



**YOU THINK  
WE SUPPLY**

**CELEBRATING NETWORK OF 800 DISTRIBUTORS**



**Q2FY23 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

- Q2FY23 at glance
- Financial Performance
- Business Strategy
- New Initiatives
- ESG Engagement
- Team APL Apollo



# Q2FY23 at a Glance



**602k ton**  
**Sales Volume**  
41% yoy increase



**₹ 39.7 Bn**  
**Revenue**  
29% yoy increase



**₹2.3 Bn**  
**EBITDA**  
4% yoy increase



**₹ 3,850**  
**EBITDA/ton**  
26% yoy decline



**₹136 Mn\***  
**Interest Cost**  
27% yoy increase



**₹ 1.5 Bn**  
**Net profit**  
3% yoy increase



**54%**  
**Value Added Sales mix**  
FY22 was 63%



**₹ 4.3 Bn**  
**H1FY23 OpCF**  
FY22 was Rs 6.5 Bn



**5 days**  
**Net WC days**  
FY22 was 7 days



**27.3%**  
**ROCE as at Q2FY23**  
FY22 was 34.6%



**22.6%**  
**ROE as at Q2FY23**  
FY22 was 28.8%



**₹ 2.9 Bn**  
**Net debt**  
FY22 was 2.0 Bn

*\*Interest Cost does not include Interest Income of Rs33mn; it has been accounted in Other Income*

*Note1: Sales Volume and Financials are on consolidated basis*

*Note2: Capital employed for ROCE computed as Total assets less Current Liabilities & Cash*

# FINANCIAL PERFORMANCE



# De-commo-ditizing Product Portfolio

Value added products contributed  
54% of total sales in Q2

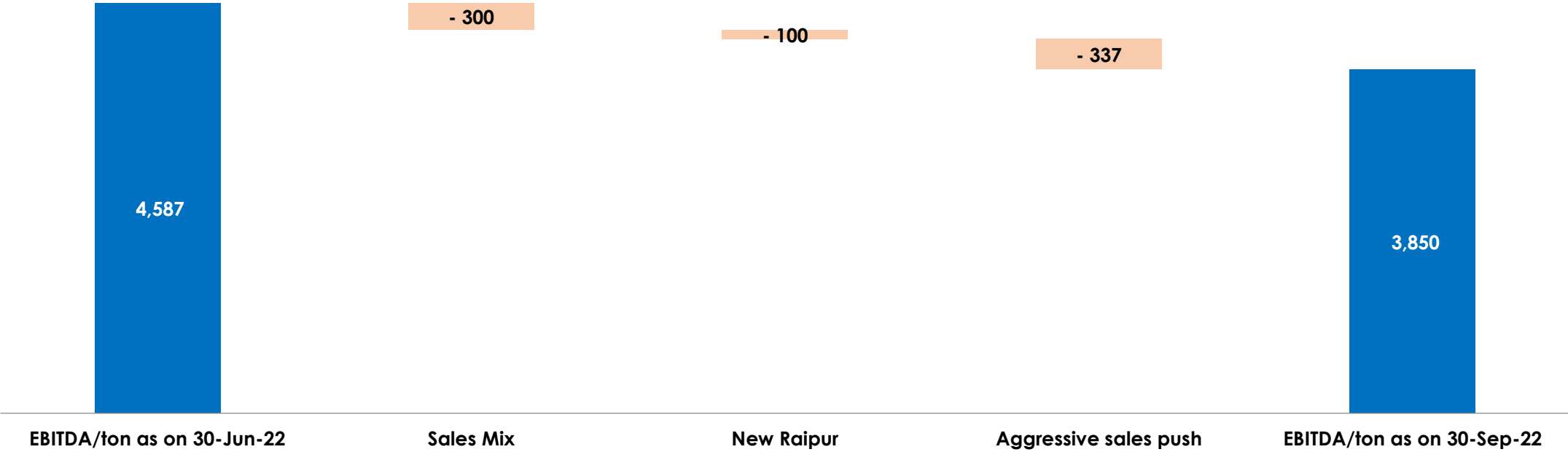
Product Category	Application	Q2FY22			Q3FY22			Q4FY22			Q1FY23			Q2FY23		
		Sales Mix	Volume	EBITDA /Ton	Sales Mix	Volume	EBITDA /Ton	Sales Mix	Volume	EBITDA/ Ton	Sales Mix	Volume	EBITDA/ Ton	Sales Mix	Volume	EBITDA /Ton
		(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)
Apollo Structural	Heavy Structures	6	26	6,240	9	35	7,531	7	40	7,835	8	33	7,028	7	41	6,926
	Light Structures	12	51	5,137	12	47	4,721	11	60	5,074	12	50	4,375	13	77	4,155
	General Products	38	161	2,194	35	139	1,524	40	223	1,955	39	165	1,614	46	276	1,388
Apollo Z	Rust-proof structures	21	90	8,083	23	91	7,714	19	103	7,942	19	80	7,015	13	78	6,914
	Rust-proof sheet	5	21	5,136	5	19	4,554	6	35	4,746	5	20	4,105	4	21	3,920
Apollo Tricoat	Home Improvement	14	61	8,172	13	54	7,999	12	65	7,149	12	49	9,194	12	70	8,219
Apollo Galv	Agri/Industrial	4	16	6,353	4	17	6,051	5	26	6,230	4	18	5,005	4	27	4,966
<b>Total (ex Raipur)</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>4,820</b>	<b>98</b>	<b>416</b>	<b>4,579</b>	<b>98</b>	<b>590</b>	<b>3,928</b>
Apollo Build/ New Raipur	Coated Products	-	-	-	-	-	-	0	0.4	5,040	2	7	5,001	2	12	-
<b>Total</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>	<b>100</b>	<b>602</b>	<b>3,850</b>

Standard products with  
EBITDA around Rs 2,000/ Ton

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

# EBITDA Bridge (Per Ton)

APL APOLLO TUBES



Sales mix deteriorated due to higher proportion of commoditized sales

Raipur (ABPL) currently breaking even as plant is still ramping up

Discounts offered to clients because of channel de-stocking

# De-commoditizing Product Portfolio

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

Product Category	Application	FY19			FY20			FY21			FY22			1HFY23			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	6	80	3,775	6	101	4,000	6	95	4,721	7	121	7,422	7	74	6,971	200
	Light Structures	8	108	3,707	5	87	3,800	13	213	4,717	11	198	5,253	12	127	4,242	430
	General Products	58	777	1,615	55	898	1,361	43	713	1,658	37	647	2,145	43	442	1,473	1,000
Apollo Z	Rust-proof structures	21	279	5,568	20	333	5,021	18	294	6,728	21	369	8,161	15	158	6,965	400
	Rust-proof sheet	-	3	4,703	0	2	5,000	1	23	4,720	6	105	5,146	4	41	4,010	100
Apollo Tricoat	Home Improvement	-	-	-	7	113	6,589	14	231	7,072	14	239	8,737	12	119	8,621	350
Apollo Galv	Agri/Industrial	7	92	4,362	6	99	3,952	4	71	6,040	4	76	6,442	4	44	4,982	120
Apollo Build/ New Raipur	Coated Products	-	-	-	-	-	-	-	-	-	0.0	0.4	5,040	2	20	1,913	-
<b>Total</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>100</b>	<b>1,025</b>	<b>4,154</b>	<b>2,600</b>

