

February 06, 2024

माघ कृष्ण पक्ष, एकादशी
विक्रम संवत्, २०८०

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCLTEXTIL

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda
Building, P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 543918

Dear Sir/Madam,

Subject: Investors' Presentation – Q3FY24 Business Update

As informed on January 25, 2024 that a conference call to discuss the Q3FY24 result with Mr. R S Jalan, Non-Executive Director, Mr. Raman Chopra, Non-Executive Director, Mr. R Balakrishnan, Chief Executive Officer and Mr. Gaurav V., Chief Financial Officer is scheduled to be held on **Tuesday, February 6, 2024 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q3FY24 (i.e. Business Update), which is going to be circulated for the scheduled investors' conference, is enclosed herewith for your reference & record.

Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcltextiles.co.in).

You are requested to kindly note the same.

Thanking you

Yours faithfully

For GHCL Textiles Limited

Lalit Narayan Dwivedi
Company Secretary and Compliance officer
Membership No.: FCS10487



Encl: as above

Respect • Trust • Ownership • Integrated Team Work



GHCL TEXTILES LIMITED

Q3FY24 Investor Presentation

February 2024

This presentation and the accompanying slides (the “Presentation”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

COMPANY OVERVIEW

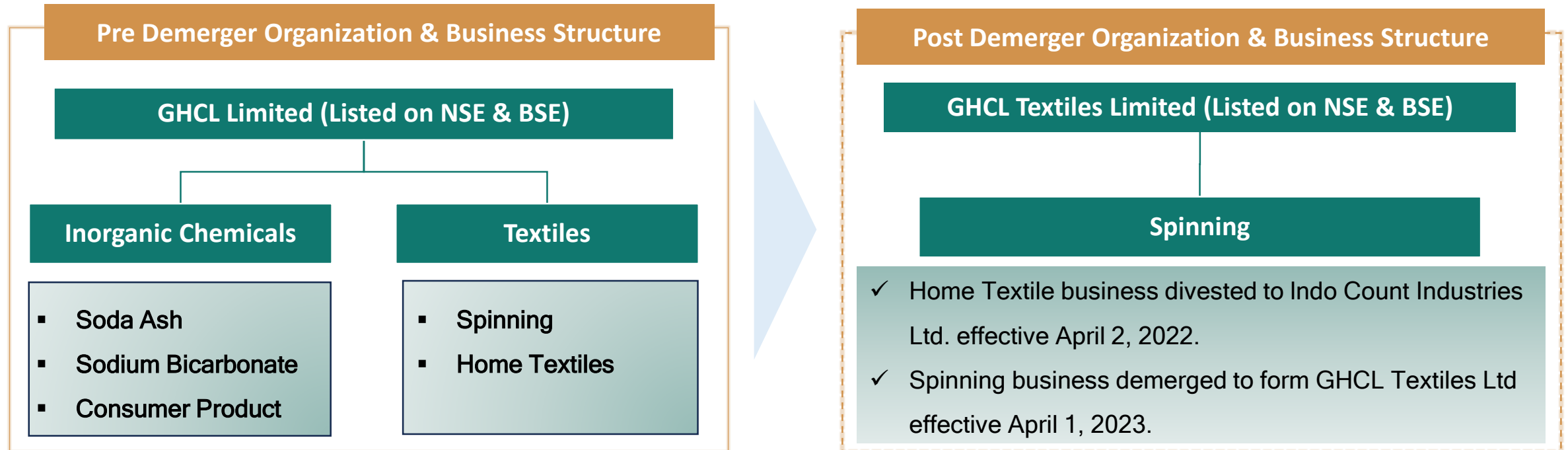


Emerging as a Prominent Player in the Industry

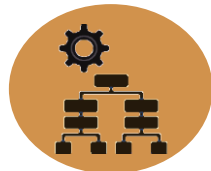


- Established in 1927 as Sri Meenakshi Mills in state of Tamil Naidu
- Prominent and one of India's leading yarn manufacturers and exporters.
- Producers of high-quality yarns, including GIZA, SUPIMA, Australian, and CmiA Yarn, catering to domestic and international markets.
- Committed to sustainability with substantial green energy assets providing cost benefits as well.
- State-of-the-art manufacturing infrastructure with cutting-edge textile machinery.
- Known for quality and customer-oriented focus.

