



FILATEX INDIA LIMITED

CIN No.L17119DN1990PLC000091

FIL/SE/2020-21/43
12th January, 2021

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051
Security Symbol: **FILATEX**

BSE Limited
Listing Department
25th Floor, Pheroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Security Code: **526227**

Sub: Investor Presentation – Q3FY21

Dear Sirs/ Madam,

Pursuant to Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Part A of Schedule III, please find enclosed herewith the Investor Presentation – Q3FY21 which we propose to share with Analysts & Investors.

This is for your information and records please.

Thanking you,

Yours faithfully,
For FILATEX INDIA LIMITED

Ramesh

COMPANY SECRETARY

Encl.: a/a

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FILATEX INDIA LIMITED



Investor Presentation

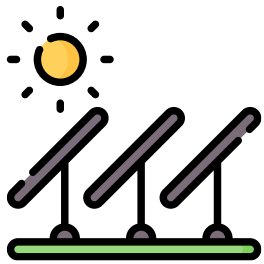
Q3FY21



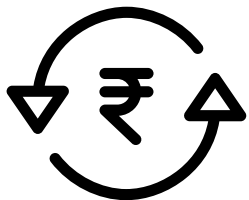
Q3FY21 Highlights



The Company has achieved its highest ever quarterly EBIDTA of Rs. 120.02 crores and EBITDA margin of 16.65%



Commissioned & commenced captive rooftop solar power plants of 1.0 MW capacity at Dahej & 0.4 MW capacity at Dadra w.e.f. 30th December 2020



Steady increase in demand in the 2nd half of FY21 allowed the company to run at 90% capacity in its yarn production and improved product mix with more value added sales of FDY and DTY

Key message



Madhu Sudhan Bhageria

Chairman & Managing Director

“

We are excited to announce that we have achieved our highest quarterly EBIDTA of Rs. 120.17 crores and improved EBITDA margins to 16.65% as against 7.57% in Q3FY20. After facing a pandemic setback in H1FY21, we are now making a comeback in H2FY21. This has been possible on account of a quick and steady recovery of the downstream textile sector and sharp recovery of demand. The commencement of additional DTY capacity has also contributed to higher margins.

”

Company Overview



We are one of India's Top 5 Manufacturers of Polyester Filament yarns.

We manufacture polyester and polypropylene multifilament yarn and polyester chips. We have two manufacturing facilities; one at Dadra & Nagar Haveli and second one at Dahej, equipped with state-of-the-art modern German machines.

Our Vision

To be one of the leading polyester yarns manufacturer producing products to international standards, to be customer focused through stringent quality assurance and continuous innovation.

02

World-Class
Manufacturing
Facilities



05

Continents
Catered



45+

Countries Global
Export



2500+

Team
Members

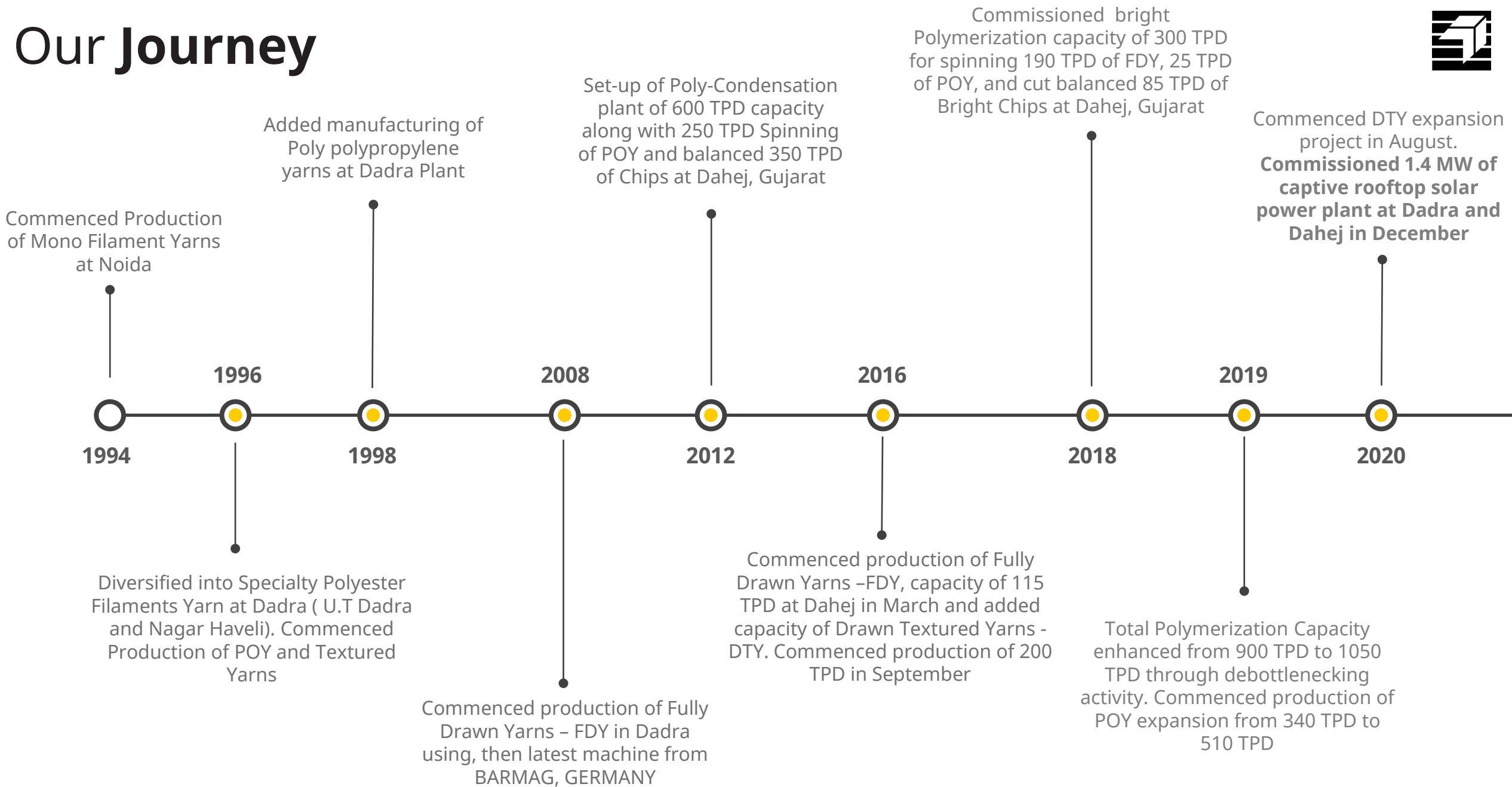


383,000

Tonnes Per Annum
Production Capacity
(2019-2020)



Our Journey



Global Presence



Corporate Office
New Delhi

Manufacturing Facilities
Dadra & Nagar Havelli (UT)
Dahej (Gujarat)

