



FINOLEX INDUSTRIES LIMITED

Q4 FY20 RESULTS



As entire world faced difficult and unprecedented times.....

Team Finolex swung into action to mitigate the effects to the extent possible for all stakeholders.

- Even before the lockdown came into force, social distancing and other precautionary steps were taken to ensure safety of all employees and others.
- After lockdown relaxation, the operations were gradually scaled up while taking all possible precautions for safety.
- To reassure employees, company has taken progressive step by not considering any salary cuts and paying full salaries for entire period
- To cushion the impact of challenging business environment and to incentivise, company increased the amount of turnover discounts for all the dealers whether they achieved the targets or not
- Being known for its philanthropic initiatives, the company, with its CSR partner, Mukul Madhav Foundation, rose to the occasion during lockdown and handed over PPE suits, ventilators, disinfectants, grocery kits and other essential commodities to hospitals and organisations.
- The lockdown also disrupted the lives of the most vulnerable sections of the society, namely the migrants and daily wage workers and the Foundation extended all possible support to them in Pune.
- Overall the company lived up to its commitment as laid down by its founder, the late Mr Pralhad P. Chhabria who would always say that one has to look for opportunities to help people even if that service demands sacrifice.

Q4FY20 vs Q4FY19 – Business Performance Highlights

Revenue

- Revenue registered a y-o-y decline of 20.5% to Rs. 7661 mn

Volume

- PVC Resin volume registered a y-o-y decline of 21.5% to 60,100 MT.
- Pipe and Fittings volume registered a y-o-y decline of 22.7% to 62,464 MT.

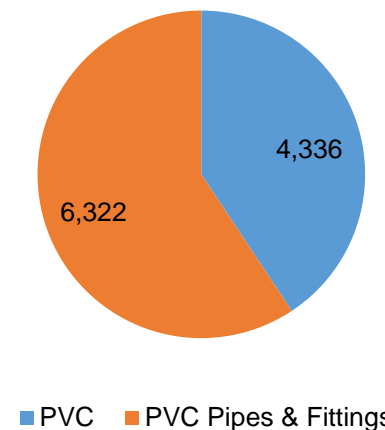
Operating Performance (EBIT)

- EBIT margins at 11.1% as compared to 13.4%.
- PVC Resin EBIT margin at 7.3% as compared to 14.5%.
- PVC Pipes and Fittings EBIT margin at 10.0% as compared to 7.7%.

PAT

- PAT lower by 39% at Rs.557 mn as against Rs 914 mn in Q4FY19.

Segment Revenue Rs. In mn



The poor market conditions continuing from previous quarter were further affected by pandemic and subsequent lockdown. Though decline in volumes was more than 20% in both PVC resin and PVC pipes segments, the margin in PVC pipes segment was higher at 10.0% during the quarter.

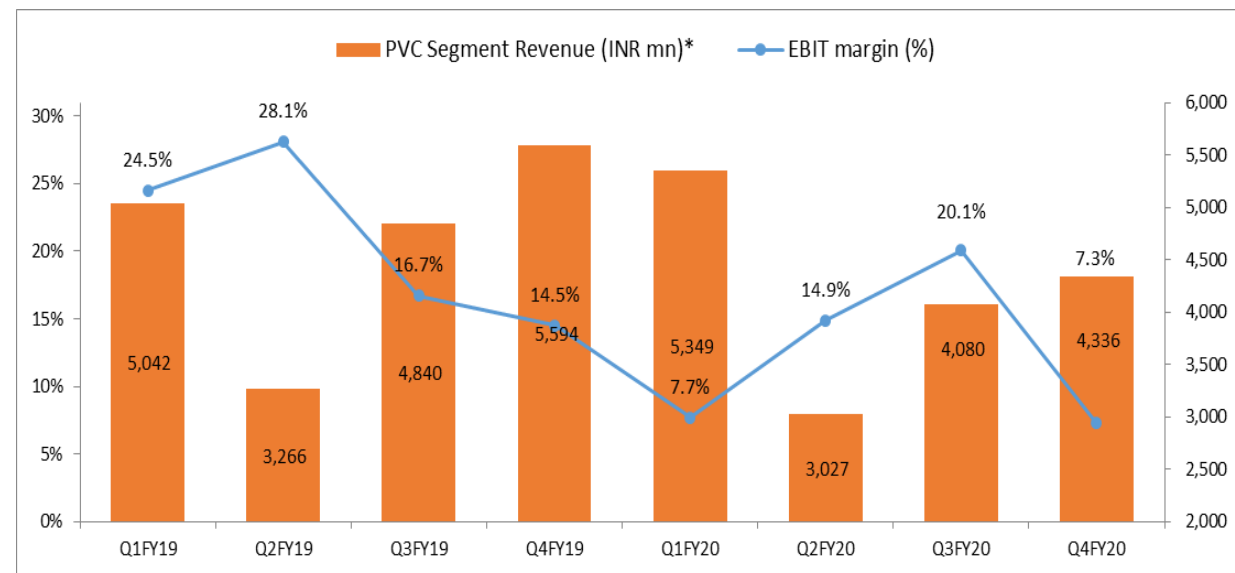
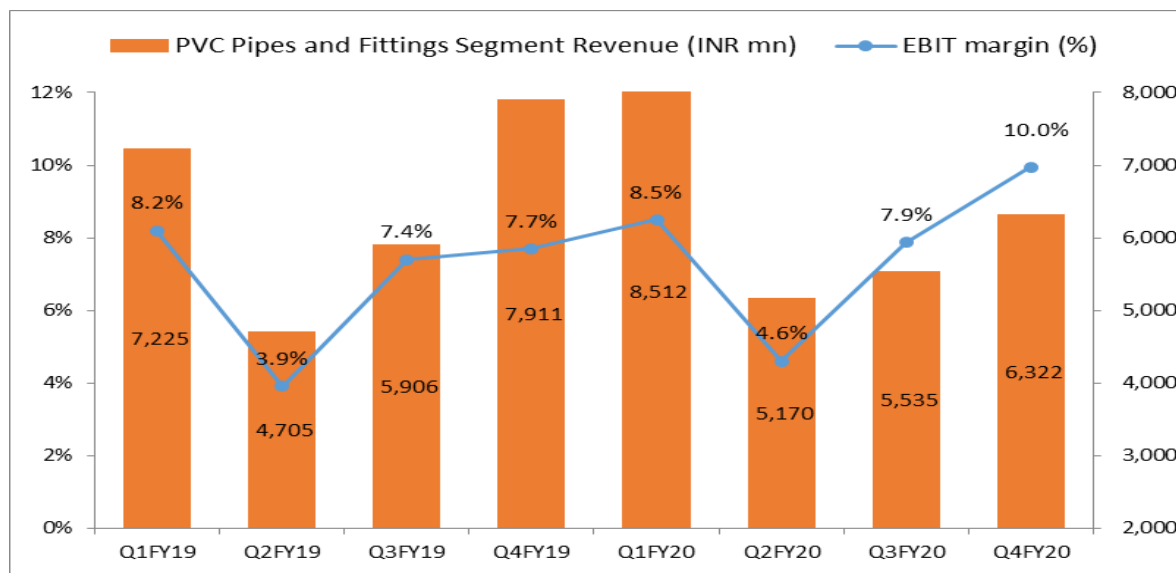
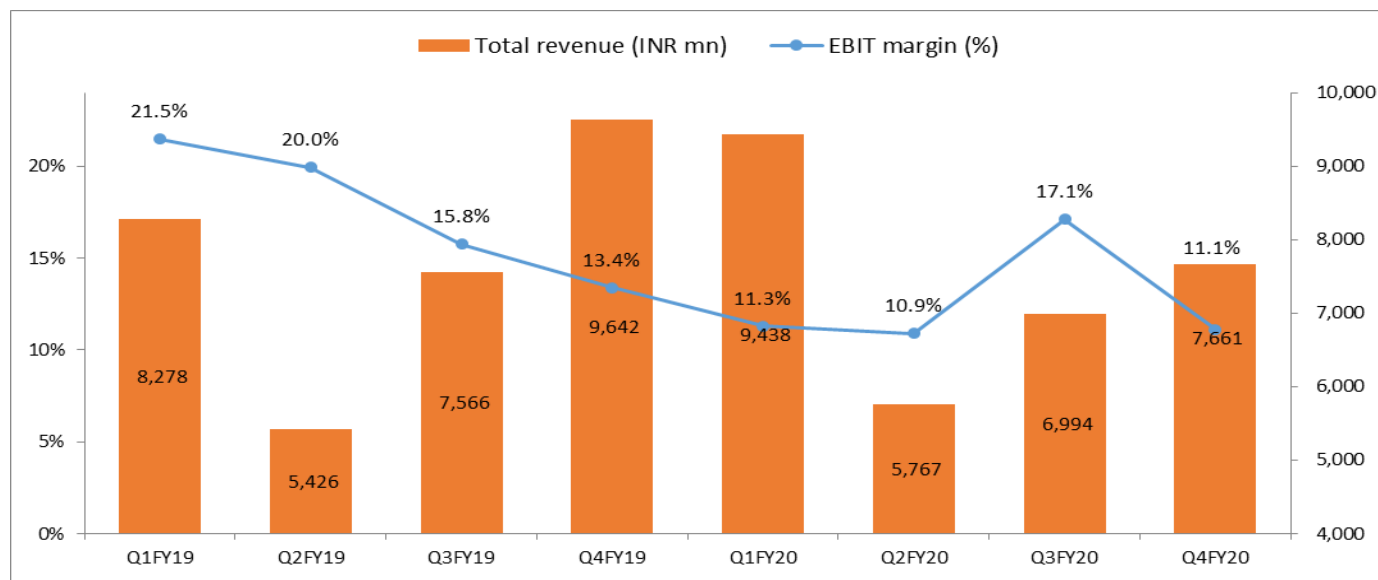
Profit & Loss Account – Q4FY2020

