



**YOU THINK  
WE SUPPLY**

**CELEBRATING NETWORK OF 800 DISTRIBUTORS**



**Q1FY23 Results**

# 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.



# APL Apollo – The Most Innovative Building Material Company of India

- 1<sup>st</sup> to mass produce **structural steel square and rectangular hollow sections**
- 1<sup>st</sup> to introduce pre-galvanized structural steel tubes (**Apollo Z**)
- 1<sup>ST</sup> to introduce **DFT** (Direct Forming Technology)
- 1<sup>st</sup> to introduce **300x300mm** square and rectangular structural steel tubes
- 1<sup>st</sup> to introduce **500x500mm** square and rectangular structural steel tubes
- 1<sup>st</sup> to introduce **world's first narrow and thicker color coated** sheets
- 1<sup>st</sup> to introduce **color coated structural** steel tubes



# Contents

- Q1FY23 at glance
- Financial Performance
- Business Strategy
- New Initiatives
- ESG Engagement
- Team APL Apollo



# Q1 FY23 at a Glance



**423k ton**  
**Sales Volume**  
13% yoy increase



**₹ 34.4 Bn**  
**Revenue**  
36% yoy increase



**₹1.9 Bn**  
**EBITDA**  
24% yoy decline



**₹ 4,587**  
**EBITDA/ton**  
33% yoy decline



**₹100 Mn\***  
**Interest Cost**  
22% yoy decline



**₹ 1.1 Bn**  
**Net profit**  
27% yoy decline



**61%**  
**Value Added  
Sales mix**  
FY22 was 63%



**₹ 6.5 Bn**  
**FY22 Op. Cash flow**  
FY21 was Rs 9.8 Bn



**8 days**  
**Net WC days**  
FY22 was 7 days



**27.2%**  
**ROCE as at Q1FY23**  
FY22 was 34.5%



**22.7%**  
**ROE as at Q1FY23**  
FY22 was 28.8%



**₹ 3.0 Bn**  
**Net debt**  
FY22 was 2.0 Bn

*\*Interest Cost does not include Interest Income of Rs34mn; it has been accounted in Other Income  
Note1: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest  
Note2: Capital employed for ROCE computed as Total assets less Current Liabilities & Cash*

# FINANCIAL PERFORMANCE



# De-commoditizing Product Portfolio

Value added products contributed  
61% of total sales in Q1

Product Category	Application	Q1FY22			Q2FY22			Q3FY22			Q4FY22			Q1FY23		
		Sales Mix	Volume	EBITDA /Ton	Sales Mix	Volume	EBITDA /Ton	Sales Mix	Volume	EBITDA/ Ton	Sales Mix	Volume	EBITDA/ Ton	Sales Mix	Volume	EBITDA /Ton
		(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)
Apollo Structural	Heavy Structures	5	19	8,000	6	26	6,240	9	35	7,531	7	40	7,835	8	33	7,028
	Light Structures	11	40	6,300	12	51	5,137	12	47	4,721	11	60	5,074	12	50	4,375
	General Products	33	124	3,125	38	161	2,194	35	139	1,524	40	223	1,955	39	165	1,614
Apollo Z	Rust-proof structures	23	85	8,990	21	90	8,083	23	91	7,714	19	103	7,942	19	80	7,015
	Rust-proof sheet	8	30	6,000	5	21	5,136	5	19	4,554	6	35	4,746	5	20	4,105
Apollo Tricoat	Home Improvement	16	59	11,716	14	61	8,172	13	54	7,999	12	65	7,149	12	49	9,194
Apollo Galv	Agri/Industrial	4	17	7,257	4	16	6,353	4	17	6,051	5	26	6,230	4	18	5,005
Apollo Build/ New Raipur	Coated Products	-	-	-	-	-	-	-	-	-	0	0.4	5,040	2	7	5,001
<b>Total</b>		<b>100</b>	<b>373</b>	<b>6,825</b>	<b>100</b>	<b>427</b>	<b>5,199</b>	<b>100</b>	<b>403</b>	<b>5,023</b>	<b>100</b>	<b>552</b>	<b>4,823</b>	<b>100</b>	<b>423</b>	<b>4,587</b>

