



FINOLEX INDUSTRIES LIMITED

Q3 FY20 RESULTS



Revenue

- Revenue registered a y-o-y decline of 7.6% to Rs. 6,994 mn

Volume

- PVC Resin volume registered a y-o-y decline of 11.5% to 59,154 MT.
- Pipe and Fittings volume registered a y-o-y decline of 10.8% to 52,815 MT.

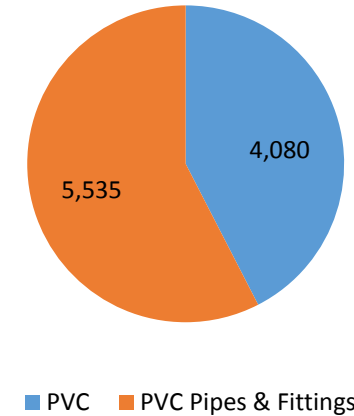
Operating Performance (EBIT)

- EBIT margins at 17.1% as compared to 15.8%.
- PVC Resin EBIT margin at 20.1% as compared to 16.7%.
- PVC Pipes and Fittings EBIT margin at 7.9% as compared to 7.4%.

PAT

- PAT higher by 18.5% at Rs.933 mn as against Rs 787 mn in Q3FY19.

Segment Revenue Rs. In mn



Extended monsoon season with cyclones thereafter has impacted the volumes in both the segments. In spite of lower volumes, operating margins are better on account of better realizations and higher PVC EDC Delta.

Highest ever PBT (Rs 1,246 Mn) and PAT (Rs 933 Mn) realized in third Quarter of any year.

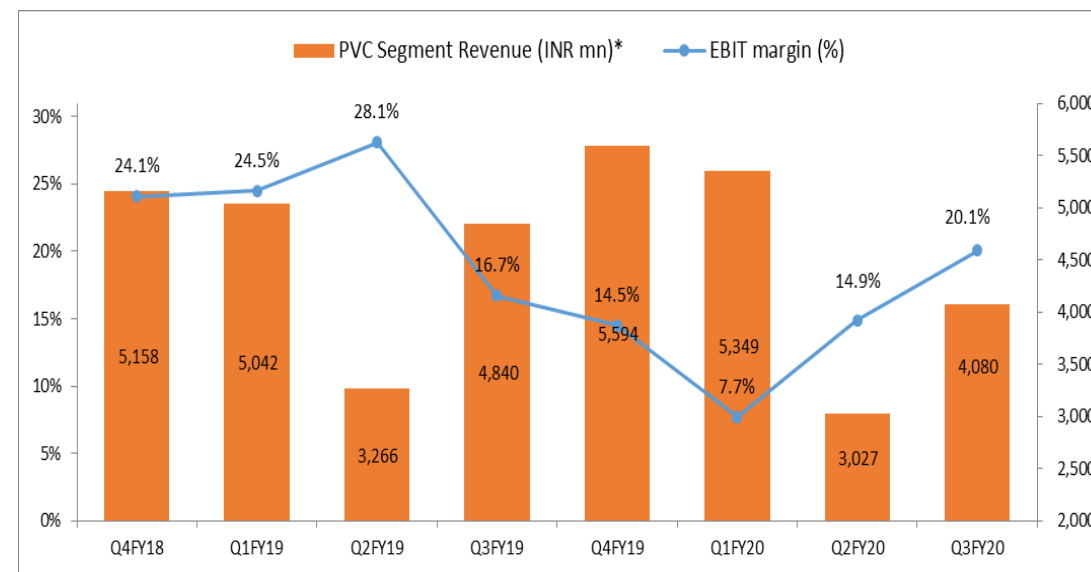
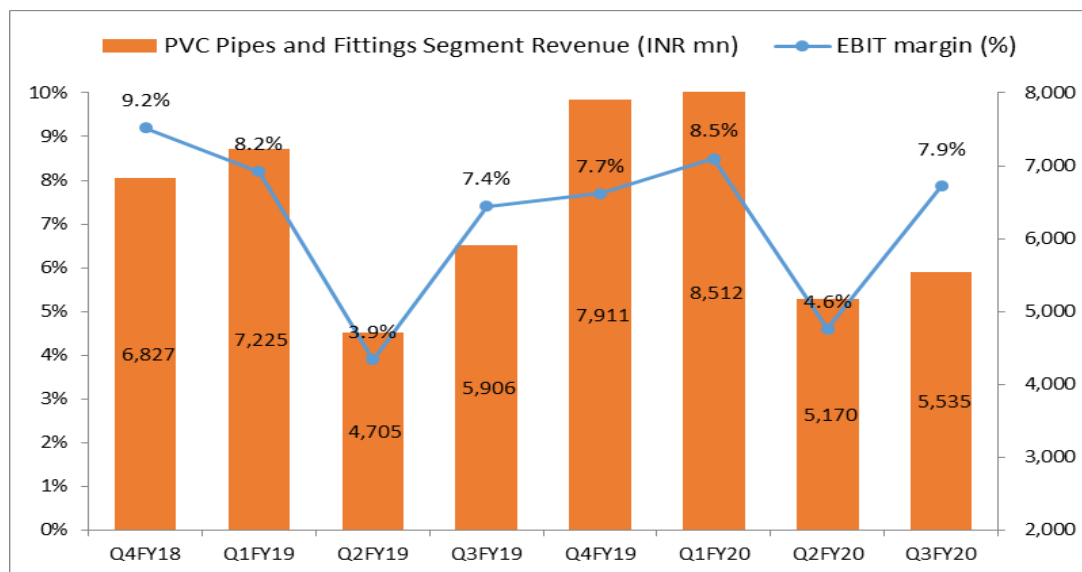
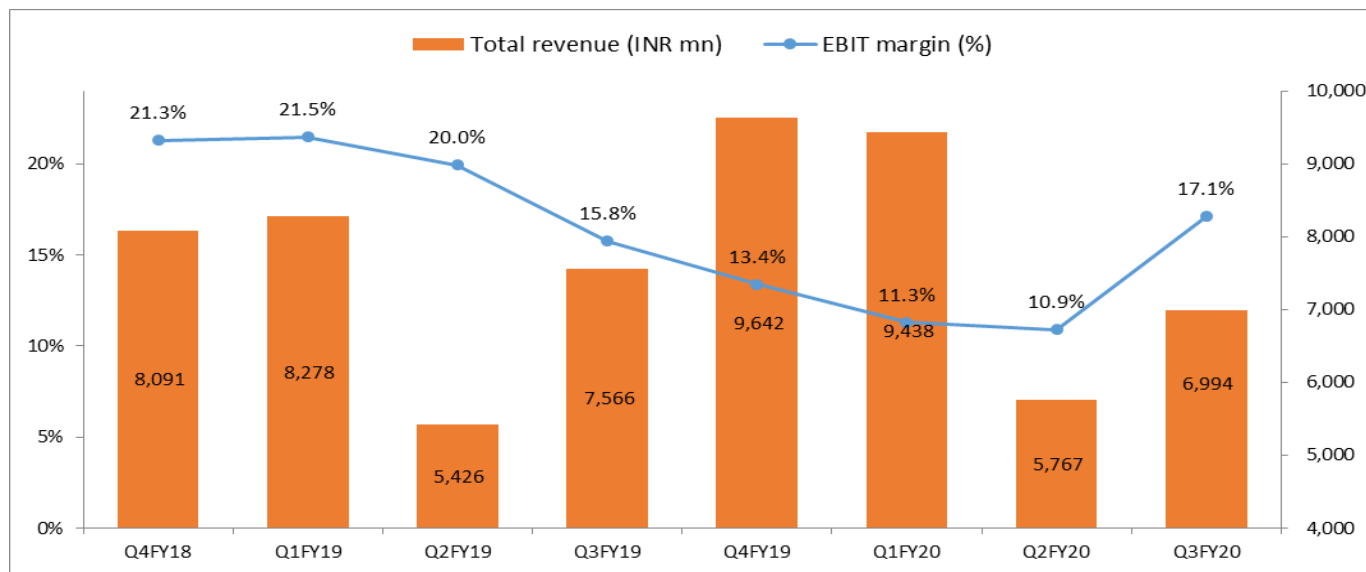
Profit & Loss Account – Q3FY20

