

18th March 2024

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

To,
Manager-Department of Corporate Services
BSE Limited
Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Symbol: APCOTEXIND

Security Code: 523694

Sub: Investor Presentation

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation – March 2024. The same is for your reference and records.

Thanking you,

For Apcotex Industries Limited

Sachin Karwa
Chief Financial Officer

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Maharashtra, India
T: + 91 22 2777 0800

CORPORATE OFFICE

NKM International House, 178, Backbay
Reclamation, Babubhai M. Chinai Marg
Mumbai 400020, India
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TALOJA FACTORY

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Taloja, Dist. Raigad 410208
Maharashtra, India
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INVESTOR PRESENTATION

March 2024



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01

EXECUTIVE SUMMARY

Executive Summary

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.
- ▶ Apcotex is listed on both the BSE and NSE and has an approximate market capitalization of INR 26,409.82 Mn as on 31st December 2023.

BUSINESS MIX

- ▶ **SYNTHETIC LATEX**
Paper/ Paper Board, Carpet, Gloves, Construction, Tyre Cord, Speciality, Textile.
- ▶ **SYNTHETIC RUBBER**
Automobile, Footwear, Rice Rolls, Various Rubber Products.

MARQUEE CLIENTS

- ▶ **SYNTHETIC LATEX**
ITC, Asian Paints, Ultratech Cement, Welspun, BILT, JK PAPER, Pidilite Industries, MRF, SRF, Century Enka, Standard, Mac, Kordsa etc.
- ▶ **SYNTHETIC RUBBER**
Paragon Footwear, Jayshree Polymers, Parker Hannifin, Gates India, Armacell, Supreme Industries etc.

MANUFACTURING

- ▶ **Taloja Facility: Maharashtra**
1,00,000 MTPA Synthetic Latex
7,000 MTPA High Styrene Rubber
- ▶ **Valia Facility: Gujarat**
21,000 MTPA Nitrile Rubber and Allied Products
50,000 MTPA Nitrile Latex

INR 10,799 MN

OPERATIONAL REVENUE

INR 1,585 MN

EBITDA

INR 1,079 MN

PAT

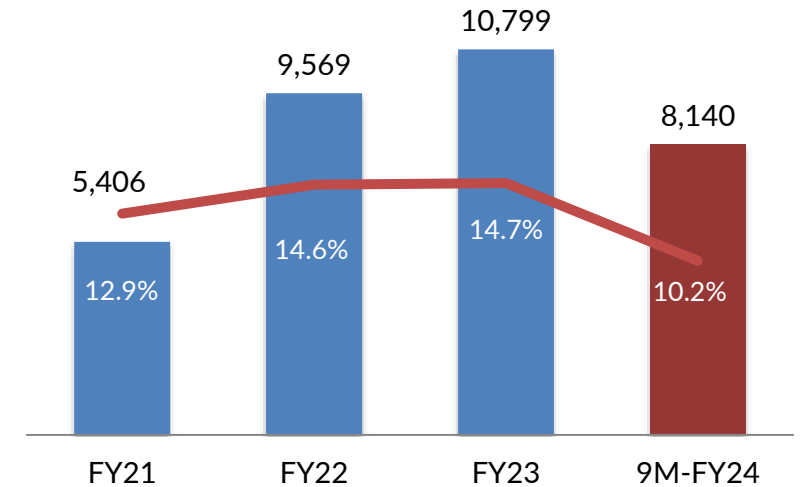
02

COMPANY OVERVIEW

Company Overview

- ▶ 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 550 fulltime employees.
- ▶ Apcotex Industries is also a part of the Top 10 Indian companies on the list of "Forbes Asia Best Under A Billion 2023".

