

SRL/2022-23/74

January 18, 2023

The Secretary
The Stock Exchange, Mumbai
New Trading Ring, 14th Floor,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: 500336

The Manager (Listing Department)
The National stock Exchange of India Ltd
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol: SURYAROSNI

Re: PRESS RELEASE- Q3 & 9M FY23 RESULTS HIGHLIGHTS

Dear Sirs,

This is with reference to our letter dated 10th January, 2023 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 18th January, 2023, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter/nine months ended 31st December, 2022 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 Strong Q3 & 9M FY23 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 Strong Q3 & 9M FY23 Results

- ✓ Q3FY23 EBITDA and PAT grew by 65% and 121% respectively
- ✓ Setting-up expansion project at Hindupur
- ✓ Announced interim dividend of ₹ 3.00 per equity share

New Delhi, January 18, 2023: 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 and nine months ended December 31, 2022.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q3 FY23	Q3 FY22	Change	9M FY23	9M FY22	Change
Revenue	2,021	2,030	-	5,845	5,429	8%
EBITDA	164	99	65%	366	294	24%
Profit after Tax (PAT)	90	40	121%	180	122	47%

- The company reported a consistent growth momentum YoY on a YTD basis, driven by value-added products across the board.
- Substantial improvement in gross margins led by stable input costs.
- **Steel Pipes and Strips EBITDA/MT at Rs 6,733, a growth of 76% YoY for Q3FY23.**
- Continued to maintain positive cash conversion cycles. The working capital days stood at 62 days.
- Reduced debt by ₹ 71 crore in 9MFY23. Similarly, the finance cost also reduced by 28% in 9MFY23 in spite of the increasing interest rate trend. Debt Equity reduced to 0.30x as on 31st December 2022 as compared to 0.48x as on 31st December 2021.

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q3 FY23	Q3 FY22	Change	9M FY23	9M FY22	Change
Revenue	396	372	6%	1,114	929	20%
EBITDA	27	28	(3)%	80	72	11%
PBT	19	19	-	56	47	19%

- Q3FY23 reported 6% growth YoY across B2B and B2C business divisions. This growth was mainly driven by healthy product demand during the festive season along with the improvement in overall product mix.
- LED revenue grew by 8% and 32% YoY during Q3FY23 and 9MFY23 respectively backed by value added products like LED battens and downlighters.
- Professional Lighting revenue grew 33% and 43% for Q3 and 9MFY23. The company is witnessing strong enquiry and order inflow.
- Replacement cost continued to witness a major reduction.

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q3 FY23	Q3 FY22	Change	9M FY23	9M FY22	Change
Revenue	1,626	1,661	(2)%	4,731	4,504	5%
EBITDA	136	71	92%	286	222	29%
EBITDA/MT (Rs.)	6,733	3,815	76%	5,190	4,257	22%
PBT	104	35	194%	188	118	59%

- Healthy growth on YoY basis in terms of EBITDA/MT despite steel price correction.
- **Volume growth of 9% in Q3FY23**, led by healthy product mix.
- Ramped up operations at the new DFT technology-based manufacturing at Malanpur.
- Improvement in product mix along with healthy traction in DFT products.
- Exports and API coated pipes continued to witness healthy growth in terms of revenue and order inflow. **The Order book stood at about ₹ 700 crores.**

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

"The company continued to report a healthy set of numbers along with improvement on operational parameters on a YTD basis. The financial performance was further aided by stable input costs, festive season and continuous improvement in the product mix.

***In Lighting and Consumer Durables**, Q3 and 9M FY23 revenue grew by **6% and 20% YoY respectively**, driven by an improved product mix. **LED lighting as a whole grew by 8% YoY during the quarter (LED street lighting grew 66% and 74%, for Q3 and 9MFY23 respectively)**. The Professional Lighting business continued to do well and registered a growth of 33% and 43% in Q3 and 9MFY23, respectively. The company's recent product launches also aided the growth momentum. The input costs, especially on the commodity prices front have been stable in Q3FY23, however the USD has gone up w.r.t. INR.*

Professional lighting continued to deliver the projects well within the stipulated timeline. The company is bidding aggressively for various projects across the country and witnessing a strong order inflow.

The company's capex under the PLI scheme is ongoing as per schedule. Once operationalized, it is expected to lower the external dependency along with the reduction in cost. The company's constant effort to bring down replacement costs has worked well. The replacement cost now stands at 5.15%, a significant reduction on YoY as well as QoQ basis. The company remains committed to further bring down the cost, which will enable the company to offer high quality products.

The company continued to focus on R&D to offer innovative and trendy product line along with further deepening the engagement with dealers and distributors. The key focus of the company remains on enhancing the market share in Metro and Tier-1 cities along with further penetrating the existing rural network.

