

FIL/SEC/DT/2018-19/39

11th August, 2018

| | |
|--|--|
| National Stock Exchange of India Limited Manager – Listing Department 5, Exchange Plaza Bandra-Kurla Complex Bandra (East), Mumbai 400051 | BSE Limited Manager – Listing Department Registered Office: Floor 25 P.J.Towers Dalal Street Mumbai 400 001 |
| Scrip Code: Equity: FINPIPE | Scrip Code: Equity: 500940/FINOLEXIND |

Sub: Presentation on Un-audited Financial Results for the quarter ended on June 30, 2018

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

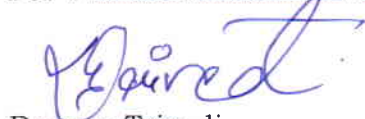
In terms of the subject referred regulation, a presentation on Un-audited Financial Results along with the volume data and earning release of the Company for the quarter ended 30th June, 2018, is enclosed.

You are requested to kindly take the above on your records.

Thanking you,

Yours truly,

For **Finolex Industries Limited**



Devang Trivedi
Company Secretary



Encl.: As above



FINOLEX INDUSTRIES LIMITED

Q1FY19 RESULTS



Q1FY19 – Business Performance Highlights

Revenue

- Q1FY19 revenue registered a y-o-y growth of 13.3 % to Rs. 8,278 mn

Pipes and Fittings volume

- Q1FY19 volume registered a y-o-y growth of 8.6 % to 77,636 MT.

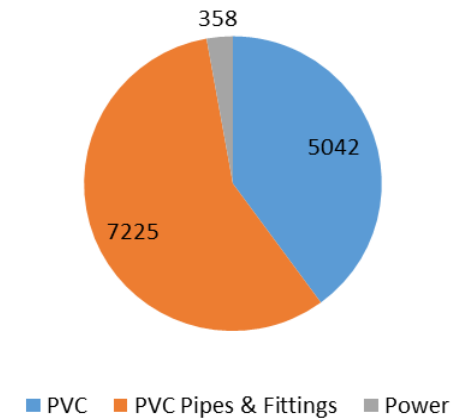
Operating Performance (EBIDTA)

- Q1FY19 EBIDTA grew 48.5% to Rs 1,939 mn as compared to Rs 1,306 mn in Q1FY18.
- Operating margins at 20.8% as compared to 15.5% reflecting a 534 bps growth

Bottomline

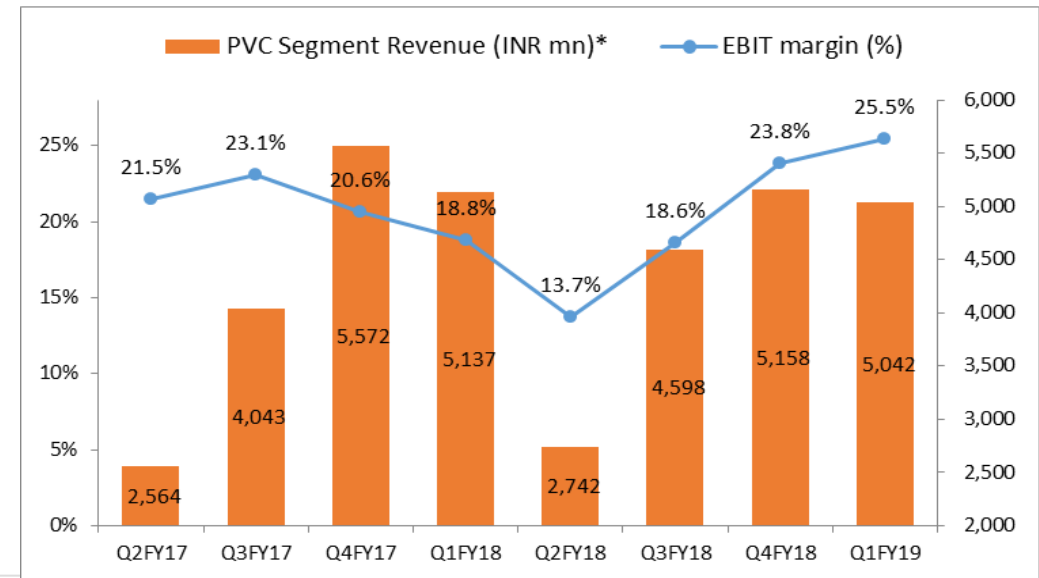
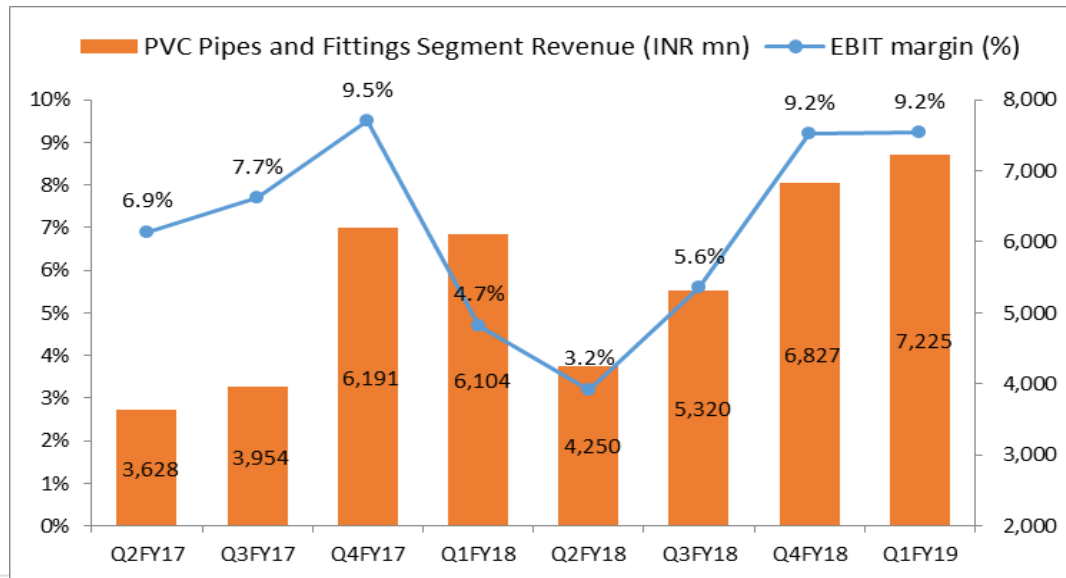
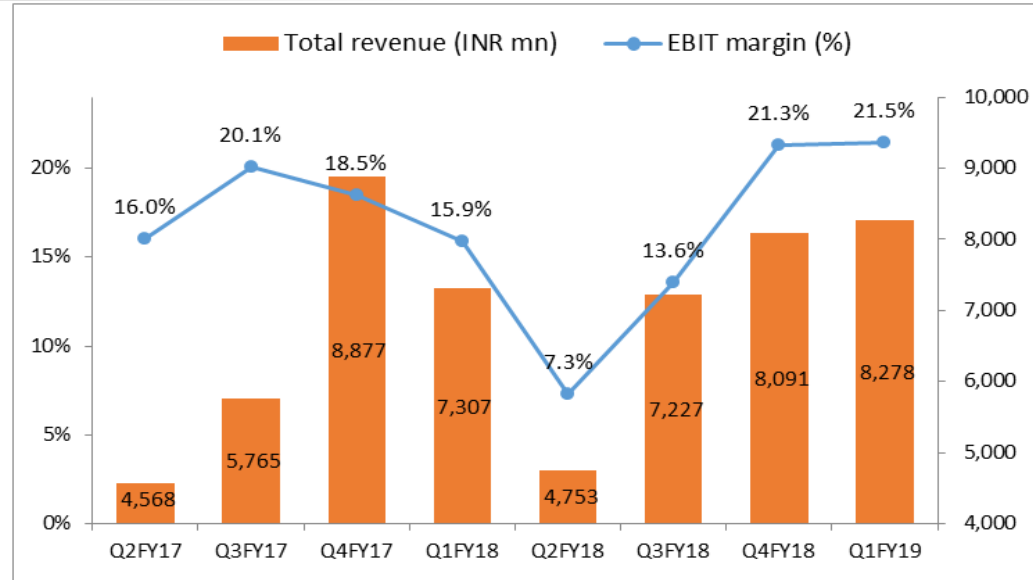
- PAT for Q1FY19 grew 29.4% to Rs 1,033 mn as against Rs 798 mn in Q1FY18

