

06th November, 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
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Dear Sirs / Madam,

Sub: Q2 & H1 FY24 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 and half year ended 30th September, 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

Q2 & H1FY24 Presentation | November 2023

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Q2 & H1FY24 Result Updates

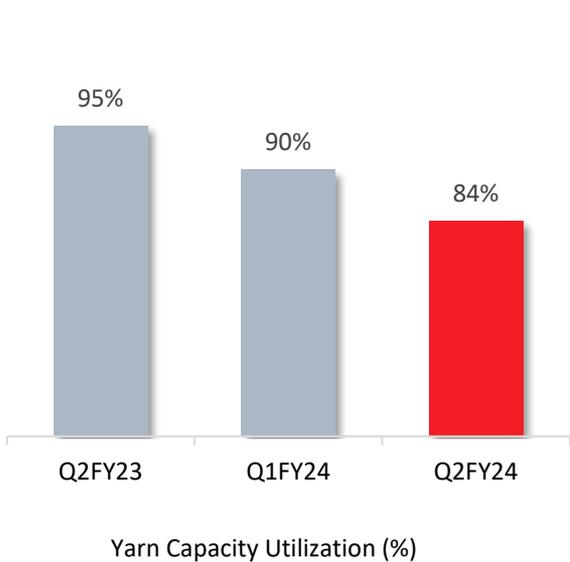
Financial Performance – Q2 & H1FY24

Consolidated (Rs Crore)	Q2FY24	Q1FY24	QoQ%	Q2FY23	H1FY24	H1FY23	YoY %
Total Income	739	711	4%	826	1,450	1,679	-14%
Cost of goods sold	504	429	18%	431	933	836	12%
Gross Profit	235	282	-17%	395	517	843	-39%
GP margin %	31.79%	39.67%	-788 bps	47.84%	35.65%	50.20%	-1455 bps
Employee cost	110	113	-2%	114	224	227	-1%
Other expenses	155	164	-6%	187	318	384	-17%
EBITDA	-30	5	NA	94	-25	232	NA
EBITDA margin	-4.04%	0.67%	-471 bps	11.39%	-1.73%	13.80%	-1553 bps
Depreciation	29	31	-7%	31	60	62	-3%
Interest	17	18	-6%	13	35	27	31%
Profit Before Tax	-76	-45	68%	49	-121	143	NA
Exceptional Items	0	0	0%	0	0	24	0
Tax	-26	-14	87%	18	-41	42	NA
Profit After Tax	-49	-30	65%	31	-80	77	NA
PAT margin	-6.69%	-4.29%	-240 bps	3.79%	-5.51%	4.57%	-1008 bps

