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India Research



Sector: Textiles

Welspun India Ltd. (WLSP.BO/WLSI.IN)

BUY Tgt Price- Rs1092 (27% Upside)

CMP- Rs. 863 (February 2, 2016), Mkt Cap: Rs. 86.6 bn (\$1,271 mn)

Volume improved 7% Y-o-Y during Q3FY16 and likely to improve by 13% in FY17E

Margin improved during the quarter and likely to sustain

Stock's valuation appears inexpensive with P/E trading 11xFY17E and 9.5xFY18E earnings

February 03, 2016

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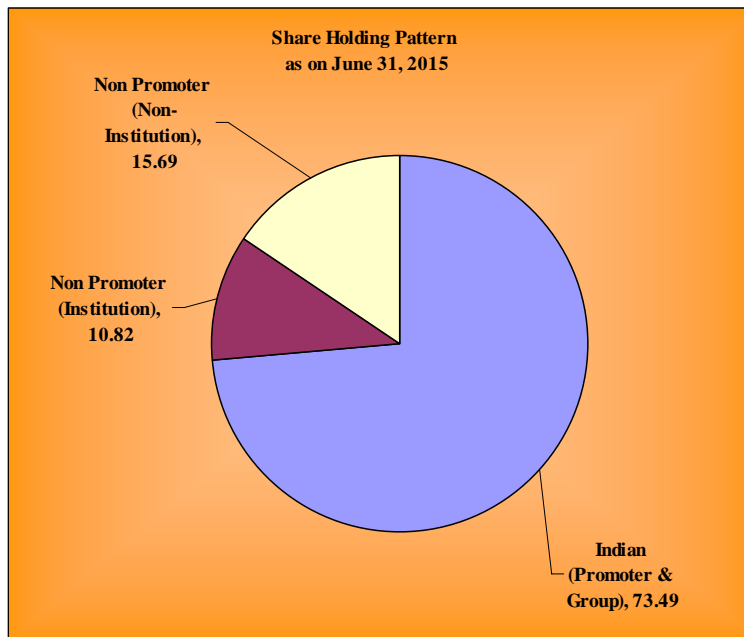
Financial Snapshot - Consolidated

Key Financials									
YE Mar 31 (Rs. mn)	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E	
Total Revenues	21,132	32,205	36,473	43,730	53,025	59,585	68,069	76,254	
<i>Revenue Growth (Y-o-Y)</i>	<i>9.1%</i>	<i>52.4%</i>	<i>13.3%</i>	<i>19.9%</i>	<i>21.3%</i>	<i>12.4%</i>	<i>14.2%</i>	<i>12.0%</i>	
EBIDTA	2,312	3,662	5,946	9,211	12,742	15,205	17,327	18,760	
<i>EBIDTA Growth (Y-o-Y)</i>	<i>(18.7%)</i>	<i>58.4%</i>	<i>62.4%</i>	<i>54.9%</i>	<i>38.3%</i>	<i>19.3%</i>	<i>14.0%</i>	<i>8.3%</i>	
Net Profit	14	(134)	2,248	4,941	5,398	6,690	8,019	9,154	
<i>Net Profit Growth (Y-o-Y)</i>	<i>(99.1%)</i>	<i>(1053.8%)</i>	<i>(1781.3%)</i>	<i>119.8%</i>	<i>9.2%</i>	<i>23.9%</i>	<i>19.9%</i>	<i>14.2%</i>	
Net Profit Excl. extra-ordinaries	14	(484)	2,272	4,941	5,398	6,690	8,019	9,154	
<i>Net Profit Growth Excl. extra-ordinaries (Y-o-Y)</i>	<i>(99.1%)</i>	<i>(3549.8%)</i>	<i>(569.7%)</i>	<i>117.5%</i>	<i>9.2%</i>	<i>23.9%</i>	<i>19.9%</i>	<i>14.2%</i>	
Shareholders Equity	6,690	7,428	9,902	11,097	14,318	19,338	25,355	32,223	
Number of Diluted shares (mn)	89	99	100	100	100	100	100	100	
Key Operating Ratios									
YE Mar 31	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E	
Diluted EPS (Rs.)	0.2	(1.3)	22.5	49.3	53.7	66.6	79.8	91.1	
<i>Diluted EPS Growth (Y-o-Y)</i>	<i>-99.3%</i>	<i>-949.7%</i>	<i>-1770.8%</i>	<i>119.3%</i>	<i>9.1%</i>	<i>23.9%</i>	<i>19.9%</i>	<i>14.2%</i>	
Diluted EPS Excl. extra-ordinaries (Rs.)	0.2	(4.9)	22.7	49.3	53.7	66.6	79.8	91.1	
<i>Diluted EPS Excl. extra-ordinaries Growth (Y-o-Y)</i>	<i>-99.3%</i>	<i>-3173.3%</i>	<i>-566.7%</i>	<i>117.0%</i>	<i>9.1%</i>	<i>23.9%</i>	<i>19.9%</i>	<i>14.2%</i>	
CEPS Excl. extra-ordinaries (Rs.)	13.7	9.0	37.2	68.2	86.9	101.3	118.9	131.3	
EBIDTA (%)	10.9%	11.4%	16.3%	21.1%	24.0%	25.5%	25.5%	24.6%	
NPM (%)	0.1%	-1.5%	6.2%	11.3%	10.2%	11.2%	11.8%	12.0%	
Tax/PBT (%)	92.6%	638.3%	24.6%	19.0%	27.7%	31.5%	31.5%	31.5%	
RoE (%)	0.2%	-6.9%	25.6%	46.2%	40.5%	37.9%	34.3%	30.6%	
RoCE (%)	0.4%	-39.5%	12.2%	18.2%	16.5%	16.7%	17.2%	17.7%	
Return on Operating Assets (%)	0.4%	5.6%	12.8%	18.0%	17.4%	17.7%	17.8%	18.6%	
Book Value Per share (Rs.)	75.5	74.7	98.9	110.7	142.5	192.5	252.4	320.8	
Debt/Equity (x)	2.6	2.6	2.0	2.7	2.2	1.7	1.2	0.8	
Dividend Payout Ratio (%)	129.8%	0.0%	19.6%	7.2%	23.5%	25.0%	25.0%	25.0%	
Free Cash Flow Analysis									
YE Mar 31 (Rs. mn)	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E	
Operating Cash Flow	1,463	1,888	2,193	4,627	9,385	8,783	9,932	11,114	
Capex	1,640	2,243	1,295	8,812	5,608	10,436	3,500	3,500	
Investments - Strategic	-24	-126	527	-527	0	0	0	0	
Free Cash Flow to Firm	-1,611	-874	-452	-4,150	4,061	-153	6,420	7,570	
Free Cash flow to Equity	-2,690	-2,792	-2,429	-6,503	1,232	-2,643	4,190	5,609	
Market Cap. And Enterprise Value Data as on February 02, 2016									
Current Market Price (Rs.)								863	
No. of Basic Shares (mn)									100
						Rs. mn	US\$ mn		
Market Cap							86,672	1,271	
Total Debt*							30,851	452	
Cash & Cash Equivalents*							3,252	48	
Enterprise Value							114,270	1,676	
* Debt & Cash & Cash Equivalents as on FY15; Exchange Rate: US\$1 = INR 68.18									
Valuation Ratios									
YE Mar 31	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E	
P/E (x)						13.0	10.8	9.5	
P/BV (x)						4.5	3.4	2.7	
P/CEPS (x)						8.5	7.3	6.6	
EV/EBIDTA (x)						7.8	6.6	5.9	
Market Cap./ Sales (x)						1.5	1.3	1.1	
Net Cash/Market Cap (%)						NM	NM	NM	
Dividend Yield (%)						1.7%	2.0%	2.3%	

