



Wazir Textile Index

Nine-Months Update
9M FY21

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Wazir Textile Index (WTI) – 9M 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 w9Mch have not yet reported the financials have not been included in the overall analysis.

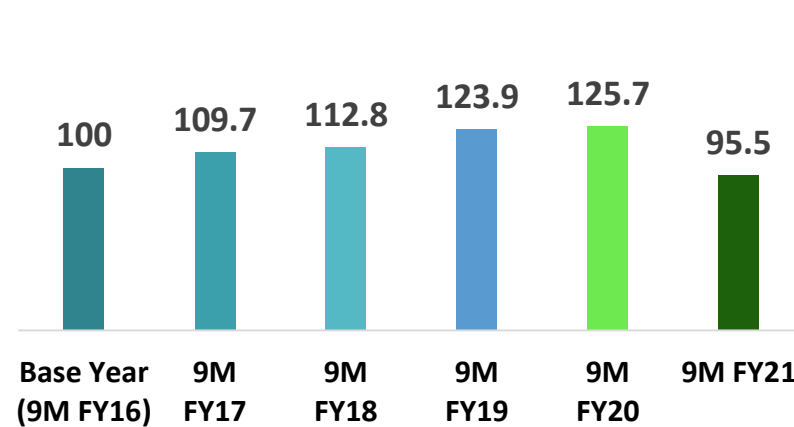
Source: Money Control

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

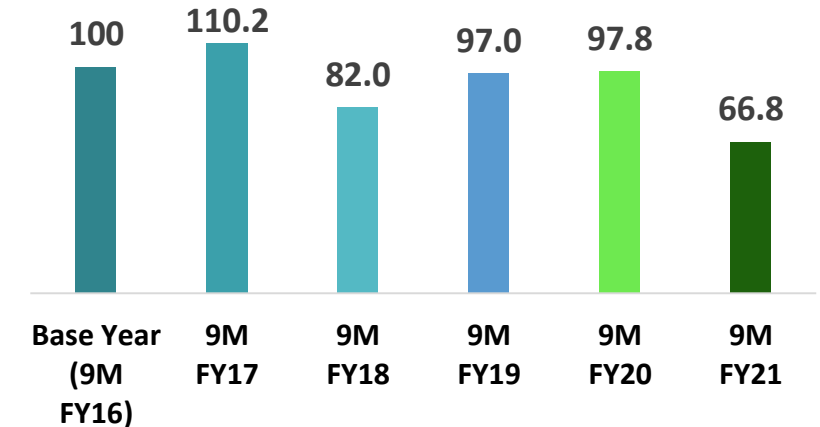
Wazir Textile Index (WTI) – 9M FY21

- The Textile Index has seen continuous drop in sales and EBITDA in 9M 21 owing to the COVID-19 pandemic.
- In 9M FY21, overall sales dropped by 24% as compared to that in 9M FY20.
- The overall EBITDA showed a decline of 32% in 9M FY21 as compared to 9M FY20.
- Raw Material cost and manpower cost also decreased by 24% and 17%, respectively during the same period.

