

Siyaram's

Investor Presentation

Q3 & 9MFY23 - January 2023

SIYARAM SILK MILLS LIMITED
www.siyaram.com

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Discussion Summary

The data mentioned in the presentation provided for general information purpose only. The information contained in the presentation is accurate only as of the date it was originally issued. The figures mentioned in the data are rounded off. Siyaram Silk Mills Limited (“Siyaram” or the Company) strictly denies the responsibilities of any obligation to update the information contained in such presentations after the date of their issuance.

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In particular, such statements should not be regarded as a projection of future performance of Siyaram. It should be noted that the actual performance or achievements of Siyaram may vary significantly from such statements.

The logo for Siyaram's, featuring the brand name in a white, sans-serif font on a dark blue rectangular background. The background of the entire slide is a close-up photograph of several rolls of fabric in various shades of grey and blue, with a white dotted pattern on the left and right sides.

Siyaram's

About Us

About Us – One of the longest serving brands in Textiles



Siyaram's



come home to
Siyaram's



The Company was incorporated in 1978 and is headquartered in Mumbai, India. The Company benefits from having the longest surviving and resilient serving portfolios of brands within India.

Siyaram Silk Mills Limited is amongst India's most renowned brands and marketers of fabrics, readymade garments, and other textiles products. The Company is famous for its high-quality fabrics and apparel using various blends made from poly viscose, cotton, wool, linen, bamboo and stretch. In addition, the Company operates and franchises a chain of retail stores, which offer menswear fashion fabrics, apparel, and accessories.

The Company sells its products under multiple brands that enjoy high recall value with consumers. They include brand names such as Siyaram, J Hampstead, Oxemberg, and Cadini. The Company has an extensive distribution network that permeates India, giving an aspiring yet underserved vast population ready access to high-quality fabrics and apparel at attractive price points. This makes Siyaram's brands the preferred choice in India's fast-growing yet untapped market. It is backed by highly integrated and state-of-the-art manufacturing and retailing capabilities.

An inclusive growth Approach

Vision

To provide quality products and to be a name, synonymous with high fashion in India and across the globe.

Mission

To be the preferred partner to every stakeholder in the textile and fashion industry by delivering high-quality fabrics, implementing design-driven innovation, building trust, creating unsurpassed value and delighting customers time and again.

Values

At Siyaram's we have chosen six core values which include – **passion, integrity, team spirit, humility, value creation and excellence**

Purpose

An all Inclusive and sustainable growth for the all the stakeholders

ESG DRIVEN

As our contribution, we comply with corporate social responsibility, ensure business sustainability, and keep our business ethical and transparent. We have always followed the sustainability approach rather than just focusing on the top line. The Company has committed itself to reduce greenhouse gas emissions through several measures, including changes to the infrastructure and the implementation new technologies. We also intend to mitigate the different implications of climate change and other ESG-related factors across our business operations. Our values, ethics, and governance are always paramount, and profitability is the by-product of it. We are also highly aware of the resources we are consuming and our responsibility toward a society in general.

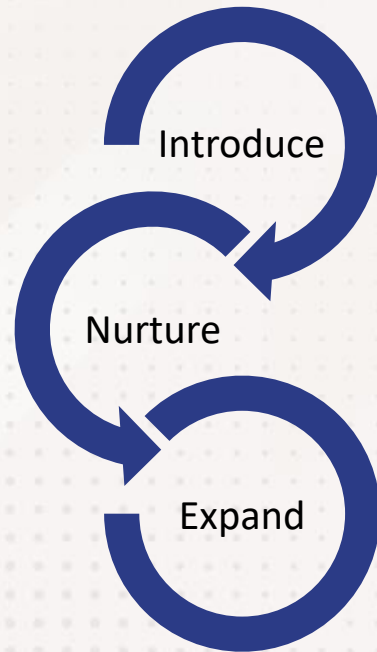
A sustainable business Model

It's not only what **WE DO**, but **HOW WE DO IT**

Siyaram's



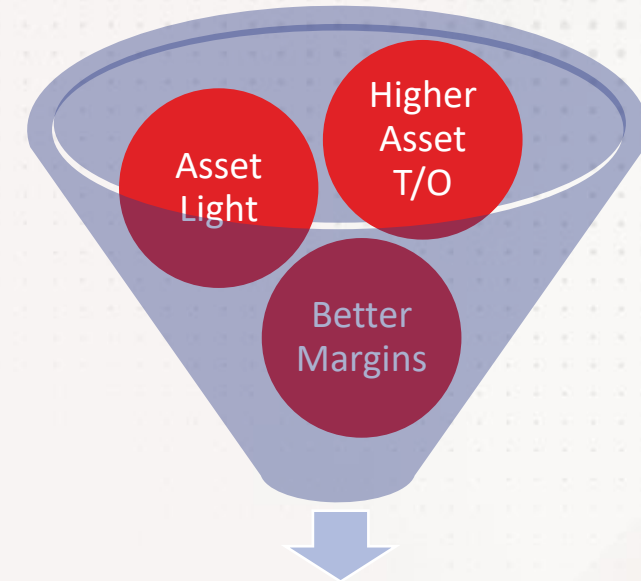
Product Offerings



Product Life Cycle



Strategy



Sustainable Returns

Value Creation

*Normal yarn is used for captive purpose

A sustained journey...reflects in numbers

Growth
CAGR
(FY18-22)

Revenue	2%
Gross Profit	10%
EBITDA	8%
PAT	17%
Cash Accruals	12%
Book Value (₹ 2 F.V)	8%

R = 225
G = 34
B = 38

R = 99
G = 99
B = 101

“ Robust growth over the years ”

Lead to....

Ratios
Median
(FY18-22)

EBITDA Margin	15%
PAT Margin	6%
RoCE	16%
RoE	13%
Asset T/O	3.26
Debt : Equity	0.56

“ A sustainable journey ”

Four Decades of serving quality brands



Ventured into the readymade garment segment by introducing **Oxemberg**. Launched **J. Hampstead** with blend of wool suiting fabrics in India

Launched multiple brands and sub brands like **Mistair** and **Royal Linen** fabric. Launched **J.Hampstead** in readymade garments

1978
Established

1980
Listed & setup a processing plant at Tarapur

1991-95

R = 225
G = 34

1997
Expanded the weaving capacity at Silvassa

2001-09
G = 99
B = 101

2010-19

Partnered with Italian Brand **CADINI**, a super premium brand

Siyaram's

Business Overview- At a Glance

Business Verticals- Fabrics lead the way



Product Categories

Fabrics

Garments

Indigo Yarn & Knitted Fabrics

Capacity (p.a) (In-house)

665 Looms,
79.5mn mtrs

Outsourced
(15-20%)

