

3rd November, 2018

<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>
--	--

Subject: Investor Presentation Q2 & H1FY19

Please find enclosed herewith a copy of Investor Presentation with respect to Unaudited Financial Results for the quarter and half year ended 30th September, 2018.

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 Alte, Kumbhoj Road, Taluka Hatkanangale, Dist. Kolhapur - 416109 Maharashtra, India | T 91 230 3292933 | F 91 230 2483275

CIN L72200PN1988PLC068972 | E info@indocount.com | W www.indocount.com



Investor Presentation – H1FY19

November 2018

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.
- This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.
- This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

Chairman's Message



Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman said, “FY19 has been a better year for the Indian Home textile industry, with growth rates and economic stability improving in the USA and EU, our biggest markets.

Going forward, we expect to increase our capacity utilization led by improving product mix across geographies.

With increasing customer base and growing sales we are confident to strengthen Indo Count Brand with its large and marquee global clientele.”

H1FY19 Standalone Financial Indicators



Rs. 943 Crs

Revenue

Rs. 114 Crs

EBITDA

Rs. 98 Crs

EBIT

Rs. 51 Crs

PAT

Rs. 2.56

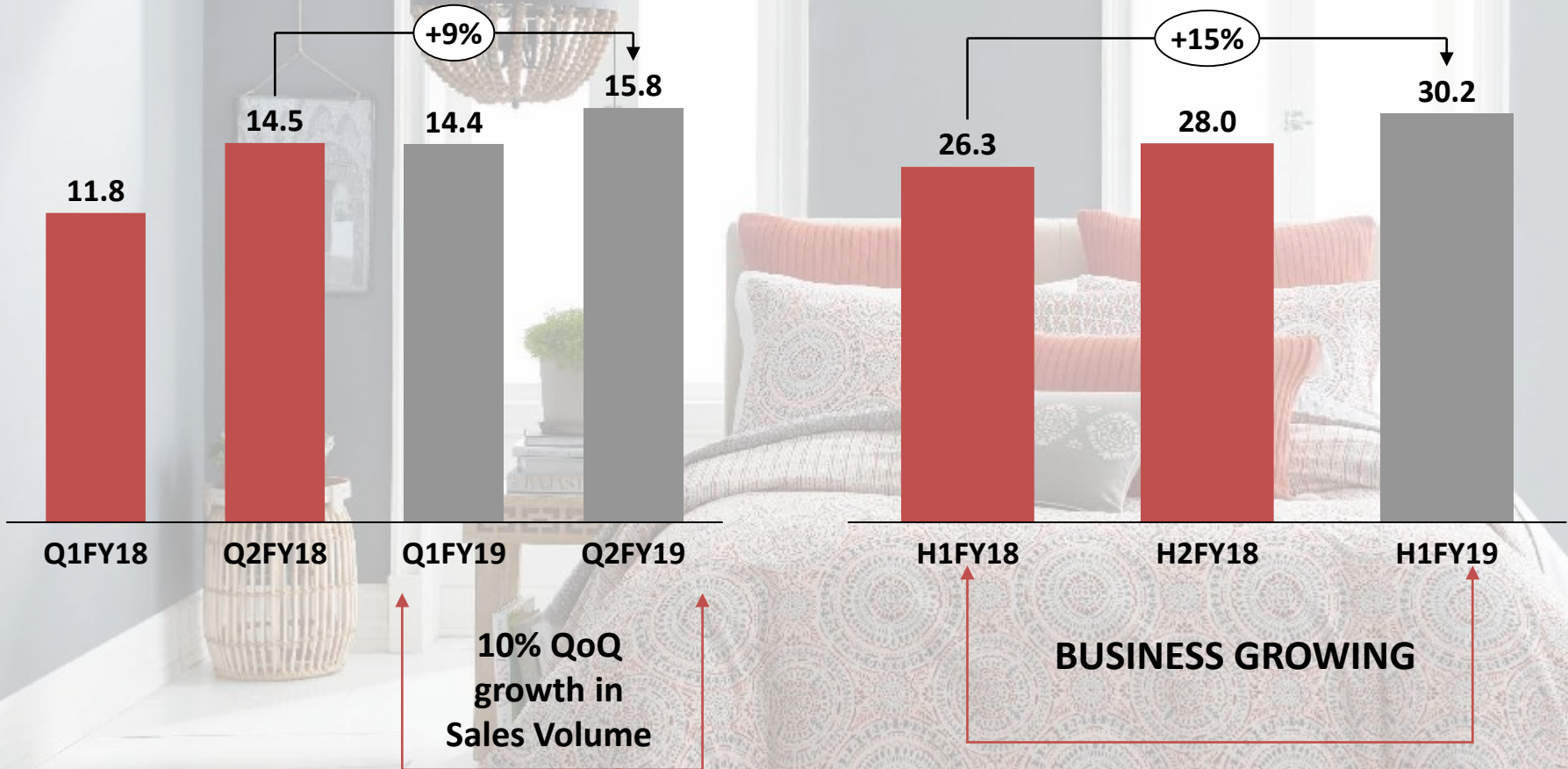
EPS

0.37x

Net Debt/Equity (x)

Strong Volume Performance

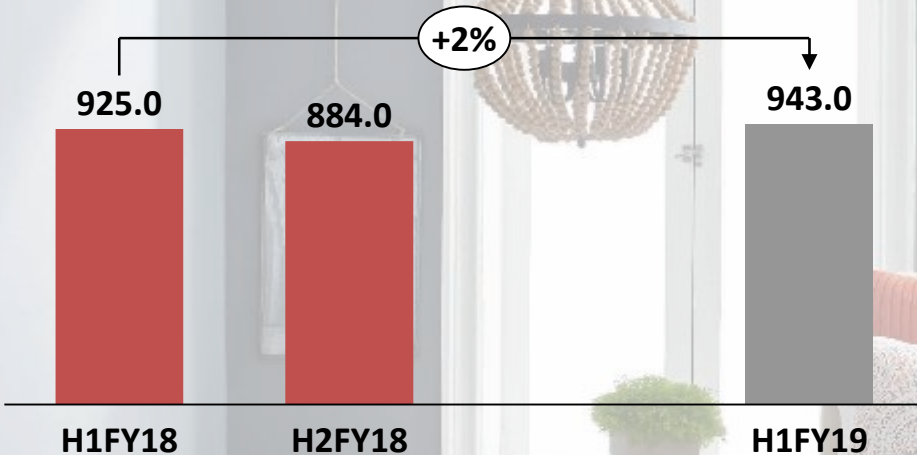
Sales Volume (Mn Metres)



Confident to meet Volume guidance of 58-60mn metres in FY19

Value Performance Impacted

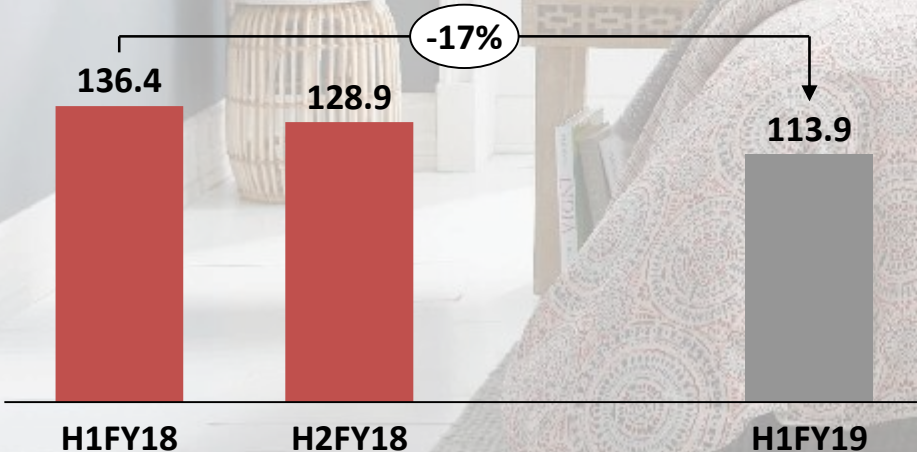
Revenue (Rs. Crores)



Revenue Impact

- Lower Government Incentives
- Lower Exchange realization
- Change in Product mix

EBITDA (Rs. Crores)



