



**Investor Presentation**  
**Q2FY18**  
**November 2017**

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## Chairman's Message

*Commenting on the results, **Mr. Anil Kumar Jain, Executive Chairman**, “We faced headwinds in the last few quarters but now are witnessing improving trend. Our Q-o-Q performance has reaffirmed the same.*

*Our twin strategy of being customer centric and able to introduce new products and designs along with improved product mix gives us the confidence to achieve higher growth in times to come. This approach is aided by Strong relationships with customers which will strengthen our market position. Our domestic market continues to witness increased acceptance for our Brands and Designs.*

*Global Economy is improving and with our capabilities and capacities along with the right product offerings gives us immense confidence to capitalize on the growing opportunities in the Home Textile Industry.*

*I am happy to share with you that Texprocil has awarded us the GOLD TROPHY the “Highest Exports of Bed Linen/Bed Sheets/Quilts” in Category III for the year 2016-2017”. This reaffirms our consistent growth story in Home Textiles segment in the last decade.”*

## Journey to Leadership Position achieved in last decade



# Improving Performance Q-o-Q

In Rs. Crs.

	Last Fiscal		Current Fiscal	
	Q1FY17	Q2FY17	Q1FY18	Q2FY18
Revenue	493	576 <span>↑ 17%</span>	432	493 <span>↑ 14%</span>
EBITDA	110	116 <span>↑ 6%</span>	65	71 <span>↑ 9%</span>
PAT	60	63 <span>↑ 4%</span>	32	36 <span>↑ 12%</span>

*Leading to sustainable growth going forward*

# Standalone Key Financial Indicators Q-o-Q

## REVENUE (RS.CRS)

**493**

Q2FY18

**432**

Q1FY18

## EBITDA (RS.CRS)

**71**

Q2FY18

**65**

Q1FY18

## EBIT (RS.CRS)

**64**

Q2FY18

**58**

Q1FY18

## PAT (RS.CRS)

**36**

Q2FY18

**32**

Q1FY18

## CASH PAT (RS.CRS.)

**42**

Q2FY18

**36**

Q1FY18

## NET DEBT/EQUITY (X)

**0.24**

Q2FY18

**0.33**

Q1FY18

## ROCE (%)

**25.7%**

Q2FY18

**22.7%**

Q1FY18

## ROE (%)

**16.2%**

Q2FY18

**14.8%**

Q1FY18

# Standalone Profit & Loss Statement

Particular (Rs. Crs)	Q2 FY18	Q2 FY17	Y-o-Y	Q1 FY18	Q-o-Q	H1 FY18	H1 FY17	Y-o-Y
<b>Total Revenue</b>	<b>492.8</b>	<b>576.3</b>	<b>-14.5%</b>	<b>431.8</b>	<b>14.1%</b>	<b>924.5</b>	<b>1,069.0</b>	<b>-13.5%</b>
<b>Expenses</b>								
Material Consumed	276.6	308.5		216.5		493.0	563.3	
Employee Benefits	27.6	28.3		28.1		55.7	54.2	
Power & Fuel Cost	18.5	15.2		20.0		38.5	30.1	
Other Expenses	98.9	108.0		101.9		200.9	194.8	
<b>EBITDA</b>	<b>71.1</b>	<b>116.4</b>	<b>-38.9%</b>	<b>65.3</b>	<b>8.9%</b>	<b>136.4</b>	<b>226.7</b>	<b>-39.8%</b>
<i>EBITDA Margin %</i>	<i>14.4%</i>	<i>20.2%</i>		<i>15.1%</i>		<i>14.8%</i>	<i>21.2%</i>	
Depreciation	7.6	7.3		7.5		15.1	15.4	
<b>EBIT</b>	<b>63.5</b>	<b>109.1</b>	<b>-41.8%</b>	<b>57.8</b>	<b>9.9%</b>	<b>121.4</b>	<b>211.3</b>	<b>-42.5%</b>
<i>EBIT Margin %</i>	<i>12.9%</i>	<i>18.9%</i>		<i>13.4%</i>		<i>13.1%</i>	<i>19.8%</i>	
Finance Charges	8.8	11.6		8.2		17.0	21.4	
<b>Profit before Tax</b>	<b>54.8</b>	<b>97.5</b>		<b>49.6</b>		<b>104.4</b>	<b>189.9</b>	
<i>PBT Margin %</i>	<i>11.1%</i>	<i>16.9%</i>		<i>11.5%</i>		<i>11.3%</i>	<i>17.8%</i>	
Tax Expense	18.9	34.8		17.6		36.5	66.9	
<b>Profit after Tax</b>	<b>35.9</b>	<b>62.7</b>	<b>-42.8%</b>	<b>32.0</b>	<b>12.2%</b>	<b>67.9</b>	<b>123.0</b>	<b>-44.8%</b>
<i>PAT Margin %</i>	<i>7.3%</i>	<i>10.9%</i>		<i>7.4%</i>		<i>7.3%</i>	<i>11.5%</i>	
Other Comprehensive Income	-0.3	-0.14		-0.3		-0.6	-0.3	
<b>Total Comprehensive Income</b>	<b>35.6</b>	<b>62.6</b>		<b>31.7</b>		<b>67.3</b>	<b>122.7</b>	
<b>Cash Profit</b>	<b>42.1</b>	<b>87.9</b>	<b>-52.1%</b>	<b>36.2</b>	<b>16.3%</b>	<b>78.3</b>	<b>157.0</b>	<b>-50.1%</b>

