



Wazir Textile Index

Quarterly Update

Q1 FY 2021

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Wazir Textile Index (WTI) – Q1 FY21



List of Companies Included as Part of the Financial Analysis

Top listed textile companies in terms of sales turnover in FY20 have been included for financial analysis.

S. No.	Company Name	Annual Sales* - FY20 (Rs. Crore)
1	Arvind	6,705
2	Vardhman	6,325
3	Welspun India	5,324
4	Trident	4,699
5	Raymond	3,186
6	KPR Mill	2,898
7	Filatex	2,782
8	RSWM	2,771
9	Sutlej	2,379
10	Nahar Spinning	2,083

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

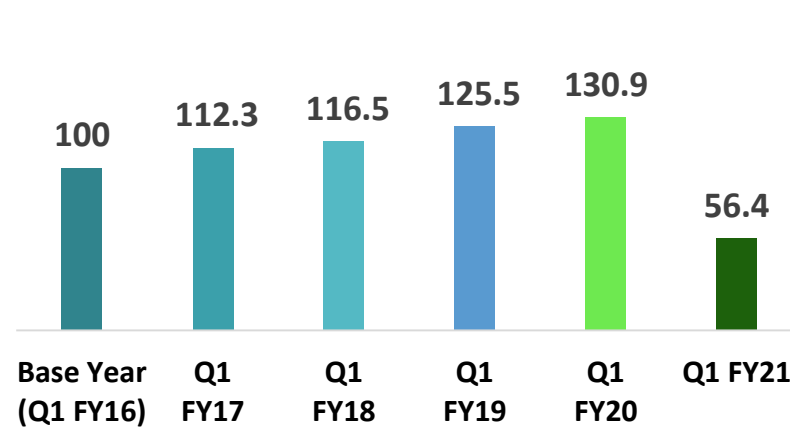
• Sales constitutes total operating income

• standalone financials have been considered for analysis

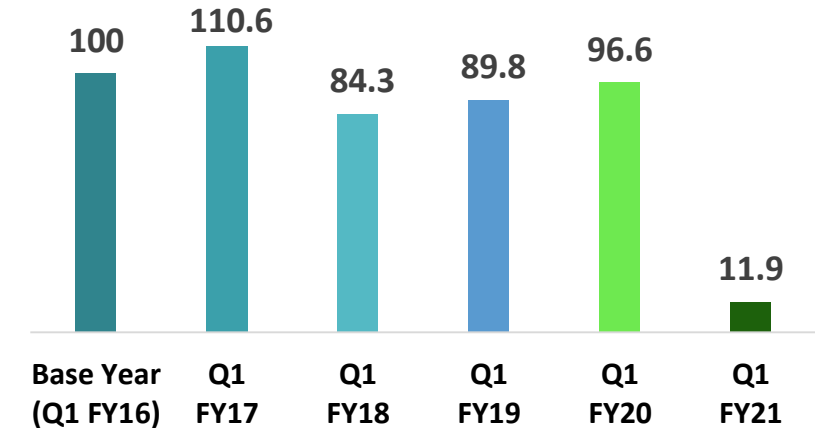
Wazir Textile Index (WTI) – Q1 FY21

- The Textile Index has seen a drastic drop in sales and EBITDA in Q1 FY21 owing to the COVID-19 lockdown.
- In Q1 FY21, overall sales dropped by 57% as compared to that in Q1 FY20.
- The overall EBITDA showed a decline of 88% in Q1 FY21 as compared to Q1 FY20.
- Raw Material cost and manpower cost also decreased by 60% and 31%, respectively during the same period.

