



# Earnings Presentation | Q1-FY19 |

# Executive Summary



## Overview

- Srikalahasthi Pipes Ltd. (SPL) was incorporated in 1991, the company entered into a strategic alliance with Electrosteel Group in 2002, India's leading DI Pipe manufacturer.
- The company has adopted its name from the area of its manufacturing facility, which is located in Rachagunneri, Srikalahasthi Mandal, Tirupati
- The company got Listed on BSE in 1994 and in NSE in 2007 and has a current market capitalization of approximately INR 11,876 Mn as on 30<sup>th</sup> June, 2018.

## Business Mix

- **DI Pipes** : Capacity – 300,000 TPA
- **Pig Iron** : Capacity - 275,000 TPA
- **Coke** : Capacity - 225,000 TPA
- **Cement** : 90,000 TPA
- **Power** : 2 Captive Power Plants with a total capacity of 14.5 MW

## FY18 Financials

Total Income\*- **INR 15,415 Mn**  
EBITDA - **INR 2,792 Mn**  
EBITDA Margin – **18.11 %**  
Net Profit - **INR 1,474 Mn**

## Clients

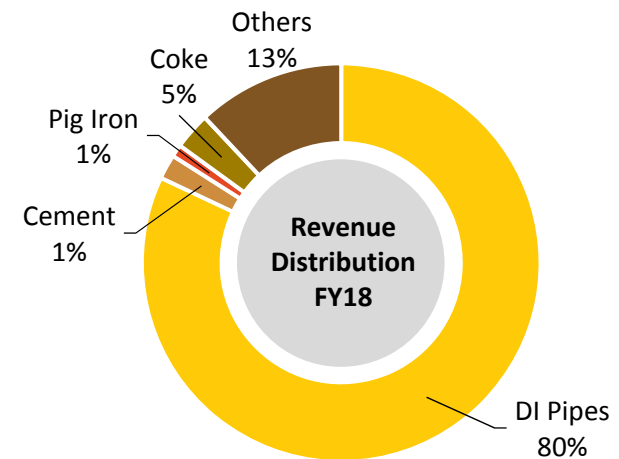
- SPL supplies DI pipes to various Water Boards, Municipal Corporations and Turnkey Contractors across the country for their Water Infrastructure Projects which are the thrust area of the Govt. of India.
- Some of the Marquee clients include: Larsen & Toubro, Nagarjuna Construction Corporation, Indian Hume Pipes Ltd, VA Tech Wabag Ltd, Sriram EPC Ltd etc.

\* Includes Other Income

# Company Overview



- ❖ Srikalahasthi Pipes Limited “SPL” was established in 1991 to manufacture Pig Iron.
- ❖ SPL’s plant is located at Rachagunneri, Srikalahasthi, Chittoor District, Andhra Pradesh near Tirupati and its key products include DI Pipes, Coke, Pig Iron, Cement.
- ❖ SPL is categorized as Public Utility Services Company by Govt. of Andhra Pradesh
- ❖ The company has a fully backward integrated manufacturing facility which includes a sinter plant, coke oven plant, power plant and a Sewage Treatment facilities in the same complex spread over 330 acres, giving the company a significant competitive advantage.
- ❖ In March 2002, India’s leading DI Pipes manufacturer, Electrosteel Castings Ltd (ECL), entered into a strategic alliance with SPL.
- ❖ ECL is India’s largest and one of the few manufacturers in the world to make Ductile Iron (DI) Pipes, DI Fittings and CI Pipes, having its facilities in Khardah & Haldia in West Bengal and Elavur in Tamil Nadu.
- ❖ SPL is one of the top players in the DI pipe industry in India, and commands around 15% market share across India and around 70% in South which it primarily caters to.
- ❖ Together the Electrosteel group commands around 40% market share of the Indian DI Pipes Market.



Electrosteel Group Structure

Electrosteel Castings Ltd.

Srikalahasthi  
Pipes Ltd.(43%)

# Q1-FY19 Key Financial & Operational Highlights



## □ Q1-FY19 Financial Performance:

- Total Income\*: INR 3,090 Mn
- EBITDA: INR 411 Mn
- EBITDA Margin: 13.30%
- PAT: INR 173 Mn
- PAT Margin: 5.60%
- EPS: INR 3.71/equity share

\* Includes Other Income

## Q1-FY19 Operational Highlights

- The Profit before tax for the quarter ended 31st March, 2018 is at INR 45.9 Cr as compared to INR 44.2 Cr registered in the corresponding quarter ended 31st March, 2017.
- The Project of installation of fourth coke oven battery along with additional boiler in the Captive Power Plant is in the advanced stage of completion and is expected to be in place during Q1-FY19.
- The Company's order book position continues to be comfortable and the Company is optimistic of maintaining its growth.

