INVESTOR PRESENTATION
Q2 - FY17

November, 2016

WELSPUN INDIA
HOME TEXTILES

Home Textiles

Welspun India Limited
Global Leader in Home Textiles

WELSPUN GROUP
LEADING TOMORROW TOGETHER

Pipes

Welspun Corp Limited

Global Leader in Large Diameter Pipes

Infra

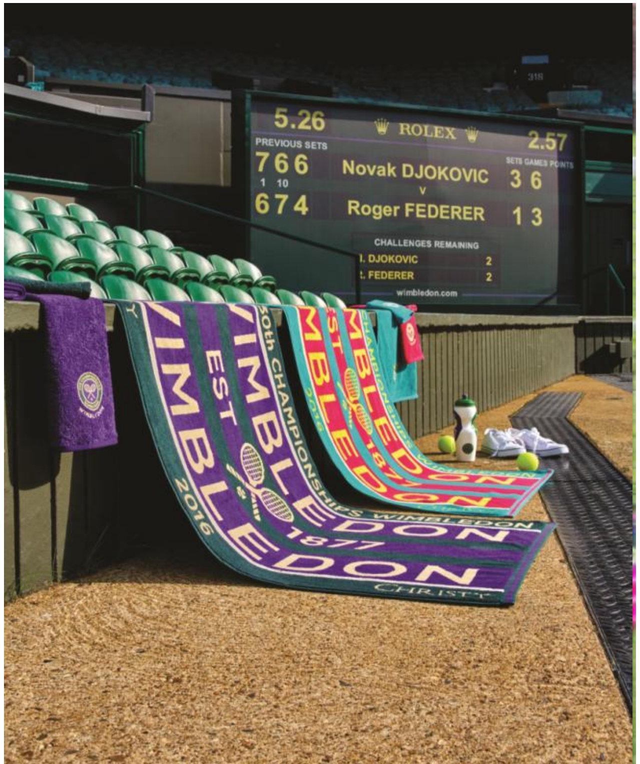
Welspun Enterprises Limited

Infrastructure
Oil & Gas

Revenue : US$ 2.3 Billion; Asset Base : US$ 1.8 Billion; Employees: 25,000+

AGENDA

1. Company Overview
2. Industry Overview: Advantage India
3. Welspun India: Global Leader in Home Textiles
4. Q2 - FY17 & H1 - FY17 Highlights
5. Way forward



WIL - AN OVERVIEW

Global Home Textiles Leader

- Among the top three home textile manufacturers in the world and the largest home textile company in Asia
- Leading Home Textile exporter to the US for four years in a row (2012-15)
- Distribution network in more than 50 countries
- Centered on excellence and transparency, has emerged as the trusted partner to 17 of Top 30 global retailers like Bed Bath and Beyond, Macy's, Wal-Mart and JC Penney among others
- State-of-the-art manufacturing facilities at Anjar and Vapi (Gujarat)

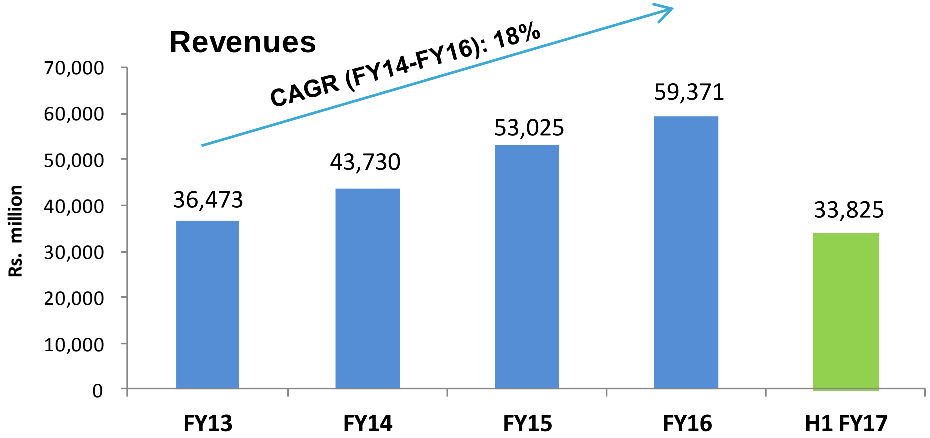
Commitment & Empowerment

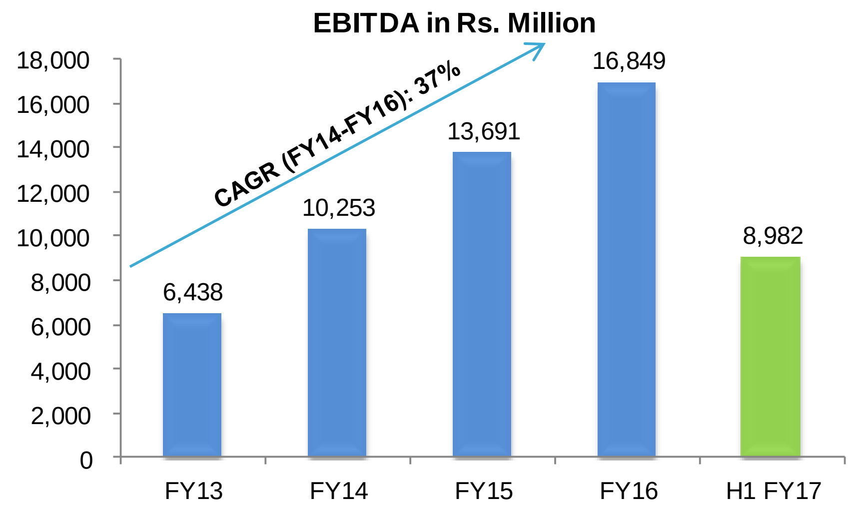
Creates opportunities for financial inclusion for women-through initiatives like Spun, Rags to Riches and Swasti

Innovation & Brand Focus

Patents (Including Pending) : 27
34% of FY16 sales from innovative products
13% of FY16 sales from branded products

FINANCIAL OVERVIEW





Shareholding Pattern

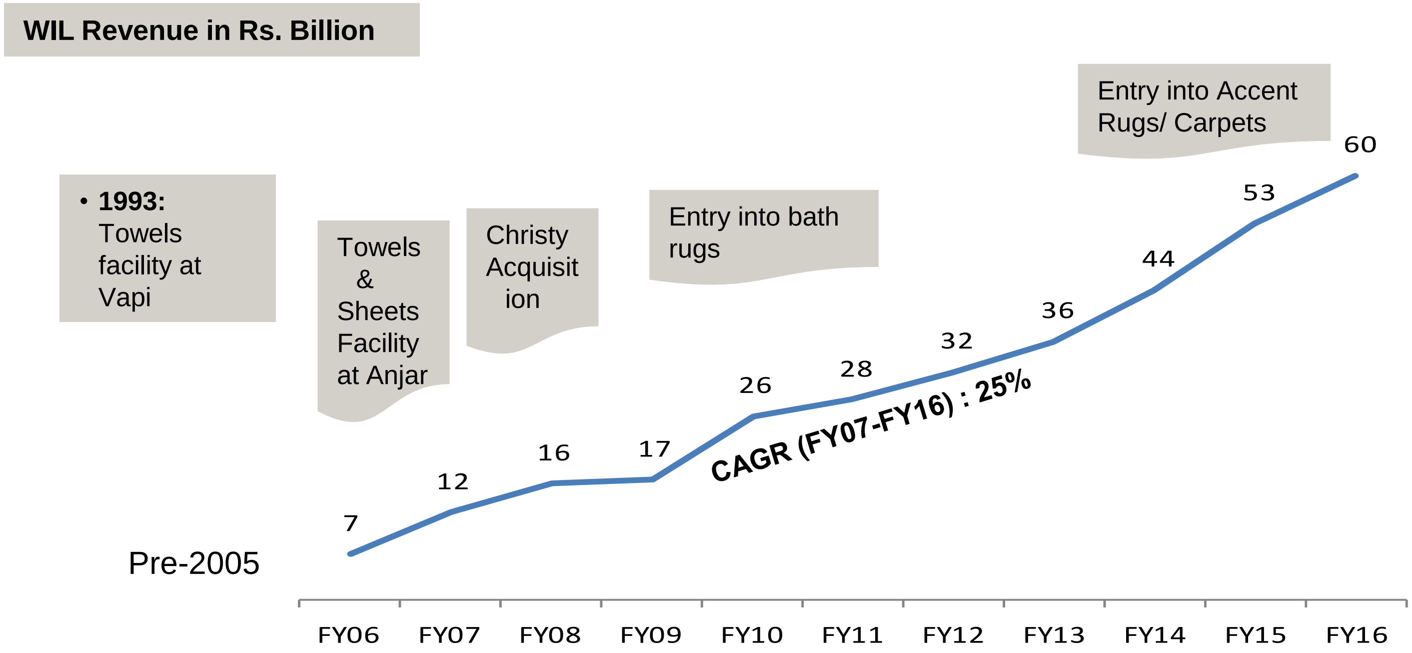
Particulars	30-Sep-16	31-Mar-16
Promoters	73.48%	73.48%
FIIs	9.51%	12.66%
Mutual Funds	1.90%	2.73%
Banks & Insurance Cos	0.40%	0.38%
Public	14.71%	10.74%
TOTAL	**100.00%**	**100.00%**

