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APOLLO PIPES LTD.

Q1 FY22 EARNINGS PRESENTATION

July 26, 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.

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Q1FY22
Highlights

COMPANY OVERVIEW

APOLLO PIPES AT A GLANCE



Among the Top 10
leading PVC pipe
manufactures in India



1,18,000 MTPA
Capacity* as on
30 June 2021



4
Manufacturing
Plants



600+
Channel Partners



1 500+
SKU's



13%
5-year Sales
Volume CAGR



21%
5-year Revenue
CAGR



30%
5-year Net
Profit CAGR

Q1 FY22 AT A GLANCE



10,402 MT
Sales Volume
2% YoY decrease



137.6Cr.
Revenue
49% YoY increase



17.4Cr.
EBITDA
182% YoY increase



12.7%
EBITDA Margin
598 bps YoY Increase



8.8 Cr.
PAT
338% YoY increase



14.5 Cr
Cash Profit
171% YoY Increase

PRESENCE ACROSS SECTORS



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



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 Kemane, 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

Robust 5-year CAGR

(FY17 - FY21)

13%

Growth in Sales Volume

25%

Growth in EBITDA

30%

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 LEVERS

Key Business Strength



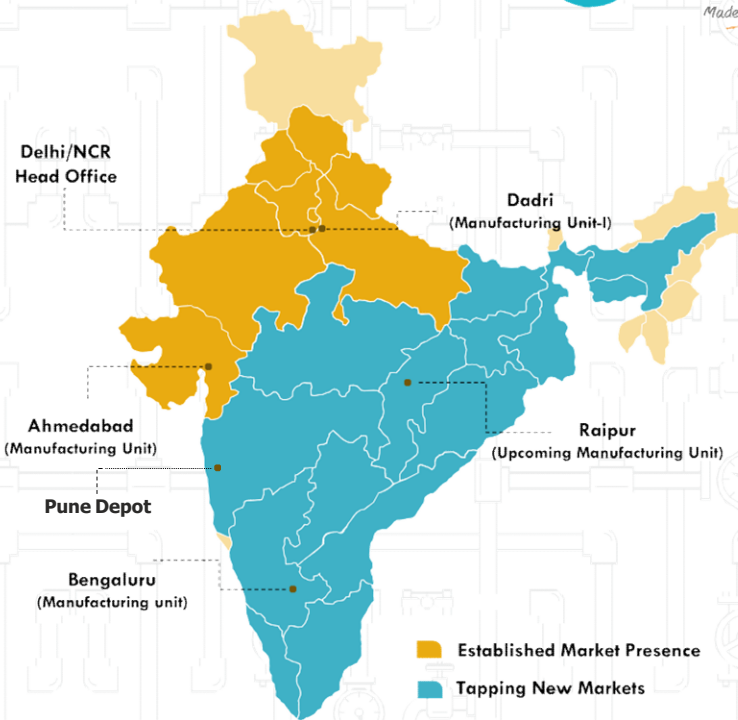
Strengthening distribution network across India to Augment presence and improve market penetration



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



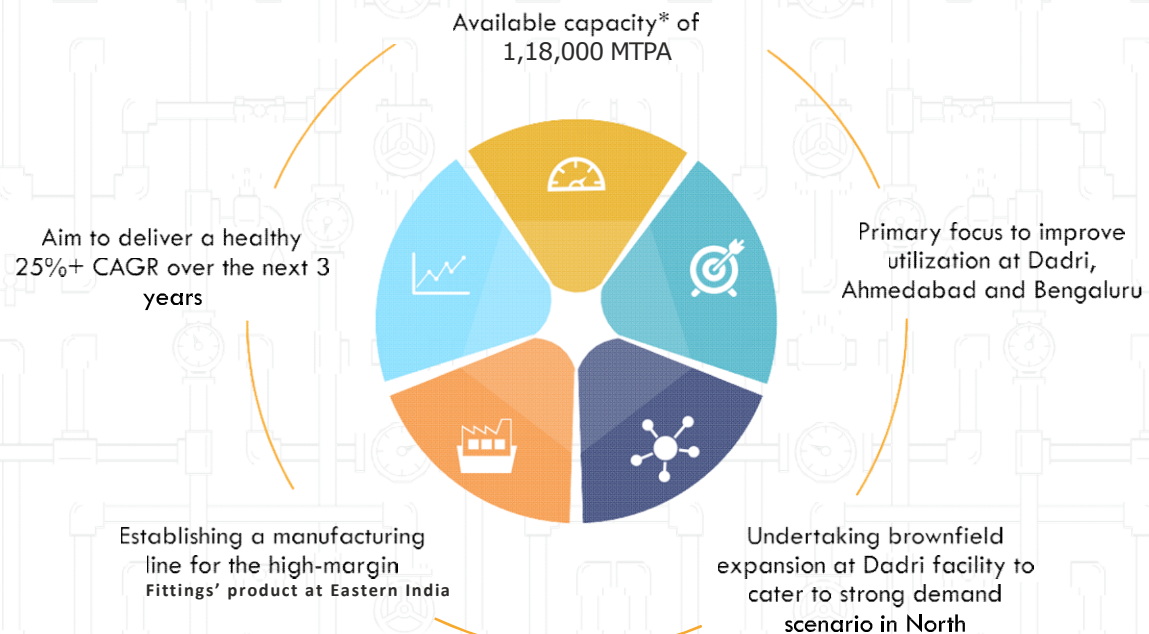
Diversified Product Portfolio with total offerings at 1,500+, Aiming to achieve 2,500+ products to the basket