EBITDA Impact

- Increased Raw Material Costs
- Higher power, employee and job work expenses
- Low leverage on account of REVENUE impact as detailed above

Standalone Profit & Loss Statement

Particulars (Rs. Crs)	H1FY19	H1FY18	FY18
Total Revenue	943	925	1,808
EBITDA	114	136	265
<i>EBITDA Margin %</i>	<i>12.1%</i>	<i>14.8%</i>	<i>14.7%</i>
Depreciation	16	15	30
EBIT	98	121	235
<i>EBIT Margin %</i>	<i>10.4%</i>	<i>13.1%</i>	<i>13.0%</i>
Finance Charges	17	17	33
Profit before Tax	81	104	202
<i>PBT Margin %</i>	<i>8.6%</i>	<i>11.3%</i>	<i>11.2%</i>
Tax Expense	30	36	71
Profit after Tax	51	68	131
<i>PAT Margin %</i>	<i>5.4%</i>	<i>7.3%</i>	<i>7.2%</i>
EPS (Rs)	2.56	3.44	6.64

Standalone Balance Sheet



Particular (Rs. Crs)	Sep'18	Mar'18
Fixed Assets (Incl. CWIP)	548	535
Other Non-Current Assets	23	24
Inventories	507	524
Trade Receivables	302	325
Cash and cash equivalents	24	14
Other Current Assets	130	222
TOTAL	1,534	1,644
Equity Share Capital	39	39
Reserves & Surplus	844	900
Long Term Borrowings	62	49
Deferred tax Liabilities (net)	73	123
Short term Borrowings	268	309
Trade Payables	100	181
Other Current Liabilities	148	43
TOTAL	1,534	1,644

Outlook for FY2019 and beyond

01

Product development & Structured Research

- Deepening penetration in GLOBAL Home Textiles industry by offering a complete bedding solution
- Focus on value-added products through R&D and innovation
- Collaboration with LEEDS university for structured research
- Strengthening design capabilities to offer innovative solutions to Retailers' Private label brands

02

Improving operational efficiency

- Modernization of Spinning
- Building strengths in weaving and processing through value addition
- Working on increased automation and skill development
- Prudent capital allocation for growth
- Moving towards overall sustainability