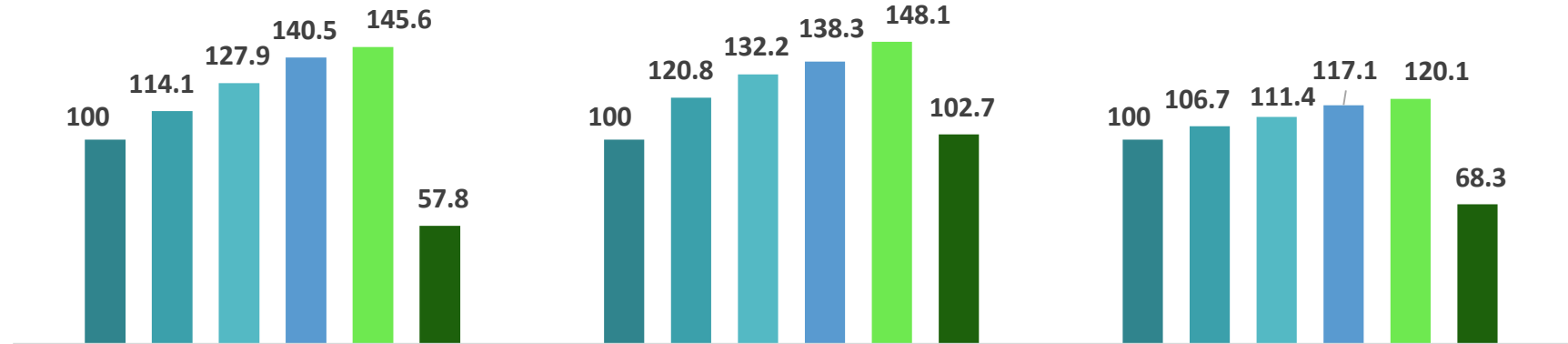
WTI Sales



WTI EBITDA



WTI Cost



RM Cost

Employee Cost

Other Cost*

■ Base Year (Q1 FY16) ■ Q1 FY17 ■ Q1 FY18 ■ Q1 FY19 ■ Q1 FY20 ■ Q1 FY21



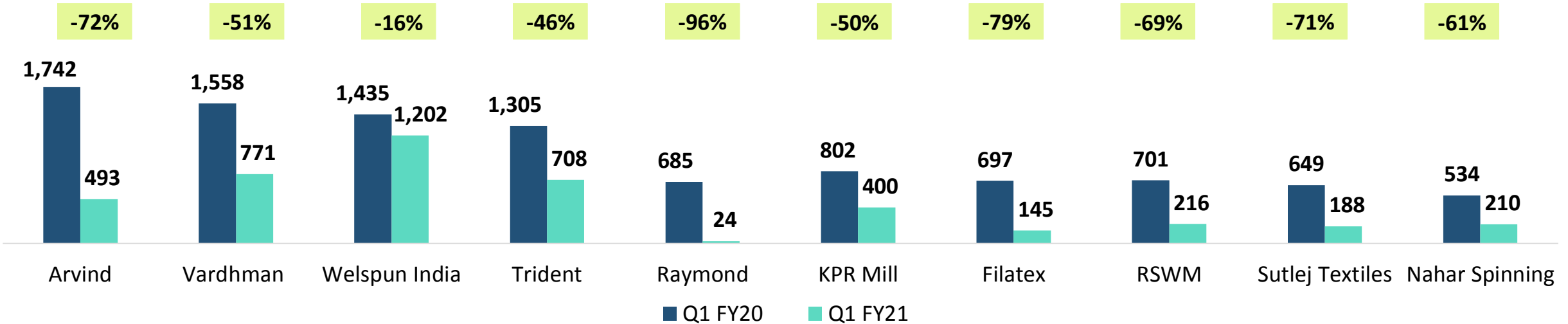
Quarterly Financial Performance – Q1 FY21



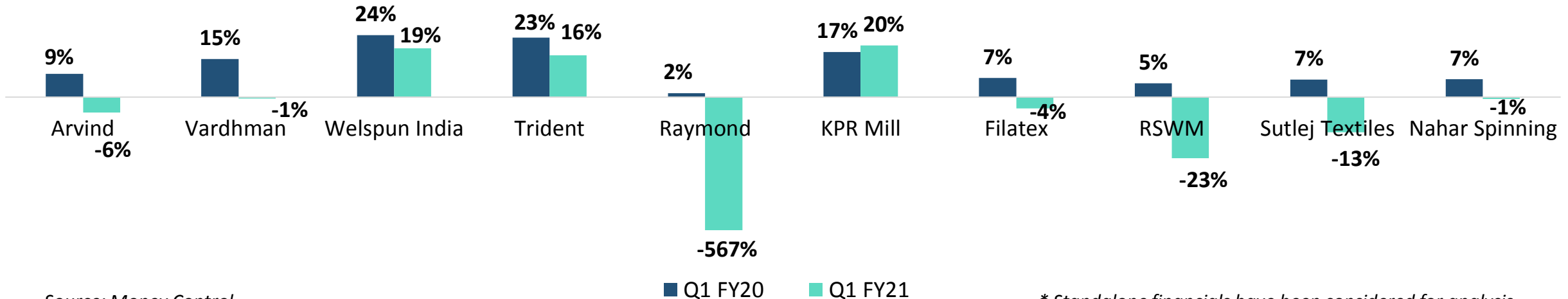
Quarterly Analysis for the Selected Top Players

Quarterly Sales Trend – Q1 FY21 (Rs. Crore)

