



Apollo Pipes Limited

37, Hargobind Enclave, Vikas Marg, New Delhi-110092, India

Q4 FY2018

Sales volume improves by 23% Y-o-Y to 8,646 MTPA

EBITDA increases by 27% Y-o-Y to Rs. 12 crore

PAT higher by 126% to Rs. 12 crore

New Delhi, May 23, 2018: Apollo Pipes Limited, among the top 10 leading piping solution providing Company in India, announced its financial results for the quarter and full year ended March 31, 2018.

Financial Performance Highlights

Performance Review for FY18 vs. FY17

- Sales Volume* improves by 16% to 32,181 tons from 27,685 tons
- Net Revenues increases by 18% to Rs. 284.5 crore compared to Rs. 241.1 crore
- EBITDA higher by 7% to Rs. 32.9 crore compared to Rs. 30.6 crore
- Net Profit after Tax improves by 41% to Rs. 22.1 crore compared to Rs. 15.7 crore
- Diluted Earnings Per Share (not annualized) at Rs. 19.99 as compared to 14.22

Performance Review for Q4 FY18 vs. Q4 FY17

- Sales Volume* improves by 22% to 8,275 tons from 6,757 tons
- Net Revenues increases by 17% to Rs. 74.4 crore compared to Rs. 63.4 crore
- EBITDA higher by 27% Y-o-Y to Rs. 12.1 crore compared to Rs. 9.5 crore
- Net Profit after Tax increases by 126% to Rs. 12.0 crore compared to Rs. 5.3 crore
- Diluted Earnings Per Share (not annualized) at Rs. 10.88 as compared to Rs. 4.92

Note:

*Excluding others segment



Management's Message

Commenting on the Company's performance for Q4 & FY2018, Mr. Sameer Gupta, Chairman, Apollo Pipes said,

"We are pleased to report a robust set of results during the fiscal 2018, registering a healthy volume growth of 16% along with a strong PAT growth of 41%. This performance is commendable, especially given the challenging macro-environment. The growth during the period was driven by a strong uptick in sales volume and an increasing contribution from the value-added segments such as fittings. In addition, new account wins and sustained market share also contributed positively to the overall result performance during the period under review.

I am happy to share that we have successfully commenced commercial production at our Greenfield manufacturing facility in Ahmedabad, Gujarat during the quarter. This plant is equipped with technologically-advanced and environmental-friendly processes that will manufacture a range of piping products. With this new facility in place, we are confident of boosting our market presence in the western region and the neighboring markets.

In addition, we are also expanding capacity in a phase-wise manner at our existing facilities of Dadri and Ahmedabad over the next few quarters. Simultaneously, the Company will be rolling-out a new Greenfield facility in Bangalore by March 2019. We believe, this capacity expansion will enable us to meet the growing demand for our products across various sectors.

As we look ahead, we remain optimistic of improving our business momentum against a backdrop of proactive strategic initiatives, improving macros and a fundamentally robust business model. Our combined efforts towards stronger branding activities, innovative products launches and distribution scale, will enable us to create tremendous value for all stakeholders in the years to come."



Key Developments

- **Successfully commenced commercial production at the new manufacturing unit located in Ahmedabad, Gujarat**
 - State-of-the-art manufacturing facility will have an initial capacity of 10,000 MTPA, thereby taking the Company's total available current capacity to 70,000 MTPA
 - The Company plans to further expand capacity at the Ahmedabad facility to 25,000 MTPA by March 2019
 - New facility will help boost the Company's market presence in the western region and neighboring markets
- **Establishing a Greenfield facility in Bengaluru, Karnataka by March 2019**
 - Greenfield facility in Bengaluru scheduled to be commissioned by Q4 FY2019 with a total proposed capacity of 50,000 MTPA
 - The Company's strong focus towards capacity expansion further reinforces its vision to achieve a target capacity of 155,000 MTPA by FY2020, thus making Apollo Pipes as one of the largest PVC pipe manufacturer in India
 - The Company is further exploring opportunity to expand presence in Eastern India by FY2020
- **Expanding capacity at existing manufacturing unit at Dadri, UP**
 - In Q4 FY18, the Company expanded capacity at its Dadri unit by 7,000 MTPA to 60,000 MTPA by installing additional lines at the plant
 - The Company will be further setting up additional capacity in a phase-wise manner at the existing plant of Dadri - the first phase of the expansion is expected to be operationalized by Q4 FY2019
 - Targeting a total installed capacity of 80,000 MTPA at the Dadri unit by March 2020
 - In sync with the expansion strategy, the Company has secured a Factory Land, adjacent to its existing unit at Dadri, Uttar Pradesh and will be installing state-of-the art manufacturing lines & machineries at the new expanded facility



