

# MONTE CARLO

It's the way you make me feel



**MONTE CARLO FASHIONS LIMITED**

**Q3 & 9M FY22 INVESTOR PRESENTATION**

“ It’s the way  
you make me feel ”



## DISCUSSION SUMMARY

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# 01

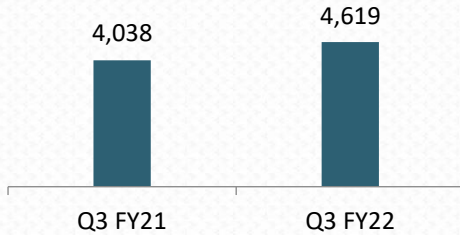
## FINANCIAL HIGHLIGHTS



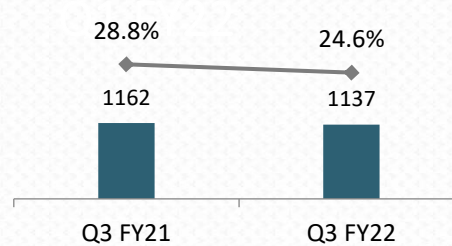
In Rs Mn

# Q3 & 9M FY22: FINANCIAL HIGHLIGHTS

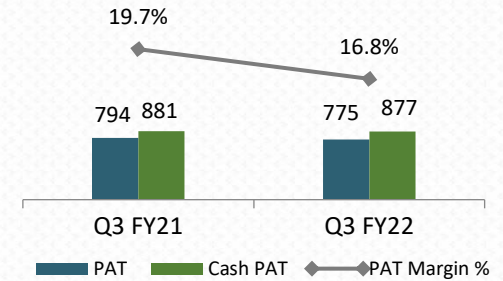
## REVENUES



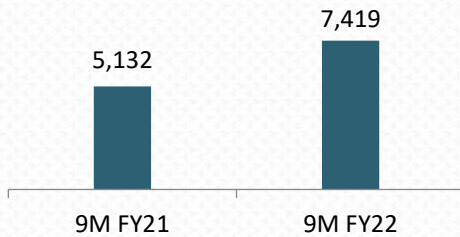
## EBIDTA\* & EBITDA MARGIN%



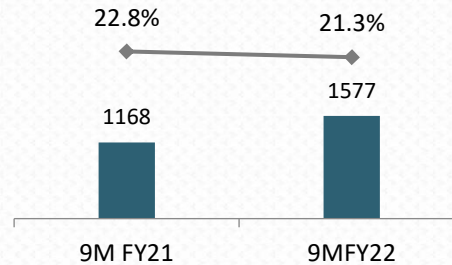
## PAT, CASH PAT & PAT MARGIN%



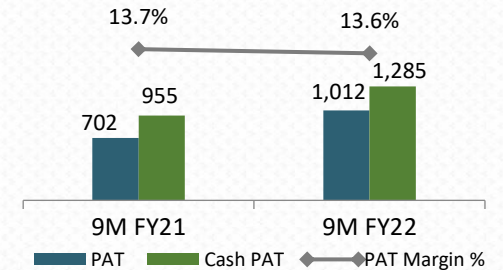
## REVENUES



## EBIDTA\* & EBITDA MARGIN%



## PAT, CASH PAT & PAT MARGIN%



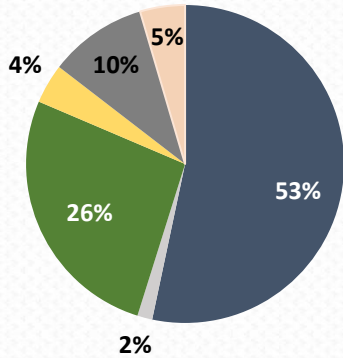
\*EBITDA excludes other income

**The company has recorded its highest ever Revenue in 9M FY22**

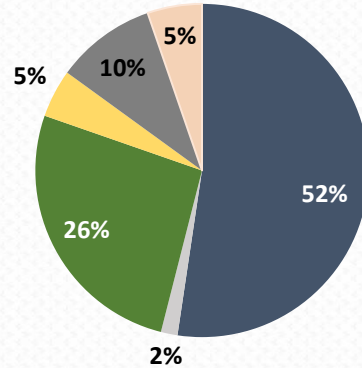
# Q3 FY22: REVENUE DETAILS

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

Q3 FY21: Rs 3,997 Mn



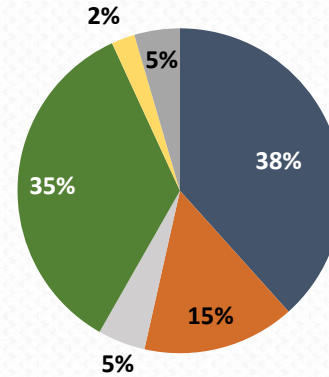
Q3 FY22: Rs 4,591 Mn



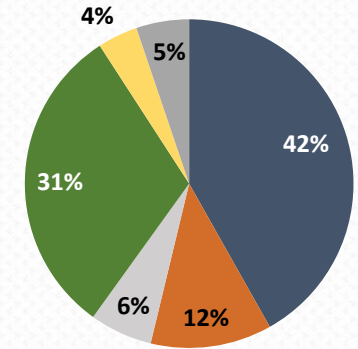
■ North ■ South ■ East ■ West ■ Central ■ Others Including Online

