

9th February, 2019

<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>
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Subject: Investor Presentation Q3 & 9MFY19

Please find enclosed herewith a copy of Investor Presentation with respect to Unaudited Financial Results for the quarter and nine months ended 31st December, 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

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Investor Presentation – 9MFY19

February 2019

Safe Harbor



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Chairman's Message



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

“We have been witnessing an uptick in business volumes across our markets. Our focus continues to be towards adding value to our global marquee customers by way of creating new and functional products having modern designs and trends.

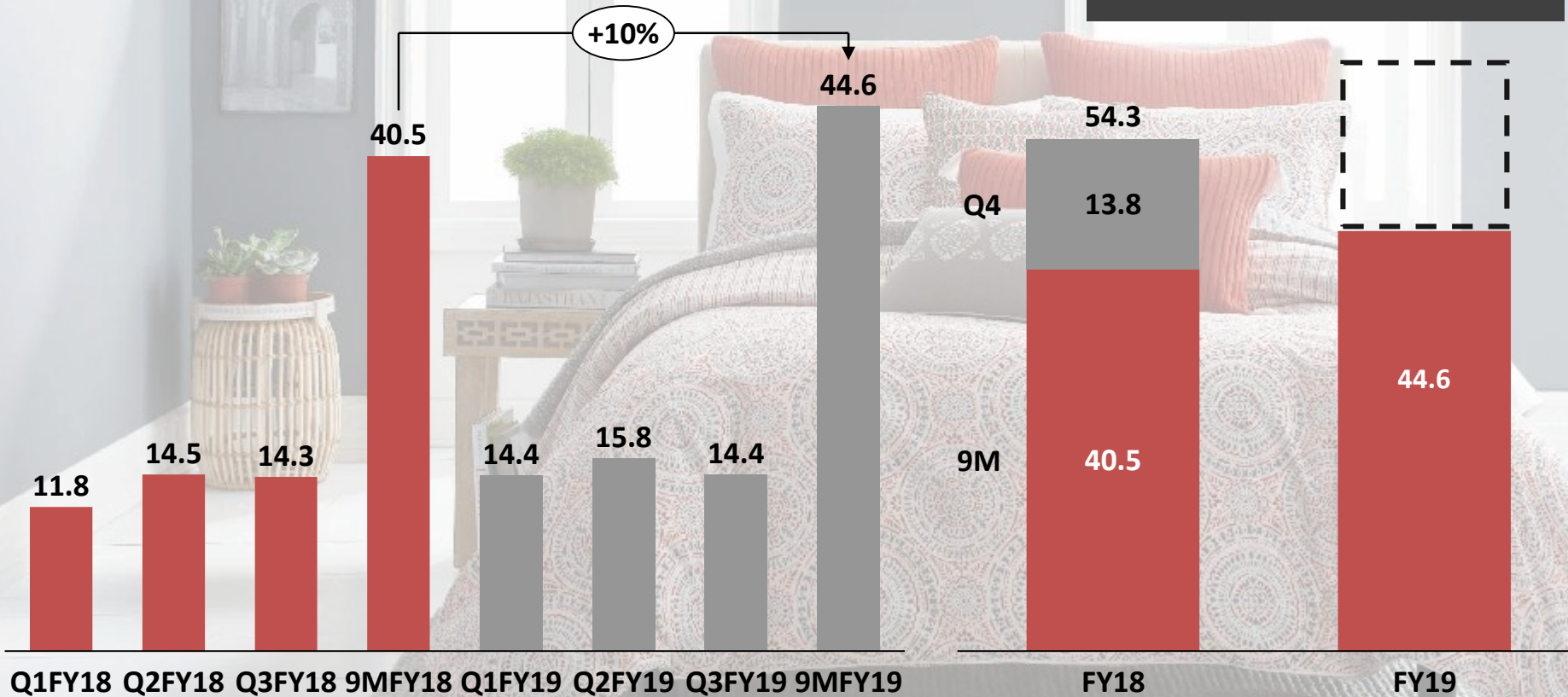
We continue to adapt to challenging times by aiming to increasing our utilization levels and improve product mix. Our approach towards innovation, product design, sustainability of operations is enabling us to strengthen our relationship with customers.”

