

**Registered Office / Urse Plant**  
Finolex Industries Limited  
Gat No. 399, Village Urse, Tal.-Maval,  
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FIL/SEC/DT/SEs/2018-19/124  
9<sup>th</sup> February, 2019

|   |  |
|---|--|
| The Manager – Listing Department<br>National Stock Exchange of India<br>Limited<br>5, Exchange Plaza<br>Bandra-Kurla Complex<br>Bandra (East),<br>Mumbai 400051 | The Manager – Listing Department<br>BSE Limited<br>Registered Office: Floor 25<br>P.J.Towers<br>Dalal Street<br>Mumbai 400 001 |
| Scrip Code: FINPIPE   | Scrip Code: 500940/FINOLEXIND  |

**Sub: Presentation on Un-audited Financial Results for the quarter and nine months ended on 31<sup>st</sup> December, 2018**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

In terms of the subject referred regulation, a presentation on Un-audited Financial Results along with the volume data and earning release of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2018, is enclosed.

You are requested to kindly take the above on your records.

Thanking you,

Yours truly,

For **Finolex Industries Limited**

  
Devang Trivedi  
Company Secretary

Encl.: As above



FINOLEX INDUSTRIES LIMITED

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**Q3FY19 RESULTS**



# Q3FY19 vs Q3FY18 – Business Performance Highlights

## Revenue

- Revenue registered a y-o-y growth of 4.7% to Rs. 7,566 mn

## Volume

- PVC Resin volume registered a y-o-y decrease of 6.0% to 66,838 MT.
- Pipe and Fittings volume registered a y-o-y decline of 3.8% to 59,179 MT.

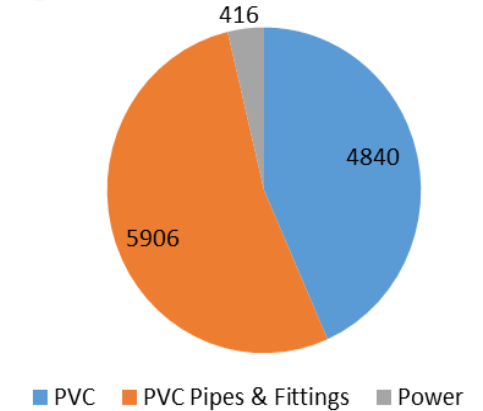
## Operating Performance (EBIT)

- EBIT margins at 13.9% as compared to 13.5 % (40 bps increase).
- PVC Resin EBIT margin at 16.2% as compared to 18.6% (240 bps decrease).
- PVC Pipes and Fittings EBIT margin at 7.9% as compared to 5.6% (230 bps increase).

## PAT

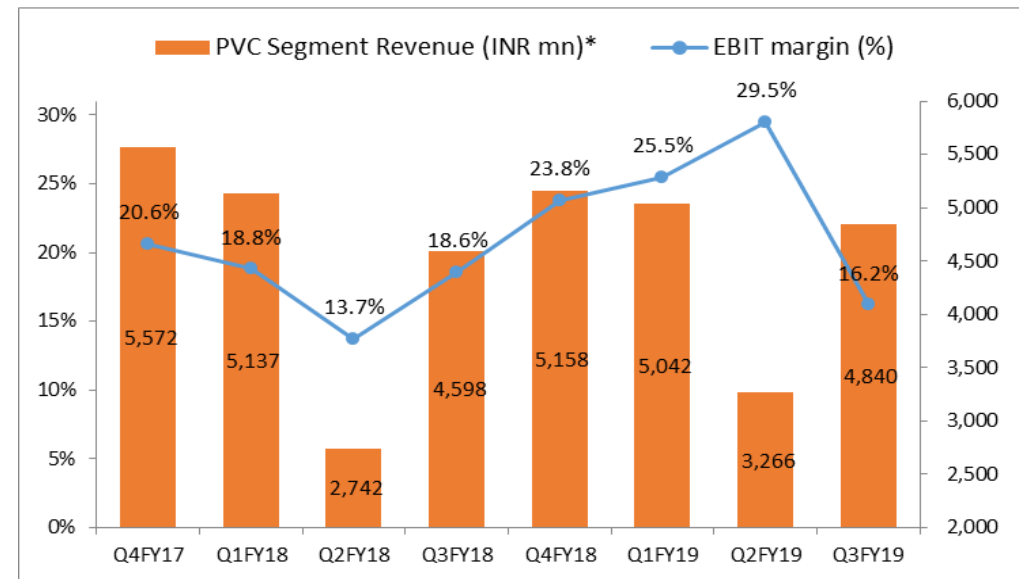
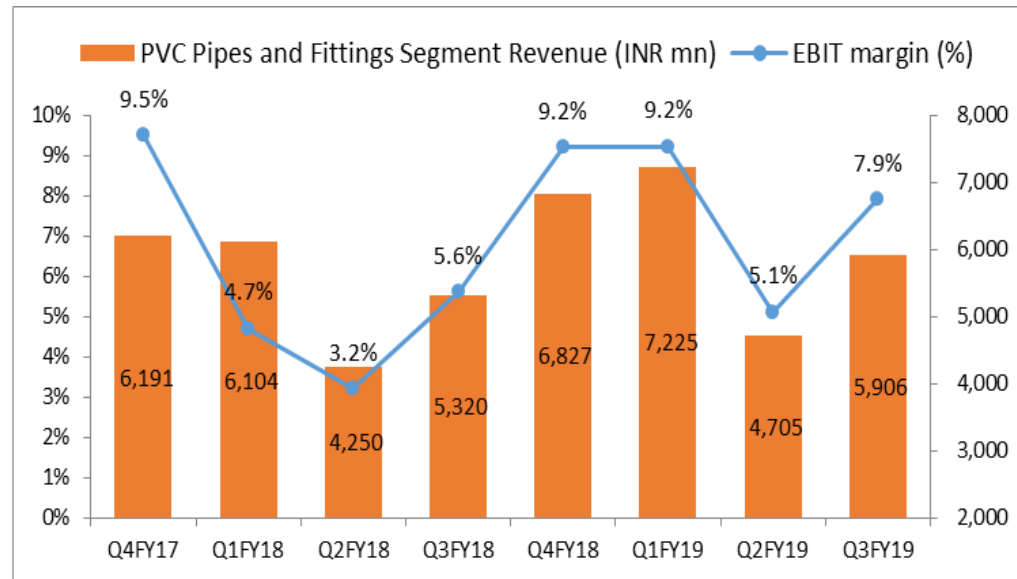
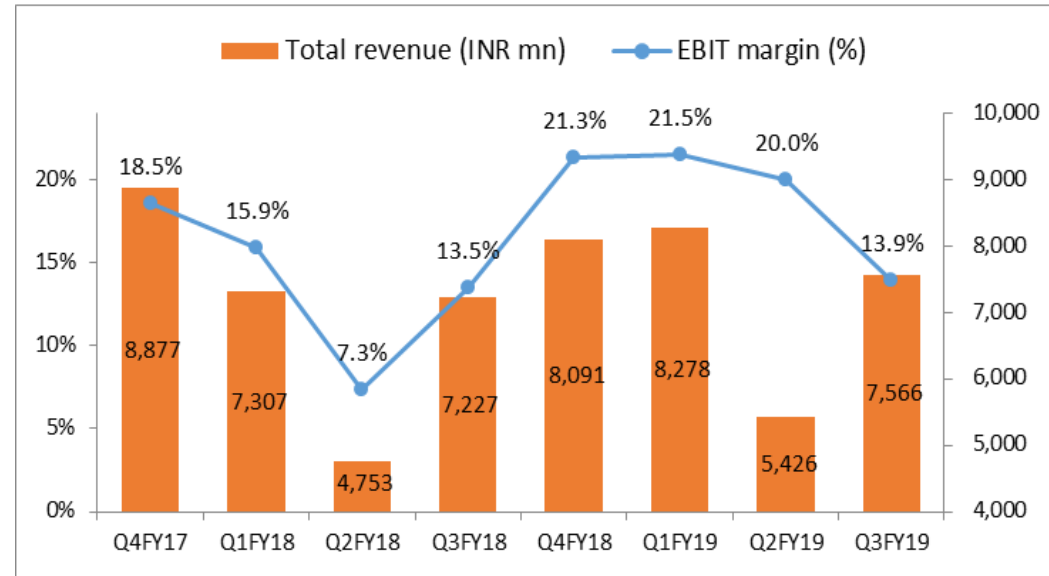
- PAT grew 13.2% to Rs. 787 mn as against Rs 695 mn in Q3FY18.

