

INVESTOR PRESENTATION

February 2019



Owned Brands



Innovations



Licenses



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Any reference herein to “the Company” shall mean Welspun India Limited, together with its consolidated subsidiaries.

INTRODUCTION TO WELSPUN GROUP



**Global Leader in
Home Textiles**



**Global Leader in
Large Diameter Pipes**



**Infrastructure
Investments in Oil & Gas**



**Group Revenue
US\$ 2.3 Billion**

**Fixed Asset Base
US\$ 1.1 Billion**

**Employees
25,000+**

AGENDA

1. **Welspun India: An Introduction**
2. **Industry Overview**
3. **Welspun India: Key Differentiators**
4. **Key Strategic Initiatives**
5. **Welspun 2.0 & Way Forward**

WELSPUN INDIA: AN INTRODUCTION

WELSPUN INDIA: OVERVIEW

Largest

Home Textiles Company Globally⁽¹⁾

With presence in

Bed, Bath & Flooring

Presence in

50+ Countries

Trusted and Preferred Suppliers to

17 of Top 30

Global Retail Giants

30 Unique innovations

37% Sales: Innovative Products⁽³⁾

17% Sales: Branded Products⁽³⁾

Ranked #1

among Home Textile Suppliers
to USA

by Home & Textiles Today magazine

5 Times in Last 6 Years

Every 5th Towel
Every 10th Sheet

sold in the US is made by Welspun⁽²⁾

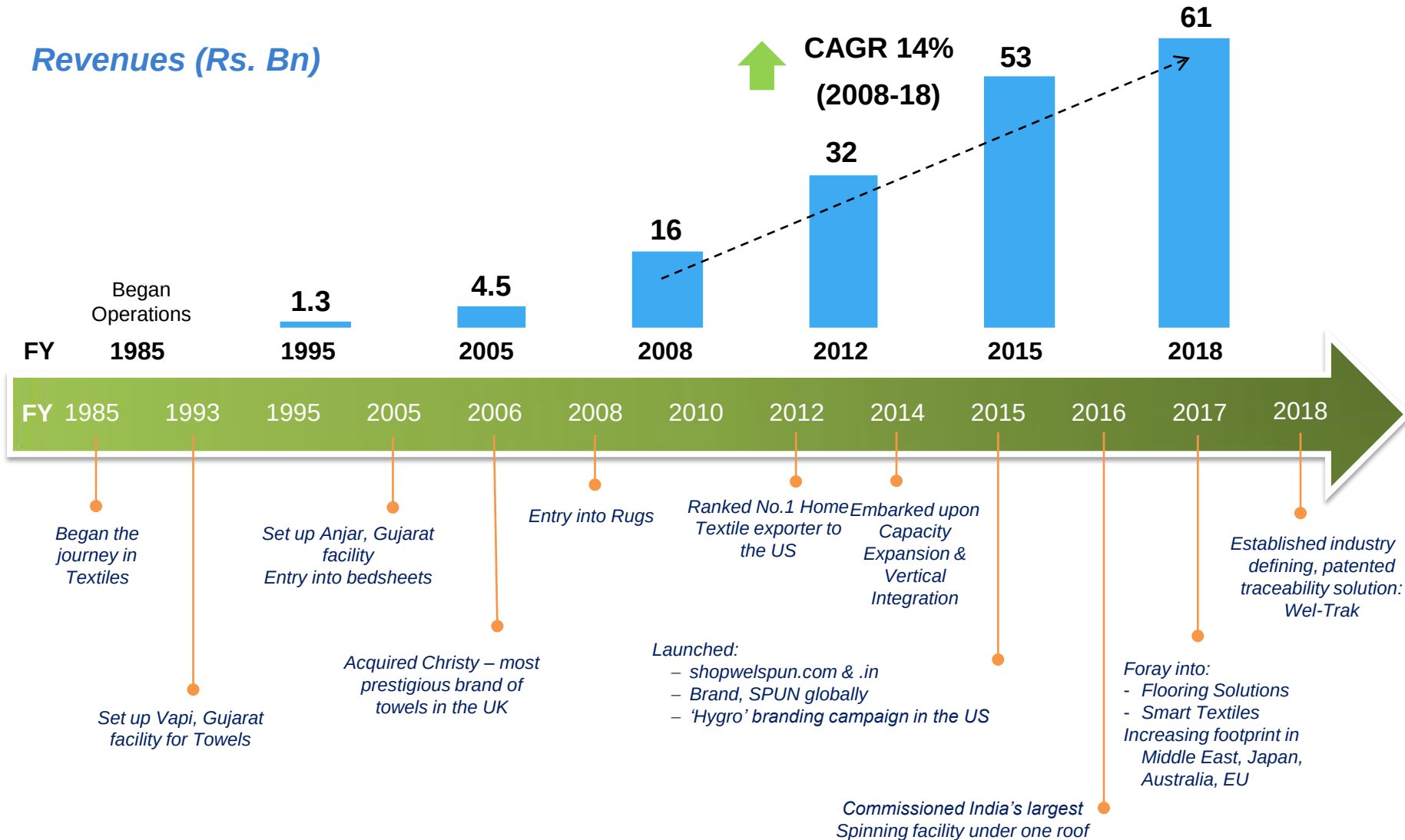
3E's of Corporate
Social Value

Education, Environment & Health,
Empowerment



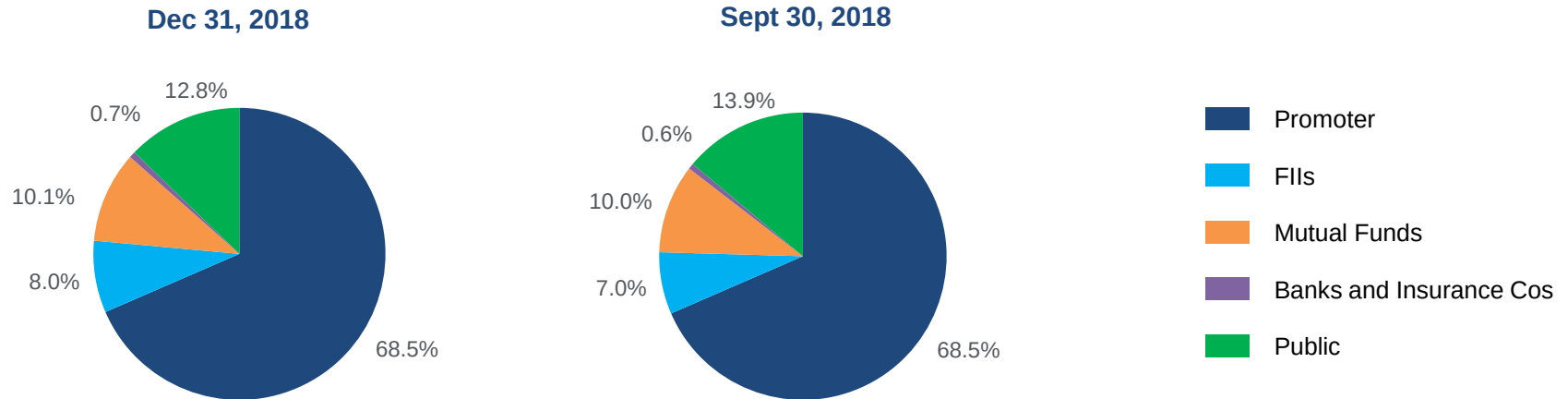
KEY MILESTONES

Revenues (Rs. Bn)



