



Sudesh Group

35 Years of
excellence

APOLLO PIPES LTD.

Q3 & 9M FY21 EARNINGS PRESENTATION

January 16, 2021

www.apollopipes.com



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.

www.apollopipes.com



TABLE OF CONTENT

1



Apollo Pipes
Overview

2



Growth
Levers

3



Macro-Growth
Drivers

4



Future
Outlook

5



5 Year Financial
Highlights

6



Q3 & 9M FY21
Highlights



COMPANY OVERVIEW

APOLLO PIPES AT A GLANCE



Among the Top 10
leading PVC pipe
manufactures in India



1,00,000 MTPA
Capacity* as on
31 Dec 2020



4
Manufacturing
Plants



600+
Channel Partners



1500+
SKU's



14%
5-year Sales
Volume CAGR



19%
5-year Revenue
CAGR



29%
5-year Net
Profit CAGR

Q3 FY21 AT A GLANCE



11,445 MT
Sales Volume
7% YoY increase



128Cr.
Revenue
28% YOY increase



25.5 Cr.
EBITDA*
138% YoY increase



16.3 Cr.
PAT
145% YoY increase



58 Days
Net WC days Continuous
focus on improving WC cycle



19%
ROCE in 9M
FY21

*Business EBITDA

www.apollopipes.com

PRESENCE ACROSS SECTORS



Agriculture Segment

- Casing pipes
- Drip irrigation & Sprinkler system



Water Management Segment

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



Construction Segment

- Bore well pipes
- Sanitation & Sewage pipes
- Plumbing Pipes



Oil & Gas Segment

- Conveying edible oils and chemicals & corrosive fluids



Telecom Ducting Segment

Apollo Pipes - Key Focus Area



PRODUCT PORTFOLIO

Diversified Basket of 1,000+ Products



uPVC Piping System



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

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

SUCCESS MILESTONE



2000

- Commercial PVC pipe manufacturing operations.
- Established 3600 MTPA in Sikanderabad, U.P.

2005-10

- Started manufacturing HDPE pipes
- Setup new plant at Dadri-UP of capacity - 21000 MTPA
- 1st Company to start manufacturing of patented uPVC column pipes in North India

2013-15

- Started manufacturing uPVC Plumbing Pipes fittings with 180 MTPA capacity
- Commenced CPVC Pipes & fittings using Kemone, France resin
- Started manufacturing uPVC agri and SWR fittings.

2016

- First in North India to install 900kg/hr PVC extension line
- Expanded capacity by 10,000 MTPA
- Took total available capacity to 50,000 MTPA

2017

- Largest plastic piping solution company
- Installed capacity of molding division enhanced to 2,700 MTPA

2018

- Purchased a land with building in Noida to develop Apollo Pipes Corporate office
- Introduced a brand new product range of faucets, taps, showers and accessories

2019

- Concluded promoter infusion of Rs.202 crore through issuance of Equity Shares and fully convertible warrants on Preferential basis

2020-21

- Concluded the strategic acquisition of Kisan Mouldings' manufacturing unit in Bengaluru
- Successful listing of Company's shares on NSE
- Started Manufacturing Water tank, Solvent & Bath Fittings

Robust 5-year CAGR

(FY16 - FY20)

14%

Growth in Sales Volume

24%

Growth in EBITDA

29%

Growth in PAT

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 ("BLSP") 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

