



Apollo TriCoat

THREE STEPS AHEAD

Apollo TriCoat Tubes Ltd.

Q2 & H1 FY20 Results Presentation

October 15, 2019



200,000MTPA

Capacity as on
15th Oct 2019



27,529MTPA

Q2 FY20 Volume
167% QoQ increase



Branding

APL Apollo Group, parent
Company of Apollo Tricoat, signs Mr.
Amitabh Bachchan as the brand
ambassador for all brands housed
under APL Apollo



Rs 153.6cr

Revenues
197% QoQ increase



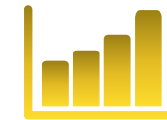
Rs 15.7cr

EBITDA
149% QoQ increase



Rs 5,707

EBITDA
per ton



Rs 9.4cr

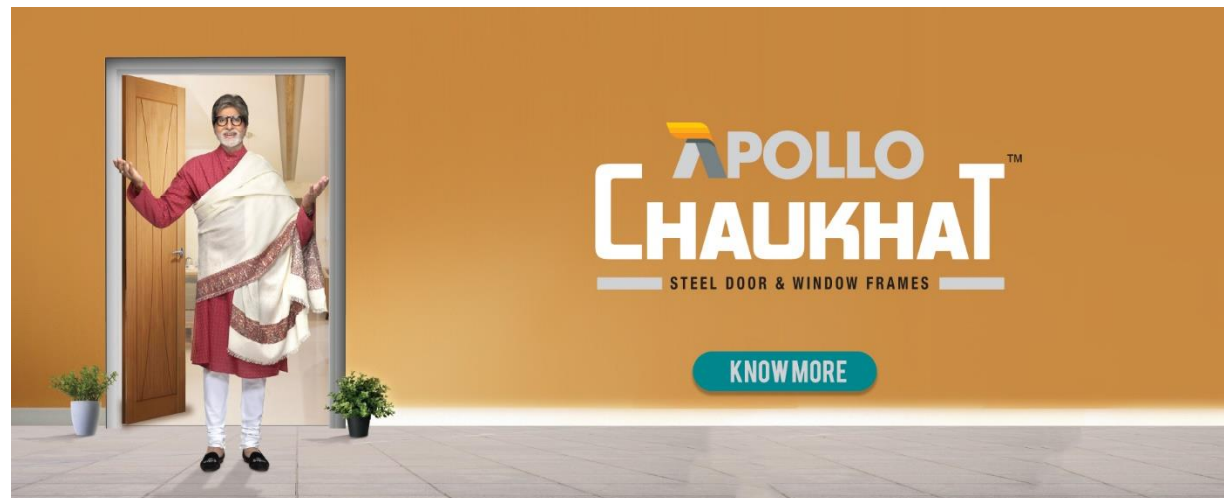
PAT
155% QoQ increase

Registers healthy sales volume performance in Q2 & H1 FY20

- The Company delivered strong volumes in Q2 FY20 at 27,529 MTPA, taking the total H1 FY20 volumes to 39,185 MTPA
 - On a Q-o-Q basis, volumes improved by 167% in Q2 FY20
- The growth was driven by the Company's innovative home improvement products, including brands such as 'Apollo Signature', 'Apollo Chaukhat', 'Apollo Plank' and 'Apollo Elegant'.
- As operations at the newly commissioned facility at Dadri, Uttar Pradesh and at Malur, Karnataka further stabilize, the Company anticipates strong volume performance on a Q-o-Q basis, going forward

APL Apollo Group, parent Company of Apollo Tricoat, signs Mr. Amitabh Bachchan as the brand ambassador for all brands housed under APL Apollo


- The brand campaign launched by APL Apollo Group will feature Mr. Bachchan as the face of all 'APL Apollo' brands, including Apollo Tricoat. The campaign will be spread across print, outdoor, digital and in-communication campaigns
- With Mr. Bachchan's massive fan-following and recognition in the domestic and international markets, the Company hopes to further widen its brand appeal and strengthen brand recognition and market reach in India and export regions








Expanding manufacturing operations to boost sales volume

- Currently, Apollo Tricoat has a total installed capacity of 200,000 MTPA, which primarily manufactures specialized and niche products like Apollo Signature, Apollo Chaukhat, Apollo Elegant, Apollo Tricoat and Apollo Plank.
- In sync with its growth strategy, the Company is ramping up operations at its manufacturing facilities at Dadri U.P. and Malur, Karnataka and is expanding capacity at existing plants.
- Furthermore, the Company will be launching three other new innovative brands – Apollo Hybrid, Apollo Scaff and Apollo Alpha in the upcoming quarters.
- These said new product launches and expanded capacity at manufacturing locations will enable a healthy and sustainable volume performance, going ahead

New Products to be launched

Brands	Products	Uses	Capacity (MT)
Apollo Hybrid		Borewell, Plumbing	10,000
Apollo Scaff		Scaffolding & Green House	25,000
Apollo Alpha		Window Frames	15,000

Sales Volume for Q2 FY20

Brands	Uses	Products	Q2 FY20 Volumes (MT)
Apollo Signature	Designer Roofing, Fencing, Steel Furniture		13,692
Apollo Chaukhat	Steel-Door Frames in affordable housing segments, high-end housing, commercial buildings and industrial sheds		6,612
Apollo Elegant	Designer Hand Railing		4,962
Apollo Tricoat*	Electrical Conduits		1,943
Apollo Plank	Staircase Steps, Ceilings, Truck Bodies		320

Abridged P&L Statement

Particulars (Rs. crore)	Q2 FY20	H1 FY20
Revenue From Operations	153.6	205.3
Other Income	0.2	0.5
Total Income	153.9	205.8
Total Expenditure	138.2	183.8
Raw Material expenses	129.7	171.8
Employee benefits expense	1.9	3.1
Other expenses	6.5	8.9
EBITDA	15.7	22.0
EBITDA margin (%)	10.2	10.6
Finance Costs	0.5	0.6
Depreciation and Amortization	2.1	3.3
PBT	13.0	18.0
Tax expense	3.5	4.9
PAT	9.4	13.1
PAT Margins (%)	6.1	6.3

Note: Figures for the corresponding quarters are not comparable on a Y-o-Y and Q-o-Q basis.