Particulars (INR Mn)	Q4FY20	Q4FY19	Inc / Dec (%)
Total Income from operations	7,661	9,642	-20.5%
EBIDTA	1,041	1,465	-29.0%
EBIDTA margin (%)	13.6%	15.2%	
Depreciation	189	177	
EBIT	852	1,288	-33.9%
EBIT %	11.1%	13.4%	
Other Income	10	123	
Finance costs	90	24	
Profit before exceptional items	771	1,387	
PBT %	10.1%	14.4%	
Exceptional items	-	-	
Profit after exceptional items	771	1,387	-44.4%
PBT %	10.1%	14.4%	
Tax	214	473	
PAT	557	914	-39.0%
PAT %	7.3%	9.5%	

Profit & Loss Account – FY2020

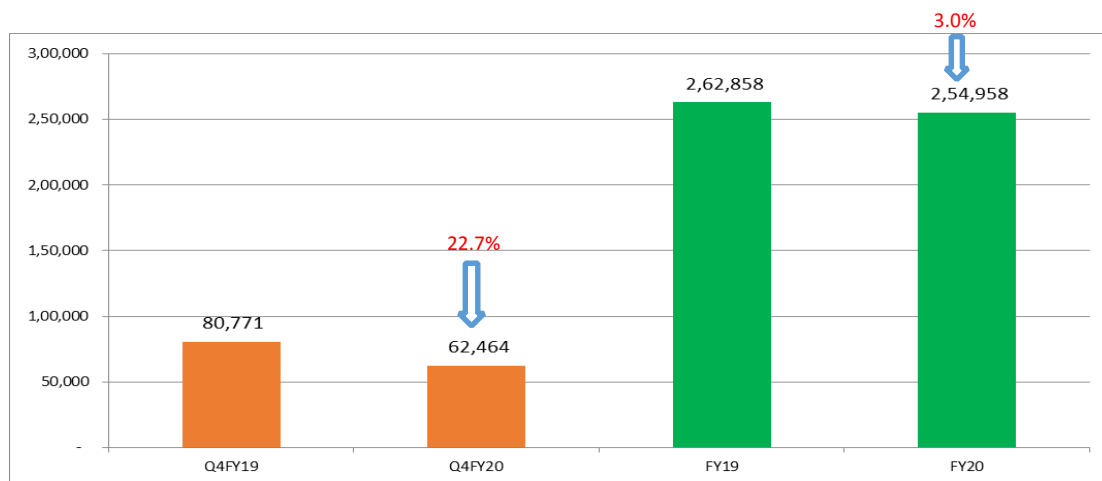
Particulars (INR Mn)	FY 2020	FY 2019	Inc / Dec (%)
Total Income from operations	29,860	30,913	-3.4%
EBIDTA	4,481	6,043	-25.9%
EBIDTA margin (%)	15.0%	19.5%	
Depreciation	738	701	
EBIT	3,743	5,342	-29.9%
EBIT %	12.5%	17.3%	
Other Income	308	416	
Finance costs	119	123	
Profit before exceptional items	3,932	5,635	-30.2%
PBT %	13.2%	18.2%	
Exceptional items	-	279	
Profit after exceptional items	3,932	5,356	
Tax	690	1,858	
PAT	3,242	3,498	-7.3%
PAT %	10.9%	11.3%	

