



apcotex industries ltd.

Investor Presentation

FEBRUARY, 2017

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Apcotex Industries Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

Rs in Crores	Q3 FY17	Q3 FY16	9M FY17	9M FY16	FY FY16*
Revenue	104	66	303	200	296
EBIDTA	6	10	21	29	39
PAT	5	5	16	16	39

Note:

Apcotex Industries Limited acquired Apcotex Solution India Private Limited (Erstwhile known as Omnova Solution) on 5th February 2016.

Hence the financials for Q3 FY17 and 9M FY17 are not directly comparable.

*FY16 figures are on consolidated basis.

The Board of Directors of the Company, at its meeting held on 22nd April 2016, have approved the Scheme of Amalgamation of Apcotex Solutions India Private Limited (earlier known as OMNOVA Solutions India Private Limited), a wholly owned subsidiary of the Company with itself. The Hon'ble High Court of Judicature at Bombay ('High Court') on October 27, 2016 has approved the Scheme of Amalgamation.

The Scheme has become effective post filing with the Registrar of Companies / Ministry of Corporate Affairs on 1st December, 2016

a) Name of the entities forming part of the amalgamation:

Transferor Company	Apcotex Solutions India Private Limited (earlier known as OMNOVA Solutions India Private Limited)
Transferee Company	Apcotex Industries Limited
Appointed Date	31 st March, 2016

a) Details in brief of the companies involved in the scheme as on 31st March, 2016 are as under

Rs. Crores	Transferor Company	Transferee Company
Networth	Rs. 113.19	Rs. 94.68

- Strike at Taloja Plant
 - ✓ Incurred an estimated gross sale loss of Rs. 10 – 12 crores for a period of ~22 days from 9th January 2017 to 31st January 2017
 - ✓ Making all efforts to settle the issue amicably
 - ✓ Also trying to make all the necessary arrangements to restart the production
- Product Rationalization
 - ✓ To focus on High Yield Products
- Increased Export
 - ✓ Exports volume up by ~25% YoY for nine months ended December 2016
- Increasing Market Share in Tyre Industry
 - ✓ VP Latex volume up by ~52% YoY for nine months ended December 2016
- Lower Volumes in Paper & Paper Board Industry
 - ✓ Slow down in business due to temporary shut down in of one of the largest customer
- Raw Material Cost
 - Increasing raw material cost led to suppressed margins and low volumes

- Key initiatives taken in Valia Unit of Apcotex Solution (now merged with Company)
 - ✓ Reduction in Expenses
 - Lowered the expenses by ~ 66% since the date of acquisition
 - Efficient Raw Material Management to tackle volatility
 - ✓ Better Working Capital Management
 - Finished Goods Inventory lower by ~45% as on Dec'16 compared to Mar'16 by adopting flexi inventory policy over static inventory policy and by 51% since acquisition
 - Receivable days down to ~65 days from 84 days on 4th Feb'16
 - Strict Credit Policy
 - ✓ Improving quality of NBR to strengthen market share
 - ✓ Management of Distribution Network - Increased Sales & Better Working Capital
 - Conversion of Consignment Agents to Distributors
 - Appointment New distributors
 - ✓ Modernization and Efficiency improvement to reduce operating cost through capex of ~Rs. 30 Crs has started
 - ✓ Implemented the New ERP System and designed New Logo and Corporate Identity

Rs. Crores	Q3 FY17*	Q3 FY16	Y-o-Y	Q2 FY17	Q-o-Q	9M FY17*	9M FY16	Y-o-Y
Total Revenue	104.19	65.69	58.61%	92.46	12.69%	303.09	200.40	51.24%
Operating Expenses	73.85	42.16		65.32		212.99	131.97	
Employees Expenses	6.19	3.87		7.68		21.49	11.39	
Other Expenditure	17.96	10.14		14.84		47.12	28.48	
EBITDA	6.18	9.52	-35.09%	4.62	33.77%	21.49	28.56	-24.75%
EBITDA Margin	5.93%	14.49%		5.00%		7.09%	14.25%	
Other Income	2.20	0.30		2.84		7.13	2.19	
Depreciation	3.05	2.22		3.06		9.08	6.74	
Interest	0.82	0.76		0.72		2.18	1.72	
PBT	4.51	6.84	-34.11%	3.67	22.74%	17.36	22.29	-22.10%
Tax	-0.64	2.17		0.12		1.80	6.18	
Profit After Tax	5.15	4.68	10.16%	3.56	44.79%	15.56	16.11	-3.39%
PAT Margin	4.94%	7.12%		3.85%		5.13%	8.04%	

Note: Negative tax is due to reversal of the tax provision made in earlier quarters

* - Not Comparable due to acquisition of Apcotex Solutions (now merged with the company) on 5th February 2016

Rs. Crores	Sep - 16	Mar – 16
Shareholders Fund	197.63	187.22
Share Capital	10.41	10.41
Reserves & Surplus	187.22	176.81
Total Non Current Liabilities	5.60	3.37
Long Term Borrowings	0.00	0.00
Deferred Tax liabilities	0.00	0.00
Other Long Term Liabilities	3.08	1.38
Long Term Provision	2.51	1.99
Total Current Liabilities	85.67	97.47
Short Term Borrowings	32.36	17.05
Trade Payables	29.10	34.13
Other Current Liabilities	24.07	31.85
Short term provision	0.15	14.44
TOTAL EQUITY & LIABILITIES	288.90	288.06

On Consolidated Basis

Rs. Crores	Sep - 16	Mar – 16
Total Non Current Assets	134.43	135.95
Fixed Assets	94.24	94.74
Non Current Investments	20.37	17.81
Deferred Tax Assets (Net)	5.32	6.73
Long term loans & advances	8.46	10.62
Other Non Current assets	6.05	6.05
Total Current Assets	154.47	152.11
Inventories	35.59	43.34
Trade Receivables	79.32	83.84
Cash & Cash Equivalents	24.99	9.81
Short Term loans & Advances	7.66	7.41
Other current asset	6.91	7.72
TOTAL ASSETS	288.90	288.06

