

## Quarterly Op. EBITDA crosses Rs.4 bn milestone

- ✓ Highest Home textile supplier to the US for the fourth year in a row
- ✓ Operational EBITDA margin at 26.9%, an all-time high; PAT up 21% YoY
- ✓ Net Debt/Op EBITDA at 1.75x; Net Debt/Equity at 1.44x
- ✓ 'Hygro' campaign gained significant traction
- ✓ Board approves stock split from Rs. 10/sh to Re.1/sh

**Mumbai, February 02, 2016:** Welspun India Ltd., (WIL), part of the US\$ 3 billion Welspun Group announced Q3 and 9MFY16 results today, showing strong growth in operating EBITDA and PAT in comparison to the corresponding period last year.

### Consolidated Financial Summary - Q3 & 9M FY16 (Rs. Million)

Particulars	Q3FY16	Q3FY15	YoY Change %	Q2FY16	QoQ Change %	9MFY16	9MFY15	Change %
Revenue	14,904	13,459	10.7%	14,723	1.2%	43,511	39,367	10.5%
Operating EBITDA	4,006	3,400	17.8%	3,743	7.0%	11,346	9,296	22.1%
<b>Operating EBITDA Margin</b>	<b>26.9%</b>	<b>25.3%</b>	<b>161 bps</b>	<b>25.4%</b>	<b>146 bps</b>	<b>26.1%</b>	<b>23.6%</b>	<b>246 bps</b>
EBITDA	4,178	3,547	17.8%	3,940	6.0%	11,993	9,956	20.5%
EBITDA Margin	28.0%	26.4%	168 bps	26.8%	127 bps	27.6%	25.3%	227 bps
Finance Cost	592	816	-27.4%	515	15.1%	1,700	2,260	-24.8%
Depreciation	997	918	8.7%	918	8.7%	2,708	2,321	16.7%
PBT	2,588	1,813	42.8%	2,508	3.2%	7,585	5,376	41.1%
<b>PAT after min.</b>	<b>1,741</b>	<b>1,436</b>	<b>21.3%</b>	<b>1,724</b>	<b>1.0%</b>	<b>5,096</b>	<b>3,784</b>	<b>34.7%</b>
PAT Margin	11.7%	10.7%	101 bps	11.7%	-3 bps	11.7%	9.6%	210 bps
Cash Profit*	3,002	2,278	31.8%	2,799	7.3%	8,362	6,236	34.1%
<b>EPS</b>	<b>17.3</b>	<b>14.3</b>	<b>21.3%</b>	<b>17.2</b>	<b>1.0%</b>	<b>50.7</b>	<b>37.7</b>	<b>34.7%</b>

\*Cash Profit = PBDT – Current tax

Balance sheet snapshot (Rs. million)	31 <sup>st</sup> Dec 2015	31 <sup>st</sup> March 2015
Net worth	18,332	14,318
Gross debt	31,827	30,851
Net Debt	26,450	26,094
Net fixed assets (incl. CWIP)	29,737	26,049
Net current assets (excl. cash & cash equiv.)	13,729	13,155
Capital Employed	52,857	47,208
Net Debt/Op. EBITDA*	1.75	2.05
Net debt/Equity	1.44	1.82
ROCE (pre-tax)*	24.7%	22.8%
ROE*	41.6%	42.5%

\* Annualised profitability figures

### **Consolidated Financial Highlights – Q3 FY16 (compared with Q3 FY15 figures)**

- Revenue at Rs. 14,904 million vs. Rs. 13,459 million; 10.7% growth YoY driven by higher volumes across products, higher mix of innovative products and favourable exchange movement
- Domestic retail sales continue to witness robust growth and YTD growth stands at 52%
- Operating EBITDA up by 17.8% at Rs. 4,006 million vs. Rs. 3,400 million in Q3 FY15. Operating EBITDA margin up 161 bps at 26.9% (vs. 25.3% in Q3 FY15), mainly on account of higher share of innovative and branded products
- Reported EBITDA up by 17.8% at Rs. 4,178 million vs. Rs. 3,547 million in Q3 FY15
- Finance cost stood at Rs. 592 million, 27% lower YoY on account of the reduction in base rate, benefits under the Gujarat Textile Policy and interest equalization scheme announced by the Govt. of India
- Depreciation was higher YoY at Rs. 997 million (vs. Rs. 918 million in Q3 FY15), primarily on account of the part-capitalisation of ongoing modernisation and expansion projects
- Profit after Tax (after minority interest) stood at Rs. 1,741 million compared to the Q3 FY15 figure of Rs. 1,436 million, growth of 21.3% YoY
- Net worth stands at Rs. 18,332 million as on 31<sup>st</sup> Dec 2015 (vs. Rs. 14,318 million)
- At the end of the quarter, Gross debt stands at Rs. 31,827 million (vs. Rs. 30,851 million)
- Net debt stands at Rs. 26,450 million (vs. Rs. 26,094 million at end-FY15) implying a net debt/equity of 1.44x (vs. 1.82x at end-FY15)
- Net debt/ Operating EBITDA (annualised) as on 31<sup>st</sup> Dec 2015 stands at 1.75x vs. 2.05x at end-FY15
- ROCE (pre-tax) for 9MFY16 stands at 24.7% (vs. 22.8% in FY15) and ROE stands at 41.6% (vs. 42.5%)
- The Company continues to generate positive free cash flows after capex
- The Board has approved stock split in 10:1 ratio; face value of equity shares to be revised from Rs.10 to Re.1 a share

### **Project Status**

The capital expenditure during the quarter was Rs. 1.9 billion and during 9MFY16 was Rs. 6.4 billion; balance investment of around Rs. 7 billion is expected over the next nine months. This capex will entail modernisation, automation and capacity enhancement for towels and sheets.

The capacity for towels was 55,000 MTPA and for bed linen was 72 million metres during the quarter.

### **Recent Awards & Recognitions**

- Ranked No:1 Home textile supplier to the US for the fourth consecutive year by 'Home & Textiles Today'
- 'Exemplary Supply Chain and Speed Award' by Kohl's
- 'Best Innovation Award' by Wilkinson
- Only Indian vendor invited as a 'Gold Supplier' by Carrefour in the General Merchandise Category
- Total Transparency certificate - Gold Supplier from Egyptian Cotton Association
- Ms. Dipali Goenka selected to the Board of Directors of Social Accountability Accreditation Services, a non-profit organization which develops and maintains rigorous evaluation and quality assurance systems for social accountability accreditation

### **Management comments**

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said,** "We continue on our path of profitable and socially responsible growth. Our focus on innovation and branding got another boost during the quarter with the launch of our patented product viz. 'Hygro Cotton' as an ingredient brand. The awards and accolades received by us during the quarter bears testimony to our exemplary customer centricity."

**About Welspun India ([www.welspunindia.com](http://www.welspunindia.com))**

*Welspun India Ltd, part of US\$ 3 billion Welspun Group, is among the top 3 home textile companies in the World. 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 14 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.*

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