Organization & Business Structure



Demerger Rationale



**Simplified
Corporate Structure**



**Maximizing
Shareholders Value**



**Focused Growth
Prospects**



FY23

Revenue: ₹ 1,037 Cr
Gross Margin: 27%
EBITDA Margin: 7%
5 Yr. Avg. Margins: 17%



Capacities

Ring Spindles: 2.25 lac
Rotors: 3320
Vortex: 480
TFO Spindles: 5760



54%

FY23 Revenue from Value
Added Products



₹ 2 Cr
Net Debt as
on 31-Dec-23



2

Manufacturing Units



95%+

Capacity Utilisation



300+

Customers



3150

Team size

What Set Us Apart

1 Supplier of bouquet of Products - Commodity to Value added

2 Uphold quality culture with traceability platform

3 "A" grade cotton used; sourced international & domestic regions

4 72% total energy requirements met using 62 MW of green energy

5 80% women work force, trained and committed to providing efficient operations.



6 Producers of high-quality tailor-made yarns

7 Cost benefits driven by a deeply ingrained cost-conscious culture

8 State-of-the-art manufacturing infrastructure

9 Management and operations team with hands on experience

10 Strong Balance Sheet to support future growth plans

10+ Years

Long Standing Relationship
with Several Key Customers

Fully Equipped

- 38,000 MTPA yarn production
- Culture for developing value-added products leading to value creation

Product Basket

- Wide range of products from commodity to value-added
- Tailor-made products to suit specific applications
- Further expanding product portfolio to be one stop shop

Premium Quality

- Producers of high-quality yarns, including GIZA, SUPIMA, Australian, & CmiA Yarn, catering to domestic & international markets.
- Adhering to global standards & international best practices

Quality Assurance

- Machines equipped with latest on-line quality monitoring systems
- Certified member of USTERIZED brand which is a symbol of excellence in spinning

Serviceability

- Single-step service process for Customers while following the problem through to its resolution
- Outstanding customer service experience to build trusting relationships

Traceability

- Developed a traceability platform for premium products, offering details on source locations, environmental and social impact to customers.

Superior Customer Base



Towel

“ We strive to become a responsible steward and aim to reduce the overall environmental footprint of the organisation and will continuously monitor our journey ”

Several Initiatives Focused on ESG:

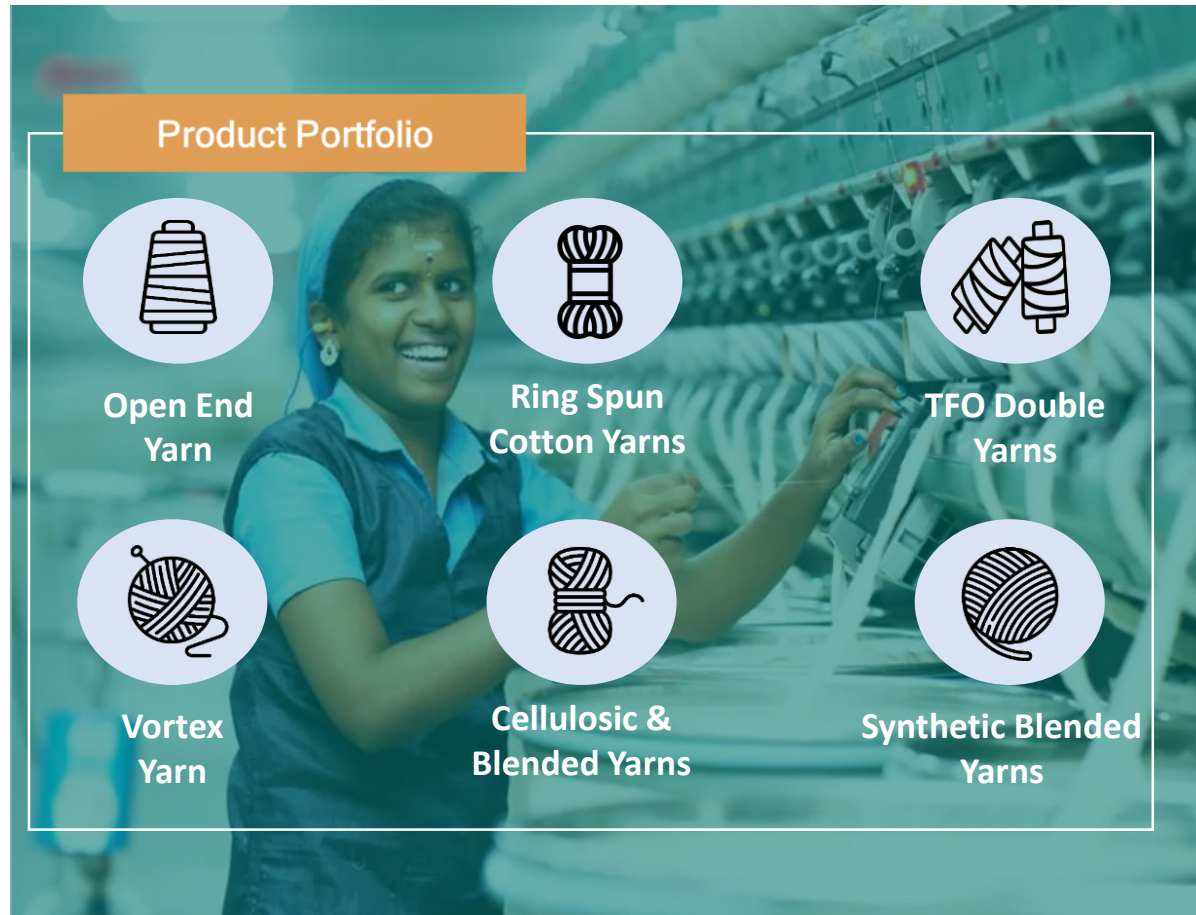
- **Renewable Energy:** 72% of energy consumption catered through green power
- **Environment:**
 - Green belt initiatives through trees plantation
 - Significant savings in purchased electricity through usage of renewable electricity
- **Water Reclamation:**
 - 46 mn litres of rain water harvested each year
 - Saving from water recycling
- **Impactful CSR Initiatives by GHCL Foundation Trust:**
 - Promoting sustainable Agriculture and Animal Husbandry practices.
 - Prioritizing Health initiatives for community well-being.
 - Dedicated to Women Empowerment and Education in Madurai and Manapparai regions.



