



**WE CRAFT
STEEL**



**Q2FY22
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.

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Q2FY'22 at a glance

Porter's 5 Forces

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Key Takeaways

Q2FY'22 at a Glance



427k ton
Sales Volume
-11% yoy decline



₹ 30.8 Bn
Revenue
40% yoy increase



₹ 2.2 Bn
EBITDA
31% yoy increase



₹ 5,199
EBITDA/ ton
48% yoy increase



₹ 107 Mn*
Interest Cost
33% yoy decline



₹ 1.3 Bn
Net profit
43% yoy increase



62%
Value Added Portfolio mix
FY21 was 57%




10 Days
Net working Capital Days
FY21 was 8 Days



₹ 1.3 Bn
Net debt
FY21 was 1.6 Bn



32.5%
ROCE as at 1HFY22
FY21 was 24.3%



31.6%
ROE as at 1HFY22
FY21 was 24.8%



ESG
Initiatives taken towards an
ESG sustainable organization

*Interest Cost does not include Interest Income of Rs26.5mn; 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 62% of total sales in Q2

Product Category	Application	Q2FY21			Q3FY21			Q4FY21			Q1FY22			Q2FY22		
		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	21	4,200	6	27	5,000	9	38	5,012	5	19	8,000	6	26	6,240
	Light Structures	13	63	4,000	17	83	5,100	13	58	5,106	11	40	6,300	12	51	5,137
	General Structures	47	226	1,380	40	194	1,993	40	173	1,996	33	124	3,125	38	161	2,194
Apollo Z	Rust-proof structures	18	85	6,236	17	82	7,654	16	70	7,708	23	85	8,990	21	90	8,083
	Rust-proof sheet	1	6	4,556	1	6	4,760	2	10	4,804	8	30	6,000	5	21	5,136
Apollo Tricoat	Home improvement	13	61	6,137	15	73	7,872	15	66	7,671	16	59	11,716	14	61	8,172
Apollo Galv	Agri/Industrial	4	18	5,655	4	21	6,950	4	19	6,981	4	17	7,257	4	16	6,353
Total		100	481	3,514	100	486	4,780	100	435	4,742	100	373	6,825	100	427	5,199

Standard products with EBITDA around Rs 2,000/ Ton

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

De-commoditizing Product Portfolio

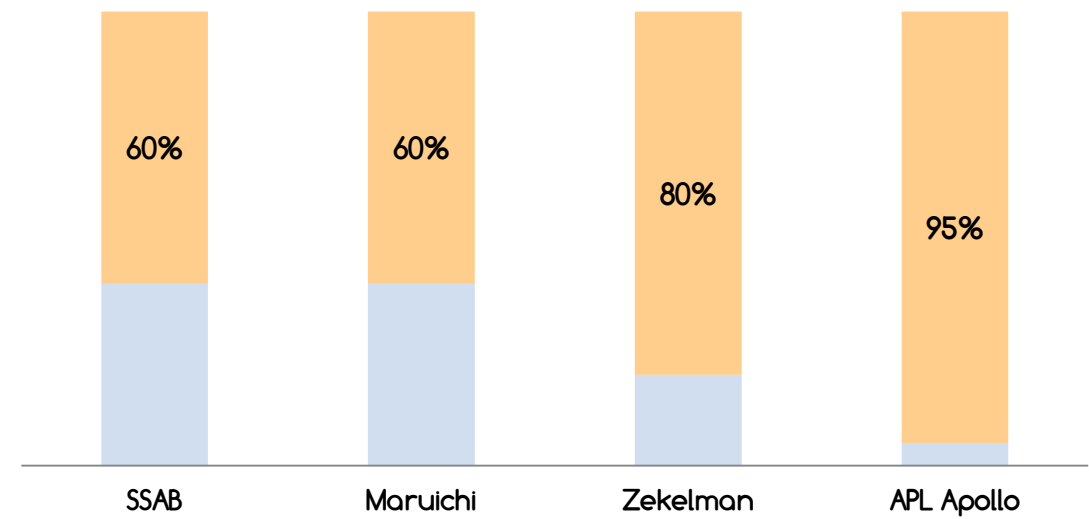
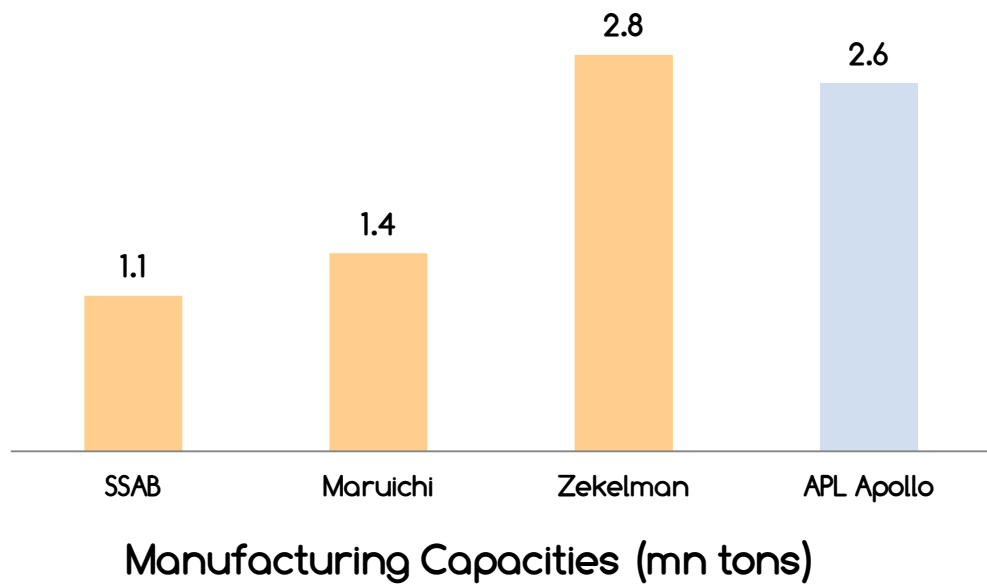
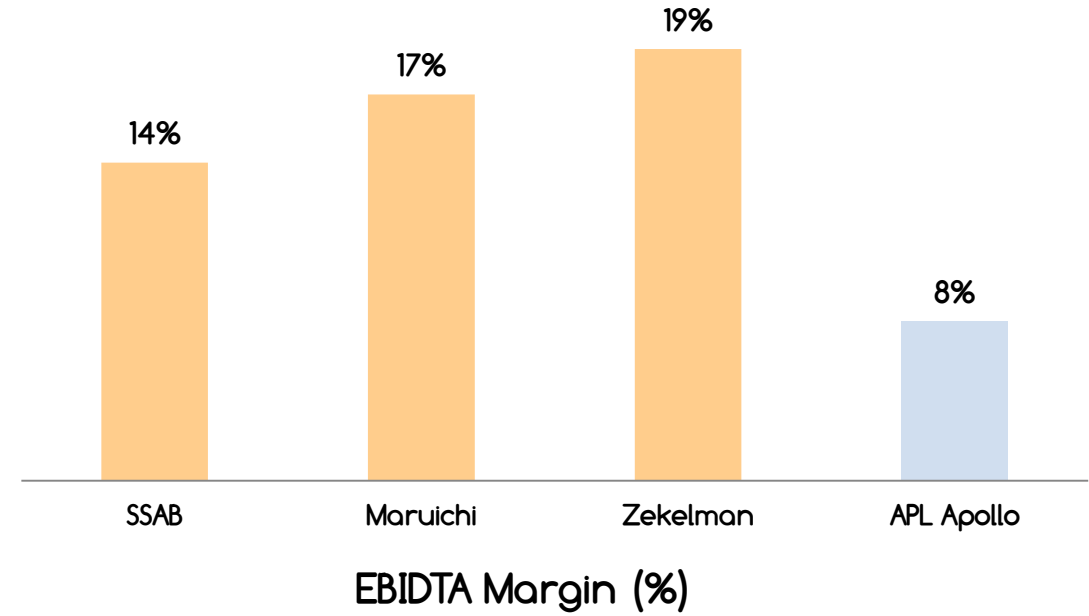
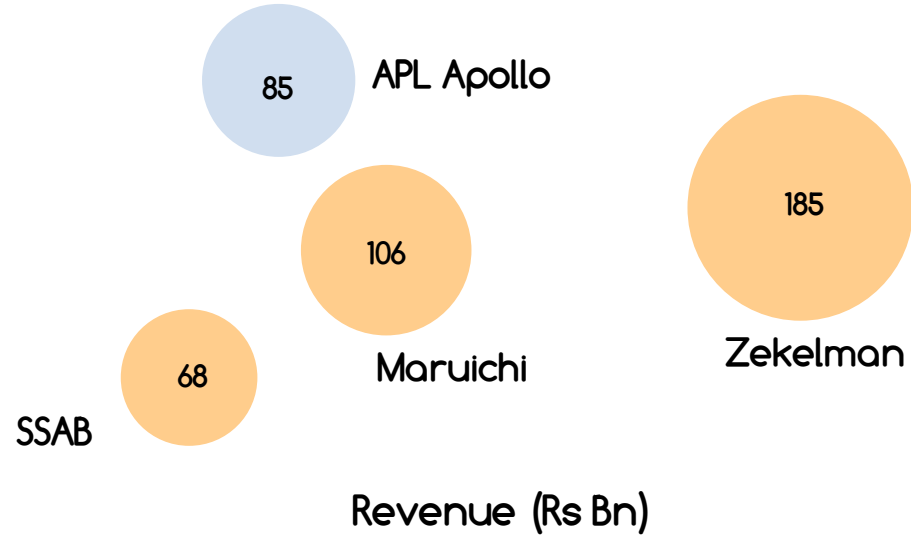
Gradually improved our value added product contribution

