



14th June, 2020

The National Stock Exchange of India Ltd. Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), <u>Mumbai – 400 051</u> Company Symbol : ICIL	BSE Limited Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, <u>Mumbai – 400 001</u> Scrip Code No. : 521016
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Subject: Investor Presentation Q4FY20

Please find enclosed herewith a copy of Investor Presentation with respect to the Audited Financial Results of the Company for the quarter and year ended 31st March, 2020.

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 Ltd

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Indo Count Industries Ltd



Complete Comfort



Investor Presentation – Q4 & FY20

June 2020

Safe Harbor

- This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Indo Count Industries Ltd** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.
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Q4 & FY20
Performance Highlights

Chairman's Message

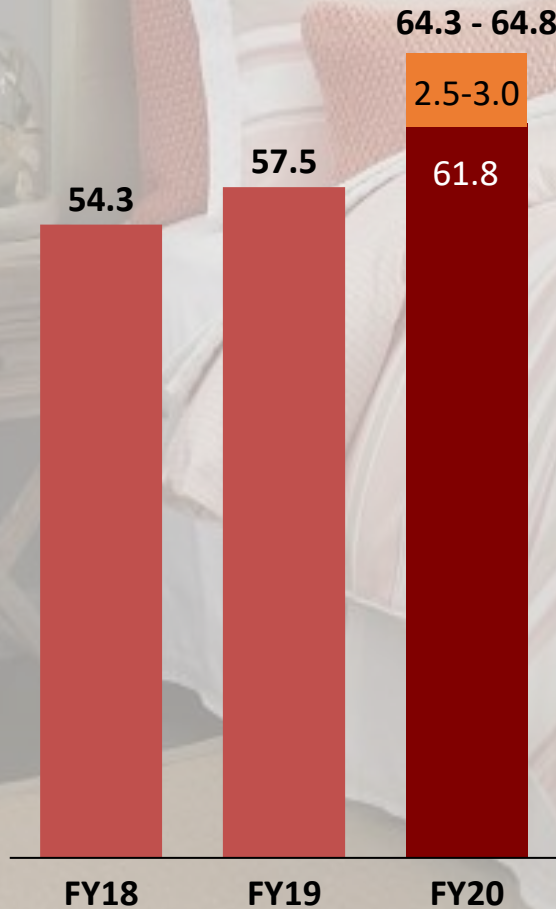
Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman said,

“With good customer base, capital adequacy, wider geographic distribution, extensive sectoral understanding of products and product development as well as a relatively under leveraged Balance Sheet we are well prepared to quickly adapt to the changing customer ecosystem.

Owing to the good liquidity position, the Company has the ability to service the business operations and further invest in growth opportunities.”

Volume Sales

in million meters



Shutdown in operations due to Covid-19 pandemic led to volume forgo of 2.5-3.0 mn mts

- ✓ Volume sales were achieved on the back of innovative product launches based on continuous R&D, deeper customer reach, and discovering new geographies
- ✓ Declining leverage while we continue to achieve higher goals

The Company would have achieved the volume target of 64.3-64.8 mn mts excluding the uncertain event of pandemic

