



Sportking



Investor Presentation - August 2022

SAFE HARBOR

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SportKing

Business Overview



Established in **1989**

Owens **3** State of the art
manufacturing facilities

Diversified Product
Range

Manufacturing facilities with
Modern Technology



Presence in **30+** countries

Committed to create **High
Quality** end products

Compliance with
International Quality
recognition standards

Focus on **High
Manufacturing**
efficiencies

JOURNEY SO FAR

installed 6K+ Spindles for manufacturing of Acrylic Yarn at Ludhiana in 1993



1993

Spinning Capacity increased by greenfield expansion with installation of 12K+ spindles at Ludhiana (2nd unit) for manufacture of synthetic yarn. Capacity expanded from time to time for manufacturing of Synthetic/ Polyester Cotton Blended. Present installed capacity- 65K+ spindles.



1995

Setting up of a Dye House at Ludhiana for dyeing/ processing of textile yarn fibers



2000



2010-14

Spinning Capacity increased further by Greenfield expansion with installation of 57K+ Spindles at Bathinda for manufacturing of Cotton Compact Yarn. Capacity expanded from time to time for manufacturing of Polyester Cotton Blended/ Cotton Compact yarn and capacity increase to 140K+ Spindles upto November 2013.



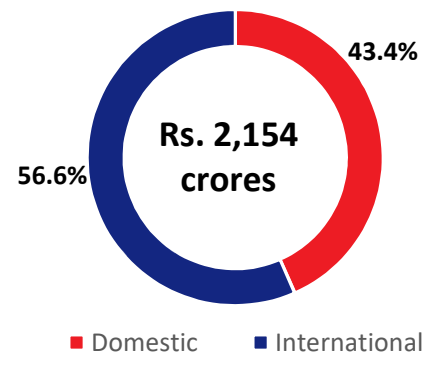
2018-19

Successful expansion at Bathinda Unit adding 68K+ spindles with state-of-the-art plant for manufacturing of cotton compact yarn achieving a Company's total overall spinning capacity 274K+ spindles.

PRESENCE ACROSS THE GLOBE



Geography Wise Revenue Break-up FY22



We are representing India on a world stage with exports worth more than US \$ 175 million.

MANUFACTURING FACILITIES & CAPACITIES



Units	Manufacturing	Installed Capacities
Unit I - Spinning Unit	Acrylic/Blended Acrylic Polyester Yarn/ Blended Polyester Cotton yarn	65,904 Spindles
Unit II - Dye House	Support to Unit No. I & III for their synthetic fibre/ yarn dyeing processing	15-20 MTPD
Unit III - Spinning Unit	compact/contamination free cotton / Polyester cotton blended yarn	2,08,800 Spindles

Capacity utilisation of all units more than 95%

TECHNOLOGICAL EDGE

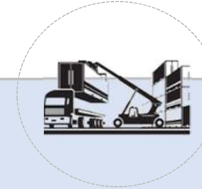
- Technologically advanced machineries to support our manufacturing infrastructure
- Robust control practices in place to ensure consistent quality of our products
- Use of modern testing instruments such as:
 - HVI
 - AFIS
 - Uster Classimat
 - Uster Tensest
 - Uster Hairiness tester



STRATEGIC ADVANTAGES



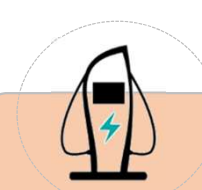
Rail & Roads : Helps in better connectivity with other parts of India.



Inland Container Depot(ICD): ICD at Bathinda/Ludhiana for import/export clearances & regular road transport/train service availability between company's unit/ICD and different seaports.



The variable price of electricity will be Rs. 5.00 per Unit for the industry as announced by the Punjab Govt. w.e.f. 1st January 2018.



Electricity Duty and Infrastructure Development Fund of 13.33% of the cost of power (for the existing unit at Bathinda) has been waived by the Government of Punjab

PRODUCT RANGE



100% Cotton Yarns

- 100% cotton combed compact yarns in normal and sublime quality for knitting and weaving
- 100% cotton combed compact slub
- 100% cotton combed Eli twist



Polyester/Cotton Blended Yarns

- Polyester/cotton combed yarns
- Polyester/ cotton Melange yarns



Fancy Yarns

- Jaspe yarns, Jaspe slub yarns, injection slub yarns and snow yarns.



