

02nd February, 2022

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: Q3FY22 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, 2021.

Thanking you

Yours faithfully

For **Sutlej Textiles and Industries Limited**



Manoj Contractor

Company Secretary and Compliance Officer



Encl: a/a



Sutlej Textiles & Industries Limited

Leadership in Yarns, Establishing a niche in Home Textiles

Q3FY22 Result Presentation | February 2022

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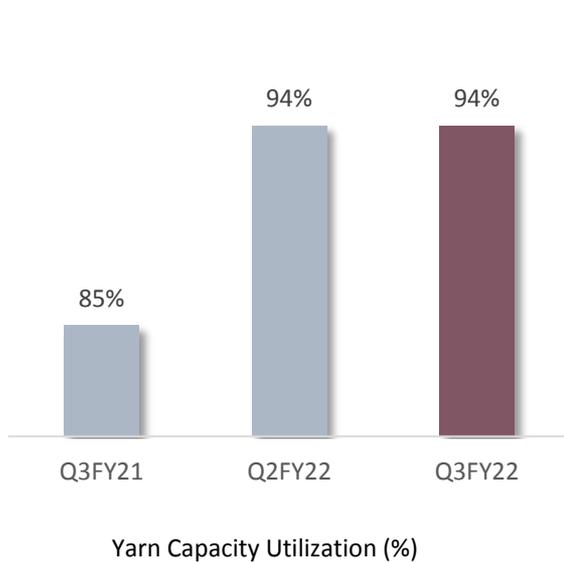
Q3 FY22 Result Updates

Financial Performance – Q3/9M FY22

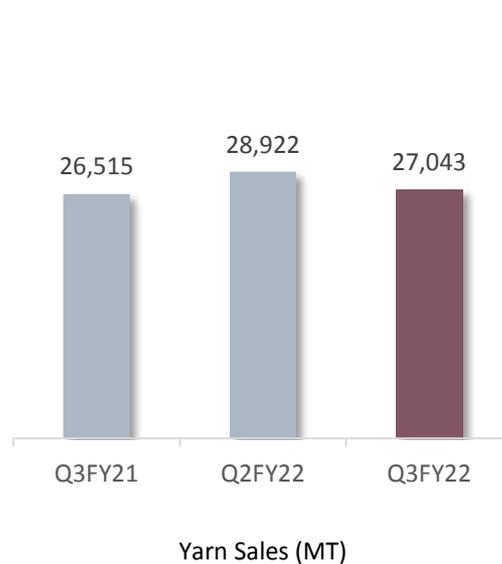
Consolidated (Rs crore)	Q3FY22	Q2FY22	Q3FY21	YoY %	9MFY22	9MFY21	YoY %
Total Income	823	798	557	48%	2,211	1,227	80%
Cost of goods sold	439	413	303	45%	1130	688	64%
Gross Profit	384	385	254	51%	1,081	539	101%
GP margin	46.61%	48.26%	45.55%	106 bps	48.91%	43.93%	498 bps
Employee cost	108	107	83	30%	309	213	45%
Other expenses	177	171	119	49%	490	272	80%
EBITDA	99	107	52	93%	282	54	425%
EBITDA margin	12.05%	13.38%	9.25%	280 bps	12.74%	4.37%	837 bps
Depreciation	31	30	26	18%	91	68	34%
Interest	11	12	7	50%	35	28	26%
Profit Before Tax	58	65	18	216%	156	-42	NA
Tax	21	23	7	213%	57	-11	NA
Profit After Tax	37	42	12	217%	99	-31	NA
PAT margin	4.44%	5.23%	2.07%	237 bps	4.46%	-2.56%	NA

