



Wazir Textile Index

Nine Months Report

9M FY 2020

Textile Sector Performance Update

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Wazir Textile Index (WTI) – 9M FY20



List of companies included as part of the financial analysis

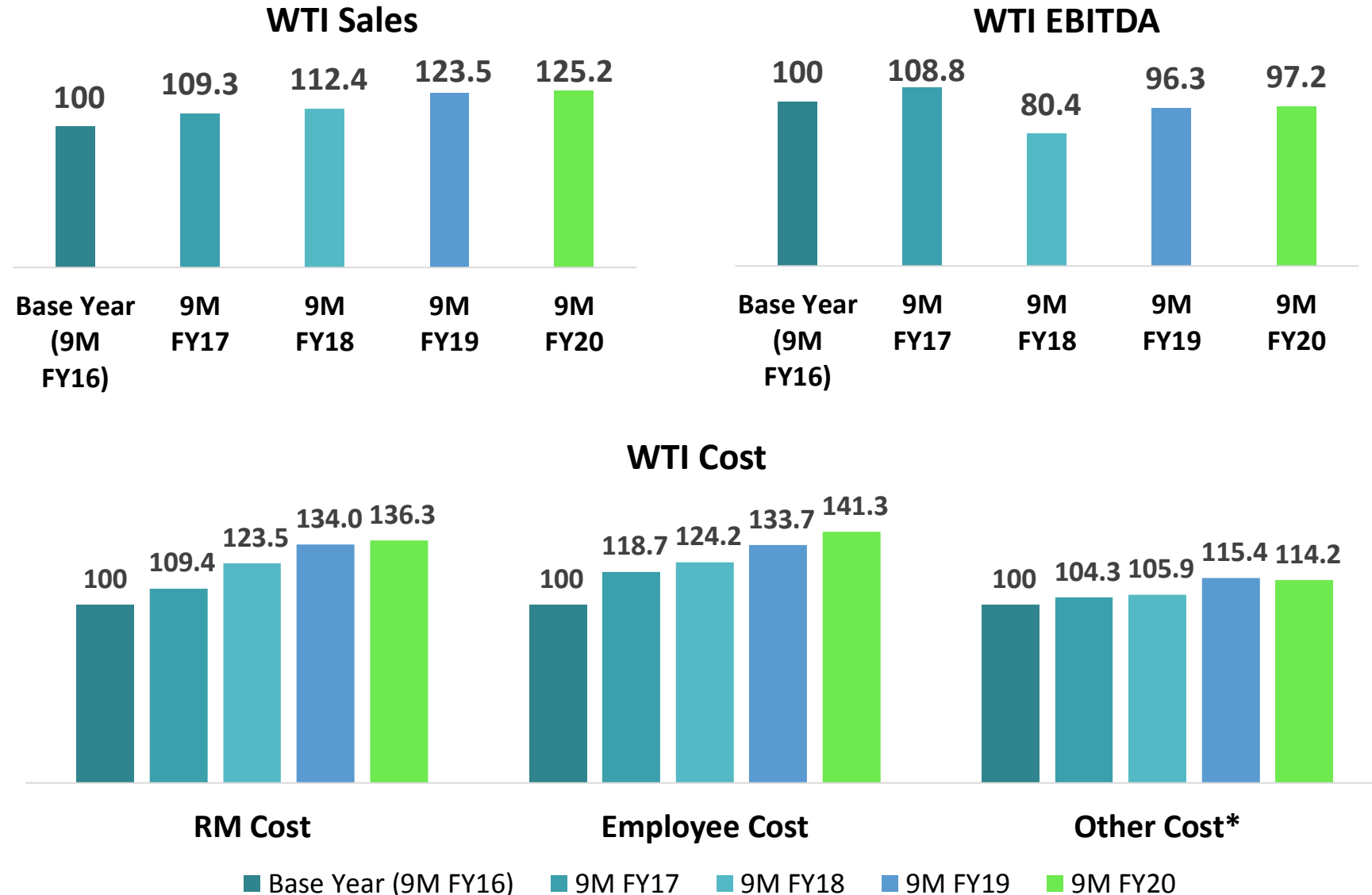
Top listed textile companies in terms of sales turnover in FY19 have been included for financial analysis.

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.

