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Indo Count Industries Limited

Q3FY15 Result Update

10th Feb'15

Safe Harbor

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Business Model

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Product Development

- Research
- Market Studies

Spinning

- In-house consumption
- Sell in the Market

Weaving

- Contract with Weavers
- In-House Weaving

Processing

- Bleaching
- Dyeing
- Finishing

Cut-n-Sew

- Stitching
- Packaging
- Logistics

Promotion

- Global Showrooms

Our Existing Product Portfolio

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Sheet Sets

Sheet set includes - Flat sheet , Fitted sheet & pillow cases

Expanding its Product Portfolio

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Institutional Linens

This range includes primarily white linen – Flat sheets, pillow cases, duvet covers and shams

Fashion Bedding

This range includes Comforters, Bed in a Bag, Quilts & Coverlets, Decorative Pillows etc.

Utility Bedding

This range includes Basic white bedding – Mattress Pads / protectors, White filled comforters filled with poly fill fibre

Institutional Linens

Institutional Bedding
Hotels - Hospitals - Others

Fashion Bedding

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"Wide Range of Product Category"

Utility Bedding

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Utility or Basic Bedding - Bed & Pillows filled with poly fill fibre

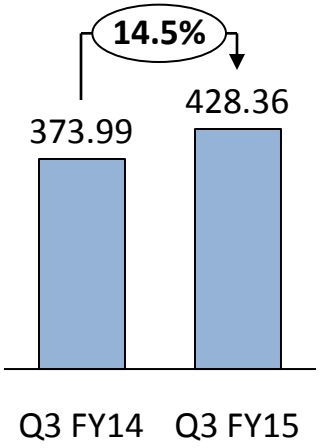
Content

- *Performance Highlights*
- *Industry Update*
- *Financials*

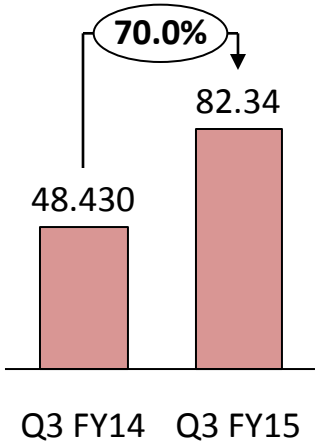
Performance Highlights

Quarterly Highlights

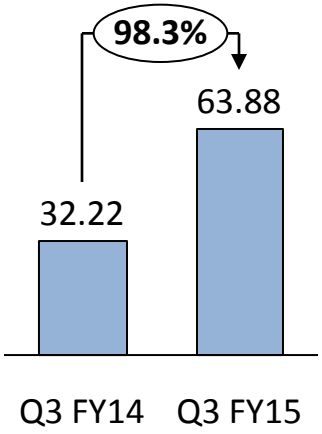
Revenue (Rs. Crs)



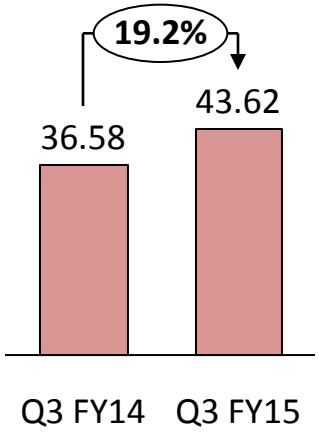
EBITDA (Rs. Crs)



PBT (Rs. Crs)

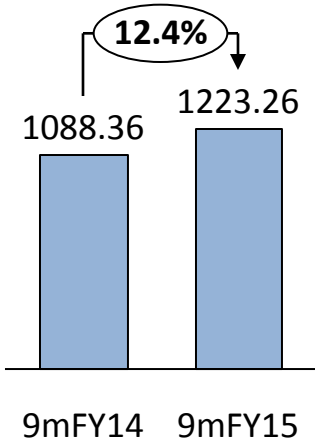


PAT (Rs. Crs)



9 Months Highlights

Revenue (Rs. Crs)



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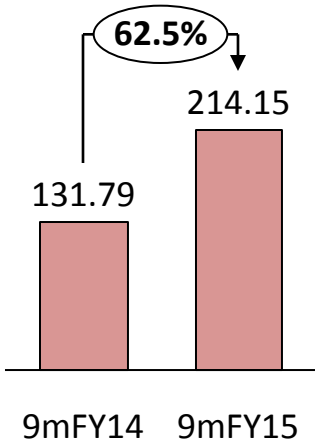