***In the Steel Pipes and Strips**, the topline was affected due to correction in global steel prices. HR coil prices reduced by 18% on an average in current quarter as compared to corresponding quarter. However, EBITDA/MT improved significantly by **76% on a YoY basis to Rs. 6,733 in Q3FY23**, due to increased share of value-added products. The company remains well geared to accelerate the growth further in the coming quarters.*

To reward the company's shareholders on the remarkable financial performance during the period, the Board has declared an interim dividend of ₹3.00 (30%) per equity share on the paid-up equity capital. The company remains committed to enhance value for the shareholders further".

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

“The company posted a good set of numbers, especially with the healthy improvement in margins and return ratios on account of improvement in product mix, strict control on cost, prudent financial management, a significant reduction in debt and operating leverage.

***In Lighting and Consumer Durables**, the new-age products continued to witness healthy growth. Q3FY23 reported 6% growth YoY while 9MFY23 reported 20% growth YoY led by secular growth across B2B and B2C business divisions. Over the past few quarters, the company is focusing more on the penetration of the Consumer Durables business, more engagement with dealers and distributors along with investment in Advertising and Marketing spends to further strengthen the brand equity.*

In order to further improve the efficiency throughout our sales and marketing team, the company had successfully implemented Salesforce technology in last financial year. The company is now implementing SAP, HANA 4 ERP System to further improve overall efficiency productivity and controls. The company will continue to adopt the latest technologies to enhance the efficiency of the team along with improving the productivity.

***In the Steel Pipes and Strips**, the orderbook continued to grow, particularly the value added products such as API coated pipes and exports. The company has a strong **orderbook of around ₹ 700 crores for API and Exports, which provides a good revenue visibility over a short and medium term**. The company is witnessing strong enquiry flow, which should further improve the orderbook in the coming quarters. This, coupled with improving product mix is expected to drive the margin expansion and marked improvement in the profitability. The company has also accelerated production for Large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior and would be a key enabler for further growth.*

*Over the years, the company has diversified its manufacturing base across the country at strategic locations to reduce turnaround time (TAT) and logistics costs. **To further strengthen this value proposition, the company plans to set up expansion at Hindupur with an outlay of ₹75 crore which is mainly for backward value addition.***

The company remains optimistic about the prospects for all its businesses. In the following years, the growth trajectory for all segments is anticipated to remain solid, driven by higher utilization of existing capacities, higher share of value-added products along with improvement in financial parameters”.

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

*“For the **quarter, EBITDA and PAT grew by 65% and 121% respectively** on YoY basis. The company registered a volume growth of 9% however, the revenue remained flattish on account of global commodity correction. For 9MFY23, the revenue was ₹ 5,845 crore as compared to ₹ 5,429 crore, a growth of 8% YoY. EBITDA and PAT stood at ₹ 366 crore and ₹ 180 crore as compared to ₹ 294 crore and ₹ 122 crore, respectively.*

***In Lighting & Consumer Durables**, for the quarter, the revenue stood at ₹ 396 crore as against ₹ 372 crore, up 6% YoY. EBITDA and PBT stood at ₹ 27 crore and ₹ 19 crore, respectively. For 9MFY23, the revenue stood at ₹ 1,114 crore as against ₹ 929 crore, a growth of 20% YoY. EBITDA and PBT stood at ₹ 80 crore and ₹ 56 crore, a growth of 11% and 19% respectively.*

***In the Steel Pipes and Strips**, during Q3FY23, the company’s EBITDA and PBT grew 92% and 194% respectively to ₹ 136 crore and 104 crore, respectively. EBITDA/MT stood at ₹ 6,733 compared to ₹ 3815, a healthy growth of 76% YoY. For 9MFY23, revenue grew by 5% YoY to ₹ 4,731 crore while EBITDA and PBT grew by 29% and 59% YoY respectively.*

The company has reduced debt by ₹ 71 crore in 9MFY23 and continues to remain long-term debt free. Finance cost has reduced by 28% in 9MFY23. Debt/Equity reduced to 0.30x as on 31st December 2022 as compared to 0.48x as on 31st December 2021.

***RoCE has improved by 11.2%** to 24.6% for Q3FY23 from 13.4% in Q3FY22, **while RoE has improved by 10.3%** to 21.5% in Q3FY23 from 11.2% in Q3FY22. RoCE stood at 16.9% for 9MFY23 compared to 13.4% in 9MFY22 while RoE stood at 15.1% in 9MFY23 compared to 11.5% in 9MFY22.*

The company continued to maintain positive cash conversion cycles. The working capital days stood at 62 days for the company, Lighting and Consumer Durables to 60 days in Q3FY23 (from 66 days in Q2FY23), and in Steel Pipes and Strips to 62 days in Q3FY23 (from 56 days in Q2FY23)”.

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.

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), 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.

For further information, please contact:

Company

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