

07th February, 2021

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. Scrip Code: 532782	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. Scrip Code: SUTLEJTEX
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Sub: Q3FY21 Result Presentation

Dear Sirs,

Please find enclosed herewith a copy of the presentation with respect to the Un-audited Financial Results (Standalone and Consolidated) of the Company for the quarter and nine months ended 31st December, 2020.

Thanking you

Yours faithfully

For **Sutlej Textiles and Industries Limited**



Manoj Contractor
Company Secretary and Compliance Officer

Encl: a/a





Re-aligning to the New Normal



Safe Harbor

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Q3 FY21 Result Updates



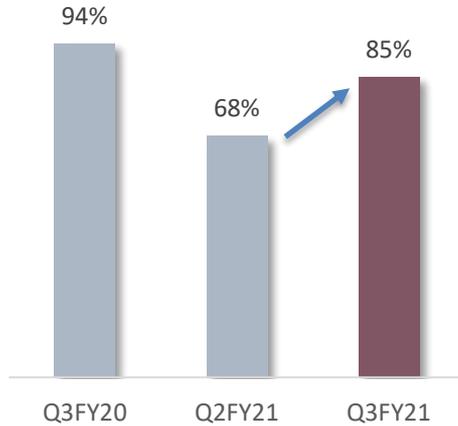
Financial Performance Q3FY21

Consolidated (Rs crore)	Q3FY21	Q2FY21	QoQ %	Q3FY20	YoY %
Total Income	557	473	18%	586	-5%
Raw material cost	303	277	9%	306	-1%
Gross Profit	254	196	29%	280	-9%
GP margin	45.55%	41.48%	407 bps	47.73%	-218 bps
Employee cost	83	74	13%	89	-6%
Other expenses	119	98	21%	129	-8%
EBITDA	52	25	108%	62	-17%
EBITDA margin	9.25%	5.24%	401 bps	10.59%	-133 bps
Depreciation	26	22	20%	25	3%
Interest	7	8	-14%	10	-27%
Profit Before Tax	18	-5	NA	27	-32%
Tax	7	-1	NA	9	-29%
Profit After Tax	12	-5	NA	17	-34%
PAT margin	2.07%	-1.00%	307 bps	2.97%	-90 bps

✓ Q3FY21 Performance: As economies are opening, we are witnessing revival in demand in both domestic and export market, leading to Q-o-Q improvement

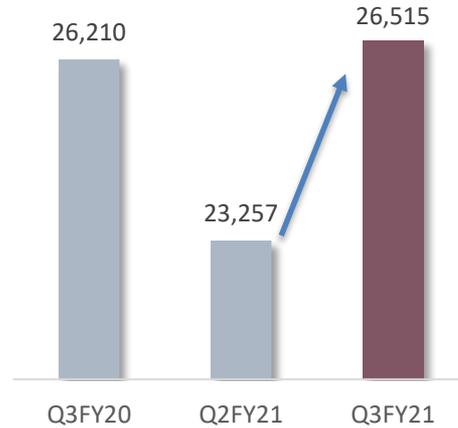
Continued Recovery in Yarn Business, Post Covid-19

Effective utilization near to pre-Covid levels...



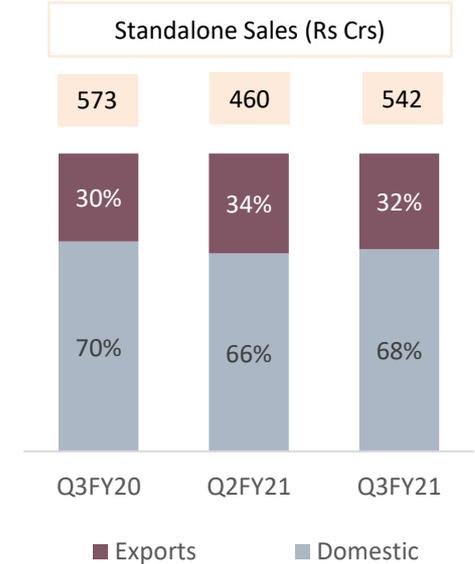
Yarn Capacity Utilization (%)

...with improving Demand Scenario...



