Sudesh Group

35 Years of excellence

APOLLO PIPES LTD.

Q4FY22 EARNINGS PRESENTATION

May, 2022

APL APOLLO PIPING SYSTEMS
Made for life

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.

TABLE OF CONTENT

APLAPOLLO PIPING SYSTEMS
Made for life

COMPANY OVERVIEW

APOLLO PIPES AT A GLANCE

APL APOLLO PIPING SYSTEMS
Made for life

Among the Top 10
leading PVC pipe manufactures in India

1,25,200 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

FY22 AT A GLANCE

APL APOLLO PIPING SYSTEMS
Made for life

53,849 MT
Sales Volume
14% YoY increase

784.1Cr.
Revenue
51% YoY increase

93.4Cr.
EBITDA
26% YoY increase

11.9%
EBITDA Margin

49.8 Cr.
PAT
12% YoY increase

75.5 Cr
Cash Profit
22% YoY increase

Q4FY22 AT A GLANCE

APL APOLLO PIPING SYSTEMS Made for life

16,409 MT
Sales Volume
26% YoY increase

247.5Cr.
Revenue
42% YoY increase

28.4Cr.
EBITDA
5% YoY increase

11.5%
EBITDA Margin

15.6 Cr.
PAT

22.8 Cr
Cash Profit
1% YoY increase

PRESENCE ACROSS SECTORS

APLAPOLLO
PIPING SYSTEMS
Made for life

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 Segment

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

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

APLAPOLLO PIPING SYSTEMS
Made for life

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. 142 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 and faucets

2021-22
- Commissioned the Raipur plant to tap Central and Eastern India markets

Robust 5-year CAGR
(FY17 – FY22)

13%	25%	26%
Growth in Sales Volume	Growth in EBITDA	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**

Pipes (On Apollo Platform)
- **13.4 Million Views**
- **3.4 Million Views**
- **8.7 million Views**

On Tiger Shroff's :

Water Tank: 3 Million Views

Pipes: 9.57k Views

TV Commercial launched on May 2, 2022

Watch the commercials **Link 1** | **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)		
	Instagram	**6.8 Million Followers**
	Facebook	**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 utilsation 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 LEVERS

Key Business Strength

Expanding footprint in India

Proven expertise in complex projects

Multiple and efficient product offerings – 1,500+ products

Catering to multiple sectors – Agriculture, Water Management, Infrastructure

Strong and highly experienced Management Team

Advanced equipment & technology – cost efficient processes

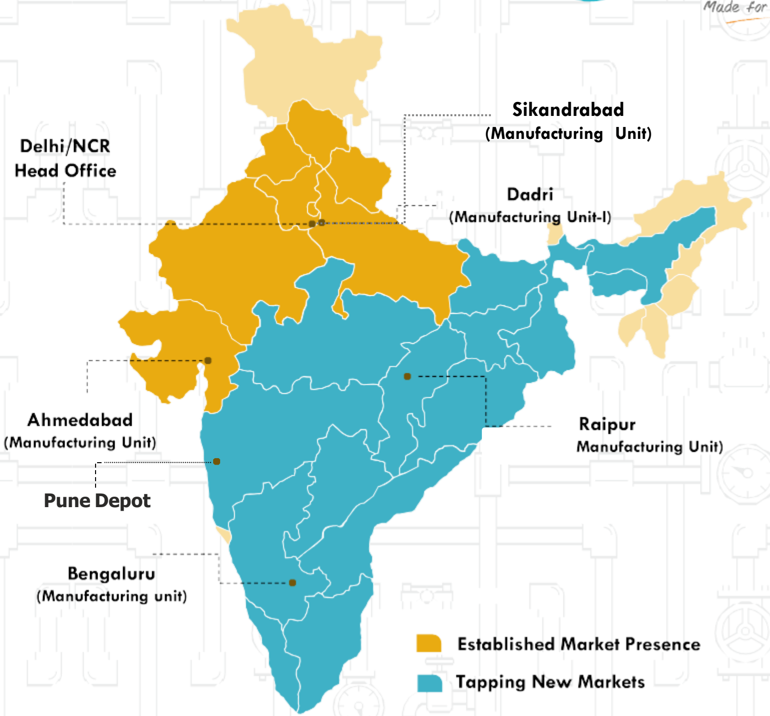
Strengthening distribution network across India to Augment presence and improve market penetration