NM – Not Meaningful

DuPont Model								
YE Mar 31	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
EBIDTA/Sales (%)	10.9%	11.4%	16.3%	21.1%	24.0%	25.5%	25.5%	24.6%
Sales/Operating Assets (x)	0.9	1.3	1.4	1.3	1.4	1.3	1.3	1.4
EBIDTA/Operating Assets (%)	9.9%	15.1%	22.4%	28.1%	32.6%	33.4%	33.5%	34.5%
Operating Assets/ Net Assets(x)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Net Earnings/ EBIDTA (%)	0.6%	-13.2%	38.2%	53.6%	42.4%	44.0%	46.3%	48.8%
Net Assets/ Equity (x)	4.2	3.9	3.4	3.5	3.3	2.8	2.3	1.9
Return on Equity (%)	0.2%	-6.9%	25.6%	46.2%	40.5%	37.9%	34.3%	30.6%
Common Sized Profit & Loss Account								
YE Mar 31	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less:								
Net Raw Materials	54.7%	49.7%	48.5%	51.8%	48.0%	47.0%	47.0%	48.0%
Employee Benefits Expense	7.9%	9.5%	7.6%	7.8%	8.4%	8.4%	8.1%	8.0%
Stores and Spares Consumed	1.9%	1.5%	1.5%	1.6%	1.9%	0.0%	0.0%	0.0%
Dyes and Chemicals Consumed	6.3%	4.6%	4.9%	3.8%	4.1%	0.0%	0.0%	0.0%
Contract Labour Charges	1.9%	1.6%	1.8%	1.5%	1.3%	0.0%	0.0%	0.0%
Job Work Expenses	1.9%	1.3%	1.6%	0.9%	1.2%	0.0%	0.0%	0.0%
Power, Fuel and Water Charges	8.9%	7.5%	7.2%	2.7%	2.2%	0.0%	0.0%	0.0%
Repairs and Maintenance:	0.7%	0.7%	0.6%	0.8%	0.8%	0.0%	0.0%	0.0%
Claims, Discounts and Rebates	0.5%	0.7%	0.8%	0.8%	0.7%	0.0%	0.0%	0.0%
Brokerage and Commission	0.1%	1.1%	0.9%	1.0%	0.9%	0.0%	0.0%	0.0%
Freight, Forwarding and Coolie Charges	0.5%	1.9%	1.9%	2.0%	2.1%	0.0%	0.0%	0.0%
Rent	1.0%	1.5%	0.8%	0.7%	0.5%	0.0%	0.0%	0.0%
Travelling and Conveyance	0.5%	0.6%	0.6%	0.6%	0.5%	0.0%	0.0%	0.0%
Loss on Cancellation / Settlement of Forward Contracts (Net)	0.0%	1.4%	0.6%	0.0%	0.4%	0.0%	0.0%	0.0%
Exchange Loss (Net)	0.3%	0.4%	1.2%	0.1%	0.1%	0.0%	0.0%	0.0%
Advertising and Sales Promotion	0.1%	0.8%	0.6%	0.6%	1.0%	0.0%	0.0%	0.0%
Other Operating Expenses	1.9%	3.9%	2.5%	2.1%	1.7%	19.1%	19.4%	19.4%
Total Operating Expenditure	89.1%	88.6%	83.7%	78.9%	76.0%	74.5%	74.5%	75.4%
EBIDTA	10.9%	11.4%	16.3%	21.1%	24.0%	25.5%	25.5%	24.6%
Depreciation	5.7%	4.3%	4.0%	4.4%	6.3%	5.8%	5.8%	5.3%
EBIT	5.2%	7.1%	12.3%	16.7%	17.8%	19.7%	19.7%	19.3%
Interest Paid	5.1%	6.0%	5.4%	5.4%	5.3%	4.2%	3.3%	2.6%
Non-Operating Income	1.9%	1.4%	1.3%	2.4%	1.8%	1.0%	0.9%	0.8%
Extraordinary Expense	0.0%	2.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit Before Tax	2.1%	0.1%	8.2%	13.7%	14.2%	16.5%	17.3%	17.5%
Tax	1.9%	0.6%	2.0%	2.6%	3.9%	5.2%	5.4%	5.5%
Minority Interest	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Profit	0.1%	-0.4%	6.2%	11.3%	10.2%	11.2%	11.8%	12.0%
Net Profit Excl. extra-ordinaries	0.1%	-1.5%	6.2%	11.3%	10.2%	11.2%	11.8%	12.0%

Key Statistics



Equity History

Date	Equity Capital	Reason
31-Mar-91	12.0	As Per Annual Report
31-Mar-92	32.7	Public Issue
31-Mar-94	133.8	Rights Cum Public
30-Apr-99	346.8	Preference Share Conversion
30-Sep-99	435.1	Preference Share Conversion
8-Jun-01	304.6	Reduction - Restructuring
30-Sep-01	436.9	Conversion
31-Mar-02	460.2	Debenture Conversion
11-Jun-04	564.8	Preferential Issue Of Shares
2-Apr-05	681.4	Preferential Issue Of Shares
1-Apr-05	590.6	Warrants Option Exercised
6-Jul-05	720.9	Scheme of Arrangement/Amalgamation
31-Aug-05	730.9	Conversion of Warrants
30-Aug-05	722.2	Conversion of Warrants
19-Apr-10	886.9	Issued to QIBs
24-Dec-12	894.0	Issued under ESOP Scheme
3-Jan-13	998.8	Scheme of Arrangement/Amalgamation
8-May-15	1004.6	Issued under ESOP Scheme

Category of Shareholder % of Holding

Category of Shareholder % of Holding	March 31, 2015 % of Holding
A) Shareholding of Promoter and Promoter Group	
(1) Indian	
Individuals / Hindu Undivided Family	0.34
Bodies Corporate	73.15
Total Indian	73.49
(B) Public Shareholding	
(1) Institutions	10.82
(2) Non-Institutions	15.69
Bodies Corporate	5.64
Individuals	9.33
Any Others (Specify)	0.72
Total Public shareholding	26.51
Total	100.00

Category Promoter and Promoter Group

Name of the Shareholder	As a % of grand total
Radhika Goenka	0.20
Dipali Goenka	0.07
Balkrishan Gopiram Goenka	0.05
B K Goenka	0.02
Dipali Goenka Jointly with B K Goenka	0.00
Rajesh R Mandawewala	0.00
B K Goenka Jtly Deepali Goenka	0.00
Krishiraj Trading Ltd	50.28
Welspun Mercantile Ltd	11.20
Welspun Wintex Ltd	8.39
Welspun Infra Developers Pvt Ltd	2.74
Welspun Finance Ltd	0.54
Methodical Investment & Trading Co Pvt Ltd	0.01
Welspun Syntex Ltd	0.00
Welspun Zucchi Textiles Ltd	0.00
Welspun Steel Ltd	0.00
Total	73.49

