



EVEREST KANTO CYLINDER LIMITED
Clean Energy Solution Company

Everest Kanto Cylinder Limited

Announces Q3 & 9M FY20 Results

Q3 FY20 Revenue stood at Rs. 191 crore
EBITDA Margins expand 540 bps to 14.6%

Mumbai, February 13, 2020: Everest Kanto Cylinder Limited, India's largest manufacturer of high pressure gas cylinders, has announced its financial results for the quarter and nine months ended December 31st, 2019.

Financial Highlights – Q3 & 9M FY20

Particulars (Rs. Crore)	Q3 FY20	Q3 FY19	Variance	9M FY20	9M FY19	Variance	FY19
Income from Operations	191.2	186.0	2.8%	561.9	514.8	9.2%	702.1
Gross Profit	89.6	79.4	12.9%	255.1	253.6	0.6%	338.1
Gross Margin (%)	46.9%	42.7%	420 bps	45.4%	49.3%	(390) bps	48.2%
EBITDA	28.0	17.21	62.6%	72.1	72.8	(1%)	91.8
EBITDA Margin (%)	14.6%	9.3%	540 bps	12.8%	14.1%	(130) bps	13.1%
Profit Before Tax*	5.4	13.4	(60.1%)	18.2	32.5	(44%)	38.5
PBT Margin (%)	2.8%	7.2%	(440) bps	3.2%	6.3%	(310)bps	5.5%

*PBT before exceptional items and tax from continuing operations.

Managing Director's Message

Commenting on Q3 & 9M FY20 financial performance of the company, **Mr. Puneet Khurana, Managing Director, Everest Kanto Cylinder Limited** said:

"We are pleased to report a steady financial performance in the backdrop of macro slowdown in overall industrial activity and auto sector demand, both of which are the key drivers of our business. In our India operations, we have focused on improving realizations and contribution margins while maintaining tight control over fixed costs to deliver strong expansion in EBITDA margins. Profit before tax was adversely impacted by foreign exchange fluctuations, while there was a positive contribution from forex in the same period last year."

In our UAE operations, we see natural gas transportation opportunities based on industrial demand and recent gas discoveries. We have approvals from industrial gas manufacturers in the pipeline that should help drive growth. In the U.S., we are focused on navy and aerospace industry demand segments in addition to industrial gas, we are also pursuing new technology development in composite carbon cylinders.

We had previously entered into an agreement to sell our entire stake in the Chinese subsidiary, operations of which have been discontinued. Most of the statutory/procedural approvals pertaining to sale transaction of RMB 93.5 million (Rs. 95.5 crore) have been completed and the transaction is in the final leg of closure. The proceeds will be utilized to repay long-term debt and create a stronger capital structure for ongoing growth opportunities.

With our leadership position in India and emerging visibility in key overseas markets, EKC is well-positioned to drive long-term, secular growth. We have nurtured strong relationships with a wide range of customers in our target segments, including an impressive list of marquee names in both private and government sectors in India and internationally. Over the last four decades, we have also developed exceptional capabilities to deliver high pressure gas cylinders with capacities ranging from 1 liter to 3,000 liters built to exacting quality standards that find usage across a range of applications.

Going forward, we see structural benefits to our business from the adoption of gas-based fuels in industry, medical equipment, F&B, automotive and other sectors based on both economic and environmental considerations. We currently operate four production facilities – two in India and one each in UAE and USA – that provide a diversified base to cater to a wide range of customer segments. Overall, we believe that incrementally our business can deliver significant stakeholder value as we see fruition of some key initiatives in the foreseeable future.”

About Everest Kanto Cylinder Limited:

Everest Kanto Cylinder Limited (EKC) (BSE: 532684, NSE: EKC), established in 1978, is a clean energy solutions company and a leading global manufacturer of seamless steel gas cylinders with over 30 million industrial gas and CNG cylinders currently in service. EKC operates two manufacturing facilities in India located at Tarapur (Maharashtra) and Kandla SEZ (Gujarat) and two international facilities at Jebel Ali Free Zone in Dubai and Pittsburgh (PA), USA, with aggregate capacity of over 900,000 cylinders annually. EKC’s product range of industrial, CNG and jumbo cylinders is used for high pressure storage of gases such as oxygen, hydrogen, nitrogen, argon, helium, air etc and finds applications in a wide variety of industries such as manufacturing, fire equipment/suppression systems, medical establishments, aerospace/defense and automobiles apart from some specialized usage areas. Given its strong position in the Indian domestic market and wide acceptance across several key international markets built over the last four decades, EKC is poised to benefit from the increasing usage of gases in industrial production and automobile sectors based on both economic and environmental considerations.



For more information about us, please visit www.everestkanto.com or contact:

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