Growth %



Quarterly EBITDA Margin Trend – Q1 FY21

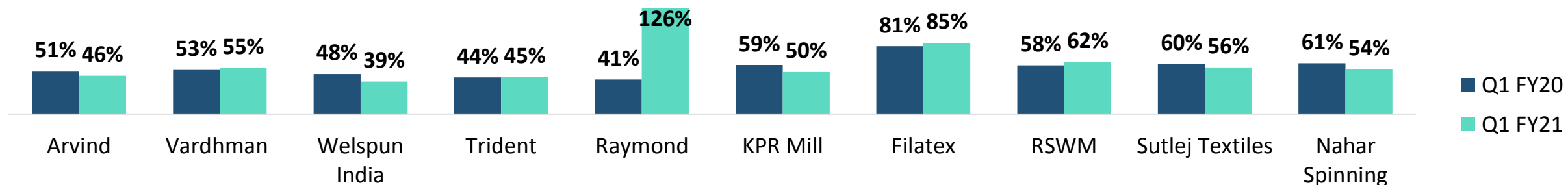


Source: Money Control

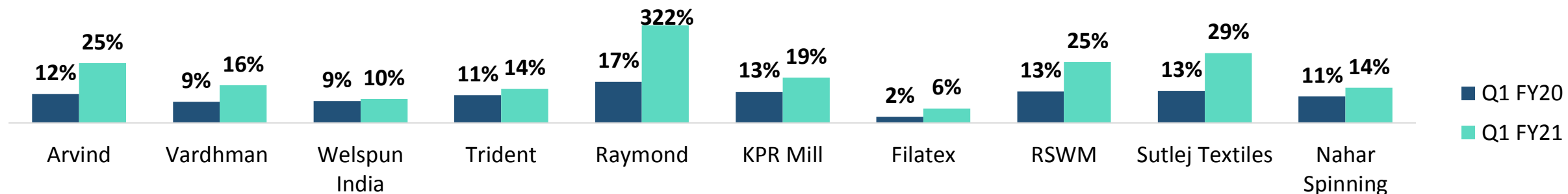
* Standalone financials have been considered for analysis

Quarterly Analysis - Major Expenses as % of Sales

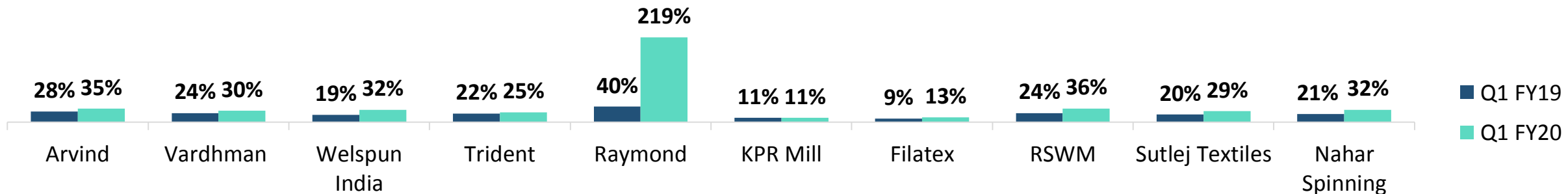
Raw Material Cost - % of Sales



Employee Cost - % of Sales



Other Costs - % of Sales



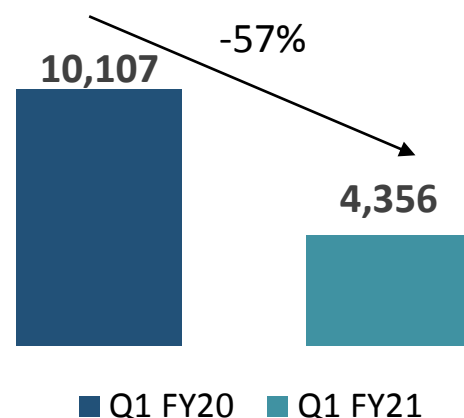
Source: Money Control

* Standalone financials have been considered for analysis

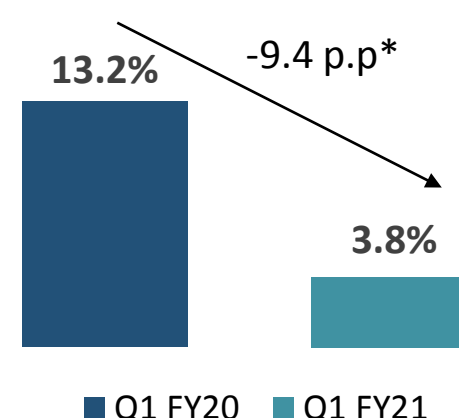
Consolidated Analysis for the Selected Top Players

On consolidated level, sales have decreased by 57% in Q1 FY21 as compared to Q1 FY20.

Consolidated Sales – Rs. Crore

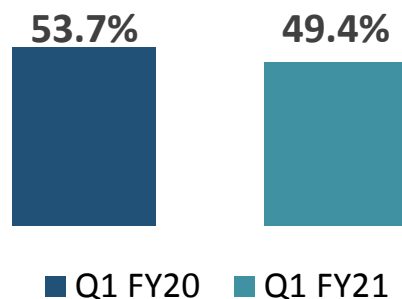


Average EBITDA %



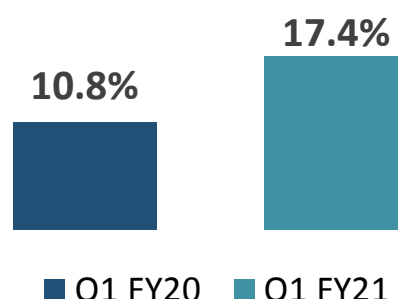
Consolidated EBITDA margin decreased by 9.4 percentage points for the selected top companies.

Average RM Cost - % of Sales



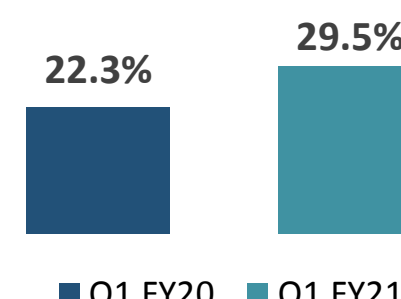
Average RM cost decreased by 4.3 percentage points in Q1 FY21 as compared to Q1 FY20.