Marketing Office
New Delhi
Surat
Mumbai

45+

Countries to which products are exported

~25%

Drawn Texturizing Yarn (DTY) Production is exported

~15%

Exports contribution to Revenues in FY20

383,000

Total Production Capacity (MTPA) FY21

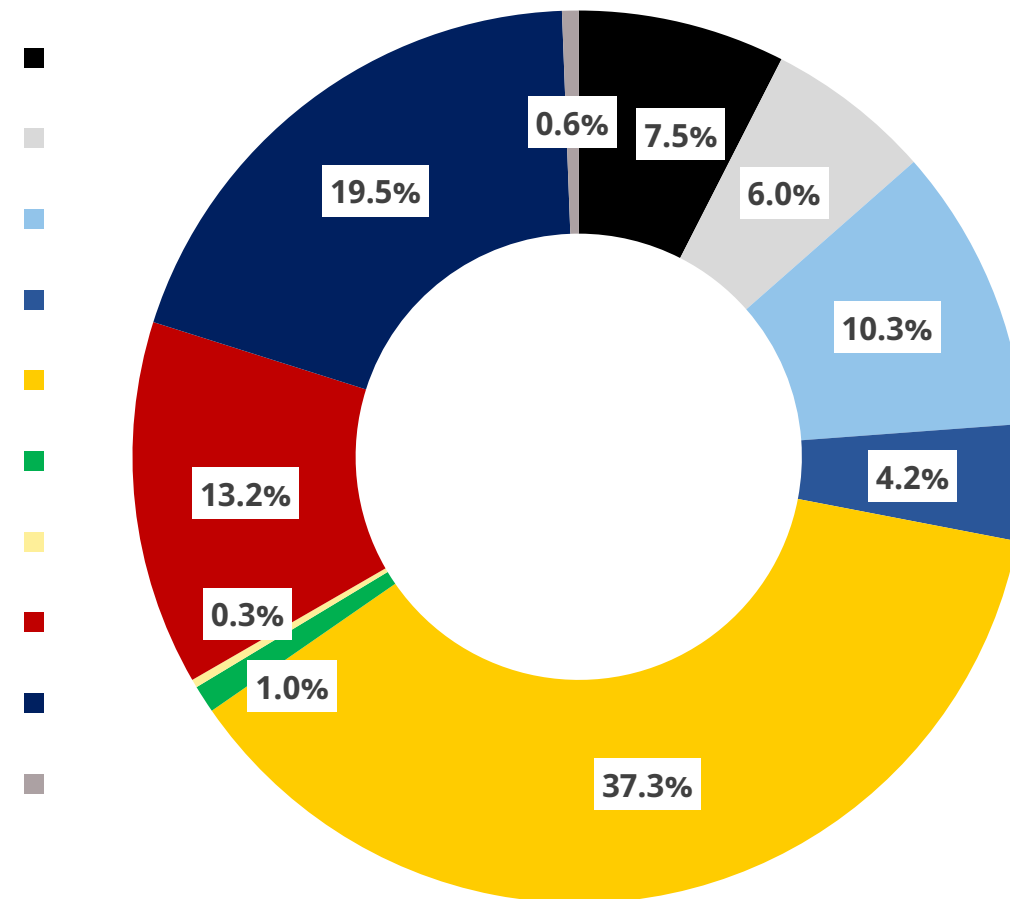
Production Capacities



PRODUCTION CAPACITIES | FY 2020-21

Products (MTPA)	Production	Captive	Net	%age
Polyester Chips - Semi Dull	50,400	21,600	28,800	7.5%
Polyester Chips - Bright	36,000	13,000	23,000	6.0%
Polyester POY - Semi Dull	1,83,600	1,44,000	39,600	10.3%
Polyester POY - Bright	16,200	0	16,200	4.2%
Polyester DTY	1,44,000	1200	1,42,800	37.3%
Polypropylene DTY	4,000	0	4,000	1.0%
Polypropylene POY	5,000	4,000	1,000	0.3%
Polyester FDY - Semi Dull	50,400	0	50,400	13.2%
Polyester FDY - Bright	76,000	1,200	74,800	19.5%
Narrow Woven Fabrics	2,400	0	2,400	0.6%
Grand Total	5,68,000	1,85,000	3,83,000	100%

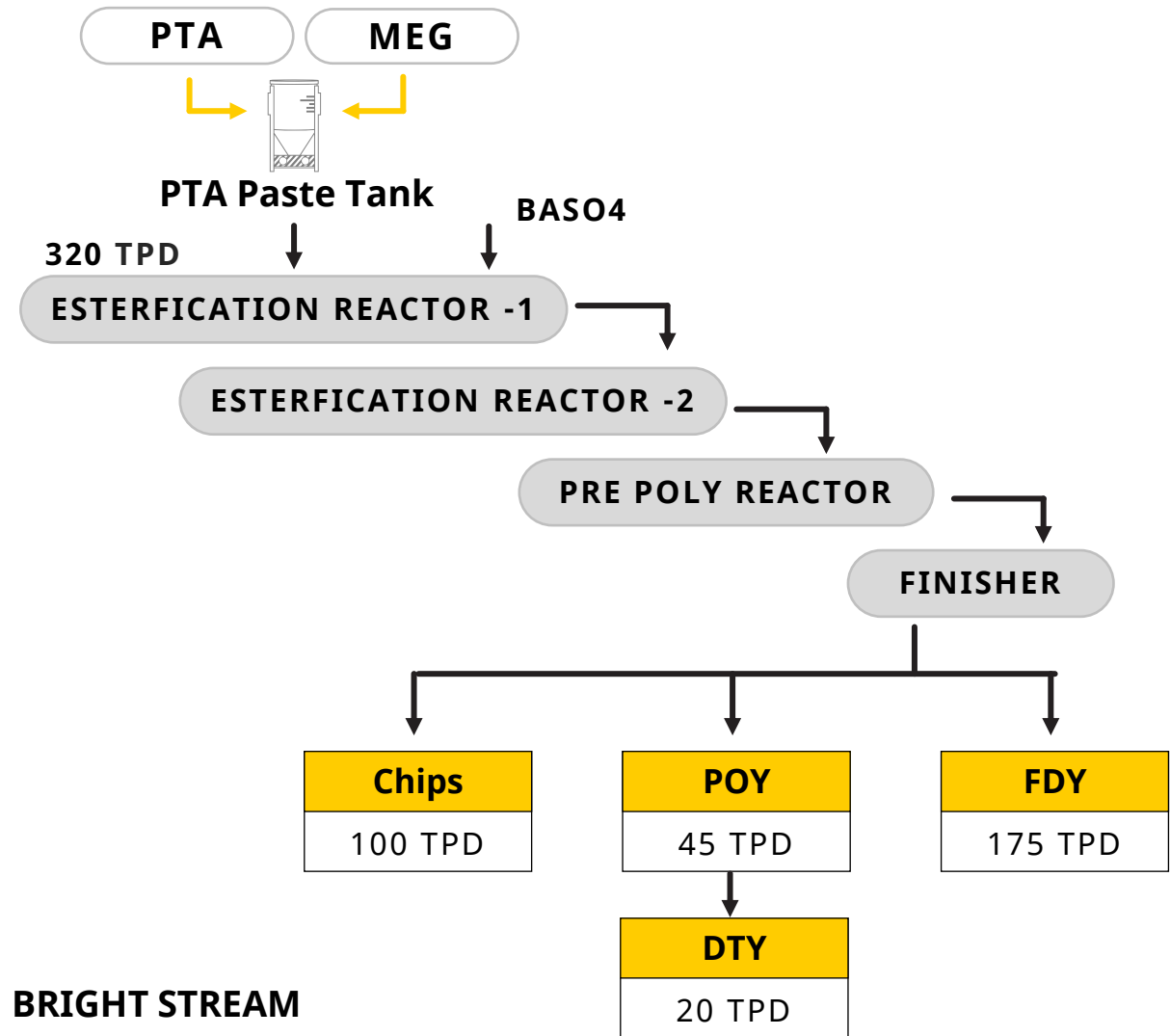
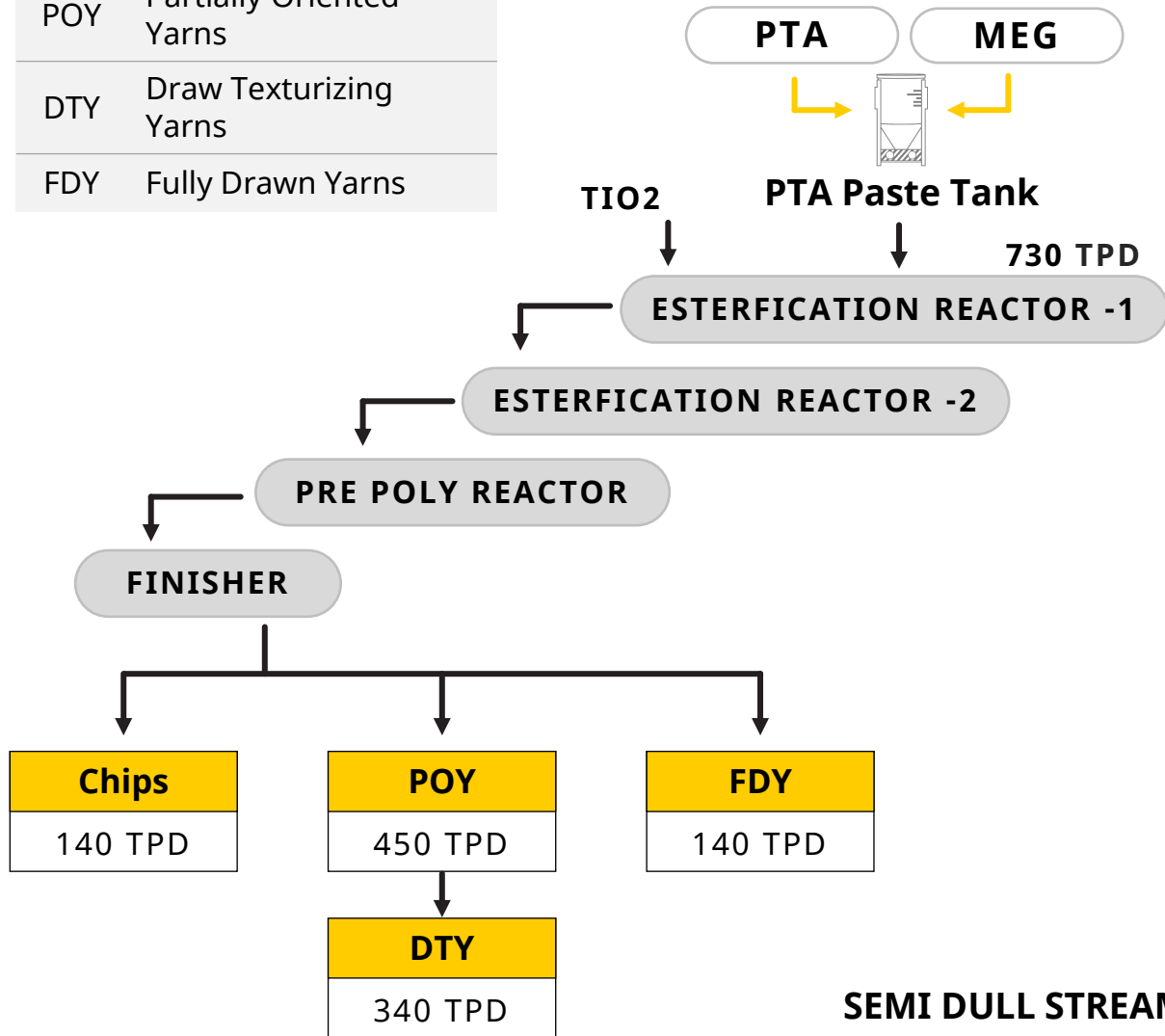
Net Capacity (Post Expansion Net of Captive)





