

11th August, 2023

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
--	---

Dear Sirs / Madam,

Sub: Q1FY24 Result Presentation

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 ended 30th June, 2023.

Thanking you

Yours faithfully
For **Sutlej Textiles and Industries Limited**

Manoj Contractor
Company Secretary and Compliance Officer



Encl: a/a



sutlej
textiles and industries limited

Sutlej Textiles and Industries Limited

Leadership in Yarns, Establishing a Niche in Home Textiles

Q1FY24 Result Presentation | August 2023

Safe Harbor

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Sutlej Textiles and Industries Limited (the “Company”), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained is subject to change without notice and past performance is not indicative of future results. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and worldwide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely and completely responsible for forming your own view of the potential future growth and performance of the Company. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update, amend, modify or revise these forward-looking statements to reflect subsequent events or developments. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statement/s and projection/s made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statement/s and projection/s. The contents of this presentation have not been reviewed by any regulatory authority in any jurisdiction where such presentation has been made or distributed.



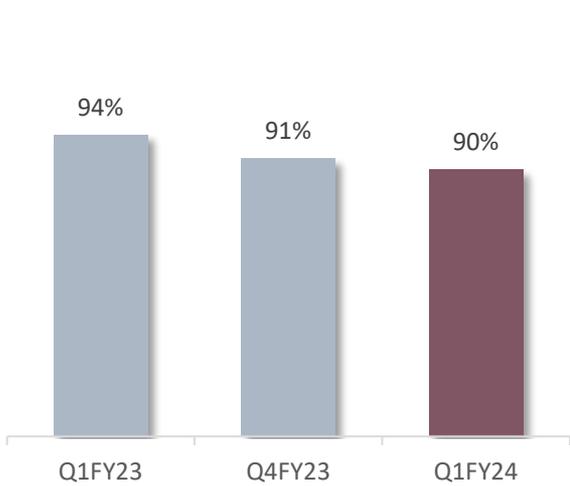
Q1FY24 Result Updates

Financial Performance – Q1FY24

Consolidated (Rs Crore)	Q1FY24	Q4FY23	Q1FY23	YoY %	FY23	FY22	YoY %
Total Income	711	752	853	-17%	3,100	3,112	0%
Cost of goods sold	429	457	405	6%	1,658	1,604	3%
Gross Profit	282	295	447	-37%	1,442	1,508	-4%
GP margin %	39.67%	39.22%	52.48%	-	46.52%	48.45%	-193 bps
Employee cost	113	99	113	0%	436	413	6%
Other expenses	164	162	196	-17%	720	681	6%
EBITDA	5	34	138	-97%	286	414	-31%
EBITDA margin	0.67%	4.46%	16.14%	-	9.23%	13.31%	-
Depreciation	31	32	31	1%	127	121	5%
Interest	18	17	13	39%	58	50	16%
Profit Before Tax	-45	-15	93	NA	101	244	-58%
Exceptional Items	0	16	24	NA	36	8	NA
Tax	-14	-8	24	NA	28	85	-68%
Profit After Tax	-30	-24	45	NA	37	150	-75%
PAT margin	-4.29%	-3.17%	5.32%	NA	1.20%	4.83%	-362 bps

