February 11, 2025

To,

BSE Limited Department of Corporate Services, P. J. Towers, Dalal Street, Mumbai – 400 001. **Scrip Code: 530079**	**National Stock Exchange of India Limited** Listing Compliance Department, Exchange Plaza, Plot No. C/ 1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. **Symbol: FAZE3Q**

Dear Sir/Ma'am,

Sub: Disclosure of information pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 30 read with Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Company's presentation on the Un-audited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Nine Months ended December 31, 2024.

You are requested to kindly take the same on record and bring it to the notice of your constituents.

Thanking you,

Yours Sincerely,
For **Faze Three Limited**
Akram Hasan Sati
Digitally signed by Akram Hasan Sati
Date: 2025.02.11 18:59:35 +05'30'
Akram Sati
Company Secretary & Compliance Officer
M. No. A50020

Encl: a/a

Feb 11, 2025

Financial Results for the quarter and nine months ended Dec 31, 2024 & Company presentation

About the Company

Engaged in manufacturing of Technical & Home Textiles products

Direct Exports to Large Retailers in USA, UK & EUR region. Over 90% Revenue is Exports only. Visit http://www.fazethree.com/ for more details

8 factory locations including captive process houses.

Factory Locations: Silvassa (2) (UT of DN&DD) and Vapi (1) (Guj.) for Home & Technical Textiles. Panipat (4) (Haryana) for Handloom Home Textiles. (1) in Aurangabad, Maharashtra

During the year, the company added office cum Showroom location in New York, USA to accelerate reach and efforts towards growing the business and new product categories

Technical & Home Textiles Products: Floor coverings (Bathmats / Rugs – Rubber backed), Performance & Outdoor Home Textiles made of micro polyester, Cushions, Top of the Bed Products, Blankets, Curtains, Accessories, etc.

Handloom Home Textiles Products : Bathmats, Accent Rugs, Throws, Cushions, Power-loom rugs, Accessories, etc.

China plus One: Eureka moment this decade for above categories akin to Sheets and Towels in 2008-09 wherein India is leader today aided by move from China

PLI scheme for MMF in India is recognition to the opportunity, will build optimum supply chain for company’s products

Established in 1985
Listed in 1995
Focused on Home & Technical Textiles manufacturing since its Inception

Factories built and operated as per globally mandated / acceptable standards of infrastructure and operation

Company has capability to offer every product other than sheets and towels under Home Textile segment. Currently floor covering segment is the dominant product category

Equal capabilities, expertise & share between Cotton & Polyester /MMF products currently. Share of Polyester/ MMF expected to rise in future given the global trend

Management Team Consists of Founder / Promoters, Professionals/CXO’s heading core functions in each factories

Inhouse capability for Design, Development & Innovations across all the product offerings

Vertically integrated operations for all products starting from Yarn to finished product / merchandise

Rated A/A1(stable) for Long term/Short term reaffirmed by CARE ratings (Aug 24)

Business Model

- Inhouse Capability from Design to Delivery : Yarn to Finished Product
- Significant engagement with customer prior to order confirmation on Design, development, etc.
- Order backed manufacturing only
- Direct exports to customers, ~95% FOB
- Over 95% domestic raw materials
- Faster order turnaround times (60d-120d)
- Moderate MOQ's, flexibility across products / Colours, designs

Markets & Customers

- USA 65%, UK/EUR 30%, Bal ROW
- Strong relationship with Top 15 customers over last 2 decades. Consistent business across product lines
- Top 15 customers contribute around 80% of Revenue
- Any single Customer revenue < 15% of Revenue of the company
- Most customers procure multiple products across factories of the company

Business Potential

- Top 15 Customers comprise of very large retail chains in USA, UK, EUR
- Customer appetite is at-least 10x across all product lines given their global sourcing including in India
- Tangible move for sourcing to India from erstwhile China across Company's products amongst company's Customers
- Huge un-fulfilled demand within existing customer base / product mix offered by company

