



Wazir Textile Index

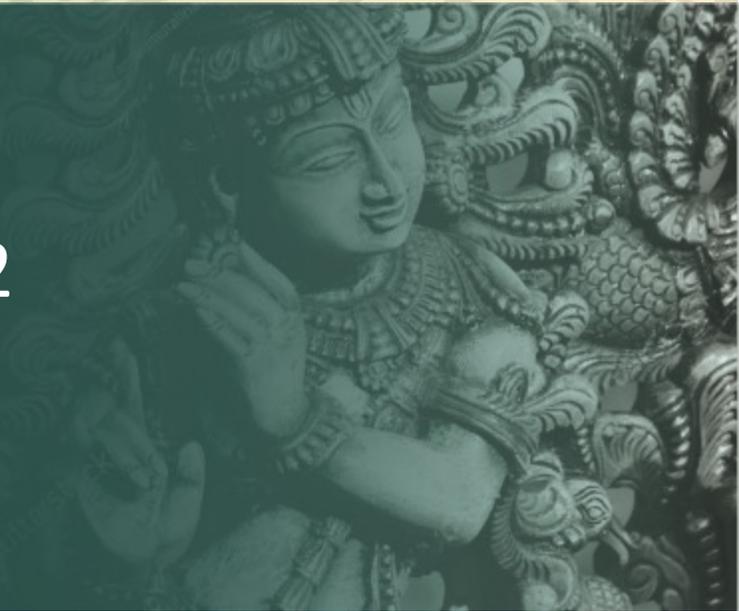
9M FY 2021-22

Contents

- Wazir Textile Index
 - Nine Months Financial Performance
 - Q3 Financial Performance
- Market Update
 - Key Economic Indicators
 - Export – Import Trend
- Annexure: Wazir Textile Index – Explanation



Wazir Textile Index (WTI) – 9M FY22



List of Companies Included as Part of the Financial Analysis

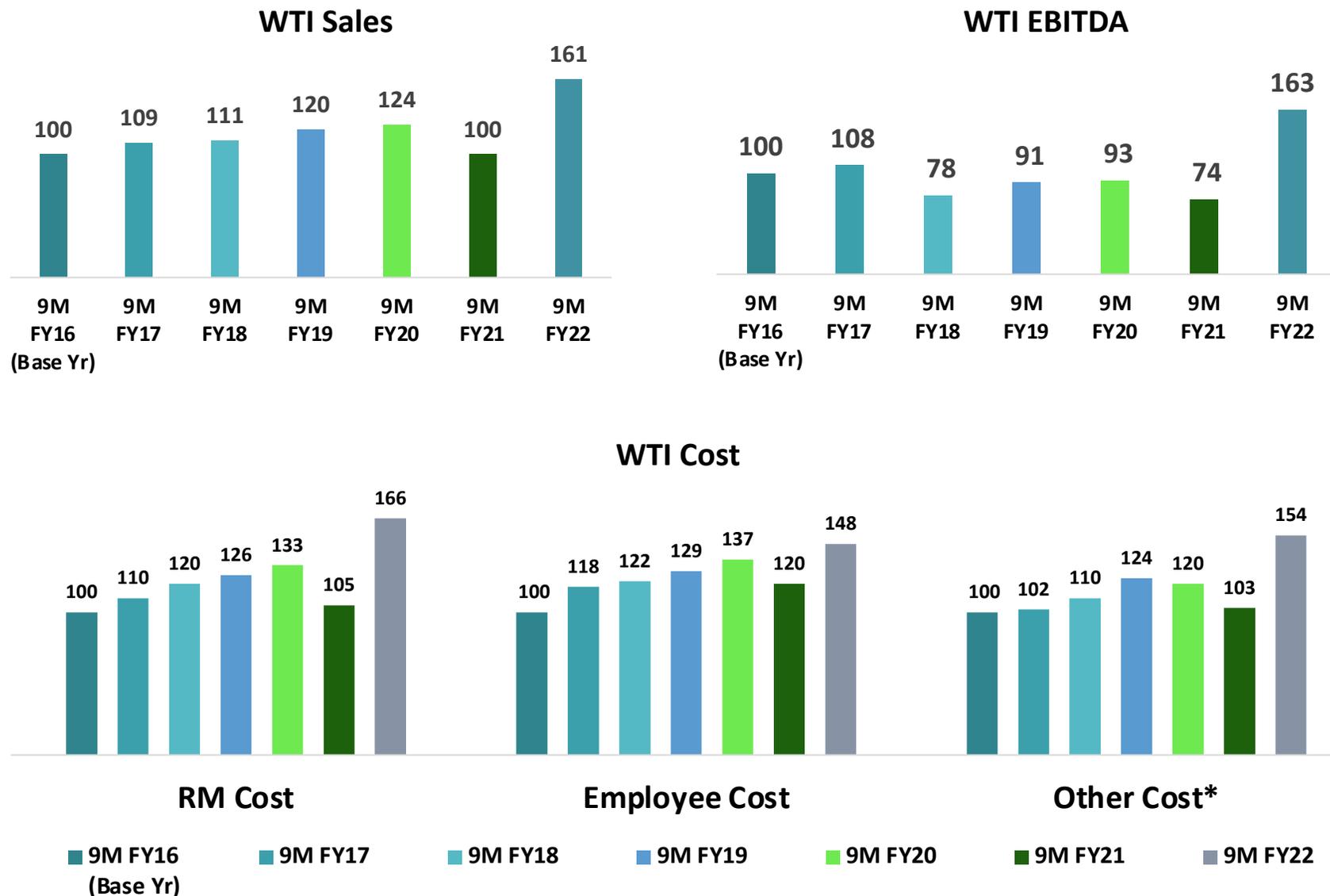
Top listed textile companies in terms of sales turnover in FY21 have been included for financial analysis.