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
	General Structures	57	531	2,471	58	656	2,052	58	777	1,615	55	898	1,361	43	713	1,658	1,000
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
Total		100	932	3,574	100	1,130	3,283	100	1,339	2,933	100	1,633	2,923	100	1,640	4,138	2,600

Standard products with EBITDA around Rs 2,000/ Ton

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

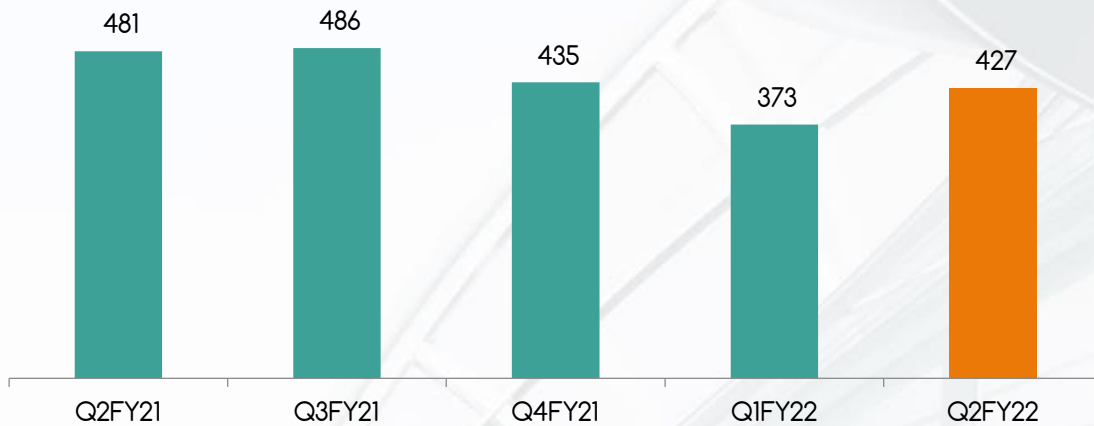
Global Peer Benchmarking



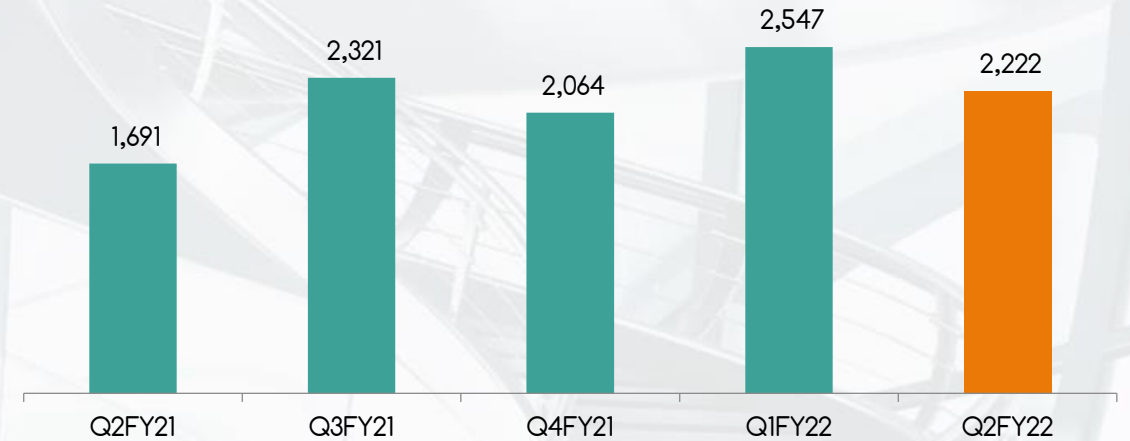
■ Building Material and Infrastructure Sales (% of Revenue)

Growing Strength to Strength

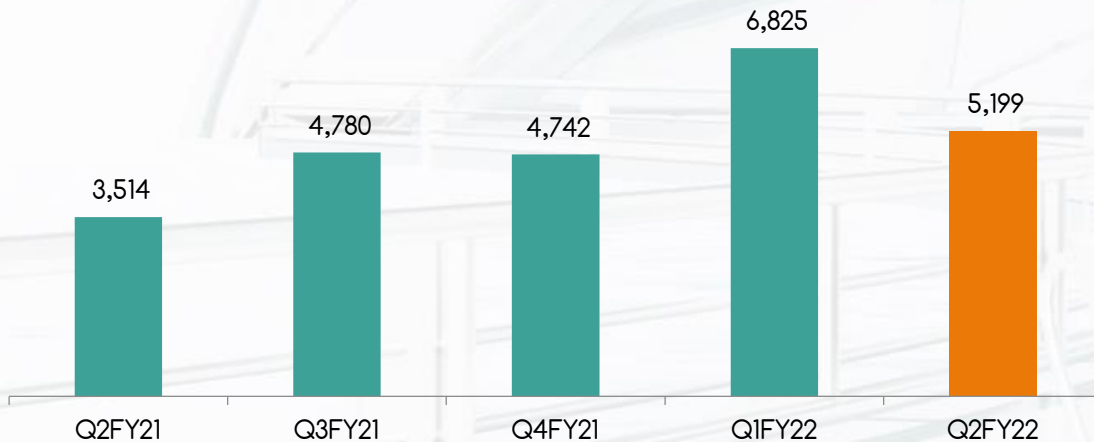
Volume (k'ton)



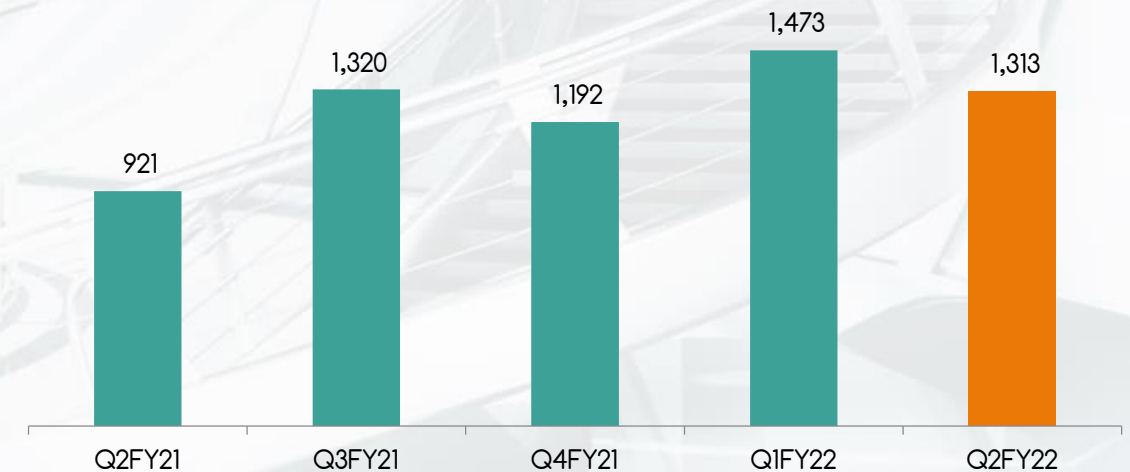
EBITDA (Rsm)



EBITDA/Ton (Rs)