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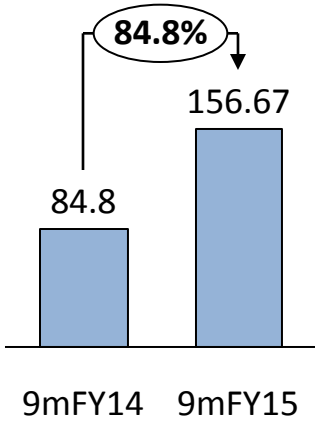

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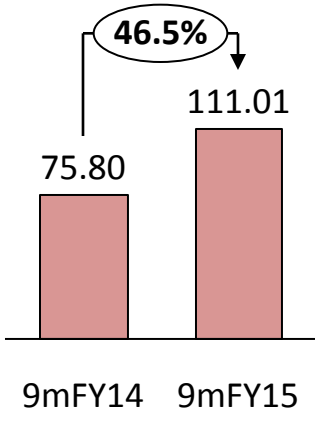
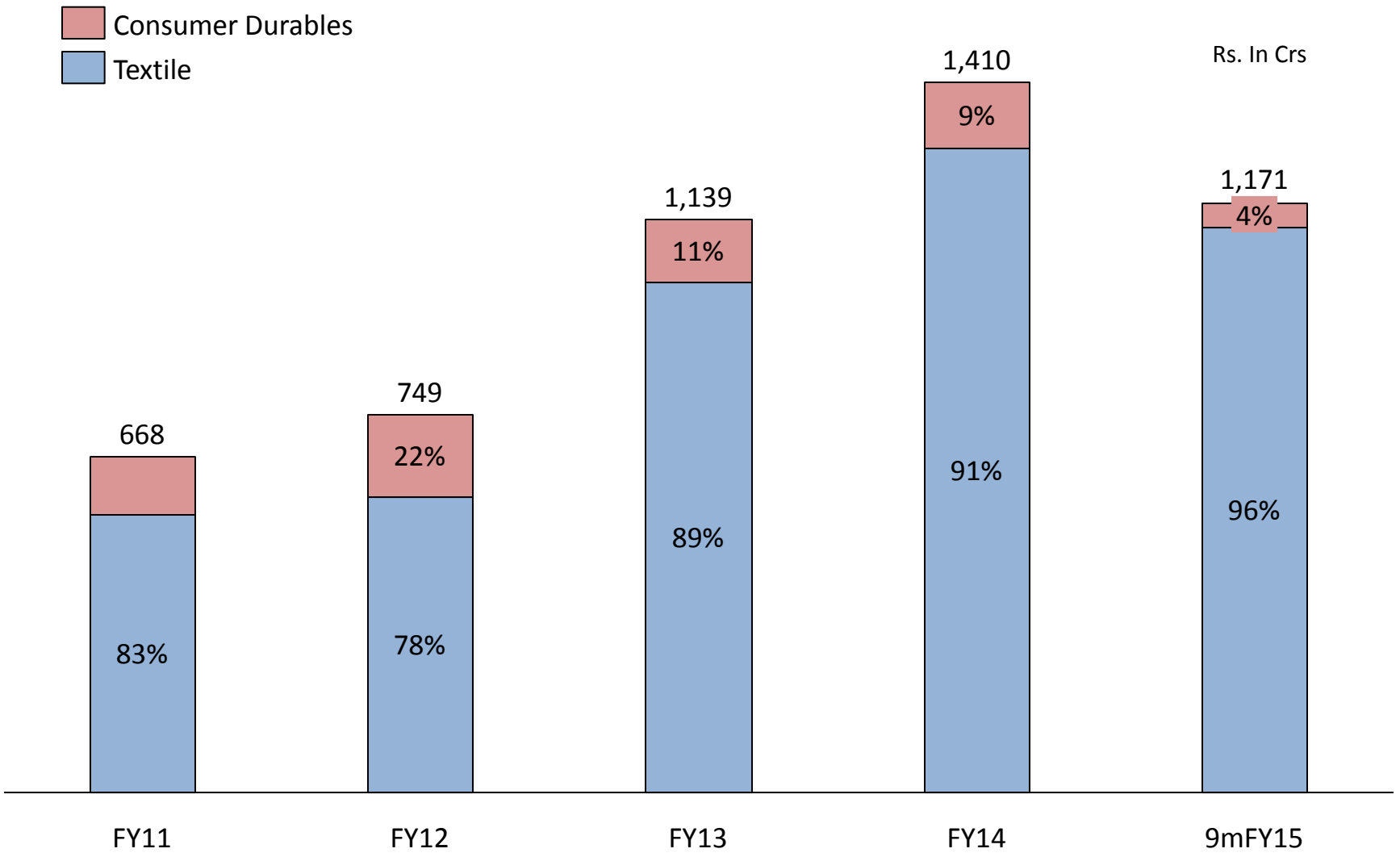
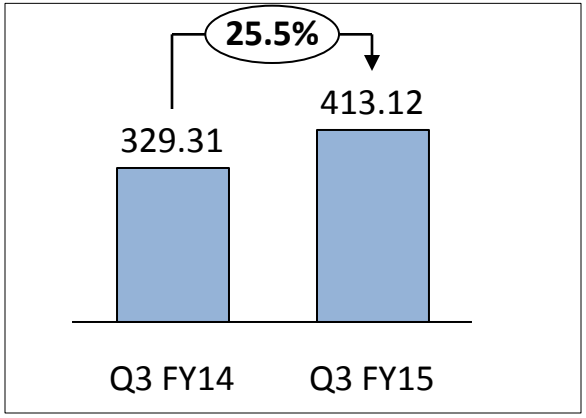