Superior Credibility Through Several Certifications



Diverse Product Basket: Key Product Offerings



Yarn Type	Range	End Use
100% cotton combed Compact Hosiery yarn from Indian, US and Australian Mix	25s to 60s	Knitting
100% cotton combed compact yarn from Indian, US, Australian, Supima and Giza Mix	30s to 170s	Weaving
Polyester /Cotton & Cotton/Polyester blended Hosiery yarn	25s to 40s	Knitting
PV/PC/100% Polyester normal and Fancy Yarns	25s to 70s	Weaving
100% cotton open end Indian/Contamination Free Yarn	10s to 32s	Knitting / Weaving
100% VSF Vortex and Ring Spun Yarn	30s to 40s	Knitting / Weaving
Micro Modal, Tencel SIRO and its blend yarn	40s to 80s	Knitting / Weaving
100% Cotton TFO yarn in all Mix	2/30s to 2/170s	Weaving

Preferred supplier to premium customers both at domestic and international level with varied portfolio offerings

Textiles Industry Overview

Critical sector contributing over 2% to total GDP & more than 12% to manufacturing sector GDP

Second-largest employment provider in India, engaging around 45 mn people directly & 60 mn indirectly. Spinning is the basic foundation for the textile industry

Pandemic Impact & Recovery

Robust demand during & post-pandemic, driven by home-bound consumers focusing on health & hygiene.

Cotton & yarn prices surged, benefiting the textile industry, but a fall in end-user demand later impacted spinning mills

Policy-Driven Turnaround

Government initiatives & measures like technical textile support, PLI scheme, PM MITRA textile parks, international collaborations via FTAs & MoUs are set to catalyze the industry's rebound

Consolidation in the industry leading to emergence of larger mills (>1 lakh spindles) over traditional family run mills

Spinning industry is poised for the better performance in medium term on the back of demand enquires from downstream segment and moderation in cotton prices from the peak



- Signed MoU for Rs. 535 Cr investment with the Government of Tamil Nadu on January 8, 2024, during the Global Investors Meet
- Committed an investment of Rs. 500 Cr in a previous MoU on November 21, 2021. Rs. 360 Cr has already been invested in building new capacity of modern 40k spindles along with solar power.
- Once these MoUs are implemented, GHCL Textile's new investment in the state will be over Rs.1,035 Cr

