

07th November, 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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Dear Sirs / Madam,

Sub: Q2 & H1FY23 Result Presentation

Please find enclosed herewith a copy of the presentation with respect to the un-audited financial results of the Company for Q2 & H1FY23.

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

Leadership in Yarns, Establishing a niche
in Home Textiles

Q2 & H1FY23 Result Presentation
Nov 2022

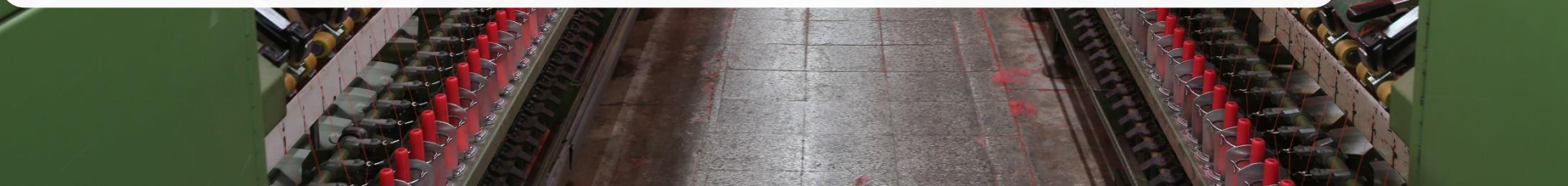


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Q2 & H1 FY23 Result Updates

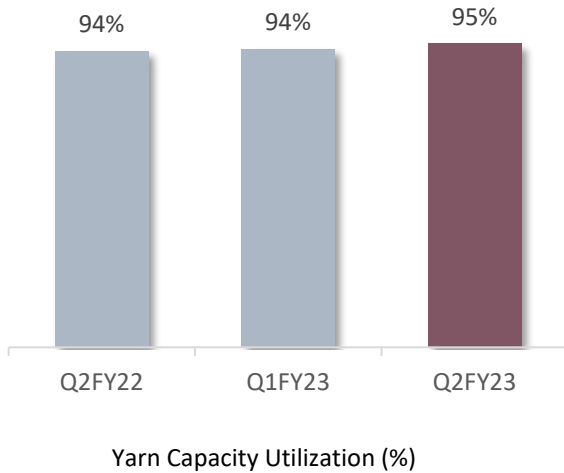


Financial Performance – Q2 & H1FY23

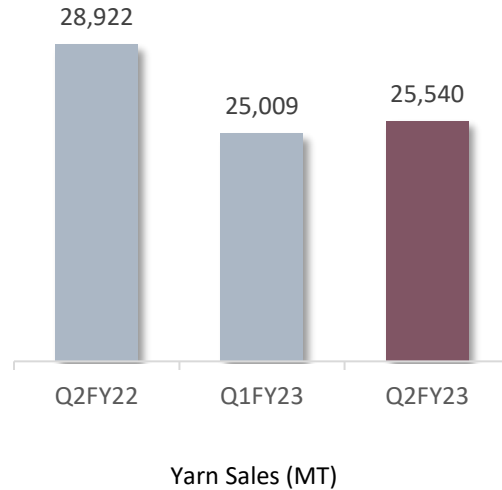
Consolidated (Rs Crore)	Q2FY23	Q1FY23	Q2FY22	YoY %	H1FY23	H1FY22	YoY %
Total Income	826	853	798	4%	1,679	1,388	21%
Cost of goods sold	431	405	413	4%	836	690	21%
Gross Profit	395	447	385	3%	843	698	21%
GP margin %	47.84%	52.48%	48.26%	-42 bps	50.20%	50.28%	-8 bps
Employee cost	114	113	107	7%	227	201	13%
Other expenses	187	196	171	9%	384	314	22%
EBITDA	94	138	107	-12%	232	183	27%
EBITDA margin	11.39%	16.14%	13.38%	-199 bps	13.80%	13.15%	65 bps
Depreciation	31	31	30	3%	62	60	3%
Interest	13	13	12	15%	27	24	12%
Profit Before Tax	49	93	65	-24%	143	98	45%
Exceptional Items	0	24		NA	24		NA
Tax	18	24	23	-21%	42	36	17%
Profit After Tax	31	45	42	-25%	77	62	24%
PAT margin	3.79%	5.32%	5.23%	-144 bps	4.57%	4.47%	10 bps