# Standalone Balance Sheet

Particulars (Rs. Crs.)	Sep'17	Mar'17
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>532</b>	<b>534</b>
Property, Plant and Equipment	497	497
Capital work-in-progress	9	12
Other Intangible Assets	2	2
Financial Assets		
(i) Investments	20	20
(ii) Loans	2	2
(iii) Others	0	0
(iv) Deferred Expenditure	0	0
Other non-current assets	2	1
<b>Current assets</b>	<b>825</b>	<b>906</b>
Inventories	327	358
Financial Assets		
(i) Trade receivables	303	367
(ii) Cash and cash equivalents	11	8
(iii) Other bank balances other than cash and cash equivalents	2	3
(iv) Loans	0	0
(v) Others	47	62
Current Tax Assets	9	17
Other Current Assets	126	92
<b>TOTAL</b>	<b>1,357</b>	<b>1,440</b>

Particulars (Rs. Crs.),	Sep'17	Mar'17
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>884</b>	<b>827</b>
Equity Share Capital	39	39
Other Equity	845	787
<b>Non-Current Liabilities</b>	<b>137</b>	<b>138</b>
Financial Liabilities		
(i) Borrowings	25	21
Provisions	2	2
Deferred Tax Liabilities (Net)	111	115
<b>Current liabilities</b>	<b>336</b>	<b>475</b>
Financial Liabilities		
(i) Borrowings	192	238
(ii) Trade Payables	101	127
(iii) Other Financial Liabilities	16	77
Other Current Liabilities	25	31
Provisions	2	2
Current Tax Liabilities (Net)	0	0
<b>TOTAL</b>	<b>1,357</b>	<b>1,440</b>



