Investor Presentation

Financial Results — Quarter Ended June 30, 2026

11 August 2026

Investment Thesis

~INR 950 Cr

TTM June 26 Revenue

+35% over FY25

INR 1,650+ Cr

Installed revenue capacity across all units. Additional capex underway in FY27 to add new product categories; gestation period of ~1 year.

INR 385+ Cr

Capex from internal accruals since FY20

Operating Leverage Ahead

Average utilisation of 55–60% across INR 1,650+ Cr of installed capacity. Revenue can nearly double without significant incremental capex, and the concluding FY27 capex cycle adds further headroom.

China+1 Structural Tailwind

CNYINR has appreciated 21% over 13 months, alongside a 10% tariff differential. Leading retailers are actively diversifying 15–20% of sourcing out of China over 2–3 years, with India the primary beneficiary.

Blue-Chip Customer Base

Walmart, Target, TJ Maxx group, Action, Costco, Williams Sonoma, Pottery Barn, JYSK and Sainsbury's, among others — 20+ year relationships with the top 15 customers underpin a built-in demand pipeline.

Vertically Integrated Model

Yarn-to-finished-product capability across cotton and MMF, spread over 8 factory locations. Replacement cost of INR 850+ Cr represents a significant barrier to entry. The Company manufactures entirely against confirmed customer orders.

Cash Flow Inflection

With the capex cycle concluding, 40–50% of operating cash flow becomes available for debt reduction, dividends or growth. Cash generation continues to improve with scale and a better product mix.

PLI & Trade Deal Catalysts

PLI approval received on July 1, 2026 across multiple products, with benefits expected to accrue from April 2027 (FY28). EU and UK trade deals are in place and US tariffs stand at 10% under Section 301. Tariff refunds should support retail demand in H2 CY27.

Company at a Glance

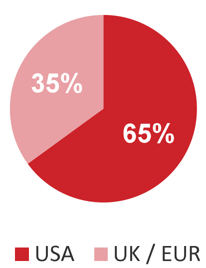
Operations

- Engaged in manufacturing of Technical & Home Textiles products
- Direct exports to large retailers in USA, UK & EUR — over 90% export revenue
- 8 factory locations: Silvassa (2), Vapi (1), Panipat (4), Aurangabad (1)
- Office + Showroom in New York, USA (Faze Three US LLC)
- Equal capabilities across Cotton & Polyester/MMF products
- Order-backed manufacturing only; ~85% FOB; turnaround 45-100 days
- Globally mandated infrastructure and operations standards

Product Categories

- Floor coverings: Bathmats, Rugs — Rubber backed
- Performance & Outdoor Home Textiles (micro polyester, cushions)
- Top of Bed, Blankets, Curtains, Accessories
- Handloom: Accent Rugs, Throws, Power-loom rugs
- Vertically integrated: Yarn to Finished Product
- Inhouse Design, Development & Innovation capability

Market & Customer Profile



- Strong 20+ year relationships with Top 15 customers
- Top 12 customers contribute ~80% of revenue
- No single customer exceeds 15% of revenue
- Most customers procure multiple products across factories
- Customer appetite at least 10x current volumes — huge unfulfilled demand

Competitive Edge

- Multiple product lines (unique vs peers)
- China cost, tariff & FX arbitrage neutralised
- Adequate room for all Indian peers
- Most peers in only 1 product category

Management: Founder/Promoters + Professional CXOs • CARE Rated A (Stable) / A1 (July 2026) • Factory replacement value > INR 850 Crs

Our Valued Customers

FAZE 3 LIMITED

Walmart · TARGET · TJ·maxx · ACTION · JYSK · Sainsbury's · DOLLAR GENERAL

Ruggable · WILLIAMS SONOMA · RUSTA · POTTERY BARN · LANDS' END · Dunelm · ASDA

Marshalls · Argos · west elm · pottery barn kids · next · HomeGoods · Garnet Hill

FRONTGATE · sam's club · Dillard's · DKNY · LIDL · Loblaws · RESTORATION HARDWARE

COSTCO WHOLESALE · MYER · PRIMARK · JCPenney · MIGROS · M&S · freedom

VOSSEN · AQUANOVA · spirella · KAS

Product Portfolio

www.fazethree.com











Market Opportunity

China +1 Acceleration

CNYINR moved from 11.65 to 14.10 (+21%) in 13 months — major cost advantage for India. Top retailers targeting 15-20% diversification from China within 2-3 years. 25%+ differential for EUR/GBP buyers. Combined with 10% tariff differential in USA, this is the strongest tailwind in a decade.

