

Sustainable & Profitable Growth with Domestic Retail & Flooring Business Recording Highest Quarterly Revenue

Mumbai, January 31, 2024: Welspun Living Ltd. (WLL), a global leader in Home Textiles and part of the US\$ 3 billion Welspun Group, announced Q3-FY24 results today.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said *“Despite continued challenging global economic environment, the company has reported its highest ever Quarter 3 revenues, growing by 29%, with sustainable and consistent profitability in the last four quarters. The expected interest rate cut in 2024 and controlled inflation in US are positive signs, however, the increasing geo-political tensions across the borders leading to issues like Red Sea, may impact costs and demand, going forward. Flooring business also continues to reach newer heights and yet again reported its highest ever quarterly revenue in Q3, with sustained profits. Our overall emerging businesses of Domestic Consumer, Global brands, and Advanced Textiles & Flooring grew 21% YoY and its contribution has significantly increased to 32% of the total revenue.*

Closer home, though the Retail market has remained subdued after the festive season, our Domestic Consumer business recorded its highest ever quarterly revenue growing by 10% YoY. Brand ‘Welspun’ continues to be the most widely distributed Home Textile brand in the country with presence in 17,000+ outlets and brand recall for ‘Spaces’ & ‘Welspun’ has jumped substantially to 80% and 50% respectively for our target audience, thereby leading in Premium & Mass HT category.

In sustainable practices, Welspun Living has been at a leadership position by imbedding ESG values in every sphere of its activities. We have also released our annual Sustainability Report highlighting our performance in all our focus areas for ES&G.

We are committed towards growing our business through strategic investment in extending our product offering for global markets and in this respect, the Board has approved an investment of Rs 326 crores for a new 6,400 MTPA Jacquard Towel facility at Anjar, expanding our range to fashion and beach towels and an investment of US\$12.5 mn in setting up a 6.7 mn Pillow manufacturing facility at Ohio, USA for tapping into onshore opportunities, nearer to our customers.

Key Highlights

- **Total Income** for Q3 FY 24 is ₹ 24,539 mn grew 28.9 % YoY and for 9M FY 24 is ₹ 72,084 mn grew by 19.7% YTD
- **EBITDA** for Q3 FY24 up 67.1% YoY at ₹ 3,819 mn @ 15.6% and for 9M FY24 up by 101.3% at 11,146 mn @ 15.5% YTD
- **PAT** for Q3 FY 24 is ₹ 1,768 mn grew more than 4x YoY and for YTD 9M FY 24 is ₹ 5,351 mn grew more than 7x YTD
- **Domestic Consumer Business** recorded the highest ever quarterly revenue of ₹ 1,715 mn grew by 20% QoQ & 10% YoY
- **Flooring Business** also recorded the highest ever quarterly revenue of ₹ 2,463 mn grew by 46% YOY with EBITDA Margin at 8.1%
- **Net Debt stood** at ₹ 15,416 mn as on 31st December 2023, ₹ 3,676 mn lower than ₹ 19,092 mn year ago and lower by ₹ 318 mn as against the previous quarter
- **ROCE%** at 14.5% (annualized) vis-à-vis 5.7% in FY23
- **Board approved the capex project of** jacquard towel facility at Anjar of ₹ 3,260 mn and fully automated pillow manufacturing unit at Ohio, USA of US\$12.5 mn.

Key Financial highlights of the Quarter (Consolidated):

(₹ Million)

Financial Summary	Q3FY24	Q3FY23	YoY%	Q2FY24	QoQ%	9MFY 24	9MFY 23	YoY%
Total Income	24,539	19,041	28.9%	25,424	(3.5%)	72,084	60,196	19.7%
EBITDA	3,819	2,286	67.1%	3,913	(2.4%)	11,146	5,538	101.3%
EBITDA Margin	15.6%	12.0%	356 Bps	15.4%	17 Bps	15.5%	9.2%	626 Bps
PAT after Minorities	1,768	424	317.1%	1,967	(10.1%)	5,351	734	628.6%

Segmental Details	Q3FY24	Q3FY23	YoY%	Q2FY24	QoQ%	9MFY 24	9MFY 23	YoY%
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Home Textile:

Revenue	22,514	17,575	28.1%	23,523	(4.3%)	66,413	56,210	18.2%
EBITDA	3,470	2,062	68.3%	3,594	(3.4%)	10,187	5,054	101.6%
EBITDA Margin (%)	15.4%	11.7%	368 Bps	15.3%	13 Bps	15.3%	9.0%	635 Bps

Flooring:

Revenue	2,463	1,684	46.2%	2,426	1.5%	7,140	4,974	43.5%
EBITDA	200	31	550.8%	201	(0.5%)	584	94	520.7%
EBITDA Margin (%)	8.1%	1.8%	629 Bps	8.3%	16 Bps	8.2%	1.9%	628 Bps

(₹ Million)

Balance Sheet Summary	31-Dec -23	31-Mar-23
Net Worth	43,795	40,878
Gross Debt	25,038	23,504
- Short Term Loans	15,187	12,342
- Long Term Loans	9,852	11,162
Net Debt	15,416	15,343
- Net Flooring Debt	8,290	7,878
Net Debt excluding Flooring Debt	7,126	7,465
Net fixed assets (incl. CWIP)	37,014	37,777
Net current assets (excl. cash & cash equiv.)	26,263	23,135
Capital Employed	77,320	72,389
Net Debt/EBITDA	1.07x	1.76x
Net Debt/Equity	0.35x	0.38x