S. No.	Company Name	Annual Sales* - FY21 (Rs. Crore)
1	Welspun India	5,956
2	Vardhman Textile Ltd.	5,788
3	Arvind Ltd.	4,529
4	Trident Group	4,519
5	KPR Mills Ltd.	2,954
6	Indo Count Ind. Ltd.	2,515
7	RSWM Ltd.	2,326
8	Filatex India Ltd.	2,227
9	Nahar Spinning Mills	2,112
10	Indorama Ind. Ltd.	2,023

Note: Companies that have shown significant negative deviation in numbers or those which have not yet reported the financials have not been included in the overall analysis.

Wazir Textile Index (WTI) – 9M FY22

- WTI (Sales and EBITDA) saw a phenomenal recovery in 9M FY22, surpassing the pre-covid levels with impressive margin.
- In 9M FY22, Sales increased by 30% compared to 9M FY20, whereas EBITDA in the same period improved significantly by 75%.
- Raw Material cost and employee cost in 9M FY22 also increased by 25% and 8%, respectively when compared to 9M FY20.



* Other cost include overheads, cost of utilities, admin & selling expenses, etc.



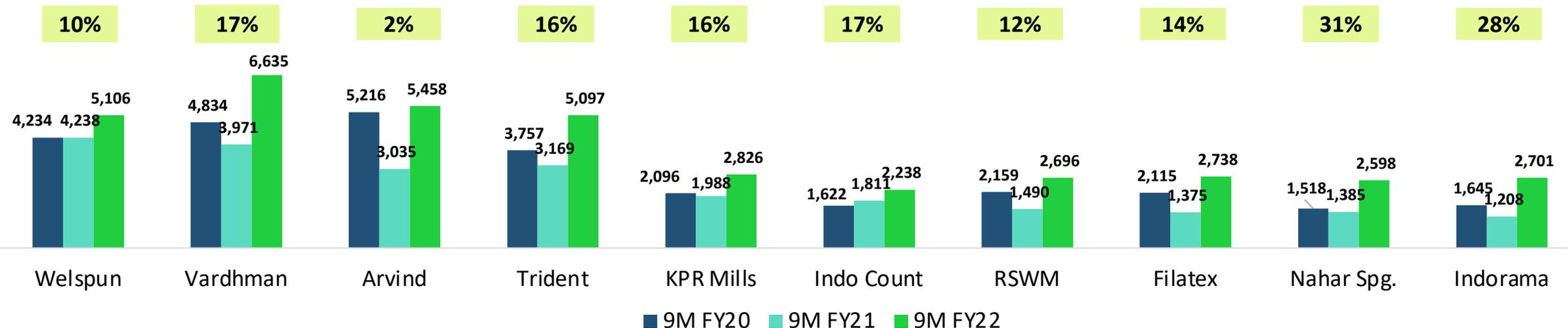
Nine Months Financial Performance – 9M FY22



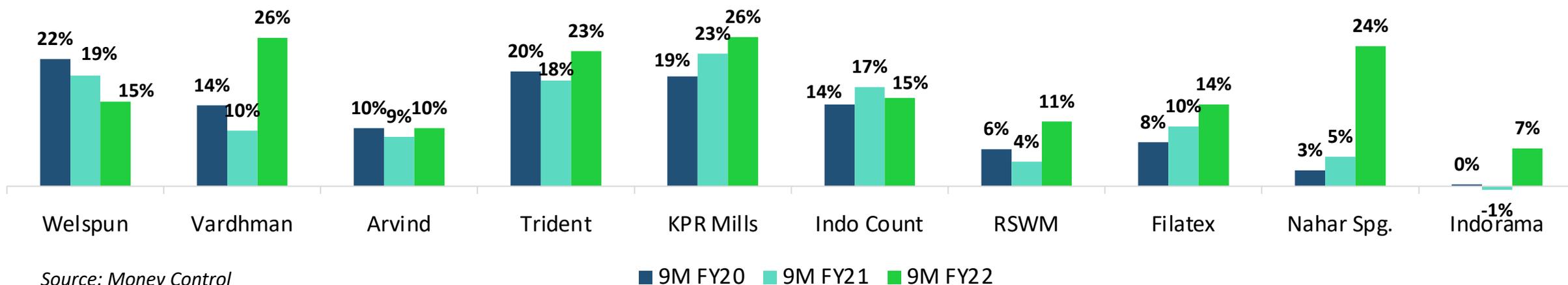
Nine Months Analysis for the Selected Top Players

9M Sales Trend – 9M FY22 (Rs. Crore)

