



INDIA'S FASTEST GROWING LIFESTYLE KNITWEAR AND INNERWEAR COMPANY

DOLLAR INDUSTRIES LIMITED. ANALYST PRESENTATION Q1 FY 2017-18



MFD. & MKTD. BY : DOLLAR INDUSTRIES LTD (ISO 9001:2015 CERTIFIED ORGANISATION)
OM TOWERS, 15TH FLOOR, 32, J. L. NEHRU ROAD | KOLKATA 700 071 | WEST BENGAL | INDIA
BRANCH OFFICE : 8/624, AVINASHI GOUNDER PALAYAM | ANGERIPALAYAM ROAD | TIRUPUR | TAMIL NADU - 641603 | INDIA

CUSTOMER CARE NO : (033) 2288 4064 | Email : care@dollarglobal.in

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Overview

1

In 2016 -17, the Indian hosiery industry experienced its most challenging year.

2

Demonetization-induced weakness. Higher raw material prices. Weaker revenues. Lower profits.

3

Dollar Industries surprised industry observers.

4

The Company reported higher operating profits.

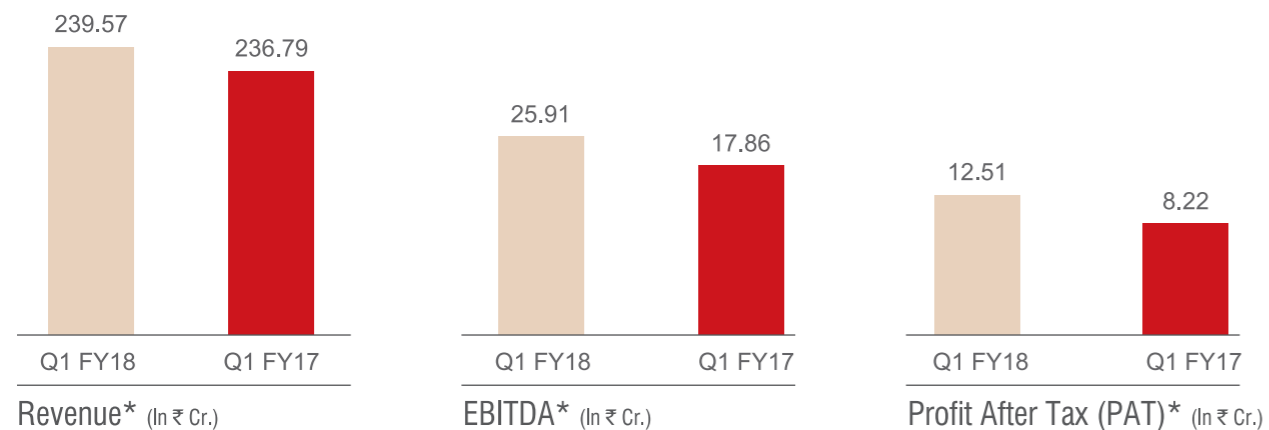
The more challenging it became,
the better Dollar performed

(In ₹ Cr.)

Total Revenue	EBITDA	Interest	Depreciation
905.92 2016 -17	101.19 2016 -17	19.67 2016 -17	14.78 2016 -17
829.94 2015 -16	74.00 2015 -16	19.37 2015 -16	13.73 2015 -16
Tax	Profit After Tax (PAT)	Equity Capital	Earnings Per Share (EPS) (₹)
23.27 2016 -17	43.47 2016 -17	10.84 2016 -17	40.09 2016 -17
14.55 2015 -16	26.35 2015 -16	7.75 2015 -16	34.03 2015 -16

- Profitable growth: Revenues increased 9.15%; PAT increased 64.95%
- EBITDA margin: 11.17%, growth of 36.74% - highest in the industry
- 17.81% growth in EPS

We countered challenges and continued to grow in Q1 FY18



- Faced challenges in Q1 FY18 due to GST
- De-stocking done by distributors due to maintaining low level of stock as on transition date
- Management responded by educating the distributors on the impact of GST on the stock
- EBITDA margin: Q1 FY18 - 10.82% ; Q1 FY17 - 7.54%
- PAT % in Q1 FY18- 5.22% ; Q1 FY17- 3.47%