# Quarterly Profit & Loss Statement (Ind AS)



Particulars (INR Mn)	Q1-FY19	Q1-FY18	Y-o-Y	Q4-FY18	Q-o-Q
<b>Total Income*</b>	<b>3,090</b>	<b>4,467</b>	<b>(30.8)%</b>	<b>3,507</b>	<b>(11.9)%</b>
Expenditure	2,679	3,762	(28.8)%	2,852	(6.1)%
<b>EBITDA</b>	<b>411</b>	<b>705</b>	<b>(41.7)%</b>	<b>655</b>	<b>(37.2)%</b>
<b>EBITDA margin</b>	<b>13.30%</b>	<b>15.78%</b>	<b>(248) Bps</b>	<b>18.68%</b>	<b>(538)Bps</b>
Depreciation	90	88	2.3%	84	7.1%
Finance Cost	109	114	(4.4)%	112	(2.7)%
<b>PBT</b>	<b>212</b>	<b>503</b>	<b>(57.8)%</b>	<b>459</b>	<b>(53.8)%</b>
Tax	39	139	(71.9)%	116	(66.4) %
<b>PAT</b>	<b>173</b>	<b>364</b>	<b>(52.5)%</b>	<b>343</b>	<b>(49.6)%</b>
<b>PAT margin</b>	<b>5.60%</b>	<b>8.15%</b>	<b>(255)Bps</b>	<b>9.78%</b>	<b>(418)Bps</b>
Other Comprehensive Income (net of Tax)	1	-	NA	3	(66.7)%
<b>Total Comprehensive income</b>	<b>174</b>	<b>364</b>	<b>(52.2)%</b>	<b>346</b>	<b>(49.7)%</b>
<b>EPS (INR)</b>	<b>3.71</b>	<b>9.17</b>	<b>(59.5)%</b>	<b>7.41</b>	<b>(49.9)%</b>

\* Includes Other Income

# Historical Profit & Loss Statement (Ind AS)



Particulars (INR Mn)	FY16	FY17	FY18
<b>Total Income #</b>	<b>11,976</b>	<b>12,339</b>	<b>15,415</b>
Expenditure	9,109	9,665	12,623
<b>EBITDA</b>	<b>2,867</b>	<b>2,674</b>	<b>2,792</b>
<b>EBITDA margin</b>	<b>23.94%</b>	<b>21.67%</b>	<b>18.11%</b>
Depreciation	347	369	354
Finance Cost	425	393	429
<b>PBT</b>	<b>2,095</b>	<b>1,912</b>	<b>2,009</b>
Tax	542	510	535
<b>PAT</b>	<b>1,553</b>	<b>1,402</b>	<b>1,474</b>
<b>PAT margin</b>	<b>12.97%</b>	<b>11.36%</b>	<b>9.56%</b>
Other Comprehensive Income (Net of Tax)	(2)	-	2
<b>Total Comprehensive income</b>	<b>1,551</b>	<b>1,402</b>	<b>1,476</b>
<b>EPS*</b>	<b>39.01</b>	<b>35.25</b>	<b>35.53</b>

#Includes Other Income.

\*EPS for the FY18 have been calculated as per Ind-AS 33 on pro rata basis post QIP.

