



FINOLEX INDUSTRIES LIMITED

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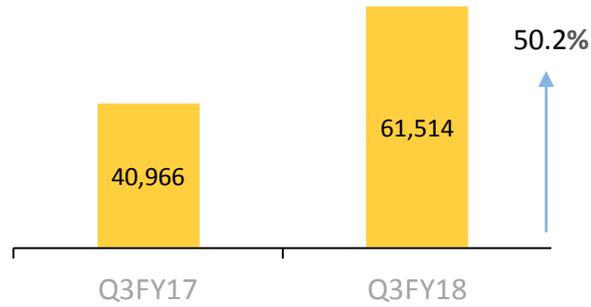
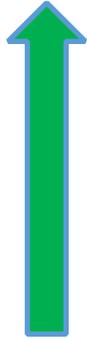
**Q3FY18 RESULTS**



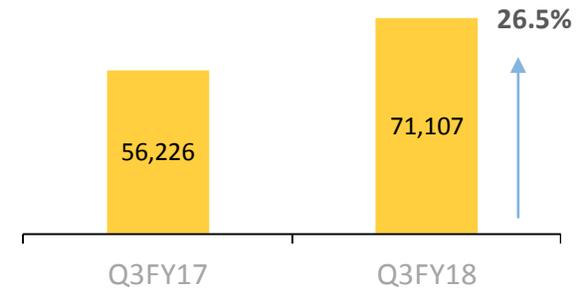
### Q3FY18 Results Summary

Pipes and Fittings volume

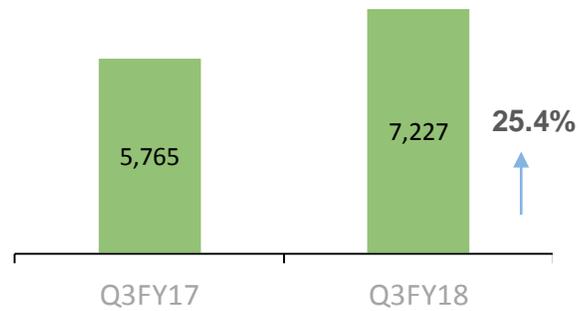
50.2%



Volumes (MT) P & F #



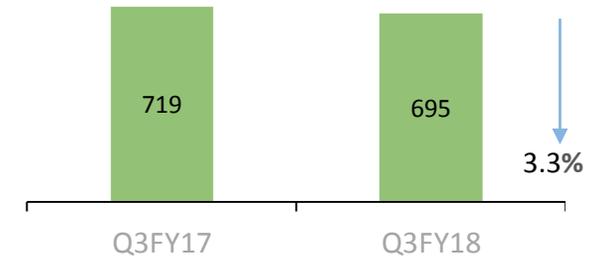
Volumes (MT) PVC resin\*



Revenue (excl. duties and taxes) (INR Mn)



EBITDA (INR Mn)



PAT (INR Mn)

Management Comments: Our focus on volume growth in the pipes and fittings segment has yielded a healthy growth of over 50% during the quarter. For nine months of FY18 the volume growth was 24%. We expect the demand to continue to be robust.

