

Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

Regd. & Corporate Office : Vill. Kanech, Near Sahnewal, G.T. Road, Ludhiana-141120 Ph. : (0161) 2845456 to 60 Fax : 2845458
Admn. Office : 178, Col. Gurdial Singh Road, Civil Lines, Ludhiana-141001 Ph. : (0161) 2770954 to 55 Fax : 2770953
Website : www.sportking.co.in

CIN No. L17122PB1989PLC053162

GST No. : 03AAACS3037Q1ZA

SIL/2022-23/SE

01.02.2023

| | |
|--|--|
| 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 nine month ended 31st December 2022.

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

Yours truly,

For SPORTKING INDIA LIMITED

Lovlesh Verma Digitally signed
by Lovlesh Verma
Date: 2023.02.01
16:08:16 +05'30'

LOVLESH VERMA
COMPANY SECRETARY
(ACS: 34171)

WORKS : *SPORTKING SYNTHETICS, Vill. Kanech, Near Sahnewal, G.T. Road, Ludhiana - 141120 Ph. : (0161) 2845456, 57, 59, 60 Fax : 2845458

***SPORTKING PROCESSOR, Village Barmalipur, Near Doraha, G.T. Road, Ludhiana - 141416. Ph. : (01628) 244152, 244153**

***SPORTKING INDUSTRIES, Village Jeeda, NH-15, Kotkapura Road, Bathinda-151201. Ph. : (0164) 2767763, 544, 644, 744 Fax : 2767844**

Sportking



Investor Presentation - February 2023

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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**

YoY Highlights
9MFY23

Revenue
Rs. 1,671 crores

+7.1%



Operating EBITDA

Rs. 223 crores

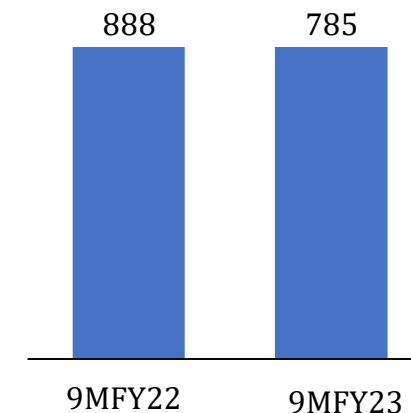
Margin at 13%

Operating PBT

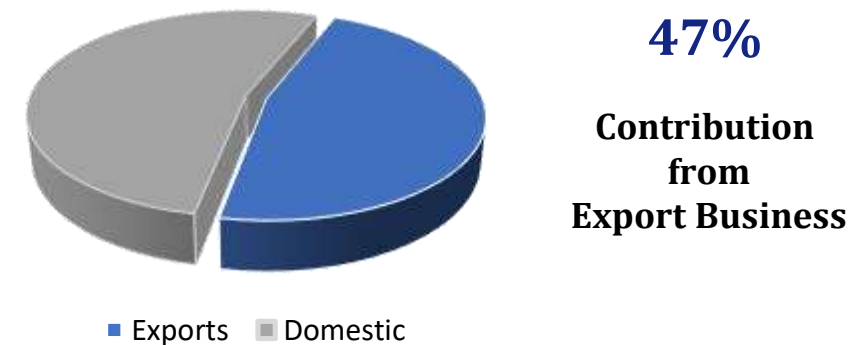
Rs. 168 crores

Margin at 10%

Revenue from Export Businesses

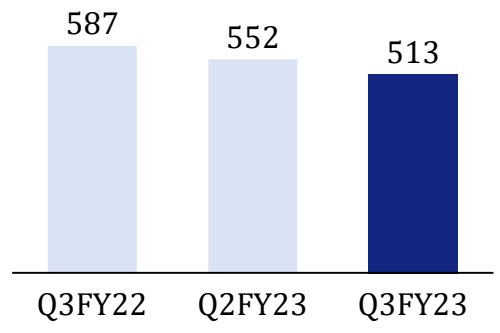


9MFY23 Revenue Contribution

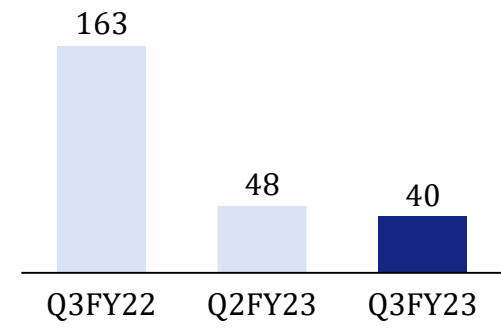


Q3FY23 PERFORMANCE (YoY & QoQ)