Dyed Yarns

- 100 % cotton and PC blended dyed yarns



Acrylic & Acrylic/Polyester Blended Yarns

- 100% Acrylic high bulk yarns
- 100% Acrylic Non bulk yarns
- Acrylic/ polyester blended high bulk yarns

SALES & MARKETING



Focus on excellence

Focus on delivering best & premium quality products to most quality conscious brands and customers.

Customer Driven Innovation

As a result of changing trends in both domestic & international markets accompanied with customer centric approach, our innovation initiatives are customer driven.

Domestic & international markets

We have established ourselves as a prime producer of premium quality yarns and also as one of the largest exporters of cotton yarns to the most quality conscious garment brands across the globe

Sale of products through dedicated dealer/agents & directly

A strong team of dedicated dealers/agents in domestic as well as international markets

Dedicated marketing team

Located at corporate office ensuring quick responses to customer queries amidst continuously evolving market trends.

MARQUEE CUSTOMERS



BOARD OF DIRECTORS

Munish Avasthi
 Managing Director

- Munish Avasthi aged 49 years is having rich experience in Spinning/Textile Industry from last 28 years.
- The day-to-day operations of the company are looked after by him. He has been also awarded First Generation Entrepreneur Award for Textile Mills by Cotton Association of India in April 2018.

Naresh Jain
 Executive/Whole
 Time Director

- Naresh Jain has enormous experience and exposure in managing textile and garment business.
- He is working as an executive/Whole time director of the company since 2009

Prashant Kochhar
 Non-Executive
 Independent Director

- Prashant Kochhar is a renowned Fellow Chartered Accountant and Senior Partner in Khattak Kochhar & Co
- He manages the client base comprising of corporate clients & specializes in the areas of International Consulting and Taxation (Oil & Gas), Goods and Service Tax and Corporate Finance

Sandeep kapur
 Non-Executive
 Independent Director

- Dr. Sandeep Kapur is professor of business management at Punjab Agricultural University, Ludhiana, India (PAU).
- He established Technology Marketing and IPR cell at PAU and designed various IPR related training courses. He has about 35 research papers to his credit in journals of national and international repute

Harpreet Kaur Kang
 Non Executive
 Independent Director

- Ms. Harpreet Kaur Kang has done Graduation in Advance Business Program in International Business and International Marketing from Harvard University, USA.
- From the last 20 years she is working as a faculty member for MBA and BBA students teaching various subjects including International Business, Consumer Behaviour, etc.

MANAGEMENT TEAM

Praveen Kumar Gupta Chief Financial Officer

- Praveen Kumar Gupta is a Chartered Accountant & Company Secretary with experience of over 38 years
- He looks after overall works related to Finance, Finalization of company's Balance sheet, Direct/Indirect taxation, Exports & Imports, key business decisions, etc.

Shiv K. Sharma President- Production

- Shiv K. Sharma is a B.Tech with an experience of over 37 years
- He look after the overall Project Implementation, Production, Development, and Maintenance of the company's Bathinda spinning unit

D. S. Yadav President – Pers. & Admin.

- D. S. Yadav has a Master Degree with specialization in Labour Welfare & Personnel Management & Industrial Relation with an experience of over 33 years
- He is responsible for overall handling & controlling of Personnel, Industrial Relations, HRD, Labour Welfare & General Administration of the company Ludhiana Units

Rashim Jindal President – Raw Material & Marketing

- Rashim Jindal is an MBA (Marketing) with over 28 years of experience
- He looks after overall Marketing with respect to both – Domestic & International markets
- Raw materials is also under his purview

Ravi Parkash Gupta EA to MD

- Mr. RP Gupta is a M.Tech (Textile) with over 35 years of experience
- He looks after the overall Commercial Operations of the company



Way Forward



BUSINESS STRENGTHS

01 Product Range


Well diversified range of products suitable for use in manufacture of woven and knitted fabrics for summer and winter wear

02 Focus on Quality

Ensuring supply of high-quality yarns consistently

03 Customer centric Approach

Ensuring full customer satisfaction in terms of quality , prices, timely execution of orders and prompt after sales services



Our
Strengths

04 Competitive Prices

Sportking enjoys price leadership status in all of the market segments due to its ability to supply high quality products regularly and consistently at the most competitive prices