Operational Revenue (INR Mn) and EBITDA Margin (%)



Board of Directors



MR. ATUL C. CHOKSEY (CHAIRMAN)

He is a Chemical Engineer from the Illinois Institute of Technology, Chicago, USA. He joined Asian Paints (India) Limited as Junior Executive in 1973 and was subsequently appointed as Whole-time Director with effect from May 1979. He served as the Managing Director of Asian Paints Limited from April 1984 to August 1997. Over the years he has served on the Boards of Marico Limited, Finolex Cables Limited, Blue Star India Ltd. and the Asian Board of the Wharton Business School. He has served as the President of the Indian Paint Association and Bombay Chamber of Commerce and Industry (BCCI) as well as Deputy President of the Associated Chamber of Commerce and Industry of India. He is a member of Young Presidents Organization (YPO). He is currently a Trustee of Shree Mahalakshmi Temple Trust located in Mumbai and an Independent Director on the Board of Ceat Ltd.

DR. SWAMINATHAN SIVARAM (INDEPENDENT DIRECTOR)

He obtained his MSc degree in chemistry from IIT-Kanpur followed by PhD and DSc degrees from Purdue University, W. Lafayette, Indiana, USA. He was the Director of CSIR-NCL from 2002 -10 and is presently an INSA Honorary Scientist and Honorary Professor Emeritus at the Indian Institute of Science Education and Research, Pune. He has over fifty years of R&D experience, both in industry and academia, in the area of chemicals and polymers. He served on the Board of Asian Paints (India) Limited from 2002 to 2021 and currently serves on the Boards of Supreme Petrochem Limited, 20 Microns Limited and Gharda Chemicals Limited as an Independent Director. The President of India bestowed, on him the coveted civilian honour Padma Shri in 2006.



MR. AMIT C. CHOKSEY (DIRECTOR)

He is a Commerce Graduate from Bombay University and currently Chairman & Managing Director of Mazda Colours Limited in Mumbai, India. Mazda Colours is one of the leading manufacturers of Phthalocyanine Pigments and leading exporters of its products all over the world. He has over four decades of rich experience in managing the Manufacturing Plants of Inorganic Pigments and Intermediates, Construction Chemicals, Specialty Water Proofing compounds. He hails from a family which promoted Asian Paints (I) Limited, the largest manufacturers of Paints in India. He is a member of the prestigious Young Presidents' Organisation (YPO is the Global Leadership Community of Extraordinary CEOs). He also holds the Diplomatic position as 'Honorary Consul of the Slovak Republic' in Mumbai.

MR. KAMLESH S. VIKAMSEY (INDEPENDENT DIRECTOR)

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co LLP. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005. He has served on the Board of GIC Housing Finance Limited, currently serving on the Board of AU Small Finance Bank Limited, Navneet Education Limited to name a few.



Board of Directors

**MR. SHAILESH S. VAIDYA
(INDEPENDENT DIRECTOR)**

He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as an Advocate and Solicitor. He is one of the senior partners at Kanga & Co. He has served on the Board of Siyaram Silk Mills Limited, currently serving on the Board of Excel Industries Limited as an Independent Director.



**MS. PRIYAMVADA BHUMKAR
(INDEPENDENT DIRECTOR)**

She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd. the well-known Indian colorant manufacturing company.



**MR. UDAYAN D. CHOKSI
(INDEPENDENT DIRECTOR)**

He is a graduate in Economics from Warwick University. In addition to his C.A. degree, he also holds an LL.B. from Mumbai University. He is a senior indirect tax professional and practising counsel and was previously at Big 4 - accounting and prominent law firms. He is a Partner at Khaitan & Co.



**Dr. Achala Danait
(INDEPENDENT DIRECTOR)**

She has done M.Sc. Chemistry from IIT Bombay in 1987 and Ph.D. Polymer Chemistry from IIT Bombay in 1992. She is a strategic visionary with 30 plus years of experience across industry and academia. She was the Managing Director of Clariant India Limited, Director of Sud Chemie India Pvt Ltd. She was also responsible for leading the Technology & Innovation function in Asia Pacific. Recently, she has joined Somaiya Vidyavihar University as Director, Strategy & Industry Partnerships and Dean, Research.



**MR. ABHIRAJ A. CHOKSEY
(MANAGING DIRECTOR)**

He graduated from the University of Pennsylvania with degrees in Engineering and Business from Wharton. He worked in strategy consulting and IT in the United States for a few years before joining Apcotex in 2005. He is associated with the Company since 2005 in various capacities and has been the Managing Director since May 2010.



