



S.P.APPARELS LTD.



Regd. Office : 39-A, Extension Street, Kaikattipudur, AVINASHI - 641 654, Tamil Nadu, India.
Phone : +91-4296-714000 E-mail : spindia@s-p-apparels.com
Web : www.s-p-apparels.com CIN No.: L18101TZ2005PLC012295

18th May, 2023

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

The Listing Department
National Stock Exchange of India Limited
'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051.

Scrip Code: 540048

Symbol: SPAL

Dear Sirs,

Sub: Revised Financial Presentation

Further to our financial presentation submitted with the exchanges on 17.05.2023, we herewith enclosed the copy of revised Financial Presentation for Q 4 FY 23 results of the Company with Disclaimer Clause.

Kindly take the same on your records.

Thanking you,

For S.P.Apparels Limited,

K.Vinodhini
Company Secretary and Compliance Officer

Encl: As above



S. P. APPARELS LIMITED

Dressing the Future....

LEADING APPARELS
EXPORTER OF KIDS WEAR



+34 Years of Experience in
Garment Manufacturing
for Marquee Brands

TABLE OF CONTENT

Sr No.	Content
1	Q4FY23 & FY23 – Results Highlights
2	Company Overview
3	Financial Highlights



Q4 & FY23: Consolidated Performance Highlights



Q4FY23

Adj. Total Revenue (Q4FY23)		Adj. EBITDA (Q4FY23)		PAT (Q4FY23)	
Consolidated	YoY Growth %	Consolidated	Margins %	Consolidated	Margins %
₹2,728.9 Mn	6%	₹404.8 Mn	14.8%	₹205.1 Mn	7.5%

FY23

Adj. Total Revenue (FY23)		Adj. EBITDA (FY23)		PAT (FY23)	
Consolidated	YoY Growth %	Consolidated	Margins %	Consolidated	Margins %
₹10,984.0 Mn	27%	₹1,728.9 Mn	15.7%	₹825.1 Mn	7.5%

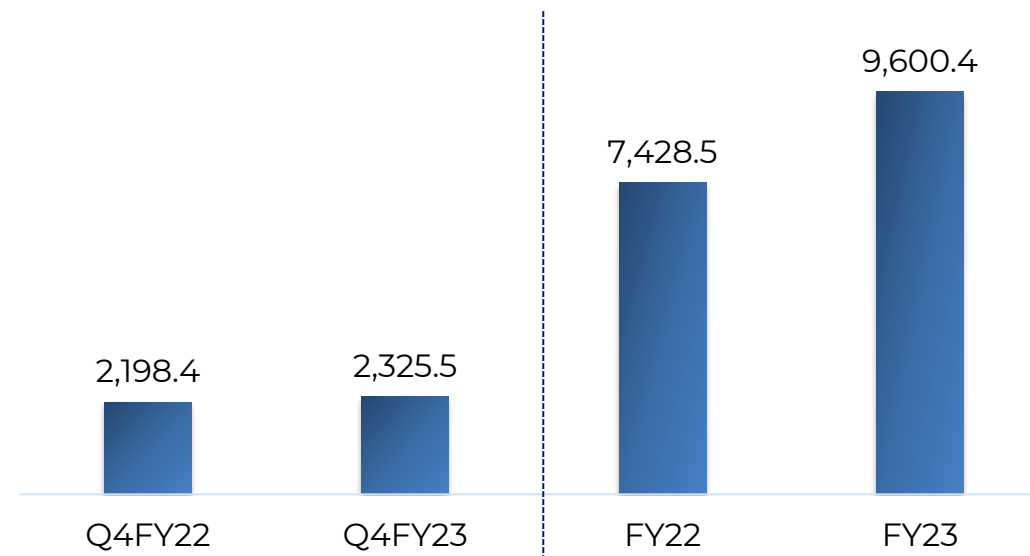
EPS (Q4FY23)	EPS (FY23)	ROE % (FY23)	Cash Adj. ROCE % (FY23)
INR 8.2 per share	INR 32.4 per share	18.3%	17.6%

Segmental Highlights (Consolidated)

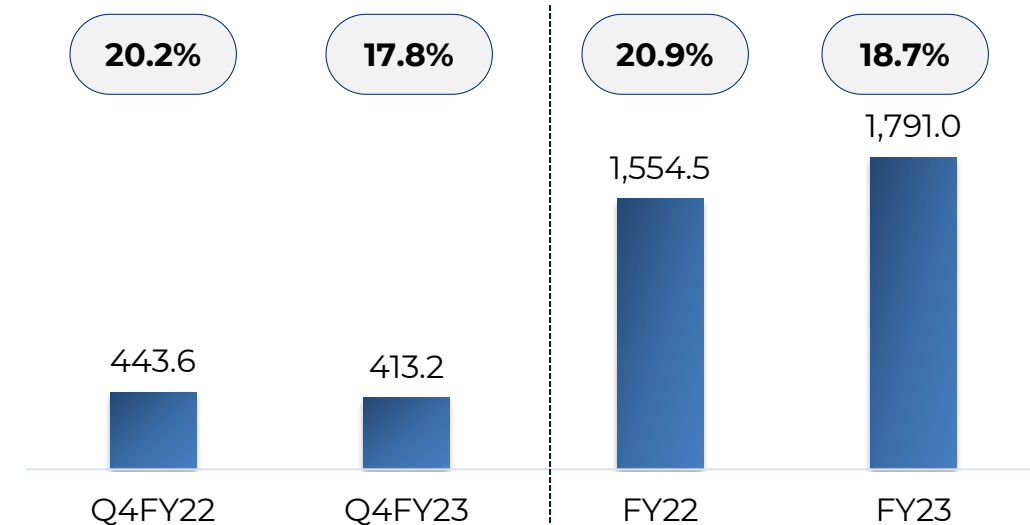


Garment Exports

Operational Revenue (Rs. Mn)

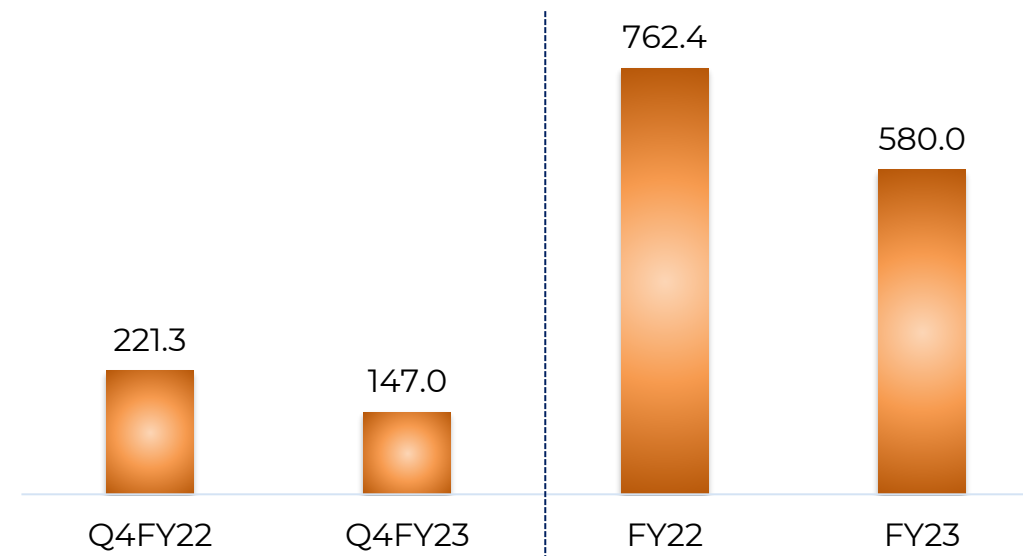


EBITDA (Rs. Mn) & Margin (%)