Competition / Peer Exporters

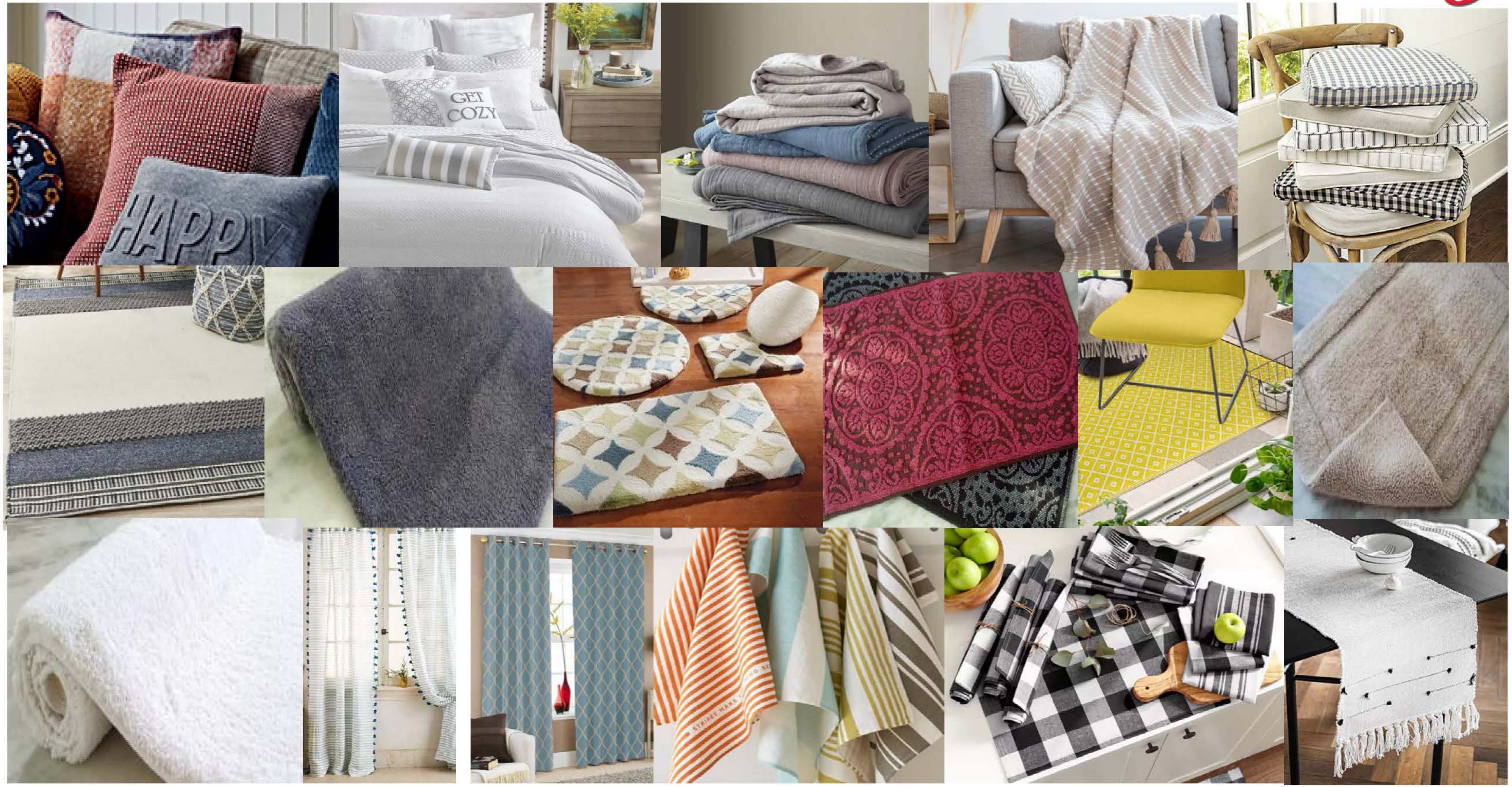
- Company is uniquely placed to have multiple product lines across Handloom, Technical & Home Textiles products.
- Most Peers have one of the many products
- Adequate opportunity & customer appetite for all the existing Indian peers in the product categories of the company
- Chinese competition: erstwhile headwind has become a tailwind
- Cost & tariff arbitrage neutralised between India & China under Home textiles

