



INDIA'S FASTEST GROWING LIFESTYLE KNITWEAR AND INNERWEAR COMPANY

DOLLAR INDUSTRIES LIMITED. ANALYST PRESENTATION, 2016-17

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

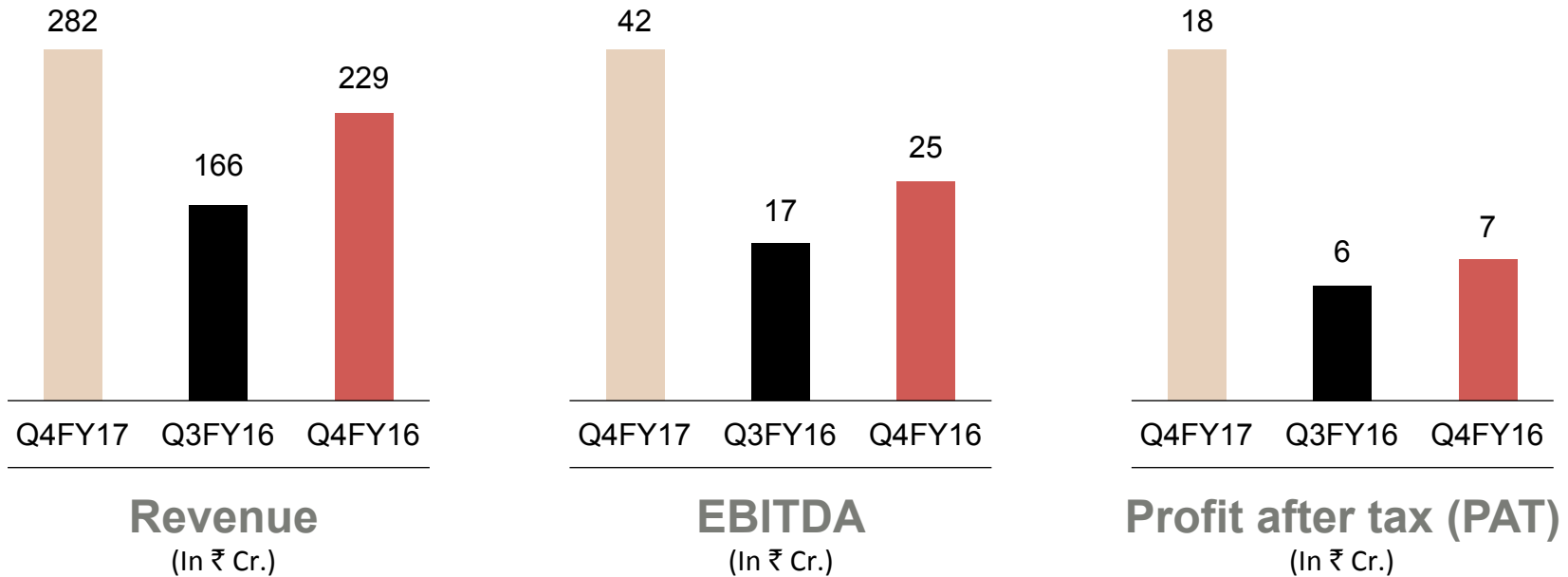
The more challenging it became, the better Dollar performed

(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%.
- EBIDTA margin: 11.17%, growth of 36.74% - highest in the industry
- 17.81% growth in EPS

We countered challenges creditably in Q4 FY17



- Challenging Q3FY16
- Mild winter and demonetization hangover dropped Q3FY16 sales
- Management responded with higher sales promotion in Q4FY17
- Introduced new products; enlarged addressable market
- Increased revenues 69.48% over the third quarter

