

SVP GLOBAL VENTURES LIMITED

97, Maker Tower 'F'
Cuffe Parade, Mumbai – 400 005.
Tel.: 4029 0011 Fax: 4029 0033
Email: contact@pittie.com
CIN: L17290MH1982PLC026358
Website: www.svpglobal.co.in

Date: July 26, 2021

To

The BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 Fax No.: 022 22722041 Company Code: 505590	The Listing Department The National stock Exchange of India Ltd. Exchange Plaza, C- 1, Block-G, Sandra- Kurla Complex, Bandra (E) Mumbai- 400 051 Fax No.: 022-26598237/38 Company Code: SVPGLOB
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Sub. : -Investor Presentation

Dear Sir/Madam,

In Compliance of Regulation 30 of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Presentation on the Un-Audited Financial Results for the quarter ended on June 30, 2021

This is for your information and record.

Thanking you,

For SVP Global Ventures Limited

A handwritten signature in blue ink, appearing to read 'Chirag Pittie', is written over a thin blue horizontal line.

Chirag Pittie
Director
DIN: 00117368

Encl: As above

Q1 FY2022 Earnings Presentation



SVP
GLOBAL
VENTURES LTD.

The Fastest Growing Cotton Yarn Manufacturer

Q1 FY2022 Highlights

Rs. 412 Crores
Total Income

Q1 FY21: Rs. 100 Crores

Rs. 136 Crores
Gross Profit

Q1 FY21: Rs. 23 Crores

Rs. 91 Crores
EBITDA

Q1 FY21: Rs. (2) Crores

Rs. 39 Crores
PAT

Q1 FY21: Rs. (57) crores

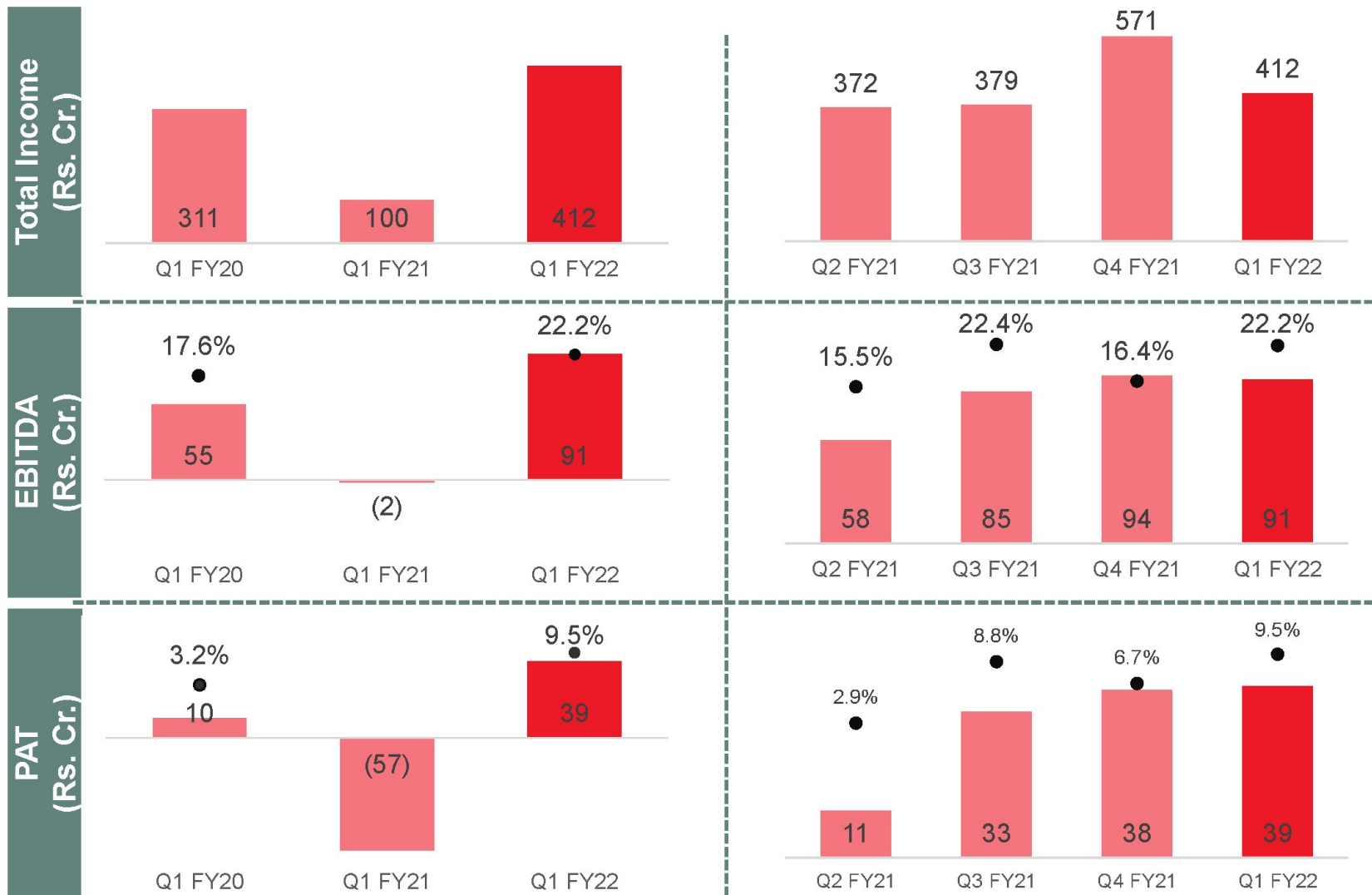
Chirag Pittie
Wholetime Director



“Our performance during Q1 FY2022 was encouraging, and we recorded Total Income of Rs. 412 crores, which quadrupled compared to same period last year. This rebound in our topline was driven by a gradual return to a low covid environment which resulted in us operating at near peak utilization levels in India. Our PAT for the period was Rs. 39 crores compared to a loss of Rs. 57 crores in same period last year. In addition to the phased ending of lockdowns, improvement in price of yarn market also supported the margin enhancement. We expect the price trend to sustain going forward.