Market Statistics

As on Nov 28, 2016	Rs.	USD
Price per share	65	1.0
No: of Shares Outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	65,257	978
Daily Average Trading Volumes (Q2FY17) - No. of shares in Mn	8.9	8.9
Daily Average Trading Value (Q2FY17) - Mn	507	7.6

Note : All figures until FY15 are as per Indian GAAP and numbers for subsequent periods are as per Ind-AS

WIL - REVENUE MILESTONES



- Textiles business has been growing at a CAGR of 25% since the inception of the Anjar Facility
- Sustained growth indicates the potential of Home Textiles globally
- International operations majorly contribute to the revenue

INDUSTRY OVERVIEW: ADVANTAGE INDIA

GLOBAL HOME TEXTILE SCENARIO

Market Size

- Home textile market at US$45 bn
- Bath constitutes ~25%
- Bed constitutes ~35%

Key Consumers

- US , Europe and Japan are the largest consumers
- Global demand equally split between US, Europe and Rest of the World

Key Producers

- India, Pakistan and China are the largest producers; Account for 85% of cotton home textile trade to US
- India’s market share is higher in cotton home textiles

STRUCTURAL CHANGE: ASIAN DOMINANCE IN HOME TEXTILES

Textiles and Clothing US$797 bn	• China : 37% • India : 5%
Textiles US$314 bn	• China : 36% • India : 6%
Home textiles US$45 bn	• China : 35% • India : 11%
US Cotton Home Textiles US$7.5 bn	• China : 39% • India : 31%

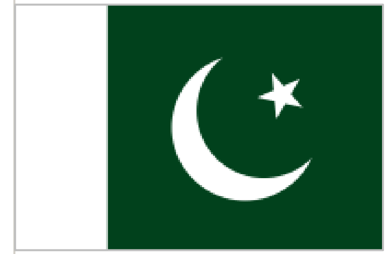
India has emerged as significant player in Home Textiles

Source : WTO - 2014 data, Texprocil, OTEXA, Company estimates

ADVANTAGE INDIA

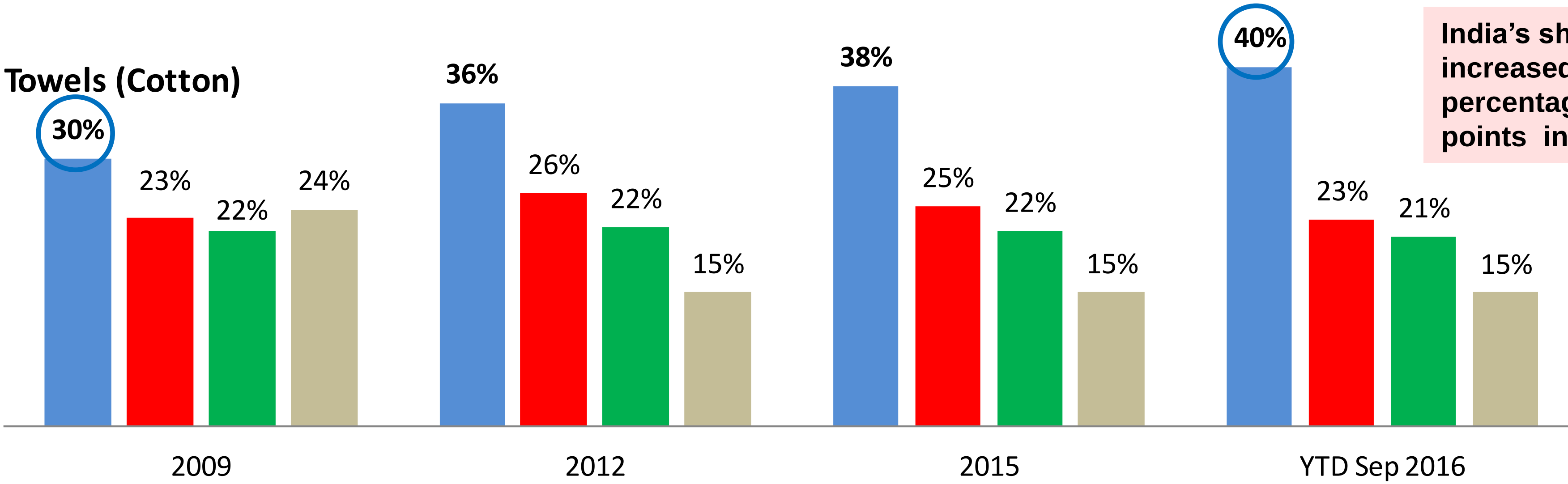
- Largest producer of cotton
- 25% surplus available for export as cotton/yarn
- Exporter of yarn
- Competitive costs
- Robust ecosystem for textiles
- Democracy with stable government
- Better environmental and labor law compliance
- Huge domestic market potential

- Major importer of cotton and yarn
- Losing export Competitiveness
- Wage inflation
- Rising power costs
- Increasing costs for environmental compliance
- Focus on domestic consumption

