

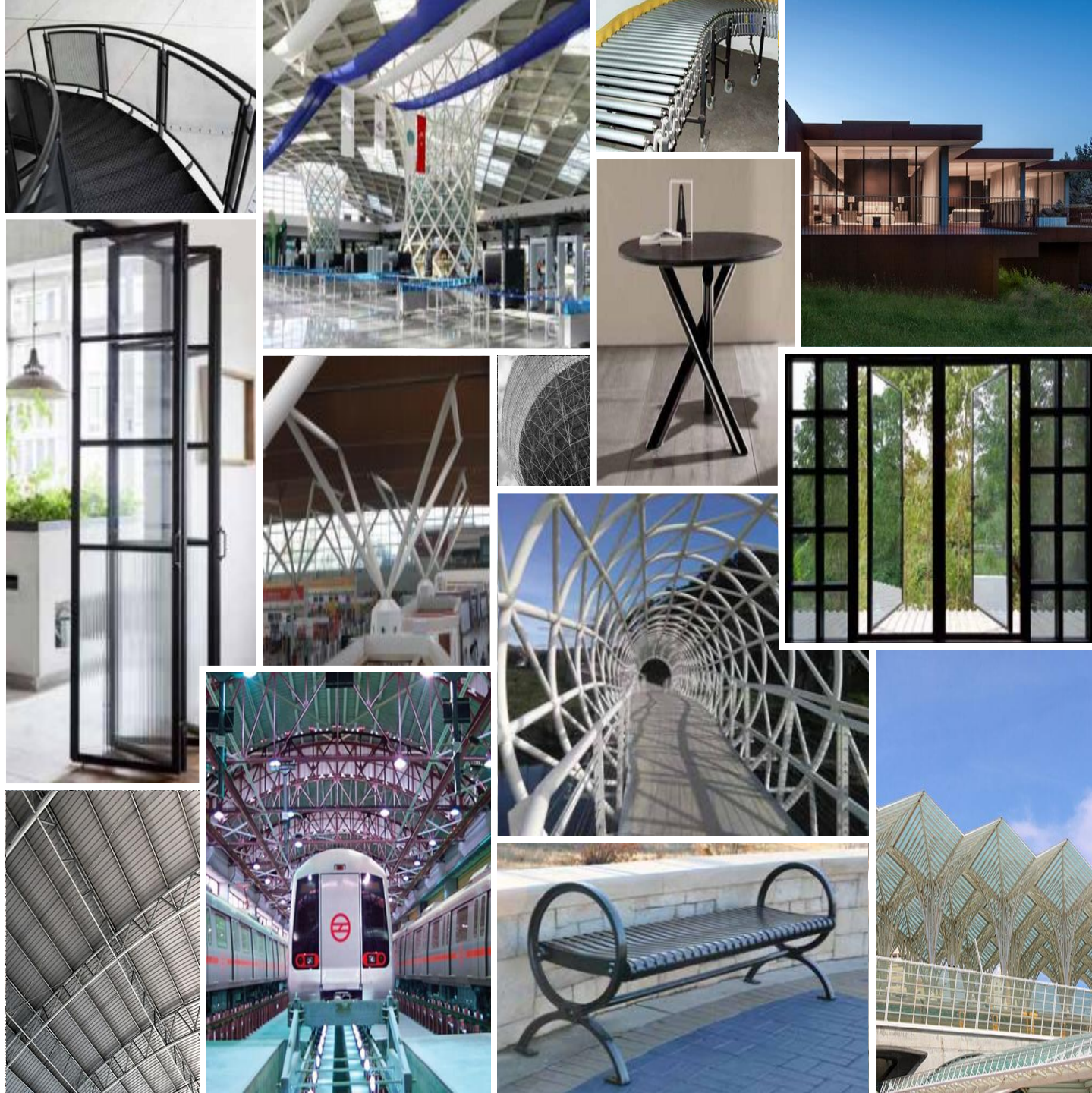


APL APOLLO TUBES LTD.

Q1 FY20 Results Presentation

August 10, 2019

Construction & Building Material
Infrastructure
Energy & Engineering
Automobiles
Agriculture



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.



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Q1 FY20 at a glance



3.9 lac MTPA

Volume
29% yoy increase



18(%)

Market Share in FY19



130 cr

EBITDA
15% yoy increase



52 cr

PAT
11% yoy increase



25.5 lac MTPA

Capacity as on 10th August
2019



21.4(%)

ROCE in FY19



Acquisition

Apollo Tricoat
Shankara's Tube manufacturing unit



Branding

IPL 2019 - Principal sponsor of
Delhi Capitals
Pro Kabbadi League -
Principal sponsor of Haryana
Steelers
Branding sponsor for the 'India
vs West Indies' cricket series



26

Net WC days



72 cr

Operating cash flows



790

Distributors
Increased by 140
distributors YoY



1,100+

Products
Increased by 100+
products YoY

Q1 FY20 at a glance – Encouraging start to fiscal 2020

Sales* Volume Growth of 29% at 388,511 MTPA

Revenue Growth at 24% to Rs. 2,071.6 crore

EBITDA Growth at 15% to Rs. 129.5 crore

PAT Growth at 11% to Rs. 52.1 crore

EBITDA per ton at Rs. 3,334.5

Strong operating cash flow generation; Further improvement in working capital cycle

SLMUL, wholly owned subsidiary, concludes acquisition of 50.6% stake of Apollo Tricoat

The Board approves appointment of E&Y India as Internal Auditors of the Company

Note: *Sales excluding Apollo Tricoat Volumes

Began the new fiscal on a strong note with robust sales volume growth of 29% YoY

- The Company registered a strong sales volume* of 388,511 MTPA in Q1 FY20, higher by 29% Y-o-Y from 302,054 MTPA in Q1 FY19
- The growth was led by strong demand in the Hollow Sections segment, DFT pipes and Pre-Galvanized Tubes (GP) among others
- Despite uncertainty in the broader market, the Company is witnessing healthy demand in volumes across product categories and remains confident of delivering a sales volume growth CAGR of 20% in FY20 & FY21

Established its first-ever International warehousing facility in Dubai

- APL Apollo will operate its first-ever international warehousing facility, under a wholly owned subsidiary “APL Apollo Tubes FZE”, incorporated at the Jebel Ali Free zone in Dubai
- The warehouse is strategically-located close to a major market, which should enable improved cost efficiencies, higher speed to market and increased brand visibility
- The facility will help bring in business synergies and enable APL Apollo to augment its international sales across the high-potential Middle East market, while also complementing its strategy to boost exports in the coming years

Note: *Sales excluding Apollo Tricoat Volumes

Strong focus on Branding & Marketing Initiatives through Sports Sponsorship

- Over the last year, the Company has undertaken a string of branding and marketing initiatives through its association with Indian sports to help maximise APL Apollo's brand reach and visibility across a diverse domestic market
- The Company has been progressively investing behind this brand building initiative and believes that Indian sporting events are a giant platform, offering maximum reach and generating a strong mass connect and visibility
- During the quarter, APL Apollo became the principal sponsor of Haryana Steelers for the 7th season of the Pro Kabaddi League
 - The Company has signed a one-year association with the Haryana Steelers and will see 'APL Apollo' brand featuring as the Principal Sponsors across various platforms, including the Official Playing Kits and the front of the official team jersey
- In Q1 FY20, the Company also became a branding sponsor for the ongoing 'India versus West Indies' cricket series. Through this association, the 'APL Apollo' brand would be featured when the player profile is showcased
- APL Apollo's aim through these associations is to reach out to the millions of sport fans to make the 'APL Apollo' brand reach and visibility more impactful

The Company concluded the acquisition of production unit located at Hyderabad, one of the unit of Taurus Value Steel & Pipes, a subsidiary of Shankara Building Products

- The acquired manufacturing unit at Hyderabad has a production capacity of ~2,00,000 tons per annum and includes manufacturing lines for GI pipes and GP pipes, which are APL Apollo's high margin and value-added product segments
- The acquisition will enable APL Apollo to add further capacities at attractive valuations, given the strong demand outlook over the next few years
- With an attractive payback of less than 3 years, the Company anticipates a quick turnaround of the acquired facility in South India

Entity belonging to promoter category concludes infusion of Rs. 97 crore in APL Apollo through preferential allotment of equity and convertible warrants

- During the quarter, the infusion of Rs. 97 crore by an entity belonging to promoter category in APL Apollo has been concluded through preferential allotment of equity and convertible warrants. The details of the allotment are as follows
 - Allotment of 400,000 Equity shares on preferential basis at Rs. 1,800 per equity share to entity belonging to promoter category and allotment of 500,000 fully convertible warrants of the Company at Rs. 2,000 per warrant to entity belonging to promoter category
- Post the allotment of Equity shares, the paid up capital of the Company stands Increased from Rs. 23,85,03,810/- (2,38,50,381 Equity Shares of Rs.10/- each) to Rs. 24,25,03,810/- (2,42,50,381 Shares of Rs.10/- each).

