



  
SUDITI INDUSTRIES LTD.

# 9M/Q3-FY19 EARNINGS PRESENTATION

# Executive Summary



## Overview

- Suditi Industries limited ("SIL"), was incorporated in 1991 as a processing house to manufacture 100% cotton Knitted Fabrics and Polar Fleece Fabrics
- In a short span, the company established itself as a reputed quality manufacturer of hosiery fabrics and garments for many established brands
- The company is today a vertically integrated Textile and Apparel manufacturing house with processes like knitting, dyeing, printing, finishing, garmenting and also retailing of our own branded apparels and reputed licensed wear



## Products and Business Mix

- **Retail Business**
  - **Licensed Brands** – FC Barcelona, Manchester City FC
  - **Own Brands** – Riot and Indianink
  - **Partnership Brands** – YouWeCan and NUSH
- **Fabric and Garments Business**



## Key Marquee Clients

- **Retail:** EBO's and large format stores like Central, Shoppers Stop, Pantaloons, Lifestyle, & Walmart, and e-commerce presence on Jabong, Myntra, Amazon, Flipkart, Snapdeal, etc.
- **Fabrics:** Madura Group, Reliance, Creative Garments Pvt. Ltd, Gini & Jony Ltd, Choudhary Garments
- **Garments:** Future Group, Mandhana Industries Ltd, Myntra Designs Pvt. Ltd, Siyaram Silk Mill Ltd, Shoppers Stop, Raymond, Lee Cooper, Walmart, Burnt Umber



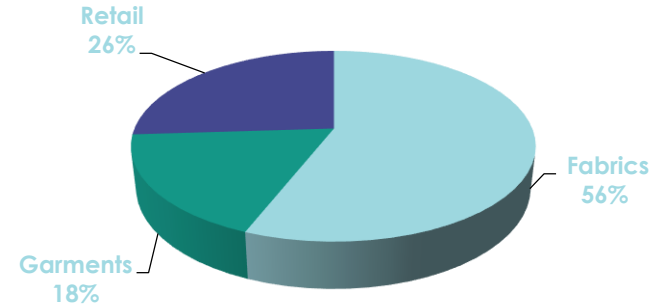
## FY18 Financial Performance (Standalone)

- Total Income: **INR 980 Mn**
- EBITDA: **INR 93 Mn**
- Net Profit: **INR 34 Mn**

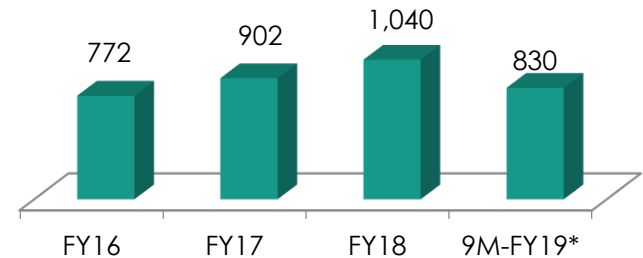
# Company Overview

- SIL initially started as a fabrics processing plant, the company has gradually entered into different segments of fabric processing such as knitting, printing, finishing and garmenting.
- The company is **headquartered at Navi Mumbai, Maharashtra** and has manufacturing unit at Turbhe, Mumbai.
- SIL has state-of-the-art machines imported from Germany, USA, Greece, Switzerland, Taiwan etc. through which they cater to customers' specific needs.
- SIL ventured into licensing by acquiring **manufacturing rights for 2014 FIFA World Cup (Brazil)**.
- Encouraged by the response of FIFA world cup 2014 (Brazil) the company has now executed licensing agreement with reputed **international clubs like FC Barcelona and Manchester City FC** and also ventured licensing agreements with **YouWeCan** as well as a joint venture with **NUSH**.
- The company has a strong retail presence through 2 of its **key brands: Riot** and **Indianink**.
- **Riot** is an inspirational youth brand that offers quality fashion wear at economical prices. **Indianink** offers a vivid range of contemporary fashion and styled garments for women.
- It also launched a clothing brand **YWC** Fashion with cricketer Yuvraj Singh in 2016 and brand **NUSH** with celebrity actress Anushka Sharma in 2017.