Standard products with EBITDA around Rs 2,000/ Ton

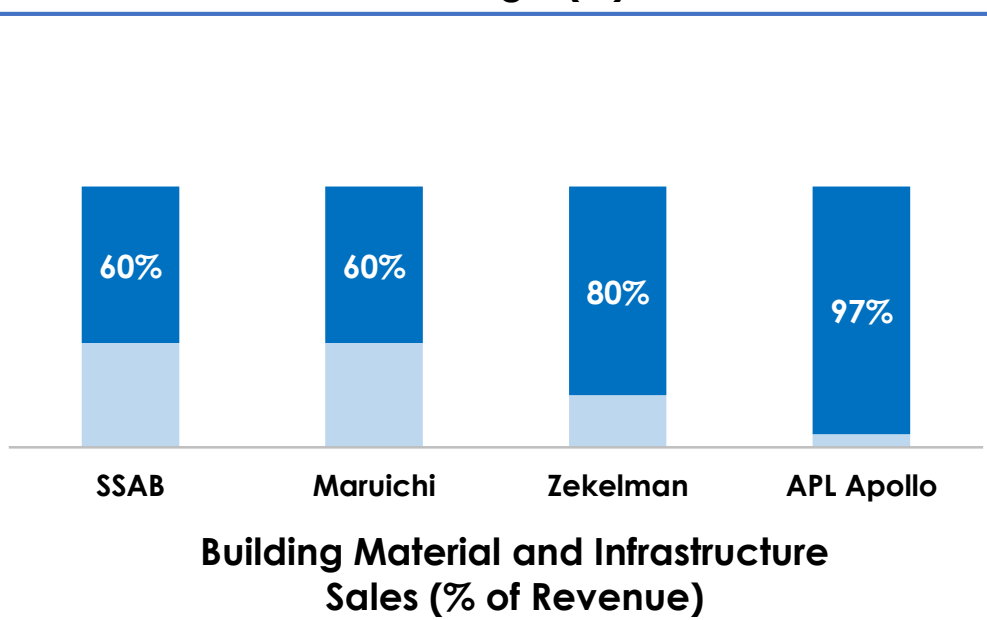
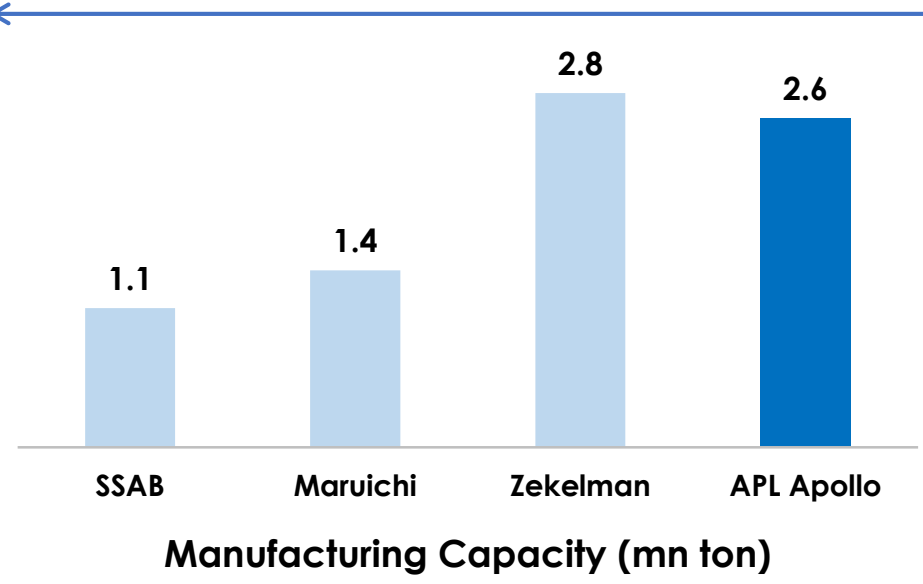
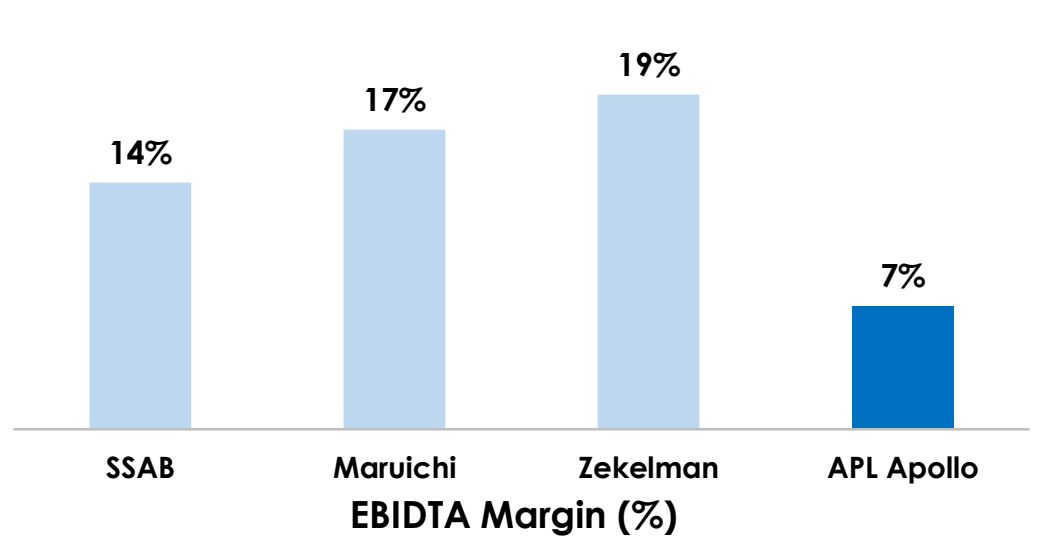
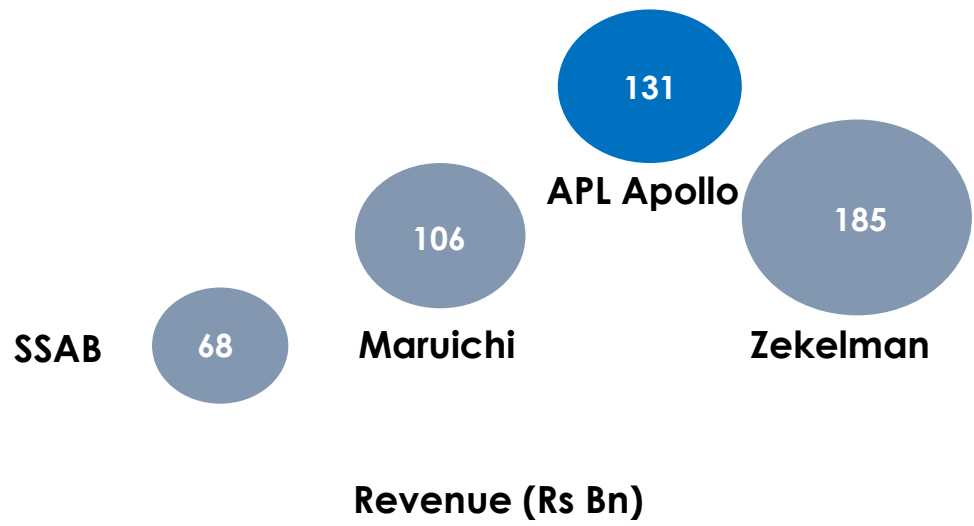
Value added products with EBITDA more than Rs 4,000/Ton



# Post Tricoat Merger Reporting Structure

Product Category	Application	Q1FY23			Q2FY23		
		Sales Mix	Volume	EBITDA/Ton	Sales Mix	Volume	EBITDA/Ton
		(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)
Apollo Structural	Heavy Structures	8	33	7,028	7	41	6,926
	Light Structures	14	59	5,081	18	109	5,344
	General Products	39	165	1,614	46	276	1,388
Apollo Z	Rust-proof structures	29	121	7,747	19	116	7,342
	Rust-proof sheet	5	20	4,105	4	21	3,920
Apollo Galv	Agri/Industrial	4	18	5,005	4	27	4,966
Apollo Build/ New Raipur	Coated Products	2	7	5,001	2	12	-
<b>Total</b>		<b>100</b>	<b>423</b>	<b>4,587</b>	<b>100</b>	<b>602</b>	<b>3,850</b>