Yarn Business- Highlights Q3FY22

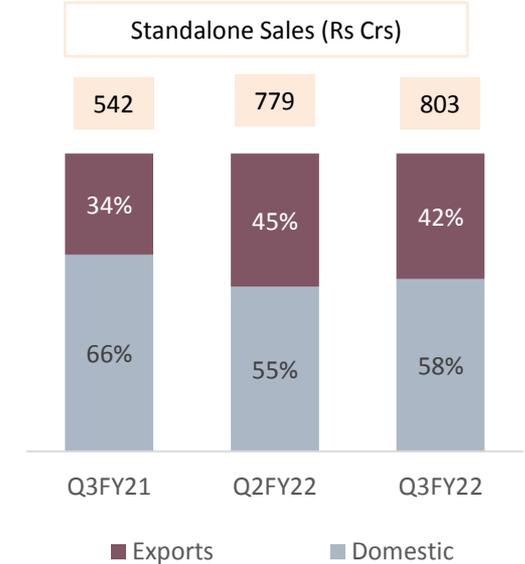
Capacity utilisation at pre-covid levels



Yarn realisations improved during the quarter



Export demand continues to be strong



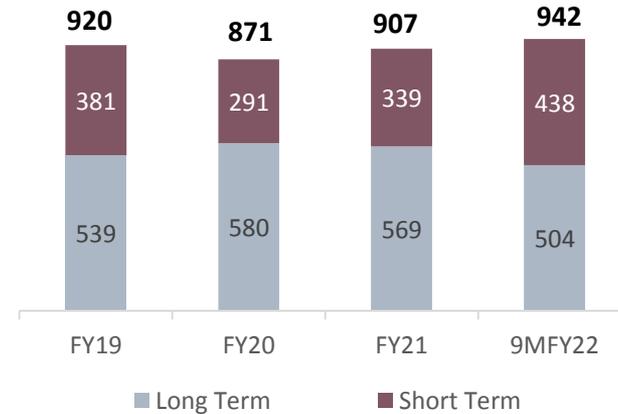
Balance Sheet (Consolidated)- Highlights

Consistently keeping the Debt to Equity below 1x...



FY18 FY19 FY20 FY21 9MFY22

Marginal increase in overall Debt due to higher Working capital requirement



- ✓ Debt to Equity ratio continues to remain below 1.
- ✓ Working Capital position remains comfortable

From the Executive Chairman's Desk

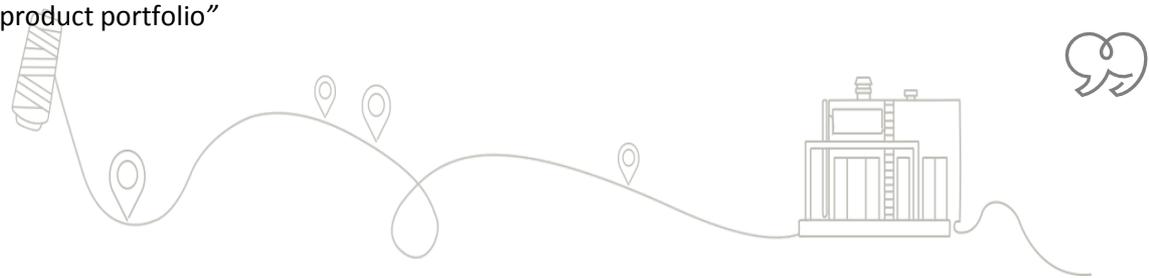


Executive Chairman - Mr. C. S. Nopany



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

“The Textile Industry continued to witness strong demand and volume growth on back of ebbing fear of Covid-19 and the GOI 's successful mass vaccination campaign. While there was so me uncertainty about the impact of the third wave of Covid- 19 during the quarter, the Indian Textile industry is experiencing a high surge in demand with structural changes in the supply chain triggered by 'China-Plus -One' strategy and tail wind with various Government initiatives for the industry. Cotton prices rose sharply and continued to stay high, part of which was offset by improved yarn price realization and higher efficiencies. We are fully geared up to meet growing domestic as well as exports demand going forward with our well diversified product portfolio”



Sutlej

Creation of a Strong Foundation over the years

Established value added Yarn Player

- **Largest Spun Dyed Capacity**
 - ✓ One of India's largest spun dyed Yarn Manufacturer and leading Melange Yarn
- **Patronage of Renowned K.K.Birla group**
 - ✓ Excellent Corporate Governance and Experienced Management
- **Exports to 65+ countries**
 - ✓ Across Europe, North & Latin America, South-East Asia, USA.
- **Large scale Capacities**
 - ✓ 4,20,240 spindles capacity of Yarn
- **Backward integration**
 - ✓ Green Fibre plant, having a total capacity of 120 MT/day
- **Reputed Cliental**
 - ✓ Marquee clients like Page Inds, Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim, Digjam, JC Penney, Monte Carlo, Pantaloons and so on.

