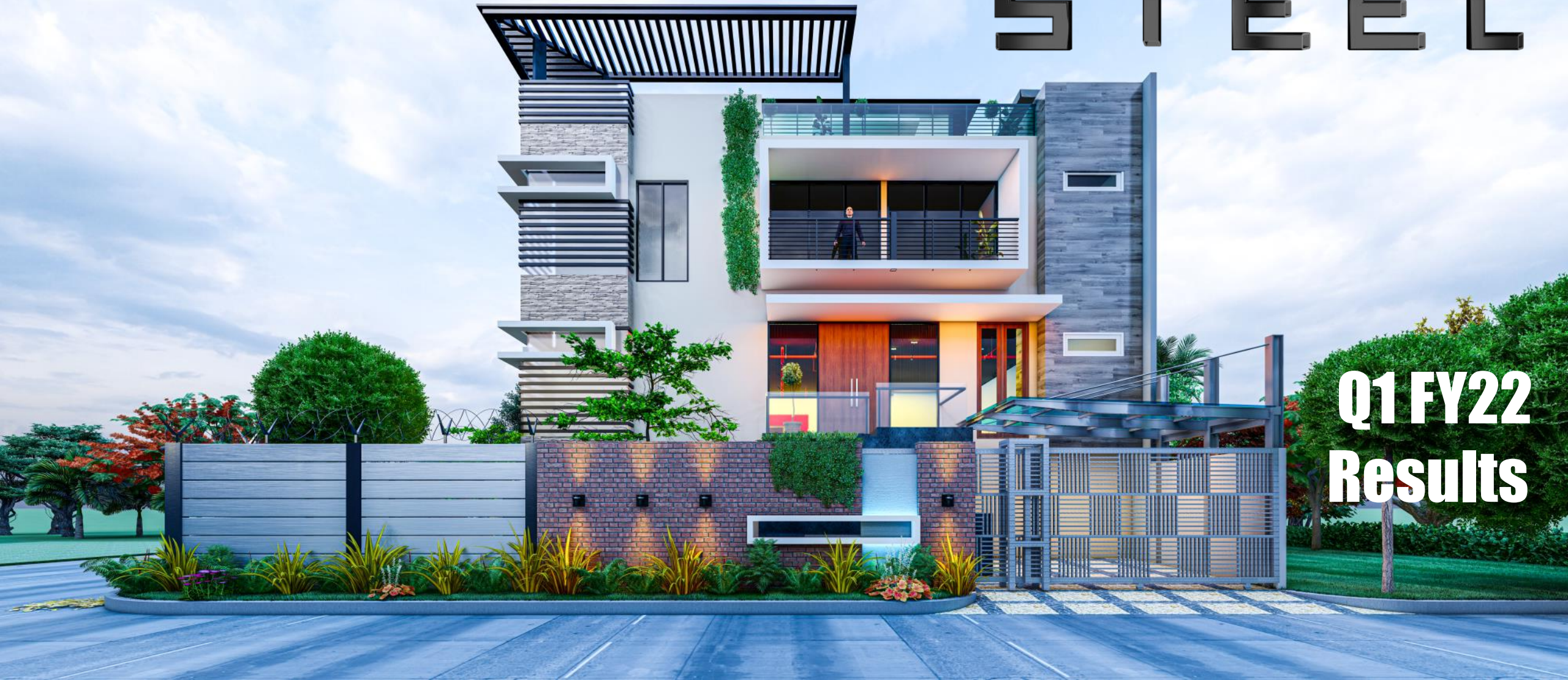




**WE CRAFT  
STEEL**



**Q1 FY22  
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.

# Contents

Q1FY'22 at a glance

Porter's 5 Forces

Financial Performance

Market Creation

Core Competence

ESG Initiatives

Key Takeaways

# Q1FY'22 at a Glance



373k ton

Sales Volume  
14% qoq decline



₹ 25.3 Bn

Revenue  
2% qoq decline



₹ 2.5 Bn

EBITDA  
23% qoq increase



₹ 6,825

EBITDA/ ton  
44% qoq increase



₹ 128 Mn\*

Interest Cost  
11% qoq decline



₹ 1.5 Bn

Net profit  
24% qoq increase



67%

Value Added Portfolio  
FY21 was 57%



07 Days

Net working Capital Days  
FY21 was 8 Days



₹ 2.0 Bn

Net debt  
FY21 was 1.6 Bn



ESG

Initiatives taken towards an  
ESG sustainable organization



Merger

Apollo Tricoat & APL Apollo  
Merger is on track



1,500+

Products  
Continuous focus on  
new product addition

\*Interest Cost does not include Interest Income of Rs60mn; it has been accounted in Other Income

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

# PORTER'S FIVE FORCES



# Porter's Five Forces

## Threat of Entry

- Scale of 2.6m ton capacity; wide gap between No. 2 Player
- Vast distribution network (access to 800+ distributors, 50,000 retailers, 200k fabricators)
- Technology advantage (DFT, ILG)
- Lowest cost producer (highest profitability in the sector)
- Product range (1,500+ SKUs)
- Lead time to distributors (48hrs delivery)
- Financial strength (doubling capacity every 3rd year without debt)
- Unmatched brand strength

## Bargaining power of suppliers

- Company buys 2% of Indian steel production and 10% of Indian HR coil production
- Amongst Top 3 customers for large steel producers
- Company's steel buying price is minimum in structural steel tubing industry

## Industry Rivalry

- APL Apollo 50% market share
- Player 2 - 9% market share (ancillary business for steel producer)
- Player 3 - 9% market share (focus on water transportation products)
- Player 4 - 7% market share (strong player but small in Parent's overall scheme of things)
- Player 5 - 7% market share (focused in East market; regional player)
- Player 6 - 6% market share (high debt)
- Player 7 - 3% market share (high debt)
- Player 8 - 2% market share (poor profitability)
- Others - 7%

## Bargaining power of distributors

- 50% market share in structural steel tubing industry
- Monopoly products (new innovative products)
- APL Apollo distributors can churn capital upto 8x in a year which helps them generate high ROCE

## Threat of substitute

- No product can replace structural strength of steel

# FINANCIAL PERFORMANCE



# De-commoditizing Product Portfolio

Value added products contributed 67% of total sales in Q1

Product Category	Application	Q1FY21			Q2FY21			Q3FY21			Q4FY21			Q1FY22		
		Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)
Apollo Structural	Heavy Structures	4	9	3,900	4	21	4,200	6	27	5,000	9	38	5,012	5	19	8,000
	Light Structures	4	8	3,600	13	63	4,000	17	83	5,100	13	58	5,106	11	40	6,300
	General Structures	50	119	1,149	47	226	1,380	40	194	1,993	40	173	1,996	33	124	3,125
Apollo Z	Rust-proof structures	24	56	5,300	18	85	6,236	17	82	7,654	16	70	7,708	23	85	8,990
	Rust-proof sheet	0	0	4,556	1	6	4,556	1	6	4,760	2	10	4,804	8	30	6,000
Apollo Tricoat	Home improvement	13	32	5,786	13	61	6,137	15	73	7,872	15	66	7,671	16	59	11,716
Apollo Galv	Agri/Industrial	6	13	3,491	4	18	5,655	4	21	6,950	4	19	6,981	4	17	7,257
<b>Total</b>		<b>100</b>	<b>238</b>	<b>2,982</b>	<b>100</b>	<b>481</b>	<b>3,514</b>	<b>100</b>	<b>486</b>	<b>4,780</b>	<b>100</b>	<b>435</b>	<b>4,742</b>	<b>100</b>	<b>373</b>	<b>6,825</b>