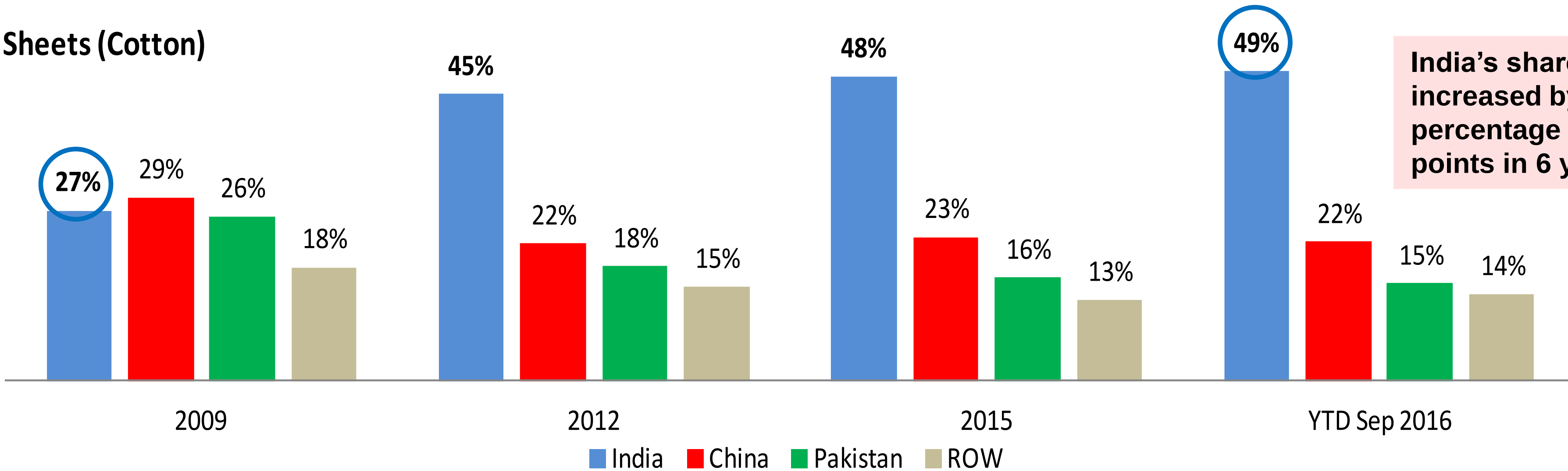


- Cotton Importer
- Energy issues
- Geopolitical issues
- Compliance issues

INDIAN PLAYERS GAINING PROMINENCE GLOBALLY



India's share increased by 10 percentage points in 6 years



India's share increased by 22 percentage points in 6 years

US market share. **Source:** Otexa

WELSPUN INDIA

LEADERSHIP: FOCUS AND EXCELLENCE

- A differentiated End-to-end Solutions Provider in Home Textiles
- Widest product range in the Home Textiles segment

Bath	Bedding	Flooring
Towels	Sheets	Carpets
Bath robes	TOB	Rugs
	Basic and Fashion Bedding	

- Uniquely positioned for cross-selling due to
  - Customer reach
  - Competitive manufacturing
  - Global delivery model
- Higher wallet share due to multi-product portfolio
- Strong track record of customer satisfaction and repeat business from them; 80% revenue from replenishment

Wide product range in Home textiles

LEADERSHIP: STRATEGIC PARTNERSHIP WITH GLOBAL RETAIL GIANTS

- Bed Bath & Beyond
- Macy’s
- J C Penney
- Kohl’s
- Wal Mart
- Costco
- Home Depot
- ….. and many more

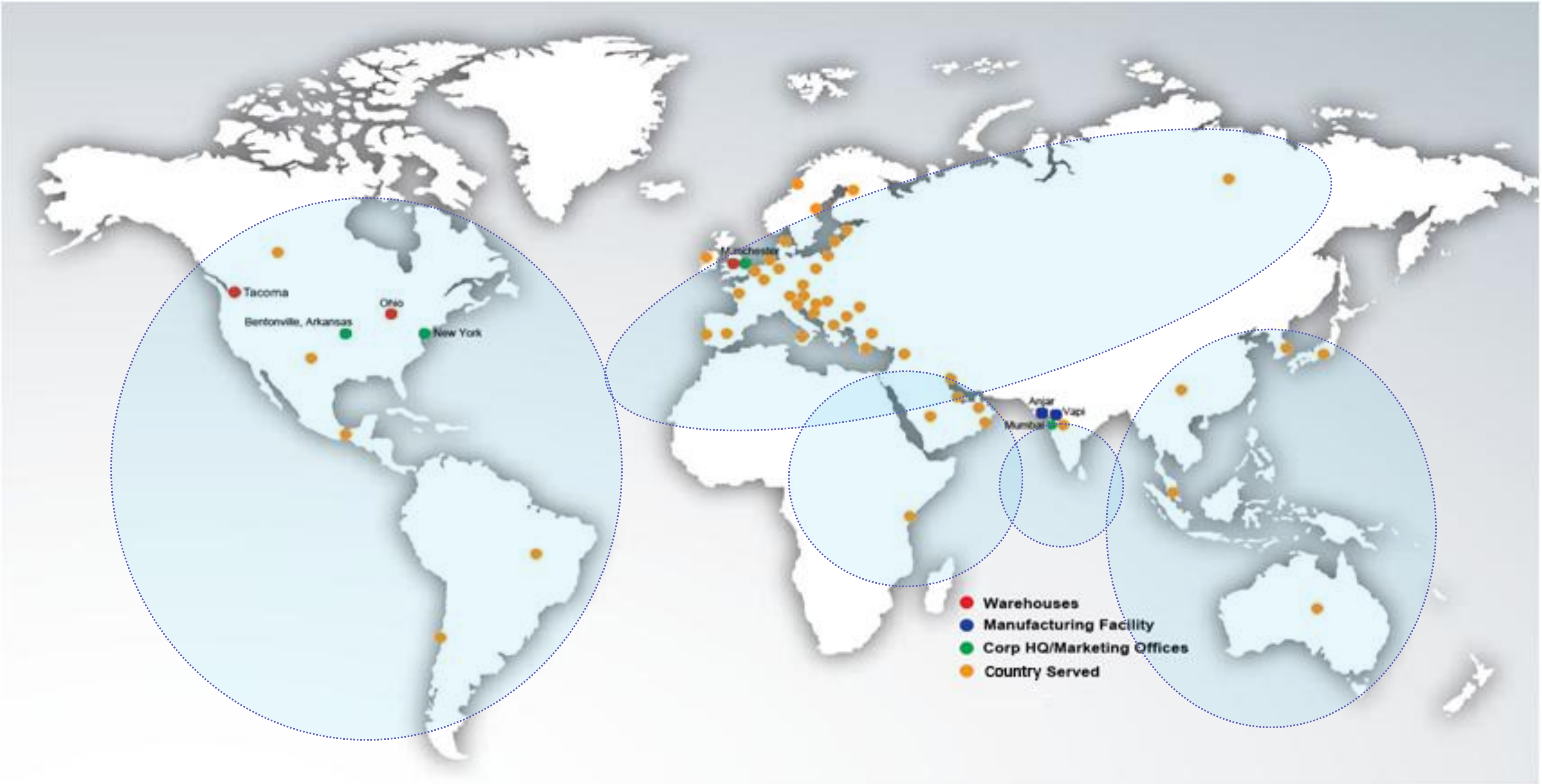
- Carrefour
- JYSK
- Auchan
- Kaufland
- Rusta
- … and many more

- ASDA
- Tesco
- Sainsbury
- John Lewis
- House of Fraser
- Debenhams
- ….. and many more

- Shopper’s Stop
- Lifestyle
- HomeTown
- @Home
- ….. and many more

Strategic Partnership with Marquee clients across geographies

LEADERSHIP: GLOBAL REACH & DELIVERY MODEL



Delivery & Reach in over 50 countries

LEADERSHIP: SCALE

Product	Unit	End-FY16 Capacity	Sales volume FY16	Utilisation %	Expected Capacity FY17
Towels	MT	60,000	55,400	92%	72,000
Sheets	'000 Mtrs	72,000	66,500	92%	90,000
Rugs & Carpets	'000 Sq. mtrs.	8,000	6,100	76%	10,000