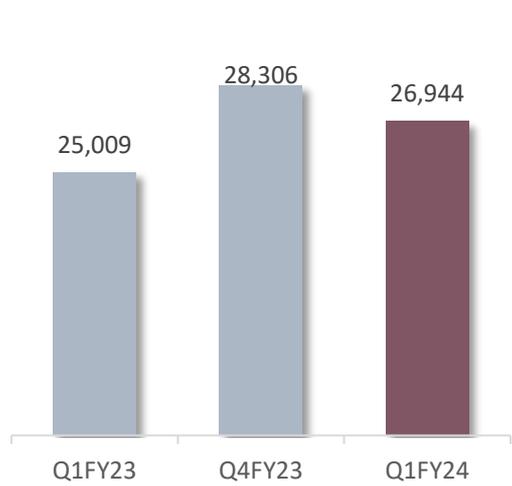
Yarn Business Highlights - Q1FY24

Capacity utilisation nearing optimum levels



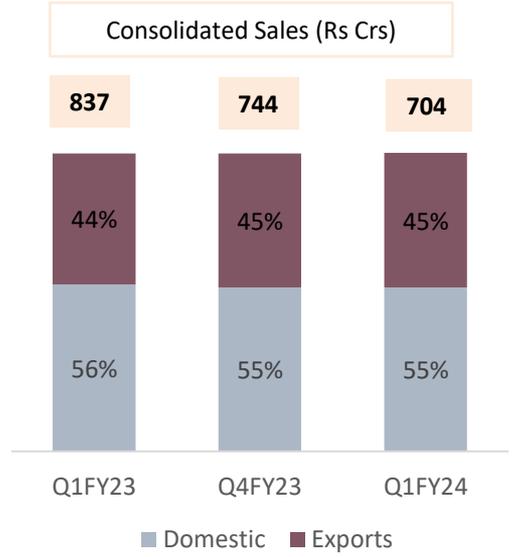
Yarn Capacity Utilization (%)

Yarn Volumes picking up



Yarn Sales (MT)

Focussing on Domestic market

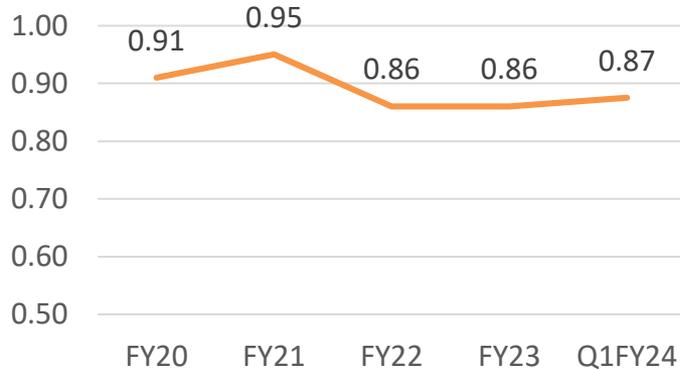


■ Domestic ■ Exports

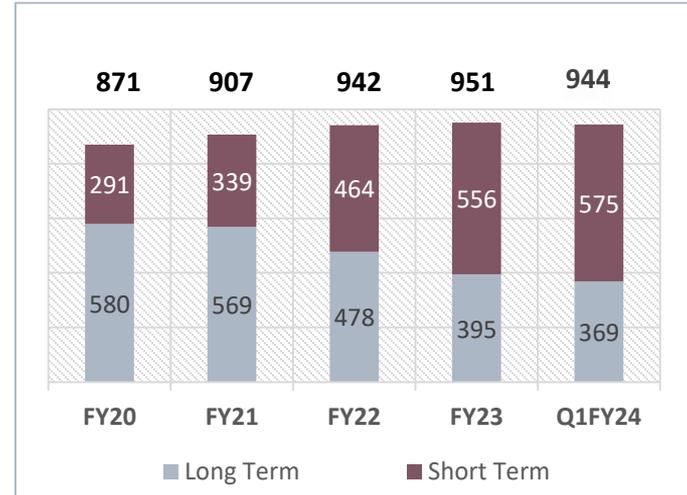


Balance Sheet (Consolidated) – Highlights

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



Overall Debt Levels continue to be in control



✓ Total Debt has decreased by Rs. 7 Crs to Rs. 944 Crs as against Rs. 951 Crs in March 2023

✓ Debt to Equity Ratio continues to be below 1 . Currently at 0.87 times.

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 Textiles sector in general and spinning industry in particular has been witnessing subdued customer demand in domestic as well as export market since the second half of FY23 on account high inflation and recessionary pressures in North America and Europe which has led to capacities catering to exports getting diverted to domestic market leading to oversupply in domestic market and putting pressure on realizations and margins.

