

Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

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Website : www.sportking.co.in GST No.: 03AAACS3037Q1ZA

SIL/2022-23/SE

09.11.2022

To BSE Limited Phiroze Jeeheebhoy Towers, Dalal Street, Mumbai-400001	To National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
Script Code: 539221	Symbol: SPORTKING

Sub: Investor's Presentation

Dear Sir,

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find attached herewith copy of Investor's Presentation with respect to Performance of the Company for the quarter and half year ended 30th September 2022.

You are requested to take the above mentioned information on your records.

Yours truly,

For SPORTKING INDIA LIMITED

**LOVLESH VERMA
COMPANY SECRETARY
(ACS: 34171)**



Sportking



Investor Presentation - November 2022

SAFE HARBOR

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Mr. Munish Avasthi

Managing Director

“This quarter was challenging due to higher input costs, inflationary pressures and low demand for clothing and apparel. Textile mills were operating at less than 50 % capacity because of high cotton prices and low demand. Despite these pressures and a difficult market climate, our balanced product mix, efforts to supply high quality products at excellent value, and customer satisfaction continue to support us in achieving moderate growth of 5% in Q2FY23 as compared to Q2FY22, whereas we managed to grow at 19% in H1FY23 versus H1FY22.

We continue to be laser-focused on our growth trajectory while keeping a close eye on the geopolitical and inflationary challenges globally. We anticipate that the cotton prices and macroeconomic issues will ease in the upcoming quarters, which will improve the margins.

We have successfully commissioned the 1st Phase capacity addition of 40,800 spindles for manufacturing of Polyester cotton yarn at our Bathinda unit.

The 2nd phase capacity addition of 63,072 spindles for manufacturing of cotton compact yarn is going as per schedule and will be commissioned by Q4 of FY23..We are confident of achieving our strategic growth objectives by maintaining prudent financial practices, better operating leverage, revival in demand and improvement in realization going forward.”

A photograph of several spools of thread. In the foreground, two large spools of blue thread are prominent, one slightly behind the other. In the background, several smaller spools of white thread are visible, slightly out of focus. The text 'Financial Performance' is overlaid in the center of the image.

**Financial
Performance**

DELIVERED STRONG GROWTH WITH SUSTAINED MARGINS

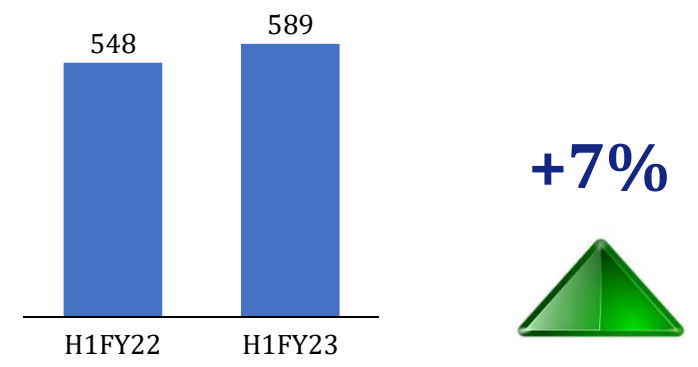
YoY Highlights
H1FY23

Revenue +18.9%
Rs. 1,158 crores

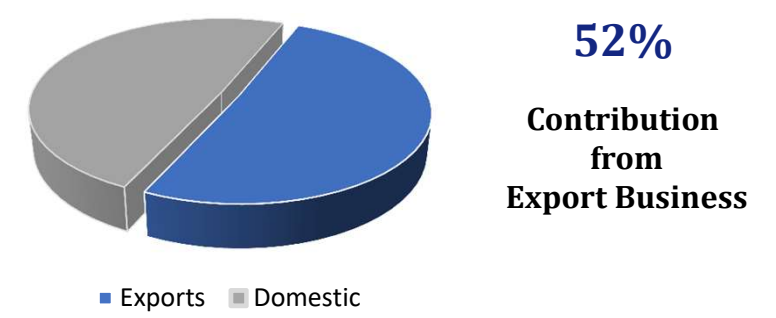
Operating EBITDA
Rs. 183 crores
Margin at 15.8%