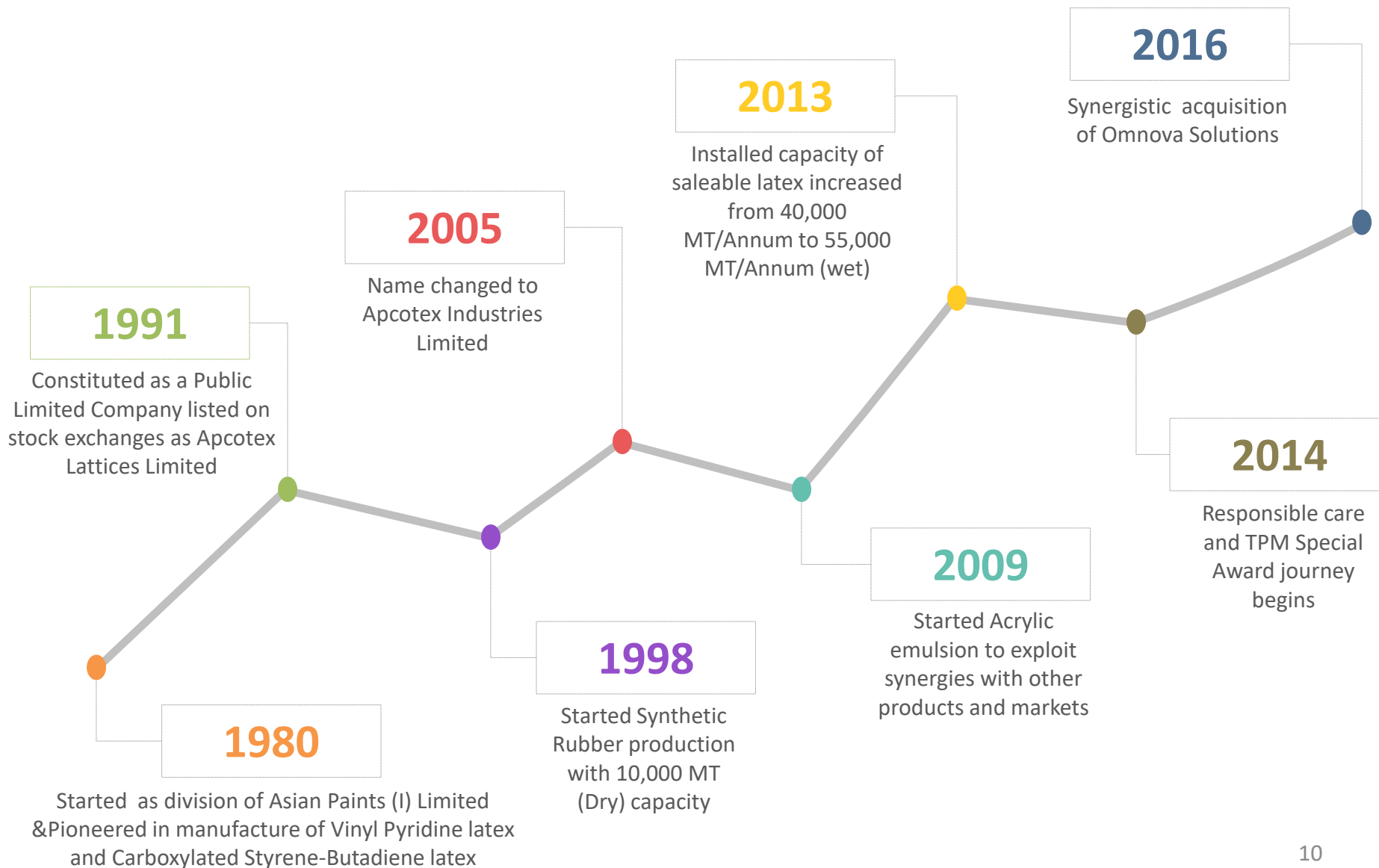
apcotex industries limited

One of the leading producers of Performance Emulsion Polymers in India

DIVERSIFIED PRODUCTS

DIVERSIFIED INDUSTRIES

DIVERSIFIED PRESENCE



	Rs in Crores	FY09	FY16*	CAGR
	Revenue	100	296	17%
	EBIDTA	9	39	24%
	PAT	5	39	36%
	ROE	8%	21%	
	ROCE	13%	19%	

*FY16 figures are on consolidated basis.

01

DIVERSIFIED PRODUCTS

05

R&D AND QUALITY CONTROL

02

DIVERSIFIED INDUSTRIES

06

QUALITY CERTIFICATIONS

03

DIVERSIFIED PRESENCE

07

EXPERIENCED BOARD OF
DIRECTORS

04

STRATEGICALLY
LOCATED FACILITIES

08

PROFESSIONAL
MANAGEMENT TEAM

apcotex industries

Nitrile Latex

High Styrene Rubber

Carboxylated SB Latex

SB / Styrene Acrylic Latex

Vinyl Pyridine Latex



apcotex solutions[★]

