



APOLLO PIPES LTD.

Q4 & FY23 EARNINGS PRESENTATION

MAY'2023

Safe harbour

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to, "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



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**Q4FY23
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COMPANY OVERVIEW

Apollo Pipes at a Glance



Among the Top 10
leading PVC pipe
manufacturers in India



136,000 MTPA
Capacity



5
Manufacturing Plants



700+
Channel Partners



1600+
SKU's



15%
5-year Sales Volume
CAGR



26%
5-year Revenue
CAGR



16%
5-year EBITDA
CAGR

Q4FY23 AT A GLANCE



18,685 MT
Sales Volume
14% YoY increase
4% QoQ increase



Rs. 15 Cr
PAT
4% YoY decrease
209% QoQ increase



Rs. 251.9 Cr.
Revenue
2% YoY increase
6% QoQ increase



Rs.22.6
Cash Profit
1% YoY decrease
84% QoQ increase



Rs. 29.4 Cr.
EBITDA
4% YoY increase
83% QoQ increase



8.7%
FY23 ROCE
FY22 was 16.5%



11.7%
EBITDA Margin
21bps YoY increase
489bps QoQ increase



5.5%
FY23 ROE
FY22 was 13.2%

FY23 AT A GLANCE



66,567 MT
Sales Volume
24% YoY increase



Rs. 914.5 Cr.
Revenue
17% YoY increase



Rs. 68 Cr.
EBITDA
27% YoY decline



7.44%
EBITDA Margin
447bps YoY decline



Rs. 23.9 Cr
PAT
52% YoY decline



Rs. 52.3Cr.
Cash Profit
31% YoY decline



Rs 8.9 Cr
Net Debt
FY22 was Rs 3.3
Net Cash



56 Days
Net WC Days
FY22 was 68 days

Apollo Pipes at a Glance



Agriculture Segment

- Casing pipes
- Drip irrigation & Sprinkler system
- Bore well pipes



Water Management Segment

- Hot & cold potable water distribution & transportation
- Residential, commercial installations



Construction Segment

- Sanitation & Sewage pipes
- Plumbing Pipes



Oil & Gas Segment

- Conveying edible oils and chemicals & corrosive fluids



Telecom Ducting

APOLLO PIPES - KEY FOCUS AREA



Product Portfolio Diversified Basket of 1,600+ Products

uPVC Piping System



uPVC Pipes & Fittings | uPVC Column Pipes | SWR Drainage Pipes | uPVC Pressure Pipes
 Well Casing Pipes | Underground Drainage Pipes

PPR-C PLUMBING SYSTEM



PPR-C Pipes & Fittings

CPVC PIPING SYSTEM



CPVC Pipes & Fittings

HDPE PIPING SYSTEM



HDPE Pipes & Sprinkler System

BATH FITTINGS



Faucets | Hand And Head Showers | Health Faucets | Cistern |
 Seat Covers | Allied Products | Bathroom Accessories