**MR. RAVISHANKAR SHARMA
(EXECUTIVE DIRECTOR)**

He is a Chemical Engineer from Laxminarayan Institute of Technology, Nagpur, passed out in 1988 and PGDBM from Goa Institute of Management, Goa (Executive MBA) in 2009 and has more than 30 years of rich experience in the field of Production, Projects, Specialty Chemicals, operations and Manufacturing.

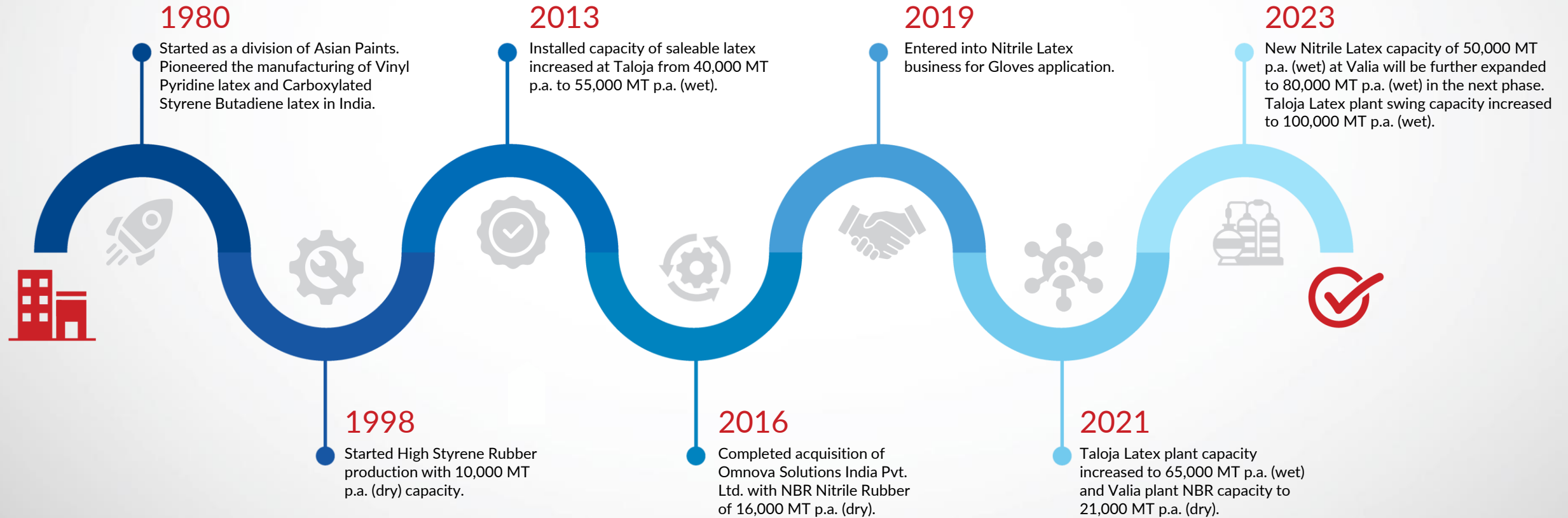


**PRITI SAVLA
INDEPENDENT DIRECTOR**

Ms. Priti Savla is a fellow member of the Institute of Chartered Accountants of India (ICAI) and partner in K P B & Associates. She's practising since more than 24 years in the areas of strategic planning, business advisory, corporate governance, ESG advisory, CSR & impact assessment, internal audit & risk mitigation. She is Chairperson of Sustainability Reporting Standard Board, ICAI. She is member of Sustainability Standards Advisory Forum of International Sustainability Standards Board (ISSB) of IFRS Foundation. She is Director in Institute of Social Auditors of India, Governing Council Member of Social Stock Exchange - BSE. She is Public Interest Director in NSE Clearing Limited.