Operating PBT
Rs. 119 crores
Margin at 10.3%

Growth in Export Businesses



H1FY23 Revenue Contribution

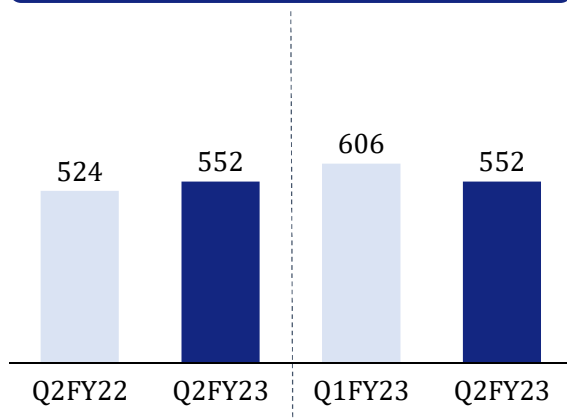


Operating EBITDA = PAT + Tax expenses + Finance Cost + Depreciation & Amortization- Other Income

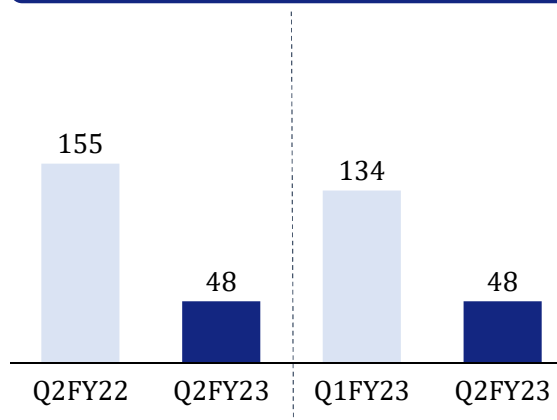
Operating PBT = PAT + Tax expenses - Other Income

Q2FY23 PERFORMANCE (YOY/QOQ)

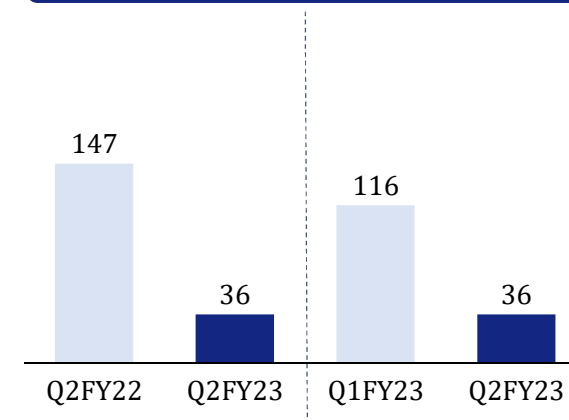
Revenue from Operations (Rs. in Crs)



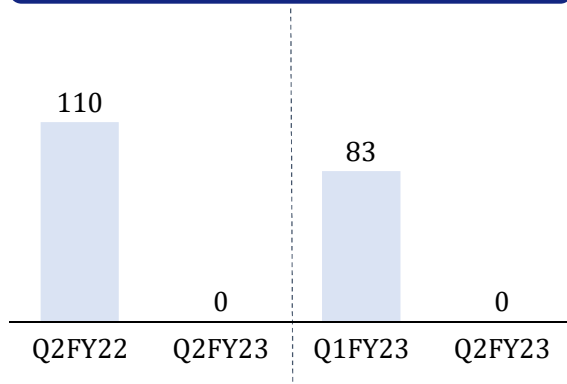
EBIDTA (Rs. in Crs)



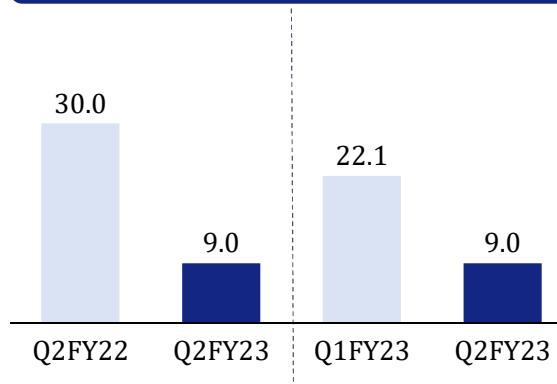
PBT (Rs. in Crs)



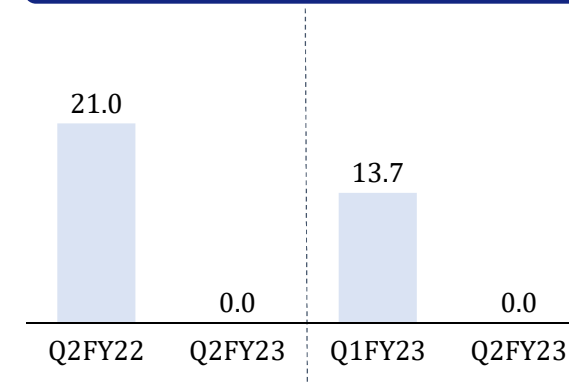
PAT (Rs. in Crs)



