

# Sportking INDIA LTD.

(Govt. Recognised Four Star Export House)

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**SIL/2024-25/SE**

**Date: 26.10.2024**

To <b>BSE Limited</b> Phiroze Jeeheebhoy Towers, Dalal Street, Mumbai-400001	To <b>National Stock Exchange of India Ltd,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
<b>Script Code: 539221</b>	<b>Symbol: SPORTKING</b>

**Sub: Press Release Regarding Unaudited Financial Results for the Quarter and Half Year Ended 30<sup>th</sup> September 2024.**

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 and half year ended 30<sup>th</sup> September 2024, as approved by the Board of Directors of the Company in its meeting held on 26<sup>th</sup> October 2024.

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 Maintains High Growth Trajectory In Q2 FY25**

*Lays Foundations For Future With Mergers For Forward Integration*

**Punjab, 26<sup>th</sup> October 2024:** Sportking India Limited, one of India's leading textile conglomerate, announced its financial results for the quarter and half year ended 30<sup>th</sup> September 2024.

### **Key Financial Highlights of the Quarter:**

- Revenue from operations stood at Rs. 651.6 Crs for Q2 FY25, up 4% Y-o-Y. Exports contributed 46.0% in Q2 FY25
- EBITDA for Q2 FY25 was Rs. 57.7 Crs – an increase of 45.8% YoY. EBITDA Margin for the quarter improved by 255 bps on a yearly basis to reach 8.9%
- Profit After Tax for the quarter was Rs. 25.0 Crs – registering a growth of 61.4% YoY. PAT Margin expanded by 137 bps on a yearly basis

### **Key Financial Highlights of the Half Year:**

- Revenue from operations stood at Rs. 1,285.7 Crs for H1 FY25, up 10.1% Y-o-Y. Exports contributed 45.9% in H1 FY25
- EBITDA for H1 FY25 was Rs. 131.5 Crs – an increase of 47.2% YoY. EBITDA Margin for the half year improved 257 bps on a yearly basis to reach 10.2%
- Profit After Tax for H1 FY25 was Rs. 56.8 Crs – registering a growth of 68.8% YoY. PAT Margin is 4.4% - expanding by 154 bps on a yearly basis

### **Financial Performance (Rs. Crs)**

Particulars	Q2FY25	Q2FY24	YoY	H1FY25	H1FY24	YoY
Operational Revenue	651.6	628.3	3.7%	1,285.7	1,167.3	10.1%
Gross Profit	139.4	117.9	18.3%	293.4	236.3	24.2%
Gross Margin	21.4%	18.8%	+263 bps	22.8%	20.2%	+258 bps
EBITDA	57.7	39.6	45.8%	131.5	89.4	47.2%
EBITDA Margin	8.9%	6.3%	+255 bps	10.2%	7.7%	+257 bps
Profit After Tax	25.0	15.5	61.4%	56.8	33.7	68.8%
PAT Margin	3.8%	2.5%	+137 bps	4.4%	2.9%	+154 bps
Cash Profit After Tax*	47.1	37.2	26.7%	100.7	75.6	33.3%
EPS	1.97	1.22		4.47	2.64	

\* Cash Profit After Tax = Profit After Tax + Depreciation

## **Key Operational Highlights of the Quarter:**

- Total Production Volume stood at 19,446 MT for the quarter v/s 20,740 MT in Q2 FY24
- Yarn Sales Volume for Q2 FY25 stood at 18,775 MT v/s 21,679 MT in Q2 FY24
- Capacity Utilization at 94% for Q2 FY25
- Update on De-bottlenecking Activities Undertaken:
  - Company had undertaken certain debottlenecking efforts in one of its manufacturing facilities, the same has been completed as scheduled
  - Production from the revamped site has partially commenced from October with full production being operationalized in another couple of weeks

## **Update on Strategic Decisions:**

### **➤ Amalgamation for Forward Integration:**

- Merger of M/s Marvel Dyers and Processor Pvt Ltd and manufacturing facilities of M/s Sobhagia Sales Pvt Ltd with Sportking India Limited
- Marvel Dyers - engaged in the business of Dyeing, Printing & Finishing of Fabrics
- Sobhagia Sales - engaged in the business of manufacturing and retailing of Readymade Garments
- The proposed amalgamation will enable forward integration with manufacturing and selling of Processed/ Dyed knitted fabric and garments resulting into value addition as the company expands its operations higher up the textile product chain
- Improve organizational capability arising from the pooling of human capital, administrative rationalization and promote operational efficiencies

### **➤ Investments for Sustainable Operations :**

- Investment of 26% of Equity Share Capital of M/s Evincea Renewable Two Pvt. Ltd. a special purpose vehicle (SPV) for Rs. 12.09 Crs
- The SPV will commission the Solar Power Plant with capacity of 40.3 MW for supply of power to Company`s Bathinda and Ludhiana Unit for period of 25 years
- Schedule commencement of power supply period is tentatively 15 months, and company is expecting saving in power cost about 10-12%

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

*“It pleases me to report that our export sales have registered a growth sequentially whilst being relatively resilient. This achievement becomes even more noteworthy in the context of the quarter being fraught with uncertainties relating to turmoil gripping our key export market of Bangladesh.*

*While Bangladeshi cotton mills did face some disruption early in the quarter the situation gradually recovered and there were no booking, financial and order issues from our customers thereon. While we do not perceive any structural slowdown in the textile industry of Bangladesh, any further stress does open an opportunity for the Indian textile industry to cater to the demand shift from end users.  
(cont.)*

*We share long-standing relation with various domestic players combined with a strong marketing presence in the local market and thus the current exports turmoil would have, if any, only a transient impact on our performance. As evidenced in the current quarter's results, our domestic market performance offset the temporary challenges faced from the export market thus achieving a topline that registered growth both on a year-on-year basis as well as sequentially.*

*With an eye towards the future, we took two important decisions which I believe are critical in the value accretion towards our company. First is the amalgamation of certain private entities within the listed company equipping us with the ability to climb up the value chain in terms of Fabric processing and manufacturing & retailing of Garments leveraging our decades of expertise of the textile industry. Second is investment in an SPV to secure supply of solar power to not only save on power costs but also to further our commitment to sustainable operations.*

*On the operational front we have executed our de-bottlenecking plans per schedule with benefits of the same reflecting in our operational performance from Q3 FY25. Our margins showed stark improvement over the previous year on account of improving demand scenario, stable input prices and lower interest costs. Festivities and wedding season will fuel domestic demand in the upcoming quarter while inventory liquidation and sourcing shift should provide impetus to export demand. We will continue to focus on operational efficiencies while striving to unlock the full potential of the now merged companies."*

## 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.