



APOLLO PIPES LIMITED

Investor Presentation – January 2018



Disclaimer

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 the Company's ability to successfully implement its strategy, growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, 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.



Company Overview



Macro-growth Levers



Strategic Growth Pillars



Key Focus Areas



Financial Highlights

COMPANY OVERVIEW





One of the leading PVC pipe manufacturers

53,000

MTPA - Available
Capacity

10+

Presence in Global
marketplaces

~48

Hours

Among the fastest
turnover time in
industry

1,00,000

MTPA - Available
capacity targeted by
2019

1,000+

Products

15%

Volume Growth
5-yr CAGR

Among the top 10 leading PVC pipe manufacturers in India

Success Milestones

- Commenced PVC pipe manufacturing operations
- Established 3,000 MTPA plant in Sikanderabad, U.P.

- Started manufacturing uPVC Plumbing fittings with 180 MTPA capacity

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

Robust growth trend over last 5 years (FY13 – FY17)

19%
growth in Sales

31%
growth in EBITDA

41%
growth in PAT

2000

2005-10

2013

2014-15

2016

2017

- 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

- Commenced manufacturing cPVC Pipes & fittings using Remone, France resin
- Started manufacturing uPVC agri and SWR fittings

- Largest plastic piping solution company
- Installed capacity of molding division enhanced to 2,700 MTPA
- Began work on establishing Greenfield facility in Ahmedabad, Gujarat to cater Western India

Growth Map

Figures in Rs. crore

Particulars	FY2013	FY2014	FY2015	FY2016	FY2017	CAGR
Sales	121	149	179	208	239	19%
EBITDA	11	12	16	24	32	31%
PAT	4	4	14*	10	16	41%
Available Capacity MTPA (~)	30,000	34,000	35,000	52,000	53,000	15%
Sales Volume (MTPA)	16,398	19,249	21,598	25,115	28,977	15%
No of Dealers/Distributors	54	72	79	96	110	-

- Includes Tax-free LTCG of Rs.9 crore. Business PAT is Rs. 5 crore.
- No. of Dealers / Distributors



Key Strengths



Strong foothold in India



Proven expertise in complex projects



Multiple and efficient product offerings – 1,000+ products



Catering to multiple sectors –
Agriculture, Water Management, Infrastructure



Strong and highly experienced Management Team

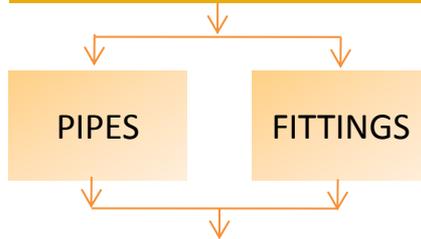


Advanced & efficient equipment & technology

Product Portfolio- Diversified Basket of 1,000+ Products



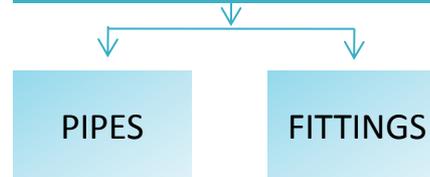
uPVC PIPING SYSTEM



- uPVC PIPES
- uPVC RING FIT PIPES
- uPVC COLUMN PIPES
- uPVC RIBBED SCREEN PIPES
- uPVC PLUMBING PIPING SYSTEM
- uPVC AGRI FITTINGS
- SWR PIPES AND FITTINGS



