



8<sup>th</sup> August, 2019

<b>The National Stock Exchange of India Ltd.</b> Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), <b><u>Mumbai – 400 051</u></b>	<b>BSE Limited</b> Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, <b><u>Mumbai – 400 001</u></b>
<b>Company Symbol : ICIL</b>	<b>Scrip Code No. : 521016</b>

**Subject: Investor Presentation Q1 – FY20**

Please find enclosed herewith a copy of Investor Presentation with respect to Unaudited Standalone & Consolidated Financial Results for the quarter ended 30<sup>th</sup> June, 2019.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For **Indo Count Industries Limited**

**Amruta Avasare**  
**Company Secretary**  
**ACS No.: 18844**



Encl.: A/a

## Indo Count Industries Ltd

**Head Office:** 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; **T:** 022 4341 9500, **F:** 022 2282 3098  
**Marketing Office:** Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; **T:** 022 4151 1800, **F:** 022 2172 0121  
**Home Textile Division:** T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; **T:** 0231 662 7900, **F:** 0231 662 7979  
**Spinning Division:** D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; **T:** 0231 268 7400, **F:** 0231 267 2161  
**Regd. Office:** Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; **T:** 0230 2463100 / 2461929  
**CIN:** L72200PN1988PLC068972, **E:** info@indocount.com, **W:** www.indocount.com



Complete Comfort

Indo Count Industries Ltd

Investor Presentation – Q1 FY20

August 2019





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## Chairman's Message

**Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman said,**

“We have laid a strong foundation and are optimistic on the future growth. Going forward, as we capitalize on the demand in our largest market, we expect this to replicate in our volume & value growth.

Our robust brand portfolio along with our deeper understanding of the markets has enabled us to strengthen our relations with the customers globally.”





## Our New Logo



Our new logo represents the globe with **'Complete Comfort'**. This is a reflection of our global operations and aspirations with an appealing look.

**'Complete Comfort'** is our pledge to partners and illustrates our commitment to everyone touched by our products and operations





# 3 Pillars of Strength



## INNOVATION

- ✓ We are respected by customers for the ability to extend the product frontier. We are known for creating innovative weaves and fabric finishes that enhance our standing as a forward-looking Company addressing the novel and demanding preferences of consumers.



## QUALITY

- ✓ We are recognised for the creativity of products that are aesthetic and enduring. The Company has state-of-the-art equipment (spinning, weaving, bleaching, dyeing, cutting and sewing) – a complete quality control solution.



