



APL Apollo Tubes Limited

Q3'FY13 Investor Update

18th February 2013

1. Company Overview

2. Performance Review

3. Chairman's Message & Outlook

4. Shareholding Pattern

5. Financial Annexure

We are India's largest ERW tubes company



Our Leadership

India's largest manufacturer of ERW Pipes, Galvanised Pipes, pre-galvanised pipes and Hollow sections

Our Performance

One of the fastest growing companies with a CAGR of 57% (FY07- FY12) while creating value for our stakeholders.

Our Evolution

Evolved from a single unit manufacturer with 80,000 TPA capacity to a 5 unit manufacturer with 585,000* TPA producing capacity while diversifying into higher value products.

Our Quality

Synonymous with superior quality, having invested into freshest technology. Our plants are one of the youngest in the industry.

VISION 2015

- 1,000,000 MTPA capacity

- \$1bn turnover

- Amongst Top 10 Global Manufacturers

* Production capacity as on Dec 2012

Our Leadership is built on strong foundations



Manufacturing Edge

- Only player with plants across India
- Latest Japanese technology at all units

Sikandarabad, UP
Unit 1: 1,50,000 TPA
Apollo Metalex: 35,000 TPA

Murbad, Maharashtra
LLPL: 120,000 TPA

Bengaluru, Karnataka
SLMUL: 70,000 TPA

Hosur, Tamil Nadu
Unit 2: 210,000 TPA

* Production capacity as on Dec 2012

Extensive Distribution

- PAN India presence through 17 warehouse cum branches, ~300 dealers

Unmatchable range

- Wide portfolio of **300+ varieties** of ERW tubes, from ½” to 14” diameter,

Diversified User base

- Extensive applications** in diversified industries including new age applications in urban infrastructure

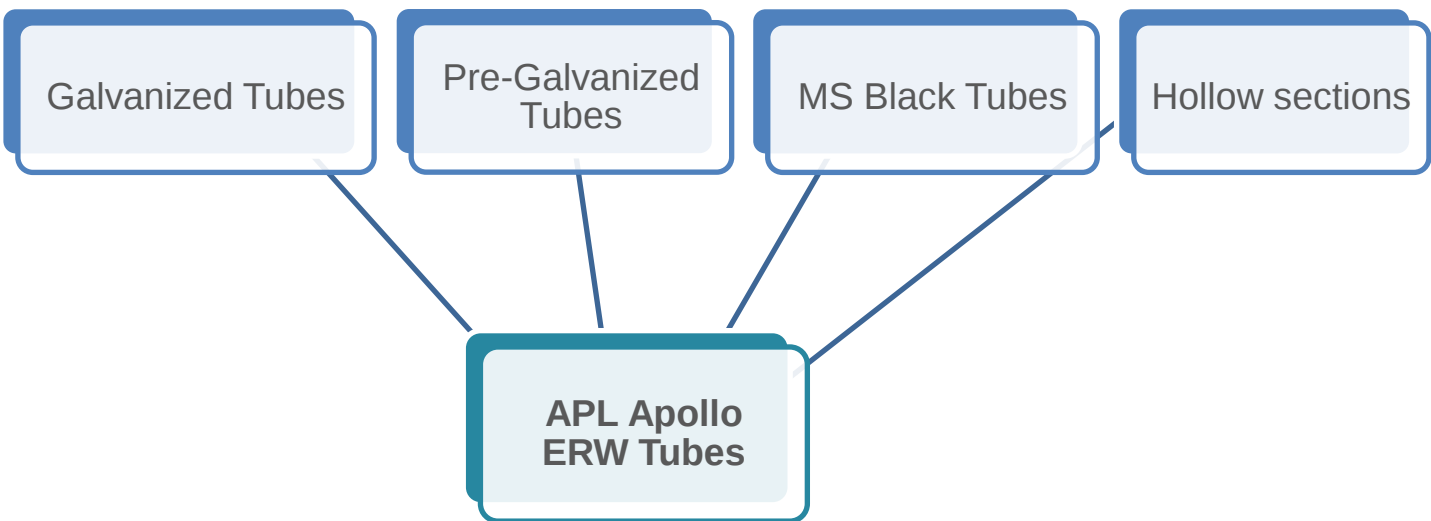
Credible Leadership

- Headed by visionary Chairman **Mr. Sanjay Gupta** and Steel Industry veteran **Mr. Ashok Gupta** as Managing Director.

