



Wazir Textile Index (Textile Sector Performance Update)





- Wazir Textile Index – Q1 FY18
- Quarterly Financial Performance – Q1 FY18
- Market Update
 - Key Economic Indicators
 - Export – Import Trend
 - Raw Material Price Trend
- Annexure: Wazir Textile Index – Explanation

Wazir Textile Index (WTI) – Q1 FY18

List of companies included as part of financial analysis



Top listed textile companies in terms of sales turnover in FY17 have been included for financial analysis

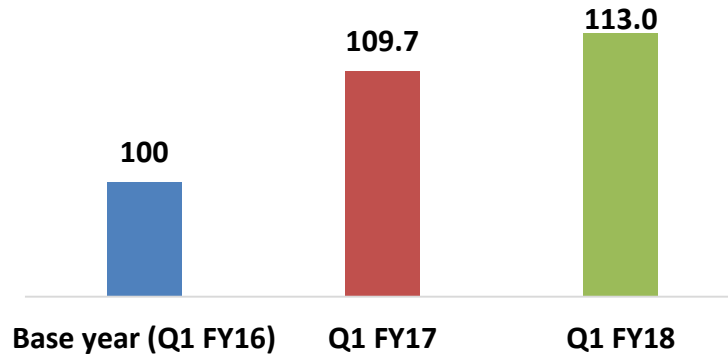
S.No	Company Name	Annual Sales* - FY17 (Rs Cr)
1	Arvind	5,956
2	Vardhman	5,728
3	Welspun India	5,639
4	Trident	4,687
5	JBF Industries	3,913
6	SRF	3,883
7	RSWM	2,987
8	Raymond	2,826
9	Indo Rama Synthetics (India)	2,468
10	Sutlej Industries	2,250

