

WIL/SEC/2018

October 22, 2018

<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> Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 (Symbol: WELSPUNIND)
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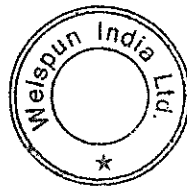
Dear Sirs/ Madam,

**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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find attached investor presentation, inter alia, on unaudited financial results of the Company for the quarter and half year ended September 30, 2018.

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**

# INVESTOR PRESENTATION

October 2018



## Owned Brands



## Innovations



## Licenses



# DISCLAIMER

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Any reference herein to “the Company” shall mean Welspun India Limited, together with its consolidated subsidiaries.

# INTRODUCTION TO WELSPUN GROUP



**Global Leader in  
Home Textiles**



**Global Leader in  
Large Diameter Pipes**



**Infrastructure  
Investments in Oil & Gas**



**Group Revenue  
US\$ 2.3 Billion**

**Asset Base  
US\$ 2.7 Billion**

**Employees  
25,000+**

# AGENDA

- 1. Welspun India: An Introduction**
- 2. Industry Overview**
- 3. Welspun India: Key Differentiators**
- 4. Key Strategic Initiatives**
- 5. Welspun 2.0 & Way Forward**

# WELSPUN INDIA: AN INTRODUCTION

# WELSPUN INDIA: OVERVIEW

## Largest

Home Textiles Company Globally<sup>(1)</sup>

With presence in

**Bed, Bath & Flooring**

Presence in

**50+ Countries**

Trusted and Preferred Suppliers to

**17 of Top 30**

Global Retail Giants

**30 Unique innovations**

**37% Sales: Innovative Products<sup>(3)</sup>**

**17% Sales: Branded Products<sup>(3)</sup>**

## Ranked #1

among Home Textile Suppliers  
to USA

by Home & Textiles Today magazine

**5 Times in Last 6 Years**

**Every 5<sup>th</sup> Towel**

**Every 10<sup>th</sup> Sheet**

sold in the US is made by Welspun<sup>(2)</sup>

**3E's of Corporate**

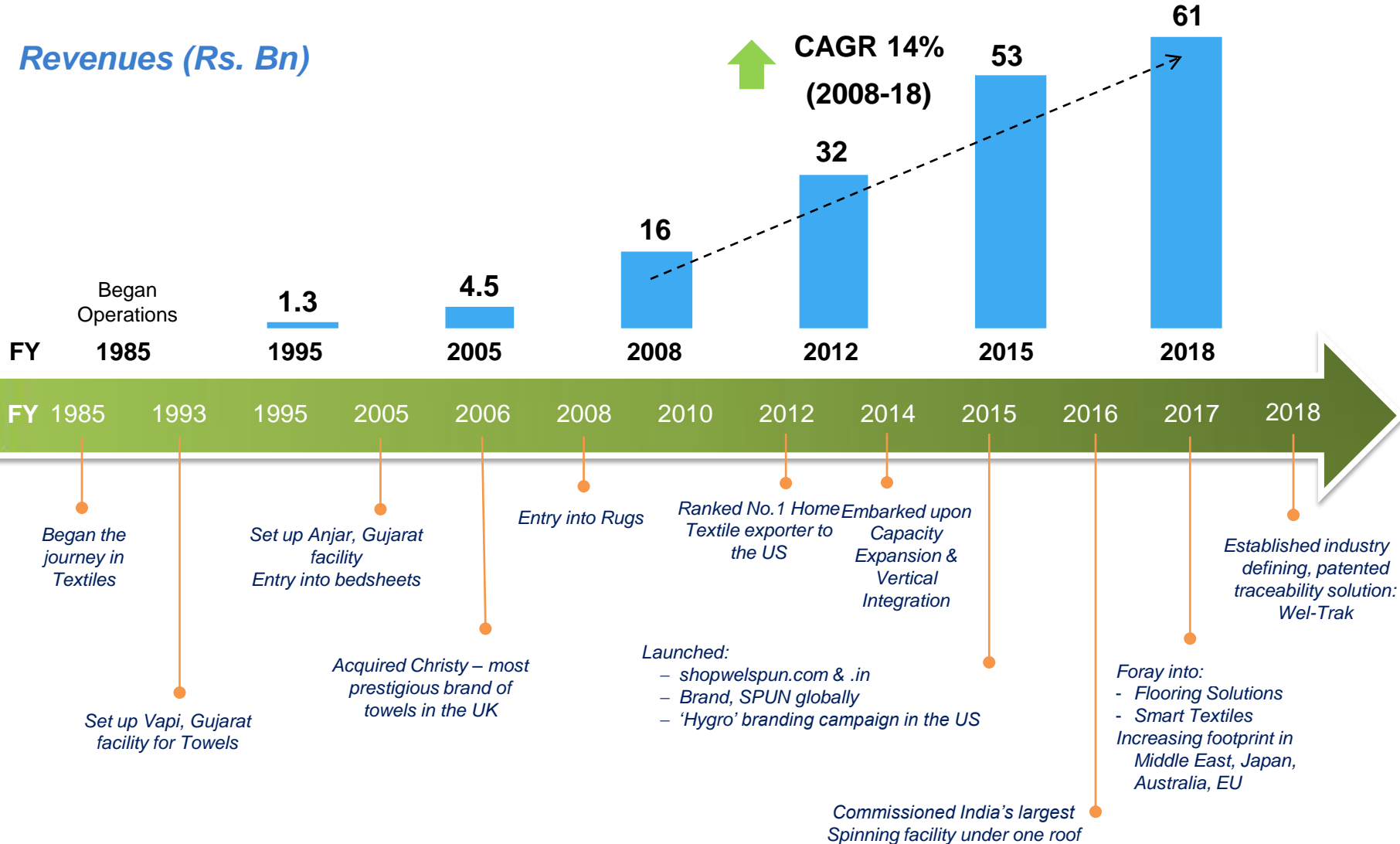
**Social Value**

Education, Environment & Health,  
Empowerment



# KEY MILESTONES

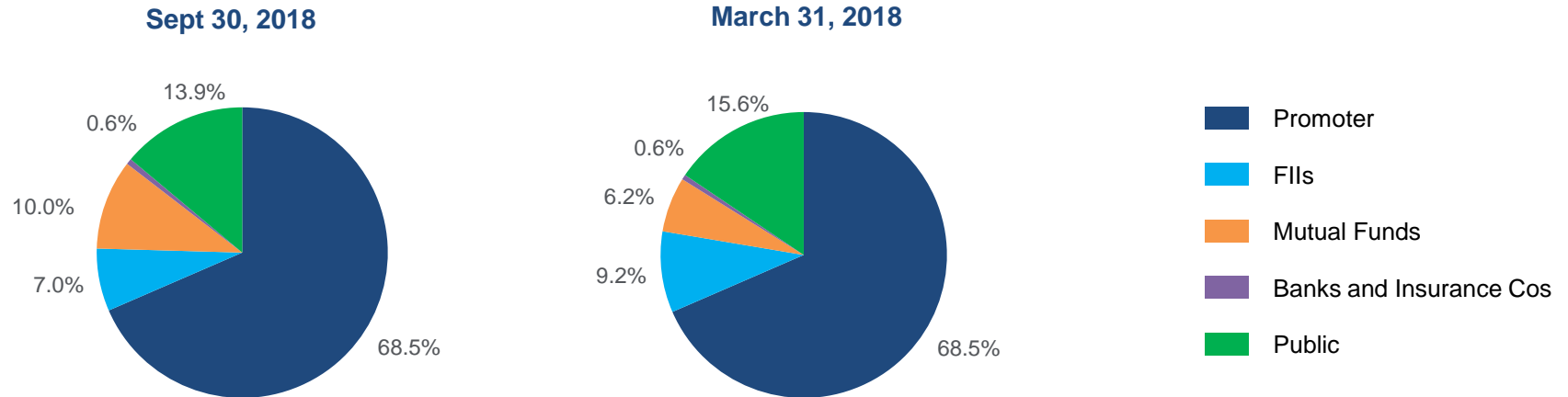
## Revenues (Rs. Bn)