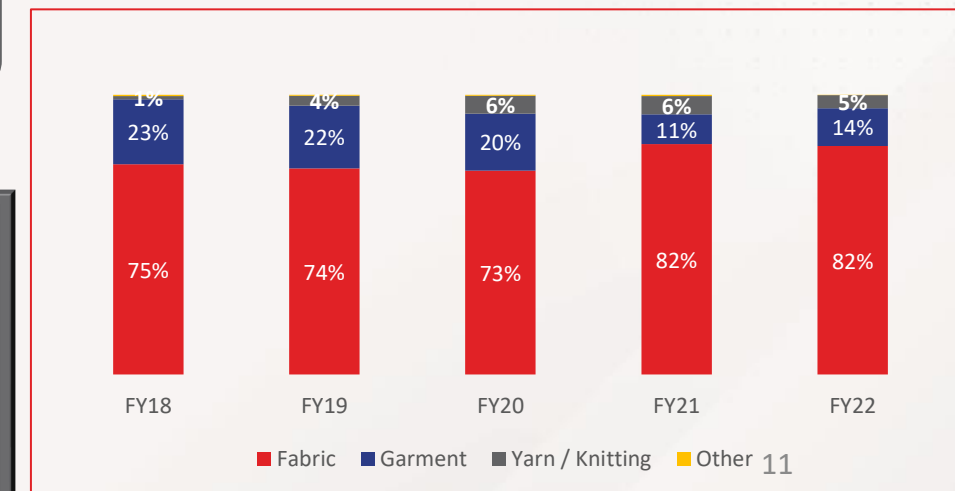
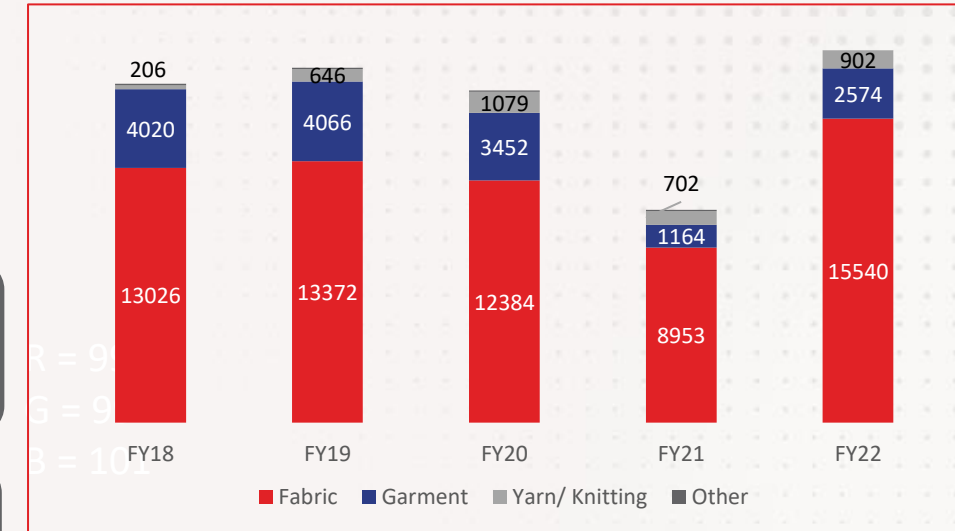
526 Machines,
3.5mn pieces

Outsourced
(25-30%)

Indigo- 4.8 mn kg
Knitted Fabric – 2.4mn kg

Revenue Break up (₹ Mn)

*FY21 was impacted by Covid-related production disruptions



Siyarams

“Leader in branded Polyviscose”

Siyaram is one of the leading players in Polyviscose within India. Siyaram uses Polyviscose as a raw material, which is less expensive and more durable than cotton. This alternative is generally well-received by consumers in the marketplace and insulates the Company from the price volatility of cotton.

Business Verticals-Products offerings



	FABRICS	GARMENT / Men Apparels
Product Category & Brands	<p>Mass: Siyaram, Mistair</p> <p>Premium: J. Hampstead, Siyaram Royal Linen</p> <p>Super Premium: CADINI</p>	<p>Mass: Siyaram's- Mozzo</p> <p>Premium: Oxemberg</p> <p>Super Premium: J. Hampstead</p>
Owned/ Franchise	Owned Brand	Owned Brand
Average Price	<p>Suiting - ₹250-3000</p> <p>Shirting - ₹100-500</p>	<p>Shirt - ₹700-1000</p> <p>Trousers - ₹1500-2000</p>
Distribution	<p>Mass & Premium: MBOs/EBO/Dealers</p> <p>Super Premium: EBOs</p>	MBOs/EBO/Siyaram Shop