SOLVENT CEMENT



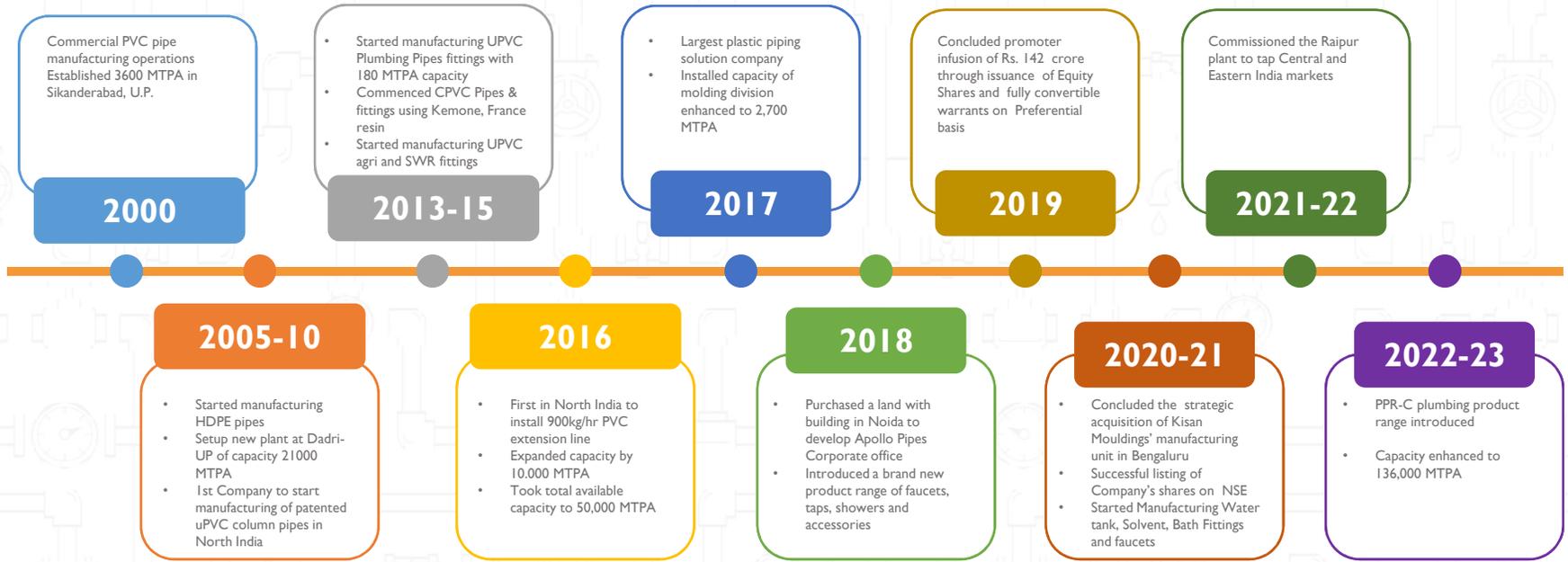
Solvent Cement

WATER TANKS



Water Tanks

Product Portfolio



www.apollopipes.com

Robust 5-year CAGR

(FY18 – FY23)

15%

Growth in Sales Volume

26%

Growth in Revenue

16%

Growth in EBITDA



Tiger Shroff Appointed as Brand Ambassador

Social Media campaign launched in Q3FY22 continue to garner good response

Water Tank
 (On Apollo Platform)

-  8.9 Million Views
-  4.2 Million Views
-  9.2 Million Views

On Tiger Shroff's : 
Water Tank: 3 Million Views
Pipes: 1 Million Views

Pipes
 (On Apollo Platform)

-  13.4 Million Views
-  3.4 Million Views
-  8.7 million Views

TV Commercial launched on May 2, 2022

Regional language ads launched in June which also garnered good response

Watch the commercials [Link](#) | [Link 2](#)

Our Environment, Social, Governance and Safety Policy

Cost Savings and Energy conservation are one of the key focus areas for Apollo Pipes

- Installed rooftop solar plant at Dadri for optimum utilisation of energy
- Evaluating opportunities to install rooftop solar plants at Ahmedabad and Bengaluru in the near future
- Organized various awareness programmes for Shop-floor manpower to ensure optimum utilization of energy across plants
- Complete in-house set-up for re-use of Polymer Waste ensuring nil environmental pollution

Social Welfare of the Society

- Funds and efforts towards Education and Welfare of orphaned and abandoned children and Health Care of the unprivileged
- Associated with Bharat Lok Shiksha Parishad ("BLSPP") and FCS Foundation to include scholarship programme for meritorious students who are socially backward and under-privileged
- Effective safety policy and regular safety audits conducted regularly RO and water softening plant facilitating safe consumption of water Regular workshops & training for machine operations / handling & safety
- Mechanized Finished Goods movement Usage of masks and safety gears for plant personnel

Highest standards of corporate governance practices

- Maintains high levels of transparency, accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the government