Volume Performance

in million meters

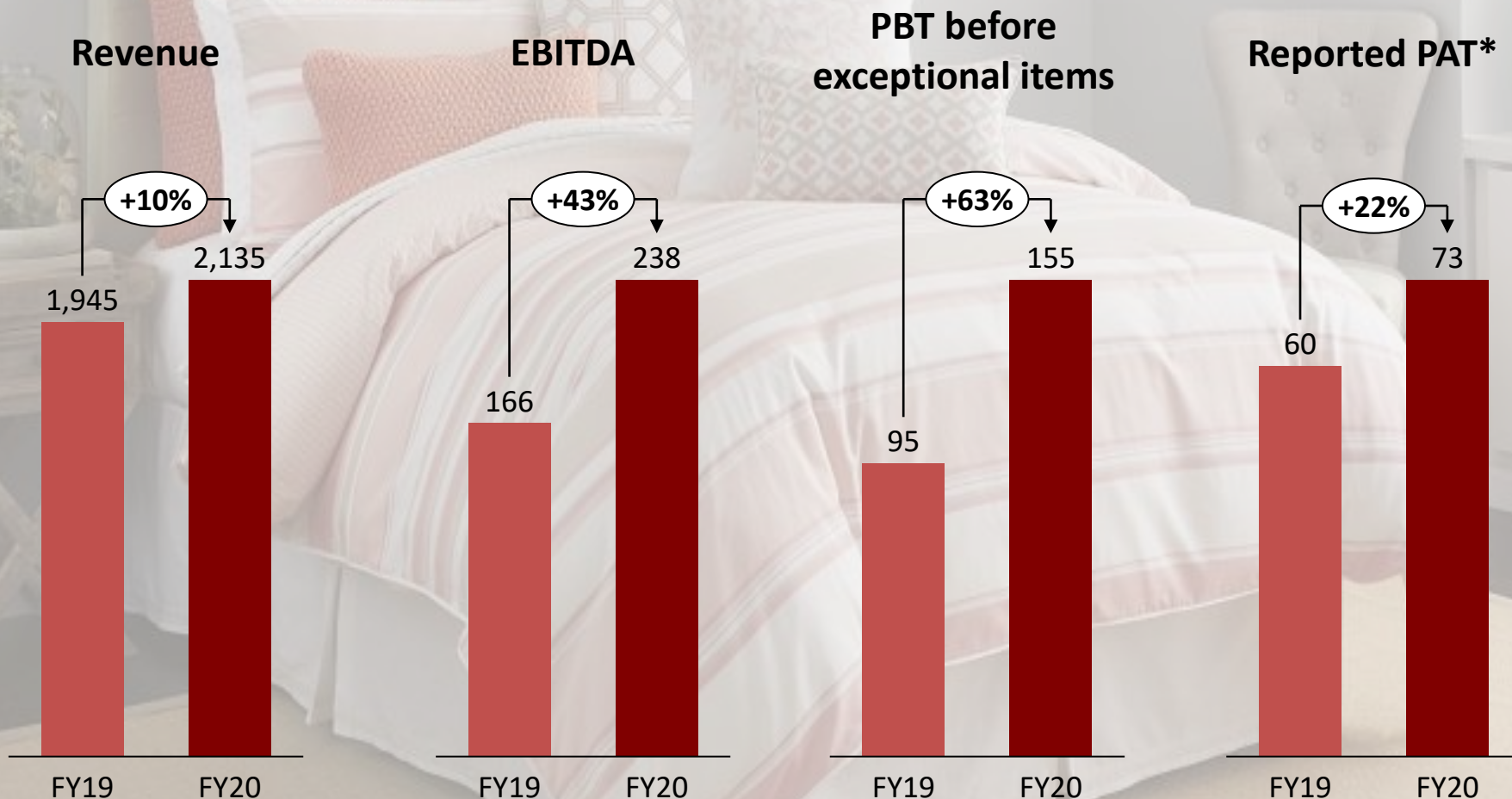


On the back of continuous marketing efforts, achieved a volume growth of 10%

The nation-wide lockdown announced in mid-march led to volume forgone of 2.5 – 3.0 mn mts

