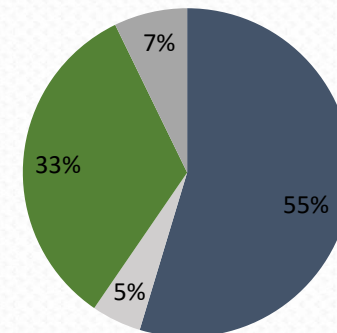
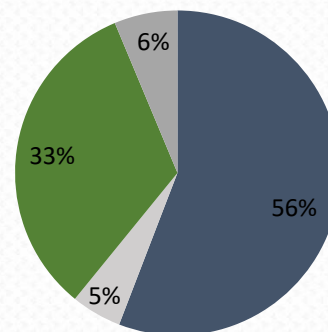
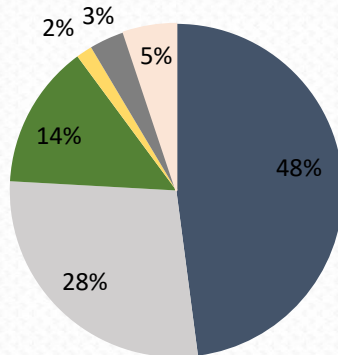
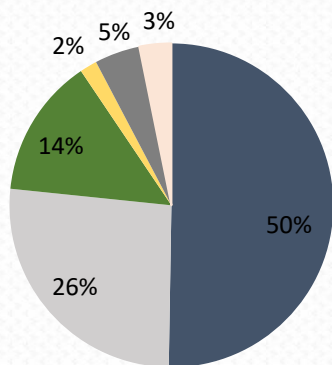
## REVENUE BREAKUP - CHANNEL WISE

9M FY20: Rs 6,126 Mn

9M FY21: Rs 5,054 Mn

9M FY20: Rs 6,126 Mn

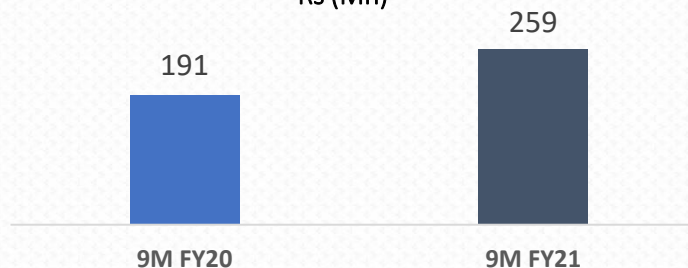
9M FY21: Rs 5,054 Mn



■ North ■ East ■ Central ■ South ■ West ■ Others Including Online

■ MBO+NCS ■ EBO-COCO ■ EBO-FOFO ■ Others including online

Online Sales  
Rs (Mn)



# Q3 & 9M FY21: REVENUE ANALYSIS

## REVENUE BREAKUP - SEGMENT WISE

In Rs Mn	Q3 FY20	Q3 FY21	9M FY20	9M FY21
<b>Total Revenues*</b>	<b>Rs. 4,046</b>	<b>Rs. 3,997</b>	<b>Rs. 6,126</b>	<b>Rs. 5,054</b>
Woollen Segment	29.8%	35.3%	24.0%	30.4%
Cotton Segment	53.1%	46.2%	56.3%	46.5%
Home Textiles	8.8%	10.6%	12.6%	16.0%
Kids	8.3%	7.9%	7.1%	7.1%

• Revenue from core products (Excluding Yarn, Fabrics & Miscellaneous sales)

\* Q3 FY20 Sales of scrap and accessories was Rs.18.23 Mn, Other Operating revenue was Rs.5.47Mn & INDAS adj. was Rs.-35.34 Mn

\* Q3 FY21 Sales of scrap and accessories was Rs.6.34Mn, Other Operating revenue was Rs.4.45 Mn & INDAS adj. was Rs.30.5Mn

\* 9M FY21 Sales of scrap and accessories was Rs.14.37Mn, Other Operating revenue was Rs.6.37Mn & INDAS adj. was Rs.58.01 Mn

\* 9M FY20 Sales of scrap and accessories was Rs.61.91Mn , Other Operating revenue was Rs.9.67Mn & INDAS adj. was Rs.-35.99Mn