Dollar. Optimistic of sustaining its aggressive growth journey



India's fastest growing lifestyle knitwear and innerwear company

1

Superior, visible and growing brand

2

Backward integration; extensive value-chain

3

Enriching product mix

4

Wide and deep distribution

5

Passion to transform sectoral realities

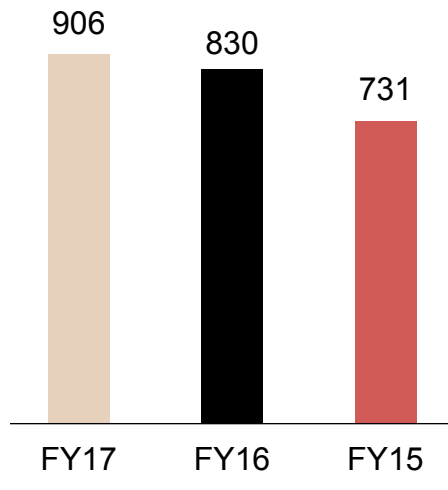
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Continuously responsive and evolving

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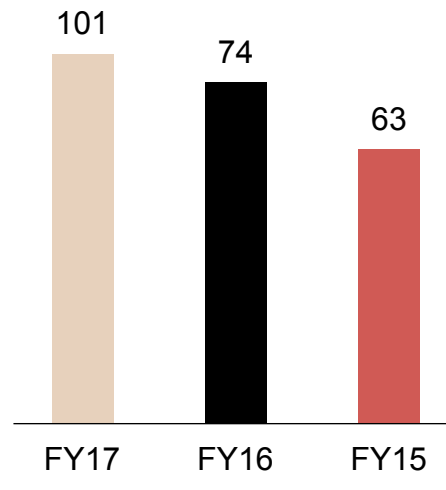
India's fastest growing lifestyle knitwear and innerwear company

*MARKED BY PROFITABLE GROWTH
GROWTH TRANSLATING INTO BOTTOMLINE ACCRETION*



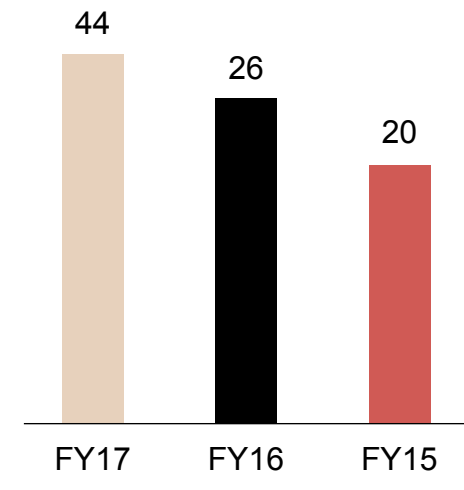
Revenue
(In ₹ Cr.)

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



EBITDA
(In ₹ Cr.)

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



Profit after tax (PAT)
(In ₹ Cr.)

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

Dollar. Visible, enduring, relevant

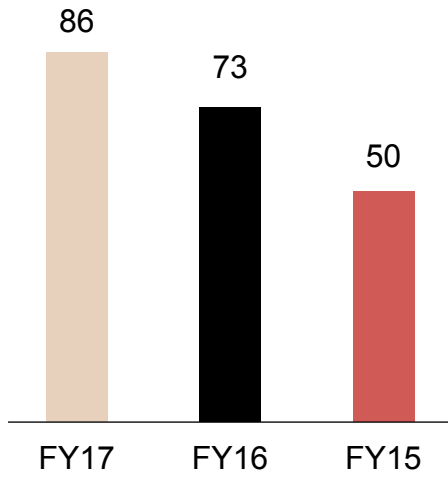
THE DOLLAR BRAND IS OUR BIGGEST INTANGIBLE ASSET

■ Disciplined 8-10% investment of annual revenues in brand-building

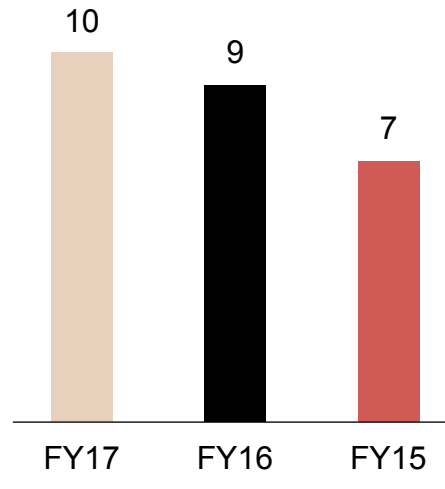
■ Products endorsed by Indian film icon Akshay Kumar