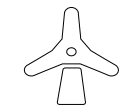
Capex Implication



De-risking Business Model with Vertical Integration



Value- Added Product Basket Expansion



Renewable Energy Portfolio Expansion



Earnings & Margin Expansion

Vision: Strategic Plan

- Vertical integration of textile manufacturing to include knitted and woven finished fabrics which yields superior margins
- Product basket expansions and increase the spinning capacity by ~1.5x
- Enhancement of Green energy portfolio to 75 MW (from 62 MW currently) to cater up to 85% of our energy requirement.
- Long term margins shall remain in the 17-20% range



Innovation



Sustainability



Traceability



Giving back to the society

Decade-long Expertise in Spinning; Strategic Demerger, Focused on Value Creation

Investing in Vertical Integration for superior margins - Expanding to knitted and woven finished fabrics

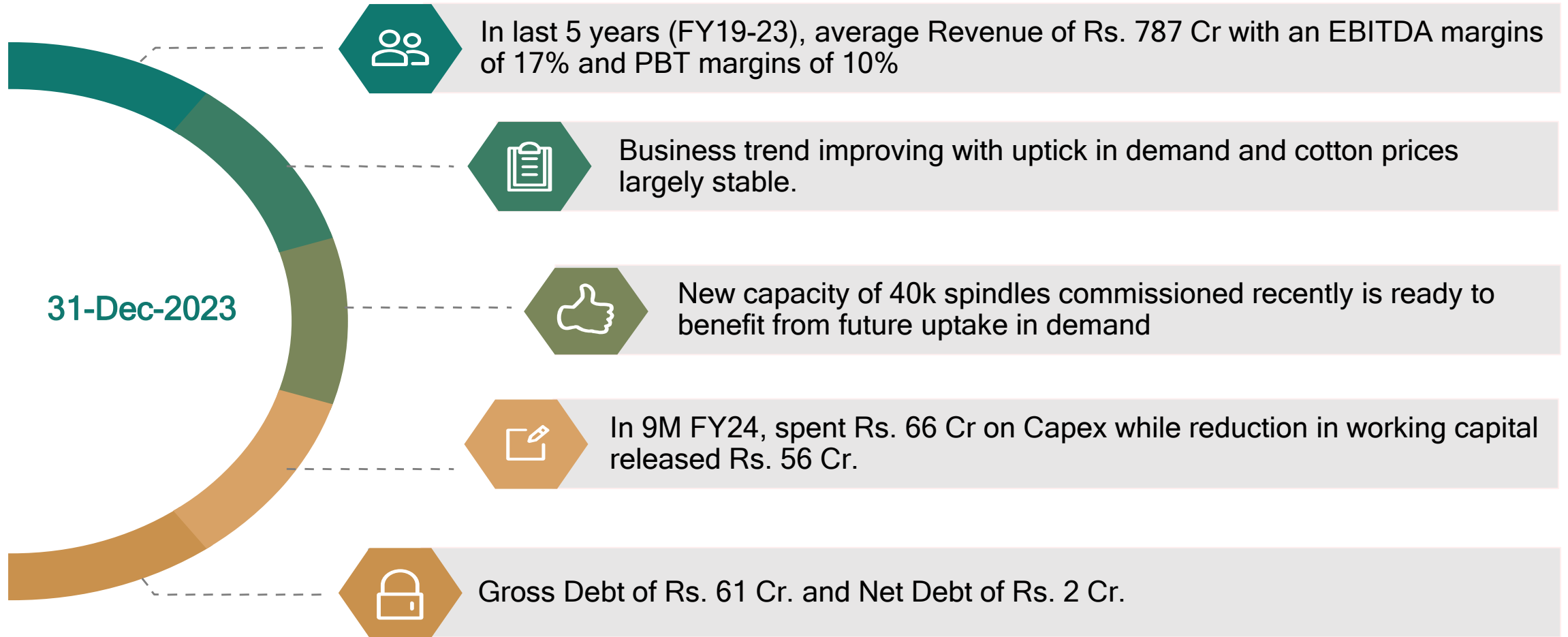
Cost Efficiency through expansion of Green Energy Portfolio and Modern Machinery