CPVC PIPING SYSTEM



HDPE PRODUCTS



- PLB DUCTS
- IRRIGATION PIPES
- SPRINKLER PIPES

Product Application across Sectors



Aiming Pan-India Distribution Presence

Enjoys a dominant and leading presence in North India

Tapping newer markets to reduce inventory cost for Distributors & Dealers

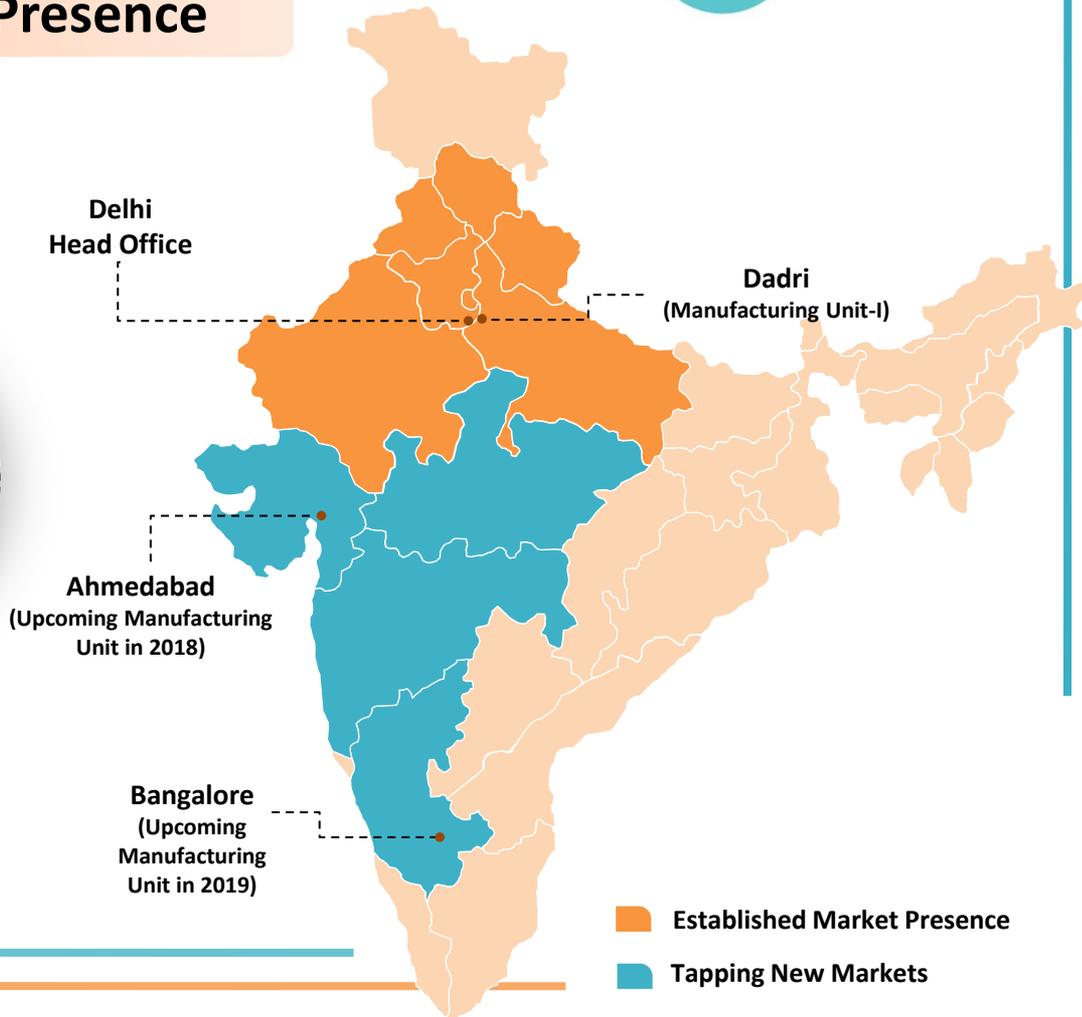
Extensive distribution network significantly reduces delivery time to 48 hours (from 10-12 days)

450+

Dealers/Retailers

120+

Consignment Agents
Stockist Distributors



Manufacturing Facilities

Close-to-demand distribution network catering to key markets of North, West and Central India

Best in class Manufacturing Facility, with advanced equipment & practices

All major certifications/ accreditations



In-house manufacturing offers incremental contribution to volumes and delivery capabilities



Product Development & Handling

**In-house CPVC
Compounding
for Pipes &
Fittings.**

**In-house
development of
extrusion moulds
for better efficiency**

**Strong Technical
know how
among Employee
base**

**Solid experience
of manufacturing
pipes with set
specifications**



Customer Profile

Conglomerates



Government Bodies



Experienced Management Team

Mr. Sameer Gupta

Director

B.Com Honors from Delhi University (SRCC)

Mr. Sameer Gupta joined the family business in the year 2000 and established the PVC Pipes unit business

Under his leadership, the Company continues to reach newer heights, nurturing the values of Hard Work, Commitment to Quality, Excellence & Growth

Mr. Sanjay Gupta

Director

Mr. Sanjay Gupta is the second generation of the entrepreneurial family Holds a rich experience of over 2 decades in the steel & pipe industry

Mr. A.K. Jain

Senior General Manager (Finance)

Chartered Accountant
ICAI,

20 Years in the field of Finance and
Accounting

Mr. Manoj Sharma

Senior General Manager (Sales)

B. Sc,
25 Years into Plastic Pipes Sales &
Marketing

Mr. V.S. Verma

Senior General Manager (Business Development)