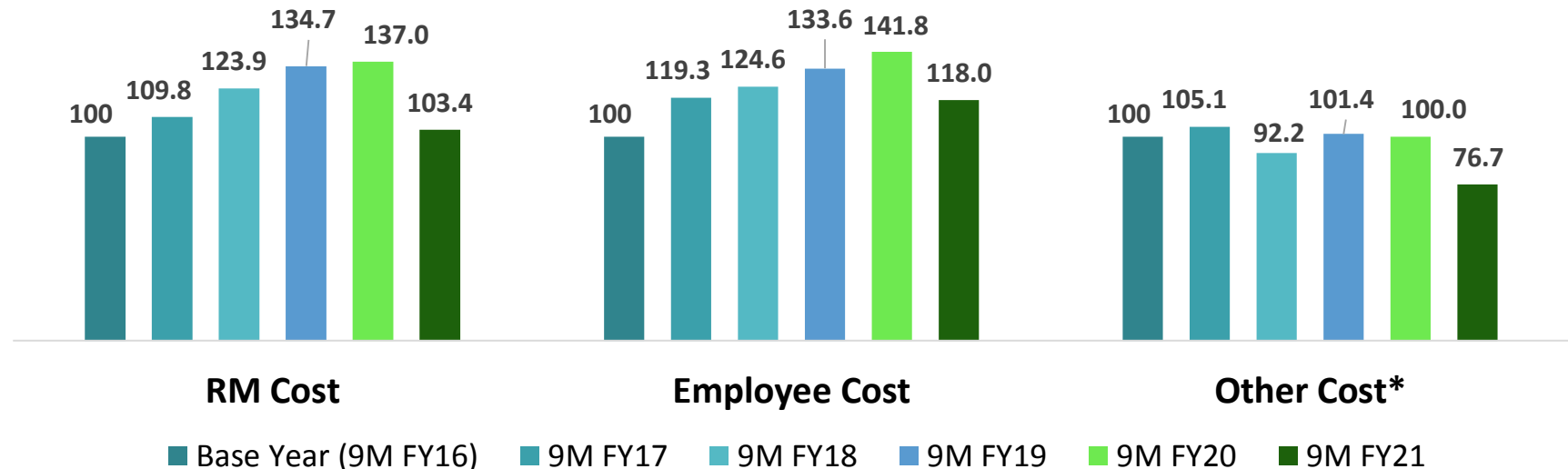
WTI Sales



WTI EBITDA



WTI Cost





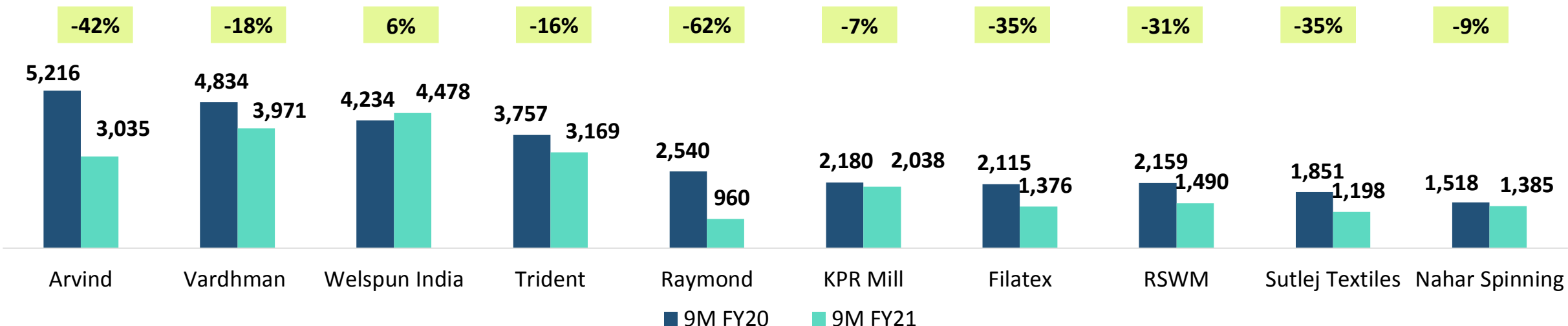
Nine Months Financial Performance – 9M FY21



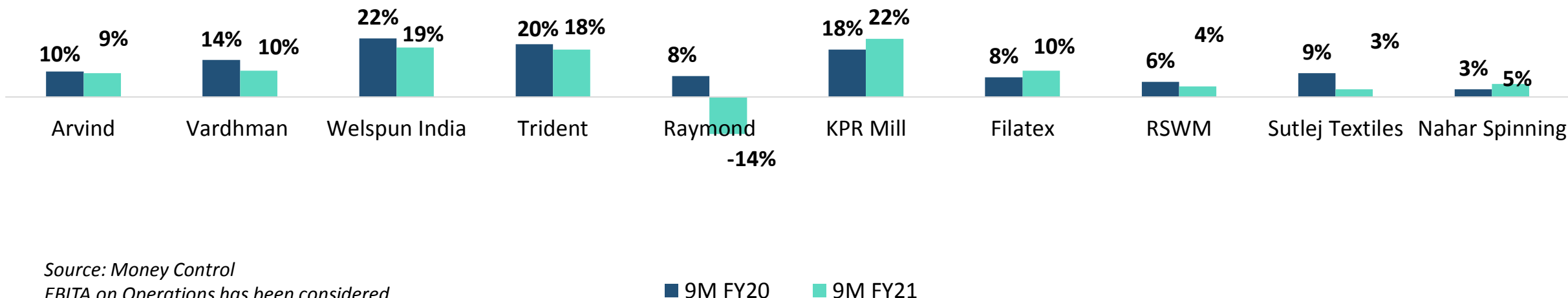
Nine Months Analysis for the Selected Top Players

9M sales trend – 9M FY21 (Rs. Crore)

Growth %



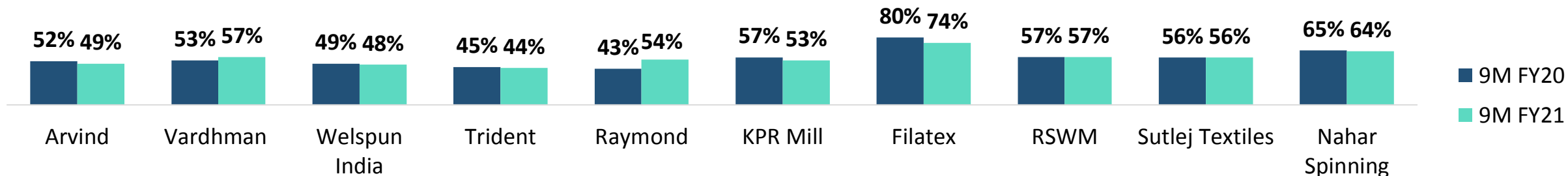
9M EBITDA Margin Trend – 9M FY21



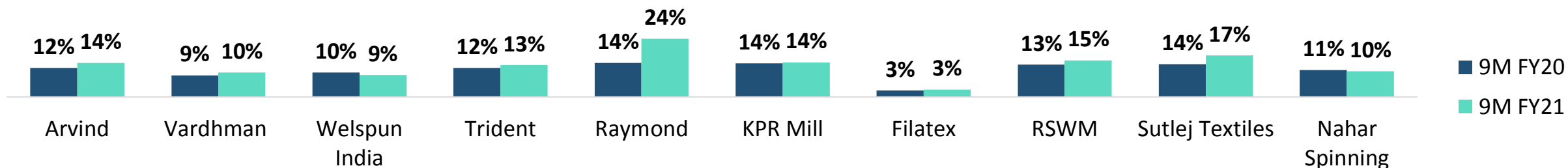
Source: Money Control
EBITA on Operations has been considered

