

15th February, 2018

The National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

BSE Limited
Department of Corporate Services
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

Company Symbol : ICIL

Scrip Code No.: 521016

Subject: Investor Presentation Q3 & 9M FY18 Results

Please find enclosed herewith a copy of Investor Presentation with respect to Unaudited Standalone Financial Results for the quarter and nine months ended 31st December, 2017.

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

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CIN L72200PN1988PLC068972 | **E** info@indocount.com | **W** www.indocount.com



Investor Presentation

Q3FY18, February 2018

Safe Harbor




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World Growth Outlook Improving



USA growth forecast raised

Emerging and Developing Europe
growth expected to remain strong

Emerging and Developing Asia is
expected to grow

Sub-Saharan African growth pick up is
expected to improve

Recovery is expected to strengthen
growth

Chairman's Message



Mr. Anil Kumar Jain, Executive Chairman, “We are seeing improving trend in the Home Textiles segment on back of improved performance by retailers across global markets. The growth forecasts for USA have been increased from 2.3% to 2.7% in 2018 and from 1.9% to 2.5% in 2019. We therefore expect recovery in consumption in the future.

Despite facing challenges on various fronts viz strengthening of the Rupee, volatility in cotton prices, changes in GST regime and incentive structures, we at Indo Count have performed satisfactory. With a focused approach in newer geographies, we continue to build a strong foundation and strengthen our Brand.”

Standalone Key Financial Indicators Q-o-Q

REVENUE (RS.CRS)	
460	493
Q3FY18	Q2FY18

EBITDA (RS.CRS)	
69	71
Q3FY18	Q2FY18

EBIT (RS.CRS)	
62	64
Q3FY18	Q2FY18

PAT (RS.CRS)	
36	36
Q3FY18	Q2FY18

CASH PAT (RS.CRS)	
62	42
Q3FY18	Q2FY18

NET DEBT/EQUITY (X)	
0.26	0.24
Q3FY18	Q2FY18

ROCE* (%)	
21.2%	22.9%
Q3FY18	Q2FY18

ROE* (%)	
15.8%	16.2%
Q3FY18	Q2FY18

*Annualized Quarter

Improving Trend

In Rs. Crs.	Last Fiscal			Current Fiscal		
	Q1FY17	Q2FY17	Q3FY17	Q1FY18	Q2FY18	Q3FY18
Revenue from Home Textile	441	524	456	387	444	425
	19%		-13%	15%	-4%	
Total Revenue*	493	576	503	432	493	460
	17%		-13%	14%	-7%	
EBITDA	110	116	102	65	71	69
	6%		-12%	9%	-3%	
PAT	60	63	56	32	36	36
	4%		-11%	12%	1%	

Declared an Interim Dividend of Re. 0.40 per equity share (20%) of Face Value of Rs. 2/- each for the Financial Year 2017-2018.

Standalone Profit & Loss Statement

Particular (Rs. Crs)	Q3 FY18	Q2 FY18	Q-o-Q	Q3 FY17	9M FY18	9M FY17
Total Revenue	460.03	492.76	-6.6%	502.89	1384.57	1571.86
Expenses						
Material Consumed	255.42	276.55	-7.6%	247.92	748.48	811.17
Employee Benefits	27.09	27.64	-2.0%	28.19	82.81	82.39
Power & Fuel Cost	17.81	18.50	-3.7%	17.04	56.28	47.10
Other Expenses	90.37	98.94	-8.7%	107.79	291.21	302.59
EBITDA	69.34	71.13	-2.5%	101.95	205.79	328.61
<i>EBITDA Margin %</i>	<i>15.1%</i>	<i>14.4%</i>	64bps	<i>20.3%</i>	<i>14.9%</i>	<i>20.9%</i>
Depreciation	7.72	7.60	1.6%	7.90	22.80	23.25
EBIT	61.62	63.53	-3.0%	94.05	182.99	305.36
<i>EBIT Margin %</i>	<i>13.4%</i>	<i>12.9%</i>	50bps	<i>18.7%</i>	<i>13.2%</i>	<i>19.4%</i>
Finance Charges	5.83	8.75	-33.4%	9.14	22.80	30.54
Profit before Tax	55.79	54.78	1.8%	84.91	160.19	274.82
<i>PBT Margin %</i>	<i>12.1%</i>	<i>11.1%</i>	101bps	<i>16.9%</i>	<i>11.6%</i>	<i>17.5%</i>
Tax Expense	19.38	18.88	2.6%	28.71	55.91	95.59
Profit after Tax	36.41	35.90	1.4%	56.20	104.28	179.23
<i>PAT Margin %</i>	<i>7.9%</i>	<i>7.3%</i>	63bps	<i>11.2%</i>	<i>7.5%</i>	<i>11.4%</i>
Other Comprehensive Income	-0.30	-0.30		-0.15	-0.91	-0.44
Total Comprehensive Income	36.11	35.60		56.05	103.37	178.79
Cash Profit	61.67	42.11		73.42	143.77	243.16

