

30th May 2023

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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Sub: Investor Presentation

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation – May 2023. The same is for your reference and records.

Thanking you,
Yours truly,

For Apcotex Industries Limited

Mr. Abhiraj Choksey
Managing Director

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INVESTOR PRESENTATION

MAY 2023



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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 capitalisation of INR 25,258.86 Mn as on 31st March, 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

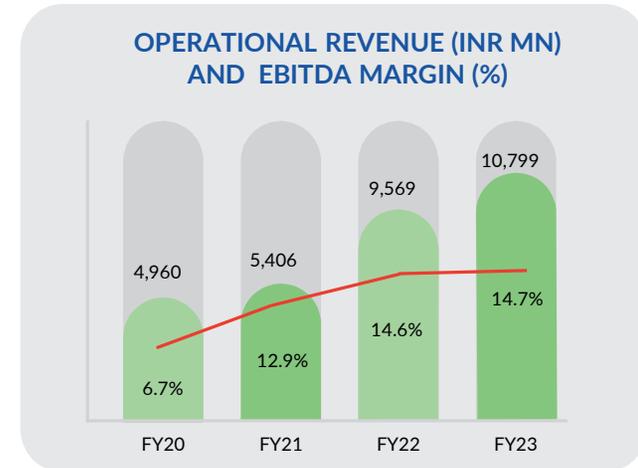
PAT

02

COMPANY OVERVIEW

Promoter Background

- ▶ 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 2022".



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.



Board of Directors

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.



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.



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.



Key Milestones

1980

Started as a division of Asian Paints. Pioneered the manufacturing of Vinyl Pyridine latex and Carboxylated Styrene Butadiene latex in India.

2013

Installed capacity of saleable latex increased at Taloja from 40,000 MT p.a. to 55,000 MT p.a. (wet).

2019

Entered into Nitrile Latex business for Gloves application.

2023

New Nitrile Latex capacity of 50,000 MT p.a. (wet) at Valia will be further expanded to 80,000 MT p.a. (wet) in the next phase. Taloja Latex plant swing capacity increased to 100,000 MT p.a. (wet).

1998

Started High Styrene Rubber production with 10,000 MT p.a. (dry) capacity.

2016

Completed acquisition of Omnova Solutions India Pvt. Ltd. with NBR Nitrile Rubber of 16,000 MT p.a. (dry).

2021

Taloja Latex plant capacity increased to 65,000 MT p.a. (wet) and Valia plant NBR capacity to 21,000 MT p.a. (dry).

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



Taloja plant in Maharashtra
50 km from Mumbai airport
36 km from JNPT ports



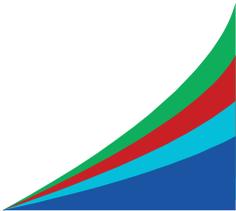
Valia plant in Gujarat
120 km from Baroda Airport
40 km from Hajira & Dahej ports



