



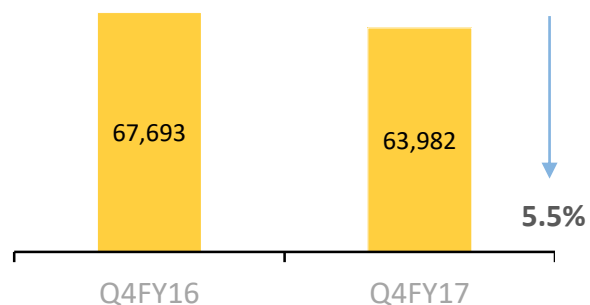
FINOLEX INDUSTRIES LIMITED

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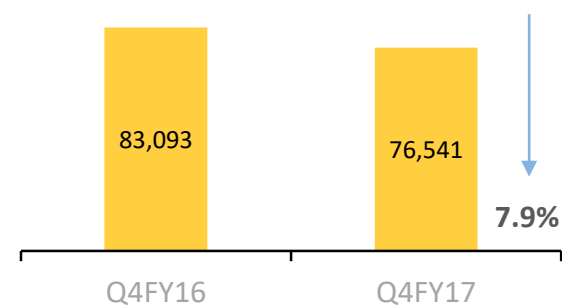
**Q4FY17 RESULTS**



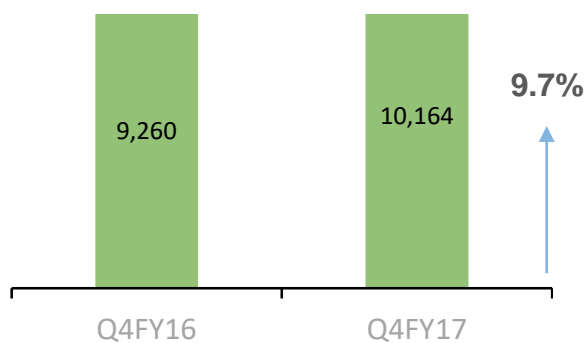
## Q4FY17 Results Summary



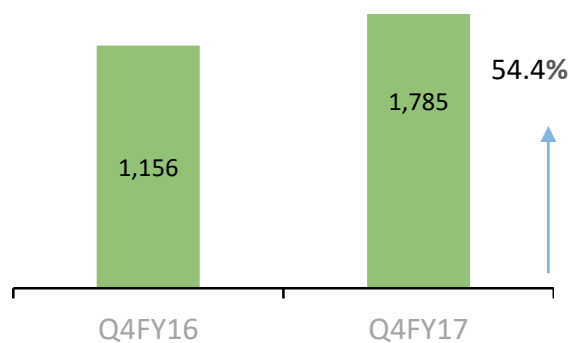
Volumes (MT) P & F #



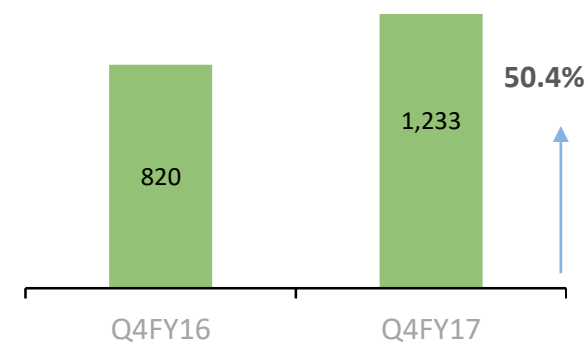
Volumes (MT) PVC resin\*



Total Revenue (INR Mn)



EBITDA (INR Mn)



PAT (INR Mn)

Management Comment: We have benefited from lower crude prices which have positively affected the raw material costs and aided better margins. Government initiatives as well as demand from agri and non-agri segments should push up growth in PVC pipe segment.

