

REF: HSL/SEC/2020/28

July 6, 2020

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| To The Deputy Manager Department of Corporate Services BSE Ltd. PJ Towers, Dalal Street Mumbai -400001 Script Code: 514043 | To The Manager National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai 400051 Symbol: HIMATSEIDE |
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Dear Sirs,

Sub: Press Release – July 6, 2020

We are enclosing press release dated July 6, 2020.

Please take the same on record.

Thanking you,

Yours faithfully,
For Himatsingka Seide Limited



Sridhar Muthukrishnan
Company Secretary

Encl: As above

Bengaluru, July 06, 2020 - Himatsingka Seide Ltd. announced its financial results for the quarter and year ended March 31st, 2020, on July 4, 2020.

FY20 Total Revenue at ₹2,419.65 Crores, down 8.8% Y-o-Y

CONSOLIDATED FINANCIAL SUMMARY – Q4 FY20 and FY20

(Figures in ₹ Crores, unless mentioned)

| Particulars | Q4 FY20 | Q4 FY19 | % Change | FY20 | FY19 | % Change |
|---|----------------|---------|----------|-----------------|----------|----------|
| Total Income | 471.40 | 692.74 | -32.0% | 2,419.65 | 2,654.26 | -8.8% |
| EBITDA | 96.60 | 140.43 | -31.2% | 479.31 | 579.93 | -17.4% |
| EBITDA Margin (%) | 20.5% | 20.3% | | 19.8% | 21.8% | |
| EBIT | 58.21 | 111.61 | -47.8% | 353.10 | 471.16 | -25.1% |
| EBIT Margin (%) | 12.3% | 16.1% | | 14.6% | 17.8% | |
| PBT (Before Exceptional Items) | 4.70 | 66.72 | -93.0% | 158.38 | 308.04 | -48.6% |
| PBT Margin (%) | 1.0% | 9.6% | | 6.5% | 11.6% | |
| PAT (Before Exceptional Items) | (10.66) | 48.37 | -122.0% | 86.46 | 196.84 | -56.1% |
| PAT Margin (%) (Before Exceptional Items) | (2.3%) | 7.0% | | 3.6% | 7.4% | |
| PAT | (68.84) | 48.37 | -242.3% | 13.25 | 196.84 | -93.3% |
| PAT Margin (%) | (14.6%) | 7.0% | | 0.5% | 7.4% | |

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 31st MARCH 2020

- * Consolidated Total Income for Q4 FY20 stood at ₹471.40 Crores vs ₹692.74 Crores in Q4 FY19, a decline of 32.0%.
- * Consolidated EBITDA for Q4 FY20 was ₹96.60 Crores vs ₹140.43 Crores in Q4 FY19, a decline of 31.2%.
- * Consolidated EBIT for Q4 FY20 declined to ₹58.21 Crores vs ₹111.61 Crores in Q4 FY19.
- * Consolidated PBT, before exceptional items, for Q4 FY 2020 stood at ₹4.70 Crores vs ₹66.72 Crores in Q4 FY19. The exceptional item of ₹58.18 Crores represents inventory provision of ₹43.05 crores on account of changed economic environment due to outbreak of COVID-19, non-recurring restructuring expenses of ₹3.71 crores in our European business and loss of ₹11.42 crores on the hedging instrument on account of lower than expected realization due to COVID-19.

- * Consolidated PAT, before exceptional items, for Q4 FY20, was loss of ₹10.66 Crores vs profit of ₹48.37 Crores in Q4 FY19.
- * Consolidated PAT for Q4 FY20 was a loss of ₹68.84 Crores vs ₹48.37 Crores in Q4 FY19.

