



## Wazir Textile Index (Textile Sector Performance Update)



- Wazir Textile Index – Explanation
- Wazir Textile Index – FY17
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## Wazir Textile Index (WTI) : Explanation



- Wazir has developed an index (WTI) 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 will be benchmarked to this base number to assess quarterly (Q1), half yearly (H1), nine monthly (9M) and yearly performance (FY) for future 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, manpower & others

# List of companies included as part of financial analysis



**Top listed textile companies in terms of sales turnover in FY16 have been included for financial analysis**

<b>S.No</b>	<b>Company Name</b>	<b>Annual Sales* - FY16 (Rs Cr)</b>
<b>1</b>	<b>Vardhman Textiles</b>	5,661
<b>2</b>	<b>Arvind</b>	5,365
<b>3</b>	<b>Welspun India</b>	4,868
<b>4</b>	<b>Trident</b>	3,706
<b>5</b>	<b>JBF Industries</b>	3,621
<b>6</b>	<b>SRF</b>	3,647
<b>7</b>	<b>RSWM</b>	2,969
<b>8</b>	<b>Raymond</b>	2,811
<b>9</b>	<b>Indo Rama Synthetics (India)</b>	2,536
<b>10</b>	<b>Sutlej Industries</b>	2,271

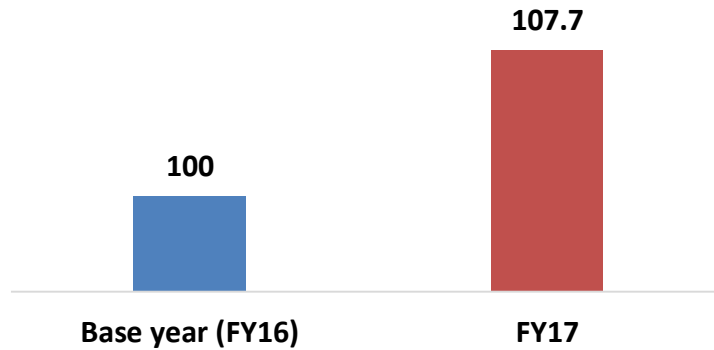
Note: Companies that have shown significant negative deviation in numbers or those which have not yet reported the financials have not been included in the overall analysis

