

August 12, 2019

ELECTRONIC FILING THROUGH BSE LISTING CENTER

To
Department of Corporate Services/Listing Department
BSE Limited
P J Towers, Dalal Street,
Mumbai – 400001

(SCRIP Code: 531761)

**Sub: Intimation under Regulation 30 of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015 – Result
Presentation**

Dear Sir(s),

In reference to the captioned subject, please find enclosed herewith a copy of “Q1 FY20 Result Presentation”.

This presentation has also been uploaded on the official website of the Company.

You are requested to kindly take the same on records.

Thanking you

With Due Regards
For Apollo Pipes Limited


Ajay Kumar Jain
Chief Financial Officer



Encl.: A/a



APOLLO PIPES LTD.

Q1FY20 Result Presentation

August 12, 2019



Safe Harbour

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



Table of Content





Operational & Financial Highlights Q1 FY20

Q1 FY20 at a glance – Steady start to fiscal year 2020

 **13,953** MTPA
Volume
20% yoy increase

 **17.5** cr
EBITDA
16% yoy increase

 **13.9** cr
PAT
12% yoy increase

 **97.1** cr
Net Cash
14% increase over March 2019

 **75,000** MTPA
Capacity* as on 12th August 2019

 **24.0** (%)
ROCE in FY19

 **Acquisition**
Kisan Mouldings Ltd's manufacturing unit in Bengaluru for under Rs. 30 cr

 **New Products**
Launch of PVC taps, Faucets

 **34**
Net WC days
Continuous focus on improving WC cycle

 **20** cr
Operating cash flows

 **625**
Distributors
Increased by 25 distributors in Q1 FY20

 **1,000+**
Products

* Includes acquired 12,000 MTPA capacity unit of Kisan Mouldings in Bengaluru

Key Developments

**Successfully
concluded the
strategic
acquisition of
Kisan Mouldings
Ltd's
manufacturing
unit
in Bengaluru**

- The acquired plant in Bengaluru has a total installed capacity of 12,000 MTPA and is equipped with manufacturing lines for both uPVC pipes and cPVC pipes, which are key product categories of Apollo Pipes
 - The facility has an installed capacity of 9,000 MTPA for uPVC pipes and 3,000 MTPA capacity of cPVC pipes
- The said facility is spread over 7 acres and is endowed with adequate space to integrate future expansion plans
- The acquisition is in line with the Company's strategy to enhance its reach in the Southern Market and jump-starts its long-term strategy to establish PAN-India presence
 - 'APL Apollo' brand enjoys a strong recall among distributors and customers in the southern markets – through this acquisition of manufacturing unit, Apollo Pipes plans on capitalizing on this positive brand image to drive reach and volumes
- The acquisition has an attractive payback period of less than 3 years

Key Developments

The Company is strategically evaluating plans to establish manufacturing facility for 'Fittings' segment in Bengaluru

- The Company is planning to establish a manufacturing line for its high-margin 'Fittings' product at the existing acquired facility in Bengaluru. This plan, currently, is under evaluation
- Apollo Pipes continues to see a strong build-up in demand from customers for the Fittings segment and is currently focusing on strengthening the volumes for this product category
- The said manufacturing line will have an installed capacity of 3,000 MTPA for the value-added Fittings segment. Currently, the Company manufactures this product from its facility in Dadri, UP

Key Developments

Expansion plans at existing facilities marking healthy progress

- The Company, in Q4 FY19, had announced its expansion plans. These expansion are marking a healthy progress and is on-track with the proposed timelines for execution
- Phase-wise expansion plan of existing facilities in Dadri and Ahmedabad marking progress
 - Target of having a total installed capacity of 90,000 MTPA by March 2020
- These newly added capacities, along with the new facility in Bengaluru, will help the Company seamlessly meeting the growing demand for its products which will further drive volume growth

Proposed Capacity Expansion			
Plant	Capacity		
	Existing	Additional	Total
Dadri	53,000	7,000	60,000
Ahmedabad	10,000	5,000	15,000
Bengaluru	12,000	~3,000	15,000
Total Capacity			~ 90,000

Key Developments

**Began the new
fiscal year on an
encouraging note**

- The Company delivered a healthy improvement of 20% YoY in its sales volumes
 - The key product segments of uPVC, cPVC and HDPE Pipe segments were the key drivers for the volume growth. Strong uptick in demand for the value-added product segment of Fittings also assisted the overall volume growth
- The Company is well positioned to capitalize on the enormous growth potential across the customer industries and remains confident of improving its business momentum against a backdrop of its strategic initiatives, and new capacities going on stream
- Overall, the Company is looking forward to delivering a healthy 25% growth CAGR in FY20

