

Q1 FY2016 Revenues up 25% to Rs. 965 Cr Volume growth of 23% on QoQ basis

NCR Region, India, 28 July, 2015: APL Apollo Tubes Limited, India's leading ERW steel tubes manufacturer with an annual capacity to produce 1,050,000 tons having manufacturing facilities in North (Uttar Pradesh), South (Karnataka, Tamil Nadu), and West (Maharashtra), announced its financial results for the first quarter ended 30th June, 2015.

Commenting on the Company's performance for Q1 FY2016, **Mr. Ashok Gupta, Managing Director, APL Apollo** said, "We have had a great first quarter to start the fiscal 2016. Our revenues were up 25% on a sequential quarter basis and all of this was mainly volume driven. We were able to demonstrate our industry leading position by garnering a huge amount of the domestic market and this is visible in our operating metrics. The volume was driven primarily due to increased traction across black pipes, GI pipes and GP pipes while we saw a decline in our contribution from coils and other low value added products."

He also added, "While the EBITDA margins on a reported basis seem to be soft, this has to be seen in the light of the inventory stock losses that we have been absorbing over the last two quarters. The stock loss this quarter was almost Rs. 21 crore and adding back this amount would have resulted in a consolidated EBITDA margin of almost 8.0%. We continue to remain very confident of the growth in the business and believe that margins will inch up in the quarters ahead."

Performance Highlights

Sequential Quarter Review

Q1 FY2016 (April – June 2015) v/s. Q4 FY2015 (January – March 2015)

- Net sales increased by 24.8% to Rs. 965.1 Cr. from Rs. 773.1 Cr.
- EBITDA at Rs. 56.4 Cr. compared to Rs. 35.6 Cr
- Net Profit after Tax at Rs. 21.8 Cr compared to Rs. 6.8 Cr
- Earnings Per Share (after extraordinary items) at Rs. 9.32; an increase of 224%

Corresponding Quarter Review

Q1 FY2016 (April – June 2015) v/s. Q1 FY2015 (April – June 2014)

- Net sales increased by 30.0% to Rs. 965.1 Cr. from Rs. 742.4 Cr.
- EBITDA at Rs. 56.4 Cr.
- Net Profit after Tax at Rs. 21.8 Cr
- Earnings Per Share (after extraordinary items) at Rs. 9.32

Financial Highlights

Profit and Loss account for the quarter and period ended June 30, 2015						
Particulars (Rs. Cr.)	Quarter Ended		QOQ		YOY	Year Ended
	Q1FY16	Q4FY15	Shift (%)	Q1FY15	Shift (%)	FY15
Income from Operations						
Gross Manufacturing Sales	983.2	846.9		831.7		3,346.1
Less: Excise Duty	110.2	76.3		93.3		343.5
Net Manufacturing Sales	873.0	770.6		738.5		3,002.6
Trading Sales	92.1	2.5		4.0		11.1
Total Income from Operations (Net)	965.1	773.1	25%	742.4	30%	3,013.8
Expenses						
(a) Consumption of Raw Materials	756.6	695.3		640.3		2,699.5
(b) Purchase of traded goods	90.1	2.4		3.9		10.9
(c) Changes in inventories/WIP	25.6	-0.6		12.3		-3.9
(d) Employee Benefit Expense	13.8	11.4		8.0		39.2
(e) Depreciation & Amortization	7.3	6.0		4.6		22.0
(f) Other Expenditure	24.1	29.8		28.8		84.9
Total Expenses	917.5	744.3	23%	698.0	31%	2,852.6
EBIT Before Other Income / Exceptional Items	47.6	28.8	65%	44.5	7%	161.2
Other Income	1.6	0.8		1.1		3.0
EBIT Before Exceptional Items	49.1	29.6	66%	45.5	8%	164.2
Finance Costs	16.1	17.3		15.9		66.5
PBT Before Exceptional Items	33.0	12.3	168%	29.7	11%	97.7
Exceptional Item	-	0.1		-		0.1
PBT	33.0	12.3	169%	29.7	11%	97.7
Tax Expense	11.1	5.5	102%	9.8	13%	33.9
PAT	21.8	6.8	224%	19.9	10%	63.8
Paid-up Equity Share Capital (Face Value of Rs.10/each)	23.4	23.4		23.4		23.4
Earnings Per Share						
Basic EPS (Not annualized)	9.3	2.9	224%	8.5	10%	27.2
Diluted EPS (Not annualized)	9.3	2.9	224%	8.5	10%	27.2
Nos. of Shares – Non Promoters	135,06,999	134,85,099		131,85,099		134,85,099
% of Shares – Non Promoters	57.63	57.53		56.25		57.53