## REVENUE BREAKUP – CHANNEL WISE

Q3 FY21: Rs 3,997 Mn

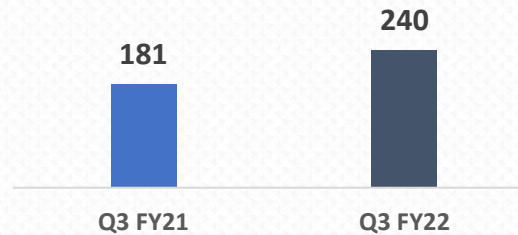


Q2 FY22: Rs 4,591 Mn



■ MBO ■ NCS ■ EBO-COCO ■ EBO-FOFO ■ Corporate/ CSD/ Govt. ■ Online

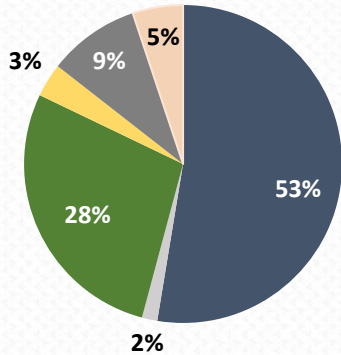
## Online Sales (Rs Mn)



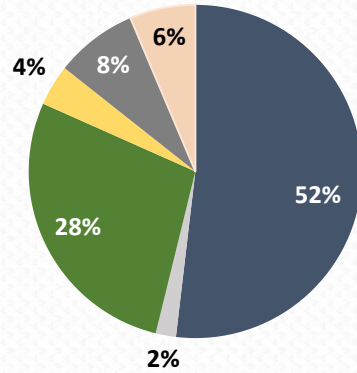
# 9M FY22: REVENUE DETAILS

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

9M FY21: Rs 5,054 Mn



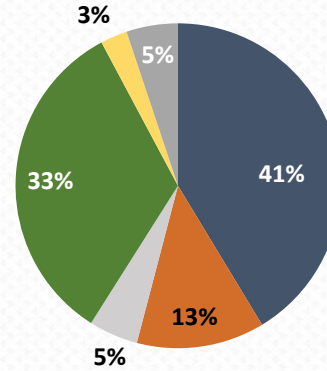
9M FY22: Rs 7,545 Mn



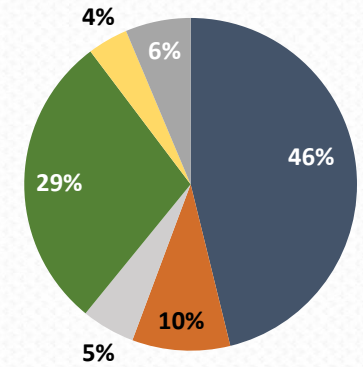
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## REVENUE BREAKUP - CHANNEL WISE

9M FY21: Rs 5,054 Mn

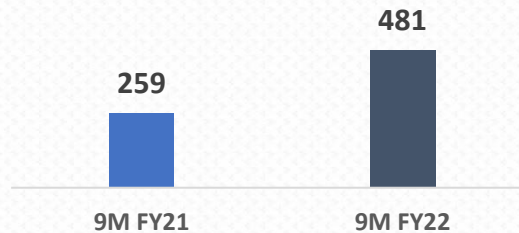


9M FY22: Rs 7,545 Mn



■ MBO ■ NCS ■ EBO-COCO ■ EBO-FOFO ■ Corporate/ CSD/ Govt. ■ Online

## Online Sales (Rs Mn)



# Q3 & 9M FY22: REVENUE ANALYSIS

## REVENUE BREAKUP - SEGMENT WISE

In Rs Mn	Q3 FY21	Q3 FY22	9M FY21	9M FY22	FY20	FY21
Total Revenues*	3,997	4,591	5,054	7,545	Rs. 7,235	Rs. 6,126
Cotton Segment	46.2%	47.8%	46.5%	50.3%	59.1%	51.4%
Woollen Segment	35.3%	33.1%	30.4%	26.6%	22.3%	27.7%
Home Textiles	10.6%	10.5%	16.0%	15.5%	11.7%	14.3%
Kids	7.9%	8.6%	7.1%	7.6%	6.9%	6.6%