Business Performance – Q4FY2020

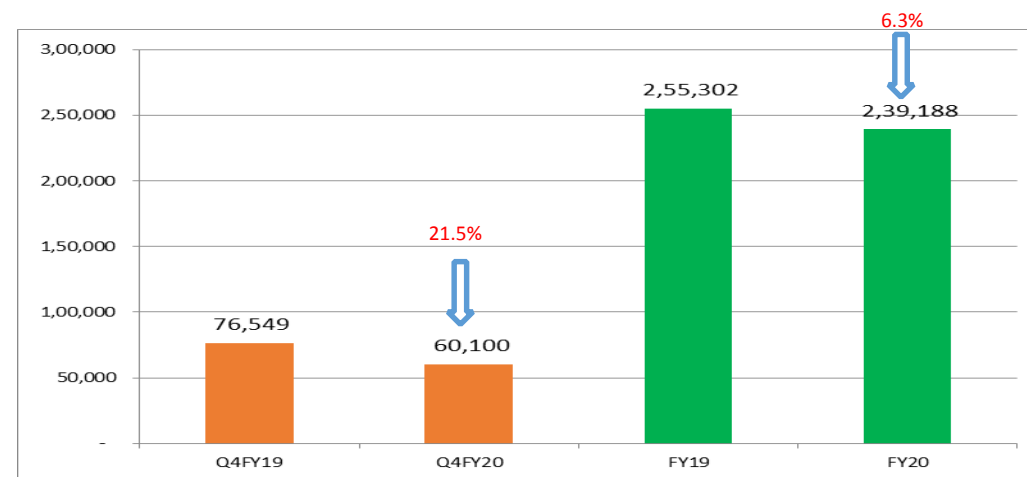


* Including inter segment transfer

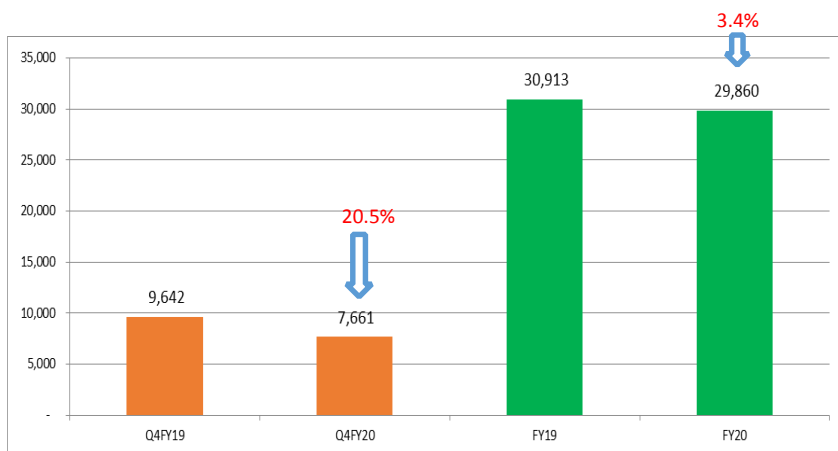
Q4FY20 Results Summary



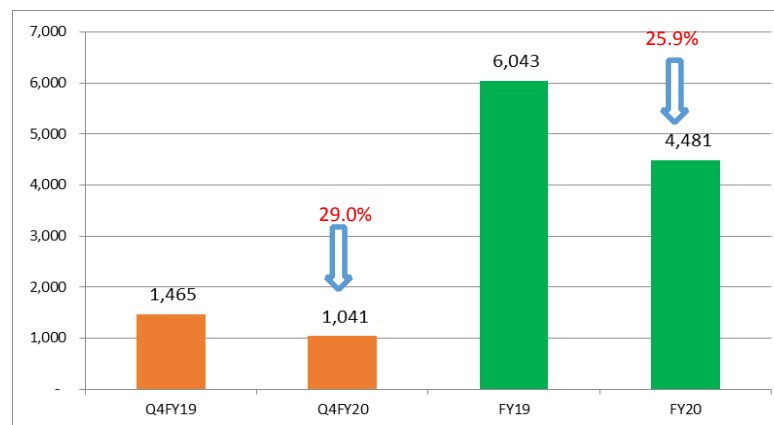
Volumes (MT) Pipes & Fittings



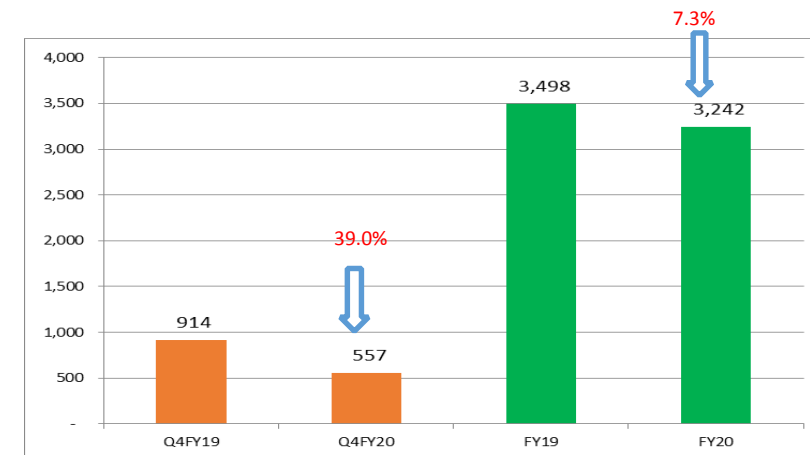
Volumes (MT) PVC Resin *



Revenue (INR Mn)



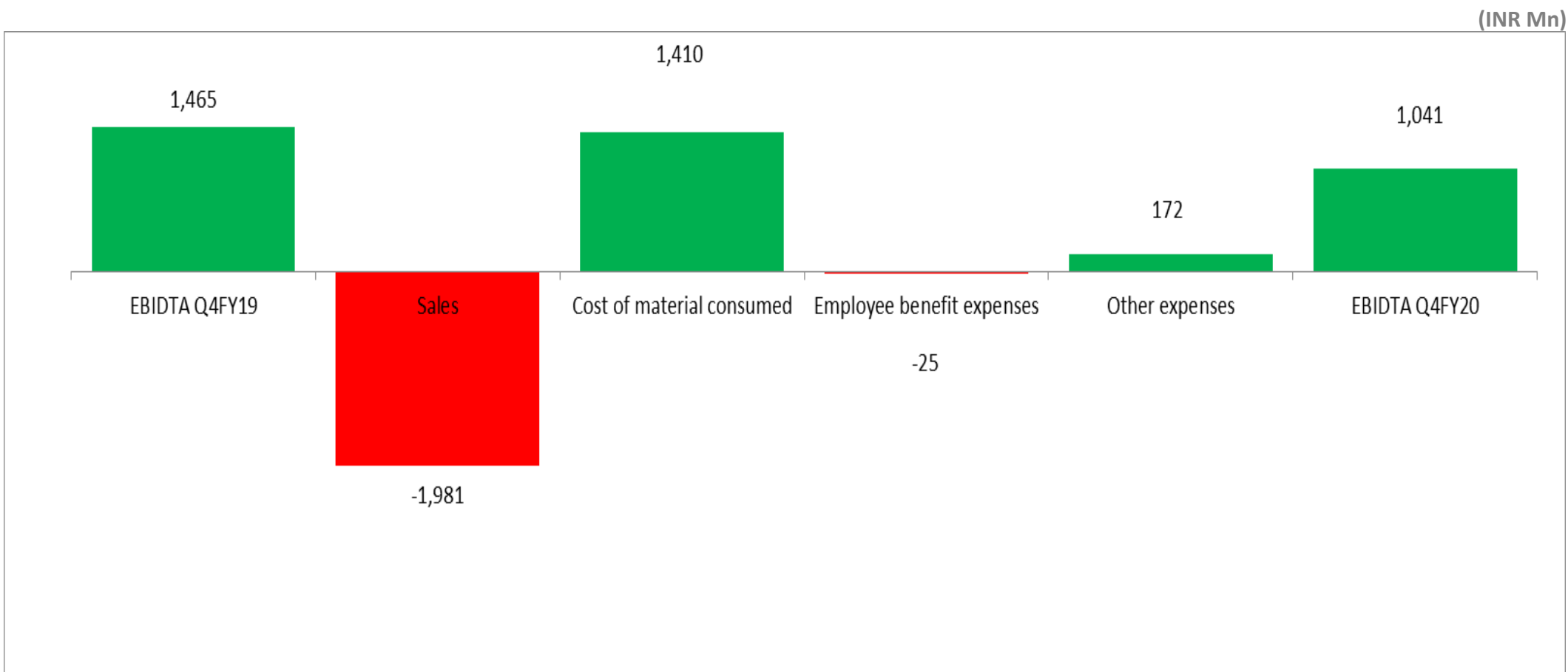
EBITDA (INR Mn)