Textile – A Major Growth Segment

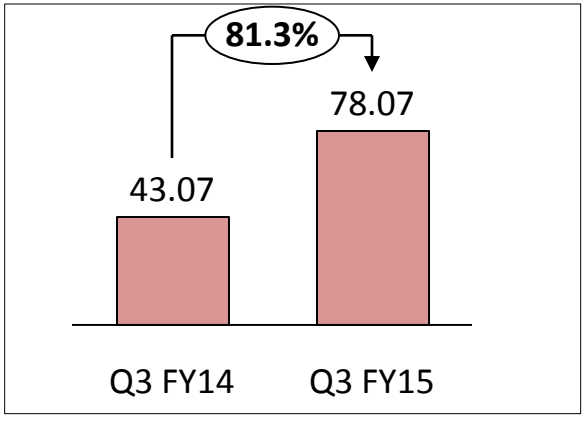


Textile – Strong Performance

Revenue (Rs. In Crs)



EBIT (Rs. In Crs)



Highlights of H1FY15

- **Performance**
  - Revenue increased by 25.5%
  - EBIT grew by 81.3% on the back of higher realization and better Product mix in Home Textile segment
- **Global Presence**
  - New showroom opened in U.K & Australia
- **Capacity – An increase of 50 %**
  - Current capacity of 45 mn meters per annum leading to 12 mn Bed Sheets per annum
  - Expanding capacity to 68 mn per annum leading to 17mn Bed Sheets per annum will be operational by end of Q4FY15