CAGR %



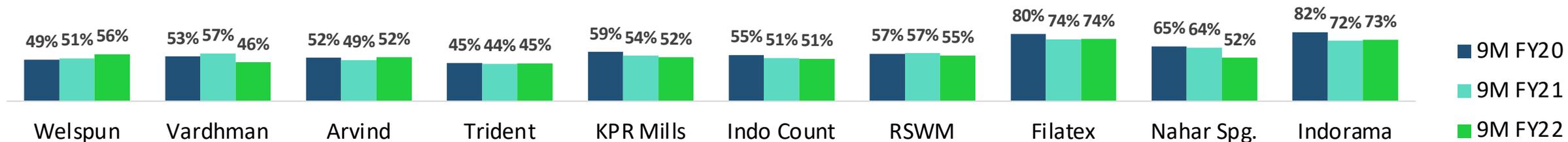
9M EBITDA Margin Trend – 9M FY22



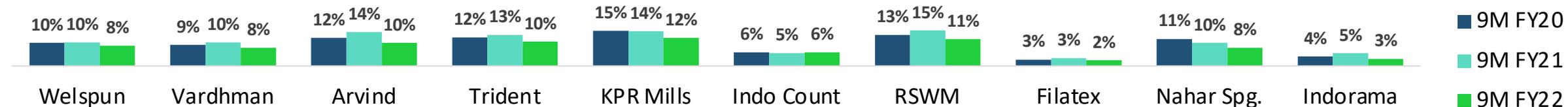
Source: Money Control

Nine Months Analysis - Major Expenses as % of Sales

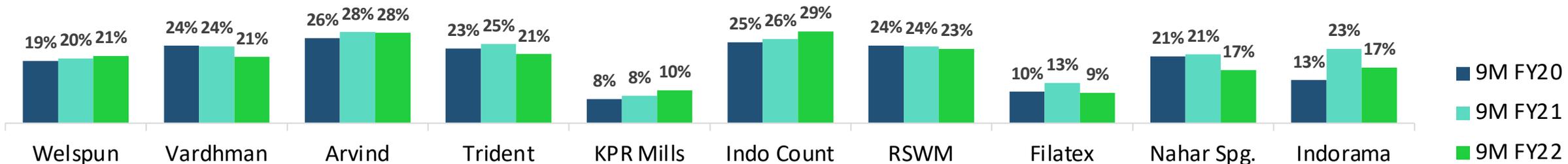
Raw Material Cost - % of Sales



Employee Cost - % of Sales

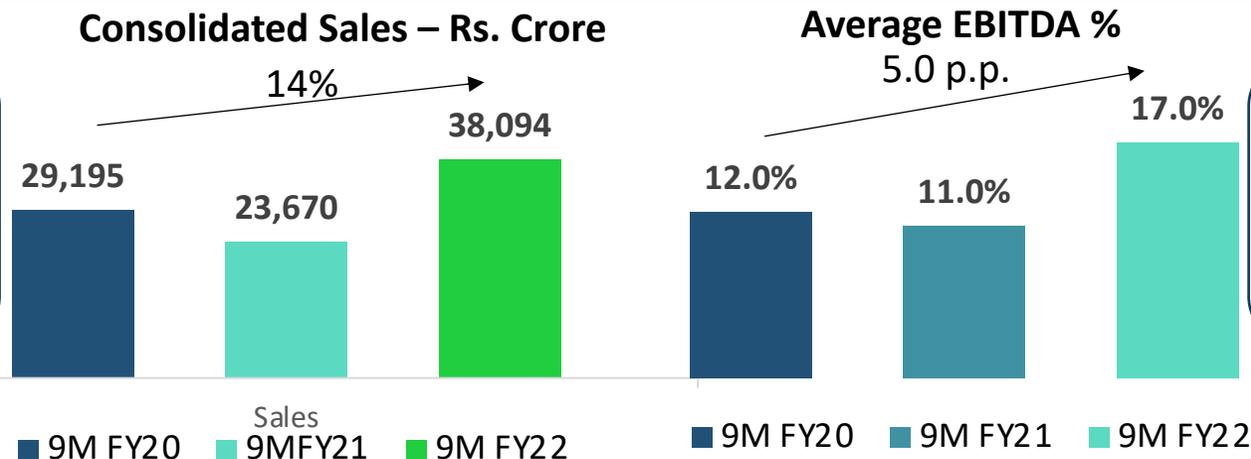


Other Costs - % of Sales



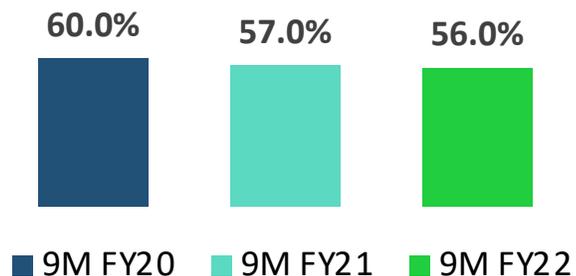
Consolidated Analysis for the Selected Top Players

On a consolidated level, sales have grown at a CAGR of 14% in 9M FY22 as compared to 9M FY20.



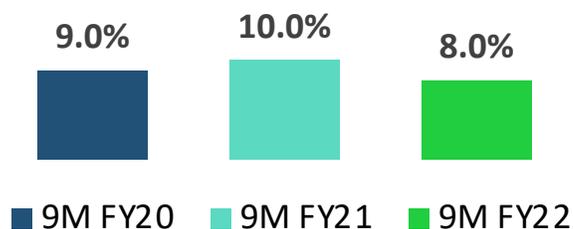
Consolidated EBITDA margin increased by 5.0 percentage points for the selected top companies during this period.

Average RM Cost - % of Sales



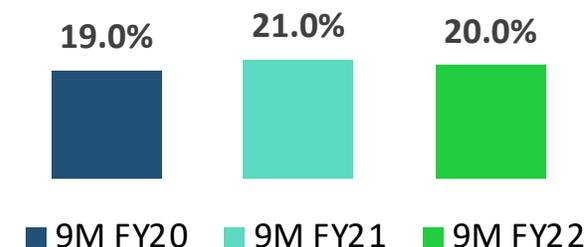
Average RM cost decreased by 4.0 percentage points in 9M FY22 as compared to 9M FY20.

Average Employee Cost - % of Sales



Average employee cost decreased by 1.0 percentage points in 9M FY22 as compared to 9M FY20.

Average Other Expenses - % of Sales



Other expenses increased by 1.0 percentage points in 9M FY22 as compared to 9M FY20.



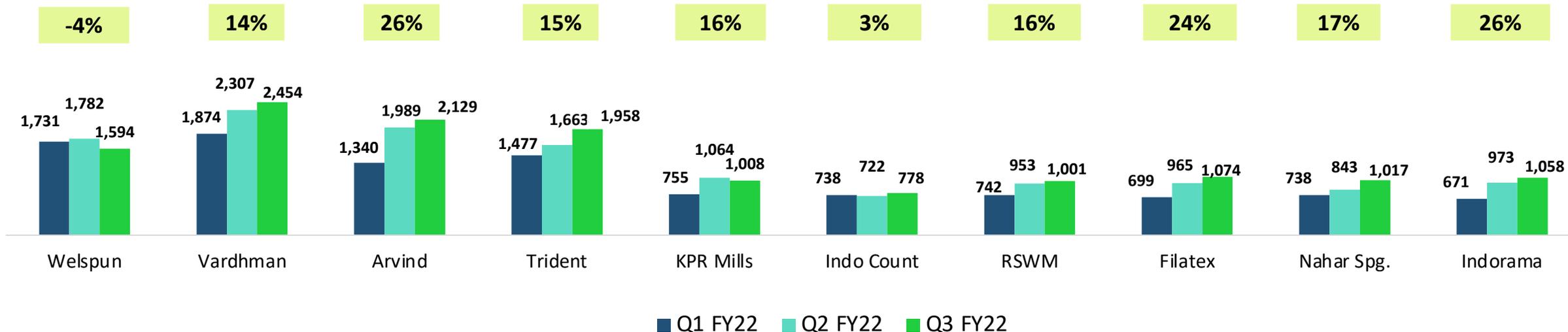
Quarterly Financial Performance – Q3 FY22