Strong Balance sheet to support future growth

Superior base of Strategic Customers

FINANCIAL PERFORMANCE





Financial Performance - Long Term & Q3FY24

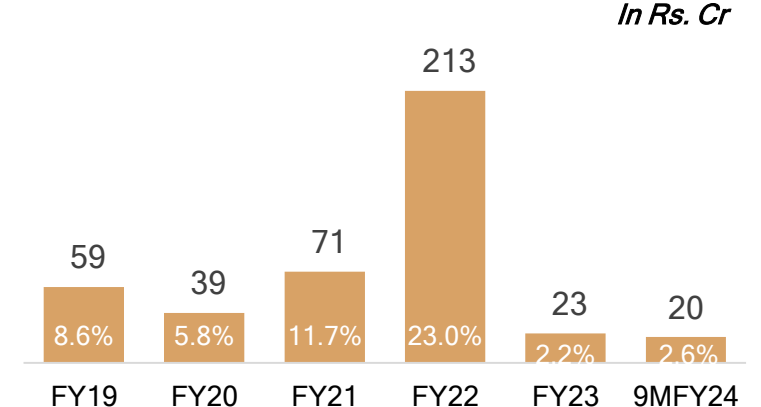
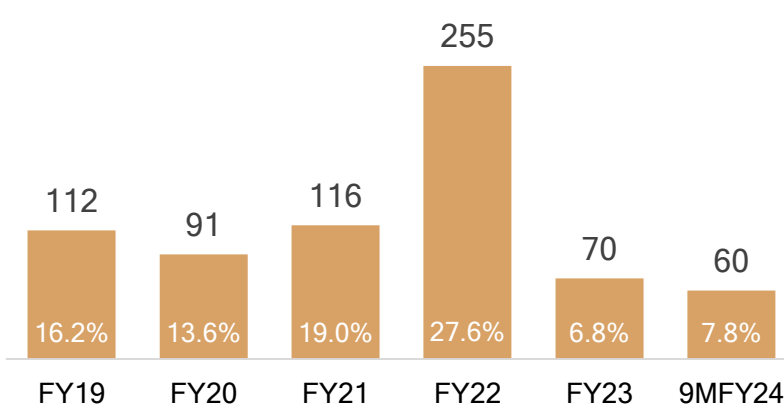
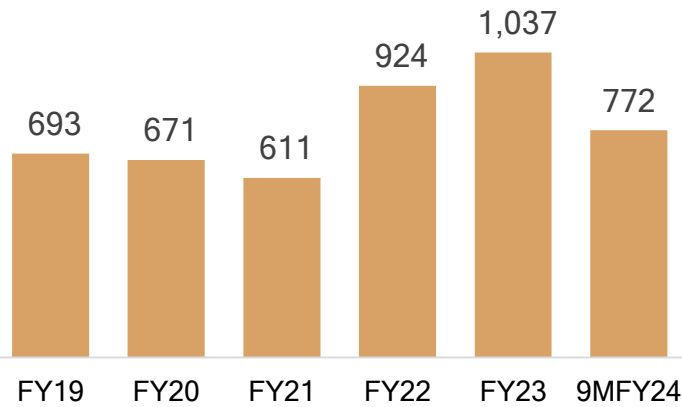


Revenue

EBITDA & Margin (%)

PBT & Margin (%)