Key Milestones



Industry Clients

PAPER

- ▶ ITC Ltd
- ▶ BILT
- ▶ JK PAPER
- ▶ NR Group

CARPET

- ▶ Obeetee Industries
- ▶ Standard
- ▶ ABC Industries
- ▶ Mac

RUBBER

- ▶ Paragon Footwear
- ▶ Distributors all over India
- ▶ Lunars Footwear
- ▶ Josco

TYRE/CORD DIPPER

- ▶ MRF
- ▶ Rajshree Polyfill (Century Enka)
- ▶ SRF
- ▶ Kordsa
- ▶ Madura

CONSTRUCTION

- ▶ Pidilite Industries
- ▶ Sika
- ▶ Asian Paints
- ▶ Fosroc
- ▶ Ultratech Cements

RICE ROLLS

- ▶ Shaktiman
- ▶ Hindustan Rubber Industries (RR)
- ▶ Golden Rolls Pvt Ltd/Cable Corp

HOSES & LPG

- ▶ Vansh Industries
- ▶ Super Hoze
- ▶ Jugaltara
- ▶ Parker Hannifin India

AUTO & INDUSTRIAL

- ▶ Unique Auto Rub Udyog Pvt Ltd
- ▶ Varroc Elast G.B.
- ▶ Rubber Jayashree Polymers

