भारतीय मानक ब्यूरो
मानक पथप्रदर्शक:
Bureau of Indian Standards
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& IS: 18001 Company

SURYA

SURYA ROSHNI LIMITED

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SRL/se/yks/24-25/23
November 14, 2024

The Secretary
The Stock Exchange, Mumbai
MUMBAI - 400 001
Scrip Code: 500336

The Manager (Listing Department)
The National stock Exchange of India Ltd
Mumbai – 400 051
NSE Symbol: SURYAROSNI

Re: PRESS RELEASE- Q2 & H1 FY25 RESULTS HIGHLIGHTS

Dear Sirs,

This is with reference to our letter dated 7th November, 2024 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 14th November, 2024, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter/half year ended 30th September, 2024 along with the Limited Review Reports from the Statutory Auditors, M/s. Ashok Kumar Goyal & Co. on the aforesaid Standalone and Consolidated Financial Results.

In this regard please find attached the Press Release titled:

Surya Roshni Limited announces Q2 FY25 Results

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

Thanking you,

Yours faithfully,
for **SURYA ROSHNI LIMITED**

BHARAT BHUSHAN SINGAL
Digitally signed by BHARAT BHUSHAN SINGAL
Date: 2024.11.14 15:20:25 +05'30'

B. B. SINGAL
CFO & Company Secretary

Encl: as above

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Surya Roshni Limited announces Q2 FY25 Results

- ✓ **Lighting & Consumer Durables registered 5% YoY Revenue Growth**
- ✓ **Strategic expansions, including a new Spiral plant and ERW mill, set to drive growth**
- ✓ **Declared an Interim Dividend and Issuance of Bonus shares to reward shareholders**

New Delhi, November 14, 2024: Surya Roshni Limited, the largest exporter of ERW Pipes, largest producer of ERW GI pipes and one of the largest Lighting Companies in India, has declared its unaudited financial results for the quarter and half year ended September 30, 2024.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q2 FY25	Q2 FY24	Change	H1 FY25	H1 FY24	Change
Revenue	1,529	1,916	-20%	3,422	3,791	-10%
EBITDA	83	139	-40%	242	255	-5%
Profit before Tax (PBT)	46	104	-56%	169	185	-8%
Profit after Tax (PAT)	34	76	-55%	127	135	-6%

- The Steel Pipes business experienced sharp decline in HR steel prices. Dampened demand resulted in lower revenues. However, operational efficiencies helped mitigate losses arising due to price erosion.
- In the Lighting & Consumer Durables segment, price erosion in LED products continued. However, better cost management and product mix resulted in a better performance

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q2 FY25	Q2 FY24	Change	H1 FY25	H1 FY24	Change
Revenue	395	377	5%	781	751	4%
EBITDA	36	35	1%	70	68	3%
EBITDA Margins	9.00%	9.30%	-30 bps	9.00%	9.10%	-10 bps
PBT	26	28	-5%	52	54	-2%

- The Lighting and Consumer Durables segment experienced a mixed quarter. Despite external challenges like the impact of recent general elections as well as heavy rainfall and flooding in many parts of the country, the segment delivered decent growth.
- Consumer lighting business recorded good volume growth in various sub-segments. Inspite steep decline in prices for LED products, the Consumer Lighting business registered flat revenue growth during the quarter.
- Professional lighting delivered a decent growth. Due to elections in Quarter 1 there has been delays in some orders of Professional lighting. However, enquiry book received good response. The business registered high single digit growth in Q2FY25 and double digit growth in H1FY25.
- In LED Battens and Downlighters, the performance was notably positive, bolstered by the introduction of various high-wattage battens and panels.
- In Fans, Q2 typically represents a lower sales season and this quarter followed that trend. However, there was notable demand for specific models like table, pedestal, and wall fans. Fans business for H1FY25 have registered a high double-digit growth.
- In Appliances, we focused on developing and launching new appliance products, in preparation for the festival season starting from Onam to Diwali. The Water Heater category clocked volume growth of 50%.