Long Term Trend



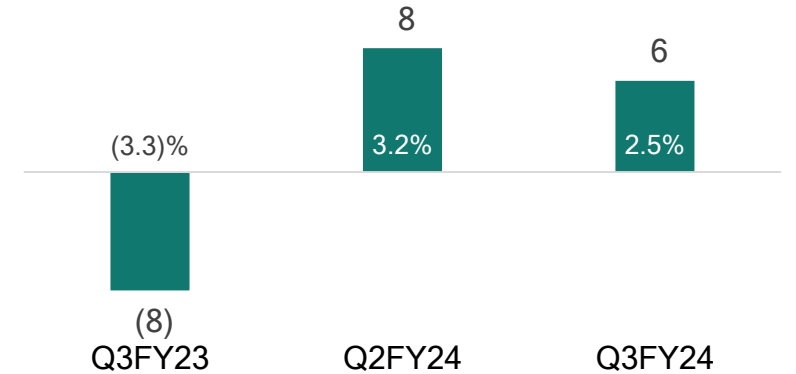
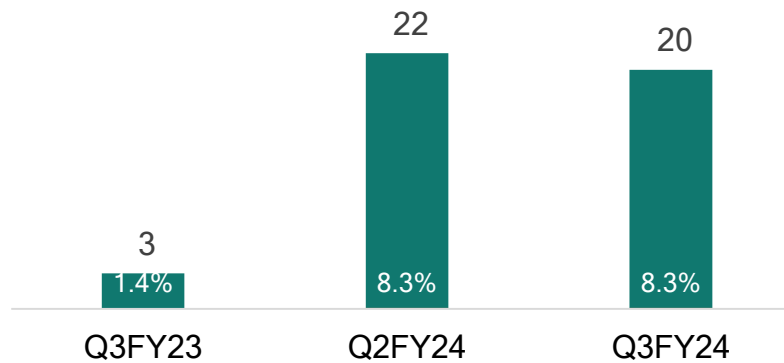
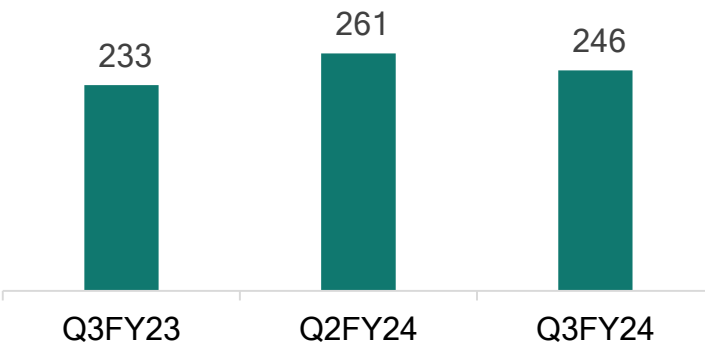
In Rs. Cr

Avg Revenue of 5 Yrs: 787 Cr

Avg EBITDA of 5 Yrs: 130 Cr (17%)

Avg PBT of 5 Yrs: 81 Cr (10%)

Q3FY24 Performance



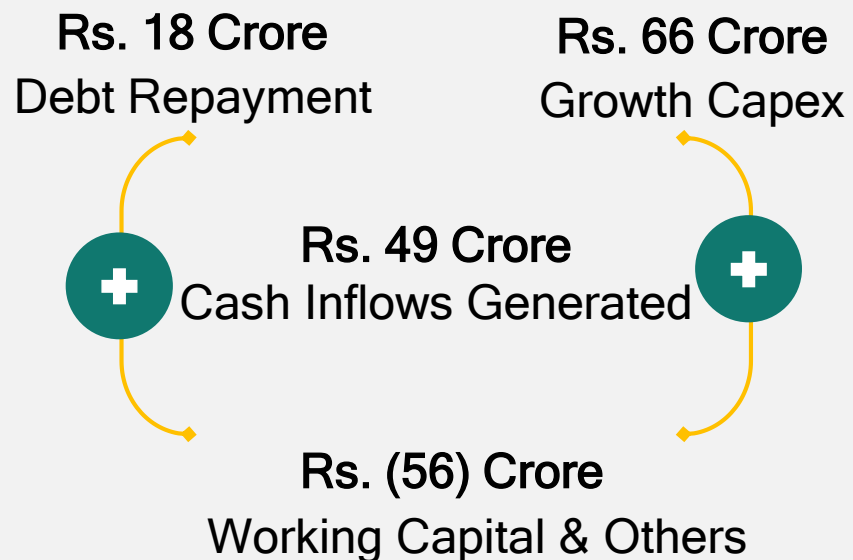
Note: (1) Before demerger, GHCL Textile was part of the merged entity. (2) Revenue and EBITDA numbers include other income.

Efficient Capacity Utilisation with Increasing Exports

Volume and Utilisation					
Sales Volume	UoM	FY21	FY22	FY23	9MFY24
Yarn	<i>MT</i>	26388	28826	28590	23947
Knitted Fabric	<i>MT</i>	-	-	44	277
Griege Fabric	<i>Meters ('000)</i>	-	920	5047	8322
Capacity Utilization	%	95	98	94	98

Geographical Split					
Particulars	UoM	FY21	FY22	FY23	9MFY24
Domestic	<i>Rs. Cr</i>	571	809	903	664
Exports	<i>Rs. Cr</i>	39	115	134	109
<i>% of Total Revenue</i>	<i>%</i>	<i>6</i>	<i>12</i>	<i>13</i>	<i>14</i>
Total Revenue	<i>Rs. Cr</i>	611	924	1,037	772