Production Process Flow (Dahej)

POY	Partially Oriented Yarns
DTY	Draw Texturizing Yarns
FDY	Fully Drawn Yarns

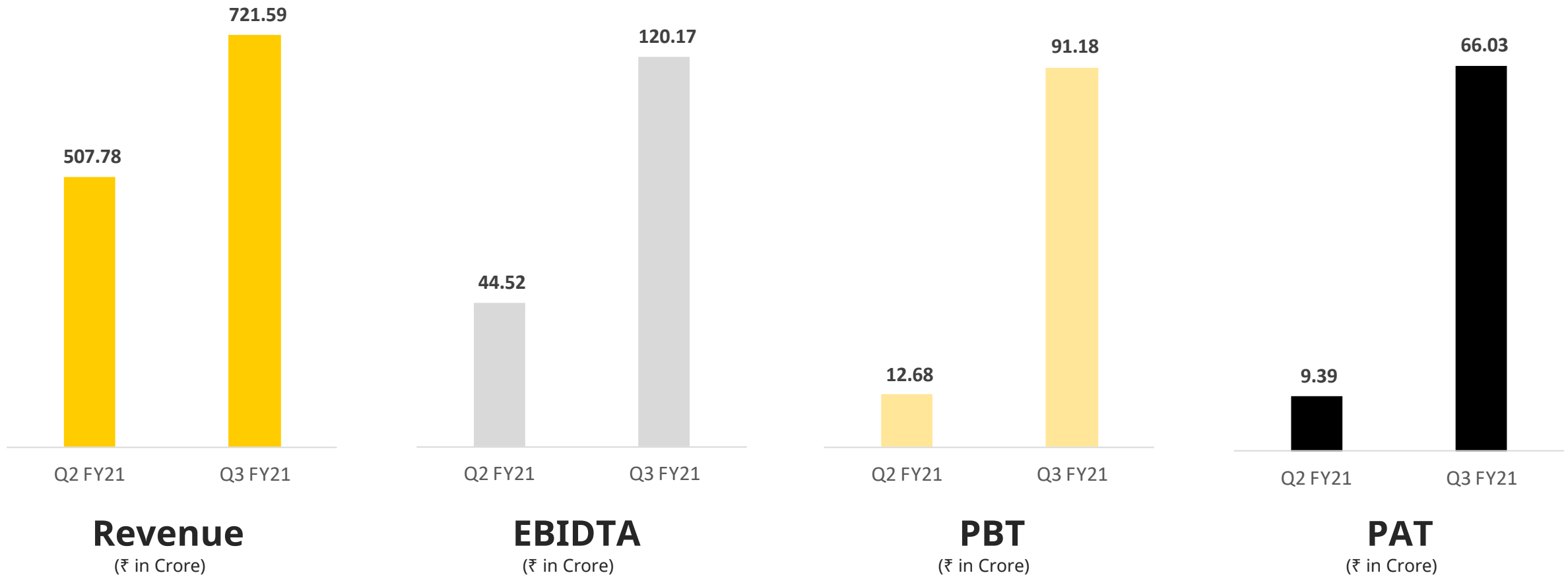




Q3 & 9M FY21

PERFORMANCE HIGHLIGHTS

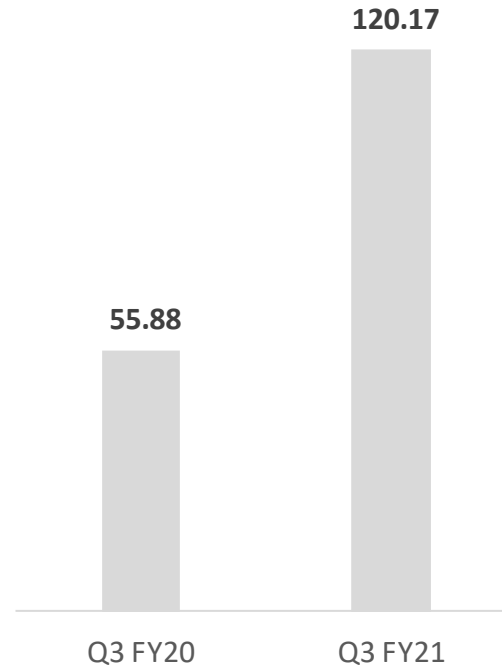
Quarterly Results (QoQ)



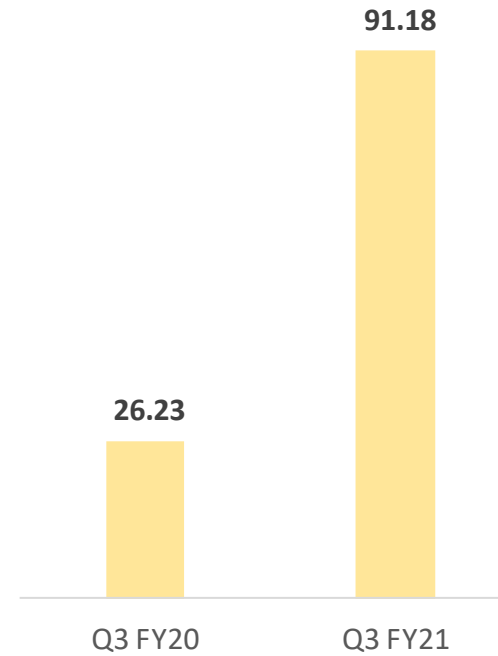
Quarterly Results (YoY)



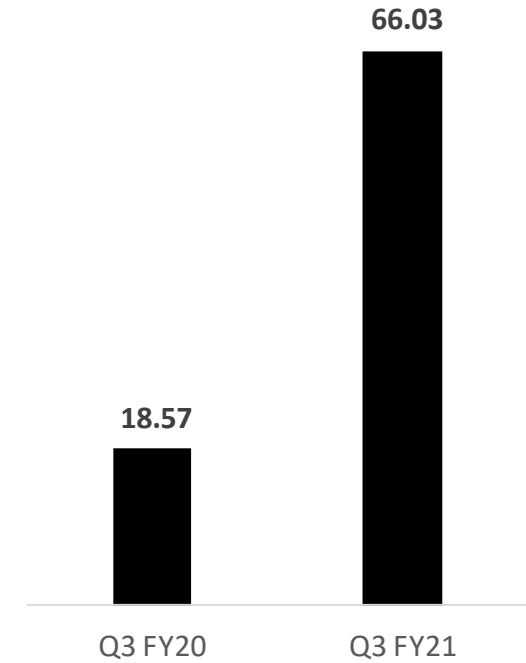
Revenue
(₹ in Crore)



EBIDTA
(₹ in Crore)

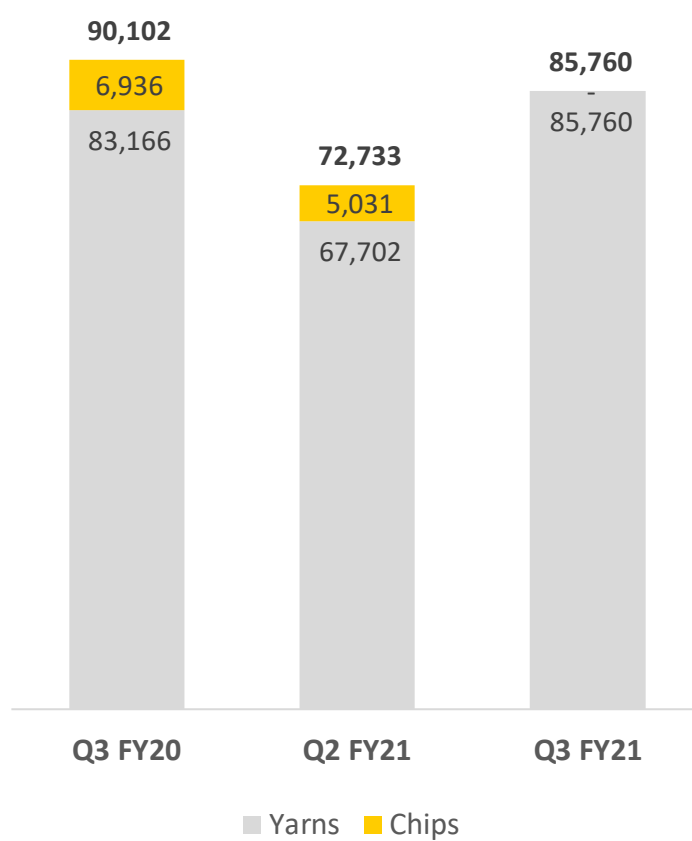


PBT
(₹ in Crore)



PAT
(₹ in Crore)