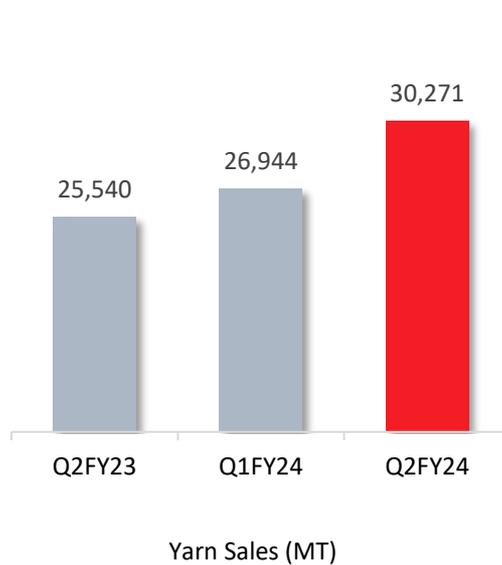


Yarn Business Highlights – Q2 & H1FY24

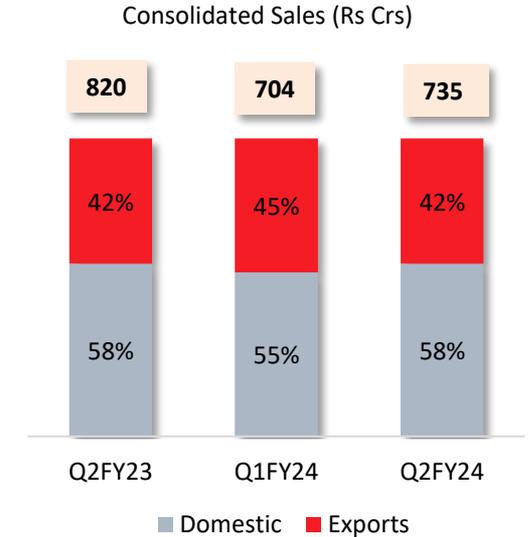
Capacity utilisation nearing Optimum Levels



Yarn Sales Volumes picking up

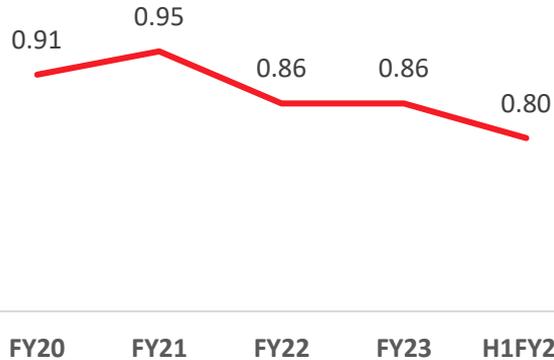


Focusing on Domestic Market

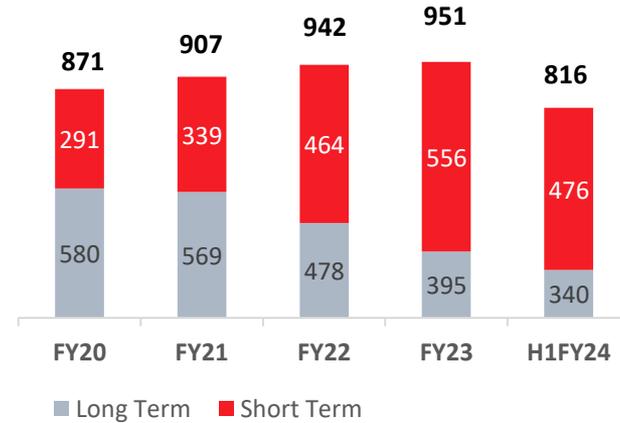


Balance Sheet (Consolidated) – Highlights

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



Overall Debt Levels continue to be in control



✓ Total Debt has decreased by Rs.135 Crs to Rs.816 Crs as against Rs. 951 Crs in March 2023

✓ Debt to Equity Ratio decrease to 0.80 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 Israel-Hamas conflict was an unexpected turn of event for global peace and recoveries that were being seen across economies. As the conflict rages on, the world is amid two full-scale wars. Developed economies and their central banks are adopting a more cautious approach, to ensure that inflation remains under control. For the textile industry, this has meant that major demand centres are seeing a slowdown in discretionary spends, thereby impacting the textile sector in general and the spinning sector in particular.

The Indian consumption story, continues to grow however, based on initial estimates, the upcoming festive season is unlikely to boost demand for the textile sector. At Sutlej, we are keenly aware of our evolving consumer base, and remain committed to attuning our product offerings. Our Q2FY24 performance, while muted, reflects an industry-wide slowdown. We are adopting a cautious approach and believe that the remainder of the fiscal will continue to be subdued.”





