

Broad-based strong performance continues in Q1FY22

Mumbai, July 28, 2021: Welspun India Ltd. (WIL), a global leader in Home textiles and part of the US\$ 2.7 billion Welspun Group, announced Q1FY22 results today.

Management Comment:

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, *“The strong growth momentum which started in H2 of last FY continued in current fiscal year also. I am thankful to the Welspun team for their perseverance and resilience as they navigated through this challenging period and delivered broad-based, market-leading volume growth supported by our agile business model. The wellbeing of our workforce is integral to Welspun and we are committed towards vaccinating 100% of our people across manufacturing plants by 15th August 2021.*

I thank the Govt of India for providing long term stability to the textile sector in the country and am confident that this will be a game-changer for the entire value chain and will drive benefits for all stakeholders.

The prevailing global logistic challenges being a possible impediment, Welspun India is well placed to capture the growth opportunity on the back of strong customer relationships, superior distribution network, thriving global ecommerce channel and brands and digitalization. Identifying these opportunities well in advance, we have deployed capital in businesses which has helped us to withstand disruptions and will generate strong growth in future.

ESG is now integral to all business strategies at Welspun with direct influence on Managerial remuneration. I am happy to share with you that our group company, Welspun Flooring Limited has become the first company to achieve certification under SCS' new Zero Waste Standard which shows that our efforts towards sustainable growth are bearing fruits.

We continue to work on strategic initiatives to maximize shareholder value and deliver long-term sustainable growth.

Key Highlights

- Achieved highest ever **quarterly Total Income** of ₹ 22,272 mn
- **EBITDA** up 93.3% YoY at ₹ 4,598 mn and margin stood at 20.6%
- **Core business EBITDA** was ₹ 4,805 mn and Margin stood at 22.6%
- **Net Debt** (Excl. Flooring) reduced by ₹ 1,376 mn and stood at ₹ 14,839 mn
- **Buyback** for an amount of ₹ 2462 Mn (including tax) at a price of ₹ 120 per share completed

Key Financial highlights of the Quarter (Consolidated):

(₹ Million)

Financial Summary	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ%	FY21	FY20	YoY%
Total Income	22,272	12,160	83.2%	21,736	2.5%	74,080	68,362	8.4%
EBITDA	4,598	2,381	93.1%	3,582	28.4%	14,198	13,098	8.4%
EBITDA Margin	20.6%	19.6%	106 bps	16.5%	417 bps	19.2%	19.2%	1 bps
PAT after Minorities	2175	491	343.1%	1,301	67.2%	5,397	5,074	6.4%

Segmental Details	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ%	FY21	FY20	YoY%
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Home Textile:

Revenue	21283	11846	79.7%	20,523	3.7%	71,283	66,633	7.0%
EBITDA	4,805	2,613	83.9%	3,687	30.3.0%	14,863	14,692	1.2%
EBITDA Margin	22.6%	22.1%	52 bps	18.00%	461 bps	20.9%	22.0%	(120 bps)

Flooring:

Revenue	1,214	254	378.5%	1185	2.4%	3,187	872	265.4%
EBITDA	(263)	(273)	-	(189)	-	(996)	(1,423)	-

(₹ Million)

Balance Sheet Summary	30 th Jun 2021	31 st Mar 2021
Net worth	38,471	36,447
Gross debt	29,730	28,414
- Short Term Loans	17,956	17,452
- Long Term Loans (excl. Welspun Flooring Debt)	4,119	3,850
Net Debt excluding Flooring Debt	14,839	16,215
- Welspun Flooring Debt	7,656	7,112
Net Debt	22,495	23,327
Net Fixed Assets (incl. CWIP)	38,720	38,042
Net Current Assets (excl. cash & cash equiv.)	25,475	24,534
Capital Employed	75,284	71,303
Net Debt/EBITDA	1.37x	1.64x
Net Debt/EBITDA (excluding Flooring)	0.87x	1.09x
Net Debt/Equity	0.58x	0.64x

