

9M FY23

WAZIR TEXTILE INDEX

April 2023



Textile Sector Performance
Update

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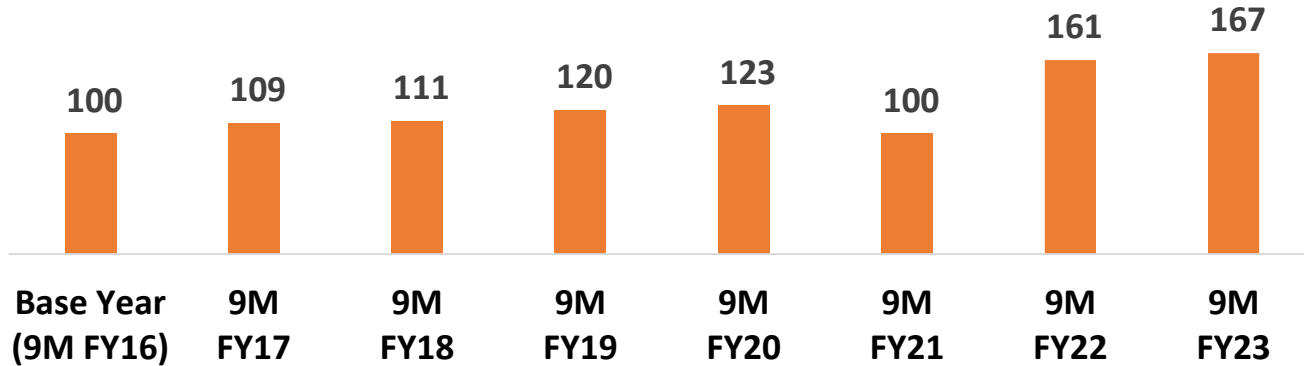
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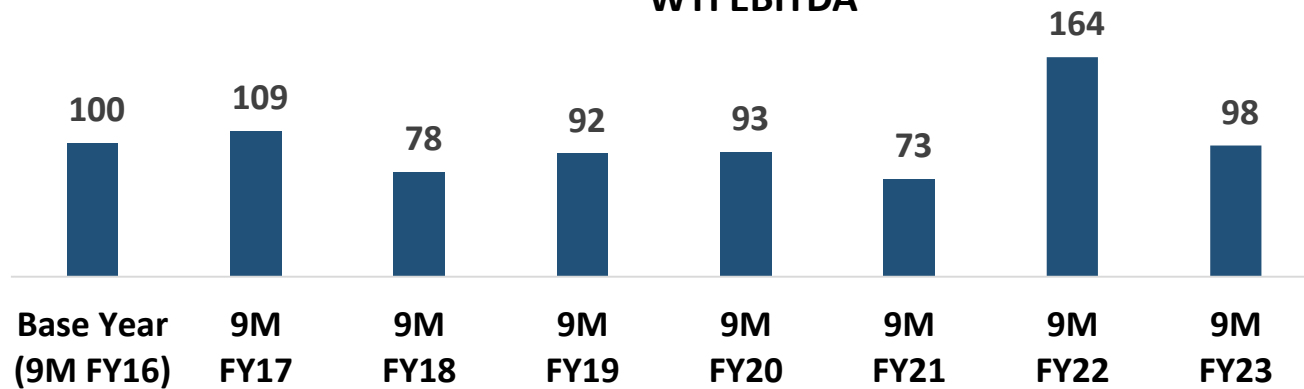
Annexure

Wazir Textile Index (WTI) - 9M FY23

WTI Sales



WTI EBITDA



Sales index has increased by 4% in 9M FY23 compared to 9M FY22.

EBITDA index has sharply fallen by -40% in 9M FY23.

Major reason for decline is slowdown in global economy affecting the T&A industry as well.

Note: Index calculated based on the Performance of top 10 selected listed companies (list given in annexure)



