

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.

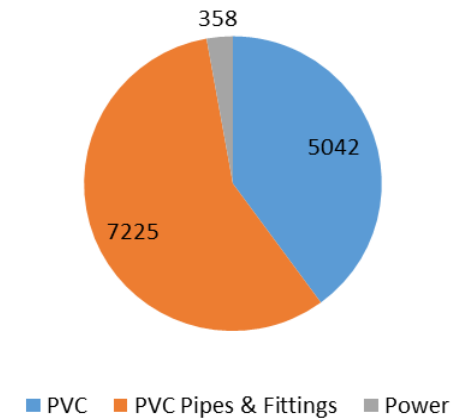
Operating Performance (EBIDTA)

- 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

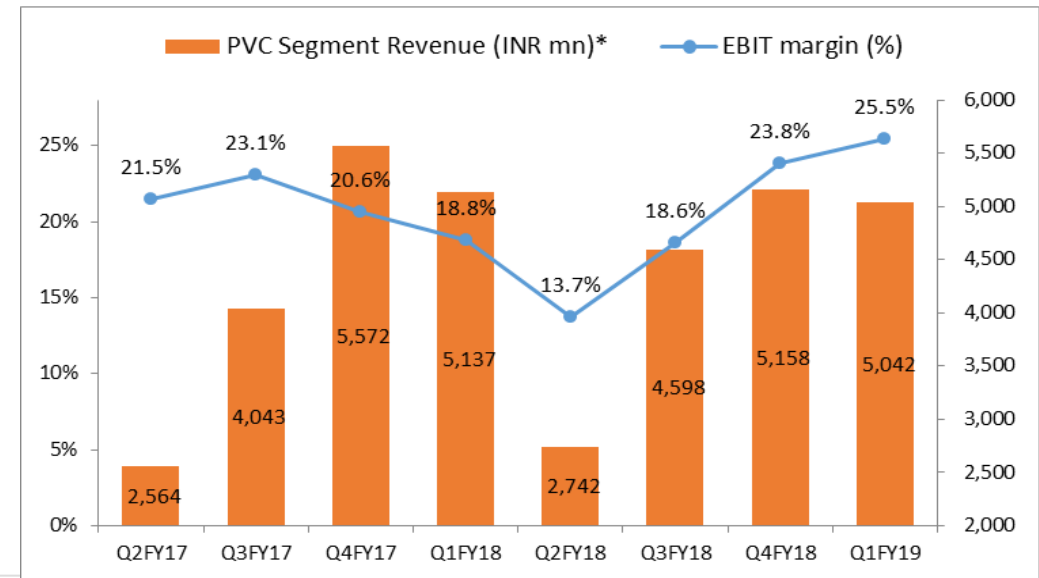
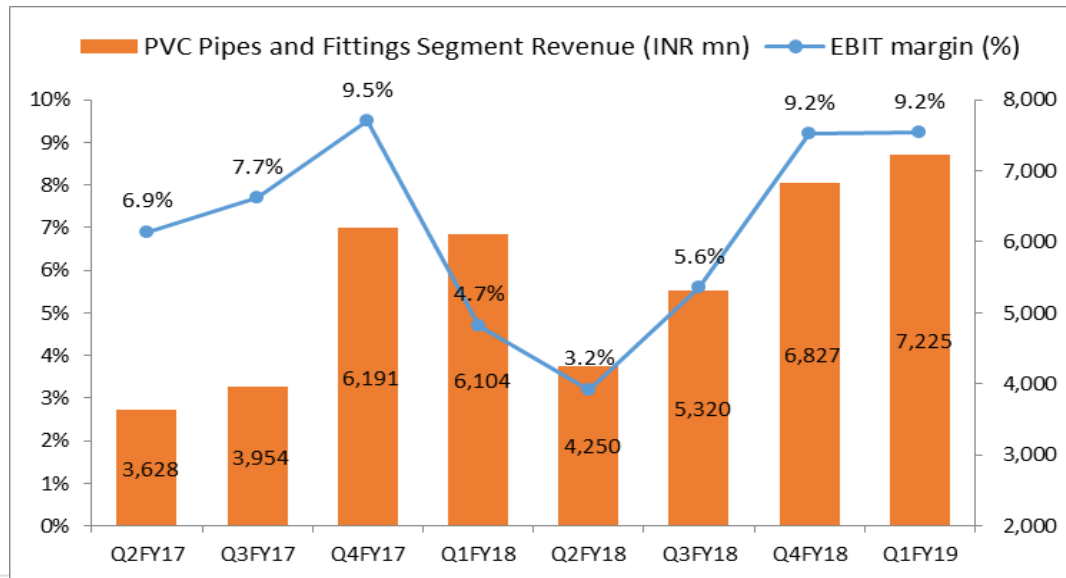
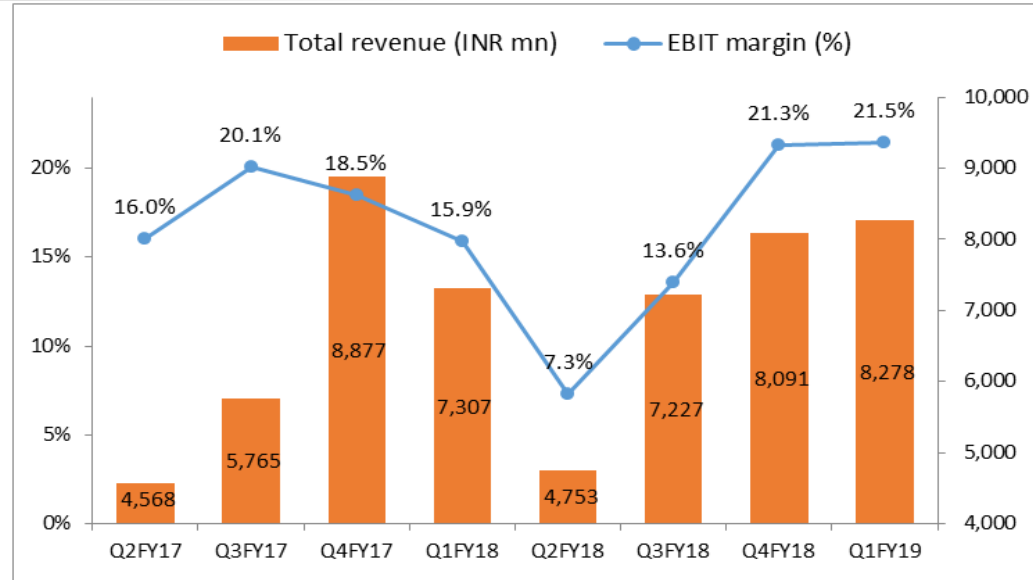
- PAT for Q1FY19 grew 29.4% to Rs 1,033 mn as against Rs 798 mn in Q1FY18