Particulars (INR Mn)	Q3FY20	Q3FY19	Inc / Dec (%)
Total Income from operations	6,994	7,566	-7.6%
EBIDTA	1,384	1,389	-0.4%
EBIDTA margin (%)	19.8%	18.4%	
Depreciation	188	196	
EBIT	1,197	1,193	0.3%
EBIT %	17.1%	15.8%	
Other Income	67	33	
Finance costs	18	17	
Profit before exceptional items	1,246	1,209	
PBT %	17.8%	16.0%	
Exceptional items	-	-	
Profit after exceptional items	1,246	1,209	3.1%
PBT %	17.8%	16.0%	
Tax	313	422	
PAT	933	787	18.5%
PAT %	13.3%	10.4%	

Profit & Loss Account – 9MFY20

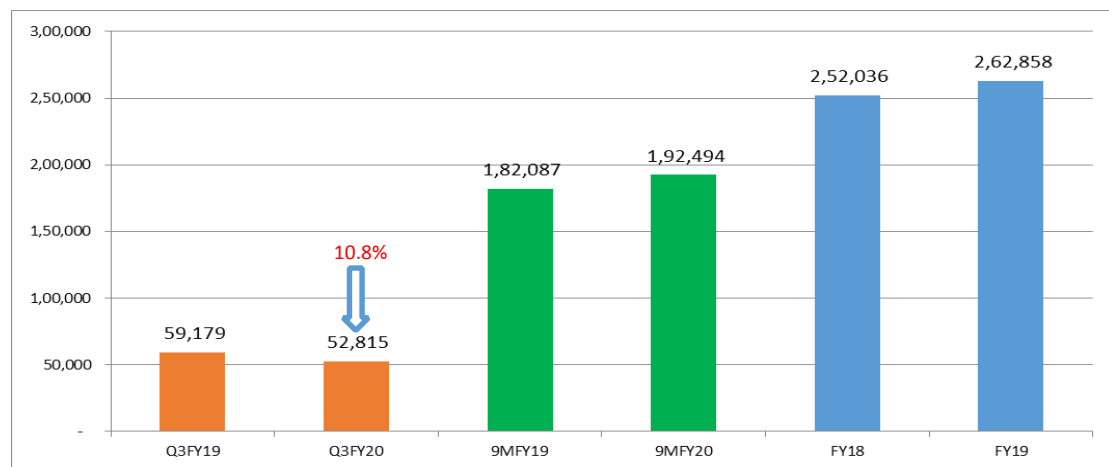
Particulars (INR Mn)	9MFY20	9MFY19	Inc / Dec (%)
Total Income from operations	22,199	21,271	4.4%
EBIDTA	3,440	4,578	-24.9%
EBIDTA margin (%)	15.5%	21.5%	
Depreciation	549	524	
EBIT	2,891	4,054	-28.7%
EBIT %	13.0%	19.1%	
Other Income	299	293	
Finance costs	29	99	
Profit before exceptional items	3,160	4,248	-25.6%
PBT %	14.2%	20.0%	
Exceptional items	-	279	
Profit after exceptional items	3,160	3,969	
Tax	476	1,385	
PAT	2,685	2,584	3.9%
PAT %	12.1%	12.1%	