Nine Months

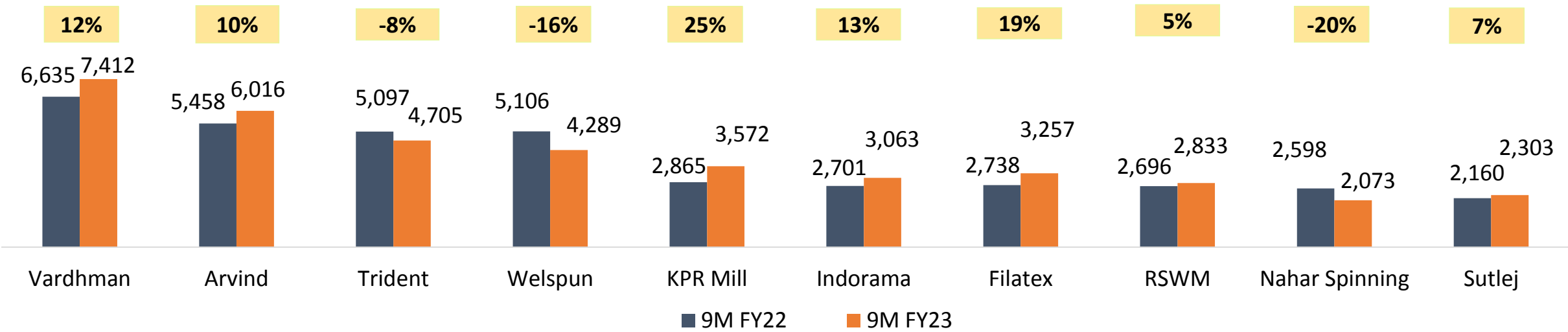
Financial Performance

9M FY23

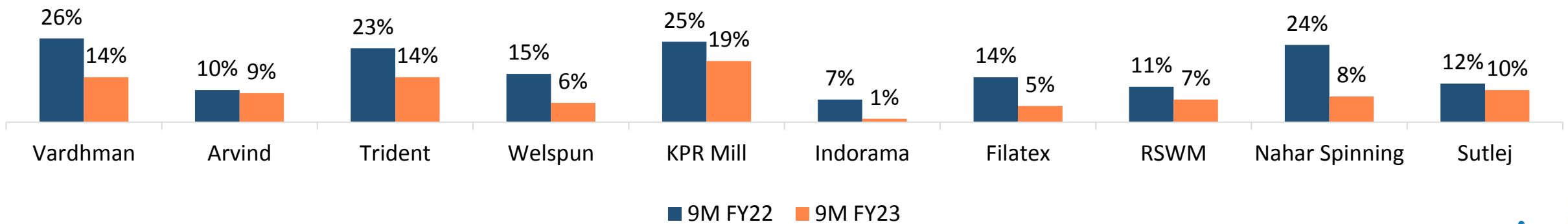
9M Analysis of Selected Top Players

Sales– 9M FY23

Growth %



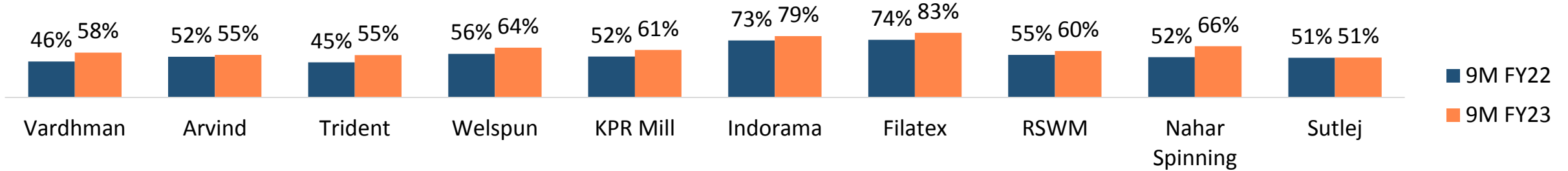
EBITDA Margin % – 9M FY23



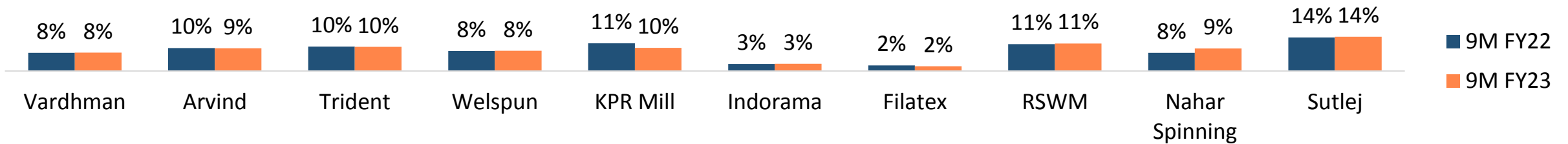
Source: Money Control
Operating income and EBITDA has been considered

