



**“Welspun Living Limited  
Q1 FY '26 Earnings Conference Call”  
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**MODERATOR** **MR. ASHUTOSH SOMANI – JM FINANCIAL LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Welspun Living Limited Q1 FY '26 Earnings Conference Call hosted by JM Financial Institutional Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this call is being recorded.

With this, I now hand the conference over to Mr. Ashutosh Somani. Thank you, and over to you, sir.

**Ashutosh Somani:** Thanks, operator, and welcome, everyone, to the call. I will first thank Welspun Living for giving JM Financial the opportunity to host today's call. Without much ado, I'll hand over the call to Mr. Salil Bawa, Head, Investor Relations, Welspun Group, to introduce the management. Over to you, Salil.

**Salil Bawa:** Thank you, Ashutosh, and good evening to all of you. On behalf of Welspun Living Limited, I welcome all of you to the company's Q1 FY 2026 earnings call. Along with me, we have with us today Ms. Dipali Goenka, Managing Director and CEO of Welspun Living; Mr. Sanjay Gupta, Chief Financial Officer.

We hope you have had a chance to review the Investor Presentation that was filed with the exchanges today. The presentation is also available on our website. During today's discussion, we may be making references to this presentation. We'll request you to kindly review the Safe Harbor statement in our presentation.

As usual, we will start the forum with opening remarks by the leadership team. Post that, we will open the floor for any questions. Once the call gets over, if you have any further queries, please feel free to connect with any one of us.

With that, I would now like to hand over the floor to Ms. Dipali Goenka, Managing Director and CEO of Welspun Living. Over to you, ma'am.

**Dipali Goenka:** Thank you, Salil. Good evening, everyone, and thank you for joining us today for Welspun Living's Quarter 1 FY '26 Earnings Call. We continue to navigate a world shaped by shifting global trade dynamics, evolving consumer sentiment and persistent tariff uncertainties. Resilience and adaptability remains central to our strategy as we manage near-term challenges while preparing for emerging opportunities.

The implementation of reciprocal tariffs between US and India has created unpredictability in trade flows impacting retailer and overall market sentiment and order patterns. While this poses short-term pressures, we believe it will drive structural realignment in global sourcing over the medium to long-term. We continue to engage closely with our customers to navigate this transition smoothly.

The US-India Bilateral Trade Agreement remains under discussion, and we remain hopeful that a constructive policy resolution will restore clarity and stability in trade relations. Meanwhile, the India-UK free trade landmark agreement is expected to provide a strong impetus to India's textile exports, further strengthening our market position. With tariff barriers eliminated in home textile from 12% earlier, Indian textile and apparel exports are well-positioned to scale significantly in the UK market.

Strategic product diversification, particularly in the underrepresented segments can help maximize the benefits under this agreement. Decisions around India, EU interim FTA finalization is also a step in the positive direction for India. Highlights of the quarter gone by. The first quarter of FY '26 was marred by uncertain global trade flow. Consolidated revenue declined 11.6% Y-o-Y to INR2,289 crores and EBITDA margin at 11.1%.

This was primarily driven by softness in export business as reciprocal tariff implementation and uncertainty around timeliness created an overhang in the market. Both retailers and suppliers, including us, adopted a cautious stance impacting volumes with retailers, inventory levels witnessing gradual correction. Core exports -- our core home textile export revenue declined 11.8% Y-o-Y to INR1,885 crores.

As uncertainty around trade policy continues, consumers could remain cautious and increasingly selective in their discretionary spending. Recently, the US data indicates retail sales fell for the second straight month in May, while inflation accelerated to 2.7% in June, highest level since February, driven partly by tariff inducted cost increases further weighing on consumer demand.

India continues to be the leading supplier of terry towels and bed sheets to the United States, holding a dominant market share of 45% and 59%, respectively as per Otexa data for the 12 months ending May 2025, Innovation continues to be at the heart of our strategy, contributing 27% to the revenues this quarter. High potential segments such as pillows, utility and fashion bedding remain focus areas.