Business Performance – Q3FY20

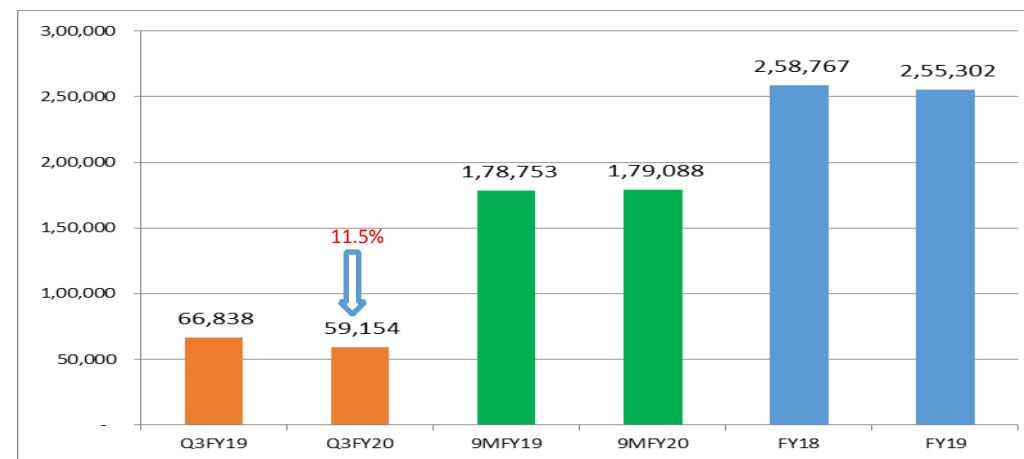


* Including inter segment transfer

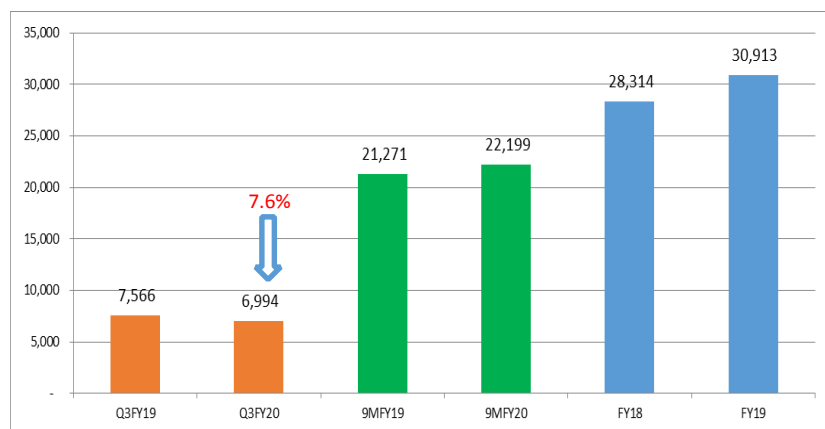
Q3FY20 Results Summary



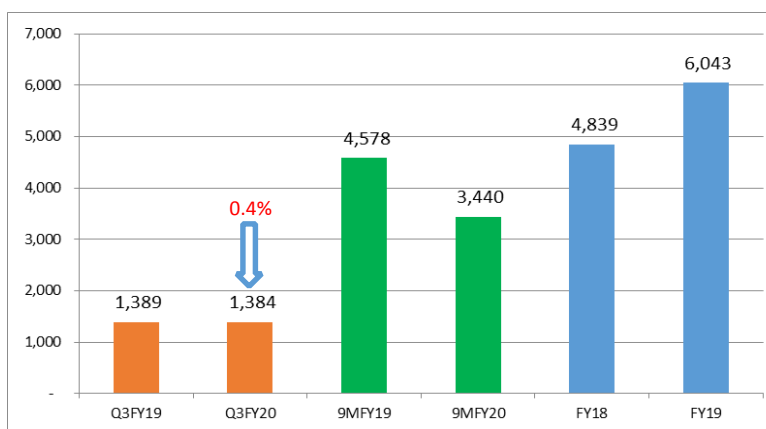
Volumes (MT) Pipes & Fittings



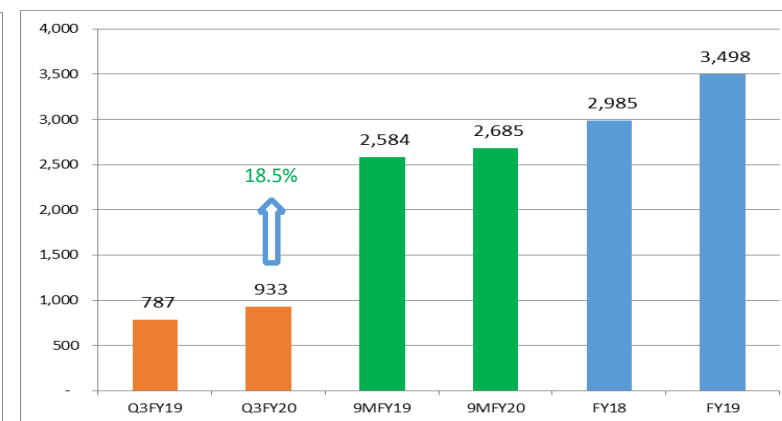
Volumes (MT) PVC Resin *



Revenue (INR Mn)



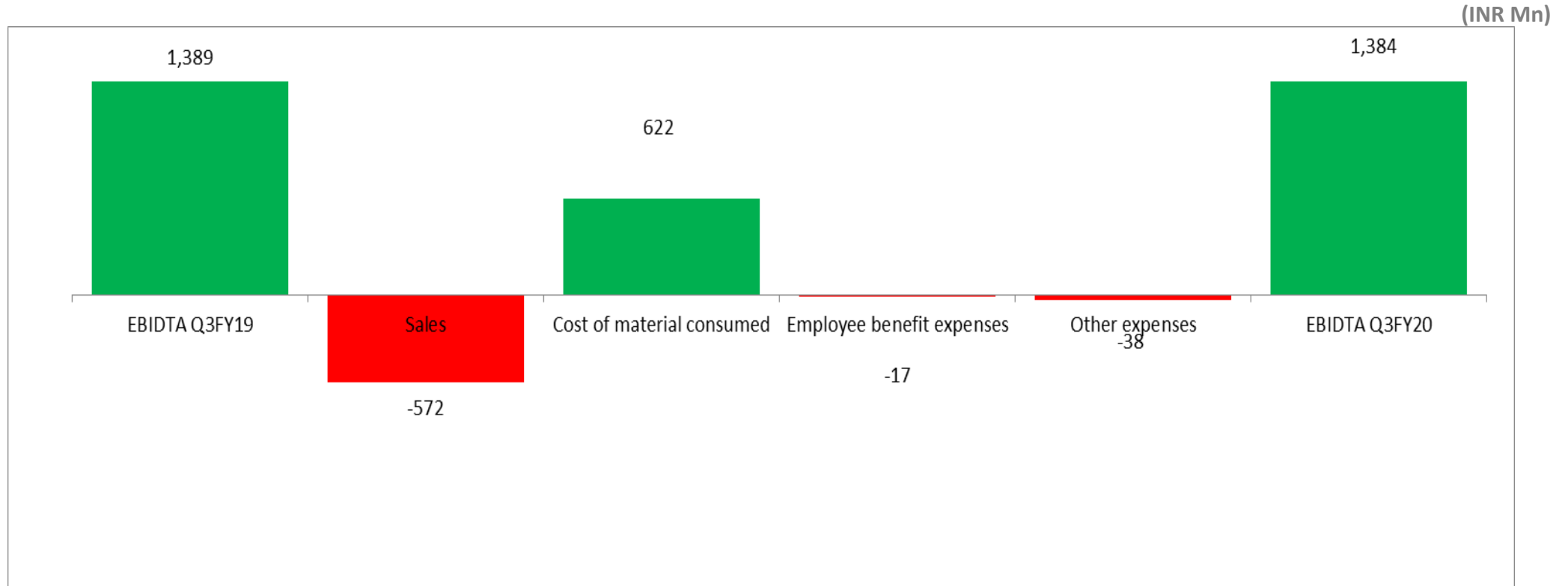
EBITDA (INR Mn)