About the Company

Apollo Pipes (BSE: 531761), 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 and testing equipments, the Company operates large manufacturing facilities at Dadri, UP and Ahmedabad, Gujarat with a total capacity of 70,000 MTPA. The multiple and efficient product profile includes over 1,000 product varieties of cPVC, uPVC, and HDPE pipes & fittings of the highest quality, ranging from 15mm to 400mm in diameter. 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 120 consignment agents, Stockist and Distributors.

For more information about us, please visit www.apollopipes.com or contact:

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DISCLAIMER:

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Apollo Pipes Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



APOLLO PIPES LIMITED

Q4 & FY18 Earnings Presentation

May 23, 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 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.

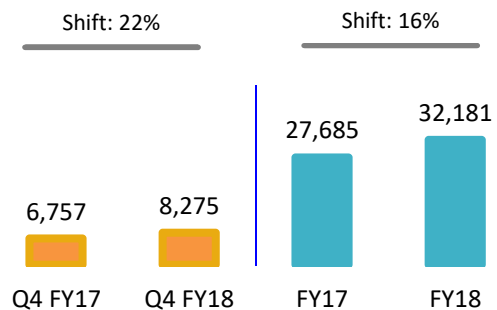


Operational & Financial Highlights Q4 & FY2018

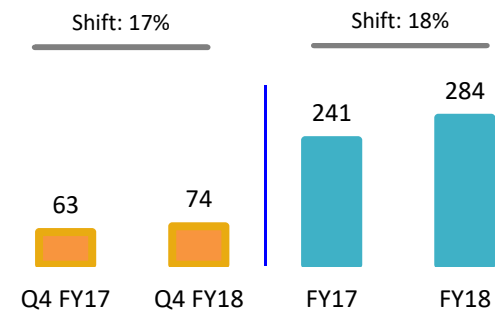


Q4 & FY18 – Performance Highlights

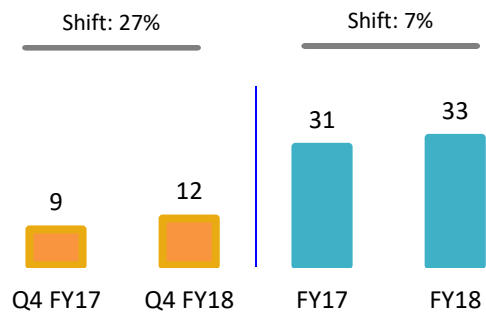
Sales Volume* (MTPA)



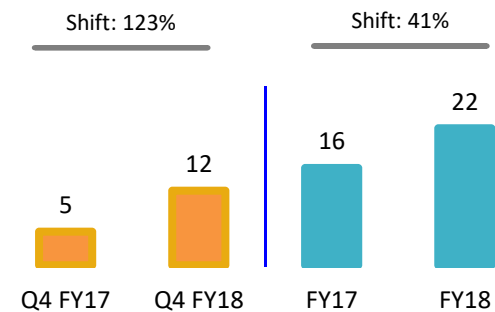
Net Revenues (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



Margins

15%	16%	13%	12%
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8%	16%	7%	8%
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Note: *Excluding others segment



Key Developments

Successfully commenced commercial production at the new manufacturing unit located in Ahmedabad, Gujarat

- State-of-the-art manufacturing facility will have an initial capacity of 10,000 MTPA, thereby taking the Company's total available current capacity to 70,000 MTPA
- The Company plans to further expand capacity at the Ahmedabad facility to 25,000 MTPA by March 2019
- New facility will help boost the Company's market presence in the western region and neighboring markets