EBITDA %

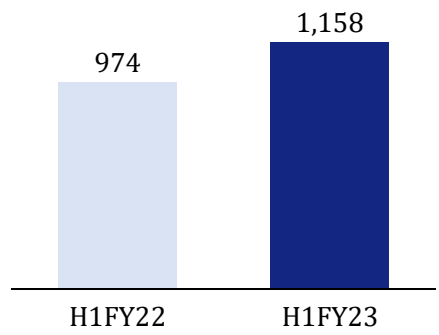


PAT %

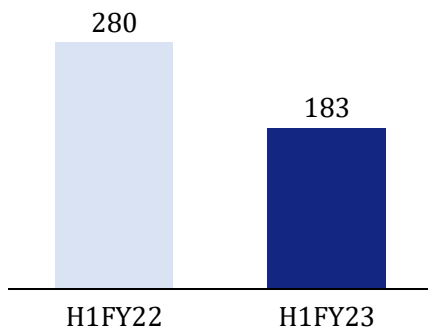


H1FY23 PERFORMANCE (YOY/QOQ)

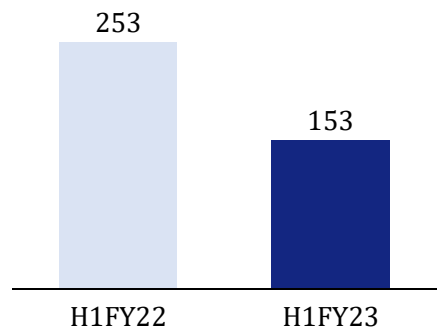
Revenue from Operations (Rs. in Crs)



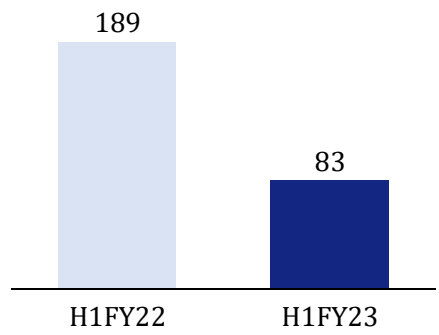
EBIDTA (Rs. in Crs)



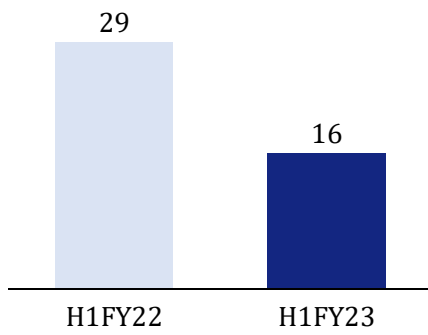
PBT (Rs. in Crs)



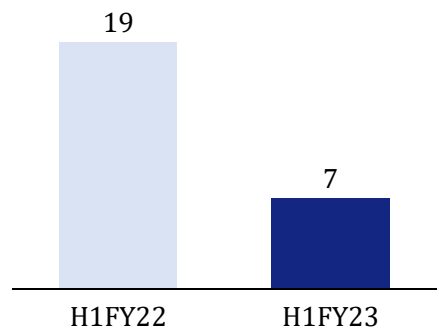
PAT (Rs. in Crs)



EBITDA %



PAT %



Q2 & H1 FY23 PROFIT & LOSS

Profit & Loss statement (Rs. in Crs)	Q2FY23	Q2FY22	Y-o-Y	Q1FY23	Q-o-Q	H1 FY23	H1 FY22	Y-o-Y
Revenue from Operation	552	524	5.3%	606	-9.0%	1158	974	18.9%
Raw Material Cost	411	276		390		801	532	
Purchase of Finished goods	1	0		0		0	0	
(Increase) / Decrease In Stocks	3	-7		-18		-15	-23	
Power Cost	27	31		30		57	61	
Gross Margin	110	224	-50.8%	204	-45.9%	315	404	-22.0%
Gross Margin %	20%	43%		34%		27%	41%	
Employee Cost	28	26		26		54	49	
Other Expenses	34	43		44		78	75	
EBITDA	48	155	-69.0%	134	-63.9%	183	280	-34.6%
EBITDA %	9%	30%		22%		16%	29%	
Other Income	3	10		1		4	13	
Depreciation	10	11		10		20	24	
Finance cost	5	7		9		14	16	
PBT	36	147	-75.5%	116	-68.7%	153	253	-39.5%
PBT Margin %	7%	28%		19%		13%	26%	
Exceptional Items	30	0		0		30		
Tax	6	37		33		40	63	
PAT	0	110	-100%	83	-99.4%	83	189	-56.1%
PAT Margin %	0%	21%		13.7%		7%	19%	
Earnings per share (EPS) (Rs.)	0.00	82.9		63		62	142	

