

PRESS RELEASE

Q1FY17 RESULT UPDATE

29th August, 2016, New Delhi: Prakash Industries Limited (“PIL” or “the Company”) today reported its results for the First Quarter ended 30th June, 2016 (“Q1FY17” or “the quarter”).

Q1FY17 vs. Q1FY16



Financial Performance:

During the quarter, the Company recorded Net Turnover of Rs.576 crores. The EBITDA increased to Rs.56.5 crores, up by 23.9% as against corresponding quarter last year, with EBITDA margin improving to 9.8% against 7.0% in the corresponding quarter last year. The growth was primarily driven by substantial cost reduction in raw material procurement and improvement in operational efficiencies. The Net Profit also increased substantially to Rs.13.2 crores as against Rs.1.2 crores in the same quarter last year. PIL is one of the lowest leveraged companies in the industry.

Segment Performance:

Steel and Power Division: The performance of the integrated steel plant of the Company has been satisfactory during the quarter. The Company recorded a growth of 28.4% in Wire Rod production as against corresponding quarter last year, maintaining its leadership position in the market. This has been possible due to improved domestic demand post imposition of Minimum Import Price (MIP) by the government.

The Company is also a trusted supplier of Ferro Alloys to SAIL with highest quality assurance since over a decade. This has been possible due to efficient procurement of high quality raw material and timely delivery of finished goods.

PVC Pipes Division: During the quarter, the Company recorded higher volume growth of 28.3% in PVC pipes and fittings production as against corresponding quarter last year. This has been possible due to on-going consolidation and expansion initiatives at the PVC pipes unit in Uttarakhand.

The brand, “Prakash[®]”, has a strong market presence in the North Indian states of Uttar Pradesh, Haryana, Delhi, Uttarakhand, and Punjab, commanding a significant market share in the region.

Wind Power Division: The Company’s wind power division in Tamil Nadu reported a growth of 38.2% in power generation as against corresponding quarter last year. This was majorly due to better wind conditions and better power evacuation by the state electricity board.

Outlook:

The Company is confident of improving its bottom line performance in coming quarters as compared to last year quarters with better capacity utilization and improved operating margins.