INDO COUNT

Complete Comfort

October 21, 2020

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

Subject: Investor Presentation Q2 & H1 FY 2021

Please find enclosed herewith a copy of Investor Presentation on financial results for Q2 & H1 FY 2021.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For **Indo Count Industries Limited**

Amruta Avasare
Company Secretary
ACS No.: 18844

INDO COUNT INDUSTRIES LIMITED MUMBAI

Encl.: A/a

Indo Count Industries Limited

Investor Presentation

October 2020

SAFE HARBOUR

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HOME IS NOW THE CENTER STAGE

"This year our HOMES have become even more important in our daily lives"

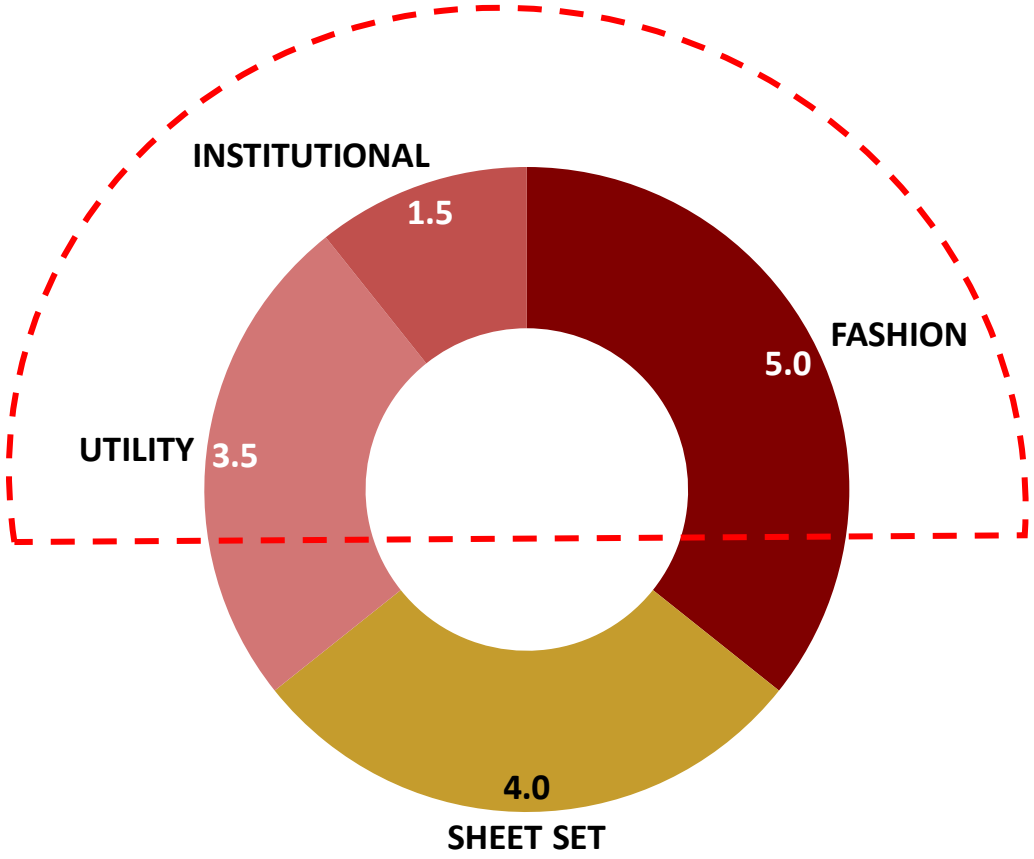
-Tim Cook, CEO Apple at launch event on 13th Oct 2020

Home is becoming the Center Stage as consumers feel the need to make their home environment more aesthetic and conducive to OVERALL well-being

- ✓ *Changing Lifestyle*
- ✓ *Focus on health & hygiene*
- ✓ *Social distancing*
- ✓ *Work from home*

INDIAN HOME TEXTILES INDUSTRY IS EYEING A LARGE 3x OPPORTUNITY

Home Textile Size of US market at Retail – $28bn of which Bed linen is $14bn i.e. 50% (Bed Linen shown graph below)



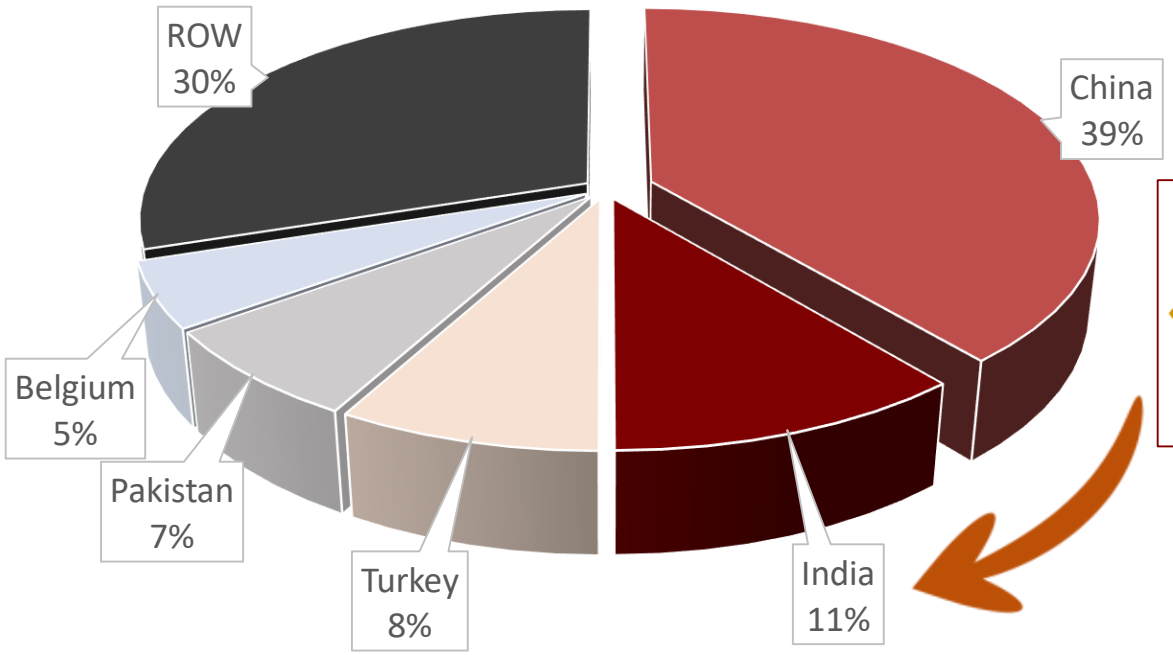
Currently, India holds 50% market share in Sheet Set