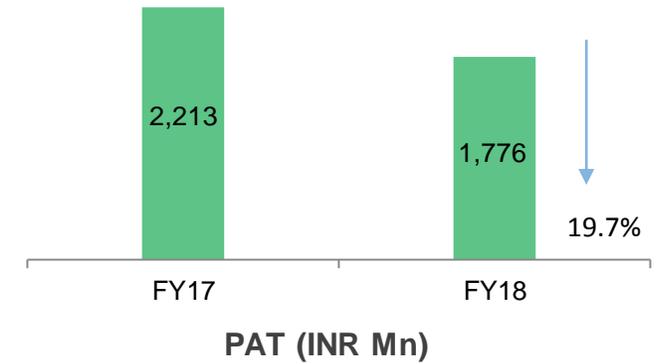
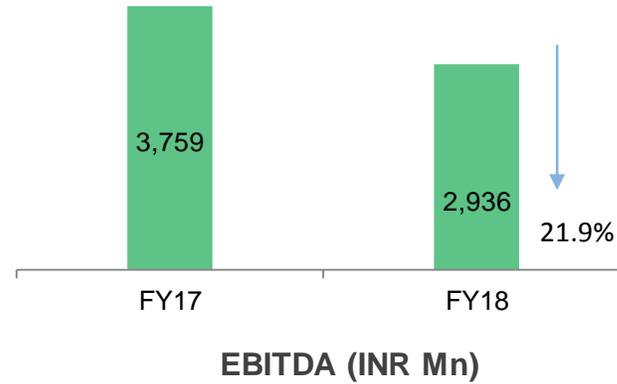
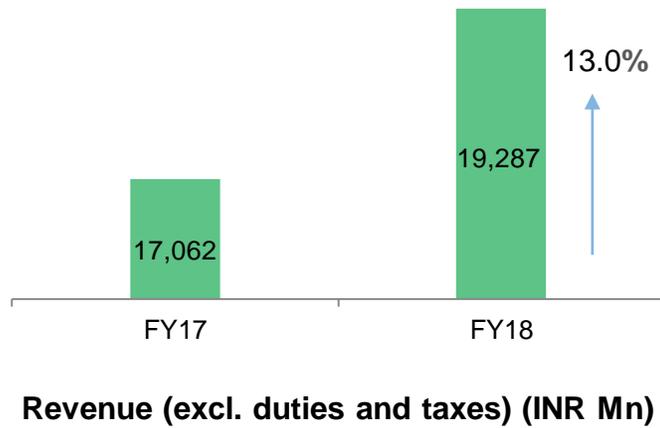
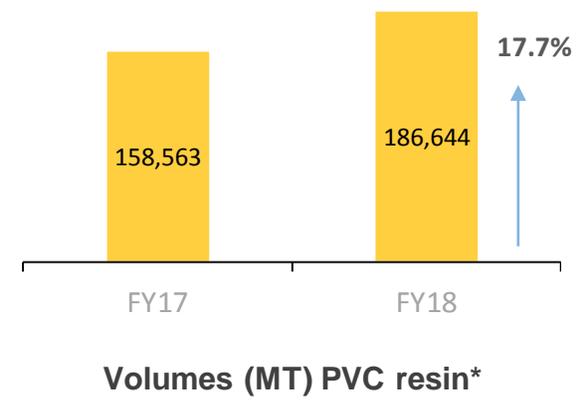
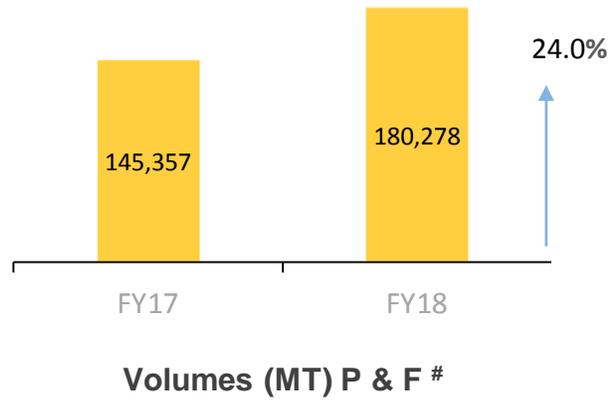
# P&F represents Pipes and Fittings

\* Including inter segment transfer

## 9MFY18 Results Summary

Pipes and Fittings volume

24.0%



# P&F represents Pipes and Fittings

\* Including inter segment transfer

## Profit & Loss Account

Particulars (INR Mn)	Q3FY18	Q3FY17
Total Income from operations *	7,227	5,765
EBIDTA	1,133	1,297
EBIDTA margin (%)	15.68%	22.50%
Depreciation	154	140
EBIT	979	1,157
EBIT %	13.55%	20.07%
Other Income	103	29
Finance costs	(4)	59
PBT	1,086	1,126
PBT %	15.02%	19.53%
Tax	390	407
PAT	695	719
PAT %	9.62%	12.47%