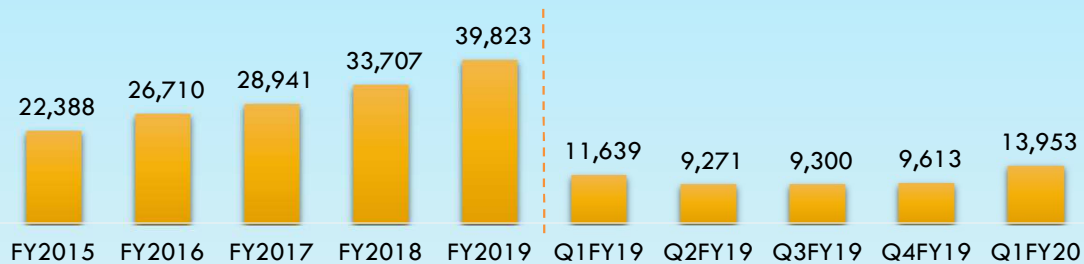


Key Financial & Operational Parameters

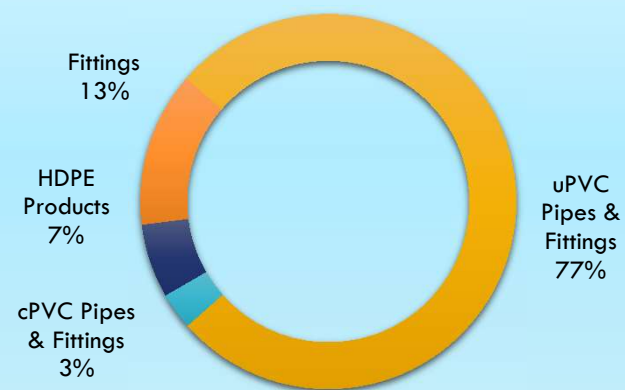
Product-wise Revenue Breakup

Particulars (Rs. crore)	Q1 FY20	Q1 FY19	Y-o-Y Shift
uPVC Pipes	88.9	81.2	9%
cPVC Pipes	3.7	2.5	44%
HDPE Products	7.4	5.4	35%
Fittings	15.4	10.1	53%
Others	2.0	1.8	15%
Total	117.4	101.1	16%

Sales Volume MT



Product Revenue (excluding Others segment) Break-up – Q1FY20



Abridged P&L Statement

Particulars (Rs. crore)	Q1 FY20	Q1 FY19	Y-o-Y Shift
Net Revenue from Operations	117.4	101.1	16%
Other Income	2.4	2.5	-4%
Total Income From Operations (Net)	119.7	103.6	16%
Total Expenditure	102.2	88.1	16%
Raw Material expenses	85.4	73.5	16%
Employee benefits expense	5.1	4.1	24%
Other expenses	11.7	10.5	12%
EBITDA	17.5	15.5	13%
<i>EBITDA margin (%)</i>	<i>15%</i>	<i>15%</i>	<i>-30 Bps</i>
Finance Costs	1.2	0.9	33%
Depreciation and Amortization	2.5	2.2	16%
PBT	13.8	12.4	11%
Tax expense	4.0	3.6	11%
PAT	9.8	8.8	12%
<i>PAT margin (%)</i>	<i>8%</i>	<i>9%</i>	<i>-34 Bps</i>
Diluted EPS (Rs.)	6.8	8.0	-15%

Financial Overview and Discussion (YoY)

Total Income From Operations (Net) during Q1FY20 stood at Rs. 117.4 crore, registering a growth of 16% Y-o-Y;

- The Company registered a healthy sales volume growth of 20% in Q1FY20. This growth was driven by a strong contribution from cPVC and HDPE pipes segments. Growth in value-added product segment of Fittings further assisted overall volume growth during the quarter
- Although volumes from the uPVC segment stood strong during the quarter, a challenging operating environment resulted in a decline in overall realizations across the industry. This, further translated into lower revenues for the uPVC pipe segment. However, the Company is witnessing a steady uptick in demand across all its product categories, especially from the high-margin Fittings segment. This category saw healthy client engagements during the quarter

EBITDA during Q1FY20 at Rs. 15.2 crore, higher by 16%;

- EBITDA Margins stood at 15% in Q1 FY20 led by increased contribution from the high-margin Fittings segment

PAT stood at Rs. 9.8 crore in Q1FY20, up by 12%.

