GHCL TEXTILES LIMITED

Q1 FY26 Investor Presentation

JULY 2025




Respect | Trust | Ownership | Integrated Team Work

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Management Commentary

MR. MARSHAL SONAVANE

Chief Executive Officer

FY26 has started on a solid footing for GHCL Textiles, marked by the **timely completion** and commissioning of our new state-of-the-art spinning facility with 25K spindles. This facility will support **vertical integration** with knitting machines currently under development. **Our vision remains clear: to deliver ready-to-cut fabric** that adds value and meets evolving customer needs. We are committed to quality, innovation, and sustainability. With operational excellence and strong customer relationships, we are well-positioned for sustained growth.

- With **largely stable Indian cotton prices** and **growing global demand**, we are strategically expanding our capacities, integrating into higher-value fabric production, and strengthening customer relationships.
- Our focus on value addition is evident by our expansion into fabric production, at the same time our operational excellence and cost efficiency is supported by **62MW** of green energy, which meets **72% of our energy needs**.
- Our Rs. 1,000 crores in committed investments, including Rs. 500 crores already deployed, are fueling the future growth in **knitting fabrics**, alongside **woven and dyed fabric**.
- **Trump's tariff policies** have created uncertainty in the near term but likely to create relative advantage for Indian textile industry. Recently concluded India-UK FTA agreement secures duty-free access to UK Apparel Market.

As we continue to expand and innovate, GHCL Textiles is well-equipped to capitalize on **emerging opportunities, driving sustainable growth** and delivering exceptional **long-term value** for our stakeholders..

Successful Commissioning of new 25K Spindles

GHCL TEXTILES

1. Completion of state-of-the-art 25K spindles in June 2025.

2. Aligns with **captive consumption strategy** — yarn to feed upcoming **knitting plant.**

3. We are ramping up the facility and full benefit is expected to come in Q3 FY26.

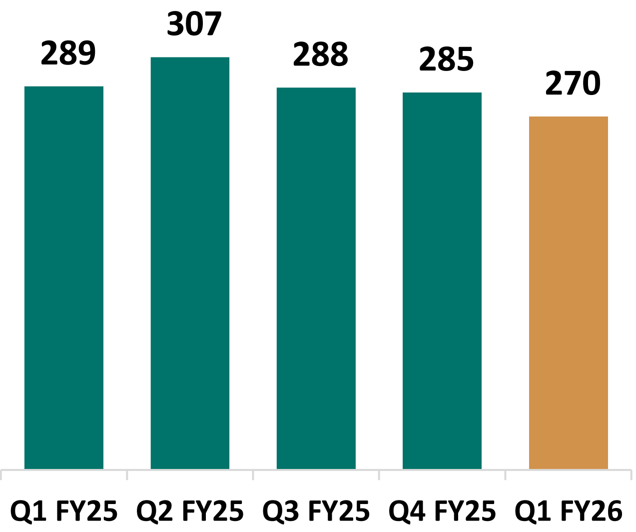
4. As per the initial feedback, good acceptability of yarn quality in the market.

5. Drives **value chain integration** and supports **margin expansion.**

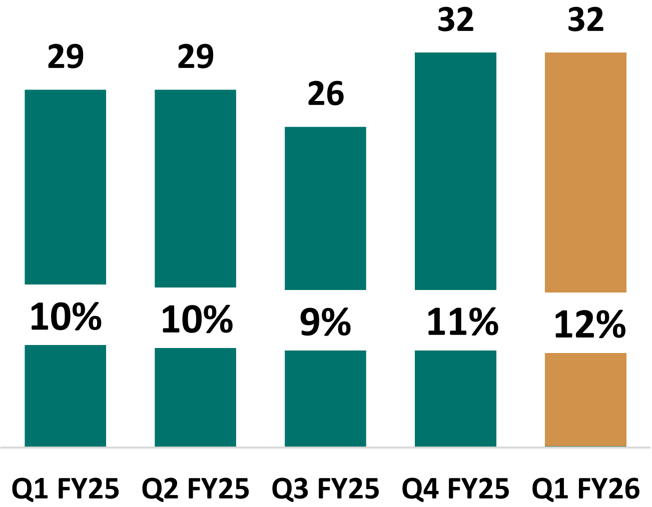
Financial Result Highlights

(Rs. Cr.)

