

Quarterly PAT crosses Rs. 2 bn milestone

- ✓ Revenue up 14%; Cash profit up 24% YoY
- ✓ Operational EBITDA margin at 26.5%
- ✓ Net Debt / Op EBITDA at 1.52x

Mumbai, July 26, 2016: Welspun India Ltd., (WIL), part of the US\$ 2.3 billion Welspun Group announced Q1FY17 results today, showing strong growth in operating EBITDA and PAT in comparison to the corresponding period last year.

Consolidated Financial Summary - Q1 FY17					(Rs. Million)
Particulars	Q1 FY17	Q1 FY16	YoY Change %	Q4 FY16	QoQ Change %
Revenue	15,926	13,931	14.3%	16,294	-2.3%
Operational EBITDA	4,225	3,669	15.1%	4,326	-2.3%
Op. EBITDA Margin	26.5%	26.3%	19 bps	26.6%	-2 bps
EBITDA	4,414	3,955	11.6%	4,603	-4.1%
EBITDA Margin	27.7%	28.4%	-68 bps	28.3%	-54 bps
Finance Cost	353	593	-40.5%	668	-47.2%
Depreciation	1,121	785	42.9%	1,036	8.2%
Profit Before Tax	2,940	2,577	14.1%	2,900	1.4%
PAT post min. & asso.	2,018	1,830	10.3%	1,994	1.2%
PAT Margin	12.7%	13.1%	-46 bps	12.2%	44 bps
Cash Profit*	3,277	2,640	24.1%	3,223	1.7%
EPS (Rs.)#	2.0	1.8	10.3%	2.0	1.2%

*Cash Profit = PBDT – Current tax # Not Annualised

Note: Prior-period figures have been restated according to Ind-AS accounting standards

Balance Sheet Snapshot (Rs. million)	30 th June 2016	31 st Mar 2016
Net worth	21,638	19,739
Gross debt	30,911	26,661
Net Debt	25,731	25,275
Net fixed assets (incl. CWIP)	33,751	33,508
Net current assets (excl. cash & cash equiv.)	13,476	10,726
Capital Employed	52,081	47,936
Net Debt/Op. EBITDA*	1.52	1.59
Net debt/Equity	1.19	1.28
ROCE (pre-tax)*	25.3%	27.4%
ROE*	39.0%	43.5%

Note: Prior-period figures have been restated according to Ind-AS accounting standards

*Based on Annualised profit

Consolidated Financial Highlights – Q1 FY17 (compared with Q1 FY16 figures)

- Revenue at Rs. 15,926 million vs. Rs. 13,931 million; 14.3% growth YoY driven by higher volumes across products and higher mix of innovative and branded products
- Operating EBITDA up by 15.1% at Rs. 4,225 million vs. Rs. 3,669 million in Q1 FY16. Operating EBITDA margin at 26.5% (vs. 26.3% in Q1 FY16)
- Finance cost stood at Rs. 353 million, 40.5% lower YoY (Rs. 593 million) on account of reduction in base rate and higher quantum of debt under Gujarat textile scheme
- Depreciation was higher YoY at Rs. 1,121 million (vs. Rs. 785 million in Q1 FY16), primarily on account of the capitalisation of ongoing modernisation and expansion projects
- Profit after Tax (post minority interest) stood at Rs. 2,018 million compared to the Q1 FY16 figure of Rs. 1,830 million, growth of 10.3% YoY
- Net worth stands at Rs. 21,638 million as on 30th June 2016 (vs. Rs. 19,739 million at FY16-end)
- Net debt stands at Rs. 25,731 million (vs. Rs. 25,275 million at end-FY16) implying a net debt/equity of 1.19x (vs. 1.28x at end-FY16)
- Net debt/ Operating EBITDA as on 30th June 2016 stands at 1.52x vs. 1.59x in FY16
- ROCE (pre-tax) for Q1 FY17 (annualised) stands at 25.3% (vs. 27.4% in FY16) and ROE stands at 39.0% (vs. 43.5% in FY16-end)

Ind-AS impact

The impact of Ind-AS on profitability is mainly on two accounts:

- Effect of change in method of recognising grants
- Deferred tax impact on Ind-AS adjustments

Project Status

For FY17, the capital expenditure planned is Rs. 8 billion. Out of this, Rs. 1.4 billion of capex has been invested during the quarter.

By the end of the year, annual capacity is expected to reach 72,000 MT in Towels (from 60,000 MT at end-FY16), 90 million metres in Bed Linen (from 72 million metres at end-FY16) and 10 million sq. metres in Rugs & Carpets (from 8 million sq. metres at end-FY16).

Recent Awards & Recognitions

- Responsible Sourcing Award 2016 - Target
- Dun & Bradstreet Corporate Awards 2016 – Winner in Textiles sector
- Frost & Sullivan's Sustainability 4.0 Awards - Certificate of Merit
- Greentech Safety Award 2016 – Gold Award

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “We continue to deliver strong operational and financial performance, aided by our customer-centric approach and integrated manufacturing. Our constant endeavour is to create differentiated offerings for our customers, through innovation and sustainable business practices.”

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

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.