

Domestic Consumer Business records 31% Growth in FY23 Highest EBITDA% in six quarters

Mumbai, April 27, 2023: Welspun India Ltd. (WIL), a global leader in Home Textiles and part of the US\$ 2.3 billion Welspun Group, announced Q4/FY23 results today.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said *“FY23, though a challenging year due to historical high input costs and demand slowdown in key global markets, ended with a positive note with all the businesses showing improved performance in Q4FY23. Through these tough times, we continued our relentless efforts to innovate through value engineering and cost rationalisation across board and achieved the highest EBITDA% in six quarters in Q4FY23. Domestic Consumer business has continued its growth trajectory, growing 31% in FY23. We are committed to continue our investment in Domestic business to solidify our industry leading position and realise our vision of ‘Har Ghar se Har Dil Tak Welspun’. All our Emerging Businesses, including Flooring business, have given superior results in Q4FY23, growing by 24%.*

We, at Welspun, have become the beacon when it comes to adopting ESG practices in all facets of its operation and governance. The most recent Dow Jones Sustainability Index rating of 59, which is among the Top 5 percentile score among the companies assessed and as against the average textile industry score of 21, bears testimony to our commitment towards ESG and doing business sustainably and responsibly.”

Key Highlights

- **Total Income** for Q4 FY 23 is ₹ 21,995 mn grew by 15.3% QoQ & for FY 23 is ₹ 82,151 mn
- **EBITDA** for Q4 FY 23 at ₹ 3,201 mn with margin at 14.6% and for FY 23 stood at ₹ 8,739 mn with margin at 10.6%
- **Domestic Consumer Business** grew 31% YTD to reached the revenue of ₹ 5,502 mn
- **Net Debt** stood at ₹ 15,354 mn vs. ₹ 22,289 mn (Mar 2022), reduction of ₹ 6,946 mn YoY
- **DJSI score** for 2022 improved from 48 to 59 in latest assessment done amongst the top 5% textile companies globally
- Board has approved **Buyback** for an amount of ₹ 1,950 mn at a price of ₹ 120 per share
- **Dividend** announced at ₹ 0.10 per share

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

Financial Summary	Q4FY23	Q4FY22	YoY%	Q3FY23	QoQ%	FY23	FY22	YoY%*
Total Income	21,955	22,471	(2.3%)	19,041	15.3%	82,151	93,773	(11.4%)
EBITDA	3,201	2,464	29.9%	2,286	40.0%	8,739	14,246	(33.8%)
EBITDA Margin	14.6%	11.0%	361 bps	12.0%	257 bps	10.6%	15.2%	(359 bps)
PAT after Minorities	1,254	522	140.3%	424	195.9%	1,988	6,012	(62.0%)

*FY22 numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

Segmental Details	Q4FY23	Q4FY22	YoY%	Q3FY23	QoQ%	FY23	FY22	YoY%*
Home Textile:								
Revenue	20,171	20,730	(2.7%)	17,575	14.8%	76,381	87,911	(12.1%)
EBITDA	2,930	2,404	21.9%	2,062	42.1%	7,984	14,111	(38.9%)
EBITDA Margin (%)	14.5%	11.6%	293 bps	11.7%	279 bps	10.5%	16.1%	(458 bps)

Flooring:

Revenue	2,083	1,892	10.07%	1,684	23.7%	7,057	6,611	6.7%
EBITDA	87	(29)	-	31	184.7%	181	(143)	-
EBITDA Margin (%)	4.2%	(1.5%)	570 bps	1.8%	237 bps	2.6%	(2.2%)	474 bps

FY22 numbers adjusted for ROSCTL of Q4FY 21 of Rs. 1,050 mn

(₹ Million)

Balance Sheet Summary	31-Mar -23	31-Mar-22
Net Worth	40,878	39,717
Gross Debt	23,504	31,884
- Short Term Loans	12,342	19,742
- Long Term Loans	11,162	12,142
Net Debt excluding Flooring Debt	7,465	13,989
- Net Flooring Debt	7,878	8,300
Net Debt	15,343	22,289
Net fixed assets (incl. CWIP)	37,777	39,881
Net current assets (excl. cash & cash equiv.)	23,135	24,839
Capital Employed	72,389	79,053
Net Debt/EBITDA	1.76x	1.56x
Net Debt/Equity	0.38x	0.56x