Brands and Sub Brands- Personifying personalities



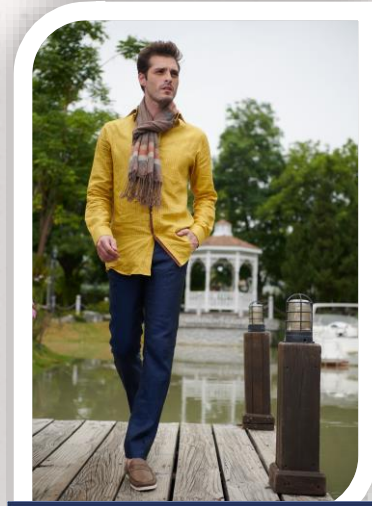
J. HAMPSTEAD
WORLD'S FINEST FABRIC & APPAREL
A DIFFERENT LEAGUE



MiSTAIR
A Siyaram's Initiative



Siyaram's

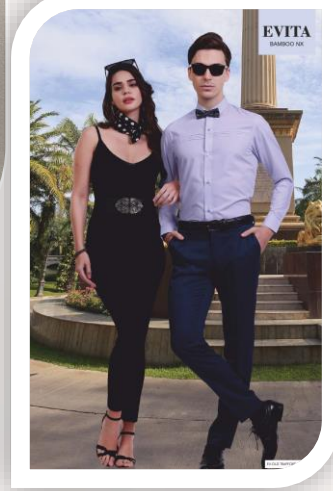


Siyarams
ROYALÉ LINEN
premium linen fabric

CADINI
ITALY
THE POWER OF PRESENCE



OXEMBERG

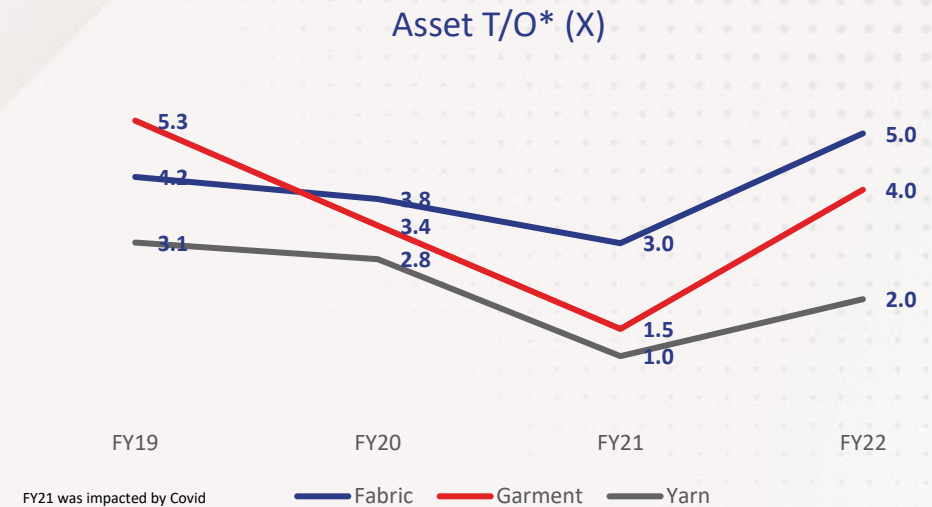
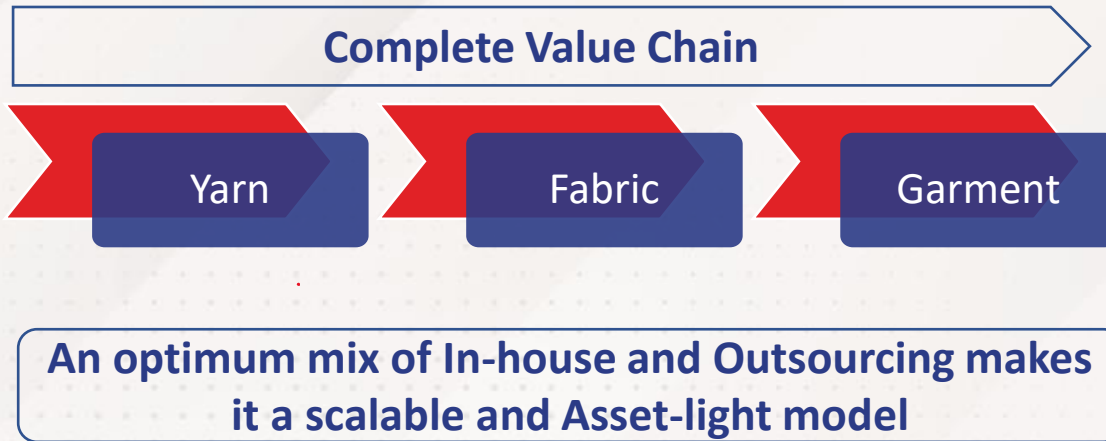


New Offerings
Bamboo Fabrics
for Shirts

Strengths: Built over time

Continuous, Constant & Conscious efforts have fortified the strengths

Siyaram's



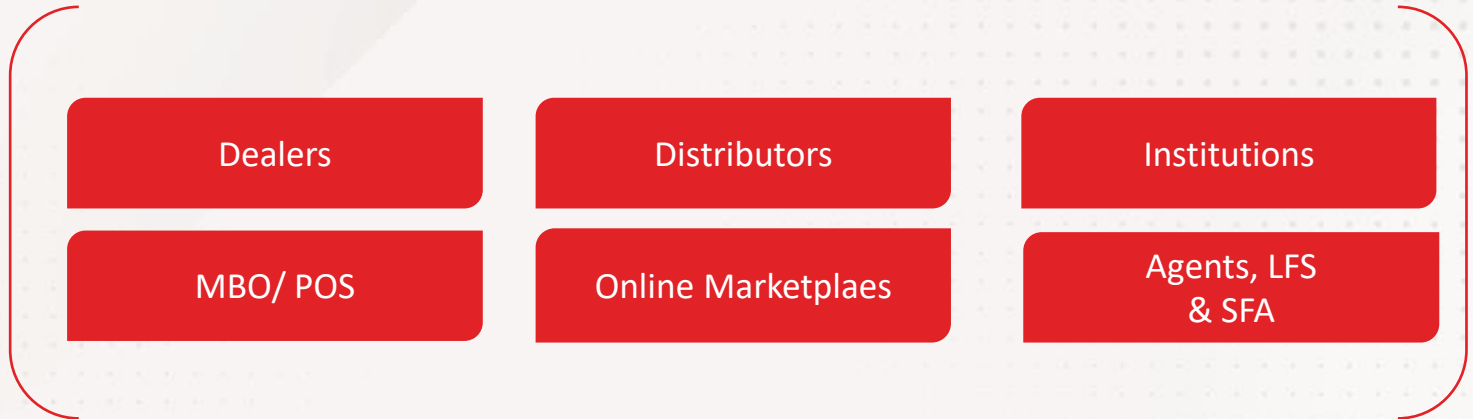
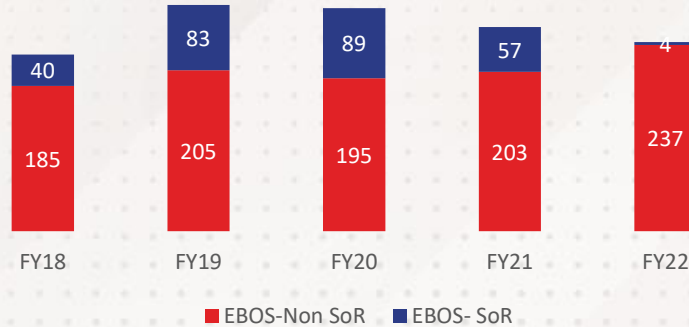
Given cyclicity in the textile business, many players (organised + unorganised) faced the crunch of lower realisations and higher working capital requirements. Siyaram's tactical approach in production strategy has helped in countering volatility in the market. As a result, the company has been consistently able to achieve higher Asset T/O. Fabrics business has seen a consistent improvement in Asset T/O over the years. The garment business too is witnessing good traction and is expected to continue the momentum.

Building over Asset Light Model

Going the Franchise and MBOs way, getting away with COCO which is asset-heavy

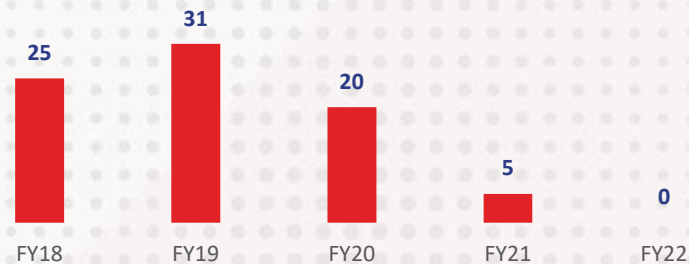
A distribution ecosystem which focuses on Tier II/III cities and regions, providing a better returns on investments

Increasing EBOs (non SoR) network



Receding with COCO to remain Asset light

COCO



The Company's market penetration strategy gives great importance to Tier II and Tier III cities. Establishing a solid presence in inner India is a gainful move, as the Company is able to root itself in a fragmented and under-penetrated market, which is beginning to grow well. The Company is targeting to capture the share from the unorganised players in Tier II and Tier III cities, who cover a considerable percentage of the Indian textile market. The Company has a powerful distribution and franchisee network through which it is targeting the sizeable unorganised market of the country. The company is consistently building distribution systems which are not Asset heavy, thus the company has been receding with its COCO model of sales. The Company is now steadily strengthening its online platform while better using leading third-party online channels.

