

# Wazir Textile Index

Quarterly Update

Q1 FY 2020

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# Wazir Textile Index (WTI) – Q1 FY20



# List of companies included as part of the financial analysis

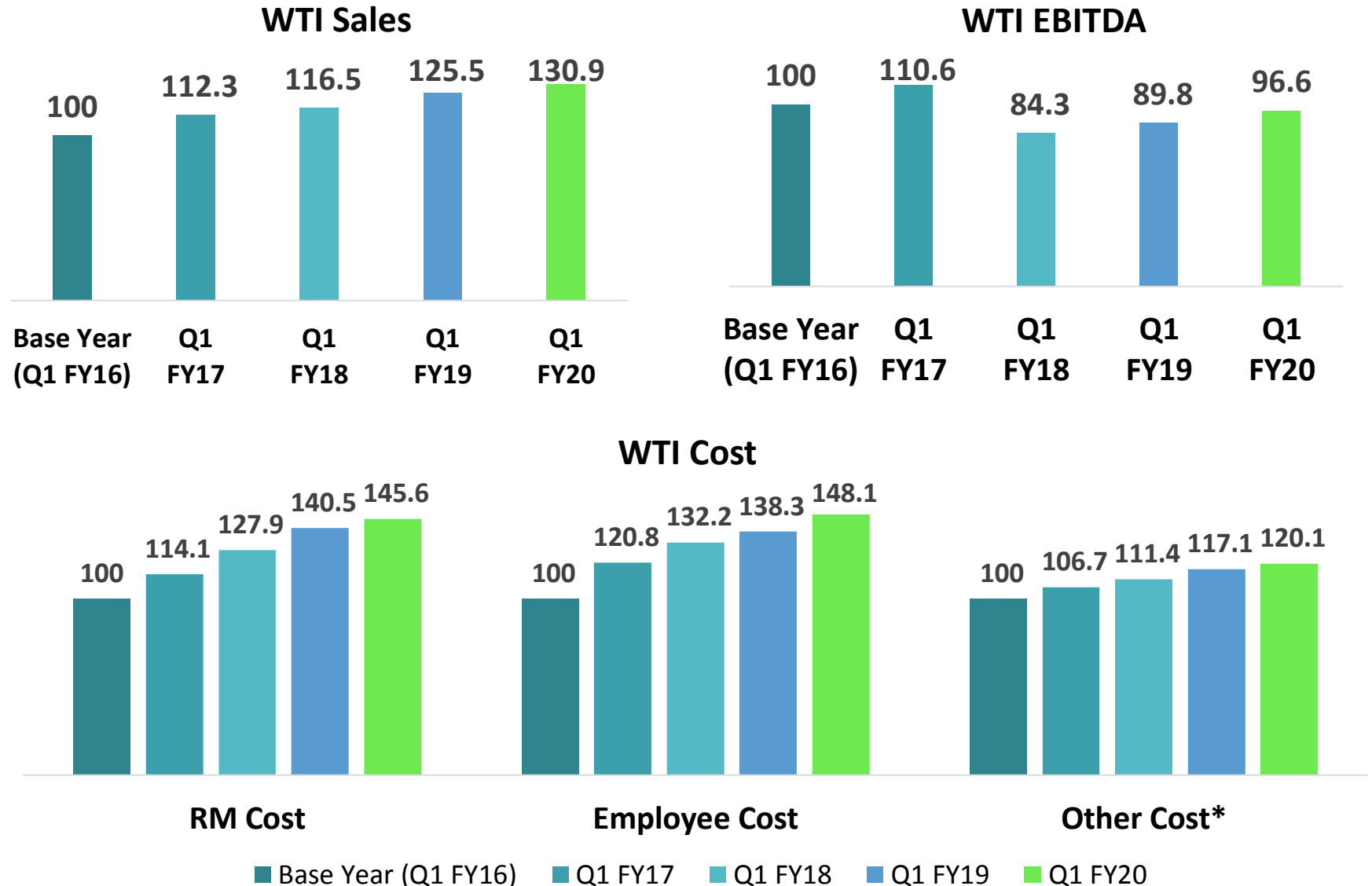
**Top listed textile companies in terms of sales turnover in FY19 have been included for financial analysis.**

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.  
SRF has been excluded as it's financials indicate performance of other business segments as well.