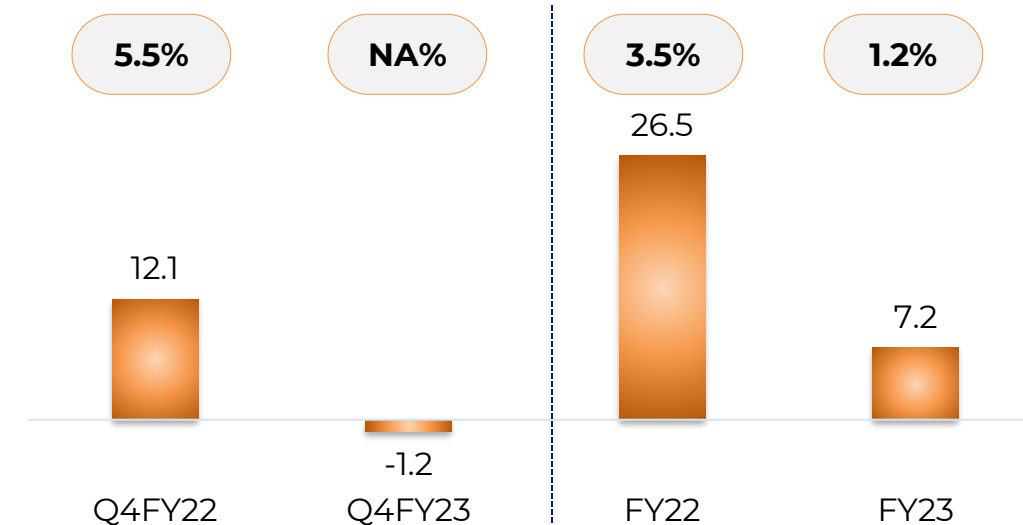


SPUK

Operational Revenue (Rs. Mn)

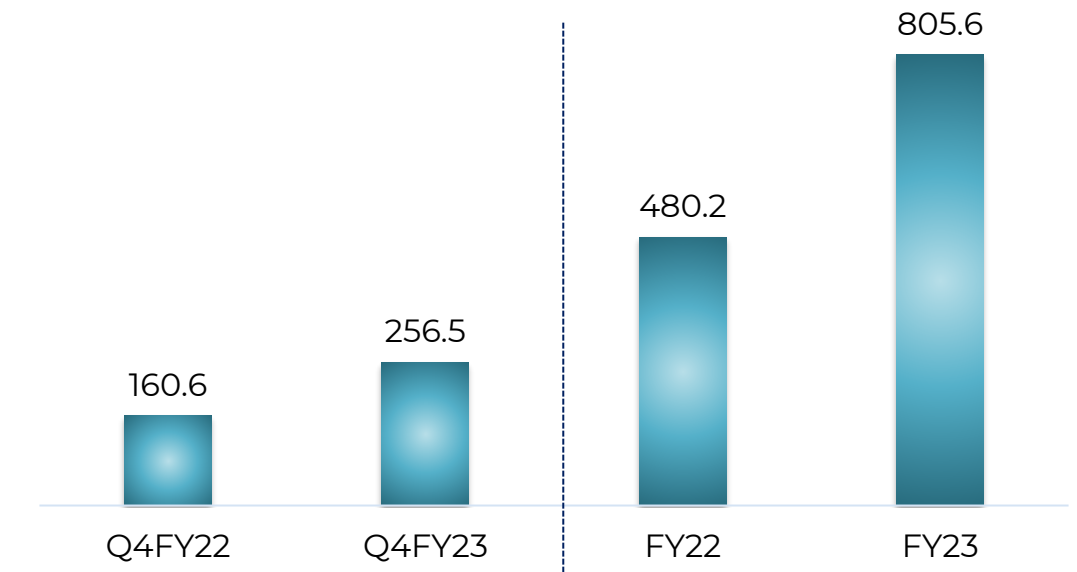


EBITDA (Rs. Mn) & Margin (%)

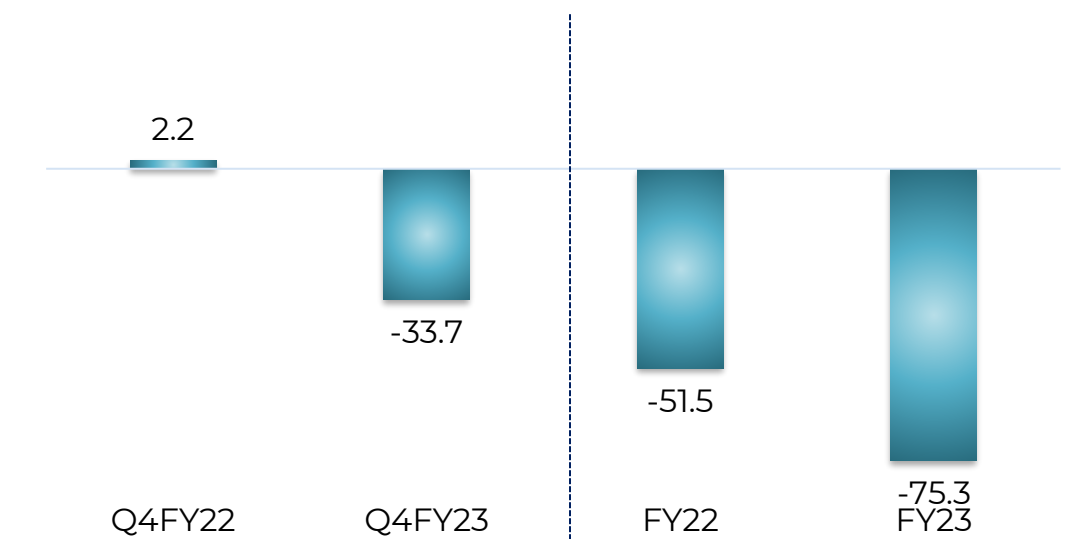


Retail

Operational Revenue (Rs. Mn)



EBITDA (Rs. Mn) & Margin (%)



Notes:

- Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
- In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)

P&L Statement Highlights (Consolidated)



Particulars (In Rs Mn)	Q4 FY23	Q4 FY22	YoY%	FY23	FY22	YoY%
Revenue from Operations	2,751.6	2,539.0	8%	10,778.8	8,594.3	25%
Gain on account of Foreign Currency Fluctuations	-22.7	42.1		205.2	77.6	
Total Revenues	2,728.9	2,581.1	6%	10,984.0	8,671.9	27%
COGS	1,240.9	1,103.8		4,857.7	3,541.3	
Gross Profit	1,488.1	1,477.2	1%	6,126.3	5,130.6	19%
Gross Margin %	54.5%	57.2%		55.8%	59.2%	
Employee Expenses	613.3	530.7		2,386.7	1,903.0	
Other Expenses excl. MTM gain / loss on account of Foreign Currency Fluctuations	470.1	489.1		2,010.7	1,699.3	
Adj. EBITDA	404.8	457.4	-12%	1,728.9	1,528.3	13%
Adj. EBITDA Margin %	14.8%	17.7%		15.7%	17.6%	
MTM (Gain) / Loss on account of Foreign Currency Fluctuations	7.4	-31.2		97.4	-67.2	
Depreciation	91.7	90.4		361.5	346.3	
Finance Cost	70.7	36.5		186.2	118.5	
Other Income excl. Gain on account of Forex Fluctuations	19.0	4.2		24.9	17.3	
PBT	254.1	365.8	-31%	1,108.7	1,147.9	-3%
Exceptional Items				1.1	0.0	
Tax Expense	49.0	113.3		282.5	301.0	
PAT	205.1	252.5	-19%	825.1	846.9	-3%
PAT Margin %	7.5%	9.8%		7.5%	9.8%	
Earnings Per Share (EPS) In Rs.	8.18	9.83		32.37	32.96	

Notes:

- Total revenues include realised gain on account of foreign exchange fluctuations (accounted in other income)
- In addition to (1), EBITDA calculation excludes unrealised MTM gain / loss on account of foreign exchange fluctuations (accounted in other expenses)
- PAT Margin = Reported PAT / Total Revenues ¹

Balance Sheet Highlights (Consolidated)



