

PDS/SE/2025-26/56

July 31, 2025

Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Scrip Symbol: PDSL	Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 538730
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Re: ISIN - INE111Q01021

Sub: Investors Presentation for the announcement of the Financial Results for the quarter ended June 30, 2025, i.e., Q1 – FY2025-26 - Earnings Release

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investors' Presentation of PDS Limited for the announcement of the Financial Results for the quarter ended on June 30, 2025, i.e., Q1 – FY2025-26- Earnings Release.

We request you to kindly take the above information on record for the purpose of dissemination to the shareholders.

Thanking you,

Yours faithfully,
for **PDS Limited**

Abhishekh Kanoi
Head of Legal & Group Company Secretary
ICSI Membership No.: F-9530

Encl.: As above

PDS Limited



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INVESTOR PRESENTATION

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J U L Y 2 0 2 5



Safe Harbour

The Presentation is to provide the general background information about the Company's activities as at the date of the Presentation. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares. The Company makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information contained herein. This presentation may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others, general economic and business conditions in India and abroad, ability to successfully implement our strategy, our research & development efforts, our growth & expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its Directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein. No part of this presentation may be reproduced, quoted or circulated without prior written approval from PDS Ltd.

Figures have been rounded off to the nearest Cr/Mn except otherwise stated

Previous period figures have been re-grouped/ reclassified wherever necessary, to confirm to current period's classification and the impact of the same is not considered to be material.



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01

Key Highlights



01/ KEY HIGHLIGHTS & FINANCIAL SNAPSHOT



02/ MEASURES UNDERWAY FOR PROFITABILITY AND
CASH FLOW AUGMENTATION



Key Highlights:

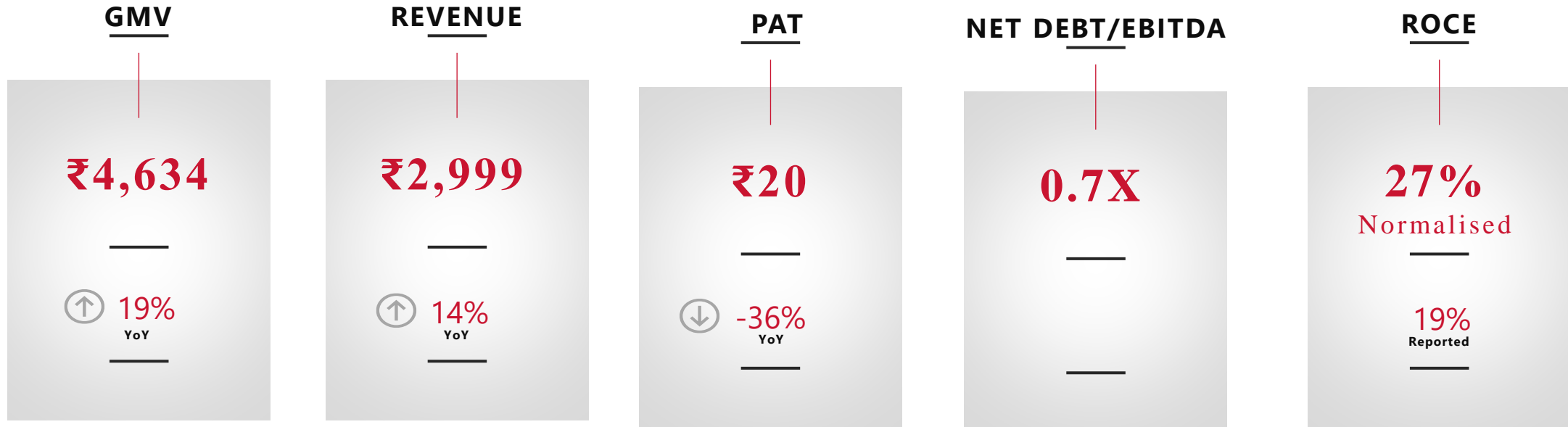
Sustaining the Growth Momentum and Measures Underway to Augment Profitability

1. GMV Growth : Recorded a 19% Y-o-Y increase in GMV, driven by sustained customer engagement and strong execution across key markets
2. Revenue Performance : Delivered topline revenue of ₹2,999crs, reflecting a 14% Y-o-Y growth, supported by healthy volumes and repeat business momentum
3. Gross Margins : Declined by 139bps from 20.8% in Q1 FY25 to 19.4% in Q1FY26; Impact of market disruptions & implications thereof on customers
4. In spite of retailers going under administration/facing operating challenges our credit recovery is robust
5. Order Book Momentum : Confirmed order book stood at ₹5,200 cr growth of 8% compared to same period last year
6. Operating Cash flow at ₹256crs in Q1 FY26 vs –ve ₹37crs in FY2025
7. Macroeconomy & Trade Dynamics : Global economic uncertainty continues to pose challenges. US tariff and UK FTA are impacting trade flows, customers getting severely impacted. Taking time to close orders
 - i. Actively leveraging global sourcing network to mitigate risks and capitalize on regional cost advantages - Knit Gallery acquisition shall be a catalyst
 - ii. Ecosystem offers opportunities to engage deeply with the customers and increase our market share
8. Cost Optimization Underway : Cost transformation program being driven in collaboration with BCG, alongside internal initiatives, aimed at margin enhancement, cost rationalization, and building long-term structural efficiency across operations
9. Efforts underway to deliver full year performance inline with outlook



Financial Snapshot (Q1 FY26)

₹ IN CR UNLESS MENTIONED OTHERWISE



Note: Growth, margins, ROCE and ROE are based on ₹ values | ROCE is based on Net Capital Employed

