

Q2 FY2020 Review Note

25th October, 2019

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Agenda

- Q2 FY20 Summary Financial Performance
- Business discussion
- Outlook

Q2 2020 Executive summary: Topline growth powered by Garment volumes and AMD, sequential improvement in margin

INR Crs	Q2 FY2020	Remarks
Revenues	1962 (+9%)	
Textiles	1647 (11%)	19% growth in garment volumes
Advanced Materials	183 (+26%)	Growth in Human Protection, Composites
Others*	152 (-9%)	
EBITDA	195 (9.9% vs 10.2%)	
Textiles	10.8% (vs 12.4% in Q2, 9.7% in Q1 FY'20)	Base effect vs Q2 FY19, sub-scale operations in new garment plants
Advanced Materials	13.8% (vs 9.8%)	Operating leverage in select businesses
Others*	9.9% (vs 6.6%)	
PAT (before exception items)	43	
Net Debt (30 th Sept 2019)	2694 (vs Rs. 3024 June'19)	

* significant portion of Others is comprised of projects based Effluent Treatment business (revenues realized per milestones)

Q2 FY20 : Profit and Loss summary – topline grew by 9% in Q2 in line with our plan

<i>All figures in INR Crs</i>	Q1 FY20	Q2 FY20	Q2 FY19	Change From Q2 FY19	Change From Q1 FY20
Revenues from Operations	1,896	1,962	1,793	9%	3%
EBIDTA	154	195	182	7%	26%
Profit Before Tax	46	74	93	-21%	58%
Profit After Tax	30	43	68	-36%	43%
Less : Exceptional Item	6	-5	13		
Net Profit	24	48	54	-12%	100%

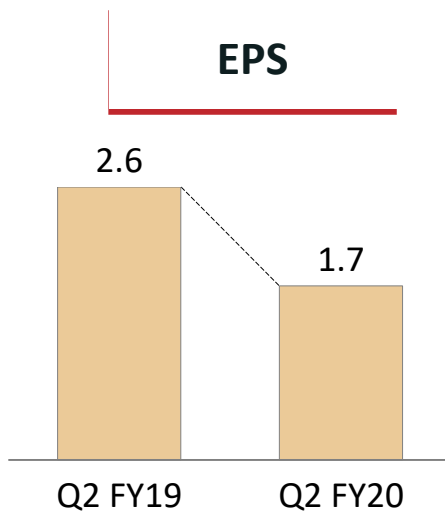
- Exceptional item includes Retrenchment compensation and GST Credit

Consolidated Balance Sheet, as at Sept 30th 2019

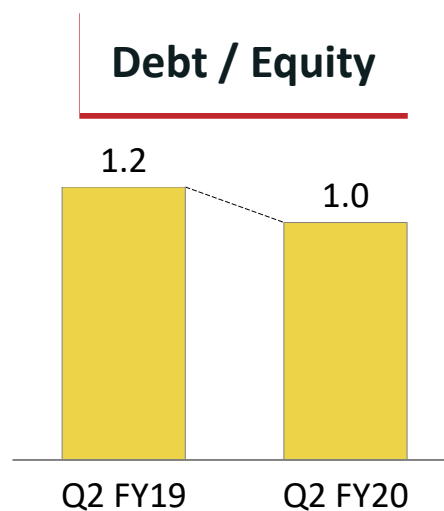
Rs Cr	As at	
	30th Sept 19	31st Mar 19
Shareholders' Fund		
Share Capital	259	259
Reserves & Surplus	2452	2492
Minority Interest	75	86
long Term Borrowings	865	935
Short Term Borrowings	1541	1601
Long Term Liability Maturing in one year	340	164
Borrowings	2746	2700
Other Liabilities	1742	1797
Total	7274	7334
Assets		
Fixed Assets	3997	3683
Non Current Investments	97	78
Long term Loans & Advances	0	1
Other Non Current Assets	89	80
Current Assets	3090	3490
Total	7274	7334