\* excluding duties and taxes

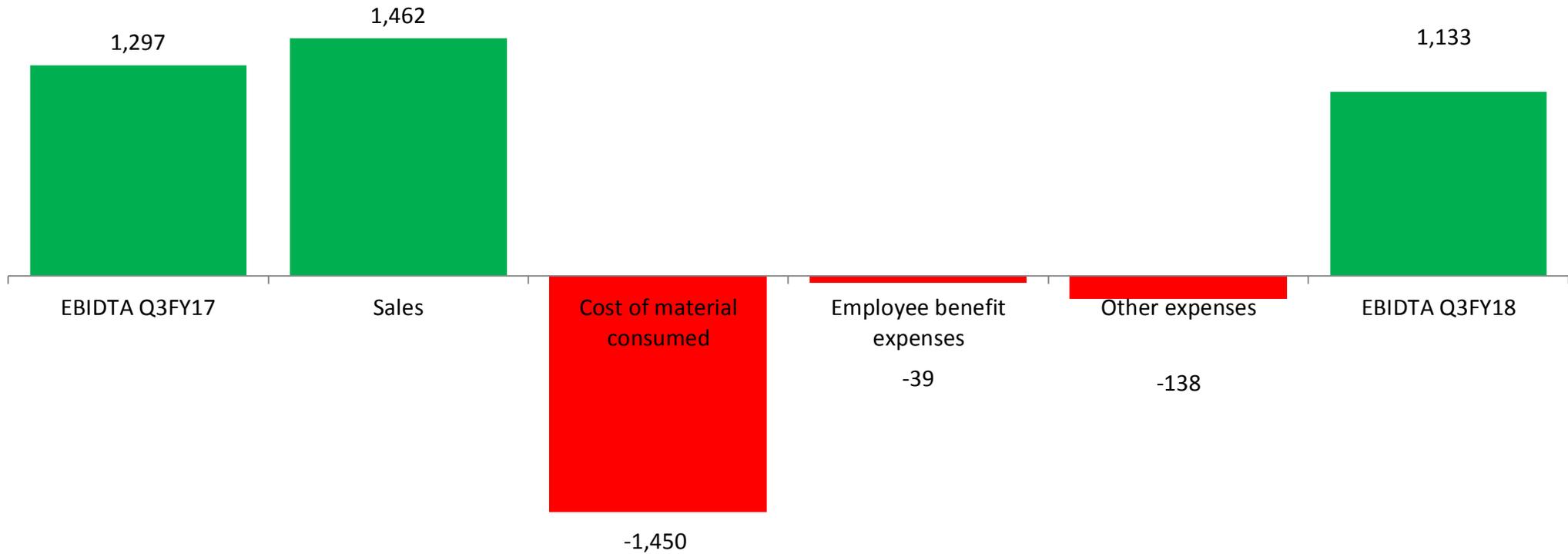
## Profit & Loss Account

Particulars (INR Mn)	9MFY18	9MFY17
Total Income from operations *	19,287	17,062
EBIDTA	2,936	3,759
EBIDTA margin (%)	15.22%	22.03%
Depreciation	450	412
EBIT	2,486	3,347
EBIT %	12.89%	19.62%
Other Income	250	150
Finance costs	65	142
PBT	2,671	3,355
PBT %	13.85%	19.66%
Tax	895	1,142
PAT	1,776	2,213
PAT %	9.21%	12.97%

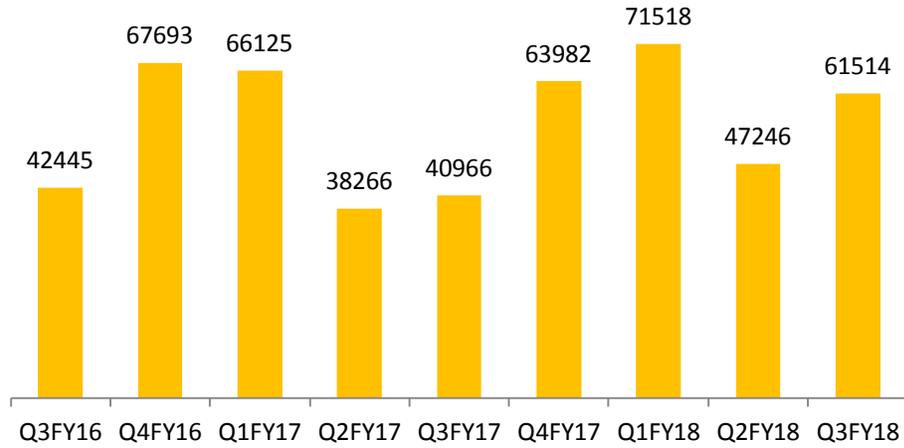
\* excluding duties and taxes

## EBITDA Bridge Chart Q3FY18

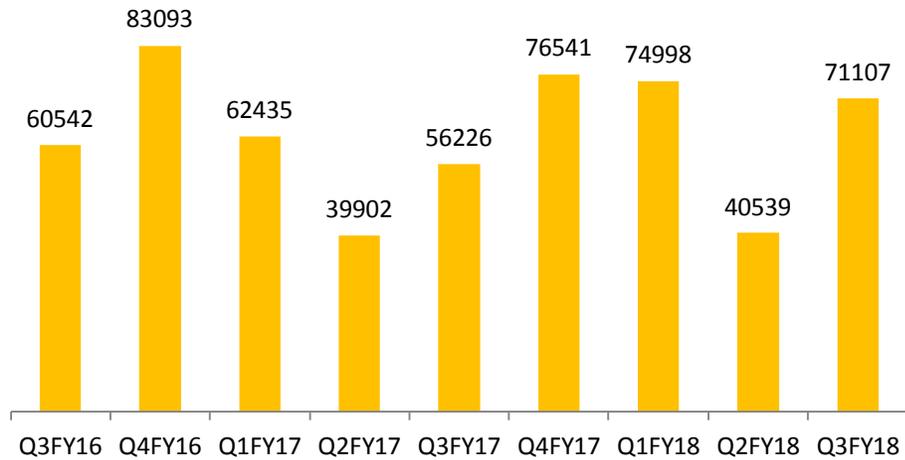
(INR Mn)