Shri Lakshmi Metal Udyog, APL Apollo Tubes' wholly owned subsidiary, has concluded the acquisition of Apollo Tricoat in June 2019

- In October 2018, Shri Lakshmi Metal Udyog Limited (SLMUL), wholly owned subsidiary of APL Apollo Tubes, had announced the acquisition of 8 mn shares and subscribed to 4.3 million warrants of Apollo Tricoat Tubes Ltd, thereby constituting ~ 40.4% (diluted basis) of the shareholding of Apollo Tricoat.
 - The 4.3 million warrants has been fully converted in to equal number of equity shares
- Subsequently, by way of open offer and market purchases (during the open offer) SLMUL also acquired ~10.2% of Apollo Tricoat in January 2019
- On a consolidated basis, as on June 30, 2019, SLMUL owns ~50.6% stake in Apollo Tricoat

Q1 FY20 – Apollo Tricoat's 1st Quarter of full manufacturing operations

- In Q1 FY20, Apollo Tricoat started commercial production of its first two product categories namely, the In-line Galvanized (ILG) pipes and Designer Pipes at the existing Greenfield plant at Malur, Bengaluru
 - The manufacturing unit has a production capacity of 150,000 tons per annum
- In the month of July 2019, Apollo Tricoat commenced commercial production of Door Frames at its greenfield manufacturing facility at Dujana, Dadri
 - The manufacturing line for the newly launched product segment has a total installed capacity of 50,000 MTPA
- All three launched product segments are higher margin value-added products, given their niche product applications in India. The Company is also on track to launch the other innovative products category of Narrow Sections by September 2019
- An improved portfolio of all the four value-added segments is expected to broaden the product mix and should enable the Company to deliver robust financial and operational performance going forward

The Board approves appointment of E&Y India as Internal Auditors of the Company

- The Board of Directors have approved the appointment of Ernst & Young LLP, India (a member of the global network firm of Ernst & Young) to perform internal audit and strengthen internal controls for APL Apollo Tubes
- The appointment of Ernst & Young LLP, India will ensure that the Company continues to maintain rigorous internal financial and accounting standards and procedures
- This was also help strengthen the Company's corporate governance policies and financial reporting processes, in line with international best practices

Abridged P&L Statement

Particulars (Rs. crore)	Q1 FY20 (Figures excluding Apollo Tricoat Financials)	Q1FY19	Y-o-Y Shift		Q1 FY20 Figures including 13 days of operations of Apollo Tricoat
Net Sales	2,059.9	1,676.5	23%		2,071.6
Total Income From Operations (Net)	2,059.9	1,676.5	23%		2,071.6
Other Income	4.5	3.7	21%		4.6
Total Income	2,064.4	1,680.3	23%		2,076.2
Total Expenditure	1,936.1	1,567.9	23%		1,946.6
Raw Material expenses	1,785.3	1,465.8	22%		1,795.1
Employee benefits expense	29.9	26.1	14%		30.1
Other expenses	120.9	76.0	59%		121.4
EBITDA	128.3	112.4	14%		129.5
EBITDA margin (%)	6.2%	6.7%	-48 Bps		6.3%
Finance Costs	28.2	26.3	7%		28.3
Depreciation and Amortization	20.0	15.2	32%		20.2
PBT	80.1	70.9	13%		81.0
Tax expense	28.7	23.9	20%		28.9
PAT	51.4	47.0	9%		52.1
PAT Margins (%)	2.5%	2.8%	-31 Bps		2.5%

Key Financial & Operational Parameters

Particulars	Q1 FY20*	Q1FY19	Y-o-Y Shift (bps)
EBITDA Margin	6.3%	6.7%	-45
Profit Before Tax	3.9%	4.2%	-32
Net Margin	2.5%	2.8%	-29
Total Expenditure / Total Operating Income	94.0%	93.5%	45
Raw Material Cost / Total Operating Income	86.7%	87.4%	-78
Staff Cost / Total Operating Income	1.5%	1.6%	-10
Other Expenditure / Total Operating Income	5.9%	4.5%	133
Interest & Finance Charges / Sales	1.4%	1.6%	-21
Tax Rate	35.7%	33.7%	195
EBITDA/ TON (Rs.)	3,334.5	3,584.4	-7%

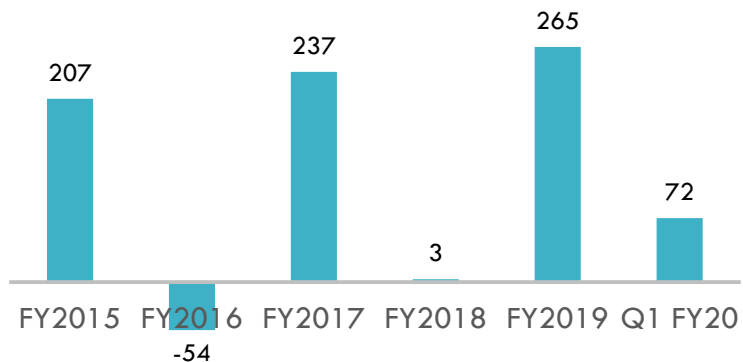
Note:

(1) EBITDA with other income

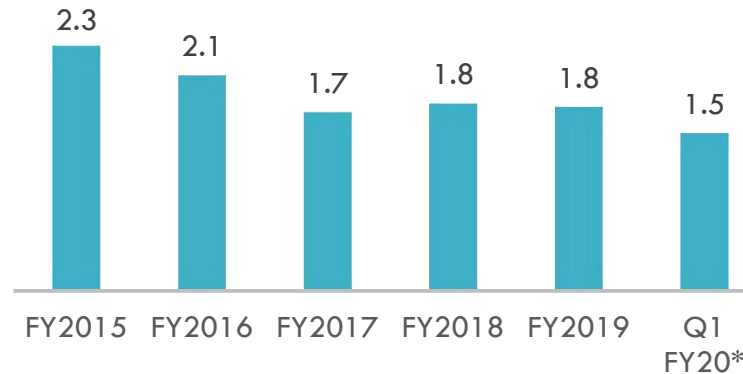
(2) *including 13 days of operations of Apollo Tricoat

Growing strength to strength: Cash flows and balance sheet

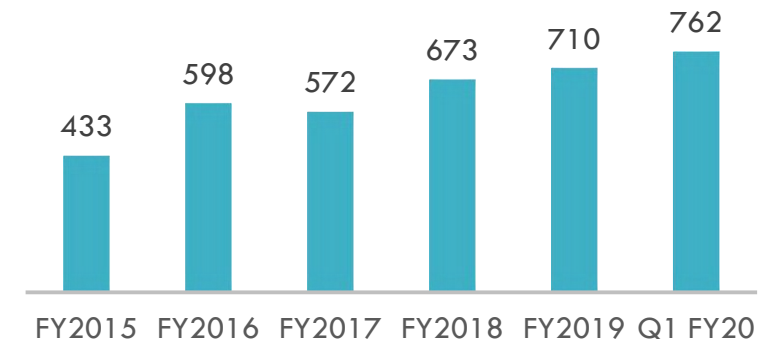
Operating Cash flow (Rs. Cr)



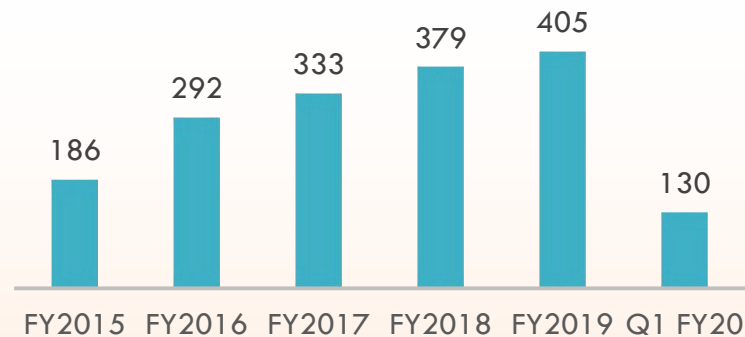
Debt to EBITDA (ratio)



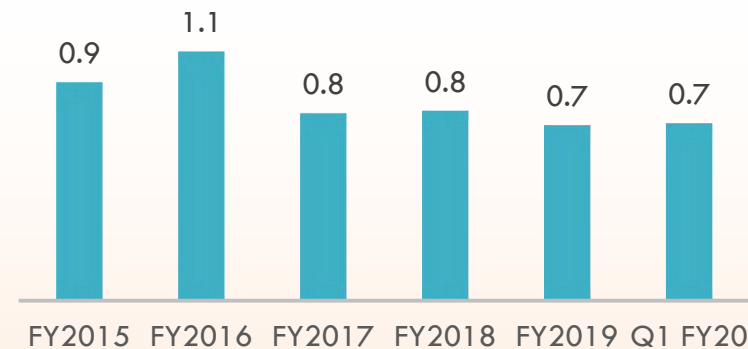
Total debt (Rs. Cr)



EBITDA (Rs. Cr)



