

H1 FY24

WAZIR TEXTILE INDEX

December 2023



Textile Sector Performance Update

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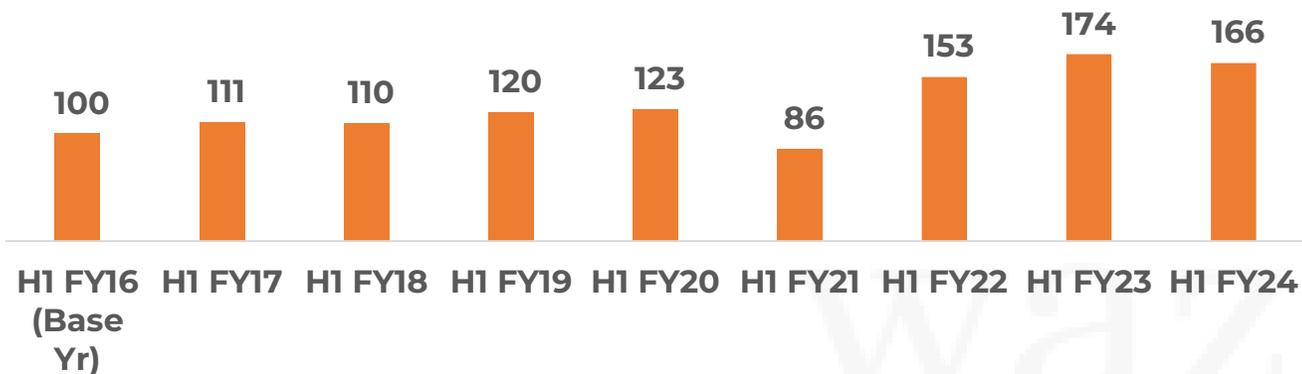
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Wazir Textile Index(WTI)

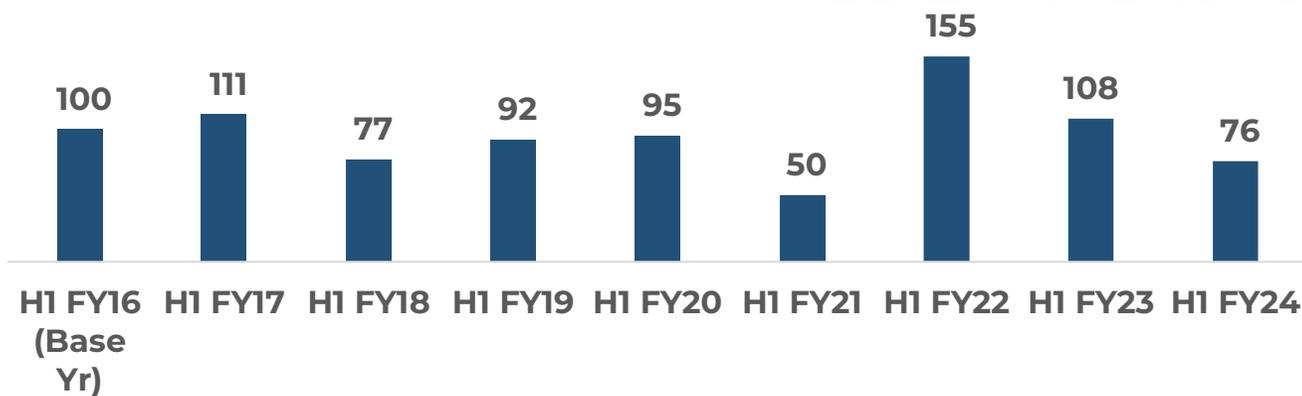
WTI Sales



WTI Sales Index has reduced by -5% in H1 FY24 compared to H1 FY23.

WTI EBITDA Index has reduced by -30% in H1 FY24 compared to H1 FY23.

WTI EBITDA



Note: Index calculated based on the performance of selected top listed companies. The list of companies is given in annexure



