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# WELSPUN LIVING LIMITED

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Equity Analysis (02 December 2025)



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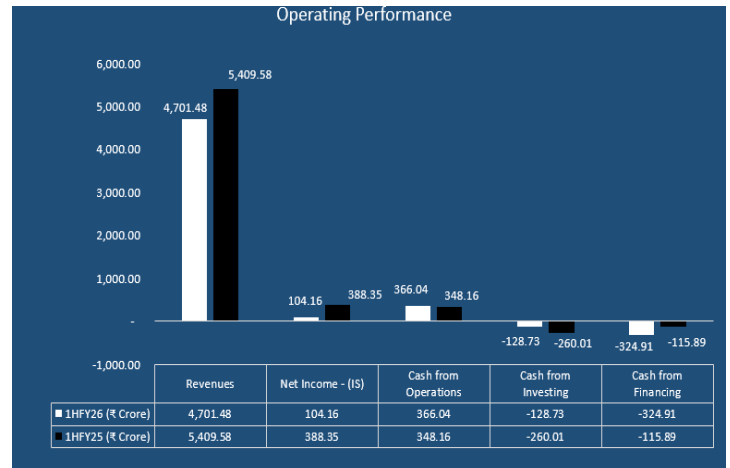
## Introduction

Welspun Living Limited manufactures and sells home textile products in India and internationally. It operates through two segments, Home Textiles and Flooring. The company offers bedding solutions, including utility and fashion bedding, and bed sheet products; and spunlace, needle punch, and wet wipes. Welspun Living Limited was incorporated in 1985 and is headquartered in Mumbai, India. Welspun Living Limited is a subsidiary of Welspun Group Master Trust.

Recommendation	Watch	
Risk Profile	Low	
Current Market Price (₹)	136.38	
52 Week Low-High (₹)	104.80 - 180.70	
Market Capitalization (₹)	135.70 billion	
Outstanding Shares	955.65 million	
PE (TTM)	38.27	
EPS (₹) (TTM)	3.71	
Dividend Yield	1.18% (Annual)	
Ex-Date/Pay-Date	Jun 27, 2025/ Oct 08, 2025	
Enterprise Value (EV)/Sales (LTM)/(FY-1)	1.6x	1.5x
EV/EBITDA (LTM)/(FY-1)	15.9x	14.2x
Price/Book Value (LTM)/(FY-1)	2.8x	-



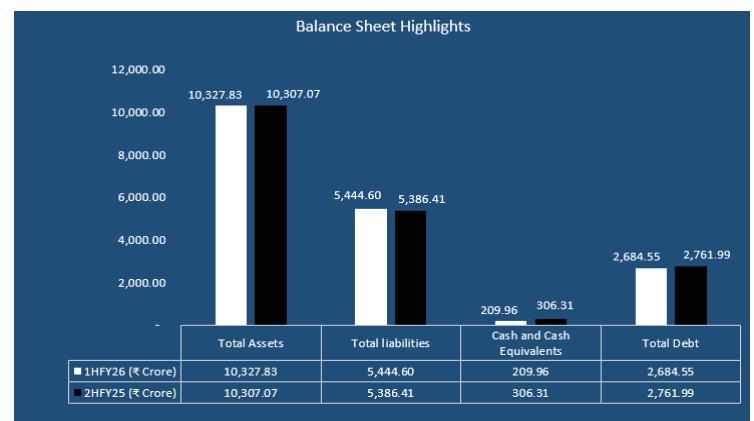
## Operating Performance



Source: Company Reports, Chart Prepared by Kaproots Global

- The total revenue of the company in 1HFY26 was ₹4,701.48 crore compared to ₹5,409.58 crore in 1HFY25.
- In 1HFY26, the company's net income was ₹104.16 crore against ₹388.35 crore in 1HFY25.
- Cash generated from operating activities was ₹366.04 crore in 1HFY26 compared to ₹348.16 crore in 1HFY25.
- Cash used in investing activities was ₹128.73 crore in 1HFY26 compared with ₹260.01 crore in 1HFY25.
- Cash used in financing activities was ₹324.91 crore in 1HFY26 compared to ₹115.89 crore in 1HFY25.

## Balance Sheet Highlights



Source: Company Reports, Chart Prepared by Kaproots Global

### Compared to 2HFY25, in 1HFY26:

- Total assets increased to ₹10,327.83 crore in 1HFY26.
- Total liabilities increased to ₹5,444.60 crore in 1HFY26.
- Cash and Cash Equivalents decreased to ₹209.96 crore in 1HFY26.
- Total debt decreased to ₹2,684.55 crore in 1HFY26.