Sutlej

Creation of a Strong Foundation over the years



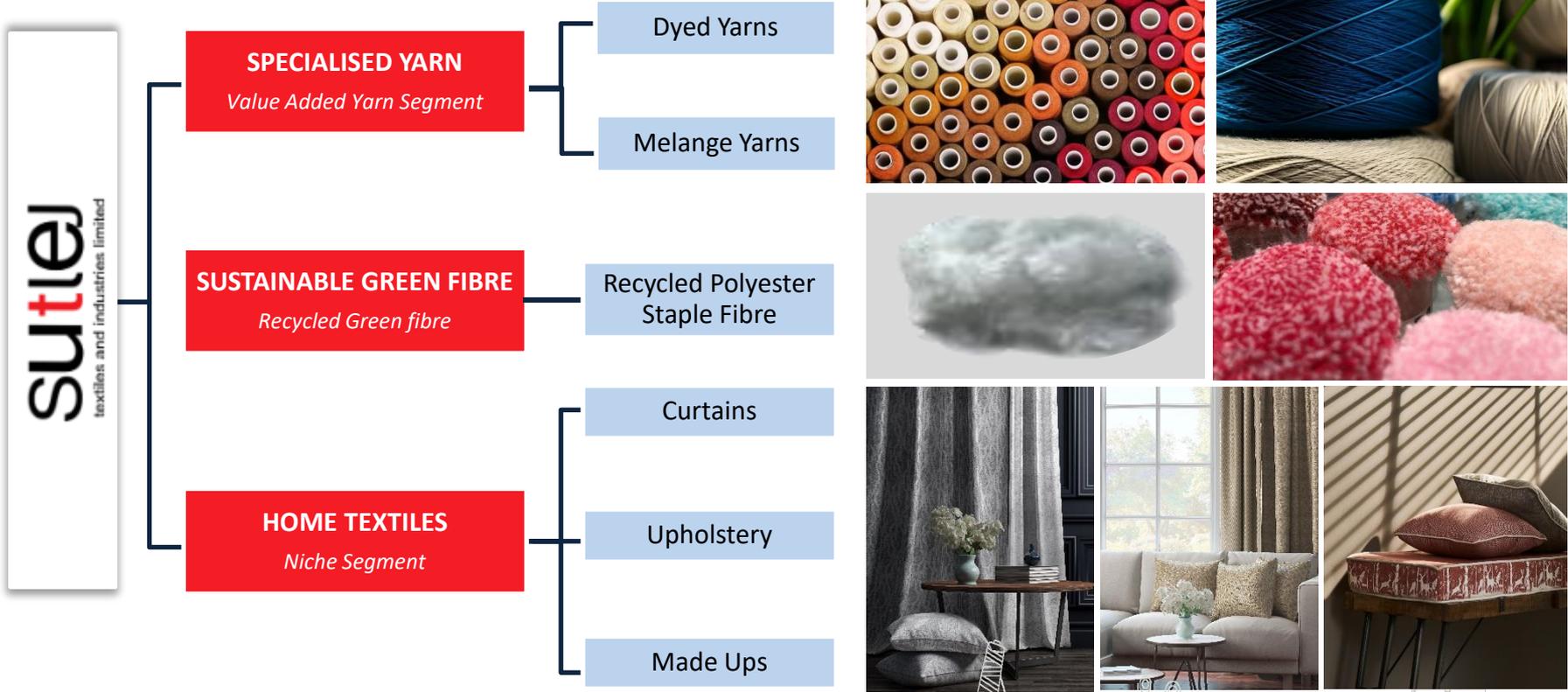
Established Value-added Yarn Player

- **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 60+ countries**
 - ✓ Across Europe, North & Latin America, South-East Asia, USA.
- **Large scale Capacities**
 - ✓ 4,23,792 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 8.40 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