Measures Underway for Profitability Augmentation

Sr No	Measures/Initiatives	Progress Thus Far	Outlook
1	Investment Through P&L related primarily to New Verticals	1. Down 13% Q1 FY26 vs Q4 FY25	1. ~₹40cr reduction (25-30%) during the entire year vs ₹162crs LY 2. Thereby enable 5% improvement in share of PAT attributable to equity shareholders
2	BCG Cost Optimization i. Cost Reduction at Corporate ii. Cost Reduction at Business Verticals	1. Actions already taken in curbing <ul style="list-style-type: none"> i. Manpower costs ii. Board sitting fees iii. Travel & other nonessential spends 2. Identification of areas cost for fabric, trims, cut-make can be reduced 3. Recalibration of existing processes & institutionalization thereof	1. ₹25cr benefit to accrue across Q3 & Q4 this year 2. ₹30cr savings potential in FY26 & ₹60cr thereafter in FY27
3	New Lobster Turnaround	1. On the path of recovery post agency revenue loss 2. Restructuring efforts underway 3. Strong order pipeline of customers	1. Business should be PBT positive in FY26 against loss of ₹18cr in FY 2025

Measures Underway for Profitability Augmentation

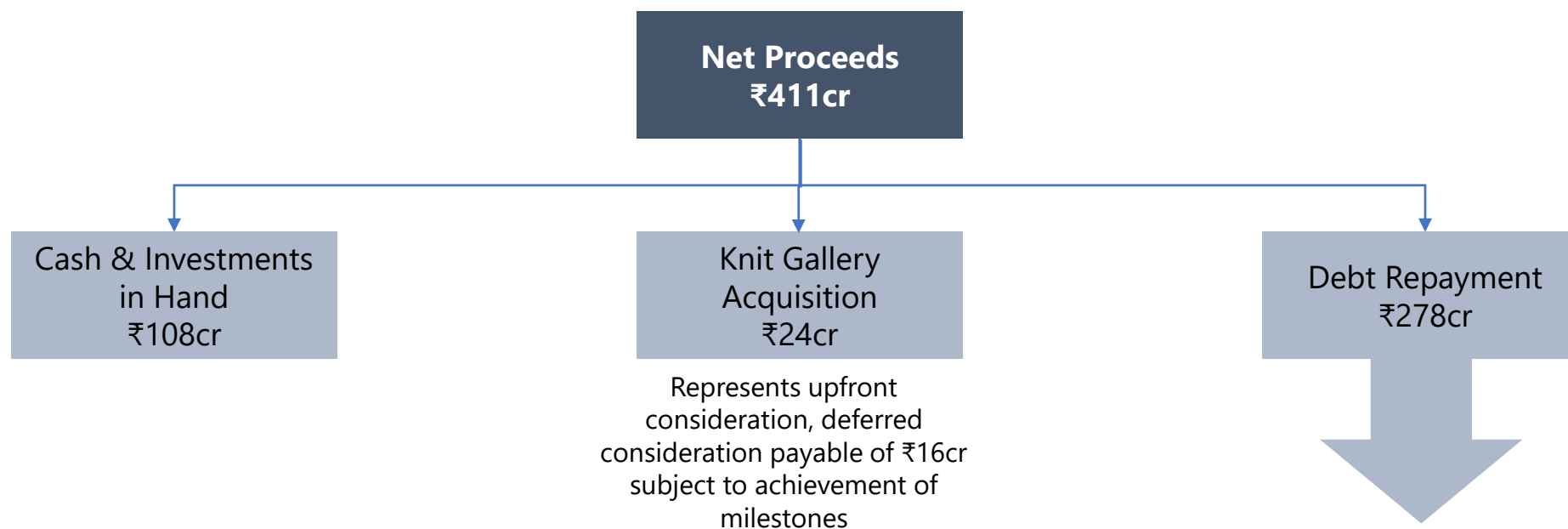
Sr No	Measures/Initiatives	Progress Thus Far	Outlook
4	Fixation of loss-making verticals	Design Arc, Twins Grupo & Jcraft being merged with another existing large verticals	<ol style="list-style-type: none"> 1. Incurred combined loss of ₹ 34cr in FY 25 2. Target to cut 50% losses in next 18 months
		Techno Design: Performance impacted by Gerry Weber (going under administration)	<ol style="list-style-type: none"> 1. Pipeline of new customers in place with order expected in second half 2. While the first half is expected to report losses, business is projected to turn profitable by year end
		Notwithstanding challenges at customers end of these verticals, no material credit impact for us	
5	Interest Cost Saving	<ol style="list-style-type: none"> 1. Following are being carefully monitored for any further outlay & release of cash for existing investment <ol style="list-style-type: none"> i. NWC ii. Capex iii. PDS Ventures 	<ol style="list-style-type: none"> 1. As you may observe in subsequent slides, progress is already happening 2. First objective is to arrest any increase in interest cost

Measures Underway for Cashflow/Balance Sheet Augmentation

Cash Flow from Operations in Q1 FY26 is ₹256cr vs Outflow of ₹37cr in FY25

Sr No	Measures/Initiatives	Progress Thus Far	Outlook
1	Capex	<ol style="list-style-type: none"> Down 70% from ~₹60cr in Q4 FY25 to ~₹10cr in Q1 FY26 In Q1 capex capped at ~15% of FY26 outlook 	<ol style="list-style-type: none"> Atleast 50% lower at ₹70cr vs ₹144cr in FY25
2	Divestment of identified non-core assets	<ol style="list-style-type: none"> Sale of stake in Digital Ecom with realisation of ₹8.4cr. Profit of ₹4.2cr. 	<ol style="list-style-type: none"> Targeting ₹15cr realisation to materialise in FY26
3	PDS Ventures Investments	<ol style="list-style-type: none"> Plan underway for significant curtailment & getting ready for planned divestment 	<ol style="list-style-type: none"> 50% reduction in investment in 2025-26 Expected to be ₹17cr in FY26 vs ₹30cr in FY25 Another 2 years for planned divestment
4	Net Working Capital	<ol style="list-style-type: none"> Working capital days down in Q1FY26 vs Q4FY25 from 17 days to 10 days 	<ol style="list-style-type: none"> Atleast 25-40% reduction in NWC from ₹836cr in FY25