SEGMENTAL REVENUE (FY18)



CONSOLIDATED REVENUES (INR MN)

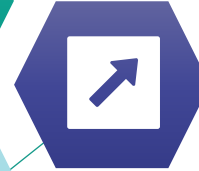


\* Standalone

# Key Strengths

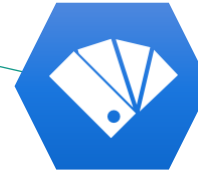
Experienced promoters & a strong management team

Established Players in Apparel Brand Licensing



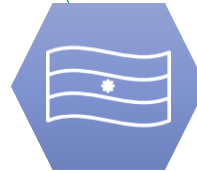
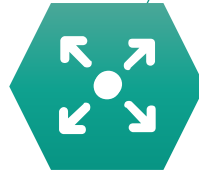
Vertically integrated - processing to garmenting

Strong Retail brands - Riot & Indian Ink



Diversified range of textile products

Reliable suppliers of Fabrics and Garments to Marquee Clients



Strong Pan India distribution network across platforms

# Future Strategy

- **Increased focus on retail** business.
- Strategically identify & tie-up with **more licensed brands**.
- **Increasing footprint of our own and licensed brands** through distributor networks and other low-capex franchisee models.
- **Higher focus on e-commerce** platforms.
- Strategically leverage on companies own manufacturing facilities to **further reduce cost & improve margins**.

INFO

STRATEGY

# 9M/Q3-FY19 Financial & Operational Highlights

## Q3-FY19 Standalone Financial Performance:

**Total Income** – INR 257 Mn

**EBITDA**- INR 25 Mn

**EBITDA Margin**- 9.73%

**Net Profit**- INR 10 Mn

**PAT Margin**- 3.89%

**Diluted EPS**- INR 0.57

## 9M-FY19 Standalone Financial Performance:

**Total Income** – INR 830 Mn

**EBITDA**- INR 84 Mn

**EBITDA Margin**- 10.12%

**Net Profit**- INR 33 Mn

**PAT Margin**- 3.98%

**Diluted EPS**- INR 2.02

## 9M/Q3-FY19 Operational Highlights:

- The Company has executed Retail Product License agreement with NBA Properties, Inc, USA (National Basket Ball Association, USA) for commercial use of logos, symbols, designations, emblems, color, combinations, design and all such identifications, labels, insignia, Indica or trade dress thereof, collectively called NBA marks. In addition to the existing licentiate rights, the Company is now marketing its garments and apparels by using these NBA marks on its products.

# Quarterly Standalone Financial Performance (IND AS)

Particulars (INR Mn)	Q3 FY19	Q3 FY18	Y-o-Y	Q2 FY19	Q-o-Q
<b>Total Income*</b>	<b>257</b>	<b>232</b>	<b>10.8%</b>	<b>302</b>	<b>(14.9)%</b>
Total Expenses	232	209	11.0%	262	(11.5)%
<b>EBITDA</b>	<b>25</b>	<b>23</b>	<b>8.7%</b>	<b>40</b>	<b>(37.5)%</b>
<b>EBITDA Margin (%)</b>	<b>9.73%</b>	<b>9.91%</b>	<b>(18) Bps</b>	<b>13.25%</b>	<b>(352) Bps</b>
Depreciation	5	4	25.0%	5	NA
Finance Cost	8	8	NA	7	14.3%
<b>PBT</b>	<b>12</b>	<b>11</b>	<b>9.1%</b>	<b>28</b>	<b>(57.1)%</b>
Tax	2	6	(66.7)%	11	(81.8)%
<b>PAT</b>	<b>10</b>	<b>5</b>	<b>100.0%</b>	<b>17</b>	<b>(41.2)%</b>
<b>PAT Margin (%)</b>	<b>3.89%</b>	<b>2.16%</b>	<b>134 Bps</b>	<b>5.63%</b>	<b>(174) Bps</b>
Other Comprehensive Income (net of Tax)	-	-	-	-	-
<b>Total Comprehensive income</b>	<b>10</b>	<b>5</b>	<b>100.0%</b>	<b>17</b>	<b>(41.2)%</b>
Diluted EPS (INR)	0.57	0.31	83.9%	1.01	<b>(43.6)%</b>

\* Includes Other Income

# Nine-Monthly Standalone Financial Performance (INR A)

Particulars (INR Mn)	9M-FY19	9M-FY18	YoY
<b>Total Income*</b>	<b>830</b>	<b>690</b>	<b>20.3%</b>
Total Expenses	746	619	20.5%
<b>EBITDA</b>	<b>84</b>	<b>71</b>	<b>18.3%</b>
<b>EBITDA Margin (%)</b>	<b>10.12%</b>	<b>10.29%</b>	<b>(17) Bps</b>
Depreciation	13	11	18.2%
Finance Cost	22	23	(4.3)%
<b>PBT</b>	<b>49</b>	<b>37</b>	<b>32.4%</b>
Tax	16	15	6.7%
<b>PAT</b>	<b>33</b>	<b>22</b>	<b>50%</b>
<b>PAT Margin (%)</b>	<b>3.98%</b>	<b>3.19%</b>	<b>79 Bps</b>
Other Comprehensive Income (net of Tax)	1	0	NA
<b>Total Comprehensive income</b>	<b>34</b>	<b>22</b>	<b>54.5%</b>
Diluted EPS (INR)	2.02	1.29	56.6%