9M Analysis - Major Expenses as % of Sales

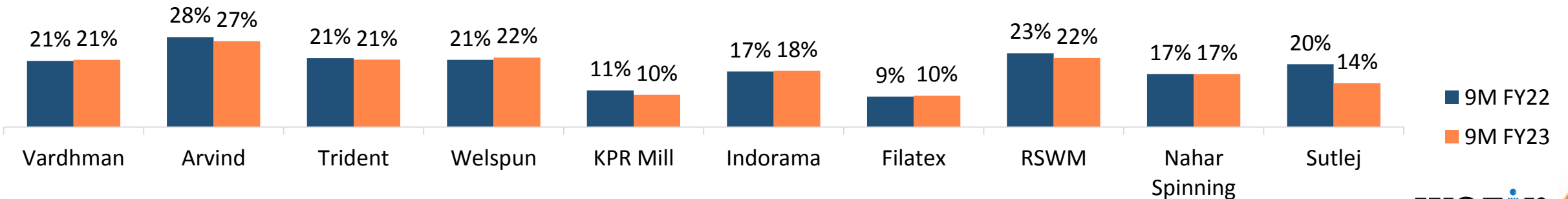
Raw Material Cost - % of Sales



Manpower Cost - % of Sales



Other Costs - % of Sales

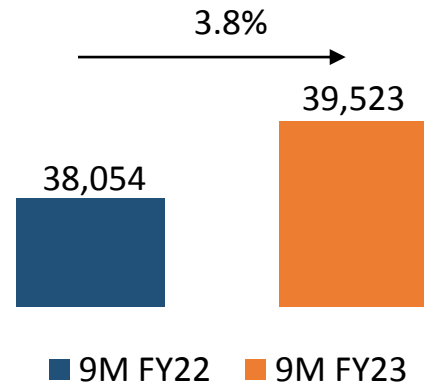


Source: Money Control

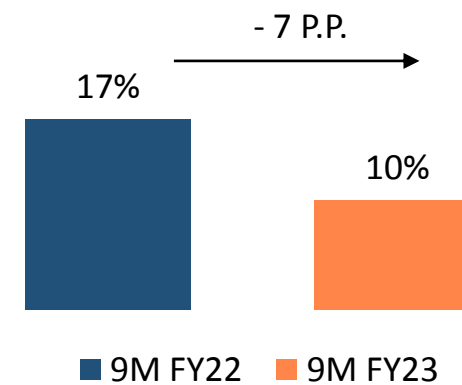
Consolidated Analysis for the Selected Top Players

On a consolidated level, sales have increased by 3.8% in 9M FY23 since 9M FY22.

Consolidated Sales (Rs. Crore)

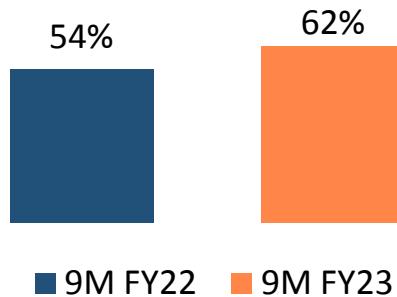


Average EBITDA %



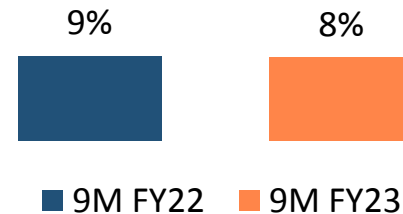
Consolidated EBITDA margin decreased by 7 percentage points for the selected top companies from 9M FY22 to 9M FY23.

Average RM Cost - % of Sales



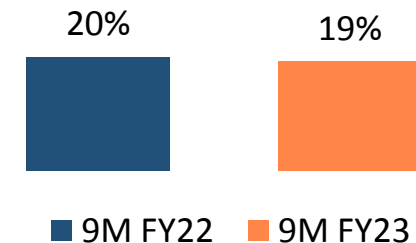
Average RM cost increased by 8 percentage points in 9M FY23 as compared to 9M FY22.

Average Employee Cost - % of Sales



Average employee cost decreased by 1 percentage point between 9M FY22 and 9M FY23.

Average Other Expenses - % of Sales



Other expenses decreased by 1 percentage point in 9M FY23 when compared to 9M FY22.



