



**REVOLUTIONIZING THE WORLD
OF TUBES WITH**

NAYI SOCH

**World's first company to produce tubes from
8x8 to 1000x1000mm with 0.18 to 40mm thickness**

Q2FY24 Earnings Presentation

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.



Contents

- Q2FY24 at glance
- Financial Performance
- Business Strategy
- New Initiatives
- ESG Engagement
- Team APL Apollo



Q2FY24 at a Glance



675k Ton
Sales Volume
12% yoy increase



₹ 46.3 Bn
Revenue
17% yoy increase



₹3.3Bn
EBITDA
40% yoy increase



₹ 4,817
EBITDA/ton
25% yoy increase



55%
Value Added Sales mix
Q2FY23 was 54%



₹266 Mn
Interest Cost
96% yoy increase



₹ 2.0Bn
Net profit
35% yoy increase



₹ 2.4Bn
Cash profit
37% yoy increase



5 days
Net WC days*
FY23 was 5 days



32.4%
ROCE*
FY23 was 29.2%



25.2%
ROE*
FY23 was 23.5%



₹2.2Bn
Net debt in H1FY24
FY23 was Rs 2.4 Bn

- NWC , ROE, ROCE has been annualized on H1FY24 basis
- Note 1: Sales Volume and Financials are on consolidated basis
Note 2: Capital employed has been calculated as Total assets minus total current liabilities minus surplus cash

Highest ever Quarterly Sales Volume/EBITDA/ Net Profit

Profit & Loss (Rs Mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Sales Volume (k Ton)	373	427	403	552	423	602	605	650	662	675
Revenue	25,343	30,839	32,304	42,147	34,386	39,692	43,271	44,311	45,449	46,304
EBITDA	2,547	2,222	2,023	2,661	1,939	2,319	2,729	3,229	3,072	3,250
<i>EBITDA/ton (Rs)</i>	6,825	5,199	5,023	4,823	4,587	3,850	4,510	4,970	4,645	4,817
Net Profit	1,684	1,461	1,279	1,766	1,207	1,502	1,692	2,018	1,936	2,029

FINANCIAL PERFORMANCE



De-commoditizing Product Portfolio

	Application	Q2FY23			Q3FY23			Q4FY23			Q1FY24			Q2FY24		
		Sales Mix	Vol.	EBITDA/Ton												
		(%)	(K Ton)	(Rs)												
Apollo Structural	Heavy	7	41	6,926	8	46	7,568	6	39	8,437	7	45	7,711	8	51	8,481
	Super Heavy	0	0		0	0		0	2	9,604	1	4	8,777	1	5	10,014
	Light	18	109	5,344	22	132	4,059	17	108	6,256	17	111	5,775	17	113	6,258
	General	46	276	1,388	44	264	2,284	46	299	2,579	43	282	2,252	45	301	2,152
Apollo Z	Rust-proof	23	137	6,816	21	125	7,492	25	163	7,327	26	170	6,749	21	144	6,721
	Coated	2	12		2	10		1	10	4,424	3	19	4,044	4	29	7,472
Apollo Galv	Agri/Industrial	4	27	4,966	5	28	5,659	4	27	6,780	5	30	6,196	5	32	7,196
Total		100	602	3,850	100	605	4,510	100	650	4,970	100	662	4,645	100	675	4,817

Standard products with EBITDA around Rs 2,000/ Ton

Value added products with EBITDA more than Rs 5,000/Ton

*ABPL (New Raipur) products have been re-classified in heavy, Super Heavy, Light and Coated Products

De-commoditizing Product Portfolio

Product Category	Application	FY20			FY21			FY22			FY23			H1FY24			Existing capacity	Proposed Capacity
		Sales Mix	Vol.	EBITDA/Ton	(KTon)	(KTon)												
		(%)	(KTon)	(Rs)	(%)	(K Ton)	(Rs)											
Apollo Structural	Heavy	6	101	4,000	6	95	4,721	7	121	7,422	7	160	7,505	7	96	8,121	300	396
	Super Heavy	-	-	-	-	-	-	-	-	-	0	2	9,604	1	9	9,422	100	186
	Light	8	134	4,778	21	352	5,649	19	336	6,683	18	407	5,134	17	223	6,019	905	1,500
	General	55	898	1,361	43	713	1,658	37	647	2,212	44	1,005	2,015	44	583	2,200	1,200	1,473
Apollo Z	Rust-proof	25	401	5,279	25	409	6,692	33	575	7,710	25	567	7,214	23	313	6,736	675	825
	Coated	-	-	-	-	-	-	0	0	-	2	39	5,731	4	48	6,089	300	300
Apollo Galv	Agri/Industrial	6	99	3,952	4	71	6,040	4	76	6,442	4	99	5,667	5	63	6,711	120	320
Total		100	1,633	2,923	100	1,640	4,138	100	1,755	5,386	100	2,280	4,481	100	1,336	4,731	3,600	5,000**

Standard products with EBITDA around Rs 2,000/ Ton

Value added products with EBITDA more than Rs 5,000/Ton

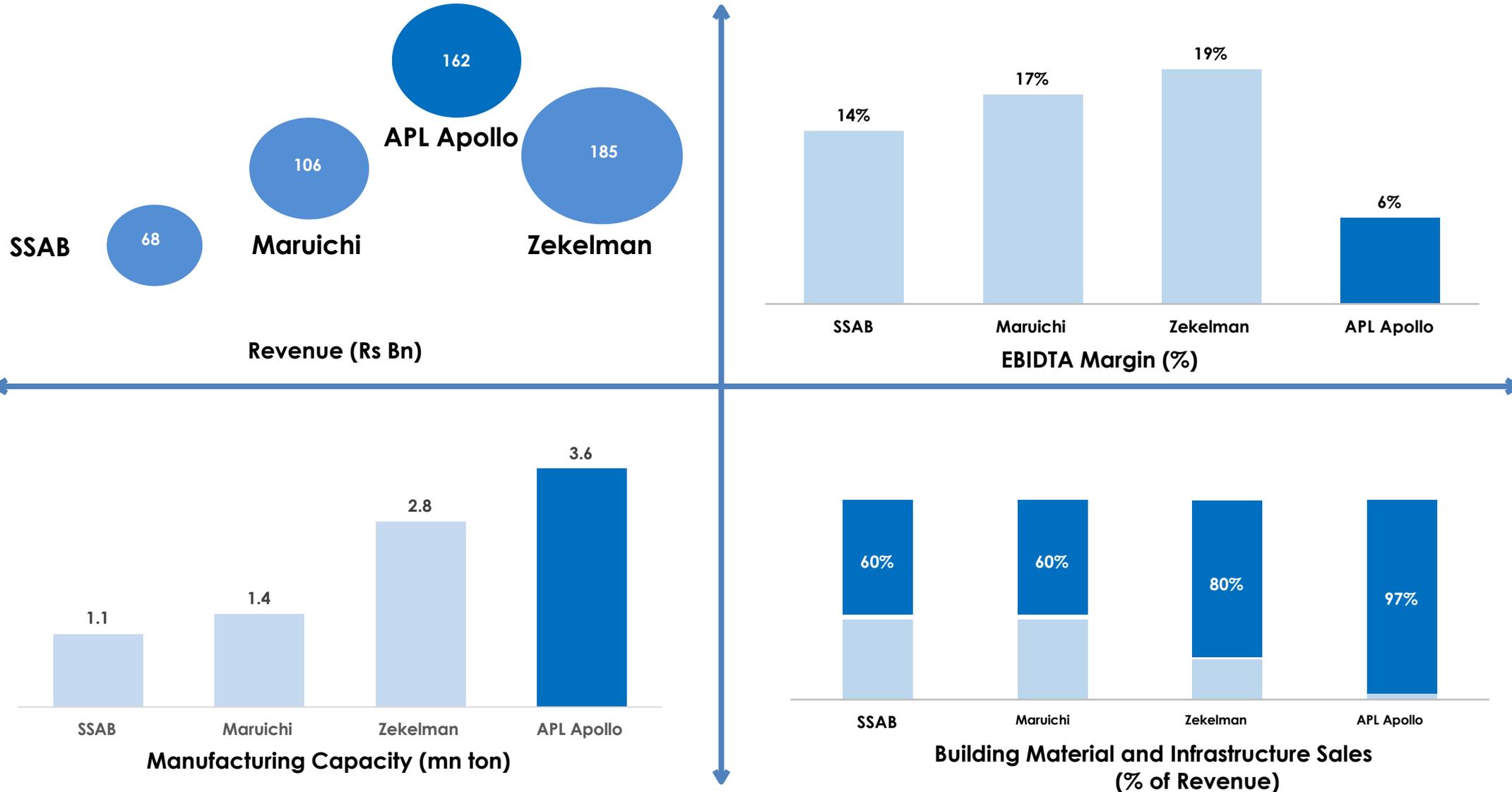
*ABPL (New Raipur) products have been re-classified in heavy, Super Heavy, Light and Coated Products

