



May 23, 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
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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 Audited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Financial year ended March 31, 2025.

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 Sati
Company Secretary & Compliance Officer
M. No. A50020

Encl: a/a



May 23, 2025

Financial Results for the year ended March 31, 2025 & 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, Powerloom 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 70%, UK/EUR 25%, Bal ROW
- Strong relationship with Top 15 customers over last 2 decades. Consistent business across product lines
- Top 12 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



Product glimpse: refer www.fazethree.com



Home Textile Industry / Global Supply Chain : Trends, US Tariffs & 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

Home Textiles from MMF (Man Made Fibres) predominantly polyester are dominated by China. These include Floor coverings (Bathmats, Rugs, Outdoor, performance textiles), TOB, Curtains, Filled products, etc. Estimated exports are said to be at least 20 times of India

Global Textile Trade is estimated at \$ 200 Bn+ of which, China (+Vietnam) has 50% currently versus ~7% of India

1% movement implies opportunity of at least \$ 2 Bn

India can aim for 15% share by 2030 given the MMF yarn base and knowhow

China Plus One has been reinvigorated after a hiatus of 2 years

Almost all Top Retailers have targets of diversifying at least 15-20% out of China within next 2-3 years if India / Others can deliver

US Tariffs on China has made Cost of MMF Goods from Indian Home Textiles AT PAR with China. **This is a big game changer given the differential tariff impact of 30% on China versus 10% on India**

FTA with UK brings in incremental business movement from Asia to India
Impending FTA's with European countries expected on similar lines as UK

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 **is the need of the hour to capture** the massive opportunity in Textiles and China Plus One

Land, Labour, Power, Logistics related reforms are imperative

Textile is also a major employment generator

Management Comments ~ Looking forward FY 26 & beyond

- ✓ Consol' Revenue, EBITDA and PAT for FY 25 stood at ~INR 701 Crs, INR 92 Crs and INR ~40.7 Crs respectively versus ~INR 572 Crs, ~INR 94 Crs and ~INR 46.6 Crs respectively in FY 24. The growth in Total Revenue has been over 22% in FY25.
- ✓ EDBITA & Net profit during FY 25 have been lower owing to one time product development costs, higher initial operating costs on new product line / capacities (impact of ~1.5%), higher ERE costs (~2-3%) for prior scale up in capability to service high growth ahead, depreciation on recent capex, increase in Interest rates and certain one-time costs. Company expects significant operating leverage in coming years leading to improvement in margins to optimum and beyond.
- ✓ The Company estimates Revenue growth of at least 22-25% for FY 26 and FY 27 given the build up and efforts undertaken over the last 2 years to expand product categories and growth across existing customers & categories while adding new customers too.
- ✓ Company's well diversified product range & wide global customer base has been key factor for sustainable growth. US Trade policy has created significant tailwinds as it did during 2019-2022 tenure for reaccelerating China plus One movement forever after hiatus of last 2 years in value added Textile merchandises especially made out of MMF.
- ✓ Currently, Tariffs on China stands at 30% versus 10% for India from erstwhile escalation of 100%+ on China versus 26% on India. The actions on Trade by USA viv China has finally changed the Business plans and Sourcing priority of Top 10 USA Retailers to certainly diversify as the differential 20% tariffs ensures that price of almost every product at least under Home Textiles is AT PAR with sourcing from India
- ✓ The existing expansion strategy of the company was to grow sustainably despite Chinese competition and without accounting for incremental differential tariff tailwind. However, if ultimate Tariff differential of 15% - 20% remains between India and China in conclusion of trade deals as expected by Sep-Dec 2025, would unleash a significant additional opportunity for Textiles made of MMF for India and for the company
- ✓ The growth and expansion strategy if the aforesaid materialises by end of 2025/early 2026 would be more of supply chain reshoring akin to Apple-Foxconn moving to India. Large retailers and existing Vendors, like us, would have to invest and grow based on commits of Business and growth across categories. To expedite this for India, a specific PLI scheme / Employment linked scheme needs to be established for the sector given the size of the employment generation.
- ✓ The company is fully prepared to achieve growth potential based on existing expanded capacity, at a much faster pace now given the tailwind, and is actively evaluating new opportunities / categories to add to growth given the fastmoving developments and dynamic shifts in sourcing priority owing to US-China Trade tariffs.
- ✓ *US-China relations normalising or Trade tariffs differential between India / China viv USA shrinking to < 10% would reduce the tailwinds and urgency of movement out of China. However, even then the structural change has been set in motion.*
- ✓ 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