# Wazir Textile Index (WTI) – Q1 FY20

- In Q1 FY20, overall sales increased by 4% as compared to Q1 FY19.
- The overall EBIDTA showed a notable growth of 8% in Q1 FY20 as compared to Q1 FY19.
- However, manpower cost and raw material cost also increased by 7% and 4%, respectively during the same period.



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

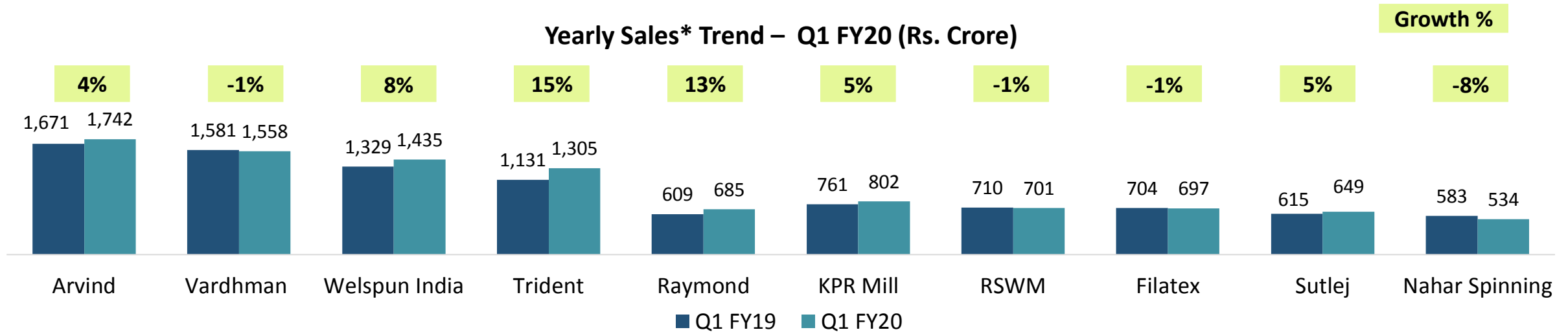


# Quarterly Financial Performance – Q1 FY20

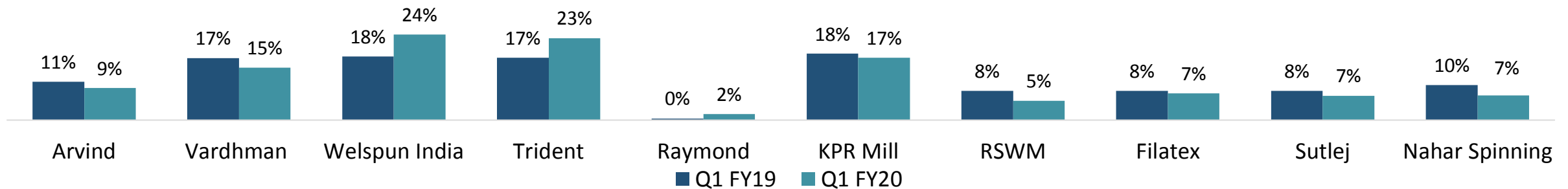


# Revenue for majority companies witnessed growth, while EBITDA margins declined

Yearly Sales\* Trend – Q1 FY20 (Rs. Crore)