Segment revenue Rs. In mn



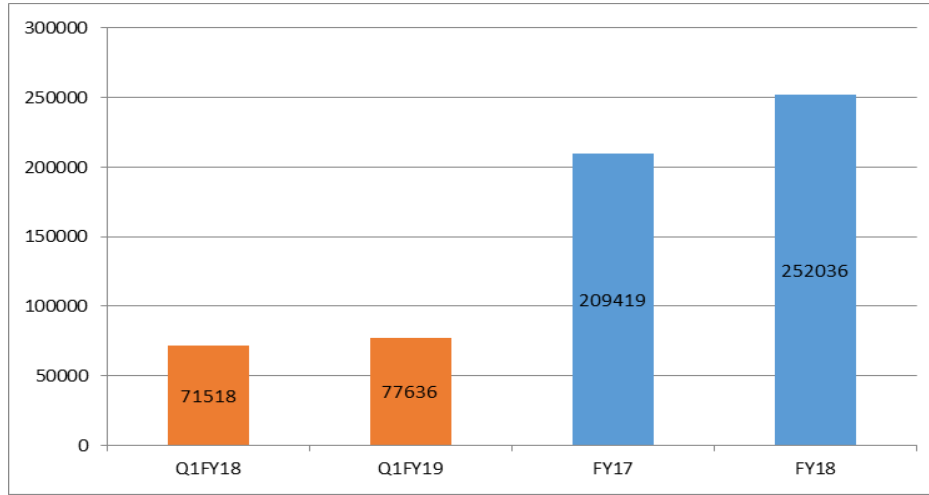
- Both, PVC resin and Pipes and Fittings segments, have performed well during the quarter.
- Derivative claim disclosed as contingent liability as at 31st March 2018 is settled and the expenditure thereon is shown as exceptional item in the results for the quarter. There are no more claims or liabilities on account of derivatives.

