



Date: 31st July 2020

To, Manager - Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code: 523694	To, The Manager - Listing Department, The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block G, Sandra - Kurla Complex, Sandra (East), Mumbai - 400 051 Symbol: APCOTEXIND
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Sub: Earnings Presentation – July 2020 (Q1 – 2020-21)

Dear Sir/Madam,

Please find enclosed herewith Earnings Presentation – July 2020. The same is for your reference and records.

Thanking you,

For Apcotex Industries Limited

Anand V Kumashi
GM – Finance & Company Secretary

apcotex industries limited

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CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com



apcotex industries limited

EARNINGS PRESENTATION

Q1-FY21

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 6,299.2 Mn as on 30th June, 2020.

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.

FY20 FINANCIALS

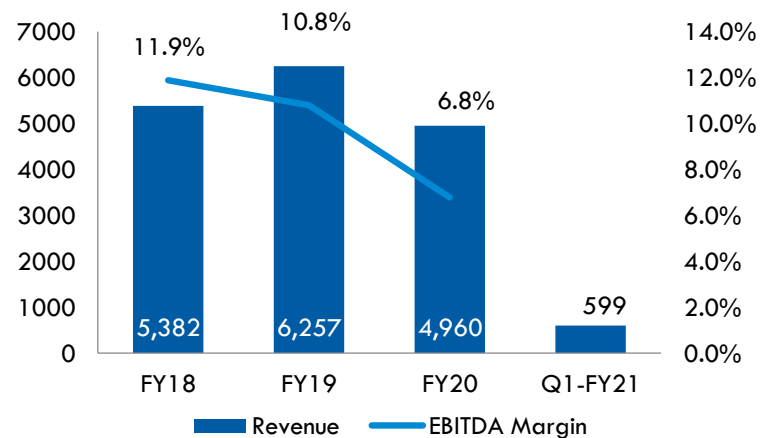
Revenue - **INR 4,960 Mn**

Operating EBITDA - **INR 334 Mn**

PAT- **INR 166 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 (%)



Q1-FY21 Financial Highlights:

- **Total Revenue:** INR 599 Mn
- **Operating EBITDA:** INR (43) Mn
- **Net Profit:** INR (67) Mn
- **EPS:** INR (1.29) per share

Q1-FY21 Operational Highlights:

- Volumes, Sales and Profits: Due to the lockdown in India, Sales (in INR) were lower by 59% but our volume sales were lower by only 45%. Lower volume sales coupled with high cost inventory resulted in Loss Before Tax of 7 Cr, during Q1 - FY21.
- Factory Operations: Both plants were closed during the last week of March, 2020 as per lockdown orders but we obtained the necessary permissions to re-start toward the end of April. Started ramping up slowly from end of April and in June 2020 we were at 80-85% of pre-COVID monthly volume levels.

Q1-FY21 Operational Highlights:

Project Highlights:

- Total 3 years Capex Spend Plan of around INR 100 Cr (FY18, FY19 and FY20) was completed. All projects completed as planned by June 30, 2020 (3 month delay due to COVID-19). Capacity enhancement in Valia and reasonable savings expected from Q2.
- New Project focus for FY 2020-21 is on XNBR Latex for Gloves to diversify product range, industries and geographies. Investment estimated around INR 100 Cr. We are in the design phase now and hope to obtain environmental consents by October 2020 to start construction in Q3.

Other Highlights:

- As demand from a few industries was slow, we modified a few assets to manufacture more XNBR Latex for Gloves where demand is robust. Marginal investments to make the assets more flexible will be completed in Q2, FY21.
- Anti-dumping petitions: Dumping of NBR into India continues since last financial year. Sunset review initiated by the Designated Authority in Q4-FY20 against South Korea which accounts for 50% of the NBR imports into India. Fresh Anti-dumping petition filed in Q4-FY20 against Russia, China, Japan and EU. The case was initiated by the Designated Authority in Q1-FY21.
- Several cost-cutting measures and innovative ideas being implemented/considered in order for the company to successfully withstand the impact of COVID.

Q1-FY21 Income Statement (As per IndAS)



Particulars (INR Mn)	Q1-FY21	Q1-FY20	Y-o-Y	Q4-FY20	Q-o-Q
Revenue	599	1,467	(59.2)%	1,156	(48.2)%
Total Expenses	642	1,286	(50.1)%	1,077	(40.4)%
Operating EBITDA	(43)	181	NA	79	NA
Operating EBITDA Margin	-	12.34%	NA	6.83%	NA
Depreciation	37	30	23.3%	36	2.8%
Finance Cost	9	4	NA	4	NA
Other Income	19	11	72.7%	13	46.2%
PBT	(70)	158	NA	52	NA
Tax	(3)	44	NA	21	NA
PAT	(67)	114	NA	31	NA
PAT Margin	-	7.77%	NA	2.68%	NA
Other Comprehensive Income	35	(7)	NA	(65)	NA
Total Comprehensive Income	(32)	107	NA	(34)	NA
Diluted EPS (INR)	(1.29)	2.19	NA	0.59	NA

Historical Income Statement



Particulars (INR Mn)	FY18	FY19	FY20	Q1-FY21
Revenue	5,382	6,257	4,960	599
Total Expenses	4,744	5,581	4,626	642
Operating EBITDA	638	676	334	(43)
Operating EBITDA Margin	11.85%	10.80%	6.80%	-
Depreciation	121	118	134	37
Finance Cost	16	18	13	9
Other Income	71	77	59	19
PBT	572	617	246	(70)
Exceptional Items	15	-	-	-
Tax	171	151	80	(3)
PAT	386	466	166	(67)
PAT Margin	7.17%	7.45%	3.35%	-
Other Comprehensive Income	(3)	(2)	(56)	35
Total Comprehensive Income	383	464	110	(32)
Diluted EPS (INR)	18.63	8.99	3.21	(1.29)