** proposed capacity of 5Mn Ton to be completed by FY25

Diversified product offering created through continuous innovation

Product Category	Application	Product – visual overview	Key USPs	Applications	Applications – visual overview
Apollo Structural	Heavy		<ul style="list-style-type: none"> First company to introduce DFT technology in India 	High-rise, Warehousing, Infrastructure	 
	Super Heavy		<ul style="list-style-type: none"> Offers columns of 300mm x 300mm, 500mm x 500mm and 1000mm x 1000mm* 	Column, Beams, Heavy structural erections	 
	Light		<ul style="list-style-type: none"> First company in India to introduce Door frame and Plank Light weight tubes for furniture 	Door Frame, Staircase Steps, Furniture & fencing Electrical Conduits	 
	General		<ul style="list-style-type: none"> First company in India to introduce square, rectangular structural steel tubes 	Sheds & Gates, Handrails & Fencing, Balcony Grills Staircase etc.	 
Apollo Z	Rust-proof		<ul style="list-style-type: none"> First company in India to introduce pre-galvanized sections, replacing galvanized tubes Effective in use in coastal markets 	Roofing Structures, Fabrication Work, Purlins Rafters	 
	Coated		<ul style="list-style-type: none"> High tensile light structural application; bendable; superior rust proof properties 	Warehousing Factory Sheds	 
Apollo Galv	Agri/Industrial		<ul style="list-style-type: none"> Effective for use in water applications, being highly non-corrosive in nature 	Greenhouse structures Plumbing Firefighting	 

Global Peer Benchmarking

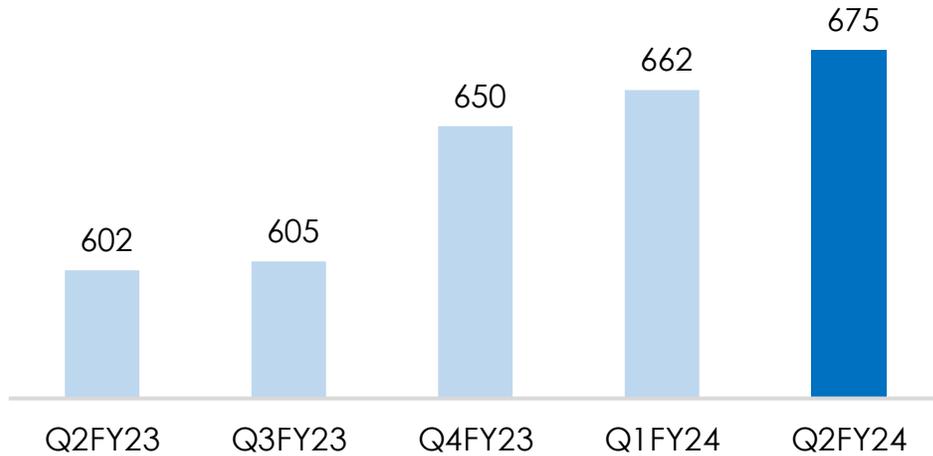


APL APOLLO TUBES

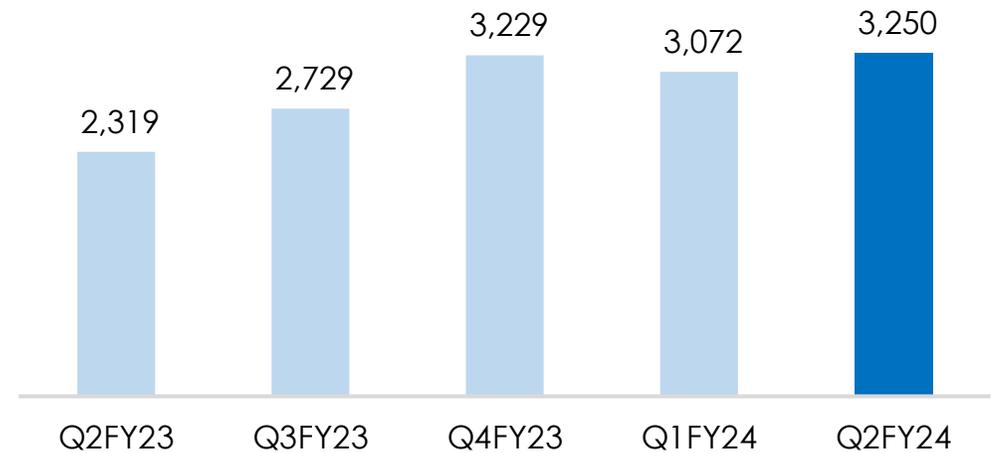
Based on latest financial available data

Growing Strength to Strength

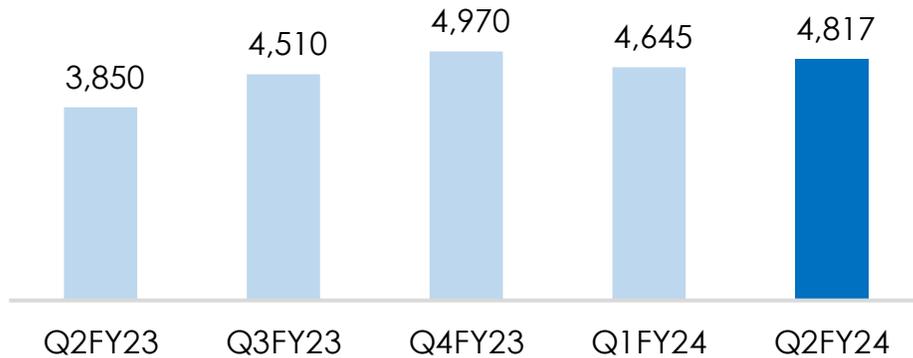
Volume (k'ton)



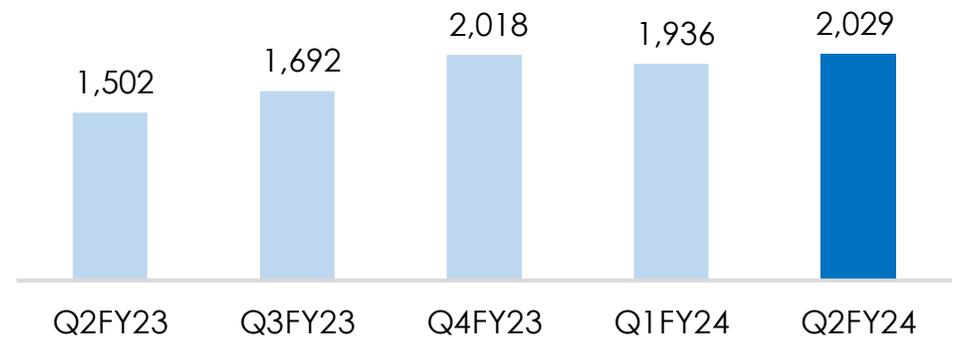
EBITDA (Rs Mn)



EBITDA/Ton (Rs)



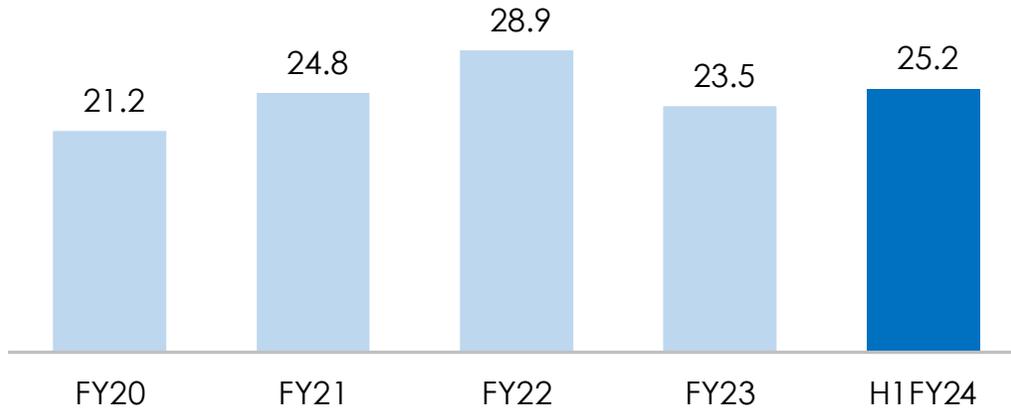
Net Profit (Rs Mn)