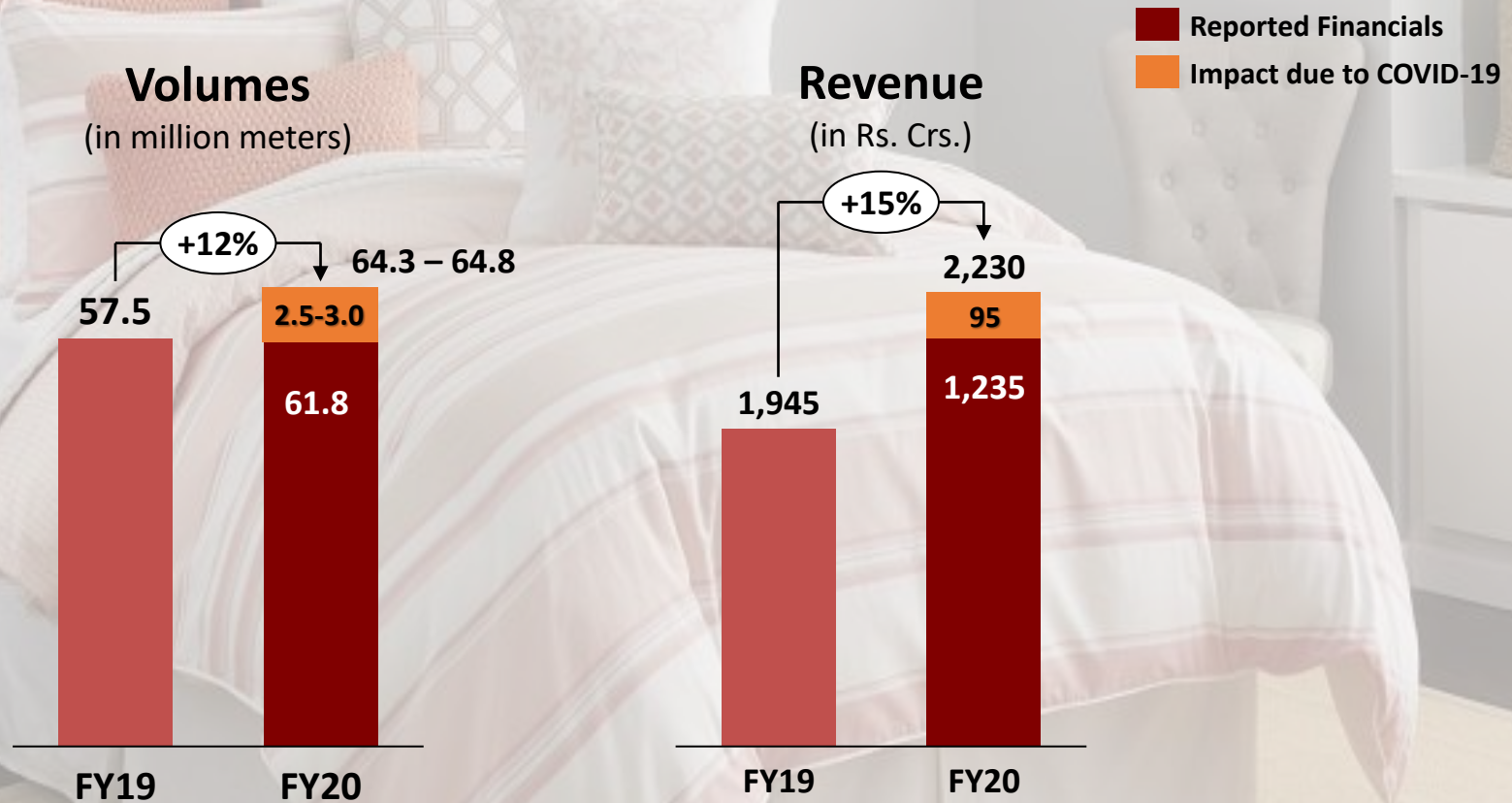
Despite challenging environment, able to achieve volume growth of 7%

Sustainable Business Model



The Board has recommended Final Dividend of 30% (Re. 0.60 per equity share of Rs. 2/- each) for the Financial Year ended 31st March 2020

Impact on Financials due to COVID-19



Shutdown in operations due to Covid-19 pandemic led to volume forgo of 2.5-3.0 mn mts

Due to temporary stoppage of operations, orders valued at Rs. 95 Crs could not be executed in Q4 FY 2020 and stands postponed to FY 21

Indo Count's COVID-19 response



Employee Safety

- ✓ Encouraging employees to adopt to general principles of social distancing, health and safety of self and society at large
- ✓ Launched interactive sessions for the wellbeing of employees



Liquidity Management

- ✓ Financial prudence
- ✓ Credit Insurance monitored closely
- ✓ Each Cost Line item reviewed and actioned to optimize cost & resource utilization



Engagement with stakeholders

- ✓ Continuous engagement with internal and external stakeholders through online meetings
- ✓ Facilitated Work From Home (WFH) to all employees except blue collar and field force teams



Customer Management

- ✓ Enhancing client relationships through regular interactions
- ✓ Closely monitoring business impact

Outlook for FY21

- ✓ The COVID-19 situation is evolving and it is still too early to know the true economic and earnings impact of the pandemic. Considering the fact that the situation is exceptional and is changing dynamically, the Company is unable to gauge with certainty, the future impact on its business prospects
- ✓ The consumption pattern has changed along with point of sales distribution to which the Company is adapting quickly through increased communication and making deeper insight into the market requirements
- ✓ However, with our healthy capital adequacy and stable liquidity position, good customer base, wider geographical distribution, innovative product mix, the Company is confident of dealing with the challenges posed by Covid-19.