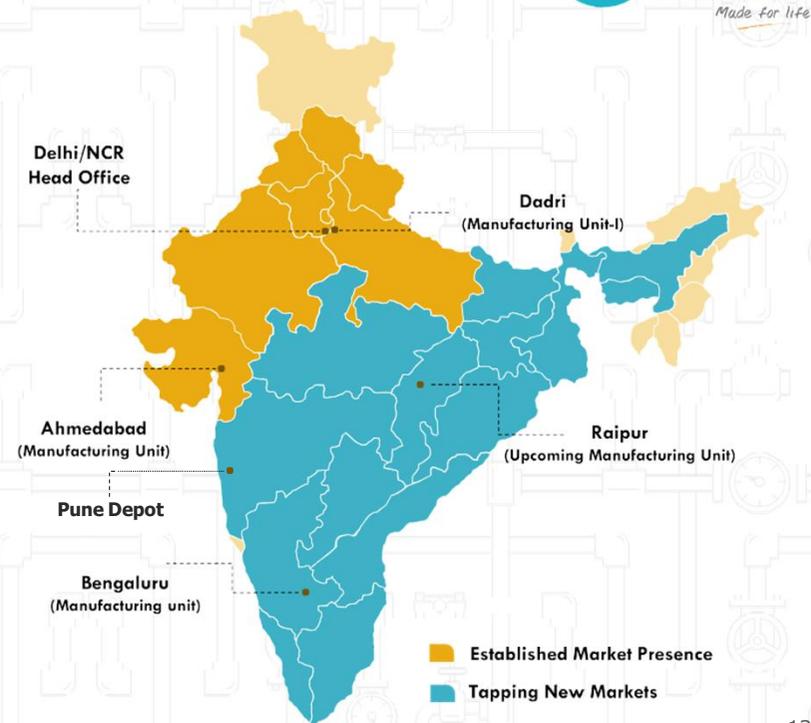


GROWTH LEVRS

Key Business Strength



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



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 and Ahmedabad
- Emphasis on innovation: One of the first companies to launch "Super Lock System" pipes in the country - Awarded 10 year patent for the innovative product
- 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 - Target to install 125,000 MTPA by March 2021



Efficiently leverage the 'APL Apollo' brand reach and recall to drive higher growth



The 'APL Apollo' Brand Edge enables better reach and product competitiveness



- Branding Activities – Sports sponsorship
- Principal Sponsor of Pro Kabbaddi League
- IPL TVC – Principal sponsor of Delhi Capitals
- Branding sponsor of 'India vs West Indies' cricket series

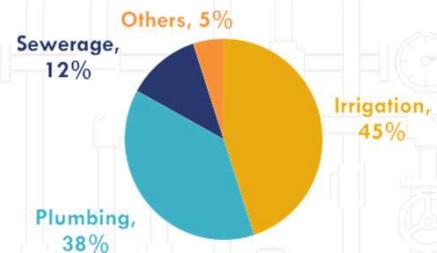
MACRO GROWTH DRIVERS

PVC Pipe Industry

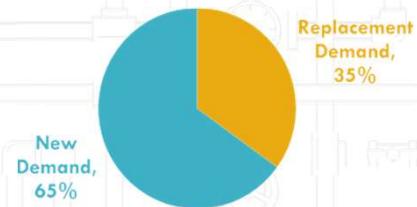
The Indian PVC pipes and fittings market expected to register 15% CAGR during FY18 - FY26

- The domestic plastic pipes industry size at ~ ₹ 315B
- 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
- GoI 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 FY21-22



Strengthen foothold in existing markets of North and Western India



Undertake a phase-wise capacity expansion at the existing facilities over the next few quarters
Successfully integrate inorganic acquisition in the South



Register solid growth in volumes – targeting volume growth of around 25%+ CAGR



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



Improve utilization at the existing manufacturing plants at Dadri and Ahmedabad



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

OPERATIONAL & FINANCIAL HIGHLIGHTS

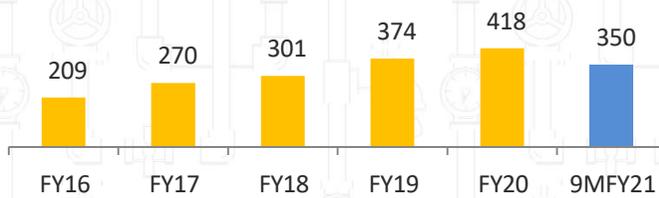
Financial Trend



9M FY21

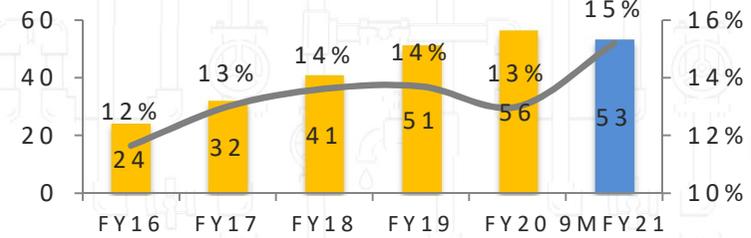
(CAGR - 19%)

Revenue (Rs. Cr)



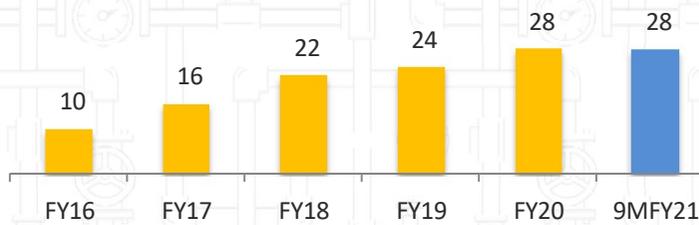
(CAGR - 24%)

EBITDA (Rs. Cr) — EBITDA Margin (%)



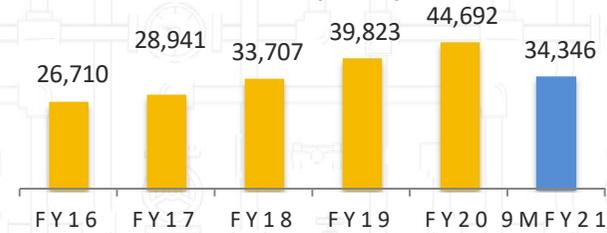
(CAGR - 29%)