ASSETS (Rs. Mn)	Mar'23	Mar'22
Non-Current Assets		
a. Property, Plant and Equipment	4,223.7	4,105.1
b. Right of Use Assets	304.4	331.9
c. Capital work-in-progress	98.7	77.5
d. Intangible Assets	58.8	58.9
e. Intangible Assets under development	3.4	-
f. Financial Assets		
- Investments	404.2	1.8
- Loans and Advances	3.1	-
- Other financial assets	210.8	327.9
g. Other non-current assets	10.1	42.0
Total Non-Current Assets	5,317.1	4,945.0
Current Assets		
a. Inventories	2,969.1	3,320.3
b. Financial Assets		
- Current Investments	726.2	26.2
- Trade Receivables	1,047.3	1,157.4
- Cash and cash equivalents	601.6	519.1
- Bank Balances other than (1.9A) above	42.2	76.0
- Other financial assets	-	97.8
c. Other current assets	266.9	474.5
Total Current Assets	5,653.5	5,671.2
Total Assets	10,970.6	10,616.2

EQUITY AND LIABILITIES (Rs. Mn)	Mar'23	Mar'22
Equity		
a. Equity Share capital	250.9	256.9
b. Other Equity	6,485.2	6,120.8
Total Equity	6,736.1	6,377.7
Minority Interest	-65.0	-65.3
Liabilities		
Non-current liabilities		
a. Financial Liabilities		
- Borrowings	157.9	362.7
- Lease Liabilities	284.6	311.2
- Other financial liabilities	106.1	134.8
b. Deferred tax liabilities (net)	291.4	330.8
c. Other non-current liabilities	0.2	0.2
Total Non-Current Liabilities	840.2	1,139.7
Current liabilities		
a. Financial Liabilities		
- Borrowings	2,004.1	1,637.6
- Lease Liabilities	0.3	1.7
- Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	130.8	239.1
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	860.3	891.3
- Other financial liabilities	299.2	235.7
b. Other current liabilities	92.8	72.5
c. Provisions	71.8	86.4
Total Current Liabilities	3,459.2	3,164.1
Total Equity and Liabilities	10,970.6	10,616.2

Company Overview

SPAL founded in 1989, is India's biggest manufacturer and exporter of knitted clothes for infants and children. These are produced in integrated facilities that enable end-to-end garment manufacturing services. SPAL offers complete garment production services, from fibre to fashion.

Dressing the Future....



S. P. Apparel (SPAL) – At Glance



- SPAL is one of the leading manufacturers and exporters of knitted garments for infants and children in India
- Provides end-to-end garment manufacturing from Yarn to finished products including body suits, sleepsuits, tops, and bottoms
- Strong promoter pedigree with more than 40 years of experience in the textile and apparel industry

KEY STRENGTHS



Strong Leadership:

SPAL is a specialized player in the highly challenging infant & children wear knitted garment industry along with adult category



Brand of Choice

- Preferred vendor through long-standing relationships with reputed international brands etc
- Stringent quality compliance, superior in-house product development, and certified testing laboratories



Integrated Facilities

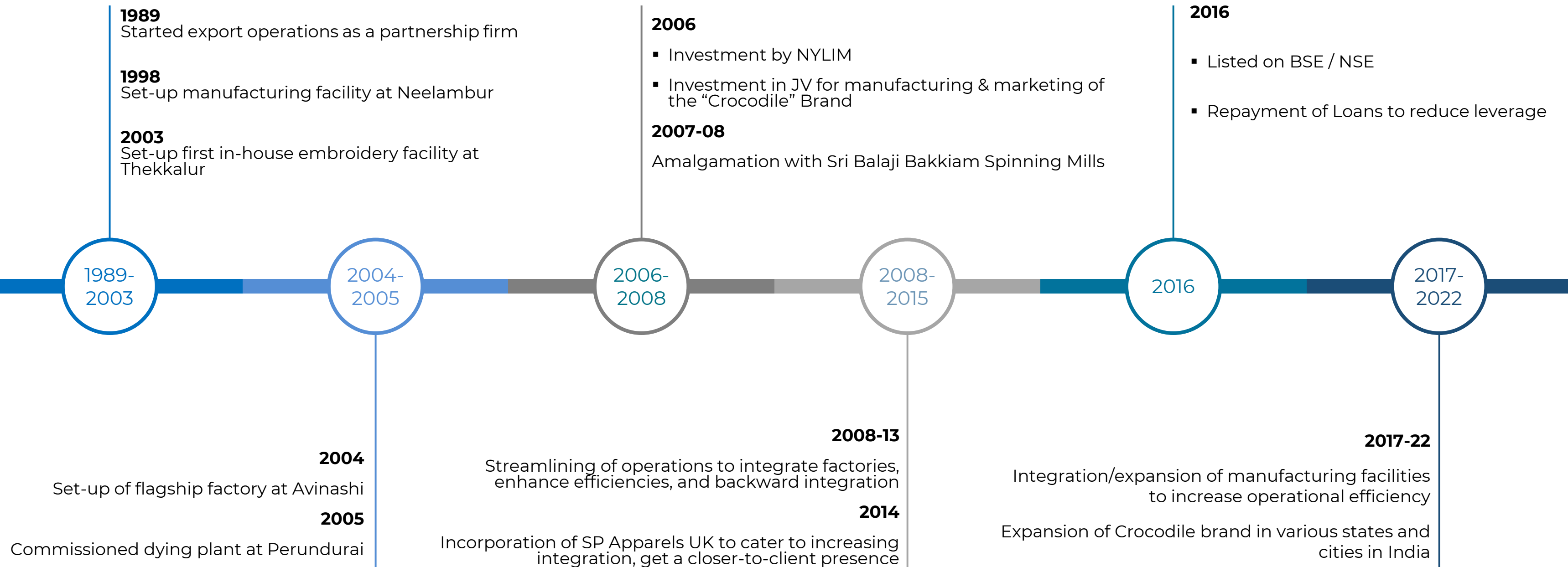
Demonstrated ability to set up integrated facilities to scale up operations. Currently operating 18 facilities having close proximity to key raw materials & skilled labour



Technological Capabilities

Advanced manufacturing machinery with the latest technology and automation

Journey So Far



Strong Leadership to Support Effective Governance



Mr P. Sundararajan Chairman and Managing Director

- Founder director of SPAL with 36 years of experience in the textile and apparel industry
- Bachelor of Science from the Bangalore University

Ms S. Latha Executive Director

- Founder director of SPAL with 29 years of experience in the textile and apparel industry

Mr S. Chenduran Joint Managing Director

- Six years of experience in the textile and apparel industry
- MS in Business & Management from University of Strathclyde

Ms S. Shantha Joint Managing Director

- B.Tech (Textiles) & MBA from PSG Institute of Management
- immense knowledge in marketing and textiles makes her contribution valuable to achieve the visions of the Company

Ms P.V. Jeeva, Chief Executive Officer

- 35 years of experience in the textile and apparel industry
- Handles garments division and has been associated with SPAL since July 1986

Mr V. Balaji, Chief Finance Officer

- 21 years of experience in the field of finance and accounts
- Qualified Chartered Accountant
- Plays a key role in managing banking relationships

Board of Directors

Mr A.S. Anandkumar Independent Director

- 47 years of experience in banking
- Masters of Science from the University of Madras

Mrs H .Lakshmi Priya Independent Director

- 20+ years of experience in corporate advisory, contract documentation, private equity & venture capital
- BA, LLB (Hons) from National Law School of India University, Bangalore in 1996

Mr C. R. Rajagopal Independent Director

- Core areas of expertise - finance, private equity, mergers, acquisitions and reorganisations
- Chartered Accountant having 35+ years of experience

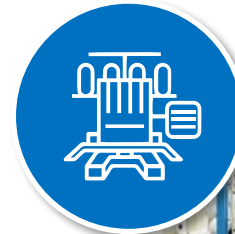
Mr V. Sakthivel Independent Director

- 44 years of experience in the fields of commerce and accountancy
- Qualified Chartered Accountant and Certified I.S. Auditor