Segment revenue Rs. In mn



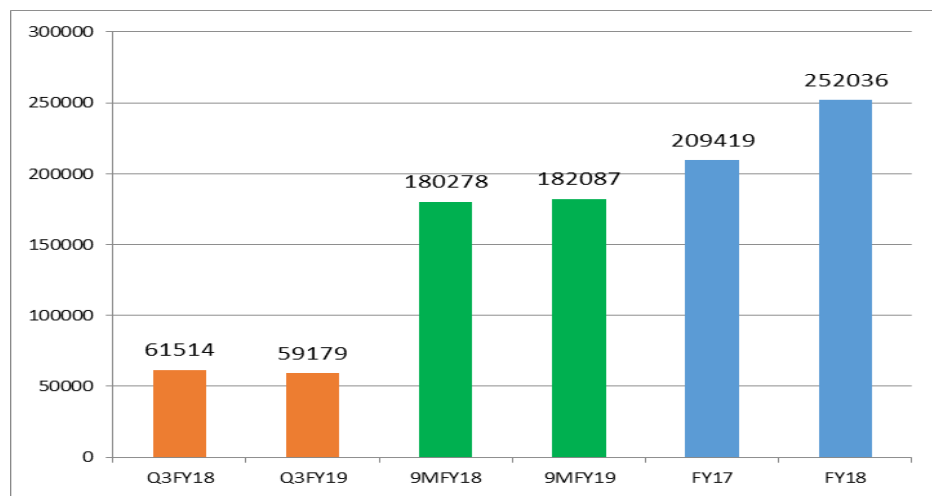
Though volume of pipes and fittings was slightly lower, better realisation has resulted in improvement in margin on y-o-y basis. Hardening EDC price has resulted in lower PVC/EDC delta. This coupled with lower volume has reduced the margin in PVC segment on y-o-y basis.

# Business Performance – Q3FY19

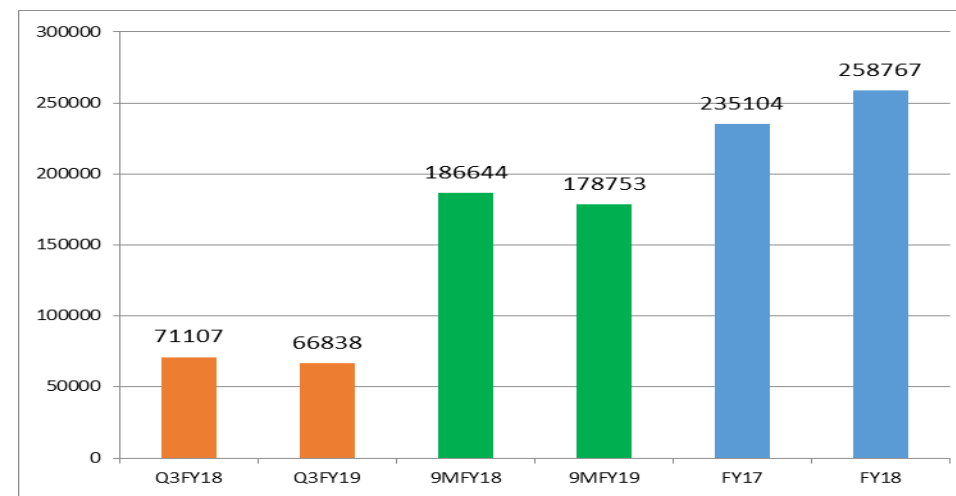


\* Including inter segment transfer

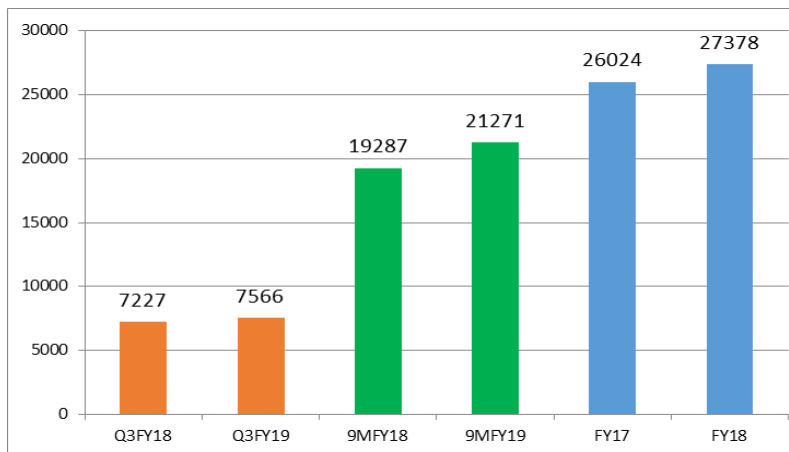
# Q3FY19 Results Summary



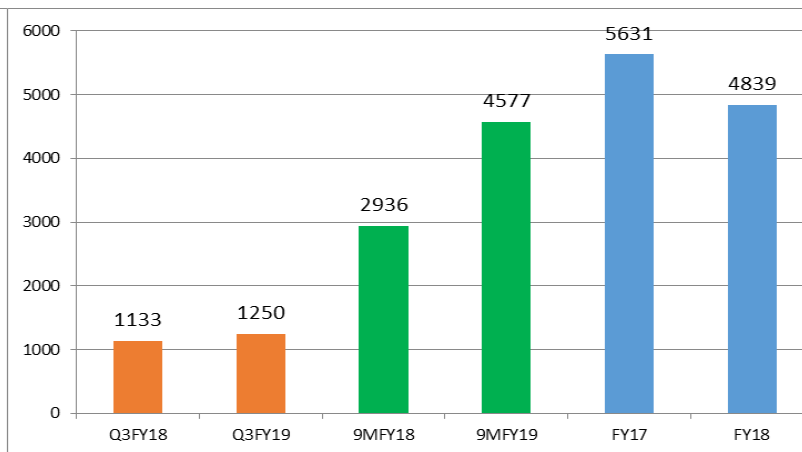
Volumes (MT) Pipes & Fittings



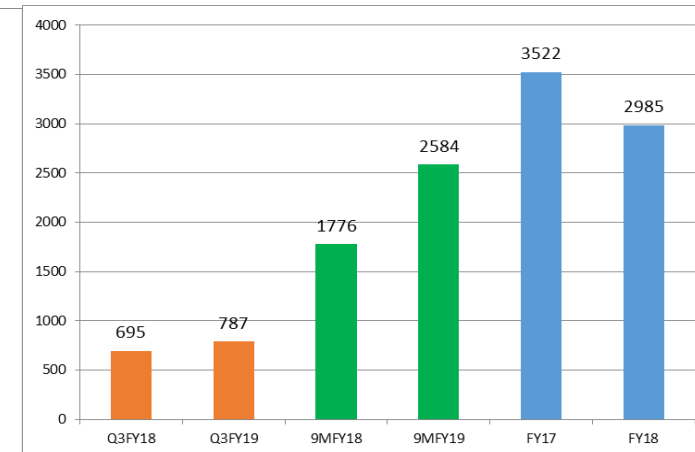
Volumes (MT) PVC Resin \*



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



EBITDA (INR Mn)



PAT (INR Mn)