### Ratio Analysis

Fiscal Quarters	2Q FY2025	3Q FY2025	4Q FY2025	1Q FY2026	2Q FY2026
Return on Assets (ROA) %	-	-	-	-	-
Return On Equity %	17.47%	10.56%	11.10%	7.26%	1.21%
Return on Total Capital (ROTC) %	9.03%	6.08%	7.12%	4.48%	1.89%
EBITDA Margin %	12.64%	11.20%	11.44%	10.21%	6.23%
Gross Profit Margin %	44.55%	46.92%	47.04%	47.66%	43.99%
Net Income Margin %	7.00%	4.85%	4.98%	3.87%	0.53%
Asset Turnover	-	-	-	-	-
Days Outstanding Inventory (Avg)	-	-	-	-	-
Current Ratio	1.5	-	1.7	-	1.6
Days Sales Outstanding (Average Receivables)	-	-	-	-	-
Days Payable Outstanding (Avg)	-	-	-	-	-
Cash Conversion Cycle (Average Days)	-	-	-	-	-

Source: Koyfin, Chart Prepared by Kaproots Global

### Key Business Highlights

- The Welspun brand maintained its strong presence, supporting deeper household penetration and customer engagement.
- Net debt improved to ₹1,570 crore from ₹1,832 crore last year, highlighting continued progress in balance sheet strengthening.
- Global brands contributed around 13% of revenues, while emerging businesses accounted for nearly 30%, enhancing portfolio diversification.
- Capex of ₹87 crore was incurred during the quarter to support operational upgrades and long-term competitiveness.
- The company secured multiple workplace and innovation awards, reinforcing its focus on culture and digital excellence.

### Outlook

Welspun Living enters the coming quarters with a strategic focus on stability, efficiency, and market positioning as global tariff-related uncertainties gradually ease. Management expects the current phase of export-driven pressure to be temporary, supported by structural shifts that could eventually favor Indian sourcing. Domestically, rising consumption trends and GST rationalization are expected to create firmer ground for demand recovery across key product categories. The company's emphasis on operational discipline, margin repair, and prudent capital allocation is likely to support gradual financial improvement as conditions normalize. Additionally, the advancement of trade agreements such as the India-UK FTA may open new pathways for expansion in premium international markets. Innovation-led product development, greater brand visibility, and continued customer-centricity are also positioned to strengthen competitive advantage. With improved debt levels and a diversified portfolio, Welspun Living is preparing to capture opportunities emerging from supply-chain realignment and shifting global buying patterns, building a foundation for a steadier growth trajectory.

### Risks

Welspun Living faces near-term risks arising from global tariff uncertainty, which continues to weigh on export competitiveness and margin recovery. Prolonged pressure in key international markets may delay volume stabilization, while cost inflation and currency fluctuations could further strain profitability. The flooring segment's muted performance also poses execution challenges until demand normalizes.

Technical Analysis



Source: TradingView, Analysis by Kaproots Global

Company Name	Ticker	Sector	CMP (₹)	Advisory Date	Rating	Target 1 (₹)	Target 2 (₹)	Stop Loss (₹)
Welspun Living Limited	WELSPUNLIV	Consumer Discretionary	136.38	02 December 2025	Watch	-	-	-

The stock of textile company, WELSPUNLIV, settled at ₹136.38 on 02 December 2025, after a loss of nearly 4% from the previous day's closing. It is currently trading between its 52-week price levels.

The stock is trading above the significant exponential moving averages (EMAs) of 20, 50, and 200 weeks on a weekly time frame, indicating bullishness for the midterm.

The stock is trading above its pivot support S1 (₹115.31), holding a flat momentum on a weekly time frame chart.

RSI (14 weeks) is nearly at 54, holding a flat momentum in the index.

**Welspun Living shows signs of short-term weakness, but the broader picture remains constructive. A sustained move above the ₹143.00–₹145.00 zone would signal renewed upward momentum and could open the door to a favorable buying opportunity. Until then, it remains a stock to watch closely for confirmation of trend continuation.**

**Based on these facts, we are currently giving "watch" recommendation to this stock.**

## Investment Summary

Welspun Living's Q2 FY26 performance reflects a transitional period marked by macro headwinds and sector-wide volatility, yet the company's strategic fundamentals remain intact. Revenue softness and margin moderation were largely driven by global tariff disruptions, though the business continues to benefit from strong brand equity and an expanding domestic footprint. The meaningful reduction in net debt demonstrates management's focused approach to balance sheet resilience, which strengthens the company's financial flexibility ahead of the next growth phase.

Emerging businesses and global brands contribute significantly to revenue diversification, reducing dependence on any single category or market. Continued investments in capacity, digital capabilities, and product innovation are setting the foundation for long-term operational leverage. While short-term profitability is likely to remain subdued, stabilisation in external conditions and progress on trade agreements could improve export momentum. For long-horizon investors, Welspun Living represents a business with strong industry positioning, disciplined execution, and potential upside as international demand recovers and domestic momentum accelerates.

Considering all the above factors and the current trading level, we recommend a "Watch" rating on the stock at the current market price of ₹136.38 as of 02 December 2025.

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*Disclosure: The information mentioned above has been sourced from the company reports and a third-party database, i.e. Koyfin. Investors are advised to use strict stop-loss to protect their investments in case of any unfavorable/uncertain market events.*