Trade Deals in Place

FTA with EU and UK are additional positives. Tariff refunds expected to boost retail demand H2 CY27 as retailers pass on savings. Full effect visible over 1-2 years. USA Tariffs at 10% under S 301 (Trade deal under process).

India preferred diversifier under China+1

Commitments from large retailers like Walmart to source $ 30Bn by 2030. Most retailers prefer India as country diversification option versus China

Worlds largest democracy & politically stable large economy

Labour costs & Currency tailwind versus peers like China

Supplier Landscape

Other supplier countries (Turkey, Egypt, Pakistan, Bangladesh) face structural challenges — currency instability, infrastructure gaps, quality issues — driving customer preference towards India. Brownfield expansion is the key to capturing demand.

India's MMF Opportunity

India leads in cotton home textiles but MMF (Floor coverings, Rugs, Outdoor, Performance textiles, TOB, Curtains) is dominated by China. India's MMF exports potential is estimated at 20x current levels. PLI for MMF will build the optimum supply chain.

As India consumes more Oil over the years the RM availability for downstream industries will drive economy of scale and pricing parity with global markets

Supply chain opportunity

With significant scale of operations / business coming to Indian Companies, the Retailers would prefer to establish supply chain for moving larger value businesses across Textile Trade from hereon eg: Foxconn to India

Post energy crises caused by West Asia, Supply Chains will again reroute and tilt in favor of India given the stability and neutrality

Capitalizing on the Global Opportunity

INR 385+ Crs invested from internal accruals since FY20

Silvassa
2022

MMF Floor Coverings, Performance Rugs, Technical & Outdoor

INR 500 Crs revenue capacity

~60% utilisation

Top of Bed & Blankets
2023

Brownfield expansion backed by customer commitments

INR 450+ Crs revenue capacity

~55% utilisation

Panipat
2024-26

Cotton Home Textiles division and processing unit

INR 550+ Crs revenue capacity

~55% utilisation

Mats & More (Aurangabad)
Sub.

Patio mats, outdoors textiles — new category for existing customers

INR 150 Crs revenue capacity

~30% utilisation

- INR 25+ Cr invested in Rooftop Solar 3.5 MW (captive), PNG clean energy for processing & Li-ion Electric MHE — ESG focus
- CARE credit rating reaffirmed A(Stable)/A1 (July 2026). Factory replacement value >INR 850 Crs — significant entry barrier
- Focus on reducing costs, being innovative and most competitive manufacturer while maintaining budgeted net profit margins
- Strong domestic supplier partnerships with upfront payment terms securing quality and timely supplies from best in business
- Company's current planned capex expected to conclude in FY27. At least 40-50% of CFO available for alternative uses ahead

Management Outlook — FY27 & Beyond

Q1FY27: Highest-ever revenue for a June quarter. EBIDTA margin at ~11.5%, reflecting significant input cost pressure that arose in Q1 and has continued into Q2 hitherto on account of the West Asia crisis. The growth outlook remains positive, supported by a strong order book for Q2 and H2 FY27.

Growth Trajectory

Strong volume momentum is expected to continue through FY27 and FY28, alongside inflation-led pricing growth similar to the FY22/23 cycle. FY27 revenue growth is expected to exceed the historical CAGR of ~ 20%. Long-standing customer relationships and the Company's resilience and flexibility have been demonstrated through successive stress tests since July 2025 — tariffs and the West Asia crisis.

Margin Recovery

EBIDTA margin recovered to 13.25% in Q4FY26 from 9.15% in Q3FY26, driven primarily by operating leverage at higher revenue.

Q1FY27 margins reflect higher input costs, only partially offset by improved USDINR realisation. Price increases and alternative product offerings are being actively pursued with customers.

PLI & Capex

PLI approval was received on July 1, 2026, with benefits expected to accrue from FY28.

Planned capex of ~INR 75 Crs in FY27 will add new product capabilities by Q1FY28. The major capex cycle concludes in FY27, freeing 40–50% of CFO for alternative uses.

