

October 30, 2024

कार्तिक - कृष्ण पक्ष - त्रयोदशी
विक्रम संवत्, २०८१

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 – Q2FY25 Business Update

In continuation to our earlier communication dated October 16, 2024 and October 29, 2024, that a conference call to discuss the Q2FY25 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 **Wednesday, October 30, 2024 at 3.00 PM (IST)**, please find enclosed herewith revised copy of the financials and other business details for Q2FY25 (i.e. Business Update), which is going to be circulated for the scheduled investors' conference for your reference and record.

Please note that copy of this communication shall also be available on the website of the company (www.ghcltextiles.co.in), BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

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

Q2 FY25 Investor Presentation

October 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.



Commenting on the performance, Mr. R. S. Jalan, said

GHCL Textiles is a leading yarn manufacturer and exporter in India, with advanced facilities in Tamil Nadu specializing in high-quality, finer count yarns. Recently, we expanded into the fabric segment, leveraging our expertise in cotton coverage and maintaining a lean cost structure. With 62MW of green assets meeting 72% of our energy needs, we emphasize efficiency and sustainability.

The textile industry has faced demand headwinds, with international cotton prices dropping more sharply than domestic prices. The duty structure on imported cotton is a competitive disadvantage for the Indian industry in the exports market. While Bangladeshi exporters struggle, India's textile industry stands to gain, despite some capacity challenges. There's a widespread belief that the sector is poised for recovery, though the timing remains uncertain.

With a robust balance sheet, we have committed over Rs. 1,000 crores in investments, of which Rs. 350 crores have already been deployed. Our expansion includes adding 25,000 spindles with a capital outlay of Rs. 215 Crores. This expansion is expected to be completed by June-2025, along with further investments in knitting, weaving, and dyed fabric production. We want to provide ready to cut fabric to our end customers.

Driven by operational excellence and strong customer relationships, our consistent performance positions us advantageously. These initiatives will further broaden our product portfolio, enhance margins, and boost returns for our shareholders.

Operational Excellence

- 98%+ utilization, even in tough markets.
- Lean cost structure with efficient power, labor, and admin management.
- 62MW renewable energy covers 72% of energy needs.
- ~80% of the workforce consists of skilled women.