SportKing

Business Overview



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

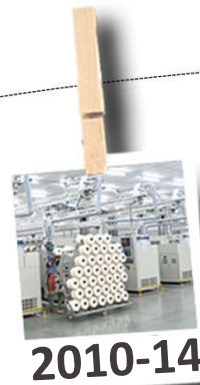
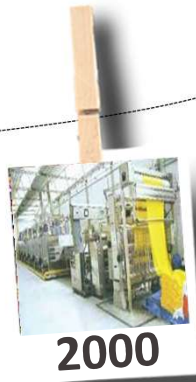
installed 6K+ Spindles for manufacturing of Acrylic Yarn at Ludhiana in 1993



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



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



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

Successful expansion at Bathinda Unit adding 68K+ spindles with for manufacturing of cotton compact yarn.

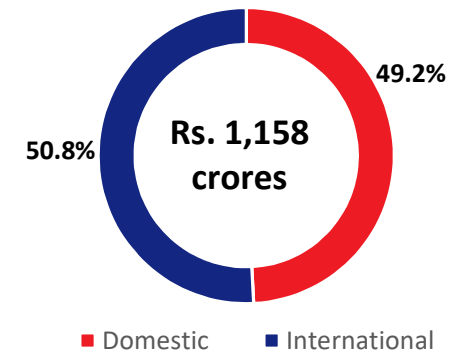


Successful commissioning of 10.2 MW Rooftop Solar Power Project for in house consumption along with 1st Phase capacity addition of 40K+ Spindles for manufacturing of Polyester Cotton yarn achieving a total overall spinning capacity 315K+ spindles

PRESENCE ACROSS THE GLOBE



Geography Wise Revenue Break-up H1 FY23



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/contaminatio n free cotton / Polyester cotton blended yarn	2,49,600 Spindles

Capacity utilisation of all units more than 90%

TECHNOLOGICAL EDGE

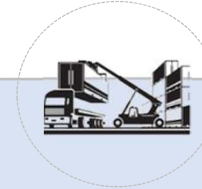
- Technologically advanced machineries to support our manufacturing infrastructure
- Robust control practices in place to ensure consistent quality of our products
- Use of modern testing instruments such as:
 - HVI
 - AFIS
 - Uster Classimat
 - Uster Tensest
 - Uster Hairiness tester



STRATEGIC ADVANTAGES



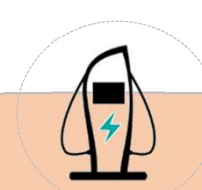
Rail & Roads : Helps in better connectivity with other parts of India.



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.

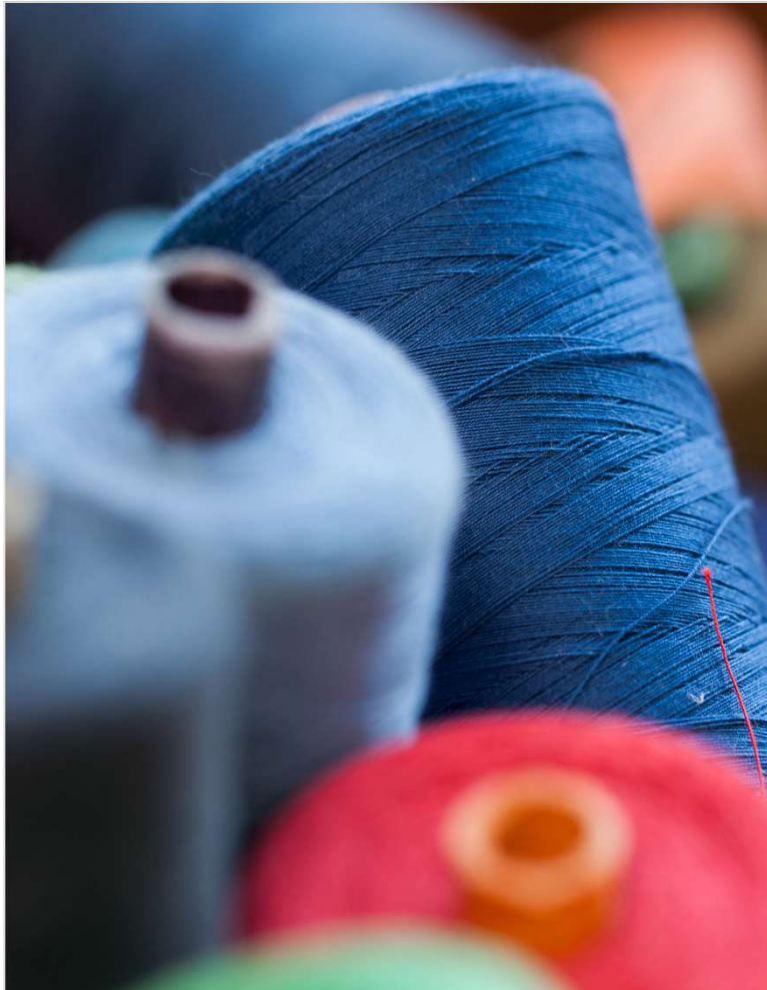


The variable price of electricity will be Rs. 5.00 per Unit for the industry as announced by the Punjab Govt. w.e.f. 1st January 2018.