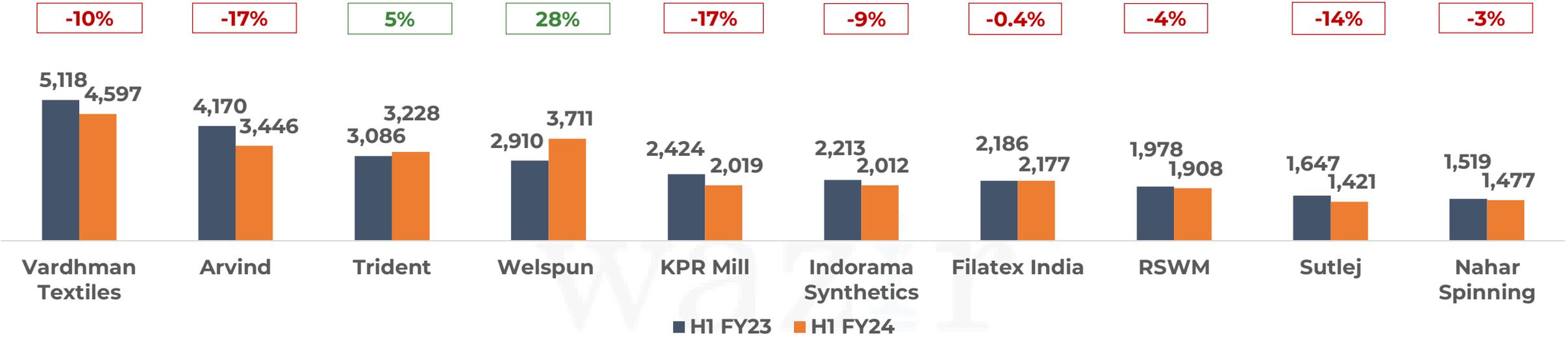
Financial Performance

H1 FY24

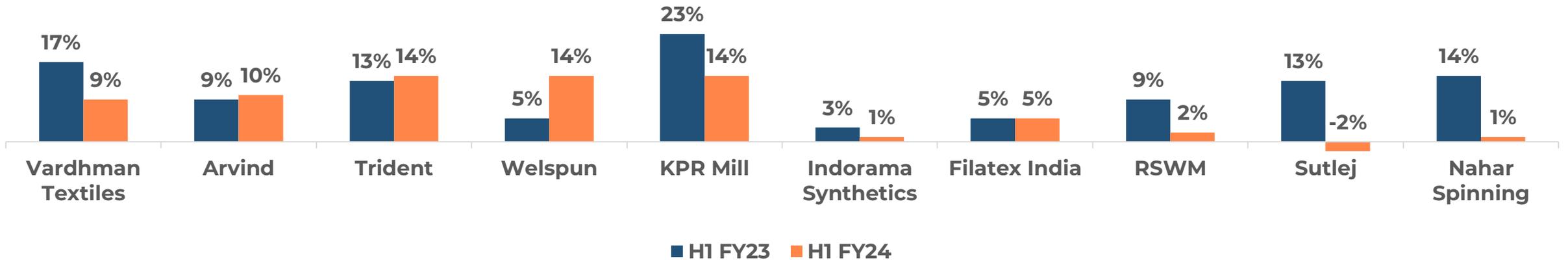
H1 FY24 Analysis of Selected Top Players

Sales(in Rs Crore)