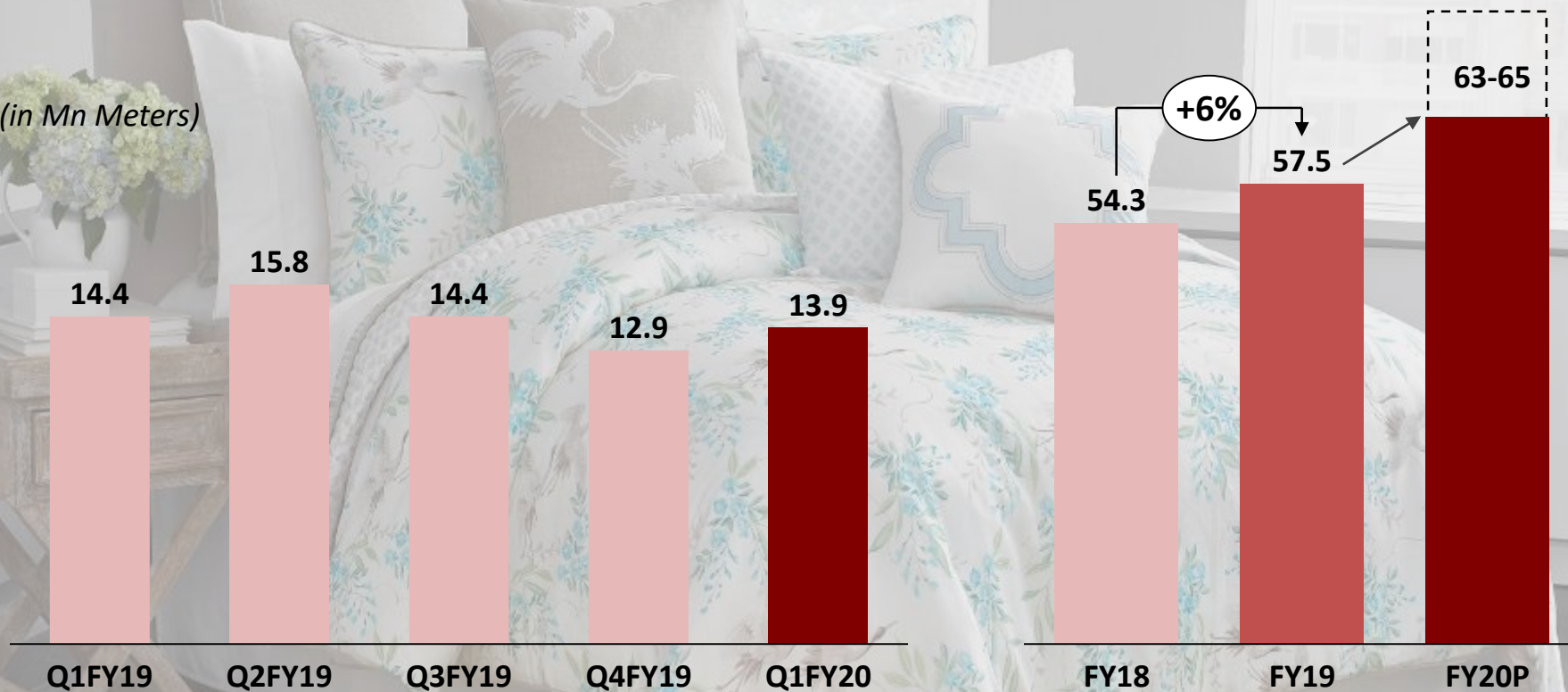
## SERVICE

- ✓ We believe that the sale begins once the product has been marketed and delivered. The high service standard invokes provision of not only high on-time and in-full delivery of agreed products but also just-in-time needs of customers.



# Volume Performance

(in Mn Meters)



**Volume guidance for FY20: 63mn – 65mn metres**





# Q1FY20 Standalone Performance

**Rs. 468 Crs**

**Vs**

**Rs. 443 Crs**

**5.6% YoY**

**Net Income\***

**Rs. 63 Crs**

**Vs**

**Rs. 50 Crs**

**26.4% YoY**

**Normalized EBITDA\***

**13.5%**

**Vs**

**11.3%**

**223 bps YoY**

**Normalized EBITDA  
Margin\***

*\*Adjusting for Forex items  
Figures are rounded off wherever required*





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# Q1FY20 Consolidated Performance

**Rs. 509 Crs**

**Vs**

**Rs. 463 Crs**

**10% YoY**

**Net Income\***

**Rs. 65 Crs**

**Vs**

**Rs. 52 Crs**

**25.2% YoY**

**Normalized EBITDA\***

**12.8%**

**Vs**

**11.3%**

**156 bps YoY**

**Normalized EBITDA  
Margin\***

*\*Adjusting for Forex items  
Figures are rounded off wherever required*



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# Normalized Profit & Loss Statement

## Standalone

Particulars (Rs. Crs)	Q1FY20	Q1FY19	YoY%	Q4FY19	QoQ%
<b>Total Income</b>	477	457		402	
<b>Less: Forex Gain/(loss)</b>	9	14		0	
<b>Net Income</b>	468	443	5.6%	402	16.5%
Total Expenses	408	393		381	
<b>Less: Forex Loss</b>	3	0		10	
<b>Net Expenses</b>	405	393		371	
<b>NORMALIZED EBITDA*</b>	63	50	26.4%	31	107.1%
<b>NORMALIZED EBITDA (%)</b>	13.5%	11.3%	223bps	7.6%	592bps
Reported EBITDA	69	64		20	
Reported EBITDA (%)	14.6%	14.0%		5.1%	

## Consolidated

Particulars (Rs. Crs)	Q1FY20	Q1FY19	YoY%	Q4FY19	QoQ%
<b>Total Income</b>	518	477		442	
<b>Less: Forex Gain/(loss)</b>	9	14		0	
<b>Net Income</b>	509	463	10.0%	442	15.3%
Total Expenses	447	411		426	
<b>Less: Forex Loss</b>	3	0		10	
<b>Net Expenses</b>	444	411		416	
<b>NORMALIZED EBITDA*</b>	65	52	25.2%	26	152.0%
<b>NORMALIZED EBITDA (%)</b>	12.8%	11.3%	156bps	5.9%	695bps
Reported EBITDA	71	66		16	
Reported EBITDA (%)	13.8%	13.9%		3.5%	

\*Adjusting for Forex items Figures are rounded off wherever required





# Standalone Profit & Loss Statement

Particulars (Rs. Crs)	Q1FY20	Q1FY19	%Change	Q4FY19	%Change	FY19
<b>Total Income</b>	<b>477</b>	<b>457</b>	<b>4.4%</b>	<b>402</b>	<b>18.8%</b>	<b>1,823</b>
<i>Less: Forex Gain/(Loss)</i>	9	14		0		0
<b>Net Income</b>	<b>468</b>	<b>443</b>	<b>5.6%</b>	<b>402</b>	<b>16.5%</b>	<b>1,823</b>
Cost of Material	237	229		221		972
Employee Expenses	28	32		27		121
Other Expenses	143	131		133		569
<b>Total Expenses</b>	<b>408</b>	<b>393</b>		<b>381</b>		<b>1,662</b>
<i>Less: Forex Loss</i>	3	0		10		31
<b>Net Expenses</b>	<b>405</b>	<b>393</b>		<b>371</b>		<b>1,631</b>
<b>Normalized EBITDA*</b>	<b>63</b>	<b>50</b>	<b>26.4%</b>	<b>31</b>	<b>107.1%</b>	<b>192</b>
<b>Margin</b>	<b>13.5%</b>	<b>11.3%</b>	<b>223bps</b>	<b>7.6%</b>	<b>592bps</b>	<b>10.5%</b>
Reported EBITDA	69	64		20		161
<i>Margin</i>	<b>14.6%</b>	<b>14.0%</b>		<b>5.1%</b>		<b>8.8%</b>
Depreciation	10	8		8		33
<b>EBIT</b>	<b>60</b>	<b>56</b>		<b>12</b>		<b>128</b>
Finance Charges	8	9		8		34
<b>Profit before Tax</b>	<b>51</b>	<b>47</b>		<b>4</b>		<b>95</b>
Tax Expense	18	18		2		35
<b>Profit after Tax</b>	<b>34</b>	<b>29</b>		<b>2</b>		<b>59</b>