05 Customer Queries resolution

Quick responses to customer queries and willingness to develop new products to meet customer requirement

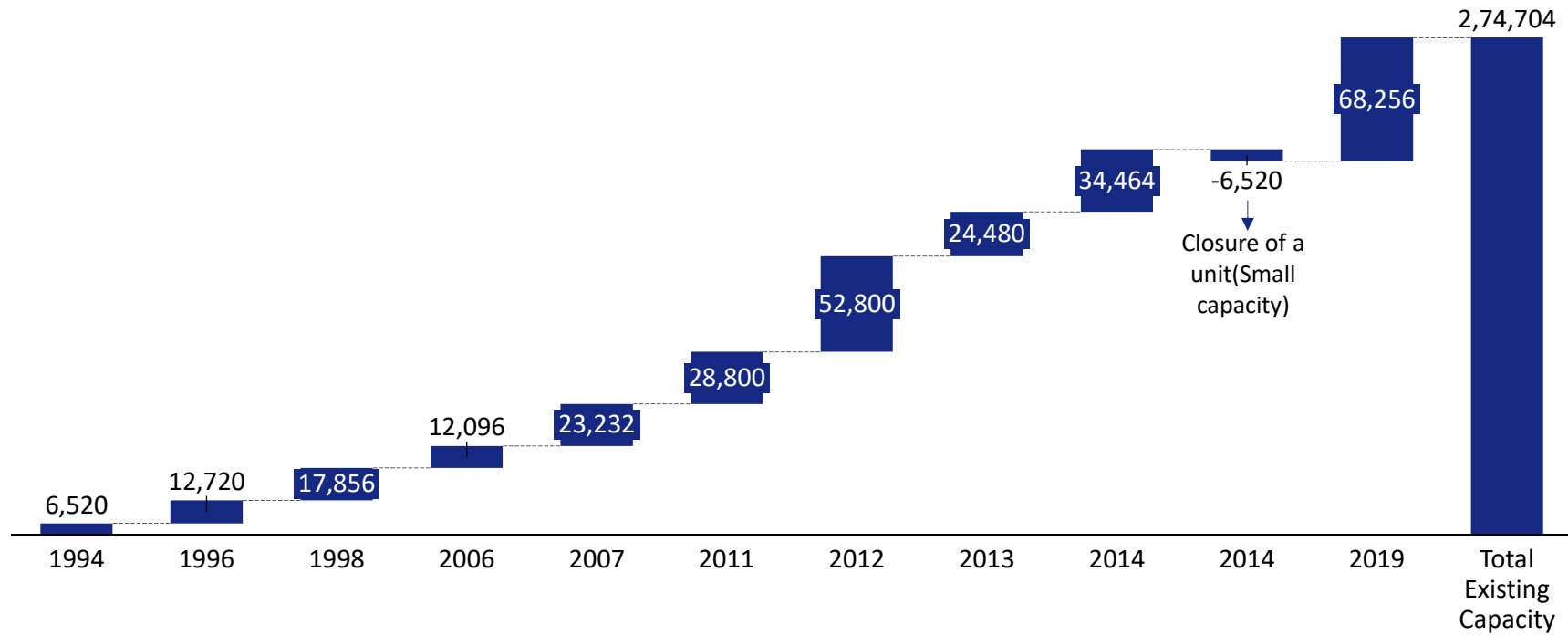
06 Brand Launching

Crystal - cotton yarn made with imported cotton

Sublime - High end quality yarn made with Indian selected cotton to achieve excellence in yarn parameters

CAPACITY BUILTUP OVER THE YEARS

Continuous capacity addition to support robust growth in our business



**Successful commissioning of 10.2 MW
Rooftop Solar Power Project at Bathinda Unit**



- Successful commissioning of 10MW Rooftop Solar Power Project at for in house consumption
- Completion Month- June 2022
- Objective to reduce greenhouse gas emissions and power cost

**Status of ongoing expansion Project
Phase 1 & 2 at Bathinda Unit**



- 1st Phase capacity addition – 40,800 Spindles for manufacturing of Polyester Cotton yarn - Main machinery has arrived at site which is under erection stage and is likely to be commissioned shortly.
- 2nd Phase capacity addition – 63072 spindles for manufacturing of cotton compact yarn - Project implementation is going as per schedule and same will be commissioned in the Q4 of FY 2022-23.

