

WIL/SEC/2016

April 25, 2016

<b>Bombay Stock Exchange Limited</b> Department of Corporate Services, SP. J. Towers, Dalal Street, Mumbai - 400 001 (Scrip Code-514162)	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 (Symbol : WELSPUNIND)
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Dear Sirs/ Madam,

**Subject: Disclosure of information pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find attached investor presentation, inter alia, on financial results of the Company for the quarter and year ended March 31, 2016.

Please take the same on record.

Thank you,

**For Welspun India Limited**



**Shashikant Thorat**  
**Company Secretary**  
**ICSI Membership No. : FCS-6505**

**Enclosed: Results Presentation as mentioned above**

# ANNUAL INVESTOR CONFERENCE

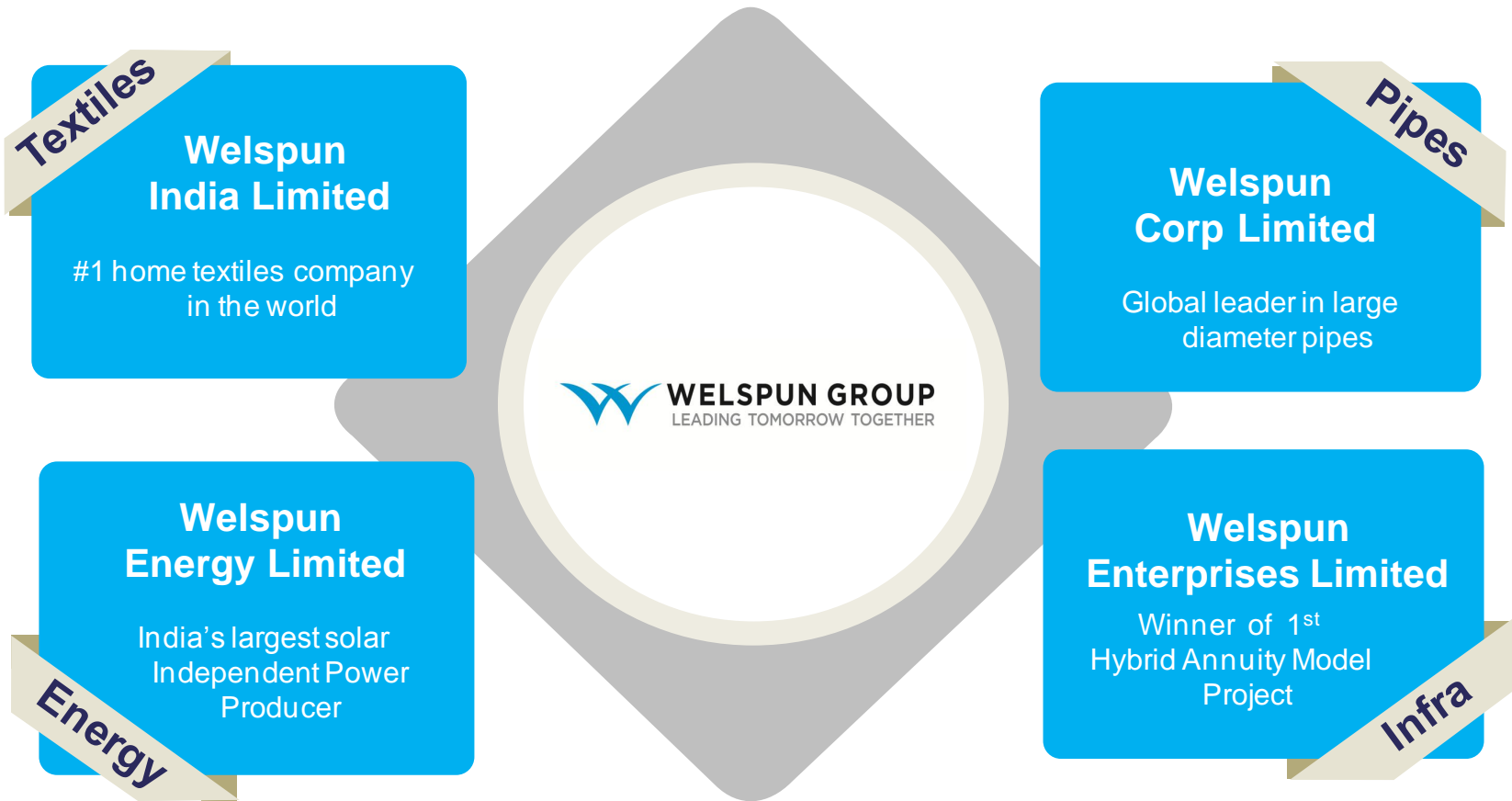
25<sup>th</sup> April, 2016



# AGENDA

- 1. Chairman's address**
- 2. Business Insights**
- 3. Way Ahead**
- 4. Financial Highlights**
- 5. Q&A**

# CHAIRMAN'S ADDRESS



Revenue : US\$ 3 Billion; Asset Base : US\$ 3.2 Billion

# WELSPUN GROUP – JOURNEY FROM FY14...

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**EXIT FROM  
NON-CORE  
BUSINESSES**

**IMPROVING  
PROFITABILITY IN  
CORE BUSINESSES**



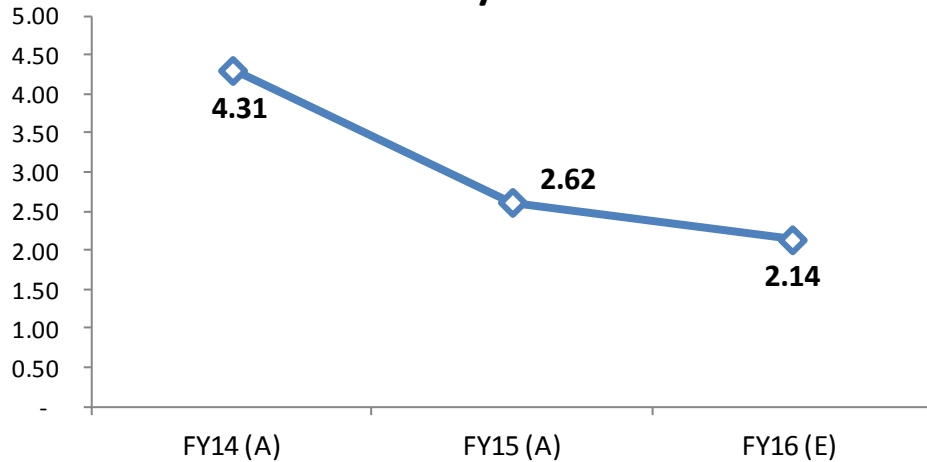
**WELSPUN GROUP**  
LEADING TOMORROW TOGETHER

**DELEVERAGING**

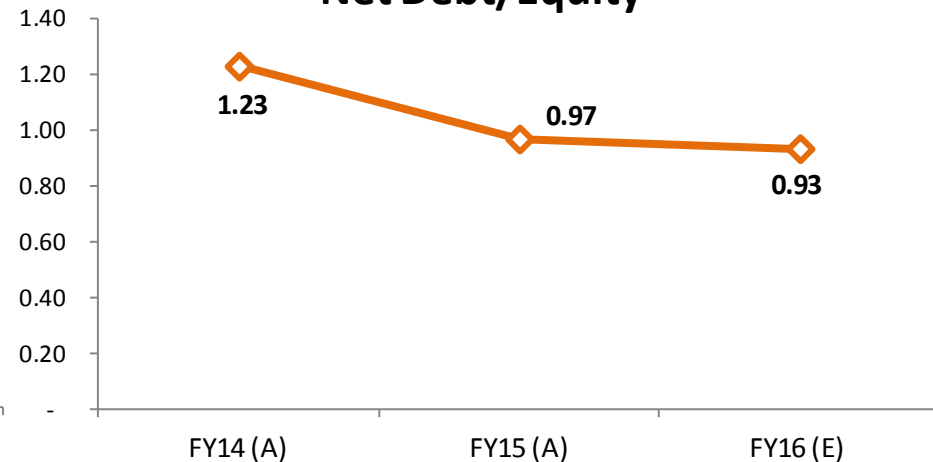
**SIMPLIFICATION  
OF  
CORPORATE  
STRUCTURE**