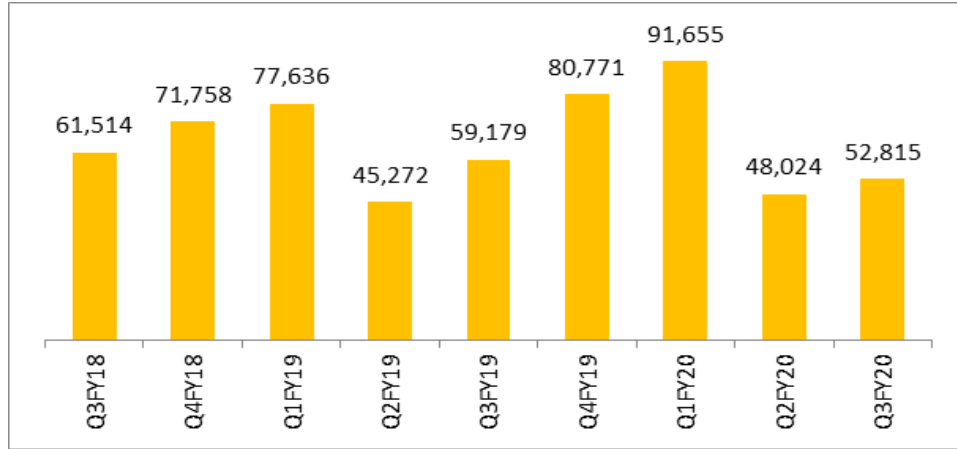
PAT (INR Mn)

* Including inter segment transfer

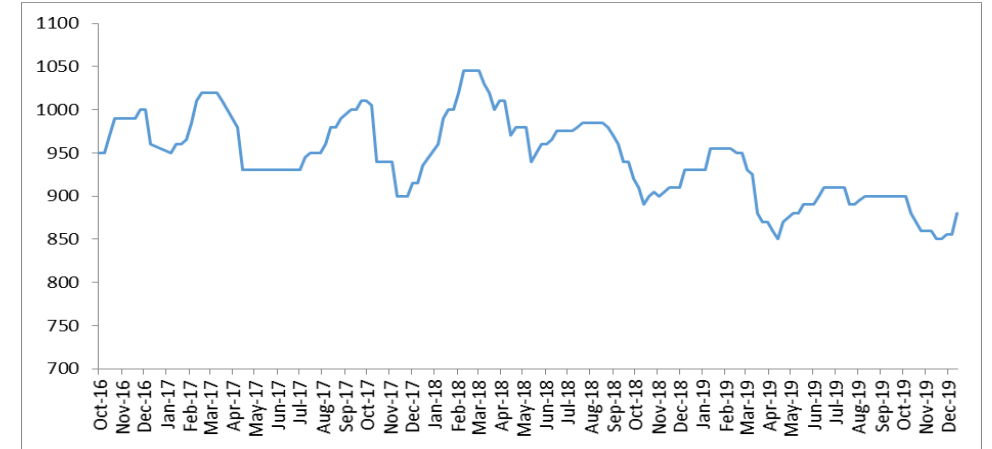
EBIDTA Bridge Chart Q3FY20



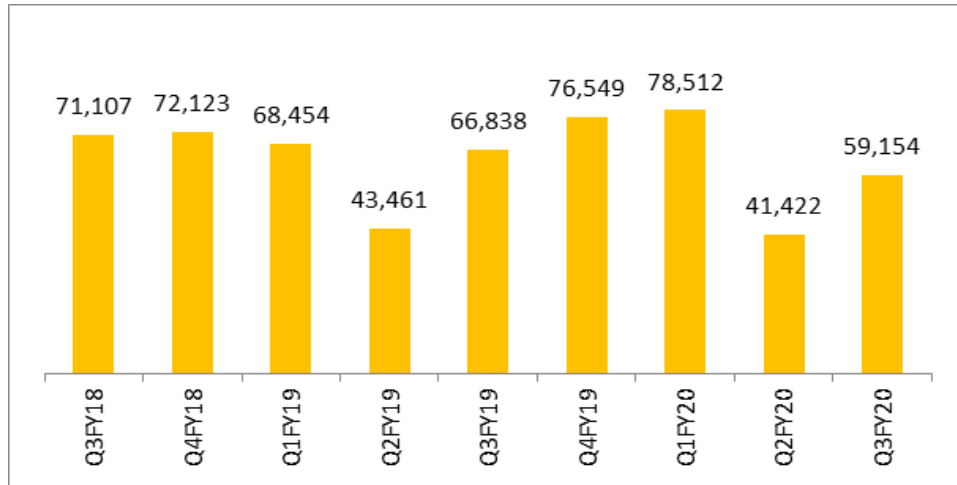
Business Performance Trends



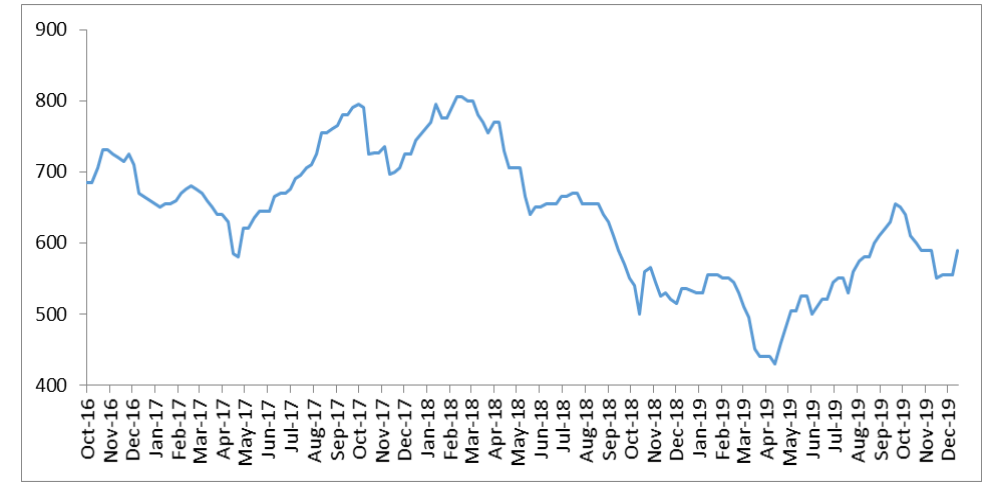
Pipes & Fittings Volumes (MT)



PVC (USD/MT)



PVC Volumes (MT)



