

Q1 FY24

WAZIR TEXTILE INDEX

September 2023



Textile Sector Performance Update

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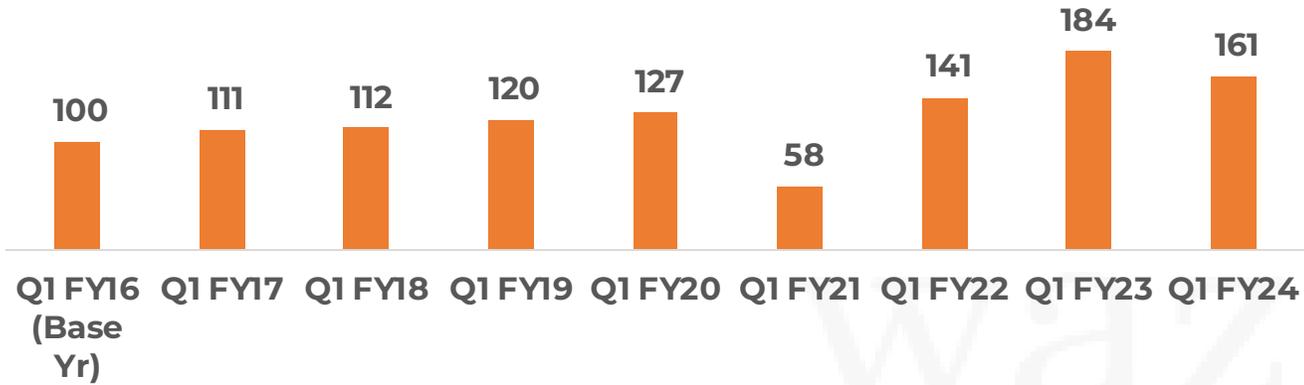
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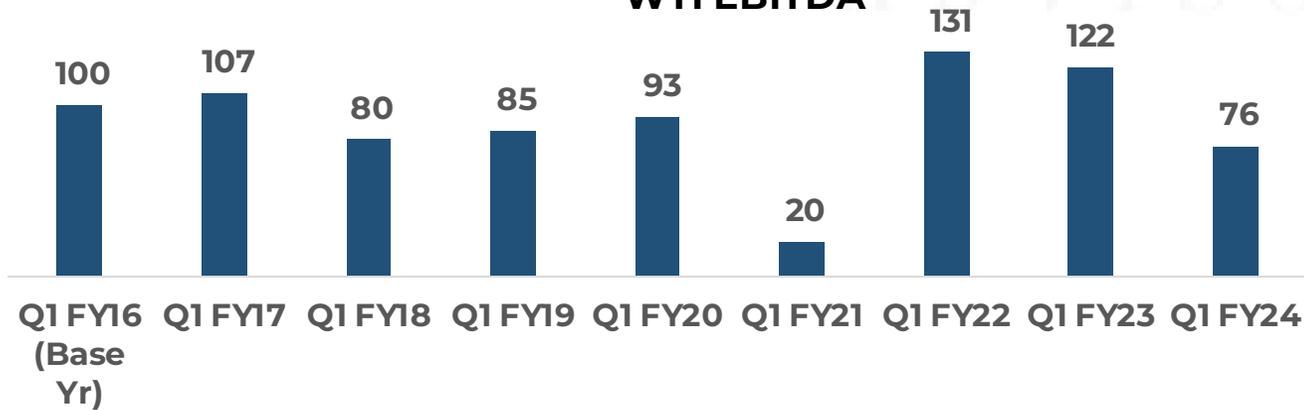
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Wazir Textile Index(WTI)

WTI Sales



WTI EBITDA



WTI Sales Index has reduced by -13% in Q1 FY24 compared to Q1 FY23.

WTI EBITDA Index has reduced by -38% in Q1 FY24 compared to Q1 FY23.

