

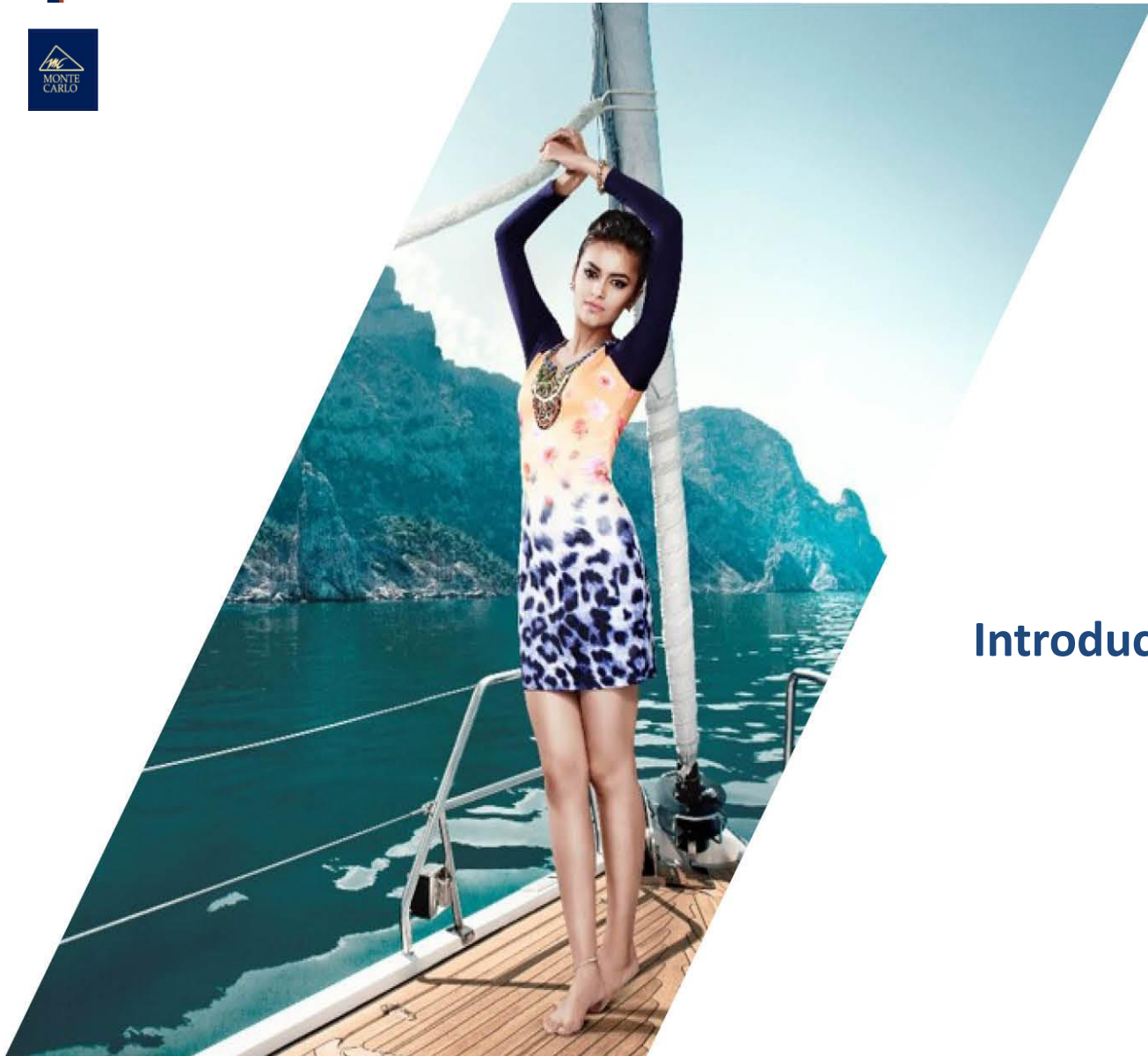


Its the way you make me feel

# Investor & Analyst Forum

December 2017





Its the way you make me feel

# Introduction to Monte Carlo



- Part of Nahar Group, Launched in 1984 as an exclusive woollen brand by Oswal Woollen Mills Limited (“OWML”).
- Recognized as a ‘Superbrand’ for woollen knitted apparel in each edition of Consumer Superbrands India
- Successfully diversified with a comprehensive line of woollen, cotton & cotton blended, knitted and woven apparel and home furnishing under the ‘Monte Carlo’ brand

**STRONG  
PEDIGREE**



- Branded apparel business was demerged into Monte Carlo Fashions Limited (MCFL) in 2011. Ownership of the brand ‘Monte Carlo’ is with the listed Company
- ‘Monte Carlo’ is the flagship brand with a portfolio of woollen apparel and cotton and cotton blended apparel
- Launched different ranges under the Umbrella Brand “Monte Carlo”

**OUR BRAND  
& PRODUCT  
PORTFOLIO**



- Strong Network of EBOs and MBOs including NCS. Strong distribution network and wide presence across the country
- MBOs - Products are supplied through 21 exclusive commission agents to over 2400+ MBOs on outright basis
- EBOs – 240\* EBOs (21 EBO – COCO, 219 EBO – FOFO), and 249 NCS
- Online presence through own portal montecarlo.in & tie-ups with other platforms like Amazon, Flipkart, Jabong, Myntra

















**OUR REACH  
& PRESENCE**



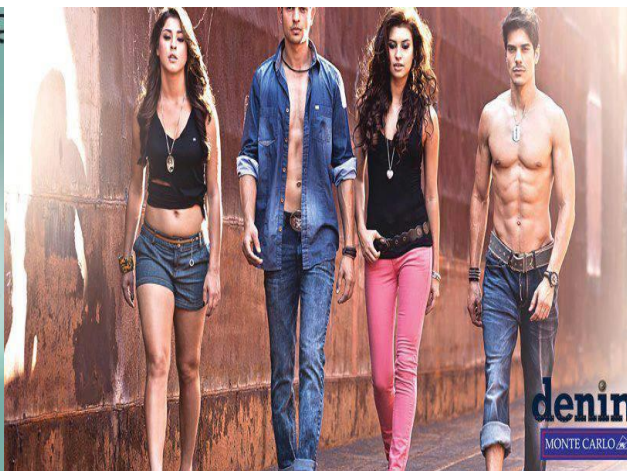
- Consolidated Revenues, EBITDA and PAT were Rs. 5,841 mn, Rs. 776 mn and Rs.423 mn in 2017
- Strong balance sheet with Net Debt to Equity of 0.13x and high cash balance of INR 1,361 mn (includes cash and bank balance along with current and non-current investments) as on March 2017

**OUR  
FINANCIALS**

# INTRODUCTION TO MONTE CARLO – Our Product Portfolio

<p><b>Woollens</b></p>		<p>Sweaters, Shawls</p>	
<p><b>Cottons</b></p>	  	<p>T-shirt, Shirts, Trousers, Jackets</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>	
<p><b>Sports Wear</b></p>		<p>Tank, Polo T-Shirts, Shorts, Track Pants</p>	
<p><b>Accessories</b></p>		<p>Vest, Purse, Mufflers, Scarf, Socks</p>	