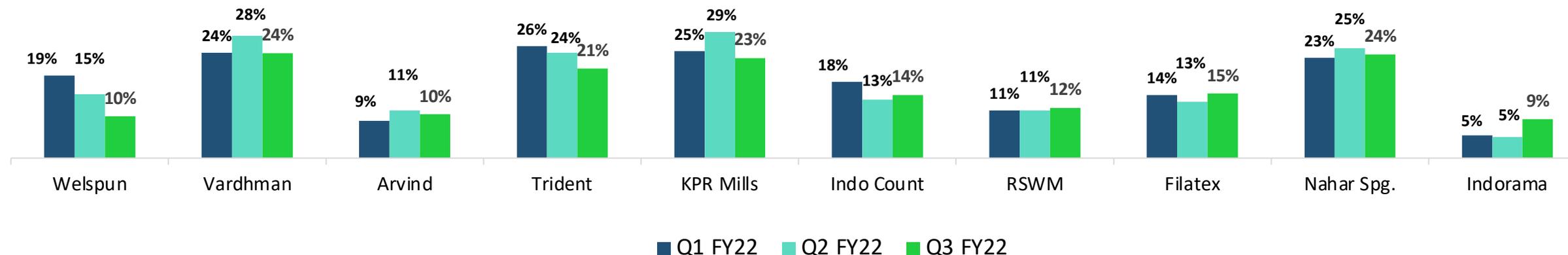
Quarterly Analysis for the Selected Top Players

Quarterly Sales Trend – FY22 (Rs. Crore)

Q1 to Q3
Growth Rate

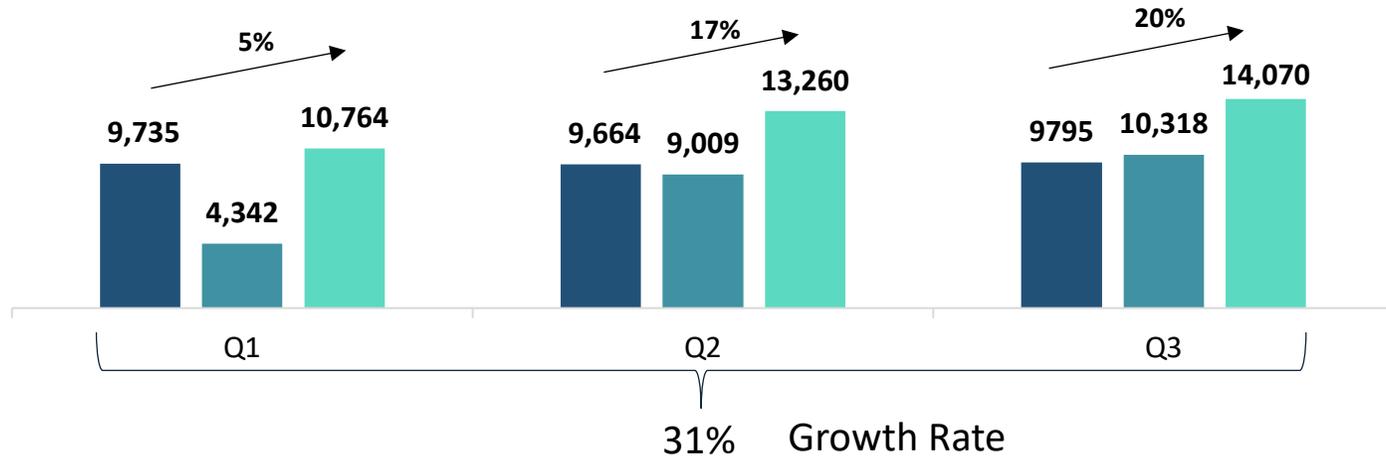


Quarterly EBITDA Margin Trend – FY22



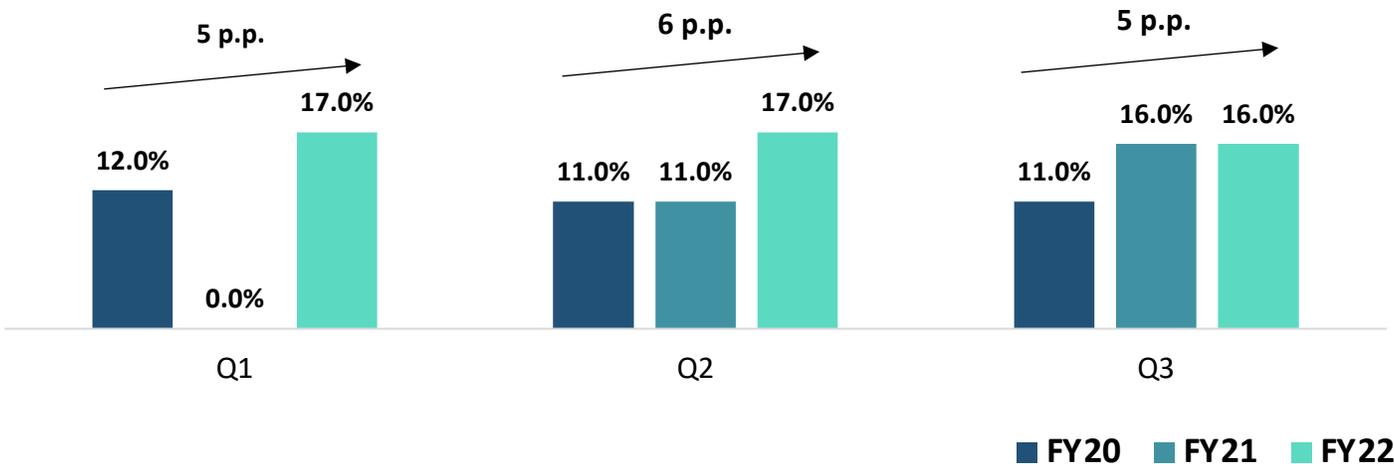
Consolidated Sales Increased by 30% in Q3 FY22 when Compared to Q1 FY22

Consolidated Sales – Rs. Crore



The sales have rebounded in FY22 from the lows of FY21. On a consolidated level, sales in Q1, Q2 & Q3 has grown at a CAGR of 5%, 17% & 20%, respectively since FY20.