Customer-Centric Approach

- Catering to strategic customers who require customized products

Shift to Value-Added Segments

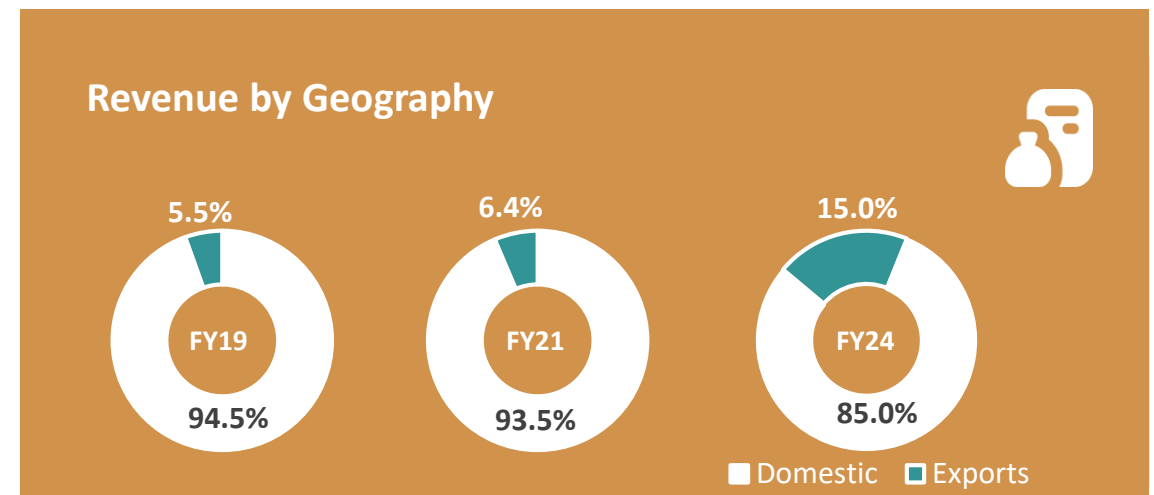
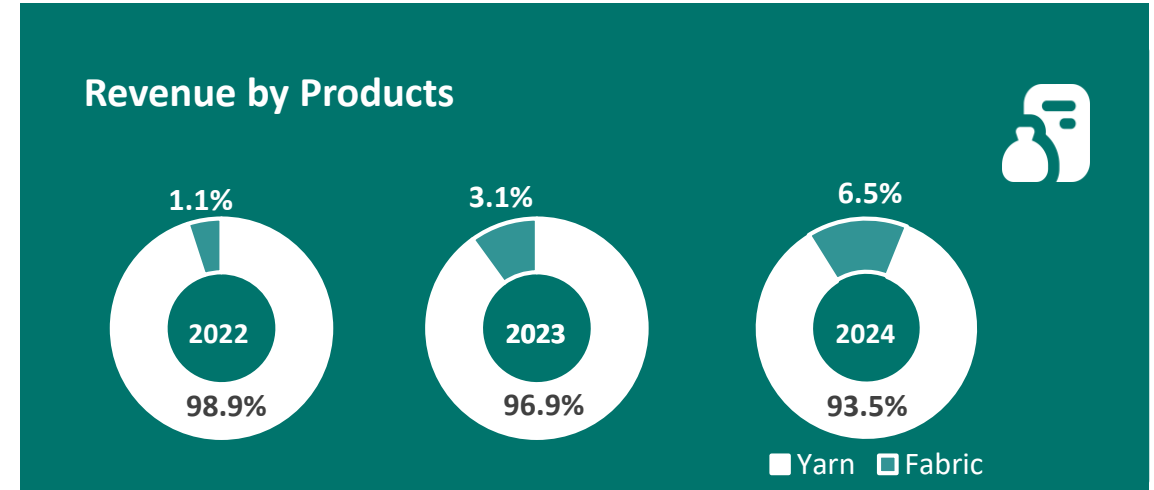
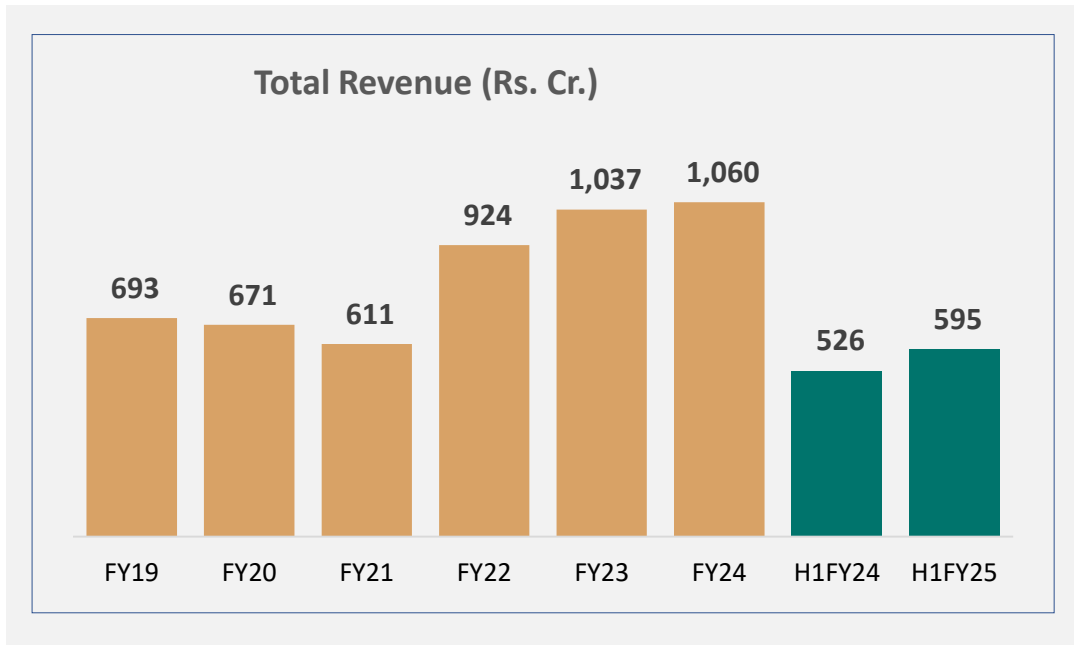
- Gradual transition from commodity yarn to higher-margin, value-added yarn segments

Strong Foundation for Growth

- Expertise in cotton inventory management
- Strong balance sheet supports sustainable growth

Ongoing Revenue Diversification to Drive Future Growth

- Increased revenue from value-added products (knitted and grieger fabric) and exports
- Strategy aims to reduce market risks and ensure stable margins
- Focus on continued diversification for future growth.