Consolidated Profit & Loss Statement

Particulars (Rs. Crs)	Q4FY20	Q4FY19	YOY%	FY20	FY19	YOY%
Total Income^{^^}	425	442	-4%	2,135*	1,945	10%
Cost of Raw Material	203	253		1,139	1,031	
Employee Expenses	38	34		148	144	
Other Expenses	148	139		609	603	
Total Expenses	390	426		1,897	1,778	
EBITDA	35	16	126%	238	166	43%
EBITDA Margin (%)	8.3%	3.5%	478 bps	11.1%	8.5%	259 bps
Depreciation	11	9		43	35	
EBIT	24	7	262%	194	131	48%
EBIT Margin (%)	5.7%	1.5%	420 bps	9.1%	6.7%	237 bps
Finance Cost	8	9		39	36	
PBT before Exceptional items	16	(2)		155	95	
Exceptional Items	-	-		98 [^]	-	
PBT	16	(2)		57	95	
Tax	8	2		(16)	36	
PAT	8	(5)		73	60	

^{^^} Total Income includes Other Income

*The MEIS benefit earned from 1st April 2019 to 30th September 2019 of Rs. 32.71 Crs earlier shown as exceptional item has been regrouped and reduced from Revenue from Operations of the Group in the Year end financials

[^] Exceptional Item includes Rs. 94.27 Crores provided against refund of excess export benefits of earlier years by way of MEIS as per the Adjudication Order issued by office of The Commissioner of Customs

Figures are rounded off wherever required

Consolidated Balance Sheet – Mar'20

ASSETS (Rs.Crs)	Mar'20	Mar'19
Non-Current Assets		
Property, Plant & equipment	562	572
Capital Work in progress	6	16
Other Intangible Assets	13	3
Financial Assets		
i) Loans	4	2
Other Non-Current Assets	6	8
Total Non-Current Assets	591	600
Current Assets		
Inventories	524	531
Financial Assets		
i) Investments	-	46
ii) Trade Receivables	242	255
iii) Cash and Cash Equivalents	139	23
iv) Bank Balances	11	10
v) Other Financial Assets	4	19
Current Tax Assets	23	16
Other Current Assets	161	124
Total Current Assets	1,105	1,024
Total Assets	1,696	1,625

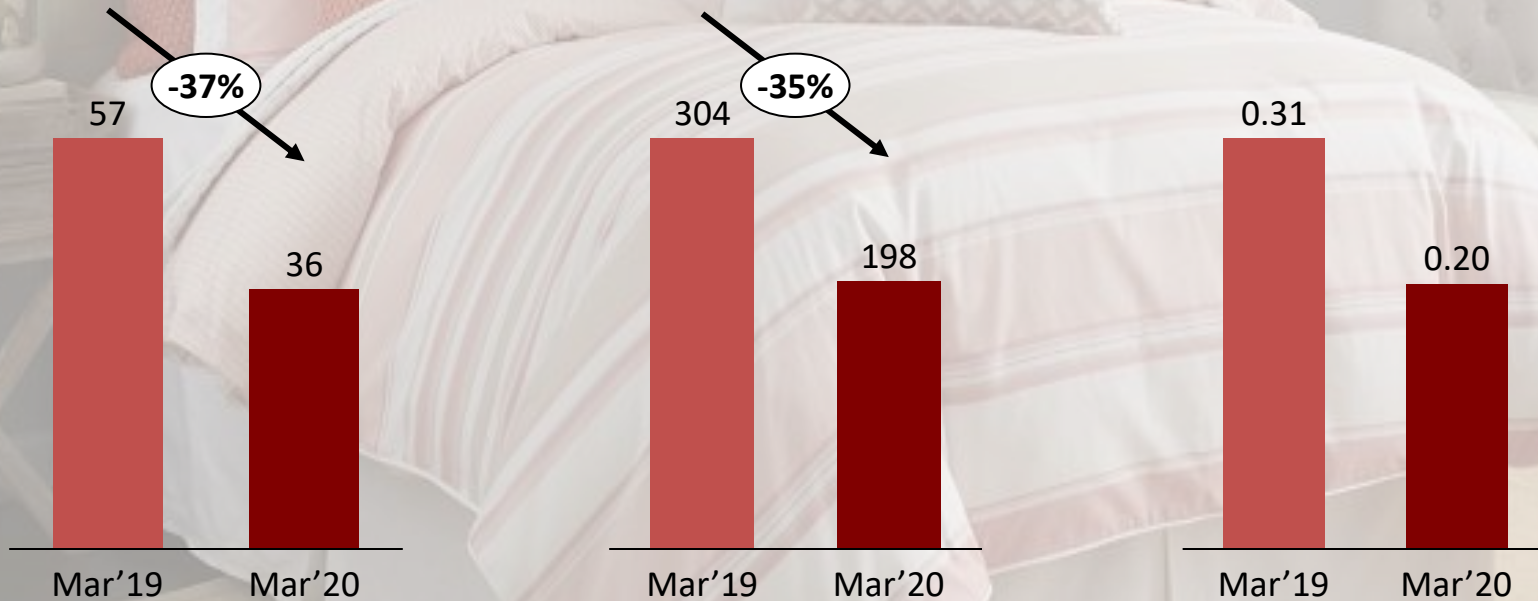
EQUITY AND LIABILITIES (Rs.Crs)	Mar'20	Mar'19
Equity		
Equity Share Capital	39	39
Other Equity	947	935
Total Equity	986	975
Non-Controlling Interest	7	7
Non-Current Liabilities		
Financial Liabilities		
i) Borrowings	36	57
ii) Other financial liabilities	6	0
Provisions	6	6
Deferred Tax Liabilities	57	109
Other Non-Current liabilities	8	8
Total Non-Current Liabilities	114	180
Current Liabilities		
i) Borrowings	293	257
ii) Trade Payables	129	144
iii) Other financial liabilities	92	36
Other Current Liabilities	75	26
Total Current Liabilities	589	463
Total Equity and Liabilities	1,696	1,625