*The above numbers have been reported under IND-AS Accounting Standards

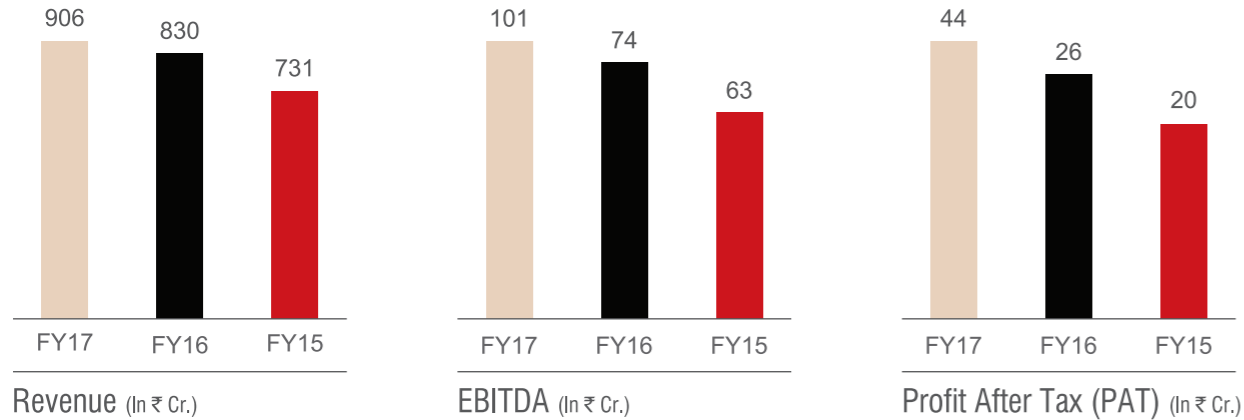
Dollar

Optimistic of sustaining its aggressive growth journey



India's fastest growing lifestyle knitwear and innerwear company

MARKED BY PROFITABLE GROWTH
GROWTH TRANSLATING INTO BOTTOMLINE ACCRETION



Revenue growth of 7.43%
CAGR in three years
ending 2016 -17

EBITDA growth of 17.50%
CAGR in three years
ending 2016 -17

PAT growth of 30.75%
CAGR in three years
ending 2016 -17

Dollar

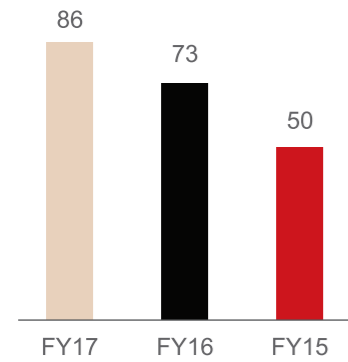
Visible. Enduring. Relevant.

THE DOLLAR BRAND IS OUR BIGGEST INTANGIBLE ASSET

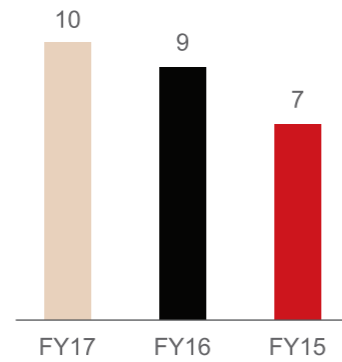
- Disciplined 8-10% investment of annual revenues in brand-building
- Products endorsed by Indian film icon Akshay Kumar
- Brand recalled for 'fitness', 'quality' and 'contemporariness'

Dollar

Visible. Enduring. Relevant.



Brand investment (In ₹ Cr.)



Brand spending as a percentage of revenue (%)

Dollar

Complement of popular brands addressing focused target segments

OUR BRANDS



Dollar

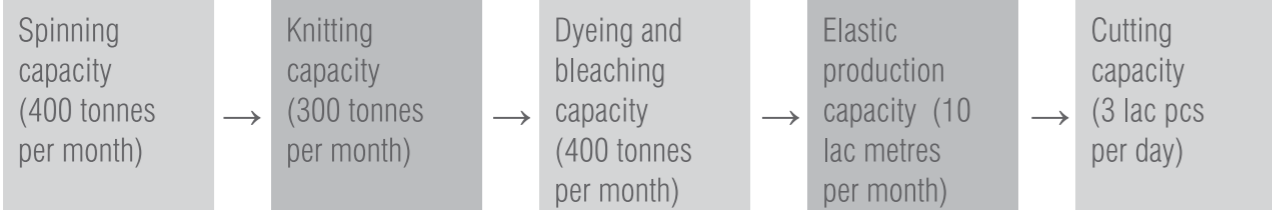
Enjoying an extensive value chain

Among India's first innerwear and hosiery companies integrated backwards (raw cotton to hosiery product delivery)

Manufacturing locations in Tirupur, Kolkata, Delhi, and Ludhiana

Invested in 5MW wind energy facility; invested in Rs.12 crore effluent treatment plant (making the plant zero liquid discharge)