GLOVES

- ▶ Top Glove
- ▶ Brightway
- ▶ SRI Trang
- ▶ PT Shamrock

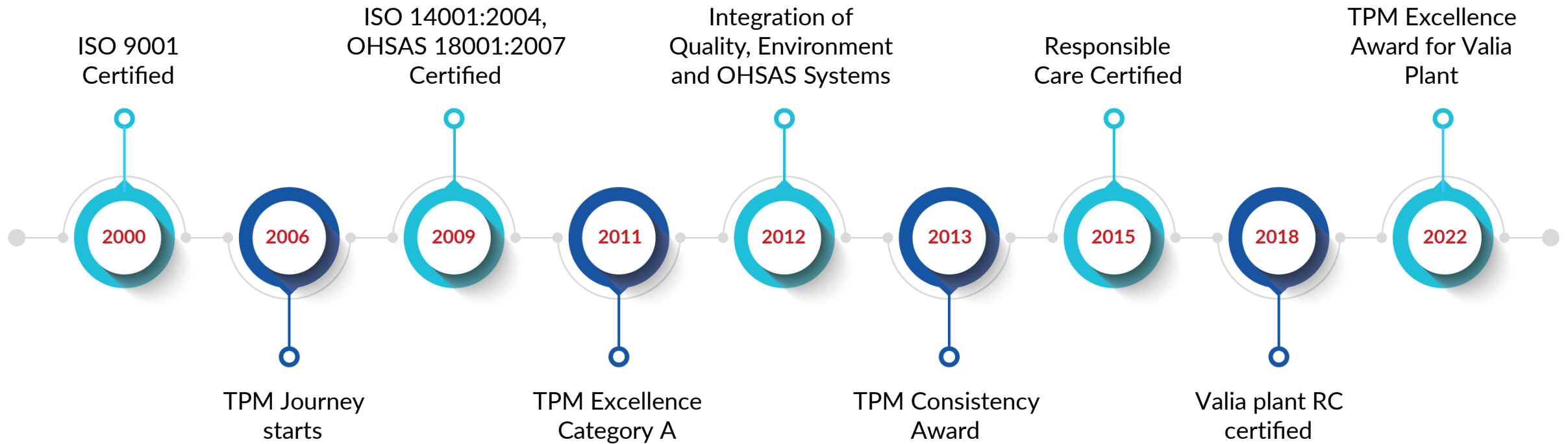


R&D and Quality Control

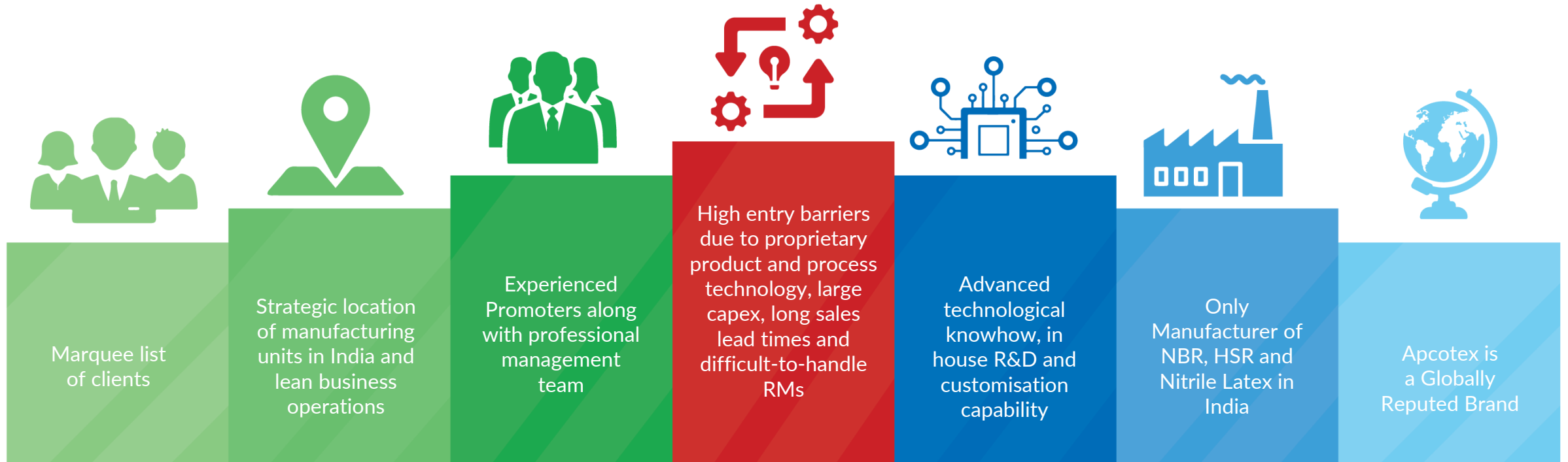


The Company has been continuously upgrading their technology through in house research & development efforts to meet the changing needs of customers. Currently 41 employees are dedicated for R&D and technical support.

Quality Certifications



Key Strengths



03

BUSINESS OVERVIEW

Process

VALUE CHAIN



Synthetic Latex Products

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.

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.



CLIENTS



CARPET

Soft secondary backing of tufted carpets, needle felt coating and impregnation, Textile Finishing / Softener, produces chemical additives for Textile Flooring, Synthetic turf, Mattresses etc.



CLIENTS



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.



CLIENTS



SPECIALTY

Binder for Nonwoven Fabric, Paper saturation, Binder for cork sheets, Jointing sheets, Textile finishing, Adhesives.



CLIENTS



TYRE CORD

Tyre cord / belting fabric dipping.



CLIENTS



GLOVES

For Medical and Industrial Purpose.



CLIENTS



Synthetic Rubber Products

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.

NITRILE RUBBER (NBR)

Low viscosity grade with excellent processibility, good tack and fast flow suitable for moulded & extruded rubber goods.



CLIENTS



NBR POLYBLEND

Cost effective medium ACN blend for general purpose automotive and industrial moulded and extruded products, footwear products etc.



CLIENTS



HIGH STYRENE RUBBER

Low hardness rubber grade with very good processibility for Hawaii and Micro-cellular sheets, Medium hardness grade for general purpose footwear products, Banwar and Neolite Applications.



CLIENTS



NBR POWDER

Linear powder grade suitable for jointing sheets, PVC modifications, medium ACN grade suitable for footwear, moulded and extruded goods, joining sheets, adhesives and Friction materials. Suitable for brake pads.



CLIENTS



04

STRATEGIC OVERVIEW

Future Strategy

The Company also plans to increase capacities for Nitrile Rubber to cater to domestic and export market.



The Company's presence in the stable growth industries like Paper, Construction, Carpet, Tyre and Rubber provides stable growth & is a strong base for Apcotex.



Apcotex has a strong global presence in South East Asia, Middle East & Africa and intends to tap the Asian Markets.



