

# INVESTOR PRESENTATION

May 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\$ 2.7 Billion**

**Fixed Asset Base  
US\$ 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<sup>(1)</sup>

With presence in

**Bed, Bath & Flooring**

Presence in

**50+ Countries**

Trusted and Preferred Suppliers to

**17 of Top 30**

Global Retail Giants

**31 Unique innovations**

**38% Sales: Innovative Products<sup>(3)</sup>**

**17% Sales: Branded Products<sup>(3)</sup>**

## Ranked #1

among Home Textile Suppliers  
to USA

by Home & Textiles Today magazine

**5 Times in Last 6 Years**

**Every 5<sup>th</sup> Towel**  
**Every 9<sup>th</sup> Sheet**

sold in the US is made by Welspun<sup>(2)</sup>

**3E's of Corporate  
Social Value**

Education, Environment & Health,  
Empowerment



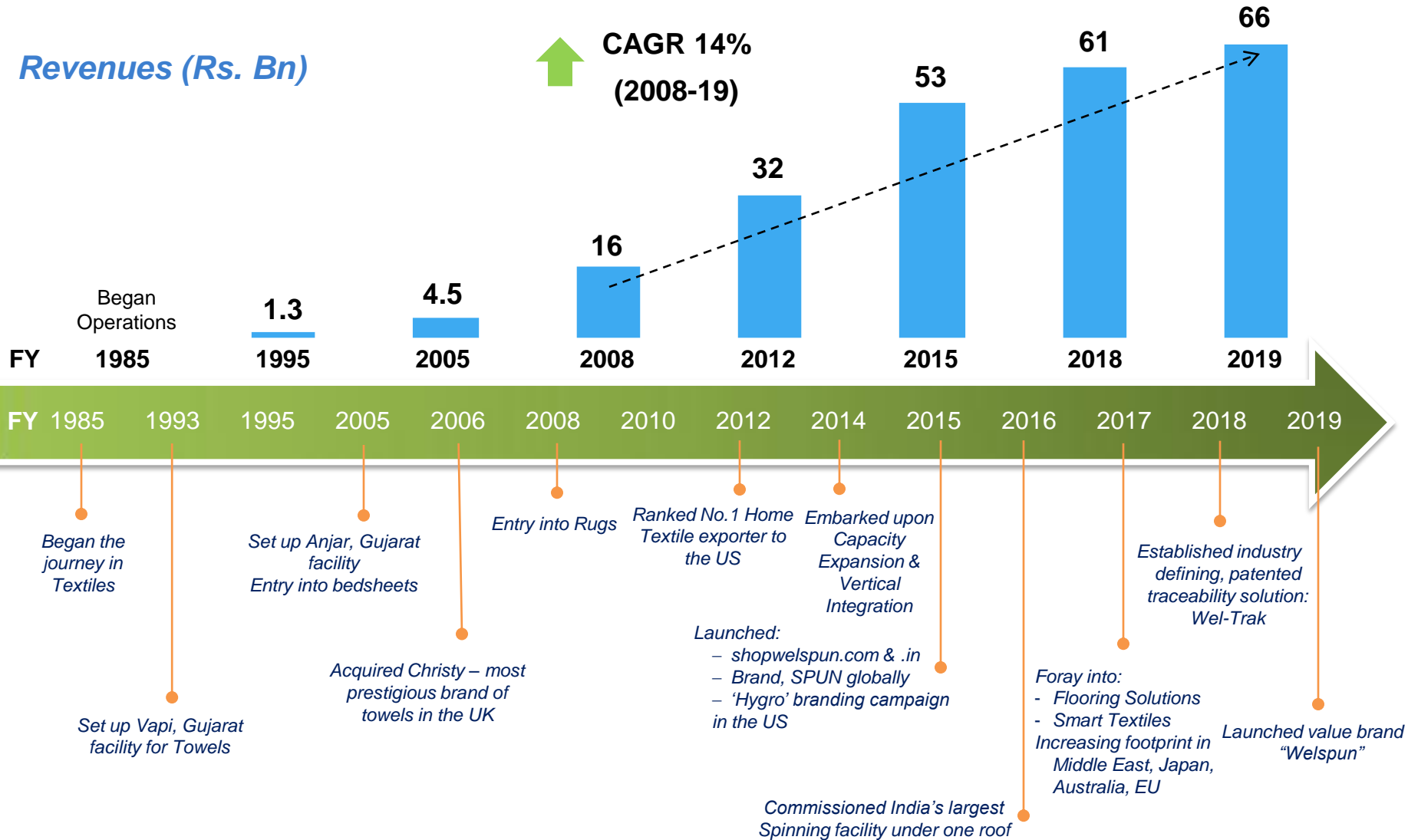