Standard products with  
EBITDA around Rs 2,000/ Ton

Value added products with  
EBITDA more than Rs 4,000/Ton

# De-commoditizing Product Portfolio

Value added products contributed 63% of total sales in FY22 vs 42% in FY18

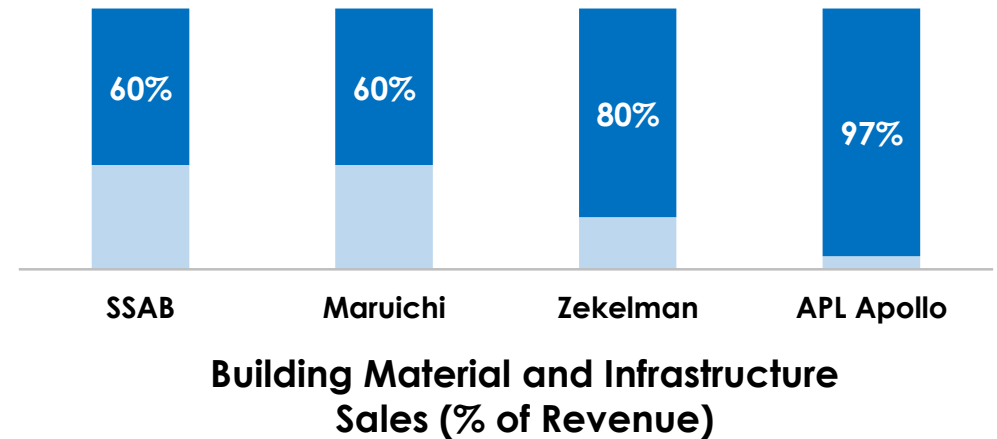
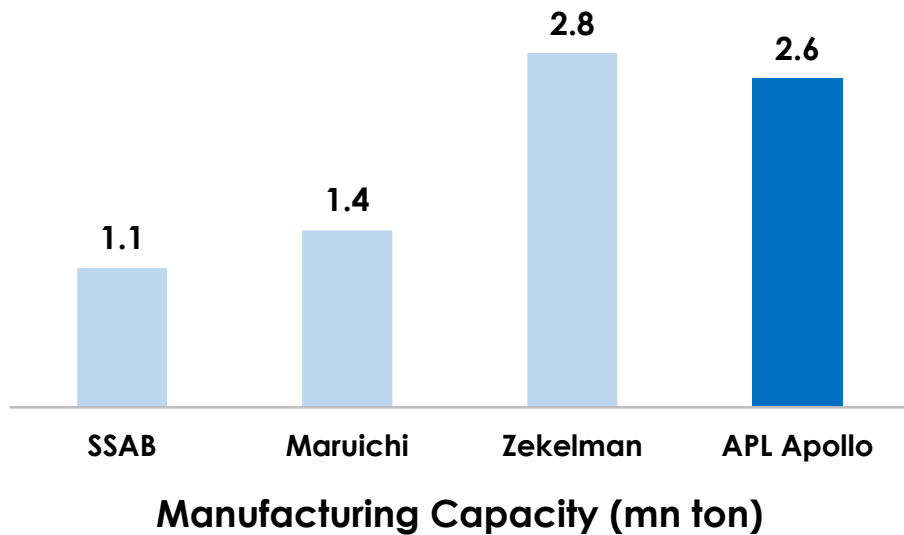
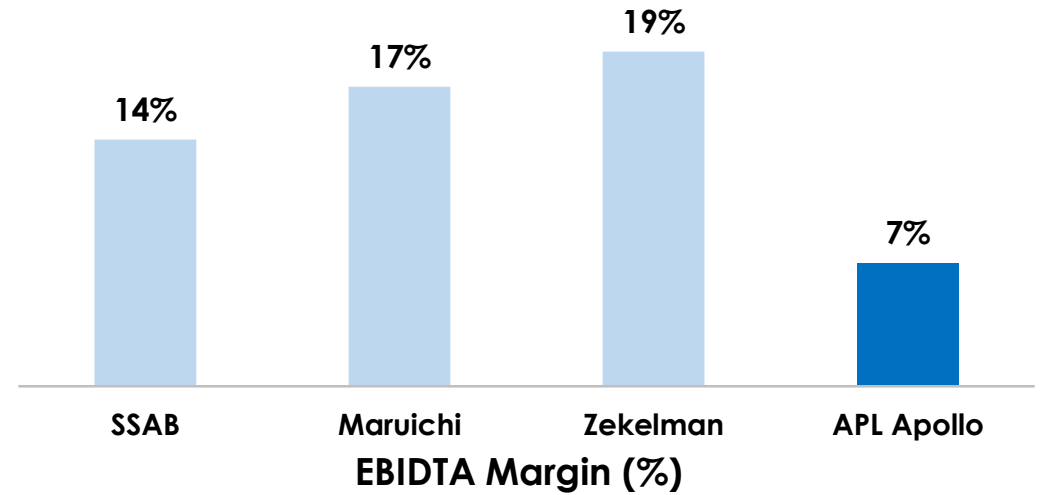
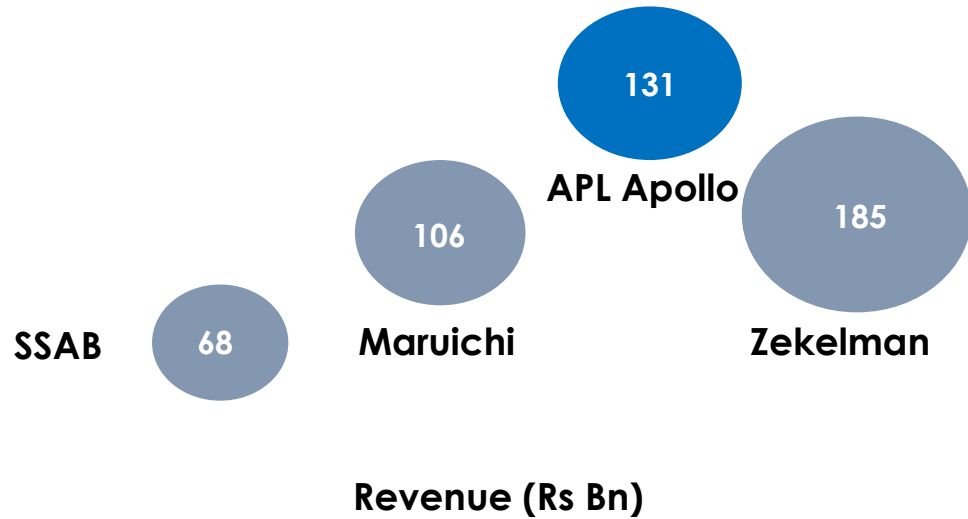
Product Category	Application	FY18			FY19			FY20			FY21			FY22			Annual
		Sales Mix	Volume	EBITDA /Ton	Sales Mix	Volume	EBITDA /Ton	Sales Mix	Volume	EBITDA/ Ton	Sales Mix	Volume	EBITDA/ Ton	Sales Mix	Volume	EBITDA/ Ton	Capacity
		(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(KTon)
Apollo Structural	Heavy Structures	5	52	3,707	6	80	3,775	6	101	4,000	6	95	4,721	7	121	7,422	200
	Light Structures	6	70	3,658	8	108	3,707	5	87	3,800	13	213	4,717	11	198	5,253	430
	General Products	58	656	2,052	58	777	1,615	55	898	1,361	43	713	1,658	37	647	2,145	1,000
Apollo Z	Rust-proof structures	21	241	5,691	21	279	5,568	20	333	5,021	18	294	6,728	21	369	8,161	400
	Rust-proof sheet	-	0	4,704	-	3	4,703	0	2	5,000	1	23	4,720	6	105	5,146	100
Apollo Tricoat	Home Improvement	-	-	-	-	-	-	7	113	6,589	14	231	7,072	14	239	8,737	350
Apollo Galv	Agri/Industrial	10	111	4,880	7	92	4,362	6	99	3,952	4	71	6,040	4	76	6,442	120
Apollo Build/ New Raipur	Coated Products	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.4	5,040	-
<b>Total</b>		<b>100</b>	<b>1,130</b>	<b>3,283</b>	<b>100</b>	<b>1,339</b>	<b>2,933</b>	<b>100</b>	<b>1,633</b>	<b>2,923</b>	<b>100</b>	<b>1,640</b>	<b>4,138</b>	<b>100</b>	<b>1,755</b>	<b>5,386</b>	<b>2,600</b>

Standard products with EBITDA around Rs 2,000/ Ton

Value added products with EBITDA more than Rs 4,000/Ton



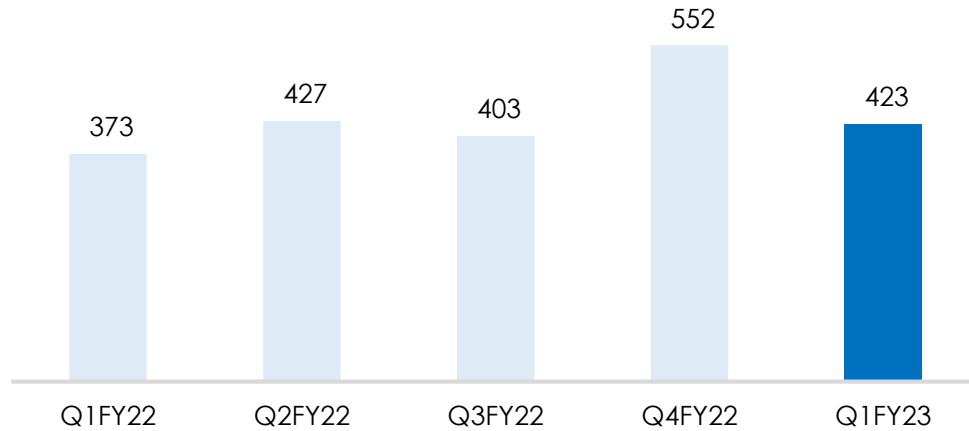
# Global Peer Benchmarking



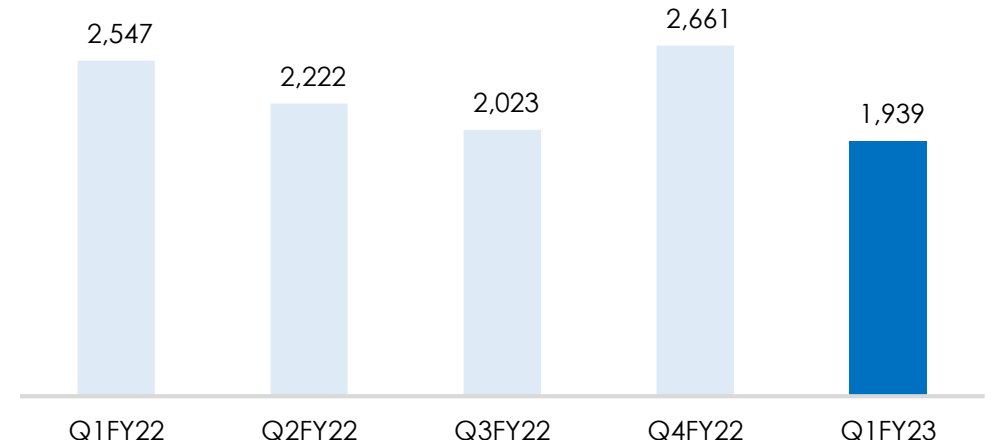
Based on latest financial available data