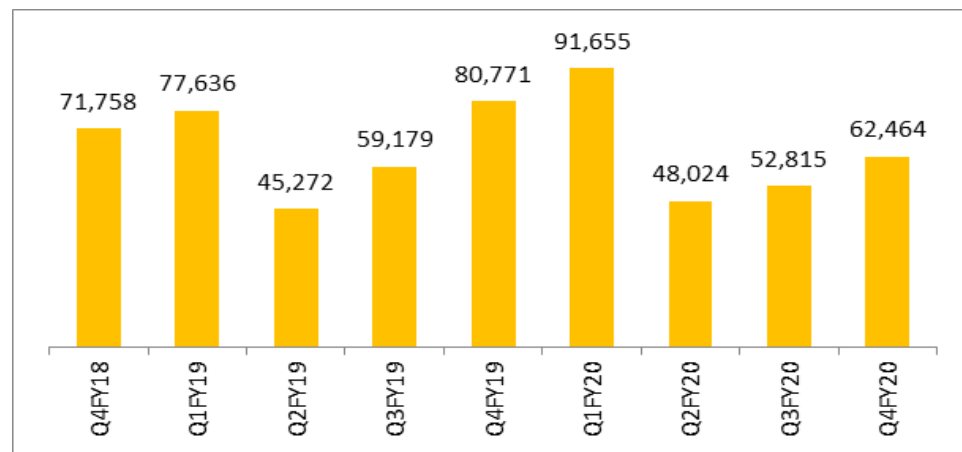
PAT (INR Mn)

* Including inter segment transfer

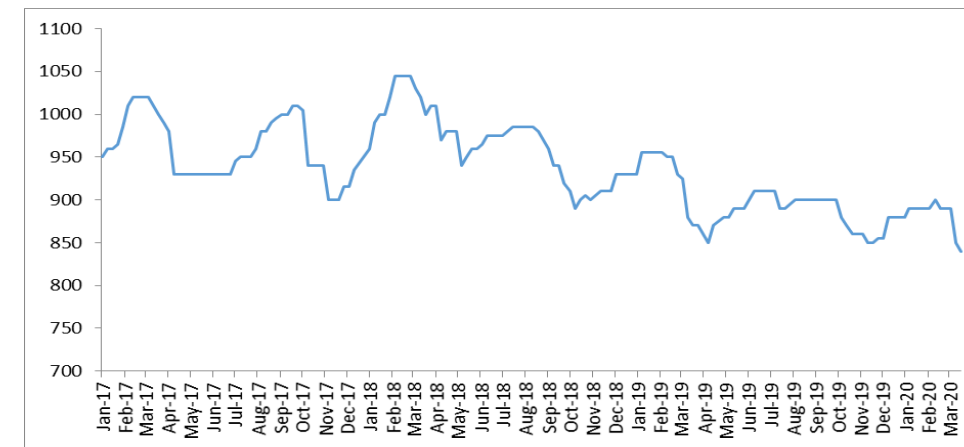
EBIDTA Bridge Chart Q4FY20



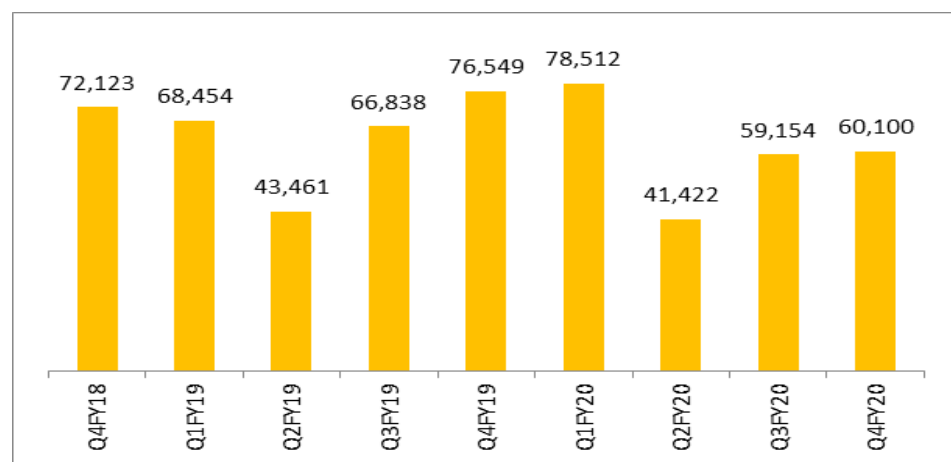
Business Performance Trends



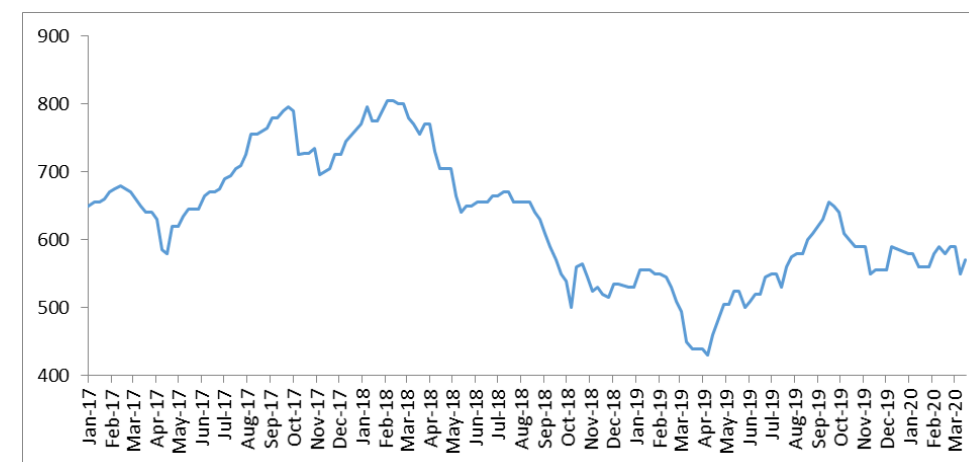
Pipes & Fittings Volumes (MT)