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

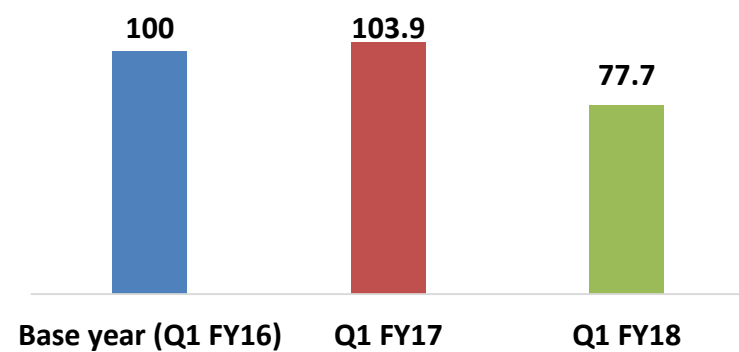
Wazir Textile Index (WTI) – Q1 FY18



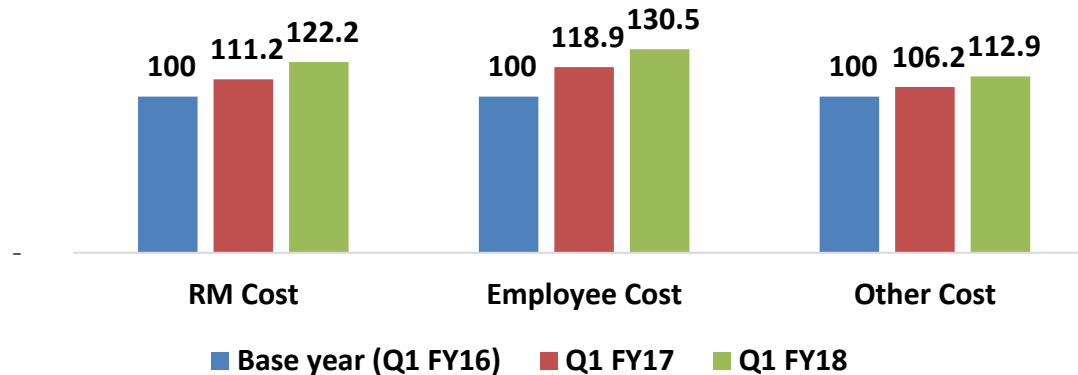
WTI Sales



WTI EBITDA



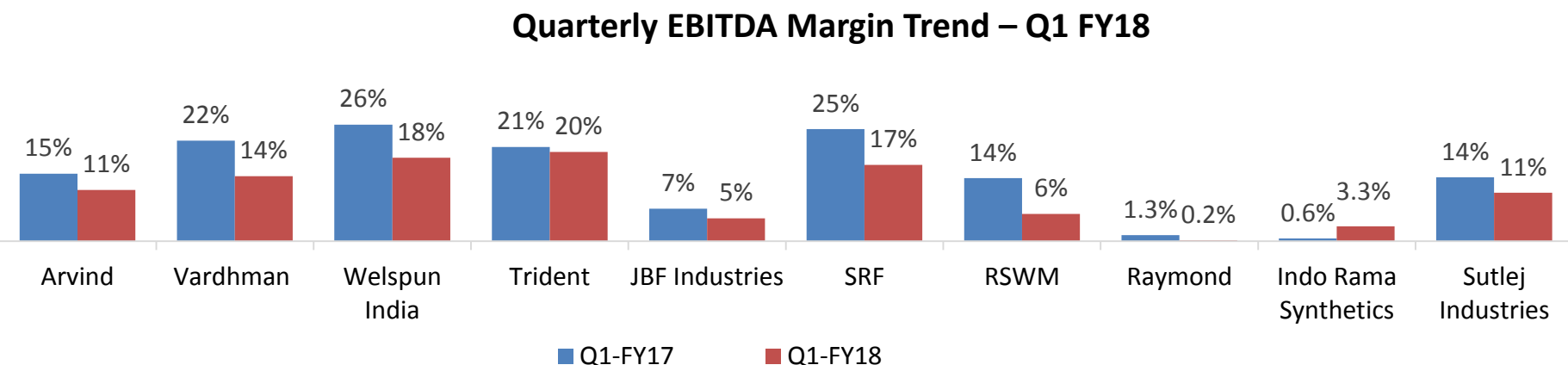
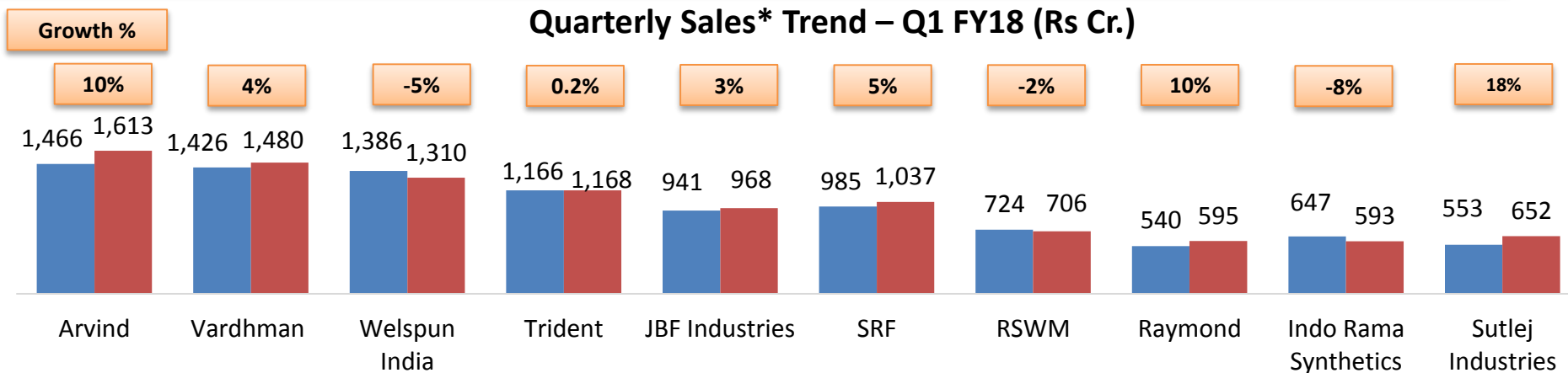
WTI Cost



- In Q1 FY18, overall sales increased by 3% compared to Q1 FY17, while EBITDA decreased significantly by 25%.
- EBITDA decreased due to high Impact of employee cost and RM cost increase.