Category Public and holding more than 1% of the total number of shares

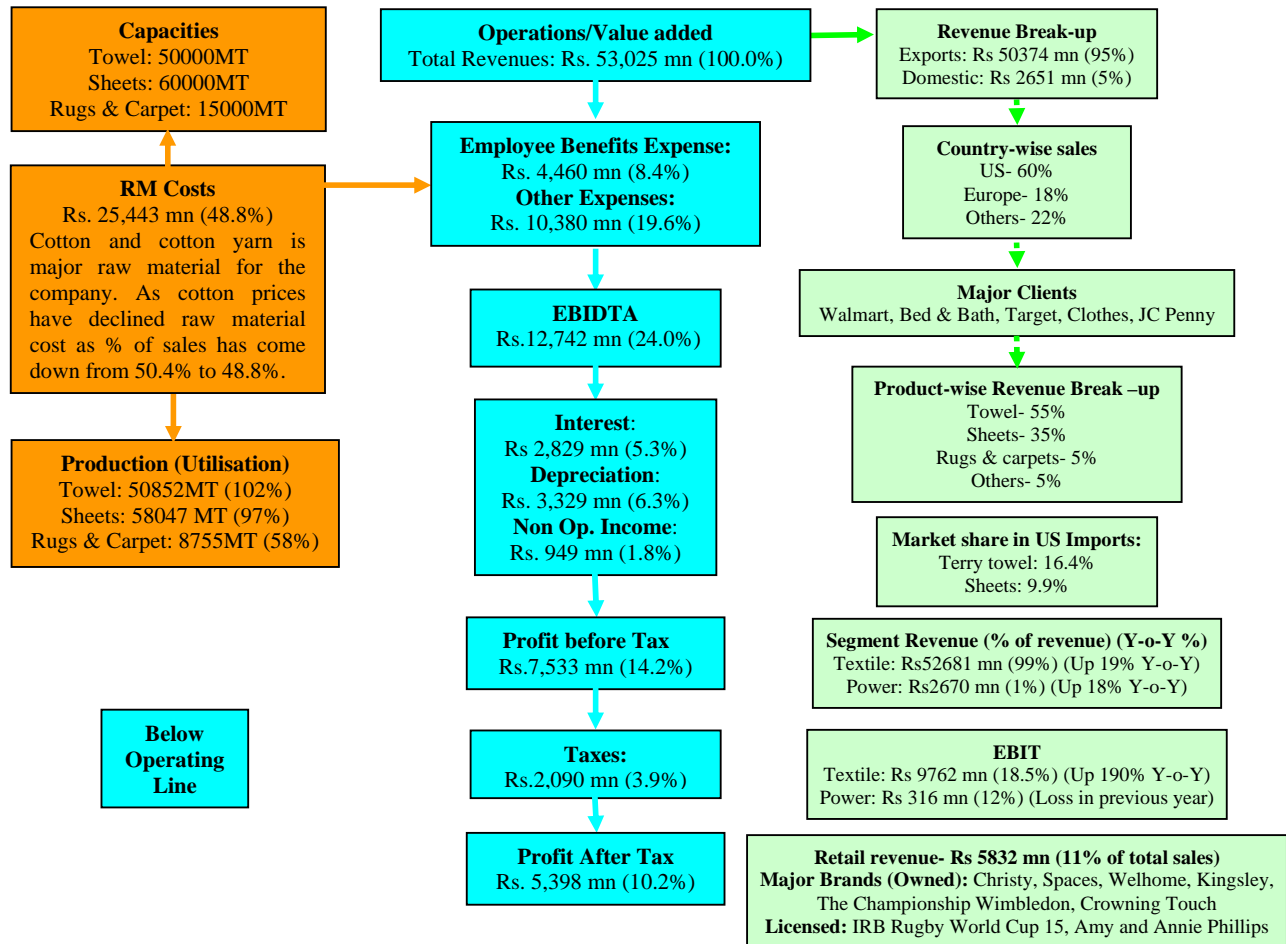
Name of the Shareholder	Shares as % of Total No. of Shares
Reliance Capital Trustee Company Ltd A/c Reliance Growth Fund	2.72
Goldman Sachs India Fund Ltd	2.05
Total	4.76

Key Ratios – Consolidated

YE Mar 31	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Net Raw Materials / Sales (%)	54.7%	49.7%	48.5%	51.8%	48.0%	47.0%	47.0%	48.0%
Employee Benefits Expense / Sales (%)	7.9%	9.5%	7.6%	7.8%	8.4%	8.4%	0.0%	0.0%
Stores and Spares Consumed / Sales (%)	1.9%	1.5%	1.5%	1.6%	1.9%	0.0%	0.0%	0.0%
Dyes and Chemicals Consumed / Sales (%)	6.3%	4.6%	4.9%	3.8%	4.1%	0.0%	0.0%	0.0%
Contract Labour Charges / Sales (%)	1.9%	1.6%	1.8%	1.5%	1.3%	0.0%	0.0%	0.0%
Job Work Expenses / Sales (%)	1.9%	1.3%	1.6%	0.9%	1.2%	0.0%	0.0%	0.0%
Power, Fuel and Water Charges / Sales (%)	8.9%	7.5%	7.2%	2.7%	2.2%	0.0%	0.0%	0.0%
Repairs and Maintenance: / Sales (%)	0.7%	0.7%	0.6%	0.8%	0.8%	0.0%	0.0%	0.0%
Claims, Discounts and Rebates / Sales (%)	0.5%	0.7%	0.8%	0.8%	0.7%	0.0%	0.0%	0.0%
Brokerage and Commission / Sales (%)	0.1%	1.1%	0.9%	1.0%	0.9%	0.0%	0.0%	0.0%
Freight, Forwarding and Coolie Charges / Sales (%)	0.5%	1.9%	1.9%	2.0%	2.1%	0.0%	0.0%	0.0%
Rent / Sales (%)	1.0%	1.5%	0.8%	0.7%	0.5%	0.0%	0.0%	0.0%
Travelling and Conveyance / Sales (%)	0.5%	0.6%	0.6%	0.6%	0.5%	0.0%	0.0%	0.0%
Loss on Cancellation/ Settlement of Forward Contracts (Net) / Sales (%)	0.0%	1.4%	0.6%	0.0%	0.4%	0.0%	0.0%	0.0%
Exchange Loss (Net) / Sales (%)	0.3%	0.4%	1.2%	0.1%	0.1%	0.0%	0.0%	0.0%
Advertising and Sales Promotion / Sales (%)	0.1%	0.8%	0.6%	0.6%	1.0%	0.0%	0.0%	0.0%
Other Operating Expenses / Sales (%)	1.9%	3.9%	2.5%	2.1%	1.7%	19.1%	0.0%	0.0%
Other Income/EBT (%)	93.1%	1523.2%	16.5%	17.4%	12.6%	6.1%	5.1%	4.5%
EBITDA Margin (%)	10.9%	11.4%	16.3%	21.1%	24.0%	25.5%	25.5%	24.6%
Tax / PBT (%)	92.6%	638.3%	24.6%	19.0%	27.7%	31.5%	31.5%	31.5%
Net Profit Margin (%)	0.1%	-0.4%	6.2%	11.3%	10.2%	11.2%	11.8%	12.0%
RoE (%)	0.2%	-6.9%	25.6%	46.2%	40.5%	37.9%	34.3%	30.6%
RoCE (%)	0.4%	-39.5%	12.2%	18.2%	16.5%	16.7%	17.2%	17.7%
Sales/Operating Assets (x)	0.9x	1.3x	1.4x	1.3x	1.4x	1.3x	1.3x	1.4x
Optg. Assets/Total Assets (x)	0.9x	0.9x	0.9x	0.9x	0.9x	0.9x	0.9x	0.9x
Debt/ Equity (X)	2.6x	2.6x	2.0x	2.7x	2.2x	1.7x	1.2x	0.8x
Interest Coverage (x)	2.1x	1.9x	3.0x	3.9x	4.5x	6.1x	7.8x	9.6x
Interest / Debt (%)	6.3%	10.4%	9.9%	9.3%	9.3%	7.9%	7.2%	6.9%
Growth in Gross Block (%)	5.5%	7.4%	7.9%	34.7%	27.4%	22.9%	9.3%	6.0%
Sales Growth (%)	(4.2%)	57.0%	12.0%	18.6%	22.0%	26.2%	14.2%	12.0%
Operating (EBITDA) Profit Growth (%)	(18.7%)	58.4%	62.4%	54.9%	38.3%	19.3%	14.0%	8.3%
Net Profit Growth (%)	(99.1%)	(1053.8%)	(1781.3%)	119.8%	9.2%	23.9%	19.9%	14.2%
Debtors (Days of net sales)	32	25	29	32	33	32	36	37
Creditors (Days of Raw Materials)	63	85	105	89	94	92	92	92
Inventory (Days of Optg. Costs)	129	136	160	147	151	152	155	159
Current Ratio (x)	3.5x	2.3x	2.8x	2.7x	2.6x	2.3x	2.3x	2.4x
Net Current Assets/Capital Employed (%)	27.4%	30.7%	35.4%	35.1%	36.3%	30.5%	35.7%	39.7%
Number of Diluted Shares (mn)	88.61	99.47	100.10	100.25	100.46	100.46	100.46	100.46
Fully Diluted EPS (Rs.)	0.2	(1.3)	22.5	49.3	53.7	66.6	79.8	91.1
Fully Diluted EPS Excl. extra-ordinaries (Rs.)	0.2	(4.9)	22.7	49.3	53.7	66.6	79.8	91.1
EPS Growth Excl. extra-ordinaries (%)	(99.3%)	(3173.3%)	(566.7%)	117.0%	9.1%	23.9%	19.9%	14.2%
Dividend Payout (%)	129.8%	0.0%	19.6%	7.2%	23.5%	25.0%	25.0%	25.0%
Fully Diluted CEPS (Rs.)	13.7	9.0	37.2	68.2	86.9	101.3	118.9	131.3
Book Value Per Share (Rs.)	75.5	74.7	98.9	110.7	142.5	192.5	252.4	320.8

