



APL Apollo Tubes Limited
Q4 & FY12 Results Update
May 16, 2012

Financial highlights – Q4FY12 (Consolidated)

(Rs mn)	Q4FY12	Q4FY11	% growth (Y-o-Y)
Gross Sales	4650.1	2964.3	56.9
Total Income	4220.9	2704.4	
Total Expenditure	3840.8	2414.8	
Operating Profit	380.1	289.6	31.2
Interest	102.5	57.2	79.2
Depreciation	16.8	17.0	-1.2
Profit Before Tax	260.8	215.4	21.1
Tax	85.2	73.2	
Profit After Tax	175.6	142.2	23.5
Equity	212.97	202.97	
OPM (%)	8.2	9.8	
EPS (Rs)	7.5	6.5	

Performance highlights

- Sales volume during the quarter grew by 48.4% to 97,799 tons.
- Robust demand from infrastructure projects, newer applications like Solar and Telecom has enabled the company to achieve strong volume growth.
- The operating profit improved by 31.2%.
- The profit after taxation has grown by 23.5% despite higher interest cost.
- Warehouse-cum-branch was opened at Pant Nagar (Rudrapur) to further strengthen the company's distribution network supported by its multi-location manufacturing facilities.
- During the quarter –
 - a) 15,00,000 Warrants, compulsorily convertible into Equity shares of the company within eighteen months from the date of their allotment, were issued at Rs. 145/- per warrant.
 - b) 10,00,000 Equity Shares having nominal value of Rs. 10/- each were allotted to M/s APL Infrastructure Pvt. Ltd, a promoter group entity, against the conversion of equal number of warrants (out of 16,41,953 warrants earlier allotted to them on

preferential basis at a price of Rs. 176/- per warrant).

Financial highlights – FY12 (Consolidated)

(Rs mn)	FY12	FY11	% growth (Y-o-Y)
Gross Sales	15251.1	9851.5	54.8
Total Income	13929.8	9051.9	
Total Expenditure	12784.3	8160.0	60.0
Operating Profit	1145.5	891.9	7.9
Other Income & Exceptions Item	0.0	0.8	
Interest	335.5	209.3	60.3
Depreciation	82.3	57.3	43.6
Profit Before Tax	727.7	626.1	16.2
Tax	237.7	195.2	
Profit After Tax	490.0	430.9	13.7
Equity	212.97	202.97	
OPM (%)	7.5	9.1	
EPS (Rs)	20.9	19.7	

Performance highlights

- Despite tough economic conditions, company has achieved highest volume of ~3,00,000 tons during the year ended March 31, 2012. The pickup in off-take was largely due to demand from new industry sectors like telecom, solar and wind power, among others and extension of geographical reach.
- Gross sales for FY12 is up by 54.8% at Rs 1525.11 crore as compared to Rs 985.15 crore in FY11.
- The PAT grew by 13.7%, restricted by high interest costs.
- Despite pressure on prices of steel tubes, company has been effectively able to mitigate the situation through its judicious product mix and larger off-take of pre-galvanised steel tubes and hollow sections.
- Exports accounted for 7.5% of company's revenues

Sales Quantity & Realisation

Products	Q4FY12		FY12	
	QTY (MT)	Avg. Price (INR)	QTY (MT)	Avg. Price (INR)
Black Pipe	28566	41375	80193	41130
Square Pipe	32213	42175	95317	41910
GI Pipe	15840	48600	57491	48190
GP Pipe	12720	48500	54731	48260
Coils	6005	37350	26245	34310
Scrap	2455	27250	10871	24350
Total	97799		324848	

Future Growth plans and other Developments

- The company continues to be the largest producer and supplier of ERW Pipes and Tubes in India.
- The increase in price realisation of steel tubes and value-added product mix has led to an improvement in margins as compared to last three quarters. Steel pipe prices which have improved in from beginning of fourth quarter are expected to remain stable for the next two quarters.
- Completion of debottlenecking at Murbad, near Mumbai has aided in increased operational efficiency and higher production. The new line at the facility is nearing completion.
- Volume growth for FY13 is expected to be around 30%.

About APL Apollo Tubes

Incorporated in 1986, APL Apollo is one of the largest pipe manufacturers in India with manufacturing locations spread across North, West and South. The product range comprises of the largest range of Hollow Sections and Mild Steel Tubes in all variants (black, galvanised and pre-galvanised). Among the user industries are urban infrastructure namely airports, metro stations, automotive segment like bus body manufacturers, construction namely scaffoldings, etc. The company has certifications like ISO 9001-2008, OHSAS 18001-2007 & ISO 14001-2004 and safety certifications like 'CE' and 'UL' for Europe and USA.

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