NBR Bale Rubbers

NBR PVC Polyblends

Powdered NBR

Hot Polymers

Carboxylated NBRs

Oil extended Nitrile rubbers

apcotex industries

Paper & Paper Board Coating

Carboxylated SB Latex /
Styrene Acrylic Latex



Dipping of Nylon, Rayon, Polyester Tyre Cord Vinyl Pyridine Latex



Carpet Backing

Carboxylated SB / Styrene
Acrylic Latex



Footwear & Shoe Sole

High Styrene Rubber



Bonding & Waterproofing in Construction

SB / Styrene Acrylic Latex



Textile Finishing & Non Woven

Carboxylated SB Latex



apcotex solutions⁺

Brakes & Jointing Sheets

NBR Bale Rubbers



Rice Roll & Hoses

NBR PVC Polyblends



apcotex industries

Paper

- ITC Ltd
- BILT
- JK PAPER
- NR Group

Carpet

- Obeetee Industries
- ABC Industries

Rubber

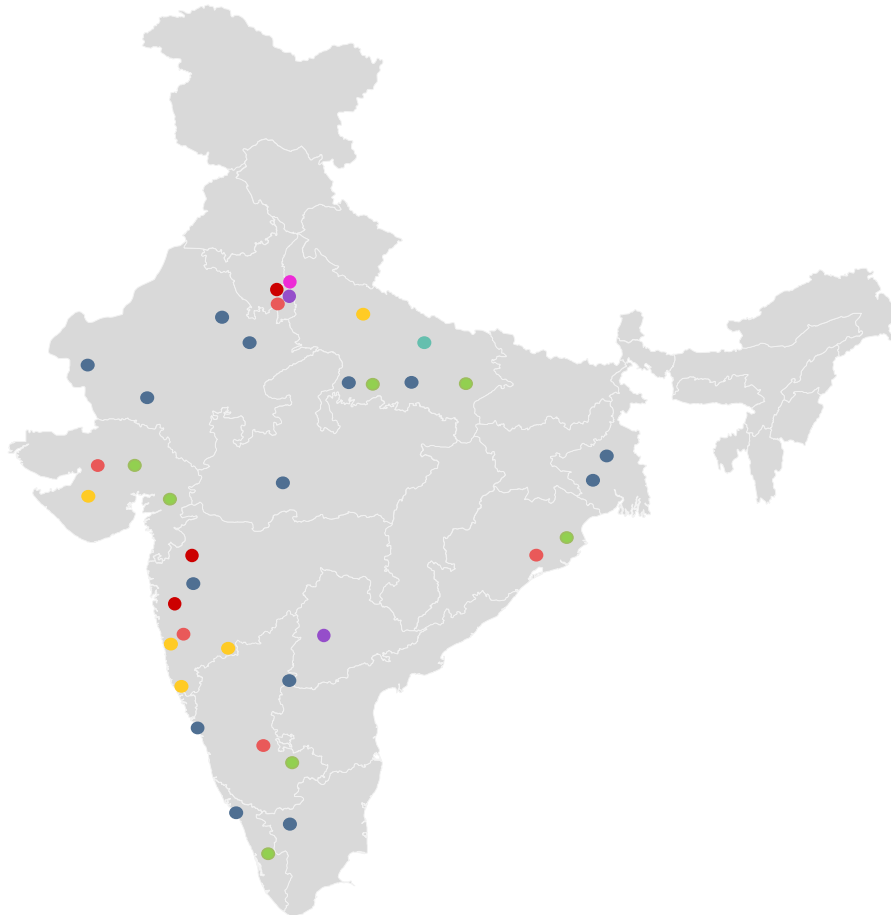
- Paragon Footwear
- Relaxo Footwear
- Banik Rubber
- Distributors all over India

Construction

- Pidilite Industries
- Sika
- Fosroc

Tyre/Cord Dipper

- MRF
- SRF
- Rajshree Polyfill (Century Enka)
- Madura



apcotex solutions⁺

Auto & Industrial

- Unique Auto Rub Udyog Pvt Ltd
- Varroc Elast
- G.B. Rubber
- Jayashree Polymers