Efficient Capital Allocation - 9M FY24



Increase in cash & Cash Equivalents*
Rs. 37 Crore

Gross Debt
Rs. 61 Crore

Net Debt
Rs. 2 Crore

Net Debt to Equity
0.0x

Closing cash & Cash Equivalents*
Rs. 59 Crore

*Note: *Cash and cash equivalents consists of cash, bank and current investments.*

Q3FY24 Performance - Results

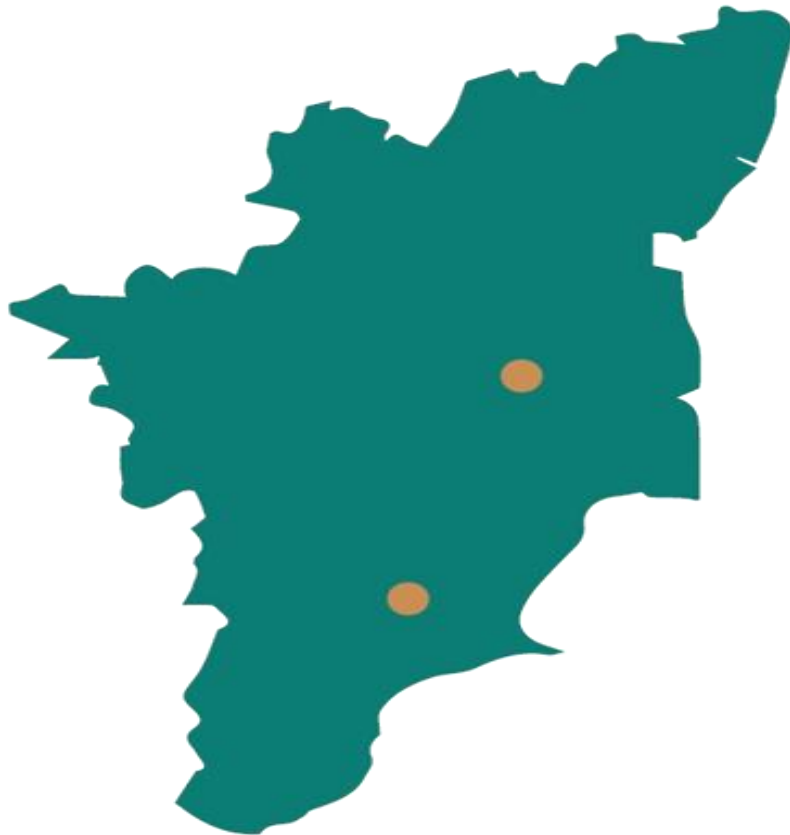


In Rs. Cr

Particulars	Q3FY24	Q2FY24	QoQ	Q3FY23	YoY
Total Income	246	261	<i>(6%)</i>	233	<i>6%</i>
COGS	166	182	<i>(9%)</i>	186	<i>(11%)</i>
Gross Profit	80	79	<i>1%</i>	47	<i>71%</i>
Gross Profit (%)	33%	30%	<i>230 bps</i>	20%	<i>1240 bps</i>
Employee Cost	15	15	<i>(1%)</i>	13	<i>15%</i>
Power, Fuel & Water Expense	17	16	<i>11%</i>	14	<i>23%</i>
Other Expenses	28	27	<i>4%</i>	17	<i>66%</i>
Total Expenditure	60	57	<i>4%</i>	44	<i>37%</i>
EBIDTA	20	22	<i>(6%)</i>	3	<i>529%</i>
EBIDTA(%)	8%	8%	<i>(10 bps)</i>	1%	<i>680 bps</i>
Interest	2	2	<i>(2%)</i>	1	<i>19%</i>
Depreciation	12	11	<i>7%</i>	10	<i>31%</i>
PBT	6	8	<i>(26%)</i>	(8)	<i>NM</i>
Tax Expense	2	2	<i>(24%)</i>	--	--
PAT	4	6	<i>(27%)</i>	--	--
NPM (%)	2%	2%	<i>(60 bps)</i>	--	--

Note: Before demerger, GHCL Textile was part of the merged entity.