■ 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



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 ₹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

Spinning capacity (400 tonnes per month)



Knitting capacity (300 tonnes per month)



Dyeing and bleaching capacity (400 tonnes per month)



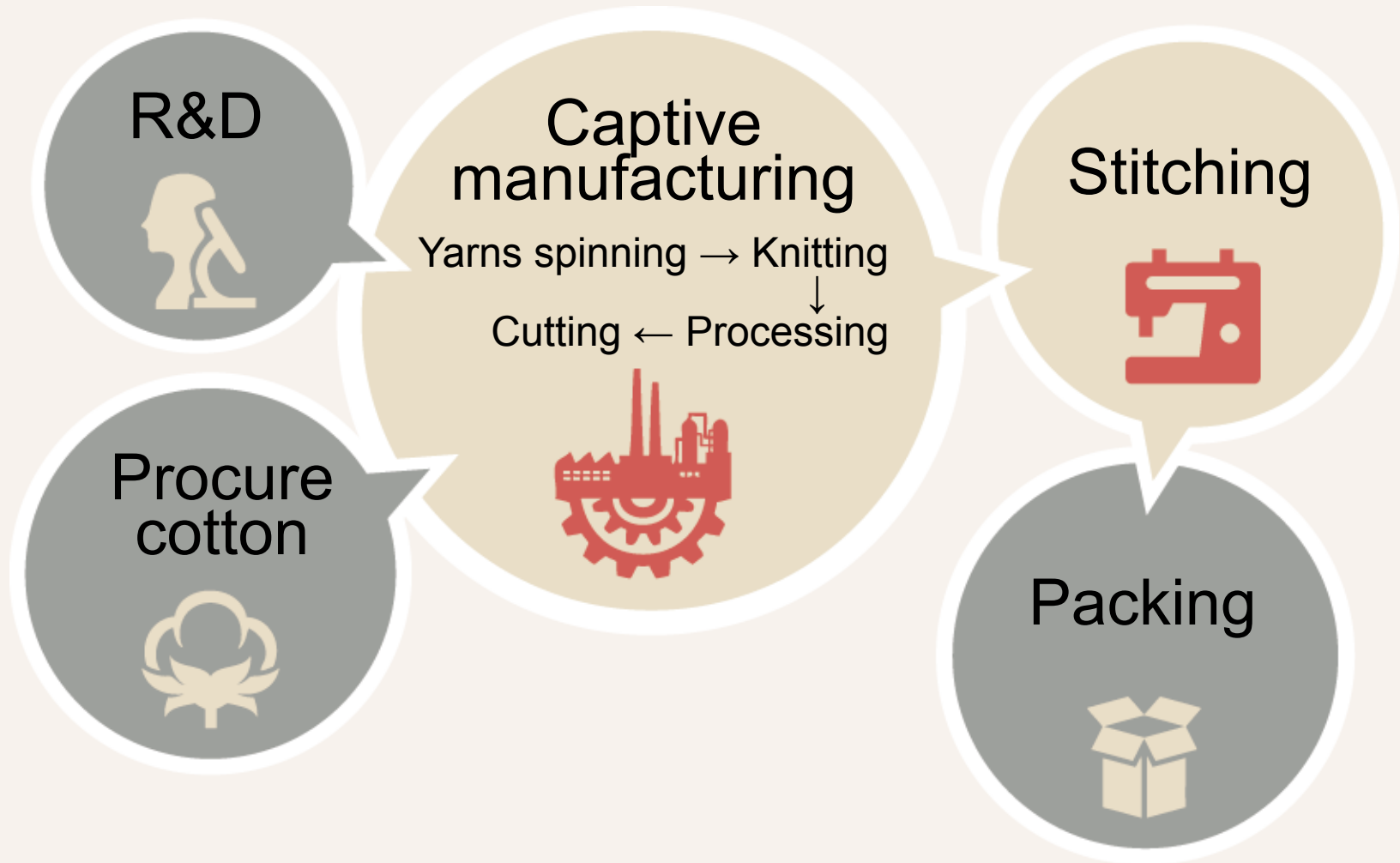
Elastic production capacity (10 lac metres per month)



