

WIL/SEC/2017

January 31, 2017

<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,

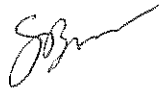
**Subject: Disclosure of information pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find attached investor presentation, inter alia, on financial results of the Company for the quarter ended December 31, 2016.

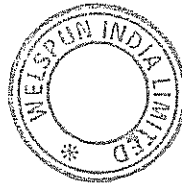
Please take the same on record.

Thank you,

For Welspun India Limited



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

**Enclosed: Results Presentation as mentioned above**

Welspun India Limited

Welspun House, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 015, India.

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E-mail : companysecretary\_wil@welspun.com Website : www.welspunindia.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 661 111 F : +91 2836 279 010

Works: Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat 396 191, India.

T : +91 260 2457457 F : +91 260 22437088

Corporate Identity Number: L17110GJ1985PLC033271

# INVESTOR PRESENTATION

## Q3 - FY17

January, 2017



**Home Textiles**

**Welspun  
India Limited**  
Global Leader in  
Home Textiles

 **WELSPUN GROUP**  
LEADING TOMORROW TOGETHER

**Pipes**

**Welspun  
Corp Limited**  
Global Leader in  
Large Diameter Pipes

**Infra**

**Welspun  
Enterprises Limited**  
Infrastructure  
Oil & Gas

Revenue : US\$ 2.3 Billion; Asset Base : US\$ 1.8 Billion; Employees: 25,000+

# AGENDA

- 1. Company Overview**
- 2. Industry Overview: Advantage India**
- 3. Welspun India: Global Leader in Home Textiles**
- 4. Q3 - FY17 & 9M - FY17 Highlights**
- 5. Way forward**

# WIL - AN OVERVIEW

## Global Home Textiles Leader

- Among the top three home textile manufacturers in the world and the largest home textile company in Asia
- Leading Home Textile exporter to the US for four years in a row (2012-15)
- Distribution network in more than 50 countries
- Centered on excellence and transparency, has emerged as the trusted partner to 17 of Top 30 global retailers like Bed Bath and Beyond, Macy's, Wal-Mart and JC Penney among others
- State-of-the-art manufacturing facilities at Anjar and Vapi (Gujarat)

## Commitment & Empowerment

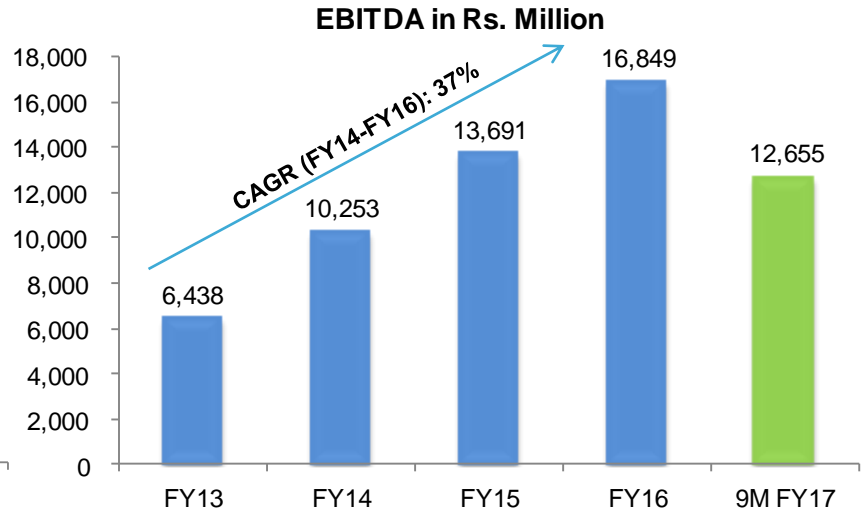
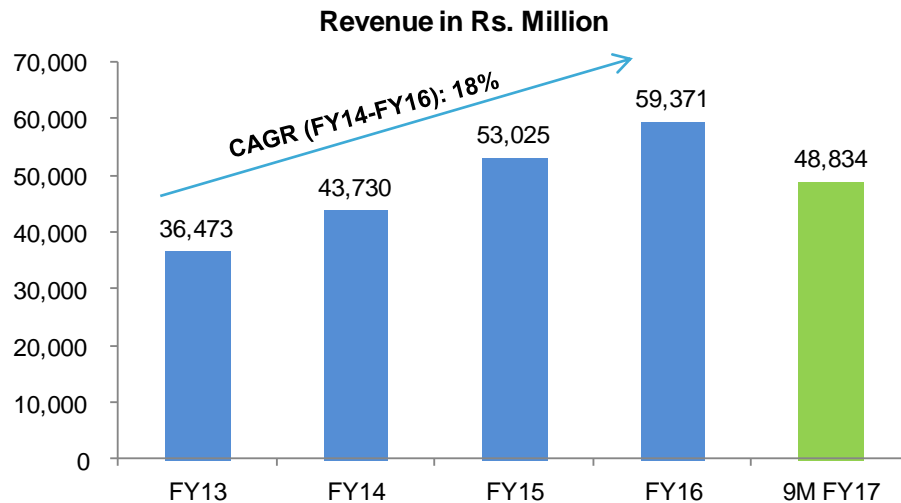
Creates opportunities for financial inclusion for women-through initiatives like Spun, Rags to Riches and Swasti

## Innovation & Brand Focus

Patents (Including Pending) : 27  
 34% of FY16 sales from innovative products  
 13% of FY16 sales from branded products



# FINANCIAL OVERVIEW



## Shareholding Pattern

Particulars	31-Dec-16	31-Mar-16
Promoters	73.5%	73.5%
FII's	11.6%	12.7%
Mutual Funds	1.9%	2.7%
Banks & Insurance Cos	0.5%	0.4%
Public	12.6%	10.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

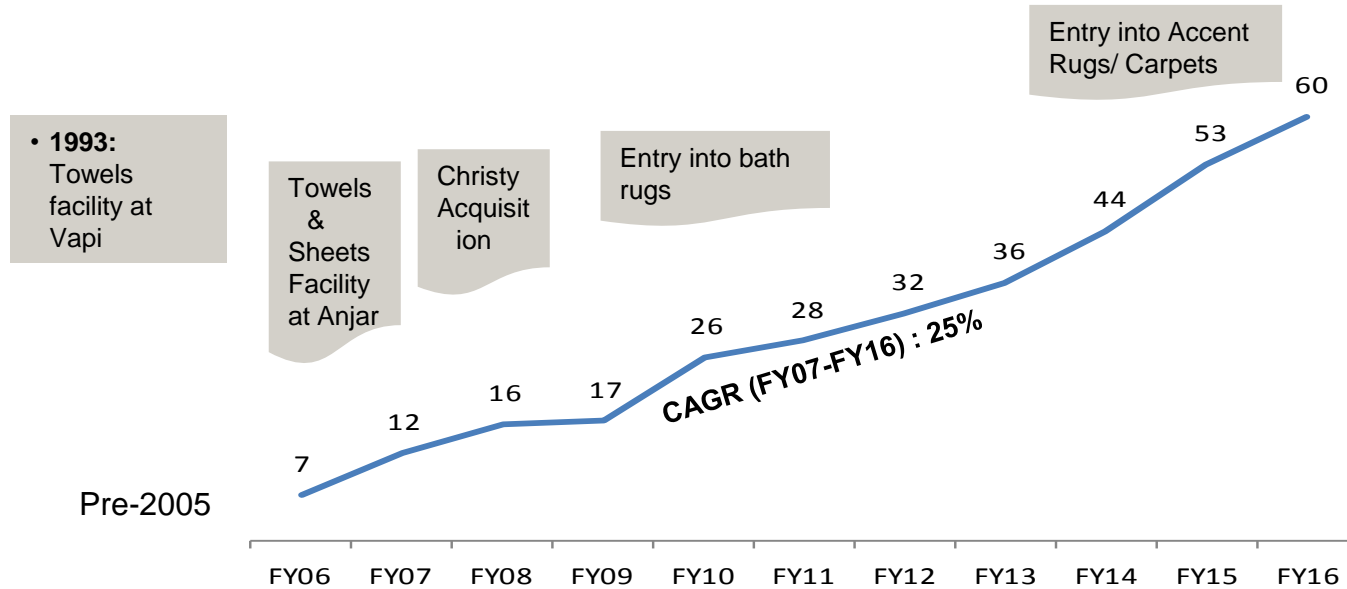
## Market Statistics

As on Jan 30, 2016	Rs.	USD
Price per share	75.80	1.1
No: of Shares Outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	76,158	1,135
Daily Average Trading Volumes (Q3FY17) - No. of shares in Mn	4.0	4.0
Daily Average Trading Value (Q3FY17) - Mn	251	3.7