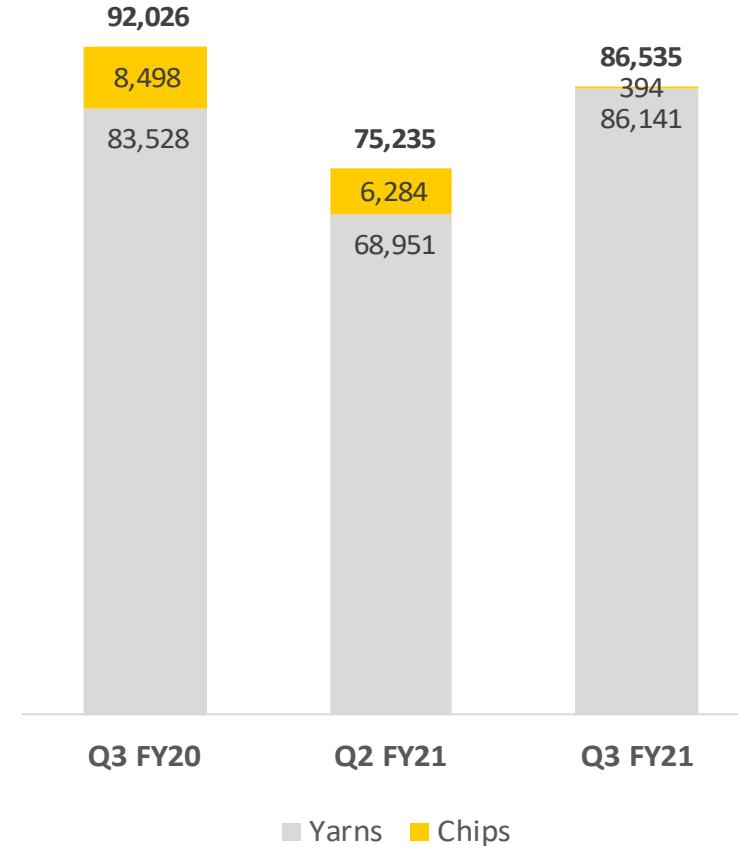
Quarterly Production (QoQ & YoY)



Total Production*

(MTPA)

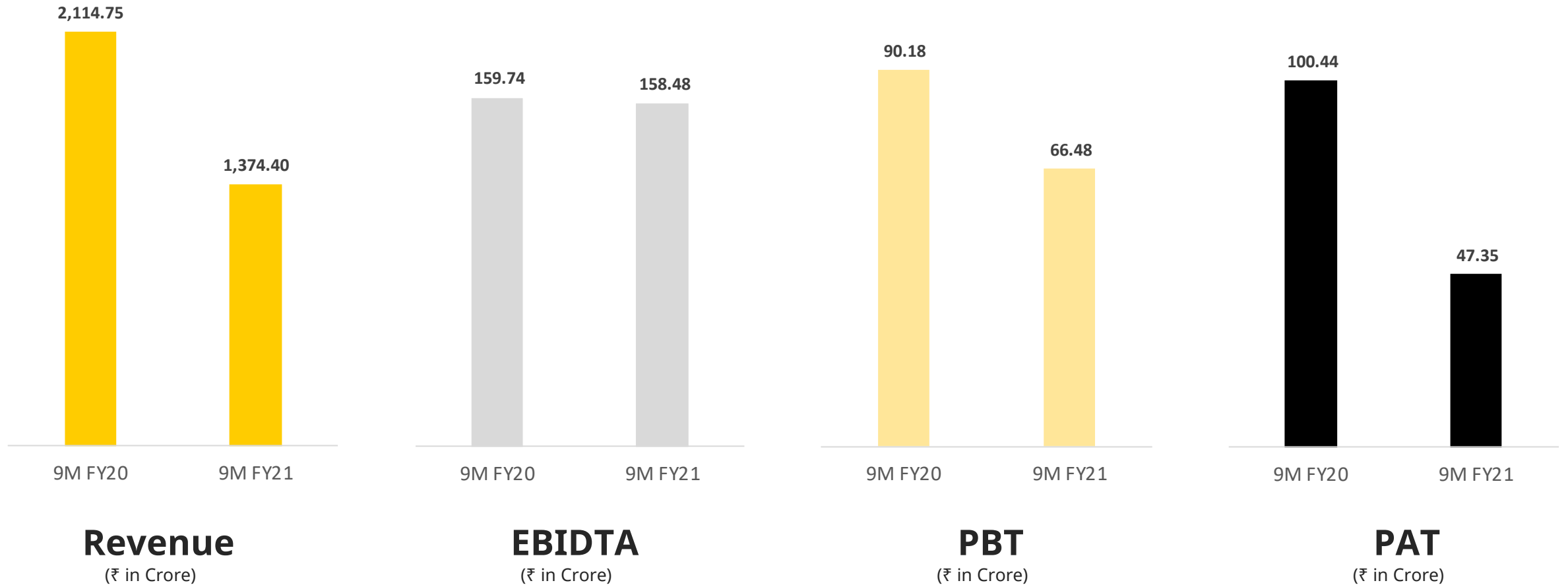
* Net of Captive



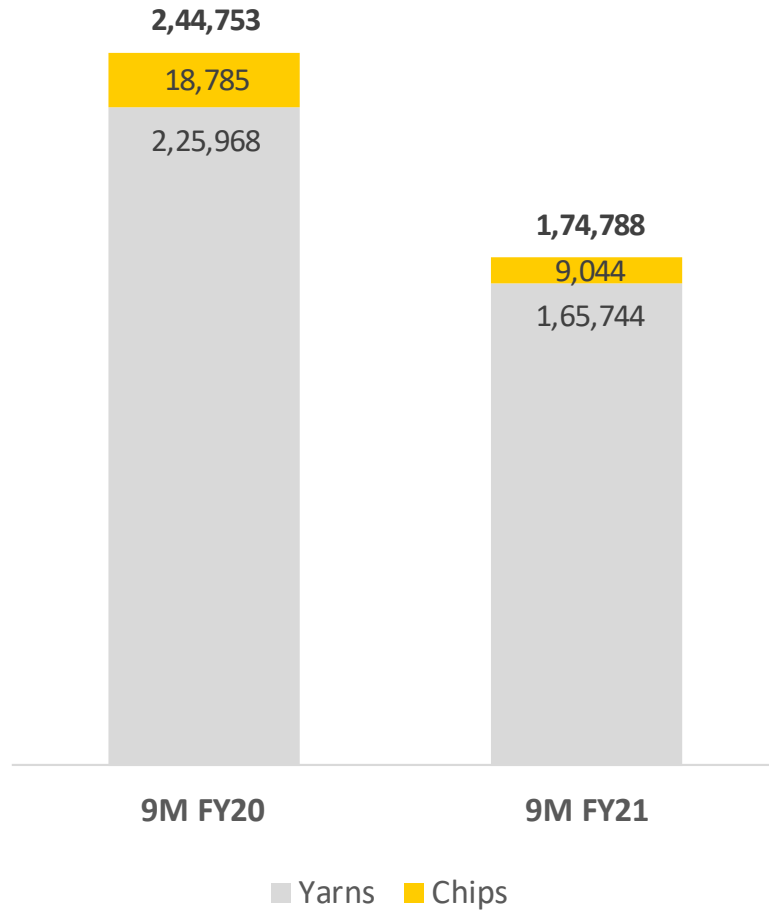
Total Sales

(MTPA)

9MFY21 Results (YoY)

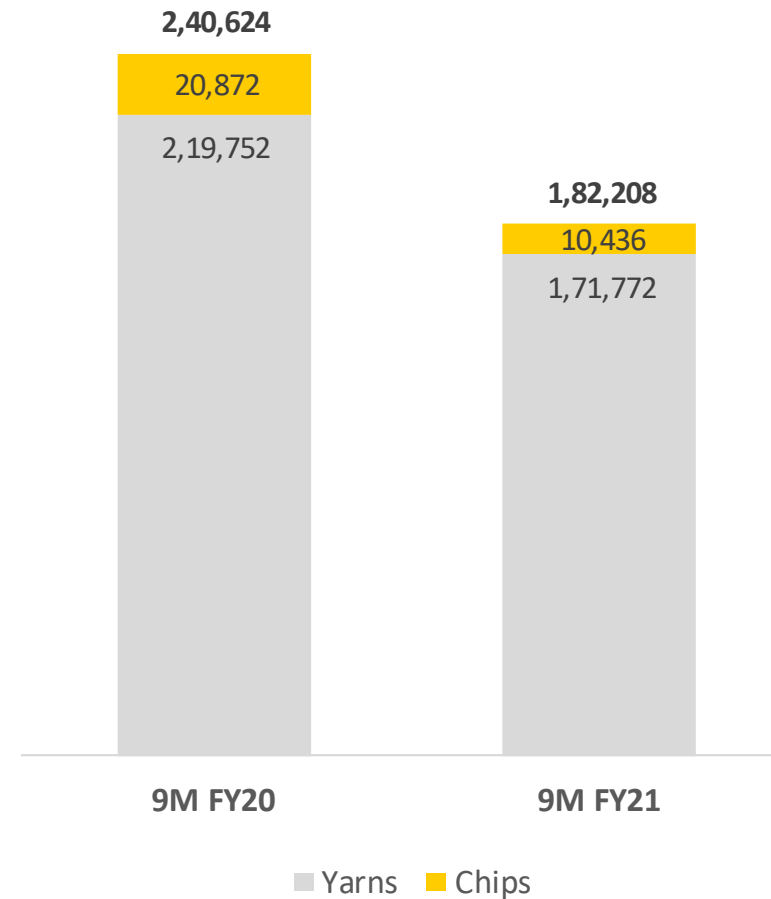


9MFY21 Production (YoY)