PVC (USD/MT)



PVC Volumes (MT)



PVC/EDC Delta (USD/MT) *

Quarterly - Profit & Loss

Particulars (INR Mn)	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Total income from operations *	8,091	8,278	5,426	7,566	9,642	9,438	5,767	6,994	7,661
EBIDTA	1,879	1,939	1,250	1,389	1,465	1,236	820	1,384	1,041
<i>EBIDTA margins (%)</i>	23.2%	23.4%	23.0%	18.4%	15.2%	13.1%	14.2%	19.8%	13.6%
Depreciation	156	162	166	196	177	168	194	188	189
Other Income	28	137	123	33	122	57	174	67	10
Finance costs	34	52	30	17	24	9	2	18	90
PBT before exceptional items	1,717	1,862	1,177	1,209	1,387	1,116	798	1,246	771
<i>PBT margins (%)</i>	21.2%	22.5%	21.7%	16.0%	14.4%	11.8%	13.8%	17.8%	10.1%
Exceptional items	-	279	-	-	-	-	-	-	-
PBT after exceptional items	1,717	1,583	1,177	1,209	1,387	1,116	798	1,246	771
Tax	508	550	413	422	473	391	(229)	313	214
PAT	1,209	1,033	764	787	914	725	1,027	933	557
EPS	9.8	8.3	6.2	6.3	7.4	5.8	8.3	7.5	4.5

* excluding duties and taxes

Quarterly segmental - Profit & Loss

Particulars (INR Mn)	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Segmental revenues *									
PVC	5,158	5,042	3,266	4,840	5,594	5,349	3,027	4,080	4,336
PVC pipes & fittings	6,827	7,225	4,705	5,906	7,911	8,512	5,170	5,535	6,322
Segmental profits									
PVC	1,242	1,236	918	809	810	413	451	818	315
% of Revenues	24.1%	24.5%	28.1%	16.7%	14.5%	7.7%	14.9%	20.1%	7.3%
PVC pipes & fittings	629	596	183	438	612	724	238	436	629
% of Revenues	9.2%	8.2%	3.9%	7.4%	7.7%	8.5%	4.6%	7.9%	10.0%
Capital employed									
PVC	6,821	7,292	5,872	6,457	6,046	6,063	5,247	6,349	7,813
PVC pipes & fittings	7,269	7,500	8,390	8,975	8,713	8,278	9,146	9,862	9,448

*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*	FY20*
Revenue from Operations (excl. duties and taxes)	21,448	24,531	24,762	24,819	26,024	27,378	30,913	29,860
Growth in sales (YoY %)	2.1%	14.4%	0.9%	0.2%	4.9%	5.2%	12.9%	-3.4%
EBIDTA before exceptional items	3,587	3,966	2,111	4,044	5,630	4,839	6,043	4,481
EBIDTA margins before exceptional items (%)	16.7%	16.2%	8.5%	16.3%	21.6%	17.7%	19.5%	15.0%
EBIDTA after exceptional items	2,627	3,268	1,896	4,289	5,630	4,839	5,764	4,481
PBT	1,902	2,419	808	3,733	5,170	4,388	5,356	3,932
PBT Margin (%)	8.9%	9.9%	3.3%	15.0%	19.9%	16.0%	17.3%	13.2%
PAT	1,361	1,701	478	2,544	3,522	2,985	3,498	3,242
PAT Margin (%)	6.3%	6.9%	1.9%	10.3%	13.5%	10.9%	11.3%	10.9%

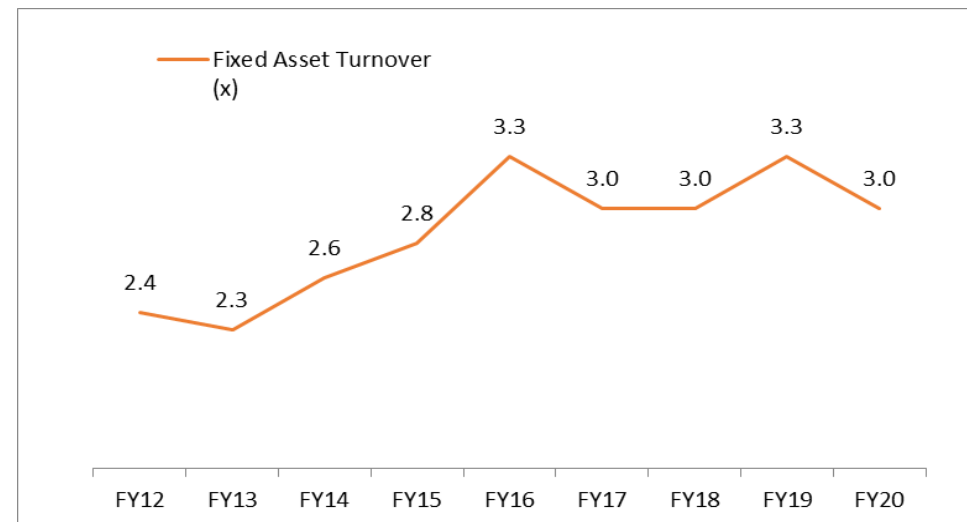
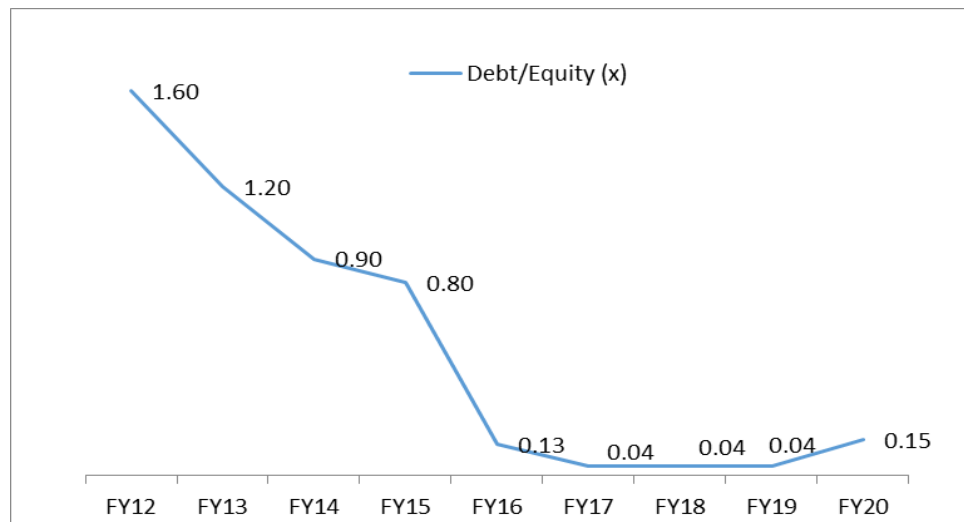
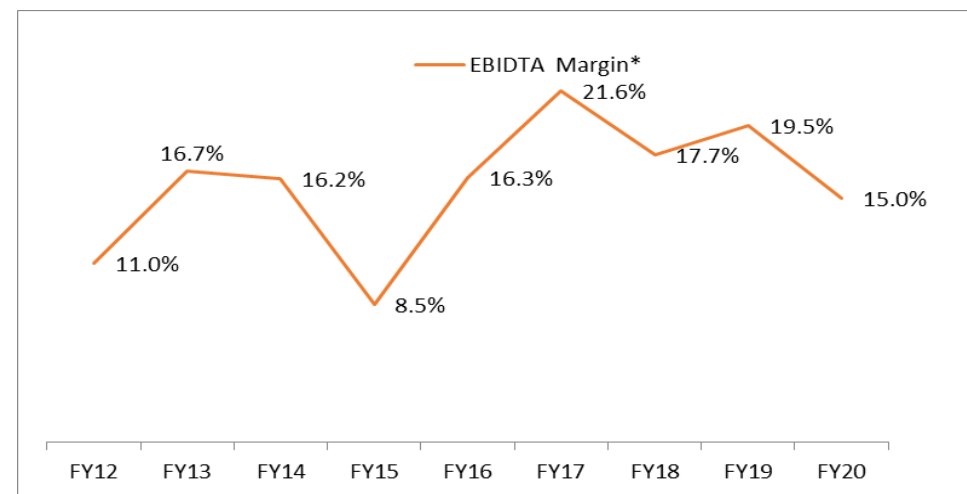
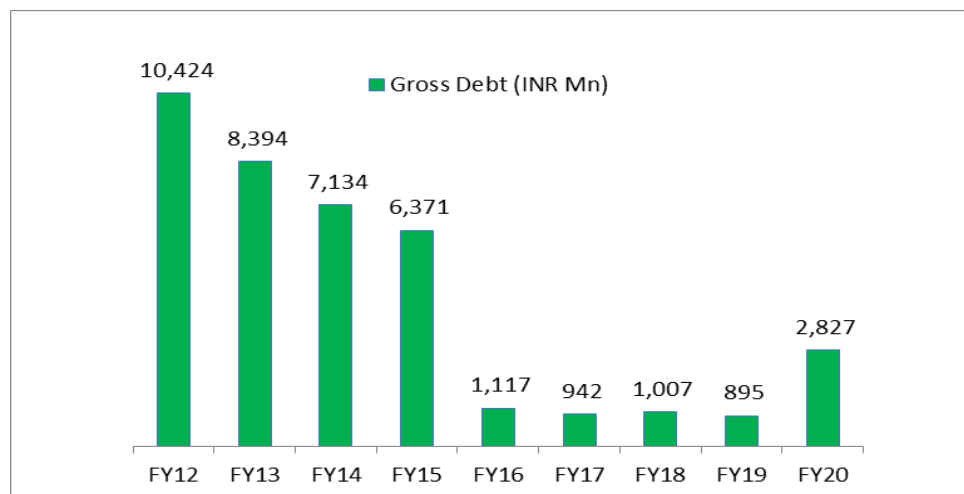
*Figures as per IndAS