Key Financial Ratios

Particulars (%)	Quarter Ended		QOQ		YOY	Year Ended
	Q1FY16	Q4FY15	Shift (%)	Q1FY15	Shift (%)	FY15
EBITDA Margin	5.8	4.6	27%	6.8	-13%	6.2
EBITDA Margin Manufacturing	6.2	4.6	35%	6.8	-8%	6.2
EBITDA Margin Trading	2.1	2.0	3%	2.0	6%	2.1
Profit Before Tax	3.4	1.6	116%	4.0	-15%	3.2
Net Margin	2.3	0.9	159%	2.7	-15%	2.1
Total Expenditure / Total Operating Income	94.3	95.5	-1%	93.4	1%	93.9
Raw Material Cost / Total Operating Income	86.8	85.9	1%	85.9	1%	87.4
Staff Cost / Total Operating Income	1.4	1.5	-3%	1.1	32%	1.3
Other Expenditure / Total Operating Income	2.5	6.5	-62%	6.5	-62%	2.8
Interest & Finance Charges / Sales	1.7	2.2	-25%	2.1	-22%	2.2
Tax Rate	33.8	44.9	-25%	33.1	2%	34.7

Key Financial Ratios (Without Stock Loss)

Particulars (%)	Quarter Ended		QOQ		YOY	Year Ended
	Q1FY16	Q4FY15	Shift (%)	Q1FY15	Shift (%)	FY15
EBITDA Margin	8.0	7.2	12%	6.8	17%	7.7
EBITDA Margin Manufacturing	8.6	7.2	20%	6.9	26%	7.7
EBITDA Margin Trading	2.1	2.0	3%	2.0	6%	2.1
Profit Before Tax	5.6	4.1	35%	4.1	37%	4.8
Profit After Tax	4.4	3.4	30%	2.8	61%	3.6

Sales Volume Break-Up (in '000 MT)

Particulars (MT)	Quarter Ended		QOQ		YOY	Year Ended
	Q1FY16	Q4FY15	Shift (%)	Q1FY15	Shift (%)	FY15
Black Pipe	144	109	33%	101	44%	170
GI Pipe	27	24	15%	21	29%	91
GP Pipe	40	36	13%	38	7%	136
Coils & Others (including scrap)	12	13	-11%	10	21%	59
Total	224	182	23%	169	32%	455

Realizations (after adjusting inter-company)

Particulars (Rs. / Ton)	Quarter Ended		QOQ	Q1FY15	YOY	Year Ended FY15
	Q1FY16	Q4FY15	Shift (%)		Shift (%)	
Black Pipe	37,100	40,200	-8%	41,400	-10%	40,100
GI Pipe	45,300	48,200	-6%	50,400	-10%	50,800
GP Pipe	45,400	48,700	-7%	50,900	-11%	50,700
Coils & Others (including scrap)	24,600	28,600	-14%	28,700	-14%	26,200

Product-wise Revenue Break-up

Particulars (Rs. Cr.)	Quarter Ended		QOQ	Q1FY15	YOY	Year Ended FY15
	Q1FY16	Q4FY15	Shift (%)		Shift (%)	
Black Pipe	535.0	437.7	22%	416.9	28%	679.9
GI Pipe	124.2	115.3	8%	107.3	16%	461.3
GP Pipe	181.7	173.1	5%	191.2	-5%	690.4
Coils & Others (including scrap)	29.5	38.4	-23%	28.4	4%	153.7
Total	870.4	764.6	14%	743.9	17%	1,985.4

Business Mix

Particulars (Rs. Cr.)	Quarter Ended		QOQ	Q1FY15	YOY	Year Ended FY15
	Q1FY16	Q4FY15	Shift (%)		Shift (%)	
Exports	3,057.00	5,457.41	-44%	4,338.96	-30%	195.74
Domestic	95,265.68	79,231.40	20%	70,202.84	36%	2,818.04
Total	98,322.68	84,688.80	16%	74,541.80	32%	3,013.78

Operating Highlights

- During the quarter, the domestic business witnessed a strong momentum to grow by almost 20% on a sequential quarter basis. On a year on year basis, the growth was almost 36%.
- Margins have improved substantially compared to the last quarter but we still are witnessing the effects of the global fall in prices of raw material and this has translated to a stock loss of almost Rs. 21 cr. this quarter.

About APL Apollo Tubes Limited

APL Apollo Tubes Limited (BSE: 533758, NSE: APLAPOLLO) is the largest producer of ERW steel tubes in India with a capacity to produce more than 1,050,000 TPA. The Company has 6 manufacturing facilities in Sikandarabad (Uttar Pradesh), Hosur (Tamil Nadu), Bengaluru (Karnataka), and Murbad (Maharashtra). The Company's key product categories include more than 300 varieties of MS Black pipes, Galvanized Tubes, Pre Galvanized Tubes, and Hollow Sections. Company's key focus is on producing structural ERW steel tubes.

Products manufactured are largely sold in Tier II and Tier III cities of India via 3-tier distribution network comprised of more than 300 dealers. Products are also exported to Europe, US and Australasia regions.

For more information please visit our web site www.aplapollo.com

If you have any questions or require further information, please feel free to contact

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