SHAREHOLDING AND TRADING SNAPSHOT

Shareholding Pattern

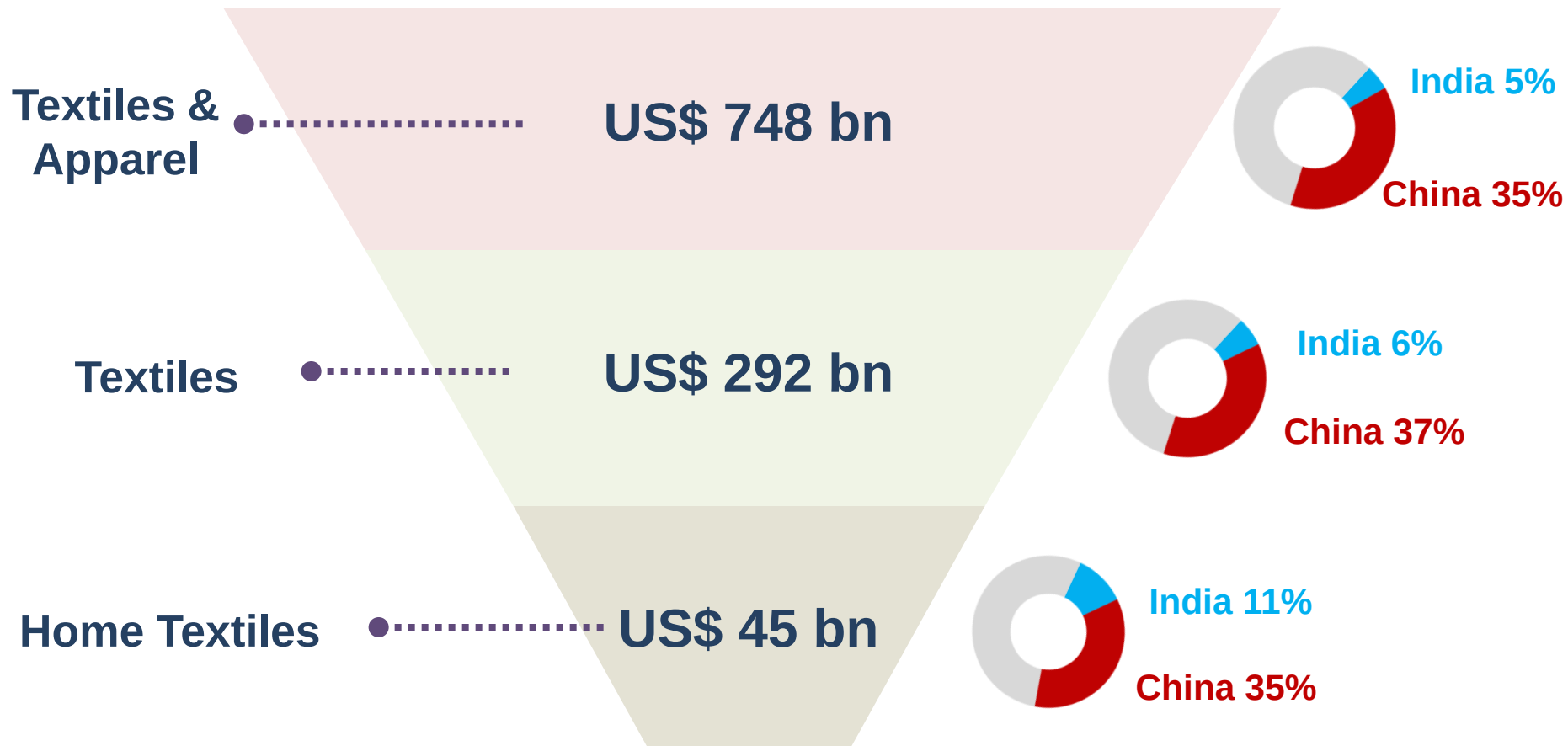


Market Statistics

As on Dec 31, 2018	INR	USD
Price per share	59.80	0.86
No of Shares outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	60,099	862
Daily Average Trading Volumes (Q3FY19) No of shares in Mn	1.01	1.01
Daily Average Trading Value (Q3FY19) (Mn)	61	0.88

INDUSTRY OVERVIEW

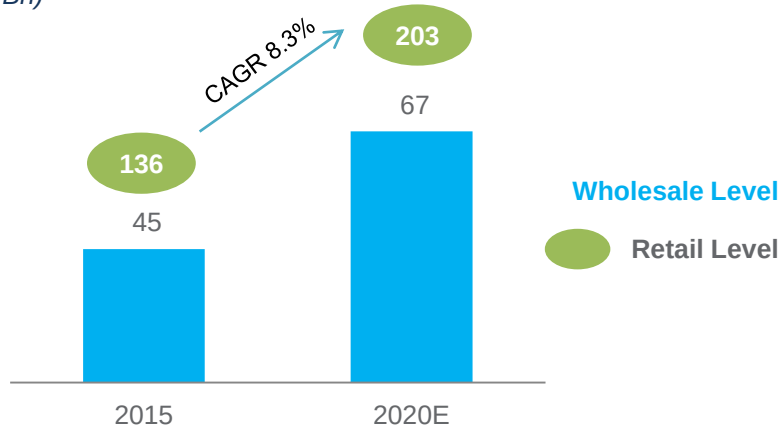
ASIAN DOMINANCE IN HOME TEXTILES



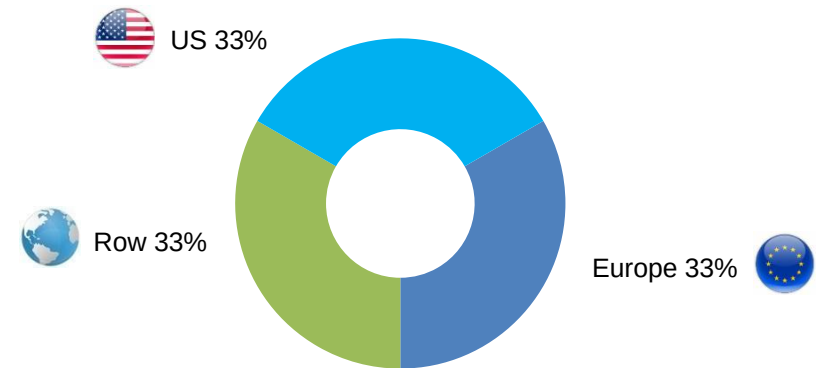
GLOBAL MARKET OPPORTUNITY

Global Home Textile Market

(USD Bn)



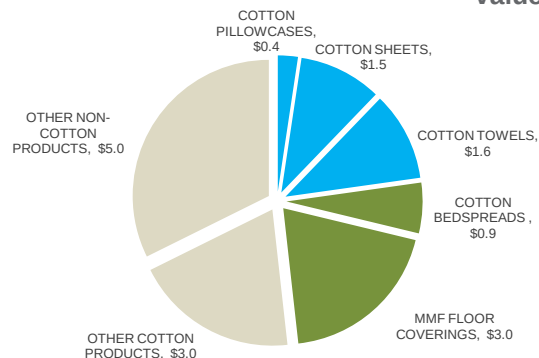
Market Composition



US Home Textile Market (2016)

(USD Bn)

US Home Textile Market
valued at c.\$15 bn



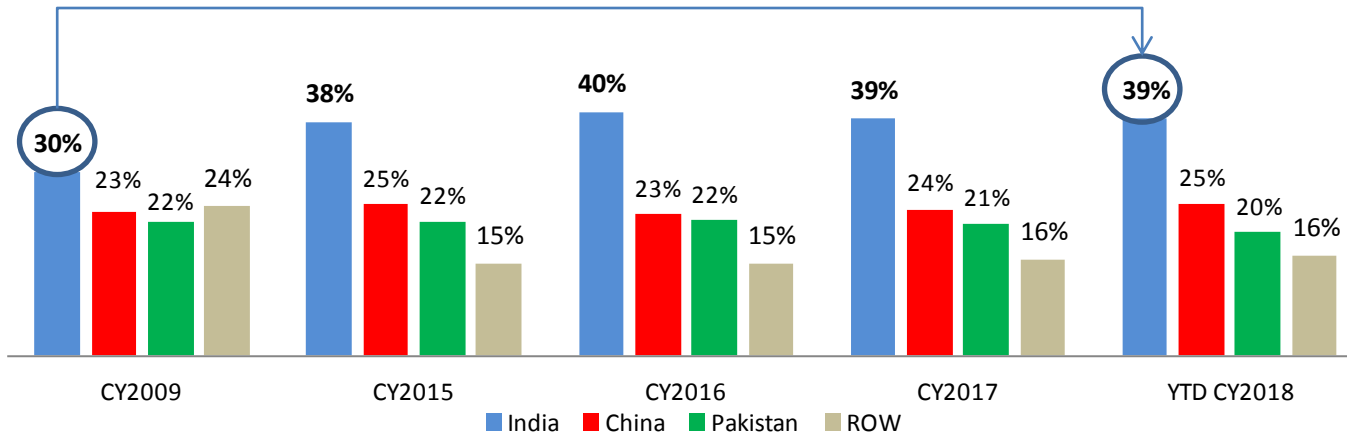
■ Strong Presence of India ■ Next Opportunity for India

- ✓ **US and Europe** are the major end markets comprising a **third each** of the home textile market
- ✓ Indian Players have concentrated in US because:
 - US is a large and homogenous market making it a more attractive market to target first
 - While US is a level playing field, Europe provides preferential tariff rates to some competing countries