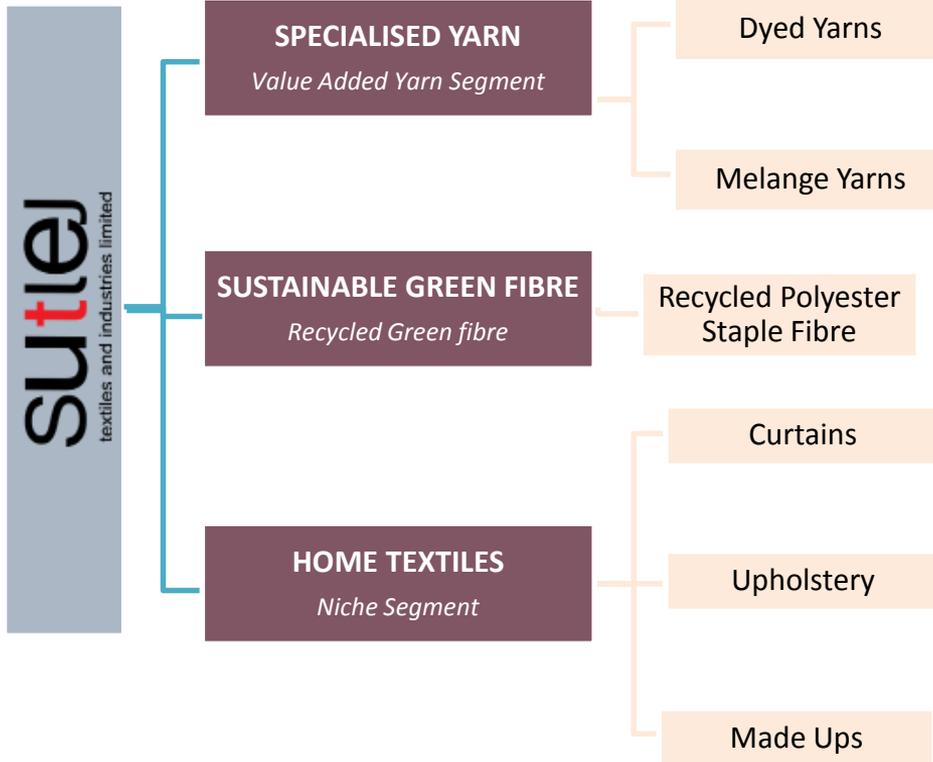


Building a strong Home Textile Brand

- **Niche Segment Presence**
 - ✓ One of the few listed players in curtains & upholstery segment
- **Sizable Capacity**
 - ✓ Current Home Textile capacity of 9.6 MMT
- **International foot-prints**
 - ✓ Acquired American Silk Mills (ASM) to enhance reach to US markets
- **Establishing Brands**
 - ✓ Recently launched a premium brand in curtains and upholstery "Nesterra"
- **Focusing on B2B to B2C business opportunities**
 - ✓ Home Textiles will enable Sutlej to move towards higher margin B2C business
- **Thrust on Exports**
 - ✓ Targeting exports to Middle East, USA & other geographies