# WELSPUN GROUP – STRENGTHENING FINANCIAL PROFILE

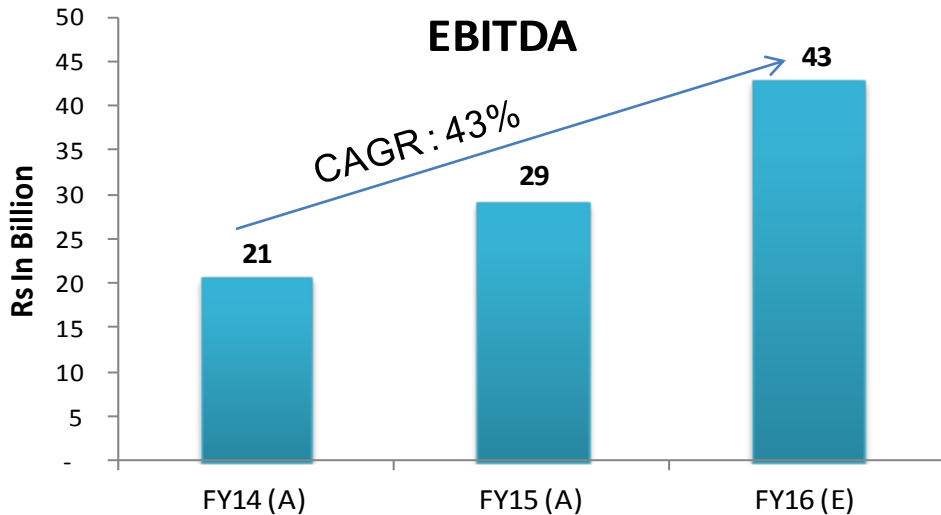
### Net Debt / EBITDA



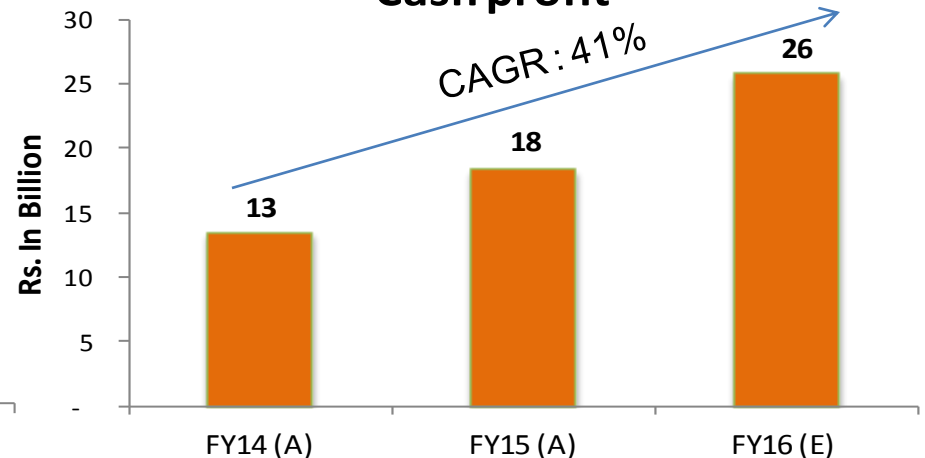
### Net Debt/Equity



### EBITDA



### Cash profit



# WELSPUN GROUP COMPANIES - CREDIT RATING

	Long Term	Short Term
Welspun India	AA-	A1+
Welspun Global Brands	AA-	A1+
Welspun Corp	AA-	A1+
Welspun Energy	A+	A1+
Welspun Enterprises	A	A1

*As per CARE/FITCH*



**WELSPUN2.0** – BUILT TO LAST.....

# LEADING TOMORROW TOGETHER



## DIFFERENTIATION

- ⊕ Innovation
- ⊕ Technology
- ⊕ Partnerships



## INSTITUTIONALISATION

- ⊕ Management Empowerment
- ⊕ Risk Management
- ⊕ Financial Sustainability
  - ⊕ Prudent Capital Allocation
  - ⊕ Dividend policy



## BEING RESPONSIBLE

- ⊕ Environment Friendly Practices
- ⊕ Caring for the Community
- ⊕ Diverse Workforce
- ⊕ Trustee to shareholders

