



# APOLLO PIPES LTD.

Q3FY23 EARNINGS PRESENTATION

JANUARY, 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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**Q3FY23  
Highlights**



# COMPANY OVERVIEW

## Apollo Pipes at a Glance



**Among the Top 10**  
leading PVC pipe  
manufacturers in India



**131,200 MTPA**  
Capacity



**5**  
Manufacturing Plants



**600+**  
Channel Partners



**1500+**  
SKU's



**13%**  
5-year Sales Volume  
CAGR



**27%**  
5-year Revenue  
CAGR



**26%**  
5-year Net Profit  
CAGR

## Q3FY23 AT A GLANCE



**18,011 MT**  
**Sales Volume**  
44% YoY increase  
16% QoQ increase



**Rs. 236.7 Cr.**  
**Revenue**  
24% YoY increase  
14% QoQ increase



**Rs. 16.1 Cr.**  
**EBITDA**  
26% YoY decrease  
545% QoQ increase



**6.8%**  
**EBITDA Margin**  
454bps YoY decrease  
559bps QoQ increase



**Rs. 4.9 Cr**  
**PAT**  
57% YoY decrease  
Vs loss of Rs 4.8 Cr  
in Q2FY23



**Rs. 12.3 Cr.**  
**Cash Profit**  
32% YoY decrease  
452% QoQ increase



**10.4%**  
**H1FY23 ROCE**  
FY22 was 16.5%



**7.4%**  
**H1FY23 ROE**  
FY22 was 13.2%

## 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 1,500+ 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



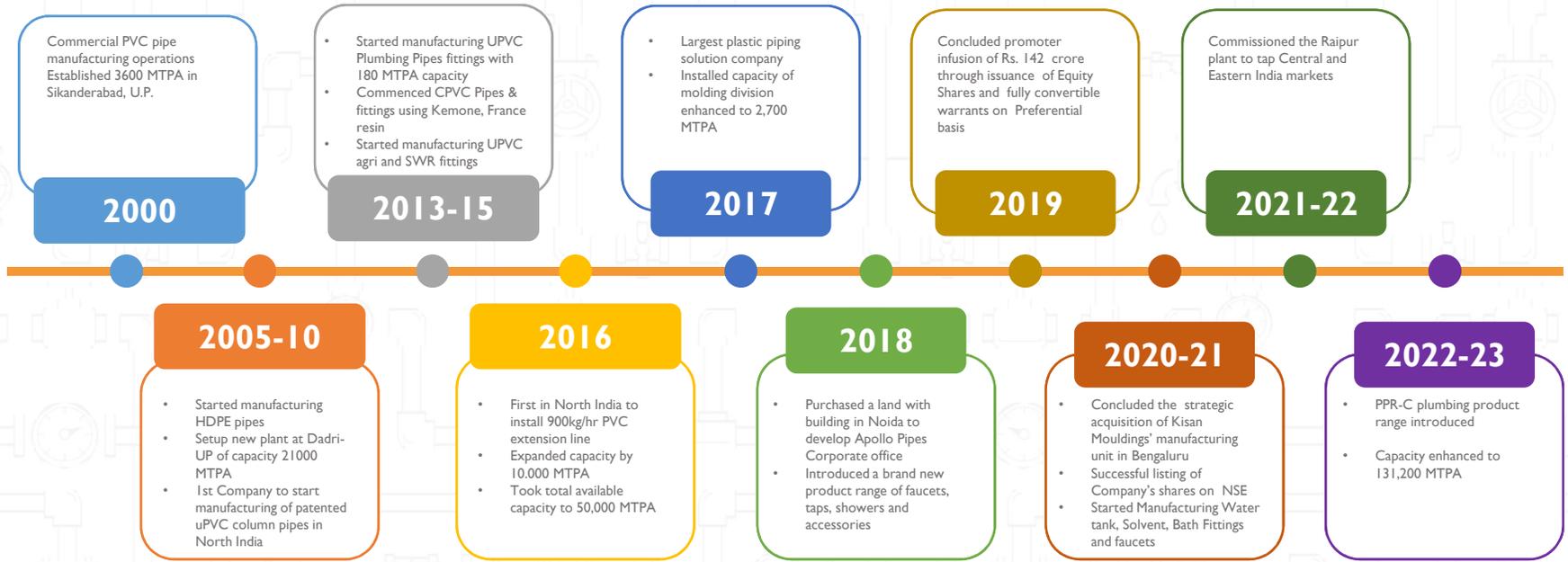
Solvent Cement

## WATER TANKS



Water Tanks

# Product Portfolio



www.apollopipes.com

**Robust 5-year CAGR**

(FY17 – FY22)