Total Production*
(MTPA)

* Net of Captive



Total Sales
(MTPA)

Profit & Loss | Q3 FY21



(INR in Crore) ¹	Q3 FY21	Q2 FY21	QoQ %	Q3 FY20	YoY %
Net Revenue from operations (Net of Taxes)	721.59	507.79	42.10	737.73	(2.19)
Other income	1.80	1.46	23.29	1.44	25.00
Total Revenue	723.39	509.25	42.05	739.17	(2.13)
Total Expenses	632.21	496.57	27.32	712.94	(11.32)
Cost of materials consumed	500.12	377.16	32.60	574.15	(12.89)
Changes in inventories	4.87	9.60	(49.27)	17.21	(71.70)
Employee benefits expense	20.81	16.08	29.42	19.14	8.73
Finance cost	16.02	18.87	(15.10)	17.08	(6.21)
Depreciation and amortization expense	14.77	14.43	2.36	14.00	5.50
Other expenses	75.62	60.43	25.14	71.36	5.97
Profit before exceptional items & tax	91.18	12.68	619.09	26.23	247.62
Exceptional Items	-	-	-	-	-
Profit before tax	91.18	12.68	619.09	26.23	247.62
Tax expense	25.14	3.29	664.13	7.66	228.20
Net profit/(loss) after tax	66.04	9.39	603.30	18.57	255.63

Profit & Loss | 9M FY21



(INR in Crore) ¹	9M FY21	9M FY20	YoY %
Net Revenue from operations (Net of Taxes)	1,374.39	2,114.77	(35.01)
Other income	4.11	6.69	(38.57)
Total Revenue	1,378.50	2,121.46	(35.02)
Total Expenses	1,311.92	2,031.27	(35.41)
Cost of materials consumed	968.76	1,712.13	(43.42)
Changes in inventories	46.81	(18.40)	(354.40)
Employee benefits expense	45.58	54.83	(16.87)
Finance cost	52.67	39.05	34.88
Depreciation and amortization expense	43.44	37.19	16.81
Other expenses	154.66	206.47	(25.09)
Profit before exceptional items & tax	66.58	90.19	(26.18)
Exceptional Items	-	-	-
Profit before tax	66.58	90.19	(26.18)
Tax expense	19.13	(10.26)	(286.45)
Net profit/(loss) after tax	47.45	100.45	(52.76)

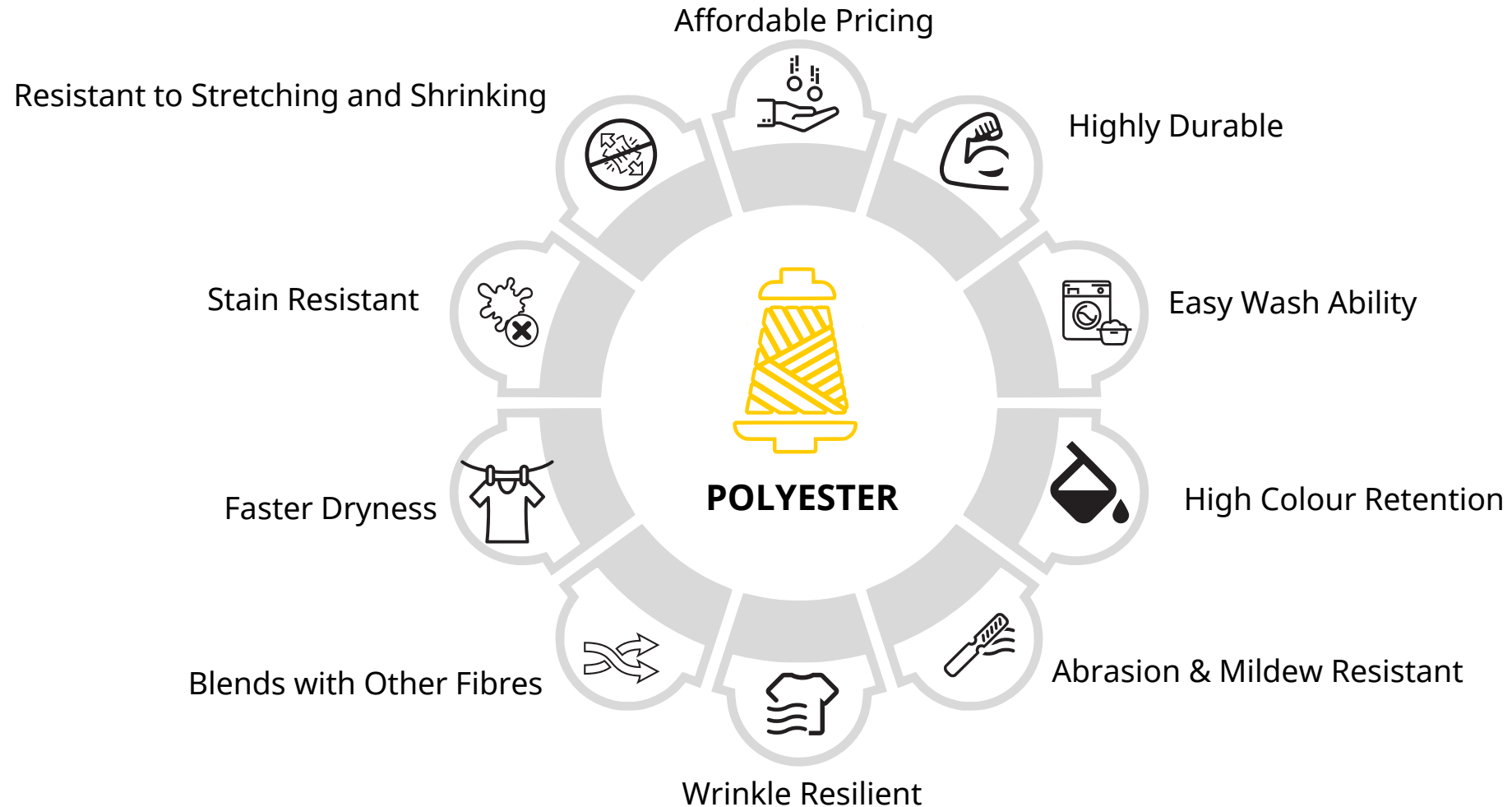


GROWTH DRIVERS

Polyester – The Preferred Fiber



We believe that polyester will be fibre of the future.
Filatex has focused its future growth plans on polyester filament yarns.





World Fibre Production (2008-2018)

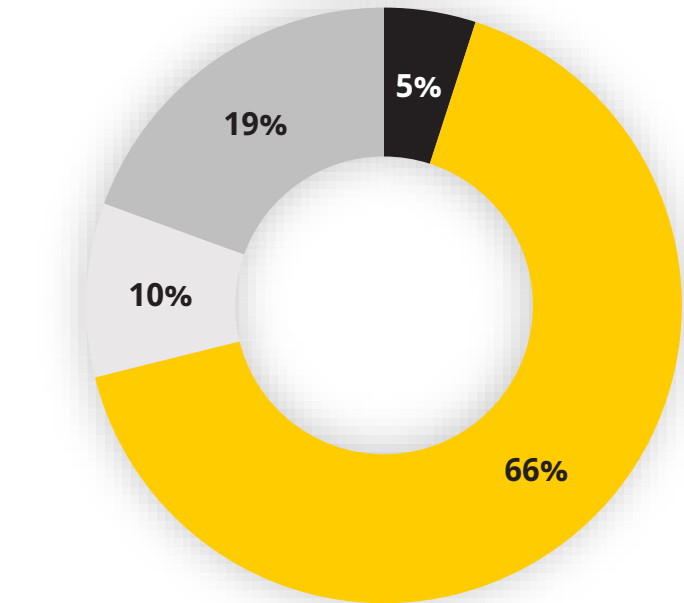
Source: DNFI

(in 1000 MT)

	2008	%	2018	%	CAGR	Growth
Natural Fibres						
Raw Cotton	23,584	31.40	26,120	23.47	1.03	2,536
Other Natural Fibres	6,971	9.28	6,084	5.47	(1.35)	(887)
Total Natural	30,555	40.69	32,204	28.93	0.53	1,649
Synthetic Fibres						
Cellulose Fibres	3,464	4.61	6,900	6.20	7.13	3,436
Synthetic Filaments*	25,750	34.29	49,800	44.74	6.82	24,050
Synthetic Staple Fibres	15,331	20.41	22,400	20.13	3.86	7,069
Total Synthetic	44,545	59.31	79,100	71.07	5.91	34,555
Total Fibres	75,100	100%	1,11,304	100%	4.01	36,204

95% of the growth in World Fibre Production in the last decade has come from Synthetic Fibres alone

CONTRIBUTION TO FIBRE GROWTH IN THE LAST DECADE



- Natural Fibres
- Synthetic Filaments*
- Cellulose Fibres
- Synthetic Staple Fibres

*Polyester Filaments make up 90% of Synthetic Filaments

Growth Drivers - External



Exports Opportunity

- Cost competitiveness and increase in texturizing machines will open new export opportunities for the company
- New textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25