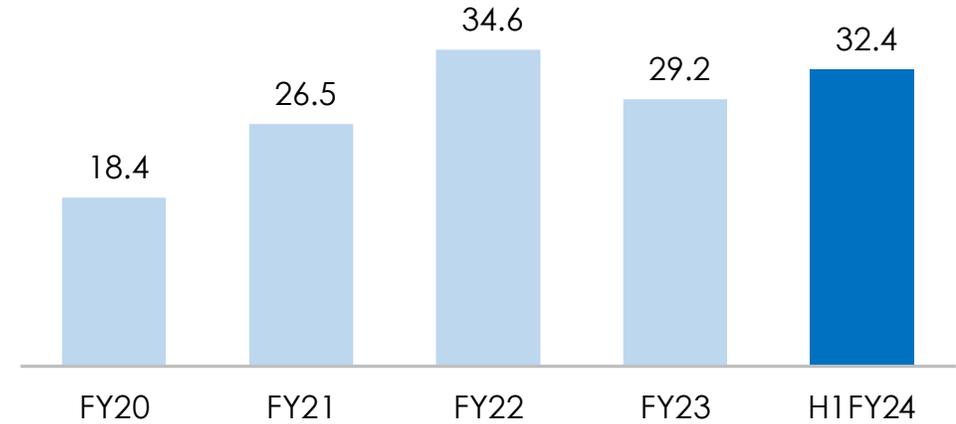
1. Sales Volume and Financials are on consolidated basis
2. EBITDA has been calculated without other income

Growing Strength to Strength

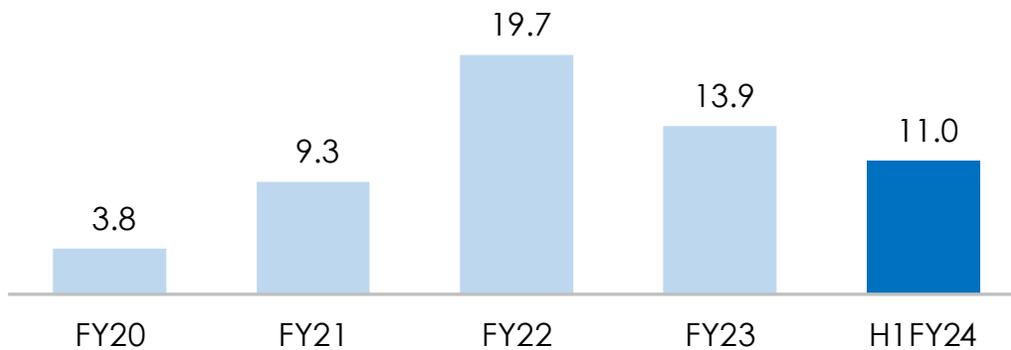
ROE (%)



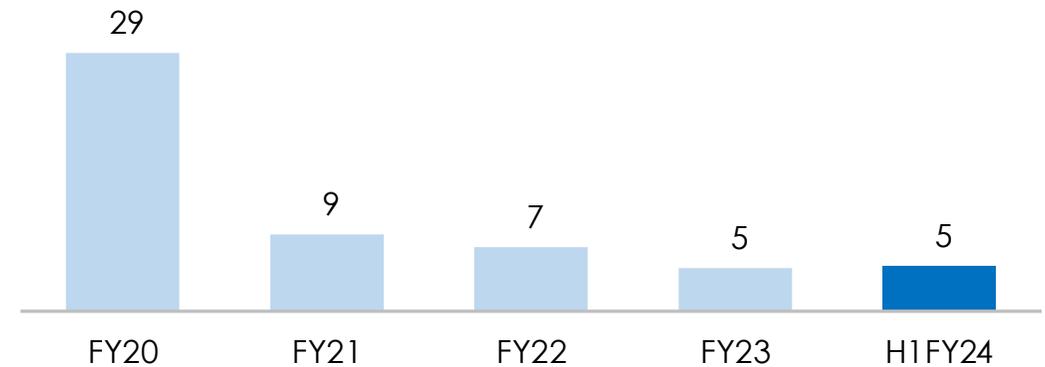
ROCE (%)



Interest Coverage Ratio (x)



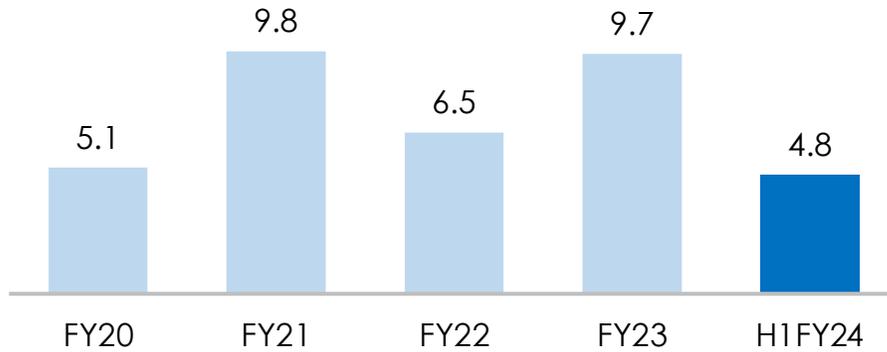
Net Working Capital Days



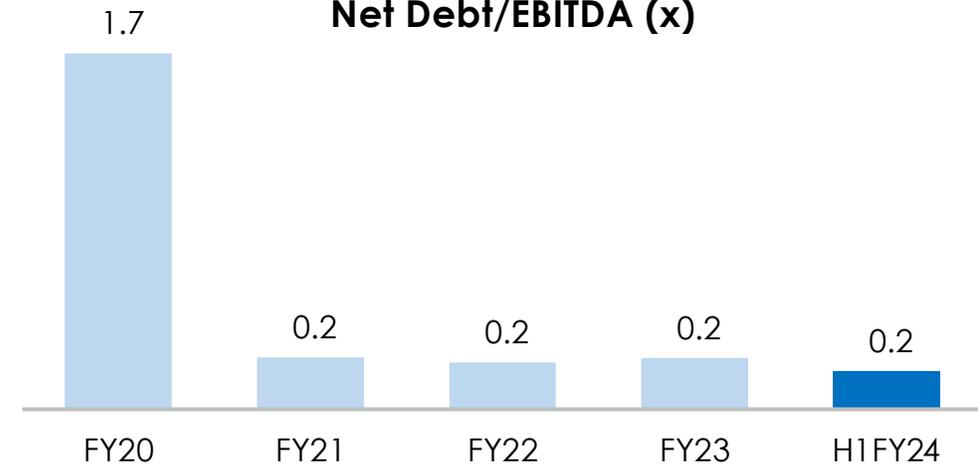
Note 1: Capital employed for ROCE is computed as Total assets less Current Liabilities & Cash
Note 2: ROE/ ROCE has been annualized on H1FY24 basis

Growing Strength to Strength

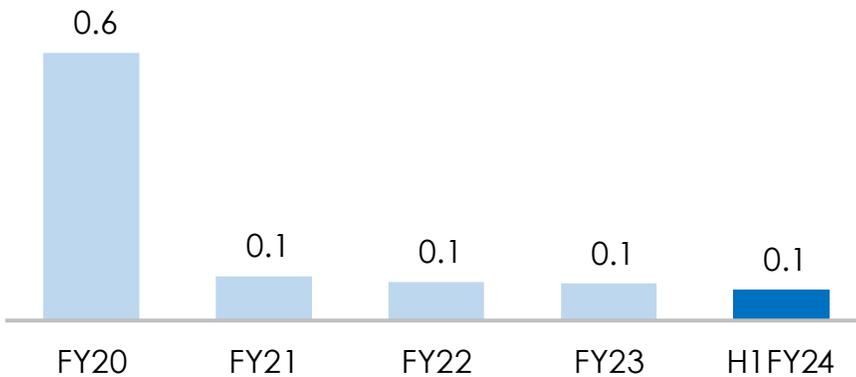
Operating Cash Flow (Rs Bn)



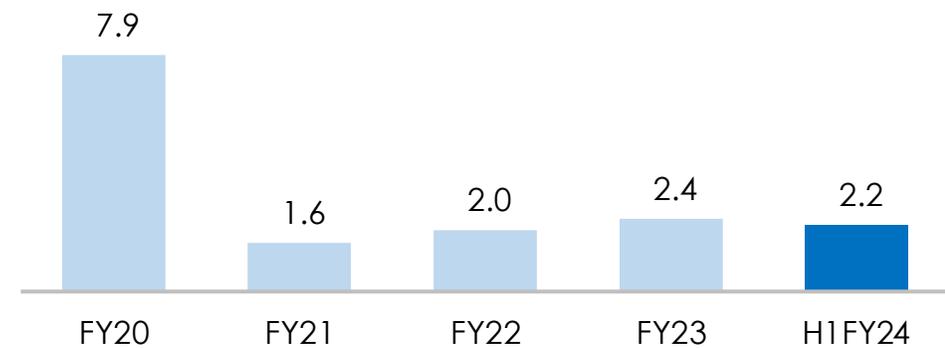
Net Debt/EBITDA (x)



Net Debt/ Equity (x)