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 48 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), 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

Hapreet Kaur Kang Non Executive Independent Director

- Mrs. 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.

Anjali Avasthi Non Executive Non Independent Director

- Mrs. Anjali Avasthi has a Bachelor's degree in Arts
- She has experience of managing Garments Business for many years

MANAGEMENT TEAM

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

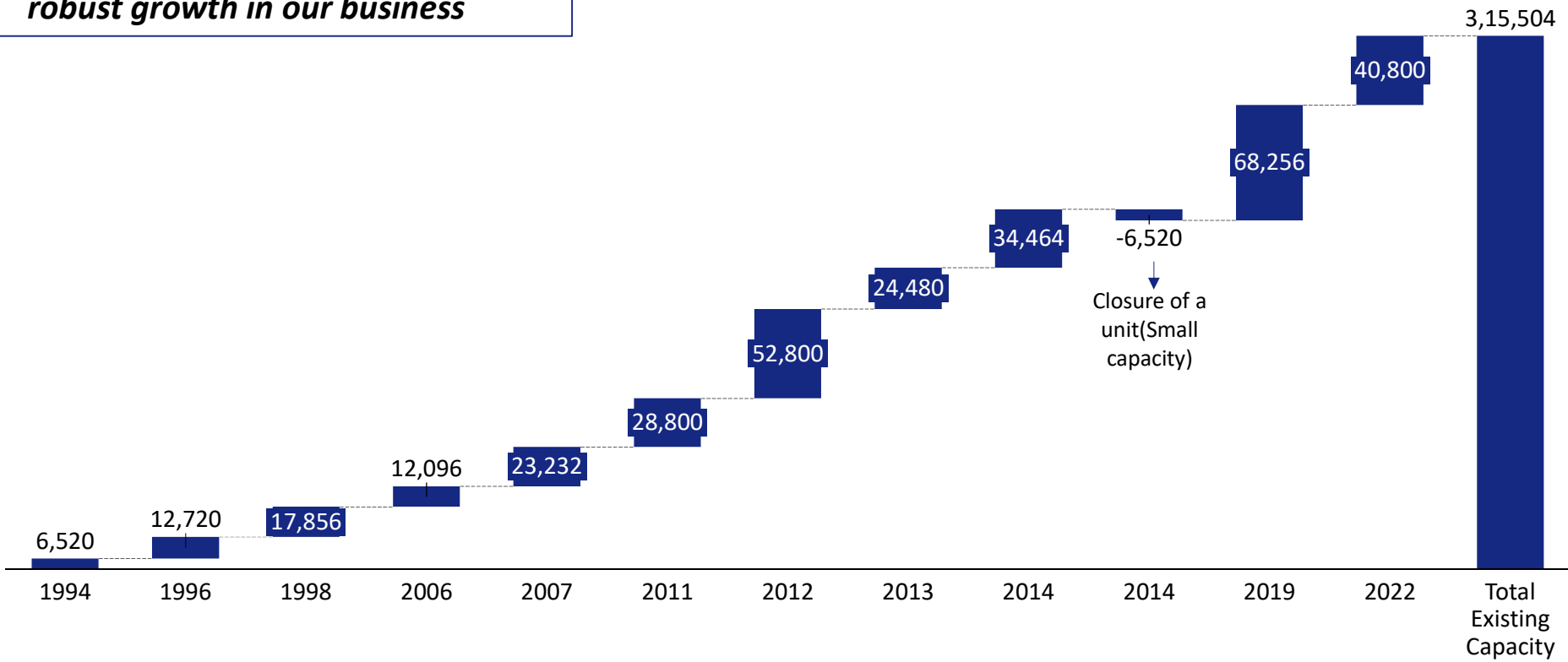
Crystal - cotton yarn made with imported cotton

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 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