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

Q3 FY21 Sales of scrap and accessories was Rs.6.3 Mn, Other Operating revenue was Rs. 4.4 Mn & INDAS adj. was Rs. 30.5 Mn

Q3 FY22 Sales of scrap and accessories was Rs. 6.2 Mn, Other Operating revenue was Rs. 5.5 Mn & INDAS adj. was Rs. 16.0 Mn

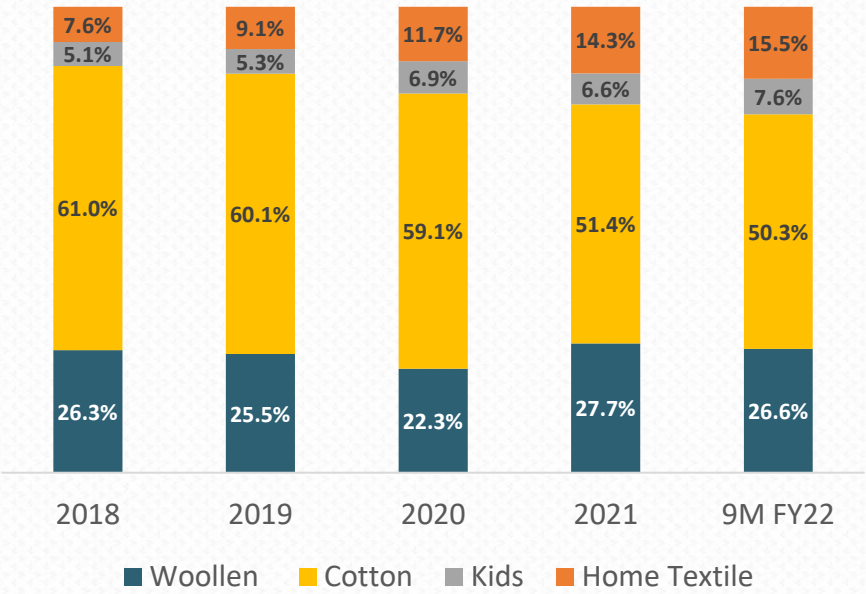
9M FY21 Sales of scrap and accessories was Rs.14.4 Mn, Other Operating revenue was Rs. 6.4 Mn & INDAS adj. was Rs. 58.0 Mn

9M FY22 Sales of scrap and accessories was Rs. 20.4 Mn, Other Operating revenue was Rs. 9.7 Mn & INDAS adj. was Rs. -156.7 Mn

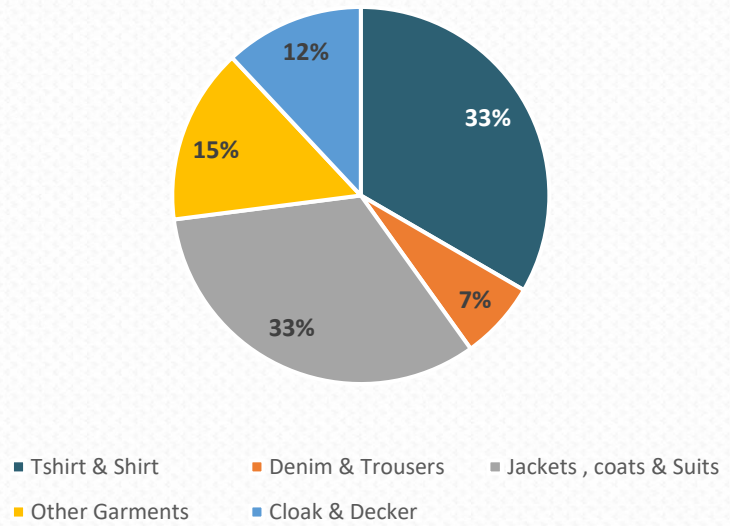
FY20 Sales of scrap and accessories was Rs.80.3Mn, Other Operating revenue was Rs.11.5 Mn & INDAS adj. was Rs.-70.7 Mn

FY21 Sales of scrap and accessories was Rs.28.8 Mn , Other Operating revenue was Rs.8.2 Mn & INDAS adj. was Rs.57.2 Mn

## SEGMENT COMPOSITION



## COTTON SEGMENT BIFURCATION – 9MFY22



- The company is focusing on the diversification strategy, emphasising more on cotton segment
- Cotton share maintained above 50% of total FY21 revenue reflecting shift towards Cotton from Woollen segment