Long-standing Customer relationships



Key Product Segments



Widespread Applications

Traditional Usage

- Piping
- Cabling & Ducting
- Engineering structurals
- Irrigation & Plumbing
- Power transmission
- Boilers
- Construction
- Water infrastructure
- Fire-fighting



New- Age usage

- Pre-fabricated structures
Metros, Airports,
Stadiums, Malls , Bridges,
Bus body – Automotive
- Greenhouse structures
- Sprinklers
- Conveyor systems
- Gas Distribution
- Wind-Mills

ADVANTAGE APL

- Only organised Indian player in the pre-galvanised tubes segment – a higher value segment
- India’s largest manufacturer of MS Hollow Sections
- Widest variety offered – 300+ varieties across ½” to 14” diameter and thickness 0.7mm – 10mm

1. Company Overview

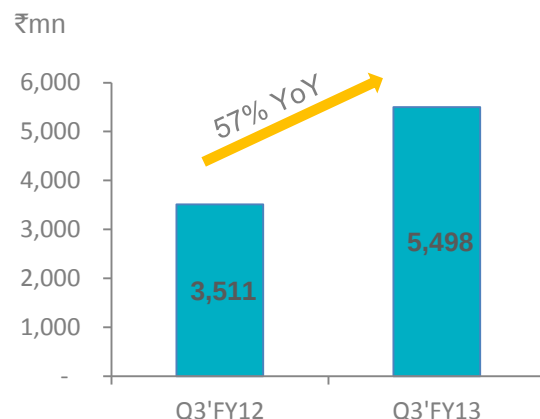
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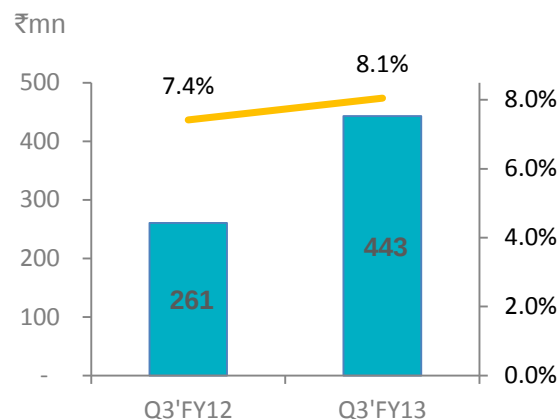
4. Shareholding Pattern