03

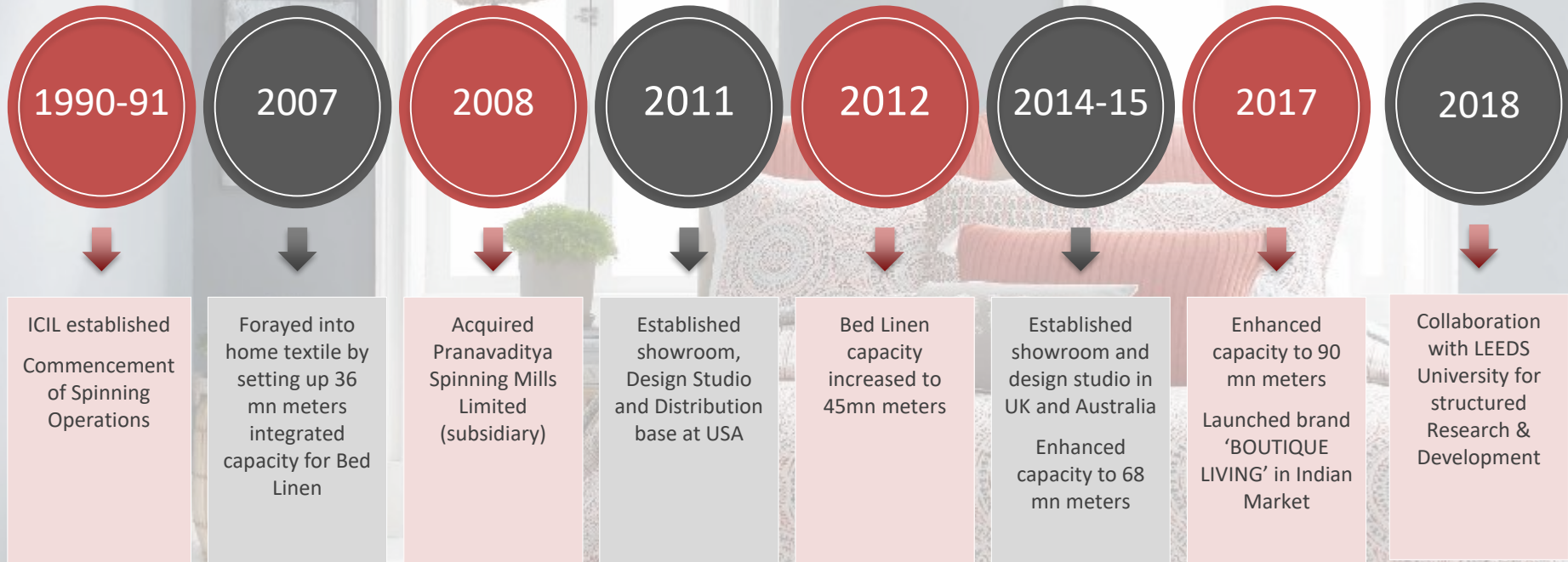
Global reach

- Tap newer geographies
- Establish relationship with new marquee global customers
- 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

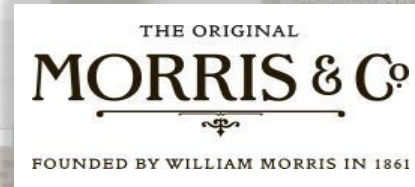
Our Brands



New In-House Brands



Licensed Lifestyle Brands



Own Lifestyle Brands



“Boutique Living” Brand in India



- Indo Count has a presence across **23** Indian States
- Online foray to widen customer base:
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

Showroom and
design studio in
Dubai

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



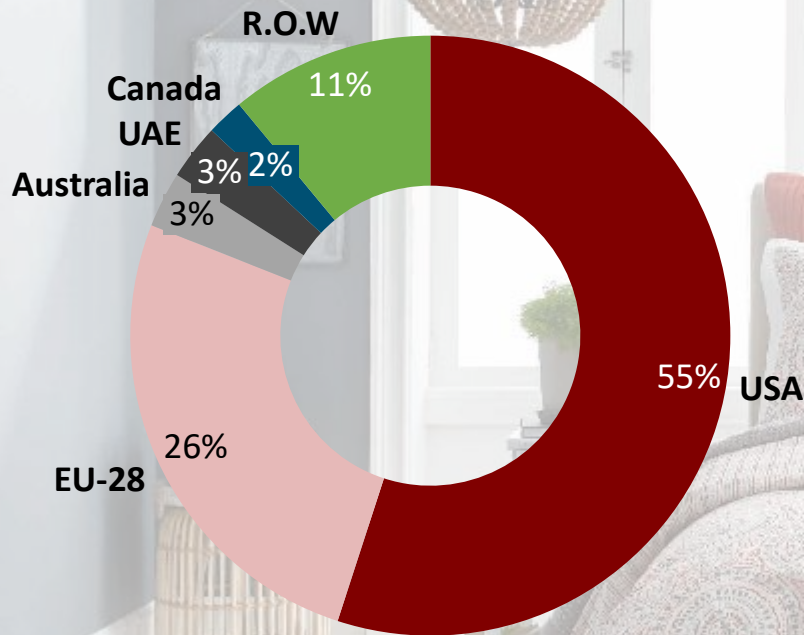
Industry Perspective

India's edge in the home textiles market



Indian Markets and Growth Opportunities

India's major markets for Home Textiles (2017)