Our Valued Customers

FAZ3E LIMITED

Walmart
TARGET
TJ·maxx
COSTCO WHOLESALE
JYSK
Sainsbury's
DOLLAR GENERAL
ASDA
WILLIAMS SONOMA
RUSTA
POTTERY BARN
LANDS' END
Dunelm
ACTION
Marshalls
Argos
west elm
pottery barn kids
next
HomeGoods
M&S
Garnet Hill
Beautiful, Naturally.
FRONTGATE
sam's club
Dillard's
The Style of Your Life.
DKNY
DONNA KARAN NEW YORK
LIDL
Loblaws
RESTORATION HARDWARE
MIGROS
MYER
MY STORE
ZARA HOME
JCPenney
CALVIN KLEIN
HBC
freedom
VOSSEN
AQUANOVA
spirella
kas
australia

Product glimpse: refer www.fazethree.com



Home Textile Industry / Global Supply Chain : Trends & Update

India is a leading supplier of Sheets & Towels and other products under the Cotton Home Textiles Segment given the availability of Cotton in India

Floor coverings (Bathmats, Rugs, Outdoor, performance textiles), Curtains, etc. being predominantly polyester based and technical in nature are largely exported out of China. Estimated exports are said to be at least 20 times of India

Post 2019, Tariffs imposed on China textiles exports, rising labour & power costs, pollution crackdowns, diminishing incentives, etc made the Chinese exports relatively expensive. The trend to reaccelerate given the outcome in US election

In 2020/21 owing to COVID Pandemic, supply chain disruptions & strong momentum towards "China Plus One" has led to gradual demand shift from Top Organised Retailers across the Globe towards India, being a natural ally & having reliably delivered over the years

Dec 2020 & May 2024: Walmart reiterates its commitment to triple its sourcing to $ 10 Bn p.a

(https://corporate.walmart.com/newsroom/2020/12/10/walmart-commits-to-sourcing-10-billion-of-india-made-goods-each-year-by-2027)

May 2023: Walmart CEO Doug McMillon reiterates $ 10 Bn sourcing Goal in meeting with PM Modi

Similarly Other Large Customers preference in UK and EUROPE are tangibly shifting to "other than Made in China" as demonstrated from surveys / trends

Impending FTA's with G7 countries will give a big push to India going forward

Incumbent suppliers in India have a huge demand tailwind from above factors. Effective expeditious execution by brownfield / green field expansion is the key to tap demand momentum

Other Supplier countries likes Turkey, Egypt, Portugal, Pakistan, Bangladesh have also faced challenges leading to customer preference towards India

PLI-2 for MMF expected will establish a robust supply chain of MMF, esp. for Polyester based raw materials to make company's final products more competitive globally. Also FTA's with UK and other nations will aid growth

Management Comments ~ Looking forward FY 26 & beyond

- ✓ Consol' Revenue and PAT for nine months ended Dec 2024 at ~INR 483.50 Crs and INR ~23.24 Crs respectively versus ~INR 409 Crs and ~INR 37.67 Crs in corresponding period in the previous FY, EBIDTA at INR 51.88 Crs vs INR 60.96 Crs respectively

- ✓ EDBITA & Net profit during the year & FY 25 have been lower owing to higher raw material costs alongside relatively strong currency until Dec 2024, one time product development costs, higher initial operating costs on new product line / capacities, higher ERE costs, depreciation on recent capex, increase in Interest rates and certain one-time costs during the year.

- ✓ The Company estimates Revenue growth of 15%-18% for FY 25 versus FY 24. Further the expected Revenue growth for FY 26 is expected to be at least 15% over FY 25 conservatively given the business visibility and projections. Revenue growth leading to better utilisation and relatively better currency realisations over next 12-15 months would lead to improvement in margins hereon, as all external factors have turned positive and USA continues to witness a good economy and jobs market despite high interest rates over two years.

- ✓ The company has built & added new product lines and invested significantly upfront in building capacities under the home textiles category which can service significant incremental revenue expected ahead in FY 26-FY28.

- ✓ Company's well diversified product range & wide global customer base has been key factor for sustainable growth. US Trade policy is expected to create significant tailwinds as it did during 2017-2020 tenure for reaccelerating China plus one sentiment which has slowed down over last 2 years in value added Textile merchandises pertaining to MMF.

- ✓ The Company's products largely positioned in the band at $10-25$ per piece / per set band for sale by retailers which empirically have not seen significant reduction in demand in tough times. In fact, benefits accrue from pocket share saved on larger items which is expended on smaller merchandise, though counter-intuitive.