Yarn Business Highlights

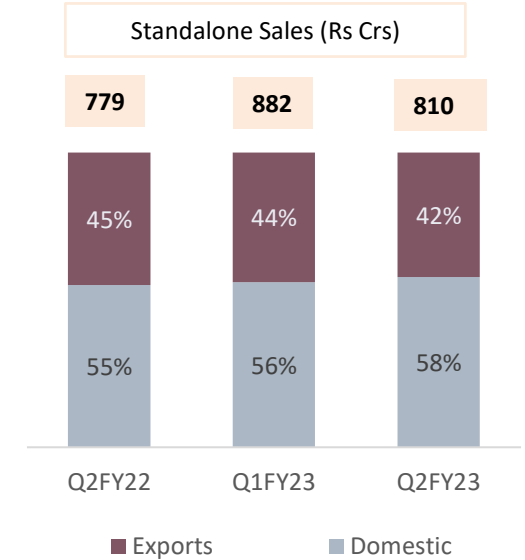
Capacity utilisation reports further improvement at 95%



Yarn Sales stabilised

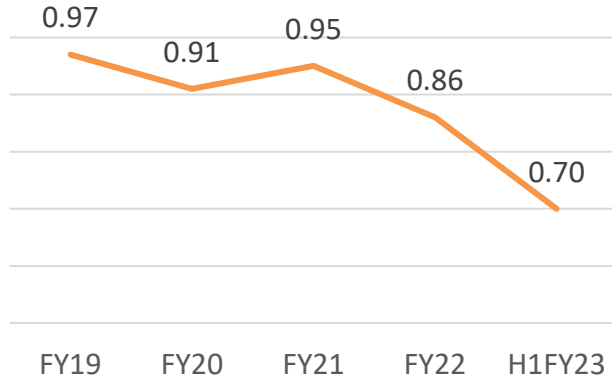


Switched Focus on Domestic market

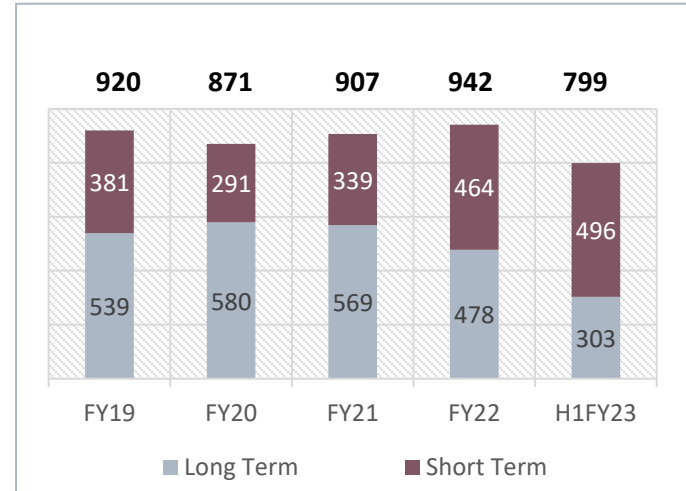


Balance Sheet (Consolidated) - Highlights

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



Decrease in overall Debt due to reduction in both Long term and Short term Debt.



