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VARDHMAN SPECIAL STEELS LIMITED

Media Release

**Strong growth driven by increase in sales volumes,
price increase w.e.f. from January 2021 and operational efficiencies**

**Q4 FY21 volumes at 47,828 MT, YoY growth of 34%
FY21 volumes at 1,50,265 MT, YoY growth of 10%**

FY21 Revenue from Operations at Rs. 937.08 Crore

**FY21 EBITDA (including other income) at Rs. 116.31 Crore,
YoY growth of 136.79%**

FY21 Profit at Rs. 44.19 Crore, YoY growth of 1,223.24%

RoCE for the year ended 31st March 2021 stands at 19.50%

**The Board has recommended a dividend of Rs. 1.5 per equity
share with face value of Rs. 10 each**

14th May 2021, Ludhiana, Punjab: Vardhman Special Steels Limited (BSE: 534392. NSE: VSSL), among India's leading producers of special steels catering to diverse sectors of automotive, engineering, tractor, bearing & allied industries, has announced its audited financial results for the quarter and full year ended 31st March 2021 in the Board meeting held on 13th May 2021.

Key Financial Highlight (Rs. Crore): -

Particulars	Q4 FY21	Q4 FY20	Y-o-Y	FY21	FY20	Y-o-Y
Sales Volume (tonnes)	47,828	35,715	33.92%	1,50,265	1,37,192	9.53%
Revenue from Operations	334.48	205.66	62.64%	937.08	846.20	10.74%
EBIDTA*	54.68	17.27	216.56%	116.31	49.12	136.79%
PAT	26.36	3.57	638.66%	44.19	3.34	1223.24%
Basic EPS (Rs.) #	6.51	0.88	639.77%	10.94	0.89	1129.21%

*including other income; #On 4th November 2019, the company allotted 46,29,629 equity shares on preferential basis of Rs.10 each at Rs. 108/- (including security premium of Rs. 98 each) aggregating to Rs. 50 Crore to Aichi Steel Corporation (ASC)

Performance Highlights: -

For the quarter ended March 31st, 2021:

The volumes for the quarter stood at **47,828 tonnes – YoY growth of 33.92%**, mainly on account of account of strong demand from the automotive sector

Revenue from Operations increased 62.64% Y-o-Y to Rs. 334.48 crore in Q4 FY21, as against Rs. 205.66 crore in Q4 FY20, due to combination of higher sales volume and price increase which came into effect from January 2021

EBITDA (including other income) for the quarter was Rs. 54.68 crore as against Rs. 17.27 crore in the corresponding previous period, **a Y-o-Y growth of 216.56%**, mainly on account of increase in sales volumes, price increase, better realizations and higher operational efficiencies

Q4 FY21 Profit stood at Rs. 26.36 crore as against profit of Rs. 3.57 crore in Q4 FY20

For the full year ended March 31st, 2021:

The volumes for the full year stood at **1,50,265 tonnes – YoY increase of 9.53%**, despite Q1 performance that was impacted by COVID-19 nationwide lockdown, higher sales volumes due to increased demand from OEMS/ Component manufacturers in later quarters of FY21 helped to achieve volumes

Revenue from Operations was Rs. 937.08 crore in FY21, as against Rs. 846.20 crore in FY20, **a Y-o-Y increase of 10.74%**, mainly on account of combination of higher sales volumes and price increase received twice effective from October 2020 and from January 2021

EBITDA (including other income) for full year was Rs. 116.31 crore as against Rs. 49.12 crore in the corresponding previous period, **a Y-o-Y growth of 136.79 %**, due to increase in sales volumes, price increase, better realizations and higher operational efficiencies

FY21 profit at Rs. 44.19 crore as against profit of Rs. 3.34 crore in FY20

Management Comment:

Commenting on the result, **Mr Sachit Jain, Vice Chairman & Managing Director, Vardhman Special Steels Ltd.** said,

“I am very happy to share our financial performance for the fourth quarter and fiscal year ended March 2021. During the fourth quarter, our sales volumes stood at 47,828 tonnes with a revenue of Rs. 334.48 crore and EBIDTA of Rs. 54.68 crore which was the highest ever for a quarter. However, this EBIDTA for the quarter had has some exceptional items and is not indicative of future annual profit. For the year, the volumes stood at 1,50,265 tonnes with a revenue of Rs. 937.08 crore and EBIDTA of Rs. 116.31 crore. This growth can be attributed to growing demand in the automotive sector and strong demand from OEMs/component manufacturers for our products and increase in prices.

This is reassuring in terms of our ability to achieve set targets and in turn deliver complete customer satisfaction. We plan to bring this into force by increasing our volumes, realizations while improving

operational efficiencies and reducing working capital. We have already successfully crossed our RoCE target of 18% and recorded RoCE (EBIDTA/ Net Capital Employed) of 19.5%. We are now adding a new goal to reach RoCE of 25% by the year 2025.

The last year has been especially noteworthy in terms of challenges and overcoming obstacles in terms of the global pandemic. In the second wave, one of the key challenges for our country, has been acute shortages of oxygen cylinders. In order to ease the situation in Ludhiana, we have been diverting oxygen from our production to medical use, delivering 2,000 cylinders per day. Our teams' efforts have been appreciated by the district administration and we will continue to give back to our nation who has given us so many opportunities to grow and prosper.

Overall, we remain focused on creating value for our stakeholders and managing the business for the long term to transform our business and our ways of working. I am thankful to the entire team at Vardhman for overcoming gripping uncertainties and delivering good results."

About Vardhman Special Steels Limited:

Incorporated in May 2010 as a Public Limited Company, Vardhman Special Steels Limited (VSSL) was vested with steel business undertaking of the parent company Vardhman Textiles Limited in 2011, pursuant to Scheme of Arrangement & Demerger.

Headquartered in Ludhiana, Punjab, VSSL is one of India's leading producers of special steels, catering to diverse requirements of Automotive, Engineering, Tractors, Bearing and Allied Industries. The Company also takes care of steel requirements of select customers for forging applications in international markets of Thailand, Taiwan, Turkey, Italy, Russia, Germany, Vietnam and Japan.

The Company's manufacturing facilities incorporate the latest cutting-edge manufacturing technology, ensuring highest levels of quality and compliance. VSSL's varied product suite comprises of billets, steel bars and rods and bright bars of various categories of special and alloy steels.

Leveraging on state-of-the-art manufacturing facilities and vast experience in the domain, the Company has developed long term relationships with reputed and renowned customers globally, which include corporations such as Toyota, Maruti, Hyundai, Hero Moto Corp, Caterpillar, Hino Motors and Bajaj, among others.

For more details, please visit: www.vardhmansteel.com

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Caution Concerning Forward- Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results



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Vardhman Special Steels Limited

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