▪ Total Income:

- **Total revenue** for Q3 FY24 at ₹ 24,539 mn grew 28.9% YoY & for 9M FY 24 at ₹ 72,084 mn grew 19.7% YTD
 - **Textile business revenue** for Q3 FY 24 at ₹ 22,514 mn grew 28.1% YoY & for 9M FY 24 at 66,413 grew 18.2% YoY
 - **Flooring business revenue** for Q3 FY 24 at ₹ 2,463 mn grew 46.2% YoY & for 9M FY 24 at 7,140 grew 43.5% YoY

▪ EBITDA:

- **Consolidated EBITDA** for Q3 FY 24 at margin of 15.6% is ₹ 3,819 mn grew 67.1% YoY and for 9M FY24 at margin of 15.5% is ₹ 11,146 mn grew 101.3% YTD
 - **Textile Business EBITDA** for Q3 FY 24 at margin of 15.4% is ₹ 3,470 mn grew 68.3% YoY and for 9M FY24 at margin of 15.3% is ₹ 10,187 mn grew 101.6% YTD
 - **Flooring Business EBITDA** for Q3 FY 24 at margin of 8.1% is ₹ 200 mn grew 550.8% YoY and for 9M FY24 at margin of 8.2% is ₹ 584 mn grew 520.7% YTD

▪ PAT (after minority):

- Consolidated PAT for Q3 FY 24 is ₹ 1,768 mn grew more than 4x YoY and for 9M FY 24 is 5,351 mn more than 7x YTD

▪ EPS:

- ₹ 1.83 in Q3 FY 24 vs ₹ 0.43 in Q3 FY 23
- ₹ 5.54 in 9M FY 24 vs ₹ 0.74 in 9M FY 23

Net Debt:

- Net Debt stood at ₹ 15,416 mn as on 31st December 2023, ₹ 3,676 mn lower than ₹ 19,092 mn year ago and lower by ₹ 318 mn as against the previous quarter

ROCE:

- Annualized ROCE has improved substantially to 14.5% from 5.7% last year.

Key Business Updates:

- Domestic Consumer Business recorded the highest ever quarterly revenue of ₹ 1,715 mn grew by 20% QoQ & 10% YoY in Q3 FY 24
- Brand 'Welspun' continues to strengthen its leadership position and is the most widely distributed Home Textile brand in the country with presence in 600+ towns and 17,006+ outlets (up by +1,495 in Q3), a reach not hitherto achieved by any home textile player in India.
- Brand 'Welspun' grew by 16% YOY and 27% QoQ in Q3 FY 24
- Flooring segment also recorded highest every quarterly revenue of ₹ 2,463 mn with EBITDA margin at 8.1%
- Emerging businesses Sales of Domestic Consumer business, Branded, Advanced Textiles & Flooring businesses grew 21% YoY in Q3 FY 24
- Export Business grew 36% YoY in Q3 FY 24
- Innovation business for 9M FY 24 is at ₹ 14,971 mn grew by 61% YTD

Capex:

- In 9M FY24 the Company has spent ₹ 2,298 mn towards Capex. .
- Company's Board has approved capital expenditure to set up additional Jacquard towel facility in a brownfield investment of ₹326 crores at the existing Anjar facility as an extension to the towel product line for our global operations. It will increase our total Towel capacity by 6,400 MTPA to 96,400 MTPA. The capacity will be operational by 1st November 2024. The project would be financed 75% through term loans and 25% through internal accruals. At full capacity utilization, this expansion has revenue potential of approx. ₹400 crores.
- Board of Directors have also approved a capital expenditure of US\$12.5mn to set up a fully automated pillow manufacturing unit at Ohio, USA through our subsidiary company Welspun USA Inc. to expand the product category in Home textile segment

business in US. The Unit will have manufacturing capacity of 6.7 mn pillows annually. The capacity would be operational by 30th September 2024. It will give us an additional revenue of approx.US\$50 mn at full capacity utilization. The projects would be financed 70% through term loans and 30% through internal accruals.

Awards and Accolades:

- Welspun has been reckoned the best managed companies 2023 by Deloitte in second year in a row.
- Platinum Award by Apex India Foundation Award'23 for Excellence in Corporate Ethics in textile sector
- Won the Safety Excellence Diamond Award at Golden Bird National Awards '23

About Welspun Living Ltd:

Welspun Living Ltd (WLL), part of \$ 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. WLL is driven by its differentiation strategy based on Branding, Innovation and Sustainability.

About Welspun Group:

A US\$ 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 30,000 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.welspunliving.com or contact:

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Q3 FY24 Investor / Analyst conference call:

Conference call with the management to discuss the company's

Q3 FY24 Financial Results on Wednesday, 31st January, 2024 at 4:30 PM IST

Date: 31st January, 2024

Time : 4.30 PM IST / 16:30 hours

Conference dial-in:

Primary Number : + 91 22 6280 1146 / + 91 22 7115 8047

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