Establishing a Greenfield facility in Bengaluru, Karnataka by March 2019

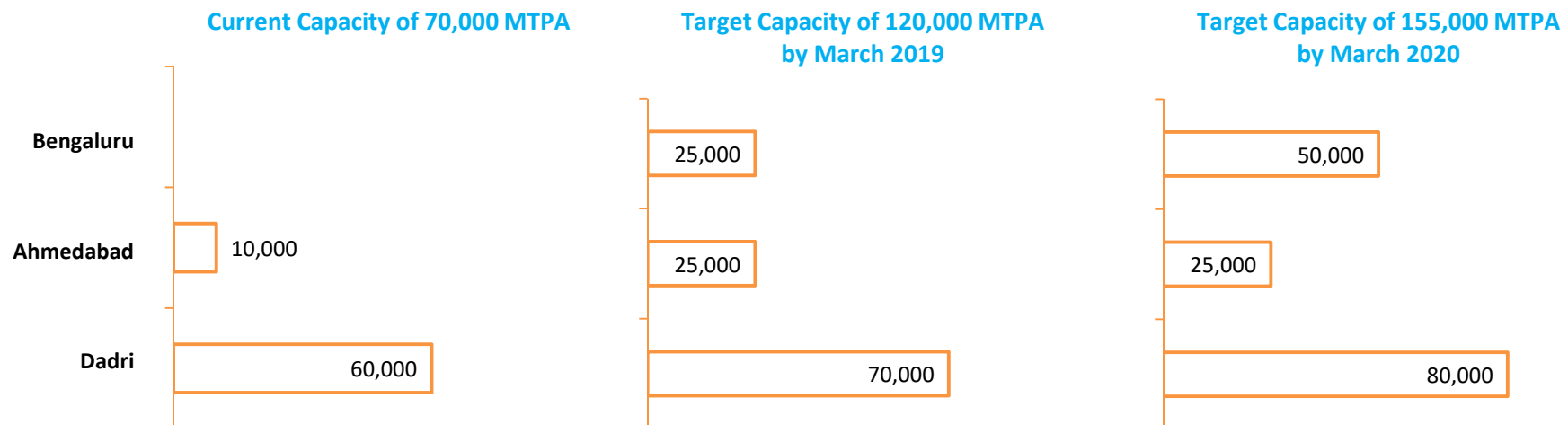
- Greenfield facility in Bengaluru scheduled to be commissioned by Q4 FY2019 with a total proposed capacity of 50,000 MTPA
- The Company's strong focus towards capacity expansion further reinforces its vision to achieve a target capacity of 155,000 MTPA by FY2020, thus making Apollo Pipes as one of the largest PVC pipe manufacturer in India
- The Company is further exploring opportunity to expand presence in Eastern India by FY2020

Key Developments



Expanding capacity at existing manufacturing unit at Dadri, UP

- In Q4 FY18, the Company expanded capacity at its Dadri unit by 7,000 MTPA to 60,000 MTPA by installing additional lines at the plant
- The Company will be further setting up additional capacity in a phase-wise manner at the existing plant of Dadri - the first phase of the expansion is expected to be operationalized by Q4 FY2019
- Targeting a total installed capacity of 80, 000 MTPA at the Dadri unit by March 2020
- In sync with the expansion strategy, the Company has secured a Factory Land, adjacent to its existing unit at Dadri, Uttar Pradesh and will be installing state-of-the art manufacturing lines & machineries at the new expanded facility





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Abridged P&L Statement

Particulars (Rs. crore)	Q4 FY18	Q4 FY17	Y-o-Y Shift	FY18	FY17	Y-o-Y Shift
Income from Operations						
Total Income From Operations (Net)	74.4	63.4	17%	284.5	241.1	18%
Total Expenditure						
Raw Material expenses	49.5	45.0	10%	202.6	175.7	15%
Employee benefits expense	3.8	2.8	37%	13.9	8.8	58%
Other expenses	9.1	6.1	50%	35.1	26.0	35%
EBITDA	12.1	9.5	27%	32.9	30.6	7%
EBITDA margin (%)	16%	15%	+122 bps	12%	13%	-113 bps
Other Income	6.2	0.8	657%	8.1	1.6	411%
Finance Costs	0.6	0.7	-2%	2.8	3.5	-18%
Depreciation and Amortization	2.7	1.5	85%	6.9	4.7	48%
PBT	14.9	8.2	82%	31.3	24.0	30%
Tax expense	2.9	2.9	1%	9.2	8.4	10%
PAT	12.0	5.3	126%	22.1	15.7	41%
PAT margin (%)	16%	8%	+777 bps	8%	7%	+125 bps
Diluted EPS (Not annualized)	10.88	4.92	121%	19.99	14.22	41%