We remain focused on adapting to changing consumer demands, evolving sectoral nuances. The raw material prices now seem to have stabilized from the highs, giving us hope for pick-up in demand during the latter half of FY24. While the current business environment continues to be challenging in the short term, India continues to remain one of the fastest growing economies in the world and with inflationary pressures moderating, the economy is expected to rebound.”





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 and leading Melange Yarn manufacturer.
- **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**
 - ✓ 4,22,602 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 8.97 MMT
- **International foot-prints**
 - ✓ Present in US market through American Silk Mills (ASM)
- **Establishing Brands**
 - ✓ 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, EU & other geographies



Key Business Verticals



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

Advisor

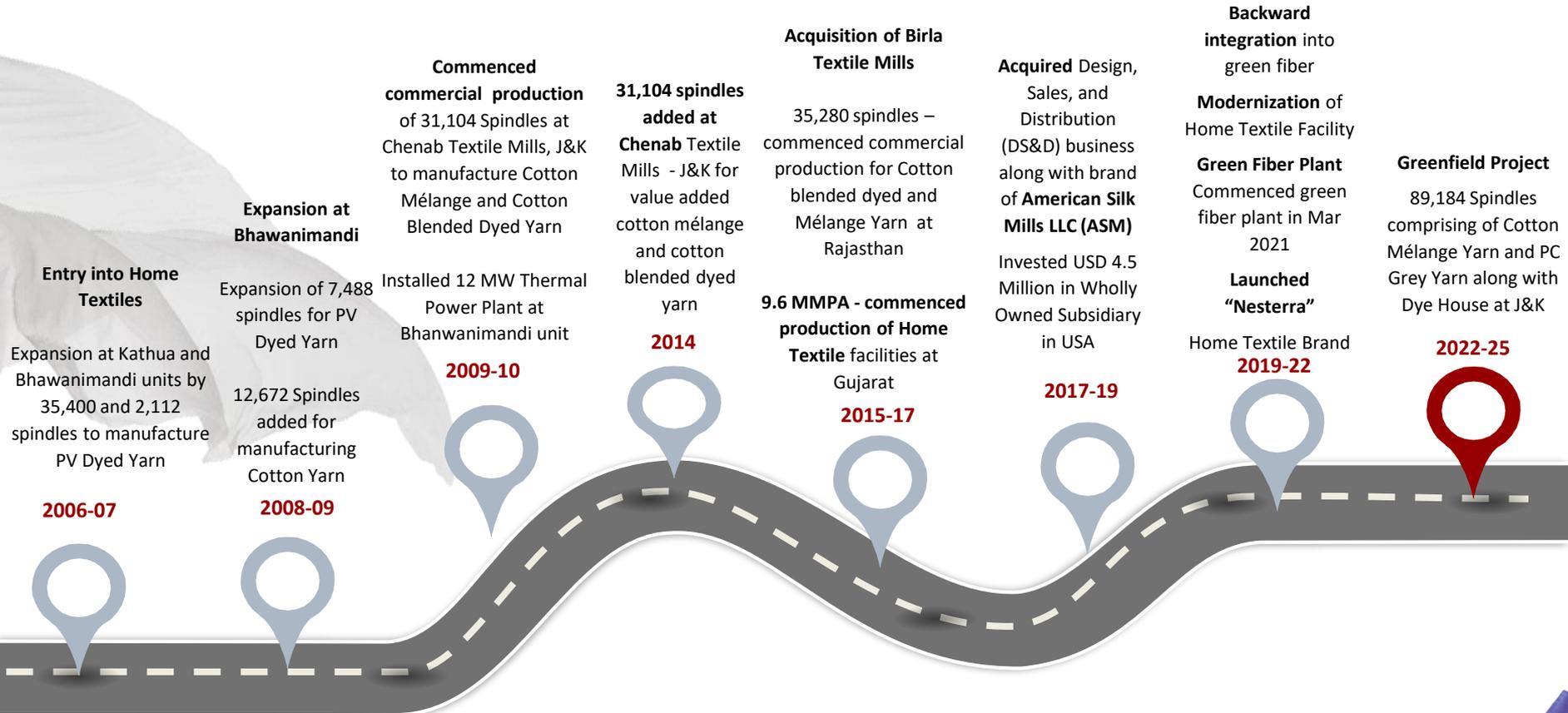
Mr. Rajib Mukhopadhyay

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'