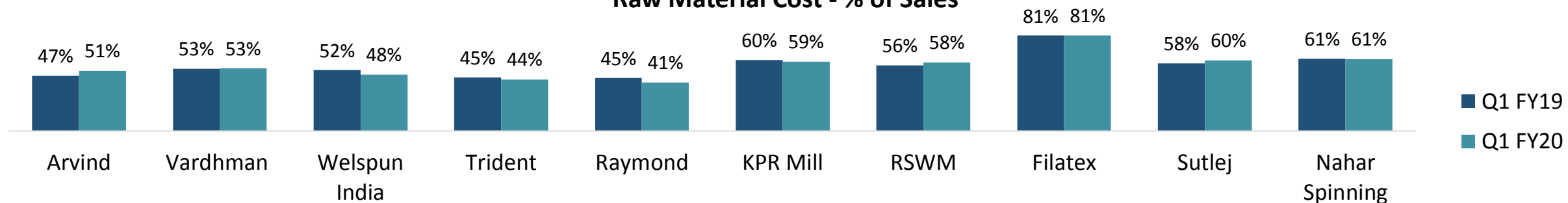
Yearly EBITDA Margin Trend – Q1 FY20



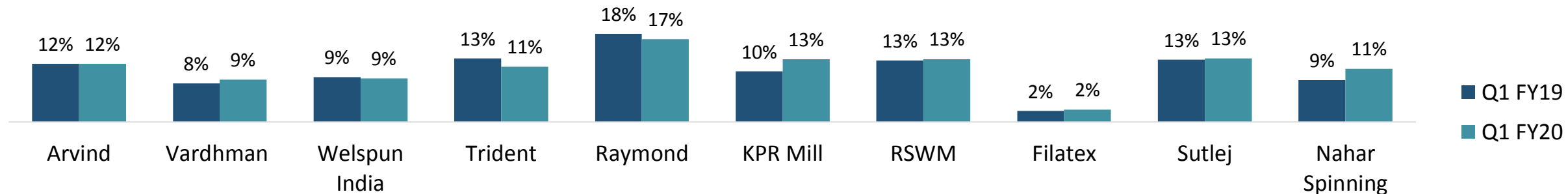
- Sales of majority companies have shown growth in Q1 FY20. Trident has shown the highest sales growth of 15% followed by Raymond with 13%. However, Nahar Spinning witnessed a decline of 8% in their sales.
- Majority companies showed a dip in their EBITDA margins. Welspun and Trident have showed a growth of 6 percentage points in their EBITDA margins.

# Quarterly Analysis - Major Expenses as % of Sales

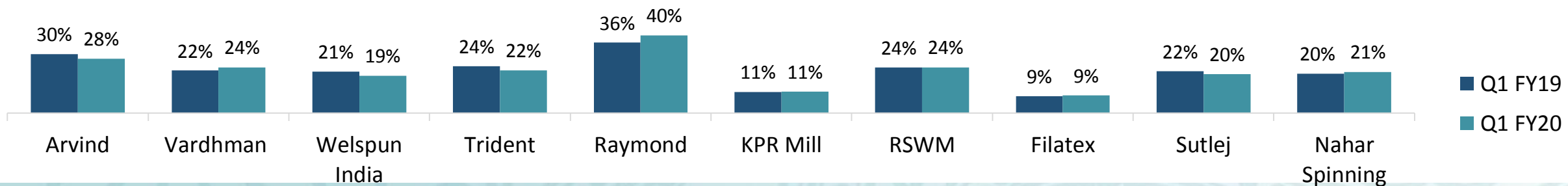
## Raw Material Cost - % of Sales



## Employee Cost - % of Sales



## Other Costs - % of Sales

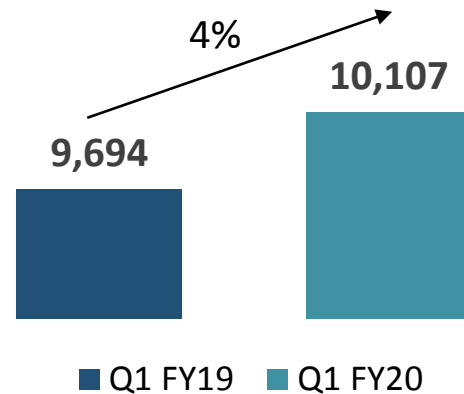




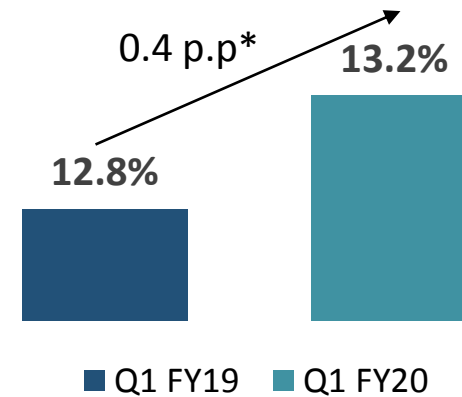
# Consolidated Analysis for the Selected Top Players

On consolidated level, sales have increased by 4% in Q1 FY20 as compared to Q1 FY19.