The logo for Siyaram's, featuring the brand name in a white, italicized sans-serif font on a dark blue rectangular background. The background of the entire slide is a photograph of a person in a white shirt and dark jacket holding a large stack of fabric samples. The image is overlaid with a semi-transparent dark grey rectangle containing the text and logo. There are also red and white geometric shapes on the left side of the slide.

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Rationale- A sustainable Roadmap

Investing In Siyaram

Sustainable Growth charted on the lean Balance sheet



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Fabric & Garment To Continue The Growth Momentum

- Volume growth will keep the momentum
- Consolidating Unorganised players' Market share

Systematic Distribution Framework Exhibits Sustainable Growth Outlook

- Receding with COCO model
- MBOs/EBOs without Sales Return

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Focussed On Qualitative Growth

- Balance sheet Strength
- Consistent Return ratios

Industry Growth to support over long term

Fabric & Garment to continue the growth Momentum

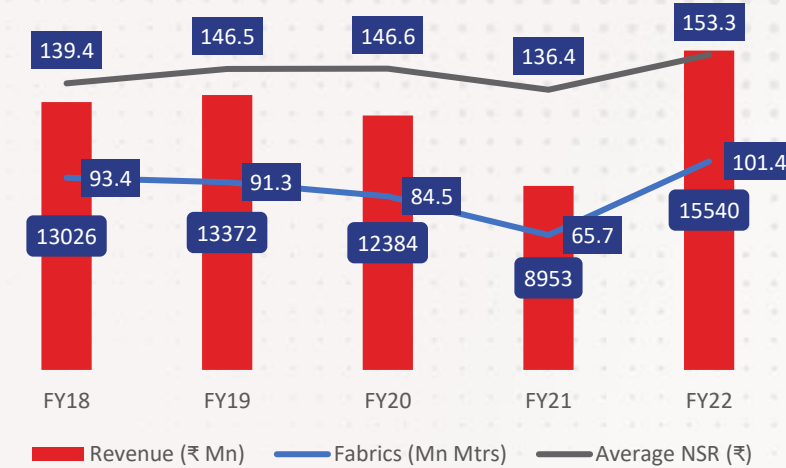
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Fabrics to remain the dominant contributor; Gradual premiumisation would be a key catalyst.

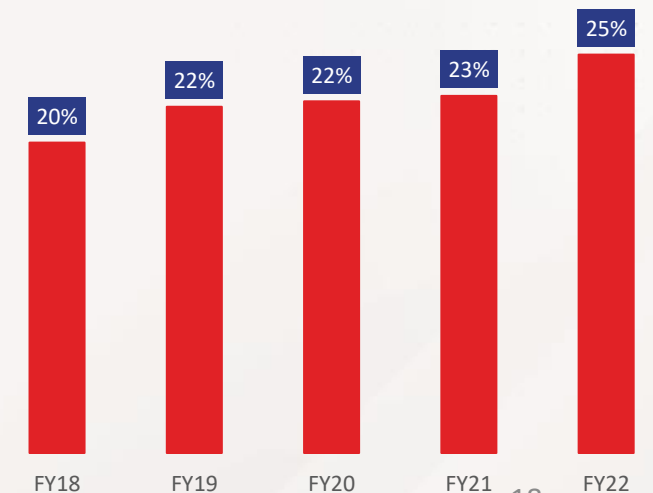
FABRIC

- ❑ Siyaram's fabric segment maintains the lion's share in total revenue. Fabrics have been consistently contributing 75-85% of overall revenue.
- ❑ Domestic constitutes 90% of overall sales; export market is witnessing positive traction especially for its niche products
- ❑ The company's premium suiting segments - J.Hampstead & Cadini combined contribution has been consistently increasing from ~20% in FY18 to ~25% in FY22 of the segmental revenues.
- ❑ Company has seen a meaningful increase in both volume and value growth.
- ❑ Realisations imparts an optimistic view given increasing premiumisation
- ❑ Margins for the Fabric business remain in the range of ~15-20%

“ Highest Volume & Revenue for Fabric segment FY18-22 ”



“ Gradual increase in the share of Premium* products in Fabric segment ”



Fabric & Garment to continue the growth Momentum

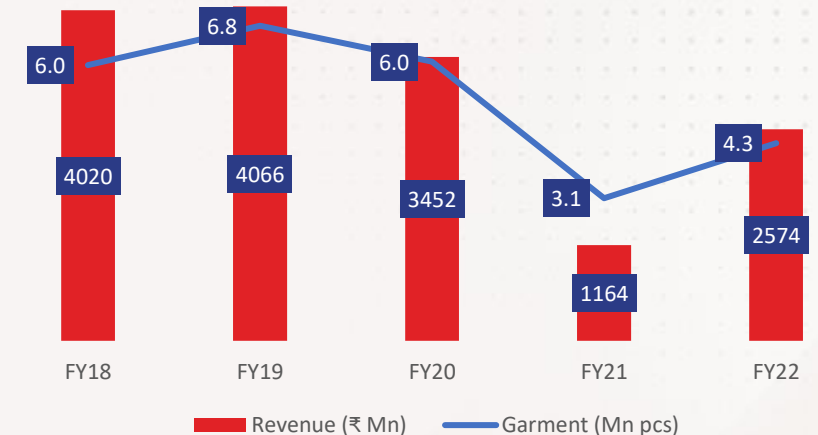
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Garments revival on the cards

Garment

- ❑ Siyaram's **garment** vertical is directed toward the company's effort of moving up the value chain according to changes in customer preferences.
- ❑ Garments formed 15-20% of the revenue in FY18-22. This vertical is dominated by primarily Oxemberg and J.Hampstead and Moretti
- ❑ Garment Revenue although witnessing a reduction in FY22 compared to FY19 and FY20 is due to a change in sales strategy by the company. The company has discontinued its sales on SoR strategy thereby reflecting the normalised sales during the FY22 period.
- ❑ The company has set up unit for Indigo dyeing used in cotton jean manufacturing and also manufacturing of knitted fabrics as a mean of forward integration


Garment




Systematic Distribution Framework Exhibits Sustainable Growth Outlook

Company realigned its Distribution framework to impart more qualitative growth

Strategy

 Receding COCO stores

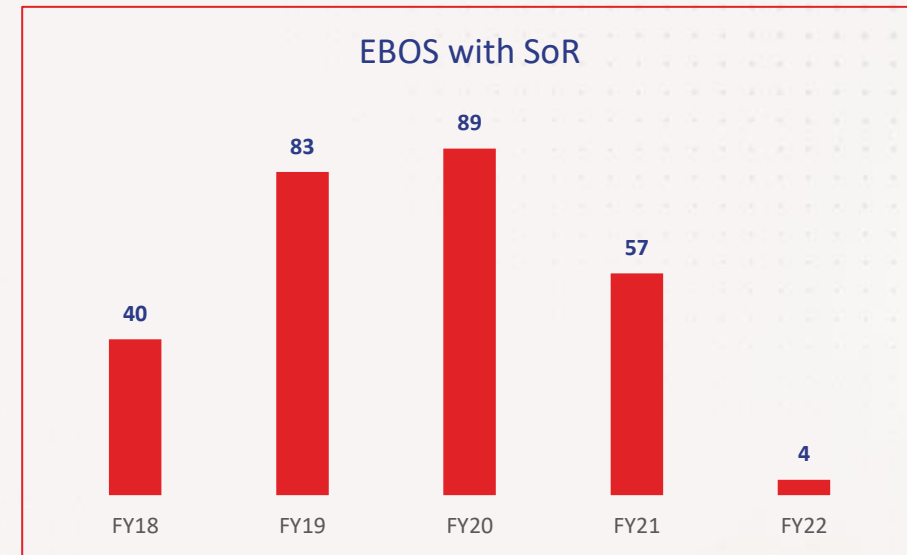
 Discontinuing or gradually parting away **Sales or Return (SoR)** strategy

