

Sportking INDIA LTD.

(Govt. Recognised Three Star Export House)

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

Date: 22.07.2023

SIL/2023-24/SE

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: PRESS RELEASE REGARDING UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2023.

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find attached herewith Press Release with respect to Unaudited Financial Results for the quarter ended 30th June 2023, as approved by the Board of Directors of the Company in their meeting held on 22nd July 2023.

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 India Limited reports Q1 FY24 Operational Revenue at Rs. 539 Crore achieving stable margins

Punjab, 23rd July, 2023: Sportking India Limited, one of India's leading textile conglomerate, announced its financial results for the quarter ended 30th June, 2023.

Key Highlights of the Quarter

- The second phase of capacity expansion i.e. 63,072 spindles will start contributing fully to the topline from Q2 FY24 – added almost 35% to the existing capacity in the last 1 year
- Additional 10 MW of roof top solar power capacity has come online taking the aggregate capacity to 20MW. The remaining 5 MW will be operationalized by September of this financial year. This will enable cost saving in terms of power cost per unit
- Achieved stable gross profit and EBITDA margins despite industry headwinds
- Revenue from operation stood at Rs. 539 Cr for Q1 FY24, up on a quarterly basis
- EBITDA for Q1 FY24 is Rs. 50 Cr with a margin of 9%
- Cash Profit after Tax for the quarter was Rs.38 Cr

Financial Performance

Particulars (Rs. Crs)	Q1 FY24	Q4 FY23	Q3 FY23	Q2 FY23
Total Operational Revenues	539	534	513	552
Gross Profit	118	121	107	110
Gross Margin (%)	22%	23%	21%	20%
EBITDA	50	56	40	48
EBITDA Margin (%)	9%	10%	8%	9%
Depreciation	20	14	14	10
Finance Cost	10	2	6	6
Profit After Tax	18	31	18	0
Cash Profit After Tax*	38	45	32	10

* Cash Profit After Tax = Profit After Tax + Depreciation

Commenting on the results, Mr. Munish Avasthi, Chairman & Managing Director said,

“I am pleased to announce that despite facing headwinds like volatile cotton prices as well as demand uncertainties in the recent past we have achieved steady revenue and consistent margins in the current quarter. Our revenue from operations saw a 47% share from exports, indicating our competitiveness in the international market.

Looking ahead, we are optimistic about the future as cotton prices in India seem to have stabilized, making our country's textile industry more competitive globally. Moreover, with China reopening its economy, the international scenario appears favourable for our industry.

We anticipate a positive trend in demand in the upcoming quarters as retailers complete their de-stocking phase. To capitalize on the same, we had announced a phased capacity expansion of around 1,00,000 spindles (35% increase on our existing capacity) about a year ago. This capacity expansion combined with ensuring industry-best utilization levels will allow us to operate on a larger scale, leading to growth. This has predictably increased our depreciation and well as finance cost – affecting our bottom line in the current quarter. However, as the last phase of capacity becomes fully operational in the next quarter (Q2 FY24), we are confident that it will positively impact both our top line and bottom line. We are thus optimistic not only about the sector but also about our company's prospects.

Overall, we remain positive about the future and our ability to thrive in the challenging yet promising textile industry.”

About Sportking India Ltd:

Established in 1989, Sportking India Ltd emerged as one of India’s leading textile in company & owns 3 state-of-the-art manufacturing facilities in India equipped with latest machinery, produces yarns that are a benchmark in quality. The company produces well diversified range of grey and dyed textile yarns to cater to the demands of weaving and knitting industry in domestic as well as international markets.

With presence in more than 30 countries, Sportking India Ltd. is representing India on a world stage with a commitment to deliver superior quality products among evolving trends in customer preferences.

Sportking India Ltd	Investor Relations: Orient Capital
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Safe Harbor Statement

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.