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q2 FY25	Q2 FY24	Change	H1 FY25	H1 FY24	Change
Revenue	1,135	1,539	-26%	2,643	3,042	-13%
EBITDA	48	104	-54%	172	187	-8%
EBITDA/MT (Rs.)	2,901	5,104	-43%	4,653	4,758	-2%
PBT	20	76	-74%	117	131	-11%

- During Q2FY25, the Steel Pipe segment encountered a period of moderated performance, impacted by seasonal and external factors.
- A significant factor influencing performance was the reduction in steel HR prices, by 7,500 per ton during the quarter ended Q2FY25.
- The reduction in prices also impacted EBITDA, causing a loss of around ₹3,000 per ton in inventory value. However, operational efficiencies allowed the company to mitigate the losses and maintain an EBITDA per ton of ₹2,901.
- Value-added products (API, Spiral & Galvanized pipes) continued to constitute about 45% of our total revenue in H1FY25.
- **Order Book of about ₹ 550 crores is in - hand** for Oil & Gas sector, Water Sector and Exports business.

Commenting on the results, Company's Managing Director, Mr. Raju Bista, said

"In Q2FY25, posed several challenges for the company's businesses due to seasonal factors, price volatility, and geopolitical tensions affecting export markets. Nonetheless, the company has managed these headwinds through stringent operational efficiencies and proactive capacity expansion, which are expected to support gradual improvement in both domestic and export markets.

Due to external economic factors, the company faced a challenging Q2FY25, with consolidated revenue stood at ₹1,529 crores. Strategic initiatives in operational efficiency, high-margin product focus, and regional market expansion are expected to support improved performance in the second half of the fiscal year."

*"**In Lighting and Consumer Durables**, we faced a challenging environment during Q2FY25, with significant headwinds in form of price erosion in LED lighting products and adverse weather conditions, including floods and rains across various regions. These external factors limited consumer and professional lighting demand. But despite these challenges, the segment demonstrated resilience. The topline of this vertical increased by 5% YoY in Q2FY25 on back of healthy volume growth in several sub-segments, even though steep price erosion in LED products limited overall growth.*

In Lighting segment, price erosion in LED was notably severe, which affected the segment's margins. However, the company successfully maintained margin stability through cost innovation and an increased focus on higher-margin products. Volume growth was recorded in high-wattage battens, downlighters, and panel sales within the LED segment, which helped to cushion the impact of price declines.

Professional lighting continued its positive momentum with a high single digit growth in Q2FY25 and double-digit growth rate in H1FY25. The segment faced some delays in project decisions due to the recent general elections, but a strong order book, provides optimism for sustained performance. The professional lighting segment, backed by a healthy order book and scheduled project executions, is expected to contribute significantly to Q3FY25.

In the Appliance segment, particularly water heaters, showed excellent volume growth. The company also launched products in mixer grinders and irons. The positive response to our newly launched Mono Block residential pumps, initially targeted for the northern and central markets, has prompted us to plan for further geographic expansion.

Seasonal preparations for the festive period, beginning with Onam and extending through Diwali, were integral to the business strategy in Q2FY25. Extensive product launches and promotional activities were timed for this season, which included social media campaigns, dealer meets, and point-of-sale enhancements.

We are optimistic about the upcoming quarters, expecting improved performance in professional lighting and consumer appliances on account of demand due to the festive season. We continue to aim for revenue growth close to 12% for FY25, with a cautiously optimistic outlook for EBITDA margin. Our expansion efforts in consumer durables and increasing geographical presence in semi-urban markets are anticipated to further strengthen our market position and instill resilience against ongoing price pressures."