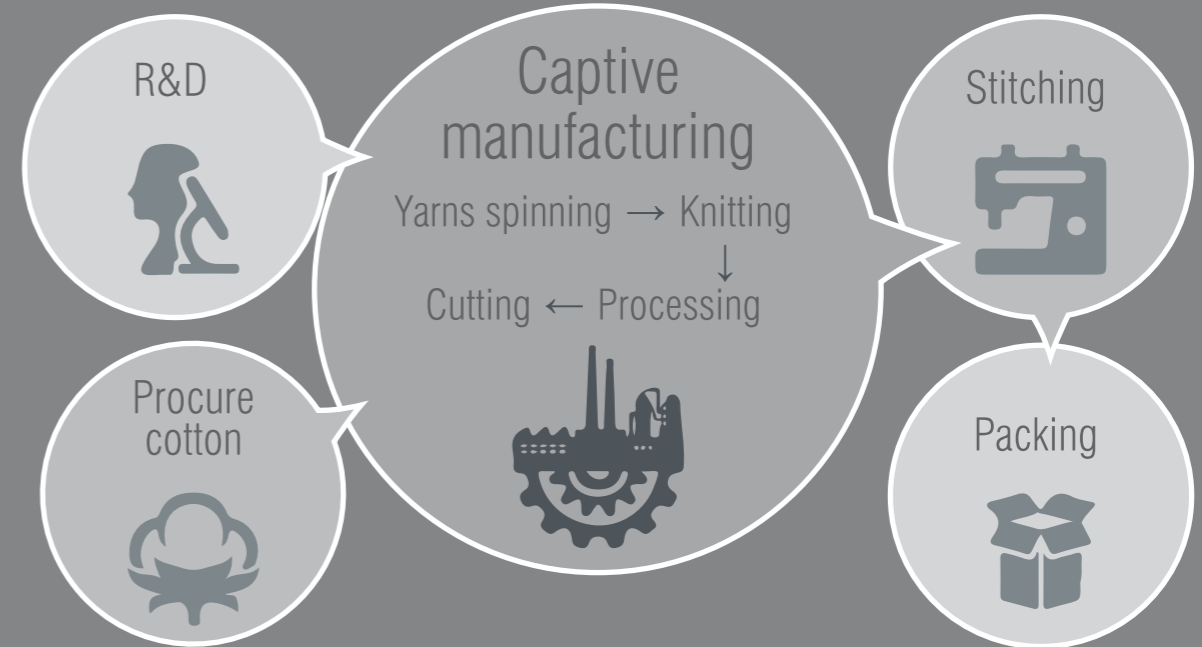
Equipment from Rieter and Schlafhorst (Spinning) and Schlafhorst (Dyeing), Bierrebi srl, Sclavos S.A., Bianco S.p.A. and Morgan Tecnica Spa



Benefits: High labour productivity; minimal downtime; superior quality; inflation management; wider value-chain.

Dollar

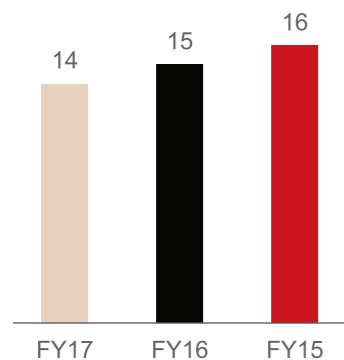
Enjoying an extensive value chain



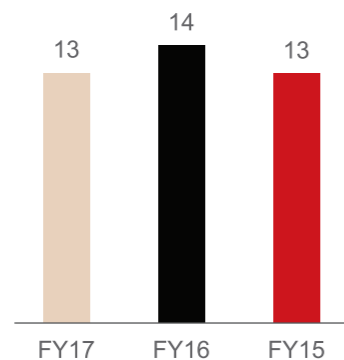
Dollar

Offering an enriching product mix

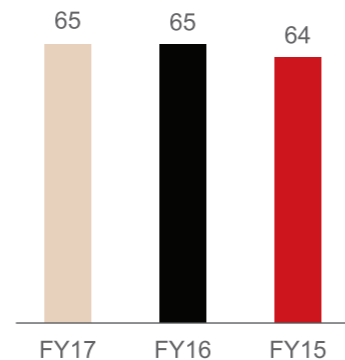
- Evolved product mix from innerwear to knitted outerwear
- Evolved from men's wear to family-wear
- Growing focus on premium and super-premium segments
- New products introduced each season