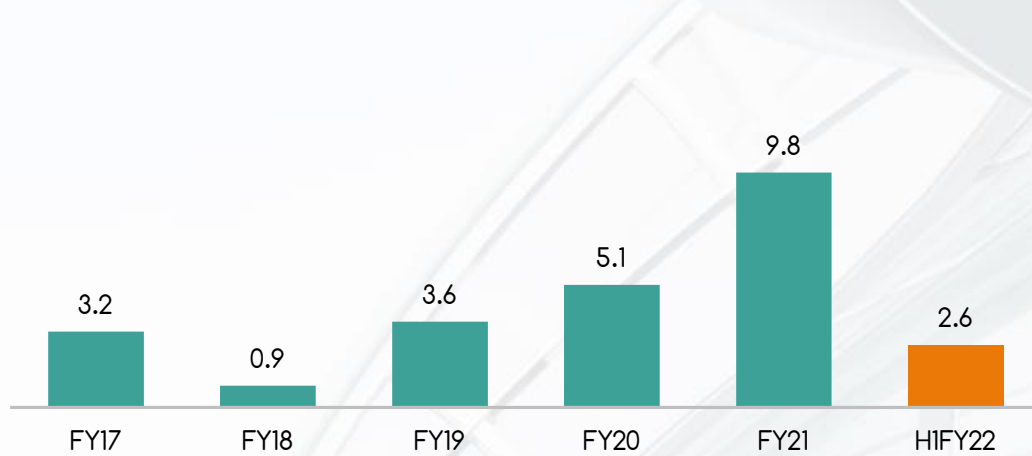
Net Profit (Rsm)



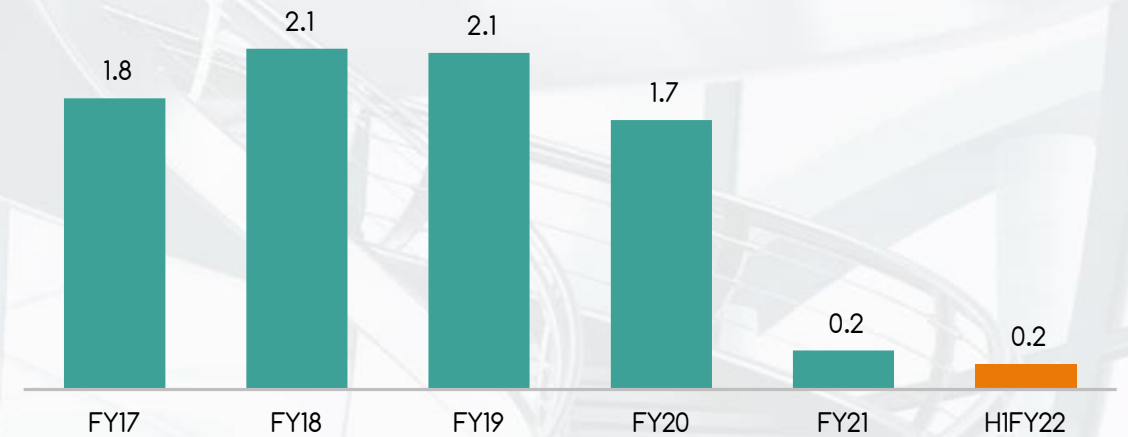
1. Q1FY21 sales volume figures are for period '22 April 2020 to 30 June 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic
 2. Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest
 3. EBITDA has been calculated without other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

Growing Strength to Strength

Operating Cash Flow (Rs Bn)



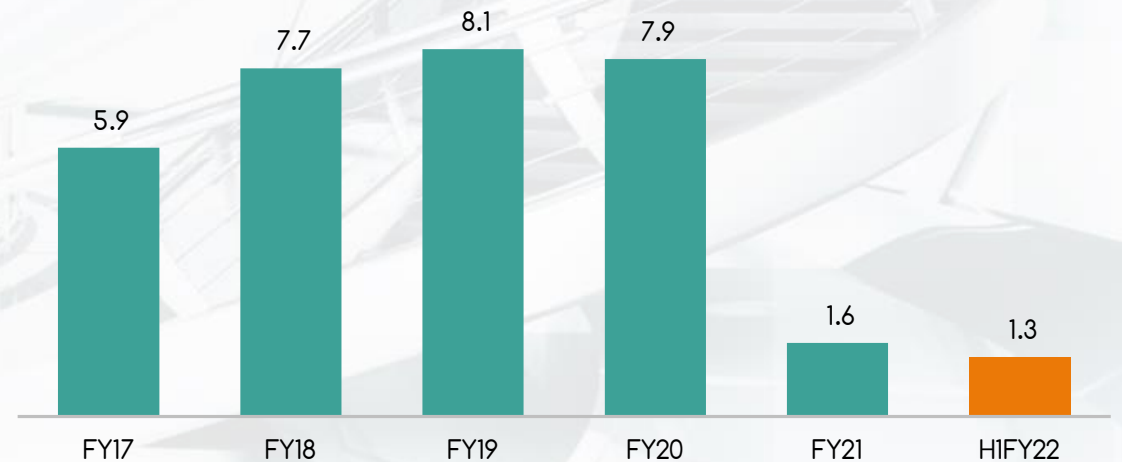
Net Debt/EBITDA (x)



Net Debt/ Equity (x)



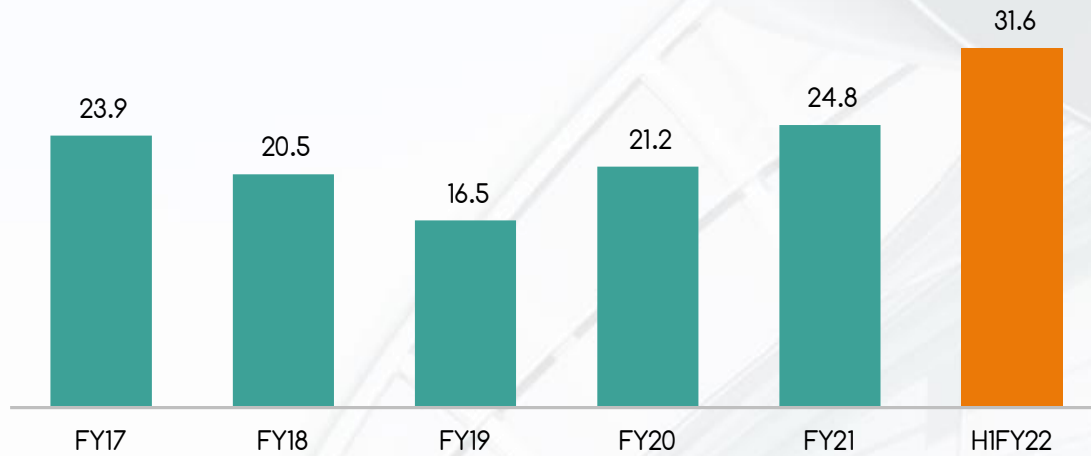
Net Debt (Rs Bn)



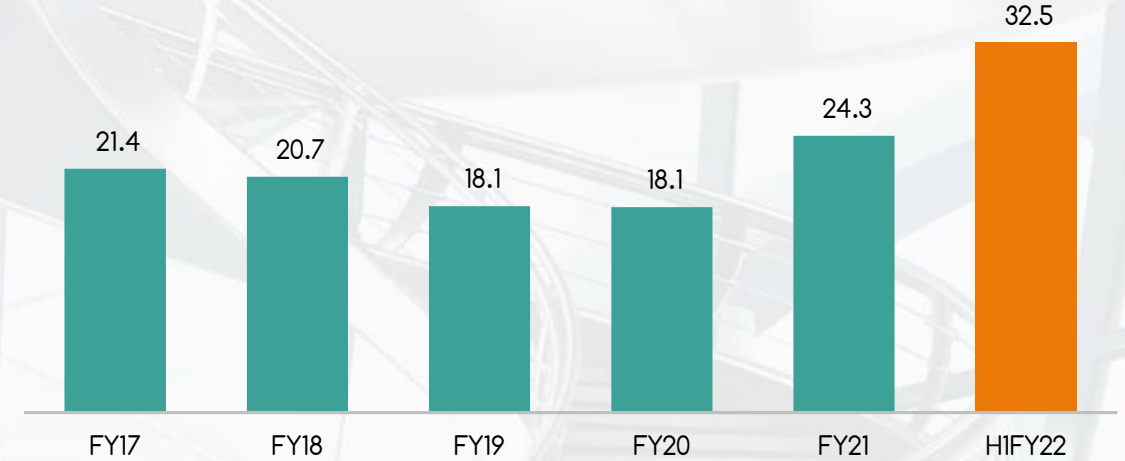
Note :FY21 revenue is for period '22 April 2020 to 31 Dec 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

Growing Strength to Strength

ROE (%)