Growth %

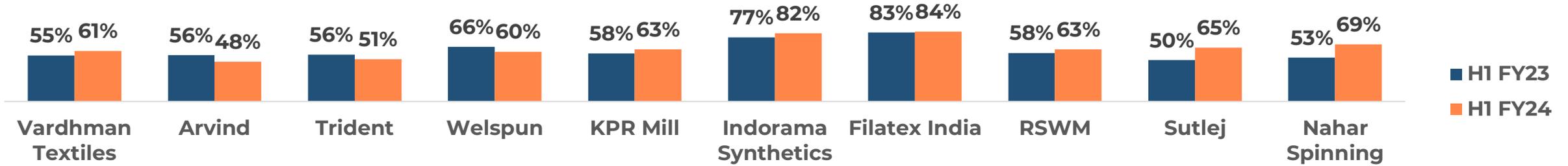


EBITDA Margin Trend

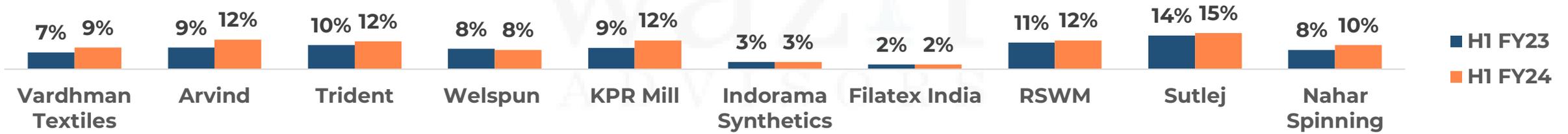


H1 FY24 Analysis - Major Expenses as % of Sales

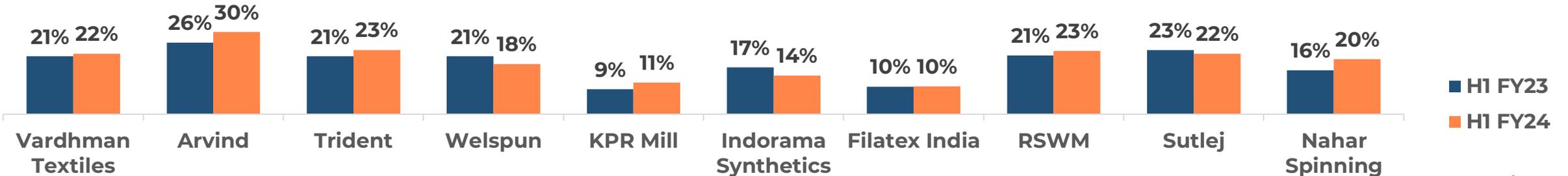
Raw Material Cost - % of Sales



Employee Cost - % of Sales

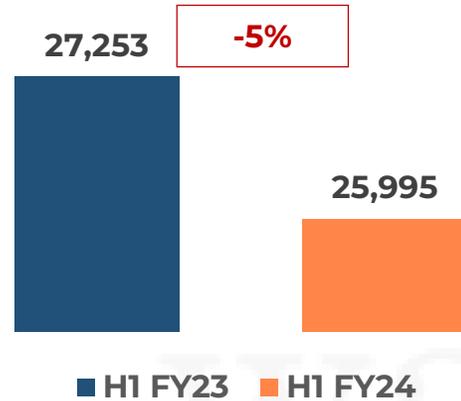


Other Costs - % of Sales

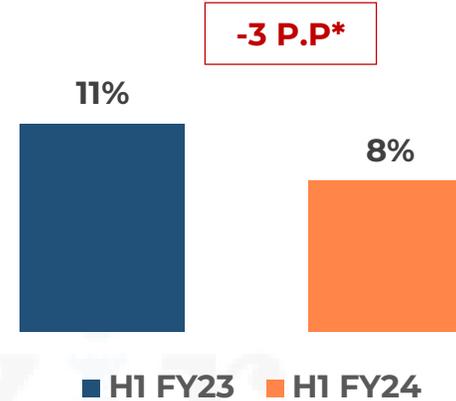


Consolidated Analysis for the Selected Top Players

Consolidated Sales (Rs. Crore)



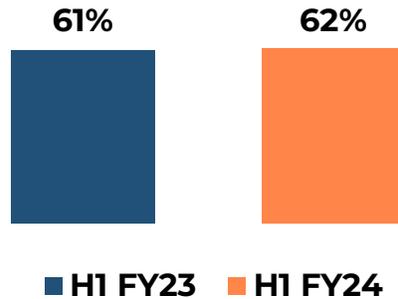
Average EBITDA %



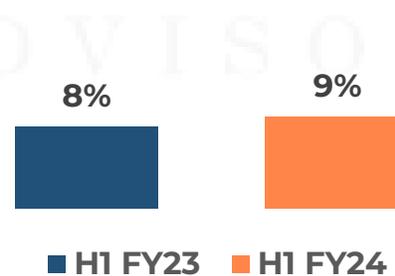
At consolidated level, sales have decreased by -5% in H1 FY24 compared with H1 FY23

Consolidated EBITDA margin decreased by -3 percentage points for the selected top companies in H1 FY24 compared to H1 FY23

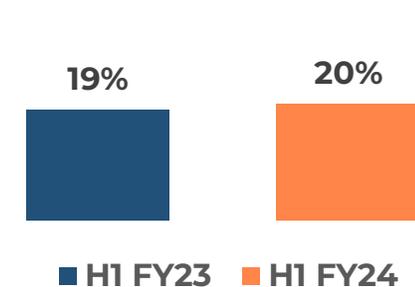
Average RM Cost - % of Sales



Average Employee Cost - % of Sales



Average Other Expenses - % of Sales



The Average cost of RM has increased by 1 percentage points in H1 FY24 compared to H1 FY23

Average employee expenses increased by 1 percentage points in H1 FY24 compared to H1 FY23.