Consolidated Sales – Rs. Crore

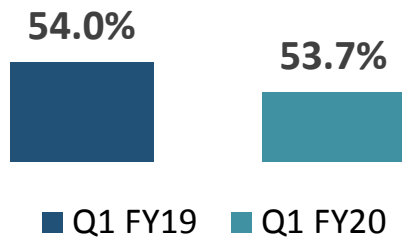


Average EBITDA %



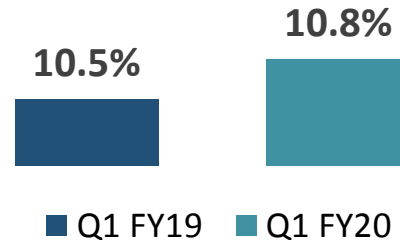
Consolidated EBITDA margin increased marginally by 0.4 percentage points for the selected top companies.

Average RM Cost - % of Sales



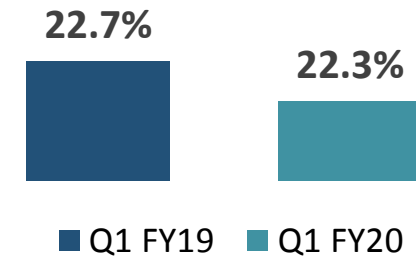
Average RM cost decreased marginally by 0.3 percentage points in Q1 FY20 as compared to Q1 FY19.

Average Employee Cost - % of Sales



Average employee cost increased by 0.3 percentage points in Q1 FY20 as compared to Q1 FY19.

Average Other Expenses - % of Sales



Other expenses decreased by 0.4 percentage points in Q1 FY20 as compared to Q1 FY19.

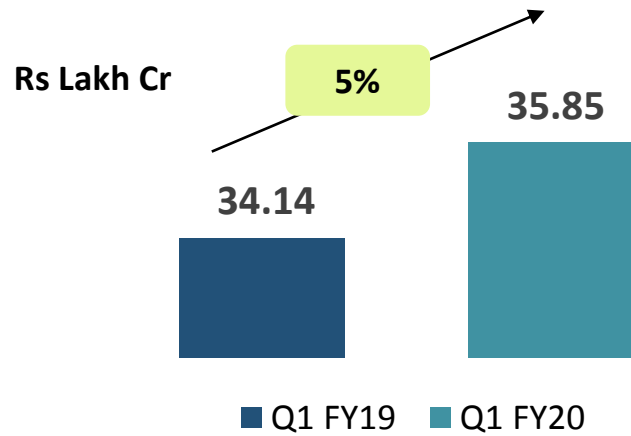


# Market Update



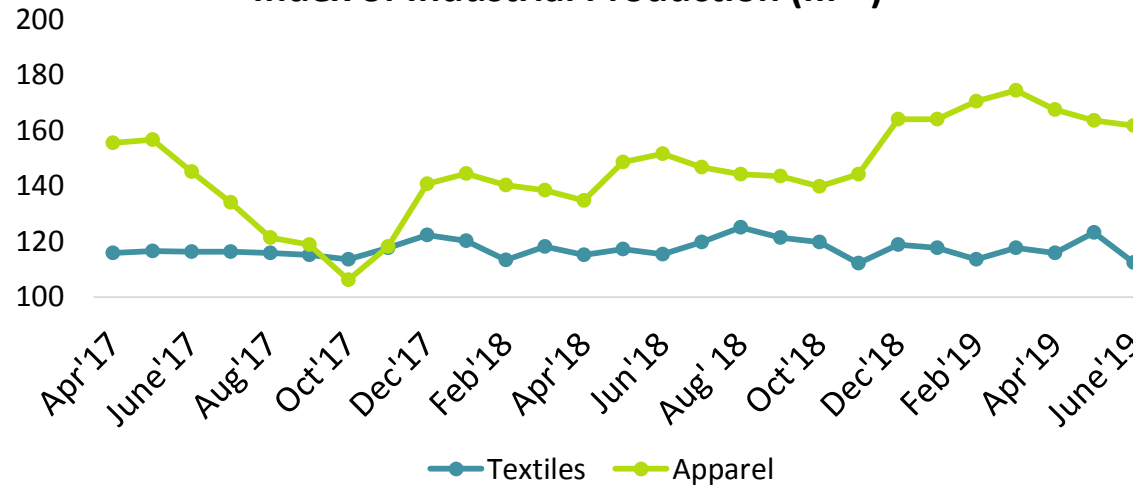
# Key Economic Indicators

India's GDP (at constant prices)



