



Date: 22nd May 2020

To, Manager - Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code: 523694	To, The Manager - Listing Department, The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block G, Sandra - Kurla Complex, Sandra (East), Mumbai - 400 051 Symbol: APCOTEXIND
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Sub: Earnings Presentation – May 2020

Dear Sir/Madam,

Please find enclosed herewith Earnings Presentation – May 2020. The same is for your reference and records.

Thanking you,

For Apcotex Industries Limited

Anand V Kumashi
GM – Finance & Company Secretary

apcotex industries limited

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CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com



apcotex industries limited

EARNINGS PRESENTATION

Q4-FY20/ FY20

OVERVIEW

- ▶ Apcotex Industries Ltd (Apcotex) is a leading producer of Synthetic Rubber (Nitrile Rubber, High Styrene Rubber, Nitrile Polyblends and Nitrile Powder) and Synthetic Latex (XSB Latex, VP Latex, Styrene Acrylics and Nitrile Latex) in India.
- ▶ The company has one of the broadest range of Emulsion Polymers available in the market today.
- ▶ The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De-husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear.
- ▶ Apcotex is listed on both the BSE and NSE and has an approximate market capitalisation of INR 4,103.5 Mn as on 31st March, 2020.

BUSINESS MIX

- ▶ SYNTHETIC LATEX
 - ▷ Paper/ Paper Board, Carpet, Construction, Tyre Cord, Speciality.
- ▶ SYNTHETIC RUBBER
 - ▷ Automobile, Footwear, Rice Rolls.

MARQUEE CLIENTS

- ▶ SYNTHETIC LATEX
 - ▷ ITC Ltd, BILT, JK PAPER, Pidilite Industries, MRF, SRF, Century Enka, etc.
- ▶ SYNTHETIC RUBBER
 - ▷ Paragon Footwear, Ajanta Footwear, Relaxo Footwear, Jayshree Polymers, Parker Hannifin, etc.

MANUFACTURING

- ▶ Taloja Facility: Maharashtra
 - ▷ 55,000 MTPA Synthetic Latex
 - ▷ 7,000 MTPA High Styrene Rubber
- ▶ Valia Facility: Gujarat
 - ▷ 16,000 MTPA Nitrile Rubber and Allied Products.

FY20 FINANCIALS (Excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd)

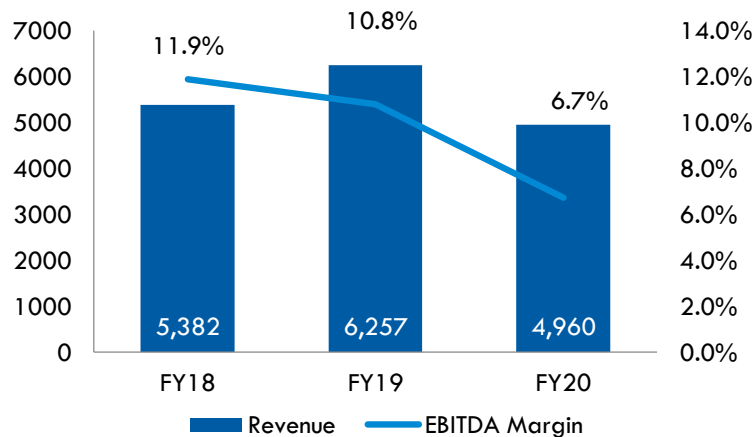
Revenue - **INR 4,960 Mn**

Operating EBITDA - **INR 334 Mn**

PAT- **INR 166 Mn**

- ▶ The company's Taloja plant was established in 1980 as a division of Asian Paints (India) Ltd. In 1991, the division was spun off as a separate company, which was headed by Mr. Atul Choksey, former MD of Asian Paints. The company is currently headed by Abhiraj Choksey who is the Managing Director.
- ▶ Apcotex has a significant global presence and for last few years has done business in all continents and several countries.
- ▶ It is one of the leading producers of Synthetic Rubber and Synthetic Latex in India.
- ▶ Its state-of-the-art manufacturing plants are strategically located on the western coast of India.
- ▶ Over the past several years, the company has developed a strong Research & Development base, which has enabled them to develop, manufacture and export products and compete effectively against global players.
- ▶ Apcotex Industries has a workforce strength of over 450 fulltime employees.