# Global Peer Benchmarking

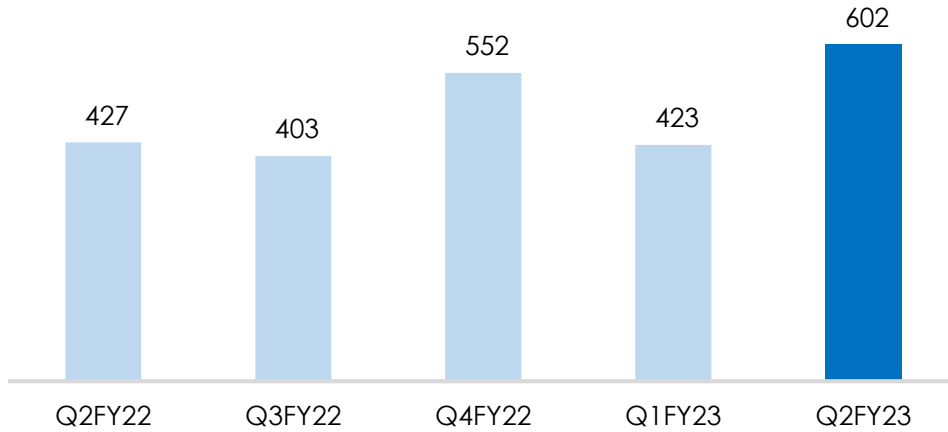


APL APOLLO TUBES

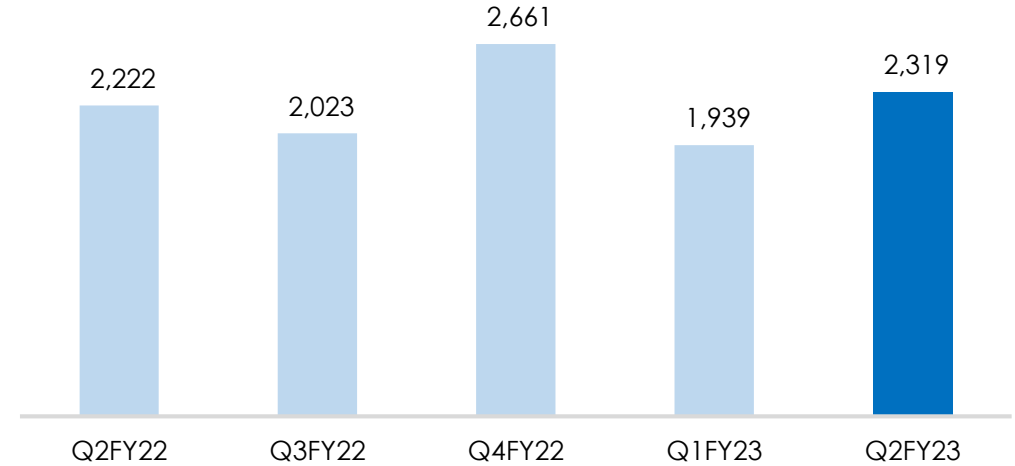
Based on latest financial available data

# Growing Strength to Strength

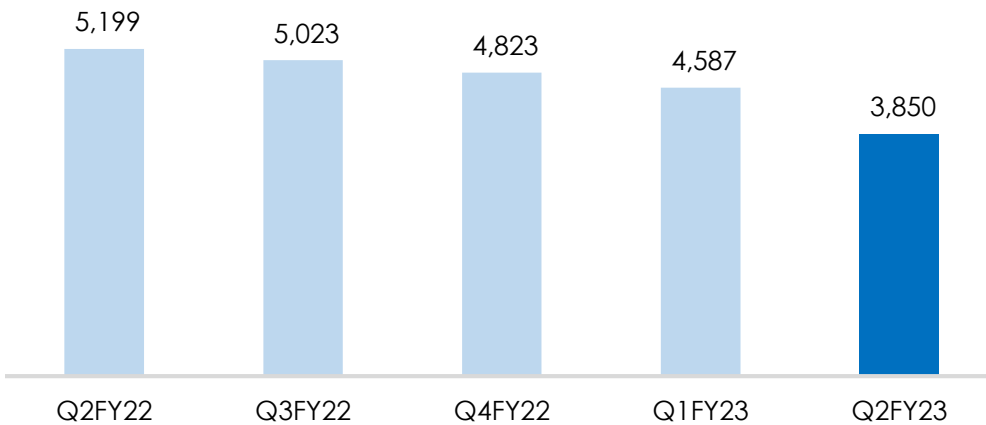
## Volume (k'ton)



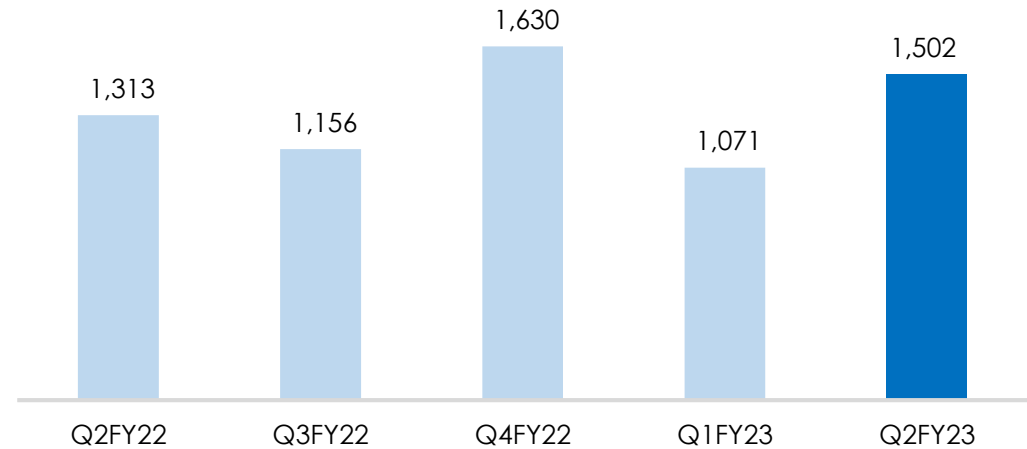
## EBITDA (Rsm)



## EBITDA/Ton (Rs)



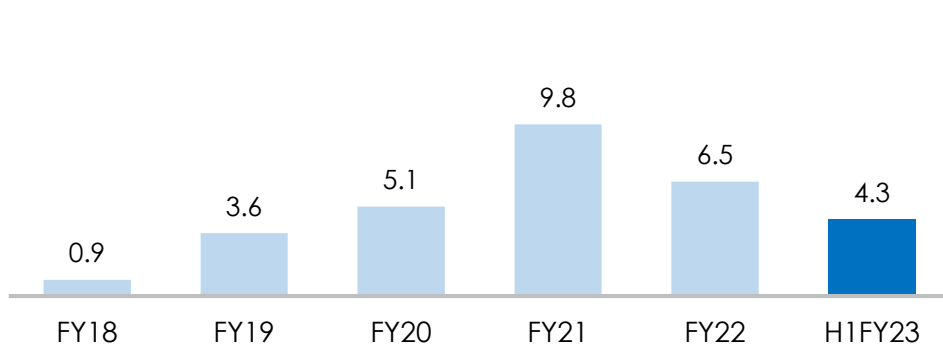
## Net Profit (Rsm)



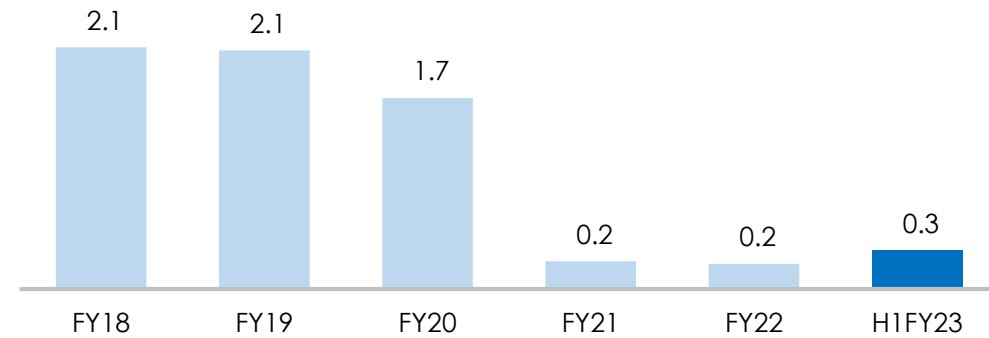
1. Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest  
2. EBITDA has been calculated without other income

# Growing Strength to Strength

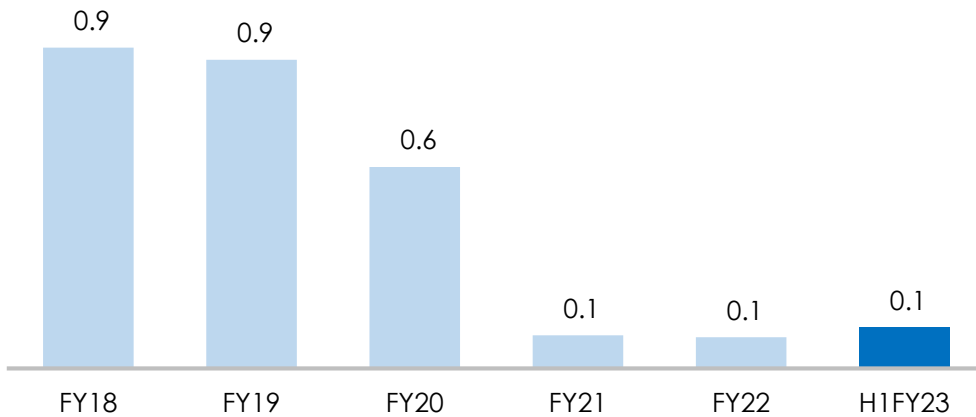
### Operating Cash Flow (Rs Bn)