Areas impacted in 9M FY18

1

Raw material costs were volatile; going forward expect cotton prices to be stable

2

Power and fuel charges plus job work charges were higher in 9MFY18

3

Strengthening of Rupee hurt realizations and margins

4

GST and Government incentives lowered margins

5

De-stocking resulting in off-take deferrals from most of the large Retailers which affected Revenues

Outlook for FY2018 and beyond

01

Product development

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

02

Improving operational efficiency

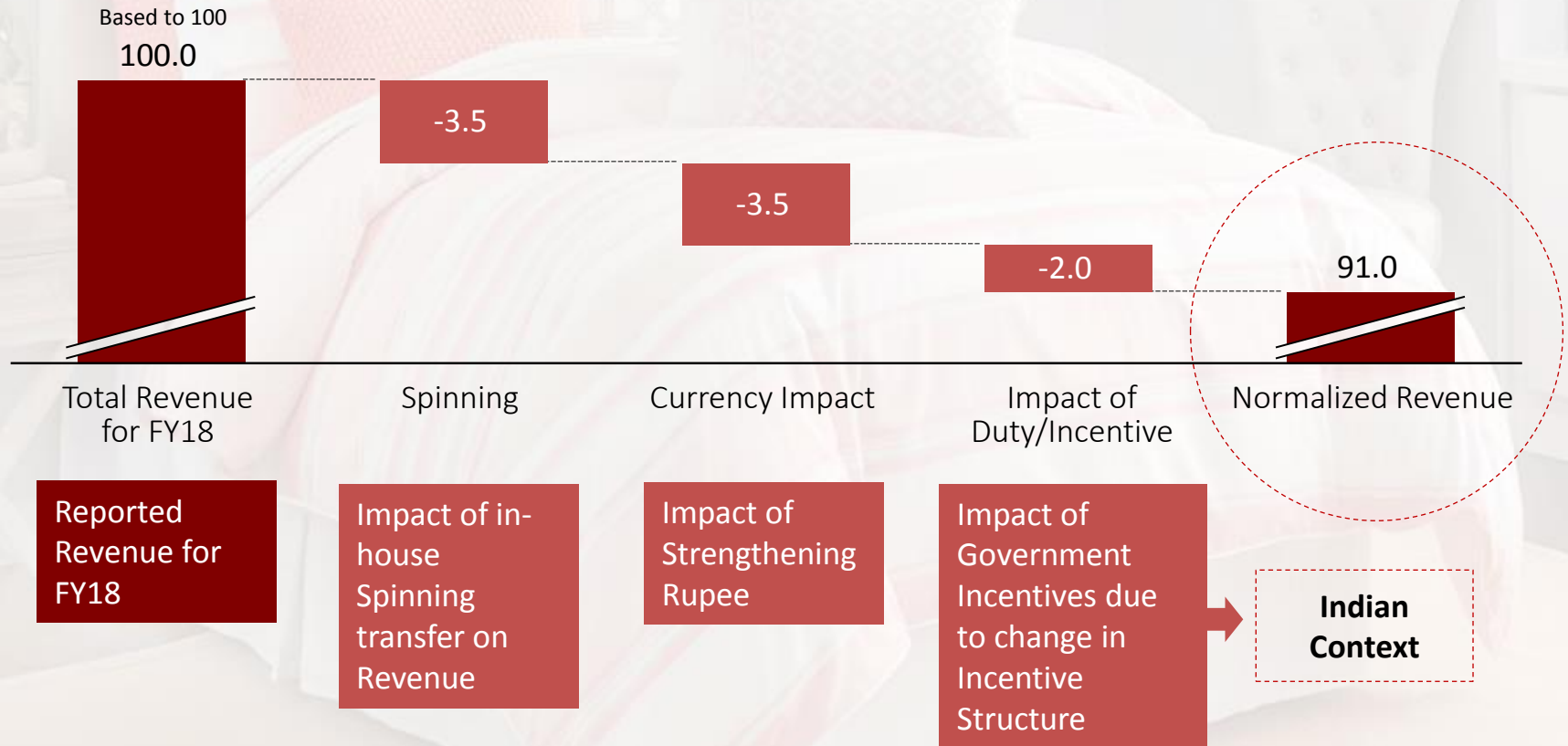
- Moving towards overall sustainability
- Modernization of Spinning to cater to special fibre requirement
- Building strengths in processing
- Developing skill and talent of employees
- Prudent capital allocation for growth
- Committed to maintain the strong financial health of the company