# KEY MILESTONES

*Revenues (Rs. Bn)*

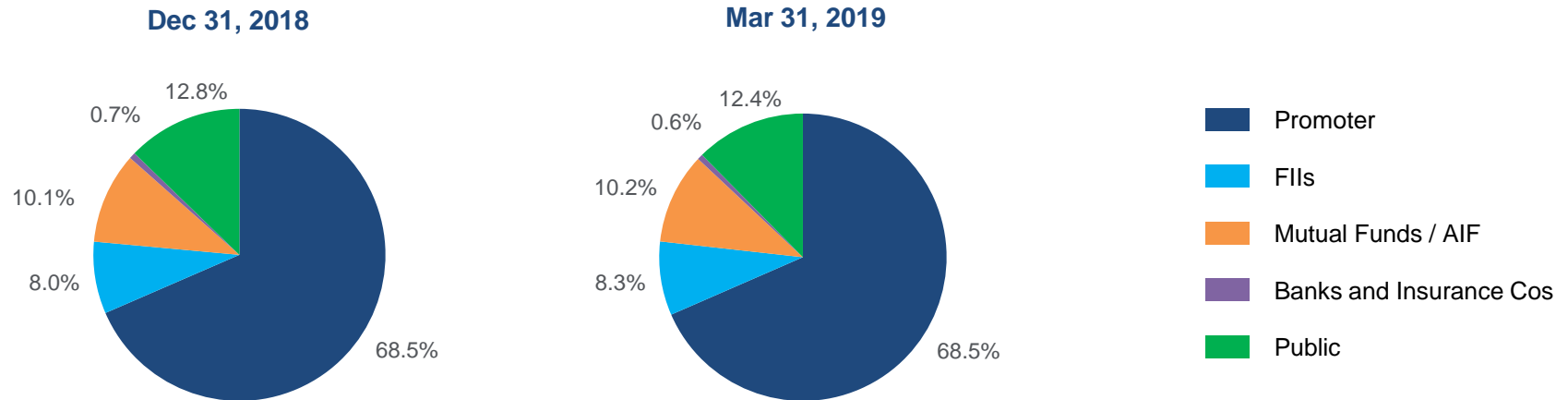


**CAGR 14%**  
**(2008-19)**



# SHAREHOLDING AND TRADING SNAPSHOT

## Shareholding Pattern



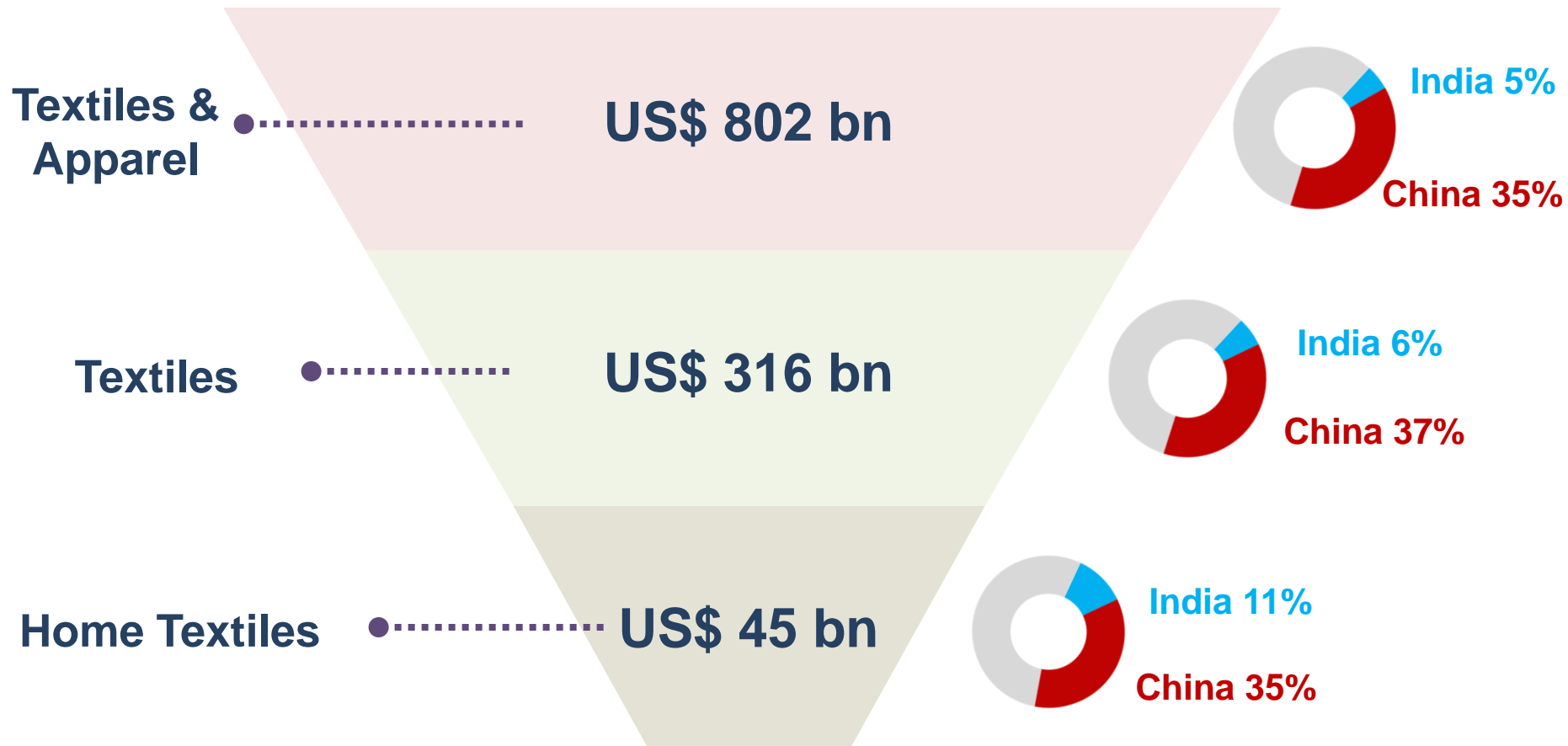
## Market Statistics

As on Mar 31, 2019	INR	USD
Price per share	59.65	0.86
No of Shares outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	59,948	862
Daily Average Trading Volumes (Q4FY19) No of shares in Mn	0.89	0.89
Daily Average Trading Value (Q4FY19) (Mn)	50.49	0.73



# INDUSTRY OVERVIEW

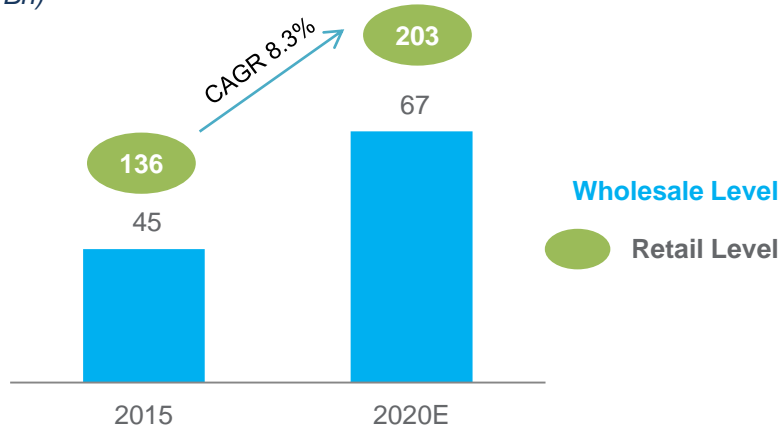
# ASIAN DOMINANCE IN HOME TEXTILES



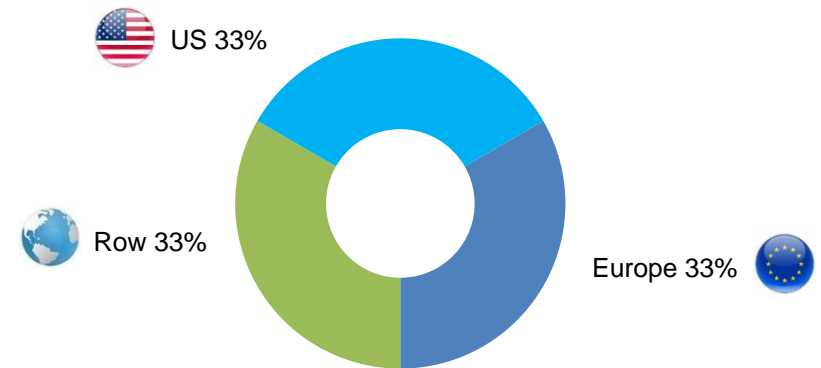
# GLOBAL MARKET OPPORTUNITY

## Global Home Textile Market

(USD Bn)



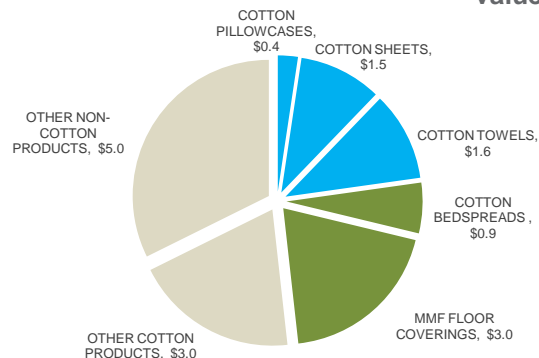
## Market Composition



## US Home Textile Market (2016)

(USD Bn)