Business Performance – Q1FY19

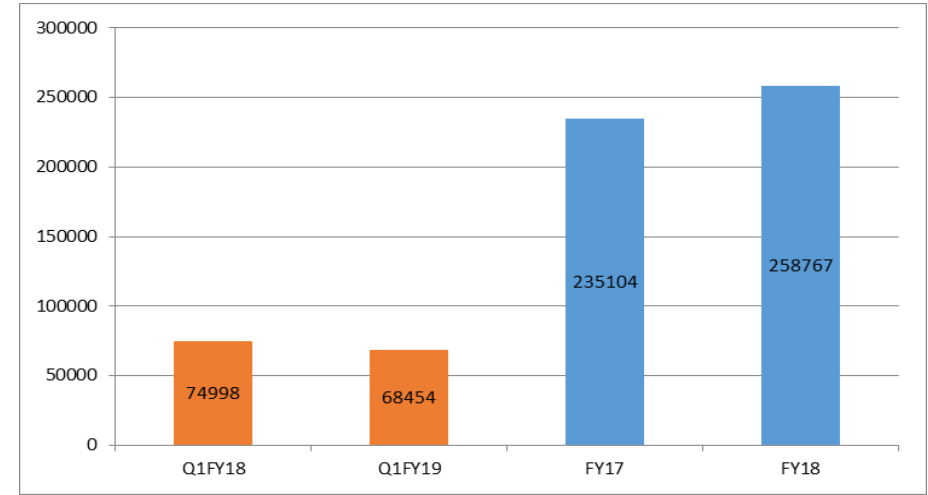


* Including inter segment transfer

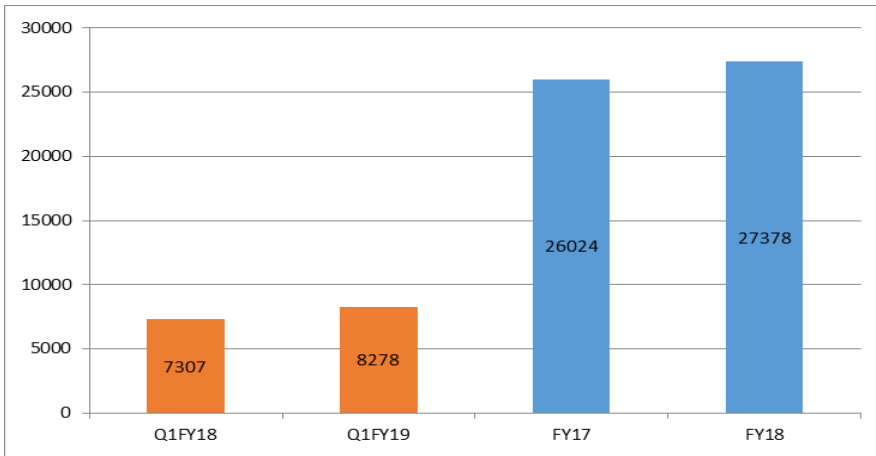
Q1FY19 Results Summary



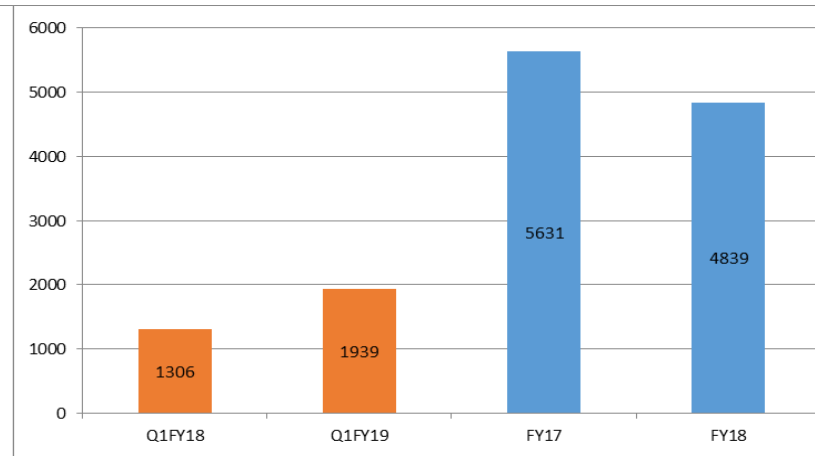
Volumes (MT) Pipes & Fittings



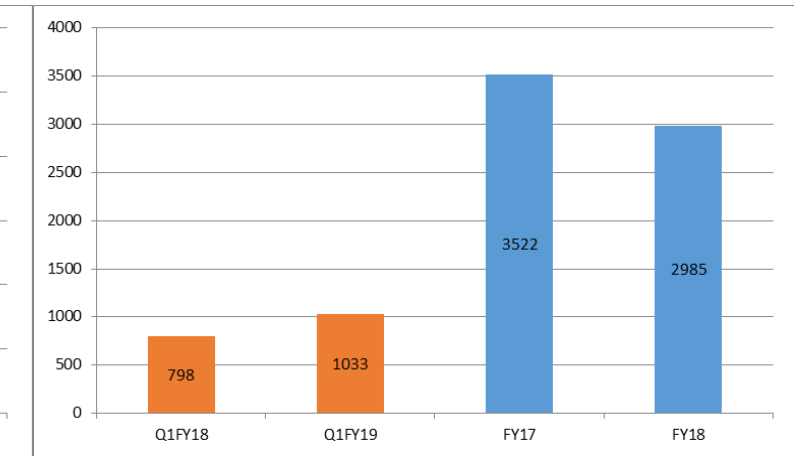
Volumes (MT) PVC Resin *



Revenue (excl. duties and taxes) (INR Mn)



EBITDA (INR Mn)



PAT (INR Mn)

* Including inter segment transfer

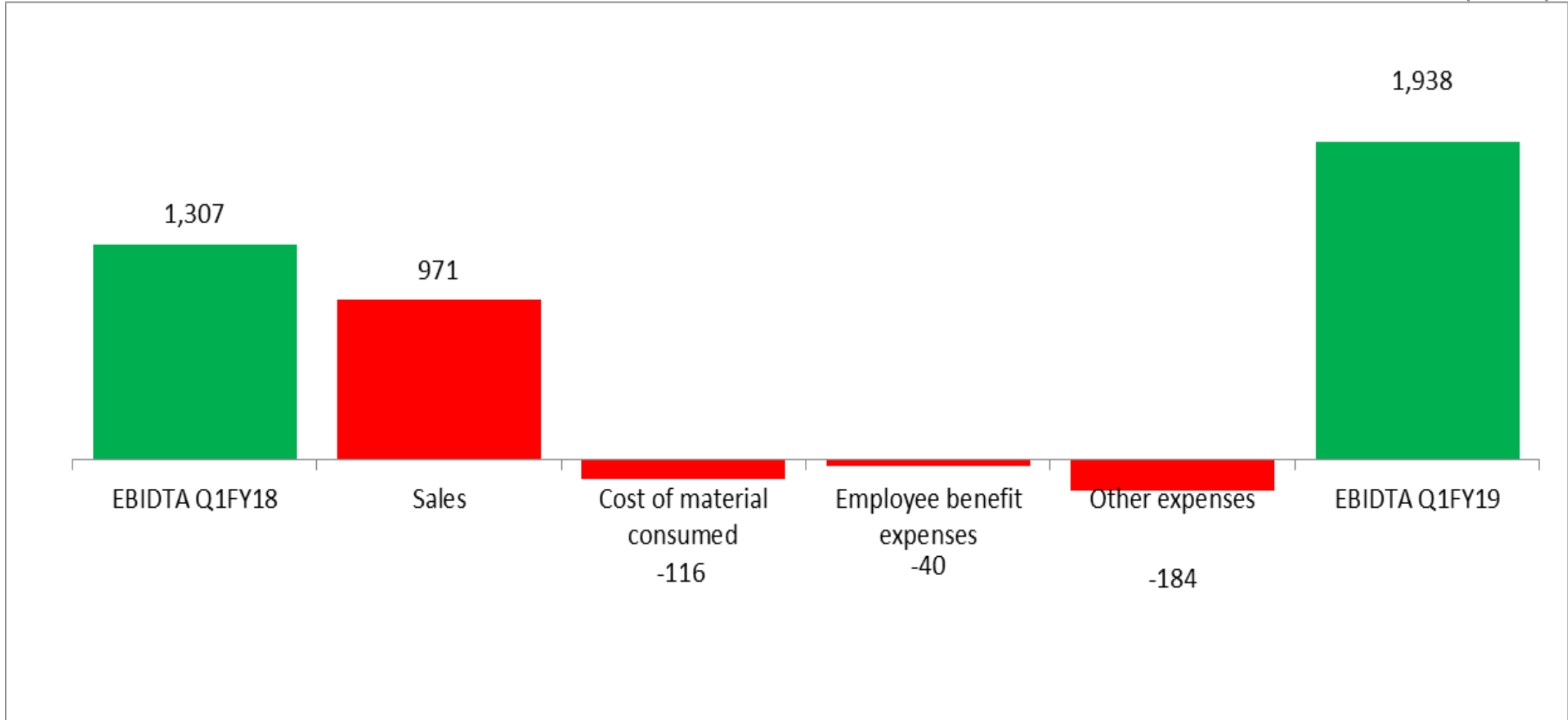
Profit & Loss Account – Q1FY19

| Particulars (INR Mn) | Q1FY19 | Q1FY18 | Inc / Dec (%) |
|--------------------------------|--------|--------|---------------|
| Total Income from operations * | 8,278 | 7,307 | 13.29% |
| EBIDTA | 1,939 | 1,306 | 48.47% |
| EBIDTA margin (%) | 23.4% | 17.9% | |
| Depreciation | 162 | 145 | |
| EBIT | 1,777 | 1,161 | 53.06% |
| EBIT % | 21.5% | 15.9% | |
| Other Income | 137 | 38 | |
| Finance costs | 52 | 30 | |
| PBT before exceptional items | 1,862 | 1,170 | 56.07% |
| PBT % | 22.5% | 16.0% | |
| Exceptional items | 279 | 0 | |
| PBT after exceptional items | 1,583 | 1,170 | 35.30% |
| Tax | 550 | 372 | |
| PAT | 1,033 | 798 | 29.45% |
| PAT % | 12.5% | 10.9% | |