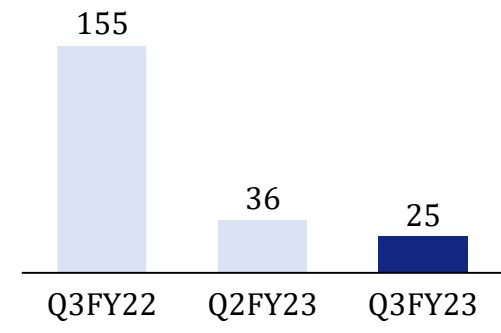
Revenue from Operations (Rs. in Crs)



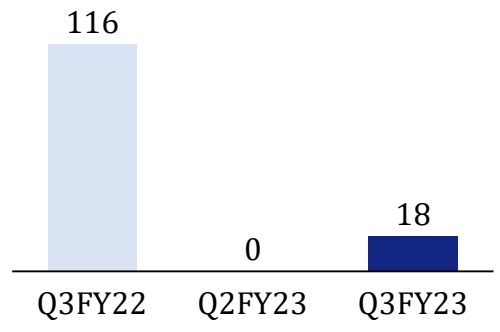
EBIDTA (Rs. in Crs)



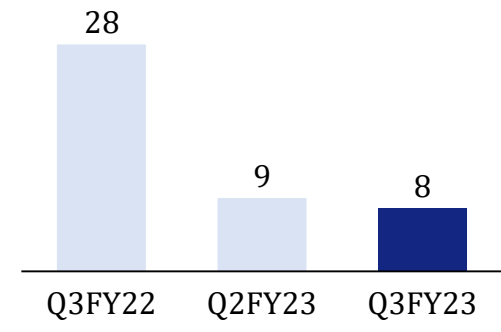
PBT (Rs. in Crs)



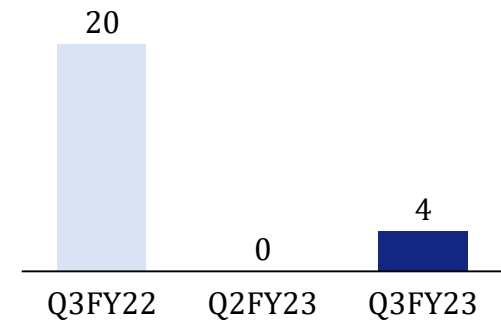
PAT (Rs. in Crs)



EBITDA %

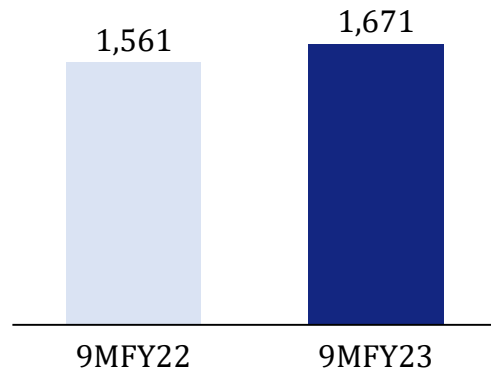


PAT %

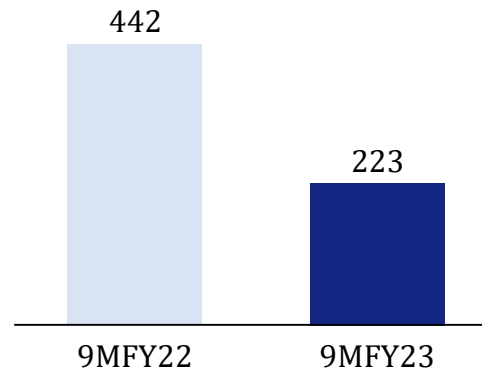


9MFY23 PERFORMANCE (YOY/QOQ)