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



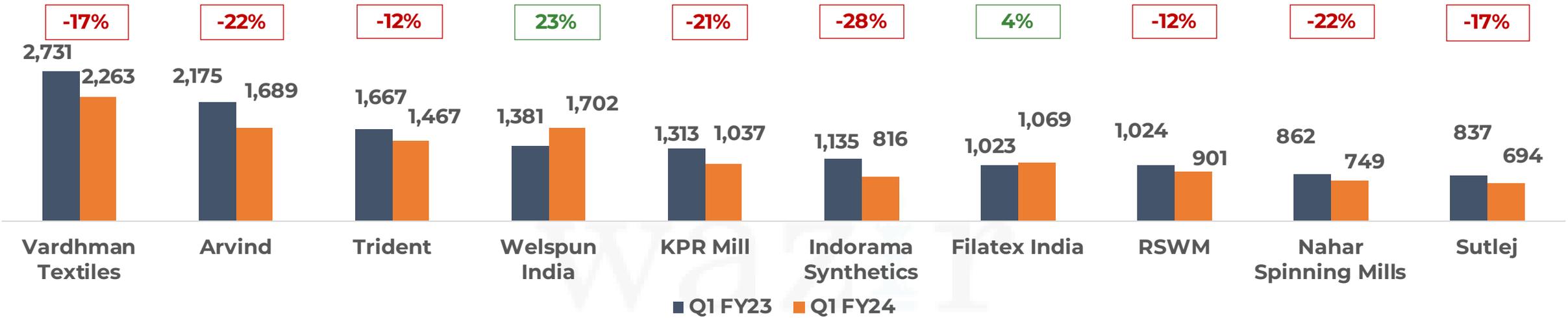
Financial Performance

Q1 FY24

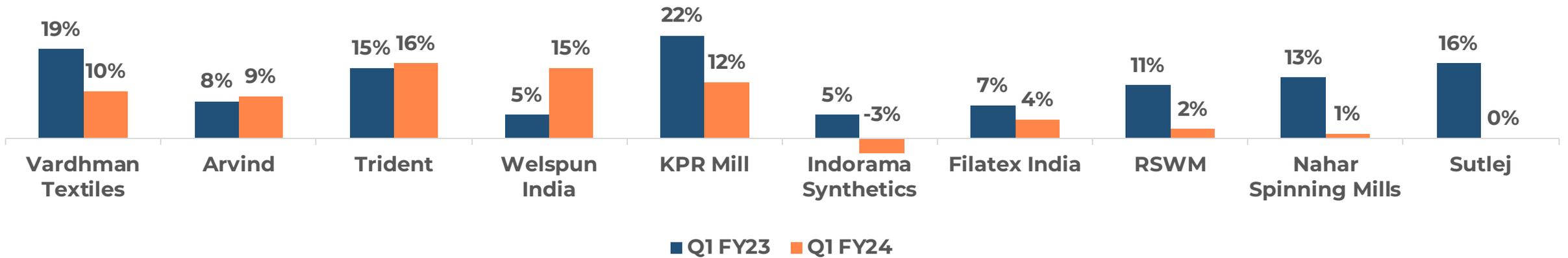
Q1 FY24 Analysis of Selected Top Players

Sales(in Rs Crore)