Average Employee Cost - % of Sales



Average employee cost increased by 6.6 percentage points in Q1 FY21 as compared to Q1 FY20.

Average Other Expenses - % of Sales



Other expenses increased by 7.2 percentage points in Q1 FY21 as compared to Q1 FY20.

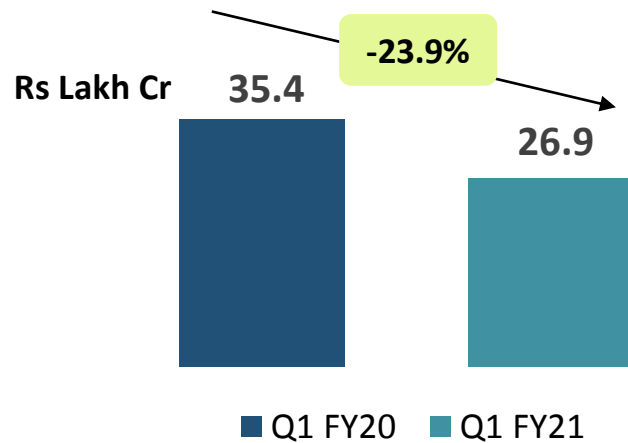


Market Update



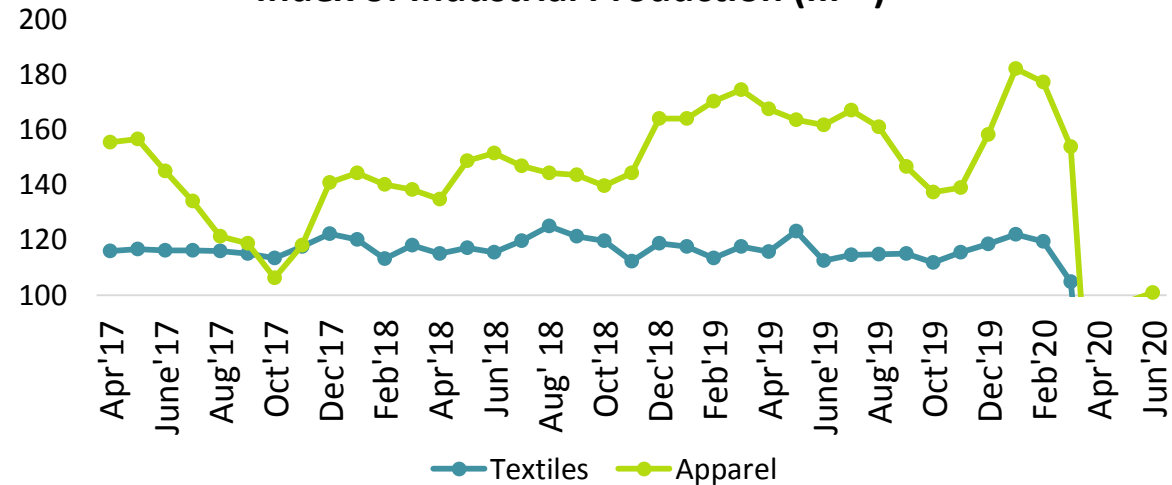
Key Economic Indicators

India's GDP (at constant prices)



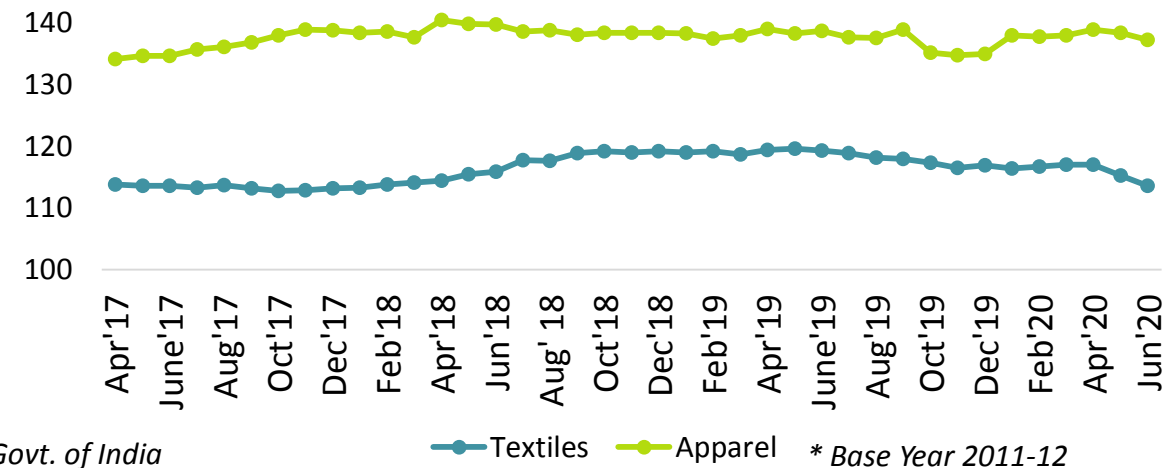
India's real GDP shrinks a record 23.9% in Q1 FY21 as compared to that in Q1 FY20.