03

Outreach

- Establish relationship with marquee global customers
- Extend focus from USA to other countries in the globe
- Initiatives in branding, distribution and e-commerce
- Thrust to promote products in the domestic market through strong brand and distribution network
- Enhance service to help customers improve their market share

Flattish Revenues for FY18

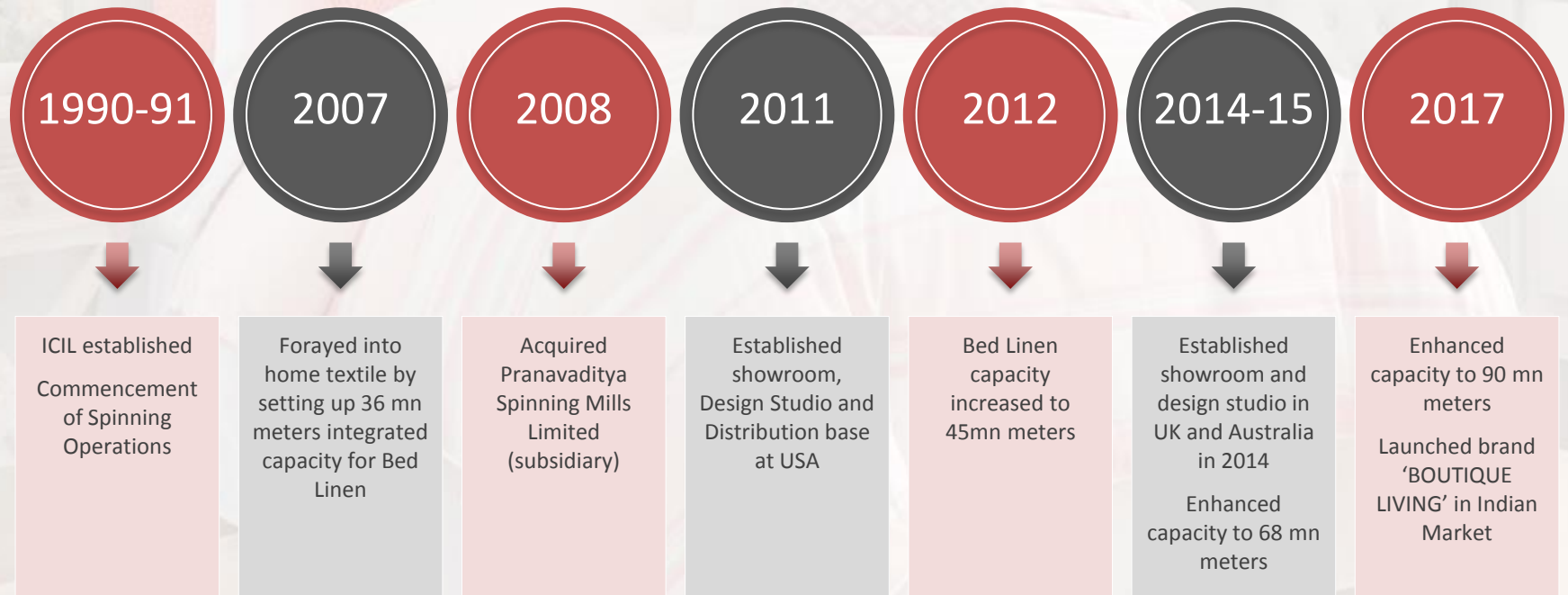


Flattish Revenue for FY18 on normalized Revenue basis



Strong Brand in the Global Home Textiles Industry

26 years of our Journey



Highest manufacturer-exporter of bed sheets, bed linen, quilts from India and a 4-Star Export House

Our competencies and differentiators

01

Global player

- Top market player with a wide product basket
- Established business with a vast global and domestic distribution network comprising prestigious clients