Quarterly Financial Performance – Q1 FY18

Overall revenue has increased while EBITDA margin has declined in Q1 FY18

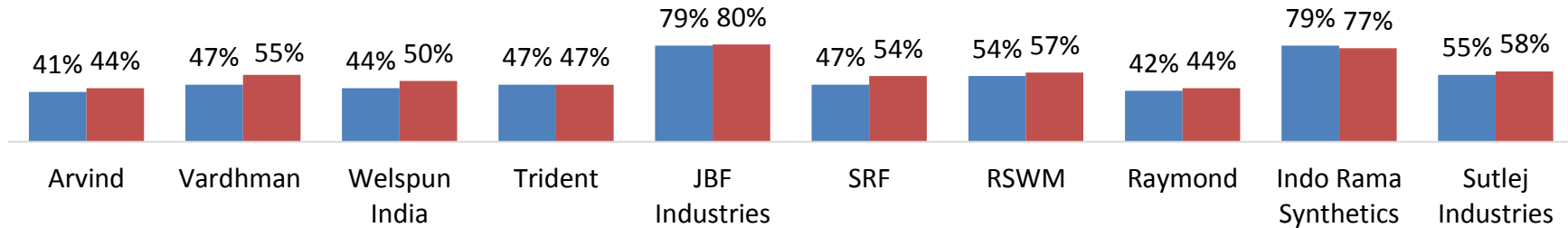


- Sutlej Industries has shown the highest sales growth rate of 18% over the last years Q1, while Indo Rama Synthetics witnessed the highest decline, falling 8% over the same period.
- Except Indo Rama Synthetics, all other top companies have shown decline in their EBITDA margins in Q1 FY18.

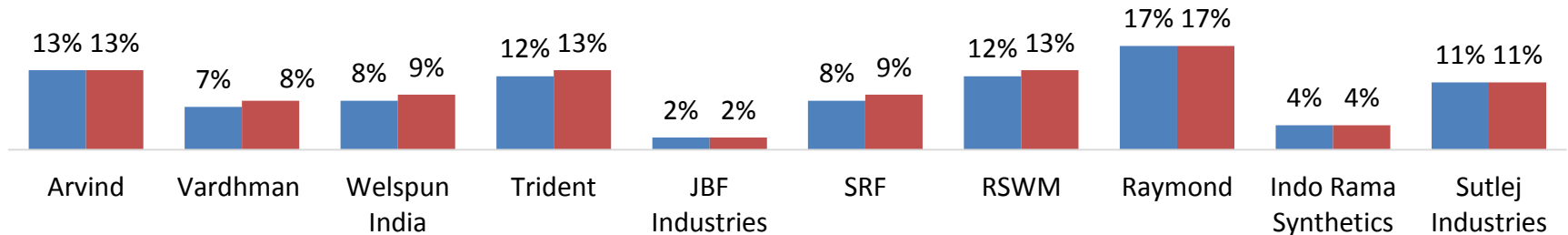
Quarterly analysis – Major expenses as % of sales