Standard products with EBITDA less than Rs 3,200/ Ton

Value added products with EBITDA more than Rs 6,000/Ton



# De-commoditizing Product Portfolio

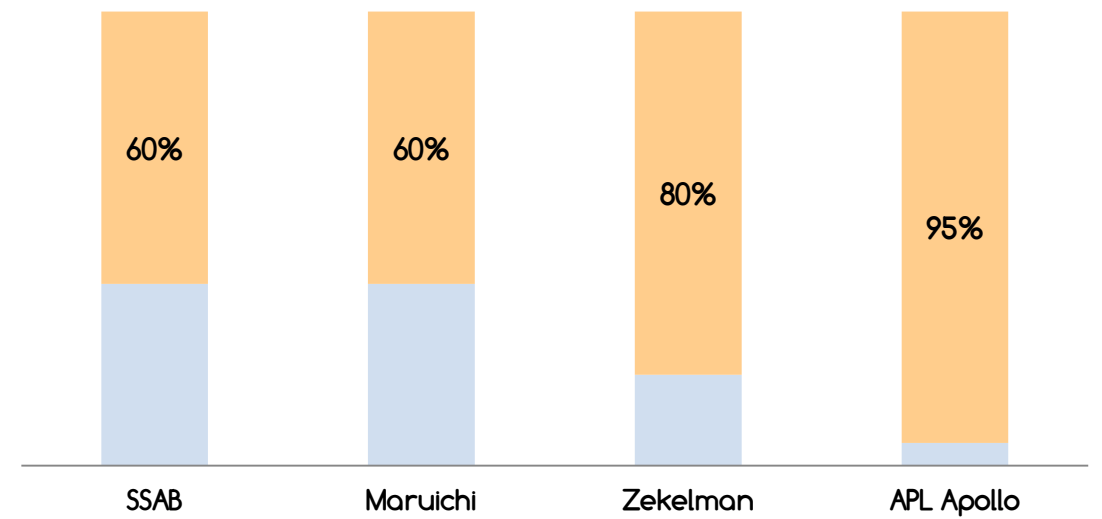
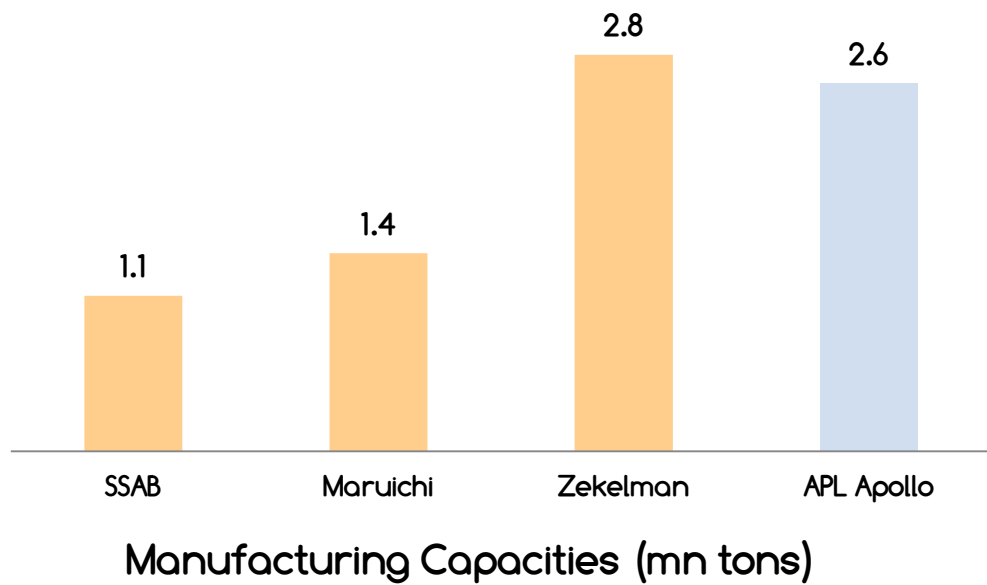
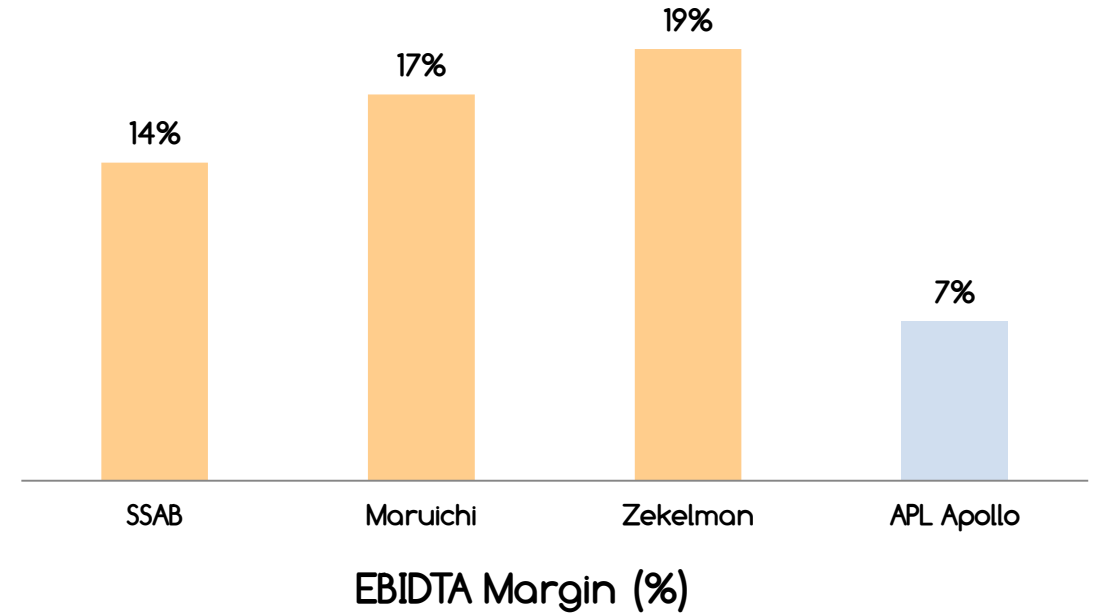
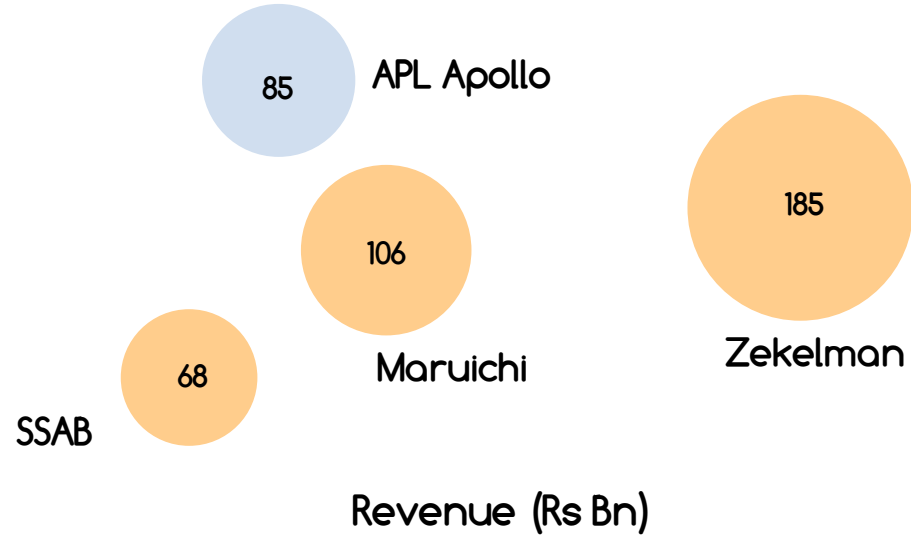
Gradually improved our value added product contribution