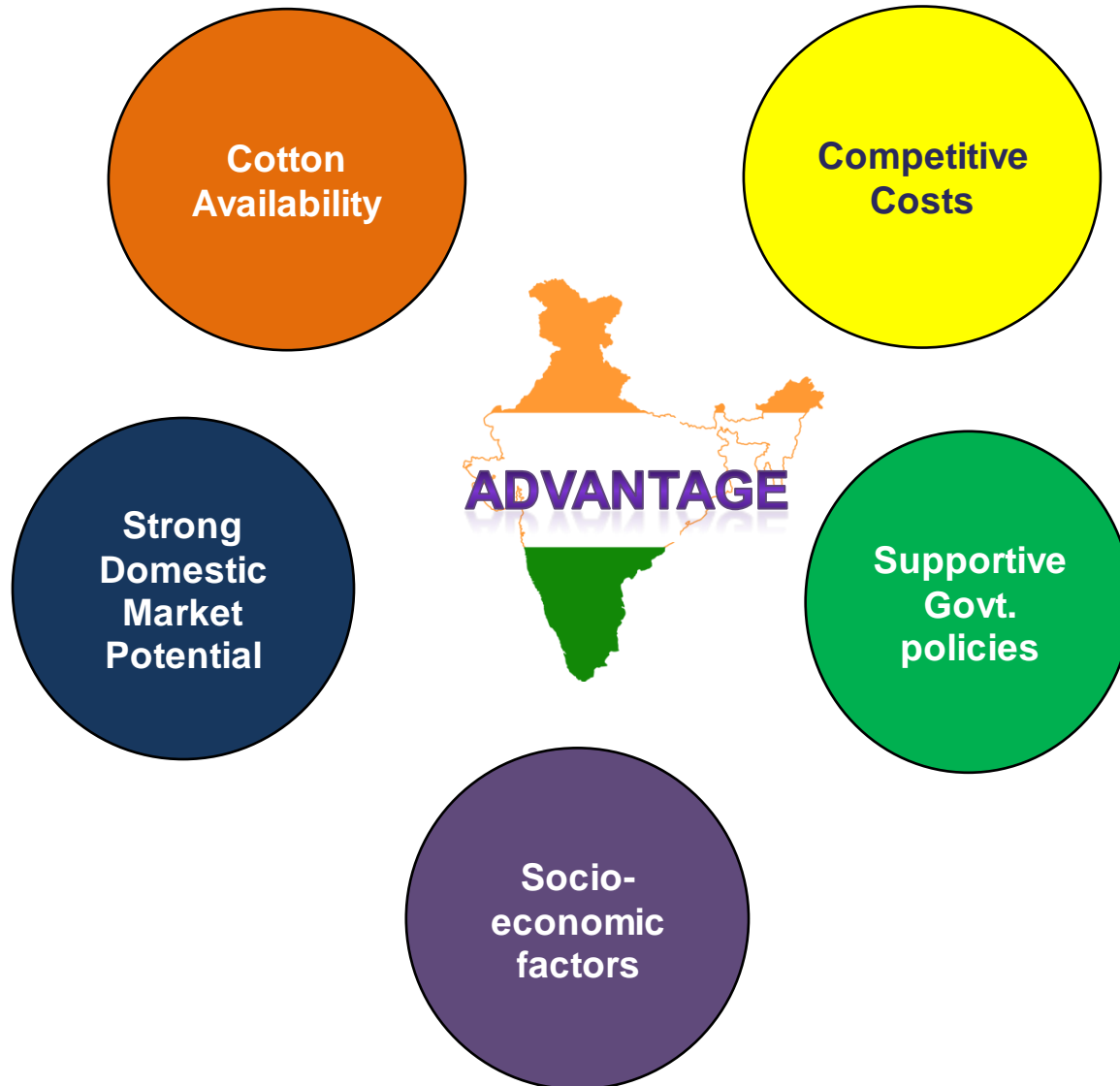
***A JOURNEY.....***

# WELSPUN INDIA LTD

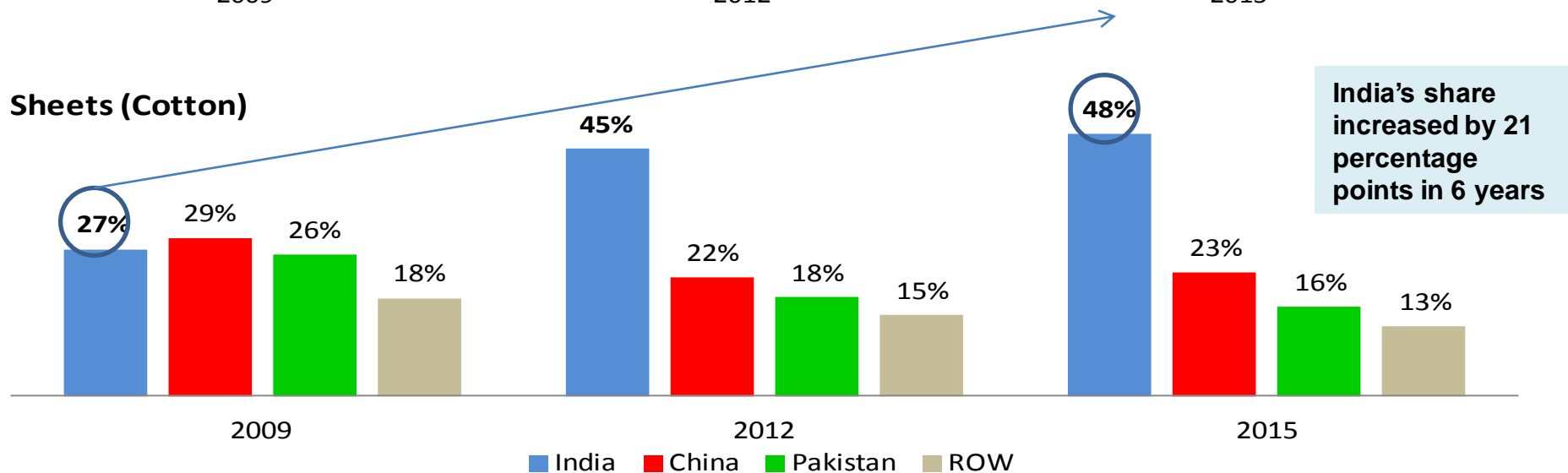
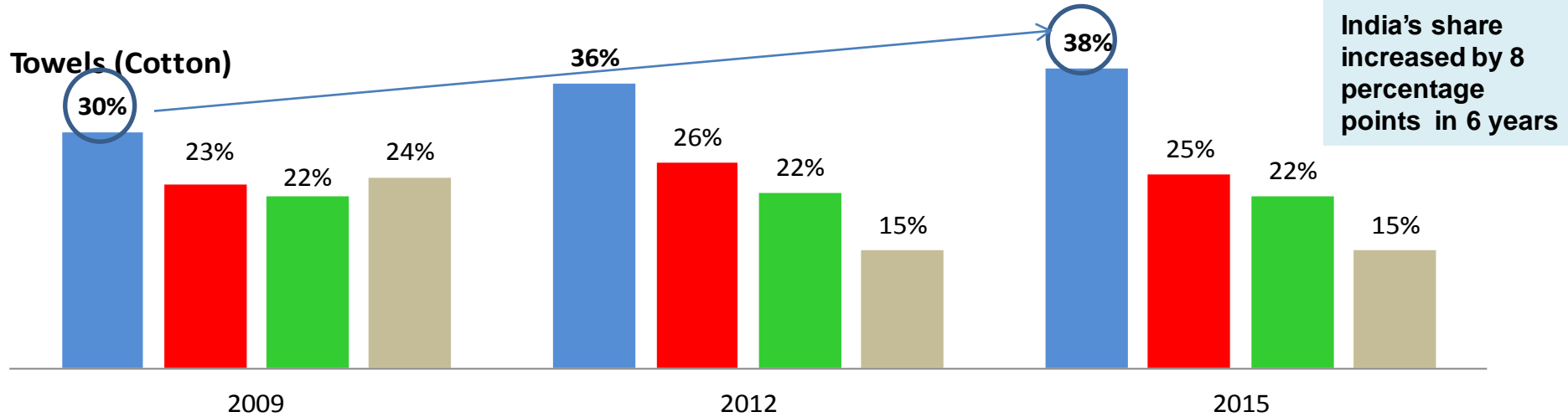
# WELSPUN INDIA - DELIVERING ON COMMITMENTS

	Guidance	3-Yr Average	FY16	
Revenue Growth	13-17%	18%	13%	✓
EBITDA Margin	21-22%	24%	26%	✓
ROCE	18-20%	24%	26%	✓
Net Debt/Equity	1.7x	1.8x	1.3x	✓
Net Debt/Op EBITDA	2.8x	2.2x	1.6x	✓
FCF	Steady Increase	FY15 & FY16 +ve	Rs. 3.8 bn	Continuous Improvement