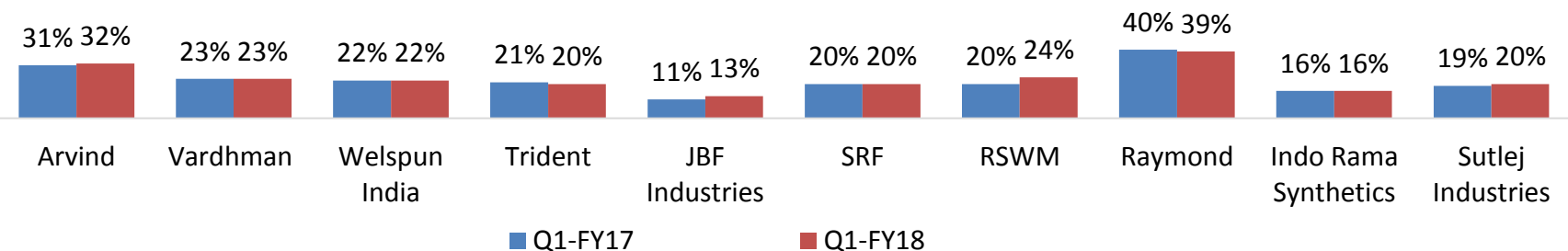
Raw Material Cost– % of sales



Employee Cost– % of sales



Other Costs – % of sales

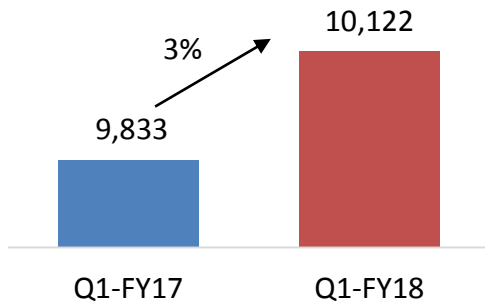


■ Q1-FY17 ■ Q1-FY18

Consolidated analysis for the selected top players



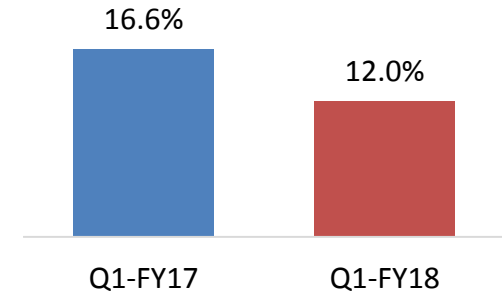
Consolidated Sales – Rs. Cr



On consolidated level, Sales have increased by 3% in Q1 FY18 as compared to Q1 FY17

Consolidated EBITDA margin decreased by 4.6 percentage points for the selected top companies

Average EBITDA %

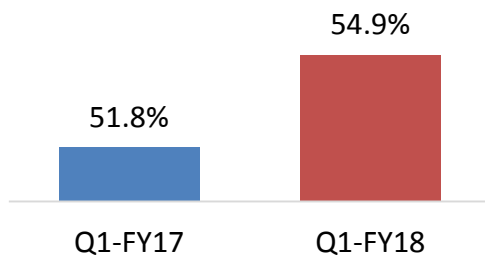


Average RM cost have increased along with increase in prices compared to previous quarter

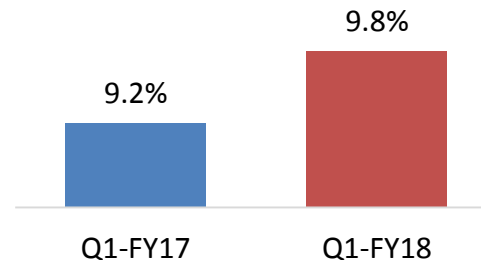
Average employee cost have increased because of increase in labour wages.