Wazir Textile Index (WTI) – 9M FY20

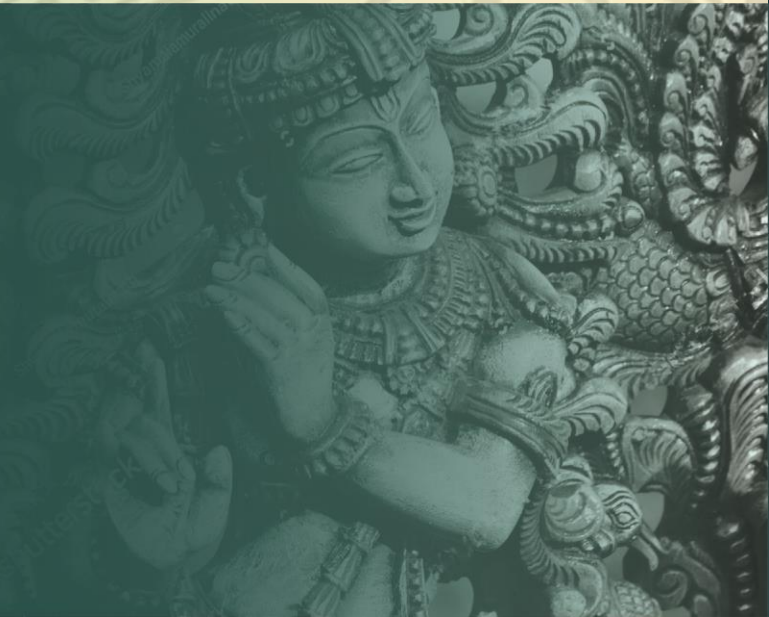
- In 9M FY20, overall sales increased by 1% as compared to 9M FY19.
- The overall EBIDTA showed an increase of 1% in 9M FY20 as compared to 9M FY19.
- Employee cost index increased significantly by 6% and raw material cost index increased by 2%, during the same period



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

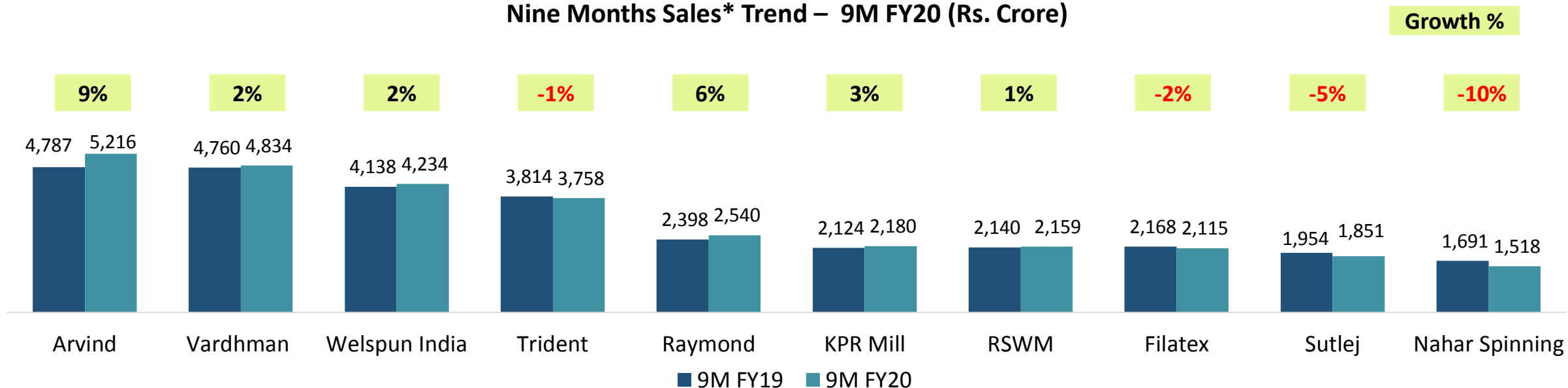


Nine Month Financial Performance – 9M FY20

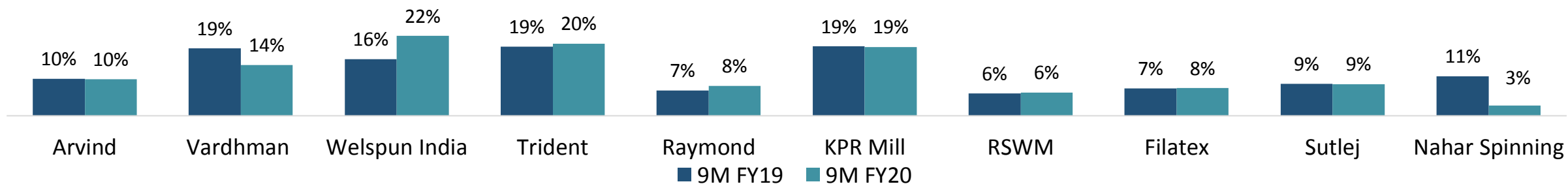


Marginal Improvement in Sales and EBITDA for Majority Companies

Nine Months Sales* Trend – 9M FY20 (Rs. Crore)

