



Sintex Industries Limited, Kalol - 382 721 India

Sintex Industries : FY13 Results Communication

FY13 Net Sales at Rs. 50794 mn up 15 %

EBITDA at Rs 8290 mn

7th May, 2013: Sintex Industries, a market leader in the plastic and textiles business segments, today announced its audited financial results for the quarter ended 31st March, 2013.

Key Business Highlights

- ❖ **Prefabricated building systems and custom molding business continued to register strong growth with improved margins**
- ❖ **Focused acquisitions in the Custom molding space in Germany and Poland strengthened the Company's global footprint**
- ❖ **Successfully Redeemed US\$ 291 million FCCB on the due date funded by a prudent mix of debt, equity and internal accruals.**
- ❖ **Net Debt-to-equity at 0.86 coupled with improvement in working capital through efficient value chain management across businesses**
- ❖ **Streamlined Monolithic business by clearing slow moving sites which improved business margins and unlocked working capital.**
- ❖ **Board of Directors recommend a dividend of Rs. 0.70 per equity share**

Financial performance overview

Q4FY13 (January –March 2013) v/s. Q4FY12 (January - March 2012)

- ❖ **Consolidated Net income from operations was Rs 13967 mn against Rs.10153 mn – a 38% growth**



- ❖ Earnings Before Interest Depreciation, Taxes and Amortisation (EBIDTA) at Rs.2346 mn against Rs 1716 mn – a 37% growth.
- ❖ Net Profit After Tax (PAT) at Rs.1510 mn (post MTM) against Rs 912 mn (post MTM) – a 66% growth.
- ❖ Standalone PAT stood at Rs 1630 mn compared to consolidated PAT of Rs 1510 mn. The Q4 PAT is a balancing figure, as under absorption of expenses is accounted during the quarter. And hence is not comparable.

FY13 (April – March 2013) v/s. FY12 (April – March 2012)

- ❖ Consolidated Net income from operations was at Rs.50794 mn against Rs 44368 mn in the previous fiscal.
- ❖ EBIDTA was at Rs. 8290 mn against Rs 7682 mn in the previous fiscal.
- ❖ Net PAT at Rs 3238 mn (after adjusting Rs 903 mn towards forex losses).
- ❖ Adjusted PAT stood at Rs 4141 mn against Rs 3535 mn in FY12.
- ❖ Basic EPS: Rs. 11.38 against Rs 10.78 in FY 12

CAPEX

Addition to fixed asset on a standalone basis was Rs 2730 mn (excludes capitalization of Rs 770 mn). Addition to fixed assets by subsidiaries was Rs 1636 mn primarily due to the acquisitions in Germany and Poland.

Commenting on the Company's financial performance for FY13, **Mr. Amit Patel, Managing Director, Sintex Industries**, said:

"FY13 was a very satisfying year. Despite economic adversities across the globe, we grew our topline by 15% and strengthened our Balance Sheet. This was achieved through a disciplined approach in streamlining business systems and processes to maximize efficiencies and a continued focus on improving the business mix. Now, we are perfectly poised to accelerate profitable business growth going forward with a hawk eye on maintaining a lean Balance Sheet."

"Prefabricated building systems grew at a healthy 35% due to efficient project execution in new states. This growth was also supported by increased government spending on social infrastructure."



FY13 also witnessed the geographic expansion of the Company's custom molding business into Germany and Poland which added marquee clients in the automotive and non-automotive spaces and introduced novel plastic processing technologies to Sintex. This acquisition assumes a perfect strategic fit for the Company - Germany is a manufacturing and designing hub which strengthens the Company technology; Poland offers a low cost manufacturing destination which strengthens the Company competitive advantage. I am also hopeful of some of these new customers extending their global business relations to their Indian operations to be serviced by Sintex.

As a result, this acquisition will go a long way in enhancing global custom moulding business and I am very optimistic of its robust growth over the coming years."

| | Topline (Rs mln) | | % |
|---------------------------------------|-------------------------|--------------|--------------|
| | <i>FY13</i> | <i>FY12</i> | |
| <i>Prefabricated building systems</i> | <i>9750</i> | <i>7220</i> | <i>35</i> |
| <i>Monolithic construction</i> | <i>10024</i> | <i>10868</i> | <i>(7.8)</i> |
| Custom Molding | | | |
| <i>Overseas</i> | <i>12980</i> | <i>11150</i> | <i>16</i> |
| <i>Domestic</i> | <i>10610</i> | <i>8220</i> | <i>29</i> |
| <i>Tanks</i> | <i>2710</i> | <i>2230</i> | <i>21</i> |
| <i>Textiles</i> | <i>4720</i> | <i>4680</i> | <i>1</i> |

Building materials

The prefabricated building systems grew 35% in FY13. Ramping up execution in Maharashtra and MP and consolidation in other states were the key contributors to this growth. The team also worked on expanding the Company's footprint into new geographies for its prefabricated solutions.

Monolithic constructions business is on a consolidation mode. The company has successfully unlocked a significant amount from working capital in FY13. The team cleared five slow moving sites in FY13. It put in place a stringent collection mechanism and focused on deeper customer relationships to ensure clarity on site



management, and clear approvals, thereby pre-empting any foreseen delays. These efforts are expected to translate into improved business profitability from this segment in the coming quarters. The long term opportunity of mass housing or low cost housing is intact.

As India evolves into a consumer-centric nation and demand for new products is mushrooming pan-India, Sintex is gearing up to cater to these emerging opportunities with a slew of new products and services.

Custom molding

The Custom molding business is poised for a robust growth over the coming years. This is primarily due to the strategic acquisition in Germany and Poland by Nief Plastics SA. This initiative adds a number of large global MNCs to the Company's client list and significantly strengthens its technological and process capabilities. The low-cost manufacturing base also provides the unique flexibility to generate profitable business despite an economic slowdown.

Sintex's custom moulding business is prudently balanced between international and domestic operations. The Company is working to synergise its operations. As a first step in this direction, it plans to leverage its international business relations to service global clients for their Indian operations through Bright Auto, its Indian subsidiary. The success of this strategy has delivered heartening results. The domestic custom molding operations now contribute about 45% to the consolidated custom mouldin revenue in FY13 against 37% in FY10. Going ahead, this proportion is expected to increase and also shore up profitability margins of the custom moulding business.

Textiles

Textile segment revenues stood at Rs.4720 mn for FY13.

About Sintex Industries Limited

Sintex Industries Limited is a dominant player in the plastic and textile business segments. The Company manufactures a **range** of building materials and composites at its 16 plants across India. Subsequent to several strategic acquisitions the Company also possesses a global footprint that is spread across the continents of USA and Europe. In the textile segment the Company is focused on niche offerings, possessing specialization in men's structured shirting in the very premium fashion category.



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