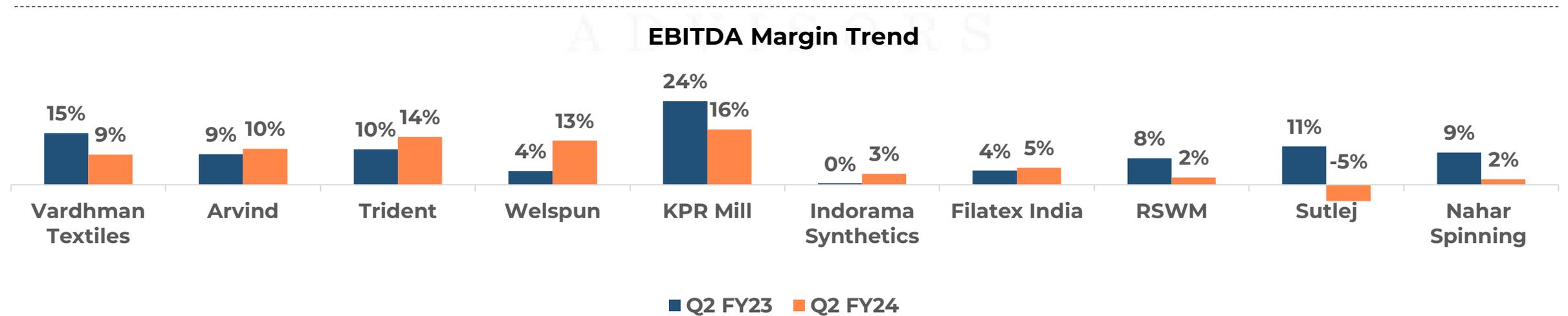
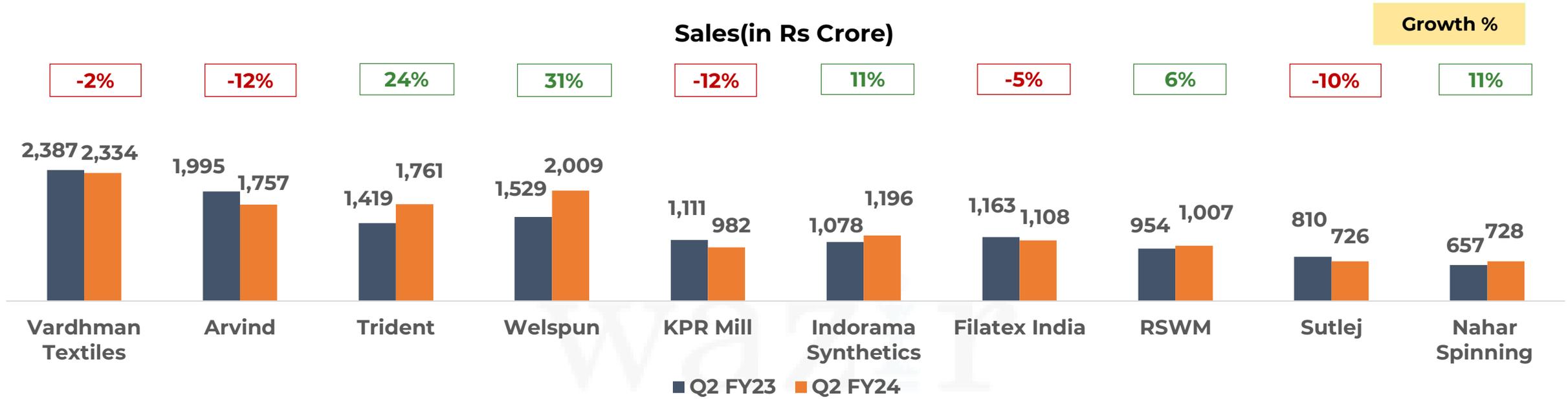
Other expenses increased by 1 percentage point in H1 FY24 when compared to H1 FY23.