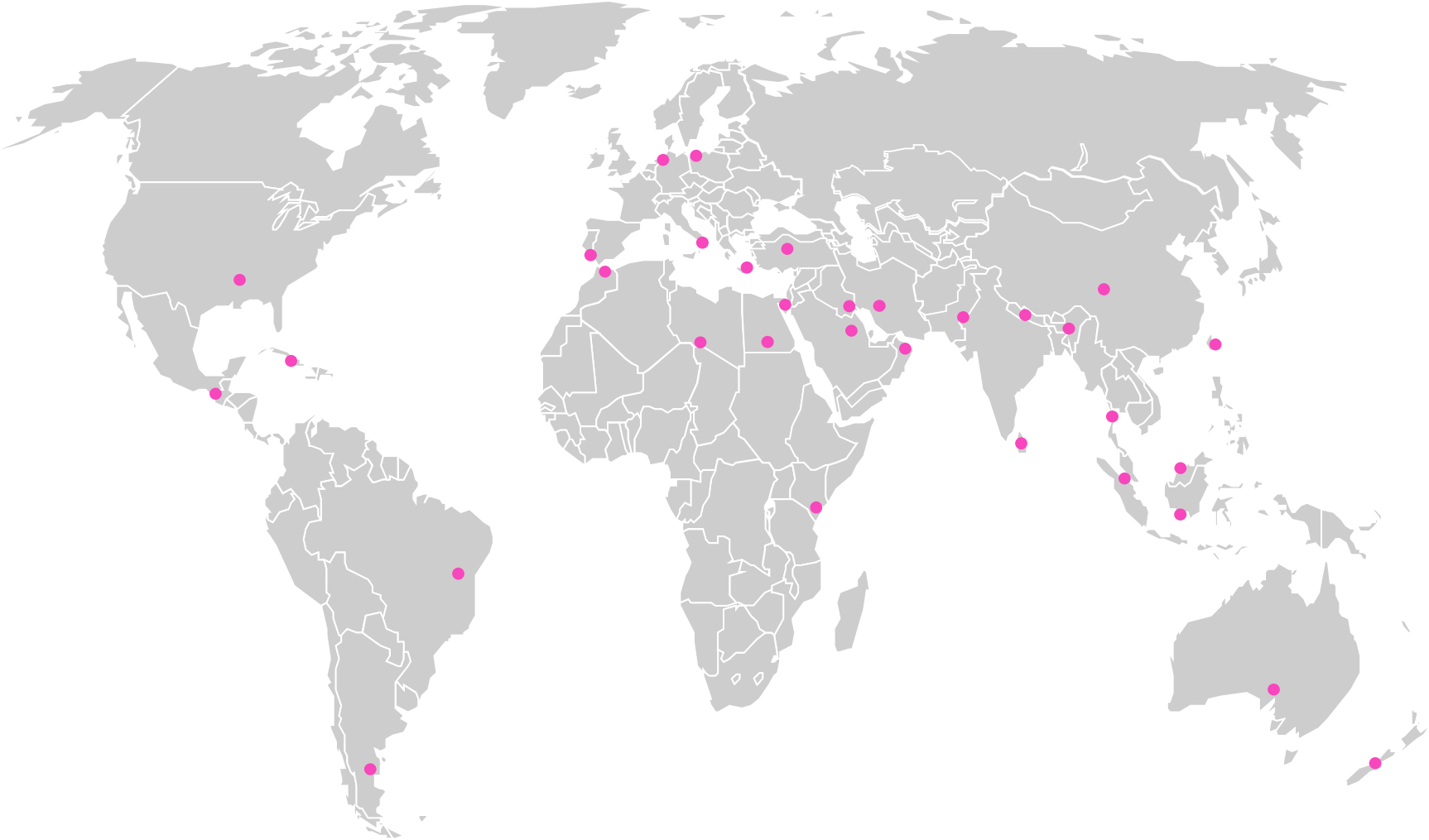
Hoses & LPG

- Vansh Industries
- Super Hoze
- Jugaltara
- Parker Hannifin India

Rice Rolls

- Shaktiman
- Hindustan Rubber Industries (RR)
- Golden Rolls Pvt Ltd/Cable Corp

INTERNATIONAL CUSTOMER BASE





Taloja Facility

Maharashtra

Valia Facility

Gujarat



Product Development Lab



Product Application Lab



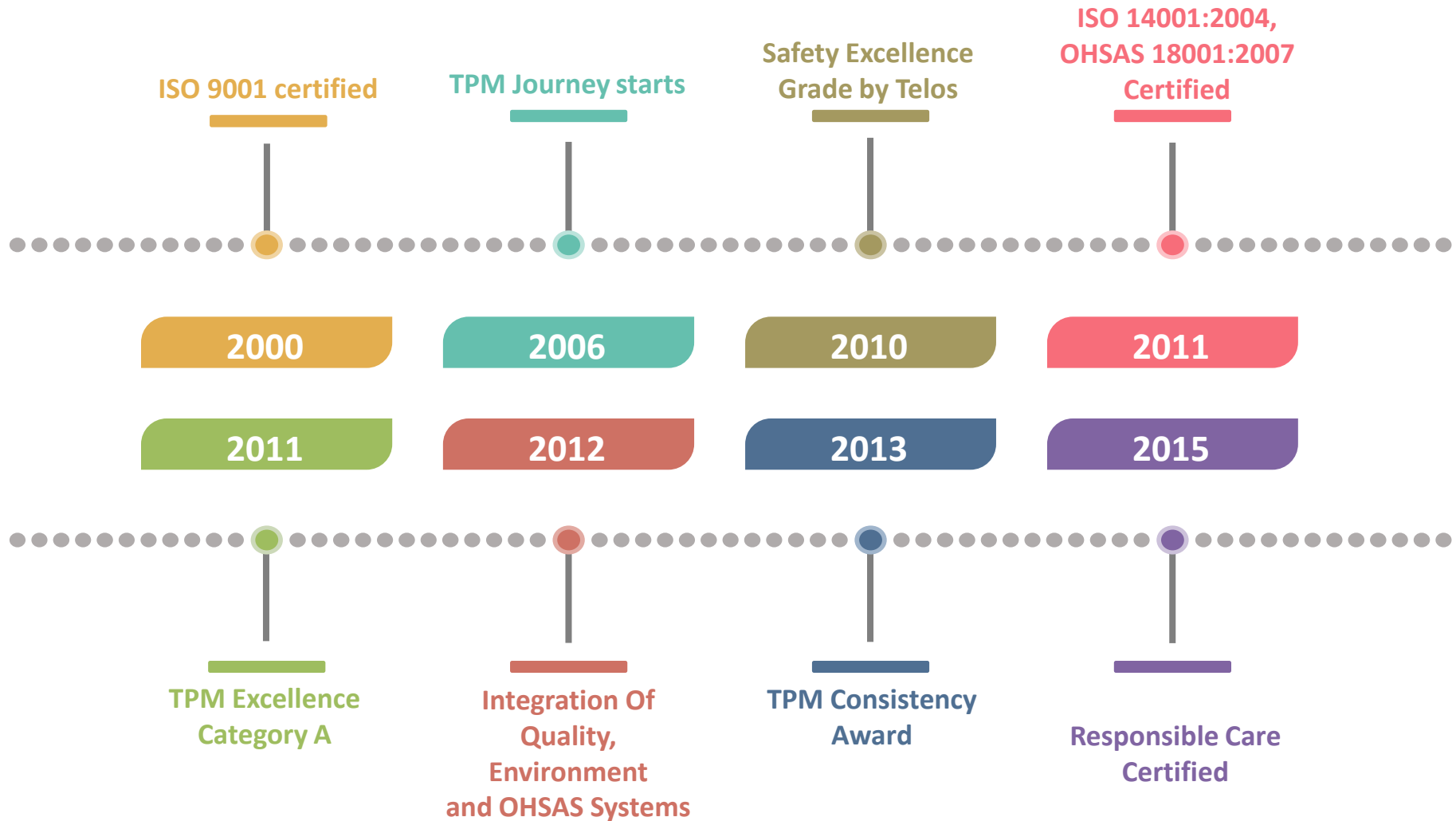
DCS Process Control



Quality Assurance Lab



*We have been **continuously upgrading** our own technology through in house research & **development** efforts to meet the **changing needs** of customers*



MR. ATUL CHOKSEY

Chairman

He is a Chemical Engineer from Illinois Institute of Technology, Chicago, USA and has more than three decades of experience in managing the affairs of the Company. He is on the board of various reputed companies like Marico, Ceat and Finolex Cables.

He has served on the Managing Committee of Bombay Chamber of Commerce & Industry, Mumbai and Associated Chamber of Commerce & Industry, New Delhi and was President of Bombay Chamber of Commerce. He is also associated with Cricket Club of India Ltd, Standard Chartered Assets Management Company Private Limited and various other reputed Companies.

MR. ABHIRAJ CHOKSEY

Managing Director

He is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A.

He has several years of experience in the field of finance, system engineering, strategy formulation and administration.

MR. AMIT C. CHOKSEY

Director

He is a Bachelor in Commerce and has over 30 years of experience in managing industries manufacturing various types of construction chemicals, specialty water proofing compounds and inorganic pigments.

He is the Chairman and Managing Director of Mazda Colours Ltd.

MR. GIRISH C. CHOKSEY

Director

He has over four decades experience in managing the industries dealing with various types of minerals and chemicals.

He is past president of Mineral Merchants Association and Pesticides Formulators Association of India.

MR. MANUBHAI G. PATEL

Independent Director

He is a Chartered Accountant with more than 40 years of experience in the field of accounts, finance and taxation.

He was a member of Central Council of ICAI from 1980 to 1988 and member of various committees. He was the President of Income Tax Appellate Tribunal Bar Association, Ahmedabad and was also a Member of Central Direct Tax Advisory Committee, New Delhi

MR. SHAILESH S. VAIDYA

Independent Director

He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as Advocate and Solicitor.