INDIA- LARGEST PLAYER IN US MARKET

Market Share in US Towel Market

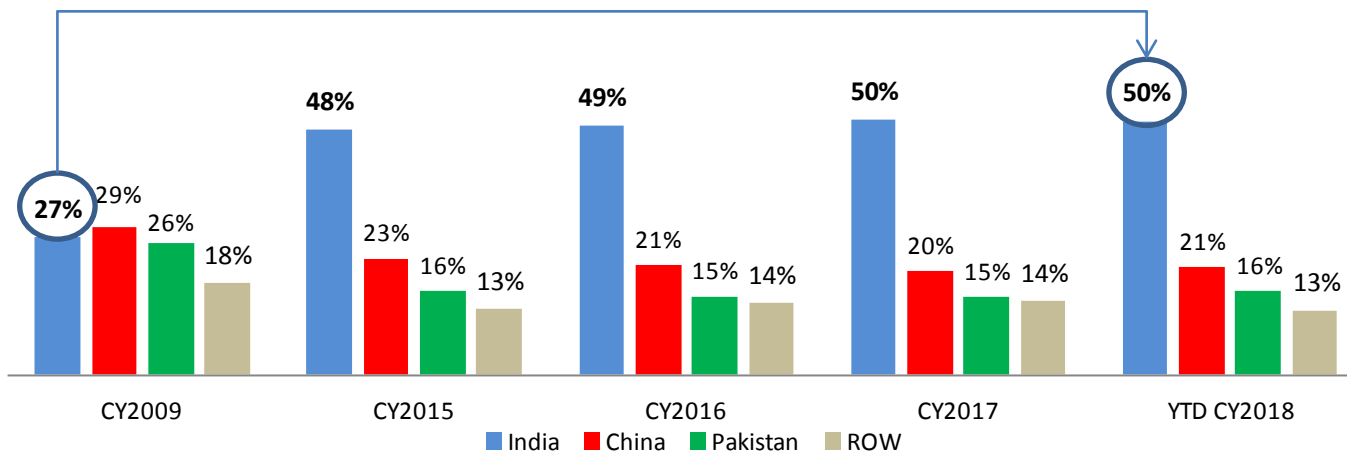
↑ 9 percentage pts



India continues to dominate the US Towel Market

Market Share in US Sheet Market

↑ 23 percentage pts



Half of the US Sheet Market is served by India

FACTORS CONTRIBUTING INDIA'S COMPETITIVE ADVANTAGE

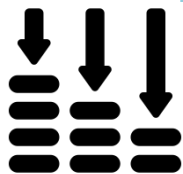
1 Largest Producer of Cotton



2 Favourable Socio-Economic Factors

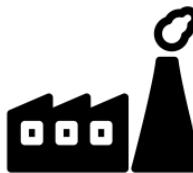


3 Competitive Costs



4 Strong Political Leadership with Supportive Policies

5 Strong Domestic Market Potential



6 Global Manufacturing Scale

WELSPUN INDIA: KEY DIFFERENTIATORS

WELSPUN INDIA: BELLWETHER IN HOME TEXTILES

8

Consistent focus on free cash flow

1

Leading Market Player with a Wide Product Range

7

Experienced Board and Management with Proven Track Record

2

Vertically Integrated Presence with Significant Capabilities

6

Sustainability at the Core of the Business

3

Global Distribution Network with Marquee Clients

5

Track Record of Innovation

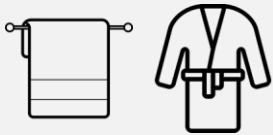
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Diversified Brand Portfolio



1 LEADING MARKET PLAYER WITH A WIDE PRODUCT RANGE

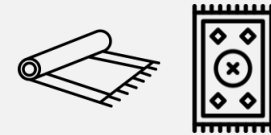
Widest product range in the Home Textiles segment



**Towels, Bath
Robe**



**Sheets, TOB, Basic
& Fashion Bedding**



**Carpets, Rugs,
Flooring Solutions**



A differentiated End-to-end Solutions Provider in Home Textiles



Uniquely positioned for cross-selling due to Customer reach, Competitive manufacturing, Global delivery model



Higher wallet share due to multi-product portfolio

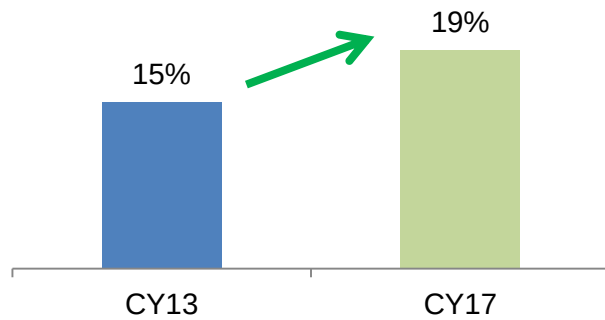


**Strong track record of customer satisfaction and repeat business from them;
80% revenue from replenishment**

1 LEADING MARKET PLAYER

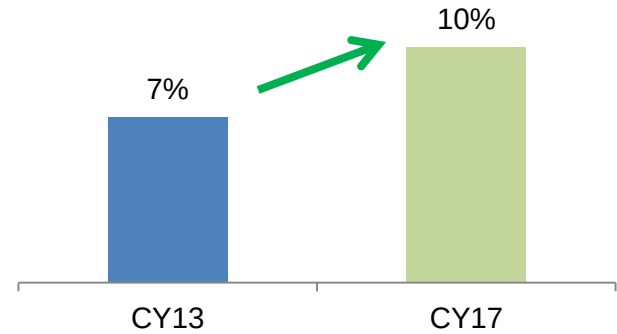
Ranked No.1 supplier to the US 5 times in last 6 years by Home & Textiles Today magazine

Every 5th towel sold in US is made by Welspun

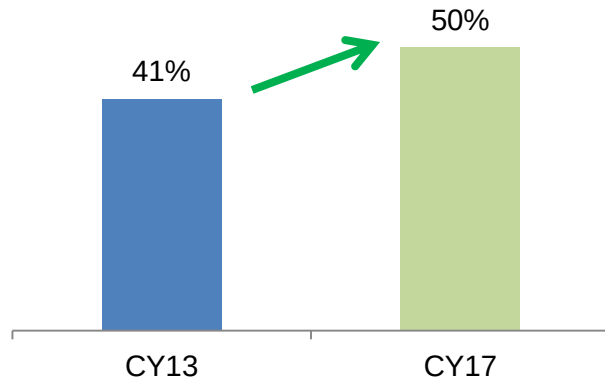


Welspun's Market Share in US Towels Market

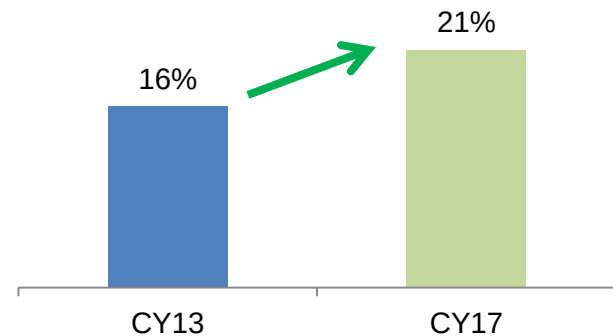
Every 10th sheet sold in US is made by Welspun



Welspun's Market Share in US Sheets Market



Welspun's Share in India's exports to US - Towels



Welspun's Share in India's exports to US - Sheets

2 VERTICALLY INTEGRATED PRESENCE WITH SIGNIFICANT CAPABILITIES

India Supply Advantage

Cotton



Vertically Integrated Facilities Across Manufacturing Chain

Spinning



Weaving



Processing



Cutting & Sewing



Logistics

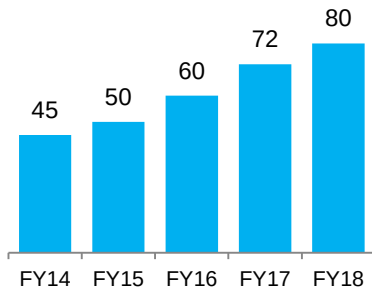


Captive Power

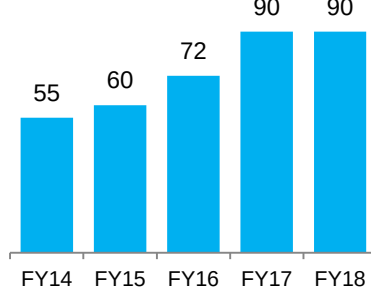
- ✓ Current integration of about 70% in Spinning and Weaving
- ✓ Captive power generation
- ✓ Welspun India's backward integration has helped improve margin, better quality control and timely delivery