- Strong positioning
- Differentiation through innovation

02

Strong domain expertise

- Customer-centricity
- Wide and innovative product range
- Efficient marketing and branding
- Strong in-house R&D and designing team

03

Operationally efficient

- End-to-end operations starting from product development, spinning, marketing and branding
- Experienced management with a competitive track record
- Efficient and scalable operations
- Progressive investments in state-of-the-art technology

New Brand Launched in USA: 'HEIRLOOMS OF INDIA'



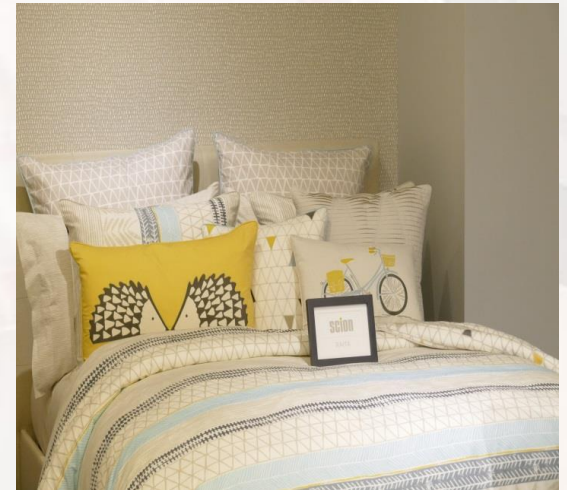
Own Lifestyle Brands



Licensed Lifestyle Brands



HARLEQUIN



Brand in India



Indo Count has a presence across **21** Indian States, achieving sales across **96** cities with **444** stores