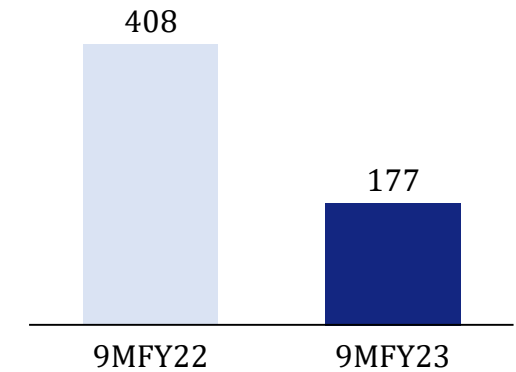
Revenue from Operations (Rs. in Crs)



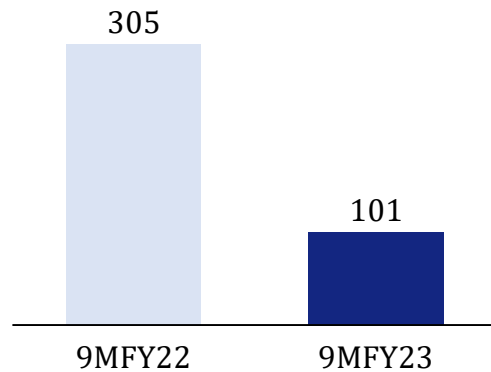
EBIDTA (Rs. in Crs)



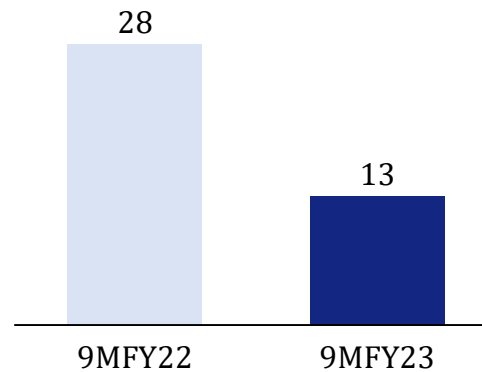
PBT (Rs. in Crs)



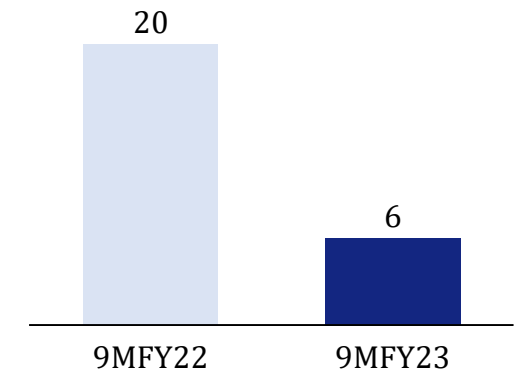
PAT (Rs. in Crs)



EBITDA %



PAT %



Q3 & 9M FY23 PROFIT & LOSS

| Profit & Loss statement (Rs. in Crs) | Q3FY23 | Q3FY22 | Y-o-Y | Q2FY23 | Q-o-Q | 9M FY23 | 9M FY22 | Y-o-Y |
|---------------------------------------|--------|--------|-------|--------|-------|---------|---------|-------|
| Revenue from Operation | 513 | 587 | -13% | 552 | -7% | 1671 | 1561 | 7% |
| Raw Material Cost | 376 | 312 | | 411 | | 1178 | 844 | |
| Purchase of Finished goods | 0 | 0 | | 1 | | 1 | 0 | |
| (Increase) / Decrease In Stocks | 0 | 13 | | 3 | | -15 | -10 | |
| Power Cost | 30 | 30 | | 27 | | 87 | 91 | |
| Gross Margin | 107 | 232 | -54% | 110 | -4% | 420 | 636 | -34% |
| Gross Margin % | 21% | 39% | | 20% | | 25% | 41% | |
| Employee Cost | 32 | 28 | | 28 | | 85 | 78 | |
| Other Expenses | 35 | 41 | | 34 | | 112 | 116 | |
| EBITDA | 40 | 163 | -75% | 48 | -18% | 223 | 442 | -50% |
| EBITDA % | 8% | 28% | | 9% | | 13% | 28% | |
| Other Income | 5 | 6 | | 3 | | 9 | 18 | |
| Depreciation | 14 | 10 | | 10 | | 34 | 34 | |
| Finance cost | 6 | 4 | | 6 | | 21 | 18 | |
| PBT | 25 | 155 | -84% | 35 | -32% | 177 | 408 | -57% |
| PBT Margin % | 5% | 26% | | 7% | | 11% | 26% | |
| Exceptional Items | | | | 30 | | 30 | | |
| Tax | 7 | 39 | | 7 | | 47 | 102 | |
| PAT | 18 | 116 | -84% | 0 | N.M | 100 | 306 | -67% |
| PAT Margin % | 4% | 20% | | 0% | | 6% | 20% | |
| Earnings per share (EPS) (Rs.) | 14 | 87 | | 0.01 | | 76 | 230 | |