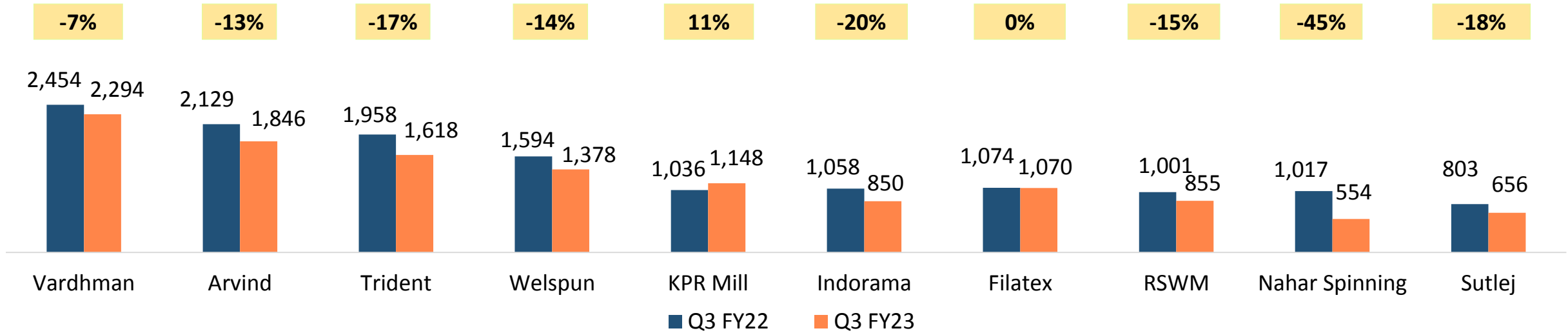
Quarterly

Financial Performance

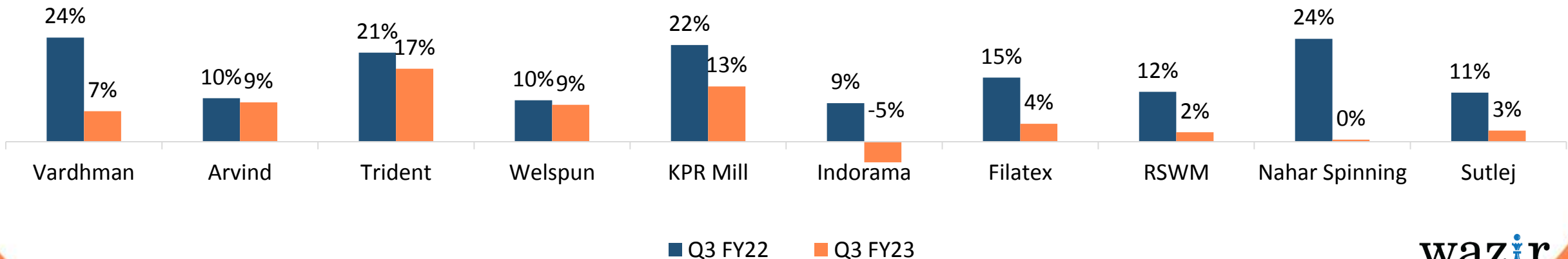
Q3 FY23

Quarterly Analysis for the Selected Top Players

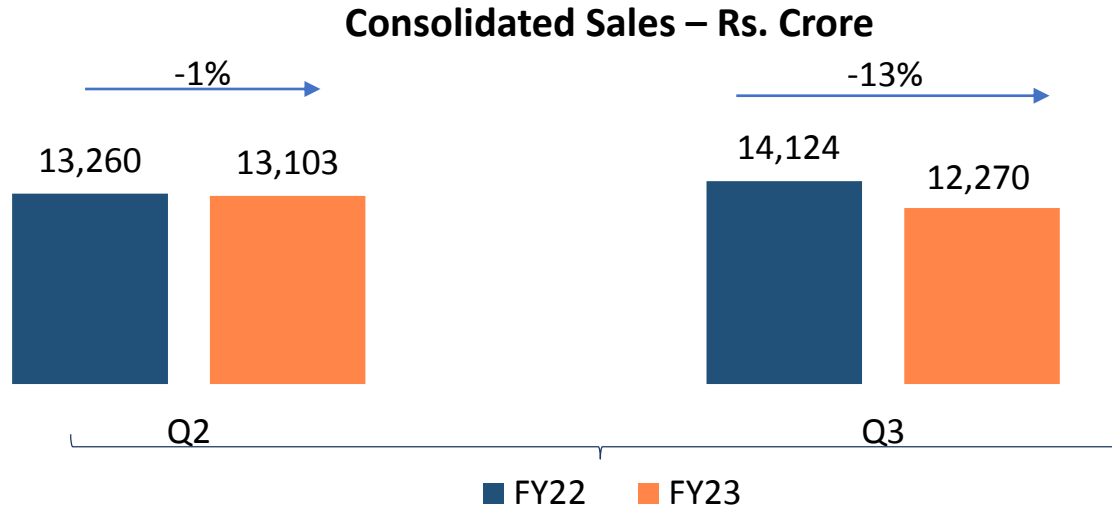
Quarterly Sales* Trend – Q3 FY23 (Rs. Crore)