QIP Proceeds Utilization - Update

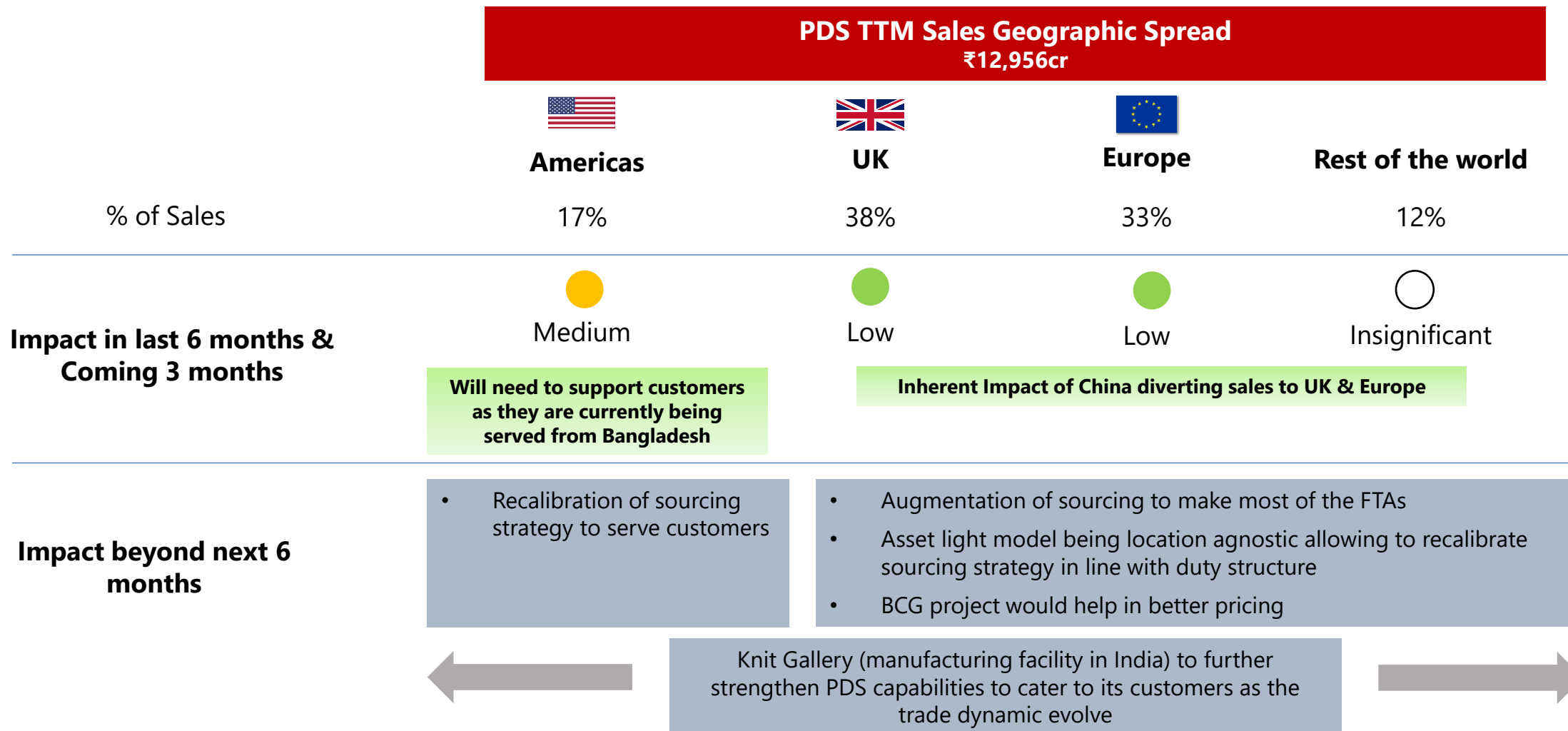


As we optimize working capital and reduce NWC days, benefits of net debt reduction—which were offset by the increase in NWC—should become more visible.

Between September 2024 and March 2025, NWC increased from ₹591cr to ₹836cr, with NWC days increasing from 10 days to 17 days

Sales growth in H2FY25 vs H2FY24: ~15%

Navigating Through Current Market Disruption & Gearing up for Upcoming Opportunities



Note: (I) Revenue Breakup based on Broad Estimates, unadjusted for interco eliminations (II) Americas includes USA, Mexico, Canada, Bolivia, Costa Rica (III) Others includes Chile, Brazil, Ecuador, El Salvador, Morocco, Panama, Peru & South Africa (IV) Does not include Knit Gallery