**13%**

Growth in Sales Volume

**25%**

Growth in EBITDA

**26%**

Growth in PAT



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](#)



Raveena Tandon Appointed as Brand Ambassador

Social Media campaign launched in Q3FY22 continue to garner good response

**Bath Fitting**  
(On Raveena's Platform)



6.8 Million Followers



8.5 Million Followers

Digital Campaign, Packaging promotions etc.



**#Amazing Everyday**

# 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





# GROWTH LEVERS

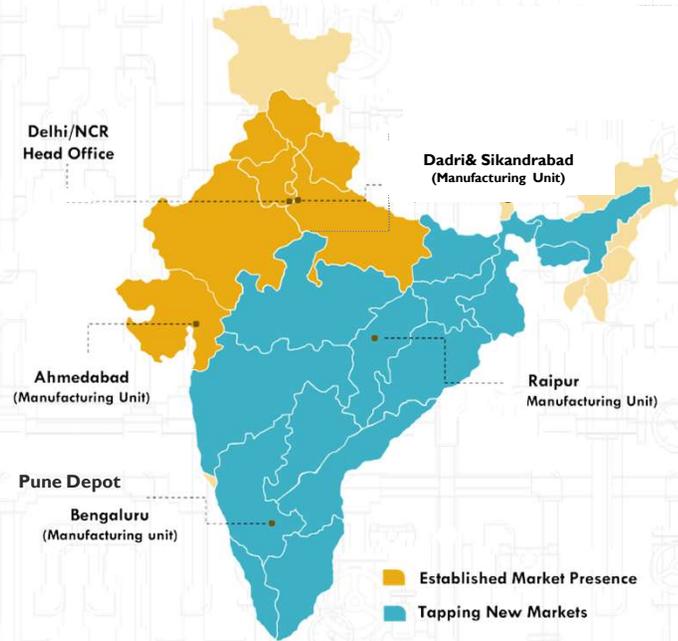
## Key Business Strength



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



150+ | Distributors 450+ | Dealers

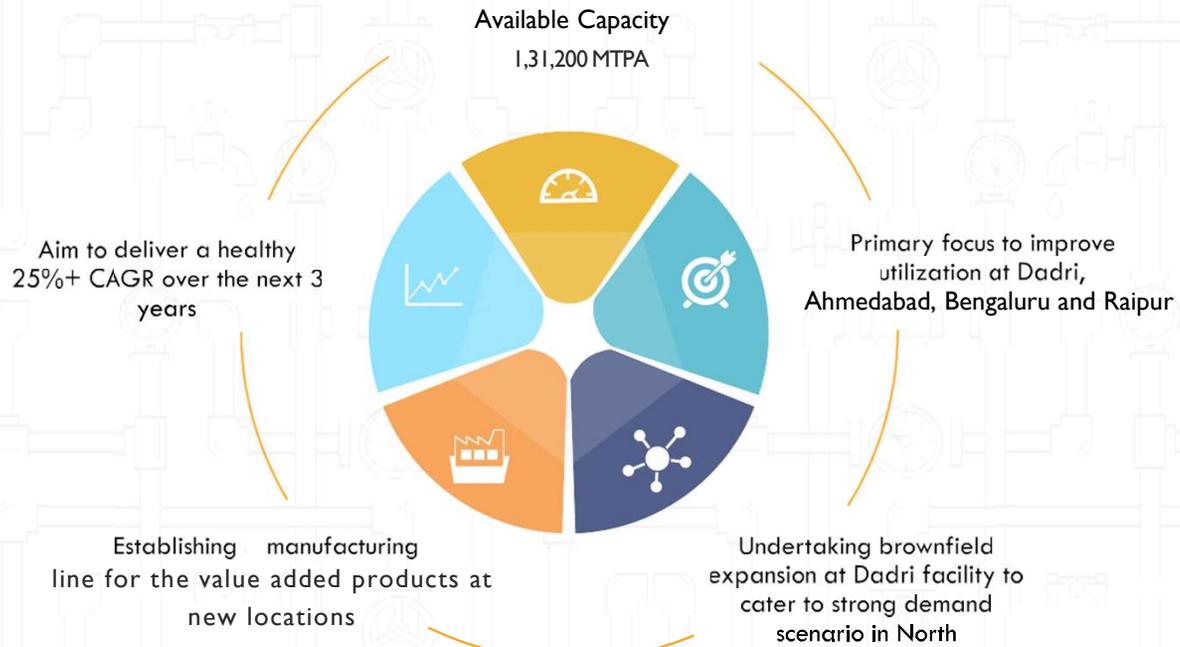


## Diversified Product Portfolio with total offerings at 1,500+, Aiming to achieve 2,500+ products to the basket

- 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



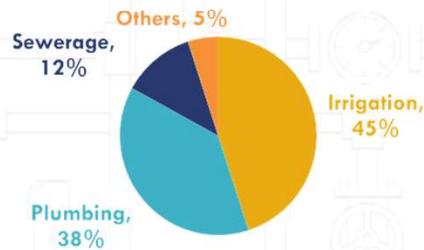


# MACRO GROWTH DRIVERS

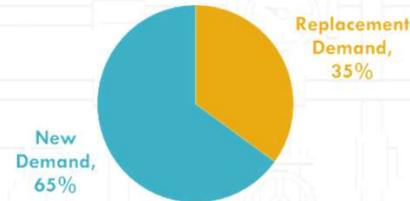
# PVC Pipe Industry

- The Indian PVC pipes and fittings market expected to register 15% CAGR during FY22 - FY26
- The domestic plastic pipes industry size at ~ ₹ 340Bn
  - Organized players account for ~60% 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

## Focus Areas for FY22-23



Strengthen foothold in existing markets of North, West and Southern India



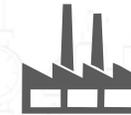
Undertake a phase-wise capacity expansion at the existing facilities over the next few quarters