Content

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"MAKE IN INDIA" - Overview

Comparative Advantage of Skilled Manpower & Cost of Production

Abundant Raw Material such as Cotton, Wool, Silk & Jute

Favourable policies instituted by the Government

Changing Lifestyles Demand for Quality Products

TUF Scheme for Modernisation & Upgradation

Provide Credit at Reduced Rates & Capital Subsidies

Textile Sector Imports by United States

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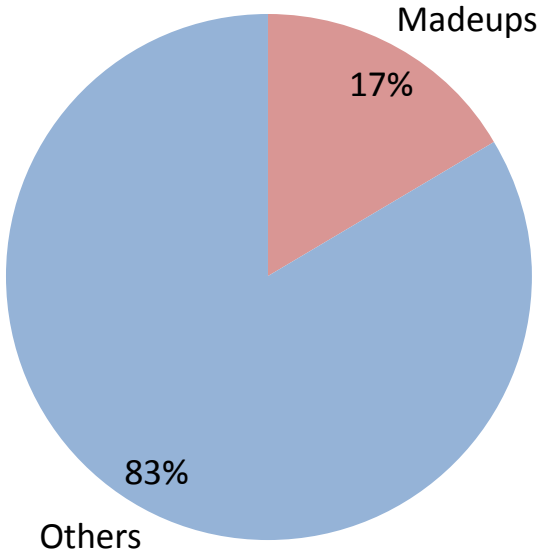
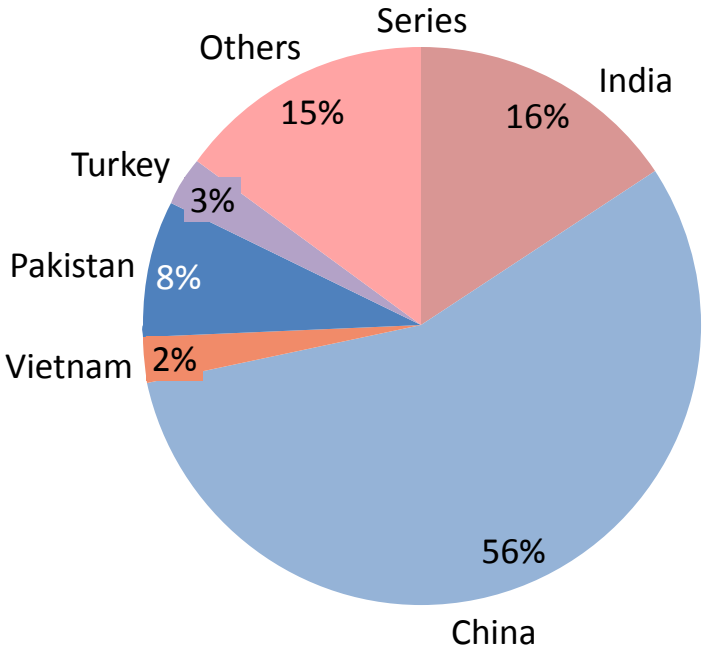
Total Imports - $107 bn



Made Ups Imports - $18 bn



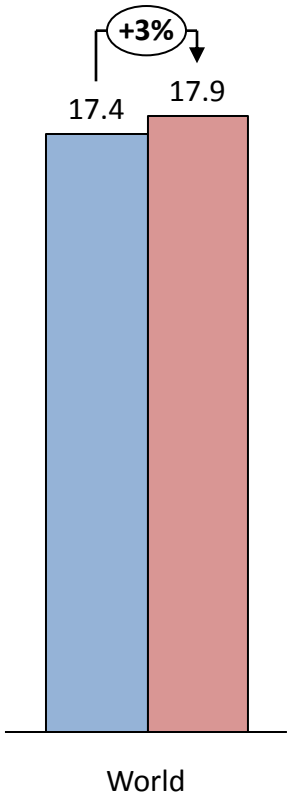
As on Year Ending – November 2014

"Made-ups"- an article manufactured and/or stitched from any type of cloth, other than a garment