The Phase 1 of Oman plant consisting of 150,000 spindles and 3,500 rotors have been completed and is expected to fully contribute to the financial performance starting third quarter of this fiscal year. The strong demand for quality compact yarn coupled with sales offtake agreements with our customers will enable us to fully utilise the new capacities and enhance value for our stakeholders. On 12th July, we achieved another milestone in our growth journey and our shares were listed on the National Stock Exchange of India (NSE). We expect the listing to help us broaden our investor base and share our growth journey with them.”

Q1 FY2022 Performance Discussion



- Improvement in utilization levels due gradual return to a low covid environment supported the topline growth
- The improvement in margin was driven by improvement in price of yarn in international market also supported the margin enhancement
- The improved price trend is expected to continue in the near to medium term due to prevailing anti China sentiments

Q1 FY2022 Performance Discussion

(Rs. Crores)	Q1		Y-o-Y Change (%)	12M		Y-o-Y Change (%)
	FY22	FY21		FY21	FY20	
Total Income	412	100	312.7%	1,422	1,444	(1.5)%
Gross Profit	136	23	486.9%	420	437	(3.8)%
Gross Margin (%)	32.9%	23.2%		29.6%	30.2%	
EBITDA	91	(2)	nm	234	267	(12.2)%
EBITDA Margin (%)	22.2%	nm		16.5%	18.5%	
EBIT	70	(23)	nm	150	182	(17.5)%
EBIT Margin (%)	17.0%	nm		10.6%	12.6%	
PAT	39	(57)	nm	25	51	(51.1)%
PAT Margin (%)	9.5%	nm		1.7%	3.5%	

Capital Structure Considerations

Oman Phase I fully funded on balance sheet and capacity will contribute to topline from Q3 FY22