**Note : All figures until FY15 are as per Indian GAAP and numbers for subsequent periods are as per Ind-AS**

# WIL - REVENUE MILESTONES

WIL Revenue in Rs. Billion



- Textiles business has been growing at a CAGR of 25% since the inception of the Anjar Facility
- Sustained growth indicates the potential of Home Textiles globally
- International operations majorly contribute to the revenue

# INDUSTRY OVERVIEW: ADVANTAGE INDIA





# GLOBAL HOME TEXTILE SCENARIO



## Market Size

- Home textile market at US\$45 bn
- Bath constitutes ~25%
- Bed constitutes ~35%

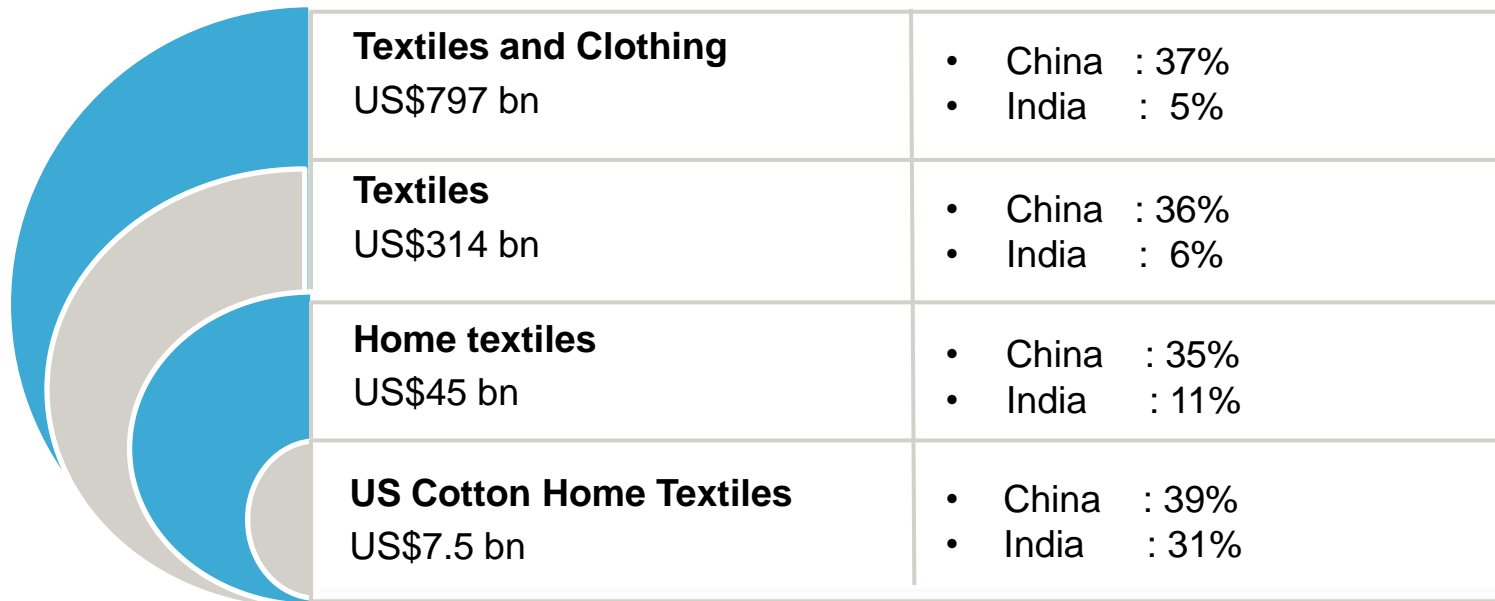
## Key Consumers

- US, Europe and Japan are the largest consumers
- Global demand equally split between US, Europe and Rest of the World

## Key Producers

- India, Pakistan and China are the largest producers; Account for 85% of cotton home textile trade to US
- India's market share is substantially higher in cotton home textiles vis-a-vis other categories

# STRUCTURAL CHANGE: ASIAN DOMINANCE IN HOME TEXTILES



India has emerged as a significant player in Home Textiles

# ADVANTAGE INDIA



- Largest producer of cotton
- 25% surplus available for export as cotton/yarn
- Exporter of yarn
- Competitive costs
- Robust ecosystem for textiles
- Democracy with stable government
- Better environmental and labor law compliance
- Huge domestic market potential

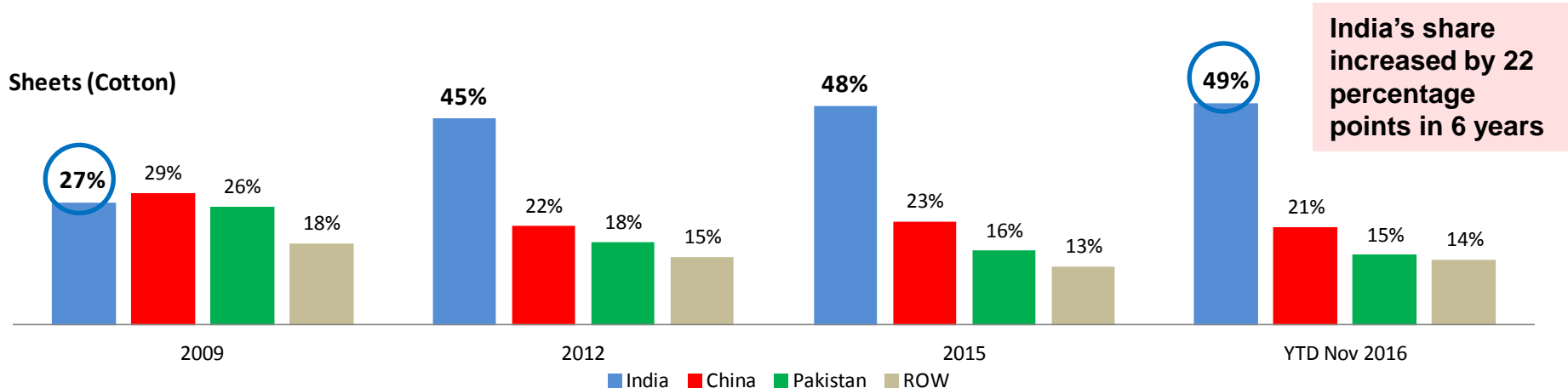
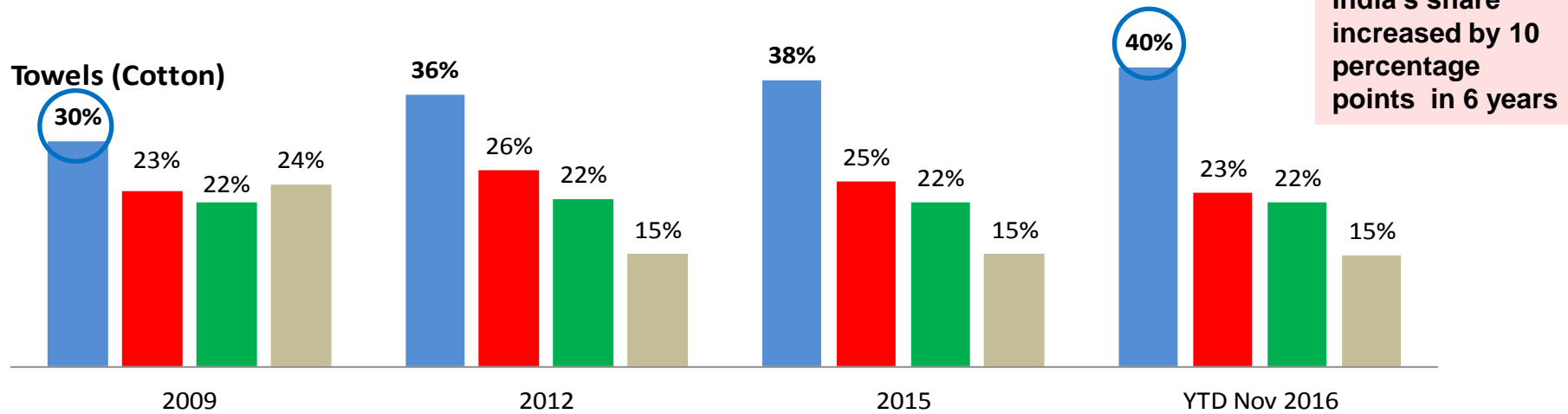