- ✓ Total Debt has reduced by 143 Crs to Rs 799 Crs as against Rs 942 Crs in March 2022
- ✓ Debt to Equity Ratio at historic low levels of 0.7 times

From the Executive Chairman's Desk

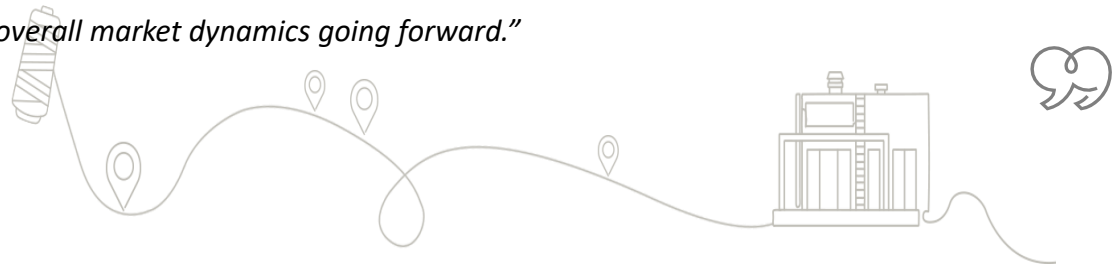


Executive Chairman - Mr. C. S. Nopany



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

“The global economic turmoil coupled with inflationary pressures has resulted in a challenging operating environment for most sectors, including the textiles. We are now witnessing key commodity prices declining from their extraordinary highs, resulting in a slowing down of demand in almost all geographies. As prices continue on a downward trajectory finding a new equilibrium, demand and offtake remained subdued in Q2. At Sutlej, while the quarterly performance has been under some pressure, we have been quite resilient and have operated at optimum capacity due to our diversified portfolio, multi-market operations, strong relationships with our customers and we remain cognizant of the overall market dynamics going forward.”



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**
 - ✓ 4,21,008 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.

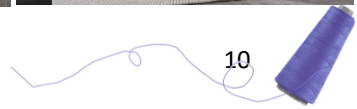
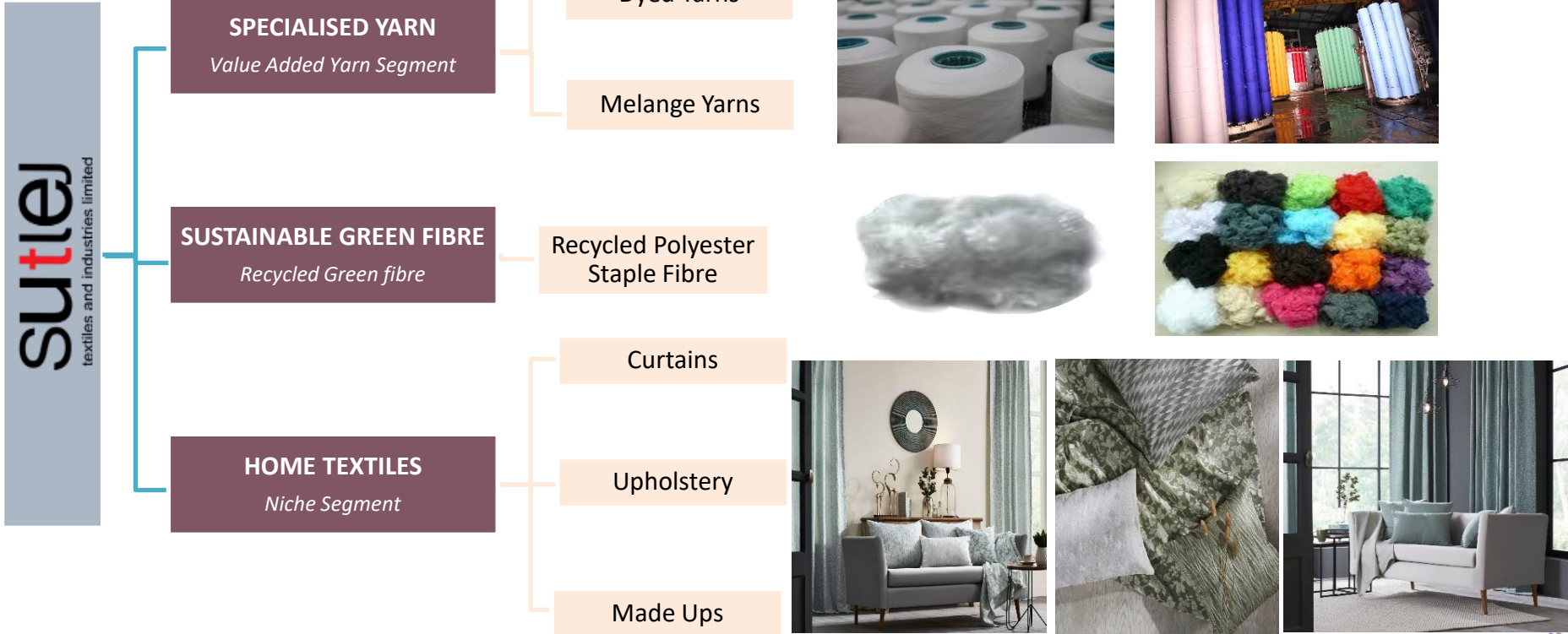