Revenue (INR Mn) and
Operating EBITDA Margin (%)



Q4-FY20 Financial Highlights:

- **Total Revenue:** INR 1,156 Mn
- **Operating EBITDA:** INR 79 Mn
- **Operating EBITDA Margin:** 6.83%
- **Net Profit:** INR 31 Mn
- **PAT Margin:** 2.68%
- **EPS:** INR 0.59 per share

FY20 Financial Highlights:

- **Total Revenue:** INR 4,960 Mn
- **Operating EBITDA:** INR 334 Mn
- **Operating EBITDA Margin:** 6.73%
- **Net Profit:** INR 166 Mn
- **PAT Margin:** 3.35%
- **EPS:** INR 3.21 per share

Q4-FY20 Operational Highlights:

- **Taloja:** Would have had the best quarter ever in terms of Volumes but due to lockdown could not complete pending orders. Margins were still under pressure but improving.
- **Valia:** In Q4-FY20 NBR market as well as allied products started picking up and margins were slowly coming back to normal levels.
- **Exports:** would have had the best quarter ever in terms of Volumes but due to lockdown could not complete pending orders.
- **Projects:**
 - Out of Capex Phase 1 of INR 100 Cr, INR 95 Cr. has been invested till March 31, 2020.
 - Co-gen Power Plant was commissioned just before COVID19 shutdown but had to stop temporarily due to lockdown.
 - Debottlenecking project will be completed shortly as well which will increase Valia production capacity to about 20,000 MT p.a. and will also help in reducing operational costs per MT.
 - Designing/Consent Applications for 2 major projects is ongoing – XNBR Latex (INR 60cr) and Polymerization Line 2 (INR 180 Cr).
 - In addition we are looking to add latex capacity in Taloja to the extent of 20% in FY 20-21 at a cost of INR 12-15 Cr.
- **Covid-19 update**
 - Post shutdown on account of COVID19, both the plants re-started operations from 20th April 2020.
 - Safety and Health of all employees will be of paramount concern - new protocols for sanitization and distancing put in place and being followed strictly.
 - Modifying a few reactors at both plants for manufacturing XNBR Latex for Gloves, where the demand is extremely strong. The modified reactors will be ready in a few weeks for production.
 - Company has a healthy liquidity position currently and to maintain the liquidity, cash flows are reviewed regularly by the leadership team.

Q4-FY20 Income Statement (As per IndAS)

Particulars (INR Mn)	Q4-FY20	Q4-FY19	Y-o-Y	Q3-FY20	Q-o-Q
Revenue	1,156	1,517	(23.8)%	1,096	5.5%
Total Expenses	1,077	1,378	(21.8)%	1,090	(1.2)%
Operating EBITDA	79	139	(43.2)%	6	NA
Operating EBITDA Margin	6.83%	9.16%	(233) Bps	0.55%	628 Bps
Depreciation	36	30	20.0%	36	NA
Finance Cost	4	3	33.3%	2	100.0%
Other Income	13	30	(56.7)%	14	(7.1)%
PBT	52	136	(61.8)%	(18)	NA
Tax	21	(17)	NA	(4)	NA
PAT	31	153	(79.7)%	(14)	NA
PAT Margin	2.68%	10.09%	(741) Bps	-	NA
Other Comprehensive Income	(65)	(1)	NA	15	NA
Total Comprehensive Income	(34)	152	NA	1	NA
Diluted EPS (INR)	0.59	2.95	(80.0)%	(0.27)	NA

FY20 Income Statement (As per IndAS)

Particulars (INR Mn)	FY20	FY19	Y-o-Y
Revenue	4,960	6,257	(20.7)%
Total Expenses	4,626	5,581	(17.1)%
Operating EBITDA	334	676	(50.6)%
Operating EBITDA Margin	6.73%	10.80%	(407) Bps
Depreciation	134	118	13.6%
Finance Cost	13	18	(27.8)%
Other Income	59	77	(23.4)%
PBT	246	617	(60.1)%
Tax	80	151	(47.0)%
PAT	166	466	(64.4)%
PAT Margin	3.35%	7.45%	(410) Bps
Other Comprehensive Income	(56)	(2)	NA
Total Comprehensive Income	110	464	(76.3)%
Diluted EPS (INR)	3.21	8.99	(64.3)%

Historical Income Statement

Particulars (INR Mn)	FY18	FY19	FY20
Revenue	5,382	6,257	4,960
Total Expenses	4,744	5,581	4,626
Operating EBITDA	638	676	334
Operating EBITDA Margin	11.85%	10.80%	6.73%
Depreciation	121	118	134
Finance Cost	16	18	13
Other Income	71	77	59
PBT	572	617	246
Exceptional Items	15	-	-
Tax	171	151	80
PAT	386	466	166
PAT Margin	7.17%	7.45%	3.35%
Other Comprehensive Income	(3)	(2)	(56)
Total Comprehensive Income	383	464	110
Diluted EPS (INR)	18.63	8.99	3.21

