



8th November 2017

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

Manager - Department of Corporate Services
Bombay Stock Exchange Ltd.
Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Symbol: APCOTEXIND

Security Code : 523694

Subject: Investor Presentation – November 2017

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation – November 2017. The same is for your reference and records.

Thanking you,

Yours truly,

For Apcotex Industries Limited

**Anand Kumashi
Company Secretary**

Enclosed

apcotex industries limited

REGD. OFFICE & TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Taloja-410 208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052

CORPORATE OFFICE : NKM International House, 178, Backbay Recl., B. M. Chinai Marg, Mumbai-400 020, Maharashtra, India. Tel:+91-22-22838302/04.

CIN NO. L99999MH1986PLC039199

Website:www.apcotex.com



apcotex industries limited

EARNINGS PRESENTATION

Q2 / H1-FY18

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 10,046 Mn as on 7th November, 2017.

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, Banik/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.

FY17 FINANCIALS

Revenue - **INR 3,901 Mn**

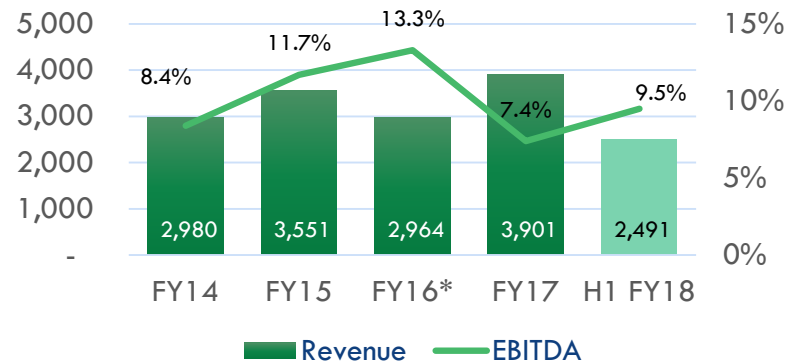
EBITDA - **INR 289 Mn**

PAT- **INR 191 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 Solutions (Erstwhile Omnova Solutions) recently amalgamated with the company which has made it a leading manufacturer of Specialty Synthetic Rubbers in India.
- ▶ Apcotex Industries has a workforce strength of over 450 fulltime employees.

* Consolidated

Revenue (INR Mn) and EBITDA Margin (%)



Q2-FY18 Financial Highlights:

- **Total Revenue** : INR1,290 Mn
- **EBITDA** : INR 152 Mn
- **EBITDA Margin** : 11.8%
- **Net Profit** : INR 85 Mn
- **PAT Margin** : 6.6%
- **Diluted EPS** : INR 4.09

H1-FY18 Financial Highlights:

- **Total Revenue** : INR 2,612 Mn
- **EBITDA** : INR 237 Mn
- **EBITDA Margin** : 9.1%
- **Net Profit** : INR 137 Mn
- **PAT Margin** : 5.2%
- **Diluted EPS** : INR 6.62

Q2 / H1-FY18 Operational Highlights:

- The company's Taloja plant labour issues have been resolved and the plant is currently running smoothly.
- Good growth seen across all industries in the domestic market where the company supplies its product.
- Highest volumes and margins for Nitrile Rubber on account of shortage of imports and technical approvals achieved in the last few quarters.
- Excellent growth in Exports due to the Sales efforts over the last few quarters.
- Efficient buying of RMs this quarter helped in improvement of margins.
- First 2 phases of investments at Valia plant totaling to about Rs. 60cr has started.

Q2-FY18 Income Statement



Particulars (INR Mn)	Q2-FY18	Q2-FY17	Y-o-Y	Q1-FY18	Q-o-Q
Revenue	1,290	923	39.8%	1,201	7.4%
Total Expenses	1,138	877	29.8%	1,115	2.1%
Operating EBITDA	152	46	230.4%	86	76.7%
EBITDA Margin	11.8%	5.0%	680 Bps	7.2%	460 Bps
Depreciation	31	31	NA	31	NA
Interest	5	7	(28.6)%	5	NA
Other Income	16	40	(60.0)%	22	(27.3)%
PBT	132	48	175.0%	72	83.3%
Tax	47	1	NA	20	135.0%
PAT	85	47	80.85%	52	63.5%
PAT Margin	6.6%	5.1%	150 Bps	4.3%	230 Bps
EPS	4.09	2.26	81.0%	2.52	62.3%