\* Including inter segment transfer

## Profit & Loss Account – Q3FY19

| Particulars (INR Mn)           | Q3FY19 | Q3FY18 | Inc / Dec (%) |
|--------------------------------|--------|--------|---------------|
| Total Income from operations * | 7,566  | 7,227  | 4.7%          |
| EBIDTA                         | 1,250  | 1,133  | 10.3%         |
| EBIDTA margin (%)              | 16.5%  | 15.7%  |               |
| Depreciation                   | 196    | 154    |               |
| EBIT                           | 1,054  | 979    | 7.7%          |
| EBIT %                         | 13.9%  | 13.5%  |               |
| Other Income                   | 173    | 102    |               |
| Finance costs                  | 17     | -4     |               |
| PBT                            | 1,209  | 1,086  | 11.3%         |
| PBT %                          | 16.0%  | 15.0%  |               |
| Tax                            | 422    | 390    |               |
| PAT                            | 787    | 695    | 13.2%         |
| PAT %                          | 10.4%  | 9.6%   |               |

\* excluding duties and taxes

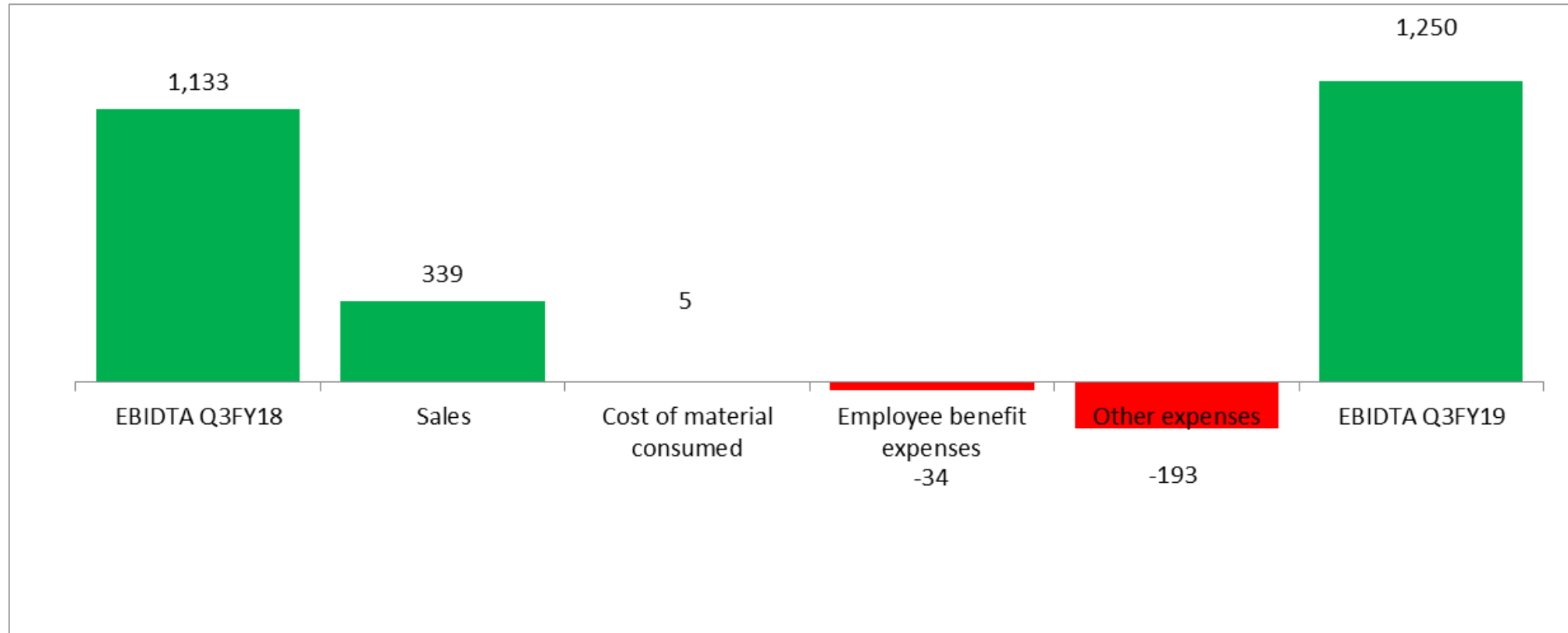
## Profit & Loss Account – 9MFY19

| Particulars (INR Mn)            | 9MFY19 | 9MFY18 | Inc / Dec (%) |
|---------------------------------|--------|--------|---------------|
| Total Income from operations *  | 21,271 | 20,223 | 5.2%          |
| EBIDTA                          | 4,577  | 2,936  | 55.9%         |
| EBIDTA margin (%)               | 21.5%  | 14.5%  |               |
| Depreciation                    | 524    | 450    |               |
| EBIT                            | 4,053  | 2,486  | 63.0%         |
| EBIT %                          | 19.1%  | 12.3%  |               |
| Other Income                    | 293    | 250    |               |
| Finance costs                   | 98     | 65     |               |
| Profit before exceptional items | 4,248  | 2,671  | 59.0%         |
| PBT %                           | 20.0%  | 13.2%  |               |
| Exceptional items               | 279    | -      |               |
| Profit after exceptional items  | 3,969  | 2,671  |               |
| Tax                             | 1,385  | 895    |               |
| PAT                             | 2,584  | 1,776  | 45.5%         |
| PAT %                           | 12.1%  | 8.8%   |               |

\* excluding duties and taxes

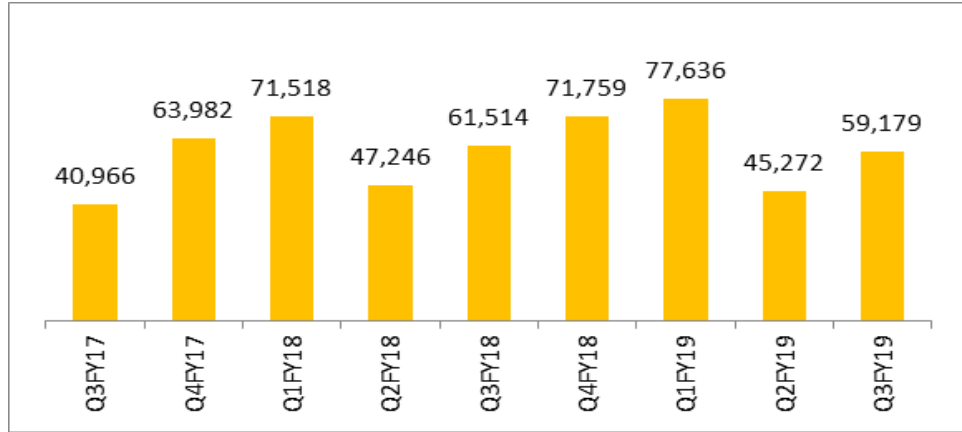
# EBIDTA Bridge Chart Q3FY19

(INR Mn)