In-House Fully Integrated Facilities



SPINNING



KNITTING



DYEING



CUTTING



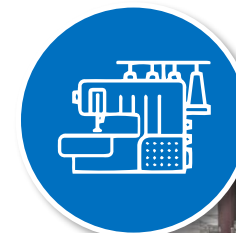
PRINTING



AUTOMATED EMBROIDERY



SEWING



AUTOMATED SEWING ASSEMBLY LINE

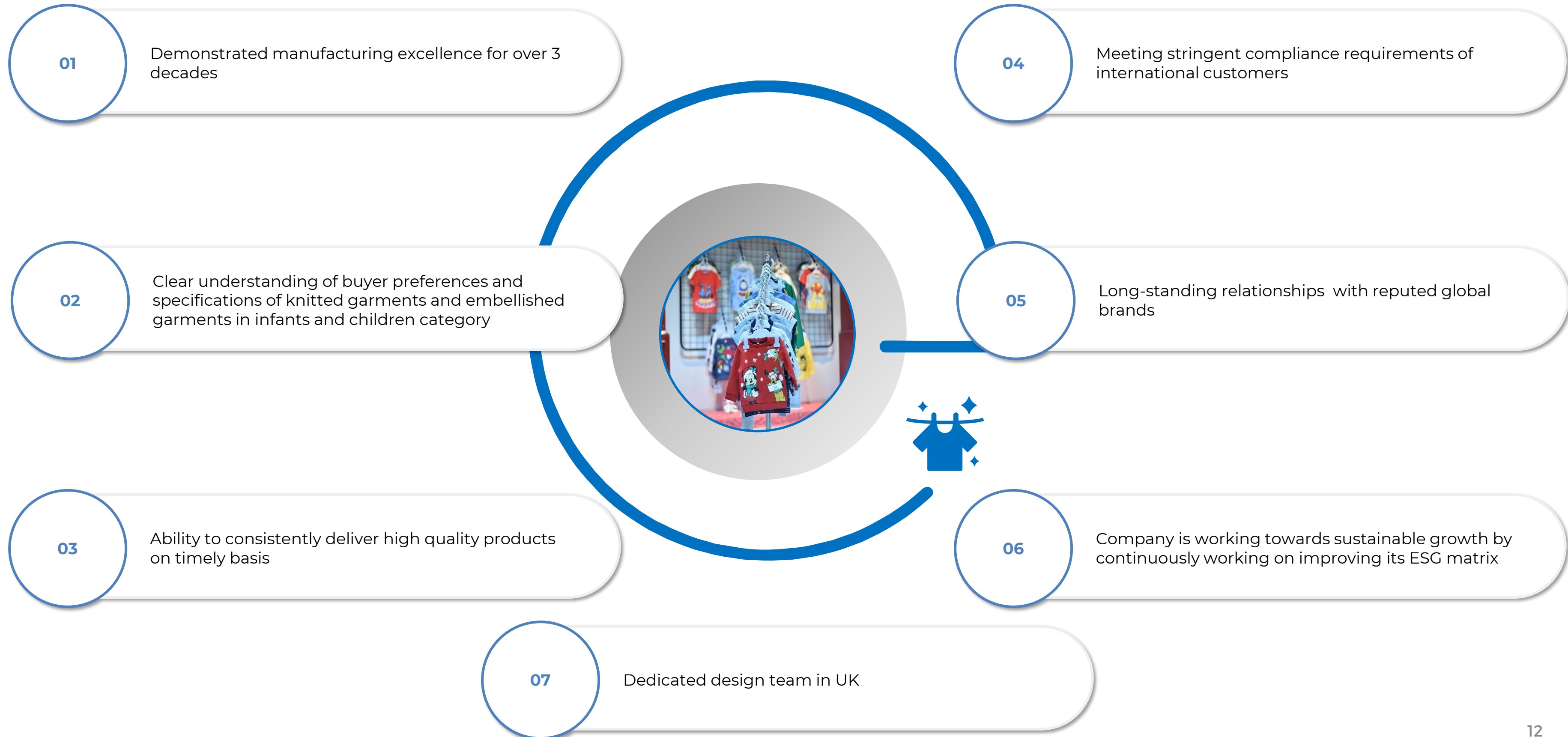


SEMI-AUTOMATED INVENTORY MANAGEMENT



Developed Capabilities

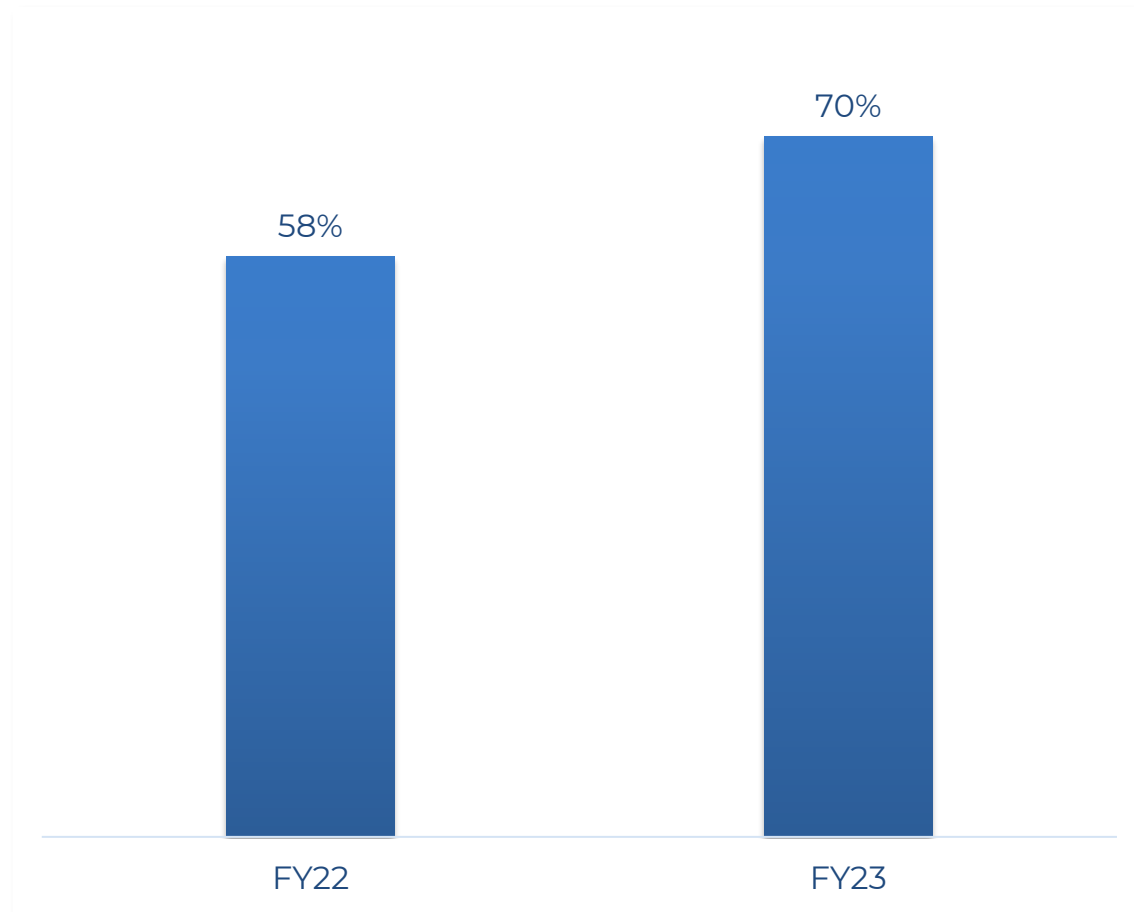
To Become a Leading Infant & Children's Wear Exporter from India