Financial Performance

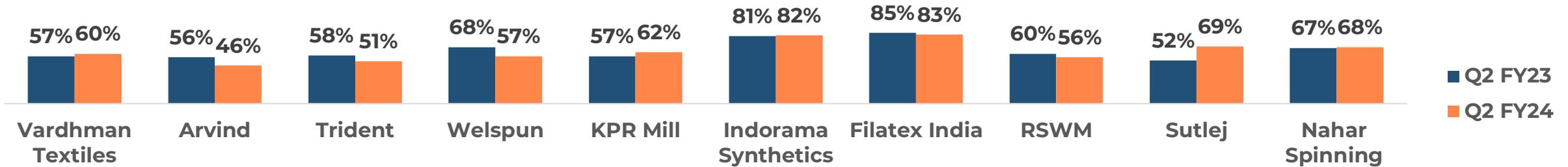
Q2 FY24

Q2 FY24 Analysis of Selected Top Players

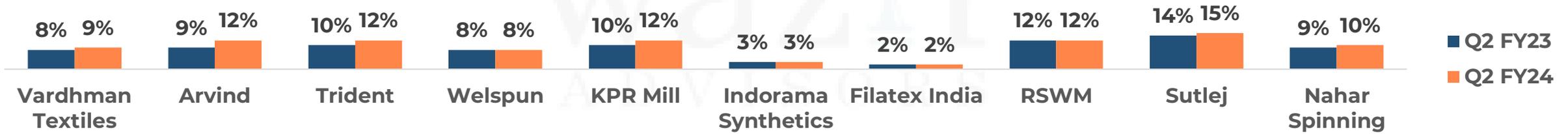


Q2 FY24 Analysis - Major Expenses as % of Sales

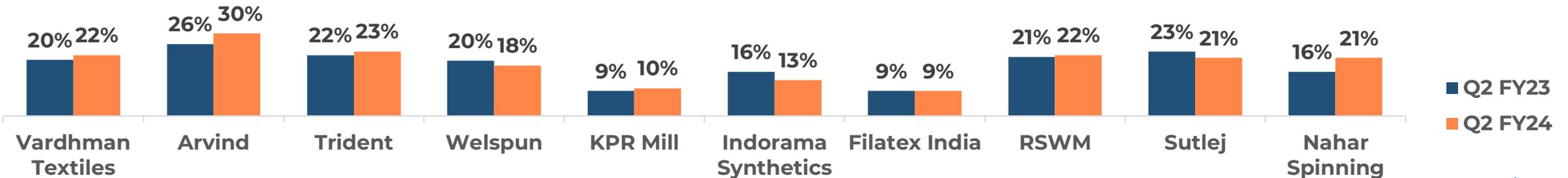
Raw Material Cost - % of Sales



Employee Cost - % of Sales

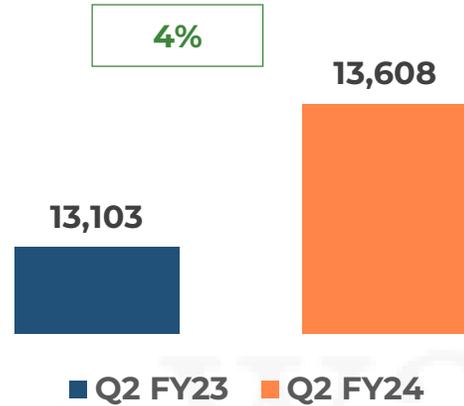


Other Costs - % of Sales



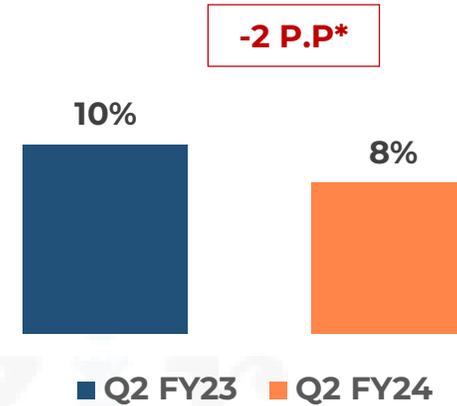
Consolidated Analysis for the Selected Top Players

Consolidated Sales (Rs. Crore)



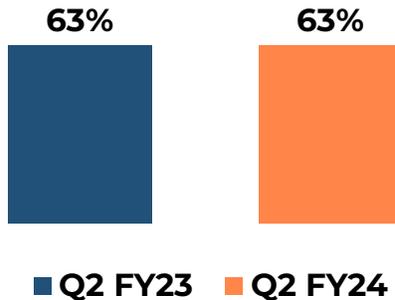
At consolidated level, sales have increased by 4% in Q2 FY24 compared with Q2 FY23

Average EBITDA %



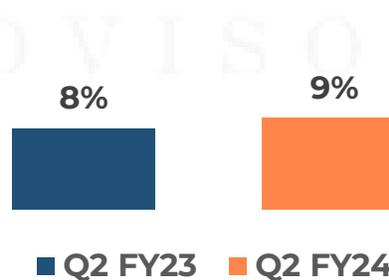
Consolidated EBITDA margin decreased by -2 percentage points for the selected top companies in Q2 FY24 compared to Q2 FY23

Average RM Cost - % of Sales



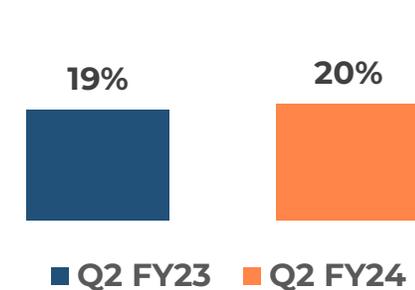
Average RM cost as a percentage of sales has remained same in Q2 FY24 as compared to Q2 FY23.

Average Employee Cost - % of Sales



Average employee expenses increased by 1 percentage point in Q2 FY24 compared to Q2 FY23.

Average Other Expenses - % of Sales



Other expenses increased by 1 percentage point in Q2 FY24 when compared to Q2 FY23.

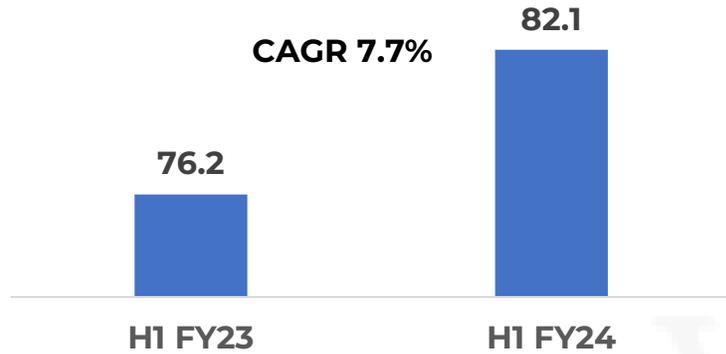


Market Update

Key Economic Indicators

India's GDP (at constant prices*)

Values in Rs. Lakh Cr



Average IIP for textiles in H1 FY24 has remained same, while that for apparel has decreased by -22% when compared with the values in H1 FY23.

Average WPI in H1 FY24 for textiles has decreased by -8% and that of apparel increased by 1% when compared to the values in H1 FY23.

Index of Industrial Production (IIP*)



Wholesale Price Index (WPI*)