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GROWTH LEVERS

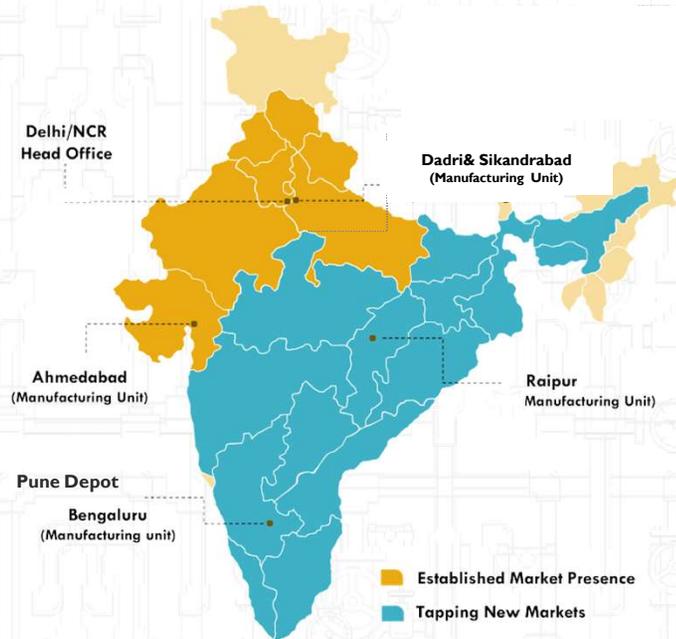
Key Business Strength



Strengthening distribution network across India to Augment presence and improve market penetration



200+ Distributors 500+ Dealers

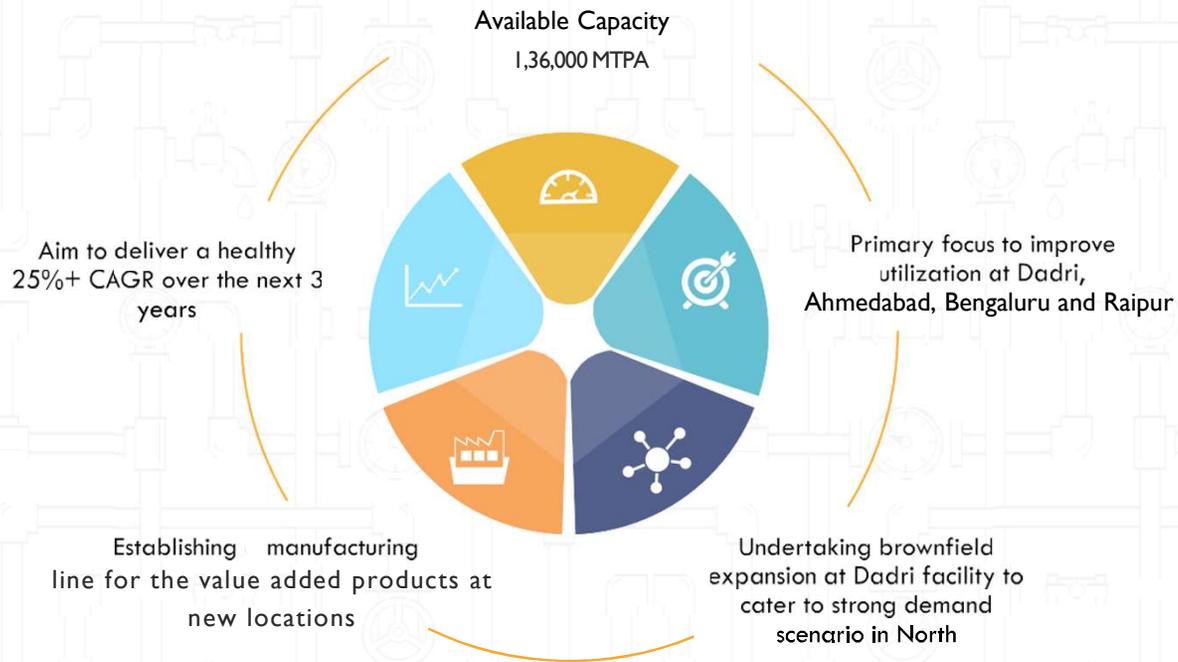


Diversified Product Portfolio with total offerings at 1,600+, Aiming to achieve 2,500+ products to the basket

- Range of products manufactured at the technologically-advanced manufacturing facility at Dadri & Sikandrabad at U.P., Ahmedabad at Gujarat, Tumkur (Banglore) at Karnataka and Raipur at Chattisgarh.
- Successfully added Water Storage Tanks to our product Portfolio
- Launched 'Plastic Faucets, Taps and Showers' in the domestic market – to drive higher brand visibility through New Products



