



2<sup>nd</sup> November 2018

To, The Manager - Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, 5th floor, Plot no. C/1, "G" Block, Bandra-Kurla Complex, Mumbai-400051  Symbol: APCOTEXIND	To, Manager-Department of Corporate Services BSE Limited Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001  Security Code: 523694
--	--

**Subject: Investor Presentation – November 2018**

Dear Sir/Madam,

Please find enclosed herewith Earnings/Investor Presentation – November 2018. The same is for your reference and records.

Thanking you,

Yours truly,

**For Apcotex Industries Limited**

**Anand Kumashi  
Company Secretary**

**Encl: As above.**

**apcotex industries limited**



# **apcotex industries limited**

EARNINGS PRESENTATION

H1 / Q2-FY19

## 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 10,541 Mn as on 30<sup>th</sup> June, 2018.

## 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.

## FY18 FINANCIALS (Excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd)

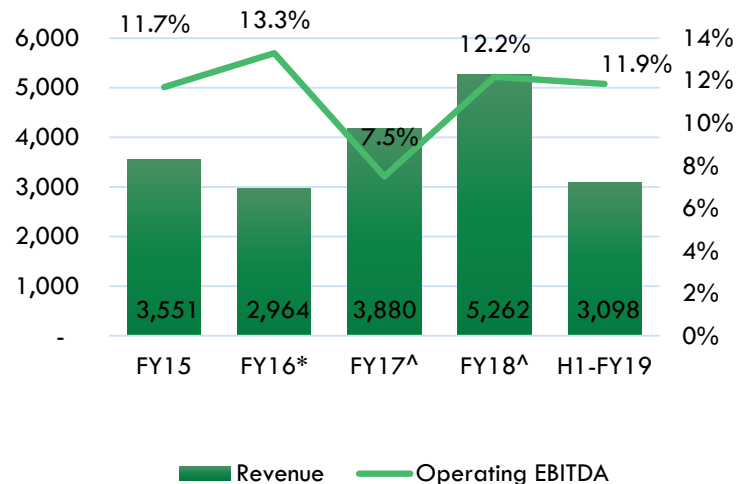
Revenue - **INR 5,262 Mn**

Operating EBITDA - **INR 641 Mn**

PAT- **INR 401 Mn**

- ▶ The company's Talaja 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 (%)



\* Consolidated

^ The financial figures are excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd

## Q2-FY19 Financial Highlights\*:

- **Total Revenue:** INR 1,601 Mn
- **Operating EBITDA:** INR 197 Mn
- **Operating EBITDA Margin:** 12.30 %
- **Net Profit:** INR 101 Mn
- **PAT Margin:** 6.31%
- **EPS:** INR 4.87 per share

## H1-FY19 Financial Highlights:

- **Total Revenue:** INR 3,098 Mn
- **Operating EBITDA:** INR 368 Mn
- **Operating EBITDA Margin:** 11.88%
- **Net Profit:** INR 214 Mn
- **PAT Margin:** 6.91%
- **EPS:** INR 10.30 per share

## H1/ Q2-FY19 Operational Highlights:

- The Company reported the highest ever Quarterly Sales of INR 1,601 Mn in Q2-FY19.
- Growth in EBITDA margins were due to a combination of product mix and productivity increase initiatives.
- A major export customer's operations were closed down due to fire in April 2018 – this continues to affect budgeted volumes.
- Capex spend from Phase 1 as at September 30, 2018 was INR 240 Mn and the remainder will be spent over the next 9 months.
- The new ERP System SAP S4 Hana is planned to Go-Live on December 1, 2018.

# Q2-FY19 Income Statement (As per IndAS)



Particulars (INR Mn)	Q2-FY19	Q2-FY18	Y-o-Y	Q1-FY19	Q-o-Q
<b>Revenue</b>	<b>1,601</b>	<b>1,290</b>	<b>24.1%</b>	<b>1,497</b>	<b>6.9%</b>
Total Expenses	1,404	1,140	23.2%	1,326	5.9%
<b>Operating EBITDA</b>	<b>197</b>	<b>150</b>	<b>31.3%</b>	<b>171</b>	<b>15.2%</b>
<b>Operating EBITDA Margin</b>	<b>12.30%</b>	<b>11.63%</b>	<b>67 Bps</b>	<b>11.42%</b>	<b>88 Bps</b>
Depreciation	30	31	(3.2)%	29	3.4%
Finance Cost	4	5	(20.0)%	4	-
Other Income	(4)	20	NA	26	NA
<b>PBT</b>	<b>159</b>	<b>134</b>	<b>18.7%</b>	<b>164</b>	<b>(3.0)%</b>
Exceptional Items	-	(3)	NA	-	NA
Tax	58	47	23.4%	52	11.5%
<b>PAT</b>	<b>101</b>	<b>84</b>	<b>20.2%</b>	<b>112</b>	<b>(9.8)%</b>
<b>PAT Margin</b>	<b>6.31%</b>	<b>6.51%</b>	<b>(20) Bps</b>	<b>7.48%</b>	<b>117 Bps</b>
Other Comprehensive Income	-	(1)	NA	-	NA
<b>Total Comprehensive Income</b>	<b>101</b>	<b>83</b>	<b>21.7%</b>	<b>112</b>	<b>(9.8)%</b>
EPS (INR)	4.87	4.03	20.8%	5.42	(10.1)%