# HUGE OPPORTUNITY FOR INDIAN HOME TEXTILES



# INDIAN PLAYERS GAINING PROMINENCE GLOBALLY



US market share. Source: Otexa

# VISION 2020

Revenue  
**\$2 BN**

Net Debt  
**NIL**

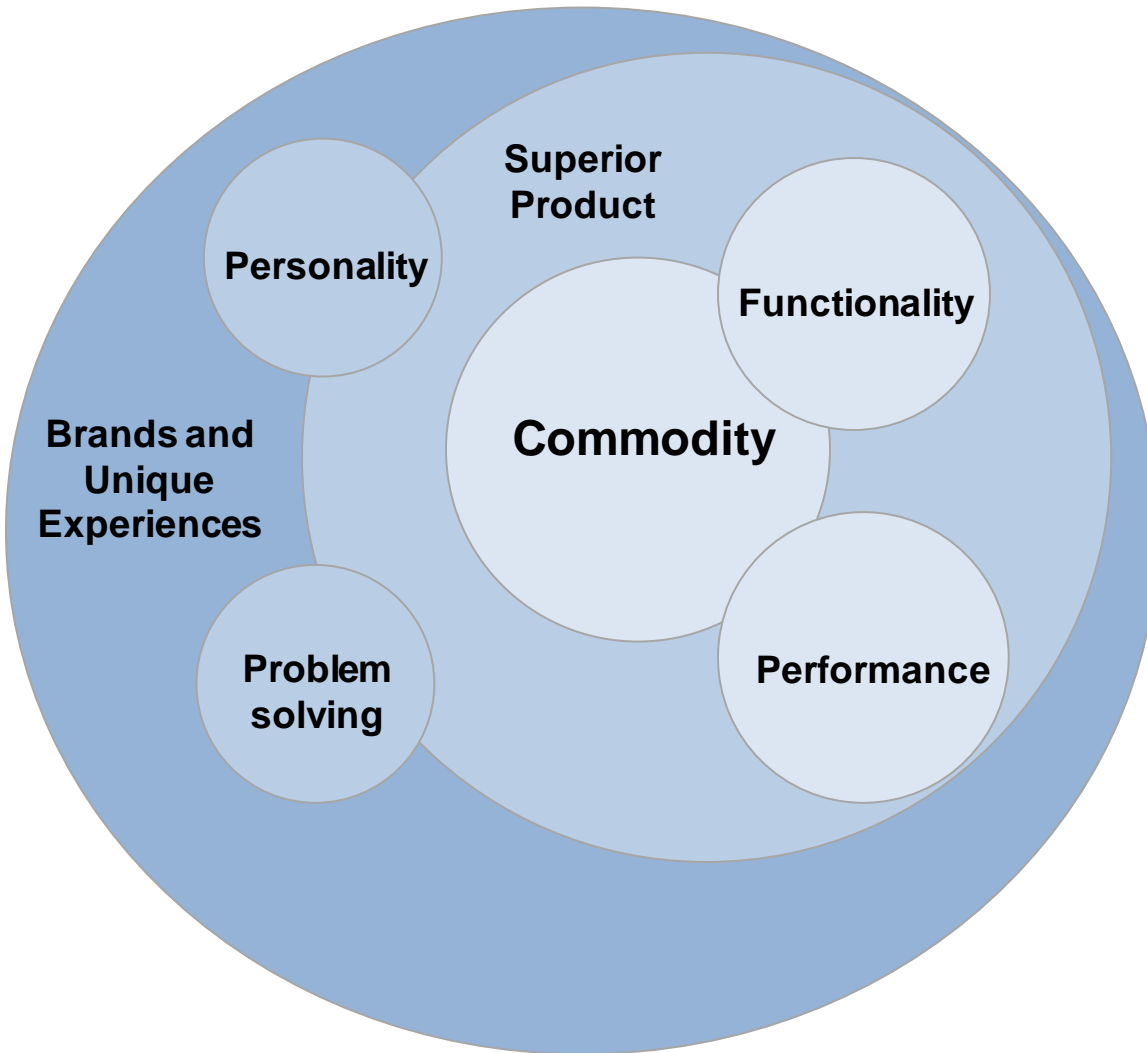
**WELSPUN2.0**

Innovative/Branded  
Products Share of  
Revenue  
**50%**

Domestic Market  
Share of Revenue  
**20%**

# **BUSINESS INSIGHTS**

# WELSPUN: BEYOND MANUFACTURING..



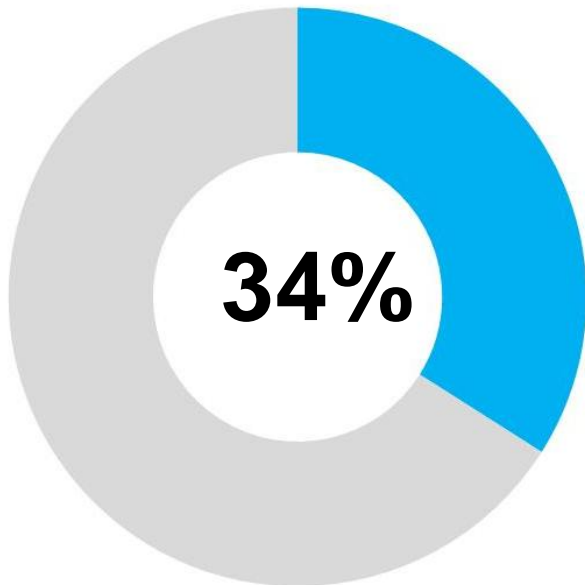
- In the past 30 years, Welspun has evolved from being a commodity manufacturer to a creator of unique product and brand experiences
- We create these experiences through our brands, product and technologies and new channels