- Major importer of cotton and yarn
- Losing export Competitiveness
- Wage inflation
- Rising power costs
- Increasing costs for environmental compliance
- Focus on domestic consumption



- Cotton Importer
- Energy issues
- Geopolitical issues
- Compliance issues

# REFLECTION OF COUNTRY ADVANTAGE



## US market share.

Source: Otexa, Nov 2016 data update

# WELSPUN INDIA



# LEADERSHIP: FOCUS AND EXCELLENCE



- A differentiated End-to-end Solutions Provider in Home Textiles
- Widest product range in the Home Textiles segment

- Uniquely positioned for cross-selling due to
  - Customer reach
  - Competitive manufacturing
  - Global delivery model
- Higher wallet share due to multi-product portfolio
- Strong track record of customer satisfaction and repeat business from them; 80% revenue from replenishment

Bath	Bedding	Flooring
Towels	Sheets	Carpets
Bath robes	TOB	Rugs
	Basic and Fashion Bedding	

Wide product range in Home textiles

# LEADERSHIP: STRATEGIC PARTNERSHIP WITH GLOBAL RETAIL GIANTS



- Bed Bath & Beyond
- Macy's
- J C Penney
- Kohl's
- Wal Mart
- Costco
- Home Depot
- ..... and many more



- Carrefour
- JYSK
- Auchan
- Kaufland
- Rusta
- ... and many more



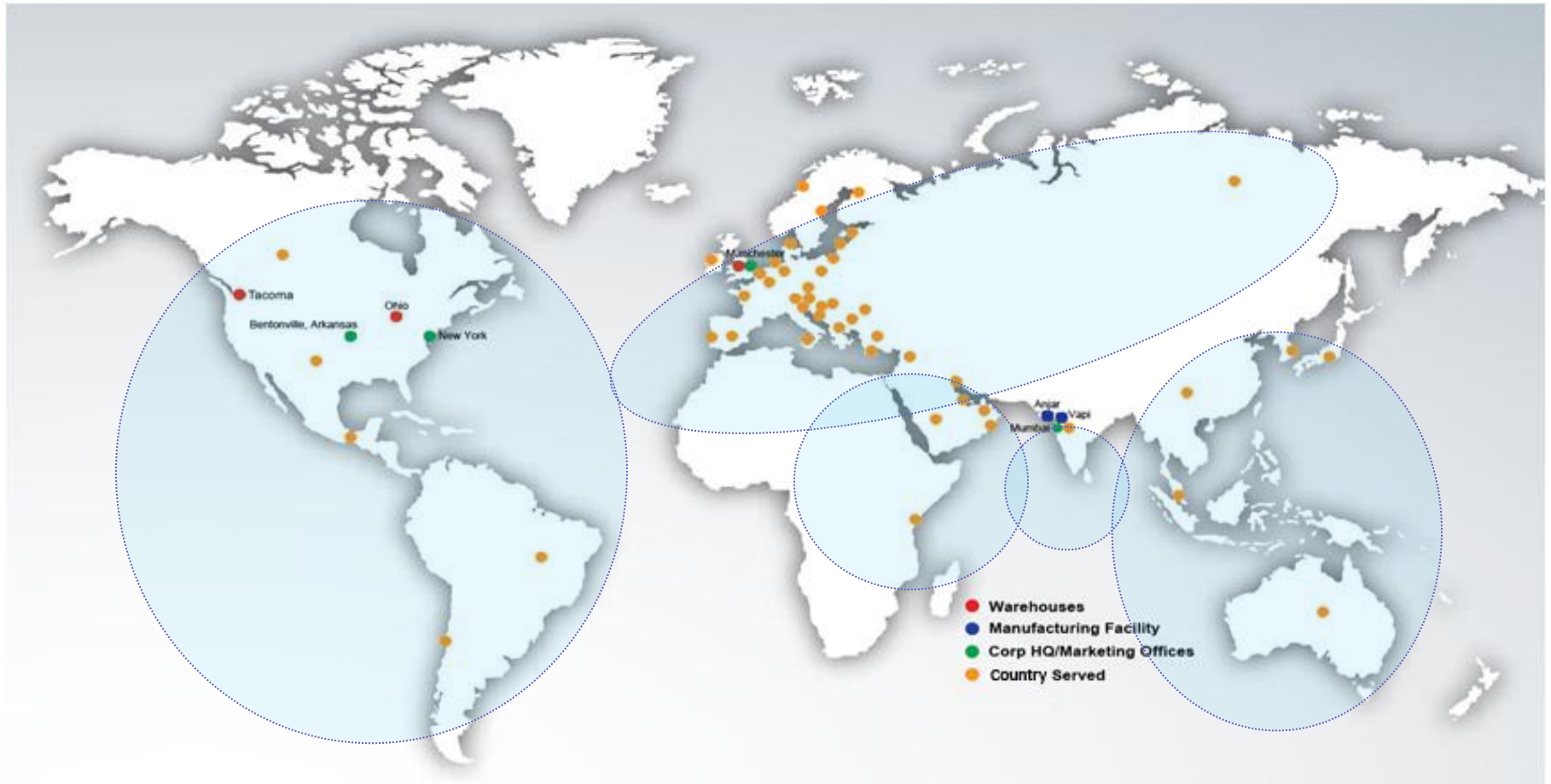
- ASDA
- Tesco
- Sainsbury
- John Lewis
- House of Fraser
- Debenhams
- ..... and many more