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



Strong Presence of India

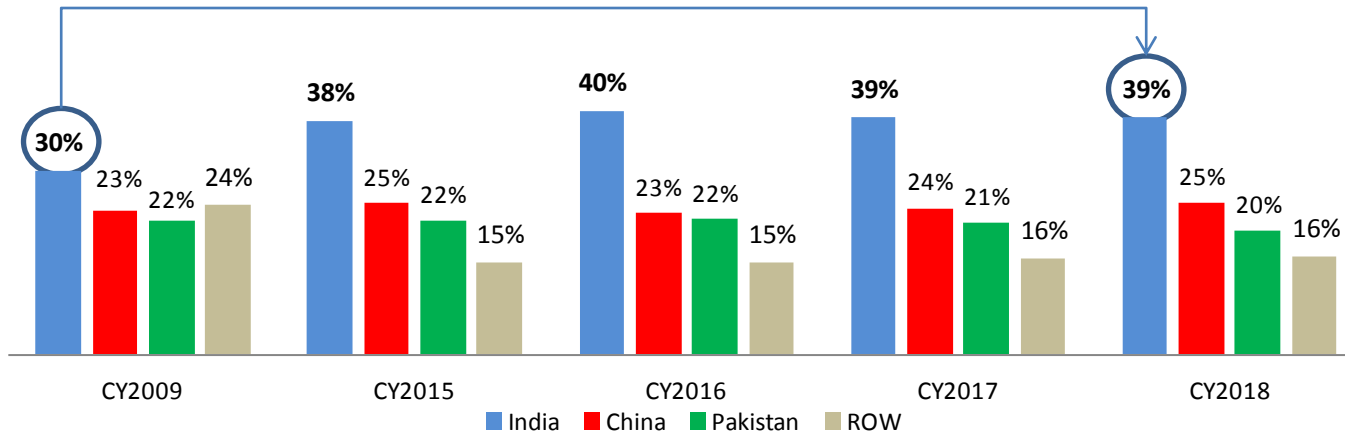
Next Opportunity for India

- ✓ **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

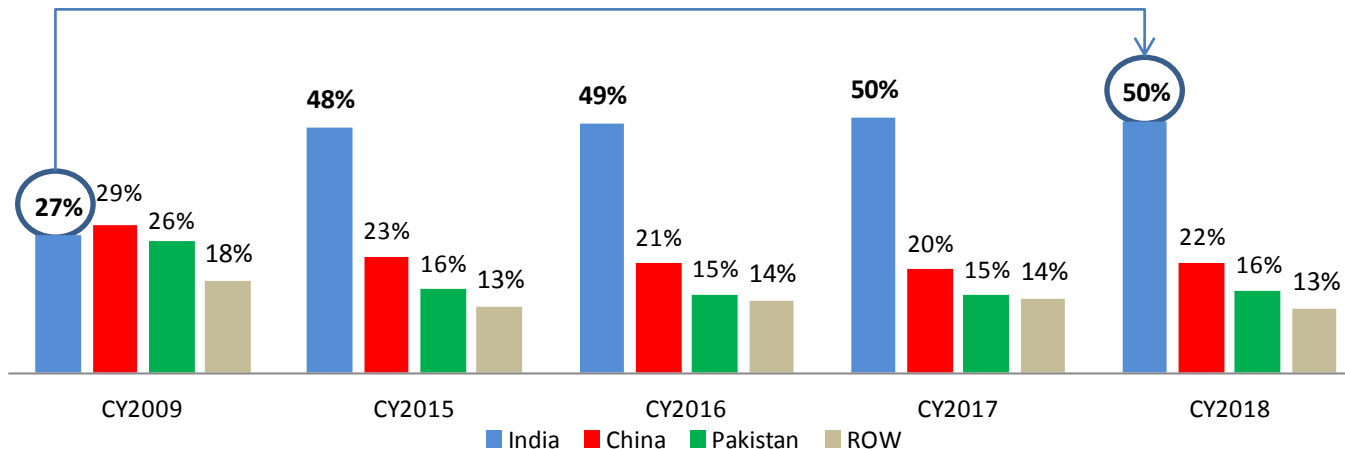
↑ 9 percentage pts



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

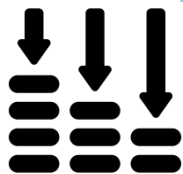
**1** Largest Producer of Cotton



**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

4

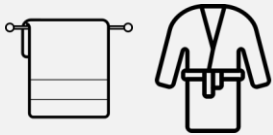
Diversified Brand Portfolio





## 1 LEADING MARKET PLAYER WITH A WIDE PRODUCT RANGE

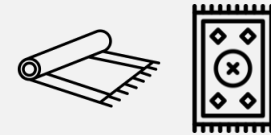
### Widest product range in the Home Textiles segment



**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**

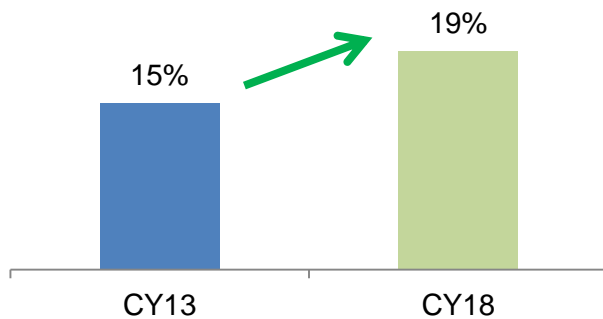


**Strong track record of customer satisfaction and repeat business from them;  
80% revenue from replenishment**

# 1 LEADING MARKET PLAYER

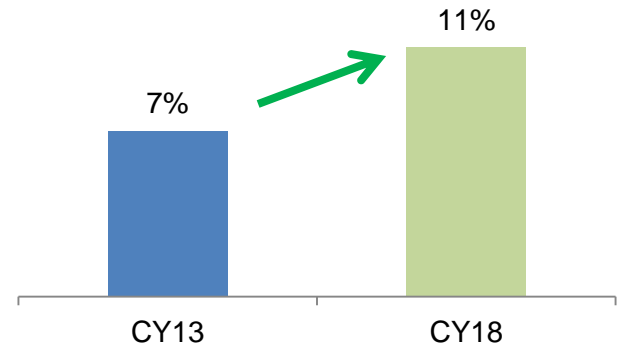
Ranked No.1 supplier to the US 5 times in last 6 years by Home & Textiles Today magazine