Consolidated Balance Sheet



ASSETS	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. Crore)	As at 31st March 2018	As at 31st March 2017
ASSETS		
Non-current assets		
Property, Plant and Equipment	57.7	48.9
Capital Work in Progress	13.9	-
Intangible Assets	20.9	20.9
Intangible Assets under development	1.0	-
Financial assets	-	-
(a) Investments	0.2	0.2
(b) Loans	-	-
(c) Other financial assets	1.3	1.3
Deferred tax assets(net)	-	-
Other non-current assets	1.0	1.0
Total non-current assets	96.0	72.3
Current assets		
Inventories	44.3	22.7
Financial assets:	-	-
(a) Investments	0.4	-
(b) Trade Receivables	38.5	34.2
(c) Cash and Cash Equivalents	0.1	0.1
(d) Bank balances other than cash and cash equivalents	204.6	1.2
(e) Loans	0.1	0.2
(f) Other financial assets	6.8	0.4
Current Tax assets (net)	-	-
Other current assets	10.1	10.6
Total Current assets	305.0	69.4
TOTAL - ASSETS	401.0	141.8

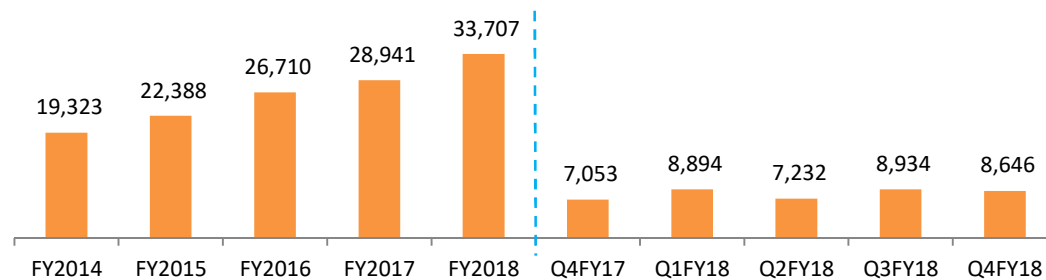
EQUITY AND LIABILITIES	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. Crore)	As at 31st March 2018	As at 31st March 2017
EQUITY AND LIABILITIES		
Equity		
(a) Share capital	11.0	11.0
(b) Other equity	102.4	80.4
Total Equity	113.5	91.4
Liabilities		
Non-current liabilities		
Financial liabilities:		
(a) Borrowings	151.1	11.5
(c) Other financial liabilities	-	-
Provisions	0.1	0.1
Deferred tax liabilities (net)	2.0	1.9
Other non current liabilities	-	-
Total Non-current liabilities	153.1	13.5
Current liabilities		
Financial liabilities:		
(a) Borrowings	4.1	6.1
(b) Trade payables	38.8	18.9
(c) Other financial liabilities	88.3	5.0
Provisions	0.6	0.4
Other current liabilities	2.0	2.8
Current tax liability (net)	0.6	3.6
Total Current liabilities	134.4	36.8
Total Liabilities	287.5	50.4
TOTAL EQUITY AND LIABILITIES	401.0	141.8

Key Financial & Operational Parameters

Sales Volume Break-up

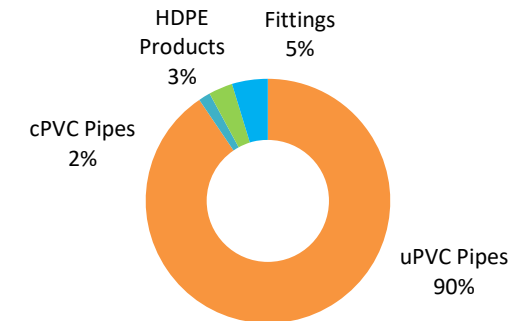
Particulars (MTPA)	Q4 FY18	Q4 FY17	Y-o-Y Shift	FY18	FY17	Y-o-Y Shift
uPVC Pipes	7,198	5,932	21%	29,121	25,070	16%
cPVC Pipes	172	124	39%	507	399	27%
HDPE Products	351	303	16%	1,028	1,107	-7%
Fittings	554	398	39%	1,525	1,109	38%
Finished products	8,275	6,757	22%	32,181	27,685	16%
Others	371	296	25%	1,525	1,256	21%
Total	8,646	7,053	23%	33,707	28,941	16%