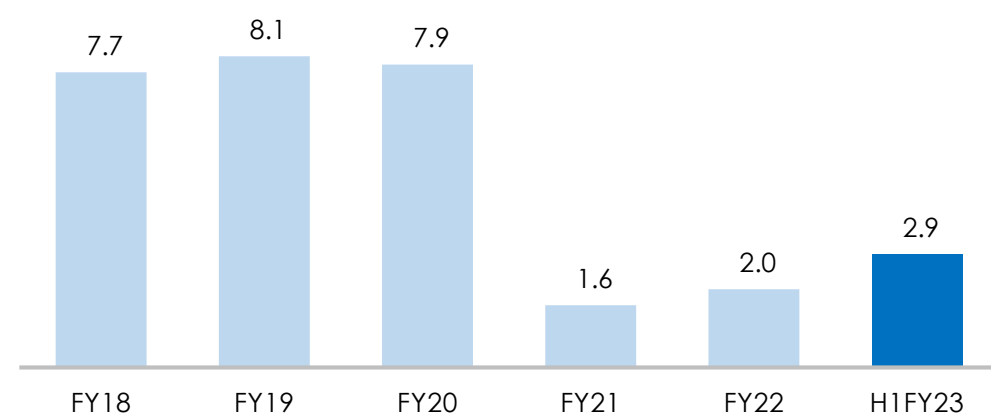
### Net Debt/EBITDA (x)



### Net Debt/ Equity (x)

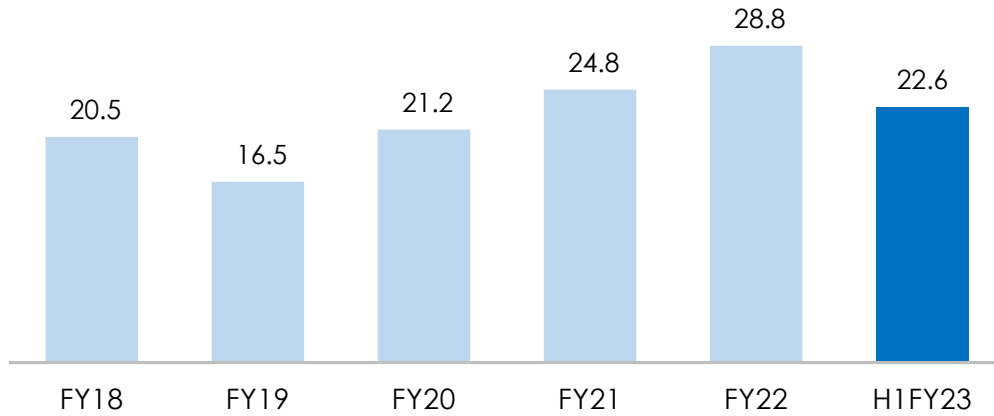


### Net Debt (Rs Bn)

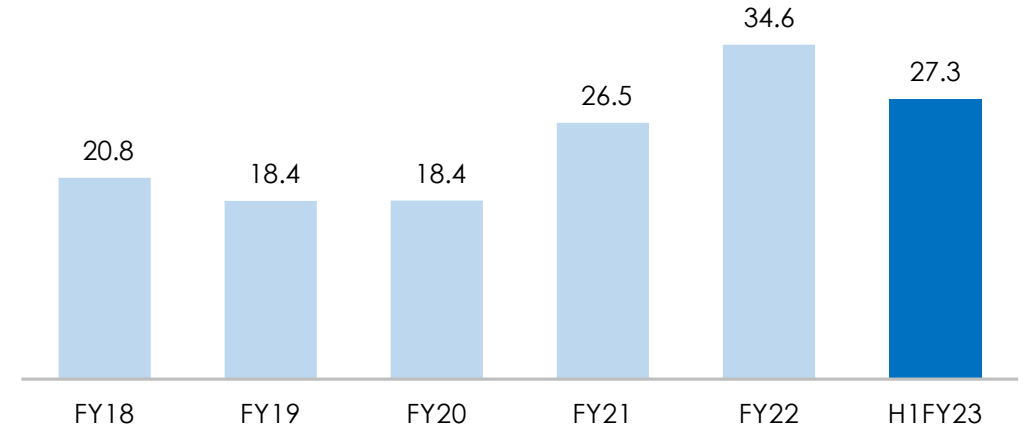


# Growing Strength to Strength

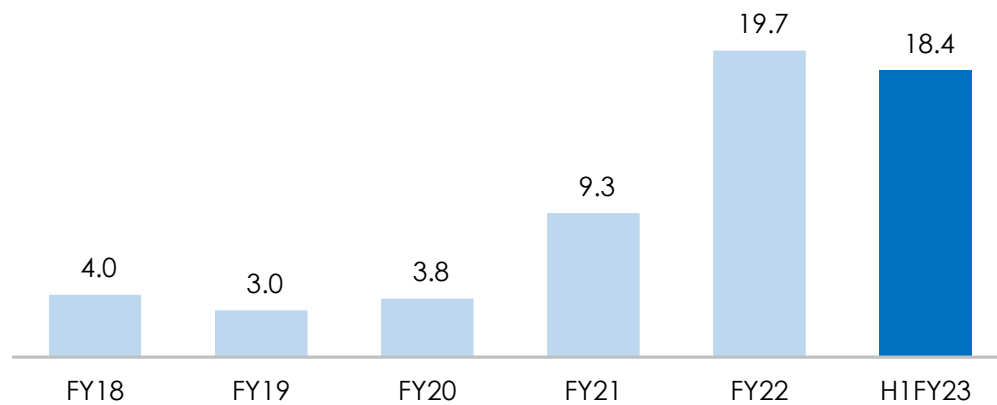
### ROE (%)



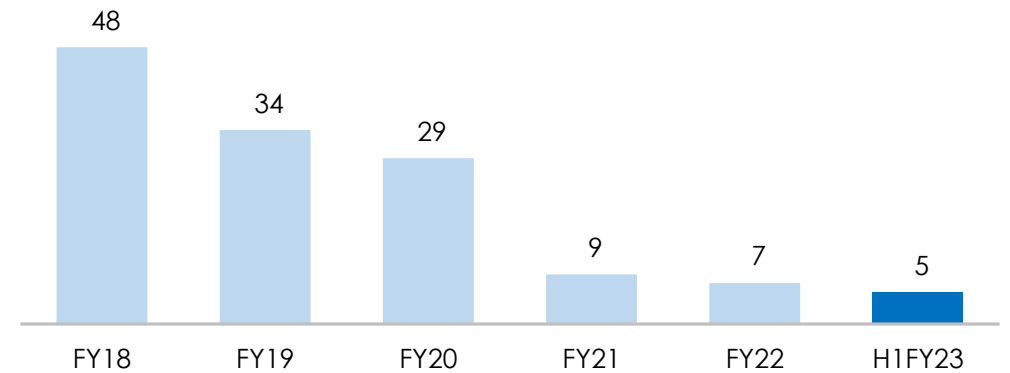
### ROCE (%)