Nine Months Analysis - Major Expenses as % of Sales

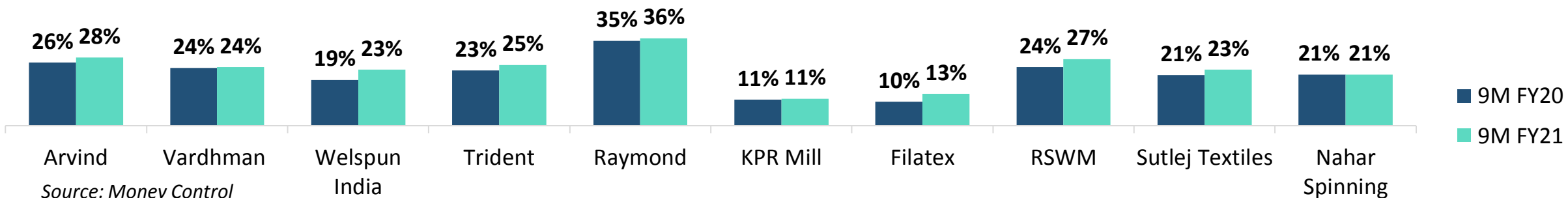
Raw Material Cost - % of Sales



Employee Cost - % of Sales



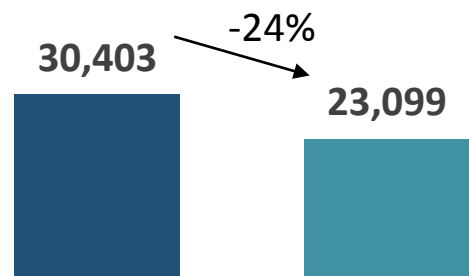
Other Costs - % of Sales



Source: Money Control

Consolidated Analysis for the Selected Top Players

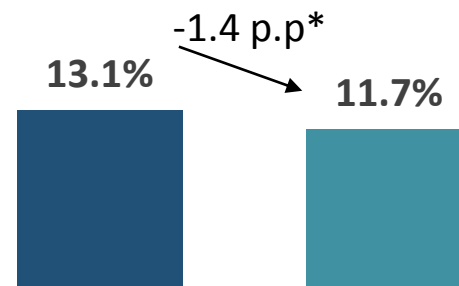
Consolidated Sales – Rs. Crore



Sales

■ 9M FY20 ■ 9M FY21

Average EBITDA %



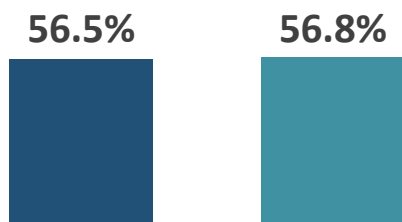
EBITDA %

■ 9M FY20 ■ 9M FY21

On consolidated level, sales have decreased by 24% in 9M FY21 as compared to 9M FY20.

Consolidated EBITDA margin decreased by 1.4 percentage points for the selected top companies.

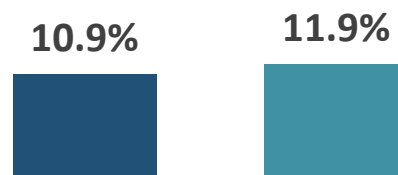
Average RM Cost - % of Sales



■ 9M FY20 ■ 9M FY21

Average RM cost increased by 0.3 percentage points in 9M FY21 as compared to 9M FY20.

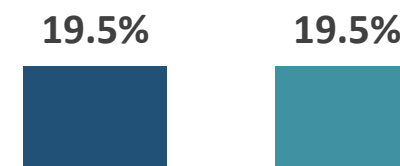
Average Employee Cost - % of Sales



■ 9M FY20 ■ 9M FY21

Average employee cost increased by 1.0 percentage points in 9M FY21 as compared to 9M FY20.

Average Other Expenses - % of Sales



■ 9M FY20 ■ 9M FY21

Other expenses remained same in 9M FY21 as compared to 9M FY20.



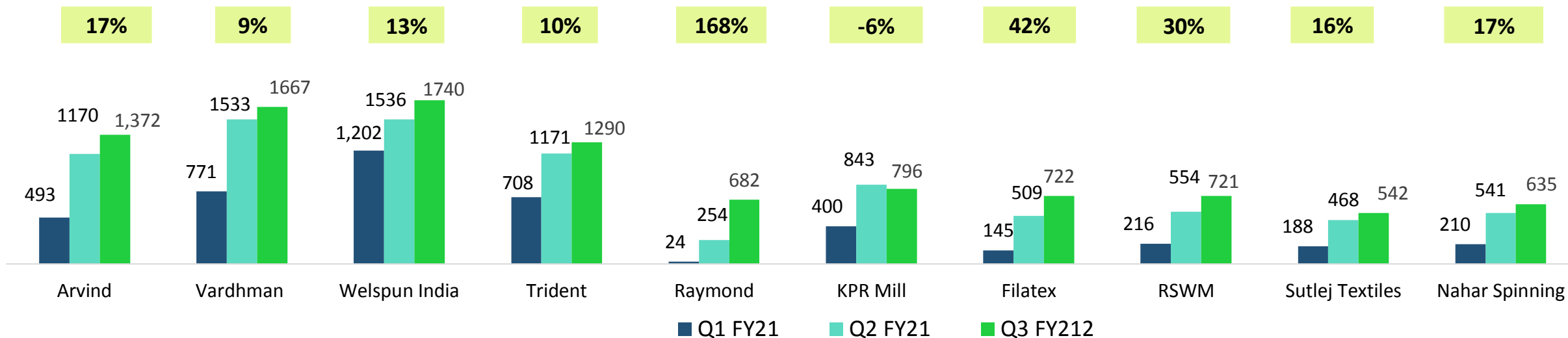
Quarterly Financial Performance – Q3 FY21



