



SURYA ROSHNI LIMITED

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SRL/se/yks/23-24/29
February 08, 2024

The Secretary
The Stock Exchange, Mumbai
MUMBAI - 400 001
Scrip Code: 500336

The Manager (Listing Department)
The National stock Exchange of India Ltd
Mumbai – 400 051
NSE Symbol: SURYAROSNI

Re: PRESS RELEASE- Q3 & 9M FY24 RESULTS HIGHLIGHTS

Dear Sirs,

This is with reference to our letter dated 31st January, 2024 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 8th February, 2024, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter/nine months ended 31st December, 2023 along with the Limited Review Reports from the Statutory Auditors, M/s. Ashok Kumar Goyal & Co. on the aforesaid Standalone and Consolidated Financial Results.

In this regard please find attached the Press Release titled:

Surya Roshni Limited announces Q3 & 9M FY24 Results

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

Thanking you,

Yours faithfully,
for **SURYA ROSHNI LIMITED**

B. B. SINGAL
CFO & Company Secretary

Encl: as above

Surya Roshni Limited announces Q3 & 9M FY24 Results

- ✓ Overall sustained operating performance despite industry headwinds
- ✓ Significant improvement in margins of Lighting and Consumer Durables Segment
- ✓ First Indian company to manufacture half inch to 140-inch pipes (minimum to maximum)

New Delhi, February 08, 2024: Surya Roshni Limited, the largest exporter of ERW Pipes, largest producer of ERW GI pipes and one of the largest Lighting Companies in India, has declared its unaudited financial results for the quarter ended and nine months ended December 31, 2023.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q3 FY24	Q3 FY23	Change	9M FY24	9M FY23	Change
Revenue	1,938	2,021	(4%)	5,729	5,845	(2%)
EBITDA	158	164	(3%)	414	366	13%
Profit Before Tax (PBT)	121	123	(1%)	306	244	25%
Profit After Tax (PAT)	90	90	-	225	180	25%

- The company reported slight dip in revenue on account of slow down of demand of high value-added products in steel pipes business and flattish growth in lighting and consumer durables Segment
- We are able to register EBITDA of ₹ 158 crore as compared to ₹ 164 crore in Q3FY23.
- EBITDA margins for Q3FY24 stood at 8.2% as against 8.1% for the same quarter last year
- In spite of decline in revenue, the company was able to maintain its operating profit margin on account of significant improvement of operating margin in lighting and consumer durable business
- Debt to equity ratio stands at 0.12x and debt reduced by ₹ 168 crore in 9MFY24

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q3 FY24	Q3 FY23	Change	9M FY24	9M FY23	Change
Revenue	403	396	2%	1,154	1,114	4%
EBITDA	38	27	38%	106	80	33%
EBITDA Margins	9.33%	6.89%	244 bps	9.18%	7.17%	201 bps
PBT	30	19	56%	83	56	50%

- In spite of challenging business environment, we recorded a modest revenue growth of 2% at ₹ 403 crore
- Strong volume growth coupled with better product-mix in favor of higher margin value products and cost savings on back of PLI led backward integration resulted in strong operating profitability
- EBITDA margins for Q3FY24 stood at 9.33% as against 6.89% for the same quarter last year
- Professional lighting business has witnessed high-teen digit growth in Q3 and more than 20% in 9MFY24 driven by infrastructure as well as industrial projects
- In Q3FY24, consumer lighting business grew by modest single-digit growth, while the consumer durables & appliances segment witnessed a flattish growth
- Had successfully launched various new products in FMEG segment for the festive season in Q3FY24
- Lighting and consumer durable business is now completely debt free. The segment has no long term and working capital borrowings as on date.

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q3 FY24	Q3 FY23	Change	9M FY24	9M FY23	Change
Revenue	1,536	1,626	(6%)	4,577	4,731	(3%)
EBITDA	121	136	(11%)	308	286	8%
EBITDA/MT (₹)	6,156	6,733	(9%)	5,224	5,190	1%
PBT	91	104	(12%)	222	188	18%

- There was slight de-growth in top-line, mainly on account of slowdown in demand of high valued-added products in pipes segment, which was marginally offset by better sales in all other segments of pipes. Sequentially, there was slight improvement in steel prices.
- Overall, the steel pipes segment witnessed a volume de-growth of 2.5% in Q3FY24 and growth of 7% in 9MFY24.
- Exports registered a growth of 23% in Q3 FY24 and 16% in 9MFY24.
- EBITDA/Ton for the quarter stood at ₹ 6,156, achieving a sequential growth of 21% from ₹ 5,104
- Strong in - hand order book of ₹ 600 crore for Oil & Gas sector and Exports business

Commenting on the results, Company's Managing Director, Mr. Raju Bista, said

“On sequential basis, the overall performance of the company has been satisfactory given the volume de-growth witnessed in Q3FY24. This demonstrates the company’s ability to withstand economic headwinds.