A photograph of several spools of thread. In the foreground, there are two large spools of blue thread, one partially visible on the left and one larger one on the right. In the background, there are several smaller spools of white thread, slightly out of focus. The text 'Financial Performance' is overlaid in the center of the image.

**Financial
Performance**

DELIVERED STRONG GROWTH WITH SUSTAINED MARGINS

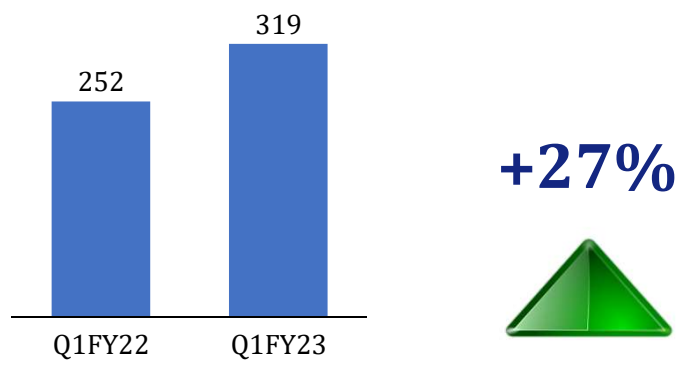
YoY Highlights
Q1FY23

Revenue +34.9%
Rs. 606 crores

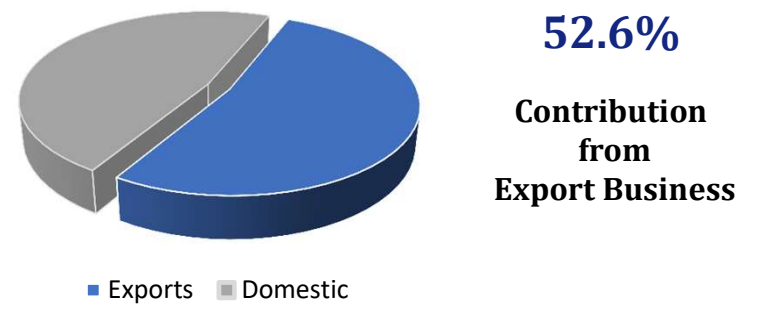
Operating EBITDA +7.3%
Rs. 134 crores
Margin at 22.1%

Operating PBT +11.6%
Rs. 116 crores
Margin at 19.0%

Growth in Export Businesses



Q1FY23 Revenue Contribution

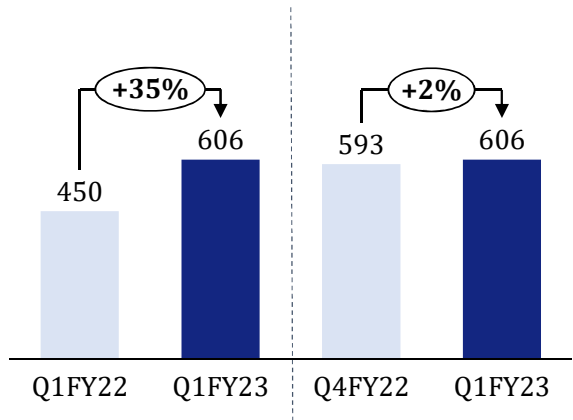


Operating EBITDA = PAT + Tax expenses + Finance Cost + Depreciation & Amortization- Other Income

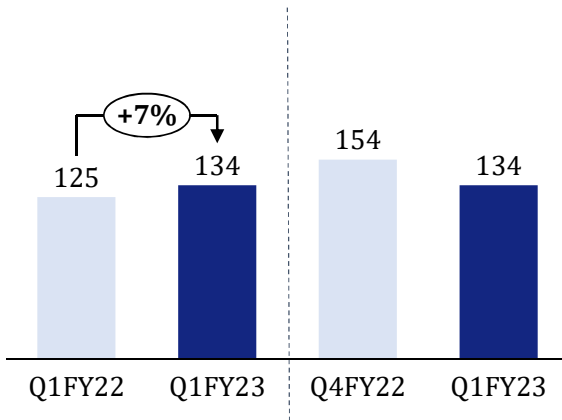
Operating PBT = PAT + Tax expenses - Other Income