Reduction in Net Debt

Long Term Debt

Net Debt

Net Debt / Equity



Consolidated Cash Flow Statement - Mar'20

Particulars (Rs. Crs)	Mar'20	Mar'19
Profit before Tax & Exceptional	155	95
Adjustment for Depreciation & other items	(82)	23
Operating profit before working capital changes	74	118
Changes in working capital	92	134
Cash generated from operations	166	253
Direct taxes paid (net of refund)	(26)	(38)
Net Cash from Operating Activities	140	215
Net Cash from Investing Activities	16	(101)
Net Cash from Financing Activities	(40)	(106)
Net Change in cash and cash equivalents	116	8
Cash and cash equivalents at the beginning of the year	23	16
Cash and cash equivalents at the end of the year	139	23

Long term Outlook

01

Product development & Innovation

- 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 & Sustainability

- Establish relationship with new marquee global customers
- Tap newer geographies
- Initiatives in branding, distribution and e-commerce
- Overall focus on sustainability for the entire value chain

A bedroom scene featuring a bed with a white and pink striped duvet cover, several pillows in various colors and patterns, a tufted chair, and a bedside table.

Advantage India

India's edge in the home textiles market



CHINA + 1 strategy as brands will seek second source



Growing global respect for Indian products; dependable long-term partner



Abundant availability of raw material – India is the world's largest cotton producer



Steady capability and capacity available for growth



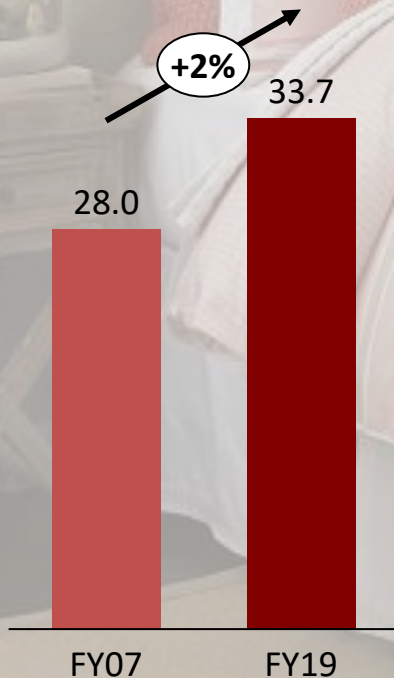
Access to a skilled, traditional textile labour force



A significant contributor to the economy, both in terms of its exports and domestic share

Raw Material Advantage

Production of Cotton (million bales)