# Q3 & 9M FY21: PROFIT AND LOSS STATEMENT

Particulars (In Rs Mn)	Q3 FY21	Q3 FY20	9M FY21	9M FY20	FY20
<b>Revenue From Operations</b>	<b>4,038</b>	<b>4,034</b>	<b>5,132</b>	<b>6,161</b>	<b>7,256</b>
Material Cost	2,349	2,326	2,745	3,240	3,832
<b>Gross Margin</b>	<b>1,689</b>	<b>1,708</b>	<b>2,387</b>	<b>2,921</b>	<b>3,424</b>
<b>Gross Margin %</b>	<b>41.8%</b>	<b>42.3%</b>	<b>46.5%</b>	<b>47.4%</b>	<b>47.2%</b>
Personnel Expenses	169	188	404	510	696
Advertisement Expenses	29	86	46	224	301
Other Expenses	312	354	752	928	1,167
CSR Expenses	17	15	17	15	16
<b>Operating EBITDA</b>	<b>1,162</b>	<b>1,065</b>	<b>1,168</b>	<b>1,244</b>	<b>1,244</b>
<b>EBITDA Margin %</b>	<b>28.8%</b>	<b>26.4%</b>	<b>22.8%</b>	<b>20.2%</b>	<b>17.1%</b>
Other Income	39	34	140	105	115
Depreciation	87	89	253	245	334
Finance cost	35	55	101	137	170
<b>PBT</b>	<b>1,079</b>	<b>955</b>	<b>954</b>	<b>967</b>	<b>855</b>
Tax Expense	285	232	252	238	228
<b>PAT</b>	<b>794</b>	<b>723</b>	<b>702</b>	<b>729</b>	<b>627</b>
<b>PAT Margin %</b>	<b>19.7%</b>	<b>17.9%</b>	<b>13.7%</b>	<b>11.8%</b>	<b>8.6%</b>
EPS (Rs.)	38	35	34	35	30

# 03

## MONTE CARLO ADVANTAGE



# STRONG BRAND EQUITY ...

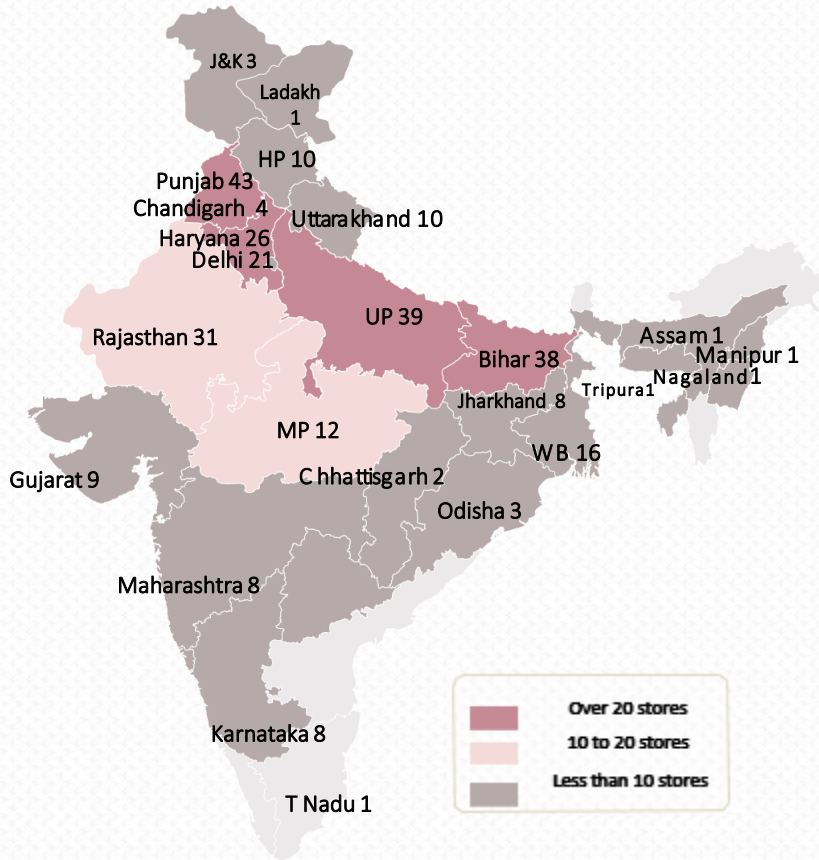
- ❖ “Monte Carlo”, has Strong Brand Equity
- ❖ Being a Premium Brand, Monte Carlo enjoys Pricing Power & Customer Loyalty
- ❖ Regular Investment in Brand Building & Marketing Initiatives