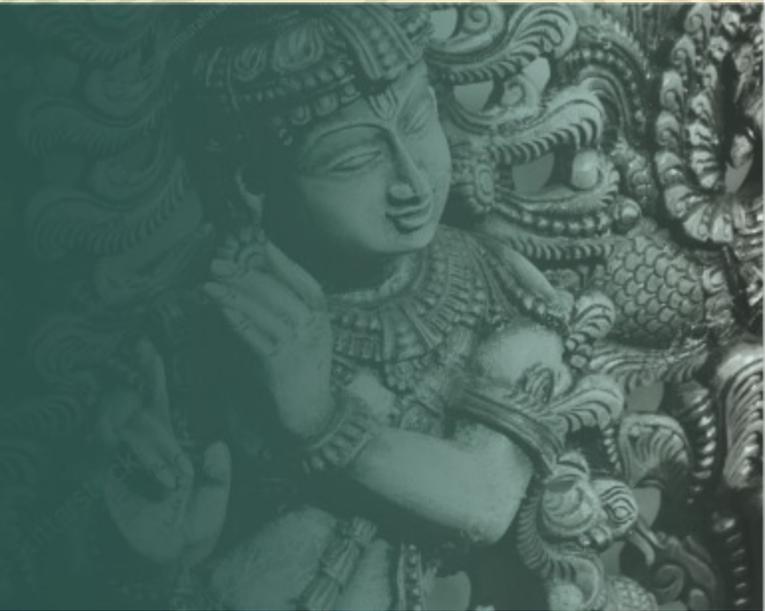
Average EBITDA%



The consolidated earnings of the companies under consideration have witnessed significant recovery in FY22 compared to FY21 and have exceeded the levels of FY20.

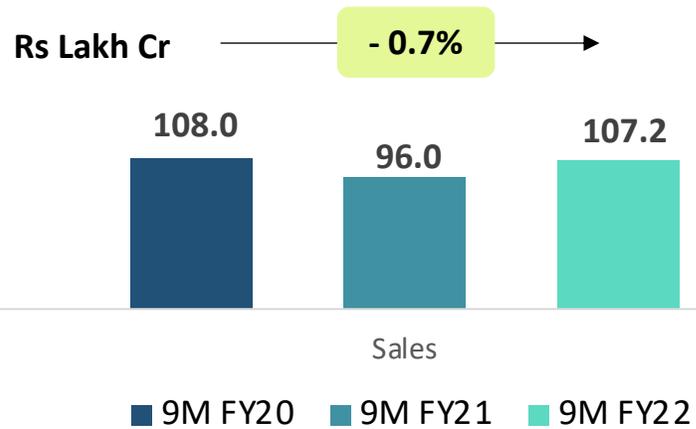


Market Update



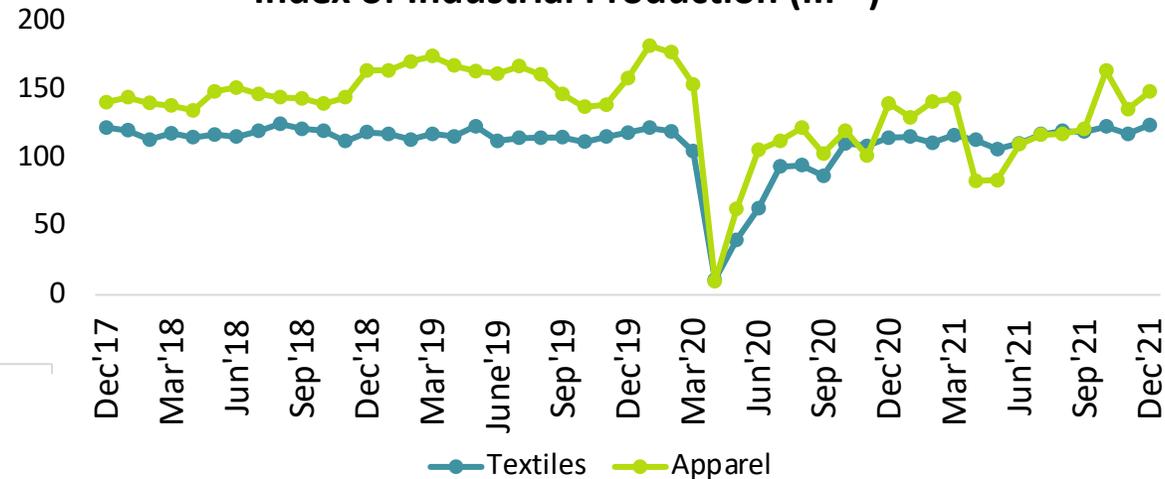
Key Economic Indicators

India's GDP (at constant prices)