Capacities running at high level of utilisation in towels and sheets

Investment of Rs. 8 bn planned in FY17; H1FY17 capex of Rs. 4.5 bn

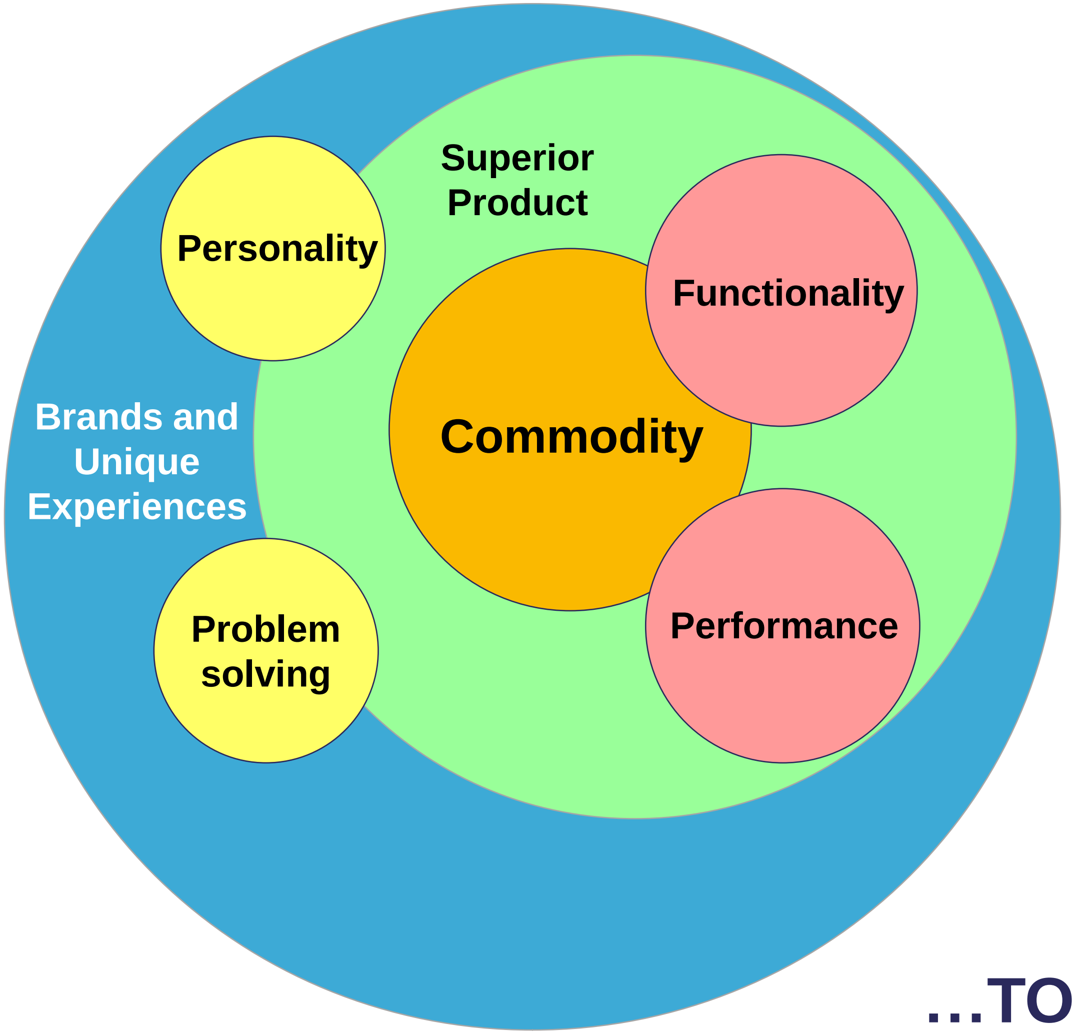
New investment of Rs. 6 bn planned in flooring solutions; to be invested over FY18 and FY19

High utilisation of world-class capacities

FLOORING SOLUTIONS TO DRIVE GROWTH

- Flooring solution to be the next growth driver for international as well as domestic market
- Consists of rugs, decorative carpets, tile carpets, accent rugs
- Capex of Rs. 6 bn earmarked for flooring facility
- Capacity of 7 million square meters per annum
- Facility to be located at Anjar
- To be done over FY18 and FY19

WELSPUN: BEYOND MANUFACTURING…



- Evolved from being a commodity manufacturer to a creator of unique customer experiences
- Experiences created through brands, product and technologies and new channels

…TO CUSTOMER CENTRIC

DELIVERING UNIQUE EXPERIENCES

INNOVATION FOCUS | **Consumer Needs** | **BRAND AND DELIVERY FOCUS**

CONSUMER INSIGHTS

Continuous Idea Generation
- Welspun Innovation Lab
- Product Development

Certifications

Innovation
- Innovation Partners
- Global patents: 27 (including pending)

Brands
- **Ingredient /Technology**
- **Owned**
- **Licensed**

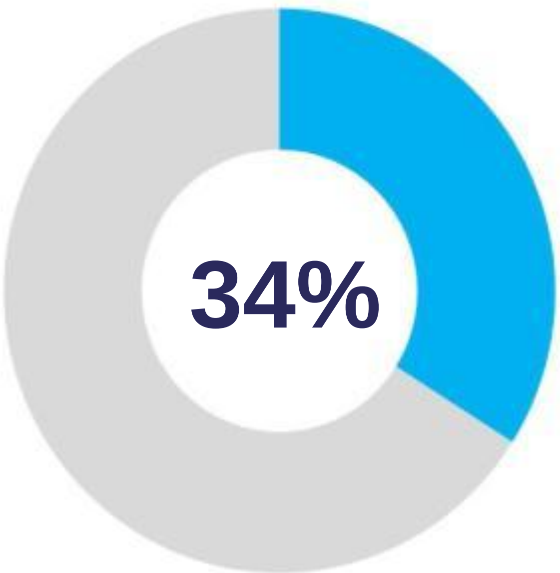
Technology and Product Delivery
- B2C/ B2B Connect
- Data Analytics and VMI Support

SMART TEXTILES: AN EXCITING NEW OPPORTUNITY

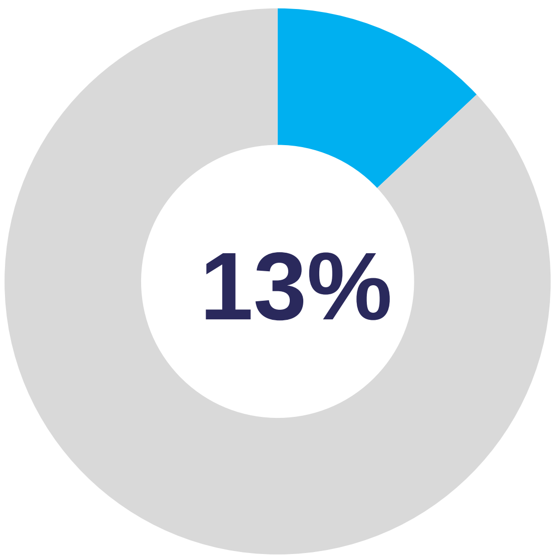
- Creating interactive experiences through seamless integration of smart technology with home textiles
- Patented augmented reality home décor
- **Spin Tales-** the first product under brand TILT
- To be launched during Christmas on our online platform TILTTEXTILES.com