Yarn Sales (MT)

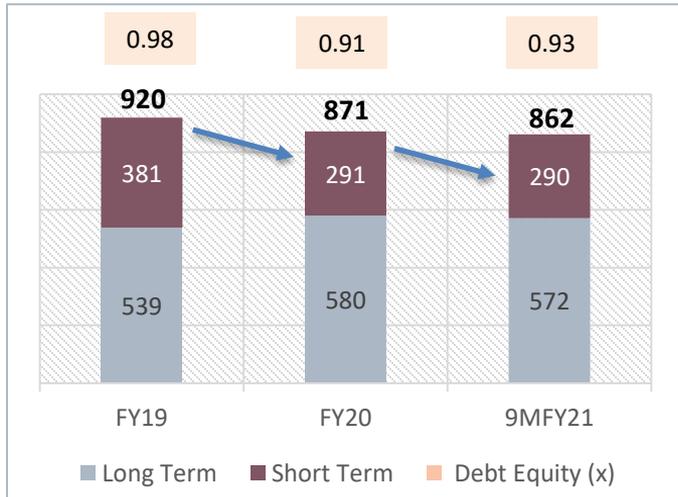
...both in Domestic and Export markets



✓ With opening of various geographies, we are witnessing a gradual improvement in demand from customers, leading to improving utilizations levels

Strengthening the Balance Sheet

Consistently reducing the Total Debt (Rs Cr.)...



...Leading to lower Finance Cost (Rs Cr.)

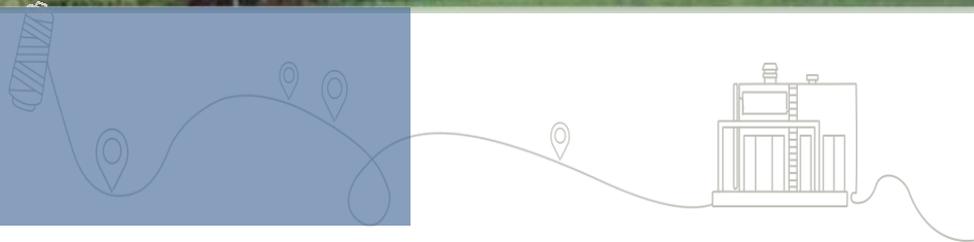


- ✓ Overall Debt has reduced by Rs.58 Crs from FY19 levels and Debt to Equity ratio has been below unity for nearly two years.
- ✓ The Company has not availed moratorium offered by the RBI and met all its debt obligations.
- ✓ The finance costs has come down significantly due to reduction in Debt and lower borrowing costs.



Sutlej

Creation of a Strong Foundation over the years



Sutlej Textiles - Overview

Largest Spun Dyed Capacity

- ✓ India's largest spun dyed Yarn Manufacturer
- ✓ One of the leading manufacturer of Melange Yarn

Patronage of Renowned K.K.Birla group

- ✓ Part of a reputed group with excellent Corporate Governance and Experienced Management

Niche Presence

- ✓ Presence in all Value Added yarns and high-end Melange yarn
- ✓ Presence in Curtains and Upholstery in Home Textile segment

Exports to + 65 countries

- ✓ Exports across Europe, North America, South-East Asia, USA, Asia

Well Diversified Capacities

- ✓ 4,21,890 spindles capacity of Yarn
- ✓ 9.6 million meters per annum capacity of Home Textiles

Reputed Cliental

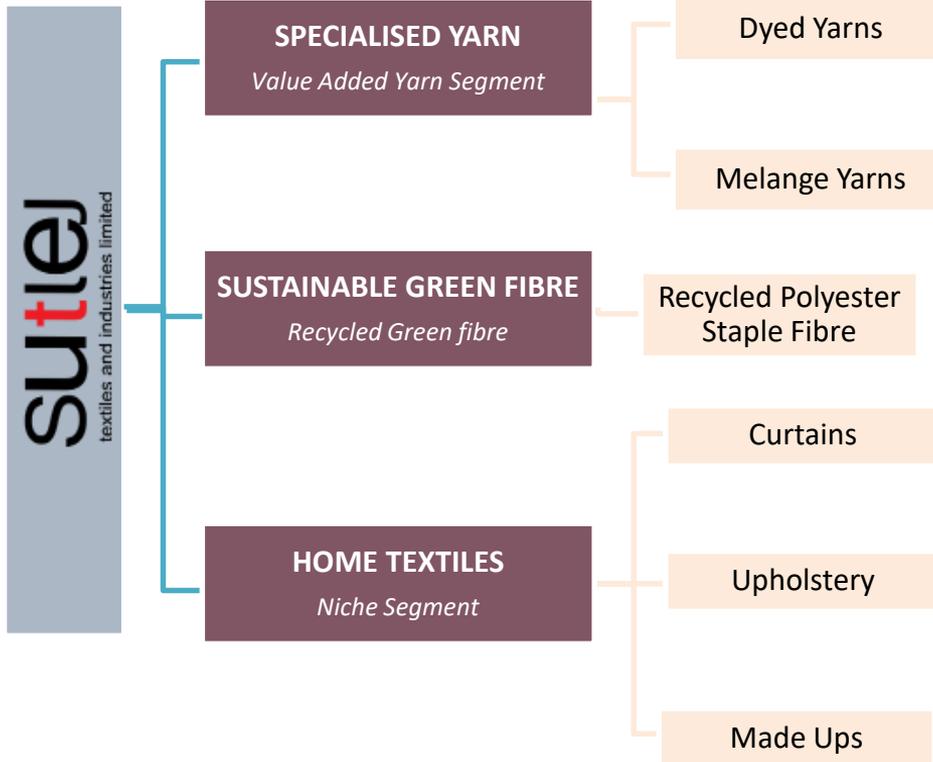
- ✓ Marquee clients like Page Inds (Jockey), Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo, Pantaloons and such others