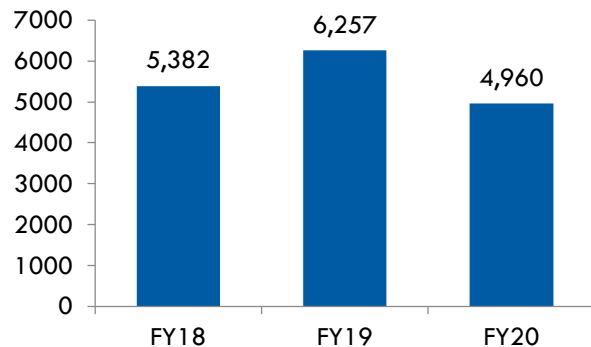
Balance Sheet

Particulars (INR Mn)	FY-19	FY-20
Shareholders Fund	2,778	2,513
Equity Share Capital	104	104
Other Equity	2,674	2,409
Total Non Current Liabilities	86	349
Deferred Tax liabilities	14	57
Other Long Term Liabilities	10	226
Long Term Provision	28	29
Other Financial Liabilities	34	37
Total Current Liabilities	906	1,107
Short Term Borrowings	30	189
Trade Payables	526	460
Other Current Liabilities	240	374
Short Term Provision	4	5
Other Current Liabilities	106	79
TOTAL EQUITY & LIABILITIES	3,770	3,969

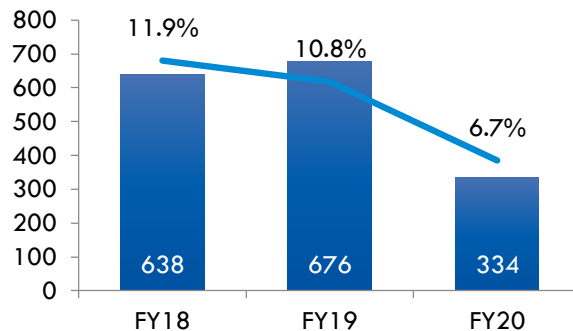
Particulars (INR Mn)	FY-19	FY-20
Total Non Current Assets	1,624	1,916
Property, Plant and Equipment	750	1,239
Capital Work in progress	212	193
Non Current Investments	428	334
Intangible Assets	14	9
Current Tax Assets (net)	38	55
Other Non Current Assets	182	86
Total Current Assets	2,146	2,053
Investments	261	211
Inventories	482	597
Trade Receivables	1,112	891
Cash & Cash Equivalents	57	117
Other Bank Balances	44	43
Short Term loans & Advances	2	3
Other Financial Assets	40	60
Other Current Asset	148	131
TOTAL ASSETS	3,770	3,969

Historical Performance Indicators

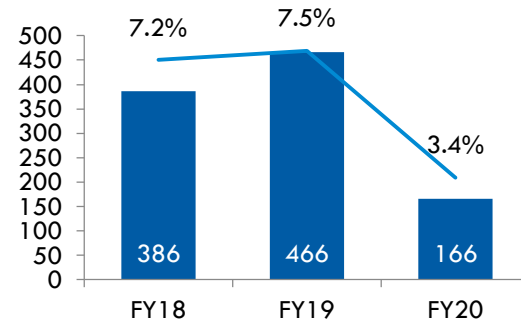
Operational Revenue (In Mn)