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. Updeep Singh

President and CEO

Mr. Bipeen Valame

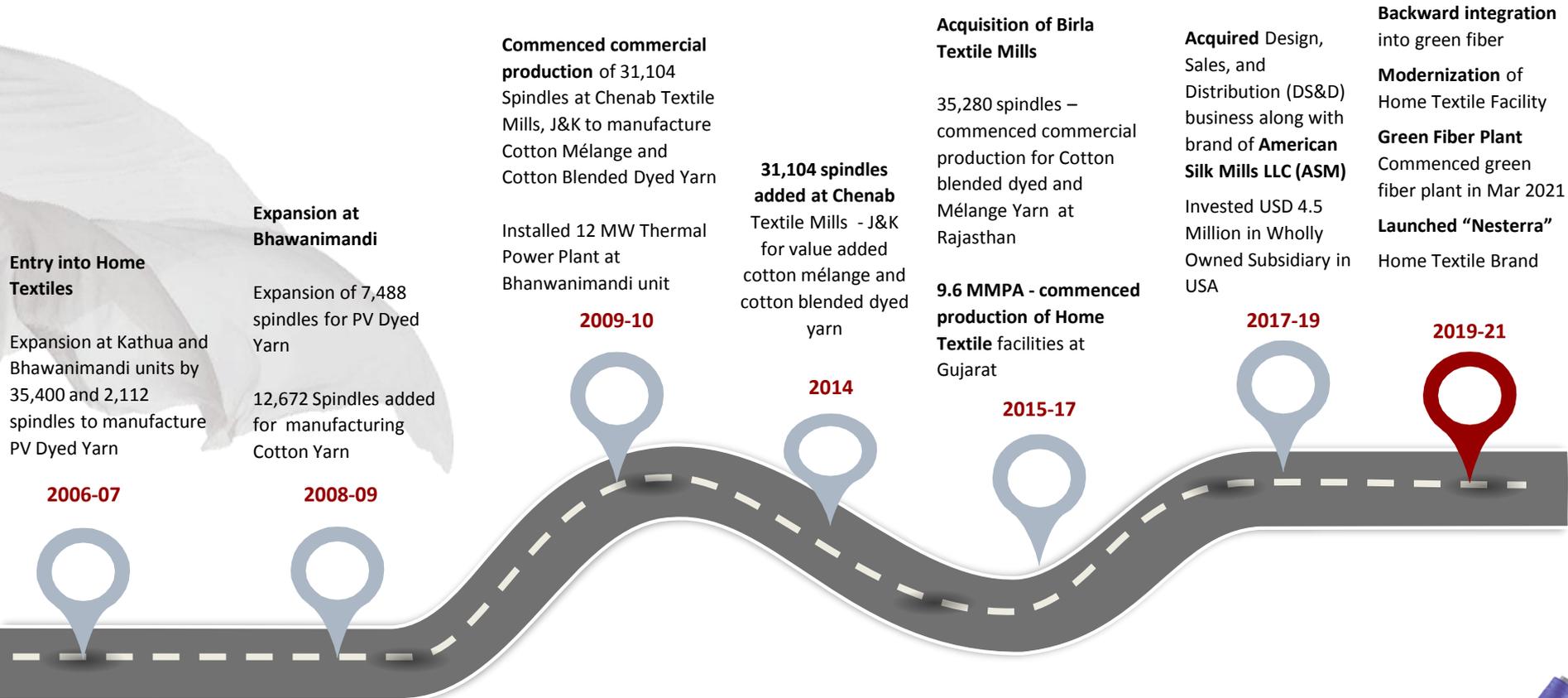
WTD and CFO

Mr. Manoj Contractor

CS & Compliance Officer



Consistently Expanding Capacities and Product Portfolio...



