

22<sup>nd</sup> May, 2019

<p>The National Stock Exchange of India Ltd. Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), <u>Mumbai – 400 051</u></p> <p>Company Symbol : ICIL</p>	<p>BSE Limited Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, <u>Mumbai – 400 001</u></p> <p>Scrip Code No. : 521016</p>
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**Subject: Investor Presentation FY19**

Please find enclosed herewith a copy of Investor Presentation with respect to Audited Financial Results for the year ended 31<sup>st</sup> March, 2019.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Indo Count Industries Limited



Amruta Avasare  
Company Secretary  
ACS No.: 18844



Encl: A/a

**INDO COUNT INDUSTRIES LIMITED**

**Head Office :** 301, Arcadia, III Floor, Nariman Point, Mumbai - 400021 Maharashtra, India | T 91 22 4341 9500 | F 91 22 2282 3098

**Marketing Office :** 25, Vardhaman Industrial Complex, Gokul Nagar, Thane (W) - 400601 Maharashtra, India | T 91 22 4151 1800 | F 91 22 2172 0121

**Home Textile Division :** T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216 Maharashtra, India | T 91 231 662 7900 | F 91 231 662 7979

**Spinning Division :** D1, MIDC, Gokul Shirgaon, Kolhapur - 416234 Maharashtra, India | T 91 231 268 7400 | F 91 231 267 2161

**Regd. Office :** Office No. 1, Plot No.266, Village Akte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416109 Maharashtra, India | T 91 230 2463100 / 2461929

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# Investor Presentation – FY19

May 2019



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## Chairman's Message



**Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman said,**

“The Indian Home Textile Industry continued to grow amidst challenging business environment led by currency volatility and higher input costs.

Despite testing times, we have been able to grow our volumes for the full year. Going ahead, we believe in sweating our existing capacities to witness growth and operating efficiencies.”



# Volume Performance



**Volume guidance for FY20: 63mn – 65mn metres**



# FY19 Consolidated Performance

**Rs. 1,945 Crs**

**Vs**

**Rs. 1,867 Crs**



**4% YoY**

**Net Income\***

**Rs. 197 Crs**

**Vs**

**Rs. 171 Crs**



**15% YoY**

**Normalized EBITDA\***

**10.1%**

**Vs**

**9.2%**



**96 bps YoY**

**Normalized EBITDA  
Margin\***

*\*Adjusting for Forex items  
Figures are rounded off wherever required*



# Normalized Profit & Loss Statement

## Standalone

## Consolidated

Particulars (Rs. Crs)	Standalone			Consolidated					
	Q4FY19	Q4FY18	YoY%	FY19	FY18	YoY%	FY19	FY18	YoY%
<b>Total Income</b>	<b>402</b>	<b>424</b>		<b>1,823</b>	<b>1,808</b>		<b>1,945</b>	<b>1,958</b>	
<b>Less: Forex Gain/(loss)</b>	<b>-</b>	<b>17</b>		<b>-</b>	<b>91</b>		<b>-</b>	<b>91</b>	
<b>Net Income</b>	<b>402</b>	<b>406</b>	<b>-1.2%</b>	<b>1,823</b>	<b>1,718</b>	<b>6.1%</b>	<b>1,945</b>	<b>1,867</b>	<b>4.1%</b>
Total Expenses	381	364		1,662	1,543		1,778	1,696	
<b>Less: Forex Loss</b>	<b>10</b>	<b>-</b>		<b>31</b>	<b>-</b>		<b>31</b>	<b>-</b>	
<b>Net Expenses</b>	<b>371</b>	<b>364</b>		<b>1,631</b>	<b>1,543</b>		<b>1,748</b>	<b>1,696</b>	
<b>NORMALIZED EBITDA*</b>	<b>31</b>	<b>42</b>	<b>-27.7%</b>	<b>192</b>	<b>175</b>	<b>9.9%</b>	<b>197</b>	<b>171</b>	<b>15.0%</b>
<b>NORMALIZED EBITDA (%)</b>	<b>7.6%</b>	<b>10.4%</b>	<b>(280bps)</b>	<b>10.5%</b>	<b>10.2%</b>	<b>36bps</b>	<b>10.1%</b>	<b>9.2%</b>	<b>96bps</b>
Reported EBITDA	20	60		161	265		166	262	
Reported EBITDA (%)	5.1%	14.1%		8.8%	14.7%		8.5%	13.4%	

Achieved 6% volume growth in FY19; from 54.3 million metres in FY18 to 57.5 million metres in FY19

Exchange rate volatility resulted in a forex loss of Rs. 31 Crs in FY19 versus forex gain of Rs. 91 Crs in FY18

Reduced government incentives and higher input costs has resulted in increased operating expenses for the year

Despite Challenges, Consolidated Normalized EBITDA grew 15% at Rs. 197 Crs with Normalized EBITDA margin at 10.1%