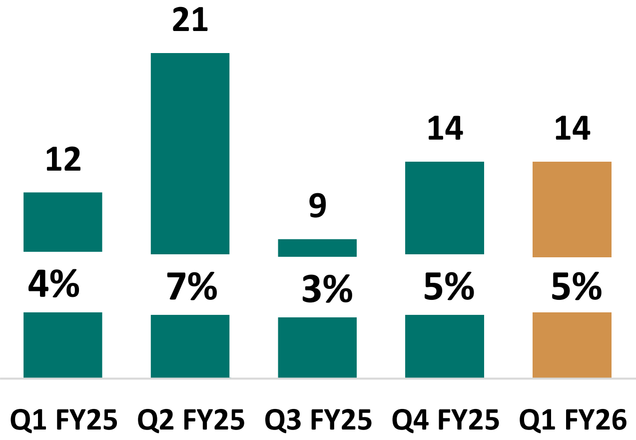
Revenue



EBITDA & Margin (%)



PAT & Margin (%)



	Revenue	EBITDA & Margin (%)	PAT & Margin (%)
YoY Change	(6.5)%	10.5%	14.6%
QoQ Change	(5.3)%	0.2%	(4.8)%

Efficient Capacity Utilisation with Increasing Fabric Sales & Exports

Particulars	UoM	FY21	FY22	FY23	FY24	FY25	Q1FY25	Q4FY25	Q1FY26
Sales Volume:									
Yarn	*000 MT*	26.4	28.8	28.6	33.1	36.2	8.8	8.9	8.4
Knitted Fabric	*MT*	-	-	44	336	514	129	146	247
Griege Fabric	*Lakh Meters*	-	9	50	114	159	32	46	36
Capacity Utilization	*%*	***95%***	***98%***	***94%***	***98%***	***99%***	***98%***	***99%***	***99%***

Total Revenue	Rs. Cr	611	924	1,037	1,060	1,168	289	285	270
Revenue by Products:									
Yarn	*Rs. Cr*	611	914	1,005	991	1,071	268	257	245
Fabric	*Rs. Cr*	-	10	32	69	97	21	28	25
% of Revenue	*%*	-	*1.1%*	*3.1%*	*6.5%*	*8.3%*	*7.3%*	*9.9%*	*9.3%*
Revenue by Geography:									
Domestic	*Rs. Cr*	571	809	903	901	984	229	252	254
Exports	*Rs. Cr*	39	115	134	159	184	60	33	17
% of Revenue	*%*	*6.4%*	*12.4%*	*12.9%*	*15.0%*	*15.7%*	*20.8%*	*11.5%*	*6.1%*

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

Q1 FY26 Results

Particulars (Rs. Cr.)	Q1FY25	Q4FY25	Q1FY26	*YoY*	*QoQ*
Total Income	**289**	**285**	**270**	*(6)%*	*(5)%*
Operating Expenses	260	253	238	*(8)%*	*(6)%*
EBITDA	**29**	**32**	**32**	*11%*	*0%*
EBITDA Margin (%)	*10.1%*	*11.3%*	*12.0%*	*190 bps*	*70 bps*
Interest	1	1	1	*21%*	*83%*
Depreciation	13	13	13	*4%*	*4%*
PBT	**16**	**19**	**18**	*15%*	*(5)%*
Tax Expenses	4	5	5	*18%*	*(5)%*
PAT	**12**	**14**	**14**	*14%*	*(5)%*
PAT Margin (%)	*4.1%*	*5.0%*	*5.0%*	*90 bps*	*2 bps*

Note: Revenue and EBITDA numbers include other income.