Completion of phase 1 expansion project

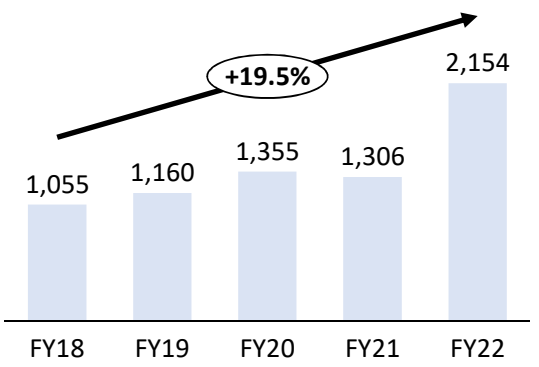
1st Phase capacity addition – 40,800 Spindles for manufacturing of Polyester Cotton yarn – Completed

Phase 2 expansion project

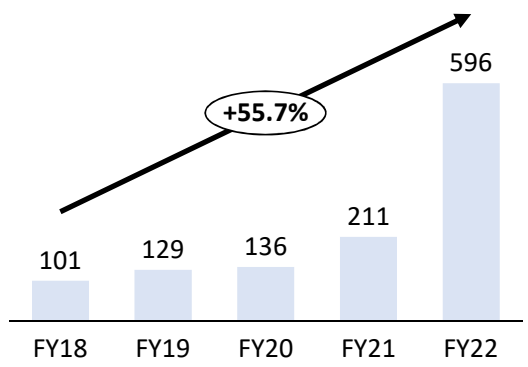
2nd Phase capacity addition – 63,072 spindles for manufacturing of cotton compact yarn - Project implementation is going as per schedule and same will be commissioned in the Q4 of FY 2022-23.

HISTORICAL FINANCIAL CHARTS

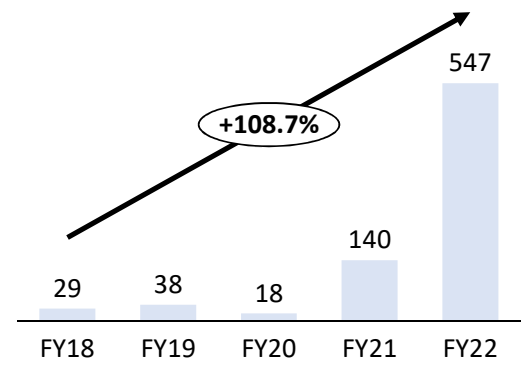
Revenue from Operations (Rs. in Crs)



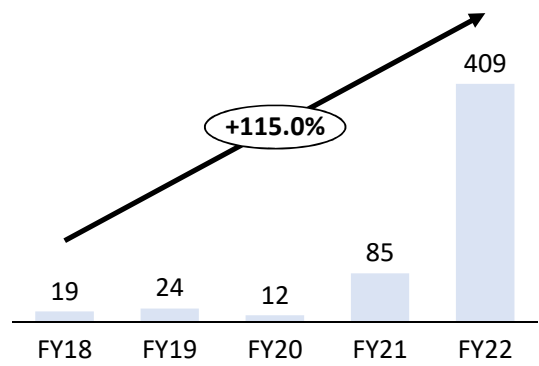
EBITDA (Rs. in Crs)



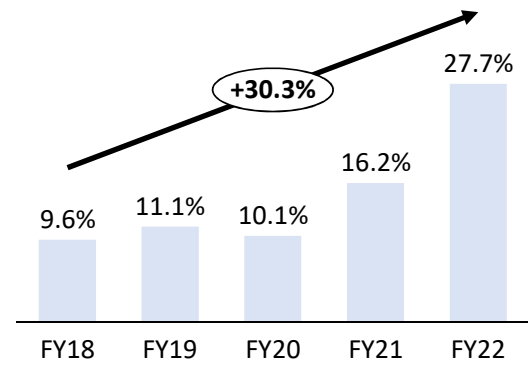
PBT (Rs. in Crs)



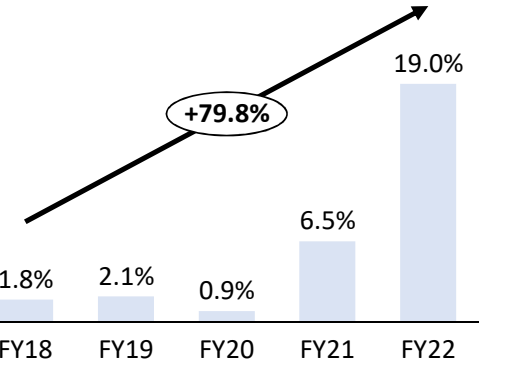
PAT (Rs. in Crs)