# P&F represents Pipes and Fittings

\* Including inter segment transfer

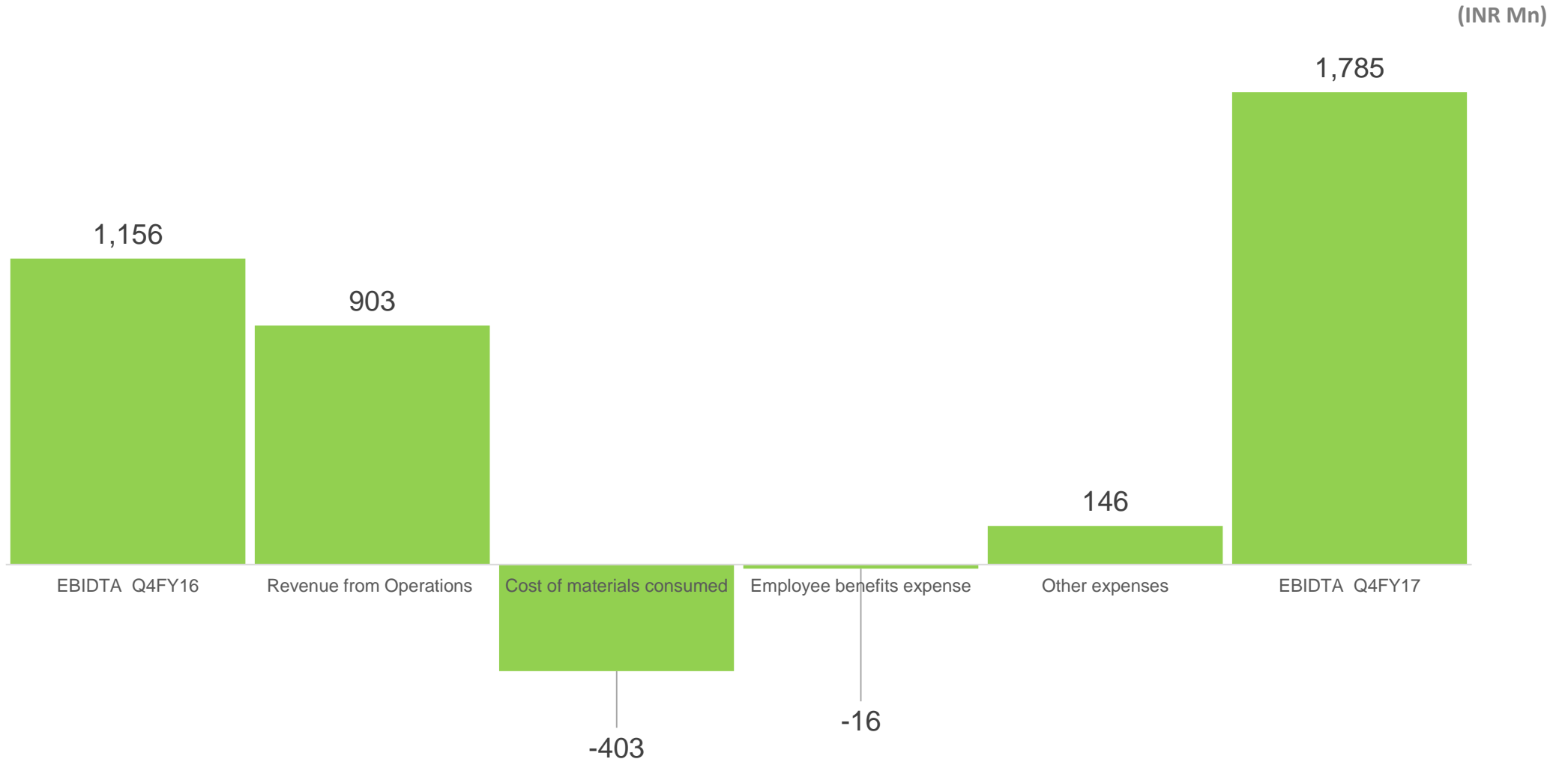
## Profit & Loss Account

Particulars (INR Mn)	Q4FY17	Q4FY16
Total Income from operations	10,164	9,260
EBIDTA	1,785	1,156
EBIDTA margin (%)	17.56%	12.48%
Depreciation	139	127
EBIT	1,646	1,029
EBIT %	16.19%	11.11%
Other Income	94	198
Finance costs	11	45
PBT	1,729	1,181
PBT %	17.01%	12.75%
Tax	496	361
PAT	1,233	820
PAT %	12.13%	8.86%