PVC/EDC Delta (USD/MT) *

Quarterly - Profit & Loss

Particulars (INR Mn)	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Total income from operations *	7,227	8,091	8,278	5,426	7,566	9,642	9,438	5,767	6,994
EBIDTA	1,133	1,879	1,939	1,250	1,389	1,465	1,236	820	1,384
<i>EBIDTA margins (%)</i>	15.7%	23.2%	23.4%	23.0%	18.4%	15.2%	13.1%	14.2%	19.8%
Depreciation	154	156	162	166	196	177	168	194	188
Other Income	102	28	137	123	33	122	57	174	67
Finance costs	(4)	34	52	30	17	24	9	2	18
PBT before exceptional items	1,086	1,717	1,862	1,177	1,209	1,387	1,116	798	1,246
<i>PBT margins (%)</i>	15.0%	21.2%	22.5%	21.7%	16.0%	14.4%	11.8%	13.8%	17.8%
Exceptional items	-	-	279	-	-	-	-	-	-
PBT after exceptional items	1,086	1,717	1,583	1,177	1,209	1,387	1,116	798	1,246
Tax	390	508	550	413	422	473	391	(229)	313
PAT	695	1,209	1,033	764	787	914	725	1,027	933
EPS	5.6	9.8	8.3	6.2	6.3	7.4	5.8	8.3	7.5

* excluding duties and taxes

Quarterly segmental - Profit & Loss

Particulars (INR Mn)	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Segmental revenues *									
PVC	4,598	5,158	5,042	3,266	4,840	5,594	5,349	3,027	4,080
PVC pipes & fittings	5,320	6,827	7,225	4,705	5,906	7,911	8,512	5,170	5,535
Segmental profits									
PVC	870	1,242	1,236	918	809	810	413	451	818
% of Revenues	18.9%	24.1%	24.5%	28.1%	16.7%	14.5%	7.7%	14.9%	20.1%
PVC pipes & fittings	302	629	596	183	438	612	724	238	436
% of Revenues	5.7%	9.2%	8.2%	3.9%	7.4%	7.7%	8.5%	4.6%	7.9%
Capital employed									
PVC	5,515	6,821	7,292	5,872	6,457	6,046	6,063	5,247	6,349
PVC pipes & fittings	6,413	7,269	7,500	8,390	8,975	8,713	8,278	9,146	9,862

*excluding duties and taxes

Captive Power Plant as a separate segment is no longer material compared to the Company's overall operations and the management does not analyse its performance separately. Therefore as per Ind AS 108 "Operating Segments", the Company has decided to disclose only two segments i.e. PVC resin and PVC pipes & fittings

Profit & Loss - Key Indicators

Profit & loss account (INR Mn)	FY13	FY14	FY15	FY16*	FY17*	FY18*	FY19*
Revenue from Operations (excl. duties and taxes)	21,448	24,531	24,762	24,819	26,024	27,378	30,913
Growth in sales (YoY %)	2.1%	14.4%	0.9%	0.2%	4.9%	5.2%	12.9%
EBIDTA before exceptional items	3,587	3,966	2,111	4,044	5,630	4,839	6,043
EBIDTA margins before exceptional items (%)	16.7%	16.2%	8.5%	16.3%	21.6%	17.7%	19.6%
EBIDTA after exceptional items	2,627	3,268	1,896	4,289	5,630	4,839	5,764
PBT	1,902	2,419	808	3,733	5,170	4,388	5,356
PBT Margin (%)	8.9%	9.9%	3.3%	15.0%	19.9%	16.0%	17.3%
PAT	1,361	1,701	478	2,544	3,522	2,985	3,498
PAT Margin (%)	6.3%	6.9%	1.9%	10.3%	13.5%	10.9%	11.3%

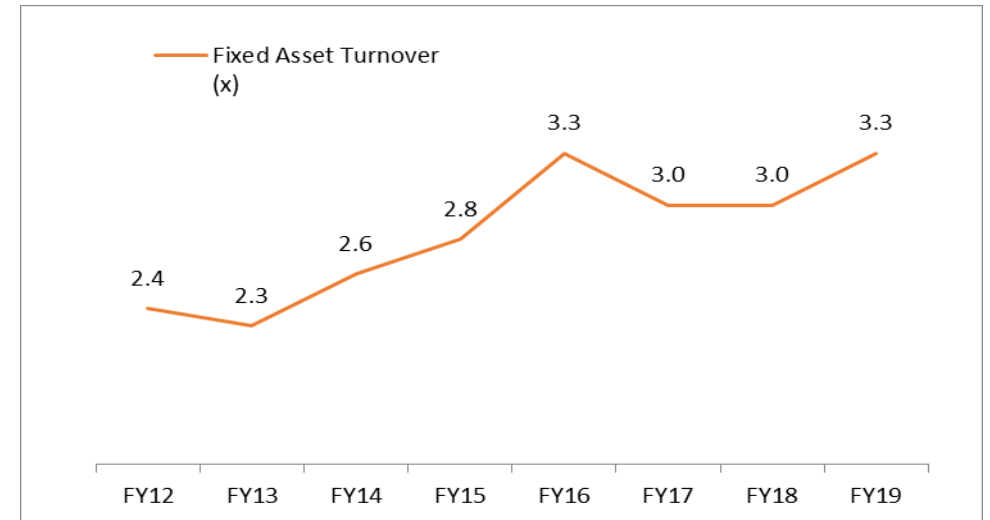
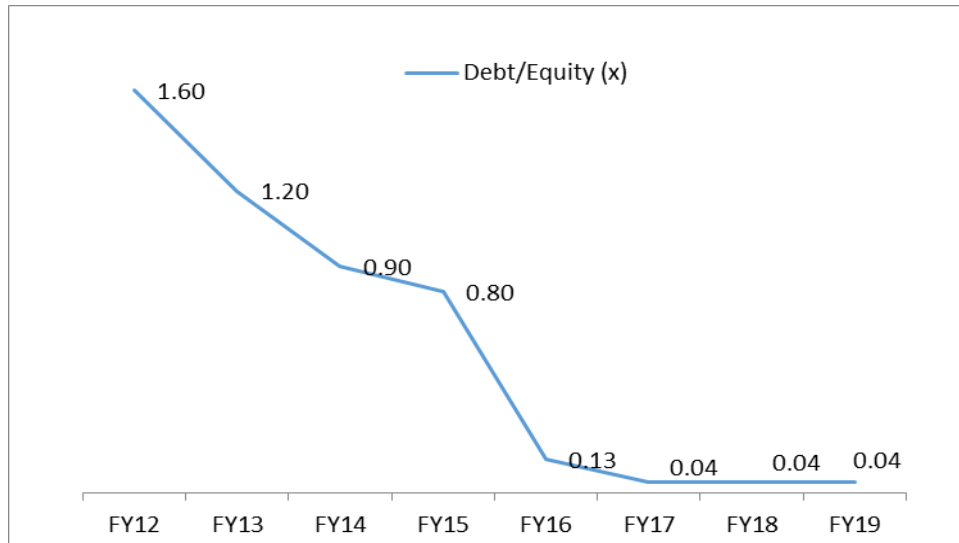
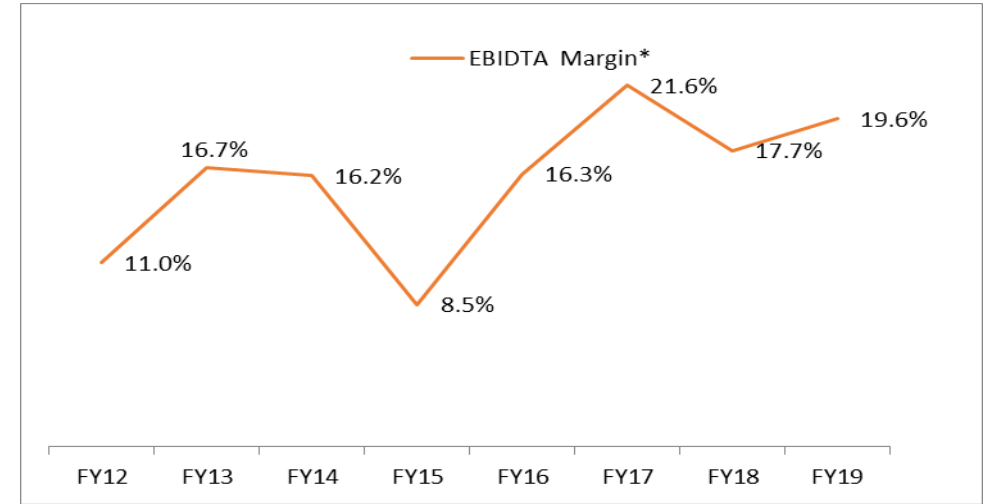
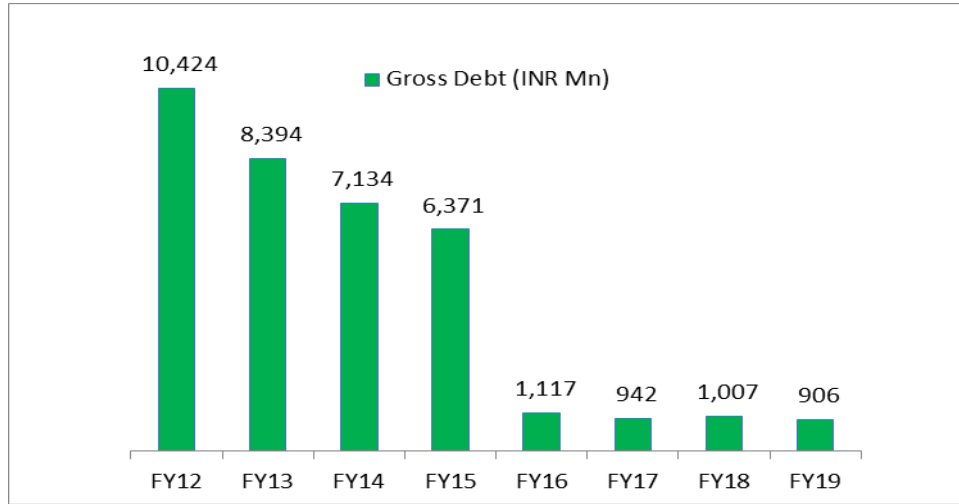
*Figures as per IndAS