Ongoing Revenue Diversification to Drive Future Growth

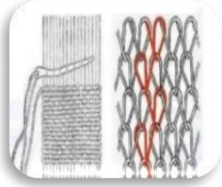
Value Added Product Portfolio

Giza

Supima

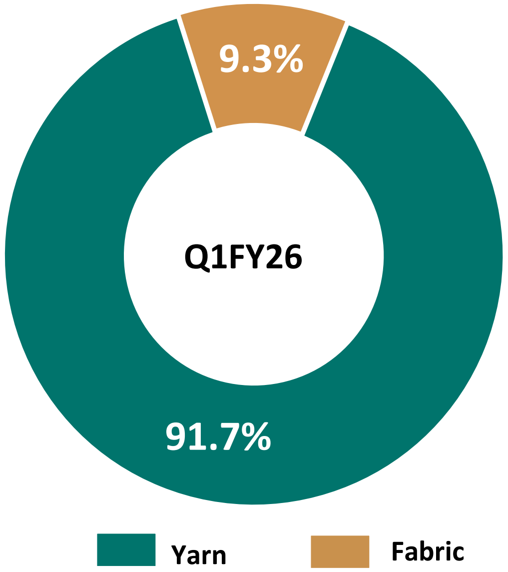
Australian Yarn

CmiA Yarn

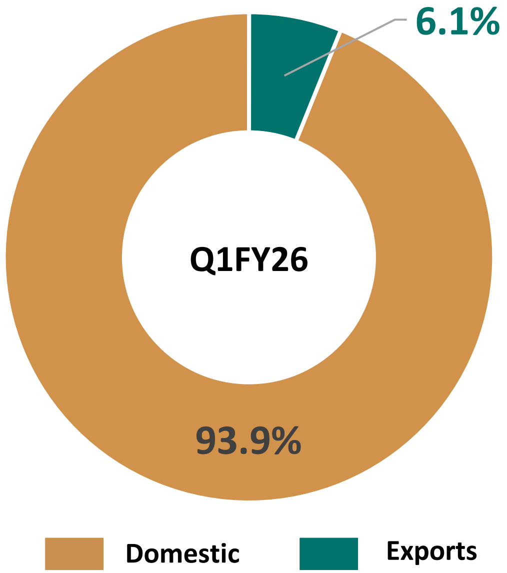


Woven and Knitted Fabric

Revenue by Product



Revenue by Geography



Strengthening the Core: Key Operational Milestones

- Yarn Sales Volumes at 8.4k MT, with GHCL Textile well positioned to benefit from any sector tailwinds in H1 FY26.
- Reduced working capital to Rs. 380 Crores on account of increase in creditors, focus on resource allocation and optimization.
- Value-added yarn share increased to 56%, portfolio premiumization to further improve integration with strategic customers.
- Renewable energy assets of 62 MW, ongoing green initiatives, contributing to sustainability and to reduce energy costs further.
- Cotton inventory at 10k MT, sufficient to ensure production continuity and benefit from adverse pricing trend into Q2 FY26.
- Operational discipline and sourcing efficiency underpin gross margin resilience, with potential to improve as scale, mix and vertical integration evolve.

Factors Impacting Sector and Our Performance

1 Macro Enabling Environment

2 Capex Led Growth

3 Operational Excellence

FTA

US Tariff

Policy Push

Sector Consolidation

Vertical Integration

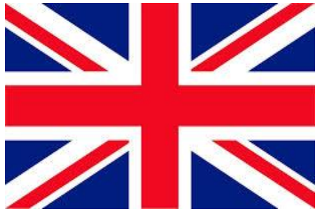
Value Added Products

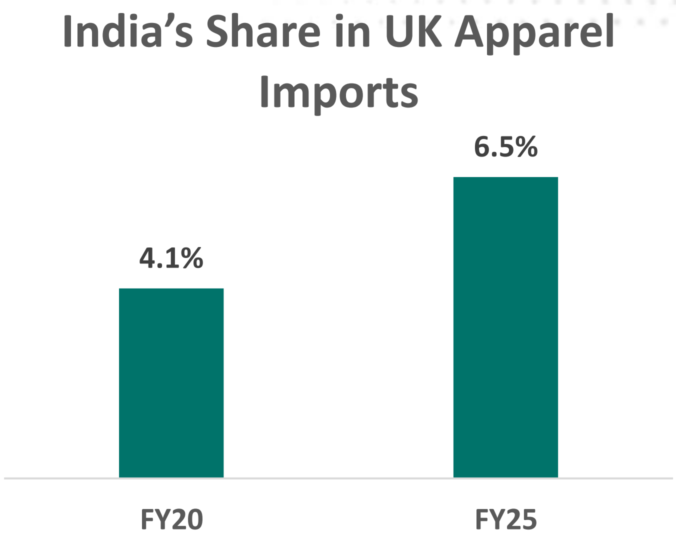
Green Power

Process Leadership

Our Focus in on Strengthening Our Core and Expanding Our Horizons.