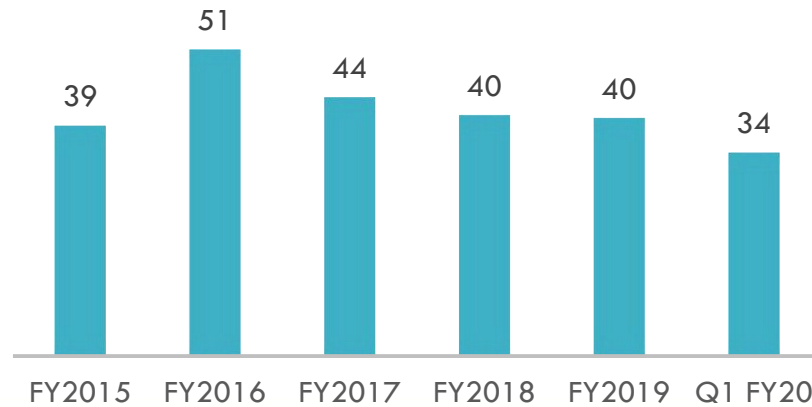
Debt to Equity



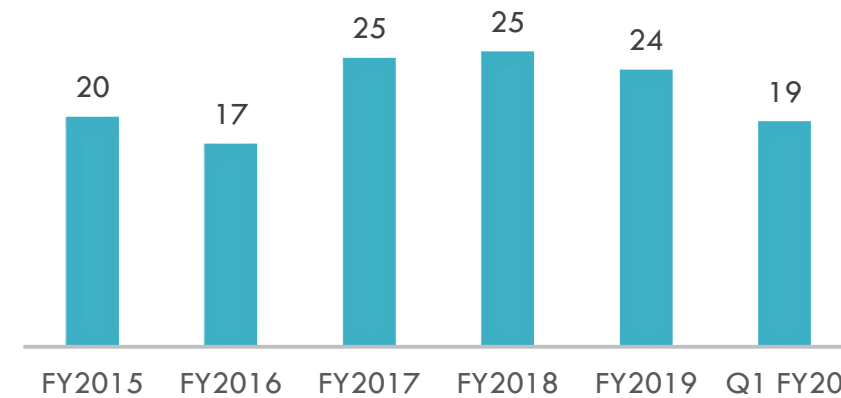
- In Q1 FY20, the company generated solid operating cash flow of Rs 72cr (further improvement in working capital days)
- Company's total debt increase was due to the following,
 - Acquisition of Shankara's manufacturing unit in Bengaluru for Rs. 70 crore
 - Investments in Apollo Tricoat of Rs. 130 crore
- Capital infusion of Rs. 97 crore by entity belonging to promoter category helped maintain a healthy balance sheet

Focus on maintaining healthy working capital cycle

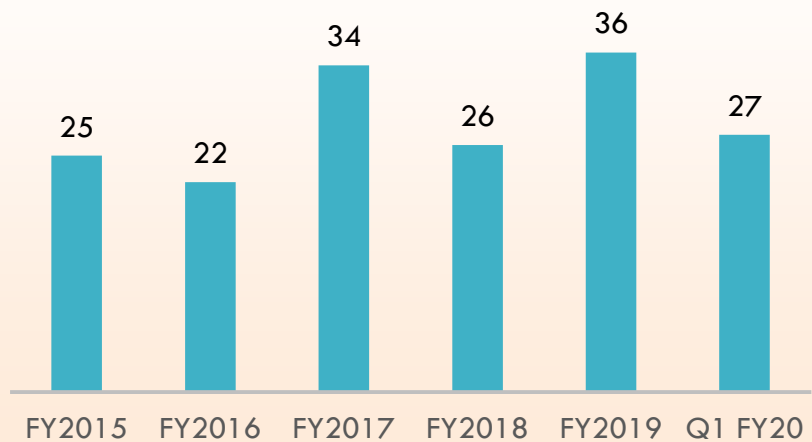
Inventory Days



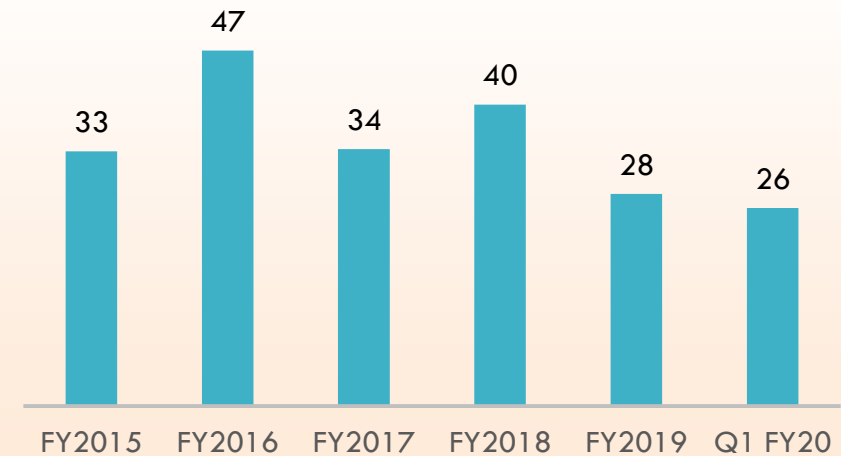
Debtor Days



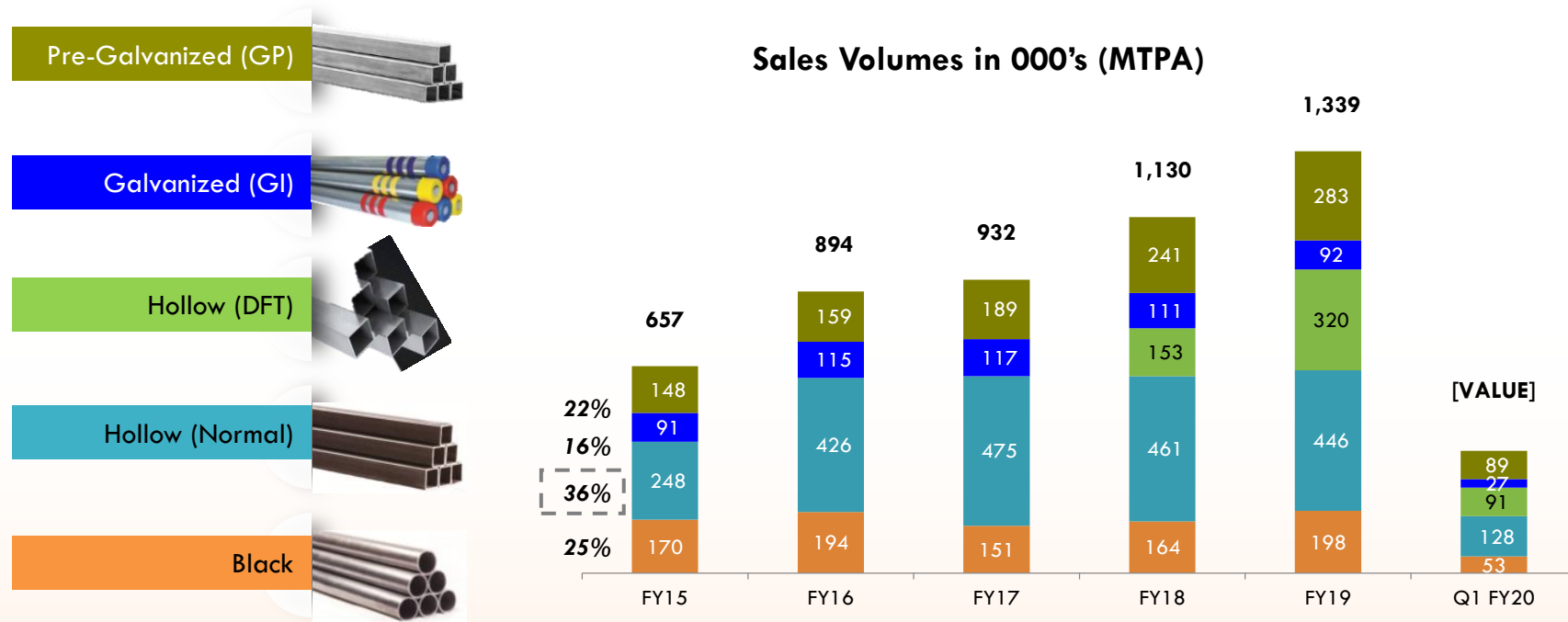
Creditor Days



Net Working Capital Days



Clear shift towards non-commoditized and better-margin products



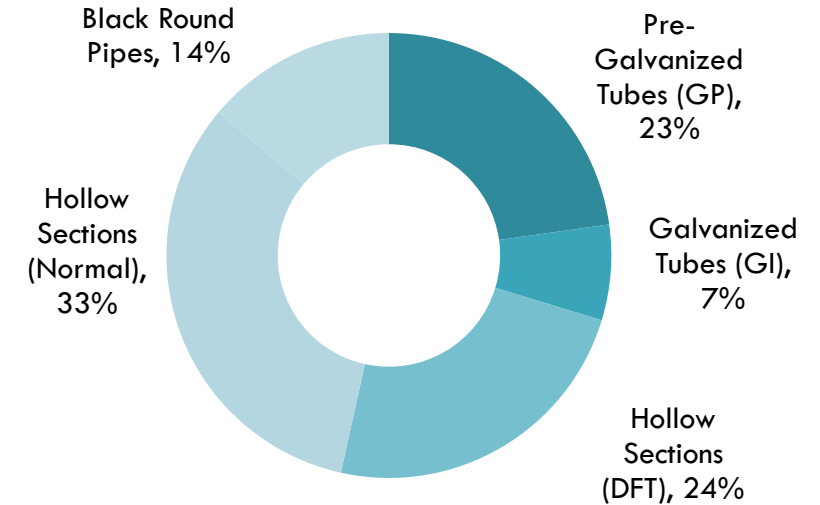
EBITDA Per Ton (Rs.) (~)	Black	1,390	1,660	1,780	1,590	1,336	1,617
	Hollow (Normal)	2,120	2,370	2,570	2,490	1,885	2,228
	Hollow (DFT)	-	-	-	3,050	2,986	3,079
	GI	3,920	4,590	4,920	4,880	4,362	4,623
	GP	4,690	5,280	5,700	5,690	5,557	5,694
	W. Average	2,761	3,020	3,375	3,355	3,018	3,334