5. Financial Annexure

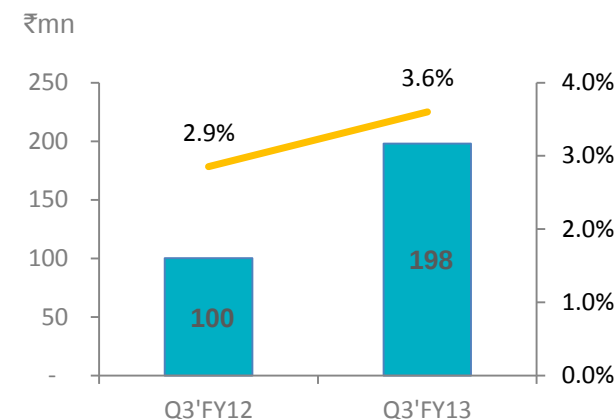
Net Revenue



EBITDA & EBITDA Margin



PAT & PAT Margin

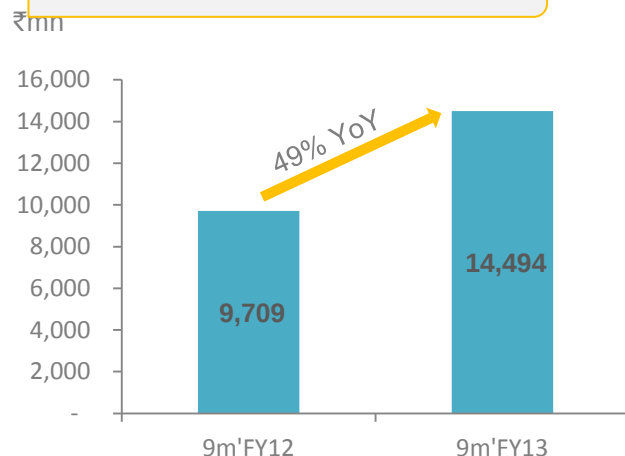


Highlights

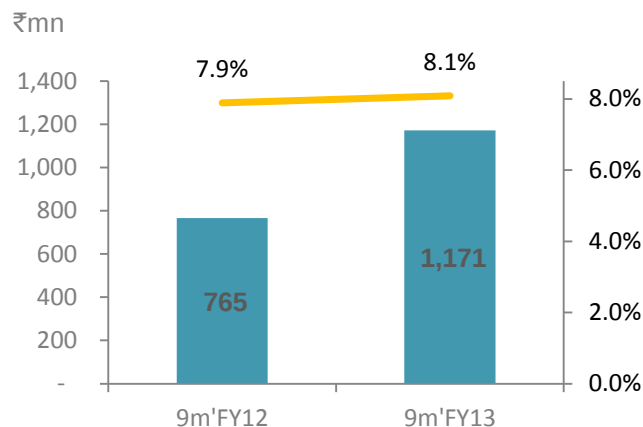
- Net revenues by 57% YoY to reach ₹5,498mn, driven by 50% increase in sales volumes to 127,735 tonnes
- EBITDA up 70% YoY to reach ₹443mn, EBITDA margin maintained at 8.1% for third quarter in a row despite fluctuations in raw material prices
- Net Profit nearly doubles with 98% YoY increase to reach ₹198mn. PAT Margin improves by ~70 bps to 3.6% in Q3'FY13 on account of improved EBITDA and reduction in finance costs as % of revenues from 2.5% in Q3'FY12 to 2.2% in Q3'FY13
- EPS for the quarter is ₹9.03 against ₹4.93 for the quarter ended December 2011