Online foray to widen customer base:
www.boutiquelivingindia.com



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

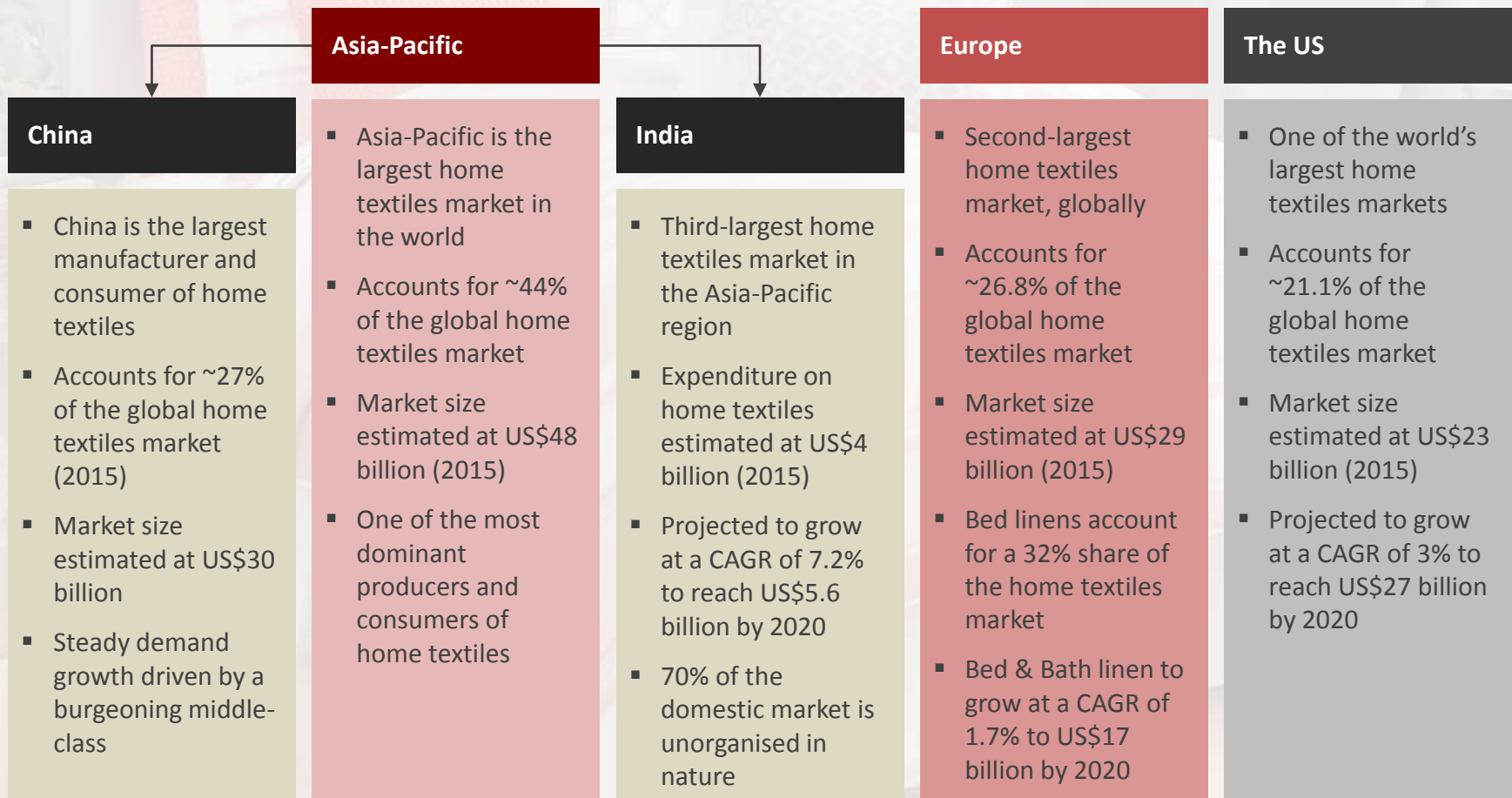
Showroom and
design studio in
Melbourne

Indo Count exports to 54 countries and going forward to widen its geographical footprint



Industry perspective

Overview of the global home textiles market



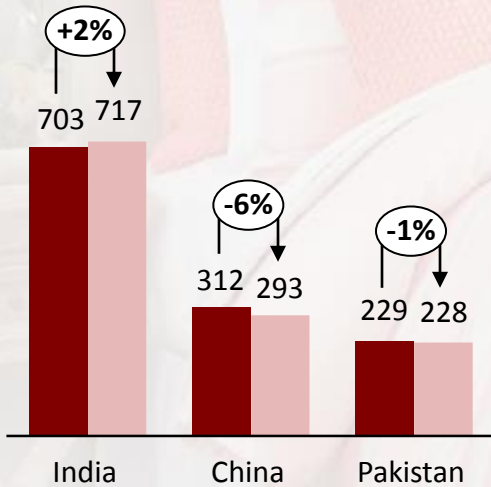
Asia-Pacific is the largest home textile market in the world followed by Europe and the US