Welspun India's Business in Pictures...FY15 (Consolidated)

(All figures are in Rs. Mn except where stated otherwise. All percentages are percent of revenues, unless otherwise stated.)



Assets
Rs. 56,953 mn (100%)

Balance Sheet
(FY15)

Liabilities
Rs. 56,953 mn (100%)

Fixed Assets: Rs. 26,049 mn (45.7%)
Investment: Rs. 1,420 mn (2.5%)
Goodwill: Rs. 1,785 mn (3.1%)
Other Non-current Assets: Rs. 170 mn (0.3%)
Inventory: Rs.11,006 mn (19.3%)
Debtors: Rs. 4,467 mn (7.8%)
Cash & Bank Balances: Rs. 3,252 mn (5.7%)
Loans & Advances: Rs. 7,474 mn (13.1%)
Other Current Assets: Rs.1,330 mn (2.3%)

Equity: Rs. 1,005 mn (1.8%)
Reserves: Rs. 13,314 mn (23.4%)
Minority Interest: Rs. 378 mn (0.7%)
Total Debt: Rs. 28,606 mn (50.2%)
• **Long-term Borrowings:** Rs. 15,946 mn (28.0%)
• **Short-term Borrowings:** Rs. 12,660 mn (22.2%)
Deferred Tax Liab.: Rs.641 mn (1.1%)
Other Long-Term Liab.: Rs.11 mn (0.02%)
Sundry Creditors: Rs.6,910 mn (12.1%)
Provisions: Rs.1,941 mn (3.4%)
Others Curr. Liab.: Rs.4,148 mn (7.3%)

Q3FY16 Result Highlights...

WIL reported 11% Y-o-Y topline growth for Q3FY16 driven by 7% volume growth and better product mix and currency impact of 3%. Volume growth during the quarter has picked up as company has commissioned 12mn mtrs bed linen capacity and 5000t of towel capacity. Volume is expected to pick up further on the ramp up of these capacities. During 9MFY16 the company reported 10% Y-o-Y topline growth.

Domestic retail sales have increased by 52% Y-o-Y during 9MFY16 totaling Rs1.1bn. Current contribution from retail sales is around 2.5% and of branded sales is 11% of total sales. Management is confident of increasing contribution from branded sales to 20% over next five years.

WIL reported highest ever margin during the quarter showing improvement of 161bp Y-o-Y to 27% for. Improved vertical integration, stable raw material cost, increased contribution of value added products and improved retail sales reaped benefits improving margin of the company. EBITDA during the quarter improved by 18% Y-o-Y. During 9MFY16 margin improved by 246bp Y-o-Y to 26% and EBITDA improved by 22% Y-o-Y.

Interest cost during the quarter has gone down by 27% Y-o-Y mainly on account of the reduction in base rate, benefits under the Gujarat state textile policy and interest equalization scheme by government.

Depreciation has increased by 9% Y-o-Y due to part- capitalisation of expansion projects and modernisation project. Depreciation is likely to increase further due to increased capex during the year.

PAT during the quarter increased by 33% Y-o-Y and margin improved by 252 bp to 11.7%. During 9MFY16 PAT increased by 35% and margin improved by 210bp to 11.7%.

Conference call highlights

WIL has commenced 5000t towel capacity and 12mn mtrs bed sheet capacity during the quarter. It is likely to add 5000t of towel capacity June 2016 and 5000 rugs capacity by September 2016. This will improve volume of the company by 12-13% in FY17E.

The capital expenditure during the quarter was Rs. 1.9 billion and during 9MFY16 was Rs. 6.4 billion, balance investment of around Rs. 7 billion is expected over the next nine months. The company is likely to spend Rs500mn towards expansion of rugs capacity, Rs2bn towards towel capacity expansion, Rs1bn towards addition 8-10MW of captive power in Vapi unit, Rs1bn towards automation and rest towards integration of bed linen unit.

The capex is funded in debt:equity ratio of 70:30. As debt is approved under TUF and Gujarat government subsidy scheme the cost of debt is meager at 3%. Gross debt at the end of the year stands at Rs31.8bn and net debt at Rs26.4bn. Debt/equity ratio of the company is at 1.7x which is likely to improve to 0.8x by Fy18E due to improved cash flows.

As management is adopting anciliarisation model wherein the company will outsource capex intensive activities like spinning and weaving it expects maintenance capex of Rs3-3.5bn annually to generate incremental revenue of Rs10bn post FY17E. Management has maintained topline growth guidance of 13-17% however, has improved operating margin guidance from earlier 22-23% to 23-24% annually in view of better operating performance.

'Hygro campaign' launched by the company is progressing well and the company has done sale of around \$90mn during 9MFY16. E-commerce as additional channel for marketing is picking up well and management is positive on the prospects.