Note: Sales volume & EBITDA per ton excluding Apollo Tricoat

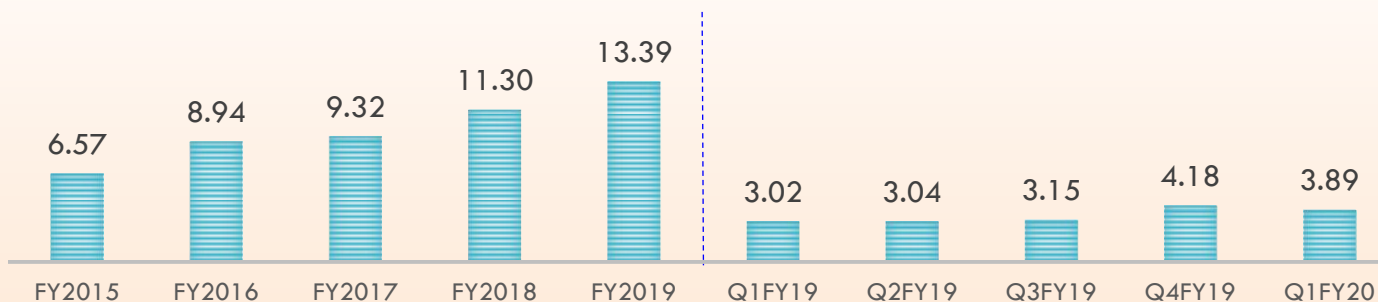
Key Financial & Operational Parameters

Sales Volume Break-up (excluding Apollo Tricoat Volumes)

Particulars (Tons)	Q1FY20	Q1FY19	Y-o-Y Shift
Pre-Galvanized Tubes (GP)	89,087	67,214	33%
Galvanized Tubes (GI)	26,551	22,957	16%
Hollow Sections (DFT)	91,488	70,633	30%
Hollow Sections (Normal)	1,27,649	96,185	33%
Black Round Pipes	53,736	45,065	19%
Finished products	3,88,511	3,02,054	29%



Sales Volume* (Lakh Tons) (excluding Trading & Scrap)



Note: *Sales excluding Apollo Tricoat Volumes

- Sales Volume* (excluding Trading & Scrap) stood at 388,511 tons, higher by 29% Y-o-Y
 - Higher focus towards value-added products, Hollow Sections, DFT, and new markets enhanced overall volume growth
 - The period witnessed healthy sales volume growth in GP and hollow sections

Realizations (after adjusting inter-company)

Particulars (Rs. / Ton)	Q1FY20	Q1FY19	Y-o-Y Shift
Pre-Galvanized Tubes (GP)	53,695	60,482	-11%
Galvanized Tubes (GI)	54,733	60,273	-9%
Hollow Sections (DFT)	46,797	51,976	-10%
Hollow Sections (Normal)	46,006	51,128	-10%
Black Round Pipes	45,505	50,413	-10%

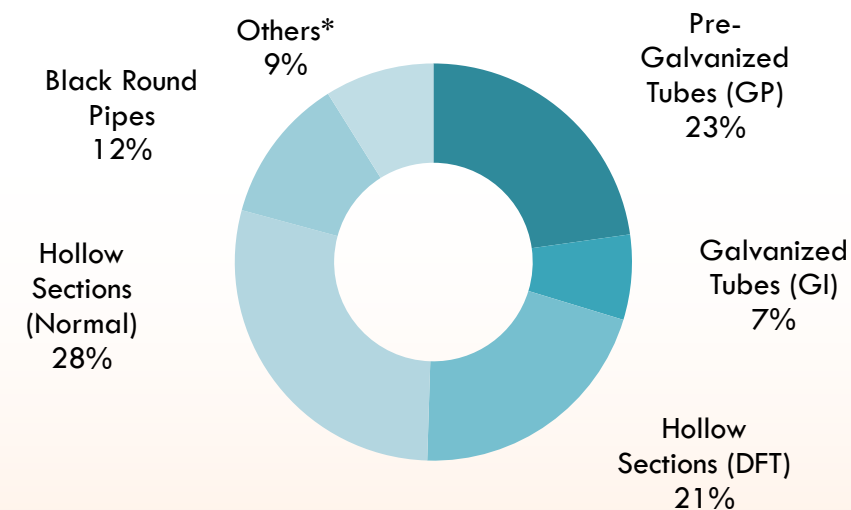
Product-wise Revenue Break-up (excluding Apollo Tricoat Financials)

Particulars (Rs. crore)	Q1 FY20	Q1 FY19	Y-o-Y Shift
Pre-Galvanized Tubes (GP)	478.35	406.52	18%
Galvanized Tubes (GI)	145.32	138.37	5%
Hollow Sections (DFT)	428.14	367.12	17%
Hollow Sections (Normal)	587.26	491.77	19%
Black Round Pipes	244.52	227.19	8%
Others*	176.25	46.48	279%
Total	2,059.85	1,677.45	23%

Note:

*Trading & Scrap

Q1 FY20 - Product-wise Revenue Break-up



- **Q1 FY20 Net Revenues higher by 24% to Rs. 2,071.6 crore**
 - The Company marked a strong start to the new fiscal year by registering a growth of 29% in sales volume during Q1 FY20
 - Growth was driven by a healthy uptick in the demand environment, both in the domestic and overseas market and strong contribution from value-added product categories of Hollow sections, DFT pipes, and GP pipes among others. The revenues also include contribution from Apollo Tricoat for just 13 days of operations i.e, from June 17 to June 30, 2019, which amounts to Rs. 11.7 crore.
 - The period saw lower realizations across product categories led by decline in steel prices as compared to last year – as a policy any change in steel prices is directly passed onto the customers by the Company
- **Q1 FY20 EBITDA higher by 15% Y-o-Y at Rs. 129.5 crore**
 - EBITDA per ton during Q1 FY20 stood at Rs. 3,334.5 as against Rs. 3,584.4 in the corresponding period last year. The key factors that impacted profitability during the quarter were as follows:
 - Increased spends on Brand development and marketing activities, which stood at Rs. 10.7 crore during the quarter. The Company anticipates such industry leading initiatives to strengthen its leadership position and lead to better profitability going forward
 - Stamp duty of Rs. 2.3 crore for the acquisition of the Shankara plant was expensed out during the quarter, which resulted in higher other expenditure
 - Raw material prices during the quarter were down by ~Rs. 1,500 / ton which impacted inventory valuations
 - Overall, given the Company's focus on volume growth, the EBITDA per ton was within a healthy range
 - From a longer term perspective, increasing contribution from higher margin value-added branded products and better utilization levels should contribute positively to EBITDA per ton performance

Note:

(1) EBITDA with other income

- **Depreciation stood at Rs. 20.2 crore in Q1 FY20, higher by 33% Y-o-Y and Interest Costs stood at Rs. 28.3 crore, higher by 7%**
 - Depreciation were higher due to commissioning of new capacities and establishment of a new warehouse during the quarter
 - Interest cost as a % of sales stood at 1.4% as against 1.6% in Q1 FY19. The decline of 20 bps was due to improvement in working capital cycle
- **In Q1 FY20, PAT improved by 11% to Rs. 52.1 crore**
 - Net profit growth was slightly impacted by higher depreciation and increased tax rate
 - With completion of significant capacity expansions and strategic acquisitions, the Company expects to consolidate its position in FY 20 – this should lead to notable improvement in profitability driven by a pickup in utilization at the existing & new capacities, lower capex requirements and expansion of profit margins driven by value-added products

Note:

(1) EBITDA with other income

**Growth in exports and OEM led
by DFT technology based
products**

**Solidifying APL Apollo brand
after 'Inner strength of India'
campaign**

**Sufficient capacity for 20%
annual sales volume growth**



**Add more distributors and
penetrate into new retail markets**

**Three focus areas: Cash flows
and profitability**

- Improving EBITDA/ton
- Improving free cash flows
- ROCE enhancement

**Launch high-margin new
products for building material
applications**



Commenting on the Company's performance for Q1 FY2020, Mr. Sanjay Gupta, Chairman, APL Apollo said,

"We are pleased to announce that we have begun the fiscal on a strong note despite an uncertain and subdued macro-environment. During the quarter, our sales volume witnessed a robust growth of 29%, marking healthy growth across the topline and profitability. The overall growth during the quarter was driven by strong contribution from Hollow Sections, DFT Pipes and Pre-Galvanized Tubes among others.