Q1FY23 PERFORMANCE (YOY/QOQ)

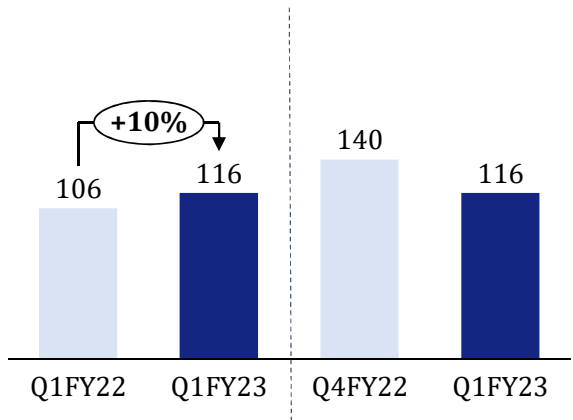
Revenue from Operations (Rs. in Crs)



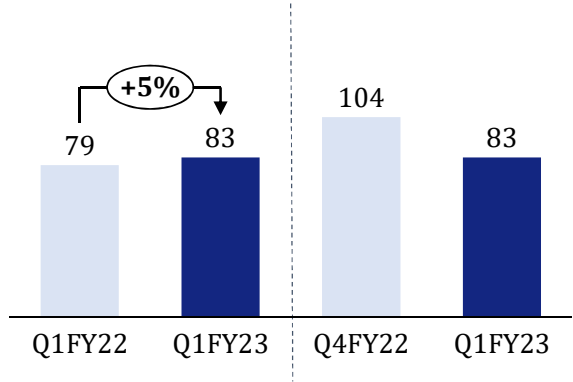
EBIDTA (Rs. in Crs)



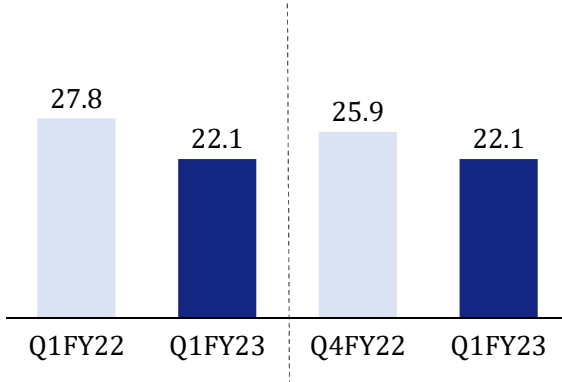
PBT (Rs. in Crs)



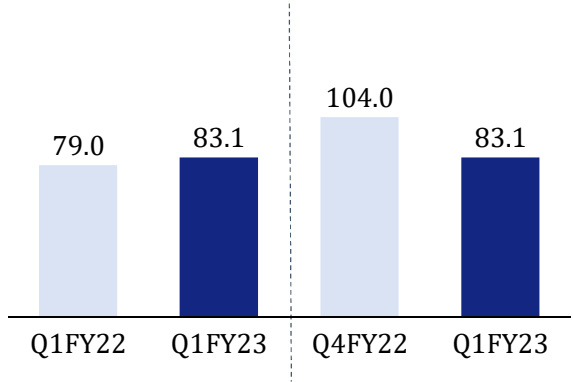
PAT (Rs. in Crs)