Kathua, J&K

- 1,02,576 Spindles (Cotton Mélange)
- 1,10,880 Spindles (Man-made Fibre)

J&K

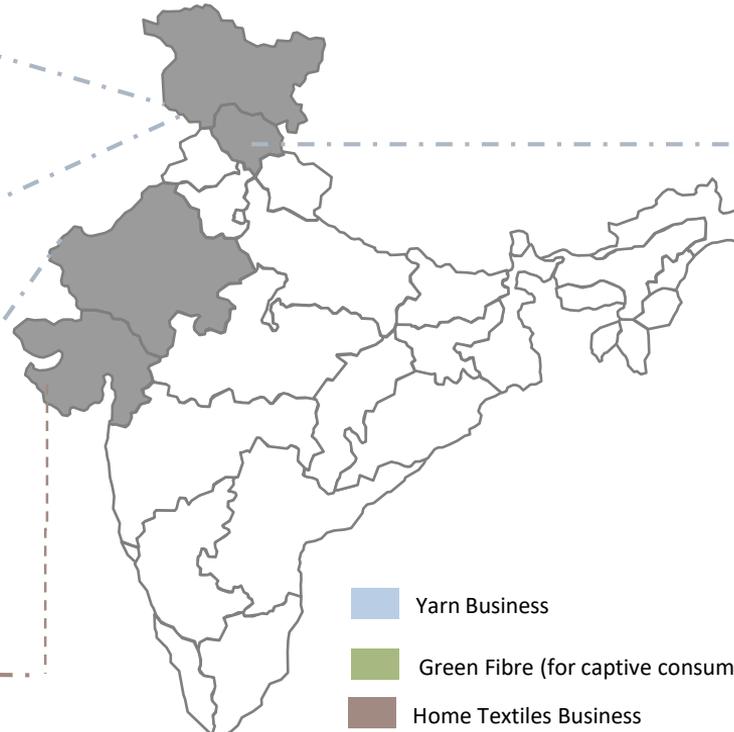
- **Greenfield Project** announced of 89,184 Spindles of Cotton Mélange Yarn and PC Grey Yarn along with Dye House.

Bhawanimandi, Rajasthan

- 35,280 Spindles (Cotton Mélange)
- 90,998 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW

Damanganga, Gujarat

- Capacity of 8.97 million meters
- 118 Shuttle-less looms



Baddi, Himachal Pradesh

- 36, 503 Spindles (Cotton Mélange)
- 46,585 Spindles (Man-made Fibre)

Baddi, Himachal Pradesh

- Green Fibre Plant
- 120 MT per day manufacturing Raw White & Black Recycle Fibre



Speciality Dyed Yarns – Backbone of Our Business

▪ **Leading Yarn manufacturer in India**

- ✓ 4,22,602 Dyed Yarn Spindles
 - ~37% dedicated to Melange Yarn
 - ~63% dedicated to various blends

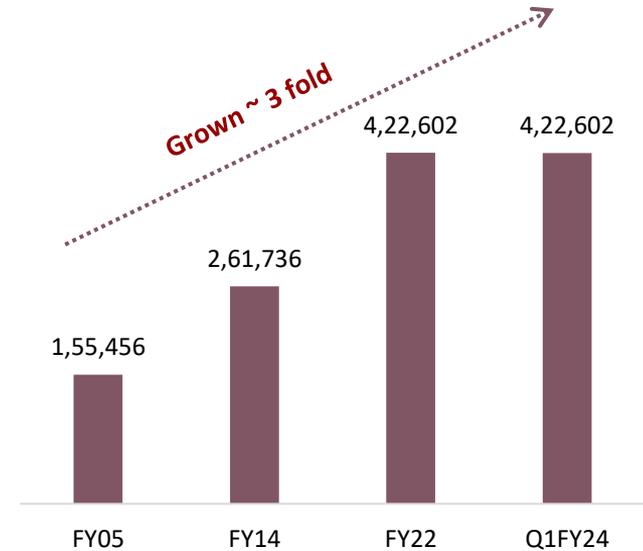
▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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)

