

## Home Textile revenues in Q3 continue to be strong, with the segment set to cross \$1 bn this fiscal

**Mumbai, February 03, 2022:** Welspun India Ltd. (WIL), a global leader in Home textiles and part of the US\$ 2.7 billion Welspun Group, announced Q3/9MFY22 results today.

### Management Comment:

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said** *“Global textile industry is going through transformation phase both in demand and supply side. The de-risking strategy of shift in sourcing goods from more than one country is anticipated to benefit major industry players. Furthermore, banning of Xinjiang Cotton (accounting for 20% of world’s cotton production) by the US brings additional advantage for the country and players like Welspun. Welspun holds very strong market share of ~25% and ~14% in the US terry towel and US bed linen markets, respectively, with an overall 22% market share in the US home textile export market. In Q3, we witnessed further strong performance in Home Textile with 19% growth YoY and home textile segment alone is poised to cross \$1 bn revenues in this fiscal year.*

*Welspun is re-defining itself from a manufacturer to become the FMCG of home textiles. In this direction, the domestic Retail business successfully crossed ₹100 Cr mark in this quarter, clocking a quarterly revenue of ₹127 Cr, growing by 55%. Our branded and E-commerce businesses have also grown by 45% in the quarter, accounting for 18% of the total revenues, up from 15% share last year. The US market led in this growth, with E-Comm and Licenced brands business growing by over 66% YoY. Our growth in the quarter has been broad based with the Flooring business also almost doubling, growing by 95% YoY.*

*Increasing input costs, rising energy prices and global logistics issues continued to weigh on the margin front. At Welspun, we are making our best possible efforts to control these adversities and counter it through our strong in-house manufacturing capabilities, well-recognized branding, and innovative product offerings.*

*Welspun India, being a socially responsible company, has been actively progressing across multiple Environmental, Social, and Governance (ESG) criteria and I am delighted to share that the Company has been rated by Dow Jones Sustainability Index (DJSI), securing an ESG rating of 48, which is 62% higher than the average industry score. Adding to this achievement, Welspun India has also been felicitated with the prestigious National Water Award 2020 by the Ministry of Jal Shakti and has won the first prize in the ‘Best Industry Category’ for its cutting-edge sewage treatment plant in the drought prone Kutch district.”*

### Key Highlights

- Achieved **quarterly Total Income** of ₹ 24,379 mn, up 19% YoY
- **EBITDA up 11% YTD** at ₹ 11,781 mn and margin stood at 16.5%, Q3 EBITDA at ₹ 3,305 mn
- **PAT up 34% YTD** at ₹5,490 mn, Q3 at ₹1,324 mn
- **Highest quarterly revenues in Flooring** at ₹ 1,909 mn, as well as in **Domestic Retail** at ₹ 1,270 mn

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

Financial Summary	Q3FY22	Q3FY21	YoY%	9MFY22	9MFY21	YoY%
Total Income	24,379	20,497	18.9%	71,303	52,511	35.8%
EBITDA	3,305	4,187	-21.1%	11,781	10,616	11.0%
EBITDA Margin	13.6%	20.4%	-687 bps	16.5%	20.2%	-369 bps
PAT after Minorities	1,324	1,808	-26.8%	5,490	4,096	34.0%

Segmental Details	Q3FY22	Q3FY21	YoY%	Q2FY22	QoQ%	9MFY22	9MFY21	YoY%
<b>Home Textile:</b>								
Revenue	22,508	19,672	14.4%	23,749	-5.2%	67,181	50,760	32.3%
EBITDA	3,126	4,348	-28.1%	4,135	-24.4%	11,707	11,176	4.8%
EBITDA Margin (%)	13.9%	22.1%	-821 bps	17.4%	-352 bps	17.4%	22.0%	-459 bps

**Flooring:**

Revenue	1,909	977	95.4%	1,596	19.6%	4,719	2,002	135.7%
EBITDA	103	-240	-	45	129.0%	-115	-808	-
EBITDA Margin (%)	5.4%	-24.5%	-	2.8%	259 bps	-2.4%	-40.3%	-

(₹ Million)