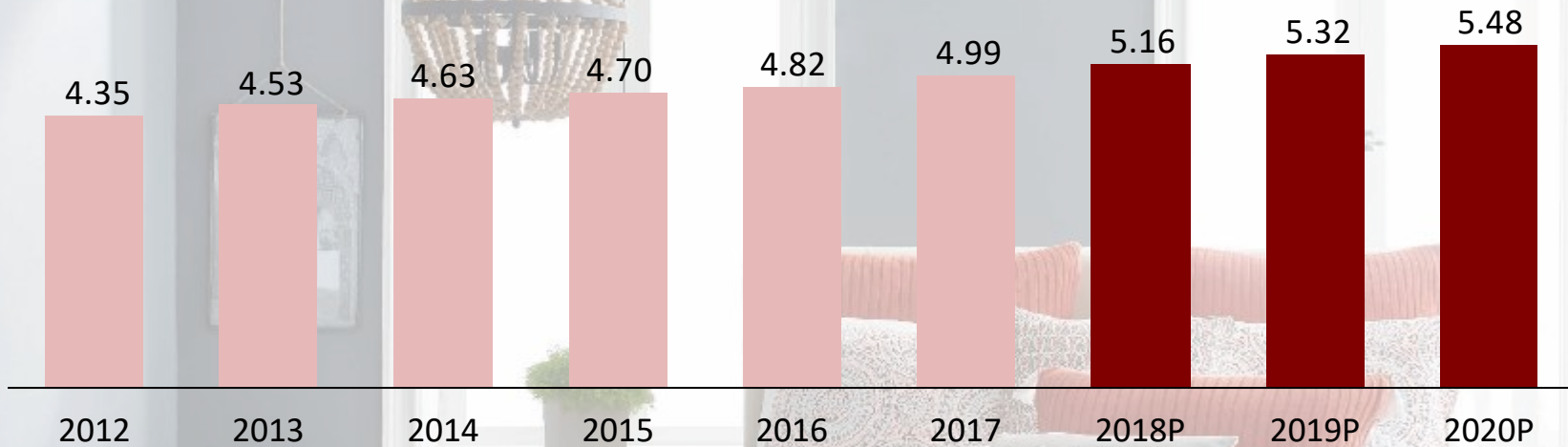


Country	US\$ Mn.	Share
USA	2,853	55%
EU-28	1,347	26%
Australia	156	3%
UAE	132	3%
Canada	121	2%
R.O.W	583	11%
Total	5,193	

- 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 issues in Chinese economy and abundant availability of raw material in India

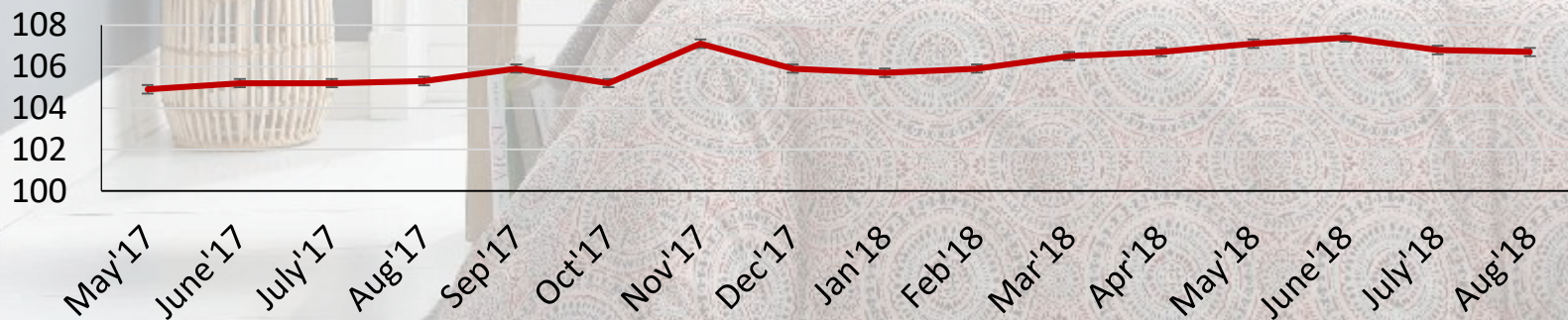
Major Economies showing strength

USA Retail Sales (USD Trillion)