Volume Performance



Sales Volume (Mn Metres)

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



9MFY19 Performance



Rs. 1,421 Crs

Vs

Rs. 1,311

Net Income*

8.4% YoY

Rs. 161 Crs

Vs

Rs. 132 Crs

Normalized EBITDA*

21.9% YoY

11.3%

Vs

10.1%

**Normalized EBITDA
Margin***

125bps YoY

**Adjusting for Forex items
Figures are rounded off wherever required*

Standalone Profit & Loss Statement

FY19

Particulars (Rs. Crs)	Q1FY19	Q2FY19	Q3FY19	9MFY19
Total Income	457	486	478	1,421
<i>Less: Forex Gain/(Loss)</i>	14	(2)	(12)	0
Net Income	443	488	490	1,421
Total Expenses	393	436	452	1,281
<i>Less: Forex Loss</i>	-	-	21	21
Net Expenses	393	436	431	1,260
Normalized EBITDA*	50	52	59	161
Margin	11.3%	10.7%	12.0%	11.3%
Reported EBITDA	64	50	27	141
Margin	14.0%	10.2%	5.6%	9.9%

Achieved 10% volume growth in 9MFY19; from 40.5 million metres in 9MFY18 to 44.6 million metres in 9MFY19

Adverse Forex movement resulted in a forex loss of Rs. 21cr in 9MFY19 versus forex gain of Rs. 74cr in 9MFY18

FY18

Particulars (Rs. Crs)	Q1FY18	Q2FY18	Q3FY18	9MFY18
Total Income	432	493	460	1,385
<i>Less: Forex Gain/(Loss)</i>	30	36	8	74
Net Income	401	457	452	1,311
Total Expenses	366	422	391	1,179
<i>Less: Forex Loss</i>	-	-	-	-
Net Expenses	366	422	391	1,179
Normalized EBITDA*	35	36	62	132
Margin	8.7%	7.8%	13.7%	10.1%
Reported EBITDA	65	71	69	206
Margin	15.1%	14.4%	15.1%	14.9%

Adjusting for Forex, Normalized EBITDA grew 21.9% from Rs. 132cr in 9MFY18 to Rs. 161cr in 9MFY19

*Adjusting for Forex items
Figures are rounded off wherever required

Standalone Profit & Loss Statement

Particulars (Rs. Crs)	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
Total Income	478	460		1,421	1,385	
<i>Less: Forex Gain/(Loss)</i>	<i>(12)</i>	<i>8</i>		<i>-</i>	<i>74</i>	
Net Income	490	452	8.3%	1,421	1,311	8.4%
Cost of Material	257	255		751	748	
Power Cost	22	18		66	56	
Employee Expenses	30	27		93	83	
Other Expenses	143	90		370	291	
Total Expenses	452	391		1,281	1,179	
<i>Less: Forex Loss</i>	<i>21</i>	<i>-</i>		<i>21</i>	<i>-</i>	
Net Expenses	431	391		1,260	1,179	
Normalized EBITDA*	59	62	-4.5%	161	132	21.9%
Margin	12.0%	13.7%		11.3%	10.1%	
Reported EBITDA	27	69		141	206	
<i>Margin</i>	<i>5.6%</i>	<i>15.1%</i>		<i>9.9%</i>	<i>14.9%</i>	
Depreciation	8	8		24	23	
EBIT	18	62		116	183	
Finance Charges	8	6		25	23	
Profit before Tax	10	56		91	160	
Tax Expense	3	19		34	56	
Profit after Tax	7	36		57	104	

***Adjusting for Forex items**

Figures are rounded off wherever required

Balance Sheet



Particular (Rs. Crs)	Sep'18	Mar'18
Fixed Assets (Incl. CWIP)	548	535
Investments	20	20
Other Non-Current Assets	3	3
Inventories	507	524
Trade Receivables	302	325
Cash and cash equivalents	22	11
Other Current Assets	132	226
TOTAL	1,534	1,644
Equity Share Capital	39	39
Reserves & Surplus	844	899
Long Term Borrowings	62	49
Deferred tax Liabilities (net)	69	120
Short term Borrowings	267	309
Trade Payables	100	181
Other Current Liabilities	153	47
TOTAL	1,534	1,644