\*Adjusting for Forex items

Figures are rounded off wherever required



# Consolidated Profit & Loss Statement

Particulars (Rs. Crs)	Q1FY20	Q1FY19	%Change	Q4FY19	%Change	FY19
<b>Total Income</b>	<b>518</b>	<b>477</b>	<b>8.7%</b>	<b>442</b>	<b>17.3%</b>	<b>1,945</b>
<i>Less: Forex Gain/(Loss)</i>	9	14		0		0
<b>Net Income</b>	<b>509</b>	<b>463</b>	<b>10.0%</b>	<b>442</b>	<b>15.3%</b>	<b>1,945</b>
Cost of Material	263	232		253		1,031
Employee Expenses	34	37		34		144
Other Expenses	150	141		139		603
<b>Total Expenses</b>	<b>447</b>	<b>411</b>		<b>426</b>		<b>1,778</b>
<i>Less: Forex Loss</i>	3	0		10		31
<b>Net Expenses</b>	<b>444</b>	<b>411</b>		<b>416</b>		<b>1,748</b>
<b>Normalized EBITDA*</b>	<b>65</b>	<b>52</b>	<b>25.2%</b>	<b>26</b>	<b>152.0%</b>	<b>197</b>
<b>Margin</b>	<b>12.8%</b>	<b>11.3%</b>	<b>156bps</b>	<b>5.9%</b>	<b>695bps</b>	<b>10.1%</b>
Reported EBITDA	71	66		16		166
<i>Margin</i>	<b>13.8%</b>	<b>13.9%</b>		<b>3.5%</b>		<b>8.5%</b>
Depreciation	10	9		9		35
<b>EBIT</b>	<b>61</b>	<b>58</b>		<b>7</b>		<b>131</b>
Finance Charges	9	10		9		36
<b>Profit before Tax</b>	<b>52</b>	<b>48</b>		<b>-2</b>		<b>95</b>
Tax Expense	17	18		2		36
<b>Profit after Tax</b>	<b>35</b>	<b>30</b>		<b>-5</b>		<b>60</b>

\*Adjusting for Forex items

Figures are rounded off wherever required





# Outlook for FY2020 and beyond

## 01

### Product development & Innovation

- Focus on Bed Linen in the Home Textiles sphere
- Focus on value-added products through R&D and innovation
- Strengthening design department to promote and service fashion bedding requirements

## 02

### Improving operational efficiency

- Moving towards overall sustainability
- Building strengths in processing through value addition
- Developing skill and talent of employees
- Prudent capital allocation for growth

## 03

### Global reach & Sustainability

- Establish relationship with new marquee global customers
- Tap newer geographies
- Initiatives in branding, distribution and e-commerce
- Overall focus on sustainability for the entire value chain



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# Indo Count: At a Glance





# 27 years of Our Journey





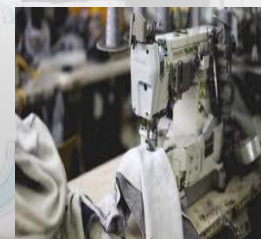
# Our Approach to Business: Integrated bedding solutions



Spinning



Processing



Branding & Marketing



Concept Design & Sampling



Weaving



Cut & Sew



Complete comfort for the best Sleep experience with... Innovation, Quality and Service





# Our competencies and differentiators

01

Global player

- Recognized market player with a focus in bed linen
- Established business with global prestigious clients
- Strong product positioning
- Differentiation through innovation, R&D and continuous product development

02

Strong domain expertise

- Customer-centricity thus focusing on enhanced service
- Wide and innovative product range
- Efficient marketing and branding
- Complete end to end solution in bedding

03

Operationally efficient

- Efficient and scalable operations
- Experienced management with a competitive track record
- Progressive investments in state-of-the-art technology
- Development of human resource in the business of customization





# Innovation Collaboration – LEEDS University



## UNIVERSITY OF LEEDS - FUTURE OF INNOVATION

Leeds University has a long and distinguished history in textile technology and design stretching back to its predecessor, the Yorkshire College of Science in 1874



The collaboration of Indo Count & the University of Leeds, UK, will provide the technology platform to enhance Indo Count's innovation capabilities to deliver new & exciting products into the home textile sector.





# Our Brands

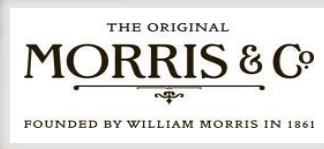
## In-House Brands

**14**  
In-House  
Brands



## Licensed Brands

**4**  
Licensed  
Brands





# “Boutique Living” Brand in India







# Global Presence



## India

Headquartered in Mumbai  
Manufacturing facilities in Kolhapur, Maharashtra  
Showrooms and design studios



## USA

Showroom and design studio in New York  
Warehouse for distribution at Charlotte



## UK

Showroom, design studio and warehouse in Manchester



## Australia

Showroom and design studio in Melbourne



## UAE

Established office in Dubai to tap newer geographies

Indo Count exports to more than 54 countries across 5 continents and going forward to widen its geographical footprint