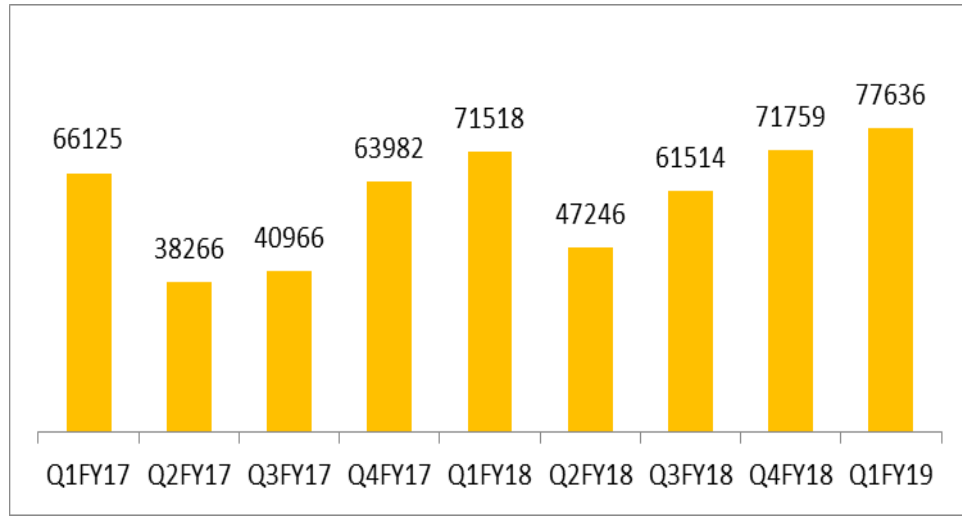
* excluding duties and taxes

EBITDA Bridge Chart Q1FY19

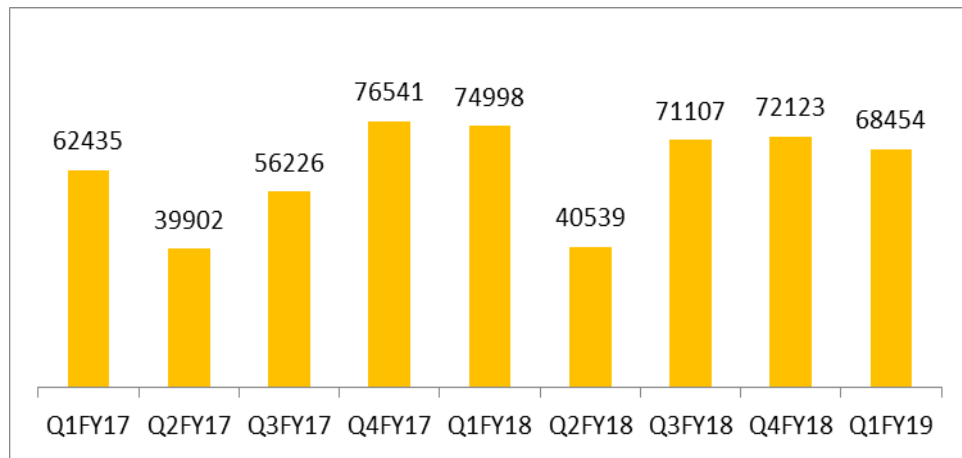
(INR Mn)



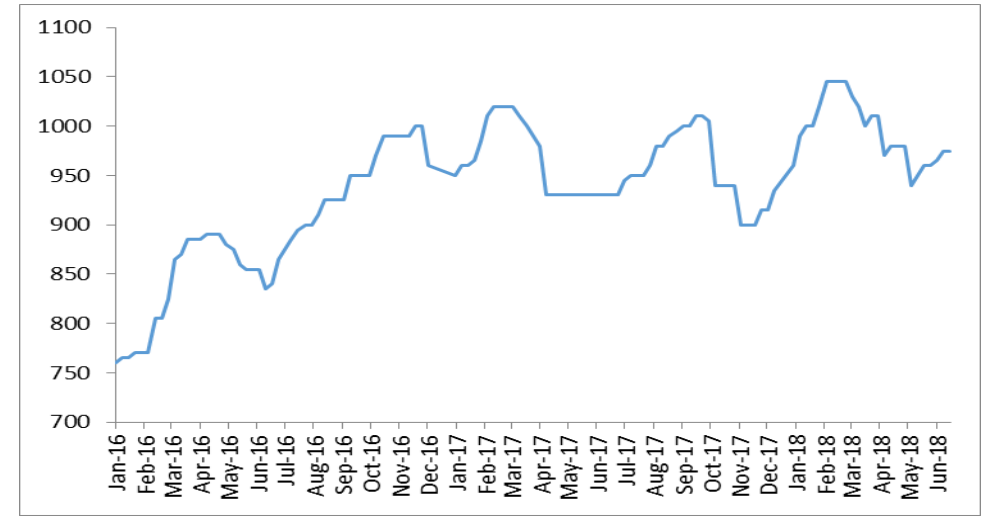
Business Performance Trends



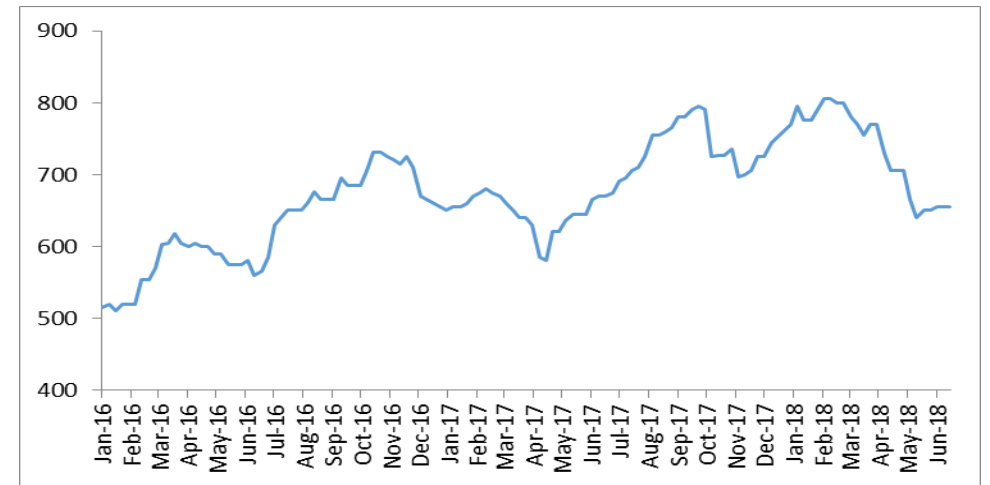
Pipes & Fittings Volumes (MT)



PVC Volumes (MT)



PVC (USD/MT)



PVC/EDC Delta (USD/MT)

Quarterly - Profit & Loss

| Particulars (INR Mn) | Q1FY17 | Q2FY17 | Q3FY17 | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total income from operations * | 6,728 | 4,568 | 5,765 | 8,877 | 7,307 | 4,753 | 7,227 | 8,091 | 8,278 |
| EBIDTA | 1,592 | 870 | 1,296 | 1,785 | 1,306 | 496 | 1,133 | 1,879 | 1,939 |
| <i>EBIDTA margins (%)</i> | <i>23.7%</i> | <i>19.0%</i> | <i>22.5%</i> | <i>20.1%</i> | <i>17.9%</i> | <i>10.4%</i> | <i>15.7%</i> | <i>23.2%</i> | <i>23.4%</i> |
| Depreciation | 133 | 139 | 140 | 139 | 145 | 151 | 154 | 156 | 162 |
| Other Income | 32 | 89 | 29 | 94 | 38 | 109 | 103 | 28 | 137 |
| Finance costs | 50 | 33 | 59 | 11 | 30 | 38 | (4) | 34 | 52 |
| PBT before exceptional items | 1,441 | 788 | 1,126 | 1,729 | 1,170 | 416 | 1,086 | 1,717 | 1,862 |
| <i>PBT margins (%)</i> | <i>21.4%</i> | <i>17.3%</i> | <i>19.5%</i> | <i>19.5%</i> | <i>16.0%</i> | <i>8.8%</i> | <i>15.0%</i> | <i>21.2%</i> | <i>22.5%</i> |
| Exceptional items | - | - | - | - | - | - | - | - | 279 |
| PBT after exceptional items | 1,441 | 788 | 1,126 | 1,729 | 1,170 | 416 | 1,086 | 1,717 | 1,583 |
| Tax | 461 | 275 | 407 | 496 | 372 | 133 | 390 | 508 | 550 |
| PAT | 980 | 513 | 719 | 1,233 | 798 | 283 | 695 | 1,209 | 1,033 |
| EPS | 7.9 | 4.1 | 5.8 | 9.9 | 6.4 | 2.3 | 5.6 | 9.8 | 8.3 |