Other expenses also increased in Q1 FY18

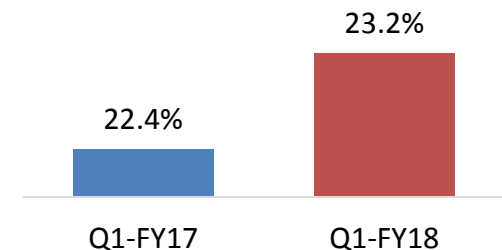
Average RM Cost - % of Sales



Average Employee Cost - % of Sales



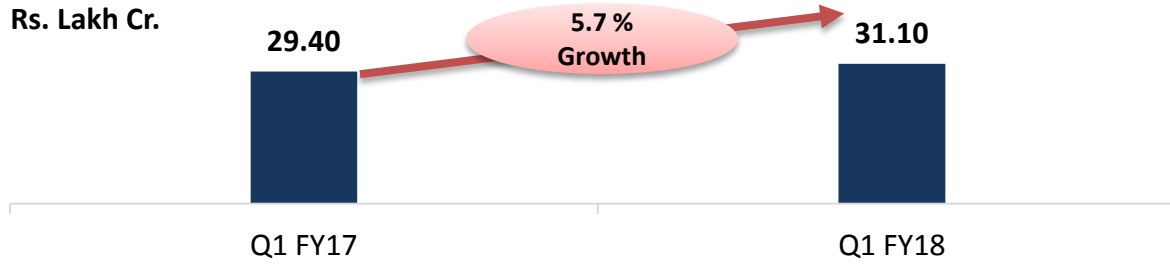
Average Other Expenses - % of Sales



Market Update

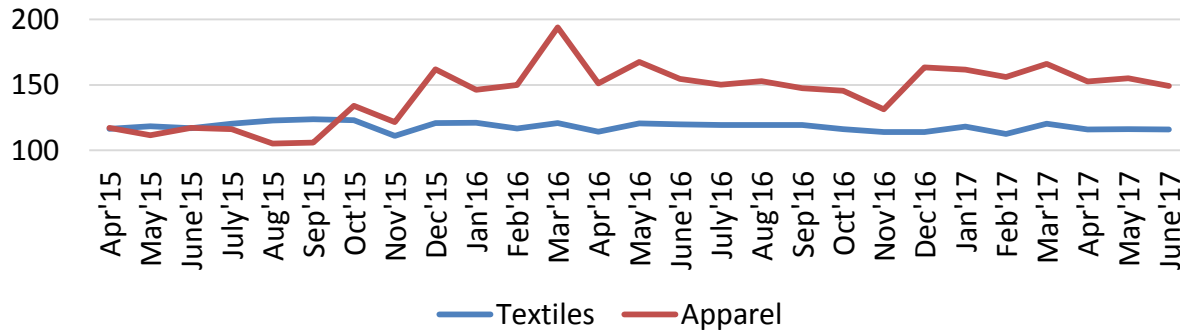


India's GDP (at constant prices*)



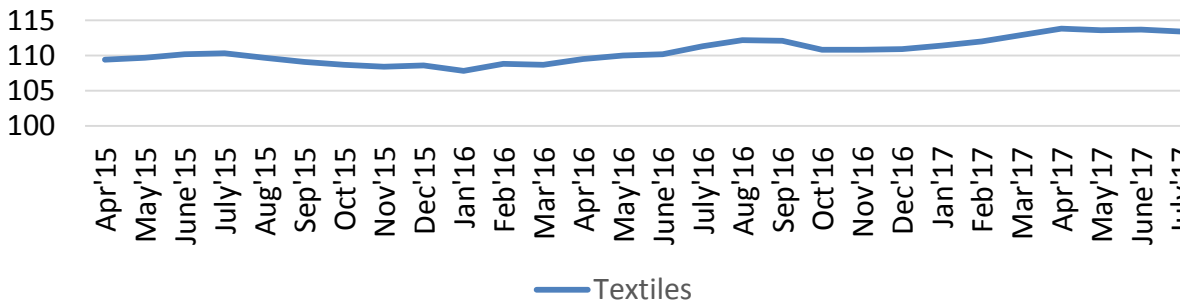
India's real GDP has grown by 5.7% in Q1 FY18 compared to Q1 FY17

Index of Industrial Production (IIP*)



Average IIP for textiles has declined by 2% while IIP for apparel has declined by 3% in Q1 FY18 compared to Q1 FY17

Wholesale price index (WPI*)



Average WPI for textiles has shown an increase of 3.5% in Q1 FY18 compared to Q1 FY17

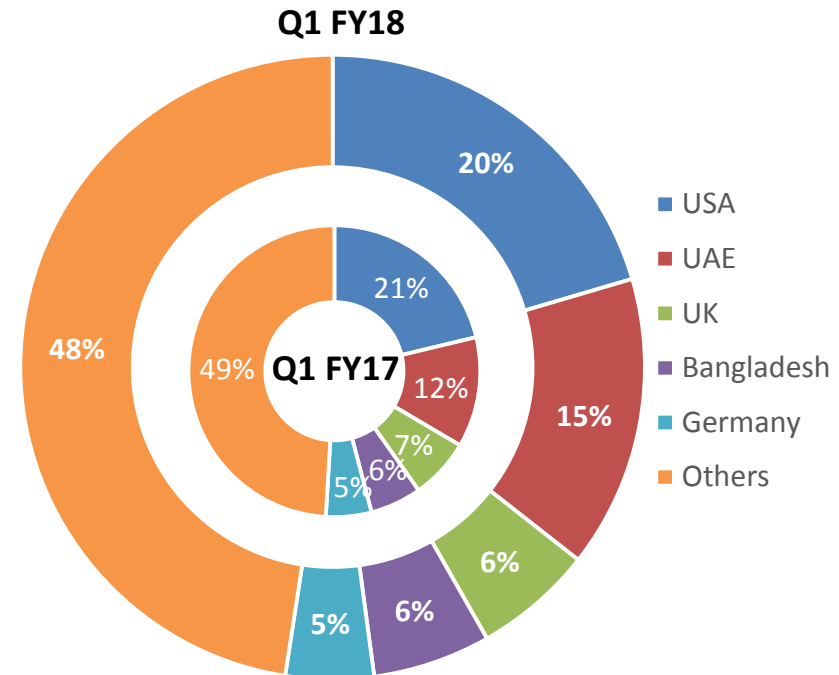
India's T&A* exports have increased by 8% in Q1 FY18