Growing Capabilities

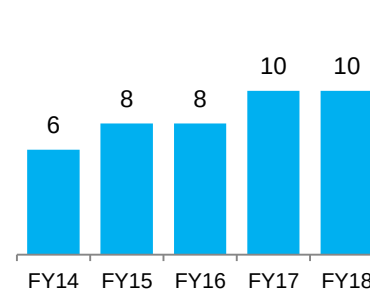
Towels ('000 MT)



Bed Linens ('Mn mtrs)



Rugs & Carpets ('Mn sq. mtrs)



✓ FY18 Effective Utilisation:

Towels : 80%

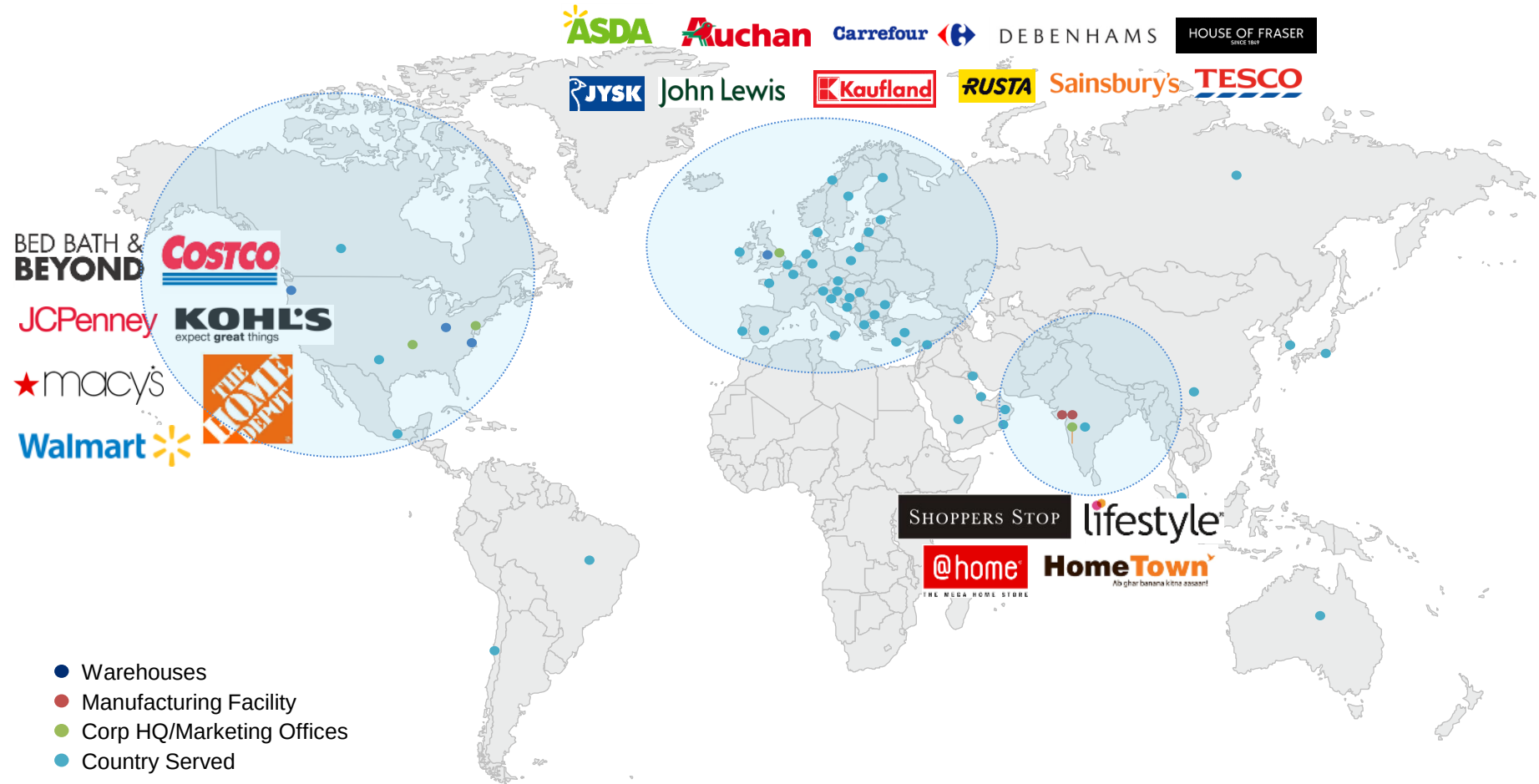
Sheets : 80%

Rugs : 65%

- ✓ Investment of around Rs. 9 bn planned in FY19; Rs. 5.6 bn done in 9MFY19

- ✓ Majority of the investment towards flooring solutions project

3 GLOBAL DISTRIBUTION NETWORK WITH MARQUEE CLIENTS



Delivery and Reach in Over 50 Countries

4 DIVERSIFIED BRAND PORTFOLIO

Spectrum of Welspun Brands: Continue to Evolve

Premium &
Luxury

Innovation

Sustainability &
Empowerment

Technology



Coveted Licenses



Branded Products Contribution to Sales at 17% in FY18

5 TRACK RECORD OF INNOVATION

- **37%** of Sales from Innovative Products
- **30** unique inventions filed globally



- Contributes more than \$175 Mn of Sales annually
- Gaining traction in hospitality & domestic market

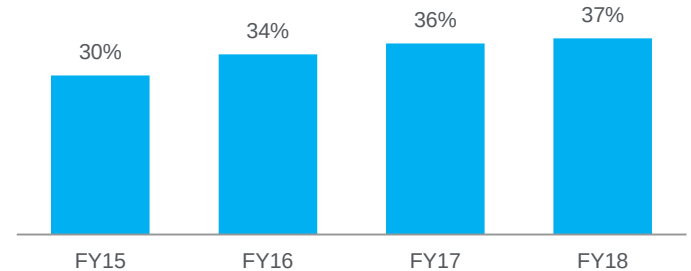


- Received Asthma and Allergy Free Certification for bedding products in US post stringent testing



- Constitutes 3% of total revenue

Increasing Share of Innovative Products



The Innovative & Branded products account for more than 45% of revenue

HYGRO Cotton

before washing after 3 washings



Regulates temperature for individual comfort



**Global
Collaboration
on Innovation**



Top Universities



Technology Partners



Industry Associations

6 SUSTAINABILITY: FOCUS ON THE 3Es



- Digital education
- Improving learning levels of children
- Welspun run schools

Education

3Es of Corporate Social Value

Environment & Health



- Health Camps & Mobile Medical Vans
- Sanitation block construction
- Tree plantation
- Rain water harvesting

Empowerment



- Promoting Indian women in sports
- Women Hygiene and sanitary pads

Empowerment

- **Women Hygiene and Sanitary pads-** Creating women entrepreneurs through distributorship model in villages ensuring each woman and adolescent has access to sanitary pads. So far 60 entrepreneurs are created impacting over 22,000 women in the villages of Anjar, Vapi, Saharanpur and Dewas
- **Promoting Indian women in sports-** Sponsorship to 13 women from various discipline of sports coming from struggling backgrounds

Education

- **Project Gyankunj on Digital Education** – Installed 223 digital software in govt school classrooms impacting over 50,000 children of Valsad, Kutch and Bharuch districts in Gujarat
- **Welspun Vidya Mandir at Anjar:** quality education to 1,600 students with 75 Teachers
- **Gayatri Devi Public school at Anjar** – Welspun run state board school catering to 200 students from 1st to 9th std

Environment & Health

- **Plantation-** 30k saplings planted in Anjar, Vapi and Dahej so far
- **Mobile Health Vans:** Impacting 19 villages of Anjar
- **Sanitation blocks-** Built over 6,000 sanitation blocks in Vapi and Anjar
- **Project Navchetna-** Initiative to curb Malnutrition in children and anemia in women. Operational in 10 villages of Anjar and 5 villages of Vapi benefitting over 22,000 villagers

6

INCLUSIVE GROWTH: IMPLEMENTING SMART VILLAGES

E-Connectivity

- Wi-fi enabled villages with CCTV coverage
- Complete E-governance
- PA system with speakers
- Comprehensive CMS for Panchayat Office

Environment

- Green cover in all public land
- Segregation and organized disposal of garbage
- 100% LED / solar street lighting
- Swachh Bharat Abhiyan awareness

Essential Infrastructure

- Well-constructed roads with kerbstones
- Drainage and sewage disposal systems
- Mobile library



Education

- Smart centres
- CCTV enabled premises
- Vocation training in secondary schools
- Bio gas for cooking midday meals in school kitchen