* excluding duties and taxes

Quarterly segmental - Profit & Loss

| Particulars (INR Mn) | Q1FY17 | Q2FY17 | Q3FY17 | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|
| Segmental revenues * | | | | | | | | | |
| PVC | 4,048 | 2,564 | 4,043 | 5,572 | 5,137 | 2,742 | 4,598 | 5,158 | 5,042 |
| PVC pipes & fittings | 5,829 | 3,628 | 3,954 | 6,191 | 6,104 | 4,250 | 5,320 | 6,827 | 7,225 |
| Power | 388 | 321 | 378 | 361 | 382 | 259 | 377 | 405 | 358 |
| Segmental profits | | | | | | | | | |
| PVC | 890 | 552 | 933 | 1,147 | 965 | 376 | 853 | 1,229 | 1,283 |
| % of Revenues | 22.0% | 21.5% | 23.1% | 20.6% | 18.8% | 13.7% | 18.6% | 23.8% | 25.5% |
| PVC pipes & fittings | 568 | 252 | 303 | 590 | 286 | 135 | 297 | 628 | 666 |
| % of Revenues | 9.7% | 6.9% | 7.7% | 9.5% | 4.7% | 3.2% | 5.6% | 9.2% | 9.2% |
| Power | 129 | 58 | 86 | 56 | 50 | (7) | 22 | 14 | (4) |
| % of Revenues | 33.3% | 18.1% | 22.8% | 15.5% | 13.1% | (2.7%) | 5.8% | 3.5% | (1.1%) |
| Capital employed | | | | | | | | | |
| PVC | 5,214 | 5,056 | 6,354 | 5,623 | 5,660 | 4,007 | 3,858 | 5,239 | 5,500 |
| PVC pipes & fittings | 5,210 | 5,218 | 5,860 | 5,683 | 5,449 | 5,939 | 5,946 | 6,690 | 6,927 |
| Power | 2,674 | 2,374 | 2,375 | 2,170 | 2,328 | 2,138 | 2,124 | 2,161 | 2,365 |

*excluding duties and taxes

Profit & Loss - Key Indicators

| Profit & loss account (INR Mn) | FY13 | FY14 | FY15 | FY16* | FY17* | FY18* |
|--|---------------|---------------|--------------|---------------|---------------|---------------|
| Revenue from Operations (excl. excise duty) | 21,448 | 24,531 | 24,762 | 24,819 | 26,024 | 27,378 |
| Growth in sales (YoY %) | 2.15% | 14.37% | 0.94% | 0.23% | 4.85% | 5.20% |
| EBIDTA before exceptional items | 3,587 | 3,966 | 2,111 | 4,044 | 5,630 | 4,839 |
| EBIDTA margins before exceptional items (%) | 16.72% | 16.17% | 8.53% | 16.29% | 21.63% | 17.67% |
| EBIDTA after exceptional items | 2,626 | 3,268 | 1,896 | 4,289 | 5,630 | 4,839 |
| PBT | 1,902 | 2,419 | 808 | 3,733 | 5,170 | 4,388 |
| PBT Margin (%) | 8.87% | 9.86% | 3.26% | 15.04% | 19.87% | 16.03% |
| PAT | 1,361 | 1,701 | 478 | 2,544 | 3,522 | 2,985 |
| PAT Margin (%) | 6.35% | 6.93% | 1.93% | 10.25% | 13.53% | 10.90% |

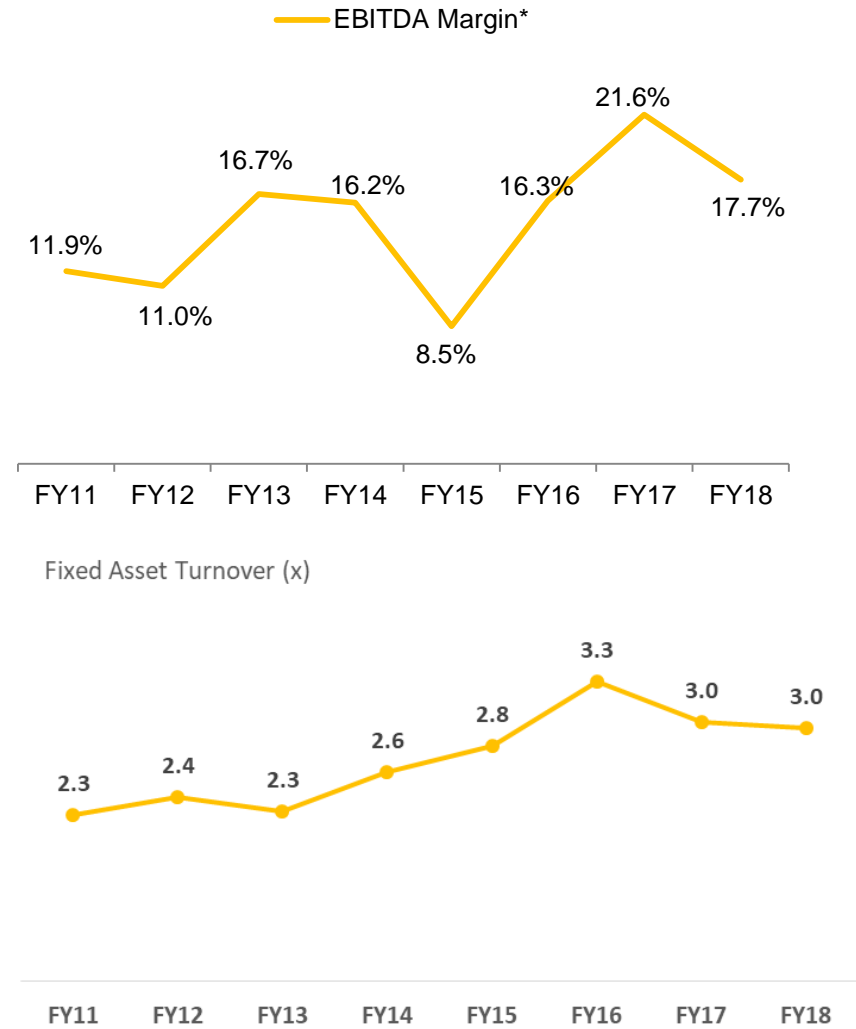
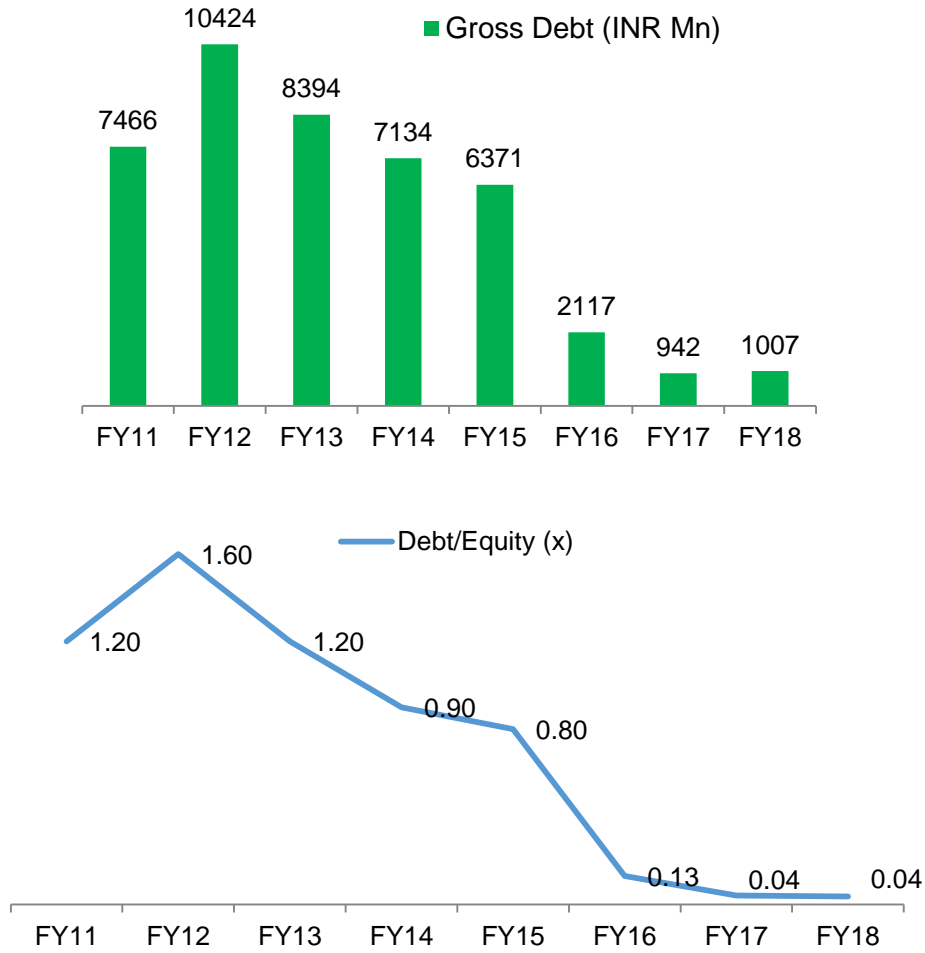
*Figures as per IndAS