- Shopper's Stop
- Lifestyle
- HomeTown
- @Home
- ..... and many more

**Strategic Partnership with Marquee clients across geographies**

# LEADERSHIP: GLOBAL REACH & DELIVERY MODEL

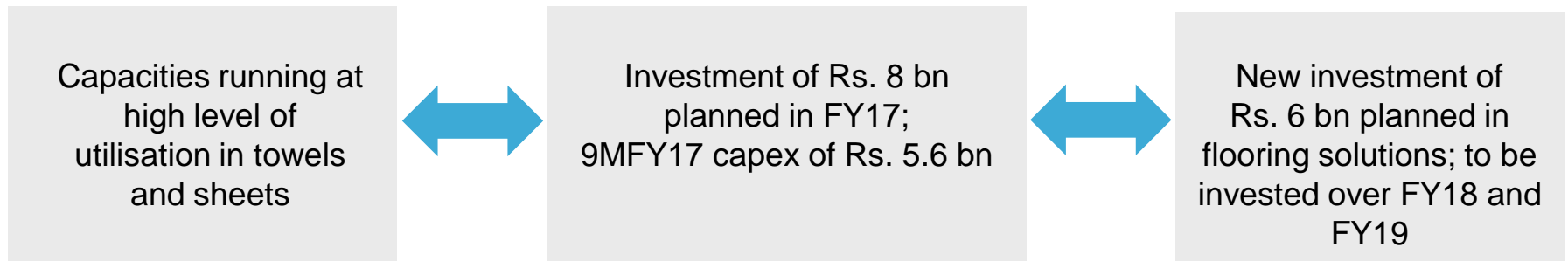


Delivery & Reach in over 50 countries



# LEADERSHIP: SCALE

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



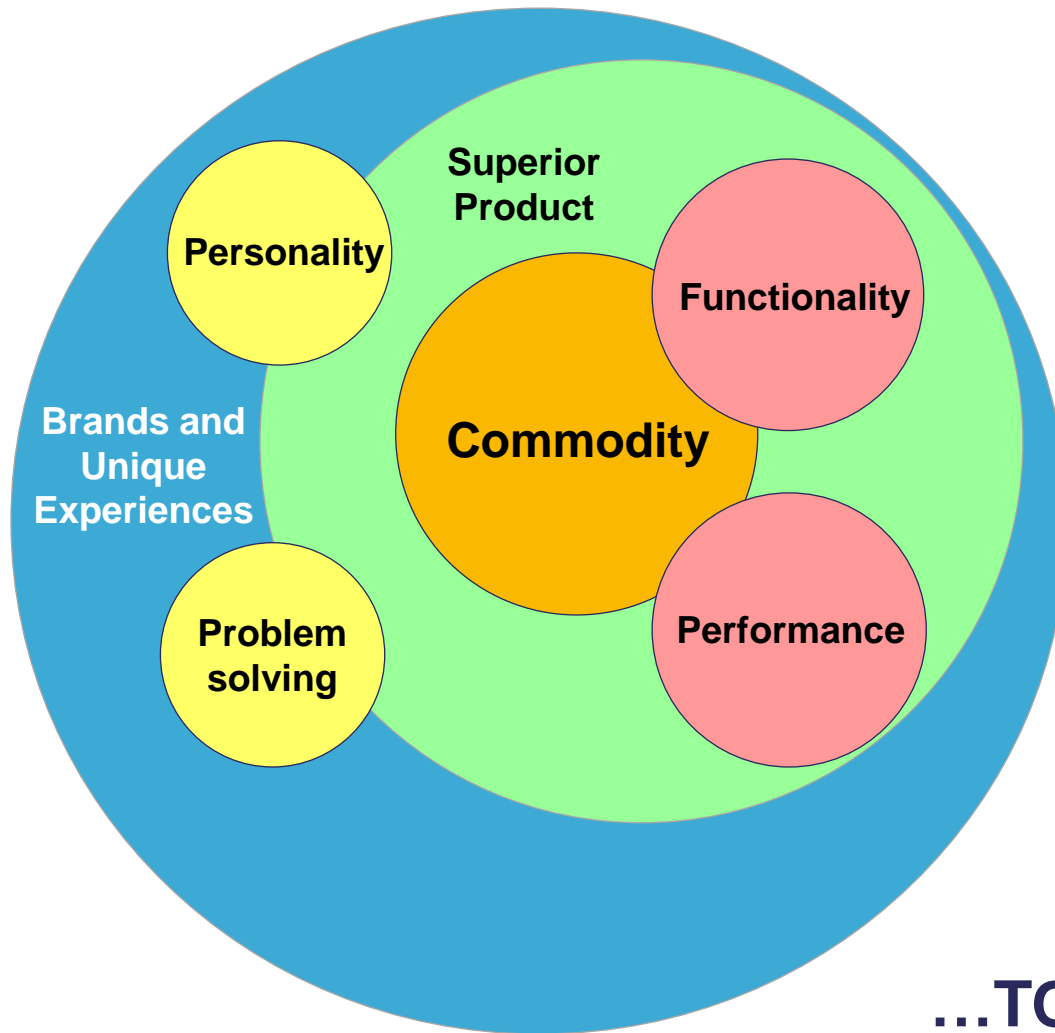
**High utilisation of world-class capacities**

# FLOORING SOLUTIONS TO DRIVE GROWTH

- Flooring solution to be the next growth driver for international as well as domestic market
- Consists of rugs, decorative carpets, tile carpets, accent rugs
- Capex of Rs. 6 bn earmarked for flooring facility
- Capacity of 7 million square meters per annum
- Facility to be located at Anjar
- To be done over FY18 and FY19



# WELSPUN: BEYOND MANUFACTURING...



- Evolved from being a commodity manufacturer to a creator of unique customer experiences
- Experiences created through brands, product and technologies and new channels

...TO CUSTOMER CENTRIC

# DELIVERING UNIQUE EXPERIENCES...

## INNOVATION FOCUS

Consumer Needs

## BRAND AND DELIVERY FOCUS

### Continuous Idea Generation

- Welspun Innovation Lab
- Product Development

### Certifications



### Innovation

- Innovation Partners
- Global patents: 27 (including pending)

## CONSUMER INSIGHTS

### Brands

### Ingredient /Technology

### Owned

### Licensed

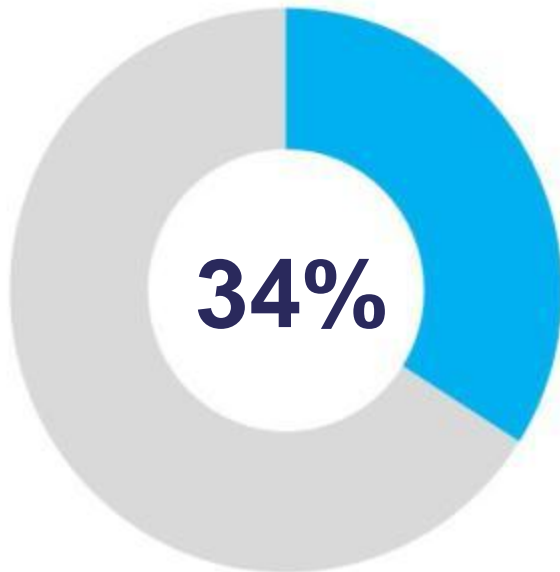
### Technology and Product Delivery



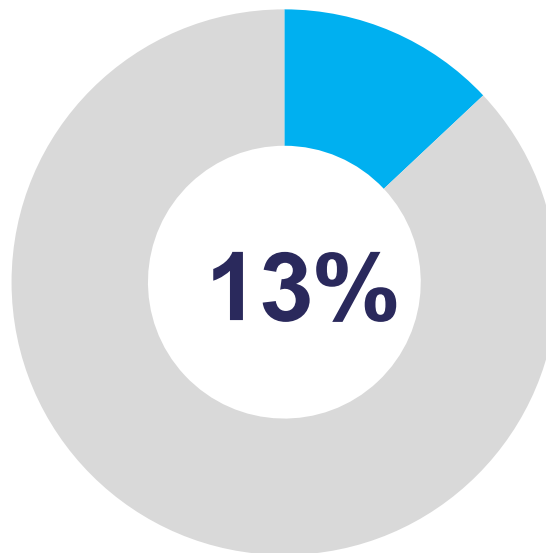
- B2C/ B2B Connect
- Data Analytics and VMI Support