Every 5th towel sold in US is made by Welspun

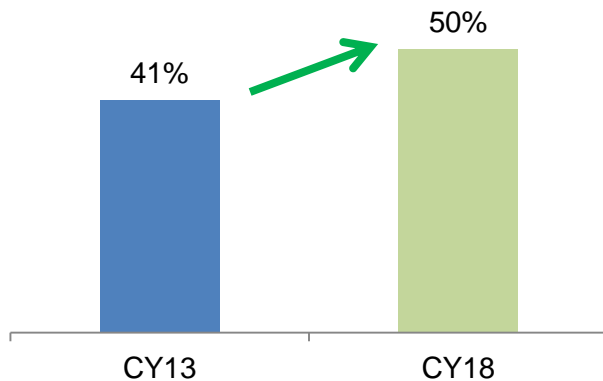


**Welspun's Market Share in US Towels Market**

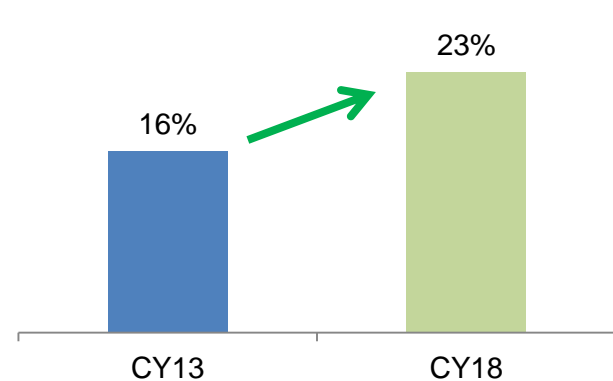
Every 9th sheet sold in US is made by Welspun



**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

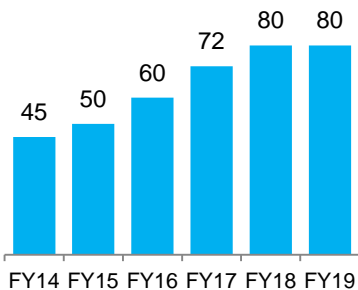


Captive Power

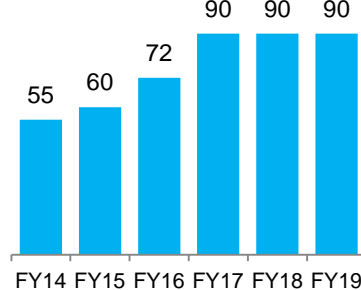
- ✓ Current integration of about 70% in Spinning and Weaving
- ✓ Captive power generation
- ✓ Welspun India's backward integration has helped improve margin, better quality control and timely delivery

### Growing Capabilities

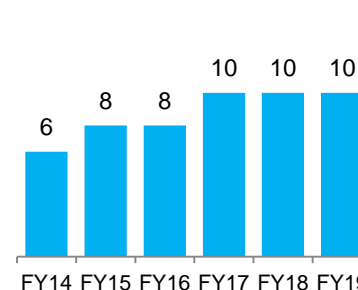
#### Towels ('000 MT)



#### Bed Linens ('Mn mtrs)

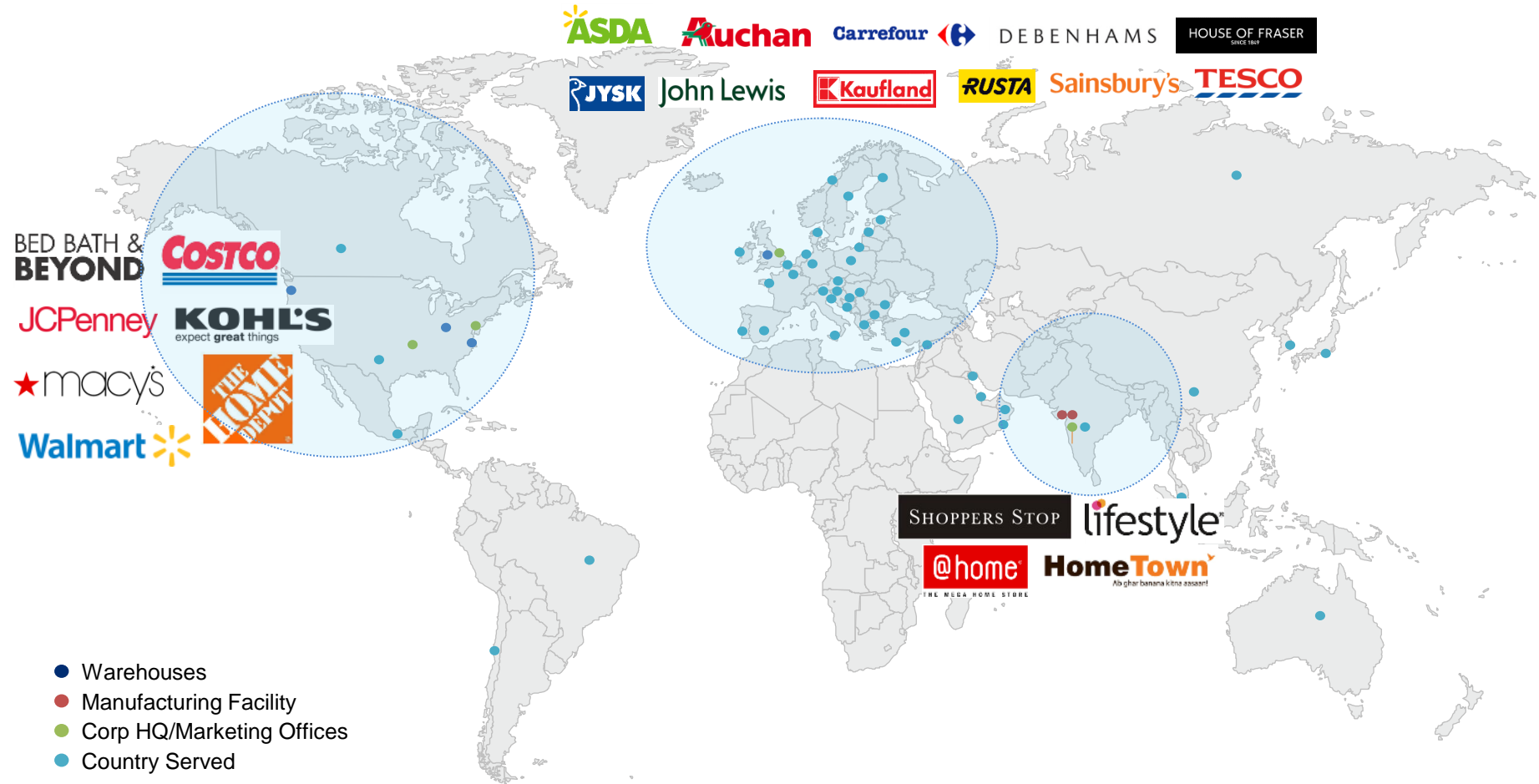


#### Rugs & Carpets ('Mn sq. mtrs)



- ✓ FY19 Effective Utilisation:  
Towels : 88%  
Sheets : 82%  
Rugs : 70%
- ✓ Capex of around Rs. 7.5 bn in FY19 incl. 5.6 bn in flooring
- ✓ FY20 capex expected at Rs. 6 bn

