



## TUBE INVESTMENTS OF INDIA LTD STANDALONE Q3 PAT UP BY 121%

The Board of Directors of Tube Investments of India Limited (TII), formerly known as TI Financial Holdings Limited met today and approved the financial results for the Quarter ended 31<sup>st</sup> December 2018. The Board has declared an interim dividend of ₹1.75 per share for the financial year 2018-19.

### Highlights:

The Company continues to focus on 4 key priorities of revenue growth, profitability, ROCE and Free Cash Flow (FCF). TII delivered decent performance on all these 4 priorities during Q3:

- Revenue of ₹1341 Cr. in a quarter with a **15% growth** over Q3 of last year. Highest ever revenue of ₹4062 Cr. in the nine months with **17% growth** over corresponding period of last year.
- Highest ever **PBT** (before exceptional items) of ₹122 Cr., a **growth of 141%** over Q3 of last year. Highest ever PBT of ₹285 Cr. in the nine months with a **growth of 69%** over corresponding period of last year
- **ROCE** at 20% for the nine months ended 31<sup>st</sup> December 2018
- Cumulative **Free cash flow** of Rs. 41 crs in the nine months ended 31<sup>st</sup> December 2018

### Standalone Results

TII's Revenue for the quarter was higher by 15% at ₹1341 Cr. as against ₹1163 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at ₹77 Cr. as against ₹35 Cr. in the corresponding quarter of the previous year, aided by dividend income of ₹29 Cr. from Shanthi Gears Limited (₹5 per share declared as special interim dividend). The results have considered an impairment provision of ₹12 Cr. pertaining to its Joint venture Company. For the nine months ended 31<sup>st</sup> December 2018, higher profitability and lower capital employed enabled improvement in Return on Capital Employed (ROCE) to 20% from 13% in the corresponding period in the previous year. The Company generated a cumulative free cash flow of ₹41 Cr. for the nine months ended 31<sup>st</sup> December 2018.

### Review of Businesses

#### Engineering

During the quarter, growth in domestic business enabled the Engineering division to register a volume growth of 9% in tubes, compared with corresponding quarter in the previous year. The Large Diameter Tube plant recorded a volume growth of 23% and continues to improve its profitability. The Revenue for the quarter was at ₹747 Cr. compared with ₹599 Cr. in the corresponding quarter of the previous year, registering a growth of 25%. Profit before interest and tax for the quarter was ₹59 Cr. as against ₹48 Cr. in the corresponding quarter of the previous year, registering a growth of 25%. For the nine months ended 31<sup>st</sup> December 2018, ROCE of this division improved to 36% as against 24% in the corresponding period of the previous year.

## Cycles and Accessories

The market condition of the Bicycles segment continues to be challenging. The trade volume of this division dropped by 11% during the quarter compared with the corresponding quarter of the previous year. This division has registered revenue drop of 6% during the quarter compared with corresponding quarter in the previous year, mainly because of deferral of institution sales. Profit before interest and tax for the quarter was ₹5 Cr. as against loss before interest and tax of ₹3 Cr. in the corresponding quarter of the previous year.

## Metal Formed Products

In this segment, the doorframes segment volume grew by 12% during the quarter compared with the corresponding quarter last year. The sale of Chains and Kits recorded a volume growth of 4% and 6% respectively over the corresponding quarter last year, aided by growth in auto industry. The Revenue for the quarter was at ₹353 Cr. compared with ₹297 Cr. in the corresponding quarter of the previous year, registering a growth of 19%. Profit before interest and tax for the quarter was ₹36 Cr. as against ₹29 Cr. in the corresponding quarter of the previous year, registering a growth of 25%. For the nine months ended 31<sup>st</sup> December 2018, ROCE of this division improved to 29% as against 27% in the corresponding period of the previous year.

## Consolidated Results

TII's consolidated Revenue for the quarter was higher by 15% at ₹1458 Cr. as against ₹1265 Cr. in the corresponding quarter of the previous year. The profit after tax for the quarter was at ₹65 Cr. as against ₹34 Cr. in the corresponding quarter of the previous year.

Shanthi Gears Ltd., a subsidiary company in the Gears Business, in which the Company holds 70.12% stake, registered revenue of ₹62 Cr. during the quarter as against ₹54 Cr. in the corresponding quarter of the previous year, registering a growth of 14%. Profit after tax for the quarter was at ₹10 Cr. as against ₹7 Cr. in the corresponding quarter of previous year.

## About Murugappa Group

Founded in 1900, the ₹329 Billion (32,893 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., TI Financial Holdings Ltd and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 35,000 employees. For more details, visit [www.murugappa.com](http://www.murugappa.com).