



9th September 2017

APL/SECT/DLH/SE: 2017-18

Electronic Filing

National Stock Exchange of India Limited
"Exchange Plaza" Bandra-Kurla Complex,
Bandra (E),
Mumbai-400051

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

Re: Press Release & Earnings Presentation

Enclosed herewith please find copy of Press Release and Earnings Presentation being made by the Company while announcing Q1 FY2018 financial results - Total income increases by 18% to Rs. 1,156 crore and PAT stood at Rs. 39 crore.

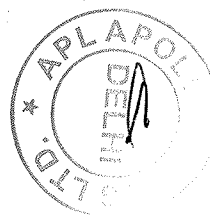
We request you to kindly take the above information on your record.

Thanking you,

Yours faithfully,
For **APL Apollo Tubes Limited**

Adhish Swaroop
Company Secretary

Encl. : a/a



APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

Corp. Office : 36, Kaushambi, Near Anand Vihar Terminal, Delhi - NCR 201010, India Tel:+91-120-4041400 Fax:+91-120-4041444

Regd. Office : 37, Hargovind Enclave, Vikas Marg, Delhi 110092, India Tel:+91-11-22373437 Fax:+91-11-22373537

Unit - I : A-19, Industrial-Area, Sikandrabad, Distt. Bulandshahar, U.P.-203205 India Unit - II : 332-338, Alur Village, Perandapalli, Hosur, Tamilnadu-635109 India

e-mail : info@aplpollo.com Website : www.aplpollo.com



APL Apollo Tubes Limited

37, Hargobind Enclave, Vikas Marg, New Delhi – 110 092

Q1 FY2018

Total income increases by 18% to Rs. 1,156 crore

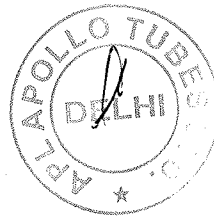
PAT stood at Rs. 39 crore

New Delhi, September 09, 2017: APL Apollo Tubes Limited (APL Apollo), India's leading branded steel tubes manufacturer, announced its financial results for the quarter ended June 30, 2017.

Financial Performance Highlights

Performance Review for Q1 FY18 vs. Q1 FY17

- Sales Volume (excluding trading & scrap) stood at 2.65 lakh tons compared to 2.39 lakh tons
- Net Income increases by 18% to Rs. 1,155.6 crore compared to Rs. 975.8 crore
- EBITDA lower by 9% Y-o-Y to Rs. 88.2 crore compared to Rs. 97.4 crore
- Net Profit after Tax at Rs. 38.8 crore compared to Rs. 43.8 crore
- Diluted Earnings Per Share (not annualized) at Rs. 16.08 as compared to 18.08

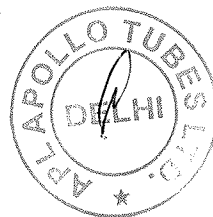


Commenting on the Company's performance for Q1 FY2018, Mr. Sanjay Gupta, Chairman, APL Apollo said,

"Fiscal 2018 has begun on an encouraging note for us with notable progress on various operational and strategic parameters. We reported healthy sales volume performance during the quarter, delivering over 11% growth despite impact of GST implementation. We are already seeing a robust uptick in demand from the month of July and expect to deliver a much better performance from Q2 onwards. So looking ahead, we are well on-track to deliver over 20% sales volume growth during this fiscal.

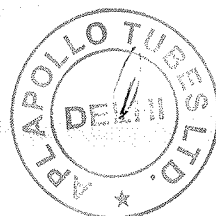
We are executing various initiatives which will enable the Company to emerge as one of the largest steel tube manufactures in the world. These include capacity expansion to 2 million tons in FY18, enhancing branding activities through launch of various brands, deployment of cost-effective measures to become one of the lowest cost producers in the world, and strong focus towards innovation through development of new designs & sizes.

Furthermore, in sync with our CAP-growth strategy, we are proactively targeting new Customer relations and acquisitions, expanding brand reach in newer and untapped Areas and geographies and launching our brands and Products to cater to the ever-changing customer requirements. We believe we are well on track to deliver on our VISION 2020 plan and are confident that our business fundamentals, technology & innovation capabilities, robust product offerings and our leadership position will help further upscale Company's performance in the quarters ahead."



Key Developments

- **Started producing India's largest diameter Hollow Section pipes on the newly commissioned Direct Forming Technology (DFT) line at Raipur facility – sole manufacturer of 300x300mm size in the country**
 - Huge opportunity to almost entirely replace imports as well as substitute current user industry (primarily in Construction and Infrastructure) practice to weld large steel C-Sections to make large dia hollow sections
 - To be the sole manufacturer of 300x300 mm size in India – over 70% of the Company's product portfolio are niche and have limited competition.
 - New sizes and designs to further strengthen product portfolio – already developed 12 new customizable sizes. In addition, the Company has been awarded patents for never-seen-before designs for 6 products
 - Introduction of latest DFT to further unlock vast potential across OEM and Export markets
- **Two DFT lines operationalized in Q1 FY18 – all DFT lines to be fully operational by H2 FY18**
 - New DFT lines will add over 0.5 MTPA spread across facilities
 - DFT lines at the Company's Hosur and Raipur plants, commissioned in Q1 FY18, garnering excellent response from customers
 - The Company is already realizing numerous benefits of new technology including: high level of customization, world class quality, innovative new designs, minimal roll-over time, and several cost savings
- **APL Apollo Tubes and o2Oh form joint venture to develop and expand market for Inline Galvanized products in India**
 - 'APL Apollo Tubes' and 'One to one holdings' forms a joint venture (JV) to develop, manufacture and commercialize the Inline Galvanizing technology for the first time in India
 - o2Oh is a Singapore based, holding company of Japan based Daiwa Steel Tubes Industries (100% holding) and US based Superior Technologies

