



# Wazir Textile Index

Annual Report 2019-20

Textile Sector Performance Update

July 2020

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# Wazir Textile Index (WTI) – FY20



# List of Companies Included as Part of the Financial Analysis

Top listed textile companies in terms of sales turnover in FY19 have been included for financial analysis.

S. No.	Company Name	Annual Sales* - FY19 (Rs. Crore)
1	Arvind	6,436
2	Vardhman	6,415
3	Welspun India	5,395
4	Trident	5,220
5	Raymond	3,276
6	KPR Mill	2,979
7	RSWM	2,961
8	Filatex	2,874
9	Sutlej	2,562
10	Nahar Spinning	2,305

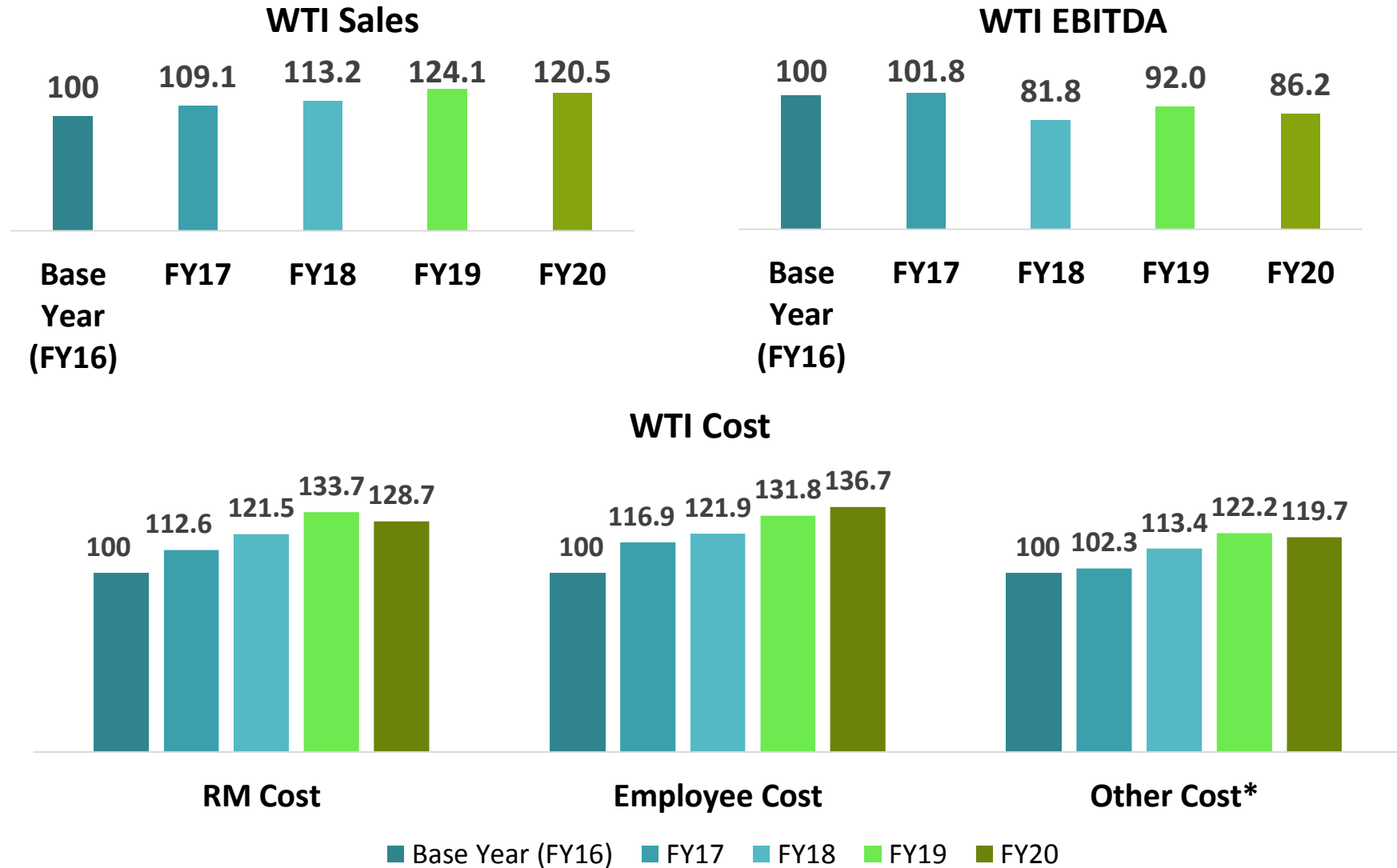
Note: Companies that have shown significant negative deviation in numbers or those which have not yet reported the financials have not been included in the overall analysis.

Source: Money Control

\* Sales constitutes total operating income, standalone financials have been considered for analysis

# Wazir Textile Index (WTI) – FY20

- In FY20, overall sales decreased by 3% as compared to FY19.
- There has been a significant decline in the EBITDA of 6% in FY20 as compared to FY19.
- Raw material cost saw a decline of 4% while employee cost saw an increase of 4%.
- Other costs also saw a decline of 2% for the same period.



Source: Money Control

\* Other cost include overheads, cost of utilities, admin & selling expenses, etc.