Segment revenue Rs. In mn



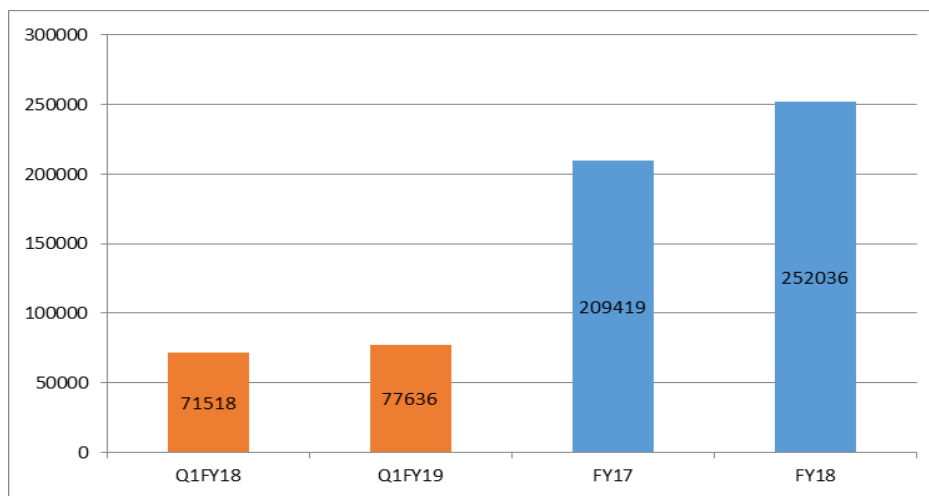
- Both, PVC resin and Pipes and Fittings segments, have performed well during the quarter.
- Derivative claim disclosed as contingent liability as at 31st March 2018 is settled and the expenditure thereon is shown as exceptional item in the results for the quarter. There are no more claims or liabilities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