# Growing Strength to Strength

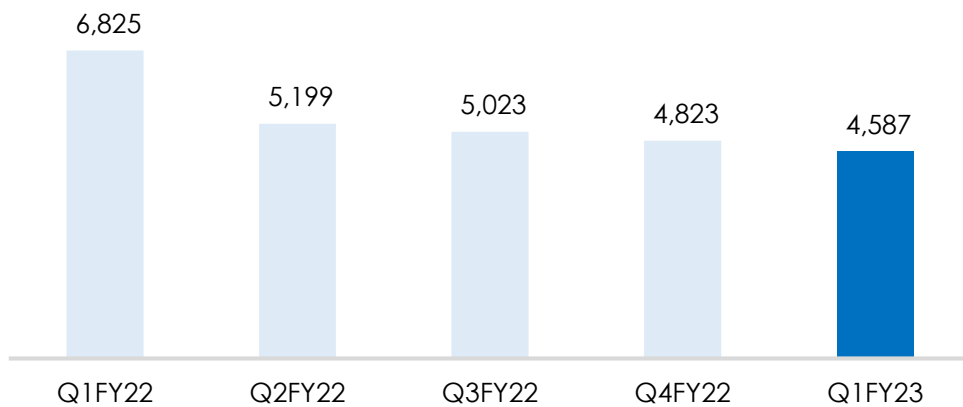
## Volume (k'ton)



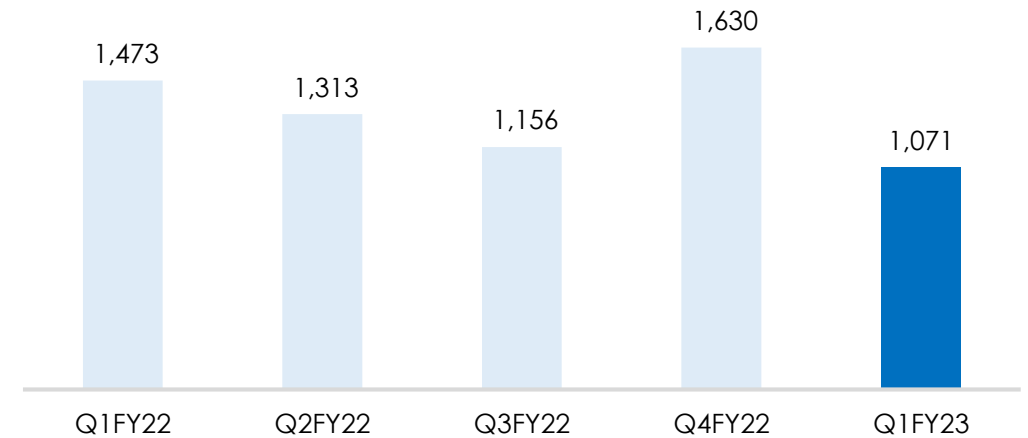
## EBITDA (Rsm)



## EBITDA/Ton (Rs)



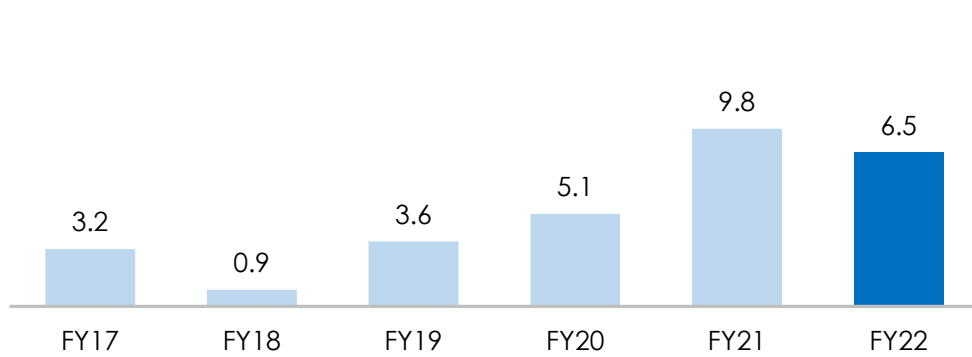
## Net Profit (Rsm)



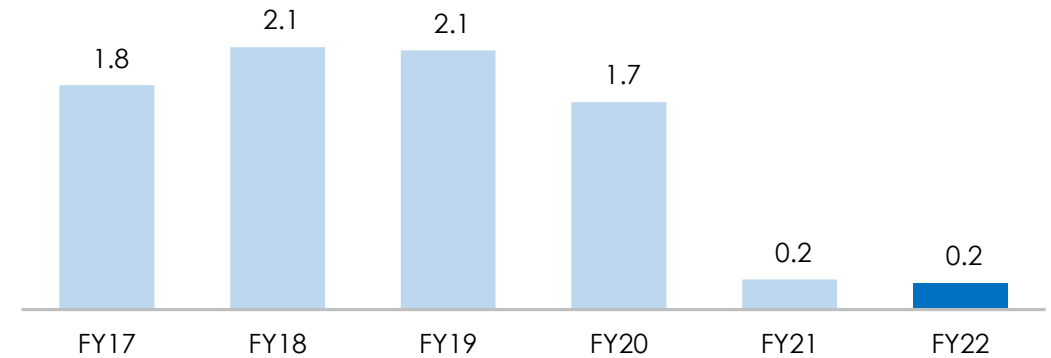
1. Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest  
2. EBITDA has been calculated without other income

# Growing Strength to Strength

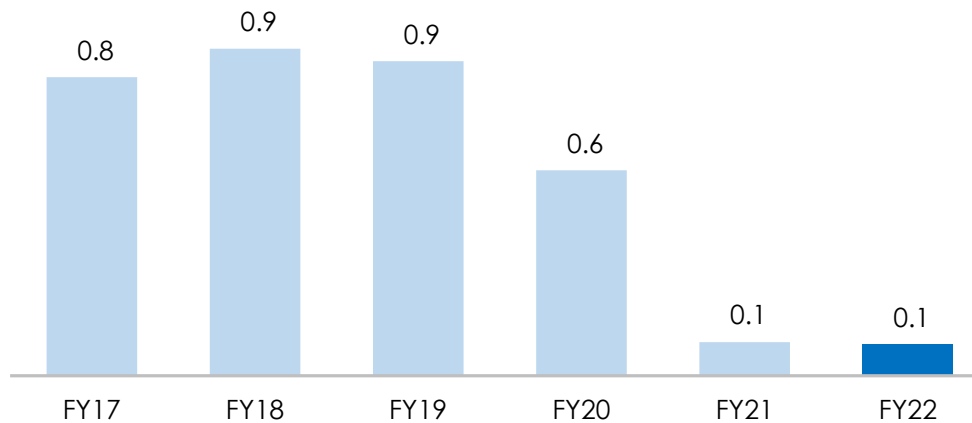
## Operating Cash Flow (Rs Bn)



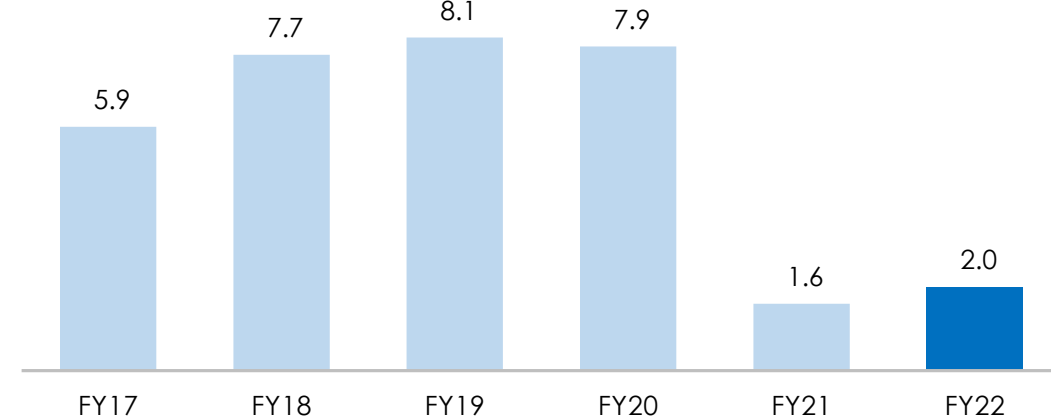
## Net Debt/EBITDA (x)