Balance Sheet Summary	31-Dec-21	31-Mar-21
<b>Net Worth</b>	<b>39,371</b>	<b>36,447</b>
Gross Debt	32,580	28,414
- Short Term Loans	20,449	17,452
- Long Term Loans (excl. Flooring Debt)	4,453	3,850
<b>Net Debt excluding Flooring Debt</b>	<b>17,743</b>	<b>16,215</b>
- Flooring Debt	7,677	7,112
Net Debt	25,420	23,327
Net Fixed Assets (incl. CWIP)	40,121	38,042
Net Current Assets (excl. cash & cash equiv.)	25,933	24,534
Capital Employed	78,968	71,303
Net Debt/EBITDA	1.62x	1.64x
Net Debt/Equity	0.65x	0.64x

**Total Income:**

- **Textile business** reported 14% YoY revenue growth to ₹ 22,508 mn in Q3FY22 compared to ₹ 19,672 mn in Q3FY21
- **Revenue from flooring business** jumped by 95% YoY to ₹ 1,909 mn in Q3FY22

- **EBITDA:**
  - **EBITDA up by 11% at ₹ 11,781 mn YTD.** Q3 EBITDA at ₹ 3,305 mn, impacted primarily by surge in the raw material and input costs.
- **PAT (after minority and exceptional loss):**
  - **PAT up by 34% YTD at ₹ 5,490 mn.** Q3 PAT at ₹ 1,324 after exceptional loss of ₹ 359 mn
- **EPS:**
  - **EPS up by 35% YTD at ₹ 5.52,** Q3 FY22 EPS at ₹ 1.34
- **Net Debt:**
  - ₹ 25,420 mn (December 2021) vs. ₹ 25,332 mn (Sep 2021), increasing by ₹ 88 mn
  - **Excluding Flooring,** Net debt stood at ₹ 17,743 mn (December 2021) vs ₹ 17,699 mn (Sep 2021)

### Key Business Updates:

- Highest ever Quarterly revenue of ₹ 1,909 mn reported by Flooring. Home Textile grew by 14% YoY, contributing 92% to the revenue.
- Highest ever Quarterly revenue by Domestic Retail of ₹ 1,270 mn
- Innovation product sales for YTD Q3 registered a growth of 24%.
- Branded business witnessed strong growth of 45% YoY, contributing ₹ 3,883 mn to the topline of Q3FY22.
- With an aim to be “Har Ghar Welspun”, the company has increased nationwide footprint of Brand ‘Welspun’ to 5,400+ outlets and 450+ cities and 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, are underway. BS and Rugs expansion would be completed by Q4FY22.
- Greenfield Spunlace Capacity addition project in Telangana is on course and we expect commercial operation to commence in Q4 FY22.
- The Flooring capex project will conclude towards the end of FY22.

### Capex:

- YTD 9MFY22 the Company has spent ₹ 4,534 mn towards Capex

### Awards and Accolades:

- Welspun India was felicitated with the prestigious National Water Award 2020 and has won 1st prize in Best Industry (Category) announced by the Ministry of Jal Shakti.
- Welspun has been rated by DJSI through Corporate Sustainability Assessment 2021 (DJSI) and has emerged as one of the leading companies for sustainability with its strong environmental

performance as well as significant improvement in its social and governance impact parameters. Welspun India secured an ESG rating of 48, which is 62% higher than the average industry score.

- Frost & Sullivan and The Energy and Resources Institute (TERI) also recognized Welspun India for our sustainability practices and impact on the environment and communities at the Sustainability 4.0 Awards.

### 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:

**Mr. Sanjay Gupta (Sanjay\_Gupta1@welspun.com) / Mr. Abhinandan Singh (abhinandan\_singh@welspun.com)**

#### **DISCLAIMER:**

*The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun India Ltd. or any of its affiliates. Neither Welspun India Ltd., nor their or their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.*

**Q3 FY22 Investor / Analyst conference call:**

Conference call with the management to discuss the company's  
**Q3FY22 financial results on Thursday, Feb 03, 2022 at 4.30 PM IST**

---

**Date** : **Thursday, 03<sup>rd</sup> Feb 2022**  
**Time** : **4.30 PM IST / 16:30 hours**

**Conference dial-in:**

**Primary Number** : **+ 91 22 6280 1123 / + 91 22 7115 8024**

Express Join with [DiamondPass™](#)

USA : 1 866 746 2133  
UK : 0 808 101 1573  
Singapore Toll Free No. : 800 101 2045  
Hong Kong Toll Free No. : 800 964 448