### Interest Coverage Ratio (x)



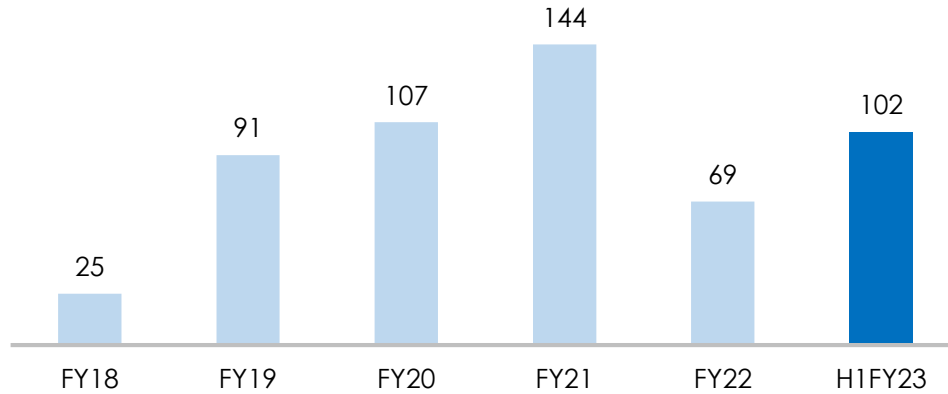
### Net Working Capital Days



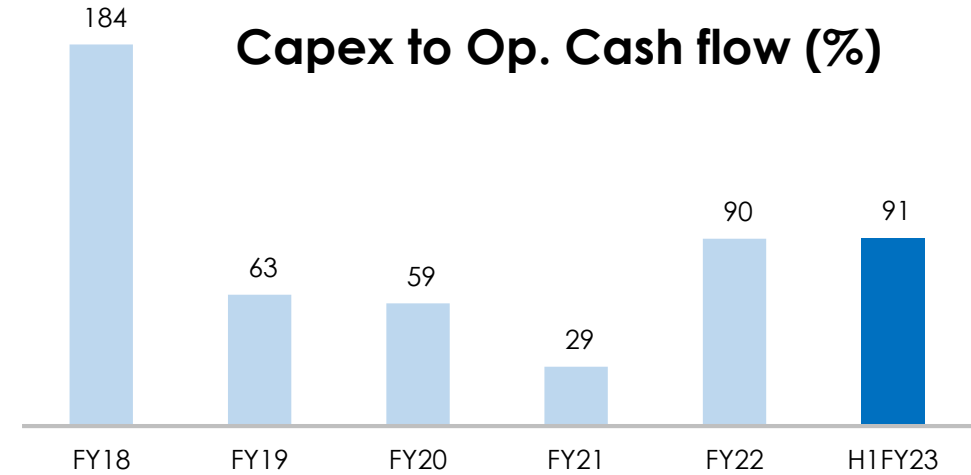
Note: Capital employed for ROCE is computed as Total assets less Current Liabilities & Cash

# Growing Strength to Strength

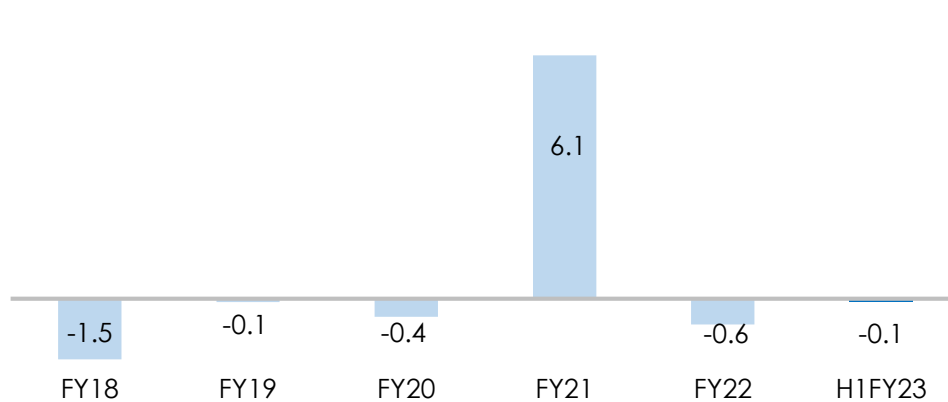
### Operating Cashflow to EBITDA (%)



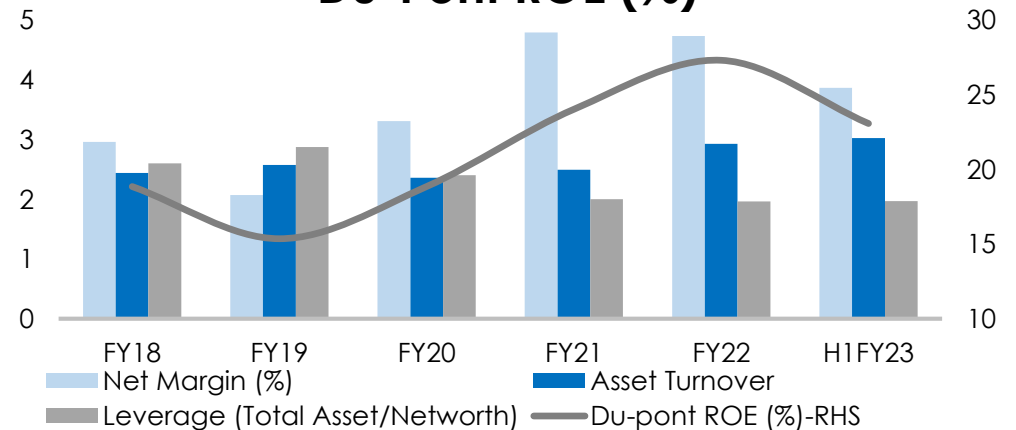
### Capex to Op. Cash flow (%)



### FCF (Rs Bn)



### Du-Pont ROE (%)



# Profit & Loss Statement (Consol)

Particulars (Rsm)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	FY22	FY21
<b>Sales Volume (k Ton)</b>	<b>427</b>	<b>403</b>	<b>552</b>	<b>423</b>	<b>602</b>	<b>1,755</b>	<b>1,640</b>
Net Revenue	30,839	32,304	42,147	34,386	39,692	1,30,633	84,998
Raw Material Costs	26,534	28,097	36,829	29,915	34,747	1,12,231	71,648
Employee Costs	373	389	410	445	468	1,530	1,296
Other expenses	1,711	1,795	2,247	2,086	2,158	7,419	5,266
<b>EBITDA</b>	<b>2,222</b>	<b>2,023</b>	<b>2,661</b>	<b>1,939</b>	<b>2,319</b>	<b>9,452</b>	<b>6,787</b>
EBITDA/ton (Rs)	5,199	5,023	4,823	4,587	3,850	5,386	4,138
Other Income	114	79	110	83	116	405	359
Interest Cost	107	109	101	100	136	445	661
Depreciation	273	272	279	294	276	1090	1,028
Tax	495	442	625	422	521	2,133	1,381
<b>Net Profit</b>	<b>1,461</b>	<b>1,279</b>	<b>1,766</b>	<b>1,207</b>	<b>1,502</b>	<b>6,190</b>	<b>4,077</b>
Minority Interest (MI)*	148	123	136	136	0*	617	475

Note 1: Sales Volume and Financials are on consolidated basis

\* Apollo Tricoat Tubes Ltd merger has been approved so minority interest ceases to exist

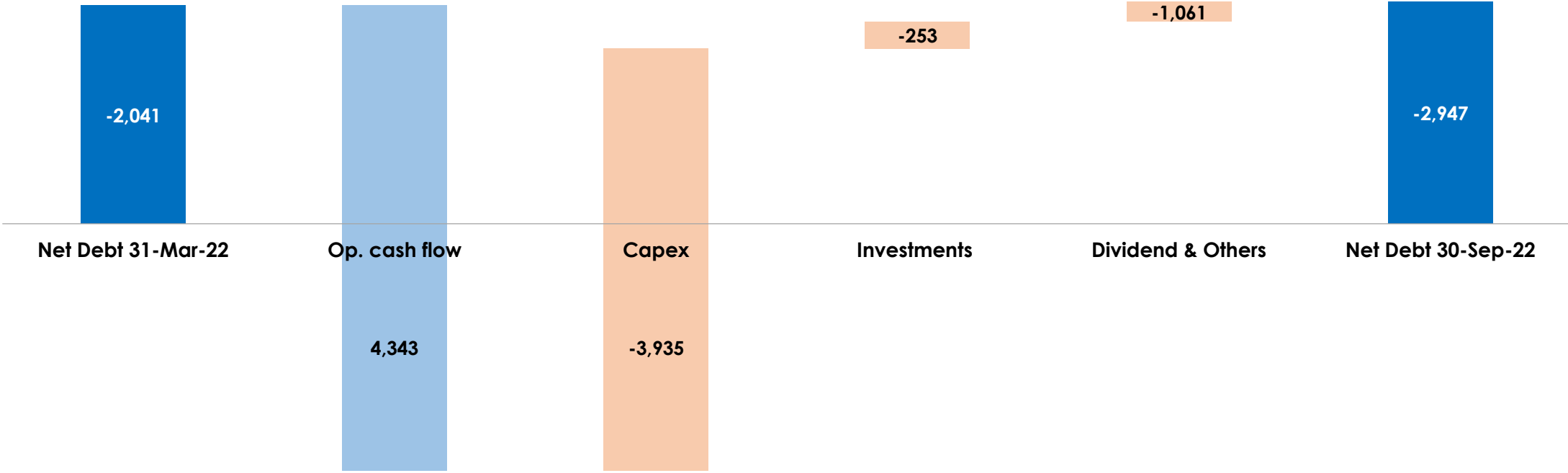
# Balance Sheet & Cash flow(Consol)