Management is optimistic about India's competitiveness in the global market and is focusing on new categories like comforters, basic bedding and rugs and carpets. The company is positive on exploring different market and stated that if FTA agreement with Europe is signed then it will open wide market for India.

The company is Ranked No:1 Home textile supplier to the US for the fourth consecutive year by 'Home & Textiles Today'. It has received 'Exemplary Supply Chain and Speed Award' by Kohl's and 'Best Innovation Award' by Wilkinson.

Outlook

In view of 9MFY16 result we maintain our projections. We expect company to post topline growth CAGR of 17% over FY15-18E and bottomline CAGR of 20% over the same period.

We expect asset turnover ratio and cash flow to improve further with ancillarisation model working. During FY16E free cash flow of the company is likely to remain under pressure due to increased capital expenditure however, in FY17E free cash flow is likely to improve to Rs6.4bn in FY17E and Rs7.5bn in FY18E. Expected FY17E FCF yield is around 7.5%. Return ratios are likely to remain high with ROE and ROCE expected at 31% and 18% for FY18E.

We expect the company to post EPS of Rs67, Rs80 and Rs91 over FY16E, FY17E and FY18E respectively. At current market price the stock is trading at 13x FY16E, 11x FY17E and 9.5x FY18E. EV/EBITDA is at 8x FY16E, 6.6x FY17E and 6x FY18E EBITDA. The company's growing presence in the international market, well established relations with global retailers making it the largest exporter, its thrust in domestic market and asset-light model focus is likely to improve returns for the investors. In spite of improving financials the company is trading at discount to industry P/E of 15x. We value the company on P/E of 12x FY18E which gives us price target of **Rs1092** showing 27% upside to current market price of Rs863. We recommend '**BUY**'.

Quarterly Result Analysis - Consolidated

YE Mar 31 (Rs. mn)	Q3 FY16	Q3 FY15	Y-o-Y change %	Q2 FY16	Q-o-Q change %	9M FY16	9M FY15	Y-o-Y Change %
Total Revenue	14,904	13,459	10.7%	14,723	1.2%	43,511	39,367	10.5%
Less:								
Net Raw Material consumed	6,220	6,324	(1.7%)	6,637	(6.3%)	19,283	19,112	0.9%
Employee benefits expense	1,421	1,132	25.5%	1,325	7.3%	3,985	3,279	21.5%
Power & Fuel	305	271	12.7%	259	17.7%	893	866	3.1%
Other expenses	2,952	2,331	26.6%	2,759	7.0%	8,004	6,814	17.5%
Total Expenditure	10,898	10,059	8.3%	10,980	(0.7%)	32,165	30,071	7.0%
EBIDTA	4,006	3,400	17.8%	3,743	7.0%	11,346	9,296	22.1%
Less: Depreciation & Amortization exp	997	918	8.7%	918	8.7%	2,708	2,321	16.7%
Less: Interest	592	816	(27.4%)	515	15.1%	1,700	2,260	(24.8%)
Add: Other income	172	147	17.3%	197	(12.7%)	647	660	(2.0%)
Profit Before Extra-ordinary items & Tax	2,588	1,813	42.8%	2,508	3.2%	7,585	5,376	41.1%
Less: Total Tax	814	369	120.5%	747	9.0%	2,400	1,582	51.7%
Less: Minority Share of Profit & Loss in certain Subsidiary Companies	34	8	NM	38	(10.1%)	90	9	894.1%
Profit After Tax	1,741	1,436	21.3%	1,724	1.0%	5,096	3,784	34.7%
Profit After Tax Excl. extra-ordinaries	1,741	1,436	21.3%	1,724	1.0%	5,096	3,784	34.7%
Diluted EPS (Rs.)	17.33	14.29	21.2%	17.15	1.0%	50.72	37.68	34.6%
Diluted Number of shares (mn)	100	100		100		100	100	
Margin Analysis			Change BPS		Change BPS			Change BPS
EBIDTA Margin	26.9%	25.3%	161	25.4%	146	26.1%	23.6%	246
Proforma NPM	11.7%	10.7%	101	11.7%	-3	11.7%	9.6%	210
Effective Tax Rate	31.4%	20.3%	1108	29.8%	166	31.6%	29.4%	220
Cost Analysis								
RM/Total Revenue	41.7%	47.0%	-526	45.1%	-335	44.3%	48.5%	-423
Personnel/Total Revenue	9.5%	8.4%	112	9.0%	54	9.2%	8.3%	83
Power & Fuel/Total Revenue	2.0%	2.0%	4	1.8%	29	2.1%	2.2%	-15
Other expenses/Total Revenue	19.8%	17.3%	248	18.7%	106	18.4%	17.3%	109

NM – Not Meaningful

Other Key Highlights:

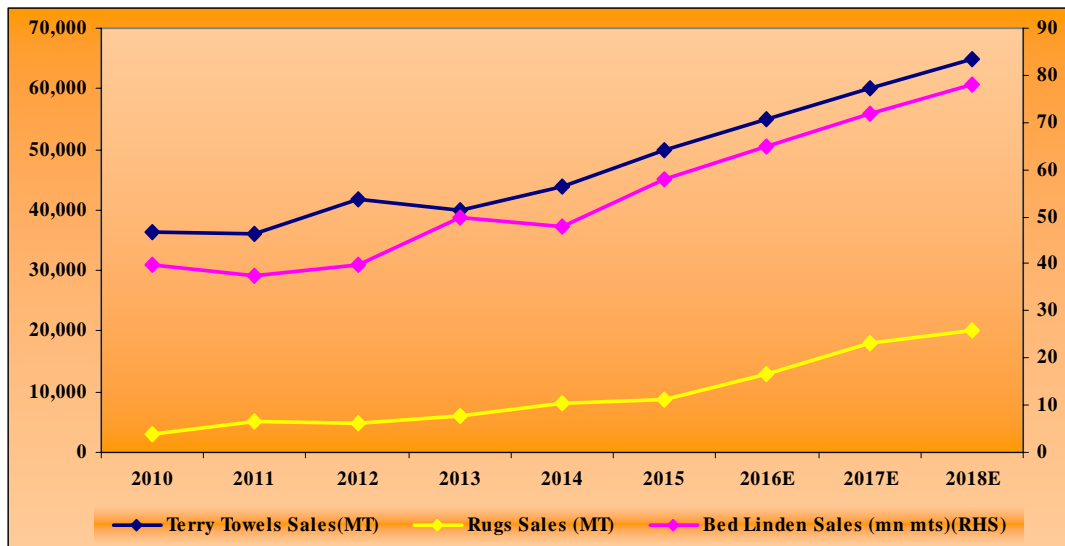
Volume growth through asset-light model

With the expansion of towel, bed sheet and rugs capacity by 5000t, 12mn mtrs and 5000t respectively the company is likely to post volume growth of 12-13% in FY17E.

The company is targeting 7-8% volume growth annually FY18E onwards through asset-light anciliarisation model. Textile being capital intensive industry the company is planning to outsource capital intensive activities like spinning and weaving. This model has asset-turnover ratio of 2-3x unlike fully integrated operation of 1-1.2x.

Through this model capital intensive activities will be set up by small manufacturers in the vicinity of its factory and will be monitored by WIL. Likewise the company will be able to maintain control over quality of the product. WIL will incur regular capex for processing which will increase its asset turnover ratio and ROE. Although this will reduce the margin by around 100-200 bp management has guided for 23-24% margin on a sustainable basis. WIL has made a tie up with one of the vendor and is working towards this model. Therefore, it plans to improve volume by 7-8% annually only by expanding processing capacity at an annual capex of Rs3-3.5bn.