Balance sheet - Key Indicators

| Balance Sheet (INR Mn) | FY12 | FY13 | FY14 | FY15 | FY16* | FY17* | FY18* |
|---|---------------|--------------|--------------|--------------|--------------|------------|--------------|
| Equity and liabilities | | | | | | | |
| Share capital | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 | 1,241 |
| Reserves and surplus | 5,381 | 5,971 | 6,656 | 6,633 | 14,458 | 21,673 | 26,405 |
| Long term borrowings | 1,896 | 1,397 | 2,322 | 1,837 | - | - | - |
| Short term borrowings (incl. loans repayable in one year) | 8,528 | 6,997 | 4,812 | 4,534 | 1,117 | 942 | 1,007 |
| Total borrowings | 10,424 | 8,394 | 7,134 | 6,371 | 1,117 | 942 | 1,007 |
| Assets | | | | | | | |
| Fixed assets (Net block) | 7,840 | 8,795 | 9,052 | 8,678 | 8,496 | 8,551 | 8,842 |
| Capital WIP | 854 | 506 | 325 | 104 | 66 | 217 | 903 |
| Non current investments | 1,221 | 1,274 | 1,274 | 1,246 | 6,485 | 11,656 | 14,896 |
| Current investments | 3,711 | 2,322 | 941 | 551 | 1,687 | 566 | 656 |

*Figures as per IndAS

Trend in Key Ratios



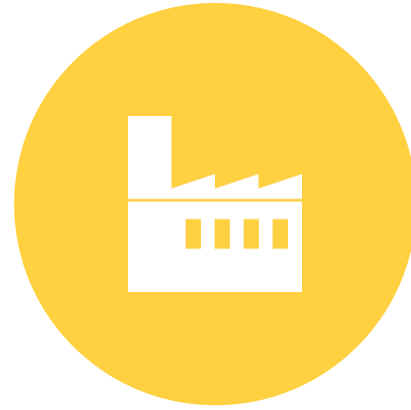
*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

Key Strategies



EXPANDING FOOTPRINT

Expand distribution network in all geographies with higher focus in the northern and eastern regions



CAPACITY EXPANSION

Increase installed capacities of PVC pipes and fittings in order to capture expected increase in demand.



CASH-N-CARRY

Follow Cash-n-carry model to keep the balance sheet light.



BRANDING

Promote brand and quality consciousness amongst consumer.



Total allocation for Rural, Agriculture sector is Rs.14.34 lakh crore. Institutional credit for agriculture sector raised to Rs. 11 lakh crore for 2018-19

Scope of Long Term Irrigation Fund to be expanded to cover specified command area development projects

Govt. to set up Agri-Market Infrastructure Fund with a corpus of Rs. 2,000 crore for developing and upgrading agricultural marketing infrastructure.



Under the Pradhan Mantri Krishi Sinchai Yojana, 48 AIBP priority projects of Rs. 15,000 crore to be completed by December 2019

The Government to undertake utilization of irrigation potential of 15 lakh hectares (har khet ko pani) project amounting to Rs. 2,300 crores

Irrigation projects of Rs. 4,000 crore covering 17.2 lakh hectares to be implemented.

Government has approved a corpus of Rs. 5,000 crore for setting up a dedicated micro irrigation fund (MIF) under NABARD.



Niti Ayog, in consultation with Central and State Governments, will put in place a fool proof mechanism so that farmers to get adequate price for their produce

Government plans to upgrade existing 22,000 rural 'Haats' into Gramin Agriculture Markets which will be connected with e-NAM (National Agriculture Market) by 2020

Government announced higher minimum prices for 14 crops setting each of them at a minimum 1.5 times the cost of cultivation during the year



Extend facility of Kisan Credit cards to farmers to help them meet their working capital needs. Small and marginal farmers to benefit

Union Government to publish revised guidelines for Pradhan Mantri Fasal Bima Yojana to plug in gaps in order to enhance its viability

Government's initiative to fast track crop insurance scheme and raise coverage under the scheme to 50% of the gross cropped area in FY19

Opportunities - Non - Agriculture sector i.e. housing and infrastructure ... also continues to be thrust area



Under the Prime Minister Awas Scheme it is proposed to complete construction of one crore houses by 2019 in the rural areas.

In urban areas 37 lakh houses has been sanctioned for construction. A dedicated Affordable Housing Fund in NHB to be established.

Smart Cities Mission to build 100 smart cities with state-of-art amenities and the AMRUT program to provide water supply to all households in 500 cities.

Total investment of Rs. 2,03,979 crore has been proposed for the smart city plans in 2017-18.

As on Feb'18, 2,993 projects worth Rs.1,38,534 crore are in various stages of implementation.



During the year, the Company tied-up with the American company Lubrizol Corporation, inventors and the largest manufacturers of the CPVC compound worldwide. The tie-up will strengthen the Company's track record of providing superior products for the domestic market. The products have been highly appreciated and has brought renewed interest among the existing and new dealers.



Swachh Bharat Mission (Gramin) has benefited all. Sanitation coverage in rural India has increased and government is focused on covering a wider area.

In 2017-18, Out of the target of 66,42,221 Individual Household Toilets (IHLs), 43,22,776 units have been constructed.