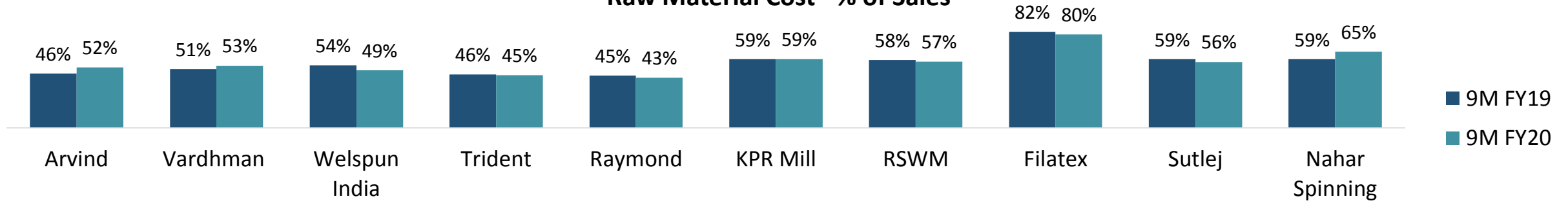


Nine Months EBITDA Margin Trend – 9M FY20

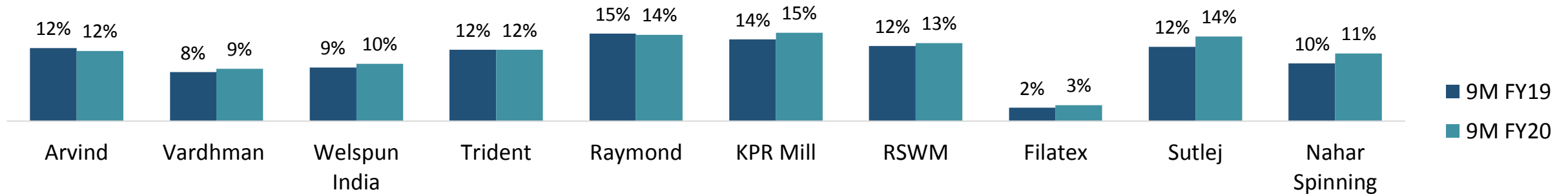


9 Months Analysis - Major Expenses as % of Sales

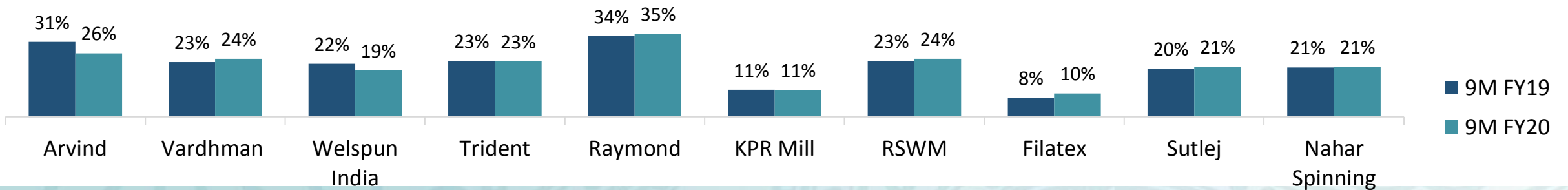
Raw Material Cost - % of Sales



Employee Cost - % of Sales



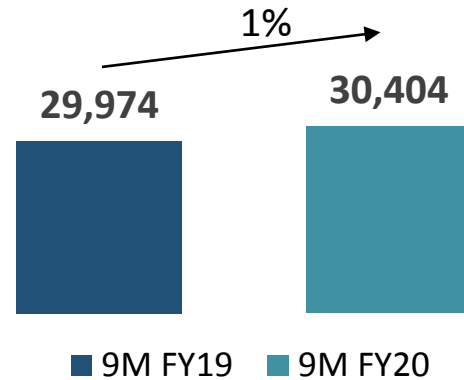
Other Costs - % of Sales



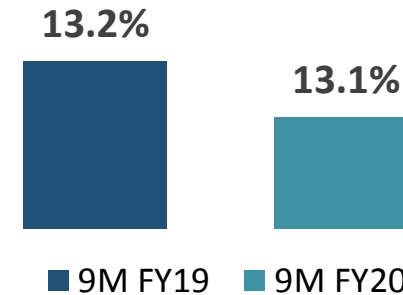
Consolidated Analysis for the Selected Top Players

On consolidated level, sales have increased by 1% in 9M FY20 as compared to 9M FY19.

Consolidated Sales – Rs. Crore

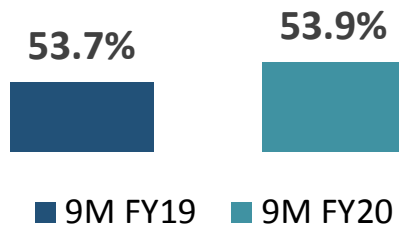


Average EBITDA %



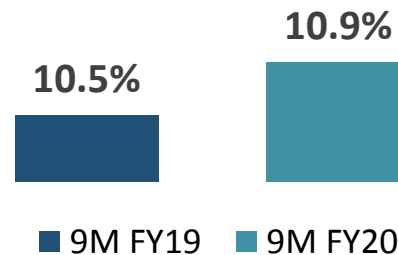
Consolidated EBITDA margin declined by 0.1* for the selected top companies.

Average RM Cost - % of Sales



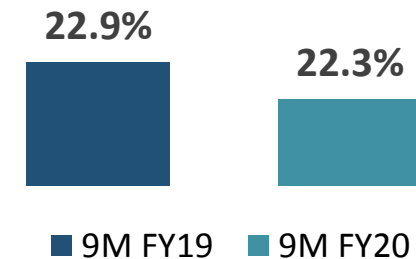
Average RM cost increased by 0.2 percentage points in 9M FY20 as compared to 9M FY19.