Key indicators – Q2 FY20 Vs FY20

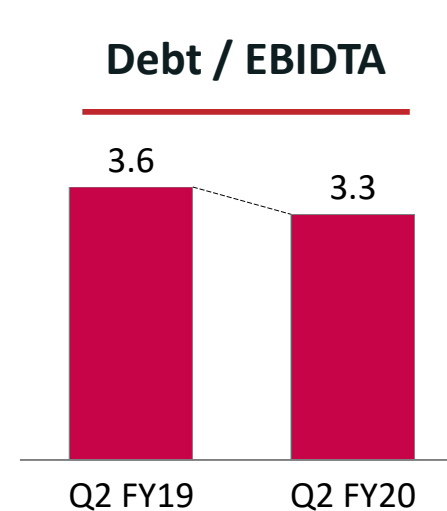
EPS



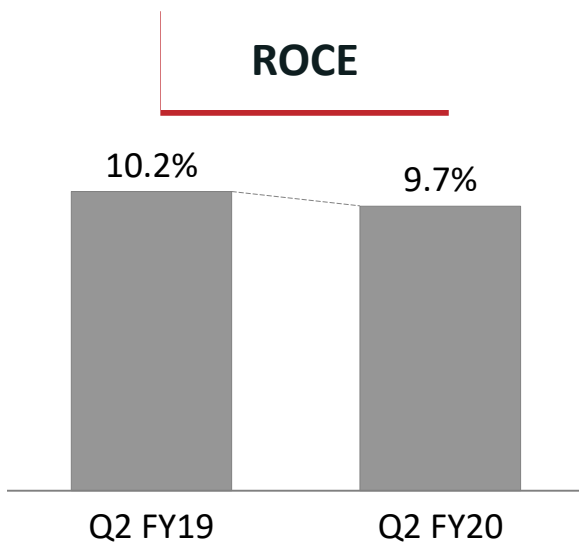
Debt / Equity



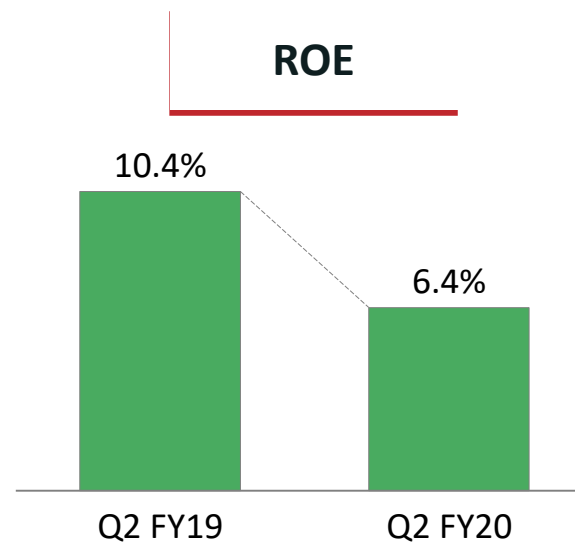
Debt / EBIDTA



ROCE



ROE



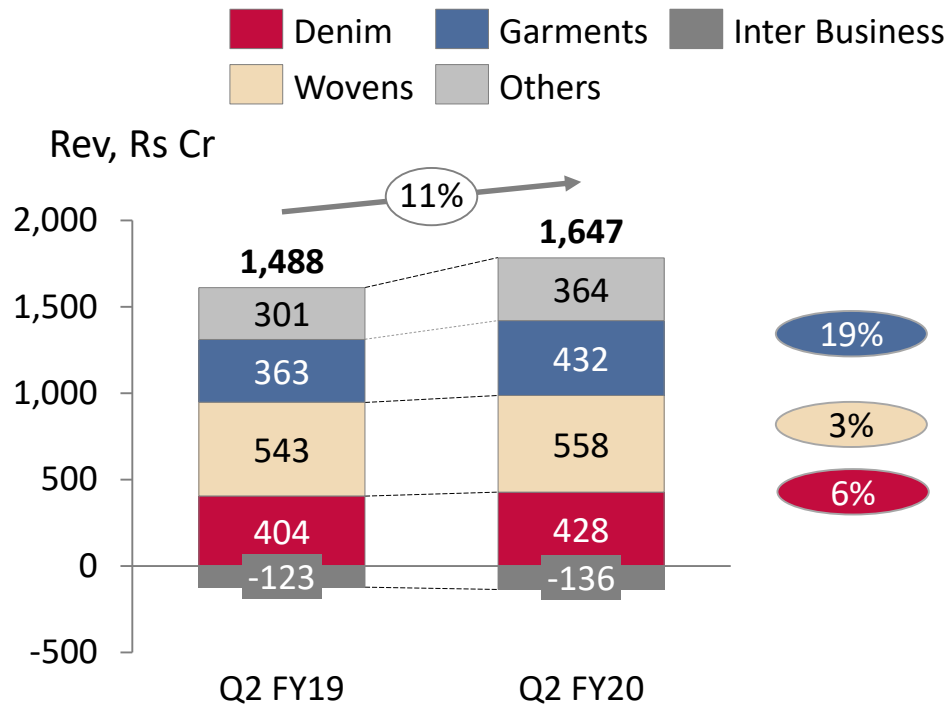
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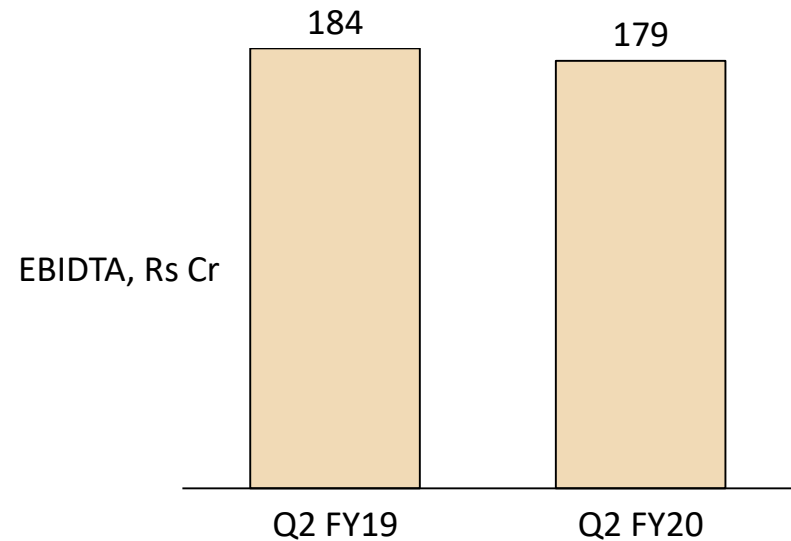
Textiles and Advanced Materials