# Standalone Profit & Loss Statement



Particulars (Rs. Crs)	Q4FY19	Q4FY18	Growth	FY19	FY18	Growth
<b>Total Income</b>	<b>402</b>	<b>424</b>		<b>1,823</b>	<b>1,808</b>	
<i>Less: Forex Gain/(Loss)</i>	-	17		-	91	
<b>Net Income</b>	<b>402</b>	<b>406</b>	<b>-1.2%</b>	<b>1,823</b>	<b>1,718</b>	<b>6.1%</b>
Cost of Material	221	203		972	952	
Power Cost	18	20		84	76	
Employee Expenses	27	27		121	110	
Other Expenses	115	114		485	405	
<b>Total Expenses</b>	<b>381</b>	<b>364</b>		<b>1,662</b>	<b>1,543</b>	
<i>Less: Forex Loss</i>	10	-		31	-	
<b>Net Expenses</b>	<b>371</b>	<b>364</b>		<b>1,631</b>	<b>1,543</b>	
<b>Normalized EBITDA*</b>	<b>31</b>	<b>42</b>	<b>-27.7%</b>	<b>192</b>	<b>175</b>	<b>9.9%</b>
<b>Margin</b>	<b>7.6%</b>	<b>10.4%</b>	<b>(280bps)</b>	<b>10.5%</b>	<b>10.2%</b>	<b>36bps</b>
Reported EBITDA	20	60		161	265	
<i>Margin</i>	<i>5.1%</i>	<i>14.1%</i>		<i>8.8%</i>	<i>14.7%</i>	
Depreciation	8	8		33	30	
<b>EBIT</b>	<b>12</b>	<b>52</b>		<b>128</b>	<b>235</b>	
Finance Charges	8	10		34	33	
<b>Profit before Tax</b>	<b>4</b>	<b>42</b>		<b>95</b>	<b>202</b>	
Tax Expense	2	15		35	71	
<b>Profit after Tax</b>	<b>2</b>	<b>27</b>		<b>59</b>	<b>131</b>	

\*Adjusting for Forex items

Figures are rounded off wherever required





# Consolidated Profit & Loss Statement



Particulars (Rs. Crs)	FY19	FY18	Growth
<b>Total Income</b>	<b>1,945</b>	<b>1,958</b>	
<i>Less: Forex Gain/(Loss)</i>	-	91	
<b>Net Income</b>	<b>1,945</b>	<b>1,867</b>	<b>4.1%</b>
Cost of Material	1,031	1,044	
Power Cost	94	85	
Employee Expenses	144	127	
Other Expenses	509	440	
<b>Total Expenses</b>	<b>1,778</b>	<b>1,696</b>	
<i>Less: Forex Loss</i>	31	-	
<b>Net Expenses</b>	<b>1,748</b>	<b>1,696</b>	
<b>Normalized EBITDA*</b>	<b>197</b>	<b>171</b>	<b>15.0%</b>
<b>Margin</b>	<b>10.1%</b>	<b>9.2%</b>	<b>96bps</b>
Reported EBITDA	166	262	
<i>Margin</i>	8.5%	13.4%	
Depreciation	35	33	
<b>EBIT</b>	<b>131</b>	<b>229</b>	
Finance Charges	36	35	
<b>Profit before Tax</b>	<b>95</b>	<b>194</b>	
Tax Expense	36	69	
<b>Profit after Tax</b>	<b>60</b>	<b>125</b>	

\*Adjusting for Forex items

Figures are rounded off wherever required



# Balance Sheet

## Standalone

## Consolidated

Particular (Rs. Crs)	Mar'19	Mar'18	Mar'19	Mar'18
Fixed Assets (Incl. CWIP)	561	535	591	567
Investments	25	20	0	0
Other Non-Current Assets	9	4	9	4
Inventories	467	524	531	591
Investments	46	-	46	-
Trade Receivables	275	325	255	287
Cash and cash equivalents	18	11	23	16
Other Current Assets	151	225	169	234
<b>TOTAL</b>	<b>1,552</b>	<b>1,644</b>	<b>1,625</b>	<b>1,699</b>
Equity Share Capital	39	39	39	39
Reserves & Surplus	921	899	935	917
Non-controlling Interest	-	-	7	7
Long Term Borrowings	57	49	57	49
Deferred tax Liabilities (net)	109	120	109	120
Other Non-Current Liabilities	14	3	14	4
Short term Borrowings	229	309	257	322
Trade Payables	126	181	144	192
Other Current Liabilities	57	44	63	49
<b>TOTAL</b>	<b>1,552</b>	<b>1,644</b>	<b>1,625</b>	<b>1,699</b>



# Outlook for FY2020 and beyond



## 01

### Product development

- Focus on Bed Linen in the Home Textiles sphere
- Focus on value-added products through R&D and innovation
- Strengthening design department to promote and service fashion bedding requirements

## 02

### Improving operational efficiency

- Moving towards overall sustainability
- Building strengths in processing through value addition
- Developing skill and talent of employees
- Prudent capital allocation for growth