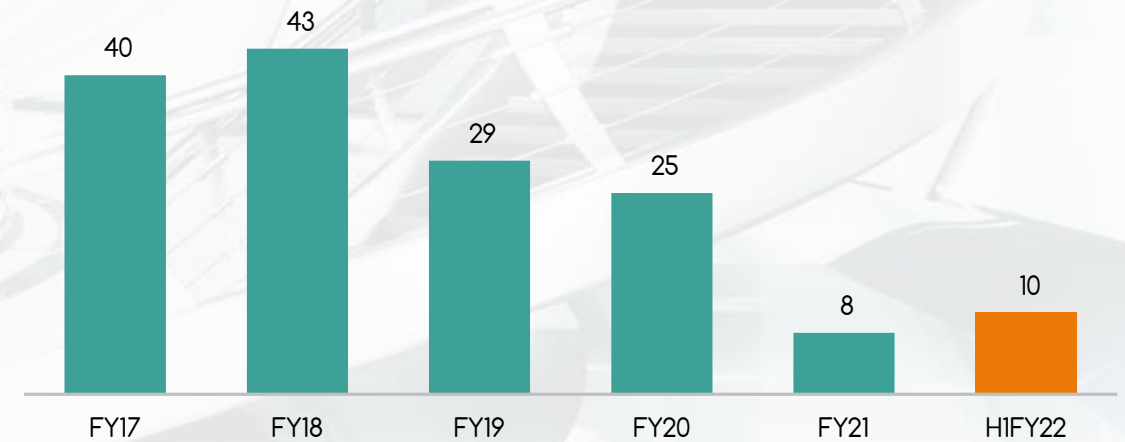
ROCE (%)



Interest Coverage Ratio (x)

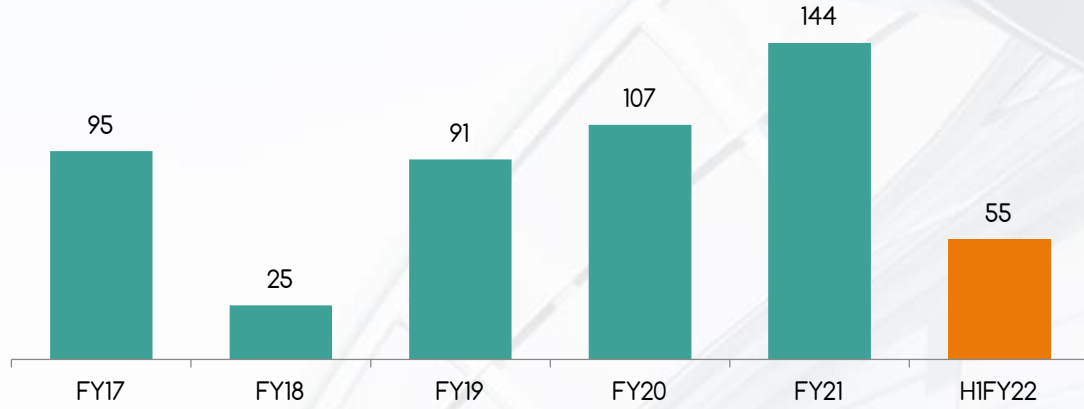


Net Working Capital (Days)

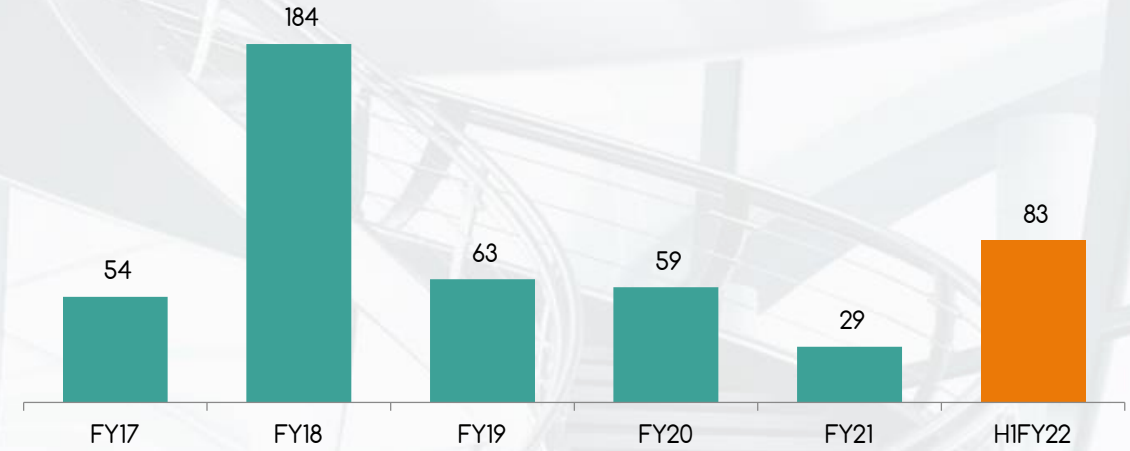


Growing Strength to Strength

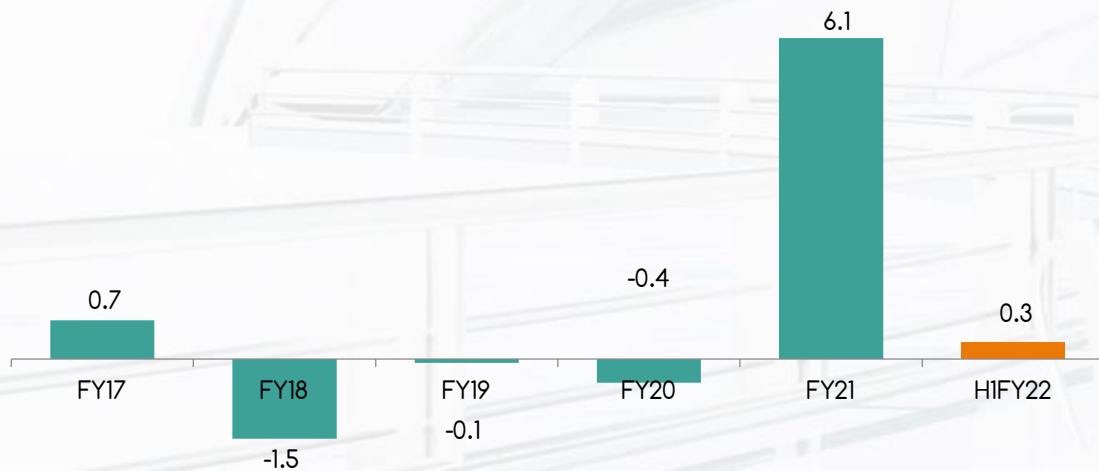
Operating cash flow to EBITDA (%)



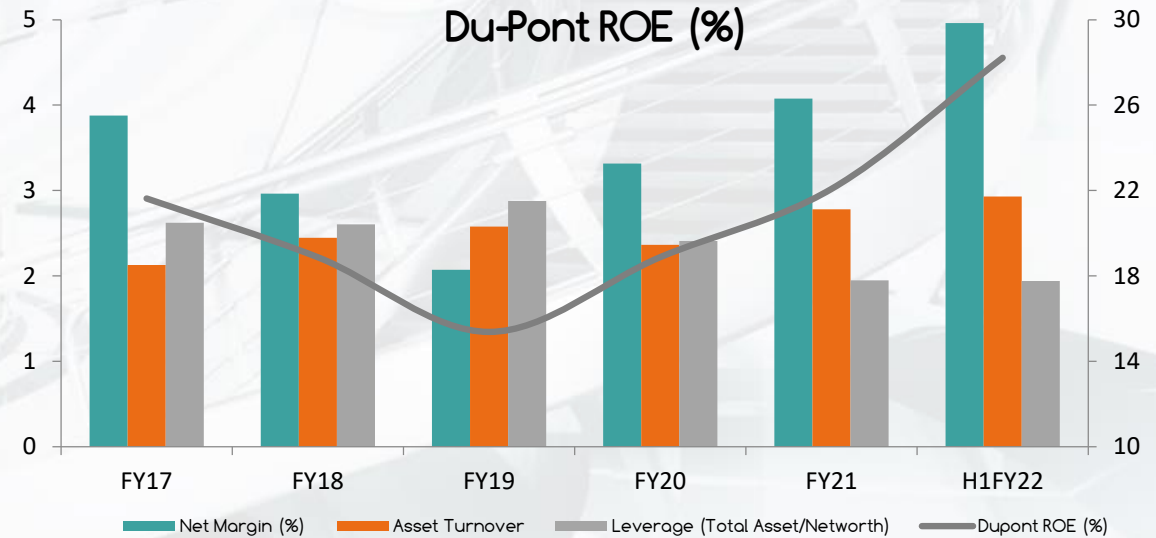
Capex to Op. Cash flow (%)



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 (Rs mn)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2FY22	FY21	FY20
Sales Volume (k Ton)	238	481	486	435	373	427	1,633	1,640
Net Revenue	11,098	22,021	26,009	25,870	25,343	30,839	77,232	84,998
Raw Material Costs	9,308	18,477	21,871	21,993	20,771	26,534	65,785	71,648
Employee Costs	287	334	358	317	359	373	1,422	1,296
Other expenses	793	1,518	1,459	1,495	1,666	1,711	5,251	5,266
EBITDA	711	1,691	2,321	2,064	2,547	2,222	4,774	6,787
EBITDA/ton (Rs)	2,982	3,514	4,780	4,742	6,825	5,199	2,923	4,138
Other Income	49	101	83	126	102	114	222	359
Interest Cost	212	159	147	143	128	107	1073	661
Depreciation	239	251	262	275	265	273	959	1028
Tax	90	356	507	428	572	495	403	1,381
Net Profit	219	1,026	1,488	1,344	1,684	1,461	2,560	4,077
Minority Interest (MI)	51	105	167	152	211	148	180	475
Net Profit (after MI)	168	921	1,320	1,192	1,473	1,313	2,380	3,602