He has been partner of M/s. Kanga & Company, a firm of Advocate's and Solicitors and presently serving as member of the managing committee of Indian Merchant Chamber and as chairman of Law, Review, Reforms and Rationalization Committee.

MR. KAMLESH S. VIKAMSEY

Independent Director

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005.

In past he has been associated with organizations such as Confederation of Asia & Pacific Accountants Vice President and President, United Nations as Steering Committee Member etc.

MS. PRIYAMVADA BHUMKAR

Independent Director

She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd., the well-known Indian colorant manufacturing company.

She was the chairperson of the IPA (Indian Paint Association) Western Region in the year 2010-2011 and is currently on the Governing Body of the IPA.

DR. S. SIVARAM

Independent Director

He is a M.Sc. From Indian Institute of Technology and has done his PHD from Purdue University, W. Lafayette, USA and Research.

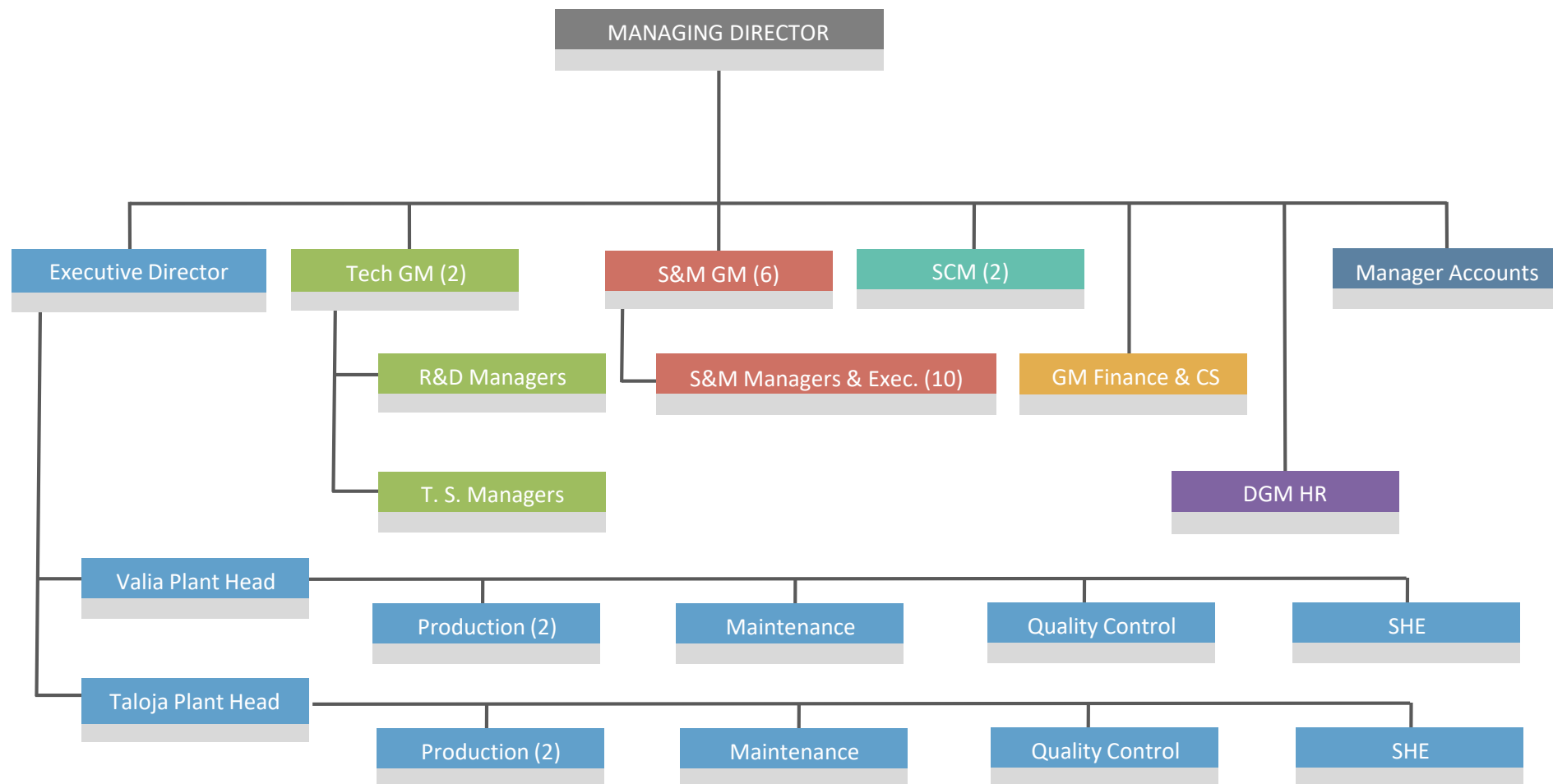
He is presently working with National Chemical Laboratory as its director and has over 30 years of experience in research on polymer synthesis, high performance polymers and surface chemistry of polymers and has to his credit various awards.

MR. YASHODHAN B GADGIL

Executive Director

He is a Bachelor of Chemical Engineering and has worked with Asian Paints and Apcotex Industries since 1981. Currently he is Vice President – Operations and in-charge of production, engineering, projects, supply Chain (till 2015), stores, IR and general Factory administration.

He is Member of the strategy team and worked with different local and International Management Consultants as well as Technical consultants for working out Business Development and Improvement plans.