**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

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 for dyeing/ processing of textile yarn fibers



2000



2010-14

Spinning Capacity increased further with 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 1,38,720 Spindles upto November 2013.

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



2018-19



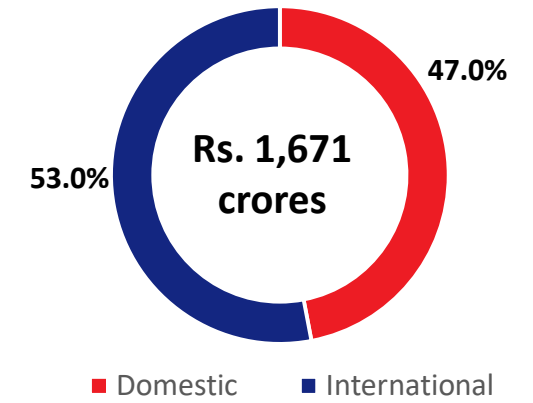
2022-23

Successful commissioning of 10MW Rooftop Solar Power Project for in house consumption. 1st Phase capacity addition completed - 40,800 Spindles for manufacturing of Polyester Cotton yarn

PRESENCE ACROSS THE GLOBE



Geography Wise Revenue Break-up 9M 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/contamination free cotton / Polyester cotton blended yarn | 2,49,600 Spindles |

Capacity utilisation of all units more than 90%

TECHNOLOGICAL EDGE

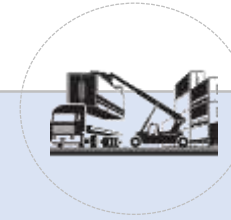
- Technologically advanced machineries to support our manufacturing infrastructure
- Robust control practices in place to ensure consistent quality of our products
- Use of modern testing instruments such as:
 - HVI
 - AFIS
 - Uster Classimat
 - Uster Tensest
 - Uster Hairiness tester



STRATEGIC ADVANTAGES



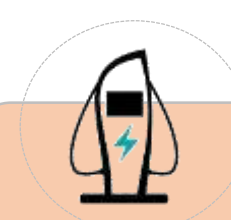
Rail & Roads : Helps in better connectivity with other parts of India.



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



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.



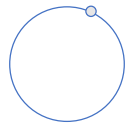
Dyed Yarns

- 100 % cotton and PC blended dyed yarns



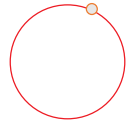
Acrylic & Acrylic/Polyester Blended Yarns

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



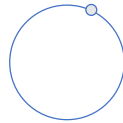
Focus on excellence

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



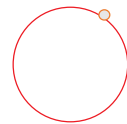
Customer Driven Innovation

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



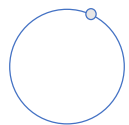
Domestic & international markets

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.



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

- 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.