Outlook for FY2019 and beyond

01

Product development

- 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
- Modernization of Spinning
- Building strengths in processing through value addition
- Developing skill and talent of employees
- Prudent capital allocation for growth

03

Global reach

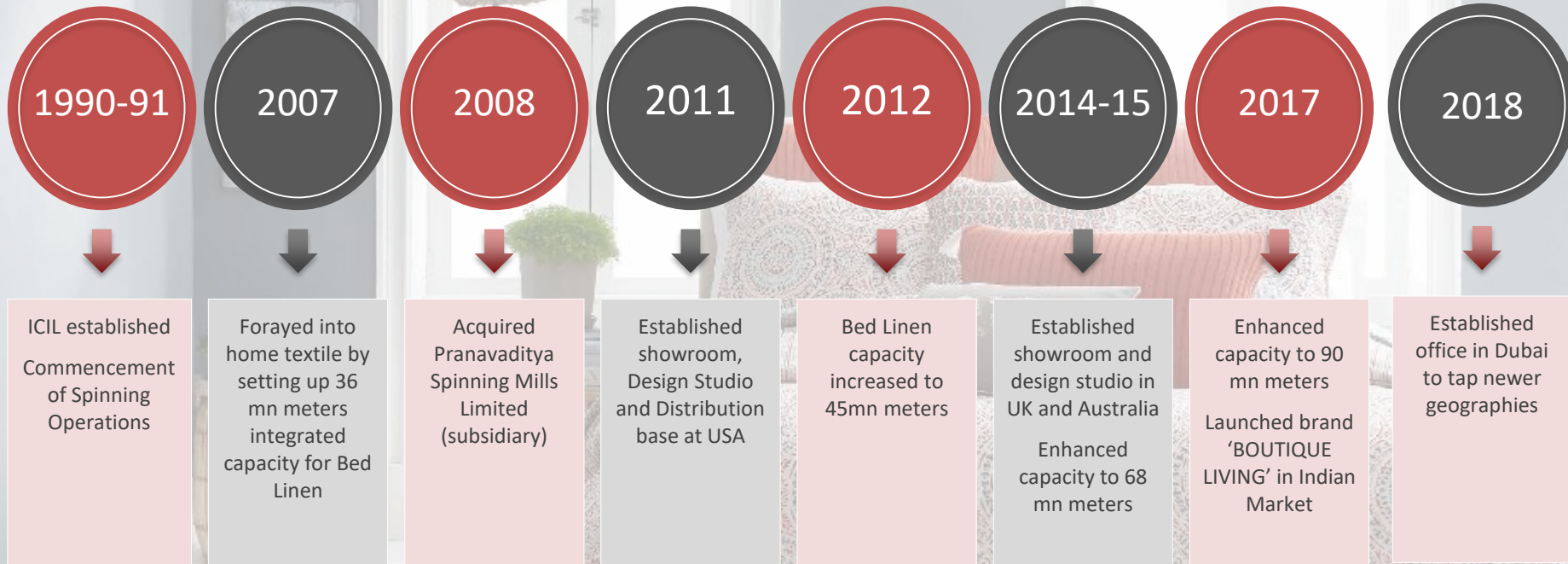
- Establish relationship with new marquee global customers
- Tap newer geographies
- Initiatives in branding, distribution and e-commerce



Indo Count
COMPLETE COMFORT

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

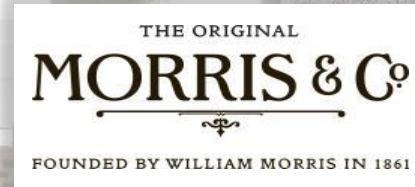
Our Brands



New In-House Brands



Licensed Lifestyle Brands



Own Lifestyle Brands



“Boutique Living” Brand in India



- Indo Count has a Pan India presence
- 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



