

## Domestic Retail and Global Brands businesses record robust growth in Q1FY'23

**Mumbai, July 27, 2022:** Welspun India Ltd. (WIL), a global leader in Home Textiles and part of the US\$ 2.3 billion Welspun Group, announced Q1/FY23 results today.

### Management Comment:

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said** *"We have delivered a relatively healthy operating performance in the face of an unusually tough macroeconomic environment characterised by unprecedented high input costs, rising inflation, and subdued consumer sentiments. During the quarter under review our Domestic Retail business, which has power brands like 'Welspun' and 'SPACES', again registered one of its highest quarterly revenue. In addition, all our brands continue to grow in excess of 40% internationally. This operating milestone, achieved when overall demand conditions are seen to have been relatively soft, validates our strategy to invest in Brands and direct-to-consumer (D2C) initiatives as growth drivers of the future. We have been strengthening our balance sheet by reducing our net debt over the past few years and that trend continued in the quarter under review with a further reduction. We continued our focus on embedding Environment, Social and Governance in all facets of our activities. It is heartening to see Welspun receiving industry leading scores in CRISIL's sustainability year book 2022, which reaffirms our efforts in this direction."*

### Key Highlights

- **Total Income** of ₹ 19,790 mn in Q1 FY23
- **Home Textiles** revenue at ₹ 18521 mn
- **Flooring** revenue up by 40% YoY to ₹ 1694 mn
- **EBITDA** at ₹ 1,736 mn with margin at 8.8%

### Key Financial highlights of the Quarter (Consolidated):

(₹ Million)

Financial Summary	Q1FY23	Q1FY22	YoY%*	FY22	FY21	YoY%
Total Income	19,790	22,272	(6.7%)	93,773	74,080	26.6%
EBITDA	1,736	4,598	(51.1 %)	14,246	14,198	0.3%
EBITDA Margin	8.8%	20.6%	(795 bps)	15.2%	19.2%	(397 bps)
PAT after Minorities	224	2,175	(84.5%)	6,012	5,397	11.4%

\*Q1FY22 numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

Segmental Details	Q1FY23	Q1FY22	YoY%*	Q4FY22	QoQ%	FY22	FY21	YoY%
<b>Home Textile:</b>								
Revenue	18,521	21,284	(8.5%)	20,730	(10.7%)	87,911	71,283	23.3%
EBITDA	1,716	4,805	(54.3%)	2,404	(28.6%)	14,111	14,863	(5.1%)
EBITDA Margin (%)	9.3%	22.6%	(929 bps)	11.6%	(233 bps)	16.1%	20.9%	(480 bps)
<b>Flooring:</b>								
Revenue	1,694	1,214	39.6%	1,892	(10.5%)	6,611	3,187	107.4%
EBITDA	21	(263)	-	(29)	-	(143)	(996)	-
EBITDA Margin (%)	1.2%	(21.7%)	-	(1.5%)	-	(2.2%)	(31.3%)	-

\*Q1FY22 numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

			(₹ Million)
Balance Sheet Summary		30-June-22	31-Mar-22
<b>Net Worth</b>		<b>39,666</b>	<b>39,717</b>
Gross Debt		29,426	31,884
-	Short Term Loans	17,264	19,742
-	Long Term Loans (excl. Flooring Debt)	4,340	4,298
<b>Net Debt excluding Flooring Debt</b>		<b>13,034</b>	<b>13,989</b>
-	Net Flooring Debt	8,358	8,300
Net Debt		21,392	22,289
Net fixed assets (incl. CWIP)		39,927	39,881
Net current assets (excl. cash & cash equiv.)		24,714	24,839
Capital Employed		76,802	79,053
Net Debt/EBITDA		1.82x	1.56x
Net Debt/Equity		0.54x	0.56x

#### ■ Total Income:

- **Total revenue at ₹ 19,790 mn in Q1 FY 23**
  - **Textile business** revenue at ₹ 18521 mn
  - **Flooring business revenue at ₹ 1694 mn**

#### ■ EBITDA:

- ₹ 1,736 mn in Q1FY23 with an EBITDA Margin of 8.8%
- Core business EBITDA stood at ₹ 1716 mn and EBITDA Margin stood at 9.3%

#### ■ PAT (after minority and exceptional loss):

- PAT at ₹ 224 mn in Q1FY23

#### ▪ EPS:

- EPS at ₹ 0.23 in Q1 FY23

#### ▪ Net Debt:

- Net Debt at ₹ 21,392 mn as on 30<sup>th</sup> June 2022 vs. ₹ 22,289 mn as on 31<sup>st</sup> March 2022
- Net debt excluding Flooring business stood at ₹ 13,034 mn as on 30<sup>th</sup> June 2022 vs ₹ 13,989 mn as on 31<sup>st</sup> March 2022

#### Key Business Updates:

- Flooring revenue up by 39.6%% YoY to ₹ 1,694 mn
- The company registered significant growth of 113% YoY in Domestic Retail business in Q1 FY23
- Home Textile Branded Business recorded growth of 39% YoY & 34% QoQ
- With an aim to be “Har Ghar Welspun”, the company has increased nationwide footprint of Brand ‘Welspun’ to 7,833+ outlets and 495+ towns, reinforcing it to be the Number 1 distributed HT brand in India.

#### Capacity Enhancement:

- The capital light expansion at Anjar which were started last year has been completed with increase in Towel capacity by 7% to 90000 MTPA.
- The balance Flooring & Advanced Textiles capex will conclude towards the end of Q2FY23.

#### Capex:

- In Q1 FY 23 the Company has spent ₹ 852 mn towards Capex

#### Awards and Accolades:

- CRISIL Sustainability Yearbook 2022: Rated “Strong” with highest ESG score within Textiles sector as well as in each of the three dimensions of Environment, Social and Governance.
- Nasscom AI Gamechangers 2022 – ‘Innovator’ Award: Welspun’s Innovative Artificial Intelligence project of Towel counting and Defect detection using AI ML based vision system, an industry first.
- Dun & Bradstreet: Best performing textile company, 2nd year in a row.
- Texprocil: Platinum Trophy for Highest Global Exports, 12 years in a row.
- Texprocil: Gold Trophy for Special Achievement in Madeups for Sustainability Initiatives.

#### About Welspun India Ltd:

*Welspun India Ltd (WIL), part of \$2.3 Bn Welspun Group, is a global leader in Home textiles. With a distribution network in more than 50 countries and world class manufacturing facilities in India, Welspun is strategic partners with top global retailers. WIL is driven by its differentiation strategy based on Branding, Innovation and Sustainability.*

**About Welspun Group:**

*A US\$ 2.3 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Warehousing, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.*

For further information please visit [www.welspunindia.com](http://www.welspunindia.com) or contact:

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