- ✓ The Company has significantly invested across all locations (brown field expansions) over last 3 years mainly to add capacity in legacy products and build new product lines in the existing locations. However, owing to low growth & inflation over couple of years after FY 22/23, certain investments and recurring costs especially relating to new product lines and development costs has had impact of margin over last 4-5 quarters and will continue to have some impact through this year until it crosses break-even optimum levels for each product lines as expected in the coming years with growth which would augment margin improvement owing to operating leverage on incremental business.

- ✓ The Company has allocated two non-core assets (erstwhile factory land) for divestment in Panipat location. The said divestment could result in inflow of up to INR 25 Crs within the next 6-15 months, Out of INR 25 Crs, ~INR 9 Crs will be consummated within Q4FY25. The divestment has been possible owing to Capex and capacity building over the last 15 months in other factory location.

Company’s readiness to capitalize on the Global Opportunity

- ✓ Invested over ~INR 240 Crs from internal accruals across units for Expansion, new machinery, new location, new technologies, new product lines & de-bottlenecking since FY 2019.

- ✓ Expansions and Capacity update:

  - ✓ Concluded Expansion at Silvassa Factory in 2022 having Revenue capacity of up to INR 500 Crs(brown field) on existing spare land for MMF Floor coverings, Performance Rugs, Technical & Outdoor Textile products. Current overall utilisation ~45%

  - ✓ Concluded Expansion under Top of Bed & Blankets segment (2022-23) having Revenue capacity across products over INR 450 Crs (brownfield), backed by commitments from various customers. Current utilisation at ~50%

  - ✓ Ongoing expansion at Panipat (2024-2025), Cotton Home Textiles division and processing unit having Revenue capacity of over INR 550 Crs. Current utilisation at around 42%.

  - ✓ Investment in subsidiary Mats and More Pvt Limited (Aurangabad) to cater to a new category under floor coverings being patio mats including outdoors textile products, to cater to the existing customers based on business visibility. Revenue capacity of INR 150 Crs. Current utilisation at 31%

  - ✓ Invested over INR 25 Cr in aggregate for Rooftop Solar energy 3.5 MW (captive), Clean Energy for processing (PNG) & Li-ion (Electric) Material Handling Equipment keeping company’s ESG goals in the forefront. Invested in Talent acquisition and team building across units, new product developments, other green initiatives, etc.

  - ✓ Company has zero long-term debt since 2018. CARE reaffirmed credit rating at A (stable)/A1 (Aug 24). Factories / Infrastructure current replacement value estimated > INR 575 Crs, poses significant entry barrier for new entrants. Focus on reducing costs, being innovative and most competitive manufacturer for the customer globally while maintaining budgeted net profit margins

  - ✓ Strong partnerships with Key Domestic Suppliers / Vendors (being large corporates) with assured business certainty and upfront payment terms to secure quality and timely supplies from best in business

Profit and Loss Summary - Annual (consolidated) (figures in INR Crs)

Particulars	TTM Dec24	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19
Total Income	646.7	572.3	563.8	511.4	326.7	306.3	270.3
Total Income growth %	*13.0%*	*1.5%*	*10.2%*	*56.5%*	*6.7%*	*13.3%*	
EBIDTA	80.27	94.27	99.93	86.6	47.9	37.8	29.8
EBIDTA margin %	12.41%	16.47%	17.73%	16.93%	14.67%	12.32%	11.02%
Depreciation	23.9	20.6	14.5	10.2	8.8	8.0	5.2
Finance Cost	13.3	11.3	7.8	5.0	3.8	8.6	6.8
PBT	43.1	62.4	77.6	71.4	35.3	21.2	17.8
PAT	32.2	46.6	58.3	51.1	25.0	18.1	15.1
PAT margin %	*4.98%*	*8.15%*	*10.34%*	*9.99%*	7.7%	5.9%	5.6%
Cash Profit	56.1	67.2	72.8	61.3	33.8	26.1	20.3
Cash Profit margin %	*8.7%*	*11.7%*	*12.9%*	*12.0%*	10.4%	8.5%	7.5%
EPS (INR)	13.3	19.2	24.0	21.0	10.3	7.5	6.2
EPS growth %	*-31.0%*	*-20.0%*	*14.2%*	*104.2%*	*38.0%*	*20.5%*	
Cash EPS	23.1	27.7	29.9	25.2	13.9	10.7	8.3
Cash EPS growth %	*-16.5%*	*-7.6%*	*18.8%*	*81.0%*	*29.7%*	*28.8%*	