# ...LEADING TO A UNIQUE REVENUE MIX

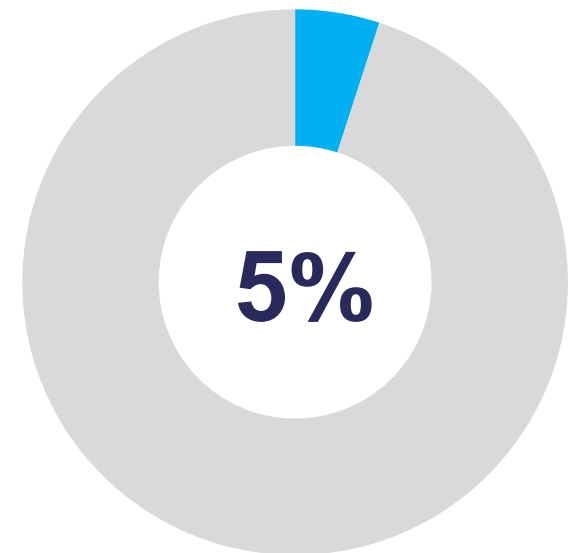
**INCREASED SHARE OF  
INNOVATIVE PRODUCTS**



**INCREASED SHARE OF  
BRANDED PRODUCTS**



**INCREASED SHARE OF  
NEW CHANNELS**



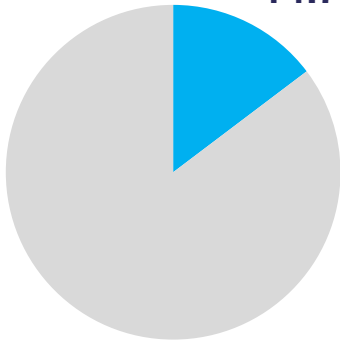
Note: Figures of FY16

# WELSPUN'S IMPROVED MARKET SHARE

**CY13**

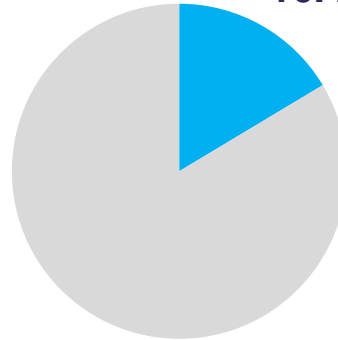
**Towels**

**14.7%**



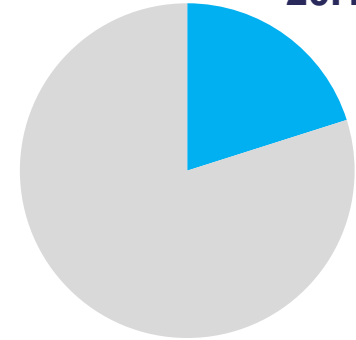
**CY14**

**16.4%**



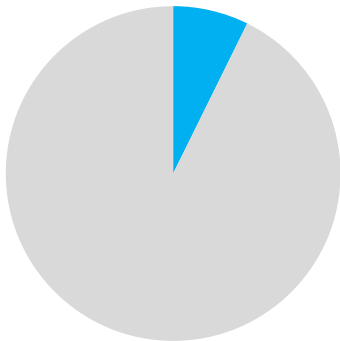
**CY15**

**20.1%**



**Bed Linen**

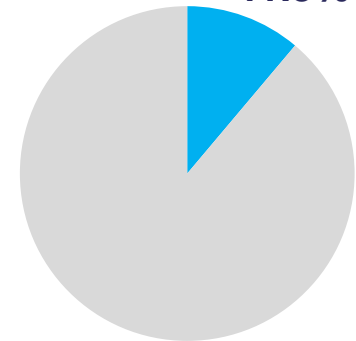
**7.3%**



**9.9%**



**11.3%**



# BRANDING OUR INNOVATION



*regulates temperature for individual comfort*



*before washing*



*after 3 washings*



- Launched nation-wide campaign in the US in FY16 to introduce patented Hygro cotton® technology to consumers
- First ever such campaign in textiles in the past 15 years

# FOCUS ON INCLUSIVE GROWTH

## Virtuous Cycle of Social Development at Welspun

- Sustainability Focus
- Need based Health Camps
- Mobile Medical Vans



- Quality Education at Govt. Schools
- Adult Literacy Education for women

- Natural/ Recycled Products
- Over 320K Trees Planted
- Rain Water Harvesting
- Bio gas plant

- Vocational Training for women and youth
- Employability



# FOCUS ON INCLUSIVE GROWTH (Contd.)

**Girls Hostel**



**Vocational Centers for SPUN**



**Skill Development**



**Global Women Economic Empowerment Initiative**



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



**Smart Village**



# FINANCIAL HIGHLIGHTS



# KEY HIGHLIGHTS – Q3 FY17

**Robust Volume growth  
in Terry Towels and  
Rugs**

**Christy sales growth at  
35% YoY**

**Tie-ups with Coveted  
Global Brands including  
Disney, Minions,  
FC Barcelona**

**Operating EBITDA at  
23.1% (24.7% adj.) in  
increasing raw  
material cost  
environment**

**Net debt to  
Op.EBITDA at 1.75x  
(Vs 1.6x at FY16-end)**

**Net Debt to Equity at 1.3x  
(Vs 1.3x at FY16 –end)**

**ROCE (pre-tax) at 21.5%**

**Innovative sales  
share at 36%**

**Branded sales share  
at 16%**

# FINANCIAL PERFORMANCE – Q3 FY17

(Rs. Million)

Particulars	Q3FY17	Q3FY16	Change YoY	Q2FY17
Revenue	15,009	14,451	3.9%	17,899
Operating EBITDA	3,463	4,070	-14.9%	4,318
Op. EBITDA Margin	23.1%	28.2%	-509 bps	24.1%
EBITDA	3,673	4,251	-13.6%	4,569
EBITDA Margin	24.5%	29.4%	-495 bps	25.5%
Finance Cost	480	593	-19.0%	320
Depreciation	1,305	989	31.9%	1,264
<b>PBT before exceptional</b>	<b>1,888</b>	<b>2,669</b>	<b>-29.3%</b>	<b>2,985</b>
PAT after min. & assoc. (before exceptional)	1,324	1,783	-25.7%	1,999
EPS (Rs.)# (before exceptional)	1.32	1.77	-25.7%	1.99
Exceptional Gain / (Loss)	239	-	-	(4,895)
PBT (after exceptional)	2,127	2,669	-20.3%	(1,910)
PAT after min. & assoc. (after exceptional)	1,494	1,783	-16.2%	(1,475)
Cash Profit*	3,002	3,111	-3.5%	(746)
EPS (Rs.)# (after exceptional)	1.49	1.77	-16.2%	(1.47)

**Adjusted Operating EBITDA Margin<sup>^</sup> at 24.7%**

\* PBDT - Tax Outflow

#Adjusted for stock split ^ Adjusted for insurance claim related to power plant

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

# FINANCIAL PERFORMANCE – 9M FY17

(Rs. Million)

Particulars	9MFY17	9MFY16	Change %
<b>Revenue</b>	<b>48,834</b>	<b>43,077</b>	<b>13.4%</b>
<b>Operating EBITDA</b>	<b>12,005</b>	<b>11,574</b>	<b>3.7%</b>
<i>Op. EBITDA Margin</i>	<i>24.6%</i>	<i>26.9%</i>	<i>-228 bps</i>
<b>EBITDA</b>	<b>12,655</b>	<b>12,246</b>	<b>3.3%</b>
<i>EBITDA Margin</i>	<i>25.9%</i>	<i>28.4%</i>	<i>-251 bps</i>
Finance Cost	1,153	1,700	-32.2%
Depreciation	3,689	2,683	37.5%
<b>PBT before exceptional</b>	<b>7,813</b>	<b>7,863</b>	<b>-0.6%</b>
PAT after min. & assoc. (before exceptional)	5,342	5,406	-1.2%
EPS (Rs.)# (before exceptional)	5.32	5.38	-1.2%
Exceptional Gain / (Loss)	(4,656)	-	-
PBT (after exceptional)	3,157	7,863	-59.8%
PAT after min. & assoc. (after exceptional)	2,037	5,406	-62.3%
Cash Profit*	5,860	8,792	-33.4%
EPS (Rs.)# (after exceptional)	2.03	5.38	-62.3%

## Volume Driven Revenue Growth

\* PBDT – Tax Outflow

#Adjusted for stock split

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

# PROFITABILITY TREND

(Rs. Million)