LEADING TO A UNIQUE REVENUE MIX

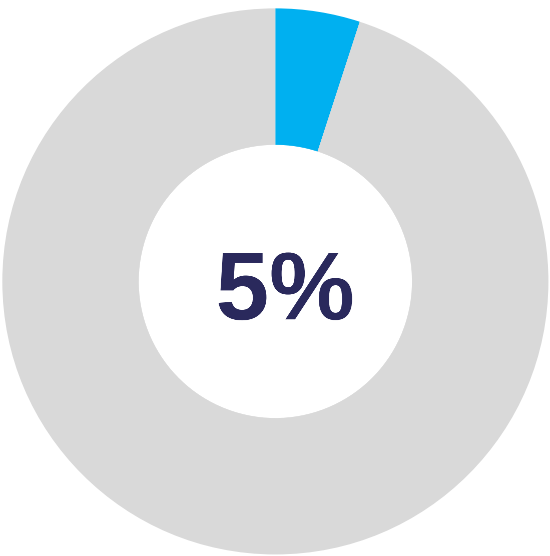
INCREASED SHARE OF INNOVATIVE PRODUCTS



INCREASED SHARE OF BRANDED PRODUCTS

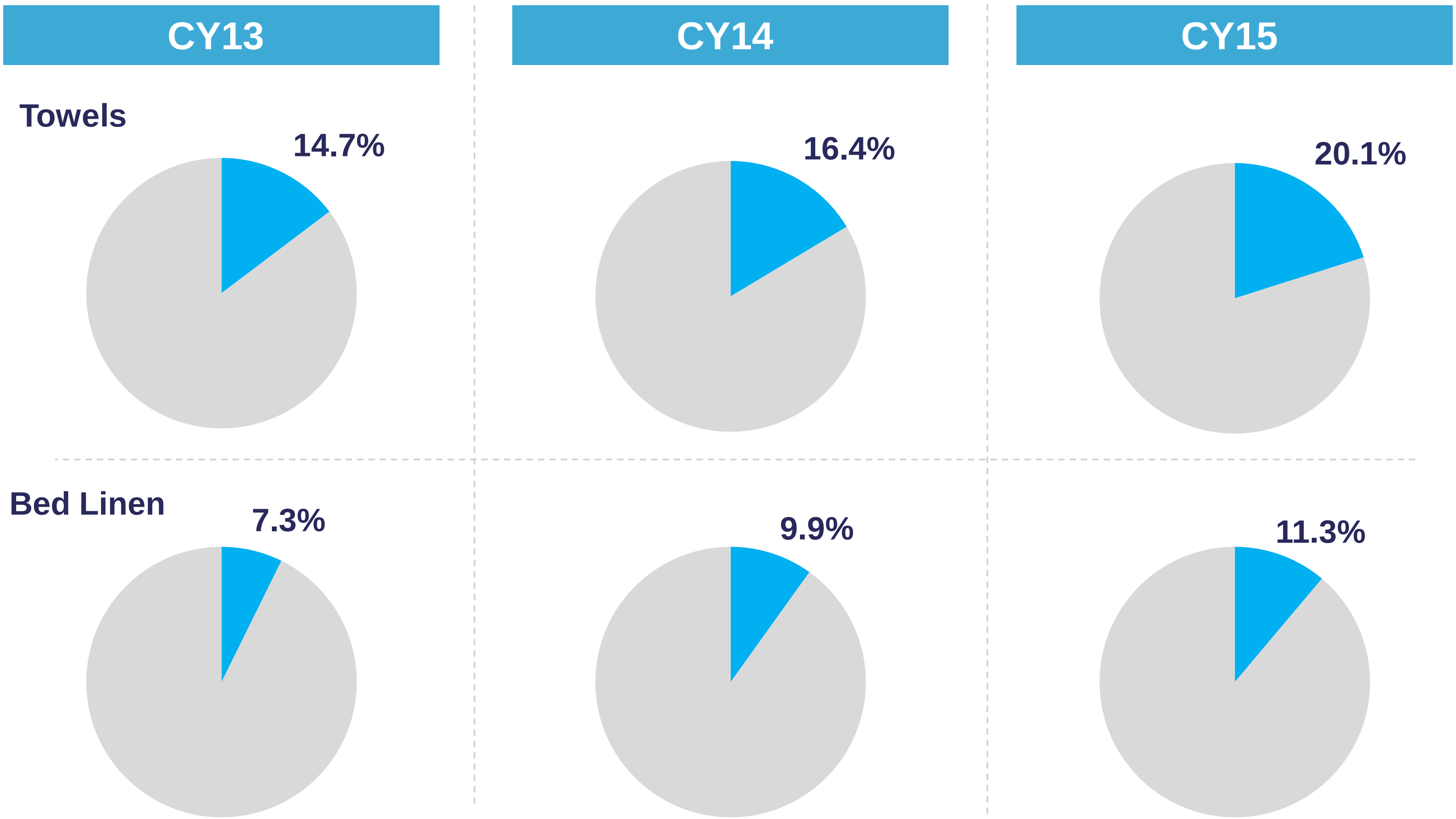


INCREASED SHARE OF NEW CHANNELS



Note: Figures of FY16

WELSPUN'S IMPROVED MARKET SHARE



US Market-Source OTEXA

BRANDING OUR INNOVATION

- Launched nation-wide campaign in the US in FY16 to introduce patented Hygrocotton® technology to consumers
- First ever such campaign in textiles in the past 15 years

STEPS TO STRENGTHEN SUPPLY CHAIN

Measure Type	Proposed Measures	Timeline
Structural	Improve procurement process to ensure cotton from certified sources	. ✓
	Deploy resource at Egypt to better oversee the buying activity	Jan 2017
	Ensure vertically integrated manufacturing including ancillary units	✓
	Establish improved tracking of cotton from Farm to Finish	H1 2017
	Improve governance and approval mechanism	✓
Technology	Improve SAP based material tracking and do more automation	✓
	Greater control through technology led solution (such as RFID) implementation	Q1 2017

STEPS TO STRENGTHEN SUPPLY CHAIN

Measure Type	Proposed Measures	Timeline
Process	Ensure Egyptian cotton planning & verification always done separately	✓
	Better manage rush orders with adequate buffer stock planning	✓
	Increase audits, including surprise visits to vendor facilities	✓
	Gold Seal Certification from Cotton Egypt Association (CEA)	✓
	Improve quality testing process using High Volume Instrument (HVI) test at source and at our facility	✓
	3rd party DNA testing	Q1 2017
People	Improve duty segregation	✓

To have greater control, improved external supervision and more supply chain reliability we are in the process of appointing an Advisory Council of experts

FOCUS 2016 - INCLUSIVE GROWTH

Virtuous Cycle of Social Development at Welspun

- Sustainability Focus
- Need based Health Camps
- Mobile Medical Vans

- Quality Education at Govt. Schools
- Adult Literacy Education for women

- Natural/ Recycled Products
- Over 300K Trees Planted
- Rain Water Harvesting
- Bio gas plant

- Vocational Training for women and youth
- Employability

FOCUS 2016 - INCLUSIVE GROWTH (Contd.)

Girls Hostel

Vocational Centers for SPUN

Skill Development

Global Women Economic Empowerment Initiative

Education: Students and Govt. Schools Covered

Smart Village

FINANCIAL HIGHLIGHTS

KEY HIGHLIGHTS – Q2 FY17

Highest ever quarterly sales and operational EBITDA	Sales growth at 22% YoY	Operating EBITDA at 24.1%
Net Debt to Equity at 1.2x (Vs 1.3x at FY16 –end)	Net debt to Op.EBITDA at 1.5x (Vs 1.6x at FY16-end)	ROCE (pre-tax) at 25.1%
Innovative sales share at 36%	Foray into Smart Textiles	Branded sales share at 15%

WELSPUN INDIA
HOME TEXTILES

FINANCIAL PERFORMANCE – Q2 FY17

(Rs. Million)

Particulars	Q2FY17	Q2FY16	Change YoY	Q1FY17
Revenue	**17,899**	**14,694**	**21.8%**	**15,926**
Operating EBITDA	**4,318**	**3,834**	**12.6%**	**4,225**
Op. EBITDA Margin	*24.1%*	*26.1%*	*-197 bps*	*26.5%*
EBITDA	**4,569**	**4,040**	**13.1%**	**4,414**
EBITDA Margin	*25.5%*	*27.5%*	*-197 bps*	*27.7%*
Finance Cost	320	515	-37.9%	353
Depreciation	1,264	909	39.1%	1,121
PBT before exceptional	**2,985**	**2,616**	**14.1%**	**2,940**
PAT after min. & assoc. (before exceptional)	1,999	1,794	11.4%	2,018
EPS (Rs.)# (before exceptional)	1.99	1.79	11.4%	2.01
Exceptional items	(4,895)	-	-	-
PBT (after exceptional)	(1,910)	2,616	-	2,940
PAT after min. & assoc. (after exceptional)	(1,475)	1,794	-	2,018
Cash Profit*	(112)	2,803	-	3,277
EPS (Rs.)# (after exceptional)	(1.47)	1.79	-	2.01

Volume Driven Revenue Growth

* PBDT - Current Tax
#Adjusted for stock split
Note: Prior-period figures have been restated according to Ind-AS accounting standards

FINANCIAL PERFORMANCE – H1 FY17

(Rs. Million)