Balance Sheet - Assets (Rs mn)	H1FY23	FY22
Cash & Bank Balance	6,570	3,764
Receivables	1,049	3,417
Inventories	10,933	8,472
Other current assets	1,816	2,617
Fixed assets (net)	23,887	21,039
Right to use Assets	859	870
Investments	1,035	862
Other assets/goodwill	3,487	3,367
<b>Total Assets</b>	<b>49,635</b>	<b>44,409</b>
Balance Sheet - Liabilities (Rs mn)	H1FY23	FY22
Trade payables	10,689	10,595
Other current liabilities	903	1,365
Debt	9,517	5,806
Others	2,245	2,119
Minority Interest/Provision	-	-
Shareholders' funds	26,281	24,525
<b>Total Equity &amp; Liabilities</b>	<b>49,635</b>	<b>44,409</b>

Cashflow Statement (Rs mn)	H1FY23	FY22
EBITDA	4,258	9,452
Accounts receivables	2,385	-2,108
Inventory	-2,468	-887
Other WC changes	917	1,638
Tax	-948	-1,993
Other Income	199	405
<b>Operating cash flow</b>	<b>4,343</b>	<b>6,506</b>
Capex	-3,935	-5,869
Investments	-253	-871
Interest	-223	-407
<b>Free cash flow</b>	<b>-68</b>	<b>-640</b>
Dividend payments	-876	0
Capital increase	0	70
Tricoat consolidation/Others	38	152
Net change in cash flow	-906	-418
Net debt beginning	-2,041	-1,624
<b>Net debt end</b>	<b>-2,947</b>	<b>-2,041</b>



# Consol. Cash Flow Bridge (Rs mn)



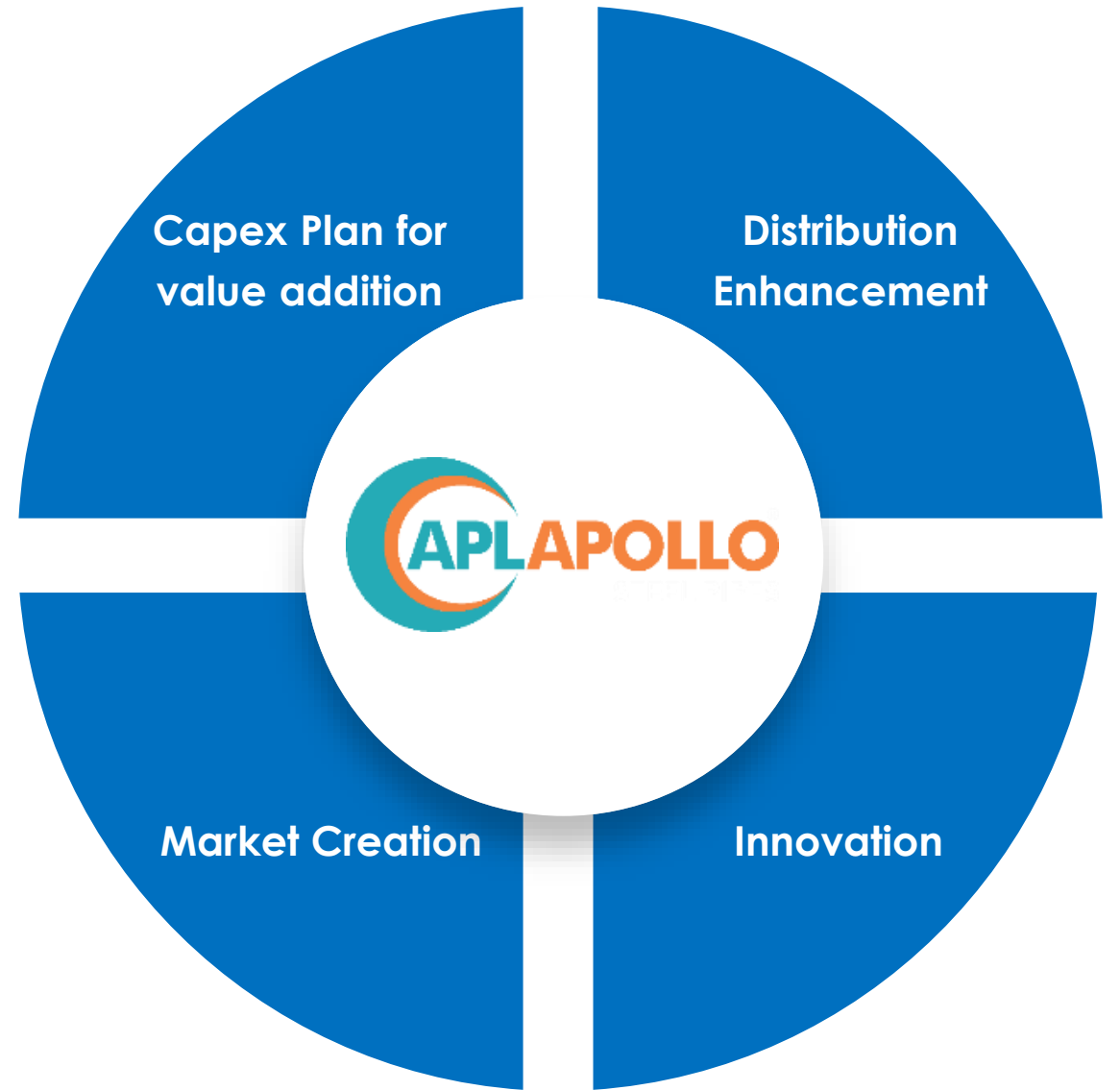
APL APOLLO TUBES

✓ Business continues to generate strong operational cash flows

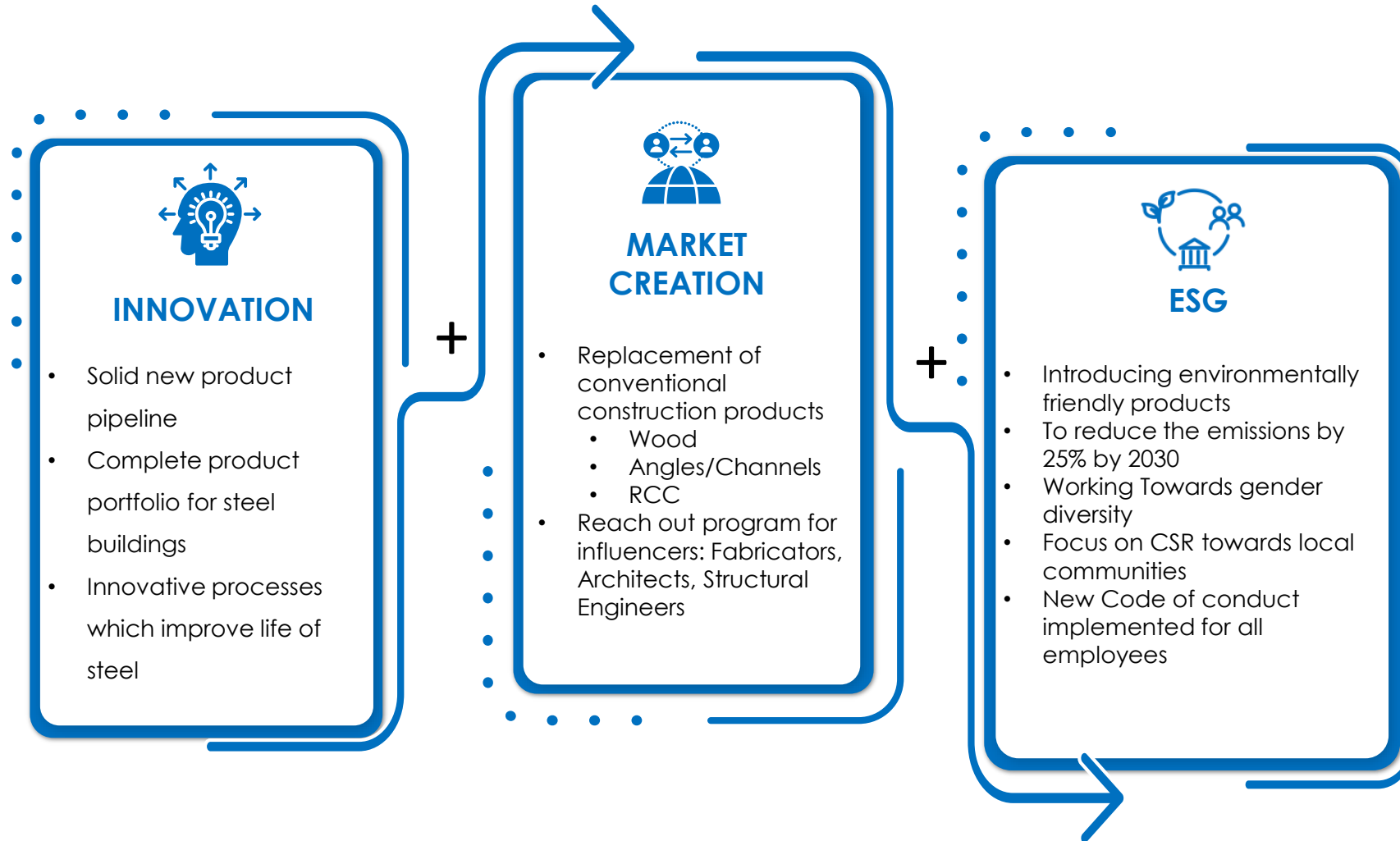
✓ Capex being funded from internal cash flows