Balance sheet - Key Indicators

Balance Sheet (INR Mn)	FY13	FY14	FY15	FY16*	FY17*	FY18*	FY19*	FY20*
Equity and liabilities								
Share capital	1,241	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	18,057
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	895	2,827
Total borrowings	8,394	7,134	6,371	1,117	942	1,007	895	2,827
Assets								
Fixed assets (Net block)	8,795	9,052	8,678	8,496	8,551	8,842	9,509	10,169
Capital WIP	506	325	104	66	217	903	902	73
Non current investments	1,274	1,274	1,246	6,485	11,656	14,896	10,769	4,555
Current investments	2,322	941	551	1,687	566	656	2,261	1,291

*Figures as per IndAS

Trend in Key Ratios



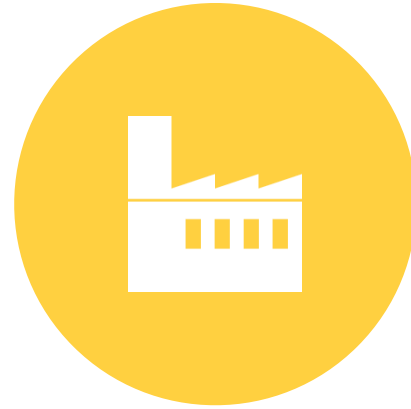
*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

Key Strategies



EXPANDING FOOTPRINT

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



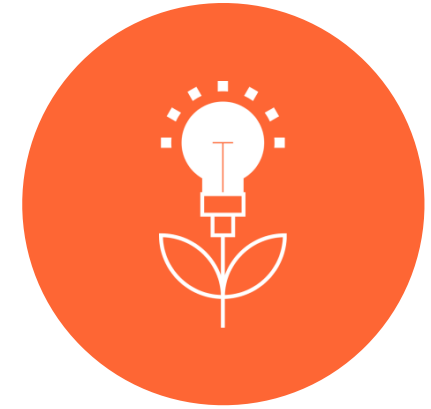
CAPACITY EXPANSION

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.



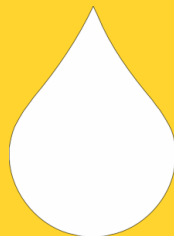
BRANDING

Promote brand and quality consciousness amongst consumer.

Budget 2020/Stimulus Package: Agriculture sector ... continues to be thrust area



- 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.



- “Nal se Jal” by 2024
- Rs. 3.60 lakh crore approved for **Jal Jeevan Mission**:
- 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.



- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
- 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/Stimulus Package: Non - Agriculture sector i.e. Housing and Infrastructure ... also continues to be thrust area



- “Housing for All” by 2022
- Project Atal Mission for Rejuvenation & Urban Transformation (AMRUT)
- 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.