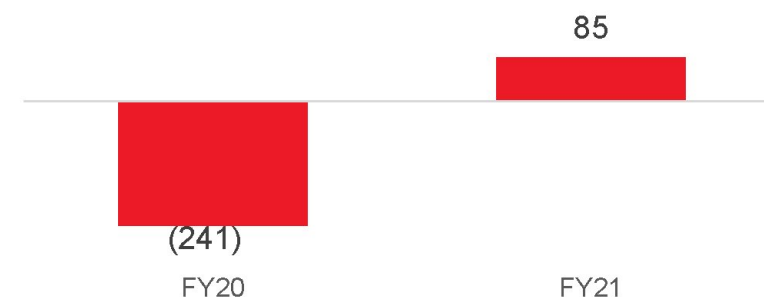
Operational

- Focus on high margin compact cotton business
- Forward integration into garment manufacturing
- Working capital optimization and utilization of free cash flow

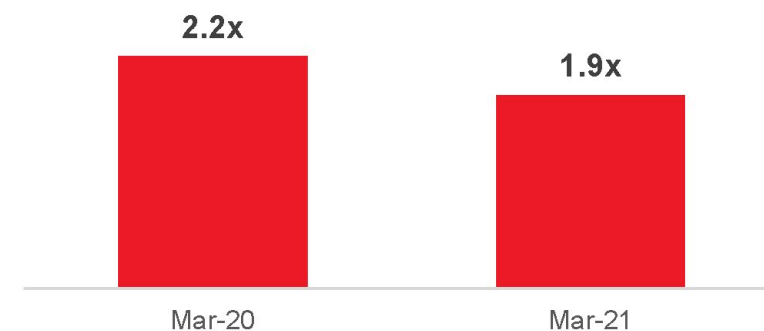
Financing

- Capital inflow of Rs. 176.25 crores by Sep 2022 from equity warrants issued to Promoter Group in March 2021
- Monetize non-core assets at South Unit at Ramnad, Tamil Nadu. The Board has established a Committee to evaluate strategic options
- Potential fund raise via QIP

Cash Flow from Operation (Rs. Crores)



Total Debt / Equity (x)



Sohar (Oman) Phase II

Enhanced capacity coupled with focus on high margin products to drive profitability and cash generation

Compact Cotton Yarn

Garment Manufacturing

Plan

	Phase II
Capacity (Spindles)	150,000
Capacity (Rotors)	3,500
Project Cost (\$ mn)	150
Expected Completion	H1 FY23

- Forward integration by expanding into garment manufacturing by setting up knitting units
- The operation will be set-up in Oman using internal accruals
- Expect the garment unit to be fully operational by end of FY2022

Current Status

- Construction work for Phase II has started
- Progress in line with management expectations

- Started operations with first phase
- Focus on supplying to customers in Oman and other GCC countries