ASPIRE TO SERVICE END TO END WARDROBE REQUIREMENTS OF INDIAN CONSUMERS BY FURTHER INTRODUCING EXCITING RANGE OF NEW PRODUCTS



# ... HAVING PAN INDIA PRESENCE ...



## DISTRIBUTION NETWORK

STORE NETWORK			
Type of Store	FY19	FY20	9M FY21
EBO – COCO	27	37	42
EBO – FOFO	229	241	255
MBO and Distributors	2500+	2500+	1572*
NCS	306	566	622
SIS	85	126	162*
E-Commerce	Amazon, Flipkart, Myntra, Jabong and Kapsons		

\* MBO, SIS & Distributors count have been taken on the basis of Primary billing done during the period.

EBO – NET ADDITIONS			
	FY19	FY20	9M FY21
Existing	235	256	278
New Opened	27	31	24
Closed	6	9	5
<b>Total EBOs</b>	<b>256</b>	<b>278</b>	<b>297</b>

### NEW STORE LAUNCHES

**FOFO: CENTRAL (7) NORTH (7) WEST (2) EAST(3)**

**COCO: NORTH(3) EAST(2)**

# ... & REGULAR TECHNOLOGY UPGRADATION

## Whole Garment Machine



3D KNIT

FASHION  
ORIENTED



## Cotton

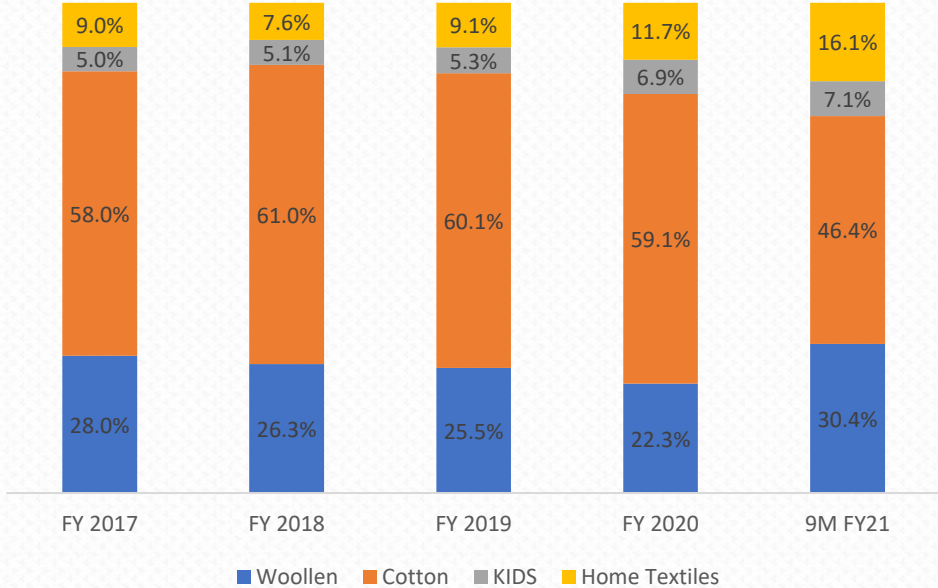


## Woollen

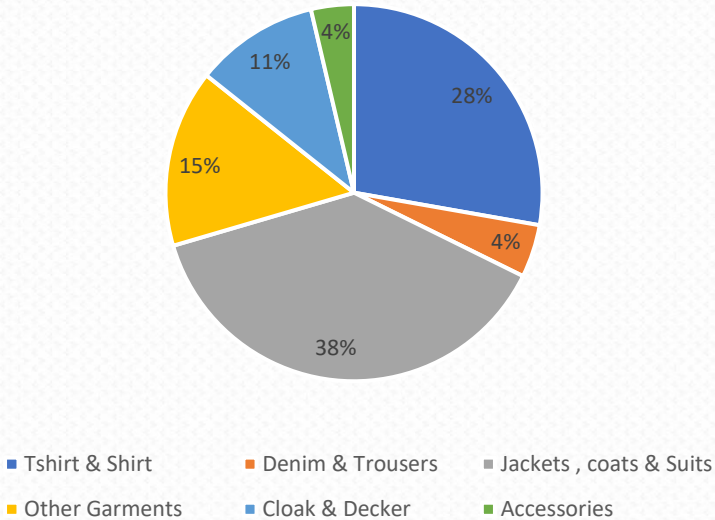


- 30 professionals closely tracking the trending global fashion
- To meet the standards of technology upgradation and modernisation, Company has installed the automatic whole-garment state-of-art manufacturing facility, at the existing Ludhiana's unit.
- This technology, in knit is one entire piece which provides a seam-free fit and comfort, unmatched by any other knitwear. This helps in elimination of multiple manufacturing processes, thereby, reducing the wastage and increasing the efficiency.