Purpose

To remain **Asset Light & Utilise Capital** for growing core business

To **improve margins and Return Ratios** which would otherwise get knocked off by Sales returns

Benefits



Lower Working capital: It has been reduced due to lower inventories



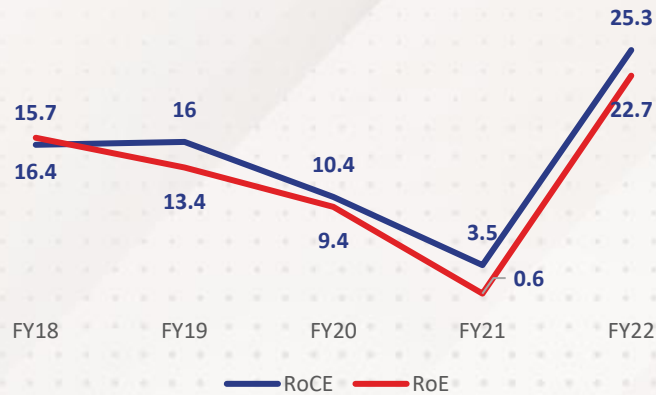
Tactical sourcing has led to efficient use of capital

Focussed On Qualitative Growth



An all inclusive growth – Profitability, Balance sheet and Cash Flows

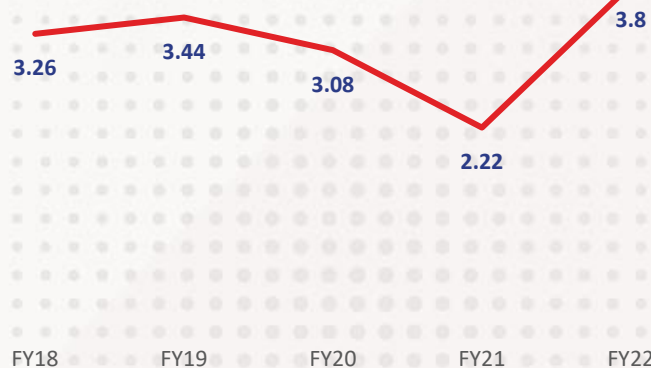
RoCE & RoE (%)



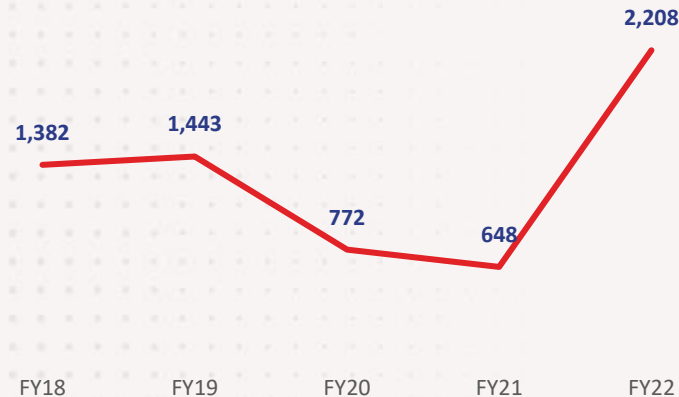
D/E (x)



Asset T/O (x)



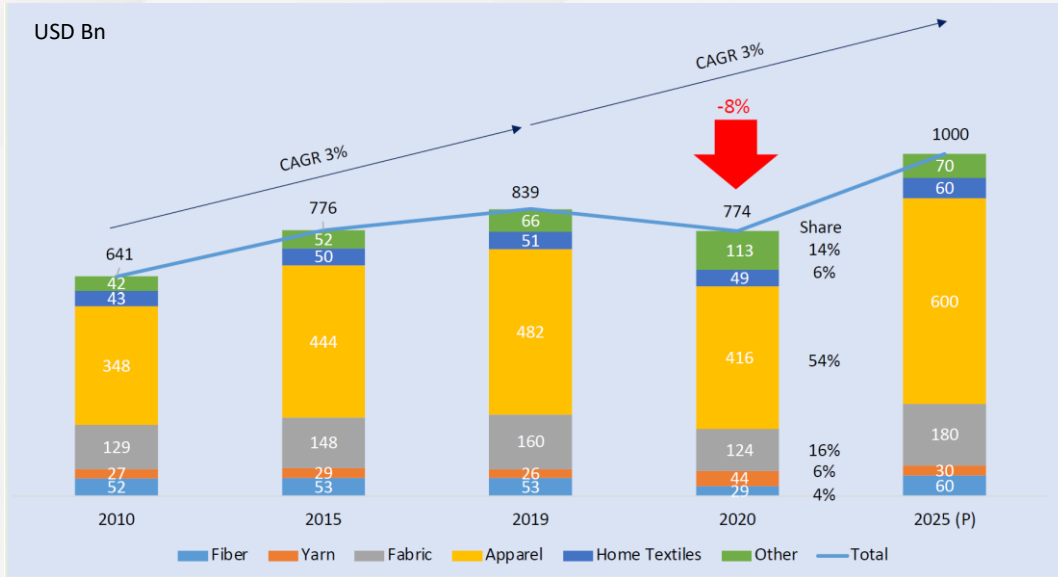
Net Cash Accruals (₹ Mn)



Prudent Capital Allocation strategy coupled with **immerse sales strategy** has helped the company to not only improve Revenue & profitability but also strengthened the company's Balance sheet and has led to a meaningful increase in cash accruals. The company would be judiciously using the cash reserves which would further propel the next leap of growth.