FASHION, UTILITY AND INSTITUTIONAL SEGMENT IS A LARGE 3x OPPORTUNITY SIZE FOR INDIAN SUPPLIERS

- ✓ Target market of almost $10 bn can be addressed and capitalized
- ✓ Currently, China is a dominant player in this category and India is still at a nascent stage
- ✓ China + 1 strategy will help shift these product categories to India
- ✓ Indian Home Textile Industry stands to gain on this potential shift of these product categories

CHINA + 1 STRATEGY WILL LEAD TO INCREASED CAPACITY UTILIZATION IN INDIA

Top 5 Home Textiles Exporting Nations



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

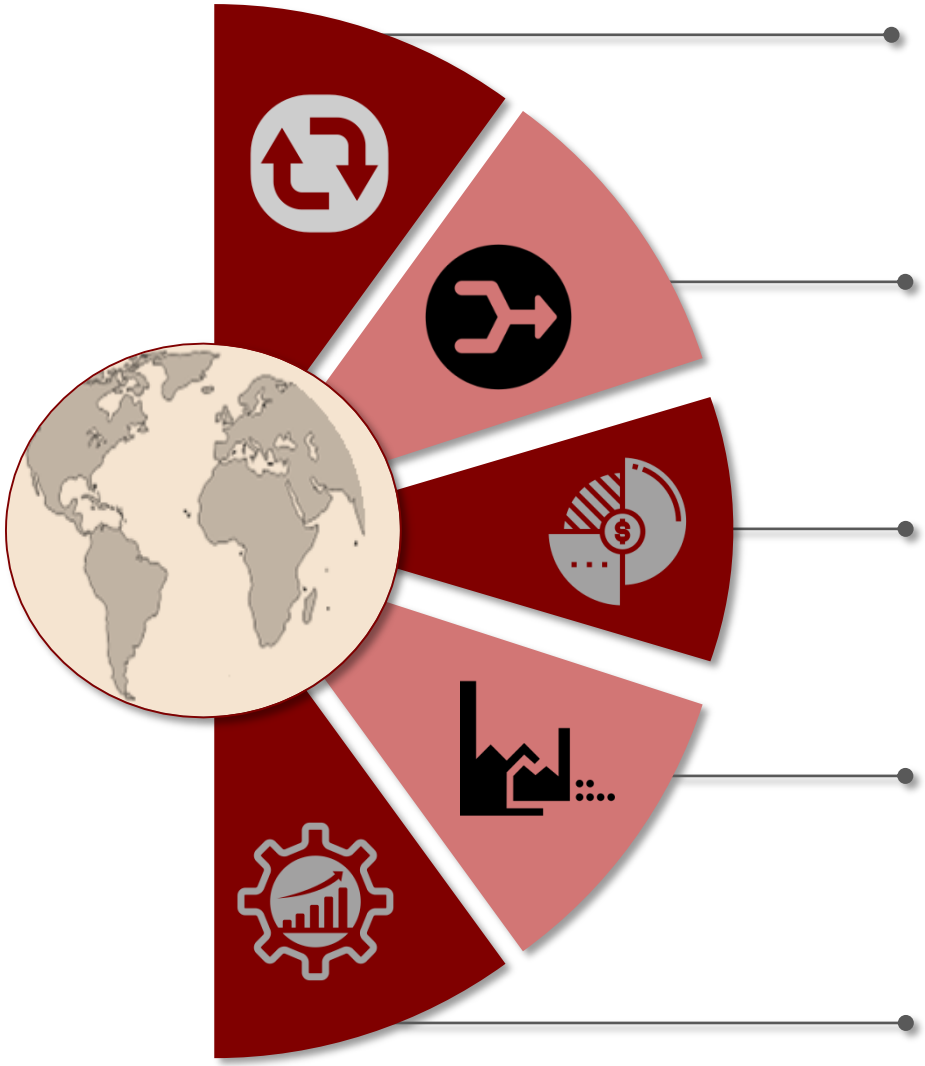
India with growth rate of 4%, has increased its world share from 9% to 11% in the past 5 years. China has remained almost stagnant with a CAGR of 0.7%

On the back of the Covid-19 situation, many brands are expected to reduce dependence on a single geography

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

Source: Wazir Advisors

EXPECTED RETAIL CONSOLIDATION IN DEVELOPED MARKETS



Structural Shift

Expect the Market to move to few large players due to strong balance sheet and increased capacities

Consolidation

Increased market share gain could be higher for larger players

Reduced fragmentation

Reduced fragmentation in end markets would lead to increase in share for organized suppliers