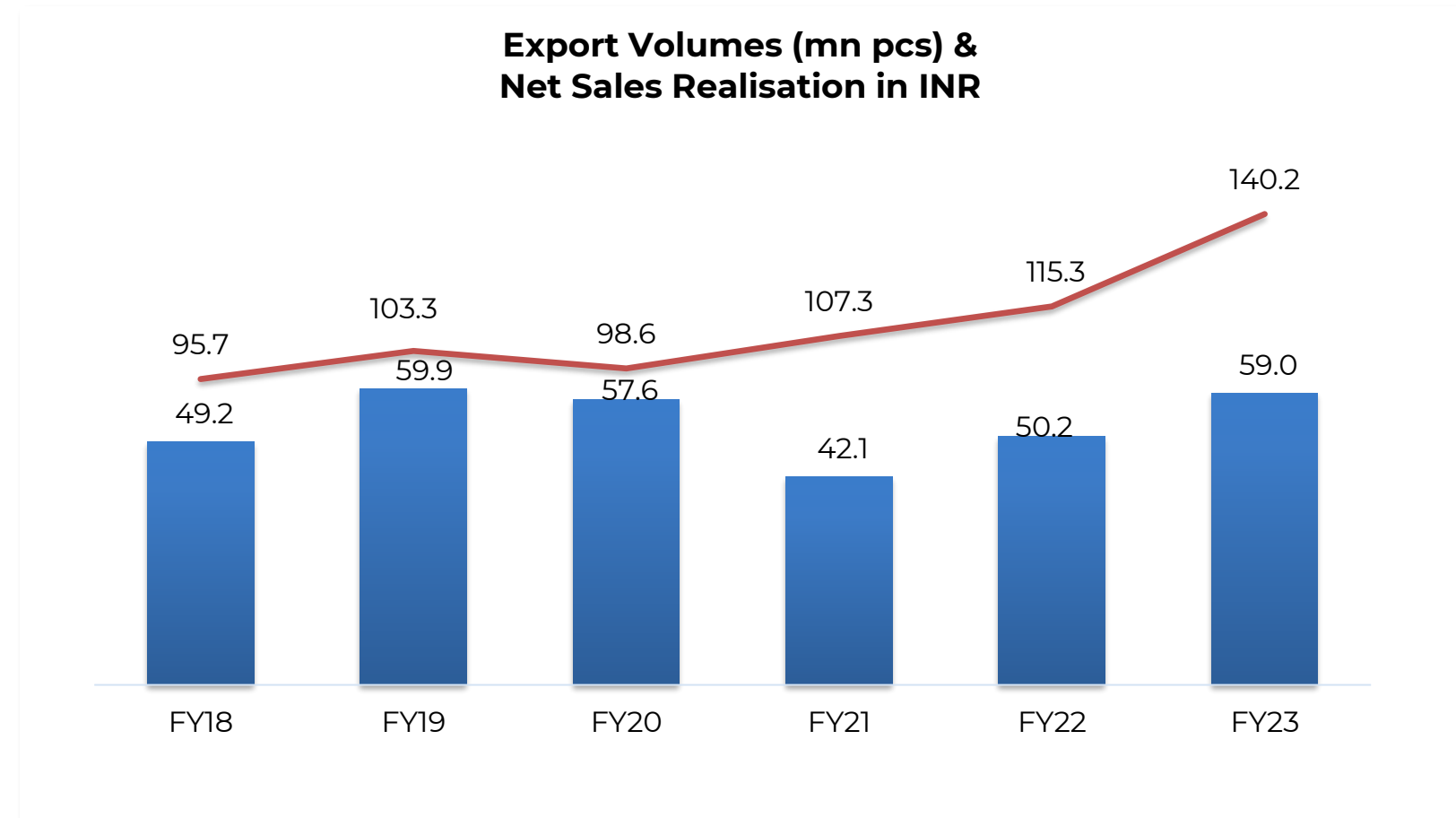
Exports Trend



Capacity Utilization



Export Volumes & Realization



Quality is a key essence of our success



TESCO 'F&F Gold Rated Supplier Award' 2013

Marks and Spencer award 2011

Proficient In-House Design Team



SPAL's core competency lies in understanding the latest fashion and trends to suit the customer's buying preferences



Dedicated in-house design and merchandising team of designers located at SPUK and at our Corporate Office in India



Use of latest technology for developing products and styles which are based on prevalent fashion trends



Design development, sampling, and fitment form an integral part of our operations and are considered an effective tool for converting customers' needs into a finished product

Key Industry Entry Barriers



Skilled Labour

- Labour intensive operations
- Employee training & skill development
- Employee occupational health & welfare

Products

- Cater to infants and children
- Manufacture high-fashion garments

Health & Safety Regulations

- Stringent safety and quality requirements in developed markets
- Severe restrictions on the use of hazardous chemicals, dyes, accessories, etc to prevent harming infants and children

Manufacturing Capabilities

- Demands large variety and small batch size orders
- Highly complex manufacturing

Ethics

- Ethical factories with best-in-class standards
- Employee welfare initiatives that align with industry-leading standards



Preferred Vendor To Reputed International Brands



Strong Pedigree

Leading children wear manufacturer under the leadership of Mr. Sundararajan, CMD with more than 40 years of experience in apparel industry

Brand Signatures

We are the preferred vendor of choice with a strong relationship with customers of over 2 decades. We are approved suppliers to almost all major children wear brands

Integrated Manufacturing

100% Backward integrated right from product development to garmenting helps us to give the best superior quality products to customers

Location Advantage

Located near Tirupur – the hub for knitted children’s garments, convenient access to skilled labour, raw material, and proximity to the international port

SPAL IS THE PREFERRED VENDOR FOR KNITTED GARMENTS FOR INFANTS AND CHILDREN TO REPUTED INTERNATIONAL BRANDS AND RETAILERS

WHY SPAL?

- Expertise in concurrently managing multiple large orders with a diversified product range including body suits, sleepsuits, tops, and bottoms
- Ethically, Environmentally, and Socially compliant organization
- No bulk returns from customers since the inception
- Ability to offer end-to-end garments manufacturing services from the design to the manufacture of the garments
- Product Safety is the key focus of the company
- Exclusive Design support from dedicated in-house design team

ESG

Mission Statement:

"To achieve carbon neutrality by the year 2030"

Vision Statement:

"To be a sustainable practise leader by promoting the use of renewable energy and prioritising the usage of recycled materials in order to protect our world for future generations"

At SPAL we are committed to building a sustainable future for all by incorporating sustainability into every aspect of our business. From our core strategies to our everyday decision-making, sustainability is an integral part of everything we do. We are dedicated to fostering innovation, optimizing our processes and platforms, and leveraging our talented workforce to achieve sustainable growth.



Sustainability at SPAL



Our approach to sustainability is guided to create long-term value in a balanced and responsible manner while making choices that positively impact environment, people, and communities.

OUR PILLARS

Sustainable business

Responsible production

Creating social impact

Emphasis on procuring power from renewable energy solutions

Commitment to conducting business activities in an environmentally responsible manner

Adoption of eco-friendly and best practices in manufacturing & focus on high quality products

Committed to social responsibility, including community development, education, women's empowerment, occupational health and safety.

Commitment to transparency in ESG disclosures, adherence to a business code of conduct and efficient business operations

Collaboration with stakeholders to create a greener future and a low carbon economy



From Awareness to Action: Making a Difference for the Environment



Our company is committed to conducting business activities in an environmentally responsible manner. We focus on reducing our environmental footprint across the value chain and returning back to nature what we consume.

Environmental Sustainability Through Effective Risk Assessment

Our ERM framework includes bi-annual risk assessments to identify and mitigate environmental risks, prioritizing sustainability and managing our environmental impact towards a greener future.

Commitment to Sustainability through Renewable Energy

We prioritize sustainability in our operations by supporting stakeholders in areas such as renewable energy and sustainable production. We procure power from renewable energy solution companies and source our energy consumption from renewable sources, including windmills.

Tree plantation

We have implemented a tree plantation initiative to preserve the environment for a sustainable future. We have distributed over 30,000 saplings to people living near our factories and adopted a One-for-One model, planting trees in all our factories and giving saplings to all our employees.

Eco-Friendly Production Process

We follow a chemical-free 2200 KLD biological oxidation process and have adopted best techniques like installing a water preheater, dust collector, and water treatment plant to minimize its environmental impact. We are committed to implement environmentally responsible practices and continuously improve processes to reduce the environmental footprint..

100%

Biological oxidation process.

80%

Share of renewable energy through wind power generation.

1 MW

Invested into the solar energy, committed to increase to 5MW

99.1 %

Waste recovered and reused as Process water

Zero

We operate our effluent treatment plant as Zero Liquid Discharge plant

Building Stronger Communities through Social Responsibility



Our company is committed to conducting business activities in an environmentally responsible manner. We focus on reducing our environmental footprint across the value chain and returning back to nature what we consume.