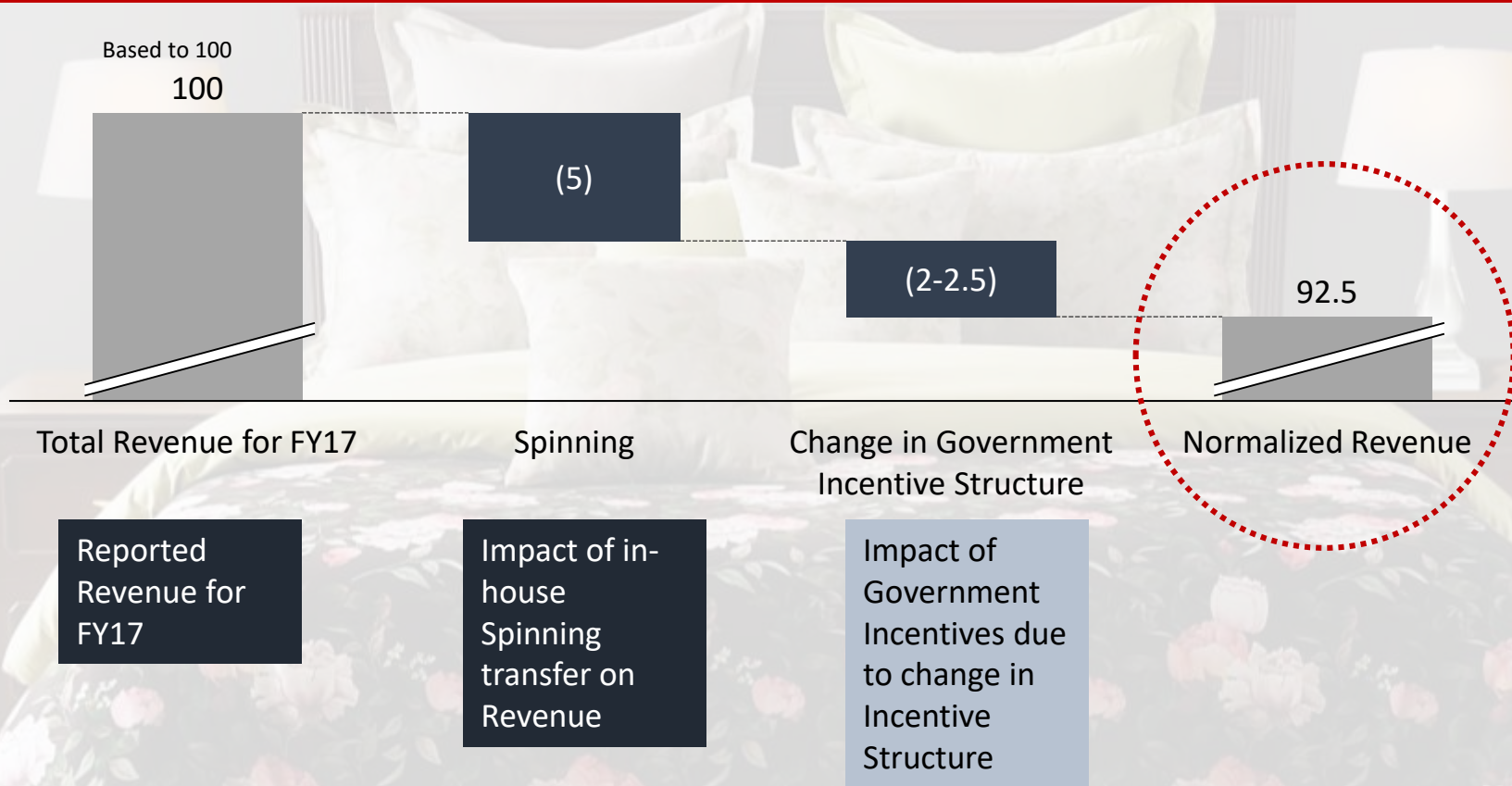
## Factors affecting margins in H1FY18

- Higher Raw-material cost
- Power and fuel charges plus job work charges were also higher
- MTM loss
- Impact of GST

### Way Forward

- Increased focus in capacity utilization, thereby benefiting from the operating leverage
- Softening of cotton prices is positive going forward

# Flattish Revenues for FY18



*Flattish Revenue for FY18 on normalized Revenue basis*



**Strong Name in Global Home  
Textile Industry**

# Advantage Indo Count



# Own Lifestyle Brands



# Licensed Lifestyle Brands



## Brand in India



*Presence across 20 states and sold across 87 cities with 406 stores in India  
Online foray to reach to the vast customer base - [www.boutiquelivingindia.com](http://www.boutiquelivingindia.com)*

# Global Presence



## India

- Headquarters in Mumbai
- Manufacturing facilities in Kolhapur, Maharashtra
- Showroom and design studio



