

## Strong profitability coupled with deleveraging

- ✓ Double digit growth YoY in Total Income; Emerging businesses grew by more than 30% YoY
- ✓ EBITDA margin at 21.4%
- ✓ Net Debt / Equity falls below 1x
- ✓ Preliminary court approval received for settlement agreement relating to provenance issue

**Mumbai, July 30, 2019:** Welspun India Ltd. (WIL), part of the US\$ 2.7 billion Welspun Group, announced Q1FY20 results today.

Consolidated Financial Summary (Rs. Mn)					
Particulars	Q1FY20	Q1FY19	YoY Change	Q4FY19	QoQ Change
<b>Total Income</b>	17,363	15,778	10.0%	16,009	8.5%
EBITDA	3,712	3,251	14.2%	2,524	47.1%
<b>EBITDA Margin</b>	<b>21.4%</b>	<b>20.6%</b>	<b>77 bps</b>	<b>15.8%</b>	<b>561 bps</b>
Finance Cost	374	342	9.2%	479	-22.0%
Depreciation	1,094	1,059	3.3%	1,098	-0.4%
<b>PBT</b>	<b>2,244</b>	<b>1,850</b>	<b>21.3%</b>	<b>(1,294)</b>	
<b>PAT after Minority</b>	<b>1,500</b>	<b>1,272</b>	<b>17.9%</b>	<b>(793)</b>	
Cash Profit*	2,746	2,441	12.5%	2,174	26.3%
EPS# (Rs.)	<b>1.49</b>	<b>1.27</b>	<b>17.9%</b>	<b>(0.79)</b>	

\*Cash Profit = PBDT before exceptionals – Current Tax

# EPS not annualized

Prior period figures are restated and reclassified, wherever necessary

Balance Sheet Snapshot (Rs. million)	30th June 2019	31st Mar 2019
<b>Net worth</b>	<b>29,303</b>	<b>27,793</b>
Gross debt	31,610	33,104
- Short Term Loans	12,244	14,080
- Long Term Loans (excl. Welspun Flooring Debt)	14,543	16,153
<b>Net Debt excluding Flooring Debt</b>	<b>23,330</b>	<b>27,412</b>
- Welspun Flooring Debt	4,823	2,870
Net Debt	28,153	30,283
Net fixed assets (incl. CWIP)	38,261	36,154
Net current assets (excl. cash & cash equiv.)	20,028	22,210
Capital Employed (avg.)	65,926	64,209
Net Debt/EBITDA*	1.90x	2.64x
Net Debt/Equity	0.96x	1.09x

\* Based on annualized EBITDA

**Consolidated Highlights:**

- Q1FY20 Total income was Rs. 17,363 million vs. Rs. 15,778 million in Q1FY19, registering a growth of 10.0% YoY. Emerging businesses grew more than 30% YoY.
- EBITDA margin for Q1FY20 was 21.4%, higher 77 bps YoY
- Net debt/equity falls below 1x
- Spaces 'Bamboo Charcoal' innovation and wellness campaign gets strong response
- Launched 'Green Spunlace' under Advanced Textiles as part of sustainability initiatives
- Received preliminary court approval for settlement agreement related to pending US legal claims
- Conferred 'Most Innovative Award' for continuous product innovation by Li & Fung and 'Supplier award for trust' by ASDA

**Capex and Project Status**

- Company continues to calibrate capex according to cashflows
- Q1FY20 Capex was approx. Rs. 2 billion
- FY20 total capex is expected to be Rs. 6 billion
  
- **Welspun Flooring (WFL)** – The flooring project is on track. During the quarter, capex on the project was Rs. 1.6 billion, while overall capex till date is around Rs. 8.5 bn. Trials runs have commenced at Welspun Flooring. As part of the sales network, 32 distributors and around 400 dealers have been appointed so far pan-India.

**Management comments**

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said,** “We are very close to the commissioning of our flooring solutions plant, which we believe would be one of the key growth drivers in the coming years. We continue to invest in our brands, especially the value brand for the domestic market – ‘Welspun’. Our other emerging business, Advanced textiles, is also exhibiting strong growth. Branding, innovation and sustainability continue to be the pillars of our differentiation strategy.”

**About Welspun India Ltd.**

*Welspun India Ltd, part of US\$ 2.7 billion Welspun Group, is one of the world's largest home textile manufacturers. With a distribution network in more than 50 countries and world class manufacturing facilities in India, it is the largest exporter of home textile products from India. Welspun is supplier to 17 of Top 30 global retailers.*

**About Welspun Group**

*A US\$ 2.7 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.*

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**For further information please visit [www.welspunindia.com](http://www.welspunindia.com)**

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