Cutting capacity (3 lac pcs per day)

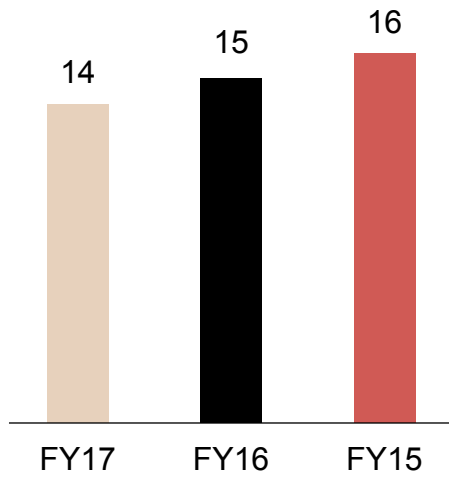
Benefits: High labour productivity; minimal downtime; superior quality; inflation management; wider value-chain

Dollar. Enjoying an extensive value chain

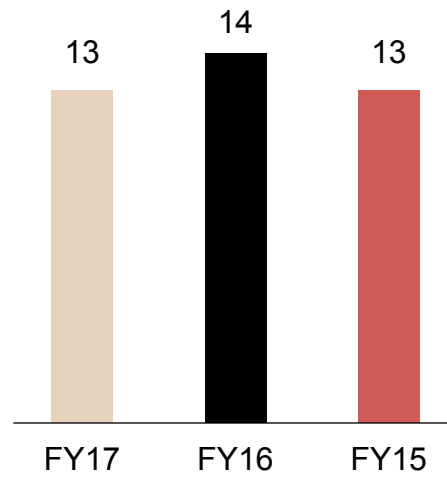


Dollar. Offering an enriching product mix

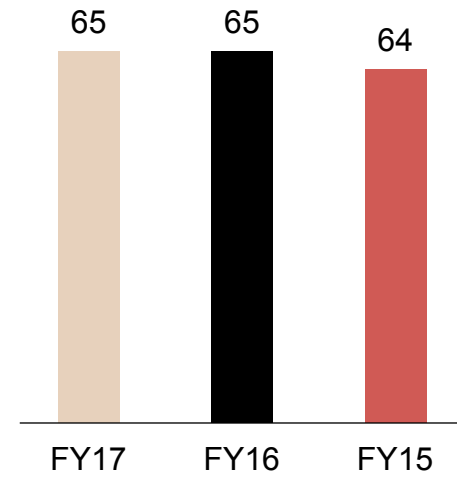
- Evolved product mix from innerwear to knitted outerwear
- Evolved from men's wear to family-wear
- Growing focus on premium and super-premium segments
- New products introduced each season



Proportion of revenue from knitted outerwear (%)



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

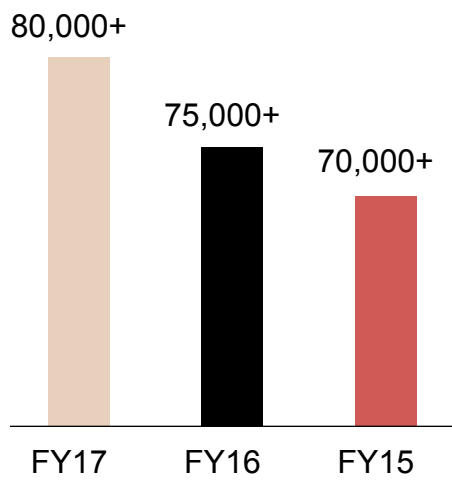


Proportion of revenue from premium and super-premium segment (%)

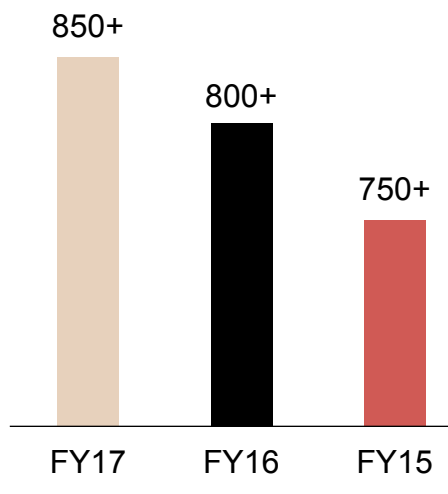
Dollar. Wide and deep distribution

In three years...