Empowerment

- Upgraded CSR and skill development centres
- E-enabled milk banks
- Vocational training in skills like IT and sering
- 100% enrolment of adults under Government schemes

6 SUSTAINABILITY IN EVERYTHING THAT WE DO



STP Installed with a Capacity to Process 30 MN Liters Per Day; currently saving 6,500 million Liters of Narmada River Water annually



85% Water Recovered From STP Used at Plant



10,000+ Youth Trained via Welspun's Skill Development Program



1,200+ Women Engaged Across 10 Vocational Centers



Annual saving of 9 mn kWh of Energy



SA 8000 Certified Operations for Socially Responsible Practices

EXPERIENCED BOARD & MANAGEMENT WITH PROVEN TRACK RECORD

Board of Directors

B.K.Goenka, Chairman

- Amongst India's most dynamic businessmen
- Ranked amongst India's Most Powerful CEO by Economic Times
- Emerging Company of the Year Award in 2008

Arun Tadarwal, Independent Director, Audit Committee Chairman

- 20+ years of experience in Finance, Audit, Taxation and Quality Management. Member of ICAI, practicing since 1981

Ms. Anisha Motwani, Independent Director

- 28+ years experience in advertising, auto-manufacturing, financial and health services. Currently advisor to World Bank. Voted among '50 Most Powerful Women in Indian Business' by Business Today for 3 consecutive years

Pradeep Poddar, Independent Director

- Technocrat & Corporate Leader with 30+ years of experience in consumer products industry and vast experience in brand building

Arvind Singhal, Independent Director

- MBA from University of California, founded Technopak, India's leading management & operations consulting firm with focus on Textiles, Retail, Healthcare etc

Shalil Mukund Awale, Nominee Director

- Chief GM at IDBI Bank with nearly 22 years covering areas like Priority sector, Retail Banking, Investment & Treasury, Venture Capital Finance, Audit

Management Team

Rajesh Mandawewala, Managing Director

- In-charge of textile business; instrumental in growing reach over 50 countries
- 25+ years of experience in industries varying from Textiles to SAW pipes.
- He is a Qualified chartered accountant

Ms. Dipali Goenka, CEO & Joint Managing Director

- Driving force behind textile business, successfully led development of two brands – SPACES and Welhome
- Graduate in Psychology & completed Management Programm from Harvard

Altat Jiwani, CFO (Welspun India)

- 25+ years experience in corporate finance roles across diverse industries.
- Worked with RPG Group for 19years. Last role as CFO, Phillips Carbon Black

Ms. Julie McKenzie, CEO (Welspun USA)

- 35+ years of domestic and international experience in sales, merchandising, sourcing and licencing in the retail industry .
- Has been previously associated with Nickelodeon, Wal-Mart among others

Ritesh Khandelwal, CEO (Christy)

- 25+ years of textile experience in business development, sales, sourcing, vendor management, merchandise planning, product development, retailing

Ms. Manjari Upadhye, CEO (Domestic Retail Business)

- 17+ years of experience across the consumer products industry
- Significant contribution in brand building for FMCG companies

Mukesh Savlani, CEO (Welspun Flooring)

- Home-grown CEO with 17+ years experience in various roles at Welspun
- Engineering graduate; Leadership Program from Harvard

7

AWARDS & ACCOLADES – TESTIMONY TO EXCELLENCE

Dipali Goenka

Featured at #16 in
Asia's Top 50 Power
Businesswomen (2016)

Forbes

**Asia's 50
Power
Businesswoman**

**Platinum Award
Water Stewardship
(2018)**



APEX INDIA FOUNDATION
RECOGNISING EXCELLENCE • SPREADING AWARENESS

**STP Water
Recycle & Reuse**

**Digital / Social Media
Campaign of the Year
Christy
(2018)**

Prolific North

Social Media

**Marketing Services Award
"Spaces"
(2018)**

amazon

Marketing

**Winner of
1 Platinum, 2 Gold & 1
Silver Trophies
(2018)**



Highest Exports

**Top-3 in Product-Wise
Sustainability scores
(2017)**

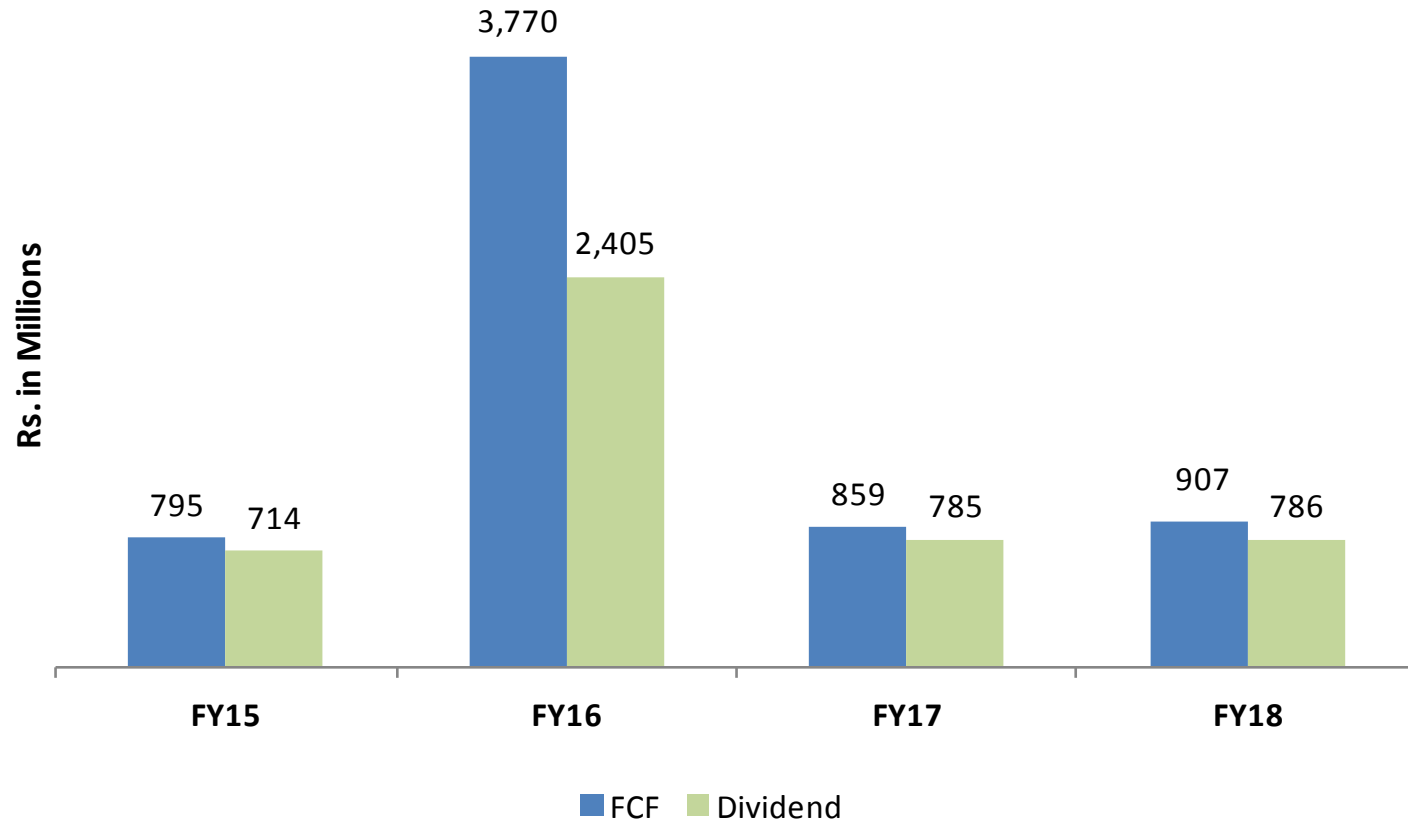
Walmart

Sustainability

and many more....