EBITDA for Q3FY24 stood at ₹ 158 crore as compared to ₹ 164 crore in the same quarter last year. We were able to sustain our overall EBITDA margins primarily on account of significant improvement in lighting and consumer durable business. We registered PAT of ₹ 90 crore in Q3FY24, similar to what we had recorded in Q3FY23. However, on sequential basis EBITDA, PBT and PAT witnessed a growth of 14%, 16% and 19% respectively.

We firmly believe that these headwinds are temporary, and the company is poised for sustained growth in both the businesses.

“In Lighting and Consumer Durables, the company has reported modest revenue growth of 2% YoY in Q3FY24. However, we were able to record significant increase in operating profitability on account of better product-mix in favor of higher margin value products. The backward integration attributable to the PLI scheme has also played a role in increasing the cost efficiencies. Also, benign gas prices further aided the profit margins.

In Q3FY24, the professional lighting business witnessed higher double-digit growth, while the consumer lighting business had a modest single-digit growth and consumer durables & appliances segment witnessed a flattish growth.

In professional lighting we undertook few very big and important projects at G20 event in Delhi, Façade lighting of Atal Setu etc. We also recently won a major order of ₹ 72 crore for LED Public Street Lighting & Maintenance in the State of Orissa. We have been witnessing robust growth in infrastructure lighting, façade lighting and industrial lighting projects.

The consumer lighting category continues to witness volume growth across all categories – LED-bulbs, Battens, Downlighters. However there has been a significant price erosion on account of rampant change in technologies, higher capacity additions etc. especially for the LED products.

In Q3FY24, the consumer durable industry witnessed subdued sales due to muted consumer demand. However, the premium category consumer durable products recorded decent growth.

We conducted over 150 engagements with dealers over last three months – thereby engaging with 10,000 top retailers in different parts of the country. Also, similarly we keep engaging with prominent electricians..

We are continuously training our personnel to boost productivity, increase quality in our operations team, and create a high-efficiency ecosystem backed by our backward integration and in-house research and development.”

In the Steel Pipes and Strips, the company witnessed a volume de-growth of 2.5% in Q3FY24, mainly on account of slowdown in high valued-added products in pipe segment, which was marginally offset by better sales in all other categories of pipes. Sequentially, there was slight improvement in steel prices.

We have recently received EPD (Environmental Product Declarations) certification for all products, which is mandatory requirement for customers in export markets, especially Europe. We are also expecting robust orders from Saudi Arabia and Canada markets.

We are currently in process to modernize our cold rolling plants at Bahadurgarh facility, which will be completed in H2FY25 and other ongoing projects will be completed as per schedule. This will result in substantial fall in cost of production as well as improve the quality of products.

Adding further, Mr. Vinay Surya – Managing Director said,

“In Lighting and Consumer Durables, the company has recorded a moderate revenue growth of 2% in Q3FY24. Nevertheless, we recorded a notable rise in operating profitability due to an improved product mix and higher cost efficiency through backward integration. On a host of factors, the company is ahead of the industry curve, which enables it to garner higher profitability.

For 9MFY24, the professional lighting business achieved robust growth in excess of 20%; the consumer lighting business registered a flattish growth trajectory, while consumer durables & appliances segment including fans witnessed a high single digit growth.

Fans as a category is facing unique challenges because of the regulatory disruptions like mandatory labelling etc. However, the market acceptability of star labelled fans is finding good traction and we plan to continuously launch new products in this category. We have also done extremely well in water heater category in last season. In this financial year, we should emerge as one of the top-five players in this category.

The two key areas which we are deeply committed to includes point of sales excellence and engaging with key stakeholders, which has enabled us to sustain our performance. We have been doing extensive ground level activation across different festivals. We have invested considerably in undertaking in-shop excellence to showcase our products in the stores, while also bringing more below-the-line merchandise material within the stores.

We have also been continuously training our employees with a focus on improving their productivity and an objective to drive continuous quality improvement within our operations team and build a high efficiency ecosystem.”

In the Steel Pipes and Strips, muted demand led to marginal volume de-growth. EBITDA/MT for the quarter stood at ₹ 6,156, achieving a sequential growth of 21%. Our net working capital days as on 31st December 2023 was 70 days, due to higher inventory days. However, we expect the net working capital to come down to about 60 days by 31st March 2024, as sales momentum picks up.

