

50

YEARS STRONGER

Dollar Industries Limited
Q2 FY24 Earnings Presentation

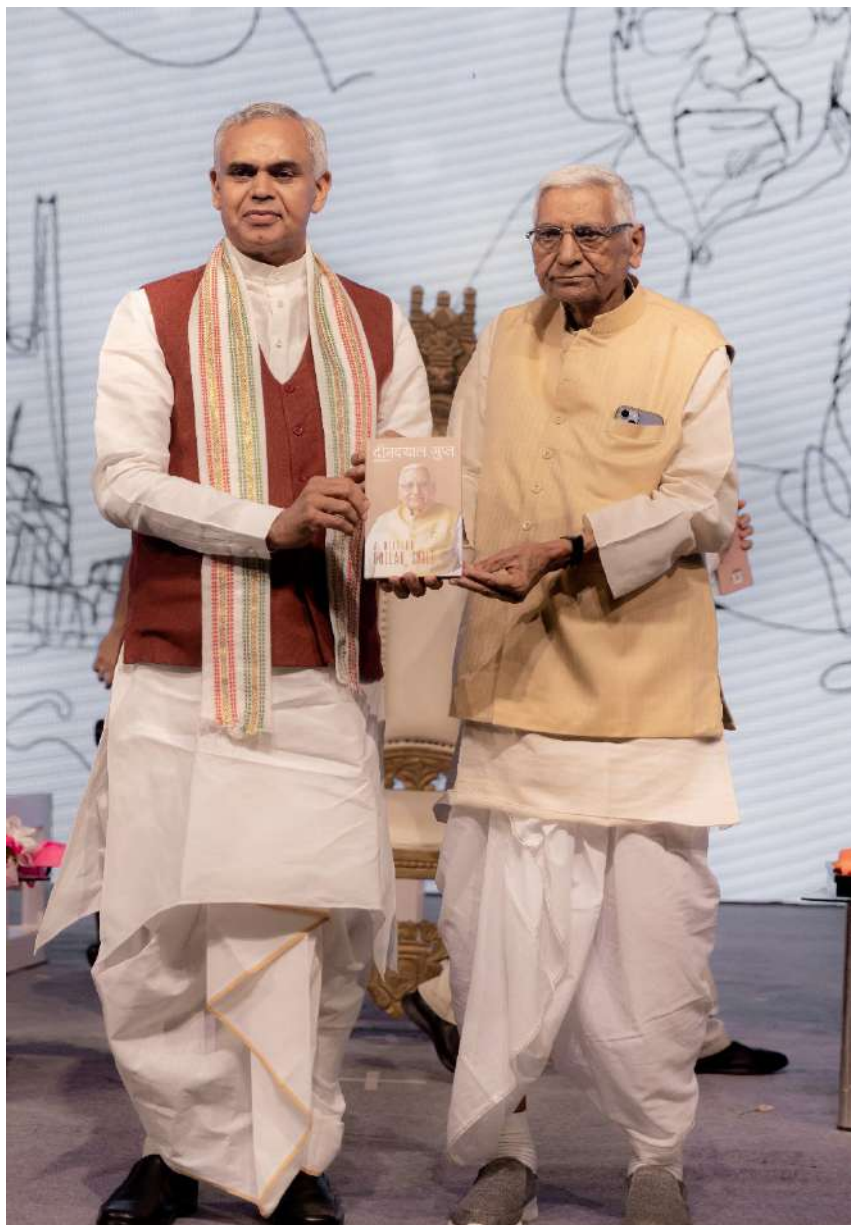
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The Warp and Weft of Memories and Learnings



Over a glittering function attended by the city glitterati, the Biography of **Shri Din Dayal Gupta, Chairman Emeritus, Dollar Industries Limited**, was launched amidst much fanfare. The book was launched by **Shri Acharya Devrat, Hon'ble Governor of Gujarat**

'**A Million Dollar Smile**' chronicles the journey of a young man with dreams in his eyes and a strong conviction in his beliefs who came to the city of joy from a small town of Manheru in Haryana way back in 1962 and started his hosiery business. Over 50 years, Dollar Industries under his leadership has created innumerable benchmarks in its field and graduated from being a hosiery to an apparel brand of international repute with their fibre to fashion methodology.

“ From a dream to the reality of creating a market-responsive, multi-brand company that continues to retain its leading position in its category, my life has largely evolved around Dollar Industries. However, there are other facets to it - the struggle, the learning lessons, the presence of human pillars who ensured that I don't crumble and fall on the way. This book touches upon all of it. At my age, I hope it will not only make for an interesting read but also serve as a reminder about how flexibility and openness to change is important as we carry on in life ”

Mr. Dindayal Gupta

Chairman Emeritus & Founder

Agenda

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About Dollar Industries



A Leading Player in Branded Outerwear and Innerwear

Established in 1972, we have been able to solidify our presence as one of the leading players in the Indian hosiery space.

~210 million

Garment manufacturing capacity (pieces)

15%

Market share in the Indian hosiery space

2000+

Products across all segments of presence

2300+

Total employees

15 countries

Export presence

04

Manufacturing units

1500+

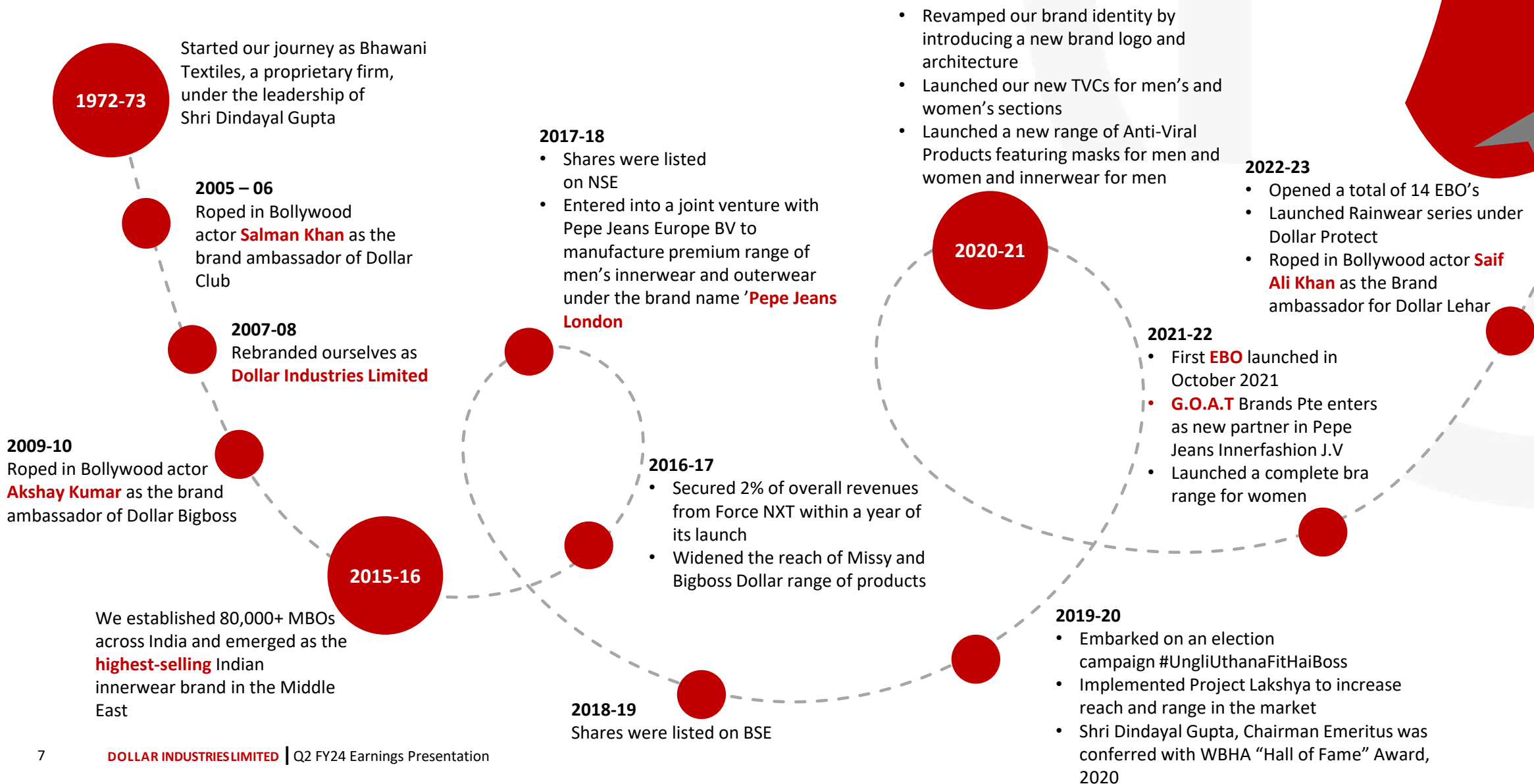
Strong Pan-India dealer network

900+

Presence across large format stores



Mapping our Progress Over 50 Years



Dollar Portfolio (1/2)