9m'FY13 margins up, high sales momentum

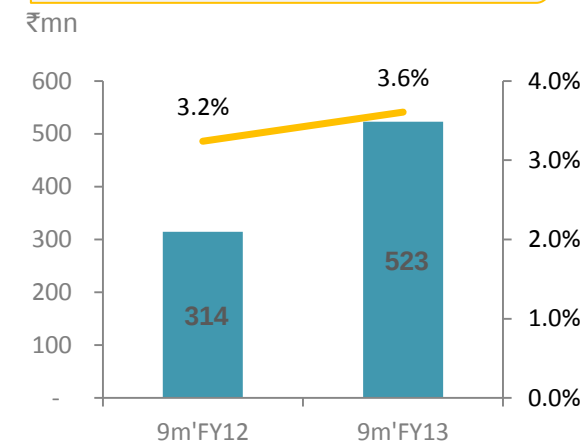
Net Revenue



EBITDA & EBITDA Margin



PAT & PAT Margin



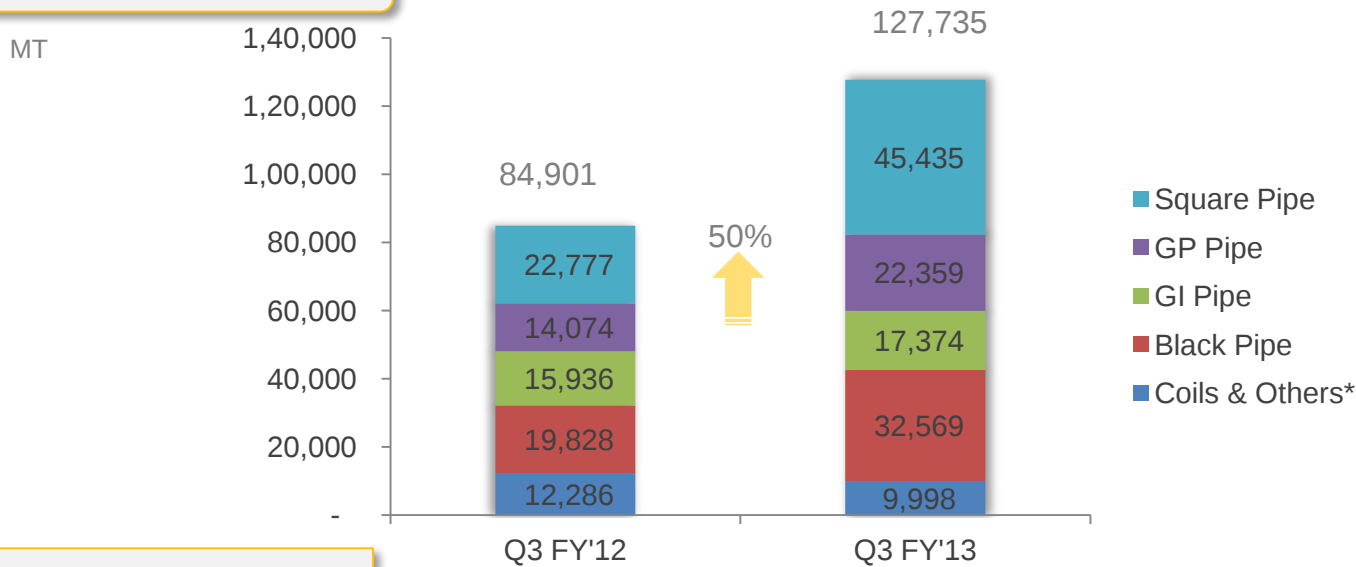
Highlights

- Net revenues up by 49% YoY to reach of ₹14,494mn driven by 47% YoY increase in sales volumes to 333,521 tonnes.
- EBITDA up 53% YoY to reach ₹1,171mn, EBITDA margin of 8.1% in 9mFY13 compared to 7.9% in 9mFY12.
- Net Profit up 66% YoY increase to reach ₹523mn . PAT Margin improves by ~40 bps to 3.6% on account of improved EBITDA and reduction in finance costs as % of revenues from 2.4% in 9m'FY12 to 2.1% in 9m'FY13
- EPS for the nine months is ₹23.82 compared against ₹15.49 for 9mFY12