EBITDA %



PAT %

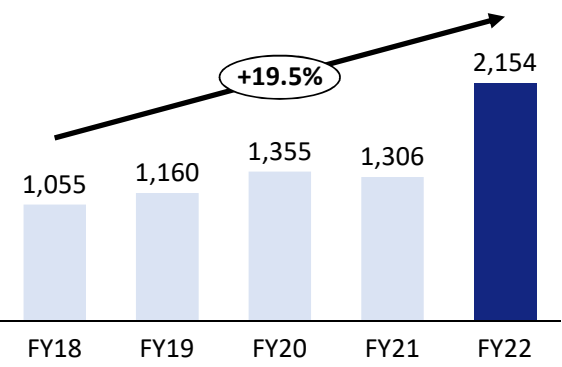


Q1 FY 23 & FY22 PROFIT & LOSS

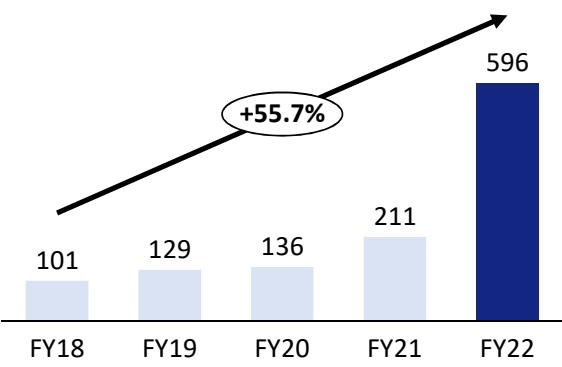
Profit & Loss statement (Rs. in Crs)	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q	FY22	FY21	Y-o-Y
Revenue from Operation	606	450	34.6%	593	2.2%	2154	1306	65%
Raw Material Cost	390	256		337		1181	785	
Purchase of Finished goods	0	0		0		0	0	
(Increase) / Decrease In Stocks	-18	-16		-4		-14	10	
Power Cost	30	30		29		120	112	
Gross Margin	204	180	13.3%	231	-11.7%	867	399	118%
Gross Margin %	34%	40%		39%		40%	31%	
Employee Cost	26	23		27		105	87	
Other Expenses	44	32		50		166	103	
EBITDA	134	125	7.2%	154	-12.8%	596	209	185%
EBITDA %	22%	28%		26%		28%	16%	
Other Income	1	2		6		24	19	
Depreciation	10	13		10		44	52	
Finance cost	9	9		10		29	36	
PBT	116	106	9.4%	140	-16.7%	547	140	291%
PBT Margin %	19%	24%		24%		25%	11%	
Exceptional Items	0	0		0		0	22	
Tax	33	27		36		138	33	
PAT	83	79	5.1%	104	-20.1%	409	85	384%
PAT Margin %	13.7%	17.6%		17.5%		19.0%	7%	
Earnings per share (EPS) (Rs.)	63	59		78		308	63	

ANNUAL FINANCIAL CHARTS

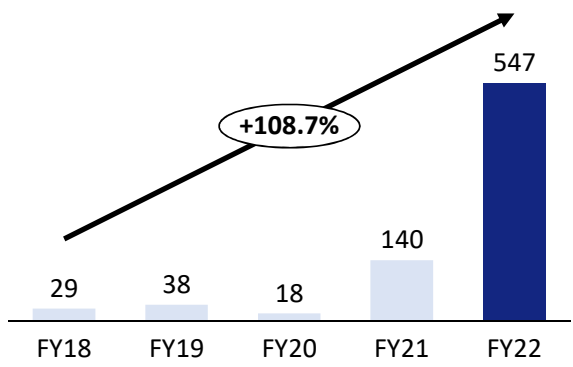
Revenue from Operations (Rs. in Crs)



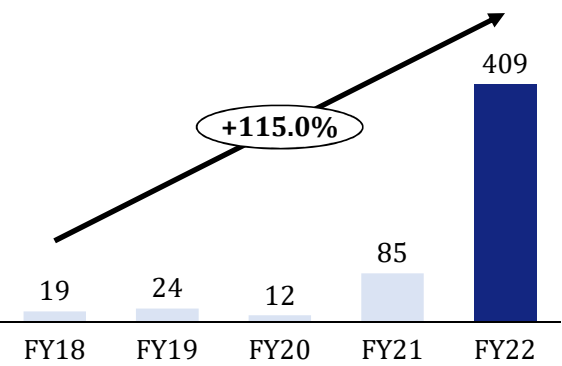
EBITDA (Rs. in Crs)



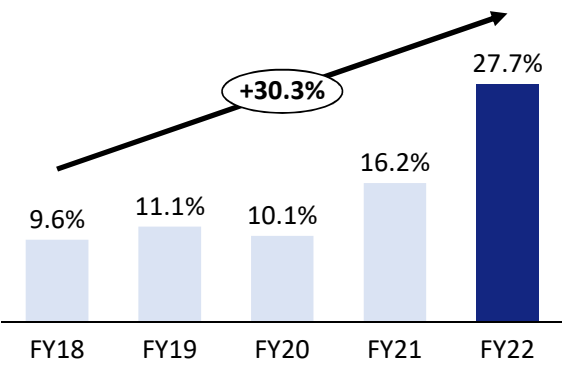
PBT (Rs. in Crs)