### 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

Value

Innovation

Sustainability &  
Empowerment



### Coveted Licenses



Branded Products Contribution to Sales at 17% in FY19

## 5 TRACK RECORD OF INNOVATION

- **38%** of Sales from Innovative Products
- **31** unique inventions filed globally



- Contributes more than \$180 Mn of Sales annually
- Gaining traction in hospitality & domestic market

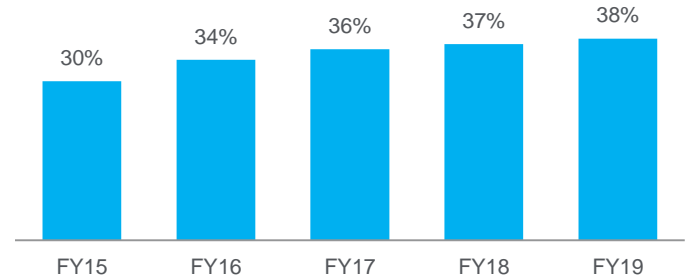


- Received Asthma and Allergy Free Certification for bedding products in US post stringent testing



- 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**



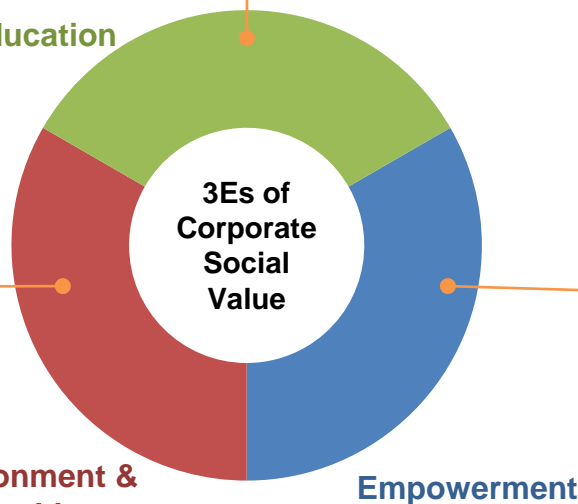
**Industry Associations**

## 6 SUSTAINABILITY: FOCUS ON THE 3Es



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

### Education



### Environment & Health



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



- 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 1<sup>st</sup> to 9<sup>th</sup> 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 million Liters Per Day; 85% treated water used at plant**



**Saved 6,920 million Liters of recycled water in CY2018 (Equal to New York City Water consumption for 5 years)**



**68 million KWH energy saved in CY2018 (Equal to 80,000+ household energy consumption per month)**



**Reduced 6 million tons of CO<sub>2</sub> emissions by logistics efficiency**



**1,200+ Women Engaged Across 10 Vocational Centers; 10,000+ Youth Trained via Welspun's Skill Development Program**



**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

### **Altaf 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. 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)**