# MONTE CARLO FASHIONS - Our Product Portfolio



# Our Product Portfolio



# MONTE CARLO FASHIONS – Stores Images



# BOARD OF DIRECTORS

## STRONG CORPORATE GOVERNANCE

Name / Position	Qualification	Experience
Mr. Jawahar Lal Oswal, Chairman & Managing Director and Promoter	Commerce Graduate	<ul style="list-style-type: none"> <li>• More than 50 years of experience in the textile and woollen industry.</li> <li>• Started Monte Carlo Business in 1984 as CMD of OWML., business demerged under his leadership in 2011 into Monte Carlo Fashions Ltd.</li> <li>• 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</li> <li>• Previously Nominated on the Board of PNB by the central government</li> </ul>
Mr. Sandeep Jain, Executive Director	Bachelor's degree in pharmacy from Dr. H.L. Thimmegowda College of Pharmacy, Bangalore University and also holds diploma in export management from the FTPC, Ludhiana. Certificate course in wool from the AWTA Ltd., Australian wool testing authority	<ul style="list-style-type: none"> <li>• More than 17 years of experience in administration.</li> <li>• Prior to joining Monte Carlo in 2008, he has worked with Oswal Woollen Mills Limited</li> <li>• He Joined Board of Monte Carlo with effect from July 7, 2008</li> </ul>
Ms. Ruchika Oswal, Executive Director	Holds a bachelor's degree in commerce from the Government College for Women, Punjab University.	<ul style="list-style-type: none"> <li>• More than 15 years of experience in the field of Manufacturing &amp; Administration.</li> <li>• Prior to joining Monte Carlo in 2010, she has worked with Oswal Woollen Mills Limited</li> <li>• She Joined Board of Monte Carlo with effect from October 30, 2010</li> </ul>
Ms. Monica Oswal, Executive Director	Holds a bachelor's degree in commerce from the Government College for Women, Punjab University.	<ul style="list-style-type: none"> <li>• More than 15 years of experience in retail and administration</li> <li>• Prior to joining Monte Carlo in 2010, she was involved with Oswal Woollen Mills Limited and Nahar Spinning Mills Limited</li> <li>• She Joined Board of Monte Carlo with effect from October 30, 2010</li> </ul>
Mr. Dinesh Gogna, Non Executive, Non Independent Director	Holds a bachelor's degree in law from University of Rajasthan. Successfully completed Money and Capital Market "Seminar Course" from New York institute of finance, USA.	<ul style="list-style-type: none"> <li>• More than 35 years of experience in the field of Corporate Finance and Taxation.</li> <li>• Involved with the Company since incorporation.</li> <li>• Presently holding directorship on the Board of various group companies.</li> <li>• He Joined Board of Monte Carlo with effect from July 7, 2008</li> </ul>



# BOARD OF DIRECTORS

## STRONG CORPORATE GOVERNANCE

**Mr. Paurush Roy**  
**Non-Executive Director**

More than 14 years of experience in financial services. Prior to joining Samara India Advisors in 2018, he has worked with HSBC, Citibank and Deutsche Bank.

**Dr. Sailen Kumar Chaudhuri**  
**Independent Director**

More than 38 years of experience in the textile industry. Previously he has worked with Australian Wool Innovation Limited, Modi Carpets Limited, Bombay Dyeing and Tirupati Woollen Mills Limited.

**Dr. yash paul Sachdeva**  
**Independent Director**

More than 22 years of experience as a management academic. Currently a professor at the School of Business Studies, Punjab Agricultural University, Ludhiana

**Mr. Ajit Singh Chatha**  
**Independent Director**

Been in IRS and IAS for more than 34 Years. Also held various positions with Central & State Government. Previously served as M.D of Punjab State Ind. Dev. Corp. and chairman of the Punjab State Electricity Board.

**Mr. Suresh Kumar Singla**  
**Independent Director**

More than 32 years of experience in the field of academics. Presently the Director at GNA Institute of Management and Technology and has previously been associated with the Punjab Agricultural University.

**Dr. Manisha Gupta**  
**Independent Director**

More than 13 years of experience in academics. Presently she is a director at Punjab Institute of Management and Technology.

**Dr. Amrik Singh Sohi**  
**Additional Director**

More than 38 years of experience in Teaching and Entomology Research. Retired from Punjab Agriculture University, as Sr. Entomologist. Presently working as Consultant in PGR Cell, Sri Rattan Tata Trust, Mumbai.

**Mr. Alok Kumar Misra**  
**Independent Director**

More than 41 years of experience in field of Finance, Accounting, Management & Admin Matters. Previously held the position of CMD of Bank of India and Executive Director of Canara Bank.

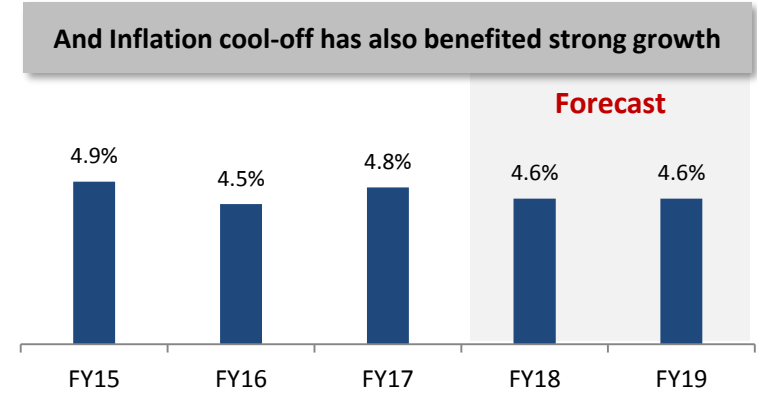
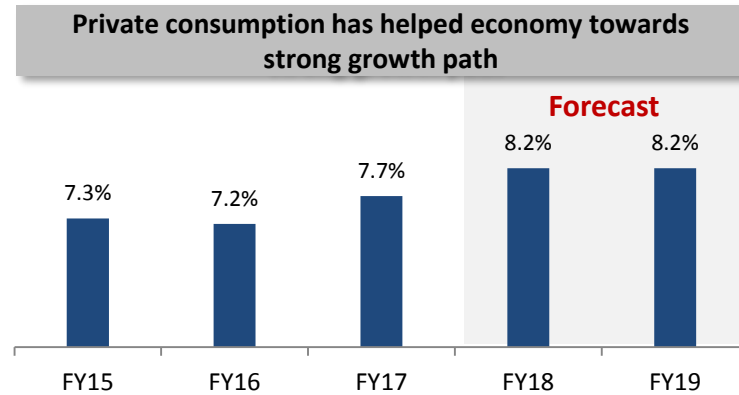
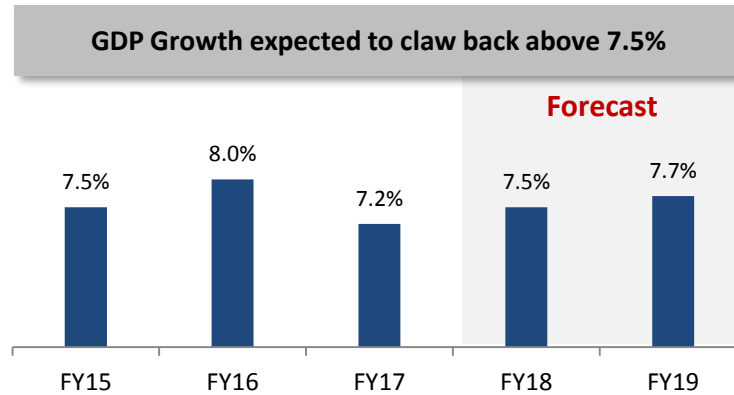