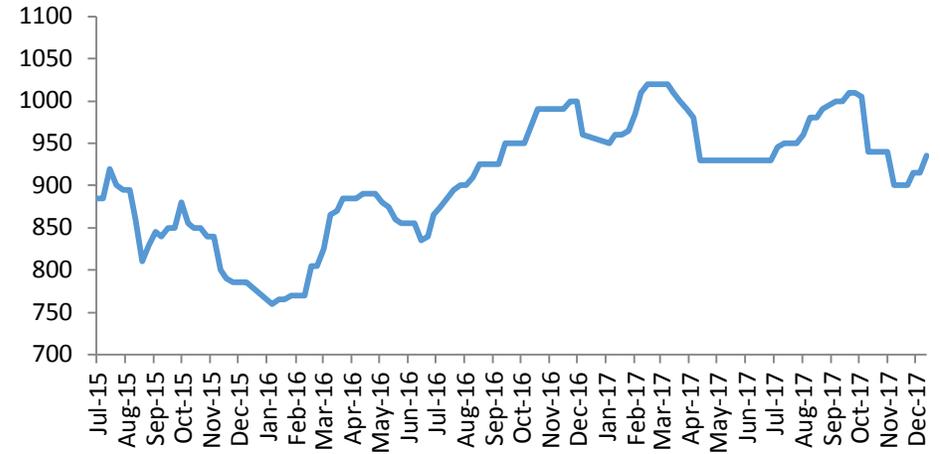
## Business Scenario



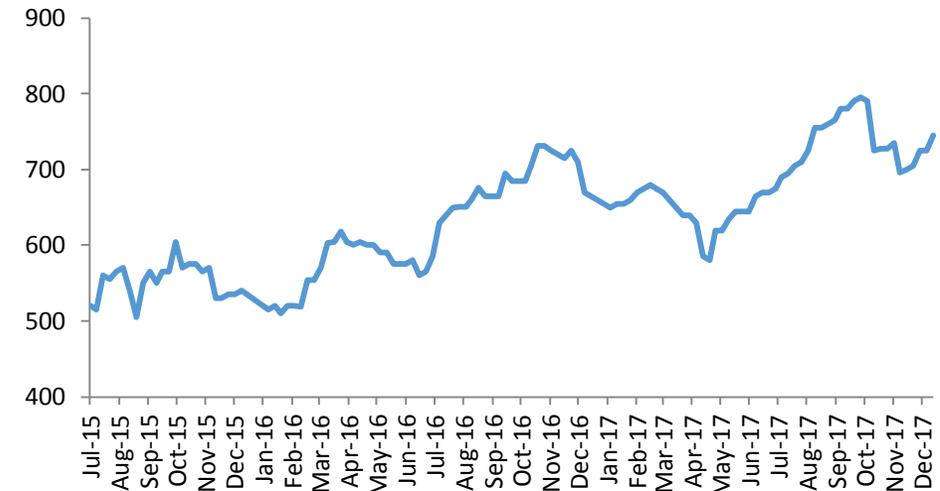
**Pipes & Fittings Volumes (MT)**



**PVC Volumes (MT)**



**PVC (USD/MT)**



**PVC/EDC Delta (USD/MT)**

## Quarterly - Profit & Loss

Particulars (INR Mn)	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18
Total income from operations *	8,094	6,728	4,568	5,765	8,877	7,307	4,753	7,227
EBIDTA	1,156	1,592	870	1,296	1,785	1,306	496	1,133
<i>EBIDTA margins (%)</i>	<i>14.3%</i>	<i>23.7%</i>	<i>19.0%</i>	<i>22.5%</i>	<i>20.1%</i>	<i>17.9%</i>	<i>10.4%</i>	<i>15.7%</i>
Depreciation	127	133	139	140	139	145	151	154
Other Income	198	32	89	29	94	38	109	103
Finance costs	45	50	33	59	11	30	38	(4)
PBT	1,181	1,441	788	1,126	1,729	1,170	416	1,086
<i>PBT margins (%)</i>	<i>14.6%</i>	<i>21.4%</i>	<i>17.3%</i>	<i>19.5%</i>	<i>19.5%</i>	<i>16.0%</i>	<i>8.8%</i>	<i>15.0%</i>
Tax	361	461	275	407	496	372	133	390
PAT	820	980	513	719	1,233	798	283	695
EPS	6.6	7.9	4.1	5.8	9.9	6.4	2.3	5.6

\* excluding duties and taxes

## Quarterly segmental - Profit & Loss

Particulars (INR Mn)	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18
<b>Segmental revenues *</b>								
PVC	4,538	4,048	2,564	4,043	5,572	5,137	2,742	4,598
PVC pipes & fittings	5,585	5,829	3,628	3,954	6,191	6,104	4,250	5,320
Power	355	388	321	378	361	382	259	377
<b>Segmental profits</b>								
PVC	548	890	552	933	1,147	951	372	802
<b>% of Revenues</b>	<b>12.1%</b>	<b>22.0%</b>	<b>21.5%</b>	<b>23.1%</b>	<b>20.6%</b>	<b>18.5%</b>	<b>13.6%</b>	<b>17.4%</b>
PVC pipes & fittings	536	568	252	303	590	290	136	296
<b>% of Revenues</b>	<b>9.6%</b>	<b>9.7%</b>	<b>6.9%</b>	<b>7.7%</b>	<b>9.5%</b>	<b>4.8%</b>	<b>3.2%</b>	<b>5.6%</b>
Power	92	129	58	86	56	50	(7)	20
<b>% of Revenues</b>	<b>25.9%</b>	<b>33.3%</b>	<b>18.1%</b>	<b>22.8%</b>	<b>15.5%</b>	<b>13.1%</b>	<b>(2.7%)</b>	<b>5.3%</b>
<b>Capital employed</b>								
PVC	5,660	5,214	5,056	6,354	5,623	5,660	4,007	3,858
PVC pipes & fittings	4,337	5,210	5,218	5,860	5,683	5,449	5,939	5,946
Power	2,527	2,674	2,374	2,375	2,170	2,328	2,138	2,124