Total Income:

- **Total revenue at** ₹ 21,955 mn in Q4 FY 23 grew by 15.3% QoQ & ₹ 82,151 mn in FY 23
 - **Textile business revenue at** ₹ 20,171 mn in Q4 FY 23 & ₹ 76,381 mn in FY 23
 - **Flooring business revenue at** ₹ 2,083 mn in Q4 FY 23 & ₹ 7,057 mn in FY 23

EBITDA:

- ₹ 3,201 mn in Q4 FY 23 with an EBITDA Margin of 14.6%
- ₹ 8,739 mn in FY 23 with an EBITDA Margin of 10.6%

PAT (after minority and exceptional loss):

- PAT at ₹ 1,254 mn in Q4 FY 23 & ₹1,988 mn in FY 23

EPS:

- EPS at ₹ 1.28 in Q4 FY 23 & ₹ 2.02 in FY 23

Net Debt:

- Net Debt at ₹ 15,343 mn as on 31st Mar 2023 vs. ₹ 22,289 mn as on 31st Mar 2022 , Reduction of ₹ 6,946 mn YoY
- Net debt excluding Flooring business stood at ₹ 7,465 mn as on 31st Mar 2023 vs ₹ 13,989 mn as on 31st Mar 2022, Reduction of ₹ 6,524 mn YoY

Key Business Updates:

- After touching a double digit EBITDA last quarter, we are delighted to share that the Company has achieved highest EBITDA% in last six quarters, clocking 14.6% in Q4, up 30% YoY and 40% QoQ
- The company registered significant growth of 31% YoY in Domestic Consumer business with revenue of ₹ 5,502 mn. In FY23. 'Welspun' brand is growing at 33% and it remains the highest distributed home textile brand in the country.
- Domestic Consumer business' share in the overall revenues of the Company has more than doubled from 3.7% in FY21 to 7.7% in FY23.
- Emerging Business grew 24% QoQ & 12% YoY and its contribution to overall revenues increased to 34% in FY 23 as compared 26% in FY 22.
- Branded business which is at 15,837 mn , as % of overall revenues has grown from 16% in FY22 to 22% in FY23.
- Licensed brands have grown 65% and Domestic Own brands have grown 22% YoY on YTD basis

Capacity Enhancement:

- All expansion projects now being over, any fresh capital outlays would only be towards setting up renewable energy facilities, in line with our journey towards carbon neutrality. As informed last quarter, the Company is planning to establish a 30MW Solar Power plant at its Anjar facility with an investment of ₹ 2 bn. The power plant should be operational by Q2 FY24.

Capex:

- In FY23 the Company has spent ₹ 2751 mn towards Capex.

Awards and Accolades:

- Brand Welspun wins Prestigious Brand of Asia award (textile) out of 50 brands selected from various domains
- SPACES featured in the 3rd edition of Femina Power Brands 2022-23
- Welspun India received the Platinum Award in the "Sustainability" category at the "Apex Green Leaf Awards 2022"
- Our CEO Ms. Dipali Goenka selected as Most Powerful Women in Business by Business Today and Most Influential Women 2023 by Business World
- Welspun India is amongst the top 5% textile companies globally as per Dow Jones Sustainability Index (DJSI) for 2022, score improved from 48 to 59 in latest assessment done.

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 or contact:

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Q4 FY23 Investor / Analyst conference call:

Conference call with the management to discuss the company's
Q4FY23 financial results on Thursday, 27th April, 2023 at 4.00 PM IST

Date: 27th April, 2023**Time : 4.00 PM IST / 16:30 hours****Conference dial-in:****Primary Number : + 91 22 6280 1123 / + 91 22 7115 8024**Express Join with [DiamondPass™](#)

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