- Depreciation costs increased by 16% to Rs. 2.5 crore in Q1FY20 on account of increased commissioning of new capacities, during the period under review
- PAT margin stood at 8% in Q1FY20, lower by 34 bps YoY

Management's Message

Mr. Sameer Gupta,
Managing Director



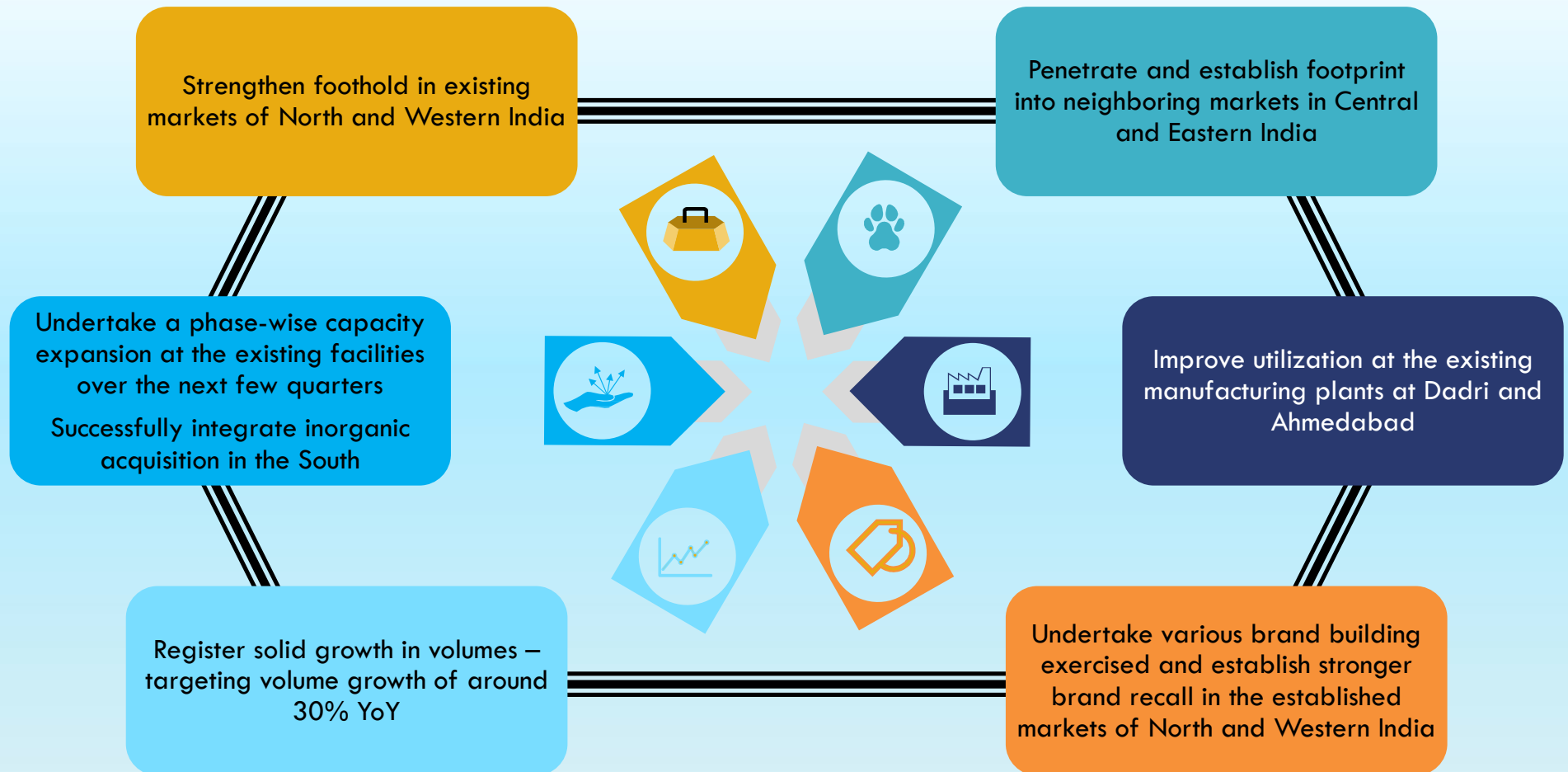
Commenting on the
Company's performance for
Q1FY2020

"We have begun the year on an encouraging note despite a subdued macro operating environment. During the quarter, our sales volume grew by 20% to 13,953 MTPA. The growth was primarily driven by healthy demand for uPVC, HDPE products and cPVC pipes. Furthermore, increased contribution from the high-margin Fittings segment also assisted sales and profitability performance during the quarter.