# H1-FY19 Income Statement (As per IndAS)



Particulars (INR Mn)	H1-FY19	H1-FY18*	Y-o-Y
<b>Revenue</b>	<b>3,098</b>	<b>2,611</b>	<b>18.7%</b>
Total Expenses	2,730	2,376	14.9%
<b>Operating EBITDA</b>	<b>368</b>	<b>235</b>	<b>56.6%</b>
<b>Operating EBITDA Margin</b>	<b>11.88%</b>	<b>9.00%</b>	<b>288 Bps</b>
Depreciation	58	62	(6.5)%
Finance Cost	9	10	(10.0)%
Other Income	22	42	(47.6)%
<b>PBT</b>	<b>323</b>	<b>205</b>	<b>57.1%</b>
Exceptional Items	-	(3)	NA
Tax	109	66	65.2%
<b>PAT</b>	<b>214</b>	<b>136</b>	<b>57.4%</b>
<b>PAT Margin</b>	<b>6.91%</b>	<b>5.21%</b>	<b>170 Bps</b>
Other Comprehensive Income	(2)	(1)	NA
<b>Total Comprehensive Income</b>	<b>212</b>	<b>135</b>	<b>57.0%</b>
EPS (INR)	10.30	6.55	57.3%

\* Net Of Excise

# Historical Income Statement



Particulars (INR Mn)	FY15	FY16*	FY17 <sup>^</sup>	FY18 <sup>^</sup>
<b>Revenue</b>	<b>3,551</b>	<b>2,964</b>	<b>3,880</b>	<b>5,262</b>
Total Expenses	3,136	2,570	3,589	4,621
<b>Operating EBITDA</b>	<b>415</b>	<b>394</b>	<b>291</b>	<b>641</b>
<b>Operating EBITDA Margin</b>	<b>11.69%</b>	<b>13.29%</b>	<b>7.50%</b>	<b>12.18%</b>
Depreciation	90	94	121	121
Finance Cost	32	24	29	16
Other Income	56	83	102	68
<b>PBT</b>	<b>349</b>	<b>359</b>	<b>243</b>	<b>572</b>
Tax	102	(26)	32	171
<b>PAT</b>	<b>247</b>	<b>385</b>	<b>211</b>	<b>401</b>
<b>PAT Margin</b>	<b>6.96%</b>	<b>12.99%</b>	<b>5.44%</b>	<b>7.62%</b>
Other Comprehensive Income	-	-	(1)	(3)
<b>Total Comprehensive Income</b>	<b>247</b>	<b>385</b>	<b>210</b>	<b>398</b>
EPS (INR)	11.90	18.58	10.2	19.3

\* Consolidated

<sup>^</sup> As per IndAS \*\*The financial figures are excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd.



# Balance Sheet

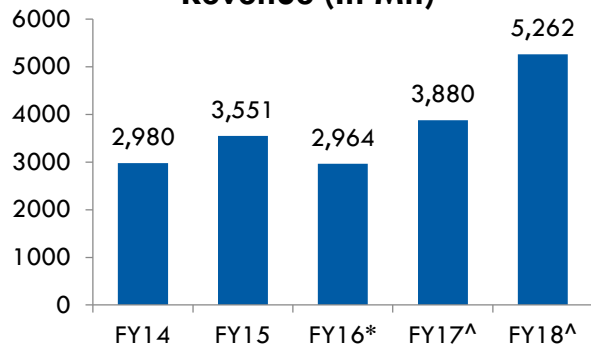


Particulars (INR Mn)	Mar 17	Mar 18	H1-FY19
<b>Shareholders Fund</b>	<b>2,229</b>	<b>2,464</b>	<b>2,526</b>
Equity Share Capital	104	104	104
Other Equity	2,125	2,360	2,422
<b>Total Non Current Liabilities</b>	<b>67</b>	<b>70</b>	<b>76</b>
Deferred Tax liabilities	9	18	15
Other Long Term Liabilities	9	-	-
Long Term Provision	18	22	26
Other Financial Liabilities	31	30	35
<b>Total Current Liabilities</b>	<b>675</b>	<b>957</b>	<b>1,055</b>
Short Term Borrowings	222	174	303
Trade Payables	222	642	628
Other Current Liabilities	111	87	87
Short term provision	3	4	1
Current Tax Liabilities (Net)	117	50	36
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,971</b>	<b>3,491</b>	<b>3,657</b>