Anjali Avasthi
 Non Executive Non
 Independent Director

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

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

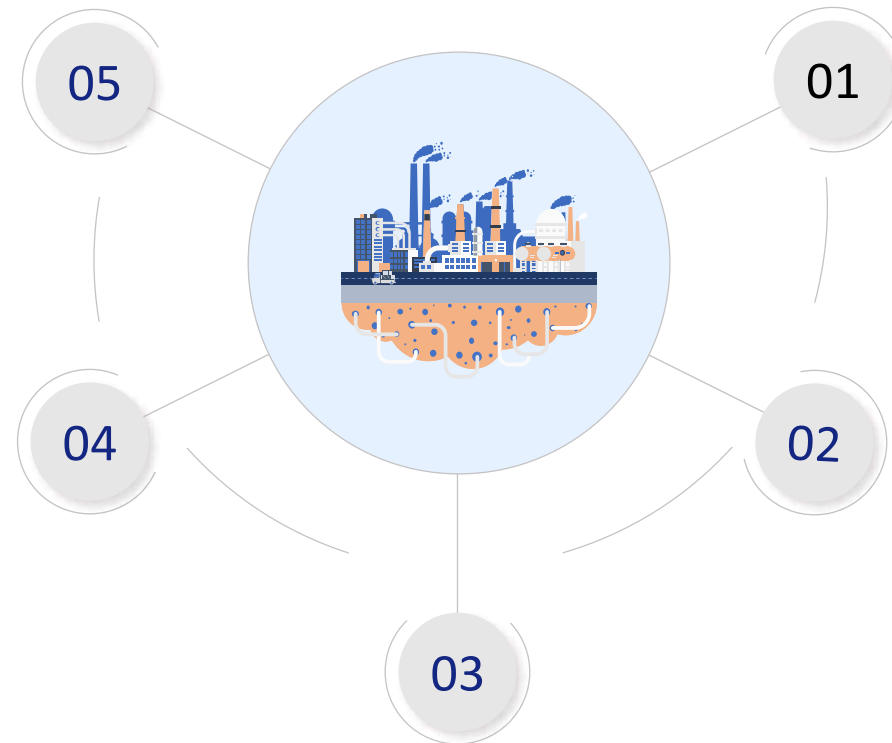


Textile Cluster Development Scheme (TCDS)

The Indian Textile Ministry is implementing the Textile Cluster Development Scheme (TCDS) from 2021-22 to 2025-26 with a view to create an integrated workspace and linkages-based ecosystem for existing and potential textile units

PLI Schemes

Government is set to come out with second PLI scheme in consultation with industry to focus on segments which are not covered in the earlier scheme like home textile, etc.



Remission of duties & taxes on Exports

Government has approved continuation of RoSCTL with the same rates till 31st March 2024

Free Trade Agreements

- Recent FTAs signed between India and UAE, ECTA signed between India and Australia
- India is currently in process of negotiating FTAs with EU, UK, Canada, Israel and other GCC countries/regions

Mega textile parks

- Approval seven mega textiles and apparel parks under “PM-Mitra” with capital support of Rs 44.4bn over five years from the central and state governments
- Development Capital Support (DCS) of up to Rs 5bn will be given to all greenfield parks and the central government has also announced competitiveness incentive support of Rs 3bn for the early establishment of textiles manufacturing units.

INDIAN TEXTILE SECTOR- READY FOR A TRANSFORMATION

India's textiles sector is at an inflection point

The sector can act fast and grab the huge opportunity opening up due to a change in global textile trade patterns. While the opportunity is huge, the government and the industry need to act in coordination, and fast, as the world will not wait.

Working population

Large working population is an asset for this industry
India has a large working population

Strong belief in India's capability to increase market share in global textiles

The structural story for the sector intact, and the government and industry will be able to address short-term concerns together
4-5 years will be required to see the real benefits of China +1 strategy



Low-cost countries are a natural choice for textiles

Textiles manufacturing is labour and capital intensive, which is why its manufacturing base has shifted organically to developing and low-cost countries.

Developed countries such as the USA, Europe, Australia, and Japan are major importers of textiles, as they find this cheaper than producing them locally.

China's natural advantages are eroding slowly

While China's market share is large, its increasing per capita income and labour costs have resulted in its market share steadily declining in global trade since 2015