BE(EEE),
23 Years Experience in field of Project
Engg., Product Development &
Procurement

Mr. N.S. Rana

General Manager (Production)

B.Sc & CIPET,
30 Years into Plastic Pipes Processing

Our Health, Safety and Environmental Policy

- ✓ 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
- ✓ High level of machine maintenance
- ✓ Complete in-house set-up for re-use of Polymer Waste ensuring nil environmental pollution





MACRO GROWTH LEVERS



At the Forefront of multiple sector trends

Urban Infrastructure / Construction :

- Increasing Urbanization, changing consumer preferences and a shift towards branded products
- Pipes for a varied usage: Water Management, Waste Management, Water Drainage & Sewerage System, Urban Transport, Urban Roads
- 'Housing for All' scheme
- 'Smart Cities' scheme
- The latest budgetary outlay for infrastructure spending has been increased to Rs. 3.96 lakh crore for various projects including housing, railways, ports and irrigation
- Urban & rural housing – both driving demand for pipes



Infrastructure push to enhance opportunity for PVC piping system in plumbing and distribution

At the Forefront of multiple sector trends

Water Management :

- Government focus on water and sanitation management
- Strong focus on providing clean water, clean cities with well-organized plans for sewage removal and efficient transport facilities
- The Swachh Bharat Mission (SBM) saw a budgetary allocation of Rs 16,248 crore
- National Rural Drinking Water Mission (NRDWM) to create a safe drinking water program



Rehabilitation of aging pipelines and installation of new pipes in transportation of liquids offers a significant opportunity

At the Forefront of multiple sector trends

Agriculture Focus :

- Improving irrigation schemes for farmers
- Water Table Depletion – increase in bore well activities leading to higher demand of larger diameter pipes
- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)
- Increase in land under irrigation for food production
- Agriculture and allied segment were allocated Rs. 187,233 crore in the Union Budget



Increasing agriculture focus will have better demand for irrigation and thus demand for PVC pipes

STRATEGIC GROWTH PILLARS



Scale-up distribution network across India to augment presence and improve market penetration

01 Strengthening Distribution & Footprint

02 Diversified Product Portfolio

03 Focus on Value-added Products - Fittings

04 Capacity Expansion

05 The 'APL Apollo' Brand Edge

- Establishing a solid presence in key markets
- Strong presence in North India – extending market reach in other parts of India.
- Growing outreach offer a series of benefits such as multiple touch points, business scale, brand reach and elevation of business capabilities
 - Adopted cash-n-carry model, which helps optimize receivables and guarantee actual cash receipts

Diversified Product Portfolio with total offerings at 1,000+, aiming to achieve 2,000+ products to the basket

01 Strengthening Distribution & Footprint

02 Diversified Product Portfolio

03 Focus on Value-added Products - Fittings

04 Capacity Expansion

05 The 'APL Apollo' Brand Edge

- Entire range of products manufactured at the technologically-advanced manufacturing facility at Dadri
- 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
- Offers the widest range of pipe sizes in the domestic industry. (1/2” to 16”)
- Enhancing product offerings across the value added chain to drive growth

Sharp focus on Value-Added Products: Fittings – to help strengthen the value chain

01 Strengthening Distribution & Footprint

02 Diversified Product Portfolio

03 Focus on Value-added Products - Fittings

04 Capacity Expansion

05 The 'APL Apollo' Brand Edge

- Focused approach towards Fittings across uPVC and cPVC that offer significantly higher margins
- High-growth segment – rapidly gaining market share
- Focus on increasing contribution from fittings segment from 7% in FY17 to 15% by FY2020
- Capacity expansion planned to cater growing demand

Capacity Expansion to aid long-term growth plan – to achieve 1,00,000 MTPA by FY19

01 Strengthening Distribution & Footprint

02 Diversified Product Portfolio

03 Focus on Value-added Products - Fittings

04 Capacity Expansion

05 The 'APL Apollo' Brand Edge

- Total available capacity of 53,000 MTPA
- Greenfield capacity at Ahmedabad, Gujarat to be commissioned by FY18 – 20,000 MTPA of available capacity
- To establish Greenfield facility in Bangalore by FY19 – 25,000 MTPA of available capacity
- Upcoming facilities to facilitate higher production and reduce logistics costs
- Constant upgradation of existing manufacturing facility at Dadri
 - Planned enhancement of: cPVC & uPVC Piping System & fittings