Australia

Showroom and design studio in Melbourne



UAE

Established office in Dubai to tap newer geographies

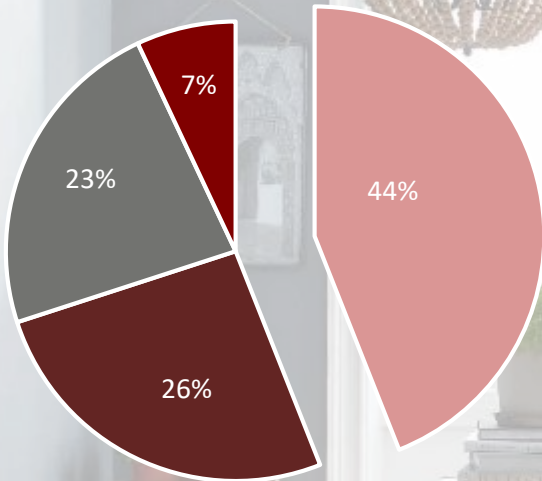
Indo Count exports to 54 countries and going forward to widen its geographical footprint



Industry Perspective

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

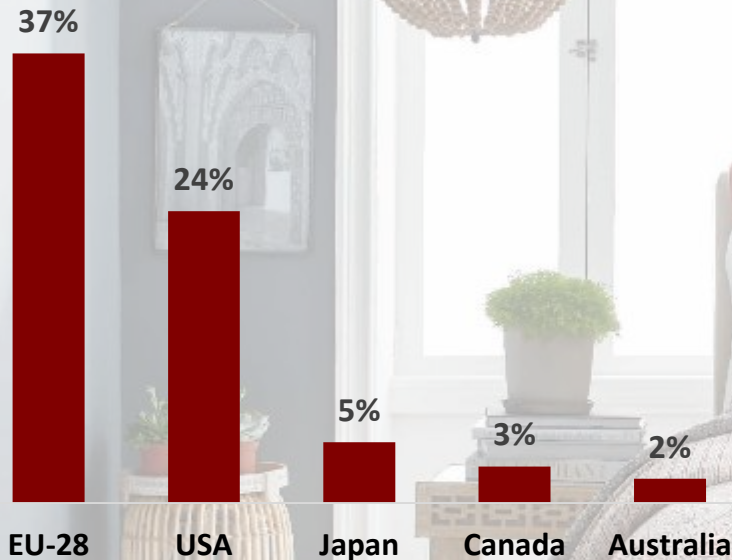
Europe

- 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”

