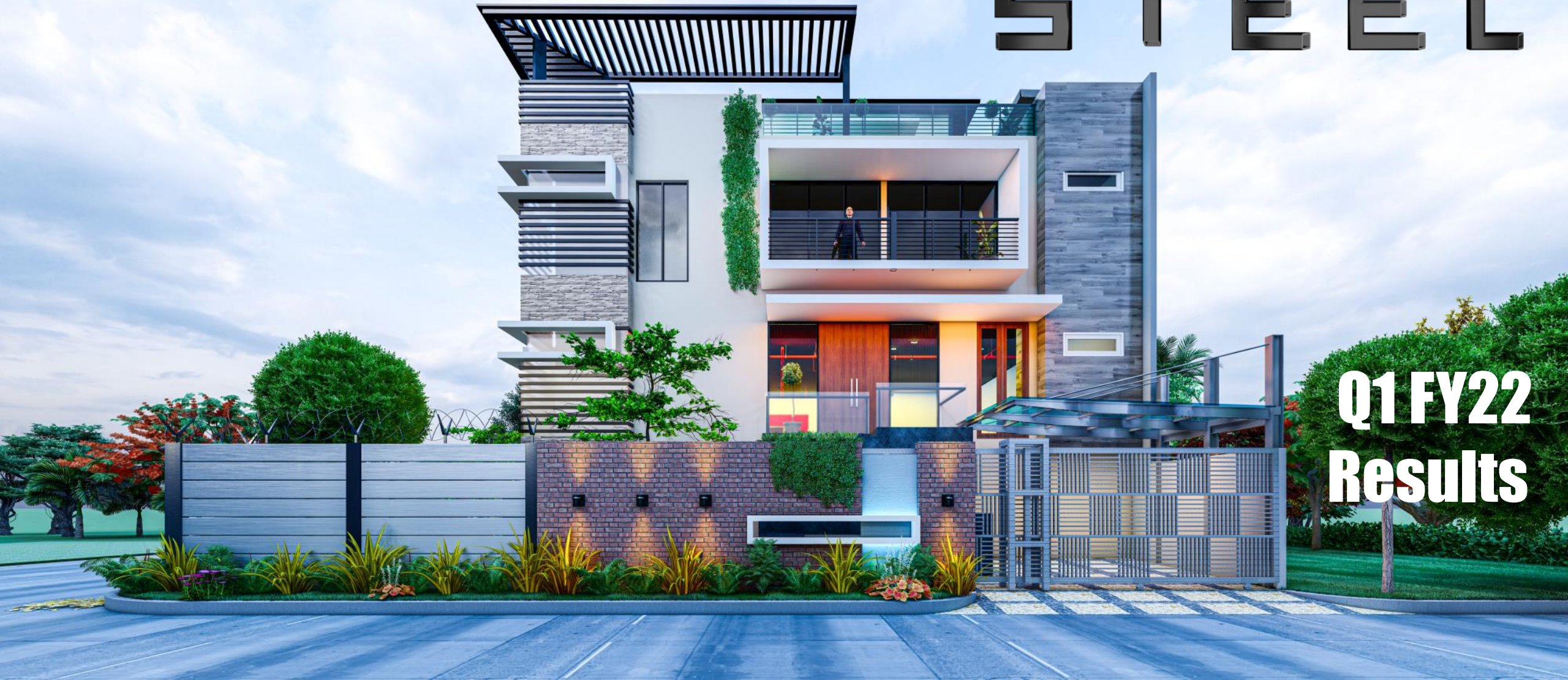




**WE CRAFT
STEEL**



**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
Total		100	238	2,982	100	481	3,514	100	486	4,780	100	435	4,742	100	373	6,825