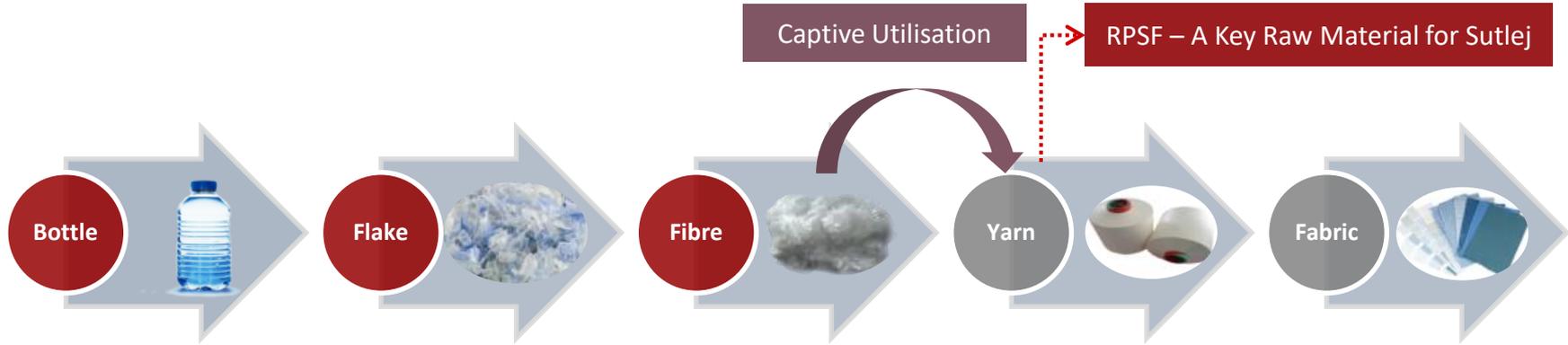


A large industrial factory setting with workers at a recycling line. The workers are sorting through a conveyor belt of plastic waste. The factory has a high ceiling with metal beams and industrial lighting. The workers are wearing various colored shirts and are focused on their tasks. The conveyor belt is filled with clear plastic bottles and other debris. The overall scene depicts a busy recycling facility.

Sustainable Green Fibre Unit

Backward integration into recycle fibre to meet captive demand

Improving Operating Efficiency by Backward Integration...