## Wazir Textile Index (WTI) – FY17

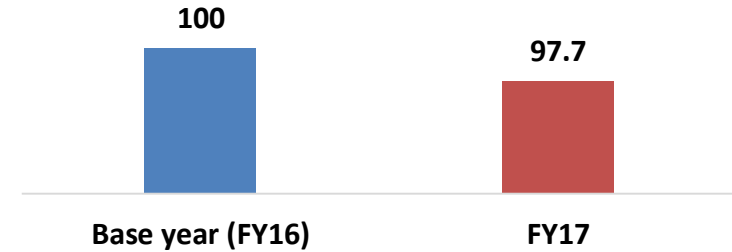
# Wazir Textile Index (WTI) - FY17



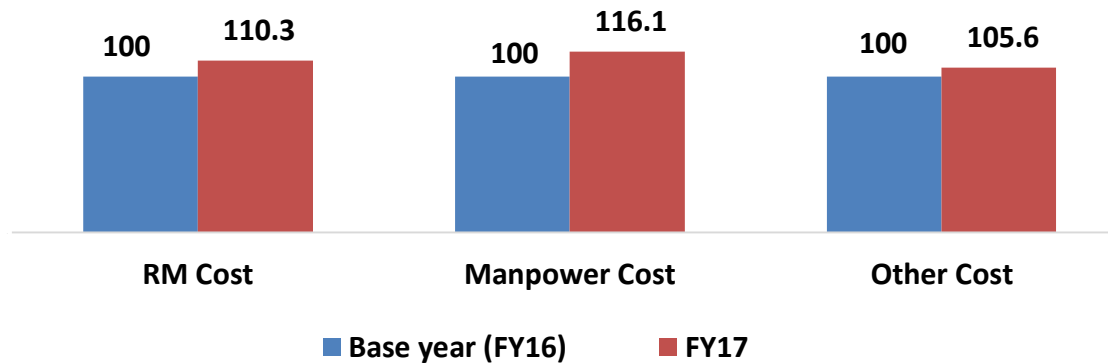
### WTI Sales



### WTI EBITDA



### WTI Cost

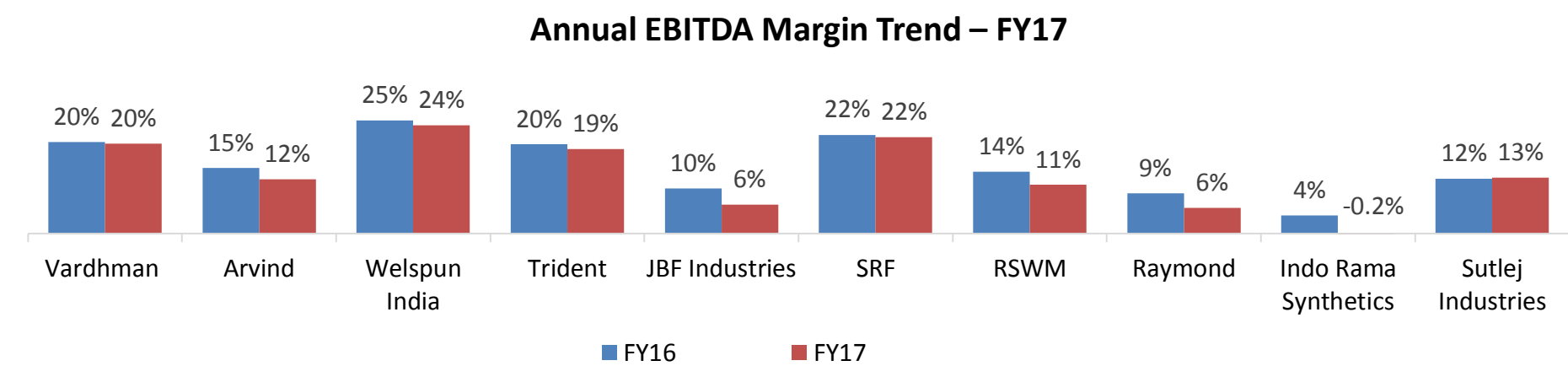
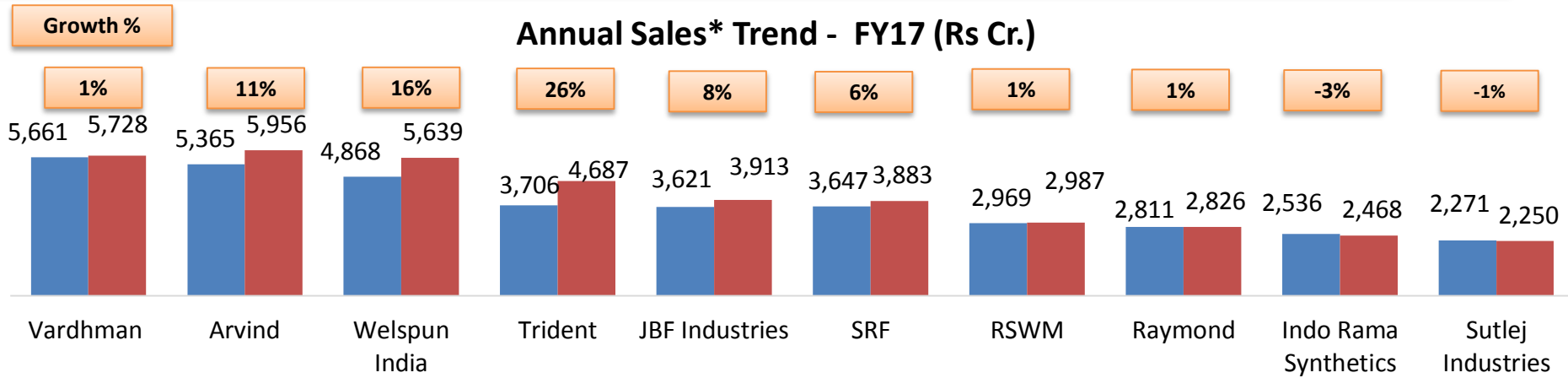


In FY17, Sales has increased by 7.7%, while EBITDA decreased by 2.3%  
EBITDA decreased due to high Impact of manpower cost and RM cost increase

## Annual Financial Performance – FY17



# Overall sales has increased while EBITDA margins have declined in FY17

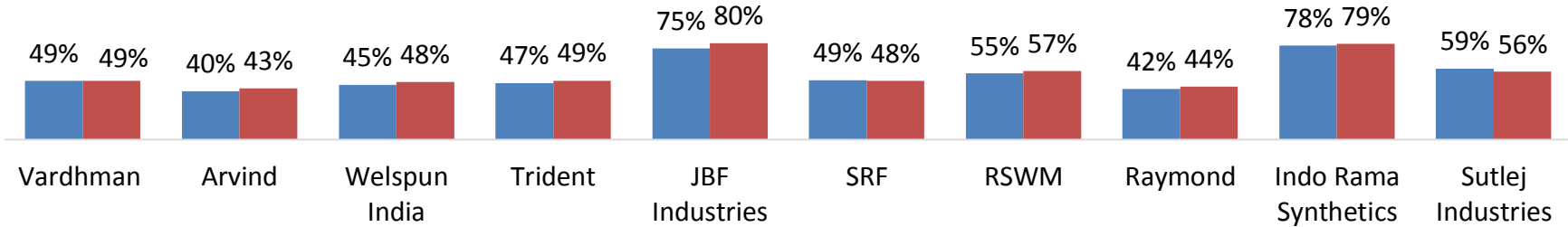


- Trident has shown the highest revenue growth rate of 26% while revenue of Indo Rama Synthetics and Sutlej Industries declined by 3% and 1%, respectively.
- Except Sutlej Industries, all the other top companies have shown decline in their EBITDA margins.

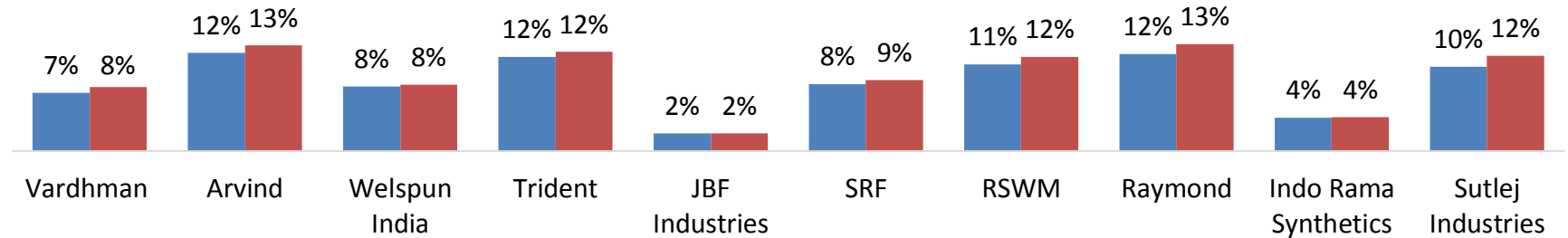
# Annual analysis – Major expenses as % of sales



