



23rd October 2019

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
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Subject: Investor Presentation – October 2019

Dear Sir/Madam,

Please find enclosed herewith Earnings/Investor Presentation – October 2019. The same is for your reference and records.

Thanking you,

Yours truly,

For Apcotex Industries Limited


Authorized Signatory

apcotex industries limited

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TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Talaja-410208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052
CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com



apcotex industries limited

EARNINGS PRESENTATION

H1 / Q2-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 10,123 Mn as on 30th September, 2019.

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.

FY19 FINANCIALS

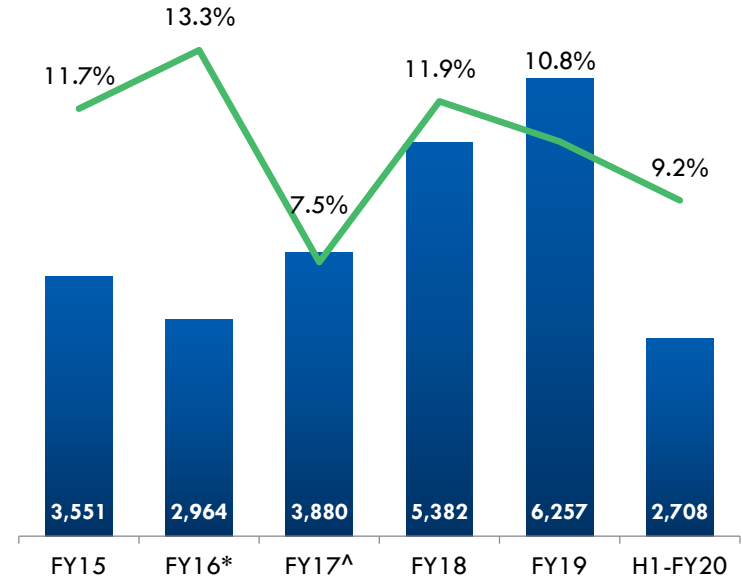
Revenue - **INR 6,257 Mn**

Operating EBITDA - **INR 676 Mn**

PAT- **INR 466 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 (%)**



* Consolidated

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

Q2-FY20 Financial Highlights:

- ▶ **Total Revenue:** INR 1,241 Mn
- ▶ **Operating EBITDA:** INR 68 Mn
- ▶ **Operating EBITDA Margin:** 5.48%
- ▶ **Net Profit:** INR 36 Mn
- ▶ **PAT Margin:** 2.90%
- ▶ **EPS:** INR 0.70 per share

H1-FY20 Financial Highlights:

- ▶ **Total Revenue:** INR 2,708 Mn
- ▶ **Operating EBITDA:** INR 249 Mn
- ▶ **Operating EBITDA Margin:** 9.19%
- ▶ **Net Profit:** INR 150 Mn
- ▶ **PAT Margin:** 5.54%
- ▶ **EPS:** INR 2.89 per share

Positives:

- ▶ Highest ever quarterly VP latex sales for tyre cord application
- ▶ Reasonably good volume growth in Paper industry
- ▶ Responsible Care Award - Certificate of Merit for best compliant company for emergency response code, year 2018 by the Indian Chemical Council

Challenges:

- ▶ Slowdown in auto & allied industry affected NBR volume sales
- ▶ NBR / NVC margins adversely affected due to drastic fall in finished good prices globally and RM prices remained firm during the period
- ▶ Apart from above the overall slowdown in Indian market affected other industries like Construction chemicals
- ▶ Exports were adversely affected due to significantly lower key raw material prices in Europe compared to Asia which benefited European competitors as well as political issues in Pakistan & Kashmir
- ▶ The Capex spend for the first phase post-acquisition was planned for Rs. 100cr (for FY 2017-18, FY 2018-19 and FY 2019-20) out of which is Rs. 74cr has been invested till September 2019. Remaining amount will be spent in the next 6 months.
- ▶ CPP Commissioning delayed to Q3 due to heavy and extended monsoons as well as delays in the last couple of environment clearance permissions