## U.S.A.

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



## U.K.

- Showroom, design studio and warehouse in Manchester



## AUSTRALIA

- Showroom, design studio in Melbourne

*Exporting to 54 countries and counting...*

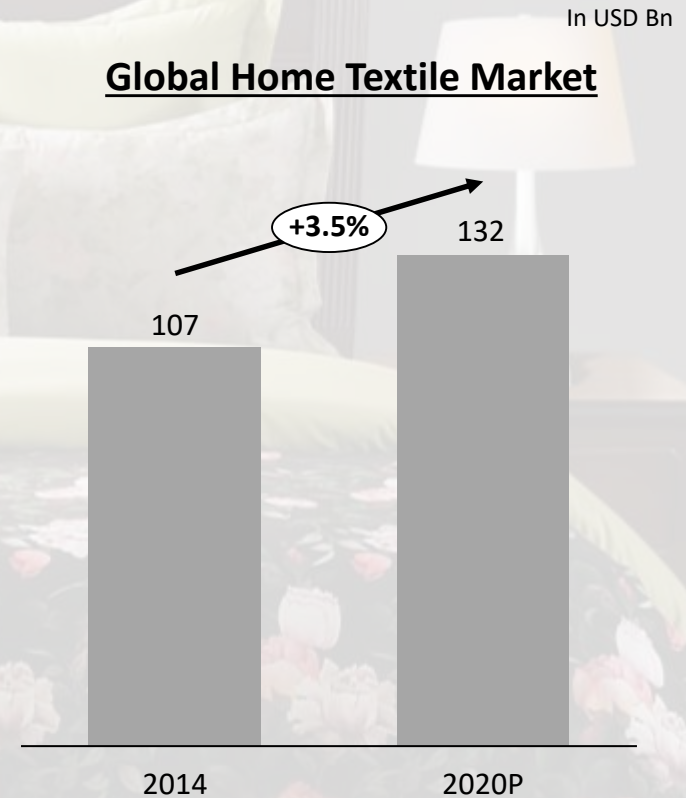




**Industry Perspective**

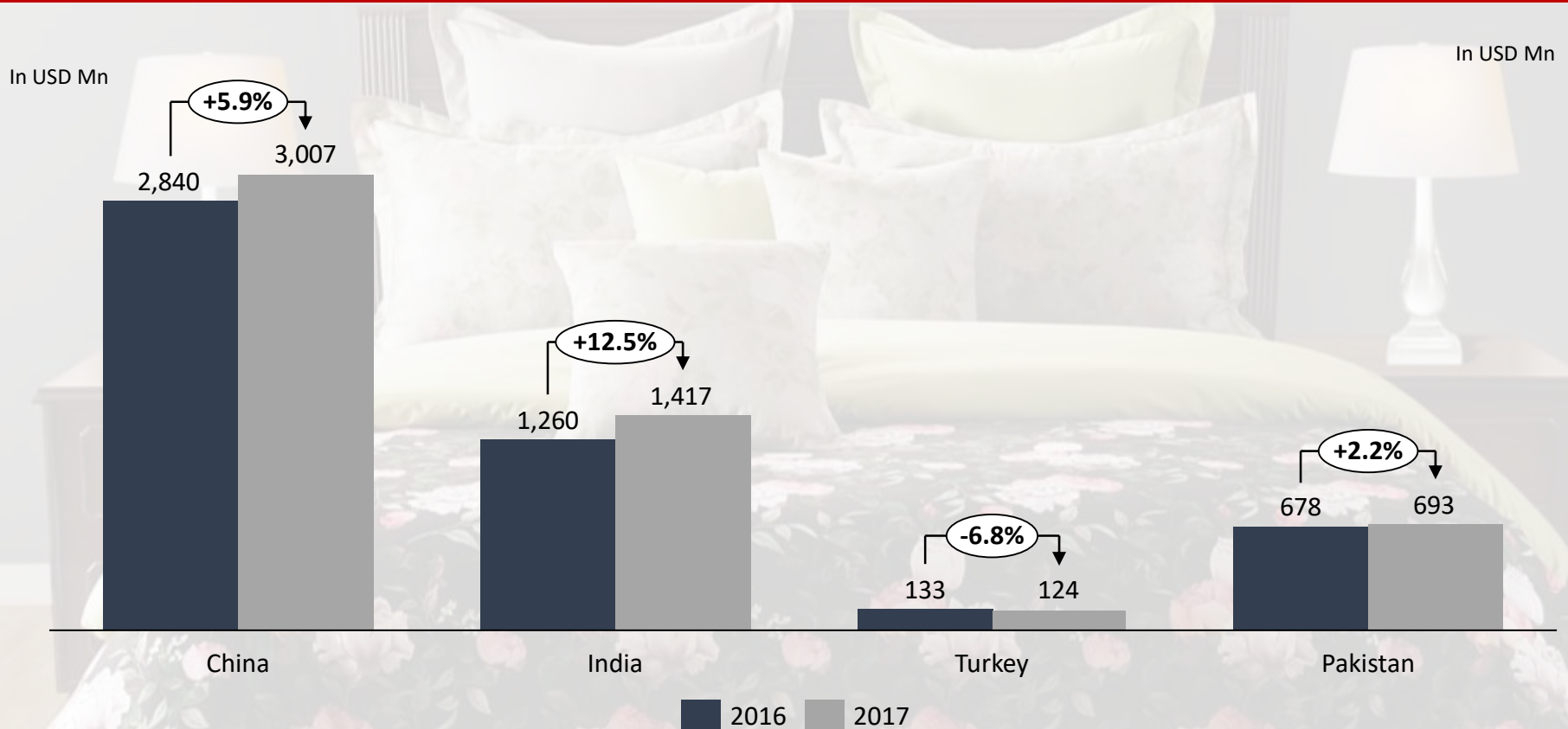
# Overview on Global Home Textile Market

- Global Home Textile Market is expected to grow at CAGR of 3.5% from 2014 to 2020
- Indian products has gained a significant market share in global home textiles in the past few years. Accounts for 7% of global home textiles trade
  - India has 14% of world's textiles production; 2<sup>nd</sup> largest exporter with 5.2% global share and 31% share in cotton yarn exports
  - Largest producer, 2<sup>nd</sup> largest consumer and exporter of cotton
- China's slowdown giving an opportunity of growth to the Indian Players



