



Century Enka Limited

COMPANY BACKGROUND.....

- Century Enka Limited was established in 1965 by Late Shri B. K. Birla in collaboration with AKZO Nobel of Netherlands.
- The company has grown to become one of the largest producers of Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) in India.
- The company produces a wide range of High-Quality Nylon Yarns for varied applications including fish-twines, conveyor belts, sports and active wear, sarees, intimate and foundation wear, etc.
- It also makes customized Nylon tyre cord fabric for reinforcement of tyres which are used in motorcycles, scooters, light commercial vehicles (LCVs), medium & heavy commercial vehicles (MHCVs) and off the road (OTR) vehicles.
- The company's brand 'Enkalon' stands a testimony to the high quality of material which gives a soft, lustrous and elegant feel to the finished fabric.
- The Company's two state-of-the-art manufacturing facilities are located in Pune, Maharashtra and Bharuch, Gujarat, with a capacity of ~92,000 MTPA.

BUSINESS MIX (Q1-FY25).....

- Nylon Filament Yarn (43%)** – Nylon filament yarn(NFY) is a long continuous lustrous fibre. It has a high capacity to produce. It has sub-products as Nylon Mono Filament and Multifilament Yarns. Has various kinds of sub products and capacity utilization depends on which products are made.
- Reinforcement material (53%)** – Century Enka provides high quality Nylon tyre cord fabrics for reinforcement of tyres and this provides high margins and forms majority of the revenues. MRF Tyres is the largest customer followed by Apollo Tyres, Celt, Goodyear, etc.

KEY STRENGTHS.....

- The demand for synthetic yarns is increasing due to their wide range of applications. Company due to its long experience is well suited to take advantage.
- The company has commenced into the passenger vehicles segment with Polyester Tyre Cord Fabric (PTCF).
- Century Enka has its manufacturing facilities at Pune & Bharuch which are ISO 9001:2015 certified.

FINANCIAL PERFORMANCE (CONSOLIDATED).....

(INR Mn)	Operating Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	20,978	2,643	12.60%	1,842	8.78%	84.28
FY23	20,721	1,424	6.87%	903	4.36%	41.34
FY24	17,442	828	4.75%	428	2.45%	19.56
Q1-FY25	5,280	411	7.78%	243	4.60%	11.13

Note: All numbers are as per IND-AS

Key Data

BSE Code	500280
NSE Code	CENTENKA
Reuters	CNTE.NS
Bloomberg	CENK:IN

Market Data (INR) As on 30th June, 2024

Face Value	10.0
CMP	577.8
52 Week H/L	666.0/379.9
MCAP (Mn)	12,624.2
Shares O/S (Mn)	21.9
1 Yr Avg. Vol. ('000)	80.5

Performance As on 30th June, 2024

	3M	6M	12M
Century Enka	41.1%	33.0%	32.3%
SENSEX	6.8%	9.4%	21.9%
BSE Small Cap	19.7%	21.6%	59.4%

Shareholding Pattern As on 30th June, 2024

Promoters	24.86%
Public	62.06%
FII	3.44%
DII	9.64%

BUSINESS SEGMENTS.....

Nylon Filament Yarn (NFY):

- Its properties make it the preferred choice over natural yarn options, such as cotton, silk and wool.
- Century Enka is the market leader in India and has a market share of 25%.
- Most of the customers are comprised of unorganized sector.
- Company has a diverse product category such as:

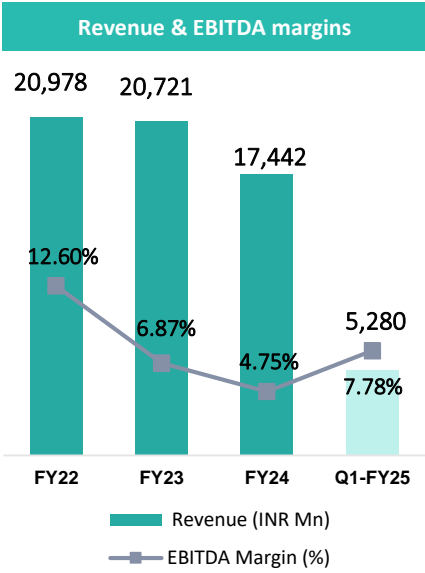
Nylon Mono Filament - These multi-functional yarns are designed for varied weaving applications.

Nylon Mother Yarn - It is a multifilament drawn yarn which is further converted into mono filament yarn by splitting the ends at spinning process.

Multifilament Yarns – Includes different categories of products such as FDY (Fully Drawn Yarn), POY (Partially Oriented Yarn), HOY (High Oriented Yarn), DTY - Drawn Textured Yarn, ATY (Air Textured Yarn), Draw Winder and Jumbo Beam.

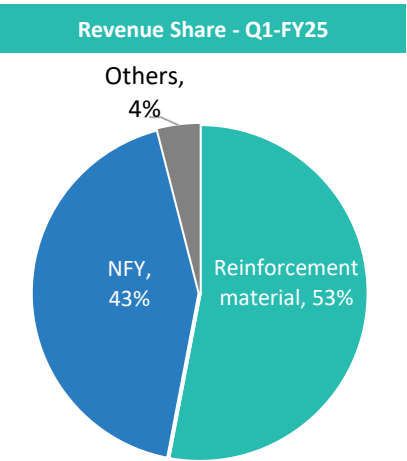
TOW - It is cut to make small fibers for final usage in the flocking process.