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

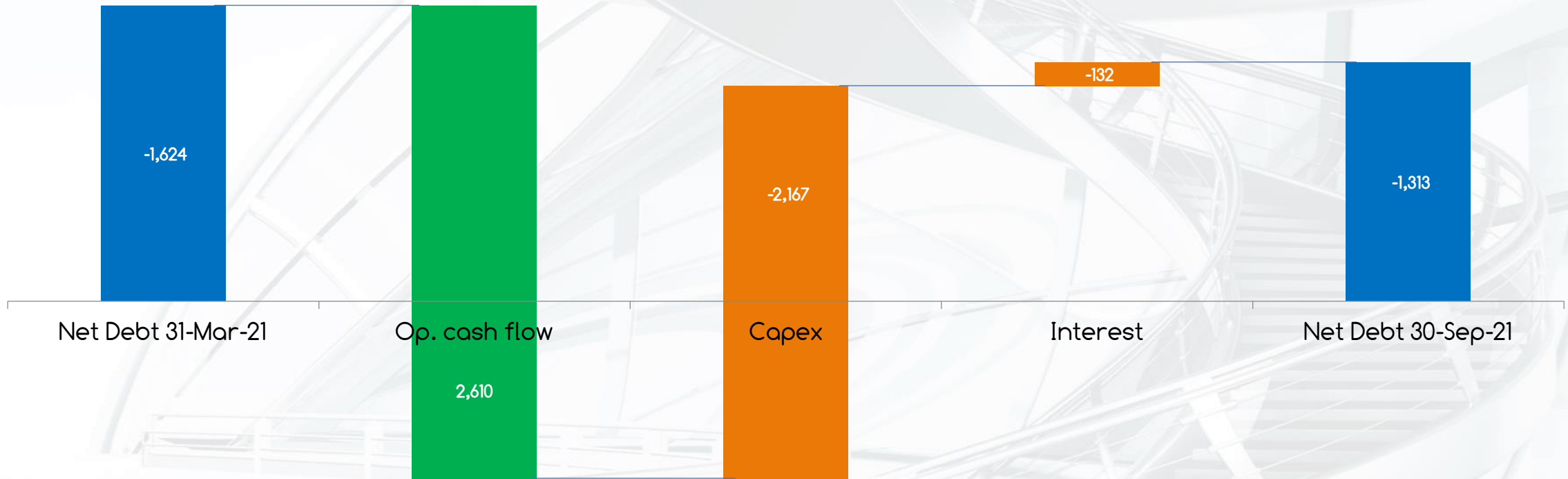
Note 2: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest

Balance Sheet & Cash Flow Statement (Consolidated)

Balance Sheet - Assets (Rs mn)	H1FY22	FY21	Cash Flow Statement (Rs mn)	H1FY22	FY21
Cash & Bank Balance	4,202	3,579	EBITDA	4,769	6,787
Receivables	1,866	1,306	Accounts receivables	-492	3,470
Inventories	9,182	7,599	Inventory	-1,589	232
Other current assets	1,353	1,507	Other WC changes	414	117
Fixed assets (net)	16,678	16,091	Tax	-632	-1,195
Right to use Assets	954	949	Other Income	140	359
Investments	669	15	Operating cash flow	2,610	9,771
Other assets/goodwill	3,429	2,943	Capex	-2,167	-2,798
Total Assets	38,335	33,990	Investments	0	-265
Balance Sheet - Liabilities (Rs mn)	H1FY22	FY21	Interest	-132	-623
Trade payables	8,219	7,859	Free cash flow	311	6,086
Other current liabilities	1,012	557	Dividend payments	0	0
Debt	5,515	5,203	Capital increase	0	154
Others	2,099	2,041	Tricoat consolidation/Others	0	18
Minority Interest/Provision	1,741	1,383	Net change in cash flow	311	6,258
Shareholders' funds	19,750	16,947	Net debt beginning	-1,624	-7,882
Total Equity & Liabilities	38,335	33,990	Net debt end	-1,313	-1,624

FY21 revenue is for period '22 April 2020 to 31 March 2021' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

Consolidated Cash Flow Bridge (Rs mn)



✓ Business continues to generate strong operational cash flows

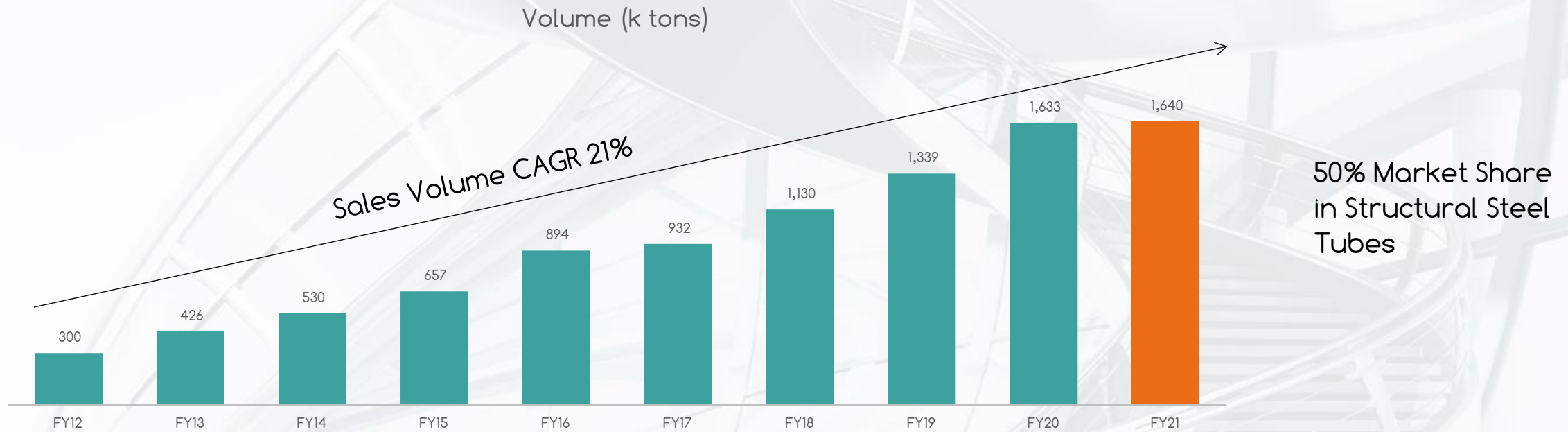
✓ Capex being funded from internal cash flows

✓ Net debt declined 19% 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



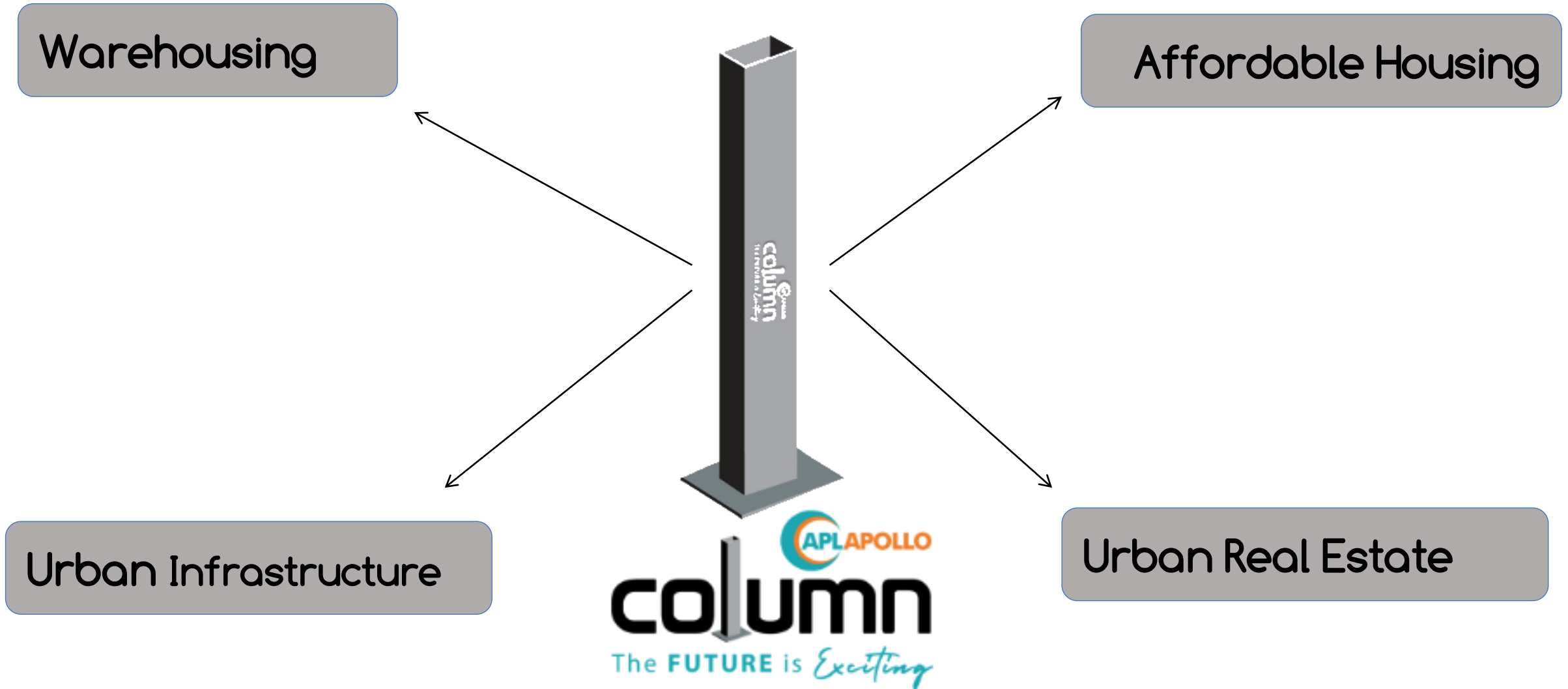
Low Diameter Steel Tubes/Low Load Bearing