Average Employee Cost - % of Sales



Average employee cost increased by 0.4 percentage points in 9M FY20 as compared to 9M FY19.

Average Other Expenses - % of Sales



Other expenses decreased by 0.6 percentage points in 9M FY20 as compared to 9M FY19.

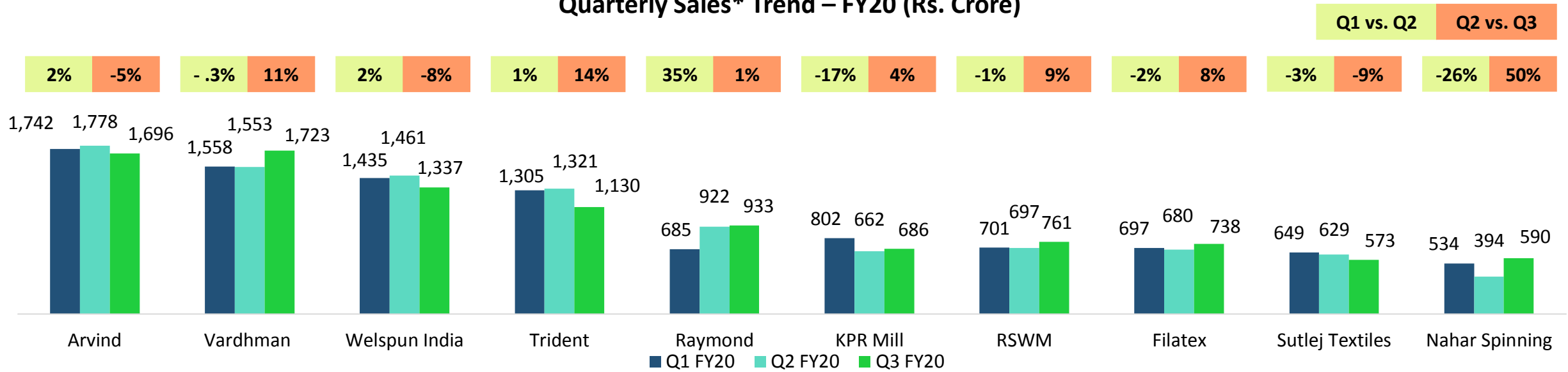


Quarterly Analysis – Q3 FY20

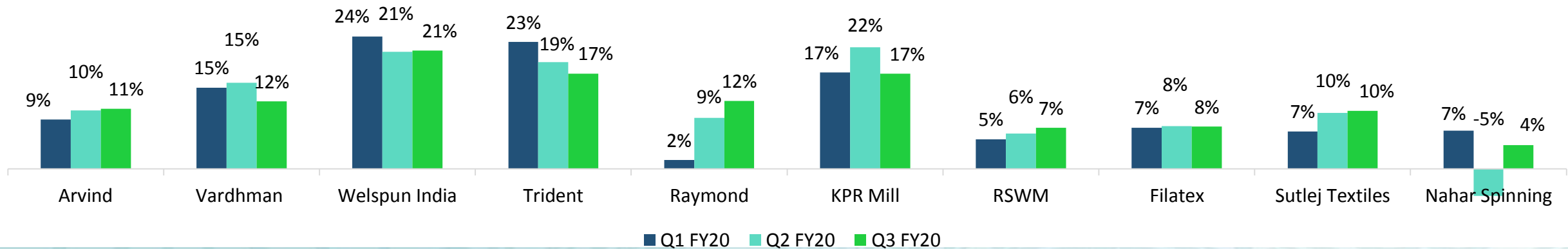


Quarterly analysis for the selected top players

Quarterly Sales* Trend – FY20 (Rs. Crore)