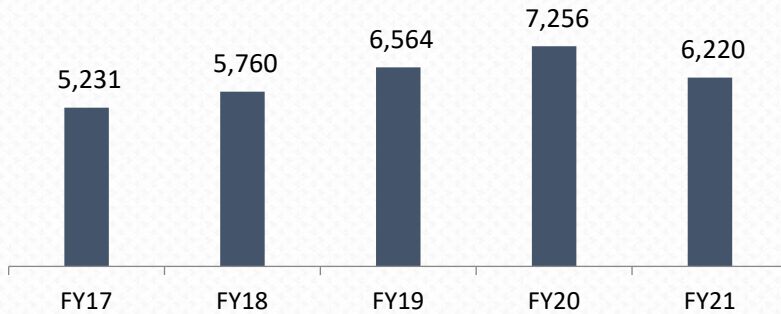


# Q3 & 9M FY22: PROFIT AND LOSS STATEMENT

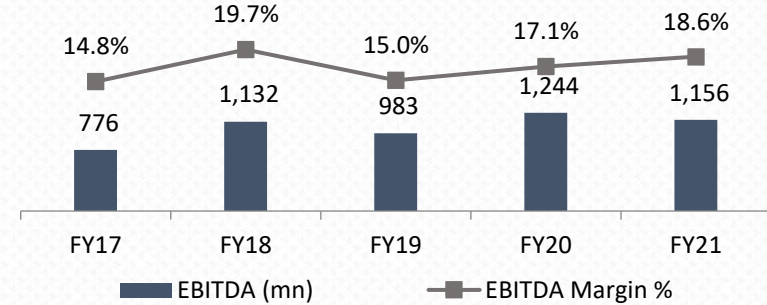
Particulars (In Rs Mn)	Q3 FY22	Q3 FY21	YoY%	9M FY22	9M FY21	YoY%	FY21
<b>Revenue From Operations</b>	<b>4619</b>	<b>4038</b>	<b>14%</b>	<b>7,419</b>	<b>5,132</b>	<b>45%</b>	<b>6,220</b>
Material Cost	2678	2349	14%	3,914	2,745	43%	3,310
<b>Gross Margin</b>	<b>1941</b>	<b>1689</b>	<b>15%</b>	<b>3505</b>	<b>2387</b>	<b>47%</b>	<b>2910</b>
<b>Gross Margin %</b>	<b>42.0%</b>	<b>41.8%</b>	<b>20bps</b>	<b>47.2%</b>	<b>46.5%</b>	<b>73bps</b>	<b>46.8%</b>
Personnel Expenses	251	169	49%	614	404	52%	599
Advertisement Expenses	83	29	187%	145	46	215%	110
Other Expenses	452	312	45%	1151	752	53%	1,028
CSR Expenses	18	17	-	18	17	-	18
<b>Operating EBITDA</b>	<b>1137</b>	<b>1162</b>	<b>-2%</b>	<b>1577</b>	<b>1168</b>	<b>35%</b>	<b>1155</b>
<b>EBITDA Margin %</b>	<b>24.6%</b>	<b>28.8%</b>	<b>-416bps</b>	<b>21.3%</b>	<b>22.8%</b>	<b>-150bps</b>	<b>18.6%</b>
Other Income	49	39	27%	172	140	23%	202
Depreciation	102	87	17%	273	253	8%	342
Finance cost	43	35	22%	115	101	14%	135
<b>PBT</b>	<b>1041</b>	<b>1079</b>	<b>-3%</b>	<b>1361</b>	<b>954</b>	<b>43%</b>	<b>880</b>
Tax Expense	266	285	-6%	349	252	39%	217
<b>PAT</b>	<b>775</b>	<b>794</b>	<b>-2%</b>	<b>1012</b>	<b>702</b>	<b>44%</b>	<b>663</b>
<b>PAT Margin %</b>	<b>16.8%</b>	<b>19.7%</b>	<b>-288bps</b>	<b>13.6%</b>	<b>13.7%</b>	<b>-4bps</b>	<b>10.7%</b>
EPS (Rs.)	37	38	-2%	49	34	44%	32