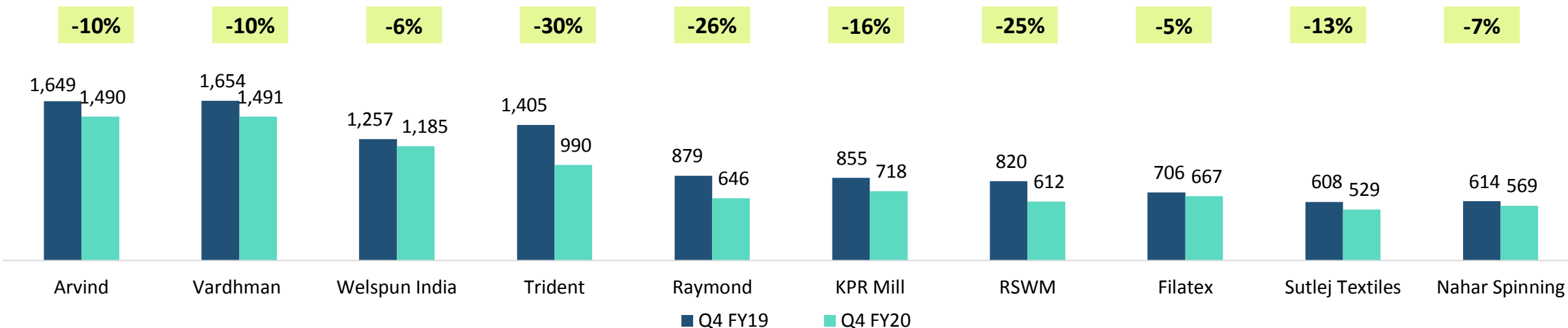
# Quarterly Analysis – Q4 FY20



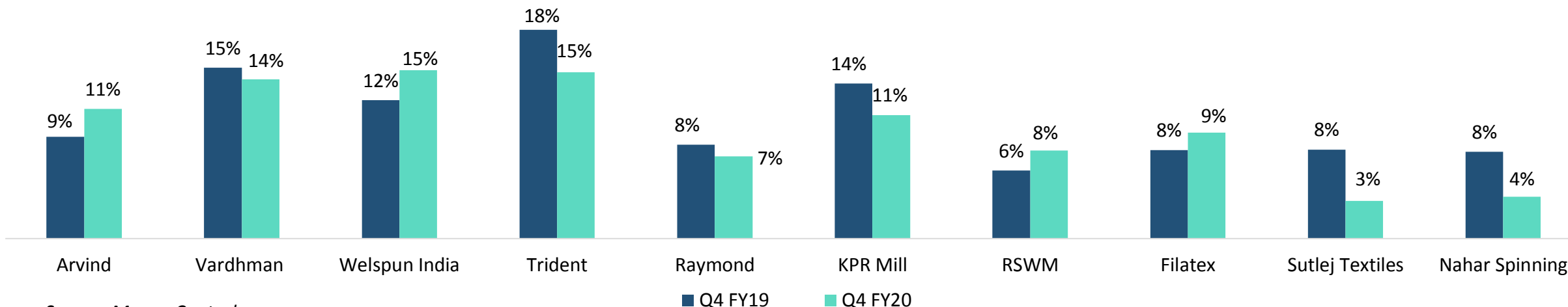
# Quarterly analysis for the selected top players