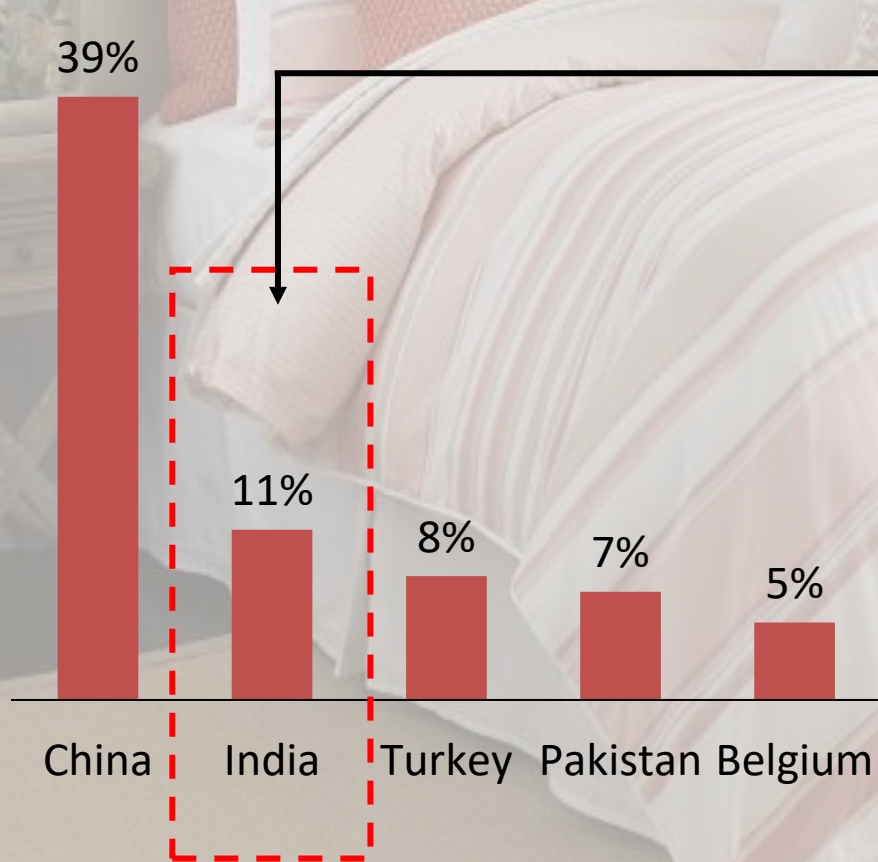


- ✓ India is world's largest producer of cotton. Production of cotton in India grew from 28.0 million bales in FY07 to 33.7 million bales in FY19P, at a CAGR of 1.6%
- ✓ The abundant supply of Cotton is a boon to the Indian Textile players
- ✓ Many brands are shifting to organic and other sustainable cotton fibre in which India has an edge, Thus, India being a largest cotton producing country is poised to benefit



Structural Shift to India

Top 5 Home Textiles Exporting Nations

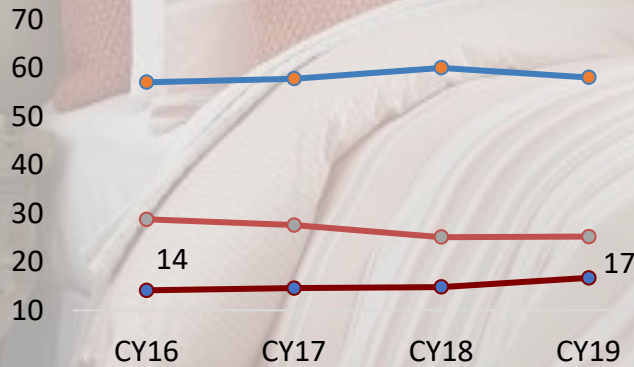


- China has a share in home textile exports at 39% with US\$ 19 bn followed by India at 11% with US\$ 5 bn
- India with growth rate of 4%, has increased its world share from 9% to 11% in the past 5 years. China has remained almost stagnant with a CAGR of 0.7%
- On the back of the Covid-19 situation, many brands are expected to reduce dependence on China
- India being a second largest home textile exporter along with largest producer of Cotton in the world is expected to benefit from this structural shift

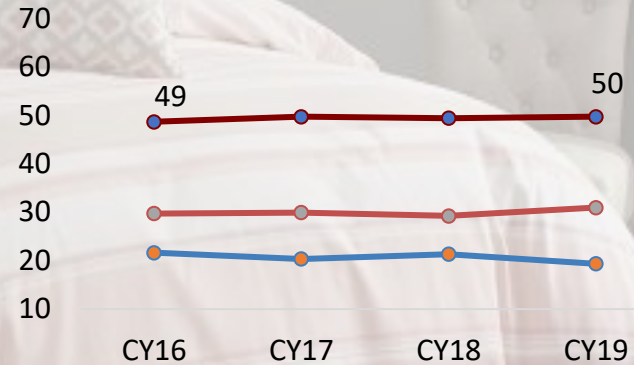
India's Gaining Market Share in US Imports

(in % Market Share)