Planned capex worth INR 100 Cr at Valia Plant with the purpose of reduction in costs and debottlenecking completed in June 2020.



Apart from the existing product portfolio, the next generation product pipeline is strong to propel growth. Launched new product XNBR Latex for gloves mainly catering to exports and plan to build capacity of 50,000 MT for this product and 35,000 MT for existing product portfolio commissioned in Q4-FY2022-23.



05

FINANCIAL OVERVIEW

Historical Income Statement

Particulars (INR Mn)	FY21	FY22	FY23	9M-FY24
Operational Revenue	5,406	9,569	10,799	8,140
Total Expenses	4,708	8,171	9,214	7,313
EBITDA	698	1,398	1,585	827
<i>EBITDA Margins</i>	<i>12.91%</i>	<i>14.61%</i>	<i>14.68%</i>	<i>10.16%</i>
Depreciation	145	141	152	234
Finance Cost	38	32	51	118
Other Income	52	79	73	56
PBT	567	1,304	1,455	531
Tax	125	316	376	145
PAT	442	988	1,079	386
<i>PAT Margins</i>	<i>8.18%</i>	<i>10.33%</i>	<i>10.00%</i>	<i>4.74%</i>
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

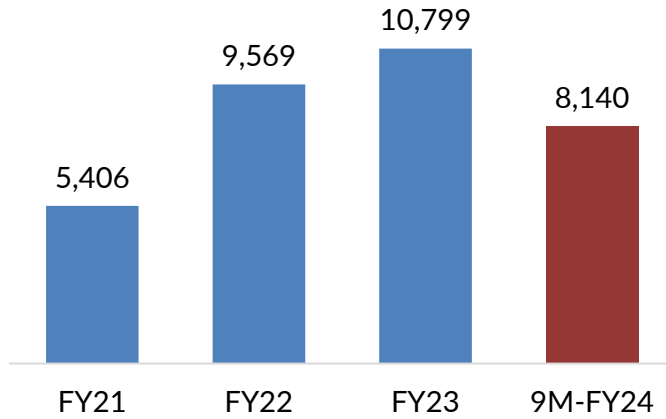
Balance Sheet

Particulars (INR Mn)	FY22	FY23	H1-FY24
Shareholders Fund	3,962	4,760	4,959
Equity Share Capital	104	104	104
Other Equity	3,858	4,656	4,855
Total Non Current Liabilities	439	1,474	1,410
Deferred Tax liabilities	81	122	163
Borrowings	264	1248	1,092
Lease liabilities	1	-	51
Long Term Provision	33	34	34
Other Financial Liabilities	60	70	70
Total Current Liabilities	1,648	1,800	2,189
Short Term Borrowings	238	270	747
Lease Liabilities	-	-	9
Trade Payables	1,000	1,021	1,018
Other Financial Liabilities	256	360	312
Short Term Provision	16	16	15
Other Current Liabilities	138	133	88
TOTAL EQUITY & LIABILITIES	6,049	8,034	8,558

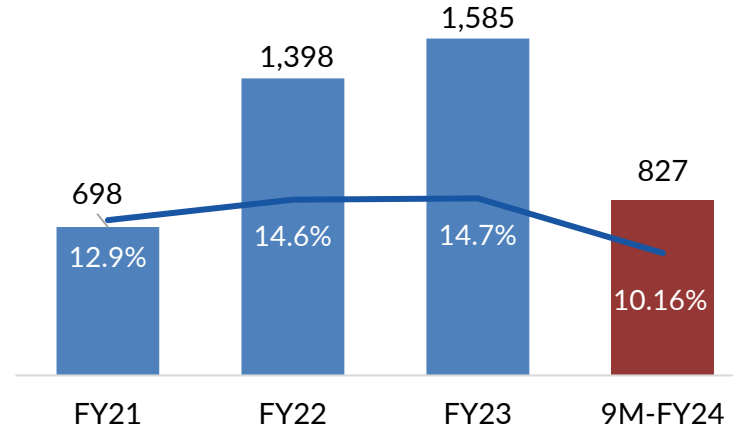
Particulars (INR Mn)	FY22	FY23	H1-FY24
Total Non Current Assets	3,014	4,809	4,940
Property, Plant and Equipment	1,560	3,834	3,886
Capital Work in progress	386	123	100
Investment Properties	-	15	15
Financial Assets	823	732	829
Intangible Assets	6	4	4
Non Current Tax Assets (net)	28	47	52
Other Non Current Assets	211	54	54
Total Current Assets	3,035	3,225	3,618
Investments	153	148	171
Inventories	871	1,051	1,130
Trade Receivables	1,618	1,371	1,745
Cash & Cash Equivalents	20	153	73
Other Bank Balances	69	71	91
Short Term loans & Advances	4	5	5
Other Financial Assets	93	74	94
Other Current Asset	207	352	309
TOTAL ASSETS	6,049	8,034	8,558

