

4th June 2025

Close*– 130.5/-

View – HOLD

Q4FY25 Performance

Consolidated revenue grew 2.7% YoY to ₹2646crs. EBITDA declined 12% YoY to ₹316crs. EBITDA margin contracted 200bps 11.3% due to lower operating leverage as global customers deferred shipments ahead of tariff implementation, and unfavorable product mix. PBT de-grew 33% YoY to ₹168crs. PAT grew 1.9% YoY to ₹133crs with a PAT margin of 5.03%.

Home Textile Exports Business grew by 1.3% YoY to ₹2453crs in Q4FY25 with an EBITDA margin of 11.5%, contracted 360bps YoY due to the near-term volatility in export business and challenges related to tariffs, which impacted margins and growth in Q4FY25. Flooring business declined by 8% YoY to 196crs. Flooring business faced near-term pressure from US tariff uncertainties and Red Sea disruptions.

Net Debt stood at ₹1602.5crs vs 1354.2crs (Mar'24).

WELSPUNL is collaborating with retail partners to deal with ongoing US-India trade negotiations.

Important Statistics

Nifty	24,542
Sensex	80,737
Close*	130.5
Mcap (₹ Cr)	₹12,587.92
52WeekH/L (₹)	213/105
NSE Code	WELSPUNLIV
BSE Code	514162
Bloomberg Code	WLSI:IN

Close* as on 03rd June 2025

Shareholding Pattern (%) Mar'25

Promoter Holding	66.2
FII	5.4
DII	8.9
Public	19.48

Key Con-Call Highlights

- For FY25 total revenue grew 8.9% YoY to ₹10,454crs. Home Textile Exports Business surged 10.8% YoY in FY25 with a strong EBITDA margin of 14.7%. Advance Textile Business grew by 7.8% YoY in FY25. Innovation sales grew by 4% YoY and stood at 22,667mn in FY25.
- Emerging business (comprises domestic consumer business, global brands, advanced textiles and flooring): Revenue grew at 2% YoY in FY25, contributing 30% to overall revenue.
- The company may have witnessed deviation in achieving the FY27-28 vision of reaching ₹15,000crs of revenue with an EBITDA margin of 15-16%. The timeline could get extended by ~6 months, contingent upon the pace of global recovery and external developments.
- **Branded Portfolio:** Global brands' revenue was flat in Q4FY25 contributing 12% to total revenue. Christy: Continues its international expansion, extending its presence beyond the UK to the Middle East, US, and Africa, with plans for an India launch underway. SPACES: Catering to premium consumers, the brand is evolving into a complete home experience provider
- **Domestic retail business performance:** domestic retail business grew more than 5% YoY to ₹6.05bn, with a strong brand presence across 500+ districts and 22,000 outlets.
- The share of the US moderated from ~80% to 60– 65% and that of non-US rising to 30–35% in Q4FY25, led by strong traction in the UK, EU, GCC, Australia, and Japan.
- The India-UK FTA should further support the export growth in towels, bed linen, and flooring products starting FY26, reinforcing the company's long-term diversification and export growth strategies.
- Welspun Brand witnessed a healthy growth of 20% YoY and continued to be the most widely distributed home textile brand in India. Brand Spaces has outgrown the category in modern trade channels, emerging as a leading brand within the category of gaining market share, though the modern trade segment de-grew YoY. The company has continued investment in domestic

Financials

(₹ cr)

Particulars	FY23	FY24	FY25
Revenues	8094	9679	10,545
EBITDA	753	1369	1298
Margin (%)	9%	14%	12.3%
Net Profit	203	673	644
EPS (₹)	1.98	7.01	6.7
RoE (%)	4.9	15.9	13.4
RoCE (%)	6	16	14
P/E (x)	65.9	18.6	19.5

Source: Company, Way2wealth

Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
Welspun India	2	72	295
Nifty 50	12	52	143
Sensex	12	49	136

Source: Company, Way2wealth

Ashwini Sonawane

ashwinisonawane@way2wealth.com

91-22-4019 2913



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markets with marketing spending to the tune of 10% for improving brand visibility and salience, as well as focusing on building profitable business growth.