**...TO CUSTOMER  
CENTRIC**

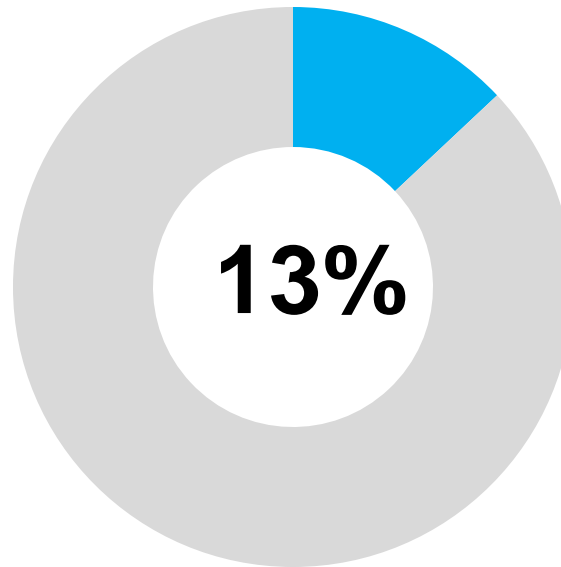


## LEADING TO.. A UNIQUE REVENUE MIX FY16

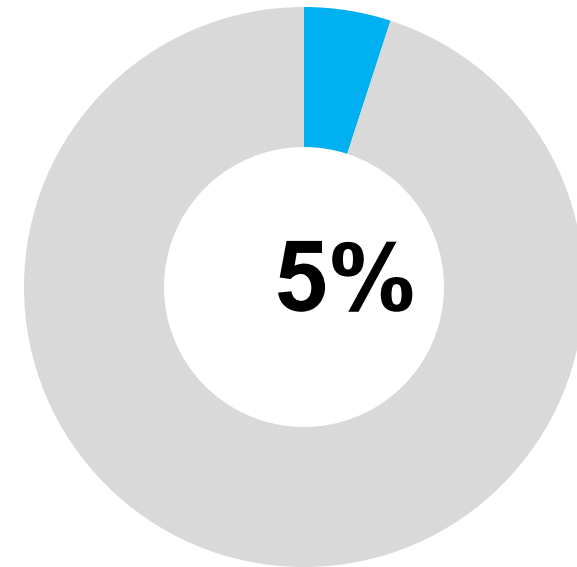
INCREASED SHARE OF  
INNOVATIVE PRODUCTS



INCREASED SHARE OF  
BRANDED PRODUCTS



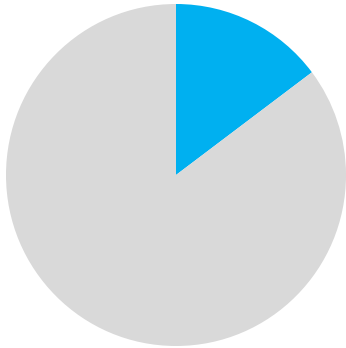
INCREASED SHARE OF  
NEW CHANNELS



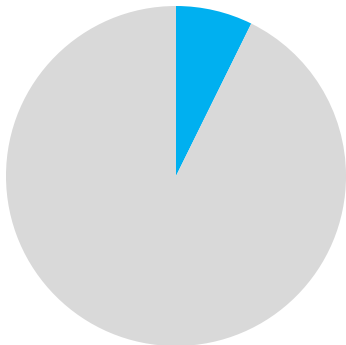
# WELSPUN'S IMPROVED MARKET SHARE

**CY13**

**14.7% in Towels**

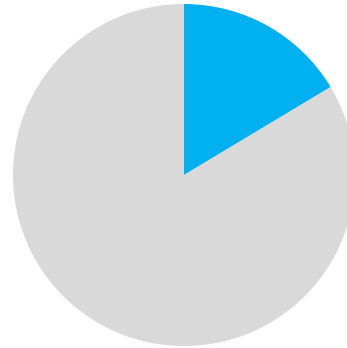


**7.3% in Bed Linen**

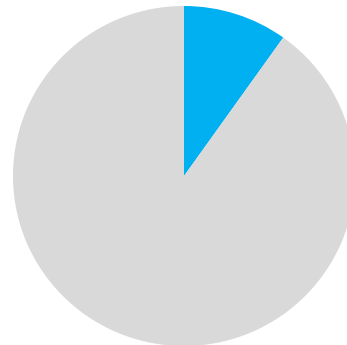


**CY14**

**16.4% in Towels**

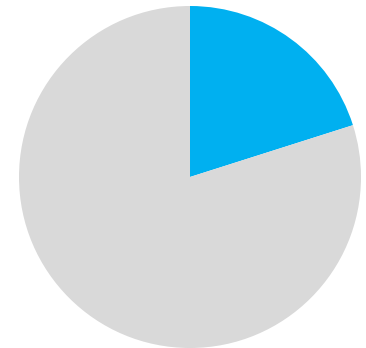


**9.9% in Bed Linen**

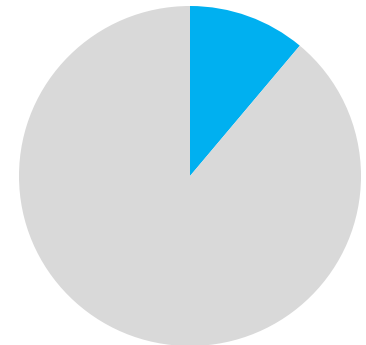


**CY15**

**20.1% in Towels**



**11.3% in Bed Linen**



US Market-Source OTEXA

# SUCCESSFUL FY16

## LEADERSHIP POSITION

**No. 1 Home Textile  
Supplier To USA for  
4<sup>th</sup> Consecutive Year**

**Highest Exports from India  
for Bed Linen & Terry  
Towels**

## ACCELERATED GROWTH

**13% Overall Revenue  
Growth**

**47% Domestic Retail  
Growth**

**100% Hospitality Business  
Growth**

## INDUSTRY DEFINING

**Globally Launched  
Hygro® As An  
Ingredient Brand**

**First Indian Company To  
Receive The Egyptian  
Cotton Gold Seal**

# AWARDS & RECOGNITIONS

- Dipali Goenka, Jt. MD, features at #16 in Asia's 50 Power Businesswomen 2016 by Forbes.
  - #4 among Indian Women
- Dipali Goenka appointed on the Board of Directors of Social Accountability Accreditation Services (SAAS)
- “Supplier of the Year” in Bed & Bath category” - Walmart
- “CSR Award” - Tesco
- “Highest Overall Global Exports, Highest Exports in Bed Category and Highest Exports in Towels Category” - Texprocil
- “5 Star Vendor of the Year” - Macy’s
- “Golden Peacock Eco Innovation Award 2015”
- ‘Exemplary Supply Chain and Speed Award’ - Kohl’s
- “Best Innovation Award 2015” - Wilkinson
- Highest Direct to Store Delivery Share - IKEA 2015.
- Only Indian vendor invited as a ‘Gold Supplier’ by Carrefour in the General Merchandise Category
- Total Transparency certificate - Gold Supplier from Egyptian Cotton Association
- Global Inclusion and Diversity Award for 2015 – JC Penney



# DELIVERING UNIQUE EXPERIENCES

## INNOVATION FOCUS

Consumer Needs

## BRAND AND DELIVERY FOCUS

### Continuous Idea Generation

- Welspun Innovation Lab
- Product Development

### Ensuring Credibility



### Innovation

- Innovation Partners
- Global patents: 26 (including pending)

CONSUMER INSIGHTS

### Ingredient /Technology



### Brands

#### Owned



#### Licensed



### Technology and Product Delivery

- B2C/ B2B Connect
- Data Analytics and VMI Support

# DELIVERING PRODUCT EXPERIENCES

Introducing 3 extraordinary  
Sequenced Sleep Systems™  
for 3 extraordinary kinds of comfort:

Nano Core™ Active Anti-Allergen™  
Sequenced Sleep System™  
for anti-allergen comfort.



Hygro™ Cotton Luxe  
Sequenced Sleep System™  
for high-performance comfort.



Drylon™ EZcomfort™  
Sequenced Sleep System™  
for easy care comfort.



Each unique system offers 5 layers of



unprecedented performance and comfort.