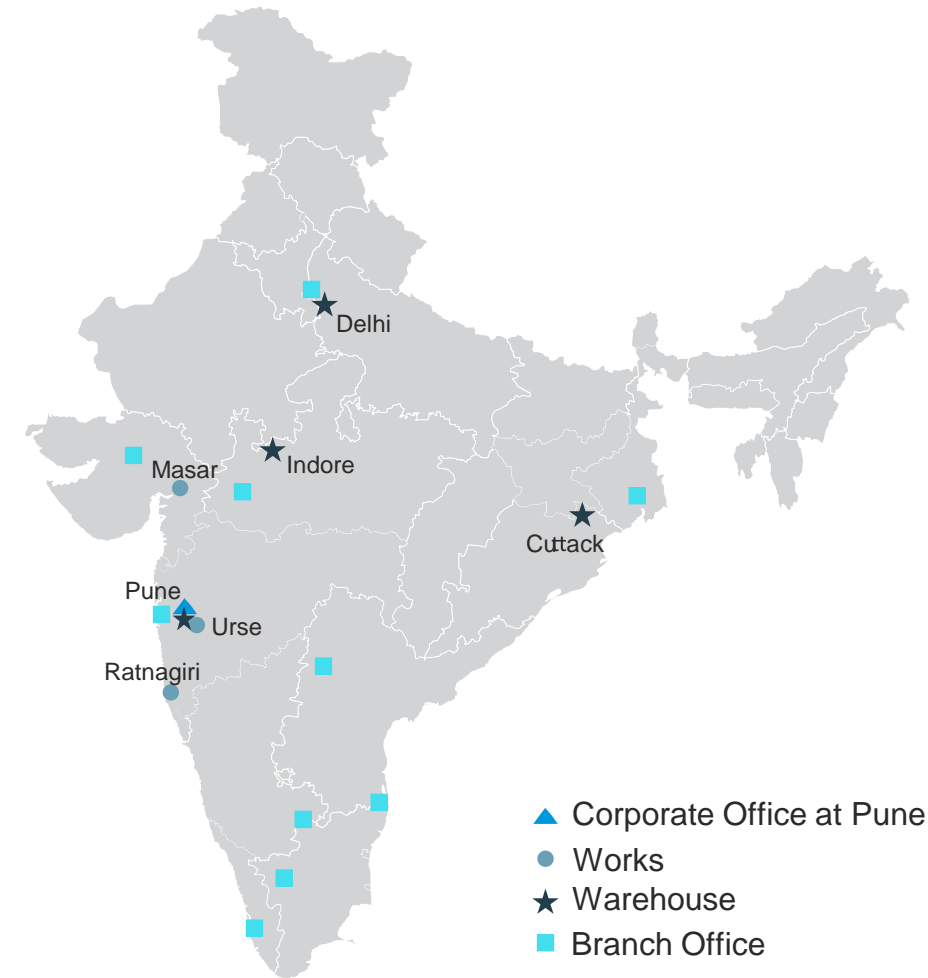
Out of the target of 5,07,750 Community/Public Toilet (CT/PT) seats, 2,70,360 have been constructed.

Distribution reach

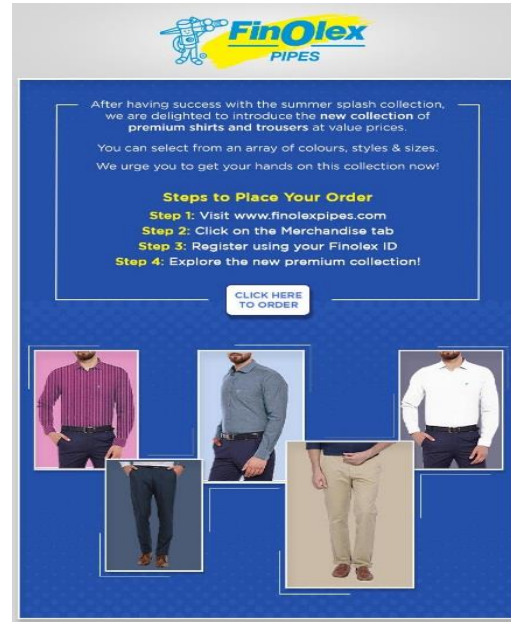
- FIL is on track in terms of expanding its scale of operations by increasing production capacity and distribution reach
- Wide network of 18,000 retail touch points




Offices, Works and Warehouses



Branding & advertisements in Q1FY19 – some snapshots




After having success with the summer splash collection, we are delighted to introduce the new collection of premium shirts and trousers at value prices. You can select from an array of colours, styles & sizes. We urge you to get your hands on this collection now!

Steps to Place Your Order

Step 1: Visit www.finolexpipes.com
 Step 2: Click on the Merchandise tab
 Step 3: Register using your Finolex ID
 Step 4: Explore the new premium collection!

[CLICK HERE TO ORDER](#)




More than 300 top MEP Consultants, Builders, Architects and Dealers with their families/ friends were invited to witness IPL matches across 9 cities as an association building initiative.

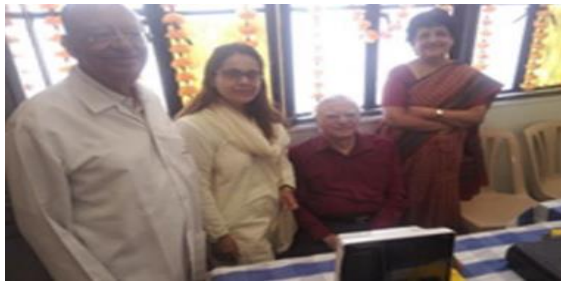
Distribution of an unique gift as desk souvenir on 5th June 2018 - World Environment Day - a sapling planted in Finolex Flowtrap (fittings SKU) to 300 builders and MEP consultants across Mumbai and Pune

Launch of Premium Shirts and Trousers on Finolex Pipes Website Merchandise store

Finolex Pipes organized Product Demo, technical presentation, Urse plant visit followed by Live IPL match viewing in Pune for 100+ MEP consultants from across India as an association building initiative

Finolex Pipes won the Best Stall Award at 24th Indian Plumbing Conference, Goa held on 27th and 28th April 2018