On the operational front, I am happy to share that we have concluded the strategic acquisition of Kisan Mouldings Ltd's manufacturing unit based in Bengaluru. The plant is equipped with manufacturing lines for both our key product segments of uPVC and cPVC pipes. Spread over 7 acres, the facility further offers scope for future expansion. In sync with this, we are currently evaluating plans to expand manufacturing operations of our other value-added product segment of 'Fittings' at this facility. Manufacturing of our three key product segments at this facility, we believe, will help us address and capture demand in the high-potential southern markets, while also strengthening our brand and distribution reach. We are also making healthy progress and are on-track with our brownfield expansion plans in facilities in Dadri, UP and Ahmedabad, Gujarat.

Overall, we believe, with steady improvement in macros, we are well positioned to capitalize on the enormous growth potential across the Indian market. Further, the planned capacity additions at existing facilities and the latest facility in south should enable us to deliver a strong sales momentum in fiscal year 2020."

Outlook for FY20



Company Overview



Growth Map

Figures in Rs. crore

Particulars	FY2015	FY2016	FY2017	FY2018	FY2019	CAGR
Revenues	90	209	243	301	374	43%
EBITDA	8	24	32	41	51	59%
PAT	12*	10	16	22	24	19%
Available Capacity MTPA (~)	35,000	52,000	53,000	60,000	63,000	16%
Sales Volume (MTPA)	22,388	26,710	28,941	33,707	39,823	15%

- *Includes Tax-free LTCG of Rs.9 crore. Business PAT is Rs. 5 crore.

Key Strengths



Product Portfolio - Diversified Basket of 1,000+ Products



uPVC PIPING SYSTEM



PIPES

FITTINGS

- uPVC PIPES
- uPVC RING FIT PIPES
- uPVC COLUMN PIPES
- uPVC RIBBED SCREEN PIPES

- uPVC PLUMBING PIPING SYSTEM
- uPVC AGRI FITTINGS
- SWR PIPES AND FITTINGS



cPVC PIPING SYSTEM



PIPES

FITTINGS



HDPE PRODUCTS

HDPE PIPING SYSTEM

- PLB DUCTS
- IRRIGATION PIPES
- SPRINKLER PIPES



**PLASTIC TAPS/
FAUCETS/SHOWERS**

FAUCETS

SHOWERS

ALLIED

Product Application across Sectors

Agriculture Segment

- Casing pipes
- Drip irrigation &
- Sprinkler system



Water Management Segment

- Hot & cold potable water distribution & transportation
- Residential, commercial installations



**Apollo
Pipes - key
focus area**

Oil & Gas Segment

- Conveying edible oils and chemicals & corrosive fluids



Construction Segment

- Bore well pipes
- Sanitation & Sewage pipes
- Plumbing Pipes



Telecom Ducting Segment



Aiming Pan-India Distribution Presence

Enjoys a dominant and leading presence in North India

Tapping newer markets to reduce inventory cost for Distributors & Dealers

Extensive distribution network significantly reduces delivery time to 48 hours (from 10-12 days)

150+

Distributors

450+

Dealers

Delhi
Head Office

Dadri
(Manufacturing Unit-I)

Ahmedabad
(Manufacturing Unit)

Raipur
(Upcoming
Manufacturing Unit)

Bengaluru
(Upcoming
manufacturing
unit from the
recent
acquisition)

Established Market Presence

Tapping New Markets



Manufacturing Facilities

Close-to-demand
distribution
network catering
to key markets of
North, West,
Central and South
India

Best in class
Manufacturing
Facility, with
advanced
equipment &
practices

All major
certifications/
accreditations



In-house
manufacturing
offers incremental
contribution to
volumes and
delivery
capabilities