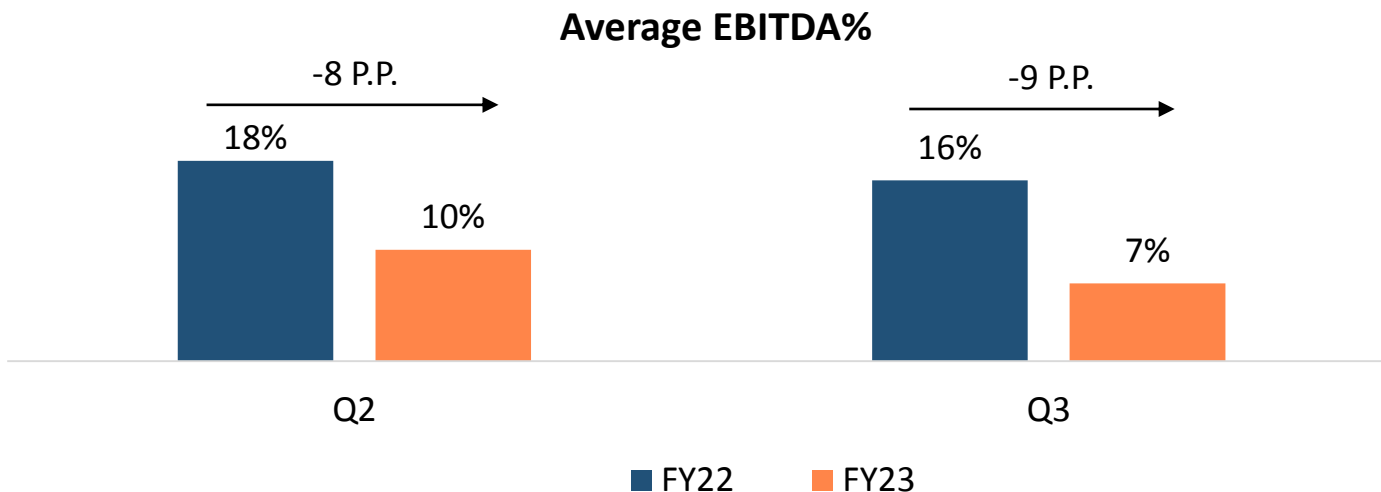
Quarterly EBITDA Margin % – Q3 FY23



Consolidated Sales Decreased by -13% in Q3 FY23



Compared to -1.2% sales decrease in Q2 FY23, Sales in Q3 FY23 have seen a decrease of -13% for the same period in FY22.



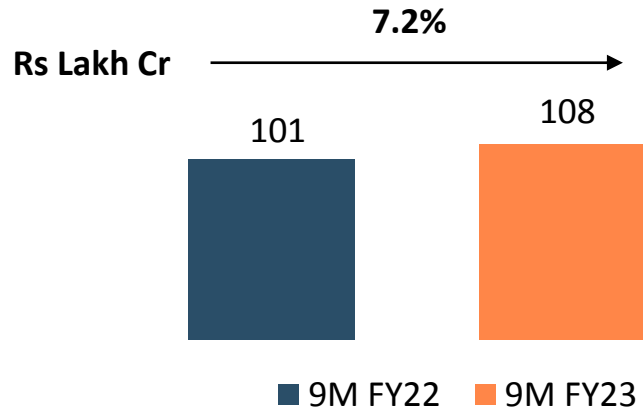
Average EBITDA decreased by 9 P.P. in Q3 FY23 and by 8 P.P. in Q2 FY23 when compared with respective quarters in FY22.



Market Update

Key Economic Indicators

India's Real GDP

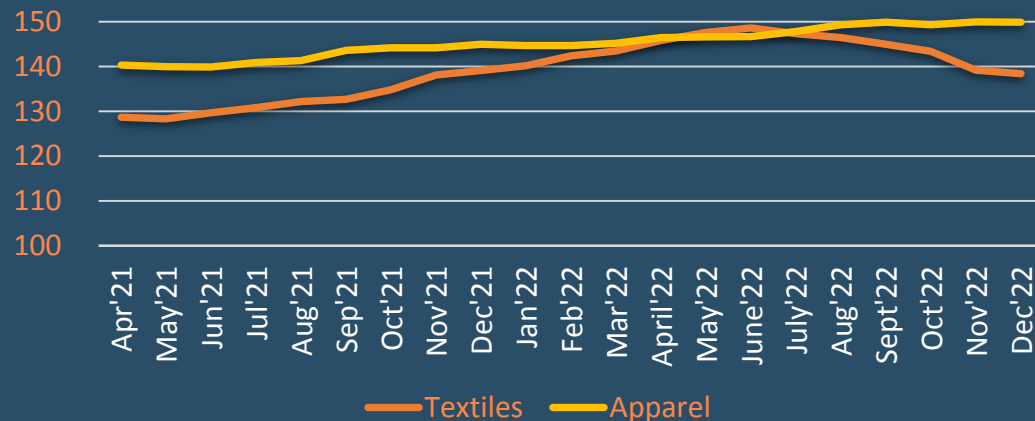


Real GDP of India in 9M FY23 has grown by 7.2% over 9M FY22

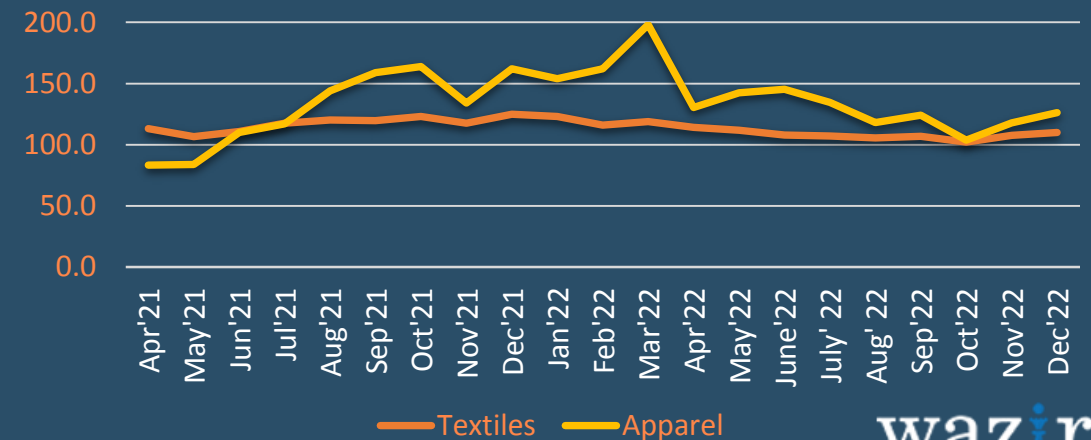
Average IIP for textiles has decreased by 7.6% and that for apparel has decreased by 1.3% in 9M FY23, compared to 9M FY22.

