



APL Apollo Tubes Limited

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FY2019

Highest ever sales volume at 13.4 lakh ton, higher by 19%

Net Revenues increases by 34% to Rs. 7,152 crore

EBITDA at Rs. 405 crore, higher by 7%

New Delhi, May 18, 2019: APL Apollo Tubes Limited (APL Apollo), India's leading branded steel tubes manufacturer, announced its financial results for the quarter and Fiscal Year ended March 31, 2019.

Financial Performance Highlights

Performance Review for Q4 FY19 vs. Q4 FY18

- Sales Volume* improves by 39% to 4.18 lakh tons from 3.00 lakh tons
- Net Revenues increases by 38% to Rs. 2,094 crore compared to Rs. 1,519 crore
- EBITDA at Rs. 141.6 crore compared to Rs. 104.5 crore, higher by 35%
 - EBITDA per ton stood at Rs. 3,384/ ton
- PBT at Rs. 95.4 crore as compared to Rs. 67.0 crore, higher by 42%
- Net Profit after Tax at Rs. 61.7 crore compared to Rs. 42.7 crore, higher by 45%

Performance Review for FY19 vs. FY18

- Sales Volume* improves by 19% to 13.4 lakh tons from 11.3 lakh tons
- Net Revenues increases by 34% to Rs. 7,152.3 crore compared to Rs. 5,334.8 crore
- EBITDA at Rs. 404.6 crore compared to Rs. 379.1 crore

Note:

Net Revenues includes other operating income, which is a part of regular business income

*Excluding Trading & Scrap

*EBITDA with other income

- The profitability during the year was mainly impacted due to an inventory loss of Rs. 41.7 crore in Q3 FY19, caused by a steep fall in steel prices. This, impacted EBITDA and margins performance in FY19
- PBT at Rs. 226.9 crore as compared to Rs. 244.3 crore
- Net Profit after Tax at Rs. 148.3 crore compared to Rs. 158.1 crore
- In FY19, the Board of Directors has recommended a final dividend of Rs. 14 per share (Face Value of Rs. 10 per share)

Sales Volume Break-up

Particulars (Tons)	Q4 FY19	Q4 FY18	Y-o-Y Shift	FY19	FY18	Y-o-Y Shift
Hollow Sections	238,281	164,089	45%	766,214	613,667	25%
Black Round Pipes	63,623	47,420	34%	198,044	164,100	21%
Pre-Galvanized Tubes (GP)	86,273	62,594	38%	282,856	241,188	17%
Galvanized Tubes (GI)	30,178	26,727	13%	92,060	111,350	-17%
Finished products	418,355	300,830	39%	1,339,174	1,130,305	19%

Commenting on the Company's performance for Q4 & FY2019, Mr. Sanjay Gupta, Chairman, APL Apollo, said,

"We have ended the fiscal on a solid footing despite a subdued operating environment. In FY2019, our sales volume saw a strong growth of 19% to 13.4 lac MTPA, while in Q4 FY19, we registered the highest-ever quarterly sales volume of 4.2 lac MTPA. The growth was primarily driven by strong demand recovery and increasing contribution from hollow section pipes, Direct Forming Technology (DFT) pipes and Galvanized Tubes (GI) among others.

Over the past few years, APL Apollo has enhanced its product portfolio making it attuned with the products in demand as well as creating demand in certain product categories. In sync with this, we are focusing towards launching new innovative products like Door and Window Frames, Tricoat pipes and further increasing portfolio of our value-added branded products. We are also working towards bringing

in backward integration of thinner materials, which, we believe, will significantly help improve overall cost savings & operational efficiencies. The backward integration in conjunction with improving contribution from our value-added products, will not only position APL Apollo as a technology-led global steel tubes company, but will also help improve the profitability, going forward.

*I am also happy to share that the Board of Directors have approved the acquisition of a 200,000 MTPA tube manufacturing unit located at Hyderabad, one of the unit of Taurus Value Steel & Pipes, a subsidiary of Shankara Building Products. The plant complements our existing operations in Bengaluru and Hosur and will bolster our manufacturing capacity to 2.3 million MTPA, thereby strengthening APL Apollo's leadership position in the domestic and global markets. Overall, the Company is witnessing a steady revival in volumes across product categories and has sufficient capacities to grow at a 20% CAGR over the next two years. **So, our focus will be more towards improving our cash flows and profitability in the years ahead.***

Key Developments

- **The Board of Directors have approved the acquisition of production unit located at Hyderabad, one of the unit of Taurus Value Steel & Pipes, a subsidiary of Shankara Building Products for a consideration of ~ Rs. 70 crore**
 - The manufacturing unit has a production capacity of ~2,00,000 tons per annum – the facility includes manufacturing lines for GI pipes and GP pipes that are APL Apollo's high margin and value-added product segments
 - Improving portfolio of these products will enable increased revenue and volume contribution of value-added segments while also leading to steady improvement in operating margins
 - The acquisition will enable APL Apollo to add further capacities at attractive valuations, given the strong demand outlook over the next few years
 - Furthermore, Shankara has agreed to purchase 2.5 lakh tonne pipe from the Company in FY2020, which will assist APL Apollo's volumes

- The acquisition has an attractive payback of less than 3 years and the Company anticipates a quick turnaround of the acquired facility in South India

- **Entity belonging to promoter category concludes infusion of Rs. 97 crore in APL Apollo through preferential allotment of equity and convertible warrants**
 - The infusion of Rs. 97 crore by an entity belonging to promoter category in APL Apollo has been concluded through preferential allotment of equity and convertible warrants. The details of the allotment are as follows
 - Allotment of 400,000 Equity shares on preferential basis at Rs. 1,800 per equity share to entity belonging to promoter category
 - Allotment of 500,000 fully convertible warrants of the Company at Rs. 2,000 per warrant to entity belonging to promoter category
 - Post the allotment of Equity shares, the paid up capital of the Company stands Increased from Rs. 23,85,03,810/- (2,38,50,381 Equity Shares of Rs.10/- each) to Rs. 24,25,03,810/- (2,42,50,381 Shares of Rs.10/- each)

About APL Apollo Tubes Limited

APL Apollo Tubes Limited (APL Apollo) *BSE: 533758, NSE: APLAPOLLO+ is one of India's leading branded steel products manufacturers. Headquartered at Delhi NCR, the Company operates 8 manufacturing facilities with a total capacity of 2.1 Million MTPA. It has a PAN-Indian presence with units strategically located in Sikandarabad (4 units), Bangalore, Hosur, Raipur and Murbad. APL Apollo's multi-product offerings include over 1,100 varieties of MS Black pipes, Galvanized Tubes, Pre-Galvanized Tubes, Structural ERW Steel tubes and Hollow Sections.

With state-of-the-art-manufacturing facilities, APL Apollo serves as a 'one-stop shop' for a wide spectrum of steel products, catering to an array of industry applications such as urban infrastructures, housing, irrigation, solar plants, greenhouses and engineering. The Company's vast 3-tier distribution network of over 790 dealers is spread all across India, with warehouses cum- branch offices in over 29 cities

For more information about us, please visit www.aplapollo.com or contact:

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