## SEGMENT COMPOSITION



## COTTON SEGMENT BIFURCATION- 9M FY21



• The company is focusing on the diversification strategy, emphasising more on cotton segment

## Sh. Jawaharlal Oswal (Chairman & MD)

- Sh. Jawahar Lal has More than 50 years of experience in the textile and woollen industry
- Awarded the 'Udyog Ratna Award' by the PHD Chamber of Commerce and Industry, the 'LMA-Sat Paul Mittal Life Time Achievement Award' by the Ludhiana Management Association and the 'Achievers of the North' by the Economic Times

## Sh. Sandeep Jain (Executive Director)

- Sh. Sandeep Jain is has more than 21 years of experience in the field of administration
- He is Bachelor's degree in Pharmacy, Diploma in Export Management
- Prior to joining Monte Carlo in 2008, he has worked with Oswal Woollen Mills Limited

## Sh. Rishabh Oswal (Executive Director)

- Rishabh Oswal is part of third generation of Oswal family
- Rishabh Oswal completed his BA Hons in Management Studies from University of Nottingham, UK in 2013 and then went on to pursue an Executive MBA from the prestigious Indian School of Business, Hyderabad

## Sh. Dinesh Gogna (Director)

- Sh. Dinesh Gogna has more than 35 years of experience in the field of Corporate Finance and Taxation
- He has Bachelor's Degree in Law, completed the United States Money and Capital Market Seminar conducted by New York Institute of Finance

# ... RESULTING IN STRONG FINANCIALS

## HEALTHY RETURN RATIOS

- ❖ Ability to sustain Robust growth without any major capex; Return Ratios set to improve