EBITDA %

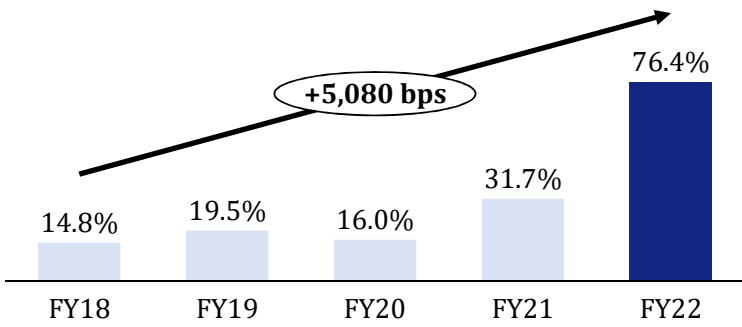


PAT %

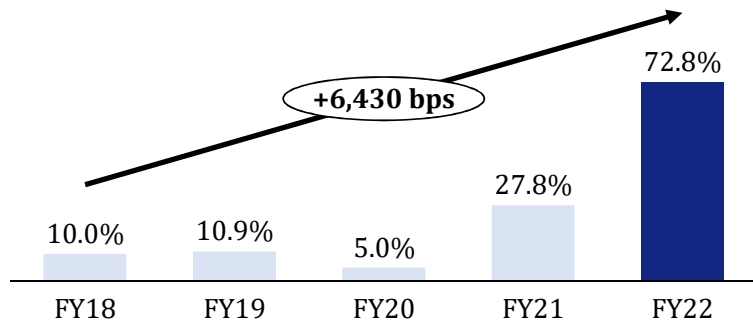


KEY FINANCIAL RATIOS

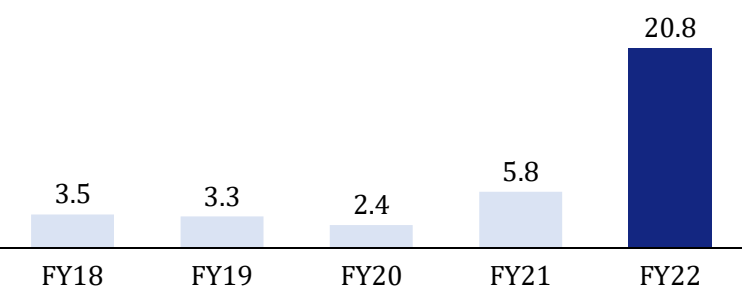
ROCE #



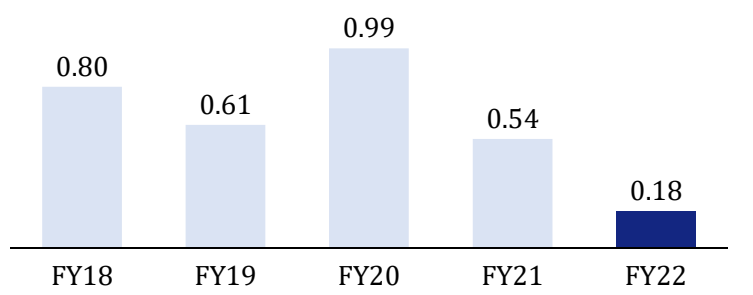
ROE *



Interest Coverage ratio



Long term Debt/Equity Ratio



ROCE = EBIT/ Average Capital Employed

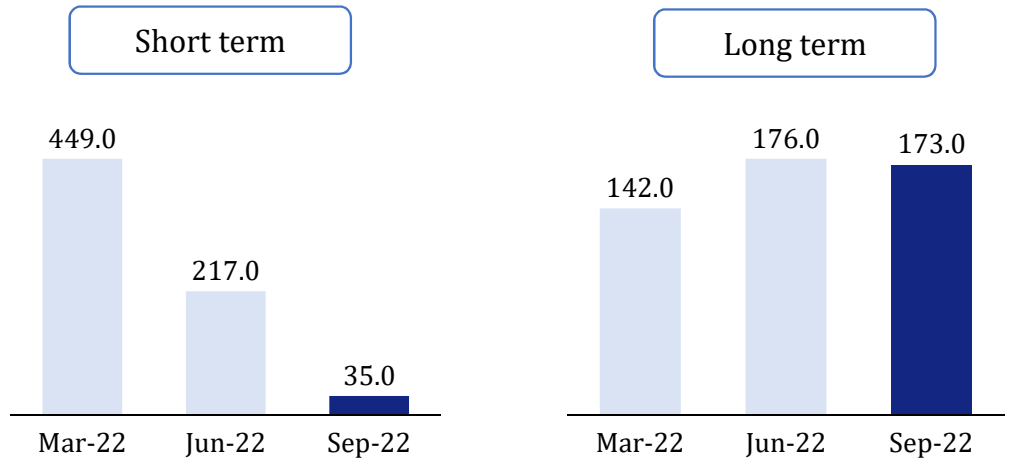
* ROE = PAT/ Average Net Worth

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

IMPROVING DEBT PROFILE & FINANCIAL RATIOS

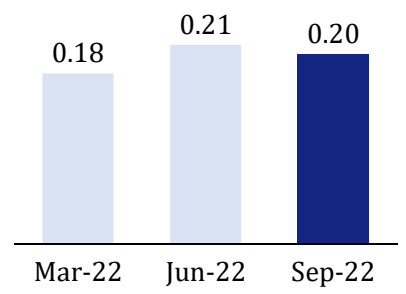
Debt



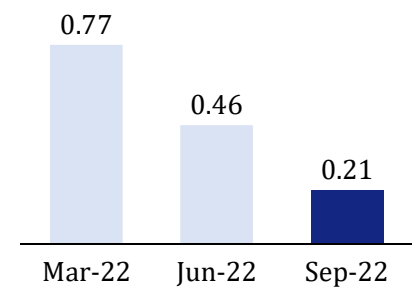
Substantial reduction in availment of short term bank borrowing by Rs. 414 crores as on 30th September 2022 due to plough back of surplus cash profits in business

Financial ratios

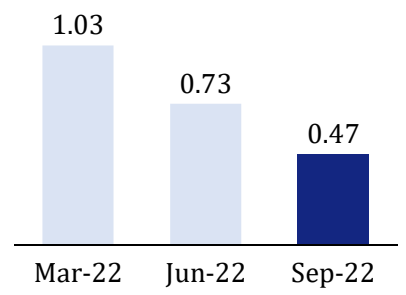
Long term Debt to Equity



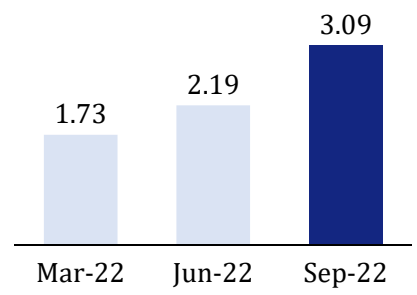
Debt to Equity



TOL/ TNW



Current Ratio



BALANCE SHEET STATEMENT

Equity & Liabilities (₹ in Cr)	Sept'22	Mar'22
Equity Share Capital	13	13
Other Equity	837	754
Total Equity	850	767
Financial liabilities		
1. Borrowing	173	141
2. Lease Liabilities	1	1
Provisions	11	11
Deferred tax Liabilities (Net)	20	13
Other Non-Current Liabilities	-	-
Total Non-Current Liabilities	205	166
Financial Liabilities		
(ii) Borrowings	34	396
(ii) Lease Liabilities	0	0
(iii) Trade Payables	31	124
(iv) Other Financial Liabilities	113	64
Other Current Liabilities	4	9
Current Tax Liabilities	21	27