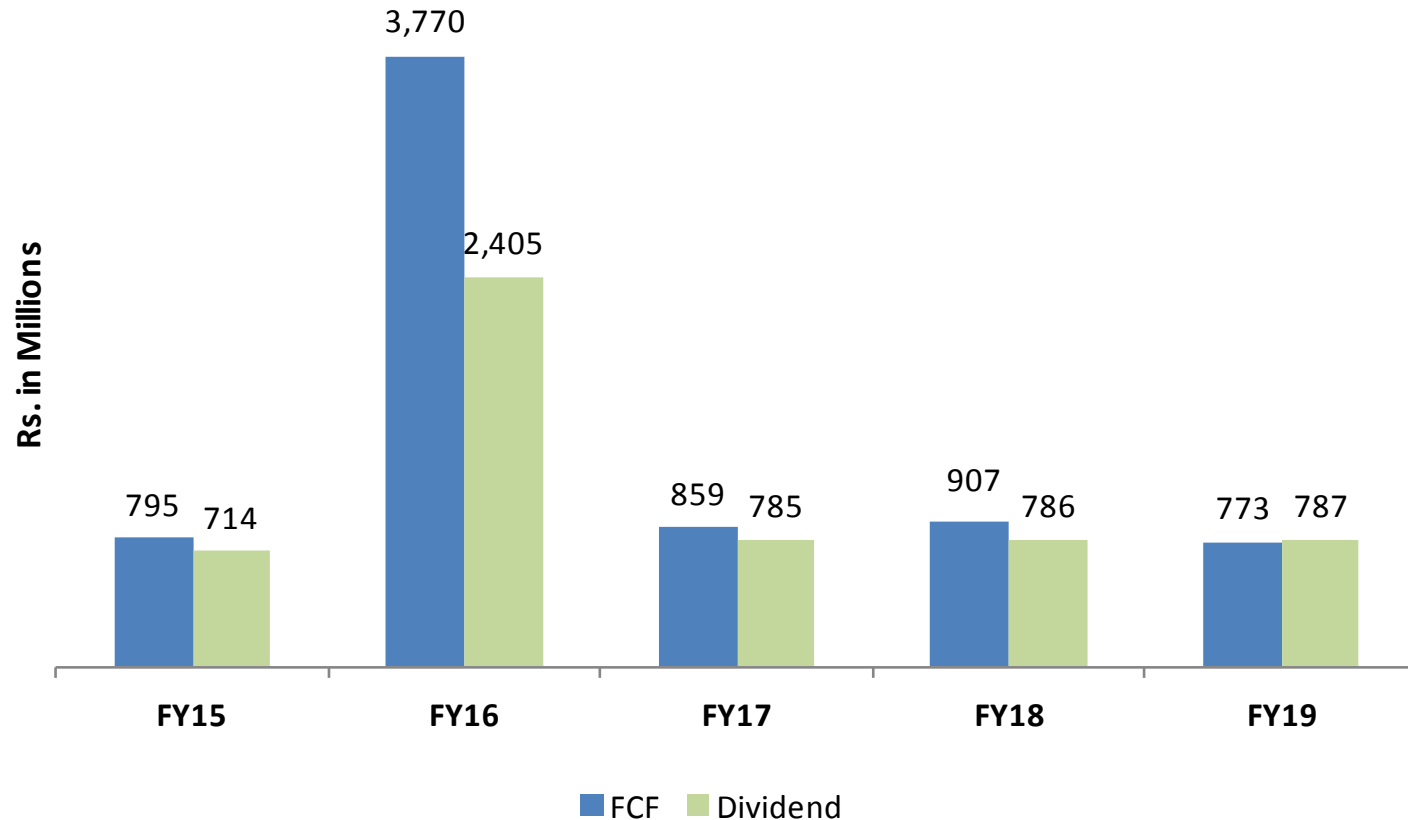
**Walmart**

**Sustainability**

*and many more....*

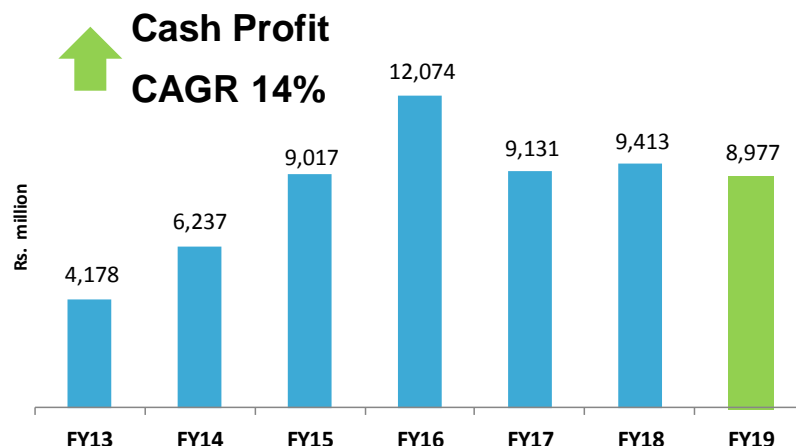
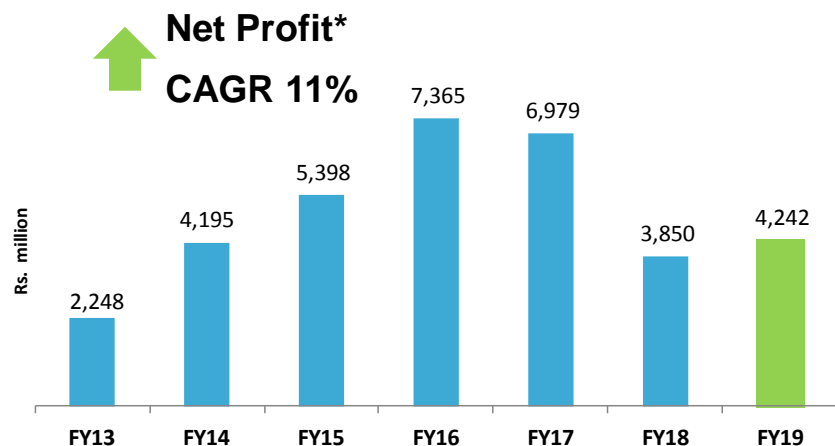
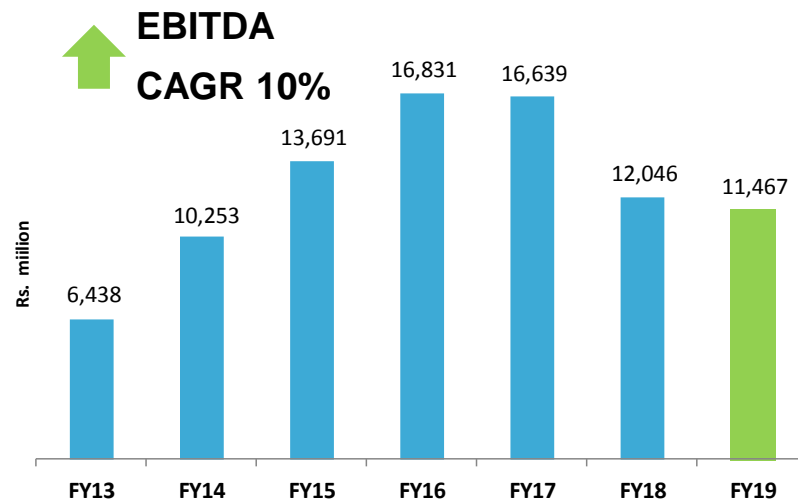
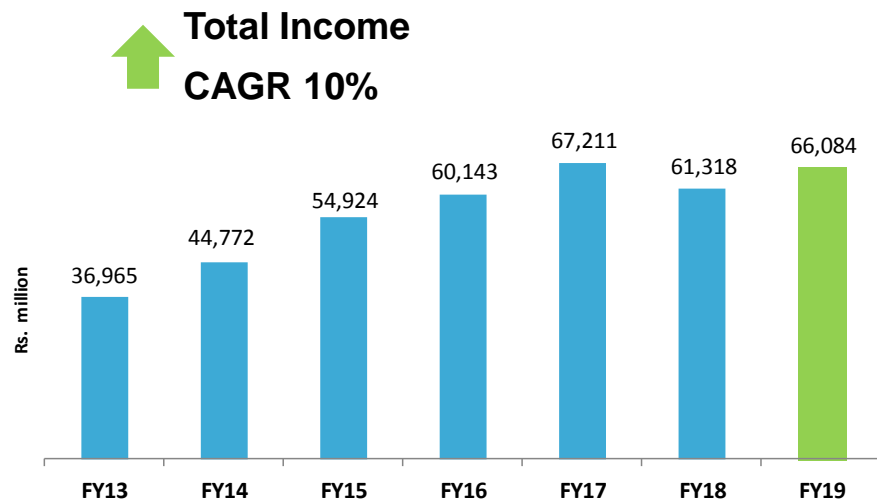
**8**

