

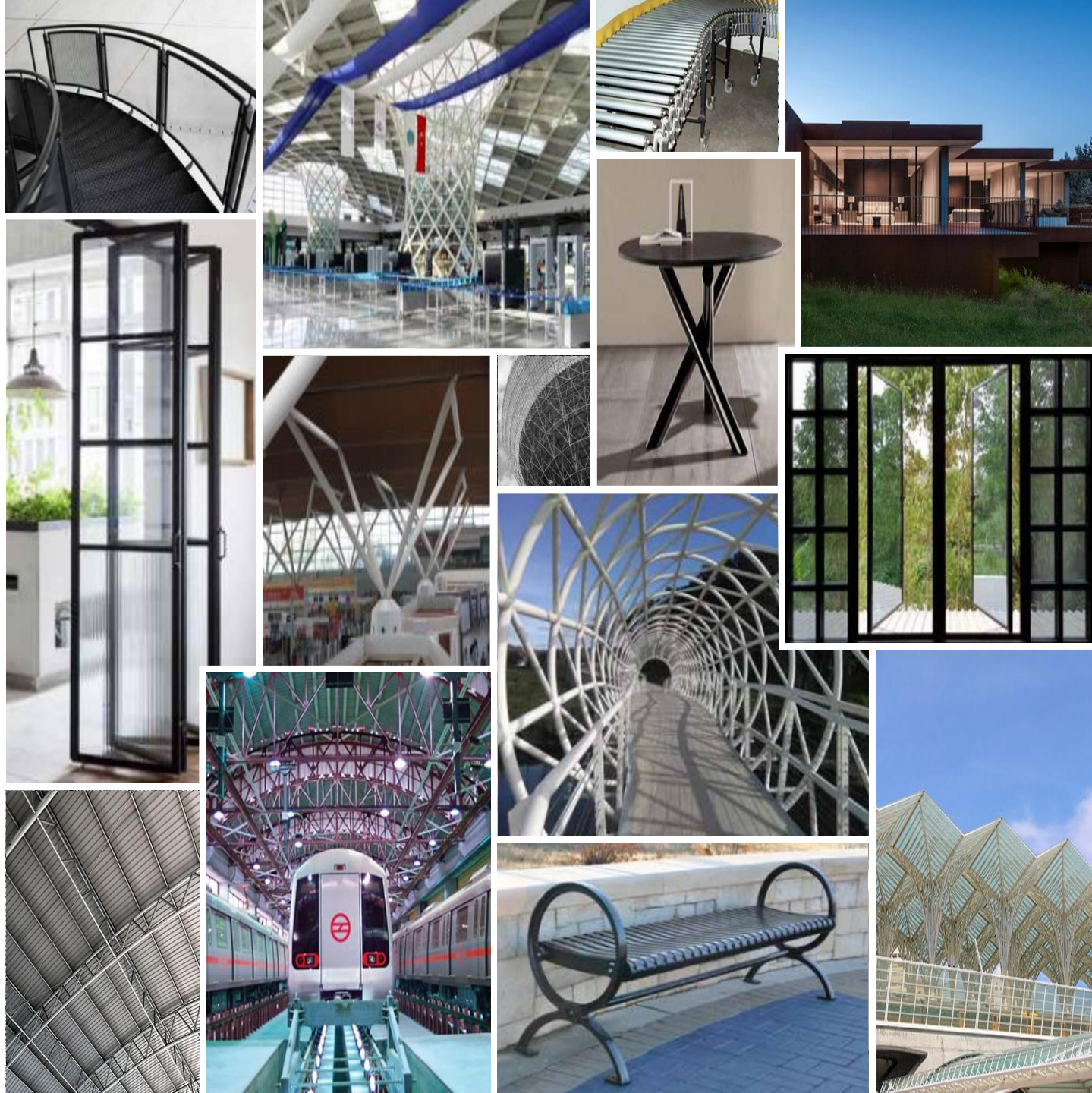


APL APOLLO TUBES LTD.

Q4 & FY19 Results Presentation

May 18, 2019

Construction & Building Material
Infrastructure
Energy & Engineering
Automobiles
Agriculture



Safe Harbour

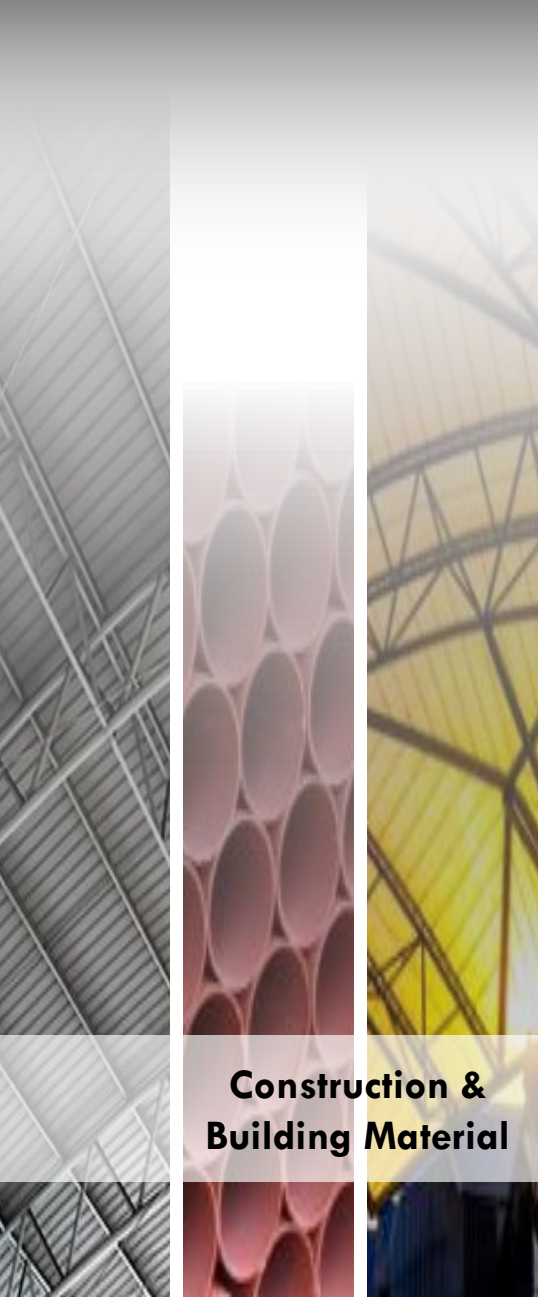
Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", 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.