Robust Domestic Demand

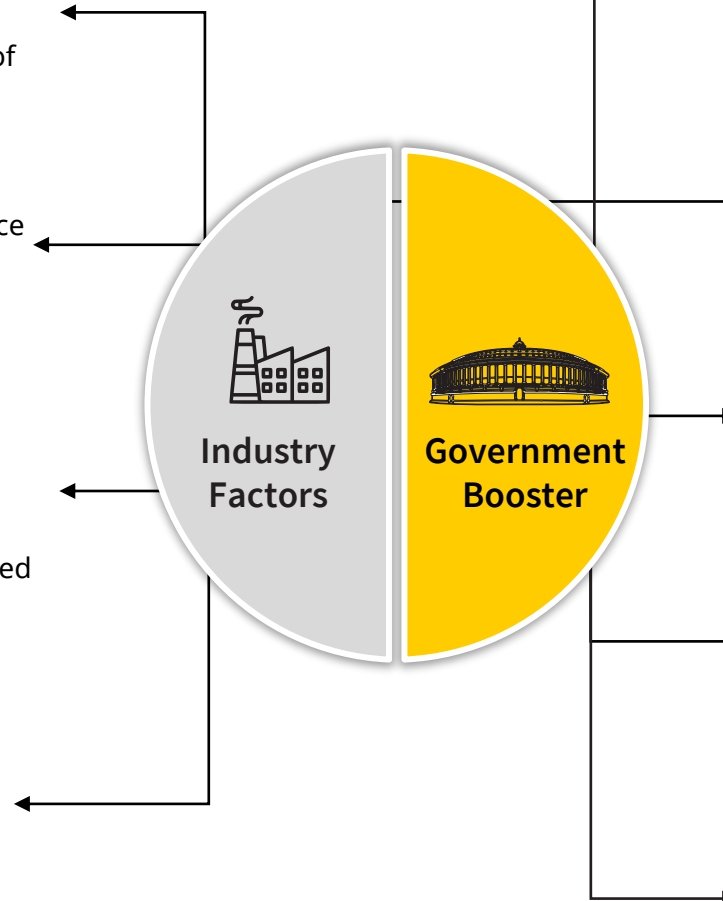
- The demand for polyester yarn has increased sharply since September 2020 because of quick and steady recovery in the textile sector

Recycled Yarn Industry

- The demand for recycle polyester is increasing rapidly as leading brands in fast fashion segments are promoting sustainability in textile industry
- Increasing demand for recycled yarn coupled with increasing application areas of Polyester yarn is anticipated to accelerate the market growth for foreseeable years

China Factor

- Companies looking for alternative sourcing locations to China may increase exports to India, the 2nd largest textile player
- Rising labour costs in China
- Product offering competitive to that of China



Removal of Anti-Dumping Duty on PTA

- Removal of anti-dumping duty on raw material will allow the Indian manufacturers to compete domestically and globally in terms of price competitiveness

Hike in Import Duty

- Import tax on more than 300 textile products doubled to 20% that will help improvement in utilization of the existing manufacturing capacity

Value Addition Criteria

- Importers are required to provide proof of 35% value addition of goods imported through free trade agreements (FTA) to customs authorities which has helped reduce import of Chinese yarn and fabrics via Bangladesh into India

Scheme for Integrated Textile Parks

- 40% capital subsidy to a maximum of INR 40 crore on total project cost on projects approved by government aimed at creating world-class infrastructure for the industry

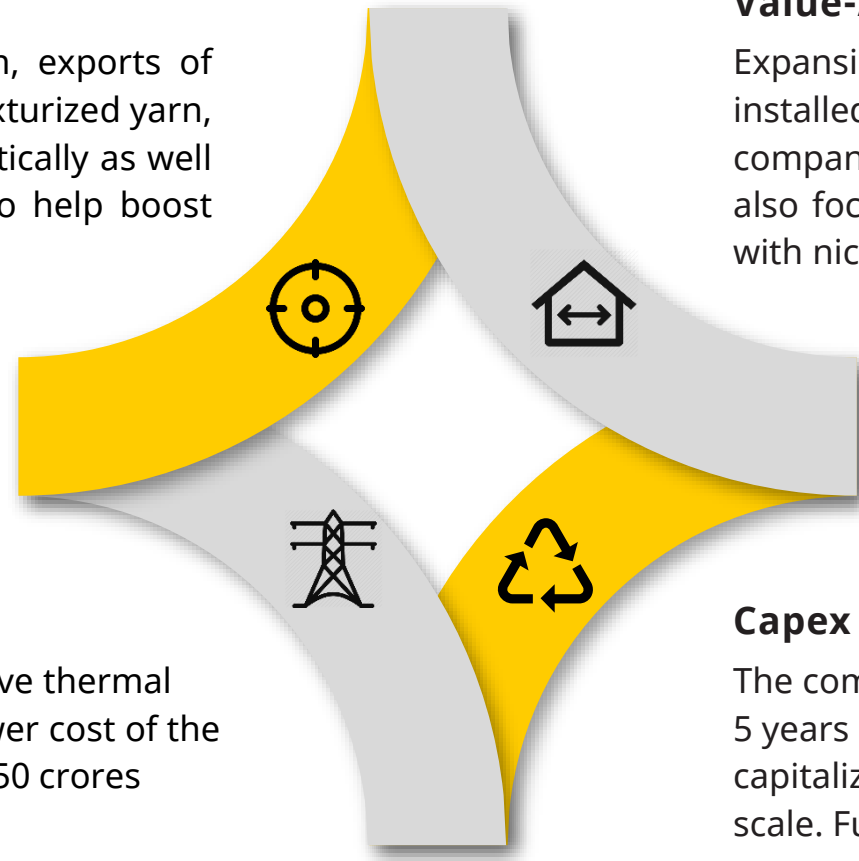
ATUFS

- The government would provide credit linked Capital investment subsidy (CIS) under Amended Technology Upgradation Fund Scheme (ATUFS)
- The scheme would facilitate augmenting of investment, productivity, quality, employment, exports along with import substitution in the industry

Growth Drivers - Internal

Increase Focus on Exports

With new texturizing machines coming in, exports of the company will increase on account of texturized yarn, being a high-demand product both domestically as well as globally. Anti-China sentiments will also help boost Indian textured yarn exports globally.



Value-Added Products

Expansion of DTY from 200 TPD to 400 TPD has been installed and will help improve overall margins of the company as it is a value-added product. The company is also focused on researching and adding new filaments with niche characteristics to the product portfolio.

Captive Power Plant

The company is setting up of 30 MW captive thermal power plant. This will help reduce the power cost of the plant in Dahej and result in savings of 45-50 crores annually.

Capex Unfolding

The company has been expanding rapidly for the past 4-5 years in various streams and in FY21 it expects to capitalize on full capacity and benefit from economies of scale. Full effect of debottlenecking.