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

Categories	Q1 FY17	Q1 FY18	% Change
Apparel	4,391	4,906	12%
Fabric	1,145	1,148	0%
Fibre	426	632	48%
Filament	268	270	1%
Home Textiles	1,247	1,280	3%
Yarn	986	879	-11%
Others	385	438	14%
Grand Total	8,848	9,553	8%

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



- Export of all the categories except yarn has grown in Q1 FY18 as compared to Q1 FY17.
- Highest growth was observed in exports of fibre growing at a rate of 48%.
- Exports of yarn fell significantly by 11%
- USA and UAE are the two largest export markets with a cumulative share of ~35%. Share of UAE has increased slightly

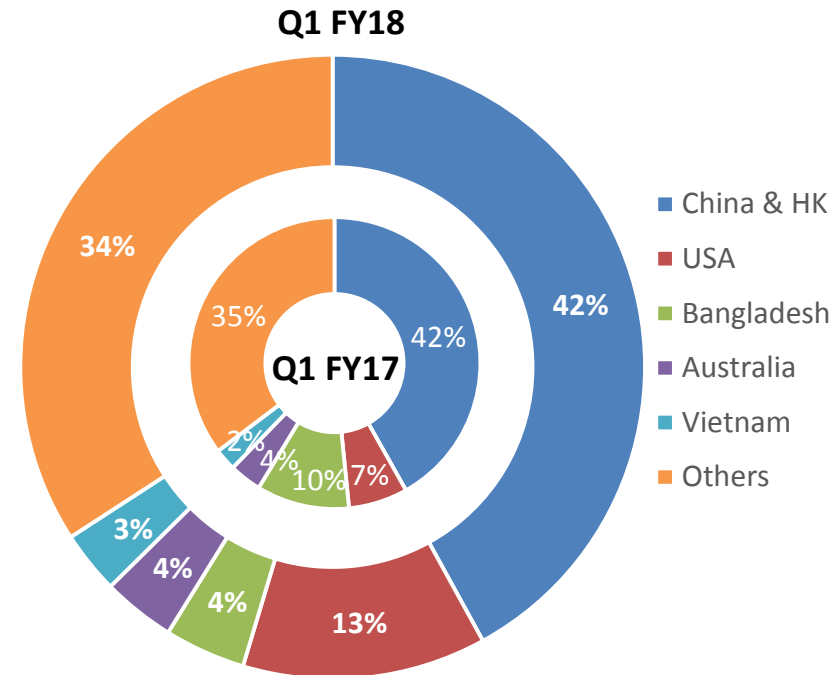
India's T&A imports have increased by 23% in Q1 FY18



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

Categories	Q1 FY17	Q1 FY18	% Change
Apparel	144	139	-3%
Fabric	498	603	21%
Fibre	294	584	99%
Filament	119	156	31%
Home Textiles	68	59	-13%
Yarn	171	101	-41%
Others	150	139	-7%
Grand Total	1,444	1,780	23%

