



APL/SECT/DLH/SE: 2017-18



11th December 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 "Q2 FY 2018".

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)

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel:+91-120-4041400 Fax:+91-120-4041444

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi 110092, India Tel:+91-11-22373437 Fax:+91-11-22373537

Unit - I : A-19, Industrial Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - II : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109 India

e-mail : info@aplapollo.com Website : www.aplapollo.com



APL Apollo Tubes Limited

37, Hargobind Enclave, Vikas Marg, New Delhi – 110 092

Q2 FY2018

Sales volume improves by 20% Y-o-Y to 2.83 lakh tons

Net income increases by 46% to Rs. 1,345 crore

PAT higher by 39% to Rs. 41 crore

New Delhi, December 11, 2017: APL Apollo Tubes Limited (APL Apollo), India's leading branded steel tubes manufacturer, announced its financial results for the quarter and half-year ended September 30, 2017.

Financial Performance Highlights

Performance Review for H1 FY18 vs. H1 FY17

- Sales Volume* improves by 15% to 5.48 lakh tons from 4.75 lakh tons
- Net Income increases by 32% to Rs. 2,501.0 crore compared to Rs. 1,898.2 crore
- EBITDA¹ higher by 4% Y-o-Y to Rs. 180.0 crore compared to Rs. 172.8 crore
- Net Profit after Tax increases by 9% to Rs. 79.6 crore compared to Rs. 73.1 crore
- Diluted Earnings Per Share (not annualized) up by 8% to Rs. 32.78 as compared to 30.49

Performance Review for Q2 FY18 vs. Q2 FY17

- Sales Volume* improves by 20% to 2.83 lakh tons from 2.35 lakh tons
- Net Income increases by 46% to Rs. 1,345.4 crore compared to Rs. 922.3 crore
- EBITDA¹ higher by 27% Y-o-Y to Rs. 101.3 crore compared to Rs. 79.5 crore
- Net Profit after Tax increases by 39% to Rs. 40.7 crore compared to Rs. 29.3 crore
- Diluted Earnings Per Share (not annualized) up by 37% to Rs. 16.77 as compared to Rs. 12.23

Note:

*Excluding Trading & Scrap

(1) EBITDA without other income

Commenting on the Company's performance for Q2 & H1 FY2018, Mr. Sanjay Gupta, Chairman, APL Apollo, said,

"We are pleased to report a healthy set of results during the quarter, registering a solid volume growth of 20% along with a robust PAT growth of 39%. This performance is commendable, especially given the external macro-environment. Operational performance during the period was marked by new customer additions across the Export and OEM divisions, which also assisted overall results.

We have commissioned two new DFT lines during the period under review and I am happy to share that the initial response from our customers for the world-class product has been excellent. We are now on track to establish all lines by Q4 FY18 and emerge as one of the largest steel tube manufactures in the world with 2 million MTPA capacity.

Looking ahead, we remain quite optimistic of maintaining our business momentum supported by a combination of improving macros, various strategic cost & branding initiatives and a healthy balance sheet position. We have prudently utilized internal accruals to fund our capex plans, which have enabled us to maintain healthy return ratios. As we efficiently sweat our new capacities, we further expect to notably improve our return metrics in the future."

Key Developments

- **Two additional Direct Forming Technology (DFT) lines commissioned – roll-out of all DFT lines by Q4 FY18**
 - New DFT lines operationalized at the Company's Hosur and Raipur plants – total of 4 DFT lines established till date
 - Superior-quality DFT products have been well-received across market segments – the Company is targeting new OEM customers in sectors like Infrastructure, Construction, Solar, Automobiles, Crane manufacturers, Agriculture amongst others
 - The Company will be commissioning another 4 lines across existing facilities of Murbad, Sikandarabad and Hosur by Q4 FY18 – taking the total installed capacity to 2 million MTPA
- **Improving reach by strengthening warehouse network – added two new warehouses taking the total number to 28**
 - Enhancing local market presence to deepen engagements with distributors and retailers
 - Part of long-term strategy to establish a strong distribution network which act as Retail Hubs in multiple states – these close-to demand distribution network increases speed-to-market and overall customer service levels
- **Unlocking demand potential across OEMs – registered higher sales volume contribution from this key vertical during the quarter**
 - With improving brand visibility, focus continues to be on improving share from the OEMs division
 - During the quarter, the OEMs segment reported a growth of 107%
 - Introduction of high-quality products and new brand launches will further add value to the key segments of OEMs and Exports

- **Continuous focus towards brand building initiatives – soft launched a new brand for DFT products in key markets**
 - During the quarter, the Company soft launched its ‘Apollo Fabritech’ brand – initial customer response to brand is positive
 - ‘Apollo Fabritech’ - hollow sections made with the latest DFT technology results in customized sizes, great cost savings, faster deliveries and more precise finishes
 - Recent brand launch – ‘Apollo Coastguard’ has been very well-received by customers across targeted coastal and hilly geographies
 - Branding identified as a key growth driver in the coming years – APL Apollo one of the few players in the industry to have developed a brand recall. Focus on further enhancing brand recall across industries and regions

About APL Apollo Tubes Limited

APL Apollo Tubes Limited (BSE: 533758, NSE: APLAPOLLO) is one of India's leading branded steel products manufacturers. Headquartered at Delhi NCR, the Company operates manufacturing facilities with a total capacity of 1.3 Million MTPA. It has a PAN-Indian presence with units strategically located in Sikandarabad (3 units), Bangalore, Raipur, Hosur and Murbad. APL Apollo's multi-product offerings include over 400 varieties of MS Black pipes, Galvanized Tubes, Pre-Galvanized Tubes, Structural ERW Steel tubes and Hollow Sections.

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, housing, 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:

Deepak Goyal

APL Apollo Tube Ltd

Tel: +91 120 404 1400

Email: deepakgoyal@aplapollo.com

Anoop Poojari / Shikha Kshirsagar

CDR India

Tel: +91 22 6645 1211 / 1243

Email: anoop@cdr-india.com
shikha@cdr-india.com

DISCLAIMER:

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.