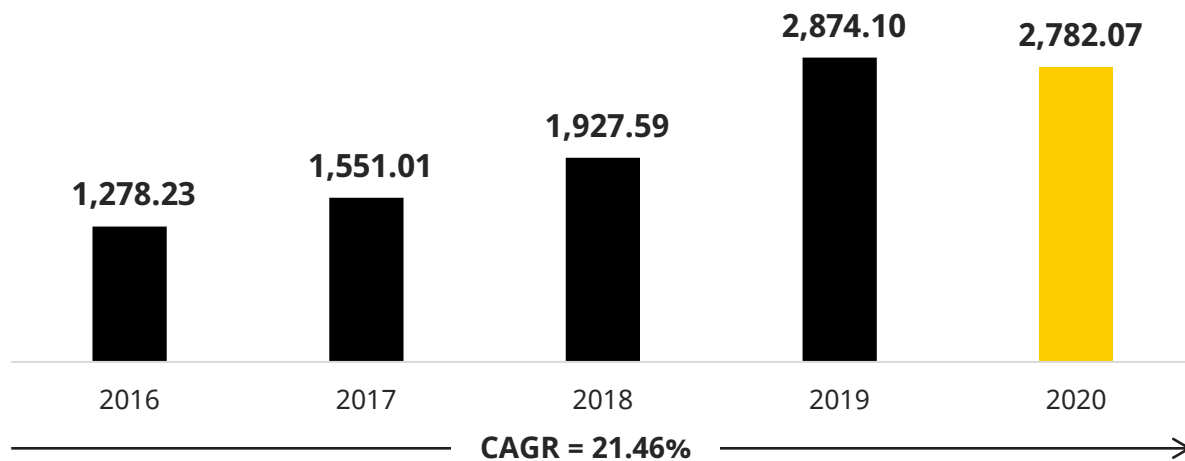


HISTORICAL PERFORMANCE

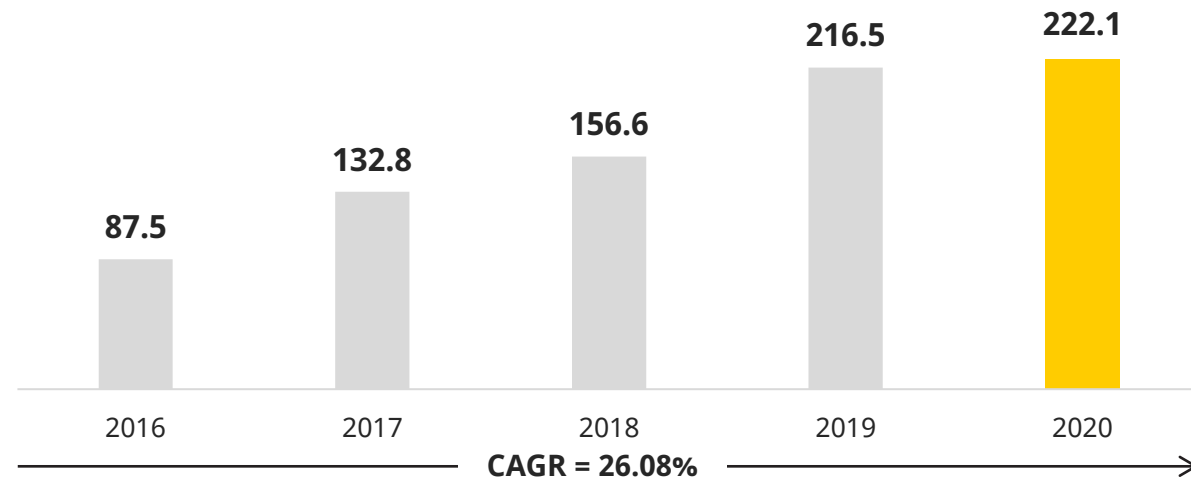
Our Growth



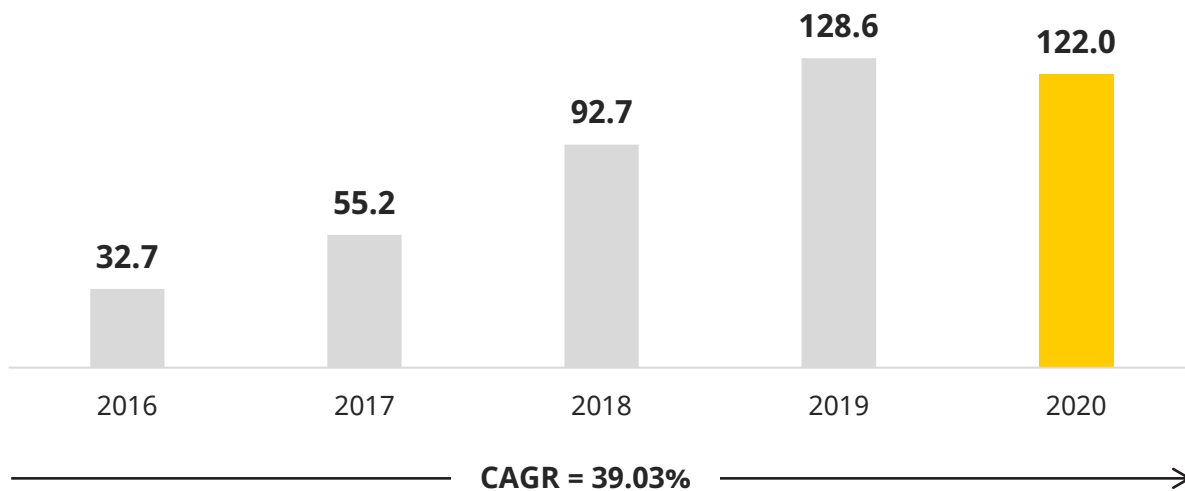
Net Revenue (₹ in Crore)



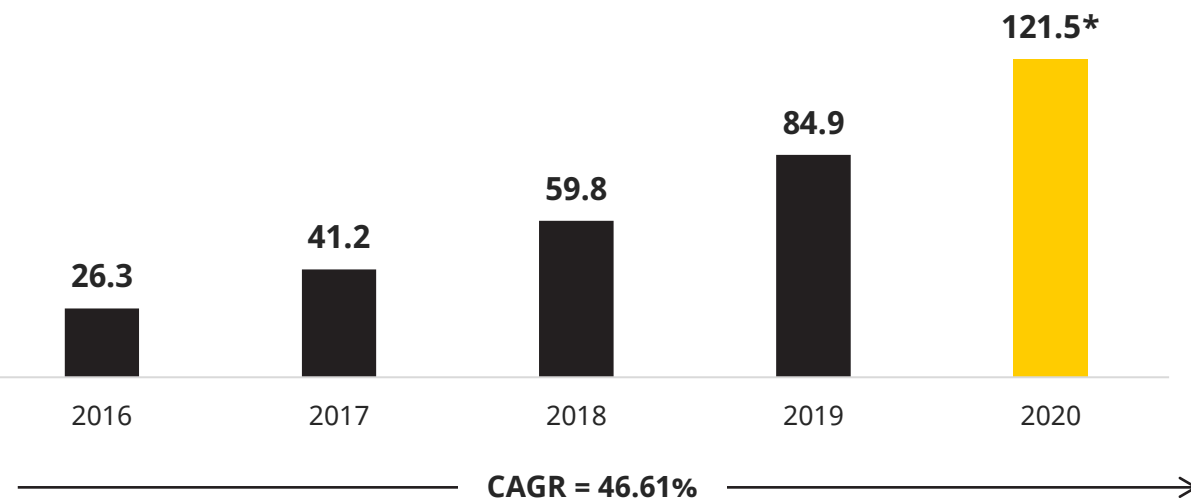
EBIDTA (₹ in Crore)



PBT (₹ in Crore)



PAT (₹ in Crore)