Backward integration

- ✓ Successfully started the trial production of the Green Fibre plant, having a total capacity of 120 MT/day



Key Business Verticals



Guided by Industry Veterans and Experienced Management

Board of Directors

Mr. C.S. Nopany

Executive Chairman

Mr. U.K. Khaitan

Independent
Non-Executive Director

Mr. Amit Dalal

Independent
Non-Executive Director

Mr. Rajan Dalal

Independent
Non-Executive Director

Ms. Sonu Bhasin

Independent
Non-Executive Director

Mr. Rajiv K. Podar

Independent
Non-Executive Director

Mr. Rohit Dhoot

Non-Executive Director

Mr. Ashok Mittal

Non-Executive Director

Key Executives

Mr. S.K. Khandelia

President & CEO

Mr. Updeep Singh

Deputy CEO

Mr. Bipeen Valame

WTD and CFO

Mr. Manoj Contractor

CS & Compliance Officer

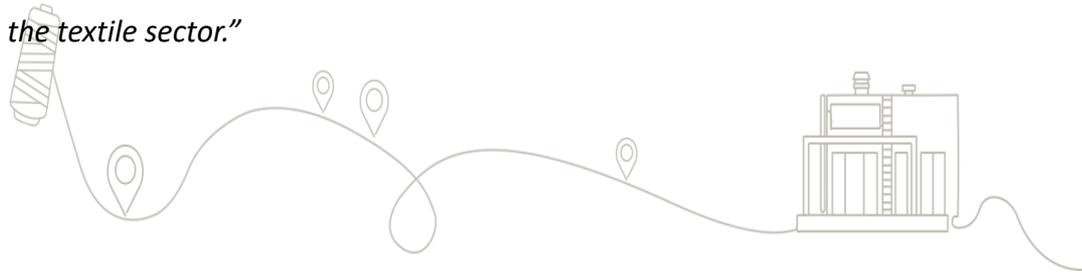