***Further Strengthening India's Position in the US Market with gaining market share***

# US Import of Cotton Textile

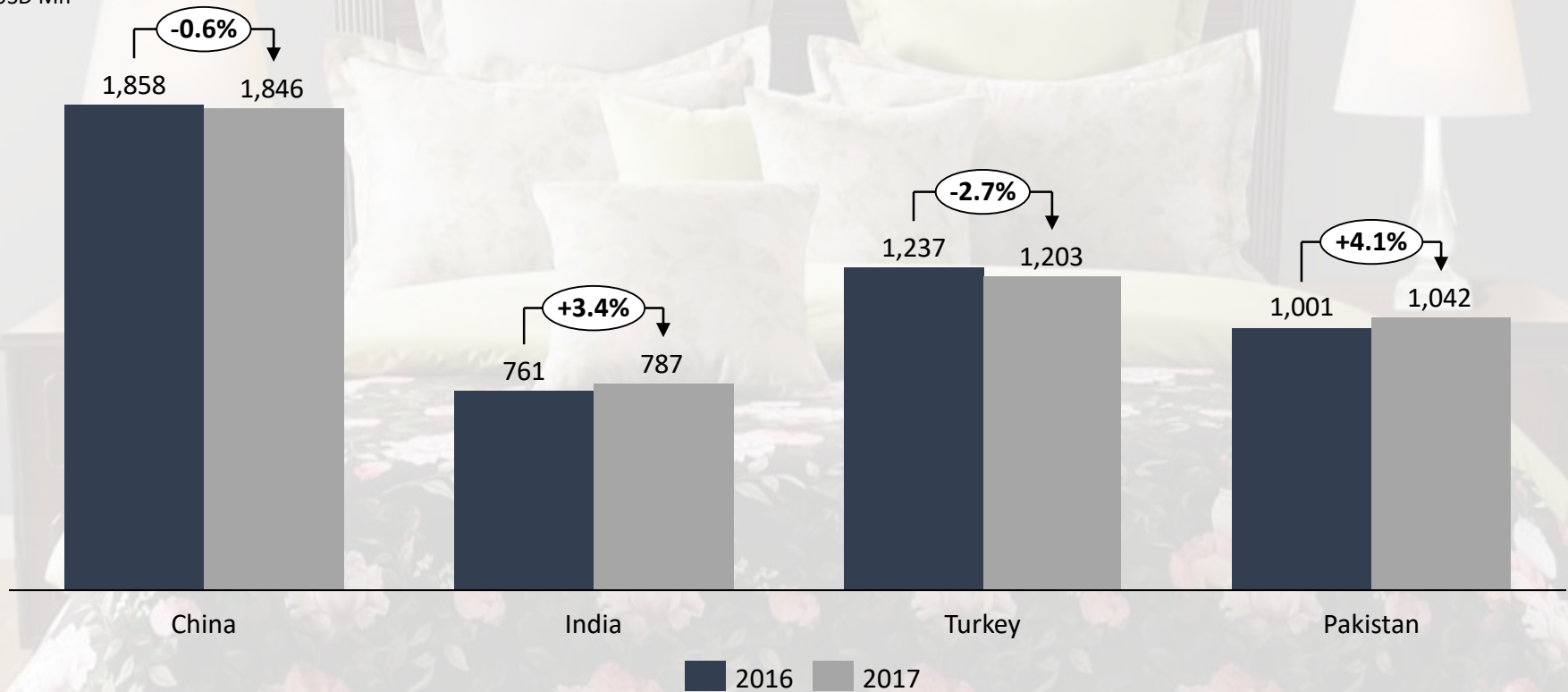


*Overall US imports of Cotton Textiles reported a positive growth of 5.11%*

*India's share in the largest 'Single Country' market – USA has been growing consistently*

# EU Import of Cotton Textile

In USD Mn



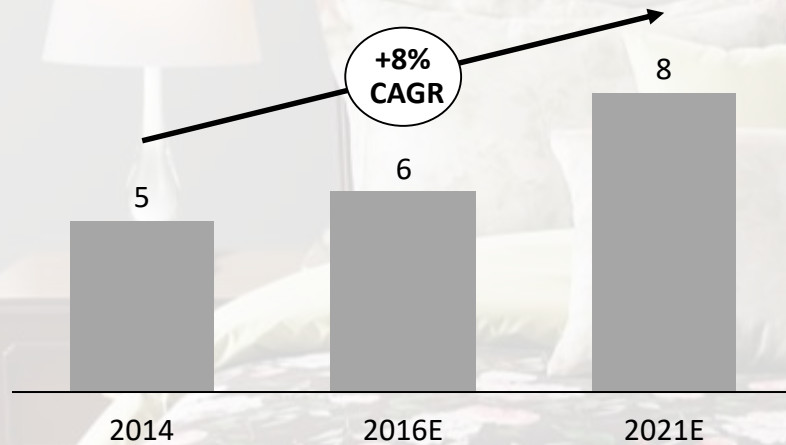
*Overall EU imports of Cotton Textiles has slightly increased by 0.42%*

*India is the second fastest growing country in EU region inspite of no FTA Agreement*