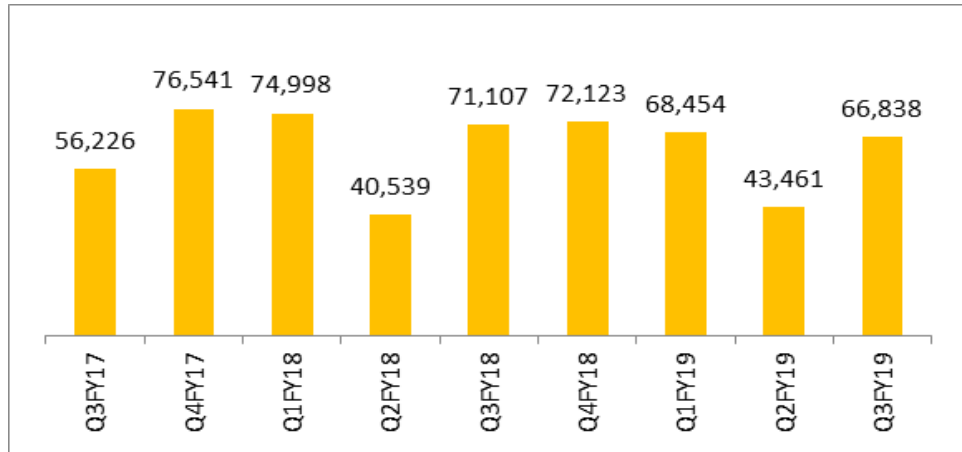




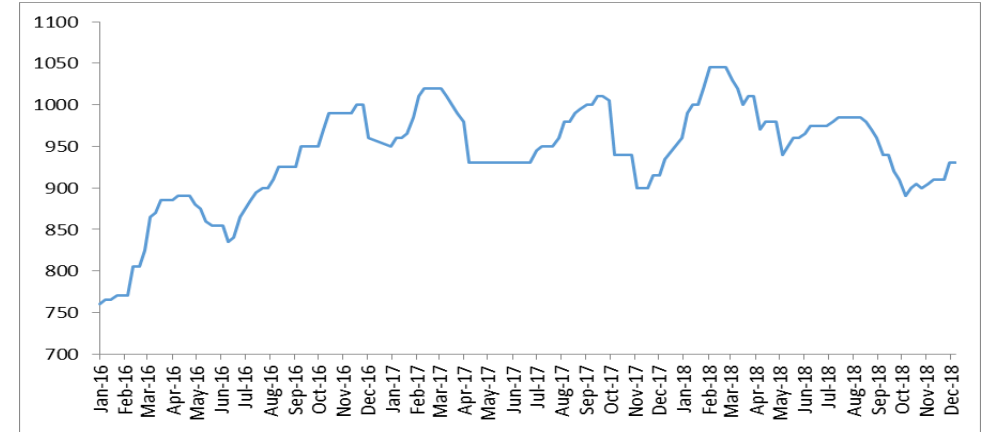
# Business Performance Trends



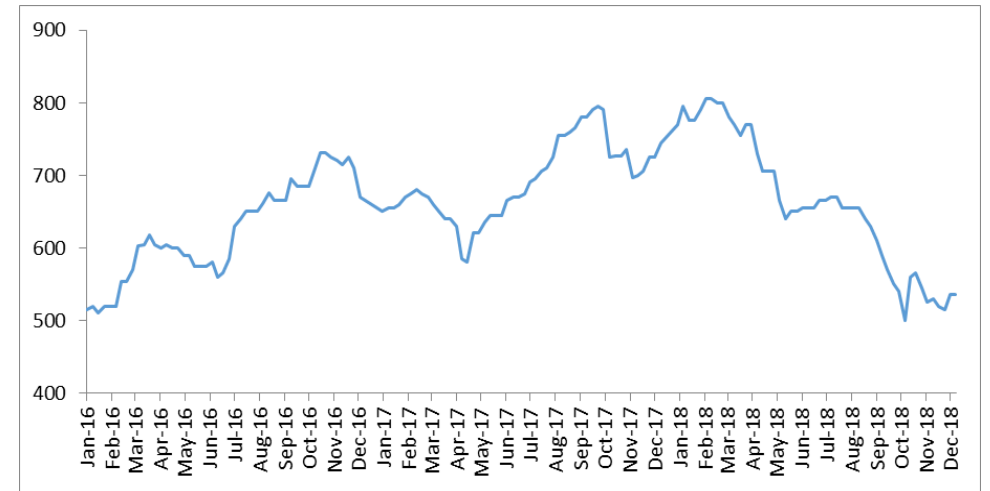
**Pipes & Fittings Volumes (MT)**



**PVC Volumes (MT)**



**PVC (USD/MT)**



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

## Quarterly - Profit & Loss

| Particulars (INR Mn)           | Q3FY17 | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 | Q2FY19 | Q3FY19 |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total income from operations * | 5,765  | 8,877  | 7,307  | 4,753  | 7,227  | 8,091  | 8,278  | 5,426  | 7,566  |
| EBIDTA                         | 1,296  | 1,785  | 1,306  | 496    | 1,133  | 1,879  | 1,939  | 1,249  | 1,250  |
| <i>EBIDTA margins (%)</i>      | 22.5%  | 20.1%  | 17.9%  | 10.4%  | 15.7%  | 23.2%  | 23.4%  | 23.0%  | 16.5%  |
| Depreciation                   | 140    | 139    | 145    | 151    | 154    | 156    | 162    | 166    | 196    |
| Other Income                   | 29     | 94     | 38     | 109    | 102    | 28     | 137    | 123    | 173    |
| Finance costs                  | 59     | 11     | 30     | 38     | (4)    | 34     | 52     | 29     | 17     |
| PBT before exceptional items   | 1,126  | 1,729  | 1,170  | 416    | 1,086  | 1,717  | 1,862  | 1,177  | 1,209  |
| <i>PBT margins (%)</i>         | 19.5%  | 19.5%  | 16.0%  | 8.8%   | 15.0%  | 21.2%  | 22.5%  | 21.7%  | 16.0%  |
| Exceptional items              | -      | -      | -      | -      | -      | -      | 279    | -      | -      |
| PBT after exceptional items    | 1,126  | 1,729  | 1,170  | 416    | 1,086  | 1,717  | 1,583  | 1,177  | 1,209  |
| Tax                            | 407    | 496    | 372    | 133    | 390    | 508    | 550    | 413    | 422    |
| PAT                            | 719    | 1,233  | 798    | 283    | 695    | 1,209  | 1,033  | 764    | 787    |
| EPS                            | 5.8    | 9.9    | 6.4    | 2.3    | 5.6    | 9.8    | 8.3    | 6.2    | 6.3    |

\* excluding duties and taxes

## Quarterly segmental - Profit & Loss

| Particulars (INR Mn)        | Q3FY17       | Q4FY17       | Q1FY18       | Q2FY18        | Q3FY18       | Q4FY18       | Q1FY19        | Q2FY19        | Q3FY19       |
|-----------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|--------------|
| <b>Segmental revenues *</b> |              |              |              |               |              |              |               |               |              |
| PVC                         | 4,043        | 5,572        | 5,137        | 2,742         | 4,598        | 5,158        | 5,042         | 3,266         | 4,840        |
| PVC pipes & fittings        | 3,954        | 6,191        | 6,104        | 4,250         | 5,320        | 6,827        | 7,225         | 4,705         | 5,906        |
| Power                       | 378          | 361          | 382          | 259           | 377          | 405          | 358           | 297           | 416          |
| <b>Segmental profits</b>    |              |              |              |               |              |              |               |               |              |
| PVC                         | 933          | 1,147        | 965          | 376           | 853          | 1,229        | 1,283         | 962           | 786          |
| <b>% of Revenues</b>        | <b>23.1%</b> | <b>20.6%</b> | <b>18.8%</b> | <b>13.7%</b>  | <b>18.6%</b> | <b>23.8%</b> | <b>25.5%</b>  | <b>29.5%</b>  | <b>16.2%</b> |
| PVC pipes & fittings        | 303          | 590          | 286          | 135           | 297          | 628          | 666           | 240           | 467          |
| <b>% of Revenues</b>        | <b>7.7%</b>  | <b>9.5%</b>  | <b>4.7%</b>  | <b>3.2%</b>   | <b>5.6%</b>  | <b>9.2%</b>  | <b>9.2%</b>   | <b>5.1%</b>   | <b>7.9%</b>  |
| Power                       | 86           | 56           | 50           | (7)           | 22           | 14           | (4)           | (15)          | 69           |
| <b>% of Revenues</b>        | <b>22.8%</b> | <b>15.5%</b> | <b>13.1%</b> | <b>(2.7%)</b> | <b>5.8%</b>  | <b>3.5%</b>  | <b>(1.1%)</b> | <b>(5.1%)</b> | <b>16.6%</b> |
| <b>Capital employed</b>     |              |              |              |               |              |              |               |               |              |
| PVC                         | 6,354        | 5,623        | 5,660        | 4,007         | 3,858        | 5,239        | 5,500         | 4,263         | 4,754        |
| PVC pipes & fittings        | 5,860        | 5,683        | 5,449        | 5,939         | 5,946        | 6,690        | 6,927         | 7,942         | 8,530        |
| Power                       | 2,375        | 2,170        | 2,328        | 2,138         | 2,124        | 2,161        | 2,365         | 2,057         | 2,149        |

