



EARNINGS RELEASE – Q2 & H1 RESULTS FY 2016 - 17

Q2 FY'17 Highlights

Net sales up by 17%

Operating EBITDA grows by 26%

Operating Profit Before Tax (PBT) grows by 15%

Operating Profit After Tax (PAT) grows by 17%

~ Adding Overhead Tanks & HDPE pipes into its Polymer product portfolio~

~Commissioning of 3rd Angle Rolling Mill Line~

~ External short term credit rating upgraded to A1+ ~

Kolkata, November 10, 2016: Skipper Limited (BSE: 538562) and NSE (Symbol: SKIPPER), one of the world's leading manufacturers for power transmission & distribution structures and a significant player in water infrastructure of India, announced its results for the second quarter and six months ended 30th September 2016.

Financial Performance

All figures in INR Crore, unless specified

| H1 FY'17 | H1 FY'16 | | Q2 FY'17 | Q2 FY'16 | Q1 FY'17 |
|----------|----------|-------------------------------|----------|----------|----------|
| 6,83.77 | 5,78.05 | Net Sales | 4,01.13 | 3,43.63 | 2,82.63 |
| 94.80 | 78.21 | Operating EBITDA | 54.06 | 42.86 | 40.75 |
| 13.9% | 13.5% | Operating EBITDA - % of sales | 13.5% | 12.5% | 14.4% |
| 13.92 | 11.66 | Depreciation | 7.17 | 5.78 | 6.75 |
| 31.04 | 26.15 | Interest | 15.03 | 11.43 | 16.02 |
| 1.51 | 3.21 | Other Income | 0.73 | 2.60 | 0.78 |
| 51.35 | 43.61 | Operating PBT | 32.59 | 28.26 | 18.76 |
| 2.96 | 18.14 | Income from Forward Contracts | 1.46 | 18.14 | 1.49 |
| 54.31 | 61.74 | PBT | 34.05 | 46.40 | 20.25 |
| 34.38 | 28.47 | Operating PAT | 21.67 | 18.45 | 12.71 |
| 36.36 | 40.32 | PAT | 22.64 | 30.29 | 13.72 |

Note: 1) Operating EBITDA(W/o other income) and Operating PBT excludes income from forward contracts.

2) Operating PAT excludes income from forward contracts net of proportionate income tax

Performance Highlights – Q2 FY'17

- **Net Sales:** Rs 401.13 crores compared to Rs 343.63 crores in the previous year , up by 16.7% and Rs 282.63 crs in Q1 FY'17, up by 41.9%.
- **Operating EBITDA :** Rs 54.06 crores as against Rs 42.86 Crores in the previous year, up by 26.1% and Rs 40.75 crores in Q1 FY'17, up by 32.7%.
- **Operating EBITDA margins (w/o considering income from forward contracts and other income) at 13.5% during the quarter.**
- **Operating Profit Before Tax:** Rs 32.59 Crores as against Rs 28.26 Cr in the previous year, up by 15.4% and Rs 18.76 crores in Q1 FY'17, up by 73.7%.
- **Operating Profit After Tax:** Rs 21.67 crores as against Rs 18.45 Cr in the previous year, up by 17.5% and Rs 12.71 crores in Q1 FY'17, up by 70.6%

Performance Highlights – H1 FY'17

- **Net Sales:** Rs 683.77 crores as against Rs 578.05 Cr in the previous year, up by 18.3%.
- **Operating EBITDA :** Rs 94.80 crores as against Rs 78.21 Crores in the previous year, up by 21.2%.
- **Operating PBT:** Rs 51.35 Crores as against Rs 43.61 Cr in the previous year, up by 17.8%.
- **Operating PAT:** Rs 34.38 crores against Rs 28.47 Cr in the previous year, up by 20.8 %.

Expansion of product portfolio in Polymer Business:

The company's board has approved the expansion of Skipper's product portfolio in its Polymer Business by adding two new product segments. With the introduction of these two products, the company will be able to en-cash its presence in various customers segments and strengthen them further.

HDPE Pipes – HDPE pipes has gained significant market share over the years in the water transportation industry as well as in other applications. With a view of capitalizing on its existing relationships with many of the existing institutional customers, Skipper has decided to set up HDPE pipe manufacturing lines in its Telengana plant. The initial starting capacity will be 3000 MT and is expected to be commissioned by Q3 FY'17.