India Secures Duty-Free Access to UK Apparel Market





Tariff Advantage

India can now export apparels to the UK at 0% duty, thus gaining parity vis-à-vis Bangladesh, Sri Lanka, Pakistan and China.

Retailer Realignment

UK buyers may shift sourcing to India to leverage cost savings and diversify souring base.

Indian Textile Sector to Gain Traction from India-UK FTA and not at par with our neighboring countries.

Source: Various Media sources

Future Expansion Plans

Capex Commitment

Signed MoUs with Tamil Nadu Govt. for Rs. 1,035 Cr. investment; Rs. 500 Cr. already invested

Completed

65k spindles and 35 MW Renewable Energy

Ongoing & Future Growth Plans

Knitting 40 machines in two phases;

Thereafter, plans to setup weaving, and dyed fabric production capacities.

Capex – Capacity Additions

Project Description	25k Spindles	Knitting
Current Status	Completed on time	Initiated
Timeline	Commissioned in June 2025	Phase 1: Q3FY26 Phase 2: Q4FY26
Implication	Expected to generate revenue of Rs. 250 Cr	Forward integration into own cotton yarn

Strategic Priorities

Vertical integration of the yarn manufacturing to include knitted, weaving and dyed fabrics, which yields superior margin and integration with existing business

Specialized Yarn for moving into value added products / premium products in each category

Enhancement of Green energy portfolio to 75 MW (from 62 MW currently) to cater up to 75% of our energy requirement

Operational Excellence with focused execution, and continuous improvement to drive efficiency, reduce costs, and deliver consistent quality at scale.

These initiatives will more than double the revenue and will be margin accretive.

Long term EBITDA margins *shall be in 15-18% range*

GHCL TEXTILES

COMPANY OVERVIEW

An Introduction to GHCL Textiles

FY25

- **Revenue: ₹ 1168 Cr**
- **EBITDA Margin: 10%**
- **Long Term Avg. Margins: 15%**

Capacities

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

~99% **Capacity Utilisation**

- 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.

Key Product Offerings

Product Portfolio

- Open End Yarn
- Vortex Yarn
- Ring Spun Cotton Yarns
- Cellulosic & Blended Yarns
- TFO Double Yarns
- Synthetic Blended Yarns

Yarn Type	Range	End Use
100% cotton combed Compact Hosiery yarn from Indian, US and Australian Mix	20s 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

Decade-long Expertise in Spinning: Focused on Value Creation

- **2002-08**: Entered Spinning business with 65K spindles & later increased to 140K
- **2009-15**: Spindles capacity increased to 175K, installed 3,320 rotors in spinning
- **2016-18**: Added TFOs for value added yarn & Air Jet Spinning
- **2019-20**: Spindles capacity increased to 185K
- **2022-23**: Spindles capacity increased to 225k

  Demerged from GHCL Ltd.
- **2024-25**: Kaveri section Reorganisation
- **2025-26**: 25k Spindles comissioned
- **Ongoing Expansion**: Kinitting Machines

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

GHCL's Unique Value Proposition

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

Strategic Shift to Premium Products

- 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

Superior Credibility through Several Certifications

bci better cotton initiative™

SUPIMA

COTTON LEADS℠

Sedex

CONFIDENCE IN TEXTILES
Tested for harmful substances
according to Oeko-Tex® Standard 100

GIZA
EGYPTIAN COTTON™

GLOBAL ORGANIC TEXTILE STANDARD · GOTS ·

ORGANIC 100 content standard

ORGANIC BLENDED content standard

GRS
Global Recycled Standard

USTERIZED®

liva natural fluid fashion

ADITYA BIRLA GROUP

CMIA
COTTON MADE IN AFRICA

COTTON USA™
THE COTTON THE WORLD TRUSTS

OUR STANDARD YOUR GUARANTEE
ISO 9001 Quality
ISO 14001 Environment
OHSAS 18001 Health & Safety

Strengthening Customer Relationship through Value Creation

10+ Years Long Standing Relationship with Several Key Customers

Fully Equipped

- 39K 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, Tencel, Viscose & rPET 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.