Capacity Expansion to aid long-term growth plan





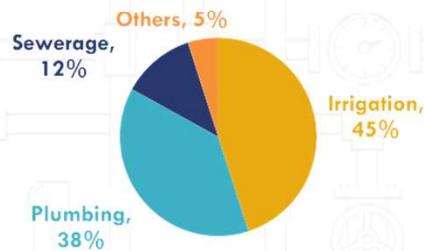
MACRO GROWTH DRIVERS

PVC Pipe Industry

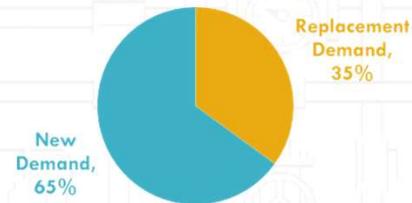
The Indian PVC pipes and fittings market expected to register 15% CAGR during FY22 - FY26

- The domestic plastic pipes industry size at ~ ₹ 350Bn
- Organized players account for ~70% market share
- Key features of plastic pipes against other pipes
 - Lightweight
 - Ease of transportation
 - Longer life span
- Key growth drivers:
 - Government's push for cleanliness and sanitation to boost water management sector
 - Increased Building of affordable houses and growing housing demand
 - Requirement for infrastructure for irrigation and water supplies

Demand Segmentation - Domestic Industry



Demand Split- Domestic Industry



At the Forefront of multiple sector trends

Urban Infrastructure & Construction



- Infrastructure push - plumbing and distribution requirements
- Water Management, Waste Management, Water Drainage & Sewerage System
- 'Housing for All' scheme and 'Smart Cities' scheme to drive demand
- Gov targeted construction of 20M and 40M houses in urban and rural areas, by 2022
 - One unit in the urban area nearly consumes 200 kg of PVC products
 - Rural house consumes ~75kg

Water Management



- Rehabilitation of aging pipelines and installation of new pipes in transportation of liquids offers a significant opportunity
- Government focus on providing clean water, clean cities with well-organized plans for sewage removal and efficient transport facilities
- National Rural Drinking Water Mission (NRDWM) to create a safe drinking water program