India's Overall T&A* Exports

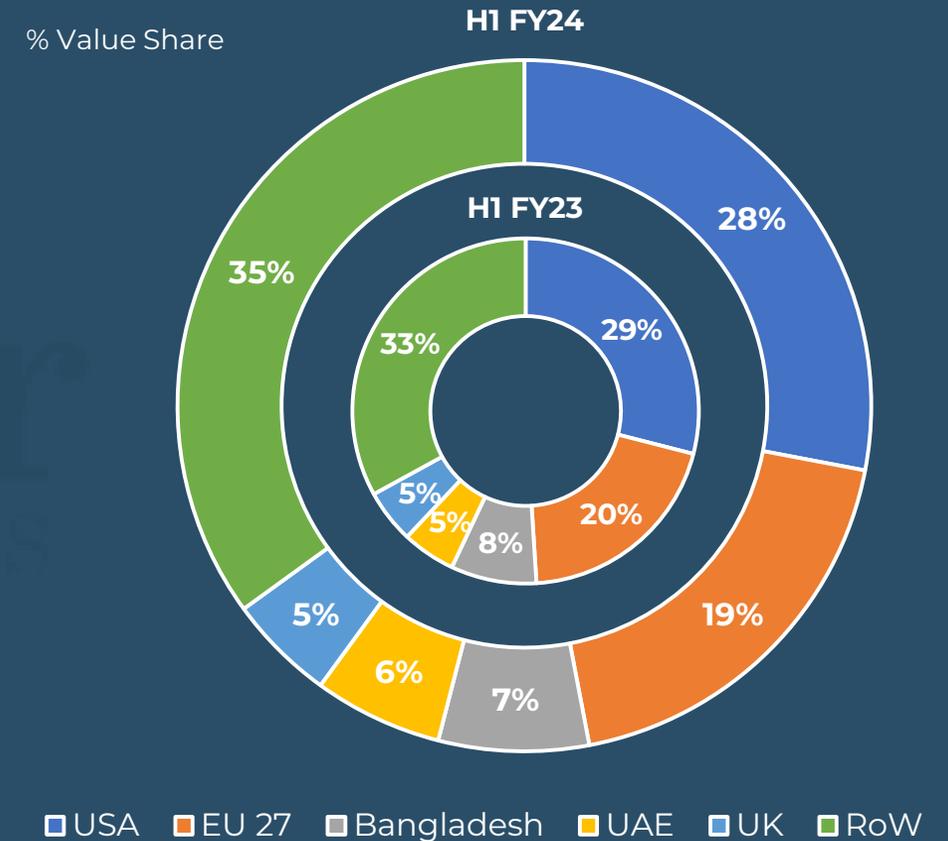
India's Textile & Apparel Exports (Values in US\$ Million)

Category	Q1 FY23	Q1 FY24	CAGR	Q2 FY23	Q2 FY24	CAGR	H1 FY23	H1 FY24	CAGR
Fibre	582	424	-27%	284	347	22%	866	771	-11%
Filament	295	238	-19%	256	209	-18%	551	447	-19%
Yarn	1093	1082	-1%	758	1,253	65%	1,851	2335	26%
Fabric	1459	1192	-18%	1316	1,268	-4%	2,775	2460	-11%
Apparel	4493	3700	-18%	3685	3,225	-12%	8,178	6925	-15%
Home Textiles	1634	1401	-14%	1471	1,581	8%	3,104	2982	-4%
Others	611	478	-22%	578	521	-10%	1,189	999	-16%
Total	10,167	8,515	-16%	8,348	8,404	1%	18,514	16,919	-9%

India's overall T&A exports has declined by -9% in H1 FY24 compared to H1 FY23.

The increase in yarn exports in H1 FY24 compared to H1 FY23 is majorly driven by increase in cotton yarn exports.

India's Top T&A Export Markets



India's Overall T&A* Imports

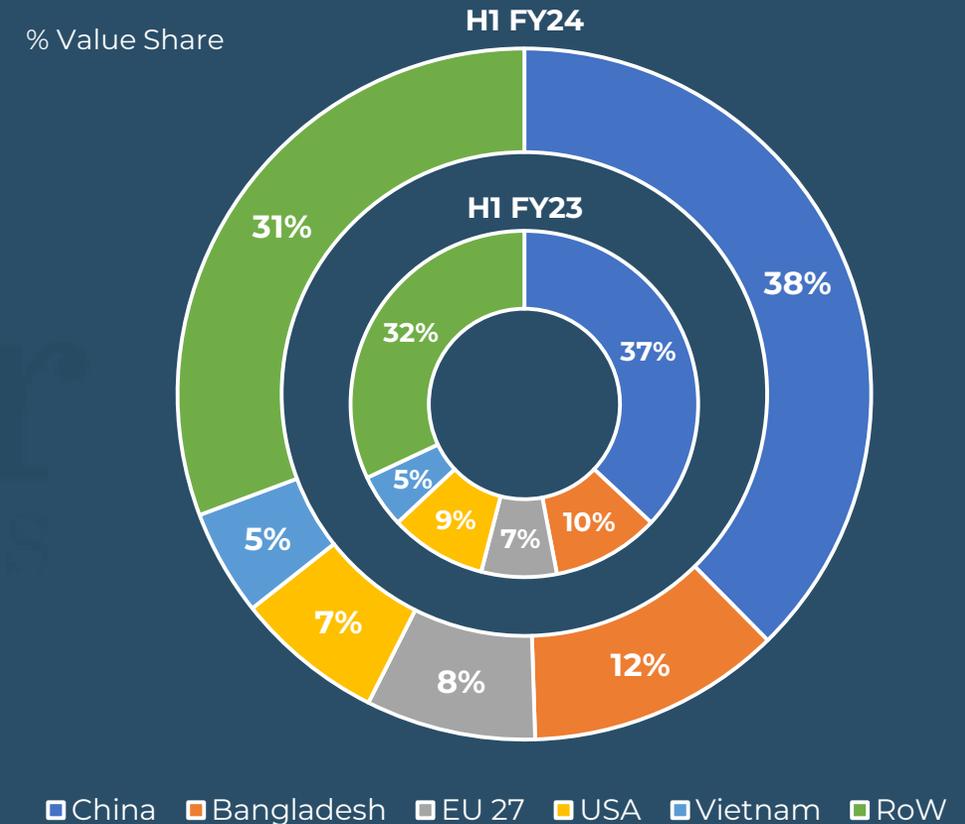
India's Textile & Apparel Imports (Values in US\$ Million)

