

Broad-based strong performance; \$1 bn milestone achieved

Mumbai, May 14, 2021: Welspun India Ltd. (WIL), a global leader in Home textiles and part of the US\$ 2.7 billion Welspun Group, announced Q4FY21 / FY21 results today.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “FY21 was a milestone year for us as we delivered solid all-round performance. Our relentless efforts and investments to create vertically integrated facilities including workers colony, warehouses, ancillary park and investment in product development has helped the company withstood the disruptions across the supply chain. Welspun family worked harder than ever before & our efforts are being recognized by our clients & stake holders. I am thankful to all our colleagues for rising to this challenge and ensuring business continuity.

We have already made significant progress on sustainability even in the year of pandemic. The company’s newly formed Board ESG-committee will continue to oversee the ESG activities progress and provide appropriate directions. We have refined our mid and long term goals to further strengthen an ambitious ESG strategy. With Welspun’s Penta Protocols™ and contact tracing app WelHeal, we are ensuring complete safety & wellbeing of our employees and adopting social distancing norms.”

The Company remains committed in its long-term aspiration of delivering sustainable and profitable volume led growth, building on strong brand equity and accelerated focus on emerging businesses.

Key Highlights

- Achieved highest ever **Annual Total Income** and crossed \$ 1 bn for the first time
- Achieved highest ever **Home Textile Sales Volume** in a year
- **EBITDA** up 8.4% YoY at ₹ 14,198 mn and margin stood at 19.2%
- **Core business EBITDA** was ₹ 14,863 mn and Margin stood at 20.9%
- **Net Debt** (Excl. Flooring) reduced by ₹ 7,025 mn and stood at ₹ 16,215 mn; Prepaid ₹ 3,743 mn
- Board has approved **Buyback** for an amount of ₹ 2,000 mn at a price of ₹ 120 per share
- **Dividend** announced at ₹ 0.15 per share

Key Financial highlights of the Quarter (Consolidated):

(₹ Million)

Financial Summary	Q4FY21*	Q4FY20	YoY%	Q3FY21	QoQ%	FY21*	FY20	YoY%
Total Income	21,736	16,645	30.6%	20,497	6.0%	74,080	68,362	8.4%
EBITDA	3,582	2,963	20.9%	4,187	(14.5%)	14,198	13,098	8.4%
EBITDA Margin	16.5%	17.8%	(132 bps)	20.4%	(395 bps)	19.2%	19.2%	1 bps
PAT after Minorities	1,301	856	52.0%	1,808	(28.0%)	5,397	5,074	6.4%

Segmental Details	Q4FY21*	Q4FY20	YoY%	Q3FY21	QoQ%	FY21*	FY20	YoY%
Home Textile:								
Revenue	20,523	15,845	29.5%	19,672	4.3%	71,283	66,633	7.0%
EBITDA	3,687	3,767	(2.1%)	4,348	(15.2%)	14,863	14,692	1.2%
EBITDA Margin	18.0%	23.8%	(581 bps)	22.1%	(414 bps)	20.9%	22.0%	(120 bps)
Flooring:								
Revenue	1,185	421	181.8%	977	21.3%	3,187	872	265.4%
EBITDA	(189)	(597)	-	(240)	-	(996)	(1,423)	-

- Prior period figures are restated and reclassified, wherever necessary

- *As the Rate for RoDTEP has not been notified, we have not accrued RoDTEP Income in Q4FY21

(₹ Million)

Balance Sheet Summary	31 st Mar 2021	31 st Mar 2020
Net worth	36,447	29,721
Gross debt	28,414	34,421
- Short Term Loans	17,452	17,717
- Long Term Loans (excl. Welspun Flooring Debt)	3,850	10,326
Net Debt excluding Flooring Debt	16,215	23,240
- Welspun Flooring Debt	7,112	6,378
Net Debt	23,327	29,618
Net Fixed Assets (incl. CWIP)	38,042	38,105
Net Current Assets (excl. cash & cash equiv.)	24,534	21,828
Capital Employed	71,303	68,825
Net Debt/EBITDA	1.64x	2.26x
Net Debt/EBITDA (excluding Flooring)	1.09x	1.58x
Net Debt/Equity	0.64x	1.00x

▪ Total Income:

- ₹ 74,080 mn, registering a growth of 8.4% YoY

Bath Linen sales volume grew by 8% YoY, Bed Linen sales volume grew by 12% YoY and Rugs and carpets sales volume grew by 3% YoY.