Proportion of revenue from knitted outerwear (%)



Proportion of revenue from non-men's products (%)



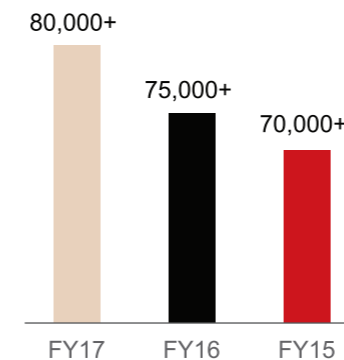
Proportion of revenue from premium and super-premium segment (%)

Dollar

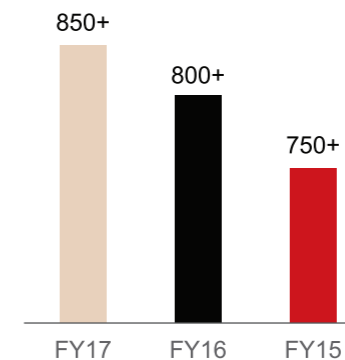
Wide and deep distribution

In three years...

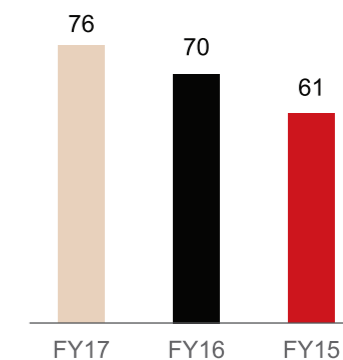
- Grew distributors from 750+ to 850+
- Increased multi-brand outlets from 70,000+ to 80,000+
- Extended focus from conventional retail to large format stores, modern retail and e-commerce
- Marketed products in 10 countries



Retail outlets



Distributors



Exports (In ₹ Cr.)

Our global presence



Presence:

In addition to India, Dollar products are also marketed in UAE, Oman, Qatar, Sudan, Jordan, Yemen, Kuwait, Bahrain, Iraq and Nepal

Dollar

Transforming sectoral realities



From an
'innerwear'
company to
a lifestyle
brand



From
marketing
products like
commodities
to marketing
around
aspiration



From low-
priced
products
towards
affordable
luxury



From job-work
to owned
manufacturing
facilities

Dollar

Continuously responsive

Wide price range (Rs.50 to Rs.650)

Broad apparel categories (innerwear and outerwear)

Presence in economy, premium and super-premium segments

Diverse choice across styles, colours, and weaves

Accelerating new product introduction

Enhanced allocation for R&D and designing

Caters to the entire family, not just men

Dollar

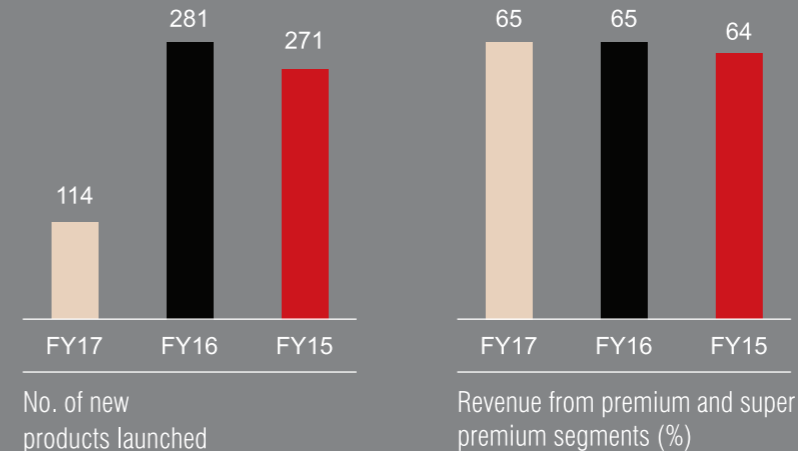
Continuously responsive

Force NXT launched in 2015-16

Address super premium segment

Fabric uses superior yarn, thread and fashionable design

Signalling desired premium positioning



Dollar - Pepe Jeans

Join hands together as Joint Venture Partners



1
50 : 50
Joint
Venture
Partnership

2
JV for selling and
distribution of
underwear and
loungewear,
including gym
wear, track suits
and sleepwear

3
JV shall
undertake the
business in the
territories of
India, Sri Lanka,
Bhutan, Nepal,
and Bangladesh

4
10 years of
exclusive
perpetual
agreement with
a renewal clause
with PJ Hungary
KFT