Growth %

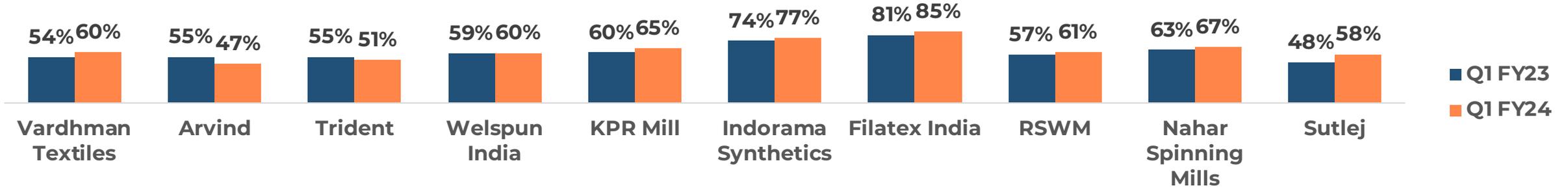


EBITDA Margin Trend

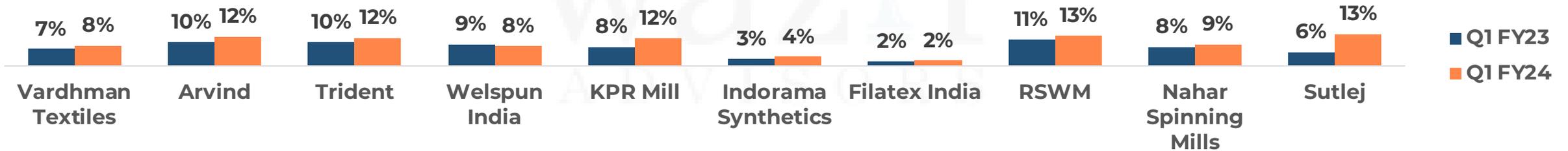


Q1 FY24 Analysis - Major Expenses as % of Sales

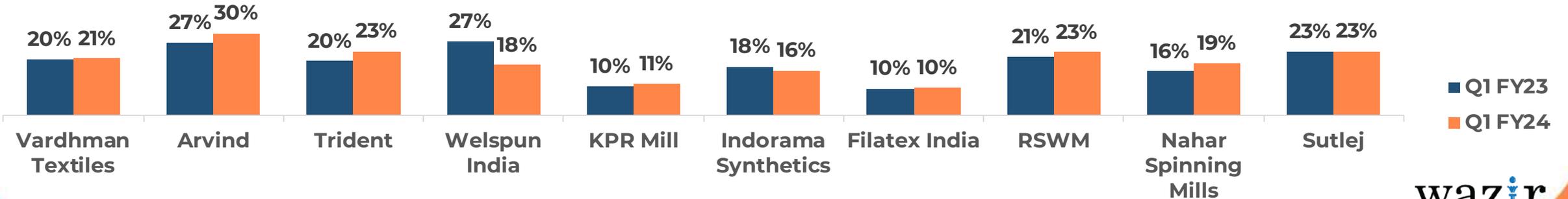
Raw Material Cost - % of Sales



Employee Cost - % of Sales

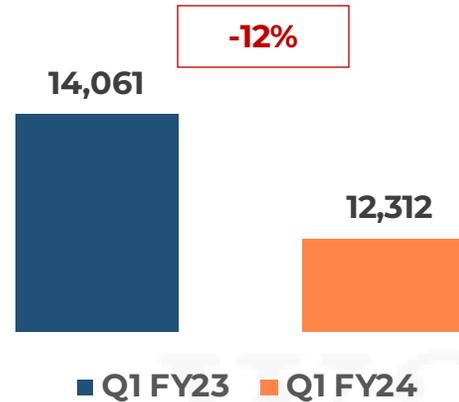


Other Costs - % of Sales

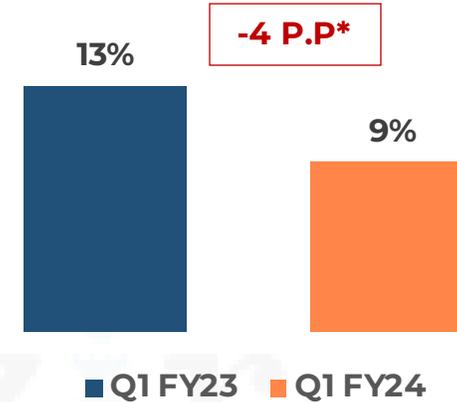


Consolidated Analysis for the Selected Top Players

Consolidated Sales (Rs. Crore)



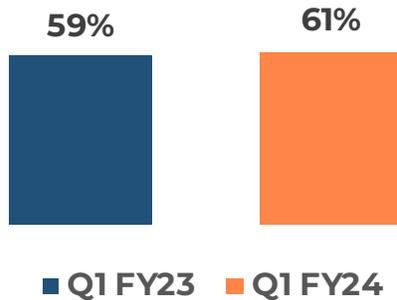
Average EBITDA %



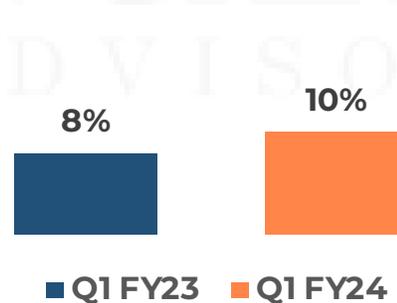
At consolidated level, sales have decreased by -12% in Q1 FY24 compared with Q1 FY23