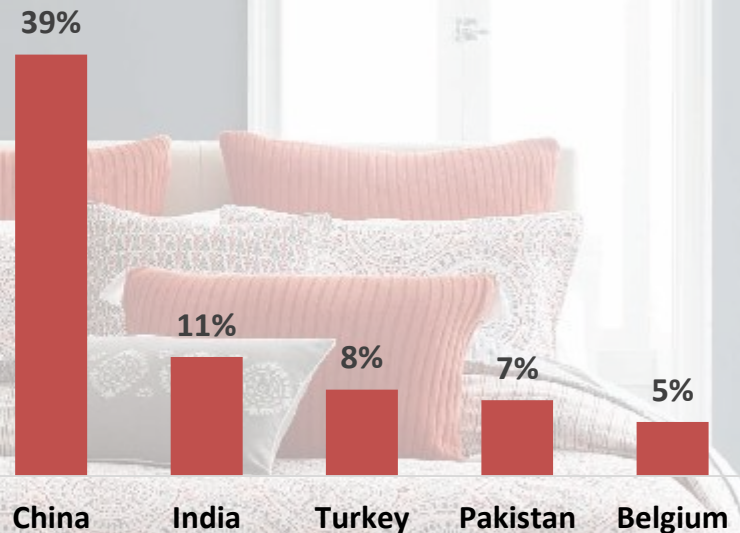
Top 5 Importing & Exporting Nations

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

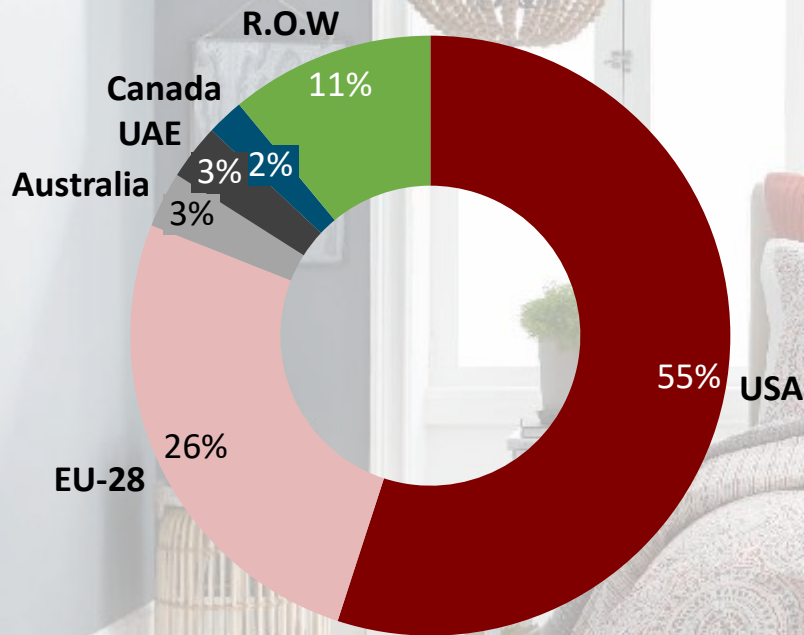


China has a share in home textile exports at 39% with US\$ 19 bn followed by India at 11% with US\$ 5 bn.

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%

Indian Markets and Growth Opportunities

India's major markets for Home Textiles (2017)



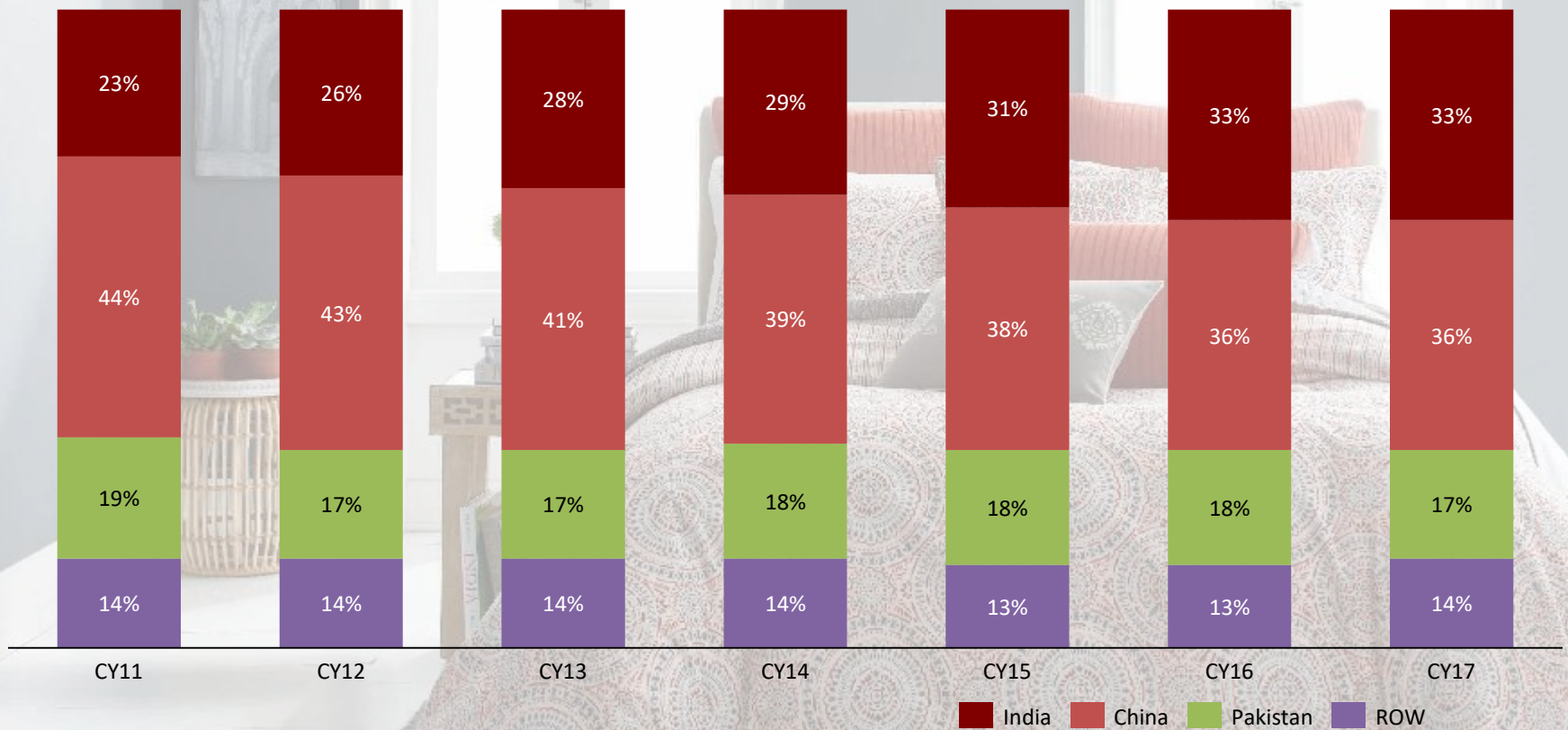
Country	US\$ Mn.	Share
USA	2,853	55%
EU-28	1,347	26%
Australia	156	3%
UAE	132	3%
Canada	121	2%
R.O.W	583	11%
Total	5,193	