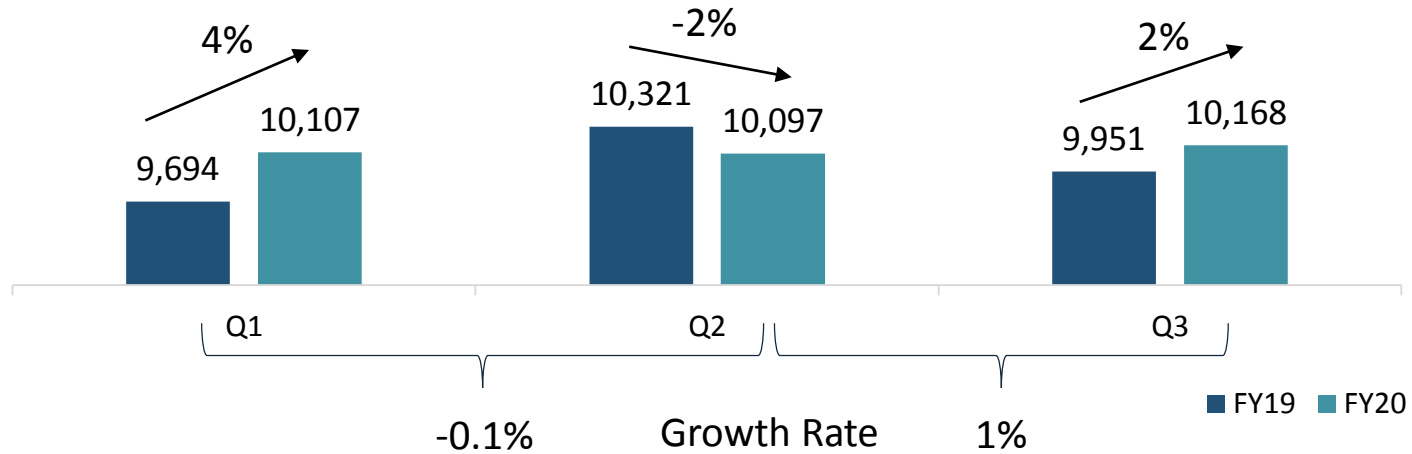


Quarterly EBITDA Margin Trend – FY20



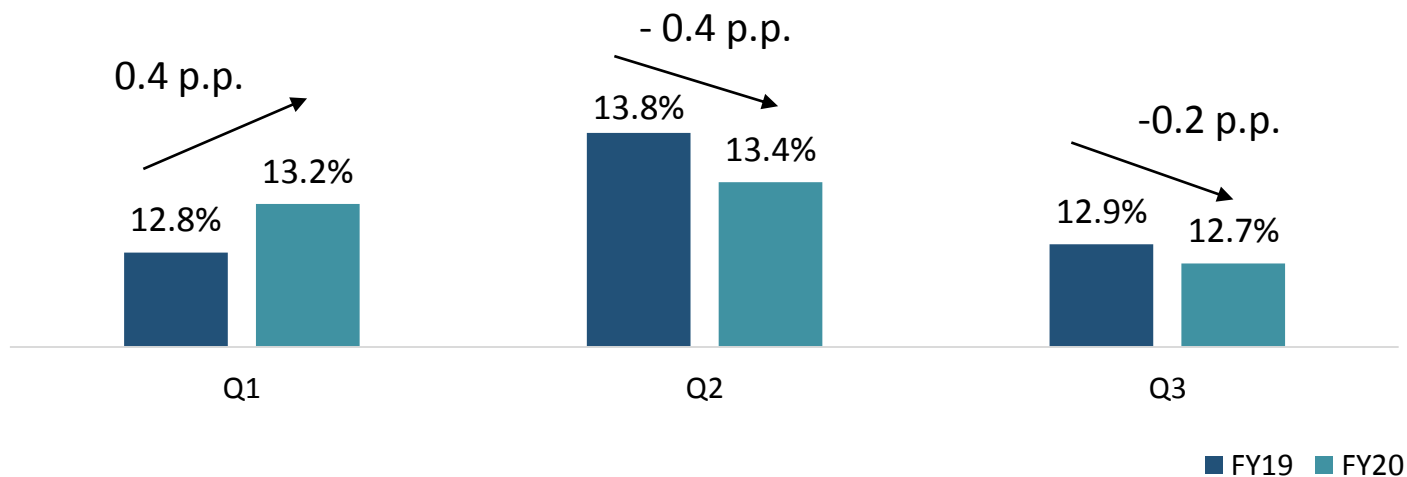
Consolidated sales grew by 2% in Q3, while EBITDA margins reduced

Consolidated Sales – Rs. Crore



On consolidated level, sales increased in Q1 FY20 and showed a decline in Q2 FY20 but in Q3 FY20 it again showed an increase as compared to the same period in the previous financial year.

Average EBITDA%



Consolidated EBITDA margin increased in Q1 but showed a decline in Q2 and Q3 of FY20