Table of Content

1	Q4 & FY19 Update	2	Company Overview	3	Growth Drivers
4	Financial Highlights	5	Annexure		

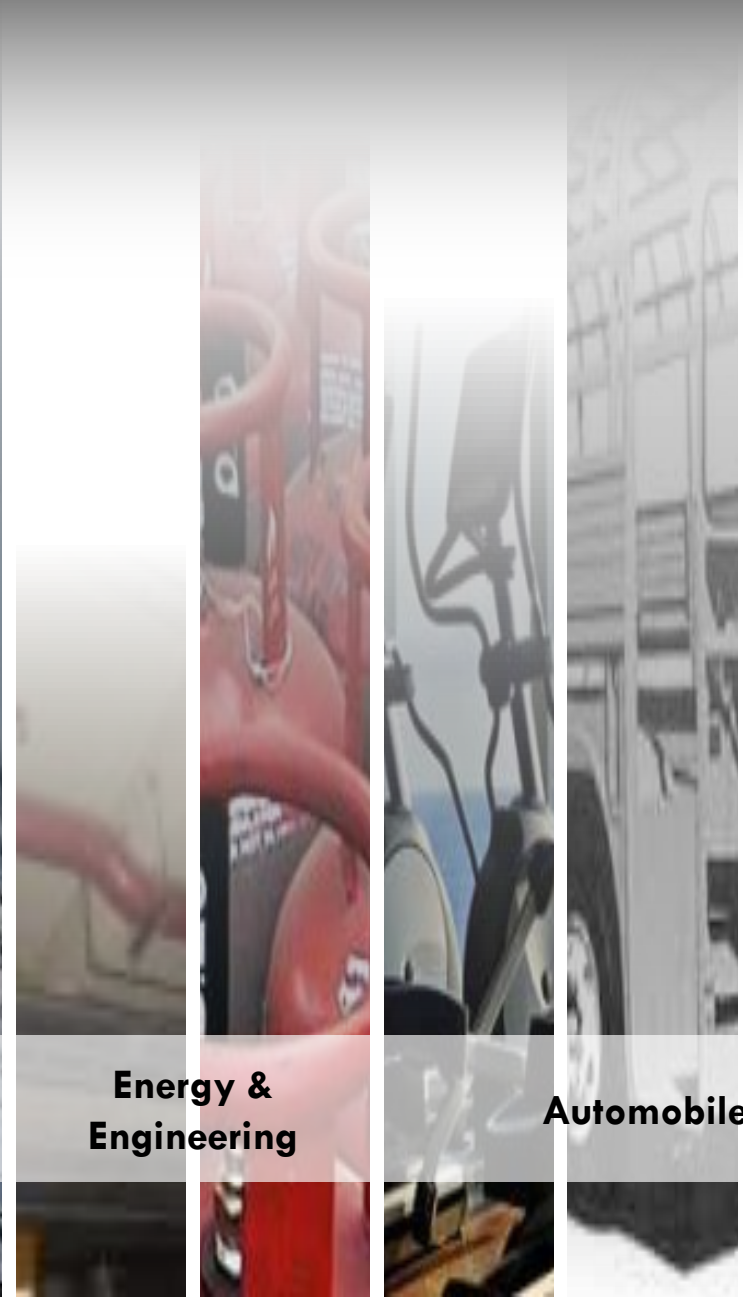
Q4 & FY19 Update



**Construction &
Building Material**



Infrastructure



**Energy &
Engineering**

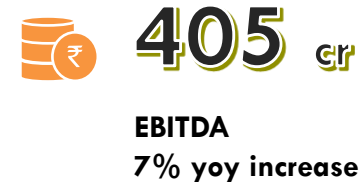


Automobiles



Agriculture

FY19 - Transformative year for APL



* Includes to-be acquired 200,000 MTPA capacity

Demand Drivers that led to Growth in FY19

Distribution expansion: Added 140 distributors

Product portfolio expansion: Launched 100+ products

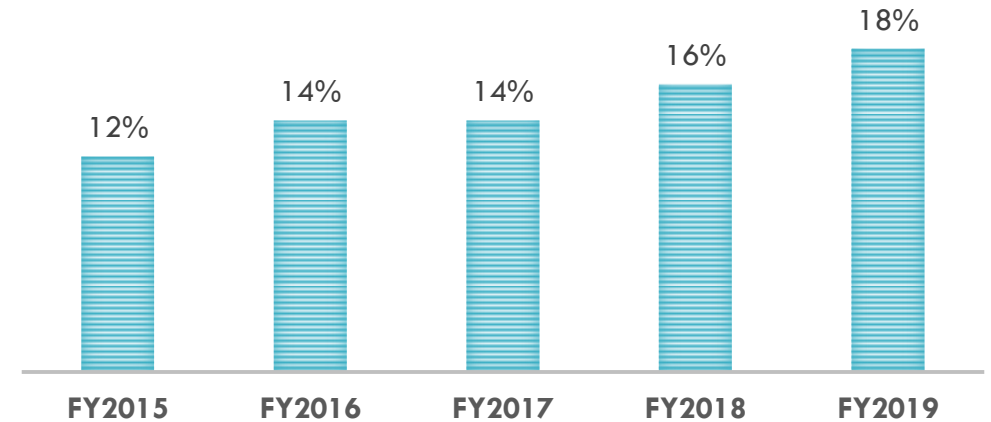
New products through DFT technology: Customization approach

Market share gains: 18% market share

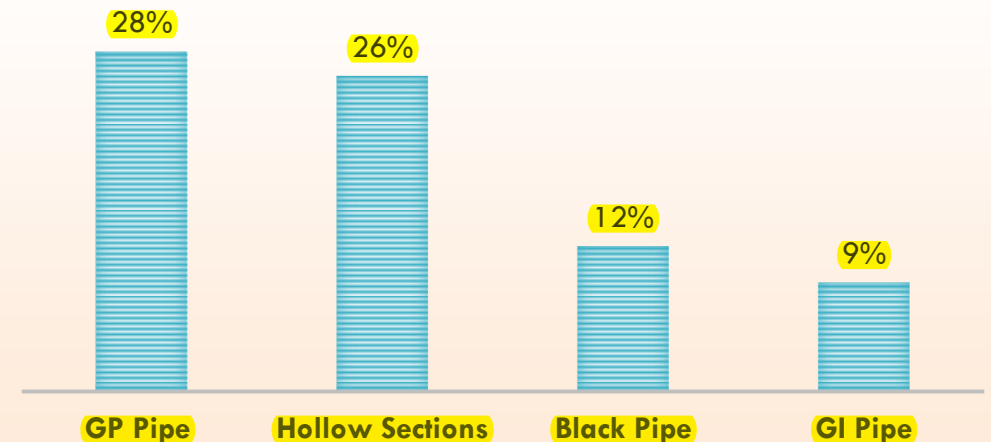
Brand strengthening

Pickup in construction activity in key markets

Market share (%)

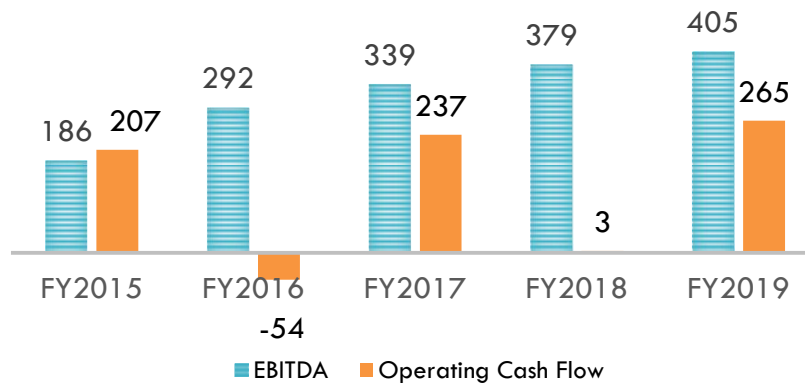


Domestic Market share across products (%) in FY19

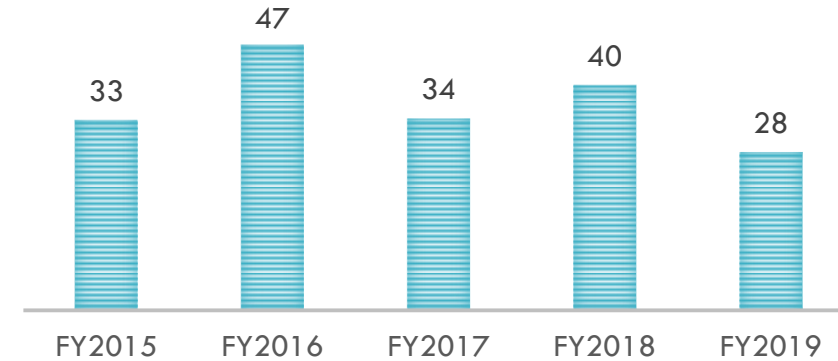


Growing strength to strength: Cash flows and balance sheet

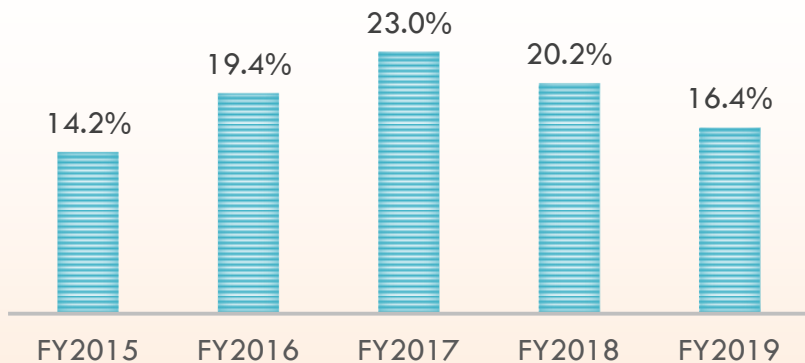
EBITDA and Operating cash flow (Rs. Cr)



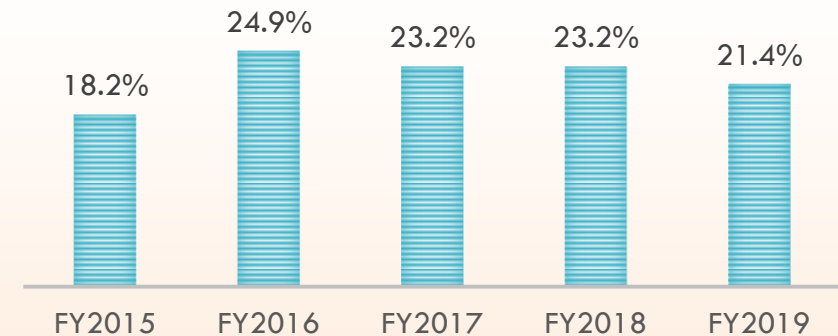
Net working capital cycle (no of days)



ROE (%)



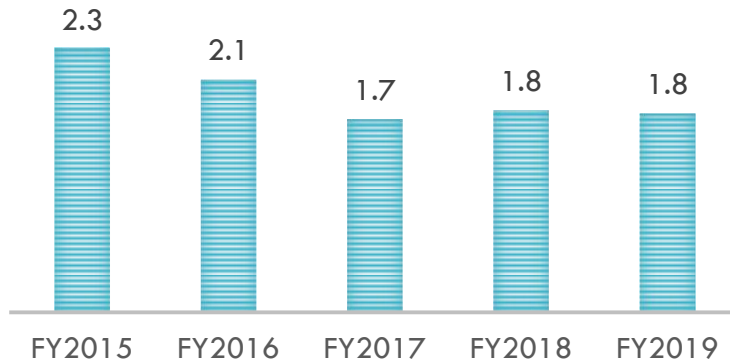
ROCE (%)



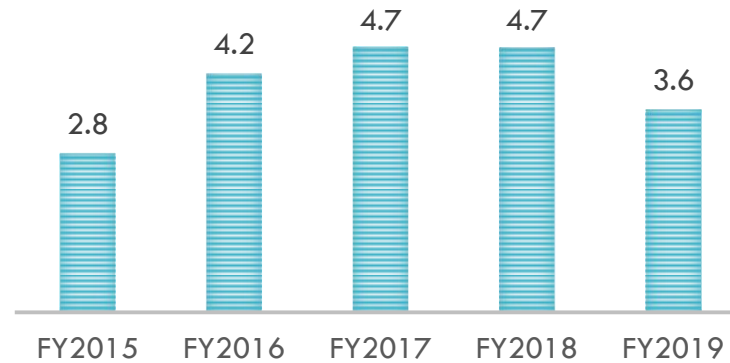
- In FY19, the Company undertook significant capacity expansion and concluded strategic acquisition of Apollo Tricoat, which impacted return ratios and cash flow
 - Going forward, the Company expects return ratios and cash flow to notably improve driven by a pickup in utilization at the existing capacities, lower capex requirements for FY20 and FY21 and expansion of profit margins