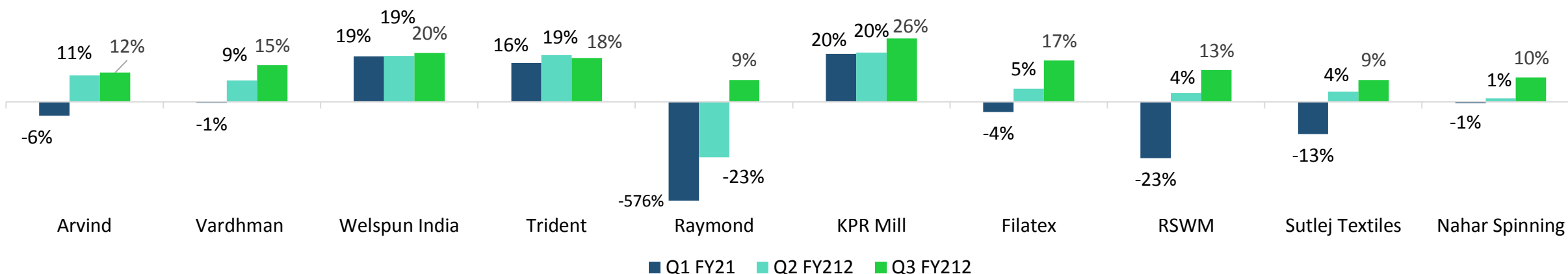
Quarterly analysis for the selected top players

Quarterly Sales* Trend – FY21 (Rs. Crore)