Sales Volume MT



Note: *Trading

Sales Volume (excluding Others segment) Break-up – FY18





Key Financial & Operational Parameters

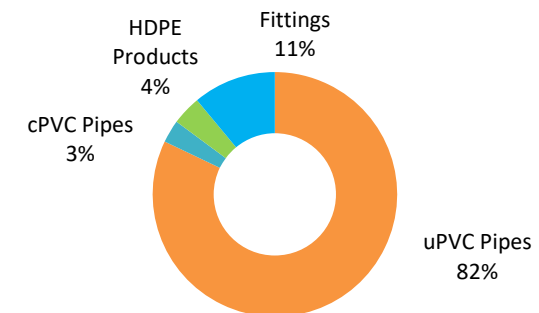
Realizations (after adjusting inter-company)

Particulars (Rs. / Ton)	Q4 FY18	Q4 FY17	Y-o-Y Shift	FY18	FY17	Y-o-Y Shift
uPVC Pipes	77,257	81,440	-5%	76,917	76,204	1%
cPVC Pipes	169,767	179,839	-6%	172,781	178,940	-3%
HDPE Products	113,675	118,812	-4%	116,537	123,235	-5%
Fittings	163,899	168,666	-3%	191,747	175,095	10%
Others*	75,472	84,122	-10%	68,898	78,468	-12%

Product-wise Revenue Break-up

Particulars (Rs crore)	Q4 FY18	Q4 FY17	Y-o-Y Shift	FY18	FY17	Y-o-Y Shift
uPVC Pipes	55.6	48.3	15%	224.0	191.0	17%
cPVC Pipes	2.9	2.2	31%	8.8	7.1	23%
HDPE Products	4.0	3.6	11%	12.0	13.6	-12%
Fittings	9.1	6.7	35%	29.3	19.4	51%
Finished products	71.6	60.9	18%	274.0	231.2	18%
Others*	2.8	2.5	12%	10.5	9.9	7%
Total	74.4	63.4	17%	284.5	241.1	18%

Product Revenue (excluding Others segment) Break-up – FY18



Note: *Trading

Note: * - Trading



Financial Overview and Discussion (YoY)

Total Net Revenues during FY18 stood at Rs. 284 crore, registering an increase of 18% Y-o-Y; Q4 FY18 Net Revenues higher by 17% to Rs. 74 crore

- A strong uptick in the demand conditions, especially in the second half of the year along with increasing contribution from the value-added products segment such as Fittings aided the volume performance during the period under review
- In sync with the Company's plan to improve contribution from its value-added segments, the revenues from the Fittings segment grew at a significant rate of 51% in FY18

EBITDA during FY18 at Rs. 33 crore, higher by 7% YoY; Q4 FY18 EBITDA higher by 27% Y-o-Y at Rs. 12 crore

- Gross margins during the quarter stood at 34% as against 29% in Q4 FY17. Growth in the gross profit was driven by improved contribution from the high-margin 'Fittings' vertical
- Further, a better product mix drove improvement in EBITDA margins during Q4 FY2018 – improved to 16.2% as compared to 15.0% in the corresponding period last year
- Employee cost during the fiscal stood higher by 58% YoY to Rs. 14 crore as the Company is expanding presence in newer territories and strengthening its brand reach



Financial Overview and Discussion (YoY)

Depreciation stood at Rs. 7 crore in FY18, higher by 48% Y-o-Y; Depreciation costs increased to Rs. 3 crore in Q4 FY18

- Higher depreciation due to commissioning of new capacities during the year
- Going forward, as additional capacities go on-stream, the Company anticipates a marginal increase in depreciation in the coming quarters
- Also, as utilization levels at the new capacities improve and start contributing to the performance in FY19, additional costs will be absorbed seamlessly, going forward

PAT stood at Rs. 22 crore in FY18; PAT increases by 126% to Rs. 12 crore in Q4 FY18