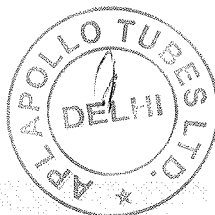


- In-line Galvanizing Technology is a latest cost-effective zinc plating and coating technology with added benefits of minimal human error, significant time savings and is a healthy margin business segment
- The JV will be in the name of Apollo Daiwa Eco Tubes Pvt Ltd and will be owned on a 66-34 basis between APL Apollo Tubes and o2Oh
- To establish 1 line of 50,000 MTPA by H1 FY19

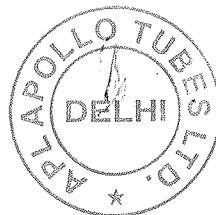
- **Strong focus towards building brand visibility through New Product Launches**
 - **'Apollo Coastguard'** branded products to tap growing consumption of galvanized steel tubes in the Coastal Regions
 - **'Apollo Fabritech'***, hollow sections made with latest DFT technology results in customized sizes, great cost savings, faster deliveries and more precise finishes
 - **'Apollo Agritech'***, hollow section products to tap the buoyant agriculture segment
 - **'Apollo Bheem'*** pipes are made of special galvanized steel to provide corrosion resistance; the pipes are long-lasting, even in rocky terrains
(*Proposed Brands)

- **Notably upscaling reach by increasing dealer-distributor-retailer & warehouse network – a key growth lever for the Company**
 - Strengthening market presence across cities through dealer-distributor-retail network and own warehouse cum branches
 - Enhanced close-to-demand availability ensuring strong market foothold and high level of customer engagement & serviceability
 - Further expansion of distribution network in the pipeline
 - Plans in place to add over 12 new warehouses and 15,000 new retailers
 - Target addition of over 100 distributors / dealers

- **Healthy uptick in volumes during the quarter despite GST implementation impacting volumes in latter half of June – the Company anticipates to report robust volume growth in the upcoming quarters**



- Reported 11% volume growth in Q1 FY18 – expanded dealer-distributor-retail network, presence in new geographies, innovative new designs & sizes, enhanced capacities assist performance
- Achieved robust 27% volume growth in July and August– the Company expects to sustain this momentum in the coming months
- **Expanding capacity to manufacture value-added products by over 50%**
 - Establishing two additional production lines of Pre-Galvanized Tubes (GP) and Galvanized Tubes (GI) products at existing sites
 - Currently operating GI/GP lines at 100% utilization levels
- **Embarking on various cost-saving initiatives - enhancing cost efficiency across verticals and platforms**
 - Innovative approach in production and distribution of the products will help the Company to effectively manage manufacturing, selling and distribution cost
 - In the domestic market, the Company has the lowest cost of production and aims to become one of the lowest cost producers in the world
- **CRISIL assigns its ratings to the bank facilities of APL Apollo Tubes**
 - CRISIL has assigned its ratings to the bank facilities of APL Apollo Tubes as AA- [Double AA minus] / Stable on the long-term bank facilities and A1+ on the short-term bank facilities



About APL Apollo Tubes Limited

APL Apollo Tubes Limited (BSE: 533758, NSE: APLAPOLLO) is India's Leading Branded Steel Tubes Manufacturer. Headquartered at Delhi NCR, the Company operates six manufacturing facilities with a total capacity of 1.3 Million TPA. It has a PAN-Indian presence with units strategically located in Sikandarabad (3 units), Bangalore, Raipur, Hosur and Murbad. APL Apollo's multi-product offerings include over 400 varieties of Hollow Sections, Pre-galvanized Tubes (GP), Round Pipes (Black), Galvanized Tubes (GI) and Special Value-Added Products.

With state-of-the-art-manufacturing facilities, APL Apollo serves as a 'one-stop shop' for a wide spectrum of steel products, catering to an array of industry applications such as urban infrastructures, automobile, construction, housing, energy, irrigation, solar plants, greenhouses and engineering. The Company's vast 3-tier distribution network of over 600 dealers is spread all across India, with warehouses cum- branch offices in over 20 cities.

For more information about us, please visit www.aplapollo.com or contact:

Deepak Goyal

APL Apollo Tube Ltd

Tel: +91 120 404 1400

Email: deepakgoyal@aplapollo.com

Anoop Poojari / Shikha Kshirsagar

CDR India

Tel: +91 22 6645 1211 / 1243

Email: anoop@cdr-india.com

shikha@cdr-india.com

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Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. APL Apollo Tubes Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