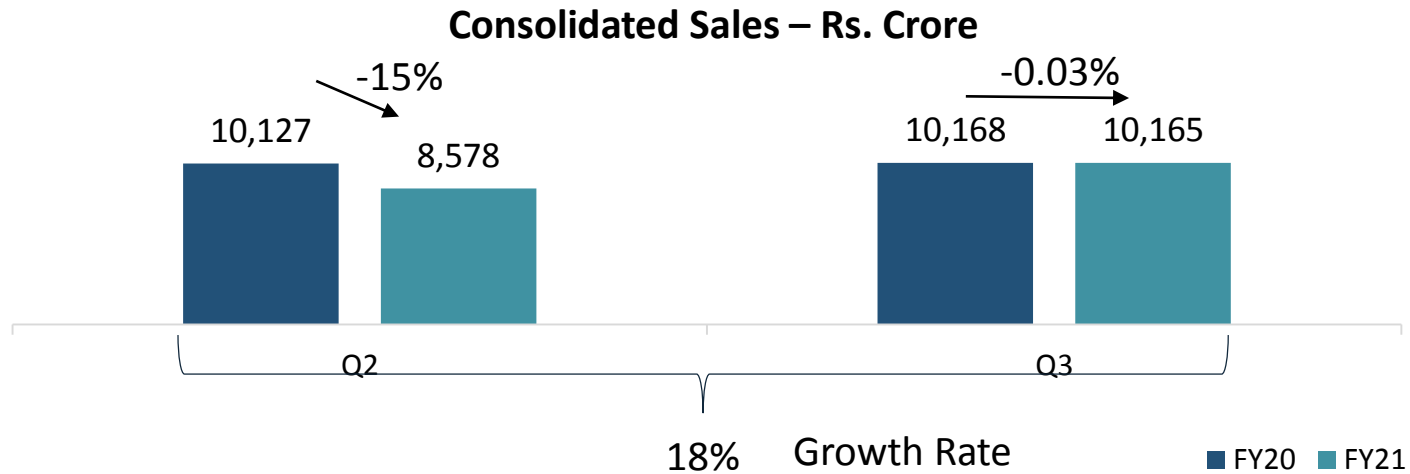
Q2 vs. Q3



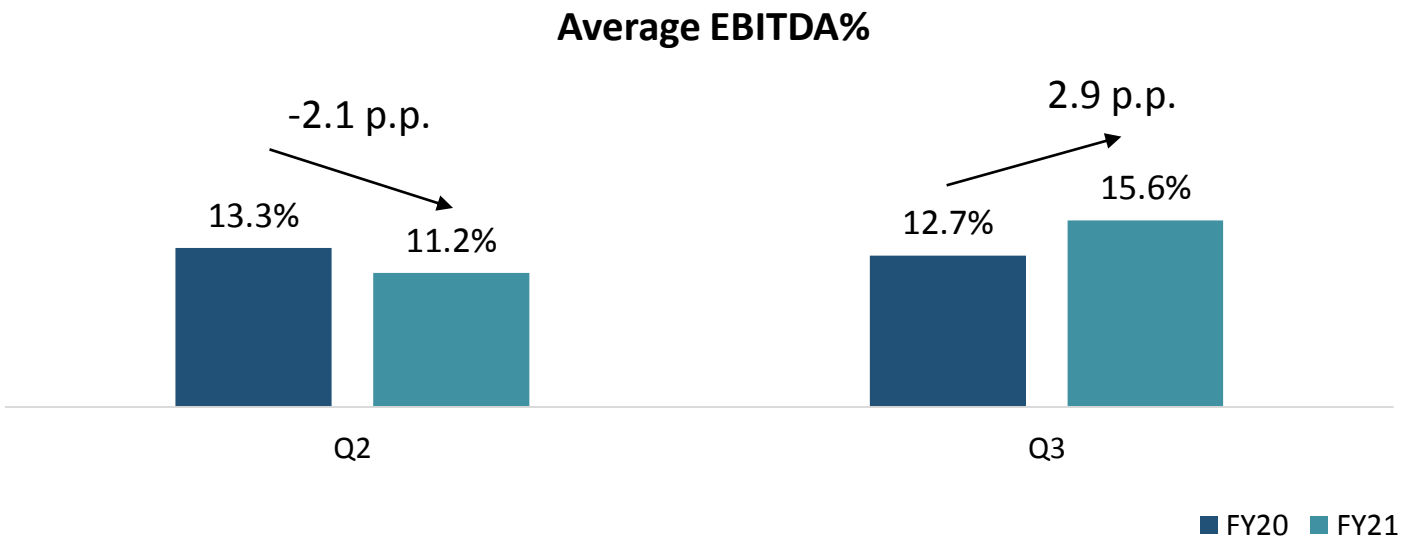
Quarterly EBITDA Margin Trend – FY21



Consolidated sales rebounded by 18% in Q3 FY21 when compared to Q2 FY21



On consolidated level, sales declined in Q2 FY21 due to lockdown in the country but showed a significant recovery in Q3 FY21 when compared to same period, previous year.



Consolidated EBITDA margin showed a significant recovery Q3 of FY21 when compared to same period, previous year.

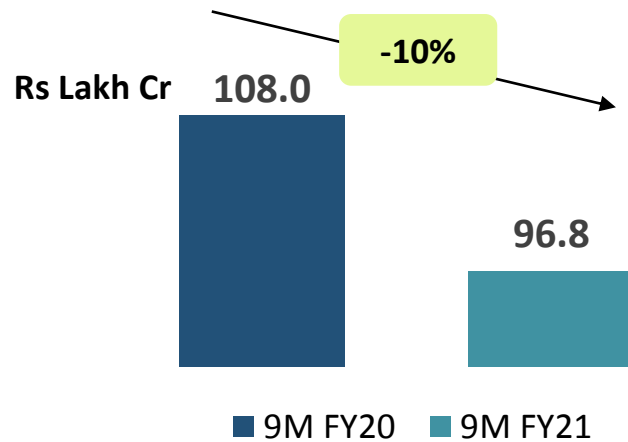


Market Update



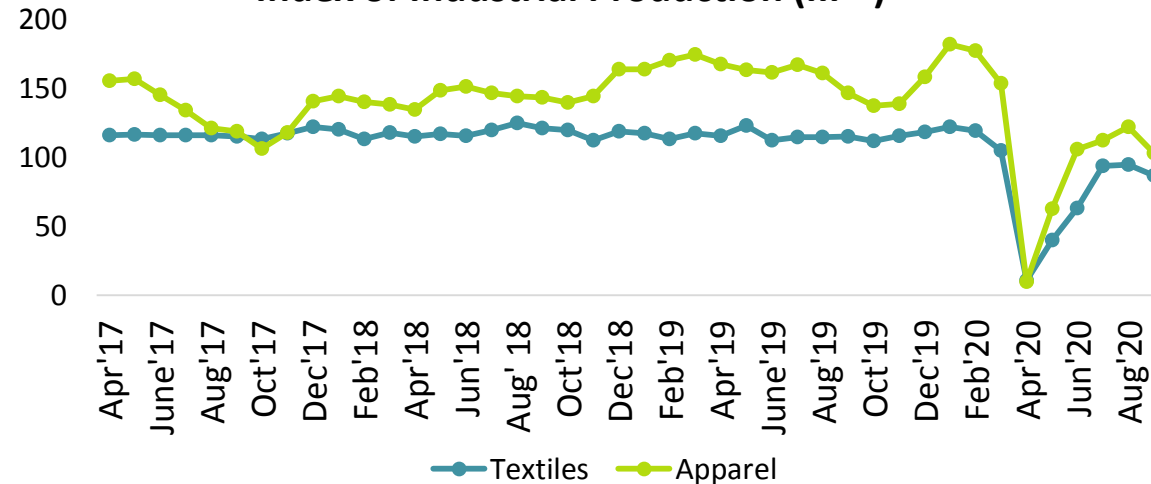
Key Economic Indicators

India's GDP (at constant prices)



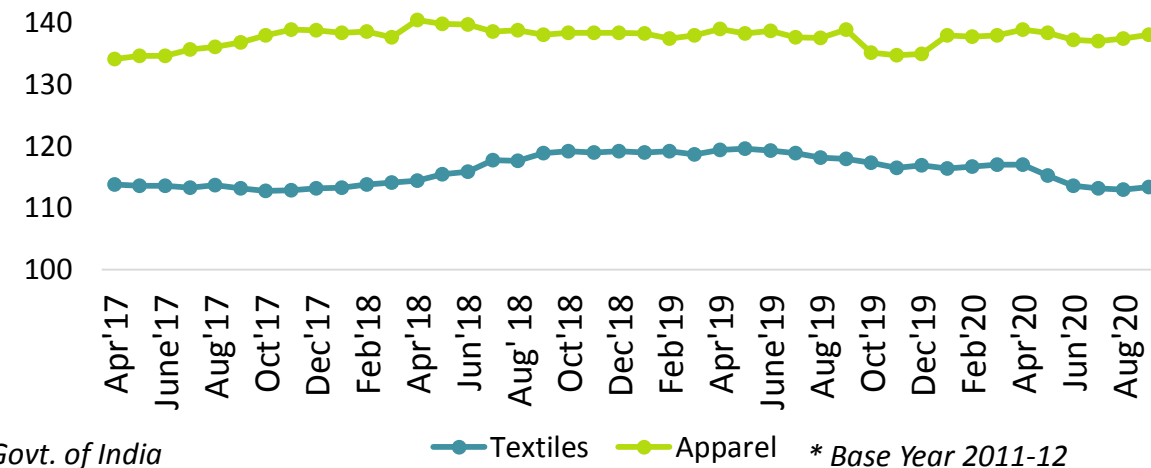
India's real GDP shrinks by 10% in 9M FY21 as compared to a growth of 4.3 per cent during the same period last year.