Big Boss | J-Class | Athleisure

Vests, Briefs, Trunks, Gym Vests,
Socks, Tank Tops, Crew Necks, Polos,
Henley, Bermudas, Capri, Track
Pants, Joggers



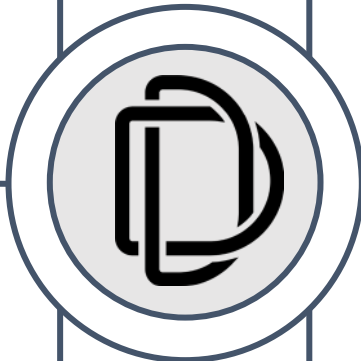
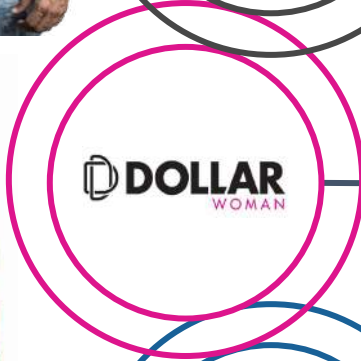
Missy | Athleisure

Leg Wears, Casual Wear, Brassiere,
Camisoles, Panties, Socks, Kurti



Lehar

Vests, Briefs, Trunks, Panties,
Socks, Camisoles



Champion

T-shirts
Bermudas
Trousers
Socks



Ultra | Wintercare

Thermal V-necks
Thermal Trousers
Long Camisoles
Short Camisoles
Socks



Rainguard

Raincoats
Rainwear
Windcheaters
Winter Jackets

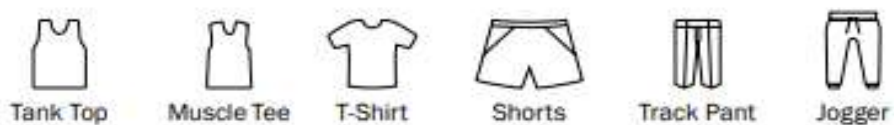
Dollar Portfolio (2/2)



Innerwear & Athleisure



Activewear



Management Commentary

“ We are happy to announce that the company achieved strong all-round growth in the quarter gone by. Operating income increased by 21.2% year-over-year (YoY) and 25.7% quarter-over-quarter (QoQ), reaching ₹ 4,125 million in Q2’FY24.

Gross profit grew 28.6% YoY to ₹ 1,346 million, as GP margin expanded by 189 bps to 32.6%, whereas Operating EBITDA grew sharply by 37.7% to ₹ 417 million. Operating EBITDA margin expanded by 121 bps YoY, crossing the 10% mark.

The company achieved PAT of ₹ 249 million, up 43.9% against the same quarter of the previous year, registering a PAT margin of 6.0%.

The company remains steadfast in its commitment towards continued growth and success of Project Lakshya, and we have added 22 distributors under this project in Q2 FY24. The contribution of Project Lakshya distributors stood at 25.4% in H1 FY24 up from 18.6% in FY23. We are confident that over 70% of our distributors will be covered under Project Lakshya by FY26 and this will go a long way in increasing our market share and improving margins.

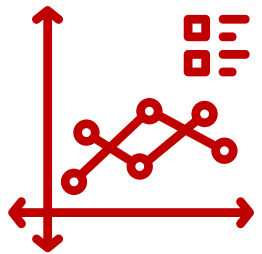
Your company continues to witness strong demand and growing share of higher margin products, which should enable us to achieve the desired topline and bottom-line growth in the near future as well. ”

Binay Kumar Gupta | Vinod Kumar Gupta
Dollar Industries Limited

Binay Kumar Gupta

Vinod Kumar Gupta





Quarter Highlights

Key Highlights

Total volume saw a growth of 39.6% YoY in Q2'FY24

Operating Income increased by 21.2% YoY to INR 4,125 Mn in Q2'FY24

Increase in GP margin by 189 bps YoY to 32.6% in Q2FY24

Increase in EBITDA margin by 121 bps YoY to 10.1% Q2FY24

Increase in PAT margin by 95 bps YoY to 6.0% in Q2FY24

No. of DFS dealers 309 & No. of EBOS 18 as on Q2'FY24

No. of Lakshya Distributors increased from 229 in FY23 to 271 in Q2FY24

Increase in Contribution of Lakshya Distributors from 18.6% in FY23 to 25.4% in H1'FY24

Cash Conversion Cycle improved to 147 days in Q2FY24 from 167 days in Q2FY23

Sales/Capital Employed improved to 1.61 in Q2FY24 from 1.52 in Q2FY23



Quarterly Highlights (1/2)

₹ Million

Particulars	Operating Income	Gross Profit	Operating EBITDA	Profit Before Tax	Profit After Tax	Cash Profit ¹
Q2 FY24	4,125	1,346	417	334	249	291
Growth (YOY)	21.2%	28.6%	37.7%	53.0%	43.9%	34.7%
Growth (QOQ)	25.7%	26.7%	54.0%	72.7%	71.2%	55.8%
Margin ² (%)		32.6%	10.1%	8.1%	6.0%	
Margin –YoY Expansion/(Contraction)		189 bps	121 bps	168 bps	95 bps	
Margin –QoQ Expansion/(Contraction)		27 bps	186 bps	221 bps	160 bps	
EPS/CEPS					4.38	5.14

Note:

1. Cash Profit = PAT add Depreciation
2. Gross Profit & Op EBITDA Margins calculated on Operating Income
3. EPS figures are not annualized

Quarterly Highlights (2/2)

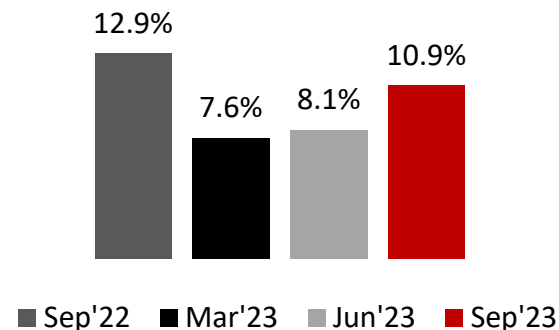
₹ Million

Particulars	30-Sep-22	31-Mar-23	30-Jun-23	30-Sep-23
Net Worth	6,984	7,088	7,241	7,323
Long Term Borrowings	3	1	1	1
Short Term Borrowings	2,431	1,615	1,494	2,098
Net Debt	2,431	1,614	1,492	2,096
Net Current Assets ¹	5,145	5,087	5,065	5,078
Net Fixed Assets	1,675	1,852	2,072	2,137
Total Assets	11,351	10,735	11,013	11,951
Total Asset Turnover	1.25	1.28	1.21	1.31
Sales/Capital Employed	1.52	1.58	1.48	1.61
Cash Conversion Cycle	167	159	159	147

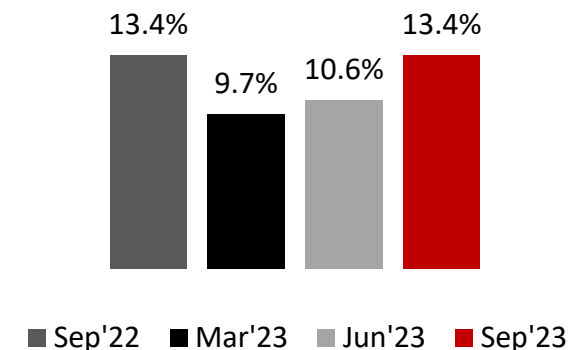
Note:

1. Net current assets excludes cash & cash equivalents
2. Profit figures are YTD annualized

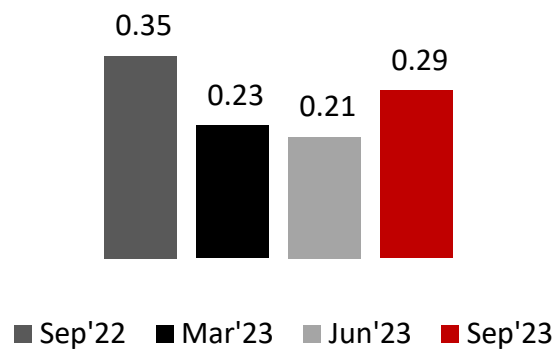
ROE(%)²



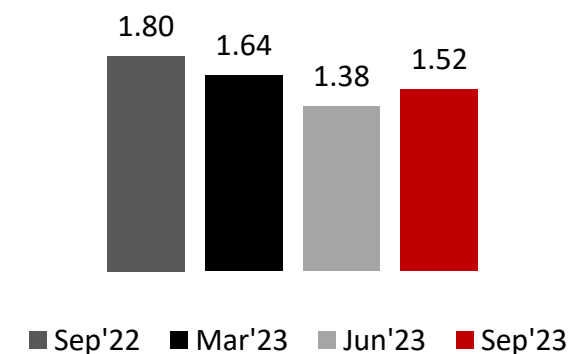
ROCE(%)²



Net Debt/Equity

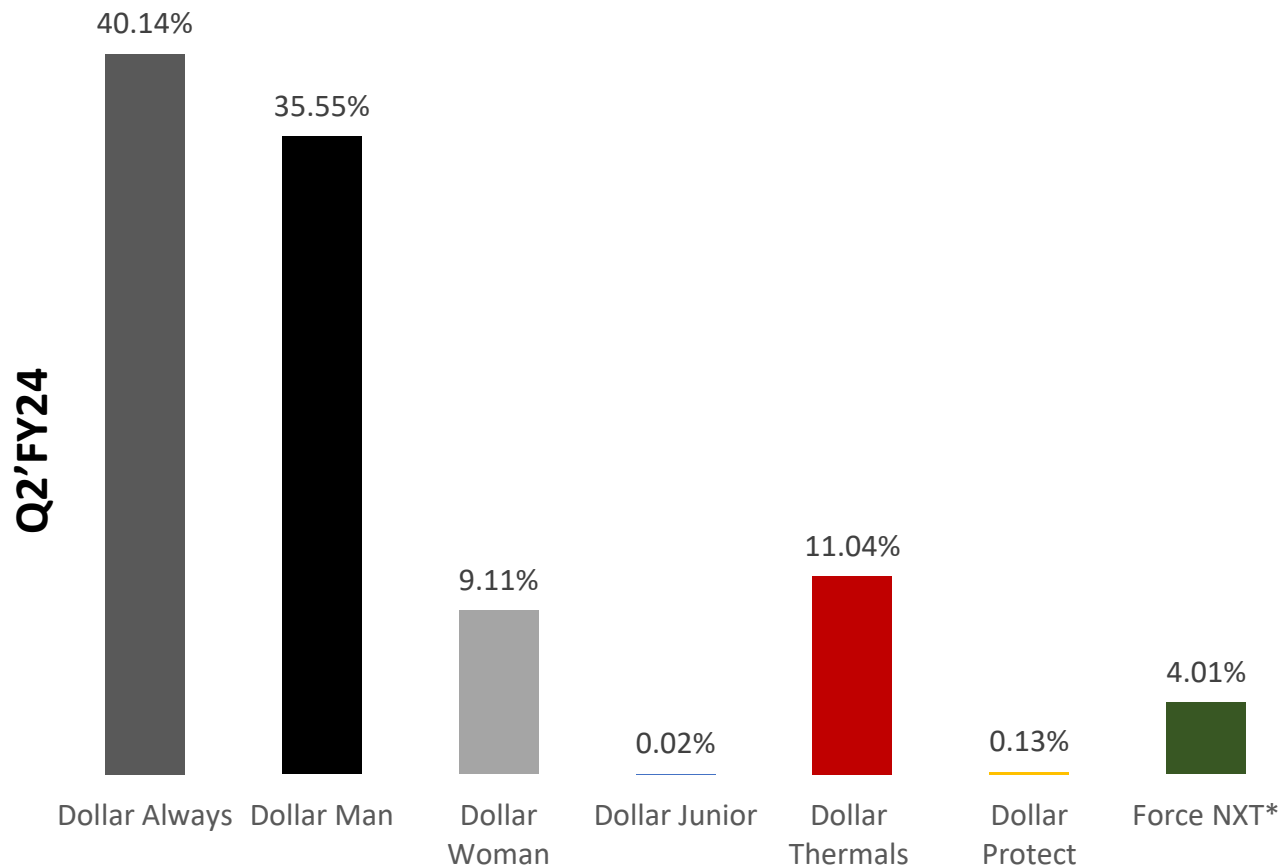


Net Debt/Operating EBITDA²

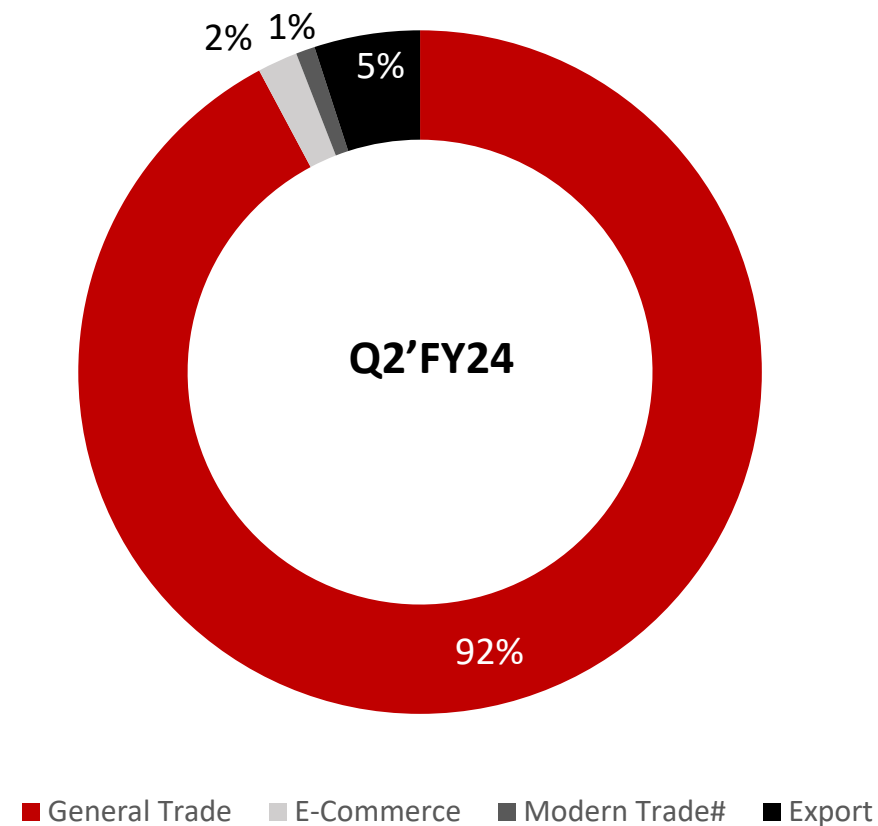


Revenue Contribution (1/2)