Growing strength to strength: Cash flows and balance sheet

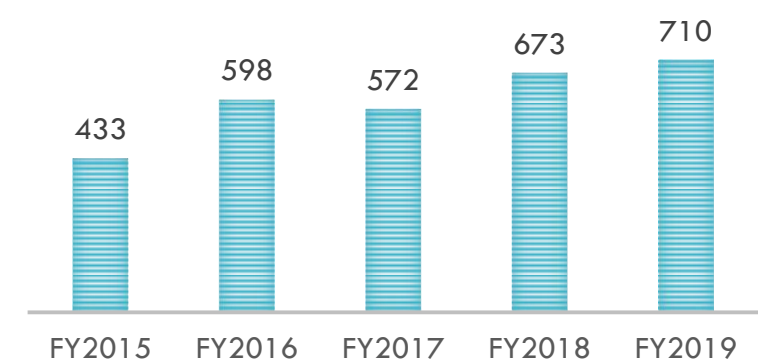
Debt to EBITDA (ratio)



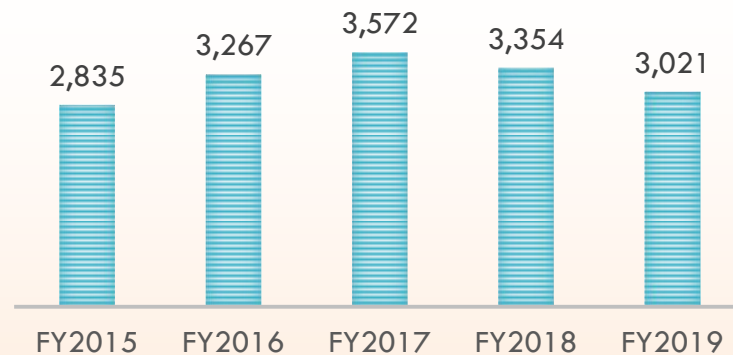
Interest coverage ratio



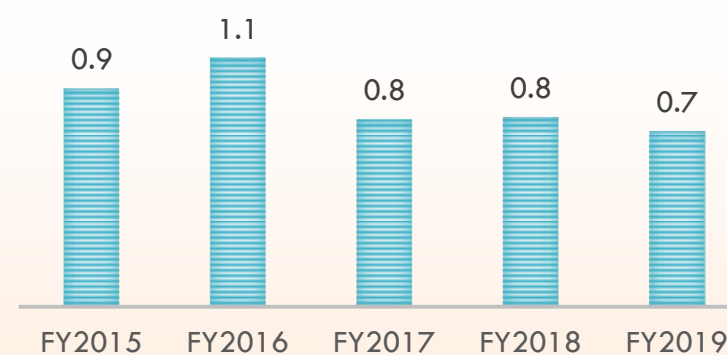
Total debt (Rs. Cr)



EBITDA/ton



Debt to Equity



- 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 FY19
 - Adjusted for this inventory loss, EBITDA per ton during FY19 came at Rs. 3,332

4.2 Lac MTPA

Highest ever Volume of
(39% y-o-y growth)

Rs. 2,094 cr

Highest ever Revenue of
(38% y-o-y growth)

Rs. 142 cr

Highest ever EBITDA of
(35% y-o-y growth)

Rs. 62 cr

Highest ever PAT of
(45% y-o-y growth)

Rs. 3,384

EBITDA/Ton

24

Net Working Capital Days
Quarterly

28

Net Working Capital Days
Annualized

The Board of Directors have approved the acquisition of production unit located at Hyderabad, one of the unit of Taurus Value Steel & Pipes, a subsidiary of Shankara Building Products for a consideration of ~ Rs. 70 crore

- The manufacturing unit has a production capacity of ~2,00,000 tons per annum – the facility includes manufacturing lines for GI pipes and GP pipes that are APL Apollo's high margin and value-added product segments
 - Improving portfolio of these products will enable increased revenue and volume contribution of value-added segments while also leading to steady improvement in operating margins
- The acquisition will enable APL Apollo to add further capacities at attractive valuations, given the strong demand outlook over the next few years
- Furthermore, Shankara has agreed to purchase 2.5 lakh tonne pipe from the Company in FY2020, which will assist APL Apollo's volumes
- The acquisition has an attractive payback of less than 3 years and 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

- 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
 - 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).

Abridged P&L Statement

Particulars (Rs. crore)	Q4 FY19	Q4 FY18	Y-o-Y Shift		FY19	FY18	Y-o-Y Shift
Net Sales	2,094.1	1,519.4	38%		7,152.3	5,334.8	34%
Total Income From Operations (Net)	2,094.1	1,519.4	38%		7,152.3	5,334.8	34%
Other Income	2.8	1.9	49%		11.7	8.0	46%
Total Income	2,097.0	1,521.3	38%		7,164.0	5,342.8	34%
Total Expenditure	1,955.4	1,416.8	38%		6,759.5	4,963.7	36%
Raw Material expenses	1,818.2	1,329.1	37%		6,307.7	4,548.3	39%
Employee benefits expense	28.6	23.4	22%		107.9	86.2	25%
Other expenses	108.5	64.3	69%		343.9	329.2	4%
EBITDA	141.6	104.5	35%		404.6	379.1	7%
EBITDA margin (%)	6.8%	6.9%	-12 bps		5.7%	7.1%	-145 bps
Finance Costs	28.9	22.6	28%		113.3	81.3	39%
Depreciation and Amortization	17.2	15.0	15%		64.3	53.4	20%
PBT	95.4	67.0	42%		226.9	244.3	-7%
Tax expense	33.7	24.3	39%		78.7	86.2	-9%
PAT	61.7	42.7	45%		148.3	158.1	-6%
PAT Margins (%)	2.9%	2.8%	+14 bps		2.1%	3.0%	-89 bps

Key Financial & Operational Parameters

Particulars	Q4 FY19	Q4 FY18	Y-o-Y Shift (bps)		FY19	FY18	Y-o-Y Shift (bps)
EBITDA Margin	6.8%	6.9%	-12		5.7%	7.1%	-145
Profit Before Tax	4.6%	4.4%	15		3.2%	4.6%	-141
Net Margin	2.9%	2.8%	14		2.1%	3.0%	-89
Total Expenditure / Total Operating Income	93.4%	93.2%	13		94.5%	93.0%	146
Raw Material Cost / Total Operating Income	86.8%	87.5%	-65		88.2%	85.3%	293
Staff Cost / Total Operating Income	1.4%	1.5%	-17		1.5%	1.6%	-11
Other Expenditure / Total Operating Income	5.2%	4.2%	95		4.8%	6.2%	-136
Interest & Finance Charges / Sales	1.4%	1.5%	-11		1.6%	1.5%	6
Tax Rate	35.3%	36.3%	-97		34.7%	35.3%	-61
EBITDA/ TON (Rs.)	3,384	3,475	-3%		3,021	3,354	-10%

Note:

(1) EBITDA with other income

Consolidated Balance Sheet

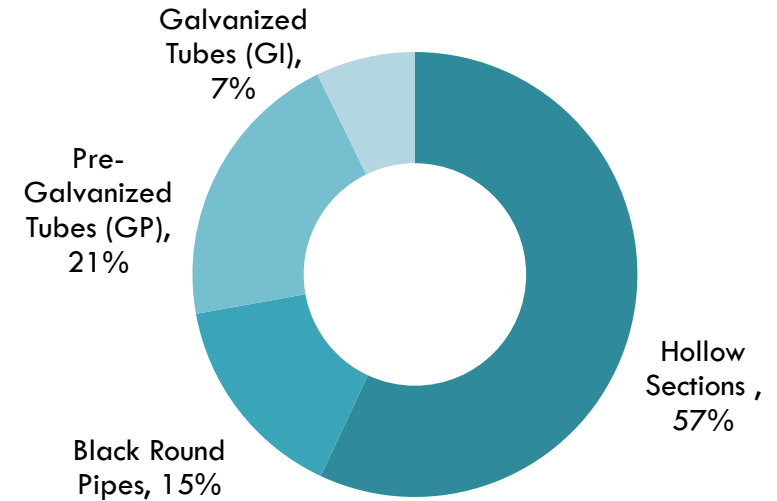
Particulars (Rs. Crore)	As at 31st March 2019	As at 31st March 2018
ASSETS		
Non-current assets		
Property plant and equipment	1,007.8	848.7
Capital work-in-progress	27.5	46.0
Investment property	0.0	10.9
Goodwill	23.0	23.0
Other Intangible assets	2.9	3.3
Investment in subsidiaries	-	-
Financial assets		
(i) Investments	49.4	1.1
(ii) Loans	0.5	0.0
(iii) Other financial assets	40.4	20.0
Non-current assets (net)	0.7	
Other non-current assets	132.9	89.9
Total non-current assets	1,284.9	1,042.8
Current assets		
Inventories	783.5	591.5
Financial assets:		
(i) Trade receivables	543.3	432.1
(ii) Cash and cash equivalents	47.3	6.6
(iii) Bank balances other than (ii) above	0.5	0.2
(iv) Loans	1.3	1.2
(v) Other financial assets	6.0	22.8
Other current assets	96.6	84.1
Total Current assets	1,478.5	1,138.4
Assets classified as held for sale	10.4	-
Total current assets	1,489.0	1,138.4
TOTAL - ASSETS	2,773.9	2,181.2

Particulars (Rs. Crore)	As at 31st March 2019	As at 31st March 2018
EQUITY AND LIABILITIES		
Equity		
(i) Equity share capital	23.9	23.7
(ii) Other equity	940.2	814.1
Total Equity	964.1	837.9
Non-current liabilities		
Financial liabilities:		
(i) Borrowings	174.5	78.2
(ii) Other financial liabilities	0.7	0.6
Provisions	9.9	7.8
Deferred tax liabilities (net)	120.0	99.4
Other non current liabilities	47.8	29.0
Total Non-current liabilities	352.8	215.0
Current liabilities		
Financial liabilities:		
(i) Borrowings	535.6	595.2
(ii) Trade payables	698.9	379.3
(iii) Other financial liabilities	183.2	124.8
Other current liabilities	30.6	12.5
Provisions	0.8	0.3
Current tax liabilities (net)	7.8	16.4
Total Current liabilities	1,457.0	1,128.3
TOTAL EQUITY AND LIABILITIES	2,773.9	2,181.2