Capex Commitment

Signed MoUs with Tamil Nadu Govt. for Rs. 1,035 Cr. investment; Rs. 360 Cr. already invested in 40k spindles and solar power, currently running at full capacity.

Ongoing & Future Growth Plans

Adding 25k spindles with Rs. 215 Cr; Thereafter, plans to setup knitting, weaving, and dyed fabric production capacities.

Higher Margins & Returns

Expanding product portfolio to drive higher scale, better margins, and increased returns, benefiting shareholders.

Ongoing Capex

Project Description	Current Status	Project Cost (Rs. Cr)	Timeline	Implication
25k Spindles capacity addition	Ongoing	215	Q2 FY2026	Expected to generate revenue of Rs. 250 Cr



- **Vertical integration** of the yarn manufacturing to include knitted, weaving and dyed fabrics, which yields superior margins and integration with existing business.
- **Enhancement of Green energy** portfolio to 75 MW (from 62 MW currently) to cater up to 85% of our energy requirement.
- These initiatives will be margin and Return accretive. **Long term EBITDA margins** shall be in 17-20% range.



Innovation



Sustainability



Traceability

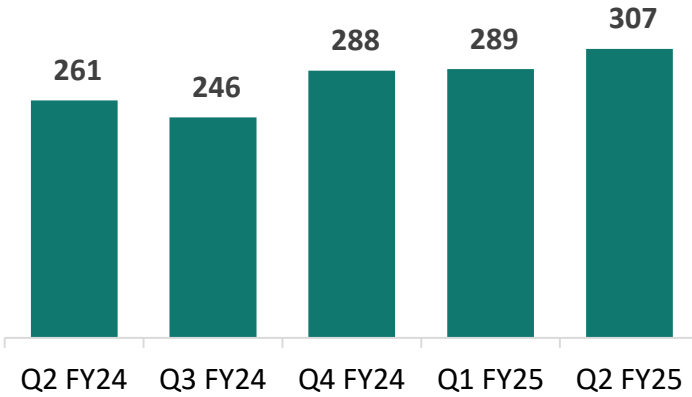


Giving back to the society

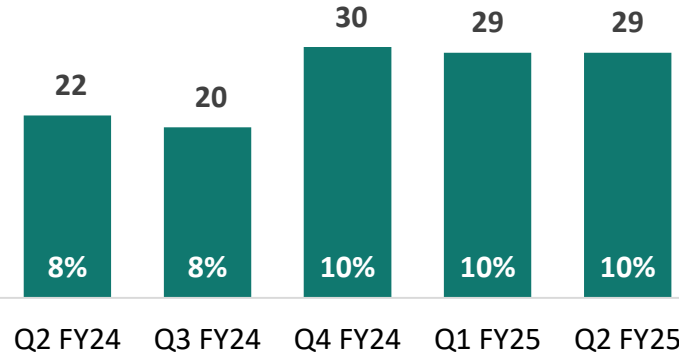
Financial Performance

Revenue

Quarterly Trend

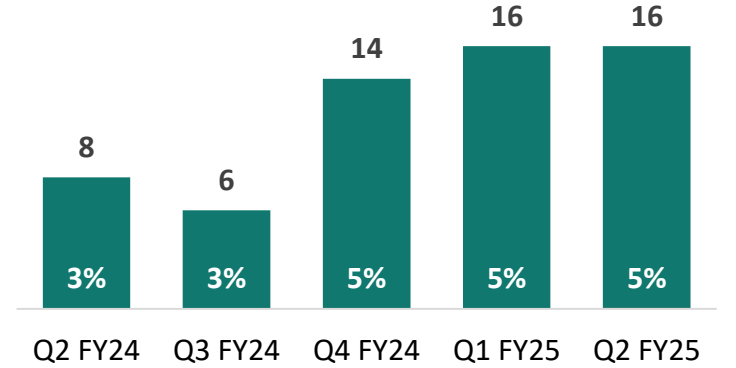


EBITDA & Margin (%)

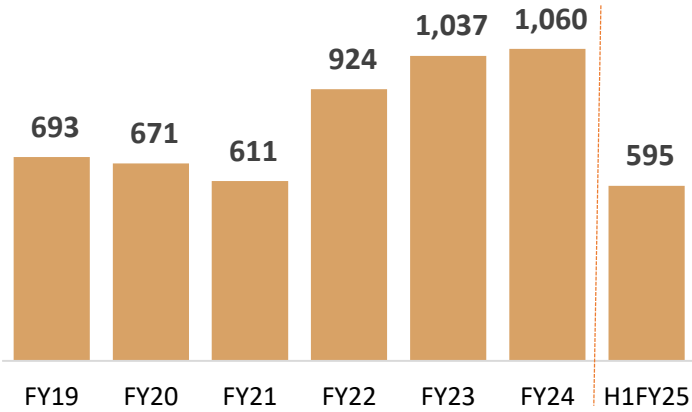


PBT & Margin (%)