Organized Manufacturers

Organized manufacturers to benefit on the back of increased capabilities

Increased Efficiency

Consolidation to lead to Increased efficiency and productivity in manufacturing

Q2FY21

Performance Highlights

CHAIRMAN'S MESSAGE

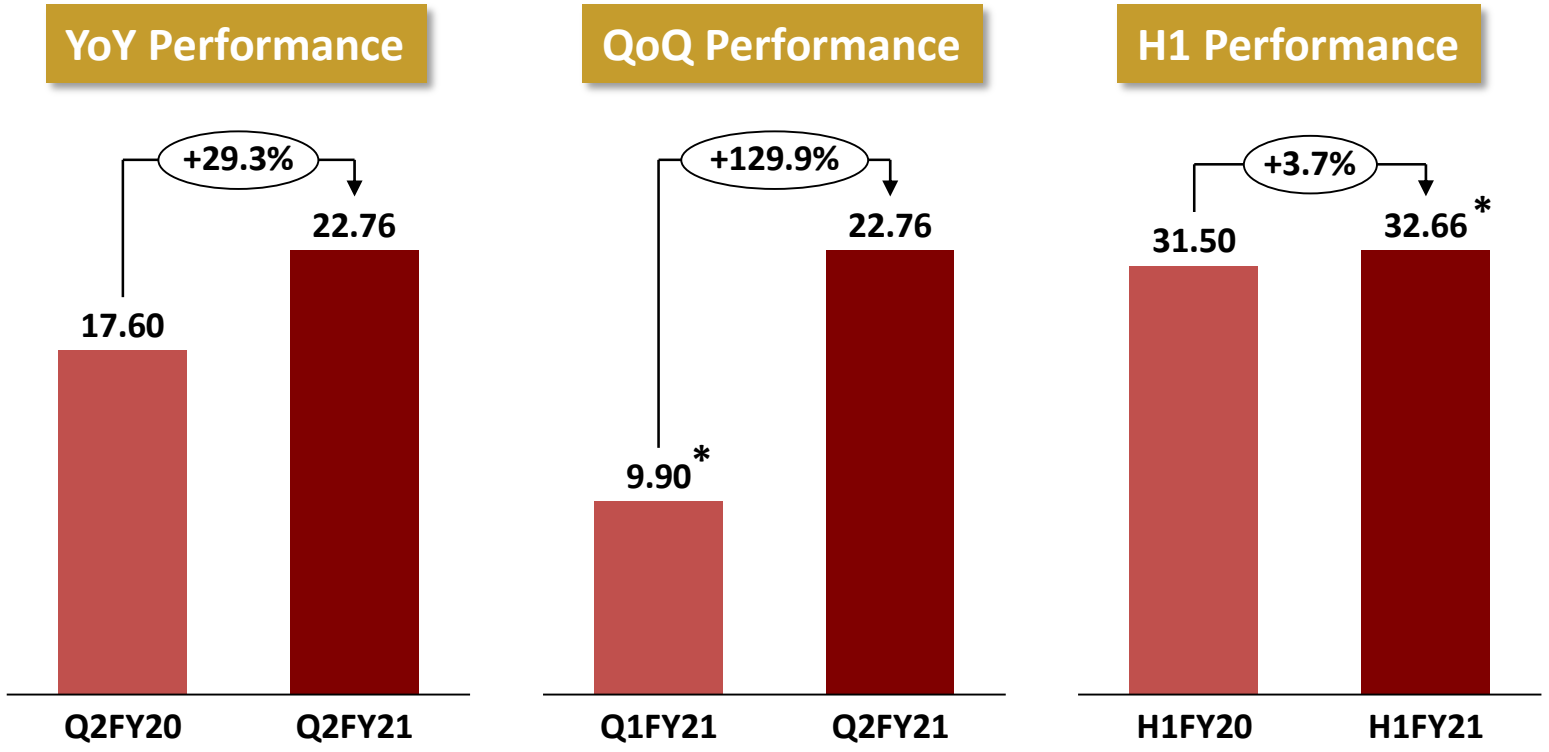
Commenting on the results, Mr. Anil Kumar Jain, Executive Chairman said,

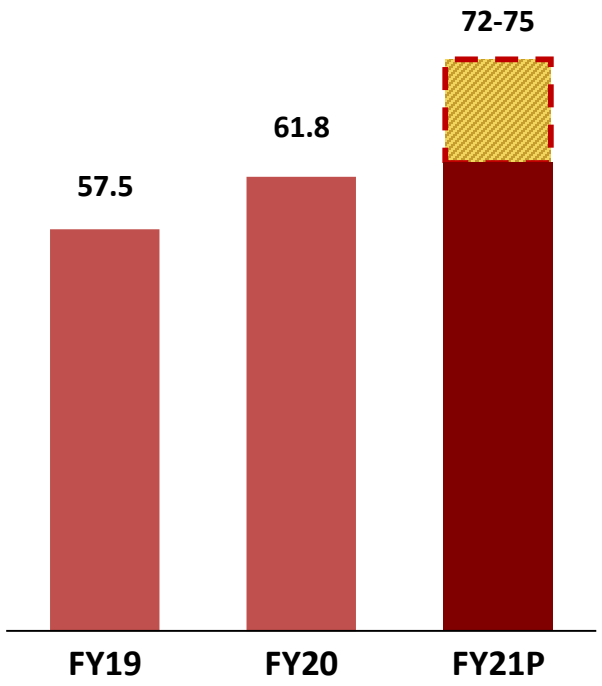
"We are all challenged in this evolving World, however, despite the tough operating environment, our company recorded its highest ever quarterly sales volume, a testament to the resilience of our Company's team & capabilities, strong customer relationships and promising product profile.

We remain committed in creating new and progressive approaches to our product portfolio and services and thus continuing to contribute to the development of our Customers."

ACHIEVED HIGHEST EVER QUARTERLY SALES VOLUME

in million meters





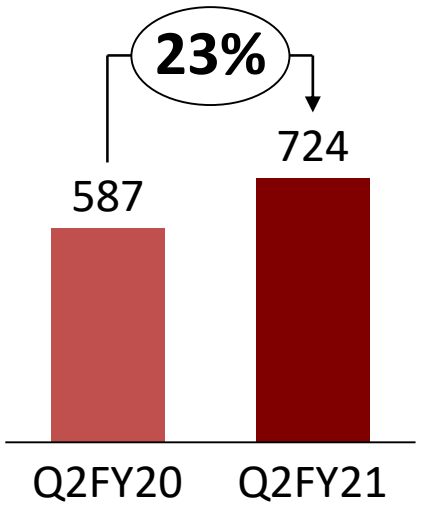
- *With the gradual easing of lockdown and re-opening of retail stores in our end markets, we witnessed MoM traction in demand from customers*
- *With "Home" becoming a center stage, the demand from our end markets is expected to continue*