- 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



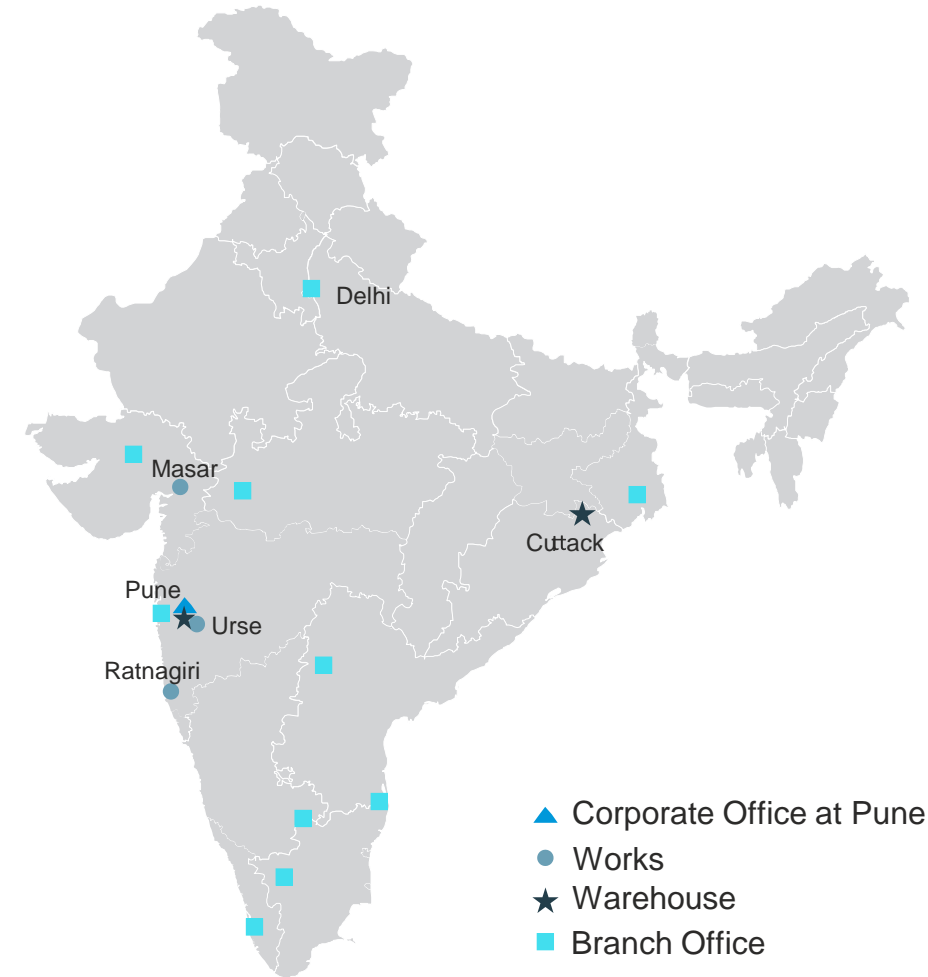
- Rs.12, 300 crore allocation for **Swachh Bharat Mission** in 2020-21:
- Commitment to **ODF-Plus** in order to sustain ODF behavior.
- Emphasis on liquid and grey water management.
- Focus also on Solid-waste collection, source segregation, and processing.

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



CSR Activities in Q4 FY 2019-20 – Some Snapshots

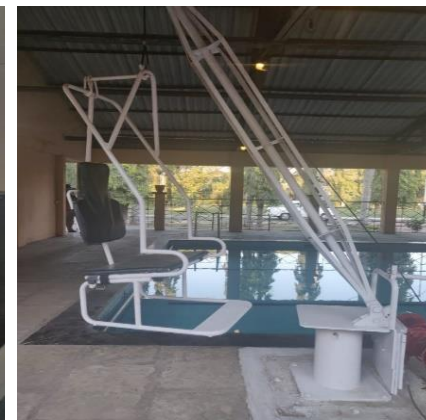


- 15th Re-Assessment camp organised in Ratnagiri screening 96 children
- 15 cases were referred for surgeries and 35 cases for Orthotic device
- Identification of 252 children with Cerebral Palsy in Ratnagiri

- 3825 children screened from 13 schools in Ratnagiri and Pune
- 137 Cataract operations through Bharati and H V Desai Hospital

- 4 patients supported for Cochlea Implant during January and March
- 24 patients screened and 32 were provided with Insulin

CSR Activities in Q4 FY 2019-20 – some snapshots



- Education Assistance to 23 students between January to March
- Stone Laying Ceremony concluded for a proposed 6 classrooms in the streams of Science and Commerce
- Supported to construct Centre of Excellence at Finolex Academy of Management and Technology

- RO Water Filter provided to Shree Chaitanya Vidyalaya, Nira, Indapur benefiting 560 students
- Inauguration of water RO system, Computer lab and School Toilet at Nanasaheb Kadu School, Satral Dist. Ahmednagar
- Bhoomi Poojan of Junior College in Ratnagiri

- Supporting War Hero's at Paraplegic Rehab Centre, Pune
- Help in carrying out under water physiotherapy, neuromuscular revival and strengthening of the body muscles of the Paraplegic/quadruplegic residence
- Heating arrangements for Hydrotherapy

CSR Activities in Q4 FY 2019-20 – some snapshots



- FIL and MMF collaborated with Yuva Parivartan to build Safe Homes and provide a means of livelihood.
- Yuva Parivartan have provided sewing machines to enable these women to stitch their own re usable sanitary napkins
- Sponsorship for construction of Two rooms at Shri Dattatray Dev Somgiri Guru Samadhgiri Maharaj Trust, Sordi, Dist. Sangli for pilgrims

- Donation of books and cupboard to Senior Citizens Club at Indapur
- Distribution of winter caps, socks & shawls to 7 Senior Citizen Homes, Pune for a total of 371 inmates

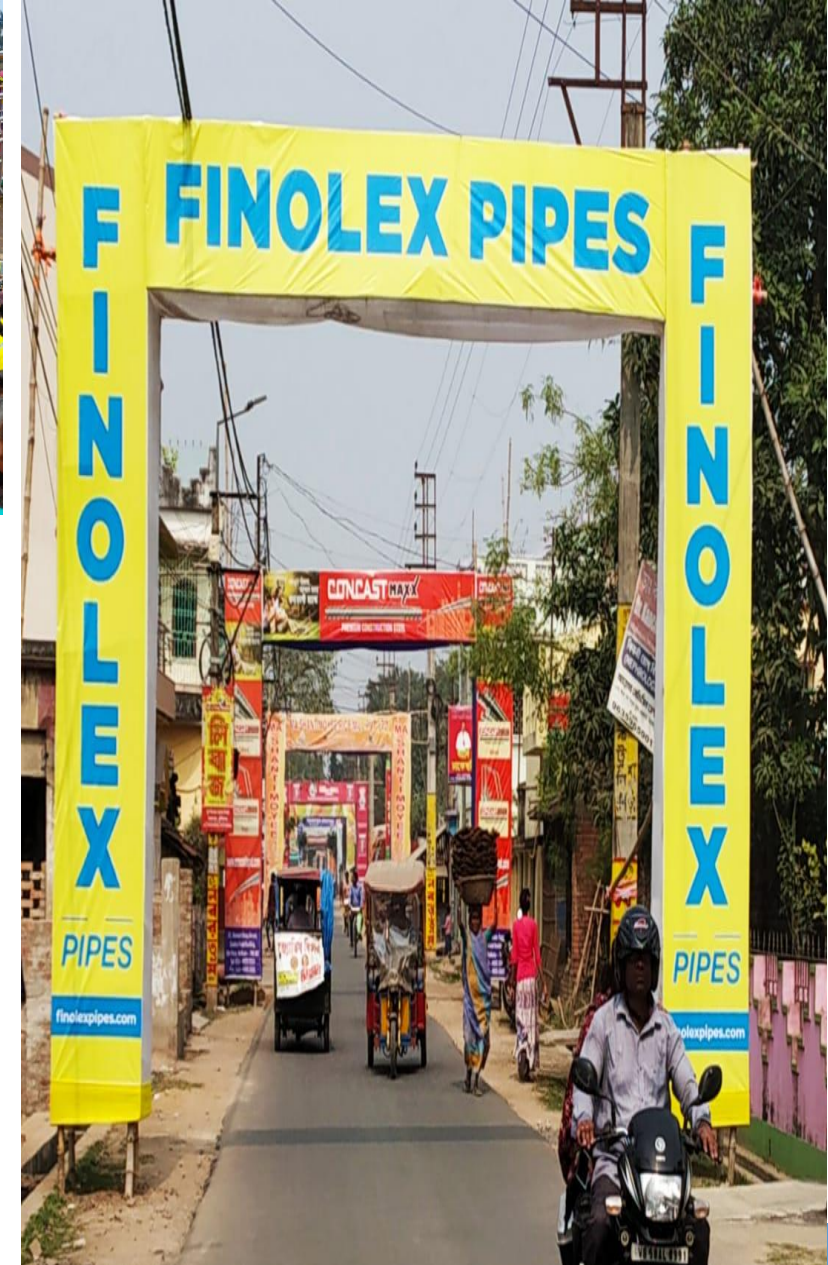
- Collaborated with Science and Technology Park under the aegis of Dr Rajendra Jagdale
- Solar Water Pumping System of 25 HP capacity to pump water from lower dam to the upper dam for recycling