## 03

### Global reach

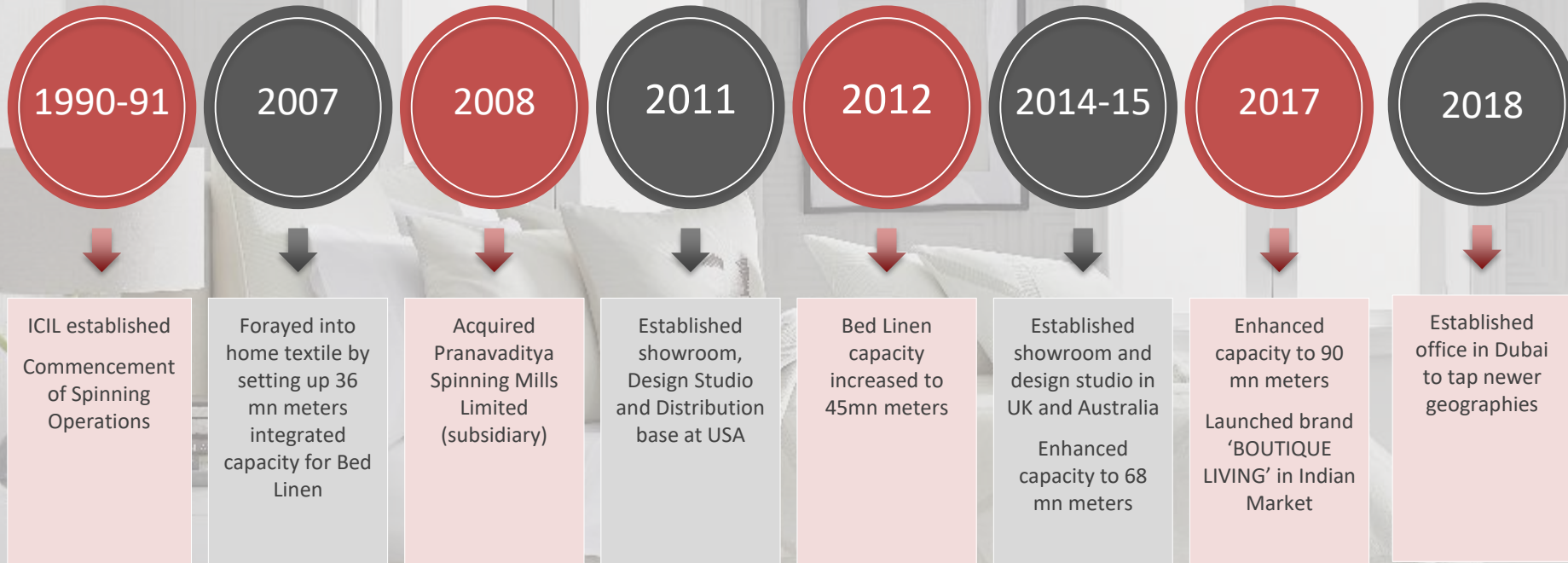
- Establish relationship with new marquee global customers
- Tap newer geographies
- Initiatives in branding, distribution and e-commerce



# Indo Count: At a Glance



# 27 years of Our Journey





# Our Approach to Business: Integrated bedding solutions



Spinning



Processing



Branding & Marketing



Concept  
Design &  
Sampling



Weaving



Cut & Sew



Complete comfort for the best Sleep experience with... Innovation, Quality and Service



# Our competencies and differentiators



01

## Global player

- Recognized market player with a focus in bed linen
- Established business with global prestigious clients
- Strong product positioning
- Differentiation through innovation, R&D and continuous product development

02

## Strong domain expertise

- Customer-centricity thus focusing on enhanced service
- Wide and innovative product range
- Efficient marketing and branding
- Complete end to end solution in bedding

03

## Operationally efficient

- Efficient and scalable operations
- Experienced management with a competitive track record
- Progressive investments in state-of-the-art technology
- Development of human resource in the business of customization



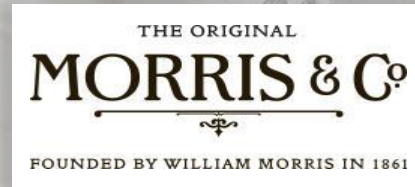
# Our Brands



## New In-House Brands



## Licensed Lifestyle Brands



## Own Lifestyle Brands







# “Boutique Living” Brand in India



- Indo Count has a Pan India presence
- Products available online at:  
[www.boutiquelivingindia.com](http://www.boutiquelivingindia.com)





# Global Presence



## India

Headquartered in  
Mumbai

Manufacturing  
facilities in  
Kolhapur,  
Maharashtra

Showrooms and  
design studios



## USA

Showroom and  
design studio in  
New York

Warehouse for  
distribution at  
Charlotte



## UK

Showroom, design  
studio and  
warehouse in  
Manchester



## Australia

Showroom and  
design studio in  
Melbourne



## UAE

Established office in  
Dubai to tap newer  
geographies

Indo Count exports to 54 countries and going forward to widen its geographical footprint

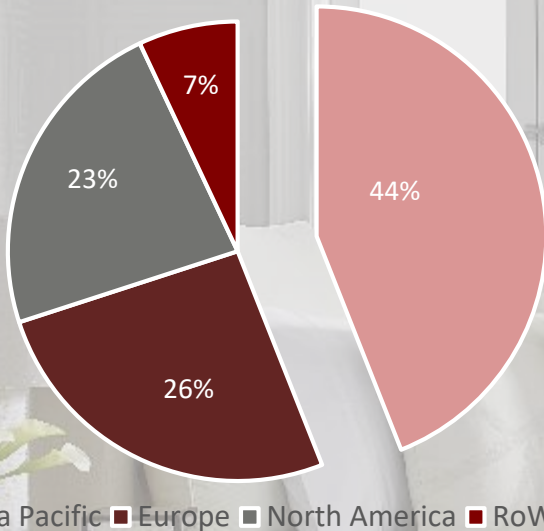


# Industry Perspective



# Asia Pacific fastest growing market in Global Home Textile

## Global Home Textile Market Region-wise share



- ### Asia Pacific
- Largest home textile market in the world
  - Accounts to 44% of the global home textile market
  - One of the most dominant producer and consumer of home textile