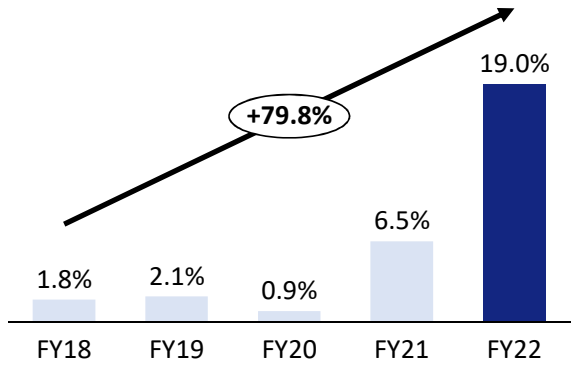
PAT (Rs. in Crs)



EBITDA %

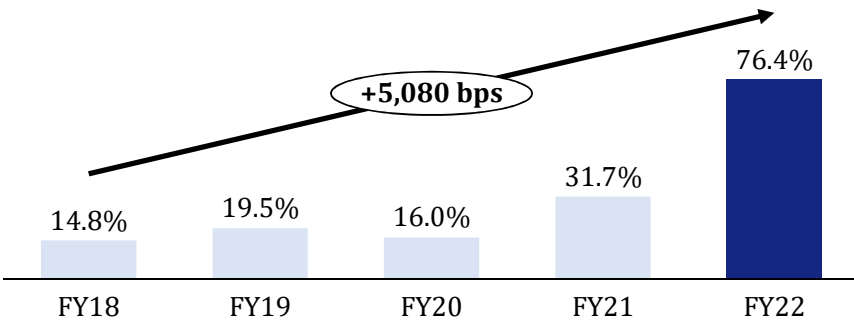


PAT %

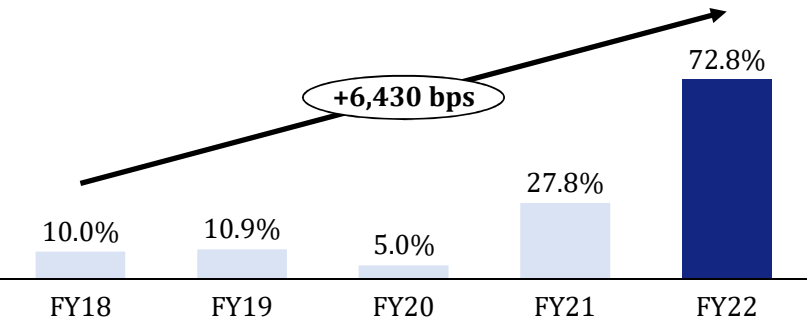


KEY FINANCIAL RATIOS AS ON FY22

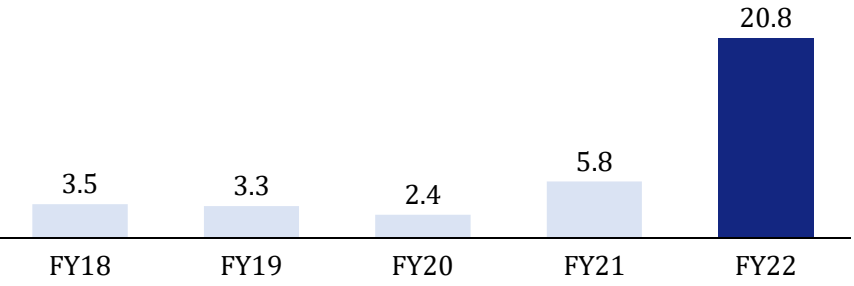
ROCE #



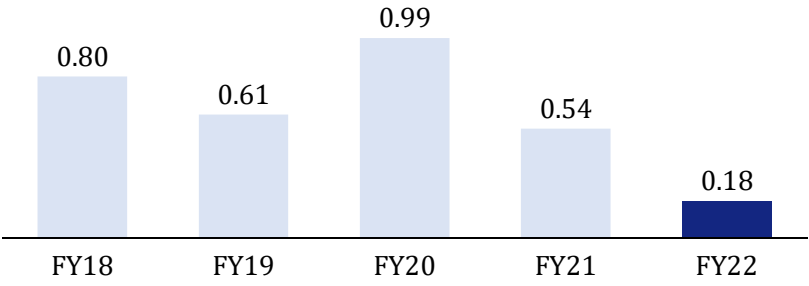
ROE *



Interest Coverage ratio



Long term Debt/Equity Ratio

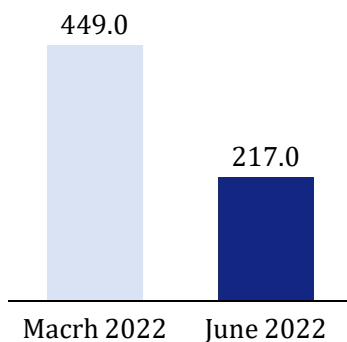


ROCE = EBIT/ Average Capital Employed

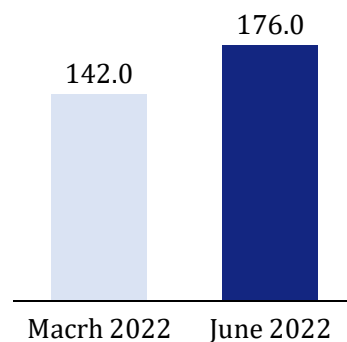
* ROE = PAT/ Average Net Worth

IMPROVING DEBT PROFILE & FINANCIAL RATIOS

Short Term Debt



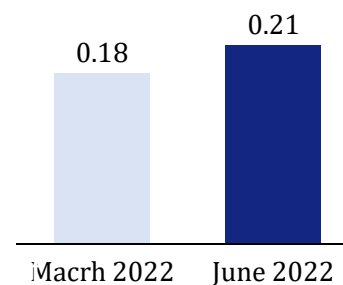
Long Term Debt



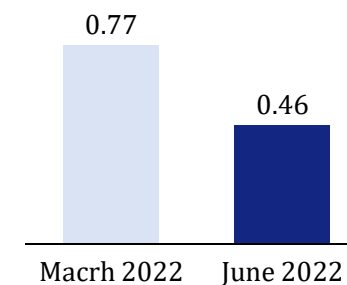
Substantial reduction in availment of short term bank borrowing by Rs. 232 crores as on 30th June 2022 due to plough back of surplus cash profits in business and reduction in inventory levels resulting in a improved financial ratio(s).

Financial ratios

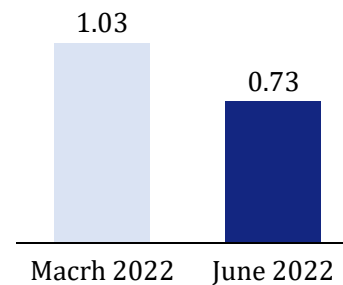