Applications: Ethnic, Active, Work wear, Technical textiles, Industrial packaging, Nylon blends.



Reinforcement material:

- Through this segment, the company provides products to shape the tyres and support the weight of the vehicle.
- They are designed to keep tyres running longer and have significant effect on the performance of the tyres.
- The process includes polymerization, yarn spinning, twisting, weaving and dipping.
- The company is second largest in this space with regards to capacity. It has a market share of 23%.
- MRF Tyres is the largest customer followed by Apollo Tyres, Ceat, Goodyear, etc.
- Margins are higher than NFY.
- Applications: Tyres for motor cycles, scooters, light commercial vehicles (LMVs), heavy commercial vehicles (HCVs) and off the road (OTR).



KEY GROWTH DRIVERS.....

- Tyre imports brought under restricted category resulting in steep drop in tyre imports.
- Anti-dumping duty on Truck and Bus Radials (TBR) tyre imports from China resulted in Medium and Heavy Commercial Vehicle (MHCV) category cheap Radial tyres getting replaced by domestic bias tyres.
- The synthetic yarn has several advantages over other traditional fibers like natural, silk, and cotton which are used to produce clothing items.
- Finance Ministry did not accept DGTR recommendation of levying ADD on Caprolactam which is an important raw material.
- There is a low availability of domestic supplies of PTCF. Approximately 90% of the total demand is met by imports.

PEER COMPARISON (TRAILING 12 MONTHS) INR MN

Company	Operating Income	Operating EBITDA	Operating EBITDA%	PAT	PAT%	Market Cap
Century Enka Ltd.	18,437	1,026	5.56%	536	2.91%	12,624
SRF Ltd.	1,32,642	24,912	18.78%	12,286	9.26%	7,21,024
Welspun India Ltd.	100,317	13,971	13.93%	6,961	6.94%	1,49,221
Filatex India Ltd.	42,709	2,563	6.00%	1,253	2.93%	25,633
AYM Syntex Ltd.	13,859	1,165	8.41%	159	1.15%	5,078

INCOME STATEMENT (CONSOLIDATED)

INCOME STATEMENT (INR MN)	FY22	FY23	FY24	Q1-FY25
Operating Income	20,978	20,721	17,442	5,280
Expenses	18,335	19,297	16,614	4,869
Operating EBITDA	2,643	1,424	828	411
Operating EBITDA Margins (%)	12.60%	6.87%	4.75%	7.78%
Depreciation	396	412	503	128
Finance Cost	12	24	54	12
Other Income	206	190	335	74
Share in profit / loss of associate	-	(1)	(31)	-
PBT	2,441	1,177	575	345
Tax	599	274	147	102
Profit After Tax	1,842	903	428	242
PAT Margins (%)	8.78%	4.36%	2.45%	4.60%
Other Comprehensive Income	(49)	26	217	70
Total Comprehensive Income	1,793	929	645	313
EPS Diluted (INR)	84.28	41.34	19.56	11.13

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

PARTICULARS (INR MN)	FY22	FY23	FY24	PARTICULARS (INR MN)	FY22	FY23	FY24
EQUITIES & LIABILITIES				ASSETS			
Equity				Non-Current Assets			
(A) Equity Share Capital	219	219	219	(A) Property, Plant & Equipment	4,669	6,370	7,994
(B) Other Equity	12,288	12,998	13,425	(B) Capital work-in-progress	683	1,062	37
Total Equity	12,507	13,217	13,644	(C) Other Intangible Assets	21	9	3
Non-Current Liabilities				(D) Right of use Assets	72	69	66
(A) Long-term Borrowings	62	487	338	(D) Financial Assets	283	395	699
(B) Other financial liabilities	65	60	55	(E) Other Non Current Assets	240	117	98
(C) Provisions	113	135	123	Assets held for sale	90	-	-
(D) Deferred Tax Liabilities (Net)	732	721	818	Total Non – Current Assets	5,968	8,022	8,897
(E) Other Non-Current Liabilities	27	95	125	Current Assets			
Total Non – Current Liabilities	999	1,498	1,459	(A) Inventories	3,080	2,434	2,692
Current Liabilities				(B) Trade Receivables	2,393	2,170	1,970
(A) Financial Liabilities				(C) Cash & Cash Equivalents	56	27	9
(i) Short term Borrowings	42	151	149	(D) Bank balance other than (C)	665	133	33
(ii) Trade Payables	1,205	1,077	1,286	(E) Investments	2,338	3,068	2,740
(iii) Lease Liabilities	5	5	6	(F) Others	37	38	66
(iv) Others	338	138	113	(G) Other Current Assets	598	334	422
(B) Other Current Liabilities	92	105	146	(H) Current Tax Assets	-	-	14
(D) Provisions	25	32	40	Total Current Assets	9,167	8,204	7,946
(E) Current Tax Liabilities	13	3	-	GRAND TOTAL – ASSETS	15,226	16,226	16,843
Total Current Liabilities	1,720	1,511	1,740				
GRAND TOTAL - EQUITIES & LIABILITES	15,226	16,226	16,843				

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