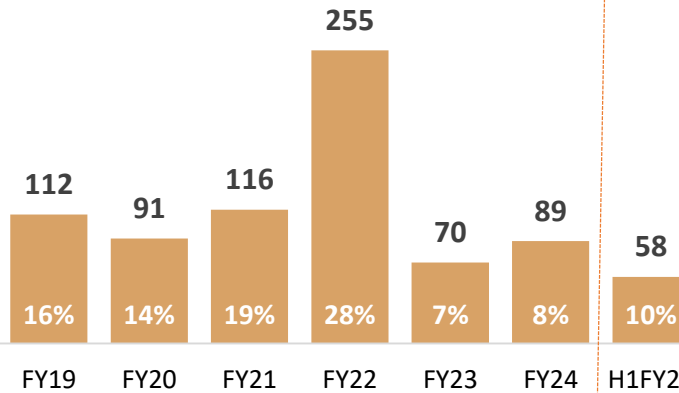
In Rs. Cr



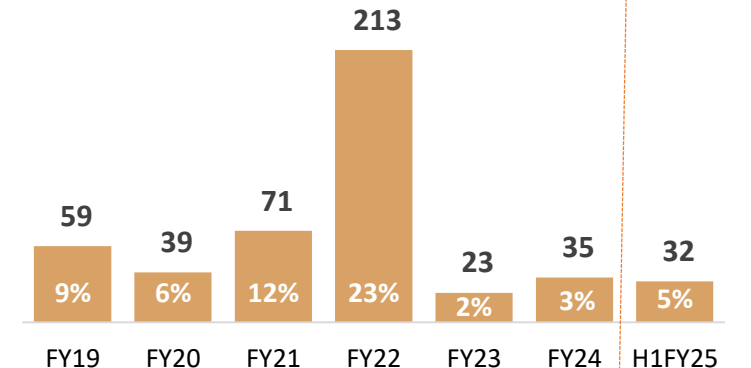
Long Term Trend



Avg. Revenue of 5 Years: Rs. 861 Cr



Avg. EBITDA of 5 Years: Rs. 124 Cr (14%)



Avg. PBT of 5 Years: Rs. 76 Cr (9%)