Total Income:

- ₹ 22,272 mn, registering a growth of 83.2% YoY

Bath Linen sales volume grew by 51% YoY, Bed Linen sales volume grew by 114% YoY and Rugs and carpets sales volume grew by 219% YoY

EBITDA:

- ₹ 4,598 mn, up 93% YoY and 28.4% QoQ & EBITDA Margin was at 20.6%, an improvement of 106 bps YoY and 417 bps QoQ
- **Core business EBITDA** stood at ₹ 4,805 mn & EBITDA Margin stood at 22.6%

- **PAT:**
 - ₹ 2,175 mn, up 343% YoY and 67% QoQ
- **Net Debt:**
 - ₹ 22,495 mn vs. ₹ 23,327 mn (March 2021); reduction of ₹ 832 mn
 - **Excluding flooring** Net debt stood at ₹ 14,839 mn vs. ₹ 16,215 mn (March 2021); reduction of ₹ 1,376 mn

Key Business Updates:

- The change in homebody economy consumer behavior with focus on Hygiene and Wellness products, revival in hospitality sector due to increased spending on travel & holidays in Euro & US region, and strong global retailers' financial performance would continue to drive the demand for home textile in FY22.
- Our Innovation product sales during the year was ₹ 5,529 mn, registering a growth of 64% YoY and contributed 29% to the sales.
- Emerging business grew 128% YoY, contributed 21% to the topline.
- E-commerce business witnessed strong demand with growth of 45% YoY
- Branded business witnessed strong growth of 131% YoY, contributing ₹ 2,997 mn to the topline of Q1FY22.
- Martha Stewart brand is on track to achieve \$25mn sales in FY22 vis-à-vis \$14mn sales in FY21
- Recent Hygro Cotton program promotion by Scott Brothers on QVC was hugely successful with record **\$ 5.5mn** sales, i.e., **94% sell-thru** in **72 hrs**.
- With an aim to be "Har Ghar Welspun", the company has increased nationwide footprint to 4,288 outlets and 80 towns with brand Welspun vis-a-vis 3500+ outlets and 66 town and in Q4.
- Flooring business grew 379% YoY and contributed 5.4% to the topline in Q1FY22.

Capacity Enhancement:

- The capital light expansion at Vapi and Anjar which was announced in Q3FY21 is underway with TT capacity enhanced by 7% to 85,400 MT per annum. 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 from Q4 FY22.
- The Flooring capex project will conclude towards the end of FY22.

Capex & Net Debt:

- In Q1FY22 we have spent ₹ 1,722 mn. In spite of investments in our growth businesses, Net Debt stood at ₹ 22,495 mn as on 30th June 21, lower by ₹ 832 mn QoQ

Awards and Accolades:

- Welspun received the Platinum trophy for Highest Global Exports 2020 out of India from the Cotton Textiles Export Promotion Council [TEXPROCIL]; Eleven successive years of export leadership for Welspun
- In Dun & Bradstreet's annual publication 'India's Top 500 Companies 2021', Welspun India was declared as winner in textile category
- Welspun flooring was awarded STeP by OEKO-TEX® that stands for Sustainable Textile & Leather Production
- Welspun flooring was awarded Greenguard gold certification. GREENGUARD GOLD certificate ensures that our product has met the world's highest standard for low chemical emission.
- Welspun Flooring also became the first company to achieve certification under SCS' new Zero Waste Standard. WFL manufacturing facility has achieved 98% diversion of waste from landfill through a combination of recycling, waste reclamation, co-processing (including waste-to-energy), composting and storage.

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

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Investor Queries Contact: Mr. Vipul Garg at Vipul_garg@welspun.com

Q1 FY22 Investor / Analyst conference call:

Conference call with the management to discuss the company's
Q1FY22 financial results on Thursday, July 28, 2021 at 4.30 PM IST

Date : **Wednesday, 28th July 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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