FY21 Volume Guidance: 72-75 Million Metres

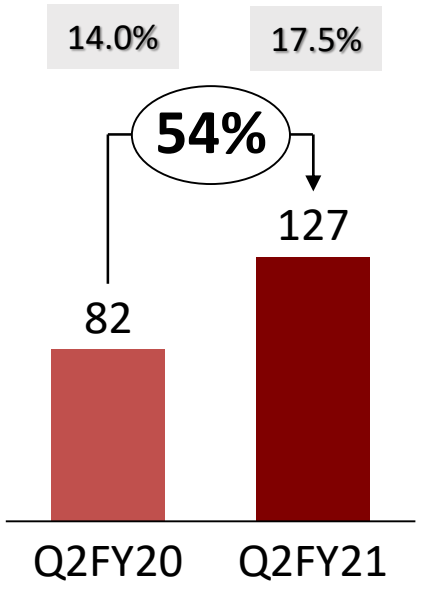
*Shut down of operations due to pandemic led to lower sales in Q1FY21

Q2FY21 SNAPSHOT

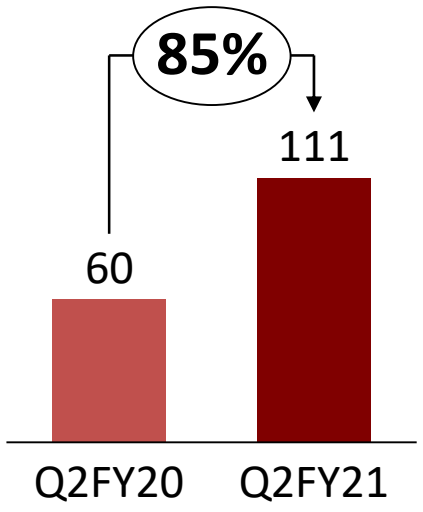
Revenue (Rs. Crs)



EBITDA (Rs. Crs)



PBT* (Rs. Crs)



ACHIEVED HIGHEST EVER QUARTERLY SALES

OPERATING LEVERAGE WILL CONTINUE TO PLAY…

- ✓ **Increase In Sales Volumes**
- ✓ **Better Product Mix**
- ✓ **Higher utilization levels**
- ✓ **Higher absorption of fixed costs**

EBITDA MARGIN

*PBT is before Exceptional items

Figures are rounded off wherever required

NEW BRAND LAUNCHES IN INDIA

Layers®

"Layers" is value driven mass brand to cater to aspiring customers across India with combination of style, technology and price

BOUTIQUE LIVING Luxury

Boutique Living Luxury is a D2C – Direct to Consumer luxury bedding brand in India. Boutique Living Luxury is a brand of meticulously curated and crafted bed linen for connoisseurs of life

OUR RECENT DEVELOPMENTS

Launched **"Wholistic - *Whole HealthSleep Better"* brand** which features innovations associated with cleaner living, keeping a hygienic home and fostering better sleep

Launched **Sleep Rx™** during Fall market, New York. A new Sustainable Performance brand featuring Performance bedding innovation, made out of Sustainable material

With the focus on Sustainability, announced an exclusive partnership **with Archroma in India** for the Company's **PureEarth collection** featuring EarthColors, Archroma's line of patented, plant-based dyes.

The dyes are synthesized from non-edible waste by-products from the agriculture and herbal industries, such as nutshells, leaves and residues from plants such as beets and bitter oranges. These high-performance dyes represent an advance over conventional petroleum-based solutions

Q2FY21 CONSOLIDATED FINANCIAL PERFORMANCE

Particulars (Rs. Crs)	Q2FY21	Q2FY20	YOY%	Q1FY21	QOQ%	H1FY21	H1FY20	YOY%	FY20
Revenue from Operations	714	568		332		1,046	1,075		2,080
Other operating Income	10	19		4		14	30		55
Total Income	**724**	**587**	**23%**	**336**	**116%**	**1,060**	**1,106**	**-4%**	**2,135**
Cost of Material	365	321		165		529	584		1,139
Employee Expenses	36	37		33		69	71		148
Other Expenses	197	147		99		296	297		609
Total Expenses	**597**	**505**		**297**		**894**	**952**		**1,897**
EBITDA	**127**	**82**	**54%**	**39**	**226%**	**166**	**154**	**8%**	**238**
EBITDA Margin (%)	***17.5%***	***14.0%***	***349***	***11.6%***	***594***	***15.6%***	***13.9%***	***173***	***11.1%***
Depreciation	11	11		11		22	21		43
EBIT	**116**	**71**	**90%**	**28**	**312%**	**144**	**132**	**492%**	**194**
EBIT Margin (%)	***16.0%***	***12.2%***	***383***	***8.4%***	***763***	***13.6%***	***12.0%***	***161***	***9.1%***
Finance Cost	5	11		5		10	20		39
PBT before Exceptional items	**111**	**60**	**85%**	**23**	**385%**	**134**	**112**	**20%**	**155**
Exceptional Items*	(4)	(94)		-		(4)	(94)		(98)
PBT	**107**	**(34)**		**23**		**130**	**18**		**57**
Tax	27	(45)		5		32	(28)		(16)
PAT	**81**	**11**	**662%**	**18**	**356%**	**99**	**45**	**118%**	**73**
EPS	**4.15**	**0.55**		**0.91**		**5.06**	**2.31**		**3.74**

*Exceptional Item for Q2FY21 represents the expenditure incurred on account of VRS/Separation Scheme approved by the Board of an Indian Subsidiary on 15th July 2020
*Exceptional Item for Q2 & H1FY20 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

Particulars (in Rs Crs)	Sep'20	Mar'20
ASSETS		
Non-current assets		
Property, Plant and Equipment	537	554
Capital work-in-Progress	7	6
Right-of-Use Assets	16	18
Other Intangible Assets	3	3
Financial Assets		
(i) Loans	4	4
(ii) Others	0	0
Other Non-Current Assets	5	6
Sub-total - Non current assets	**571**	**591**
Current assets		
Inventories	476	524
Financial Assets		
(i) Investments	80	0
(ii) Trade Receivables	330	242
(iii) Cash and Cash Equivalents	141	139
(iv) Bank Balances	7	11
(v) Loans	1	0
(vi) Others	21	4
Current Tax Assets (Net)	10	23
Other Current Assets	101	161
Sub-total - Current assets	**1,168**	**1,105**
TOTAL - ASSETS	**1,739**	**1,696**