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

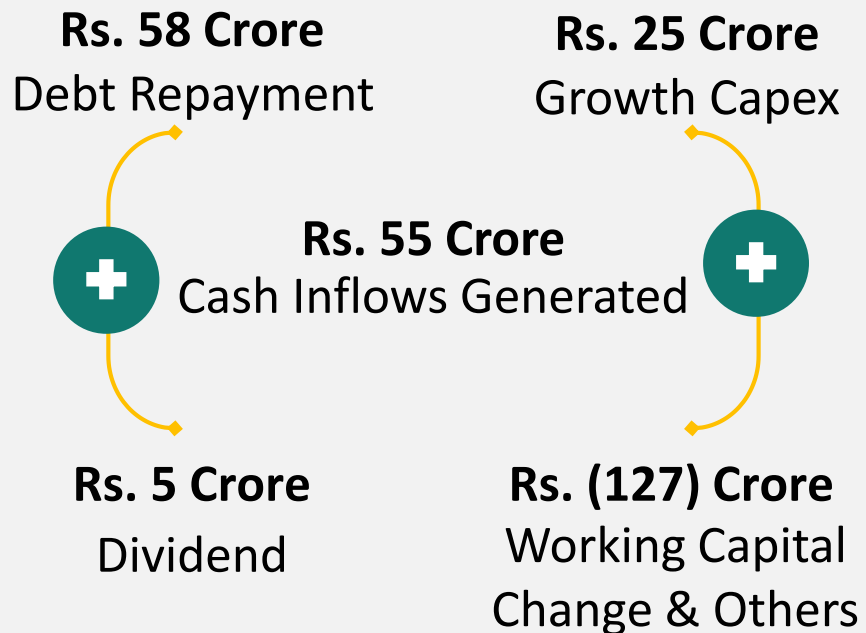
Q2 & H1 FY25 Results

In Rs. Cr

Particulars	Q2FY25	Q1FY25	QoQ	Q2FY24	YoY	H1FY25	H1FY24	YoY
Total Income	307	289	6%	261	17%	595	526	13%
COGS	211	193	9%	182	16%	405	370	9%
Gross Profit	95	96	0%	79	21%	191	156	22%
<i>Gross Profit (%)</i>	<i>31%</i>	<i>33%</i>	<i>(195 bps)</i>	<i>30%</i>	<i>81 bps</i>	<i>32%</i>	<i>30%</i>	<i>235 bps</i>
Employee Cost	20	17	14%	15	31%	37	30	23%
Power, Fuel & Water Expense	15	18	(13%)	16	(2%)	33	37	(12%)
Other Expenses	31	31	0%	27	16%	62	49	27%
Total Expenditure	66	66	0%	57	15%	132	117	13%
EBIDTA	29	29	0%	22	35%	58	39	48%
<i>EBIDTA Margin (%)</i>	<i>10%</i>	<i>10%</i>	<i>(63 bps)</i>	<i>8%</i>	<i>123 bps</i>	<i>10%</i>	<i>8%</i>	<i>232 bps</i>