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

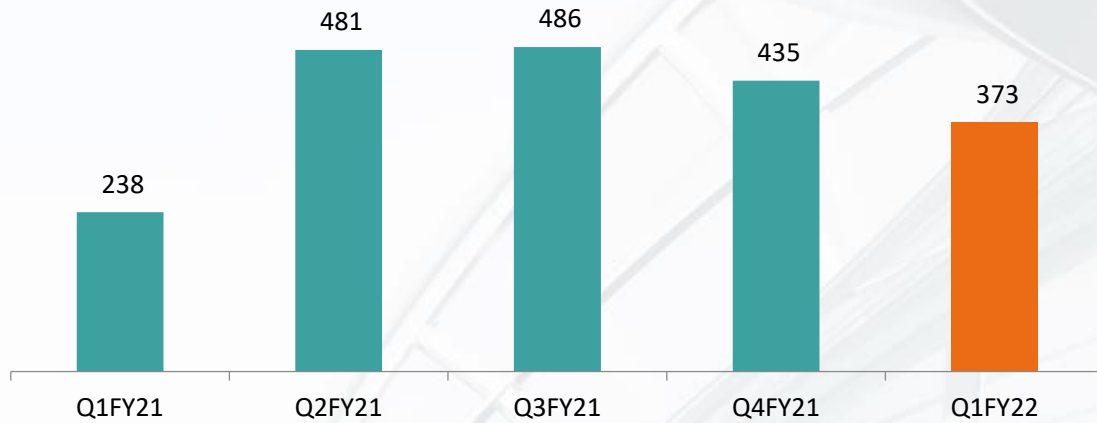
Product Category	Application	FY17			FY18			FY19			FY20			FY21			Annual Capacity (KTon)
		Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/Ton (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
	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	450
	Rust-proof sheet	1	6	5,000	-	0	4,704	-	3	4,703	0	2	5,000	1	23	4,720	50
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 less than Rs 3,200/ Ton

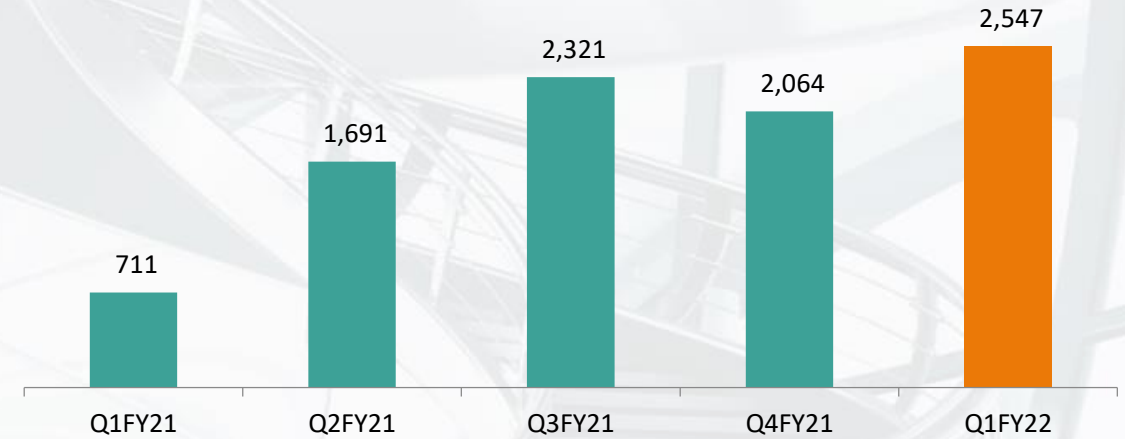
Value added products with EBITDA more than Rs 6,000/Ton

Growing Strength to Strength

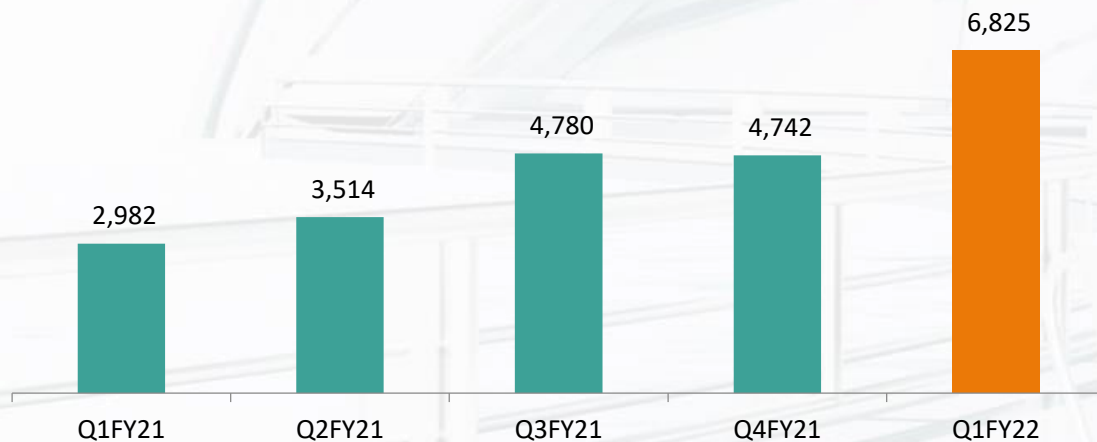
Volume (k'ton)