Product Development & Handling

**In-house CPVC
Compounding
for Pipes &
Fittings.**

**In-house
development of
extrusion moulds
for better efficiency**

**Strong Technical
know how
among Employee
base**

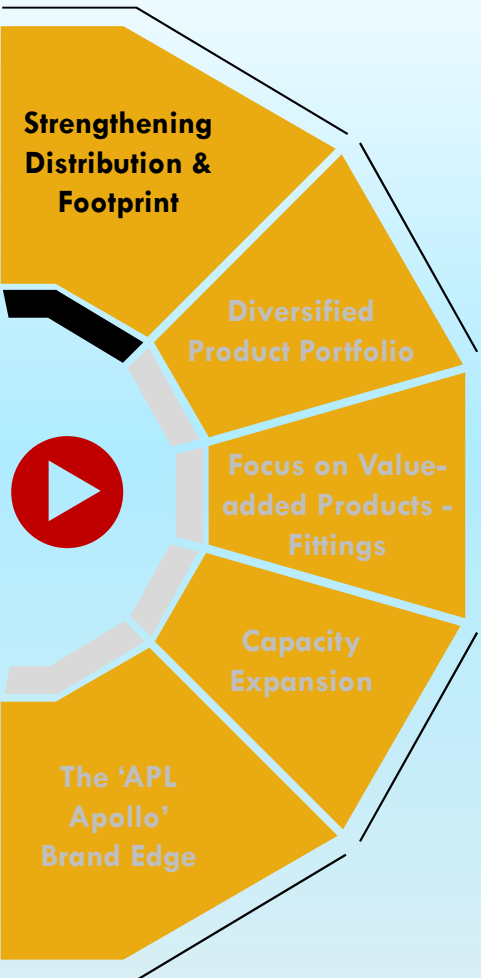
**Solid experience
of manufacturing
pipes with set
specifications**





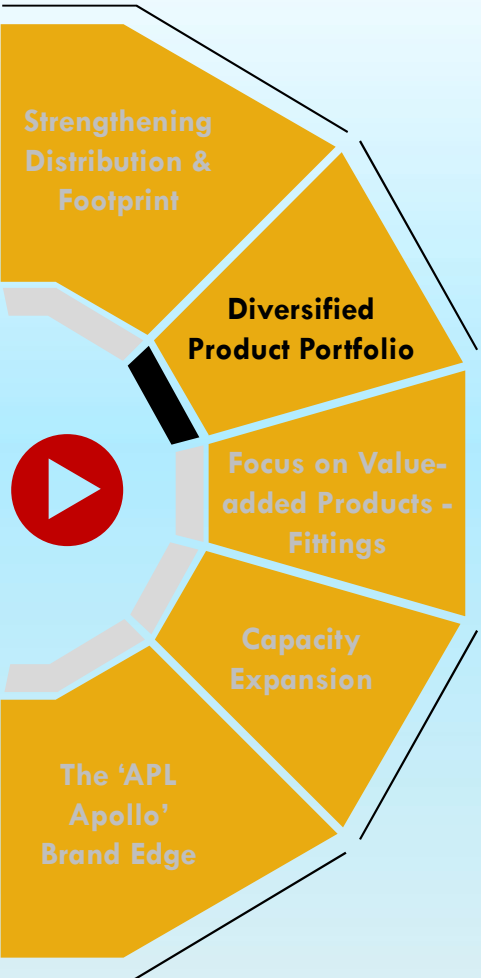
STRATEGIC GROWTH PILLARS

Scale-up distribution network across India to augment presence and improve market penetration



- Establishing a solid presence in key markets
- Strong presence in North India – extending market reach in other parts of India.
- Growing outreach offer a series of benefits such as multiple touch points, business scale, brand reach and elevation of business capabilities
 - Adopted cash-n-carry model, which helps optimize receivables and guarantee actual cash receipts

Diversified Product Portfolio with total offerings at 1,000+, aiming to achieve 2,000+ products to the basket



- Range of products manufactured at the technologically-advanced manufacturing facility at Dadri and Ahmedabad
- Emphasis on innovation: One of the first companies to launch “Super Lock System” pipes in the country
 - Awarded 10 year patent for the innovative product
- Offers the widest range of pipe sizes in the domestic industry. (1/2” to 16”)
- Enhancing product offerings across the value added chain to drive growth
- Launched ‘Plastic Faucets, Taps and Showers’ in the domestic market – to drive higher brand visibility through New Products

