



P R E S S   R E L E A S E :   8 T H   F E B R U A R Y   2 0 1 6 ,   M U M B A I

# INDO COUNT INDUSTRIES LTD CONSISTENT GROWTH Q3 AND 9MFY16 RESULTS REVENUES UP 26%; PAT UP 66%

Indo Count Industries Ltd., the global bed linen company, has declared consistently better performance in terms of revenues, margins and profits for unaudited reviewed standalone results for the quarter ended December 31, 2015.

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## UNAUDITED STANDALONE FINANCIAL RESULTS (RS. / CRORE)

Q3 2016	Q3 2015	GROWTH		9M 2016	9M2015	GROWTH
502.62	428.35	17.3%	Revenue	1545.74	1223.27	26.4%
108.39	82.32	32.6%	EBITDA	336.61	214.17	57.2%
4.52	4.35	4.6%	Depreciation	13.07	11.58	12.9%
9.31	14.11	(26.8%)	Finance cost	39.67	45.92	(13.6%)
94.56	63.88	52.6%	PBT	283.87	156.66	81.2%
31.13	20.26	68.8%	Income Tax	99.14	45.65	117.2%
63.43	43.62	46.6%	PAT	184.73	111.01	66.4%
78.90	54.84	43.9%	Cash profit	233.21	135.39	72.3%
16.07	11.89	35.2%	EPS (Rs.)	45.57	30.27	50.5%
0.52	0.92	(43.5%)	Net debt: Equity	0.52	0.92	(43.5%)

## CONSISTENCY IN PERFORMANCE

### Revenues

Revenues for 9MFY16 at Rs. 1545.74 crore was 26.4% higher than the Rs. 1223.26 crore reported during the corresponding period (9MFY15) of the previous financial year; this has outperformed the growth of the country's textile sector (sector grew 5 per cent in 2014-15 as per Business Line and Technopak).

### Revenue drivers

The outperformance in the company's revenues was on the back of volume growth with existing customers, adding new customers, introducing new products, optimum use of enhanced capacities.

### Profits and margins

The company reported a record EBIDTA of Rs. 336.61 crore for the 9MFY16 as against Rs. 214.17 crore in the corresponding 9MFY15 (57.2% growth).

The company also reported the EBIDTA margin at 21.8%. This represented a 430 bps improvement over the EBIDTA margin reported in the corresponding period of 9MFY15.

This margin improvement was on account of a growing share of revenues derived from the Home Textiles segment within the company's business portfolio – from 82% to over 90% across 9MFY16 over 9MFY15.

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### Profits

Our profit after tax for 9MFY16 was at Rs. 184.73 crore, representing a 66.4% growth over the 9MFY15

The company reported profitable growth, wherein its profit growth was substantially higher than the percentage increase in revenue growth.

### Enhanced competitiveness

The improvement in the company's record performance was also derived out of tighter operating controls, prudent material sourcing, optimum utilisation of

installed capacity, product spread and controlling manufacturing overheads.

The company's net debt-equity ratio (gearing, comprising long and short term debt less cash) was 0.52x at the close of 9MFY16. This represented an improvement over the gearing of 0.92 at the close of 9MFY15. The improved gearing resulted in enhanced financial competitiveness.

The company's interest cover (number of times EBIDTA covers interest outflow) improved from 4.57x in FY15 to 8.16x during 9MFY16.

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## MANAGEMENT VIEW POINT

Commenting on the Company's performance, Anil Kumar Jain, Chairman & Managing Director, Indo Count Industries Limited, said:

“Our consistently improving performance during the nine months of the current financial year was the result of a sustained focus on prudent material sourcing, stronger product mix and value-addition .

“Over the last few quarters, Indo Count Industries Limited reinforced its brand as a focused global bed linen player, enhancing its recall among both prospective customers and the trade across a widening global footprint. Besides, we have always positioned ourselves as more than just a vendor; we research emerging trends

well in advance of our products being placed in the market and in doing so, play the role of a trusted partner to our customers, helping them to succeed in their competitive markets.

“The result of this business direction is that we have evolved from a one-off customer engagement to an enduring business relationship. Our enhanced value proposition makes it possible for us to strengthen our make-to-order model, providing our company with revenue visibility.

“This forward integration approach translated into superior numbers for the company.

“You can count on us...”

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## A BRIEF INSIGHT INTO INDO COUNT INDUSTRIES LIMITED

The global bed linen company.

The company is integrated from the manufacture of yarn at one end to the manufacture of finished made-ups. This extensive integration has made it possible for the company to enhance quality and maximize value-addition. The result is that the company possesses one of the best margins within the country's integrated textile sector and one of the highest asset-turnover ratios.

- The company's products comprise the following:

**Bed sheets:** Flat sheet, fitted sheet and pillow cases

**Fashion bedding:** Comforters, bed in bag, quilts and coverlets, decorative pillows, etc.

**Utility bedding:** mattress pads, protectors, comforters filled with poly fibre

**Institutional linen:** Basic white bedding, duvet covers and shams; caters to hotels, hospitals and others

- The company has innovated the following kinds of products:

**Infinity cotton:** Blend of a few finest cotton varieties in the world resulting in superior yarn

**Thermal balance:** Balances temperature between body and bed to deliver superior sleep characteristics

- The company markets products in 49 countries. Nearly 65 per cent of revenues are derived from USA, the company's largest market; its prominent non-US

markets comprise UK, Canada, Europe, MENA and Australia. The company enjoys long-term relationships with large global retailers. This has translated into large and growing offtake, marked by a larger share of the customer's wallet.

- The company is the SECOND LARGEST manufacturer and exporter of bed linen from India and amongst the top 3 bed sheet supplier in USA. It is the eleventh largest global home textiles supplier to the US (Source: "Home & Textiles Today", February 2016).

- The company is a responsible employer, engaging more than 10,000 people (direct and indirect): it increased the proportion of women in the workforce from 39 (2010-11) to 600 (2015-16).

The company has visualized its Corporate Social Responsibility by improving the quality of the life of the people living in the villages of rural India through its CSR foundation. Philanthropic activities undertaken are; To improve the health care systems through the Government Primary Health Care centers, To improve the Sanitary Systems and overall cleanliness in the rural areas with aid and supervision of Gram panchayat, Promoting education by way of digitalized audio visual computer aided medium to the Government aided unprivileged schools, Economically empowerment of the women through employable skill development training programme for their economical independence.

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### Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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