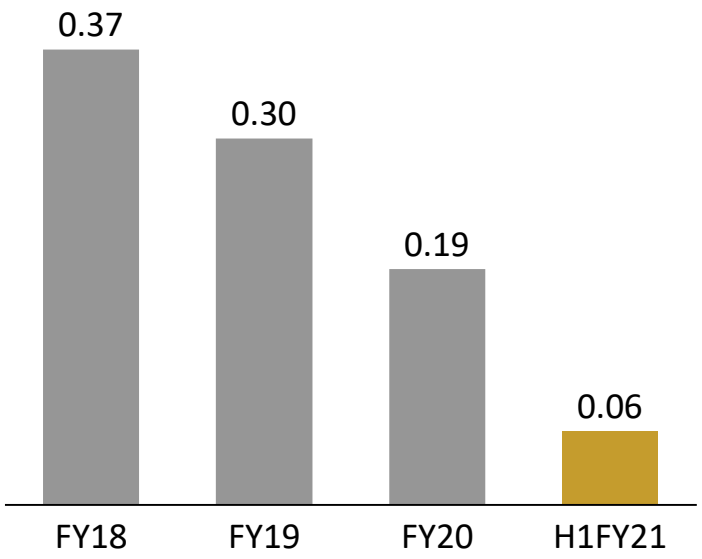
Particulars (in Rs. Crs)	Sep'20	Mar'20
EQUITY AND LIABILITIES		
Equity Share Capital	39	39
Other Equity	1,082	947
Equity attributable to owners	1,121	986
Non-controlling interests	6	7
Sub-total - Equity	**1,127**	**993**
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
(i) Borrowings	29	36
(ii) Other Financial Liabilities	4	6
Provisions	5	6
Deferred Tax Liabilities (Net)	72	57
Other Non-Current Liabilities	8	8
Sub-total - Non-Current Liabilities	**119**	**114**
Current Liabilities		
Financial Liabilities		
(i) Borrowings	261	293
(ii) Trade Payables due to:	162	129
(iii) Other Financial Liabilities	29	92
Other Current Liabilities	41	75
Current Tax Liabilities (Net)	0	0
Sub-total - Current Liabilities	**493**	**589**
TOTAL EQUITY AND LIABILITIES	**1,739**	**1,696**

CONSOLIDATED CASH FLOW STATEMENT

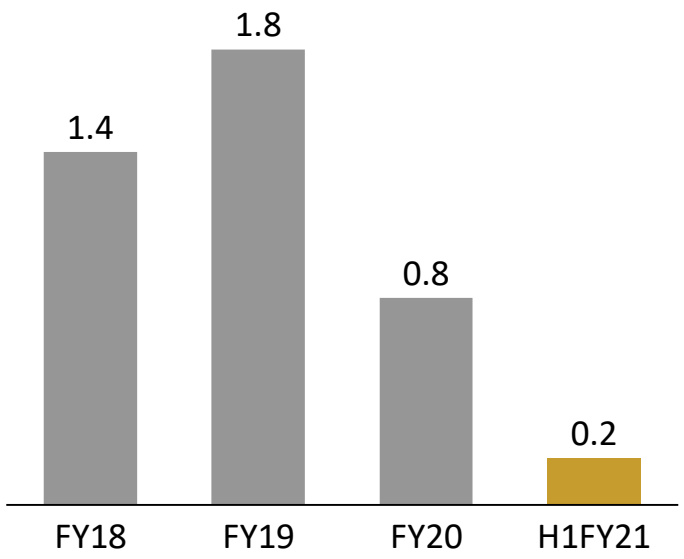
Particulars (Rs. Crs)	Sep'20	Mar'20
Profit before Tax & Exceptional	***134***	***155***
Adjustment for Depreciation & Other items	***89***	***(82)***
Operating profit before working capital changes	***223***	***74***
Changes in working capital	***(60)***	***92***
Cash generated from operations	***163***	***166***
Direct taxes paid (net of refund)	*(20)*	*(26)*
Net Cash from Operating Activities	***143***	***140***
Net Cash from Investing Activities	***(80)***	***16***
Net Cash from Financing Activities	***(61)***	***(40)***
Net Change in cash and cash equivalents	2	116
Cash and cash equivalents at the beginning of the year	*139*	*23*
Cash and cash equivalents at the end of the year	**141**	**139**

FINANCIAL RATIO TREND

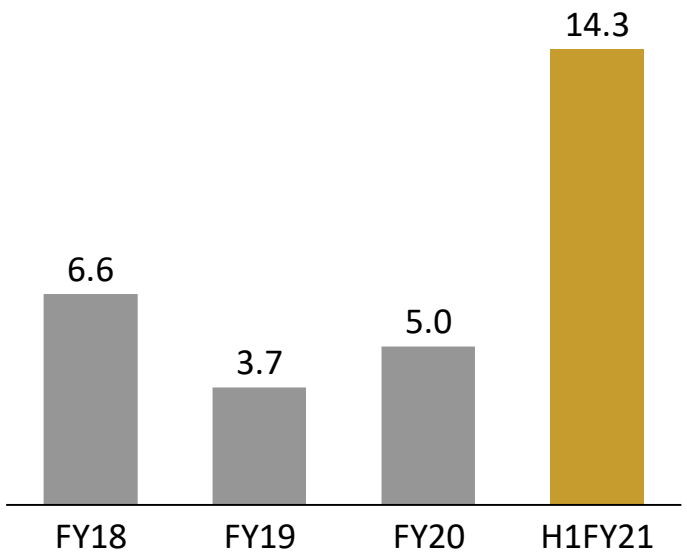
NET DEBT/EQUITY



NET DEBT/EBITDA*



EBIT/INTEREST*



*Annualized basis

ADVANTAGE INDIA

INDIA'S EDGE IN THE GLOBAL HOME TEXTILE MARKET

Availability of RM

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

Capability & Capacity

Both capability and capacity available for growth

Atmanirbhar Bharat

Government's push for Atmanirbhar Bharat for import substitution and capacity building to dominate the global market