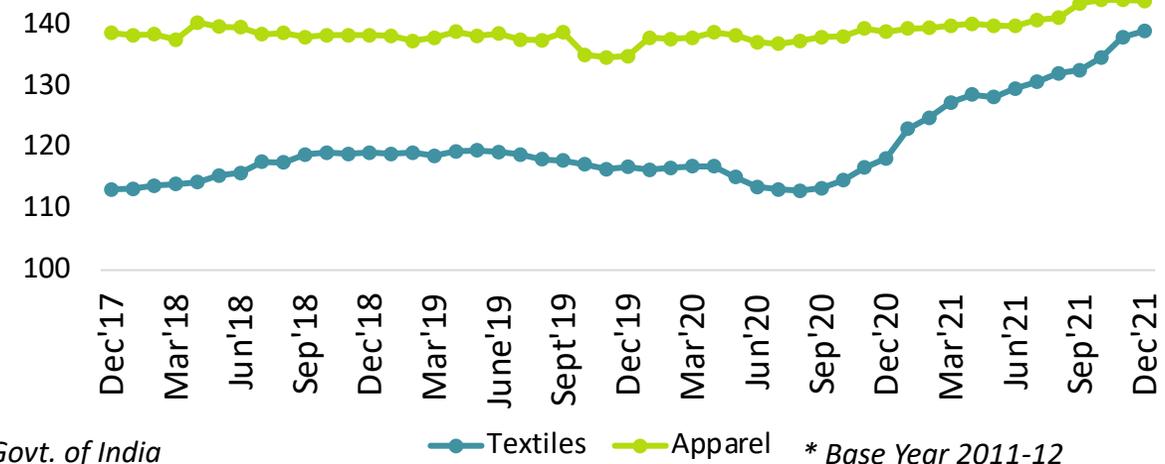
GDP of India in 9M FY22 has recovered significantly compared to 9M FY21 but still 0.7% less than pre-covid levels in 9M FY20.

Index of Industrial Production (IIP*)



Average IIP for textiles in 9M FY22 has recovered to the pre-covid levels while the IIP for apparel has recovered by 78% in 9M FY22 when compared to the same period of 9M FY20.

Wholesale Price Index (WPI*)



Average WPI for textiles increased by 12% and apparel increased by 3.5% each in 9M FY22 as compared to 9M FY20.

Source: Reserve Bank of India, Economic Advisor, Govt. of India

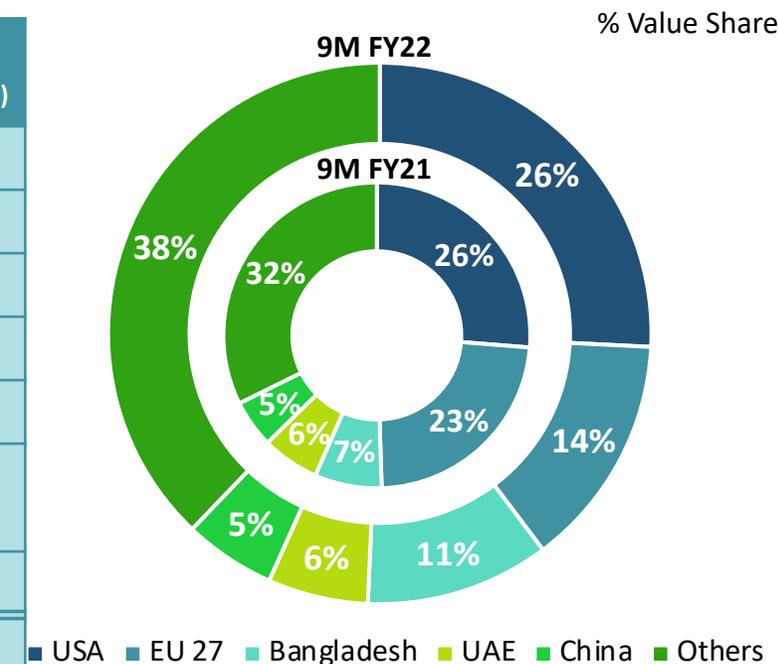
* Base Year 2011-12

India's Overall T&A* Exports

India's Textile & Apparel Exports (Values in US\$ Million)

Category	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)	Q3 FY20	Q3 FY21	Q3 FY22	CAGR (FY20-22)	9M FY20	9M FY21	9M FY22	CAGR (FY20-22)
Fibre	666	819	1,775	63%	478	745	1,074	50%	1,144	1,563	2,849	58%
Filament	587	302	767	14%	292	235	366	12%	879	537	1,133	14%
Yarn	1,648	1,412	3,010	35%	908	914	1,728	38%	2,555	2,326	4,738	36%
Fabric	2,443	1,603	2,741	6%	1,314	1,195	1,499	7%	3,757	2,798	4,240	6%
Apparel	7,881	4,791	7,337	-4%	3,577	3,425	3,796	3%	11,458	8,216	11,133	-1%
Home Textile	2,710	2,287	3,528	14%	1,346	1,715	1,877	18%	4,055	4,002	5,405	15%
Others	866	686	1,220	19%	524	580	560	3%	1,390	1,266	1,780	13%
Total	16,799	11,900	20,380	10%	8,438	8,808	10,898	14%	25,238	20,708	31,278	11%

India's Top T&A Export Markets



- The T&A exports have grown at a CAGR of 11% till 9M FY22 since 9M FY20.
- Fibre witnessed the highest growth rate of 58%, followed by yarn with a growth rate of 36%.
- In Q3 FY22, exports of fibre has shown a significant CAGR of 50% due to the increase in cotton exports amid the US' ban on the purchase of cotton products from China.
- The share of exports of India to the EU has declined from 23% to 14% whereas for Bangladesh it has increased by a significant percentage now accounting for 11% from 7% seen during the same period last year.

Source: DGCI&S

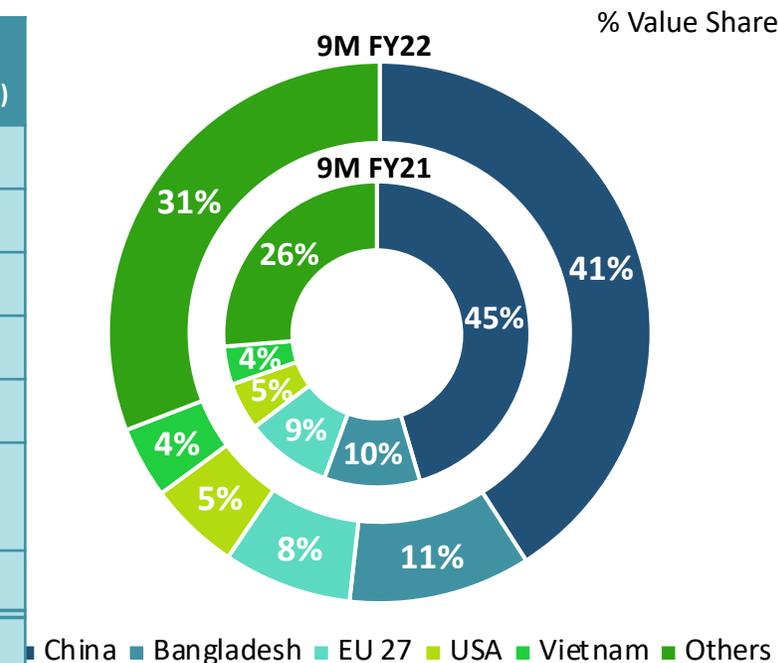
* Textile & Apparel

India's Overall T&A* Imports

India's Textile & Apparel Imports (Values in US\$ Million)