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



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



Improve utilization at the existing manufacturing plants at all facilities

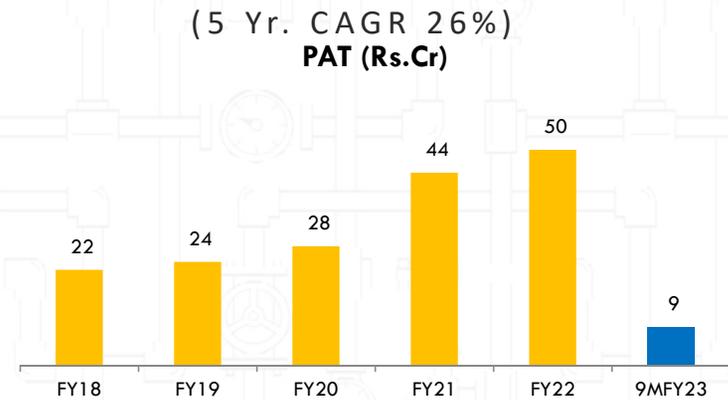
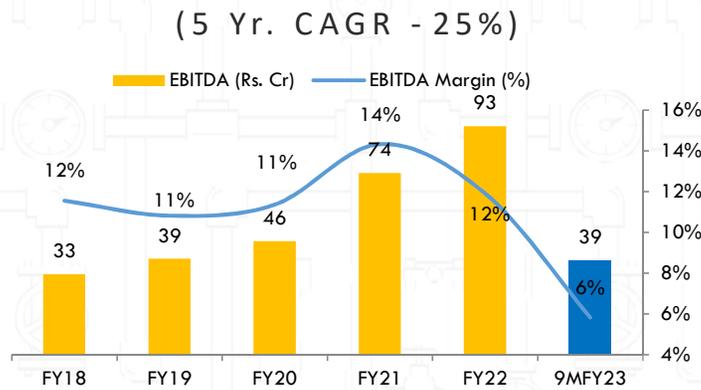
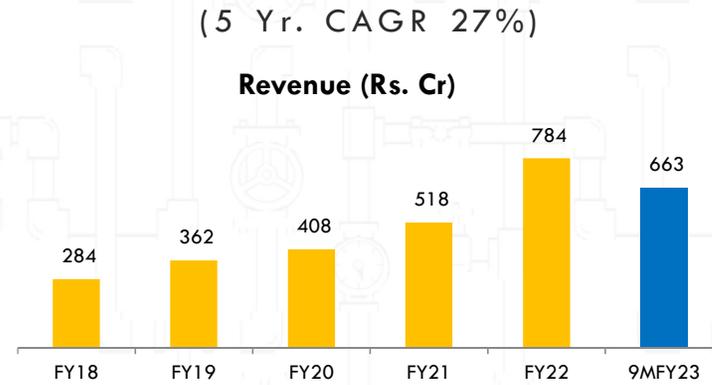
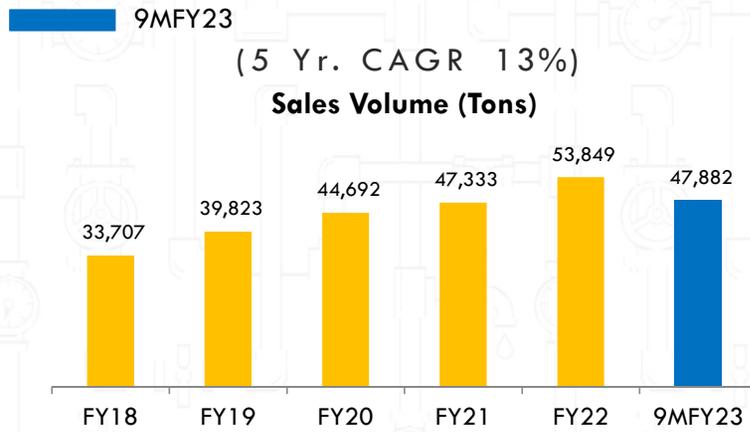


Undertake various brand building exercises and establish stronger brand recall in the established markets of North, West and Southern India

A hand holding a pen is shown in the foreground, positioned over a document. In the background, another person is working on a laptop. A white scale icon is overlaid on the image. The entire scene is tinted with a teal color.