Company's readiness to capitalize on the Global Opportunity

- ✓ Invested over ~INR 270 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 600 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	FY 25	FY 24	FY 23	FY 22	FY 21	FY 20	FY 19
Total Income*	701.8	572.3	563.8	511.4	326.7	306.3	270.3
Total Income growth %	22.6%	1.5%	10.2%	56.5%	6.7%	13.3%	
EBIDTA*	92.19	94.27	99.93	86.6	47.9	37.8	29.8
EBIDTA margin %	13.14%	16.47%	17.73%	16.93%	14.67%	12.32%	11.02%
Depreciation	25.0	20.6	14.5	10.2	8.8	8.0	5.2
Finance Cost	14.5	11.3	7.8	5.0	3.8	8.6	6.8
PBT	52.6	62.4	77.6	71.4	35.3	21.2	17.8
PAT*	40.7	46.6	58.3	51.1	25.0	18.1	15.1
PAT margin %	5.80%	8.15%	10.34%	9.99%	7.7%	5.9%	5.6%
Cash Profit	65.7	67.2	72.8	61.3	33.8	26.1	20.3
Cash Profit margin %	9.4%	11.7%	12.9%	12.0%	10.4%	8.5%	7.5%
EPS (INR)	16.8	19.2	24.0	21.0	10.3	7.5	6.2
EPS growth %	-12.7%	-20.0%	14.2%	104.2%	38.0%	20.5%	
Cash EPS	27.1	27.7	29.9	25.2	13.9	10.7	8.3
Cash EPS growth %	-2.2%	-7.6%	18.8%	81.0%	29.7%	28.8%	

*Total Income, EBIDTA and PAT for FY25 includes profit on Sale of Asset INR 4.78 Crs

✓ 5 YRS CAGR:

- ✓ Revenue : 18%
- ✓ EBIDTA : 20%
- ✓ EPS : 18%
- ✓ CEPS : 20%

- The Company expects FY 26 Revenue to grow at least 22-25%

- 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 and EBIDTA under four years time from FY 21 to FY 25 while investing and building to have incremental capacity
- The company expects to double its Revenue under four years
- FY 26 & FY 27 are expected to be high growth years ahead

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



Particulars	QE Mar 25	QE Dec 24	QE Mar 24	YE Mar 25	YE Mar 24
Total Income*	218.2	178.2	166.2	701.8	572.3
EBIDTA*	32.22	21.91	20.31	92.2	94.3
EBIDTA margin %	14.76%	12.30%	12.22%	13.14%	16.48%
Depreciation	6.86	6.22	5.75	25.03	20.60
Finance Cost	4.08	4.13	2.81	14.55	11.25
PBT	21.3	11.6	11.8	52.6	62.5
PAT*	17.4	8.9	8.9	40.7	46.6
PAT margin %	8.0%	5.0%	5.4%	5.8%	8.1%
Cash Profit	24.3	15.1	14.7	65.7	67.2
Cash Profit margin %	11.1%	8.5%	8.8%	9.4%	11.7%

Revenue for Q4FY25 is the highest ever quarterly Revenue for the company. Q4FY25 versus Q4 FY24 growth in Revenue is at 31%.

Based on expectation of at least 22% growth, Revenue for FY 26 is expected to exceed INR 855 Crs

*Total Income, EBIDTA and PAT for Q4FY25 includes INR 4.78 Crs on account of profit on sale of asset

Margins:

- ✓ EBIDTA & PAT margin have been lower compared to previous years owing to 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 of INR 10.23 Crs (~1.5% of total income) (across development costs, NY showroom costs, expansion related approval costs, power & fuel related, etc)
- ✓ ERE (Employee related costs) are at ~15% to Revenue in FY 25 versus ~12% in FY 22. In absolute terms, ERE cost for FY25 is at INR 103.65 Crs versus INR 81.85 Crs in FY 24 (increase of 27% within a year). This increase was imperative 6-9 months prior to high Revenue growth phase (FY26-FY27) in order to service the upcoming growth opportunity across functions and product categories. We expect ERE % to stabilise at ~12-13%% of Revenue within 2 years from hereon leading to gradual margin improvement
- ✓ With high growth expected in FY 26 and FY 27, the company expects significant operating leverage across fixed costs on product lines and functions