Brand Wise



Trade Channel Wise

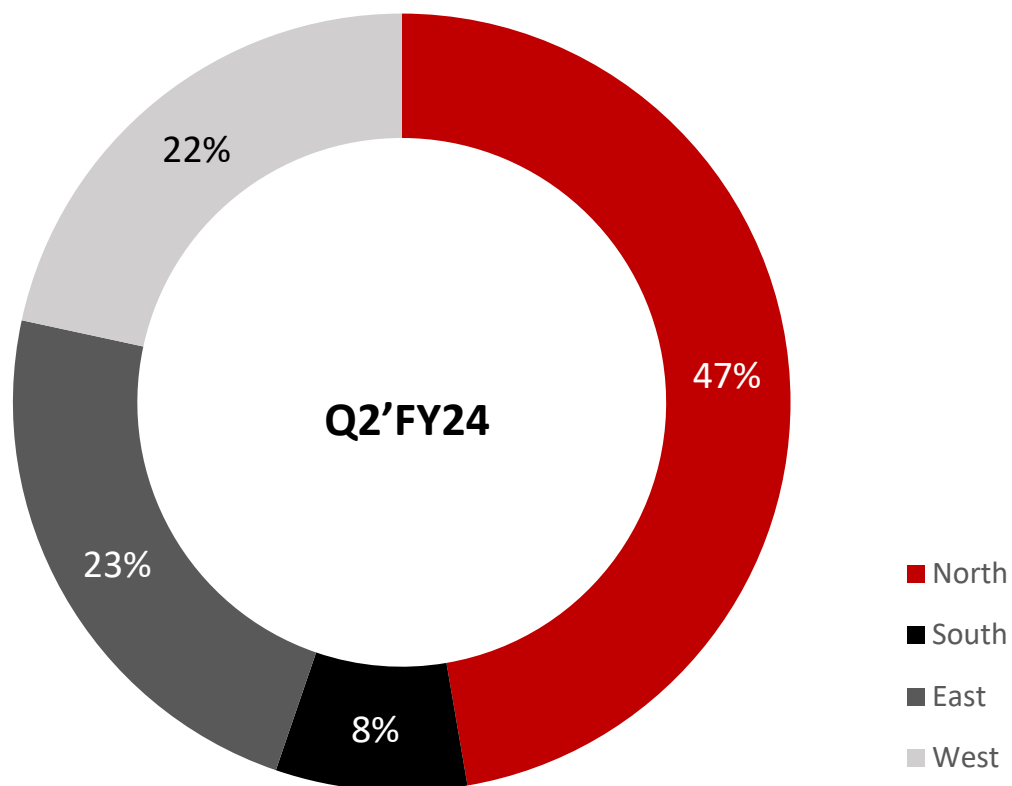


*Force Gowear and Pepe are part of Force NXT

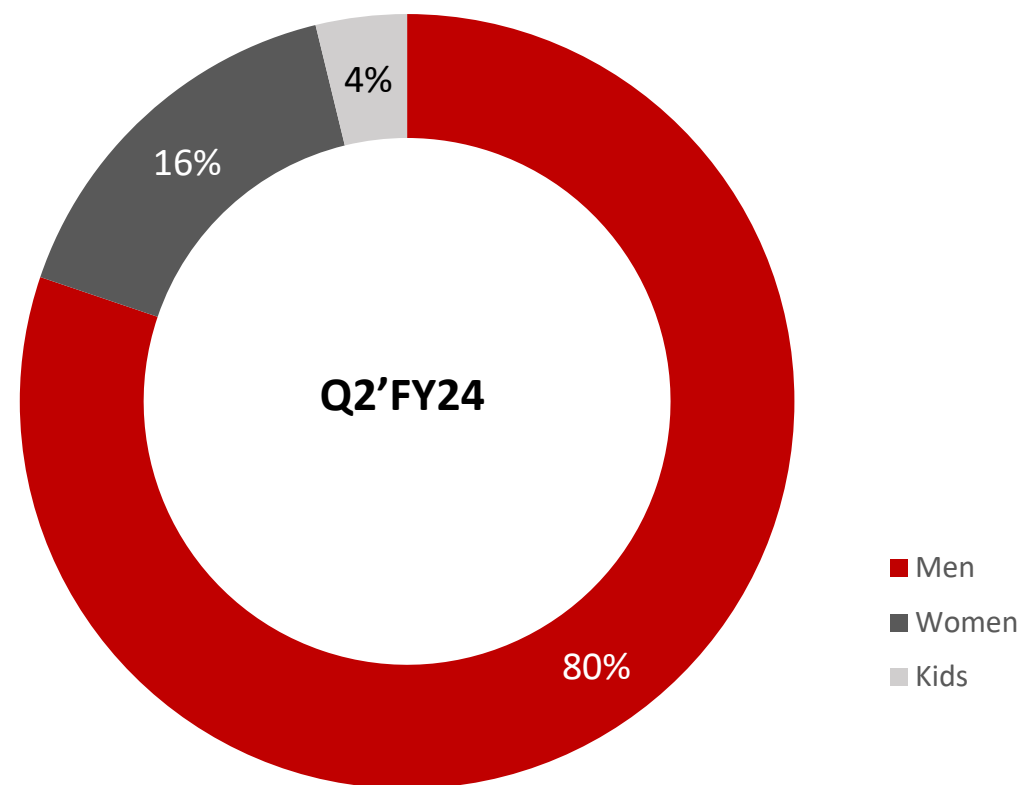
#Modern Trade includes revenue from EBOs

Revenue Contribution (2/2)

Region-Wise



Gender-Wise





 **DOLLAR**
ALWAYS

LEHAR

Masti Ki Lehar

VEST | BRIEF | BOXER | PANTY | SOCKS



Operational Highlights

Edging Past Competition with Integrated Value Chain

2.5 Million

metres per month
Captive elastic
production capacity

400 tonnes

Average monthly
output of Ne 20s to
40s single yarn

400 tonnes

Monthly installed capacity
of bleaching and dyeing

0.3 Million

pieces per day Captive
cutting capacity

300 tonnes

Monthly captive
knitting capacity

Manufacturing facilities:



- Kolkata
- Ludhiana
- Tirupur
- Delhi



Widening Footprint to Cater to Larger Population



Sales Team

500+

Dealer network

1500+

Retail reach

1,40,000+

EBOs

18

Branches

14

Depots

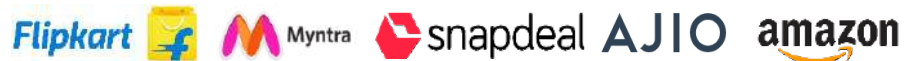
15

Warehouses

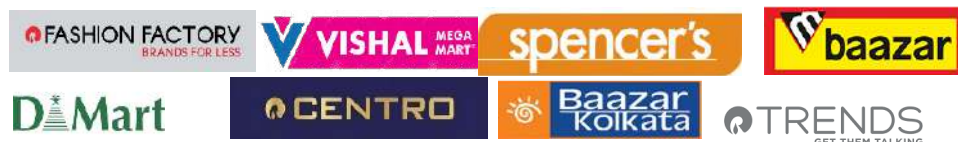
20+

Multi-platform

E-retail presence



Modern trade



Penetrating Countries Across the World

Export revenue in Q2'FY24

15

Countries

Rs. 208

Million

Export revenue in FY26

30

Countries

11.0%

Where we export

- | | | | |
|-----------|-------------|----------------|-----------|
| 1. UAE | 5. Bahrain | 9. Myanmar | 13. Benin |
| 2. Oman | 6. Tanzania | 10. Nigeria | 14. Togo |
| 3. Doha | 7. Iraq | 11. Sharjah | 15. Dubai |
| 4. Kuwait | 8. Nepal | 12. Bangladesh | |



DOLLAR
WOMAN

MISSY

CHURIDAR | ANKLE LENGTH | KURTI PANT
COTTON PANT | CAMISOLE | PANTY | SOCKS

ANKLE LENGTH: 65-66L

CHURIDAR: 65-66L

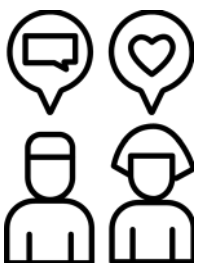
50
GLORIOUS
YEARS



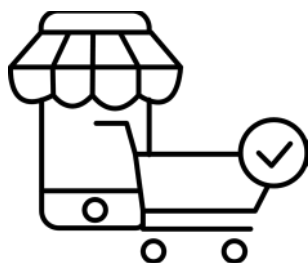
Growth Drivers

Growth Drivers

Strategic priorities



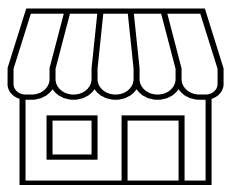
Leveraging new brand overhaul



Investing in digitisation



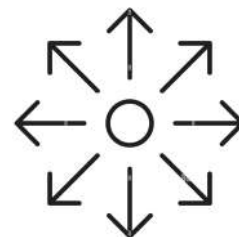
Growth through Project Lakshya



Growth through EBOs



Partnering for growth



Diversifying Portfolio in Adjacent Segments



Changing the Brand Architecture



Why?

To change the perception that Dollar is just a men's innerwear brand

9.3%

Share of non-men's innerwear revenue in FY23

11.0%

Share of non-men's innerwear revenue in FY26

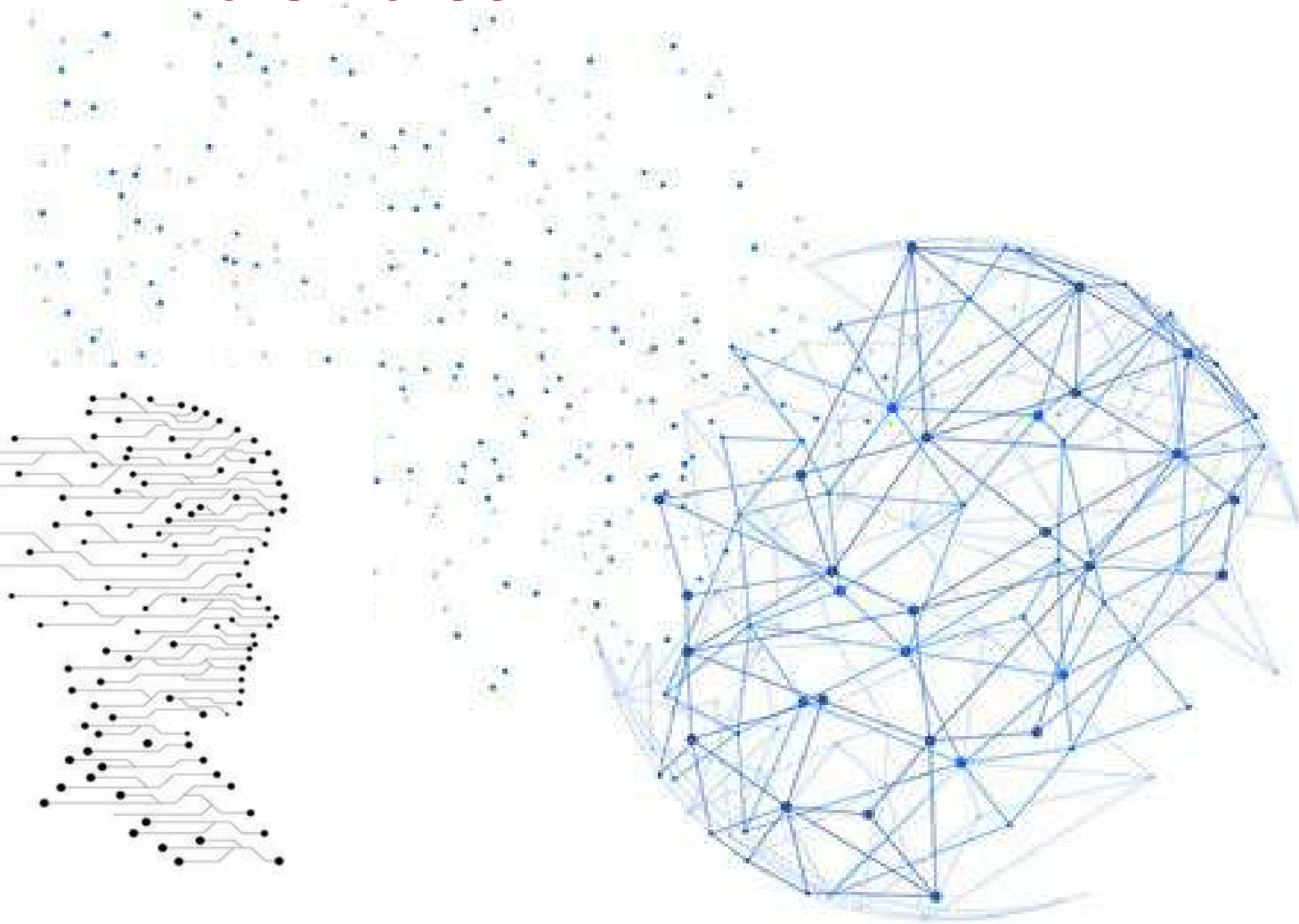
What are we doing?