Particulars	FY15	FY16	9M FY17
<b>Revenue</b>	<b>53,025</b>	<b>59,371</b>	<b>48,834</b>
<i>Revenue growth %</i>	<i>21.3%</i>	<i>12.0%</i>	<i>13.4%</i>
<b>Operating EBITDA</b>	<b>12,742</b>	<b>15,899</b>	<b>12,005</b>
<i>Op EBITDA Margin</i>	<i>24.0%</i>	<i>26.8%</i>	<i>24.6%</i>
<b>EBITDA</b>	<b>13,691</b>	<b>16,849</b>	<b>12,655</b>
<i>EBITDA Margin</i>	<i>25.8%</i>	<i>28.4%</i>	<i>25.9%</i>
Depreciation	3,329	3,718	3,689
Finance cost	2,829	2,368	1,153
<b>PBT before exceptional</b>	<b>7,533</b>	<b>10,763</b>	<b>7,813</b>
PAT after min. & assoc. (before exceptional)	5,398	7,400	5,342
EPS (Rs.)# (before exceptional)	5.4	7.4	5.3
Exceptional Gain / (Loss)	-	-	(4,656)
PBT (after exceptional)	7,533	10,763	3,157
PAT after min. & assoc. (after exceptional)	5,398	7,400	2,037
Cash Profit	9,095	12,088	5,860
EPS (Rs.)# (after exceptional)	5.4	7.4	2.0

**Consistent double digit growth in revenues**

1. Cash Profit = PBDT – Tax Outflow ; 2. 9MFY17 EPS not annualised

# BALANCE SHEET TREND

(Rs. Million)

Particulars	(Rs. Million)		(Rs. Million)	
	31-Mar-15	31-Mar-16	31-Dec-15	31-Dec-16
Net Worth	14,318	19,739	18,931	21,692
Short Term Loans	10,034	7,716	14,039	11,869
Long Term Loans	20,817	18,945	17,836	22,575
<b>Gross Debt</b>	<b>30,851</b>	<b>26,661</b>	<b>31,875</b>	<b>34,443</b>
Cash & Cash Equiv.	4,297	1,386	4,548	6,436
<b>Net Debt</b>	<b>26,554</b>	<b>25,275</b>	<b>27,327</b>	<b>28,008</b>
Capital Employed#	45,451	47,936	49,750	54,061
Net Fixed Assets (incl CWIP)	26,049	33,508	29,737	35,450
Net Current Assets*	13,155	10,726	13,810	14,314
Total Assets	56,953	61,462	62,643	73,525

# Capital Employed (Average) = 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

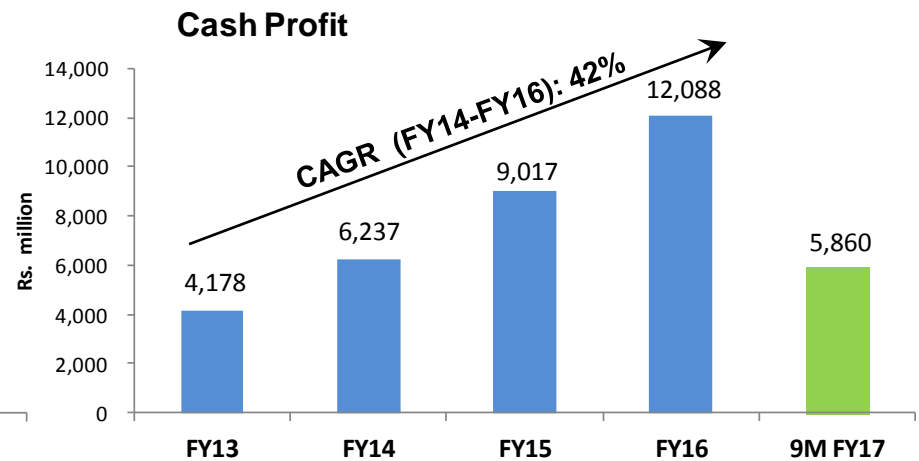
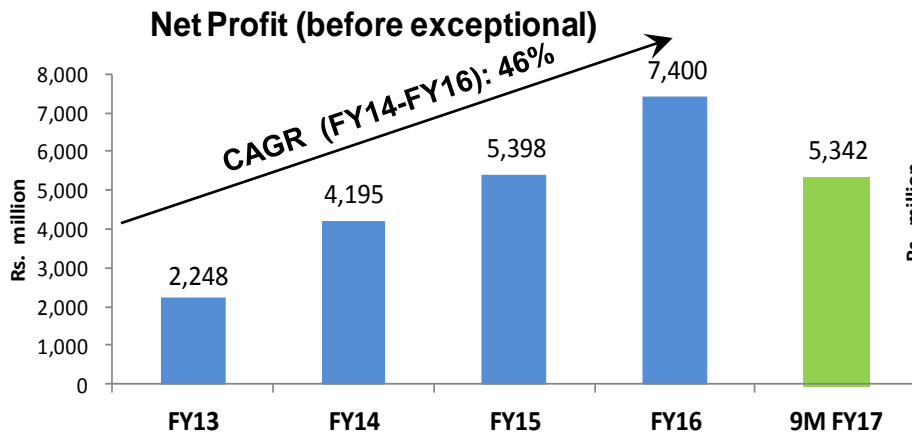
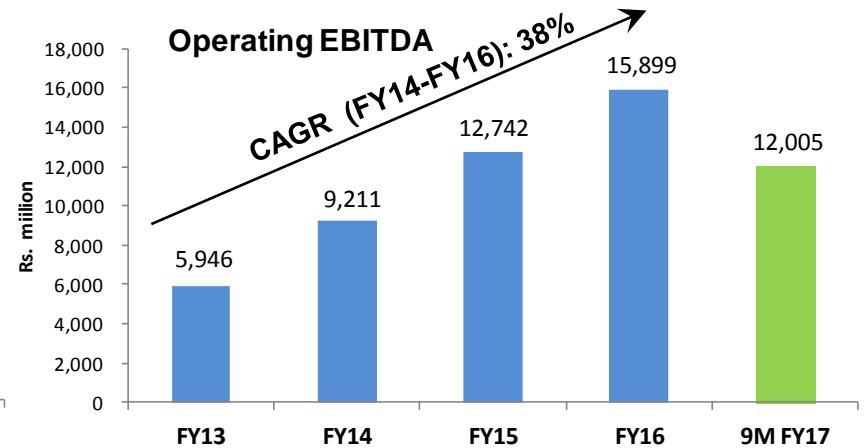
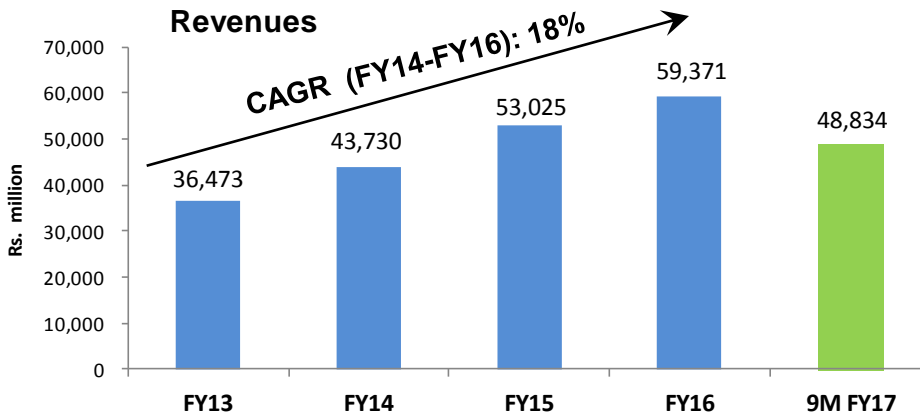
		FY15	FY16	9M FY17*
Solvency ratios	Net debt/Op. EBITDA	2.08	1.59	1.75
	Net debt/Equity	1.85	1.28	1.29
	EBIT/Interest	3.66	5.55	7.78
Operational ratios	Current Ratio	1.10	1.15	1.26
	Fixed Asset turnover	2.04	1.77	1.84
	Total Asset turnover	0.93	0.97	0.89
	Inventory days	76	69	71
	Debtor days	31	36	42
	Payable days	48	62	51
	Cash conversion cycle	59	43	62
Return ratios	ROE	42.5%	43.5%	31.8%
	ROCE (pre-tax)	22.8%	27.4%	21.5%