Consolidated EBITDA margin decreased by -4 percentage points for the selected top companies in Q1 FY24 compared to Q1 FY23

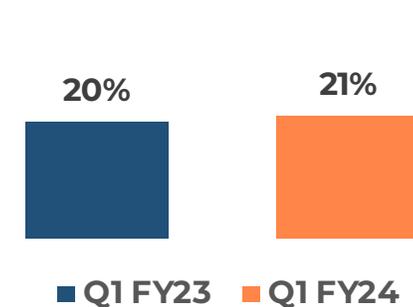
Average RM Cost - % of Sales



Average Employee Cost - % of Sales



Average Other Expenses - % of Sales



Average RM cost increased by 2 percentage points in Q1 FY24 as compared to Q1 FY23.

Average employee expenses increased by 2 percentage points in Q1 FY24 compared to Q1 FY23.

Other expenses increased by 1 percentage point in Q1 FY24 when compared to Q1 FY23.

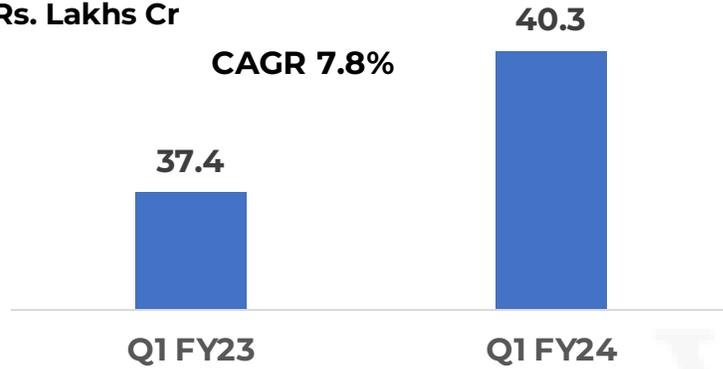


Market Update

Key Economic Indicators

India's GDP (at constant prices*)

Values in Rs. Lakhs Cr



Average IIP for textiles in Q1 FY24 has decreased by -3%, while that for apparel has decreased by -24% when compared with the values in Q1 FY23.

Average WPI in Q1 FY24 for textiles has decreased by -8% and that of apparel increased by 2% when compared to the values in Q1 FY23.

Index of Industrial Production (IIP*)



Wholesale Price Index (WPI*)



India's Overall T&A* Exports

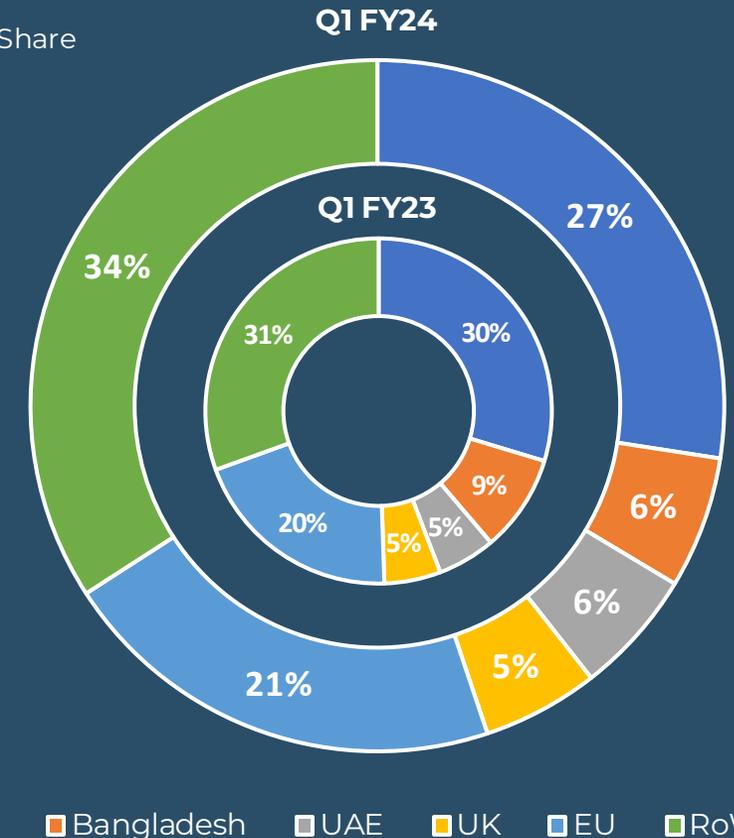
India's Textile & Apparel Exports (Values in US\$ Million)