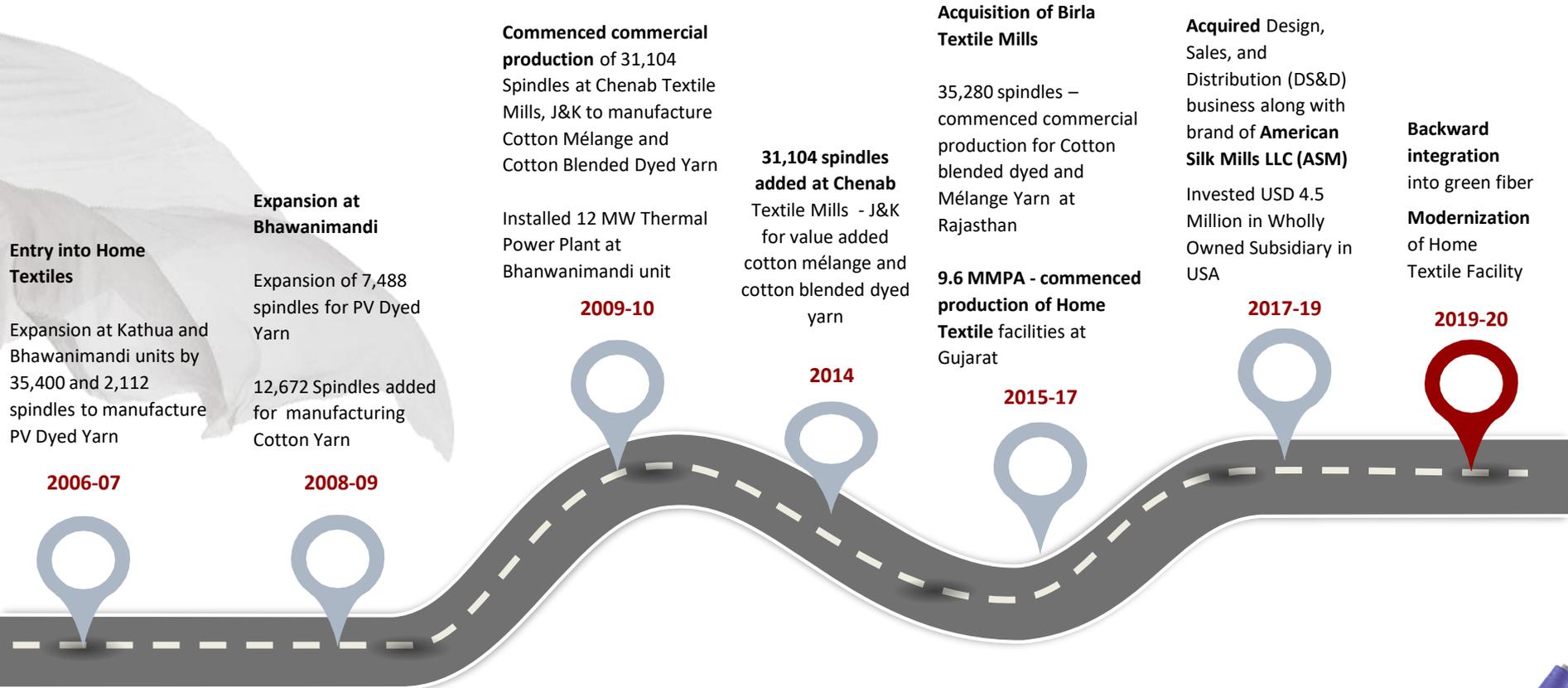
Executive Chairman - Mr. C. S. Nopany

Commenting on the results, Mr. C.S. Nopany, Executive Chairman, Sutlej Textiles and Industries Limited said:

“The decline in Covid cases and the gradual lifting of restrictions in India has witnessed a revival of consumer consumption. Prices have recovered lost ground leading to an improvement in margins. Capacity utilization has finally reached optimum levels with the return of the workers. There is a renewed sense of confidence with the roll out of the aggressive vaccination program throughout the globe. While some portion of the current revival could be attributed to a pent-up demand, the growth-oriented budget of the Government gives me optimism for sustained improvement in the performance of the textile sector.”



Consistently Expanding Capacities and Product Portfolio...