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

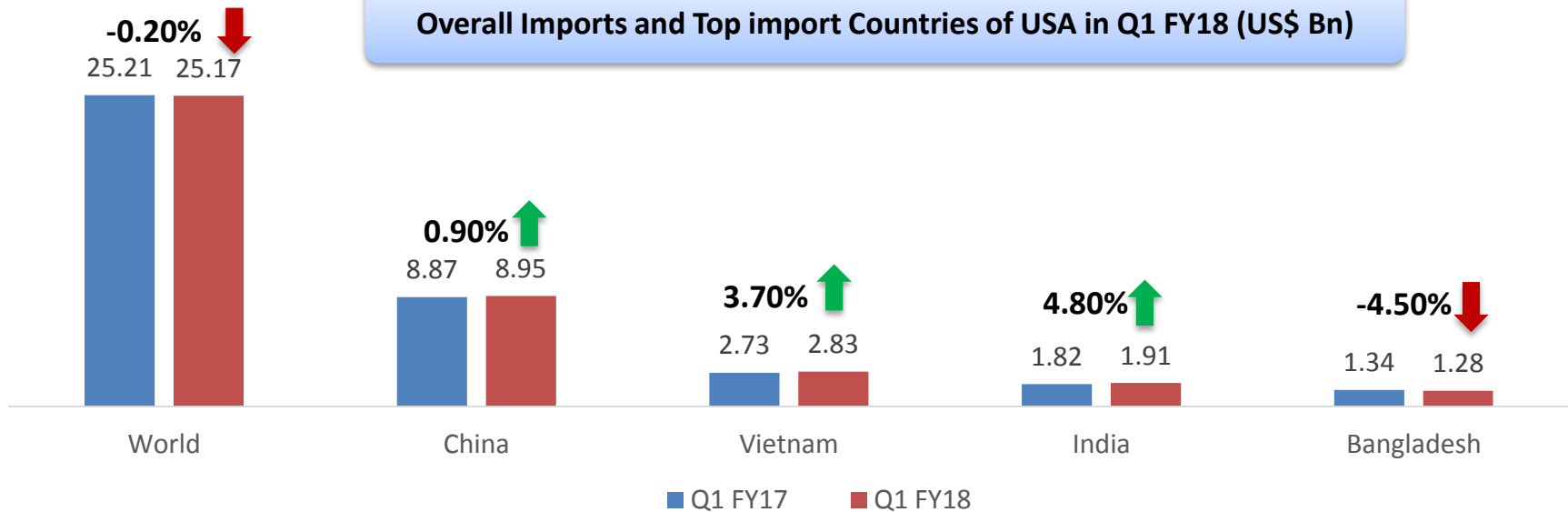


- Imports growth of 23% in Q1 FY18 was primarily attributed to a significant increase in fibre imports by 99% over Q1 FY17. Imports of filament yarn and fabric has also increased.
- However, imports of other major categories yarn, home textiles & apparel declined significantly.
- China continues to be the largest import partner for India. Import share of USA has increased significantly from 7% to 13% in Q1 FY18 while import share of Bangladesh declined from 10% to 4% in Q1 FY18.

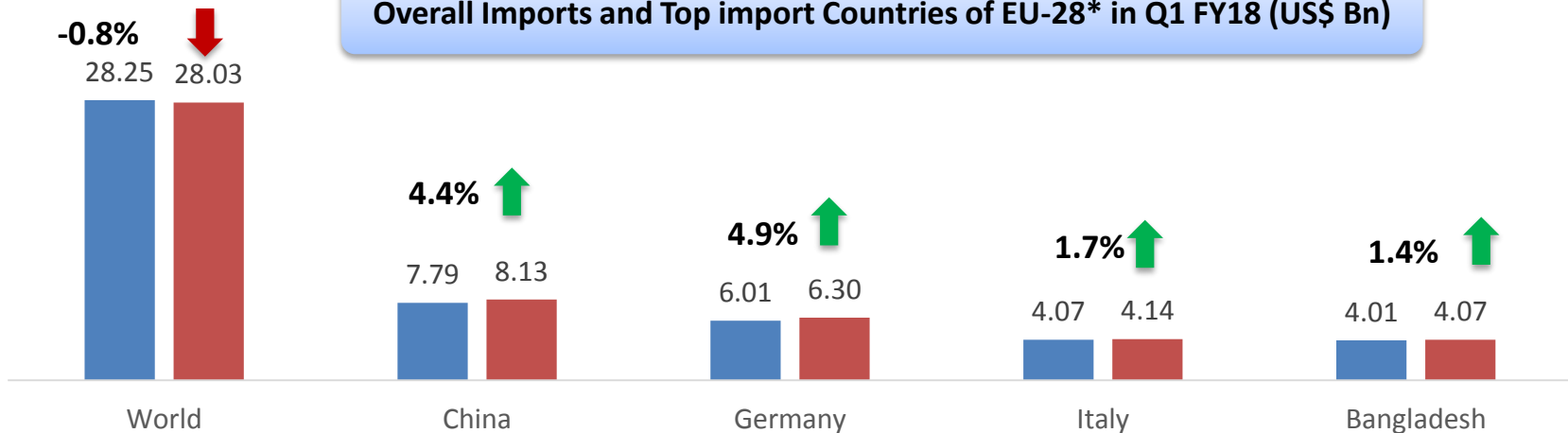
T&A imports of US and EU-28 has declined in Q1 FY18



Overall Imports and Top import Countries of USA in Q1 FY18 (US\$ Bn)