Index of Industrial Production (IIP*)



Average IIP for apparel decreased by 58% in Q1 FY21 as compared to Q1 FY20, while that of textiles showed a decline of 75%.

Wholesale Price Index (WPI*)



Average WPI for textiles decreased by 3% in Q1 FY21 as compared to Q1 FY20, while that of apparel remained constant.

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

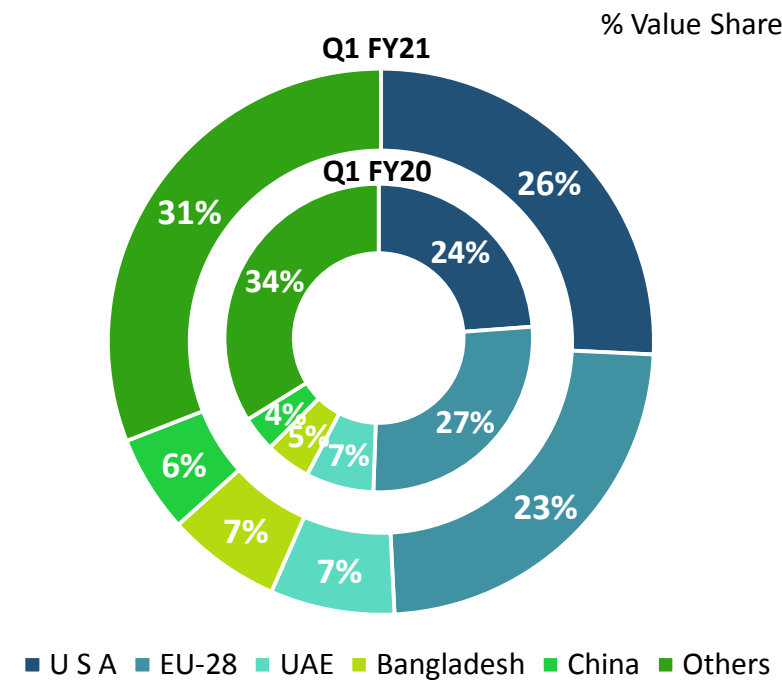
* Base Year 2011-12

India's overall T&A* Exports

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

Category	FY19	FY20	% change	Q1 FY20	Q1 FY21	% change
Fibre	3,028	1,892	-38%	382	314	-18%
Filament	1,306	1,162	-11%	299	97	-67%
Yarn	4,770	3,501	-27%	886	533	-40%
Fabric	4,787	5,065	6%	1,189	504	-58%
Apparel	16,156	15,509	-4%	4,172	1,448	-65%
Home Textile	5,453	5,272	-3%	1,327	714	-46%
Others	1,998	1,818	-9%	449	245	-45%
Total	37,498	34,220	-9%	8,704	3,856	-56%

India's Top T&A Markets



- The T&A exports have shown a drastic decline of 56% in Q1 FY21 as compared to that in Q1 FY20 owing to the economic lockdown due to covid-19 in major markets around the world
- Filament witnessed the highest dip of 67%, followed by Apparel with a dip of 65%.
- USA, EU-28 and UAE remain the top export destinations for India's T&A products with a combined share of 56%.