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR FINANCIAL YEAR ENDED 31st MARCH 2020

- * Consolidated Total Income for FY20 stood at ₹2,419.65 Crores in FY20 vs ₹2,654.26 Crores in FY19, a decline of 8.8%.
- * Consolidated EBITDA for FY20 stood at ₹479.31 Crores vs ₹579.93 Crores in FY19, a decline of 17.4%.
- * Consolidated EBIT for FY20 declined to ₹353.10 Crores vs ₹471.16 crores in FY19.
- * Consolidated PBT, before exceptional items, for FY20 stood at ₹158.38 Crores vs ₹308.04 Crores in FY19. The exceptional item of ₹73.21 Crores represents inventory provision of ₹43.05 crores on account of changed economic environment due to outbreak of COVID-19, non-recurring restructuring expenses of ₹12.10 crores in the Italian business, loss of ₹11.42 crores on the hedging instrument on account of lower than expected realization due to COVID-19 and impairment of investment in equity shares of ₹6.64 crores.
- * Consolidated PAT, before exceptional items, for FY20 stood at ₹86.46 Crores vs ₹196.84 Crores in FY19.
- * Consolidated PAT for FY20 stood at ₹13.25 Crores vs ₹196.84 Crores in FY19.

BUSINESS UPDATE

Impact of COVID-19 on Operations

- * The Q4 FY20 operating performance has been severely impacted on account of COVID-19. The outbound shipments and operations at our manufacturing and distribution facilities were impacted beginning the second week of March, 2020. As per requests received from clients, a substantial portion of the shipments for the month of March, 2020 had to be held back and consequently consolidated revenues saw an impact of approximately ₹200.00 crs for Q4 FY20.
- * Subsequently, on account of the lockdown in India and other major international markets, all our manufacturing and distributions facilities remained non-operational through April, 2020. While we commenced partial operations in compliance with Central and State government guidelines at the end of April, 2020, operating conditions remained challenging on account of demand and supply chain disruptions. Therefore, the impact of the lockdown has affected operations in April and May, 2020.
- * Given the above, the severity of the COVID-19 impact has impacted the operating performance of Q4 FY20 and Q1 FY21.

- * We have begun with ramping up production across all our facilities during June and the ramp-up has been progressing well. Our Q2 FY21 order book looks robust under the circumstances.

Other Business Updates

- * FY20 saw the completion of the calibrated capex program with the commissioning of our Greenfield Terry Towel Facility during October, 2019.
- * Restructuring of our Italian operations was completed during FY20 and the same has had a consolidated impact of approximately ₹35.00 crores for the year.
- * The Company continues to increase its presence in Europe, Middle East and Asia Pacific Regions. In addition, we also remained focused on enhancing our presence on e-commerce platforms globally.
- * In order to navigate the challenges on account of COVID-19, we have undertaken several cost optimization measures, while attempting to ramp-up operations at the earliest. In addition, we continue to have healthy cash reserves to meet challenges as the ramp-up process is underway.

Commenting on the Company's performance, Mr. Shrikant Himatsingka, Managing Director & Group CEO said:

“FY 20 saw meaningful progress with the completion of our calibrated capex program, which started in FY17 and concluded with commissioning of our Green Field Terry Towel plant during October, 2019. Himatsingka is well positioned to provide a broad range of home textile solutions and will continue to be focused on creating sustainable value by enhancing asset utilization, deepening market reach, broadening our product & brand portfolio and strengthening the balance sheet.”

About Himatsingka Group

The Himatsingka Group is a vertically integrated textile major with a global footprint. The Group focuses on the manufacture, retail and distribution of Home Textile products. On the manufacturing front, the Group operates amongst the largest capacities in the world for producing Bedding products, Bath products, Drapery & Upholstery fabrics and Fine count Cotton Yarn. Spread across North America, Europe and Asia, the Group's retail and wholesale distribution divisions own and or license among the largest brand portfolios in the home textile space. With a team of over 10,000 people, the Group continues to build capacities and enhance reach in the global textile space.

For more information, please contact:

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Disclaimer:

Statements in this document relating to future status, events, or circumstances, including without limitation statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on commercial estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may materially differ from those anticipated in such forward-looking statements. Himatsingka Seide Limited may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the regulatory bodies and its reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors that may or may not be relevant.