



INDO COUNT INDUSTRIES LIMITED

Corp office: 301, "ARCADIA" 3rd Floor, Nariman Point, Mumbai - 400 021 | Phone: 91-22-43419500 | icilinvestors@indocount.com | www.indocount.com

P R E S S R E L E A S E: 10th AUGUST 2017, M U M B A I

QIFY18 RESULTS

Indo Count Industries Ltd. reported Standalone Un-audited financial results for the quarter ended 30th June, 2017

Particulars (Rs. Crore except EPS and Net Debt: Equity figures)	Q1 FY18	Q4 FY17	Q1 FY17
Revenue	431.8	512.9	492.6
EBITDA	65.3	90.1	110.3
Depreciation	7.5	7.9	8.0
Finance cost	8.2	8.9	9.8
PBT	49.6	73.3	92.4
Income Tax	17.6	24.5	32.1
Profit After Tax	32.0	48.8	60.3
Total Comprehensive Income	31.7	48.1	60.2
Cash profit	40.0	69.2	79.7
EPS (on Face Value of Rs. 2/- each)	1.62	2.47	3.05
Net debt: Equity	0.33	0.39	0.48



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Revenues

We began FY18 guiding 62-63mn sales volume based on annual off-take estimates of our customers. Q1FY18 witnessed de-stocking resulting in off-take deferment from some of our customers which has resulted in Sales de-growth. For Q1FY18, the revenue stood at Rs.432 crores as against Rs.493 crores reported during the same quarter previous year.

We continue to work closely with our Customers adding value to their Retail strategy. We have not lost any customer however we have refrained supplies to couple of financially stressed customers.

Based on our expectation of re-stocking commencing slowly, we estimate FY18 to be flattish.

EBITDA and Margins

The company reported an EBITDA of Rs. 65 crores for Q1FY18 with a margin of 15.1%.

Rise in raw-material and operational costs coupled with lower absorption of fixed costs on account of lower volumes impacted the EBITDA margin for the quarter.

Profit after Tax

Profit after tax for Q1FY18 is Rs. 32 crores

Update on the Capex

The Board had approved CAPEX under Phase II for Rs.300 Crores. The Capital expenditure is for upgrading the existing Spinning Facilities, to add value-added equipment's for delivery of fashion and utility bedding and to invest in additional Weaving (with specialized looms) as a green-field project. The expansion is under progress.

ICRA reaffirmed rating with Positive Outlook

Credit Rating Agency ICRA, in its letter dated 10th August 2017 has reaffirmed the Long-term rating of ICRA AA- (pronounced ICRA double A minus) and the Short-term rating of ICRA A1+ (pronounced ICRA A one plus). The Outlook on the long-term rating has been revised to Positive from Stable.

The rating reaffirmations and revision in outlook by ICRA are demonstrative of the Company's sustainable financial position.

Update on the Domestic Business

Indo Count Retail Ventures under the brand 'Boutique Living' commenced domestic operations from October 2016. As on March 2017, Boutique Living was present across 234 stores in India through Multi Brand Outlets (MBOs) and Large Format Stores (LFS).

With the increased acceptance of our brand, we have expanded our reach to 310 stores pan India.



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MANAGEMENT PERSPECTIVE

Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman, "The quarter gone by has been challenging for us and the Industry. Slow off-take by our Customers coupled with lower amortization of operational costs has impacted our margin profile.

We believe in our wide and innovative product profile and strong Customer relationship which will help us to overcome this challenge in time to come. Our strategy is to move up the value chain in our product mix and focus on operational efficiencies.

We are confident to capitalize on the opportunities in the Global and Domestic Home Textile Industry with our enhanced capacities and capabilities. Our market and customer centric approach will create a sustainable business model both in the Short term and Long term".



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A BRIEF INSIGHT INTO INDO COUNT INDUSTRIES LIMITED

CIN: L72200PN1988PLC068972

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

ICRA has recently reaffirmed its credit rating as "ICRA AA-" for Company's Long Term Bank Facilities and "ICRA A1+" for Short term bank facilities. ICRA has further upgraded the outlook to Positive from Stable.

Our existing credit rating for 2016-17 with CARE stands as "CARE AA-" for Company's Long Term Bank Facilities and "CARE A1+" for Short term bank facilities.

For further information, please contact:

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Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward -looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward -looking statements. The company assumes no obligation to update forward -looking Statements to reflect actual results changed assumptions or other factors.