Index of Industrial Production (IIP*)



Average IIP for apparel decreased by 47% in 9M FY21 as compared to 9M FY20, while that of textiles showed a decline of 44%.

Wholesale Price Index (WPI*)



Average WPI for textiles decreased by 4% in 9M FY21 as compared to 9M FY20, while that of apparel declined by 0.4%.

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

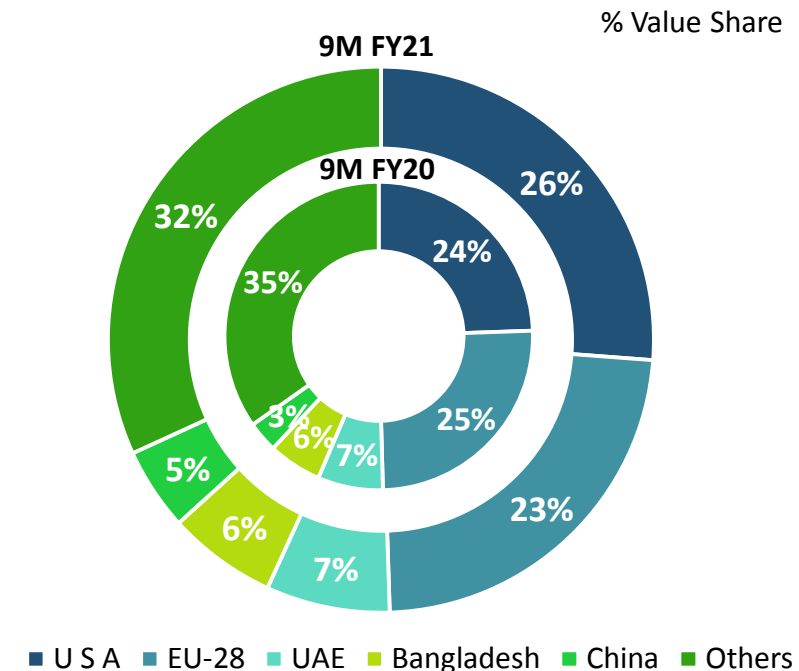
* Base Year 2011-12

India's overall T&A* Exports

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

Category	H1 FY20	H1 FY21	% change	Q3 FY20	Q3 FY21	% change	9M FY20	9M FY21	% Change
Fibre	666	818	23%	478	745	56%	1,144	1,563	37%
Filament	587	302	-49%	292	235	-20%	879	537	-39%
Yarn	1,648	1,413	-14%	908	914	1%	2,555	2,326	-9%
Fabric	2,443	1,603	-34%	1,314	1,195	-9%	3,757	2,798	-26%
Apparel	7,881	4,791	-39%	3,577	3,425	-4%	11,458	8,216	-28%
Home Textile	2,710	2,287	-16%	1,346	1,715	27%	4,055	4,002	-1%
Others	866	686	-21%	524	580	11%	1,390	1,266	-9%
Total	16,799	11,900	-29%	8,438	8,808	4%	25,238	20,708	-18%

India's Top T&A Markets



- The T&A exports have shown a decline of 18% in 9M FY21 as compared to that in 9M FY20, however the exports showed a recovery in Q3 owing to increase in fibre and home textiles exports
- Filament witnessed the highest dip of 39%, followed by Apparel with a dip of 28%.
- On the contrary, exports of fiber has shown a significant growth of 37% as compared to that in 9M FY20 due to the increase in cotton exports amid US' ban on purchase of cotton products from China.
- USA, EU -28 and UAE remains the top export destinations for India's T&A products with a combined share of 56%.