* To make the figures comparable the excise duty has been deducted from the revenue of Q2 FY17 and Q1 FY18

H1 -FY18 Income Statement



Particulars (INR Mn)	H1-FY18	H1-FY17	Y-o-Y
Revenue	2,491	1,980	25.8%
Total Expenses	2,254	1,826	23.4%
Operating EBITDA	237	154	53.9%
EBITDA Margin	9.5%	7.8%	170 Bps
Depreciation	62	60	3.3%
Interest	10	14	(28.6)%
Other Income	38	75	(49.3)%
PBT	203	155	31.0%
Tax	66	25	164.0%
PAT	137	130	5.4%
PAT Margin	5.5%	6.6%	(110) Bps
EPS	6.62	6.27	5.6%

* To make the figures comparable the excise duty has been deducted from the revenue of H1 FY17 and H1 FY18

Historical Income Statement



Particulars (INR Mn)	FY15	FY16*	FY17	H1-FY18
Revenue	3,551	2,964	3,901	2,491
Total Expenses	3,136	2,570	3,612	2,254
Operating EBITDA	415	394	289	237
EBITDA Margin	11.7%	13.3%	7.4%	9.5%
Depreciation	90	94	121	62
Interest	32	24	29	10
Other Income	56	83	83	38
PBT	349	359	222	203
Tax	102	(26)	31	66
PAT	247	385	191	137
PAT Margin	7.0%	13.0%	4.9%	5.5%
EPS	11.90	18.58	9.21	6.62

* Consolidated

* To make the figures comparable the excise duty has been deducted from the revenue of H1 FY18

Balance Sheet Statement



Particulars (INR Mn)	Mar 16*	Mar 17	H1-FY18
Shareholders Fund	1,872	2,063	2,201
Share Capital	104	104	104
Reserves & Surplus	1,768	1,959	2,097
Total Non Current Liabilities	34	91	93
Deferred Tax liabilities	-	34	35
Other Long Term Liabilities	14	31	7
Long Term Provision	20	26	20
Other Financial Liabilities	-	-	31
Total Current Liabilities	975	668	882
Short Term Borrowings	171	222	168
Trade Payables	341	222	462
Other Current Liabilities	319	221	98
Short term provision	144	3	1
Other Current Financial Liabilities	-	-	153
TOTAL EQUITY & LIABILITIES	2,881	2,822	3,176

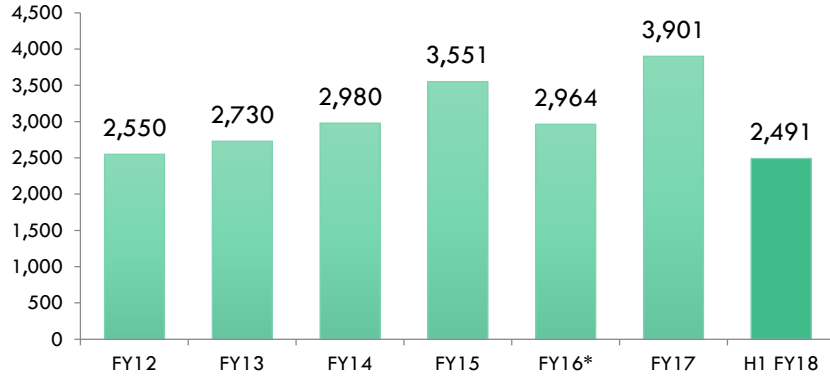
Particulars (INR Mn)	Mar 16*	Mar 17	H1-FY18
Total Non Current Assets	1,360	1,281	1,530
Fixed Assets	948	937	841
Non Current Investments	178	236	435
Deferred Tax Assets (Net)	67	-	-
Long term loans & advances	106	86	-
Other Non Current assets	61	22	254
Total Current Assets	1,521	1,541	1,646
Investments	-	-	122
Inventories	433	445	403
Trade Receivables	839	782	978
Cash & Cash Equivalents	98	62	44
Short Term loans & Advances	74	191	12
Other current asset	77	61	87
TOTAL ASSETS	2,881	2,822	3,176