Our Ohio Pillow plant continues to ramp up efficiently with capacity utilization reaching to 47%, positioning us strongly to capitalize on emerging growth opportunities within the broader sleep ecosystem. We are witnessing strong momentum with increased traction among retailers and greater shelf presence, strengthening our visibility and competitive positioning in the category and expect to nearly double our Pillow business in this year as against US\$15 million in the previous year.

We are further strengthening our pillow manufacturing capacity in US with setting up of a new pillow plant at Nevada to supply to customers in the West Coast. The Board has approved today an investment of US\$13 million, INR112 crores to set up a Pillow and TOB facility at Nevada with an annual capacity of 10.8 million pillows in two-shift operations. The plant is expected to be operational in quarter 4 and would contribute additional pillow revenues of over US\$60 million at full capacity utilization.

We are also actively pursuing geographic diversification and expand our presence in other key regions, including the UK, EU, GCC, ANZ, Japan. Our revenue share from the market outside

of US has gone up to 40%. As global trade realigns, we remain optimistic about reinforcing our core leadership while scaling emerging categories through integrated portfolio play and scalable manufacturing.

Emerging businesses.

Our emerging businesses, including domestic consumer, global brands, advanced textiles and flooring continue to contribute 30% to our overall revenues. Branded businesses account for 18% of our total revenues, underscoring our strategic focus on building strong brands. Licensed global brands like Martha Stewart and Disney Home continue to strengthen our shelf presence with key retailers and open up new avenues.

Christy continued to build on its premium positioning, growing in UK and US markets alongside deepening offline presence. Implementation of India UK FTA further strengthens opportunity with our owned and licensed brands to deepen penetration and expand distribution network alongside foraying into category expansion. I will now take you through the Emerging business segments in more detail.

Domestic retail.

In line with our anticipation of a rebound in consumption, we witnessed visible green shoots in retail activity during the quarter. Our domestic consumer business grew about 10% Y-o-Y to INR134 crores, reflecting improving consumer sentiment. According to the RBI, private consumption remains healthy with a gradual rise in discretionary spending.

Rural demand is steady, while urban demand is improving, supported by expectations of an above-normal Southwest monsoon and sustained buoyancy in services activity. Additionally, CPI inflation moderated to a nearly 6-year low of 3.2% in April 2025, led by a continued decline in food inflation, which should further support consumption trends. We remain focused on strengthening our leadership position in the Indian market by leveraging our global expertise to offer differentiated products and superior brand experiences.

The organized home textiles market is expected to outpace overall market growth at a 9.3% CAGR. Brand Welspun continues to play across affordable and aspirational segments, driving the shift from unorganized to organized retail and grew at a strong 15% in Q1 FY '26. Our B2C business performance has been improving over the past 2 to 3 quarters, growing robust 16% Y-o-Y, further strengthening our brand play.

During the quarter, we added 3 new FOFO stores, taking the total count of EBOs to 48. On domestic flooring front, we witnessed a robust performance, growing 26% Y-on-Y in Q1 FY '26 on the back of strong growth in residential and hospitality segments. The business is inching towards EBITDA breakeven. We have deepened extraction with existing dealers and added new partnerships into top-tier global accounts.

As India's housing market expands, supported by higher GDP urbanization and a preference for premium offerings, demand for innovative and quality flooring solutions is expected to accelerate.

## Flooring.

Overall, Flooring segment clocked a revenue of INR194 crores, 15% degrowth Y-on-Y in Q1 FY '26. Challenges in the global flooring business were further accelerated as tariff overhang led to order holds and subdued demand. However, strategically, we remain focused on deepening our presence in US home improvement and OEM channels, forging strategic partnerships across Middle East and ANZ and leveraging the UK FTA to drive regional diversification and long-term growth.