Skilled labour

Access to a skilled, traditional textile labour force

China + 1 Strategy

CHINA + 1 strategy to play out as brands will seek second source

Preferred partner

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

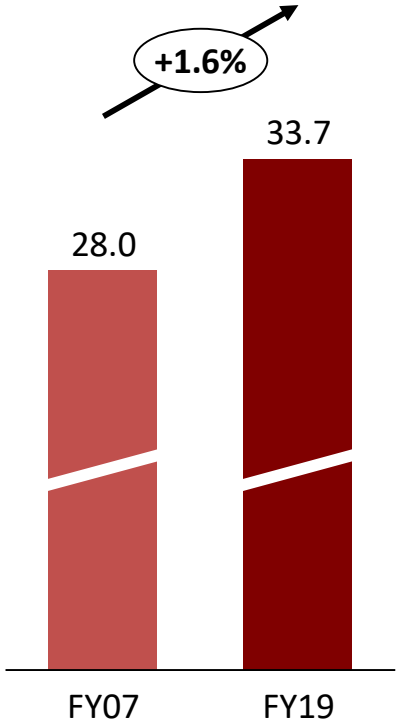
RAW MATERIAL ADVANTAGE

Production of Cotton

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 at competitive prices 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



(in million bales)

Source: CAI

INDO COUNT AT A GLANCE

OVERVIEW

Established in early 1990s and head-quartered in Mumbai, India, Indo Count Industries Limited is one of the leading Home Textile manufacturers with an extensive product range. The product portfolio spans across sheet sets, fashion bedding, utility bedding and institutional bedding. The manufacturing skills extend across the entire value chain.

We export to over 54 countries across 5 continents. Over the years, we have constantly progressed to maximize our unique value proposition whilst building a widespread network of customers, sound financials and strong corporate governance controls.

VISION

To be one of the leading players in the global home textiles industry on the strengths of technology, experience and Innovation

MISSION

We are committed to provide all our customers superior product quality, timely services and value for money through our technological and organizational strengths

PRINCIPLES

- **Complete Comfort to customers**
- **Focus on customer satisfaction**
- **Foster stability and sustainability**

PRODUCTS & PRESENCE

Indo Count exports to more than 54 countries across 5 continents and going forward to widen its geographical footprint

PRODUCTS

BED SHEETS	UTILITY BEDDING	FASHION BEDDING	INSTITUTIONAL BEDDING
Flat sheet	Mattress pads	Comforters & Duvets	Basic white sheets
Fitted sheet	Protectors	Shams & Decorative Pillows	Shams & Pillows
Pillowcases	Pillows	Quilts	Bed skirts
	Down Alt Comforters	Coverlets	Duvet covers

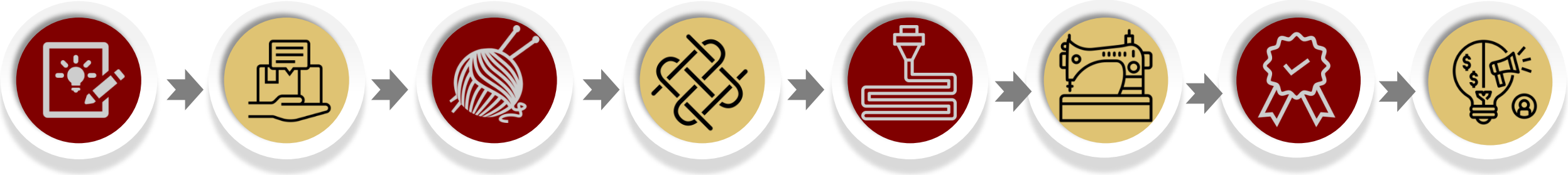
SERVICES (WORLD OVER)

Product Development	EDI-based replenishment services	Market Research
Total Supply Chain Solutions	Inventory Planning	Consumer Insights
Modern warehousing services	E-Commerce fulfillment	

INDIA	USA	UK	UAE
Head Office, Factories, Merchandising & Design Studio & Product Development Lab	*Showroom, Warehouse Design Studio*	*Showroom, Warehouse Design Studio*	*Showroom*