## Net Debt/ Equity (x)

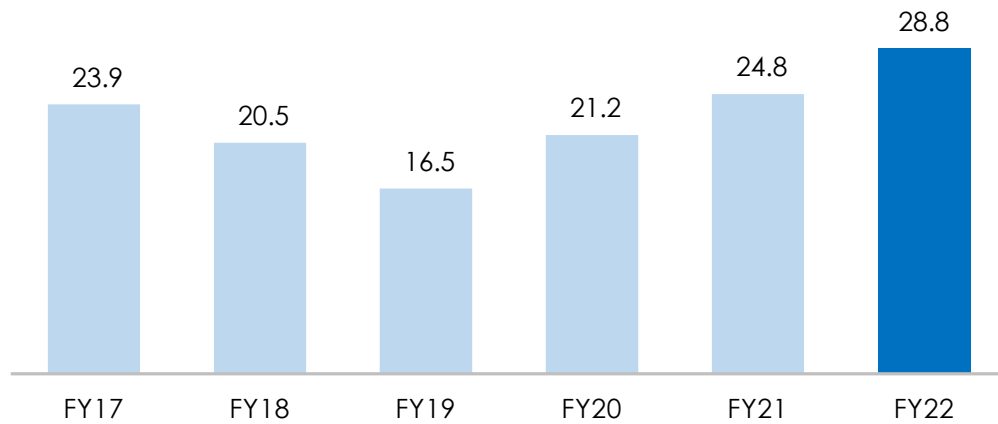


## Net Debt (Rs Bn)

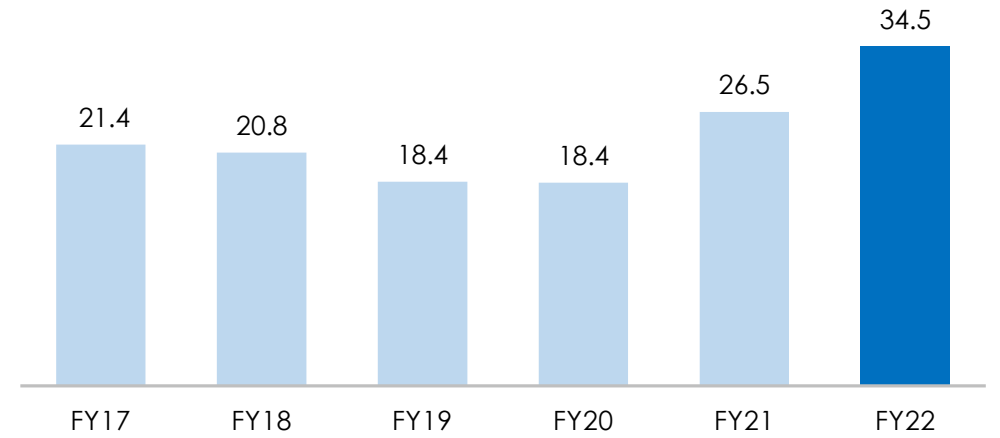


# Growing Strength to Strength

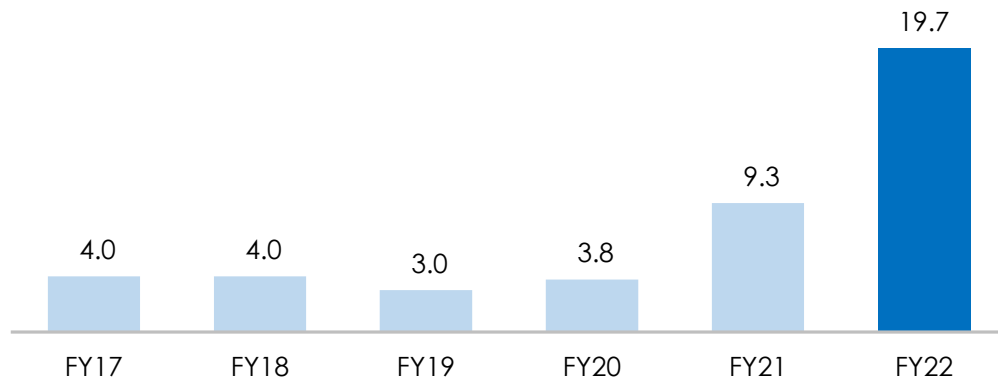
## ROE (%)



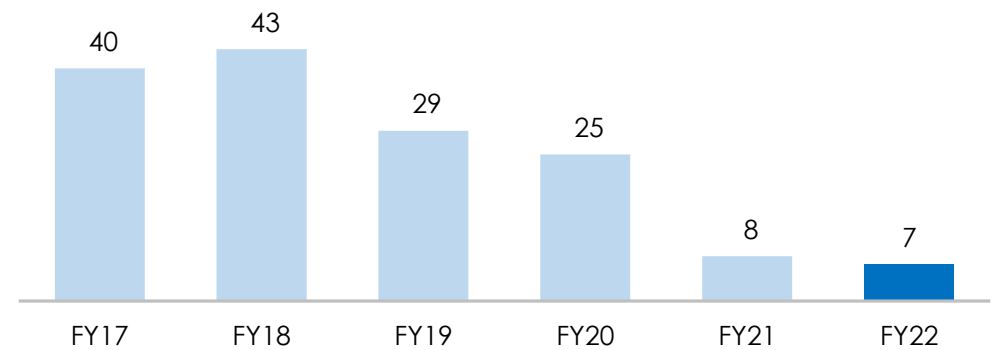
## ROCE (%)



## Interest Coverage Ratio (x)



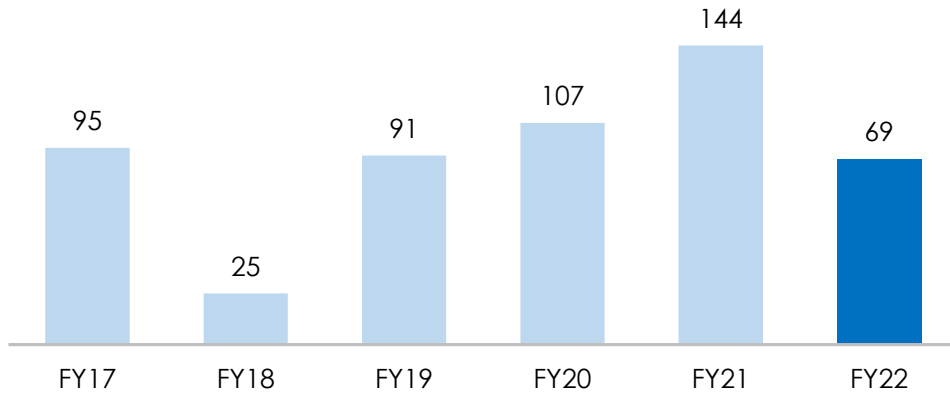
## Net Working Capital Days



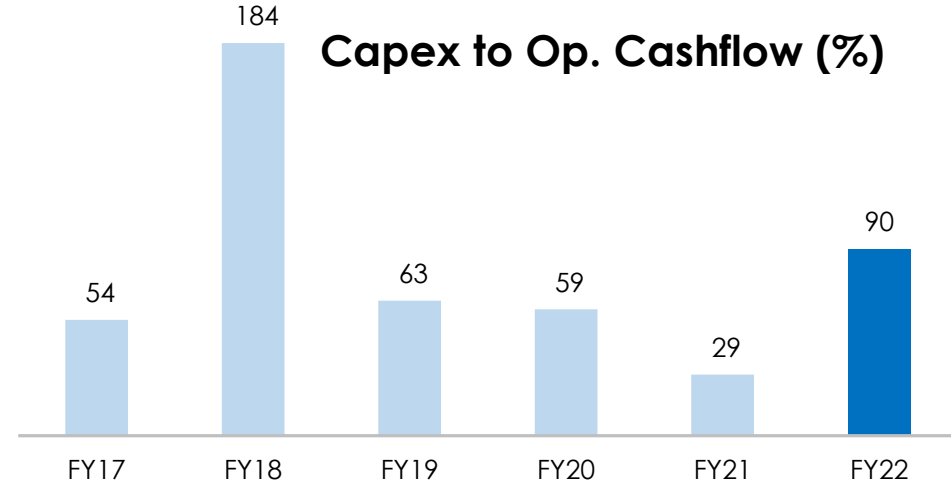
Note: Capital employed for ROCE is computed as Total assets less Current Liabilities & Cash