Operationally as well, we have seen a string of positive developments during the quarter. Our wholly-owned subsidiary, SLMUL, has concluded the acquisition of a ~50.6% stake in Apollo TriCoat Tubes in June 2019. I am pleased to share that Tricoat delivered an encouraging performance in Q1 FY20 - its first quarter of full manufacturing operations. There is a strong build-up of demand for Tricoat's existing high-margin product categories, namely the ILG pipes, DG Pipes and more recently, the Door Frames product segment. We believe, increased production of these products will help provide a strong momentum to volume and sales performance for Apollo Tricoat, going forward.

I am also happy to share that APL Apollo, during the quarter, set-up its maiden international warehouse in Dubai. The strategically-located warehouse will help address the growing demands from international customers and will further enable us to strengthen our brand visibility in global markets, thereby boosting export performance in the longer term.

As we look ahead, we are seeing a healthy uptick in demand for all our product categories in the domestic as well as in the export markets and we remain confident of delivering a sales volume growth of 20% CAGR in FY20 & FY21. Our focus remains strong on improving our cash flows and profitability in the years ahead, which should enable us to create further value for all our stakeholders."

Steel pipes and tube manufacturing among the fastest growing industries across the globe

Domestic ERW pipe industry expected to grow at ~10-12% CAGR - Domestic demand at ~8 million TPA*

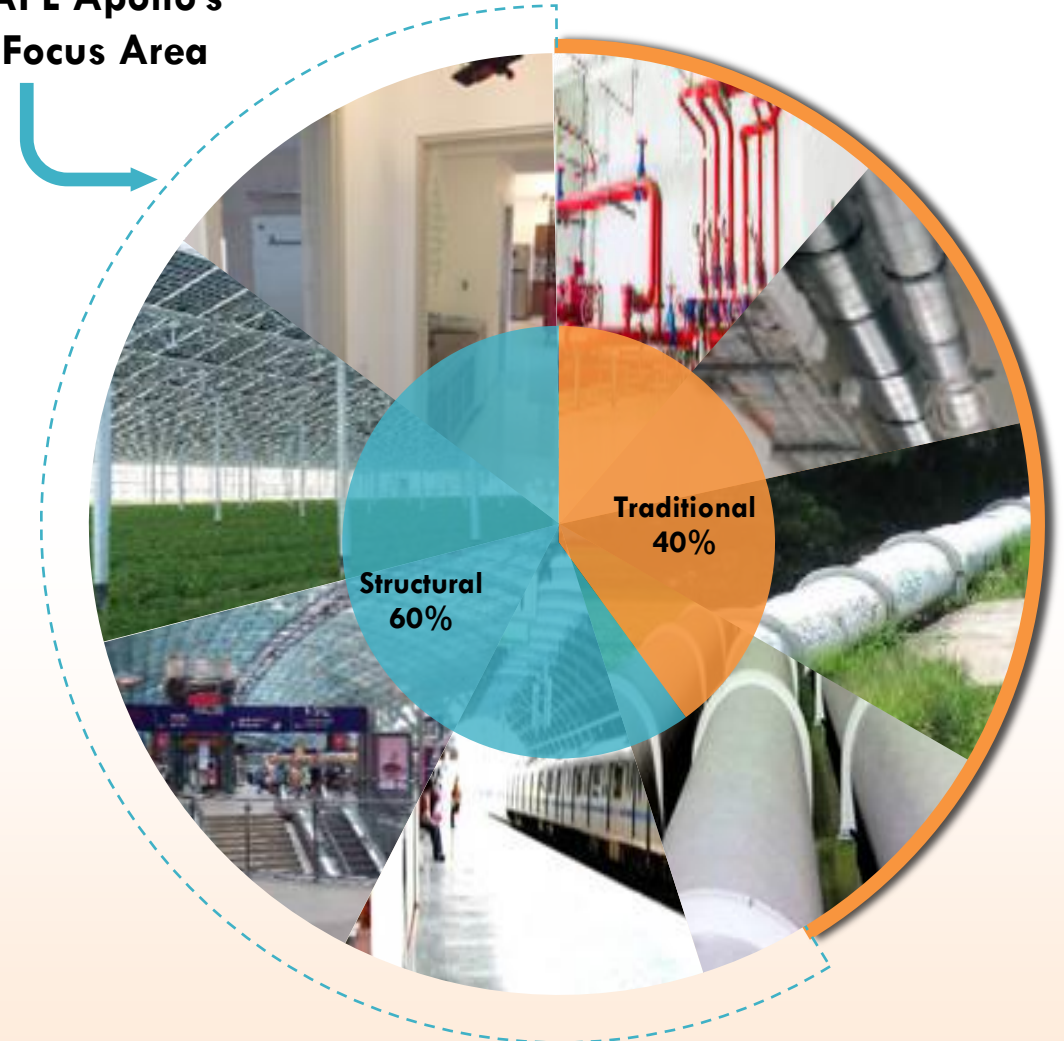
Domestic ERW Steel tubes market size at ~\$5.7 bn/ Rs. 40,000 crore)

Ever-increasing pent-up demand led by increased infrastructure construction, thriving automobile and refining sectors

Steel demand expected to grow at ~6-8% through FY21

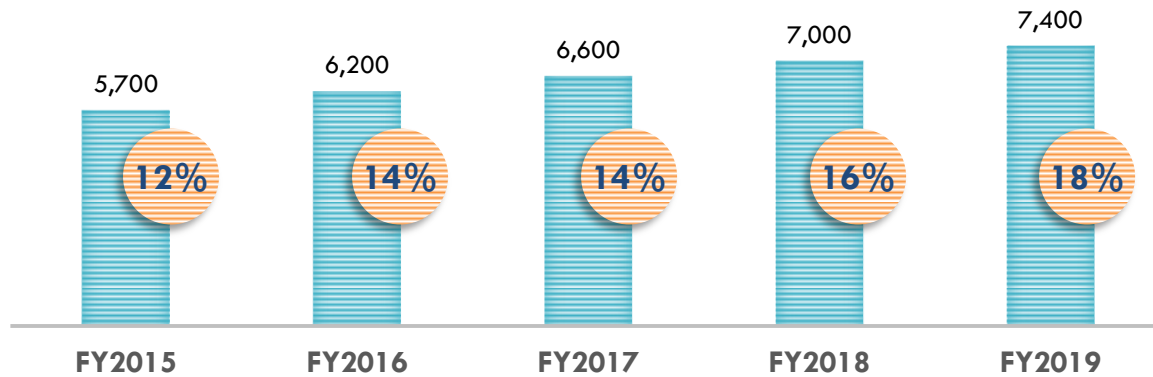
Pipe demand will form ~10-12% of the total steel demand, thereby providing a huge opportunity for steel pipe consumption

APL Apollo's Focus Area



Continuous shift towards Structural usage

Market Size ('000)

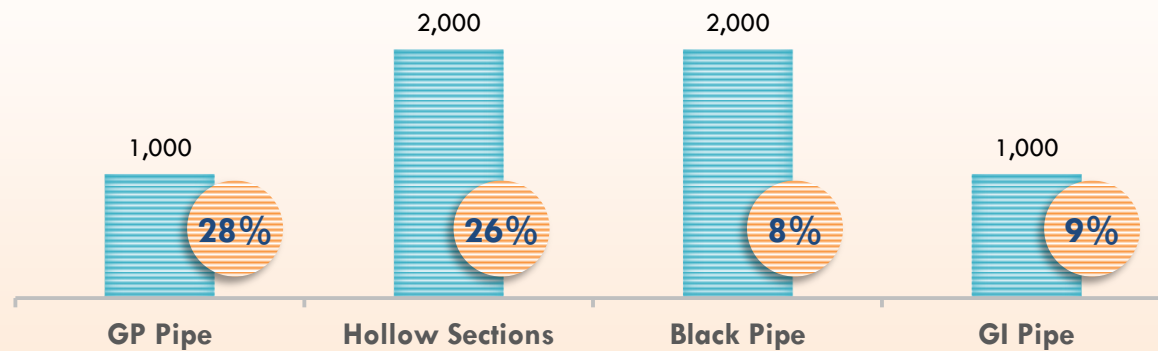


Pre-Galvanized (GP) Pipe



Galvanized (GI) Pipe

Domestic Market Size ('000) across products in FY19



Hollow Sections



Black Pipe

'One-stop shop' for steel structural products: Catering to key sectors of the Indian economy



Construction & Building Material

- Green Construction
- Buildings / Smart Cities
- Structural steel
- Fencing
- Hand railing
- Roofing
- Scaffolding
- Window/Door frame
- Ducting
- Furniture
- Fire fighting



Infrastructure

- Metros
- Airports
- Ports
- Prefabricated
- Gas Pipelines
- Telcom Towers
- Poles
- Stadiums



Energy & Engineering

- Solar plants
- Power plants
- Cranes
- Gym equipment
- Heavy engineering goods



Automobiles

- Truck & Bus body
- Heavy Vehicle Axles



Agriculture

- Agriculture Implements
- Drip Irrigation
- Water Distributor
- Pump & Water Conveyance
- Greenhouses

APL volume
breakup (~)

68%

10%

9%

5%

8%

Continuous focus on New Age Industry Applications across high-potential business segments

Growth
potential

Strong Government impetus, increasing purchasing power, improving lifestyle dynamics, etc provide a boost to all key sectors of the Indian economy