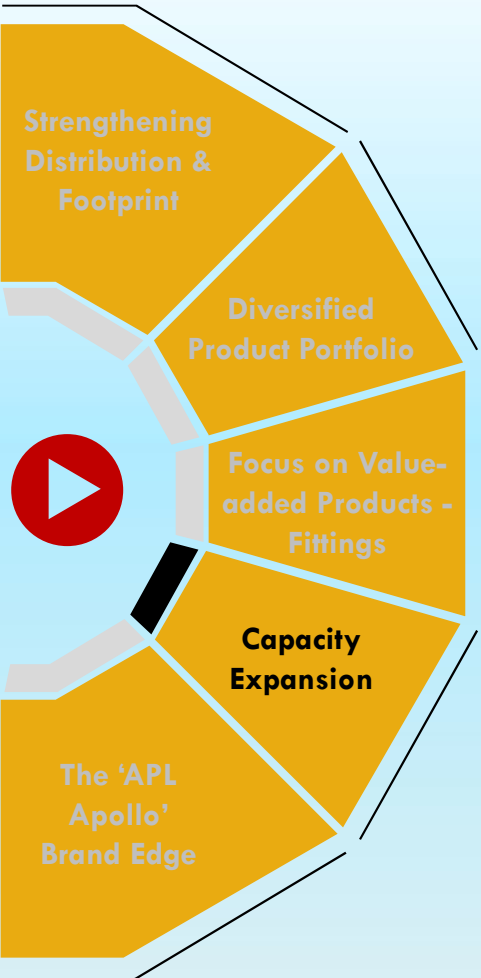
Sharp focus on Value-Added Products: Fittings – to help strengthen the value chain



- Focused approach towards Fittings across uPVC and cPVC that offer significantly higher margins
- High-growth segment – rapidly gaining market share
- Focus on increasing revenue contribution from fittings & tap segment from 13% in FY19 to 16% by FY20
- Capacity expansion planned to cater growing demand

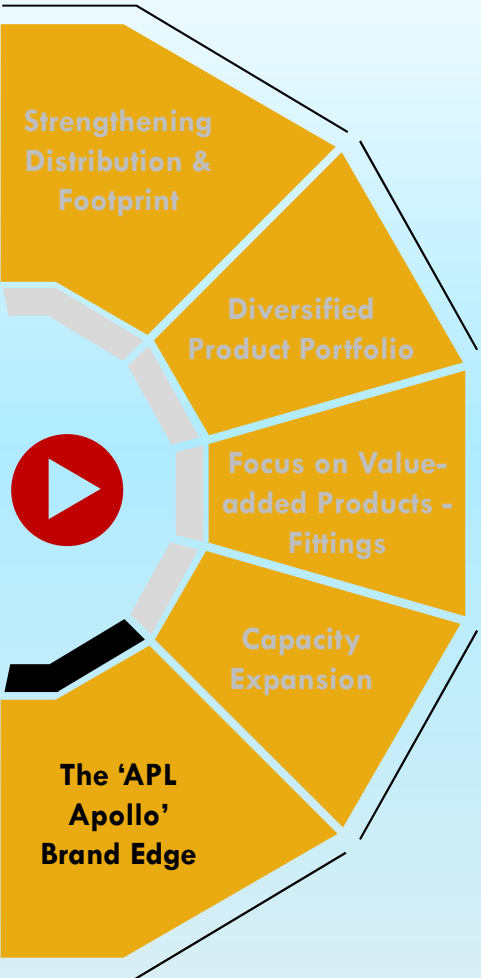
Capacity Expansion to aid long-term growth plan – to achieve 90,000 MTPA by March 2020

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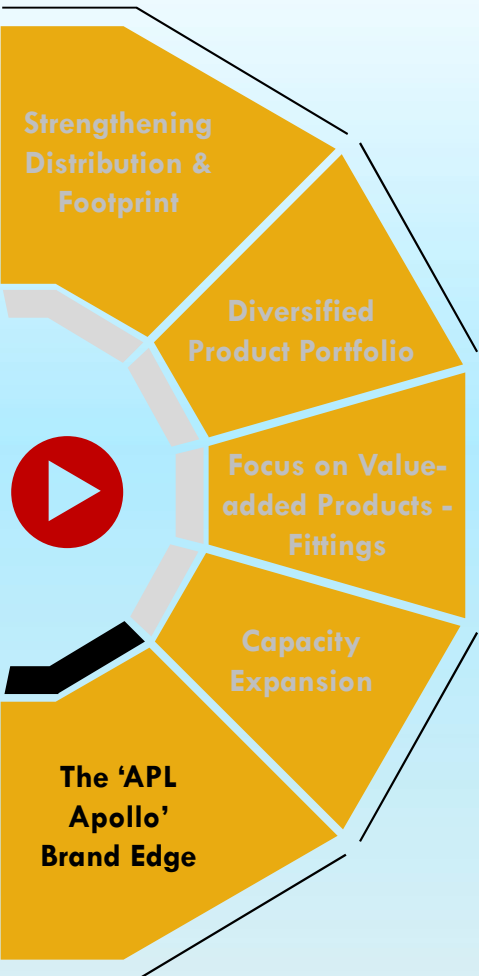
- Total available capacity of 63,000 MTPA
- Undertaking a phase-wise capacity expansion at the existing facilities of Dadri and Ahmedabad over the next few quarters
 - Focus in the near term more towards catering to demand in the newer markets through the already established facilities
- In the longer term, the Company will be establishing Greenfield facility in Raipur
 - Upcoming unit to facilitate higher production and reduce logistics costs
- The Company is also evaluating in-organic opportunities to expand its reach, presence in new markets, and capacities
- Targeting a total installed capacity of 90,000 MTPA by March 2020