Tariff Landscape

US tariffs stand at 10% under Section 301, with a trade deal in process. Tariffs on China are at 20% (10% plus 10% fentanyl-related). Tariff refunds are expected to support demand in H2 CY27 as retailers pass savings on to consumers.

The tariff overhang is now largely behind us in customer discussions, as any final rate between 10–18% is already built into cost structures.

Input Cost Watch for Q2 and Q3 FY27: US-Iran war has pushed Cotton, Polyester, chemicals, fuel, packaging, and logistics costs 25-35% higher from pre-war levels, only partially offset by USDINR realization. Company actively requesting reprice/upcharges with customers. Business momentum largely unaffected; customer feedback remains strong and positive. Conversely, any pause or ceasefire will lead to significant correction/reversal in elevated RM prices which will be a major tailwind for margins in H2 FY 27 alongside operating leverage. The reversal can be similar to FY 23/FY24 (post the Russia- Ukraine War).

P&L Summary – Quarterly

Consolidated • INR Crs

Particulars	Q1 FY27	Q4 FY26	Q1 FY26	Q1 FY27 vs Q1 FY26 (Growth %)
Total Income	235.10	280.35	215.85	**8.92%**
EBIDTA	27.09	37.16	28.53	-5.05%
EBIDTA margin %	11.52%	13.25%	13.21%	
Depreciation	8.07	7.96	7.22	
Finance Cost	5.64	6.06	4.19	
PBT	13.38	23.14	17.12	-21.89%
PAT	9.64	19.60	12.77	-24.55%
PAT margin %	4.10%	6.99%	5.92%	
Cash Profit	17.71	27.56	19.99	-11.42%
Cash Profit margin %	7.53%	9.83%	9.26%	

Q1FY27 Total Income of INR 235.1 Crs is the highest-ever June-quarter revenue for the Company, up 8.92% year on year;

Q1 generally is lowest Revenue for the year given the Business seasonality, similarly H2 is better than H1.

EBIDTA margin at 11.52% versus 13.21% in Q1FY26, on sharply higher input costs (cotton, polyester, chemicals, fuel, packaging and logistics) following the West Asia crisis, only partially offset by better USDINR realisation.

PAT of INR 9.6 Crs is lower year on year on the combined effect of margin compression, higher depreciation on newly commissioned capacity and higher finance cost.

P&L Summary — Annual

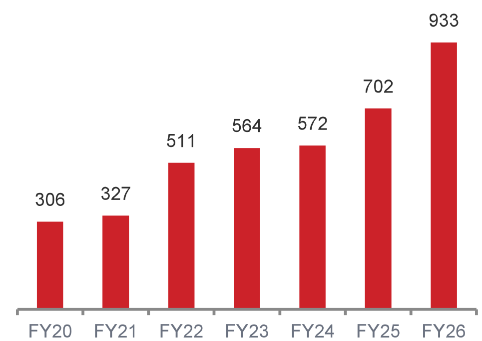
Consolidated • INR Crs

Particulars	TTM Jun 26	FY26	FY25	FY24	FY23	FY22	FY21	FY20
Total Income	952.4	932.8	701.7	572.3	563.8	511.4	326.7	306.3
Growth %	35.7%	32.92%	22.61%	11.91%	10.24%	56.53%	6.67%	13.32%
EBIDTA	90.8	92.3	92.2	94.3	99.9	86.6	47.9	37.8
EBIDTA margin %	9.54%	9.89%	13.14%	16.47%	17.73%	16.93%	14.67%	12.32%
Depreciation	31.6	30.7	25.0	20.6	14.5	10.2	8.8	8.0
Finance Cost	20.9	19.5	14.6	11.3	7.8	5.0	3.8	8.6
PBT	38.3	42.1	52.7	62.4	77.6	71.4	35.3	21.2
PAT	30.4	33.6	40.7	46.6	58.3	51.1	25.0	18.1
PAT margin %	3.20%	3.60%	5.79%	8.15%	10.34%	9.99%	7.65%	5.92%
Cash Profit	62.0	64.3	65.7	67.2	72.8	61.3	33.8	26.1
Cash Profit margin %	6.50%	6.90%	9.36%	11.75%	12.91%	11.98%	10.36%	8.52%
EPS (INR)	12.5	13.8	16.7	19.2	24.0	21.0	10.3	7.5
EPS growth %	**-9.35%**	**-17.38%**	**-12.82%**	**-20.00%**	14.16%	104.20%	37.96%	20.52%
Cash EPS	**25.5**	**26.5**	**27.0**	**27.7**	**29.9**	**25.2**	**13.9**	**10.7**
Cash EPS growth %	-3.56%	-2.07%	-2.31%	-7.60%	18.79%	80.98%	29.69%	28.83%