Source : Statista

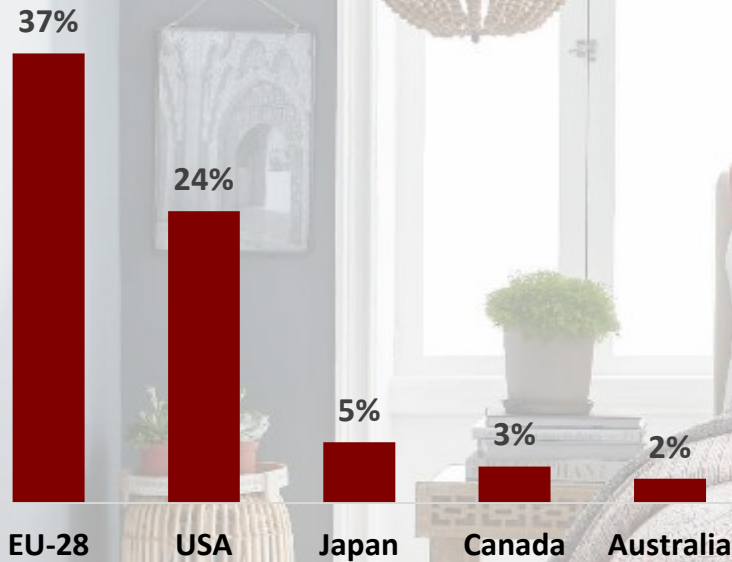
Europe Retail Sales (2015 as Base 100)



