

PBT Crosses Milestone of Rs. 2 Billion

- ✓ Op. EBITDA margin at 23.1%, Adj. Op. EBITDA Margin at 24.7%
- ✓ Net Debt / Op. EBITDA at 1.75x
- ✓ Christy sales growth at 35% YoY

Mumbai, Jan 31, 2017: Welspun India Ltd., (WIL), part of the US\$ 2.3 billion Welspun Group announced Q3FY17 & 9MFY17 results today.

Consolidated Financial Summary - Q3 FY17 & 9MFY17							(Rs. Million)
Particulars	Q3FY17	Q2FY17	Q3FY16	YoY Change	9MFY17	9MFY16	Change
Revenue	15,009	17,899	14,451	3.9%	48,834	43,077	13.4%
Operating EBITDA	3,463	4,318	4,070	-14.9%	12,005	11,574	3.7%
Operating EBITDA Margin	23.1%	24.1%	28.2%	-509 bps	24.6%	26.9%	-228 bps
EBITDA	3,673	4,569	4,251	-13.6%	12,655	12,246	3.3%
EBITDA Margin	24.5%	25.5%	29.4%	-495 bps	25.9%	28.4%	-251 bps
Finance Cost	480	320	593	-19.0%	1,153	1,700	-32.2%
Depreciation	1,305	1,264	989	31.9%	3,689	2,683	37.5%
PBT (before exceptional)	1,888	2,985	2,669	-29.3%	7,813	7,863	-0.6%
PAT after min. & assoc. (before exceptional)	1,324	1,999	1,783	-25.7%	5,342	5,406	-1.2%
<i>EPS (Rs.)# (before exceptional)</i>	<i>1.32</i>	<i>1.99</i>	<i>1.77</i>	<i>-25.7%</i>	<i>5.32</i>	<i>5.38</i>	<i>-1.2%</i>
Exceptional Gain/(Loss)@	239	(4,895)	-		(4,656)	-	
PBT (after exceptional)	2,127	(1,910)	2,669	-20.3%	3,157	7,863	-59.8%
PAT after min. & assoc. (after exceptional)	1,494	(1,475)	1,783	-16.2%	2,037	5,406	-62.3%
Cash Profit*	3,002	(746)	3,111	-3.5%	5,860	8,792	-33.4%
EPS (Rs.)# (after exceptional)	1.49	(1.47)	1.77	-16.2%	2.03	5.38	-62.3%

*Cash Profit = PBDT – Tax outflow # Not Annualised

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

@ Q3FY17 exceptional gain relates to loss of profit claim from insurance for power plant. Plant restarted on 16 Jan 2017.

Balance Sheet Snapshot (Rs. million)	31 st Dec 2016	31 st Mar 2016
Net worth	21,692	19,739
Gross debt	34,443	26,661
Net Debt	28,008	25,275
Net fixed assets (incl. CWIP)	35,450	33,508
Net current assets (excl. cash & cash equiv.)	14,314	11,121
Capital Employed (avg.)	54,061	47,936
Net Debt/Op. EBITDA*	1.75	1.59
Net debt/Equity	1.29	1.28
ROCE (pre-tax)*	21.5%	27.4%
ROE*	31.8%	43.5%

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

*Based on Annualised profit (excluding impact of exceptional items)

Consolidated Financial Highlights – Q3 FY17 (compared with Q3 FY16 figures)

- Revenue at Rs. 15,009 million vs. Rs. 14,451 million; 3.9% growth YoY driven by higher volumes in terry towels and rugs and higher mix of innovative and branded products. Christy sales growth at 35% YoY.
- Operating EBITDA at Rs. 3,463 million vs. Rs. 4,070 million in Q3 FY16. Operating EBITDA margin at 23.1% (vs. 28.2% in Q3 FY16), in the current environment of increasing raw material costs. Adjusted Op. EBITDA margin (adjusted for insurance claims) at 24.7%.
- Finance cost stood at Rs. 480 million, 19% 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. 1,305 million (vs. Rs. 989 million in Q3 FY16), primarily on account of the capitalisation of ongoing modernisation and expansion projects
- Profit before Tax (before exceptional) stood at Rs. 1,888 million compared to the Q3 FY16 figure of Rs. 2,669 million
- Net worth stands at Rs. 21,692 million as on 31st Dec 2016 (vs. Rs. 19,739 million at FY16-end)
- Net debt stands at Rs. 28,008 million (vs. Rs. 25,275 million at end-FY16) implying a net debt/equity of 1.29x (vs. 1.28x at end-FY16)
- Net debt/ Operating EBITDA as on 31st Dec 2016 stands at 1.75x vs. 1.59x in FY16
- Annualised pre-tax ROCE (excluding the impact of one-time provision) for 9M FY17 stands at 21.5% and ROE stands at 31.8%

Project Status

For FY17, the capital expenditure planned is Rs. 8 billion. Out of this, Rs. 1.1 billion of capex has been invested during the quarter and Rs. 5.6 bn during 9MFY17.

Annual capacity as on date has been enhanced to 72,000 MT in Towels (from 60,000 MT at end-FY16) and 90 million metres in Bed Linen (from 72 million metres at end-FY16). Capacity for Rugs & Carpets is expected to reach 10 million sq. metres by end-FY17 (from 8 million sq. metres at end-FY16).

Recent Awards & Recognitions

- Shoppers Stop - Best performing brand in home category for “Spaces”
- AIM and exchange4media - Best innovation in Magazine advertising award of the year for “Spaces”
- Kmart Sears- Best of the Best Supplier award
- Quality Circle Forum of India - Won 12 gold trophies and 01 silver trophy

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “We continue to work on new growth avenues, which will help us achieve our Vision 2020. Our focus areas include the domestic market through our brands; new products such as flooring solutions; and new channels such as e-commerce, hospitality and healthcare”.

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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