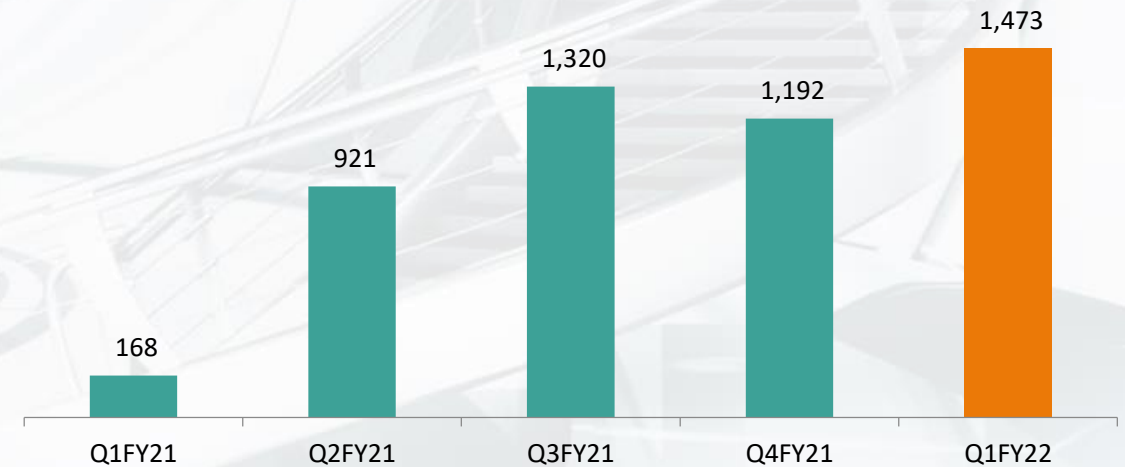
EBITDA (Rsm)



EBITDA/Ton (Rs)



Net Profit (Rsm)



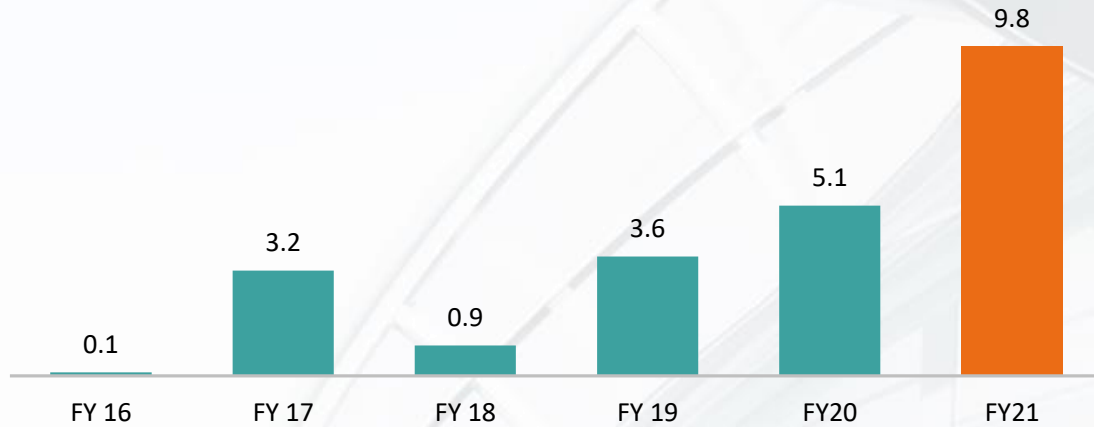
1. Q1FY21 sales volume figures are for period '22 April 2020 to 30 June 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

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

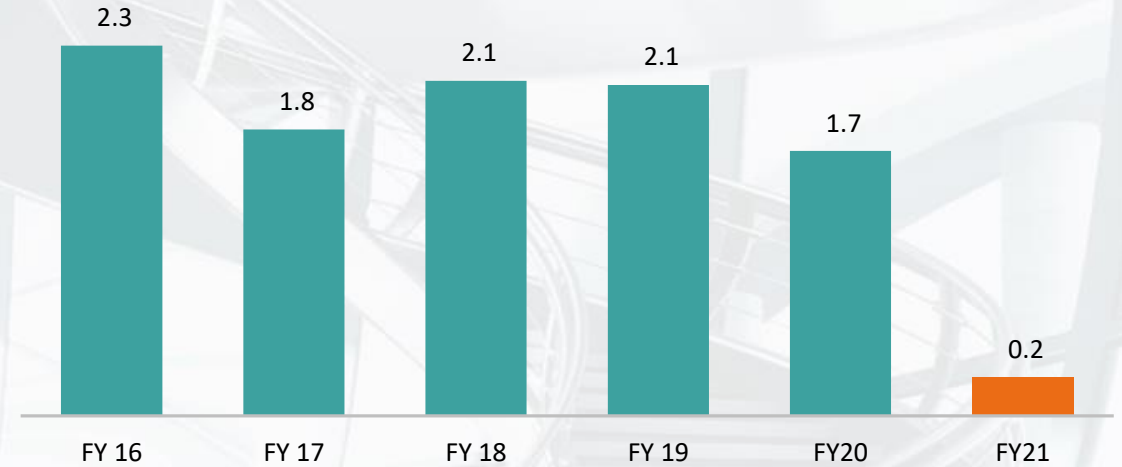
3. EBITDA has been calculated without other income