# SHAREHOLDING AND TRADING SNAPSHOT

## Shareholding Pattern

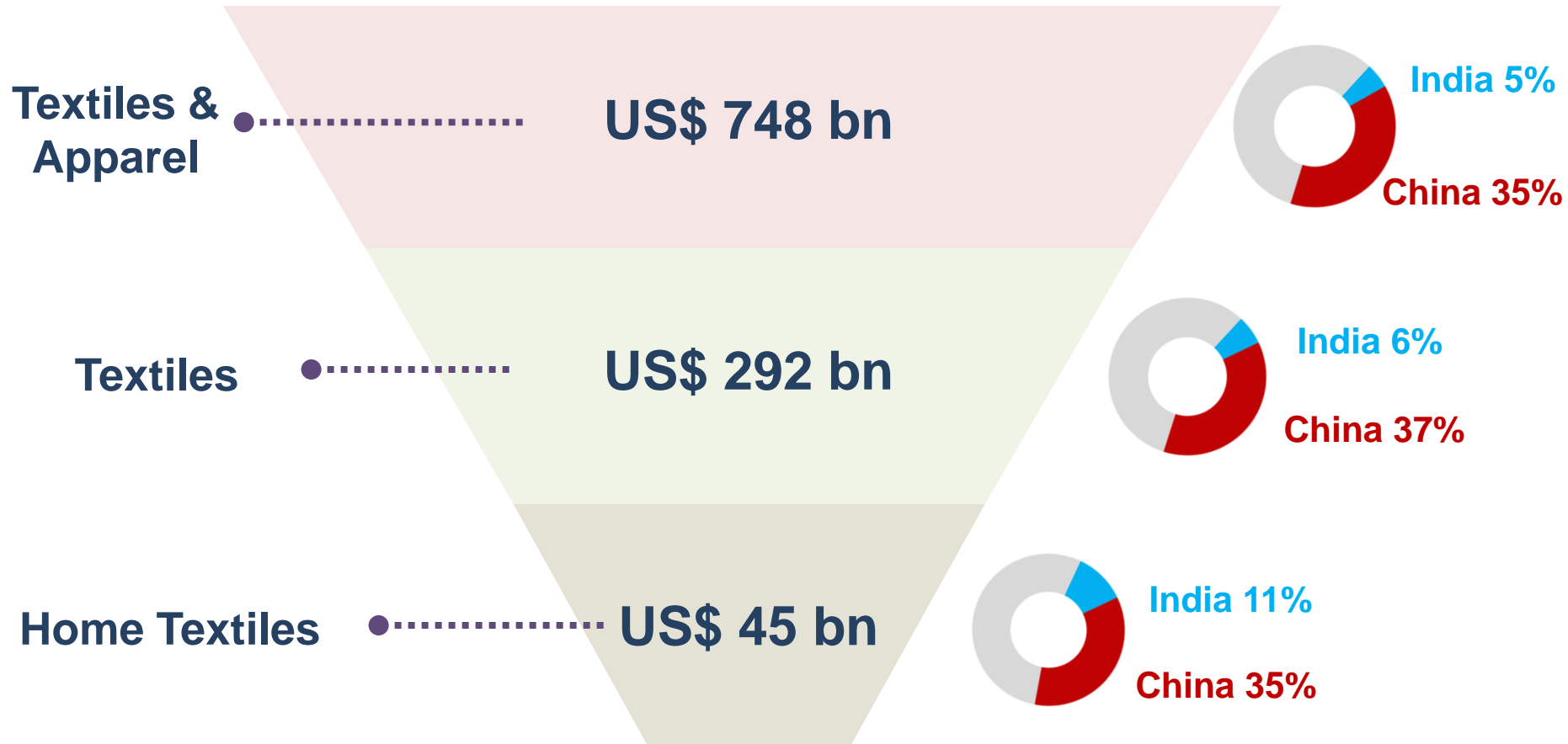


## Market Statistics

As on Sept 30, 2018	INR	USD
Price per share	58.10	0.80
No of Shares outstanding (Mn)	1,005	1,005
Market Capitalization (Mn)	58,391	806
Daily Average Trading Volumes (Q2FY19) No of shares in Mn	2.95	2.95
Daily Average Trading Value (Q2FY19) (Mn)	192	2.65

# INDUSTRY OVERVIEW

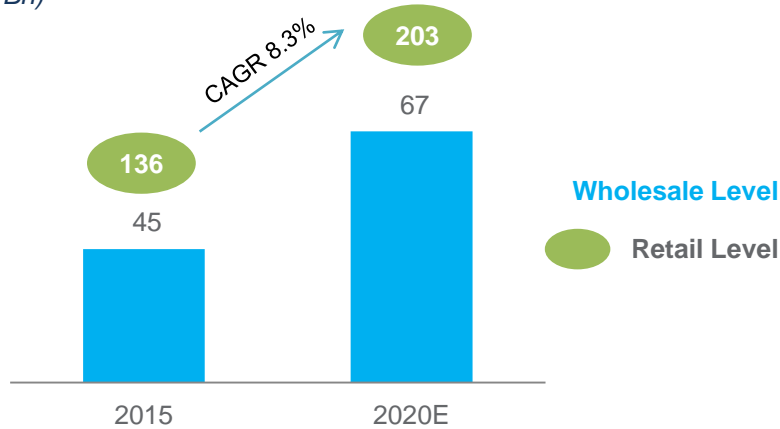
# ASIAN DOMINANCE IN HOME TEXTILES



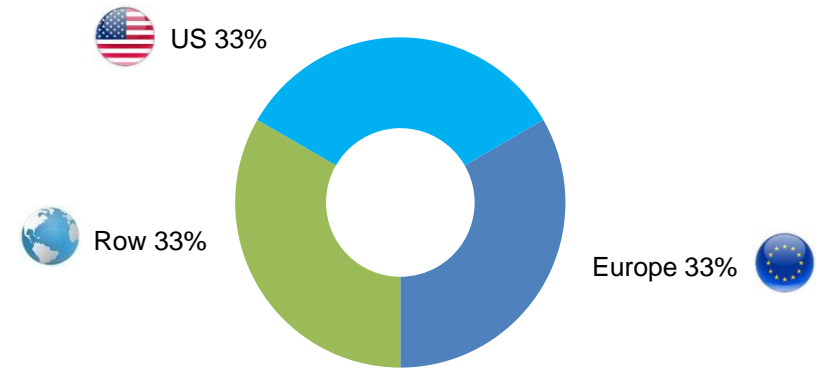
# GLOBAL MARKET OPPORTUNITY

## Global Home Textile Market

(USD Bn)



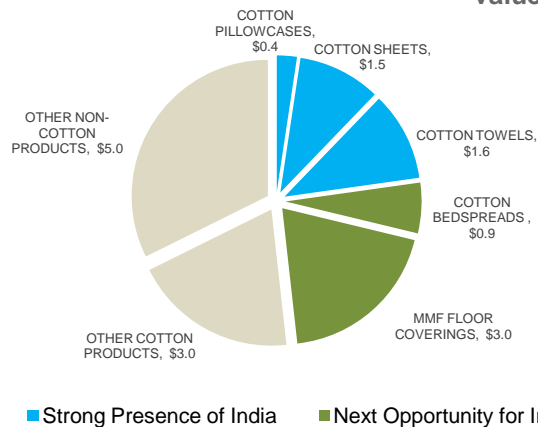
## Market Composition



## US Home Textile Market (2016)

(USD Bn)

US Home Textile Market  
valued at c.\$15 bn

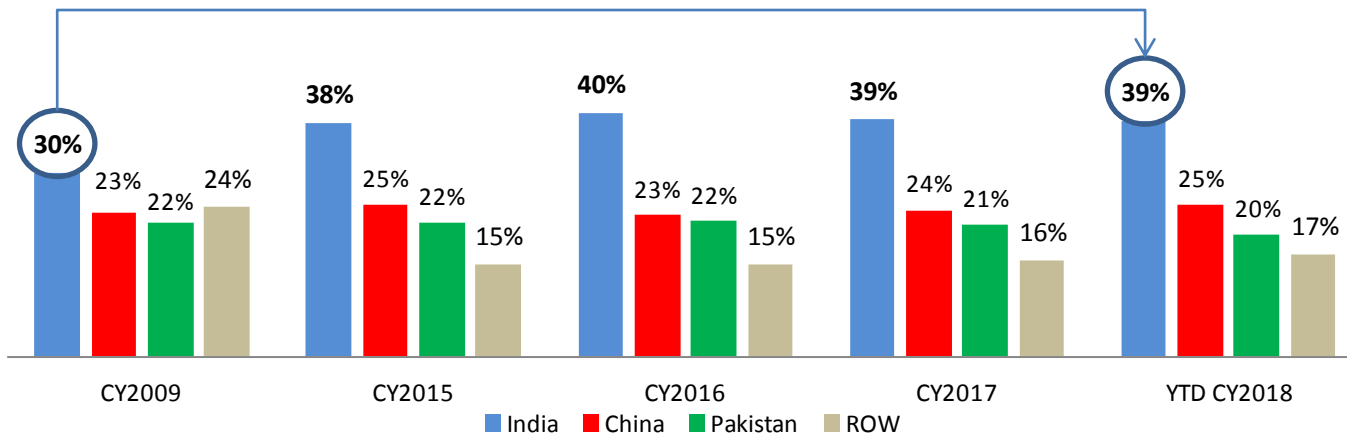


- ✓ **US and Europe** are the major end markets comprising a **third each** of the home textile market
- ✓ Indian Players have concentrated in US because:
  - US is a large and homogenous market making it a more attractive market to target first
  - While US is a level playing field, Europe provides preferential tariff rates to some competing countries