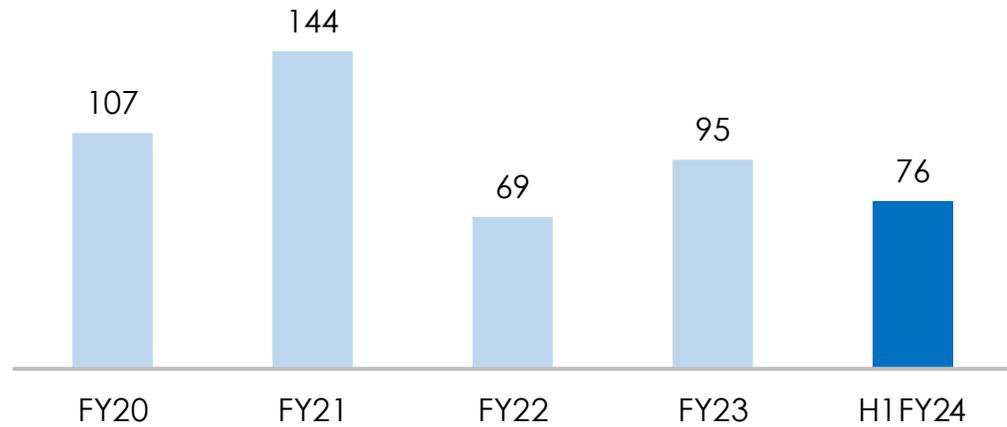


Net Debt (Rs Bn)

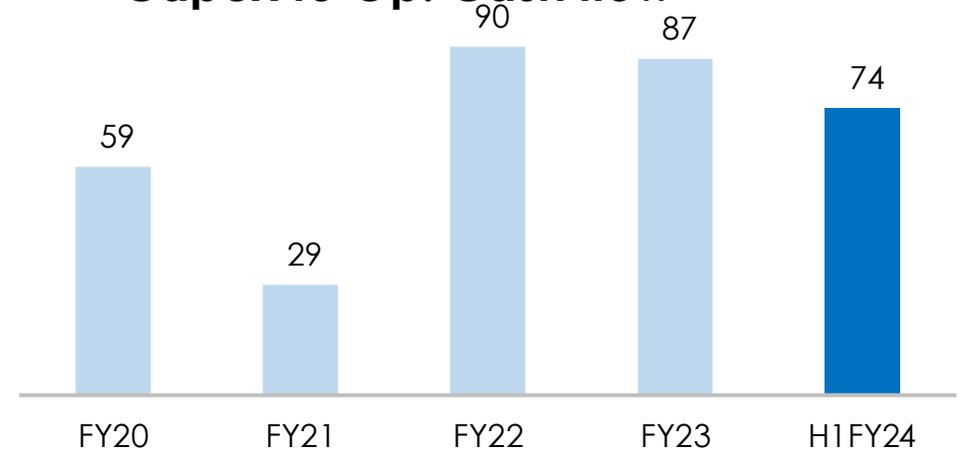


Growing Strength to Strength

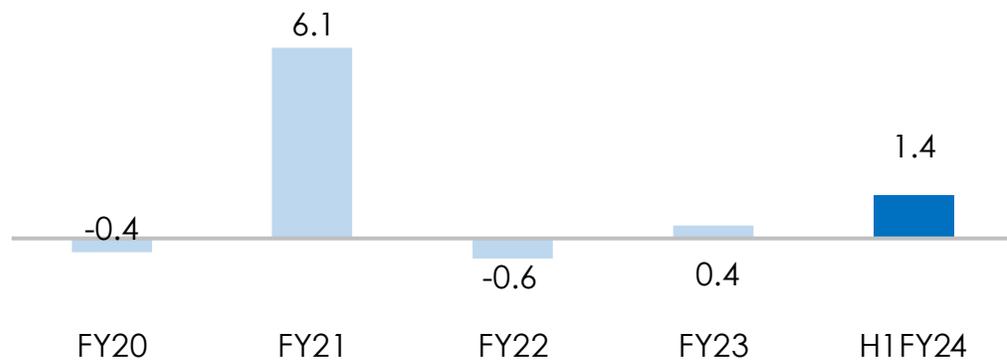
Operating Cashflow to EBITDA (%)



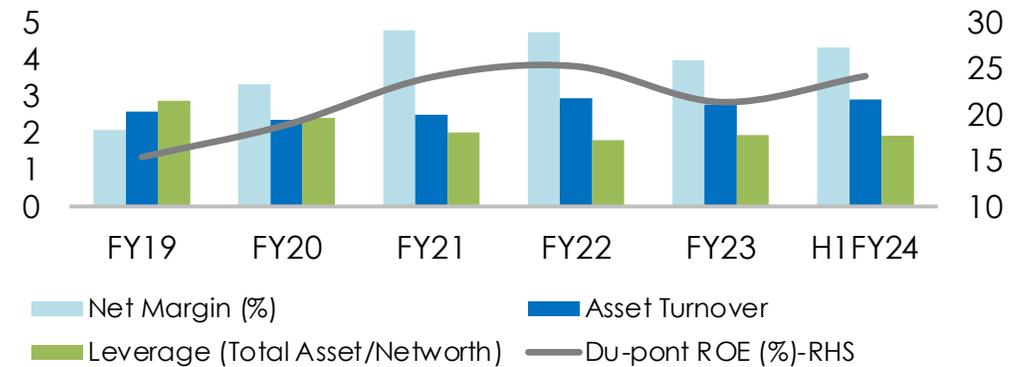
Capex to Op. Cash flow



FCF (Rs Bn)



Du-Pont ROE (%)



Profit & Loss Statement (Consol)

Particulars (Rs Mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	FY23	H1FY24
Sales Volume (K Ton)	602	605	650	662	675	2,280	1,336
Net Revenue	39,692	43,271	44,311	45,449	46,304	1,61,660	91,753
Raw Material Costs	34,747	37,693	37,823	39,207	39,784	1,40,178	78,991
Employee Costs	468	554	595	604	627	2,062	1,232
Other expenses	2,158	2,296	2,665	2,565	2,642	9,204	5,208
EBITDA	2,319	2,729	3,229	3,072	3,250	10,215	6,322
EBITDA/ton (Rs)	3,850	4,510	4,970	4,645	4,817	4,481	4,731
Other Income	116	93	180	217	196	472	413
Interest Cost	136	186	249	271	266	671	538
Depreciation	276	345	468	409	413	1383	823
Tax	521	598	673	672	738	2,214	1,410
Net Profit	1,502	1,692	2,018	1,936	2,029	6,419	3,965

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Note 1: Sales Volume and Financials are on consolidated basis

Note 2: Trading revenue for Q2FY24 was Rs.843 Mn

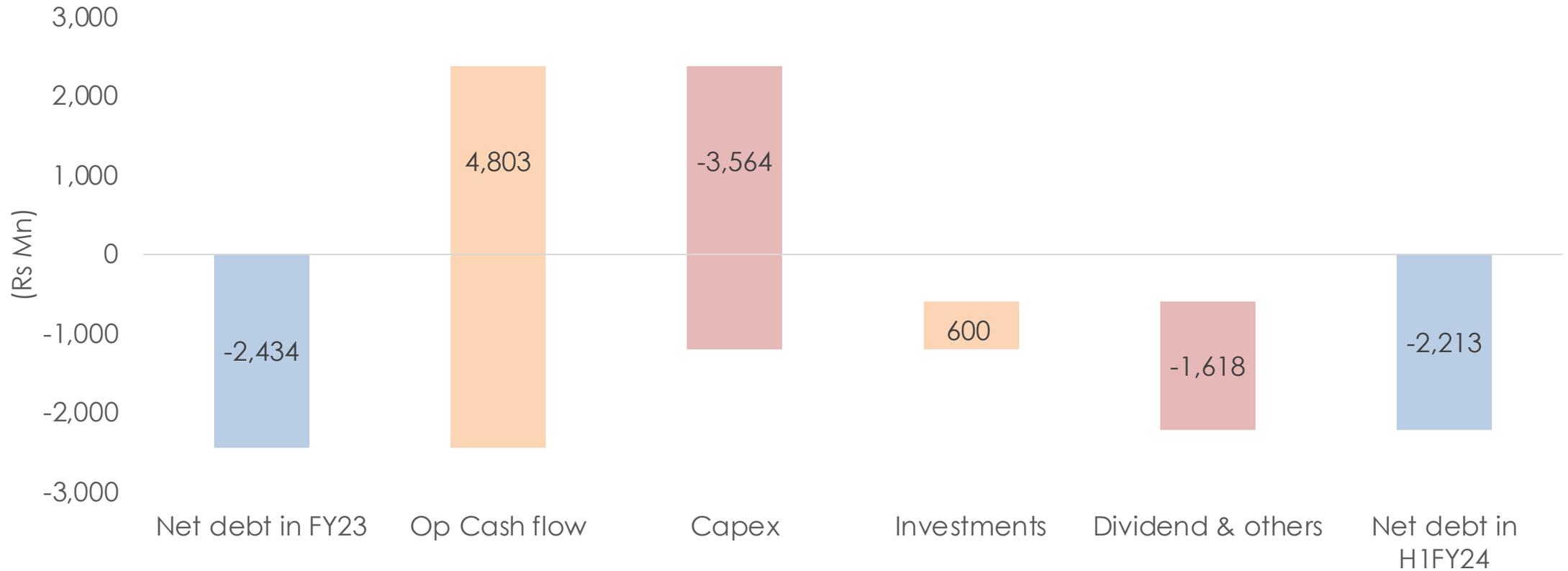
Balance Sheet & Cash flow(Consol)