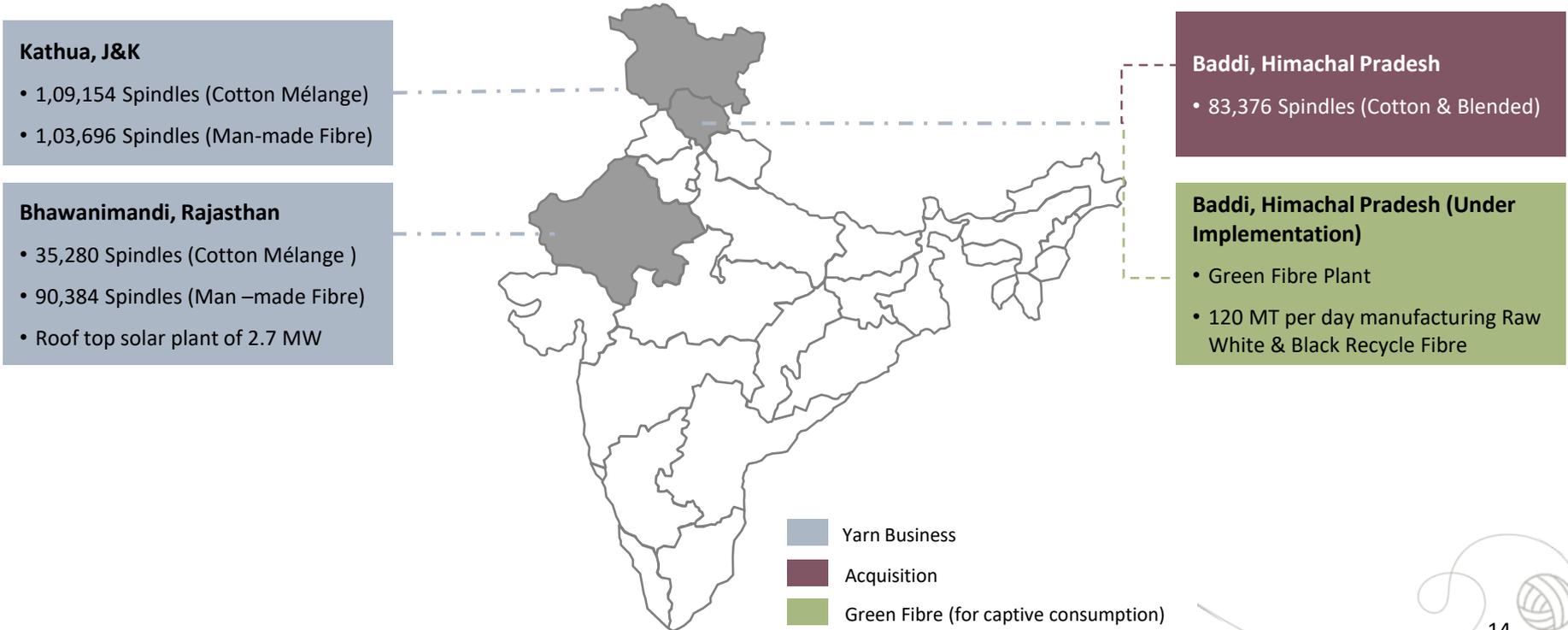


Focused on Value Added Specialty Yarn

Always Opted for Expansion into High Value Specialty Yarn

Among the Leading Yarn Capacities in India

- ✓ Our manufacturing facilities are capable to handle a variety of Raw Material, having different Counts
- ✓ We work very closely with our Customers to fulfil requirements and on the ethos, 'Manufacture to Sale and Not to Stock'



Speciality Dyed Yarns – Backbone of Our Business

▪ **Leading Yarn manufacturer in India**

- ✓ 4,21,890 Dyed Yarn Spindles
 - ~35% dedicated to Melange Yarn
 - ~65% dedicated to various blends

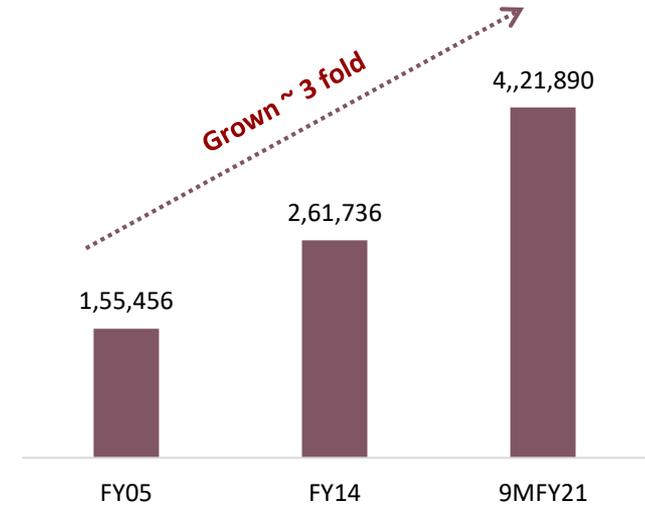
▪ **Well Diversified Product Portfolio**

- ✓ Marquee clients like Aditya Birla Fashion, Alok Inds, Siyaram, Donear, Raymond, Page Inds, Westside, Arvind, Shai Exports, Monte Carlo, Marks & Spencer, H&M, Primark, Matalan, Kiabi etc.
- ✓ B2B business model with around 60% revenue from organized sector.
- ✓ Robust Business Model with low concentration and diversified geographical spread.
- ✓ Strong Brand Recall in Yarn Segment.

▪ **Strong Global Footprint**

- ✓ Around 30-35% Revenue from Export to over 65 countries
- ✓ Export to all major countries in the world
- ✓ Three Star Export House Status holder

Continuous Increase in Spindle Capacities (MT)