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

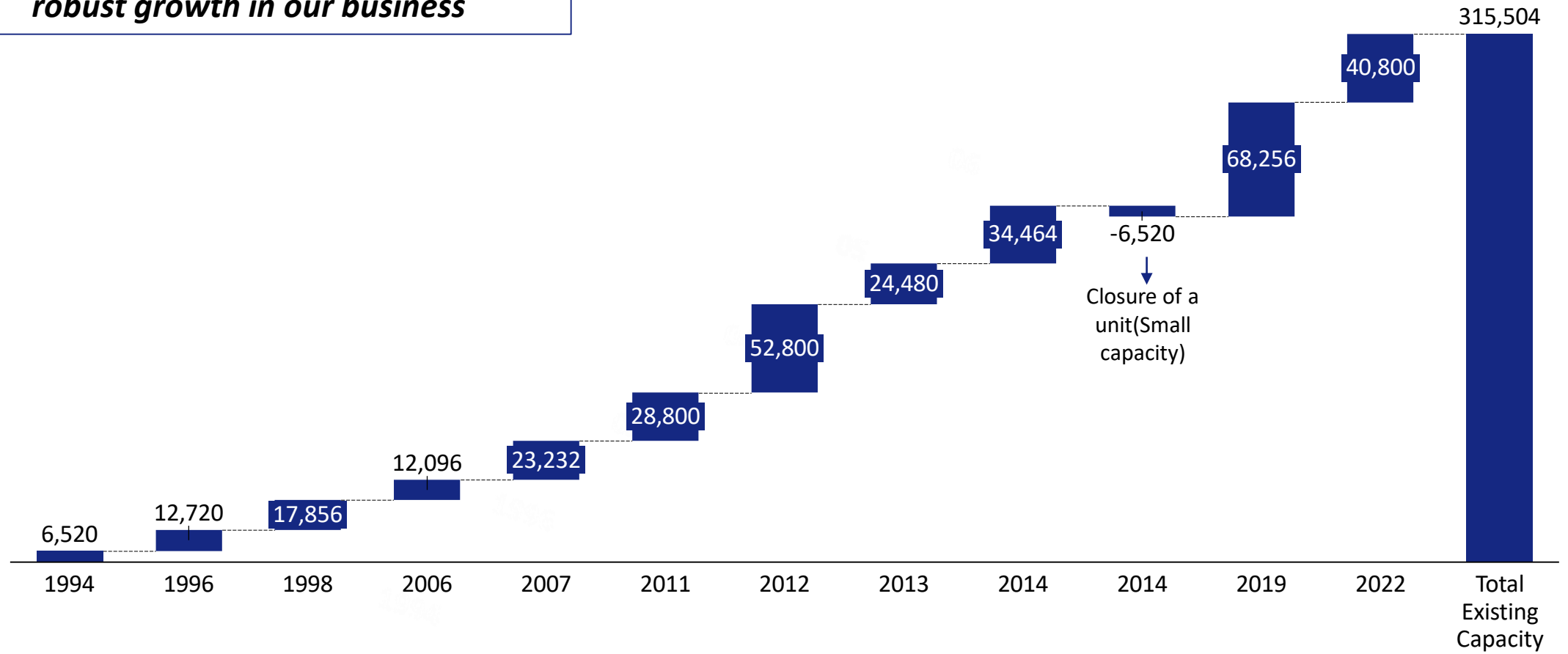
06 Brand Launching

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



Rooftop Solar Power Projects at Bathinda Unit



Completion of 10MW Rooftop Solar Power Project at for in house consumption

- Completion Month- June 2022
- Objective to reduce greenhouse gas emissions and power cost

New 15MW Rooftop Solar Power Project for in house consumption

- Board approval received for new 15 MW Solar Power Project for captive consumption
- Expected to be commissioned by September 2023

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



Completion of phase 1 expansion project

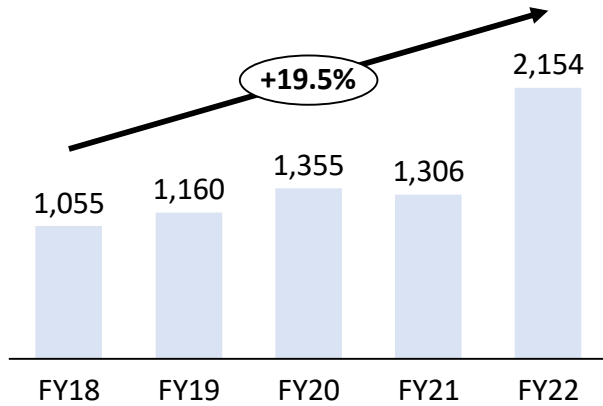
1st Phase capacity addition – 40,800 Spindles for manufacturing of Polyester Cotton yarn – Completed