### China

- Largest manufacturer and consumer of home textile
- Market size estimated US\$ 30bn
- Steady demand growth driven by a burgeoning middle class

### India

- Third largest home textile market in the Asia Pacific region
- Projected to grow at a CAGR of 8.3% to reach US\$ 8.21bn by 2021

### USA

- One of the globe's largest Home Textile market accounting for ~23%
- Projected to grow at CAGR 3% to reach US\$27bn by FY2020

### Europe

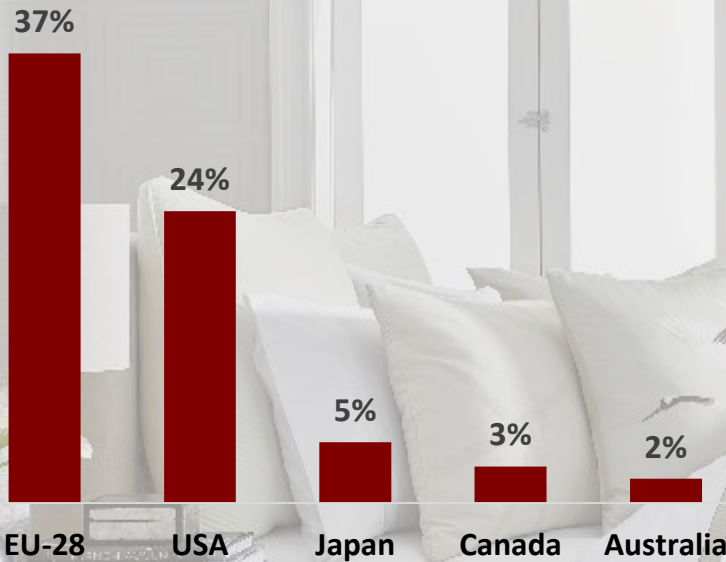
- 2<sup>nd</sup> largest Home Textile market accounting for ~26%
- Bed linen accounts for 32% share of the Home Textile market
- Bed & Bath linen to grow at a CAGR of 1.7% to US\$17bn by 2020

**“India has gained market share in Bed Sheets in US imports”**



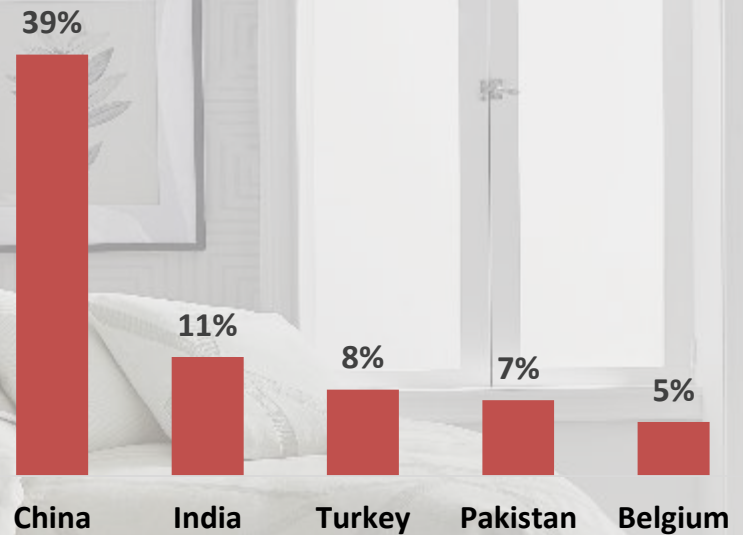
# Top 5 Importing & Exporting Nations

## Top 5 Home Textiles Importing Nations



EU-28 is the largest market for home textiles with a share of 37% and import value of US\$ 18 bn. This is followed by USA with import value of US\$ 12 bn. and a share of 24%.

## Top 5 Home Textiles Exporting Nations



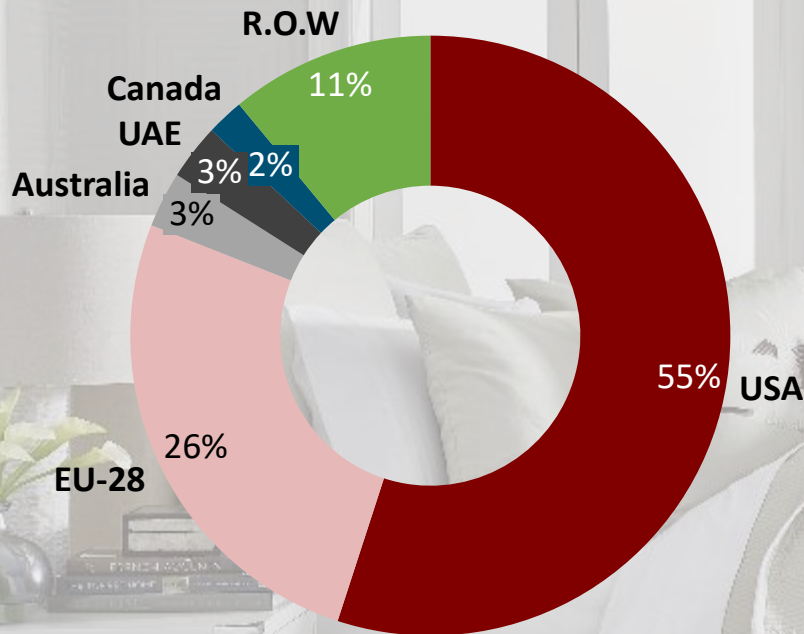
China has a share in home textile exports at 39% with US\$ 19 bn followed by India at 11% with US\$ 5 bn.

