



## INDO COUNT INDUSTRIES LIMITED

Corp office: 301, "ARCADIA" 3rd Floor, Nariman Point, Mumbai - 400 021 | Phone: 91-22-43419500 | [icilinvestors@indocount.com](mailto:icilinvestors@indocount.com) | [www.indocount.com](http://www.indocount.com)

P R E S S R E L E A S E: 14<sup>th</sup> NOVEMBER 2017, M U M B A I

# INDO COUNT INDUSTRIES LTD. Q2FY18 RESULTS

Indo Count Industries Ltd. reported Standalone Un-audited financial results for the quarter and half year ended 30<sup>th</sup> September, 2017

- Total Revenue registered a growth of 14.1% in Q2 FY18 on Q-o-Q basis
- EBITDA registered a growth of 8.9% in Q2 FY18 on Q-o-Q basis
- PAT registered a growth of 12.2% in Q2 FY18 on Q-o-Q basis
- Awarded with GOLD TROPHY for the "Highest Exports of Bed Linen/Bed Sheets/Quilts" in Category III for the year 2016-2017 from Texprocil

## MANAGEMENT PERSPECTIVE

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 over the last decade."



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### Revenues

Total Revenue stood at Rs. 492.8 crores for Q2FY 18 as against Rs. 431.8 crores in Q1FY 18; registered growth of 14.1% Q-o-Q. We are now witnessing improvement in trend and believe this to continue in the near future. Revenue for H1FY18 is Rs. 924.5 crores as against Rs. 1,069.0 crores in H1FY17.

The volume for Q2FY18 is 14.46mn meters and H1FY18 is 26.30mn meters.

### EBIDTA

The company reported an EBIDTA of Rs. 71.1 crores for Q2FY18 as against Rs. 65.3 crores in Q1 FY18; registered growth of 8.9% Q-o-Q. The EBITDA for H1FY18 is Rs. 136.4 crores as against Rs. 226.7 crores in H1FY17.

Due to volatility in Raw material costs, changes in Forex, GST/ Government incentives in India, EBIDTA margin is getting redefined.

### Profit after Tax

Profit after tax for Q2FY18 is Rs. 35.9 crores as against Rs. 32.0 crores in Q1FY18.

Profit after tax for H1FY18 is Rs. 67.9 crores as against Rs. 123.0 crores in H1FY17.

### Update on the Capex

The phase II capex project is under progress and is likely to complete by March 2019.

### Domestic Business

We are witnessing a positive acceptance in our domestic brands, designs and promotions.

As on 31<sup>st</sup> October 2017, Boutique Living is now present across 406 stores in India including Multi Brand Outlets (MBOs) and Large Format Stores (LFS).

### Texprocil Award- Bagged Gold Trophy

Company has been awarded with GOLD TROPHY for the "Highest Exports of Bed Linen/Bed Sheets/Quilts" in Category III for the year 2016-2017" from The Cotton Textiles Export Promotion Council (TEXPROCIL). This is a milestone which the company has reached in a decade, thus taking up the leadership position in this category in India.

### Credit Rating

CARE vide its letter dated 16th August 2017 has upgraded credit rating of Long Term Bank Facilities to CARE AA (Double A) from CARE AA- (Double A minus), with Stable outlook. CARE has reaffirmed credit rating of CARE A1+ for Short Term Bank Facilities.

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



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### Profit & Loss Snapshot

Particulars (Rs. Crore except EPS and Net Debt, Equity figures)	Q2FY18	Q2FY17	Y-o-Y	Q1FY18	Q-o-Q	H1FY18	H1FY17	Y-o-Y
Revenue	492.8	576.3	(14.5%)	431.8	14.1%	924.5	1,069.0	(13.5%)
EBIDTA	71.1	116.4	(38.9%)	65.3	8.9%	136.4	226.7	(39.8%)
Depreciation	7.6	7.3	4.1%	7.5	1.3%	15.1	15.4	(1.9%)
Finance cost	8.8	11.6	(24.1%)	8.2	7.3%	17.0	21.4	(20.6%)
PBT	54.8	97.5	(43.8%)	49.6	10.5%	104.4	189.9	(45.0%)
Income Tax	18.9	34.8	(45.7%)	17.6	7.4%	36.5	66.9	(45.4%)
Profit After Tax	35.9	62.7	(42.7%)	32.0	12.2%	67.9	123.0	(44.8%)
Cash profit	42.1	87.9	(52.1%)	36.2	16.3%	78.3	157.0	(50.1%)
EPS (on Face Value of Rs. 2/- each)	1.82	3.18		1.62		3.44	6.23	
Net debt: Equity (x)	0.24	0.38		0.33		0.24	0.38	



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### Balance Sheet Snapshot

Particulars (Rs. Crores)	HIFY18	HIFY17
Net Worth	884.3	731.9
Gross Debt	223.5	293.6
Net Debt	212.3	279.1
Net Fixed Assets (including CWIP)	508.2	480.6
Net Current Assets (excl. cash & cash equivalent)	478.4	326.5
Capital Employed	1,107.8	1,025.5
Net Debt/EBIDTA	0.78x	0.62x
Net Debt/Equity	0.24x	0.38x
ROCE (pre-tax)*	24.6%	44.2%
ROE*	15.2%	33.5%

\*Figures have been annualized



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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 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 current capacity is 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

The Company has launched the following innovated products: -

Infinity Cotton: Blend of a few finest cotton varieties in the world resulting in superior yarn

Thermal Balance: Balances temperature between body and bed to deliver superior sleep characteristics

ICIL has introduced three lifestyle brands "Boutique Living", "Revival" and "The Pure Collection" in 2016 in US Market. Further 3 new brands viz Sanderson, Harlequin and Scion, licensed through Walker Greenbank PLC UK, having strong presence in UK & Australia were introduced in North America. It also forayed into the Indian market with the launch of its domestic B2B brand "Boutique Living" in October 2016.

ICIL is second largest manufacturer and exporter of bed linen from India; amongst the top three bed sheet suppliers in USA and eleventh largest global home textiles supplier to USA. ICIL has a strong global clientele and exports to more than 54 countries. Major revenues are derived from USA, the Company's largest market; its other prominent markets comprise UK, Canada, Europe, MENA and Australia etc. The Company enjoys long-term relationships with large global marquee retailers.

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.

### 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.

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