Building a Stronger Community: Our Efforts for Betterment

Comprehensive support for needy, access to education and skill development opportunities, supply of food materials, medical facilities and medicines, and other survival needs.

Free Medical facilities

Provision of free consultation, medical supplies, BP apparatus to Primary Healthcare Centre, facilitation of Medicine room and Physiotherapy room to Government hospital with other renovations

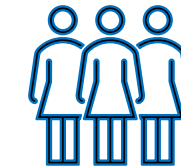
Workplace Safety and Sanitation Measures

Regular emergency evacuation drills, comprehensive training for Occupational safety, Fire safety, Electrical safety, Environmental Protection, Observance of Road safety week, National safety week, Environmental day and Fire safety day

Gender Equality

We follow the principle of 'Equal Pay for Equal Work' to empower women financially and promote gender equality and conduct Awareness programmes.

Women Empowerment



~70%

Total number of permanent women employees as on 31st March 2023

22 %

Women hold 22% of our top management and 37% of our middle management

Financial Highlights

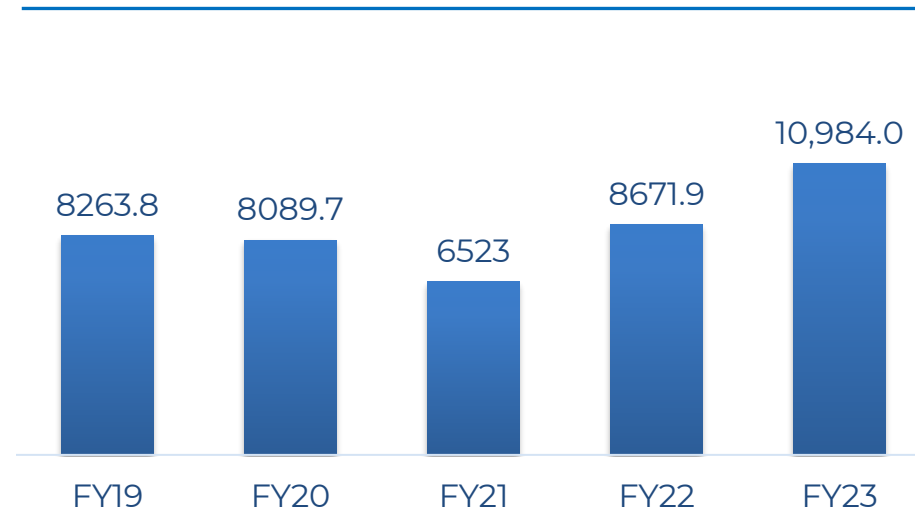


Financial Highlights (1/2)

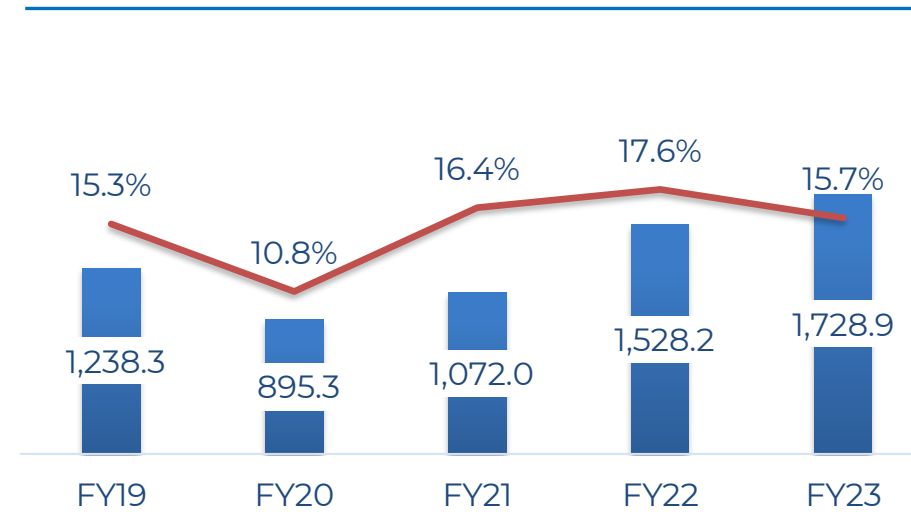


Consolidated Figures (in Rs. Mn)