Sustainable Energy Solution: Guiding Path to Excellence

"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

1. **Renewable Energy: caters to 72% of energy consumption**

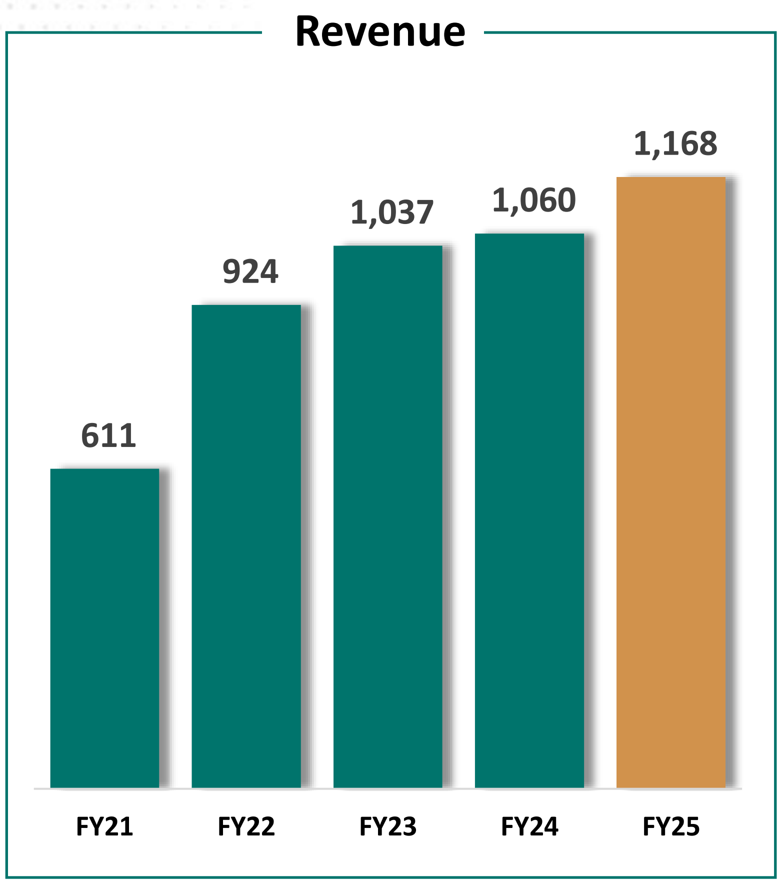
2. **Environment:**
   - Significant savings in purchased electricity through usage of renewable electricity
   - Saving from water recycling and rain water harvesting

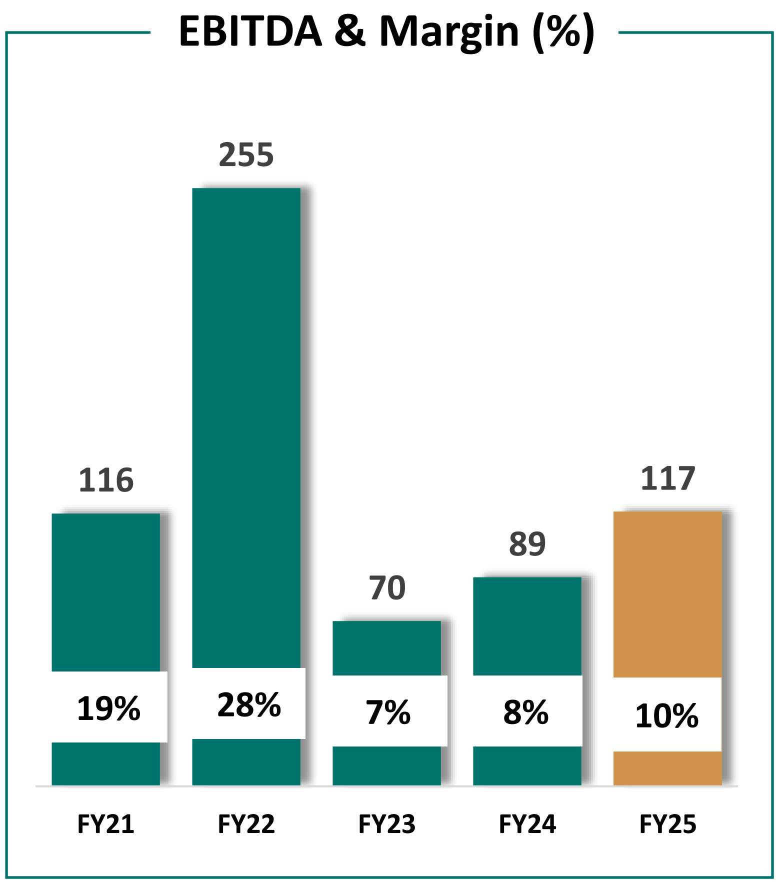
3. **Impactful CSR Initiatives by GHCL Foundation Trust**
   - Promoting sustainable Agriculture and Animal Husbandry practices
   - Prioritizing Health initiatives for community well-being
   - Dedicated to Women Empowerment and Education

