

Established Industry-defining Traceability Solution

- ✓ 'Wel-Trak' patent received
- ✓ Awarded License for FIFA World Cup 2018
- ✓ Major client addition in hospitality segment
- ✓ 'Spaces' brand growth at 43%; 'Christy' brand growth at 24%

Mumbai, Aug 7, 2017: Welspun India Ltd., (WIL), part of the US\$ 2.3 billion Welspun Group announced Q1FY18 results today.

Consolidated Financial Summary - Q1FY18 (Rs. Million)					
Particulars	Q1FY18	Q1FY17	YoY Change	Q4FY17	QoQ Change
Revenue	15,394	15,926	-3.3%	17,572	-12.4%
EBITDA	3,333	4,314	-22.7%	3,946	-15.5%
EBITDA Margin	21.7%	27.1%	-544 bps	22.5%	-73 bps
Finance Cost (Net)	315	253	24.5%	392	-19.6%
Depreciation	1,183	1,121	5.5%	1,365	-13.4%
Profit before tax	1,835	2,940	-37.6%	2,198	-16.5%
PAT (After Minority)	1,243	2,019	-38.4%	1,539	-19.2%
Cash Profit*	2,687	3,609	-24.7%	3,255	-16.5%
EPS (Rs.)	1.24	2.01	-38.4%	1.53	-19.2%

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

Balance Sheet Snapshot (Rs. million)	30 th Jun 2017	31 st Mar 2017
Net worth	25,176	23,971
Gross debt	34,988	33,114
Net Debt	31,064	30,389
Net fixed assets (incl. CWIP)	35,261	35,713
Net current assets (excl. cash & cash equiv.)	22,607	20,114
Capital Employed (avg.)	59,536	56,133
Net Debt/EBITDA*	2.33	1.88
Net debt/Equity	1.23	1.27
ROCE (pre-tax)*	14.4%	19.2%
ROE*	20.2%	29.6%

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

* For Q1FY18, P&L figures have been annualized; For FY17, figures adjusted for exceptional items

Consolidated Highlights – Q1 FY18 (compared with Q1 FY17 figures)

- Revenue at Rs. 15,394 million vs. Rs. 15,926 million in Q1FY17; drop in revenue has been partially mitigated through volume growth in Towels.
- 'Spaces' brand growth at 43% YoY; domestic e-commerce growth at 400% YoY
- 'Christy' brand growth at 24% YoY
- EBITDA at Rs. 3,333 million vs. Rs. 4,314 million in Q1 FY17. The impact of higher raw material and energy costs continues, adversely affecting EBITDA margins.

- Finance cost (Net) stood at Rs. 315 million, 25% higher YoY (Rs. 253 million in Q1FY17) primarily due to higher working capital
- Depreciation was marginally higher YoY at Rs. 1,183 million (Rs. 1,121 million in Q1FY17), primarily on account of the capacity addition during the previous year.
- Profit before Tax stood at Rs. 1,835 million compared to the Q1FY17 figure of Rs. 2,940 million
- Net worth stands at Rs.25,176 million as on 30th June 2017 (Rs. 23,971 million at FY17-end)
- Net debt stands at Rs. 31,064 million as on 30th June 2017 (Rs. 30,389 million at end-FY17) implying a net debt/equity of 1.23x (1.27x at end-FY17)
- Net debt/EBITDA as on 30th June 2017 stands at 2.33x (1.88x in FY17)
- Pre-tax ROCE for Q1FY18 stands at 14.4% and ROE stands at 20.2%
- Welspun's proprietary, industry-defining, multi-level traceability Process 'Wel-Trak' receives patent
- Awarded License for FIFA World Cup 2018
- Hospitality segment gains further traction with a major client addition

Project Status

- Expansion planned in Towels and Flooring solutions is progressing as per schedule. Capex during the quarter was Rs. 730 mn. For FY18, Capex is expected to be around Rs. 7 bn.

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, "The industry continues to face headwinds such as high raw material and energy costs coupled with Rupee appreciation which may lead to time correction of 1-2 years in our vision announced last year. However, we are fully committed to our targets and we believe that our innovation, branding and sustainability initiatives augur well for our future growth. We see tremendous potential in the domestic market, especially with the introduction of GST. We are also gaining momentum in new channels such as hospitality and e-commerce."

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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