

## Home Textiles FY22 revenue crosses \$1 bn mark, Emerging Businesses continue strong performance

**Mumbai, May 10, 2022:** Welspun India Ltd. (WIL), a global leader in Home Textiles and part of the US\$ 2.7 billion Welspun Group, announced Q4/FY22 results today.

### Management Comment:

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said** *"The global economy is going through unprecedented times currently - Ukraine-Russia conflict, logistical challenges, unseen levels of increases in commodity prices and decades' high inflation in western economies - have all come on the back of an extended pandemic and resulted in dampened business sentiments across industries worldwide. Against this backdrop, it is very heartening to see that our Home Textile revenues continued its upward trajectory to cross \$1bn mark this fiscal, growing by 23% and total revenue growing by 27% to reach ₹9,377 crore. This demonstrates the ability of scaled-up, quality-led, and highly differentiated players to maintain an edge even during challenging times. The recently announced Free Trade Agreements with Australia and Middle-East countries would bring in additional advantage for the Indian Home Textiles industry and players like Welspun.*

*Our Emerging Businesses of E-commerce, Brands, Flooring, and Advanced Textiles have cumulatively grown by 44% during the fiscal year under review with all the businesses touching record revenues. The share of these businesses in the overall revenue has steadily increased to 26% from 23% last year. Domestic Retail top-line has grown by 66% in FY22 and the Welspun brand has become the largest distributed health textile brand in the country. Flooring continued its upward trajectory and has grown by 107% this fiscal. The investment in all of our Emerging businesses is starting to reap the desired results to drive our growth plans for the future. Historic highs in cotton and coal prices, global logistics disruptions and related impacts continue to put further pressure on the margin front. We, however, remain focused on our medium to long term strategic priorities and growth pillars by laying emphasis on our long term goal of sustainable growth, profitability, and deleveraging our balance sheet.*

*On the sustainability front, Welspun has set benchmarks for the industry through its differentiated efforts in all areas of Environmental, Social, and Governance (ESG) where several significant outcomes have already been achieved. In Home Textiles, we have been recognized by Tesco and awarded with their Sustainability & Community Award for exceptional focus on community initiatives and for outstanding ethical performance. I am also delighted to share that in our Flooring plant, 15% of total energy currently being used is from renewable energy and the target is to reach 25% by 2025 and 50% by 2030."*

### Key Highlights

- **Total Income** of ₹ 93,773 mn in FY22, up 26.6% YoY
- **Home Textile** revenue at ₹ 87,911 mn, up by 23.3% YoY; **flooring** revenue up by 107.4% YoY to ₹ 6,611 mn
- **EBITDA** at ₹ 14,246 mn with margin at 15.2%; **PAT** up 11.4% YoY at ₹ 6,012 mn in FY22
- **Dividend** announced at ₹ 0.15 per share

**Key Financial highlights of the Quarter (Consolidated):**
**(₹ Million)**

Financial Summary	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY%
Total Income	22,471	21,736	3.4%	93,773	74,080	26.6%
EBITDA	2,464	3,582	(31.2%)	14,246	14,198	0.3%
EBITDA Margin	11.0%	16.5%	(551 bps)	15.2%	19.2%	(397 bps)
PAT after Minorities	522	1,301	(59.9%)	6,012	5,397	11.4%

Segmental Details	Q4FY22	Q4FY21	YoY%	Q3FY22	QoQ%	FY22	FY21	YoY%
<b>Home Textile:</b>								
Revenue	20,730	20,523	1.0%	22,508	(7.9%)	87,911	71,283	23.3%
EBITDA	2,404	3,687	(34.8%)	3,126	(23.1%)	14,111	14,863	(5.1%)
EBITDA Margin (%)	11.6%	18.0%	(637 bps)	13.9%	(229 bps)	16.1%	20.9%	(480 bps)

**Flooring:**

Revenue	1,892	1,185	59.7%	1,909	(0.9%)	6,611	3,187	107.4%
EBITDA	(29)	(189)	-	103	-	(143)	(996)	-
EBITDA Margin (%)	(1.5%)	(15.9%)	-	5.4%	-	(2.2%)	(31.3%)	-

**(₹ Million)**

Balance Sheet Summary	31-Mar-22	31-Mar-21
<b>Net Worth</b>	<b>39,717</b>	<b>36,447</b>
Gross Debt	31,884	28,414
- Short Term Loans	19,742	17,452
- Long Term Loans (excl. Flooring Debt)	4,298	3,850
<b>Net Debt excluding Flooring Debt</b>	<b>13,989</b>	<b>16,368</b>
- Net Flooring Debt	8,300	6,959
Net Debt	22,289	23,327
Net fixed assets (incl. CWIP)	39,881	38,042
Net current assets (excl. cash & cash equiv.)	24,839	24,534
Capital Employed	79,053	71,303
Net Debt/EBITDA	1.56x	1.64x
Net Debt/Equity	0.56x	0.64x

**Total Income:**

- **Total revenue at ₹ 93,773 mn in FY22, up by 26.6% YoY**
  - **Textile business** revenue at ₹ 87,911 mn reported sharp increase in FY22 on account of higher sales volume of Terry Towels by 1% YoY, Bed Sheets by 6% YoY and Rugs by 19% YoY
- Revenue at ₹ 22,471 mn in Q4FY22, registering a growth of 3.4% YoY

**EBITDA:**

- ₹ 2,464 mn in Q4FY22 with an EBITDA Margin of 11.0%
- Core business EBITDA stood at ₹ 2,404 mn and EBITDA Margin stood at 11.6%

**PAT (after minority and exceptional loss):**

- PAT at ₹ 522 mn in Q4FY22

**EPS:**

- EPS up by 12.8% YoY at ₹ 6.06 in FY22, Q4FY22 EPS at ₹ 0.53

**Net Debt:**

- Net Debt at ₹ 22,289 mn as on 31<sup>st</sup> March 2022 vs. ₹ 23,327 mn as on 31<sup>st</sup> March 2021
- Net debt excluding Flooring business stood at ₹ 13,989 mn (as on 31<sup>st</sup> March 2022) vs ₹ 16,368 mn (as on 31<sup>st</sup> March 2021)

**Key Business Updates:**

- Flooring revenue up by 107.4% YoY to ₹ 6,611 mn
- The company registered significant growth of 40.3% YoY in branded business in FY22
- Emerging business grew by 44% YoY in FY22
- With an aim to be “Har Ghar Welspun”, the company has increased nationwide footprint of Brand ‘Welspun’ to 6,642+ outlets and 482+ towns, reinforcing it to be the Number 1 distributed HT brand in India.

**Capacity Enhancement:**

- The capital light expansion at Vapi and Anjar which were started last year have been completed with increase in Towel capacity by 12.5%, Bed Sheet capacity by 20.0% and Rugs capacity by 50.0%. The new capacities are ready for use from Q1FY23.
- Greenfield Spunlace Capacity addition project in Telangana started commercial production from March 2022.
- The Flooring capex project will conclude towards the end of Q2FY23.

**Capex:**

- In FY22 the Company has spent ₹ 5,431 mn towards Capex

**Awards and Accolades:**

- Welspun India was felicitated with the prestigious National Water Award 2022 from President of India for STP Plant in Anjar.
- Welspun India received Tesco Sustainability & Community Award by exceptional focus on community initiatives and for outstanding ethical performance.

**About Welspun India Ltd:**

*Welspun India Ltd (WIL), part of \$2.7 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\$ 2.7 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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