

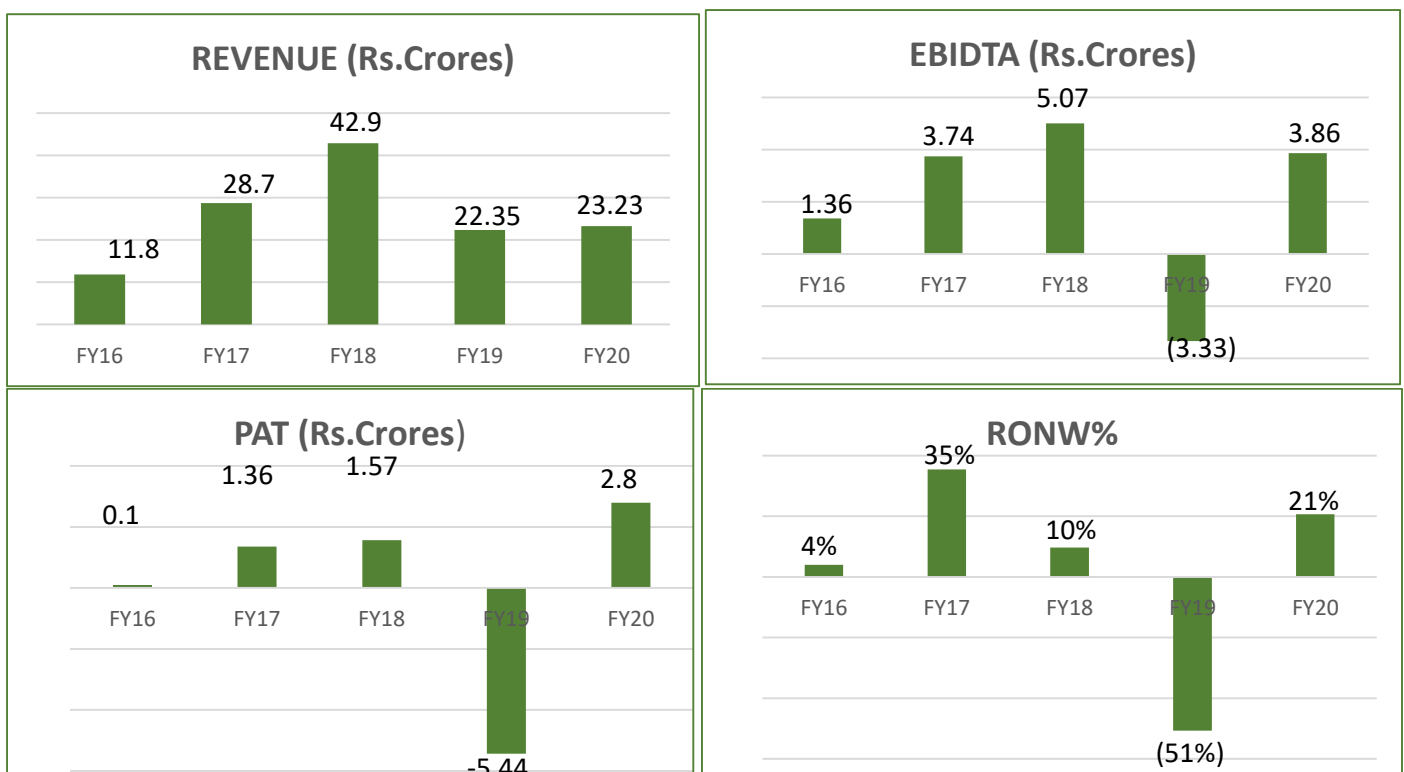
Press Release- June 26, 2020
R M Drip and Sprinkler Systems Limited.
Nasik, Maharashtra.

“BORN TO SERVE” THE FARMING COMMUNITY

R M Drip (CMP 26/6/2020 Close: Rs.49; MCap: Rs.32.8 crores) is ISI & ISO certified engaged in manufacturing and sale of Micro Irrigation Systems (MIS) consisting of Drip Irrigation and Sprinkler Irrigation Systems, HDPE Pipes, Components & irrigation accessories. The product portfolio consists of some of the best in class manufactured using state of the art technology, offering complete project solutions for intelligent use of water for worldwide irrigation applications. Being BIS compliant enables it to participate in the government projects & tenders. The company listed on the NSE Emerge platform in Oct. 2017 with an IPO of 20.10 Lakhs shares at Rs.57 each, raising Rs.11.46 crores. Please find below the highlights of H2 & FY2019-20 results declared at the Board meeting held on 25th June, 2020.