In our Advanced Textile business, revenues declined by 11.6% Y-on-Y to INR117 crores in Q1 FY '26, impacted by a broader slowdown in US customer offtake and tariff-related headwinds. We view this as a temporary blip amidst global trade uncertainties and remain confident in the long-term growth potential for this business, supported by strong customer partnerships, leveraging our innovation capabilities with a focused strategy to shifting towards offering value-added differentiated products in global markets.

ESG remains a strategic differentiator for us. Our journey towards 100% renewable energy and 100% sustainable cotton by 2030 continues with commissioning of an 18-megawatt solar plant at Vapi and a 4-megawatt plant at Hyderabad this quarter. Additionally, we are targeting 47 megawatts of round-the-clock green power by year-end.

Looking ahead, we expect quarter 2 to remain challenging with sustained pressure on both top line and bottom line. Given the continued uncertainty around tariffs and trade policies, we are closely monitoring the evolving landscape. Our priorities remain on prudent cost management, operational agility and deeper customer alignment to navigate these headwinds effectively. At the same time, we are strengthening the foundation for future growth.

With this, I would now like to hand over to Sanjay to take you through the detailed financial performance for the quarter.

## **Sanjay Gupta:**

Thank you, Dipali, and greetings to everyone. I will take you through a brief overview of our financial performance for quarter 1 financial year '26 before we open the floor for questions. During quarter 1 financial year '26, we reported consolidated quarterly revenue of INR2,289 crores, down by 11.6% year-on-year. Our EBITDA margin for quarter 1 of financial year '26 stood at 11.1%, down by 409 basis points year-on-year. Our margin compression is primarily driven by operating deleverage arising from lower volumes. In response, we have adopted a conservative stance intensifying our cost optimization initiatives across businesses to ensure continued operational efficiency without compromising on our serviceability and quality.

Profit after tax after minority interest for the quarter is at INR88 crores, down 52.8% year-on-year. Consequently, our consolidated EPS for quarter 1 stood at INR0.92 per share, down 52.3% year-on-year. On the forex front, our average exchange realization for the US dollar during quarter 1 was INR85.09 compared to INR84.05 in the corresponding quarter last year.

We have focused on strengthening our balance sheet. Net debt stood at INR1,401 crores versus INR1,603 crores last quarter, lower by INR202 crores and versus INR1,562 crores last year same quarter, lower by INR161 crores. Our cash conversion cycle has improved reflecting better

working capital management. During the quarter, we have incurred a capex of INR83 crores out of INR200 crores guided earlier in the quarter 4 towards various capital expenditures. The Board had further approved a capex of US\$13 million, which is about INR112 crores towards setting up a Pillow and TOB facility at Nevada, USA for the year.

Segmental results, quarter 1 financial year '26 core business home textile revenues stood at INR1,885 crores, down by 11.8% year-on-year and an EBITDA at 12.6% compared to 16.9% last year. During quarter 1 financial year '26, revenues from Flooring business was INR194 crores down by 15%. EBITDA is at INR16 crores, which is 8.4% as compared to 9.2% last year. Our domestic consumer business has shown resilience with 9.5% year-on-year.

With this, I will now leave the floor open for question and answers. Thank you.

**Moderator:** The first question comes from the line of Prerna Jhunjunwala from Elara Securities.

**Prerna Jhunjunwala:** First question, I just wanted to understand the demand scenario in the US like how the inventory position of the retailers is, how pressed they are to source from their dominant partners? And what is the kind of tariff sharing expectations they have given that the tariff rates are actually very high against expectation after a deal also for various countries.

**Dipali Goenka:** Thank you for your question. So definitely, there has been a decline in the volume and the retailers this time are correcting the inventories as well. So that is one thing that they're doing. Secondly, everybody has been very cautious. For example, this time, the top line also de-grew because a couple of promotions actually got held on by the customers as well. And the other thing is how we are looking at the tariff situation is what everybody is evaluating. Now the second question that you asked about how the tariff is high and how it's going to be shared or how it's going to be taken forward. I think let me just tell you that the retail prices in America haven't gone up for the past 20 to 30 years. And now obviously, if there's any kind of a steep thing that happens, it will be between the consumer, it will be passed on to the consumer than the retailer.