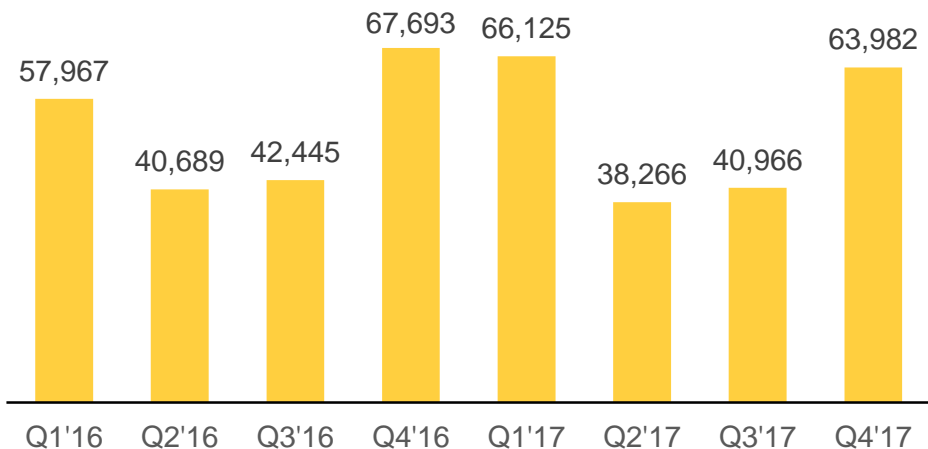
## Profit & Loss Account

Particulars (INR Mn)	FY17	FY16
Total Income from operations	29,876	28,431
EBIDTA	5,630	4,044
EBIDTA margin (%)	18.84%	14.22%
Depreciation	550	506
EBIT	5,080	3,538
EBIT %	17.00%	12.44%
Other Income	243	396
Finance costs	153	447
Exceptional items (gain)/loss	-	(245)
PBT	5,170	3,733
PBT %	17.30%	13.13%
Tax	1,648	1,189
PAT	3,522	2,544
PAT %	11.79%	8.95%