Balance Sheet - Assets (Rs mn)	H1FY24	FY23
Cash & Bank Balance	9,340	6,295
Receivables	1,445	1,374
Inventories	13,633	14,799
Other current assets	3,231	3,110
Fixed assets (net)	29,781	27,232
Right to use Assets	1064	925
Investments	481	960
Other assets/goodwill	4,022	3,821
Total Assets	62,997	58,516
Balance Sheet - Liabilities (Rs mn)	H1FY24	FY23
Trade payables	13,201	15,970
Other current liabilities	2,596	1,185
Debt	11,552	8,729
Others	2,844	2,576
Minority Interest	0	0
Shareholders' funds	32,803	30,056
Total Equity & Liabilities	62,997	58,516

Cashflow Statement (Rs mn)	H1FY24	FY23
EBITDA	6,322	10,215
Change in receivables	-65	1,990
Change in inventory	1158	-6340
Change in other WC	-2,109	5,494
Tax	-916	-2,161
Others/ Income	413	472
Operating cash flow	4,803	9,670
Capex	-3,564	-8,424
Investments	600	-222
Interest	-453	-602
Free cash flow	1386	423
Dividend payments	-1387	-875
Capital increase	0	27
Others	222	32
Net change in cash flow	221	-393
Net debt beginning	-2,434	-2,042
Net debt end	-2,213	-2,434

* Rs 2.27bn FD is classified under Other financial Assets due to maturity of less than 365days

Consol. Cash Flow Bridge (Rs Mn.)



✓ Business continues to generate strong operational cash flows

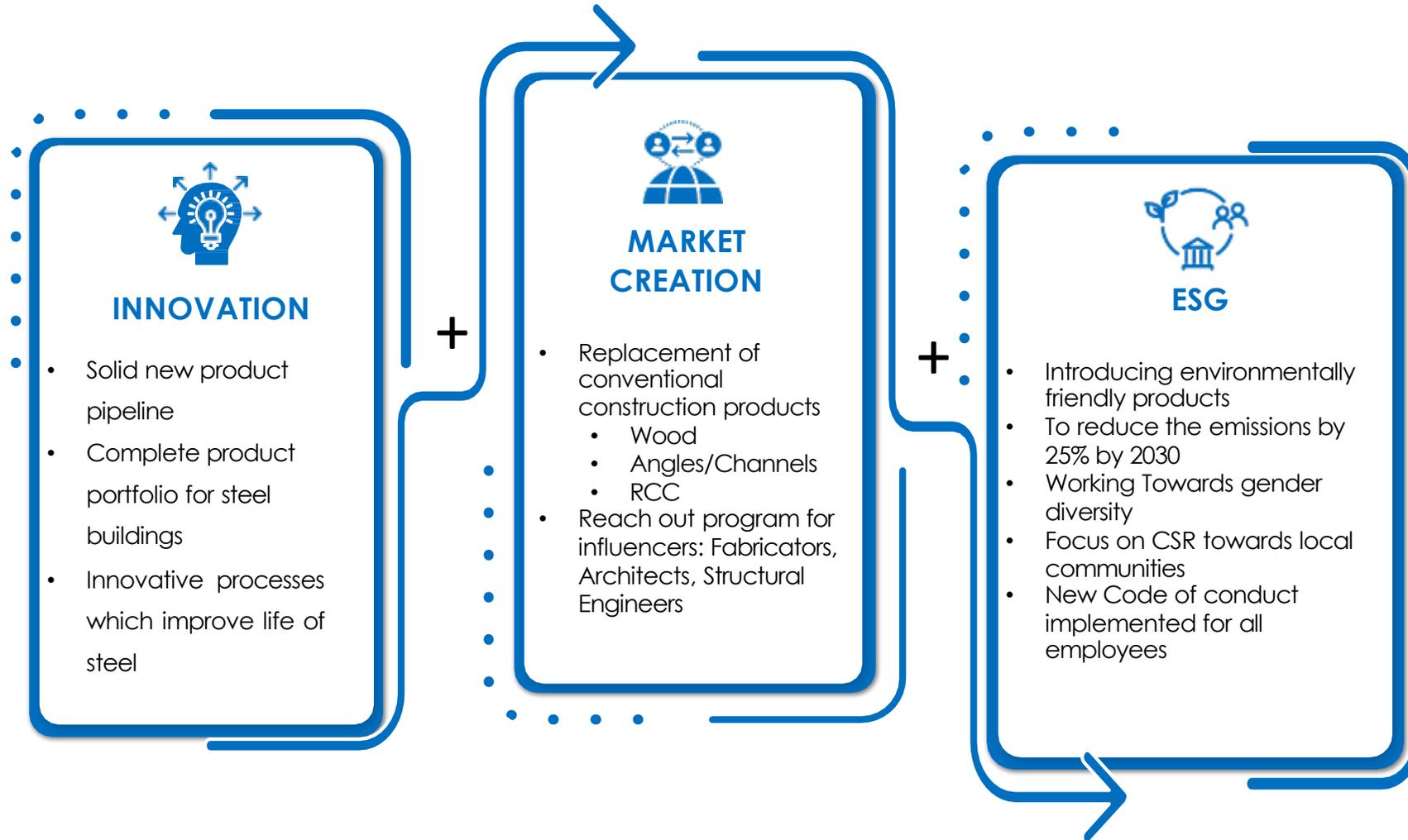
✓ Capex being funded from internal cash flows

✓ Net debt to EBITDA at 0.2x

BUSINESS STRATEGY



APL Apollo Vision



INNOVATION

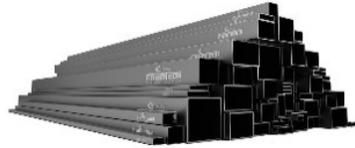
World's only company to make steel tubes with size range of 8x8mm to 1000x1000mm and thickness range of 0.18 mm to 40mm



What we have done so far as the first company

Indian Markets

Structural steel square and rectangular tubes:



Structural application in construction Industry

Pre-galvanized structural steel tubes (**Apollo Z**):



Corrosive resistant structural applications

DFT (Direct Forming Technology)



Faster TAT with tailor made sizes

300x300mm dia structural steel tubes:



Heavy structural application in Construction industry

Inline galvanizing (**ILG**)



Superior corrosive resistant product strong demand in coastal market

What we have done so far as the first company

Global Markets

Chaukhat (Door frame shape tubes)



Replacing Conventional wooden door frames

Rectangular section of 1:11
(Length to Breadth)



Replacing Conventional wooden sections

REGISTERED PATENTS PRODUCTS



Double Door Frame



Apollo Signature



Four door Frame



Single Door Frame



Elliptical Tube



D Section



Handrail



Window Frame Tube (L)



Window Frame Tube (T)



Window Frame Tube (Z)