\*excluding duties and taxes

## Profit & Loss - Key Indicators

Profit & loss account (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*
Revenue from Operations (excl. excise duty)	20,997	21,448	24,531	24,762	24,819	26,024
<b>Growth in sales (YoY %)</b>	<b>6.16%</b>	<b>2.15%</b>	<b>14.37%</b>	<b>0.94%</b>	<b>0.23%</b>	<b>4.85%</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>11.02%</b>	<b>16.72%</b>	<b>16.17%</b>	<b>8.53%</b>	<b>16.29%</b>	<b>21.63%</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>4.60%</b>	<b>8.87%</b>	<b>9.86%</b>	<b>3.26%</b>	<b>15.04%</b>	<b>19.87%</b>
PAT	752	1,361	1,701	478	2,544	3,522
<b>PAT Margin (%)</b>	<b>3.58%</b>	<b>6.35%</b>	<b>6.93%</b>	<b>1.93%</b>	<b>10.25%</b>	<b>13.53%</b>

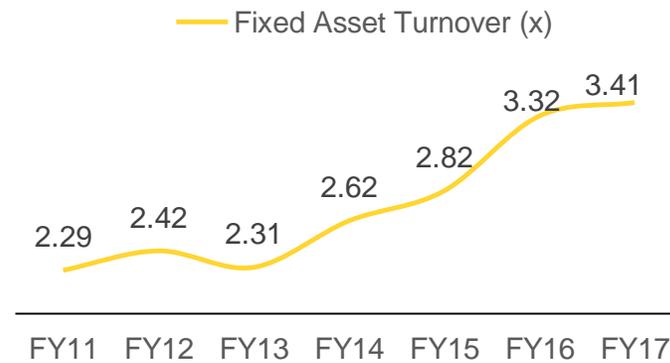
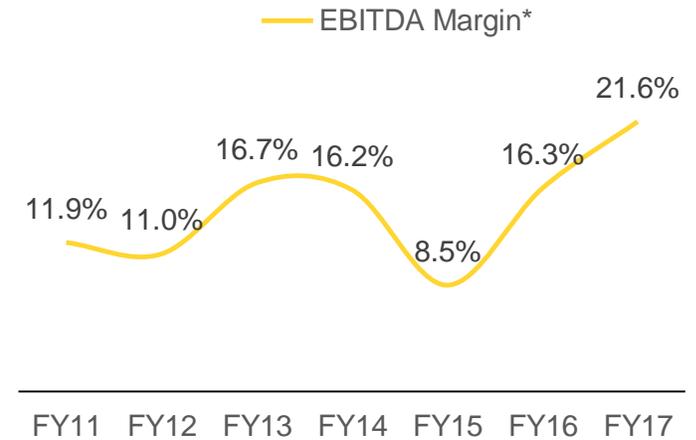
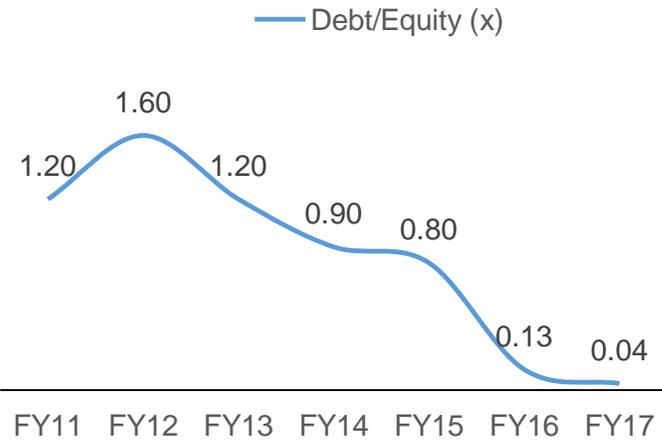
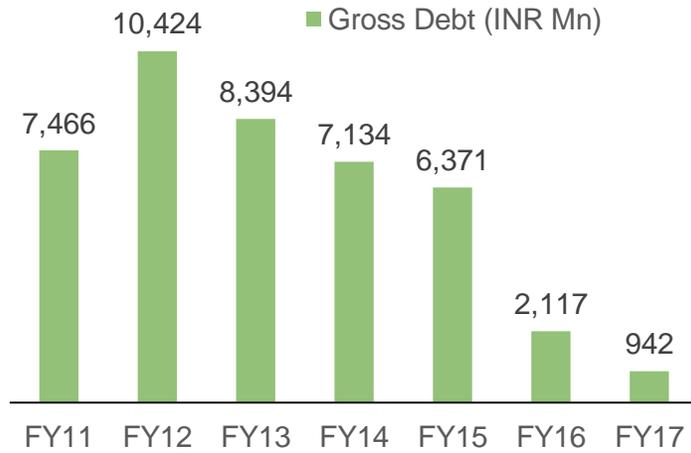
\*Figures as per IndAS