## CONTINUED FOCUS ON FREE CASH FLOW



**FCF positive for five consecutive years**

## 8 TREND OF FINANCIAL PERFORMANCE



\*Net Profit for FY17 & FY19 is adjusted for exceptional items

CAGR is based on FY13-FY19

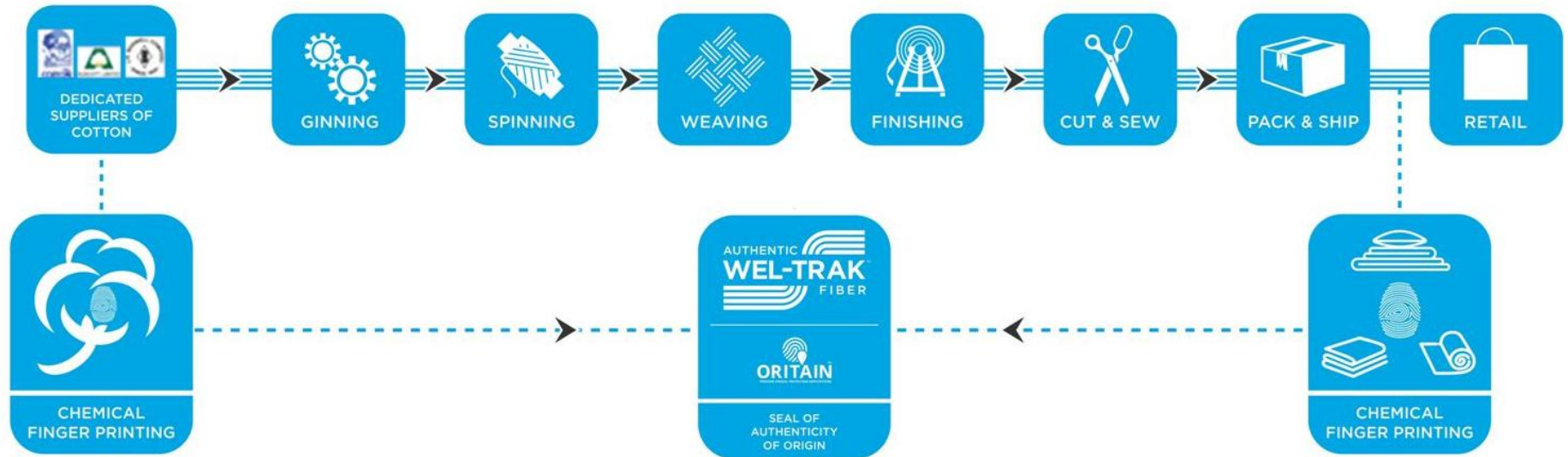
# KEY STRATEGIC INITIATIVES



# 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](http://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

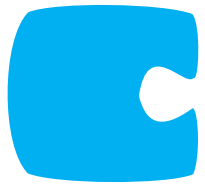


Visualize

# **WELSPUN 2.0 & WAY FORWARD**

# WELSPUN INDIA: VISION 2022

## WELSPUN2.0



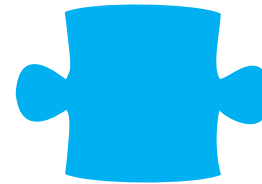
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1

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

Focus on expanding innovative & patented products portfolio offering

## COPPER

Copper infused fibers offer natural antimicrobial protection to keep your home textiles fresher longer.

SpunCopper™



## WEL-TRAK™

Welspun's proprietary supply chain transparency program. We've partnered with Oritain™ to have complete supply chain transparency from farm to shelf.



## ORGANIC

The trusted provider of organic sheets and towels for top retailers.

## DRYLON

This poly material is ultra soft to the touch and dries super fast to create an ideal bath rug.



**HYGRO**  
COTTON™  
BY WELSPUN

## HYGRO

Our patented technology leverages hollow core yarn for the ultimate in temperature regulating sheets and absorbent towels that get fluffier after each wash.



BEFORE WASHING    AFTER 3 WASHINGS



## CHARCOAL

From sports towels to bed sheets that aren't washed as often as they should be, charcoal woven into our fabrics provides natural odor control benefits.



## 2 BRANDS : CHRISTY

### Christy Brand Reinvigorated & Launched Globally



- ✓ Introduced the brand in US, China and Middle East; witnessed healthy growth
- ✓ Coveted Associations like Wimbledon, Rugby World Cup and Royal Ascot

- ❑ Brexit uncertainty has impacted sales in recent quarters
- ❑ However, UK retail appears to have bottomed out
- ❑ Welspun working on improving efficiency across business, optimising retail operations & increasing focus on B2B business

### A 150-Year Old Legacy.. 'Living Redefined'





## 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:

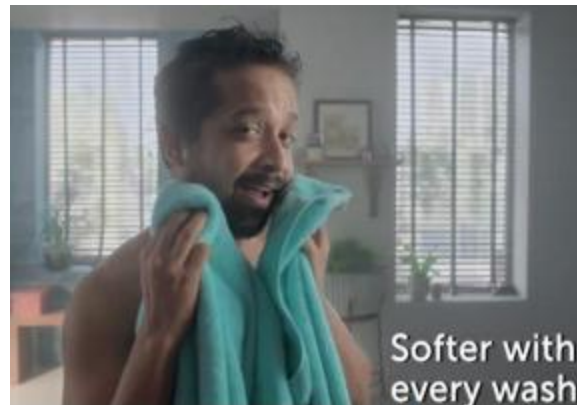


SPACES

**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



## 2 BRANDS : WELSPUN

Value brand 'Welspun': Focus on tapping a larger segment of the domestic market

### Reaching Larger Audience

IPL: Official Partner of Kings XI Punjab



Audio Advertising at  
Mumbai Local and  
Bus Stands



Jaldi Sookhe, Jaldi Sukhaye

Election TVC on News Channels



Campaign at Kumbh Mela



Outdoor Advertising



## Composition of Sales (FY19)

- 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:**  
18-20%



Presence in Europe is limited because:

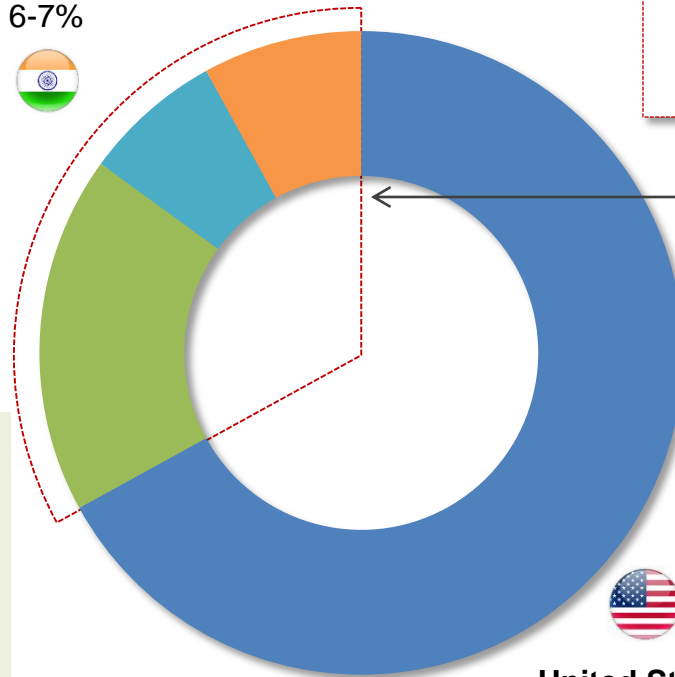
- Pakistan, Turkey, Egypt and Bangladesh have preferential tariff rates from EU, exempting them from import duties
- Welspun's focus on EU has been more recent, mainly through its innovative products

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

**India:**  
6-7%



**RoW:**  
9-10%



**United States:**  
62-65%



## 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**



**Luxury Performance  
Tiles (LPT)**



**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 FY19



### 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 ~3% of sales in FY19



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	80% HIGHER TENILE STRENGTH	VISUAL COMPARISON
<ul style="list-style-type: none"> <li>Extremely Soft with Smooth Appearance</li> <li>Better Opacity &amp; Improved Cover Factor</li> <li>Greater Water Holding Capacity</li> <li>Lower Elongation Improves Process ability &amp; Usability</li> <li>High Cleaning Efficiency &amp; Low Lint</li> </ul>	 	
<p>15% REDUCED WATER ABSORBENCY TIME</p>		
<p>APPLICATIONS</p>		
 <p>BABY CARE WIPES</p>	 <p>PERSONAL CARE WIPES</p>	 <p>HOUSEHOLD WIPES</p>
 <p>MEDICAL WIPES</p>		

Email: [nonwovens@welspun.com](mailto:nonwovens@welspun.com) Web: [www.welspunindia.com](http://www.welspunindia.com)

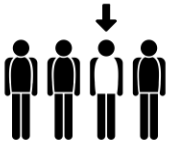


# RAISING THE BAR

Differentiation

Strategy :