Agriculture Focus

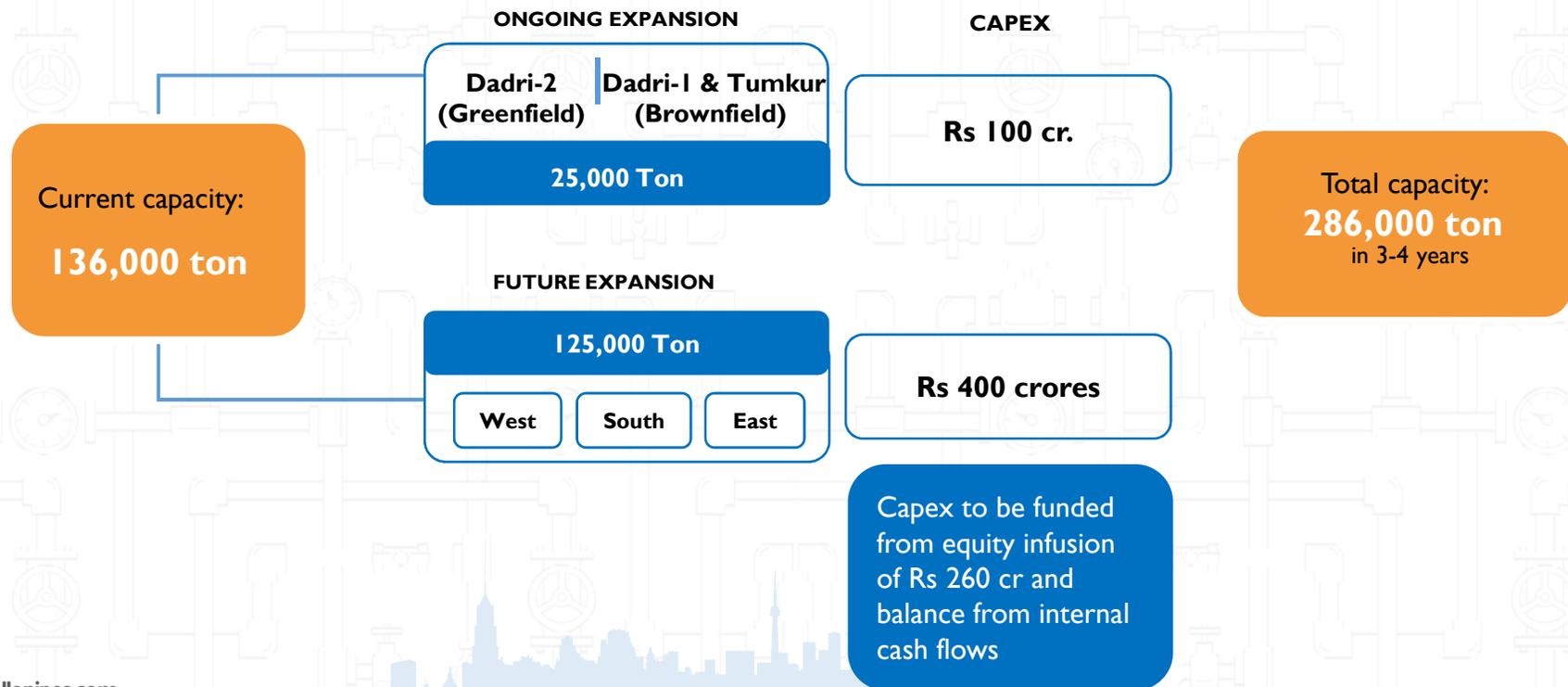


- Improving irrigation schemes for farmers
- Water Table Depletion – increase in bore well activities leading to higher demand of larger diameter pipes
- Increase in land under irrigation for food production
- Increasing agriculture focus will have better demand for irrigation and thus demand for PVC pipes



FUTURE OUTLOOK

Capacity expansion plan



Focus Areas for FY24



Strengthen
foothold in Pan
India



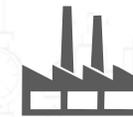
Undertake a
phase-wise
capacity expansion
at the existing
facilities over the
next few quarters



Register solid
growth in sales –
targeting revenue
growth of around
25%+



Penetrate and
establish
footprint into
neighboring
markets in
Central,
Western and
Eastern India



Improve
utilization at the
existing
manufacturing
plants at all
facilities



Undertake
various brand
building
exercises and
establish
stronger brand
recall in the
established
markets of Pan
India

A hand holding a pen is positioned over a document. A stylized white arch graphic is overlaid on the image, consisting of two concentric semi-circles with small white circles at their base. The background is a teal-tinted photograph of a person working at a desk with a laptop and documents.

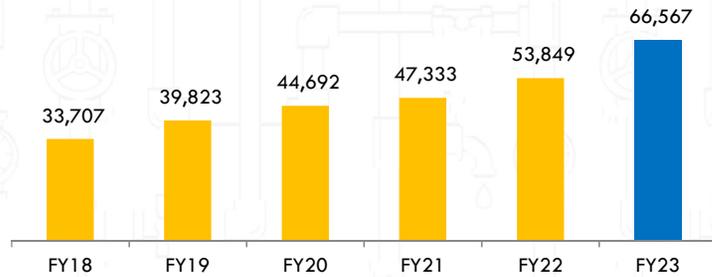
OPERATIONAL & FINANCIAL HIGHLIGHTS

Financial Trend

FY23

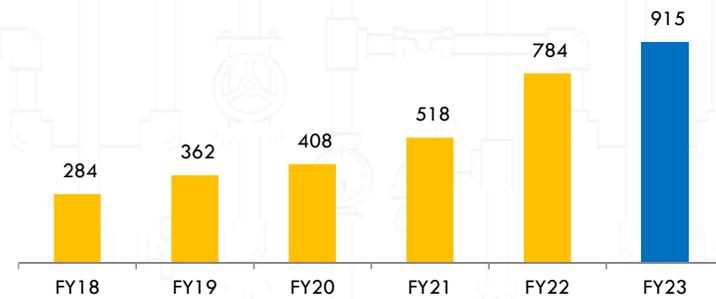
(5 Yr. CAGR 15%)

Sales Volume (Tons)



(5 Yr. CAGR 26%)