***"In the Steel Pipes and Strips**, the company recorded a revenue decline of 26% YoY for Q2FY25 at ₹1,135 crore. Market hesitancy due to declining steel prices led distributors and dealers to scale back on inventory holdings, impacting topline performance. Additionally, the fall in sales can also be attributed to seasonality, as excessive rains led to reduced demand across various product lines.*

A significant headwind this quarter was the sharp reduction in steel HR prices, by ₹7,500 per ton during the quarter ended Q2FY25. This price drop not only dampened demand, as stockists and distributors delayed purchases, but also exerted considerable pressure on profitability, eroding EBITDA by an estimated ₹3,000 per ton on account of inventory valuation adjustments. However, through rigorous operational efficiencies, the company managed to stabilize its EBITDA per ton at ₹2,901. Value-added products continued to constitute about 45% of total revenue in H1FY25.

While demand in the API pipes segment remained subdued due to limited government tendering activity, the Spiral Pipes segment exhibited robust performance, supported by strong order inflows, particularly in the water pipe segment. The order book for spiral pipes remains healthy. The spiral plant at Malanpur (Gwalior), which is expected to commence operations in the coming month, has already secured a six-month order backlog.

Galvanized Pipes segment faced a challenging quarter, recording a 28% YoY decline. Demand was particularly impacted by the monsoon. However, we anticipate a recovery in the upcoming quarters as seasonal conditions normalize. The ERW segment saw a YoY contraction in volume, influenced by lower inventory levels held by distributors amidst falling steel prices. The CR Strips segment demonstrated modest growth, with volumes increasing by 5% in Q2FY25.

Export volumes declined, primarily due to geopolitical tensions in key markets, notably the Middle East. Despite these challenges, we remain confident in the potential for export recovery over the next six months, as demand stabilizes both domestically and internationally."

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Adding further, Mr. Vinay Surya – Managing Director said,

"In Lighting and Consumer Durables*, we presented a more resilient performance with a 5% YoY growth in revenue in Q2FY25. This was achieved despite facing headwinds on account of steep price erosion in LED products as well as adverse weather conditions impacting demand across various regions. The company managed to protect margins through a focus on high-margin and premium products, along with continuous cost-innovation efforts, which countered the impact of price erosion.*

Consumer Lighting saw steady demand despite price erosion in LED products. However, our new launches across high-wattage battens, downlighters, and panels, contributed to both volume and margin growth.

The Professional Lighting sub-segment grew in healthy double digits in H1FY25, driven by a strong order book and major projects are set to commence execution in Q3.

In the Consumer Appliances category, the water heaters particularly saw strong seasonal demand.

We also had preparations in place for the festive season launches extending from Onam to Diwali, which should reflect in our Q3FY25 results. Ahead of the Diwali season, the company invested in a significant marketing campaign, especially on social media, emphasizing decorative lighting. Furthermore, we held dealers and electricians meets to showcase new products and provided merchandising materials to enhance visibility at the point of sale. These initiatives were aimed at stimulating demand and ensuring that dealers were well-prepared to serve customers during the high-demand festive period.

Additionally, regional trends indicate stronger growth in semi-urban and rural markets over urban areas, with premium products gaining traction outside metro markets. Our focus in expanding premium offerings and strengthening our presence in semi-urban and rural markets are expected to provide tailwinds. We remain optimistic for Q3 and Q4, driven by a robust order pipeline in the professional lighting segment and sustained demand in consumer durables."

"In the Steel Pipes and Strips*, the price corrections in steel over the three months of Q2FY25 significantly led to the overall revenue decline, as dealers delayed their purchases. To mitigate the impact of declining prices, we implemented rigorous cost management strategies and operational efficiencies.*

The recent upward trend in steel prices provides an optimistic outlook for margin improvement. Steel prices rose by 3% over October and November, and this pricing trajectory is expected to support enhanced profitability across product segments.

Our value-added product portfolio continues to contribute significantly, maintaining a 45% share of total sales in H1FY25. With the commissioning of the new Spiral plant, we anticipate an increase upto 50% in coming years in this share, underscoring our focus on value addition.