- The company spent ₹1.1bn in Q4FY25 and ₹7.1bn in FY25, primarily on the towel capacity at Anjar (Gujarat). For FY26 it has a guided capex of ₹3bn.
- The average cost of procuring cotton during 4QFY25 was ₹55,000–56,000/candy.

Key Risks

- Slower than expected demand recovery in its key markets
- Inability to pass on tariff hikes to customers

View

The ongoing tariff uncertainty in the U.S. has created a tough operating environment, leading to an 8% YoY decline in the flooring segment, while home textiles posted a modest 1.3% growth. Geopolitical tensions continue to weigh on sentiment, and volume recovery is expected to remain gradual and subdued in the near term. Additionally, despite the ceasefire between the U.S. and Houthi forces, the Red Sea shipping risks persist, further compounding logistical challenges.

At the current market price of ₹130.5, the stock trades at ~19.5x FY25E EPS of ₹6.7. We maintain a *Hold* rating on the stock.

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Consolidated Financial Highlights

(₹ Cr)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Sales	2,645.90	2,575.24	2.7%	2,489.61	6.3%	10,545.09	9,679.24	8.9%
Other Income	2.26	41.48	-94.6%	38.08		152.15	145.83	4.3%
Total Income	2,648.2	2,616.7	1.2%	2,527.7	4.8%	10,697.2	9,825.1	8.9%
Total Expenditure	1401.24	1379.42	1.6%	1321.43	6.0%	5675.57	5109.67	11.1%
Raw Material Consumed	1278.6	1127.7	13.4%	1200.59	6.5%	5,295.93	4,994.21	6.0%
Purchase of stock in trade	26.14	106.49	-75.5%	107.32		411.34	273.61	50.3%
Stock Adjustment	96.5	145.23	-33.6%	13.52	613.8%	-31.70	-158.15	-80.0%
<i>RMC as a %age of sales</i>	<i>52.96%</i>	<i>53.56%</i>	-1.1%	<i>53.08%</i>	-0.2%	<i>53.82%</i>	<i>52.79%</i>	2.0%
Employee Expenses	291.88	275.83	5.8%	285.27	2.3%	1,151.53	1,027.40	12.1%
<i>EPC as a %age of sales</i>	<i>11.03%</i>	<i>10.71%</i>		<i>11.46%</i>		<i>10.92%</i>	<i>10.61%</i>	
Other Expenses	636.99	561.32	13.5%	602.46	5.7%	2,419.52	2,173.05	11.3%
<i>Other Expenses as a %age of sales</i>	<i>24.07%</i>	<i>21.80%</i>		<i>24.20%</i>		<i>22.94%</i>	<i>22.45%</i>	
Total Expenditure	2,330.11	2,216.57	5.1%	2,209.16	5.5%	9,246.62	8,310.12	11.3%
EBIDTA	315.79	358.67	-12.0%	280.45	12.6%	1,298.47	1,369.12	-5.2%
EBIDTA Margins %	11.94%	13.93%	-2.0%	11.26%	5.9%	12.31%	14.14%	-1.8%
Interest	56.91	51.81	9.8%	62.33		217.47	153.41	41.8%
PBDT	261.14	348.34	-25.0%	256.20	1.9%	1,233.15	1,361.54	-9.4%
Depreciation	92.84	96.23	-3.5%	98.23	-5.5%	373.39	394.37	-5.3%
Profit before share of associates	168.30	252.11	-33.2%	157.97		859.76	967.17	-11.1%
Share of Associate's Net Profit/ (Loss)			0.41			0.63		0.06
PBT	168.30	252.11	-33.2%	158.38		860.39	967.23	-11.0%
Tax	35.29	121.59	-71.0%	35.51	-0.6%	216.16	294.21	-26.5%
<i>Tax Rate</i>	<i>25.50%</i>	<i>25.50%</i>	0.0%	<i>25.50%</i>	0.0%	<i>25.50%</i>	<i>25.50%</i>	0.0%
Reported Profit After Tax	133.01	130.52	1.9%	122.46	8.6%	643.60	672.96	-4.4%
PATM %	5.03%	5.07%	-0.8%	4.92%	2.2%	6.10%	6.95%	-12.2%
EPS	1.40	1.50	-6.7%	1.27	10.2%	6.70	7.06	-5.1%
Equity	95.91	97.18	-1.3%	97.18	-1.3%	97.18	97.18	0.0%
Face Value	1	1	0.0%	1	0.0%	1	1	0.0%