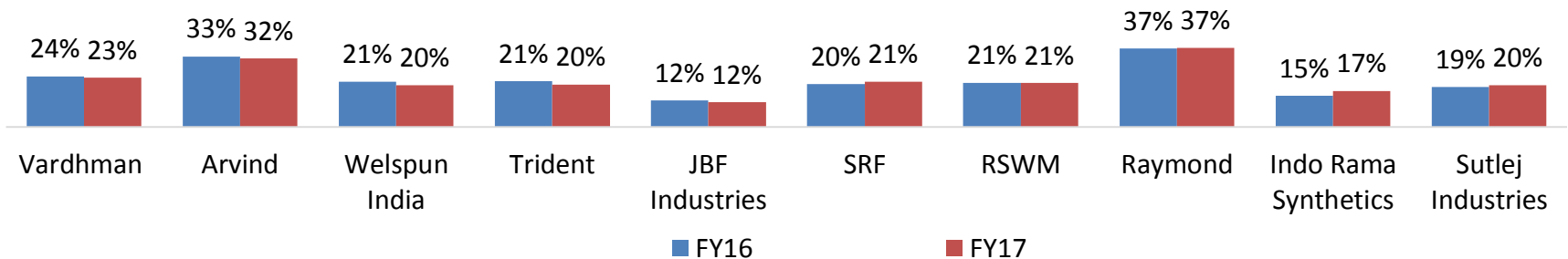
## Raw Material Cost– % of sales



## Man Power Cost– % of sales



## Other Costs – % of sales



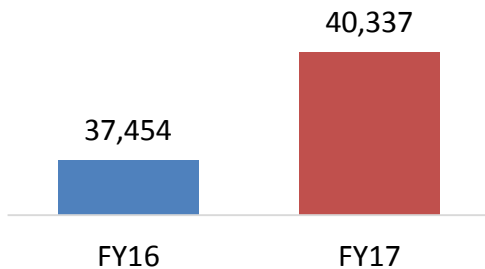
■ FY16

■ FY17

# Consolidated analysis for the selected top players



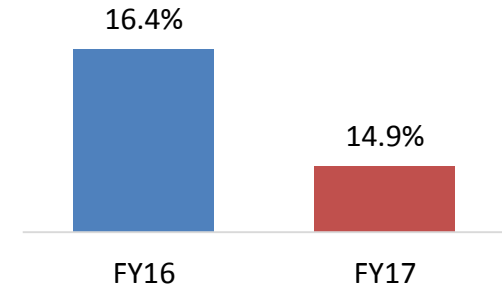
## Consolidated Sales – Rs. Cr



On consolidated level, Sales have increased by 7.7% in FY17 as compared to FY16

Consolidated EBITDA margin decreased by 1.6 percentage points for the selected top companies

## Average EBITDA %

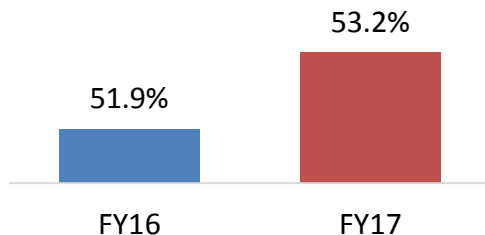


Average raw material cost have increased along with increase in raw material prices.

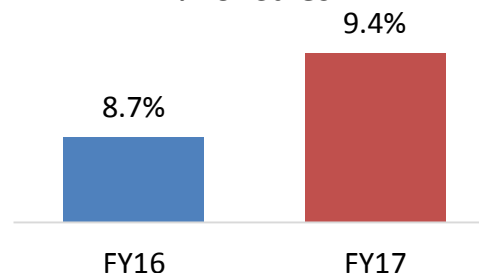
Average manpower cost have increased along with increase in labour wages.