Growing Strength to Strength

Operating Cash Flow (Rs Bn)



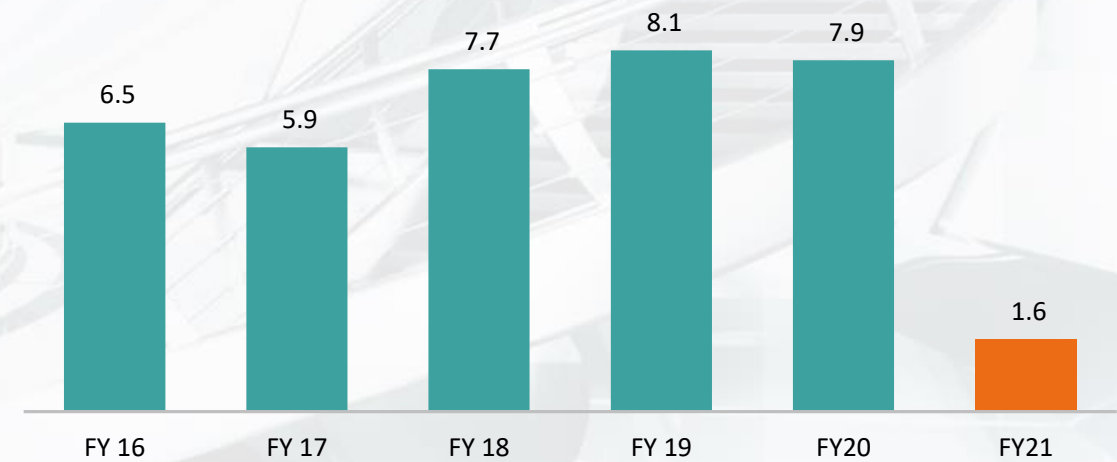
Net Debt/EBITDA (x)



Net Debt/ Equity (x)



Net Debt (Rs Bn)