# INDIA- LARGEST PLAYER IN US MARKET

## Market Share in US Towel Market

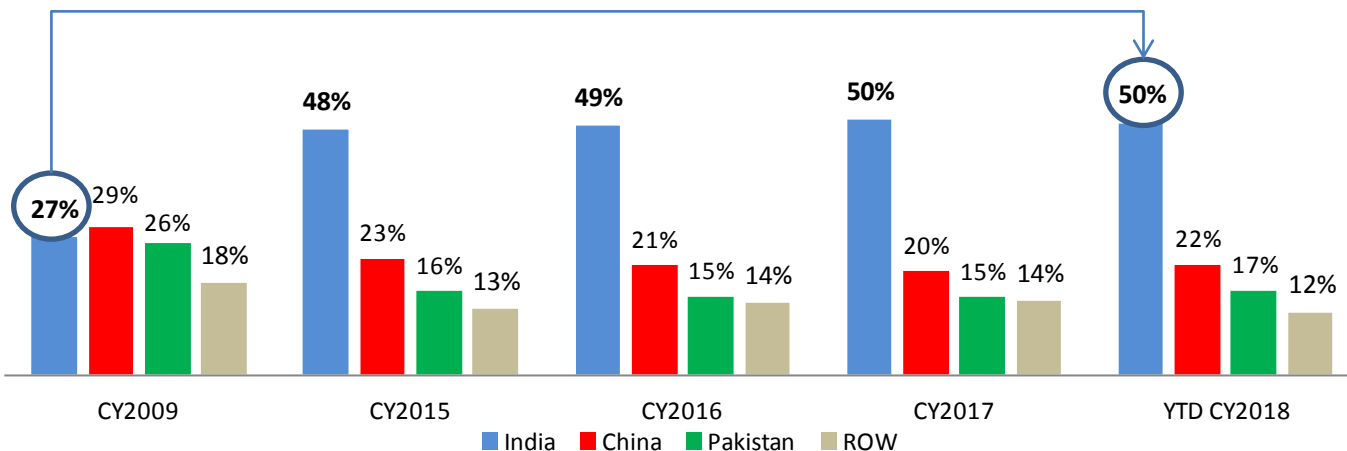
↑ 9 percentage pts



India continues to dominate the US Towel Market

## Market Share in US Sheet Market

↑ 23 percentage pts



Half of the US Sheet Market is served by India

# FACTORS CONTRIBUTING INDIA'S COMPETITIVE ADVANTAGE

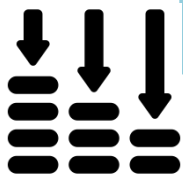
**1** Largest Producer of Cotton



**2** Favourable Socio-Economic Factors



**3** Competitive Costs



**4** Strong Political Leadership with Supportive Policies



**5** Strong Domestic Market Potential

**6** Global Manufacturing Scale



# WELSPUN INDIA: KEY DIFFERENTIATORS

# WELSPUN INDIA: BELLWETHER IN HOME TEXTILES

8

Consistent focus on free cash flow

1

Leading Market Player with a Wide Product Range

7

Experienced Board and Management with Proven Track Record

2

Vertically Integrated Presence with Significant Capabilities

6

Sustainability at the Core of the Business

3

Global Distribution Network with Marquee Clients

5

Track Record of Innovation

4

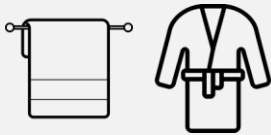
Diversified Brand Portfolio





# 1 LEADING MARKET PLAYER WITH A WIDE PRODUCT RANGE

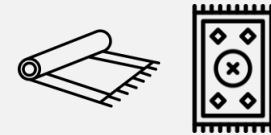
## Widest product range in the Home Textiles segment



Towels, Bath  
Robe



Sheets, TOB, Basic  
& Fashion Bedding



Carpets, Rugs,  
Flooring Solutions



A differentiated End-to-end Solutions Provider in Home Textiles



Uniquely positioned for cross-selling due to Customer reach, Competitive manufacturing, Global delivery model



Higher wallet share due to multi-product portfolio

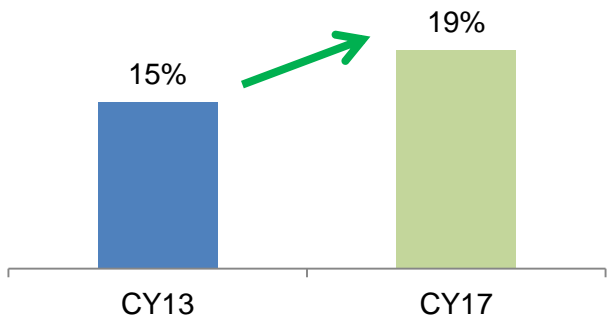


Strong track record of customer satisfaction and repeat business from them;  
80% revenue from replenishment

# 1 LEADING MARKET PLAYER

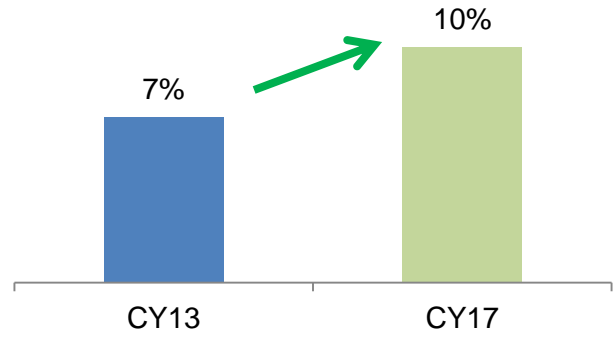
Ranked No.1 supplier to the US 5 times in last 6 years by Home & Textiles Today magazine

Every 5th towel sold in US is made by Welspun

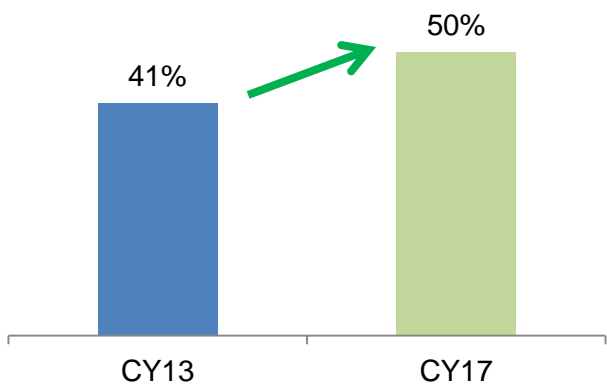


Welspun's Market Share in US Towels Market

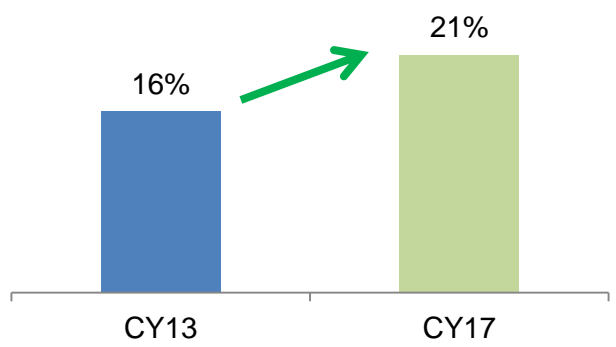
Every 10th sheet sold in US is made by Welspun



Welspun's Market Share in US Sheets Market

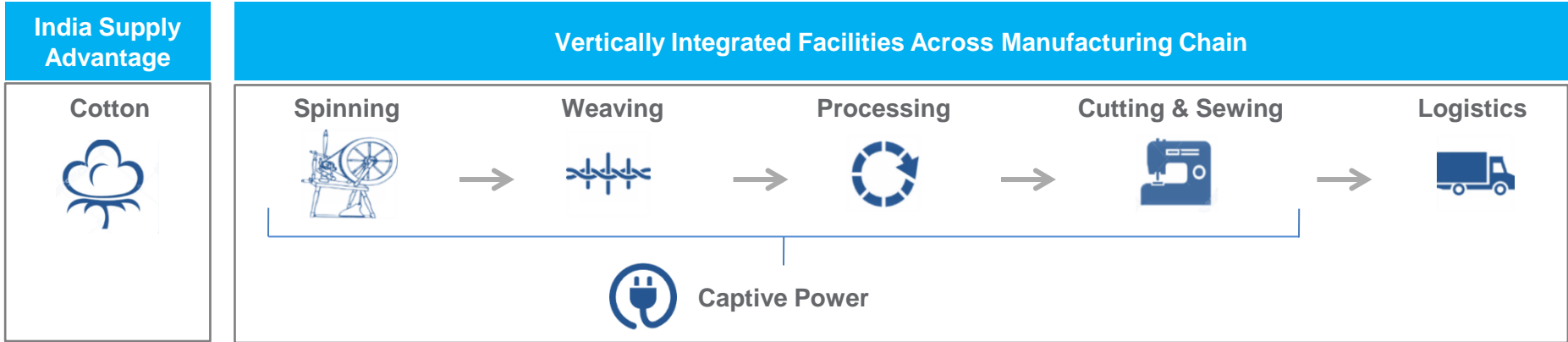


Welspun's Share in India's exports to US - Towels



Welspun's Share in India's exports to US - Sheets

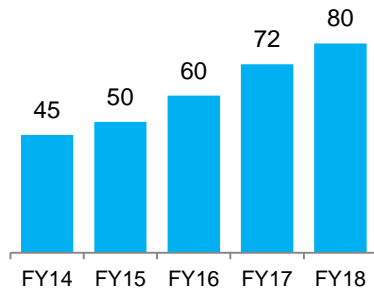
## 2 VERTICALLY INTEGRATED PRESENCE WITH SIGNIFICANT CAPABILITIES



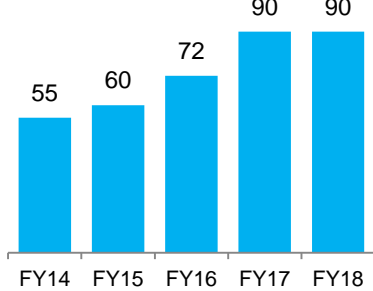
- ✓ Current integration of about 70% in Spinning and Weaving
- ✓ Captive power generation (through thermal power plant)
- ✓ Welspun India’s backward integration have helped improve margins, better quality control and timely delivery

