

20 MICRONS[®]

L I M I T E D

347, GIDC Industrial Estate, Waghodia - 391760, Dist. Vadodara, Gujarat, India.

13th November, 2019

To :

| | |
|--|--|
| BOMBAY STOCK EXCHANGE LIMITED <i>Department of Corporate Services</i> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, MUMBAI - 400 001. SCRIP CODE : 533022 | NATIONAL STOCK EXCHANGE OF INDIA LIMITED <i>Listing Department</i> Exchange Plaza, Bandra - Kurla Complex, Bandra [East], MUMBAI - 400 051. SCRIP CODE : 20MICRONS |
|--|--|

Dear Sirs,

Re : Results Presentation.

In continuation of our letter dated 07.11.2019, we are sending herewith results presentation on the Un-audited Financial Results of the Company for the Quarter/Half year ended 30.09.2019.

We request you to arrange to take note of the above.

Thanking you,

Yours faithfully
20 Microns Limited

For 20 Microns Limited

[Anuja K. Muley]
Company Secretary

[Anuja K. Muley]
Company Secretary

Encl. : as above.

An ISO 9001 : 2008 Certified Company

Regd. Office : 9-10, GIDC Ind. Estate, Waghodia - 391 760 Dist. Vadodara, Gujarat, INDIA.

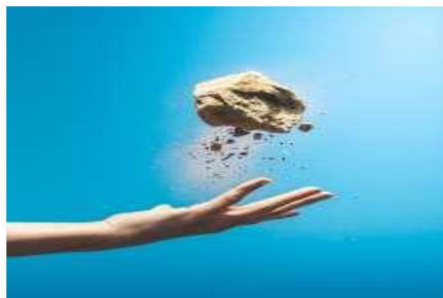
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20 Microns Limited

Q2FY20 Result Update Presentation



“India’s Leading Producer of Ultrafine **Industrial Minerals & Specialty Chemicals** With Expanding Global Footprints.”

Managing Director's Message – Q2FY20

“20 Microns Ltd is the leading producer of ultrafine industrial minerals and specialty chemicals, with a strong in-house R&D which enables the company to cater over 1,000 clients with customized as well as value added products. 20ML enjoys the status of preferred supplier across various industries like paints, plastics, fertilizers and many more. The company has seven mines with a total reserves of ~27 lakh tons and nine manufacturing facilities strategically located in the states of Gujarat, Rajasthan, Tamil Nadu, Uttarakhand etc. During the second quarter ended FY20, consolidated revenue stood at Rs. 136.1 cr which grew by 12.3% YoY, while during the H1FY20 consolidated revenue stood at Rs. 273.9 cr (+14.6% YoY), the top line was mainly driven by changes in product mix and a better performance of value added products despite challenging industry scenario in the domestic market . However, our EBITDA Margins during the quarter were under pressure (-180 bps YoY) on account of increase in raw material cost of specialty products and high inventory level due to subdued off-take of sales due to economic slowdown across sectors. Going ahead our focus is to expand the EBITDA Margin by selling high margin value added products. PAT during Q2FY20 and H1FY20 was at Rs. 7 cr and Rs. 15.6 cr, with a growth of 1.4% and 8.3% YoY respectively.

We continue to focus on our R&D technology and a deep understanding of micronization discipline, which has enabled us to participate and engage with our clients in more strategic manner. We believe that we are well positioned to partner with our valued customers in their key priorities of product modernization and product improvements.

Going ahead we are confident of healthy product pipeline domestically and globally in varied industry segments which we cater to. With our customers aspiring for improved product efficiency and continuous innovation in products, our continuous R&D efforts and robust production processes provide us new opportunities and avenues for growth.

We would like to thank all our employees for their untiring efforts and our investors / stakeholders for their continued support and encouragement.”