Category	Q1 FY23	Q1 FY24	CAGR	Q2 FY23	Q2 FY24	CAGR	H1 FY23	H1 FY24	CAGR
Fibre	615	484	-21%	1,204	515	-57%	1,819	999	-45%
Filament	365	351	-4%	377	420	11%	742	771	4%
Yarn	226	112	-50%	199	167	-16%	425	279	-34%
Fabric	698	620	-11%	726	670	-8%	1,424	1290	-9%
Apparel	338	322	-5%	590	449	-24%	928	771	-17%
Home Textiles	68	59	-13%	88	89	1%	156	148	-5%
Others	241	231	-4%	249	241	-3%	490	472	-4%
Total	2,551	2,179	-15%	3,433	2,551	-26%	5,984	4,730	-21%

India's T&A imports have reduced by -21% in H1 FY24 when compared with H1 FY23

The filament imports have increased by 4% in H1 FY24 when compared with H1 FY23

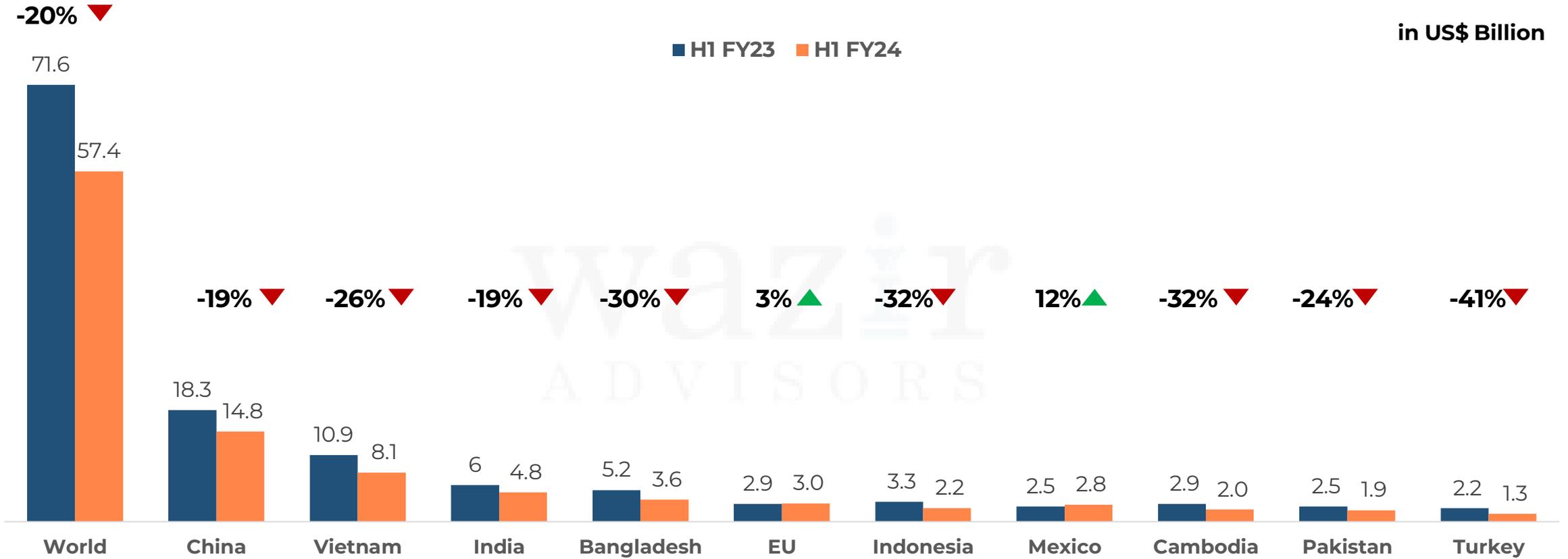
India's Top T&A Imports Partners



US T&A Import has Declined by -20% in H1 FY24

T&A Imports and Top Supplier Countries of US (Value-wise)