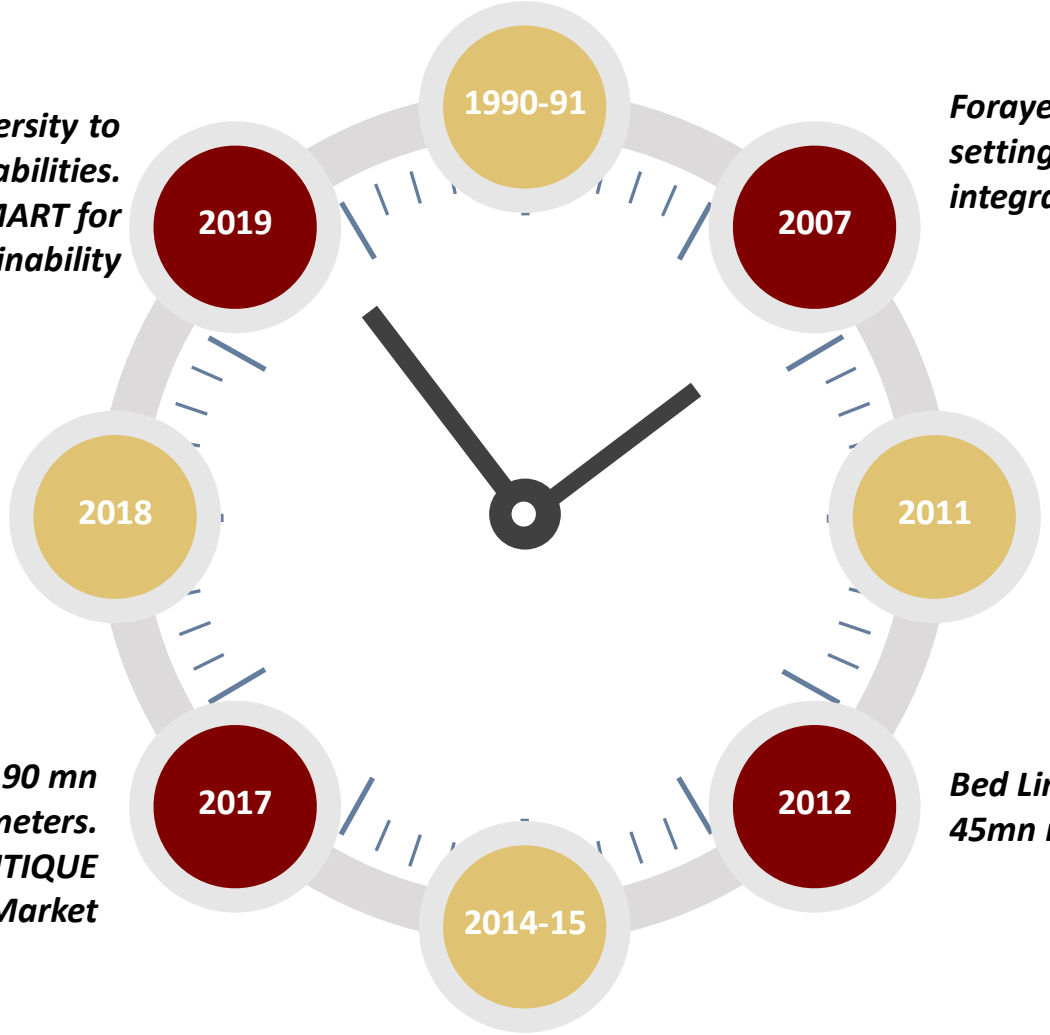
The Maps provided are for pictorial representation only

INTEGRATED BEDDING SOLUTION PROVIDER



Concept Design Sampling → Procurement of Cotton → Spinning Cotton into Yarn → Weaving Fabrics → Dyeing Processing Printing → Cutting & Sewing → Quality Assurance → Branding Marketing & Promotion

OUR JOURNEY



ICIL established
Commencement of Spinning Operations

Forayed into home textile by setting up 36 mn meters integrated capacity for Bed Linen

Established showroom, Design Studio and Distribution base at USA

Bed Linen capacity increased to 45mn meters

Established showroom and design studio in UK. Enhanced capacity to 68 mn meters

Enhanced capacity to 90 mn meters. Launched brand 'BOUTIQUE LIVING' in Indian Market

Established office in Dubai to tap newer geographies

Collaborated with LEEDS University to enhance innovation capabilities. Partnered with WALMART for environmental sustainability

BRANDS & INNOVATION

In-House Brands

- Boutique Living
- Heirlooms of India
- Atlas
- Whole Comfort
- The Cotton Exchange (Manchester)
- Simply→put
- Linen Closet
- True Grip (Stays in Place)
- Color Sense
- Purity Home
- Haven (Utility Bedding Co.)
- Revival (New York City)

Licensed Brands

- Harlequin
- Sanderson

Innovation & Technology

- AllerCot (Ever Fresh)
- Aireolux
- True Grip (Stays in Place)
- Aero Balance
- Signature Sateen
- Natural Sheets
- Pure Earth
- Duratec
- DryMax (Complete Comfort)
- Bio-Oils
- Infinity
- The Complete Sheet
- Dura Shine
- Ecopress
- ProShield (Shield & Clear)
- Active Cooling (Sleep Cool)

BOUTIQUE LIVING – OUR DOMESTIC OFFERING

BOUTIQUE
LIVING

'Boutique Living' is an aspirational brand launched for Indian consumer to offer them refined quality of bed linen. With R&D capabilities, technical know-how and in-house production, we offer superior products. Our wide range of products promises a sound sleeping experience led by superior quality, design and advance technology.

We provide premium bedding through various offline platforms in multi-brand outlets (MBOs) and select large format stores (LFS) and online e-commerce platforms.

AVAILABLE OVER 500 STORES ACROSS INDIA

www.boutiquelivingindia.com

- Bed Sheets & Duvets
- Quilts & Comforters
- Dohars & Fitted Sheets
- Bed in a Bag
- Pillows & Towels

SUSTAINABILITY IS OUR DNA

SUSTAINABLITY INITIATIVES

Project GAGAN: A sustainable cotton initiative

The programme aims at improving awareness among the farmers to cultivate cotton in a more sustainable method.
In step with this mindset, we launched an initiative called 'GAGAN' to help farmers to cultivate sustainable cotton through our Better Cotton Initiative (BCI).

HIGG INDEX

Associated with SAC (Sustainable Apparel Coalition) through HIGG index tool. Two of our facilities at Gokul and Kagal have been certified with the Sustainable Apparel Coalition.

The Higg Index delivers a holistic overview that empowers us to make meaningful improvements that protect the wellbeing of our factory workers, local communities, and the environment.

MADE IN GREEN

A MADE IN GREEN product ID proves that the product has been tested for harmful substances.

This is a latest sustainability benchmarking being demanded by majority of customers and we are proud to commit that a large number of our products manufactured come under Made in Green category.

ENVIRONMENTAL INITIATIVES

Conservation of Natural Resource by Water Recycling: Installed Biological Effluent Treatment Plant with 3 Stage RO system

ENERGY SAVING

Solar Energy: Installed solar panels leading to savings in power

UTILITIES SAVING INITIATIVES

Sludge Drier: Installed Sludge Drier, a unique initiative that resulted in reduction of sludge disposal from 500 tons/month to almost 50 tons/ month.