Q2-FY20 Income Statement (As per IndAS)



Particulars (INR Mn)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Revenue	1,241	1,601	(22.5)%	1,467	(15.4)%
Total Expenses	1,173	1,404	(16.5)%	1,286	(8.8)%
Operating EBITDA	68	197	(65.5)%	181	(62.4)%
Operating EBITDA Margin (%)	5.48%	12.30%	(682) Bps	12.34%	(686) Bps
Depreciation	32	30	6.7%	30	6.7%
Finance Cost	3	4	(25.0)%	4	(25.0)%
Other Income	21	(4)	NA	11	90.9%
PBT	54	159	(66.0)%	158	(65.8)%
Exceptional Items	-	-	NA	-	NA
Tax	18	58	(69.0)%	44	(59.1)%
PAT	36	101	(64.4)%	114	(68.4)%
PAT Margin (%)	2.90%	6.31%	(341) Bps	7.77%	(487) Bps
Other Comprehensive Income	1	-	NA	(7)	NA
Total Comprehensive Income	37	101	(63.4)%	107	(65.4)%
Diluted EPS (INR)	0.70	1.95	(64.1)%	2.19	(68.0)%

H1-FY20 Income Statement (As per IndAS)



Particulars (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
Revenue	2,708	3,098	(12.6)%
Total Expenses	2,459	2,730	(9.9)%
Operating EBITDA	249	368	(32.3)%
Operating EBITDA Margin (%)	9.19%	11.88%	(269)Bps
Depreciation	63	58	8.6%
Finance Cost	7	9	(22.2)%
Other Income	33	22	50.0%
PBT	212	323	(34.4)%
Exceptional Items	-	-	NA
Tax	62	109	(43.1)%
PAT	150	214	(29.9)%
PAT Margin (%)	5.54%	6.91%	(137)Bps
Other Comprehensive Income	(6)	(2)	NA
Total Comprehensive Income	144	212	(32.1)%
Diluted EPS (INR)	2.89	4.12	(29.9)%

Historical Income Statement (As per IndAS)



Particulars (INR Mn)	FY17**	FY18	FY19	H1-FY20
Revenue	3,880	5,382	6,257	2,708
Total Expenses	3,589	4,744	5,581	2,459
Operating EBITDA	291	638	676	249
Operating EBITDA Margin	7.50%	11.85%	10.80%	9.19%
Depreciation	121	121	118	63
Finance Cost	29	16	18	7
Other Income	102	71	77	33
PBT	243	572	617	212
Exceptional Items	-	15	-	-
Tax	32	171	151	62
PAT	211	386	466	150
PAT Margin	5.44%	7.17%	7.45%	5.54%
Other Comprehensive Income	(1)	(3)	(2)	(6)
Total Comprehensive Income	210	383	464	144
EPS (INR)	10.20	18.63	8.99	2.89

* Consolidated

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

Balance Sheet (As per IndAS)

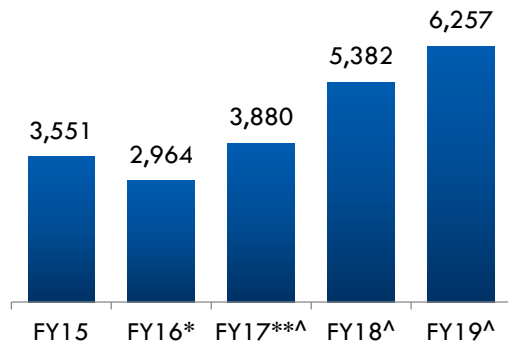
Particulars (INR Mn)	Mar 18	Mar 19	H1-FY20
Shareholders Fund	2,464	2,778	2,734
Equity Share Capital	104	104	104
Other Equity	2,360	2,674	2,630
Total Non Current Liabilities	70	86	275
Deferred Tax liabilities	18	14	29
Other Long Term Liabilities	-	10	181
Long Term Provision	22	28	30
Other Financial Liabilities	30	34	35
Total Current Liabilities	906	906	932
Short Term Borrowings	174	30	139
Trade Payables	481	526	368
Other Current Financial Liabilities	161	240	330
Other Current Liabilities	87	106	90
Short term provision	3	4	5
TOTAL EQUITY & LIABILITIES	3,440	3,770	3,941