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

Particulars	Mar 31, 2025	Mar 31, 2024	Mar 31, 2023	Mar 31,2022	Mar 31,2021	Mar 31,2020	Mar 31,2019
Networth^	420.0	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)*	160.7	74.0	44.3	77.1	48.9	37.2	46.7
Current liabilities	69.7	39.4	33.1	38.7	28.4	16.7	16.9
Total Liabilities	660.3	502.6	418.8	399.3	305.1	258.0	252.7
Net Fixed Assets^	299.3	240.5	208.4	157.1	132.9	125.4	121.0
Non-Current Assets	24.5	18.4	9.3	15.6	7.4	12.4	9.2
Current Assets (Excl Cash & Cash Eq)*	336.5	243.7	201.1	226.7	164.8	120.2	122.5
Total Assets	660.3	502.6	418.8	399.3	305.1	258.0	252.7
Core Capital Employed#^	538.9	407.2	329.3	304.3	221.7	186.0	180.6
*Cash & Cash Eq /FD/Liquid Invst	19.6	82.6	116.28	80.58	42.46	16.29	17.19

^ includes INR 51.69 of Land Revaluation Reserve

Core capital employed excludes revaluation of INR 51.69 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 asset (erstwhile factory lands) for divestment in Panipat location. The said divestment could result in inflow of up to ~INR 15 Crs within the next 12 months. During the year company concluded sale of one of the asset for ~INR 9.30 Crs, with profit on sale being INR 4.78 Cr consummated in Q4FY25.

Key Ratios Summary (consolidated)

Return Ratios	FY25	FY 24	FY 23	FY 22	FY21	FY20	FY19
ROE^	12%	15%	21%	23%	15%	10%	13%
Core ROCE #^	14%	20%	27%	29%	19%	13%	15%
Operating Ratios	FY25	FY 24	FY 23	FY 22	FY21	FY20	FY19
Current Ratio	4.8	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	112	96	61	96	88	88	98
Debtor days	48	49	64	59	78	60	62
Payable days	23	15	12	18	17	10	13
Cash Conversion Cycle	137	130	113	137	149	138	147
Solvency Ratios	FY25	FY 24	FY 23	FY 22	FY21	FY20	FY19
Total Outside Liabilities / Total Equity	0.55	0.30	0.23	0.42	0.34	0.27	0.34
Net Debt / Equity	0.38	0.19	0.13	0.28	0.22	0.18	0.25
Net Debt / EBIDTA	1.74	0.78	0.44	0.89	1.02	1.25	1.48
Interest Coverage Ratio	4.60	6.55	10.90	15.31	10.37	3.64	3.65

^INR 51.69 Crs 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	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Cumulative (2019-2025)	Cumulative (2019-2025)%
PAT + Depn	65.7	67.2	72.8	61.3	33.8	26.1	20.3	347.2	100%
working capital changes	-67.3	-43.6	27.9	-56.1	-29.0	-2.3	17.0	-153.6	-44%
CF from Operations (CFO)	-1.6	23.6	100.6	5.2	4.9	23.8	37.2	193.7	56%
								0.0	
CF Investing & Fixed assets	-83.8	-52.7	-65.9	-34.4	-16.3	-12.4	-11.6	-277.0	-80%
CF Borrowings/financing	86.7	29.7	-32.8	28.2	11.7	-9.5	-23.8	90.2	26%
CF Dividend				-1.2	-1.5		-1.5	-4.2	-1%
CF change for the year	1.3	0.6	2.0	-2.2	-1.2	1.9	0.3	2.6	

- >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 ~30% sustainably
- ~Over 70% of CFO has been invested for Expansion across all locations for future growth over last 6 years, the said % will reduce as major portion of capex is concluded and high growth will lead to improvement in cash accruals
- 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 FY26. This would make at least 40-45% of CFO available for alternative uses in years ahead

- **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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Disclaimer



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