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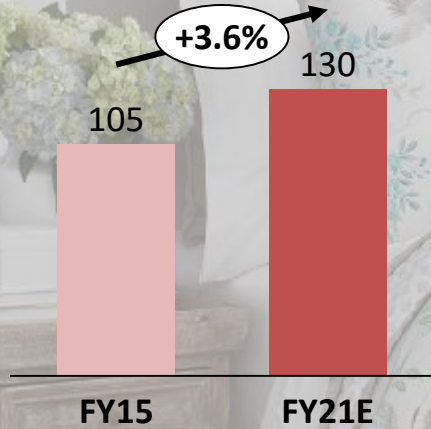
# Industry Perspective



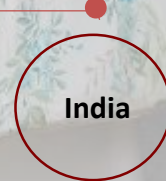
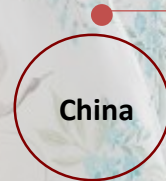
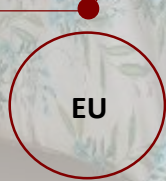
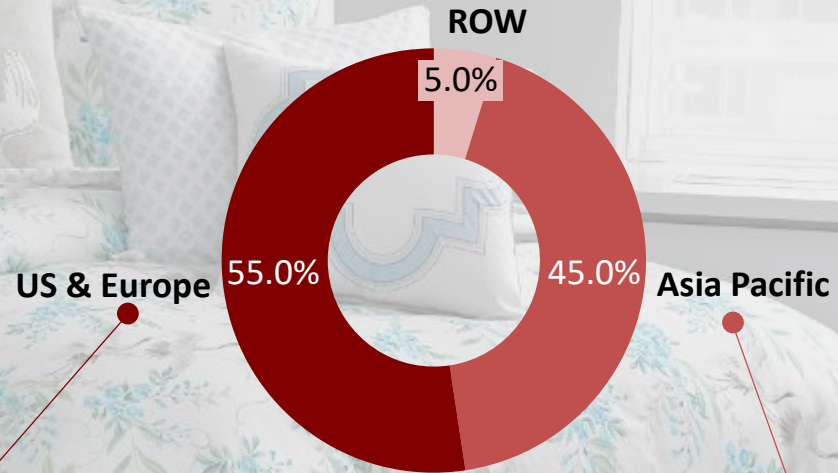


# Asia Pacific fastest growing market in Global Home Textile

### Global Home Textile Market (in bn \$)



### Global Home Textile Market Share



- One of the globe's largest Home Textile market
- Projected to grow at CAGR 3% to reach US\$27bn by FY2020

- Bed linen accounts for 32% share of the Home Textile market
- Bed & Bath linen to grow at a CAGR of 1.7% to US\$17bn by 2020

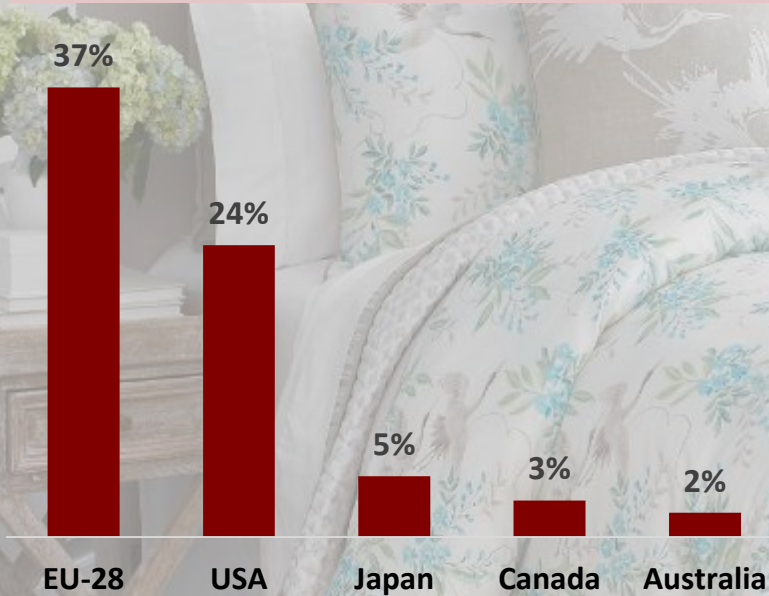
- Largest manufacturer and consumer of home textile
- Market size estimated US\$ 30bn

- One of the largest home textile market in the Asia Pacific region
- Projected to grow at a CAGR of 12% to reach US\$ 15bn by 2025



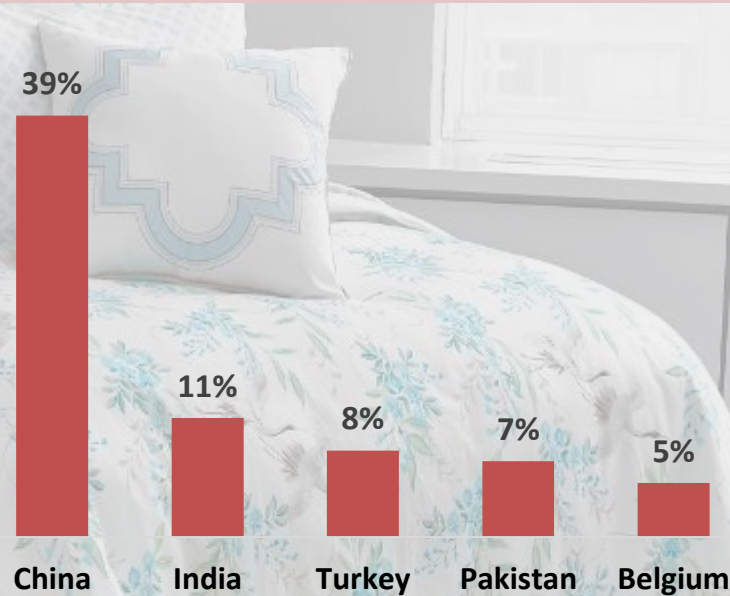
# Top 5 Importing & Exporting Nations

## Top 5 Home Textiles Importing Nations



EU-28 is the largest market for home textiles with a share of 37% and import value of US\$ 18 bn. This is followed by USA with import value of US\$ 12 bn. and a share of 24%.