- 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 the rising labour cost in China and availability of raw material

USA textiles imports



USA – Import of Cotton Made-Up's Share

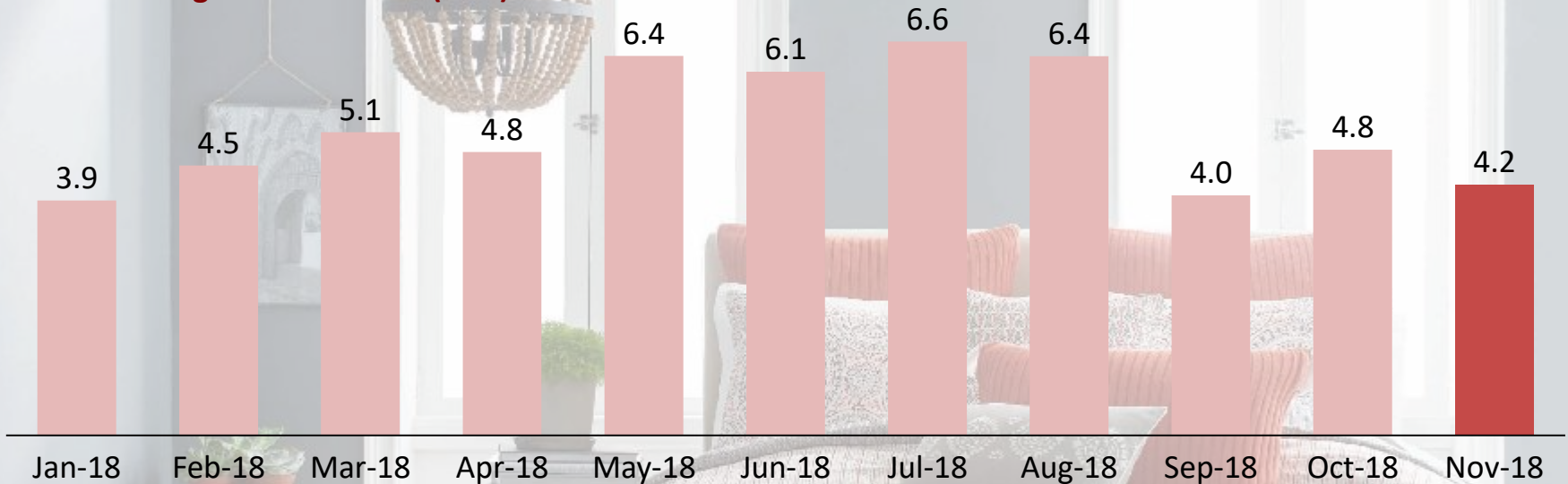


India's contribution in the Made-ups market share is growing in USA imports

USA Retail Sales



USA YoY change in Retail Sales (in %)