# DELIVERING PRODUCT PERFORMANCES



*regulates temperature for individual comfort*



*before washing*



*after 3 washings*

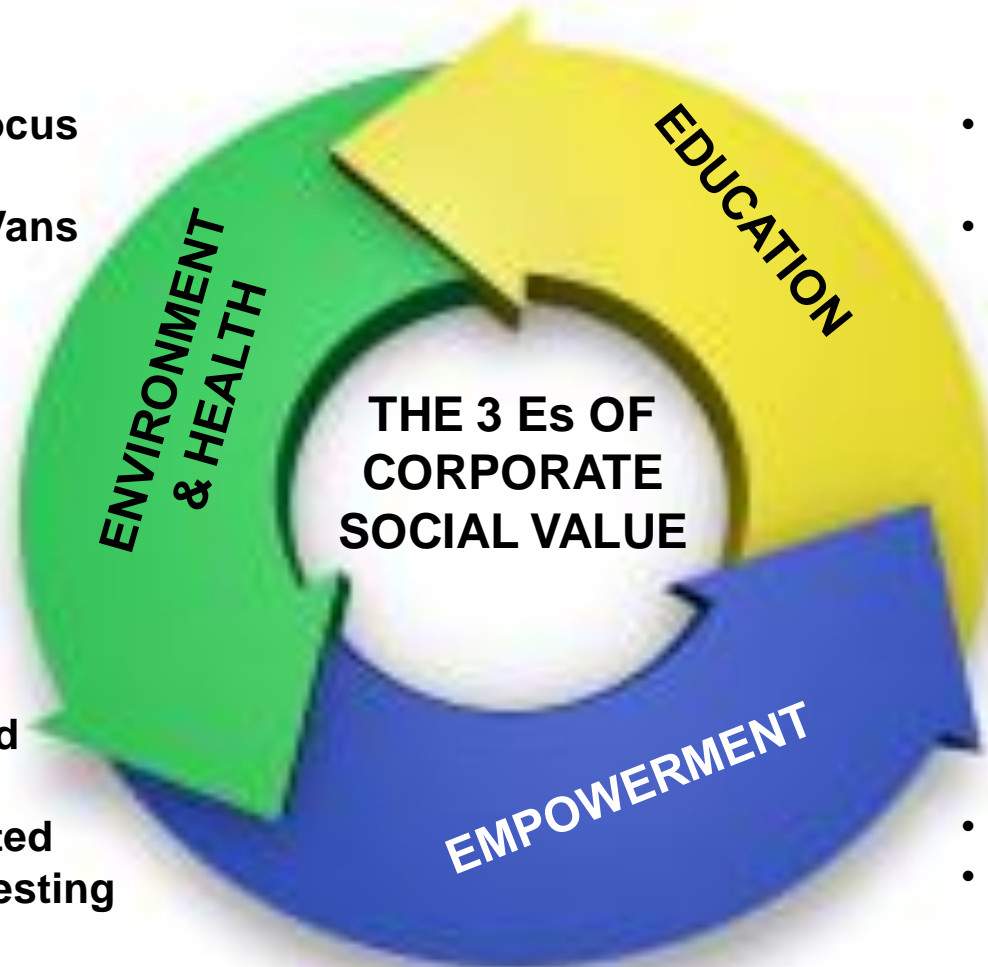


# FOCUS 2016 - INCLUSIVE GROWTH

## Virtuous Cycle of Social Development at Welspun

- Sustainability Focus
- Health Camps
- Mobile Medical Vans

- Natural/ Recycled Products
- 300K Trees Planted
- Rain Water Harvesting



- Child And Adult Education
- Interventions

- Vocational Training
- Employability



# FOCUS 2016 - INCLUSIVE GROWTH (Contd.)



**Girls Hostel**



**Vocational Centers for SPUN**



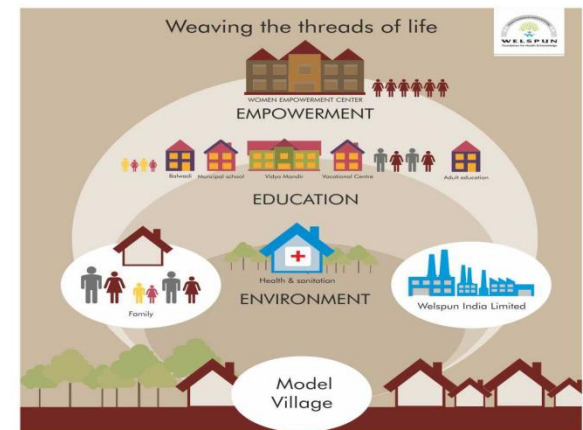
**Skill Development**



**Global Women Economic Empowerment Initiative**



**Education : Students and Govt. Schools Covered**



**Smart Village**



**WAY AHEAD**

# SUSTAINABLE VALUE CREATION

## NEW CHANNELS



## INNOVATION



## NEW SEGMENTS



## OPERATIONAL EXCELLENCE



## NEW GEOGRAPHIES



## PERSONALIZED / CUSTOMIZED



## EXPANDED PRODUCT RANGE



# VISION 2020

# LEADING TOMORROW TOGETHER



Innovation



Leveraging technology



Inclusive growth



Brands



People development



Collaborations

# VISION 2020

Revenue  
**\$2 BN**

**WELSPUN2.0**

Net Debt  
**NIL**

Innovative Products  
Share of Revenue  
**40%**

Branded Products  
Share of Revenue  
**25%**

Domestic Market  
Share of Revenue  
**20%**

# **FINANCIAL HIGHLIGHTS - Q4 & FY16**

# FINANCIAL HIGHLIGHTS – FY16

Sales growth at 13%	Operating EBITDA margin up 202 bps to 26%	PAT crossed milestone of Rs. 7 bn
Net Debt to Equity at 1.3x (vs. 1.8x)	Net debt to Op.EBITDA at 1.6x (vs. 2.0x)	ROCE (pre-tax) at 26%; ROE at 41%
Long term Credit Rating upgraded to AA- from A+	Positive FCF at Rs. 3.8 bn (after capex of ~Rs. 11 bn)	Total Dividend of Rs. 1.30/share (130% of face value)

# FINANCIAL PERFORMANCE

(Rs. Million)

Particulars	Q4FY16	Q4FY15	YoY	Q3FY16	FY16	FY15	YoY
Revenue	16,283	13,658	19.2%	14,904	59,795	53,025	12.8%
Operating EBITDA	4,229	3,446	22.7%	4,006	15,575	12,742	22.2%
<b>Op. EBITDA Margin</b>	<b>26.0%</b>	<b>25.2%</b>	<b>74 bps</b>	<b>26.9%</b>	<b>26.0%</b>	<b>24.0%</b>	<b>202 bps</b>
EBITDA	4,497	3,735	20.4%	4,178	16,490	13,691	20.4%
EBITDA Margin	27.6%	27.3%	27 bps	28.0%	27.6%	25.8%	176 bps
Finance Cost	663	569	16.5%	592	2,362	2,829	-16.5%
Depreciation	1,042	1,009	3.3%	997	3,750	3,329	12.6%
PBT	2,792	2,157	29.4%	2,588	10,378	7,533	37.8%
<b>PAT after min. &amp; assoc.</b>	<b>1,933</b>	<b>1,614</b>	<b>19.8%</b>	<b>1,741</b>	<b>7,029</b>	<b>5,398</b>	<b>30.2%</b>
PAT Margin	11.9%	11.8%	5 bps	11.7%	11.8%	10.2%	157 bps
Cash Profit*	3,125	2,781	12.4%	3,002	11,487	9,017	27.4%
<b>EPS#</b>	<b>1.9</b>	<b>1.6</b>	<b>19.8%</b>	<b>1.7</b>	<b>7.0</b>	<b>5.4</b>	<b>30.2%</b>

**Operating margin expansion by ~200 bps and EPS growth of ~30% in FY16**

\* PBBDT – Current Tax #Adjusted for stock split



# PROFITABILITY TREND

(Rs. Million)

Particulars	FY13	FY14	FY15	FY16	CAGR
<b>Revenue</b>	<b>36,473</b>	<b>43,730</b>	<b>53,025</b>	<b>59,795</b>	17.9%
<i>Revenue growth %</i>	24.4%	19.9%	21.3%	12.8%	
<b>Operating EBITDA</b>	<b>5,946</b>	<b>9,211</b>	<b>12,742</b>	<b>15,575</b>	37.8%
<i>Op EBITDA Margin</i>	16.3%	21.1%	24.0%	26.0%	
<b>EBITDA</b>	<b>6,438</b>	<b>10,253</b>	<b>13,691</b>	<b>16,490</b>	36.8%
<i>EBITDA Margin</i>	17.7%	23.4%	25.8%	27.6%	
Depreciation	1,449	1,903	3,329	3,750	
Finance cost	1,977	2,352	2,829	2,362	
<b>PBT</b>	<b>3,013</b>	<b>5,997</b>	<b>7,533</b>	<b>10,378</b>	
<b>PAT after min. &amp; assoc.</b>	<b>2,248</b>	<b>4,195</b>	<b>5,398</b>	<b>7,029</b>	46.2%
<i>PAT Margin</i>	6.2%	9.6%	10.2%	11.8%	
Cash Profit	4,178	6,237	9,017	11,487	40.1%
<b>EPS*</b>	<b>2.2</b>	<b>4.2</b>	<b>5.4</b>	<b>7.0</b>	46.2%

**Operating Margin expansion by 9.7 percentage points in three years**

\* Adjusted for stock split

Notes: 1) Cash Profit = PBDT – Current Tax

2) FY14 PAT and EPS are adjusted for one-time additional depreciation net of tax

# BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Net Worth	9,902	11,097	14,318	19,877
Short Term Loans	9,166	11,349	10,034	7,732
Long Term Loans	11,079	18,944	20,817	18,901
<b>Gross Debt</b>	<b>20,244</b>	<b>30,293</b>	<b>30,851</b>	<b>26,632</b>
Cash & Cash Equiv.	2,798	3,658	4,297	1,384
<b>Net Debt</b>	<b>17,446</b>	<b>26,635</b>	<b>26,554</b>	<b>25,248</b>
Capital Employed#	32,387	43,694	45,451	48,347
Net Fixed Assets (incl CWIP)	18,615	25,609	26,049	33,435
Net Current Assets*	8,221	12,140	13,155	11,054
Total Assets	38,579	51,684	56,953	62,272