Particulars	H1FY17	H1FY16	Change YoY
Revenue	**33,825**	**28,625**	**18.2%**
Operating EBITDA	**8,542**	**7,503**	**13.8%**
Op. EBITDA Margin	*25.3%*	*26.2%*	*-96 bps*
EBITDA	**8,982**	**7,995**	**12.4%**
EBITDA Margin	*26.6%*	*27.9%*	*-137 bps*
Finance Cost	673	1,108	-39.3%
Depreciation	2,385	1,693	40.8%
PBT before exceptional	**5,925**	**5,194**	**14.1%**
PAT after min. & assoc. (before exceptional)	4,017	3,624	10.9%
EPS (Rs.)# (before exceptional)	4.00	3.61	10.9%
Exceptional items	(4,895)	-	-
PBT (after exceptional)	1,030	5,194	-
PAT after min. & assoc. (after exceptional)	543	3,624	-
Cash Profit*	3,165	5,042	-
EPS (Rs.)# (after exceptional)	0.54	3.61	-

Revenue Growth at 18%

* PBDT - Current Tax
#Adjusted for stock split
Note: Prior-period figures have been restated according to Ind-AS accounting standards

PROFITABILITY TREND

(Rs. Million)

Particulars	FY15	FY16	H1 FY17
Revenue	**53,025**	**59,371**	**33,825**
Revenue growth %	*21.3%*	*12.0%*	*18.2%*
Operating EBITDA	**12,742**	**15,899**	**8,542**
Op EBITDA Margin	*24.0%*	*26.8%*	*25.3%*
EBITDA	**13,691**	**16,849**	**8,982**
EBITDA Margin	*25.8%*	*28.4%*	*26.6%*
Depreciation	3,329	3,718	2,385
Finance cost	2,829	2,368	673
PBT before exceptional	**7,533**	**10,763**	**5,925**
PAT after min. & assoc. (before exceptional)	5,398	7,400	4,017
EPS (Rs.)# (before exceptional)	5.4	7.4	4.0
Exceptional items	-	-	(4,895)
PBT (after exceptional)	7,533	10,763	1,030
PAT after min. & assoc. (after exceptional)	5,398	7,400	543
Cash Profit	9,017	11,840	3,165
EPS (Rs.)# (after exceptional)	5.4	7.4	0.5

Consistent double digit growth in revenues

1. Cash Profit = PBDT - Current Tax ; 2. Q2FY17 EPS not annualised

BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-15	31-Mar-16	30-Sep-16
Net Worth	14,318	19,739	20,461
Short Term Loans	10,034	7,716	11,351
Long Term Loans	20,817	18,945	21,435
Gross Debt	**30,851**	**26,661**	**32,786**
Cash & Cash Equiv.	4,297	1,386	7,900
Net Debt	**26,554**	**25,275**	**24,886**
Capital Employed#	45,451	47,936	52,549
Net Fixed Assets (incl CWIP)	26,049	33,508	35,488
Net Current Assets*	13,155	10,726	10,939
Total Assets	56,953	61,462	71,480

Net debt maintained

Capital Employed = Total assets - Current liabilities (excl short-term debt and long-term debt repayable in one year)

* Net Current Assets does not include Cash & Cash Equivalents

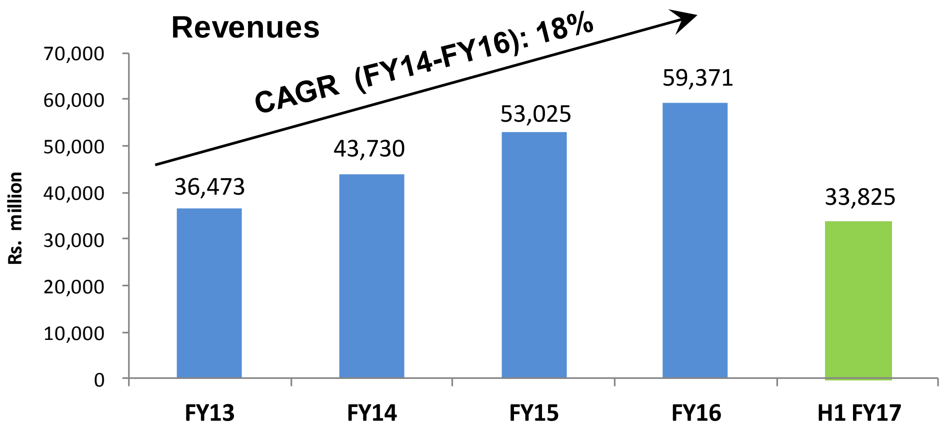
FINANCIAL RATIO TREND

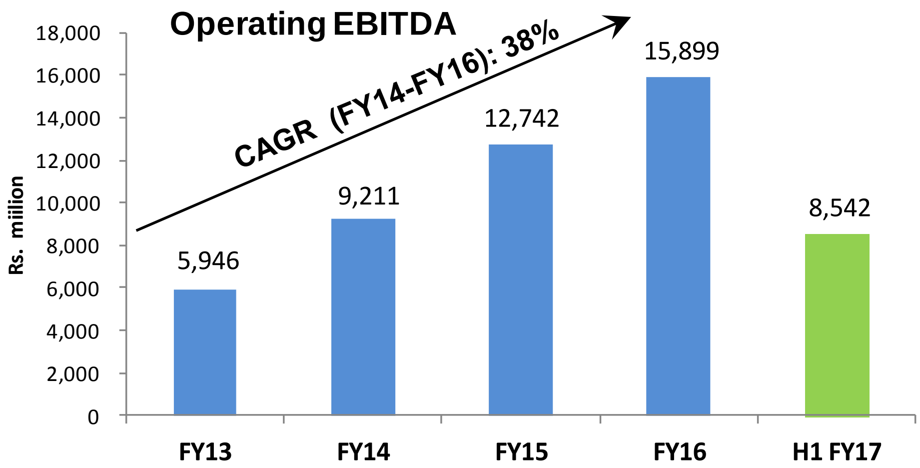
		FY15	FY16	H1 FY17*
Solvency ratios	**Net debt/Op. EBITDA**	**2.08**	**1.59**	**1.46**
	Net debt/Equity	**1.85**	**1.28**	**1.22**
	EBIT/Interest	3.66	5.55	9.81
Operational ratios	Current Ratio	1.10	1.15	1.23
	Fixed Asset turnover	2.04	1.77	1.91
	Total Asset turnover	0.93	0.97	0.95
	Inventory days	76	69	58
	Debtor days	31	36	38
	Payable days	48	62	42
	Cash conversion cycle	59	43	54
Return ratios	ROE	42.5%	43.5%	36.8%
	ROCE (pre-tax)	22.8%	27.4%	25.1%

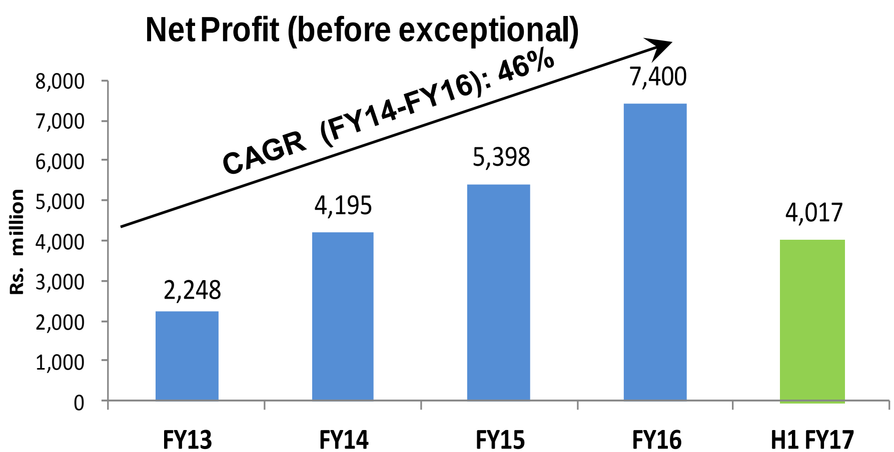
Continuous improvement in Net Debt/Equity and Net Debt/Op. EBITDA