Diversified Customer Base

Orderbook of over Rs. 5,000 crores; equivalent to next 2-3 years revenue

Key Customers



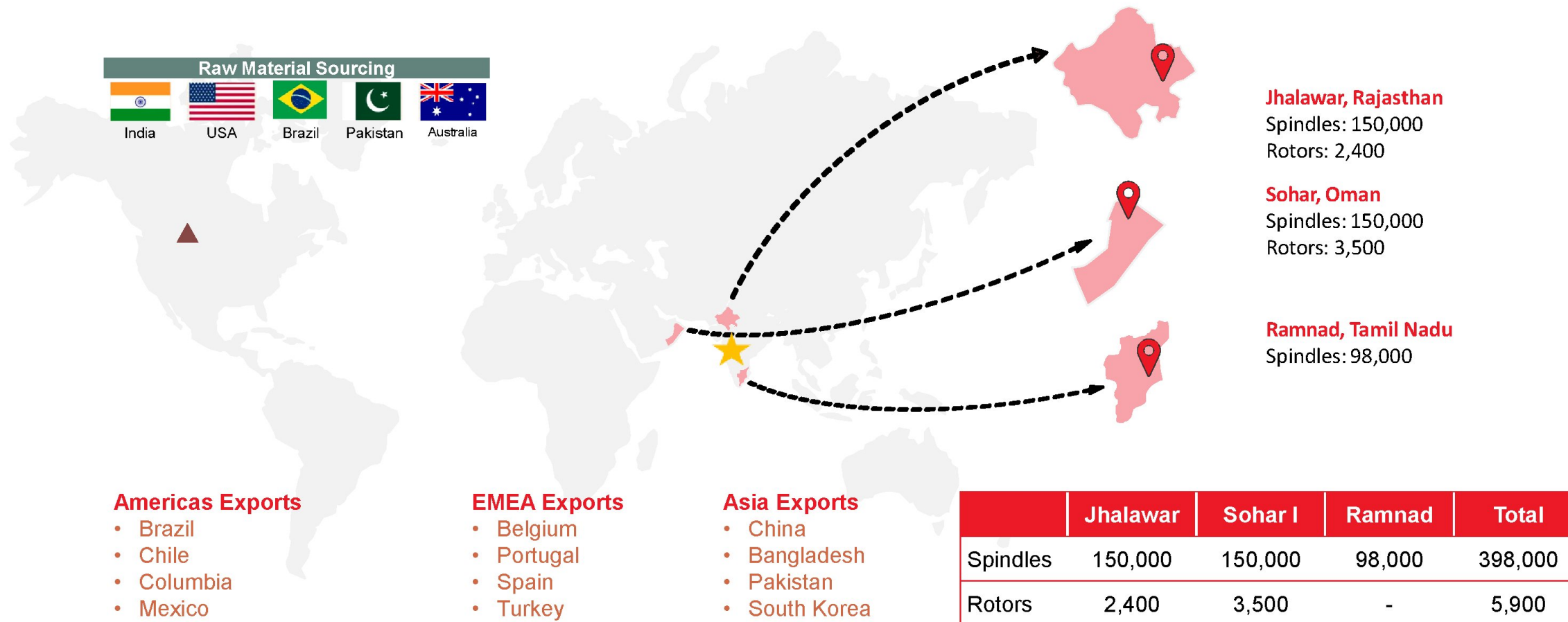
End Markets



- Diversified customer base with no single customer with more than 5% of revenues
- Longstanding relationships with majority of the customers
- Orderbook of over Rs. 5,000 crores; equivalent to next 2-3 years revenue
- Sales offtake agreement with existing customer ensures near peak capacity utilization
- Approved supplier to IKEA, one of the largest global retailers of furniture and home accessories
- The approved supplier status provides opportunity to supply yarn to suppliers of IKEA

Strategically Located Manufacturing Facilities

Oman platform provides competitive advantages of strategic location, low cost of power and attractive capital




▲ International Offices

★ Corporate Office

📍 Manufacturing Facilities


SVP Global Sustainability Practices

Global certification and memberships ensuring preferred vendor status with leading global textile manufacturers



Global Organic Textile Standard

GOTS is a voluntary global standard for the entire post-harvest processing (including spinning, knitting, weaving, dyeing and manufacturing) of apparel and home textiles made with certified organic fibre (such as organic cotton and organic wool), and includes both environmental and social criteria




Organic Content Standard (OCS)

OCS is an international, voluntary standard that sets requirements for third-party certification of certified organic input and chain of custody. The goal of the OCS is to increase organic agriculture production




OEKO-TEX

OEKO-TEX consists of 18 independent institutes in Europe and Japan. Together we are continuously developing test methods and limit values for the textile and leather industry, we provide important boosts for innovation and thus make a significant contribution to the development of high-quality products




Global Recycle Standard (GRS)

GRS is an international, voluntary, full product standard that sets requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions




Fairtrade Textile Standard

Fairtrade Textile Standard is one component of the greater Fairtrade Textile Programme to facilitate change in textile supply chains and related business practices. This comprehensive approach engages manufacturers and workers in the supply chain to bring about better wages and working conditions, and engages brands to commit to fair terms of trade




Better Cotton Initiative (BCI)

BCI is a global not-for-profit organisation and the largest cotton sustainability programme in the world. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future