Source: DGCI&S

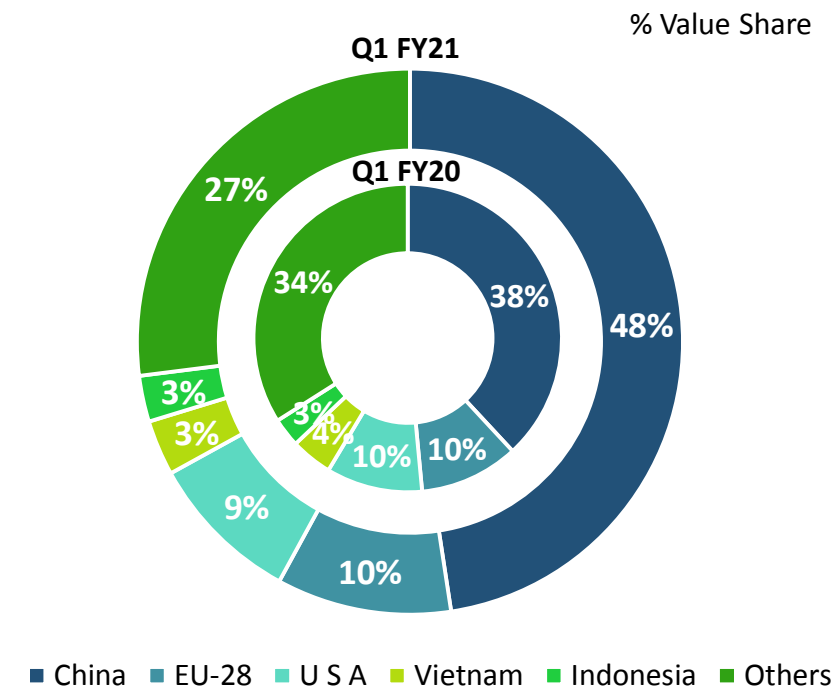
* Textile & Apparel

India's overall T&A* Imports

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

Category	FY19	FY20	% change	Q1 FY20	Q1 FY21	% change
Fibre	1,701	2,382	40%	579	248	-57%
Filament	718	752	5%	197	86	-56%
Yarn	412	462	12%	112	46	-59%
Fabric	2,472	2,324	-6%	618	232	-63%
Apparel	1,106	1,144	3%	232	132	-43%
Home Textile	285	298	5%	63	37	-40%
Others	699	796	14%	185	228	23%
Total	7,393	8,158	10%	1,985	1,010	-49%

India's Top T&A Import Markets



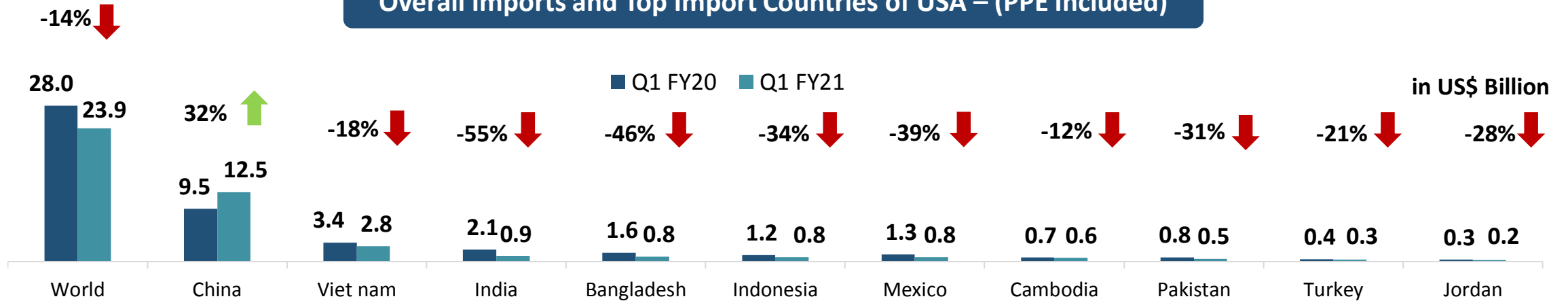
- The overall T&A imports of Q1 FY21 have reduced to half as compared to Q1 FY20 owing to the economic lockdown due to covid-19 in India
- Fabric imports witnessed the highest dip of 63% followed by yarn with a dip of 59%, during the same period.
- On the contrary, imports of Others have increased significantly by 23% in Q1 FY21 as compared to Q1 FY20. The increase is mainly due to the imports of PPE kits and other related products which are classified in 'Others'
- As the imports of PPE kits and other related products are majorly from China so, it increased share of China in Indian imports significantly by 10% in Q1 FY21 as compared to Q1 FY20

Source: DGCI&S

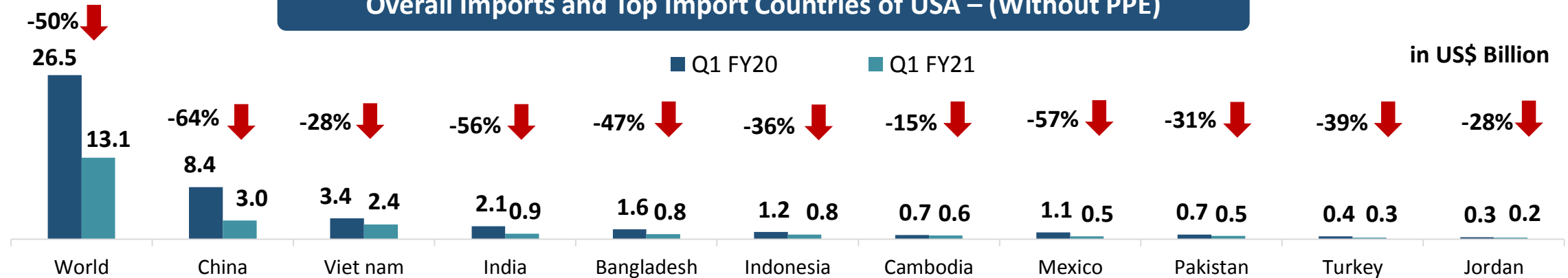
* Textile & Apparel

T&A Imports of USA have decreased by 50% in Q1 FY21 (excluding PPE imports)

Overall Imports and Top Import Countries of USA – (PPE Included)



Overall Imports and Top Import Countries of USA – (Without PPE)



USA's T&A imports showed a decline of 14% in Q1 FY21 as compared to previous year. The decline is lower than expected primarily due to the significant jump in the imports of PPE kits, mainly from China. This resulted in 32% increase in China's exports to EU. Considering Without PPE imports, there is a decline of 50% in US T&A imports in Q1, FY21