And of course, there's a partnership that works on. So there could be that kind of a conversation. So however, this is not going to be anything that can be taken by the vendor alone. It will be kind of shared between all the 3 kind of verticals here, Prerna. I hope I've answered your question here. And if you talk about the volumes going forward, it will now depend.

See, now also the tariff announcement uncertainty is an overhang. It is just hanging uncertain. There's an uncertainty here. While having said that with USA, we continue to focus on UK, Europe and rest of the world, where our business grew by – our thing -- our share is around 40%. So that's where we're also focusing and seeing how we can increase our share there as well because that clearly will now establish an opportunity for India as well as others.

**Prerna Jhunjunwala:** Okay. And how do we see the margins then? Because this quarter, we've done around 10% of EBITDA margin. And given that there is an expectation that vendors will continue to see the impact of tariff, do we see normalization of margins even by the end of this year or we continue to remain at lower margins for some time till there is reduction in tariff rate?

**Dipali Goenka:**

So Prerna, I'll tell you one thing. The concerns are there in the terms of the uncertainty of the tariff, okay? Let me just put it and table it there. And the top line definitely will be impacted because the customers are going to evaluate what they have to buy, they'll take very conservative calls there. So that you will see there. And so that top line will also impact the EBITDA indirectly, directly because that definitely will be an impact. So however, I can also tell you this is a blip momentarily. And in the year as we go forward, we will see that come back again, and we are working towards that.

So while the tariff situation is getting resolved, we're also working on our cost. We are working on the other measures, other things so that, that gets corrected till then. And these numbers are going to come back. See, I can just tell you one thing. Welspun is not here for today or tomorrow. They're here for the next 100 years, and we are building a legacy of it.

**Prerna Jhunjhunwala:**

I completely agree, ma'am. But just wanted to -- I mean my question was generally to near-term performance. I mean, how long would it be? Ma'am, my second question on -- with respect to profitability, which I asked you, what are the challenges in servicing newer markets now because we have predominantly focused on US in the past. Now that we are focusing on newer markets, whether these markets can compensate for the growth that we are seeing challenge in the US over a period of year's time or it will still be impacting our volumes despite focus on newer markets? I mean I'm just trying to understand how much growth and margins that we can really see over the year?

**Dipali Goenka:**

Sure. So Prerna, very good question indeed. So first of all, let me tell you one thing. So even when you're talking about the US tariffs, okay? One thing, let me be clear here, India is in a good position, apart from all the other competitors that India has and the peers that India has, right? So whatever will happen, India will be at a better position there. So the business opportunity still remains for India.

Now when you're talking about other geographies that we're talking about, the opportunities are very good. And for us, we already started a penetration in UK and Europe, and that's where we are seeing more and more opportunities. And Japan again, is emerging as well. So it is a reemerging economy. Let me tell you that. So again, that's a very important country that we are focusing on.

And of course, there will be ANZ and also the GCC. So while -- see, USA. is the biggest market of consumption. Let me be very clear. However, but this is again a very interesting geography for us. So while right now, we are struggling with the tariffs for USA., where still I maintain that India will be in a good position, but we are continuing to make forays into this part of the world as well.

**Prerna Jhunjhunwala:**

Okay. And what will be the revenue share of US in our emerging business or I mean, advanced materials and other businesses?

**Dipali Goenka:**

No, I think we don't disclose the breakup, but I'll tell you one thing. Advanced Textile, of course, America is a good market, so is Europe and UK and rest of the world as well. Yes, this time, we got a little blip from the top line in the advanced textile as well and also flooring owing to the

concerns about the whole tariff offtakes as well. So yes, that's an overhang on the tariffs as well, yes.