**Net worth doubled in three years**

# Capital Employed = Total assets – Current liabilities (excl short-term debt and long-term debt repayable in one year)

\* Net Current Assets does not include Cash & Cash Equivalents

# FINANCIAL RATIO TREND

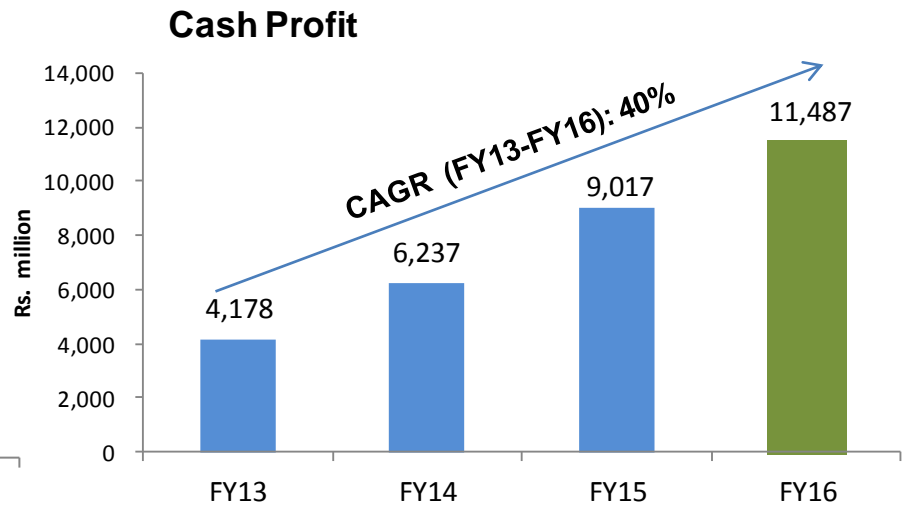
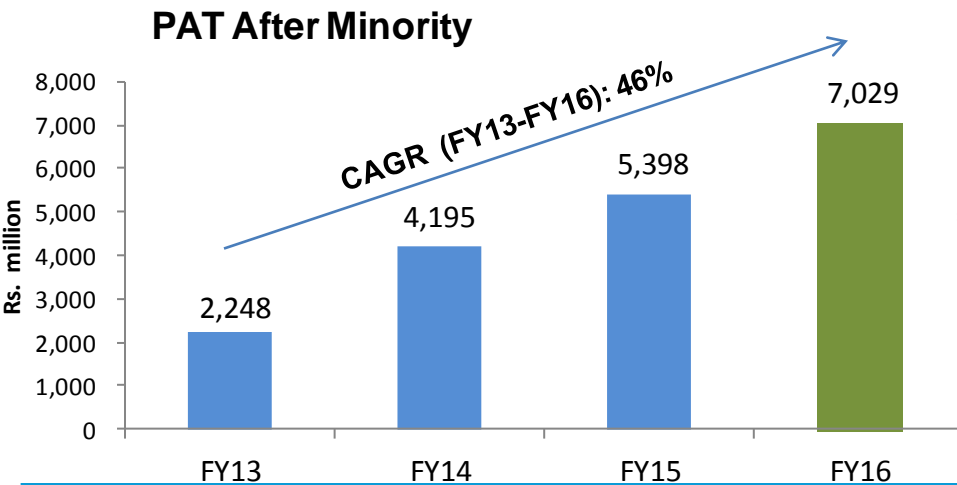
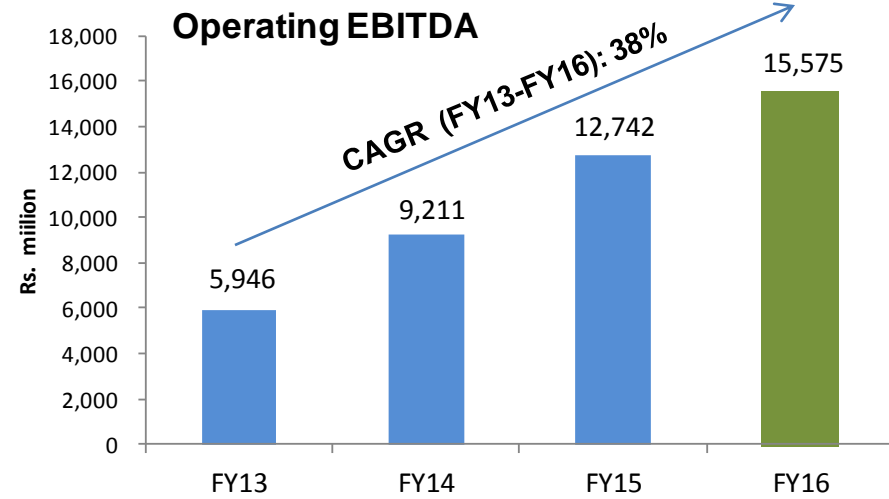
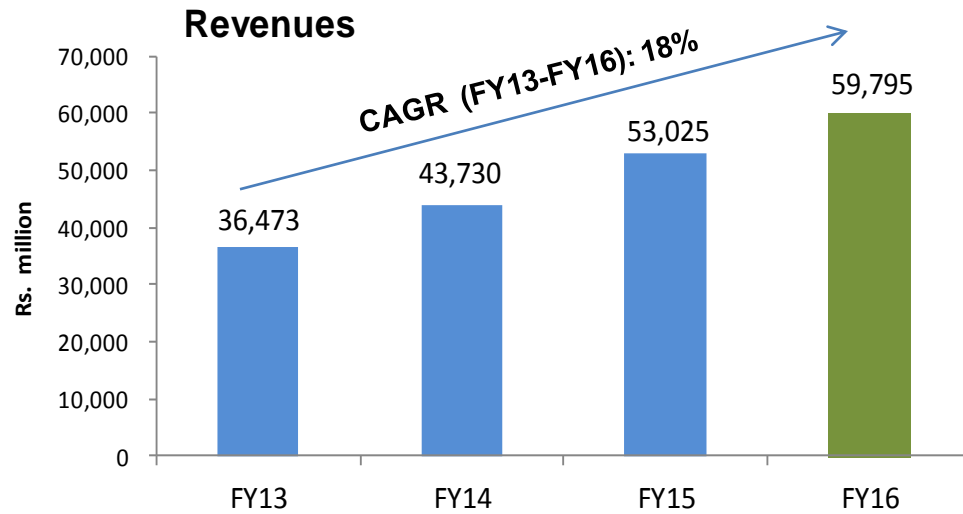
		FY13	FY14	FY15	FY16
Solvency ratios	Net debt/Op. EBITDA	2.93	2.89	2.08	1.62
	Net debt/Equity	1.76	2.40	1.85	1.27
	EBIT/Interest	2.52	3.55	3.66	5.39
Operational ratios	Current Ratio	1.00	1.07	1.10	1.17
	Fixed Asset turnover	1.96	1.71	2.04	1.79
	Total Asset turnover	0.95	0.85	0.93	0.96
	Inventory days	82	84	76	67
	Debtor days	28	34	31	37
	Payable days	50	51	48	62
	Cash conversion cycle	60	67	59	43
Return ratios	ROE	25.9%	40.0%	42.5%	41.1%
	ROCE (pre-tax)	16.3%	21.9%	22.8%	26.4%