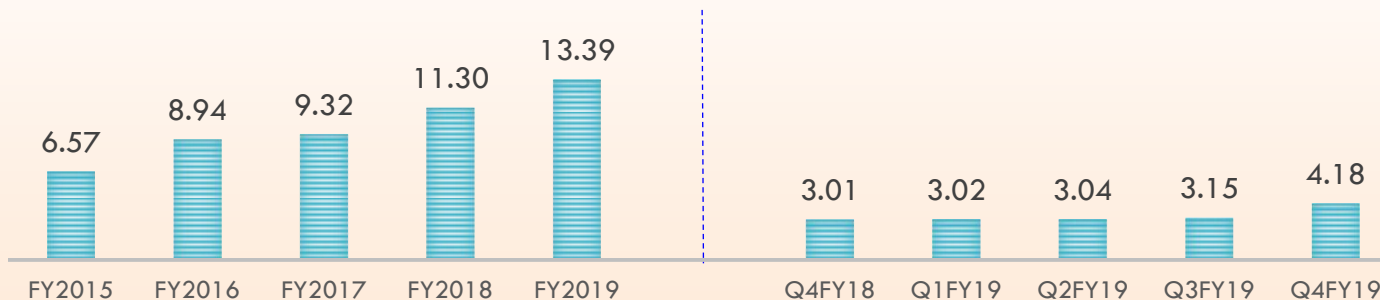
Key Financial & Operational Parameters

Sales Volume Break-up

Particulars (Tons)	Q4 FY19	Q4 FY18	Y-o-Y Shift	FY19	FY18	Y-o-Y Shift
Hollow Sections	238,281	164,089	45%	766,214	613,667	25%
Black Round Pipes	63,623	47,420	34%	198,044	164,100	21%
Pre-Galvanized Tubes (GP)	86,273	62,594	38%	282,856	241,188	17%
Galvanized Tubes (GI)	30,178	26,727	13%	92,060	111,350	-17%
Finished products	418,355	300,830	39%	1,339,174	1,130,305	19%



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



Note:
*Trading & Scrap

- Sales Volume (excluding Trading & Scrap) stood at 1,339,174 tons compared to 1,130,305, up 19% 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

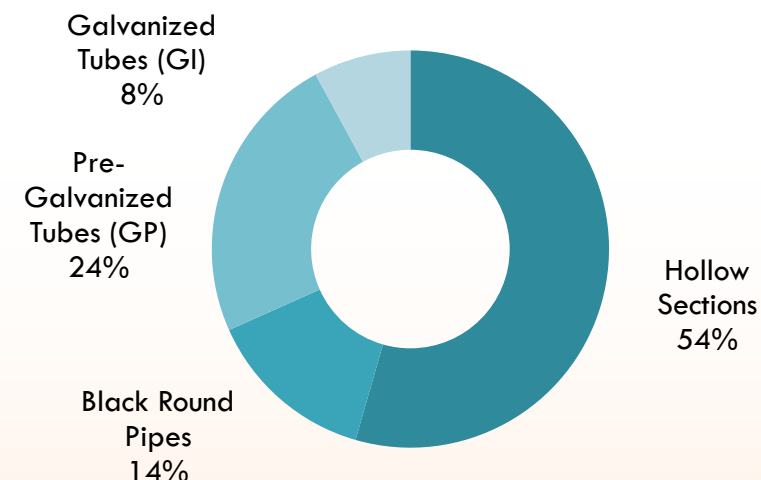
Realizations (after adjusting inter-company)

Particulars (Rs. / Ton)	Q4 FY19	Q4 FY18	Y-o-Y Shift	FY19	FY18	Y-o-Y Shift
Hollow Sections	45,953	46,416	-1%	48,901	42,987	14%
Black Round Pipes	45,107	45,390	-1%	47,835	42,200	13%
Pre-Galvanized Tubes (GP)	53,325	55,044	-3%	57,319	51,539	11%
Galvanized Tubes (GI)	54,322	55,800	-3%	57,278	51,786	11%
Others*	25,900	26,631	-3%	39,572	34,015	16%

Product-wise Revenue Break-up

Particulars (Rs. crore)	Q4 FY19	Q4 FY18	Y-o-Y Shift	FY19	FY18	Y-o-Y Shift
Hollow Sections	1,095.0	761.6	44%	3,747.0	2,638.0	42%
Black Round Pipes	287.0	215.2	33%	947.0	692.5	37%
Pre-Galvanized Tubes (GP)	460.1	344.5	34%	1,621.0	1,243.1	30%
Galvanized Tubes (GI)	163.9	149.1	10%	527.0	576.6	-9%
Others*	88.2	48.9	80%	310.0	185.0	137%
Total	2,094.1	1,519.4	38%	7,153.2	5,334.8	35%

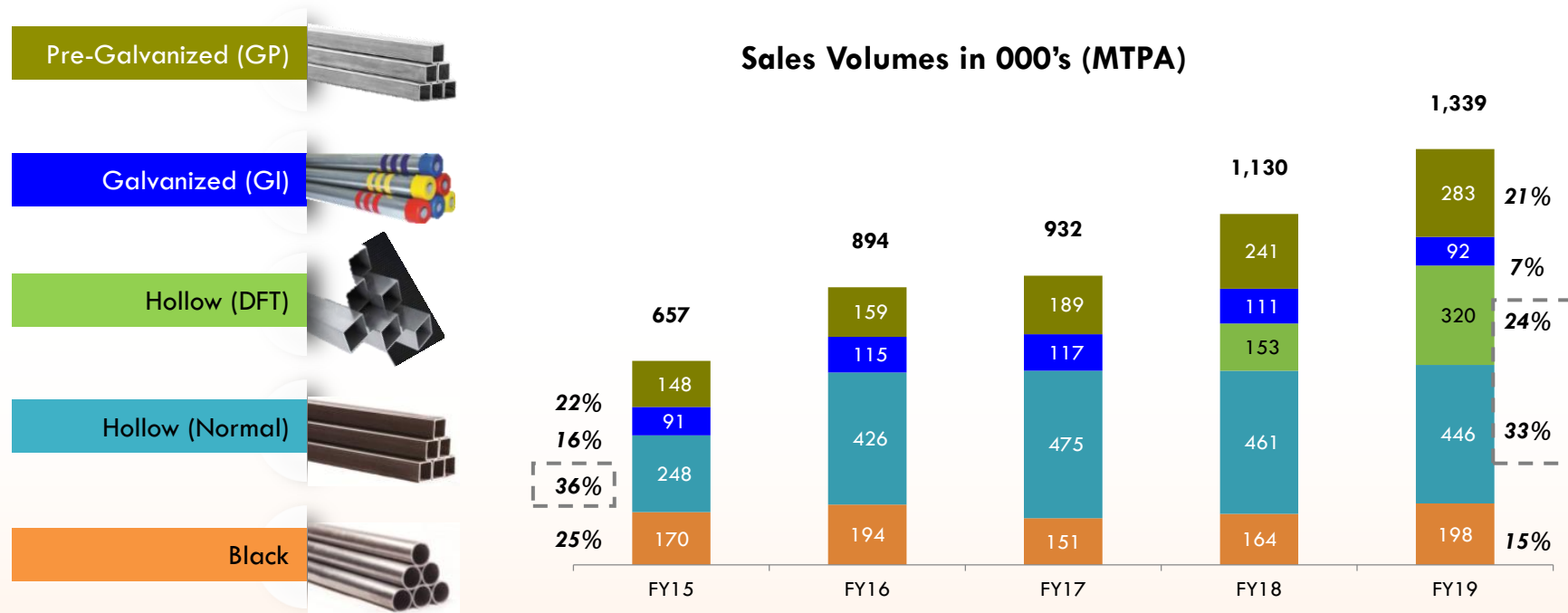
FY19 - Product-wise Revenue Break-up



Note:

*Trading & Scrap

Clear shift towards non-commoditized and better-margin products



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

The profitability during FY19 was mainly impacted due to an inventory loss of Rs. 41.7 crore in Q3 FY19, caused by a steep fall in steel prices. Adjusted for this inventory loss, EBITDA per ton during FY19 came at Rs. 3,332

- **Q4 FY19 Net Revenues higher by 38% to Rs. 2,094 crore; Total Net Revenues during FY19 stood at Rs. 7,152 crore, registering a robust growth of 34% Y-o-Y**
 - The Company registered a strong growth of 39% & 19% in sales volume during Q4 & FY19, respectively
 - Witnessed healthy pick-up in the domestic consumption, especially in Q4, which was primarily driven by strong demand recovery in the product segments of hollow section pipes, Direct Forming Technology (DFT) pipes and Galvanized Tubes (GI) among others
- **Q4 FY19 EBITDA higher by 35% Y-o-Y at Rs. 142 crore; EBITDA during FY19 at Rs. 405 crore**
 - EBITDA per ton during Q4 FY19 stood at Rs. 3,384 as against Rs. 3,475 in the corresponding period last year. Given the Company's focus on volume growth, the EBITDA per ton was within a healthy range
 - The profitability during the year was mainly impacted due to an inventory loss of Rs. 41.7 crore in Q3 FY19, caused by a steep fall in steel prices. This, impacted EBITDA and margins performance in FY19
 - Adjusted for this inventory loss, EBITDA during FY19 came in higher by 18% YoY
- **In Q4 FY19, PAT improved by 45% to Rs. 62 crore; PAT during FY19 was lower by 6% at Rs. 148 crore**
 - 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
- **In FY19, the Board of Directors has recommended a final dividend of Rs. 14 per share (Face Value of Rs. 10 per share)**

Note:

(1) EBITDA with other income



Commenting on the Company's performance for Q4 & FY2019, Mr. Sanjay Gupta, Chairman, APL Apollo said,

"We have ended the fiscal on a solid footing despite a subdued operating environment. In FY2019, our sales volume saw a strong growth of 19% to 13.4 lac MTPA, while in Q4 FY19, we registered the highest-ever quarterly sales volume of 4.2 lac MTPA. The growth was primarily driven by strong demand recovery and increasing contribution from hollow section pipes, Direct Forming Technology (DFT) pipes and Galvanized Tubes (GI) among others.

