



Date: 22<sup>nd</sup> May 2020

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

Dear Sir/Madam,

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

Thanking you,

**For Apcotex Industries Limited**

Anand V Kumashi  
GM – Finance & Company Secretary

**apcotex industries limited**

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CORPORATE OFFICE : NKM International House, 178 Backbay Recl., B. M. Chinai Marg, Mumbai-400020, Maharashtra, India. Tel:+91-22-22838302/04  
TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Taloja-410208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052  
CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com

A collage of various products including tires, a bicycle, a Rasna detergent box, and a light bulb, all overlaid with a semi-transparent blue and green tint. The products are arranged in a way that suggests a diverse range of manufacturing capabilities.

## **apcotex industries limited**

EARNINGS PRESENTATION

Q4-FY20/ FY20

## OVERVIEW

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

## BUSINESS MIX

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

## MARQUEE CLIENTS

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

## MANUFACTURING

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

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

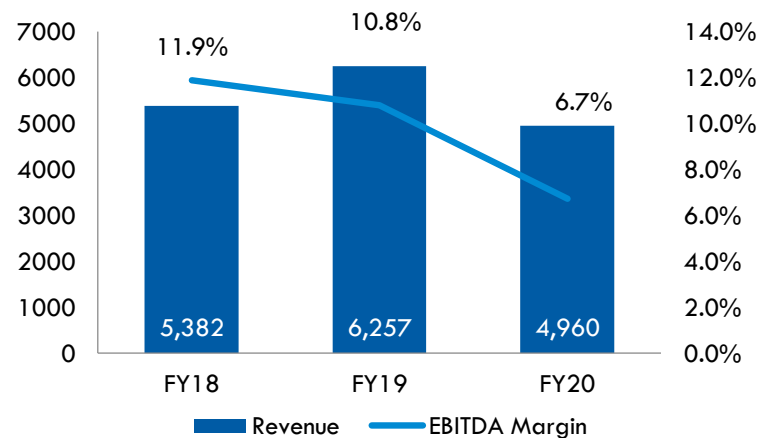
Revenue - **INR 4,960 Mn**

Operating EBITDA - **INR 334 Mn**

PAT- **INR 166 Mn**

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

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



## Q4-FY20 Financial Highlights:

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

## FY20 Financial Highlights:

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

## Q4-FY20 Operational Highlights:

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

# Q4-FY20 Income Statement (As per IndAS)



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

# FY20 Income Statement (As per IndAS)



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



# Historical Income Statement



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

# Balance Sheet



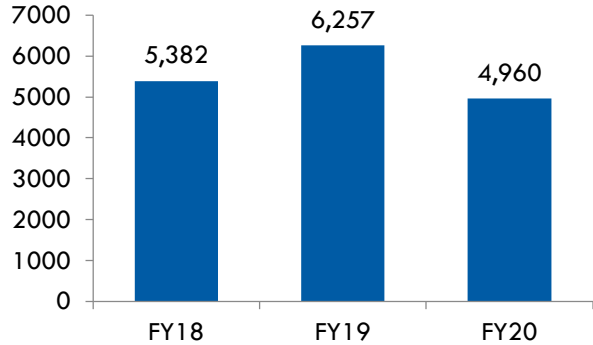
Particulars (INR Mn)	FY-19	FY-20
<b>Shareholders Fund</b>	<b>2,778</b>	<b>2,513</b>
Equity Share Capital	104	104
Other Equity	2,674	2,409
<b>Total Non Current Liabilities</b>	<b>86</b>	<b>349</b>
Deferred Tax liabilities	14	57
Other Long Term Liabilities	10	226
Long Term Provision	28	29
Other Financial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

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

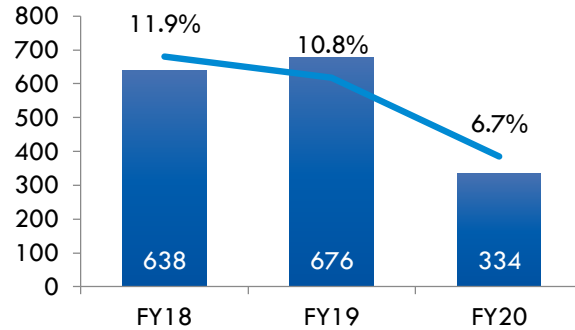
# Historical Performance Indicators



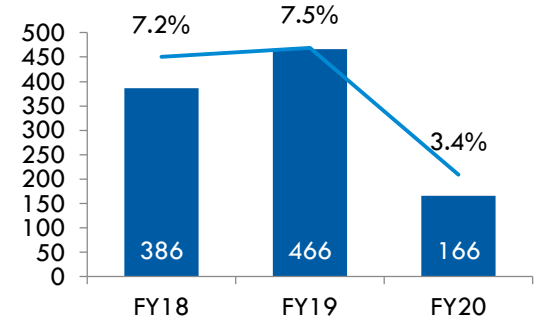
### Operational Revenue (In Mn)



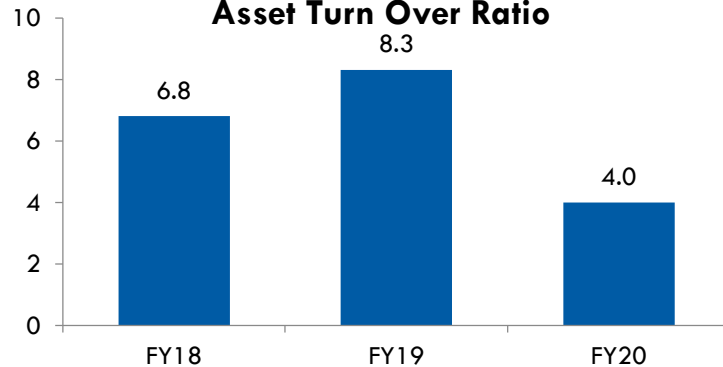
### Operating EBITDA and EBITDA Margin



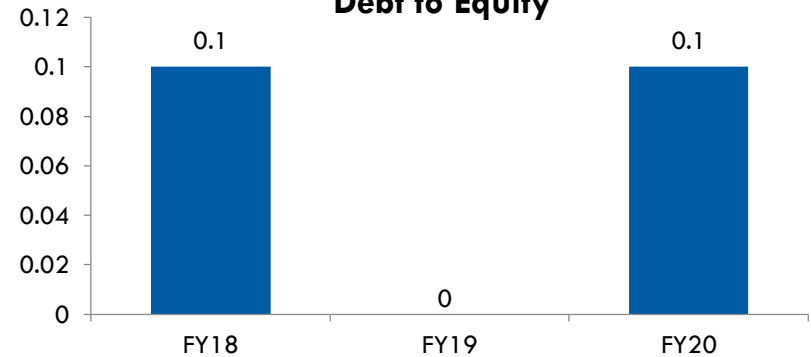
### PAT and PAT Margin



### Asset Turn Over Ratio



### Debt to Equity



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Thank You