PAT (Rs. Cr)



(CAGR - 14%)

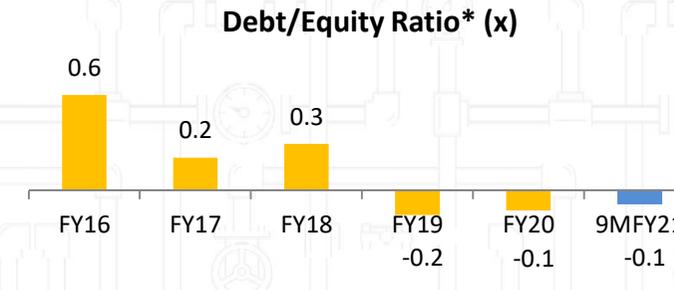
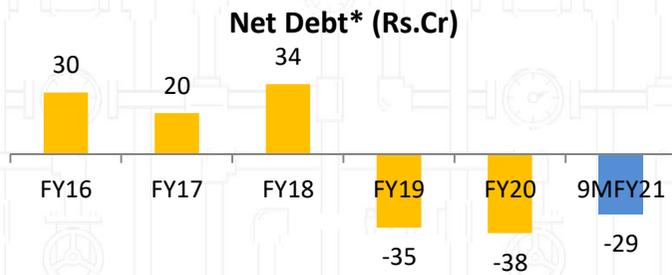
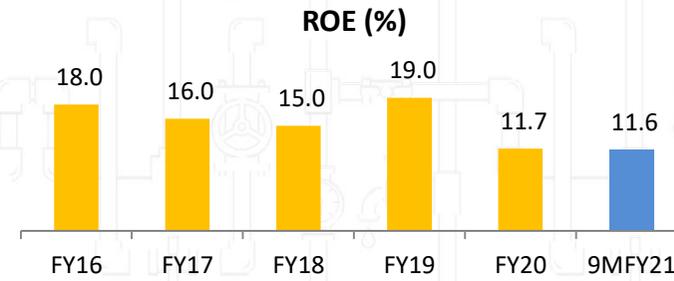
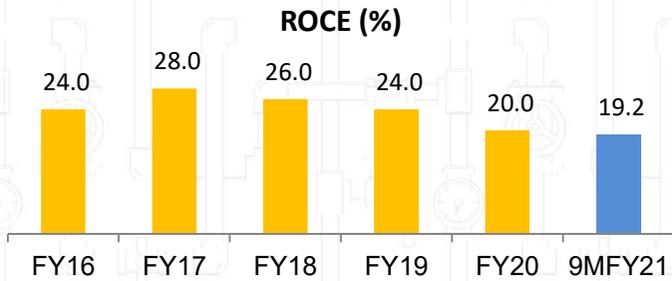
Volume (Tons)



Financial Trend



9M FY21



*Negative due to Surplus Cash

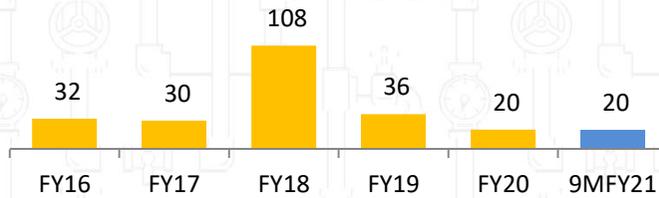
www.apollopipes.com

Financial Trend

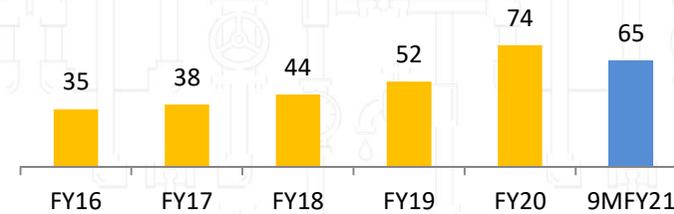


9M FY21

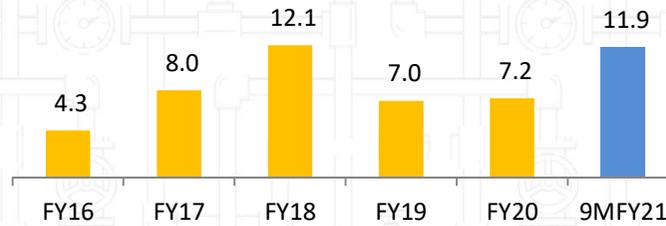
Op. Cashflow (Rs. Cr)



