



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 has forayed into Polyester Tyre Cord Fabric (PTCF) used as reinforcement for tyres of passenger 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 (H1-FY25).....

- Nylon Filament Yarn (45%)** – Nylon filament yarn(NFY) is a long continuous lustrous fibre. It has a high capacity to produce. It has sub-products such as Nylon Mono Filament and Multifilament Yarns. Has various kinds of sub-products and capacity utilization depends on which products are made.
- Reinforcement material (51%)** – Century Enka provides high-quality Nylon tyre cord fabrics for the reinforcement of tyres and this provides high margins and forms the majority of the revenues. MRF Tyres is the largest customer followed by Apollo Tyres, Ceat, 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 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
H1-FY25	10,643	789	7.41%	457	4.29%	20.92

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 September, 2024

Face Value	10.0
CMP	677.6
52 Week H/L	863.9/379.9
MCAP (Mn)	14,806.0
Shares O/S (Mn)	21.9
1 Yr Avg. Vol. ('000)	105.9

Performance As on 30th September, 2024

	3M	6M	12M
Century Enka	15.8%	65.5%	62.0%
SENSEX	6.7%	14.0%	28.1%
BSE Small Cap	9.0%	31.2%	51.6%

Shareholding Pattern As on 30th September, 2024

Promoters	24.86%
Public	62.33%
FII	3.44%
DII	9.37%

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 23%.
- Most of the customers are comprised of unorganized sector.
- Company has a diverse product category such as:

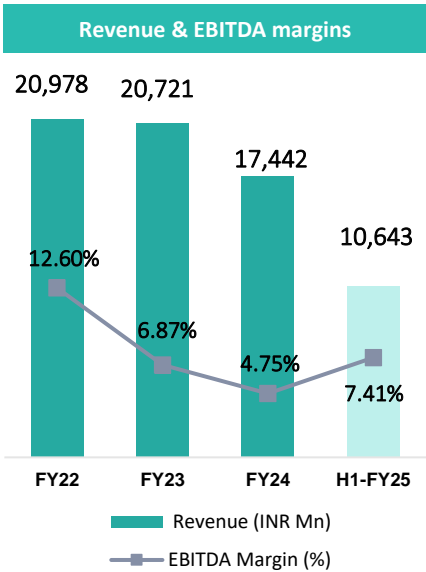
Nylon Mono Filament - These multi-functional yarns are designed for varied weaving applications.

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.

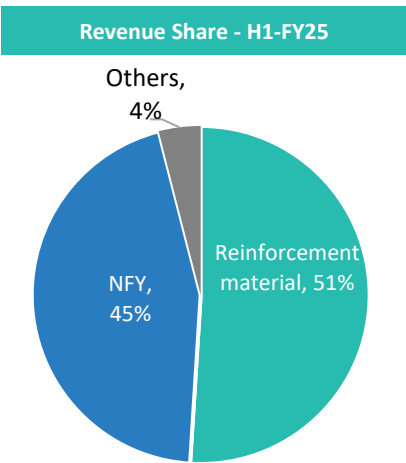
TOW - It is cut to make small fibers for final usage in the flocking process.

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 25%.
- 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.	19,836	1,312	6.6%	707	3.6%	14,806
SRF Ltd.	1,35,111	24,030	17.8%	11,319	8.4%	7,40,262
Welspun India Ltd.	1,03,957	13,967	13.4%	6,981	6.7%	1,57,061
Filatex India Ltd.	42,122	2,439	5.8%	1,155	2.7%	27,319
AYM Syntex Ltd.	14,560	1,253	8.6%	247	1.7%	13,113

INCOME STATEMENT (CONSOLIDATED)

INCOME STATEMENT (INR MN)	FY22	FY23	FY24	H1-FY25
Operating Income	20,978	20,721	17,442	10,643
Expenses	18,335	19,297	16,614	9,854
Operating EBITDA	2,643	1,424	828	789
Operating EBITDA Margins (%)	12.60%	6.87%	4.75%	7.41%
Depreciation	396	412	503	270
Finance Cost	12	24	54	24
Other Income	206	190	335	147
Share in profit / loss of associate	-	(1)	(31)	(1)
PBT	2,441	1,177	575	641
Tax	599	274	147	184
Profit After Tax	1,842	903	428	457
PAT Margins (%)	8.78%	4.36%	2.45%	4.29%
Other Comprehensive Income	(49)	26	217	93
Total Comprehensive Income	1,793	929	645	550
EPS Diluted (INR)	84.28	41.34	19.56	20.92

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

PARTICULARS (INR MN)	FY23	FY24	H1-FY25	PARTICULARS (INR MN)	FY23	FY24	H1-FY25
EQUITIES & LIABILITIES				ASSETS			
Equity				Non-Current Assets			
(A) Equity Share Capital	219	219	219	(A) Property, Plant & Equipment	6,370	7,994	7,790
(B) Other Equity	12,998	13,425	13,756	(B) Capital work-in-progress	1,062	37	147
Total Equity	13,217	13,644	13,975	(C) Other Intangible Assets	9	3	3
Non-Current Liabilities				(D) Right of use Assets	69	66	65
(A) Long-term Borrowings	487	338	338	(D) Financial Assets	395	699	939
(B) Other financial liabilities	60	55	51	(E) Other Non Current Assets	117	98	99
(C) Provisions	135	123	118	Assets held for sale	-	-	-
(D) Deferred Tax Liabilities (Net)	721	818	892	Total Non – Current Assets	8,022	8,897	9,043
(E) Other Non-Current Liabilities	95	125	125	Current Assets			
Total Non – Current Liabilities	1,498	1,459	1,524	(A) Inventories	2,434	2,692	3,532
Current Liabilities				(B) Trade Receivables	2,170	1,970	2,248
(A) Financial Liabilities				(C) Cash & Cash Equivalents	27	9	41
(i) Short term Borrowings	151	149	149	(D) Bank balance other than (C)	133	33	33
(ii) Trade Payables	1,077	1,286	2,774	(E) Investments	3,068	2,740	3,139
(iii) Lease Liabilities	5	6	6	(F) Others	38	66	100
(iv) Others	138	113	125	(G) Other Current Assets	334	422	566
(B) Other Current Liabilities	105	146	100	(H) Current Tax Assets	-	14	-
(D) Provisions	32	40	42	Total Current Assets	8,204	7,946	9,659
(E) Current Tax Liabilities	3	-	6	GRAND TOTAL – ASSETS	16,226	16,843	18,702
Total Current Liabilities	1,511	1,740	3,202				
GRAND TOTAL - EQUITIES & LIABILITES	16,226	16,843	18,702				

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhanian	VP	sumeet@valoremadvisors.com	+91-22-4903-9505
Purvangi Jain	AVP	purvangi@valoremadvisors.com	+91-22-4903-9536
Nupur Jainkunia	AVP	nupurj@valoremadvisors.com	+91-22-4903-9536

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