in US\$ Billion

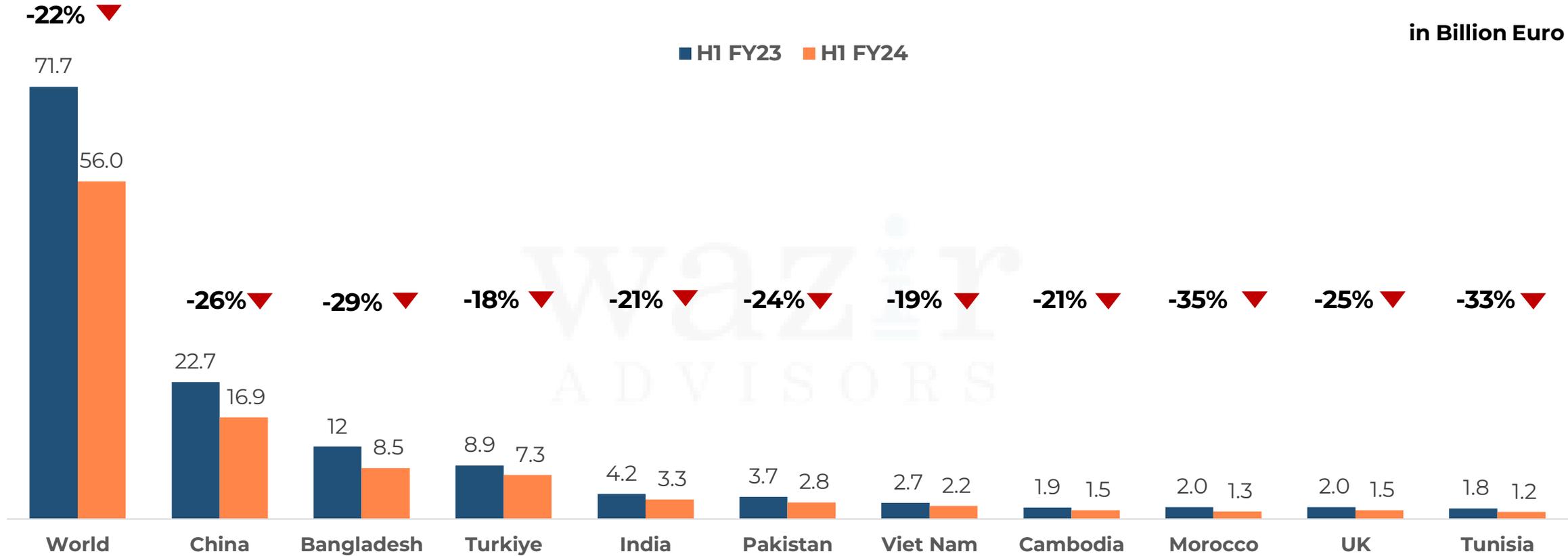


EU27 T&A Import has Declined by -22% in H1 FY24

T&A Imports and Top Supplier Countries of EU - 27 (Value-wise)

in Billion Euro

■ H1 FY23 ■ H1 FY24





Annexure

List of Companies Included as Part of the Financial Analysis

Top listed textile companies in terms of sales turnover in FY23 have been included for financial analysis.

S. No.	Company Name	Annual Sales FY23 (Rs Cr)
1	Vardhman Textiles	9,840
2	Arvind	7,722
3	Trident	6,267
4	Welspun Living Ltd.	5,654
5	KPR Mill	4,739
6	Indorama Synthetics	3,906
7	Filatex India	4,303
8	RSWM	3,788
9	Sutlej	3,039
10	Nahar Spinning Mills	2,797

Note: Companies exhibiting significant deviations in their numbers, have been excluded from the analysis

- Sales constitutes total operating income
- Standalone financials have been considered for analysis

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 components:
 - **WTI Sales** : Consolidated sales index of top ten companies
 - **WTI EBITDA** : Consolidated EBITDA index

Glossary

- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- FY – Financial Year
- FY23– April 2022 to March 2023
- FY24– April 2023 to March 2024
- GDP – Gross Domestic Product
- Q1 FY23 – April 2022 to June 2022
- Q1 FY24 – April 2023 to June 2023
- Q2 FY23 – July 2022 to September 2022
- Q2 FY24 – July 2023 to September 2023
- H1 FY23 – April 2022 to September 2022
- H1 FY24 – April 2023 to September 2023
- RM – Raw Material
- T&A – Textile & Apparel
- USA – United States of America
- UK – United Kingdom
- EU – European Union
- WTI – Wazir Textile Index
- YOY – Year on Year
- YTD – Year till date

Wazir Advisors: Your Trusted Advisor in Textile and Apparel Domain

Our Services

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- Corporate Strategy
- Market Opportunity Assessment
- Location Analysis
- New Factory Set- up
- Operations re-engineering
- Techno Commercial Due-Diligence

Business Transformation

- Defining Business Strategy
- Cost Transformation
- Revenue Enhancement
- Preferred Supplier Programme
- Business Process Re-engineering

Cross Border Alliances

- Market Assessment
- Market Feasibility
- Market Entry Models
- Partner/Target Screening & Shortlisting
- Partnership Structuring
- Implementation Support

Transaction Advisory Services

- Due Diligence
- Financial Modelling
- Deal Structuring
- Capital Raising
- Potential target Identification

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