Historical Performance Indicators

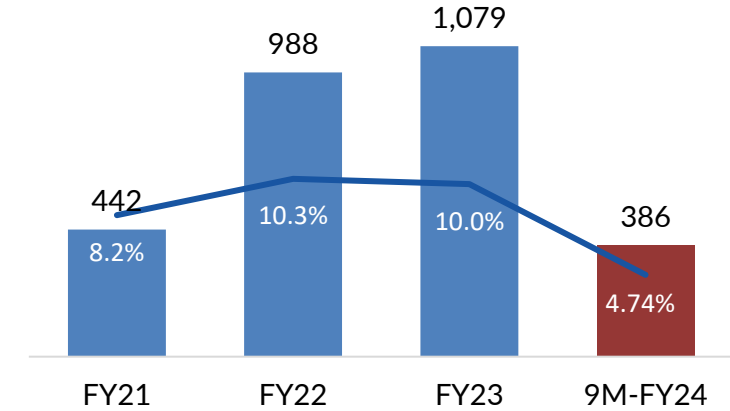
Operational Revenue (INR Mn)



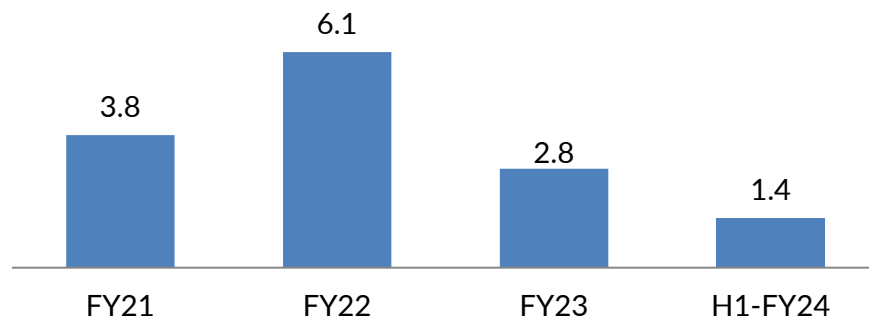
EBITDA (INR Mn) EBITDA Margin (%)



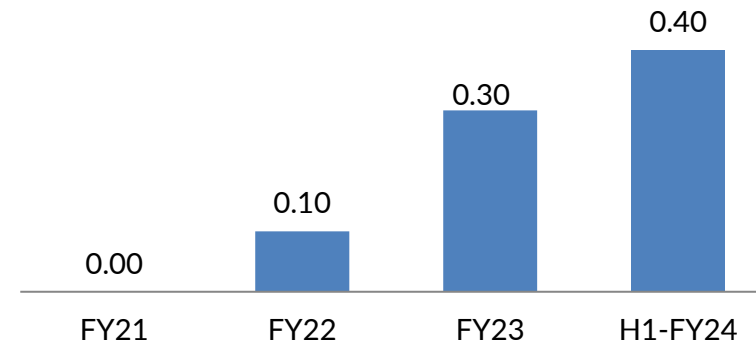
PAT (INR Mn) and PAT Margin (%)



Asset Turn Over Ratio (x)



Net Debt to Equity (x)



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For further details, please feel free to contact our
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