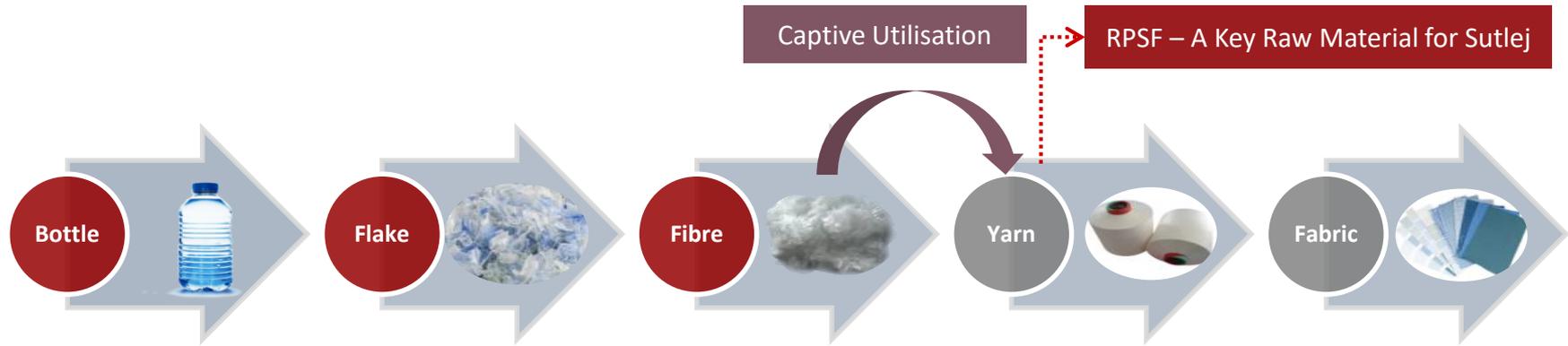


Sustainable Green Fibre Unit

Backward integration into recycle fibre to meet captive demand

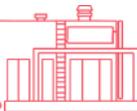


Improving Operating Efficiency by Backward Integration...



Building a Sustainable Green Fibre Plant for captive use	Details
Capacity to produce raw white and black recycled fibre from PET bottles / flakes	120 MT / Day
Location (adjacent to our existing yarn manufacturing unit)	Baddi, Himachal Pradesh
Current Status: Commenced trial production of the unit, COD expected in March 2021	

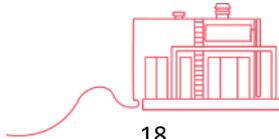
- Likely to fulfil ~65% of the captive requirement of key raw material – PSF
- Exploring possibility of branding Green Fibre

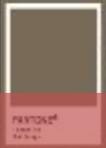


...With Green Fibre Plant – Commenced Trial Production



*Successfully
Commenced Trial
Production of
120 MT/day Green
Fibre unit, Commercial
Production expected in
March 2021*





Home Textile Business
One of the Few Listed Curtains & Upholstery Players



Home Textile Business



Focus on Curtains, Upholstery & Made ups

- ✓ One of the leading producers & exporters of Home Decor
- ✓ Acquisition of American Silk Mills (ASM), leading Design & Distribution Company in USA

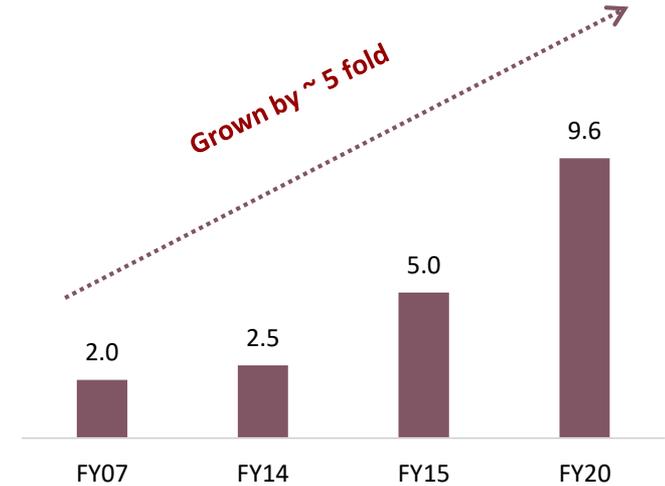
Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 9.6 Mn. metres/pa
- ✓ 126 dobby & jacquard looms including 36 looms with double width

Strengthening Product Portfolio

- ✓ Leveraging ASM design expertise and US presence
- ✓ Focus on higher end markets in developed counties
- ✓ Building world class design capabilities
- ✓ Improving product mix and broadening product portfolio

Increase in Loom Capacities (MMT) over past 12 yrs



Home Textile Business – Key Initiatives



Forayed into Cut length service

- ✓ Successfully forayed into Cut length Service to Multi Brand Outlets (MBOs) under our brand 'Nesterra' at premium price points

Improving Service levels

- ✓ High responsiveness towards customers
- ✓ Standardized manufacturing and sampling lead time by improving infrastructure and processes

Synergies with American Silk Mills

- ✓ Creating a separate product line to address large customers in USA through ASM
- ✓ ASM has identified and have started approaching these targeted customers and have even got through with couple of large players



Home Textile Business – Key Initiatives

New Channels/Customer Segments

- ✓ Diversifying into new channels like Large format stores, Furniture manufacturers etc.

Widening the product portfolio

- ✓ Offering range of products using Space Dyeing, Warp Printing, Fancy Yarn, Performance Yarns and range of exclusive Fabric Designs
- ✓ High Focus on New Product Development and Innovation with new in-trend yarns, artworks, finishes
- ✓ Introducing new products like Sustainable collection, Transfer Prints, Digital Prints, Foil Prints, Outdoor Collection, Embroidery etc.
- ✓ Building innovative products using exclusively developed in-house yarn.

