



  
SUDITI INDUSTRIES LTD.

# Q4-FY18/FY18 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, YouWeCan
  - **Own Brands** – Riot and Indianink
  - **Joint Venture** – 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



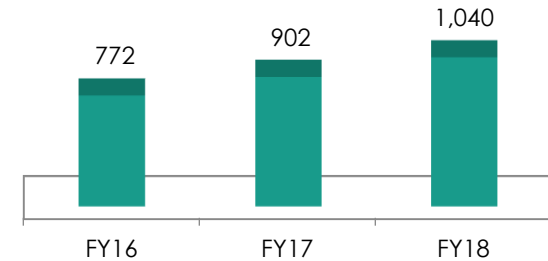
## Financial Performance (Standalone)

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

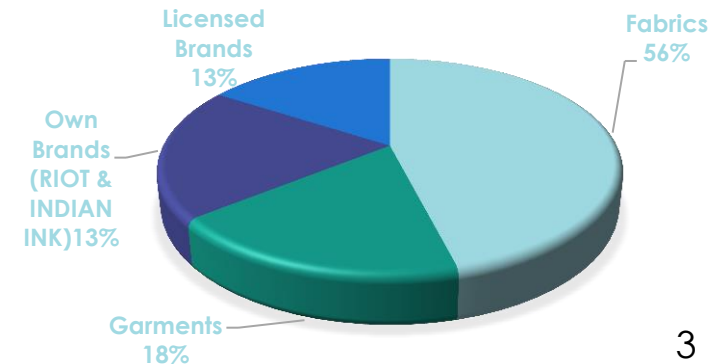
# Company Overview

- 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**.
- Its retail brand **Riot** is an inspirational youth fashion brand that offers high quality fashion wear at economical price. It offers **denims, bottoms, jackets, shirts for men, skirts, dresses, cardigans for women** and other **accessories**.
- **Indianink** offers a vivid range of contemporary fashion and styled garments for women. It emphasizes on ethnic and fusion wear. It offers a wide range of products like **Kurtas, Tunics, Skirts, Salwar Kameez** along with **co-ordinates**.

## CONSOLIDATED REVENUES (INR MN)



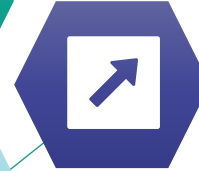
## SEGMENTAL REVENUE (FY18)



# Key Strengths

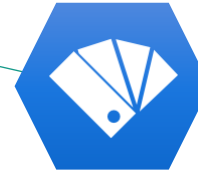
Experienced promoters & a strong management team

Established Players in Apparel Brand Licensing



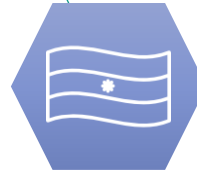
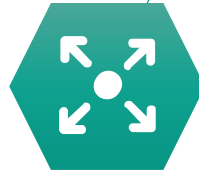
Vertically integrated - processing to garmenting

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

# Q4-FY18/FY18 Financial Highlights

## Q4-FY18 Standalone Financial Performance:

**Total Income\*** – INR 289 Mn;

**EBITDA**- INR 23 Mn;

**EBITDA Margin**- 7.96%

**Net Profit**- INR 12 Mn;

**PAT Margin**- 4.15%

**Diluted EPS**- INR 0.64 per equity share

## FY18 Standalone Financial Performance:

**Total Income\*** - INR 980 Mn

**EBITDA**-INR 93 Mn

**EBITDA Margin**- 9.49%

**Net Profit**-INR 34 Mn

**PAT Margin**- 3.47%

**Diluted EPS**-INR 1.91 per equity share

## FY18 Consolidated Financial Performance

**Total Income\*** - INR 1,040 Mn;

**EBITDA**- INR 96 Mn;

**EBITDA Margin**- 9.23%

**Net Profit**- INR 29 Mn;

**PAT Margin**- 2.79%

**Diluted EPS**- INR 1.61 per equity share

\* - Includes Other Income

# Q4-FY18/FY18 Operational Highlights

- Increasing top line with focus on margin improvement ( Standalone PAT margin increased from 2.56% in FY17 to 3.47% in FY18).
- Strong reception from customers for brands NUSH and YWC Fashion.
- YWC opening it's second EBO in Chandigarh.