## Balance sheet - Key Indicators

Balance Sheet (INR Mn)	FY12	FY13	FY14	FY15	FY16*	FY17*	H1FY18*
<b>Equity and liabilities</b>							
Share capital	1,241	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	21,499
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	2,094
<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>2,094</b>
<b>Assets</b>							
Fixed assets (Net block)	7,840	8,795	9,052	8,678	8,496	8,551	8,683
Capital WIP	854	506	325	104	66	217	473
Non current investments	1,221	1,274	1,274	1,246	6,485	11,656	12,115
Current investments	3,711	2,322	941	551	1,687	566	1,569

\*Figures as per IndAS

## Key Ratios



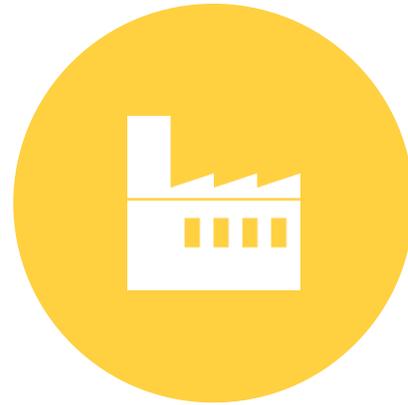
\*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

## Key Strategies



### EXPANDING FOOTPRINT

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



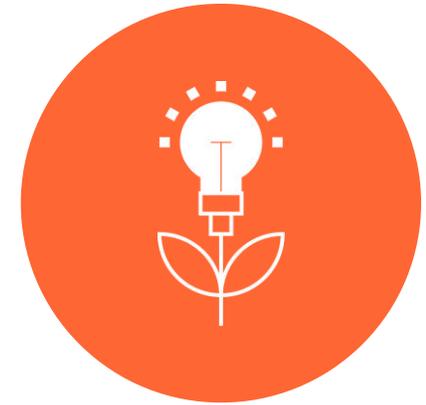
### CAPACITY EXPANSION

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.



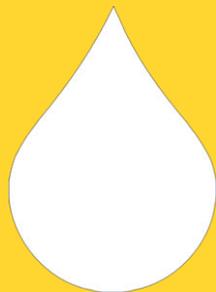
### BRANDING

Promote brand and quality consciousness amongst consumer.

## Opportunities – Agriculture sector ... continues to be thrust area



Total allocation for Rural, Agriculture sector is Rs.14.34 lakh crore. Institutional credit for agriculture sector raised to Rs. 11 lakh crore for 2018-19. Scope of Long Term Irrigation Fund to be expanded to cover specified command area development projects. An Agri-Market Infrastructure Fund with a corpus of Rs. 2,000 crore to be set up for developing and upgrading agricultural marketing infrastructure.



Under the Pradhan Mantri Krishi Sinchai Yojana, 48 AIBP priority projects of Rs. 15,000 crore to be completed by December 2019 and utilisation of irrigation potential of 15 lakh hectares (har khet ko pani) a project of Rs. 2,300 crores to be undertaken. Irrigation projects of Rs. 4,000 crore covering 17.2 lakh hectares to be implemented



Niti Ayog, in consultation with Central and State Governments, will put in place a fool proof mechanism so that farmers to get adequate price for their produce.



Extend facility of Kisan Credit cards to farmers to help them meet their working capital needs. Small and marginal farmers to benefit,

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



Under the Prime Minister Awas Scheme it is proposed to complete construction of one crore houses by 2019 in the rural areas. In urban areas 37 lakh houses has been sanctioned for construction. A dedicated Affordable Housing Fund in NHB to be established. Smart Cities Mission to build 100 smart cities with state-of-art amenities and the AMRUT program to provide water supply to



During the year, the Company tied-up with the American company Lubrizol Corporation, inventors and the largest manufacturers of the CPVC compound worldwide. The tie-up will strengthen the Company's track record of providing superior products for the domestic market. The products have been highly appreciated and has brought renewed interest among the existing and new dealers.



