



12th February 2018

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 Symbol: APCOTEXIND	To, Manager-Department of Corporate Services BSE Limited Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Security Code: 523694
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Subject: Investor Presentation – February 2018

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation – February 2018. The same is for your reference and records.

Thanking you,

Yours truly,

For Apcotex Industries Limited

**Anand Kumashi
Company Secretary**

Encl: As above.

apcotex industries limited



apcotex industries limited

EARNINGS PRESENTATION

Q3/9M-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 10,264 Mn as on 31st December, 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

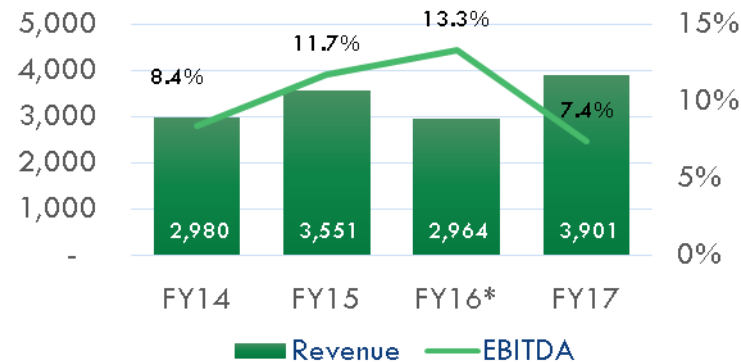
Revenue - **INR 3,901 Mn**

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.

Revenue (INR Mn) and EBITDA Margin (%)



* Consolidated

Q3/9M-FY18 Financial & Operational Highlights



Q3-FY18 Financial Highlights:

- **Total Revenue** : INR 1,379 Mn
- **Operating EBITDA** : INR 173 Mn
- **Operating EBITDA Margin** : 12.55%
- **Net Profit** : INR 133 Mn
- **PAT Margin** : 9.64%
- **Diluted EPS** : INR 6.41

9M-FY18 Financial Highlights:

- **Total Revenue** : INR 3,990 Mn
- **Operating EBITDA** : INR 411 Mn
- **Operating EBITDA Margin** : 10.3%
- **Net Profit** : INR 270 Mn
- **PAT Margin** : 6.77%
- **Diluted EPS** : INR 13.03

Q3/9M-FY18 Operational Highlights:

- Highest ever Sales, EBITDA and PBT for the company reported in any quarter.
- EBITDA margin improvement due to a combination of higher sales, lowering of cost structure especially at Valia, better margins and good raw-material buying.
- The company saw good growth in volumes across all the industries that it caters to.
- Volumes from one of the biggest customers in the paper industry slowly coming back to normal levels.
- Most of the quality related issues have been addressed which has helped to increase the market share in Nitrile Rubber.
- Excellent growth in Exports due to the Sales efforts over the last few quarters.
- The company has started the planned capital expenditure of INR 60 crore at Valia plant for both the phases.

Q3-FY18 Income Statement (As per IndAS)



Particulars (INR Mn)	Q3-FY18	Q3-FY17	Y-o-Y	Q2-FY18	Q-o-Q
Revenue	1,379	1,148	20.1%	1,290	6.9%
Total Expenses	1,206	1,086	11%	1,138	6%
EBITDA	173	62	179%	152	13.8%
EBITDA Margin	12.55%	5.40%	715 Bps	11.78%	77 Bps
Depreciation	30	31	(3.2)%	31	(3.2)%
Interest	4	8	(50)%	5	(20)%
Other Income	47	21	123.8%	16	193.8%
PBT	186	44	322.7%	132	40.9%
Tax	53	(6)	NA	47	NA
PAT	133	50	166%	85	56.5%
PAT Margin	9.64%	4.36%	528 Bps	6.59%	305 Bps
Other Comprehensive Income	0	0	-	0	-
Total Comprehensive Income	133	50	166%	85	56.5%
EPS	6.41	2.42	164.9%	4.09	56.7%

9M-FY18 Income Statement (As per IndAS)



Particulars (INR Mn)	9M-FY18	9M-FY17	Y-o-Y
Revenue	3,990	3,339	19.5%
Total Expenses	3,579	3,123	14.6%
EBITDA	411	216	90.3%
EBITDA Margin	10.30%	6.47%	383 Bps
Depreciation	93	91	2.2%
Interest	14	22	(36.4)%
Other Income	85	95	(10.5)%
PBT	389	198	96.5%
Tax	119	18	561.1%
PAT	270	180	50%
PAT Margin	6.77%	5.39%	138 Bps
Other Comprehensive Income	(1)	0	NA
Total Comprehensive Income	269	180	49.4%
EPS	13.03	8.69	49.9%

Historical Income Statement



Particulars (INR Mn)	FY15	FY16*	FY17	9M-FY18**
Revenue	3,551	2,964	3,901	3,990
Total Expenses	3,136	2,570	3,612	3,579
EBITDA	415	394	289	411
EBITDA Margin	11.7%	13.3%	7.4%	10.30%
Depreciation	90	94	121	93
Interest	32	24	29	14
Other Income	56	83	83	85
PBT	349	359	222	389
Tax	102	(26)	31	119
PAT	247	385	191	270
PAT Margin	7.0%	13.0%	4.9%	6.77%
Other Comprehensive Income	-	-	-	(1)
Total Comprehensive Income	247	385	191	269
EPS	11.90	18.58	9.21	13.03

