

FY2015 Revenues up 21% to Rs. 3,014 Cr Declares Dividend of 60%

NCR Region, India, 9 May, 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 fourth quarter and full year ended 31st March, 2015.

Commenting on the Company's performance for Q4 and Full Year ended FY2015, **Mr. Ashok Gupta, Managing Director, APL Apollo** said, "I am happy to announce a 21% growth in the topline for this year on the back of almost a 25% growth in the volume to approximately 7 lakh tonnes. The volume growth was primarily driven by strong demand for Black and Square pipes. We are confident that the increased traction for our various product categories would help us sustain the growth momentum going forward."

He also added, "During this fiscal, the industry was witness to decrease in prices of steel which is our main raw material. While the price decrease continued steadily through the year, we have had to bear the brunt of this inventory carrying cost in the last quarter of this fiscal which has had an impact on our margin. The total inventory loss in this fiscal was Rs. 45 cr. We believe that the prices of steel have bottomed out and see good prospects for the coming year."

Performance Highlights

Corresponding Y-o-Y Review

Q4 FY2015 (January – March 2015) v/s. Q4 FY2014 (January – March 2014)

- Net sales increased by 17.9 % to Rs.773.1Cr. from Rs. 655.7 Cr.
- EBITDA at Rs. 35.6 Cr.
- Net Profit after Tax at Rs. 6.8 Cr
- Earnings Per Share (after extraordinary items) at Rs. 2.9

FY2015 (April – March 2015) v/s. FY2014 (April – March 2014)

- Net sales increased by 20.7% from Rs. 2,497.0 Cr. to Rs. 3,013.8 Cr.
- EBITDA increased from Rs. 166.6 (6.7% of net revenue) to Rs. 186.2 Cr. (6.2% of net revenue)
- Net Profit after Tax increased by 8.1% from Rs. 59.0 Cr. to Rs. 63.8 Cr. (This number would have been higher in case the inventory losses were not there)
- Earnings Per Share (after extraordinary items) was Rs. 27.2 compared to Rs. 25.2; an increase of 8.1%

Financial Highlights

Profit and Loss account for the quarter and financial year ended 2015						
Particulars (Rs. Cr.)	Quarter Ended		YOY	Year Ended		YOY
	Q4FY15	Q4FY14	Shift (%)	FY15	FY14	Shift (%)
Income from Operations						
Gross Sales	849.4	736.4		3,357.2	2,790.0	
Less: Excise Duty	76.3	80.8		343.5	293.1	
Total Income from Operations (Net)	773.1	655.7	17.9	3,013.8	2,497.0	20.7
Expenses						
(a) Consumption of Raw Materials	695.3	601.5		2,699.5	2,240.7	
(b) Purchase of traded goods	2.4	27.1		10.9	42.9	
(c) Changes in inventories/WIP	-0.6	-51.1		-3.9	-52.4	
(d) Employee Benefit Expense	11.4	8.6		39.2	33.6	
(e) Depreciation & Amortization	6.0	3.9		22.0	16.4	
(f) Other Expenditure	29.8	28.3		84.9	67.6	
Total Expenses	744.3	618.3		2,852.6	2,348.8	
EBIT Before Other Income / Exceptional Items	28.8	37.3	-22.8	161.2	148.1	8.8
Other Income	0.8	1.1		3.0	2.0	
EBIT Before Exceptional Items	29.6	38.4	-22.9	164.2	150.2	9.3
Finance Costs	17.3	16.0		66.5	60.9	
PBT Before Exceptional Items	12.3	22.4	-45.2	97.7	89.2	9.5
Exceptional Item	0.1	0.3		0.1	0.3	
PBT	12.3	22.2	-44.7	97.7	89.0	9.8
Tax Expense	5.5	8.0		33.9	30.0	
PAT	6.8	14.2	-52.3	63.8	59.0	8.1
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)	2.9	6.0	-52.3	27.2	25.2	8.1
Diluted EPS (Not annualized)	2.9	6.0		27.2	25.2	
Nos. of Shares – Non Promoters	134,85,099	124,96,683		134,85,099	124,96,683	
% of Shares – Non Promoters	57.53%	53.32%		57.53%	53.32%	