Phase 2 expansion project

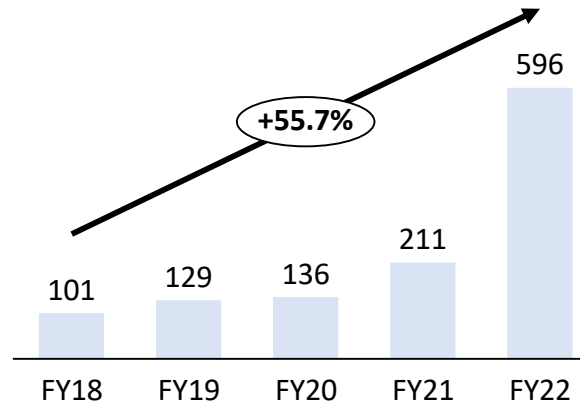
2nd Phase capacity addition – 63,072 spindles for manufacturing of cotton compact yarn - Project implementation is going as per schedule and same will be commissioned in the Q4 of FY 2022-23.

HISTORICAL FINANCIAL CHARTS

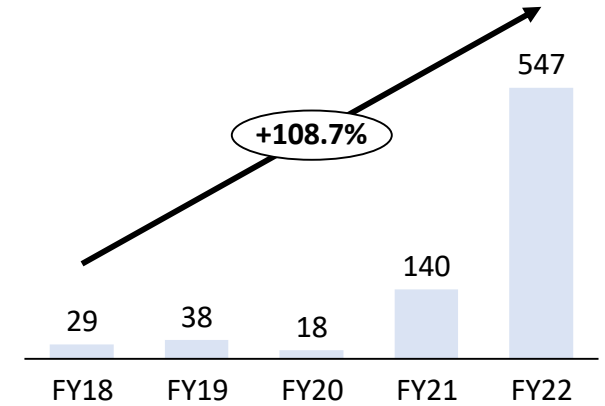
Revenue from Operations (Rs. in Crs)



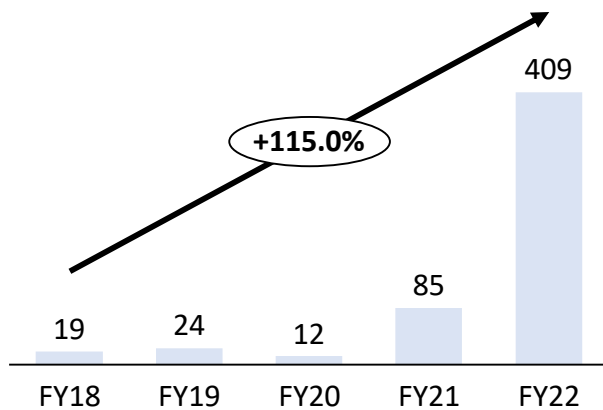
EBITDA (Rs. in Crs)



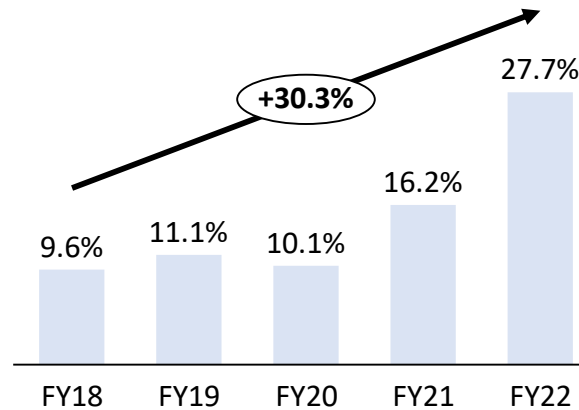
PBT (Rs. in Crs)



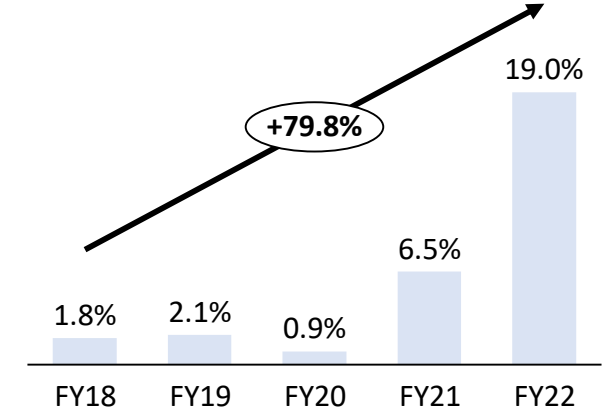
PAT (Rs. in Crs)