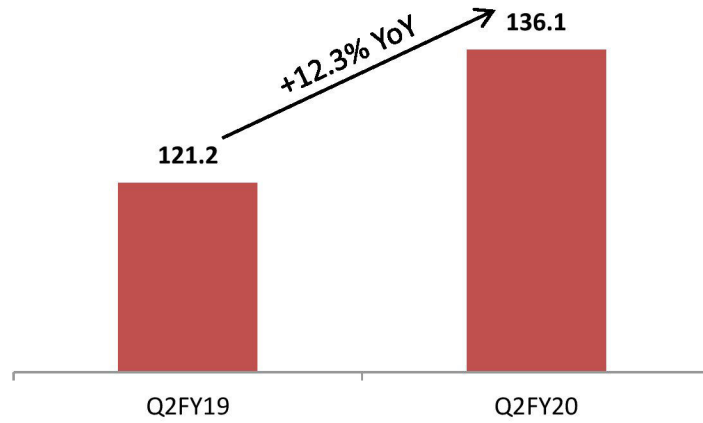
Mr. Atil Parikh
Managing Director , 20 Microns Limited

Standalone Quarterly Income Statement

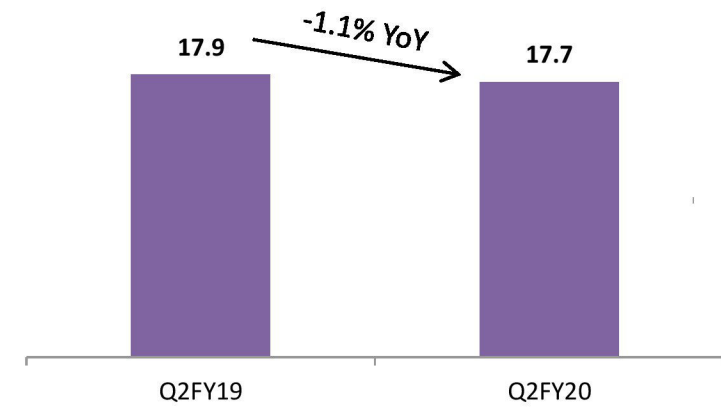
| (Rs. Crore) | Q2FY20 | Q2FY19 | Y-o-Y % | Q1FY20 | Q-o-Q % |
|-------------------------------------|--------------|--------------|-----------------|--------------|-----------------|
| Total Income from Operations | 131.2 | 108.1 | 21.4% | 127.8 | 2.7% |
| Cost of Raw Material Consumed | 71.2 | 50.6 | | 65.6 | |
| Changes in Inventory | 2.1 | -0.1 | | 1.2 | |
| Cost of Goods Sold | 73.3 | 50.5 | | 66.8 | |
| Employee Cost | 11.0 | 10.5 | | 11.2 | |
| Other Cost | 31.6 | 31.6 | | 31.3 | |
| Total Expenditure | 115.9 | 92.6 | | 109.3 | |
| EBIDTA | 15.3 | 15.5 | -1.3% | 18.5 | -17.3% |
| EBIDTA Margin % | 11.7% | 14.3% | -260 bps | 14.5% | -280 bps |
| Other Income | 1.3 | 0.9 | | 0.5 | |
| Depreciation | 3.0 | 2.4 | | 2.4 | |
| Interest | 5.1 | 5.1 | | 4.9 | |
| Exceptional Item | 0.0 | 0.0 | | 0.0 | |
| Profit Before Tax | 8.5 | 8.9 | | 11.7 | |
| Tax | 2.4 | 3.5 | | 3.6 | |
| PAT | 6.1 | 5.4 | 13.0% | 8.1 | -24.7% |
| PAT Margin % | 4.6% | 5.0% | -40 bps | 6.3% | -170 bps |
| EPS (In Rs.) | 1.7 | 1.6 | | 2.3 | |

Consolidated Quarterly Financial Highlights

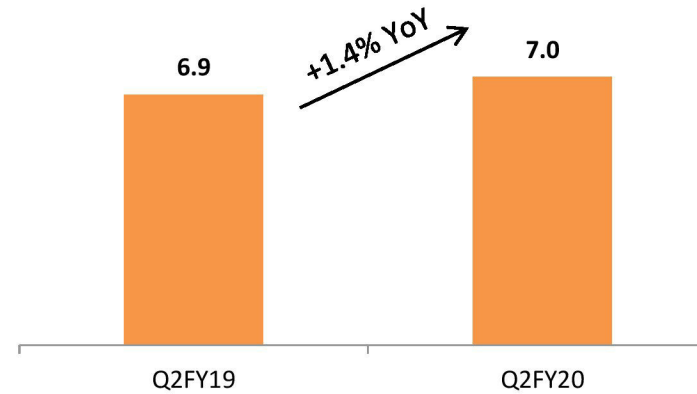
REVENUE (Rs. cr)