Category	FY22	FY23	CAGR	Q1 FY23	Q1 FY24	CAGR
Fibre	4,014	1,571	-61%	582	423	-27%
Filament	1,480	981	-34%	1,133	754	-33%
Yarn	6,474	3,593	-44%	1,397	1,342	-4%
Fabric	5,898	5,309	-10%	1,284	1,011	-21%
Apparel	16,022	16,205	1%	4,493	3,699	-18%
Home Textiles	7,139	5,844	-18%	1,634	1,385	-15%
Others	2,408	2,161	-10%	209	151	-28%
Total	43,435	35,665	-18%	10,732	8,765	-18%

India's overall T&A exports has declined by -18% in Q1 FY24 compared to Q1 FY23, primarily as a result of overall demand slowdown in global markets. Higher decline is seen in filament and fibre exports.

India's Top T&A Export Markets

% Value Share



■ USA
 ■ Bangladesh
 ■ UAE
 ■ UK
 ■ EU
 ■ RoW

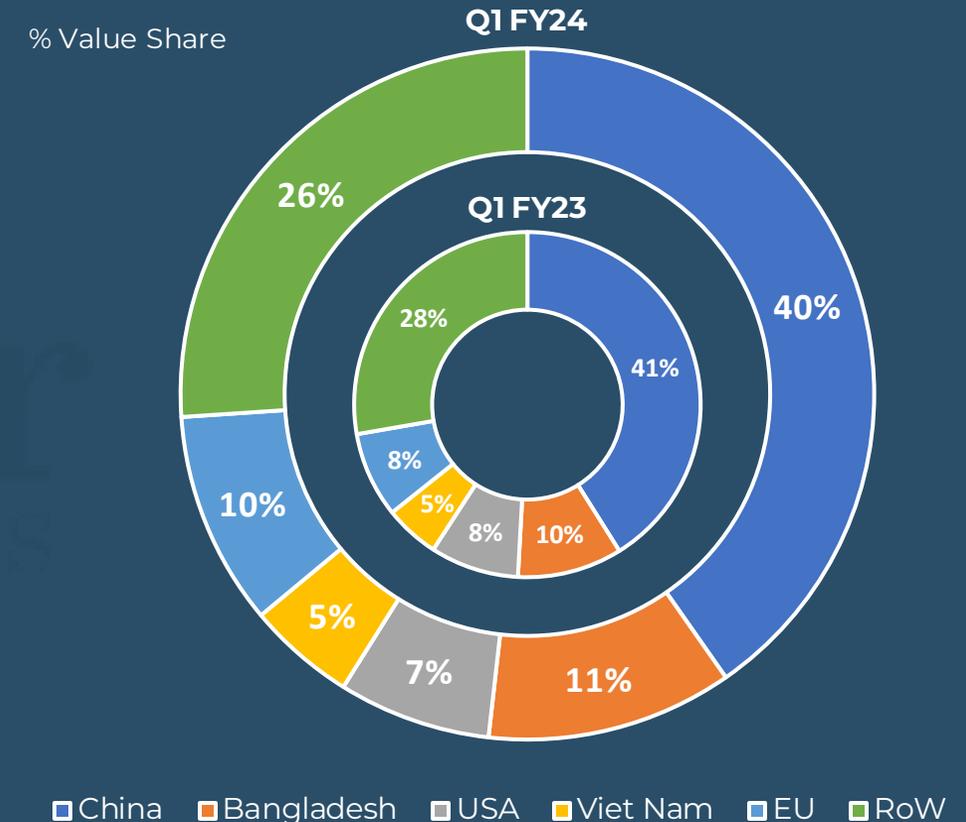
India's Overall T&A* Imports

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

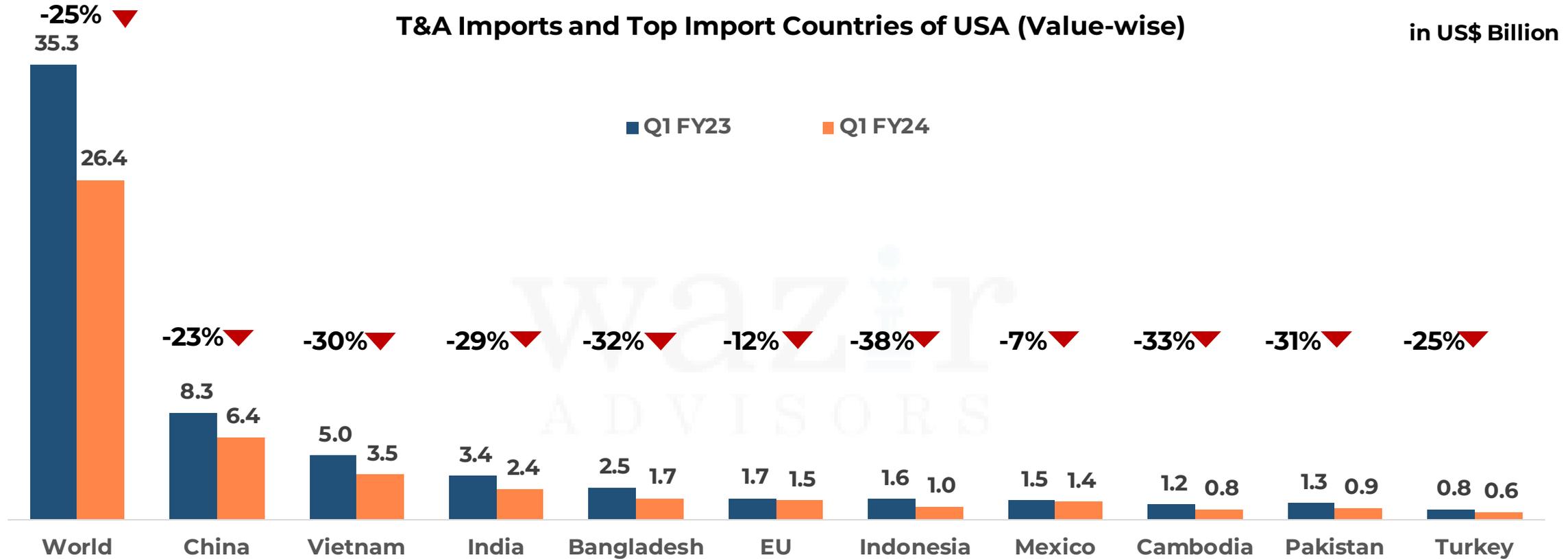
Category	FY22	FY23	CAGR	Q1 FY23	Q1 FY24	CAGR
Fibre	1,575	2,826	79%	614	484	-21%
Filament	1,199	1,501	25%	365	351	-4%
Yarn	575	686	19%	226	112	-50%
Fabric	2,542	2,642	4%	698	620	-11%
Apparel	1,265	1,770	40%	338	322	-5%
Home Textiles	241	289	20%	68	59	-14%
Others	951	942	-1%	237	231	-3%
Total	8,338	10,656	28%	2,546	2,179	-14%