CSR activities in Q1FY19 – some snapshots



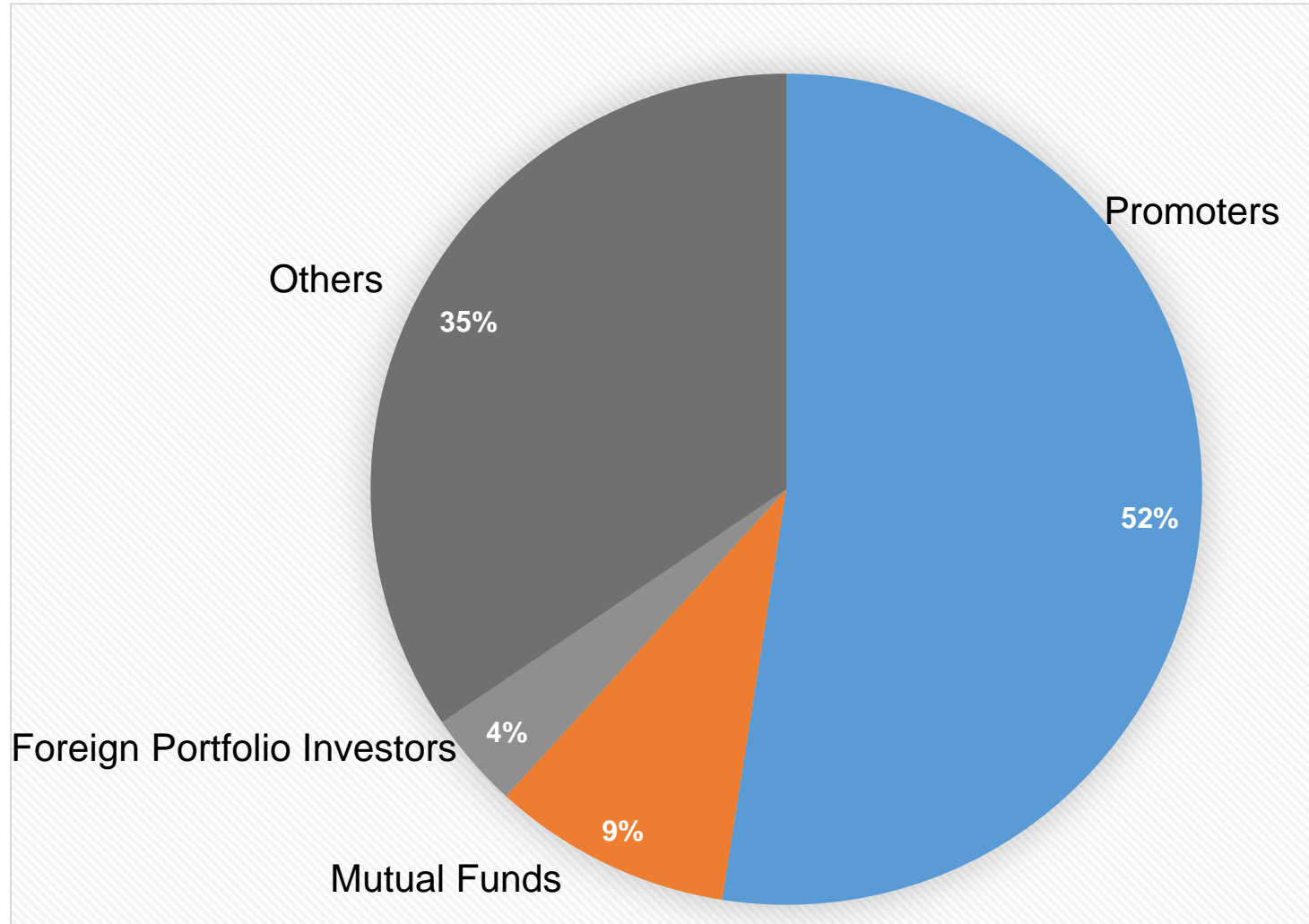
MMF and FIL inaugurated 12 bedded NICU at 2 PMC hospitals on 5th May 2018

MMF and FIL donated Nanoduct and Near Infrared Spectroscopy to KEM Hospital, Pune on 16th May 2018

FIL and Gulf Oil Lubricants undertook a joint initiative to donate 500 helmets to Ahmednagar Police on 29th May 2018

Amrutkumbha , a water reservoir at Wadgaon Anand, District, Pune was inaugurated by Mrs. Ritu Chhabria and Mr. Saurabh Rao, District Collector, Pune on 1st April 2018

Shareholding Pattern as on June 30, 2018





Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings




Sewerage Pipes



Solvent Cement


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Finolex Industries Ltd.
Volume Data

| Sr. No. | Particulars | Q2FY16 | Q3FY16 | Q4FY16 | Q1FY17 | Q2FY17 | Q3FY17 | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 |
|---------|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Production in MT | | | | | | | | | | | | |
| a | PVC Resin | 38,815 | 67,892 | 80,147 | 59,756 | 40,937 | 83,266 | 67,143 | 63,805 | 34,528 | 81,839 | 82,672 | 52,757 |
| b | PVC pipes & fittings | 41,801 | 45,089 | 63,144 | 66,693 | 40,416 | 44,844 | 57,071 | 74,054 | 52,672 | 61,887 | 71,774 | 73,276 |
| 2 | Sales in MT | | | | | | | | | | | | |
| a | PVC Resin-External | 17,535 | 29,952 | 41,418 | 12,751 | 13,080 | 25,281 | 36,124 | 15,725 | 6,494 | 27,967 | 17,126 | 13,048 |
| | PVC Resin-Inhouse | 23,977 | 30,590 | 41,675 | 49,684 | 26,822 | 30,945 | 40,417 | 59,273 | 34,045 | 43,140 | 54,997 | 55,406 |
| | Total PVC | 41,512 | 60,542 | 83,093 | 62,435 | 39,902 | 56,226 | 76,541 | 74,998 | 40,539 | 71,107 | 72,123 | 68,454 |
| b | PVC Pipes | 37,194 | 39,163 | 63,387 | 62,255 | 34,218 | 37,652 | 59,865 | 68,171 | 43,032 | 56,842 | 66,753 | 73,065 |
| c | PVC Fittings | 3,494 | 3,282 | 4,306 | 3,870 | 4,048 | 3,314 | 4,117 | 3,347 | 4,214 | 4,672 | 5,005 | 4,571 |
| | Total Pipes and Fittings | 40,688 | 42,445 | 67,693 | 66,125 | 38,266 | 40,966 | 63,982 | 71,518 | 47,246 | 61,514 | 71,758 | 77,636 |
| | In MWH | | | | | | | | | | | | |
| 1 | Power generated | 39428 | 49602 | 46180 | 55,243 | 46,909 | 55,710 | 53,640 | 57,999 | 36,277 | 56,559 | 57,912 | 51,220 |

Finolex Industries Ltd.
Volume Data

| Sr. No. | Particulars | Q2FY16 | Q3FY16 | Q4FY16 | Q1FY17 | Q2FY17 | Q3FY17 | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 |
|---------|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Production in MT | | | | | | | | | | | | |
| a | PVC Resin | 38,815 | 67,892 | 80,147 | 59,756 | 40,937 | 83,266 | 67,143 | 63,805 | 34,528 | 81,839 | 82,672 | 52,757 |
| b | PVC pipes & fittings | 41,801 | 45,089 | 63,144 | 66,693 | 40,416 | 44,844 | 57,071 | 74,054 | 52,672 | 61,887 | 71,774 | 73,276 |
| 2 | Sales in MT | | | | | | | | | | | | |
| a | PVC Resin-External | 17,535 | 29,952 | 41,418 | 12,751 | 13,080 | 25,281 | 36,124 | 15,725 | 6,494 | 27,967 | 17,126 | 13,048 |
| | PVC Resin-Inhouse | 23,977 | 30,590 | 41,675 | 49,684 | 26,822 | 30,945 | 40,417 | 59,273 | 34,045 | 43,140 | 54,997 | 55,406 |
| | Total PVC | 41,512 | 60,542 | 83,093 | 62,435 | 39,902 | 56,226 | 76,541 | 74,998 | 40,539 | 71,107 | 72,123 | 68,454 |
| b | PVC Pipes | 37,194 | 39,163 | 63,387 | 62,255 | 34,218 | 37,652 | 59,865 | 68,171 | 43,032 | 56,842 | 66,753 | 73,065 |
| c | PVC Fittings | 3,494 | 3,282 | 4,306 | 3,870 | 4,048 | 3,314 | 4,117 | 3,347 | 4,214 | 4,672 | 5,005 | 4,571 |
| | Total Pipes and Fittings | 40,688 | 42,445 | 67,693 | 66,125 | 38,266 | 40,966 | 63,982 | 71,518 | 47,246 | 61,514 | 71,758 | 77,636 |
| | In MWH | | | | | | | | | | | | |
| 1 | Power generated | 39428 | 49602 | 46180 | 55,243 | 46,909 | 55,710 | 53,640 | 57,999 | 36,277 | 56,559 | 57,912 | 51,220 |