STABLE & SUSTAINABLE

RESEARCH & INNOVATION

Strong R&D and innovation capabilities to develop a value-added diversified product bouquet

Fulfilling the unique customer requirements to help evolve as the preferred partner of choice

FOCUS ON BRANDS

Unrelenting focus on quality, reliability, and excellence

Further leverage of brand position in the International & Domestic markets

AVAILABILITY

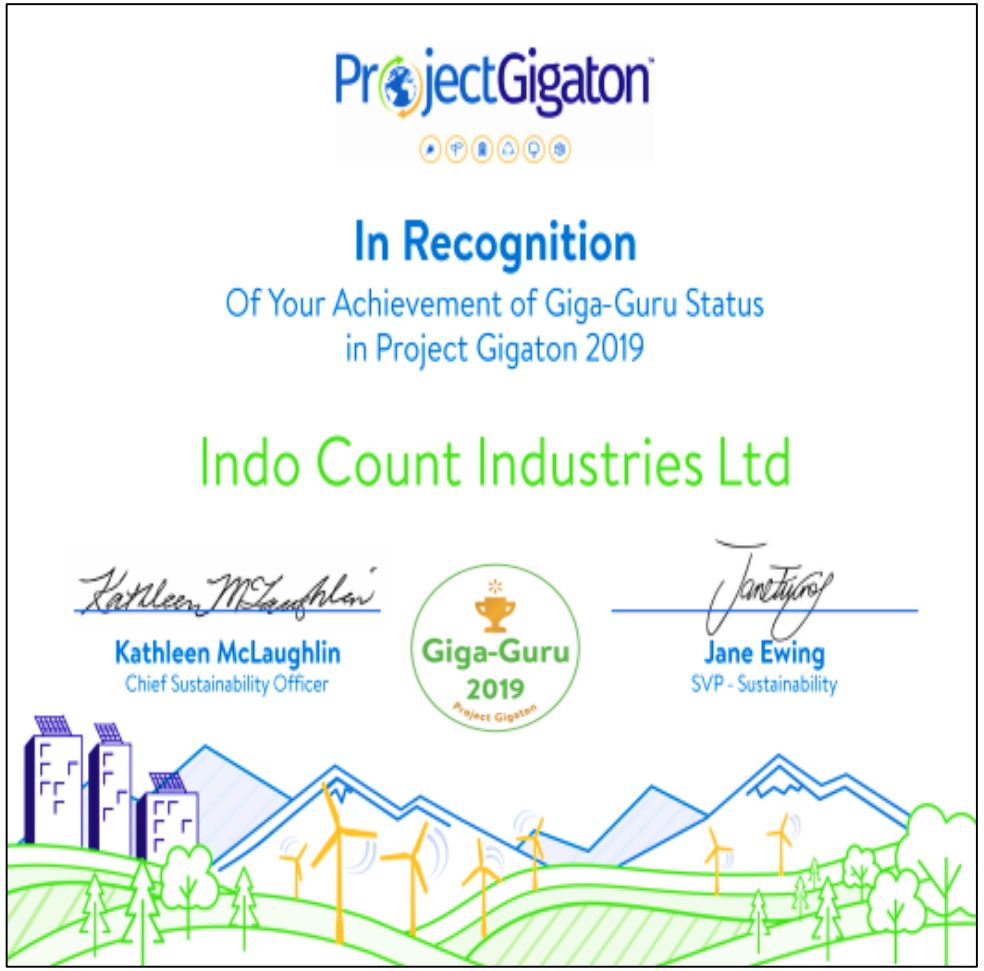
Focus on e-commerce and Omni channel business

SUSTAINABILITY

Growth through adopting sustainable business practices

AWARDS & ACCOLADES

RECOGNIZED BY WALMART CORPORATION AS "GIGA GURU" AMONGST GLOBAL TOP 20 SUPPLIERS



- ✓ Indo Count has taken **SMART goals** for Green house gas emissions reduction in Gigaton project
- ✓ In Walmart's Gigaton project, Indo Count has achieved a remarkable milestone and is recognized by Walmart Corporation as **"Giga Guru"** amongst **Global Top 20 suppliers**

Walmart SUSTAINABILITY

ProjectGigaton

working with suppliers to prevent

1 BILLION METRIC TONS OF GREENHOUSE GASES BY 2030

RECOGNITIONS

Texprocil Awards for 2018-19

Gold

Winner of Gold Trophy
For the Highest export performance in Made Ups-Bed Linen/Bed Sheets/Quilts

Gold

Winner of Gold Trophy
For the Special Achievement Award in Made-ups

Silver

Winner of Gold Trophy
For the Second Highest exports performance in Yarn-Counts 50s and below

Recognitions from Customers

Awarded 'Best Collaboration in Design & Product development' by KOHL's, a large retailer in the US

Received 'Platinum Certification Status' for sheets and fashion bedding category by JC Penney, another large retailer in the US

Environmental Awards

Vasundhara Award

Jalbindu Award

CSR INITIATIVES

CSR - EVERY SMILE COUNTS

EDUCATION

- We developed and adopted multifaceted approach through E-learning to increase attendance and stimulate learning amongst students
- Besides E-learning, various other initiatives include distribution of school bags, Improving infrastructure in schools and providing educational support to the visually challenged students
- 50,000+ students of 100+ schools in and around Kolhapur have benefitted

HEALTHCARE

- Medical Vans reaching 100 rural villages around Kolhapur providing free medicines and check-ups
- 3,00,000 patients have been benefitted
- Renovated Female Maternity & Gynac ward along with Cardiac Department for a government hospital in Kolhapur

WATER & SANITATION

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

WOMEN EMPOWERMENT

- Trained women through our skilled development centre
- Aimed at making women independent and upgrading their standard of living

#GivingWithLiving Initiative

#GivingwithLiving initiative in partnership with Myntra for donations to migrant workers through **Bosconet**

Myntra DBN DON BOSCO NETWORK

CONTACT US

Company :

Indo Count Industries Limited
CIN: L72200PN1988PLC068972

Mr. K.R. Lalpuria, *Executive Director & C.E.O*
kklalpuria@indocount.com

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

www.indocount.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285

Mr. Shogun Jain | Ms. Ami Parekh

+91 77383 77756 | +91 80824 66052

shogun.jain@sgapl.net | ami.parekh@sgapl.net

www.sgapl.net