EBIDTA (Rs. Cr)



PAT (Rs. Cr)



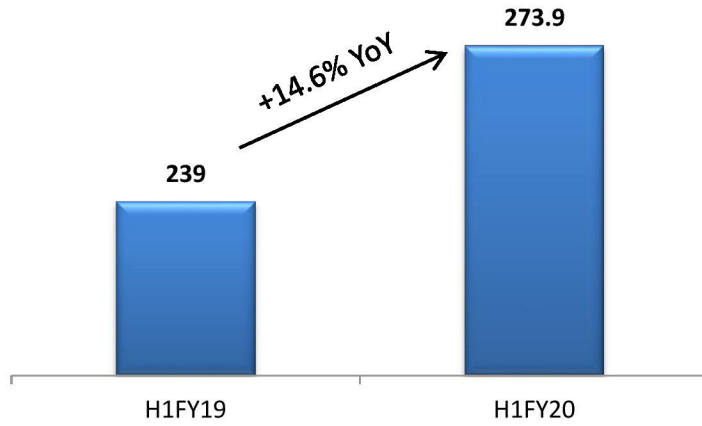
Consolidated Quarterly Income Statement

| (Rs. Crore) | Q2FY20 | Q2FY19 | Y-o-Y % | Q1FY20 | Q-o-Q % |
|-------------------------------------|--------------|--------------|-----------------|--------------|-----------------|
| Total Income from Operations | 136.1 | 121.2 | 12.3% | 137.8 | -1.2% |
| Cost of Raw Material Consumed | 64.4 | 55.8 | | 70.1 | |
| Purchase of Stock in trade | 4.7 | 3.6 | | 0.1 | |
| Changes in Inventory | 1.5 | -0.4 | | 1.0 | |
| Cost of Goods Sold | 70.6 | 59.0 | | 71.2 | |
| Employee Cost | 13.1 | 11.5 | | 12.6 | |
| Other Cost | 34.7 | 32.8 | | 34.2 | |
| Total Expenditure | 118.4 | 103.3 | | 118.0 | |
| EBIDTA | 17.7 | 17.9 | -1.1% | 19.8 | -10.6% |
| EBIDTA Margin % | 13.0% | 14.8% | -180 bps | 14.4% | -140 bps |
| Other Income | 0.6 | 0.9 | | 0.5 | |
| Depreciation | 3.3 | 2.6 | | 2.8 | |
| Interest | 5.4 | 5.3 | | 5.2 | |
| Exceptional Item | 0.0 | 0 | | 0.0 | |
| Profit Before Tax | 9.6 | 10.9 | | 12.3 | |
| Tax | 2.6 | 4.0 | | 3.9 | |
| Minority Interest | -0.04 | 0.03 | | -0.03 | |
| PAT | 7.0 | 6.9 | 1.4% | 8.5 | -17.6% |
| PAT Margin % | 5.1% | 5.7% | -60 bps | 6.2% | -110 bps |
| EPS (In Rs.) | 2.0 | 2.0 | | 2.4 | |

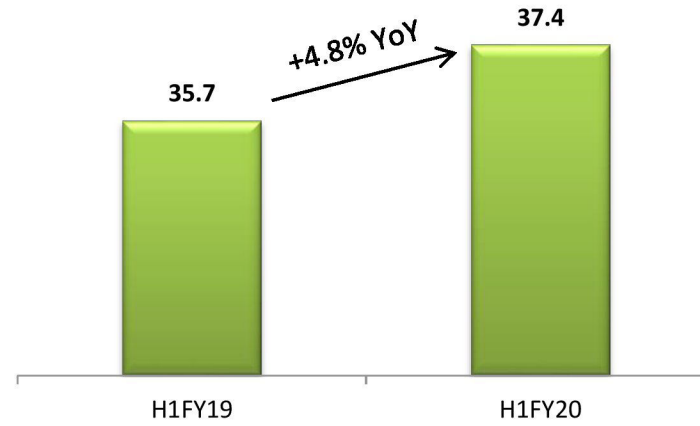
- Q2FY20 – Revenue predominantly driven by change in product mix and a better performance of value added products, despite a challenging industry scenario in the domestic market.
- EBITDA decreased by 1.1% YoY and 10.6% QoQ, due to changes in product mix and higher raw material cost.
- EBITDA Margins were under pressure (-180 bps YoY) on account of increase in raw material cost of specialty products and high inventory level. Going ahead our focus remain to expand the EBITDA Margin.