Product Category	Application	FY17			FY18			FY19			FY20			FY21			Annual Capacity (KTon)
		Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	
Apollo Structural	Heavy Structures	5	51	3,900	5	52	3,707	6	80	3,775	6	101	4,000	6	95	4,721	200
	Light Structures	5	43	3,800	6	70	3,658	8	108	3,707	5	87	3,800	13	213	4,717	430
	<b>General Structures</b>	<b>57</b>	<b>531</b>	<b>2,471</b>	<b>58</b>	<b>656</b>	<b>2,052</b>	<b>58</b>	<b>777</b>	<b>1,615</b>	<b>55</b>	<b>898</b>	<b>1,361</b>	<b>43</b>	<b>713</b>	<b>1,658</b>	<b>1,000</b>
Apollo Z	Rust-proof structures	20	183	5,722	21	241	5,691	21	279	5,568	20	333	5,021	18	294	6,728	400
	Rust-proof sheet	1	6	5,000	-	0	4,704	-	3	4,703	0	2	5,000	1	23	4,720	100
Apollo Tricoat	Home improvement	-	-	-	-	-	-	-	-	-	7	113	6,589	14	231	7,072	350
Apollo Galv	Agri/Industrial	13	117	4,925	10	111	4,880	7	92	4,362	6	99	3,952	4	71	6,040	120
<b>Total</b>		<b>100</b>	<b>932</b>	<b>3,574</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>2,600</b>

Standard products with EBITDA less than Rs 3,200/ Ton

Value added products with EBITDA more than Rs 6,000/Ton

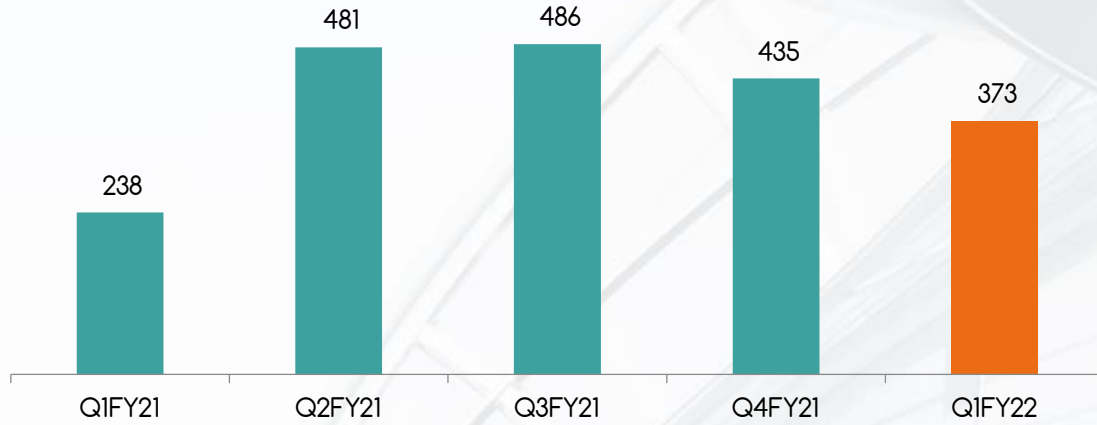
# Global Peer Benchmarking



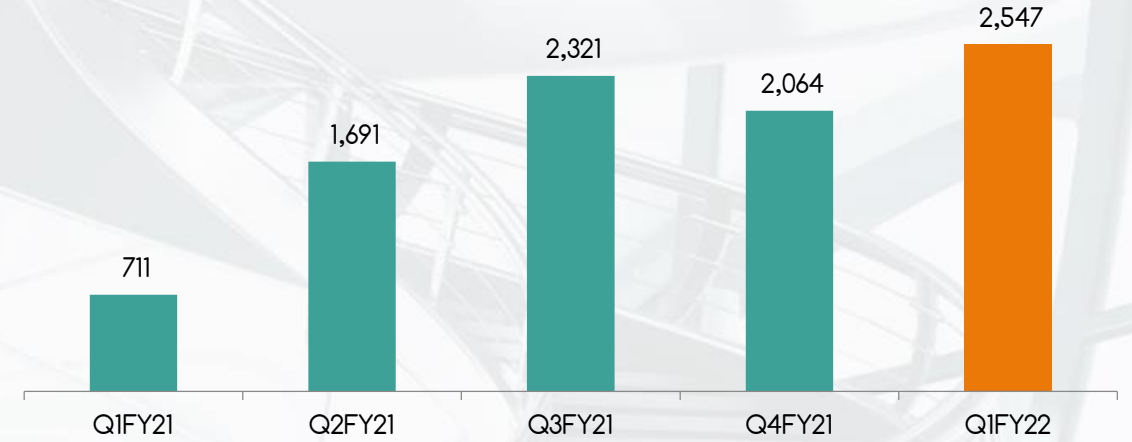
■ Building Material and Infrastructure Sales (% of Revenue)

# Growing Strength to Strength

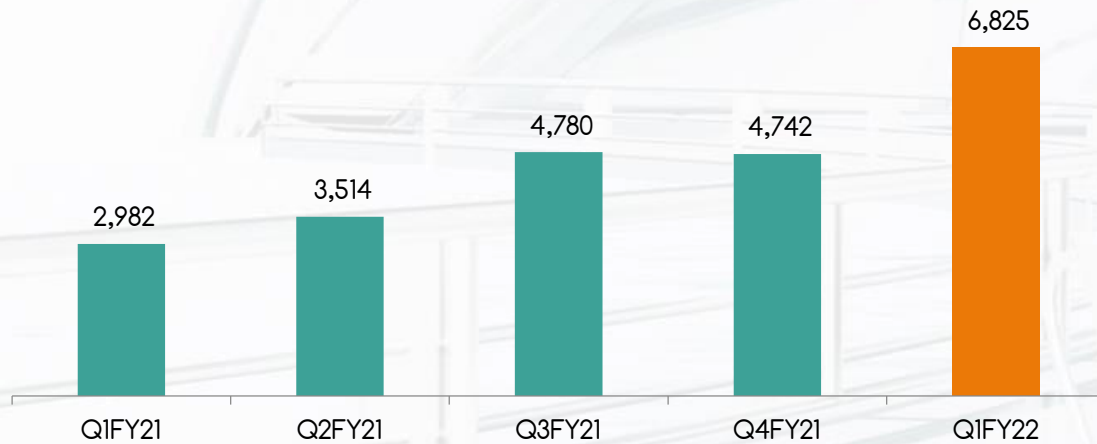
Volume (k'ton)



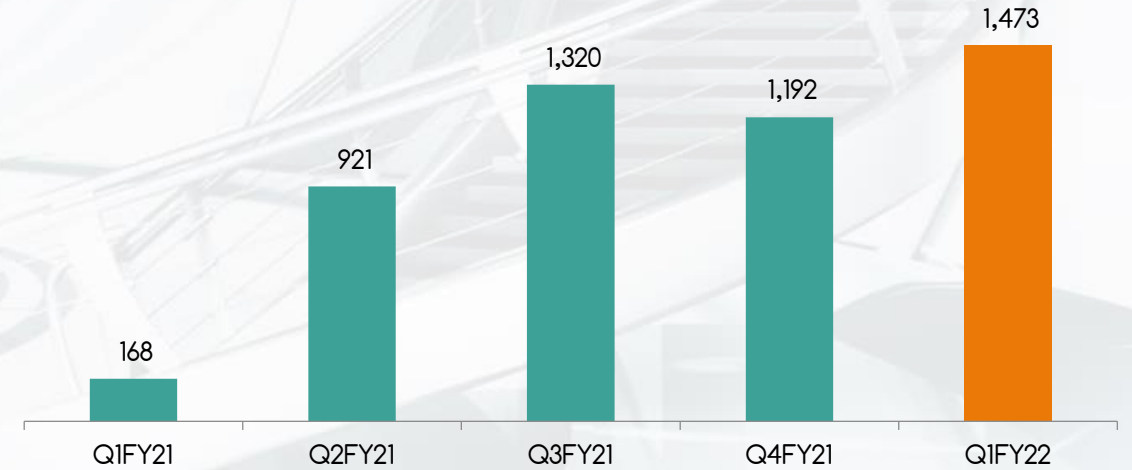
EBITDA (Rsm)