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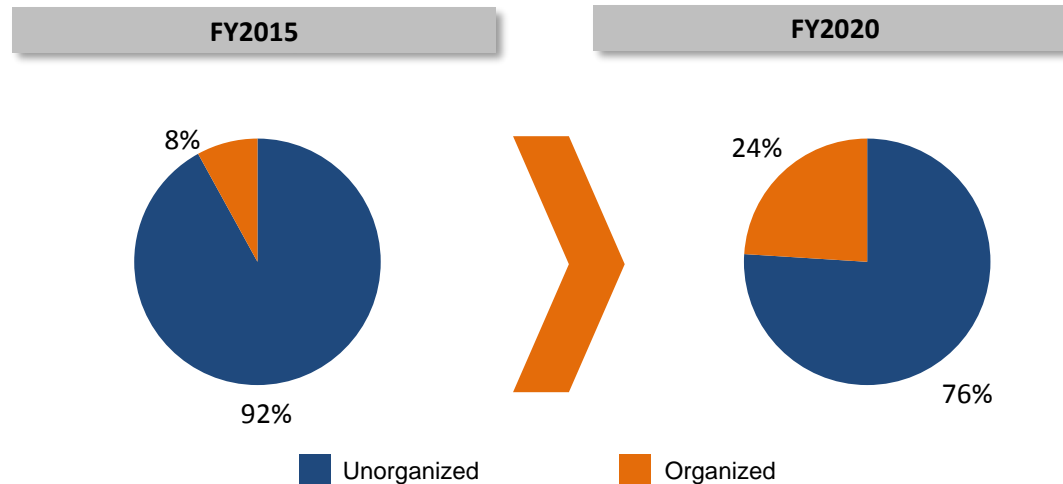
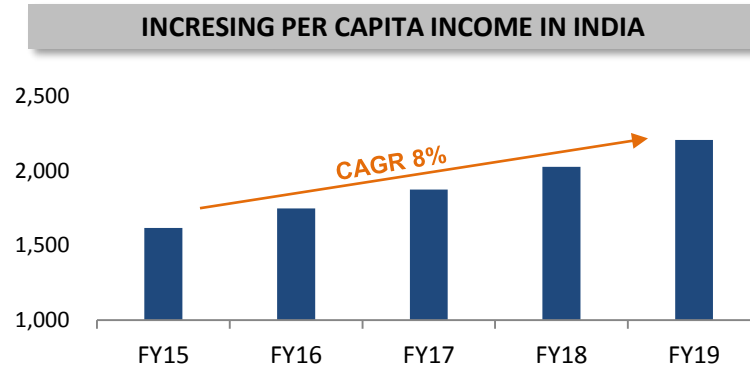
## Macroeconomic Overview

# INDIAN ECONOMY ON A STRONG FOOTING

## CONSUMPTION IS SET TO RISE IN INDIA

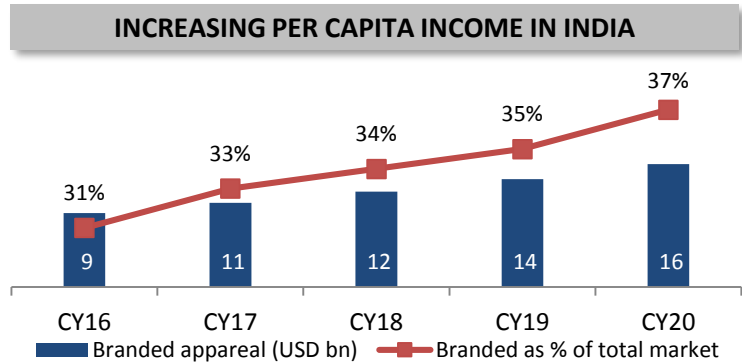
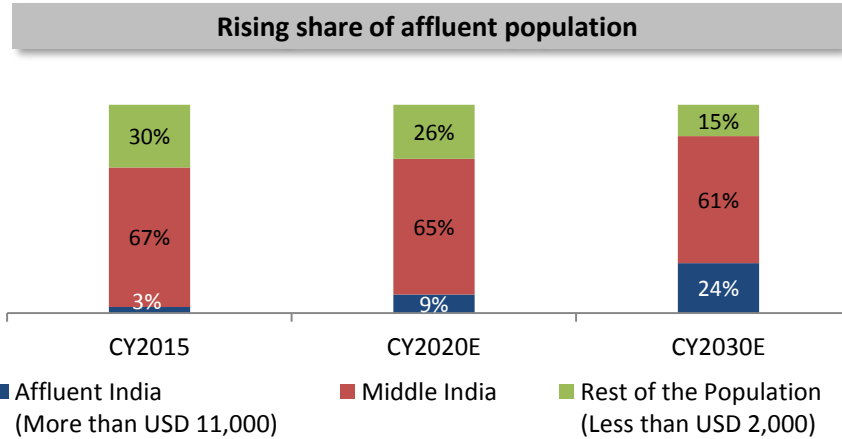


# PER CAPITA DISPOSABLE INCOME IS INCREASING IN INDIA LEADING TRANSITION FROM UNORGANIZED TO ORGANIZED RETAIL



With rising income level retail will shift towards organized players. India is trailing other South East Asian nations in comparison to share of organized retail

# CONSUMPTION ASPIRATION IMPROVING WITH CHANGING INCOME PROFILE



- Readymade apparel market is expected to grow at 9% during CY16-20
- Branded apparel is expected to grow at faster rate of 13% in the corresponding period
- Shift towards organized and branded apparel is also supported by growing urbanization in India



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## Business Overview



### RANGES LAUNCHED UNDER THE BRAND – “MONTE CARLO”

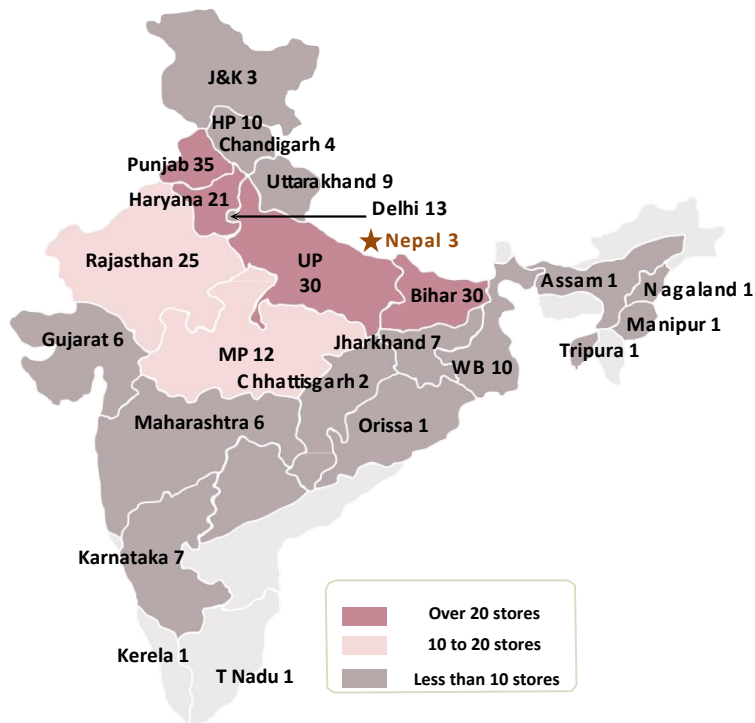


Range	Woollens & Woollen-blended	Cottons & Cotton-blended	Home Furnishing	Kids
<b>Monte Carlo</b> – Premium and mid-premium segments for men	Sweaters, thermals, woollen accessories (caps, mufflers, shawls, stoles)	Shirts, trousers, t-shirts, track-suits and jackets	Mink blankets, bed sheets and quilts	
<b>Luxuria</b> – Premium range for Men	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, trousers, jackets and sweat-shirts		Sweat-shirts
<b>Tweens</b> – Exclusive Kids wear Collection for 7-13 years age group				Sweaters, Cardigans, Shirts, t-shirts and Bottoms
<b>Cloak &amp; Decker</b> – Economy range for men		Cotton and cotton-blended t-shirts		
<b>Sportswear</b> – fitness & fashion wear range “Rock.it”		Tank, Polo T-Shirts, Shorts, Track Pants		