\*excluding duties and taxes

## Profit & Loss - Key Indicators

| Profit & loss account (INR Mn)                     | FY13          | FY14          | FY15         | FY16*         | FY17*         | FY18*         |
|--|---------------|---------------|--------------|---------------|---------------|---------------|
| Revenue from Operations (excl. excise duty)        | 21,448        | 24,531        | 24,762       | 24,819        | 26,024        | 27,378        |
| <b>Growth in sales (YoY %)</b>                     | <b>2.15%</b>  | <b>14.37%</b> | <b>0.94%</b> | <b>0.23%</b>  | <b>4.85%</b>  | <b>5.20%</b>  |
| EBIDTA before exceptional items                    | 3,587         | 3,966         | 2,111        | 4,044         | 5,630         | 4,839         |
| <b>EBIDTA margins before exceptional items (%)</b> | <b>16.72%</b> | <b>16.17%</b> | <b>8.53%</b> | <b>16.29%</b> | <b>21.63%</b> | <b>17.67%</b> |
| EBIDTA after exceptional items                     | 2,626         | 3,268         | 1,896        | 4,289         | 5,630         | 4,839         |
| PBT  | 1,902         | 2,419         | 808          | 3,733         | 5,170         | 4,388         |
| <b>PBT Margin (%)</b>                              | <b>8.87%</b>  | <b>9.86%</b>  | <b>3.26%</b> | <b>15.04%</b> | <b>19.87%</b> | <b>16.03%</b> |
| PAT  | 1,361         | 1,701         | 478          | 2,544         | 3,522         | 2,985         |
| <b>PAT Margin (%)</b>                              | <b>6.35%</b>  | <b>6.93%</b>  | <b>1.93%</b> | <b>10.25%</b> | <b>13.53%</b> | <b>10.90%</b> |

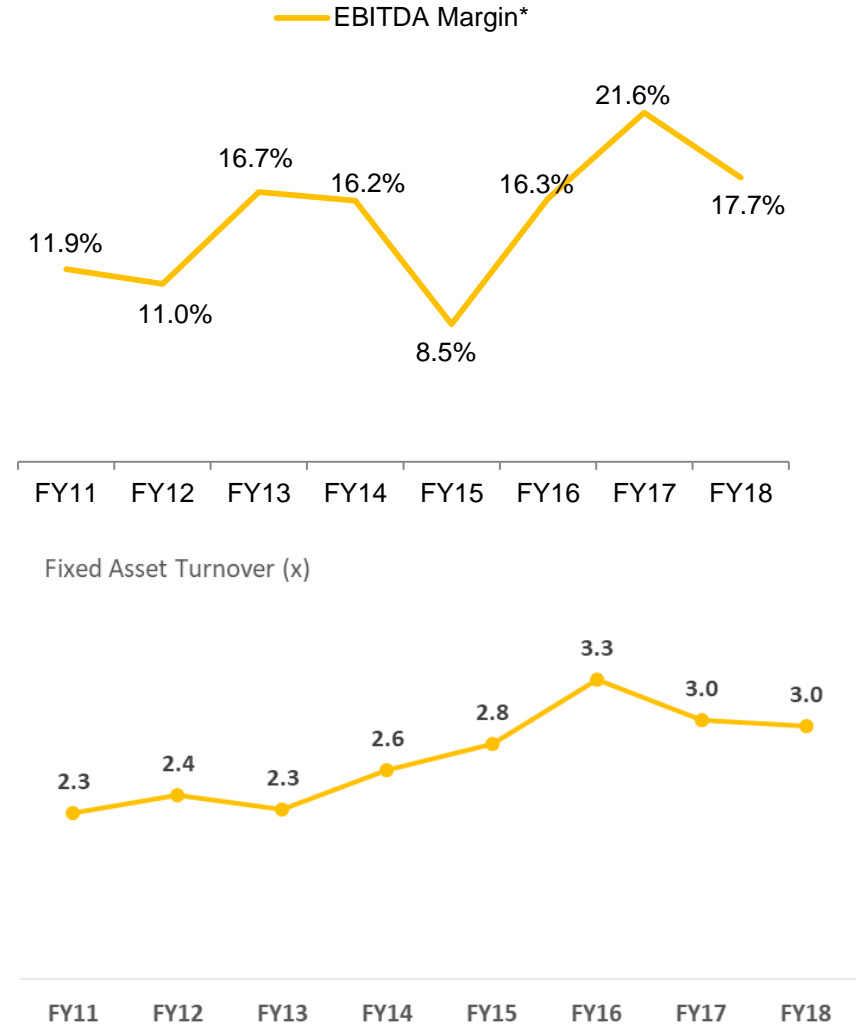
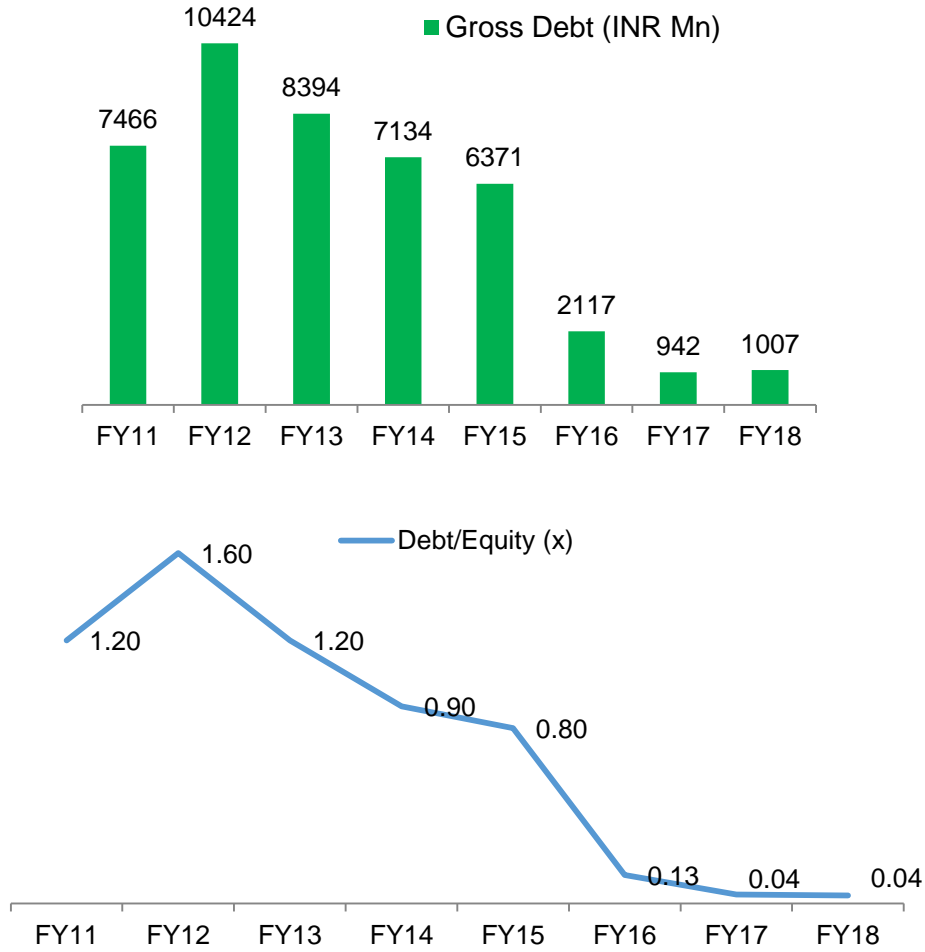
\*Figures as per IndAS