- ✓ 5 YRS CAGR:
  - ✓ Revenue : 16%
  - ✓ EBIDTA : 16%
  - ✓ EPS : 12%
  - ✓ CEPS : 17%

- The Company expects FY 25 revenue to grow over 15-18%
- The Company expects to exceed its Revenue and EPS CAGR achieved in the last 5 years over the next 5 years period

- The Company has doubled its Revenue in four years time from FY 21 to FY 25 while investing and building to have incremental capacity to at least double from hereon

Profit and Loss Summary - Quarterly (consolidated) (figures in INR Crs)

Particulars	QE Dec 24	QE Sept 24	QE Dec 23	9M Dec 24	9M Dec 23
Total Income	**178.2**	**153.7**	**139.9**	**483.5**	**409.1**
EBIDTA	21.91	19.20	25.02	60.0	74.0
EBIDTA margin %	12.30%	12.49%	17.89%	12.41%	18.09%
Depreciation	6.22	6.12	5.37	18.17	14.85
Finance Cost	4.13	3.24	2.66	10.47	8.44
PBT	11.6	9.8	17.0	31.3	50.7
PAT	8.9	7.2	12.7	23.2	37.7
PAT margin %	5.0%	4.7%	9.1%	4.8%	9.2%
Cash Profit	15.1	13.3	18.1	41.4	52.5
Cash Profit margin %	8.5%	8.7%	12.9%	8.6%	12.8%

- ✓ Revenue for 9M ended Dec 24 grew 18% compared to 9M ended Dec 23. Historically H1 revenue is lower than H2 given the product mix and seasonality.
- ✓ EBIDTA margins have been lower owing to higher raw material costs alongside relatively strong currency until Dec 2024, one time product development costs, higher initial operating costs on new product line / capacities, higher ERE costs, depreciation on recent capex, increase in Interest rates and certain one-time costs during the year.
- ✓ Total Incremental one-time costs incurred during 9M Dec 24 on establishment of new office cum product showroom in New York, product development costs and initial running costs of new product lines and set up costs & permission expenses incurred in north India factory (Panipat) including on moving fuel source from Agri fuel (Husk) to Natural Gas for processing. Overall Impact of INR 83.1 Mln (upto 9M Dec 24')

Balance Sheet Summary Annual (consolidated) (figures in INR Crs)

Particulars	Dec 31, 2024	Mar 31, 2024	Mar 31, 2023	Mar 31,2022	Mar 31,2021	Mar 31,2020	Mar 31,2019
Networth^	403.1	380.6	334.6	278.3	226.1	201.5	185.2
Non-Current liabilities	9.9	8.7	6.8	5.3	1.7	2.6	3.9
ST Borrowings (Net of Cash & Cash Eq)*	130.6	74.0	44.3	77.1	48.9	37.2	46.7
Current liabilities	60.3	39.4	33.1	38.7	28.4	16.7	16.9
Total Liabilities	603.9	502.6	418.8	399.3	305.1	258.0	252.7
Net Fixed Assets^	284.6	240.5	208.4	157.1	132.9	125.4	121.0
Non-Current Assets	23.9	18.4	9.3	15.6	7.4	12.4	9.2
Current Assets (Excl Cash & Cash Eq)*	295.5	243.7	201.1	226.7	164.8	120.2	122.5
Total Assets	603.9	502.6	418.8	399.3	305.1	258.0	252.7
Core Capital Employed#^	**487.5**	**407.2**	**329.3**	**304.3**	**221.7**	**186.0**	**180.6**
*Cash & Cash Eq /Bank/FD/Liquid Invst	35.7	82.6	116.28	80.58	42.46	16.29	17.19

^ *includes* INR 56.08 of Land Revaluation Reserve

Core capital employed excludes revaluation of INR 56.08 and Current Liabilities

*Excludes Cash and Cash Equivalents (which includes cash and bank balances and current investments in liquid securities)

^The Company has allocated non-core assets (erstwhile factory lands) for divestment in Panipat location. The said divestment could result in inflow of up to INR 25 Crs within the next 6-15 months. Of this, ~INR 9 Crs will be consummated within Q4FY25.