* Consolidated ^FY16 and FY17 figures not comparable with H1 FY18 because of Ind As

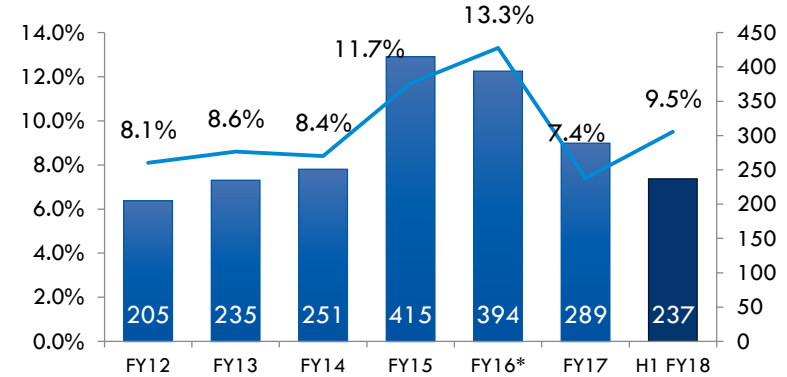
Historical Performance Indicators



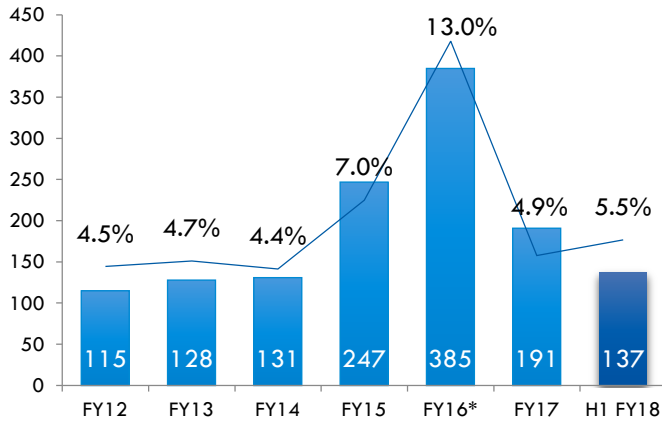
Revenue (In Mn)



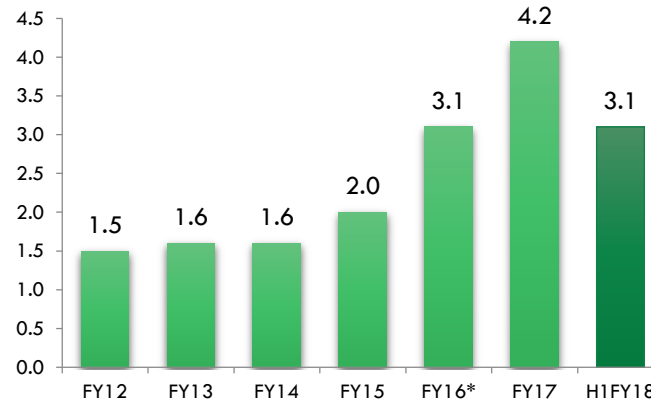
EBITDA and EBITDA Margin



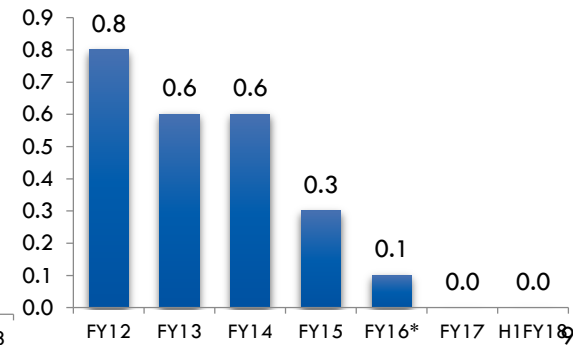
PAT and PAT Margin



Asset Turnover Ratio



Debt to Equity Ratio



* Consolidated

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

Thank You