- PAT margin stood at 7.8% in FY18, higher by 125 bps YoY; Margins were at 16.2% in Q4 FY18 as against 8.4% in the corresponding period last year

Strong Balance sheet position – Gross Debt less Cash and Bank balances as on March 31, 2018 stood at Rs. (49.5) crore



Management's Message



Commenting on the Company's performance for Q4 & FY2018, Mr. Sameer Gupta, Chairman, Apollo Pipes said,



"We are pleased to report a robust set of results during the fiscal 2018, registering a healthy volume growth of 16% along with a strong PAT growth of 41%. This performance is commendable, especially given the challenging macro-environment. The growth during the period was driven by a strong uptick in sales volume and an increasing contribution from the value-added segments such as fittings. In addition, new account wins and sustained market share also contributed positively to the overall result performance during the period under review.

I am happy to share that we have successfully commenced commercial production at our Greenfield manufacturing facility in Ahmedabad, Gujarat during the quarter. This plant is equipped with technologically-advanced and environmental-friendly processes that will manufacture a range of piping products. With this new facility in place, we are confident of boosting our market presence in the western region and the neighboring markets.

In addition, we are also expanding capacity in a phase-wise manner at our existing facilities of Dadri and Ahmedabad over the next few quarters. Simultaneously, the Company will be rolling-out a new greenfield facility in Bangalore by March 2019. We believe, this capacity expansion will enable us to meet the growing demand for our products across various sectors.

As we look ahead, we remain optimistic of improving our business momentum against a backdrop of proactive strategic initiatives, improving macros and a fundamentally robust business model. Our combined efforts towards stronger branding activities, innovative products launches and distribution scale, will enable us to create tremendous value for all stakeholders in the years to come."



Company Overview



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One of the leading PVC pipe manufacturers

60,000

MTPA - Available Capacity

10+

Presence in Global marketplaces

~48

Hours

Among the fastest turnover time in industry

1,55,000

MTPA - Available capacity targeted by FY2020

1,000+

Products

15%

Volume Growth 5-yr CAGR

Among the top 10 leading PVC pipe manufacturers in India



Growth Map

Figures in Rs. crore

Particulars	FY2014	FY2015	FY2016	FY2017	FY2018	CAGR
Revenues	149	179	208	241	284	18%
EBITDA	12	16	24	31	33	29%
PAT	4	14*	10	16	22	53%
Available Capacity MTPA (~)	34,000	35,000	52,000	53,000	60,000	15%
Sales Volume (MTPA)	19,323	22,388	26,710	28,941	33,707	15%

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



Key Strengths



Strong foothold in India



Multiple and efficient product offerings – 1,000+ products



Strong and highly experienced Management Team



Proven expertise in complex projects



Catering to multiple sectors –
Agriculture, Water Management, Infrastructure



Advanced & efficient equipment & technology

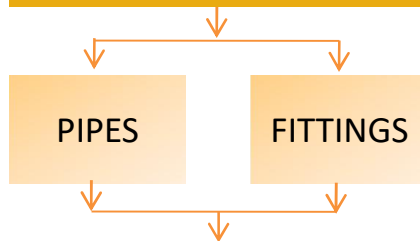




Product Portfolio- Diversified Basket of 1,000+ Products



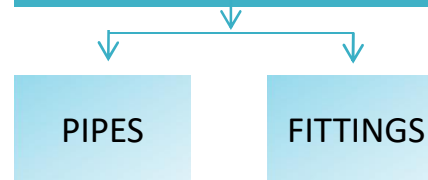
uPVC PIPING SYSTEM



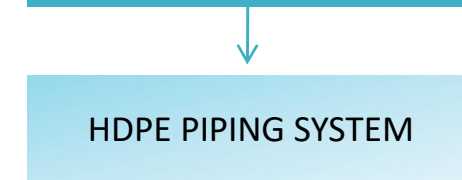
- uPVC PIPES
- uPVC RING FIT PIPES
- uPVC COLUMN PIPES
- uPVC RIBBED SCREEN PIPES
- uPVC PLUMBING PIPING SYSTEM
- uPVC AGRI FITTINGS
- SWR PIPES AND FITTINGS



CPVC PIPING SYSTEM



HDPE PRODUCTS



- PLB DUCTS
- IRRIGATION PIPES
- SPRINKLER PIPES



THANK YOU



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