## Net Debt/Equity maintained

1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales/ (Fixed assets + Gross current assets)
3. 9M FY17 figures are excluding one time impact of Exceptional item of Rs. 4,656 Mn



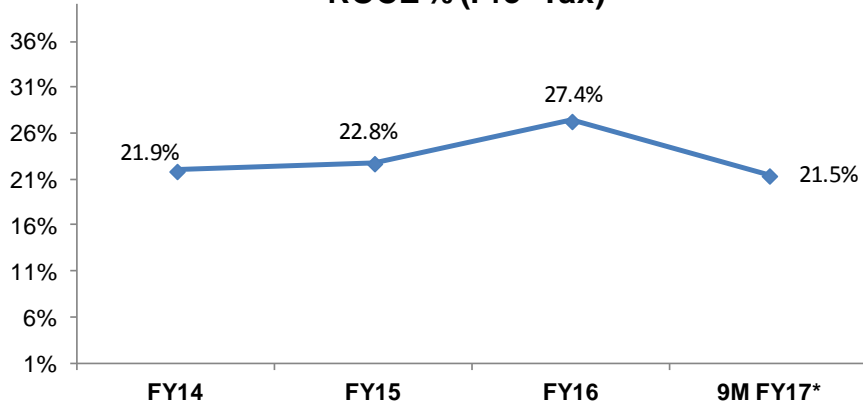
# KEY FINANCIAL TREND



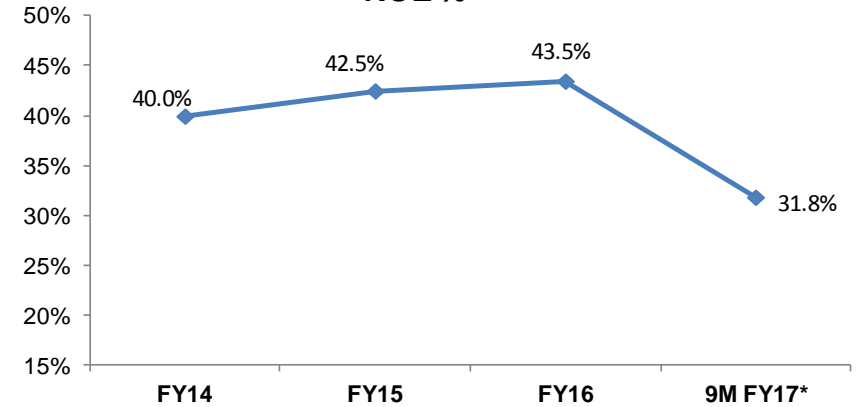
Net Profit 9M FY17 figure is excluding one time impact of Exceptional item of Rs. 4,656 Mn

# KEY RATIO TREND

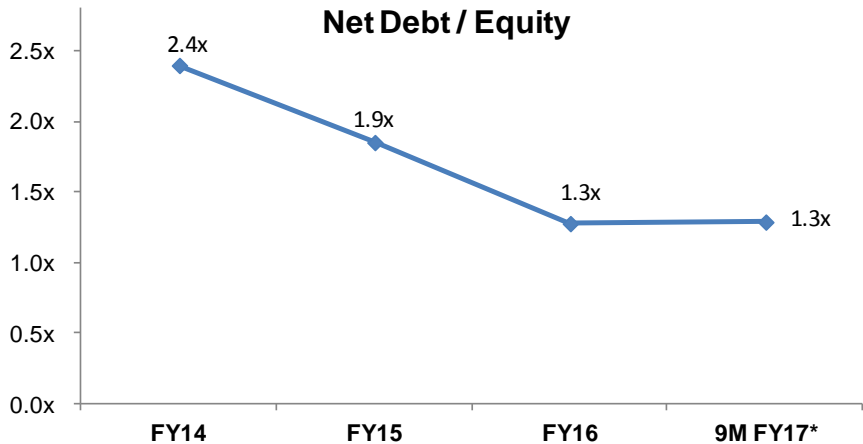
### ROCE % (Pre- Tax)