US Cotton Trust Protocol

US Cotton Trust Protocol sets standard for more sustainably grown cotton. It brings quantifiable and verifiable goals and measurement to the issue of responsibly grown cotton production and drives continuous improvement in key sustainability metrics



Supima

The primary purpose of the program is to promote and protect the **SUPIMA®** trademark globally, while growing awareness and consumption of U.S.- Grown Pima Cotton

Jhalawar (India) Manufacturing Facility

Installed capacity of 150,000 spindles and 2,400 rotors with automated machinery, AI and IOT capabilities

- Manufacturing facilities over an area of 60 acres
- Equipped with the most modern technology from Blow Room to Winding
- Plant and machinery sourced from Rieter (Switzerland), Electro-jet (Spain), LMW (India) And Schlafhorst (Germany)
- World Class Laboratory for Quality control using technology of Uster (Switzerland)
- Consistency in yarn quality monitored by Loepfe Brothers (Switzerland)
- Dedicated 132 KV power Line and 5.4 MW solar capacity
- Interest subsidy of 9 - 11% p.a., under the Rajasthan Investment Promotion Scheme / Technology Upgradation Fund Scheme
- Zero Effluents and Zero smoke manufacturing facility



Sohar (Oman) Manufacturing Facility

Forward integration started by expanding into garment manufacturing; Phase I started



- 27 hectares land by Sohar Free Zone for a period of 25 years (renewable)
- Installed capacity of 150,000 spindles and 3,500 rotors
- Exclusive state of art infrastructure equipped with latest and most modern technology from Blow Room to Winding
- Technology from Suesen (Switzerland), Schlafhorst (Germany), Loepfe Brothers (Switzerland), Savio Macchine (Italy) and LMW (India)
- World-class laboratory for quality control using technologies from Uster (Switzerland)
- Operations are built on lean manufacturing and Industry 4.0 practices, with automated machinery, artificial intelligence and IOT capabilities
- Green Project with no smoke, effluent or wastage; safe and clean working environment

Sohar Free Zone

Fastest growing and fully developed port, and freezone developments in Oman

100% % foreign ownership, free repatriation of capital and profits

25-year corporate tax holiday

Zero percent import or re-export duties

Logistic efficiencies through excellent road, port and air connectivity

Free Trade Agreements with countries like Pakistan, Turkey and USA

Low power (40% lower than India) and cost of debt (4%)

Investment Themes

Manufacturing capacity of **400,000 spindles and 5,900 rotors** spread across India and Oman. **Top 5 manufacturer** of compact cotton yarn in India

Sohar (Oman) is fastest growing port and freezone; allows 100% foreign ownership, **free repatriation of capital and profits**

Operations are built on lean manufacturing, with automated machinery with **artificial intelligence and IOT capabilities**

Among top 5% Indian Manufacturers with technology <5 years old; output of **153/154 grams / spindle (count 40)**, highest in industry

All manufacturing facilities operating at **near peak capacity** and 50% of Oman facility expected to reach peak utilization by Q2 FY22

Plans to **double Oman capacity** by H1 FY23; **sales offtake agreement** with existing customers to drive utilization and growth

EBITDA margins up from 7.1% in FY17 to 16.5% in FY21, due to compact yarn transition; to further enhance margins

Deleverage balance sheet using proceeds from equity warrants, operating cash flow, working capital optimization and sale of non-core assets

Global certifications such as Global Organic Textile Standards, Organic Content Standard, OEKO-Tex. **Approved supplier to IKEA**

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to SVP Global Ventures Limited (“SVP Global” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

SVP Global undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

For further information, please contact

Major General O.P. Gulia (Retd.)

Chief Executive Officer

SVP Global

+91 22 4029 0011

gulia@pittie.com

Bijay Sharma / Ashok Negi

Churchgate Partners

+91 22 6169 5988

svpglobal@churchgatepartners.com



SVP Global Ventures Limited

(CIN: L17290MH1982PLC026358)

97 & 99 Maker Tower 'F',
Cuffe Parade,
Mumbai - 400 005, India

Phone: +91 22 4029 0011

Email: contact@pittie.com