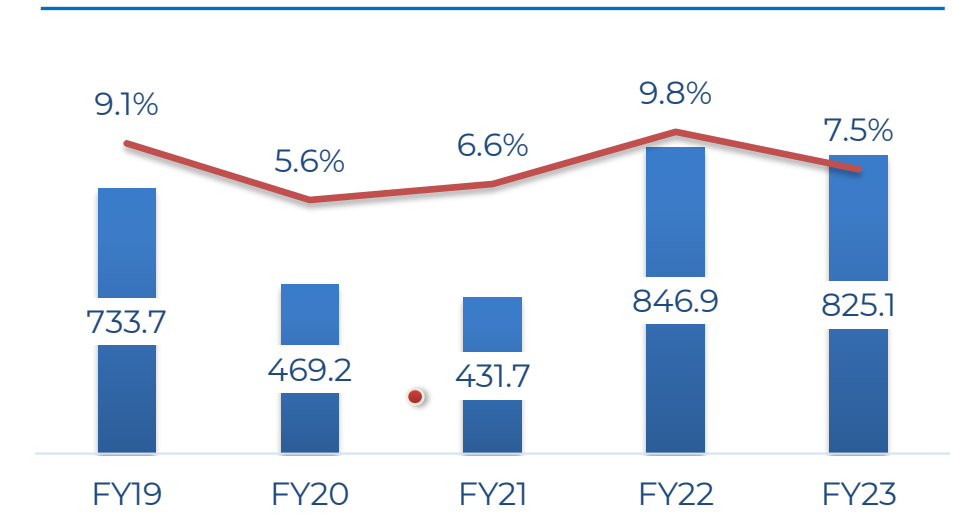
REVENUES



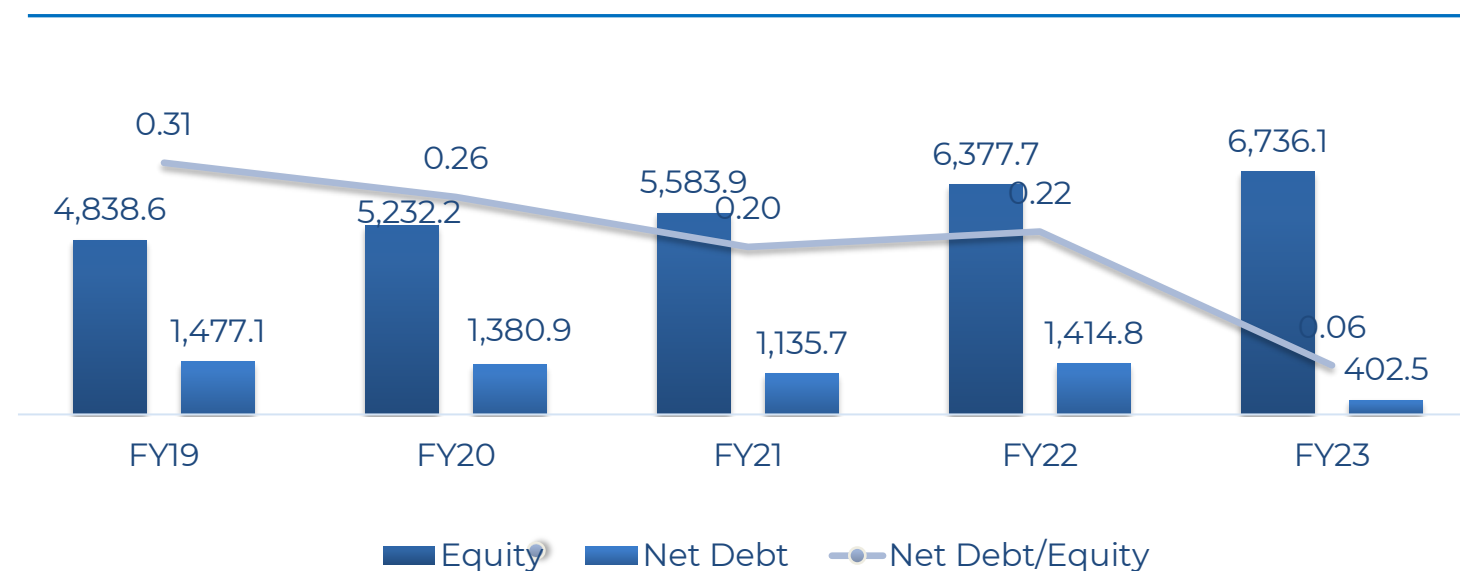
Adj. EBITDA & EBITDA MARGIN



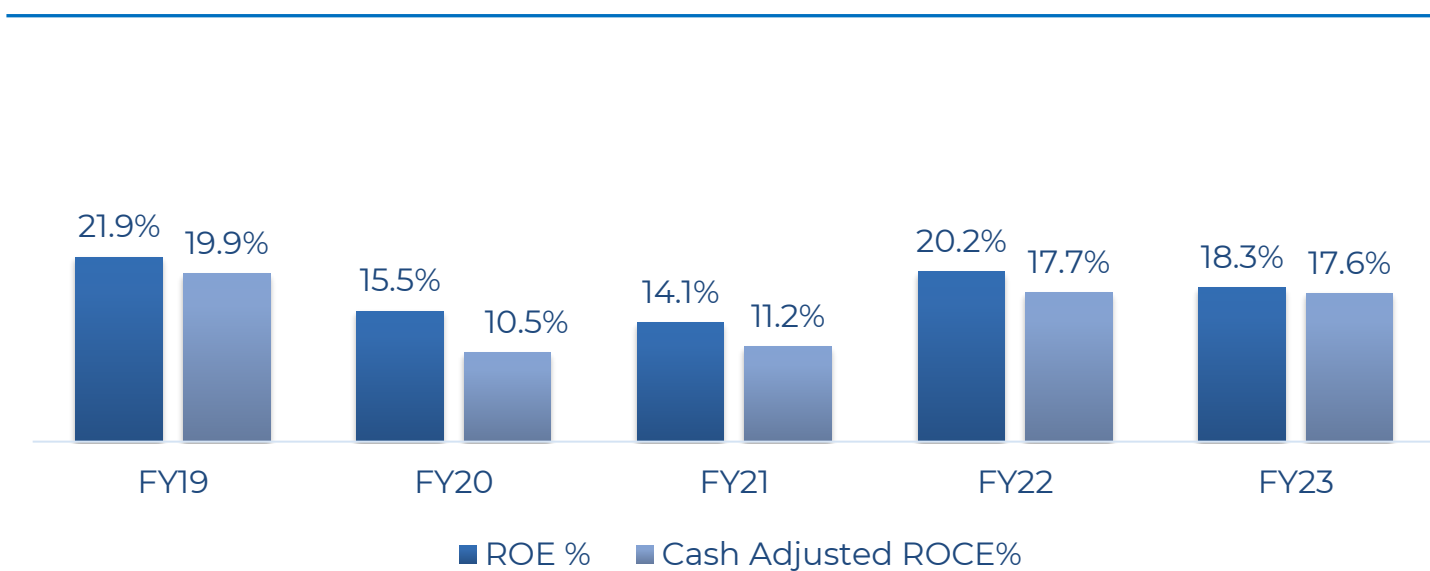
Profit After Tax (PAT) & PAT MARGIN



LEVERAGE ANALYSIS



RETURN METRICS



Notes:

Net Debt = Total Debt – Cash & Current Investments, For FY 20 Long term debt includes right to use property obligation close to Rs. 360 Mn

Notes:

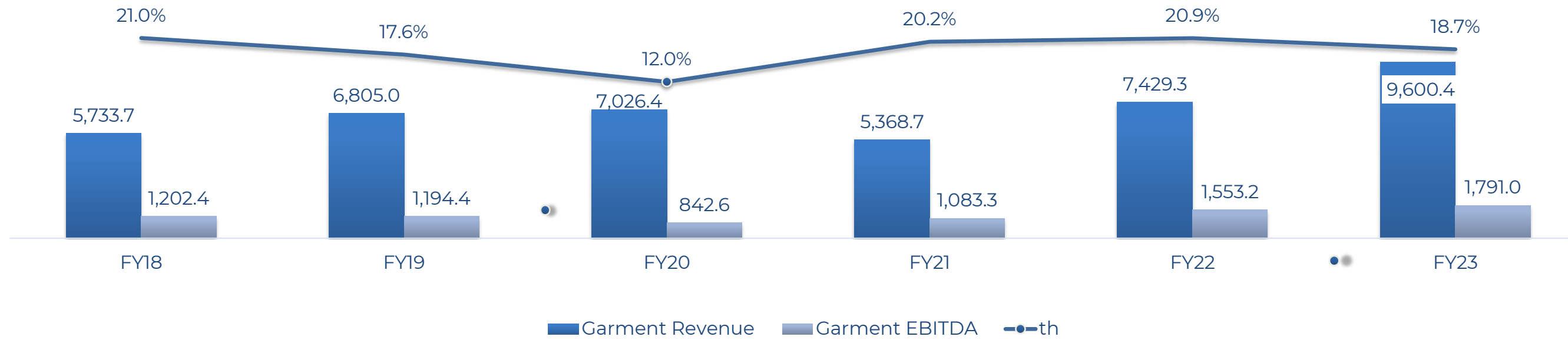
ROE = PAT before MI / Avg. Equity (Excl. preference shares) + MI (based on cash adjusted PAT)
Cash Adj. ROCE = EBIT / Avg. Capital Employed (excl. cash & current investments),

Financial Highlights (2/2)

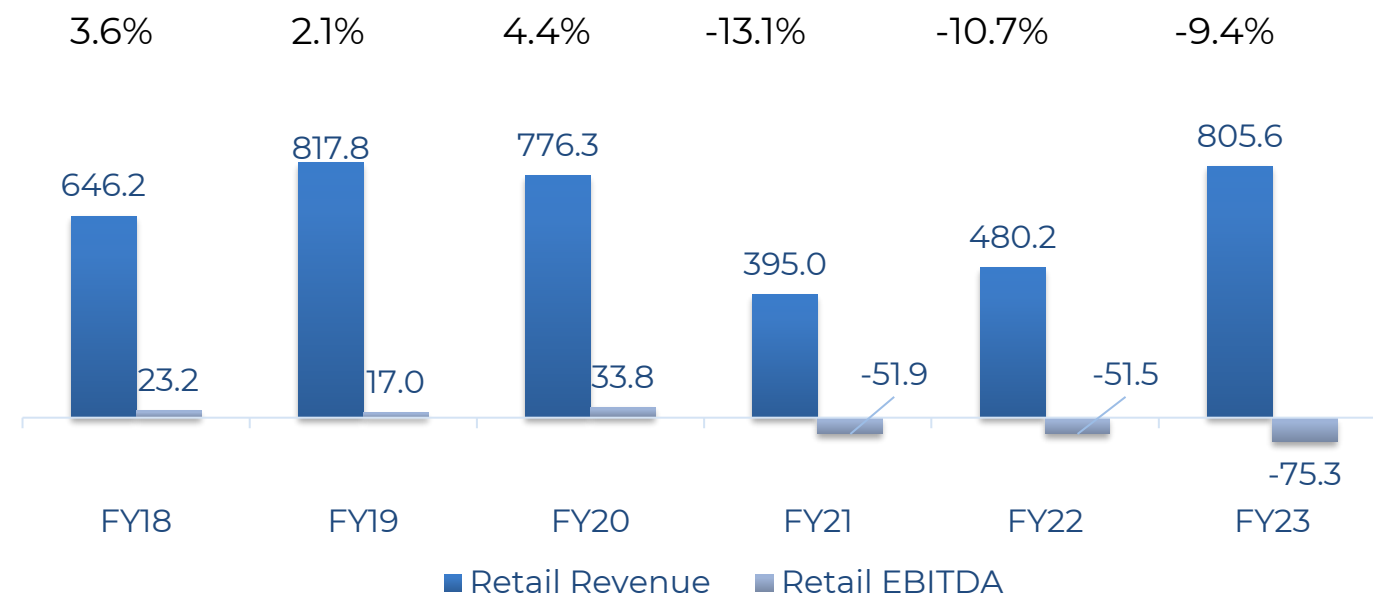


Figures (in Rs. Mn)