Q2 2020: Led by Garments volume, the textile revenue increased by 11%

Garment revenues grew as planned



Margins remained subdued as expected



*Others include trading sales

- Fabric volumes nearly flat; lower profitability in Denim
- Garment revenues driven by volume growth from capacity addition; lower initial efficiencies from the new plants dragged down margins

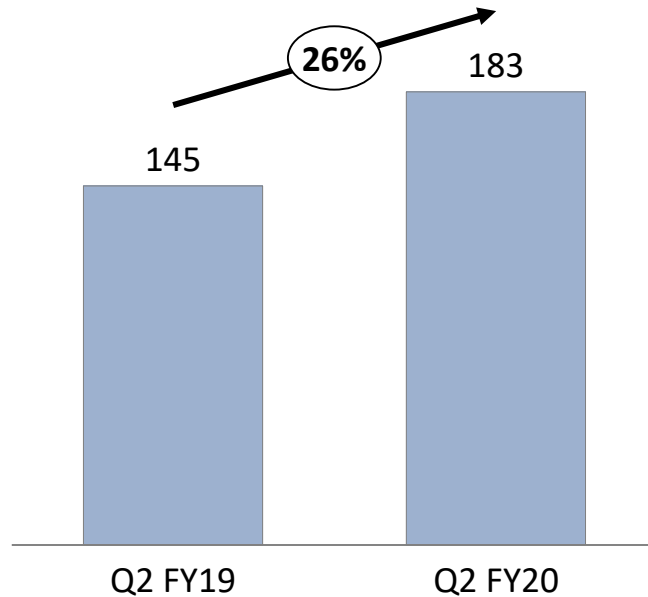
Key Textile business parameters for Q2 & H1 FY20

	Denim		Woven	
Quarterly	Q2 FY20	Q2 FY19	Q2 FY20	Q2 FY19
Total volume (Mn Mtrs)	22	22	32	34
Exports proportion	49%	51%	25%	29%
Avg Prices	192	190	172	170
Half-year	H1 FY20	H1 FY19	H1 FY20	H1 FY19
Total volume (Mn Mtrs)	43	44	65	67
Exports proportion	46%	52%	24%	27%
Avg Prices	192	190	173	171
Period	Q2 FY20	Q2 FY19	H1 FY20	H1 FY19
Cotton Cost (Rs/kg)	119	115	123	114

Advanced Materials delivered a strong performance both in terms of topline and profitability

Healthy growth in revenues

INR crores



EBITDA

14

25

EBIDTA Growth for YOY

- Operating leverage resulting in improving margins as mature part of portfolio starts to hit scale
- Improved realization from higher value added products

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Expecting an overall good FY2020, with H2 being significantly improved over a relatively soft H1

Revenues

H2:

Revenue growth likely to be 12-13% due to increased volumes of Denim and garments

FY 2019-20

Overall Revenue Growth likely to be higher at 9%-10% (as opposed to 7-8% forecast earlier)

EBITDA margins

H2:

Textile EBIDTA margins likely to be higher as compared to H2 FY19 due to operating leverage

FY 2019-20

Overall EBIDTA margins likely to be maintained at similar levels as FY 2018-19



Thank You!