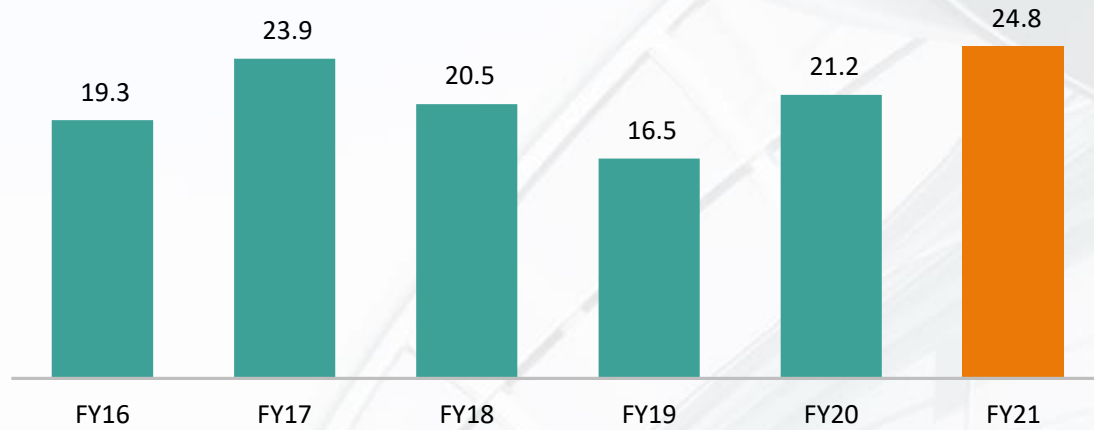


Note : Debt/EBITDA and Debt/Equity ratios are calculated on net debt basis

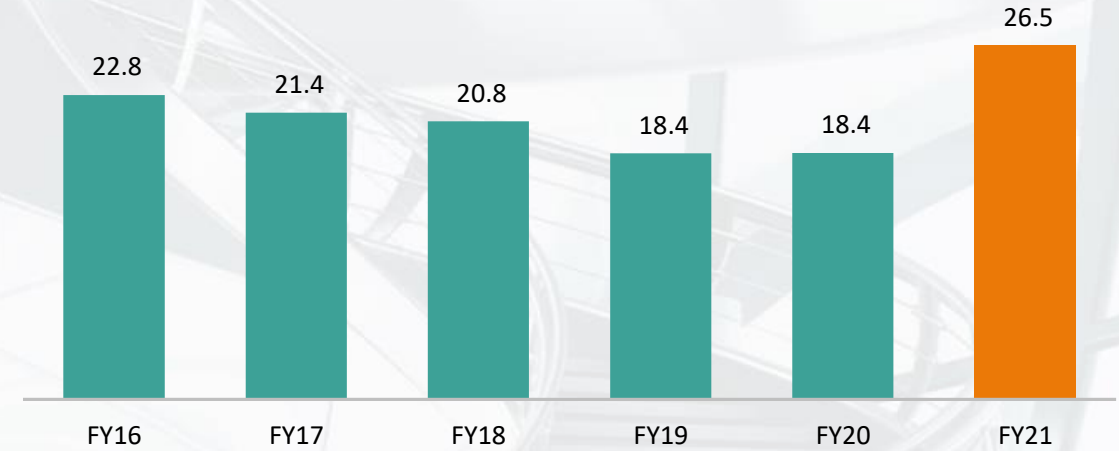
FY21 revenue is for period '22 April 2020 to 31 Dec 2020' as the company had shut its operations in April 2020 owing to COVID 19 pandemic

Growing Strength to Strength

ROE (%)



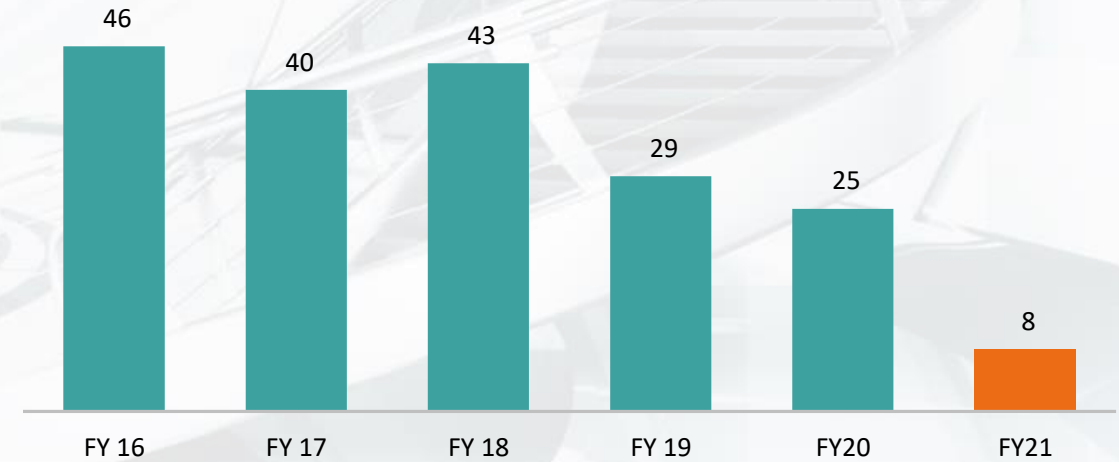
ROCE (%)



Interest Coverage Ratio (x)

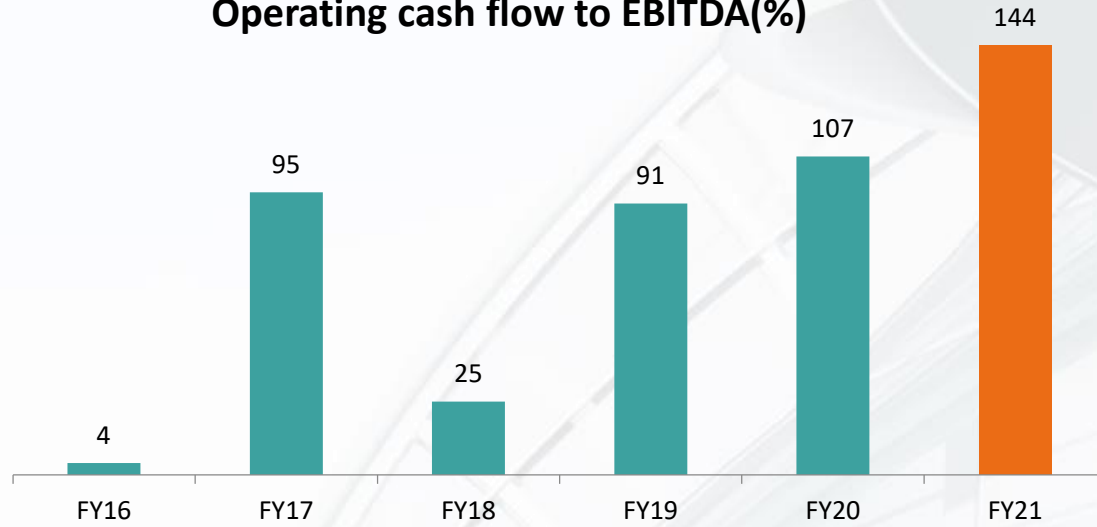


Net Working Capital (Days)