## Quarterly Sales\* Trend – FY20 (Rs. Crore)

Growth %



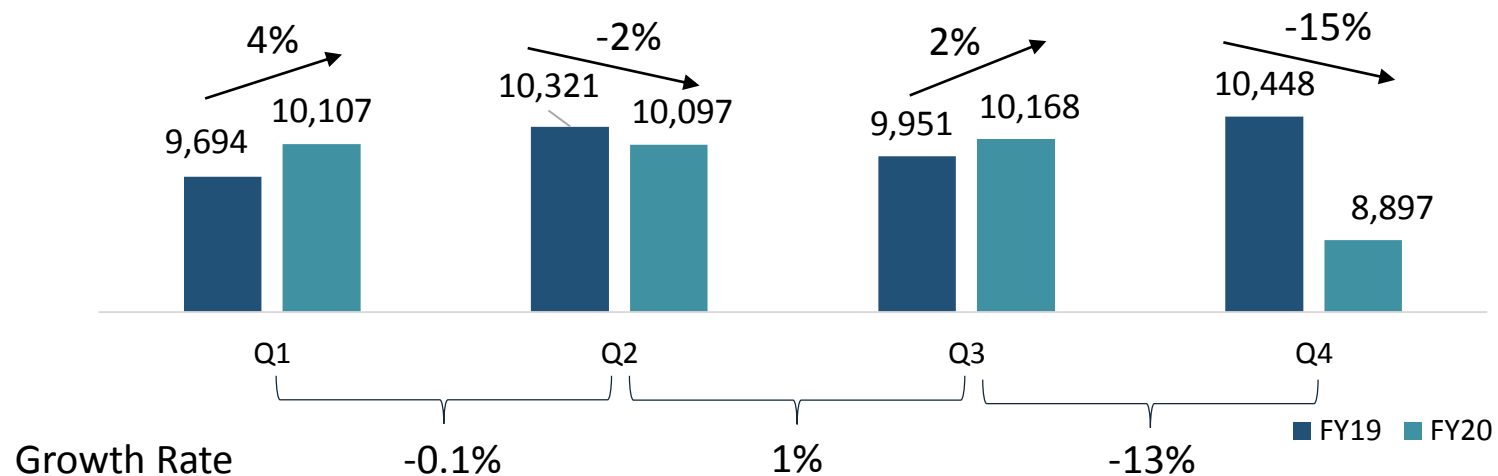
## Quarterly EBITDA Margin Trend – FY20



Source: Money Control

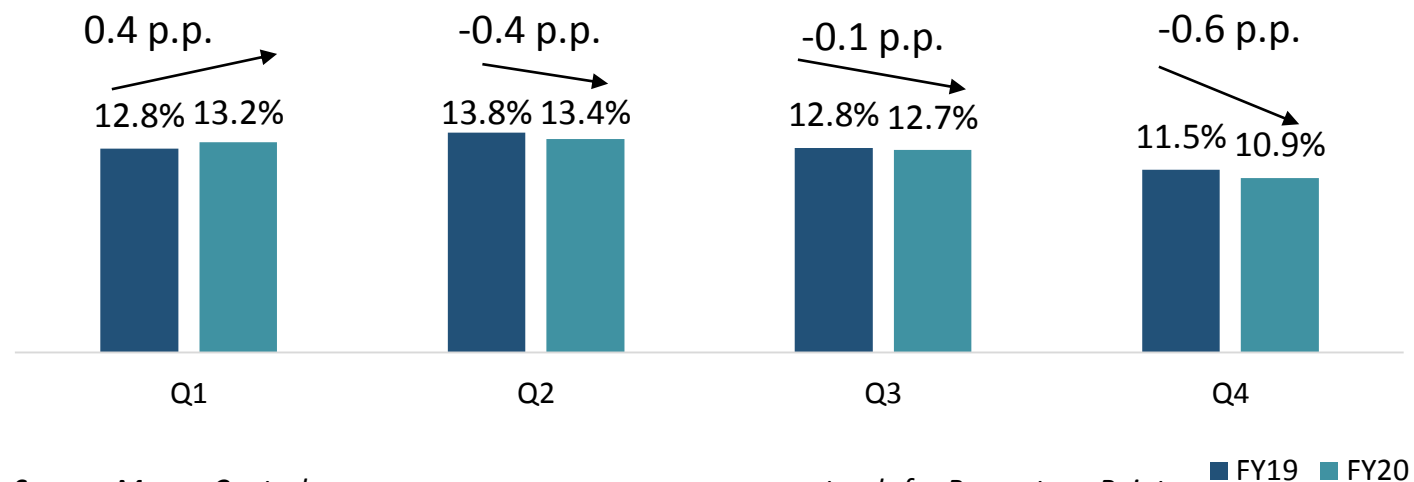
# Impact of starting of COVID-19 lockdown in Q4

**Consolidated Sales – Rs. Crore**



Consolidated sales showed a drastic decline of 15% in the fourth quarter majorly due to the impact of COVID-19

**Average EBITDA%**



Consolidated EBITDA margin, which has continuously declined for the past two quarters, dropped by 0.6 p.p. in Q4 FY 20 as compared to Q4 FY19 due to the onset of the economic lockdown.

Source: Money Control

p.p. stands for Percentage Points

■ FY19 ■ FY20



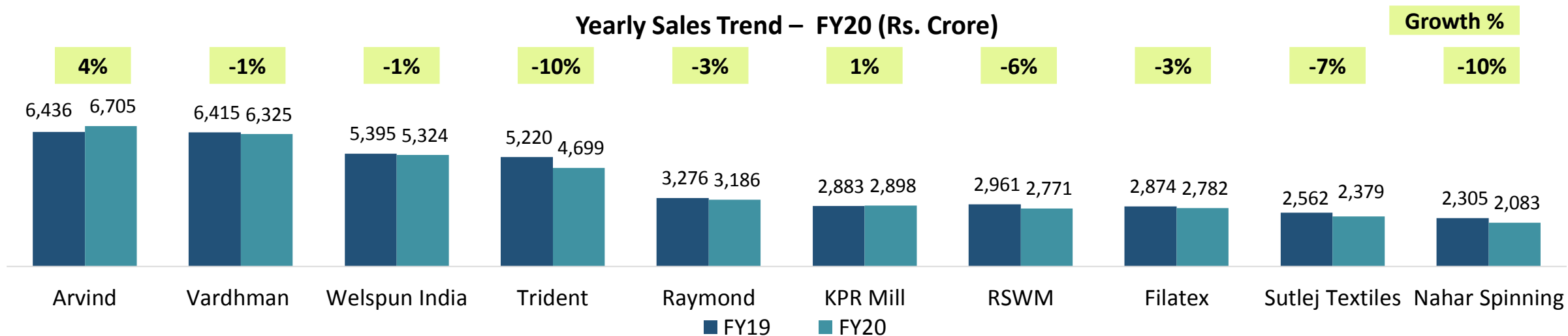


# Annual Financial Performance – FY20

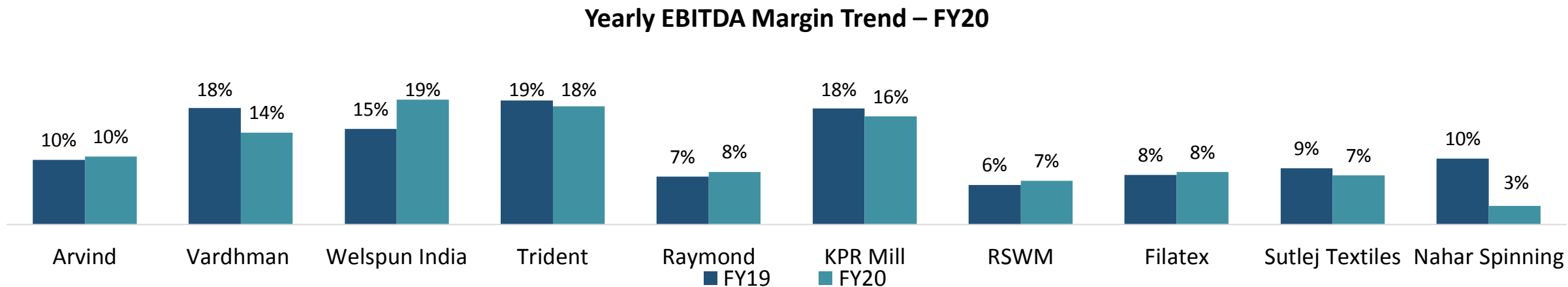


# Revenue for Majority Companies Declined in FY20

Yearly Sales Trend – FY20 (Rs. Crore)