*Innovation,  
Branding &  
Sustainability*



Industry Defining  
Traceability  
Solution



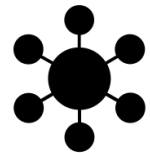
Focus on  
Domestic Market



New Product  
Lines



New channels



## MOVING TOWARDS VISION 2022



Volatile raw  
material costs



Rising energy costs



Volatile Rupee



# KEY HIGHLIGHTS & FINANCIALS

# KEY HIGHLIGHTS- FY19

**46% YoY growth during  
Q4FY19 in domestic branded  
business**

**Recognised as 'Giga-Guru'  
by Walmart for  
sustainability processes**

**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**

**Wel-Trak products contribute  
3% to overall revenues**

**New campaign launched for  
'Spaces' and 'Welspun'  
brands**

**Commissioned  
all-women multi-operation  
unit at Anjar**

# FINANCIAL PERFORMANCE – Q4 FY19

(Rs. Million)

Particulars	Q4FY19	Q4FY18	Change YoY	Q3FY19	Change QoQ
<b>Total income</b>	<b>16,009</b>	<b>15,349</b>	<b>4.3%</b>	<b>16,574</b>	<b>-3.4%</b>
EBITDA	2,524	2,922	-13.6%	2,506	0.7%
<i>EBITDA Margin</i>	<i>15.8%</i>	<i>19.0%</i>	<i>-327 bps</i>	<i>15.1%</i>	<i>65 bps</i>
Finance Cost	479	381	25.8%	402	19.2%
Depreciation	1,098	1,301	-15.6%	1,118	-1.7%
<b>PBT (before exceptional)</b>	<b>946</b>	<b>1,241</b>	<b>-23.7%</b>	<b>986</b>	<b>-4.0%</b>
Exceptional (Loss)	(2,240)	-		(294)	
PAT (After Minority Interest)	(793)	866	-191.5%	471	-268.3%
Cash Profit*	2,174	2,325	-6.5%	1,928	12.8%
EPS** (Rs.)	(0.79)	0.86	-191.5%	0.47	-268.3%

Exceptional loss in Q4FY19 is on account of the provision related to the class action suit settlement on the provenance issue

Exceptional expense in Q3FY19 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 – FY19

(Rs. Million)

Particulars	FY19	FY18	Change YoY
<b>Total income</b>	<b>66,084</b>	<b>61,318</b>	<b>7.8%</b>
EBITDA	11,467	12,046	-4.8%
<i>EBITDA Margin</i>	<i>17.4%</i>	<i>19.6%</i>	<i>-229 bps</i>
Finance Cost	1,593	1,408	13.2%
Depreciation	4,358	5,042	-13.6%
<b>PBT (before exceptional)</b>	<b>5,516</b>	<b>5,597</b>	<b>-1.4%</b>
Exceptional (Loss)	(2,647)	-	
PAT (After Minority Interest)	2,098	3,850	-45.5%
Cash Profit*	8,977	9,413	-4.6%
EPS (Rs.)	2.09	3.83	-45.5%

Exceptional loss in FY19 is on account of the provision & legal expenses related to the class action suit on the provenance issue

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

# FINANCIAL PERFORMANCE TREND

(Rs. Million)

Particulars	FY15	FY16	FY17	FY18	FY19
<b>Total income</b>	<b>54,924</b>	<b>60,143</b>	<b>67,211</b>	<b>61,318</b>	<b>66,084</b>
<i>Growth %</i>	22.7%	9.5%	11.8%	-8.8%	7.8%
<b>EBITDA</b>	<b>13,691</b>	<b>16,831</b>	<b>16,639</b>	<b>12,046</b>	<b>11,467</b>
<i>EBITDA Margin</i>	24.9%	28.0%	24.8%	19.6%	17.4%
Depreciation	3,329	3,718	5,054	5,042	4,358
Finance cost	2,829	2,368	1,583	1,408	1,593
<b>PBT (before exceptional)</b>	<b>7,533</b>	<b>10,745</b>	<b>10,003</b>	<b>5,597</b>	<b>5,516</b>
Exceptional (Loss)	-	-	(4,648)	-	(2,647)
PAT (After Minority Interest)	5,398	7,365	3,576	3,850	2,098
Cash Profit*	9,095	12,074	9,131	9,413	8,977
EPS** (Rs.)	5.4	7.3	3.6	3.8	2.1

\* 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-Mar-19
Net Worth	14,732	19,700	23,971	26,057	27,793
Short Term Loans	13,936	13,533	11,721	12,580	14,080
Long Term Loans	20,864	18,945	21,393	20,228	19,024
- Welspun Flooring debt	-	-	-	-	2,870
<b>Gross Debt</b>	<b>34,800</b>	<b>32,478</b>	<b>33,114</b>	<b>32,807</b>	<b>33,104</b>
Cash & Cash Equiv.	4,321	1,388	2,725	2,538	2,821
Net Debt	30,479	31,090	30,389	30,269	30,283
<b>Net Debt excluding Flooring debt</b>	<b>30,479</b>	<b>31,090</b>	<b>30,389</b>	<b>30,269</b>	<b>27,412</b>
Average Capital Employed #	47,619	53,331	58,189	62,111	64,209
Net Fixed Assets (incl CWIP)	26,049	33,508	35,713	33,641	36,154
Net Current Assets*	17,630	16,845	20,114	23,734	22,210
Total Assets	58,960	65,491	73,283	72,249	77,423

# 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	FY19
<b>Solvency ratios</b>	Net debt/Equity	2.07	1.58	1.27	1.16	1.09
	Net debt/EBITDA	2.23	1.85	1.83	2.51	2.64
	EBIT/Interest	3.66	5.54	7.32	4.98	4.46
<b>Operational ratios</b>	Current Ratio	1.12	1.15	1.41	1.42	1.25
	Fixed Asset turnover	2.04	1.77	1.86	1.80	1.81
	Total Asset turnover	0.90	0.90	0.91	0.84	0.84
	Inventory days	76	68	70	79	75
	Debtor days	40	52	53	56	60
	Payable days	30	41	41	39	39
	Cash conversion cycle	86	79	82	96	95
<b>Return ratios</b>	ROE	41.8%	42.8%	29.6%	15.4%	15.2%
	ROCE (pre-tax)	21.8%	24.6%	19.3%	11.3%	10.9%

## 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 & FY19 Return Ratios figures adjusted for Exceptional item
5. ROCE (pre-tax) excluding Welspun Flooring is 11.5% for FY19

# 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%
FY19	1.41	0.30	0.06	26%



# THANK YOU

**For further details, please contact:**

**Altaf Jiwani**

Director (Finance) & CFO - Welspun India Limited

Email: [altaf\\_jiwani@welspun.com](mailto:altaf_jiwani@welspun.com)

**Harish Venkateswaran**

AVP - Group Finance and Strategy

Email: [harish\\_venkateswaran@welspun.com](mailto:harish_venkateswaran@welspun.com)