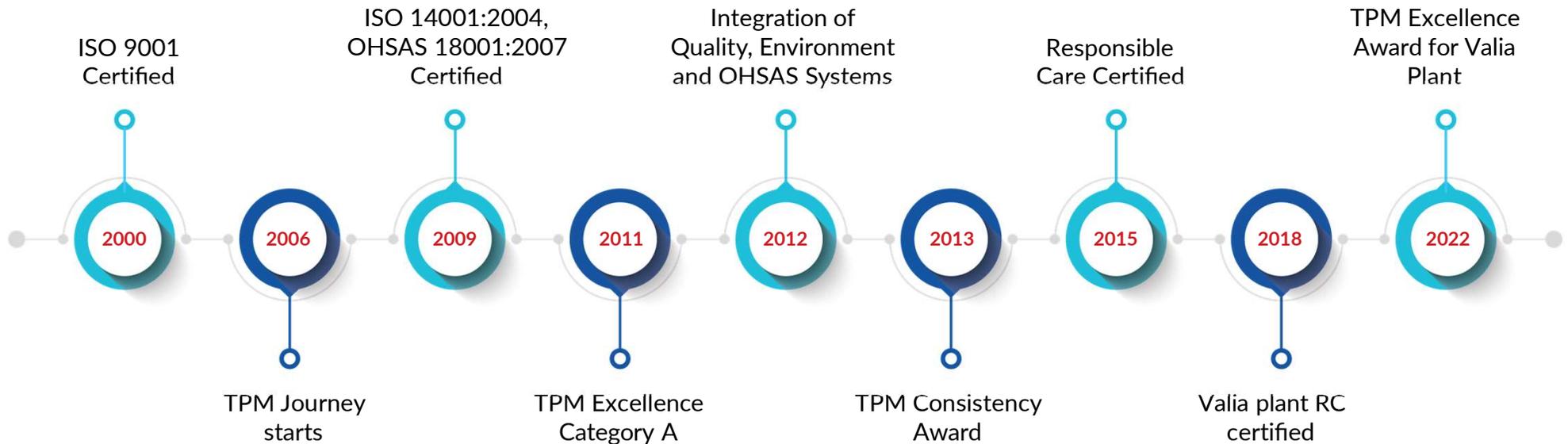
R&D and Quality Control



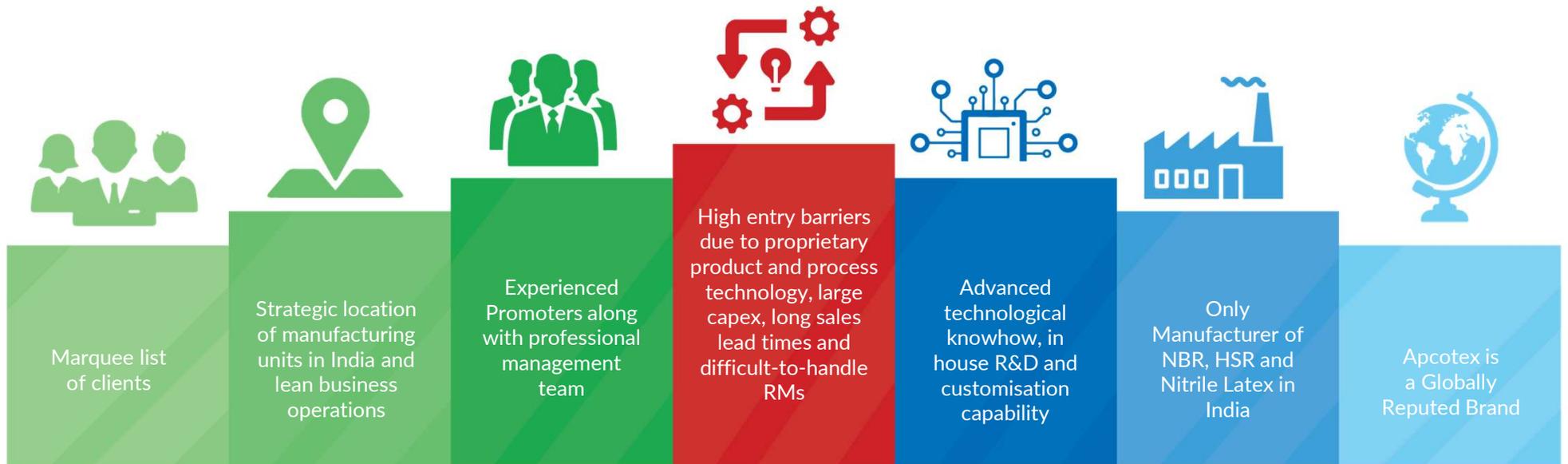
The Company has been continuously upgrading their technology through in house research & development efforts to meet the changing needs of customers. Currently 41 employees are dedicated for R&D and technical support.



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 east 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

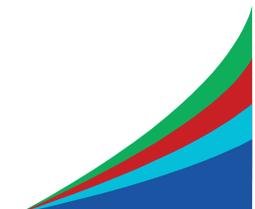
Annual Financial Performance

Particulars (INR Mn)	FY23	FY22	Y-o-Y
Operational Revenue	10,799	9,569	12.9%
Total Expenses	9,214	8,171	12.8%
EBITDA	1,585	1,398	13.4%
<i>EBITDA Margins</i>	<i>14.68%</i>	<i>14.61%</i>	<i>7 Bps</i>
Depreciation	152	141	7.8%
Finance Cost	51	32	59.4%
Other Income	73	79	(7.6)%
PBT	1,455	1,304	11.6%
Tax	376	316	19.0%
PAT	1,079	988	9.2%
<i>PAT Margins</i>	<i>10.00%</i>	<i>10.33%</i>	<i>(33) Bps</i>
Other Comprehensive Income	(21)	127	NA
Total Comprehensive Income	1,058	1,115	(5.1)%
Diluted EPS (INR)	20.82	19.06	9.2%



Historical Income Statement

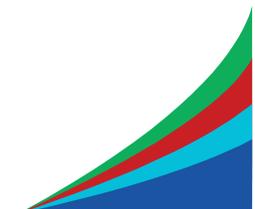
Particulars (INR Mn)	FY20	FY21	FY22	FY23
Operational Revenue	4,960	5,406	9,569	10,799
Total Expenses	4,626	4,708	8,171	9,214
EBITDA	334	698	1,398	1,585
EBITDA Margins	6.73%	12.91%	14.61%	14.68%
Depreciation	134	145	141	152
Finance Cost	13	38	32	51
Other Income	59	52	79	73
PBT	246	567	1,304	1,455
Tax	80	125	316	376
PAT	166	442	988	1,079
PAT Margins	3.35%	8.18%	10.33%	10.00%
Other Comprehensive Income	(56)	177	127	(21)
Total Comprehensive Income	110	619	1,115	1,058
Diluted EPS (INR)	3.21	8.52	19.06	20.82