APLAPOLLO PIPING SYSTEMS
Made for life

Enjoys a dominant and leading presence in North India

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

Tapping newer markets to reduce inventory cost for Distributors & Dealers



150+ | Distributors

450+ | Dealers / Retailers

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

APLAPOLLO PIPING SYSTEMS
Made for life

- 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.
- Launched 'Plastic Faucets, Taps and Showers' in the domestic market – to drive higher brand visibility through New Products
- Successfully added Water Storage Tanks to our product Portfolio










Capacity Expansion to aid long-term growth plan

Available Capacity

1,25,200 MTPA

Aim to deliver a healthy 25%+ CAGR over the next 3 years

Primary focus to improve utilization at Dadri, Ahmedabad, Bengaluru and Raipur

Establishing manufacturing line for the value added products at new locations

Undertaking brownfield expansion at Dadri facility to cater to strong demand scenario in North

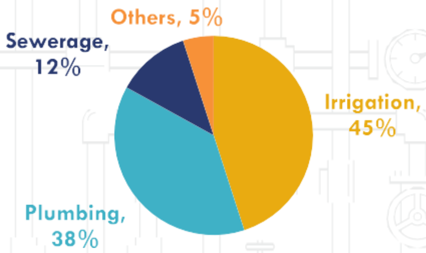
MACRO GROWTH DRIVERS

PVC Pipe Industry

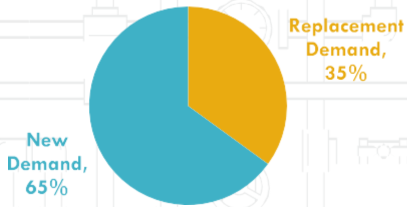
The Indian PVC pipes and fittings market expected to register 15% CAGR during FY22 - FY26

- 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
- 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

APL APOLLO
PIPING SYSTEMS
Made for life

FUTURE OUTLOOK

Focus Areas for FY22-23

- Strengthen foothold in existing markets of North and West and South 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 and Western India

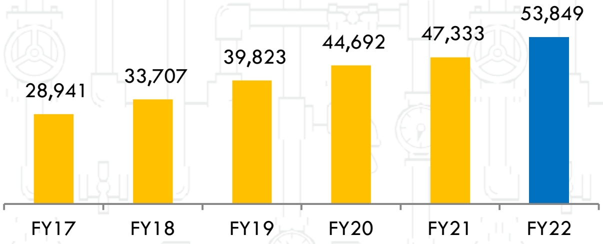
OPERATIONAL & FINANCIAL HIGHLIGHTS

Financial Trend

FY22

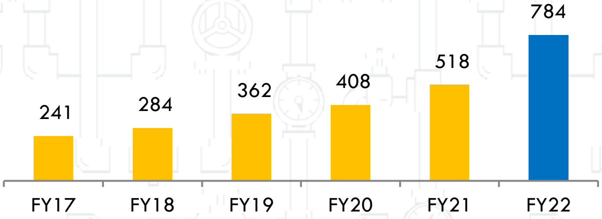
(5 Yr. CAGR - 13%)

Volume (Tons)

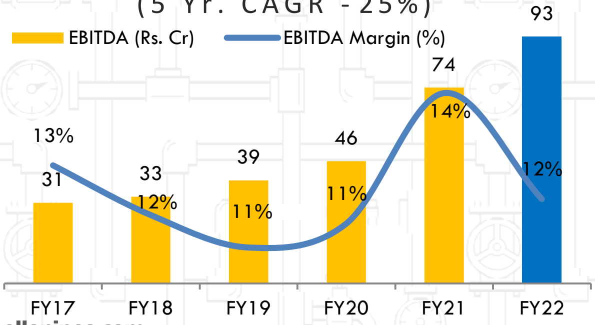


(5 Yr. CAGR -27%)

Revenue (Rs. Cr)

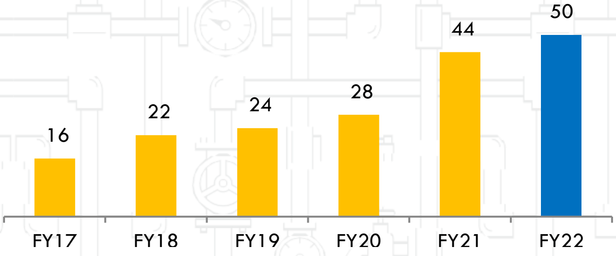


(5 Yr. CAGR - 25%)