Revenue has compounded at 21% over six years to INR 952 Crs on a TTM basis. FY27/FY28 are expected to grow ahead of the historical CAGR on volume momentum and inflation-led pricing. TTM EBIDTA margin of 9.54% reflects the trade tariff impact from July 25 to Feb 26 and the input cost surge since March 26; margins should recover as operating leverage builds.

6-Year CAGR

Revenue	21%
EBIDTA	16%
EPS	9%
Cash EPS	16%



Balance Sheet Summary — Annual

Consolidated • INR Crs

Particulars	Jun 30, 2026	Mar 31, 2026	Mar 31, 2025	Mar 31, 2024	Mar 31, 2023	Mar 31, 2022	Mar 31, 2021	Mar 31, 2020
Networth^	463.8	452.3	420.0	380.6	334.6	278.3	226.1	201.5
Non-Current liabilities	47.5	47.6	9.9	8.7	6.8	5.3	1.7	2.6
ST Borrowings (Net)*	163.0	175.3	160.7	74.0	44.3	77.1	48.9	37.2
Current liabilities	151.6	107.5	69.7	39.4	33.1	38.7	28.4	16.7
Total Liabilities	**825.9**	**782.7**	**660.3**	**502.6**	**418.8**	**399.3**	**305.1**	**258.0**
Net Fixed Assets^	382.8	366.8	299.3	240.5	208.4	157.1	132.9	125.4
Non-Current Assets	61.9	48.5	24.5	18.4	9.3	15.6	7.4	12.4
Current Assets (Excl Cash)*	381.2	367.4	336.5	243.7	201.1	226.7	164.8	120.2
Total Assets	**825.9**	**782.7**	**660.3**	**502.6**	**418.8**	**399.3**	**305.1**	**258.0**
Core Capital Employed#^	622.3	**623.6**	**538.9**	**407.2**	**329.3**	**304.3**	**221.7**	**186.0**
*Cash & Cash Eq / Liquid Invst	43.73	30.85	19.58	82.60	116.28	80.58	42.46	16.29

*^ includes INR 51.98 of Land Revaluation Reserve • # Core capital employed excludes revaluation of INR 51.98 and Current Liabilities • *Excludes Cash and Cash Equivalents and unsecured payables financing included in current liabilities. Current liabilities include trade payables and unsecured working capital funding/bill discounting.*

Key Ratios Summary

Consolidated

Return Ratios	Jun 26	FY26	FY25	FY24	FY23	FY22	FY21	FY20	FY19
ROE^	7%	8%	11%	14%	21%	23%	15%	10%	13%
Core ROCE #^	10%	11%	14%	20%	27%	29%	19%	13%	15%
Operating Ratios	**Jun 26**	**FY26**	**FY25**	**FY24**	**FY23**	**FY22**	**FY21**	**FY20**	**FY19**
Current Ratio	2.5	3.4	4.8	6.2	6.1	5.9	5.8	7.2	7.2
Fixed Asset Turnover	2.9	3.0	2.8	3.1	3.7	5.1	4.2	3.8	4.1
Total Asset Turnover	1.2	1.3	1.2	1.3	1.6	1.5	1.3	1.3	1.4
Inventory days	81	78	112	96	61	96	88	88	98
Debtor days	43	45	48	49	64	59	78	60	62
Payable days	34	24	23	15	12	18	17	10	13
Cash Conversion Cycle	90	99	137	130	113	137	149	138	147
Solvency Ratios	**Jun 26**	**FY26**	**FY25**	**FY24**	**FY23**	**FY22**	**FY21**	**FY20**	**FY19**
Outside Liab / Equity	0.76	0.71	0.55	0.30	0.23	0.42	0.34	0.27	0.34
Net Debt / Equity	0.44	0.48	0.38	0.19	0.13	0.28	0.22	0.18	0.25
Net Debt / EBIDTA	2.24	2.33	1.74	0.78	0.44	0.89	1.02	1.25	1.48
Interest Coverage	2.83	3.16	4.62	6.55	10.90	15.31	10.37	3.64	3.65

^INR 51.98 Crs Land Revaluation Reserve excluded for ROE & Core ROCE. Revenue, EBIDTA and PAT considered. #Average Core Capital Employed for Core ROCE. Interest coverage on gross finance cost.