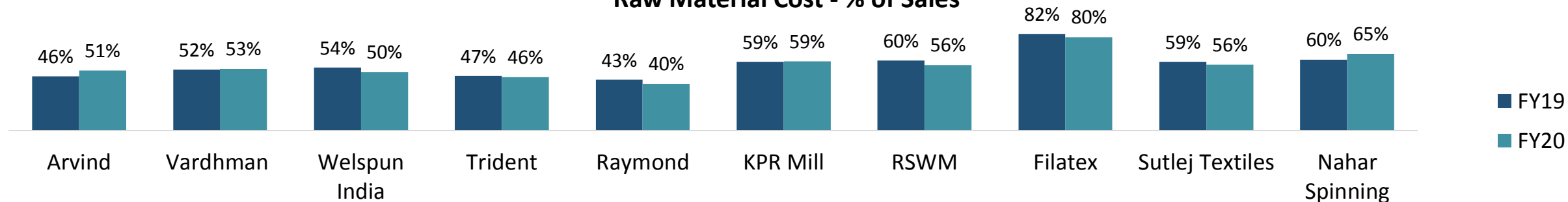
Yearly EBITDA Margin Trend – FY20



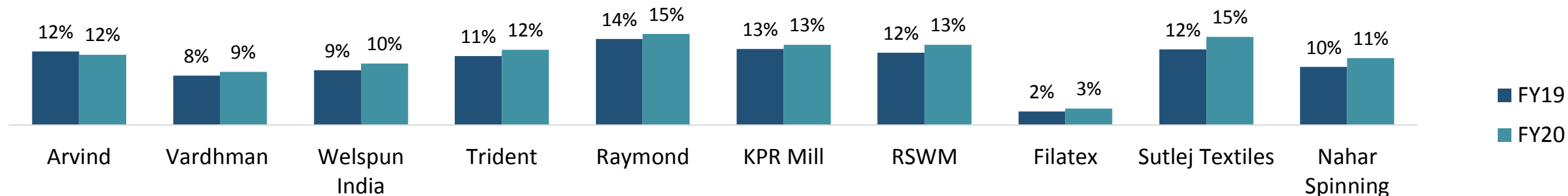
Source: Money Control

# Yearly Analysis - Major Expenses as % of Sales

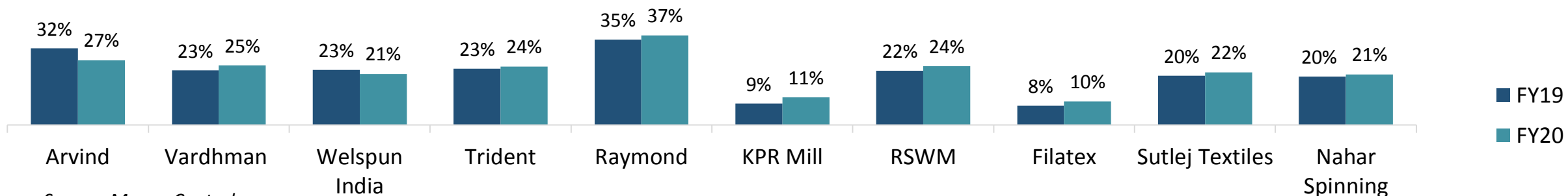
## Raw Material Cost - % of Sales



## Employee Cost - % of Sales



## Other Costs - % of Sales

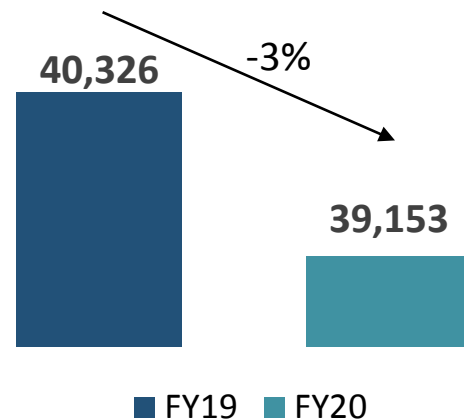


Source: Money Control

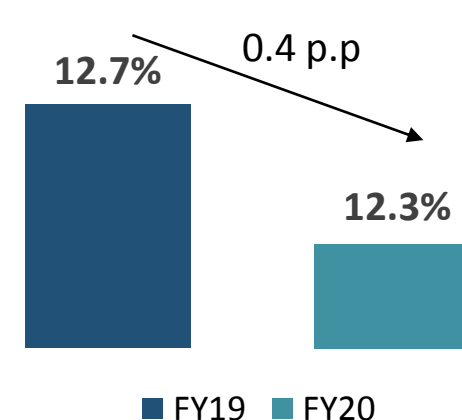
# Consolidated Analysis for the Selected Top Players

On consolidated level, sales have decreased by 3% in FY20 as compared to FY19.

Consolidated Sales – Rs. Crore

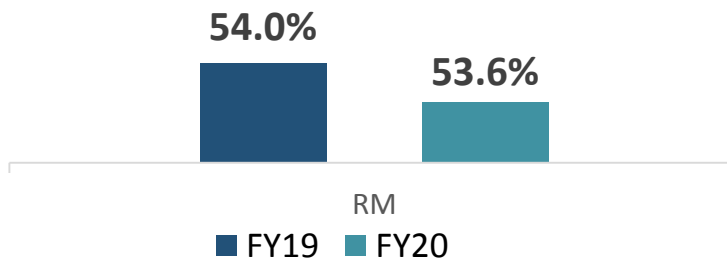


Average EBITDA %



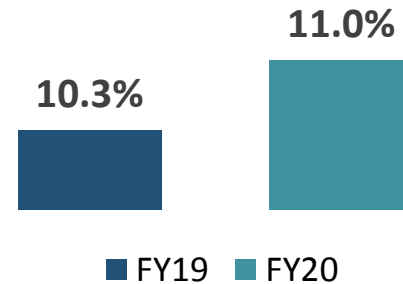
Consolidated EBITDA margin decreased by 0.4 percentage points for the selected top companies.

Average RM Cost - % of Sales



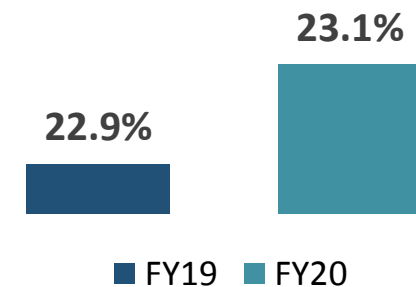
Average RM cost decreased by 0.4 percentage points in FY20 as compared to FY19.