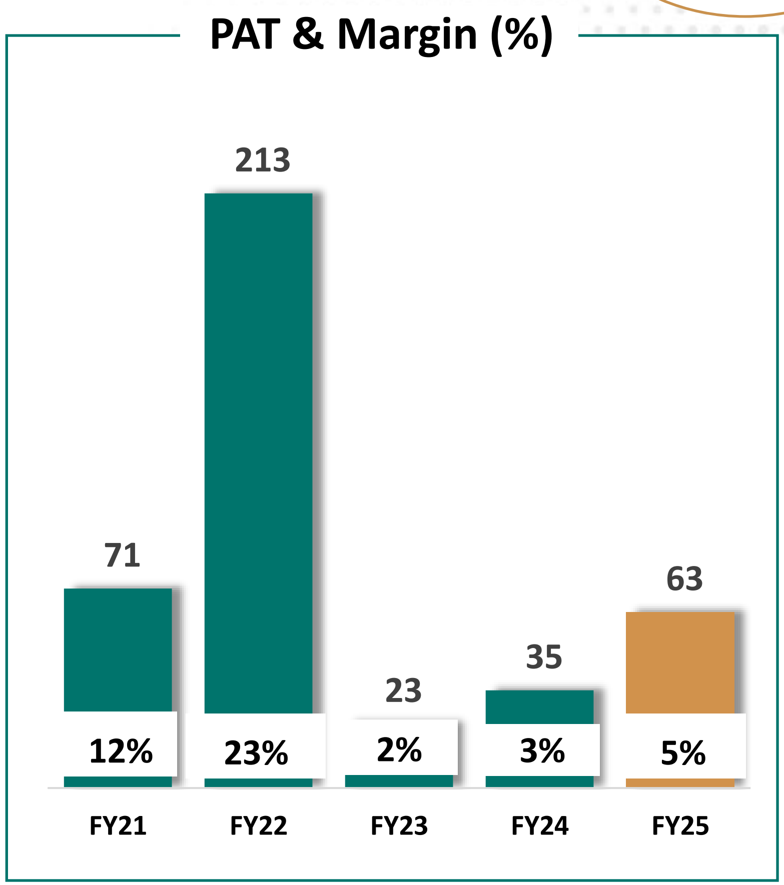
GHCL Unveils Textile Excellence at Bharat Tex 2025

GHCL Textiles participated in Bharat Tex 2025, held from February 14–17 at Bharat Mandapam, New Delhi. The company exhibited its diverse product range emphasizing its commitment to innovation, sustainability, and excellence.

Long Term Financial Performance







Achieved an industry leading average EBITDA margins of ~15% over long term due to Vertical Integration, Value Added Portfolio, Strategic Customers and Operational Excellence.

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

Prudent Capital Allocation and Strong Balance Sheet

GHCL TEXTILES

Capital Allocation for FY25

Rs. 111 Crore
Cash Inflows Generated

Rs. 8 Crore
Debt Repayment

Rs. 5 Crore
Dividends Paid

Rs. 158 Crore
Growth Capex

Rs. (54) Crore
Working Capital Release

Decrease in cash & cash equivalents*
Rs. 7 Crore

Rs. 58 Crore
Net Debt

0.04x
Net Debt to Equity

Rs. 0.5
Dividend Per Share
25% Payout Ratio

5%
Return on Capital Employed **

Closing cash & cash equivalents*
Rs. 5 Crore

*Note: *Cash and cash equivalents consists of cash, bank and current investments.*
*** RoCE excludes Rs. 332 Cr. on account of capital reserves from demerger and surplus non-operating assets. Without this adjustment RoCE is 4%.*