Provisions	1	1
Total Current Liabilities	204	621
Total Equity & Liabilities	1259	1554

Assets (₹ in Cr)	Sept'22	Mar'22
Property, plant and equipment	533	381
Capital Work-in-Progress	52	73
Right of Use Asset	1	1
Other Intangible Assets	0	0
Income Tax Assets (Net)	2	2
Other Financial Assets	17	17
Other Non Current Assets	22	22
Total Non-Current Assets	627	496
Financial Assets		
(i) Inventories	126	522
(ii) Trade Receivable	322	411
(iii) Cash and Cash Equivalents	99	1
(iv) Bank balances other than above	0	24
(v) Other Financial Assets	1	1
Other Current Assets	84	100
Total Current Assets	632	1058
Total Assets	1259	1554

CASH FLOW STATEMENT

Cash Flow Statement (Rs. Crs.)	Sep-22	Mar-22	Sept-21
Cash Flow from Operating Activities			
Profit before Tax	123.0	547.4	252.6
Adjustment for Non-Operating Items	64.4	68.5	31.0
Operating Profit before Working Capital Changes	187.4	616	283.6
Changes in Working Capital	420.1	-382.9	109.5
Cash Generated from Operations	607.5	233	174.1
Less: Direct Taxes paid	-42.5	-137.4	-54.5
Net Cash from Operating Activities	565.0	95.6	119.6
Cash Flow from Investing Activities	-95.6	-102.8	-15.8
Cash Flow from Financing Activities	-371.6	6.9	-103.1
Net increase/ (decrease) in Cash & Cash equivalent	97.8	-0.3	0.8
Cash and cash equivalents at the beginning of the year	0.5	0.8	0.8
Cash and cash equivalents at the end of the year	98.3	0.5	1.6

THANK YOU

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