Average Employee Cost - % of Sales



Average employee cost increased by 0.7 percentage points in FY20 as compared to FY19.

Average Other Expenses - % of Sales



Other expenses increased by 0.2 percentage points in FY20 as compared to FY19.

Source: Money Control

p.p. stands for Percentage Points

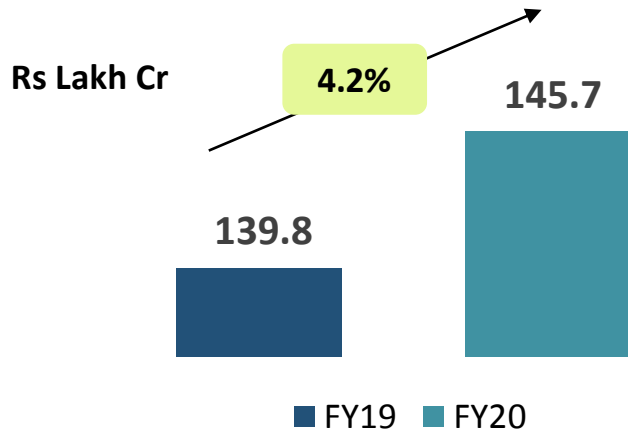


# Market Update



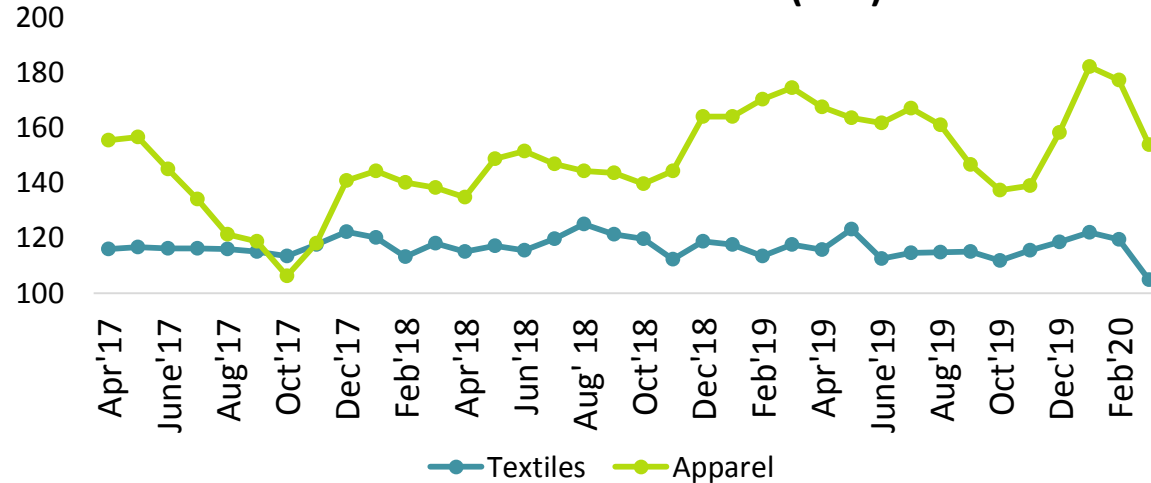
# Key Economic Indicators

India's GDP (at constant prices)



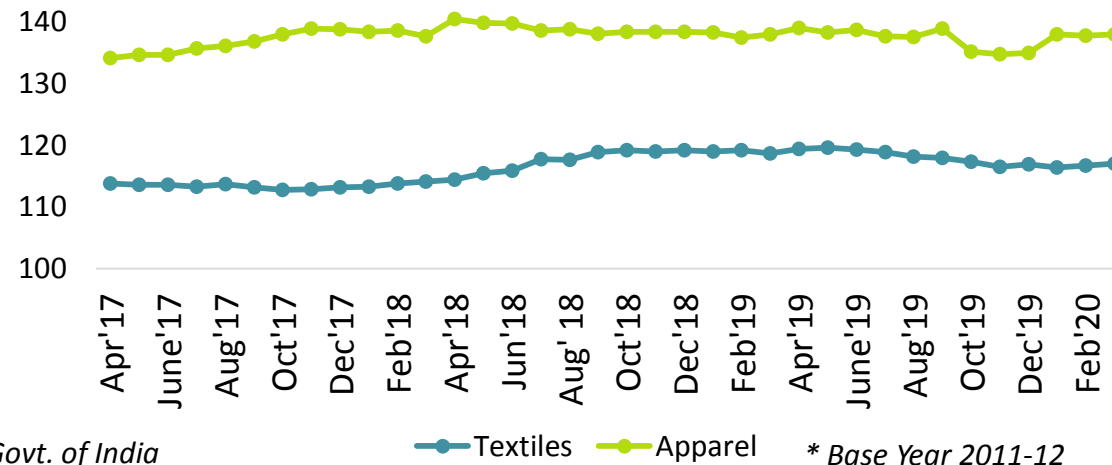
India's real GDP has grown by 4.2% in FY20 as compared to that in FY19. This is the lowest growth rate in the past 11 years.

Index of Industrial Production (IIP\*)



Sharp dip of IIP in Q4 FY20  
Average IIP for apparel increased by 5% in FY20 as compared to FY19, while that of textiles showed a marginal decrease of 2%.

Wholesale Price Index (WPI\*)



Average WPI for textiles decreased by 0.02% in FY20 as compared to FY19, while that of apparel decreased by 1%.