# OPERATIONAL & FINANCIAL HIGHLIGHTS

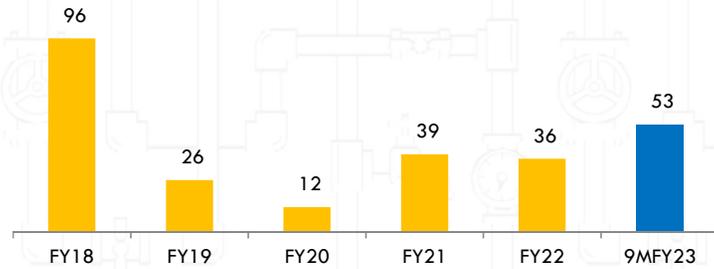
# Financial Trend



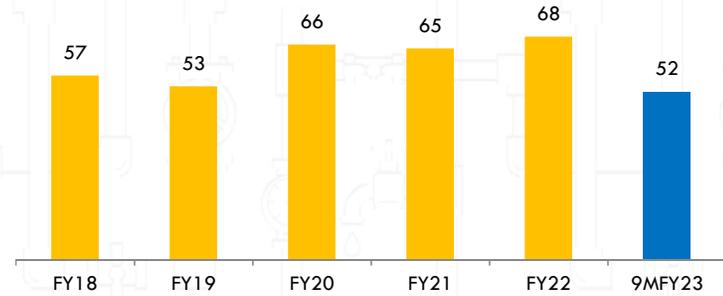
# Financial Trend

■ 9MFY23

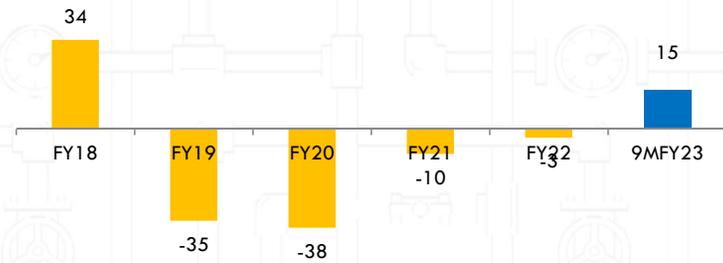
**Op. Cashflow (Rs. Cr)**



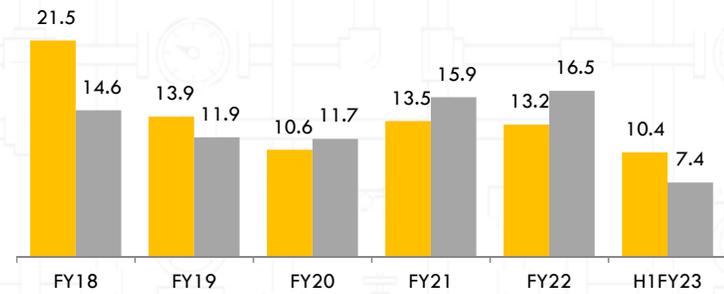
**Net Working Capital (Days)**



**Net Debt\* (Rs.Cr)**



■ ROE (%) ■ ROCE\*\* (%)

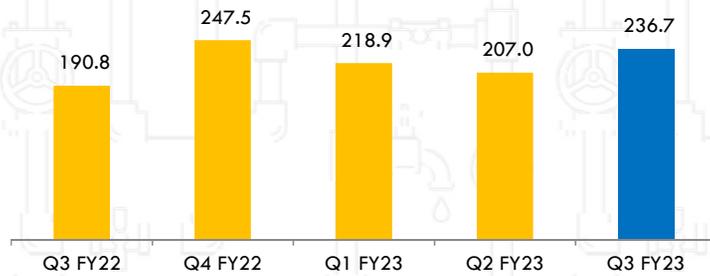


\*Negative due to Net cash, \*\* Capital Employed: Total Assets minus Current Liabilities