1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales/ (Fixed assets + Gross current assets)
3. H1 FY17 figures are excluding one time impact of Exceptional item of Rs. 4,895 Mn

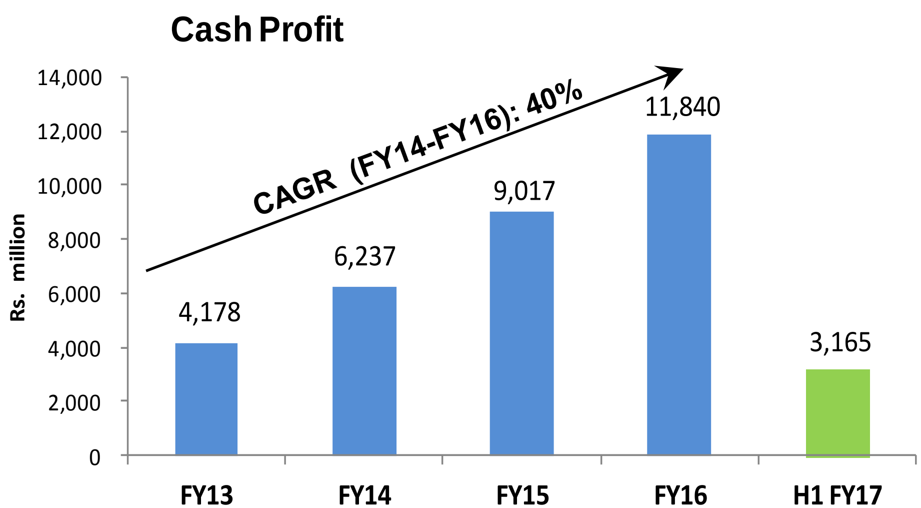
KEY FINANCIAL TREND



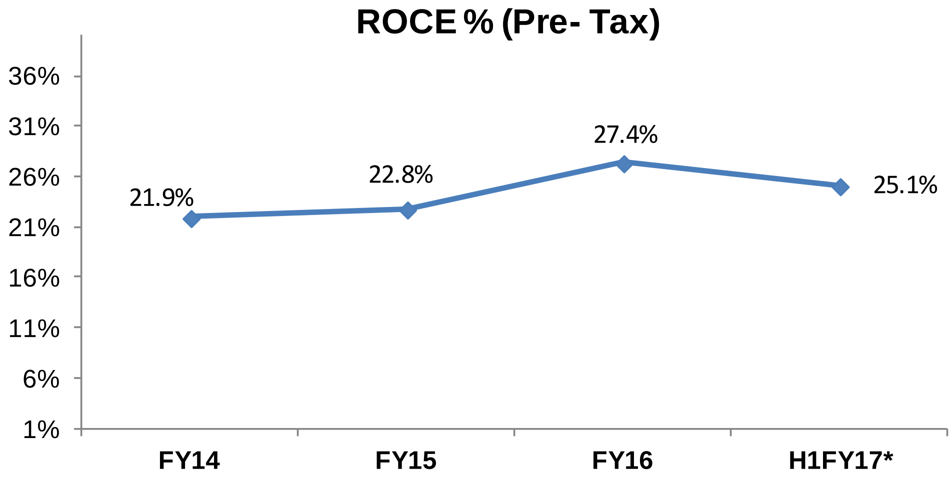


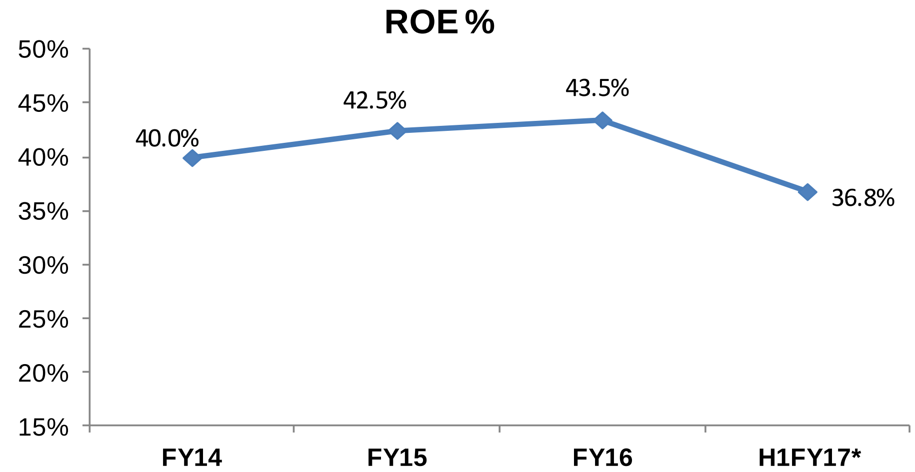


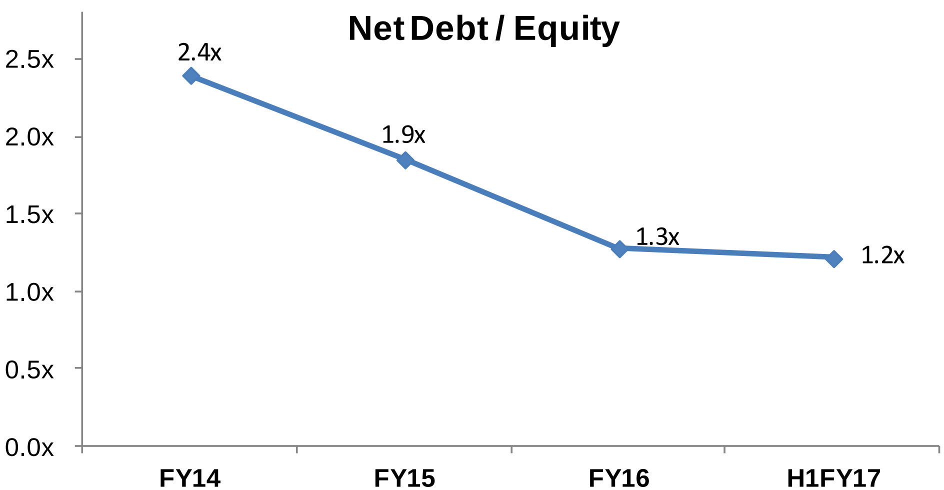
Net Profit H1 FY17 figure is excluding one time impact of Exceptional item of Rs. 4,895 Mn