In Rs Mn

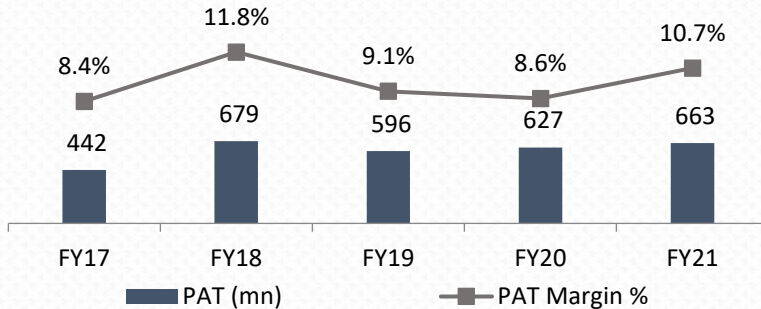
**CONSISTENT REVENUES**



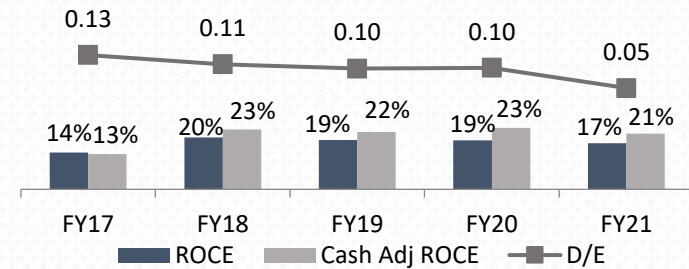
**EBITDA & EBITDA MARGIN**



**PAT & PAT MARGIN**



**LEVERAGE & RETURN RATIOS**



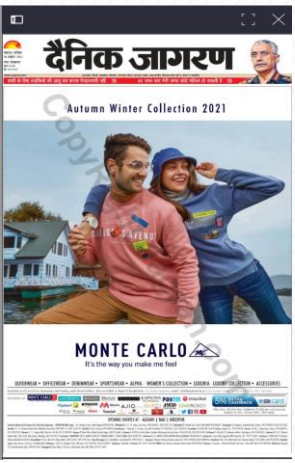
Note – EBITDA does not include other income

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

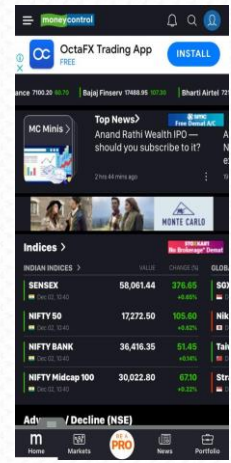
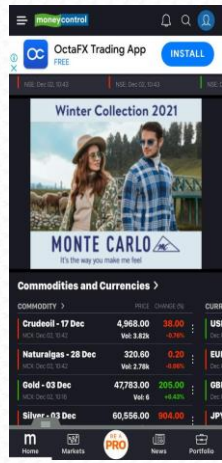
Inventory Data related to FY18 onwards is according to the cost method of valuation and the data related prior to FY18 is according to retail method of valuation

# Q3 FY22 ADVERTISING CAMPAIGNS

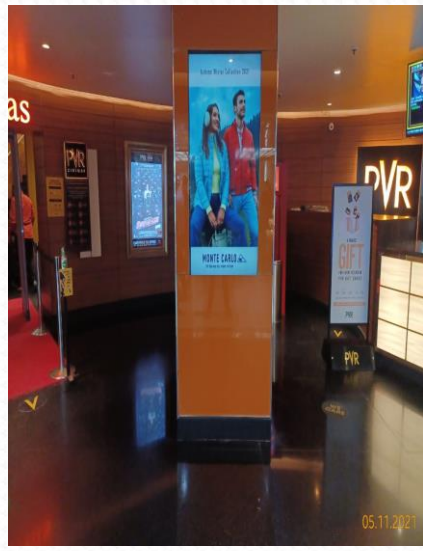
## PRINT



## DIGITAL



## OTHERS



# 02

## COMPANY OVERVIEW



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



## Strong Pedigree

Leading Winter wear Brand, launched in 1984 promoted by Sh. Jawahar Lal Oswal ,CMD, Oswal woollen Mills Ltd and Nahar Group



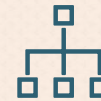
## Manufacturing Plants

2 Manufacturing Plant located in Ludhiana



## Super Brand

Recognized as Super brand for woollen knitted apparel in India



## Diversified Product Portfolio

Successfully diversified brand across Woollen, Cotton, Kids & Home Furnishing



## Wide Reach

Presence across India through various distribution channels



## In House Designing Team

30 professionals closely tracking the trending global fashion



## Cash Balance

Cash balance of Rs. 1,940 Mn as of December 2021

(includes cash and bank balance along with current and non-current investments)