Efficiently leverage the 'APL Apollo' brand reach and recall to drive higher growth



- The 'APL Apollo' brand has covered several milestones in its journey since inception
- Brand synonymous with quality and reliability of operations
- Strong brand recall amongst several distributors and customers
- The Company's association with the brand, its diverse product range and offerings across sectors ups the ante in terms of reach and competitiveness of the Company
- Undertaking various brand building and brand awareness initiatives to further strengthen Brand reach
 - APL Apollo group launched a branding campaign supporting Delhi Capitals for IPL, India's biggest sports event and giant platform on the television, thereby enabling maximum reach and generating mass connect and visibility

Efficiently leverage the 'APL Apollo' brand reach and recall to drive higher growth



Branding Activities
– Sports sponsorship

IPL TVC – Principal sponsor of Delhi Capitals

Principal Sponsor of Pro Kabaddi League

Branding sponsor of 'India vs West Indies' cricket series



Key Focus

Key Focus Areas

Continuous Branding Activities – To leverage on **Brand 'APL Apollo'**

Diversifying brand presence – Catering to Central, Western & Southern India through established facilities located in Ahmedabad & Dadri

New Product launches – Targeting a basket of **2,000+ products** with immaculate features and utility of products

Cost Efficiency – Well-penetrated distribution network to reduce logistic costs at all levels of operations

Tapping Macro-Growth Opportunities – Across sectors – Agriculture, Urban Infrastructure, Transportation