Building a strong Home Textile Brand

- **Niche Segment Presence**
 - ✓ One of the few listed players in curtains & upholstery segment
- **Sizable Capacity**
 - ✓ Current Home Textile capacity of 8.4 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



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. Rajib Mukhopadhyay

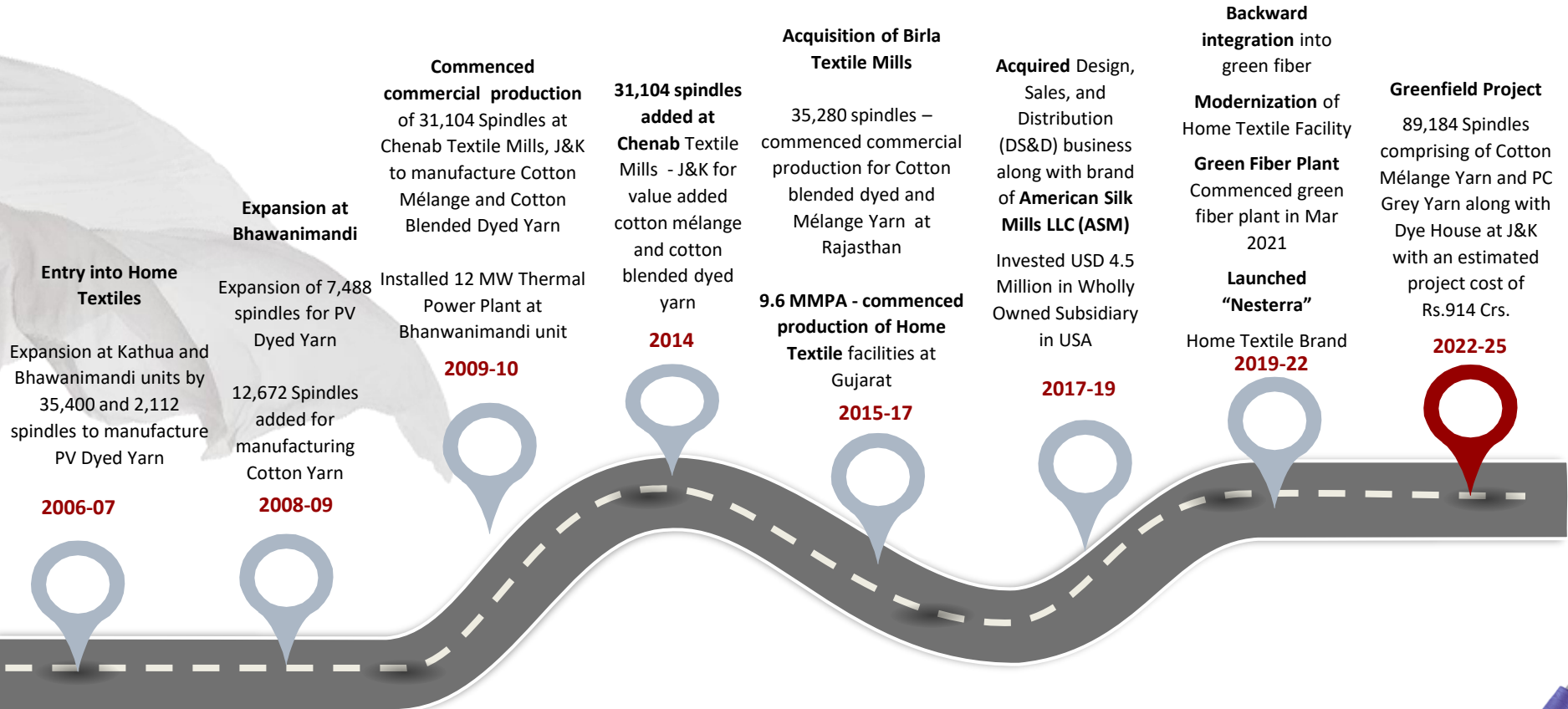
WTD and CFO

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

- 1,11,739 Spindles (Cotton Mélange)
- 1,00,373 Spindles (Man-made Fibre)

J&K

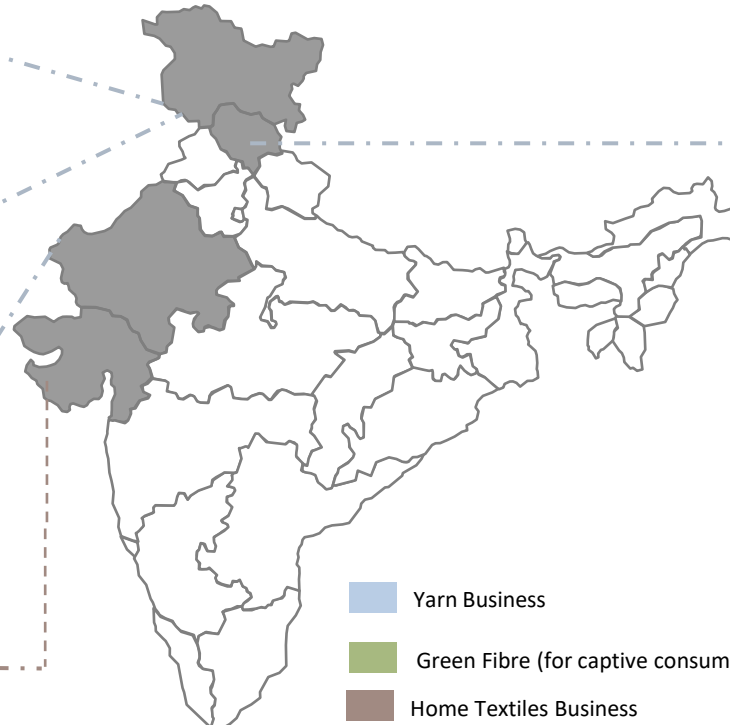
- **Greenfield Project** announced of 89,184 Spindles of Cotton Mélange Yarn and PC Grey Yarn along with Dye House.
- Estimated project cost of Rs 914 Crs.

Bhawanimandi, Rajasthan

- 43,689 Spindles (Cotton Mélange)
- 81,975 Spindles (Man –made Fibre)
- Roof top solar plant of 2.7 MW

Damanganga, Gujarat

- Capacity of 8.4 million meters
- 116 Shuttle-less looms



Baddi, Himachal Pradesh

- 83,232 Spindles (Cotton & Blended)

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**

- ✓ 4,21,008 Dyed Yarn Spindles
 - ~35% dedicated to Melange Yarn
 - ~65% dedicated to various blends