Initiatives Underway in IT & Digital Domain

Aimed at Process Efficiencies Across Value Chain





*kick-off 2026



02

Performance Overview

03/ REVENUE BREAKUP

04/ PROFIT & LOSS STATEMENT

05/ PERFORMANCE BEFORE INVESTMENTS

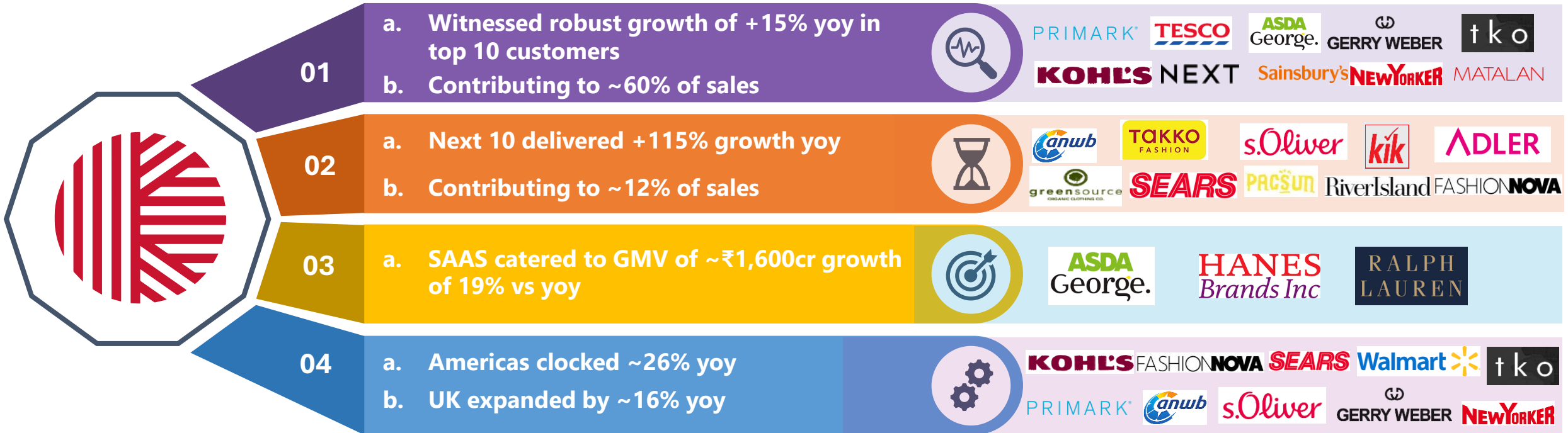
06/ BALANCE SHEET

07/ SEGMENTAL PERFORMANCE



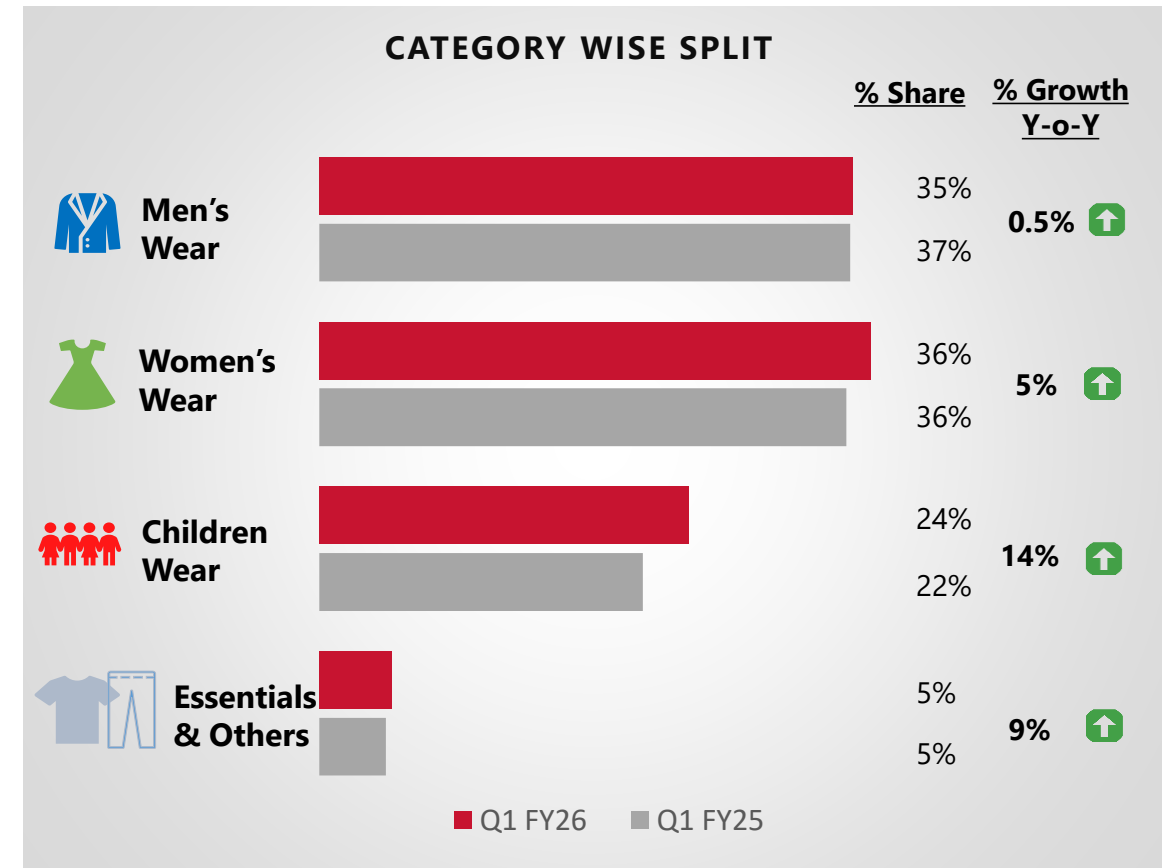
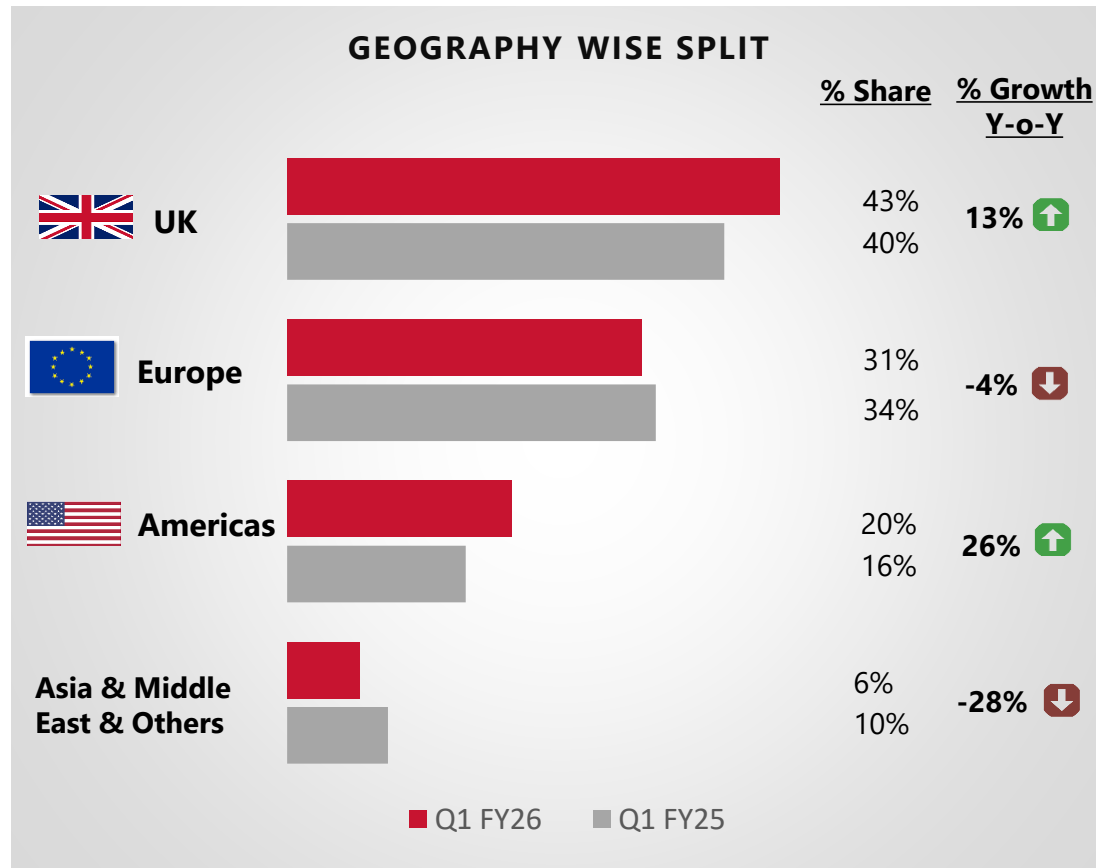
Continued Growth Trajectory Across Customers, Services & Geographies