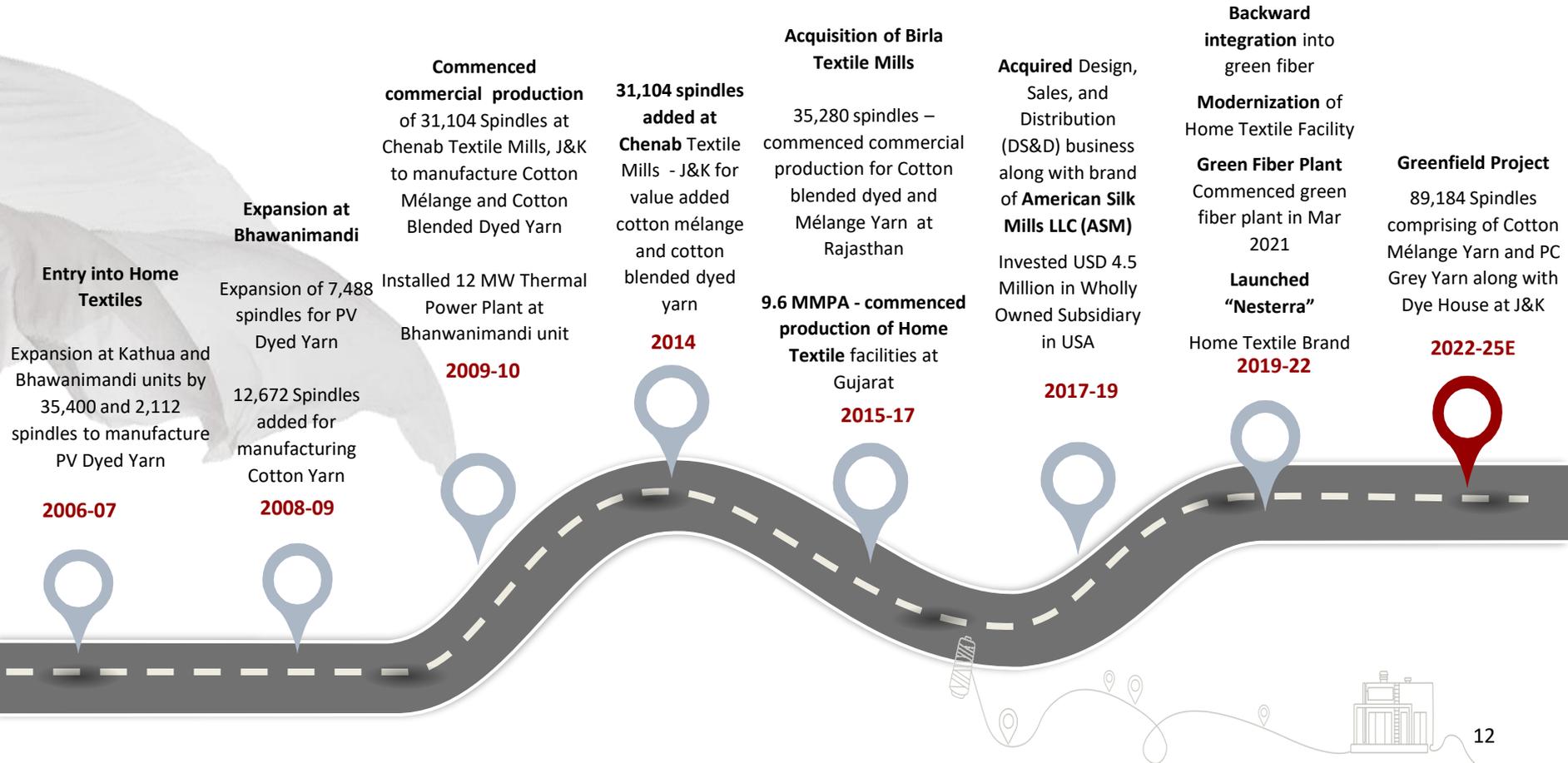
WTD and CFO

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'