# Growing Strength to Strength

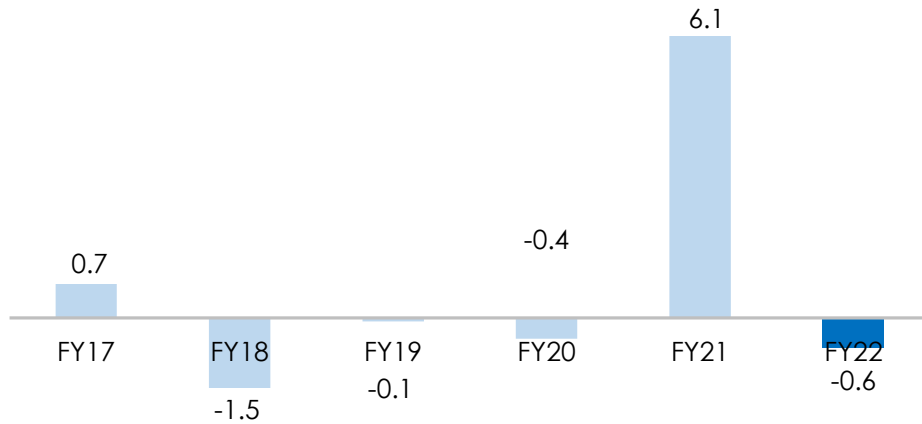
Operating Cashflow to EBITDA (%)



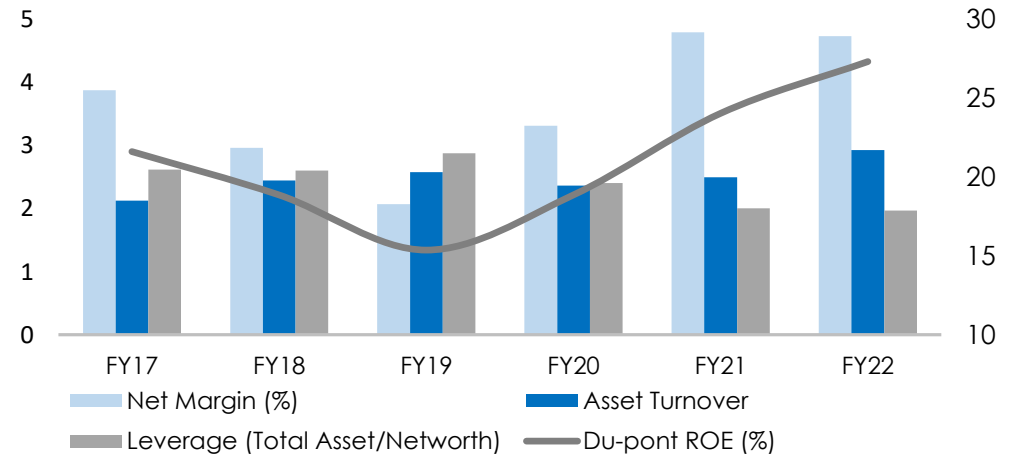
Capex to Op. Cashflow (%)



Free Cashflow (Rs Bn)



Du-Pont ROE (%)





# Profit & Loss Statement (Consol)

Particulars (Rsm)	Q1 FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	FY22	FY21
<b>Sales Volume (k Ton)</b>	<b>373</b>	<b>427</b>	<b>403</b>	<b>552</b>	<b>423</b>	<b>1,755</b>	<b>1,640</b>
Net Revenue	25,343	30,839	32,304	42,147	34,386	1,30,633	84,998
Raw Material Costs	20,771	26,534	28,097	36,829	29,915	1,12,231	71,648
Employee Costs	359	373	389	410	445	1,530	1,296
Other expenses	1,666	1,711	1,795	2,247	2,086	7,419	5,266
<b>EBITDA</b>	<b>2,547</b>	<b>2,222</b>	<b>2,023</b>	<b>2,661</b>	<b>1,939</b>	<b>9,452</b>	<b>6,787</b>
EBITDA/ton (Rs)	6,825	5,199	5,023	4,823	4,587	5,386	4,138
Other Income	102	114	79	110	83	405	359
Interest Cost	128	107	109	101	100	445	661
Depreciation	265	273	272	279	294	1090	1,028
Tax	572	495	442	625	422	2,133	1,381
Net Profit	1,684	1,461	1,279	1,766	1,207	6,190	4,077
Minority Interest (MI)	211	148	123	136	136	617	475
<b>Net Profit (after MI)</b>	<b>1,473</b>	<b>1,313</b>	<b>1,156</b>	<b>1,630</b>	<b>1,071</b>	<b>5,573</b>	<b>3,602</b>

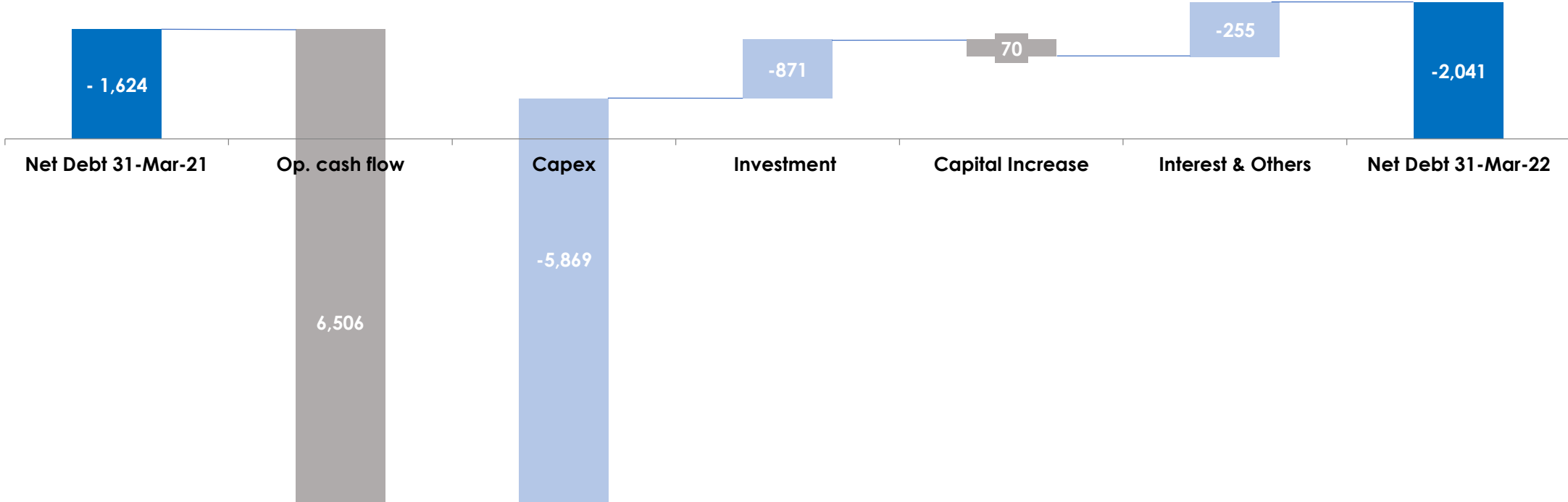
Note 1: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest

# Balance Sheet & Cash flow (Consol)

Balance Sheet - Assets (Rs mn)	FY22	FY21
Cash & Bank Balance	3,764	3,579
Receivables	3,417	1,306
Inventories	8,472	7,599
Other current assets	2,617	1,507
Fixed assets (net)	21,078	16,091
Right to use Assets	946	949
Investments	863	15
Other assets/goodwill	3,367	2,943
<b>Total Assets</b>	<b>44,524</b>	<b>33,990</b>
Balance Sheet - Liabilities (Rs mn)	FY22	FY21
Trade payables	10,594	7,859
Other current liabilities	1,365	557
Debt	5,806	5,203
Others	2,119	2,041
Minority Interest/Provision	2,000	1,383
Shareholders' funds	22,640	16,947
<b>Total Equity &amp; Liabilities</b>	<b>44,524</b>	<b>33,990</b>

Cashflow Statement (Rs mn)	FY22	FY21
EBITDA	9,452	6,787
Accounts receivables	-2,108	3,470
Inventory	-887	232
Other WC changes	1,638	117
Tax	-1,993	-1,195
Other Income	405	359
<b>Operating cash flow</b>	<b>6,506</b>	<b>9,771</b>
Capex	-5,869	-2,798
Investments	-871	-265
Interest	-407	-623
<b>Free cash flow</b>	<b>-640</b>	<b>6,086</b>
Dividend payments	0	0
Capital increase	70	154
Tricoat consolidation/Others	152	18
Net change in cash flow	-418	6,258
Net debt beginning	-1,624	-7,882
<b>Net debt end</b>	<b>-2,041</b>	<b>-1,624</b>

# Consol. Cash Flow Bridge (Rs mn)



APL APOLLO TUBES

✓ Business continues to generate strong operational cash flows

✓ Capex being funded from internal cash flows

✓ Net debt to EBITDA at 0.2x

# BUSINESS STRATEGY



# Capex Plan for value addition

- Residual capex in Apollo Raipur
- Value addition/ backward integration in Hosur plants
- Innovative galvanized lines to improve efficiency
  - To help reduce Zinc consumption by upto 4kg per steel tube ton
- 2 new plants in Kolkata/Dubai
  - Only investments into land/building/infrastructure
  - Plant & machines to be shifted from existing facilities

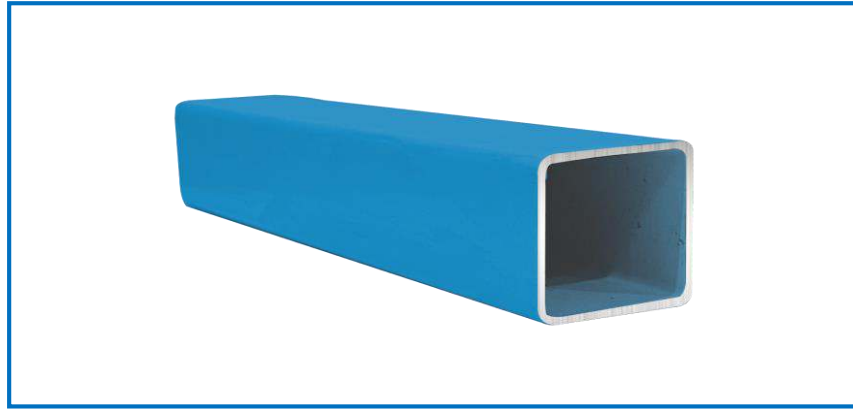
Total Capex of **Rs 6.5bn** to be funded from internal cash flows in FY23-24



# Distribution Enhancement

- **Investment in Shankara Building Products (Largest distributor)**
  - Shift towards sales consistency
  - Better pricing policy in South Market led by secured volumes
  - Strong launch platform for new value added products
  - Significant opportunity for market share expansion
  - Sales volume uptick already visible
- **Started secondary sales on pilot basis in 8 states to penetrate deeper into the market**

# Innovation



**COLOUR COATED TUBES**

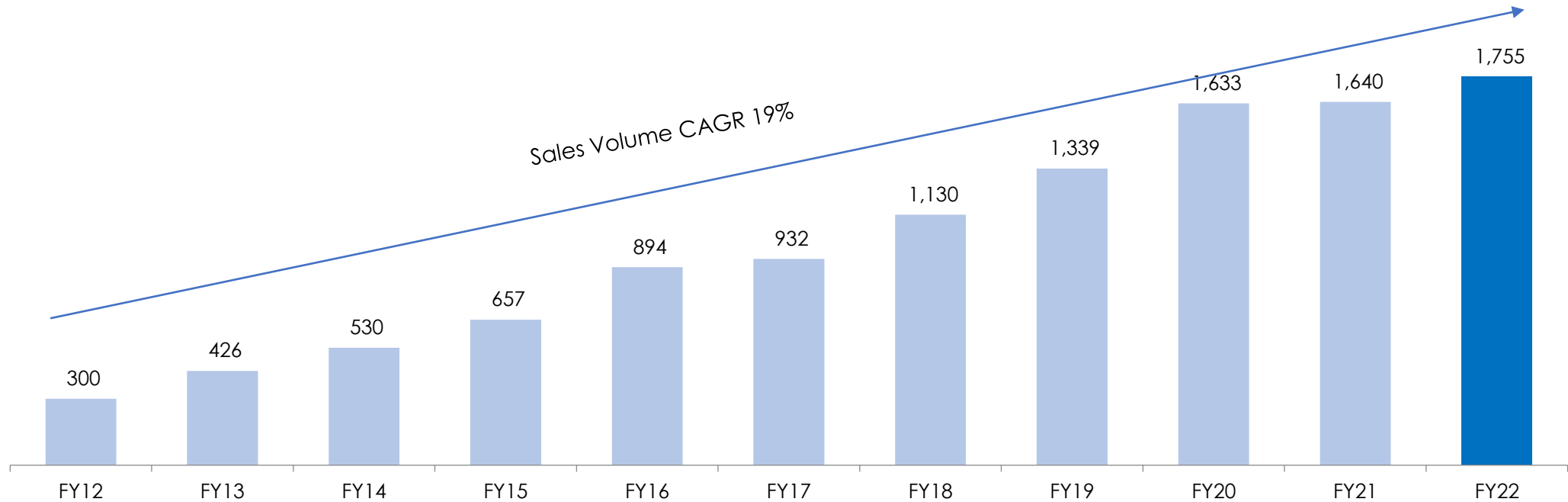


**DESIGNER TUBES**

- Launched 2 innovative products – color coated and designer tubes
- Target segment- **Pre-engineered buildings, Doorframes, Home decor**
- Good market acceptance for both Products
- Potential to become 50,000 ton market for each product

# Market Creation

APL Apollo Sales Volume (k tons)



**55% Market Share in Structural Steel Tubes**

- Developed Structural steel tube market in India
- Focused on steel strength and building material application
- Innovation of new sizes and shapes
- Introduction of new applications

# 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 we replaced the conventional products..

**Low Diameter Steel Tubes/Low Load Bearing**

**High Diameter Steel Tubes/High Load Bearing**

# Registered Patents

APL APOLLO TUBES

			
Double Door Chaukhat Tube	Apollo Signature	Four Double Door Chaukhat Tube	Single Door Chaukhat Tube
			
Elliptical Tube for electric transformers	D Section for Handrail/Fence	Handrail Tube	Window Frame Tube (L)
			
Window Frame Tube (T)	Window Frame Tube (Z)	Reflector Tube	Oval Tube for Gym equipment
			