Over the past few years, APL Apollo has enhanced its product portfolio making it attuned with the products in demand as well as creating demand in certain product categories. In sync with this, we are focusing towards launching new innovative products like Door and Window Frames, Tricoat pipes and further increasing portfolio of our value-added branded products. We are also working towards bringing in backward integration of thinner materials, which, we believe, will significantly help improve overall cost savings & operational efficiencies. The backward integration in conjunction with improving contribution from our value-added products, will not only position APL Apollo as a technology-led global steel tubes company, but will also help improve the profitability, going forward.

*I am also happy to share that the Board of Directors have approved the acquisition of a 200,000 MTPA tube manufacturing unit located at Hyderabad, one of the unit of Taurus Value Steel & Pipes, a subsidiary of Shankara Building Products. The plant complements our existing operations in Bengaluru and Hosur and will bolster our manufacturing capacity to 2.3 million MTPA, thereby strengthening APL Apollo's leadership position in the domestic and global markets. Overall, the Company is witnessing a steady revival in volumes across product categories and has sufficient capacities to grow at a 20% CAGR over the next two years. **So, our focus will be more towards improving our cash flows and profitability in the years ahead.**"*

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

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



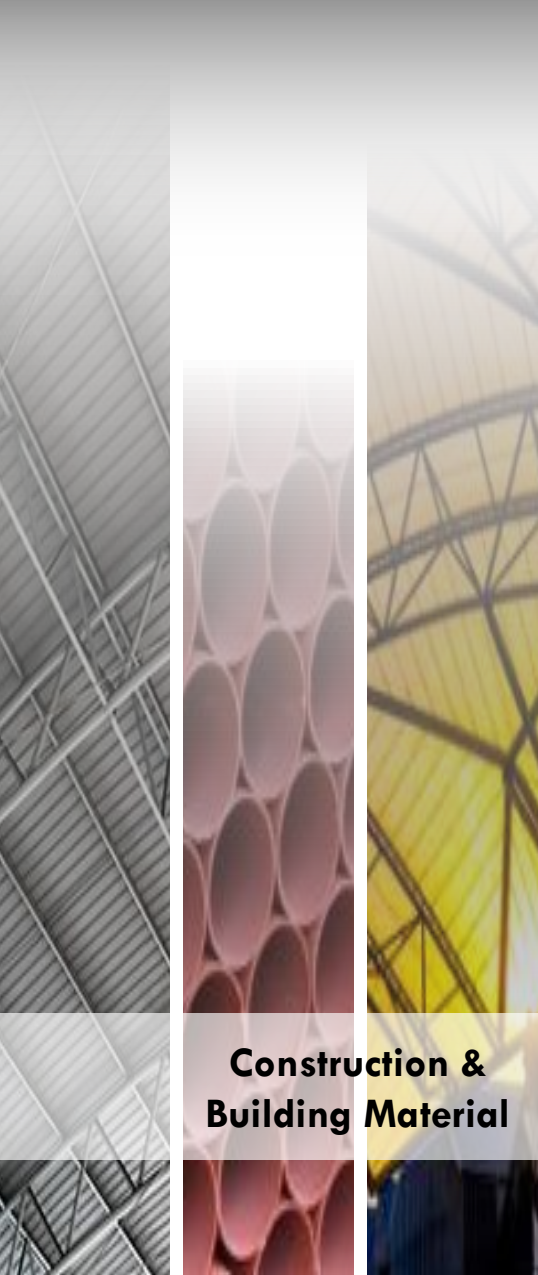
**Add more distributors and
penetrate into new retail markets**