Volume Chart



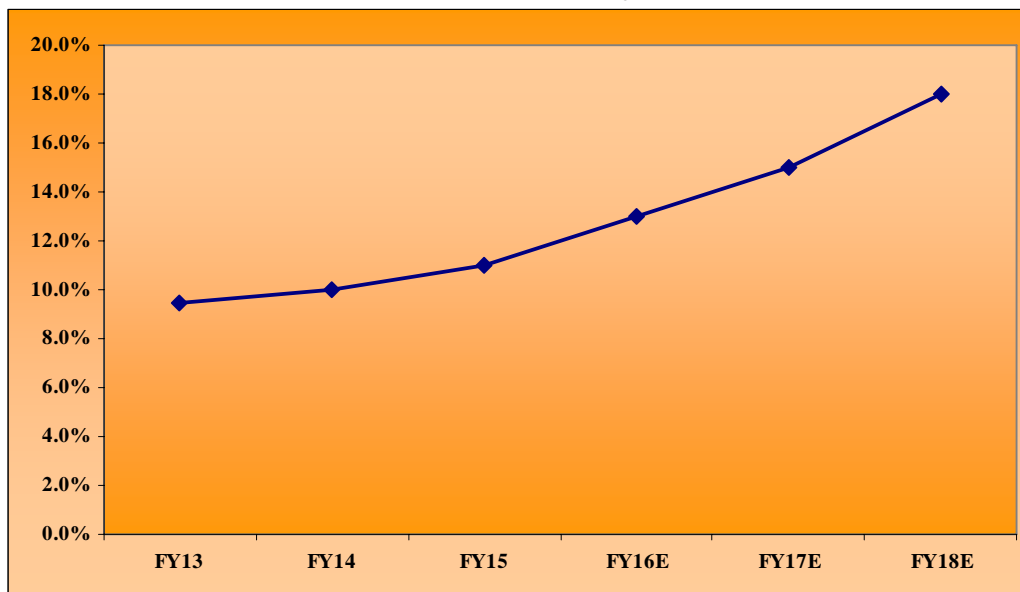
Apart from towel and bed linen the company is focusing largely on rugs & carpets. Product diversification move is prudent at this stage as client base remains the same for company's other products and rugs. The company has rugs capacity of 20000t which has utilisation level of 65% and is likely to get fully utilised by FY18E.

Retailing – A growth driver

With the aim of becoming a fully integrated player, WIL has ventured into retailing of its products in the international as well as domestic industry. The company has successfully increased its share in the retail market, with the contribution of branded sales to its topline increasing from 9% in FY13 to 11% in FY15. During 9MFY16 sales to domestic market improved by 52% Y-o-Y.

WIL has been aspiring to get a foothold in the retail market since 2004, but has been witnessing traction only for the last three years after changing its business model for retailing. Unlike in the past, when WIL had attempted to open EBOs, the company now retails its products through different MBOs and retail stores, which is less capital intensive and a fast growing segment. The domestic home textile retail industry is growing at a CAGR of 30% and WIL is well positioned to capitalise on this growth. The contribution from WIL's retail business is likely to increase significantly over the same period. For FY2016E, the company is expected to record an overall volume growth of 20-21%.

Branded sales as % of Total



WIL offers some of the most formidable home textile brands in the world that have their unique characteristics and legacy, supported by the company's quality and innovation. WIL owns brands like Spaces, Welhome, Christy, Kingsley Home, The Championship Wimbledon, Crowning Touch, etc. The company also has licensed brands like IRB Rugby World Cup 15, Amy and Annie Phillips. With its wide brand portfolio, WIL is attempting to service all types of customers across all categories.

Two major brands viz. 'Christy' and 'Spaces' contribute around 80% of the total brand revenue. Revenue from this segment is likely to grow at a CAGR of 25% and is likely to contribute 25% of total revenue by 2020.

Value added products to improve product-mix

WIL has developed a premium range of innovative products to attract new business and customers. *The company has developed a number of VAPs, resulting in an improvement in the quality of products and lower operational costs. The improvement has been made possible only because of the constant efforts in R&D being carried out by the company.* VAPs together contribute around 34% of WIL's turnover and its share is likely to increase to 50% over the next two years, leading to an improvement in the company's product mix and margin.

VAPs together contribute around 34% of WIL's turnover and its share is likely to increase to 50% over the next two years, leading to an improvement in the company's product mix and margin

Its brand 'Hygro cotton', which helps quick evaporation and regulates body temperature is getting well accepted in the international market and is likely to grow faster. The company has launched its 'Hygro' branding campaign in the US market at an estimated investment of \$5 mn and has received a very encouraging response by garnering \$90mn sales during 9MFY16.

Apart from these products, WIL has also developed VAPs like cocoon sheets (fine cotton sheet with elegant, subtle dupioni silk texture), melange (cotton sheet, natural easy care, adds fashion), natural sheets and satin sheets. ***The company aims to obtain patents for its other VAPs as well, which will provide it with a competitive advantage over other players and help gain share in the international market.***

Financial Performance

The company posted topline growth of 11% during Q3FY16 aided by 7% Y-o-Y volume growth. We expect the company to post volume growth of 12-13% in FY17E and 7-8% in FY18E. Management expects rupee to depreciate by 4-5% annually over the medium term. It is likely to increase realisation for the company in spite of stable pricing environment. Therefore, the company has guided for 13-17% Y-o-Y sales growth till FY20E. We expect WIL's topline to increase at a CAGR of 17% over FY15-18E.

Management has revised its margin guidance at 23-24% over the medium term. We expect the company to maintain its margin in the range of 24-25% over FY17-18E due to increasing contribution from value added products and retail segment.

As the company has adopted asset-light ancillarisation model it is likely to incur capex of Rs3-3.5bn annually to maintain volume growth of 7-8%. However, it is not likely to increase borrowings as the capex will not likely to exceed depreciation amount annually. During Q2FY16 the company started getting 3% interest subvention benefit from Gujarat government on its long term borrowings and from the current quarter the company is eligible for interest equalisation scheme. As large part of the current long term borrowings are funded by TUF and Gujarat govt. incentive scheme interest cost for the company is likely to go down from 9.2% in FY15 to 8% in FY16E. Under interest equalisation scheme the company is entitled for working capital loan interest subvention of 3%. This will bring down the cost of debt further down in FY17E.

The capital expenditure during the quarter was Rs. 1.9 billion and during 9MFY16 was Rs. 6.4 billion, balance investment of around Rs. 7 billion is expected over the next nine months. The company is likely to spend Rs500mn towards expansion of rugs capacity, Rs2bn towards towel capacity expansion, Rs1bn towards addition 8-10MW of captive power in Vapi unit, Rs1bn towards automation and rest towards integration of bed linen unit.

The capex is funded in debt:equity ratio of 70:30. As debt is approved under TUF and Gujarat government subsidy scheme the cost of debt is meager at 3%. Gross debt at the end of the year stands at Rs31.8bn and net debt at Rs26.4bn. Debt/equity ratio of the company is at 1.7x which is likely to improve to 0.8x by FY18E due to improved cash flows.

