

12% Revenue growth in FY17

- ✓ Operating EBITDA at 23.8%
- ✓ Launched “Wel-Trak”, Industry Defining Traceability solution
- ✓ Dividend proposed at Rs. 0.65/share

Mumbai, Apr 25, 2017: Welspun India Ltd., (WIL), part of the US\$ 2.3 billion Welspun Group announced Q4FY17 & FY17 results today.

Consolidated Financial Summary - Q4 FY17 & FY17				Rs. Million			
FY17	FY16	Change	Particulars	Q4FY17	Q3FY17	Q4FY16	YoY Change
66,405	59,239	12.1%	Revenue	17,572	15,009	16,162	8.7%
15,834	15,927	-0.6%	Operating EBITDA	3,829	3,463	4,353	-12.0%
23.8%	26.9%	-304 bps	Operating EBITDA Margin	21.8%	23.1%	26.9%	-514 bps
16,155	16,550	-2.4%	EBITDA	3,946	3,505	4,515	-12.6%
24.3%	27.9%	-361 bps	EBITDA Margin	22.5%	23.4%	27.9%	-548 bps
1,099	2,087	-47.4%	Finance Cost (Net)	392	313	598	-34.5%
5,054	3,718	35.9%	Depreciation	1,365	1,305	1,036	31.8%
10,003	10,745	-6.9%	PBT (before exceptional)	2,190	1,888	2,882	-24.0%
6,979	7,365	-5.2%	PAT (before exceptional)	1,533	1,331	1,959	-21.7%
6.95	7.33	-5.2%	EPS (Rs.) (before exceptional)	1.53	1.33	1.95	-21.7%
(4,648)	-		Exceptional Gain/(Loss)	9	239	-	
5,355	10,745	-50.2%	PBT (after exceptional)	2,198	2,127	2,882	-23.7%
3,576	7,365	-51.5%	PAT (after exceptional)	1,538	1,494	1,959	-21.5%
9,131	12,074	-24.4%	Cash Profit*	3,263	3,009	3,310	-1.4%
3.56	7.33	-51.5%	EPS (Rs.) (after exceptional)	1.53	1.49	1.95	-21.5%

*Cash Profit = PBDT – Tax outflow ; Prior-period figures have been restated according to Ind-AS accounting standards.

@ Q4FY17 exceptional gain relates to loss of profit claim from insurance for power plant. Plant restarted on 16 Jan 2017.

Balance Sheet Snapshot (Rs. million)	31 st Mar 2017	31 st Mar 2016
Net worth	23,971	19,700
Gross debt	33,114	32,478
Net Debt	30,389	31,090
Net fixed assets (incl. CWIP)	35,713	33,508
Net current assets (excl. cash & cash equiv.)	20,114	16,845
Capital Employed (avg.)	58,189	53,331
Net Debt/Op. EBITDA	1.92	1.95
Net debt/Equity	1.27	1.58
ROCE (pre-tax)*	19.3%	24.6%
ROE*	29.6%	42.8%

Note: Prior-period figures have been restated according to Ind-AS accounting standards

*Excluding impact of exceptional items

Consolidated Financial Highlights – Q4 FY17 (compared with Q4 FY16 figures)

- Revenue at Rs. 17,572 million vs. Rs. 16,162 million; 8.7% growth YoY driven by double digit growth in volumes in terry towels and rugs and higher mix of innovative and branded products.
- Share of innovative products stands at 36% in FY17 (34% in FY16) while branded sales share stood at 16% (13% in FY16)
- Domestic retail sales growth - 21% ; Christy UK sales growth - 12% in FY17
- Operating EBITDA at Rs. 3,829 million vs. Rs. 4,353 million in Q4 FY16. Operating EBITDA margin at 21.8% (26.9% in Q4 FY16) was adversely affected due to sudden spurt in raw material and energy cost.
- Finance cost (Net) stood at Rs. 392 million, 35% lower YoY (Rs. 598 million) on account of reduction in base rate and higher quantum of debt under Gujarat textile scheme
- Depreciation was higher YoY at Rs. 1,365 million (Rs. 1,036 million in Q4 FY16), primarily on account of the capitalisation of ongoing modernisation and expansion projects
- Profit before Tax (before exceptional) stood at Rs. 2,190 million compared to the Q4 FY16 figure of Rs. 2,882 million
- Net worth stands at Rs. 23,971 million as on 31st Mar 2017 (Rs. 19,700 million at FY16-end)
- Net debt stands at Rs. 30,389 million as on 31st Mar 2017 (Rs. 31,090 million at end-FY16) implying a net debt/equity of 1.27x (1.58x at end-FY16)
- Net debt/ Operating EBITDA as on 31st Mar 2017 stands at 1.92x (1.95x in FY16)
- Pre-tax ROCE (excluding the impact of one-time provision) for FY17 stands at 19.3% and ROE stands at 29.6%
- For the third year in a row, the Company generated positive free cash flows after capex and in spite of the one-time exceptional item in FY17
- Dividend proposed at Rs. 0.65/share in FY17

Project Status

- For FY17, the total capital expenditure has been Rs. 7.2 billion. Annual capacity as on date has been enhanced to 72,000 MT in Towels (from 60,000 MT at end-FY16), 90 million metres in Bed Linen (from 72 million metres at end-FY16) and 10 million sq. metres in Rugs & Carpets (from 8 million sq. metres at end-FY16).
- For FY18, capex is expected to be around Rs. 7 bn. This will be mainly for enhancing towel capacity to 80,000 MT and for the ongoing flooring solutions project. The flooring solutions project is on track and is expected to be completed by Q2FY19.
- Implemented Wel-Trak™ - an industry-defining, multi-level traceability process to track the finished product back to raw material
- Commissioned state-of-the-art 30 MLD Sewage Treatment Plant (STP) under Public-Private-Partnership (PPP) mode, as part of the Company's sustainability initiatives.

Recent Awards & Recognitions

- “Best Supplier for Quality” Award 2016– Auchan Retail, France
- “Best Retail Supplier” Silver Award 2016 – Auchan Retail, France

Management comments

Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun Group, said, “We have raised the bar w.r.t. Traceability, Sustainability, Inclusive Growth, Innovation and Branding while maintaining our momentum for growth and efficiency. The industry is facing significant head winds in terms of raw material

and energy cost pressures as well as Rupee appreciation, which will keep the margins under pressure during FY18. The Company is well placed to face this challenge with its differentiation strategy of Innovation, Branding and Sustainability which it has been pursuing for quite some time now. Further, the Company is geared itself for the opportunity in the Domestic Market which have a few significant enablers like the Government's Policy on 'Housing for all by 2022' and the implementation of GST. The Company has also taken a few initial steps towards its entry into Advanced Textiles and Flooring Solutions. The new channels like e-com, Hospitality et al are seeing traction and will continue to see higher growth rate in the coming years."

About Welspun India (www.welspunindia.com)

Welspun India Ltd, part of US\$ 2.3 billion Welspun Group, is one of the world's largest home textile manufacturers. With a distribution network in more than 50 countries and world class manufacturing facilities in India, it is the largest exporter of home textile products from India. Supplier to 17 of Top 30 global retailers, the Company has marquee clients like Bed Bath & Beyond, Costco, Kohl's, Wal-Mart and Macy's to name a few.

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