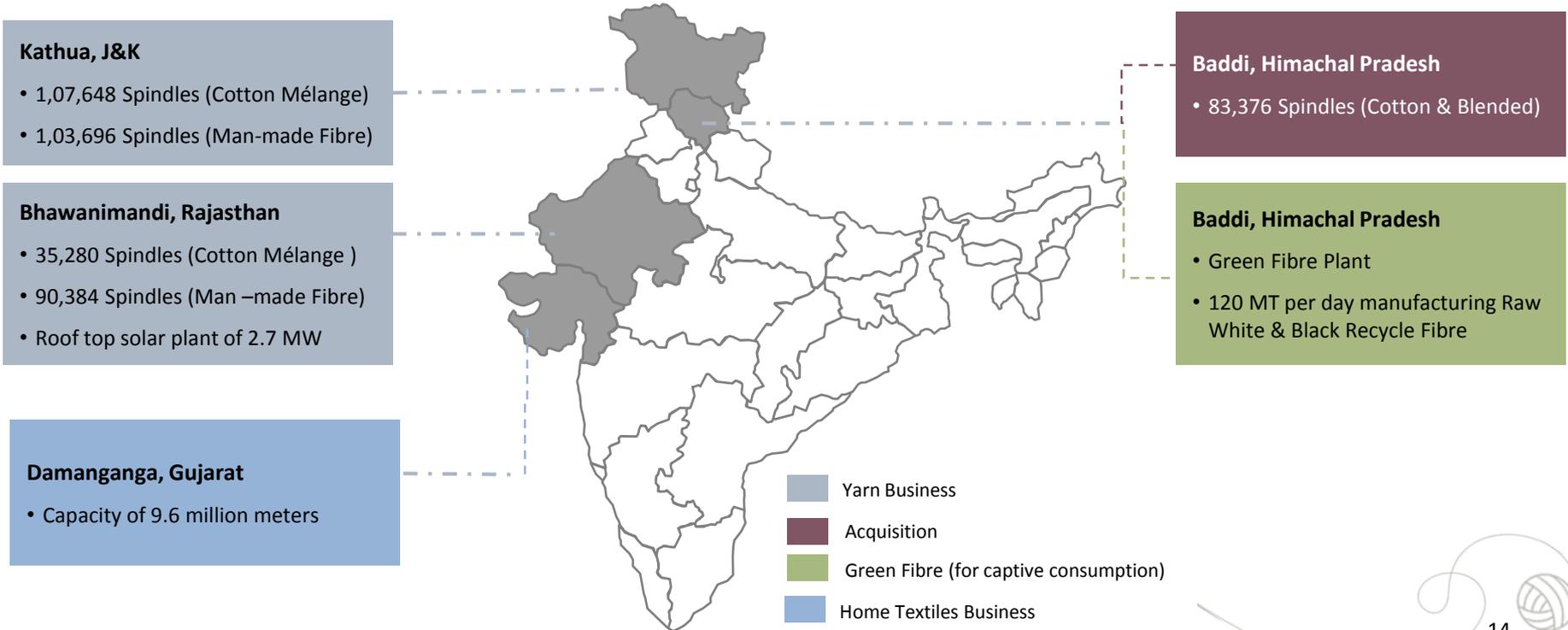


Focused on Value Added Specialty Yarn

Always Opted for Expansion into High Value Specialty Yarn

Among the Leading Yarn and Fabric 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**

- ✓ 4,20,240 Dyed Yarn Spindles
 - ~35% dedicated to Melange Yarn
 - ~65% dedicated to various blends

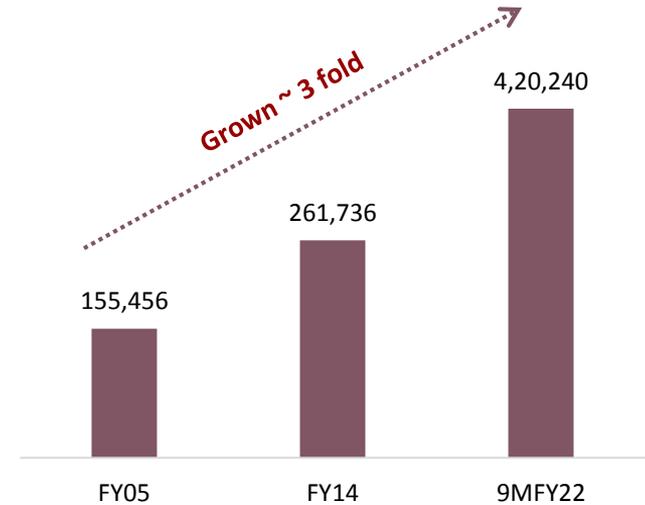
▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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 customer concentration and diversified geographical spread.
- ✓ Strong Brand Recall in Yarn Segment.