✓ Net debt to EBITDA at 0.3x

# BUSINESS STRATEGY



# APL Apollo Vision



# INNOVATION

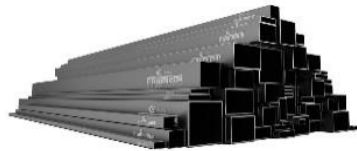
**Mission:** World's only company to make steel tubes with size range of 10x10mm to 1000x1000mm and thickness range of 0.23 mm to 40mm



# 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

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**Rectangular section** of 1:11  
(Length to Breadth)



Replacing Conventional wooden sections

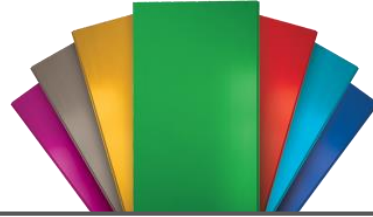
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# 16 Registered Patents

			
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	Checkered Section

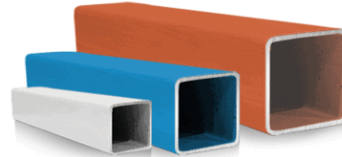
# New Product Pipeline from Raipur plant

**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**



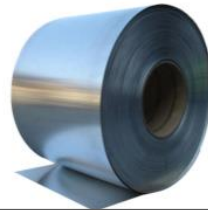
Replacing RCC structures/columns in heavy construction

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



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

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



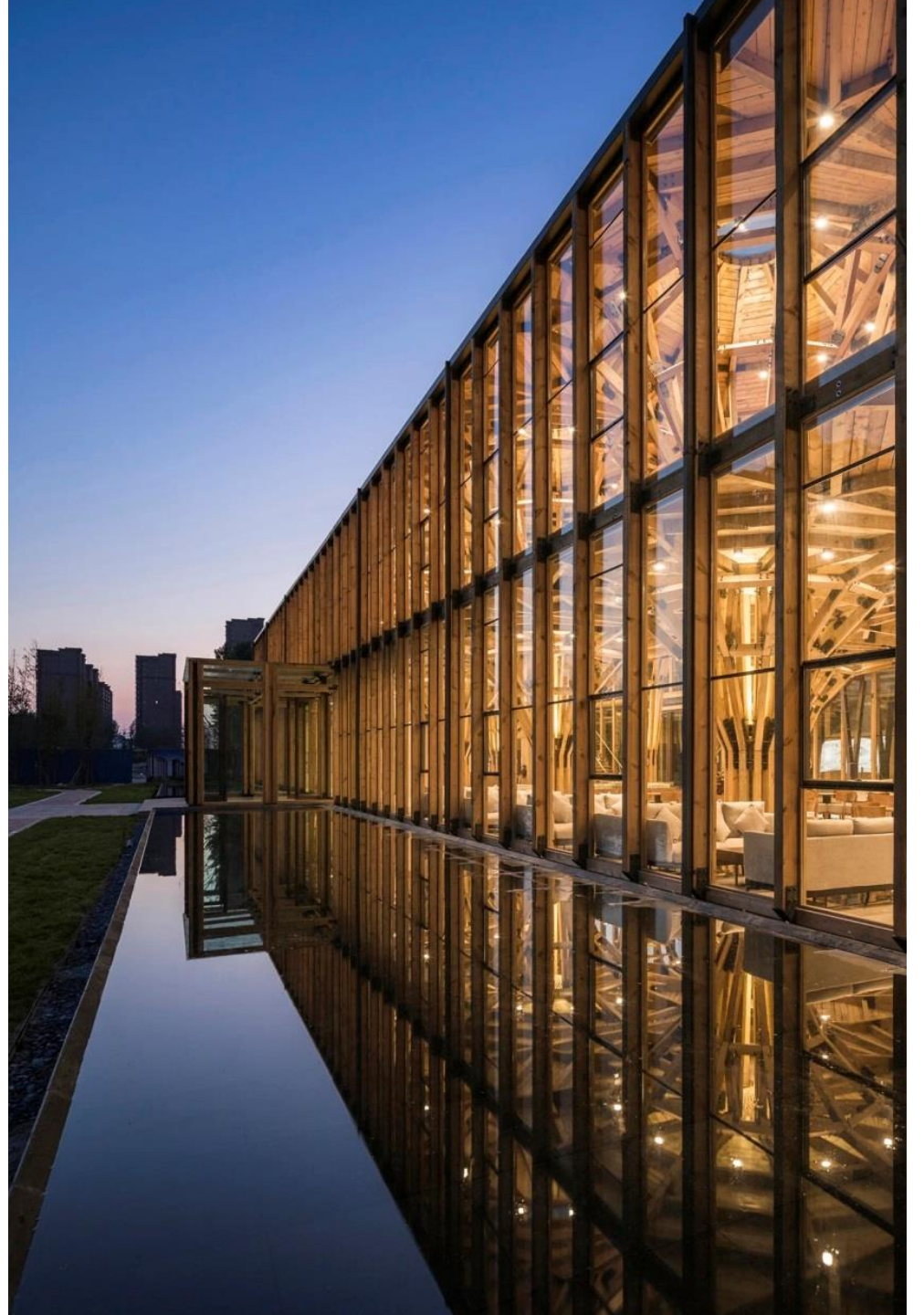
**India's 1st Galvalume tubes**



Superior rust proof properties and better life

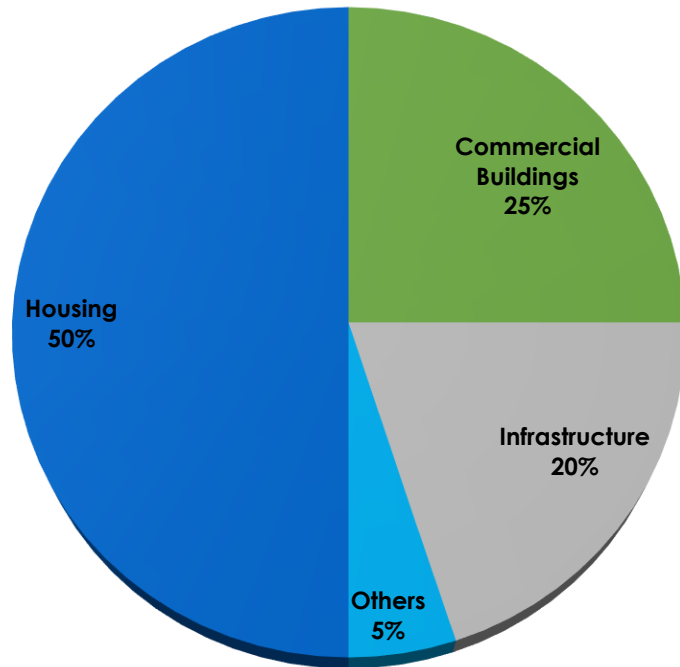


# MARKET CREATION



# Structural Steel Tube Applications

Application Mix



# How Have We Created Market..

APL APOLLO TUBES

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



## Tube Manufacturing

Production of 6,000 ton ERW tubes per day at plants of APL Apollo



## 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

Hospital



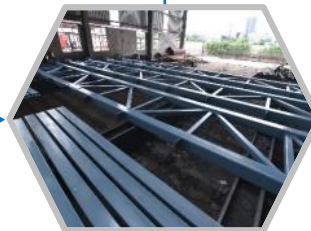
## CTL Line

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



Transfer of cut to length tubes to Fabricator's workshop



Transfer of structure parts to the site

# Delhi Hospitals- Proof of Concept



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

**Revolution in  
Construction**

# 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**



# OUR BIGGEST EVER

(NEW RAIPUR PANT)