**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**

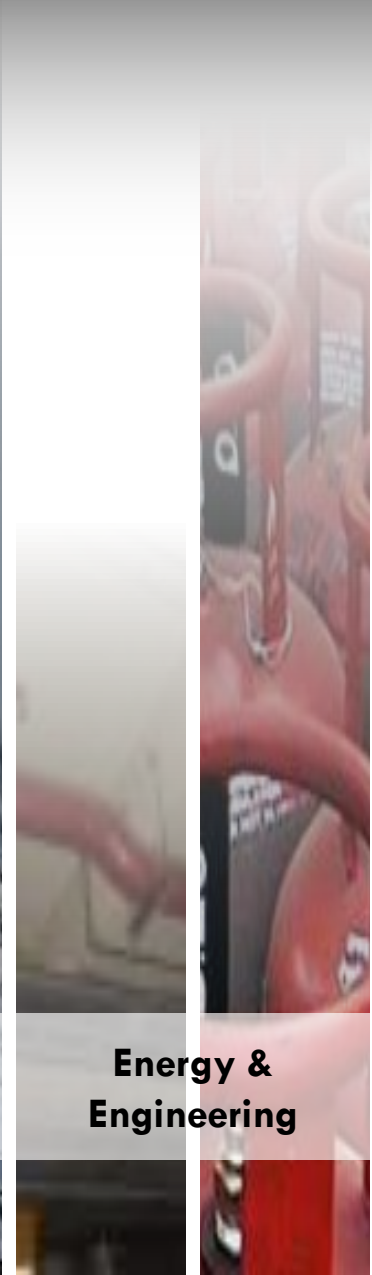
APL Apollo Business Overview



**Construction &
Building Material**



Infrastructure



**Energy &
Engineering**

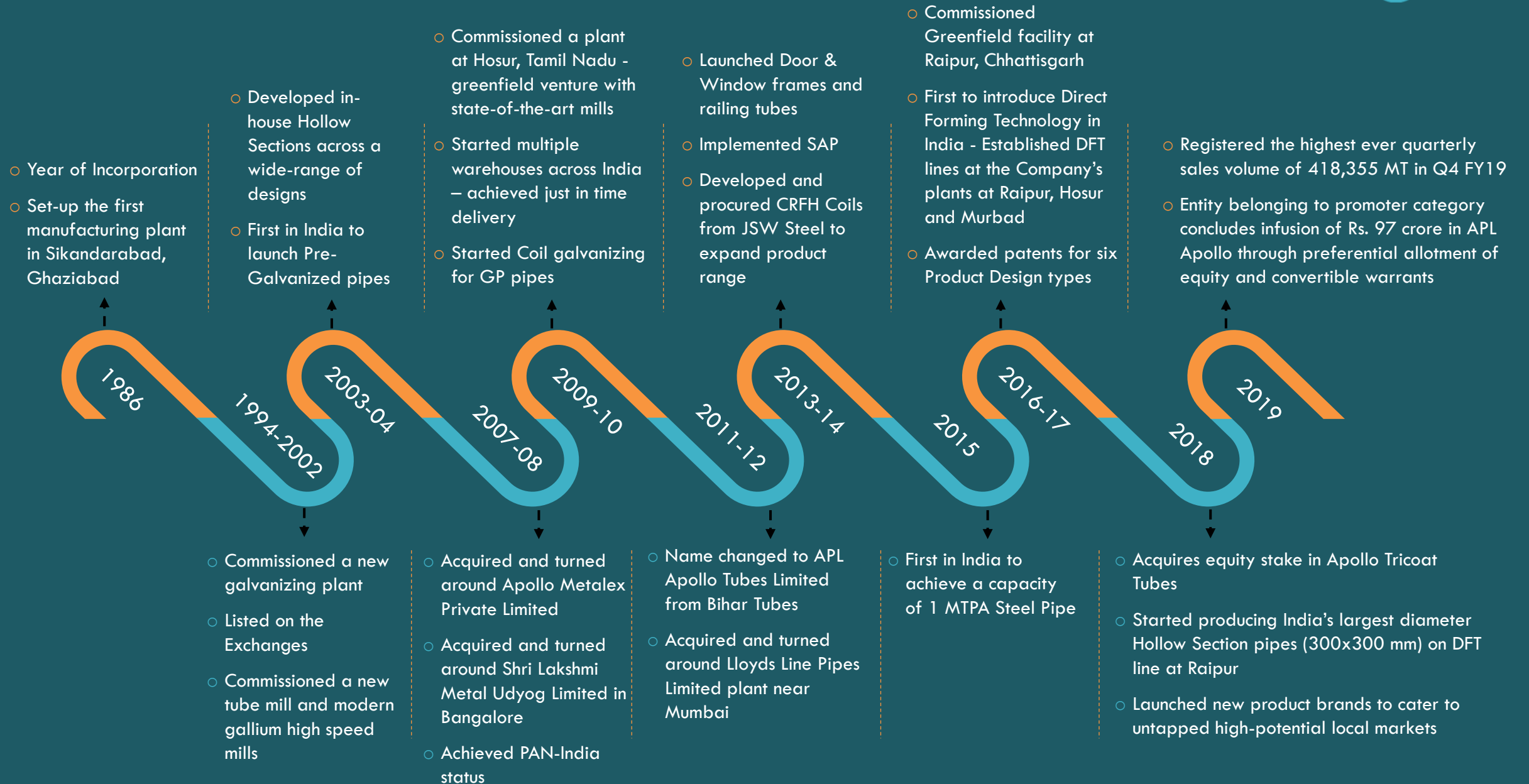


Automobiles



Agriculture

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

2.3

MILLION MTPA STEEL
PRODUCTION
CAPACITY*

26%

SALES (VOL)
10 YR CAGR

INR
7,152
CRORE

FY19 NET SALES

8

MANUFACTURING
UNITS

1,100+

DIVERSIFIED
PRODUCT
PORTFOLIO

790

DISTRIBUTORS
ACROSS INDIA

* Includes to-be acquired 200,000 MTPA capacity

'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

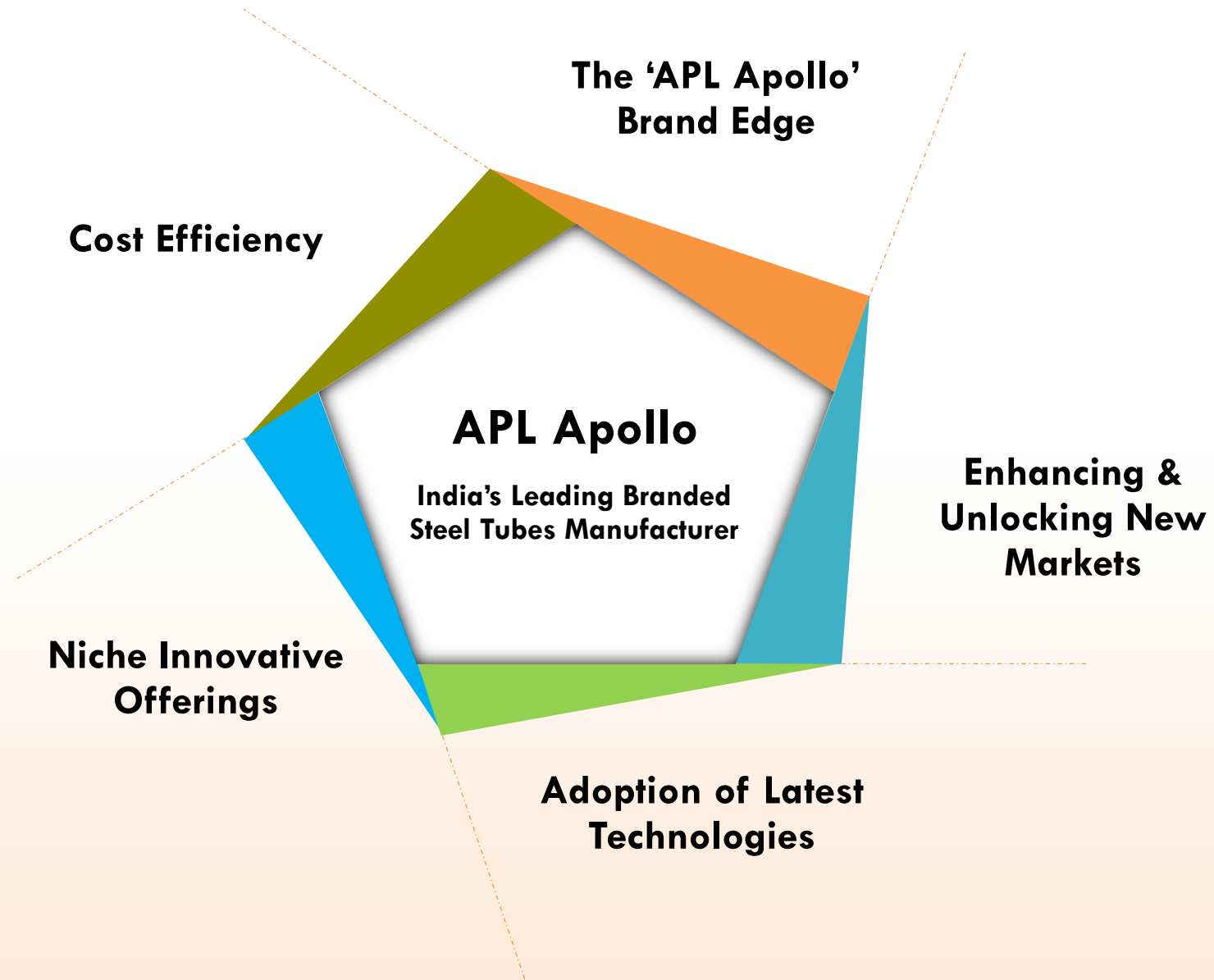


1	Structural steel
2	Fencing
3	Hand railing
4	Roofing
5	Scaffolding
6	Door frame
7	Window frame
8	Ducting
9	Furniture
10	Fire fighting

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

Infrastructural Applications





- 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



International & National Participation



Engagement Activities



DEALERS MEET



FABRICATOR MEET



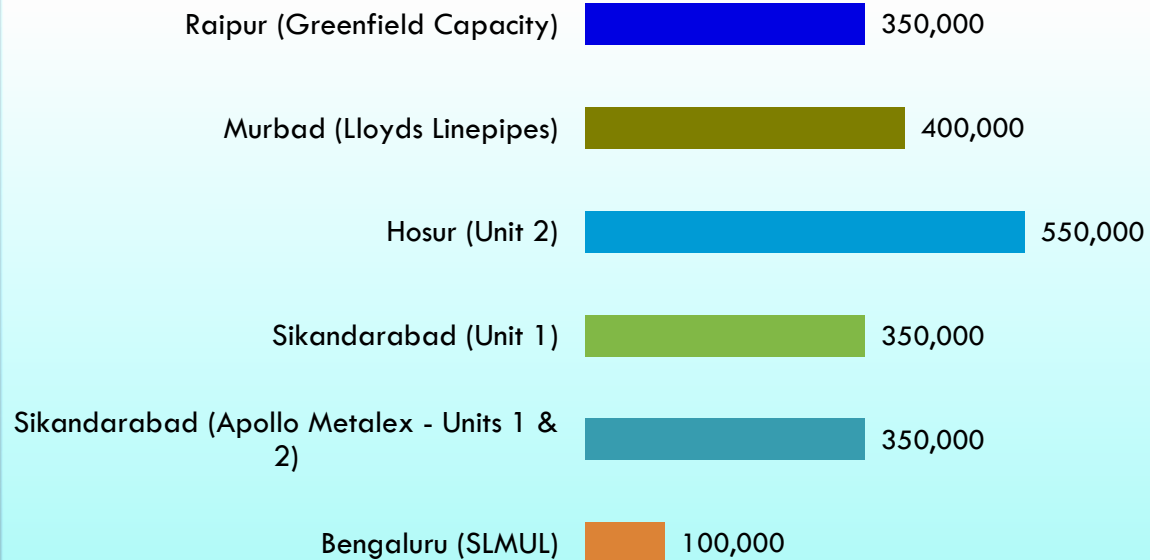
CHAI PE
CHARCHA

IPL TVC – Principal sponsor of Delhi Capitals in IPL 2019

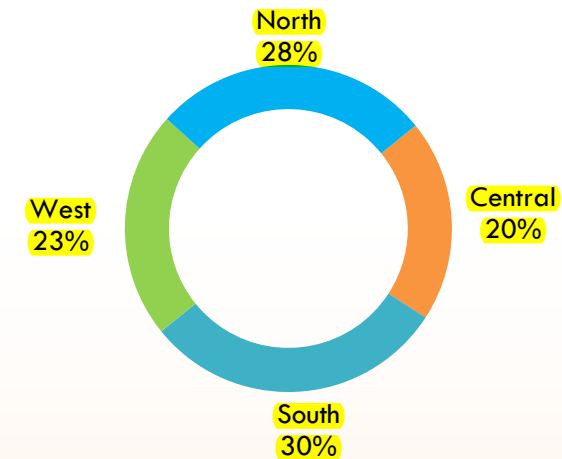


Close-to-Demand Pan-India Footprint – localized supply to fast-track growth

2.1 MTPA capacity across plants



Capacity Distribution



~18% Market share across geographies

The only branded domestic steel tubes manufacturer with a pan-India presence – 2.1 MTPA capacity makes APL Apollo one of the largest Branded Steel Tubes Manufacturer in the world

To acquire 200,000 MTPA production unit located at Hyderabad

Acquired plant complements APL Apollo's existing operations in Bengaluru and Hosur

Further strengthens APL Apollo's total installed capacity to 2.3 million MTPA

The Board of Directors have approved the acquisition of production unit located at Hyderabad, one of the unit of Taurus Value Steel & Pipes, a subsidiary of Shankara Building Products for a consideration of ~ Rs. 70 crore

- Facility has established manufacturing lines for GI pipes and GP pipes - APL Apollo's high margin and value-added product segments
- Acquisition will enable increased revenue and volume contribution of value-added segments and steady improvement in margins
- Enable APL Apollo to add further capacities at attractive valuations, given the strong demand outlook over the next few years
- Shankara has agreed to purchase 2.5 lakh tonne pipe from the Company in FY2020, which will assist APL Apollo's volumes

Shankara's acquired plant in Southern India

Total Installed Capacity	200,000 MTPA
- Pre-Galvanized Tubes (GP)	1 25,000 MTPA
- Galvanized Tubes (GI)	30,000 MTPA
Acquired Land	29 acres

The acquisition has an attractive payback of less than 3 years

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

Steel window and door frames



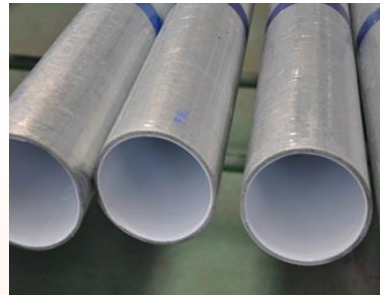
Narrow Sections



Designer Galvanized Pipe



Hybrid Pipes
(PVC + ILG)

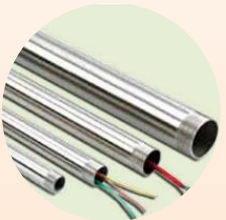


APL Apollo to acquire equity stake in Apollo Tricoat Tubes

APL Apollo, through its wholly owned subsidiary Shri Lakshmi Metal Udyog (SLMUL), to acquire more than 50% stake in Apollo Tricoat

- The acquisition will enable 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