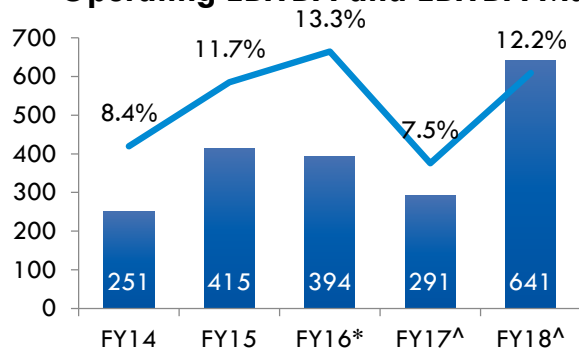
Particulars (INR Mn)	Mar 17	Mar 18	H1-FY19
<b>Total Non Current Assets</b>	<b>1,576</b>	<b>1,586</b>	<b>1,517</b>
Fixed Assets	878	782	782
Capital Work in progress	60	91	123
Investment in properties	1	1	-
Non Current Investments	398	499	462
Current Tax Assets (Net)	-	116	59
Long term loans & advances	-	-	-
Other Non Current assets	239	97	91
<b>Total Current Assets</b>	<b>1,395</b>	<b>1,905</b>	<b>2,140</b>
Investments	-	-	-
Inventories	445	493	552
Trade Receivables	781	982	1,193
Cash & Cash Equivalents	56	310	266
Other Bank Balances	10	18	39
Short Term loans & Advances	-	3	4
Other Financial Assets	64	44	18
Other current asset	39	55	68
<b>TOTAL ASSETS</b>	<b>2,971</b>	<b>3,491</b>	<b>3,657</b>

# Historical Performance Indicators

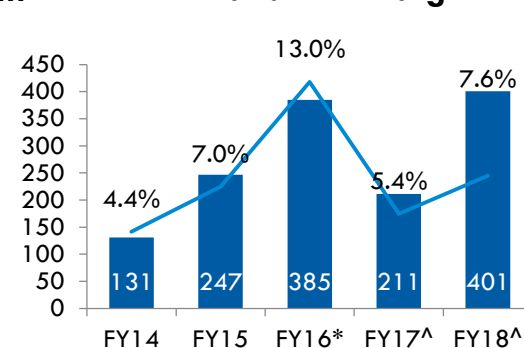
### Revenue (In Mn)



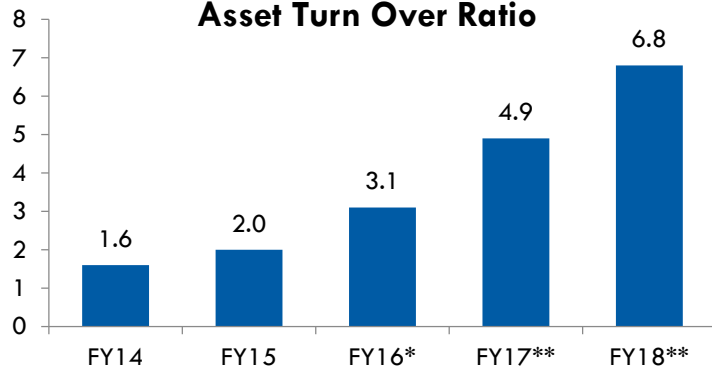
### Operating EBITDA and EBITDA Margin



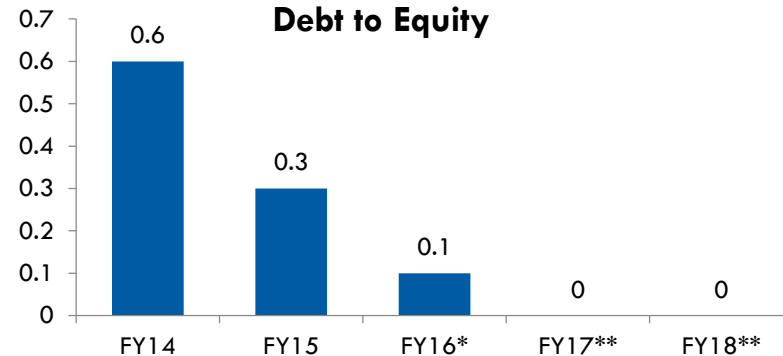
### PAT and PAT Margin



### Asset Turn Over Ratio



### Debt to Equity



\*Consolidated    ^ As per IndAS and the figures are excluding the recent merger of Saldhar Investment and Trading Company Pvt. Ltd.

\*\* As per IndAS and the figures are including the recent merger of Saldhar Investment and Trading Company Pvt. Ltd

**Apcotex Industries Ltd Disclaimer:**

*This presentation and the accompanying slides (the "Presentation"), which have been prepared by Apcotex Industries Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

*This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.*

*This presentation contains certain forward looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.*

**Valorem Advisors Disclaimer:**

*Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.*

**For further details, please feel free to contact our Investor Relations Representatives:**



**Mr. Anuj Sonpal**  
**Valorem Advisors**  
Tel: +91-22-49039500  
Email: [apcotex@valoremadvisors.com](mailto:apcotex@valoremadvisors.com)



**Mr. Anand Kumashi**  
**Apcotex Industries Limited**  
CIN: L99999MH1986PLC039199  
Email: [avkumashi@apcotex.com](mailto:avkumashi@apcotex.com)

The background features three overlapping, curved shapes. A dark blue shape is at the top left, a white shape is in the middle, and a green shape is at the bottom right. The shapes are separated by soft, dark shadows, giving them a layered appearance.

Thank You