## STABLE WORKING CAPITAL CYCLE

- ❖ Stable core working capital whilst achieving 11% growth in revenues for FY20

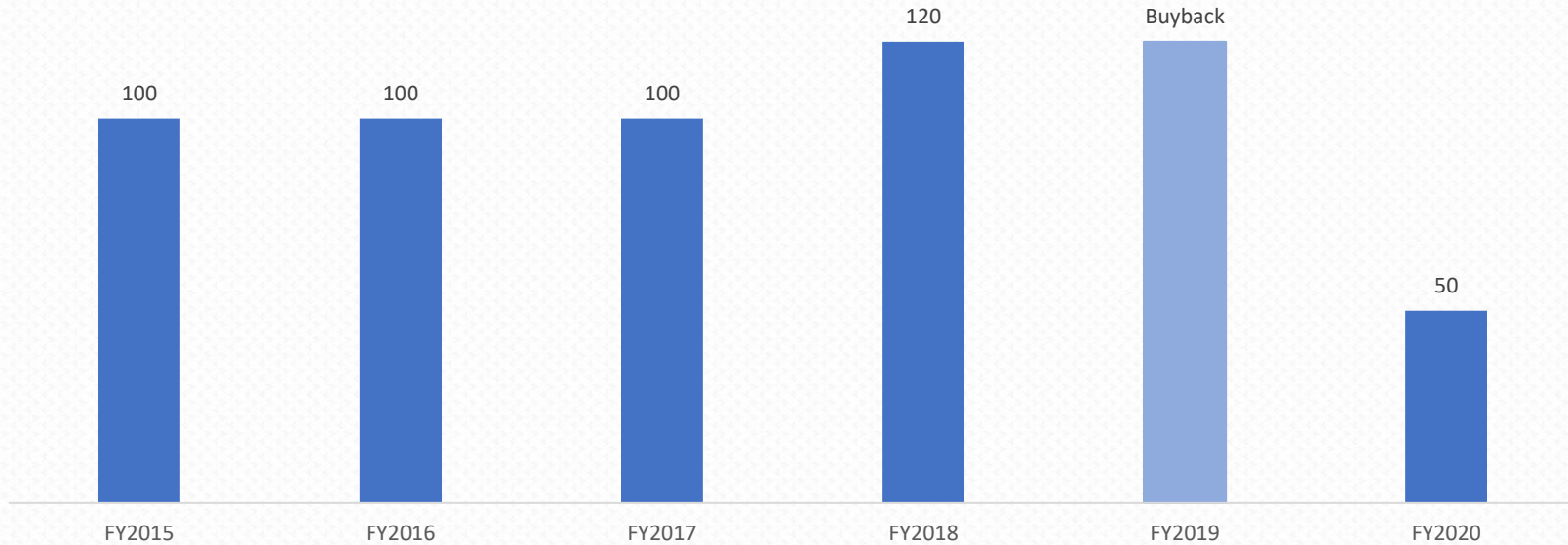
## STRONG BALANCE SHEET POSITION

- ❖ Cash balance of Rs 1,472 Mn (includes cash and bank balance along with current and non-current investments) as of Dec 2020

## LOWER DEBT

- ❖ Low overall debt; Long term borrowing at Rs128.7 Mn as of Dec 2020

# CONSISTENT REWARD TO SHAREHOLDERS

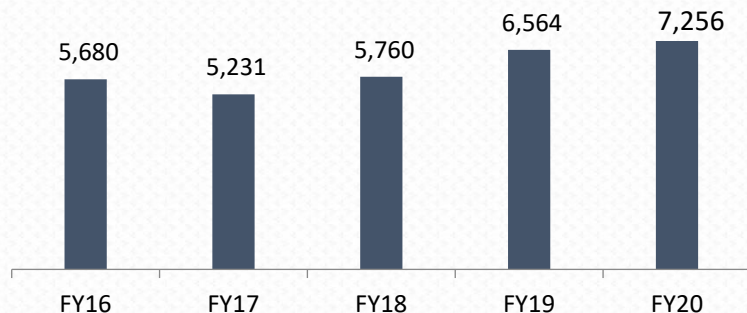


*Company has done buy back of Rs. 550 Mn in FY19 to reward shareholders. Promoters have not participated in the buy back*

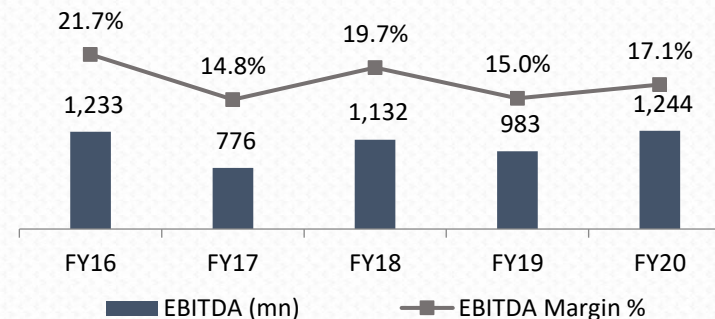
**Strong Track Record and Proven Expertise to Generate Healthy, Predictable and Sustainable Returns**