Other expenses have decreased marginally

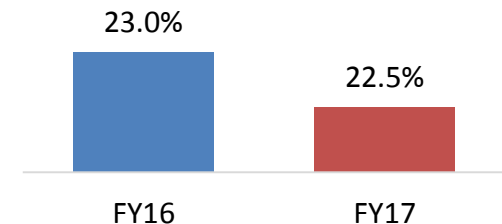
## Average RM Cost - % of Sales



## Average Manpower Cost - % of Sales



## Average Other Expenses - % of Sales

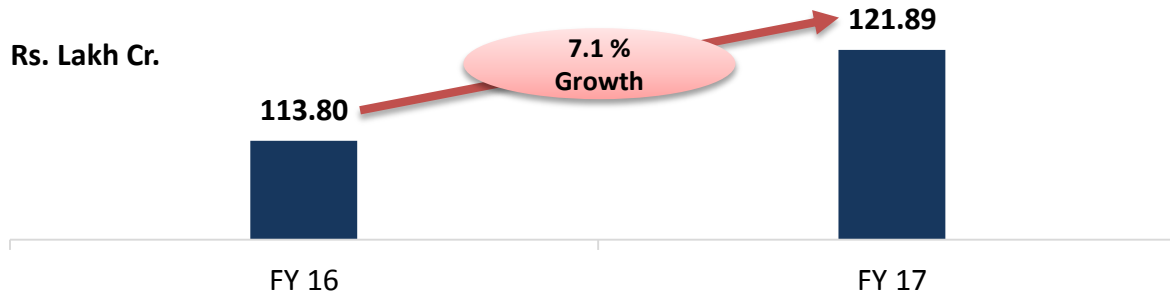


## Market Update

# Key Economic Indicators

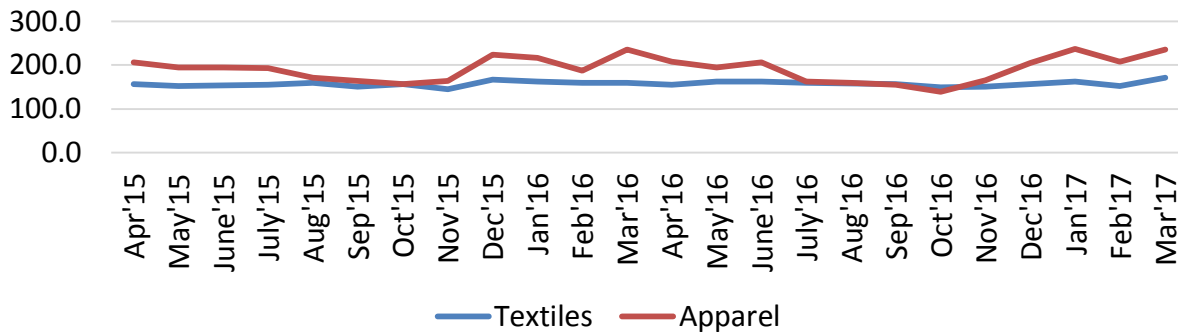


### India's FY17 GDP (at constant prices\*)



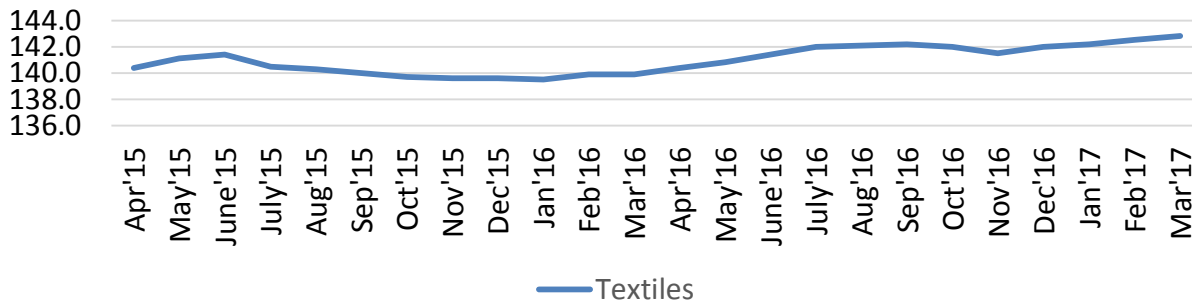
India's real GDP has grown by 7.1% in FY17

### Index of Industrial Production (IIP)



Average IIP for textiles has grown by 1% while IIP for apparel has declined by 1% in FY17 compared to FY16

### Wholesale price index (WPI)



WPI for textiles has shown an increase of 1% in FY17

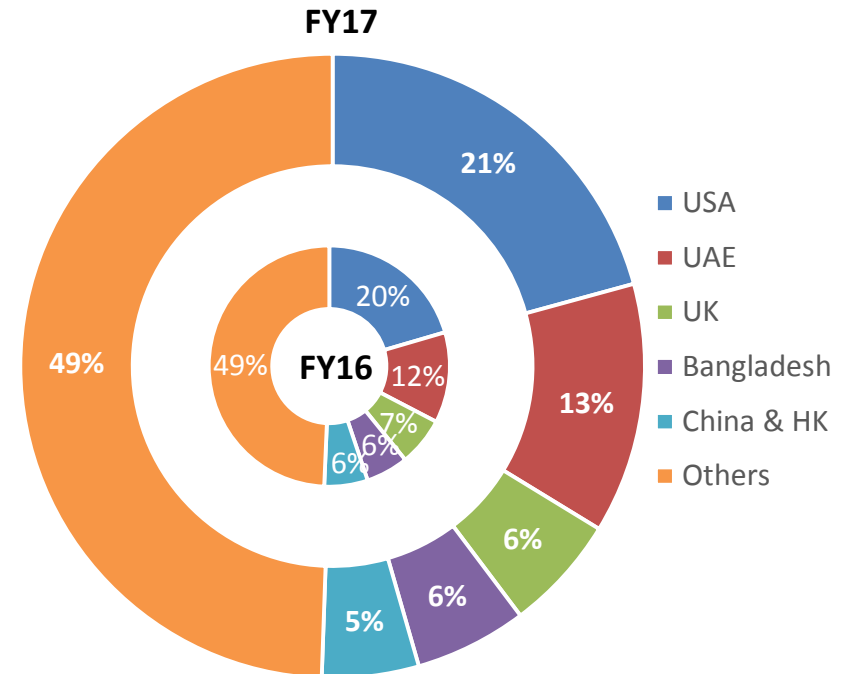
# India's T&A\* exports have decreased by 0.2% in FY17



## India's Textile and Apparel Exports (In US\$ mn.)

Categories	2015-16	2016-17	% Change
Fibre	2,748	2,516	-8%
Filament Yarn	1,015	1,111	9%
Spun Yarn	4,363	4,148	-5%
Fabric	4,793	4,532	-5%
Apparel	16,990	17,479	3%
Home Textiles	5,068	5,139	1%
Others	1,751	1,715	-2%
<b>Grand Total</b>	<b>36,728</b>	<b>36,640</b>	<b>-0.2%</b>

## India's T&A Top Export Markets (% value share)



- Export of filaments yarn, apparel and home textile categories have grown in FY17
- Exports of fibre, spun yarn, fabric and others have declined. Highest fall was observed in exports of fibre.
- Exports of both yarn and fabric categories fell by 5% each between FY16 & FY17
- USA and UAE are the two largest export markets with a cumulative share of ~34% (rise of 2% over last year)