Revenue (Rs. Cr)



(5 Yr. CAGR 16%)

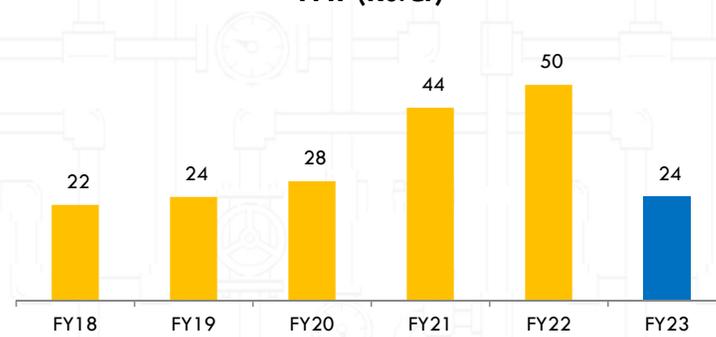
EBITDA (Rs. Cr)

EBITDA Margin (%)



(5 Yr. CAGR 2%)

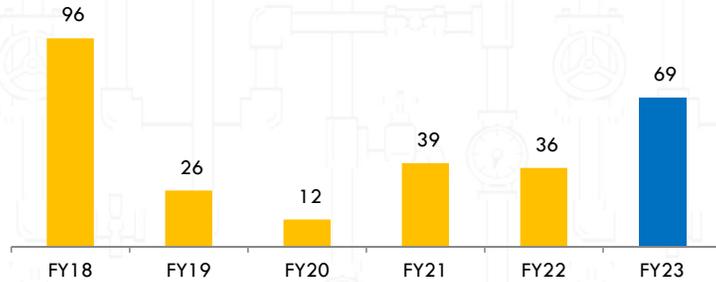
PAT (Rs. Cr)



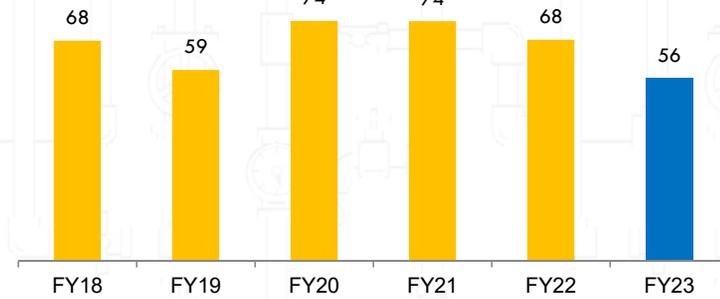
Financial Trend

FY23

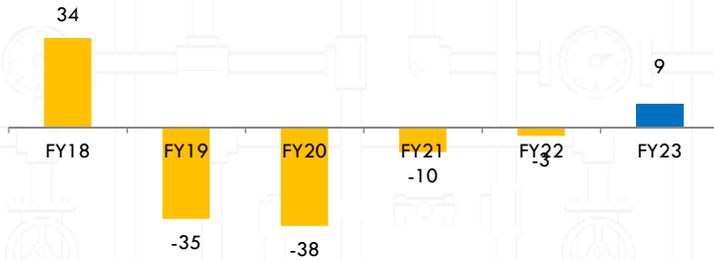
Op. Cashflow (Rs. Cr)



Net Working Capital (Days)



Net Debt* (Rs. Cr)



■ ROE (%) ■ ROCE** (%)

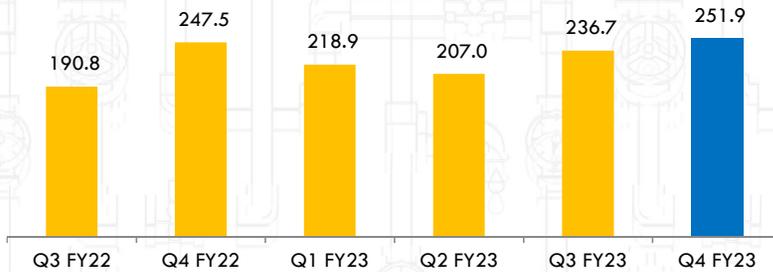


*Negative due to Net cash, ** Capital Employed: Total Assets minus Current Liabilities