- 6 categories created – MAN, WOMAN, JUNIOR, ALWAYS, THERMALS, PROTECT
- Akshay Kumar as our brand ambassador for Dollar man
- Signed Yami Gautam as our brand ambassador for Dollar Women
- Redesigned our logo to enhance connect with the consumers
- Roped in Saif Ali Khan for Dollar Always

Outcomes

- We have been able to significantly enhance our brand recall through our dedicated branding initiatives.
- We now address the needs of a huge consumer spectrum through differentiated price categories: premium, mass premium and economy
- We seamlessly connect with the millennials and cater to their needs

Integrating Digitalization to Increase Efficiencies



Why?

To integrate digitalization in our daily operations to increase efficiencies

What are we doing?

- Integrating Auto Replenishment System (**ARS**) and Distributor Management Systems (**DMS**) for our Lakshya distributors
- Implemented ARS at the supply chain level.
- Implementing an after-sales service app at the retail level and activity tracker for the sales team
- In process of transitioning from Oracle ERP to SAP
- Integrating automated tele calling for our tele-callers

Outcomes

- Transparent engagements with retailers
- Deeper insights about on-ground realities
- Increased productivity and efficiencies

Project Lakshya Updates

271

Distributors added until Q2FY24

22

Distributors added in Q2FY24

25.4%

Contribution % of Lakshya Distributors in H1FY24

What are we doing?

- Mapping retail network in area allocated to distributor
- Enrolling retailers into Project Lakshya
- Implementation of ARS and DMS at distributor level
- SOPs laid out for distributors leading to improved performance

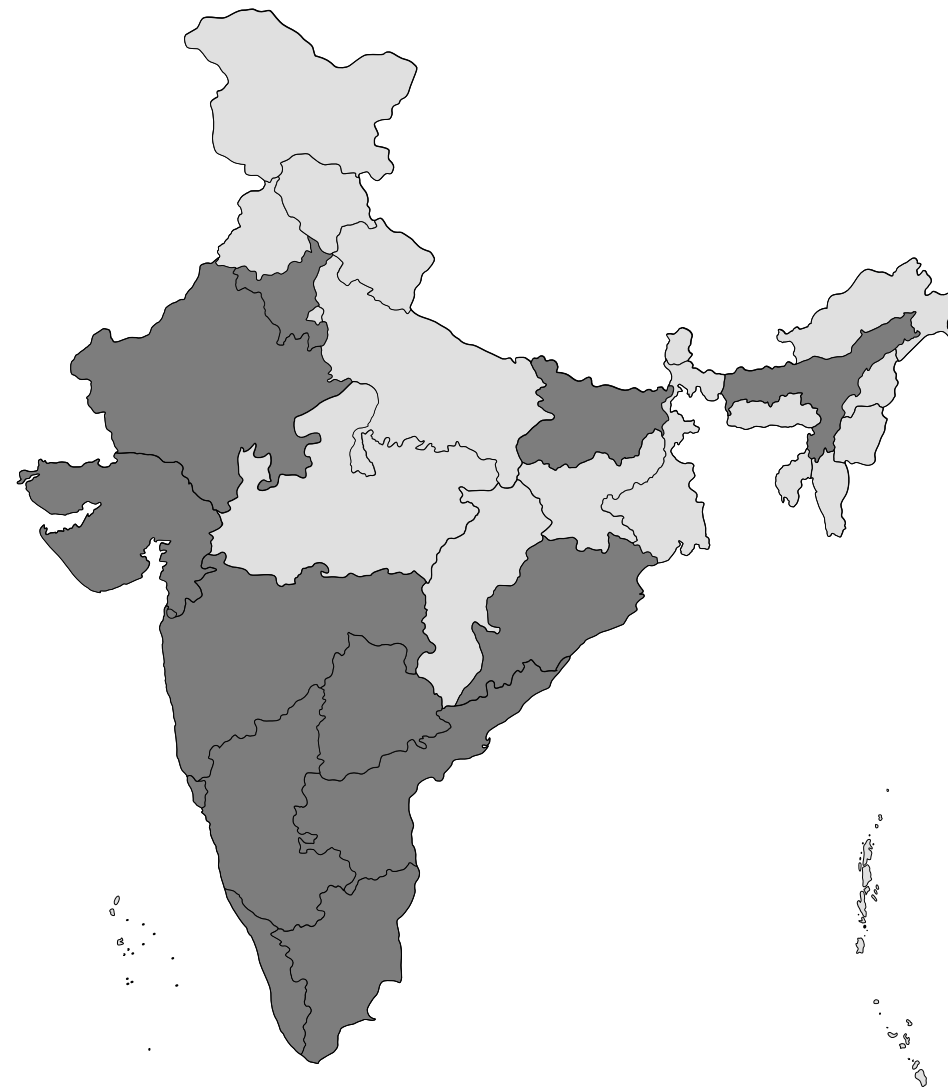
Why?

Reinvent the entire distribution model and transition from a push model to a replenishment-based model

leading to a **Demand-Pull Environment**

Outcomes

- Increased market penetration
- Increased primary sales and secondary sales
- Availability of last mile data from Retailer
- Distributor performance analysis
- Efficient Product Planning & Inventory Management
- Improved working capital for distributor



■ States where Project Lakshya has been implemented

Pursing Growth Through EBO



We successfully forayed into the **exclusive brand outlet (EBO) segment**

Launched **18 EBOs**, four each in Delhi & Punjab, two each in Haryana, Madhya Pradesh & Maharashtra, one each in Rajasthan, Gujarat, Uttar Pradesh & Odisha.

EBO set up under the FOFO model (**Franchise-owned franchise-operated**)

125

Targeted EBOs by 2026

Strategic Partnership for Sustainable Growth



Joint Venture with G.O.A.T

- I. We entered into a 51-49 JV with G.O.A.T Brands Lab Pte for Pepe Jeans Inner fashion Pvt. Ltd.
- II. G.O.A.T Brands Lab Pte acquired 50% stake of Pepe and additional 2% non-voting equity
- III. Multi-brand distributor for men, women and kids' undergarments under athleisure, sportswear, lingerie, leisure wear, sleepwear, lounge wear made of natural fibres and MMF
- IV. Would undertake business operations in the regions of India, Sri Lanka, Bhutan, Nepal and Bangladesh

Expected outcomes

- I. Opportunity to widen our supply of finished goods directly to end consumers through D2C channels.
- II. Go for in-organic growth or brand acquisition.
- III. Set a foot mark in Super Premium brands

Diversifying Product Portfolio in Adjacent Segment



Dollar Protect, the ultimate rainwear line that combines elegance with unbeatable protection!

A wide range of raincoats for men, women and kids, made from premium fabric with additional leak-proof stitching of comprehensive waterproofing.



‘Dollar Woman’ celebrates the freedom of spirit every woman deserves with its newly launched lingerie line with a varied range of products like Everyday Bra, T-shirt Bra, Sports Bra, Beginners Bra, Strapless Bra, Sleep Bra, Nursing Bra.