India with growth rate of 4%, has increased its world share from 9% to 11% in the past 5 years. China has remained almost stagnant with a CAGR of 0.7%



# Indian Markets and Growth Opportunities

India's major markets for Home Textiles (2017)



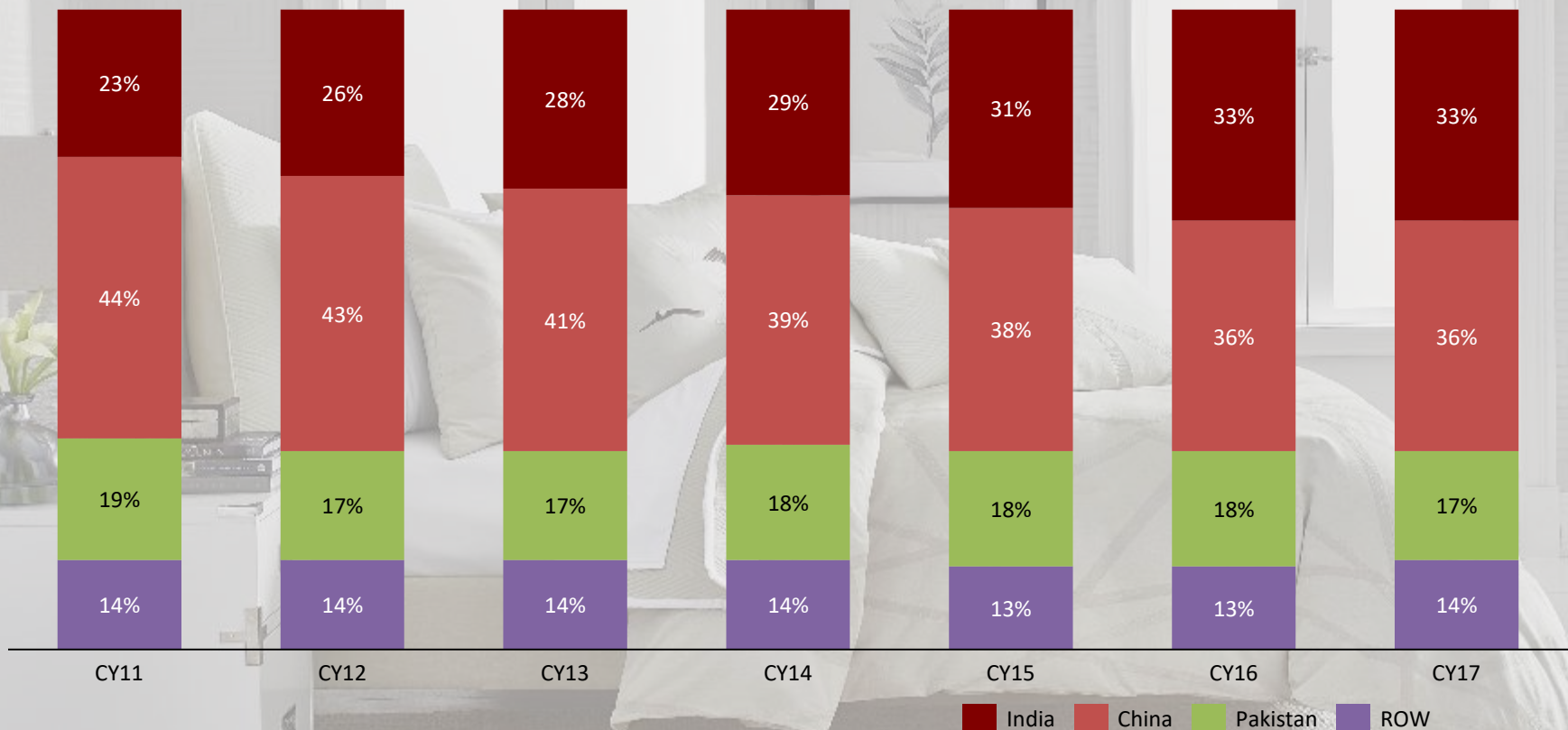
Country	US\$ Mn.	Share
USA	2,853	55%
EU-28	1,347	26%
Australia	156	3%
UAE	132	3%
Canada	121	2%
R.O.W	583	11%
<b>Total</b>	<b>5,193</b>	

- There has been a structural shift in the dynamics of the global home textiles trade as Indian companies have gained advantage over the Chinese counterparts
- Indian companies have become competitive in the home textile exports market, leveraging the gap created by the rising labour cost in China and availability of raw material