High Diameter Steel Tubes/High Load Bearing

Registered Patents

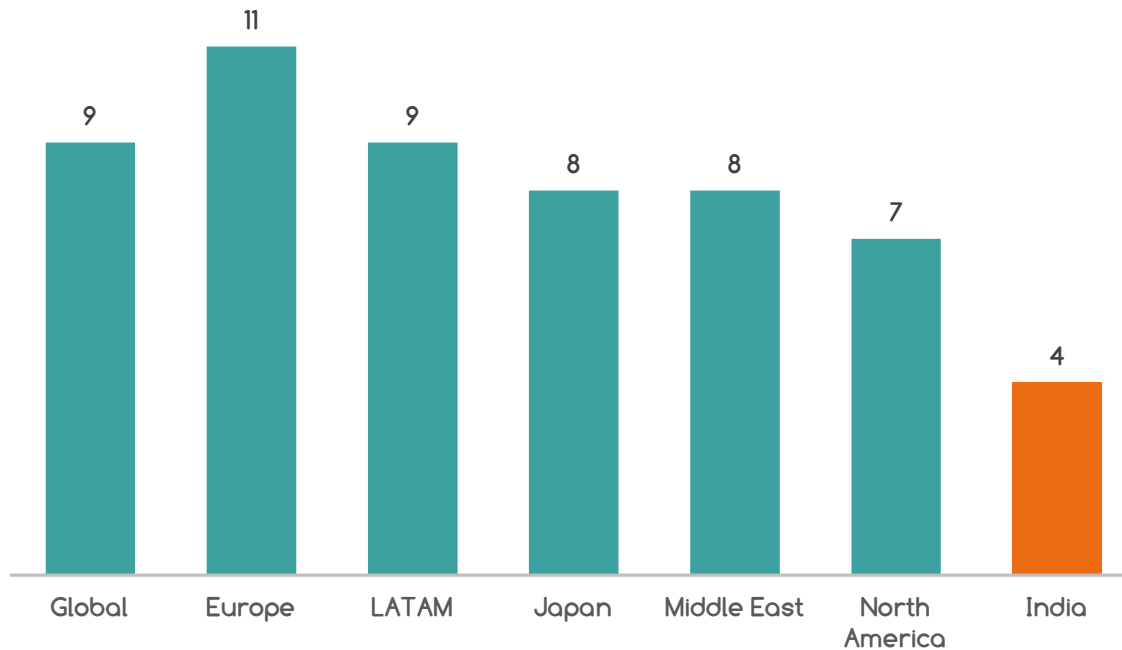
			
Double Door Chaukhat Tube	Double Door Chaukhat Tube	Four Double Door Chaukhat Tube	Single Door Chaukhat Tube
			
Elliptical Tube for electric transformers	D Section for Handrail/Fence	Handrail Tube	Window Frame Tube (L)
			
Window Frame Tube (T)	Window Frame Tube (Z)	Reflector Tube	Oval Tube for Gym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

New Opportunities to revolutionise construction industry

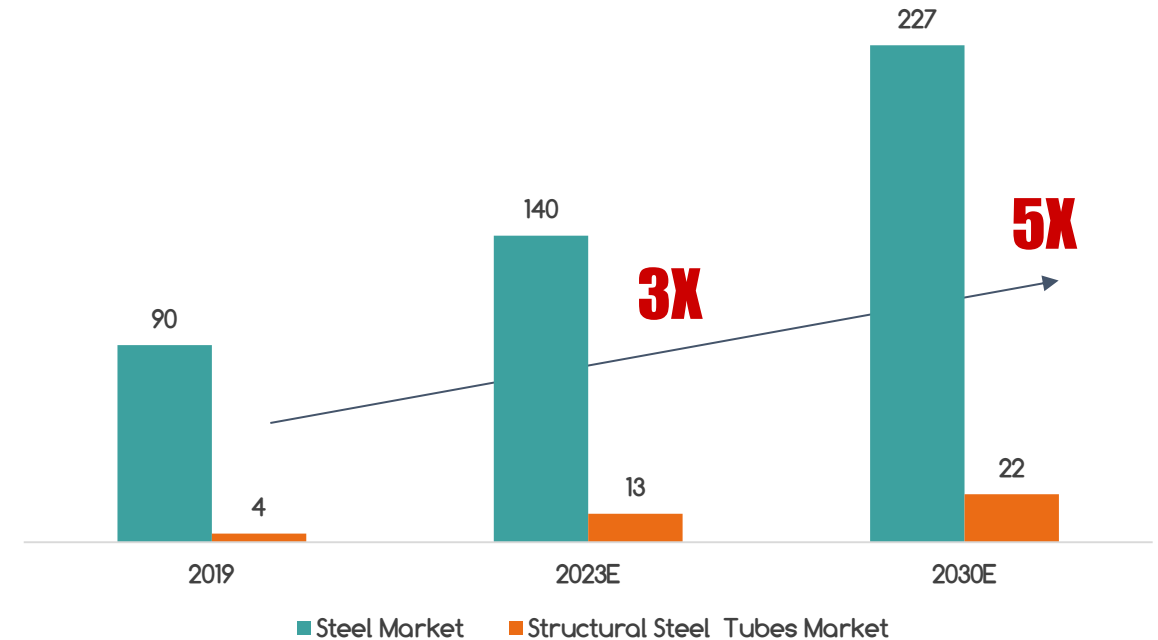


India at the start of Structural Steel Usage

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

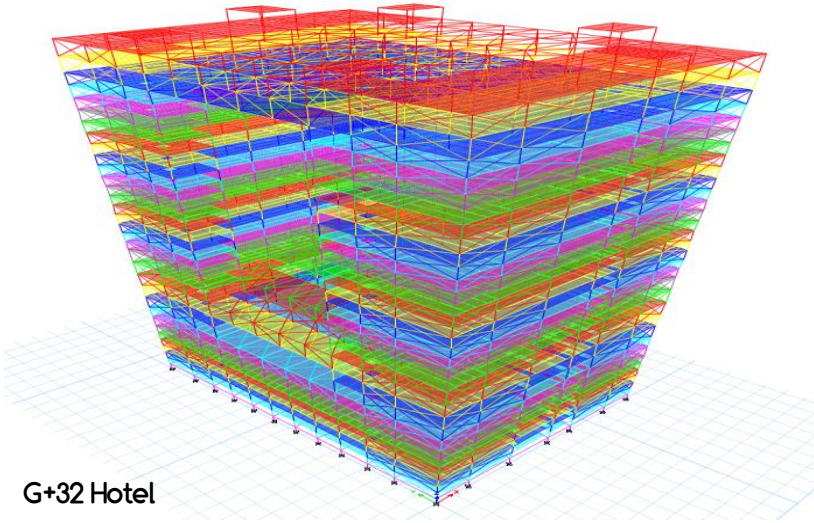
Note: Structural Steel Tubes is 4Mn ton market size, out of total ERW market size of 6Mn ton (balance is water transportation)