Balance sheet - Key Indicators

Balance Sheet (INR Mn)	FY13	FY14	FY15	FY16*	FY17*	FY18*	FY19*
<i>Equity and liabilities</i>							
Share capital	1,241	1,241	1,241	1,241	1,241	1,241	1,241
Reserves and surplus	5,971	6,656	6,633	14,458	21,673	26,405	24,043
Long term borrowings	1,397	2,322	1,837	-	-	-	-
Short term borrowings (incl. loans repayable in one year)	6,997	4,812	4,534	1,117	942	1,007	906
Total borrowings	8,394	7,134	6,371	1,117	942	1,007	906
<i>Assets</i>							
Fixed assets (Net block)	8,795	9,052	8,678	8,496	8,551	8,842	9,509
Capital WIP	506	325	104	66	217	903	902
Non current investments	1,274	1,274	1,246	6,485	11,656	14,896	10,769
Current investments	2,322	941	551	1,687	566	656	2,261

*Figures as per IndAS

Trend in Key Ratios



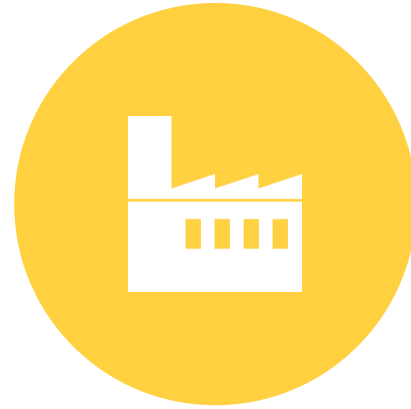
*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

Key Strategies



EXPANDING FOOTPRINT

Expand distribution network in all geographies with higher focus in the northern and eastern regions



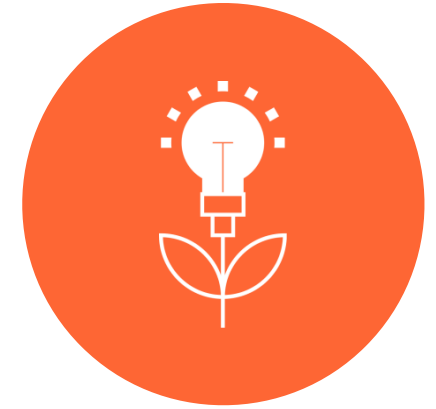
CAPACITY EXPANSION

Increase installed capacities of PVC pipes and fittings in order to capture expected increase in demand.



CASH-N-CARRY

Follow Cash-n-carry model to keep the balance sheet light.

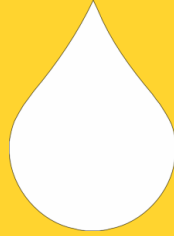


BRANDING

Promote brand and quality consciousness amongst consumer.



- A budget allocation of ₹2.83 lakh crore for the sector comprising agriculture and allied activities.
- Doubling farmers incomes by 2022.
- Agri-credit availability set at ₹15 lakh crore for FY 2020-21
- Warehousing in line with Warehouse Development and Regulatory Authority (WDRA) norms. Viability gap funding for creation of efficient warehouses on PPP mode.



- Rs. 3.60 lakh crore approved for **Jal Jeevan Mission**:
- National Rural Drinking Water allocation: Rs. 11,500 crore for the year FY 2020-21.
- Augmenting local water sources, recharging existing sources, and promoting water harvesting and de-salination.
- Cities with million-plus population to be encouraged to achieve the above objective during the current financial year itself.
- Krishi Sinchai Yojana allocation: Rs. 11,127 cr.