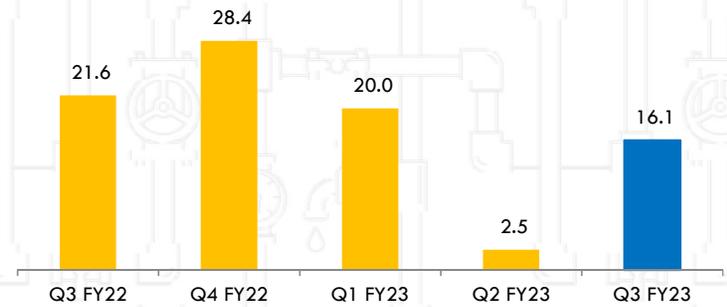
# Quarterly Performance

■ Q3FY23

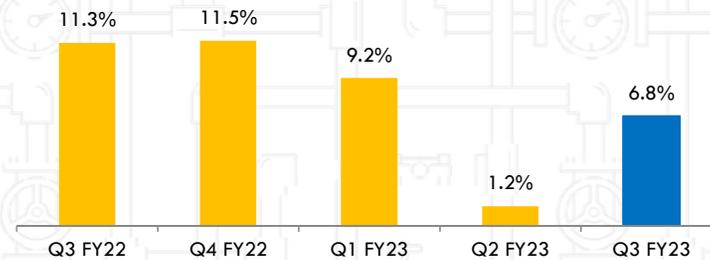
**Revenue (Rs. Cr)**



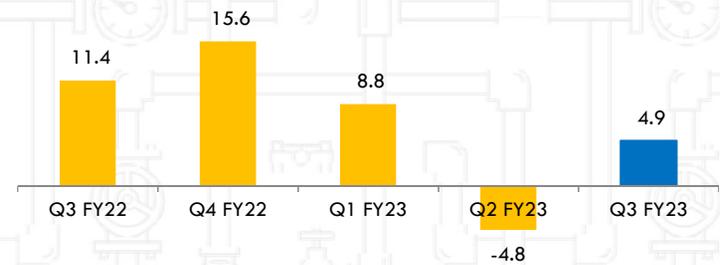
**EBITDA (Rs. Cr)**



**EBITDA Margin (%)**



**PAT (Rs. Cr)**



## Profit & Loss Statement

Particulars (Rs. crore)	Q3FY23	Q2 FY23	Q3FY22	Y-o-Y Shift	Q-o-Q Shift	9MFY23	9MFY22	Y-o-Y Shift
Total Income From Operations (Net)	236.7	207.0	190.8	24%	14%	662.6	536.6	23%
Total Expenditure	220.6	204.5	169.2	30%	8%	624.0	471.6	32%
Raw Material expenses	179.4	166.8	139.3	29%	8%	511.8	390.5	31%
Employee benefits expense	14.0	13.3	11.1	26%	5%	39.3	29.9	32%
Other expenses	27.1	24.4	18.8	44%	11%	72.8	51.3	42%
EBITDA	16.1	2.5	21.6	-26%	545%	38.6	65.0	-41%
EBITDA margin (%)	6.8%	1.2%	11.3%	-454 BPS	559 BPS	5.8%	12.1%	-629 BPS
Other Income	0.0	0.4	1.2	-98%	-94%	1.2	2.7	-54%
Finance Costs	2.1	2.2	0.8	173%	-5%	6.4	2.5	153%
Depreciation and Amortization	7.4	7.0	6.7	12%	6%	20.8	18.6	12%
PBT	6.6	-6.3	15.4	-57%	NM	12.6	46.6	-73%
Tax expense	1.7	-1.5	4.0	-57%	NM	3.7	12.5	-70%
PAT	4.9	-4.8	11.4	-57%	NM	8.9	34.2	-74%
PAT margin (%)	2.1%	-2.3%	6.0%	-390 BPS	NM	1.3%	6.4%	-503 BPS
EPS (Rs.)	1.2	-1.2	2.9	-57%	NM	2.3	8.7	-74%

## Balance Sheet and Cash flow Statement

Balance Sheet - Assets (Rs Cr)	H1FY23	FY22
Cash & Bank Balance	1.5	42.0
Receivables	60.2	70.5
Inventories	167.0	131.6
Other current assets	55.3	40.8
Fixed assets (net)	257.5	227.2