Category	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)	Q3 FY20	Q3 FY21	Q3 FY22	CAGR (FY20-22)	9M FY20	9M FY21	9M FY22	CAGR (FY20-22)
Fibre	1,563	451	744	-31%	477	261	410	-7%	2,039	711	1,154	-25%
Filament	411	172	577	18%	173	212	318	36%	584	385	895	24%
Yarn	256	166	237	-4%	111	153	175	26%	367	320	412	6%
Fabric	1,232	599	1,077	-7%	585	487	768	15%	1,817	1,085	1,845	1%
Apparel	585	375	540	-4%	313	268	380	10%	898	644	920	1%
Home Textile	156	71	101	-20%	84	58	69	-9%	240	130	170	-16%
Others	399	421	341	-8%	211	204	393	36%	610	625	734	10%
Total	4,602	2,257	3,758	-10%	1,953	1,642	2,362	10%	6,555	3,900	6,120	-3%

India's Top T&A Import Destinations



- The overall T&A imports in 9M FY22 had declined at a rate of 3% since 9M FY20.
- Of all the commodities imports of filament yarn has witnessed a maximum positive growth trend rising at a CAGR of 24% since 9M FY20.
- On the contrary, imports of Fibre and Home Textiles have witnessed a steady decline in 9M FY22 since 9M FY20.
- China continues to be the largest import partner for India with a share of 41% in 9M FY22 which has decreased by 4.0 percentage points when compared to 9M FY21.