▪ EBITDA:

- ₹ 14,198 mn, up 8.4% YoY & EBITDA Margin was at 19.2%
- **Core business EBITDA** stood at ₹ 14,863 mn & EBITDA Margin stood at 20.9%

▪ PAT:

- ₹ 5,397 mn, up 6.4% YoY
- **FY21 EPS** stood at ₹ 5.37 vs ₹ 5.05 in the same period last year

▪ Net Debt:

- ₹ 23,327 mn vs. ₹ 29,618 mn (March 2020); reduction of ₹ 6,291 mn
- **Excluding flooring** stood at ₹ 16,215 mn vs. ₹ 23,240 mn (March 2020); reduction of ₹ 7,025 mn

Prepaid term loans of ₹ 3,743 mn during the year. The weighted average interest rate of the loans prepaid was 8.48% p.a.

Key Business Updates:

- Globally, the Homebody economy with focus on hygiene will continue to drive demand for home textiles. Big Box Retailers, Supermarkets and Marketplaces are expected to continue doing well across geographies.
- Our Innovation product sales during the year was ₹ 19,287 mn, registering a growth of 6% YoY and contributed 29% to the topline.
- E-commerce business witnessed heightened demand with growth of 120% YoY, contributing \$34 mn to the topline of FY21.
- Martha Stewart brand saw expansion in both online as well as offline and has clocked annual turnover of about \$ 14 mn in FY21
- Domestic retail branded business recorded very strong revenues in Q4 and grew by 89% YoY and with positive EBITDA.
- Flooring business grew by more than 3x YoY and contributed 5% to the topline in FY21.

Capacity Enhancement:

- The capital light expansion at Vapi and Anjar which we had announced in Q3FY21 is on track and the benefits from this investment will start accruing in phases from the Q2 FY22.
- Greenfield Spunlace Capacity addition project in Telangana is on course and we expect commercial operation to commence from H2 FY22.
- Hard flooring capacity doubled in January 2021 & further doubling of capacity of Hard Flooring by Q2FY22.

Capex & Net Debt:

- In FY21 we have spent ₹ 4,534 mn. In spite of investments in our growth businesses, Net Debt has remained below ₹ 24,000 mn as on 31st March 21.

Awards and Accolades:

- Welspun has been recognized by Walmart as its trusted partner for 20 years in their recent corporate announcement & HT Leadership Summit 2020
- Welspun awarded with the 'Most Influential Innovator' for the Textile Industry at the Clarivate South & South East Asia Innovation Awards 2020
- Home Textile Today honored Ms. Dipali Goenka (Jt. MD & CEO) as 2020 'Woman of Influence' for her leadership, accomplishments and strategic vision in home textile industry
- Welspun's Sustainability journey now an Ivey publishing case study
- Sainsbury's Innovation product award in Consumer Wellness (2020)
- Loblaw Innovation/CSR Product & CSR Supplier of the year (2020)
- Supplier Titan award from HTT, United States for COVID responsiveness and partnership

About Welspun India Ltd:

Welspun India Ltd (WIL), part of \$2.7 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\$ 2.7 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

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Investor Queries Contact: Mr. Vipul Garg at Vipul_garg@welspun.com

Q4 FY21 Investor / Analyst conference call:

Conference call with the management to discuss the company's
Q4FY21 financial results on Thursday, May 14, 2021 at 4.00 PM IST

Date : **Thursday, 14th May 2021**
Time : **4.00 PM IST / 16:00 hours**

Conference dial-in:

Primary Number : **+ 91 22 6280 1123 / + 91 22 7115 8024**

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