# BUSINESS OVERVIEW

## OUR RETAIL PRESENCE

### PAN INDIA PRESENCE ACROSS 19 STATES & 1 UNION TERRITORY



### STORE NETWORK

Type of Store	FY16	FY17	As on Date
EBO – COCO	21	20	21
EBO – FOFO	202	211	219
MBO	2,000+	2,300+	2400+
NCS	164	198	249
E-Commerce	Amazon, Flipkart, Myntra, Jabong		

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet

COCO – Company own Company operated, FOFO – Franchise own Franchise operated, NCS – National Chain Stores





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## DIFFERENTIATED BUSINESS MODEL

## PRICING POWER

- Being a premium brand, Monte Carlo enjoys strong pricing power
- No discount sharing with MBOs
- Limited discount sharing with franchisee owned EBO

## ORDER TO PRODUCE MODEL

- Majority of revenues come from outright sales
- Sales to MBOs and franchisee owned EBOs (FOFO) are pre-booked and on outright basis
- Inventory is owned only in case of Company owned EBOs (COCO)

## MINIMUM GOODS RETURNED

- Goods sold have minimum risk
- Product return is only allowed in case of NCS (<10% of sales) and franchisee owned EBOs (5-15% return allowed)
- No inventory risk in case of sales to MBOs

## LOW CREDIT RISK

- Zero bad debts till date
- MBO sales are through exclusive commissioned agents and distributors
- Franchisee owned EBOs work on bank guarantee and PDC

# UNDERSTANDING OUR BUSINESS MODEL



## BUSINESS CYCLE FOR WINTER SEASON SALES

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

## BUSINESS CYCLE FOR SUMMER SEASON 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

# ROBUST DISTRIBUTION MODEL

	MBO	NCS	EBO-COCO	EBO –FOFO
Total Number of Outlets (Sep17)	2,400+	249	21*	219*
% of Revenue Contribution – FY17	57% (NCS Contribute less than 10%)		39%	
Distribution Sale Model	Pre-Booking of orders Outright Sales	SOR – Sale or Return / Outright Sales	Inventory owned by Company	Pre-Booking of orders Outright sale
Inventory Risk	No	Yes	Yes	Minimal 5% - 15 % of Products Return Allowed
Discount Sharing	No	Yes	Yes	Yes Range of 5% - 17.5%
Payment Collection – Credit Risk	Exclusive commissioned 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**

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet

COCO – Company own Company operated, FOFO – Franchise own Franchise operated, NCS – National Chain Stores

\*as on date

## IN-HOUSE DESIGN & PRODUCT DEVELOPMENT:

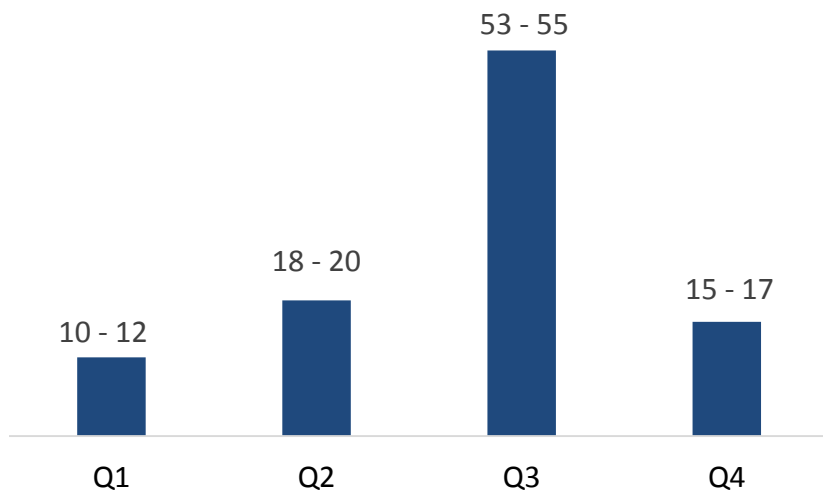
- Strong design team of over 30 professionals closely tracking the trending global fashion
- Focus on developing new products, improving existing ones and forecasting fashion trends
- Regular market surveys done by exclusive commissioned agents to understand consumer tastes and feedback

## MANUFACTURING CAPABILITIES:

- Three manufacturing facilities in Ludhiana, Punjab -
  - One for woollen apparels
  - Two for cotton apparels
  - The manufacturing facilities include facilities for product development, design studio and sampling infrastructure
- In-house manufacturing of woollen knitted apparels
- Outsourced manufacturing of cotton and cotton-blended apparels
- Recently started in-house manufacturing of cotton t-shirts and thermals



## SEASONALITY IMPACT ON REVENUES (In % terms)



### BUSINESS SEASONALITY:

- Q3 generates highest quarterly revenues in any fiscal year
- Q3 typically involves sale of winter products –
  - Woollens / woollen blended - sweaters, jackets, cardigans
  - Cotton / cotton blended - cotton jackets, suits, sweat shirts, full sleeve t-shirts and shirts
- Winter products are sold during October to January.
- Winter products are higher in value in terms of both revenues and cost
- The Company is expanding presence in western and southern markets as well as expanding its product offerings in home furnishing and kids segments in order to reduce the overall seasonality impact



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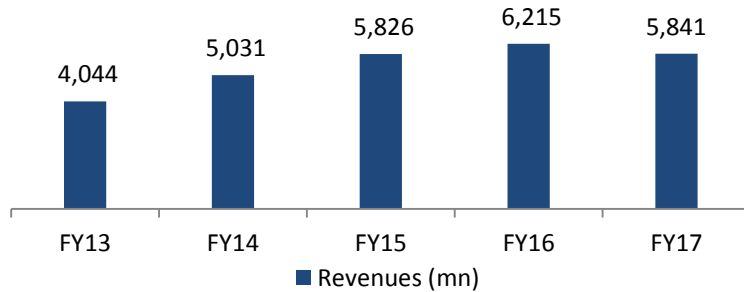
# Financials