### Growing Capabilities

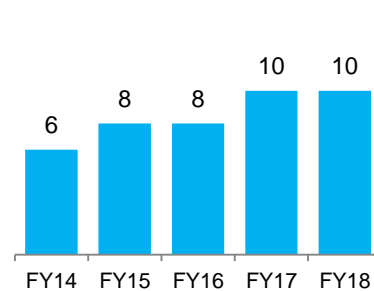
**Towels** ('000 MT)



**Bed Linens** ('Mn mtrs)

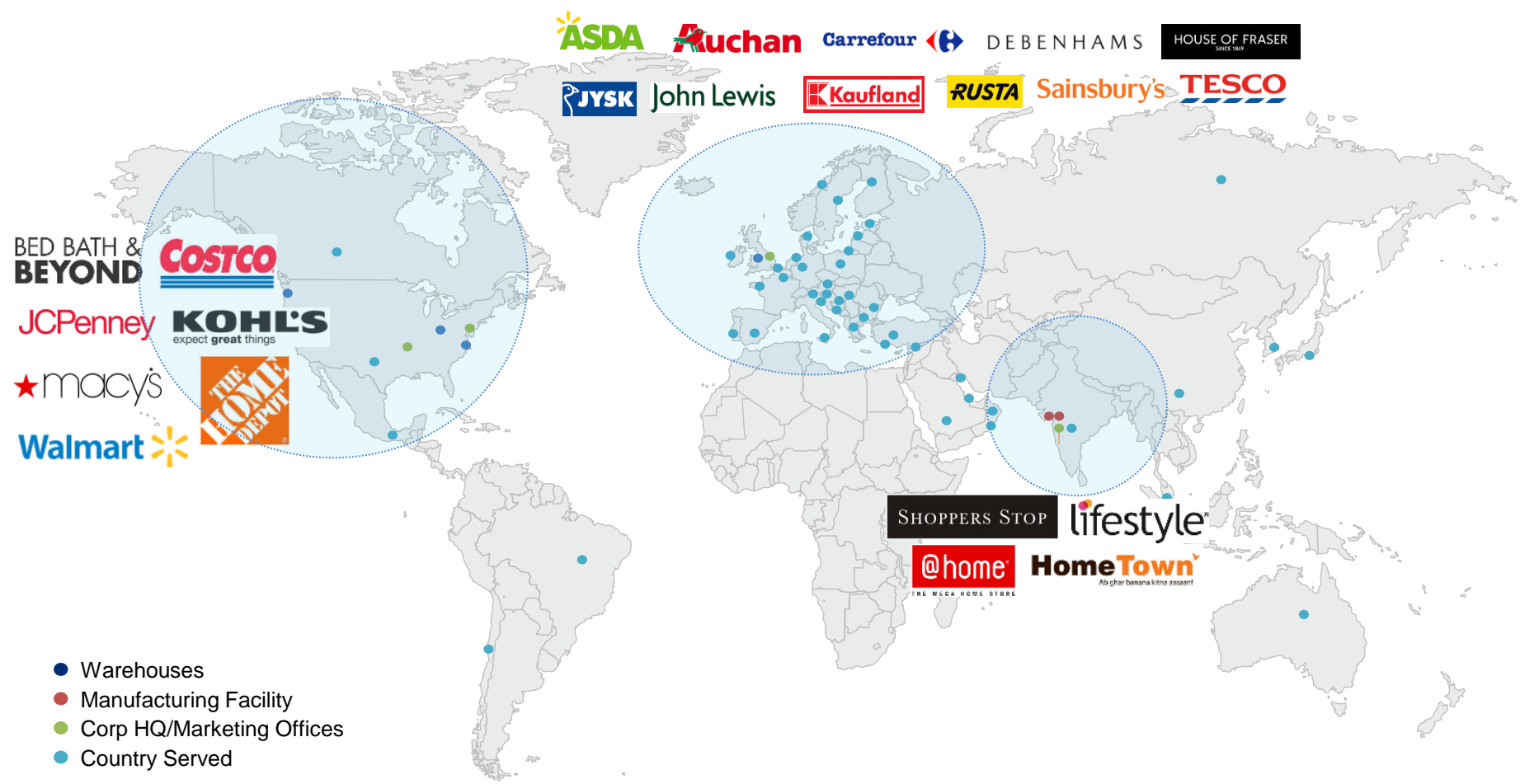


**Rugs & Carpets** ('Mn sq. mtrs)



- ✓ FY18 Effective Utilisation:  
Towels : 80%  
Sheets : 80%  
Rugs : 65%
- ✓ Investment of around Rs. 9 bn planned in FY19; Rs. 3.2 bn done in H1FY19
- ✓ Majority of the investment towards flooring solutions project

### 3 GLOBAL DISTRIBUTION NETWORK WITH MARQUEE CLIENTS



**Delivery and Reach in Over 50 Countries**

**4 DIVERSIFIED BRAND PORTFOLIO**

**Spectrum of Welspun Brands: Continue to Evolve**

Premium & Luxury

Innovation

Sustainability & Empowerment

Technology



**Coveted Licenses**



**Branded Products Contribution to Sales at 17% in FY18**

# 5 TRACK RECORD OF INNOVATION

- **37%** of Sales from Innovative Products
- **30** unique inventions filed globally



- Contributes more than \$175 Mn of Sales annually
- Good traction in hospitality & domestic market



- Received Asthma and Allergy Free Certification for bedding products in US post stringent testing

## Global Collaboration on Innovation



**Top Universities**

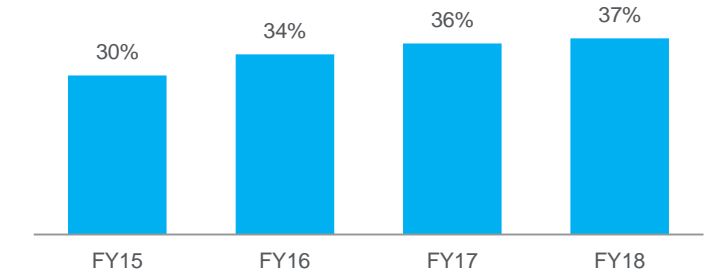


**Technology Partners**



**Industry Associations**

### Increasing Share of Innovative Products



The two segments (innovative & branded) together account for more than 45% of revenue

### HYGRO Cotton

before washing    after 3 washings



Regulates temperature for individual comfort

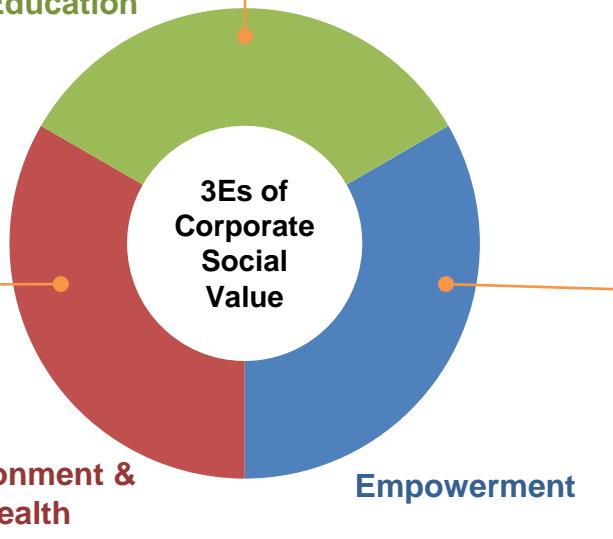


## 6 SUSTAINABILITY: FOCUS ON THE 3Es



- Quality Education Project
- Adult Literacy Education for women

### Education



### Environment & Health



- Health Camps & Mobile Medical Vans
- Natural/recycled products
- 320K trees planted
- Rain water harvesting