Source: DGCI&S

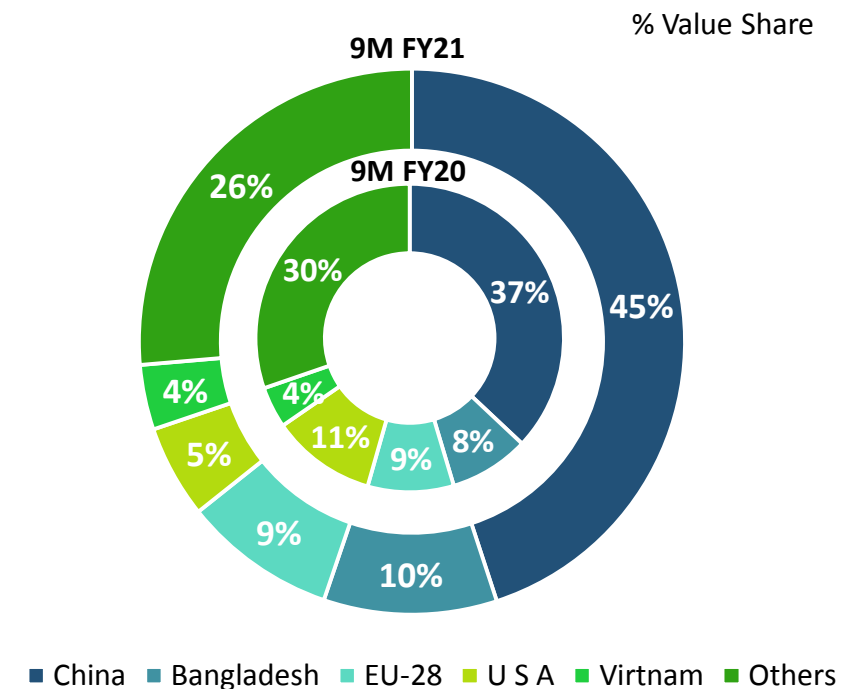
* Textile & Apparel

India's overall T&A* Imports

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

Category	H1 FY20	H1 FY21	% Change	Q3 FY20	Q3 FY21	% change	9M FY20	9M FY21	% Change
Fibre	1,563	451	-71%	477	261	-45%	2,039	711	-65%
Filament	411	173	-58%	173	212	23%	584	385	-34%
Yarn	256	167	-35%	111	153	38%	367	320	-13%
Fabric	1,232	598	-51%	585	487	-17%	1,817	1,085	-40%
Apparel	585	376	-36%	313	268	-14%	898	644	-28%
Home Textile	156	71	-54%	84	58	-31%	240	130	-46%
Others	399	422	6%	211	204	-4%	610	625	2%
Total	4,602	2,257	-51%	1,953	1,642	-16%	6,555	3,900	-41%

India's Top T&A Import Markets



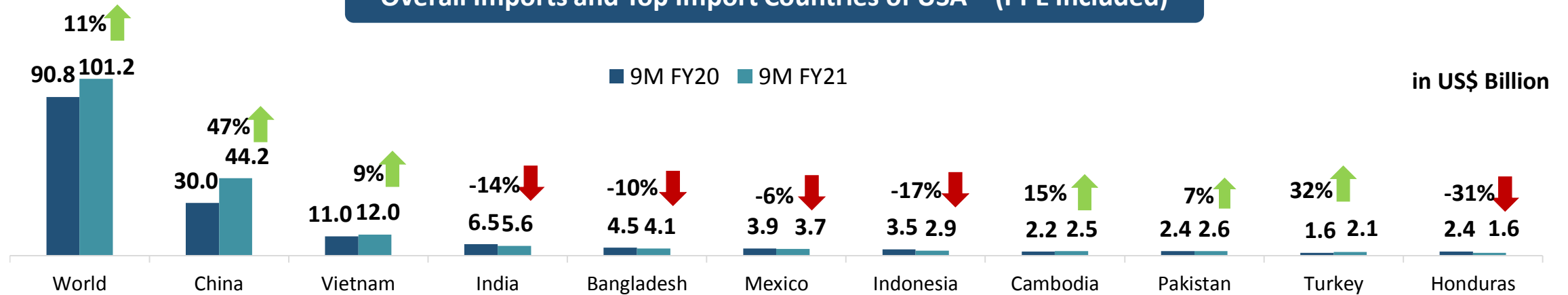
- The overall T&A imports in 9M FY21 have reduced by 41% as compared to 9M FY20.
- Fibre imports witnessed the highest dip of 65% followed by Home Textile with a dip of 46%, during the same period.
- On the contrary, imports of Others have shown a slight growth of 2% in 9M FY21 as compared to 9M FY20 due to the heavy imports of PPE kits in Q1 which then reduced in subsequent months as India excelled in-house manufacturing of the same.
- China continues to be the largest import partner for India with a share of 45% in 9M FY21 which has increased by 8% as compared to 9M FY20.

Source: DGCI&S

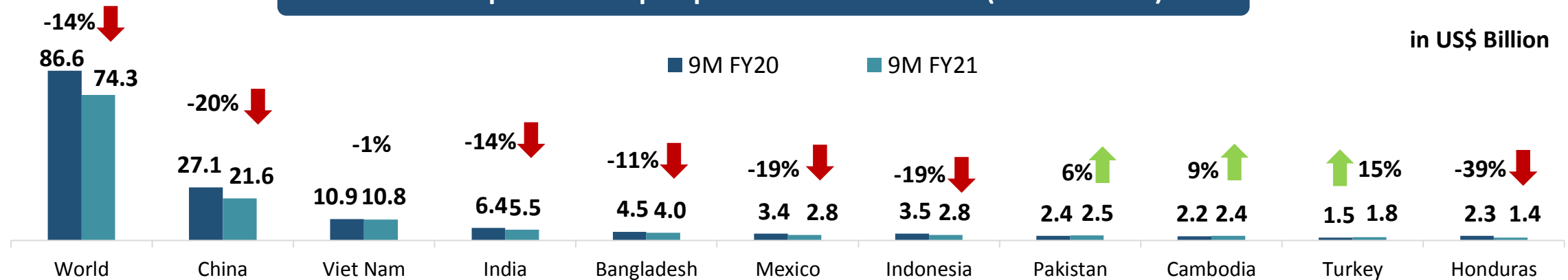
* Textile & Apparel

T&A Imports of USA have declined by 14% in 9M FY21 (Excluding PPE Imports)