Average WPI For textiles Increased by 9% and that of apparel increased by 4.4% in 9M FY23, compared to 9M FY22.

Index of Industrial Production (IIP*)



Wholesale Price Index (WPI*)



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)

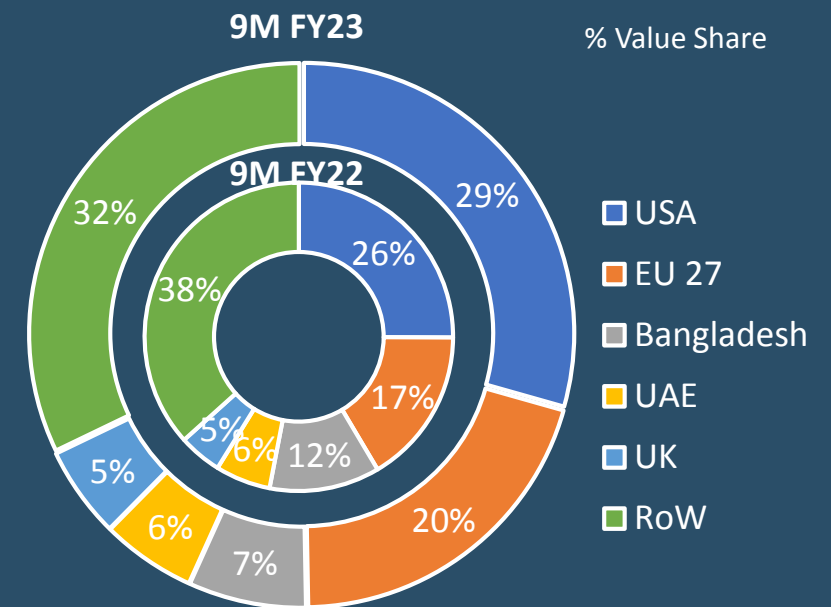
Category	H1 FY22	H1 FY23	CAGR	Q3 FY22	Q3 FY23	CAGR	9M FY22	9M FY23	CAGR
Fibre	1,775	866	-51%	1,074	235	-78%	2,849	1,101	-61%
Filament	767	551	-28%	366	203	-45%	1,133	754	-33%
Yarn	3,010	1,851	-39%	1,728	695	-60%	4,738	2,546	-46%
Fabric	2,741	2,774	1%	1,499	1,179	-21%	4,240	3,953	-7%
Apparel	7,337	8,178	11%	3,796	3,674	-3%	11,133	11,852	6%
Home Textile	3,528	3,104	-12%	1,877	1,385	-26%	5,405	4,489	-17%
Others	1,220	1,189	-3%	560	486	-13%	1,780	1,675	-6%
Total	20,380	18,513	-9%	10,898	7,857	-28%	31,278	26,370	-16%

- T&A Exports of India have decreased by -28% in Q3 FY23 and by -16% in 9M FY23.
- Apparel exports have declined by -3% in Q3 although in 9M growth is at 6%. Fibre growth has seen a severe dip of -61% in 9M FY 23.

Source: DGCI&S

* Textile & Apparel

India's Top T&A Export Markets



Share of USA and EU27 as market has increased by 3 Percentage Points each in 9M FY 23.

