

Domestic Consumer Business records highest quarterly revenues in Q3FY23 making Welspun the highest distributed Home Textile brand in India; Disney license in UK & EU to open newer doors

Mumbai, January 30, 2023: Welspun India Ltd. (WIL), a global leader in Home Textiles and part of the US\$ 2.3 billion Welspun Group, announced Q3/9M FY23 results today.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said *“The global environment remained challenging during Q3 FY23 due to inflation and slowdown across our key markets. Despite the challenges, our Domestic Consumer business continued to consolidate its leadership position with ‘Welspun’ brand footprint at over 10,600+ outlets and clocking its highest ever quarterly revenues during the quarter, growing in excess of 39% YoY YTD, taking us closer to our vision of ‘Har Ghar Welspun’. The company’s connect and trust it enjoys with its consumers is also evident in the growth of our Global Branded business, which crossed \$100 mn this quarter. We have further added to our portfolio through a licensing agreement with Disney for the whole of EU & UK markets, which would open up different avenues with newer customers in that zone.*

Welspun is well on its way towards achieving the ESG goals and targets it has set towards becoming one of the most sustainable Company in the industry. We are now utilising Blast Furnace waste gas for power and steam generation to replace coal based energy, which has helped us reach 29% RE adoption in 2023 against the set target of 20% RE by 2025. We are also setting up a 30 MW Solar Power plant at our Anjar facility and have entered into a PPA with Cleanmax for supplying around 2 MW of Hybrid RE Power to our Vapi facility, which would further enhance our RE portfolio.”

Key Highlights

- **Total Income** for Q3 FY 23 is ₹ 19,041 mn and for 9M FY 23 is ₹ 60,196 mn
- **EBITDA** for Q3 FY 23 at ₹ 2,286 mn with margin at 12.0% and for 9M FY 23 stood at ₹ 5,538 mn with margin at 9.2%
- **Retail business** grew 39% YTD to reached the revenue of ₹ 4,276 mn
- **Net Debt** stood at ₹ 19,092 mn vs. ₹ 25,420 mn (Dec 2021), reduction of ₹ 6,328 mn YoY

Key Financial highlights of the Quarter (Consolidated):
(₹ Million)

Financial Summary	Q3FY23	Q3FY22	YoY%	Q2FY23	QoQ%	9M FY23	9M FY22	YoY%*
Total Income	19,041	24,379	(21.9%)	21,366	(10.9%)	60,196	71,303	(14.3%)
EBITDA	2,286	3,305	(30.8%)	1,517	50.7%	5,538	11,781	(48.4%)
EBITDA Margin	12.0%	13.6%	(155 bps)	7.1%	491 bps	9.2%	16.5%	(608 bps)
PAT after Minorities	424	1,324	(68.0%)	87	389%	734	5,491	(84.5%)

*9MFY22 numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

Segmental Details	Q3FY23	Q3FY22	YoY%	Q2FY23	QoQ%	9M FY23	9M FY22	YoY%*
-------------------	--------	--------	------	--------	------	---------	---------	-------

Home Textile:

Revenue	17,575	22,508	(21.9%)	20,114	(12.6%)	56,210	67,181	(15.0%)
EBITDA	2,062	3,126	(34.0%)	1,276	61.6%	5,054	11,707	(52.6%)
EBITDA Margin (%)	11.7%	13.9%	(216 bps)	6.3%	539 bps	9.0%	17.4%	(712 bps)

Flooring:

Revenue	1,684	1,909	(11.8%)	1,596	5.5%	4,974	4,719	5.4%
EBITDA	31	103	(70.3%)	42	(27.3%)	94	(115)	-
EBITDA Margin (%)	1.8%	5.4%	(359 bps)	2.6%	(82 bps)	1.9%	(2.4%)	432 bps

*9MFY22 numbers adjusted for ROSCTL of Q4FY 21 of Rs. 1,050 mn

(₹ Million)

Balance Sheet Summary	31-Dec -22	31-Mar-22
Net Worth	39,416	39,717
Gross Debt	28,562	31,884
- Short Term Loans	17,051	19,742
- Long Term Loans (excl. Flooring Debt)	3,348	4,298
Net Debt excluding Flooring Debt	10,125	13,989
- Net Flooring Debt	8,967	8,300
Net Debt	19,092	22,289
Net fixed assets (incl. CWIP)	38,648	39,881
Net current assets (excl. cash & cash equiv.)	22,672	24,839
Capital Employed	75,850	79,053
Net Debt/EBITDA	2.39x	1.56x
Net Debt/Equity	0.48x	0.56x