Best-in-class Manufacturing Capability at Tamil Nadu



- Journey started with acquisition of sick spinning unit in 2002, turnaround to one of the most reputed mills in southern India
- Yarn operation sites are in Paravai, Madurai district & Manaparai, Tiruchirappalli district in Tamil Nadu
- Utilizing advanced machinery from leading global brands like LMW, Rieter, Schlafhorst, Savio, Murata and Truetzschler

Map not to scale. Only for representation purpose

Decade-long Expertise in Spinning: Focused on Value Creation

2002 - 2008

2009-2015

2016-2018

2019-2020

2022-2023

Current Capacities



Entered Spinning business with 65K spindles & later increased to 140K

Spindles capacity increased to 175K, installed 3,320 rotors in spinning

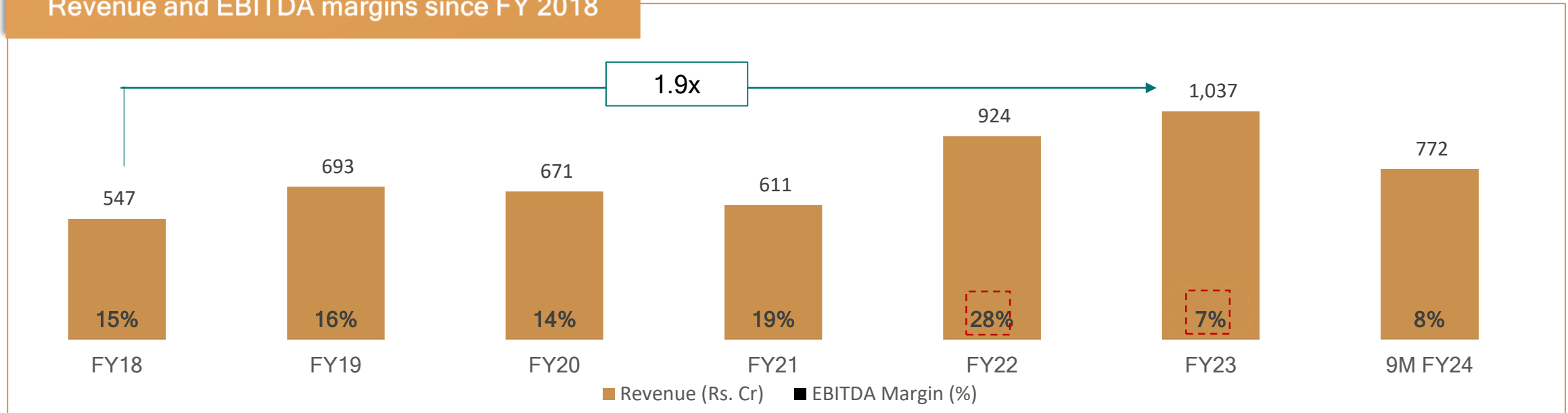
Added TFOs for value added yarn & Air Jet Spinning

Spindles capacity increased to 185K

Spindles capacity increased to 225k
Demerged from GHCL Ltd

Ring Spindles 2.25 lac
Rotors - 3,320
TFO Spindles - 5,760
Vortex - 480

Revenue and EBITDA margins since FY 2018



EBITDA margins in FY22 was robust at 28% while in FY23 was lower on account of headwinds faced by the industry.

Note: Before demerger, GHCL Textile was part of the merged entity.

Resilient and Skilled Management Team



MR. R. BALAKRISHNAN
CHIEF EXECUTIVE OFFICER



MR. N. RAJAGOPAL
HEAD - TECHNICAL



MR. D. RAMESH BABU
OPERATIONAL HEAD



MR. GAURAV V
CHIEF FINANCIAL OFFICER



MR. LALIT DWIVEDI
COMPANY SECRETARY

Experienced and Accomplished Board of Directors

MR. R. S. JALAN
NON- EXECUTIVE DIRECTOR

MR. RAMAN CHOPRA
NON- EXECUTIVE DIRECTOR

MR. NEELABH DALMIA
NON- EXECUTIVE DIRECTOR

MR. ARUN KUMAR JAIN
INDEPENDENT DIRECTOR

MRS. VIJAYLAXMI JOSHI
INDEPENDENT DIRECTOR

DR. MANOJ VAISH
INDEPENDENT DIRECTOR

Contact Us:

Mr. Manu Jain

GHCL Textiles Limited

Tel: +91-7042310002

Email: manujain@ghcl.co.in

Investor Relations

Go India Advisors

Name: Ms. Devyanshi Dave

Tel: +91-9892330743

Email: devyanshi@goindiaadvisors.com

Name: Mrs. Sheetal Khanduja

Tel: +91-9769364166

Email: sheetal@goindiaadvisors.com

THANK YOU