- Measures for organic, natural, and integrated farming: **Jaivik Kheti** Portal – online national organic products market to be strengthened.
- **Zero-Budget Natural Farming** to be included.
- NABARD Re-finance Scheme to be further expanded.
- NABARD to map and geo-tag agri-warehouses, cold storages, reefer van facilities, etc.



- Financing on Negotiable Warehousing Receipts (e-NWR) to be integrated with e-NAM.
- **Deen Dayal Antyodaya Yojana** – 0.5 crore households mobilized with 58 lakh SHGs for poverty alleviation.
- **PM-KUSUM** to be expanded: 20 lakh farmers to be provided for setting up stand-alone solar pumps.

Budget 2020: Opportunities - Non - Agriculture sector i.e. housing and infrastructure ... also continues to be thrust area



- Budget 2020 saw the Housing Urban Affairs Ministry Outlay touch Rs 50,039.90 cr. (18.4% increase from the revised estimate)
- Pradhan Mantri Avas Yojana : Rs. 27,500 cr (8.5% increase).
- Allocation of Rs 13,750 cr for Smart Cities Mission and AMRUT (14% increase)
- Additional deduction up to Rs. 1.5 lakhs for interest paid on loans taken for an affordable house extended till 31st March, 2021.
- Tax holiday provided to developers of affordable housing to be extended by a year.
- Date of approval of affordable housing projects for availing tax holiday on profits earned by developers extended till 31st March, 2021.
- Affordable Housing Fund (AHF) : Rs 25,000 Cr to aid stuck housing project.



- Deen Dayal Antyodaya Yojana – 0.5 crore households mobilized with 58 lakh SHGs for poverty alleviation.
- Rs. 69,000 crore allocated for overall Healthcare sector.
- Rs. 6400 crore (out of Rs. 69,000 crore) for PM Jan Arogya Yojana (PMJAY):
- More than 20,000 hospitals already empaneled under PM Jan Arogya Yojana (PMJAY).
- Viability Gap Funding window proposed for setting up hospitals in the PPP mode.
- Jan Aushadhi Kendra Scheme to offer 2000 medicines and 300 surgicals in all districts by 2024



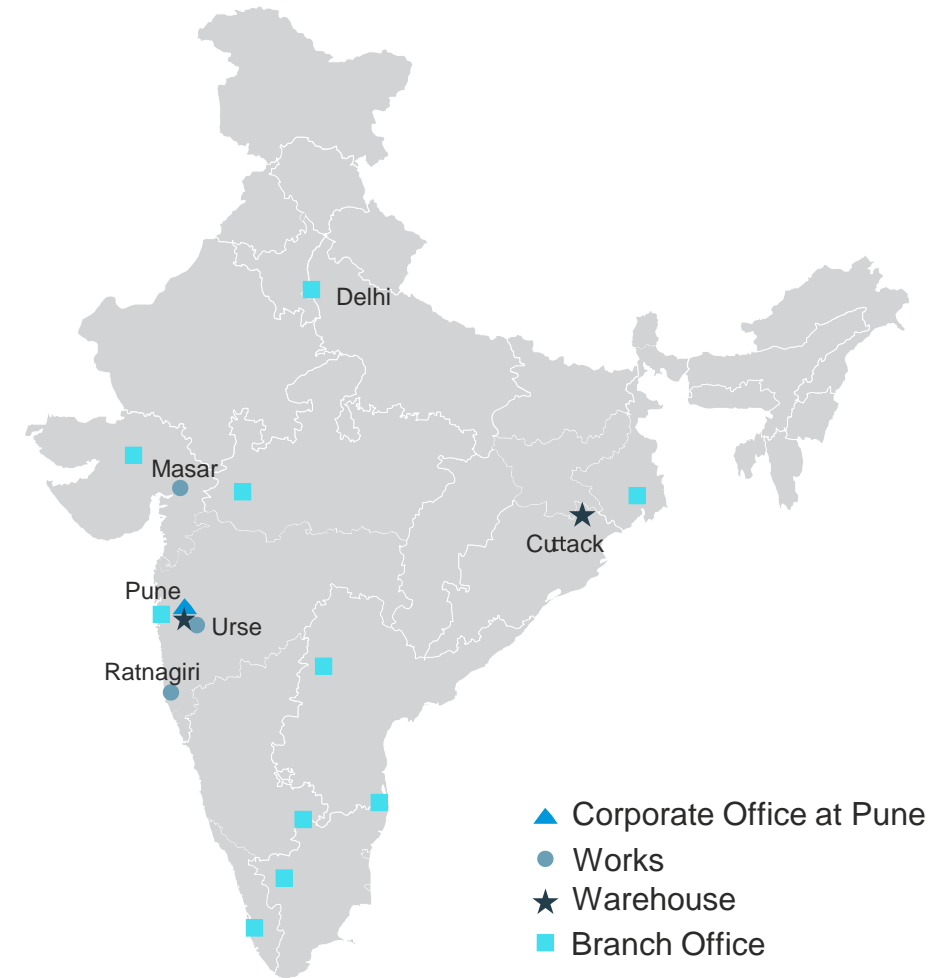
- Rs.12, 300 crore allocation for **Swachh Bharat Mission** in 2020-21:
- Commitment to **ODF-Plus** in order to sustain ODF behavior.
- Emphasis on liquid and grey water management.
- Focus also on Solid-waste collection, source segregation, and processing.

Distribution reach

- FIL is on track in terms of expanding its scale of operations by increasing production capacity and distribution reach
- Wide network of 18,000 retail touch points



Offices, Works and Warehouses





EKelakabass a village in Jaipur which has plumbers in every family. An appeal was received from Rajakiya Ucha Madhyamik Vidyalaya having total student strength of 500 students to provide sanitation facilities in school. One toilet block with 4 toilets & one water trough with 2 hand washing taps for girls and one toilet block with 6 toilets and one water trough 2 taps for boys has been provided

B T Sahani school was refurbished and renovated with new classrooms in the English section, computer lab, toilets for boys and girls and a multi purpose hall. This was inaugurated by Didi Krishna Kumari from Sadhu Waswani Mission and graced by Mr. Prakash Chhabria and Mrs. Ritu Prakash Chhabria along with other members from the Foundation and the school.

Finolex and Tata Strive which is the skill development initiative of Tata Community Initiatives Trust entered into an MOU to train young girls in the field of GDA (General Duty Assistants).



A Cerebral Palsy child Mast. Nehul Santosh Dhore, Pune, Age 6 yrs. With spastic quadriplegia has been taking physiotherapy treatment from Sancheti Hospital, Pune since last 6 months. FIL/MMF has extended financial support for his physiotherapy sessions, which has now enabled him to walk without any external support.