Right to use Assets	9.1	9.2
Investments	40.1	4.1
Other Assets/goodwill/CWIP	13.6	18.3
<b>Total Assets</b>	<b>604.2</b>	<b>543.9</b>
Balance Sheet - Liabilities (Rs Cr)	H1FY23	FY22
Trade payables	70.7	55.0
Other current liabilities	41.9	41.9
Debt	47.1	38.7
Others	5.1	1.4
Minority Interest/Provision	1.7	1.6
Shareholders' funds	437.7	405.3
<b>Total Equity &amp; Liabilities</b>	<b>604.2</b>	<b>543.9</b>

\*Negative due to Net cash

Cash Flow Statement (Rs Cr)	H1FY23	FY22
EBITDA	23.3	93.4
Changes in Accounts receivables	10.3	-7.8
Changes in Inventory	-35.3	-53.4
Other WC changes	10.6	19.5
Others	-0.1	0.4
Tax	-11.1	-15.8
<b>Operating cash flow</b>	<b>-2.4</b>	<b>36.3</b>
Interest	-4.2	-4.4
<b>Residual cash flow</b>	<b>-6.6</b>	<b>31.9</b>
Fixed assets	-43.5	-40.5
Investments	1.2	2.3
<b>Free cash flow</b>	<b>-48.9</b>	<b>-6.3</b>
Dividend payments	0.0	0.0
Capital increase	0.0	0.0
Net change in cash flow	<b>-48.9</b>	<b>-6.3</b>
<b>Net debt* beginning</b>	<b>-3.3</b>	<b>-9.6</b>
<b>Net debt* end</b>	<b>45.6</b>	<b>-3.3</b>

# 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 a 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 131,200 MTPA. The multiple and efficient product profile includes over 1,500 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 600+ channel partners.



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Sudesh Group

35 Years of  
excellence



**THANK YOU**