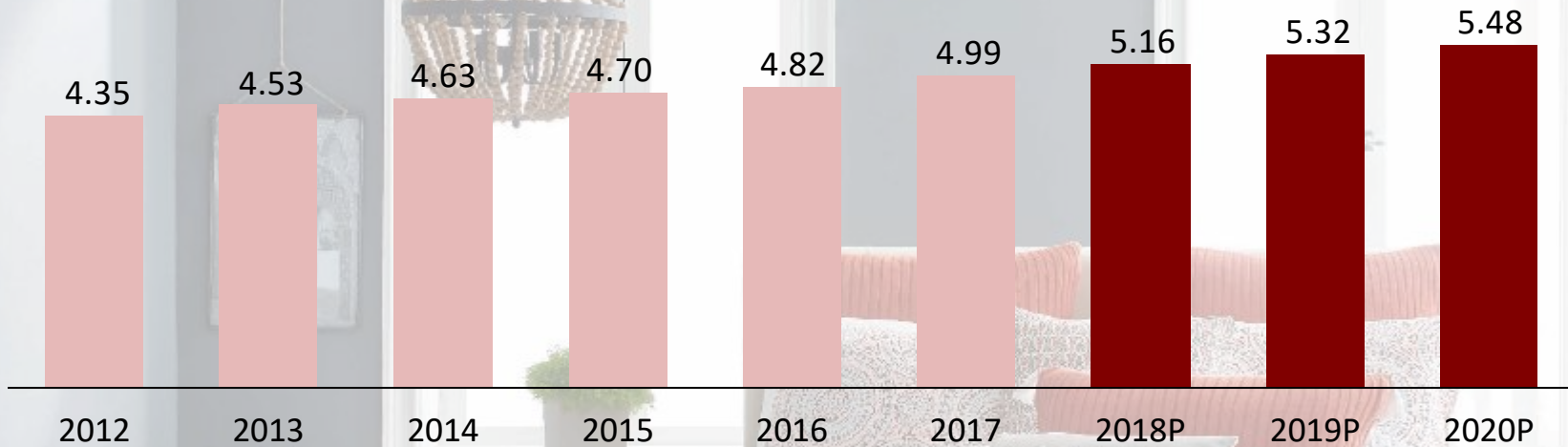


As per Mastercard SpendingPulse, the US Retail sales for 2018 Holiday Season grew 5.1% from the first of November through Christmas Eve. This growth is attributed to high consumer confidence.

As per the data, the largest growth for the holiday shopping season came from spending on home improvement, up by 9.0%. Along with the home improvement sector, the home furniture and furnishings category grew by 2.3%