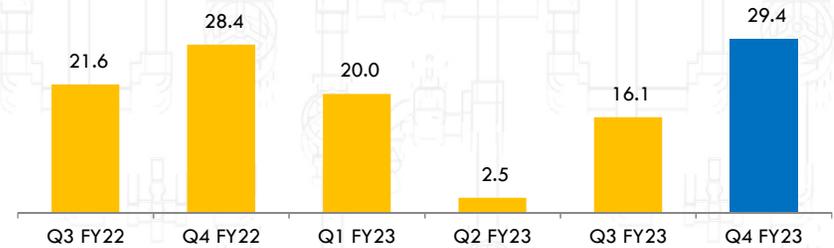
Quarterly Performance

■ Q4FY23

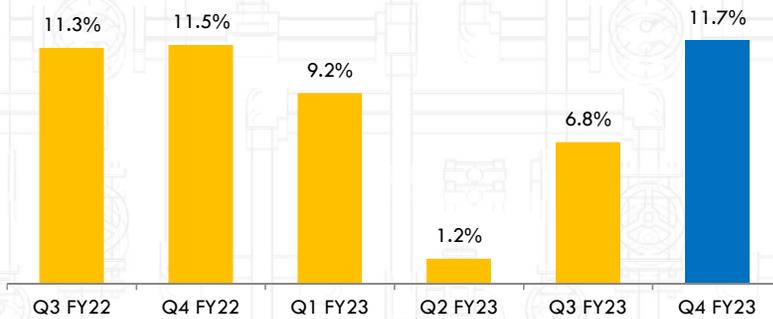
Revenue (Rs. Cr)



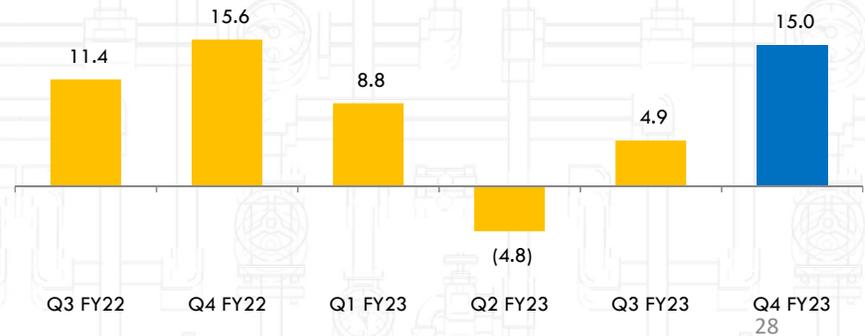
EBITDA (Rs. Cr)



EBITDA Margin (%)



PAT (Rs. Cr)



Profit & Loss Statement

| Particulars (Rs. crore) | Q4FY23 | Q3FY23 | Q4FY22 | Y-o-Y Shift | Q-o-Q Shift | FY23 | FY22 | Y-o-Y Shift |
|---|--------------|--------------|--------------|-----------------|----------------|--------------|--------------|-----------------|
| Sales Volume | 18,685 | 18,011 | 16,409 | 14% | 4% | 66,567 | 53,849 | 24% |
| Total Income From Operations (Net) | 251.9 | 236.7 | 247.5 | 2% | 6% | 914.5 | 784.1 | 17% |
| Total Expenditure | 222.5 | 220.6 | 219.1 | 2% | 1% | 846 | 691 | 23% |
| Raw Material expenses | 181.0 | 179.4 | 182.7 | -1% | 1% | 692.8 | 573.2 | 21% |
| Employee benefits expense | 12.4 | 14.0 | 11.6 | 7% | -12% | 52 | 41 | 25% |
| Other expenses | 29.2 | 27.1 | 24.8 | 18% | 7% | 102.0 | 76.1 | 34% |
| EBITDA | 29.4 | 16.1 | 28.4 | 4% | 83% | 68 | 93 | -27% |
| EBITDA margin (%) | 11.7% | 6.8% | 11.5% | 21.3 BPS | 489 BPS | 7.4% | 11.9% | -447 BPS |
| Other Income | 0.7 | 0.0 | 1.1 | -33% | 2941% | 2 | 4 | -48% |
| Finance Costs | 2.4 | 2.1 | 1.8 | 39% | 18% | 8.9 | 4.3 | 107% |
| Depreciation and Amortization | 7.6 | 7.4 | 7.1 | 6% | 2% | 28 | 26 | 10% |
| PBT | 20.1 | 6.6 | 20.5 | -2% | 205% | 32.7 | 67.2 | -51% |
| Tax expense | 5.1 | 1.7 | 4.9 | 4% | 193% | 9 | 17 | -49% |
| PAT | 15.0 | 4.9 | 15.6 | -4% | 209% | 23.9 | 49.8 | -52% |
| PAT margin (%) | 6.0% | 2.1% | 6.3% | -34 BPS | 390 BPS | 2.6% | 6.3% | -373 BPS |
| EPS Basic (Rs.) | 3.8 | 1.2 | 4.0 | -4% | 68% | 6.1 | 12.7 | -52% |