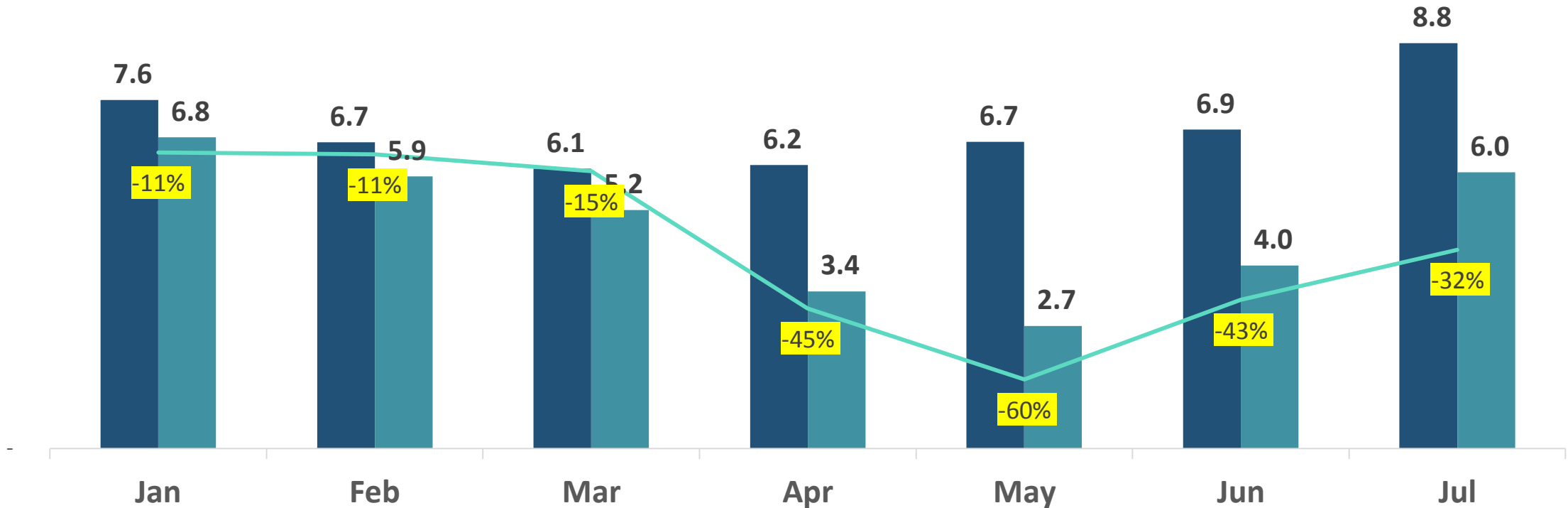
Source: UN Comtrade

UK data is not available for Q1 2019 as it was previously part of EU-28 only

Monthly Apparel Import Update - USA

■ 2019 ■ 2020 — YoY Change

Values in US\$ Bn.



US apparel imports are recovering steadily after hitting the lowest in May. From Jan to Jul. the cumulative imports are down by approx. 31%.

Source: OTEXA

Gainer and Loser Supplier Countries of USA Apparel Imports

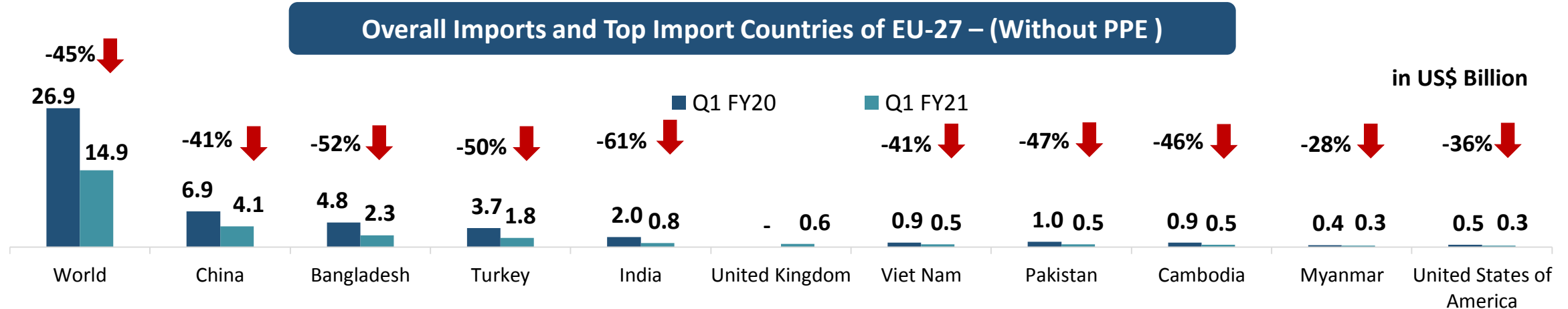
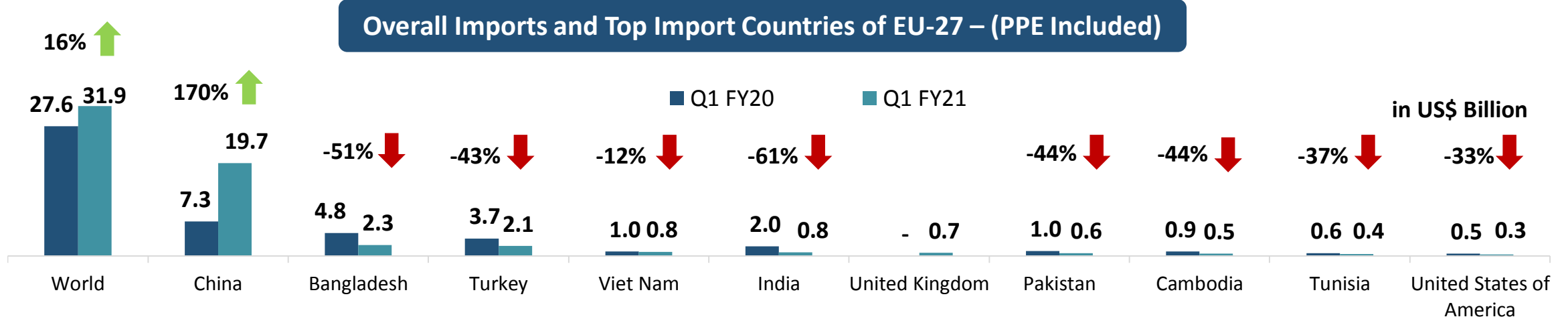
Values in US\$ Mn.