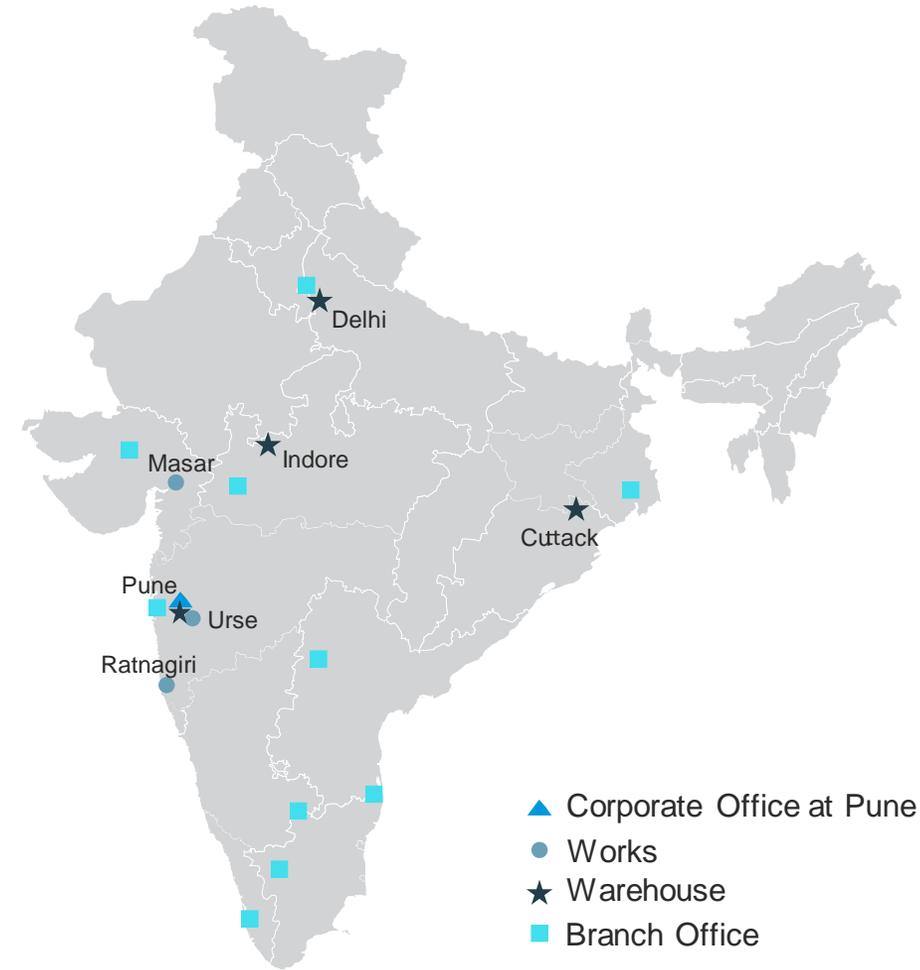
Swachh Bharat Mission (Gramin) has benefited all. Sanitation coverage in rural India has increased and government is focussed on covering a wider area.

## 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



FIL associated with Diwali 2017 release 'Golmaal Again' as Brand Partner. The key take-outs of the association were in-film visibility, movie screening for channel partners across India and planned promotion on television and social media

Retail Branding Phase 1 execution in Maharashtra, Karnataka, Gujarat and Tamil Nadu in 1000+ sub dealer stores

2018 Calendar and diary dispatch to 12000 sub dealers, 725 dealers, 225 Sales reps. and 1250 FIL employees

FIL merchandise launch on Dasshera for channel partners and employees

Diwali 2017 Gift - Pooja Kit sent to 600+ Builders, Architects and MEP Consultants Pan India

## Participation in Exhibitions – Some snapshots



My Build Tech,  
(Non-Agri)  
Mysore  
6-11 Dec 2017



Build Expo  
(Non-Agri)  
Erode, Tamil Nadu  
22-25 Dec 2017



Krishi Mela (Agri)  
Surat  
25-29 Nov 2017



KISAN 2017 Moshi,  
(Agri) - Pune  
13-17 Dec 2017



Sindhu Exhibition  
(Agri)  
Sindhudurg  
22-26 Dec 2017

## Corporate Social Responsibility – some snapshots



Signing of MOU basis invitation received from Pune Municipal Corporation (PMC) to upgrade corporation hospitals. Mrs Ritu Chhabria signed the MOU on behalf of FIL/ MMF in presence of PMC Commissioner Hon. Mr. Kunal Kumar and Guardian Minister Hon. Mr. Girish Bapat

Global Award by Global Sindhi Council - to Mrs Ritu Chhabria - Award presented by Governor of Maharashtra, Hon. Shri C. Vidyasagar Rao for Innovative and Historic Social Contribution

Sawli Care Centre, Kolhapur was inaugurated in the presence of Maharashtra CM - Shri Devendra Fadnavis, Mr. Sanjay Math, MD - FIL. The health care centre caters to old, handicapped and mentally challenged patients.

On 11<sup>th</sup> Nov, MMF launched its first film as a part of Children's Day Initiative, titled - Cup of Teach. It focuses on education and empowerment of rural India

## Corporate Social Responsibility – some snapshots



MMF and FIL inaugurated their 8<sup>th</sup> Cancer Detection Camp for women in association with Sankalp in Ratnagiri. The camp serves as a health and cancer screening clinic with a target of 300 women while sponsoring Rs.400 each towards mammography and colposcopy.