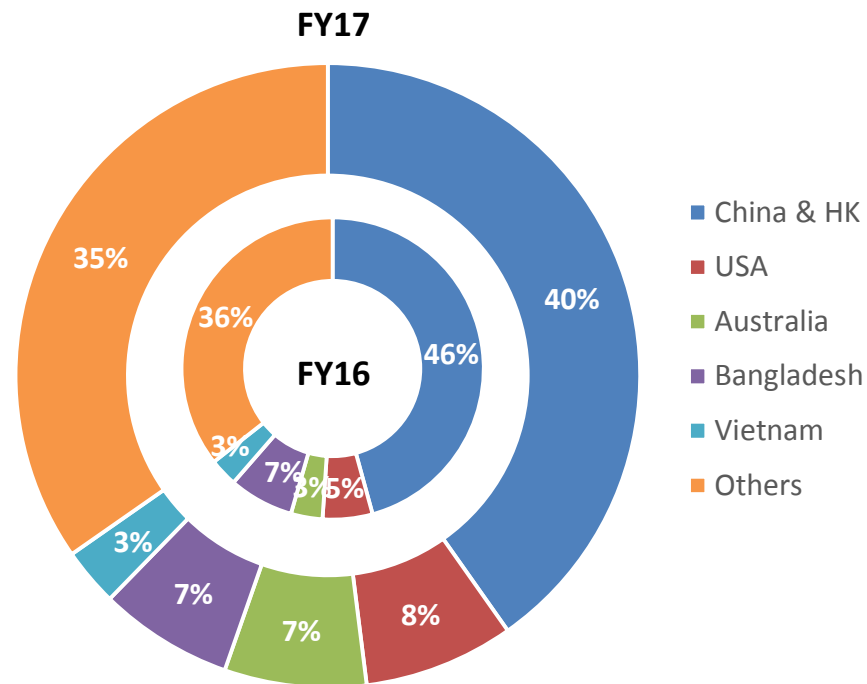
# India's T&A imports have increased by 3% in FY17



## India's Textile & Apparel Imports (In US\$ mn.)

Categories	2015-16	2016-17	% Change
Fibre	1,367	1,920	41%
Filament	552	553	0.1%
Yarn	448	332	-26.0%
Fabric	1,995	1,835	-8.0%
Apparel	580	596	2.6%
Home Textiles	339	260	-23.3%
Others	583	551	-5.5%
<b>Grand Total</b>	<b>5,865</b>	<b>6,046</b>	<b>3.1%</b>

## India's T&A Top Import Markets (% value share)

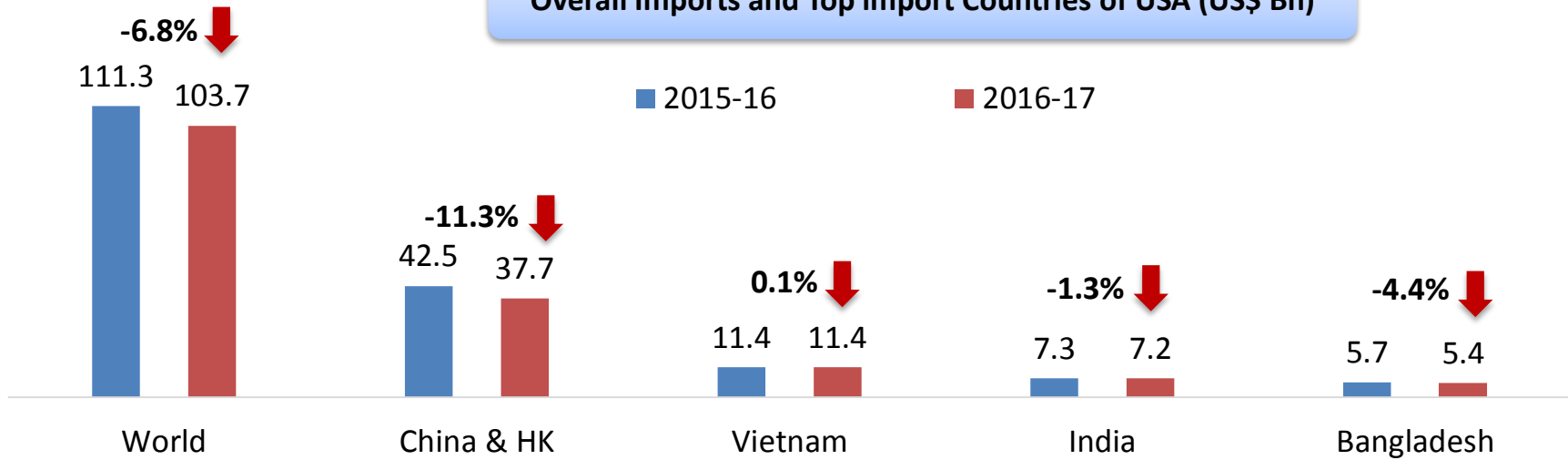


- Imports growth in FY17 was primarily attributed to a tremendous increase in fibre imports by 41% over FY16. However, imports of other major categories yarn, home textiles & fabric declined significantly
- China continues to be the largest import partner for India, however its share in total imports fell by 6%
- Import share of Australia has increased significantly from 3% to 7% in FY17 due to an unprecedented 845% growth in cotton fibre imports.