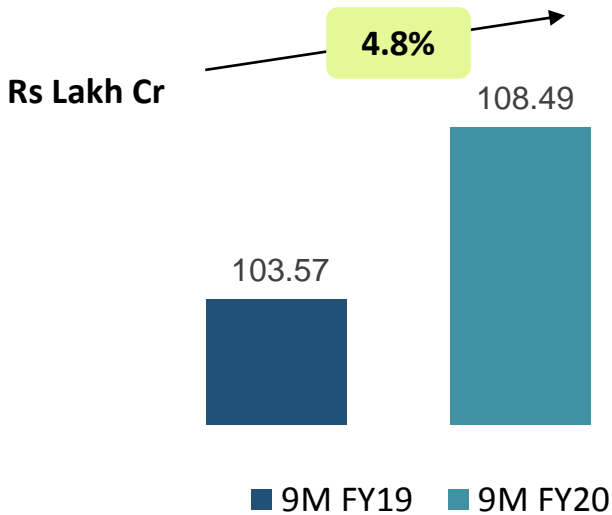


Market Update



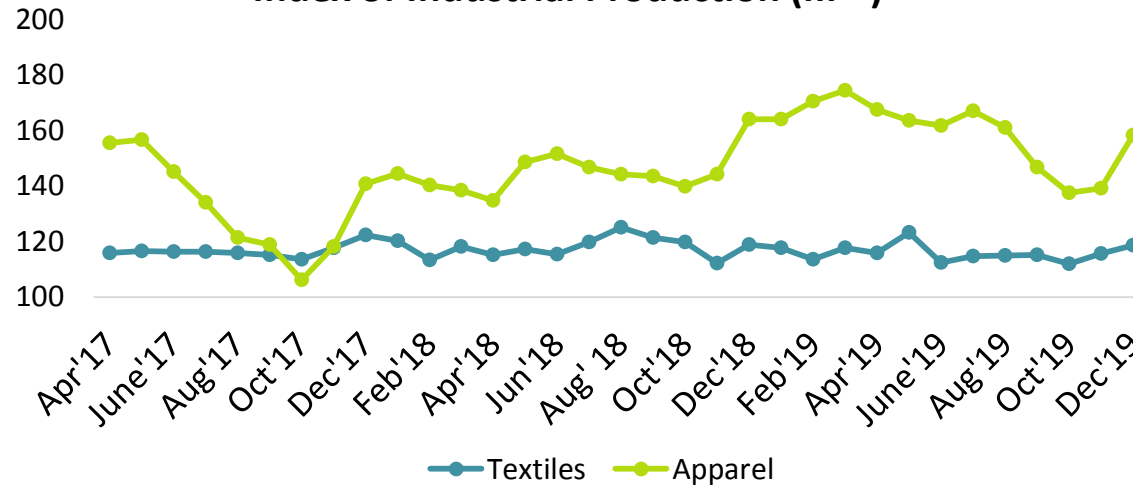
Key Economic Indicators

India's GDP (at constant prices)



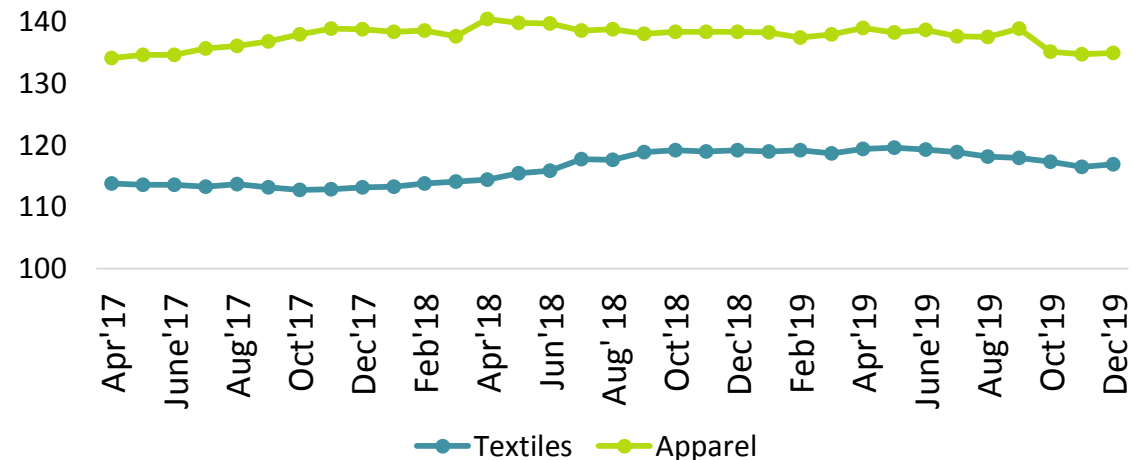
India's real GDP grew by 4.8% in 9M FY20 as compared to 9M FY19.

Index of Industrial Production (IIP*)



Average IIP for apparel increased significantly by 6% in 9M FY20 as compared to 9M FY19, while that of textiles showed a decrease of 2%.

Wholesale Price Index (WPI*)



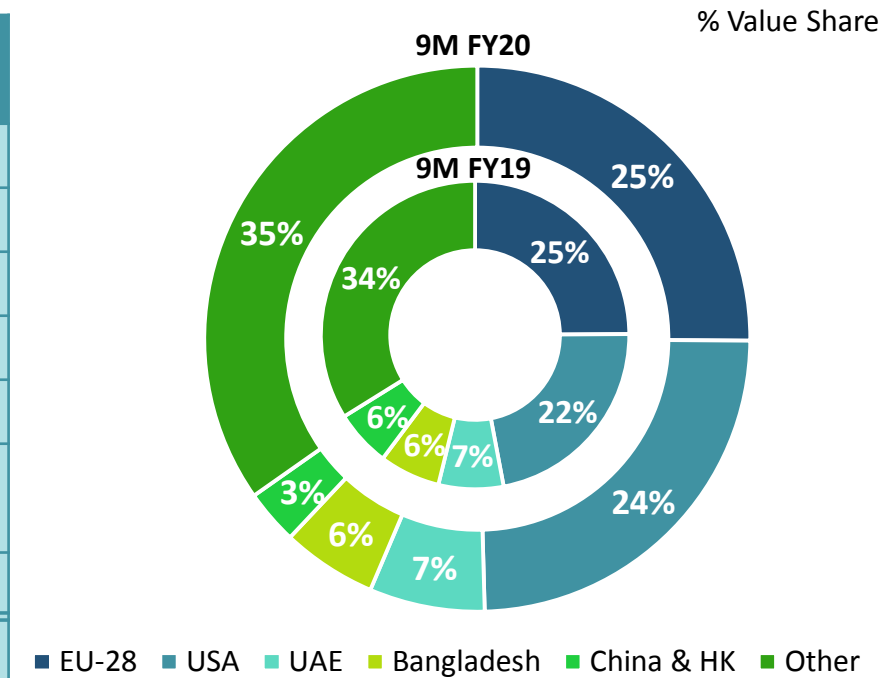
Average WPI for textiles decreased by 0.6% in 9M FY20 as compared to 9M FY19, while that of apparel decreased by 1.2%.