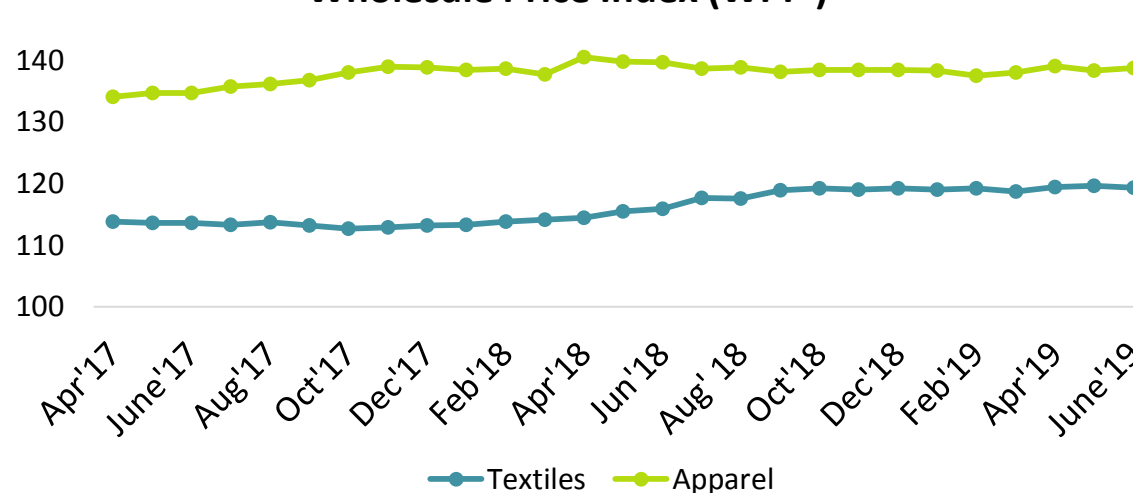
India's real GDP has grown by 5% in Q1 FY20 as compared to Q1 FY19.

Index of Industrial Production (IIP\*)



Average IIP for apparel increased significantly by 13% in Q1 FY20 as compared to Q1 FY19, while that of textiles showed a marginal increase of 1%.

Wholesale Price Index (WPI\*)



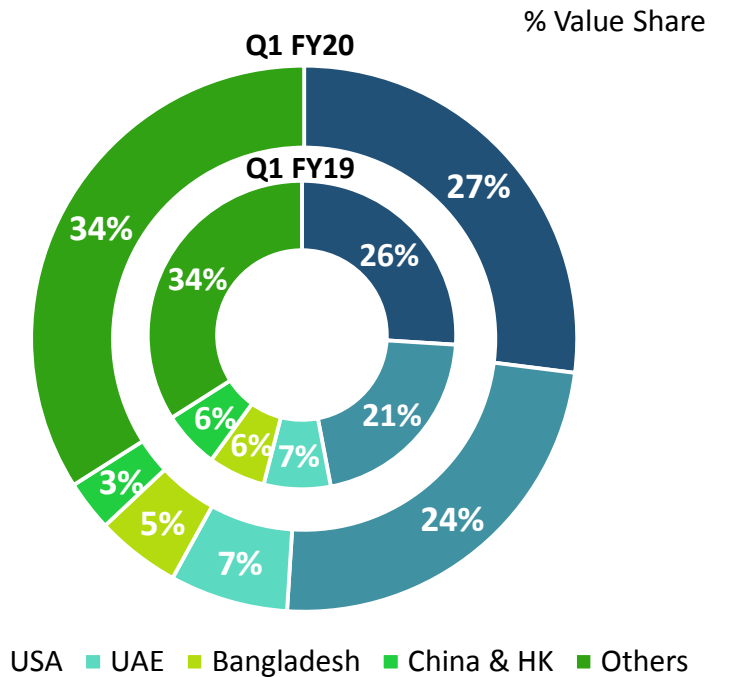
Average WPI for textiles increased by 4% in Q1 FY20 as compared to Q1 FY19, while that of apparel decreased by 1%.