Key Ratios Summary (consolidated)

Return Ratios	TTM Dec 24	FY 24	FY 23	FY 22	FY21	FY20	FY19
ROE^	10%	15%	21%	23%	15%	10%	13%
Core ROCE #^	13%	20%	27%	29%	19%	13%	15%
Operating Ratios	**TTM Dec 24**	**FY 24**	**FY 23**	**FY 22**	**FY21**	**FY20**	**FY19**
Current Ratio	4.9	6.2	6.1	5.9	5.8	7.2	7.2
Fixed Asset Turnover Ratio	2.8	3.1	3.7	5.1	4.2	3.8	4.1
Total Asset Turnover Ratio	1.2	1.3	1.6	1.5	1.3	1.3	1.4
Inventory days	107	96	61	96	88	88	98
Debtor days	49	49	64	59	78	60	62
Payable days	14	15	12	18	17	10	13
Cash Conversion Cycle	142	130	113	137	149	138	147
Solvency Ratios	**TTM Dec 24**	**FY 24**	**FY 23**	**FY 22**	**FY21**	**FY20**	**FY19**
Total Outside Liabilities / Total Equit	0.47	0.30	0.23	0.42	0.34	0.27	0.34
Net Debt / Equity	0.32	0.19	0.13	0.28	0.22	0.18	0.25
Net Debt / EBIDTA	1.63	0.78	0.44	0.89	1.02	1.25	1.48
Interest Coverage Ratio	4.24	6.55	10.90	15.31	10.37	3.64	3.65

^INR 56.08 of Land Revaluation Reserve *excluded* for calculation of the said ratio. Revenue, EBIDTA and PAT considered for ROE & Core ROCE.
#Average Core Capital Employed considered for calculation of Core ROCE
Interest coverage ratio calculated on gross finance cost. Interest Income forms part of Total Income

Cash Flows Update (Consolidated) (figures in INR Crs)

Particulars	9M Dec 24	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Cumulative (2019-J24)	Cumulative (2019-J24) %
PAT + Depn + non-cash adj	41.4	67.2	72.8	61.3	33.8	26.1	20.3	322.9	100%
working capital changes	-40.4	-43.6	27.9	-56.1	-29.0	-2.3	17.0	-126.6	-39%
CF from Operations (CFO)	1.0	23.6	100.6	5.2	4.9	23.8	37.2	196.2	61%
								0.0	
CF Investing & Fixed assets	-50.6	-52.7	-65.9	-34.4	-16.3	-12.4	-11.6	-243.9	-76%
CF Borrowings/financing	56.6	29.7	-32.8	28.2	11.7	-9.5	-23.8	60.1	19%
CF Dividend				-1.2	-1.5		-1.5	-4.2	-1%
CF change for the year	6.9	0.6	2.0	-2.2	-1.2	1.9	0.3	8.2	

- >30% of CFO has been invested back into working capital for self-funding growth in operations over 5 years. The said number is expected to range between ~25-30% sustainably

- ~Over 70% of CFO has been invested for Expansion across all locations for future growth

- CFO for FY 23 was significantly higher owing to easing of supply chain elongation & other factors from FY 22 (trend reversal). CFO for FY21 & FY22 was lower owing to supply chain elongation primarily due to container / shipping delays and delayed receipts of govt incentives for exports due to retrospective policy changes from FY 21 during FY 22.

- Company’s current capex plan is expected to be concluded in H1FY26. This would make at least 40-45% of CFO available for alternative uses

Latest Company Updates

- **Awards & Recognition**

Faze Three Limited was declared as the Award Winner of Dun & Bradstreet **"Business Enterprises of Tomorrow 2024"** Business Excellence Awards in Textile & Textile Articles Category (Mid-Corporate). The event took place on the eve of June 21, 2024 at Delhi. For more details kindly refer the following link: https://www.dnb.co.in/events/business-enterprises-of-tomorrow/default.aspx

- **Credit Rating reaffirmed CARE Ratings (Aug 2024) at A(Stable)/A1**

Thank you, Faze Three group

For any further details please contact:

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ankit@fazethree.com 022 43514444

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Disclaimer

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