India's T&A imports have reduced by -14% in Q1 FY24 when compared with Q1 FY23

India's Top T&A Imports Partners



US T&A Import has Declined by -25% in Q1 FY24

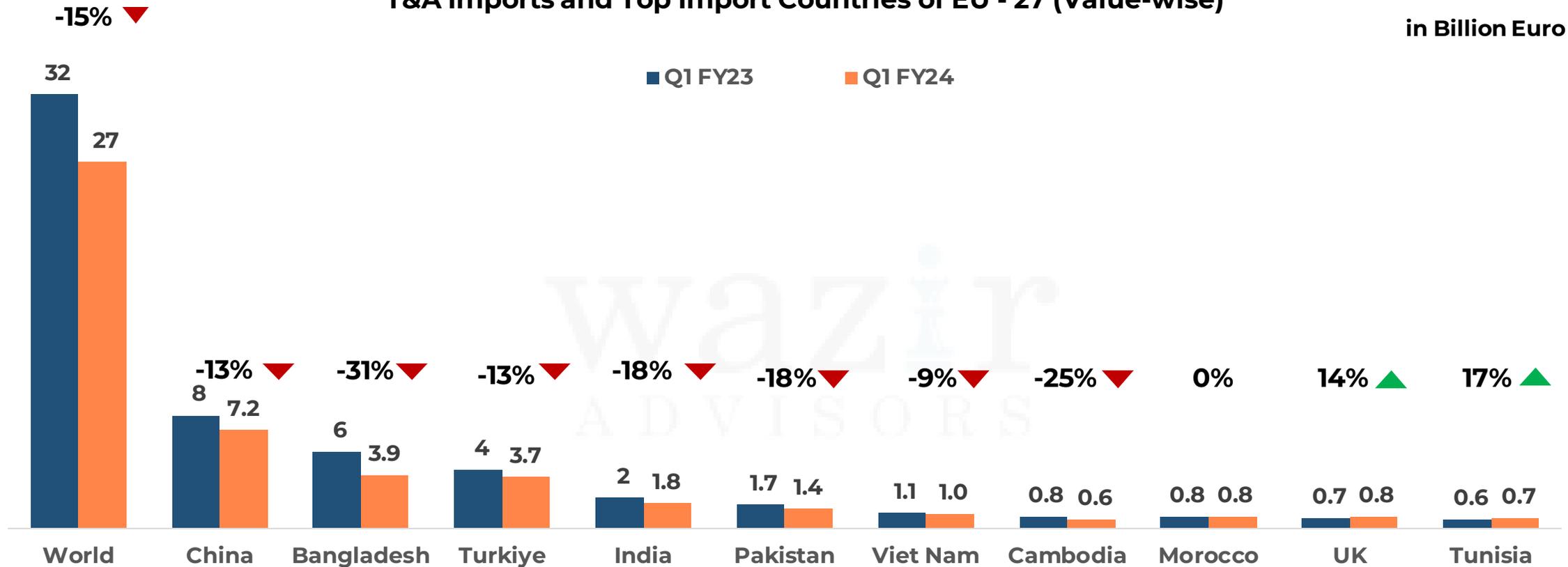


The T&A imports of USA has reduced in Q1 FY24 compared to Q1 FY23, mainly due to demand slowdown caused by inflation. All the major exporters to US have also experienced a dip in their values accordingly.

EU27 T&A Import has Declined by -15% in Q1 FY24

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

in Billion Euro



T&A imports of EU-27 has declined with demand slowdown in Q1 FY24. Most countries have experienced a dip in their exports to EU27, with Bangladesh having largest decline, while countries like UK and Tunisia have increased slightly.

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 India	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

- WTI – Wazir Textile Index
- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- FY – Financial Year
- GDP – Gross Domestic Product
- RM – Raw Material
- T&A – Textile & Apparel
- Q1 FY20 – April 2019 to June 2019
- Q1 FY21 – April 2020 to June 2020
- Q1 FY22 – April 2021 to June 2021
- Q1 FY23 – April 2022 to June 2022
- Q1 FY24 – April 2023 to June 2023
- FY20 – April 2019 to March 2020
- FY21 – April 2020 to March 2021
- FY22 – April 2021 to March 2022
- FY23 – April 2022 to March 2023
- USA – United States of America
- EU – European Union
- UK – United Kingdom
- QoQ – Quarter on Quarter
- YoY – Year on Year
- YTD – Year till date

Wazir Advisors: Your Trusted Advisor in Textile and Apparel Domain

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- 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

Textile Strategy

Varun Vaid
varun@wazir.in
+91 9899985979

B. Prakash
prakash@wazir.in
+91 9810866927

Textile Operations

Sanjay Arora
sanjay@wazir.in
+91 9971110566

Apparel Operations

Surender Jain
surender@wazir.in
+91 7042101333



www.linkedin.com/in/WazirAdvisors

Wazir Advisors Private Limited, 3rd Floor, Building No.115, Sector 44, Gurugram – 123
002, Haryana, India