## Low Debt

Long-Term borrowing at Rs. 200 Mn as of December 2021

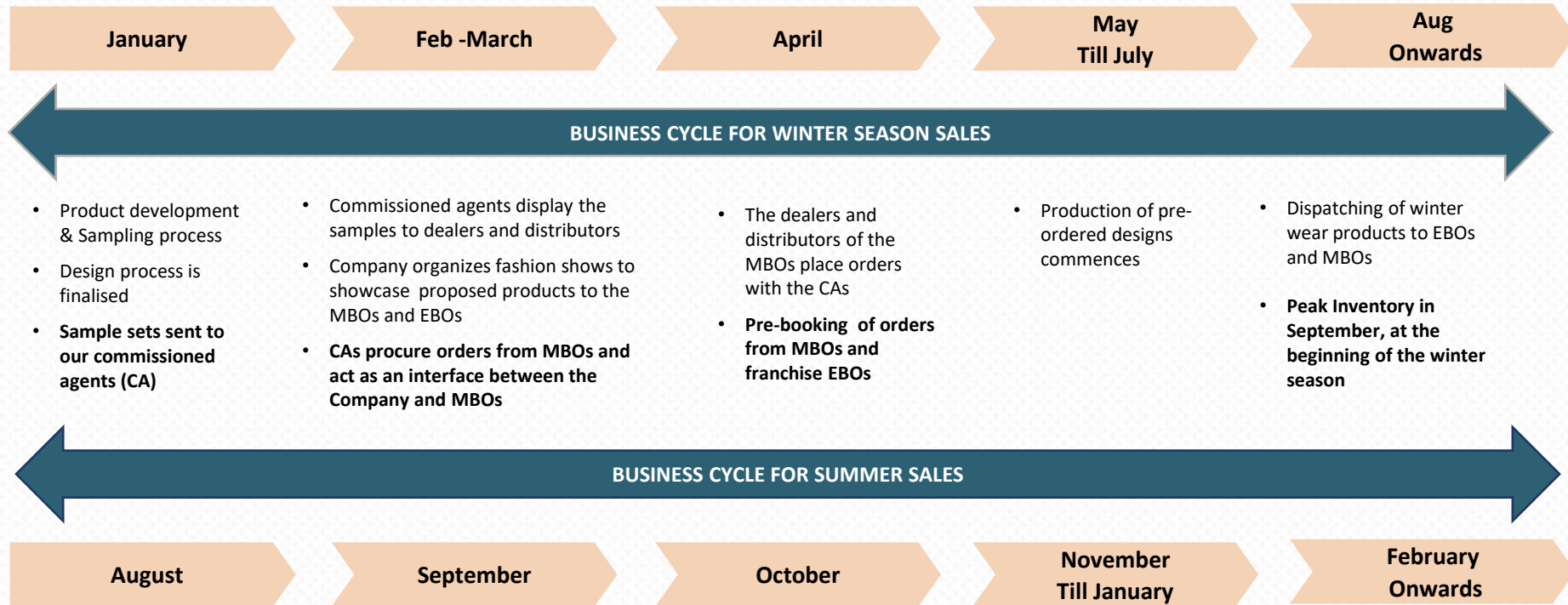
# DIVERSIFIED PRODUCT PORTFOLIO

Range	Woollen	Cotton	Home Furnishing	Kids
<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