## Balance sheet - Key Indicators

| Balance Sheet (INR Mn)                                    | FY13         | FY14         | FY15         | FY16*        | FY17*      | FY18*        | H1FY19     |
|---|--------------|--------------|--------------|--------------|------------|--------------|------------|
| <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       | 25,634     |
| 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        | 568        |
| <b>Total borrowings</b>                                   | <b>8,394</b> | <b>7,134</b> | <b>6,371</b> | <b>1,117</b> | <b>942</b> | <b>1,007</b> | <b>568</b> |
| <i>Assets</i>   |              |              |              |              |            |              |            |
| Fixed assets (Net block)                                  | 8,795        | 9,052        | 8,678        | 8,496        | 8,551      | 8,842        | 8,985      |
| Capital WIP   | 506          | 325          | 104          | 66           | 217        | 903          | 1,174      |
| Non current investments                                   | 1,274        | 1,274        | 1,246        | 6,485        | 11,656     | 14,896       | 11,996     |
| Current investments                                       | 2,322        | 941          | 551          | 1,687        | 566        | 656          | 1,891      |

\*Figures as per IndAS

# Trend in Key Ratios



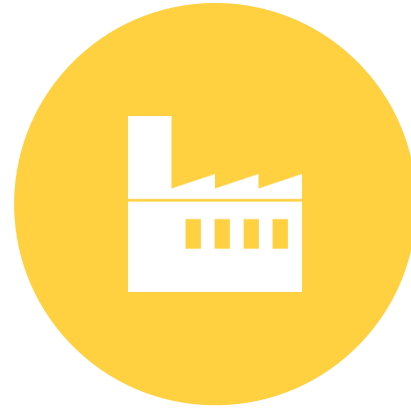
\*Standalone EBITDA Margin (EBITDA before Exceptional item and other income)

# Key Strategies



## EXPANDING FOOTPRINT

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



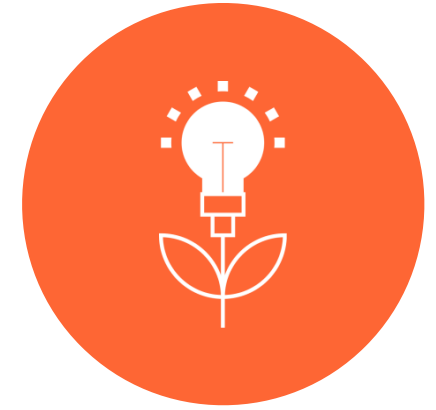
## CAPACITY EXPANSION

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.



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

Govt. to set up Agri-Market Infrastructure Fund with a corpus of Rs. 2,000 crore 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

The Government to undertake utilization of irrigation potential of 15 lakh hectares (har khet ko pani) project amounting to Rs. 2,300 crores

Irrigation projects of Rs. 4,000 crore covering 17.2 lakh hectares to be implemented.

Government has approved a corpus of Rs. 5,000 crore for setting up a dedicated micro irrigation fund (MIF) under NABARD.



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

Government plans to upgrade existing 22,000 rural 'Haats' into Gramin Agriculture Markets which will be connected with e-NAM (National Agriculture Market) by 2020

Government announced higher minimum prices for 14 crops setting each of them at a minimum 1.5 times the cost of cultivation during the year



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

Union Government to publish revised guidelines for Pradhan Mantri Fasal Bima Yojana to plug in gaps in order to enhance its viability

Government's initiative to fast track crop insurance scheme and raise coverage under the scheme to 50% of the gross cropped area in FY19



## 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 all households in 500 cities.

Total investment of Rs. 2,03,979 crore has been proposed for the smart city plans in 2017-18.

As on Feb'18, 2,993 projects worth Rs.1,38,534 crore are in various stages of implementation.



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 focused on covering a wider area.

In 2017-18, Out of the target of 66,42,221 Individual Household Toilets (IHLs), 43,22,776 units have been constructed.

Out of the target of 5,07,750 Community/Public Toilet (CT/PT) seats, 2,70,360 have been constructed.

## Budget 2019 - Impetus for Agriculture and Non Agriculture Sector

### Agriculture

- National Rural Drinking Water Mission - allocation increased by 49% Y-o-Y for FY20 at Rs 8,201 Crs
- Pradhan Mantri Kisan Sampada Yojana - budgetary allocation of Rs 1,101 Cr for FY20
- Under Pradhan Mantri Kisaan Samman Nidhi, direct income support of INR 6000 pa to 120mn farmers with land holdings of less than two hectares with outlay of ~Rs. 750bn
- Additional Rs. 200bn been allocated for the farmer scheme in FY18-19RE
- Kisan Credit Card – the trademark for agricultural borrowers has been extended to farmers indulging in fisheries and animal husbandry
- Interest subvention of 2% for farmers affected by natural calamity and additional 3% interest subvention for timely payment.

### Non - Agriculture

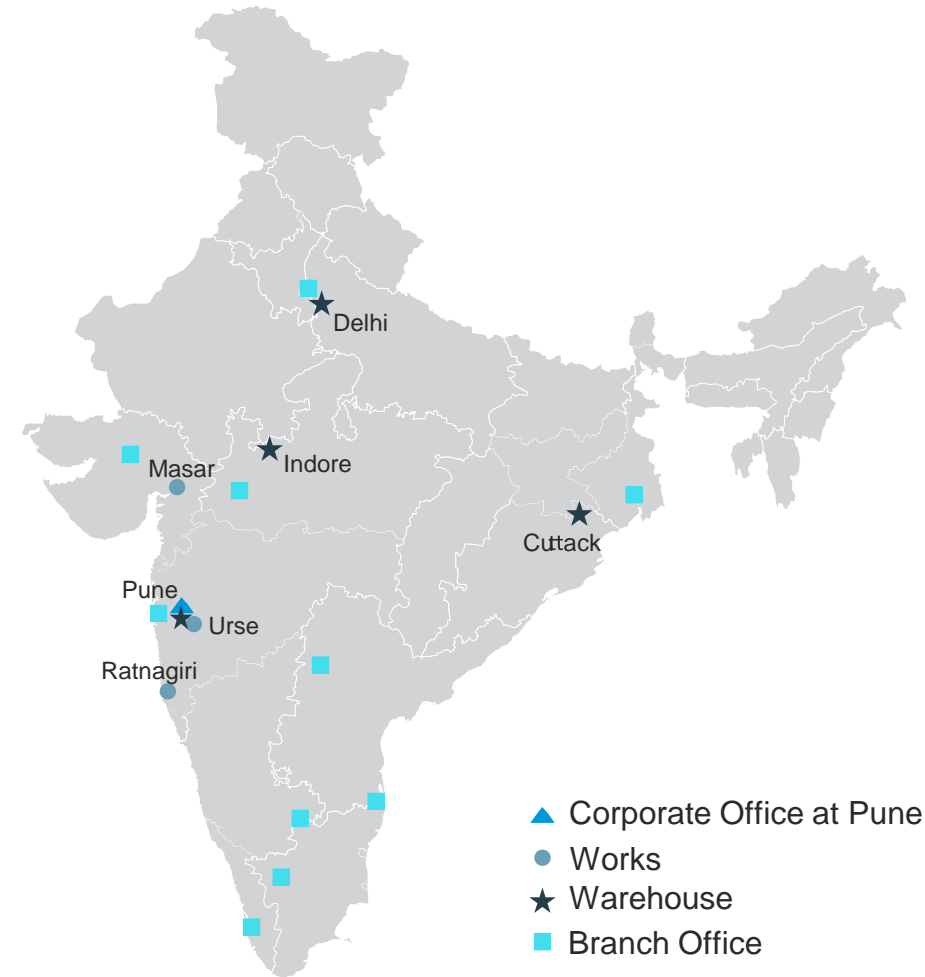
- 1.53 crore houses have been constructed under the flagship housing scheme Pradhan Mantri Awas Yojana
- PMAY has received an allocation of Rs 25,853 crore in the recent budget
- Union Cabinet had approved the creation of Rs 60,000-crore National Urban Housing Fund to finance the government's Housing for All programme in the urban areas
- Under Swachh Bharat Mission, the government targets to build 67 lakh urban toilets by October 2019.