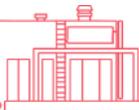


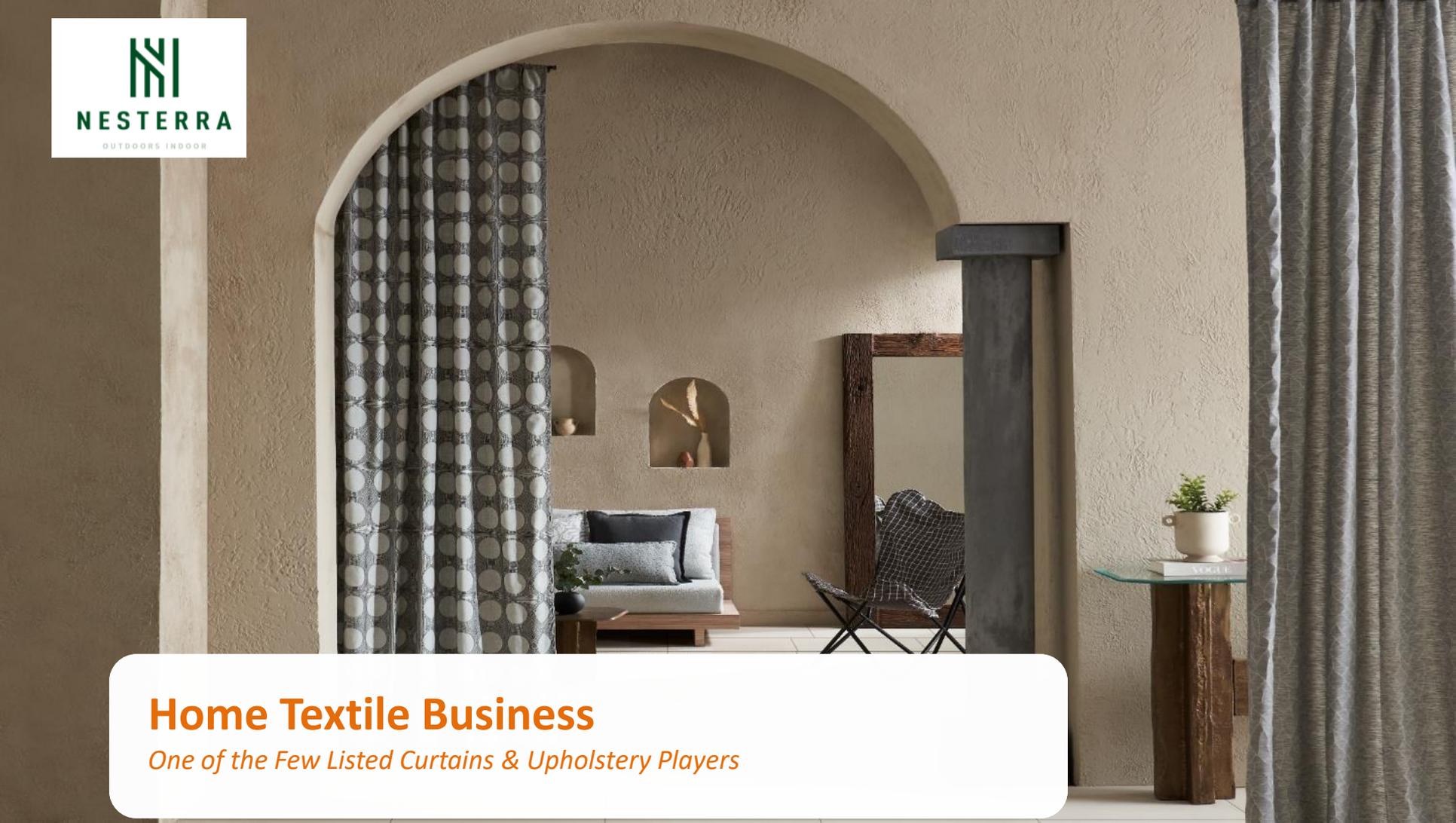
Key Statistics:

- ✓ **120 Tonne per day** *Installed capacity of green fibre at Sutlej*
- ✓ **4.80 Million** *Peak quantum of PET bottles that can be consumed by Sutlej a day*
- ✓ **73%** *company's green fibre appetite serviced from within*
- ✓ **60 Million** *Number of PET drinking water bottles consumed each hour across the world*

Updates

- ✓ **Capacity utilization** has been consistently increasing and currently running at optimum capacity of 103%.
- ✓ **Developed multiple new products** like Hollow Fiber & Super White Fiber etc. which has been approved by users.