# COMPANY OVERVIEW

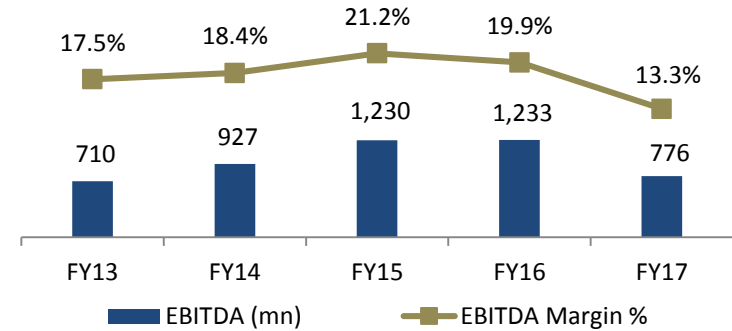
## FINANCIAL HIGHLIGHTS

### REVENUES

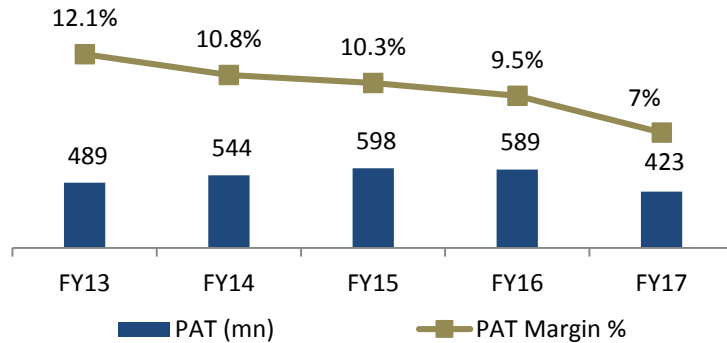
FY13 - FY17 : CAGR 9.6%



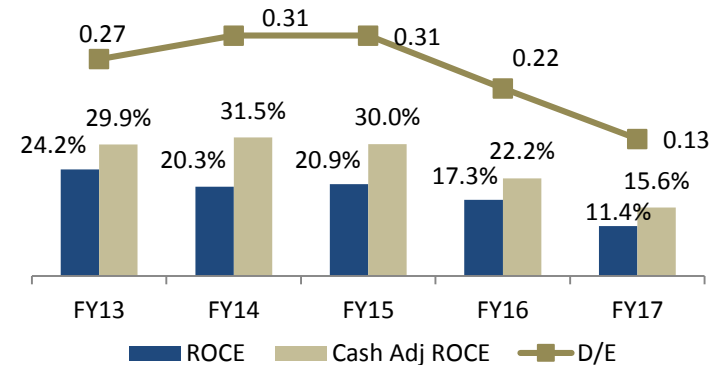
### EBITDA & EBITDA MARGIN



### PAT & PAT MARGIN



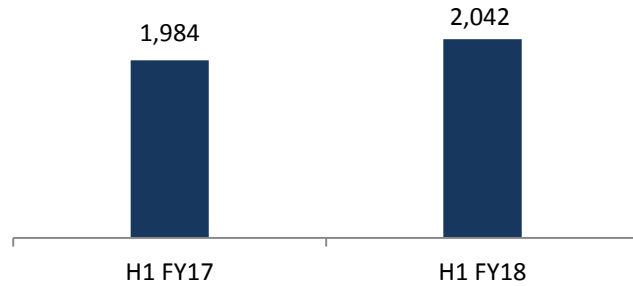
### LEVERAGE & RETURN RATIOS



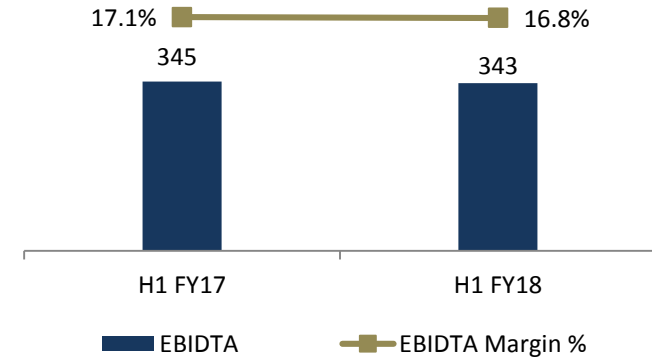
Note –Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&E)]