Segmental break-up: Square Pipes leading value creator



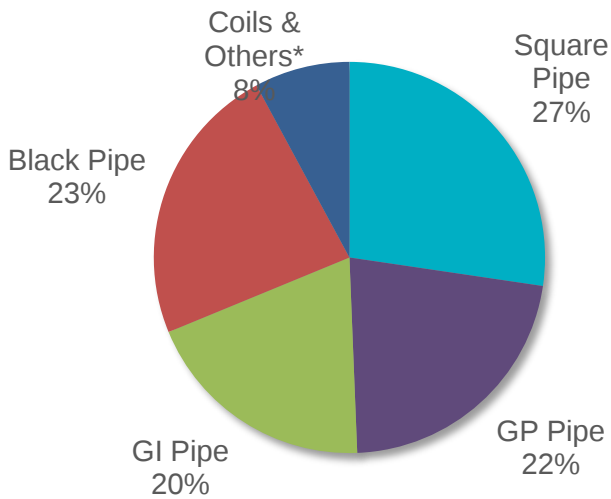
Sales Volume break-up



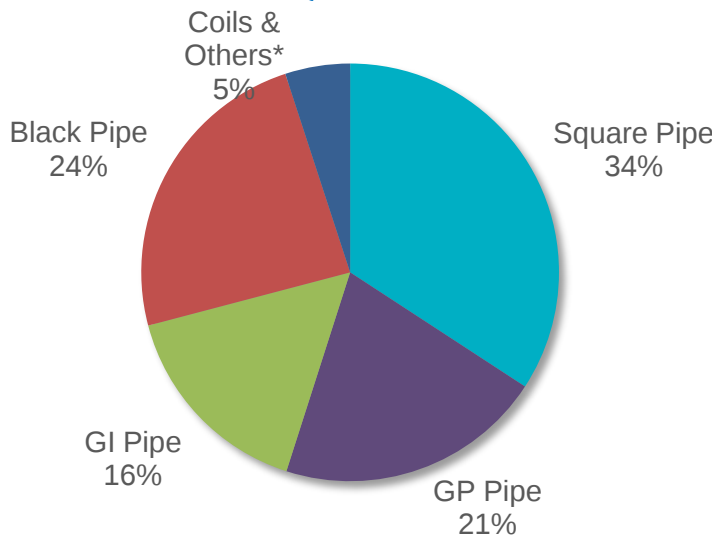
* Others Including scrap

Sales Value break-up

Q3 FY'12



Q3 FY'13



New Milestones reached

- APL Apollo continues to be the largest ERW Pipes Manufacturer in India
- Initiated supply of special steel tubes to the solar power companies.
- Company has achieved highest production and sales of 50,000 tonnes for the month of December 2012, an increase of 65% YoY and 28% over previous month. This is also the highest recorded by any other Indian pipe manufacturer.
- Highest ever quarterly sales volumes of 127,735 tonnes

Enhanced Capacity

- Commissioned new tube mill at Hosur, Tamil Nadu
- Production in new line at Murbad, near Mumbai has been streamlined
- Production Capacity increased in the quarter to 5,85,000 MTPA across locations

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Commenting on the performance, Mr. Sanjay Gupta, Chairman of APL Apollo Tubes said

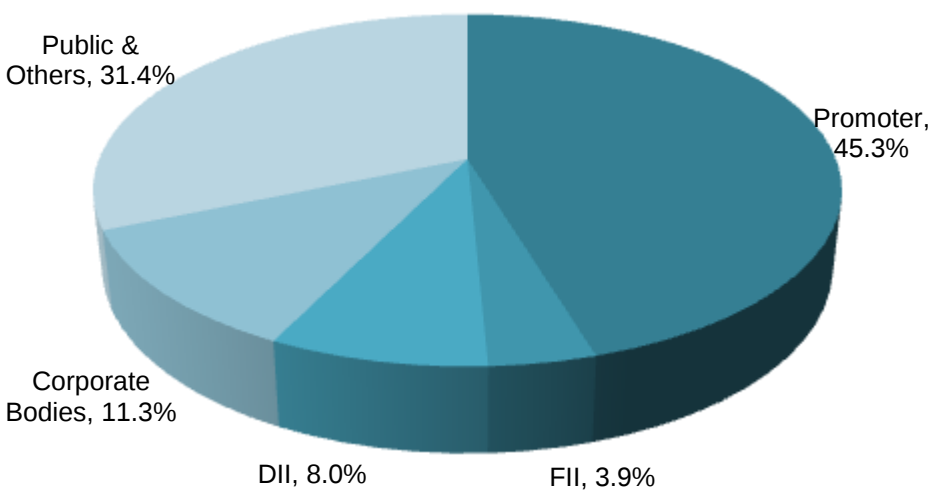
“Current quarter has seen an important milestone on operational front as we clocked our highest production in December. Demand push from urban infrastructure and geographical advantages have mitigated fluctuations in raw materials. We are confident of maintaining growth on back of new value added products to emerging sectors like solar energy and metro networks.”