DOLLAR
WOMAN

ATHLEISURE

Resulting in Transformational Changes

Perceived as a men's innerwear brand

“ Perceived as a brand for all ”

01

- Distributors under **Project Lakshya** ~70% by FY26
- Distributors under channel financing ~60% by FY26

02

Replenishment-based sales model (ARS) leading to a **Demand-Pull** environment

03

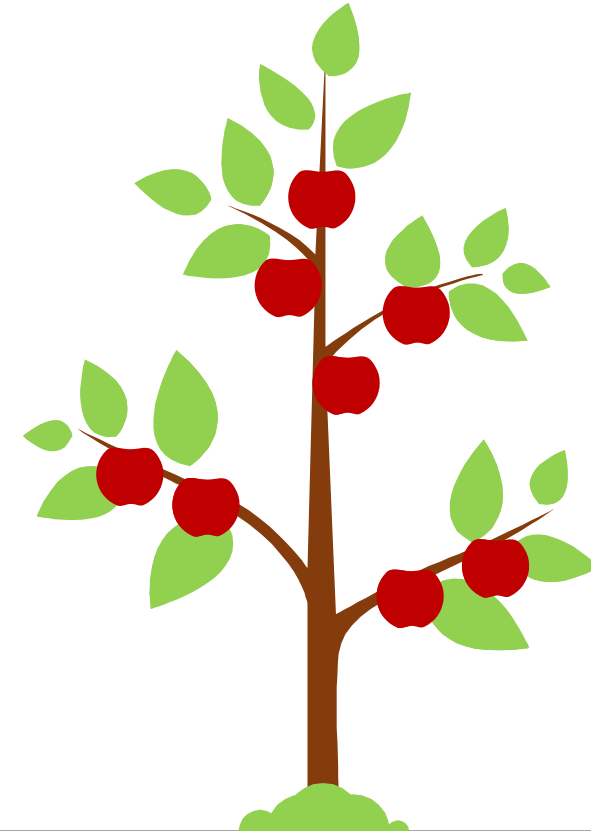
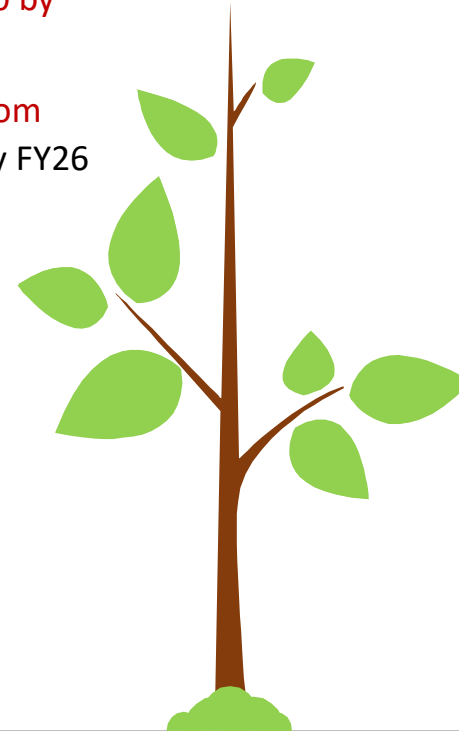
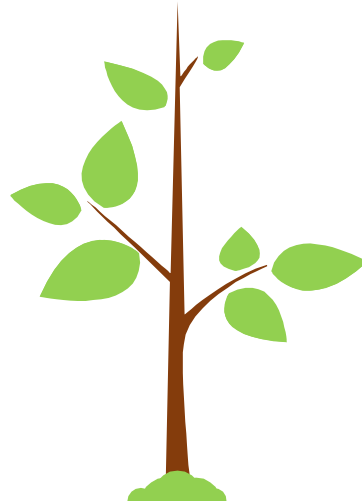
- Active retailers per distributors **150-200** by FY26
- Share of revenue from **modern retail** 8% by FY26

04

Rs. 20,000 Mn revenue by FY26

05

High Margin Product contribution to increase from 27% in FY23 to **33%** by FY26





ESG at Dollar Industries

Contributing Towards A Greener Future

Environment

Solar power

75 lakh units/year

Power generation capacity of the solar power plant in Tirupur

4 MW

Total power generation capacity commissioned in 2021

Wind power

70 lakh units

Total power generated annually

4.95 MW

Total power generation capacity of our four windmills

Zero liquid discharge

13.5 tonnes

Daily production capacity of our effluent treatment plant

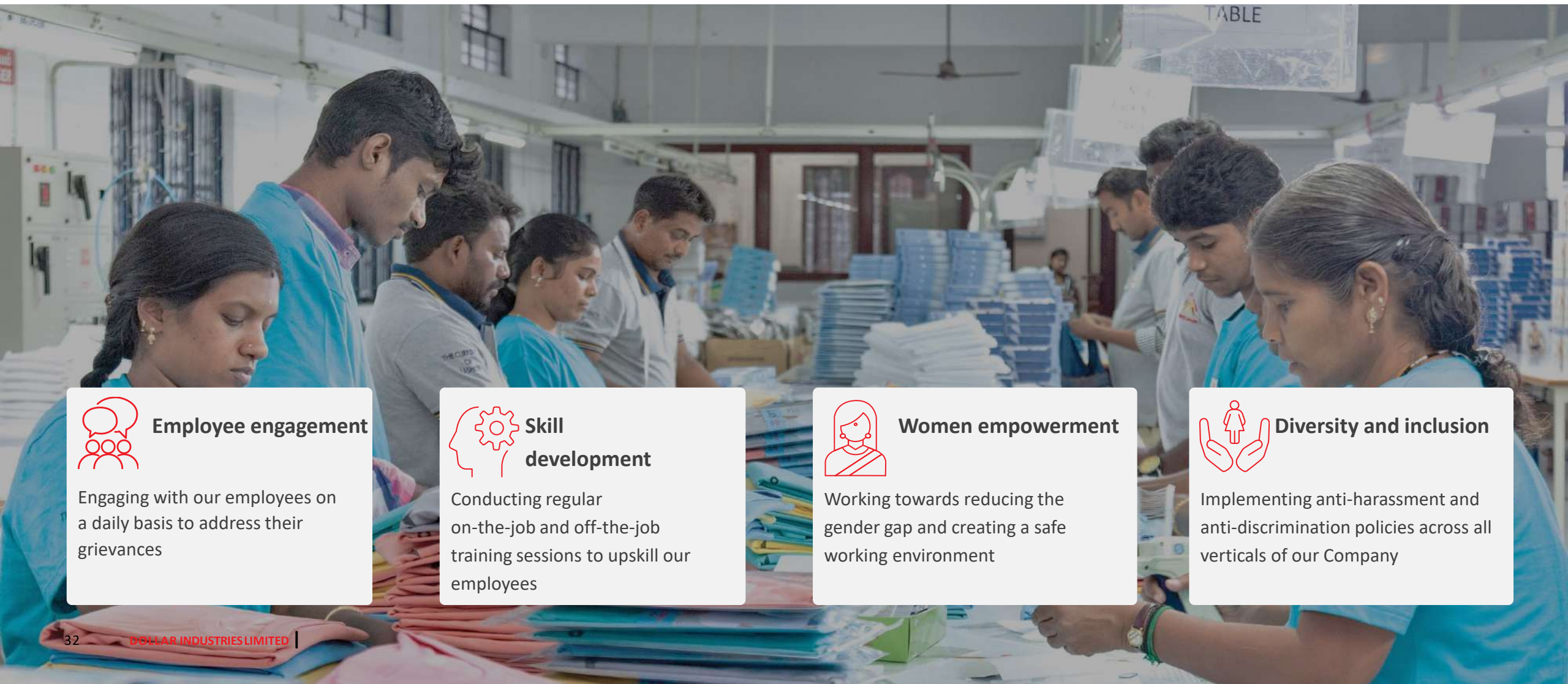
1000 KL

Zero liquid discharge capacity with multiple evaporators



Empowering Our Biggest Asset

Social



Employee engagement

Engaging with our employees on a daily basis to address their grievances



Skill development

Conducting regular on-the-job and off-the-job training sessions to upskill our employees



Women empowerment

Working towards reducing the gender gap and creating a safe working environment



Diversity and inclusion

Implementing anti-harassment and anti-discrimination policies across all verticals of our Company

Being A Responsible Corporate

Social



Donated ~Rs 147 lakhs to schools in **UP, Rajasthan, Chhattisgarh and Odisha**, to ensure underprivileged children have access to quality education



Donated ~Rs 25 lakhs to **cutting edge Cancer Care Centre in Tiruppur** for upgradation of medical facilities and equipment



Installed **water huts and kiosks** across the states of **Delhi NCR, Odisha, Rajasthan, Uttar Pradesh and Tamil Nadu**, among others



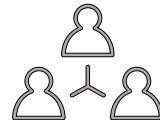
Donated **sanitary napkins** to the **underprivileged women** residing in the slums of **Kolkata** and **girl schools**

Strengths that Drive

Governance



Diverse and experienced
Board of Directors



75% members of the Audit
Committee consist of
Independent Directors



Promoters possess
>3 decades of experience



**All members of the Nomination
& Remuneration Committee are
Independent Directors**



Independent Director
account for 50%



We have one **Woman**
Independent Director on our
Board



Guided by Experienced Directors



Mr. Vinod Kumar Gupta
Managing Director



Mr. Binay Kumar Gupta
Managing Director



Mr. Krishan Kumar Gupta
Whole-time Director



Mr. Bajrang Kumar Gupta
Whole-time Director



Mr. Gopal Krishnan Sarankapani
Whole-time Director



Mr. Rajesh Kumar Bubna
Independent Director



Mr. Binay Kumar Agarwal
Independent Director



Mr. Sandip Kumar Kejriwal
Independent Director



Mr. Srikumar Bandyopadhyay
Independent Director



Mrs. Divya Newatia
Independent Director

Supported by an Experienced Team



Mr. Ankit Gupta
President, Marketing



Mr. Gaurav Gupta
Vice-president, Strategy



Mr. Aayush Gupta
Vice-president, Sales



Mr. Ajay Kumar Patodia
Chief Financial Officer



Mr. Sanjay Srivastava
General Manager – Sales



Mr. Lalit Lohia
Company Secretary



Mr. Shantanu Banerjee
General Manager –
Marcom and Branding



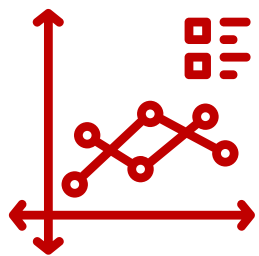
Mr. Vedpal Verma
General Manager –
Fabric Division