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



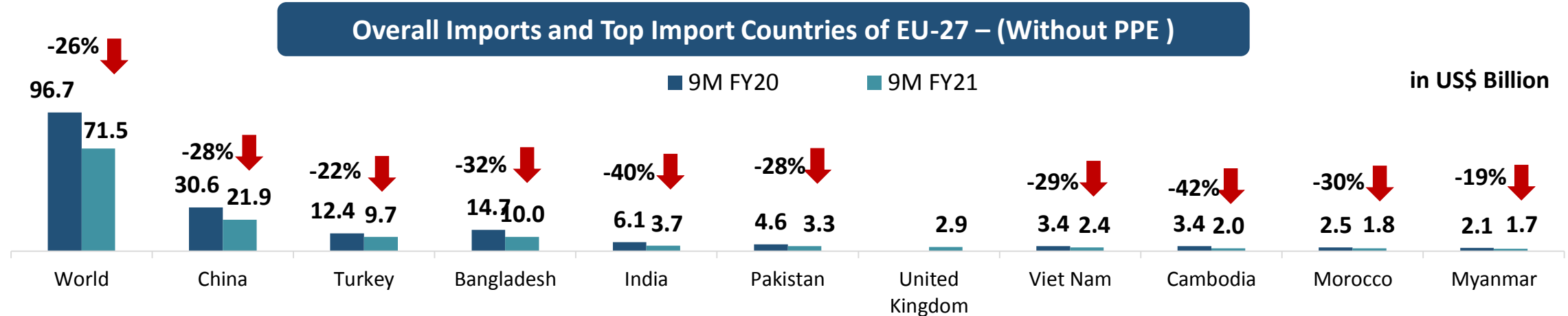
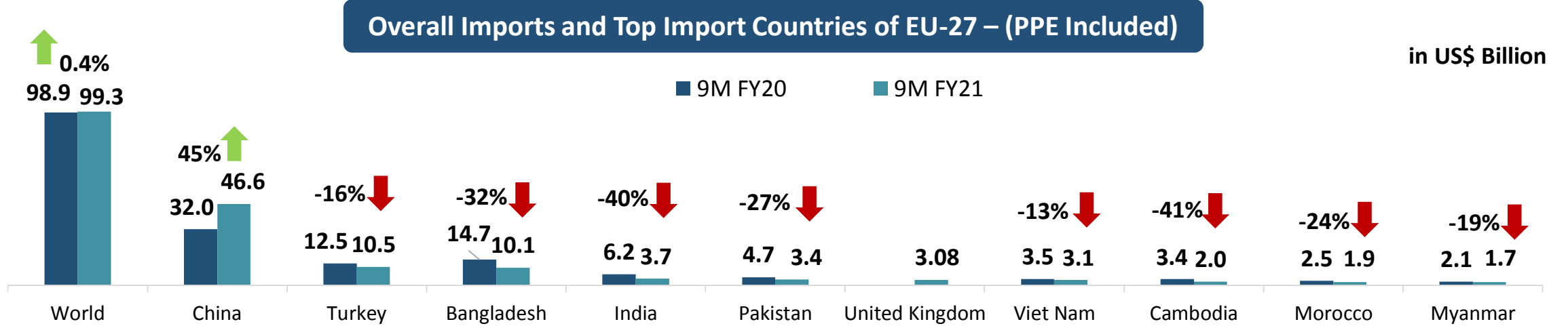
Overall Imports and Top Import Countries of USA – (Without PPE)



USA's overall imports have witnessed decent growth in the 9 month period of current financial year, however the growth is majorly driven by the extensive imports of PPE. Considering without PPE imports, USA has shown a decline of 14%

Source: UN Comtrade

T&A Imports of EU have declined by 26% in 9M FY21 (Excluding PPE Imports)



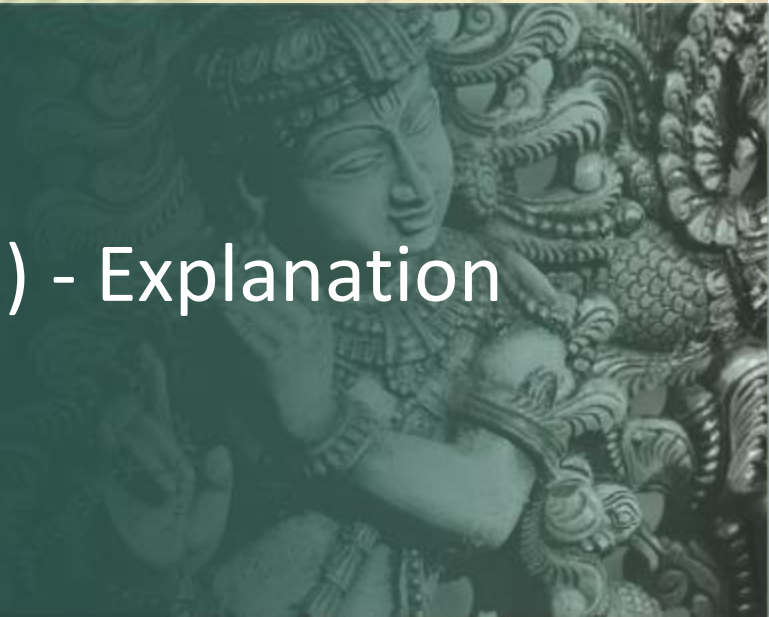
EU's overall imports have witnessed a marginal growth in the 9 month period of current financial year, however the growth is majorly driven by the extensive imports of PPE. Considering without PPE imports, EU has shown a decline of 26%

Source: UN Comtrade

UK imports have not been considered for 9M 2019 as it was previously part 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.
- T9Ms 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 2019 to June 2019
- Q2 FY20 – July 2019 to September 2019
- Q2 FY21 – July 2019 to September 2019
- H1 FY20 – April 2019 to September 2019
- H1 FY21 – April 2020 to September 2020
- Q3 FY20 – September 2019 to December 2019
- Q3 FY21 – September 2020 to December 2020
- 9M FY20 – April 2019 to December 2019
- 9M FY21 – April 2020 to December 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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