Total Income:

- **Total revenue at** ₹ 19,041 mn in Q3 FY 23 & ₹ 60,196 mn in 9M FY 23
 - **Textile business** revenue at ₹ 17,575 mn in Q3 FY 23 & ₹ 56,210 mn in 9M FY 23
 - **Flooring business revenue at** ₹ 1,684 mn in Q3 FY 23 & ₹ 4,974 mn in 9M FY 23

EBITDA:

- ₹ 2,286 mn in Q3 FY 23 with an EBITDA Margin of 12.0%
- ₹ 5,538 mn in 9M FY 23 with an EBITDA Margin of 9.2%

PAT (after minority and exceptional loss):

- PAT at ₹ 424 mn in Q3 FY 23 & ₹ 734 mn in 9M FY 23

EPS:

- EPS at ₹ 0.43 in Q3 FY 23 & ₹ 0.74 in 9M FY 23

Net Debt:

- Net Debt at ₹ 19,092 mn as on 31th Dec 2022 vs. ₹ 25,420 mn as on 31th Dec 2021 , Reduction of ₹ 6,328 mn YoY
- Net debt excluding Flooring business stood at ₹ 10,125 mn as on 31th Dec 2022 vs ₹ 17,743 mn as on 31st Dec 2021, Reduction of of ₹ 7,618 mn YoY

Key Business Updates:

- The company registered significant growth of 39% YoY in Domestic Consumer business in YTD 9M FY23 with revenue of ₹ 4,276 mn. 'Welspun' brand is growing in excess of 50% and it remains the highest distributed home textile brand in the country.
- Branded business as % of overall business has grown from 13% in FY20 to around 15% in FY21 & FY22 to 22% in 9MFY23.
- Branded portfolio crosses \$100mn this quarter. Licensed brands have grown 27% and Domestic Own brands have grown 28% YoY on YTD basis
- Retailer shelf space up by ~175% at key retailers through brands like Martha Stewart & Scott Living
- New brand license of Disney + Marvel + Lucas valid across whole UK & EU region creating additional revenue streams in different segments.
- Business is back to earning double digit EBITDA in Q3FY23. On QoQ basis EBITDA margin increased by 491 bps and for home textile margin increased by 539 bps. Increase in margin are mainly due to operational efficiencies achieved due to reduction in cotton & freight cost.

- Out of the Emerging Businesses, Retail, Advanced Textile and Flooring businesses recorded growth of 19% YTD, contributing 19% of total sales in 9M FY 23

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. The power plant should be operational by Q1 FY24 and about ₹500-600 Mn is expected to be incurred in FY23, which would be funded through issuance of green bonds/debentures.

Capex:

- In 9M FY23 the Company has spent ₹ 2391 mn towards Capex.

Awards and Accolades:

- Brand SPACES campaign wins ET Ascent Star Industry Award in the 'best use of social media marketing" category for the Chief Style Officer 3.0 campaign
- Welspun Global Brands Ltd Domestic Business has been awarded Excellence in Supply Chain & Logistics in Textiles Category by CII at their SCALE Awards-2022
- 17th Employer Branding Awards 2022 - Welspun Flooring Ltd bags "Telangana Best Employer Brand Awards 22-23"
- Welspun Vapi awarded a Certificate of Merit by Ministry of Power, GOI for "Energy conservation in Textile Sector
- Welspun Super Sport Women continue making us proud! World no. 1 para shuttler Manasi Joshi and boxer Nikhat Zareen made it to the list of prestigious Arjuna awardees

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:

Mr. Sanjay Gupta (sanjay_gupta1@welspun.com) / Mr. Salil Bawa (salil_Bawa@welspun.com)

DISCLAIMER:

The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun India Ltd. or any of its affiliates. Neither Welspun India Ltd., nor their or their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.

Q3 FY23 Investor / Analyst conference call:

Conference call with the management to discuss the company's
Q3FY23 financial results on Tuesday, January 30, 2023 at 4.30 PM IST

Date : **Monday, January 30, 2023**

Time : **4.30 PM IST / 16:30 hours**

Conference dial-in:

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

Express Join with [DiamondPass™](#)

USA : 1 866 746 2133

UK : 0 808 101 1573

Singapore Toll Free No. : 800 101 2045

Hong Kong Toll Free No. : 800 964 448