# Quarterly Standalone Financial Performance (IND AS)

Particulars (INR Mn)	Q4-FY18	Q3-FY18	QoQ	Q4-FY17	YoY
<b>Total Income*</b>	<b>289</b>	<b>232</b>	<b>24.6%</b>	<b>289</b>	<b>NA</b>
Total Expenses	266	209	27.3%	264	0.8%
<b>EBITDA</b>	<b>23</b>	<b>23</b>	<b>NA</b>	<b>25</b>	<b>(8.0)%</b>
<b>EBITDA Margin (%)</b>	<b>7.96%</b>	<b>9.91%</b>	<b>(195) Bps</b>	<b>8.65%</b>	<b>(69) Bps</b>
Depreciation	4	4	NA	4	NA
Finance Cost	7	8	(12.5)%	7	NA
<b>PBT</b>	<b>12</b>	<b>11</b>	<b>9.1%</b>	<b>14</b>	<b>(14.3)%</b>
Tax	-	6	NA	8	NA
<b>PAT</b>	<b>12</b>	<b>5</b>	<b>140.0%</b>	<b>6</b>	<b>100.0%</b>
<b>PAT Margin (%)</b>	<b>4.15%</b>	<b>2.16%</b>	<b>199 Bps</b>	<b>2.08%</b>	<b>207 Bps</b>
Other Comprehensive Income (net of Tax)	(1)	-	NA	-	NA
<b>Total Comprehensive income</b>	<b>11</b>	<b>5</b>	<b>120.0%</b>	<b>6</b>	<b>83.3%</b>
Diluted EPS	0.64	0.31	106.5%	0.37	73.0%

\* Includes Other Income



# Standalone Financial Performance (IND AS)

Particulars (INR Mn)	FY18	FY17	YoY
<b>Total Income *</b>	<b>980</b>	<b>819</b>	<b>19.7%</b>
Total Expenses	887	735	20.7%
<b>EBITDA</b>	<b>93</b>	<b>84</b>	<b>10.7%</b>
<b>EBITDA Margin (%)</b>	<b>9.49%</b>	<b>10.26%</b>	<b>(77) Bps</b>
Depreciation	15	18	(16.7)%
Finance Cost	29	29	NA
<b>PBT</b>	<b>49</b>	<b>37</b>	<b>32.4%</b>
Tax	15	16	(6.3)%
<b>PAT</b>	<b>34</b>	<b>21</b>	<b>61.9%</b>
<b>PAT Margins (%)</b>	<b>3.47%</b>	<b>2.56%</b>	<b>91 Bps</b>
Other Comprehensive Income (net of Tax)	-	-	NA
<b>Total Comprehensive income</b>	<b>34</b>	<b>21</b>	<b>61.9%</b>
Diluted EPS	1.91	1.26	51.6%

\* Includes Other Income

# Standalone 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	104	102
Other Equity	126	163	Intangible Assets	1	1
<b>Total Shareholders Fund</b>	<b>294</b>	<b>331</b>	Capital Work in Progress	2	17
			Intangible Assets under Development	2	2
<b>Non Current Liabilities</b>					
Long Term Borrowings	35	41	<b>Non-current investments</b>		
Other Long Term Liabilities	4	4	Non-current investments	9	10
			Deferred Tax Asset (net)	1	2
<b>Total Non Current Liabilities</b>	<b>39</b>	<b>45</b>	Long term loans	39	86
			Other non current assets	-	-
			Others	3	2
<b>Current Liabilities</b>			<b>Total Non current assets</b>	<b>161</b>	<b>222</b>
Short term Borrowings	211	231	<b>Current Assets</b>		
Trade Payables	137	141	Investments	-	-
Other Financial Liabilities	20	19	Inventories	296	302
Other Current Liabilities	4	19	Trade Receivables	227	234
Short-term provisions	4	4	Cash & Cash Equivalents	4	5
Current Tax Liability(Net)	-	-	Loans	-	-
<b>Total Current Liabilities</b>	<b>376</b>	<b>414</b>	Other current assets	20	27
			Current Tax assets (net)	1	-
			<b>Total Current Assets</b>	<b>548</b>	<b>568</b>
<b>GRAND TOTAL - LIABILITES</b>	<b>709</b>	<b>790</b>	<b>GRAND TOTAL - ASSETS</b>	<b>709</b>	<b>790</b>