Interest	0	1	(55%)	2	(73%)	1	3	(56%)
Depreciation	13	13	2%	11	11%	25	22	15%
PBT	16	16	1%	8	90%	32	14	126%
Tax Expense	(5)	4	NM	2	NM	(1)	4	NM
PAT	21	12	74%	6	234%	32	10	214%
<i>PAT Margin (%)</i>	<i>7%</i>	<i>4%</i>	<i>263 bps</i>	<i>2%</i>	<i>435 bps</i>	<i>5%</i>	<i>2%</i>	<i>348 bps</i>

Note: Before demerger, GHCL Textile was part of GHCL Limited

Capital Allocation for H1 FY25



Increase in cash & cash equivalents*
Rs. 94 Crore

Gross Debt
Rs. 14 Crore

Net Cash Surplus
Rs. 92 Crore

Net Debt to Equity

--

Return on Capital
Employed**
5%

Return on
Equity**
4%

Closing cash & cash equivalents*
Rs. 106 Crore

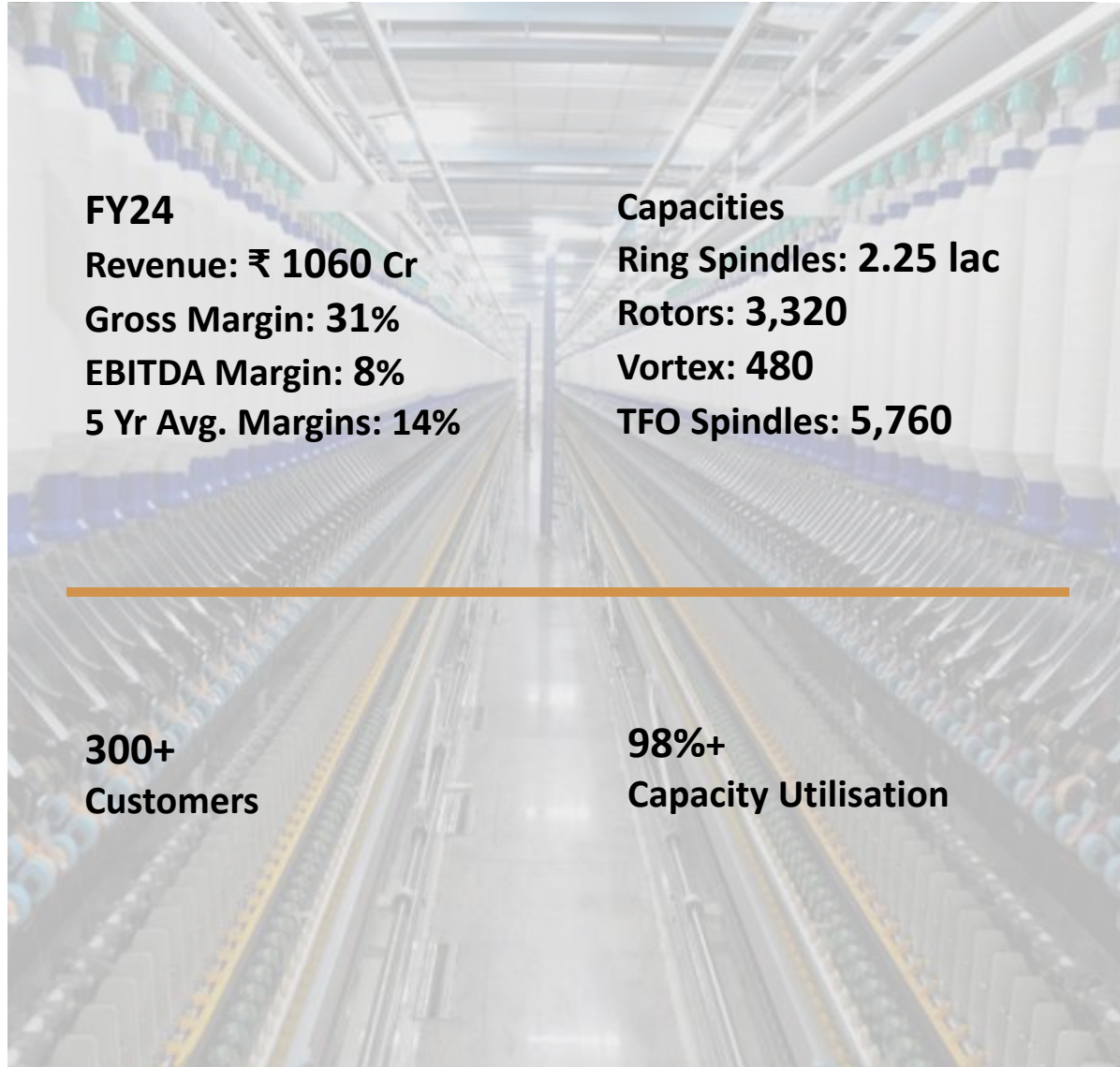
Note: *Cash and cash equivalents consists of cash, bank and current investments.