- The Company will continue to be the leader in ERW Tubes segment
- Is on firm path to achieve Vision 2015:
 - *Increase capacity to 1million MTPA.*
 - *Turnover of \$ 1 billion*
- Expects to continue growth momentum grow its top-line by 40-50% YoY in the coming quarters.
- Expects to maintain its EBITDA margins at 8%

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Outstanding Shares: **21,938,636 shares**

As on December 31, 2012



Key Institutional Shareholding >1%

	% Share Holding
Kitara PIIN	13.67
L&T Mutual Fund Trustee Ltd	4.05
DSP Blackrock Micro Cap Fund	3.98
Kotak Mahindra (International) Ltd	3.88
Consolidated Securities Ltd	1.98
Integrated Master Securities Pvt Ltd	1.91
Systematix Fincorp India Ltd	1.84
Systematix Finvest Pvt Ltd	1.08

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Consolidated P&L : Q3'FY13 and 9m'FY13



Particulars (₹ mn)	Q3 FY'13	Q3 FY'12	Q2 FY'13	% Chg YoY	% Chg QoQ	9M FY'13	9M FY'12	% Chg YoY
Gross Sales	6,109.83	3,809.12	5,100.69	60.4%	19.8%	16,215.27	10,550.94	53.7%
Less Excise Duty	611.74	297.80	550.55	105.4%	11.1%	1,720.77	841.97	104.4%
Total Income from Operations (Net)	5,498.09	3,511.32	4,550.14	56.6%	20.8%	14,494.50	9,708.98	49.3%
Total Expenditure	5,055.47	3,250.76	4,181.53	55.5%	20.9%	13,323.01	8,943.49	49.0%
(Increase) / Decrease In Stock In Trade & WIP	132.45	59.42	(150.58)	NA	NA	(239.47)	30.48	NA
Consumption of Raw Materials	4,372.95	2,518.92	3,937.15	73.6%	11.1%	12,224.19	7,302.19	67.4%
Purchase of Traded Goods	78.79	315.18	15.44	NA	NA	98.37	705.18	NA
Employees Cost	92.22	49.16	68.74	87.6%	34.2%	218.26	131.66	65.8%
Other Expenditure	379.06	308.08	310.78	23.0%	22.0%	1,021.66	773.98	32.0%
EBITDA	442.63	260.56	368.61	69.9%	20.1%	1,171.48	765.49	53.0%
Depreciation	34.00	24.50	28.00	38.8%	21.4%	86.00	65.50	31.3%
EBIT	408.63	236.06	340.61	73.1%	20.0%	1,085.48	699.99	55.1%
Interest & Finance charges	118.37	86.46	95.08	36.9%	24.5%	309.03	233.03	32.6%
Other Income	-							
PBT	290.26	149.60	245.54	94.0%	18.2%	776.45	466.96	66.3%
Tax Expense	92.22	49.50	81.80	86.3%	12.7%	253.87	152.50	66.5%
PAT	198.04	100.10	163.73	97.8%	21.0%	522.58	314.46	66.2%
Basic EPS (Rs.)	9.03	4.93	7.46	83.0%	21.0%	23.82	15.49	53.7%
Diluted EPS (Rs.)	8.45	4.56	6.99	85.3%	20.9%	22.30	14.33	55.6%
Cash Profit	232.04	124.60	191.73	86.2%	21.0%	608.58	379.96	60.2%
Cash EPS (Rs.)	10.58	6.14	8.74	72.3%	21.0%	27.74	18.72	48.2%

Key Ratios	Q3 FY'13	Q3 FY'12	Q2 FY'13	9M FY'13	9M FY'12
EBITDA Margin	8.1%	7.4%	8.1%	8.1%	7.9%
Net Margin	3.6%	2.9%	3.6%	3.6%	3.2%
Total Expenditure/ Total Operating Income	91.9%	92.6%	91.9%	91.9%	92.1%
Raw Material Cost/ Total Operating Income	83.4%	82.4%	83.6%	83.4%	82.8%
Staff Cost/ Total Operating Income	1.7%	1.4%	1.5%	1.5%	1.4%
Other Expenditure/ Total Operating Income	6.9%	8.8%	6.8%	7.0%	8.0%