Consolidated Half-Yearly Financial Highlights

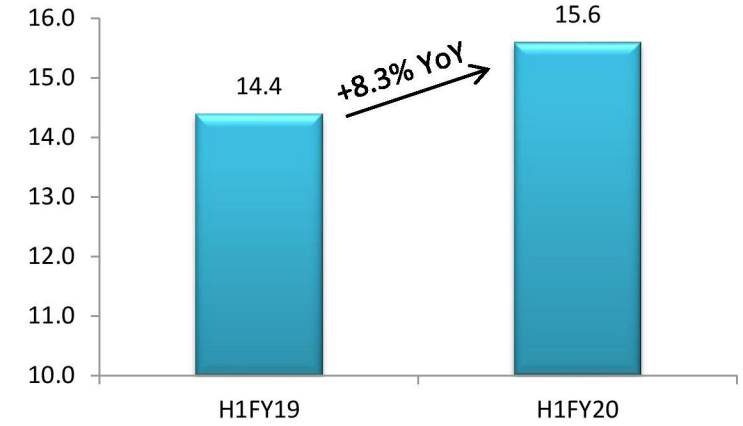
REVENUE (Rs. cr)



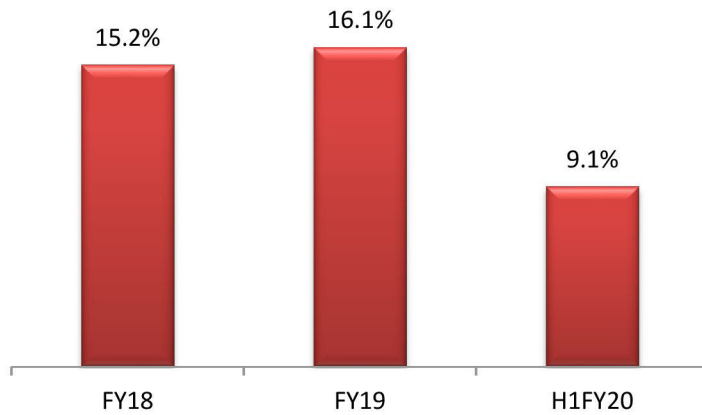
EBIDTA (Rs. Cr)



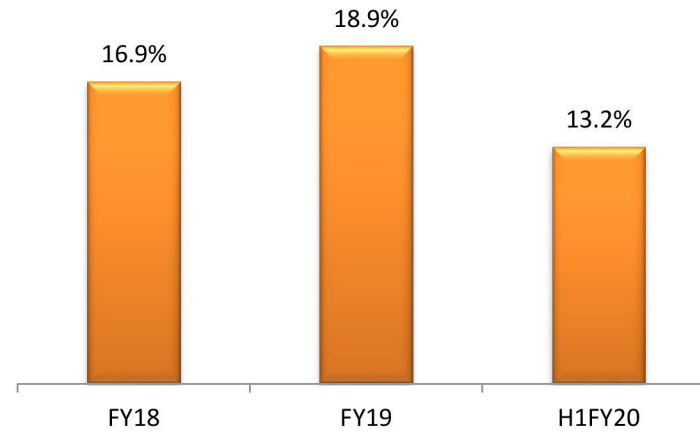
PAT (Rs. Cr)



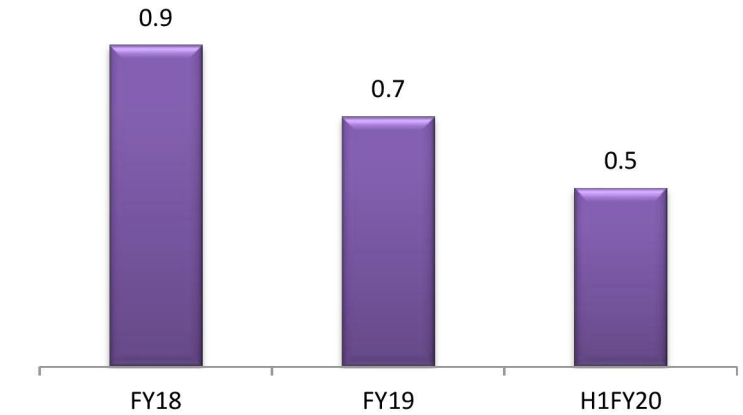
RoE (%)