Business Performance – Q1FY19

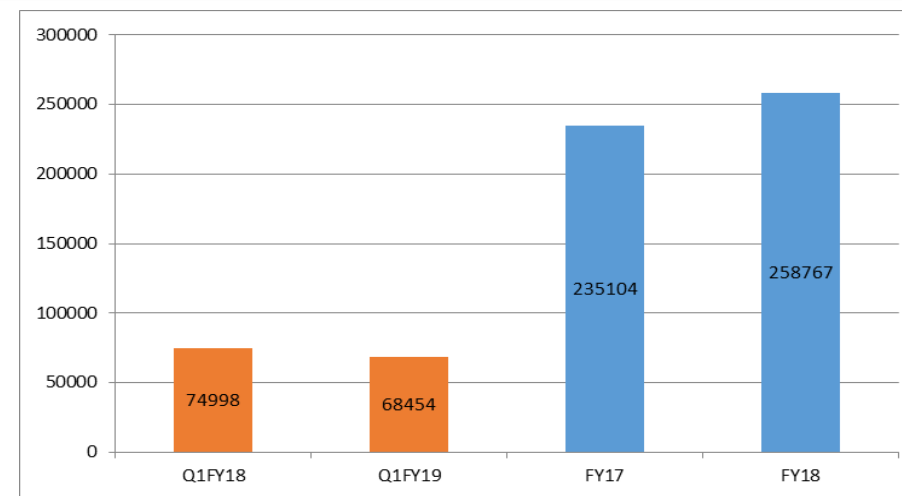


* Including inter segment transfer

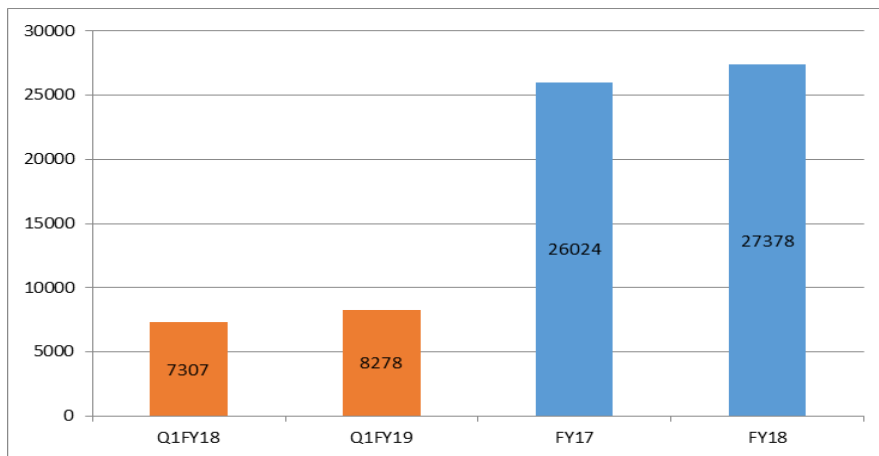
Q1FY19 Results Summary



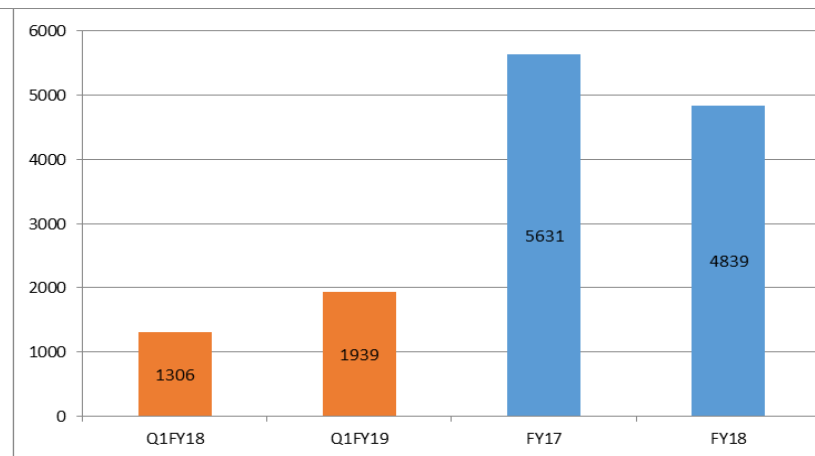
Volumes (MT) Pipes & Fittings



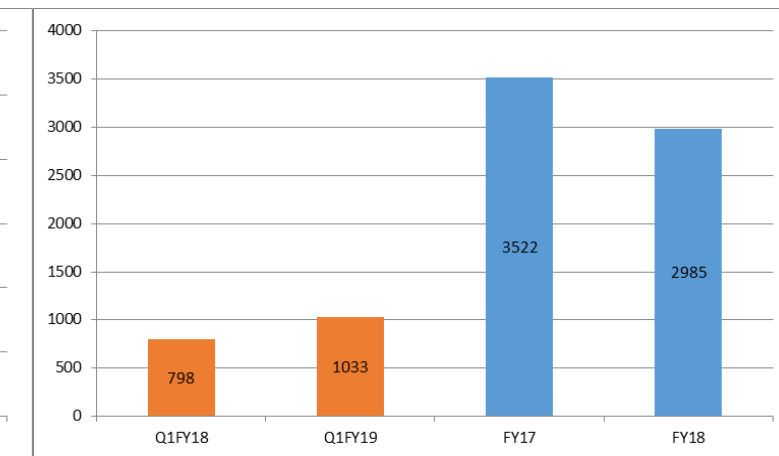
Volumes (MT) PVC Resin *



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



EBITDA (INR Mn)



PAT (INR Mn)