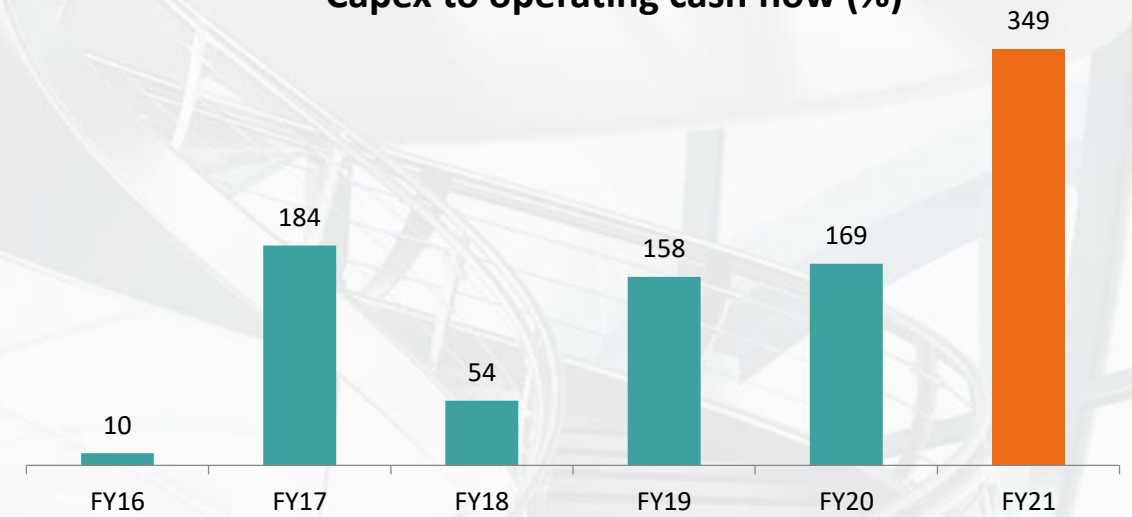


Growing Strength to Strength

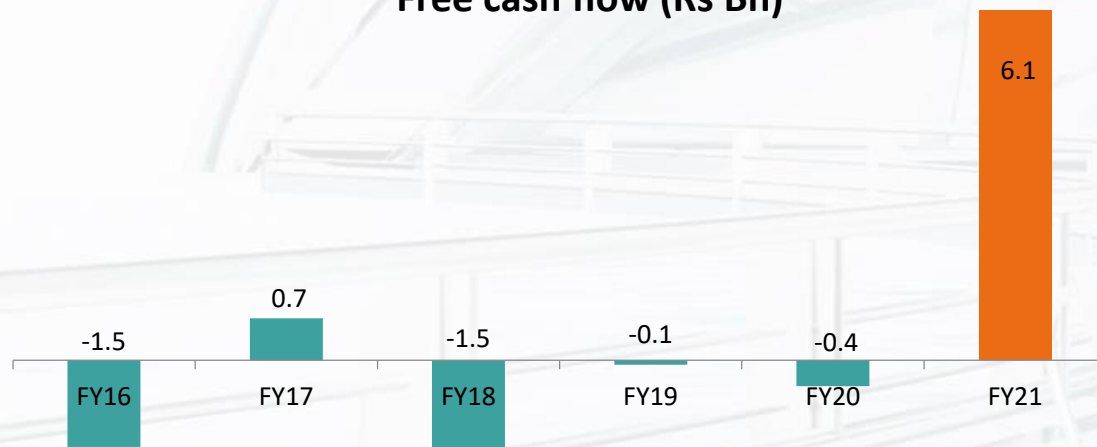
Operating cash flow to EBITDA(%)