Experienced Leadership Team

Experienced and Accomplished Board of Directors

Mr. Anurag Dalmia
Chairman

Mr. C. R. Rajagopal
Independent Director

Mr. R. S. Jalan
Non-Executive Director

Justice Mr. Ravindra Singh (Retd.)
Independent Director

Mr. Raman Chopra
Non-Executive Director

Mrs. Sudha Pillai, IAS (Retd.)
Independent Director

Mr. Neelabh Dalmia
Non-Executive Director

Mr. V. K. Jeyakodi
Independent Director

Revamped Management Team

Mr. Marshal Sonavane
CEO

Mr. Parasuraman M.
CFO

Mr. N. Rajagopal
Technical Head

Mr. R. Satish Kumar
Operational Head

Mr. Lalit Dwivedi
Company Secretary

New independent directors and revamped management team is well positioned to strengthen corporate governance practices and drive the growth for GHCL Textiles.

GHCL TEXTILES

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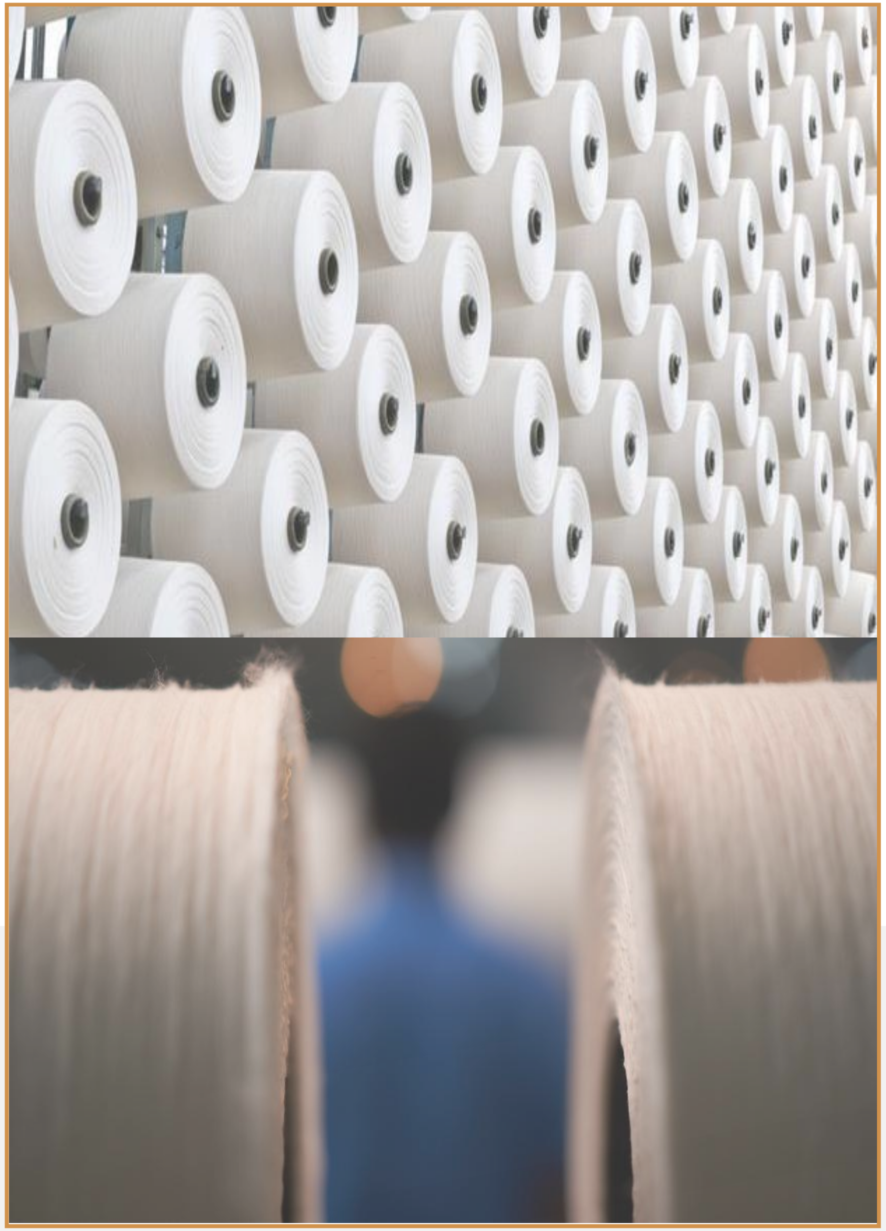

THANK YOU