We recently got registered in the Neom city - is a new urban area planned by Saudi Arabia. This registration will enable us to supply our pipes for new city projects in the Neom – from where we are having active enquiries for supply. Similarly in Canada too, we have active enquiries for supply.

*We have also ordered new Spiral Pipes unit at our Gwalior plant. We manufactured pipe of up to 140" inches diameter (earlier it was up to 104 inches) at Anjar Plant. In Direct Forming Technology (DFT), we were earlier able to manufacture pipes of 150*150 mm diameter. Now we have successfully undertaken trial to manufacture pipes of 132*132 mm diameter. We also plan to add new Coating Pipes unit to manufacture pipes of up to 130 inches, from up to 64 inches currently at Anjar plant..*

We are the first Indian company to manufacture half inch to 140-inch pipes (minimum to maximum).

Consistent spending on research and development, smart marketing campaigns, and the launch of ground-breaking new goods are hallmarks of the company's commitment to excellence. A reduction in debt and optimization of working capital utilization will complement the company's strategic ambitions. The goal of these measures is to improve operational efficiency and fortify the company's financial position in order to propel the shareholder value."

Commenting on the financial performance, Mr. Bharat Bhushan Singal – CFO said,

"For the quarter, the revenue was ₹ 1,938 crore as compared to ₹ 2,021 crore. EBITDA and PAT stood at ₹ 158 crore and ₹ 90 crore as compared to ₹ 164 crore and ₹ 90 crore, respectively. For 9MFY24, the revenue was ₹ 5,729 crore as compared to ₹ 5,845 crore. EBITDA and PAT stood at ₹ 414 crore and ₹ 225 crore as compared to ₹ 366 crore and ₹ 180 crore, respectively.

In Lighting & Consumer Durables, for the quarter, the revenue stood at ₹ 403 crore as against ₹ 396 crore registering a modest growth of 2%. EBITDA and PBT stood at ₹ 38 crore and ₹ 30 crore, registering a growth of 38% and 56% respectively. For the nine months, the revenue stood at ₹ 1,154 crore as against ₹ 1,114 crore, a growth of 4% YoY. EBITDA and PBT stood at ₹ 106 crore and ₹ 83 crore, a growth of 33% and 50% respectively.

In the Steel Pipes and Strips, during Q3FY24, the revenue was ₹ 1,536 crore as compared to ₹ 1,626 crore. Similarly, EBITDA/MT stood at ₹ 6,156 compared to ₹ 6,733 YoY. PBT stood at ₹ 91 crore as against ₹ 104 crore. For 9MFY24, the revenue stood at ₹ 4,577 crore as compared to ₹ 4,731 crore. Similarly, EBITDA/MT stood at ₹ 5,224 compared to ₹ 5,190 YoY while EBITDA and PBT grew by 8% and 18% YoY to ₹ 308 crore and ₹ 222 crore respectively.

Improved capacity utilization, working capital optimization and cost rationalization has further reduced the debt by ₹ 168 crore. As of 31st December 2023, the debt to equity ratio stood at 0.12x.

As on 31st December 2023, ROCE improved by 271 bps and stood at 22.91% as compared to 20.20% as on 30th September, 2023. ROE stood at 17.88% as compared to 15.57% as on 30th September 2023 registering a growth of 231 bps.

As on 31st December 2023, the net working capital days stood at 70 days, inventory days stood at 50 days, debtor days stood at 36 days and creditor days stood at 16 days."

About Surya Roshni Limited

Since its inception in 1973, Surya Roshni has transformed into an organization that has developed its Lighting & Consumer Durables business and built a stronghold in the Steel Pipes & Strips business. The company started with manufacturing of steel tubes in 1973, it then diversified by foraying into Lighting in 1984, PVC pipes in 2010 and into Consumer Durables like Fans and Home Appliances in 2014-15.

The Steel Pipes & Strips business manufactures a wide range of products and is the largest manufacturer of GI pipes in India and is the largest Exporter of ERW Pipes. The business has further strengthened with set-up of 3LPE Coating facility unit in 2018 (mainly to Oil & Gas and CGD sector) and Direct Forming Technology (DFT) in April 2022, whereas being one of the largest Lighting Companies in India, the Lighting business manufactures an array of conventional to modern LED lighting. The Consumer Durable business offers a variety of Fans and Home Appliances.

'Surya' Brand and 'Prakash Surya' have a strong presence of more than four decades in India. It enjoys strong Pan India presence with extensive dealer network in both of its businesses i.e. Steel Pipes & Strips and Lighting & Consumer Durables.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact:

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