- Vocational Training for women and youth
- Employability

### Empowerment

- **Vocation Centers:** 10 centers including SPUN – 1200+ women engaged; 2.29 mn products developed till date
- **Welspun Foundation for Health & Knowledge:** Financial assistance to women from sports; vision to benefit 20,000+ women

### Education

- **Welspun Vidya Mandir at Anjar:** quality education to 1,600 students with 75 Teachers
- **Quality Education Project** at 41 government schools in Anjar reaches out to 10,000+ students.
- Digital software installed in 20 schools benefiting 4,600 students. Targeting 500 schools; 1 lakh students



### Environment & Health

- Planted around **10,000 saplings in 25 villages** of Anjar
- **Mobile Health Vans:** 19 villages with 40,000 villagers benefitted
- Built over 5,000 sanitation blocks in Vapi and Anjar
- Project Navchetna initiated to curb malnutrition in total 15 villages

# 6 INCLUSIVE GROWTH: IMPLEMENTING SMART VILLAGES

## E-Connectivity

- Wi-fi enabled villages with CCTV coverage
- Complete E-governance
- PA system with speakers
- Comprehensive CMS for Panchayat Office



## Environment

- Green cover in all public land
- Segregation and organized disposal of garbage
- 100% LED / solar street lighting
- Swachh Bharat Abhiyan awareness



## Essential Infrastructure

- Well-constructed roads with kerbstones
- Drainage and sewage disposal systems
- Mobile library



## Education

- Smart centres
- CCTV enabled premises
- Vocation training in secondary schools
- Bio gas for cooking midday meals in school kitchen



## Empowerment

- Upgraded CSR and skill development centres
- E-enabled milk banks
- Vocational training in skills like IT and sering
- 100% enrolment of adults under Government schemes



## 6 SUSTAINABILITY IN EVERYTHING THAT WE DO



**STP Installed with a Capacity to Process 30 MN Liters Per Day; currently saving 6,500 million Liters of Water annually**



**85% Water Recovered From STP Used at Plant**



**10,000+ Youth Trained via Welspun's Skill Development Program**



**1,200+ Women Engaged Across 10 Vocational Centers**



**Annual saving of 9 mn kWh of Energy**



**SA 8000 Certified Operations for Socially Responsible Practices**

# 7 EXPERIENCED BOARD & MANAGEMENT WITH PROVEN TRACK RECORD

## Board of Directors

### **B.K.Goenka**, Chairman

- Amongst India's most dynamic businessmen
- Ranked amongst India's Most Powerful CEO by Economic Times
- Emerging Company of the Year Award in 2008

### **Arun Tadarwal**, Independent Director, Audit Committee Chairman

- 20+ years of experience in Finance, Audit, Taxation and Quality Management. Member of ICAI, practicing since 1981

### **Anisha Motwani**, Independent Director

- 28+ years experience in advertising, auto-manufacturing, financial and health services. Currently advisor to World Bank. Voted among '50 Most Powerful Women in Indian Business' by Business Today for 3 consecutive years

### **Pradeep Poddar**, Independent Director

- Technocrat & Corporate Leader with 30+ years of experience in consumer products industry and vast experience in brand building

### **Arvind Singhal**, Independent Director

- MBA from University of California, founded Technopak, India's leading management & operations consulting firm with focus on Textiles, Retail, Healthcare etc

### **Shalil Mukund Awale**, Nominee Director

- Chief GM at IDBI Bank with nearly 22 years covering areas like Priority sector, Retail Banking, Investment & Treasury, Venture Capital Finance, Audit

## Management Team

### **Rajesh Mandawewala**, Managing Director

- In-charge of textile business; instrumental in growing reach over 50 countries
- 25+ years of experience in industries varying from Textiles to SAW pipes.
- He is a Qualified chartered accountant

### **Dipali Goenka**, CEO & Joint Managing Director

- Driving force behind textile business, successfully led development of two brands – SPACES and Welhome
- Graduate in Psychology & completed Management Program from Harvard

### **Altaf Jiwani**, CFO (Welspun India)

- 25+ years experience in corporate finance roles across diverse industries.
- Worked with RPG Group for 19years. Last role as CFO, Phillips Carbon Black

### **Julie McKenzie**, CEO (Welspun USA)

- 35+ years of domestic and international experience in sales, merchandising, sourcing and licencing in the retail industry .
- Has been previously associated with Nickelodeon, Wal-Mart among others

### **Leigh Taylor**, CEO & President (Welspun UK)

- 30+ years of international experience across consumer products industry.
- Turnaround specialist with expertise in innovation & product development

### **Manjari Upadhye**, CEO (Domestic Retail Business)

- 17+ years of experience across the consumer products industry
- Significant contribution in brand building for FMCG companies

### **Mukesh Savlani**, CEO (Welspun Flooring)

- Home-grown CEO with 17+ years experience in various roles at Welspun
- Engineering graduate; Leadership Program from Harvard

# 7 AWARDS & ACCOLADES – TESTIMONY TO EXCELLENCE

**Dipali Goenka**

Featured at #16 in  
Asia's Top 50 Power  
Businesswomen (2016)

**Forbes**

**Asia's 50  
Power  
Businesswoman**

**Platinum Award  
Water Stewardship  
(2018)**



**APEX INDIA FOUNDATION**  
RECOGNISING EXCELLENCE • SPREADING AWARENESS

**STP Water  
Recycle & Reuse**

**Digital / Social Media  
Campaign of the Year  
Christy  
(2018)**

**Prolific North**

**Social Media**

**Marketing Services Award  
"Spaces"  
(2018)**

**amazon**

**Marketing**

**Winner of  
1 Platinum, 2 Gold & 1  
Silver Trophies  
(2018)**



**Highest Exports**

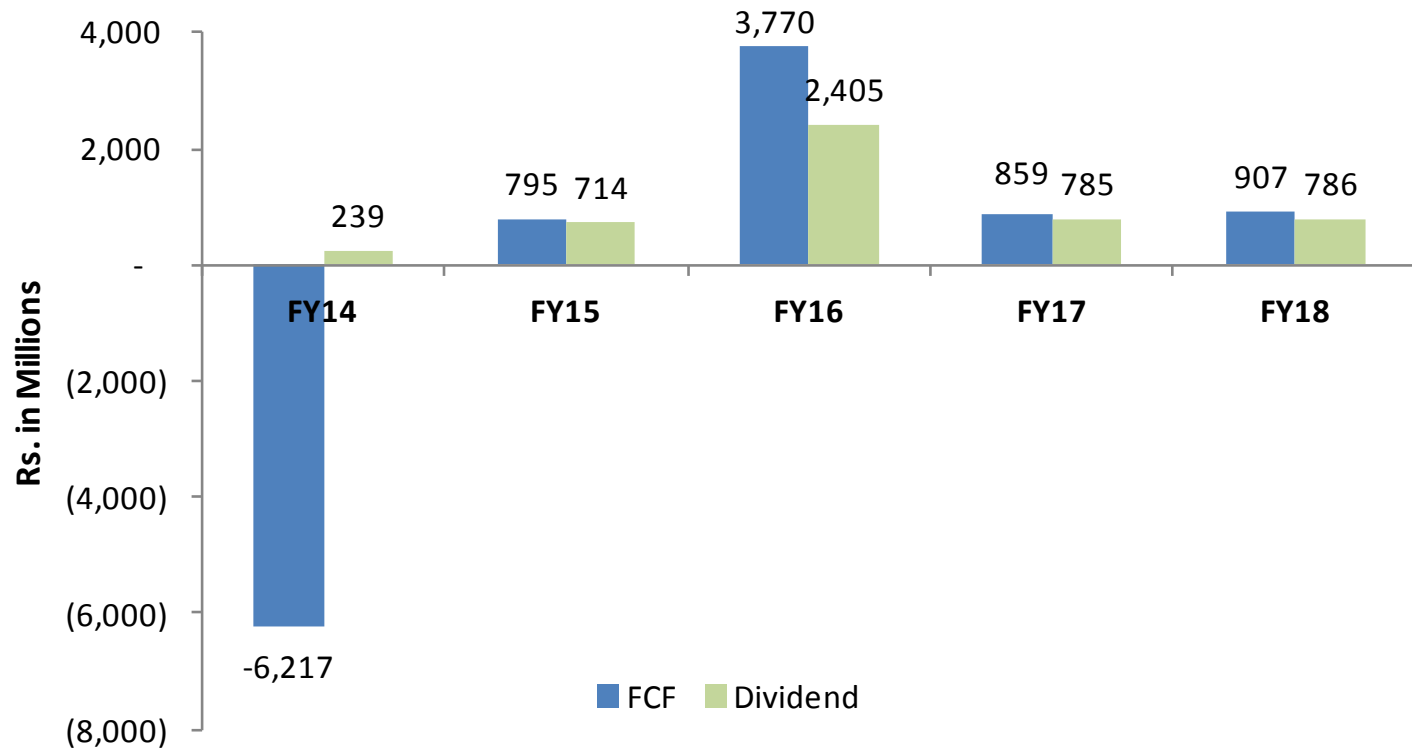
**Top-3 in Product-Wise  
Sustainability scores  
(2017)**