EBITDA %

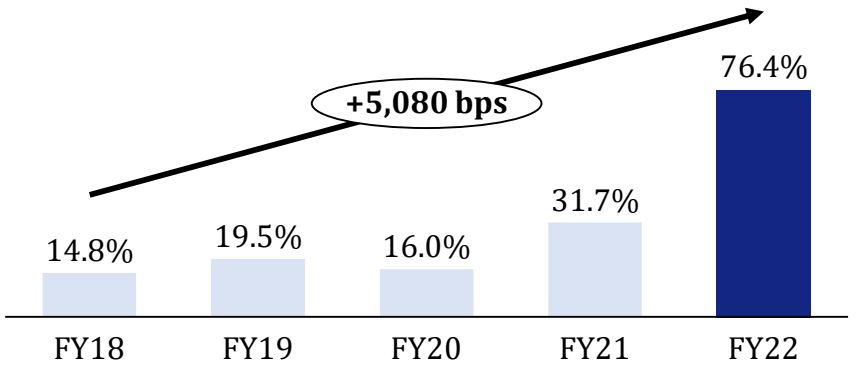


PAT %

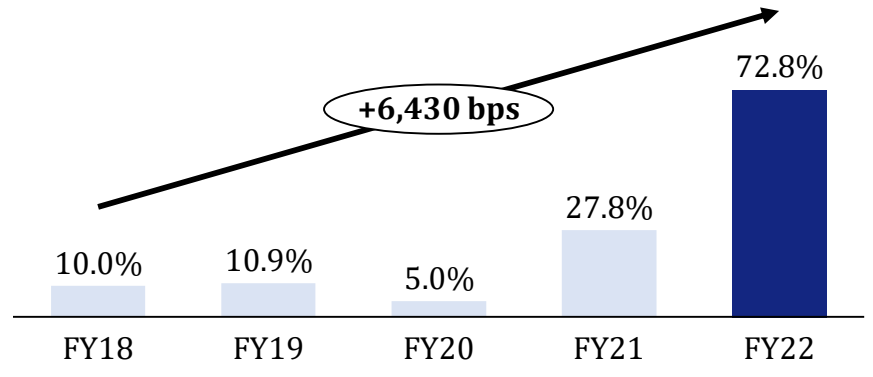


KEY FINANCIAL RATIOS

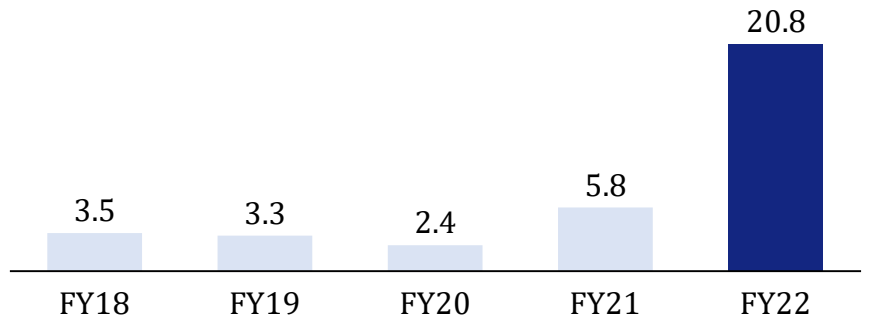
ROCE



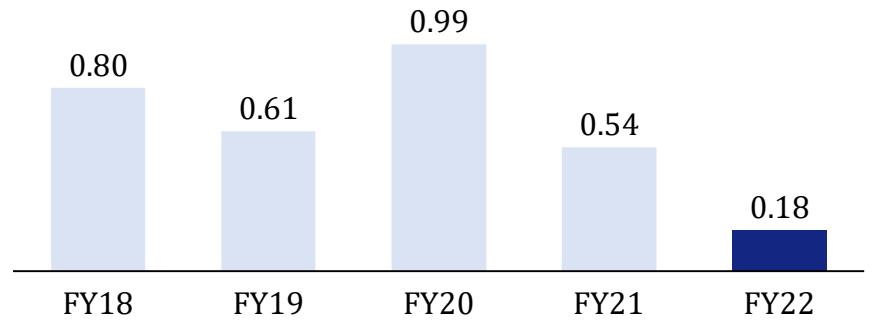
ROE *



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 |

THANK YOU

Sportking



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