Ms. Aditi Ghosh
Deputy General Manager –
HR and Admin



Mr. Ratnesh Trivedi
National Sales Manager –
Lakshya



Financial Summary

Quarterly Profit & Loss

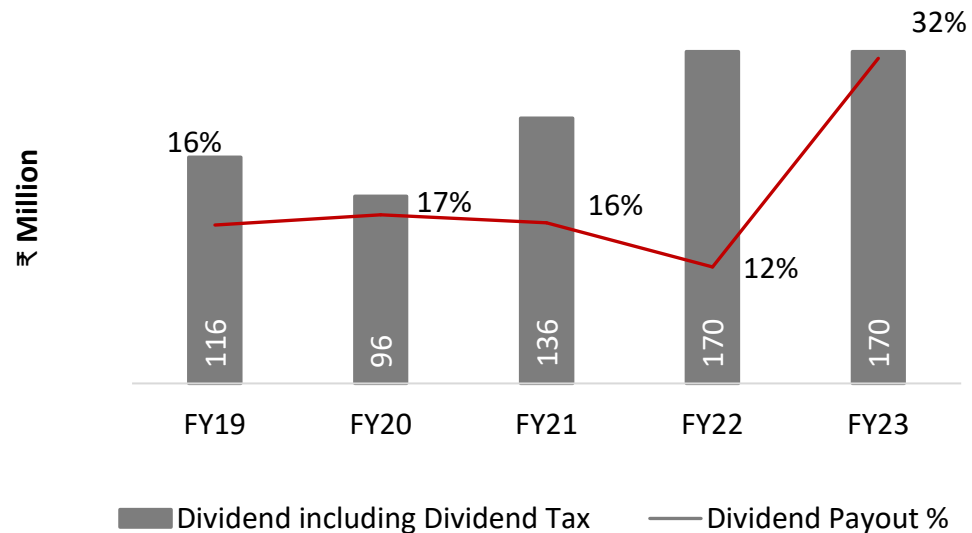
Particulars	₹ Million								
	Q2 FY24	Q2 FY23	YoY Change	Q1 FY24	QoQ Change	H1 FY24	H1 FY23	YoY Change	FY23
Operating Income	4,125	3,404	21.2%	3,282	25.7%	7,408	7,021	5.5%	13,938
Gross Profit	1,346	1,046	28.6%	1,062	26.7%	2,407	2,273	5.9%	4,130
Gross Profit (%)	32.6%	30.7%	189 bps	32.3%	27 bps	32.5%	32.4%	12 bps	29.6%
Operating EBITDA	417	303	37.7%	271	54.0%	688	675	1.9%	982
Operating EBITDA Margin (%)	10.1%	8.9%	121 bps	8.3%	186 bps	9.3%	9.6%	(33 bps)	7.0%
Other Income	5	4	34.9%	7	(20.5%)	12	29	(59.4%)	47
Finance Cost	39	39	1.0%	35	12.0%	74	68	7.6%	142
Depreciation	43	43	(1.8%)	42	2.2%	84	86	(1.7%)	176
PBT	334	218	53.0%	193	72.7%	528	535	(1.3%)	656
PAT	249	173	43.9%	145	71.2%	394	443	(11.0%)	525
PAT Margin (%)	6.0%	5.1%	95 bps	4.4%	160 bps	5.3%	6.3%	(97 bps)	3.8%
EPS (₹)	4.38	3.05	43.9%	2.56	71.2%	6.95	7.80	(11.0%)	9.26

1. Previous Years' numbers are strictly not comparable due to inclusion of a subsidiary in this Financial Year

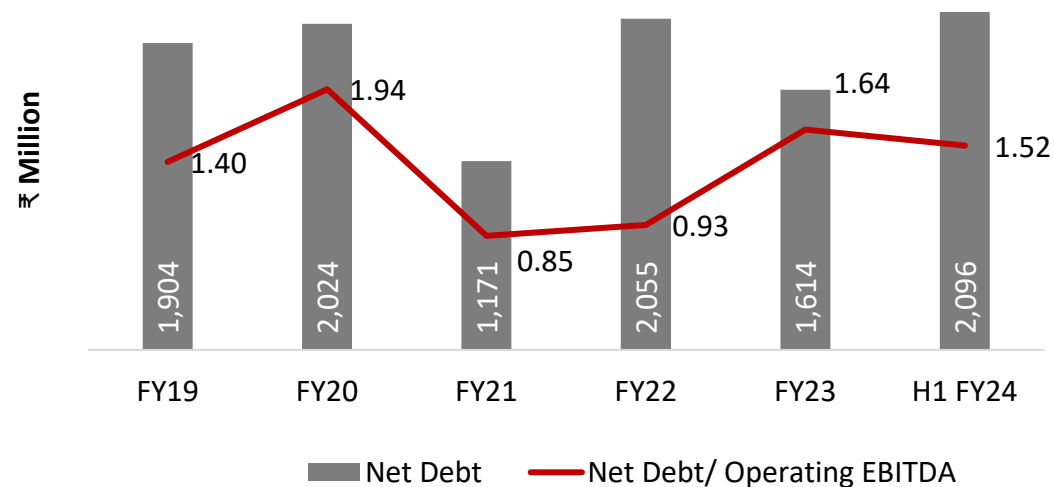
2. EPS figures are not YTD annualized

Focus on Shareholder Value Creation

Dividend Payout



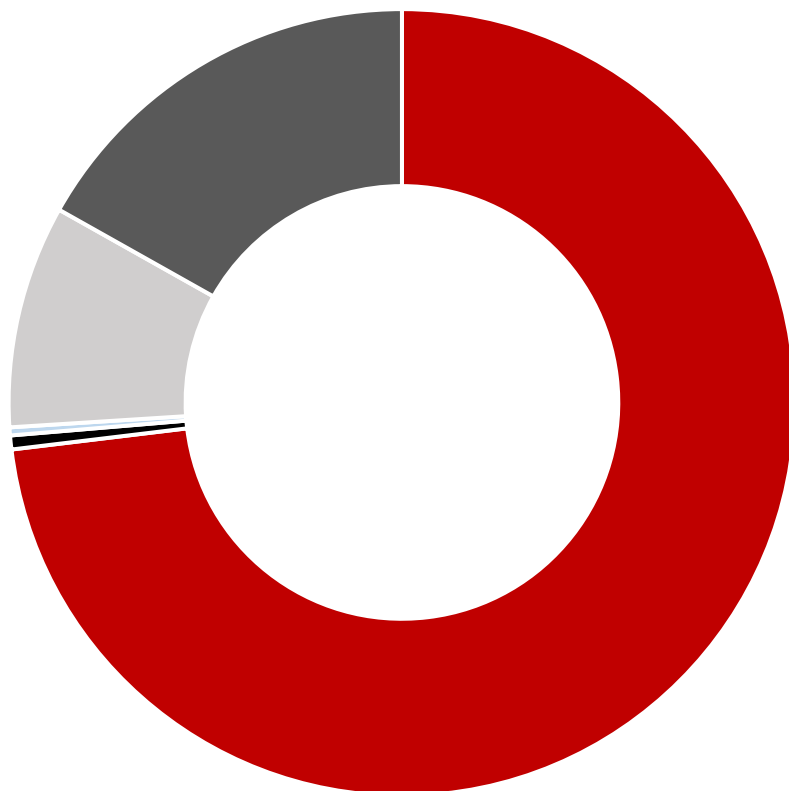
Net Debt and Net Debt/Operating EBITDA



- ✓ Consistent dividend payout
- ✓ Net Debt / Operating EBITDA reduced from peak of 1.94 in FY 20 to 1.52 in H1'FY24
- ✓ Company judiciously allocating its capital to balance between dividend payout and investment for growth

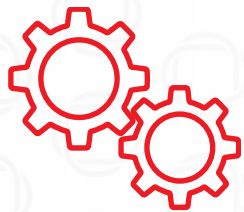
Shareholding Summary

Shareholding Pattern as on 30th Sep'23



■	Promoter & Promoter Group	73.1%
■	Mutual Funds, AIFs & Other Financial Institutions	0.6%
■	Foreign Portfolio Institutions	0.3%
■	Bodies Corporate	9.2%
■	Others	16.8%

Why Dollar ?