\* - Includes Other Income



# Standalone Income Statement (IND AS)

Particulars (INR Mn)	FY16*	FY17	FY18	9M-FY19
<b>Total Income#</b>	<b>683</b>	<b>819</b>	<b>980</b>	<b>830</b>
Total Expenses	614	735	887	746
<b>EBITDA</b>	<b>69</b>	<b>84</b>	<b>93</b>	<b>84</b>
<b>EBITDA Margin (%)</b>	<b>10.10%</b>	<b>10.26%</b>	<b>9.49%</b>	<b>10.12%</b>
Depreciation	18	18	15	13
Finance Cost	30	29	29	22
<b>PBT</b>	<b>21</b>	<b>37</b>	<b>49</b>	<b>49</b>
Tax	6	16	15	16
<b>PAT</b>	<b>15</b>	<b>21</b>	<b>34</b>	<b>33</b>
<b>PAT Margins (%)</b>	<b>1.82%</b>	<b>2.56%</b>	<b>3.47%</b>	<b>3.98%</b>
Other Comprehensive Income (net of Tax)	-	-	-	1
<b>Total Comprehensive income</b>	<b>15</b>	<b>21</b>	<b>34</b>	<b>34</b>
Diluted EPS (INR)	0.87	1.26	1.91	2.02

#Includes other income

\*The numbers reported originally under IGAAP for FY16 is revised to make it comparable with FY17 and FY18 figures which are reported under IND AS

# Standalone Balance Sheet (IND AS)

Liabilities (INR Mn)	FY17	FY18	H1-FY19	Assets (INR Mn)	FY17	FY18	H1-FY19
<b>Shareholder Funds</b>				<b>Fixed Assets</b>			
Share Capital	168	168	170	Properties, Plant and Equipment	104	102	110
Other Equity	126	163	195	Intangible Assets	1	1	1
<b>Total Shareholders Fund</b>	<b>294</b>	<b>331</b>	<b>365</b>	Capital Work in Progress	2	17	4
				Intangible Assets under Development	2	2	2
<b>Non Current Liabilities</b>							
Long Term Borrowings	35	41	41	<b>Non-current investments</b>			
Other Long Term Liabilities	4	4	5	Non-current investments	9	10	10
				Deferred Tax Asset (net)	1	2	1
<b>Total Non Current Liabilities</b>	<b>39</b>	<b>45</b>	<b>46</b>	Long term loans	39	86	85
				Other non current assets	-	-	-
				Others	3	2	5
<b>Current Liabilities</b>				<b>Total Non current assets</b>	<b>161</b>	<b>222</b>	<b>218</b>
Short term Borrowings	211	231	279	<b>Current Assets</b>			
Trade Payables	137	141	215	Investments	-	-	-
Other Financial Liabilities	20	19	29	Inventories	296	302	300
Other Current Liabilities	4	19	37	Trade Receivables	227	234	403
Short-term provisions	4	4	4	Cash & Cash Equivalents	4	5	5
Current Tax Liability(Net)	-	-	-	Loans	-	-	-
<b>Total Current Liabilities</b>	<b>376</b>	<b>414</b>	<b>564</b>	Other current assets	20	27	49
				Current Tax assets (net)	1	-	-
				<b>Total Current Assets</b>	<b>548</b>	<b>568</b>	<b>757</b>
<b>GRAND TOTAL - LIABILITES</b>	<b>709</b>	<b>790</b>	<b>975</b>	<b>GRAND TOTAL - ASSETS</b>	<b>709</b>	<b>790</b>	<b>975</b>

# Consolidated Income Statement (IND AS)

Particulars (INR Mn)	FY16*	FY17	FY18
<b>Total Income#</b>	<b>772</b>	<b>902</b>	<b>1,040</b>
Total Expenses	705	816	944
<b>EBITDA</b>	<b>67</b>	<b>86</b>	<b>96</b>
<b>EBITDA Margin (%)</b>	<b>7.35%</b>	<b>9.53%</b>	<b>9.23%</b>
Depreciation	18	18	16
Finance Cost	30	31	33
<b>PBT</b>	<b>19</b>	<b>37</b>	<b>47</b>
Tax	6	16	15
Profit before share of profit/loss of Joint ventures/ Associates	13	21	32
<i>Profit/Loss of Joint Ventures/Associates</i>	-	-	(3)
<b>PAT</b>	<b>13</b>	<b>21</b>	<b>29</b>
<b>PAT Margins (%)</b>	<b>1.43%</b>	<b>2.33%</b>	<b>2.79%</b>
Other Comprehensive Income (net of Tax)	-	-	-
<b>Total Comprehensive income</b>	<b>13</b>	<b>21</b>	<b>29</b>
Diluted EPS (INR)	0.77	1.26	1.61