India's Overall T&A* Imports

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

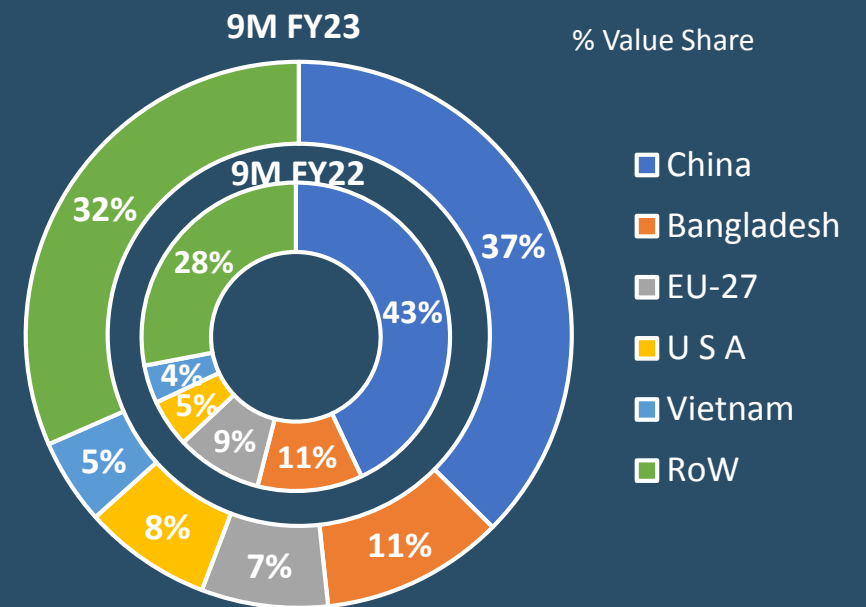
Category	H1 FY22	H1 FY23	CAGR	Q3 FY22	Q3 FY23	CAGR	9M FY22	9M FY23	CAGR
Fibre	744	1,819	144%	410	575	40%	1,154	2,394	107%
Filament	577	742	29%	318	341	7%	895	1,083	21%
Yarn	237	425	79%	175	132	-25%	412	557	35%
Fabric	1,077	1,424	32%	768	640	-17%	1,845	2,064	12%
Apparel	540	928	72%	380	443	17%	920	1,371	49%
Home Textile	101	156	54%	69	71	3%	170	227	34%
Others	341	490	44%	393	233	-41%	734	723	-1%
Total	3,617	5,984	65%	2,362	2,435	3%	6,120	8,419	38%

- T&A Imports of India have increased by 3% in Q3 FY23 and by 38% for 9M FY23.
- Fibre witnessed the highest import growth at 107% (mainly driven by ELS cotton imports) followed by apparel at 49% for 9M FY23.

Source: DGCI&S

* Textile & Apparel

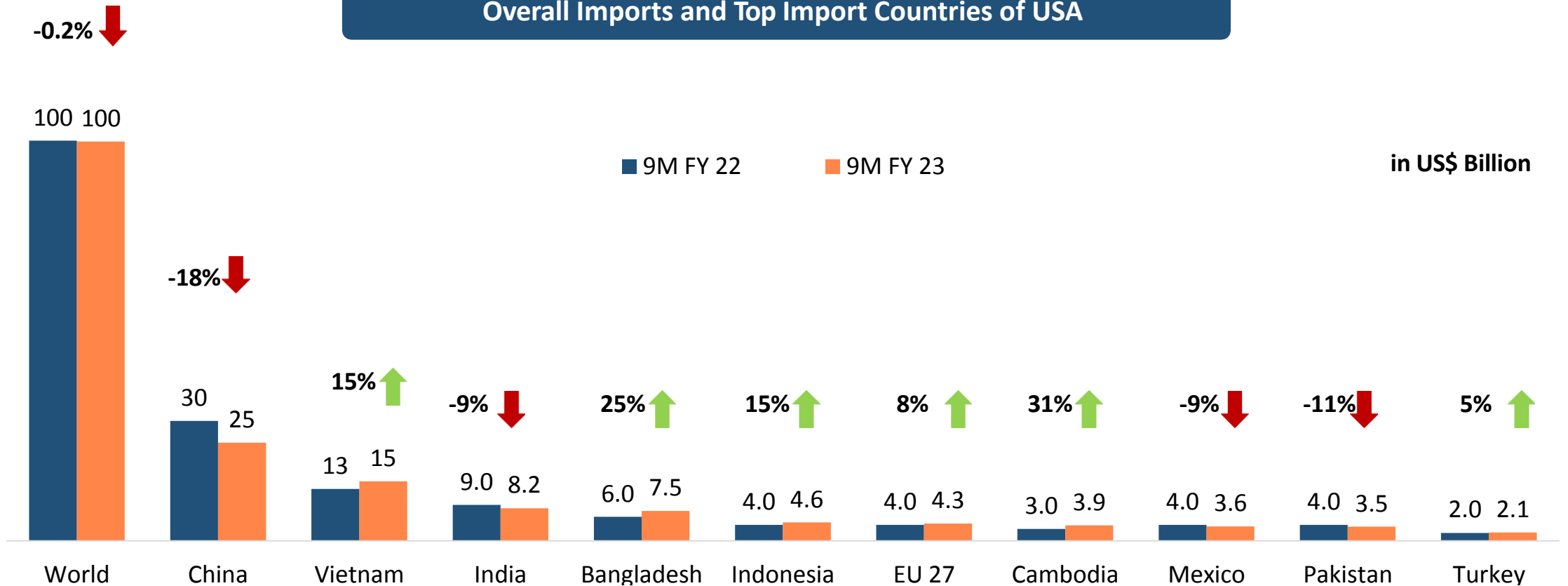
India's Top T&A Import Partners



Imports from China decreased by -6% Percentage Points in 9M FY23.