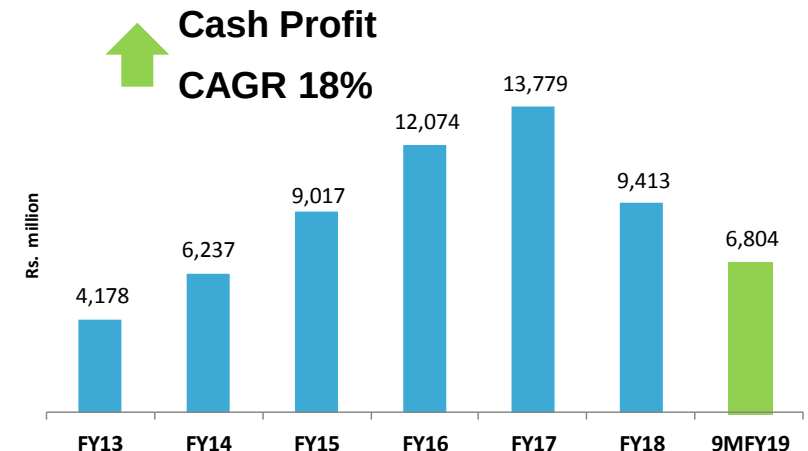
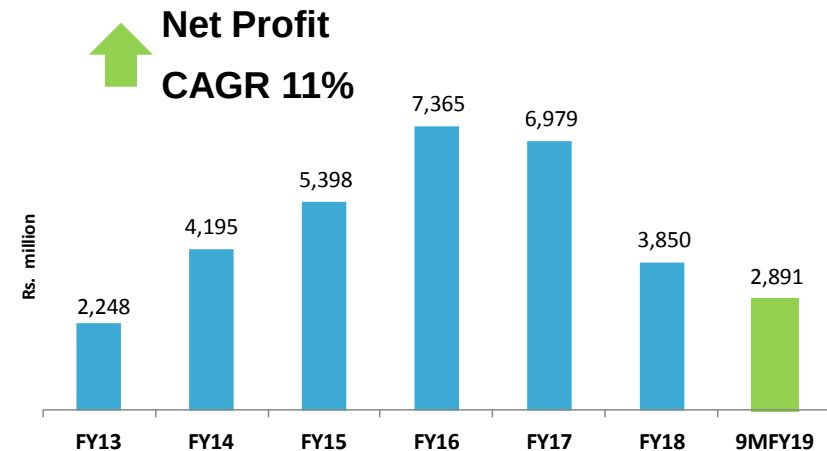
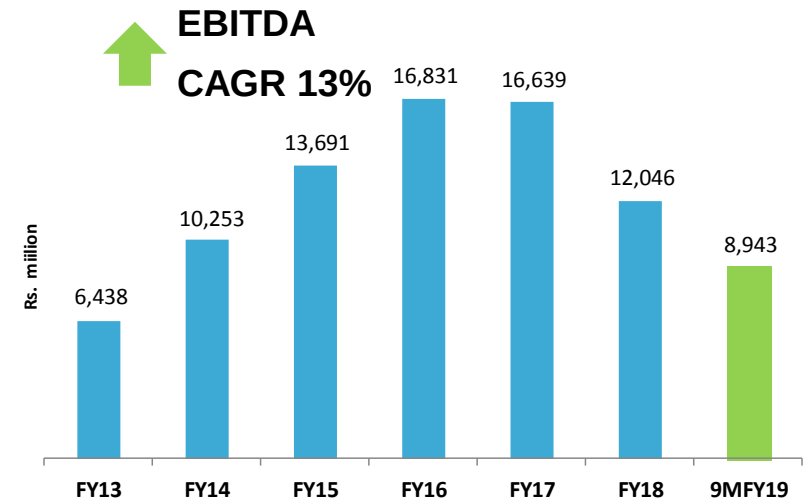
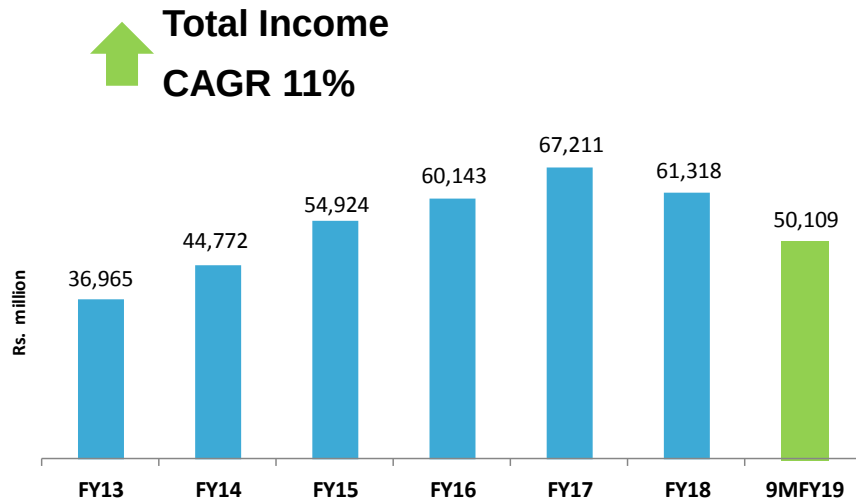
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CONTINUED FOCUS ON FREE CASH FLOW



FCF positive for four consecutive years

8 TREND OF FINANCIAL PERFORMANCE



Net Profit & Cash Profit FY17 figures adjusted for exceptional item

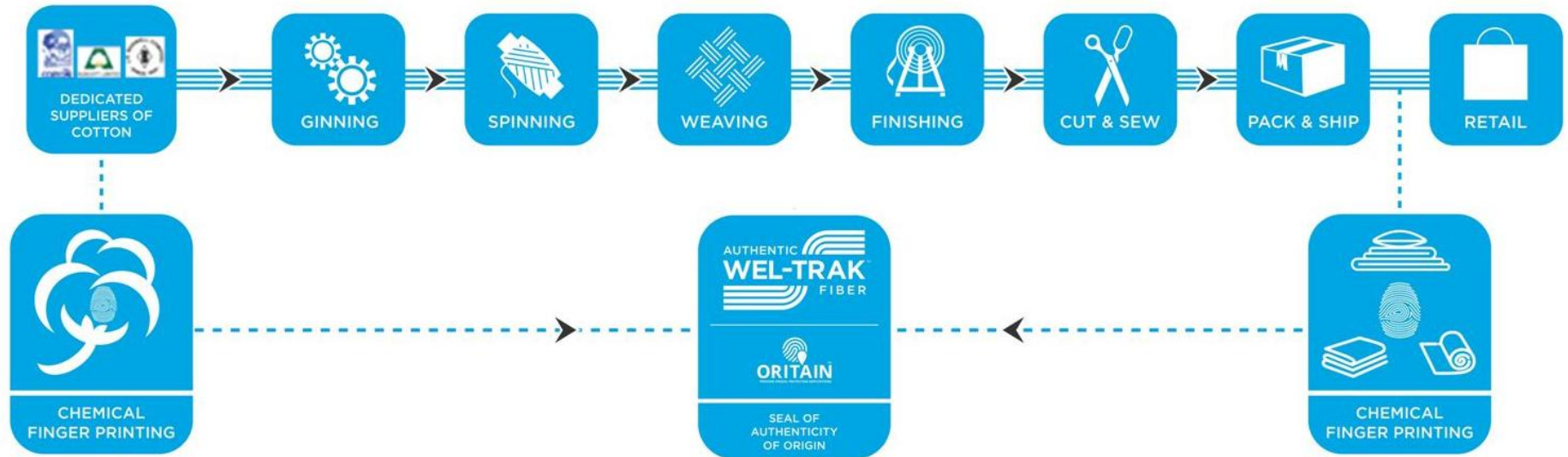
CAGR is based on FY13-FY18

KEY STRATEGIC INITIATIVES

WELSPUN'S PATENTED GLOBAL COTTON INTEGRITY PROCESS



Welspun's patented Wel-Trak™ process, supplemented by scientific traceability from Oritain™, is now the industry defining end-to-end fiber tracking process.