EBITDA/Ton (Rs)



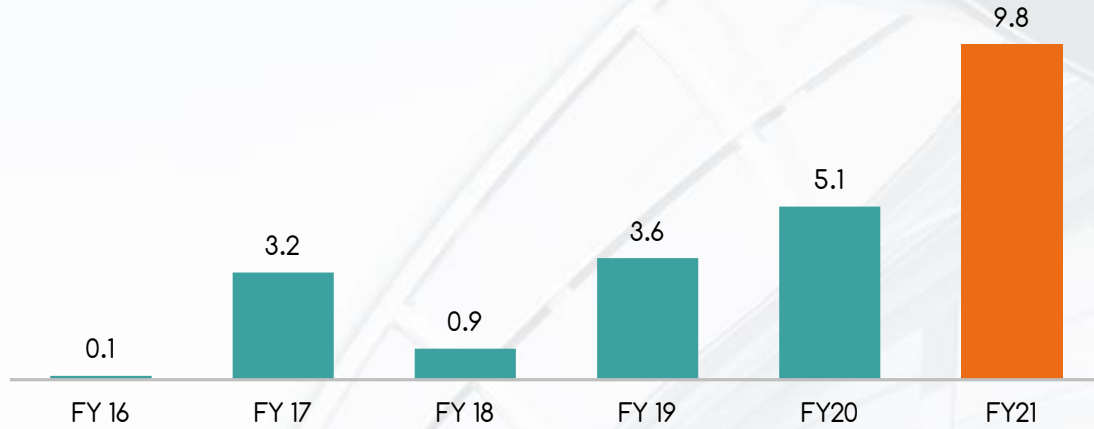
Net Profit (Rsm)



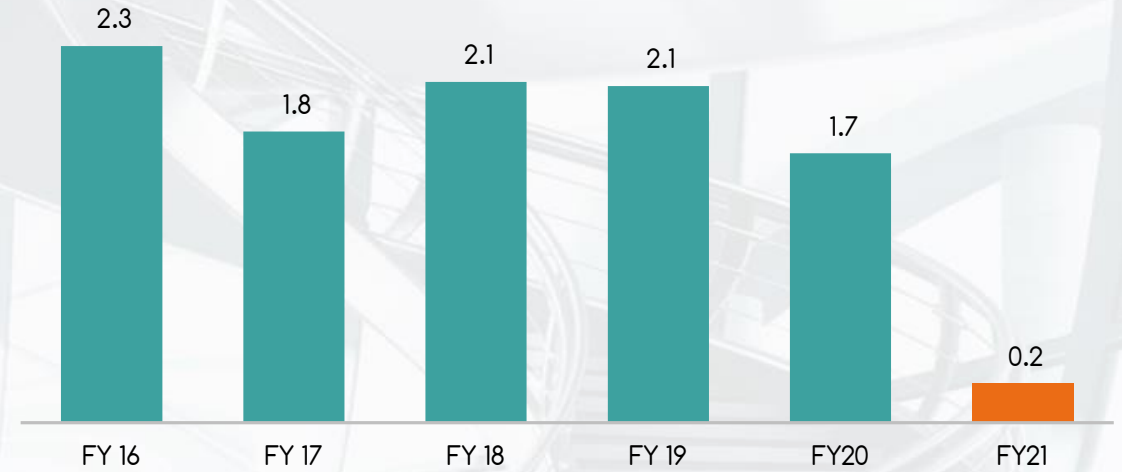
1. Q1FY21 sales volume figures are for period '22 April 2020 to 30 June 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic  
 2. Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest  
 3. EBITDA has been calculated without other income

# Growing Strength to Strength

Operating Cash Flow (Rs Bn)



Net Debt/EBITDA (x)



Net Debt/ Equity (x)



Net Debt (Rs Bn)



Note : Debt/EBITDA and Debt/Equity ratios are calculated on net debt basis

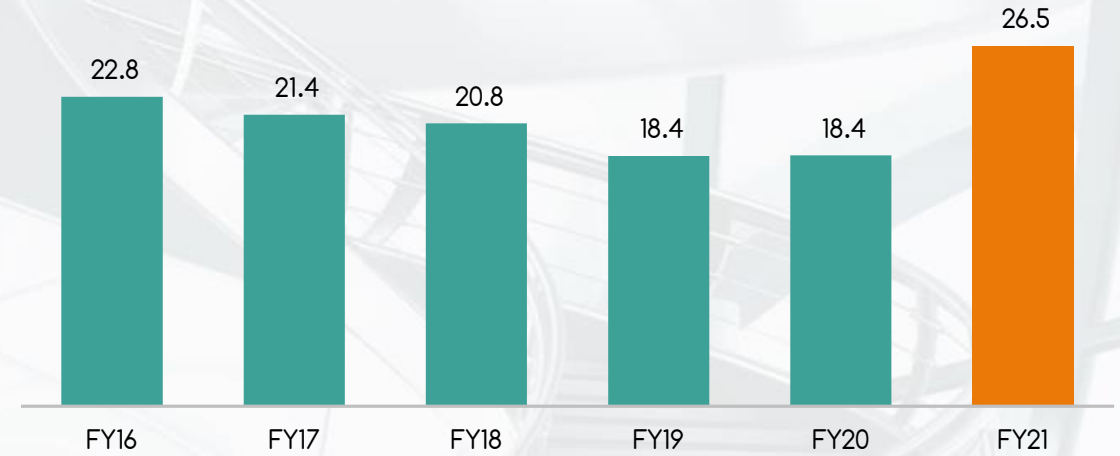
FY21 revenue is for period '22 April 2020 to 31 Dec 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

# Growing Strength to Strength

### ROE (%)



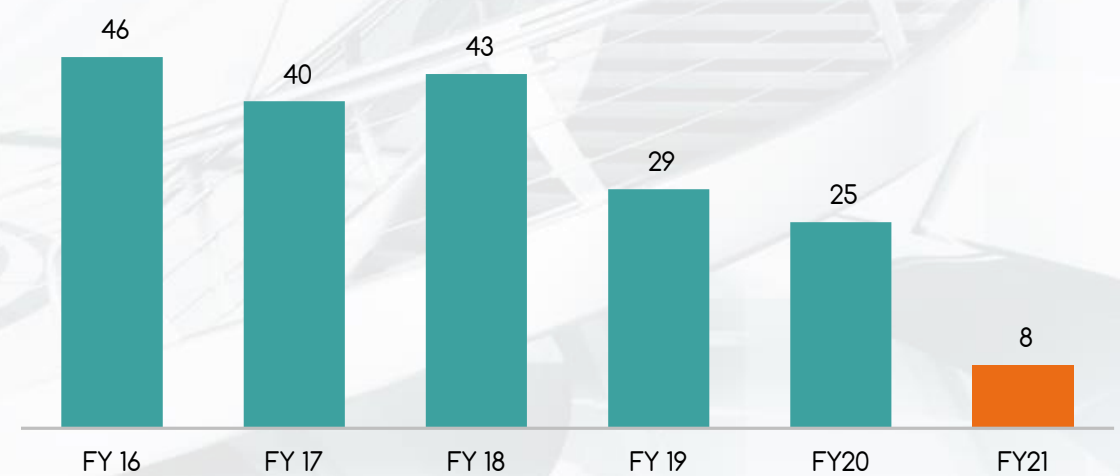
### ROCE (%)