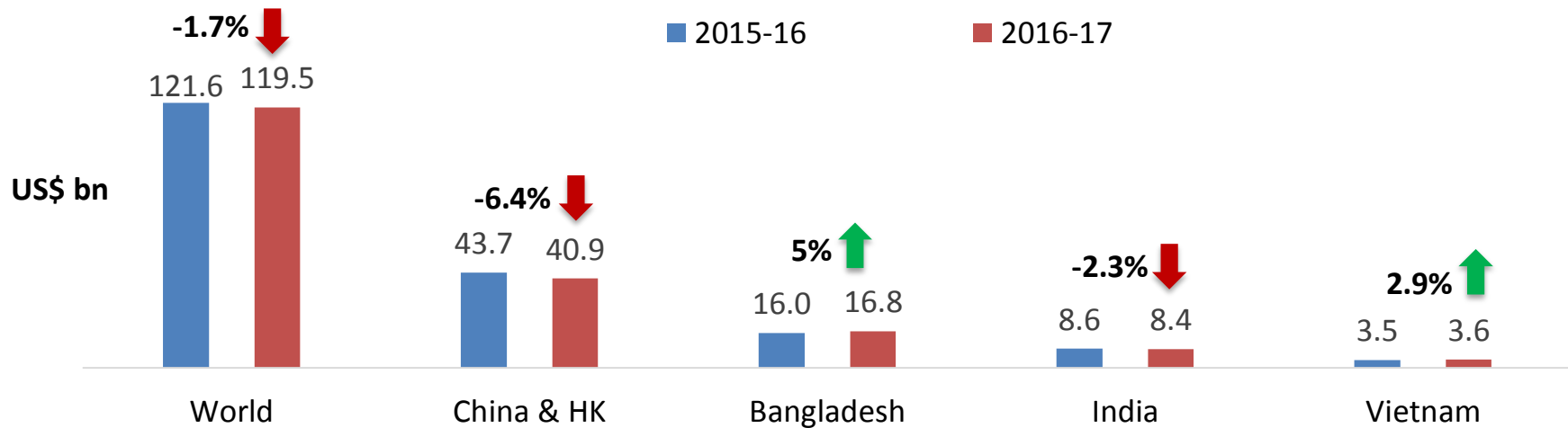
# T&A imports of US and EU has declined in FY17



Overall Imports and Top import Countries of USA (US\$ Bn)



Overall Imports and Top import Countries of EU-28\* (US\$ Bn)