Source: Company data and Industry research

Future of Construction



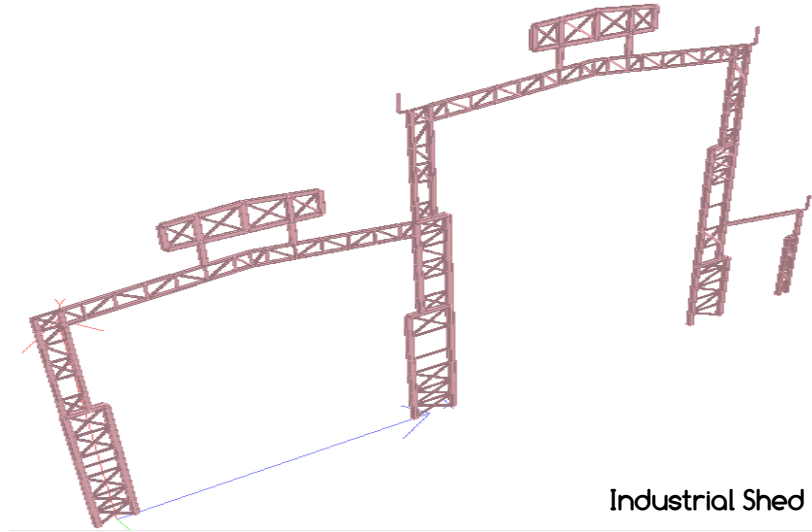
Future of Construction



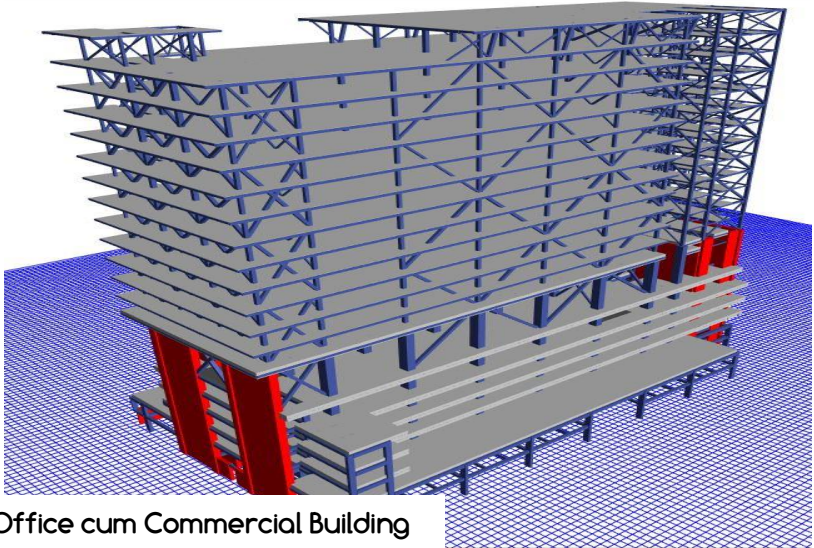
G+32 Hotel



Night Shelter



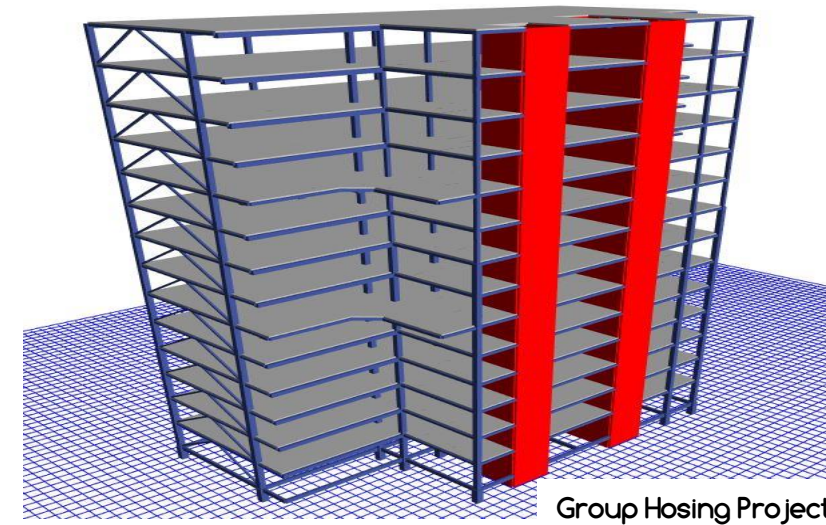
Industrial Shed



Office cum Commercial Building

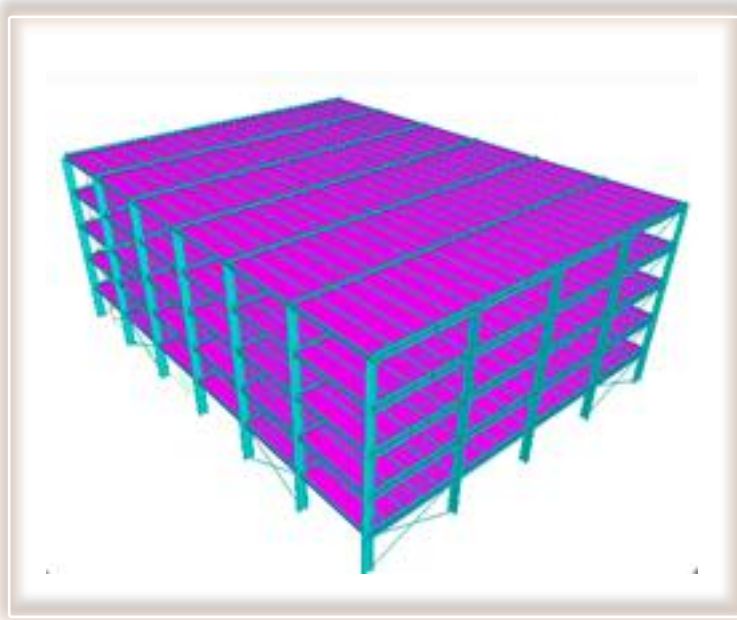


Hospital



Group Housing Project

On-Going Projects



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



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



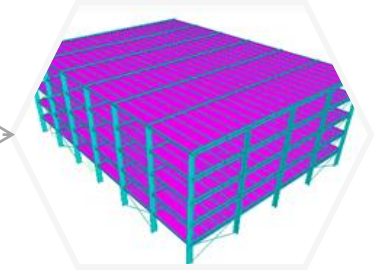
Civil Foundation

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



Hospital Building Structure

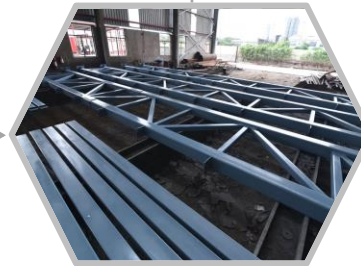
Structure



Transfer of cut to length tubes to Fabricator's workshop



Transfer of structure parts to the site



Painting

Connected structures are painted



Site Errection

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

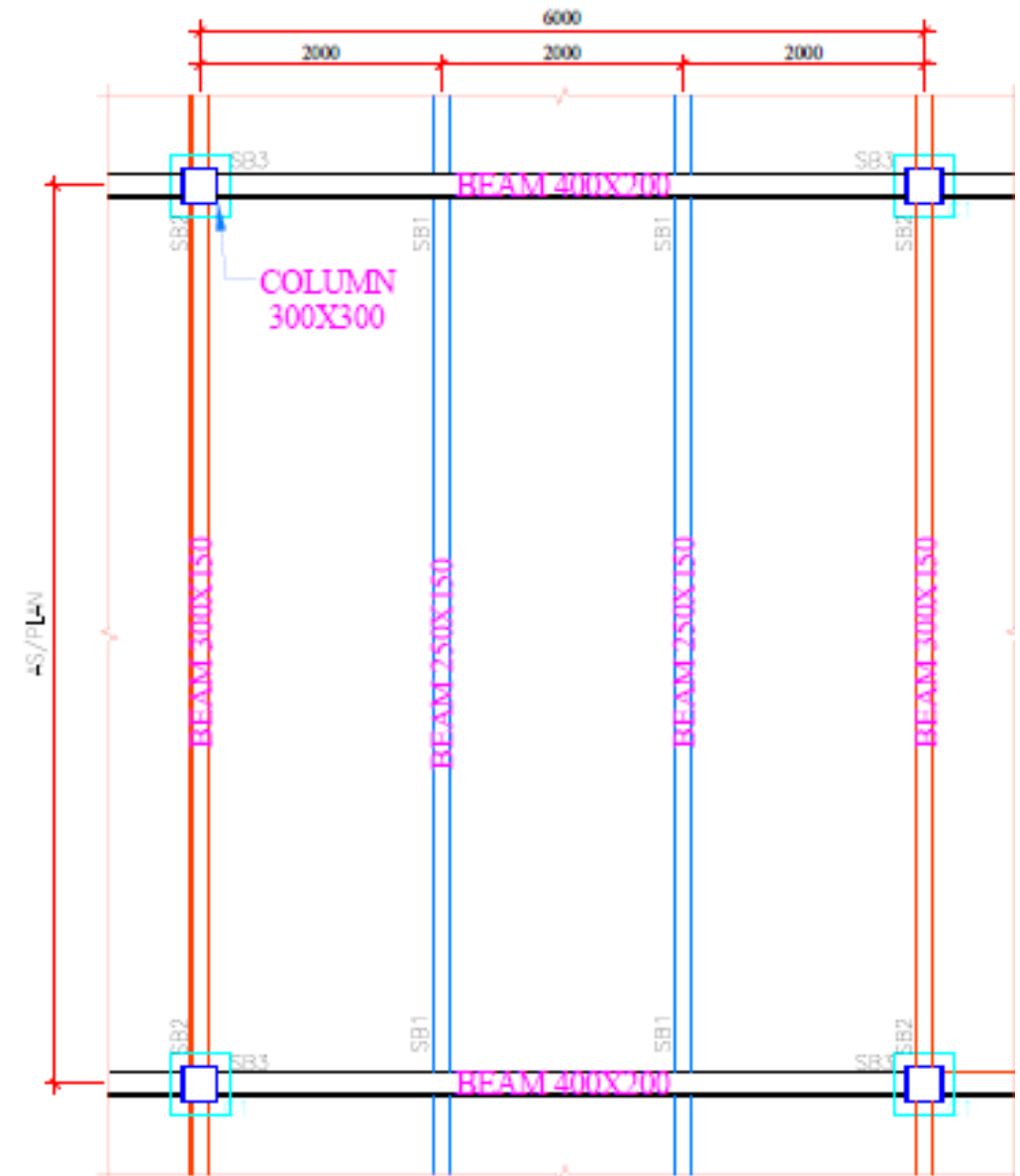


CTL Line

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

Design Features -> Faster Construction/Low Cost

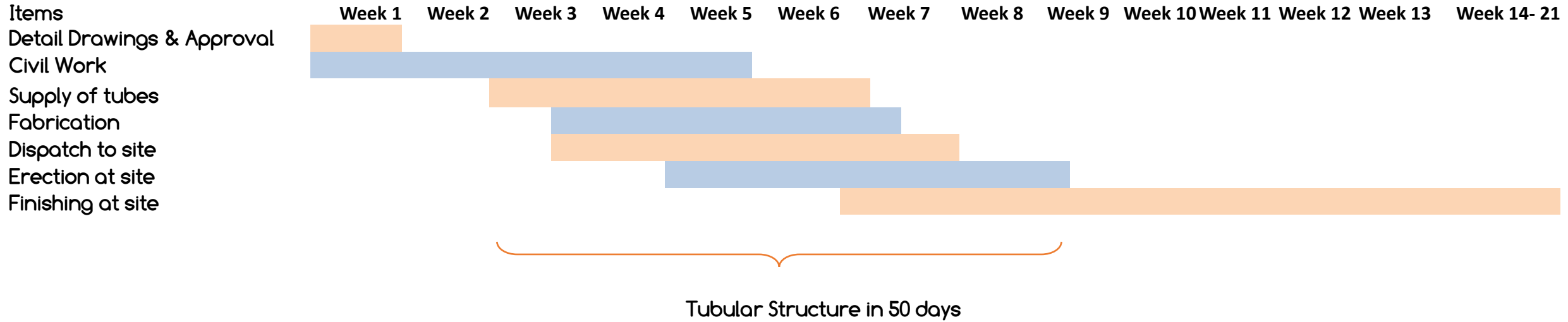
1. Minimum no. of Sections: Main Skelton built using 4 Sizes of Structure Steel Tubes
Tube Sizes are 300X300mm, 400X200mm, 300X150mm & 250X150mm
 - **Benefit 1:** Fabricator can order tubes without any MOQ constraint
 - **Benefit 2:** No need for fabricator to maintain inventory levels
 - **Benefit 3:** 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



B2C APP (Consumer facing)

APL Apollo Mobile-Application Launched



Who are you?

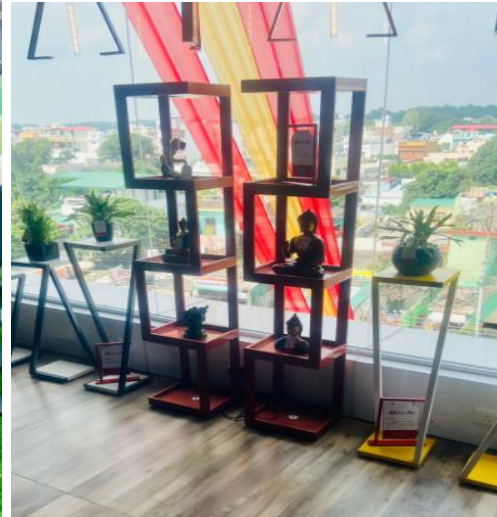


Customer



Fabricator

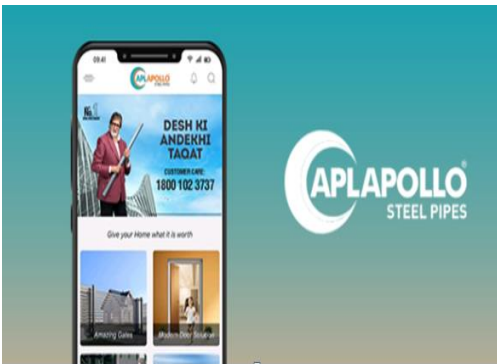
Next →



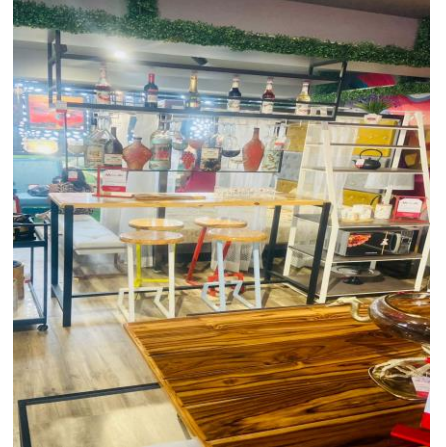
25,000+ Fabricators enrolled

300+ Designs

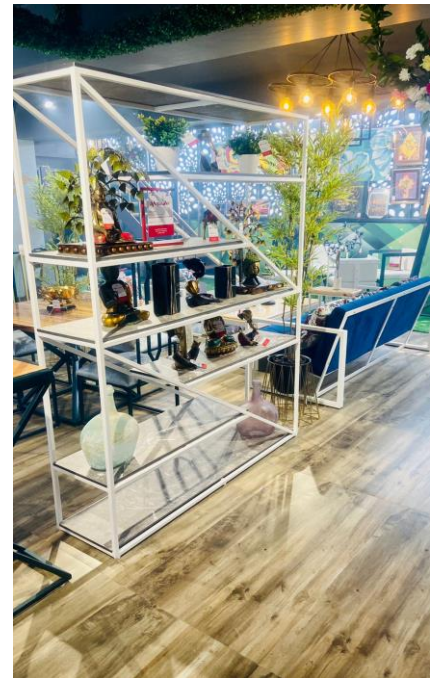
16 Patents registered