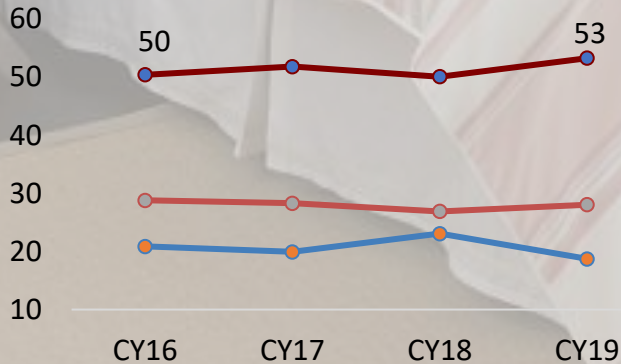
Cotton Bedspreads



Cotton Sheets



Cotton Pillowcases



Over a long-term period, with integrated approach and abundant availability of Raw Material, India is poised to increase its market share



Indo Count: At a Glance

3 Pillars of Strength



INNOVATION

- ✓ We are respected by customers for the ability to extend the product frontier. We are known for creating innovative weaves and fabric finishes that enhance our standing as a forward-looking Company addressing the novel and demanding preferences of consumers.



QUALITY

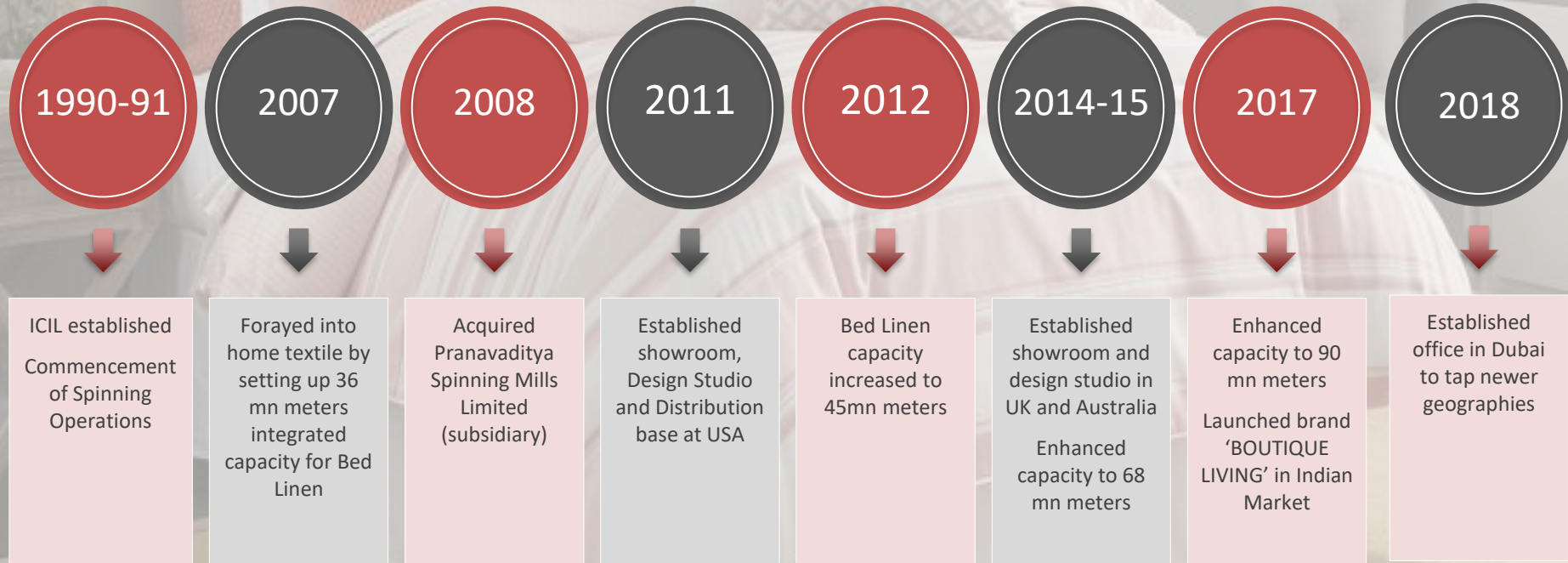
- ✓ We are recognised for the creativity of products that are aesthetic and enduring. The Company has state-of-the-art equipment (spinning, weaving, bleaching, dyeing, cutting and sewing) – a complete quality control solution.



SERVICE

- ✓ We believe that the sale begins once the product has been marketed and delivered. The high service standard invokes provision of not only high on-time and in-full delivery of agreed products but also just-in-time needs of customers.