* Including inter segment transfer

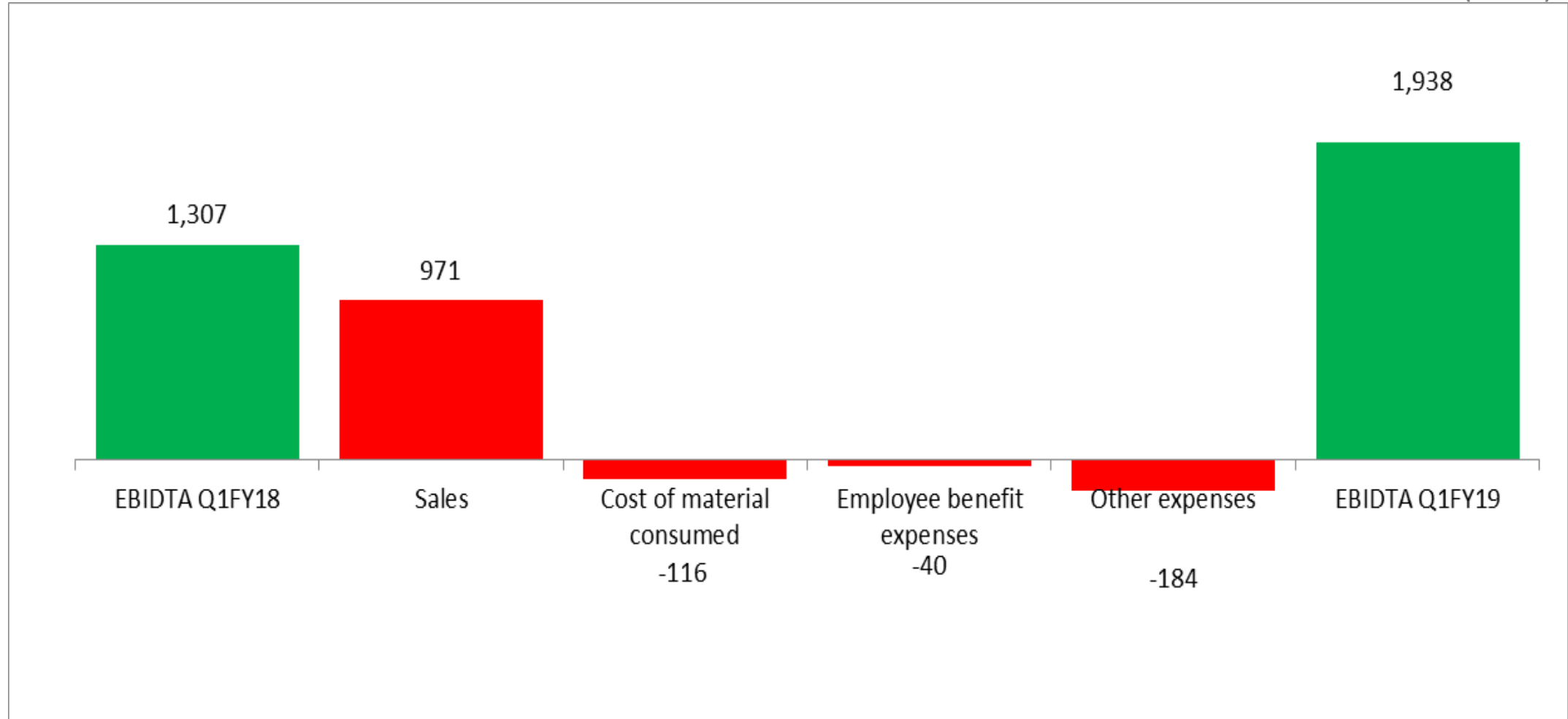
Profit & Loss Account – Q1FY19

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%	

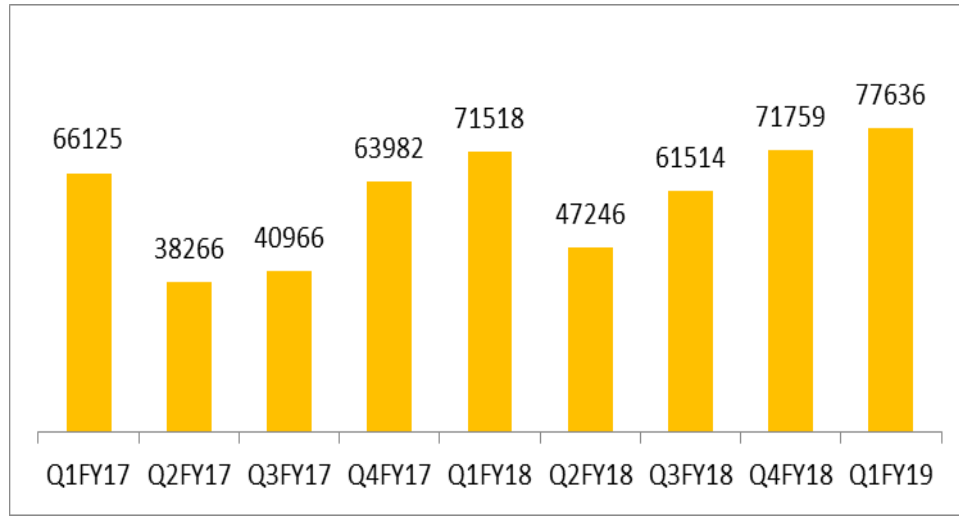
* excluding duties and taxes

EBITDA Bridge Chart Q1FY19

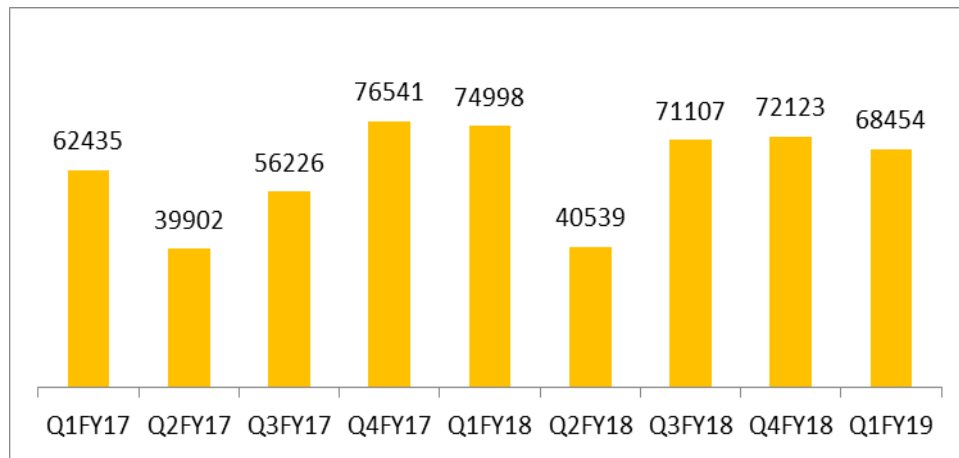
(INR Mn)