Furniture Retail Format (started by distributor)



B2C Retail Store for steel tube furniture
Distributor opened 5,500 sq ft store in Dehradun



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

 RESPONSIBLE BUSINESS	PERFORMANCE INDICATORS	TARGETS
	Corporate Governance	
	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

 RESPONSIBLE OPERATIONS	PERFORMANCE INDICATORS	TARGETS
	Energy Management	
	Number of units used from renewable energy sources (solar, wind)	All plants to have access to renewable energy by 2025
	Water & Effluent	
	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
	Emissions	
	GHG Emissions (Scope 3)	Start monitoring Scope 3 emissions by 2022
	Air Emissions	Maintain SOx, NOx and PM within permissible limits
	Environmental Compliance Management	
	Number of cases in violation of environment regulations	Zero incidents of non-compliance

ESG Performance Indicators and Targets

 RESPONSIBLE EMPLOYMENT	PERFORMANCE INDICATORS	TARGETS
	Health & Safety	
	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
	Labour Relations and Human Rights	
	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%
	Training and Education	
	Average trainings hours per employee on behavioral and technical aspects	Provide 4 hours of training to permanent employees
	Diversity and Equal Opportunity	
	Female to Male Ratio in permanent employee	Female workforce to be increase by 1% in the permanent employee category by 2025

 RESPONSIBILITY TOWARDS COMMUNITIES	PERFORMANCE INDICATORS	TARGETS
	Energy Management	
	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

Deepak Goyal
Chief Finance Officer

Vinay Gupta
Director

Anubhav Gupta
Chief Strategy Officer

Romi Sehgal
Director

Ravindra Tiwari
Head-Sales & Marketing

Arun Agrawal
Chief Operating Officer

Thank You

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