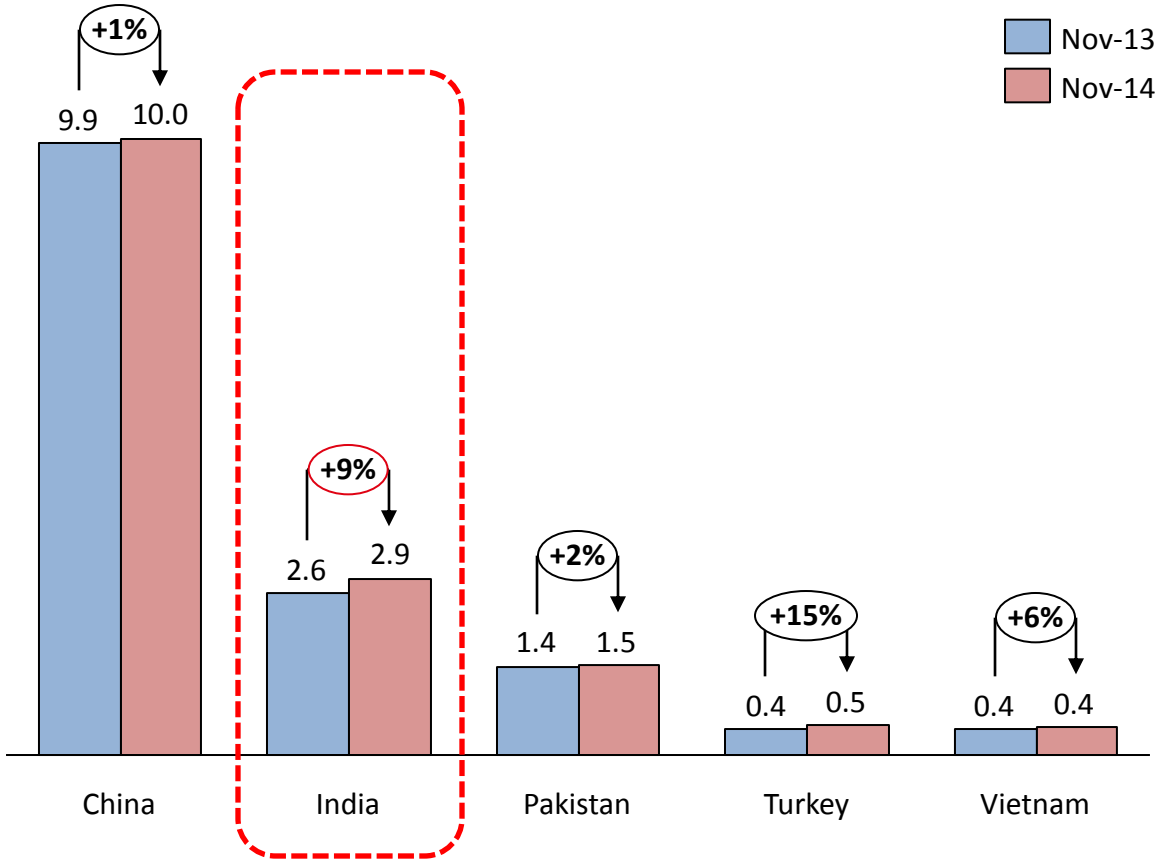
Source: http://otexa.trade.gov/MsrcTRY.htm

Growth in 'Made Ups' Imports to United States

World ($ bn)



Top 5 Made Ups Exporting Countries to US account for 85% of the Market ($ bn)



70% of Indo Count's Revenue is contributed by U.S market

Source: http://otexa.trade.gov/MsrcTRY.htm

India's Competitive Advantage...

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India - Advantage	Competing Countries - Challenges
☑ Availability of Raw Material	☑ Steady improvement in demand as the American economy picks up
☑ Competitive Cost structure particularly Power and Manpower Costs	☑ Progressive decline in Chinese exports to major markets such as the US
☑ Rising government focus and favourable policies	☑ Currency appreciation in Indonesia
☑ Increase spend planned by GOI of $9.1 bn in 12th Five Year Plan against $4 bn in 11th Plan	☑ Labour unrest in Cambodia
☑ Free trade agreement with ASEAN countries	☑ Safety concerns after a major factory fire in Bangladesh
☑ Proposed agreement with EU	☑ High cost of credit in Vietnam
...Long term Customer relationships	**...their challenges are OUR advantages**

In 2014, for the first time since 2006, India's Exports to the US are more than 2X its Imports

Indo Count Advantage

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Integrated Home Textile Company

State of the Art manufacturing facilities

Customer Relationships

Wide Product Range

Innovation that Creates New Products

Global Presence

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Standalone Profit & Loss

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Particulars (Rs. in Crs)	Q3FY15	Q3FY14	Y-o-Y	9mFY15	9mFY14	Y-o-Y	FY 14
Total Revenue	**428.36**	**373.99**	**14.5%**	**1223.26**	**1088.36**	**12.4%**	**1440.49**
Raw Material	228.35	225.85		695.82	685.03		889.06
Manpower Cost	18.76	14.68		52.62	43.43		58.33
Other Operating Expenses	98.91	85.03		260.66	228.12		313.24
EBIDTA	**82.34**	**48.43**	**70.0%**	**214.15**	**131.78**	**62.5%**	**179.86**
EBIDTA Margin	***19.22%***	***12.95%***	***627 bps***	***17.51%***	***12.11%***	***540 bps***	***12.49%***
Depreciation	4.35	4.70		11.58	13.99		18.83
Interest	14.11	11.51		45.91	32.99		48.97
Tax *	20.26	-4.36		45.66	9.00		7.13
Net Profit	**43.62**	**36.58**	**19.3%**	**111.01**	**75.80**	**46.5%**	**104.93**
Net Profit Margin	***10.18%***	***9.78%***	***40 bps***	***9.07%***	***6.96%***	***211 bps***	***7.28%***
Cash Profit	**54.84**	**30.47**	**80.0%**	**135.39**	**81.81**	**65.5%**	**108.45**
Earning Per Share (EPS)	11.89	10.31		30.27	21.34		29.54