Source : Eurostat

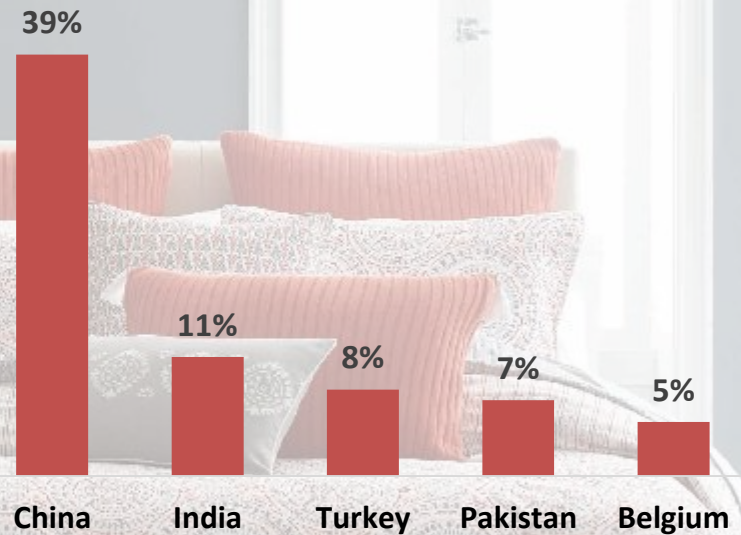
Top 5 Importing & Exporting Nations

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



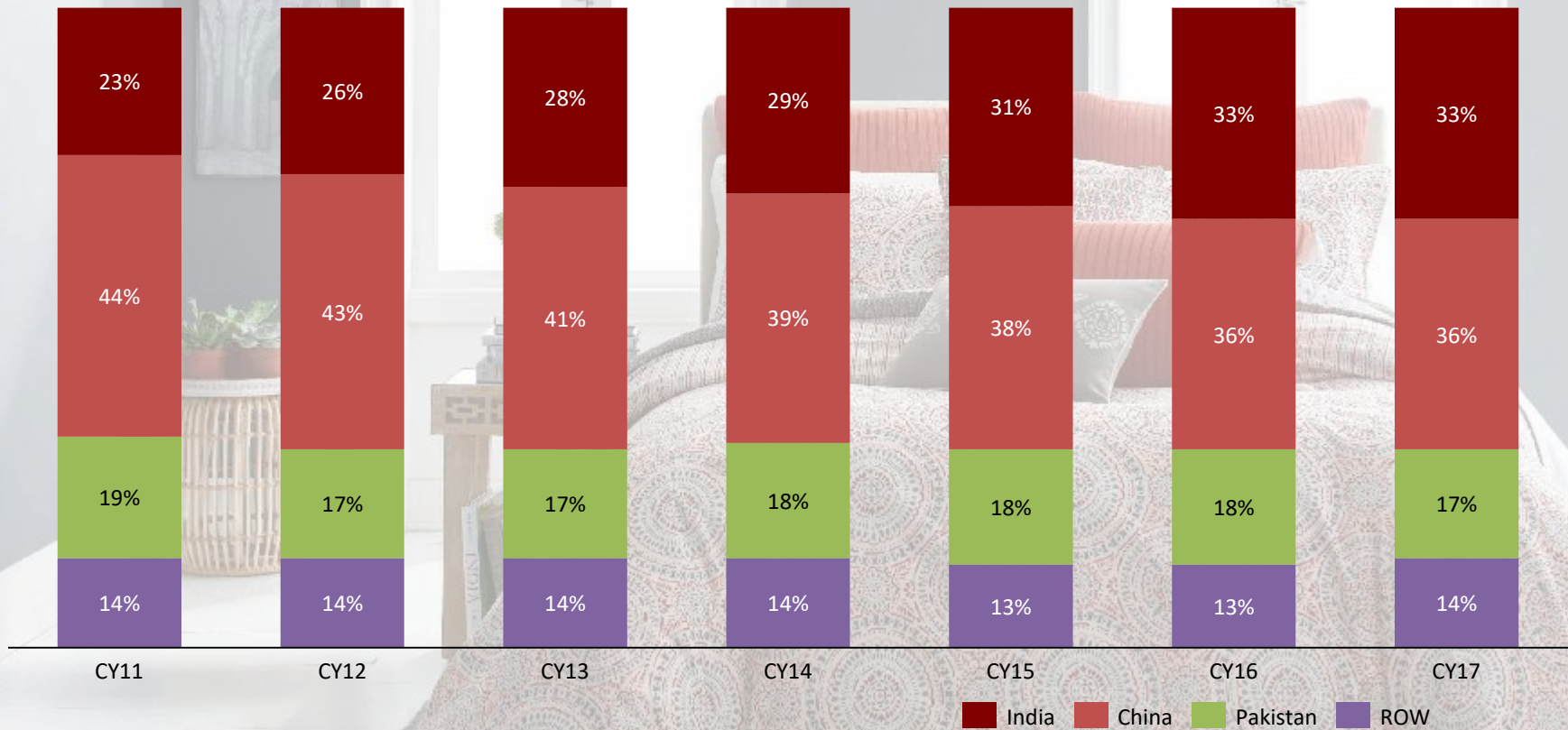
China has a share in home textile exports at 39% with US\$ 19 bn followed by India at 11% with US\$ 5 bn.