- Verifies fiber from the origin and at every stage of production
- Ensures rigorous process control of fiber's physical parameters
- Authenticates cotton from dedicated sources
- Assures independent third party testing
- Allows consumers to track fiber in product back to the farm where it was produced

Visit
Wel-Trak.com



SMARTSOURCING: ASSET LIGHT FUTURE GROWTH

SYNERGISTIC BENEFITS



Assured
Supply



Lower
transportation
costs



Lower inventory
Lower Interest
cost



Recycling of
packaging

**Collaboration with
Suppliers for Lead Time
Reduction via Exclusive
Set-up of Welspun
Ancillary Units**

- **Already Established Ancillaries**
 - **Spinning**
 - **Trims**
 - **Packaging materials**



**Omni-Channel Support
to Top Global Retailers
via Product
Development,
Warehousing, Pick and
Pack, Drop-Ship and
Analytics**

**SCM Analytics for Our
Customers**



Integrate



Analyze

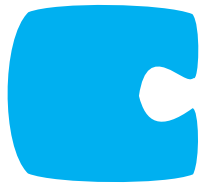


Visualize

WELSPUN 2.0 & WAY FORWARD

WELSPUN INDIA: VISION 2022

WELSPUN2.0



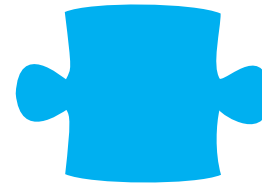
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1

Innovation

2

Brands

3

New Markets

4

New Channels

5

New Products

Revenue

\$2bn

Net Debt

NIL

Innovative / Branded
Revenue Share

50%

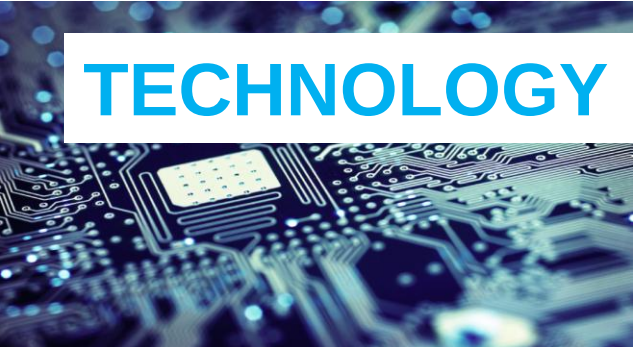
Women
Employees

20%

Share of Domestic
Revenue

20%

1 INNOVATION & PATENTS



TECHNOLOGY

Transcends to
with



HOME TEXTILES



- ✓ Creating interactive experiences through seamless integration of smart technology with home textiles
- ✓ Patented augmented reality home décor

2 BRANDS : CHRISTY

Christy Brand Reinvigorated & Launched Globally



2008



2013



2017

**A 150-Year Old
Legacy.. ‘Living
Redefined’**

- ✓ Reinvigorated the Christy Brand, which has dominant presence in UK
- ✓ Introduced the brand in US, China and Middle East; witnessed healthy growth
- ✓ Coveted Associations like Wimbledon, Rugby World Cup and Royal Ascot



2 BRANDS : SPACES

Focus on tapping Domestic Market potential

- ✓ India – one of the fastest growing economies in the world with huge potential for increasing organized market
- ✓ 'Spaces' was recently recognized as a best brand in home category by Myntra. Also, received Amazon Marketing Services Award for Spaces
- ✓ Presence in **200+ shop-in-shops**
- ✓ Licenses for Domestic Market:



SPACES

**The Next
Growth Engine**

Redesigned Brand Strategy

- ✓ Use of 360 degree marketing approach by increasing customer touch points including social media, POS, in-store, PR news, TV, outdoor, radio, customer service.
- ✓ Revisited Spaces brand campaign



3

NEW MARKETS

Composition of Sales (FY18)

- Indian Urban Home Textile market is expected to grow from INR 257bn in 2016 to INR 438bn by 2021 (i.e. CAGR of 11.25%)
- Government's Policy on 'Housing for all by 2022' to boost domestic consumption
- Implementation of GST to accelerate move towards organised sector

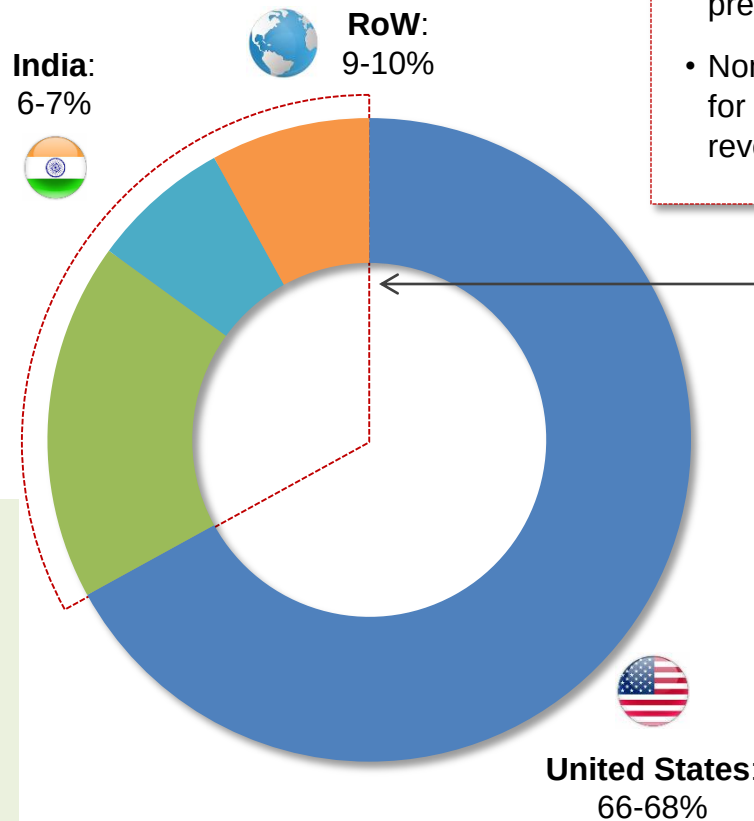
Europe:
17-18%



Presence in Europe is limited because:

- Pakistan, Turkey, Egypt and Bangladesh have preferential tariff rates from EU, exempting them from import duties
- Welspun's focus on EU has been more recent, mainly through its innovative products

Presence in Japan, the Middle East, Australia, Russia and South Africa



Future Strategy

- Welspun India to focus on increasing presence in subscale / new markets
- Non-US business is likely to account for larger share of incremental revenue going forward

Continue to gain market share in the US Home Textile market and grow its US business in the medium – long term

4 NEW CHANNELS : E-COMMERCE

In key developed markets, E-commerce constitutes 10-15% in Home Textiles. Expected to reach ~25% by FY23

Welspun approach to tap the Ecommerce opportunity

Key Ecommerce Platforms

- Key Ecommerce players increasing share of private labels to capture more value, cater to increased volumes and to have better control
- Focus on being a preferred sourcing partner for these key ecommerce platforms' private labels

Big-Box Retailers' Websites

- Strong relations with existing big-box retailers
- Selling through online channels of these retailers
- Omni Channel support to retailers on Product Development, Warehousing, Pick and Pack, Drop-Ship and Analytics
- Warehouses in US, UK, Germany and India

Own Website

- More than 10% sales of Christy in UK is own website/exclusive online
- Establishing own brands' presence across key markets
- Focus on capturing value on the Company's own portal



Exclusive Online D2C Players

- Home Textile startups penetrating D2C channels
- Looking at significant minority stake in select ventures as a strategic investor
- Partnering to create brands and tap D2C channels

Welspun sees Omni-channel as an opportunity

4 NEW CHANNELS : HOSPITALITY

Opportunity

Welspun only constitutes ~3% of total US hospitality market



- The US hospitality market is c. \$1.5bn (i.e. for towels and sheets)
- Welspun's revenue from this segment is c. \$50mn indicating huge growth potential

High potential global wellness economy of about \$3.7 trillion



- Welspun has partnered with Stay Well to tap global wellness potential
- Stay Well infuses wellness into hotel rooms with features and programs to maximise the guest experience and minimise the impact that travel has on the human body

Strategy

Focus on domestic as well as international markets

Tied up with leading hotel chains and wellness centers

5

NEW PRODUCTS : FLOORING SOLUTIONS

Wide range of Flooring products



Carpet Tiles



**Broadloom Carpets
& Area Rugs**



Artificial Grass

Welspun Flooring: Fully integrated and independent flooring vertical

- Aim to become a one-stop flooring solutions provider for domestic and international markets
- Facility to be located in Telangana
- Expected investment is ~Rs. 11 billion
- Capacity of 27 million sq. metres p.a
- Commercial production expected to start during Q3FY20

5 NEW PRODUCTS

1 Untapped Opportunity in Bedding

- Large untapped opportunity in basic bedding, comforters and quilts
- Currently, China dominates the market; India is gradually making inroads
- Contributed ~3% of sales in FY18



2 Technical / Advanced Textiles

- Products for specialized use in healthcare, fire departments, aerospace, defense, automobile, railways and other utilities.
- These products include specialized features such as fire retardants, stain resistant, anti-bacterial, PET resistant, and soil resistance, among others.
- Contributed 2% of sales in FY18




Welspun's "Welicate" Spunlace exhibits exceptionally soft hand feel and is perfect for delicate touch. Our new offering with customized fabric construction also gives superior functional properties.

