

Domestic Retail Business records robust growth in Q2 FY'23 Pan India footprint crosses 10,000+ outlets & 500+ towns

Mumbai, November 08, 2022: Welspun India Ltd. (WIL), a global leader in Home Textiles and part of the US\$ 2.3 billion Welspun Group, announced Q2/H1FY23 results today.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said *"In view of the macro environment that continues to be challenging, the Company's operating and financial performance demonstrates the trust it enjoys among its global customers. This is evident in the growth registered by the Company's brands portfolio and the Domestic Retail business in particular, which delivered a robust 60% growth in H1 FY 23 on the back of an expanding retail footprint that stands at over 10,000 outlets across more than 500 towns and power brands like 'Welspun' and 'SPACES'."*

Key Highlights

- **Total Income** for Q2 FY23 is ₹ 21,366 mn and for H1 FY 23 is ₹ 41,156 mn.
- **EBITDA** for Q2 FY23 at ₹ 1,517 mn with margin at 7.1% and for H1 FY 23 stood at ₹ 3,252 mn with margin at 7.9%.
- **Net Debt** stood at ₹ 19,980 mn vs. ₹ 25,332 mn (Sept 2021) , reduction of ₹ 5,352 mn YoY

Key Financial highlights of the Quarter (Consolidated):

(₹ Million)

Financial Summary	Q2FY23	Q2FY22	YoY%	H1 FY23	H1 FY22	YoY%*
Total Income	21,366	25,014	(14.6%)	41,156	47,282	(11.0%)
EBITDA	1,517	4,237	(64.2%)	3,252	8,836	(58.2%)
EBITDA Margin	7.1%	16.9%	(984 Bps)	7.9%	18.7%	(894 Bps)
PAT after Minorities	87	1992	(95.6%)	311	4,167	(90.9%)

*H1FY22 numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

Segmental Details	Q2FY23	Q2FY22	YoY%	Q1FY23	QoQ%	H1 FY23	H1 FY22	YoY%*
Home Textile:								
Revenue	20,114	23,749	(15.3%)	18,521	8.6%	38,635	45,032	(12.2%)
EBITDA	1,276	4,135	(69.1%)	1,716	(25.6%)	2,992	8,940	(62.1%)
EBITDA Margin (%)	6.3%	17.4%	(1107 Bps)	9.3%	(292 Bps)	7.7%	19.9%	(1019 Bps)
Flooring:								
Revenue	1,596	1596	-	1694	(5.8%)	3,290	2,810	17.1%
EBITDA	42	45	(6.4%)	21	100.0%	63	(218)	-
EBITDA Margin (%)	2.6%	2.8%	(18 Bps)	1.2%	140 Bps	1.9%	(7.8%)	969 Bps

*H1FY22 numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

(₹ Million)

Balance Sheet Summary	30-sept -22	31-Mar-22
Net Worth	39,348	39,717
Gross Debt	29,931	31,884
- Short Term Loans	17,557	19,742
- Long Term Loans (excl. Flooring Debt)	4,116	4,298
Net Debt excluding Flooring Debt	10,994	13,989
- Net Flooring Debt	8,986	8,300
Net Debt	19,980	22,289
Net fixed assets (incl. CWIP)	39,348	39,881
Net current assets (excl. cash & cash equiv.)	22,805	24,839
Capital Employed	76,681	79,053
Net Debt/EBITDA	2.21x	1.56x
Net Debt/Equity	0.51x	0.56x

▪ **Total Income:**

- **Total revenue at ₹ 21,366 mn in Q2 FY 23 & ₹ 41,156 mn in H1 FY 23**
 - **Textile business** revenue at ₹ 20,114 mn in Q2FY 23 & ₹ 38,635 mn in H1 FY 23
 - **Flooring business revenue at ₹ 1,596 mn in Q2 FY23 & ₹ 3,290 mn in H1 FY 23**

▪ **EBITDA:**

- ₹ 1,517 mn in Q2 FY23 with an EBITDA Margin of 7.1%
- ₹ 3,252 mn in H1 FY23 with an EBITDA Margin of 7.9%

▪ **PAT (after minority and exceptional loss):**

- PAT at ₹ 87 mn in Q2 FY23 & ₹ 311 mn in H1 FY 23

- **EPS:**

- EPS at ₹ 0.08 in Q2 FY23 & ₹ 0.31 in H1 FY 23

- **Net Debt:**

- Net Debt at ₹ 19,980 mn as on 30th Sept 2022 vs. ₹ 25,332 mn as on 30th Sept 2021, Reduction of ₹ 5,352 mn YoY.
- Net debt excluding Flooring business stood at ₹ 10,994 mn as on 30th Sept 2022 vs ₹ 17,699 mn as on 30th Sept 2021, Reduction of ₹ 6,705 mn YoY.

Key Business Updates:

- The company registered significant growth of 31% YoY & 16% QoQ in Domestic Retail business in Q2 FY23
- Innovation Business recorded growth 33% QoQ
- Emerging Business recorded growth of 17% YTD, contributing 33% of total revenue in H1 FY 23
- The Flooring business has witnessed good demand build up in India within commercial as well as institutional segments, with its domestic market sales having crossed the double-digit mark (in crores).
- With an aim to be “Har Ghar Welspun”, the company has increased nationwide footprint of Brand ‘Welspun’ to 10,000+ outlets and 500+ towns, reinforcing it to be the Number 1 distributed HT brand in India.
- The company’s domestic marketing campaign with its new brand ambassador Akshay Kumar has met with tremendous success. The company continue to invest in this growth market, where we are striving to expand our leadership and our Marketing spends reflects the same, being 10.5% of domestic revenues during Q2.

Capacity Enhancement:

- In line with its journey towards carbon neutrality, the Company is planning to establish a 30MW Solar Power plant at its Anjar facility with an investment of ₹ 2 bn, which would be funded through issuance of green bonds/debentures. The power plant should be operational by Q1 FY24 and about ₹500-600 Mn is expected to be incurred in FY23.

Capex:

- In H1 FY23 the Company has spent ₹ 1943 mn towards Capex.

Awards and Accolades:

- Welspun has been reckoned the best managed companies 2022 by Deloitte Private.
- Welspun has been awarded as a “**Platinum Tier**” partner by leading retailer **Kohl’s** based on the exemplary performance showcased in Product Integrity, CSR, Sample Approvals & Technical design.
- Welspun India’s Sustainability case study is now a part of a curriculum across universities in US, Canada, France, Europe and Taiwan.”

- Women supported by Welspun Super Sport Women, positioning India on the map by breaking stereotypes within the domain of breakdancing, which is debuting as a sport in the Paris 2024 Olympics

About Welspun India Ltd:

Welspun India Ltd (WIL), part of \$2.3 Bn Welspun Group, is a global leader in Home textiles. With a distribution network in more than 50 countries and world class manufacturing facilities in India, Welspun is strategic partners with top global retailers. WIL is driven by its differentiation strategy based on Branding, Innovation and Sustainability.

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, Warehousing, 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 or contact:

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Q2 FY23 Investor / Analyst conference call:

Conference call with the management to discuss the company's
Q2FY23 financial results on Tuesday, November 08, 2022 at 5.00 PM IST

Date : **Tuesday, November 08, 2022**

Time : **5.00 PM IST / 17:00 hours**

Conference dial-in:

Primary Number : **+ 91 22 6280 1342 / + 91 22 7115 8243**

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