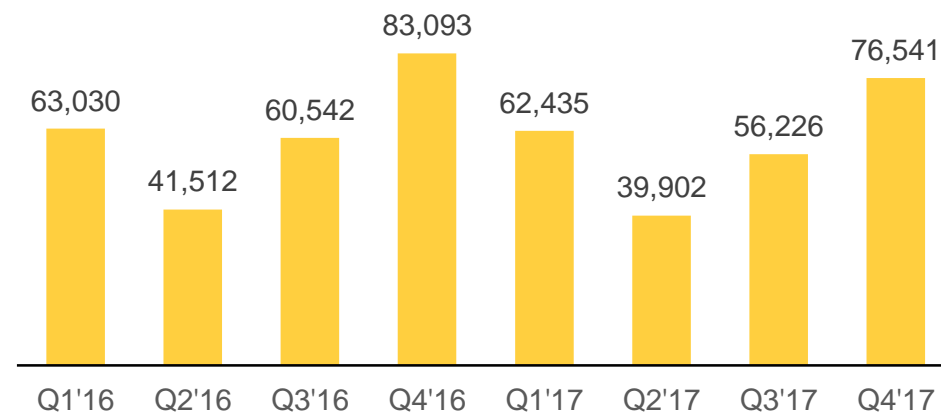
## EBITDA Bridge Chart



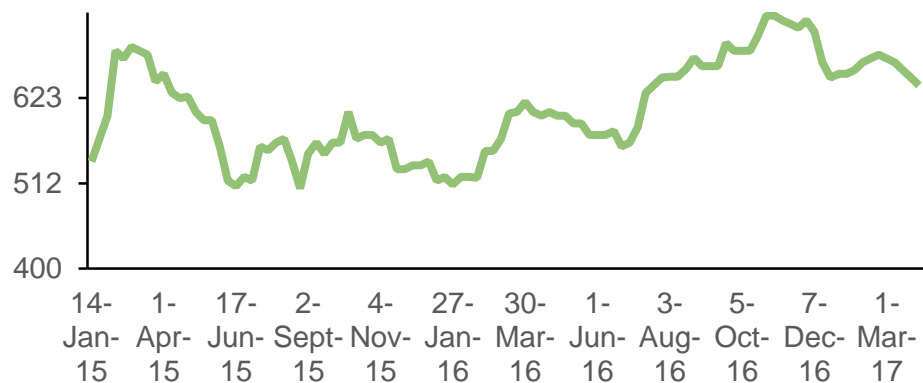
## Business Scenario



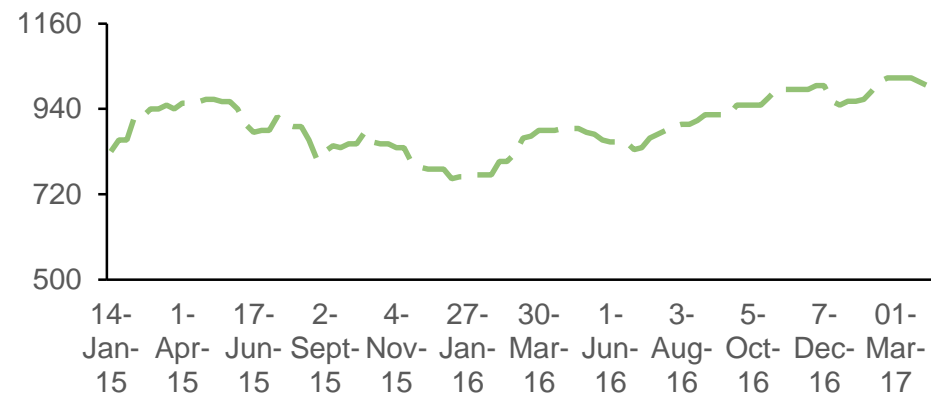
Pipes & Fittings Volumes (MT)



PVC Volumes (MT)



PVC/EDC Delta (USD/MT)



PVC (USD/MT)

## Quarterly - Profit & Loss

Particulars (INR Mn)	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Total income from operations *	7,323	5,341	6,251	9,260	7,769	5,234	6,656	10,164
EBIDTA	1,273	524	841	1,156	1,592	870	1,329	1,785
<i>EBIDTA margins (%)</i>	<i>17.4%</i>	<i>9.8%</i>	<i>13.5%</i>	<i>12.5%</i>	<i>20.5%</i>	<i>16.6%</i>	<i>19.9%</i>	<i>17.56%</i>
Depreciation	125	126	127	127	133	139	140	139
Other Income	54	114	30	198	32	89	29	94
Finance costs	158	164	81	45	50	33	59	11
PBT	1,044	592	663	1,181	1,441	788	1,158	1,729
<i>PBT margins (%)</i>	<i>14.3%</i>	<i>11.1%</i>	<i>10.6%</i>	<i>12.8%</i>	<i>18.5%</i>	<i>15.1%</i>	<i>17.4%</i>	<i>17.0%</i>
Tax	324	190	238	361	461	275	416	496
PAT	721	402	424	820	980	513	742	1,233
EPS	5.8	3.2	3.4	6.6	7.9	4.1	5.9	9.9

\* Including excise duty

## Quarterly segmental - Profit & Loss

Particulars (INR Mn)	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
<b>Segmental revenues *</b>								
PVC	4,489	2,802	3,884	4,979	4,336	2,759	4,379	6,069
PVC pipes & fittings	5,754	3,978	4,073	6,310	6,581	4,100	4,446	6,981
Power	385	299	357	355	388	321	378	361
<b>Segmental profits</b>								
PVC	692	198	462	548	890	552	933	1,147
<b>% of Revenues</b>	<b>15.4%</b>	<b>7.1%</b>	<b>11.9%</b>	<b>11.0%</b>	<b>20.5%</b>	<b>20.0%</b>	<b>21.3%</b>	<b>18.9%</b>
PVC pipes & fittings	492	279	315	536	568	252	303	590
<b>% of Revenues</b>	<b>8.6%</b>	<b>7.0%</b>	<b>7.7%</b>	<b>8.5%</b>	<b>8.6%</b>	<b>6.1%</b>	<b>6.8%</b>	<b>8.5%</b>
Power	81	42	61	92	129	58	86	56
<b>% of Revenues</b>	<b>21.0%</b>	<b>14.1%</b>	<b>17.1%</b>	<b>25.9%</b>	<b>33.3%</b>	<b>18.1%</b>	<b>22.8%</b>	<b>15.5%</b>
<b>Capital employed</b>								
PVC	7,167	5,660	5,649	5,660	5,214	5,056	6,354	5,623
PVC pipes & fittings	4,302	4,337	4,730	4,337	5,210	5,218	5,860	5,683
Power	2,772	2,527	2,500	2,527	2,674	2,374	2,375	2,170