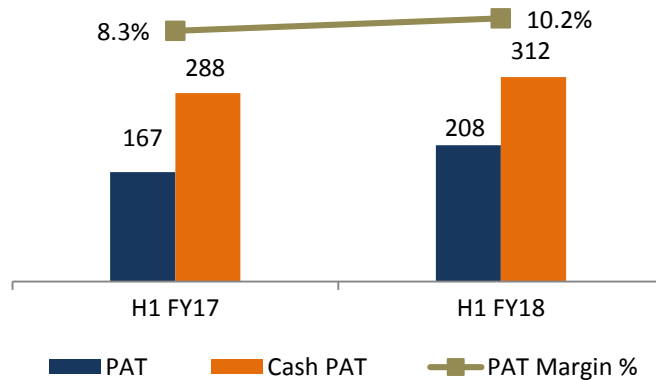
## REVENUES \*



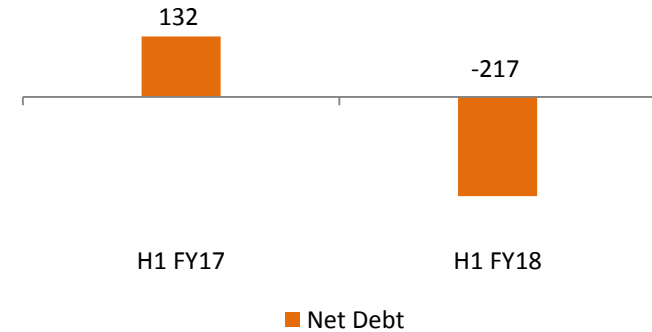
## EBIDTA & EBIDTA MARGIN% #



## PAT, CASH PAT & PAT MARGIN %



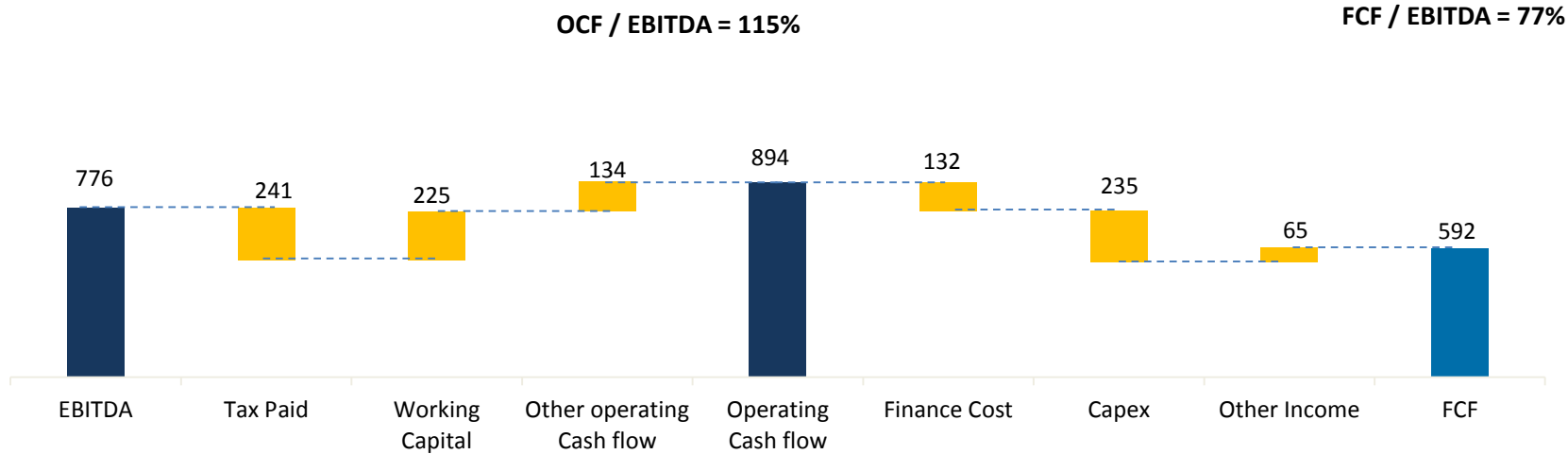
## Net Debt



\*Cash includes Cash and Bank Balance, Current and Non Current Investments

# FY17 – FREE CASH FLOW ANALYSIS

In Rs Mn



FREE CASH FLOW GENERATED DURING THE YEAR IS 6.2% OF MARKET CAP OF FY2017<sup>^</sup>

<sup>^</sup> Market cap as on 30<sup>th</sup> May 2017

## Q2 & H1 FY18 – CONSOLIDATED PROFIT & LOSS

Particulars (Rs. mn)	Q2FY 18	Q2 FY 17	YoY%	H1FY18	H1FY17	YoY%	FY17
Net Sales	1,375.0	1,230.9	11.7%	2,033.7	1,979.6	2.7%	5,828.6
Other Operating Income	1.8	2.4	-25.0%	3.7	4.8	-22.9%	12.4
<b>Total Income from Operations</b>	<b>1,376.8</b>	<b>1,233.3</b>	<b>11.6%</b>	<b>2,037.4</b>	<b>1,984.4</b>	<b>2.6%</b>	<b>5,841.0</b>
Cost of Goods Sold	721.3	559.4	28.9%	907.5	776.4	16.9%	3,281.2
<b>Gross Profit</b>	<b>655.5</b>	<b>673.9</b>	<b>-2.7%</b>	<b>1,129.9</b>	<b>1,208.0</b>	<b>-6.5%</b>	<b>2,559.8</b>
<b>Gross Margin</b>	<b>47.6%</b>	<b>54.6%</b>	<b>-700 bps</b>	<b>55.4%</b>	<b>60.9%</b>	<b>-550 bps</b>	<b>43.8%</b>
Personnel Expenses	135.5	126.5	7.1%	264.4	247.9	6.7%	492.3
Advertisement Expenses	32.0	42.2	-24.2%	84.4	142.2	-40.6%	299.2
Other Expenses	229.1	258.8	-11.5%	437.8	472.7	-7.4%	992.2
<b>EBITDA</b>	<b>258.9</b>	<b>246.4</b>	<b>5.1%</b>	<b>343.3</b>	<b>345.2</b>	<b>-0.6%</b>	<b>776.1</b>
<b>EBITDA Margin</b>	<b>18.8%</b>	<b>20.0%</b>	<b>-120 bps</b>	<b>16.8%</b>	<b>17.4%</b>	<b>-60 bps</b>	<b>13.3%</b>
Other Income	33.9	55.1	-38.5%	87.9	94.5	-7.0%	221.0
<b>EBITDA Margin (incl. Other Income)</b>	<b>21.3%</b>	<b>24.4%</b>	<b>-310 bps</b>	<b>21.1%</b>	<b>22.2%</b>	<b>-110 bps</b>	<b>17.1%</b>
Depreciation	52.5	61.1	-14.1%	104.3	120.5	-13.4%	247.4
Interest Expense	18.6	44.1	-57.8%	35.7	78.4	-54.5%	119.6
CSR Expenditure	-	-	-	0.8	-	-	3.0
<b>PBT</b>	<b>221.7</b>	<b>196.3</b>	<b>12.9%</b>	<b>290.4</b>	<b>240.8</b>	<b>20.6%</b>	<b>627.1</b>
Taxes	66.1	61.7	7.1%	82.7	73.8	12.1%	203.9
<b>PAT</b>	<b>155.6</b>	<b>134.6</b>	<b>15.6%</b>	<b>207.7</b>	<b>167.0</b>	<b>24.4%</b>	<b>423.2</b>
<b>PAT Margin</b>	<b>11.3%</b>	<b>10.9%</b>	<b>40 bps</b>	<b>10.2%</b>	<b>8.4%</b>	<b>180 bps</b>	<b>7.2%</b>
<b>Total Comprehensive income</b>	<b>154.6</b>	<b>134.5</b>	<b>14.9%</b>	<b>206.0</b>	<b>166.8</b>	<b>23.5%</b>	<b>423.2</b>
<b>EPS</b>	<b>7.16</b>	<b>6.19</b>	<b>15.7%</b>	<b>9.56</b>	<b>7.69</b>	<b>24.3%</b>	<b>19.47</b>

Note – \*Quarterly figures are as per Indian Accounting Standards (INDAS) whereas the annual figures are as per Indian GAAP.

\* Revenues includes sale of raw materials (Fabric & Yarn). Fabric & Yarn sales: Q2 FY17 – Rs 253 Mn, Q2 FY18 – Rs 313 Mn FY16 – Rs 425.9 Mn, FY17 – Rs 498 Mn

# H1 FY18 – CONSOLIDATED BALANCE SHEET

Particulars (Rs mn)	Sep-17	FY17
<b>Equities &amp; Liabilities</b>		
<b>Shareholder's Funds</b>		
Share Capital	217.3	217.3
Reserves & Surplus	4,960.4	4,667.7
<b>Total Shareholder's Funds</b>	<b>5,177.7</b>	<b>4,885.0</b>
<b>Non-Current Liabilities</b>		
Long-term Borrowings	141.0	153.8
Deferred Tax Liabilities (net)	-	-
Other Long-term Liabilities	146.0	143.2
<b>Total of Non-current liabilities</b>	<b>287.0</b>	<b>297.0</b>
<b>Current Liabilities</b>		
Short-term Borrowings	1,003.6	343.8
Trade Payables	1,409.3	1,033.3
Other Current Liabilities	338.1	367.4
Short-term Provisions	11.4	35.8
<b>Total of Current liabilities</b>	<b>2,762.4</b>	<b>1,780.3</b>
<b>Total Liabilities</b>	<b>8,227.1</b>	<b>6,962.3</b>

Particulars (Rs mn)	Sep-17	FY17
<b>Assets</b>		
<b>Non-Current Assets</b>		
Fixed Assets	1,554.0	1,655.7
Non-Current Investments	159.0	215.0
Deferred Tax Assets (net)	36.8	49.3
Long-term Loans & Advances	199.5	69.8
Other non-current assets	130.1	165.1
<b>Total non-current assets</b>	<b>2,079.4</b>	<b>2,154.9</b>
<b>Current Assets</b>		
Current Investments	912.5	855.0
Inventories	2,766.0	2,020.1
Trade Receivables	1,815.2	1,463.1
Cash & Bank Balance	289.7	259.7
Short-term Loans & Advances	22.9	182.1
Other Current Assets	341.4	27.3
<b>Total Current Assets</b>	<b>6,147.7</b>	<b>4,807.3</b>
<b>Total Assets</b>	<b>8,227.1</b>	<b>6,962.3</b>



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**LEAP INTO THE FUTURE**

## 1949 - 2014

- 1949: Nahar Group started woollen yarn manufacturing operations
- 1984-2000: Entry into branded apparel via launch of Monte Carlo as a brand
- 2001-2002: Came up with own brand of Cotton T-shirts
- 2011: Demerger of MCFL from OWML, brand remained with MCFL
- 2014: Successfully made public issue of Rs. 350 crore via IPO at issue price of 645 through offer for sale

## 2015-2017

- Successful diversified brand across segments like Woollen, Cotton, Kids, Home Furnishing with ranges as Luxuria, Alpha, Tweens and Clock & Decker
- Woollen share reduced to 35%, enhancing product line towards all season cotton segment
- Expanded geographical footprint to South and West, currently contributing over 10% of sales
- Entered into online space with tie up with Amazon, Flipkart, Jabong and Myntra
- Launched its Exclusive Fitness & fashion Wear Under Brand Rock.IT

## WAY FORWARD

- Increasing Footprints across by PAN India presence - with penetration in Southern and Western Regions of India
- Expected to add 10 – 15 EBOs every year
- Revenue to grow by 15 – 20% every year with strong EBITDA margin
- Strategic Brand acquisition based on opportunities ahead
- Focus on shareholder value creation with healthy dividend pay out

**Transformation to being an all-season apparel brand with strong retail reach**

## VISIBILITY FOR STRONG GROWTH

- Well positioned to deliver strong growth for the current year
  - Effect of demonetization and early impact of GST now behind
  - Robust orderbook to deliver strong sales during the winter
- Low inventory from last winter as goods were sold at discount in March quarter

## POSITIVE BUSINESS OUTLOOK

- Focus on new markets and new product offerings
- Strong traction in making further inroads in western and southern markets in India
- Launch fitness & fashion wear range “Rock.it”.