**Walmart**

**Sustainability**

*and many more....*

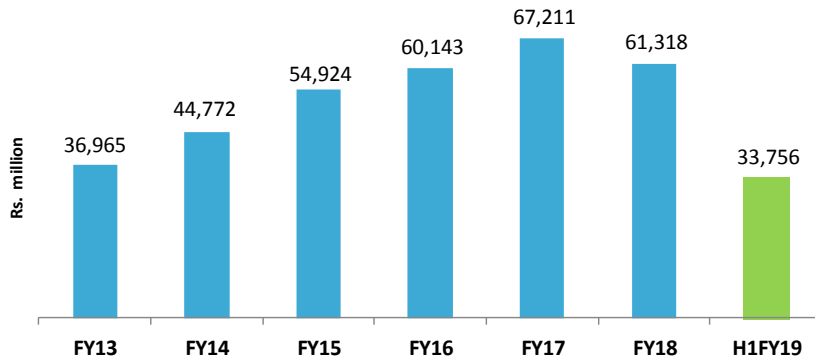
## 8 CONTINUED FOCUS ON FREE CASH FLOW



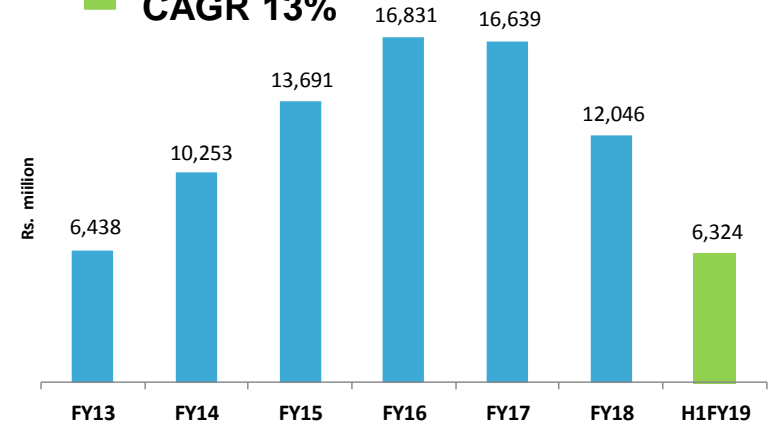
FCF positive for four consecutive years

# 8 TREND OF FINANCIAL PERFORMANCE

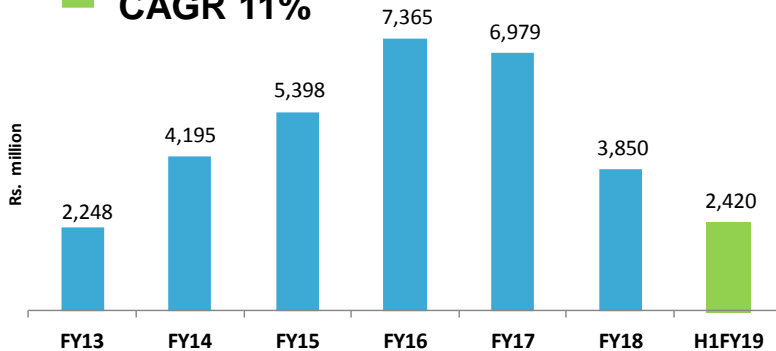
**Total Income**  
CAGR 11%



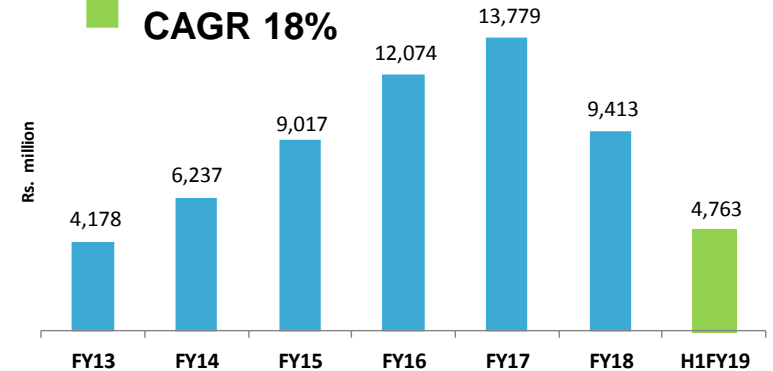
**EBITDA**  
CAGR 13%



**Net Profit**  
CAGR 11%



**Cash Profit**  
CAGR 18%



Net Profit & Cash Profit FY17 figures adjusted for exceptional item

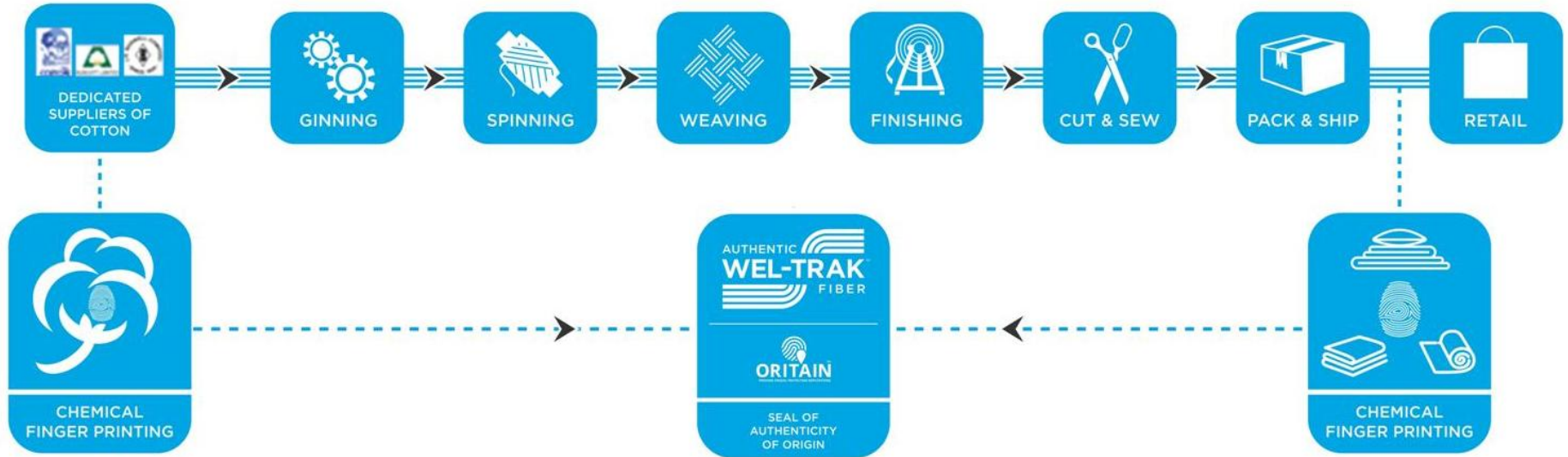
CAGR is based on FY13-FY18

# KEY STRATEGIC INITIATIVES

# WELSPUN'S PATENTED GLOBAL COTTON INTEGRITY PROCESS



Welspun's patented Wel-Trak™ process, supplemented by scientific traceability from Oritain™, is now the most comprehensive end-to-end fiber tracking process.



- Verifies fiber from the origin and at every stage of production
- Ensures rigorous process control of fiber's physical parameters
- Authenticates cotton from dedicated sources
- Assures independent third party testing
- Allows consumers to track fiber in product back to the farm where it was produced

Visit [Wel-Trak.com](http://Wel-Trak.com)



# SMARTSOURCING: ASSET LIGHT FUTURE GROWTH

## SYNERGISTIC BENEFITS



Assured  
Supply



Lower  
transportation  
costs



Lower inventory  
Lower Interest  
cost



Recycling of  
packaging

**Collaboration with  
Suppliers for Lead Time  
Reduction via Exclusive  
Set-up of Welspun  
Ancillary Units**

- **Already Established Ancillaries**
  - **Spinning**
  - **Trims**
  - **Packaging materials**





**Omni-Channel Support  
to Top Global Retailers  
via Product  
Development,  
Warehousing, Pick and  
Pack, Drop-Ship and  
Analytics**

**SCM Analytics for Our  
Customers**



Integrate



Analyze

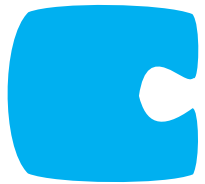


Visualize

# WELSPUN 2.0 & WAY FORWARD

# WELSPUN INDIA: VISION 2022

## WELSPUN2.0



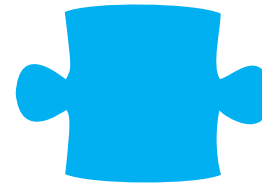
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1