Reflector Tube



Oval Tube



Plank Tube



Octagon



Fencing Tube



Checked Sheets

New Product Pipeline from Raipur plant

**World's 1st thicker
color coated products**



Superior corrosion resistant,
high load bearing with
aesthetics

**World's 1st Color coated
structural steel tubes**



Superior corrosion resistant
with aesthetics

**India's 1st 500x500mm
dia structural steel tubes**



Replacing RCC
structures/columns in heavy
construction

**India's 1st and World's
2nd 1,000x1,000mm**



**India's 1st CRCA
Black annealed tube**



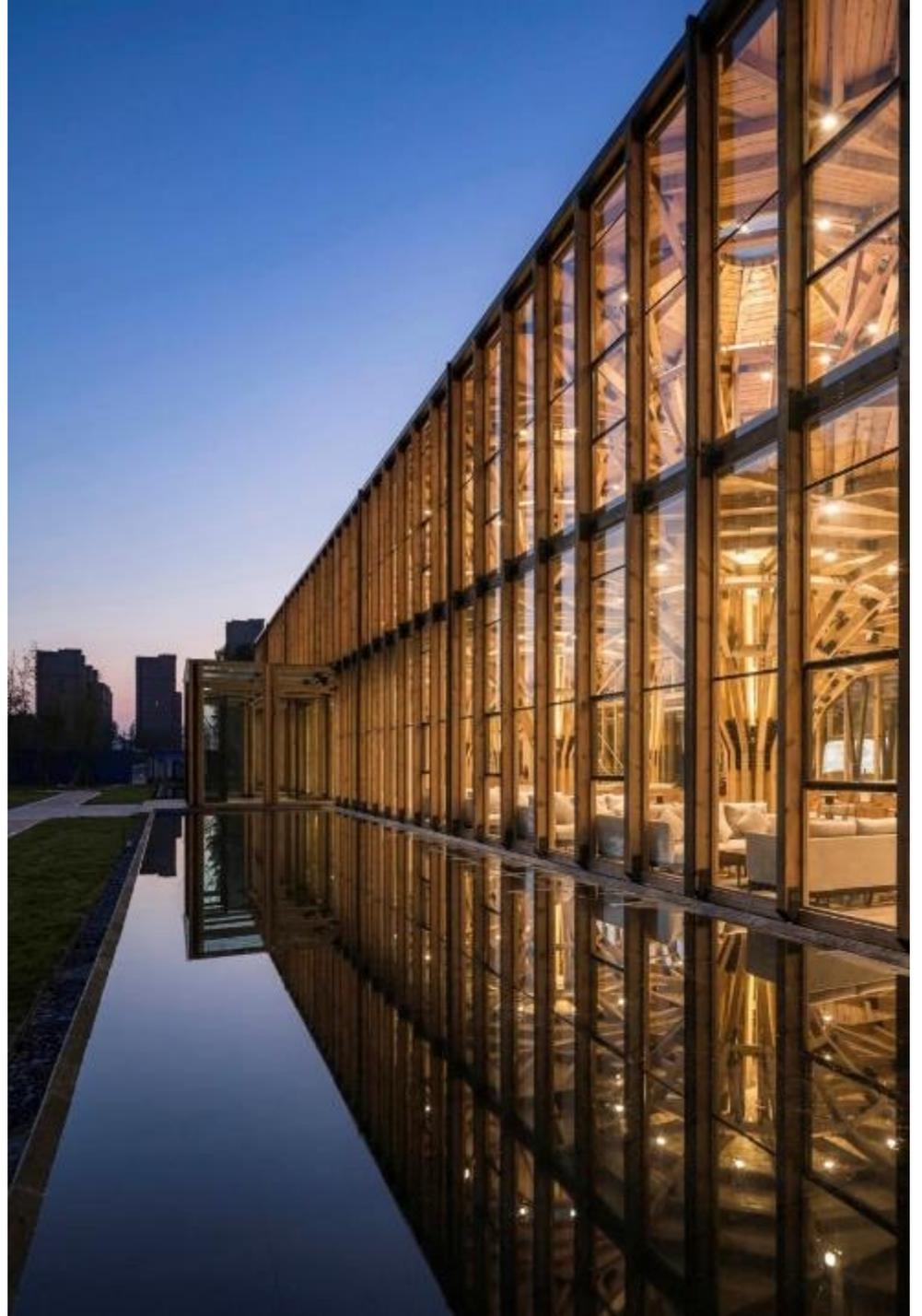
High tensile light structural
application; bendable; superior rust
proof properties

**India's 1st AluZinc
tubes**



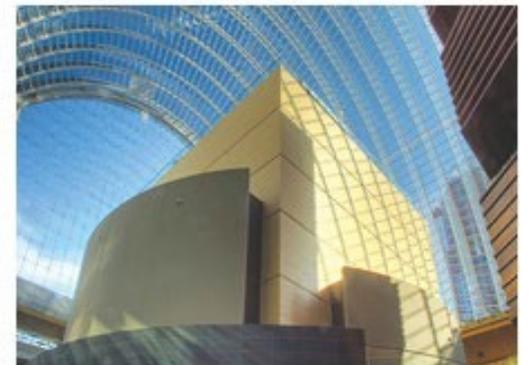
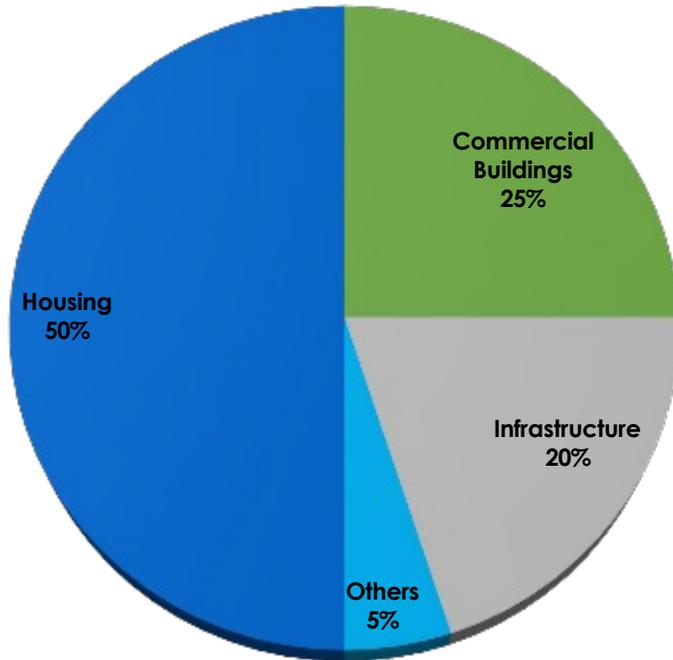
Superior rust proof
properties and better life

MARKET CREATION



Structural Steel Tube Applications

Application Mix



APL APOLLO TUBES

*As per H1FY24 revenue

How Have We Created Market..

Conventional Construction Products	Applications	Why Structural Steel Tube replaces these products?
Steel Angle/Channels	Structural support, Towers infrastructure	Uniform Strength, Lower steel consumption
Wood	Furniture, Door Frames, Planks	Cost Effective, Termite Proof, Environmental Friendly
Aluminum Profiles	Facades & Glazing	Cost Effective, Higher Strength
Reinforced Cement Concrete	Construction of Buildings	Faster Construction Environmental Friendly
Fabricated Metal Sheet	Pre-Engineered Steel Buildings	Lower steel consumption Reduces overall project cost

How to replace the conventional products??



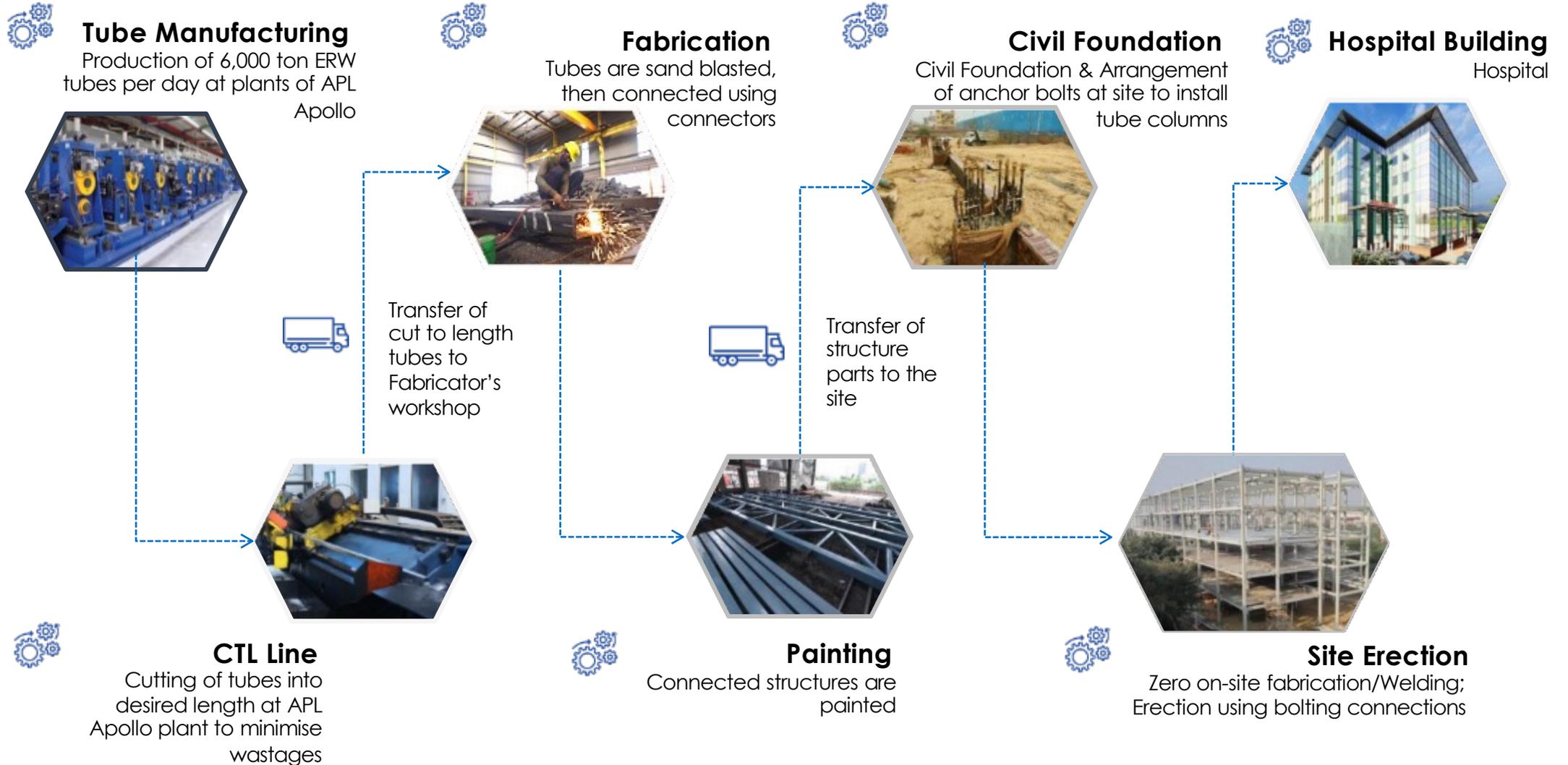
Low Diameter Steel Tubes/Low Load Bearing

