



Apcotex Industries Ltd.

COMPANY BACKGROUND.....

- 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 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 550 fulltime employees.
- 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.
- Two Manufacturing facilities one located at Taloja, Maharashtra and the other at Valia, Gujarat.

BUSINESS MIX.....

- **Synthetic Latex** : The company caters to a large customer base for synthetic latex across industries and commands high market share across industries like Paper, Carpets, Tyres and Construction:
- **Synthetic Rubber** : Apcotex is the only manufacturer of Nitrile Rubber and High Styrene Rubber in India. It has a high market share in HSR but a low market share in NBR due to capacity constraints.

KEY STRENGTHS.....

- Experienced Promoters along with professional management team.
- Sole producer of Synthetic Rubber and Nitrile Butadiene Rubber (NBR) in India, which is highly used in Automotive, Footwear and Rice Roll Industry.
- Globally Reputed Brand
- Advanced technological knowhow, in-house R&D and customization capabilities
- Marquee clients namely ITC Ltd., Pidilite, MRF, Mallcom Ltd., Jayashree Polymers, Paragon and many more.
- Strategic location of manufacturing units in India and lean business operations.

FINANCIAL PERFORMANCE (CONSOLIDATED).....

(INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY21	5,406	698	12.91%	442	8.18%	8.52
FY22	9,569	1,398	14.61%	988	10.33%	19.06
FY23	10,799	1,585	14.68%	1,079	10.00%	20.82
9M-FY24	8,140	827	10.16%	386	4.74%	7.44

Note: All numbers are as per IND-AS

Key Data

BSE Code	523694
NSE Code	APCOTEXIND
Reuters	APCI.NS
Bloomberg	APCO:IN

Market Data (INR) As on 31st December 2023

Face Value	2.0
CMP	509.4
52 Week H/L	589.1 / 398.0
MCAP (Mn)	26,386.9
Shares O/S (Mn)	51.8
1 Yr. Avg. Vol. ('000)	65.4

Performance As on 31st December 2023

	3M	6M	12M
APCOTEX	0.0%	(4.8)%	9.8%
SENSEX	9.8%	11.4%	18.7%
BSE MIDCAP	12.4%	25.9%	40.4%

Shareholding Pattern As on 31st December 2023

Promoters	58.23%
MF + FII	0.95%
Public	40.82%

BUSINESS SEGMENTS.....

Synthetic Latex Products:

- **Paper:** Provides high wet and dry binding strength, high sheet gloss; Provides excellent wet and dry binding strengths; Provides excellent coverage and coating holdout; Provides excellent gloss.
- **Carpet:** Soft secondary backings of tufted carpets, Needle felt coating and impregnation, Textile Finishing/ Softener, produces chemical additives for Textile Flooring, Synthetic Turf, Mattresses etc.
- **Construction:** Bonding agent, cementitious waterproofing 2 component repair mortar, Hydraulic cement admixture, damp proof coatings, bonding agent for cement sand plaster on concrete and Gypsum.
- **Tyre Cord:** Tyre cord / belting fabric dipping.
- **Specialty:** Binder for Nonwoven Fabric, Paper saturation, Binder for cork sheets, Jointing sheets, Textile finishing, Adhesives.

Synthetic Rubber Products:

- **Nitrile Rubber (NBR):** Low viscosity grade with excellent processibility, good tack and easy flow suitable for molded & extruded rubber goods.
- **NBR Polyblend:** Cost effective medium ACN blend for general purpose automotive and industrial molded and extruded products, footwear products etc.
- **High Styrene Rubber:** Low hardness rubber grade with very good processibility for Hawaii chappal and Micro-cellular sheets, Medium hardness grade for general purpose footwear products, Banwar and Neolite applications.
- **NBR Powder:** Linear powder grade suitable for jointing sheets, PVC modifications, medium ACN grade suitable for footwear, molded and extruded goods, joining sheets, adhesives and Friction materials, Suitable for brake pads.

GROWTH DRIVERS.....