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

01 Strengthening Distribution & Footprint

02 Diversified Product Portfolio

03 Focus on Value-added Products - Fittings

04 Capacity Expansion

05 The 'APL Apollo' Brand Edge

- The 'APL Apollo' brand has covered several milestones in its journey since inception
- Brand synonymous with quality and reliability of operations
- Strong brand recall amongst several distributors and customers
- The Company's association with the brand, its diverse product range and offerings across sectors ups the ante in terms of reach and competitiveness of the Company
- Undertaking various brand building and brand awareness initiatives to further strengthen Brand reach
- Largest selling brand for steel & plastic piping solution in India



Key Focus Areas

Continuous Branding Activities – To leverage on **Brand ‘APL Apollo’**

Diversifying manufacturing base – Entering Western & Southern India with Greenfield facilities located in Gujarat & Bangalore

New Product launches – Targeting a basket of **2,000+ products** with immaculate features and utility of products

Cost Efficiency – Well-penetrated distribution network to reduce logistic costs at all levels of operations

Tapping Macro-Growth Opportunities – Across sectors – Agriculture, Urban Infrastructure, Transportation

Capacity Upgradation – Continuous upgradation of existing facilities

Premium Quality – To deliver product quality synonymous with the ‘APL Apollo’ brand

Streamlined Operations – To ensure smooth project realization through an extensive and Pan-India distributor network



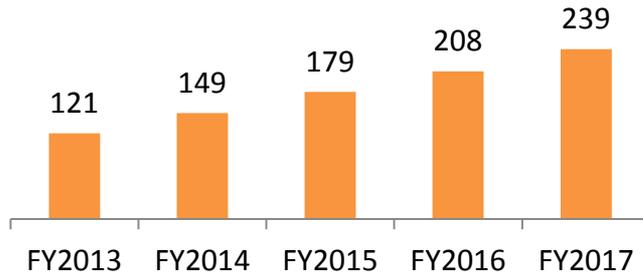
FINANCIALS



₹ Financial Trend

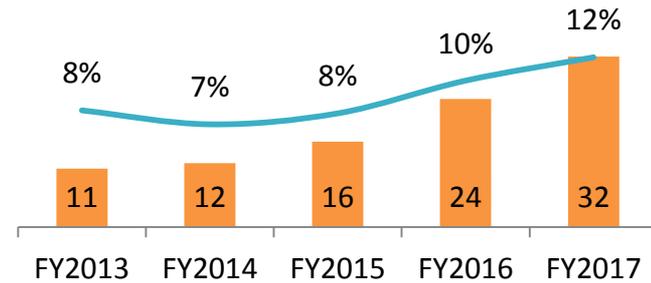
CAGR – 19%

Revenue (Rs. Cr)



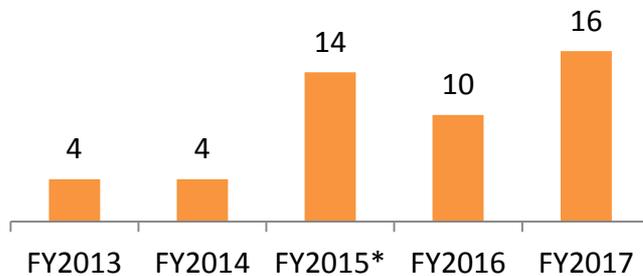
CAGR – 31%

EBITDA (Rs. Cr) — EBITDA Margins (%)



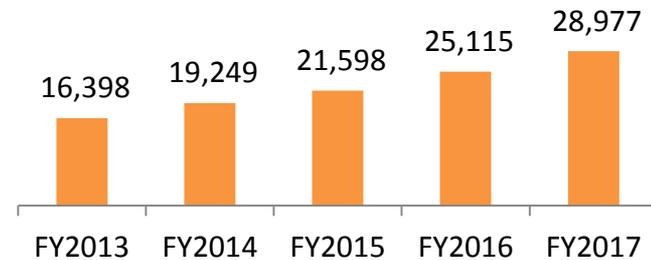
CAGR – 41%

PAT (Rs. Cr)



CAGR – 15%

Volume (MTPA)



* Includes Tax-free LTCG of Rs.9 crore. Business PAT is Rs. 5 crore.

THANK YOU



For further information, please contact:

A.K. Jain
Apollo Pipes Ltd
Email: akjain@apollopipes.com

Anoop Poojari / Shikha Kshirsagar
CDR India
Tel: +91 22 6645 1211/ 6645 1243
Email: anoop@cdr-india.com
shikha@cdr-india.com