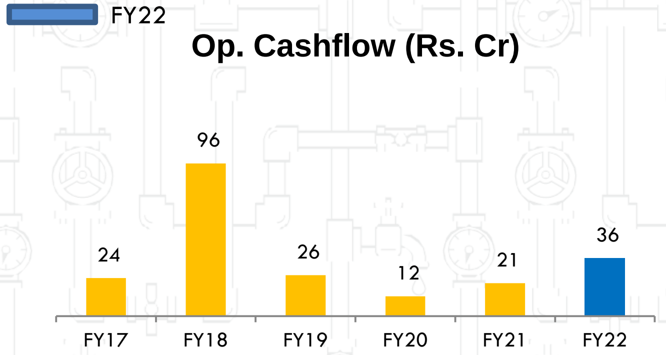


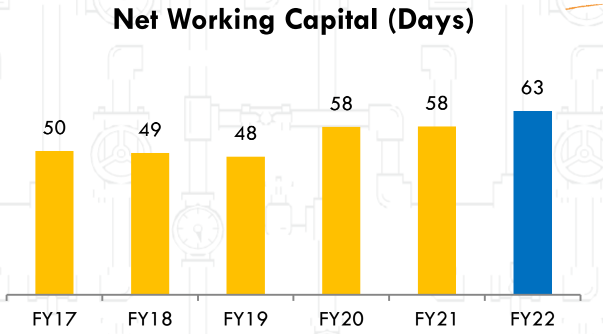
(5 Yr. CAGR - 26%)

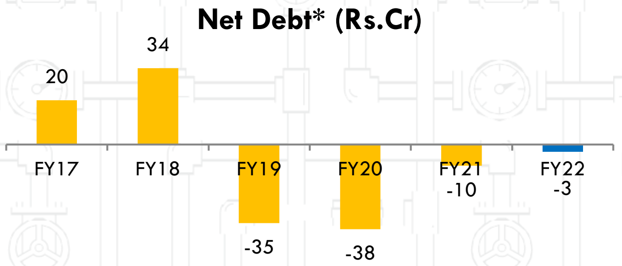
PAT (Rs.Cr)

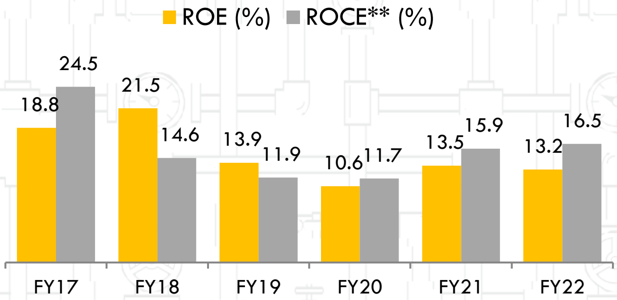


Financial Trend







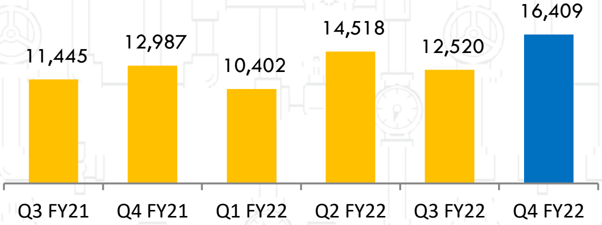


*Negative due to Net cash, ** Capital Employed: Total Assets minus Current Liabilities

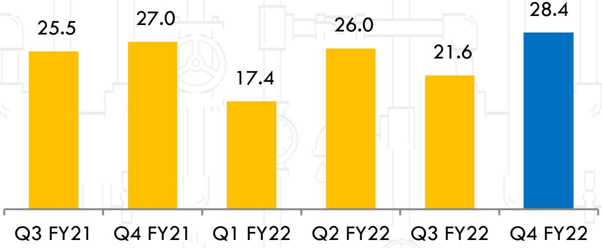
Quarterly Performance

Q4FY22

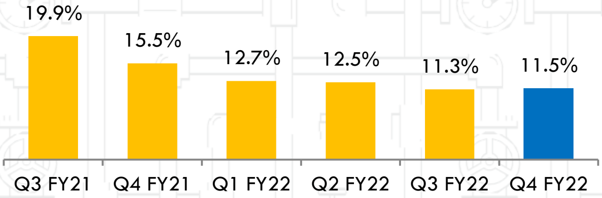
Sales Volume (Tons)