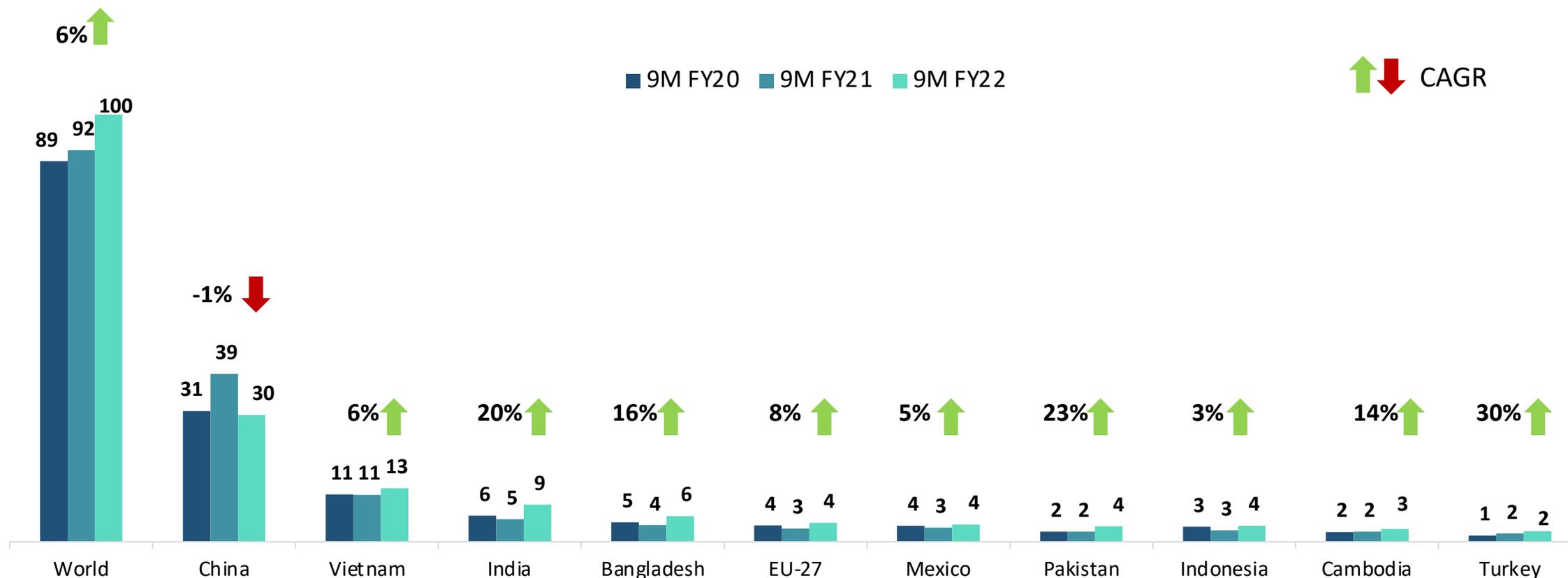
Source: DGCI&S

* Textile & Apparel

T&A Imports of USA have grown by 6% in 9M FY22

Overall Imports and Top Supplier Countries of USA

in US\$ Billion



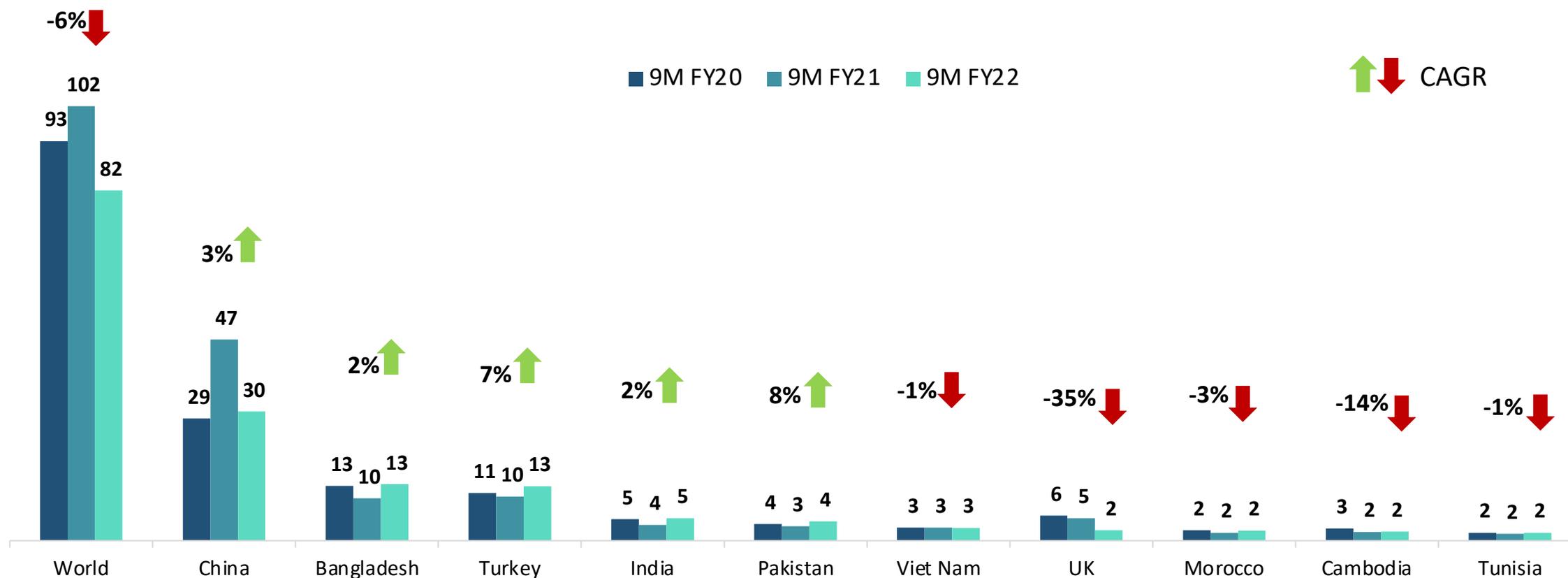
USA's T&A imports have grown at a CAGR of 6% since 9M FY20 in 9M FY22. The imports from China has declined from the value of US\$ 31 bn in 9M FY20 to US\$ 30 bn in 9M FY22. Share of other leading supplier countries in US imports has been rising. India, Pakistan and Turkey have seen their exports to the USA rising at more than 20% CAGR.

Source: OTEXA, UN Comtrade

T&A Imports of EU-27 have fallen by 6% in 9M FY22

Overall Imports and Top Import Countries of EU-27

in US\$ Billion

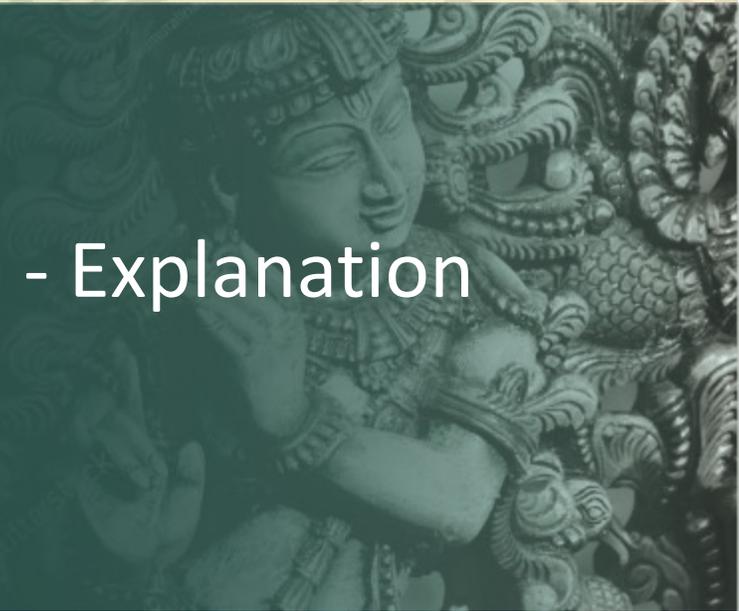


EU's T&A imports have declined at a CAGR of 6% since 9M FY20. Imports of the EU took a hit due to multiple lockdowns. Imports from China, Bangladesh, Turkey, India and Pakistan are on an increasing trend.

Source: Eurostat (data for World less Intra – EU trade)



Annexure: Wazir Textile Index (WTI) - Explanation



Measuring Financial Performance of Indian Textile Sector

- Wazir Textile Index has been developed for assessing the overall financial performance of the textile sector on a continuous basis.
- This index takes the collective performance of top ten textile companies (by sales) of 2015-16 as the base/benchmark which is represented by the base Index number 100.
- Base value of 100 is assigned separately to each quarter performance and full year performance in 2015-16, and correspondingly financial performance of the textile industry is benchmarked to this base number to assess quarterly (Q1), half yearly (H1), nine monthly (9M) and yearly performance (FY) for subsequent years against the set benchmark.
- Overall textile index includes the following three components:
 - **WTI Sales** : Consolidated sales index of top ten companies
 - **WTI EBITDA** : Consolidated EBITDA index
 - **WTI Cost** : Consolidated index for cost of Raw material, employee & others

Glossary

- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- FY19 – April 2018 to March 2019
- FY20– April 2019 to March 2020
- GDP – Gross Domestic Product
- Q1 FY20 – April 2019 to June 2019
- Q1 FY21 – April 2019 to June 2019
- Q2 FY20 – July 2019 to September 2019
- Q2 FY21 – July 2019 to September 2019
- H1 FY20 – April 2019 to September 2019
- H1 FY21 – April 2020 to September 2020
- H1 FY22 – April 2021 to September 2021
- 9M FY20 – April 2019 to December 2019
- 9M FY21 – April 2020 to December 2020
- 9M FY22 – April 2021 to December 2021
- RM – Raw Material
- T&A – Textile & Apparel
- USA – United States of America
- UK – United Kingdom
- WTI – Wazir Textile Index
- YOY – Year on Year
- YTD – Year till date

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