Balance Sheet

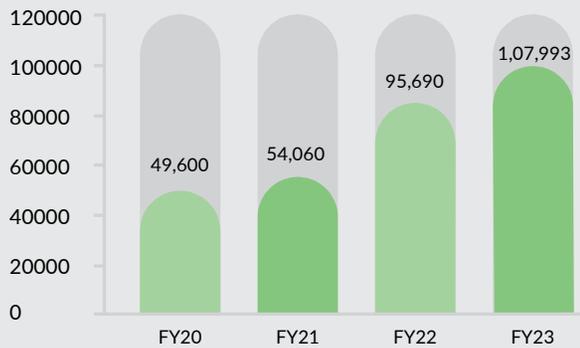
Particulars (INR Mn)	FY21	FY22	FY23
Shareholders Fund	3,054	3,962	4,760
Equity Share Capital	104	104	104
Other Equity	2,950	3,858	4,656
Total Non Current Liabilities	240	439	1,474
Deferred Tax liabilities	105	81	122
Borrowings	60	264	1248
Lease liabilities	1	1	-
Long Term Provision	31	33	34
Other Financial Liabilities	43	60	70
Total Current Liabilities	1,223	1,648	1,800
Short Term Borrowings	84	238	270
Trade Payables	810	1,000	1,021
Other Financial Liabilities	185	256	360
Short Term Provision	13	16	16
Other Current Liabilities	131	138	133
TOTAL EQUITY & LIABILITIES	4,517	6,049	8,034

Particulars (INR Mn)	FY21	FY22	FY23
Total Non Current Assets	2,383	3,014	4,809
Property, Plant and Equipment	1,441	1,560	3,834
Capital Work in progress	116	386	123
Investment Properties	-	-	15
Financial Assets	682	823	732
Intangible Assets	7	6	4
Non Current Tax Assets (net)	73	28	47
Other Non Current Assets	64	211	54
Total Current Assets	2,134	3,035	3,225
Investments	142	153	148
Inventories	558	871	1,051
Trade Receivables	1,048	1,618	1,371
Cash & Cash Equivalents	106	20	153
Other Bank Balances	44	69	71
Short Term loans & Advances	4	4	5
Other Financial Assets	72	93	74
Other Current Asset	160	207	352
TOTAL ASSETS	4,517	6,049	8,034

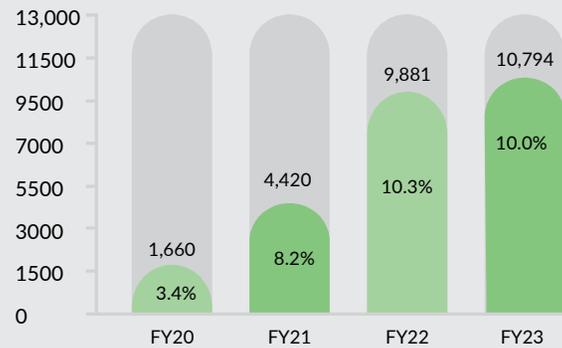


Historical Performance Indicators

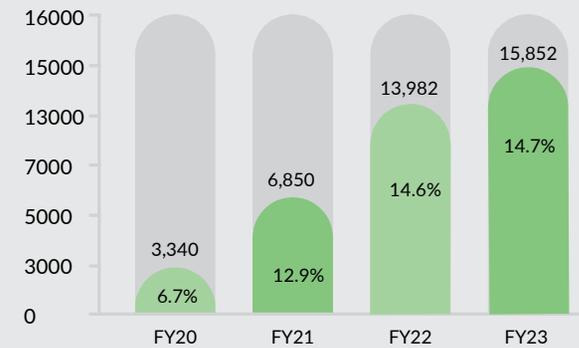
OPERATIONAL REVENUE (₹ IN LAKHS)



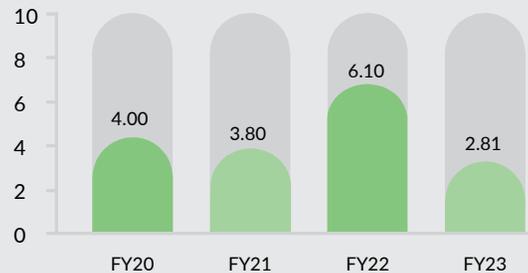
PAT (₹ IN LAKHS) AND PAT MARGIN (%)



EBITDA (₹ IN LAKHS) EBITDA MARGIN (%)



ASSET TURN OVER RATIO



DEBT TO EQUITY RATIO



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