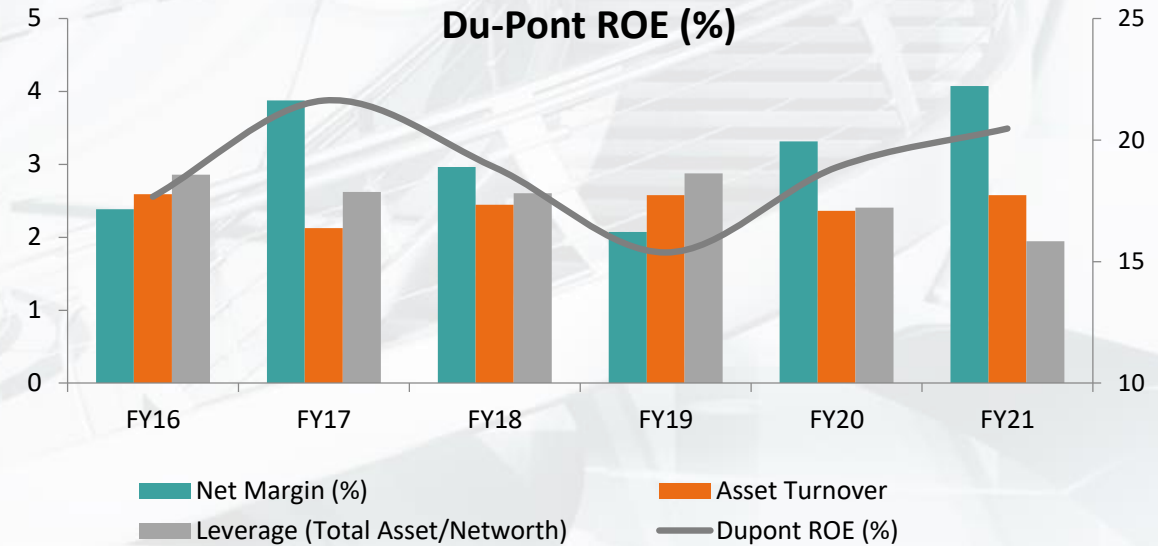
Capex to operating cash flow (%)



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
Total Income	11,098	22,021	26,009	25,870	25,343	84,998	77,232
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
EBIDTA (Rsm)	711	1,691	2,321	2,064	2,547	6,787	4,774
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
PBT	309	1,382	1,995	1,772	2,256	5,458	2,964
Tax	90	356	507	428	572	1,381	403
Net Profit (Rsm)	219	1,026	1,488	1,344	1,684	4,077	2,560
Minority Interest (MI)	51	105	167	152	211	475	180
Net Profit (after MI)	168	921	1,320	1,192	1,473	3,602	2,380

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

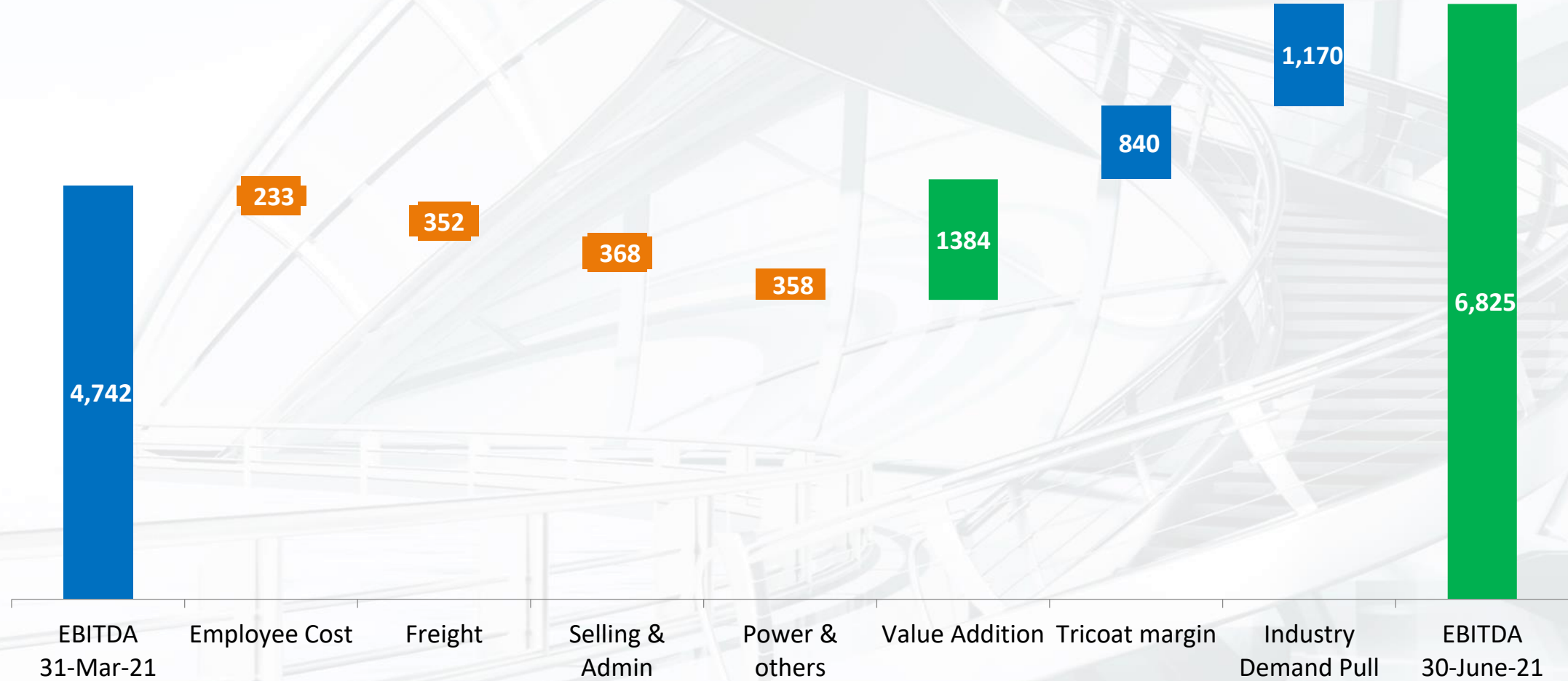
Note 2: Sales Volume and Financials are on consolidated basis and Net Profit is after Minority Interest