# USA textiles imports

## USA – Import of Cotton Made-Up's Share

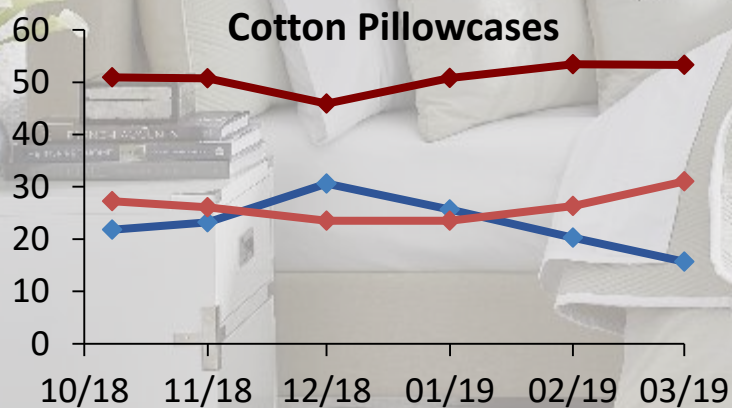
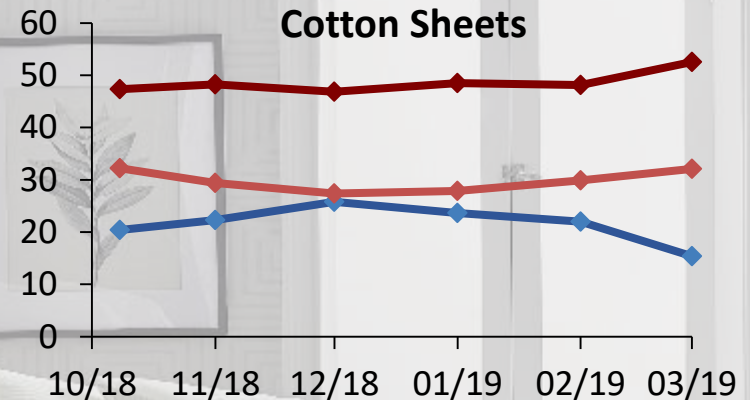
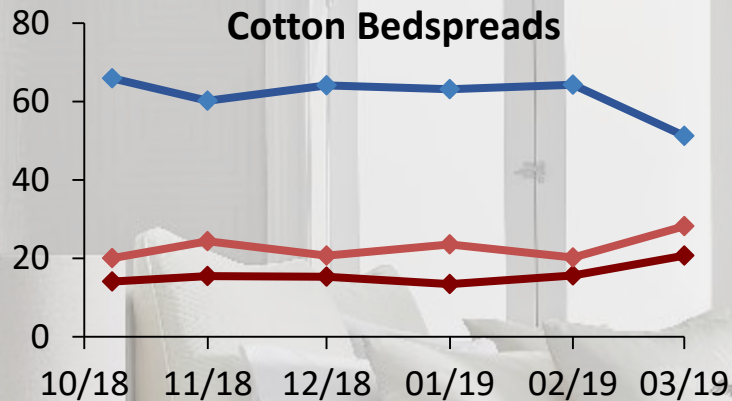


India's contribution in the Made-ups market share is growing in USA imports



# Home Textile imports by US

India China ROW



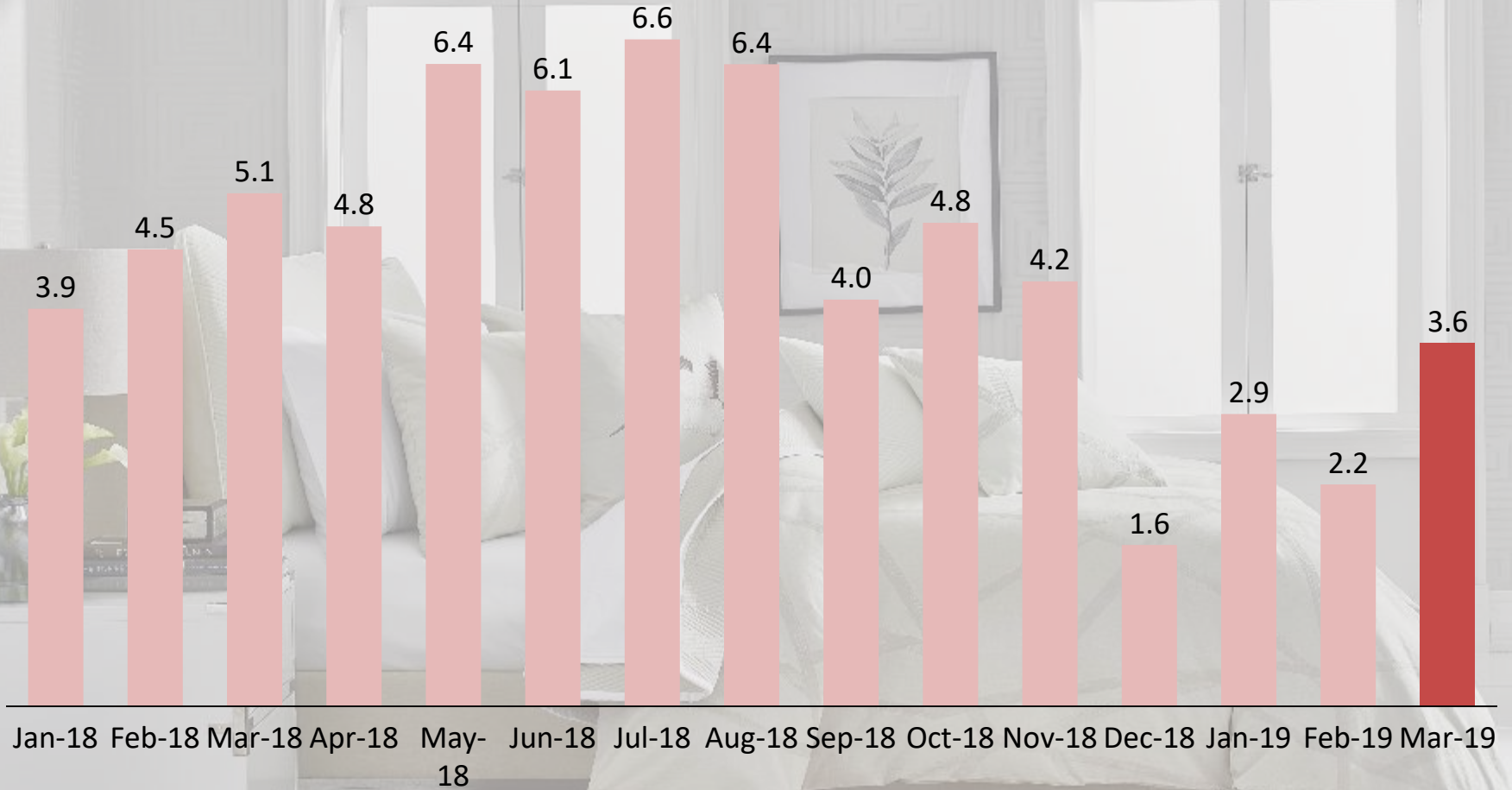
**India is gaining advantage in the Home Textiles Market in the USA. With integrated approach and abundant availability of Raw Material, India is poised to increase its market share**