Return, Operating and Solvency Ratio for June 26 are calculated on TTM June 26 numbers, as applicable

Cash Flow Summary

Consolidated • INR Crs

Particulars	Jun-26	Mar-26	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Cumul. 2020-J26
PAT + Depn + non-cash adj	17.7	64.3	65.7	67.2	72.8	61.3	33.8	26.1	**408.6**
Working capital changes	30.5	6.9	-61.3	-34.5	21.6	-48.0	-34.0	0.9	-117.8
CF from Operations	**48.2**	**71.3**	**4.4**	**32.7**	**94.4**	**13.3**	**-0.1**	**27.0**	**330.2**
CF Investing & Fixed assets	-23.2	-98.3	-83.8	-52.7	-65.9	-34.4	-16.3	-12.4	-386.9
CF Non-Current Assets	-13.8	13.7	-6.1	-9.1	6.3	-8.2	5.0	-3.2	-15.3
CF Borrowings/financing	-12.4	14.6	86.7	29.7	-32.8	28.2	11.7	-9.5	116.2
CF Dividend							-1.5		-2.7
CF change for year	**-1.1**	**1.3**	**1.3**	**0.6**	**2.0**	**-2.2**	**-1.2**	**1.9**	**2.1**

Capital Allocation — Looking Ahead

INR 386.9 Crs deployed in capex and fixed assets from FY20 to Q1FY27, against INR 330.2 Crs of cumulative CFO — building INR 1,650+ Cr of revenue capacity from an INR 306 Cr base.

Q1FY27 generated INR 48.2 Crs of CFO, aided by an INR 30.5 Crs release from working capital, funding the quarter's capex and an INR 12.4 Crs reduction in net borrowings.

Major capex cycle expected to conclude in FY27. This would make at least 40-50% of CFO available for alternative uses — debt reduction, working capital optimisation, or shareholder returns.

ESG investments: INR 25+ Cr in Rooftop Solar 3.5 MW, PNG clean energy, Li-ion Electric MHE. Additional ESG capex committed in FY27.

Thank you

Faze Three Group

Awards & Recognition

Winner of D&B "Business Enterprises of Tomorrow 2025" — Best Global Business (Mid-Corporate). CARE Rating reaffirmed A(Stable)/A1 (July 2026).

Akram Sati

akram@fazethree.com | 022 43514444

Corporate office: 63, C Wing, Mittal Court, Nariman Point, Mumbai 400021

Disclaimer

The information contained in this presentation is provided by Faze Three Limited (the "Company"), although care has been taken to ensure that the information in this presentation is accurate, and that the opinions expressed are fair and reasonable, the information is subject to change without notice, its accuracy, fairness or completeness is not guaranteed and has not been independently verified and no express or implied warranty is made thereto. You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as you may consider necessary or appropriate for such purpose. Neither the Company nor any of its directors assume any responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein. Neither the Company nor any of its directors, officers, employees or affiliates nor any other person accepts any liability (in negligence, or otherwise) whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. The statements contained in this document speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. This document is for informational purposes and does not constitute or form part of a prospectus, a statement in lieu of a prospectus, an offering circular, offering memorandum, an advertisement, and should not be construed as an offer to sell or issue or the solicitation of an offer or an offer document to buy or acquire or sell securities of the Company or any of its subsidiaries or affiliates. No part of this document should be considered as a recommendation that any investor should subscribe to or purchase securities of the Company. This presentation contains statements of future expectations and other forward-looking statements which involve risks and uncertainties. Such forward-looking statements are not guarantees of future performance and actual results may differ. You are cautioned not to place undue reliance on these forward looking statements. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.