

Ready to take-off

- ✓ 46% YoY sales growth in domestic branded retail business in Q4FY19
- ✓ Innovation focus continues; 38% of sales through innovative products
- ✓ Recognised as ‘Giga-Guru’ by Walmart for sustainability processes
- ✓ Settlement agreement executed for pending US legal claims
- ✓ Dividend announced at Rs. 0.30 per share

Mumbai, May 24, 2019: Welspun India Ltd. (WIL), part of the US\$ 2.3 billion Welspun Group, announced Q4FY19 / FY19 results today.

Consolidated Financial Summary								(Rs. Million)
Particulars	Q4FY19	Q4FY18	YoY Change	Q3FY19	QoQ Change	FY19	FY18	YoY Change
Total Income	16,009	15,349	4.3%	16,574	-3.4%	66,084	61,318	7.8%
EBITDA	2,524	2,922	-13.6%	2,506	0.7%	11,467	12,046	-4.8%
<i>EBITDA Margin</i>	15.8%	19.0%	-327 bps	15.1%	65 bps	17.4%	19.6%	-229 bps
Finance Cost	479	381	25.8%	402	19.2%	1,593	1,408	13.2%
Depreciation	1,098	1,301	-15.6%	1,118	-1.7%	4,358	5,042	-13.6%
PBT (before exceptional)	946	1,241	-23.7%	986	-4.0%	5,516	5,597	-1.4%
Cash Profit*	2,174	2,325	-6.5%	1,928	12.8%	8,977	9,413	-4.6%
Exceptional Item	(2,240)	-		(294)		(2,647)	-	

*Cash Profit = PBDT before exceptionals – Current Tax
 Prior period figures are restated and reclassified, wherever necessary

Balance Sheet Snapshot (Rs. million)	31 st Mar 2019	31 st Mar 2018
Net worth	27,793	26,057
Gross debt	33,104	32,807
- Short Term Loans	14,080	12,580
- Long Term Loans (excl. Welspun Flooring Debt)	16,153	20,228
Net Debt excluding Flooring Debt	27,412	30,269
- Welspun Flooring Debt	2,870	-
Net Debt	30,283	30,269
Net fixed assets (incl. CWIP)	36,154	33,641
Net current assets (excl. cash & cash equiv.)	22,210	23,734
Capital Employed (avg.)	64,209	62,111
Net Debt/EBITDA	2.64x	2.51x
Net Debt/Equity	1.09x	1.16x

Consolidated Highlights

- Q4FY19 Total income was Rs. 16,009 million vs. Rs. 15,349 million in Q4FY18, registering a growth of 4.3% YoY.
- EBITDA margin for Q4FY19 was 15.8% (FY19: 17.4%) lower 327 bps YoY, mainly due to higher raw material costs. Favourable impact of the rupee depreciation during FY19 will be evident in the revenue during the ongoing financial year.
- Exceptional loss of Rs. 2,240 mn during Q4FY19 consists of Rs. 1,915 mn provision related to settlement of pending US legal claims and Rs. 325 mn for Welspun UK restructuring. Please refer to the notes to the financial statements for further details.
- 46% YoY growth during Q4FY19 in domestic branded business with focus on 'Spaces' and 'Welspun' brand targeting different market segments.
- Share of branded sales at 17% of overall sales
- Innovation focus continues; 38% of sales through innovative products; 45% growth in 'Hygro' in the domestic market
- Recognised as Giga-Guru by Walmart for sustainability processes. Giga-Gurus are the suppliers who are demonstrating results through Project Gigaton, Walmart's initiative to reduce emissions in the global value chain by 1 billion metric tons – a gigaton - by 2030.

Project Status

- Company continues to calibrate capex according to cashflows. Capex for the flooring project is on track.
- FY19 Capex was approx. Rs. 7.5 billion including Welspun Flooring capex of Rs. 5.6 billion.
- FY20 total capex is expected to be Rs. 6 billion

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, "We have launched our mass market brand 'Welspun' to tap the enormous domestic market potential. We are now confident of building a strong B2C presence in the domestic market. Our new initiatives such as flooring solutions, advanced textiles, e-commerce and hospitality are adding to this, to achieve a sustainable growth. Branding, innovation and sustainability continue to be the pillars of our differentiation strategy."

Settlement of pending US legal claims

We are pleased to announce that Welspun has executed a settlement agreement that is intended to resolve litigation claims made against it in the United States concerning the marketing and labelling of its premium cotton home textile products.

Welspun continues to deny the merits of these claims, does not admit to any liability in the settlement agreement, and stands by the high quality of its products. Nonetheless, Welspun believes this settlement agreement, which is subject to approval by the appropriate courts in the United States and regulators, is in the best interest of all stakeholders.

Over the last three years, Welspun has taken various steps to enhance traceability, including the introduction of Wel-Trak™, a patented and cutting-edge solution that provides Welspun and its customers with reliable end-to-end traceability for Welspun's premium cotton home textile products. This system builds customer trust by allowing customers to track the source of these products from farm to the retail shelf and reiterates Welspun's commitment to prioritizing customer interest above all. We have also increased additional third party assurances, such as vendor audits, and deployed a dedicated resource in Egypt to source Egyptian cotton.

We remain fully committed to ethically conducting our business and delivering high quality products to our customers. We believe Welspun is well equipped to further grow its leadership position in the industry and leverage global opportunities in flooring and advanced textiles, as well as the growth of its domestic home textiles business.

About Welspun India Ltd.

Welspun India Ltd, part of US\$ 2.3 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\$ 2.3 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.

For further information please visit www.welspunindia.com

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