Digital Initiatives

- ✓ Developed Digital Look Books and Digital Sample Library
- ✓ In the process of launching Brand website, 3D visualization tools and sales assist app.



NESTERRA – Home Textile Brand



Through 'Nesterra' creating exclusive collections with differentiated unique product offering with 180 SKUs

✓ 'Nesterra' introduced three new collections viz.

- The Global Traveller: Captures the essence of traditions around the world.
- Silken Roots : Luxurious collection to drape the home in free-flowing silken weaves.
- A Better Earth: A collection crafted with recycled yarn, inspired by natural landscapes and wildlife

✓ Aim to build strong presence at premium retail outlets across India

✓ 'Nesterra' collections are available at 56 premium Multi Brand Outlets (MBO's) across 15 cities, plan to increase the footprint to 150 MBOs in the next 6 months.

✓ Have already created a primary warehousing infrastructure required to cater this cut length service to the retailers

✓ Products have been well received, has been placed at par with International brands at MBOs

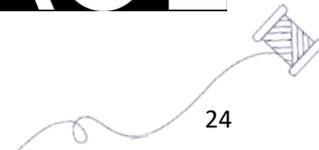


Home Textile Business – Market Penetration

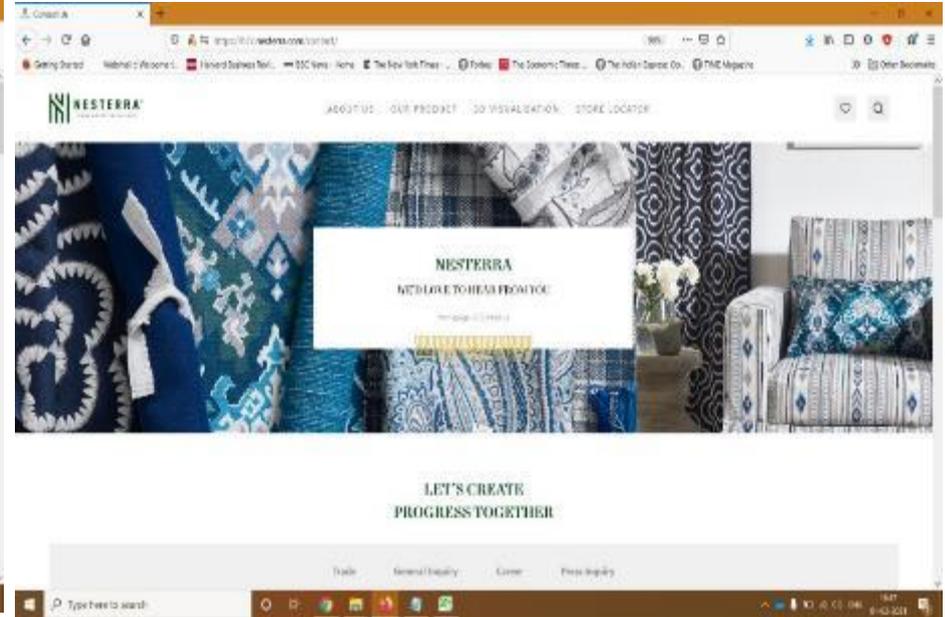
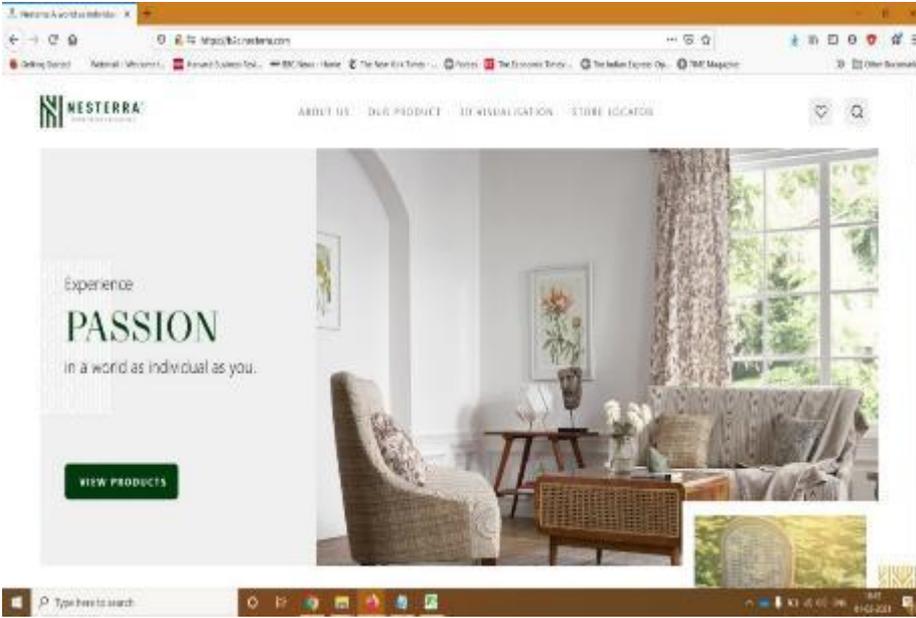