# Raipur Plant Update



## HIGHLIGHTS

- Upcoming 400 Acre Raipur plant progressing on expected lines
- Project to commence in phases starting H2FY23
- 100% value added products
- Total capex **Rs8-10bn**; **c80%** already incurred

# Raipur Plant Update

APL APOLLO TUBES



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

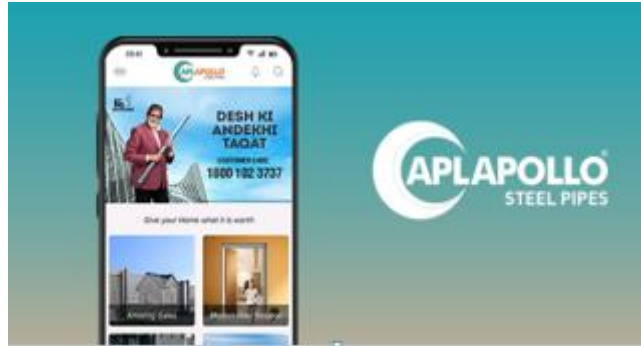
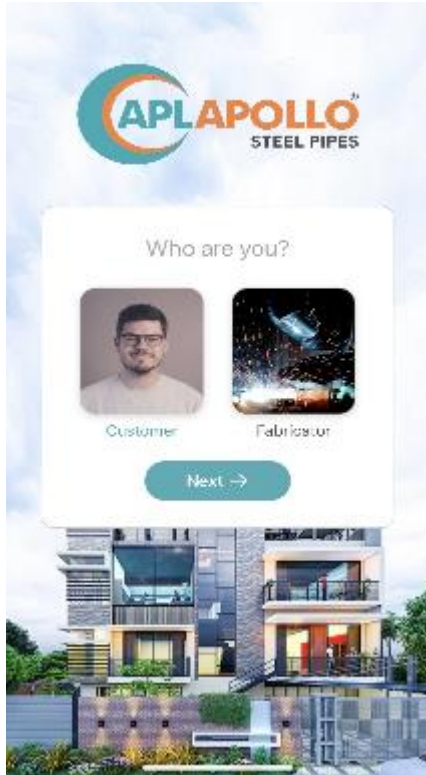
# NEW INITIATIVES



# B2C Tech App



## APL APOLLO MOBILE - APPLICATION LAUNCHED



26,000+ Fabricators enrolled

90,000+ Total Downloads

300+ Designs

16 Patents registered



**APL APOLLO'S  
ESG TRANSFORMATION  
JOURNEY**

# 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**

# ESG Developments



Environment

Assessed **Scope 3 emissions** (in addition to Scope 1 & Scope 2)



Social

- 1) **Safety Manual** formulated for all the production facilities and offices
- 2) **New Human Rights policy** incorporated

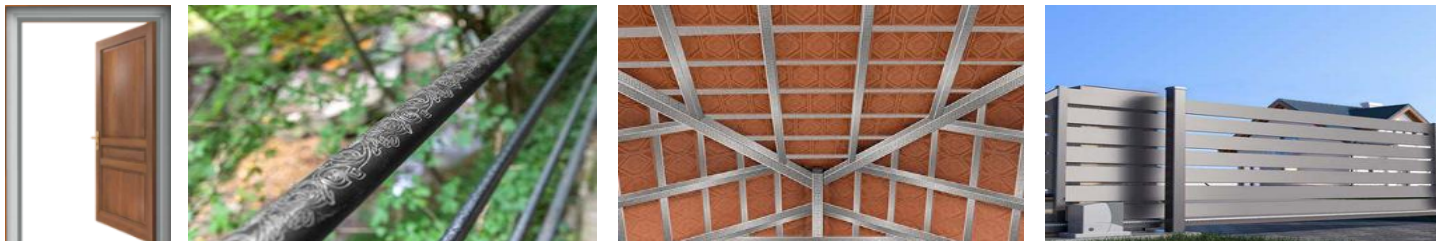


Governance

**Code of Conduct:** New Code of conduct is formulated for all employees

# Front runner for Steel for Green

- APL Apollo is the **1<sup>st</sup>** Company to innovate readymade Chaukhat, 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 **1<sup>st</sup>** Company to innovate **thicker color coated** sheets which will save more trees



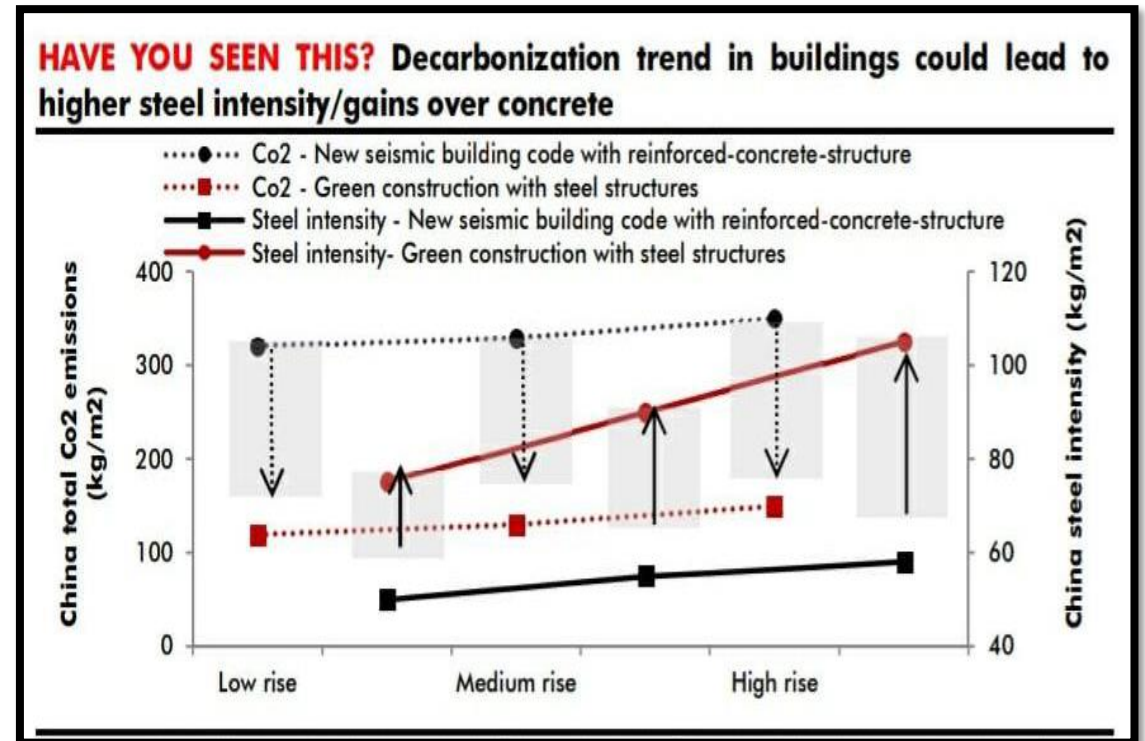


# Steel Buildings = Decarbonization

- 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%**

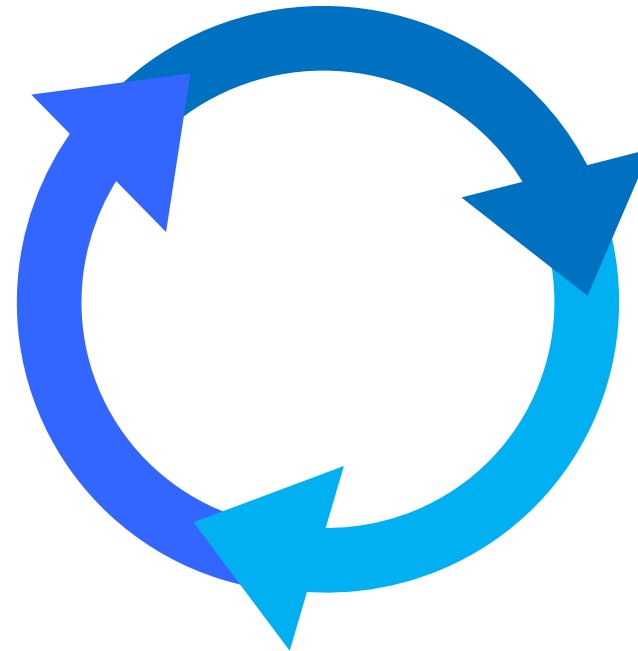
## Steel Structure - RCC Structure



# 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%

# 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.

### Vinay Gupta

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

## EXECUTIVE TEAM

### Sanjay Gupta

CMD

### Arun Agrawal

Chief Operating Officer

### 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