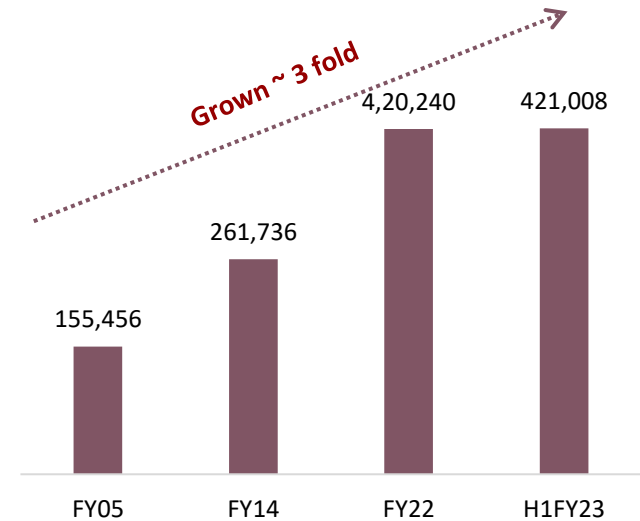
▪ **Well Diversified Product Portfolio/geographies and customers**

- ✓ 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)



New Green Field Spinning project at J&K

- ✓ Currently the company is not present in Greige (grey) product segment. In order to compliment the dyed/mélange product offering, the company needs to have grey product in its product basket.
- ✓ In view of the increasing demand for cotton /polyester blends across multiple categories of end use there is market potential of grey blended yarns both in domestic and export markets.
- ✓ Currently the company has yarn production capacity of 4.21 lacs spindles which are operating at 94-95% capacity utilization.
- ✓ The Board has approved setting up of a green field project for 89,184 Spindles comprising of Cotton Mélange Yarn and PC Grey Yarn along with Dye House at J&K with an estimated project cost of Rs.914 Crs. The commercial production of the project is expected around Q4FY25.

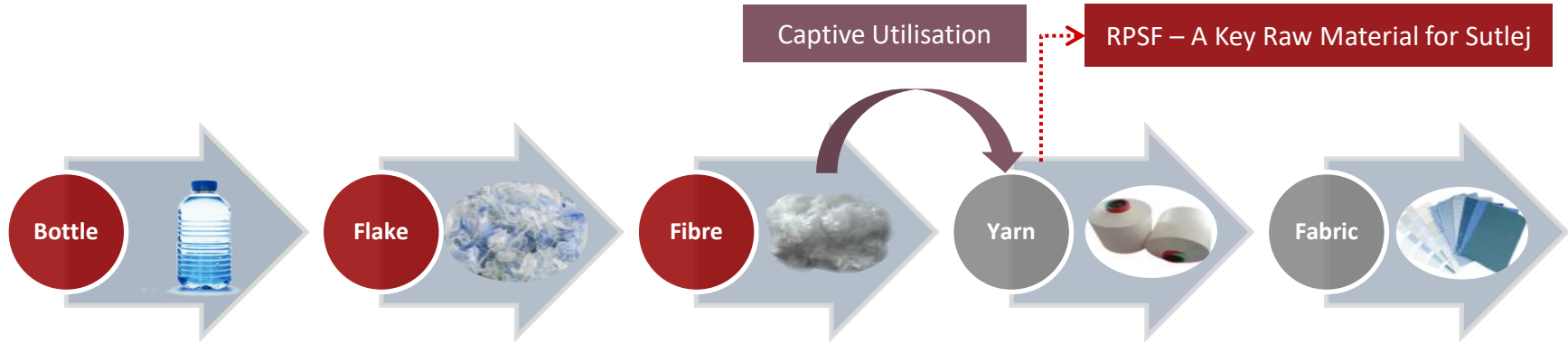




Sustainable Green Fibre Unit

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 utilization of around 98.89% in H1FY23. Performance of the unit has improved significantly.
- ✓ **Developed multiple new products** like Hollow Fiber & Super White Fiber etc which has been approved by users.