**ROCE expansion by 10 percentage points in three years**

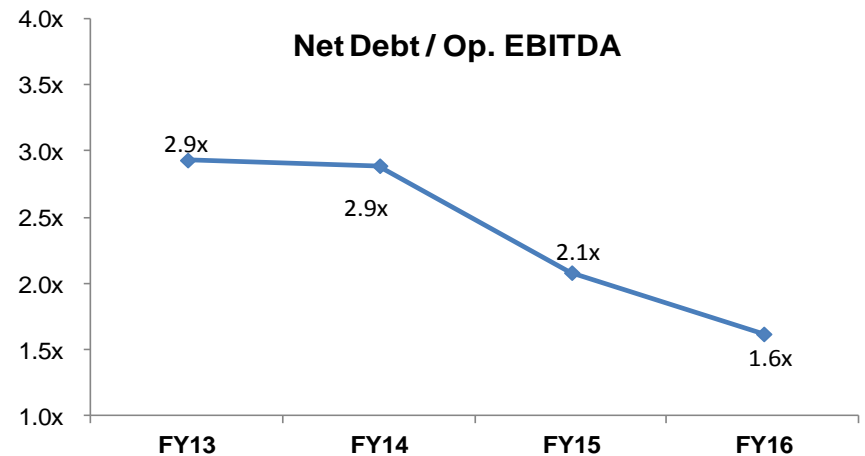
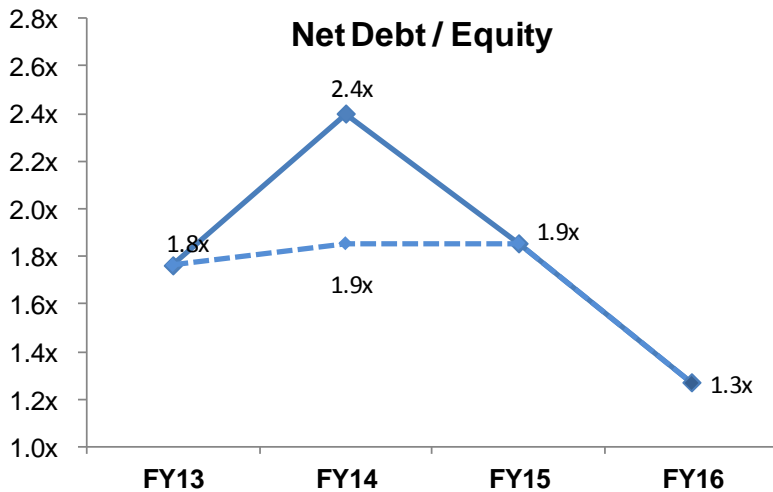
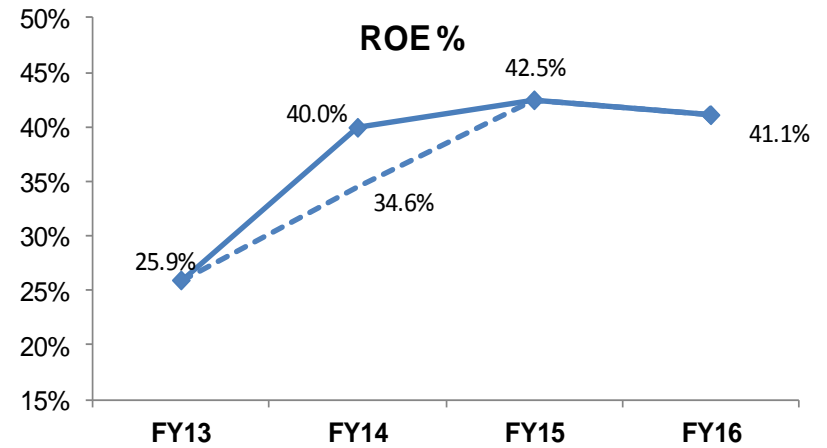
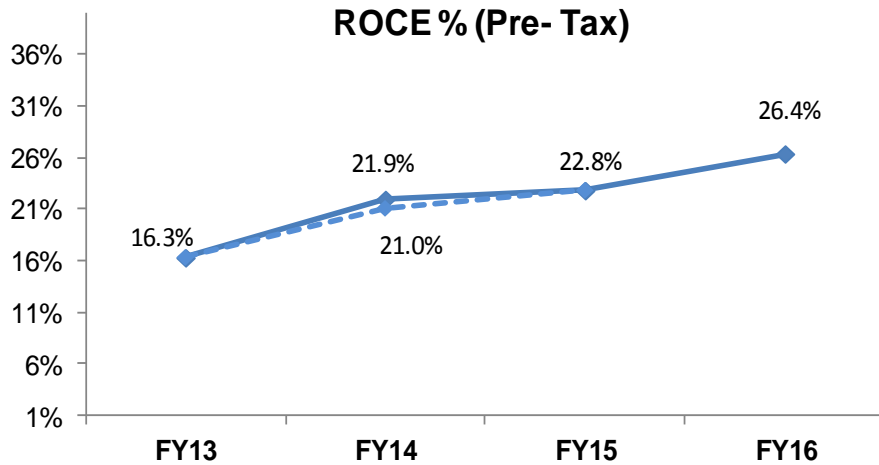
Notes:

1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales / (Fixed assets + Gross current assets)

# KEY FINANCIAL TRENDS



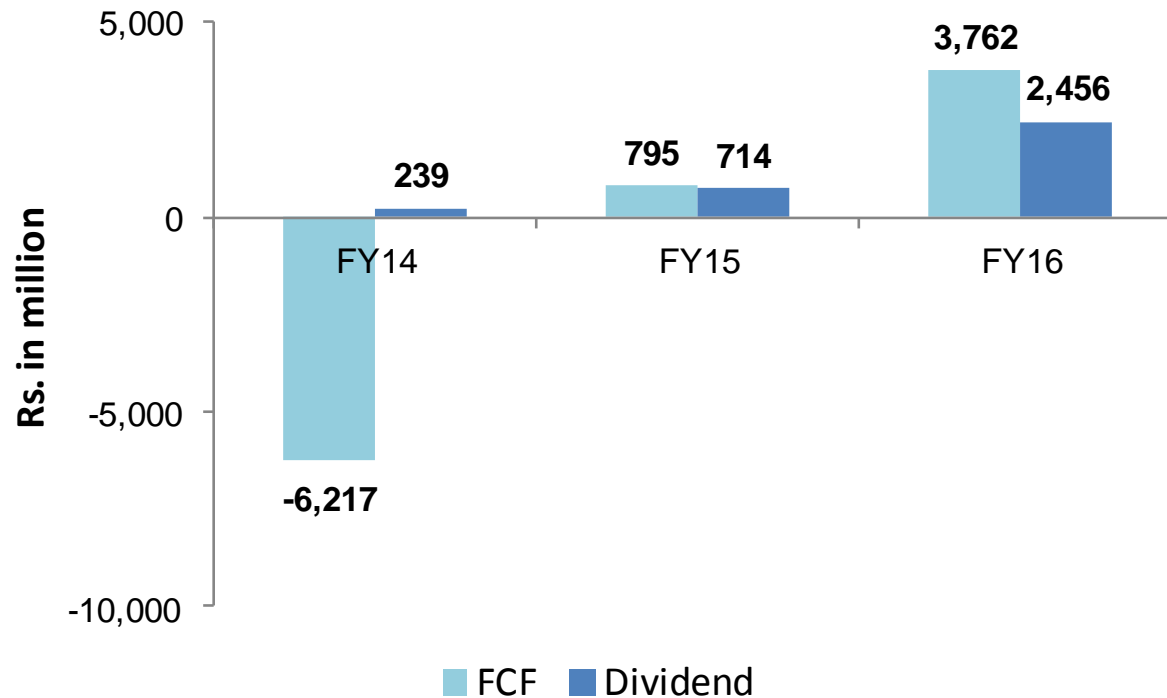
# KEY RATIO TRENDS



Note : Dotted line indicates trend after removing impact of one-time depreciation during FY14

# FOCUS ON FREE CASH FLOW

- Cash flow improvement through tight working capital management and calibrated capex
- FCF positive in the last two years



**Rs. 10 bn positive swing in FCF in two years**

# DEMAND-DRIVEN CAPACITY EXPANSION

Product	Unit	End-FY16 Capacity	Sales volume	Utilisation %	Expected Capacity FY17
<b>Towels</b>	MT	60,000	55,400	92%	72,000
<b>Sheets</b>	'000 Mtrs	72,000	66,500	92%	90,000
<b>Rugs &amp; Carpets</b>	'000 Sq. mtrs.	8,000	6,100	76%	10,000

Capacities running close to full utilisation in towels and sheets



Investment of approx. Rs.8 bn expected in FY17 (including Rs.2.5 bn from previous expansion plan)



Capacity growth to be achieved with minimal headcount increase

**High utilisation of world-class capacities**

## DIVIDEND POLICY

- Dividend distribution policy  
**“Dividend Payout: 25% of standalone PAT”**
- Total dividend for FY16 at Rs. 1.3 per share: 26% of standalone PAT



*Note: Figures adjusted for the stock split*



# THANK YOU

**For further details, please contact:**

**Harish Venkateswaran**

Sr. General Manager - Group Finance and Strategy

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**Altaf Jiwani**

Director (Finance) & CFO - Welspun India Limited

Email: [altaf\\_jiwani@welspun.com](mailto:altaf_jiwani@welspun.com)