Q1FY26 over Q1FY25



Revenue Break-up: Geography & Category (Q1 FY26)

Growth Witnessed Across Geographies and Categories



Note: (I) Revenue Breakup based on Broad Estimates, unadjusted for interco eliminations (II) Americas includes USA, Mexico, Canada, Bolivia, Costa Rica (III) Others includes Chile, Brazil, Ecuador, El Salvador, Morocco, Panama, Peru & South Africa (IV) Does not include Knit Gallery

Profit and Loss (CONSOLIDATED IN ₹ CRS)

PARTICULARS (₹ IN CRS., UNLESS MENTIONED OTHERWISE)	QUARTER ENDED				
	30-Jun-25	30-Jun-24	GROWTH (%) Y-o-Y	31-Mar-25	GROWTH (%) Q-o-Q
Gross Merchandise Value	4,633.5	3,898.4	19%	5,006.7	-7%
Income From Operations	2,999.4	2,621.1	14%	3,525.8	-15%
COGS	2,417.3	2,076.0	16%	2,825.0	-14%
Gross Profit	582.2	545.1	7%	700.8	-17%
Gross Margin (%)	19.4%	20.8%	-139 bps	19.9%	-47 bps
Employee Expenses	313.6	273.0	15%	325.9	-4%
Other Expenses	218.0	198.8	10%	235.6	-7%
EBITDA	50.5	73.3	-31%	139.3	-64%
EBITDA Margin (%)	1.7%	2.8%	-111 bps	4.0%	-227 bps
Depreciation	29.9	23.3	28%	35.5	-16%
Other Income	39.6	19.6	102%	9.4	319%
EBIT	60.2	69.6	-13%	113.3	-47%
EBIT Margin (%)	2.0%	2.7%	-65 bps	3.2%	-120 bps
Finance Costs	33.5	33.0	1%	29.5	14%
Profit Before Tax & Associates & JV	26.7	36.6	-27%	83.8	-68%
Add: Profit/(Loss) Of Associates & JV	0.1	-0.8		0.3	-49%
Profit Before Tax	26.9	35.8	-25%	84.1	-68%
Tax Expenses	6.9	4.6	50%	9.5	-28%
Profit After Tax	20.0	31.2	-36%	74.6	-73%
PAT Margin (%)	0.7%	1.2%	-52 bps	2.1%	-145 bps
- Owners Of The Company	65%	64%		54.0%	
- Non - Controlling Interest	35%	36%		46.0%	

