

## Highest Revenue and Strong Broad Based performance in Q2FY22

**Mumbai, October 27, 2021:** Welspun India Ltd. (WIL), a global leader in Home textiles and part of the US\$ 2.7 billion Welspun Group, announced Q2/H1FY22 results today.

### Management Comment:

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said** *“Global recovery post pandemic has been strongly helped by policy support and vaccination drive. Our markets like US and UK have been showing strong consumer spending. In India, economy is coming out of pandemic led slowdown with strong demand supported by monetary policies and fiscal stimulus from government.*

*In this backdrop, Welspun delivered a strong second quarter, achieving highest revenues, growing in double digits and stepping up profitability sequentially. Large parts of our business continued to gain market share and penetration. Calibrated price increases and laser sharp focus on savings helped us protect the margins while overcoming the global supply chain disruptions. Textile sector in the country has also got its due share in the form of PLI scheme and textile parks which will drive benefits for all stakeholders.*

*The continued challenges in the form of high input costs, increasing energy prices and global logistic issues need to be navigated cautiously. At Welspun India, we are well placed to capture the growth opportunity with innovative product offerings, judicious capital deployment and optimum utilization of our distribution network.*

*I am delighted to share that Welspun is one of the first Indian companies to get US FDA nod for 3 ply surgical mask which is a testament of our commitment to quality and innovation. We continue to make significant progress in our sustainability journey. Spun, our home grown brand which employs over 2200 women, was recognized by World Economic Forum, as one of the top 100 Corporate Social Ready enterprises globally.*

*We are committed to channelizing our energy and resources to maximize shareholder value and deliver long-term sustainable growth.”*

### Key Highlights

- Achieved highest ever **quarterly Revenues** of ₹ 25,014 mn
- **EBITDA** up 5% YoY at ₹ 4,237 mn and margin stood at 17%
- **Core business EBITDA** was ₹ 4,135mn and Margin stood at 17.4%
- **PAT up 10.8% YoY** at ₹ 1,991 mn

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

Financial Summary	Q2FY22	Q2FY21	YoY%	H1FY22	H1FY21	YoY%
Total Income	25,014	19,926	25.5%	47,282	32,086	47.4%
EBITDA	4,237	4,048	4.7%	8,836	6,429	37.4%
EBITDA Margin	16.9%	20.3%	-337bps	18.7%	20.0%	-135 bps
PAT after Minorities	1,991	1,797	10.8%	4,166	2,288	82.1%

Segmental Details	Q2FY22	Q2FY21	YoY%	Q1FY22	QoQ%*	H1FY22	H1FY21	YoY%
<b>Home Textile:</b>								
Revenue	23,749	19,242	23%	21,284	17.4%	45,032	31,088	45%
EBITDA	4,135	4,215	-2%	4,805	10.1%	8,940	6,828	31%
EBITDA Margin (%)	17.4%	21.9%	-449 bps	22.6%	-115 bps	19.9%	22.0%	-211 bps

**Flooring:**

Revenue	1,596	772	107%	1,213	32%	2,810	1,025	174%
EBITDA	45	-295		-263		-218	-568	

\*Q1FY22 home textile numbers adjusted for ROSCTL of Q4FY21 of Rs. 1,050 mn

(₹ Million)

Balance Sheet Summary	30 <sup>th</sup> Sep 2021	31 <sup>st</sup> Mar 2021
<b>Net worth</b>	<b>37,917</b>	<b>36,447</b>
Gross debt	31,052	28,414
- Short Term Loans	18,704	17,452
- Long Term Loans (excl. Welspun Flooring Debt)	4,714	3,850
<b>Net Debt excluding Flooring Debt</b>	<b>17,699</b>	<b>16,215</b>
- Welspun Flooring Debt	7,634	7,112
Net Debt	25,332	23,327
Net Fixed Assets (incl. CWIP)	39,460	38,042
Net Current Assets (excl. cash & cash equiv.)	24,943	24,534
Capital Employed	75,443	71,303
Net Debt/EBITDA	1.53x	1.64x
Net Debt/Equity	0.67x	0.64x