Net Working Capital (Days)



Interest Coverage Ratio (x)



Debt/EBITDA* (x)



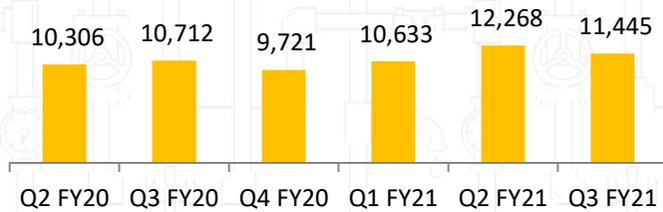
*Negative due to Surplus Cash

www.apollopipes.com

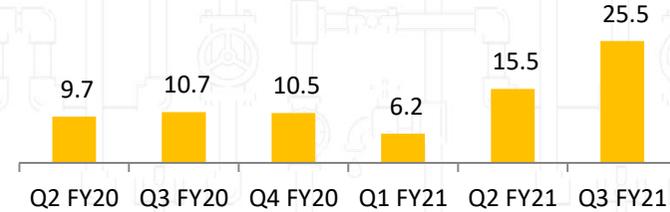
Quarterly Performance



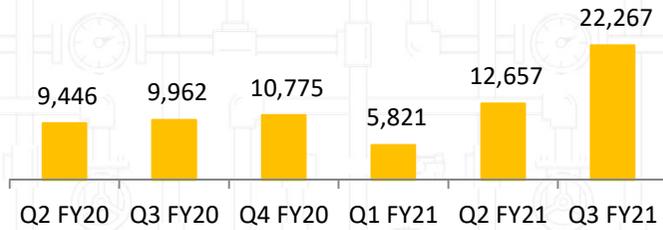
Sales Volume (Tons)



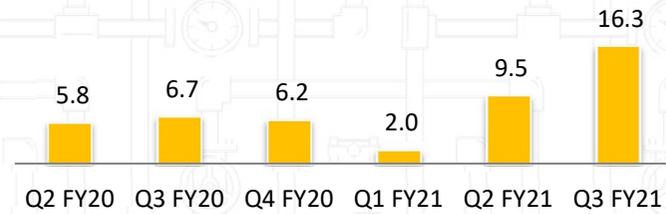
EBITDA (Rs. Cr)



EBITDA/Ton (Rs)



PAT (Rs. Cr)



Abridged P&L Statement



INR-Crores

Particulars	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21	Q3FY21	Y-o-Y Shift	Q-o-Q Shift
Sales Volume	10,712	9,721	44,692	10,633	12,268	11,445	7%	-7%
Total Income From Operations (Net)	100	94.1	408.0	92.5	123.3	128.1	28%	4%
Raw Material costs	69.3	65.7	288.8	72.7	84	79.2	14%	-6%
Employee benefits expense	6.9	6.9	26.4	5.2	7.5	8	16%	7%
Other expenses	13.2	11.1	46.4	8.7	16.3	15.4	17%	-6%
EBITDA	10.7	10.5	46.4	6.2	15.5	25.5	138%	65%
EBITDA margin (%)	11%	11%	11%	7%	13%	20%	900 BPS	700 BPS
Other Income	2.9	2.6	10.1	2.1	1.9	1.9	-34%	-2%
Finance Costs	1.7	2	6.1	2.1	0.7	0.6	-65%	-17%
Depreciation and Amortization	3.4	3.7	12.7	3.4	4.1	4.4	29%	9%
PBT & Exceptional Item	8.5	7.4	37.7	2.9	12.7	22.3	162%	76%
Exceptional Items	0	0	0	0	0	0		
PBT	8.5	7.4	37.7	2.9	12.7	22.3	162%	76%
Tax expense	1.8	1.3	9.2	0.9	3.2	6	233%	88%
PAT	6.7	6.2	28.5	2.0	9.5	16.3	143%	72%
PAT margin (%)	7%	7%	7%	2%	8%	13%	600 BPS	500 BPS
Diluted EPS (Rs.)	4.6	4.3	21.8	1.5	7.3	12.5	172%	71%

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 and Tumkur – Karnataka, with a total capacity of 84,000 MTPA. The multiple and efficient product profile includes over 1,000 product varieties of cPVC, uPVC, and HDPE pipes, PVC taps and fittings 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 across 450 dealers / retailers and over 150 distributors.



For further information,
Please contact:

Ajay K Jain
Apollo Pipes Ltd
Email: ajain@apollopipes.com

Anoop Poojari / MitShah
CDR India
Tel: +91 98330 90434 / +91 99201 68314
Email: anoop@cdr-india.com /
mit@cdr-india.com



Sudesh Group

35 Years of
excellence

THANK YOU

www.apollopipes.com