### Interest Coverage Ratio (x)

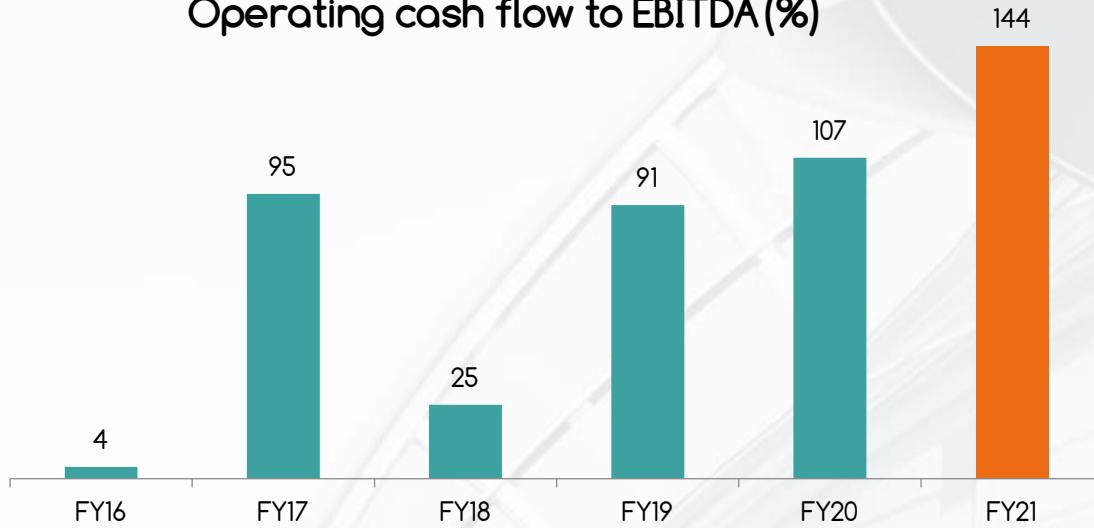


### Net Working Capital (Days)

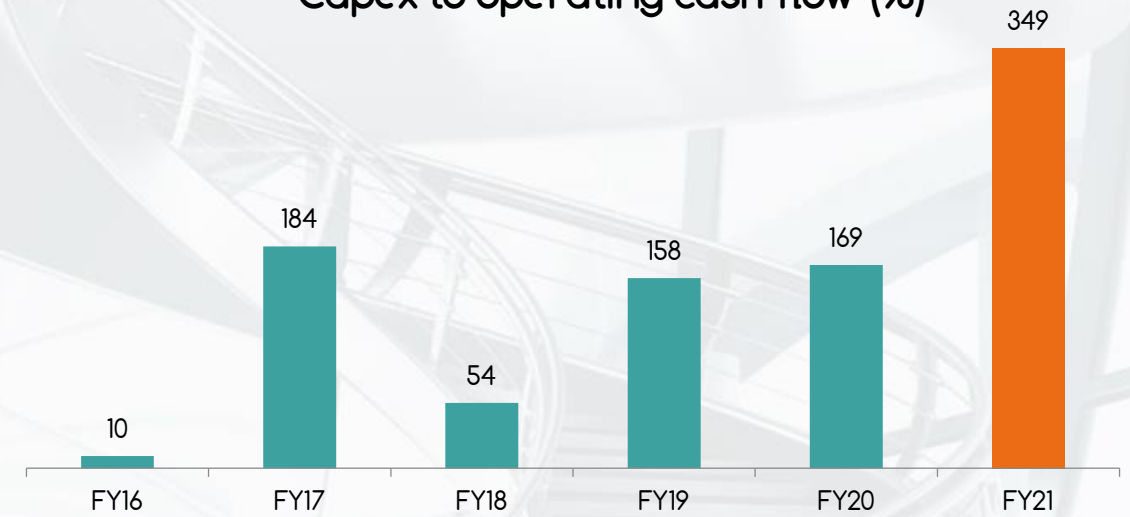


# Growing Strength to Strength

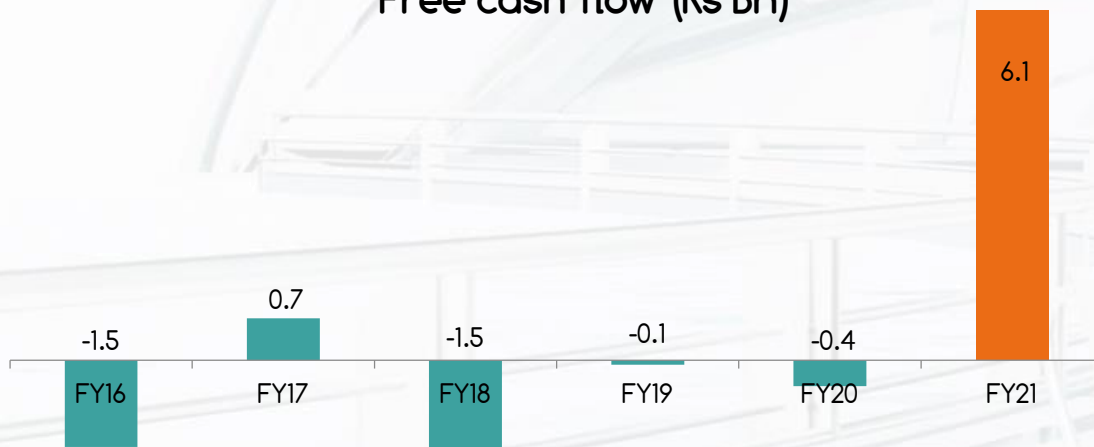
Operating cash flow to EBITDA (%)



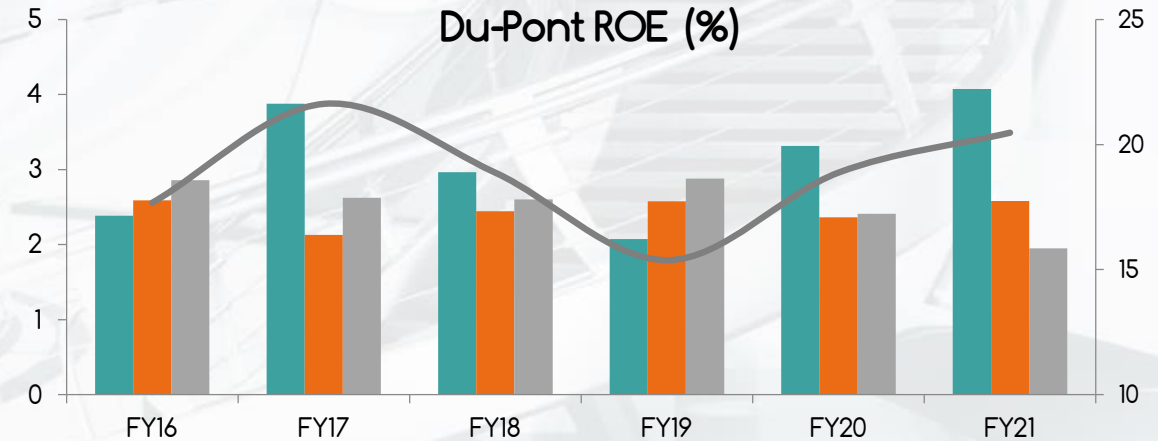
Capex to operating cash flow (%)



Free cash flow (Rs Bn)



Du-Pont ROE (%)



FY21 revenue is for period '22 April 2020 to 31 Dec 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