Plank Tube	Octagon Tube for Furniture	Fencing Tube	Checkeded Section



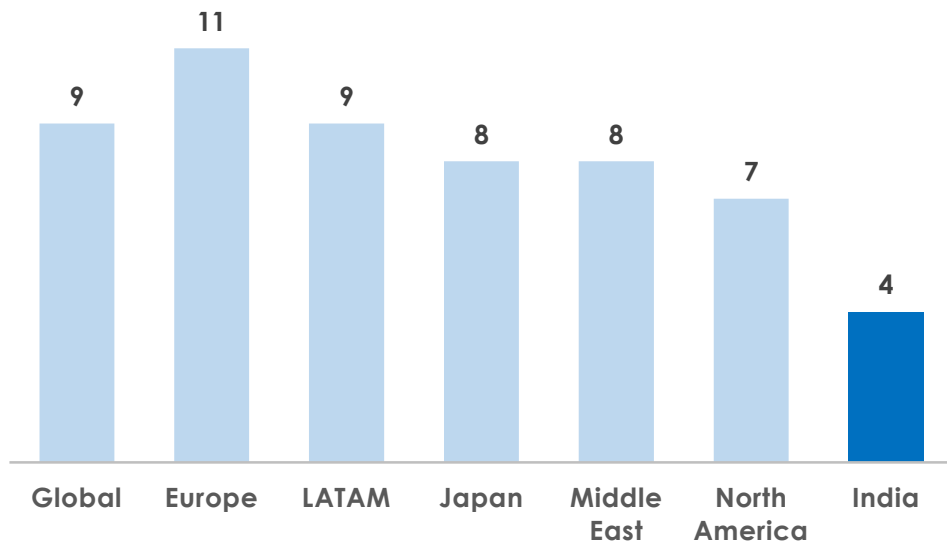
# Revolutionizing Construction Industry

APL APOLLO TUBES

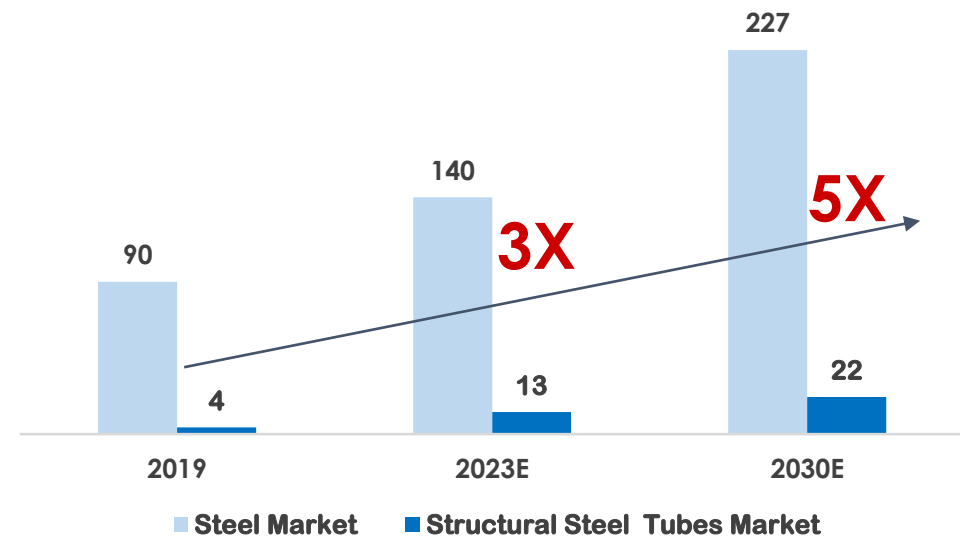


# India at the Start of Structural Steel Usage

Structural Steel Tubes Market as % of Steel Market (2020)



Potential Structural Steel Tubes Market in India (Mn Tons)



**India has huge structural steel tubes based construction potential**

Note: Structural Steel Tubes is 4Mn ton market size, out of total ERW market size of 6Mn ton (balance is water transportation)  
Source: Company data and Industry research

# Ongoing Hospital Projects – Delhi

- Seven Hospitals to be constructed in 150 days (Tender out)
- 2.2mn sq ft Built-up area to be construct using Tubular Technology
- Dry Wall will be erected on Tubular Steel Structure
- Deck Slab will cast on Tubular Steel structure
- All Steel Fabrication work will take place at Fabrication Shop
- Only Assembly of structure will take place at site (Zero On-site welding)

Project Details		
Total Build up Area	2,211,434	Sq ft
Steel Tube Consumption	4.5	kg/sqft
Steel Tube Quantity	10,000	Ton
Fabricators Capacity	480	Ton/Day
Steel Supply to 7 fabricator	480	Ton/Day
Supply Completion	30	days
Dispatch Completion	4th-8th	Weeks
Erection Completion	5th-9th	Weeks

# Architectural view of Hospitals



Geeta Colony



Sultanpuri



Shalimar Bagh



GTB Hospital



Sarita Vihar



Kirari

# Hospital Work in Full Swing - Delhi



**Geeta Colony**

**Fabrication & Erection**  
**1,000 ton**



**Sultanpuri**

**Fabrication & Erection**  
**600 ton**



**Shalimar Bagh**

**Fabrication & Erection**  
**3,300 ton**



**GTB Hospital**

**Fabrication & Erection**  
**1,800 ton**

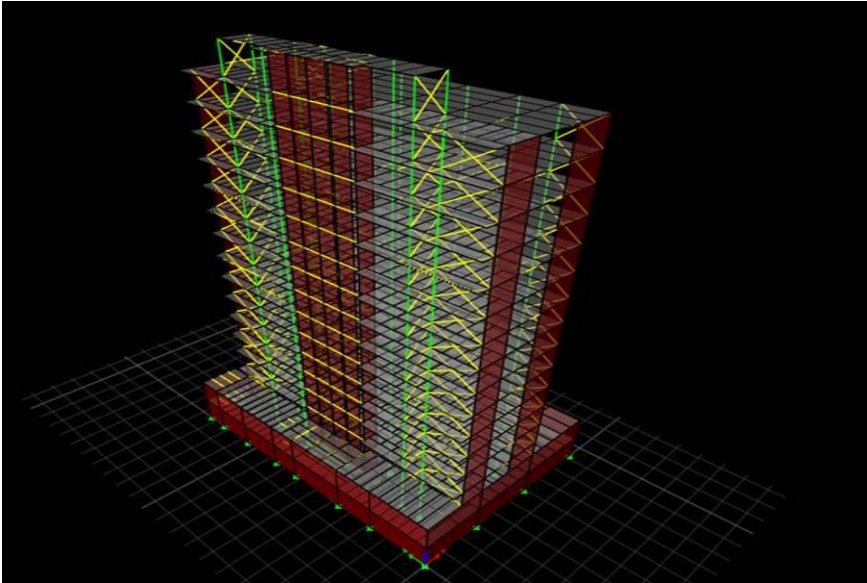


**Sarita Vihar**

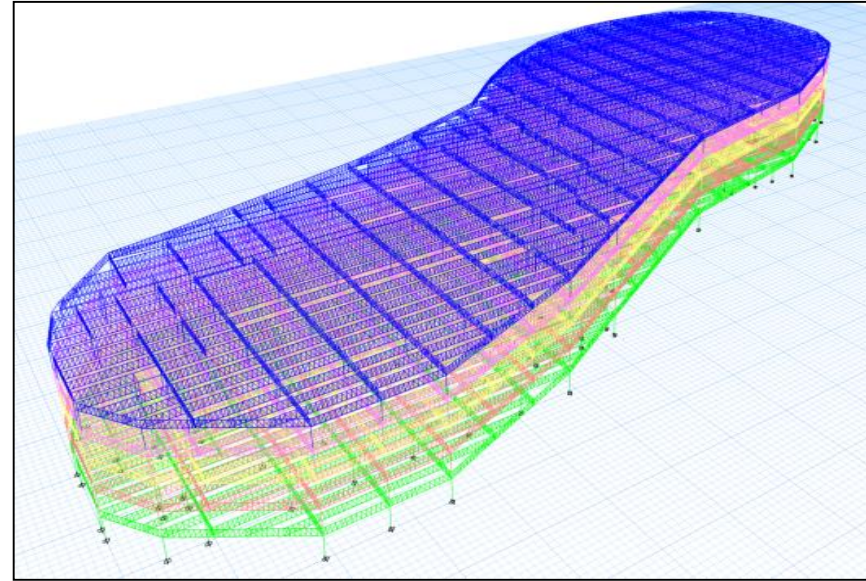
**Fabrication & Erection**  
**900 ton**