- Moderator:** The next question comes from the line of Deepali Kumari from Arihant Capital.
- Deepali Kumari:** The company has low net debt compared to the previous year. So what is the internal range mark or target for FY '26? Should we anticipate any additional prepayment?
- Sanjay Gupta:** So we have given a direction for our net debt, which will be in the range of about INR1,300 crores to INR1,400 crores for financial year '26. We have done quite well in first quarter itself, and we have reached INR1,400 crores. So definitely, we would try to top our guidance in this regard.
- Deepali Kumari:** Okay. And one more question, like your wet wipes segment have done good from last quarter, but it is only 24% of capacity utilization, even though you have 100 million of pack capacity. So is it due to weak demand, pricing issue or problem in distribution?
- Dipali Goenka:** No, nothing of that sort, Deepali. The thing here is that with the US where we had an opportunity, where that's the reason the business actually, people were just anticipating and they're holding on for the tariffs. So that's where we are looking at it.
- Otherwise, the opportunities are not only in the wet wipes for makeup wipes, but baby wipes to the medical wipes, dry wipes. And so there are a lot of opportunities that we're exploring, a lot of innovation is being done here as well. So let me just give you kind of a comfort there that this is a category that we'll see to grow.
- Deepali Kumari:** Okay. So there is no any seasonal impact?
- Dipali Goenka:** No, no. The seasonal impact is not there. This is a tariff impact.
- Deepali Kumari:** Okay. And like your flooring business at what level it will be breakeven?
- Sanjay Gupta:** Flooring business is already -- we are already at about 8% to 8.5% EBITDA margin. So it is already -- breakeven has happened 2 years back.
- Deepali Kumari:** Okay. So the new facility I'm asking.
- Sanjay Gupta:** Sorry, I didn't get you.
- Deepali Kumari:** The newer facility you have talked about at what level that will be breakeven?
- Dipali Goenka:** So there's no newer facility that we're investing in Deepali, I think.
- Sanjay Gupta:** It's in the that we are investing, not in flooring.
- Moderator:** The next question comes from the line of Param Vora from Trinetra Asset Managers.



- Param Vora:** So what I wanted to ask was that with the overall revenue declining, but the domestic flooring showing a strong growth of 26% year-on-year basis, can we expect the flooring business to become a larger revenue contributor in the upcoming quarters?
- Dipali Goenka:** So I think so domestic flooring will be -- is a great opportunity in India as we see hospitality institutions coming up and the residential opportunity also continues to grow. And so while saying that India will definitely be a good opportunity, but we also will be focusing on the global markets here.
- Moderator:** The next question comes from the line of Kunal Shah from Jefferies.
- Kunal Shah:** So my question is in the last 15, 20 days, you've seen countries sign trade deals, right? And at least for some countries, I know we don't compete with many of them, start to emerge. So just from a customer standpoint, have there been any change in conversations on how things will pan out in the coming? I know actual orders and volumes and others may take time, but any change in conversation or direction in the last month or so as these trade deals are starting to flow in?
- Dipali Goenka:** Hi Kunal, so for us as India and the other countries, trade deals you're talking about, I just want to clarify like UK and the other countries.
- Kunal Shah:** No, no, I mean US signing trade deals with something like Indonesia or Vietnam. I know we don't compete with them, but just from a customer conversation standpoint, any change or any anticipation that they have at their end or what's the next step from their side?
- Dipali Goenka:** Nothing of that sort, Kunal. See, Indonesia's operations are very minimal, and I think that focuses on minerals that side. Vietnam focuses on other categories more than home textiles. So that, again, is a perspective that let me just clarify as well. So India continues to be a very strong sourcing arm. And definitely, we will see how the tariffs pan out, but India will continue to be a very strong sourcing country for them.
- Kunal Shah:** Understood. Understood. So it would be fair to say, let's say, half of the issue is also the category itself being weak and the rest is the destocking. And the category weakness is also evident in the branded piece, which has also declined for you. That would be a fair understanding, right?
- Dipali Goenka:** Yes. Yes, Kunal. Because see, I'll tell you one thing, they are looking at the stocks, they're looking at that as an evaluation, then the tariff overhang is one thing. And the other thing also as we go forward is, again, the economy might also be something that we will see a little slowdown.
- Kunal Shah:** Understood. Understood. That's clear. And second bit is on the UK side, any early interest that you are seeing which you can tap in the next one year or so? I mean any large customers that you're looking at? I can understand you can't share the name, but any incremental interest that can help build those revenues out in the next year or two?
- Dipali Goenka:** The answer is yes. Absolutely. Those conversations have started and very positive feedback for sure.