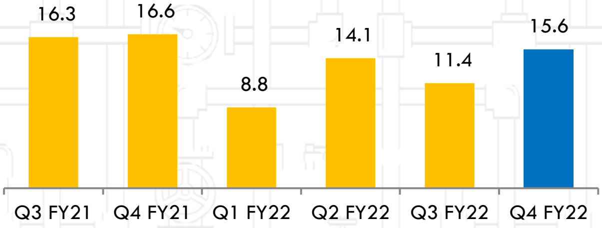
EBITDA (Rs. Cr)



EBITDA Margin (%)



PAT (Rs. Cr)



Abridged P&L Statement

Particulars	Q4 FY22	Q3 FY22	Q4 FY21	Y-o-Y Shift	Q-o-Q Shift	FY22	FY21	Y-o-Y Shift
Net Revenue from Operations	247.5	190.8	174.2	42%	30%	784.1	518.1	51%
Total Expenditure	**219.1**	**169.2**	**147.1**	49%	29%	**690.7**	**443.8**	56%
Raw Material expenses	182.7	139.3	125.9	45%	31%	573.2	361.8	58%
Employee benefits expense	11.6	11.1	8.6	35%	4%	41.4	29.3	42%
Other expenses	24.8	18.8	12.7	96%	32%	76.1	52.8	44%
EBITDA	28.4	21.6	27.0	5%	31%	93.4	74.3	26%
EBITDA margin (%)	*11%*	*11%*	*16%*	*(406 BPS)*	*14 BPS*	*12%*	*14%*	*(242 BPS)*
Other Income	1.1	1.2	2.5	-57%	-9%	3.8	8.4	-55%
Finance Costs	1.8	0.8	0.9	95%	131%	4.3	4.4	-2%
Depreciation and Amortization	7.1	6.7	5.8	23%	7%	25.7	17.6	46%
PBT	20.5	15.4	22.8	-10%	34%	67.2	60.7	11%
Tax expense	4.9	4.0	6.2	-20%	23%	17.4	16.2	8%
PAT	**15.6**	**11.4**	**16.6**	-6%	37%	**49.8**	**44.5**	12%
PAT margin (%)	*6%*	*6%*	*10%*	*(325 BPS)*	*35 BPS*	*6%*	*9%*	*(224 BPS)*
EPS Basic (Rs.)	4.0	2.9	4.2	-6%	37%	12.7	11.3	12%

Abridged Balance Sheet and Cash Flow Statement

Balance Sheet - Assets (Rs Cr)	**FY22**	**FY21**
Cash & Bank Balance	42.0	72.5
Receivables	70.5	62.7
Inventories	131.6	78.2
Other current assets	40.8	39.8
Fixed assets (net)	227.2	211.7
Right to use Assets	9.2	9.3
Investments	4.1	0.3
Other Assets/goodwill/CWIP	18.3	19.8
Total Assets	**543.9**	**494.3**
Balance Sheet - Liabilities (Rs Cr)	**FY22**	**FY21**
Trade payables	55.0	48.2
Other current liabilities	41.9	28.0
Debt	38.7	62.9
Others	1.4	2.4
Minority Interest/Provision	1.6	1.3
Shareholders' funds	405.3	351.5
Total Equity & Liabilities	**543.9**	**494.3**

Cash Flow Statement (Rs Cr)	**FY22**	**FY21**
EBITDA	93.4	74.2
Changes in Accounts receivables	-7.8	-3.3
Changes in Inventory	-53.4	4.2
Other WC changes	19.5	-44.4
Others	0.4	2.9
Tax	-15.8	-12.9
Operating cash flow	36.3	20.7
Interest	-4.4	-4.4
Residual cash flow	31.9	16.3
Fixed assets	-40.5	-61.7
Investments	2.3	17.0
Free cash flow	-6.1	-28.4
Dividend payments	0.0	0.0
Capital increase	0.0	0.0
Net change in cash flow	-6.3	-28.4
Net debt* beginning	**-9.6**	**-38.0**
Net debt* end	**-3.3**	**-9.6**

**Negative due to Net cash*

CONCLUSION

Key Takeaways

Available Capacity of 1,25,200 MTPA

Target to achieve 25%+ revenue growth CAGR over next three years

Value-added product categories to provide impetus to volumes and profitability

Increased market presence and improving distributor network to address demand across pan-India

Leveraging 'APL Apollo' brand reach and recall to drive higher growth in business

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 1,25,200 MTPA. The multiple and efficient product profile includes over 1,500 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 for about 600+ channel partners.

For further information,
Please contact:

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

Sudesh Group

35 Years of excellence

THANK YOU

APL APOLLO PIPING SYSTEMS

Made for life

www.apollopipes.com