

## Welspun India Ltd. posts all-time high quarterly profit

- ✓ **PAT up 33% YoY**
- ✓ **Operational EBITDA margin up 300 bps YoY**
- ✓ **Net Debt/Op EBITDA improves to 1.65x; Net Debt/Equity at 1.41x**
- ✓ **Interim Dividend at Rs. 6.5/share**

**Mumbai, October 20, 2015:** Welspun India Ltd., (WIL), part of the US\$ 3 billion Welspun Group announced Q2 FY16 results today, showing strong growth in operating EBITDA and profit after tax in comparison to the corresponding quarter last year.

<b>Consolidated Financial Summary - Q2 &amp; H1 FY16</b>								<b>(Rs. Million)</b>
Particulars	Q2FY16	Q1FY16	QoQ Change %	Q2FY15	YoY Change %	H1FY16	H1FY15	Change %
Revenue	14,723	13,885	6.0%	14,135	4.2%	28,607	25,908	10.4%
Operating EBITDA	3,743	3,598	4.0%	3,169	18.1%	7,341	5,896	24.5%
<b>Operating EBITDA Margin</b>	<b>25.4%</b>	<b>25.9%</b>	<b>(50) bps</b>	<b>22.4%</b>	<b>300 bps</b>	<b>25.7%</b>	<b>22.8%</b>	<b>290 bps</b>
EBITDA	3,940	3,875	1.7%	3,360	17.2%	7,815	6,409	21.9%
<b>EBITDA Margin</b>	<b>26.8%</b>	<b>27.9%</b>	<b>(110) bps</b>	<b>23.8%</b>	<b>300 bps</b>	<b>27.3%</b>	<b>24.7%</b>	<b>260 bps</b>
Finance Cost	515	593	-13.2%	731	-29.6%	1,107	1,444	-23.3%
Depreciation	918	793	15.7%	717	28.0%	1,711	1,403	21.9%
PBT	2,508	2,490	0.7%	1,913	31.1%	4,997	3,563	40.3%
<b>PAT after min.</b>	<b>1,724</b>	<b>1,632</b>	<b>5.6%</b>	<b>1,299</b>	<b>32.7%</b>	<b>3,355</b>	<b>2,349</b>	<b>42.9%</b>
<b>PAT Margin</b>	<b>11.7%</b>	<b>11.8%</b>	<b>(10) bps</b>	<b>9.2%</b>	<b>250 bps</b>	<b>11.7%</b>	<b>9.1%</b>	<b>260 bps</b>
Cash Profit	2,799	2,561	9.3%	2,306	21.4%	5,360	3,958	35.4%
<b>EPS</b>	<b>17.2</b>	<b>16.2</b>	<b>5.6%</b>	<b>12.9</b>	<b>32.7%</b>	<b>33.4</b>	<b>23.4</b>	<b>42.9%</b>

Notes: a) Prior period figures are restated, wherever necessary; b) Cash Profit = PBDT – Current tax

Balance sheet snapshot (Rs. million)	30 <sup>th</sup> Sept 2015	31 <sup>st</sup> March 2015
Net worth	17,227	14,318
Net Debt	24,277	26,094
Net fixed assets (incl. CWIP)	28,861	26,049
Net current assets (excl. cash & cash equiv.)	11,480	13,155
Net Debt/Op. EBITDA*	1.65	2.05
Net debt/Equity	1.41	1.82

\* Annualised Operating EBITDA

### **Consolidated Financial Highlights – Q2 FY16 (compared with Q2 FY15 figures)**

- Revenue at Rs. 14,723 million vs. Rs. 14,135 million; 4% growth YoY. Growth rate was muted on account of base effect and capacity constraints. During Q3FY16, incremental volume from modernisation project at Vapi will be available
- Growth in domestic sales at 35% YoY
- Operating EBITDA up by 18% at Rs. 3,743 million vs. Rs. 3,169 million in Q2 FY15. Operating EBITDA margin was up 300 bps at 25.4% (vs. 22.4% in Q2 FY15), mainly on account of effect of vertical integration and higher share of innovative and branded products
- Reported EBITDA up by 17% at Rs. 3,940 million vs. Rs. 3,360 million in Q2 FY15
- Finance cost stood at Rs. 515 million, 30% lower YoY mainly on account of the reduction in base rate, benefits under the Gujarat state textile policy and issuance of Commercial Paper at sub-base rate
- Depreciation was higher YoY at Rs. 918 million (vs. Rs. 717 million in Q2 FY15), primarily on account of the capitalisation of the vertical integration projects and part of the modernisation project
- Profit after Tax (after minority interest) stood at Rs. 1,724 million compared to the Q2 FY15 figure of Rs. 1,299 million, growth of 33% YoY
- Net worth stands at Rs. 17,277 million as on 30<sup>th</sup> Sept 2015
- At the end of the quarter, Gross debt stands at Rs. 29,821 million vs. Rs. 30,851 million at end-FY15.
- Net debt stands at Rs. 24,277 million (vs. Rs. 26,094 million at end-FY15) implying a net debt/equity of 1.41x (vs. 1.82x at end-FY15)
- Net debt/ Operating EBITDA (annualised) as on 30<sup>th</sup> Sept 2015 stands at 1.65x vs. 2.05x at end-FY15.
- ROCE (pre-tax) for H1FY16 stands at 25.2% vs. 22.8% in FY15 while ROE stands at 42.5% in line with the FY15 figure
- The Company continues to generate positive free cash flows after capex
- Interim dividend declared at Rs.6.5 per share

### **Project Status**

The capital expenditure during the quarter was Rs. 2.3 billion; balance investment of around Rs. 8.5 billion is expected over the next 12 months. This capex will entail modernisation, automation and capacity enhancement for towels and sheets as well as routine maintenance at Anjar and Vapi, Gujarat.

### **Recent Awards & Recognitions**

- Texprocil Award for Highest Towel exports, Highest Sheet exports and Highest Overall Home Textile Exports

### **Management comments**

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “We have sustained our growth momentum during the quarter. We hope to continue on our growth path and target to reach an annual turnover of USD 2.5 billion, more than double the current figure, by the turn of the decade. We believe that our continued focus on innovation will greatly help to achieve this target. We have increased our focus on the fast growing e-commerce segment by launching ‘shopwelspun.in’, our new online store.”**

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

*Welspun India Ltd, part of US\$ 3 billion Welspun Group, is the largest home textile company in Asia and among the top 3 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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