## Top 5 Home Textiles Exporting Nations



China has a share in home textile exports at 39% with US\$ 19 bn followed by India at 11% with US\$ 5 bn.

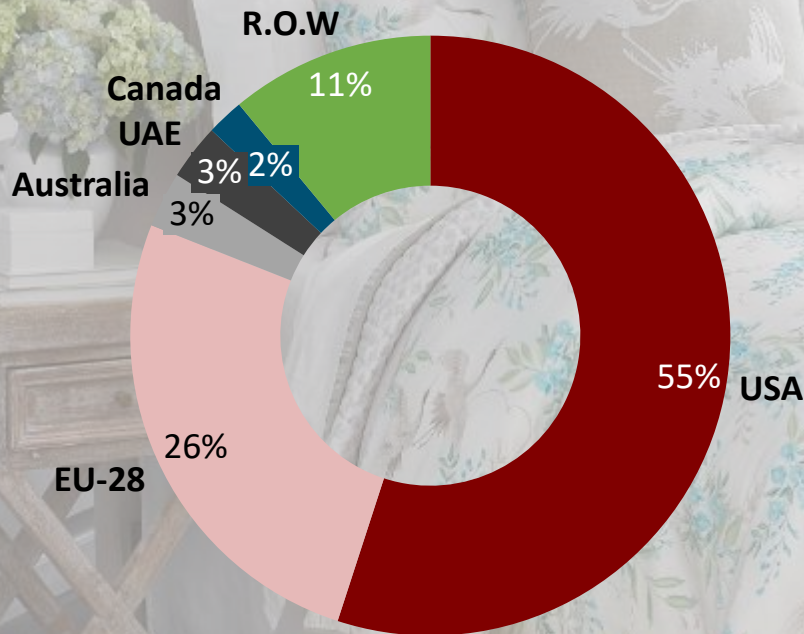
India with growth rate of 4%, has increased its world share from 9% to 11% in the past 5 years. China has remained almost stagnant with a CAGR of 0.7%





# Indian Markets and Growth Opportunities

India's major markets for Home Textiles (2017)



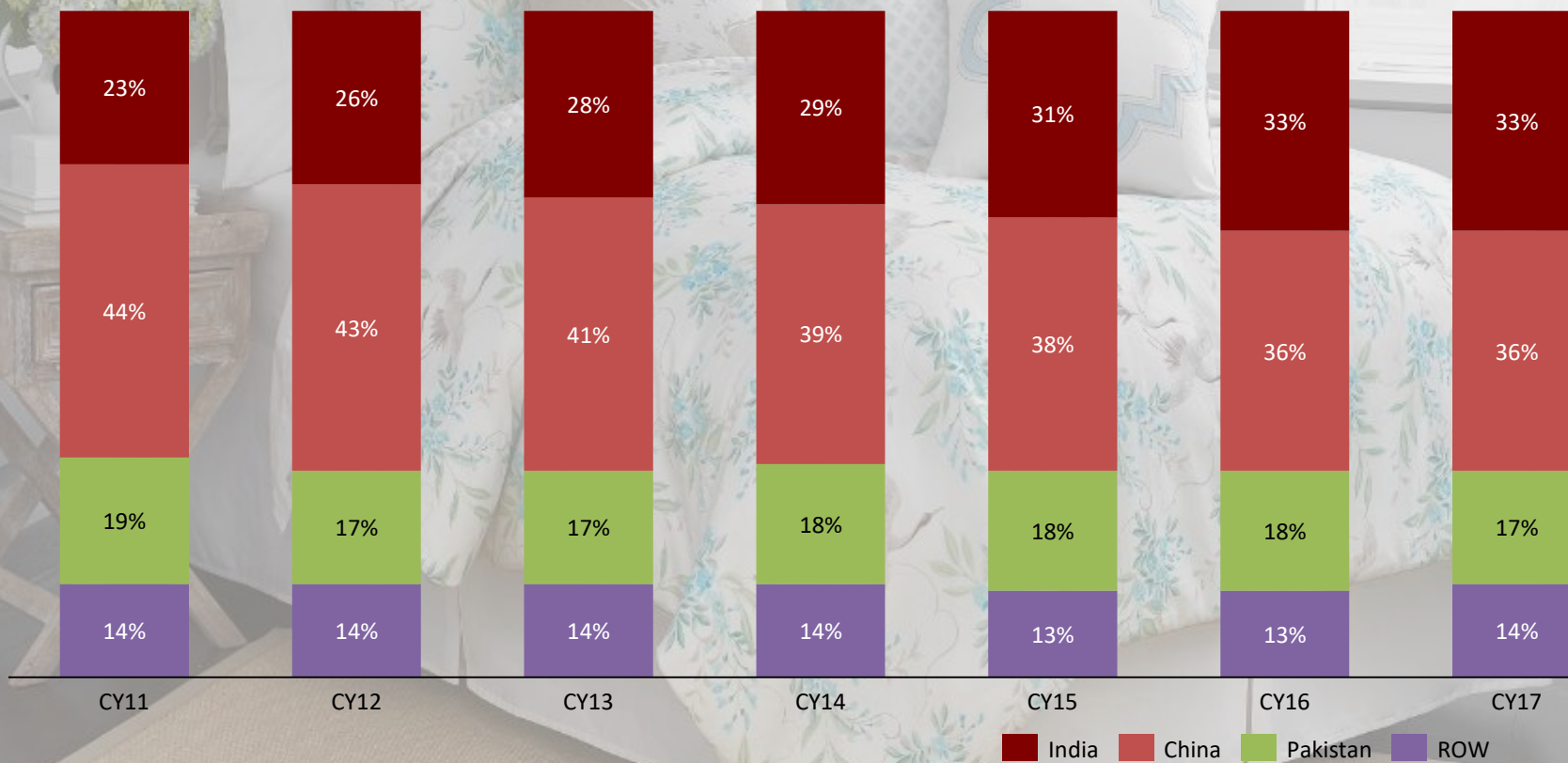
Country	US\$ Mn.	Share
USA	2,853	55%
EU-28	1,347	26%
Australia	156	3%
UAE	132	3%
Canada	121	2%
R.O.W	583	11%
<b>Total</b>	<b>5,193</b>	