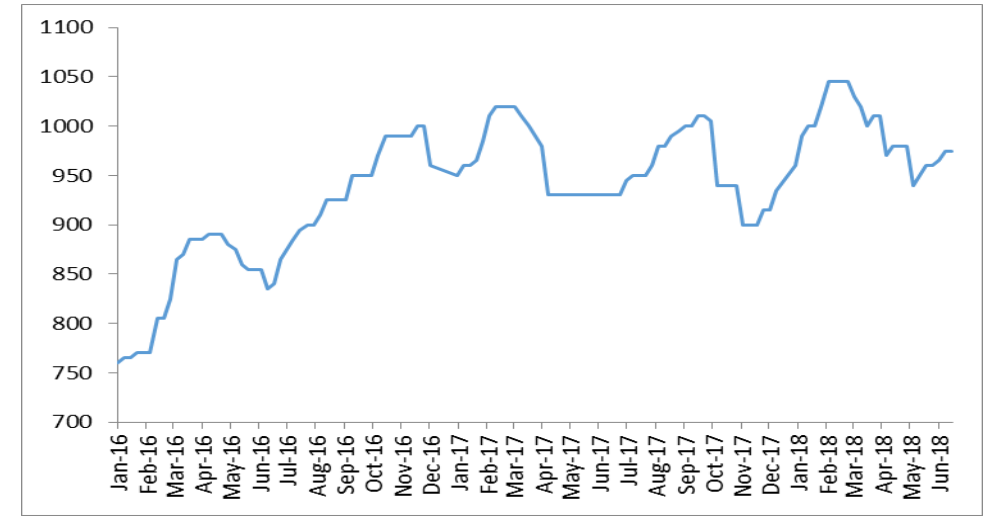
Business Performance Trends



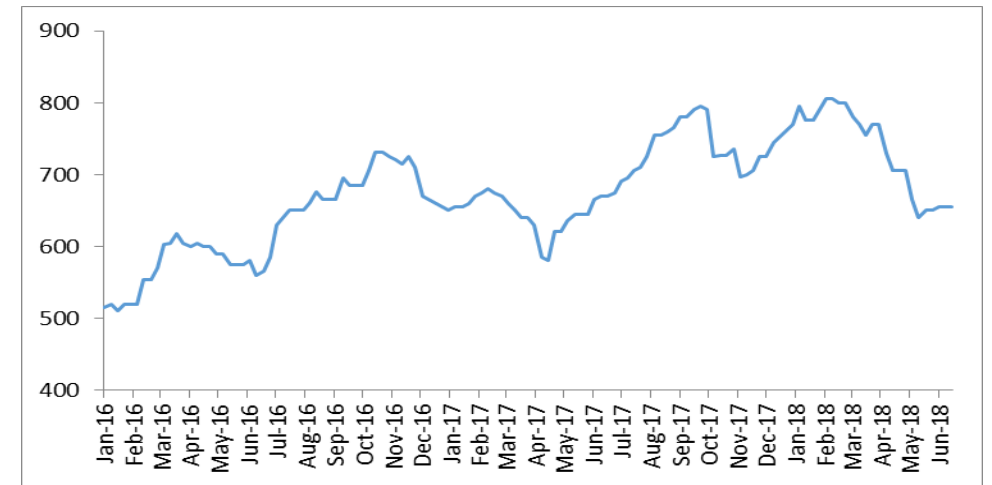
Pipes & Fittings Volumes (MT)