# USA Retail Sales

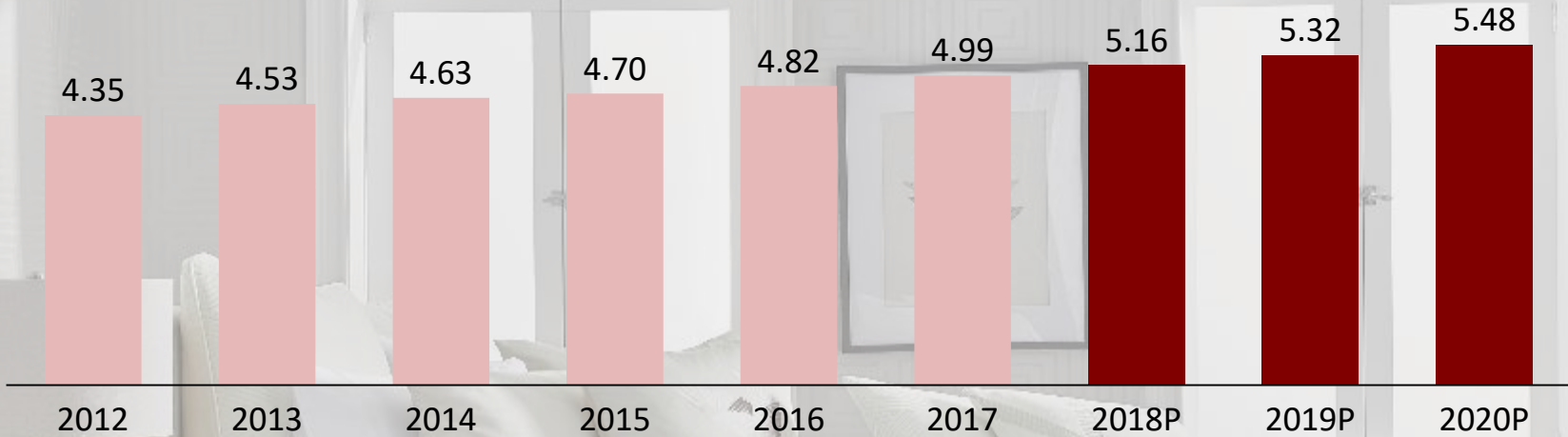
**USA YoY change in Retail Sales (in %)**





# Major Economies showing strength

### USA Retail Sales (USD Trillion)



Source : Statista

### Europe Retail Sales (2015 as Base 100)



Source : Eurostat



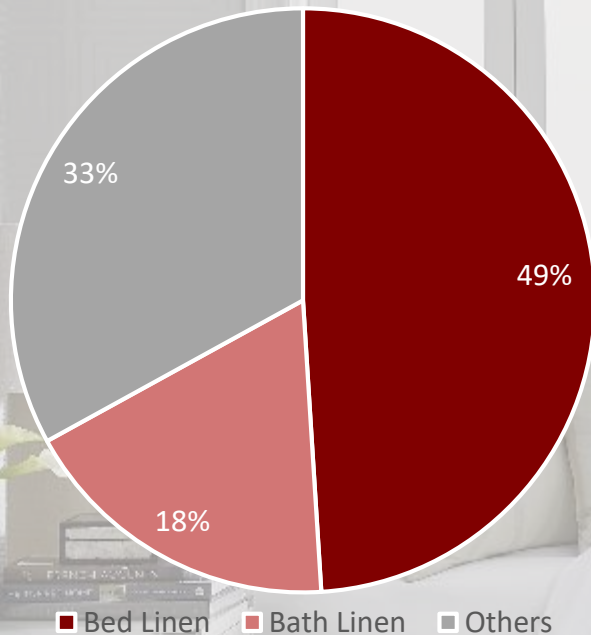
# India's edge in the home textiles market