- Moderator:** The next question comes from the line of Roshan from B&K Securities.
- Roshan:** I just wanted to understand when is the new facility likely to be operation?
- Dipali Goenka:** It will start by quarter 4 of this year in Nevada, yes.
- Roshan:** Okay. I understand. And by when do you expect to reach the optimum utilization level?
- Dipali Goenka:** See, it takes at least 6 months to 8 months to reach the optimum. Yes, the second year will be the optimum optimization that you will start seeing because it takes that much time to scale up as well, right? Because every capacity can do around 10 million -- 10 million to 12 million units of pillows.
- Roshan:** Right. Understood. And given what is your outlook on the festive season in the international markets because probably from quarter 2, your exports starts happening for the festive season. So what is the outlook over there? How are the buyers behaving? What is the overall mood? Maybe if you can help me understand that?
- Dipali Goenka:** So this year, it will -- see, every year, our quarter 2 comparatively to the quarter 1 is a little better. So that is the trend we will also witness. Now to that extent of what it will be in the terms of kind of a better off than the previous year, that is not something I will be able to say. But yes, it will be better than this quarter.
- Moderator:** The next question comes from the line of Bhavin Chheda from Enam Holdings.
- Bhavin Chheda:** I wanted to understand from the presentation, what do you mean by effective capacity versus installed capacity?
- Sanjay Gupta:** In pillow, you mean?
- Bhavin Chheda:** Pillow also and flooring also because we keep on showing 2 numbers.
- Sanjay Gupta:** Yes. So flooring, we have built the capacity for 27 million square meters, but we have operational 18 million. So there are some balancing equipment which we will have to set up at a very low capex, which will enhance the capacity as and when we need it. For the pillow as well, the whole capacity for the 2 shift operations. And also there are some automations which are still to come in. And so as they become operational, we will start reporting those. Currently, it is only single shift operation and there are another 20% to 30% automation still there.
- Bhavin Chheda:** So since we have also announced the new facility in Pillow, I'm assuming this you will be ramping up first to the installed level or there would remain a bottleneck to ramp this up?
- Dipali Goenka:** No, no, no. That will -- see, let me just explain the whole way that the pillow works and the pillow plants work in America. See, since it is logistically very -- it's very heavy and cumbersome. So it is focused on that same zone. So now when we are in Ohio, it focuses on the East Coast, and that's where the distribution will happen with the DCs of the various retailers, right? And when the West Coast comes in, it's focused on the retailers on the West Coast like the hospitality and the other major retailers as well. So that's the way it works and that suffices

that zone as well. So that's the way we work on actually. So that's the way the pillow works in America.

**Bhavin Chheda:** Sure, ma'am. So I should understand, so this pillow facility, though we are saying installed 13.5 million and effective 4.7 million PCs, there would be some automation and maybe double shift capacity you have mentioned. You also mentioned that each line normally is capable of doing 10 million pillows. So as and when the demand situation improves in East Coast of USA., this would be reaching volumes of closer to 10 million pieces, right -- facility?