WIL is likely to generate high ROE of 31% and ROCE of 17% in FY18E. WIL has declared its dividend distribution policy as dividend payout at 25% of PAT every year. This has increased dividend yield to around 2%. ***The company has generated very healthy free cash flow during FY15 at Rs6.3 bn. With increased capex we expect cash flow to remain under pressure in FY16E however, it is likely to improve in FY17E to Rs6.4bn and to Rs7.5bn in FY18E. Free cash flow yield on the basis of FY17E cash flow is at 8%.***

We expect the company to post EPS of Rs67, Rs80 and Rs91 over FY16E, FY17E and FY18E respectively. At current market price the stock is trading at 13x FY16E, 11x FY17E and 9.5x FY18E. EV/EBITDA is at 8x FY16E, 6.6x FY17E and 6x FY18E EBITDA. A well established player in global home textile market with proven track record and bright future prospects of consistent growth in the medium term offers re-rating for the stock at current market valuations. We value the company on P/E of 12x FY18E. We recommend 'BUY' with a target price of Rs1092 leaving upside potential of 27%.

Financials - Consolidated

Profit & Loss A/c

YE Mar 31 (Rs. mn)	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Total Revenue	21,132	32,205	36,473	43,730	53,025	59,585	68,069	76,254
Less:								
Net Raw Materials	11,564	15,999	17,684	22,673	25,443	28,005	31,993	36,602
Employee Benefits Expense	1,671	3,050	2,766	3,400	4,460	4,995	5,544	6,099
Stores and Spares Consumed	407	482	562	720	1,001	0	0	0
Dyes and Chemicals Consumed	1,323	1,472	1,785	1,663	2,155	0	0	0
Contract Labour Charges	396	527	652	670	692	0	0	0
Job Work Expenses	403	428	592	380	632	0	0	0
Power, Fuel and Water Charges	1,886	2,404	2,633	1,174	1,187	0	0	0
Repairs and Maintenance:	157	209	233	353	413	0	0	0
Claims, Discounts and Rebates	108	238	290	364	383	0	0	0
Brokerage and Commission	20	345	329	417	472	0	0	0
Freight, Forwarding and Coolie Charges	98	598	694	874	1,132	0	0	0
Rent	212	483	286	292	278	0	0	0
Travelling and Conveyance	95	196	204	276	290	0	0	0
Loss on Cancellation/ Settlement of Forward Contracts (Net)	0	454	232	21	208	0	0	0
Exchange Loss (Net)	58	127	445	45	75	0	0	0
Advertising and Sales Promotion	22	264	220	277	553	0	0	0
Other Operating Expenses	401	1,267	922	920	909	11,381	13,205	14,793
Total Operating Expenditure	18,821	28,544	30,527	34,519	40,283	44,381	50,742	57,494
EBIDTA	2,312	3,662	5,946	9,211	12,742	15,205	17,327	18,760
Less: Depreciation	1,203	1,378	1,449	1,903	3,329	3,483	3,925	4,035
EBIT	1,108	2,284	4,497	7,308	9,412	11,722	13,402	14,725
Interest Paid	1,078	1,918	1,977	2,352	2,829	2,490	2,230	1,961
Non-operating Income	405	460	492	1,042	949	600	600	600
Extraordinary Expense	0	795	31	0	0	0	0	0
Profit Before tax	435	30	2,982	5,998	7,533	9,832	11,772	13,364
Tax	403	193	733	1,139	2,090	3,097	3,708	4,210
Minority Interest	(18)	0	0	0	0	0	0	0
Net Profit	50	(134)	2,248	4,941	5,398	6,690	8,019	9,154
Net Profit Excl. extra-ordinaries	14	(484)	2,272	4,941	5,398	6,690	8,019	9,154

Common sized Profit & Loss A/c

YE Mar 31	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less:								
Net Raw Materials	54.7%	49.7%	48.5%	51.8%	48.0%	47.0%	47.0%	48.0%
Employee Benefits Expense	7.9%	9.5%	7.6%	7.8%	8.4%	8.4%	8.1%	8.0%
Stores and Spares Consumed	1.9%	1.5%	1.5%	1.6%	1.9%	0.0%	0.0%	0.0%
Dyes and Chemicals Consumed	6.3%	4.6%	4.9%	3.8%	4.1%	0.0%	0.0%	0.0%
Contract Labour Charges	1.9%	1.6%	1.8%	1.5%	1.3%	0.0%	0.0%	0.0%
Job Work Expenses	1.9%	1.3%	1.6%	0.9%	1.2%	0.0%	0.0%	0.0%
Power, Fuel and Water Charges	8.9%	7.5%	7.2%	2.7%	2.2%	0.0%	0.0%	0.0%
Repairs and Maintenance:	0.7%	0.7%	0.6%	0.8%	0.8%	0.0%	0.0%	0.0%
Claims, Discounts and Rebates	0.5%	0.7%	0.8%	0.8%	0.7%	0.0%	0.0%	0.0%
Brokerage and Commission	0.1%	1.1%	0.9%	1.0%	0.9%	0.0%	0.0%	0.0%
Freight, Forwarding and Coolie Charges	0.5%	1.9%	1.9%	2.0%	2.1%	0.0%	0.0%	0.0%
Rent	1.0%	1.5%	0.8%	0.7%	0.5%	0.0%	0.0%	0.0%
Travelling and Conveyance	0.5%	0.6%	0.6%	0.6%	0.5%	0.0%	0.0%	0.0%
Loss on Cancellation/ Settlement of Forward Contracts (Net)	0.0%	1.4%	0.6%	0.0%	0.4%	0.0%	0.0%	0.0%
Exchange Loss (Net)	0.3%	0.4%	1.2%	0.1%	0.1%	0.0%	0.0%	0.0%
Advertising and Sales Promotion	0.1%	0.8%	0.6%	0.6%	1.0%	0.0%	0.0%	0.0%
Total Operating Expenditure	89.1%	88.6%	83.7%	78.9%	76.0%	74.5%	74.5%	75.4%
EBIDTA	10.9%	11.4%	16.3%	21.1%	24.0%	25.5%	25.5%	24.6%
Less: Depreciation	5.7%	4.3%	4.0%	4.4%	6.3%	5.8%	5.8%	5.3%
EBIT	5.2%	7.1%	12.3%	16.7%	17.8%	19.7%	19.7%	19.3%
Interest Paid	5.1%	6.0%	5.4%	5.4%	5.3%	4.2%	3.3%	2.6%
Non-operating Income	1.9%	1.4%	1.3%	2.4%	1.8%	1.0%	0.9%	0.8%
Extraordinary Expense	0.0%	2.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit Before tax	2.1%	0.1%	8.2%	13.7%	14.2%	16.5%	17.3%	17.5%
Tax	1.9%	0.6%	2.0%	2.6%	3.9%	5.2%	5.4%	5.5%
Minority Interest	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Profit	0.2%	-0.4%	6.2%	11.3%	10.2%	11.2%	11.8%	12.0%
Net Profit Excl. extra-ordinaries	0.1%	-1.5%	6.2%	11.3%	10.2%	11.2%	11.8%	12.0%