NESTERRA

OUTDOORS INDOOR

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

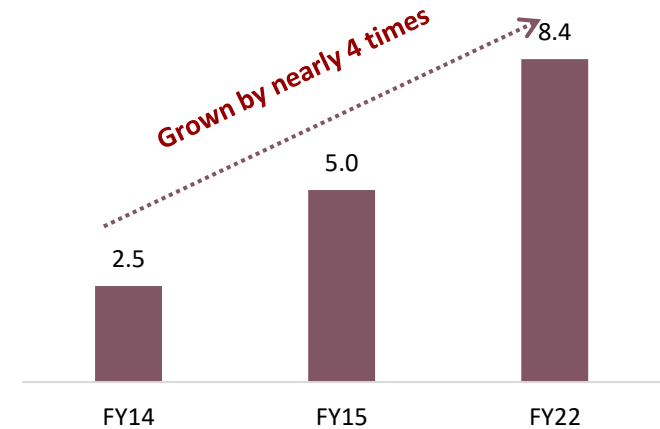
Latest Technology in design & manufacturing

- ✓ State of Art manufacturing facility at Gujarat
- ✓ Capacity 8.4 Mn. metres/pa
- ✓ 116 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



Home Textile Business

Market Penetration

- ✓ Launched 1500 new SKUs in the wholesale domestic market and on boarded 12 new customers.
- ✓ During the year, added 7 new clients and placed 496 SKUs in US, while added 3 new customers and placed 280 SKUs in UK. Expect to add new customers in both these markets.
- ✓ Made inroads with new clients in Finland and targeting customers in other European countries like Germany and Belgium.
- ✓ Receiving overwhelming response from South East Asian countries like Indonesia, Singapore, Vietnam and Thailand.
- ✓ On boarded renowned new customers in UAE and Australia and also expecting to add some more customers in Australia.
- ✓ Re-initiated discussions with customers in Bangladesh and attempting to start shipments to their counterparts in East India.
- ✓ Have witnessed revival of demand from Sri Lanka, after the country has opened up for tourists.



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 407 stores across 25 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 distinguished designs, quality, consistency and timely service in India’s retail sector.



Home Textile - “Nesterra” Building a Brand of Future



New Collections

- ✓ At Indian Home Furnishings Expo (IHF) 2022, new collections from Nesterra garnered significant traction
- ✓ Launched 6 collections in the market namely- Bloomington, Tranquil, Alana, Eccentric, Lucid, Evelyn

Market Penetration

- ✓ Agent network across India is proving helpful in the growth of Nesterra, currently present in 407 MBOs of this 78 were added in Q2FY23.
- ✓ Currently present across 112 cities in 25 states

Marketing

- ✓ Secured product feature showcasing Nesterra’s collections in some of India’s leading décor magazines such as ELLE Décor, Architectural Digest, and Good Homes, helping position Nesterra as a premium brand.
- ✓ The #ThreadsOfTogetherness campaign earned media mentions in key advertising & media publications like MediaBrief, 4PS, and Passionate in Marketing.



Home Textile - “Nesterra” Building a Brand of Future

Some of our recent campaign images



Nesterra's outdoor Campaign - Placed four LED screens in Lalbaug, Mumbai during Ganesh Chaturthi festival



A month long Nesterra pop-up at the Domestic gate of Mumbai International Airport in the month of August 22

Key Highlights

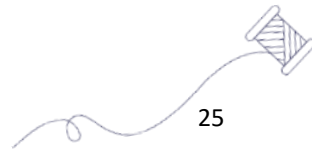
- ✓ Healthy order Book position.
- ✓ Witnessed overall improvement in performance, taken another price increase to offset vendor price increases.
- ✓ Expect an increase in orders from furniture manufacturers at the end of the year coming out Furniture and Interwoven fabric market.

Synergy with Sutlej

- ✓ The collaboration between Sutlej & ASM design is rendering great new looks with specialty yarns that will solidify offerings going forward.
- ✓ The new line presented recently was inspiring and ASM has selected five patterns to move forward for introduction to ASM line.

New Products

- ✓ Developed new collection of indoor/outdoor product. Initial reviews have been favorable. It will consist of 116 SKUs and 21 patterns and will ship in 48 hours.



Awards and Accolades

- ✓ Received Life Time Achievement Export Ratan Award. First time given by State Government for 2019-20 in 2022.



“Nothing works better than just improving your product- Joel Spolsky”

Let's Connect

sutlej
textiles and industries limited

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