India's edge in the home textiles market

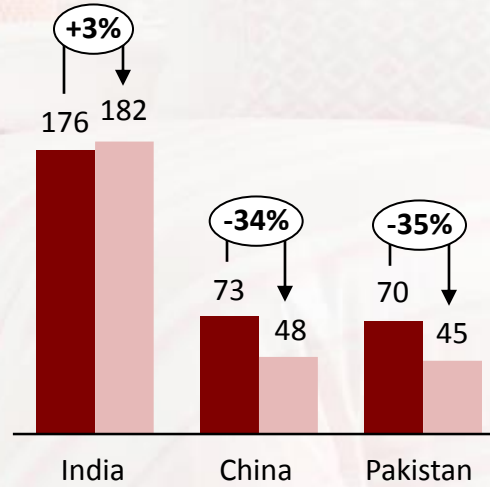


USA textiles imports

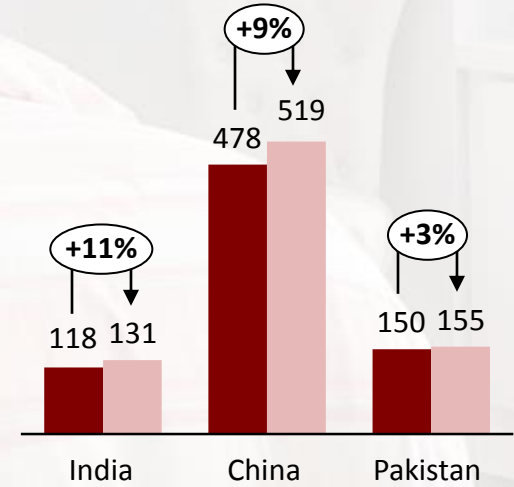
Cotton sheets



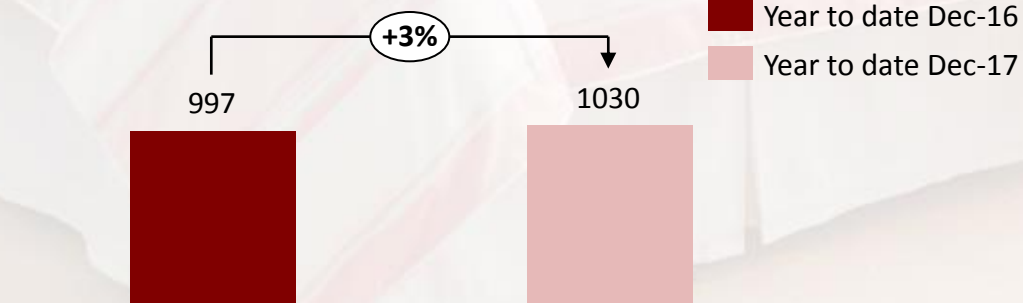
Pillow cases



Cotton bedspreads



India's total contribution (in million \$)



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

Trends in Indian cotton textiles exports

Amt (in billion \$)	2013-14	2014-15	2015-16	2016-17
Yarn	4.56	3.94	3.61	3.35
Fabric	2.20	2.44	2.15	2.05
Made-ups	4.80	5.05	5.20	5.30
Total	11.56	11.43	10.96	10.70