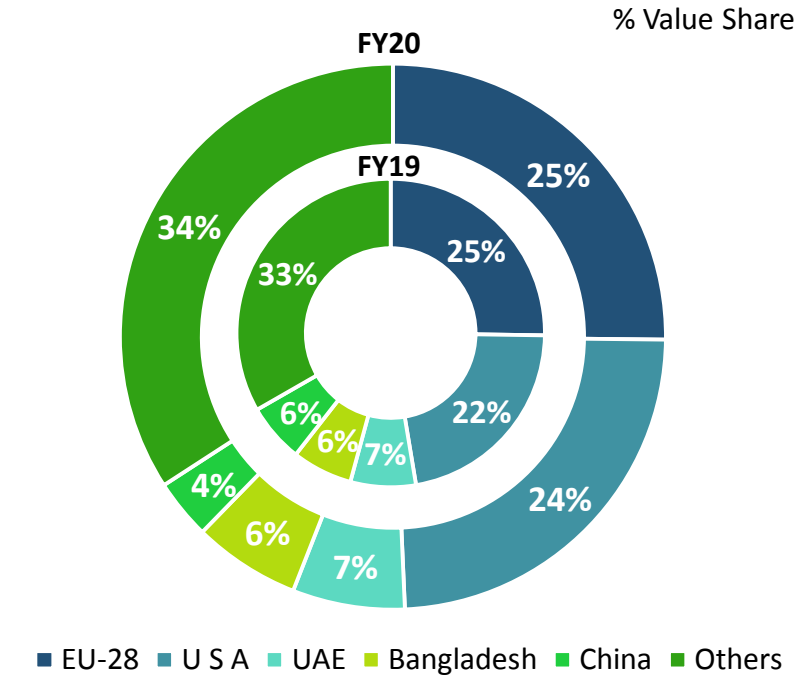
Source: Reserve Bank of India, Economic Advisor, Govt. of India

# India's overall T&A\* Exports

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

Category	H1 FY19	H1 FY20	% change	H2 FY19	H2 FY20	% change	FY19	FY20	% change
Fibre	1,398	665	-52%	1,630	1,227	-25%	3,028	1,892	-38%
Filament	686	587	-15%	620	576	-7%	1,306	1,162	-11%
Yarn	2,539	1,648	-35%	2,231	1,854	-17%	4,770	3,501	-27%
Fabric	2,329	2,442	5%	2,458	2,623	7%	4,787	5,065	6%
Apparel	7,723	7,880	2%	8,433	7,629	-10%	16,156	15,509	-4%
Home Textile	2,732	2,709	-1%	2,721	2,563	-6%	5,453	5,272	-3%
Others	1,017	922	-9%	980	896	-9%	1,998	1,818	-9%
<b>Total</b>	<b>18,424</b>	<b>16,853</b>	<b>-9%</b>	<b>19,073</b>	<b>17,367</b>	<b>-9%</b>	<b>37,498</b>	<b>34,220</b>	<b>-9%</b>

India's Top T&A Markets



- The T&A exports have shown a decline of 9% in FY 20 as compared to that in FY19.
- Fibre witnessed the highest dip of 38%, followed by yarn with a dip of 27%.
- However, exports of fabric increased by 6% in the same period.
- EU, USA and UAE remain the top export destinations for India's T&A products with a combined share of 56%. Share of USA' s imports from India increased by 2% in FY20 as compared to FY19.

Source: DGCI&S

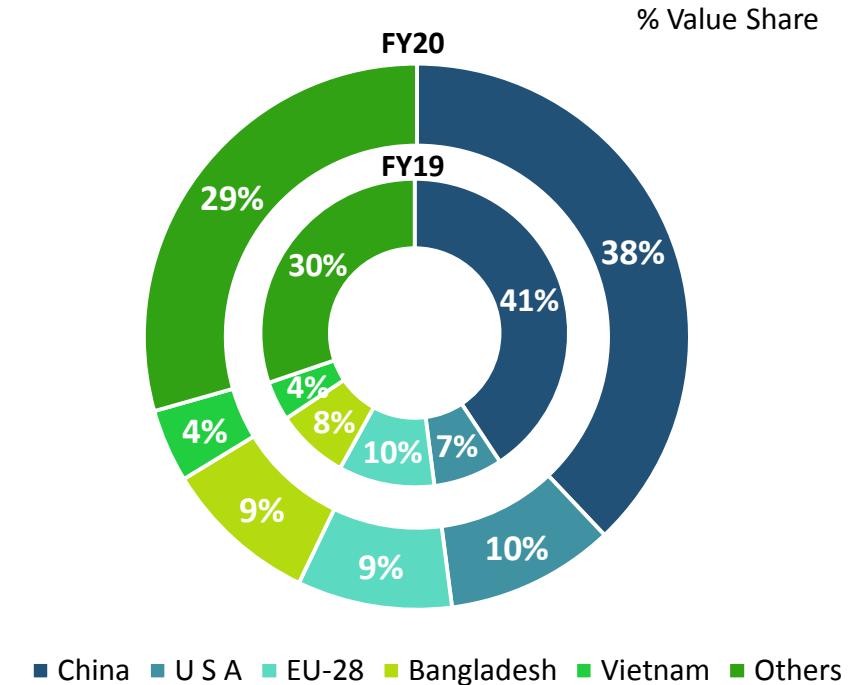
\* Textile & Apparel

# India's overall T&A\* Imports

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

Category	H1 FY19	H1 FY20	% change	H2 FY19	H2 FY20	% change	FY19	FY20	% change
Fibre	970	1,563	61%	731	819	12%	1,701	2,382	40%
Filament	349	411	18%	369	341	-8%	718	752	5%
Yarn	217	256	18%	195	206	6%	412	462	12%
Fabric	1276	1,232	-4%	1196	1,092	-9%	2,472	2,324	-6%
Apparel	541	585	8%	565	559	-1%	1,106	1,144	3%
Home Textile	148	156	6%	137	142	4%	285	298	5%
Others	342	399	17%	356	397	11%	699	796	14%
<b>Total</b>	<b>3,843</b>	<b>4,602</b>	<b>20%</b>	<b>3,550</b>	<b>3,556</b>	<b>0%</b>	<b>7,393</b>	<b>8,158</b>	<b>10%</b>