# Future of construction



2B+G+12 floors building, Noida



Railway Station

Ongoing  
enquiries

30  
projects

40mn sq. ft.  
Visibility

200,000 ton  
heavy structural steel  
tubes



# Future of Construction



APL APOLLO TUBES

# New Initiatives





# Raipur Plant Update



## HIGHLIGHTS

- Upcoming 400 Acre Raipur plant progressing on expected lines
- Project to commence in phases starting H1FY23
- Total Capacity – **1.5mn ton**
- 100% value added products
- Total capex **Rs8bn; c75%** already incurred



# Raipur Plant Update

APL APOLLO TUBES



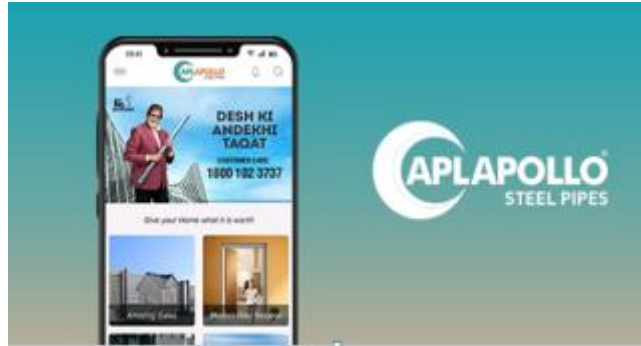
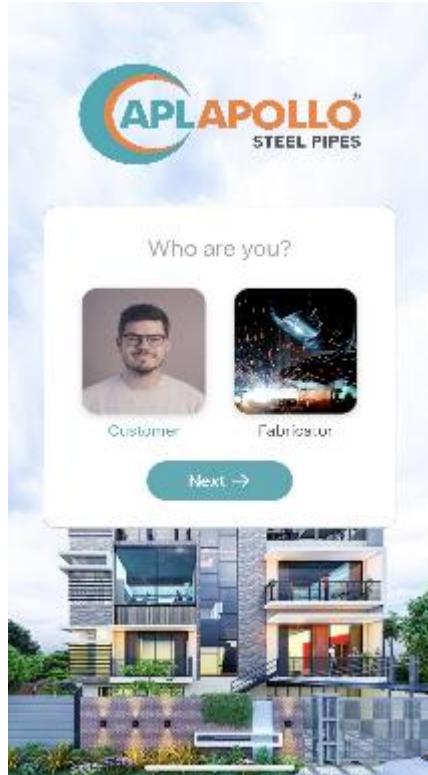
**Area of 1.5mn square feet being built using 100% Apollo Column Tubes**



# B2C Tech App



## APL APOLLO MOBILE - APPLICATION LAUNCHED



25,000+ Fabricators enrolled

60,000+ Total Downloads

300+ Designs

16 Patents registered

# Brand Ambassador

APL APOLLO TUBES







Tiger Appointed Brand Ambassador

Continued strong response to social media campaign launched in Q3FY22

**Apollo  
Column  
TVC**

(On Apollo Tubes Platform)

	1 Million Views
	1.2 Million Views
	1.9 Million Views
	1 Million Views

TV commercial campaign launched on business channels in Q3FY22

Watch the commercial

[Link](#)

# APL APOLLO ESG ENGAGEMENT

APL APOLLO TUBES





# Materiality Assessment

## RESPONSIBLE BUSINESS

Corporate Governance | Market Presence | Economic Performance

## RESPONSIBLE OPERATIONS

Energy Management | Water and Effluent Management | Emissions Management | Waste Management | Environmental Compliance

## RESPONSIBILITY TOWARDS COMMUNITIES

Local Communities

## RESPONSIBLE EMPLOYEMENT

Health and Safety | Labour Relations and | Human Rights | Training and Education | Diversity and Equal Opportunity



# ESG Framework

ESG Vision & Mission



ESG Governance



ESG Focus Areas



RESPONSIBLE  
BUSINESS



RESPONSIBLE  
OPERATIONS



RESPONSIBLE  
EMPLOYEMENT



RESPONSIBILITY  
TOWARDS  
COMMUNITIES





ESG Performance Indicators and Targets





Responsible  
Communication

# ESG Performance Indicators and Targets

 <b>RESPONSIBLE BUSINESS</b>	PERFORMANCE INDICATORS	TARGETS	
	<b>Corporate Governance</b>		
	Number of cases in violation of code of conduct	Zero cases of violation of code of conduct	
	Average training hours per employee on Code of Conduct	Yearly training on Code of Conduct for all employees	
 <b>RESPONSIBLE OPERATIONS</b>	PERFORMANCE INDICATORS	TARGETS	
	<b>Energy Management</b>		
		Number of units used from renewable energy sources (solar, wind)	All plants to have access to renewable energy by 2025
	<b>Water &amp; Effluent</b>		
		Number of sites where Rainwater Water Harvesting facility have been installed	Rainwater harvesting to be installed at all units by 2025
		Number of sites where Zero Liquid Discharge (ZLD) facilities have been installed	All units to be ZLD facilities by 2025
	<b>Emissions</b>		
		GHG Emissions (Scope 3)	Start monitoring Scope 3 emissions by 2022
		Air Emissions	Maintain SOx, NOx and PM within permissible limits
	<b>Environmental Compliance Management</b>		
	Number of cases in violation of environment regulations	Zero incidents of non-compliance	

# ESG Performance Indicators and Targets

	PERFORMANCE INDICATORS	TARGETS
 <p><b>RESPONSIBLE EMPLOYEMENT</b></p>	<b>Health &amp; Safety</b>	
	Lost time Injuries	Achieving Zero Incident and Zero Harm by 2025
	Average training hours per employee to site employees on health and safety	Provide 4 hours of safety training (per site employee) to site employees
	Average training hours per employee to corporate employees on health and safety	Provide 2 hours of safety training (per employee) to corporate employees
	<b>Labour Relations and Human Rights</b>	
	Regulatory compliance of labour laws	100% compliance to all labour legal requirements
	Average training hours per employee on human rights	Provide 1 hours of training per employee on human rights
	Employee attrition	Maintain attrition rate below 5%
	<b>Training and Education</b>	
	Average trainings hours per employee on behavioral and technical aspects	Provide 4 hours of training to permanent employees
	<b>Diversity and Equal Opportunity</b>	
	Female to Male Ratio in permanent employee	Female workforce to be increase by 1% in the permanent employee category by 2025
 <p><b>RESPONSIBILITY TOWARDS COMMUNITIES</b></p>	PERFORMANCE INDICATORS	TARGETS
	<b>Energy Management</b>	
	Number of units used from renewable energy sources	All plants to have access to renewable energy by 2025

# 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
- Achieve ROCE  $\geq$  30%

## Capital Allocation

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

# Team APL Apollo

## DIRECTORS (NON EXECUTIVE)

### 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

### Ashok Kumar Gupta

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

### Ameet Gupta

Wholetime Director at Havells India, India's largest electrical goods manufacturer

### Rahul Gupta

A promising entrepreneur with an experience of around 5 years in Steel Tubes Manufacturing, currently MD of Apollo Tricoat Tubes Ltd.

## EXECUTIVE TEAM

### Sanjay Gupta

CMD

### Arun Agrawal

Chief Operating Officer

### Vinay Gupta

Director

### Deepak Goyal

Chief Finance Officer

### Romi Sehgal

Director

### Anubhav Gupta

Chief Strategy Officer

### Anurag Mehrotra

Chief Human Resource Officer

### Ravindra Tiwari

Head-Sales & Marketing

### Ajay Garg

VP - Procurement

### CK Singh

VP - Operations

# Thank You

For further information,  
please contact:

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APL Apollo new Corporate office (Work in progress)



APL Apollo new Corporate office to be operational by H2CY22