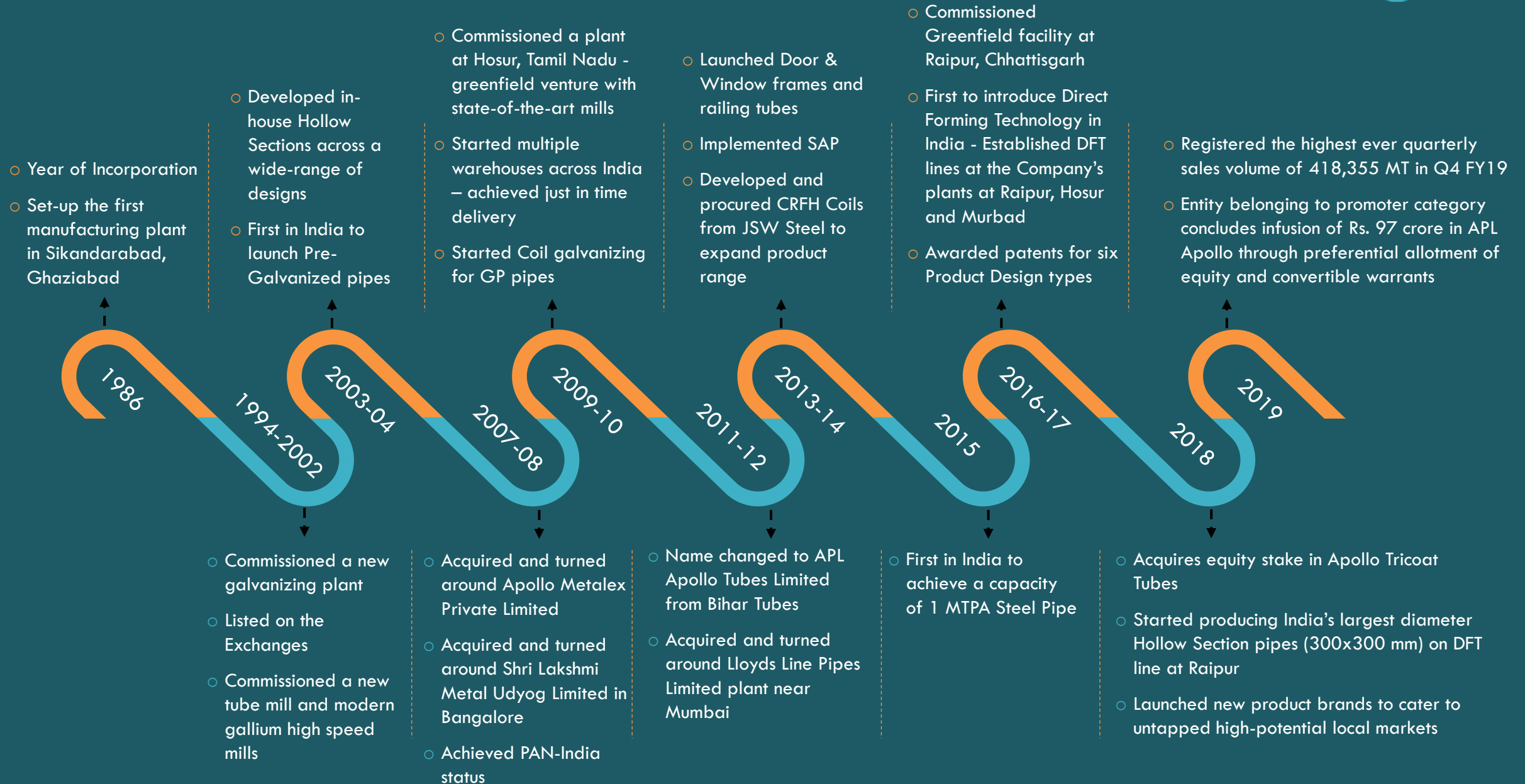
With enormous untapped potential across all major sectors and new age applications, APL Apollo's business model is well-positioned to capitalize on all emerging sectoral trends



1	Structural steel
2	Fencing
3	Hand railing
4	Roofing
5	Scaffolding
6	Door frame
7	Window frame
8	Ducting
9	Furniture
10	Fire fighting

**Array of products
catering to multiple
segments of the High
Potential industry**

Milestones



Largest producer of Electric Resistance Welded (ERW) steel pipes and sections in India

Multi-sector presence

Applications across Construction & Building Material, Infrastructure, Energy, Engineering Automobile, Agriculture, etc.

Pan- India player

Only player with manufacturing facilities across North, South, West and East India

Technology-focused Company

At the forefront of launching innovative product offerings

Shift towards branded products

Transformed from a Commodity to a Value-Added Branded product player

2.55

MILLION MTPA STEEL
PRODUCTION
CAPACITY*

26%

SALES (VOL)
10 YR CAGR

7,152
CRORE

INR

FY19 NET SALES

8

MANUFACTURING
UNITS

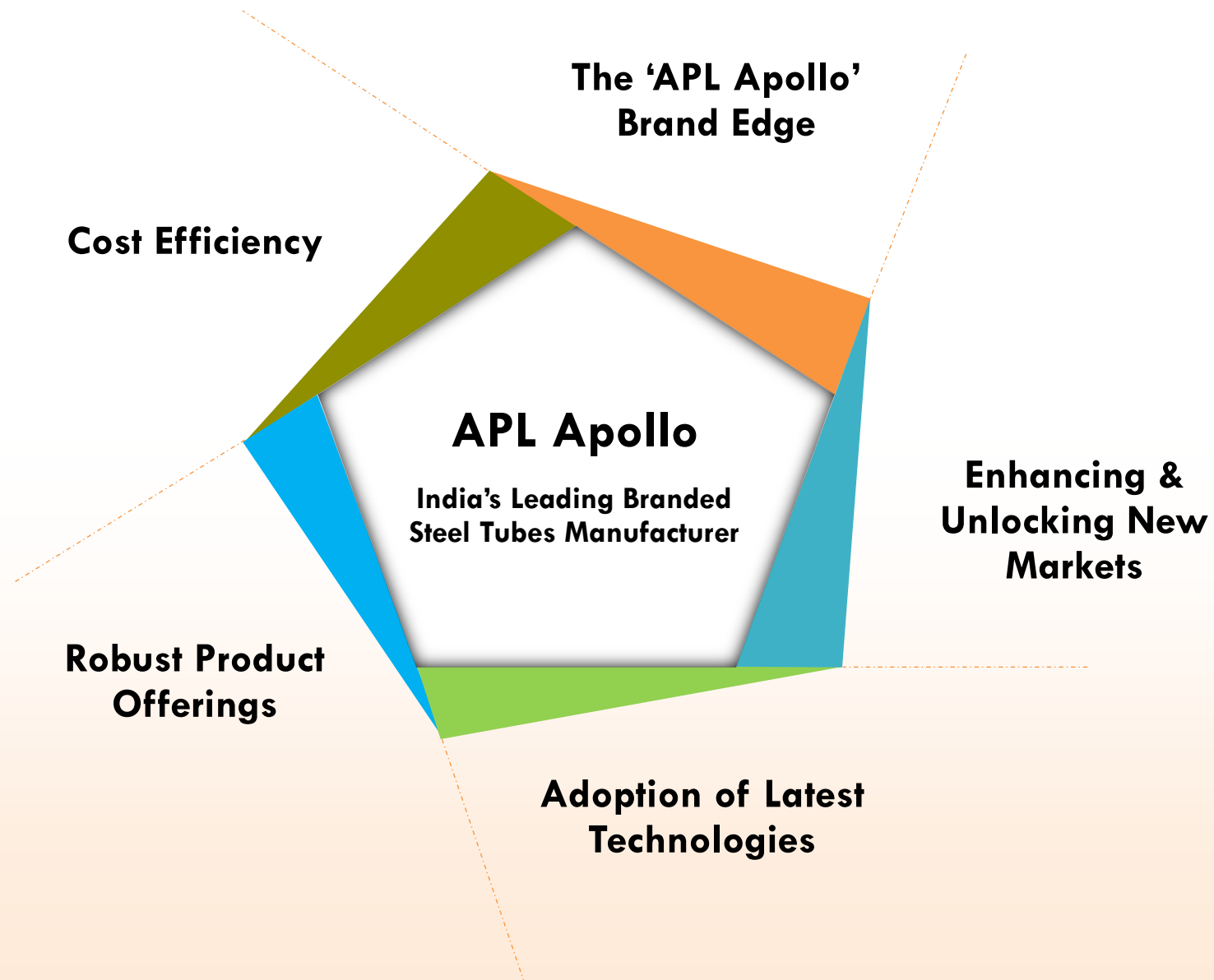
1,100+

DIVERSIFIED
PRODUCT
PORTFOLIO

790

DISTRIBUTORS
ACROSS INDIA

* Includes to-be acquired 200,000 MTPA capacity



APL Apollo Brand – Leading the Shift from a Commodity to a Value-Added Branded product