*** Tax is Deferred Tax which is higher during the period and impacted Net Profit**

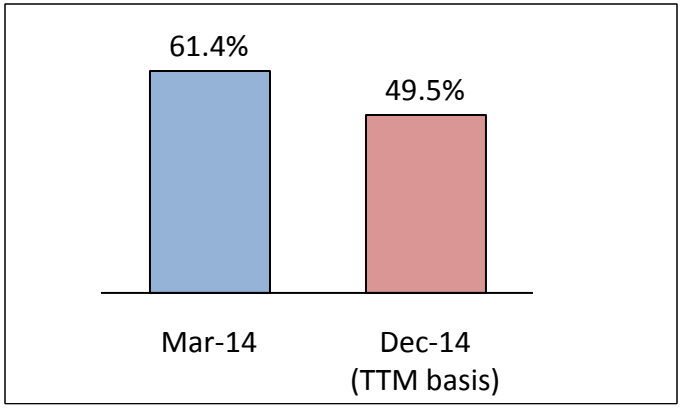
Standalone Balance Sheet

Particulars	As on	As on
Rs. in Crs	Dec-14	Mar-14
Shareholder's Fund	**281.68**	**166.11**
Share capital	39.48	35.48
Reserves & Surplus	242.20	130.63
Preference Share Capital	**2.50**	**2.50**
Share Application & Warrant Money	**0.00**	**2.35**
Non-current liabilities	**122.08**	**97.24**
Long term borrowings	85.81	97.23
Deferred Tax Liabilities (Net)	35.95	0.00
Other long term liabilities	0.32	0.01
Current liabilities	**635.27**	**571.31**
Short term borrowings	274.33	268.63
Trade payables	158.41	189.19
Other current liabilities	143.03	86.73
Short term Provisions	59.50	26.76
Total Liabilities	**1041.53**	**839.51**

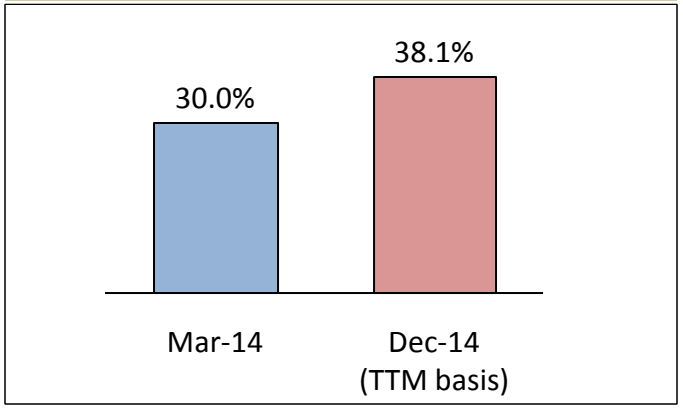
Particulars	As on	As on
Rs. in Crs	Dec-14	Mar-14
Non-current assets	**307.12**	**249.74**
Fixed assets (inc. CWIP)	269.69	216.47
Non-current Investments	18.80	18.80
Deferred Tax Assets (Net)	0.00	9.79
Long-term loans and advances	18.63	4.68
Current assets	**734.41**	**589.77**
Inventories	283.22	257.12
Trade receivables	219.31	166.92
Cash and bank balances	14.23	11.80
Short term loans and advances	106.67	75.23
Other current assets	110.98	78.70
Total Assets	**1041.53**	**839.51**

Ratio

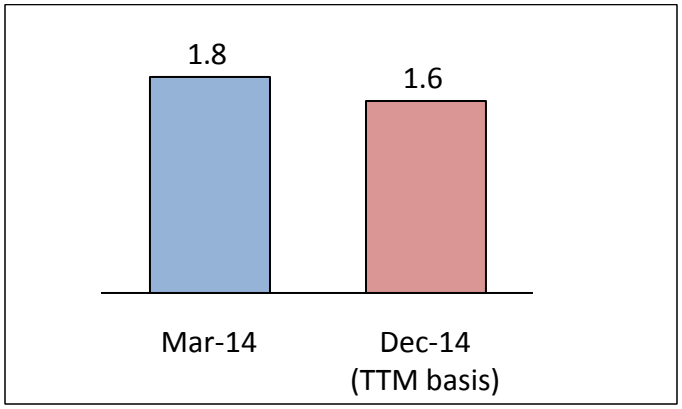
RoE* (%)