Innovation &  
Patents

2

Brands

3

New Markets

4

New Channels

5

New Products

Revenue

**\$2bn**

Net Debt

**NIL**

Innovative / Branded  
Revenue Share

**50%**

Women  
Employees

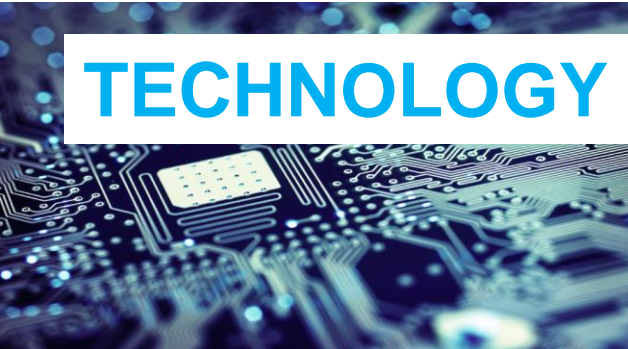
**20%**

Share of Domestic  
Revenue

**20%**

# 1 INNOVATION & PATENTS

**TECHNOLOGY**



Transcends to  
with

**HOME TEXTILES**



*tilt*  
**SpinTales™**



- ✓ Creating interactive experiences through seamless integration of smart technology with home textiles
- ✓ Patented augmented reality home décor

**2**

**BRANDS : CHRISTY**

**Christy Brand Reinvigorated & Launched Globally**



**2008**



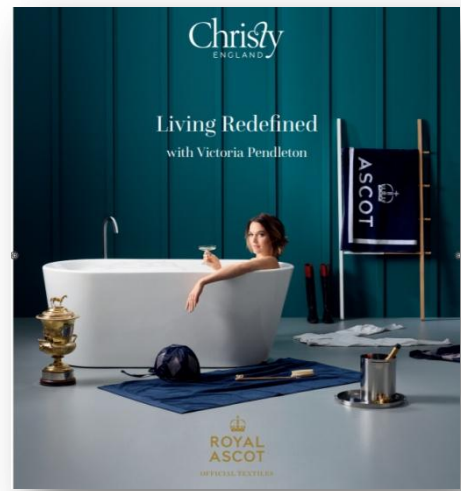
**2013**



**2017**

**A 150-Year Old Legacy.. ‘Living Redefined’**

- ✓ Reinvigorated the Christy Brand, which has dominant presence in UK
- ✓ Introduced the brand in US, China and Middle East; witnessed healthy growth
- ✓ Coveted Associations like Wimbledon, Rugby World Cup and Royal Ascot



2

# BRANDS : SPACES

## Focus on tapping Domestic Market potential

- ✓ India – one of the fastest growing economies in the world with huge potential for increasing organized market
- ✓ ‘Spaces’ was recently recognized as a best brand in home category by Myntra. Also, received Amazon Marketing Services Award for Spaces
- ✓ Presence in **200+ shop-in-shops**
- ✓ Licenses for Domestic Market:



**The Next Growth Engine**

## Redesigned Brand Strategy

- ✓ Use of 360 degree marketing approach by increasing customer touch points including social media, POS, in-store, PR news, TV, outdoor, radio, customer service.
- ✓ Revisited Spaces brand campaign



# 3 NEW MARKETS

## Composition of Sales (FY18)

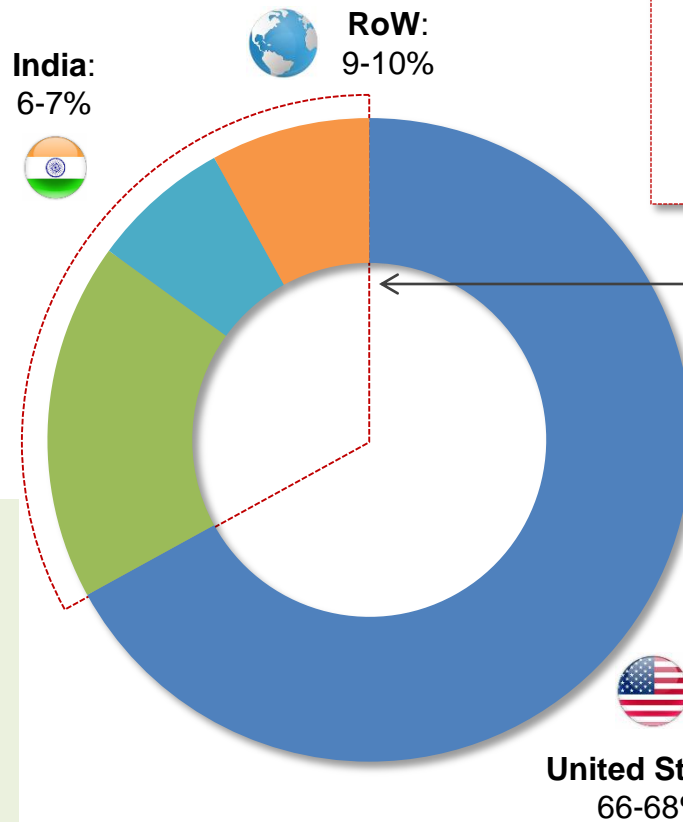
- Indian Urban Home Textile market is expected to grow from INR 257bn in 2016 to INR 438bn by 2021 (i.e. CAGR of 11.25%)
- Government's Policy on 'Housing for all by 2022' to boost domestic consumption
- Implementation of GST to accelerate move towards organised sector

**Europe:** 17-18% 

Presence in Europe is limited because:

- Pakistan, Turkey, Egypt and Bangladesh have preferential tariff rates from EU, exempting them from import duties
- Welspun's focus on EU has been more recent, mainly through its innovative products

Presence in Japan, the Middle East, Australia, Russia and South Africa



## Future Strategy

- Welspun India to focus on increasing presence in subscale / new markets
- Non-US business is likely to account for larger share of incremental revenue going forward

Continue to gain market share in the US Home Textile market and grow its US business in the medium – long term

# 4 NEW CHANNELS : E-COMMERCE

In key developed markets, E-commerce constitutes 10-15% in Home Textiles. Expected to reach ~25% by FY23

## Welspun approach to tap the Ecommerce opportunity

### Key Ecommerce Platforms

- Key Ecommerce players increasing share of private labels to capture more value, cater to increased volumes and to have better control
- Focus on being a preferred sourcing partner for these key ecommerce platforms' private labels

### Big-Box Retailers' Websites

- Strong relations with existing big-box retailers
- Selling through online channels of these retailers
- Omni Channel support to retailers on Product Development, Warehousing, Pick and Pack, Drop-Ship and Analytics
- Warehouses in US, UK, Germany and India

### Own Website

- More than 10% sales of Christy in UK is own website/exclusive online
- Establishing own brands' presence across key markets
- Focus on capturing value on the Company's own portal



### Exclusive Online D2C Players

- Home Textile startups penetrating D2C channels
- Looking at significant minority stake in select ventures as a strategic investor
- Partnering to create brands and tap D2C channels

**Welspun sees Omni-channel as an opportunity**



## 4 NEW CHANNELS : HOSPITALITY

### Opportunity

**Welspun only constitutes ~3% of total US hospitality market**



- The US hospitality market is c. \$1.5bn (i.e. for towels and sheets)
- Welspun currently earns c. \$50mn from this category indicating huge growth potential

**High potential global wellness economy of about \$3.7 trillion**



- Welspun has partnered with Stay Well to tap global wellness potential
- Stay Well infuses wellness into hotel rooms with features and programs to maximise the guest experience and minimise the impact that travel has on the human body

### Strategy

**Focus on domestic as well as international markets**

**Tied up with leading hotel chains and wellness centers**

## NEW PRODUCTS : FLOORING SOLUTIONS

### Wide range of Flooring products



**Carpet Tiles**



**Broadloom Carpets  
& Area Rugs**



**Artificial Grass**

### Welspun Flooring: Fully integrated and independent flooring vertical

- Aim to become a one-stop flooring solutions provider for domestic and international markets
- Facility to be now located in Telangana vs. earlier planned in Gujarat
- Expected investment is ~Rs. 11 billion
- Capacity of 27 million sq. metres p.a
- Commercial production expected to start during Q3FY20

# 5 NEW PRODUCTS

## 1 Untapped Opportunity in Bedding

- Large untapped opportunity in basic bedding, comforters and quilts
- Currently, China dominates the market; India is gradually making inroads
- Contributed ~3% of sales in FY18



## 2 Technical / Advanced Textiles

- Products for specialized use in healthcare, fire departments, aerospace, defense, automobile, railways and other utilities.
- These products include specialized features such as fire retardants, stain resistant, anti-bacterial, PET resistant, and soil resistance, among others.
- Contributed 2% of sales in FY18



**Welicate**  
Spunlace for Delicate touch

Welspun's "Welicate" Spunlace exhibits exceptionally soft hand feel and is perfect for delicate touch. Our new offering with customized fabric construction also gives superior functional properties.