RoCE (%)



Net D/E (x)



Consolidated Half-Yearly Income Statement

| (Rs. Crore) | H1FY20 | H1FY19 | Y-o-Y % | FY19 | FY18 | Y-o-Y % |
|-------------------------------------|--------------|--------------|-----------------|--------------|--------------|---------------|
| Total Income from Operations | 273.9 | 239.0 | 14.6% | 479.7 | 431.4 | 11.2% |
| Cost of Raw Material Consumed | 134.5 | 109.3 | | 230.0 | 196.7 | |
| Purchase of traded goods | 4.7 | 3.7 | | 0.4 | 3.9 | |
| Changes in Inventory | 2.6 | 1.5 | | (2.2) | (1.4) | |
| Cost of Goods Sold | 141.8 | 114.5 | | 228.2 | 199.2 | |
| Employee Cost | 25.7 | 22.9 | | 46.8 | 40.5 | |
| Other Cost | 69.0 | 65.9 | | 135.8 | 132.0 | |
| Total Expenditure | 236.5 | 203.3 | | 410.8 | 371.7 | |
| EBIDTA | 37.4 | 35.7 | 4.8% | 68.9 | 59.7 | 15.4% |
| EBIDTA Margin % | 13.7% | 14.9% | -120 bps | 14.4% | 13.8% | 60 bps |
| Other Income | 1.1 | 2.3 | | 1.9 | 2.5 | |
| Depreciation | 6.1 | 5.2 | | 10.5 | 10.3 | |
| Interest | 10.5 | 10.7 | | 21.9 | 22.4 | |
| Exceptional Item | 0.0 | 0.0 | | 0.0 | 1.5 | |
| Profit Before Tax | 21.9 | 22.0 | | 38.5 | 28.0 | |
| Tax | 6.5 | 7.6 | | 13.5 | 9.1 | |
| Minority Interest | -0.1 | 0.05 | | | | |
| PAT | 15.6 | 14.4 | 8.3% | 24.9 | 18.8 | 32.4% |
| PAT Margin % | 5.7% | 6.0% | -30 bps | 5.2% | 4.7% | 50 bps |
| EPS (In Rs.) | 4.4 | 4.1 | | 7.06 | 5.34 | |

Consolidated Half-Yearly Balance Sheet

| (Rs. Crore) | H1FY20 | FY19 | FY18 |
|------------------------------------|--------------|--------------|--------------|
| Non-current Assets | | | |
| Property, Plant & Equipment | 194.8 | 194.4 | 184.1 |
| Capital Work in Progress | 8.3 | 2.9 | 7.7 |
| Intangible Asset | 4.5 | 0.6 | 0.8 |
| Intangible Asset Under Development | 0.4 | 1.1 | 0.3 |
| Investments | 2.4 | 2.4 | 3.4 |
| Loans | 2.9 | 3.2 | 4.7 |
| Other Non Current Assets | 11.7 | 11.6 | 9.0 |
| Total Non-current Assets | 225.0 | 216.2 | 210.0 |
| Current Assets | | | |
| Inventories | 90.6 | 83.6 | 72.2 |
| Trade Receivables | 57.6 | 69.6 | 66.5 |
| Cash & Equivalents | 9.6 | 10.7 | 8.8 |
| Loans | 3.7 | 2.9 | 2.6 |
| Other Current Assets | 18.8 | 18.5 | 15.4 |
| Total Current Assets | 180.3 | 185.4 | 165.4 |
| Total Assets | 405.3 | 401.6 | 375.5 |

| (Rs. Crore) | H1FY20 | FY19 | FY18 |
|--------------------------------------|--------------|--------------|--------------|
| Equity | | | |
| Equity Share Capital | 17.6 | 17.6 | 17.6 |
| Other Equity | 163.9 | 148.6 | 125.8 |
| Total Equity | 181.5 | 162.2 | 143.5 |
| Non-Controlling Interest | 0.7 | 0.7 | 0.6 |
| Borrowings | 39.0 | 45.7 | 58.3 |
| Other Non – Current Assets | 2.6 | 0.9 | 0.0 |
| Deferred Tax Liabilities | 30.8 | 28.8 | 24.0 |
| Total Non-current Liabilities | 72.4 | 74.5 | 82.3 |
| Current Liabilities | | | |
| Borrowings | 67.2 | 63.9 | 61.1 |
| Trade Payables | 50.5 | 66.6 | 61.5 |
| Other Current Liabilities | 31.5 | 29.0 | 26.0 |
| Provisions | 1.6 | 0.8 | 0.6 |
| Total Current-liabilities | 150.7 | 160.1 | 149.1 |
| Total Equity And Liabilities | 405.3 | 401.6 | 375.5 |