- There has been a structural shift in the dynamics of the global home textiles trade as Indian companies have gained advantage over the Chinese counterparts
- Indian companies have become competitive in the home textile exports market, leveraging the gap created by the rising labour cost in China and availability of raw material



# USA textiles imports

## USA – Import of Cotton Made-Up's Share



India's contribution in the Made-ups market share is growing in USA imports

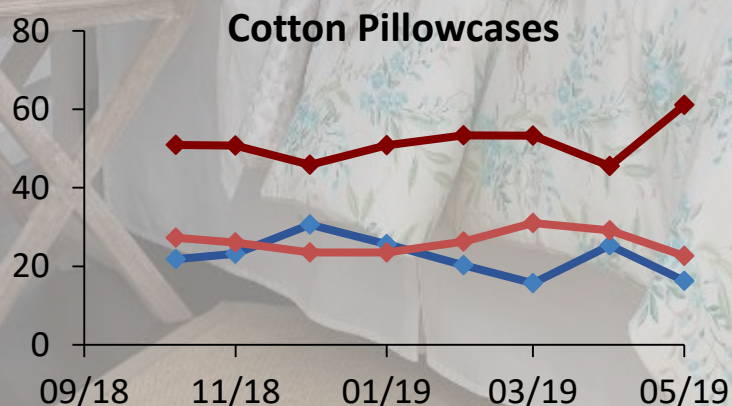
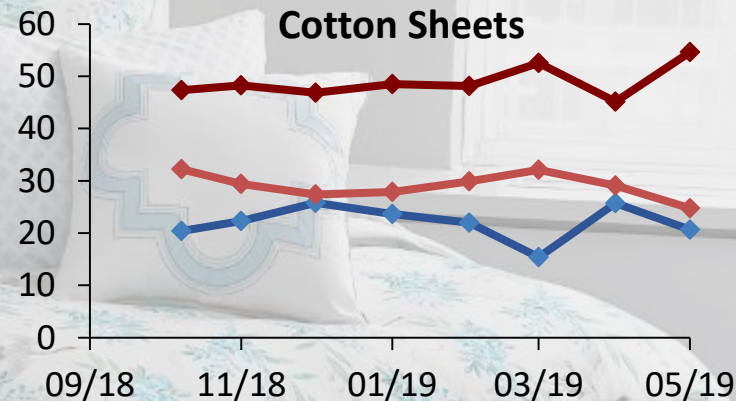
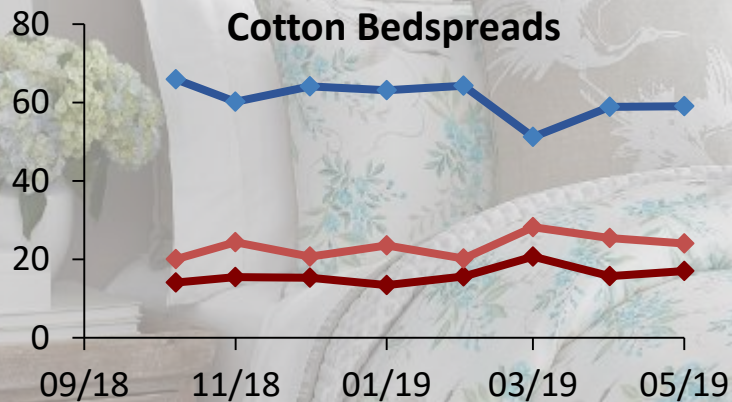




# Home Textile imports by US

(in % Market Share)