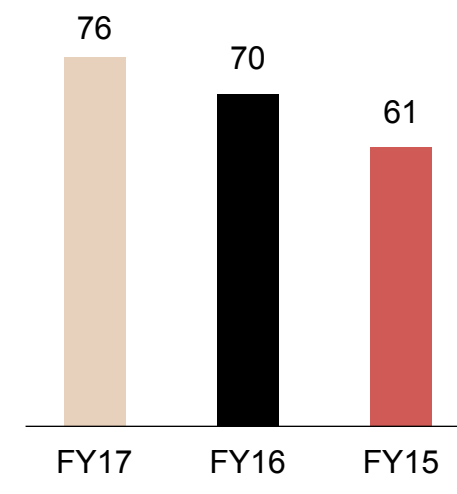
- Grew distributors from 750+ to 850+
- Increased multi-brand outlets from 70,000+ to 80,000+
- Extended focus from conventional retail to large format stores, modern retail and e-commerce
- Marketed products in 10 countries



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 (₹50 to ₹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

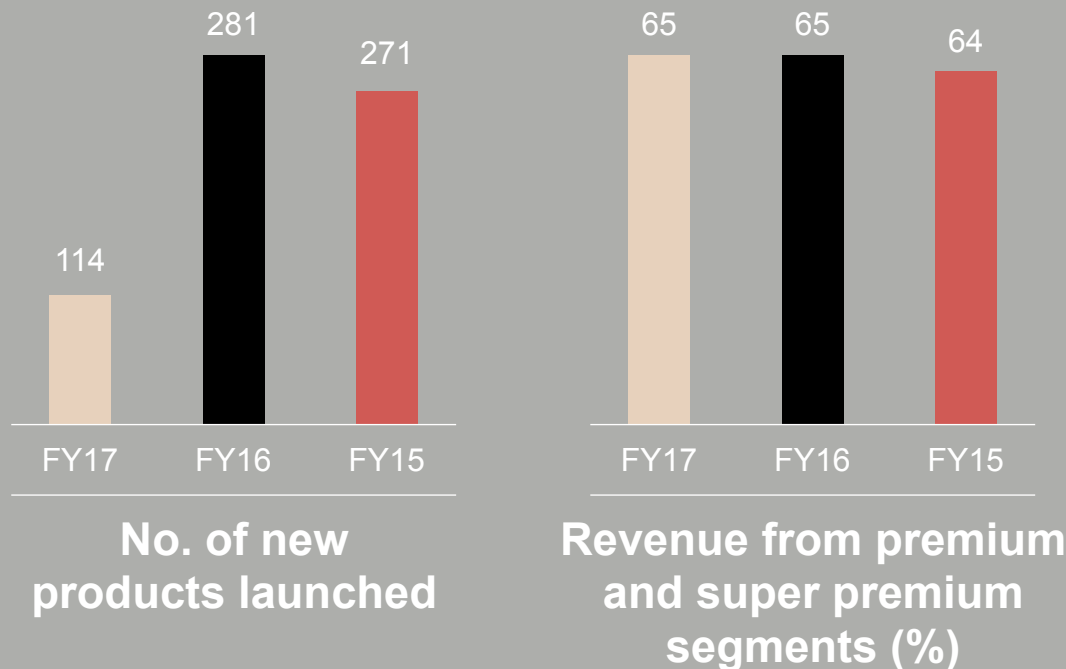
Dollar. Continuously responsive

Force NXT launched in 2015-16

Address super premium segment

Fabric uses superior yarn, thread and fashionable design

Signalling desired premium positioning



Dollar. 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 this 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 Lal Gupta
Whole-time Director
Bachelor of Technology (B.Tech)

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 readymade 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 ₹1000 cr revenues; now driving the
Company to achieve the next ₹1000 cr in just
7 years.”

- Vinod Kumar Gupta

For more details on the company,
contact

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