**Total Income:**

- ₹ 25,014 mn, registering a growth of 26% YoY

*Bath Linen sales volume grew by 16% YoY, Bed Linen sales volume grew by 4% YoY and Rugs and carpets sales volume grew by 29% YoY*

**EBITDA:**

- ₹ 4,237 mn, up 5% YoY & EBITDA Margin was at 17%
- **Core business EBITDA** stood at ₹ 4,135mn & EBITDA Margin stood at 17.4%

- **PAT:**
  - ₹ 1991 mn, up 10.8% YoY
- **EPS:**
  - ₹ 2.01, up 12.6% YoY
- **Net Debt:**
  - ₹ 25,332 mn vs. ₹22,495 mn (June 2021);
  - **Excluding flooring** Net debt stood at ₹ 17,699 mn vs. ₹ 14,839 mn (June 2021)

### Key Business Updates:

- Highest ever Quarterly revenue performance reported by Home Textiles and Flooring individually.
- Innovation product sales for Q2 stood at ₹ 5,731 mn, registering a growth of 52% YoY and contributed 26% to the sales.
- Emerging business grew 45% YoY, contributed 22% to the topline.
- Branded business witnessed strong growth of 42% YoY, contributing ₹ 3,561 mn to the topline of Q2FY22.
- With an aim to be “Har Ghar Welspun”, the company has increased nationwide footprint to 5,200+ outlets and 100+ cities making it the Number 1 distributed HT brand in India.
- Flooring business grew 107% YoY and contributed 6.5% to the topline in Q2FY22.

### Capacity Enhancement:

- The capital light expansion at Vapi and Anjar which was announced in Q3FY21 is underway and BS & Rugs expansion would be completed by Q4FY22.
- Additional TT capacity of 46 MT per day being installed at Anjar, will be operational by Q4FY22.
- Greenfield Spunlace Capacity addition project in Telangana is on course and we expect commercial operation to commence from Q4 FY22.
- The Flooring capex project will conclude towards the end of FY22.

### Capex & Net Debt:

- In Q2FY22 we have spent ₹ 3,434 mn. Net Debt stood at ₹ 25,332 mn as on 30<sup>th</sup> Sep 2021

### Awards and Accolades:

- Spun by Welspun has been recognized by World Economic Forum, as one of the ‘Top 100 Corporate-Ready Social Enterprises’. Spun employs over 2,200 women in the Kutch and Bhuj areas and focuses on using upcycled textile waste and natural fibers to create handcrafted home décor products that reflect India’s rich cultural heritage.

- Amazon recognized Welspun among top 5 players in Home Textile category during Prime Day in US where our Towels ranked #1 and #3
- Welspun is the #1 distributed brand in home textiles in general trade in India, as per the survey by Nielsen.
- Welspun India has been recognized amongst the most 'Influential Innovator' by an illustrious industry forum such as Clarivate, at the South and South East Asia Innovation Forum, for the second year in a row.
- Welspun India became one of the first Indian companies to receive a US FDA 510(k) clearance for the Welspun Health 3-ply surgical masks, confirming that Welspun has met the most rigorous FDA standards of performance for masks. This clearance has also opened gates for us to export this product to any country.
- Welspun India has been recognized in ET- Futurescape rankings for Sustainable Companies, as one of the top 100 companies in India for Sustainability and CSR.
- Welspun India has been conferred with the Brandon Hall Global HCM Excellence Awards, for enabling business transformation and building higher analytical capabilities within its workforce through its learning programs – WAVE Academy and Data Analytics Certification Program.

### 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)**

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*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.*

*Investor Queries Contact: Mr. Sanjay Gupta at [Sanjay.Gupta1@welspun.com](mailto:Sanjay.Gupta1@welspun.com)*

**Q2 FY22 Investor / Analyst conference call:**

Conference call with the management to discuss the company's  
**Q2FY22 financial results on Wednesday, Oct 27, 2021 at 4.30 PM IST**

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**Date** : **Wednesday, 27<sup>th</sup> Oct 2021**

**Time** : **4.30 PM IST / 16:30 hours**

**Conference dial-in:**

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

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