# Consolidated Financial Performance (IND AS)

Particulars (INR Mn)	FY18	FY17	YoY
<b>Total Income *</b>	<b>1,040</b>	<b>902</b>	<b>15.3%</b>
Total Expenses	944	816	15.7%
<b>EBITDA</b>	<b>96</b>	<b>86</b>	<b>11.6%</b>
<b>EBITDA Margin (%)</b>	<b>9.23%</b>	<b>9.53%</b>	<b>(30) Bps</b>
Depreciation	16	18	(11.1)%
Finance Cost	33	31	6.5%
<b>PBT</b>	<b>47</b>	<b>37</b>	<b>27.0%</b>
Tax	15	16	(6.2)%
Profit before share of profit/loss of Joint ventures/ Associates	32	21	52.4%
<i>Profit/Loss of Joint Ventures/Associates</i>	(3)	-	NA
<b>PAT</b>	<b>29</b>	<b>21</b>	<b>38.1%</b>
<b>PAT Margins (%)</b>	<b>2.79%</b>	<b>2.33%</b>	<b>46 Bps</b>
Other Comprehensive Income (net of Tax)	-	-	NA
<b>Total Comprehensive income</b>	<b>29</b>	<b>21</b>	<b>38.1%</b>
Diluted EPS	1.61	1.26	27.8%

\* Includes Other Income

# 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>

# Standalone Income Statement (IND AS)

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

#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

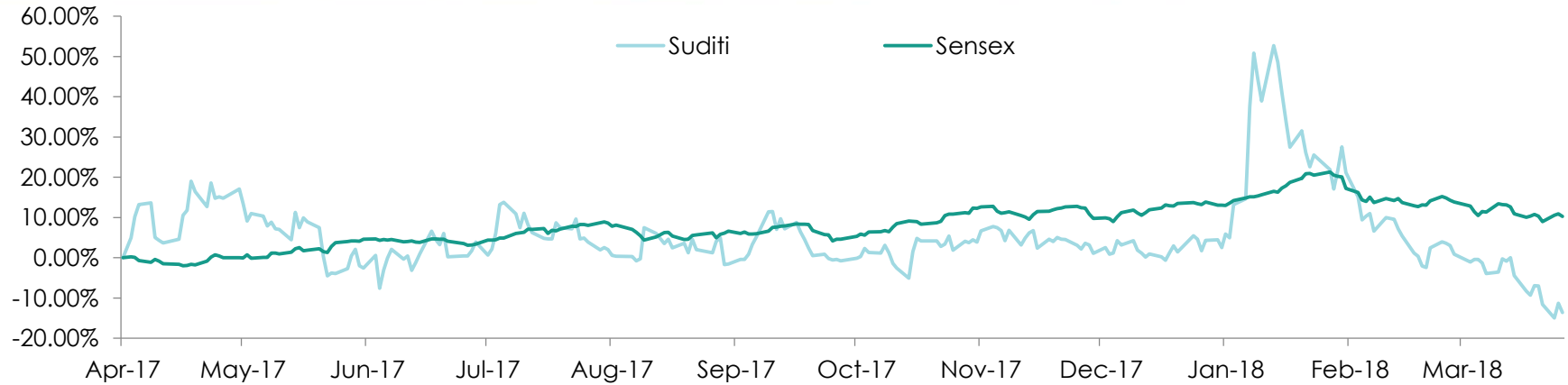
# Consolidated Income Statement (IND AS)

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	0.77	1.26	1.61

# Includes other income

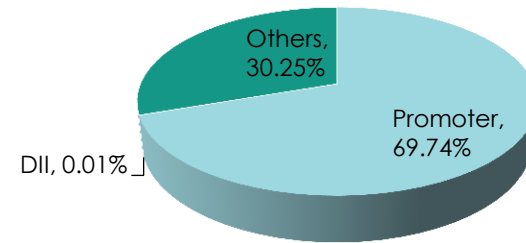
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# Capital Market Data



Price Data (31 <sup>st</sup> March, 2018)		INR
Face Value		10
Market Price		60.30
52 Week H/L (INR)		114.90/58.90
Market Cap (INR Mn)		1,023.89
Equity Shares Outstanding (Mn)		16.98
1 Year Avg. trading Volume ('000)		17.66

Shareholding Pattern (27<sup>th</sup> April, 2018)



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YOU