India's overall T&A* Exports

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

Category	H1 FY19	H1 FY20	% change	Q3 FY19	Q3 FY20	% change	9M FY19	9M FY20	% change
Fibre	1,398	665	-52%	777	479	-38%	2,175	1,144	-47%
Filament	686	587	-15%	308	292	-5%	994	879	-12%
Yarn	2,539	1,648	-35%	1,091	908	-17%	3,630	2,555	-30%
Fabric	2,329	2,442	5%	1,153	1314	14%	3,482	3,756	8%
Apparel	7,723	7,880	2%	3,640	3577	-2%	11,363	11,457	1%
Home Textile	2,732	2,709	-1%	1,359	1,346	-1%	4,091	4,055	-1%
Others	1,017	922	-9%	487	467	-4%	1,505	1,390	-8%
Total	18,424	16,853	-9%	8,816	8,383	-5%	27240	25,236	-7%

India's Top T&A Markets



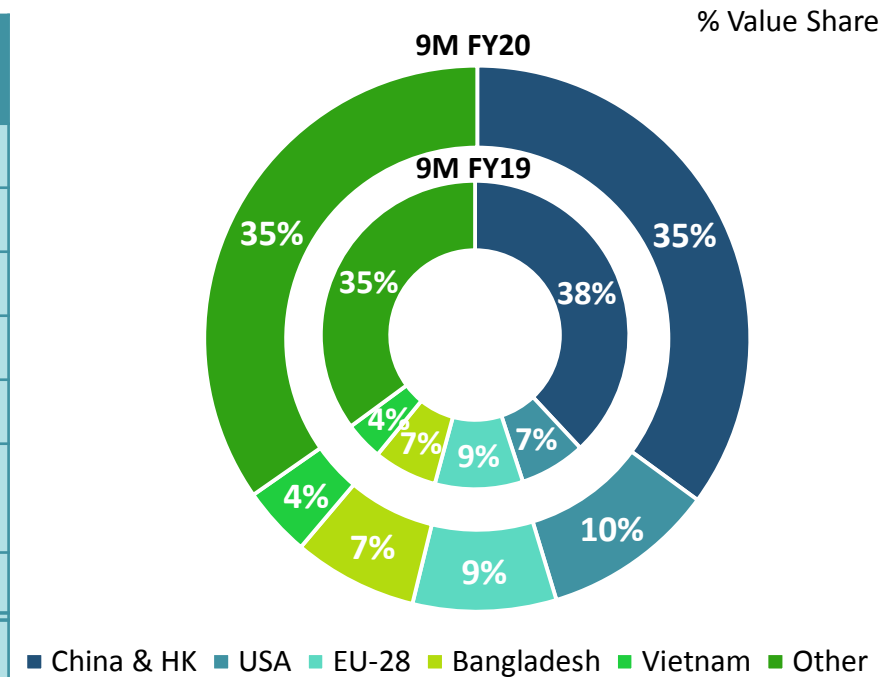
- India's exports of textile & apparel commodities have shown a decline of 7% in 9M FY20 as compared to 9M FY19. The exports of fibre and yarn have shown a significant decline of 47% and 30%, respectively.
- Fabric exports showed a growth of 8%; exports of apparel witnessed a growth of 1%.
- The share of USA has increased by 2% in 9M FY20 as compared to that of 9M FY19, while that of China has declined by 3%.