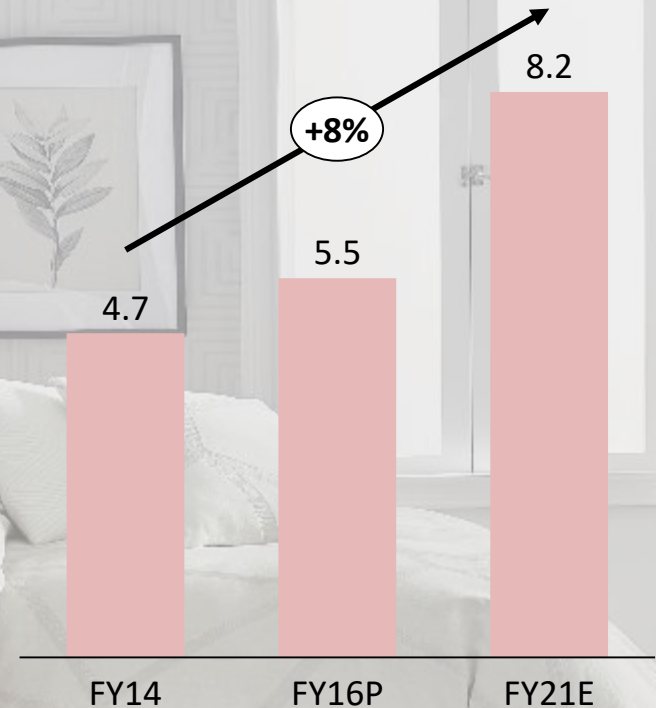


# Indian Home Textiles industry – Growing expectation

Indian Home textile industry mix (%)



Indian Home textile industry mix (USD Bn)



- India still accounts for only 7% of the global home textile trade, leaving a lot of headroom for growth, which will be driven by market share gains
- Growth in domestic home textile would be supported by favorable demographics, increasing household income, rising population and growth in end use sectors like housing, hospitality, healthcare, etc.



# Awards & Accolades



**KOHL's**, a large retailer in USA has awarded our Company for **“Best Collaboration in Design & Product development”**

**JC Penney**, a large retailer in USA has awarded us with a **“Platinum Certification Status”** for Sheets & Fashion bedding category



# CSR: At Indo Count 'Every smile counts'



## EDUCATION

- Promoting Education by implementation of E-learning systems in schools
- Benefiting ~50,000 students of 110 schools in and around Kolhapur

## HEALTHCARE

- 4 Medical Vans reaching 100 rural villages around Kolhapur providing free medicines and check-ups
- In FY19 more than 95,000 patients attended
- Till date ~1,95,000 patients benefitted
- Renovated Female Maternity & Gynac ward along with Cardiac Department for a government hospital in Kolhapur

## WOMEN EMPOWERMENT

- Till date distributed 32 sewing Machines and trained 950 women's
- Aimed at making women independent and upgrading their standard of living

## WATER & SANITATION

- Promoting sanitation by building/ maintaining toilet blocks
- Installed pure drinking water facilities in various schools and public places



# About Us



- **Indo Count Industries Ltd (ICIL)**, is one of India's largest home textiles manufacturer.
- Mr. Anil Kumar Jain, Executive Chairman, has been ranked 10<sup>th</sup> amongst the India's Best Top 100 CEO's 2017 by *Business Today*. Under his leadership, the Company has focused on some of the world's finest fashion, institutional and utility bedding and sheets and has built significant presence across the globe.
- Over the years, the Company has successfully carved a niche for itself and has become a one stop provider of all bedding products. The company's capacity currently stands at 90 million metres.

## Our Vision

To be one of the leading players in the global Home Textile industry on the strengths of technology, experience and innovation.

## Our Mission

Indo Count is committed to provide all our customers desired quality, services and value for money through our technological and organizational strengths.

## Award and Credit Rating

ICIL has been honored with the prestigious "VASUNDHARA AWARD" from the Government of Maharashtra. The Company was adjudged as the 2nd Best Company in the entire state of Maharashtra among all the large units. The award is on account of the companies' contribution towards commitment & promotion of Environment, Energy Conservation / Natural Resources & Social / Welfare Activities in Maharashtra.

ICRA's credit rating is ICRA AA- (Double A minus) for Company's Long-Term Bank Facilities and ICRA A1+ (A one plus) for short term bank facilities.

CARE's credit rating is CARE AA- (Double A minus) for Company's Long Term Bank Facilities and A1+ for Short Term Bank Facilities.



# Investor Contact



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**Mr. K. Muralidharan, Chief Financial Officer (CFO)**  
k.muralidharan@indocount.com

*Investor Relations Advisors:*

**Strategic Growth Advisors Pvt. Ltd.**

**CIN:** U74140MH2010PTC204285

**Mr. Shogun Jain | Ms. Ami Parekh**

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**W:** www.sgapl.net