01

**KEY PERFORMANCE
INDICATORS**

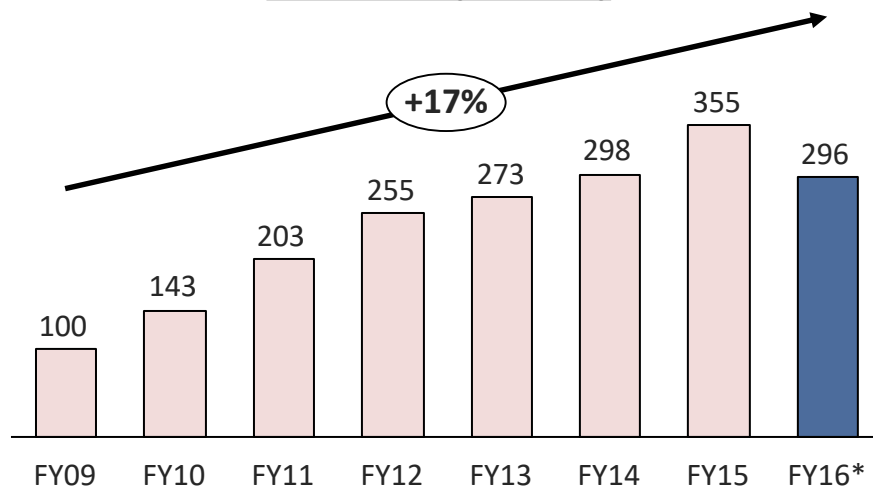
02

PROFIT & LOSS STATEMENT

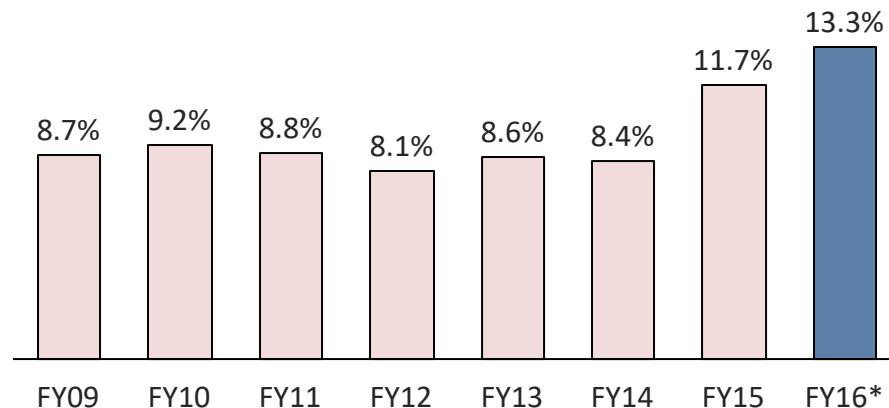
03

BALANCE SHEET STATEMENT

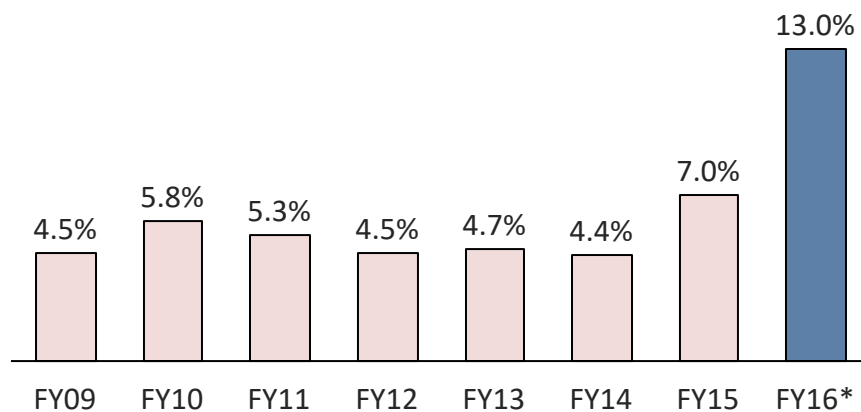
Revenue (In Crs)



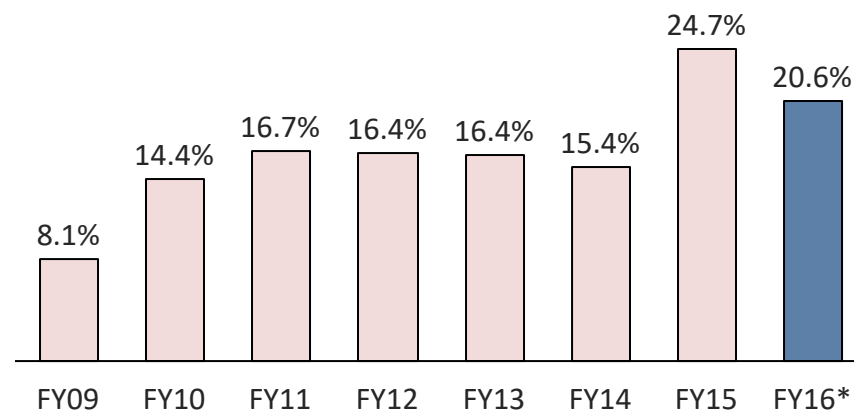
EBIDTA Margin



PAT Margin

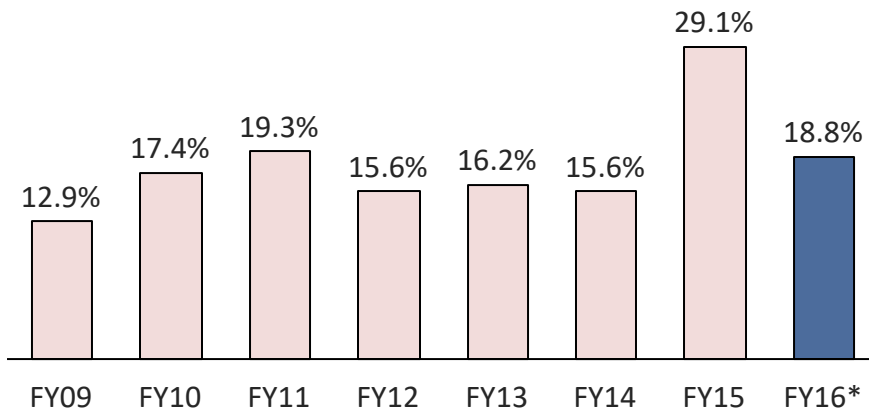


ROE

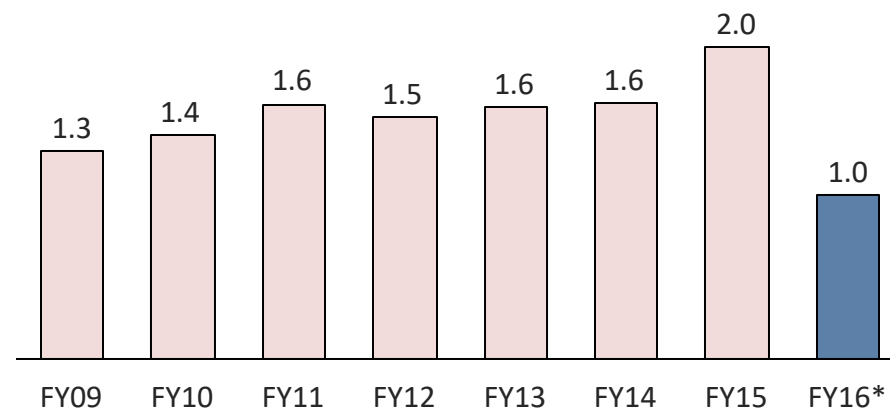


*FY16 figures are on consolidated basis.