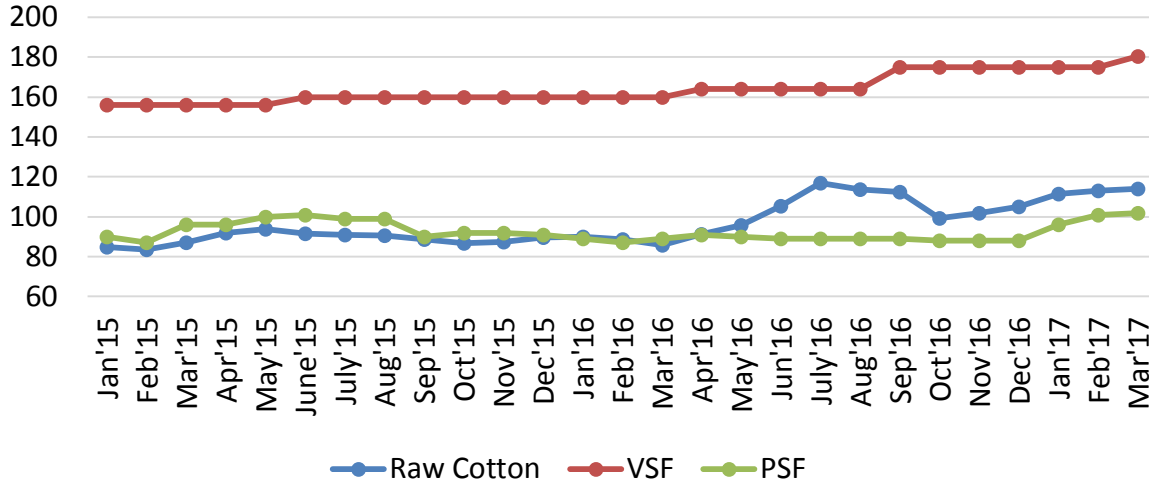




# Raw material prices have increased over the last year



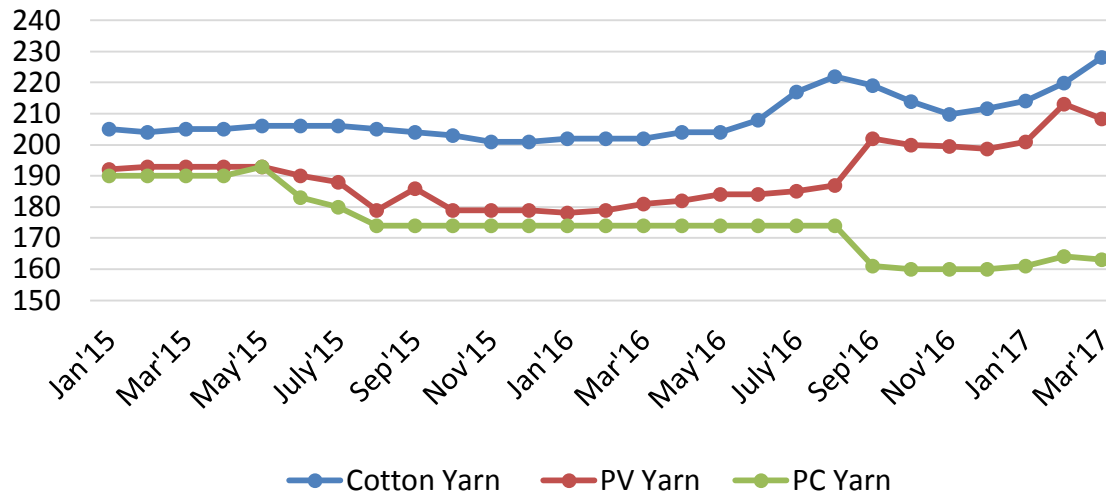
## Fibre Prices Rs./Kg



Average price change in FY17 as compared to FY16

- 19% increase in raw cotton
- 7% increase in VSF
- 2% decrease in PSF

## Yarn Prices Rs./Kg

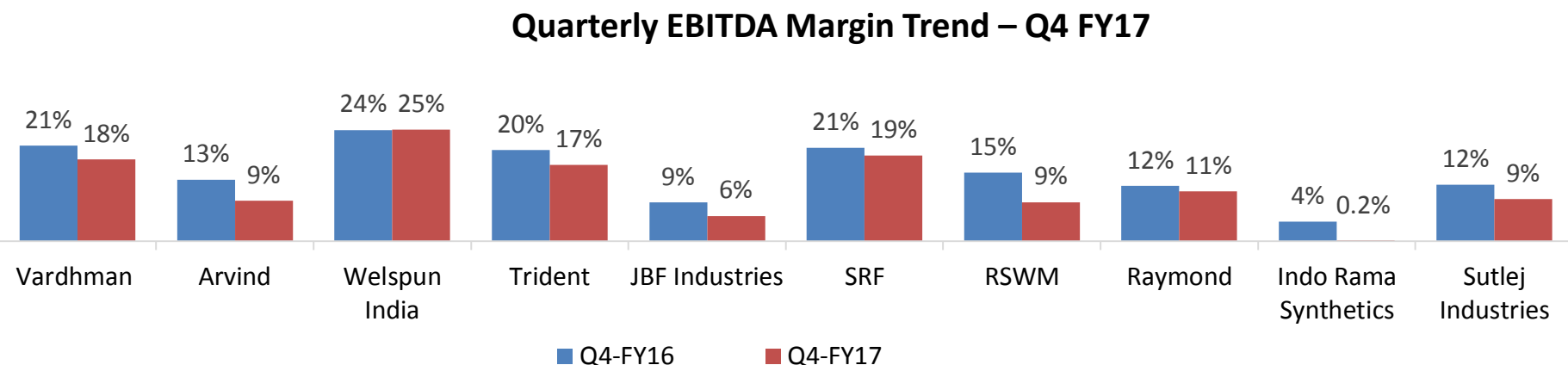
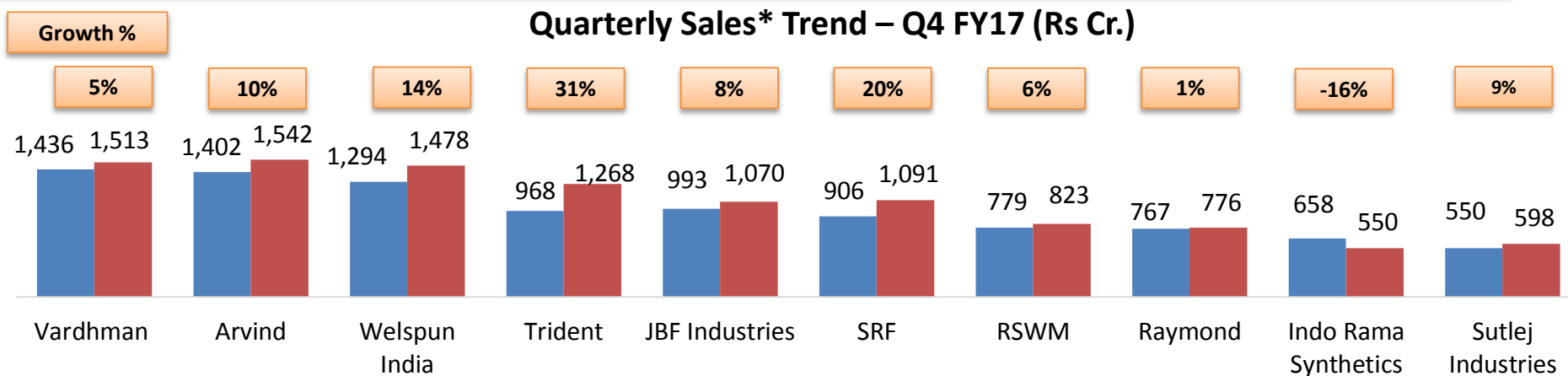


Average price change in FY17 as compared to FY16

- 5% increase in cotton yarn
- 6% increase in PV yarn
- 7% decrease in PC yarn

**Annexure :**  
**Quarterly Financial Performance – Q4 FY17**

# Overall revenue has increased while EBITDA margin has declined in Q4 FY17

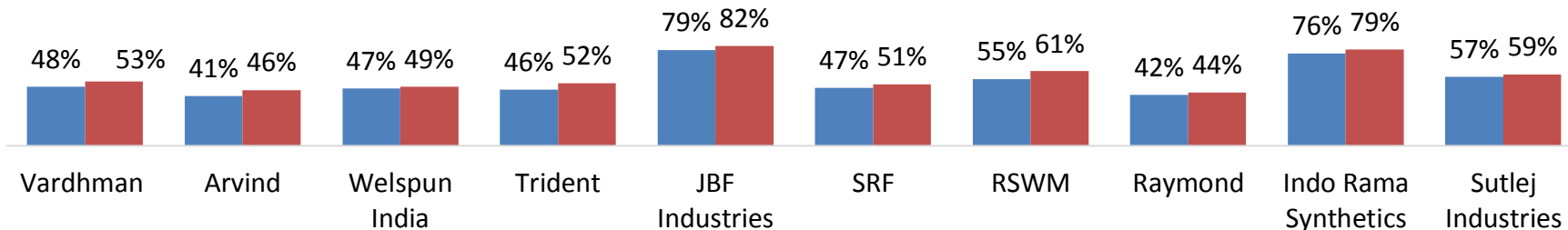


- Trident has shown the highest sales growth rate of 31% over the last years Q4, while Indo Rama Synthetics witnessed the highest decline, falling 16% over the same period.
- Except Welspun India, all other top companies have shown decline in their EBITDA margins in Q4 FY17.