## Distribution reach

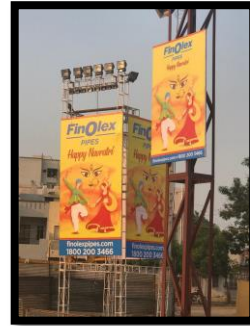
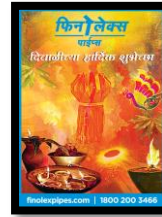
- FIL is on track in terms of expanding its scale of operations by increasing production capacity and distribution reach
- Wide network of 18,000 retail touch points



## Offices, Works and Warehouses



# Branding & advertisements in Q3FY19



Durga Puja activity included on-ground branding (running banners, gates) and new clothes distribution as a gift to underprivileged children.

Navratri on-ground activity included venue and access road branding by way of banners and gates.

Diwali activation included promotion through magazine ad, on ground branding, dealer gifting (cricket sets) & sub dealer gifting (new year stationery).

Finolex Pipes was the presenting sponsor at 66<sup>th</sup> Music and Cultural event in Pune - Savai Gandharv. Branding included on ground visibility and premium seating arrangement for select builders and architects from across India.

# Branding & advertisements in Q3FY19



To support the upcoming sports talent in the country, Finolex Pipes made contribution to young achievers. (Tejinder Pal Singh - Gold Medal Winner/Shot Put - Asian Games 2018 and Mehuli Ghosh - Silver Medal Winner - Air Rifle - Youth Olympics, Argentina).

Product Range ad in Railway Magazine - Rail Bandhu - circulated in 180 premium class trains to more than 49 lakh railway passengers every month

Participation in Indian Plumbing Conference - Mumbai, IntExt Expo - Ludhiana, Credai - Dream Home 2018, Sangli.

# CSR activities in Q3 FY19 – some snapshots



Felicitation of Mr. Prakash Chhabria, Chairman, Finolex Industries Limited, for contributing to the growth and development of Maharashtra by Nav Bharat Group.



Mr. Prakash Chhabria, Chairman, Finolex Industries Limited, awarded the “Most Respected Entrepreneur of the Year” for mobilising the philanthropic activities of MMF by Hurun Report.



Received Gujarat CSR Excellence Award for best water conservation and watershed projects at the hands of Shri Dharmendra Pradhan (Hon. Cabinet Minister of Petroleum and Natural Gas) and Shri Ganpatbhai Vasava (Hon. Minister for Tribal development, Tourism, Forest, Women and Child Welfare).



Finolex Industries Limited received the Indywood CSR Excellence Award for “Best CSR practices in Speciality Healthcare”. The award was given by Ms. Valeria V. Kolesnik, Head of Russian Cultural Ministry of Cinematography.

## CSR activities in Q3 FY19 – some snapshots



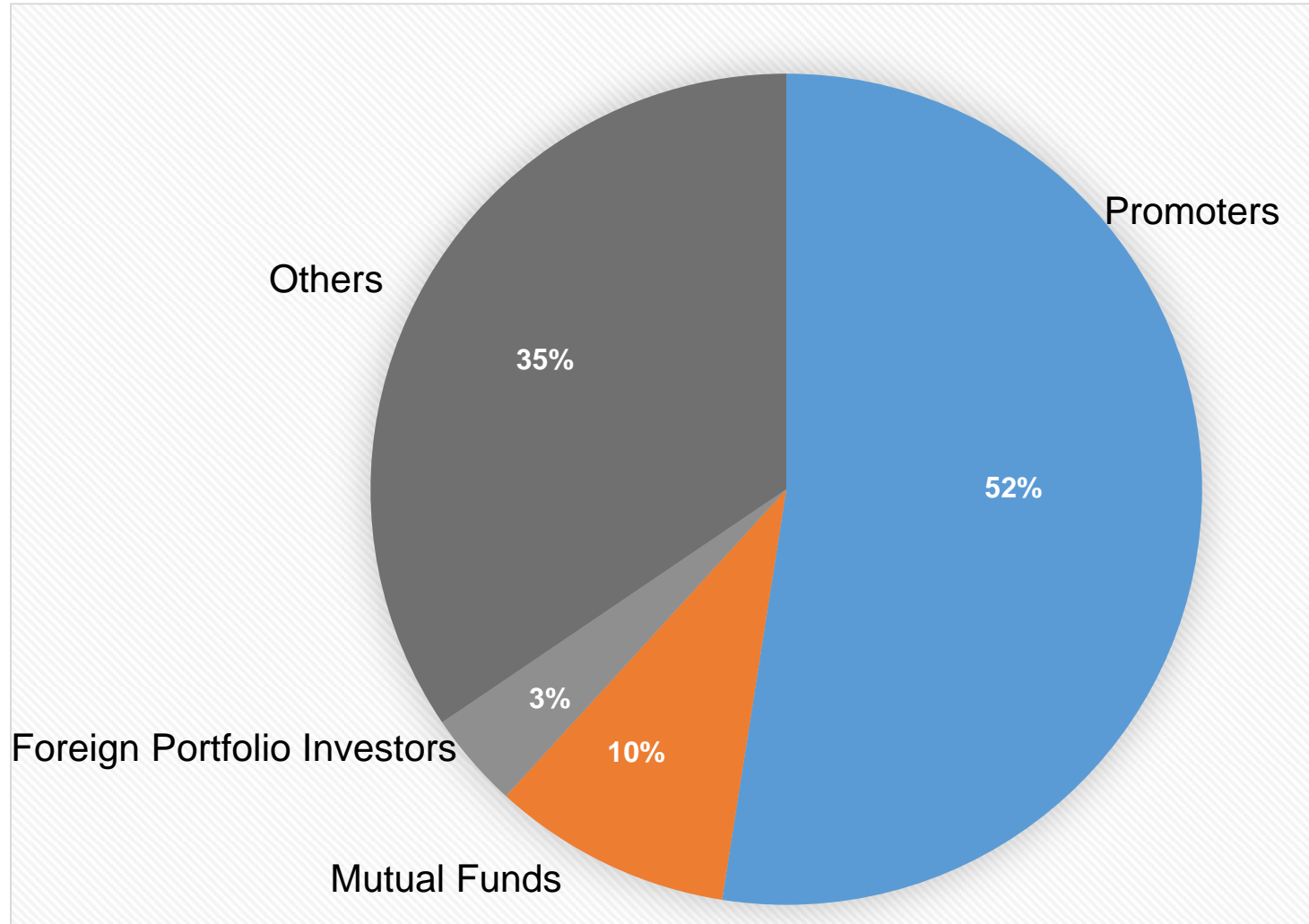
FIL and MMF sponsored 4.5 kms of Phase 2 of Bandh Nala Rejuvenation work in Solapur district.

On 28<sup>th</sup> October 2018, MMF celebrated it's 20 years of serving the society. The initiative was aimed at raising funds for the many initiatives of MMF.

MMF/ FIL responded to an appeal made by Nav Bharat Jagruti Kendra at Jharkhand to provide free cataract surgeries to 100 geriatrics this financial year.

FIL/MMF supported GSICON 2018 organised by Geriatric Society of India, Pune Chapter in association with Indian Institute of Science, Education and Research, Pune.