# Overview on Domestic Home Textile Market

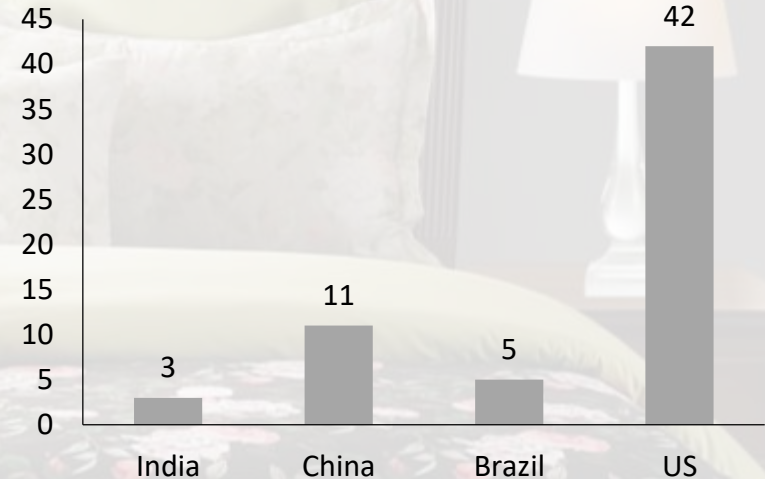
In USD Bn

## Domestic Home Textile Market



- Domestic Home Textile Market is expected to grow at a CAGR of 8%
- Bed Linen is expected to grow at CAGR of 8% from Rs. 8,965 Crs 2011 to Rs. 19,350 Crs in 2021

## Market Size of Home Textiles



- Annual per capita consumption of home textiles is about US\$3 (About Rs 150) in India compared to world average of US \$23 (About Rs 1200)
- Underpenetrated Market- Opportunity of growth

***Increasing Focus on Domestic market to Capitalize the growth opportunities***

## About Us

Indo Count Industries Ltd (ICIL) (part of S&P BSE 500), is one of India's largest Home Textile manufacturer. Under the leadership of Mr Anil Kumar Jain, Executive Chairman, who has been awarded as one of the India's Best Top 100 CEO's 2016, the Company has focused on some of the world's finest fashion, institutional and utility bedding & sheets and has built significant presence across the globe. Over the years, the Company has successfully carved out a niche for itself and has become a total bedding resource. The company's capacity currently stands at 90 million meters.

The Company's product comprises the following:-

**Bed Sheets:** Flat sheet, fitted sheet and pillow cases

**Fashion Bedding:** Comforters, bed in bag, quilts and coverlets, decorative pillows, etc.

**Utility Bedding:** mattress pads, protectors, comforters filled with poly fibre

**Institutional Linen:** Basic white bedding, duvet covers and shams; caters to hotels, hospitals and others

ICIL has also been honoured in past with numerous prestigious awards from TEXPROCIL including Gold Trophy for highest exports of Cotton Made-ups in Category III for the year 2016-17.

CARE recently upgraded credit rating to CARE AA (Double AA) with Stable Outlook in August 2017. ICRA's credit rating is ICRA AA- (Double AA minus) for Company's Long-Term Bank Facilities and "CARE A1+/ ICRA A1+" for short term bank facilities. ICRA has upgraded the outlook to positive from stable.

## Awards and Recognition



Mr. Mohit Jain, Managing Director, was honoured with one of “India’s Top 40 under Forty”, a prestigious celebration of India’s best business leaders, entrepreneurs and professionals under the age of 40. Economic Times, India’s leading Business Newspaper, in partnership with consulting firm Spencer Stuart, put together this definitive list of India Inc.’s future leaders. The Award was presented by Mr. D. Shivakumar, Chairman & CEO of Pepsico India. This prestigious award is the outcome of a rigorous exercise, beginning with an initial shortlist of over 500 candidates and culminating into a list of the top 40 by the esteemed jury comprising of Mr Harsh Goenka, Chairman of RPG Group, Ms Shikha Sharma, MD and CEO of Axis Bank, Mr D. Shivakumar, Chairman & CEO of Pepsico India, Mr Janmejaya Sinha, Chairman of Boston Consulting Group (Asia Pacific), Ms Vani Kola, Venture Capitalist and MD of Kalaari Capital, Ms Roopa Kudva, MD of Omidya Network India Advisors and Mr Naveen Tiwari, CEO of InMobi . .

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