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%

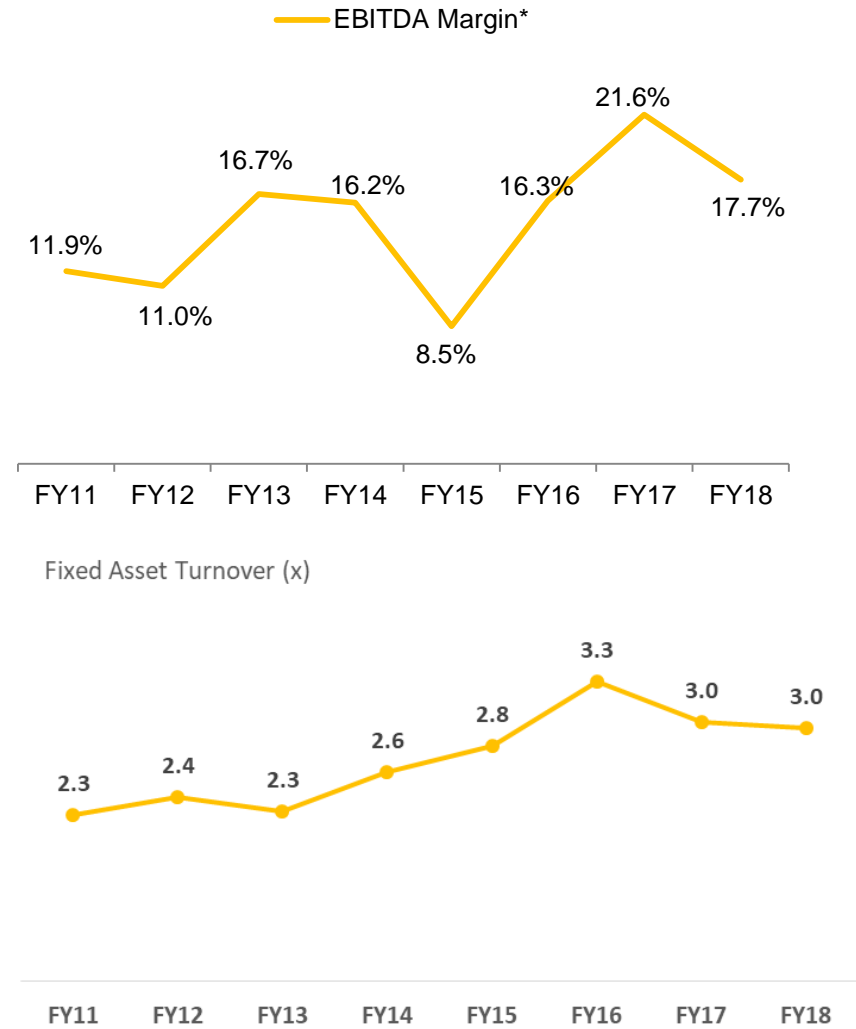
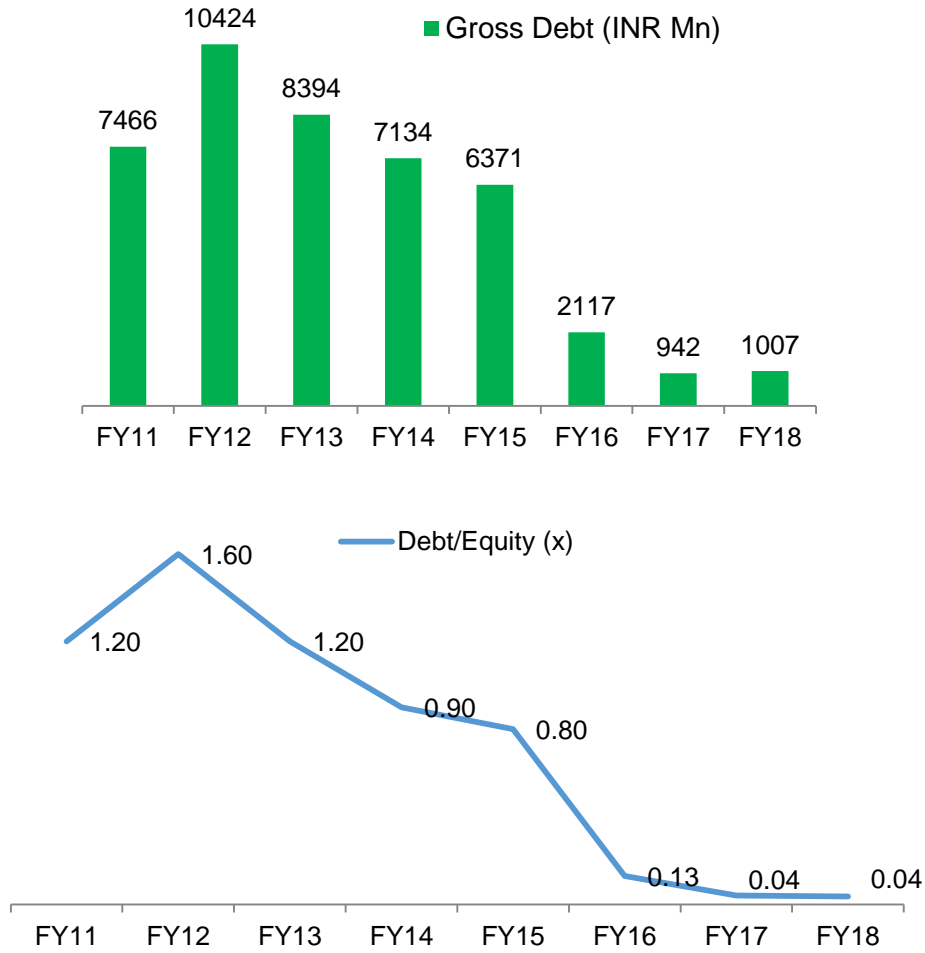
*Figures as per IndAS

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



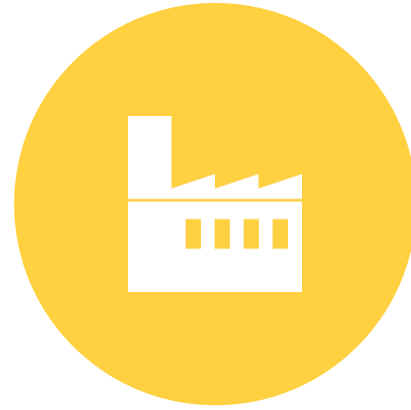
*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

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.

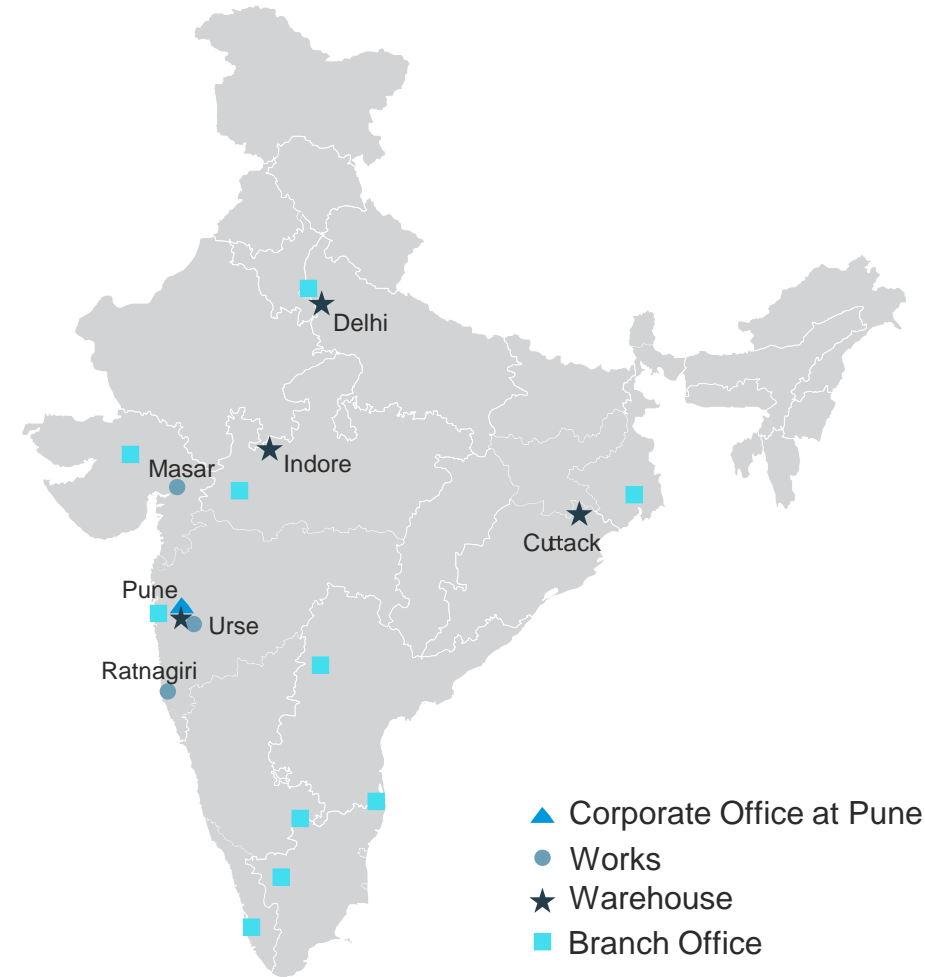
Out of the target of 5,07,750 Community/Public Toilet (CT/PT) seats, 2,70,360 have been constructed.