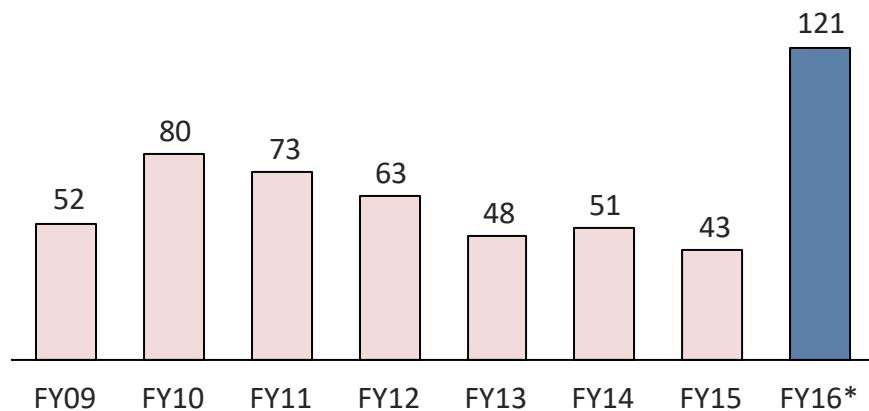
ROCE



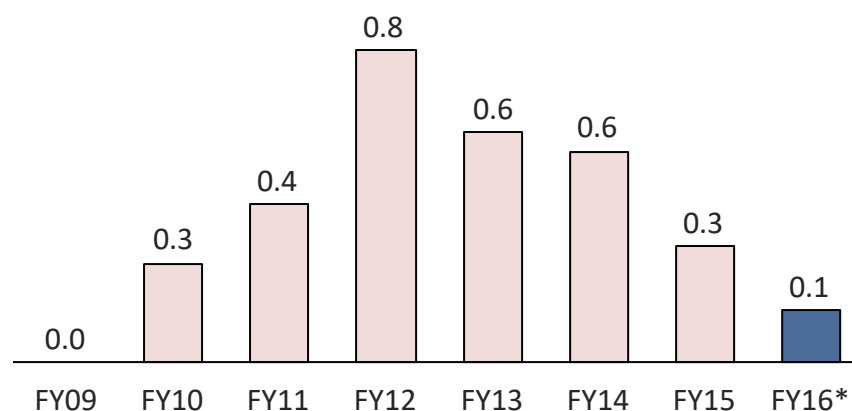
Asset Turnover Ratio



Net Operating Working Capital Days



Debt to Equity Ratio



*FY16 figures are on consolidated basis.

Rs. Crores	Standalone			Consolidated
	FY16	FY15	Y-o-Y	FY16
Total Revenue	268.35	355.08	-24.43%	296.46
Operating Expenses	175.53	250.20		193.81
Employees Expenses	15.22	14.10		17.08
Other Expenditure	40.17	49.30		46.15
EBITDA	37.44	41.47	-9.72%	39.43
EBITDA Margin	13.95%	11.68%		13.30%
Other Income	7.35	5.58		8.28
Depreciation	8.94	8.98		9.40
Interest	2.42	3.24		2.43
PBT	33.43	34.83	-4.02%	35.88
Tax	8.76	10.15		-2.65
Profit After Tax	24.67	24.68	-0.04%	38.53
PAT Margin	9.19%	6.95%		13.00%

Rs. Crores	Consol	Standalone	
	Mar - 16	Mar - 16	Mar - 15
Shareholders Fund	187.22	113.19	99.75
Share Capital	10.41	10.41	5.22
Reserves & Surplus	176.81	102.78	94.53
Total Non Current Liabilities	3.37	7.39	17.05
Long Term Borrowings	0.00	0.00	8.36
Deferred Tax liabilities	0.00	4.68	5.59
Other Long Term Liabilities	1.38	1.38	1.33
Long Term Provision	1.99	1.33	1.78
Total Current Liabilities	97.47	71.76	63.85
Short Term Borrowings	17.05	16.88	14.39
Trade Payables	34.13	23.01	20.26
Other Current Liabilities	31.85	17.58	19.86
Short term provision	14.44	14.29	9.34
TOTAL EQUITY & LIABILITIES	288.06	192.34	180.66

Rs. Crores	Consol	Standalone	
	Mar - 16	Mar - 16	Mar - 15
Total Non Current Assets	135.95	117.33	102.46
Fixed Assets	94.74	62.69	65.13
Non Current Investments	17.81	47.72	30.76
Deferred Tax Assets (Net)	6.73	0.00	0.00
Long term loans & advances	10.62	6.65	6.30
Other Non Current assets	6.05	0.27	0.27
Total Current Assets	152.11	75.01	78.20
Inventories	43.34	20.00	15.22
Trade Receivables	83.84	46.19	48.70
Cash & Cash Equivalents	9.81	4.82	4.43
Short Term loans & Advances	7.41	2.70	5.47
Other current asset	7.72	1.29	4.37
TOTAL ASSETS	288.06	192.34	180.66

01

CONTOURS OF THE DEAL

02

ACQUISITION RATIONALE

03

ACQUISITION ASSETS & OPPORTUNITIES



OMNOVA
SOLUTIONS

Long Term Strategy to tap
Full Potential
of
Emulsion Polymers Industry

Apcotex Industries Ltd acquires 100% of Equity Capital of
Omnova Solutions India Private Limited in all Cash deal

Enterprise Value of the Deal – Rs 36 Crs

Equity - Rs 30 Crs

Loan Given to Omnova - Rs 6 Crs

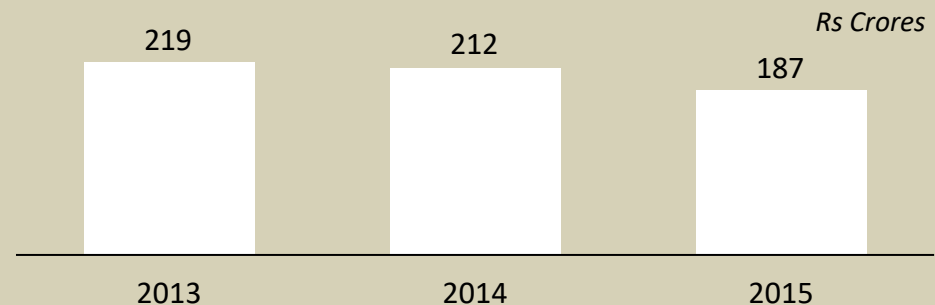
Additional Deployment

Additional deployment of Rs 25 – 30 Crores is planned in the
acquired business in Short & Medium Term