**Sanjay Gupta:** Yes. Already, we have seen from 30% to now 47% this quarter.

**Bhavin Chheda:** 47 is of 4.7 basically -- 0.6 million is 2.5 million run rate but what this facility can do. So maybe 3 years' time, basically, once this tariff uncertainty gets over and the capacity gets ramped up, the ramp-up is not very difficult in these kind of facilities. So maybe a couple of years, this would be a 10 million output, right?

**Dipali Goenka:** In 2 years max. But I think we already -- I mean, by the end of this year and exit, we'll be at 70% of our capacity.

**Bhavin Chheda:** 70%, again 4.7 or?

**Sanjay Gupta:** No, 4.7 will increase. So we will start second shift of operation as well. And so you will see a de-clogging of the effective capacity and also achieving higher capacity utilization of that. So we are effectively fine for that double of last year's turnover in Pillow, so 15 million to 30 million. And hence, capacity utilization will ramp up very fast from here.

**Bhavin Chheda:** Okay. My second question, I think you shared that non-US market was close to 40% of sales, right? That is non-US, non-India or that includes India?

**Dipali Goenka:** It includes India as well because it's rest of the world.

**Bhavin Chheda:** Okay. And if you can share some growth in those markets, particularly UK, EU, if we can get some trends there?

**Dipali Goenka:** So I think we can just give you a consolidated perspective right now. And I think this will continue to increase as a share and as the tariff opportunity open, the agreements open up for India. Like UK, you already know that we are seeing opportunity. EU conversations already happening and retailers are very, very positive about that as an opportunity. Japan, again, is a great opportunity. So yes, and also Australia is done, but New Zealand is again right around the corner by the end of the year. So yes, those are the things that we will see. So I can just give you that perspective at the moment.

**Moderator:** The next question comes from the line of Tanishk from Antique Stock Broking.

**Tanishk:** Can you share the US and UK and EU revenues in terms of total revenue for this quarter?

**Sanjay Gupta:** We don't share those revenues. So we are just -- we can share the US and non-US share of the business, and that is all which we can share at the moment.

- Moderator:** The next question comes from the line of Lakshmi Narayan from Ksema Wealth Private Limited.
- Lakshmi Narayan:** Sir actually in previous con calls, you have given net debt target would be around zero by FY '28. That still hold good?
- Sanjay Gupta:** Yes, correct. So we are trying for a zero net debt by financial year '28 which is 3 years.
- Lakshmi Narayan:** Okay. Sir, my next question is on numbers basically. Could you give me the split of advanced textiles under the home textile segment? Is it possible? How much revenue contributed?
- Sanjay Gupta:** INR117 crores revenue.
- Lakshmi Narayan:** For this quarter, sir?
- Sanjay Gupta:** INR117 crores for this quarter.
- Lakshmi Narayan:** Okay. FY '25 also is it possible for you to give, last year?
- Sanjay Gupta:** You can get in touch with Salil, he will provide you the numbers. I don't have it currently.
- Moderator:** The next follow-up question comes from the line of Kunal Shah from Jefferies.
- Kunal Shah:** So in this B2B business, that 14%, 15% decline in revenues, possible to share a split of what that would be for, let's say, US customers and non-US customers? How much would that decline be for US then decline or maybe some growth for non-US?
- Dipali Goenka:** Kunal, I think I can just tell you that the overhang of tariffs is the reason for what you saw in the decline. And I think that's what I can just give you an answer on because the certain promotions were in the anticipation and that actually got a little postponed or a little. So that's the reason I can just say that the tariff overhang was the reason here. And I think it's primarily United States.
- Kunal Shah:** Understood. But fair to say that the non-US business would have grown Y-o-Y or?
- Dipali Goenka:** Yes.
- Kunal Shah:** Understood. Understood. And second thing is with demand in the US generally being weak, are you seeing increased competition both in the US and, let's say, outside the US as well as partners like you would want to get volumes from other markets to compensate for the weakness in the US Is there some sense on that front?
- Dipali Goenka:** So we already are working with UK, Europe and rest of the world, Kunal. And I think that's been a great opportunity for us. We're continuing to explore that for the long time as well. And now it actually will start seeing a lot of more fruition positive -- in the positive trend.
- So that's where it is. But also, Kunal, let me tell you that India still is in a decent position with the tariff situation as well because if you look at the other peers as well. So I can just say that we'll wait and watch, but India's position will not dilute to that extent.
- Moderator:** The next question comes from the line of Perna Jhunjhunwala from Elara Securities.