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

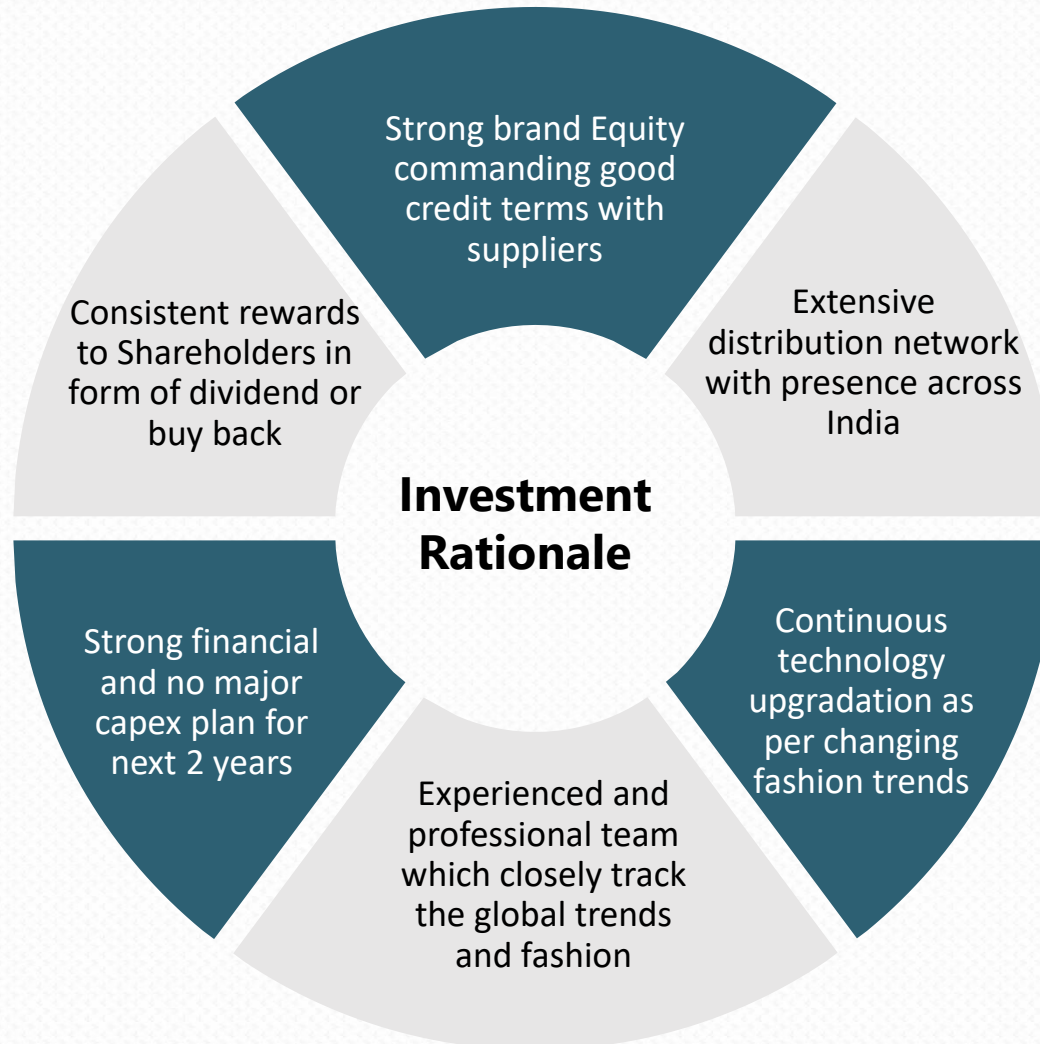




# 03

## Investment Rationale





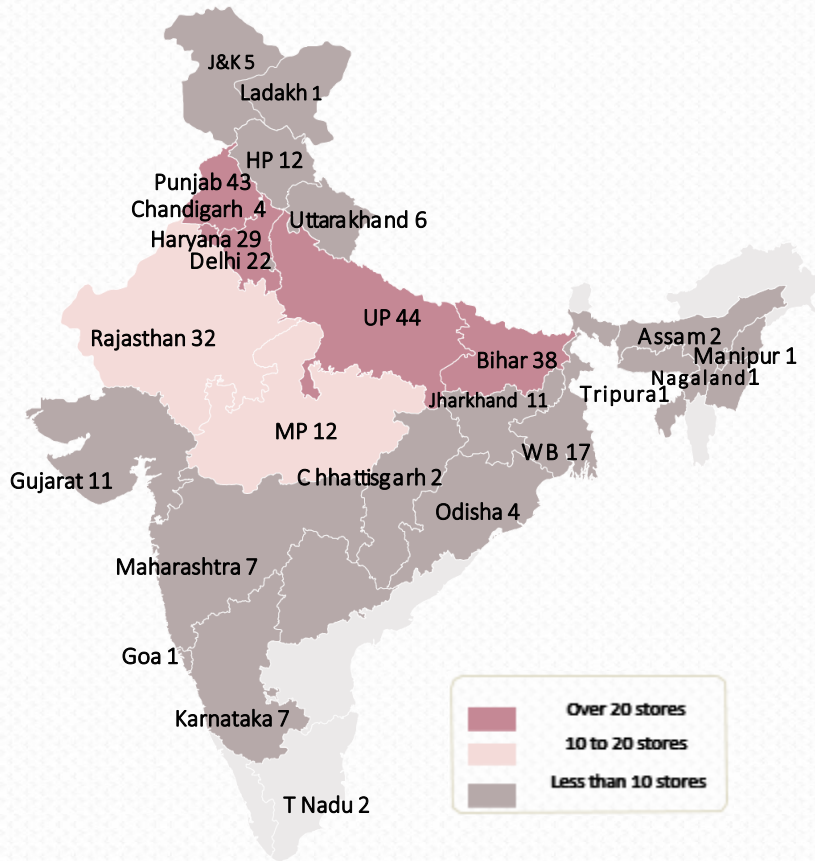
# STRONG BRAND EQUITY ...

- ❖ “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	FY20	FY21	Q3 FY22
EBO – COCO	37	42	52
EBO – FOFO	241	256	263
MBO and Distributors	2,500+	1,777*	2,087*
NCS	566	622	739
SIS	126	153	235
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			
	FY20	FY21	9M FY22
Existing	256	278	298
New Opened	31	28	31
Closed	9	8	14
<b>Total EBOs</b>	<b>278</b>	<b>298</b>	<b>315</b>

### NEW STORE LAUNCHES – 9M FY22

**FOFO:** NORTH (10) CENTRAL (4) EAST (6) WEST (3)

**COCO:** NORTH (5) EAST (1) WEST (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.

# GEARED TO REAP PLI BENEFITS IN HOME TEXTILES

## Production Linked Incentive Scheme (PLI)

- Budgetary Outlay of approx. **Rs. 11,000 Crores** to **promote production of manmade fabrics, garments and technical textiles by government of India**
- **Annual incentives for 5 years to large scale projects** linked with turnover of identified categories