\*Including excise duty



## Profit & Loss - Key Indicators

Profit & loss account (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*
Revenue from Operations (incl. excise duty)	23,219	24,334	27,867	28,271	28,431	29,876
<b>Growth in sales (YoY %)</b>	<b>5.94%</b>	<b>4.80%</b>	<b>14.52%</b>	<b>1.44%</b>	<b>0.57%</b>	<b>5.08%</b>
EBIDTA before exceptional items	2,313	3,587	3,966	2,111	4,044	5,630
<b>EBIDTA margins before exceptional items (%)</b>	<b>9.96%</b>	<b>14.74%</b>	<b>14.23%</b>	<b>7.47%</b>	<b>14.22%</b>	<b>18.84%</b>
EBIDTA after exceptional items	2,168	2,626	3,268	1,896	4,289	5,630
PBT	967	1,902	2,419	808	3,733	5,170
<b>PBT Margin (%)</b>	<b>4.16%</b>	<b>7.82%</b>	<b>8.68%</b>	<b>2.86%</b>	<b>13.13%</b>	<b>17.30%</b>
PAT	752	1,361	1,701	478	2,544	3,522
<b>PAT Margin (%)</b>	<b>3.24%</b>	<b>5.59%</b>	<b>6.10%</b>	<b>1.69%</b>	<b>8.95%</b>	<b>11.79%</b>

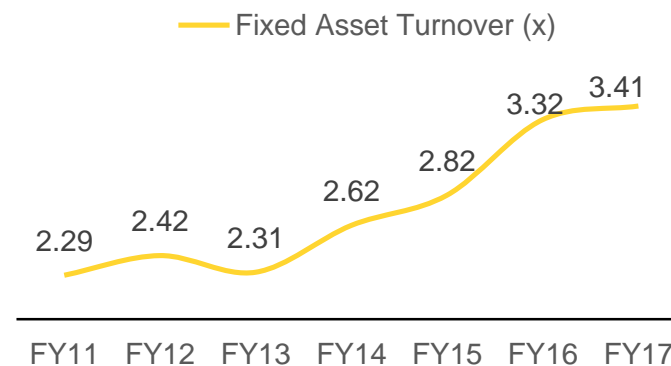
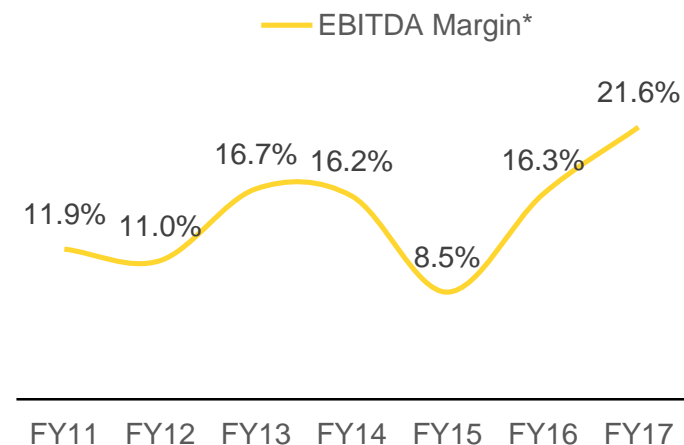
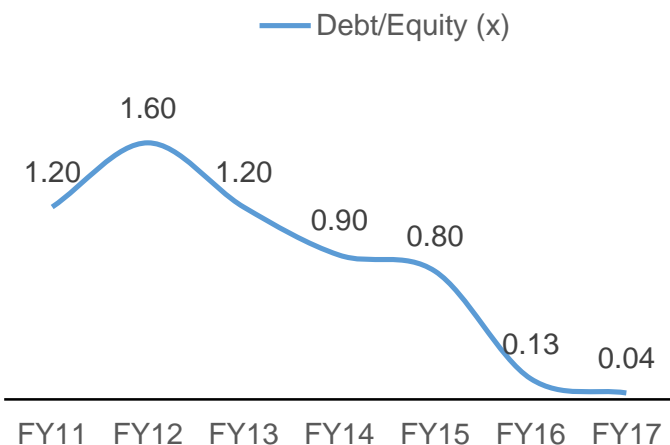
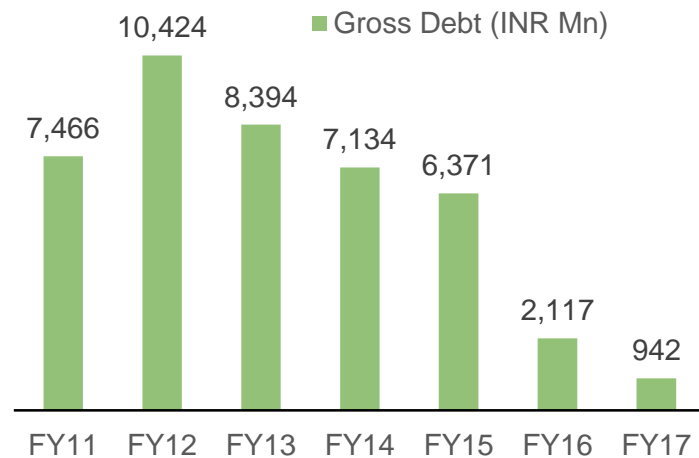
\*Figures as per IndAS