Balance Sheet

ASSETS		
Particulars (Rs. Crore)	As at 30 th Sept 2019	As at 31 st March 2019
<u>Non-current assets</u>		
Property, plant and equipment	244.8	94.5
Capital work-in-progress	1.6	59.8
Intangible assets	0.3	0.3
Financial assets	-	-
(i) Other financial assets	1.2	0.9
Other non-current assets	28.0	40.5
Total non-current assets	275.9	195.8
<u>Current assets</u>		
Inventories	44.9	7.9
Financial assets	-	-
(i) Trade receivables	54.6	1.5
(ii) Cash and cash equivalents	0.2	0.0
(iv) Other financial assets	4.5	5.9
Other current assets	20.1	10.3
Total current assets	124.3	25.7
Total Assets	400.2	221.5

EQUITY AND LIABILITIES		
Particulars (Rs. Crore)	As at 30 th Sept 2019	As at 31 st March 2019
Equity		
Equity share capital	6.1	5.5
Other equity	164.3	127.5
Total equity	170.4	133.0
Liabilities		
<u>Non-current liabilities</u>		
Financial liabilities		
(i) Borrowings	56.0	29.1
Provisions	0.2	0.1
Deferred tax liabilities (net)	2.3	0.5
Other non-current liabilities	8.7	9.0
Total non-current liabilities	67.2	38.6
<u>Current liabilities</u>		
Financial liabilities		
(i) Borrowings	62.6	25.5
(ii) Trade payable	-	-
-total outstanding dues of SME	-	-
-Other outstanding dues	69.9	0.4
(iii) Other financial liabilities	10.4	6.2
Other current liabilities	17.8	17.7
Provisions	0.0	0.0
Current tax liabilities (net)	1.9	0.2
Total current liabilities	162.5	50.0
Total Liabilities	400.2	221.5

➤ **The Company clocked revenues of Rs. 153.6 crore**

- Registered volumes of 27,529 MTPA across product segments in Q2 FY20
- The Company is witnessing healthy demand for its niche product categories. Increasing contribution from the newly launched products will not only help broaden the product mix, but will also boost sales momentum on a Q-o-Q basis in the upcoming quarters

➤ **EBITDA during Q2 FY20 was at Rs. 15.7 crore; EBITDA margins at 10.2%**

- EBITDA per ton during Q2 FY20 stood at Rs. 5,707
- The Company is currently establishing various business initiatives such as ramping-up manufacturing operations, establishing new manufacturing lines, and undertaking marketing initiatives to improve visibility and reach of its high-end value-added products. These initiatives will significantly enhance productivity and improve business efficiency for Apollo Tricoat in the medium to longer term. Going forward, as the business gains momentum and manufacturing facilities are better utilized, the Company expects better absorption of overhead costs, leading to improved profitability performance
- In addition, the existing and upcoming product segments of Apollo Tricoat are higher margin value-added products, given their niche product applications in India. Thereby, increased portfolio of these value-added segments will further improve profitability and margins for the Company, going ahead.
 - In Q2 FY20, PAT stood at Rs. 9.4 crore, with margins at 6.1%

Mr. Rahul Gupta, Chairman, Apollo TriCoat



Commenting on the Company's performance for Q2 FY20, Mr. Rahul Gupta, Chairman, Apollo TriCoat said,

"We are happy to report an encouraging set of results during Q2 & H1 FY20. During the quarter, we registered Rs. 153.6 crore of revenues backed by a strong sales volume of 27,529 MTPA. The growth was driven by the Company's innovative home improvement products that included brands such as 'Apollo Signature', 'Apollo Chaukhat', 'Apollo Plank' and 'Apollo Elegant.'"

I am also pleased to share that, APL Apollo Group, our parent Company, recently, signed the mega-star of Bollywood, Mr. Amitabh Bachchan as the brand ambassador for all products under brand 'APL Apollo', including Apollo Tricoat. We believe, with Mr. Bachchan's massive fan following, the brand campaign will provide a huge boost to our brand and product visibility and will also help strengthen our market reach in India and export regions.

Looking ahead, we are also on-track to launch three other new innovative brands – Apollo Hybrid, Apollo Scaff and Apollo Alpha, which have various applications across segments including plumbing, scaffolding, green houses and for window frames. With the launch of these new brands and as operations at the newly commissioned facilities at Dadri, Uttar Pradesh and at Malur, Karnataka further ramp-up, the Company anticipates stronger operational and financial performance on a Q-o-Q basis, going ahead.

Commercial production of new products to start in 2HFY20 and FY21

Target to achieve solid QoQ sales volume growth in FY20

Target of achieving industry leading EBITDA per ton

Expanding Reach to Newer Markets





Thank You