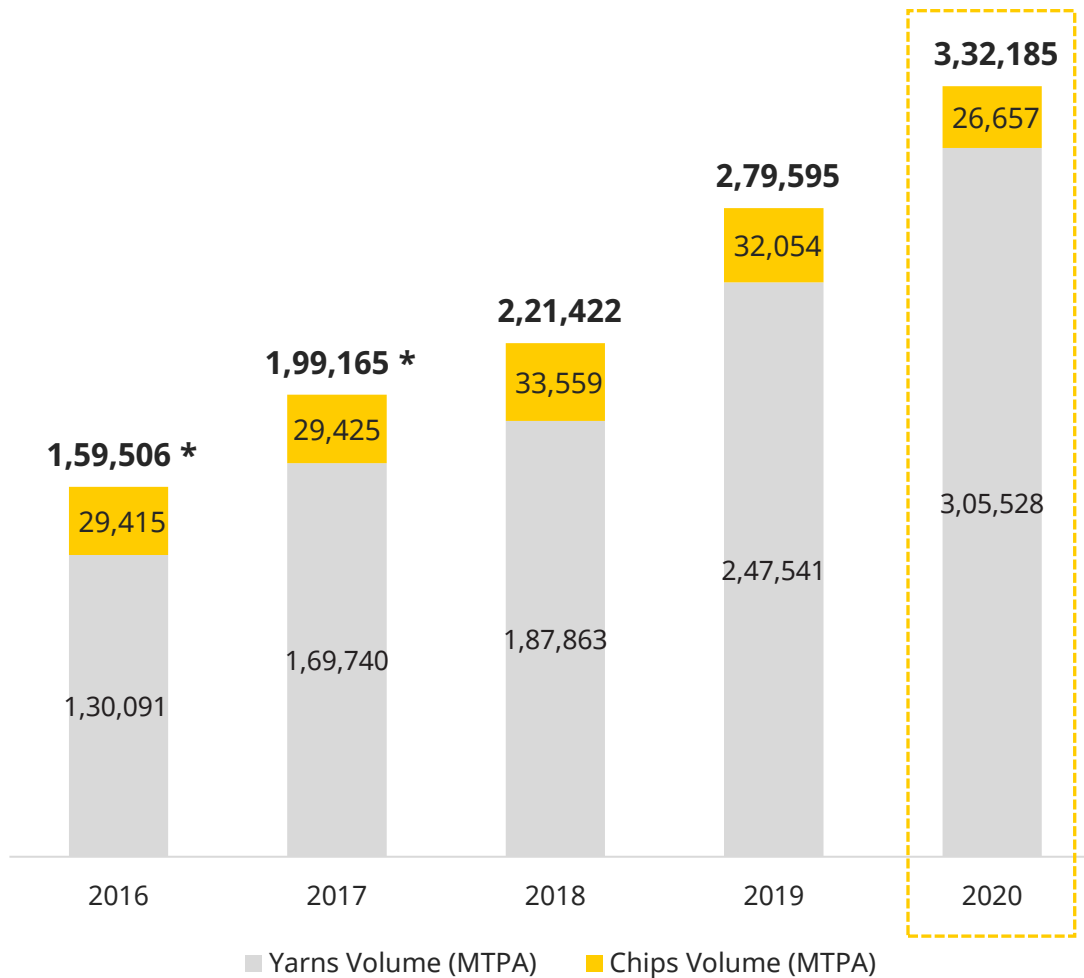


* Explanation on Slide 25

Operational Performance

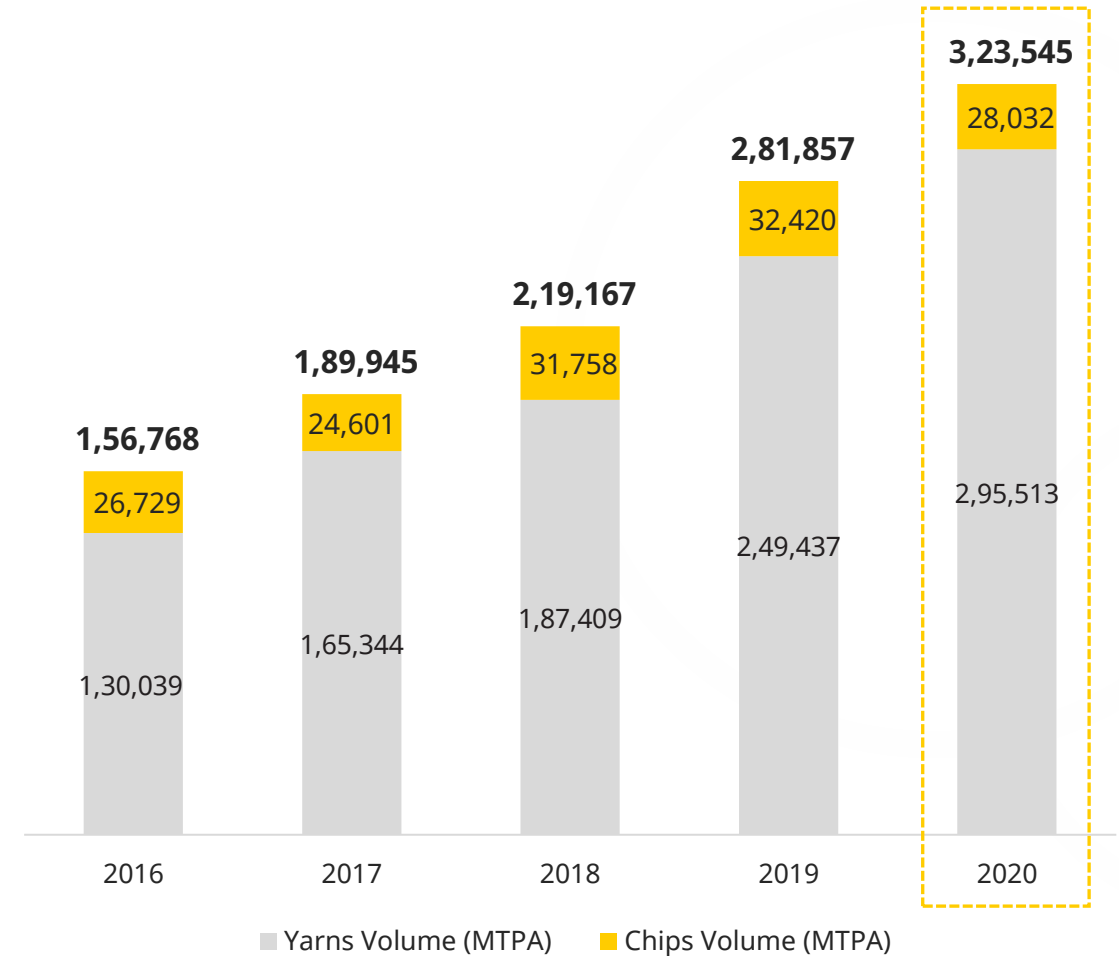


Total Production (MTPA)



* Includes Job Work of 6,530MT (in FY16) and 10,487MT (in FY17)

Total Sales (MTPA)



Profit & Loss | FY20



(INR in Crore)	FY20	FY19	YoY %
Net Revenue from operations (Net of Taxes)	2782.1	2874.1	(3.2)%
Other income	12.4	11.8	5.1%
Total Revenue	2794.5	2885.9	(3.2)%
Total Expenses	2672.5	2757.3	(3.1)%
Cost of materials consumed	2255.6	2351.0	(4.1)%
Changes in inventories	(41.6)	13.6	(405.9)%
Employee benefits expense	74.7	63.2	18.0%
Finance cost	61.3	54.7	12.1%
Depreciation and amortization expense	51.3	45.0	14.0%
Other expenses	271.3	229.8	18.1%
Profit before exceptional items & tax	122.0	128.6	(5.1)%
Exceptional Items	-	2.4	(100.0)%
Profit before tax	122.0	131.0	(6.9)%
Tax expense	0.5	46.1	(98.9)%
Net profit/(loss) after tax	121.5*	84.9	43.1%

* The Company evaluated the option of lower tax rates allowed under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, considering the MAT credit available, there was no impact on the provision for Income tax for the quarter and six months ended September 30, 2019. The Company expects to utilize the deferred tax balances over subsequent periods which have accordingly been re-measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to reverse. Consequently, the Company reversed deferred tax liabilities amounting to Rs. 3,4.70 crores in the FY20 results at the estimated effective tax rate.

Balance Sheet - Assets | FY20



(INR in Crore)	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Current Assets	525.4	665.9	962.0	1,017.8	1,217.0
Property, plant and equipment	492.3	628.4	944.5	927.9	1,115.3
Capital work-in-progress	18.0	5.7	6.4	71.5	66.5
Other Intangible Assets	0.1	0.2	0.4	0.7	0.7
Financial Assets					
Investments	0.0	0.1	-	0.0	0.0
Loans and Advances	14.0	0.1	0.7	0.7	5.3
Other non-current assets	1.0	29.7	9.2	16.6	28.8
Tax Assets	-	1.8	0.8	0.4	0.4
Current Assets	355.4	386.5	462.0	397.6	404.4
Inventories	98.6	149.1	193.7	172.7	171.7
Financial Assets					
Trade receivables	216.4	199.4	170.5	98.7	118.6
Cash and cash equivalents	12.5	14.8	25.6	44.2	21.8
Loans and Advances	21.1	0.5	0.6	1.0	1.6
Other Financial Assets	-	0.9	4.2	12.5	16.9
Other current assets	6.8	21.7	67.5	68.5	73.8
Assets classified as held for Sale	-	6.9	13.4	-	-
TOTAL ASSETS	880.8	1,059.4	1,437.5	1,415.4	1,621.4

Balance Sheet – Equity & Liabilities | FY20



(INR in Crore)	2015-16	2016-17	2017-18	2018-19	2019-20
EQUITY	209.5	325.0	385.4	472.1	594.9
Equity Share capital	32.0	43.5	43.5	43.5	43.9
Other equity	164.6	281.5	341.9	428.6	551.0
Money received against share warrants	12.9	-	-	-	-
LIABILITIES	671.3	733.9	1,049.7	943.3	1026.5
Non-Current Liabilities	340.6	386.2	614.8	574.6	686.9
Financial liabilities					
Borrowings	307.6	336.4	541.6	476.8	611.5
Other financial liabilities	-	-	7.2	9.1	4.4
Provisions	4.7	5.6	5.2	6.0	7.2
Deferred tax liabilities	23.1	27.8	41.2	58.8	37.8
Other Non-Current Liabilities	5.3	16.4	19.7	23.9	26.0
Current Liabilities	330.7	347.8	434.9	368.7	339.6
Financial liabilities					
Borrowings	137.8	143.5	98.5	70.2	57.5
Trade Payables	120.4	111.3	224.1	179.0	186.0
Other financial liabilities	71.5	55.4	102.7	89.0	80.7
Provisions	1.0	1.3	2.3	2.8	3.1
Other Current Liabilities	-	36.3	6.2	25.6	11.9
Income Tax Liabilities (net)	-	-	1.1	2.1	0.4
Liabilities Directly associated with assets classified as held for sale	-	0.4	2.4	-	-
TOTAL EQUITY AND LIABILITIES	880.8	1,059.4	1,437.5	1,415.4	1621.4



OUR PRODUCTS

Our Products



Polyester Chips

Industrial intermediate product used to manufacture Polyester yarns.



Polyester Partially Oriented Yarns (POY)

Intermediate product, post Texturizing used for knitting & weaving different kinds of Fabrics.



Fully Drawn Yarns (FDY)

Fully drawn polyester filament yarn is directly used for producing all kinds of Fabrics specially for children and ladies.



Drawn Textured Yarns (DTY)

Produced by drawing & heating POY through a texturing process. It is used for manufacturing Fabrics.



Polypropylene Multifilament Crimp Yarns

Different shades and deniers, the range being used for Socks, Under Garments and Sports Wear.



Narrow Woven Fabrics

Used in manufacture of Carpets, Rugs, Tapes, Ribbons and Zippers



Catering to Diverse End-Uses



Home Textiles & Furnishings

Fully Drawn Yarns of Polyester are being used for Home Furnishings, Fashion Fabrics, Terry Towels, Bed Sheets, Curtains & Carpets. Other growing applications are Upholstery Fabrics. Properties of stain resistance make it ideal for carpets.



Athleisure

The preferred material for sportswear is Polyester Yarn. Sports leisure clothing require a fabric that's not only strong & durable but also abrasion resistant. Ease of washing & corrosion resistance make them easy to maintain with longer usage life.



Apparel

Polyester is extensively used in apparels – Trousers, Shirts, Suitings & Sarees. PFY is a strong filament that can withstand strong & repetitive movements. Colour fastness is also excellent. It is wear resistant, water resistant, wrinkle resistant and its hydrophobic properties make it ideal for all kinds of apparel.



Women Wear & Inner Wear

In these garments, feeling of softness is critical. The Textured Micro Denier have met the expected requirements and are being used in Lingerie, Performance garments - Active wear, Yoga wear, low shrinkage to ensure no seam distortion after washing & soft feel make these yarns ideal choice.



PPE Kits & Protective Masks

Polyester & Polypropylene is used in the components of PPE kits as well as protective masks. Properties such as corrosion resistant, wear resistant and low shrinkage make them and ideal choices to allow longer usage life.

Disclaimer



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