



FOR IMMEDIATE RELEASE

**Finolex Industries reports 5% growth sales volumes; sharp correction in PVC prices impacts Q2 earnings negatively**

**Pune, 21 Oct 2022:** Finolex Industries Limited (NSE:FINPIPE|BSE:500940) at its Board Meeting held today announced unaudited financial results for the second quarter ended September 30, 2022.

**Key Financial Highlights (Standalone): (INR- Cr)**

Rs. In Crores	Q2 FY23	Q2 FY22	% Change	H1 FY23	H1 FY22	% Change
Total Income from operations	941.13	1,082.57	(13.1%)	2,130.94	2,048.02	4.0%
EBITDA gain/(loss)	(142.67)	299.51	(147.6%)	(16.76)	510.97	(103.3%)
<b>EBITDA %</b>	(15.16%)	27.67%		(0.79%)	24.95%	
Depreciation	21.56	20.61		42.90	40.67	
Profit/ (loss) before interest & tax	(164.23)	278.90	(158.9%)	(59.66)	470.30	(112.7%)
<b>EBIT %</b>	(17.45%)	25.76%		(2.80%)	22.96%	
Finance costs	4.31	0.41		15.64	5.17	
Other Income	39.29	31.82		64.36	45.22	
Profit/(loss) before tax	(129.25)	310.31	(141.7%)	(10.94)	510.35	(102.1%)
<b>PBT %</b>	(13.73%)	28.66%		(0.51%)	24.92%	
Tax	(35.33)	75.23		(17.11)	128.47	
<b>Profit/(loss) after tax</b>	(93.92)	235.08	(140.0%)	6.17	381.88	(98.4%)
<b>PAT %</b>	(9.98%)	21.72%		0.29%	18.65%	
<b>Sales in MT</b>						
PVC Resin (External)	14,495	13,684	5.9%	18,713	22,410	(16.5%)
Pipes and Fittings	59,218	55,453	6.8%	1,31,178	1,11,272	17.9%

**Q2 FY23 Highlights:**

- Total income from operations was Rs 941.13 Cr for Q2FY23 – down 13.1% against Rs 1,082.57 Cr in Q2FY22.
- Volume in Pipes & Fittings segment was up 6.8% to 59,218 MT in Q2FY23 against 55,453 MT in Q2FY22.
- Volume in Resin segment was up 3.9% to 54,063 MT in Q2FY23 against 52,029 MT in Q2FY22.
- EBITDA loss of Rs -142.67 Cr for Q2FY23 against profit of Rs 299.51 Cr for Q2FY22.
- PAT loss of Rs -93.92 Cr for Q2FY23 against Rs 235.08 Cr for Q2FY22.

**H1 FY23 Highlights:**

- Total income from operations was Rs 2,130.94 Cr for H1FY23 – up 4.0% against Rs 2,048.02 Cr in H1FY22.
- Volume in Pipes & Fittings segment grew 17.9% to 1,31,178 MT in H1FY23 against 1,11,272 MT in H1FY22
- Volume in Resin segment was up 14.2% to 1,16,809 MT in Q2FY23 against 1,02,278 MT in Q2FY22
- EBITDA loss stood at Rs 16.76 Cr for H1FY23 against EBITDA profit of Rs 510.97 Cr for H1FY22.
- Profit after tax was at Rs 6.17 Cr for H1FY23 against Rs 381.88 Cr for H1FY22.

Commenting on the quarterly results, Mr. Prakash P. Chhabria, Executive Chairman, Finolex Industries Limited said, *“Second quarter is generally a drag on volume due to Monsoon. However, the Company has delivered higher volumes over last year, which reflects spur in demand. The financial results for the quarter had a severely adverse impact due to sharp correction in PVC prices against high priced inventory of raw material and finished goods. The silver lining is that the correction in commodity rates could further improve demand from consumers across segments. The Company is well positioned to sail through this trough of the cycle as it has a strong debt-free balance sheet with positive cash flows.”*

## **This is Finolex:**

We are India's most trusted PVC pipes and fittings manufacturer. Over the last 40 years, we have impacted the sanitation-plumbing and agricultural sectors with prudent investments across our value chain. Right from the sourcing of quality raw materials and resin production, to manufacturing, storage, transport, sales, marketing and even further downstream to include customer engagement

To stay focused on making superior quality pipes and fittings, and nothing else but that, for forty years, is no mean feat. Aligning every decision, every action, every resource towards delivering quality pipes and fittings. To choose to do just this one thing, and do it well. So that once our customers install our pipes, they completely forget about us. We take great pride in this dependable quality that has not only earned us ISO 9001:2015 certifications across plants, but also earned us the sincere affection of farmers, plumbers, homeowners, partners, associates and shareholders. They have all come to expect the world from us. Because that's exactly what we expect from ourselves.

When we choose to diversify, it's upstream with an open sea jetty to manage our raw materials, and downstream into last mile fulfillment. When we evolve, it has to be in our understanding of customer expectations and finding better machines and processes to meet those expectations. When we choose to expand, it is into newer markets, delivering our pipes and fittings to newer customers. And when we measure our growth, it is in reputation. The effect of which reflects in our bottom line - growing manifold in the last decade.

This quality focus is not just restricted to our products, but defines every aspect of our functioning. Whether quality support for our dealers, vendors and suppliers. Quality opportunities to our employees. Superior quality of life, education and health of the people we serve through our various social responsibility initiatives.

Over the last forty years, we have steadily added depth to our company, instead of spreading ourselves wide and thin. Consistently delivering the exact same products that fulfil the exact same promise. Every time. That's what makes us a strong brand, with a strong network, and even stronger goodwill. We are Finolex Industries Limited.

## **Partners in Compassion:**

Mukul Madhav Foundation (MMF), our CSR partner, is a registered charitable trust under the Bombay Charitable Act 1950. It has dedicated itself to uplifting underprivileged and vulnerable communities with opportunities that pave their path to success. Empowering them with educational facilities, hospitals, healthcare, sanitation and environmental support, social welfare and so much more. Creating a foundation for individuals, their communities and their environment to thrive. MMF also supports existing infrastructure and initiatives by helping them upgrade. We don't simply donate funds, we endow dignity.