# Profit & Loss Statement (Consolidated)

Particulars (Rsm)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	FY21	FY20
Sales Volume (k'ton)	238	481	486	435	373	1,640	1,633
<b>Total Income</b>	<b>11,098</b>	<b>22,021</b>	<b>26,009</b>	<b>25,870</b>	<b>25,343</b>	<b>84,998</b>	<b>77,232</b>
Raw Material	9,308	18,477	21,871	21,993	20,771	71,649	65,785
Employee Cost	287	334	358	317	359	1,296	1,422
Other Expenses	793	1,518	1,459	1,495	1,666	5,265	5,251
<b>EBIDTA (Rsm)</b>	<b>711</b>	<b>1,691</b>	<b>2,321</b>	<b>2,064</b>	<b>2,547</b>	<b>6,787</b>	<b>4,774</b>
EBITDA/Ton (Rs)	2,982	3,514	4,780	4,742	6,825	4,138	2,923
Other Income	49	101	83	126	102	359	222
Interest	212	159	147	143	128	661	1,073
Dep	239	251	262	275	265	1,028	959
<b>PBT</b>	<b>309</b>	<b>1,382</b>	<b>1,995</b>	<b>1,772</b>	<b>2,256</b>	<b>5,458</b>	<b>2,964</b>
Tax	90	356	507	428	572	1,381	403
<b>Net Profit (Rsm)</b>	<b>219</b>	<b>1,026</b>	<b>1,488</b>	<b>1,344</b>	<b>1,684</b>	<b>4,077</b>	<b>2,560</b>
Minority Interest (MI)	51	105	167	152	211	475	180
<b>Net Profit (after MI)</b>	<b>168</b>	<b>921</b>	<b>1,320</b>	<b>1,192</b>	<b>1,473</b>	<b>3,602</b>	<b>2,380</b>

Note 1: The Q1FY21 sales volume figures are for period '22 April 2020 to 30 June 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

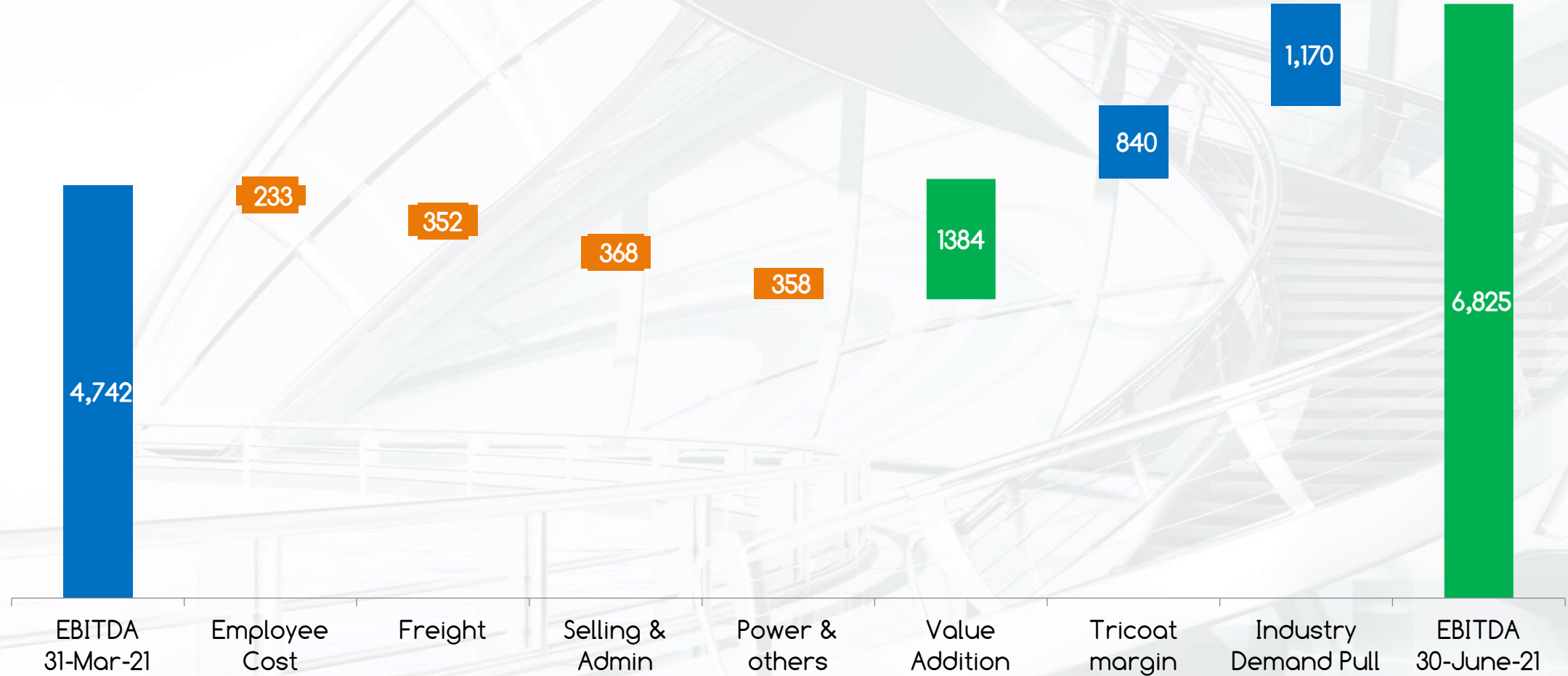
Note 2: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest

# Balance Sheet & Cash Flow Statement (Consolidated)

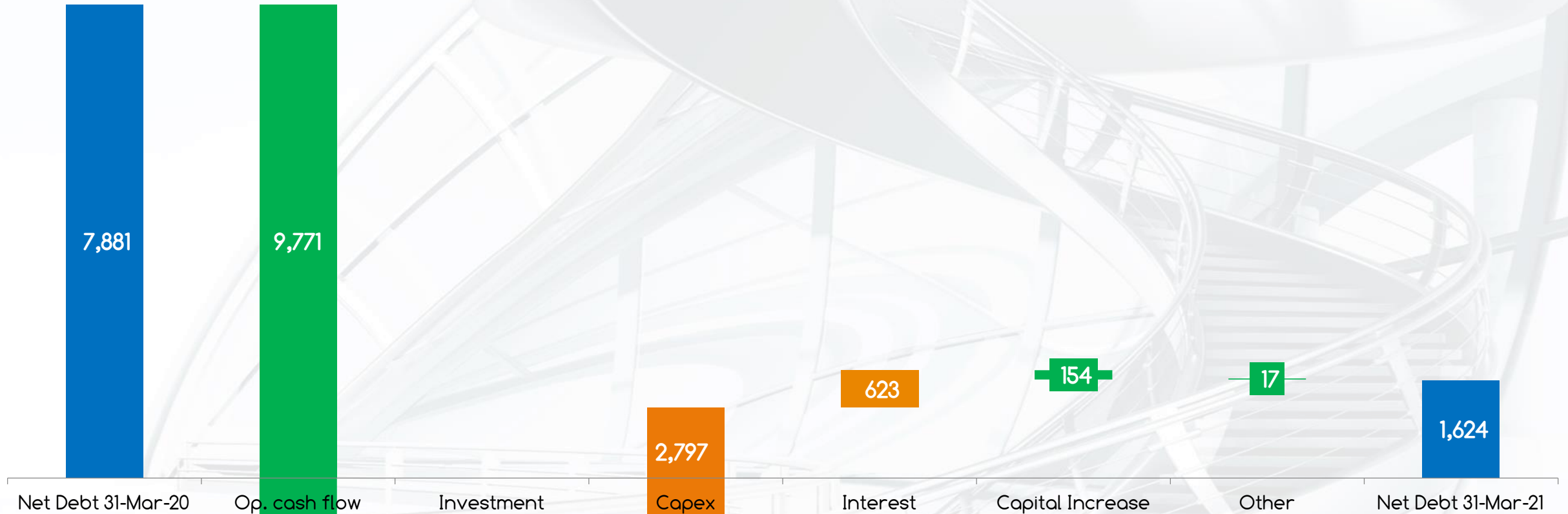
Balance Sheet - Assets (Rsm)			Cash Flow Statement (Rsm)		
	FY21	FY20		FY21	FY20
Cash & Bank Balance	3,579	456	EBITDA	6,787	4,773
Receivables	1,306	4,764	Accounts receivables	3,470	847
Inventories	7,599	7,842	Inventory	232	284
Other current assets	1,507	1,422	Other WC changes	116	-215
Fixed assets (net)	16,109	14,839	Tax	-1,195	-816
Right to use Assets	949	971	Other Income	359	222
Investments	15	15	<b>Operating cash flow</b>	<b>9,771</b>	<b>5,095</b>
Other assets/goodwill	2,925	2,352	Capex	-2,797	-3,014
<b>Total Assets</b>	<b>33,990</b>	<b>32,660</b>	Investments	-265	-1,335
Balance Sheet - Liabilities (Rsm)				FY21	FY20
Trade payables	7,859	7,644	Interest	-623	-1,193
Other current liabilities	557	309	<b>Free cash flow</b>	<b>6,086</b>	<b>-447</b>
Debt	5,203	8,338	Dividend payments	0	-411
Others	2,041	1,854	Capital increase	154	1,775
Minority Interest/Provision	1,383	954	Tricoat consolidation/Others	17	-694
Shareholders' funds	16,947	13,562	Net change in cash flow	6,257	222
<b>Total Equity &amp; Liabilities</b>	<b>33,990</b>	<b>32,660</b>	<b>Net debt beginning</b>	<b>-7,881</b>	<b>-8,104</b>
			Net debt end	-1,624	-7,881