Particulars (INR Mn)	Mar 18	Mar 19	H1-FY20
Total Non Current Assets	1,535	1,624	1,920
Fixed Assets	782	750	1,065
Capital Work in progress	91	212	187
Investment in properties	1	-	-
Non Current Investments	499	428	437
Intangible Assets	4	14	12
Current Tax Assets (Net)	65	38	29
Long term loans & advances	-	-	-
Other Non Current assets	93	182	190
Total Current Assets	1,905	2,146	2021
Investments	255	261	190
Inventories	493	482	622
Trade Receivables	982	1,112	899
Cash & Cash Equivalents	55	57	53
Other Bank Balances	18	44	46
Short Term loans & Advances	3	2	3
Other Financial Assets	42	40	23
Other current asset	57	148	185
TOTAL ASSETS	3,440	3,770	3,941

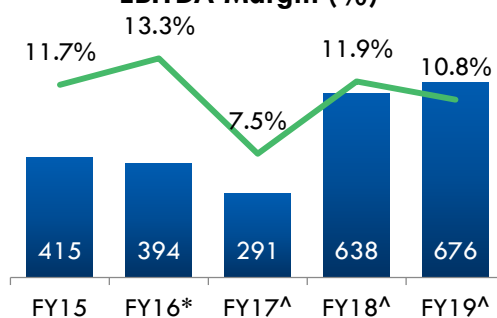
Historical Performance Indicators



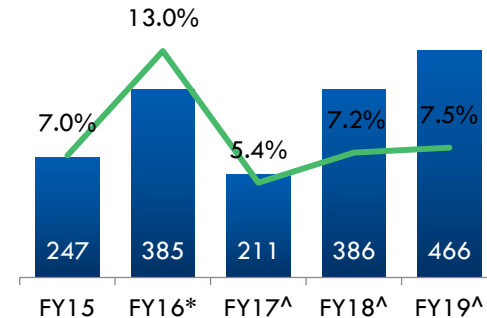
Revenue (In Mn)



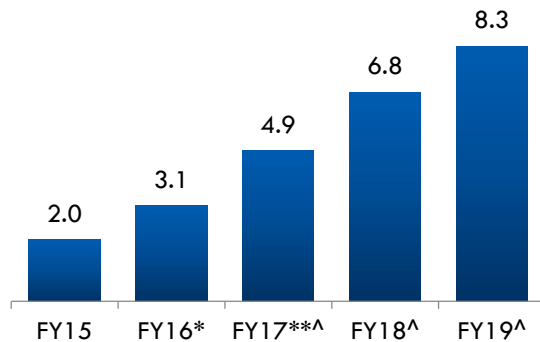
Operating EBITDA (INR Mn) and EBITDA Margin (%)



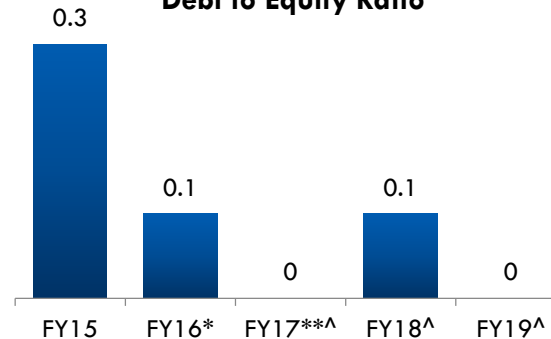
PAT (INR Mn) and PAT Margin (%)



Asset Turn Over Ratio



Debt to Equity Ratio



*Consolidated ^ As per IndAS

** The figures are including the recent merger of Saldhar Investment and Trading Company Pvt. Ltd

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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