30

- APL Apollo's Branding Strategy serves a two-fold objective:
 - Creating awareness and visibility of the brand
 - Providing consumers a first-hand feel of products
- Strength, quality and competitive pricing of products strengthening brand value
- Appointed Marketing Consultant to drive the Company's overall Branding strategy
- Introduced innovative incentive schemes for dealers
 - Multi-day international Cruise organized for dealers and distributors
- In FY19, launched the 'APL Apollo' TVC supporting Delhi Capitals for IPL, India's biggest sports event and giant platform on the television, enabling maximum reach and generating mass connect and visibility
- Progressively enhancing budget for brand building activities



Strong brand awareness and widened distribution network to help diversify the 'APL Apollo' brand reach and drive higher growth



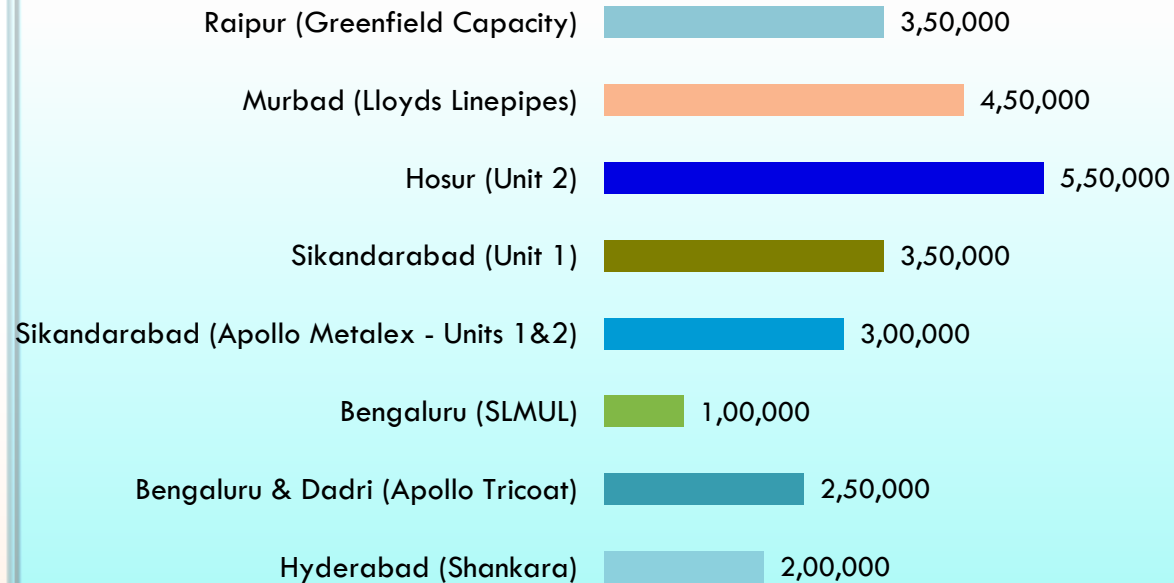
Branding Activities – Sports sponsorship

IPL TVC – Principal sponsor of Delhi Capitals
Principal Sponsor of Pro Kabbaddi League
Branding sponsor of 'India vs West Indies' cricket series

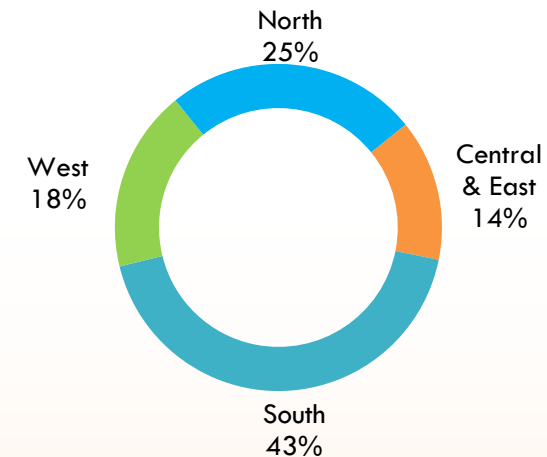


Close-to-Demand Pan-India Footprint – localized supply to fast-track growth

2.55 million MTPA capacity across plants



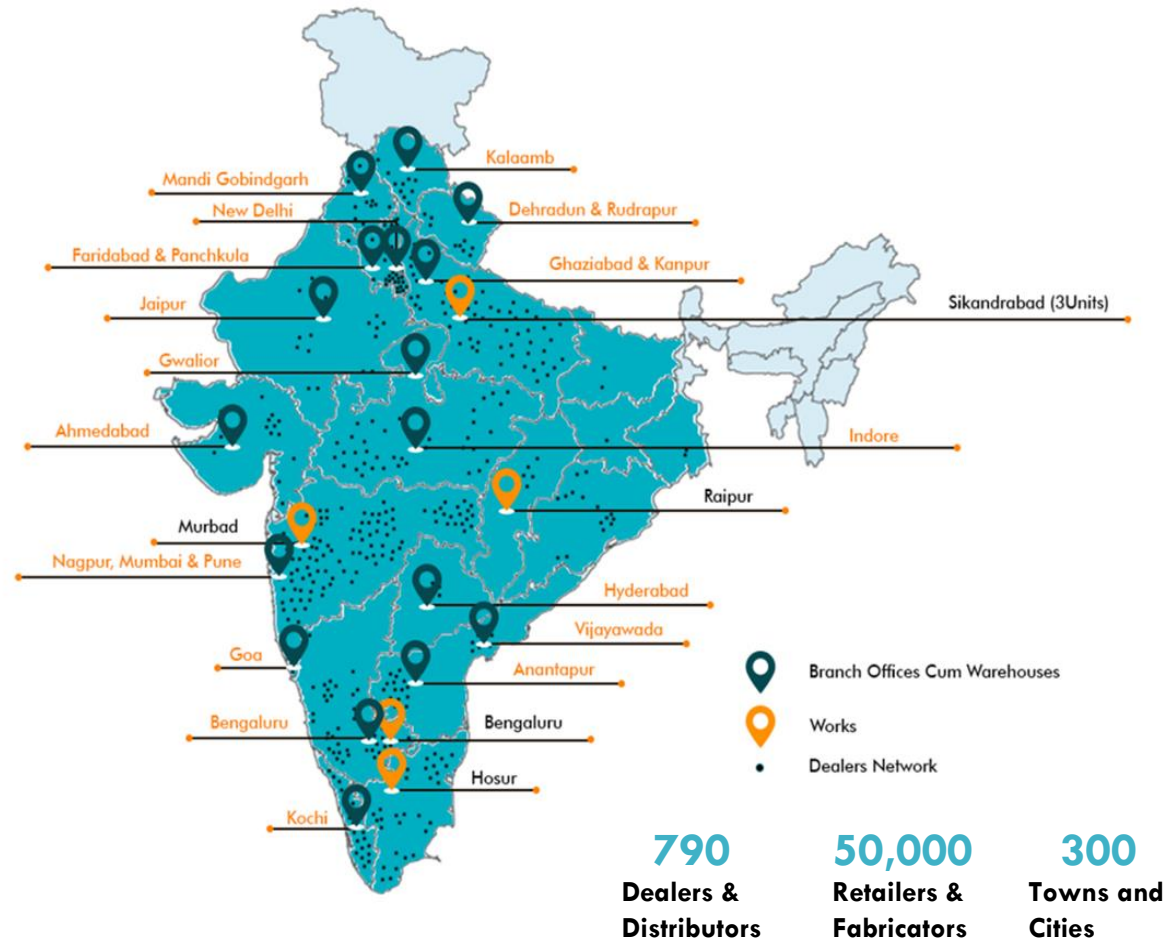
Capacity Distribution



~14-15% Market share across geographies

The only branded domestic steel tubes manufacturer with a pan-India presence – 2.55 million MTPA capacity makes APL Apollo one of the largest Branded Steel Tubes Manufacturer in the world

Local Market Presence aided by 3-tier Distribution and Solid Supply Chain Mechanism



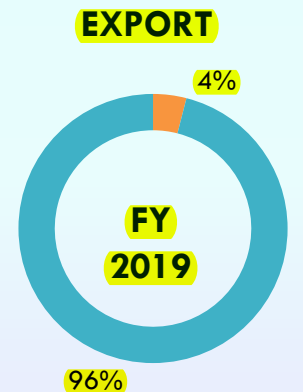
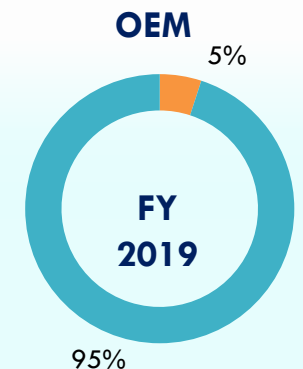
Introduction of latest technologies, especially DFT and Tricoat, to unlock vast potential across OEM and Export markets

• Focus on OEMs & Export Markets

- High quality customized shapes and sizes of products, achieved through DFT, to help penetrate OEMs and export markets

• Strengthening Domestic Foothold

- Targeting East and Central markets through Raipur
- Acquired Shankara's plant in South India to strengthen foothold in the Eastern and Southern markets