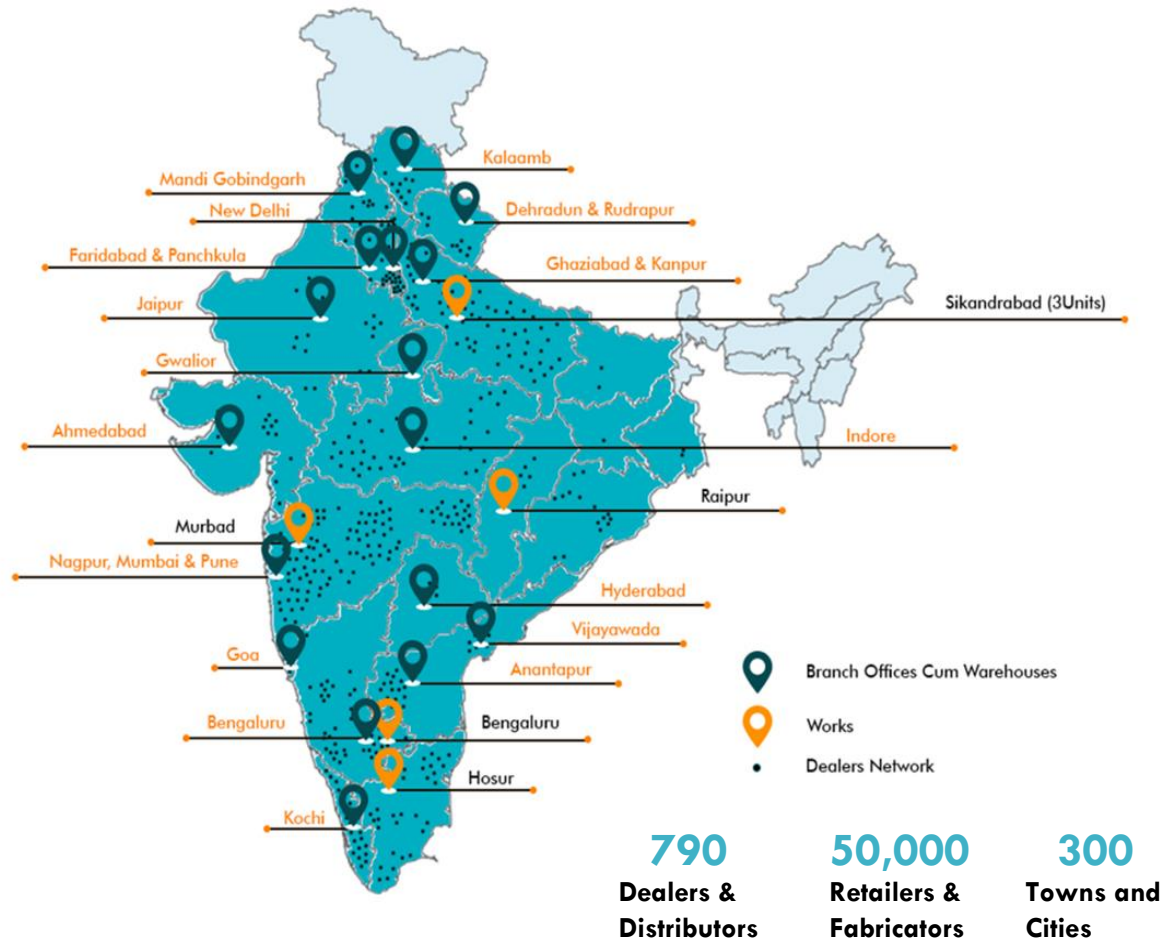
The products span three variants - **SureCoat**, **DuraCoat** and **SuperCoat**

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

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



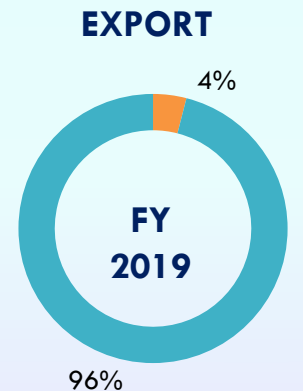
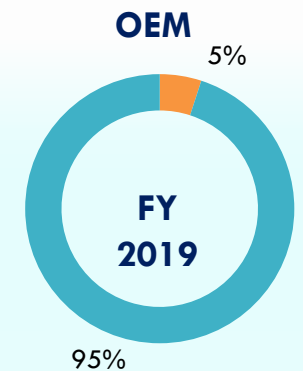
Introduction of latest technologies, especially DFT and Tricoat, to unlock vast potential across OEM and Export markets

• Focus on OEMs & Export Markets

- OEM contribution expected to increase in next 2 years from the current 5%
- 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

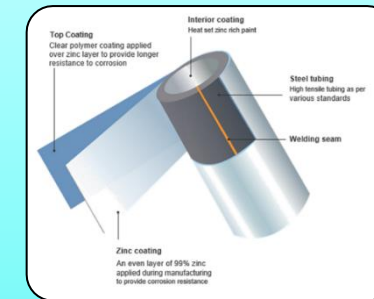


- Leader in adopting the latest technology from around the globe
 - **Introduced latest technologies** – High speed mills from Europe (increased speed by 5x), Strip Galvanizing lines, and the unique Rotary Sizing Mills
 - In 2016, the Company introduced the latest global '**Direct Forming Technology**' 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



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



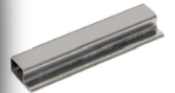
Hand Rail



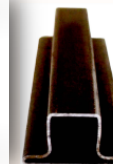
Z Shape



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

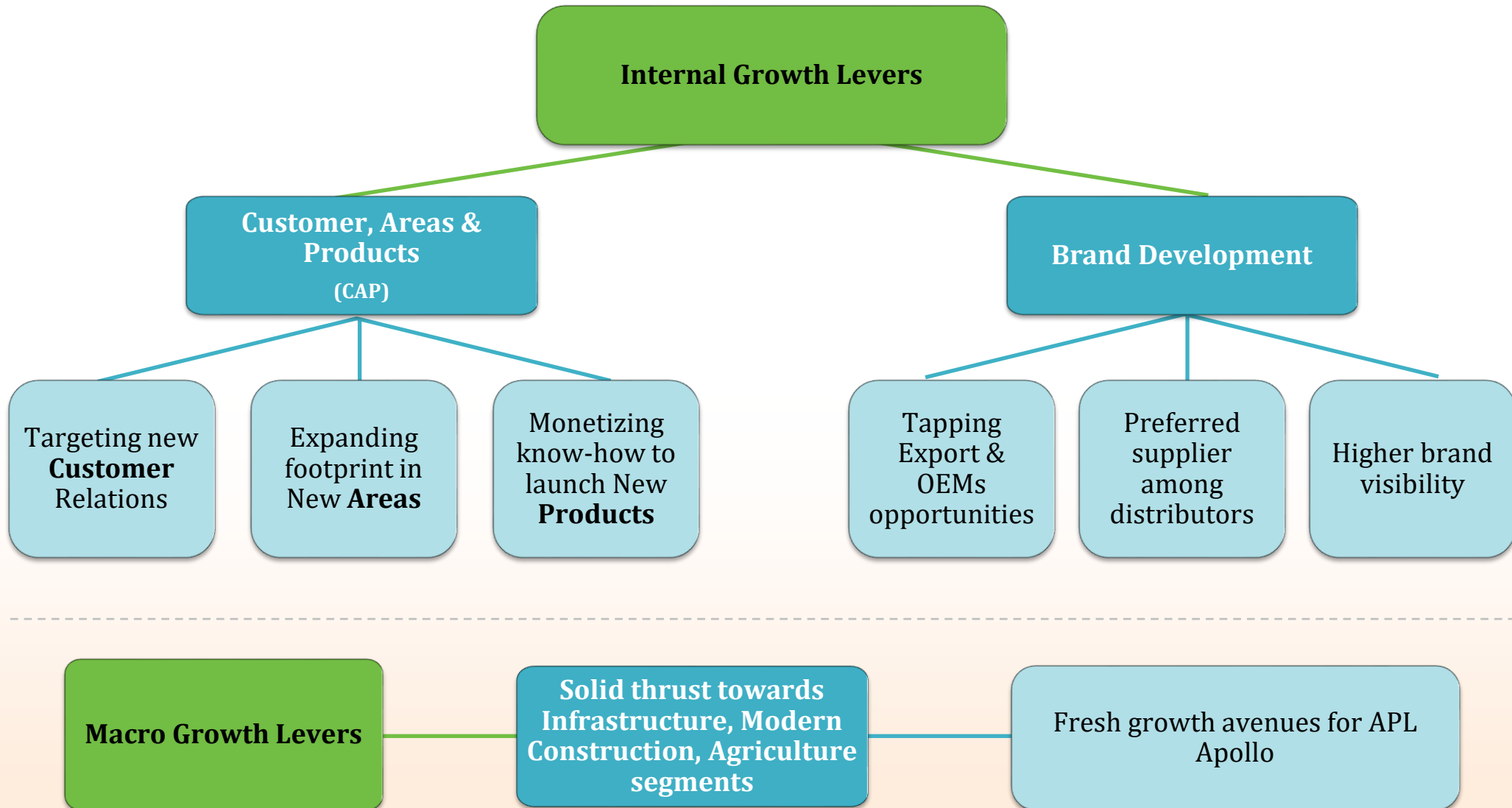
Pursuing backward integration, especially for thinner materials – will enable significant cost –savings and boost efficiencies

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

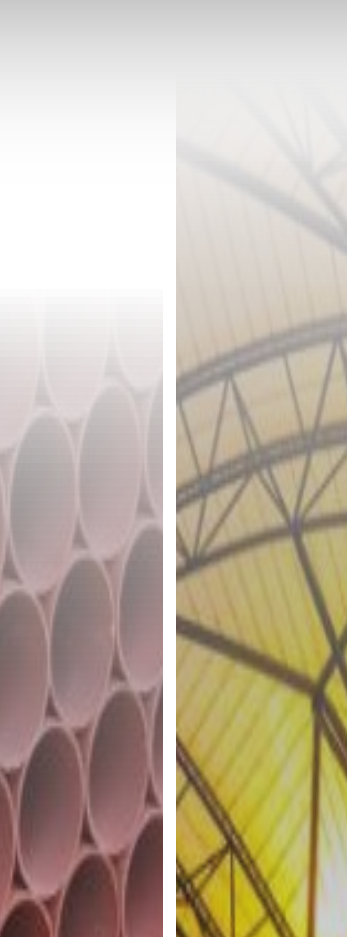
Offers a very large product portfolio in low prices via retailer strength and higher volumes