## Monte Carlo Home Textiles Limited

- **Proposed subsidiary company** to manufacture Home Textiles Products
  - **Rugs : 13 mn. sq. m. per annum**
  - **Mink Blanket fabric : 20 tons per day**
- Total **Investment** outlay ~ **Rs. 355 crores over a period of 5 years**
- Will **leverage the growth opportunities in the “Home Textiles”**
- **Availing part 2 of the PLI scheme**

## Key growth drivers of Home Textiles

- **Growth in end-user segments** – hospitality, corporate, retail, entertainment, aviation, etc
- **Individuals spending more time at home** - focus on redecorating and upgrading
- **Rapid urbanization & increasing purchasing power** in the developing economies
- **Lifestyle change** - Recognition of carpet as a necessary product instead of luxury

## 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 has more than 21 years of experience in the field of administration
- He is Bachelor's in Pharmacy, Diploma in Export Management and certified in wool from AWTA AUSTRALIA
- Prior to joining Monte Carlo he worked with Oswal Woollen Mills as its executive director and he was also past chairman CII Punjab

## Sh. Rishabh Oswal (Executive Director)

- Rishabh Oswal is part of third generation of Oswal family
- He has 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

## STRONG BALANCE SHEET POSITION

- ❖ Cash balance of Rs 1,940 Mn (includes cash and bank balance along with current and non-current investments) as of December 2021

## NO MAJOR CAPEX

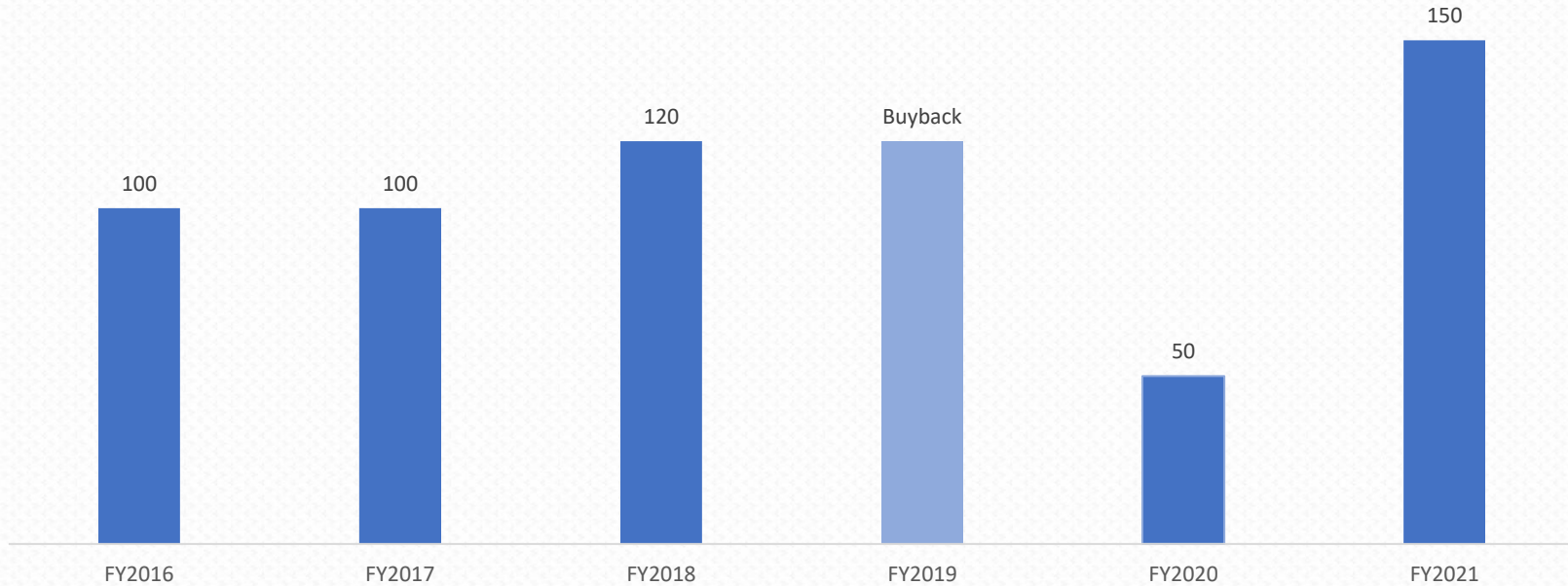
- ❖ 9M FY22 capex of Rs. 231 Mn for de-bottlenecking and modernization of existing facilities
- ❖ Roust growth without any major capex; Return Ratios set to improve

## LOWER DEBT

- ❖ Low overall debt; Long term borrowing at Rs. 200 Mn as of December 2021



# 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**

# 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), Braille 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

**Mr. Rishabh Oswal**

Executive Director

**Email:**

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

**DICKENSON**

**Ms. Pushpa Mani**

Senior Consultant

**Mr. Chintan Mehta**

Director

**Email:**

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

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