COMMENTARY

- GMV increased by 19% y-o-y to ₹4,634crs
- Topline witnessed growth of 14% y-o-y
 - Existing business registered growth at 12% and New Verticals at 89%
 - Knit Gallery contributed ~1% of growth
- Gross Margins declined by 139bps from 20.8% in Q1FY25 to 19.4% in Q1FY26
 - Impact of market disruptions & implications thereof on customers
- Other Income includes forex gain, mainly due to GBP, EUR and Taka fluctuations and gain from sale of non-core asset
- Finance cost increased y-o-y due to UK term loan & Knit Gallery
 - After regrouping Q4 FY25 for bank charges, finance cost declined 4% sequentially compared to a 14% increase reported in the P&L
- ETR increased from 13% in Q1 FY25 to 25% in Q1 FY26 due to Pillar II Impact

Investment in New Verticals (FIGURES IN ₹ CRS)

Down 10% Compared to Q1FY25

PARTICULARS (₹ IN CR, UNLESS MENTIONED OTHERWISE)	Q1		GROWTH
	FY 26	FY 25	(Y-O-Y)
Total Revenue	2,999.4	2,621.1	14%
Revenue from New Verticals	179.5	94.8	89%
Revenue from Existing Verticals	2,819.9	2,526.3	12%
EBITDA	50.5	73.3	-31%
% EBITDA Margin	1.7%	2.8%	-111 bps
Investments in New Verticals through P&L	40.9	45.4	-10%
EBITDA prior to Investments in New Verticals	91.5	118.7	-23%
% EBITDA Margin prior to Investments in New Verticals	3.2%	4.7%	-146 bps
Profit Before Tax	26.9	35.8	-25%
% PBT Margin	0.9%	1.4%	-47 bps
Impact of New Verticals	44.6	48.2	-8%
PBT prior to Investment in New Verticals	71.5	84.0	-15%
% PBT Margin prior to Investment in New Verticals	2.5%	3.3%	-79 bps

SNO	KEY FOCUS AREAS OF GROWTH	Q1	
		FY26	FY25
1	Design Led Sourcing (Flipkart, Myntra, Primark India, Knitwear)	9.2	5.8
2	Brand Management (DA Brands, Luminoso, Roksanda, Moda & Beyond)	16.3	16.2
3	Manufacturing (Nodes, Norlanka Cutting Plant)	0.7	2.0
4	North America (North America, Fashion Nova)	8.4	8.6
5	Growth Team set up for New Initiatives	2.2	4.0
6	Product (Angelic Partners, Brand Collective, DesignArc Home)	(0.3)	2.9
7	Design Services (DBS Lifestyle, DSGN)	3.4	1.6
8	Sustainability (Positive Material, Upcycle labs)	1.0	2.9
9	Procurement (Central Procurement Team)	0	1.4
TOTAL		40.9	45.4

Balance Sheet (CONSOLIDATED IN ₹CRS)

PARTICULARS (₹ IN Crs., UNLESS MENTIONED OTHERWISE)	AS ON	
	30-Jun-25	31-Mar-25
Non-Current Assets	1,405	1,226
Current Assets	3,309	3,512
Inventories	447	483
Trade Receivables	1,724	1,860
Cash & Bank Balances	659	737
Other Current Assets	479	431
Total Assets	4,714	4,738
Total Equity	1,733	1,716
Non-Current Liabilities	242	228
Borrowings (Long Term)	135	119
Other Non-Current Liabilities	107	109
Current Liabilities	2,739	2,794
Borrowings (Short Term)	820	993
Trade Payables	1,549	1,507
Other Current Liabilities	370	294
Total Equity & Liabilities	4,714	4,738

PARTICULARS (₹ IN Crs., UNLESS MENTIONED OTHERWISE)	AS ON	
	30-Jun-25	31-Mar-25
Inventory Days	16	18
Debtor Days	49	54
Payable Days	54	55
NWC Days	10	17
Total Debt	955	1,111
Net Debt	296	374

- Debt as on June 30th, 2025 includes Debt attributable to Knit Gallery of ₹96cr which has been consolidated post acquisition