1 Kathua, J&K

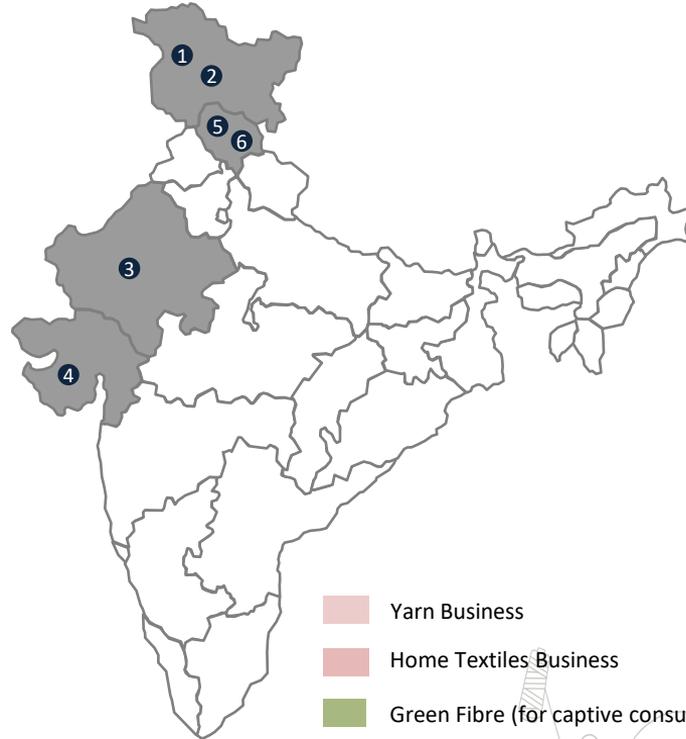
- 1,02,576 Spindles (Cotton Mélange)
- 1,10,880 Spindles (Man-made Fibre)

2 J&K

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

3 Bhawanimandi, Rajasthan

- 35,280 Spindles (Cotton Mélange)
- 92,256 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW



4 Damanganga, Gujarat

- Capacity of 8.40 million meters
- 118 Shuttle-less looms

5 Baddi, Himachal Pradesh

- 36, 503 Spindles (Cotton Mélange)
- 46,297 Spindles (Man-made Fibre)

6 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**

- ✓ 4,23,792 Dyed Yarn Spindles
 - ~41% dedicated to Melange Yarn
 - ~59% dedicated to various blends

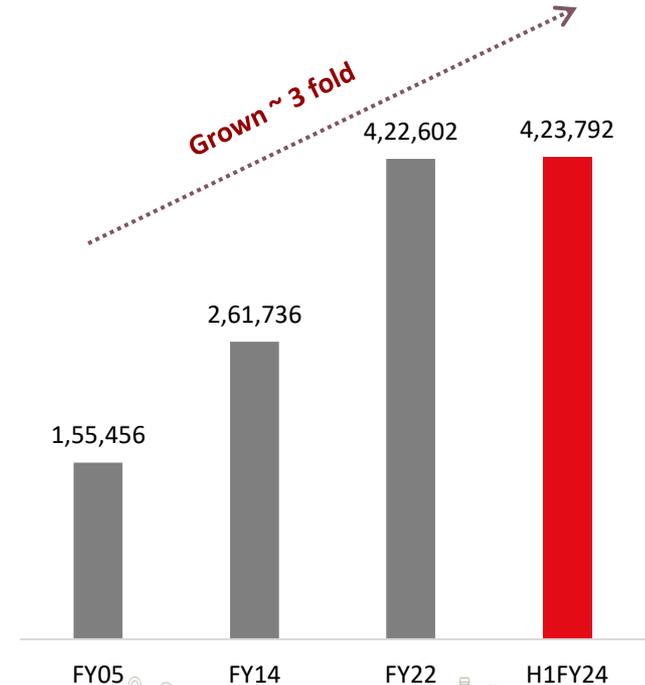
▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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)