◆ India ◆ China ◆ ROW

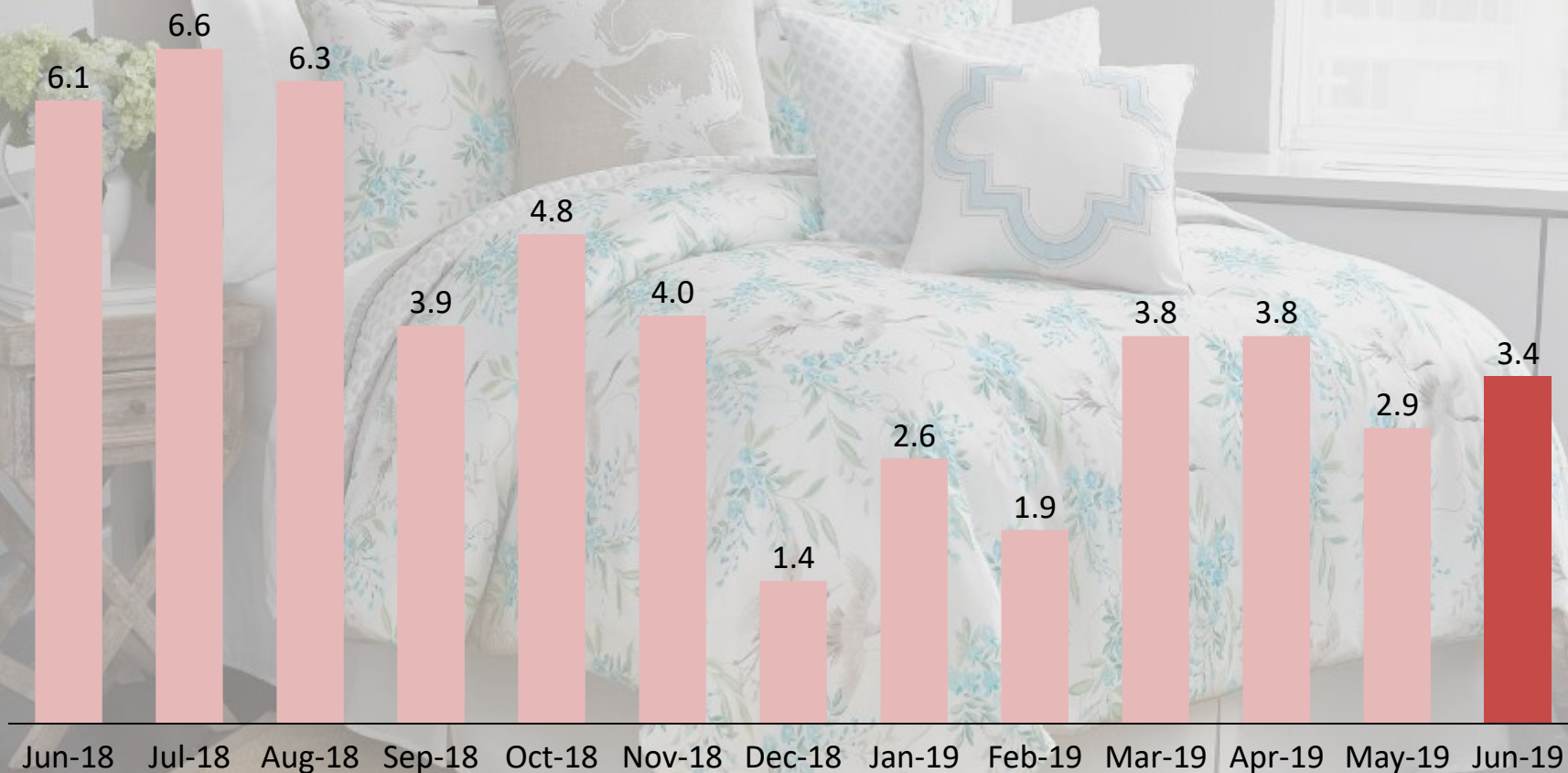


**India is gaining advantage in the Home Textiles Market in the USA. With integrated approach and abundant availability of Raw Material, India is poised to increase its market share**



# USA Retail Sales

USA YoY change in Retail Sales (in %)