## Balance sheet - Key Indicators

Balance Sheet (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*
<b>Equity and liabilities</b>						
Share capital	1,241	1,241	1,241	1,241	1,241	1,241
Reserves and surplus	5,381	5,971	6,656	6,633	14,458	21,673
Long term borrowings	1,896	1,397	2,322	1,837	-	-
Short term borrowings (incl. loans repayable in one year)	8,528	6,997	4,812	4,534	1,117	942
<b>Total borrowings</b>	<b>10,424</b>	<b>8,394</b>	<b>7,134</b>	<b>6,371</b>	<b>1,117</b>	<b>942</b>
<b>Assets</b>						
Fixed assets (Net block)	7,840	8,795	9,052	8,678	8,496	8,551
Capital WIP	854	506	325	104	66	217
Non current investments	1,221	1,274	1,274	1,246	6,485	11,656
Current investments	3,711	2,322	941	551	1,687	566

\*Figures as per IndAS

## Key Ratios



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

## Key Strategies



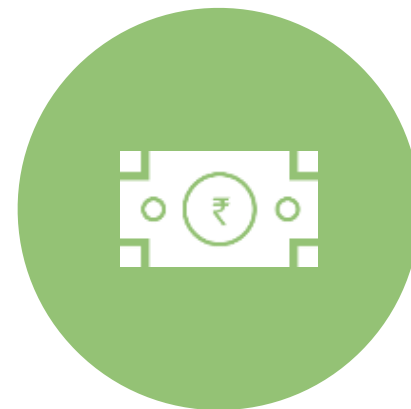
### MARGIN IMPROVEMENT

Increase sales of higher margin products. Scale up share of fittings in sales mix.



### CAPACITY EXPANSION

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



### CASH-N-CARRY

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



### BRANDING

Growing brand and quality consciousness amongst consumer.

## Union Budget Highlights 2017-18 – Agriculture sector



Total allocation for Rural, Agriculture sector is Rs.1,87,223 crores. Increased allocation for Irrigation corpus to Rs. 40,000 crores will infuse further growth of pipes & fittings for the next few years. Dedicated micro irrigation fund worth Rs.5000 crs to be set-up by NABARD. Target for agri-credit fixed at Rs.10 Lakh crores.



Farmer’s benefit from the sixty days interest waiver which is provided to them on farm loans taken from co-operative banks. This would help to have more cash at their disposal for purchases. Committed to double farmer income in five years.



The coverage provided under the Fasal Bima Yojna Scheme has increased to 40% in the current year and 50% in 2018-19 to protect farmers from any accidental damage.



Over the next few months 3 crore Kisan credit cards will be converted to RuPay cards which shall enable farmers to buy/sell agricultural produce directly through the card and there will be no need to rush to banks.

## Non - Agriculture sector



Surplus liquidity post demonetisation, government initiates to provide houses in rural and urban areas which may have a fresh demand for pipes. Affordable housing to be given infrastructure status. Proposal to complete construction of one crore houses by 2019. Boost in housing due to refinancing by NHB.



During 2017-18, another 5 lakh ponds will be constructed for drought-proofing.