LEVERAGE RATIOS

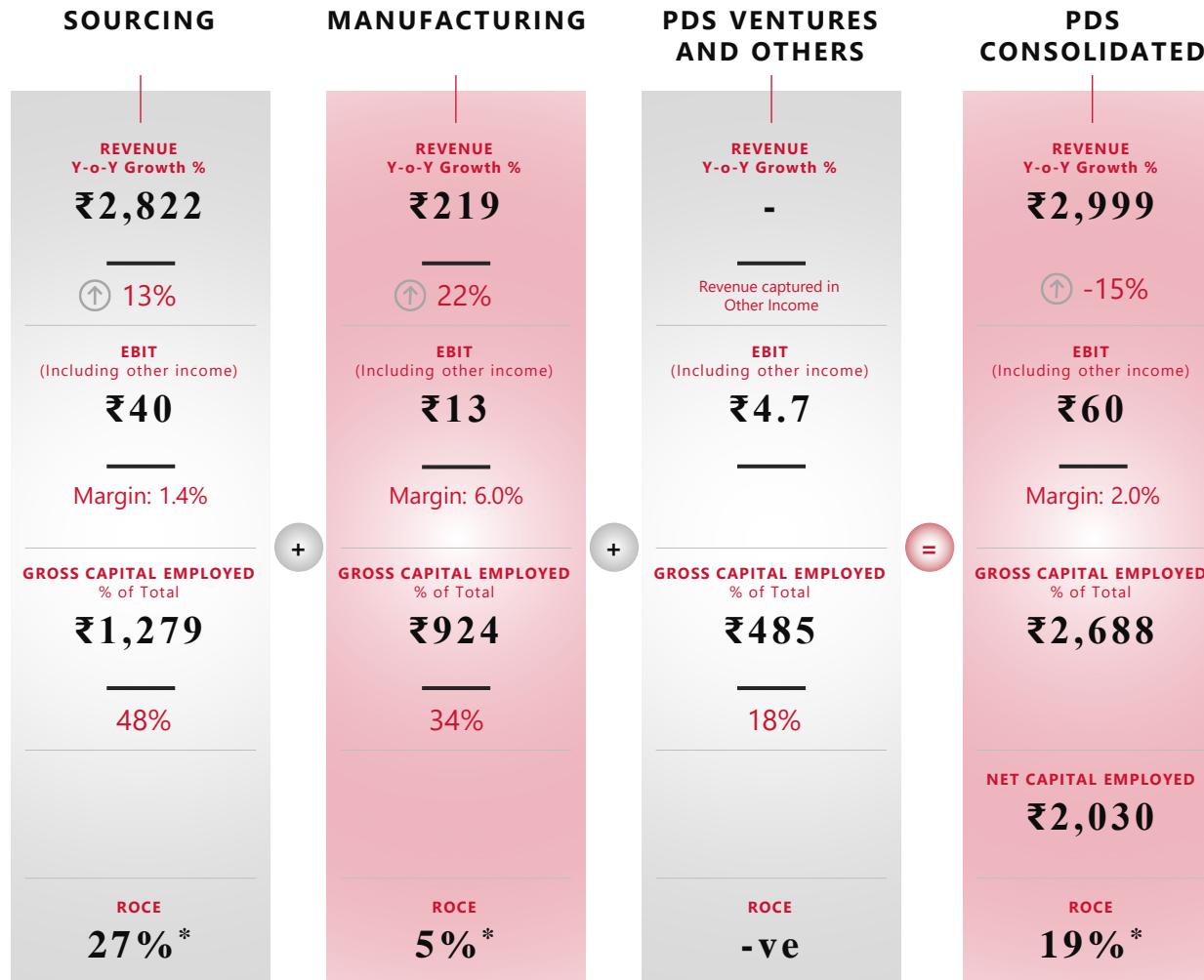
- Net Debt / Equity: 0.2x
- Net Debt / EBITDA: 0.7x

RETURN TO STAKEHOLDERS

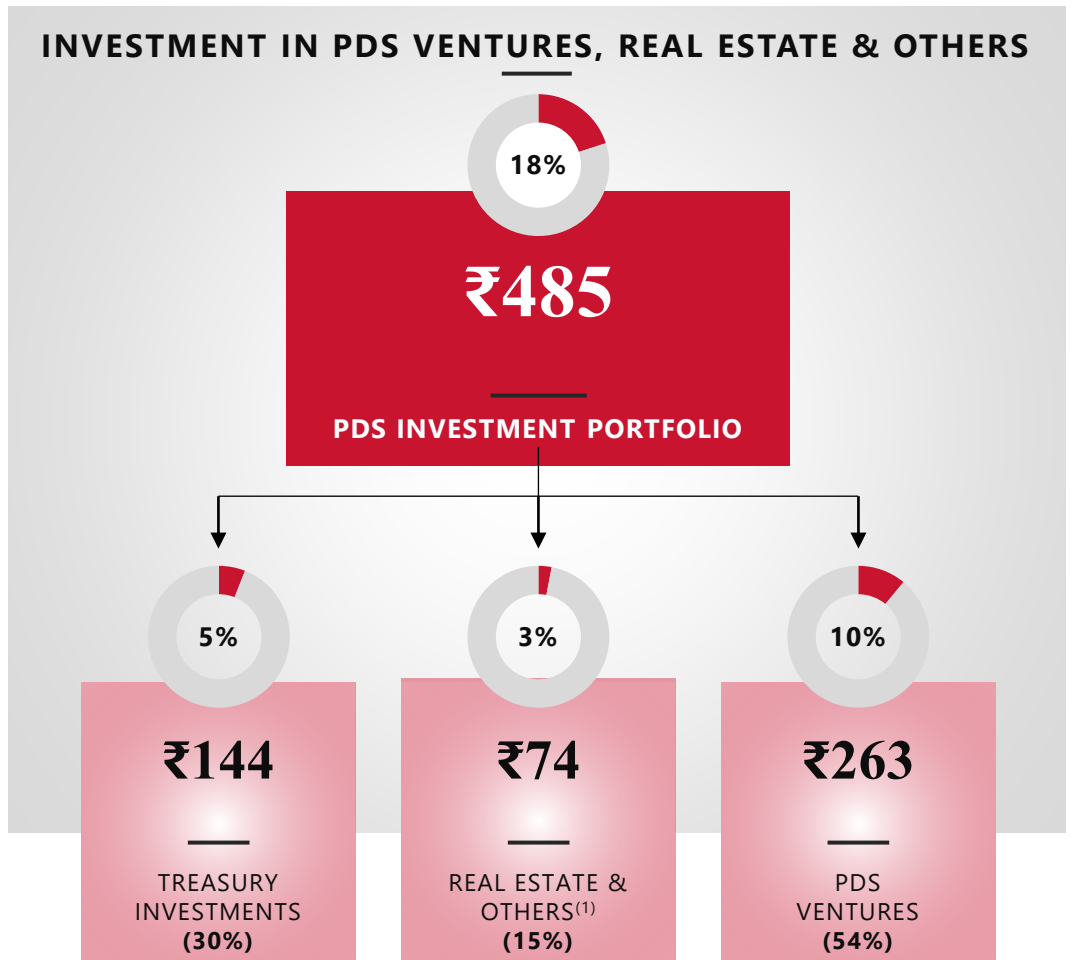
- Reported ROCE: 19%
- ROCE (Adjusting New Verticals): 27%