Segmental Break-up of revenues

Sales Volume Break Up	Q3 FY'13	Q3 FY'12	Q2 FY'13	% Chg YoY	% Chg QoQ	9M FY'13	9M FY'12	% Chg YoY
Black Pipe	32,569	19,828	22,969	64.3%	41.8%	82,386	51,628	59.6%
Square Pipe	45,435	22,777	36,330	99.5%	25.1%	1,12,734	63,104	78.6%
GI Pipe	17,374	15,936	12,405	9.0%	40.1%	45,389	43,513	4.3%
GP Pipe	22,359	14,074	26,183	58.9%	-14.6%	66,651	40,149	66.0%
Coils & Others (Including Scrap)	9,998	12,286	9,660	-18.6%	3.5%	26,362	28,656	-8.0%
Total	1,27,735	84,901	1,07,546	50.45%	18.8%	3,33,521	2,27,051	46.9%

% Break Up of volumes	Q3 FY'13	Q3 FY'12	Q2 FY'13	9M FY'13	9M FY'12
Black Pipe	25.5%	23.4%	21.4%	24.7%	22.7%
Square Pipe	35.6%	26.8%	33.8%	33.8%	27.8%
GI Pipe	13.6%	18.8%	11.5%	13.6%	19.2%
GP Pipe	17.5%	16.6%	24.3%	20.0%	17.7%
Coils & Others (Including Scrap)	7.8%	14.5%	9.0%	7.9%	12.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Product-wise Revenue Break-Up (₹mn)	Q3 FY'13	Q3 FY'12	Q2 FY'13	% Chg YoY	% Chg QoQ	9M FY'13	9M FY'12	% Chg YoY
Black Pipe	1,319.0	818.9	913.9	61.1%	44.3%	3,367.3	2,045.4	64.6%
Square Pipe	1,874.2	958.9	1,468.6	95.5%	27.6%	4,701.4	2,583.9	81.9%
GI Pipe	874.8	681.2	593.6	28.4%	47.4%	2,247.2	1,984.5	13.2%
GP Pipe	1,135.8	772.9	1,263.8	47.0%	-10.1%	3,330.0	2,077.6	60.3%
Coils & Others (Including Scrap)	275.4	276.4	305.4	-0.4%	-9.8%	811.7	971.7	-16.5%
Total	5,479.2	3,508.3	4,545.4	56.2%	20.5%	14,457.5	9,663.1	49.6%

% Break Up of revenues	Q3 FY'13	Q3 FY'12	Q2 FY'13	9M FY'13	9M FY'12
Black Pipe	24.1%	23.3%	26.1%	23.3%	21.2%
Square Pipe	34.2%	27.3%	41.9%	32.5%	26.7%
GI Pipe	16.0%	19.4%	16.9%	15.5%	20.5%
GP Pipe	20.7%	22.0%	36.0%	23.0%	21.5%
Coils & Others (Including Scrap)	5.0%	7.9%	8.7%	5.6%	10.1%
Total	100.0%	100.0%	129.6%	100.0%	100.0%

For any Investor Relations queries, please contact

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About APL Apollo Tubes Limited

Incorporated in 1986, APL Apollo is one of the largest ERW pipe manufacturers in India with 5 manufacturing locations spreading in northern, southern and western part inter-alia provide ability to produce the largest range of Hollow Sections and Mild Steel Tubes in all variants (black, galvanised and pre-galvanised). Among the user industries are urban Infrastructure namely airports, metro stations, automotive segment like bus body manufacturers, construction namely scaffoldings, etc. The Company has certifications like ISO 9001-2008, OHSAS 18001-2007 & ISO 14001-2004 and safety certifications like 'CE' & 'UL' for Europe and USA. For more information visit www.aplapollo.com

Safe Harbor:

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. 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. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labor relations.

APL Apollo Tubes Limited 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 or circumstances