



CIN # L99999GJ1987PLC009768
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Website : www.20microns.com

27th January, 2024

To:

BSE 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. SYMBOL : 20MICRONS
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Dear Sir/Madam,

Re: Q3 FY24 - Earnings Update.

In continuation of our letter dated 25.01.2024, we enclosed herewith Q3 FY24 Earnings Update- on the Un-audited Financial Results of the Company for the Quarter/Nine months ended 31.12.2023.

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

Thanking you,

Yours faithfully
20 Microns Limited

[Komal Pandey]
Company Secretary
Membership # A-37092

Encl.: as above.

20 MICRONS
L I M I T E D

EARNINGS RELEASE

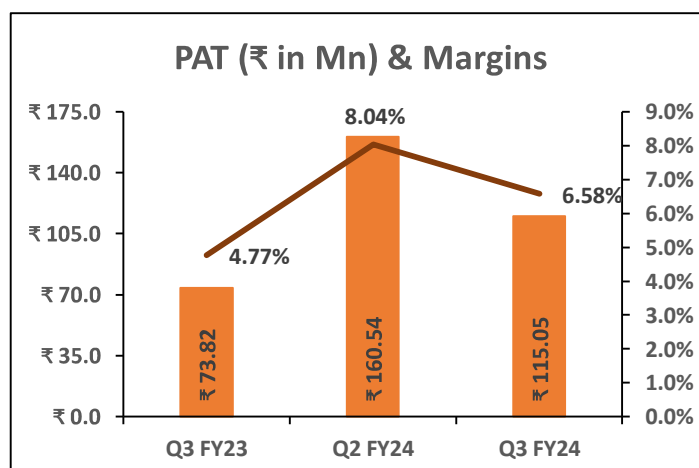
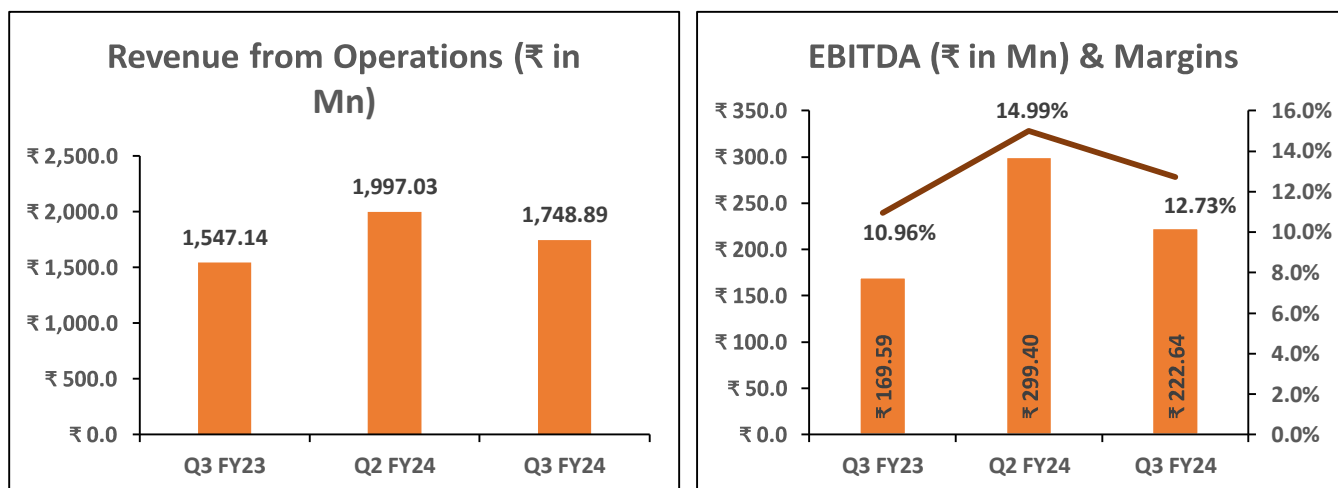
Q3 FY24 | January 25, 2024



About 20 Microns Ltd. (The “Company”):

- 20 Microns Ltd is one of India's largest producer of industrial minerals with **30+ years** of experience in offering innovative products in the field of functional fillers, extenders, and specialty chemicals
- Headquartered in Vadodara, Gujarat, the Company is catering to various industries like **paint and coatings, plastics, textiles, rubber, paper, ceramics and adhesive & sealants industry and others**
- The Company has **5 subsidiaries** and **1 Joint Venture** and boasts of **9 manufacturing units**. The Company also has **5 captive mines** to source raw materials
 - 20 Microns Nano Ltd., a wholly owned subsidiary of 20 Microns, specializes in the production of functional additives by chemically modifying minerals. These modified minerals serve as cost-effective alternatives to imported materials
- Additionally, the Company has state-of-the-art R&D centres in Vadodara which comprises of ~50 team members
- The Company serves a strong clientele comprising of **Asian Paints, Berger Paints, Plastiblends, JK Tyres, and many others**

Key Performing Metrics:



Consolidated Income Statement:

Particulars (₹ in Mns)	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	9M FY24	9M FY23	YoY%
Revenue from Operations	1,748.89	1,547.14	13.04%	1,997.03	5,651.50	5,284.03	6.95%
Other Income	3.79	8.16		16.39	29.73	24.64	
Total Income	1,752.68	1,555.31		2,013.42	5,681.23	5,308.67	
Total Expenses ex. Finance cost & D&A	1,526.25	1,377.55		1,697.63	4,865.56	4,632.25	
EBITDA (excl. Other Income)	222.64	169.59	31.28%	299.40	785.95	651.78	20.59%
EBITDA Margin (%)	12.73%	10.96%		14.99%	13.91%	12.33%	
Finance Cost	35.76	44.13		41.87	118.20	136.29	
Depreciation and Amortisation	36.93	33.27		34.77	106.38	101.02	
PBT before Exceptional Item	153.74	100.36		239.15	591.09	439.11	
Exceptional Item	0.00	0.00		15.56	15.56	0.00	
PBT after exceptional items	153.74	100.36		223.60	575.54	439.11	
Share of net profit/(loss) of equity accounted investee	0.21	0.74		0.70	1.04	1.02	
PBT	153.95	101.10		224.30	576.58	440.13	
Total Tax	38.90	27.28		63.76	151.64	113.70	
PAT	115.05	73.82	55.86%	160.54	424.94	326.43	30.12%
PAT Margin %	6.58%	4.77%		8.04%	7.52%	6.18%	
Other Comprehensive Income	0.29	0.38		(0.22)	(0.87)	0.56	
Net PAT	115.34	74.20		160.32	424.06	326.99	
Diluted EPS	3.25	2.09		4.54	12.02	9.22	

Business Update:

The Company is in the process of forming a Joint Venture with a reputable Germany-based company "Sievert Baustoffe Auslandsbeteiligungen GmbH (Sievert)" which specializes in Construction chemicals and building related materials and has logistic solutions and employs over 1,700 people across the globe. This strategic collaboration aims to undertake the production of construction chemicals and various products related to building materials which will enhance the offerings of 20 Microns.

Management Commentary:

Commenting on the performance of Q3 FY24, the management team of 20 Microns Ltd. stated:

"We are happy to share our financial and business performance for Q3 FY24, revenue from operations increased by 13.04% and stood at ₹1,748.89 Mn in Q3 FY24 compared to ₹1,547.14 Mn in Q3 FY23. Generally, Q3 tends to be a seasonally slow quarter and this was further affected by the Red Sea Crisis, which slightly impacted our regular supply chain and logistics. The crisis is likely to slightly disrupt our existing and new export orders and procurement processes, leading to temporary setbacks in the production and sales for consequent distribution of products. While we have been actively managing these challenges since covid, our revenue figures for the quarter were impacted for the set reason.

EBITDA increased by 31.28% from ₹169.59 Mn in Q3 FY23 to ₹222.64 Mn in Q3 FY24, and margins improved from 10.96% to 12.73% during the same period. The positive outcome can be ascribed to our ongoing dedication to cost efficiency, leading to a decline in power and fuel expenditures, coupled with lower freight charges. PAT increased by 55.86% and stood at ₹115.05 Mn in Q3 FY24 compared to ₹73.82 Mn in Q3 FY23, margins improved to 6.58% from 4.77% during the same period due to lower interest rate and judicious utilization of working capital credit facilities.

In terms of 9M performance, revenue from operations increased by 6.95% and stood at ₹5,651.50 Mn in 9M FY24 compared to ₹5,284.03 Mn in 9M FY23. EBITDA increased by 20.59% from ₹651.78 Mn in 9M FY23 to ₹785.95 Mn in 9M FY24, and margins improved to 13.91% from 12.33%. PAT increased by 30.12% and stood at ₹424.94 Mn in 9M FY24 compared to ₹326.43 Mn in 9M FY23, margins improved from 6.18% to 7.52% during the same period.

We continue to remain one of the prominent players in the ultrafine industrial mineral, functional additives and specialty chemicals space which serves the needs of various industries while touching everyday lives of millions of people. Our strong inhouse R&D capabilities help us to develop topnotch products that provide cost-effective alternatives for key raw materials to multiple industries like paints, rubber, plastics, FMCG, etc, and the testimony to same is depicted by our broad product range. In order to maintain our leadership position, we continue to develop newer ultrafine industrial minerals and functional additives for the global markets.

Further, we are actively pursuing strategic opportunities to facilitate our growth trajectory in the above segments. As part of this strategic initiative, we have just announced establishing a joint venture with Sievert in India, which will aim at expanding the product offerings of 20 Microns Ltd in the construction chemical sector. This collaboration is aimed at enhancing our product offerings, expanding our geographical presence, and deepen our expertise in delivering innovative solutions for the evolving needs of the construction industry.

In line with our commitment to cultivating a more sustainable focus, we intend to establish a solar Energy system at our manufacturing unit in Hosur, Tamil Nadu. This endeavor will propel us towards achieving a more cost efficient and environmentally friendly business model.

In conclusion, while the third quarter presented challenges that impacted our financial performance, we are confident in our ability to navigate these headwinds and emerge stronger. The strategic initiatives we have in place, coupled with our commitment to operational excellence, position 20 Microns Limited for sustained growth and success in the quarters to come.”

Management Outlook:

- Management expects the revenue to grow by 10%-12% for the year FY24 over FY23, this revision is due to the Biparjoy Cyclone and the Red Sea Crisis which impacted the performance during Q2 FY24 and Q3 FY24
- EBITDA margins for FY24 will improve by 100-150 bps over FY23

Disclaimer :

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. 20 Microns Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstance

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