The ERW mill in Bahadurgarh, operational since July, has already achieved a production output of 7,000 tons. The Bahadurgarh cold rolling expansion and Spiral plant in Gwalior are on track to commence operations, with turnover contributions beginning in Q4FY25. The Hindupur facility expansion is underway with an initial capex allocation of ₹25–30 crore, while the Anjar facility expansion will proceed following a technical review with suppliers. Full operations at Hindupur facility are projected to begin in 12 months. These strategic investments, aligned with our focus on efficiency and capacity, are anticipated to strengthen the operational backbone of the Steel Pipe segment.

Q2FY25 presented a unique set of challenges across various sub-segments of the Steel Pipe business. While market dynamics, price volatility, and geopolitical factors impacted performance, our proactive operational adjustments, coupled with strategic expansions and efficiency initiatives, reinforce a positive outlook for the coming quarters. With a focus on executing our capex projects and leveraging favorable trade conditions, we remain well-positioned to drive growth and value creation in the Steel Pipe business."

Commenting on the financial performance, Mr. Bharat Bhushan Singal – CFO said,

"For the quarter, the revenue was ₹ 1,529 crore as compared to ₹ 1,916 crore. EBITDA and PAT stood at ₹ 83 crore and ₹ 34 crore as compared to ₹ 139 crore and ₹ 76 crore, respectively. For H1FY25, the revenue was ₹ 3,422 crore as compared to ₹ 3,791 crore. EBITDA and PAT stood at ₹ 242 crore and ₹ 127 crore as compared to ₹ 255 crore and ₹ 135 crore, respectively.

In Lighting & Consumer Durables, *for the quarter, the revenue stood at ₹ 395 crore as against ₹ 377 crore, a growth of 5% YoY. EBITDA and PBT stood at ₹ 36 crore and ₹ 26 crore, respectively. For H1FY25, the revenue stood at ₹ 781 crore as against ₹ 751 crore, a growth of 4% YoY. EBITDA and PBT stood at ₹ 70 crore and ₹ 52 crore, as compared to ₹ 68 crore and ₹ 54 crore, respectively.*

In the Steel Pipes and Strips, *during Q2FY25, the revenue was ₹ 1,135 crore as compared to ₹ 1,539 crore. Similarly, EBITDA/MT stood at ₹ 2,901 compared to ₹ 5,104. EBITDA and PBT stood at ₹ 48 crore and ₹ 20 crore as against ₹ 104 crore and ₹ 76 crore, respectively. For H1FY25, the revenue was ₹ 2,643 crore as compared to ₹ 3,042 crore. Similarly, EBITDA/MT stood at ₹ 4,653 compared to ₹ 4,758. EBITDA and PBT stood at ₹ 172 crore and ₹ 117 crore as against ₹ 187 crore and ₹ 131 crore, respectively.*

Improved capacity utilization, working capital optimization and cost rationalization enabled us to become a zero-debt company, and having cash surplus of ₹ 136 crore in H1FY25."

About Surya Roshni Limited

Since its inception in 1973, Surya Roshni has transformed into an organization that has developed its Lighting & Consumer Durables business and built a stronghold in the Steel Pipes & Strips business. The company started with manufacturing of steel tubes in 1973, it then diversified by foraying into Lighting in 1984, PVC pipes in 2010 and into Consumer Durables like Fans and Home Appliances in 2014-15.

The Steel Pipes & Strips business manufactures a wide range of products and is the largest manufacturer of GI pipes in India and is the largest Exporter of ERW Pipes. The business has further strengthened with set-up of 3LPE Coating facility unit in 2018 (mainly to Oil & Gas and CGD sector) and Direct Forming Technology (DFT) in April 2022, whereas being one of the largest Lighting Companies in India, the Lighting business manufactures an array of conventional to modern LED lighting. The Consumer Durable business offers a variety of Fans and Home Appliances.

'Surya' Brand and 'Prakash Surya' have a strong presence of more than four decades in India. It enjoys strong Pan India presence with extensive dealer network in both of its businesses i.e. Steel Pipes & Strips and Lighting & Consumer Durables.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact:

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