



APL Apollo Tubes Limited

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FY2017

Total income increases by 8% to Rs. 4,545 crore

EBITDA at Rs. 328 crore, up 12%

PAT at Rs. 146 crore, up 45%

New Delhi, May 20, 2017: APL Apollo Tubes Limited (APL Apollo), India's leading branded steel tubes manufacturer, announced its financial results for the quarter and year ended March 31, 2017.

Financial Performance Highlights

Performance Review for FY17 vs. FY16

- Sales Volume (excluding trading & scrap) improves by 4% to 9.31 lakh tons from 8.93 lakh tons
 - Volume growth slower than expected owing to external market challenges including demonetization and volatile steel prices
- Net sales (Manufacturing) increased by 14% to Rs. 3,900 crore from Rs. 3,411 crore in FY16
- EBITDA improves by 12% Y-o-Y to Rs. 328 crore compared to Rs. 292 crore
- PAT increases by 45% to Rs. 146 crore in FY17
- Diluted Earnings Per Share (not annualized) up by 45% to Rs. 62.13 as compared to 42.91
- The Company declared a dividend of Rs. 12 per share (Face Value of Rs. 10 per share) – resulting in a cash outflow of Rs. 30 crore for dividend payment including tax, amounting to a dividend payout ratio of 20% for FY2017

Performance Review for Q4 FY17 vs. Q4 FY16

- Sales Volume (excluding trading & scrap) stood at 2.34 lakh tons compared to 2.62 lakh tons
 - Impact of demonetization combined with high base in the corresponding quarter last year led to subdued volume performance
- Net sales (Manufacturing) increases by 27% to Rs. 1,088 crore compared to Rs. 860 crore

- EBITDA lower by 15% Y-o-Y to Rs. 76.25 crore compared to Rs. 89.81 crore
- Net Profit after Tax up 50% to Rs. 41.25 crore compared to Rs. 27.52 crore
- Diluted Earnings Per Share (not annualized) at Rs. 17.56 as compared to 11.74, up 50%

Commenting on the Company's performance for Q4 & FY2017, Mr. Sanjay Gupta, Chairman, APL Apollo said,

"FY17 has been a difficult year for us with the Company facing external market challenges including demonetization and volatile steel prices, which significantly impacted our volumes in the second half. However, we have made an exceptional start to the new fiscal by registering strong volumes in the month of April. We remain focused on further increasing this momentum in the coming quarters and are confident of delivering over 20% volume growth in FY18. Our recently established Greenfield facility in an underpenetrated market like Raipur will also support our aggressive growth plans over the next 2 years.

I am happy to share that we have commissioned India's first-ever DFT (Direct Forming Mill Technology) unit at our existing facility in Hosur, Tamil Nadu. We have always been at the forefront of introducing the latest global technology in India and DFT is one of the finest examples. We remain convinced this technology has the potential to revolutionize the Indian steel tube industry and strengthen our position as the leading Branded Steel Tubes manufacture in India.

We believe we are well-positioned to leverage on the improving macro-economic environment and Government's reform agenda including GST which will help organized players like APL Apollo. Our game changing initiatives like technology adoption, branding activities, innovative products, and global scale, will enable us to create tremendous value for all stakeholders in the years to come."

Key Developments

- **Undertook enhanced Branding activities to build solid visibility for ‘APL Apollo’ brand – launched new brand ‘Apollo Coastguard’ Pipes for the coastal regions**
 - **‘Apollo Coastguard’** branded products to tap growing consumption of galvanized steel tubes in the Coastal Regions. Product to be made of special galvanized steel which will provide excellent corrosion resistance against wind, water and road salts, making them 100% rust proof pipes
 - Management is actively working with a reputed Marketing Consultant to launch new brands under ‘APL Apollo’ to cover the Company’s unique & innovative product portfolio
- **Significantly strengthened Pan-India presence with the commissioning of Greenfield facility at Raipur, Chhattisgarh**
 - Foray in underpenetrated Eastern/Central India with an installed capacity of 325,000 MTPA - significantly augments the Company’s national footprint while providing a notable opportunity to rapidly ramp-up volumes
 - Commissioned 1 line till date out of 6 lines – expect to start all lines by Q3 FY18
- **Successfully established India’s 1st-ever Direct Forming Mill Technology (DFT) line at the Company’s Hosur plant**
 - High quality customized shapes and sizes of products, achieved through DFT, to significantly expand addressable market and translate into huge cost-savings and better productivity
- **Announced strategic tie-up with NEXTracker™ to manufacture a key structural component of its solar tracking system in India**
 - Partnership with APL Apollo to enable NEXTracker to source highest quality steel products for solar parks and power plants in India
 - Tie-up allows APL Apollo to rapidly penetrate the growing renewable energy market in India that seeks to have 100 GW of solar power by 2022 – expected to create demand for more than 1 million tons of premium pre-galvanized hollow section tubes

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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