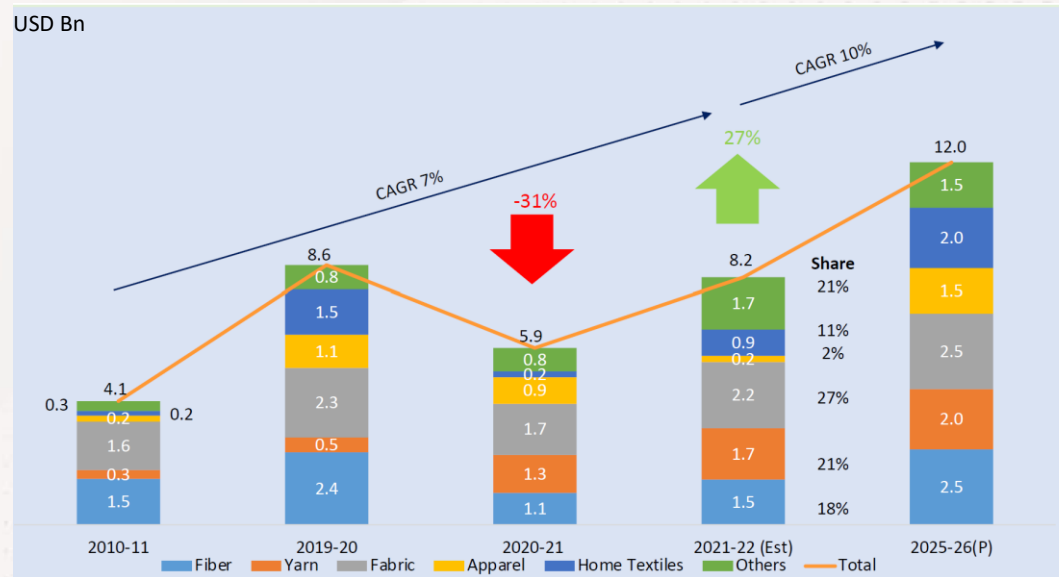
Promising Long-term growth prospects for Industry

Global Textile and Apparel Trade



In 2020, the global textile and apparel trade was US\$ 774 bn., which was 8% lower compared to 2019 due to impact of COVID. It is expected to reach US\$ 1 trillion by 2025 growing at a CAGR of 3% from 2019. Apparel was the largest traded category with a 54% share, followed by fabrics with a share of 16%.

India's Domestic Textile and Apparel Market



Indian domestic textile and apparel market is estimated to be US\$99 bn. in 2021-22 which has recovered 30% from 2020-21. The market is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 bn. by 2025-26.

Promising Long-term growth prospects for Industry



Fibre	Production		Share 2019-20 (%)	CAGR
	2015-16	2019-20		
Cotton	5865	6205*	64%	1%
Silk	29	36*	0.4%	6%
Wool	47	45	0.5%	-1%
Others	1690	1683	17%	-0.1%
Natural Fibre	7631	7969	82%	1%
Viscose Staple Fibre	342	578	6%	14%
Polyester Staple Fibre	894	1085	11%	5%
Acrylic Staple Fibre	107	98	1%	-2%
Others	5	4	0.04%	-5%
Manmade Fibre	1348	1765	18%	7%
Total Fibre	8979	9734		2%

Advantage Siyaram

Man-Made Fibre has been consistently outperforming natural fibre growth over the last 10 years. This propels an exciting opportunity for Siyaram to encash on it.

Siyaram is one of the leading players in Polyviscose within India. While most competitors use cotton as a primary raw material, Siyaram uses Polyviscose as a substitute raw material, which is less expensive and more durable than cotton. Further, Siyaram blend with various natural fibre like cotton, bamboo, lycra etc. to make it even more competitive.

Government Support

1. Government extended Scheme of Rebate of State and Central Taxes and Levies (RoSCTL) up to March 2024 for exports.
2. TUFs scheme for Textile players.
3. Two flagship schemes were declared by Ministry of Textiles, Government of India:
 - i) Pradhan Mantri Mega Integrated Textile Region and Apparel (PM-MITRA) Parks with an aim to support establishment of 7 world class, mega textile parks
 - ii) Production-linked incentive (PLI) scheme focused at encouraging large scale projects in manmade and Technical Textile segments

The logo for Siyaram's, featuring the brand name in a white, sans-serif font on a dark purple rectangular background. The background of the entire slide is a photograph of a person in a blue suit sitting at a desk, with a red geometric shape in the top-left corner of the text box.

Siyaram's

Consolidated Result Highlights Q3 & 9MFY23

Q3 & 9MFY23 Results – January 2023

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Q3 & 9MFY23- Key Highlights



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Revenue for 9MFY23 up by 20% led by overall performance

EBIDTA for 9MFY23 up by 14%

PAT for 9MFY23 up by 21%

Revenue Mix of Fabric: Garment: yarn/knitting 74: 19: 7

EBIDTA margin is at 16% for 9MFY23

Garment volumes for 9MFY23 up by 55% YoY

Debt / Equity Ratio: 0.23x

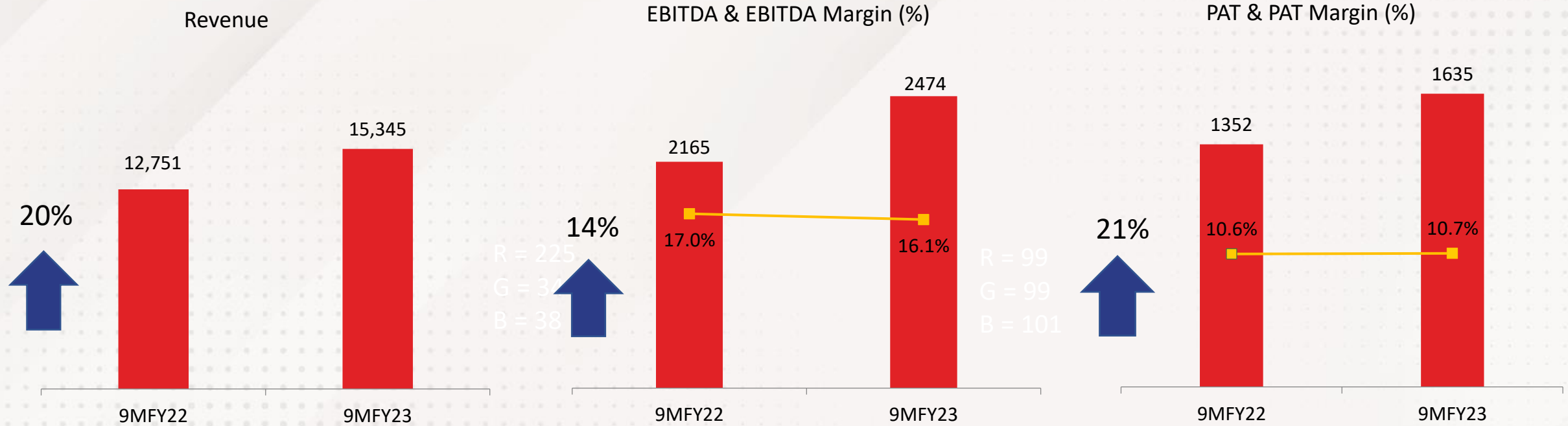
Fabric NSR up 15% & Garment NSR remains flat for 9MFY23 YoY