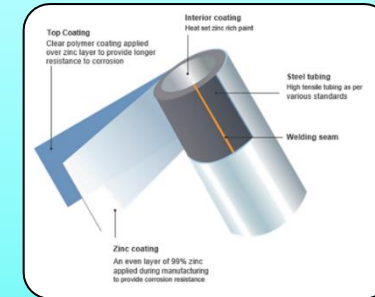


- Leader in adopting the latest technology from around the globe
 - **Introduced latest technologies** – High speed mills from Europe (increased speed by 5x), Strip Galvanizing lines, and the unique Rotary Sizing Mills
 - In 2016, the Company introduced the latest global '**Direct Forming Technology**' in India
 - In 2018, the Company acquired stake in Apollo Tricoat, which was the first Company to introduce the global '**Galvant Technology**' in India
 - Through this acquisition, APL Apollo will expand its product portfolio in the high-margin coated pipe segment
- High-end R&D capabilities to help address elevated standards and ever-changing requirements of customers

Direct Forming Technology



Galvant Technology



Establishing latest technology to improve productivity, enable cost savings, while driving growth by expanding addressable markets

Latest Global Technology

Hollow Sections of varying shapes / sizes / thickness

Customized orders / small orders also accepted

Rollover time reduced to ~20 mins from 4-24 hours

Results in direct material savings of ~3-7%

Customer benefits include: Size customizations, specific orders and time savings – ‘Whatever Whenever Wherever’

Opened an array of opportunities across various sectors

Metros / Airports / Pre-Fab Buildings

Agriculture Implements / Construction Equipment- Tower Crane

Gym/Sport Equipment / Solar tracking systems

Truck & Bus body / Heavy Vehicle Axles

Export Market across USA, Europe, Middle East



Products made through the latest Galvant technology - Tri-layer of protective coating

Steel window and door frames



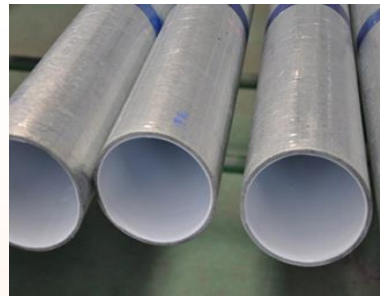
Narrow Sections



Designer Galvanized Pipe



Hybrid Pipes
(PVC + ILG)

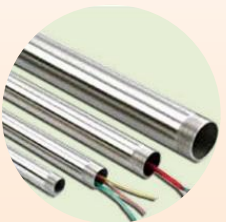


APL Apollo acquires equity stake in Apollo Tricoat Tubes

APL Apollo, through its wholly owned subsidiary Shri Lakshmi Metal Udyog (SLMUL), acquired 50.6% stake in Apollo Tricoat

- The acquisition has enabled APL Apollo to expand its product portfolio in the high-margin coated pipe segment and to exploit synergies between the businesses of Shri Lakshmi Metal Udyog and Apollo Tricoat

Steel Tubing



The products span three variants - **SureCoat**, **DuraCoat** and **SuperCoat**

Eco-friendly products - widely used for electrical conduits and appliances and green houses

Enhances longevity of products due to tri-layer coating

The acquisition has an attractive payback of less than 3-4 years

Continuously augmenting the product basket

At least 30%
savings as
compared to
Normal wood

Double Door
Frame
Section



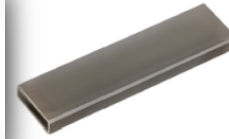
Single Door
Frame
Section



Paint Coated



Narrow
Sections



Pipe
Dimensions



New Patented Designs

D Shape



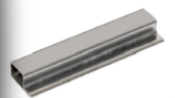
Hand Rail



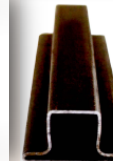
Z Shape



L Section



T Shape



Elliptical
tube



- Majority of the Company's product portfolio have limited competition
- On the back of DFT:
 - Developed over **200 new customizable sizes**
 - Total product offerings augmented to **1,100+ varieties**

Deploying cost-effective strategy across business model



Lowest cost producer in the country – endeavor to become the lowest cost producer across the globe

Higher emphasis on channel financing to improve purchasing power of dealers, while also enhancing working capital cycle

Pursuing backward integration, especially for thinner materials – will enable significant cost –savings and boost efficiencies

Increasing usage of renewable (solar + wind) energy to help reduce electricity and maintenance costs

Offers a very large product portfolio in low prices via retailer strength and higher volumes

Company pursuing Backward integration of thinner materials

- Company setting up cold-rolling mill facility in UP with a capacity of almost 2 lakh MTPA - will help reduce the thickness to the desired level of upto 1 mm
- This will enable significant raw material cost-savings for APL Apollo

Consistently Delivering Strong Performance

Particulars	FY2010	FY2012	FY2015	FY2016	FY2017	FY2018	FY2019	CAGR
Sales* (Rs. Crore)	666	1, 536	3,482	4,656	3,924	5,335	7,152	30%
EBITDA (Rs. Crore)	66	115	186	292	339	379	405	22%
PAT (Rs. Crore)	30	49	64	101	152	160	148	19%
Production								
Capacity MTPA	274,000	500,000	1,050,000	1,300,000	1,300,000	1,750,000	2,100,000	25%
Sales MTPA	165,000	294,300	682,193	893,666	931,535	1,130,305	1,339,174	26%
Distribution								
No of Distributors	150	200	375	600	600	650	790	20%
No of Plants	4	5	6	6	6	7	8	8%

Note: *Gross sales (incl. excise duty) considered for the period FY2007 – FY2016. Net sales considered from FY2017 onwards
EBITDA (incl. other income)

5-year Financial Track-record

Particulars	FY2015	FY2016	FY2017	FY2018	FY2019
Net Worth (Rs. Cr)	472.1	567.6	720.4	837.8	964.1
Cash and cash equivalents	18.8	1.0	1.4	6.6	47.3
Capex for the year (Rs. Cr)	213.2	7.8	172.8	193.0	193.6
Inventory (Rs. Cr)	320	594	470	592	784
Inventory Days	35	47	34	35	40
Debtors (Rs. Cr)	180	220	295	432	543
Debtor Days	20	17	22	25	24
Creditor (Rs. Cr)	205	255	370	379	699
Creditor Days	28	33	43	30	36
Net Working Capital (Rs. Cr)	294	560	394	644	628
Net Working Capital Days	26	31	13	30	28
Dividend Per Share (Rs)	6.0	10.0	12.0	14.0	14.0
Dividend Payout Ratio	22%	23%	19%	21%	22%

Note: Debtor Days is calculated as $[(\text{Trade receivables}/\text{Gross sales}) \times 365]$; Inventory Days is calculated as $[(\text{Inventories}/\text{Net sales}) \times 365]$;

Creditor Days is calculated as $[(\text{Trade payables}/\text{net sales}) \times 365]$

Quarterly trend – last 8 quarters

Particulars	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	YOY%
Sales* (Rs. Crore)	1,345	1,314	1,519	1,677	1,690	1,691	2,095	2,072	24%
EBITDA (Rs. Crore)	96	91	105	112	88	62	142	129.5	15%
PAT (Rs. Crore)	41	36	45	47	27	13	62	52.1	11%
Hollow Sections	155,011	157,318	164,089	166,818	177,229	183,886	238,281	219,137	31%
Black Round Pipes	39,205	38,537	47,420	45,065	44,336	45,020	63,623	53,736	19%
Pre-Galvanized Tubes (GP)	59,753	58,939	62,594	67,214	62,497	66,872	86,273	89,087	33%
Galvanized Tubes (GI)	29,020	26,537	26,727	22,957	19,996	18,929	30,178	26,551	16%
Finished products	282,989	281,331	300,830	302,054	304,058	314,707	418,355	388,511	29%
EBITDA/ TON (Rs.)	3,384	3,218	3,475	3,584	2,898	1,985	3,384	3,335	-11%

- In Q3 FY19, the Company saw an inventory loss of Rs. 41.7 crore, caused by a steep fall in steel prices. This, impacted EBITDA and margins performance in Q3 FY19
 - Adjusted for the same, EBITDA stood at Rs. 104.1 crore in Q3 FY19

APL Apollo Tubes Limited (APL Apollo) Q1 FY20 Earnings Conference Call

Time	• 12 Noon IST on August 13, 2019
Local dial-in numbers	• +91 22 6280 1141 • +91 22 7115 8042
International Toll Free Number	• Hong Kong: 800 964 448 • Singapore: 800 101 2045 • UK: 0 808 101 1573 • USA: 1 866 746 2133

APL Apollo Tubes Limited (APL Apollo) *BSE: 533758, NSE: APLAPOLLO+ is one of India's leading branded steel products manufacturers. Headquartered at Delhi NCR, the Company operates 8 manufacturing facilities with a total capacity of 2.55 Million MTPA. It has a PAN-Indian presence with units strategically located in Sikandarabad, Hyderabad, Bangalore, Hosur, Raipur and Murbad. APL Apollo's multi-product offerings include over 1,100 varieties of MS Black pipes, Galvanized Tubes, Pre-Galvanized Tubes, Structural ERW Steel tubes and Hollow Sections.

With state-of-the-art-manufacturing facilities, APL Apollo serves as a 'one-stop shop' for a wide spectrum of steel products, catering to an array of industry applications such as urban infrastructures, housing, irrigation, solar plants, greenhouses and engineering. The Company's vast 3-tier distribution network of over 790 dealers is spread all across India, with warehouses cum-branch offices in over 20 cities

For further information, please contact:

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Thank You



Construction & Building Material

Infrastructure

Energy & Engineering

Automobiles

Agriculture