▪ **Strong Global Footprint**

- ✓ Around one third of sales 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)

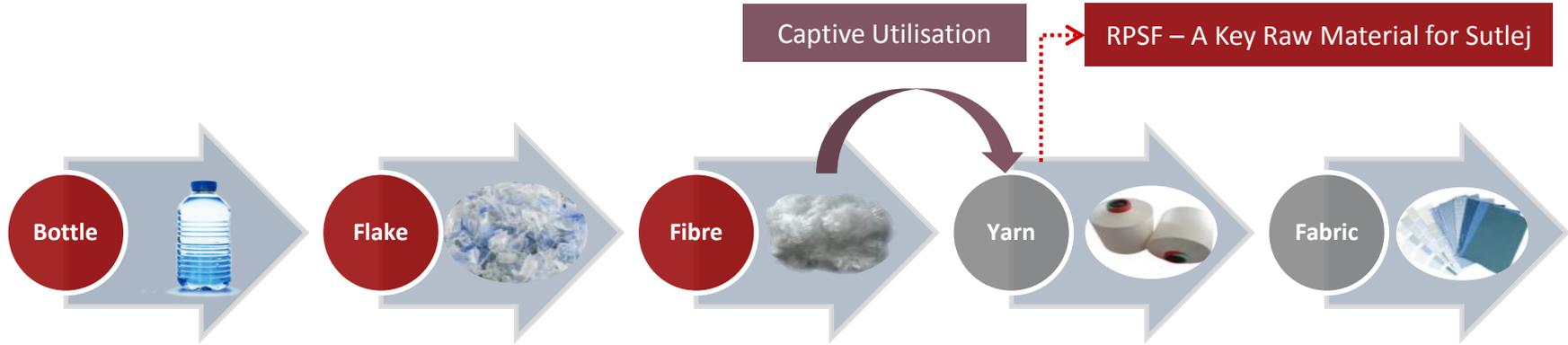




Sustainable Green Fibre Unit

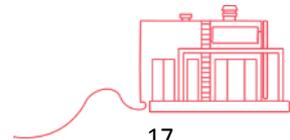
Backward integration into recycle fibre to meet captive demand

Improving Operating Efficiency by Backward Integration...



Key Statistics:

- ✓ **120 Tonne per day** *Installed capacity of green fibre at Sutlej*
- ✓ **7 Million** *Peak quantum of PET bottles that can be consumed by Sutlej a day*
- ✓ **80%** *company's green fibre appetite serviced from within*
- ✓ **60 Million** *Number of PET drinking water bottles consumed each hour across the world*



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 furnishings.
- ✓ American Silk Mills (ASM), leading Design & Distribution Company in USA

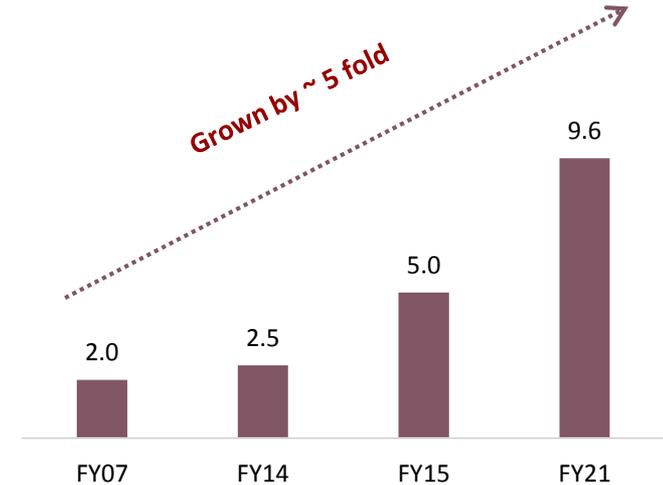
Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 9.6 Mn. metres/pa
- ✓ 116 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 countries like USA/UK
- ✓ Building world class design capabilities
- ✓ Improving product mix and broadening product portfolio

Increase in Loom Capacities (MMT) over past 12 yrs



Home Textile Business

Industry dynamics

- ✓ Buyers redirected to India as a result of China's power outage. A steady and gradual shift of such sourcing is seen across trades from the major importing economies.

Market Penetration

- ✓ New customers in UK and US added, also added new customers in India.
- ✓ Added US based Large format stores.