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

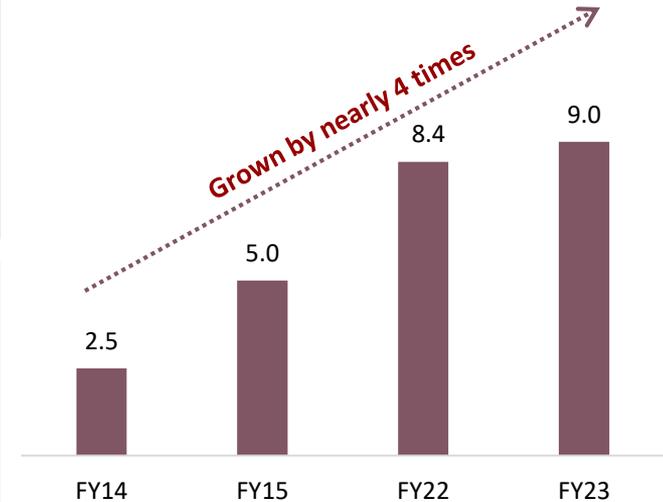
▪ Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 8.97 Mn. metres/pa
- ✓ 118 dobby & jacquard looms including 38 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



Increase in Penetration

- ✓ Expanded customer base in large format retail stores in UAE and UK.
- ✓ The new collection launched in the Domestic market has been well received
- ✓ Continue to acquire new customers in new territories that cater to broader customer segments like residential, furniture manufacturing, retailers, jobbers, contract and readymade.
- ✓ Seeing good reorder percentage from North America and the UK market.
- ✓ Booking orders with prominent large customers and are viewed as an important and innovative supplier in new markets such as Australia, South Africa, and Russia where we have identified and selling through large wholesale customers.



Home Textile - “Nesterra” Building a Brand of Future

From B2B to Retail Brand

- In FY21, launched the first retail brand in its existence
- ‘Nesterra’ has established itself as a prominent player in the industry through its fastest grown distribution network
- Have developed seamless ordering portal for the trade.
- Currently accessible in 500+ retail points

Capitalize Existing Expertise

- Capitalize on rich pedigree originating from the House of Sutlej by virtue of its proprietary yarns and manufacturing capability
- Capitalize on long term relationship established by the front end team to enter and grow in major markets

Brand Building

- Within a short span of time, ‘Nesterra’ has begun earning respect from top Architect and interior design community for its distinct product offering and has been tastefully found home in their major projects.



Home Textile - “Nesterra” Building a Brand of Future



Market Penetration

- ✓ Total number of MBOs selling Nesterra Collections is over 500.
- ✓ The total number of collections on the market is 24 with 12 more scheduled to reach the market in the coming months.

Marketing and Advertising

- ✓ Nesterra's newly launched Elementary, Heritage, and Chair Affair collections were featured in the leading home décor magazine ELLE Décor India and lifestyle platform- The Glitz, while Heritage and Chair Affair collection were also featured on the website in Architectural Digest
- ✓ Product feature in the leading home décor magazine, Architectural Digest India, for the newly launched Elementary collection.
- ✓ Secured editorial coverage in high-reach lifestyle publication, IANS Life, highlighting Spring/Summer with Better Earth, which was then syndicated by various other platforms.
- ✓ Campaigns with influencers have garnered major attention and awareness and brand following.
- ✓ Digital reinforcement of the brand name and collection names.
- ✓ Aim to bring alive the brand story in visual format to humanize the brand tone.



Key Highlights

Market Penetration

- ✓ Plan to target sales in display, transportation, and hospitality segments that continue to perform well despite a slowing economy.
- ✓ Continue to focus on selling ASM staples such as suedes and velvets that are already proven performers.
- ✓ Aviation and display markets continue to be strong
- ✓ The company has undergone internal cost evaluation and has reduced annual expenses by reducing IT services etc



The starting point of all achievement is desire- Napoleon Hill”

sutlej
textiles and industries limited

Let's Connect

 **STELLAR**
INVESTOR RELATIONS

Mr. Rajib Mukhopadhyay
rajibm@sutlejtextiles.com

Lotus Corporate Park, Goregaon (East), Mumbai 400063

Ms. Pooja Sharma / Ms. Vinita Pandya
pooja.sharma@stellar-ir.com / vinita@stellar-ir.com

Kanakia Wall Street, Andheri (East), Mumbai 400 093