Capacity Upgradation – Continuous upgradation of existing facilities

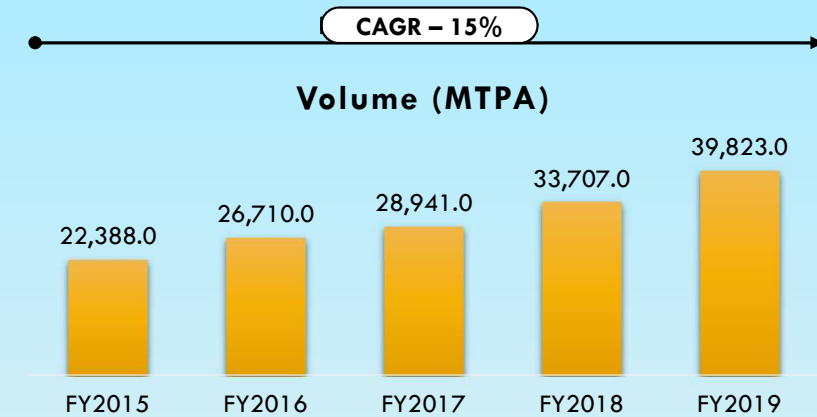
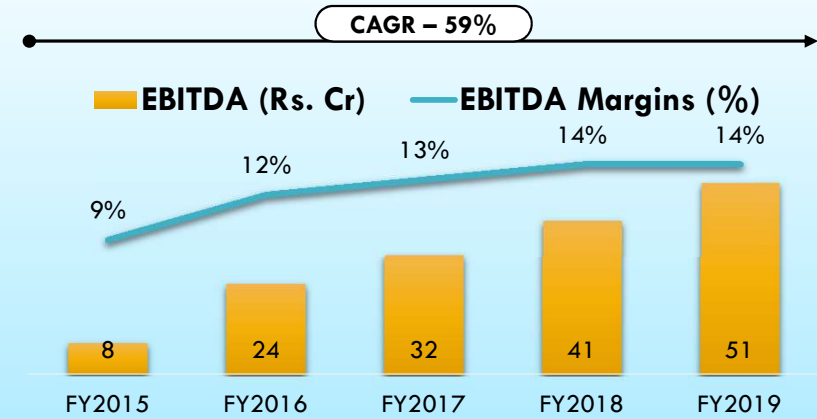
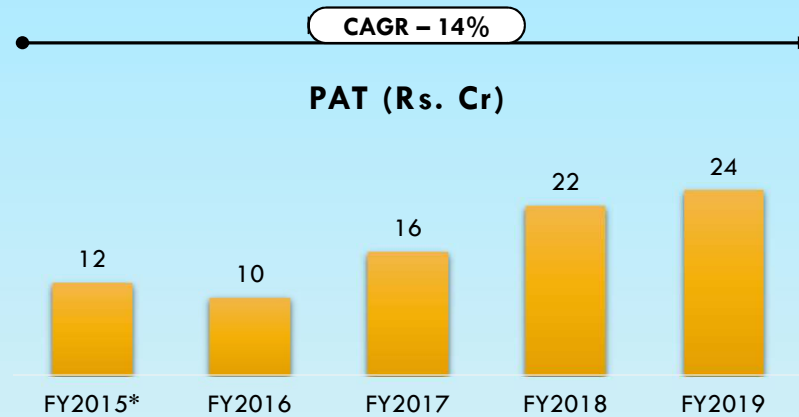
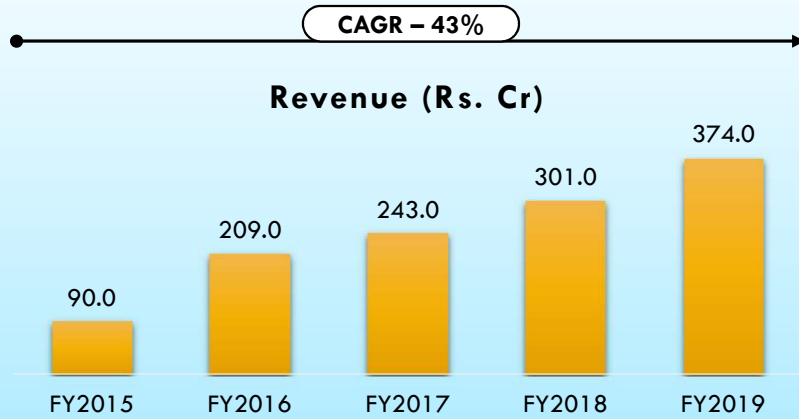
Premium Quality – To deliver product quality synonymous with the 'APL Apollo' brand

Streamlined Operations – To ensure smooth project realization through an extensive and Pan-India distributor network



Financial Highlights

Financial Trend



5-year Financial Track-record

Particulars	FY2015	FY2016	FY2017	FY2018	FY2019
Net Worth (Rs. Cr)	45.0	55.0	91.4	113.3	229.8
Cash and cash equivalents	2.9	2.0	8.0	0.1	0.1
Capex for the year (Rs. Cr)	24.0	12.2	9.1	17.1	48.2
Inventory (Rs. Cr)	24.9	13.7	22.7	44.3	52.3
Inventory Days	101.5	24.0	34.3	55.2	52.7
Debtors (Rs. Cr)	19.7	29.5	34.2	38.5	35.8
Debtor Days	69.9	45.0	45.1	41.7	31.4
Creditor (Rs. Cr)	9.1	8.8	18.9	39.0	36.1
Creditor Days	37.2	15.4	28.6	48.6	36.4
Net Working Capital (Rs. Cr)	35.5	34.4	38.0	43.9	51.9
Net Working Capital Days	134.1	53.6	50.1	48.4	47.7
Dividend Per Share (Rs)	0	0	0	0	1
Dividend Payout Ratio	0%	0%	0%	0%	10%



Annexure

About Us

Apollo Pipes (BSE: 531761), is among the top 10 leading piping solution providing Company in India. Headquartered in Delhi, the Company enjoys strong brand equity in the domestic markets. With more than 3 decades of experience in the Indian Pipe Market, Apollo Pipes holds a strong reputation for high quality products and a an extensive distribution network.

Equipped with state-of-the-art infrastructure, the Company operates large manufacturing facilities at Dadri, UP and Ahmedabad, Gujarat with a total capacity of 63,000 MTPA. The multiple and efficient product profile includes over 1,000 product varieties of cPVC, uPVC, and HDPE pipes, PVC taps and fittings of the highest quality. The products cater to an array of industrial applications such as Agriculture, Water Management, Construction, Infrastructure, and Telecom ducting segments. The Company's extensive distribution network spreads across 450 dealers / retailers and over 150 distributors.

For further information, please contact:

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Thank You