Country	Jan-Jul 2019		Jan-Jul 2020		YTD Change		
	Value	Share	Value	Share	Value	Value%	Share
China	14,500	30%	7,346	22%	-7,154	-49%	-8%
India	2,624	5%	1,751	5%	-873	-33%	0%
Vietnam	7,806	16%	6,943	20%	-864	-11%	4%
Honduras	1,572	3%	833	2%	-739	-47%	-1%
Mexico	1,886	4%	1,206	4%	-680	-36%	0%
Bangladesh	3,567	7%	2,905	9%	-661	-19%	2%
Cambodia	1,451	3%	1,539	5%	89	6%	2%
Burma	121	0.2%	156	0.5%	35	29%	0.3%
Macau	8	0.02%	32	0.1%	24	286%	0.1%
Ethiopia	108	0.2%	125	0.4%	17	16%	0.2%
Others	15,223	31%	11,038	32%	-4,185	-27%	1%
Total	48,866		33,876		-14,990	-31%	

China has lost maximum share (8% decrease) in the US market while Vietnam has been able to increase its share by 4%. None of the supplier nations have registered any appreciable increase in trade value.

Source: OTEXA

T&A Imports of EU have declined by 45% in Q1 FY21 (Excluding PPE Imports)



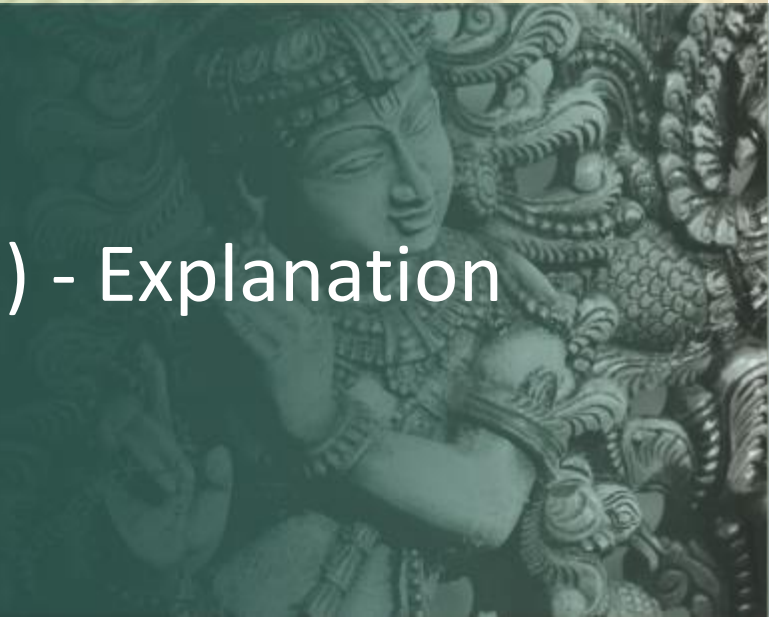
In the first graph, EU's T&A imports have increased by 16% in Q1 FY21 as compared to that in Q1 FY20. This is primarily due to the significant jump in the imports of PPE kits, mainly from China. This resulted in tremendous growth of 170% in China's exports to EU. Whereas considering without PPE imports, there is a 45% decline in EU's imports in Q1 FY21.

Source: UN Comtrade

UK data is not available for Q1 2019 as it was previously part of EU-28 only



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 (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

- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- FY19 – April 2018 to March 2019
- FY20– April 2019 to March 2020
- GDP – Gross Domestic Product
- Q1 FY20 – April 2019 to June 2019
- Q1 FY21 – April 2020 to June 2020
- 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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