Consolidated Statement of Assets and Liabilities

Particulars (Rs. Cr.)	FY15	FY14
Equity and Liability		
(1) Shareholders' Funds		
(a) Share Capital	23.4	23.4
(b) Reserves and Surplus	448.7	401.8
(2) Minority Interest		
(3) Non - Current Liabilities		
(a) Long-term borrowings	141.7	137.2
(b) Deferred Tax Liabilities	74.5	52.1
(c) Other Long term liabilities	0.1	0.1
(d) Long-term provisions	3.0	2.4
	219.2	191.8
(4) Current liabilities		
(a) Short-term borrowings	292.6	340.3
(b) Trade payables	206.3	124.2
(c) Other current liabilities	63.0	41.1
(d) Short-term provisions	36.9	27.7
	598.7	533.3
TOTAL	1,290.0	1,150.3
Assets		
(1) Goodwill on Consolidation		
	19.9	19.9
(2) Non-current assets		
(a) Fixed assets	595.1	428.0
(b) Non-current investments	19.1	17.6
(c) Net Deferred Tax Assets	-	-
(d) Long-term loans and advances	37.2	44.9
(e) Other non-current assets	11.5	11.7
	662.9	502.2
(3) Current assets		
(a) Inventories	319.6	288.5
(b) Trade receivables	179.5	249.4
(c) Cash and Bank Balances	19.2	10.1
(d) Short-term loans and advances	78.9	68.3
(e) Other current assets	10.0	11.8
TOTAL	1,290.0	1,150.3

Key Financial Ratios

Particulars (%)	Quarter Ended		YOY	Year Ended		YOY
	Q4FY15	Q4FY14	Shift (%)	FY15	FY14	Shift (%)
EBITDA Margin	4.6	6.5	-1.9	6.2	6.7	-0.5
Net Margin	0.9	2.2	-1.3	2.1	2.4	-0.2
Total Expenditure / Total Operating Income	95.5	93.7	1.8	93.9	93.4	0.5
Raw Material Cost / Total Operating Income	86.8	85.9	0.9	87.4	86.1	1.3
Staff Cost / Total Operating Income	1.5	1.3	0.2	1.3	1.3	-0.0
Other Expenditure / Total Operating Income	3.9	6.5	-2.6	2.8	2.7	0.1
Interest & Finance Charges / Sales	2.2	2.4	-0.2	2.2	2.4	-0.2
Tax Rate	44.9	36.2	8.7	34.7	33.7	1.0

Sales Volume Break-Up

Particulars (MT)	Quarter Ended		YOY	Year Ended		YOY
	Q4FY15	Q4FY14	Shift (%)	FY15	FY14	Shift (%)
Black Pipe	44	38	15.5	170	133	27.6
Square Pipe	65	37	75.8	248	191	30.0
GI Pipe	24	21	11.3	91	98	-7.1
GP Pipe	36	40	-10.9	136	102	32.9
Coils & Others (including scrap)	13	8	73.6	59	54	9.1
Total	182	144	26.1	703	577	21.7

Realizations (after adjusting inter-company)

Particulars (Rs. / Ton)	Quarter Ended		YOY	Year Ended		YOY
	Q4FY15	Q4FY14	Shift (%)	FY15	FY14	Shift (%)
Black Pipe	40,000	41,000	-2.4	40,100	41,000	-2.2
Square Pipe	40,500	42,000	-3.6	41,100	41,100	0.0
GI Pipe	48,300	51,200	-5.7	50,800	50,600	0.4
GP Pipe	48,800	51,200	-4.7	50,700	51,300	-1.2
Coils & Others (including scrap)	28,600	29,500	-3.1	26,200	26,500	-1.1

Product-wise Revenue Break-up

Particulars (Rs. Cr.)	Quarter Ended		YOY	Year Ended		YOY
	Q4FY15	Q4FY14	Shift (%)	FY15	FY14	Shift (%)
Black Pipe	175.1	155.7	12.5	679.9	544.9	24.8
Square Pipe	262.6	155.3	69.1	1,019.9	785.0	29.9
GI Pipe	115.3	110.1	4.8	461.3	495.4	-6.9
GP Pipe	173.1	204.4	-15.3	690.4	525.0	31.5
Coils & Others (including scrap)	38.4	22.8	68.3	153.7	142.3	8.0
Total	764.6	648.3	17.9	3,005.3	2,492.6	20.6

Business Mix

Particulars (Rs. Cr.)	Quarter Ended		YOY	Year Ended		YOY
	Q4FY15	Q4FY14	Shift (%)	FY15	FY14	Shift (%)
Exports	54.6	42.4	28.7	195.7	189.4	3.3
Domestic	794.8	694.0	14.5	2,818.0	1,748.2	61.2
Total	849.4	736.4	15.3	3,013.8	1,937.6	55.5

Operating Highlights

- The Company launched colour coated pipes for the first time in India with the setting up of a state-of-the-art manufacturing line in its Murbad plant.
- The Company also launched other innovative products like Single door frame, double door frame, hand rails and window L sections during the year.
- During the quarter, the export business gained momentum with a robust 28.7% growth YoY. The domestic business also witnessed a strong growth of 14.5%.
- Due to volatile prices of raw material and its subsequent inventory effect, we witnessed stress in the margins during the fourth quarter. There has been a big correction in the HR coil prices in the last 6 months, and it seems to have bottomed out.

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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