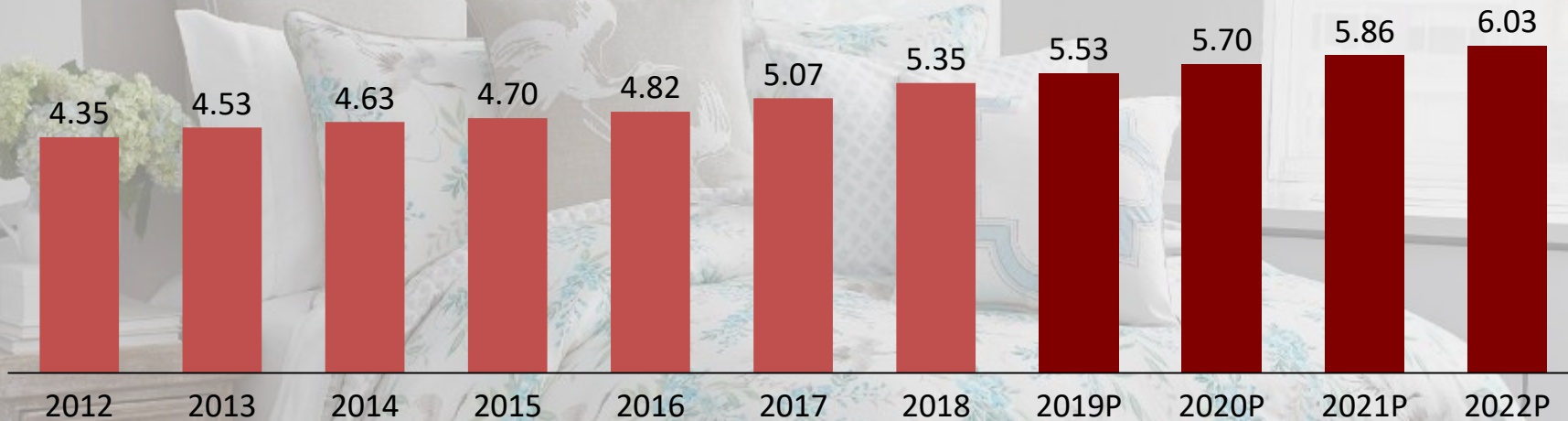






# Major Economies showing strength

### USA Retail Sales (USD Trillion)



Source : Statista

### Europe Retail Sales (2015 as Base 100)



Source : Eurostat



# India's edge in the home textiles market



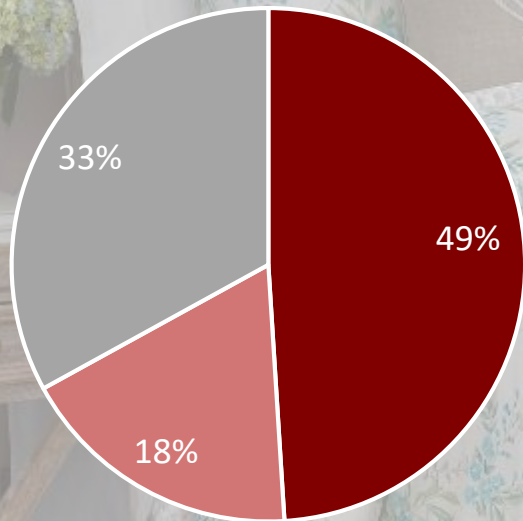




# Indian Home Textiles industry – Growing expectation



Indian Home textile industry mix (%)



■ Bed Linen ■ Bath Linen □ Others

- Indian Home Textile Industry is projected to grow at 12% CAGR to \$ 15Bn by 2025
- India still accounts for only 7% of the global home textile trade, leaving a lot of headroom for growth, which will be driven by market share gains
- Growth in domestic home textile would be supported by favorable demographics, increasing household income, rising population and growth in end use sectors like housing, hospitality, healthcare, etc



# Awards & Accolades



**KOHL's, a large retailer in USA has awarded our Company for "Best Collaboration in Design & Product development"**

**JC Penney, a large retailer in USA has awarded us with a "Platinum Certification Status" for Sheets & Fashion bedding category**





# CSR: At Indo Count 'Every smile counts'



## EDUCATION

- Promoting Education by implementation of E-learning systems in schools
- Benefiting ~50,000 students of 110 schools in and around Kolhapur on an Annual basis

## HEALTHCARE

- 4 Medical Vans reaching 100 rural villages around Kolhapur providing free medicines and check-ups
- In FY19 more than 95,000 patients attended
- Till date ~1,95,000 patients benefitted
- Renovated Female Maternity & Gynac ward along with Cardiac Department for a government hospital in Kolhapur

## WOMEN EMPOWERMENT

- Distributed sewing Machines and trained 950 women's
- Aimed at making women independent and upgrading their standard of living

## WATER & SANITATION

- Promoting sanitation by building/ maintaining toilet blocks
- Installed pure drinking water facilities in various schools and public places



# About Us

- **Indo Count Industries Ltd (ICIL)**, is one of India's largest home textiles manufacturer.
- Mr. Anil Kumar Jain, Executive Chairman, has been ranked 10<sup>th</sup> amongst the India's Best Top 100 CEO's 2017 by *Business Today*. Under his leadership, the Company has focused on some of the world's finest fashion, institutional and utility bedding and sheets and has built significant presence across the globe.
- Over the years, the Company has successfully carved a niche for itself and has become a one stop provider of all bedding products. The company's capacity currently stands at 90 million metres.

## Our Vision

To be one of the leading players in the global Home Textile industry on the strengths of technology, experience and innovation.

## Our Mission

Indo Count is committed to provide all our customers desired quality, services and value for money through our technological and organizational strengths.

## Award and Credit Rating

The Company has been awarded by JC Penney, a large retailer in USA with a "Platinum Certification Status" for Sheets & Fashion bedding category

The Company has also been awarded by KOHL's, a large retailer in USA for "Best Collaboration in Design & Product development"

CARE's credit rating is CARE AA- (Double A minus) for Company's Long-Term Bank Facilities and A1+ for Short Term Bank Facilities.

ICRA's credit rating ICRA A1 (A one ) for short term bank facilities and is ICRA A+ (A plus) for Company's Long-Term Bank Facilities with outlook revised to Stable from Negative





# Investor Contact



*For further information please contact:*

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**Mr. K. Muralidharan, Chief Financial Officer (CFO)**  
k.muralidharan@indocount.com

*Investor Relations Advisors:*

**Strategic Growth Advisors Pvt. Ltd.**  
**CIN:** U74140MH2010PTC204285

**Mr. Shogun Jain | Ms. Ami Parekh**

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