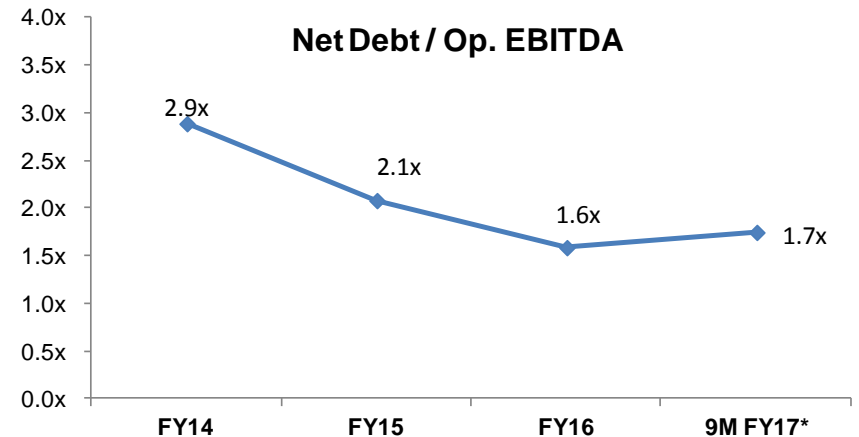
### ROE %



### Net Debt / Equity



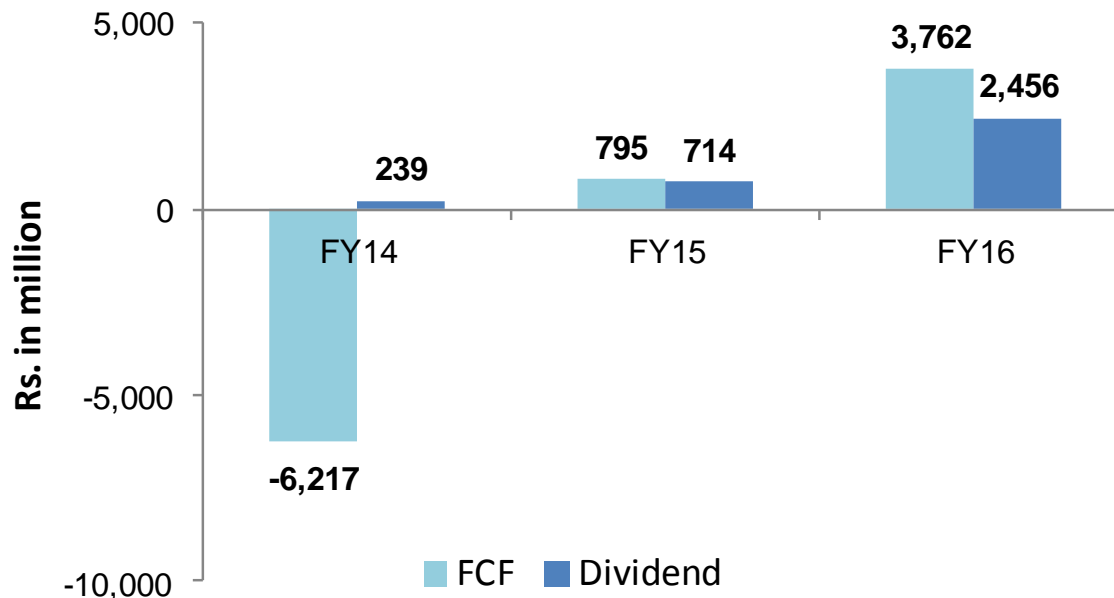
### Net Debt / Op. EBITDA



\* Annualised

# FOCUS ON FREE CASH FLOW

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



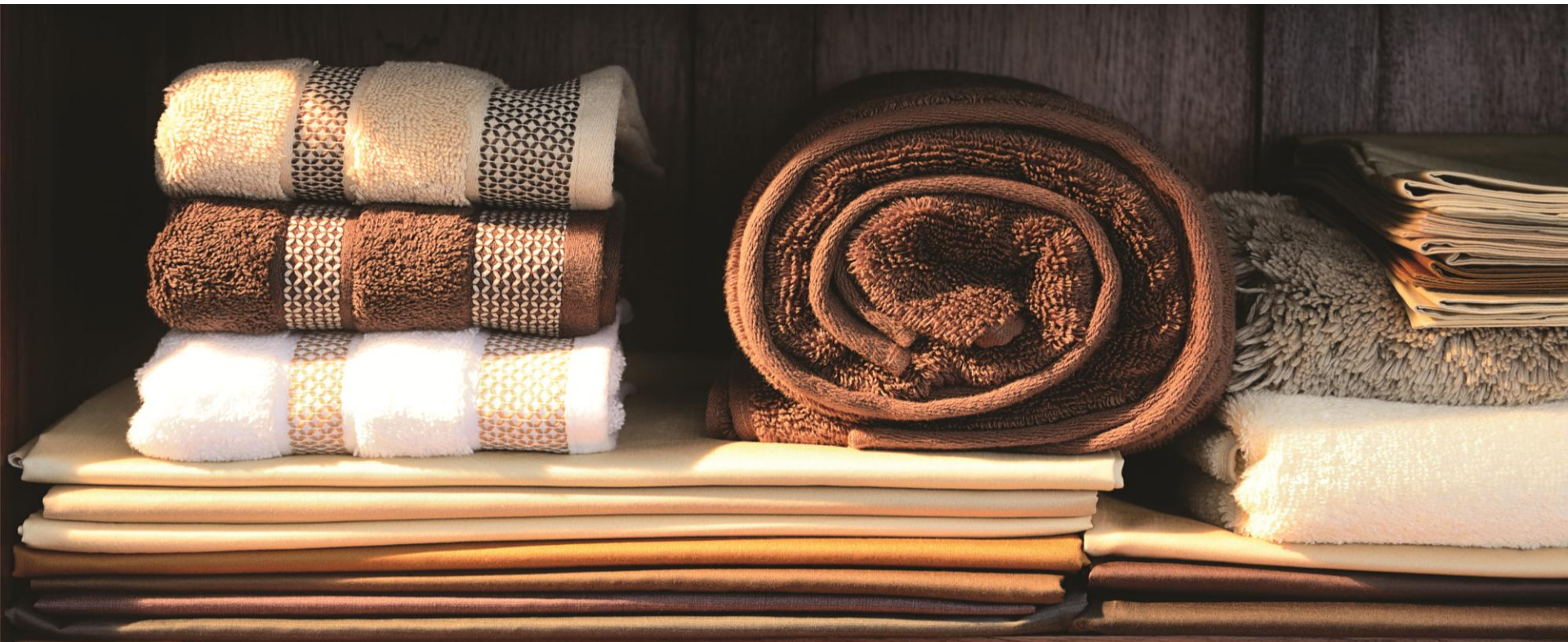
**Rs. 10 bn positive swing in FCF in two years**

# DIVIDEND POLICY

- **Clear, defined Dividend Distribution policy**
  - **25% of standalone PAT to be the total payout (incl. dividend tax)**

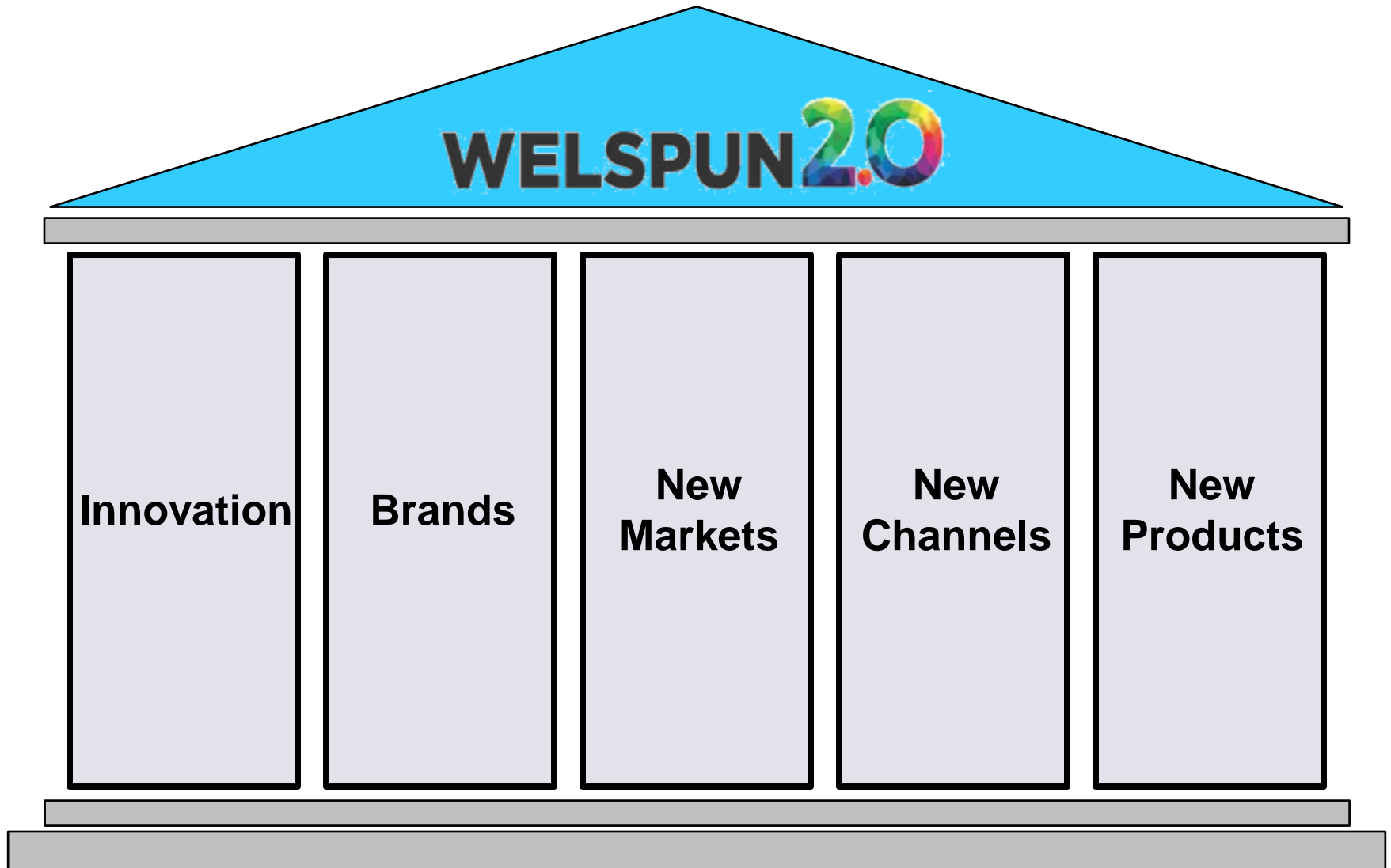
<b>Period</b>	<b>Standalone EPS</b>	<b>DPS</b>	<b>Dividend tax per share</b>	<b>Payout Percentage</b>
H1FY15	2.43	0.30	0.06	15%
H2FY15	2.66	0.75	0.15	34%
<b>FY15</b>	<b>5.09</b>	<b>1.05</b>	<b>0.21</b>	<b>25%</b>
H1FY16	3.15	0.65	0.13	25%
H2FY16	2.84	0.65	0.13	28%
<b>FY16</b>	<b>5.99</b>	<b>1.30</b>	<b>0.26</b>	<b>26%</b>

# WAY FORWARD



# BUILDING A SUSTAINABLE LEADERSHIP POSITION

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# VISION 2020

## LEADING



Innovation

## TOMORROW



Leveraging technology

## TOGETHER



Inclusive growth



Brands



People development



Collaboration

# VISION 2020

Revenue

**\$2 BN**

**WELSPUN2.0**

Net Debt

**NIL**

Innovative/Branded  
Share of Revenue

**50%**

Women  
employees

**20%**

Share of  
Domestic Revenue

**20%**



# THANK YOU

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