India's Top T&A Import Markets



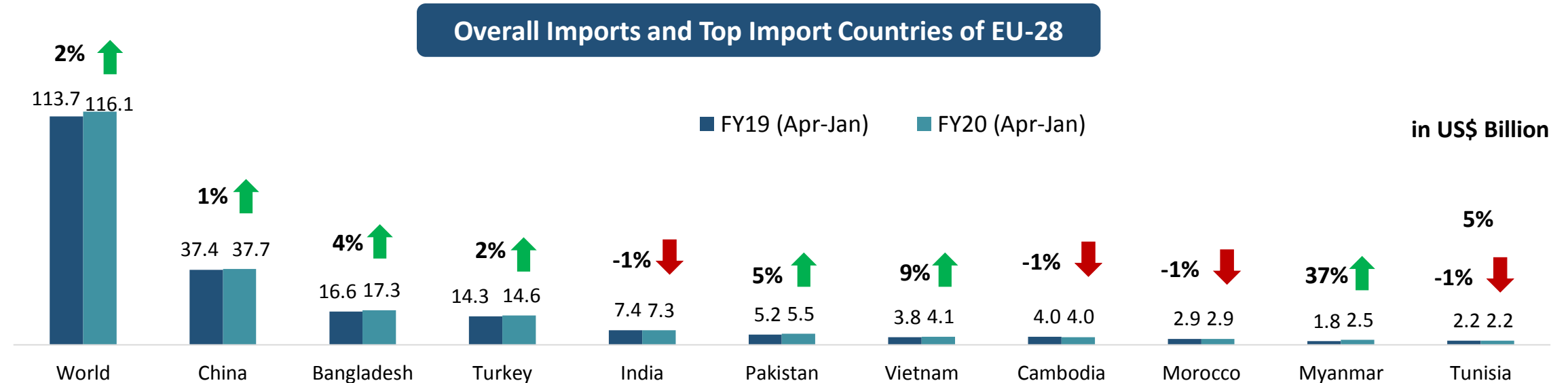
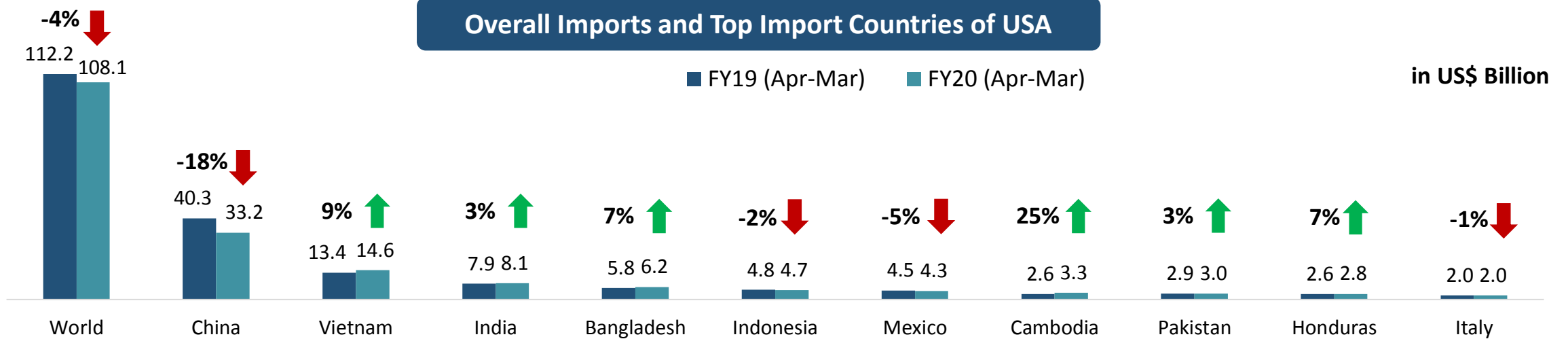
- The overall T&A imports have witnessed a growth of 10% in FY20 as compared to FY19.
- In FY20, fibre imports have increased significantly by 40% as compared to FY19. Yarn imports have also increased by 12% during the same period.
- China continues to be the largest import partner for India with a share of 38% in FY20. However, the share of China has declined by 3% as compared to FY19.