Distribution reach

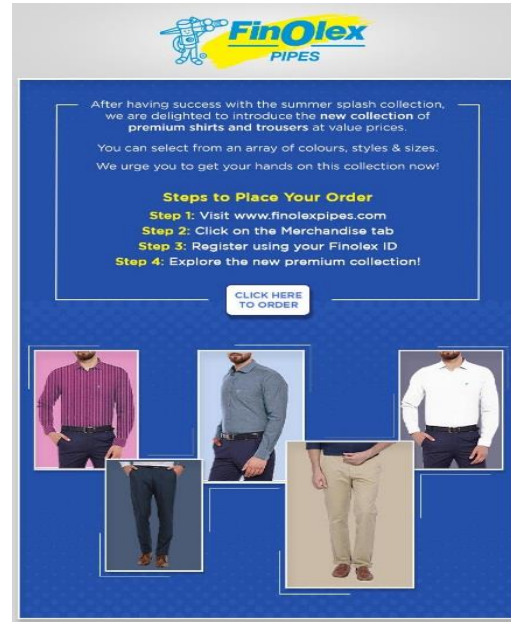
- FIL is on track in terms of expanding its scale of operations by increasing production capacity and distribution reach
- Wide network of 18,000 retail touch points



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.

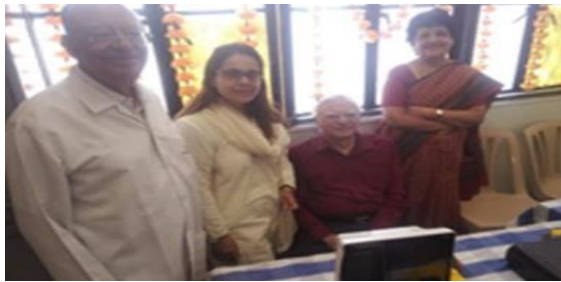
Distribution of an unique gift as desk souvenir on 5th June 2018 - World Environment Day - a sapling planted in Finolex Flowtrap (fittings SKU) to 300 builders and MEP consultants across Mumbai and Pune

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



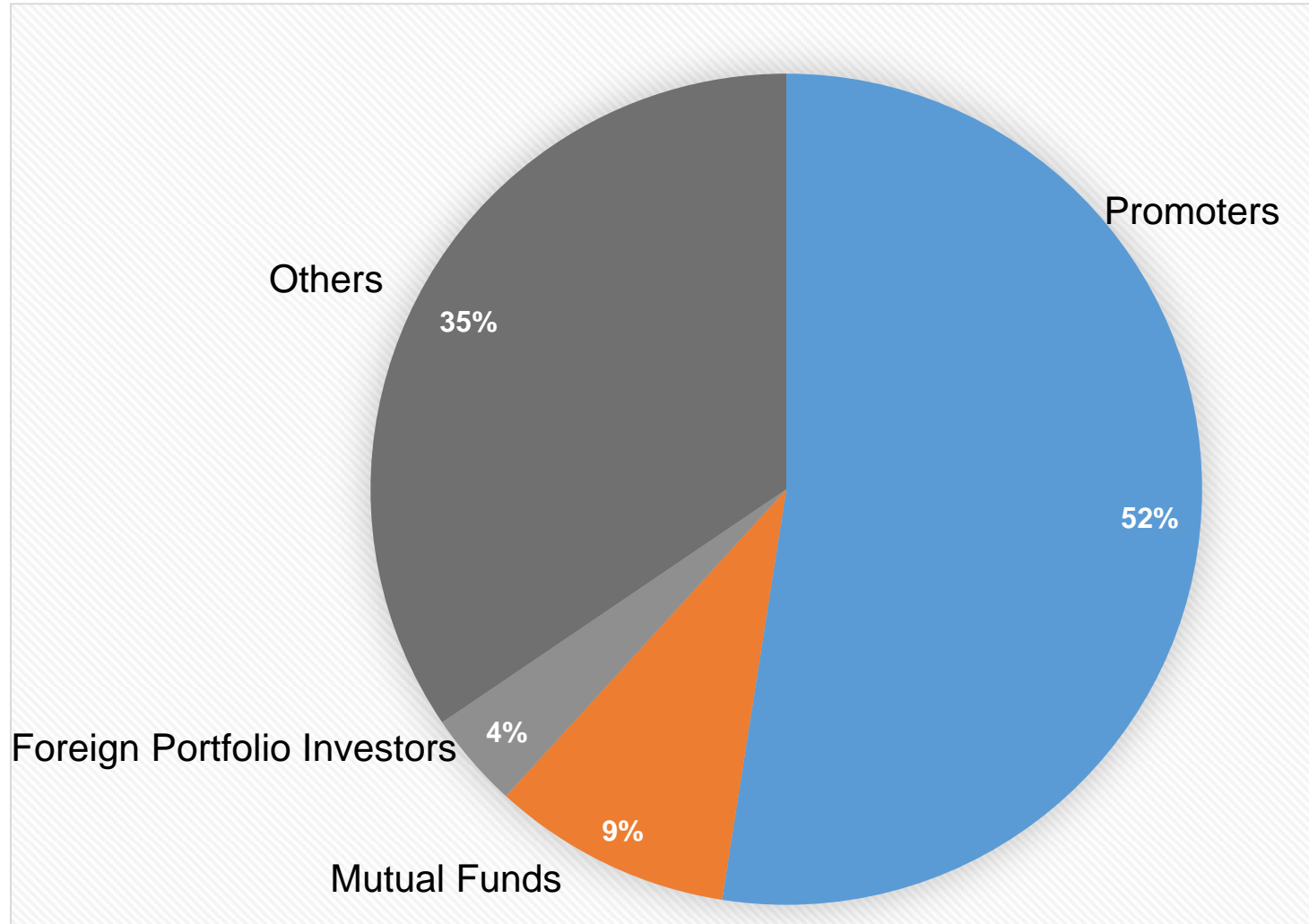
MMF and FIL inaugurated 12 bedded NICU at 2 PMC hospitals on 5th May 2018