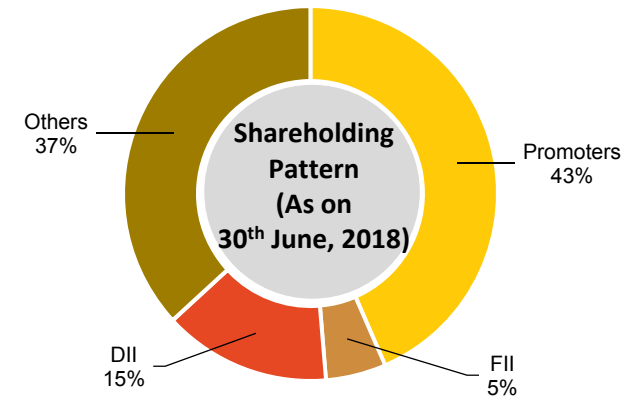
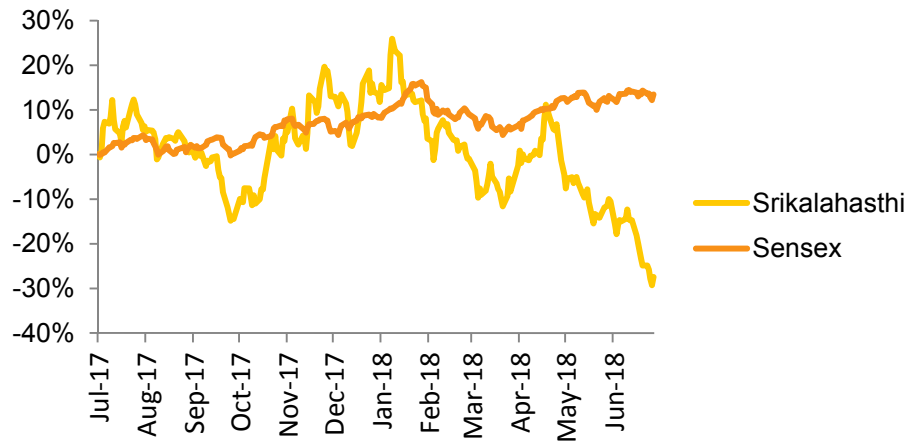
# Balance Sheet (Ind AS)



ASSETS (INR Mn)	FY16	FY17	FY18
<b>Non - Current Assets</b>			
Property, Plant and Equipment	7,984	9,084	8,358
Capital Work-In-Progress	194	57	298
Intangible Assets	7	9	7
<b>Financial Assets</b>			
a. Other Financial Assets	39	56	66
b. Other Non-Current Assets	59	13	20
<b>Total Non-Current Assets</b>	<b>8,283</b>	<b>9,219</b>	<b>8,749</b>
<b>Current Assets</b>			
Inventories	1,189	2,134	2,091
<b>Financial Assets</b>			
a. Investments	1,473	1,526	2,135
b. Trade Receivables	2,076	1,433	2,533
c. Cash & Cash Equivalents	211	543	2,021
d. Bank Balances other than (c.)	4	12	27
e. Loans	61	232	235
f. Other Financial Assets	19	8	40
Other Current Assets	494	462	389
<b>Total Current Assets</b>	<b>5,527</b>	<b>6,350</b>	<b>9,471</b>
<b>Total Assets</b>	<b>13,810</b>	<b>15,569</b>	<b>18,220</b>

EQUITY & LIABILITY (INR Mn)	FY16	FY17	FY18
<b>Equity</b>			
Equity Share Capital	398	398	467
Other Equity	6,575	7,737	11,321
<b>Total Equity</b>	<b>6,973</b>	<b>8,135</b>	<b>11,788</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
a. Borrowings	1,090	639	384
b. Provisions	47	15	16
c. Deferred Tax Liability (Net)	1,136	1,253	1,332
d. Other Non-Current Liabilities	-	-	48
<b>Total Non-Current Liabilities</b>	<b>2,397</b>	<b>1,907</b>	<b>1,780</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
a. Borrowings	2,925	3,872	2,974
b. Trade Payables	515	853	957
c. Other Financial Liabilities	872	504	352
Other Liabilities	61	199	269
Provisions	67	99	100
<b>Total Current Liabilities</b>	<b>4,440</b>	<b>5,527</b>	<b>4,652</b>
<b>Total Liabilities</b>	<b>6,837</b>	<b>7,434</b>	<b>6,432</b>
<b>Total Equities &amp; Liabilities</b>	<b>13,810</b>	<b>15,569</b>	<b>18,220</b>

# Capital Market Information



Price Data (As of 30 <sup>th</sup> June, 2018)	INR
Face Value	10
Market Price	254.3
52 Week H/L	448.8/242.0
Market Cap (INR Mn)	11,875.8
Equity Shares Outstanding (Mn)	46.7
1 Year Avg. Trading Volume ('000)	170.6

Key Financial Ratios (As of 31 <sup>st</sup> March, 2018)	
Networth (INR Mn)	11,788
Net Debt to Equity (x)	(0.1)
ROE (%)	12.5
RoCE (%)	16.1



# Disclaimer

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**THANK YOU**



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