Source: DGCI&S

\* Textile & Apparel



# T&A imports of USA has decreased in FY20



Source: OTEXA, Eurostat

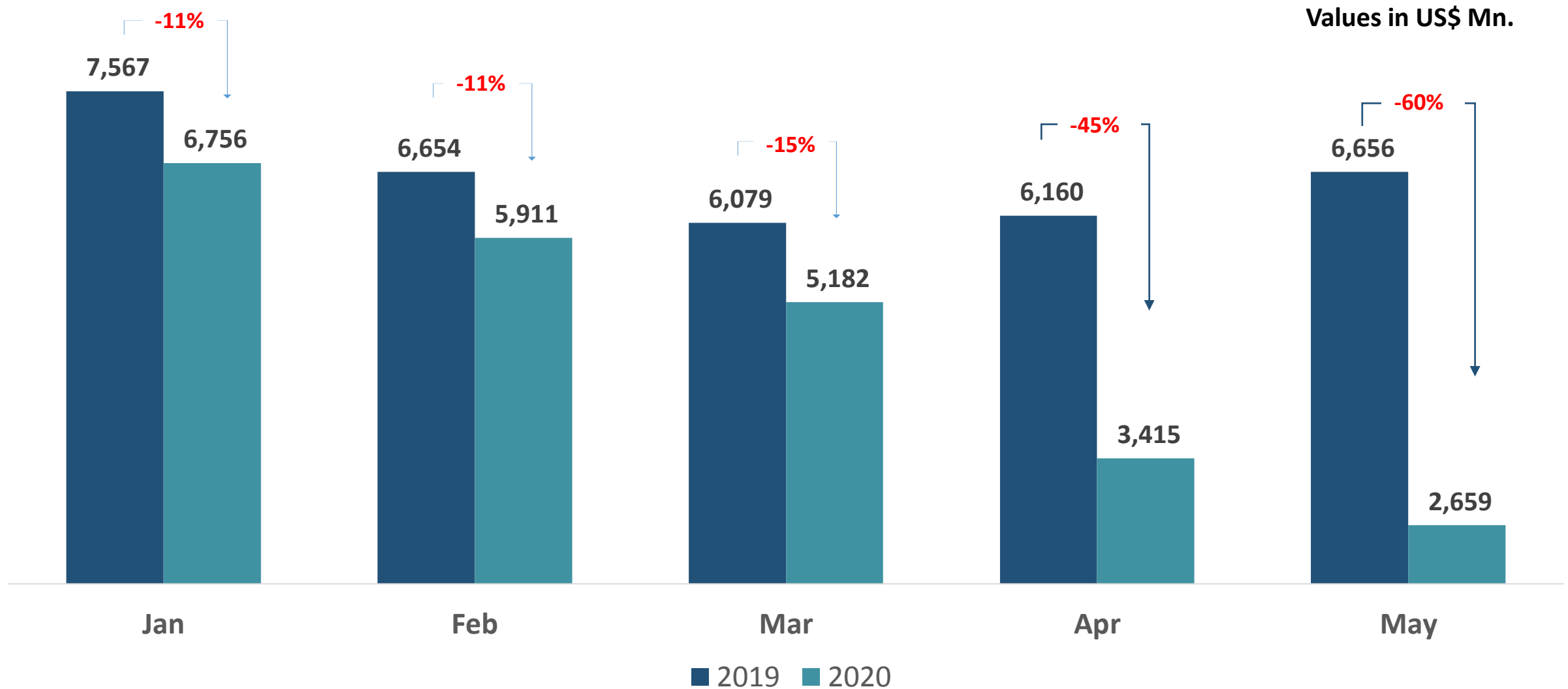
# Impact of COVID-19 on US Apparel Imports: YTD Update

Values in US\$ Mn.

Country	Jan-May 2019		Jan-May 2020		YTD Change		
	Value	Share	Value	Share	Value	Value%	Share
China	9085	27%	4613	19%	-4472	-49%	-8%
India	1954	6%	1425	6%	-529	-27%	0.1%
Vietnam	5307	16%	4810	20%	-497	-9%	4.1%
Mexico	1323	4%	827	3%	-495	-37%	-0.5%
Honduras	1063	3%	610	3%	-452	-43%	-1%
Bangladesh	2552	8%	2243	9%	-309	-12%	2%
Indonesia	1914	6%	1621	7%	-293	-15%	1%
Italy	545	2%	352	1%	-193	-35%	-0.2%
Pakistan	586	2%	494	2%	-92	-16%	0.3%
Cambodia	1011	3%	1077	5%	65	6%	1%
Total	33,112		23,921		-9,190	-28%	

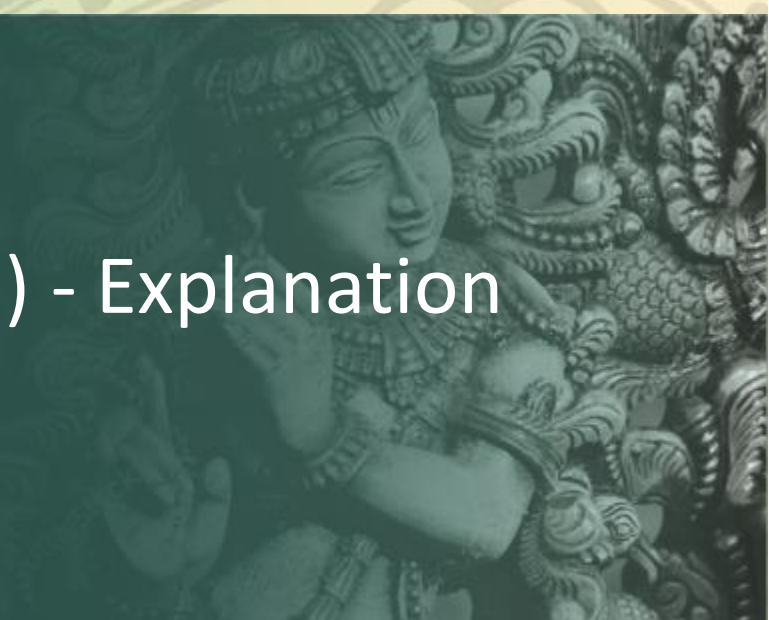
Only Cambodia showed an increase in its Exports value to US

# Impact of COVID-19 US Apparel Import: Monthly Trend





## Annexure: Wazir Textile Index (WTI) - Explanation



# Measuring Financial Performance of Indian Textile Sector

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- 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
  - **WTI Cost** : Consolidated index for cost of Raw material, employee & others

# Glossary

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- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- FY16– April 2015 to March 2016
- FY17– April 2016 to March 2017
- FY18 – April 2017 to March 2018
- FY19 – April 2018 to March 2019
- FY20– April 2019 to March 2020
- GDP – Gross Domestic Product
- H1 FY19 – April 2018 to September 2018
- H1 FY20 – April 2019 to September 2019
- Q1 FY19 – April 2018 to June 2018
- Q2 FY19 – July 2018 to September 2018
- Q3 FY19 – October 2018 to December 2018
- Q4 FY19 – January 2019 to March 2019
- Q1 FY20 – April 2019 to June 2019
- Q2 FY20 – July 2019 to September 2019
- Q3 FY20 – October 2019 to December 2019
- Q4 FY20 – January 2020 to March 2020
- PV – Polyester Viscose
- PC – Polyester Cotton
- PSF – Polyester Staple Fibre
- RM – Raw Material
- T&A – Textile & Apparel
- USA – United States of America
- UK – United Kingdom
- VSF – Viscose Staple Fibre
- WTI – Wazir Textile Index
- YOY – Year on Year
- YTD – Year till date

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