# Shareholding Pattern as on December 31, 2018







Agri Pipes and Fittings



Column Pipes



Casing Pipes



ASTM Pipes and Fittings



CPVC Pipes and Fittings




Sewerage Pipes



Solvent Cement


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## FINOLEX INDUSTRIES LIMITED

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Finolex Industries Ltd.

Volume Data

| Sr. No. | Particulars                     | Q4FY16        | Q1FY17        | Q2FY17        | Q3FY17        | Q4FY17        | Q1FY18        | Q2FY18        | Q3FY18        | Q4FY18        | Q1FY19        | Q2FY19        | Q3FY19        |
|---------|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1       | <b>Production in MT</b>         |               |               |               |               |               |               |               |               |               |               |               |               |
| a       | PVC Resin                       | 80,147        | 59,756        | 40,937        | 83,266        | 67,143        | 63,805        | 34,528        | 81,839        | 82,672        | 52,757        | 45,839        | 76,686        |
| b       | PVC pipes & fittings            | 63,144        | 66,693        | 40,416        | 44,844        | 57,071        | 74,054        | 52,672        | 61,887        | 71,774        | 73,276        | 54,714        | 63,525        |
| 2       | <b>Sales in MT</b>              |               |               |               |               |               |               |               |               |               |               |               |               |
| a       | PVC Resin-External              | 41,418        | 12,751        | 13,080        | 25,281        | 36,124        | 15,725        | 6,494         | 27,967        | 17,126        | 13,048        | 8,781         | 22,211        |
|         | PVC Resin-Inhouse               | 41,675        | 49,684        | 26,822        | 30,945        | 40,417        | 59,273        | 34,045        | 43,140        | 54,997        | 55,406        | 34,680        | 44,627        |
|         | <b>Total PVC</b>                | <b>83,093</b> | <b>62,435</b> | <b>39,902</b> | <b>56,226</b> | <b>76,541</b> | <b>74,998</b> | <b>40,539</b> | <b>71,107</b> | <b>72,123</b> | <b>68,454</b> | <b>43,461</b> | <b>66,838</b> |
| b       | PVC Pipes                       | 63,387        | 62,255        | 34,218        | 37,652        | 59,865        | 68,171        | 43,032        | 56,842        | 66,753        | 73,065        | 40,648        | 54,309        |
| c       | PVC Fittings                    | 4,306         | 3,870         | 4,048         | 3,314         | 4,117         | 3,347         | 4,214         | 4,672         | 5,005         | 4,571         | 4,625         | 4,869         |
|         | <b>Total Pipes and Fittings</b> | <b>67,693</b> | <b>66,125</b> | <b>38,266</b> | <b>40,966</b> | <b>63,982</b> | <b>71,518</b> | <b>47,246</b> | <b>61,514</b> | <b>71,758</b> | <b>77,636</b> | <b>45,272</b> | <b>59,179</b> |
|         | <b>In MWH</b>                   |               |               |               |               |               |               |               |               |               |               |               |               |
| 1       | Power generated                 | 46180         | 55,243        | 46,909        | 55,710        | 53,640        | 57,999        | 36,277        | 56,559        | 57,912        | 51,220        | 41,750        | 51,480        |



## Q3FY19 Earnings Release

PAT up by 13.2 %

|         |     |       |    |
|---------|-----|-------|----|
| Revenue | INR | 7,566 | mn |
| EBIDTA  | INR | 1,250 | mn |
| PAT     | INR | 787   | mn |

### Finolex Industries Limited, Pune, India, February 9, 2019:

Finolex Industries Limited (NSE:FINPIPE | BSE:500940), India's leading manufacturer of PVC Pipes & Fittings, at its Board Meeting held today announced unaudited financial results for the third quarter ended December 31, 2018.

### Highlights

- Trends in Quarterly EBIT Margin – Overall and Key Segments

|                          | Q4FY17 | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 | Q2FY19 | Q3FY19 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Overall EBIT Margin (%)  | 18.5%  | 15.9%  | 7.3%   | 13.6%  | 21.3%  | 21.5%  | 20.0%  | 13.9%  |
| Segmentwise EBIT Margins |        |        |        |        |        |        |        |        |
| PVC Segment (%)          | 20.6%  | 18.8%  | 13.7%  | 18.6%  | 23.8%  | 25.5%  | 29.5%  | 16.2%  |
| PVC Pipes & Fittings (%) | 9.5%   | 4.7%   | 3.2%   | 5.6%   | 9.2%   | 9.2%   | 5.1%   | 7.9%   |

- Total income from operations excluding duties and taxes was at INR 7,566 mn for Q3FY19 up 4.7 % against INR 7,227 mn in Q3FY18.
- The sales volume for PVC Pipes & Fittings was at 59,179 MT in Q3FY19 lower by 3.8% against 61,514 MT in Q3FY18.
- EBITDA stood at INR 1,250 mn for Q3FY19 up by 10.3 % against INR 1,133 mn for Q3FY18.
- Profit after tax was at INR 787 mn for Q3FY19 up 13.2% against INR 695 mn for Q3FY18.

### Management Comments

**Mr. Prakash P. Chhabria**  
Executive Chairman

“Though volume of pipes and fittings was slightly lower, better realisation has resulted in improvement in margin on y-o-y basis. Hardening EDC price has resulted in lower PVC/EDC delta. This coupled with lower volume has reduced the margin in PVC segment on y-o-y basis.”

### Profit and Loss Account Summary Table

| Particulars (INR Mn)           | Q3FY19 | Q3FY18 | Inc / Dec (%) |
|--------------------------------|--------|--------|---------------|
| Total Income from operations * | 7,566  | 7,227  | 4.7%          |
| EBIDTA                         | 1,250  | 1,133  | 10.3%         |
| EBIDTA margin (%)              | 16.5%  | 15.7%  |               |
| Depreciation                   | 196    | 154    |               |
| EBIT                           | 1,054  | 979    | 7.7%          |
| EBIT %                         | 13.9%  | 13.5%  |               |
| Other Income                   | 173    | 102    |               |
| Finance costs                  | 17     | -4     |               |
| PBT                            | 1,209  | 1,086  | 11.3%         |
| PBT %                          | 16.0%  | 15.0%  |               |
| Tax                            | 422    | 390    |               |
| PAT                            | 787    | 695    | 13.2%         |
| PAT %                          | 10.4%  | 9.6%   |               |

\* excluding duties and taxes.

### About Finolex Industries Limited

Finolex Industries Limited, headquartered in Pune, is the leading supplier of PVC Pipes & Fittings for the agriculture and non-agricultural sectors. Our state-of-the-art manufacturing plants at Pune and Ratnagiri in Maharashtra and Masar in Gujarat provide excellent resources to better serve our customers. Our own PVC Resin manufacturing facility in Ratnagiri, set in technical collaboration with Uhde GmbH, with Hoechst technology, provides a consistent supply of superior quality resin to our pipe manufacturing plants. This ensures we are able to deliver quality, superior products to our customers. Our open sea cryogenic jetty, the first of its kind in the Indian private sector, has been the hallmark of our PVC Complex. We are the first Indian PVC Pipes manufacturer to have been awarded the ISO 9001:2008 Certification.

Our major strength lies in our skilled workforce. We recognize and attribute our operating excellence and success to our employees. We have a widespread presence throughout the country, with a wide network of over 18,000 retail outlets ably supported by dealers and



sub-dealers. They work as our extended arm in bringing quality products to our customers. Our core values of quality, trust and integrity help us to build an unbreakable bond with both customers and stakeholders.

We believe in “Performance with Purpose” and are deeply concerned about society and our community. We have been actively working along with Mukul Madhav Foundation, our CSR partner, in contributing to the social and economic development of the underprivileged sectors of society in and around our plants in Ratnagiri, Pune and Masar. Our focus is on women and children in areas of education, healthcare, community development, environment and self-development.

For more information, visit [www.finolexwater.com](http://www.finolexwater.com) or follow us on Twitter @finolexwater

## Contact Details

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