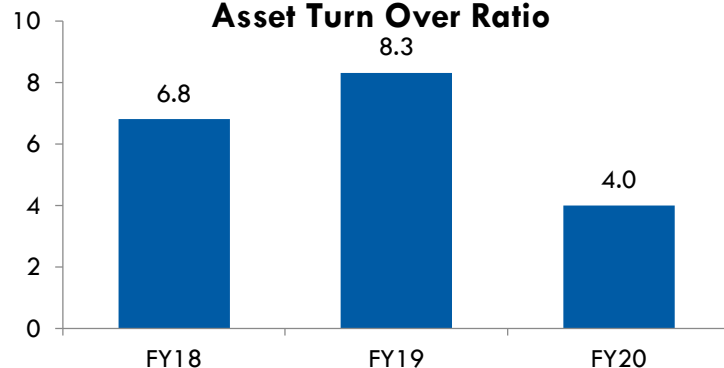
Operating EBITDA and EBITDA Margin



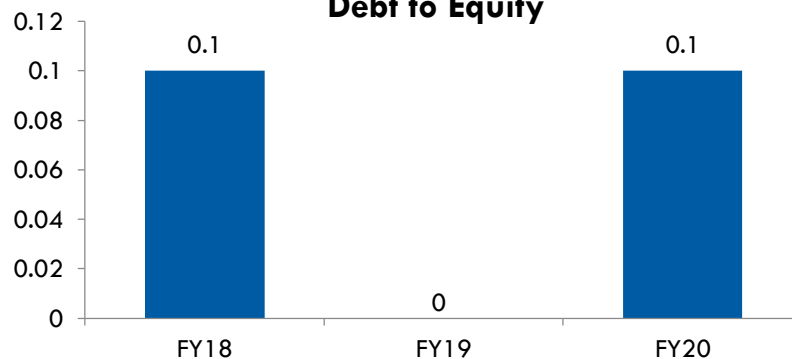
PAT and PAT Margin



Asset Turn Over Ratio



Debt to Equity



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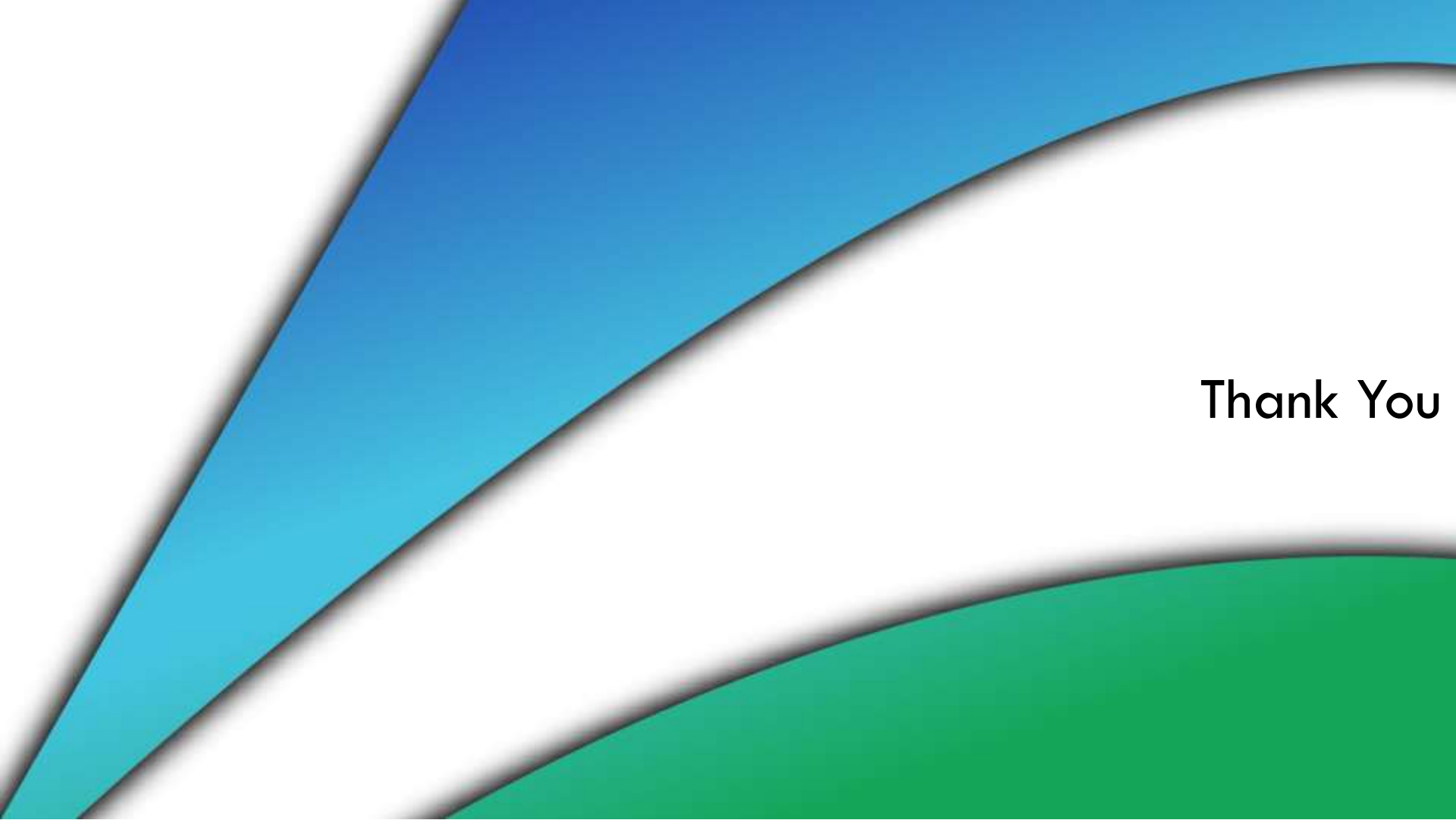
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Thank You