# FINANCIAL PERFORMANCE

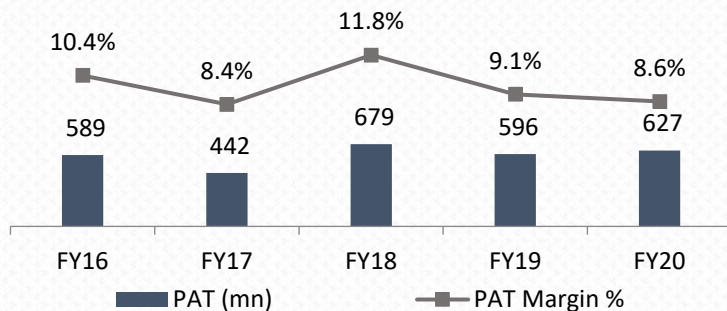
## CONSISTENT REVENUES



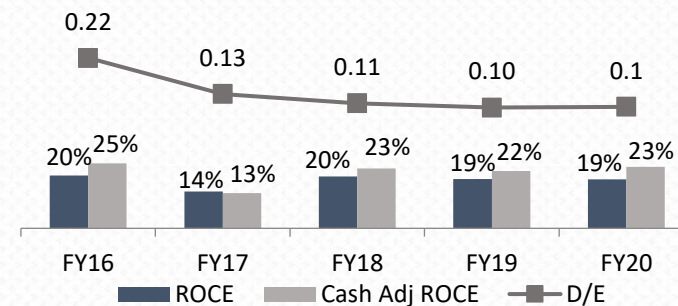
## EBITDA & EBITDA MARGIN



## PAT & PAT MARGIN



## LEVERAGE & RETURN RATIOS



Note – Previous year figures have been recast as per Ind AS to make them comparable with current year figures

EBITDA does not include other income

Revenues exclude Raw Material Sales (Yarns, Fabrics & Trims)

Inventory Data related to FY18 onwards is according to the cost method of valuation and the data related prior to FY18 is according to retail method of valuation

**PRODUCT  
MIX  
MOVING  
TOWARD  
COTTON**

- Cotton share maintained over 59.11% of total FY20 revenue reflecting shift towards Cotton from Woollen segment
- Textile and Kids segment delivered robust growth, contributing higher revenue to the overall business

**FOCUS ON  
RETAIL  
NETWORK  
EXPANSION**

- Sales through SIS Model
- Focus on Online Sales through own portal
- Own Portal sales in 9M FY21 was Rs 39.92 Mn from Rs 28.01 Mn in 9M FY20

**FOCUS ON  
RETURN  
RATIOS  
EXPANSION**

- Capex of Rs ~Rs100-150mn for FY20-21 majorly for de-bottlenecking and modernization of existing facilities
- Ability to sustain Robust growth without any major capex; Return Ratios set to improve



04

ANNEXURE



# BRANDING INITIATIVES

## Proven track record in building brands in India

Clothing partner for the blockbuster Bollywood films **Saaho**, **Barfi**, **Mary Kom**, **Bhaag Milkha Bhaag**, and **Student of the Year**



## Clothing Partner for reality Shows like Big boss, Khatron ke Khiladi



## TIE-UPS WITH ONLINE PLATFORMS



## STRATEGIC TIE-UPS

### Airline Tie-ups

- Air Asia - Overhead Bins
- Go Air - Overhead Bins
- Air India - Seat Back Devices + Inflight Magazine
- Vistara - Inflight Magazine
- Indigo - Inflight Magazine

### Theatres

- PVR
- Cinepolis
- Inox
- Carnival
- SRS
- 800 + screens across India



## WE BELIEVE IN “FULFILLING ASPIRATIONS AND TRANSFORMING LIVES “

### Education



The organization has worked towards the betterment of various schools & institution at Dhandari Kalan Government Primary school , Govt School (Magra Lulu), Brailee Bhawan Ludhiana by providing them operational & Financial support

### Environment



Oswal Foundation renovated fountain chowk in Ludhiana also planted numerous trees to promote greenery and to enhance the flora and fauna

### Sports



Contributed in this field by organizing on open women Taekwood Championship at LETC, Katani Kalan, Ludhiana

### Health



In this sector Oswal Foundation has done its bit by organizing eye camp & by providing medical support to those in need ,through various means

# THANK YOU



**MONTE CARLO**   
It's the way you make me feel

**Mr. Dinesh Gogna**  
Director  
**Mr. Sandeep Jain**  
Executive Director

**Email:** [investor@montecarlocorporate.com](mailto:investor@montecarlocorporate.com)

**DICKENSON**

**Ms. Manasi Bodas**  
Consultant

**Mr. Vikash Verma**  
Director

**Email:** [monte.carlo@dickensonworld.com](mailto:monte.carlo@dickensonworld.com)

## Disclaimer:

*This presentation and the following discussion may contain "forward looking statements" by Monte Carlo Fashions Ltd ("MCFL" or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of MCFL about the business, industry and markets in which MCFL operates.*

*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.*

*In particular, such statements should not be regarded as a projection of future performance of MCFL. It should be noted that the actual performance or achievements of MCFL may vary significantly from such statements.*