- Prerna Jhunjhunwala:** Just wanted some color on the product-wise demand, if you can share like bed versus bath, how the demand is and any color which can help us understand where the demand can really improve going forward, maybe versus premium from where the demand is shaping up in current scenario?
- Dipali Goenka:** So I'll tell you one thing. Right now, I can just say that towels actually degrew this time, but we will see that again come up and ramp up again, Prerna. Sheets -- so the towel had a mega drop, which we will see again come back next quarter and the others. Sheets was also down and the results were also down.
- But I think Prerna in the coming times, we'll see them gaining the share and not only ramping up for America, but the other countries will also start ramping up in the terms of the demand. Let me just give you the perspective here. And in the towels also, you will see the weak season coming in. So there will be a ramp-up for the Jacquard and the fashion towels as well. So yes, that's where it is.
- Prerna Jhunjhunwala:** Okay. And then our branded global revenue combined online and offline would not have declined much. So is it reason to assume that branded piece is still seeing good demand or is it more client acquisition and value segment or premium segment doing better in the branded segment? I mean just trying to understand branded is largely constant for us on a Y-o-Y basis.
- Dipali Goenka:** So overall branded portfolio is at 18% of the operating revenues right now.
- Sanjay Gupta:** And you're right, Prerna. So overall branded portfolio has grown in single-digit in the quarter
- Prerna Jhunjhunwala:** Yes. So I'm just trying to understand whether that will -- that scenario continues and what is driving this branded segment versus the decline in B2B? Because at the end of the day, I mean, I don't -- I mean, just trying to understand how -- if we can further shape up this branded business faster given we have much control on that.
- Dipali Goenka:** So here, actually, Prerna, because these are all brands like Creative CO/Lab and the others. So they are specific programs that come in and which we launch, and that actually does well in these times. And more so Christy is continuing to grow as well. So yes, that's where we are seeing a contribution of the branded share not getting diluted comparatively globally.
- Sanjay Gupta:** And as we had last quarter as well, we are informing this quarter as well. So there is a visible soft action by the retailers because of the overhang of the tariff. And hence, though the demand at the customer end has not gone down to that extent the buying has and hence, you see -- to be a lower volume rather in the branded segment.
- Moderator:** Ladies and gentlemen, we'll take this as the last question for today. I would now like to hand the conference over to Ms. Dipali Goenka for closing comments.
- Dipali Goenka:** Thank you. So as we close Q1 and look ahead, it is clear that FY '26 has begun amidst significant external headwinds. The implementation of reciprocal tariffs has added layers of complexity to an already dynamic global trade environment. While near-term volatility is inevitable, we see this period as one that will separate the resilience from the rest.

We are actively engaging with our customers and stakeholders to navigate these uncertainties. At the same time, we remain focused on what is within our control, driving operational efficiency, optimizing costs and staying close to market shifts to respond with agility. The India-UK Free Trade Agreement, once fully implemented, holds strong promise expanding our reach and competitiveness in the UK market.

And similarly, progress in the US-India Bilateral Trade Agreement remains an important milestone, and we are waiting outcome to gain more predictability in trade flows. We remain deeply committed to creating sustainable value for our stakeholders through prudent action, disciplined execution and our trusted partnerships across the markets.

Thank you all for your continued confidence in Welspun Living. We look forward to updating you as we move ahead. And for any further queries, please feel free to connect with our Investor Relations team.

**Moderator:**

Thank you. On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.