** RoCE and RoE excludes Rs. 332 Cr. on account of capital reserves from demerger and surplus non-operating assets. Without this adjustment RoCE is 4% and RoE is 3%.

COMPANY OVERVIEW



An Introduction to GHCL Textiles



- Journey started with acquisition of sick spinning unit in 2002, turnaround to one of the most reputed mills.
- Spinning business demerged to form GHCL Textiles Ltd effective April 1, 2023.
- 2 State-of-the-art manufacturing infrastructure with cutting-edge textile machinery located in the state of Tamil Nadu.
- Producers of high-quality tailor made yarns, catering to domestic and international markets.
- Committed to sustainability with substantial green energy assets providing cost benefits as well.



Decade-long Expertise in Spinning: Focused on Value Creation

2002 - 2008

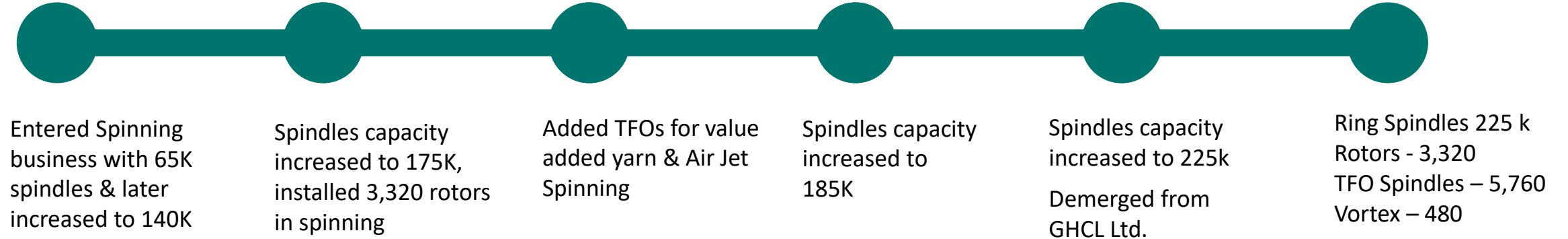
2009-2015

2016-2018

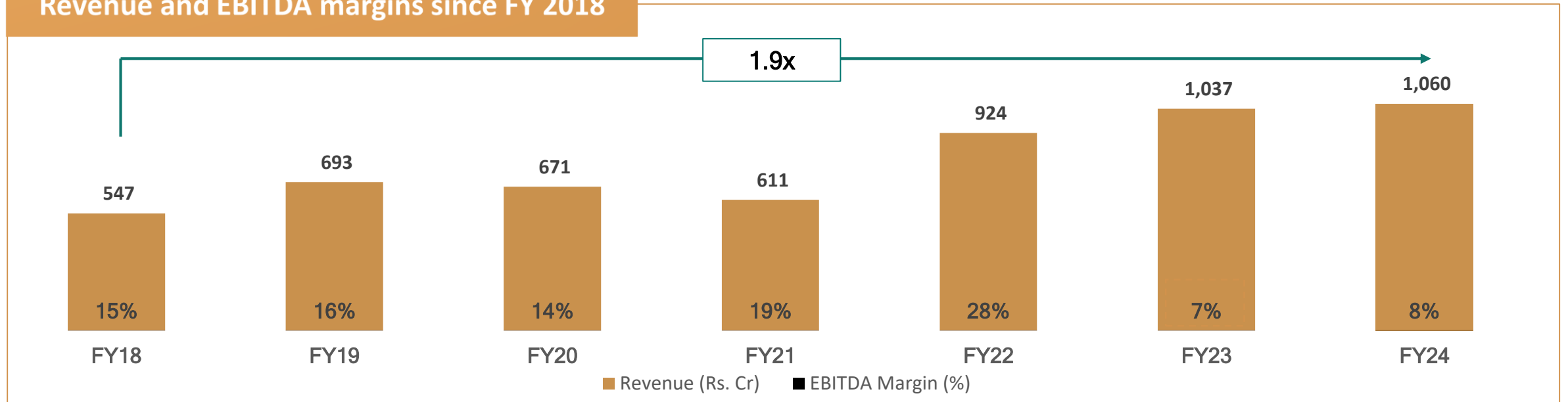
2019-2020

2022-2023

Current Capacities



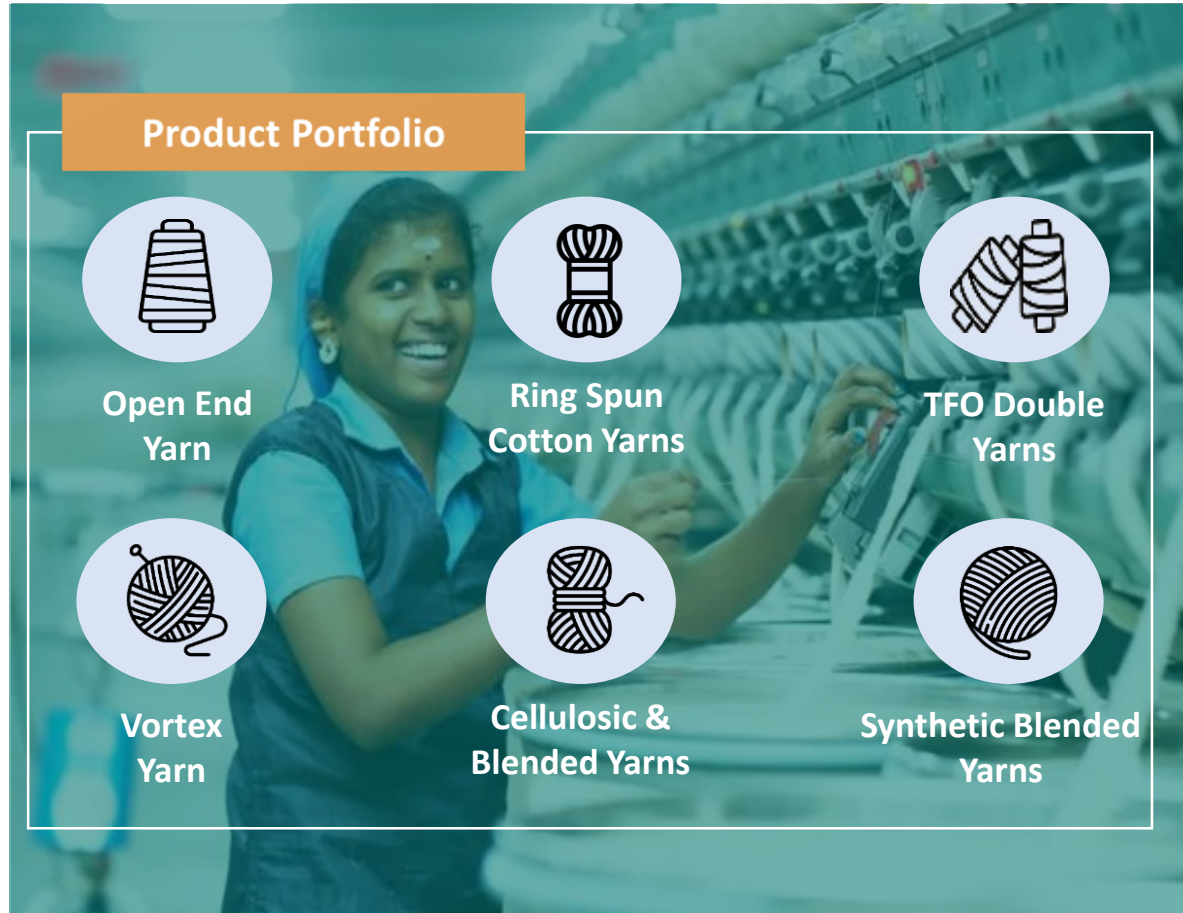
Revenue and EBITDA margins since FY 2018



