



APL/SECT/DLH/SE: 2016-17

28th January 2017

Electronic Filing

National Stock Exchange of India Limited
"Exchange Plaza" Bandra-Kurla Complex,
Bandra (E),
Mumbai-400051

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

Re: Press Release

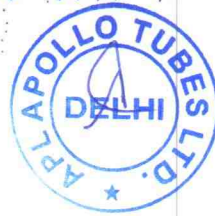
Enclosed herewith please find copy of Press Release being made by the Company today titled "9M FY 2017".

We request you to kindly take the above information on your record.

Thanking you

Yours faithfully
For APL Apollo Tubes Limited

Adhish Swaroop
Company Secretary



Encl: a/a

APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

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APL Apollo Tubes Limited

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9M FY2017

EBITDA at Rs. 252 crore, up 25%
PAT improves by 43% to Rs. 105 crore

New Delhi, January 28, 2017: APL Apollo Tubes Limited (APL Apollo), India's leading branded steel tubes manufacturer, announced its financial results for the quarter and nine months ended December 31, 2016.

Financial Performance Highlights

Performance Review for Q3 FY17 vs. Q3 FY16

- Sales Volume (excluding Trading & Scrap) improved by 8% to 2.22 Lac Tons from 2.06 Lac Tons despite macro-economic challenges
- Net sales (Manufacturing) stood at Rs. 946 crore as compared to Rs. 749 crore
- Total EBITDA improved by 4% Y-o-Y to Rs. 76 crore compared to Rs. 73 crore
- Net Profit after Tax stood at Rs. 30 crore as compared to Rs. 31 crore
- Diluted Earnings Per Share (not annualized) at Rs. 12.58 as compared to 13.29

Performance Review for 9M FY17 vs. 9M FY16

- Sales Volume (excluding Trading & Scrap) improved by 11% to 6.97 Lac Tons from 6.30 Lac Tons
- Net sales (Manufacturing) increased by 10% to Rs. 2,811 crore from Rs. 2,552 crore in 9M FY16
- EBITDA in 9M FY17 improved by 25% Y-o-Y to Rs. 252 crore compared to Rs. 202 crore
 - EBITDA margin stood at 7.8% vs 6.7% in Q3 FY16
- PAT marked a significant improvement of 43% to Rs. 105 crore in 9M FY17
- Diluted Earnings Per Share (not annualized) at Rs. 44.54 as compared to 31.17



Commenting on the Company's performance for Q3 & 9M FY2017, Mr. Sanjay Gupta, Chairman, APL Apollo said,

"Our performance during the quarter was steady especially given the challenging external environment owing to the Demonetization drive. We are pleased with the traction we have witnessed in Exports, OEM and new markets, which is in-line with our increasing focus on these segments. So the impact of the slowdown has been limited due to these steps taken by the Company. The economic environment continues to be challenging especially after the demonetization drive. Further, steel prices remain high and volatile, which also impacted the overall demand for steel including steel tubes.

Over the last few years, we have been leveraging on our innovation capabilities to expand our product offerings with an aim to improve our market reach as well as make a distinct mark for our Brand. I am happy to share that we received 6 patents for our products during the quarter taking the total to 7 in-house design patents – cementing our position as a pioneer in developing new products.

As we look ahead, the adverse impact of Demonetization is expected to continue in the short-term. However, in the medium to long-term, we believe, Demonetization along with other such initiatives undertaken by the Central Government will provide huge prospects to organized players such as APL Apollo. Given our leadership position in the sector, we are well poised to leverage on host of opportunities across various sectors of the Indian economy, which should enable us to deliver strong growth going forward."



Key Developments

- **Strong emphasis on developing innovative steel structural products – Received Patents for 6 Product Designs taking the total to 7 in-house design patents**
 - Received patents from the Indian Patent Office for six new product designs, including four designs of Hollow Section pipes. The cutting-edge designs will hold a patent for a period of 10 years, with a facility to further extend it for an additional period of 5 years
 - Shift from Commodity to Value-added Branded Player - Currently, over 70% of the total product portfolio comprises of niche value-added products which have limited competition
- **Notable development at four upcoming ‘Direct Forming Technology’ (DFT) facilities – all units to be commissioned by FY18 - First Company to introduce the world’s latest tube making Technology in India**
 - Adding 500,000 MTPA capacity lines of new DFT technology mills at the existing sites in Sikandarabad (North – 125,000 MTPA), Hosur (South – 125,000 MTPA), Murbad (West – 125,000 MTPA) and Raipur (Upcoming – East – 125,000 MTPA)
 - Earmarked Rs. 125 crore of capex for DFT Technology
 - Hosur Line to be operational by Q4 FY17
 - High quality customized shapes and sizes of products, achieved through DFT, to significantly expand addressable market
 - The technology, unlike conventional technologies, will translate into huge cost-savings and better productivity at both the customer and Company level
- **Upcoming Greenfield facility at Raipur, Chhattisgarh is progressing well – First line to be operational in the coming months**
 - Strategically located facility of 325,000 MTPA capacity will significantly strengthen the Company’s PAN India presence
 - Facility to include 125,000 MTPA capacity of DFT



- **Appoints Mr. Virendra Singh Jain as an Additional Independent Director of the Company**
 - Step towards notably strengthening the Board of Directors
 - Mr. Jain is the Ex-Chairman of Steel Authority of India, Ex-Member of Public Enterprises Selection Board and held other senior positions
- **Wins the 'Fastest Growing Manufacturing Company' award at the IPF Industrial Excellence Awards**
 - Industrial Products Finder (IPF) is India's largest circulated industrial magazine and hosted its first ever IPF Industrial Excellence Awards at World of Industry (WIN) India in Mumbai
 - The award underscores APL Apollo's commitment towards growth and operational excellence



About APL Apollo Tubes Limited

APL Apollo Tubes Limited (BSE: 533758, NSE: APLAPOLLO) is India's Leading Branded Steel Tubes Manufacturer. Headquartered at Delhi NCR, the Company operates six manufacturing facilities with a total capacity of 1.3 Million TPA. It has a PAN-Indian presence with units strategically located in Sikandarabad (3 units), Bangalore, Hosur and Murbad. APL Apollo's multi-product offerings include over 400 varieties of Hollow Sections, Pre-galvanized Tubes (GP), Round Pipes (Black), Galvanized Tubes (GI) and Special Value-Added Products.

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, automobile, construction, housing, energy, irrigation, solar plants, greenhouses and engineering. The Company's vast 3-tier distribution network of over 600 dealers is spread all across India, with warehouses cum- branch offices in over 20 cities.

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

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Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. APL Apollo Tubes Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