KEY ADVANTAGES	40% HIGHER TENILE STRENGTH	VISUAL COMPARISON
- Extremely Soft with Smooth Appearance - Better Quality & Improved Cover Factor - Greater Water Holding Capacity - Lower Elongation Improves Process ability & Usability - High Cleaning Efficiency & Low Lint	 	

15% REDUCED WATER ABSORBENCY TIME

APPLICATIONS






BABY CARE WIPES PERSONAL CARE WIPES HOUSEHOLD WIPES MEDICAL WIPES

Email: nonwovens@welspun.com Web: www.welspunindia.com 

3 Smart Textiles

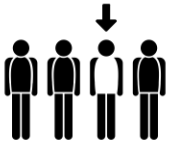
- Creating interactive experiences through seamless integration of smart technology with home textiles



RAISING THE BAR

Differentiation

Strategy :
*Innovation,
Branding &
Sustainability*



Industry Defining
Traceability
Solution



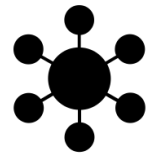
Focus on
Domestic Market



New Product
Lines



New channels



MOVING TOWARDS VISION 2022



Volatile raw
material costs



Rising energy costs



Volatile Rupee

THANK YOU

For further details, please contact:

Altaf Jiwani

Director (Finance) & CFO - Welspun India Limited

Email: altaf_jiwani@welspun.com

Harish Venkateswaran

AVP - Group Finance and Strategy

Email: harish_venkateswaran@welspun.com



APPENDIX

KEY HIGHLIGHTS- Q3 FY19

Double-digit revenue growth continues, predominantly volume-driven

Wel-Trak products contribute 3% to overall revenues

Launched Copper and Charcoal infused products as part of innovation portfolio

Successful exhibition of Welspun's flooring range at AceTech exhibitions across India as well as Domotex, Germany

Advanced textile division approved as a supplier by one of the world's largest players in wet-wipes

Major business expansion in the Hospitality business in India as well as abroad

FINANCIAL PERFORMANCE – Q3 FY19

(Rs. Million)

Particulars	Q3FY19	Q3FY18	Change YoY	Q2FY19	Change QoQ
Total income	16,574	14,143	17.2%	17,978	-7.8%
Adjusted EBITDA	2,890	2,685	7.7%	3,105	-6.9%
<i>Adjusted EBITDA Margin</i>	<i>17.4%</i>	<i>19.0%</i>	<i>-154 bps</i>	<i>17.3%</i>	<i>17 bps</i>
Forex Gain in Other Income	0	2		82	
Forex (loss) in Other Expenses	(385)	(0)		-	
EBITDA	2,506	2,687	-6.8%	3,186	-21.4%
<i>EBITDA Margin</i>	<i>15.1%</i>	<i>19.0%</i>	<i>-388 bps</i>	<i>17.7%</i>	<i>-261 bps</i>
Finance Cost	402	345	16.4%	369	8.9%
Depreciation	1,118	1,272	-12.1%	1,083	3.2%
PBT (before exceptional)	986	1,070	-7.9%	1,734	-43.2%
Exceptional (Loss)	(294)	-		(113)	
PAT (After Minority Interest)	471	774	-39.2%	1,148	-59.0%
<i>PAT Margin</i>	<i>2.8%</i>	<i>5.5%</i>	<i>-263 bps</i>	<i>6.4%</i>	<i>-354 bps</i>
Cash Profit*	1,928	2,270	-15.1%	2,435	-20.8%
EPS** (Rs.)	0.47	0.77	-39.2%	1.14	-59.0%

Exceptional expense is on account of the legal expenses related to the class action suit on the provenance issue

* Cash Profit = PBDT (before exceptionals) less Current Tax

** EPS not annualised

FINANCIAL PERFORMANCE – 9M FY19

(Rs. Million)

Particulars	9MFY19	9MFY18	Change YoY
Total income	50,109	45,969	9.0%
Adjusted EBITDA	9,107	8,970	1.5%
<i>Adjusted EBITDA Margin</i>	<i>18.2%</i>	<i>19.5%</i>	<i>-134 bps</i>
Forex Gain in Other Income	-	153	
Forex (loss) in Other Expenses	(164)	(0)	
EBITDA	8,943	9,124	-2.0%
<i>EBITDA Margin</i>	<i>17.8%</i>	<i>19.8%</i>	<i>-200 bps</i>
Finance Cost	1,114	1,027	8.5%
Depreciation	3,259	3,741	-12.9%
PBT (before exceptional)	4,570	4,356	4.9%
Exceptional (Loss)	(407)	-	
PAT (After Minority Interest)	2,891	2,983	-3.1%
<i>PAT Margin</i>	<i>5.8%</i>	<i>6.5%</i>	<i>-72 bps</i>
Cash Profit*	6,804	7,088	-4.0%
EPS** (Rs.)	2.88	2.97	-3.1%

Exceptional expense is on account of the legal expenses related to the class action suit on the provenance issue

* Cash Profit = PBDT (before exceptionals) less Current Tax

** EPS not annualised

FINANCIAL PERFORMANCE TREND

(Rs. Million)

Particulars	FY15	FY16	FY17	FY18	9MFY19
Total income	54,924	60,143	67,211	61,318	50,109
<i>Growth %</i>	22.7%	9.5%	11.8%	-8.8%	9.0%
EBITDA	13,691	16,831	16,639	12,046	8,943
<i>EBITDA Margin</i>	24.9%	28.0%	24.8%	19.6%	17.8%
Depreciation	3,329	3,718	5,054	5,042	3,259
Finance cost	2,829	2,368	1,583	1,408	1,114
PBT (before exceptional)	7,533	10,745	10,003	5,597	4,570
Exceptional (Loss)	-	-	(4,648)	-	(407)
PBT	7,533	10,745	5,355	5,597	4,163
PAT (After Minority Interest)	5,398	7,365	3,576	3,850	2,891
Cash Profit*	9,095	12,074	13,779	9,413	6,804
EPS** (Rs.)	5.4	7.3	3.6	3.8	2.9

* Cash Profit = PBDT (before exceptionals) less Current Tax

** Adjusted for stock split

BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-18
Net Worth	14,732	19,700	23,971	26,057	28,213
Short Term Loans	13,936	13,533	11,721	12,580	15,763
Long Term Loans	20,864	18,945	21,393	20,228	19,980
Welspun Flooring debt	-	-	-	-	2,036
Gross Debt	34,800	32,478	33,114	32,807	35,743
Cash & Cash Equiv.	4,321	1,388	2,725	2,538	4,352
Net Debt	30,479	31,090	30,389	30,269	31,392
Net Debt excluding Flooring debt	30,479	31,090	30,389	30,269	29,356
Average Capital Employed #	47,619	53,331	58,189	62,111	65,337
Net Fixed Assets (incl CWIP)	26,049	33,508	35,713	33,641	33,137
Net Current Assets*	17,630	16,845	20,114	23,734	24,219
Total Assets	58,960	65,491	73,283	72,249	77,489

Capital Employed = Net worth + Gross Debt + Other Long Term Liabilities

* Net Current Assets does not include Cash & Cash Equivalents

FINANCIAL RATIO TREND

		FY15	FY16	FY17	FY18	9MFY19
Solvency ratios	Net debt/Equity	2.07	1.58	1.27	1.16	1.11
	Net debt/EBITDA	2.23	1.85	1.83	2.51	2.63
	EBIT/Interest	3.66	5.54	7.32	4.98	5.10
Operational ratios	Current Ratio	1.12	1.15	1.41	1.42	1.28
	Fixed Asset turnover	2.04	1.77	1.86	1.80	2.00
	Total Asset turnover	0.90	0.90	0.91	0.84	0.86
	Inventory days	76	68	70	79	68
	Debtor days	40	52	53	56	55
	Payable days	30	41	41	39	36
	Cash conversion cycle	86	79	82	96	87
Return ratios	ROE	41.8%	42.8%	29.6%	15.4%	14.2%
	ROCE (pre-tax)	21.8%	24.6%	19.3%	11.3%	11.6%

Continuous Improvement in Net Debt/Equity

1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales/ (Fixed assets + Gross current assets)
3. FY17 Return Ratios figures adjusted for Exceptional item
4. For 9MFY19, P&L figures have been annualized
5. ROCE (pre-tax) excluding Welspun Flooring is 12.0% for 9MFY19

DIVIDEND POLICY

- **Board Approved Dividend Distribution policy**
 - 25% of standalone PAT to be the total payout (incl. dividend tax)
- **Consistent track record of dividend distribution**

Period	Standalone EPS	DPS	Dividend tax per share	Payout Percentage
FY15	5.09	1.05	0.21	25%
FY16	5.99	1.30	0.26	26%
FY17	3.05	0.65	0.13	26%
FY18	3.03	0.65	0.13	26%