EPS of ₹ 34.88 for 9MFY23

9MFY23- Result Highlights



₹ Mn

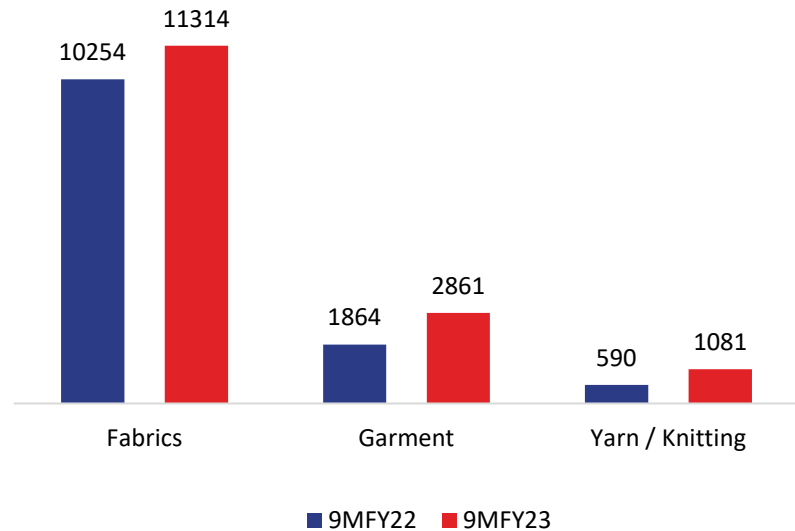


1. Revenue for 9MFY23 was higher by 20% YoY. It was led by both Fabrics and Garment. Fabrics constituted 74% , followed by Garments constituting 19% of Total Revenue.
2. EBITDA for 9MFY23 increased by 14% YoY and EBITDA margins decreased by 86bps YoY to 16.1% in 9MFY23.
3. PAT increased by 21% YoY and PAT margins increased by 5bps YoY to 10.7% in 9MFY23

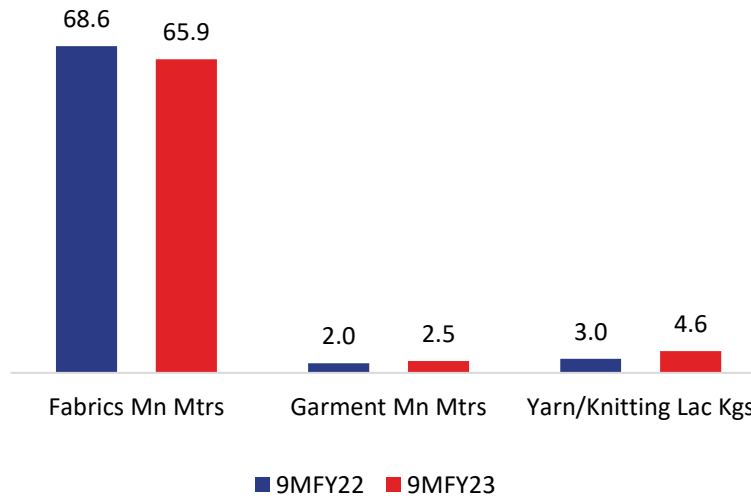
9MFY23- Result Highlights



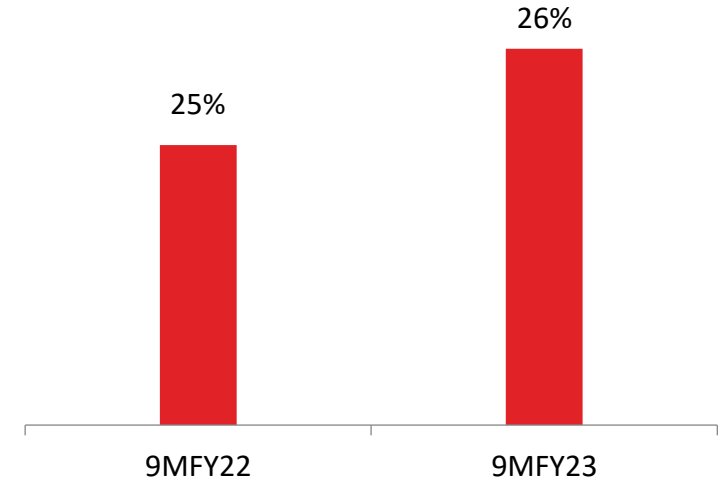
Revenue Mix (rs. Mn)



Volumes



Share of Premium Products



1. Fabrics Revenue was up 10% YoY, Garment Revenue up by 53% YoY
2. Fabrics Volume was lower by 4% YoY, Garment volume was higher 55% YoY
3. Realisations for Fabrics were higher 15% YoY, Garment realisations were lower by 1% YoY

Q3 & 9MFY23- Profit & Loss Statement



Particulars (In ₹ Mn)	Q3FY23	Q3FY22	YoY %	9MFY23	9MFY22	YoY%
Revenue	5011.1	5624.9	-10.9%	15345.4	12750.6	20.4%
COGS	2891.1	3085.1	-6.3%	8737.1	6958.5	25.6%
Gross Profit	2120.0	2539.8	-16.5%	6608.3	5792.1	14.1%
Gross Margin %	42.3%	45.2%	(285bps)	43.1%	45.4%	(236bps)
Employee Expenses	439.8	425.1	3.5%	1280.1	1141.1	12.2%
Other Expenses	921.7	1093.4	-15.7%	2853.8	2485.6	14.8%
EBIDTA	758.5	1021.3	-25.7%	2474.4	2165.4	14.3%
EBIDTA Margin %	15.1%	18.2%	(302bps)	16.1%	17.0%	(86bps)
Depreciation	151.3	141.0	7.3%	440.2	441.9	-0.4%
Financial Cost	55.7	46.5	19.8%	148.8	141.1	5.5%
Other Income	131.6	86.5	52.1%	298.6	227.4	31.3%
Profit Before Tax (PBT)	683.1	920.3	-25.8%	2184.0	1809.8	20.7%
Tax	163.2	229.7	-29.0%	549.1	457.6	20.0%
Profit After Tax (PAT)	519.9	690.6	-24.7%	1634.9	1352.2	20.9%
Earning Per Share (EPS) in ₹	11.09	14.73	-24.7%	34.88	28.85	20.9%