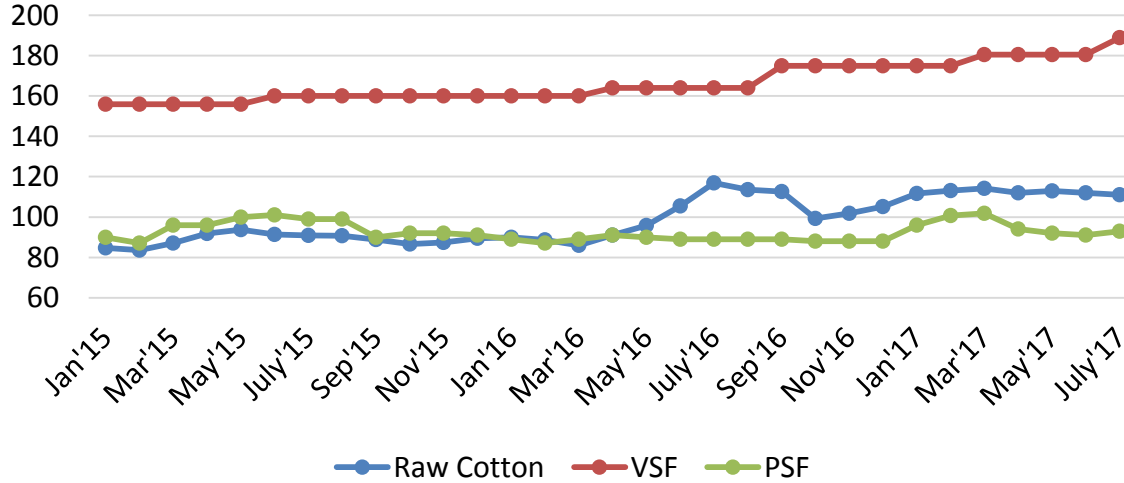
Overall Imports and Top import Countries of EU-28* in Q1 FY18 (US\$ Bn)



Raw material prices remained largely stable in Q1 FY18 even though on an average they are higher than Q1 FY17



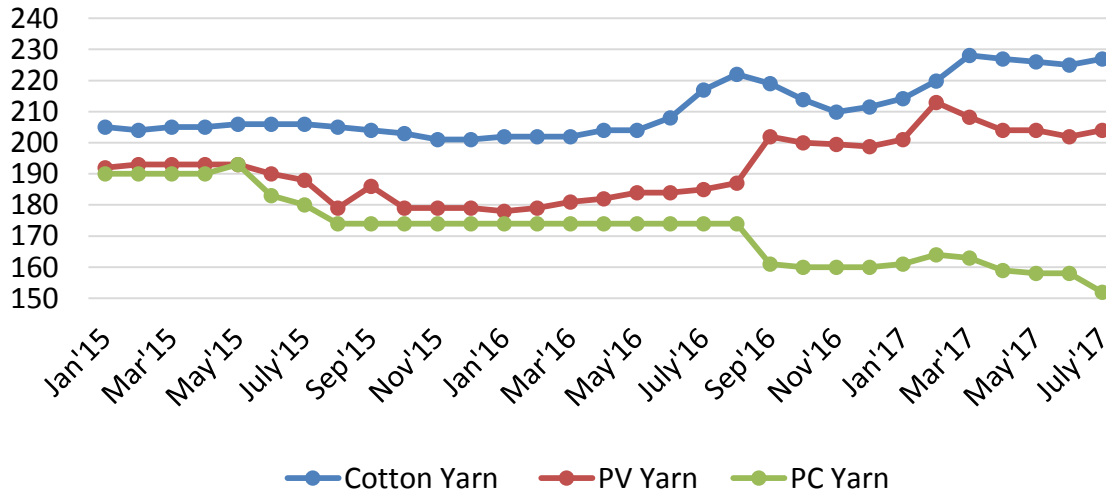
Fibre Prices Rs./Kg



Average price change in Q1 FY18 as compared to Q1 FY17

- 15% increase in raw cotton
- 10% increase in VSF
- 3% increase in PSF

Yarn Prices Rs./Kg



Average price change in Q1 FY18 as compared to Q1 FY17

- 10% increase in cotton yarn
- 11% increase in PV yarn
- 9% decrease in PC yarn

Annexure :
Wazir Textile Index (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 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, employee & others



- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- Q1 FY 18 – April 2017 to June 2017
- Q1 FY 17 – April 2016 to June 2016
- GDP – Gross Domestic Product
- HK – Hong Kong
- 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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