Segmental Performance AT A GLANCE Q1 FY26

₹ IN CRORE, UNLESS MENTIONED OTHERWISE

**Note:**

*Based on gross capital employed | Consolidated ROCE based on net capital employed
 PDS Consolidated numbers above are post eliminations | Growth and Margins are based on ₹ figures.
 Regrouping capital employed between sourcing and manufacturing hence not comparable with prior periods



Note: (1) Excludes HK real estate property used for operating purposes at a book value of ₹26cr and recently acquired UK property book value of 176crs which is intended for operating purposes



03

Other Updates

08/ GLOBAL MINIMUM TAX

09/ OTHER UPDATES



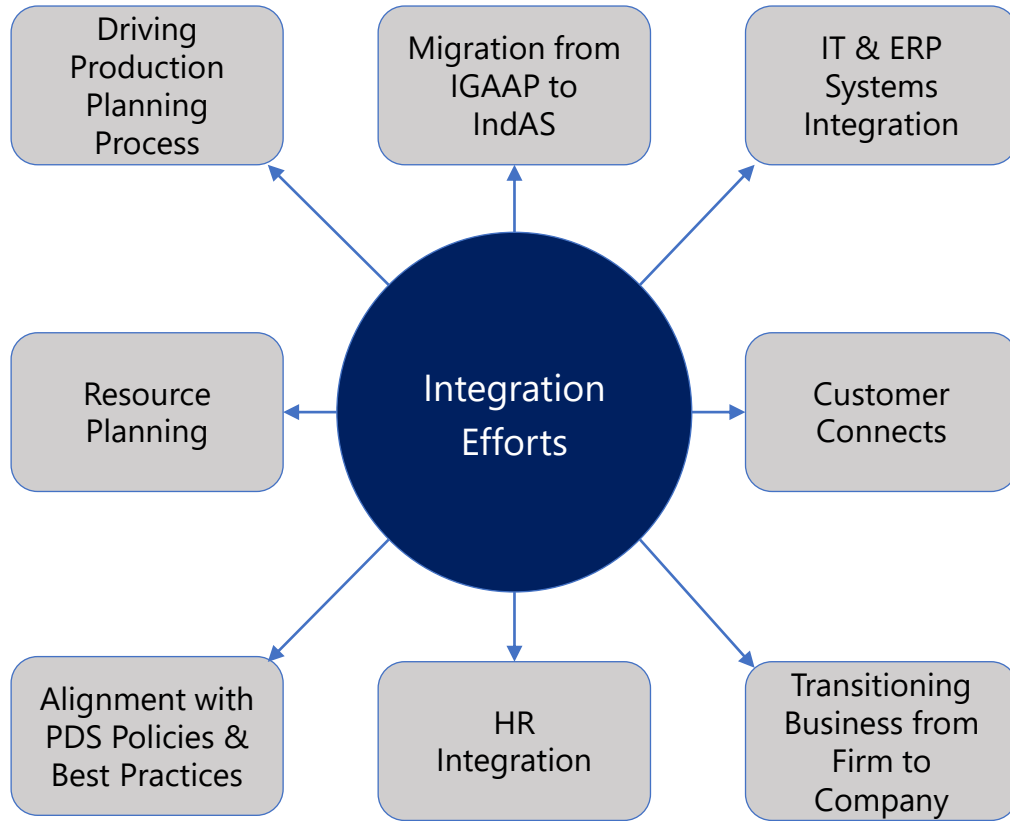
Global Minimum Tax of 15% in FY25-26 – *Overall ETR – 24%*

BEPS 2.0 - Base Erosion Profit Shifting (BEPS)

- **Applicability:** Applies to Multinational Enterprises (MNE) with consolidated revenue > €750 million
- **Country-Level Tax Rule:** 15% minimum tax applies at *jurisdiction level*, not entity/group level
- **Implementation Status:**
 - **UK & Germany:** Effective 1 April 2024 – *No impact on PDS*
 - **UAE & Hong Kong:** Effective 1 April 2025 – *Provisions made in Q1 FY26*
 - **India & Mauritius:** *Not yet implemented*
- **Tax Base:** Based on **book profits**, not tax books
 - Minimum tax applies to profits in low-tax jurisdictions like **UAE** and **HK**, even with Free Zone or offshore status
 - Top-up Tax (TUT) applies where effective tax rate (ETR) < 15%
- **Estimated Impact (Q1 FY26):**
 - UAE and HK entities to contribute **top-up taxes**, subject to jurisdiction-level ETR shortfall

Knit Gallery's Acquisition to Strengthen Manufacturing Business in India

Post Merger Integration Update



About Knit Gallery

- Manufacturer and exporter of knitwear apparel products catering to men, women and children's categories
- Production Capacity of 40+mn pieces a year, 14 manufacturing units and 4 warehouses with a workforce of 3,000+ employees
- Largely 100% exports to customers in Germany, US and UK
- Products include boxers, briefs, singlets, pajamas, T-shirts among others
- Long term arrangement on +10-acre land parcel can enable doubling existing capacity at relatively low capex
- For Q1FY26 (post acquisition period ie. 13 May to 30 June 2025) –
 - Revenue - Rs. 30.3cr | PBT – Rs. 1.8cr (6.0%)

Key Customers



Well positioned to capitalize on the recent India-UK FTA, substantially boosting price competitiveness, export potential, and demand from UK retailers



Global | Collaborative | Digital | Ethical

THANK YOU

CONTACT US

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