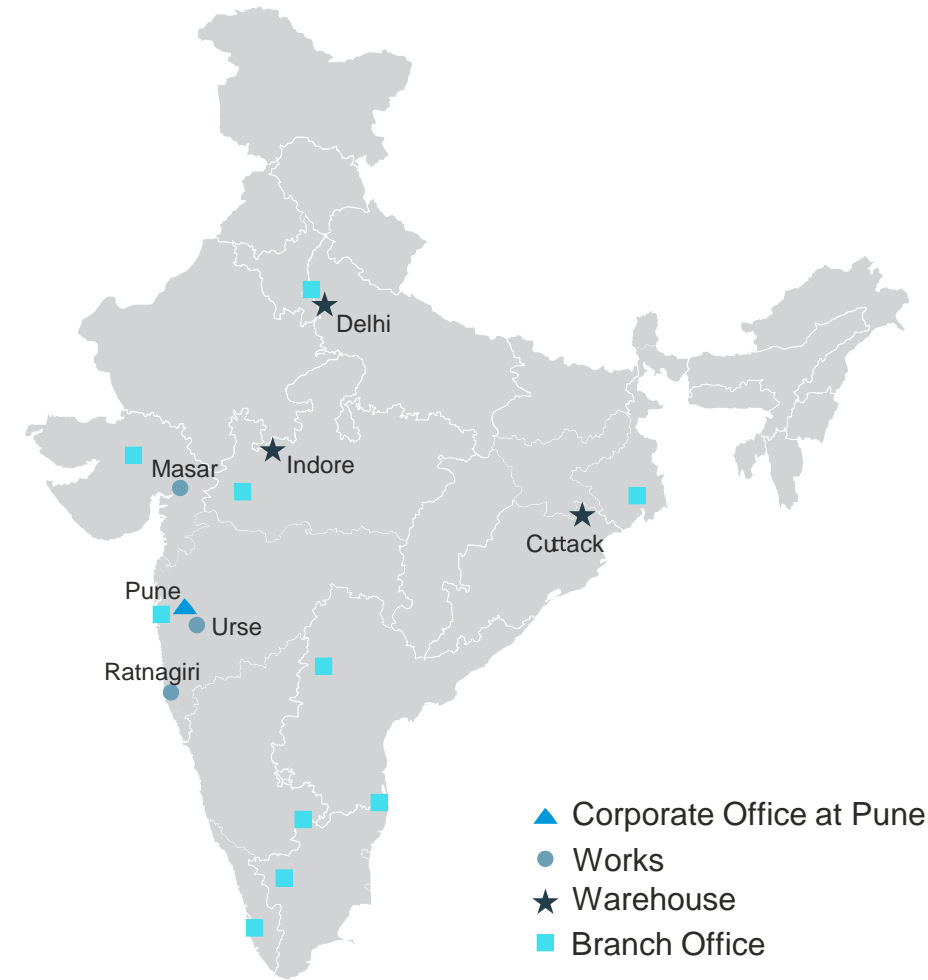
Swachh Bharat Mission (Gramin) has made tremendous progress in promoting safe sanitation. Sanitation coverage in rural India has gone up from 42% in October 2014 to about 60%. Villages with sanitation coverage are now being given priority for piped water supply.

## 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



## Branding & advertisements – some snapshots



Finolex pipes participates in Krishi Mela and Housing Societies Management Show

Finolex Pipes celebrates festivals across states of Punjab, Karnataka, Gujarat and Kerala



## Corporate Social Responsibility – some snapshots



As part of its ongoing Pediatric Cardiac Camp, Mukul Madhav Foundation helped more than 100 children who were successfully operated in this quarter.



A RO water purifier was installed in a primary school in Abhor village of Maharashtra.



A series of CSR activities were conducted in this quarter. Prominent being donation of prosthetic limbs, artificial limbs, walkers to Bandorwala Leprosy Hospital and Mammography and Colposcopy screening at Parkar Hospital.

## Recent Updates



Mr. Prakash Chhabria, Executive Chairman, Finolex Industries Limited along with Mr. Matthew Timmons, Managing Director, Lubrizol Advanced Materials India Pvt. Ltd at the Finolex FlowGuard launch event



Recently Awarded with "The Supply Chain Enterprise Icon of the Year - 2017" by Global Logistics Excellence Awards

## Accolades and awards



The National Record certificate by **The Limca Book of Records** for conducting the largest number of plumbers meets organised simultaneously across 26 states and 58 cities on 11 March, 2016.