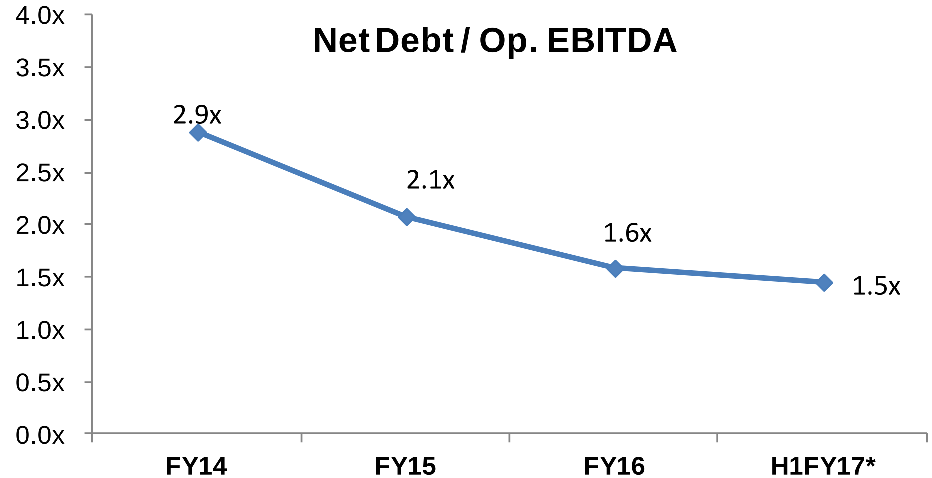


KEY RATIO TREND







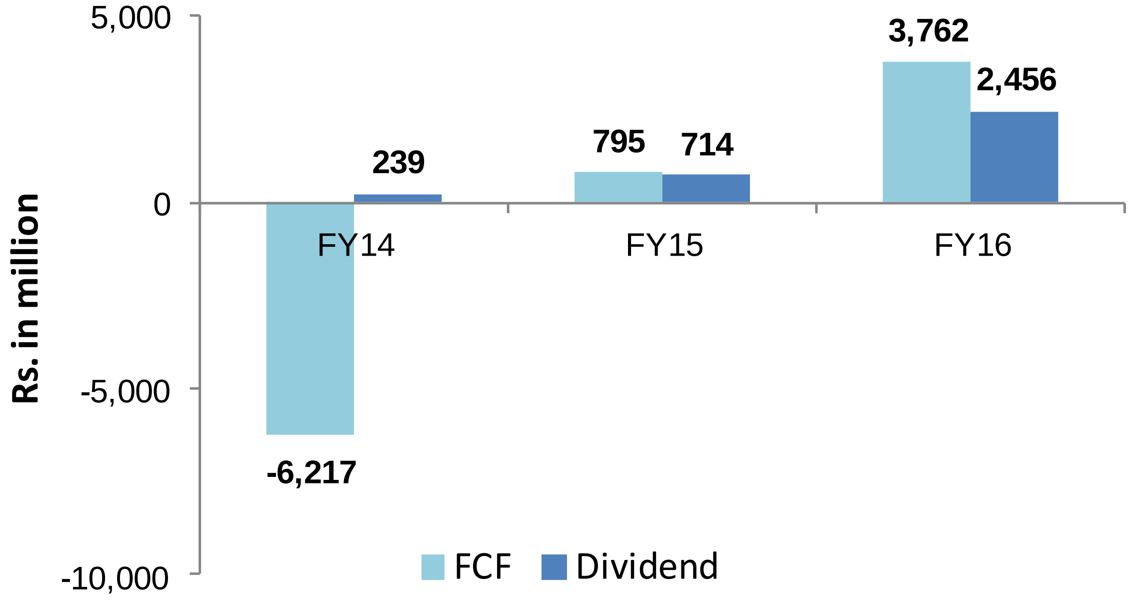


* Annualised

ROCE and ROE H1 FY17 figures are excluding one time impact of Exceptional item of Rs. 4,895 Mn

FOCUS ON FREE CASH FLOW

- Cash flow improvement through tight working capital management and calibrated capex
- FCF positive in the last two years



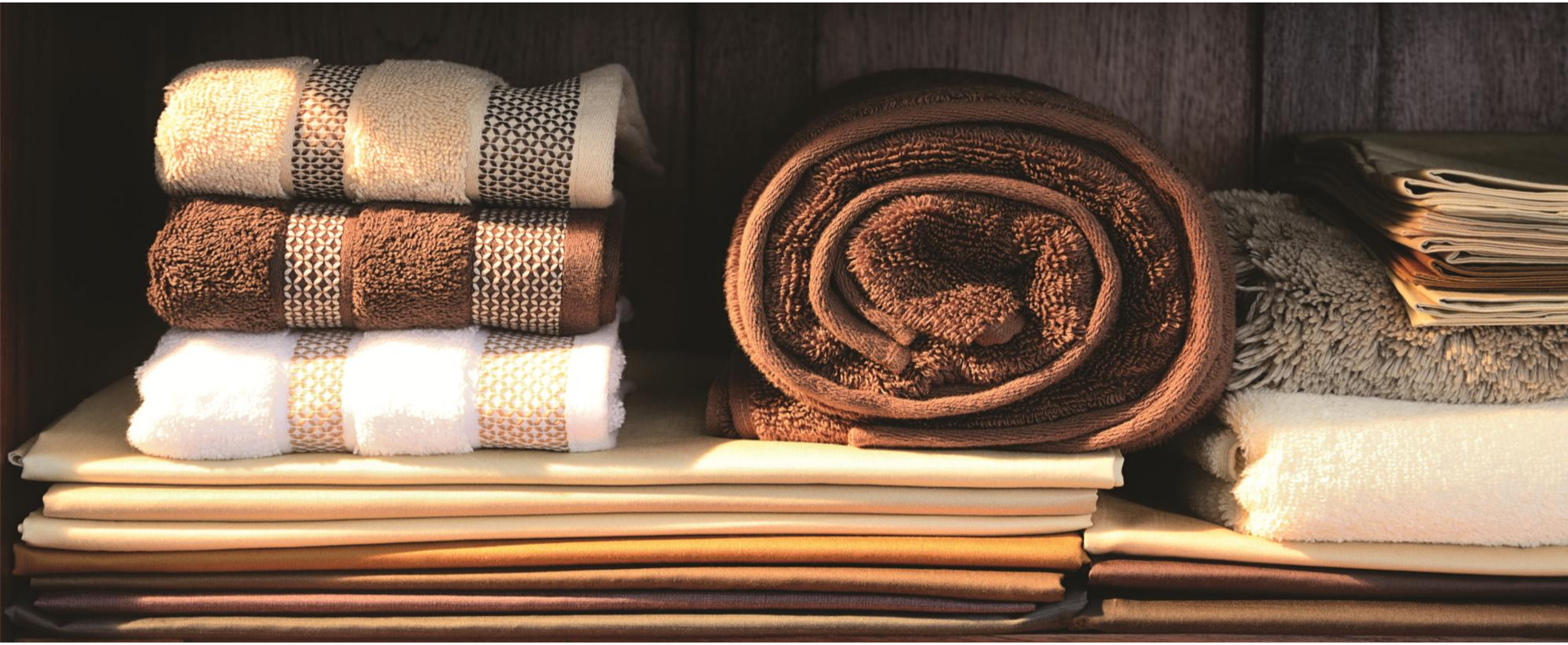
Rs. 10 bn positive swing in FCF in two years

DIVIDEND POLICY

- **Clear, defined Dividend Distribution policy**
  - **25% of standalone PAT to be the total payout (incl. dividend tax)**

Period	Standalone EPS	DPS	Dividend tax per share	Payout Percentage
H1FY15	2.43	0.30	0.06	15%
H2FY15	2.66	0.75	0.15	34%
FY15	**5.09**	**1.05**	**0.21**	**25%**
H1FY16	3.15	0.65	0.13	25%
H2FY16	2.84	0.65	0.13	28%
FY16	**5.99**	**1.30**	**0.26**	**26%**

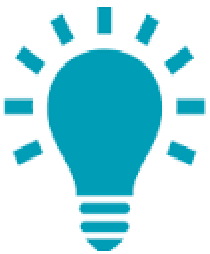
WAY FORWARD



BUILDING A SUSTAINABLE LEADERSHIP POSITION

VISION 2020

LEADING



Innovation

HYGRO COTTON

Christy

SPACES HOME & BEYOND

Spun

WELHOME BED | BATH | KIDS | LIVING

KINGSLEY HOME

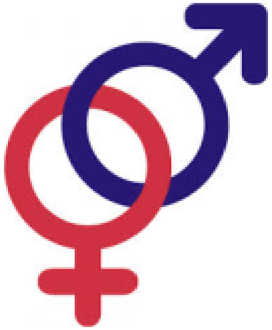
Brands

TOMORROW

Leveraging technology

People development

TOGETHER



Inclusive growth

Collaboration

VISION 2020

WELSPUN 2.0

Revenue	$2 BN
Net Debt	NIL
Innovative/Branded Share of Revenue	50%
Women employees	20%
Share of Domestic Revenue	20%

THANK YOU

For further details, please contact:

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