29 years of Our Journey



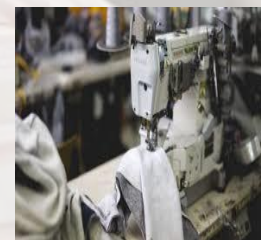
Our Approach to Business: Integrated bedding solutions



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

Innovation Collaboration – LEEDS University



UNIVERSITY OF LEEDS - FUTURE OF INNOVATION

Leeds University has a long and distinguished history in textile technology and design stretching back to its predecessor, the Yorkshire College of Science.



The collaboration of Indo Count & the University of Leeds, UK, will provide the technology platform to enhance Indo Count's innovation capabilities to deliver new & exciting products into the home textile sector.

Our Brands

In-House Brands

14

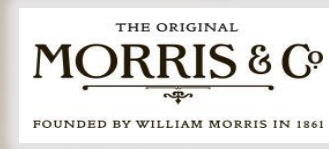
In-House Brands



Licensed Brands

4

Licensed Brands



“Boutique Living” Brand in India



- In India, our in-house brand ‘Boutique Living’ provides premium bedding through more than 500 stores pan-India
- Products available online at: 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



UAE

Established office in
Dubai to tap newer
geographies

Indo Count exports to more than 54 countries across 4 continents and going forward to widen its geographical footprint



Sustainability Initiatives

Project GAGAN: A Sustainable Cotton Initiative



- ✓ **Improve sustainability in cotton farming for farmers in Warora Taluka of Chandrapur District in Maharashtra state**
- ✓ **Aims at covering 1,500 farmers in 10 villages to begin with and subsequently increasing the scope of this program to 30 villages thus helping close to 4,500 farmers in near future**

Objectives of the Program

- Backward Integration from Farm to Fashion
- Promotion of BCI and organic cotton
- Secured supply chain of BCI cotton

- ✓ Towards the program, we have recruited scouts who shall be interacting with farmers and shall try to help them in increasing their yield and rationalize the use of water, pesticides and fertilizers
- ✓ Dedicated a Ginning Mill to facilitate the farmers and have made necessary systems to secure supply chain

These initiatives will help farmers in increasing productivity of their farms along with judicious use of water, pesticides and fertilizers

Partnering Walmart in Project GIGATON



Indo Count commitment towards Walmart Project Gigaton : Sustainability Goals

Sustainability Parameter	Unit	Per Annum - Target
Power	KWH	“1.5 million Units” Power Consumption Reduction
Fuel	MT	Carbon Footprints – Reducing CO2 emission equivalent to 10,000 MT’s by Optimizing Efficiencies
Water	Ltrs	“50 million Liters” of Fresh Water Intake reduction



Awards & Accolades

Texprocil Award for 2018-19



Winner of Gold Trophy

for the Highest export performance in Made Ups-Bed Linen/Bed Sheets/Quilts



Winner of Gold Trophy

for the Special Achievement Award in Made-ups



Silver Plaque

for the Second Highest exports performance in Yarn-Counts 50s and below

Recognition by large retailers



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 on an Annual basis



HEALTHCARE

- 4 Medical Vans reaching 100 rural villages around Kolhapur providing free medicines and check-ups
- More than 95,000 patients attended
- More than 2,00,000 patients benefitted
- Renovated Female Maternity & Gynac ward along with Cardiac Department for a government hospital in Kolhapur



WOMEN EMPOWERMENT

- Trained women's through our skilled development centre
- 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 10th 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.
- ICIL is one of the largest manufacturers and exporter of bed linen from India; amongst the top three bed sheet suppliers in USA and Eleventh largest global home textiles supplier to USA. ICIL has a strong global clientele and exports to more than 54 countries.
- 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

The Company has been awarded by JC Penney, a large retailer in USA with a "Platinum Certification Status" for Sheets & Fashion bedding category

The Company has also been awarded by KOHL's, a large retailer in USA for "Best Collaboration in Design & Product development"

CARE's credit rating is CARE A+ (Single A Plus; Outlook: Stable) for Company's Long-Term Bank Facilities and CARE A1 (Single A One) for Short Term Bank Facilities.

ICRA credit rating is ICRA A+ (A plus) for Company's Long-Term Bank Facilities and ICRA A1 (A one) for Short Term Bank facilities with Outlook revised to Stable from Negative.

Investor Contact



For further information please contact:

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