# EBITDA Bridge (Rs/Ton)



# Consolidated Cash Flow Bridge (Rsm)



Business continues to generate strong operational cash flows



Capex being funded from internal cash flows

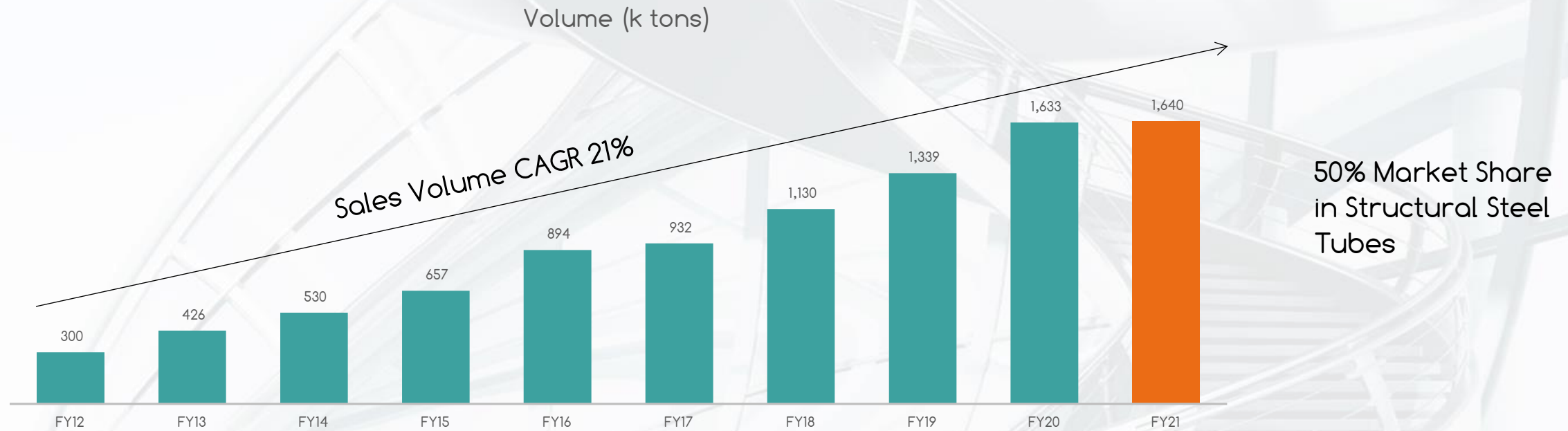


Net debt declined 79% on solid free cash flow generation

# Market Creation



# Growing Strength to Strength



- 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 to replace the conventional products ??



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

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

# New Opportunities to revolutionise construction

Warehousing

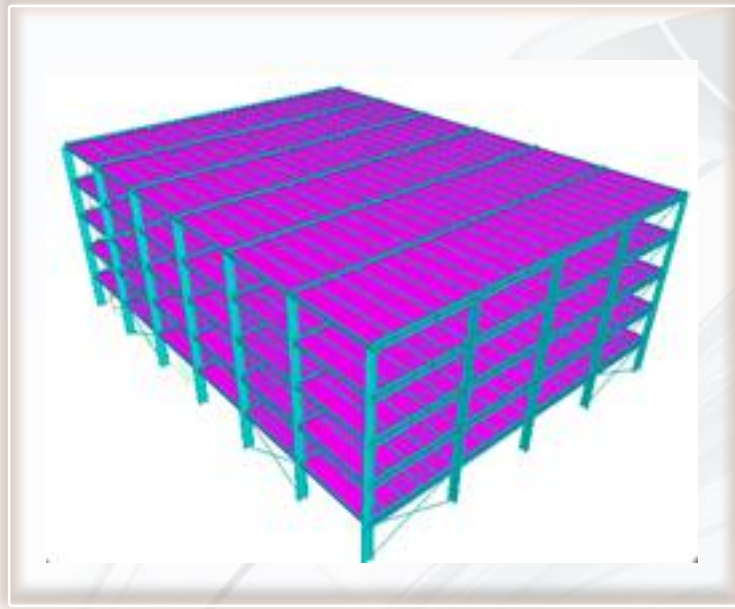
Affordable Housing

Urban Infrastructure

Urban Real Estate



# On-Going Enquiries



**Hospital (2mn sqft)**  
To be completed within 6 months  
Structure to be completed within 50 days



**Oxygen Plant (0.1mn sqft)**  
Structured completed in 15 days  
More enquiries inline

## Benefits of using APL Apollo tubes in above steel structures

- 20% less steel consumption in structure
- 10% savings in total project cost
- Faster project completion
- Environment friendly construction

# Oxygen Plant Delhi



Rafter ←

Girt ←

Column ←

→ Truss

→ Purlin

Weight of the steel structure completely made of steel tube ranges in 3 to 4 kg/sq ft. which is lower than weight of conventional steel building

All components of oxygen plant's steel structure are made up of APL Apollo steel tube