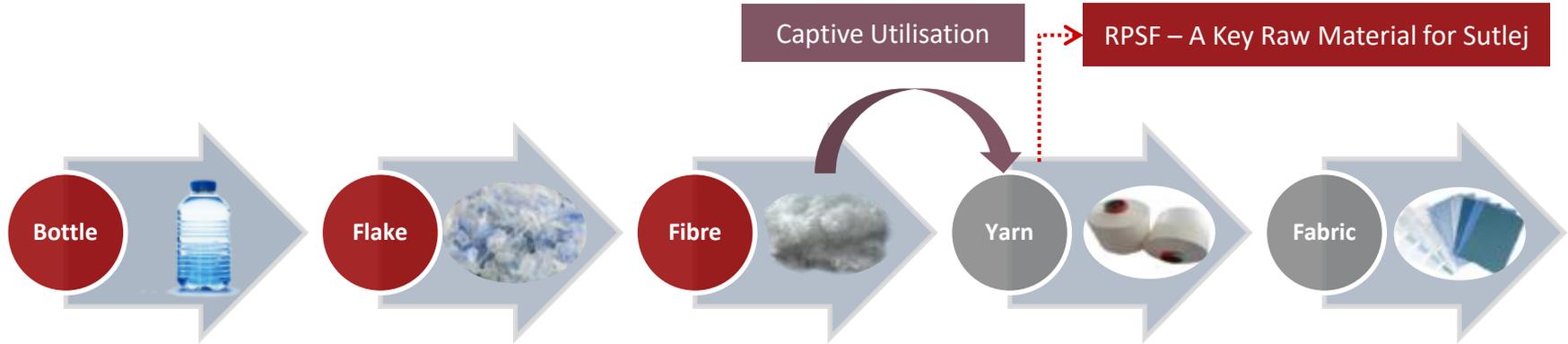


Sustainable Green Fibre Unit

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
- ✓ **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.





NESTERRA®

HOME DÉCOR EXCLUSIVES



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

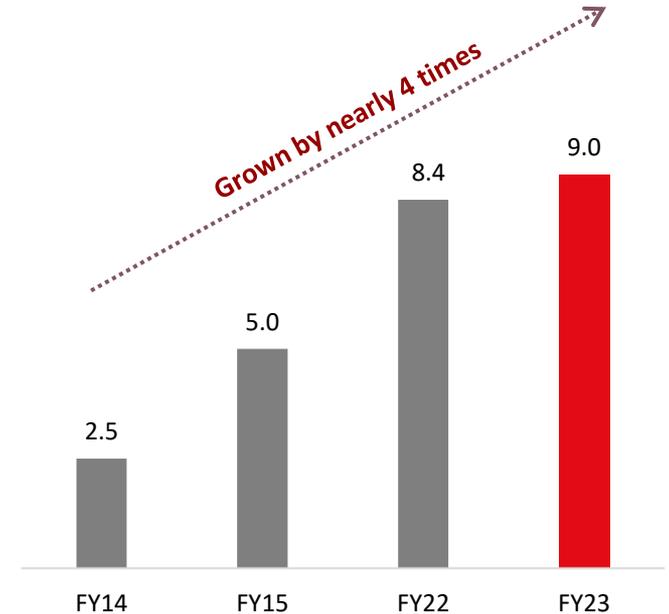
▪ Latest Technology in design & manufacturing

- ✓ State-of-the-Art manufacturing facility at Gujarat
- ✓ Capacity of 8.40 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 – introduced ~1,000 new SKUs in Q2FY24

Increase in Loom Capacities (MMT) over past 12 yrs



Home Textile Business

Increase in Penetration

- ✓ Expanded customer base in large format retail stores in UAE and UK. Strategically positioning ready-made products with prominent accounts such as Home Center in the UAE, to tap into new growth opportunities
- ✓ 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 600+ 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. Extended our agent network to cover all locations, except for the North-East
- ✓ Launched 12 new premium collections at Home Décor Expo 2023, in addition to the existing 24 collections of Nesterra in the market

Marketing and Advertising

- ✓ Nesterra's newly launched collections featured in over 40 Print and 10 Online CAT A & B publications.
- ✓ Executed a social media campaign, #YouniquelyNesterra, with respected CAT A celebrities and lifestyle influencers, effectively showcasing our newly launched collections and amplifying our brand presence.
- ✓ Our Products featured in GQ India's June-July-August issue for Elementary Collection. Additionally, the Shibui collection was featured in Femina India's August issue under the "What's Hot" section



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.



“Success is the sum of small efforts-repeated day in and day out”- Robert Collier



Let's Connect

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