Balance Sheet and Cash flow Statement

| Balance Sheet - Assets (Rs Cr) | FY23 | FY22 |
|---------------------------------------|--------------|--------------|
| Cash & Bank Balance | 34.8 | 42.0 |
| Receivables | 65.8 | 70.5 |
| Inventories | 170.8 | 131.6 |
| Other current assets | 54.7 | 33.0 |
| Fixed assets (net) | 271.6 | 227.2 |
| Right to use Assets | 9.1 | 9.2 |
| Investments | 40.1 | 4.1 |
| Other Assets/goodwill/CWIP | 15.2 | 26.2 |
| Total Assets | 662.0 | 543.9 |
| Balance Sheet - Liabilities (Rs Cr) | FY23 | FY22 |
| Trade payables | 117.9 | 55.0 |
| Other current liabilities | 18.9 | 6.3 |
| Debt | 43.7 | 38.7 |
| Others | 21.9 | 36.6 |
| Minority Interest/Provision | 2.4 | 2.0 |
| Shareholders' funds | 457.2 | 405.3 |
| Total Equity & Liabilities | 662.0 | 543.9 |

| Cash Flow Statement (Rs Cr) | FY23 | FY22 |
|---------------------------------|--------------|--------------|
| EBITDA | 69.3 | 39.8 |
| Changes in Accounts receivables | 4.7 | 21.8 |
| Changes in Inventory | -39.1 | -17.7 |
| Other WC changes | 48.9 | 22.8 |
| Others | -0.8 | -0.3 |
| Tax | -14.3 | -13.2 |
| Operating cash flow | 68.7 | 53.2 |
| Interest | -8.9 | -6.3 |
| Residual cash flow | 59.8 | 46.9 |
| Fixed assets | -71.2 | -64.0 |
| Investments | 3.1 | 2.5 |
| Free cash flow | -8.3 | -14.6 |
| Dividend payments | -3.9 | -3.9 |
| Capital increase | 0.0 | 0.0 |
| Net change in cash flow | -12.2 | -18.6 |
| Net debt* beginning | -3.3 | -3.3 |
| Net debt* end | -8.9 | -15.3 |

CONCLUSION

Key Takeaways





About Us



Apollo Pipes (BSE: 531761; NSE: APOLLOPIPE), is among the top 10 leading piping solution providing Company in India. Headquartered in Delhi, the Company enjoys strong brand equity in the domestic markets. With more than 3 decades of experience in the Indian Pipe Market, Apollo Pipes holds a strong reputation for high quality products and an extensive distribution network.

Equipped with state-of-the-art infrastructure, the Company operates large manufacturing facilities at Dadri – UP, Ahmedabad – Gujarat Tumkur – Karnataka, and Raipur- Chhattisgarh with a total capacity of 136,000 MTPA. The multiple and efficient product profile includes over 1,600 product varieties of cPVC, uPVC, and HDPE pipes, PVC taps, fittings, water storage tank and solvent of the highest quality. The products cater to an array of industrial applications such as Agriculture, Water Management, Construction, Infrastructure, and Telecom ducting segments. The Company's extensive distribution network spreads for about 700+ channel partners.



For further information, Please contact:

Ajay Kumar Jain

Apollo Pipes Ltd

Email: akjain@apollopipes.com

+91-120-6587777



Sudesh Group

35 Years of
excellence



THANK YOU