Finolex Industries Ltd (FIL) and its CSR Partner Mukul Madhav Foundation (MMF) initiated a program to support students from agricultural sector. An MOU has been signed on 4th June 2019 to provide Rs. 50,000 scholarships per year to 36 undergraduates, 20 Post Graduates and 3 PhD students to the lower strata of the society at these universities.



FIL & MMF organized blood donation camps at 3 locations of Finolex factory and office premises at Pune in collaboration with KEM and Sassoon General Hospital and Masar, Gujarat in collaboration with GMERS civil hospital. 30 bottles at Chinchwad, 35 bottles at Urse and 38 bottles at Masar were collected and will be provided to civil hospitals. A blood donation camp was organised at Ratnagiri on where a total of 101 bottle of blood have been collected.

230 patients were screened in the camp conducted at Shirwal on 13th December
 Diagnosis have been as follows.

- 23 Cataract Surgery
- 30 Spectacles will be provided
- 65 have been advised Physiotherapy
- 70 Ortho reference
- 10 Required hearing aid

An RO water filter was provided to support at Harneshwar School Kalas, Baramati. This event was carried out by our local dealers and the school authorities.

Krushik Exhibition

- FIL was the Title Sponsor at Krushik held in Baramati from 16th to 19th Jan 2020 . The expo was inaugurated by Shri Uddhav Thackeray, Chief Minister , Maharashtra and also saw the presence of Shri Sharad Pawar , Member of Rajya Sabha and Supriya Sule , Member of Parliament
- Mr. Nitin Kulkarni was felicitated at the hands of Shri Ajit Pawar , Dy. CM, Maharashtra



Kisan Exhibition

- Kisan Exhibition took place in Pune between 11-15 December 2019 .
- FIL and Finolex Plasson participated in the exhibition on a sharing basis . Finolex Pipes showcased their entire Agricultural Pipes range to the farmers and Agricultural community attending the event .



Retail Branding



Radio & In- Film Integration – Zoya Factor



- Relaunch of Popular Finolex Jingle *“Finolex ne Aanla Pani , Sheta Pikli Sonya Vani”*
- In-Film Integration – Zoya factor for 70 secs
- Meet n Greet for Dealer’s families
- Meet n Greet Shoot done
- Meet n Greet video uploaded and promoted



Awards & Recognition

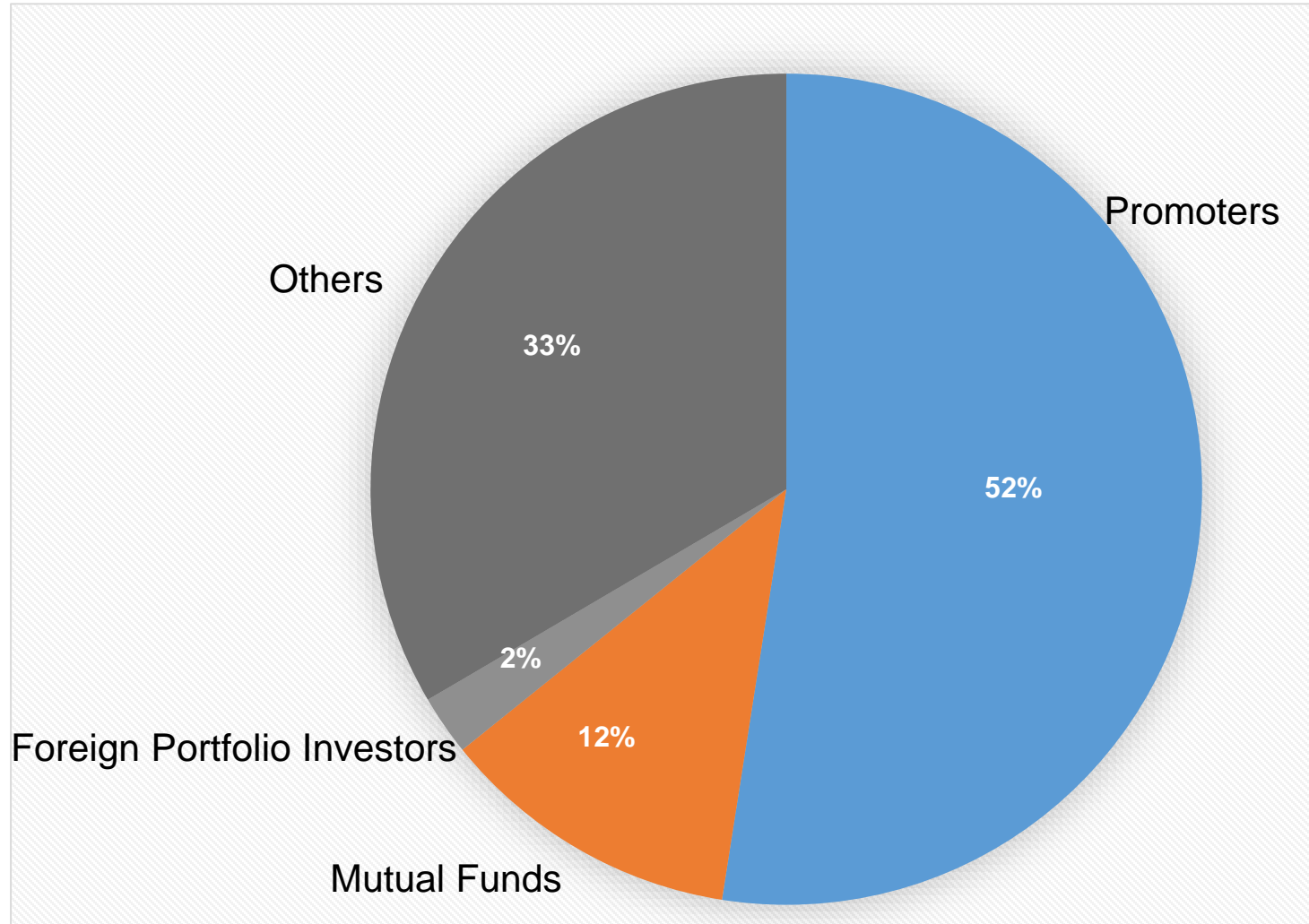


Ms Ritu Prakash Chhabria, Managing Trustee, Mukul Madhav Foundation, a CSR arm of Finolex Industries was felicitated by HH Sheikh Nahayan, Cabinet member and Minister of Tolerance, UAE on 6th November , 2019 with the prestigious **“Asia Business Leadership Social Influencer Award”** for her remarkable contribution in the field of CSR.

She was also felicitated by Indo European Business Forum with the prestigious **"IEBF Excellence Award -2019 (UK)"** for her eminent, innovative and historic contribution in the field of healthcare, social welfare and education.



Shareholding Pattern as on December 31, 2019





Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings








Sewerage Pipes



Solvent Cement

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