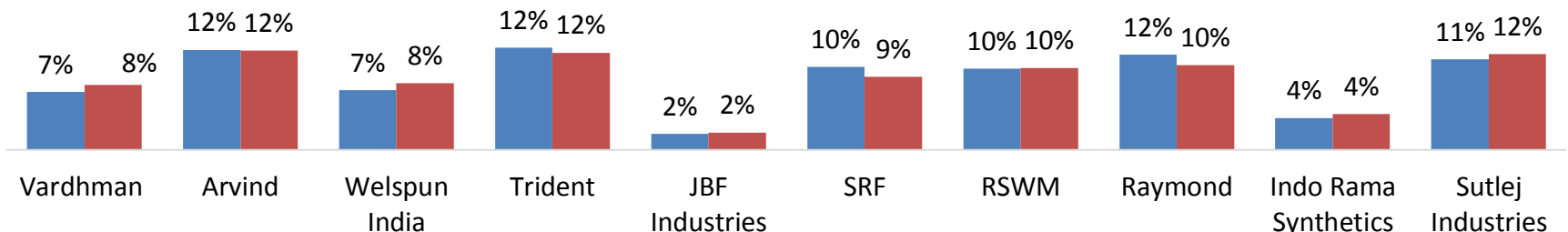
# Quarterly analysis – Major expenses as % of sales



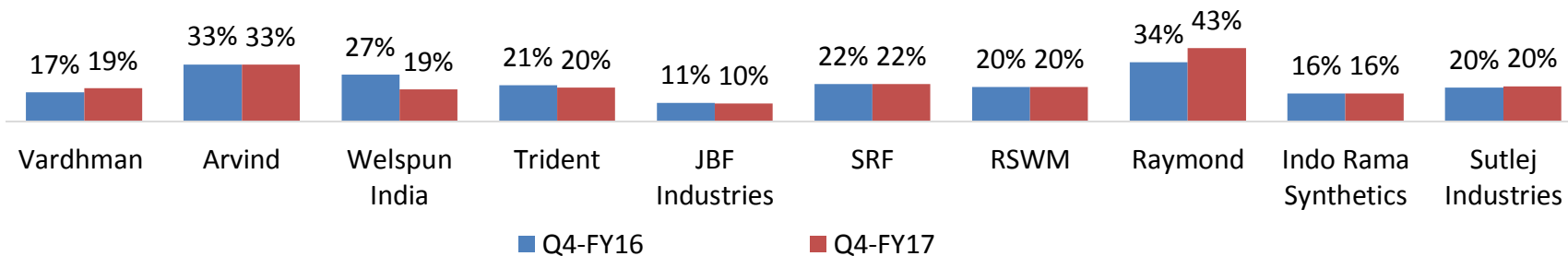
## Raw Material Cost– % of sales



## Man Power Cost– % of sales



## Other Costs – % of sales



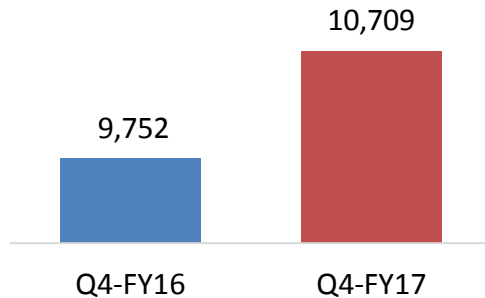
■ Q4-FY16

■ Q4-FY17

# Consolidated analysis for the selected top players



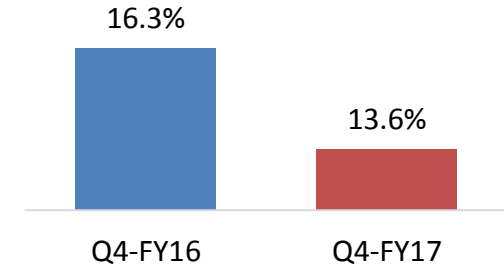
## Consolidated Sales – Rs. Cr



On consolidated level, Sales have increased by 10% in Q4 FY17 as compared to Q4 FY16

Consolidated EBITDA margin decreased by 2.7 percentage points for the selected top companies

## Average EBITDA %

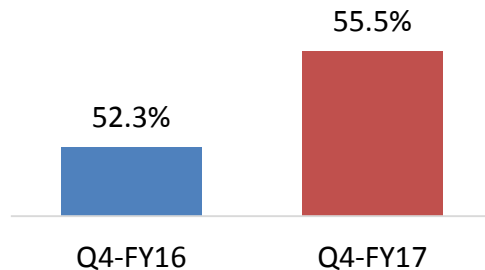


Average raw material cost have increased along with increase in raw material prices.

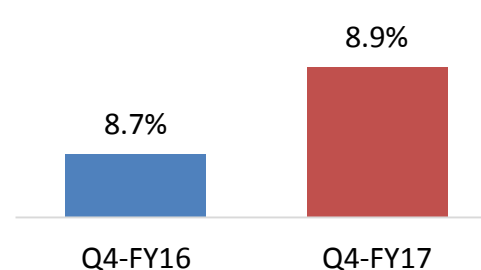
Average manpower cost have increased because of increase in labour wages.

Other expenses decreased in Q4 FY17

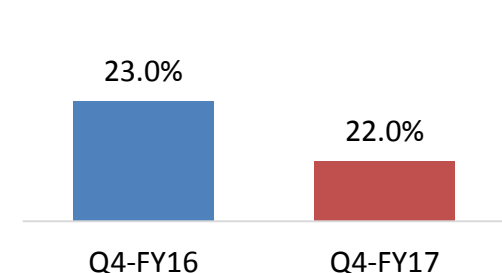
## Average RM Cost - % of Sales



## Average Manpower Cost - % of Sales



## Average Other Expenses - % of Sales





- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- FY 17 – April 2016 to March 2017
- FY 16 – April 2015 to March 2016
- GDP – Gross Domestic Product
- HK – Hong Kong
- Q4 FY 17 – January 2017 to March 2017
- Q4 FY 16 – January 2016 to March 2016
- PV – Polyester Viscose
- PC – Polyester Cotton
- PSF – Polyester Staple Fibre
- RM – Raw Material
- T&A – Textile & Apparel
- US – United States of America
- UK – United Kingdom
- VSF – Viscose Staple Fibre
- WTI – Wazir Textile Index
- YOY – Year on Year

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