Source: Company, Way2wealth

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Segmental Highlights

(₹ Cr)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Revenue from Operations	2,648.3	2,634.6	0.5%	2,497.5	6.0%	10,723.5	9,989.9	7.3%
Home Textile	2,452.6	2,421.7	1.3%	2,281.8	7.5%	9,834.4	9,063.0	8.5%
% Mix	92.6%	91.9%		91.4%		91.7%	90.7%	
Flooring	195.8	212.9	-8.1%	215.7	-9.3%	889.0	926.9	-4.1%
% Mix	7.4%	8.1%		8.6%		8.3%	9.3%	
Less: Inter Segment Revenues	2.4	59.4	-95.9%	7.9	-69.4%	178.5	310.7	-42.6%
Total Segment Revenue	2,645.9	2,575.2	2.7%	2,489.6		10,545.0	9,679.3	8.9%
						-	-	
PROFIT								
Profit/Loss Before Dep, Interest and Tax	318.1	400.1	-20.5%	318.5	-0.1%	1,450.7	1,514.5	-4.2%
Margin %	12.0%	15.2%		12.8%		13.5%	15.2%	
Home Textile	281.3	364.0	-22.7%	286.4	-1.8%	1,290.3	1,382.7	-6.7%
Margin %	11.5%	15.0%		12.5%		13.1%	15.3%	
Flooring	13.9	18.2	-23.8%	16.9	-17.8%	73.7	76.6	-3.7%
Margin %	7.1%	8.6%		7.8%		8.3%	8.3%	
Add: Un- allocable Income net of Un-allocable Expenses	22.90	17.89	28.0%	15.29		86.6	55.3	56.7%
Margin %	7.2%	4.5%		4.8%		6.0%	3.7%	
Net Profit/Loss Before Int, Dep & Tax	318.1	400.1	-20.5%	318.5	-0.1%	1,450.7	1,514.5	-4.2%
Profit before Tax	168.1	252.1	-33.3%	158.4	6.1%	859.7	966.9	-11.1%
Margin %	6.3%	9.6%		6.3%		8.0%	9.7%	
Home Textile	159.8	246.7	-35.2%	160.7	-0.5%	812.8	932.8	-12.9%
Margin %	6.5%	10.2%		7.0%		8.3%	10.3%	
Flooring	(14.7)	(12.4)	18.0%	(17.6)	-16.7%	(39.7)	(21.4)	85.7%
Margin %	-7.5%	-5.8%		-8.2%		-4.5%	-2.3%	
Add: Un- allocable Income net of Un-allocable Expenses	22.90	17.89	28.0%	15.29		86.6	55.5	56.1%
Margin %	13.6%	7.1%		9.7%		10.1%	5.7%	
Net Profit/Loss Before Tax	168.1	252.1	-33.3%	158.4	6.1%	859.7	966.9	-11.1%

Source: Company, Way2wealth

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Disclosure of Interest Statement Welspun Living Ltd. as on June 4th, 2024

Name of the Security	Welspun Living Ltd
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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