Consolidated Half-Yearly Cash Flow Statement

| (Rs. Crore) | H1FY20 | H1FY19 |
|--|--------------|--------------|
| Cash Flow from Operating Activities | | |
| PBT | 21.9 | 22.0 |
| Depreciation | 6.1 | 5.2 |
| Finance Cost | 10.5 | 10.7 |
| Other Adjustments | -0.6 | -0.6 |
| Working Capital Changes | -7.8 | -5.2 |
| Tax | -5.4 | -3.1 |
| Cash Flow from Operating Activities (A) | 24.7 | 29.0 |
| Cash Flow from Investing Activities | | |
| Capex | -12.9 | -9.8 |
| Other Investing Activities | 0.7 | 0.7 |
| Cash Flow from Investing Activities (B) | -12.2 | -9.1 |
| Cash Flow from Financing Activities | | |
| Repayments of Long-Term Borrowings | -6.6 | -9.0 |
| Proceeds from Short-Term Borrowings | 3.3 | 2.5 |
| Other Financing Activities | -10.5 | -12.3 |
| Cash Flow from Financing Activities (C) | -13.8 | -18.8 |
| Net Changes in Cash (A+B+C) | -1.3 | 1.1 |
| Opening Cash | 7.0 | 5.2 |
| Closing Cash | 5.7 | 6.3 |



- 1. Focus on Product Innovation:** Continued focus on product innovation enables to remain the trend setter for ultra fine minerals ranging from 20 microns to 0.5 microns. Company now aims to reach milestone of 0.2 microns, which will further improve our margins.
- 2. Retail Push - Waterproofing agent and the Fertilizer brand:** Plans to foray into three more unique waterproofing products such as Nanotite, Liquid Cracksil & Instantsil providing further mileage in the B2C segment
- 3. Diversified Industry Application of Specialty Products:** Constantly endeavor to expand untapped industries to further broaden our client base.
- 4. Transforming Business Mix:** Intend to transform business mix by focusing more on retail channels by product branding, to generate higher margin business like functional additives.
- 5. Enhancing Exports by entering into new markets:** Target acquisitions to broaden product portfolio of products/minerals to provide access to new markets through Joint ventures with different mining company globally

01

Competitive edge with strong market presence with greater brand acceptance

02

Expertise in material and sophisticated process

03

Delivers high value added products and functional solutions to various industries. Multilocational warehouse across India

04

Strong in-house Research & Development Facility. Proven ability to acquire and improve business performance

05

Successfully implemented SAP across business to ease financial transactions, product life cycles and supply activities

06

Multi mineral team - Strengthening global footprint with strong distribution network and qualified marketing team

07

Strong product pipeline from varied industries

Moving to become a “Zero Waste Company”

Strong In-House R&D Facility

- Established R&D facility with an aim to achieve Company's objective to become globally competitive by product innovation, up-gradation of technology and continuous improvement in quality of finished goods. Brings efficiency to cater to client's complex needs

- We have industry wise facilities to cater to product improvements and innovation as required by our customers



- Tied up with several external agencies such as Central Glass & Ceramic Research Institute, Kolkata, Vallabh Vidyanagar (Gujarat); IIT, Mumbai, Smart Instruments Company Pvt. Ltd., Mumbai and various other institutions. Enabling Company to improve, innovate skills and processes, and also to keep abreast with latest technologies in industry

- Highly experienced & innovative R & D team of ~18 scientists and latest equipment to simplify complex processes, to go to the extreme levels of microns, to grow, innovate and improve business margins and to evolve as leaders in mineral processing

- ***Continuous R&D and innovation enables to expand product portfolio in the domestic and international markets***
- ***Our R&D expertise has instilled confidence in our clients in joint R&D project execution***



For further details, please feel free to contact:

20 MICRONS[®]
L I M I T E D

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