# Hospitals Project – Delhi

- Multiple 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

# Tubular Structure in 50 Days (Process flow)



## Tube Manufacturing

Production of 6,000 ton ERW tubes per day



## Fabrication

Tubes are sand blasted, then connected using connectors



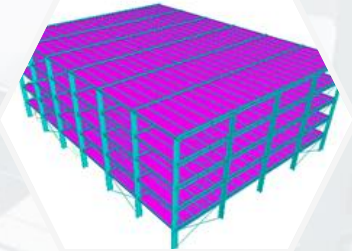
## Civil Foundation

Civil Foundation & Arrangement of anchor bolts at site to install tube columns



## Hospital Building Structure

Structure



Transfer of cut to length tubes to Fabricator's workshop



Transfer of structure parts to the site



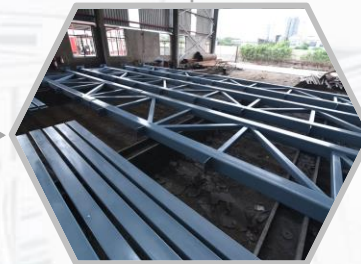
## CTL Line

Cutting of tubes into desired length at APL Apollo plant to minimise wastages



## Painting

Connected structures are painted



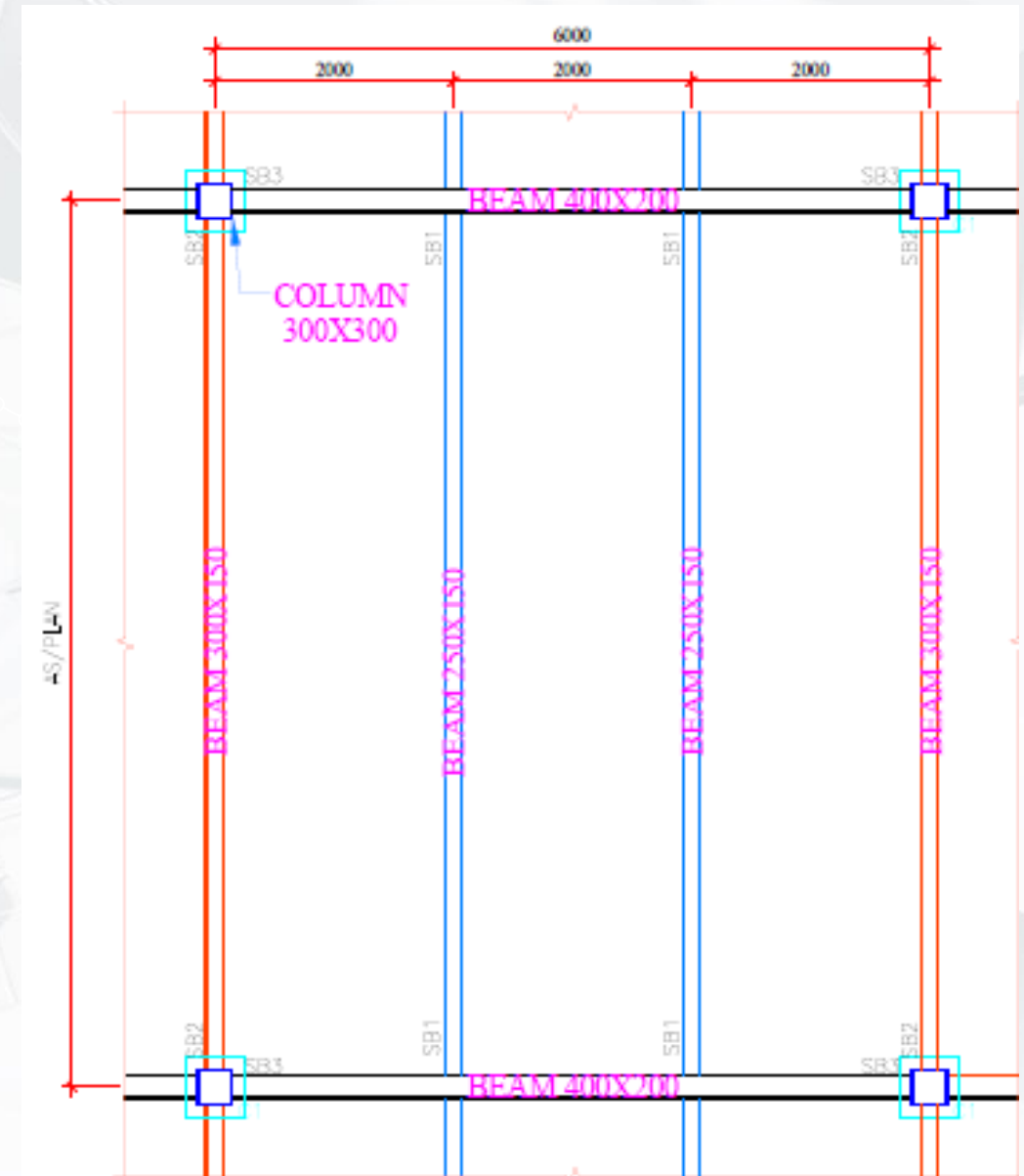
## Site Erection

Zero on-site fabrication/Welding; Erection using bolting connections



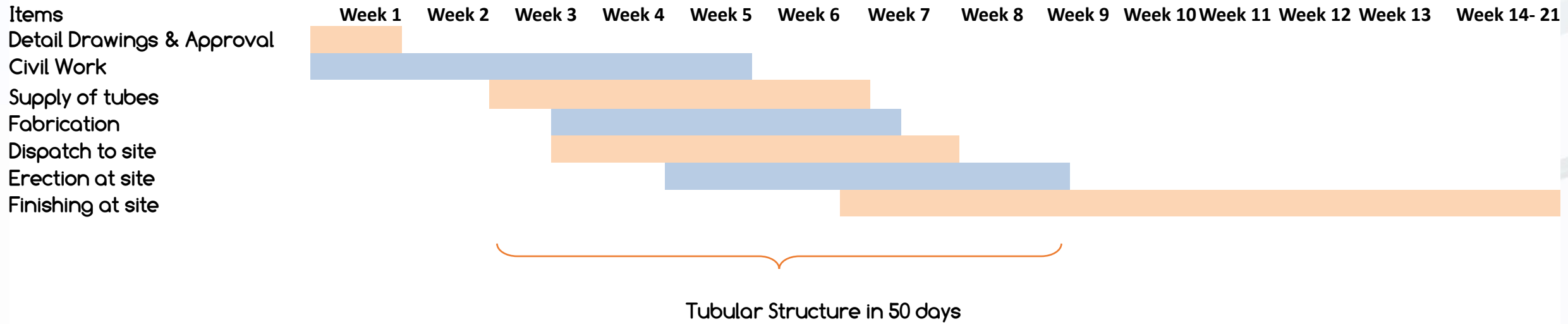
# Design Features -> Faster Construction/Low Cost

1. Minimum no. of Sections: Main Skelton built using 4 Sizes of Structure Steel Tubes  
Tube Sizes are 300X300mm, 400X200mm, 300X150mm & 250X150mm
  - **Benefit 1:** Fabricator can order tubes without any MOQ constraint
  - **Benefit 2:** No need for fabricator to maintain inventory levels
  - **Benefit 3:** Ease in fabrication
2. Standardization: Standard grid size of 6.0m X7.5mtr for wards
  - **Benefit 1:** Time saving in Detailing, Fabrication & Erection
  - **Benefit 2:** Ease in Erection
3. No Wastage: Tubes to be delivered with cut-to-length sizes (as per actual design)
  - **Benefit 1:** Reduce time as well as wastage



# Tentative Construction Schedule – 50 Days

Area 2.2mn sq ft



# APL APOLLO ESG Engagement



# Materiality Assessment

## RESPONSIBLE BUSINESS

Corporate Governance |  
Market Presence | Economic  
Performance

## RESPONSIBLE OPERATIONS

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

## RESPONSIBLE EMPLOYEMENT

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

## RESPONSIBILITY TOWARDS COMMUNITIES

Local Communities



**Stakeholder Dialogue**

# ESG Framework

ESG Vision & Mission



ESG Governance



ESG Focus Areas



**RESPONSIBLE  
BUSINESS**



**RESPONSIBLE  
OPERATIONS**



**RESPONSIBLE  
EMPLOYMENT**



**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

 <b>RESPONSIBLE EMPLOYMENT</b>	PERFORMANCE INDICATORS	TARGETS
	<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	

 <b>RESPONSIBILITY TOWARDS COMMUNITIES</b>	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

- Focus on Free Cash Flow Generation
- Sound Leverage and Working Capital Ratio
- Consistent dividend payouts to shareholders

# Strong Management

## 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**  
Chairman & Managing Director

**Arun Agrawal**  
Chief Operating Officer

**Vinay Gupta**  
Director

**Deepak Goyal**  
Chief Finance Officer

**Romi Sehgal**  
Director

**Anubhav Gupta**  
Chief Strategy Officer

**Ashok Khushu**  
Head – New Projects

**Ravindra Tiwari**  
Head-Sales & Marketing

# Thank You

For further information, please contact:

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