Overhead Tanks – The overhead tank business enjoy the same distribution channel as that of PVC pipes and most of Skipper's existing channel partners already trade in overhead tanks of other brands. Keeping in view their demand for these products from Skipper as well, the company has decided to set up its first overhead tank manufacturing facility in its existing plant at Uluberia, Kolkata with an initial capacity of 1200 MT.

Update on New manufacturing unit in North East India

Work is in full momentum for the new Guwahati plant (Unit-2) for manufacturing of T&D Steel Structures (30,000 MT) & PVC pipes fittings (7000 MT) and the company expects to get it commissioned by Q4 FY'17 at an estimated investment outlay of Rs 70 crores.

The plant is being set up to tap the growing demands of T&D Products in the North East Region on account of large upcoming PGCIL & BOO projects and to take advantage of all the available Tax exemptions, Incentives and other associated benefits extended by Centre and State for setting up manufacturing units in the region.

Order Book & Focus on International Expansion

The company's engineering products order book to sales stands at 1.7x and is well diversified between domestic and international orders. The sector has started witnessing uptick in both ordering and execution and the company expects growth to remain strong and gain further pace with increased participation opportunities from Power Grid, SEBs, TBCB projects and Renewable projects.

Also, the company is increasingly focusing on developing new market geographies to further expand its international reach through increased participation in overseas Exhibition and Sales Conference for creating new channels for business networking. The company has also committed to partner several major conventions across globe in the successive quarters.

Credit Rating Upgrade

The company's short term external credit rating has been **upgraded from A1 to A1+ and long term ratings remains reaffirmed at A+ by CARE** on account of improved operational & financial performance in conjunction with better growth prospects.

MANAGING DIRECTOR and DIRECTOR SPEAK

We have consistently delivered in our margins over the last few successive quarters reflecting a strong performance in the face of challenging global headwinds. We continue to be on track of profitable revenue growth with operating PBT growing by 15% compared to Q2 FY16. We are also happy to announce our penetration across new international geographies in the T & D Sector while we launch our Polymer Pipes division's commercial operations in northern & southern part of the country. Our Guwahati Plant is progressing as per our set plans.

He further added, At Skipper the objective is to produce world - class quality products ensuring robust national infrastructure development and supporting the governments 'Make in India' theme. We will continue to deliver high-quality products in the years to come.

- **Mr. Sajan Kumar Bansal, Managing Director, Skipper Limited**

Our results this quarter reflect steady performance and we maintained our leadership positions across our core business sectors despite challenging market conditions and muted global business scenario. The Company's performance increased with operating EBITDA growing by 26% sequentially and the operating Net Profit showing an upward movement of 17% over Q2FY16 with all segments contributing to the performance improvement. Our focused strategy of de-risking the business through geographic spread and diversified business portfolio has yielded good results.

Mr. Bansal also added "At Skipper Limited we believe actions reflects the ultimate destination of our transformed company – an enterprise positioned to capture sustainable growth through a laser focus on innovating across our product portfolio, building strong brands, and leveraging unparalleled customer service through a wider network. As we continue on our path to transform the global system, we remain committed to our strategic actions for growth that will create long-term shareowner and stakeholder value."

- **Mr. Sharan Bansal, Director, Skipper Limited**

Awards & Accolades

- Won the prestigious "Largest Tower Supplier" award by Power Grid Corporation of India Ltd. (PGCIL) in the Tower Supply category
- Awarded and recognized as the "Best Industry in Water Resource Sector" in India by Central Board of Irrigation and Power.
- Entered the NSE elite club of India's Top 500 companies by market capitalization as on 31st March 2016.
- Accorded with coveted status of Two Star Export House by the Ministry of Commerce and Industry, Government of India.

ABOUT SKIPPER LIMITED

Skipper Limited established in 1981 is one of the leading companies in the Power Transmission & Distribution and the PVC pipes segment. With over 30 years of domain knowledge it is ranked third in India and tenth globally basis the manufacturing capacity. Skipper differentiates its offerings with high quality but cost effective solution for infrastructure providers and telecom operators. Its international footprint spans across continents such as Latin America, Europe, and Africa and is spread across 20 countries with presence across sub-segments such as towers, EPC, monopolies and poles. The company has been recognized as one of the fastest growing Transmission Tower companies in India on various forums.

Skipper Limited is a regional powerhouse in the PVC pipe business for Eastern India. Under the brand name of 'Skipper', the company manufactures premium quality PVC pipes which serve both the agricultural as well as plumbing sectors.

Skipper Limited is listed at BSE (538562) and NSE (Symbol: SKIPPER) in 2014 & 2015 respectively.

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