Long term Debt to Equity



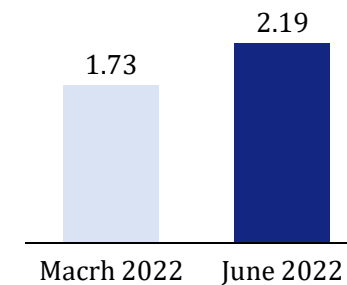
Debt to Equity



TOL/ TNW Ratio



Current Ratio



PROFIT & LOSS STATEMENT

Profit & Loss statement (Rs. in Crs)	Mar'22	Mar'21	Mar'20	Mar'19	Mar'18
Revenue from Operation	2154	1306	1355	1161	1055
Raw Material Cost	1181	785	901	756	682
Purchase of Finished goods	0	0	1	1	1
(Increase) / Decrease In Stocks	-14	10	7	-2	13
Power Cost	120	112	113	96	95
Gross Margin	867	399	334	309	175
Gross Margin %	40%	31%	25%	27%	25%
Employee Cost	105	87	97	83	74
Other Expenses	166	103	100	97	89
EBITDA	596	209	136	129	101
EBITDA %	28%	16%	10%	11%	10%
Depreciation and Amortisation Expense	44	52	63	54	56
Finance Costs	29	36	58	39	29
Other Income	24	19	3	2	13
PBT	547	140	18	38	29
PBT Margin %	25%	11%	1%	3%	3%
Exceptional Items	-	22	-	-	-
Tax	138	33	6	14	10
PAT	409	85	12	24	19
PAT Margin %	19%	7%	1%	2%	2%
Earnings per share (EPS) (Rs.)	308	63	9	17	4

THANK YOU

Sportking



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