# India's overall T&A\* Exports

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

Category	Q1 FY19	Q1 FY20	% change
Fibre	857	381	-56%
Filament	352	299	-15%
Yarn	1,298	886	-32%
Fabric	1,147	1,189	4%
Apparel	4,050	4,172	3%
Home Textile	1,294	1,327	3%
Others	491	449	-9%
<b>Total</b>	<b>9,488</b>	<b>8,703</b>	<b>-8%</b>

India's Top T&A Markets



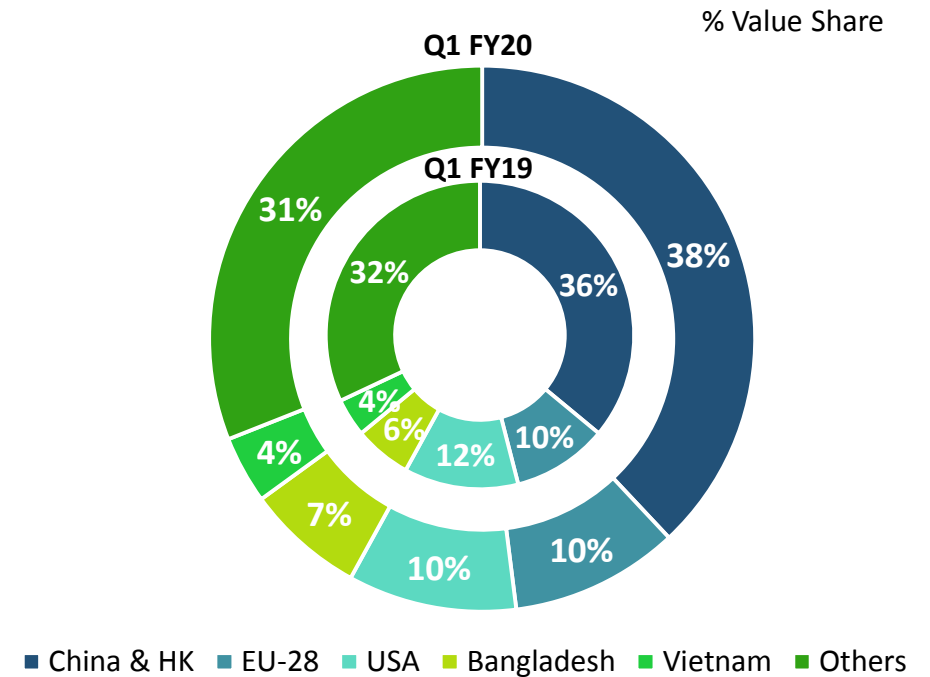
- India's exports of textile & apparel commodities have shown a decline of 8% in Q1 FY20 as compared to Q1 FY19. The exports of fibre and yarn have shown a significant decline of 56% and 32%, respectively. This is majorly due to the decline in exports to China (exports of fibre and yarn reduced by US\$ 110 million and US\$ 327 million, respectively)
- Fabric exports showed a growth of 4%; exports of apparel and home textiles witnessed a growth of 3% each.
- EU and USA are the largest markets for India's T&A commodities. The share of these two markets have increased by 1% and 3%, respectively. However, the share of China has declined by 3%.

# India's overall T&A\* Imports

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

Category	Q1 FY19	Q1 FY20	% change
Fibre	503	579	15%
Filament	167	197	18%
Yarn	114	112	-2%
Fabric	662	618	-7%
Apparel	196	232	18%
Home Textile	58	63	8%
Others	171	185	8%
<b>Total</b>	<b>1,871</b>	<b>1,985</b>	<b>6%</b>