Way forward

- ✓ Working deep on existing accounts and also focus on untapped markets
- ✓ Focussing on repeat business both in domestic & export markets.
- ✓ Target Made up brands in the UK and US.
- ✓ Explore functional coatings in the domestic market.
- ✓ Look at creating synergy between yarn and fabric business by launching Melange products



Home Textile - “Nesterra” Building a Brand of Future

From B2B to Retail Brand

- In FY21, launched the first retail brand in its existence
- Brand is marketed wholesale, addressing cut piece requirements of India’s retail sector
- Currently accessible in 153 stores across 21 states.

Capitalize Existing Expertise

- Capitalize on rich pedigree originating from the House of Sutlej (niche yarns for decades)
- Capitalize on use of proprietary yarns and manufacture on cutting-edge weaving looms

Brand Building

- Within a short space of time, the ‘Nesterra’ has begun earning respect for weaving quality, consistency, aesthetic designs, finishing and timely service in India’s retail sector.



Home Textile - “Nesterra” Building a Brand of Future



New Collections

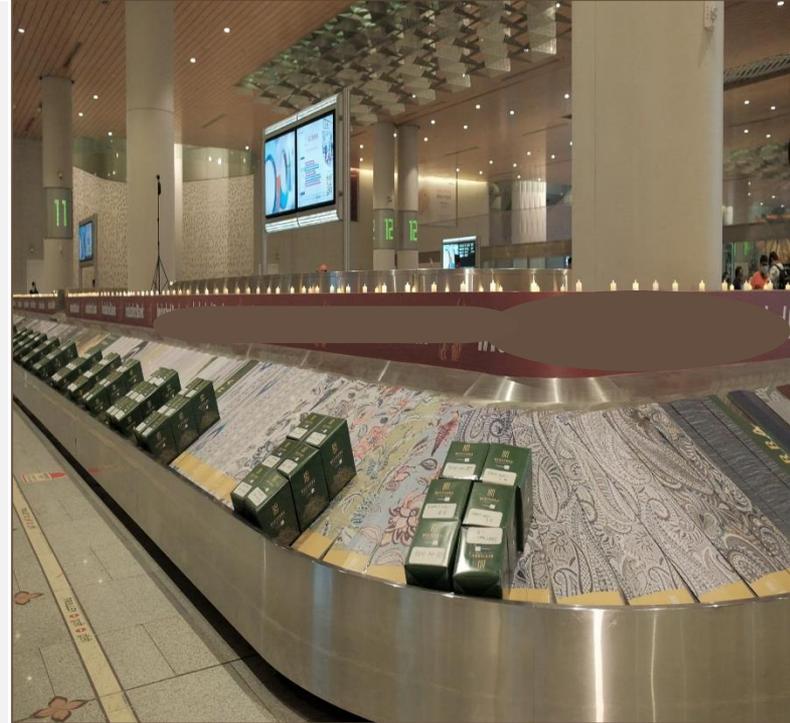
- ✓ Plan to launch four new collections within the next 6 months.

Marketing and PR Push

- ✓ The Diwali campaign - Airport association successfully garnered quality coverage in the media.
- ✓ Organic reach on Social media increased by 43% and impressions increased by 56%, overall the engagement rate increased by 54%.

Market Penetration

- ✓ Currently accessible in 153 stores across 21 states.
- ✓ Expect to reach 250+ stores in 24 states in the next 3-6 months.
- ✓ ‘Nesterra’ entered the export market in the Roll model segment, which has been well received in the market.
- ✓ Exploring to make inroads in the Middle east market through distributors.





Key Highlights

- ✓ Healthy order Book position, continued strong orders from furniture manufacturers
- ✓ Increasing prices to mitigate vendor price increases and improve margins
- ✓ Outdoor fabric category continues to gain interest,
- ✓ Adding Silk and Signature fabrics
- ✓ Developing better inventory positions for new and best-selling product to shorten customer lead times resulting in more yearly turns.
- ✓ Secured appointments with key jobber accounts which has strong, long term sales potential
- ✓ Continue to reactivate and bring new accounts to the books.
- ✓ US logistic issue and transportation is a margin challenge.

Synergy with Sutlej

- ✓ Synergy with Sutlej continues to grow with solid understanding of capabilities and utilization thereof.



“Persistence is a key to success”

Let's Connect

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textiles and industries limited

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