Note: EBITDA margins in FY22 was robust at 28% while in FY23 and FY24 was lower on account of headwinds faced by the industry.

Note: Before demerger, GHCL Textile was part of GHCL Limited

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

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

Product Basket

- Wide range of products form 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



Superior Credibility Through Several Certifications



“ 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:** caters to 72% of energy consumption
- **Environment:**
 - Significant savings in purchased electricity through usage of renewable electricity
 - Saving from water recycling and rain water harvesting
- **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.



Resilient and Skilled Management Team



MR. R. BALAKRISHNAN
CEO



MR. GAURAV V
CFO



MR. D. RAMESH BABU
OPERATIONAL HEAD



MR. N. RAJAGOPAL
TECHNICAL HEAD



MR. LALIT DWIVEDI
COMPANY SECRETARY

Experienced and Accomplished Board of Directors

MR. ANURAG DALMIA
CHAIRMAN

MR. R. S. JALAN
NON- EXECUTIVE DIRECTOR

MR. RAMAN CHOPRA
NON- EXECUTIVE DIRECTOR

MR. NEELABH DALMIA
NON- EXECUTIVE DIRECTOR

MR. ARUN KUMAR JAIN (Ex-IRS)
INDEPENDENT DIRECTOR

DR. MANOJ VAISH
INDEPENDENT DIRECTOR

MR. RAVINDRA SINGH (Justice Rtd.)
INDEPENDENT DIRECTOR

MRS. VIJAYLAXMI JOSHI (Ex-IAS)
INDEPENDENT DIRECTOR

Efficient Capacity Utilisation with Increasing Fabric Sales & Exports



Particulars	UoM	FY19	FY20	FY21	FY22	FY23	FY24	H1 FY24	H1 FY25
Sales Volume:									
Yarn	MT	28,426	29,293	26,388	28,826	28,590	33,140	16,177	18,117
Knitted Fabric	MT	-	-	-	-	44	336	235	256
Griege Fabric	Lakh Meters	-	-	-	9	50	114	49	67
Capacity Utilization	%	98%	98%	95%	98%	94%	98%	98%	98%

Total Revenue	Rs. Cr	693	671	611	924	1,037	1,060	526	595
Revenue by Products:									
Yarn	Rs. Cr	693	671	611	914	1,005	991	493	553
Fabric	Rs. Cr	-	-	-	10	32	69	33	42
% of Revenue	%	-	-	-	1.1%	3.1%	6.5%	6.3%	7.1%
Revenue by Geography:									
Domestic	Rs. Cr	655	613	571	809	903	901	444	468
Exports	Rs. Cr	38	58	39	115	134	159	81	127
% of Revenue	%	5.5%	8.6%	6.4%	12.4%	12.9%	15.0%	15.4%	21.4%

Note: Before demerger, GHCL Textile was part of GHCL Limited

Financial Performance - Results



In Rs. Cr

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	H1 FY24	H1 FY25
Total Income	693	671	611	924	1037	1060	526	595
COGS					759	729	370	405
Gross Profit					278	331	156	191
<i>Gross Profit (%)</i>					27%	31%	30%	32%
Employee Cost					54	62	30	37
Power, Fuel & Water Exp.					61	71	37	33
Other Expenses					92	107	49	62
Total Expenditure					207	240	117	132
EBIDTA	112	91	116	255	70	89	39	58
<i>EBIDTA (%)</i>	16%	14%	19%	28%	7%	8%	8%	10%
Interest					7	7	3	1
Depreciation					40	47	22	25
PBT	59	39	71	213	23	35	14	32
Tax Expense					--	10	4	(1)
PAT					--	25	10	32
<i>NPM (%)</i>					--	2%	2%	5%

Note: (1) Before demerger, GHCL Textile was part of GHCL Limited. (2) Total Income and EBITDA numbers include other income.

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