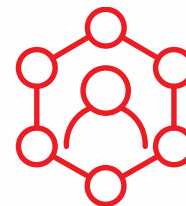
Integrated operations

Integrated value chain



Wide reach

Channel expansion & Omni Channel strategy



Multi-brand portfolio covering wider user base

Increasing share of non-male users



Favourable financial positioning

Continuously strengthening financials

Thank You



Chief Financial Officer

Ajay Kumar Patodia

Email: cfo@dollarglobal.in

Website: www.dollarglobal.in

Tel: +91-33-2288 4064



Investor Relations Advisor

Sanjeev Sancheti

Email: ss@uirtus.in

Website: www.uirtus.in

Phone No.: +91 9836244222

Annexure

Ethos

Vision, Mission and Values



Our Vision

Dollar in everyone's lives.

Medium-term vision: We aspire to metamorphise the Company into an aspirational brand by offering premium and super premium products

Long-term vision: To emerge as a complete brand and distribution company present across multiple categories of fashion wear – from garments to innerwear.



Our Mission

- To emerge as India's leading and most-loved innerwear brand
- To make fashionable yet affordable outerwear and innerwear
- To provide our customers with a higher standard of apparel
- To reach out to customers conveniently (modern trade and e-commerce)
- To outperform industry standards in terms of quality of earnings
- To enhance the lives of people centred around Dollar
- To achieve high governance standards

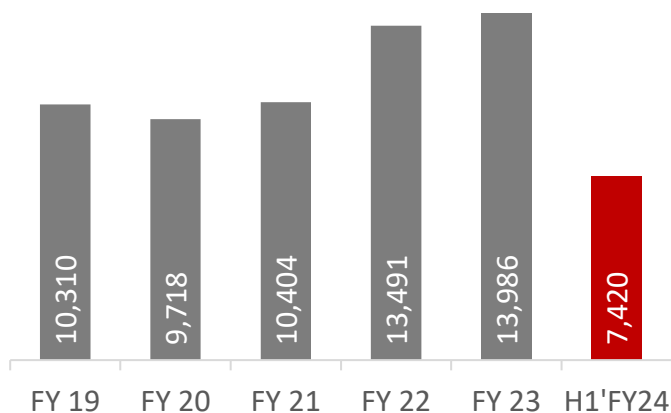


Core Values

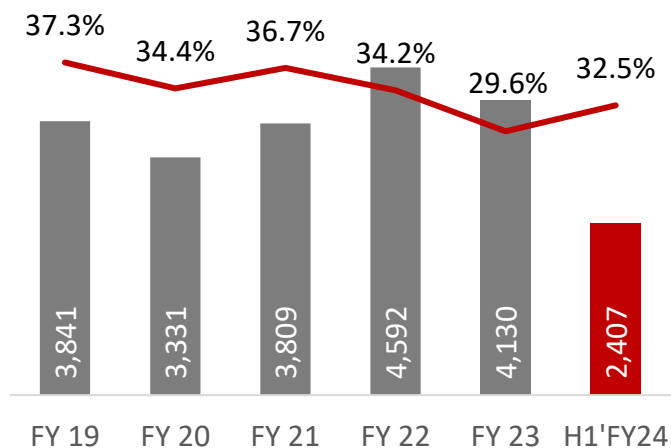
- Insights and constant innovation are a way for Dollar. We also add value to the Dollar experience so as to keep it more vibrant and relevant
- The benchmark for Dollar's success is customer satisfaction.
- Dollar delights its customers through a range of products that not only deliver comfort, but are constantly upgraded to keep the styling in line with the latest trends
- Business integrity is the way of life at Dollar. The Company is proud to stand by integrity and transparency in all its dealings and ensures adherence to highest standards of business ethics
- At Dollar, we value time and its optimum utilisation for timely decision making.

Performance Track Record

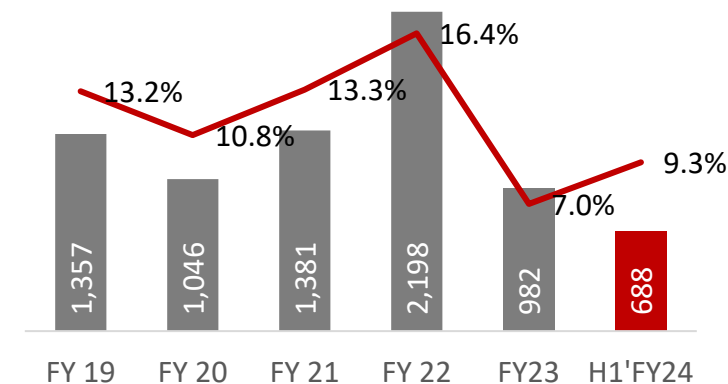
Operating Income (INR Mn)



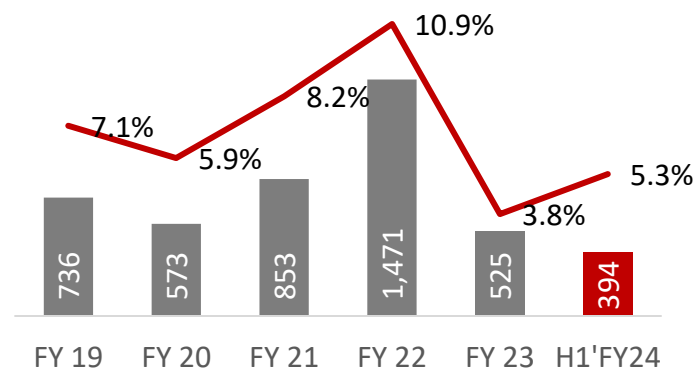
Gross Margin (INR Mn & % Margin)



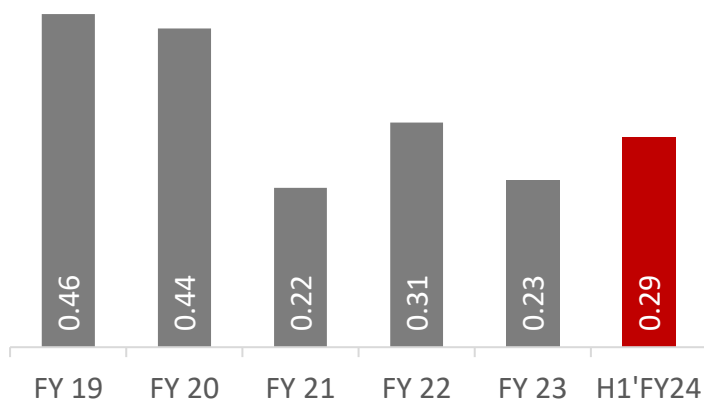
Operating EBITDA (INR Mn & % Margin)



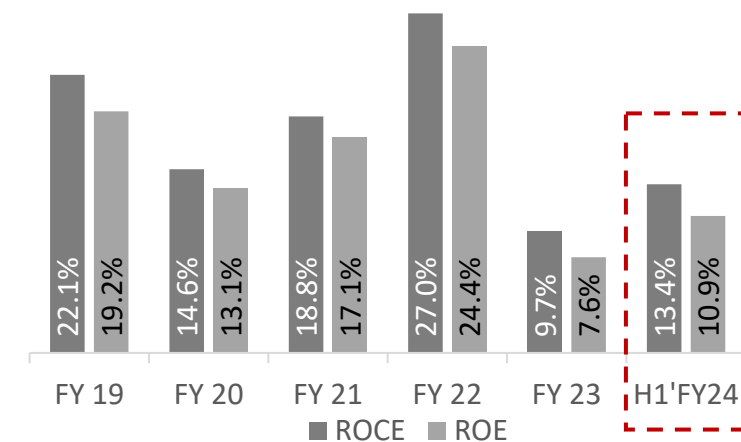
PAT (INR Mn & % Margin)



Net Debt – Equity Ratio



ROCE* & ROE*



*ROCE and ROE are Annualized

Improving Our Capabilities for Higher Profitability

Capacity expansions

Integrated warehouse
Investments towards an integrated warehouse in West Bengal

Advantages:

- Improved operational efficiencies
- Cost savings on rent and overheads of multiple warehouses
- Significant reduction of waste and damage
- Better controls over inventory, productivity, quality and efficiency
- Catalyzing Project Lakshya distribution expansion and related ERP initiatives

Commissioned in Sept'23

Expansion of spinning capacity

Increasing our spinning capacity from 22,000 spindles to 42,000 spindles

Advantages:

- Mitigation of irregular supply of yarn through increased production
- Maintaining quality of yarn
- Ensuring no stock outs within the company or with dealers and distributors
- Enabling us to provide quality products at reasonable prices
- Increase of in-house yarn capacity from 400 TPM to 600-700 TPM

Rs.65 crore

Envisaged investments

FY 2023-2024

Expected commissioning

Increase in Solar Power Capacity

Increasing our Solar Power Capacity from 6 MW to 12 MW

Advantages:

- Reduction in operational Cost
- Low dependence on Non-Renewable Energy.
- Reducing carbon footprints and promoting responsible manufacturing process.
- Capacity to generate 1 crore unit yearly.

Rs.35 crore

Envisaged investments

FY 2024-2025

Expected commissioning