KEY ADVANTAGES	40% HIGHER TENILE STRENGTH	VISUAL COMPARISON
<ul style="list-style-type: none"> <li>▶ Extremely Soft with Smooth Appearance</li> <li>▶ Better Opacity &amp; Improved Cover Factor</li> <li>▶ Greater Water Holding Capacity</li> <li>▶ Lower Elongation Improves Process ability &amp; Usability</li> <li>▶ High Cleaning Efficiency &amp; Low Lint</li> </ul>	 15% REDUCED WATER ABSORBENCY TIME	 NORMAL WELICATE MICROSCOPIC COMPARISON NORMAL WELICATE
APPLICATIONS		
 BABY CARE WIPES	 PERSONAL CARE WIPES	 HOUSEHOLD WIPES

Email: [nonwovens@welspun.com](mailto:nonwovens@welspun.com) Web: [www.welspunindia.com](http://www.welspunindia.com)

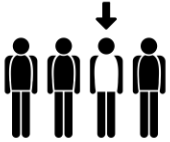
## 3 Smart Textiles

- Creating interactive experiences through seamless integration of smart technology with home textiles



# RAISING THE BAR

Differentiation  
Strategy :  
*Innovation,  
Branding &  
Sustainability*



Industry Defining  
Traceability  
Solution



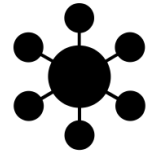
Focus on  
Domestic Market



New Product  
Lines



New channels



# MOVING TOWARDS VISION 2022



Volatile raw  
material costs



Rising energy costs



Volatile Rupee

# THANK YOU

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# APPENDIX

## KEY HIGHLIGHTS- Q2 FY19

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**Wel-Trak available on shelves across multiple fibers, products and geographies**

**'Spaces' launched new brand campaign**

**Christy's E-commerce revenues grows 140% YoY**

**Major client win in Advanced Textiles for industrial filters**

**Texprocil Gold Trophies:  
Highest Terry Towels Export  
Highest Bed Linen Export**

**Double-digit revenue growth YoY, predominantly volume driven**

# FINANCIAL PERFORMANCE – Q2 FY19

(Rs. Million)

Particulars	Q2FY19	Q2FY18	Change YoY	Q1FY19	Change QoQ
<b>Total income</b>	<b>17,978</b>	<b>16,299</b>	<b>10.3%</b>	<b>15,778</b>	<b>13.9%</b>
<b>EBITDA</b>	<b>3,073</b>	<b>3,063</b>	<b>0.3%</b>	<b>3,251</b>	<b>-5.5%</b>
<i>EBITDA Margin</i>	<i>17.1%</i>	<i>18.8%</i>	<i>-170 bps</i>	<i>20.6%</i>	<i>-351 bps</i>
Finance Cost	369	325	13.6%	342	7.8%
Depreciation	1,083	1,287	-15.8%	1,059	2.3%
<b>PBT</b>	<b>1,621</b>	<b>1,451</b>	<b>11.7%</b>	<b>1,850</b>	<b>-12.4%</b>
<b>PAT (After Minority Interest)</b>	<b>1,148</b>	<b>966</b>	<b>18.8%</b>	<b>1,272</b>	<b>-9.8%</b>
<i>PAT Margin</i>	<i>6.4%</i>	<i>5.9%</i>	<i>46 bps</i>	<i>8.1%</i>	<i>-168 bps</i>
Cash Profit*	2,322	2,393	-3.0%	2,441	-4.9%
EPS** (Rs.)	1.14	0.96	18.8%	1.27	-9.8%

\* Cash Profit = PBDT less Current Tax

\*\* EPS not annualised



# FINANCIAL PERFORMANCE – H1 FY19

(Rs. Million)

Particulars	H1FY19	H1FY18	Change YoY
<b>Total income</b>	<b>33,756</b>	<b>31,826</b>	<b>6.1%</b>
<b>EBITDA</b>	<b>6,324</b>	<b>6,437</b>	<b>-1.8%</b>
<i>EBITDA Margin</i>	<i>18.7%</i>	<i>20.2%</i>	<i>-149 bps</i>
Finance Cost	712	681	4.4%
Depreciation	2,142	2,469	-13.3%
<b>PBT</b>	<b>3,471</b>	<b>3,286</b>	<b>5.6%</b>
<b>PAT (After Minority Interest)</b>	<b>2,420</b>	<b>2,209</b>	<b>9.6%</b>
<i>PAT Margin</i>	<i>7.2%</i>	<i>6.9%</i>	<i>23 bps</i>
Cash Profit*	4,763	4,818	-1.1%
EPS** (Rs.)	2.41	2.20	9.6%

\* Cash Profit = PBDT less Current Tax

\*\* EPS not annualised

# FINANCIAL PERFORMANCE TREND

(Rs. Million)

Particulars	FY15	FY16	FY17	FY18	H1FY19
<b>Total income</b>	<b>54,924</b>	<b>60,143</b>	<b>67,211</b>	<b>61,318</b>	<b>33,756</b>
<i>Growth %</i>	22.7%	9.5%	11.8%	-8.8%	6.1%
<b>EBITDA</b>	<b>13,691</b>	<b>16,831</b>	<b>16,639</b>	<b>12,046</b>	<b>6,324</b>
<i>EBITDA Margin</i>	24.9%	28.0%	24.8%	19.6%	18.7%
Depreciation	3,329	3,718	5,054	5,042	2,142
Finance cost	2,829	2,368	1,583	1,408	712
<b>PBT</b>	<b>7,533</b>	<b>10,745</b>	<b>10,003</b>	<b>5,597</b>	<b>3,471</b>
Exceptional (Loss)	-	-	(4,648)	-	-
<b>PAT (After Minority Interest)</b>	<b>5,398</b>	<b>7,365</b>	<b>3,576</b>	<b>3,850</b>	<b>2,420</b>
Cash Profit*	9,095	12,074	13,779	9,413	4,763
EPS** (Rs.)	5.4	7.3	3.6	3.8	2.4

\* Cash Profit = PBDT before exceptions less Current Tax

\*\* Adjusted for stock split

# BALANCE SHEET TREND

(Rs. Million)

Particulars	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	30-Sep-18
Net Worth	14,732	19,700	23,971	26,057	26,390
Short Term Loans	13,936	13,533	11,721	12,580	14,216
Long Term Loans	20,864	18,945	21,393	20,228	19,714 <sup>^</sup>
<b>Gross Debt</b>	<b>34,800</b>	<b>32,478</b>	<b>33,114</b>	<b>32,807</b>	<b>33,930</b>
Cash & Cash Equiv.	4,321	1,388	2,725	2,538	3,600
<b>Net Debt</b>	<b>30,479</b>	<b>31,090</b>	<b>30,389</b>	<b>30,269</b>	<b>30,330</b>
Average Capital Employed #	47,619	53,331	58,189	62,111	63,425
Net Fixed Assets (incl CWIP)	26,049	33,508	35,713	33,641	33,045
Net Current Assets*	17,630	16,845	20,114	23,734	22,506
Total Assets	58,960	65,491	73,283	72,249	78,241

# Capital Employed = Net worth + Gross Debt + Other Long Term Liabilities

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

<sup>^</sup> Includes Rs. 853 mn of loans of Welspun Flooring

# FINANCIAL RATIO TREND

		FY15	FY16	FY17	FY18	H1FY19
Solvency ratios	Net debt/Equity	2.07	1.58	1.27	1.16	1.15
	Net debt/EBITDA	2.23	1.85	1.83	2.51	2.40
	EBIT/Interest	3.66	5.54	7.32	4.98	5.88
Operational ratios	Current Ratio	1.12	1.15	1.41	1.42	1.23
	Fixed Asset turnover	2.04	1.77	1.86	1.80	2.01
	Total Asset turnover	0.90	0.90	0.91	0.84	0.85
	Inventory days	76	68	70	79	72
	Debtor days	40	52	53	56	63
	Payable days	30	41	41	39	51
	Cash conversion cycle	86	79	82	96	84
Return ratios	ROE	41.8%	42.8%	29.6%	15.4%	18.5%
	ROCE (pre-tax)	21.8%	24.6%	19.3%	11.3%	13.2%

## Continuous Improvement in Net Debt/Equity

1. ROCE = EBIT / Average Capital Employed; ROE = Net Profit / Average Net worth
2. Total asset turnover = Sales/ (Fixed assets + Gross current assets)
3. FY17 Return Ratios figures adjusted for Exceptional item
4. For H1FY19, P&L figures have been annualized
5. ROCE (pre-tax) excluding Welspun Flooring is 13.4% for H1FY19

# DIVIDEND POLICY

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

<b>Period</b>	<b>Standalone EPS</b>	<b>DPS</b>	<b>Dividend tax per share</b>	<b>Payout Percentage</b>
<b>FY15</b>	<b>5.09</b>	<b>1.05</b>	<b>0.21</b>	<b>25%</b>
<b>FY16</b>	<b>5.99</b>	<b>1.30</b>	<b>0.26</b>	<b>26%</b>
<b>FY17</b>	<b>3.05</b>	<b>0.65</b>	<b>0.13</b>	<b>26%</b>
<b>FY18</b>	<b>3.03</b>	<b>0.65</b>	<b>0.13</b>	<b>26%</b>