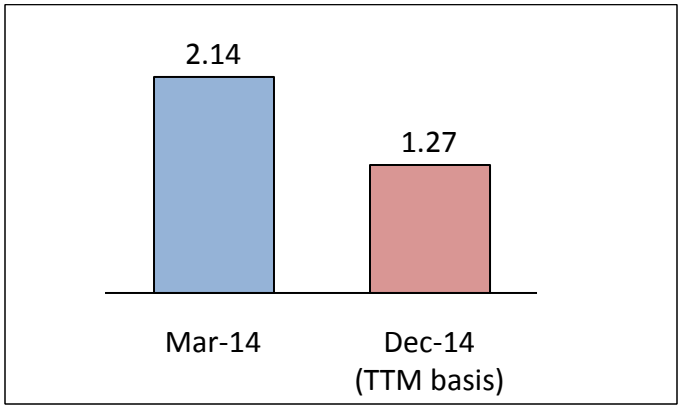
RoCE* (%)



Asset Turnover



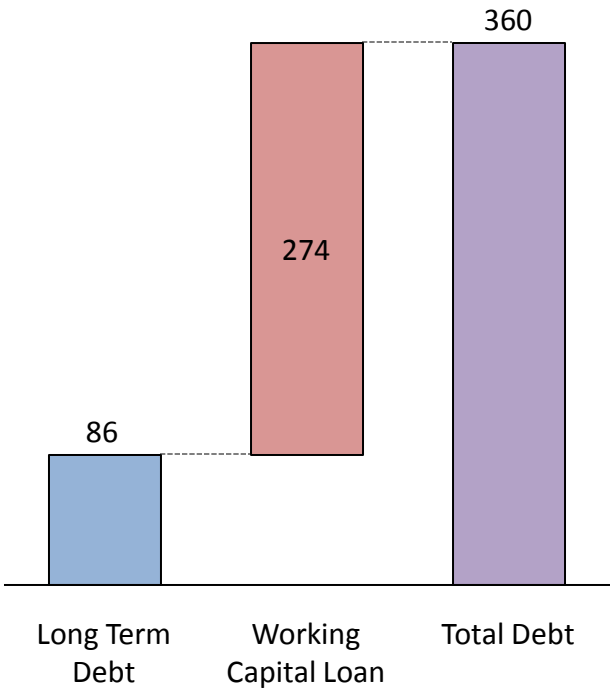
Total Debt/Equity*



* Excl. Revaluation Reserve

Debt & Interest Profile

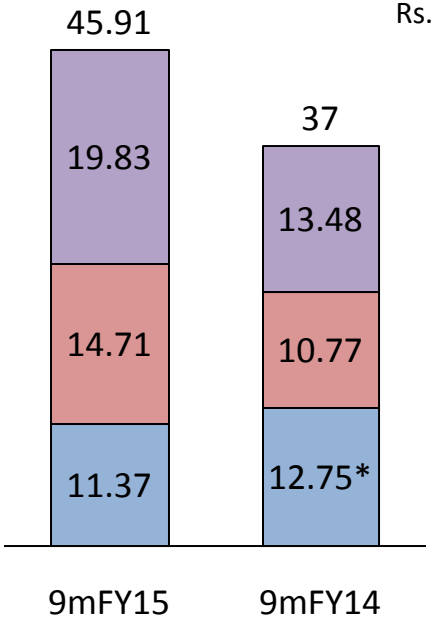
Total Debt As on Dec-14 – Rs. 360crs



Quarterly Highlights

9 Months Highlights

Rs. In Crs



Gross Interest on Long Term Loans

Bill Discount/ Bank Charges etc.

Working Capital Interest on Packing Credit

* Term Loan Interest Incl. TUF benefit of Rs. 1.41crs in Q3FY14 and Rs. 4.01crs in 9mFY14

For further information, please contact:

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