Balance Sheet



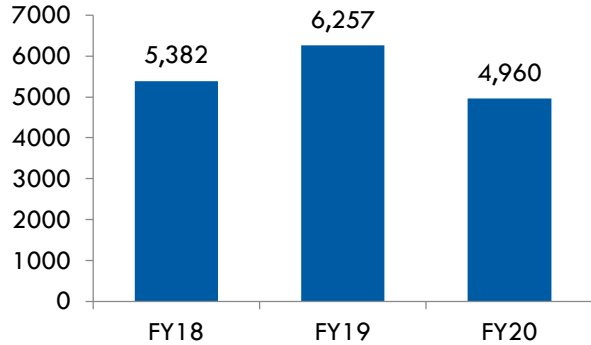
Particulars (INR Mn)	FY-19	FY-20
Shareholders Fund	2,778	2,513
Equity Share Capital	104	104
Other Equity	2,674	2,409
Total Non Current Liabilities	86	349
Deferred Tax liabilities	14	57
Other Long Term Liabilities	10	226
Long Term Provision	28	29
Other Financial Liabilities	34	37
Total Current Liabilities	906	1,107
Short Term Borrowings	30	189
Trade Payables	526	460
Other Current Liabilities	240	374
Short Term Provision	4	5
Other Current Liabilities	106	79
TOTAL EQUITY & LIABILITIES	3,770	3,969

Particulars (INR Mn)	FY-19	FY-20
Total Non Current Assets	1,624	1,916
Property, Plant and Equipment	750	1,239
Capital Work in progress	212	193
Non Current Investments	428	334
Intangible Assets	14	9
Current Tax Assets (net)	38	55
Other Non Current Assets	182	86
Total Current Assets	2,146	2,053
Investments	261	211
Inventories	482	597
Trade Receivables	1,112	891
Cash & Cash Equivalents	57	117
Other Bank Balances	44	43
Short Term loans & Advances	2	3
Other Financial Assets	40	60
Other Current Asset	148	131
TOTAL ASSETS	3,770	3,969

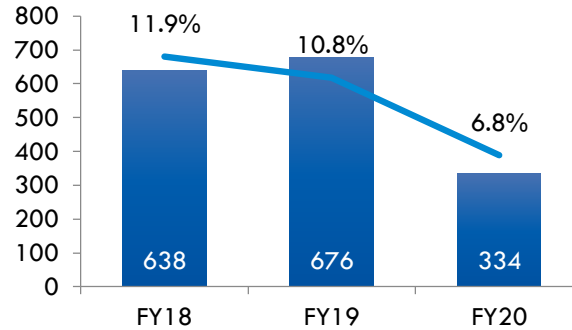
Historical Performance Indicators



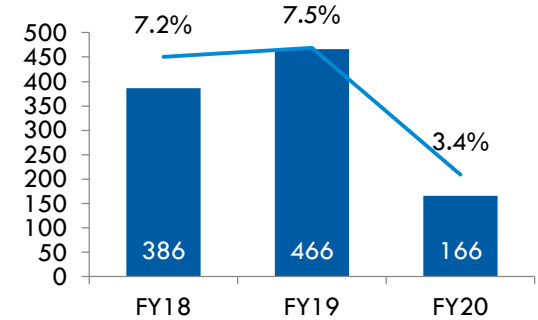
Operational Revenue (In Mn)



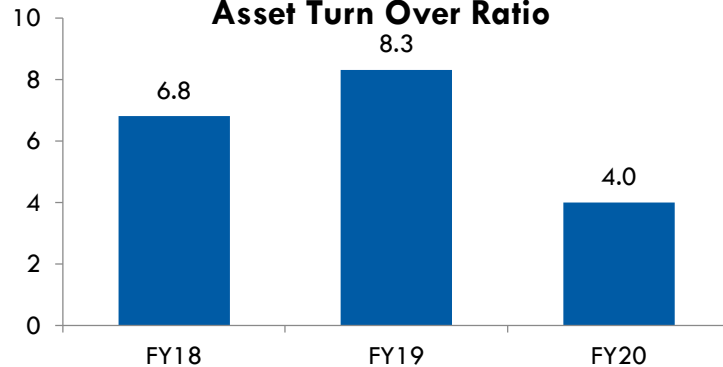
Operating EBITDA and EBITDA Margin



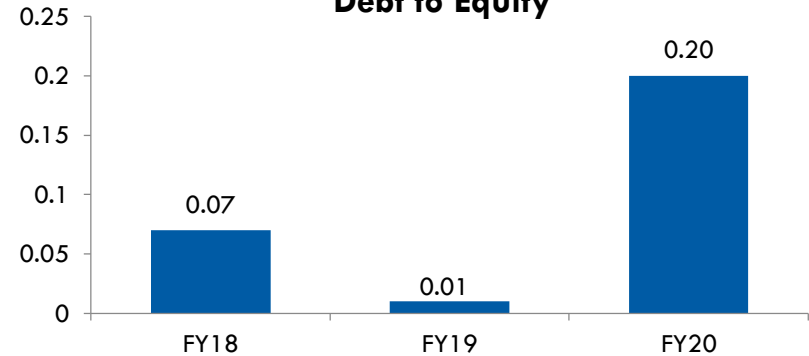
PAT and PAT Margin



Asset Turn Over Ratio



Debt to Equity



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The background features three overlapping, curved shapes. A blue shape is in the upper left, a white shape is in the center, and a green shape is at the bottom. The shapes are separated by soft, dark shadows, giving them a layered appearance.

Thank You