- Presence in stable growth industries like Paper, Construction, Carpet, Tyre, and Rubber, providing a solid foundation for steady growth
- The company intends to boost capacities for Nitrile Rubber to meet the needs of both domestic and export markets
- With a strong global presence in South East Asia, Middle East, and Africa, the company aims to tap into Asian markets for further expansion
- New Nitrile Latex capacity of 50,000 MT p.a. (wet) at Valia will be further expanded to 80,000 MT p.a. (wet) in the next phase
- Business volumes across most of the product groups has been very strong through the year and this is expected to continue in the new financial year. The company is also well-diversified in terms of end applications as well as geographies with more than 20% of our sales coming from Exports
- The company is planning to increase its export to 40-45% from 30% now
- The Nitrile latex current utilization is around 30% and it will be increasing to around 40%
- Taloja plant’s current utilisation is around 40% which is anticipated to increase up to 70-80% by next Financial Year

PEER COMPARISON (TRAILING 12 MONTHS) INR CR.....

Company (INR Mn)	Operating Income	Operating EBITDA	Operating EBITDA%	PAT	PAT%	Market Cap
Apcotex	10,700	1,166	10.90%	617	5.77%	26,410
Pix Transmission	4,986	1,216	24.38%	777	15.58%	17,692
Indag Rubber	2,539	213	8.37%	200	7.88%	3,625
Rubfila Int	3,699	279	7.53%	193	5.22%	4,385

INCOME STATEMENT (CONSOLIDATED).....

INCOME STATEMENT (INR MN)	FY21	FY22	FY23	9M-FY24
Income from Operations	5,406	9,569	10,799	8,140
Operating Expenses	4,708	8,171	9,214	7,313
EBITDA	698	1,398	1,585	827
EBITDA Margins (%)	12.91%	14.61%	14.68%	10.16%
Depreciation	145	141	152	234
Finance Cost	38	32	51	118
Other Income	52	79	73	56
Profit Before Tax	567	1,304	1,455	531
Tax	125	316	376	145
Profit After Tax	442	988	1,079	386
PAT Margins (%)	8.18%	10.33%	10.00%	4.74%
Other Comprehensive Income	177	127	(21)	171
Total Comprehensive Income	619	1,115	1,058	557
Diluted EPS (INR)	8.52	19.06	20.82	7.44

CONSOLIDATED BALANCE SHEET (IND-AS).....

PARTICULARS (INR MN)	FY22	FY23	H1-FY24	PARTICULARS (INR MN)	FY22	FY23	H1-FY24
Shareholders Fund	3,962	4,760	4,959	Total Non-Current Assets	3,014	4,809	4,940
Equity Share Capital	104	104	104	Property, Plant and Equipment	1,560	3,834	3,886
Other Equity	3,858	4,656	4,855	Capital Work in progress	386	123	100
Total Non-Current Liabilities	439	1,474	1,410	Financial Assets	823	732	829
Deferred Tax liabilities	81	122	163	Investment Properties	-	15	15
Borrowings	264	1,248	1,092	Intangible Assets	6	4	4
Lease liabilities	1	-	51	Non Current Tax Assets (net)	28	47	52
Long Term Provision	33	34	34	Other Non Current Assets	211	54	54
Other Financial Liabilities	60	70	70	Total Current Assets	3,035	3,576	3,618
Total Current Liabilities	1,648	1,800	2,189	Investments	153	176	171
Short Term Borrowings	238	270	747	Inventories	871	948	1,130
Trade Payables	1,000	1,021	1,018	Trade Receivables	1,618	1,759	1,745
Other Financial Liabilities	256	360	312	Cash & Cash Equivalents	20	59	73
Short Term Provision	16	16	15	Other Bank Balances	69	70	91
Other Current Liabilities	138	133	88	Short Term loans & Advances	4	5	5
Lease Liabilities	-	-	9	Other Financial Assets	93	114	94
TOTAL EQUITY & LIABILITIES	6,049	8,034	8,558	Other Current Asset	207	445	309
				TOTAL ASSETS	6,049	8,034	8,558

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

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