Balance Sheet

YE Mar 31(Rs. mn)	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Liabilities								
Equity Capital	940	890	1,000	1,003	1,005	1,005	1,005	1,005
Equity Share application money pending allotment	0	105	0	1	0	0	0	0
Reserves & Surplus	5,750	6,433	8,901	10,093	13,314	18,333	24,350	31,219
Equity	6,690	7,428	9,902	11,097	14,318	19,338	25,355	32,223
Preference Share Capital	0	0	0	0	0	0	0	0
Net Worth	6,690	7,428	9,902	11,097	14,318	19,338	25,355	32,223
Minority Interest	0	250	250	316	378	378	378	378
Net Deferred tax liability/(Asset)	1,878	1,502	1,917	434	641	850	850	850
Long Term Loans	10,077	9,812	10,011	16,795	15,946	22,000	18,000	0
Short Term Loans	7,321	9,730	10,233	13,498	14,905	10,000	12,000	0
Total Loans	17,398	19,542	20,244	30,293	30,851	32,000	30,000	26,500
Other Long-Term Liabilities	20	17	6	600	11	0	0	0
Capital Employed	25,985	28,739	32,319	42,740	46,199	52,566	56,583	59,952
Assets								
Gross Block	21,915	23,547	25,401	34,213	43,581	53,581	58,581	62,081
Less: Depreciation	6,315	7,765	9,082	15,767	19,096	22,579	26,504	30,539
Net Block	15,600	15,782	16,319	18,446	24,485	31,002	32,077	31,542
Capital WIP	550	1,233	542	5,324	1,564	2,000	500	500
Investments	1,007	1,205	931	1,115	1,420	1,420	1,420	1,420
Intangible Assets	0	979	1,754	1,839	1,785	1,788	2,042	2,288
Other Non-Current Assets	1,703	706	1,336	1,022	170	298	340	381
Current Assets								
Inventories	4,597	7,293	8,205	10,094	11,006	12,319	14,853	17,036
Sundry Debtors	1,453	2,492	2,750	4,117	4,467	5,981	7,447	8,013
Cash and Bank Balance	389	1,482	1,724	2,332	3,252	738	2,074	3,018
Loans and Advances	2,788	3,415	4,286	5,376	7,474	8,342	9,530	10,676
Other Current Assets	773	772	731	2,019	1,330	1,192	1,361	1,525
Total Current Assets	10,000	15,454	17,697	23,939	27,530	28,571	35,264	40,267
Less:Current Liabilities & Provisions								
Sundry Creditors	2,216	5,235	4,963	6,144	6,910	7,207	8,920	9,531
Provisions	146	448	341	1,390	1,941	3,517	4,098	4,628
Other Current Liabilities	513	938	956	1,410	1,903	1,788	2,042	2,288
Total Current Liabilities & Provisions	2,875	6,621	6,260	8,944	10,754	12,512	15,061	16,447
Miscellaneous Assets	0	0	0	0	0	0	0	0
Capital Applied	25,985	28,739	32,319	42,740	46,199	52,566	56,583	59,952

Cash Flow Statement

YE Mar 31 (Rs. mn)	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
Cash Inflow								
From Operations								
Profit Before Tax	435	30	2,982	5,998	7,533	9,832	11,772	13,364
Depreciation	1,203	1,378	1,449	1,903	3,329	3,483	3,925	4,035
Less:								
Dividend Payout	18	0	442	357	1,268	1,670	2,002	2,286
Tax Paid	403	193	733	1,139	2,090	3,097	3,708	4,210
Operating Cashflow	1,217	1,215	3,255	6,405	7,504	8,547	9,987	10,904
Changes in Capital Structure								
Increase in Equity Share capital	159	55	5	4	1	0	0	0
Increase in Share premium	1,324	1	14	8	3	0	0	0
Increase in Other reserves	(21)	845	648	(3,318)	(956)	(45)	(45)	0
Increase in Pref Capital	0	0	0	0	0	0	0	0
Increase in Others	336	(379)	404	(889)	(382)	198	0	0
Inc/(Dec) in Loans	589	2,144	702	10,049	558	1,149	(2,000)	(3,500)
Inc/(Dec) in Minority Interest	0	250	0	66	62	0	0	0
Inc/(Dec) in Equity/Loans/MI	2,386	2,916	1,774	5,919	(715)	1,302	(2,045)	(3,500)
Adjustments								
Prior Period Adjustments	0	0	0	0	0	0	0	0
Diff.in Depreciation	(220)	71	(131)	4,782	0	0	0	0
Total Inflow	3,384	4,203	4,898	17,106	6,789	9,850	7,942	7,404
Cash Outflow								
Working Capital Changes								
Inc/(Dec) in Provisions	(26)	302	(107)	1,049	551	1,576	581	529
Inc/(Dec) in Current Liabilities	798	3,444	(254)	1,635	1,259	182	1,967	856
Less:								
Inc/(Dec) in Inventory	989	2,697	912	1,889	912	1,312	2,535	2,182
Inc in Debtors	(345)	1,040	257	1,367	350	1,514	1,466	567
Inc/(Dec) in Loans & Advances	(155)	627	872	1,090	2,098	868	1,188	1,146
Inc/(Dec) in Other Current Assets	160	(1)	(41)	1,288	(689)	(138)	170	164
Inc/(Dec) in Working Capital	(122)	616	2,361	2,950	861	1,798	2,809	2,673
Capex/Investments								
Inc/(Dec) in Investments	857	198	(274)	184	305	0	0	0
Addition to Gross Block	1,141	1,632	1,854	8,812	9,368	10,000	5,000	3,500
Inc/(Dec) in Capital WIP	279	683	(691)	4,782	(3,760)	436	(1,500)	0
Inc/(Dec) in Other Assets	1,703	(18)	1,404	(230)	(906)	131	297	286
Inc. in Misc. Assets	0	0	0	0	0	0	0	0
Inc/(Dec) in Fixed Assets/ Investments	3,981	2,495	2,294	13,548	5,008	10,567	3,797	3,786
Inc/(Dec) in Cash/Bank Balance	(475)	1,092	243	608	920	(2,515)	1,336	945
Total Outflow	3,384	4,203	4,898	17,106	6,789	9,850	7,942	7,404

Free Cash Flow Statement

YE Mar 31 (Rs. mn)	FY11	FY12	FY13	FY14	FY15	FY16E	FY17E	FY18E
EBITA	1,108	2,284	4,497	7,308	9,412	11,722	13,402	14,725
Less: Adjusted Taxes	1,026	937	1,106	1,388	2,612	3,692	4,222	4,638
NOPLAT	82	1,347	3,391	5,920	6,801	8,029	9,180	10,086
Plus: Depreciation	1,203	1,378	1,449	1,903	3,329	3,483	3,925	4,035
Gross Cashflow	1,285	2,725	4,840	7,823	10,130	11,512	13,105	14,122
Less: Increase in Working Capital	(177)	837	2,647	3,196	745	2,729	3,173	3,008
Operating Cashflow	1,463	1,888	2,193	4,627	9,385	8,783	9,932	11,114
Less: Net Capex	1,640	2,243	1,295	8,812	5,608	10,436	3,500	3,500
Less: Increase in Net Other Assets	1,458	111	800	493	(285)	(1,499)	13	44
FCF From Operation	(1,635)	(466)	99	(4,678)	4,061	(153)	6,420	7,570
Less: Inc./(Dec.) in Investment	(24)	(126)	527	(527)	(0)	0	0	0
FCF after Investment	(1,611)	(341)	(428)	(4,150)	4,061	(153)	6,420	7,570
Plus: Gain/(loss) on Extraordinary Items	0	(533)	(23)	0	0	0	0	0
Plus: Foreign currency Translation Effect	0	0	0	0	0	0	0	0
Total FCF	(1,611)	(874)	(452)	(4,150)	4,061	(153)	6,420	7,570