## CONSISTENT FOCUS ON SHAREHOLDER RETURN

- Low Capex requirement for next two years, near term growth will be achieved from higher capacity utilization
- Committed to generate strong shareholder returns with increasing cash flows in future

## IMPROVED WORKING CAPITAL CYCLE

- Reduction in inventory leading to efficient working capital cycle and higher operating cash flow in FY2017
- Working capital increased during H1 FY2018 as we are preparing for strong growth with high inventory & receivables

## HEALTHY CASH FLOW & STRONGER BALANCE SHEET

- Strong balance sheet with low overall debt; Long term borrowing at INR 141 mn as of September 2017
- Strong balance sheet is reflected through high cash balance of INR 1,361 mn (includes cash and bank balance along with current and non-current investments)



## MARGIN IMPROVEMENT

- Company believes in maintaining strong EBITDA margin, as we move to next leg of growth focus will remain to grow profitably
- With strong brand and product profile, we believe we should be able to maintain 18 – 20% EBITDA margin on a sustainable basis



## LOWER WORKING CAPITAL REQUIREMENT

- Maintain current level of working capital as we embark on new phase of growth
- Reduction of net working capital by INR 221mn, primarily due to reduction in inventory and debtors



## LOWERING DEBT

- Strong free cash flow led to reduction in long term debt
- Long term debt lowered by INR 139mn, resulting in lower interest cost in 1H FY2018



## STRONG RETURN RATIOS

- Monte Carlo delivered strong RoCE of 20-30% on a sustainable basis, however last two years were impacted due to warm winter (FY16) and demonetization (FY17)
- As we cleared inventory in 4Q FY2017, RoCE will again get normalized to 20-30% going forward



## REGULAR & STRONG DIVIDEND

- Consistent dividend of INR 10/- per shares reflects strong focus on creating shareholder value
- Dividend pay out ratio in FY2017 was 51.3% excluding dividend distribution tax



## 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

- 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 and Myntra

## FOCUS ON RETURN RATIOS EXPANSION

- No major capex requirement for over next 2 years. Average sustaining capex is to be in the range of INR 100-150 mn on yearly basis in the next two years
- Ability to sustain Robust growth without any major capex. Therefore Return ratios set to improve.

Aspire to service complete wardrobe requirement of Indian consumers by adding further new products in our portfolio

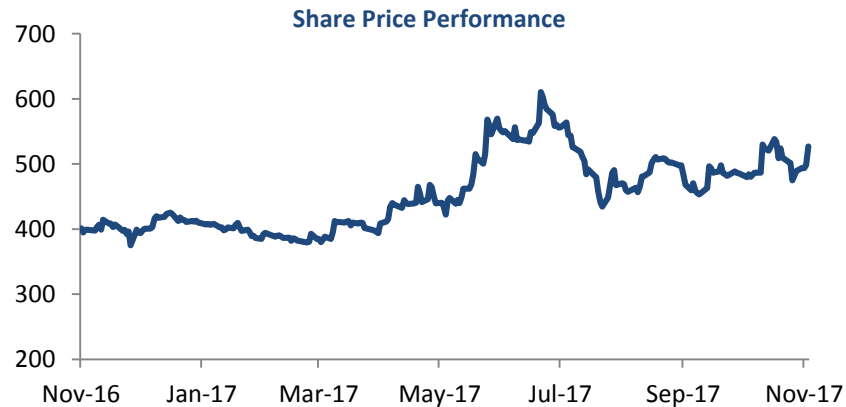


Its the way you make me feel

# ANNEXURE

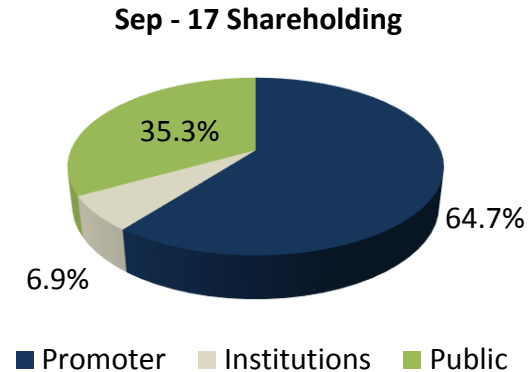
Market Data	As on 23.11.2017 (BSE)
Market Capitalization (Rs Mn)	11,434
Share Price	INR 526.9
No. of shares outstanding (Mn)	21.7
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	640 – 370

Source – BSE



Key Institutional Investors	% Holding
Kanchi Investments Ltd (Samara Capital)	10.94
Goldman Sachs India	3.64
Birla Sun Life Trustee Co.	2.89
ICICI Prudential Life Insurance	1.82
Aditya Birla Pvt Equity Trust	1.57

Source – Company / BSE as on 30<sup>th</sup> September 2017



## REVENUE \* BREAKUP – SEGMENT WISE

	Q2 FY18	Q2 FY17	H1FY18	H1FY17	FY17	FY16
<b>Total Revenues (Rs. Mn)</b>	<b>1,064</b>	<b>989</b>	<b>1,610</b>	<b>1,623</b>	<b>5,343</b>	<b>5,789</b>
<b>Woollen Segment</b>	<b>30.9%</b>	<b>29.0%</b>	<b>15.3%</b>	<b>12.5%</b>	<b>28.1%</b>	<b>34.2%</b>
<b>Cotton Segment</b>	<b>56.5%</b>	<b>49.8%</b>	<b>69.3%</b>	<b>64.5%</b>	<b>58.1%</b>	<b>51.3%</b>
<b>Home Furnishings</b>	<b>9.6%</b>	<b>17.5%</b>	<b>11.1%</b>	<b>18.1%</b>	<b>9.1%</b>	<b>9.7%</b>
<b>Kids</b>	<b>3.0%</b>	<b>3.7%</b>	<b>4.3%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>4.8%</b>

### FOCUS ON PRODUCT DIVERSIFICATION

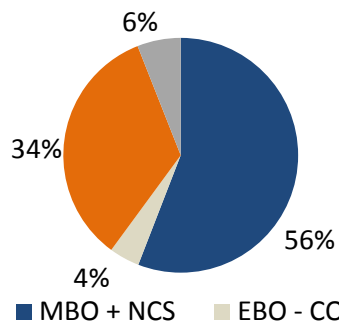
- Consistent growth in Cotton products
- Winter sales have picked up in Northern India, signalling strong winter during the year
- Woollen sales registered strong growth during the quarter

\* Revenue from Core Products

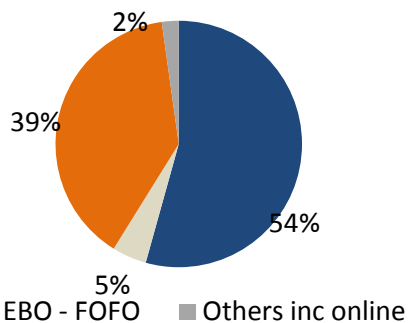
MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet  
COCO – Company own Company operated, FOFO – Franchise own Franchise operated