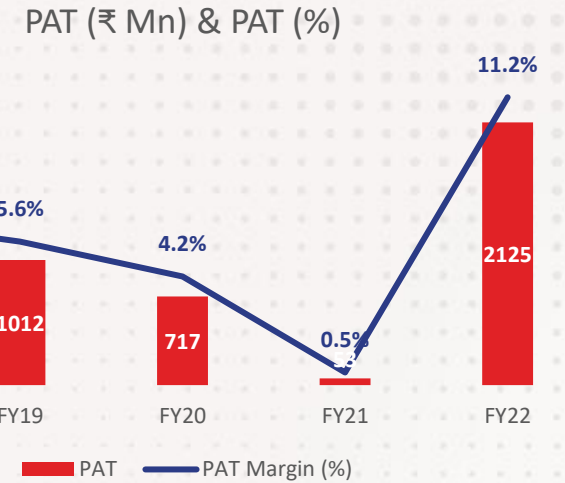
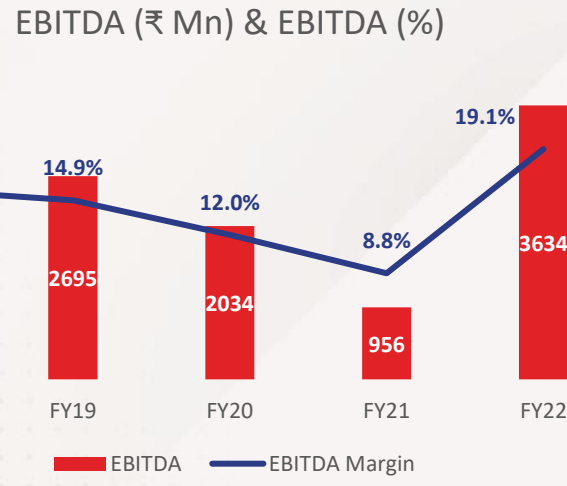
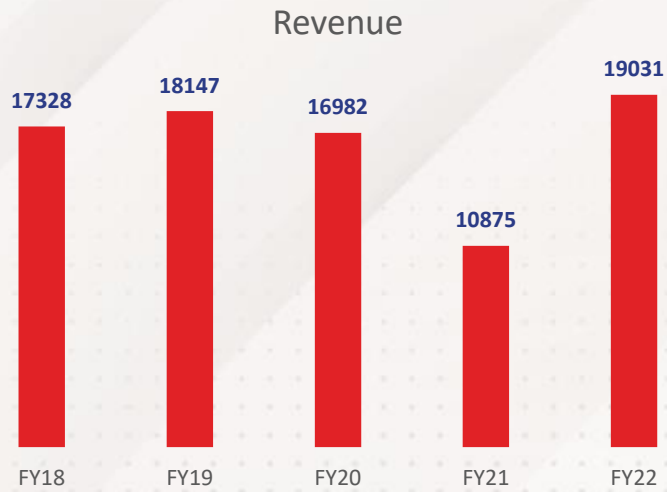
Consolidated Balance Sheet



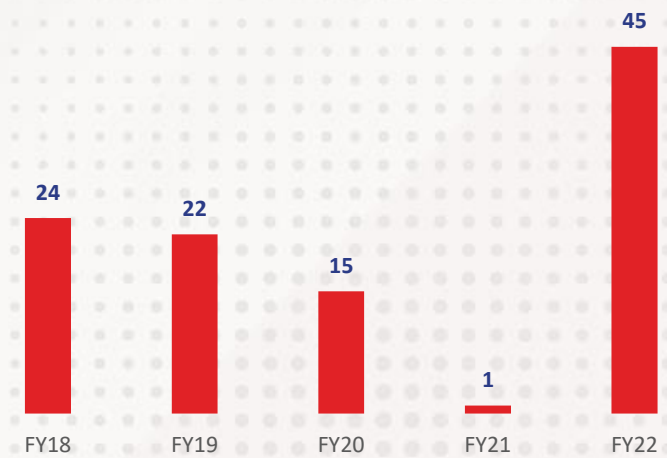
Liabilities (In ₹ Mn)	FY22	H1FY23
Equity		
Equity Share Capital	93.7	93.7
Other Equity	10206.5	9246.1
Total Equity	10300.2	9339.8
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	240.8	368.2
Lease Liability	66.5	72.6
Other Financial Liabilities	416.8	416.6
Provisions	75.6	99.5
Deferred Tax Liabilities (Net)	108.8	107.3
Other Non-Current Liabilities	82.2	113.4
Total Non-Current Liabilities	990.7	1177.6
Current Liabilities		
Financial Liabilities		
Borrowings	2196	1747
Lease Liability	21.2	39.4
Trade Payables	2086.6	2134.9
Other Financial Liabilities	15.5	16.4
Other Current Liabilities	735.2	639.3
Provisions	41.3	34.6
Total Current Liabilities	5095.8	4611.6
Total Liabilities	16386.7	15129

Asset (In ₹ Mn)	FY22	H1FY23
Non-Current Assets		
Property, Plant & Equipments	4460.9	4730.3
Capital Work in Progress	202.2	23.8
Investment Properties	141.2	149.6
Goodwill		
Other In tangible Assets	30.6	32.3
Right of use assets	79.6	95.8
Financial Assets:		
Investments	170	170
Loans	20.6	18.4
Other Non-Current Financial Assets	114.3	123.7
Other Non-Current Assets	41.2	31.4
Total Non-Current Assets	5260.6	5375.3
Current Assets		
Inventories	5015.2	4049.9
Financial Assets:		
Current Investment	422.8	206.5
Trade Receivables	3828	3863.9
Cash & Cash Equivalents	43.7	49.3
Bank Balance Other than Cash & Cash Equivalent	10	10.3
Loans	95.1	11.3
Other Current Financial Assets	43.7	58.6
Current Tax Assets	340.2	306.9
Other Current Assets	1327.4	1197
Total - Current Assets	11126.1	9753.7
Total Assets	16386.7	15129

Financials- At a Glance

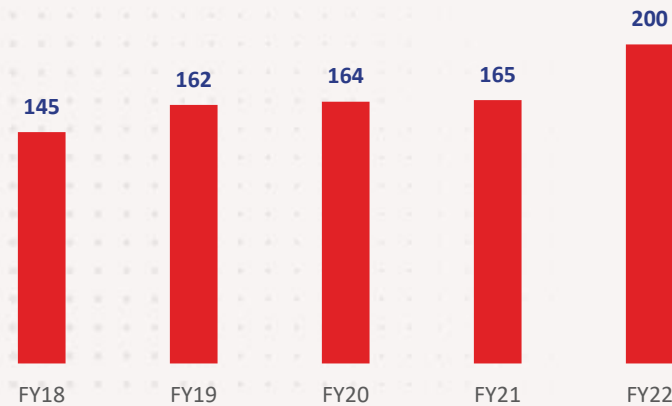


EPS (₹)



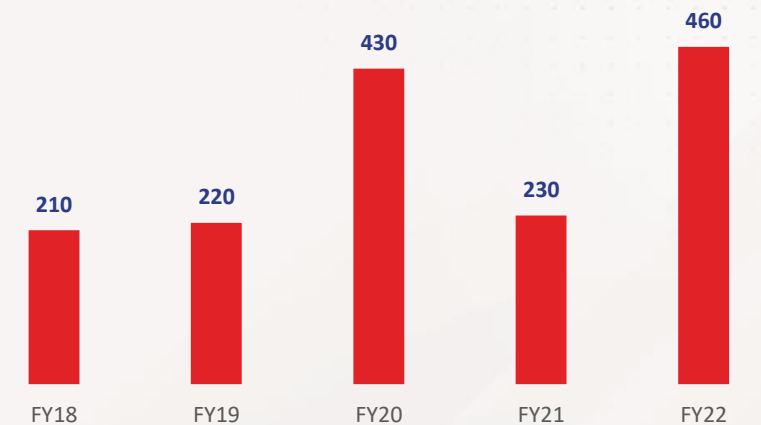
R = 225
G = 34
B = 38

Book Value Per Share (₹)



R = 99
G = 99
B = 101

Dividend (%)



Siyaram's

**Thank
You!**

Siyaram's

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