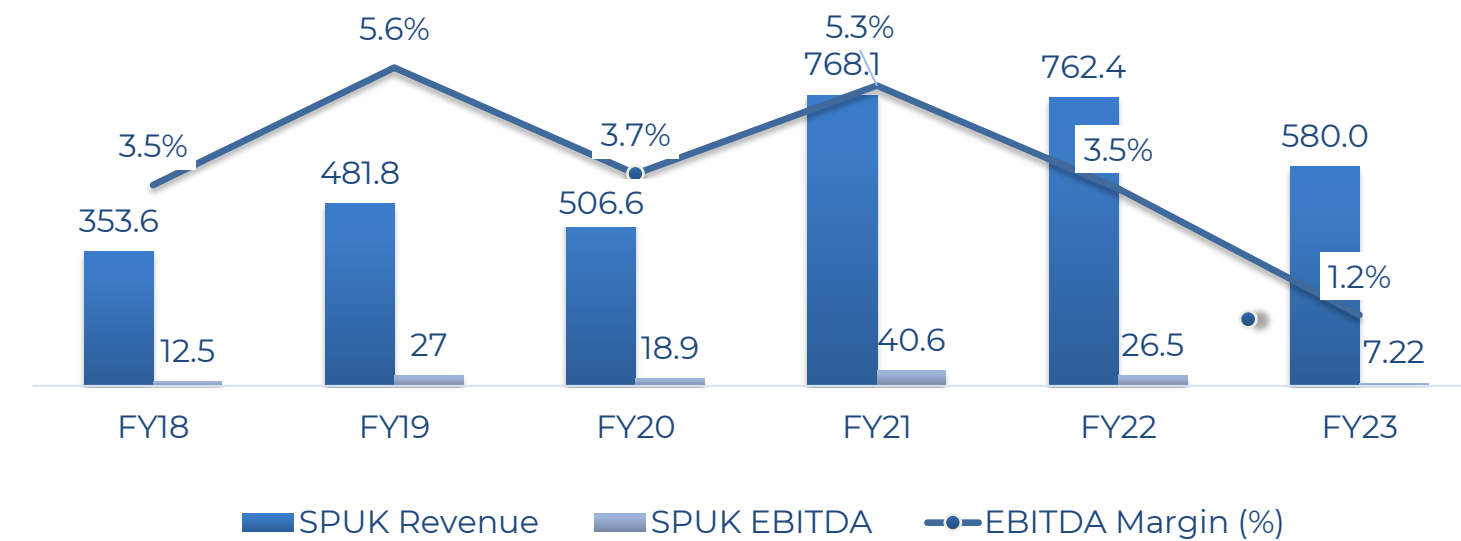
GARMENT DIVISION



RETAIL DIVISION



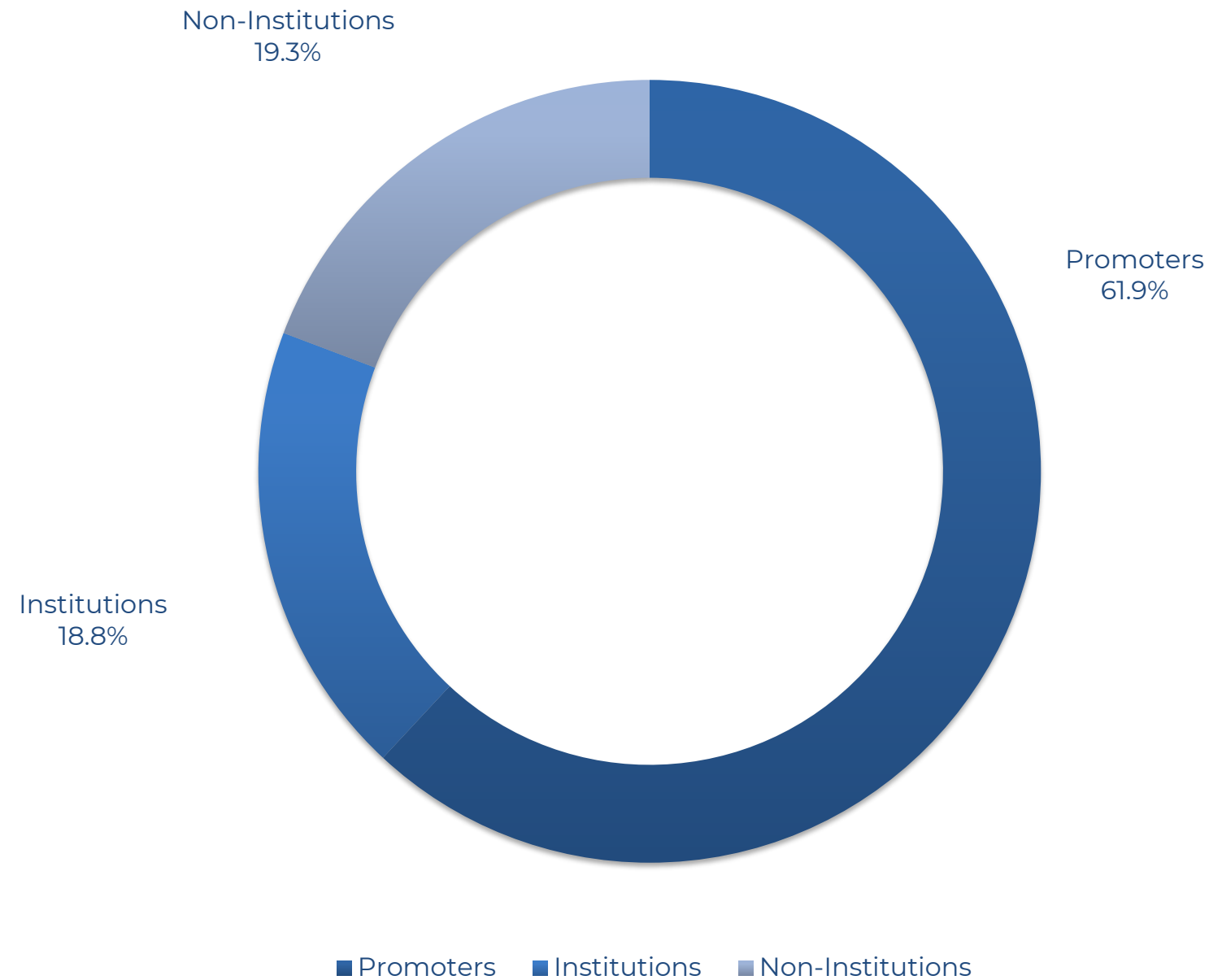
SPUK



Shareholding Structure



SHAREHOLDING PATTERN – 31st March 2023



Source: BSE

KEY SHAREHOLDERS – 31st March 2023

DSP Small Cap Fund	8.37%
ICICI Prudential Mutual Fund	3.86%
UTI Mutual Fund	3.71%
Franklin India Smaller Companies Fund	1.09%

Disclaimer



This presentation has been prepared by S. P. Apparels Limited solely to provide information about the Company. No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. None of the Company nor any of its respective affiliates, advisers or representatives, shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information contained in this presentation is only current as of its date. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.

Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements", including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to number of factors, including future changes or developments in the Company's business, its competitive environment, information technology and political, economic, legal and social conditions in India. Please note that this presentation is based on the publicly available information including but not limited to Company's website and Annual Reports. This communication is for general information purposes only, without regard to specific objectives, financial situations and needs of any particular person. Please note that investments in securities are subject to risks including loss of principal amount. This presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

LET'S CONNECT!

SP Apparels

Mr. V. Balaji, Chief Financial Officer

BalajiV@spapparels.com

EY LLP

Mr. Vikash Verma / Mr. Abhishek Bhatt / Mr. Sumedh Desai

Vikash.verma1@in.ey.com / Abhishek.bhatt3@in.ey.com / Sumedh.desai@in.ey.com

Visit us at: www.s-p-apparels.com