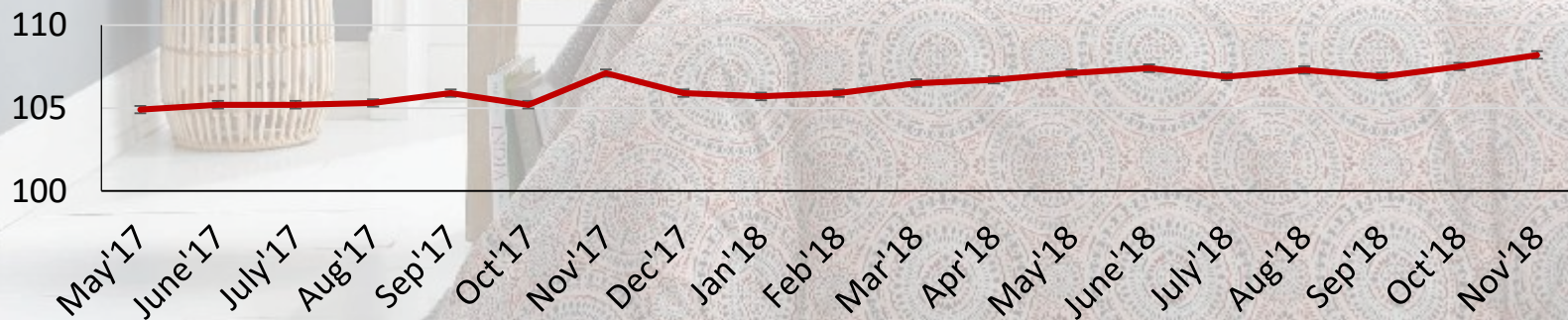
Major Economies showing strength

USA Retail Sales (USD Trillion)



Source : Statista

Europe Retail Sales (2015 as Base 100)



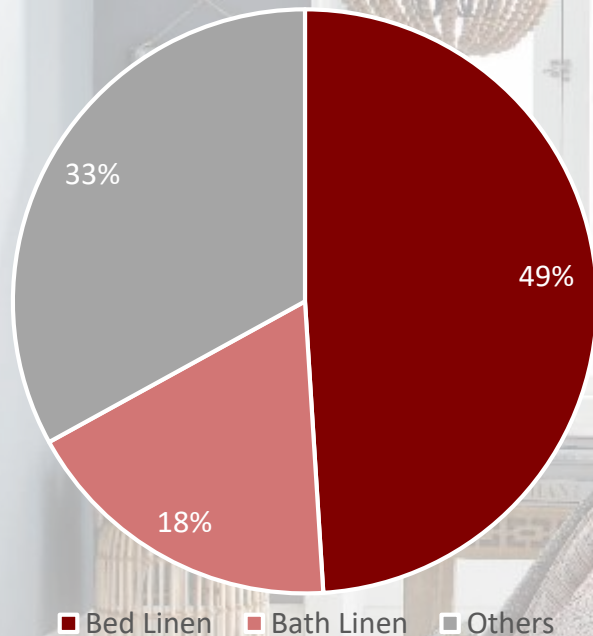
Source : Eurostat

India's edge in the home textiles market

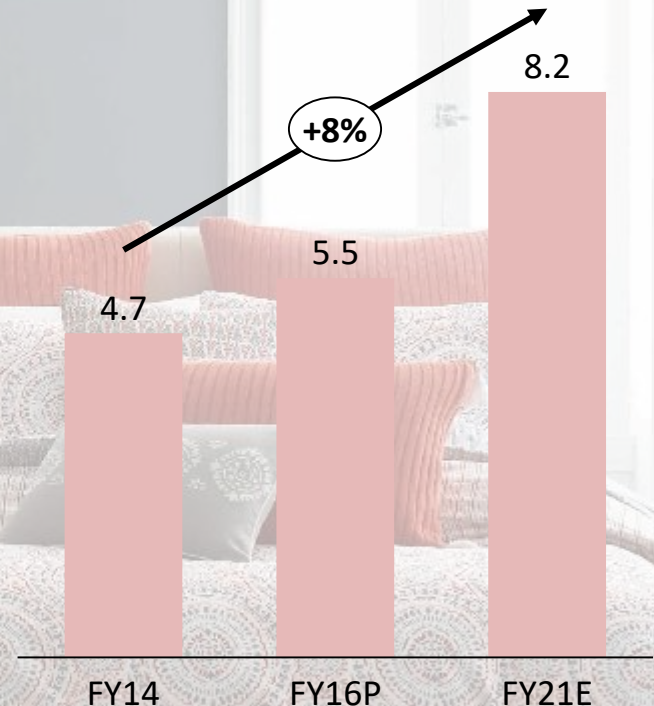


Indian Home Textiles industry – Growing expectation

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.

Awards & Accolades



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'



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

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 A minus) for Company's Long-Term Bank Facilities and ICRA A1+ for short term bank facilities.

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

Investor Contact



For further information please contact:

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