T&A Imports of USA have Remained Stagnant in 9M FY23

Overall Imports and Top Import Countries of USA

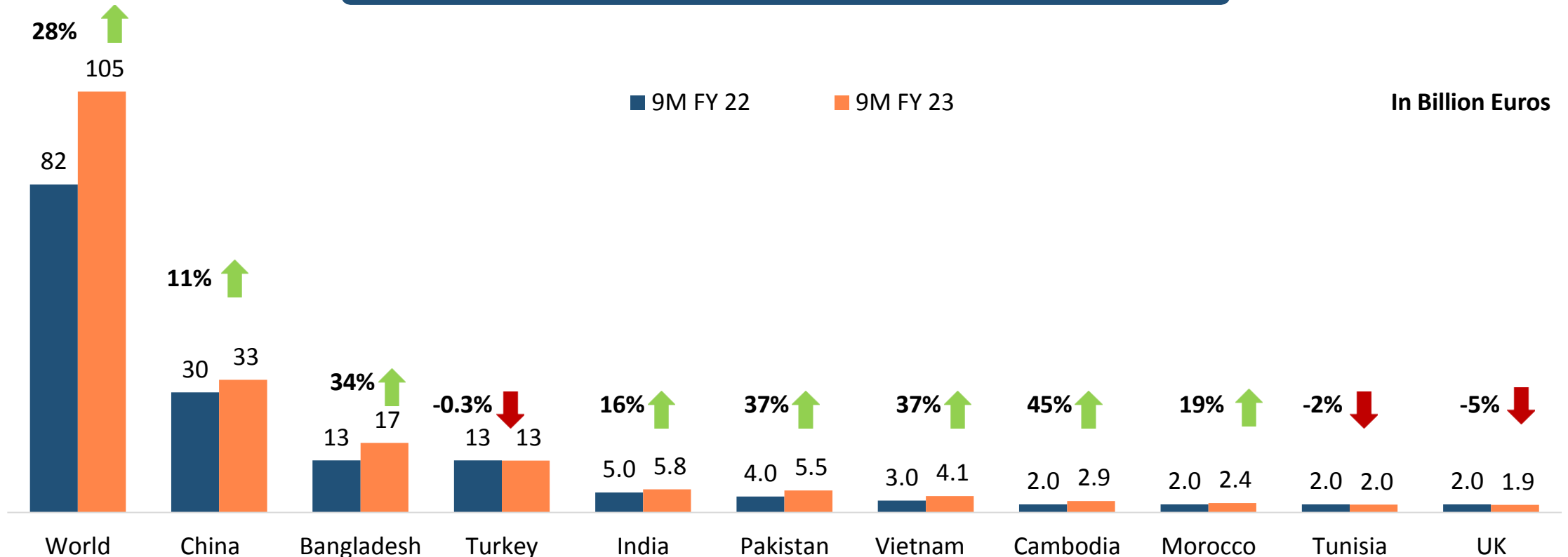


Imports from China, India, Mexico and Pakistan have declined, while imports from Vietnam, Bangladesh, Cambodia, Indonesia etc. have increased

Source: OTEXA, UN Comtrade

T&A Imports of EU-27 have Increased by 28% in 9M FY23

Overall Imports and Top Import Countries of EU-27



EU-27 Imports have increased in value terms for most of the countries on overall basis despite slowdown in later part of 2022



Annexure

List of Companies Included for Financial Analysis

Top listed textile companies in terms of sales turnover in FY22 have been included for financial analysis.

S. No.	Company Name	Annual Sales FY22 (Rs Cr)
1	Vardhman Textiles	9,386
2	Arvind	7,459
3	Trident	6,919
4	Welspun India	6,703
5	KPR Mill	4,073
6	Indorama Synthetics	3,901
7	Filatex India	3,828
8	RSWM	3,817
9	Nahar Spinning	3,593
10	Sutlej	3,042

Note: Companies that are not fully stable or have shown significant deviation in numbers have not been included in the analysis.

WTI Explanation

- 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

Glossary

- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- FY22 – April 2021 to March 2022
- FY23 – April 2022 to March 2023
- GDP – Gross Domestic Product
- Q1 FY22 – April 2021 to June 2021
- Q1 FY23 – April 2022 to June 2022
- Q2 FY22 – July 2021 to September 2021
- Q2 FY23 – July 2022 to September 2022
- Q3 FY22 – October 2021 to December 2021
- Q3 FY23 – October 2022 to December 2022
- H1 FY22 – April 2021 to September 2021
- H1 FY23 – April 2022 to September 2022
- 9M FY22 – April 2021 to December 2021
- 9M FY23 – April 2022 to December 2022
- 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

Wazir Advisors: Your Trusted Advisor in T&A Domain

Our Services

Research and Strategy

- Corporate Strategy
- Market Research
- Entry Strategy
- Market Opportunity Assessment
- Impact Assessment Study
- Location Analysis
- Country/region Representation

Technical Services

- New Factory Set- up
- Operations re-engineering
- Gap study and benchmarking
- Techno Commercial Due-Diligence
- Detailed Project Report (DPR)

Partnerships

- Joint Ventures
- M&As
- Technical Tie-ups
- Transaction Advisory

Skill Development

- Training of machine operators
- Training of middle management

CONTACT US

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