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 LIMITED

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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



Q1FY19 Earnings Release

Pipes and Fittings volume up by 8.6%

Revenue INR 8,278 mn

EBIDTA INR 1,939 mn

PAT INR 1,033 mn

Finolex Industries Limited, Pune, India, August 11, 2018:

Finolex Industries Limited (NSE:FINPIPE | BSE:500940), India's leading manufacturer of PVC Pipes & Fittings, at its Board Meeting held today announced unaudited financial results for the first quarter ended June 30, 2018.

Highlights

- Trends in Quarterly EBIT Margin – Overall and Key Segments

	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19
Overall EBIT Margin (%)	16.0%	20.1%	18.5%	15.9%	7.3%	13.6%	21.3%	21.5%
Segmentwise EBIT Margins								
PVC Segment (%)	21.5%	23.1%	20.6%	18.8%	13.7%	18.6%	23.8%	25.5%
PVC Pipes & Fittings (%)	6.9%	7.7%	9.5%	4.7%	3.2%	5.6%	9.2%	9.2%

- The sales volume for PVC Pipes & Fittings was at 77,636 MT in Q1FY19 up by 8.6% against 71,518 MT in Q1FY18.
- Total income from operations excluding duties and taxes was at INR 8,278 mn for Q1FY19 up 13.3% against INR 7,307 mn in Q1FY18.
- EBITDA stood at INR 1,939 mn for Q1FY19 up by 48.5% against INR 1,306 mn for Q1FY18.
- Profit after tax was at INR 1,033 mn for Q1FY19 up 29.5 % against INR 798 mn for Q1FY18.

Management Comments

Mr. Prakash P. Chhabria

Executive Chairman

“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.”

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PAT %	12.5%	10.9%	

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About Finolex Industries Limited

Finolex Industries Limited, headquartered in Pune, is the leading supplier of PVC Pipes & Fittings for the agriculture and non-agricultural sectors. Our state-of-the-art manufacturing plants at Pune and Ratnagiri in Maharashtra and Masar in Gujarat provide excellent resources to better serve our customers. Our own PVC Resin manufacturing facility in Ratnagiri, set in technical collaboration with Uhde GmbH, with Hoechst technology, provides a consistent supply of superior quality resin to our pipe manufacturing plants. This ensures we are able to deliver quality, superior products to our customers. Our open sea cryogenic jetty, the first of its kind in the Indian private sector, has been the hallmark of our PVC Complex. We are the first Indian PVC Pipes manufacturer to have been awarded the ISO 9001:2008 Certification.

Our major strength lies in our skilled workforce. We recognize and attribute our operating excellence and success to our employees. We have a widespread presence throughout the country, with a wide network of over 18,000 retail outlets ably supported by dealers and sub-dealers. They work as our extended arm in bringing quality products to our customers.



Our core values of quality, trust and integrity help us to build an unbreakable bond with both customers and stakeholders.

We believe in “Performance with Purpose” and are deeply concerned about society and our community. We have been actively working along with Mukul Madhav Foundation, our CSR partner, in contributing to the social and economic development of the underprivileged sectors of society in and around our plants in Ratnagiri, Pune and Masar. Our focus is on women and children in areas of education, healthcare, community development, environment and self-development.

Finolex Industries Limited most recently entered the “Limca Book of Records” for the largest number of plumber meets held in one day. The company has also been awarded ‘Water Company of the Year’ by The National CSR Leadership Congress & Awards, India’s most Trusted Brand in the category “Manufacturing – Pipes” by Brand Trust Report, “Excellence in CSR” by Amity Global School, “Support and Improvement in Quality of Education” by Global CSR Excellence & Leadership Awards, “Top 100 Brands in the Architecture and Design Sector” by Economic Times and has also been conferred the BT CSR Excellence Award 2016 in the category “The Physically Challenged.”

For more information, visit www.finolexwater.com or follow us on Twitter @finolexwater

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