* Consolidated

** As per IndAS

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

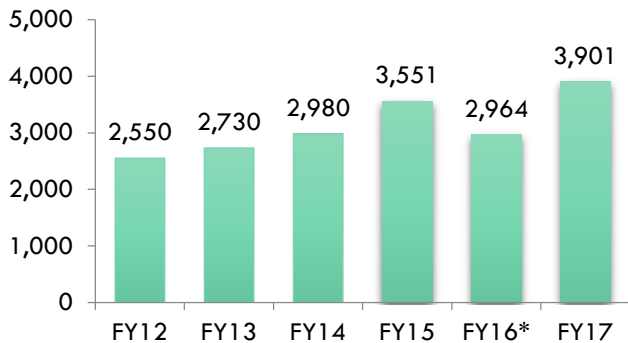
* Consolidated

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

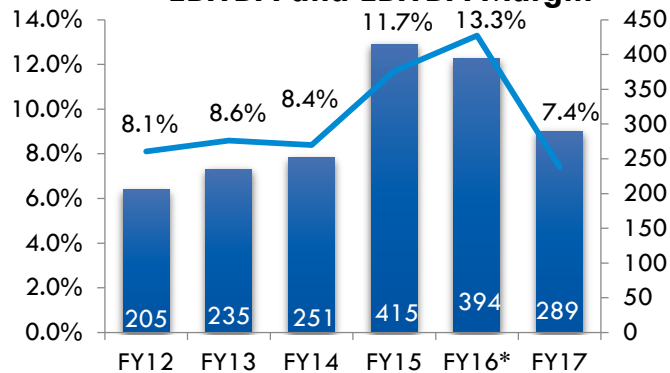
Historical Performance Indicators



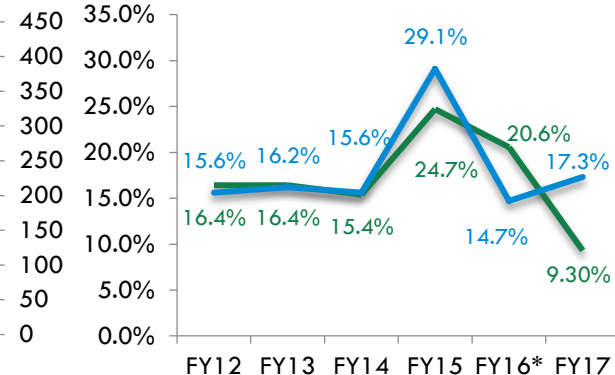
Revenue (In Mn)



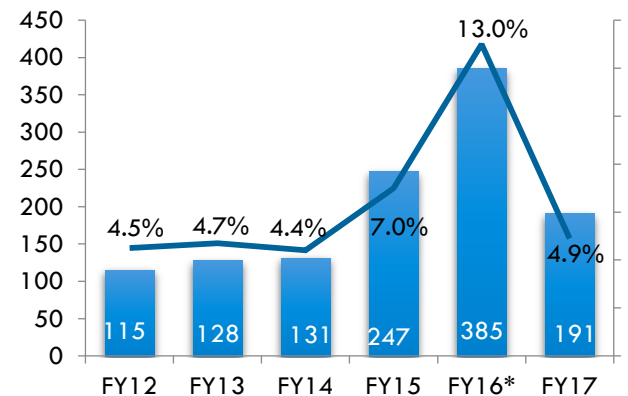
EBITDA and EBITDA Margin



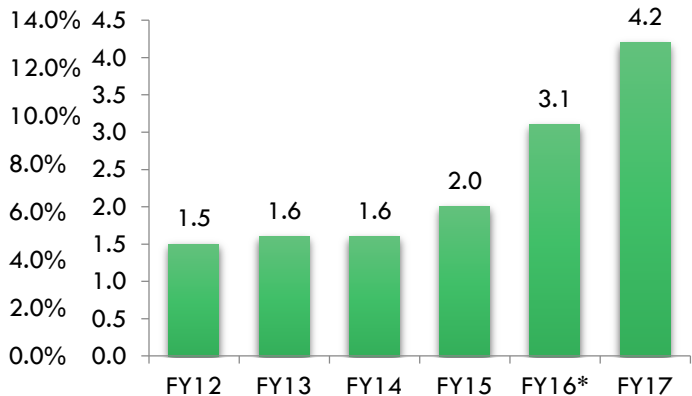
ROE — ROCE



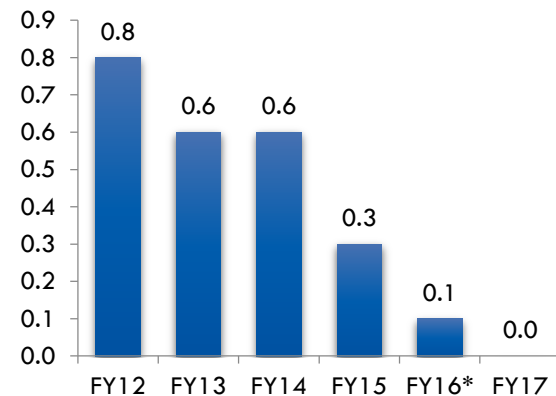
PAT and PAT Margin



Asset Turnover Ratio



Debt to Equity Ratio



* Consolidated

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Thank You