Making inroads across the globe

- ✓ Have been approved supplier with Ikea and some of the other large furniture retailers like Crate & Barrel and Ethan Allen.
- ✓ Have added new customers like Landmark group - Home Box in Middle East, also added clients Serba Antik in Indonesia and Malaysia
- ✓ In developed markets like North America have on boarded renowned customers like Culp Fabrics, Swavelle, Kravet.
- ✓ In the UK market added clients like Prestigious Textiles, SMD Textiles, Fibre Naturelle, Voyage Maison, Chatsworth curtains.



NESTERRA –Soon to be launched Website



✓ Developed fully integrated Web Site for rich consumer experience to look & feel and select latest collection and fitment online.





AMERICAN SILK

TIMELESS DESIGN SINCE 1896

American Silk Mills (ASM)



New Channels

- ✓ Achieved more than 80 new SKU placements with furniture manufacturers. This is which is the largest amount for the company in last 4 years.
- ✓ Opened over 200 new accounts primarily in the Designer channel.
- ✓ Launched 350 Designer Books and Mini Books to support sales force
- ✓ Will be launching 1000 new Mini Books between February and April 2021.

Consumer focus

- ✓ Launched Concierge Design Service that grants the customers access to the vast ASM archive and collaborative customization, also launched *“State of the Art”* website, which has been well received with good registrations and pageviews
- ✓ Featured on front page of Fabrics and Furnishings International Winter 2021 edition promoting our Beauty on Demand program which ships in 48 hours.



American Silk Mills (ASM)



Operational Efficiencies

- ✓ Improved Gross Margins by over 200 bps during the year 2020.
- ✓ Have reduced expenses and focused on Inventory reduction.

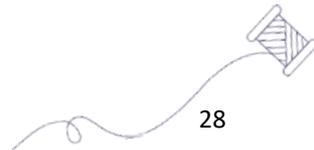
Revamp of Sales force

- ✓ Added experienced Designer Direct Sales Representatives as well as Furniture Manufacturer Sales Representatives

New Client Additions

Added large National accounts

- Ethan Allen – 300 stores
- Crate & Barrel – 102 stores
- Bernhardt
- Stickley – 16 stores and nearly 100 dealers
- University Loft

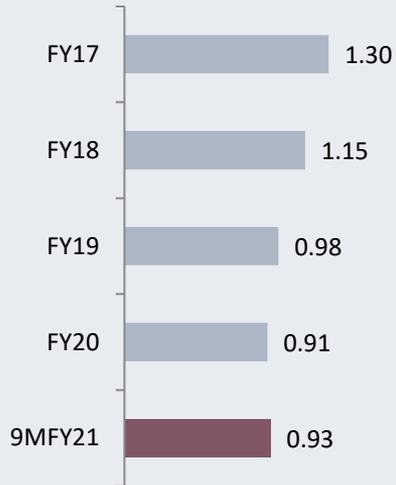




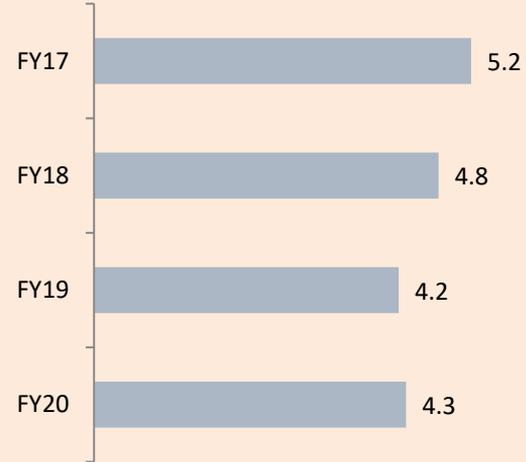
Annexures - Financials

Key Balance Sheet Ratios

Comfortable Total Debt/Equity Ratio (x)



Robust Interest Coverage (x)



Average Interest Rate of Term Loans (After TUF)



“Opportunities don't happen. You create them.”

Let's Connect



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