On completion of 2 years of Mission CP project, MMF and FIL conducted 2<sup>nd</sup> assessment camp at Satara which witnessed 112 children for assessment.

MMF and FIL organized a 2-day training program in Satara on mental illness for primary teachers of Zilla Parishad Schools along with the faculty of Sasoon General Hospital

The Masar Grampanchayat (Gujarat) appealed to MMF/ FIL to repair the RO system which was installed by the government. Post inspection by MMF team, the repair work was successfully completed and inaugurated and will benefit more than 2500 villagers.

## Accolades and awards



Finolex Pipes and Mukul Madhav Foundation was recently awarded ‘Best CSR Integrated Business under National Excellence for CSR and Sustainability’ at the ‘National CSR Leadership Congress & Awards’ held in Bengaluru, September 2017.

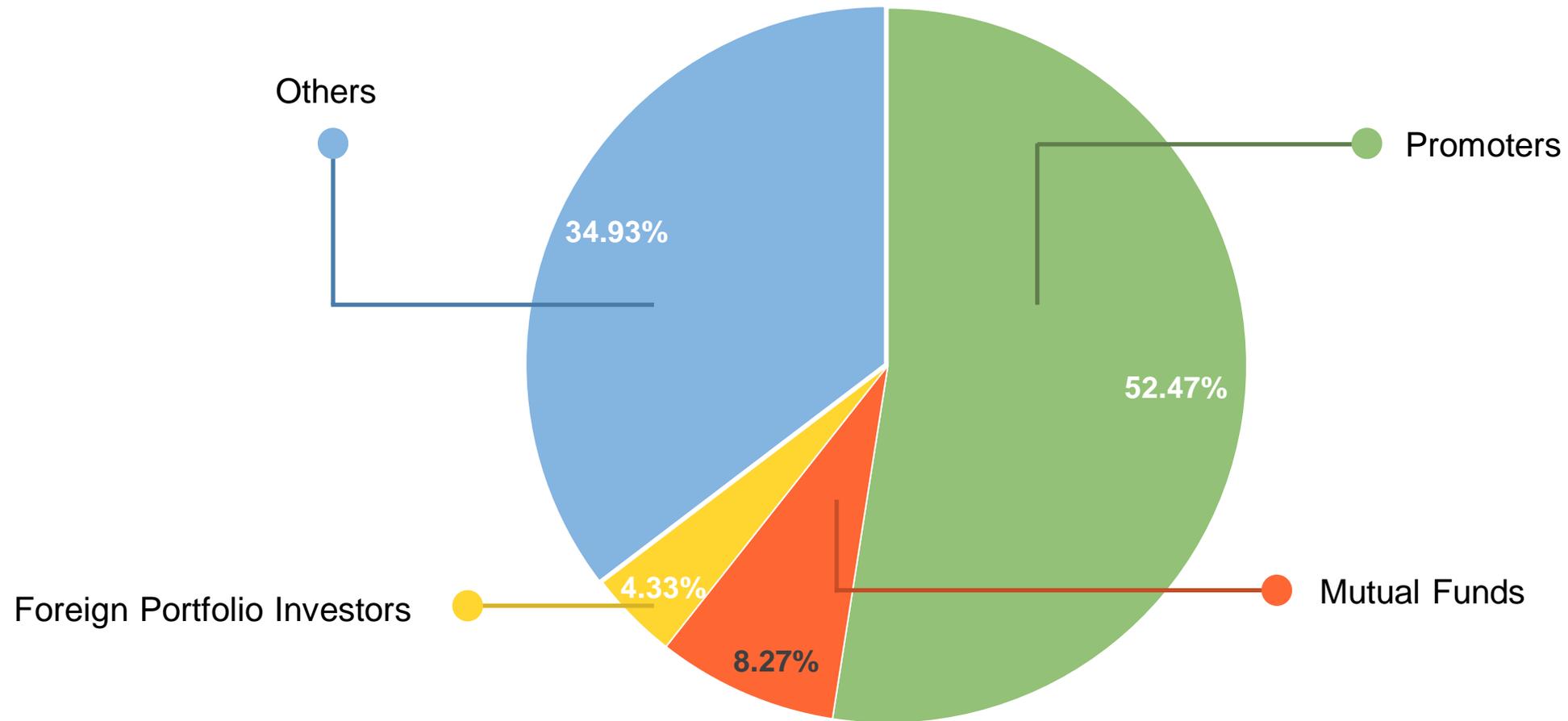
Recently Awarded with The Supply Chain Enterprise Icon of the Year - 2017” by Global Logistics Excellence Awards.

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.

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

India’s most Trusted Brand in the category “Manufacturing - Pipes” awarded by Brand Trust Report 2015.

## Shareholding Pattern as on December 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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