Result Highlights : FY20 All-Round Turnaround

- **Focus on higher margin products, FY20 sales of Rs.23.23 crores, up 4%**
- **EBIDTA turnaround to Rs.3.86 crores in FY20, vs loss in FY19**
- **EBIDTA Margins improved to 16.6% in FY20 vs Operating Loss in FY19**
- **PAT improved substantially to Rs.2.8 crores & PAT Margin a healthy 12%**
- **Total Debt lower at Rs.7.2 crores vs Rs.7.5 crores in FY19**



Highlights H2FY2019-20 Performance

Revenue Growth: Total Revenue for the 6 months of H2FY20 at Rs.15.9 crores, up 4% YoY compared to corresponding previous period, driven by a focus on higher margin products. The impact of mobility restrictions only marginally impacted March sales. The states of Maharashtra & Karnataka contribute over 85% of revenue, both reporting robust growth. Most of the projects are covered under the state subsidy eligibility schemes.

Production Capacity: With production capacity of 200 MT per month, in FY20 we operated at around 45% capacity. Going forward we sufficient capacity to expand scale

EBIDTA reported at Rs.2.7 crores was substantially higher vs a loss of Rs.2 crores in the corresponding previous period. This improvement came on back of a jump in **EBIDTA Margins at 17.2%**, bringing the company back in positive. This was achieved by lower Raw Material cost, marketing efficiencies and increased contribution of higher margin products drip irrigation products to total revenues.

PAT (Profit after Tax): PAT for H2 FY20 was Rs2.6 crores vs a loss of Rs.2.5 crores in the previous corresponding period. The PAT margin for the quarter as well as the year has improved substantially at 12% & 16% for the full year, supported by improved working capital management and overall improved product mix.

Financial Highlights H2 & FY2019-20 (Rs. In Crores)

Particulars	H2FY20	H2FY19	YoY Gr%	H1FY20	Sequential Half Gr%	FY20	FY19	YoY Gr%
Operating Revenue	15.88	15.32	4%	7.35	116%	23.23	22.35	4%
Net Raw Materials	8.1	13.09	-38%	3.38	140%	11.49	13.14	-13%
Employee cost	0.99	1.38	-28%	1.08	-8%	2.09	2.65	-21%
Other Expenses	4.06	2.89	40%	1.73	135%	5.79	5.87	-1%
Total Expenses	13.15	17.36	-24%	6.19	112%	19.37	25.72	-25%
EBIDTA	2.73	-2.04	-234%	1.16	135%	3.86	-3.33	-216%
EBIDTA Margin %	17.19%	13.31%		16%		16.62%	-14.87%	
Other Income	0.2	0.73	-73%	0.28	-29%	0.48	0.78	-38%
Depreciation	0.69	0.75	-8%	0.69	0%	1.37	1.47	-7%
PBIT	2.24	-2.06		0.75	199%	2.97	-4.1	-172%
Finance Cost	0.41	0.44	-7%	0.55	-25%	0.96	1.33	-28%
PBT	1.83	-2.5	-173%	0.2	815%	2.01	-5.43	-137%
Tax	-0.79	0.05		-	-	-0.78	0.01	-7900%
PAT	2.61	-2.54	-203%	0.2	1205%	2.80	-5.44	-151%
PAT Margin	16.43%	-16.57%		3%		12.05%	-24.30%	
No. of shares	0.67	0.67		0.67		0.67	0.67	
EPS Rs. #	3.89	-3.8		0.3		4.19	-8.13	
Net Worth						13.54	10.74	

Fully Diluted ; Numbers are rounded off to nearest digit

Notes :

- Extracted from Audited standalone financial statements of FY2019-20
- The Previous years numbers are regrouped / re-arranged / re-cast where found necessary

Management Comments

Commenting on the results Mr. Shyam Sundar Dash, Managing Director said "We are pleased to report a strong set of results and return to profitability. We were able to bounce back from losses to strong profits backed by a number of measures undertaken over the last year. We focused on improving the product mix and marketing initiative to improve profitable product sales and expanding markets.

We were well supported by new initiatives by the government, which has made a number of positive changes in the irrigation policy through its 'Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020. We expect this to boost overall demand for irrigation products going forward. With normal monsoons expected, we are hopeful the Kharif sowing and harvesting season will be good. Most of our projects are covered under the state subsidy eligibility schemes, hence the accelerated payment support by states like Karnataka and Maharashtra (also about start its subsidy disbursement soon) has also eased our cash flow.

But I would like to mention here that while we remain very optimistic, due to COVID-19 we are unfortunately facing unprecedented challenges currently with mobility restrictions affecting our sales at dealer level. Despite these formidable challenges, I am happy to share with you that the company continues to meet all its financial obligations to banks, without taking moratorium. We have also ensured that our employees are paid their full dues.

We remain optimistic that the situation will stabilize soon. With only 15 to 20% currently covered under Micro Irrigation nationally, the market opportunity remains big. On behalf of the Board of Directors, I would like to thank you, our shareholders, our employees, clients and all stakeholders for having faith in our Company and supporting us in our efforts."

For more details please refer to our website www.rmdrip.com

For any Queries, please contact:

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Disclaimer: Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. We will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events.