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%

USA textiles imports



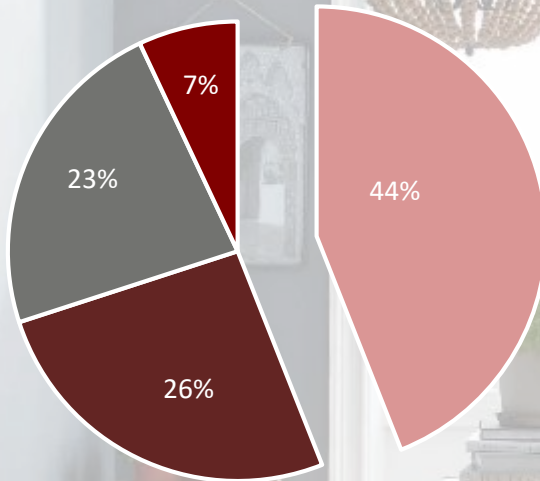
USA – Import of Cotton Made-Up's Share



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

Asia Pacific fastest growing market in Global Home Textile

Global Home Textile Market Region-wise share



■ Asia Pacific ■ Europe ■ North America ■ RoW

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

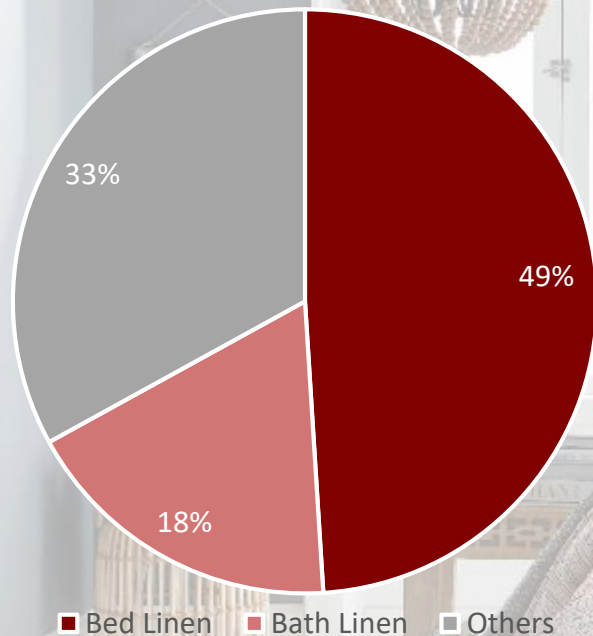
Europe

- 2nd 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

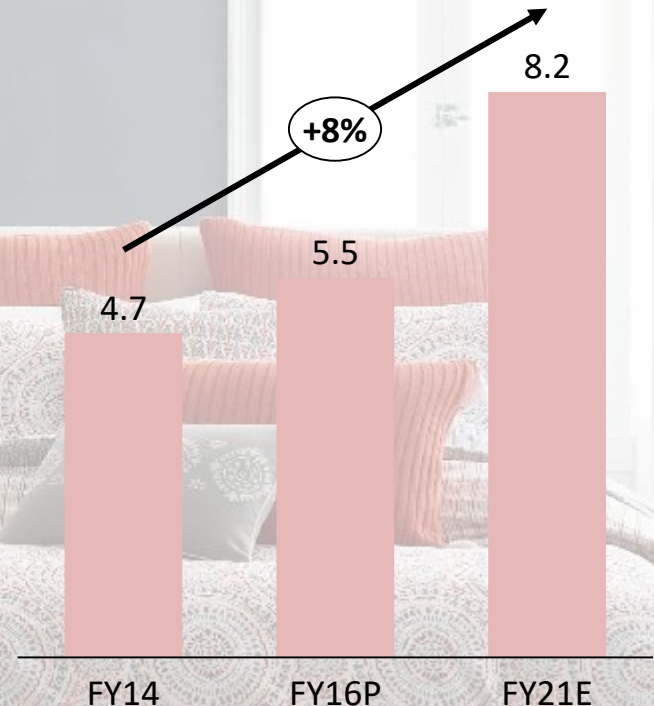
“India has gained market share in Bed Sheets in US imports”

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.



Responsible Corporate

CSR: At Indo Count 'Every smile counts'



WATER & SANITATION

- 46 pure water units and three RO systems installed in schools and remote villages to provide safe drinking water and benefitting ~17,000 people
- Built four toilet blocks with the help of local *zila parishad* and *gram panchayat*. Benefitting ~10,000 people

EDUCATION

- Implemented e-learning programme linked to state curriculum, benefiting ~39,000 students of 100 government-aided schools
- Helped in academic improvement, renovated classrooms and washrooms of a school for the visually-impaired and distributed bags among ~17,000 students

HEALTHCARE

- 4 Health on Wheels reached 96 distant villages, tackling accessibility issues and provided free medicines and check-ups for ~10,000 patients per month
- Till date ~1,00,000 patients benefitted
- Renovated the cardiac department of a government hospital in Kolhapur

WOMEN EMPOWERMENT

- Skill Development Centre for training women
- Aimed at making women independent and upgrading their standard of living

Vasundhara Award 2018



- Won the prestigious **“VASUNDHARA AWARD”** from Maharashtra Pollution Control Board (MPCB)
- Award is on account of the company’s contribution towards the commitment & promotion of Environment, Energy Conservation / Natural Resources & Social / Welfare Activities
- Adjudged as the **2nd Best Company** in the entire state of Maharashtra among all the large units
- The award ceremony was held on 6th June 2018 at Mumbai, in the presence of Hon’ble Minister for Environment for Maharashtra, Shri Ramdas Kadam and the award was received by team members of the Company



About Us



- **Indo Count Industries Ltd (ICIL)** (part of S&P BSE 500), 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.
- 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 AA-) for Company's Long-Term Bank Facilities and ICRA A1+ for short term bank facilities.

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

Investor Contact



For further information please contact:

Indo Count Industries Limited

CIN: L72200PN1988PLC068972

Mr. K.R. Lalpuria, Executive Director

kklalpuria@indocount.com

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. Neha Shroff

P: +91 77383 77756 | +91 77380 73466 **E:** shogun.jain@sgapl.net | neha.shroff@sgapl.net

W: www.sgapl.net