Funding

The acquisition has been funded through internal accruals

Omnova Solutions India Private Limited – Sales Performance*



* Financial year ending month- November

PRODUCT

- Product Base Expansion
- Major Producer of HSR

MARKET

- Expansion in End User Market
- Expansion in Customer Base

OPERATIONAL

- Manufacturing & Process Synergies
- Operating Leverage

COST

- Optimization of Distribution Network
- Common Expenses & Contract Renegotiation

FINANCIAL

- Working Capital Efficiency
- Margin Expansion

BUSINESS OPPORTUNITIES



ADDITIONAL BENEFITS

Tax Benefits

Tax Benefits of
~Rs. 10 - 14
Crores



Working Capital

Better working capital efficiency will release
~Rs. 12-15 Crores



Land

115 Acres of Land at Valia - ~23 Kms from Ankleshwar, Gujarat



*Incremental Capex of Rs 25- 30 Crores for modernisation & de bottlenecking
Accretive Acquisition – Operating Benefits will significantly improve Margins*

01

ENTRY BARRIERS

02

BUSINESS OUTLOOK

Handling of Raw Materials

- Ability to handle raw material which are explosive, toxic and inflammable
- Butadiene, Acrylic Acid Acrylonitrile, Styrene and 2 VP Monomer needs special handling

Customer Approvals

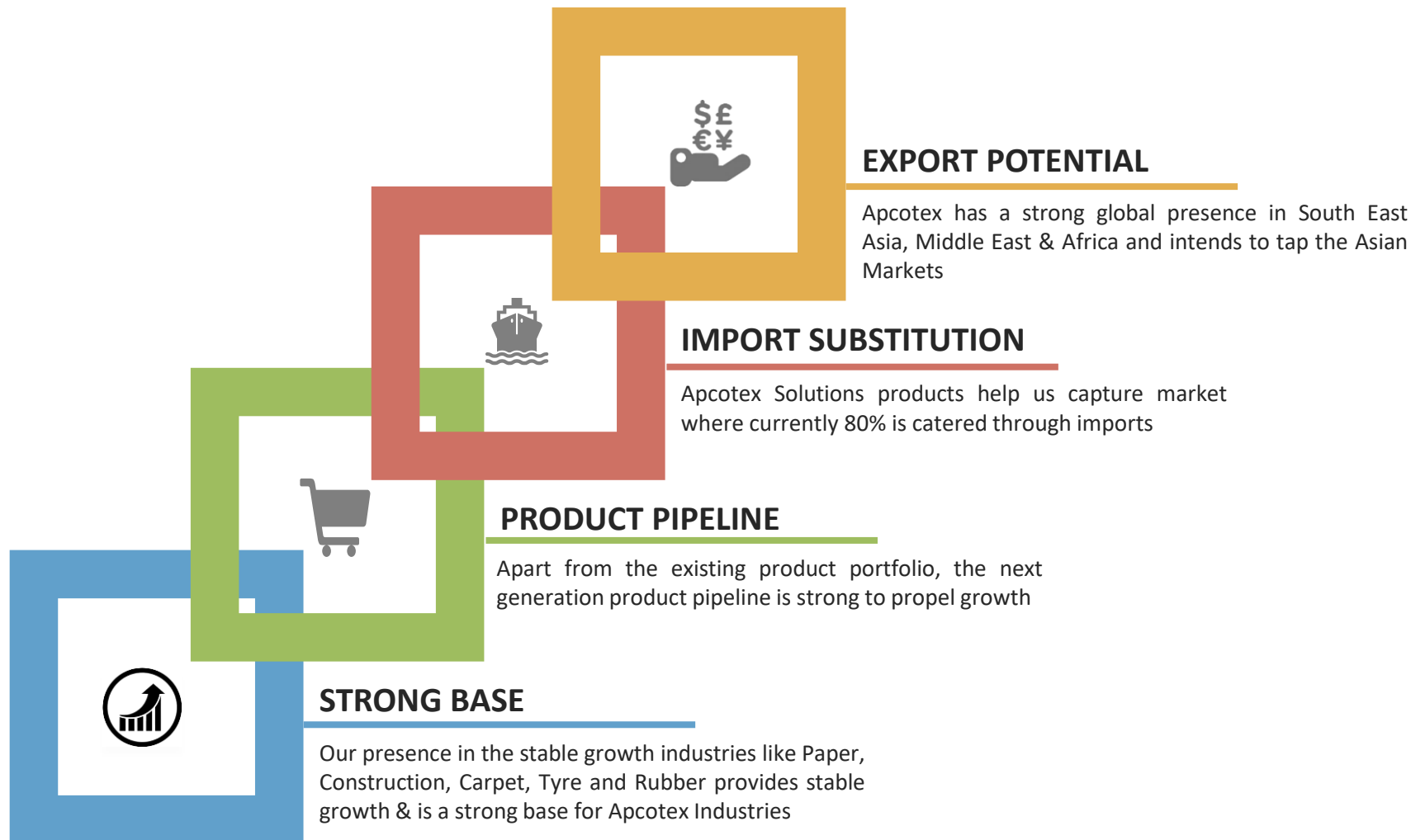
- Average customer approval cycle is from 6m to 3yrs
- The Approval Process ensures the stickiness of the Customer

Technology

- Technology is available with handful players only
- Technical service & product customization to customers

Plant Automation

- The new entrants in the industry will not be able to replicate automated plant setup
- Automation – Only way to scale operations



For further information, please contact:

Company :

Apcotex Industries Limited
CIN: L99999MH1986PLC039199

Mr. Anand Kumashi
avkumashi@apcotex.com

www.apcotex.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya/ Ms. Payal Sheth
jigar.kavaiya@sgapl.net / payal.sheth@sgapl.net

www.sgapl.net