High Diameter Steel Tubes/High Load Bearing

REVOLUTIONIZING CONSTRUCTION INDUSTRY

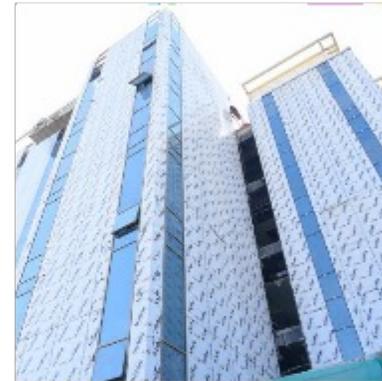
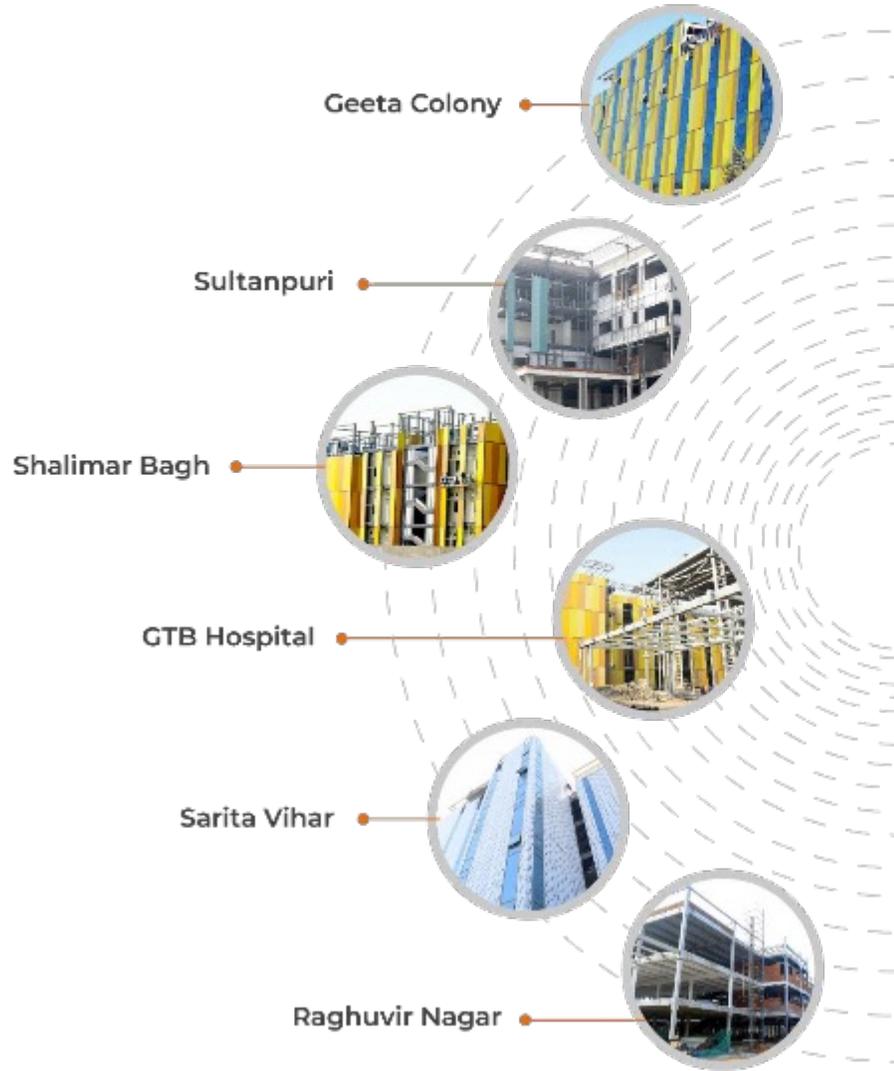


Tubular Construction Process flow



6 DELHI HOSPITALS: PROOF OF CONCEPT

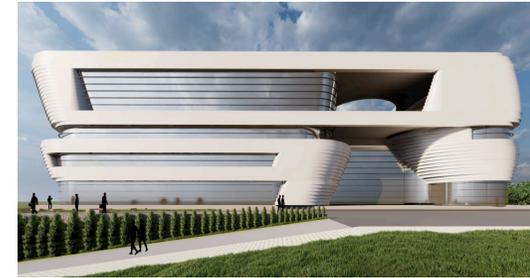
- Total 2mn Sq. ft built-up
- 18k ton Steel Tubes used
- Structural work completed in average 90days



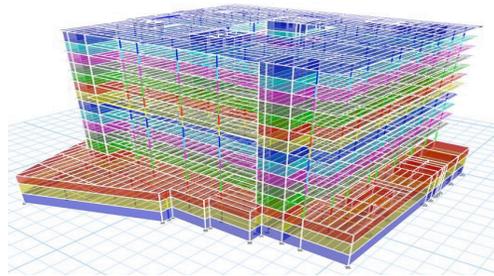
More live sites



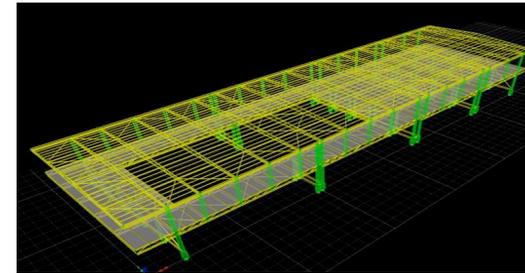
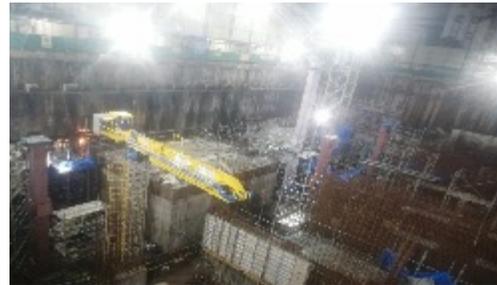
MES – Delhi Cantonment



University Campus- Telangana



Hospital- Mumbai



Railway Station – Andhra Pradesh



Water Tank, Uttar Pradesh



University, Delhi NCR



Housing-Delhi



Applications

- High Rise Buildings
 - Hospitals, Housing, Schools, Courts, Hotels/Malls/Offices
- Warehouses/Cold Storage/Food Parks
- Factory Buildings/Process Structures
- Aviation Hangers
- Data Centres

45
projects

42mn sq. ft.
Visibility

220,000 ton
heavy structural steel
tubes

Ongoing enquiries



Vision 2025

1	Dominant position with 60%+ market share	Company aims to continue its dominant position in Indian Market	✓ Capacity: 5 Mn Tons with Capacity Utilization of 80%+
2	Product innovation	Create formidable position in newer product category (Super Heavy and Coated)	✓ Revenue 2X
3	Strengthen presence in Global Markets	Aim to enhance global presence and have 10% share of the overall sales	✓ EBITDA 2.5X
4	Customer Centricity	With Investment in B2C app, use of Bollywood and Sports for brand pull, we have strong focus on customer centricity	✓ 70%+ revenue from Value Added Products
5	Recognized Player on ESG Front	Significant focus on ESG	✓ 10%+ of sales from Exports

Growth Drivers

A Capacity expansion

Raipur project

- Capacity: 1.2 MTPA (infrastructure of 1.5 MTPA)
- Capex: Rs13bn (90% already incurred)
- Potential financials:
 - Revenue: Rs70bn+
 - EBITDA: Rs6bn+

B New products

Products

Project specifically focused at High- value added products 3 key product categories:

High Diameter High Thickness Tubes

- 500m x 500m and 1000m x 1000m
- Capacity: 0.5 MTPA
- Suitable for high rise, high load bearing structures
- Reduces project cost by ~20% for the developer

Coated Tubes

- Colored and galvanized
- Capacity: 0.3 MTPA
- Suitable for Warehousing, infrastructure & industrial segments

Coated Products

- Narrow cold rolled and flat products
- Capacity: 0.4 MTPA
- New age products to replace existing products of wood, PVC etc.