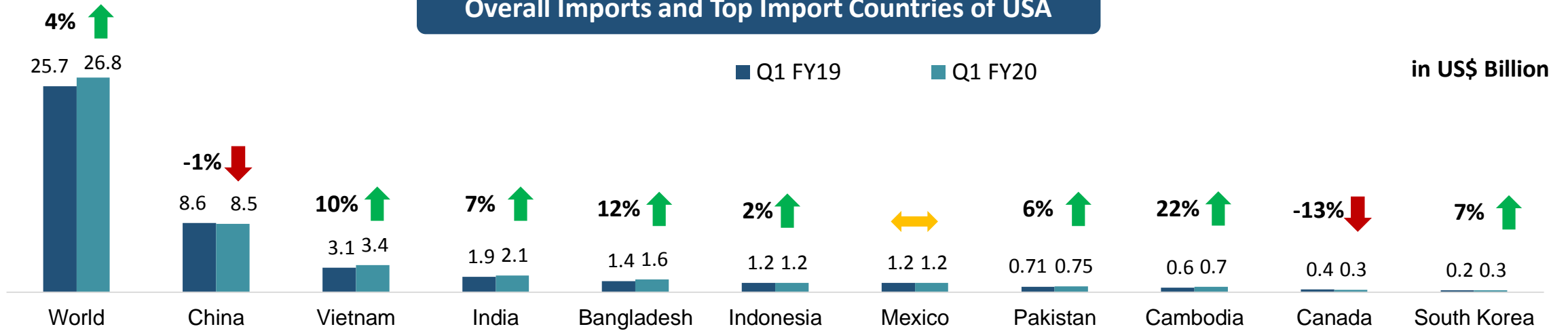
India's Top T&A Suppliers



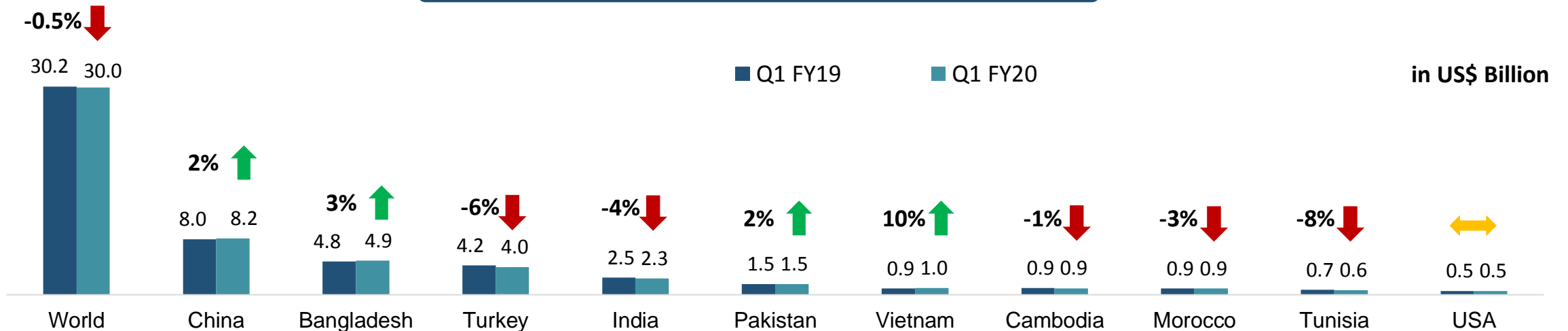
- India's imports of textile & apparel commodities grew by 6% in Q1 FY20 as compared to Q1 FY19.
- The categories of filament and apparel experienced the highest growth of 18% in Q1 FY20 over Q1 FY19.
- Imports of fabric and yarn showed a decline of 7% and 2%, respectively during the same period.
- China & HK is the largest supplier to India for textile & apparel commodities and its share has increased by 2% in Q1 FY20 as compared to Q1 FY19.