India's overall T&A* Imports

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

Category	H1 FY19	H1 FY20	% change	Q3 FY19	Q3 FY20	% change	9M FY19	9M FY20	% change
Fibre	970	1,563	61%	363	476	31%	1,333	2,039	53%
Filament	349	411	18%	175	173	-2%	524	584	11%
Yarn	217	256	18%	95	111	17%	312	367	18%
Fabric	1,276	1,232	-4%	600	585	-3%	1,876	1,817	-3%
Apparel	541	585	8%	290	313	8%	832	898	8%
Home Textile	148	156	6%	82	84	3%	230	240	5%
Others	342	399	17%	180	211	17%	522	610	17%
Total	3,843	4,602	20%	1,785	1,953	9%	5,628	6,555	16%

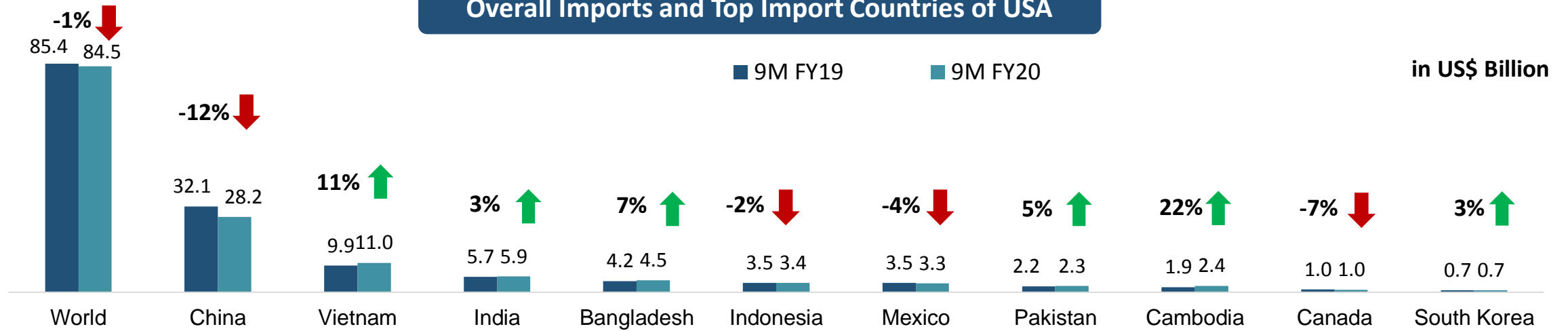
India's Top T&A Suppliers



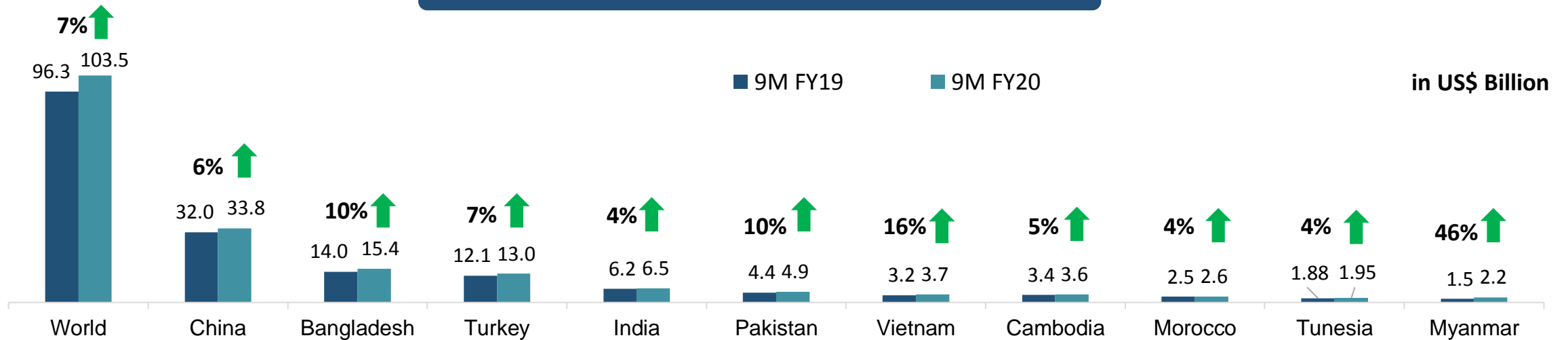
- India's imports of textile & apparel commodities have shown an increase of 16% in 9M FY20 as compared to 9M FY19. The imports of fibre has shown the most significant increase of 53% in its imports.
- Imports of fabric have shown a decline of 3% in 9M FY20 as compared to that in 9M FY19.
- China & HK is the largest supplier for India's textile & apparel commodities with a share of 35%, followed by USA with a share of 10%.

T&A imports of Europe increased by 2%, while that of USA decreased by 1%

Overall Imports and Top Import Countries of USA



Overall Imports and Top Import Countries of EU-28





Annexure: Wazir Textile Index (WTI) - Explanation



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 (Q2), 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

- 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
- Q1 FY19 – April 2018 to June 2018
- Q1 FY20 – April 2019 to June 2019
- Q2 FY19 – July 2018 to September 2018
- Q2 FY20 – July 2019 to September 2019
- Q3 FY19 – October 2019 to December 2019
- Q3 FY20 – October 2020 to December 2020
- 9M FY16 – April 2015 to December 2015
- 9M FY17 – April 2016 to December 2016
- 9M FY18 – April 2017 to December 2017
- 9M FY19 – April 2018 to December 2018
- 9M FY20 – April 2019 to December 2019
- RM – Raw Material
- T&A – Textile & Apparel
- USA – United States of America
- UK – United Kingdom
- WTI – Wazir Textile Index
- YTD – Year till date

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