- Range of products manufactured at the technologically-advanced manufacturing facility at Dadri and Ahmedabad
- Launched 'Plastic Faucets, Taps and Showers' in the domestic market – to drive higher brand visibility through New Products
- Successfully added Water Storage Tank to our product Portfolio



Capacity Expansion to aid long-term growth plan - Target Capacity of 125,000 MTPA



*Excluding Additions for Raipur unit
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MACRO GROWTH DRIVERS

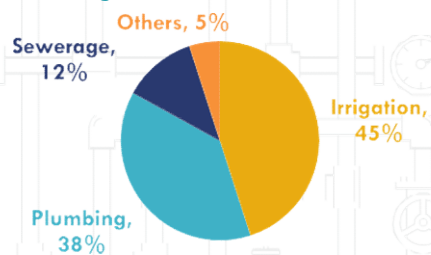
PVC Pipe Industry



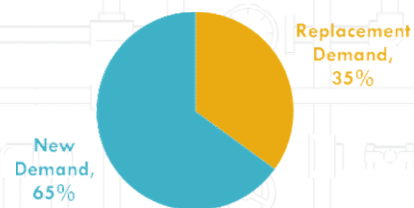
The Indian PVC pipes and fittings market expected to register 15% CAGR during FY18 - FY26

- The domestic plastic pipes industry size at ~ ₹ 315B
(Source: Industry)
- 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

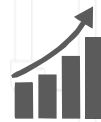
Focus Areas for FY21-22



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

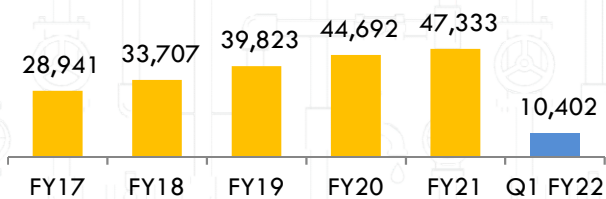
Financial Trend



■ Q1FY22

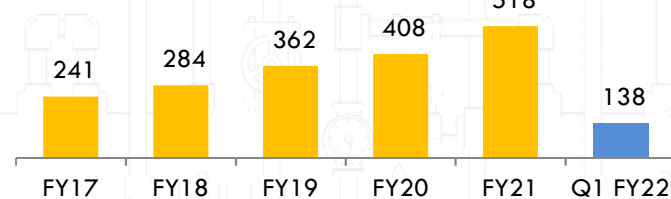
(5 Yr. CAGR - 13%)

Volume (Tons)

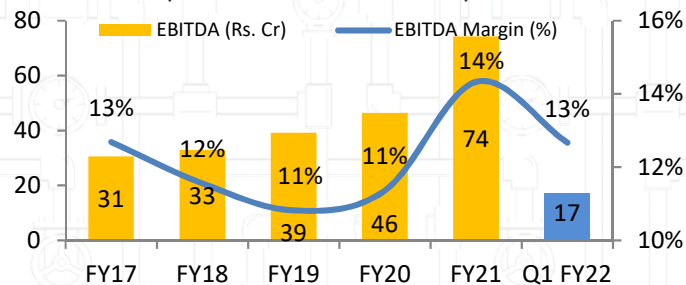


(5 Yr. CAGR - 21%)

Revenue (Rs. Cr)