5
Products to be
marketed under
the brand name
of 'Pepe Jeans
London'

6
Total capital
requirement of Rs.
200 Cr.-Dollar and
Pepe Jeans to
invest Rs.72 Cr.
(Rs.36 Cr. each)
and balance to be
funded by banks

7
Board to comprise
of 5 Directors; 2
each nominated by
Dollar and Pepe
Jeans and an
Independent
Director

JV Company

To leverage Dollar and Pepe Jeans strength

Dollar's Strength

- Strong brand presence in India
- Expertise in innerwear segment in production, marketing and distribution
- 80,000+ Multi-Brand Outlets
- 850+ Distributors



Pepe Jeans Strength

- Strong brand presence across the globe
- Expertise in branding and distribution
- 1,110 Multi-Brand Outlets
- 364 Large Format Stores
- 216 Brand Outlets

Dollar

The big picture



Vision

- Dollar in everyone's lives



Mission

- to emerge as India's best loved hosiery brand
- to make hosiery outerwear and innerwear fashionable yet affordable
- to graduate customers to a higher apparel lifestyle standard
- to reach customers through convenience (modern trade and e-commerce)
- to invest in high productivity manufacturing facilities
- to outperform industry standards in profitability
- to improve life of people around Dollar
- to do all these at the high governance standards



Quality Policy

- to enhance customer satisfaction by providing high-quality readymade garments as per customer specifications and requirements
- to strive for continual improvement by monitoring and quality reviewing management systems
- to monitor quality at every manufacturing point starting from yarn to packaging and delivering
- to ensure compliance with ISO 9001:2015

Our Management



Mr. Dindayal Gupta, Chairman



Mr. Vinod Kumar Gupta
Managing Director & CEO
Chartered Accountant (CA)
Company Secretary (CS)



Mr. Binay Kumar Gupta
Managing Director
Bachelor of Commerce (B.Com)



Mr. Krishan Kumar Gupta
Whole-time Director
Bachelor of Science (B.Sc)



Mr. Bajrang Kumar Gupta
Whole-time Director
Bachelor of Technology (IIT-BHU)

Independent Board



Mr. Binay Kumar Agarwal
Chartered Accountant (CA)
Practising Finance and Tax
Consultant



Mr. Pawan Kumar Agarwal
Bachelor of Commerce (B.Com)
Successful Businessman



Mr. Rajesh Kumar Bubna
Chartered Accountant (CA)
Company Secretary (CS)
Practising Tax Consultant and Advisor



**Mrs. Deepshikha Rakesh
Agarwal**
Bachelor of Commerce (B.Com)



Mr. Rakesh Biyani
Bachelor of Commerce (B.Com)
Advanced Management Programme
from Harvard University
Eminent Businessman



Mr. Sunil Mitra
Retired I.A.S. Officer

Awards and accolades



Received the National Award for Excellence in men's innerwear from the Clothing Manufacturers Association of India (CMAI) in 2006, 2007 and 2009

Awarded 'Best Brand' by CMAI in 2006 and 2010

Received One Star Export House Certification awarded by DGFT

Dollar has a 15% share of the branded organised hosiery market in India

Corporate Social Responsibility

Set up water kiosks in Kolkata and Bhubaneswar



Organized awareness programmes on the environment, health and sanitation for underprivileged children



Celebrated Children's Day with NGOs



Supported schools and local clubs in organizing fitness events such as cricket and football tournaments, wrestling, rock climbing and sports festivals



Sponsored 'Kolkata Marathon', Cyclothon and blood donation camps



SWOT Analysis



Strengths

- Resilient long-term demand
- Strong fundamentals and brand recall
- Backward integration resulting in extensive value chain



Weaknesses

- Volatile raw material prices
- Fast changing technology
- Changing consumer behaviour



Opportunities

- High growth rate of domestic textile industry
- Shift in preference towards branded ready made garments
- E-commerce demand



Threats

- Cyclic nature and fast changing trends in fashion industry
- Availability of skilled labour

Managing Director's Statement



“At Dollar Industries,
we are reinventing ourselves:

- we DECIDE
- we DRIVE
- we DELIVER”

From volume-driven to value-driven.

From commodity-influenced to innovation-inspired.

From asset-heavy to asset-light.

From gross block-driven to brand-powered.

“It took us more than 40 years to get to nearly
Rs.1000 Cr revenues; now driving the Company to
achieve the next Rs.1000 Cr in just 7 years.”

Vinod Kumar Gupta

For further details contact:

SHASHI AGARWAL (CFO)
shashi.agarwal@dollarglobal.in