

Brands gaining traction

- ✓ ‘Spaces’ brand growth at 47%; ‘Christy’ brand growth at 15%
- ✓ Technical Textiles approved by Automobile, Aerospace and Railways
- ✓ Long-term Credit rating upgraded to ‘AA’

Mumbai, November 8, 2017: Welspun India Ltd., (WIL), part of the US\$ 2.3 billion Welspun Group announced Q2FY18 / H1FY18 results today.

Consolidated Financial Summary - Q2FY18 & H1FY18								(Rs. Million)
Particulars	Q2FY18	Q2FY17	YoY Change	Q1FY18	QoQ Change	H1FY18	H1FY17	YoY Change
Total Income	16,299	18,151	-10.2%	15,526	5.0%	31,826	34,266	-7.1%
EBITDA	3,063	4,569	-33.0%	3,374	-9.2%	6,437	8,982	-28.3%
EBITDA Margin	18.8%	25.2%	-638 bps	21.7%	-350 bps	20.2%	26.2%	-584 bps
Finance Cost	325	320	1.6%	356	-8.8%	681	673	1.3%
Depreciation	1,287	1,264	1.8%	1,183	8.8%	2,469	2,385	3.5%
PBT	1,451	2,985	-51.4%	1,835	-20.9%	3,286	5,925	-44.5%
Exceptional (Loss)	-	(4,895)		-		-	(4,895)	
PAT Before Minority Interest	1,003	(1,510)		1,286	-22.0%	2,288	577	296.9%
PAT After Minority Interest	966	(1,475)		1,243	-22.2%	2,209	543	306.6%
Cash Profit*	2,284	4,149	-44.9%	2,686	-15.0%	4,970	7,753	-35.9%
EPS (Rs.)	0.96	(1.47)		1.24	-22.2%	2.20	0.54	306.6%

*Cash Profit = PBDT before exceptionals – Tax outflow; Prior-period figures have been restated for comparison purpose

Balance Sheet Snapshot (Rs. million)	30 th Sept 2017	31 st Mar 2017
Net worth	24,865	23,971
Gross debt	36,133	33,114
Net Debt	31,116	30,389
Net fixed assets (incl. CWIP)	35,034	35,713
Net current assets (excl. cash & cash equiv.)	22,246	20,114
Capital Employed (avg.)	63,225	58,189
Net Debt/EBITDA*	2.42x	1.83x
Net debt/Equity	1.25x	1.27x
ROCE (pre-tax)*	12.6%	19.3%
ROE*	18.1%	29.6%

Note: Prior-period figures have been restated for comparison purpose

* For H1FY18, P&L figures have been annualized; For FY17, figures adjusted for exceptional items

Consolidated Highlights – Q2 FY18 (compared with Q2 FY17 figures)

- Total Income at Rs. 16,299 million vs. Rs. 18,151 million in Q2FY17; the decrease was on account of a volume decline due to customer destocking, coupled with the base effect
- ‘Spaces’ brand growth at 47% YoY
- Domestic e-commerce growth at 123% YoY ; ‘Spaces’ won "Best Home Brand" Award from Myntra
- ‘Christy’ brand growth at 15% YoY ; Presence in China expanded to 24 stores
- EBITDA at Rs. 3,063 million vs. Rs. 4,569 million in Q2FY17. EBITDA margins were adversely impacted by lower volumes due to customer destocking as well as higher raw material and energy costs. Cotton prices have come down in recent weeks, which should be favourable for margins in the coming quarters.
- Finance cost stood at Rs. 325 million, 2% higher YoY (Rs. 320 million in Q2FY17)
- Depreciation was marginally higher YoY at Rs. 1,287 million (Rs. 1,264 million in Q2FY17)
- Profit before Tax stood at Rs. 1,451 million compared to the Q2FY17 figure of Rs. 2,985 million
- Net worth stands at Rs. 24,865 million as on 30th Sept 2017 (Rs. 23,971 million at FY17-end)
- Net debt stands at Rs. 31,116 million as on 30th Sept 2017 (Rs. 30,389 million at FY17-end) implying a Net debt/Equity of 1.25x (1.27x at FY17-end)
- Net debt/EBITDA as on 30th Sept 2017 stands at 2.42x (1.83x in FY17)
- Pre-tax ROCE for Q2FY18 stands at 12.6% and ROE stands at 18.1%
- Technical Textiles business approved by Automobile, Aerospace and Railways
- Received ‘Product Innovation Award’ from Kohl’s
- Long-term Credit rating upgraded to ‘AA’ by CARE Ratings

Project Status

- Expansion in Towels from 72K MT to 80K MT has been completed. Some part of the capex for Flooring solutions planned for this year is expected to spillover to next year. Capex during H1FY18 was Rs. 1.8 billion.

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “We have increased our focus on our branding initiatives with new teams across geographies. Our new campaign for ‘Spaces’ and ‘Christy’ have been well-received. We believe our unwavering focus on innovation, branding and sustainability will strengthen the Company’s leadership position.”

About Welspun India (www.welspunindia.com)

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. Supplier to 17 of Top 30 global retailers, the Company has marquee clients like Bed Bath & Beyond, Costco, Kohl’s, Wal-Mart and Macy’s to name a few.

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