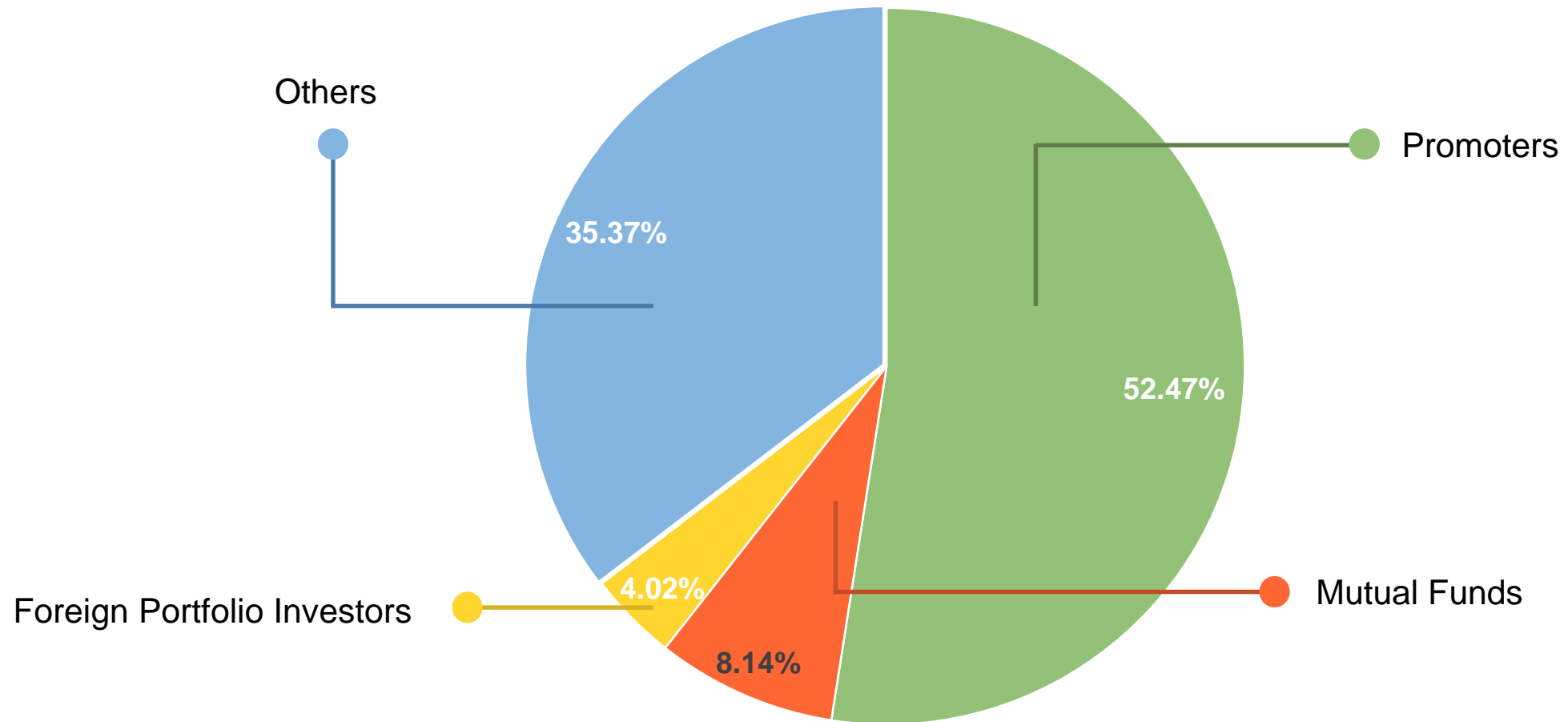
India's most Trusted Brand in the category "Manufacturing - Pipes" awarded by Brand Trust Report 2015

Global CSR Excellence & Leadership Award at the 5th edition of Blue Dart World CSR day initiative

Best Safety Practices Award - 2015 by National Safety council Maharashtra Chapter & Directorate of Industrial Safety & Health, Maharashtra State

Recognized by Economic Times as Top 100 Brands in the Architecture and Design Sector.

## Shareholding Pattern as on March 31, 2017





Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings




Sewerage Pipes




Solvent Cement


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