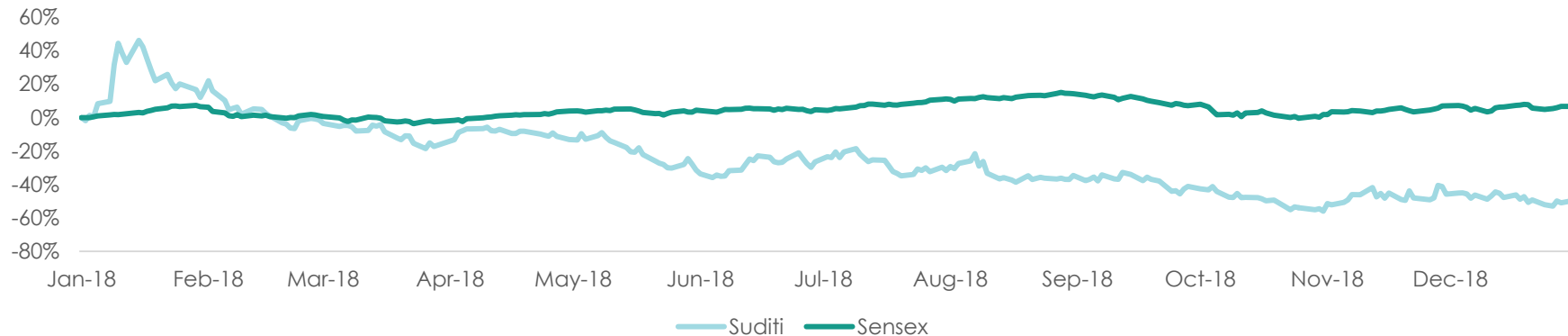
# Includes other income

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# Consolidated Balance Sheet (IND AS)

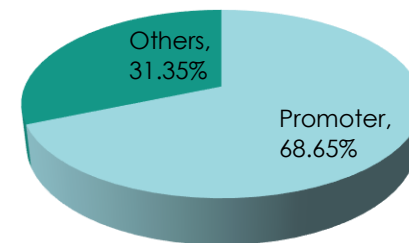
Liabilities (INR Mn)	FY17	FY18	Assets (INR Mn)	FY17	FY18
<b>Shareholder Funds</b>			<b>Fixed Assets</b>		
Share Capital	168	168	Properties, Plant and Equipment	105	104
Other Equity	124	155	Intangible Assets	1	1
Non- Controlling Interest	-	-	Capital Work in Progress	2	17
<b>Total Shareholders Fund</b>	<b>292</b>	<b>323</b>	Intangible Assets under Development	2	2
<b>Non Current Liabilities</b>			<b>Non-current investments</b>		
Long Term Borrowings	35	41	Non-current investments	-	-
Other non-current liabilities	27	26	Deferred Tax Asset (Net)	1	2
<b>Total Non Current Liabilities</b>	<b>354</b>	<b>390</b>	Loans	40	88
			Other non current assets	1	1
			Others	3	2
<b>Current Liabilities</b>			<b>Total Non current assets</b>	<b>155</b>	<b>217</b>
Short term Borrowings	229	292	<b>Current Assets</b>		
Trade Payables	182	211	Investments	-	-
Other Financial Liabilities	33	25	Inventories	328	371
Other Current Liabilities	4	23	Trade Receivables	300	326
Short-term Provisions	5	5	Cash & Cash Equivalents	4	5
Current Tax Liability (Net)	-	-	Loans	-	-
<b>Total Current Liabilities</b>	<b>453</b>	<b>556</b>	Other current assets	19	27
			Current tax assets (net)	1	-
			<b>Total Current Assets</b>	<b>652</b>	<b>729</b>
<b>GRAND TOTAL - LIABILITES</b>	<b>807</b>	<b>946</b>	<b>GRAND TOTAL – ASSETS</b>	<b>807</b>	<b>946</b>

# Capital Market Data



Price Data (31 <sup>st</sup> December, 2018)		INR
Face Value		10
Market Price		36.75
52 Week H/L (INR)		114.9/28.6
Market Cap (INR Mn)		624.1
Equity Shares Outstanding (Mn)		16.98
1 Year Avg. trading Volume ('000)		11.77

## Shareholding Pattern (31<sup>st</sup> December, 2018)



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thank  
YOU