## Q2 FY 18 REVENUE \* BREAKUP – CHANNEL WISE

Q2 FY17: Rs 989 Mn

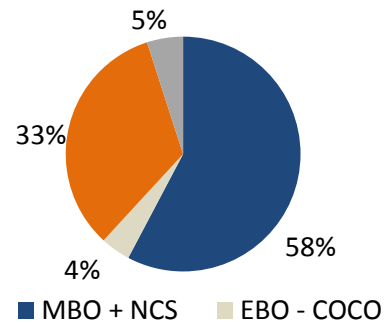


Q2 FY18: Rs 1,064 Mn

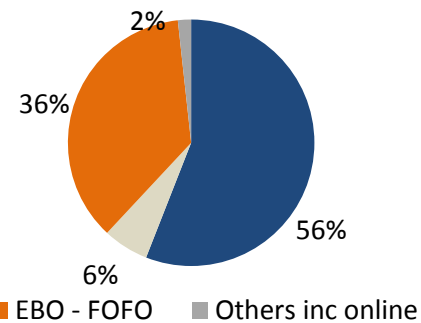


## H1 FY 18 REVENUE \* BREAKUP – CHANNEL WISE

H1 FY17: Rs 1,623 Mn



H1 FY18: Rs 1,610 Mn



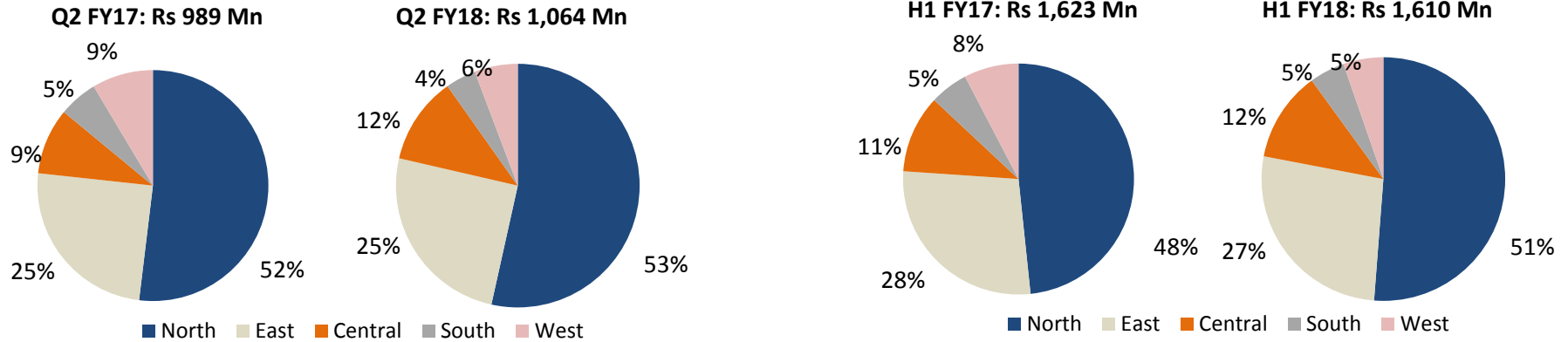
### FOCUS ON CHANNEL DIVERSIFICATION

- Improved traction across NCS, including large format stores like Reliance retail, Shopper stop, Madura, Pantaloons, Central, Kapsons.

\* Revenue from Core Products

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

## REVENUE \* BREAKUP – REGION WISE



### FOCUS ON REGIONAL DIVERSIFICATION

- Strategic focus to build a pan India presence
- Central region is contributing 12% of the overall sales for the quarter

\* Revenue from Core Products

STORE NETWORK			
Type of Store	FY16	FY17	As on Date
EBO – COCO	21	20	21
EBO – FOFO	202	211	219
MBO	2,000+	2,300+	2400+
NCS	164	198	249

EBO – NET ADDITIONS			
	FY16	FY17	As on Date
Existing	214	223	231
New Opened	24	17	13
Closed	15	9	4
<b>Total EBOs</b>	<b>223</b>	<b>231</b>	<b>240</b>

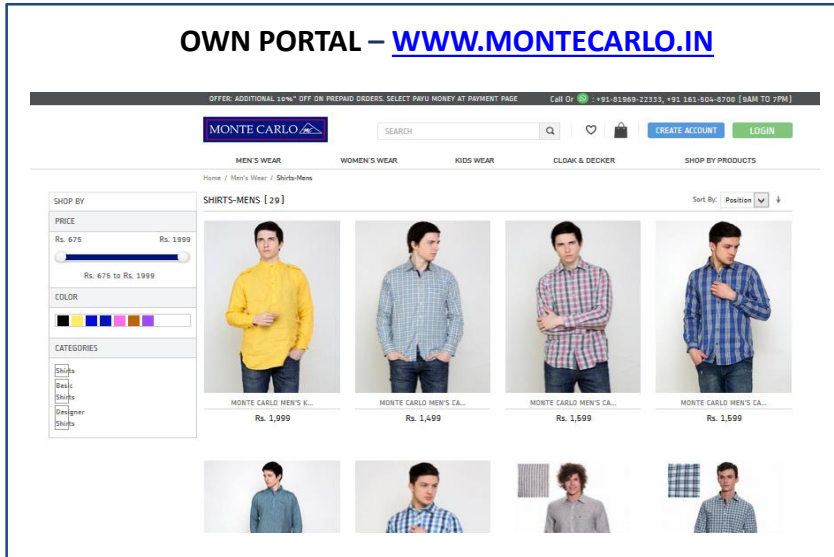
- Strategic focus to build a pan India presence; Focus on increasing presence in Southern and Western markets
- Significant increase in MBO and NCS outlet in FY17, which continued in H1 FY18

MBO – Multi Brand Outlet, EBO – Exclusive Brand Outlet

COCO – Company own Company operated, FOFO – Franchise own Franchise operated, NCS – National Chain Stores

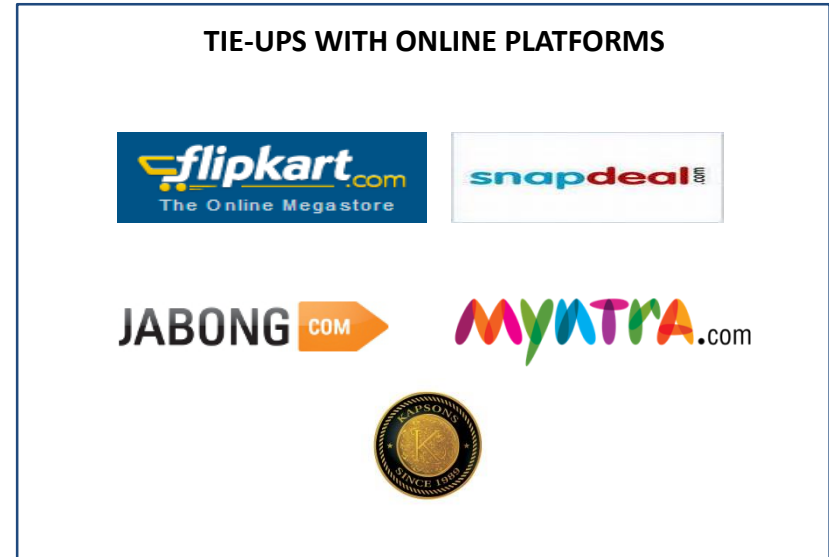
- Building our presence on e-commerce platform through our own portal [www.montecarlo.in](http://www.montecarlo.in)
- Have Entered into distribution agreements with some of the leading Indian digital commerce platforms for online sale of our products

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



The screenshot displays the Monte Carlo e-commerce portal. At the top, there is a navigation bar with the Monte Carlo logo, a search bar, and links for 'CREATE ACCOUNT' and 'LOGIN'. Below the navigation bar, there are category tabs for 'MEN'S WEAR', 'WOMEN'S WEAR', 'KIDS WEAR', 'CLD&K & DECKER', and 'SHOP BY PRODUCTS'. The main content area shows a product listing for 'SHIRTS-MENS [20]'. On the left, there is a sidebar with filters for 'SHOP BY', 'PRICE' (ranging from Rs. 675 to Rs. 1999), 'COLOR', and 'CATEGORIES'. The product grid displays four shirts with their respective prices: a yellow shirt (Rs. 1,999), a blue checkered shirt (Rs. 1,499), a red and white checkered shirt (Rs. 1,599), and a blue and white checkered shirt (Rs. 1,599). Below the grid, there are four more shirt images.

### TIE-UPS WITH ONLINE PLATFORMS



The image displays logos of online platforms with which Monte Carlo has tie-ups. The logos are: Flipkart.com (The Online Megastore), Snapdeal.com, Jabong.com, Myatra.com, and a gold coin with the text 'MONTENAPSON' and 'FRENCH 1910'.





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