Channel Engagement – Celebrity Live Concerts



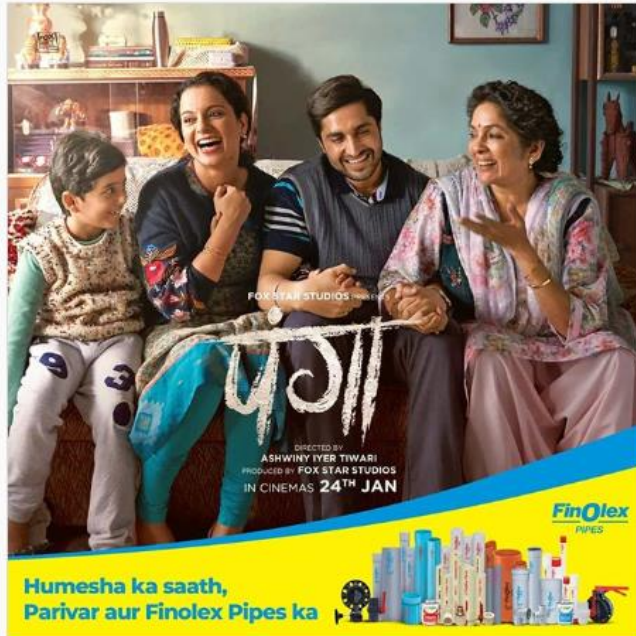
We invited our channel partners (Dealers/ Sub Dealers/ MEP's/ Builders/ Purchase Managers) for A.R. Rahman Live Concert, held at Pune and Arijit Singh Live Musical Nite held at Mumbai & Kolkata to further strengthen our channel relationship

Campaign/Retail Branding

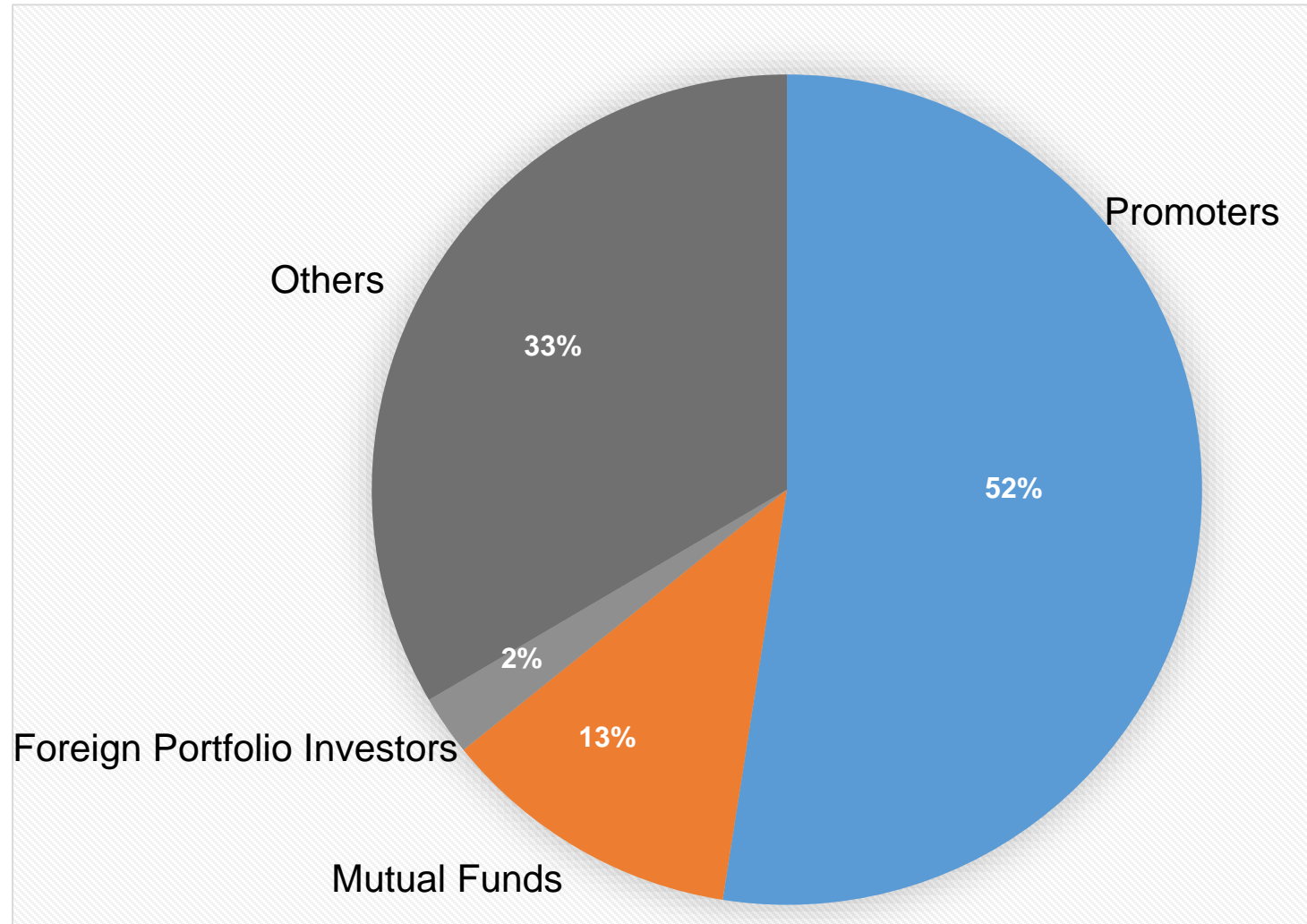


Radio & In- Film Integration – “Panga” & “Bonus”

“Finolex ne Aanla Pani, Sheta Pikli Sonya Vani....”



Shareholding Pattern as on March 31, 2020





Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings








Sewerage Pipes



Solvent Cement

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