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



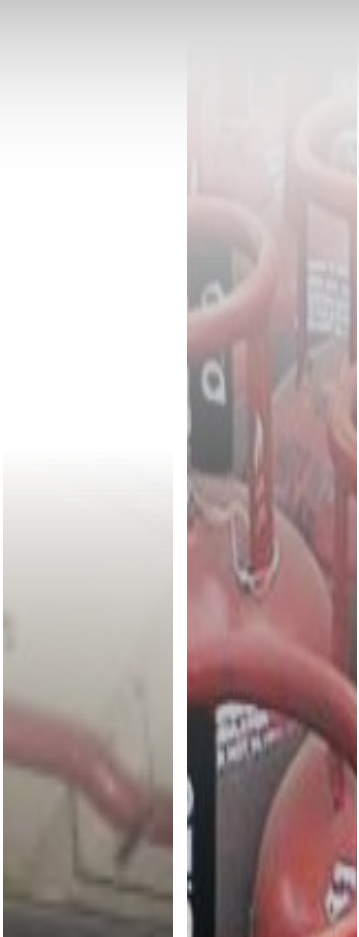
Financial Highlights



**Construction &
Building Material**



Infrastructure



**Energy &
Engineering**



Automobiles



Agriculture

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%

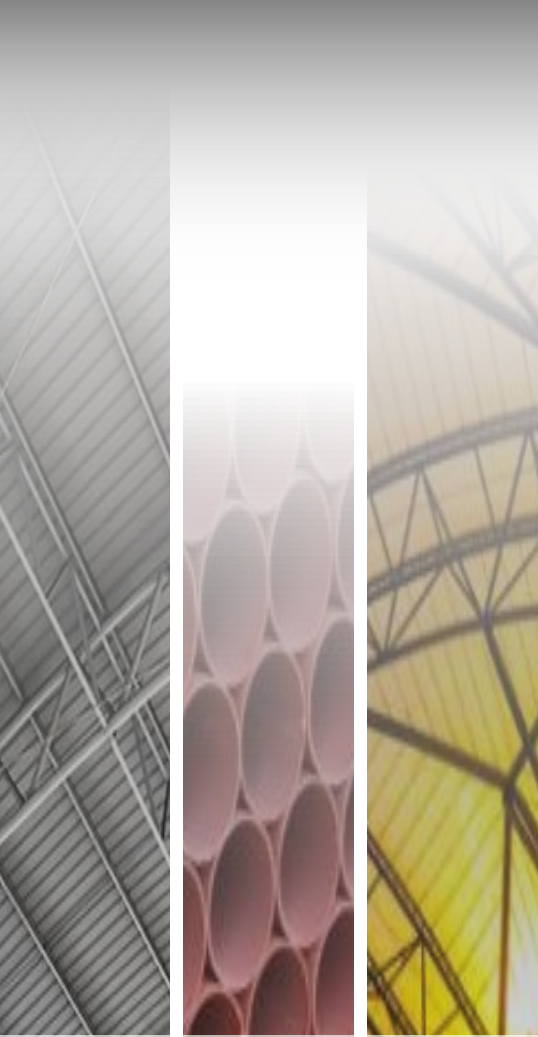
Note: Debtor Days is calculated as $[(\text{Trade receivables}/\text{Gross sales}) \times 365]$; Inventory Days is calculated as $[(\text{Inventories}/\text{Net sales}) \times 365]$;

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

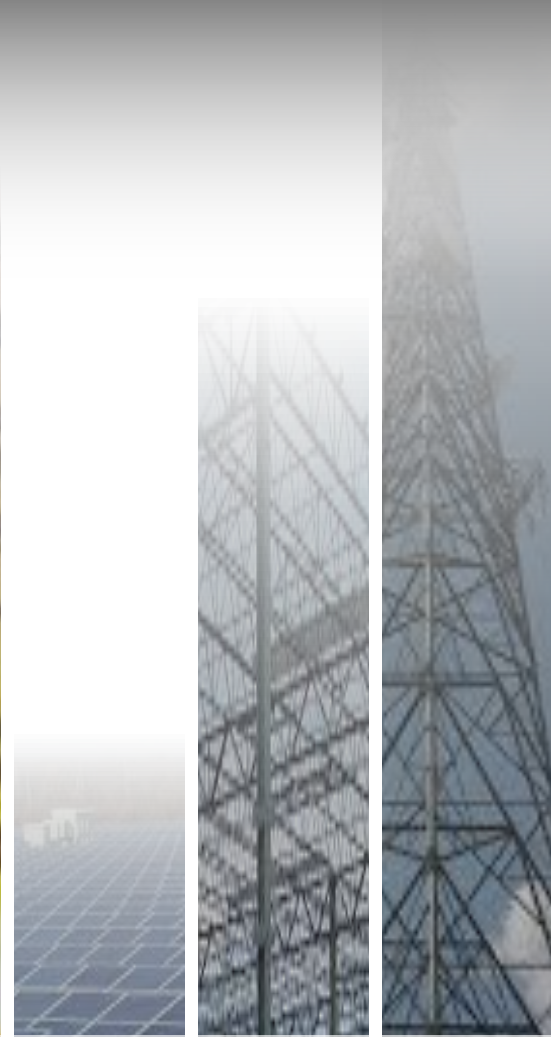
Quarterly trend – last 8 quarters

Particulars	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YOY%
Sales* (Rs. Crore)	1,156	1,345	1,314	1,519	1,677	1,690	1,691	2,095	38%
EBITDA (Rs. Crore)	88	96	91	105	112	88	62	142	35%
PAT (Rs. Crore)	39	41	36	45	47	27	13	62	45%
Hollow Sections	137,249	155,011	157,318	164,089	166,818	177,229	183,886	238,281	45%
Black Round Pipes	38,938	39,205	38,537	47,420	45,065	44,336	45,020	63,623	34%
Pre-Galvanized Tubes (GP)	59,902	59,753	58,939	62,594	67,214	62,497	66,872	86,273	38%
Galvanized Tubes (GI)	29,066	29,020	26,537	26,727	22,957	19,996	18,929	30,178	13%
Finished products	265,155	282,989	281,331	300,830	302,054	304,058	314,707	418,355	39%
EBITDA/ TON (Rs.)	3,328	3,384	3,218	3,475	3,721	2,898	1,985	3,384	-3%

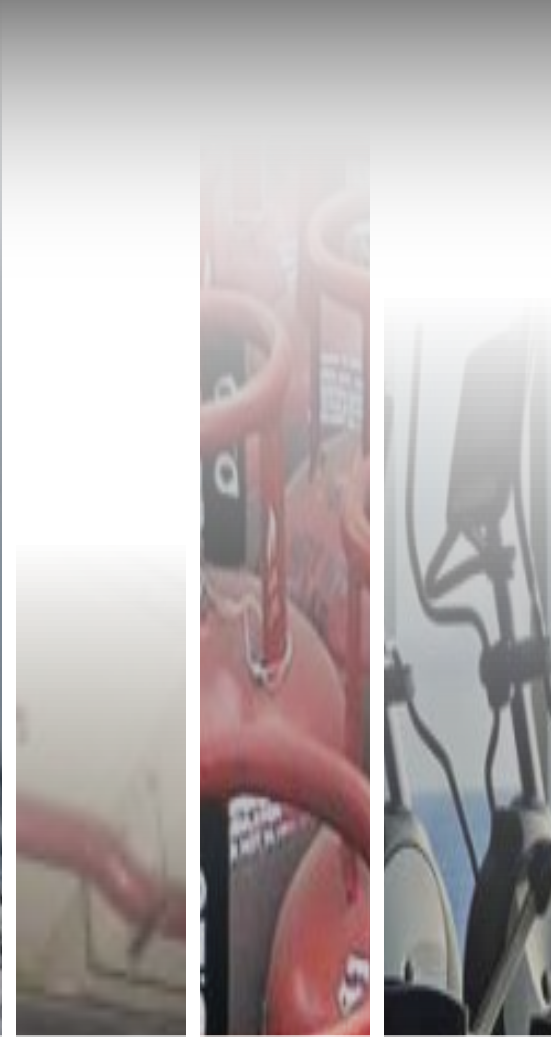
- In Q3 FY19, the Company saw an inventory loss of Rs. 41.7 crore, caused by a steep fall in steel prices. This, impacted EBITDA and margins performance in Q3 FY19
 - Adjusted for the same, EBITDA stood at Rs. 104.1 crore in Q3 FY19



**Construction &
Building Material**



Infrastructure



**Energy &
Engineering**



Automobiles



Agriculture

APL Apollo Tubes Limited (APL Apollo) Q4 & FY19 Earnings Conference Call

Time	• 4.00 pm IST on Monday, May 20, 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 2.3 Million MTPA. It has a PAN-Indian presence with units strategically located in Sikandarabad (3 units), Hyderabad, Bangalore, Hosur, Raipur and Murbad. APL Apollo's multi-product offerings include over 1,000 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 650 dealers is spread all across India, with warehouses cum-branch offices in over 20 cities

For further information, please contact:

Deepak Goyal

APL Apollo Tubes Ltd

Tel: +91 120 404 1400

Email: deepakgoyal@aplapollo.com

Anoop Poojari / Shikha Kshirsagar

CDR India

Tel: +91 22 6645 1211/ 6645 1243

Email: anoop@cdr-india.com

shikha@cdr-india.com



Thank You



Construction & Building Material

Infrastructure

Energy & Engineering

Automobiles

Agriculture