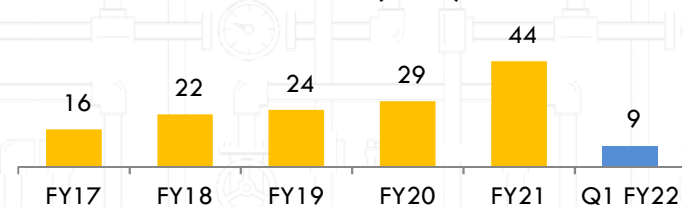


(5 Yr. CAGR - 25%)



(5 Yr. CAGR - 30%)

Net Profit (Rs. Cr)

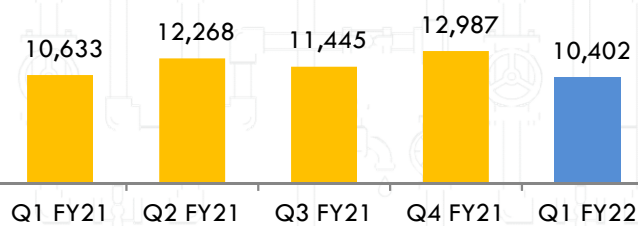


Quarterly Performance

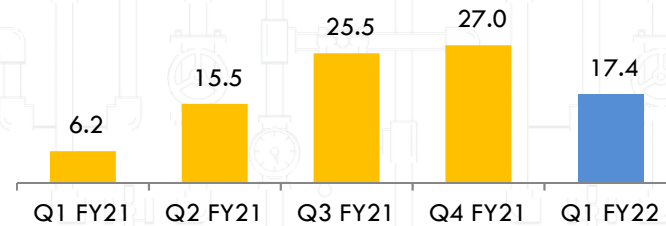
■ Q1FY22



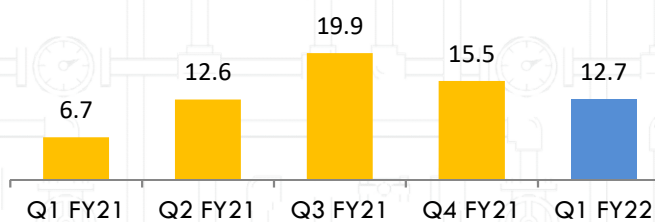
Sales Volume (Tons)



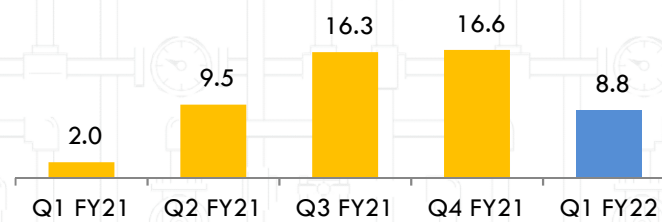
EBITDA (Rs. Cr)



EBITDA Margin (%)



PAT (Rs. Cr)



Abridged P&L Statement



Particulars (Rs Cr)	Q1FY22	Q4FY21	Q1FY21	Y-o-Y Shift	Q-o-Q Shift	FY21	FY20	Y-o-Y Shift
Net Revenue from Operations	137.6	174.2	92.5	49%	-21%	518.1	408.0	27%
Total Expenditure	120.2	147.1	86.3	39%	-18%	443.8	361.6	23%
Raw Material expenses	98.6	125.9	72.7	36%	-22%	361.8	288.8	25%
Employee benefits expense	8.7	8.6	5.2	66%	1%	29.3	26.4	11%
Other expenses	12.9	12.7	8.4	52%	2%	52.8	46.4	14%
EBITDA	17.4	27.0	6.2	182%	-36%	74.3	46.4	60%
EBITDA margin (%)	13%	16%	7%	598	-286	14%	11%	297.0
Other Income	1.4	2.5	2.1	-33%	-43%	8.4	10.1	-17%
Finance Costs	1.1	0.9	2.1	-50%	18%	4.4	6.1	-28%
Depreciation and Amortization	5.7	5.8	3.4	71%	-2%	17.6	12.7	39%
PBT	12.1	22.8	2.9	321%	-47%	60.7	37.7	61%
Tax expense	3.3	6.2	0.9	283%	-46%	16.2	9.2	76%
PAT	8.8	16.6	2.0	338%	-47%	44.5	28.5	56%
PAT margin (%)	6%	9%	2%	418	-312	8%	7%	164
EPS Basic (Rs.)	6.7	12.7	1.5	337%	-47%	33.9	21.8	56%

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 and Tumkur – Karnataka, with a total capacity of 1,18,000 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.



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