# T&A imports of USA increased by 4%, while that of EU showed a minor decline

## Overall Imports and Top Import Countries of USA

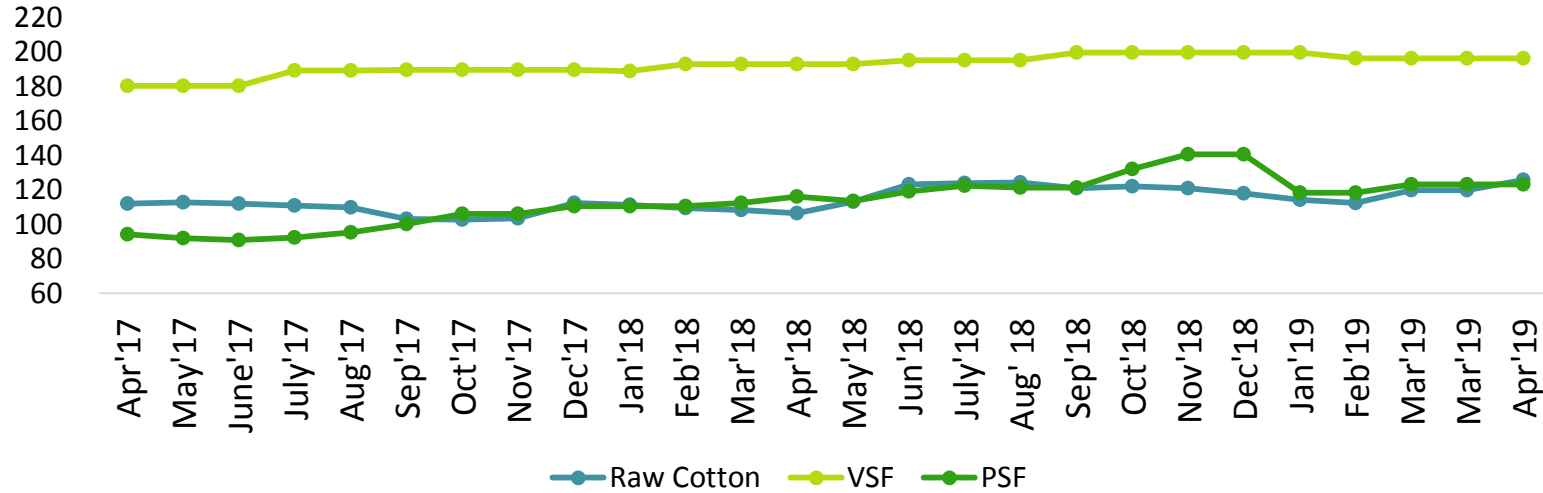


## Overall Imports and Top Import Countries of EU-28



# Average raw material prices have increased

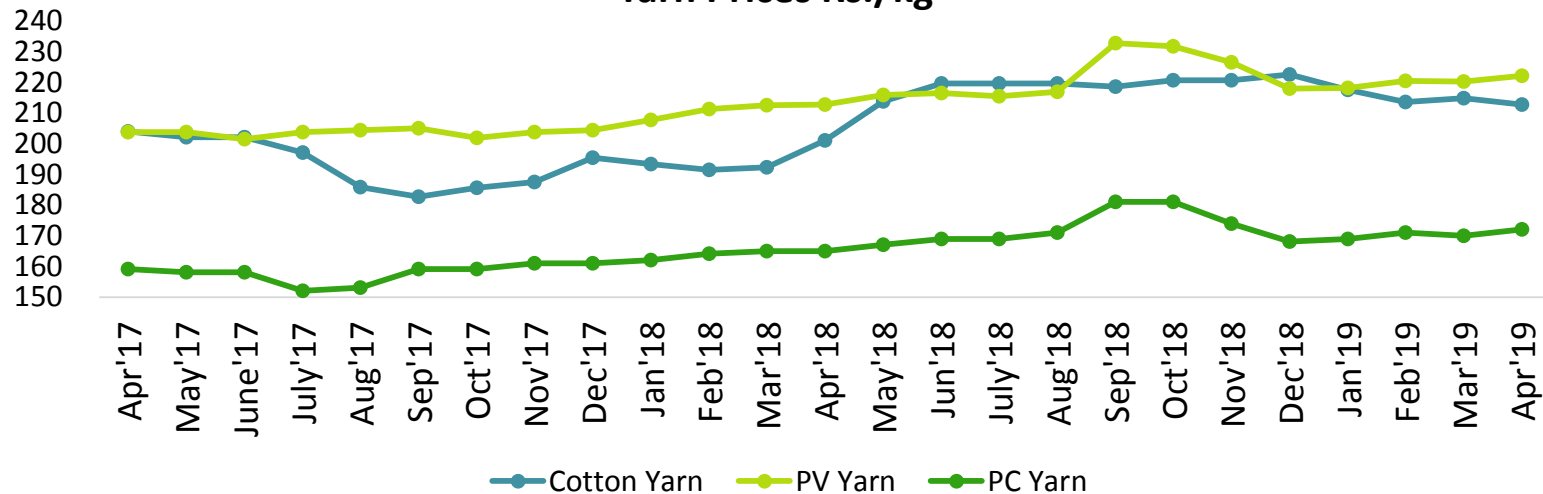
### Fibre Prices Rs./kg



Average price change in Jan-Apr 2019 as compared to Jan-Apr 2018:

- 8% increase in raw cotton
- 8% decrease in VSF
- 7% increase in PSF

### Yarn Prices Rs./kg



Average price change in Jan-Apr 2019 as compared to Jan-Apr 2018:

- 10% increase in cotton yarn
- 4% increase in PV yarn
- 4% increase in PC yarn



# 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
- 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 2019 to June 2019
- Q1 FY20 – April 2010 to June 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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