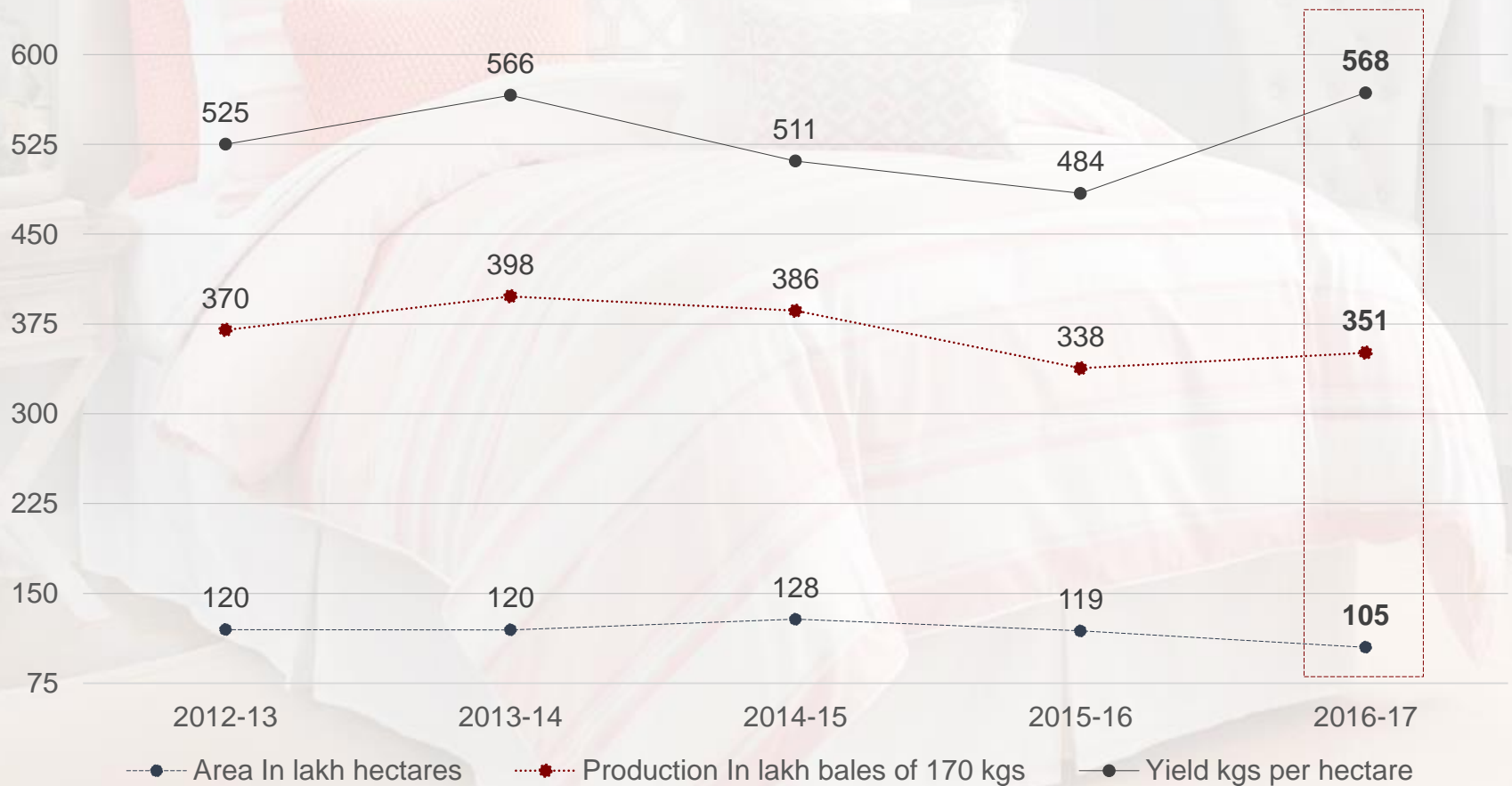
- The export of made-ups from India has been on an increasing trend and has increased from US\$ 4.8 billion in 2013-14 to US\$ 5.3 billion in 2016-17.

Incentive and GST update

Incentive	Input Tax Credit (ITC)	Earlier	Input Tax Credit (ITC)	Current
Duty Drawback	No	7.5%	Yes	2%
GST	-	0%	-	5%
ROSL	-	1.55%	-	2.2% w.e.f, 1 st October 2017
MEIS	-	2%	-	4% w.e.f, 1 st November 2017

- GST refunded in full with effect from 1st October 2017 as Indo Count's major revenues are from exports.
- Overall, revision neutral on company's profitability compared to pre-GST.