C Focus on high margin products



D Geographic expansion

East India

Capacity: 0.2 MTPA
Project to help deeper penetration in the Eastern India market
Land acquisition in process
COD: FY 25

Dubai

Capacity: 0.4 MTPA
First plant outside India for catering to Middle East and European markets
COD: FY 25



APL Apollo's ESG Transformation Journey

DJSI Scoring

APL APOLLO TUBES



**APL APOLLO
SCORED 80TH
PERCENTILE IN FY22**

**We expect better score
this year as we are
improving on ESG
parameters**

Commitment and achievements

Commitments

- Committed to reducing Scope 1&2 emissions by 25% by 2030 **E**
- Committed to set near term and Net Zero targets by 2050 **E**
- Renewable energy contribution to be 47% by 2030 from 38% **E**
- Targeted to increase the female workforce by 1% every year **S**
- CSR initiatives in the local communities to uplift their lifestyle **S**
- Skill development trainings and safety trainings **S**
- Occupational Health and safety assessment of all work force **S**
- Training on code of conduct to educate each employee **G**

Achievements

- Introduced new, environmentally friendly products **E**
- All plants have access to green energy, 2 plants have more than 85% dependency on green energy **E**
- Almost all plants have rainwater harvesting facilities **S**
- Zero accidents by providing safety training at sites **S**
- Attrition rate below 5% **S**
- Hiring female workforce to achieve gender diversity targets **S**
- Given emphasis to CSR initiatives in local communities **S**
- New Code of conduct implemented for all employees **G**

Front runner for Steel for Green

- APL Apollo is the **1st** Company to innovate readymade Doorframe, Fence, Plank and Hand rails as **Steel for Green** Concept which replaced conventional wood application in building construction
- Our Products are saving **250,000 trees** every year, going ahead we will be saving more and more trees to keep the planet greener
- Keeping the **Steel for Green** as priority APL is the **1st** Company to innovate **narrow and thicker color coated** galvanized sheets which will save more trees

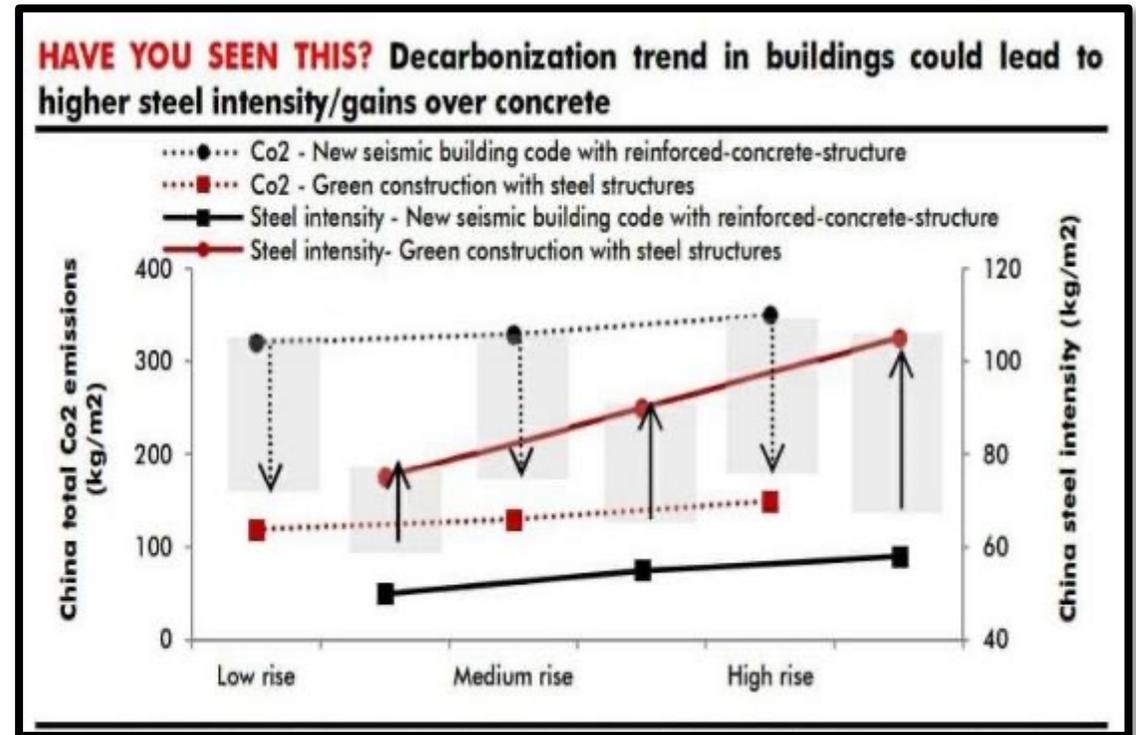


Steel Buildings = Decarbonization

- Construction sector contributes 30% of direct and indirect Co2 emissions
- Structural steel is preferred for steel buildings because steel is
 - Infinitely recyclable
 - Easy to pre-fabricate
 - High volume to weight ratio
 - Lighter/ stronger structure allow gains in vertical space

Research indicates replacing reinforced concrete with steel structures can reduce emission by 60%

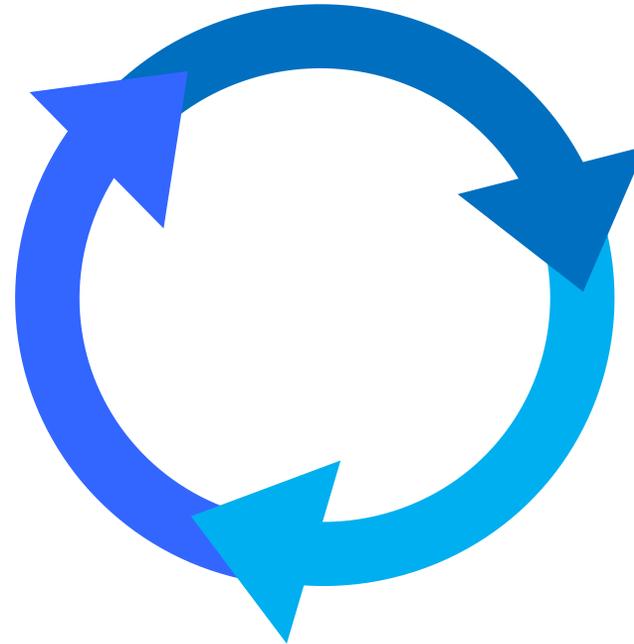
Steel Structure - RCC Structure



Financial Priorities under Strong Governance

Growth

- Profitable Organic Growth
- Commitment to R&D and Talent
- Innovate products to replace conventional construction methods



Earnings

- Drive sustainable EPS growth
- Attain earnings objectives across economic cycles

Capital Allocation

- Drive sustainable EPS growth
- Attain earnings objectives across economic cycles
- Achieve ROCE \geq 30%

Board of Directors

Sanjay Gupta

CMD

Steel Industry veteran with 3 decades of experience



Neeru Abrol

Director at TCNS Clothing Co Limited & others | Awarded best achiever by ICAI | 26 Yr experience in SAIL



Abhilash Lal

3 decades of professional experience in senior roles across financial services including banking, PE & others



Anil Kumar Bansal

Director of NABARD, Rockland Finesto Ltd & others
4 decades of experience in banking industry



Virendra Singh Jain

Board member of Dalmia Bharat Ltd | Ex-Chairman of SAIL | Ex-Executive Director at IOC



Deepak Goyal

Group CFO

& Director-Operations
2 decades of professional experience in steel tube industry



Ashok Kumar Gupta

Steel industry veteran with 4 decades of experience
Worked as MD in APL Apollo in the past



Rahul Gupta

A promising entrepreneur with an experience of around 5 years in Steel Tubes Manufacturing



Vinay Gupta

More than 20 years of industry experience in the manufacturing and trading pipes, tubes and sheets.



Our Leadership



Sanjay Gupta
CMD



Vinay Gupta
Chairman
Apollo Metalex



Rahul Gupta
JMD
Apollo Building Products
(New Raipur)



Deepak Goyal
Group CFO
& Director-Operations



Anubhav Gupta
Group Chief Strategy
Officer



Anurag Mehrotra
Chief Human Resource
Officer



CK Singh
VP - Operations



Ravindra Tiwari
Head-Sales &
Marketing



Utkarsh Dwivedi
CEO
International Business



Amit Thakur
Head
Procurement

Thank You

For further information,
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