Area, production and productivity of cotton in India



Cotton production showed an increase in 2016-17

Cotton and currency movement

1 candy=356kgs

Rs. per candy

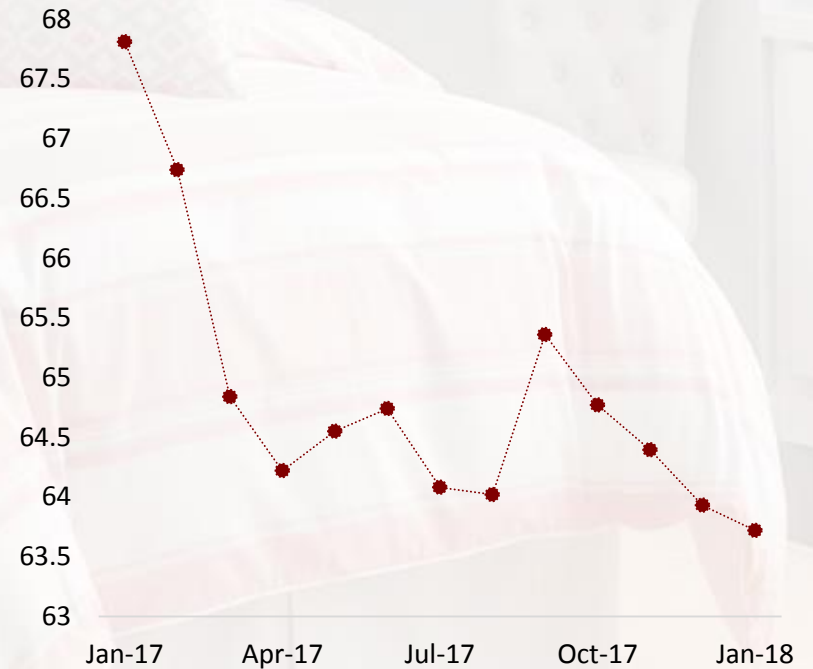
Cotton Prices



We expect stable cotton prices going ahead

Base to 100

USD/INR



Rupee has appreciated by around 6% during the year

Journey to leadership position achieved in the last decade



Winner of Gold Trophy
from Texprocil in 2016-17



Received Gold trophy from Texprocil



Our Chairman Mr. Anil Kumar Jain, receiving gold trophy presented by Texprocil for the highest export in Bed linen for the year 2016-17 at the hands of Textile Commissioner, Dr. Kavita Gupta

Awards and recognitions



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 in a list of the top 40 by the esteemed jury comprising **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 Omidyar Network India Advisors* and **Mr. Naveen Tiwari**, *CEO of InMobi*.

CSR: At Indo Count 'Every smile counts'



WATER & SANITATION

- 46 pure water units and three RO systems installed in schools and remote villages to provide safe drinking water and benefitting 17,000 people
- Built four toilet blocks with the help of local *zila parishad* and *gram panchayat*

EDUCATION

- Implemented e-learning programme linked to state curriculum, benefitting 39,000 students of 88 government-aided schools
- Helped in academic improvement, renovated classrooms and washrooms of a school for the visually-impaired and distributed bags among 17,000 students

HEALTHCARE

- Health on Wheels reached 96 distant villages, tackling accessibility issues and provided free medicines and check-ups for 8,000 patients per month
- Renovated the cardiac department of a government hospital

WOMEN EMPOWERMENT

- Started a Skill Development Centre in collaboration with IL & FS, training 330 women in stitching and providing employment to 230 women
- Aimed at making women independent and upgrading their standard of living

About us



Indo Count Industries Ltd (ICIL) (part of S&P BSE 500), is one of India's largest home textiles manufacturer.

Mr. Anil Kumar Jain, Executive Chairman, has been ranked 10th 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

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

CARE has upgraded credit rating of company's long term bank facilities 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. ICRA has upgraded the outlook to positive from stable. Credit rating of short term bank facilities of the company is assigned at highest i.e. "CARE A1+/ ICRA A1+".

Investor Contact



For further information please contact:

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