Balance Sheet & Cash Flow Statement(Consolidated)

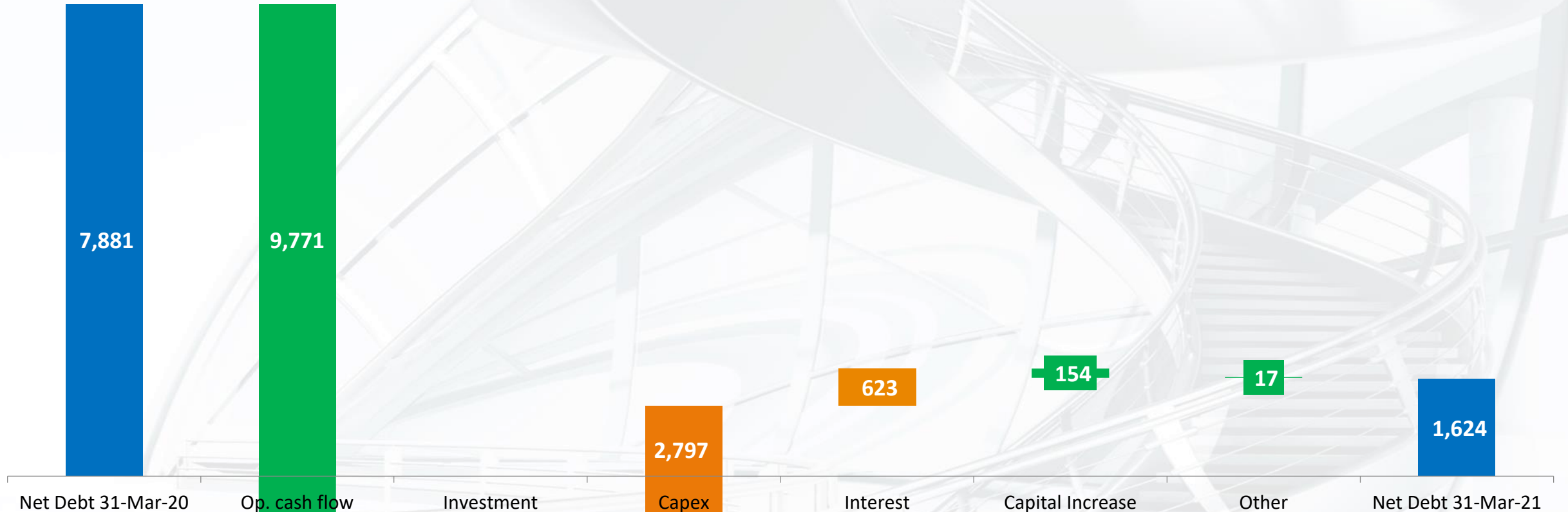
Balance Sheet - Assets (Rsm)	FY21	FY20	Cash Flow Statement (Rsm)	FY21	FY20
Cash & Bank Balance	3,579	456	EBITDA	6,787	4,773
Receivables	1,306	4,764	Accounts receivables	3,470	847
Inventories	7,599	7,842	Inventory	232	284
Other current assets	1,507	1,422	Other WC changes	116	-215
Fixed assets (net)	16,109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

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

EBITDA Bridge (Rs/Ton)



Consolidated Cash Flow Bridge (Rsm)



Business continues to generate strong operational cash flows



Capex being funded from internal cash flows

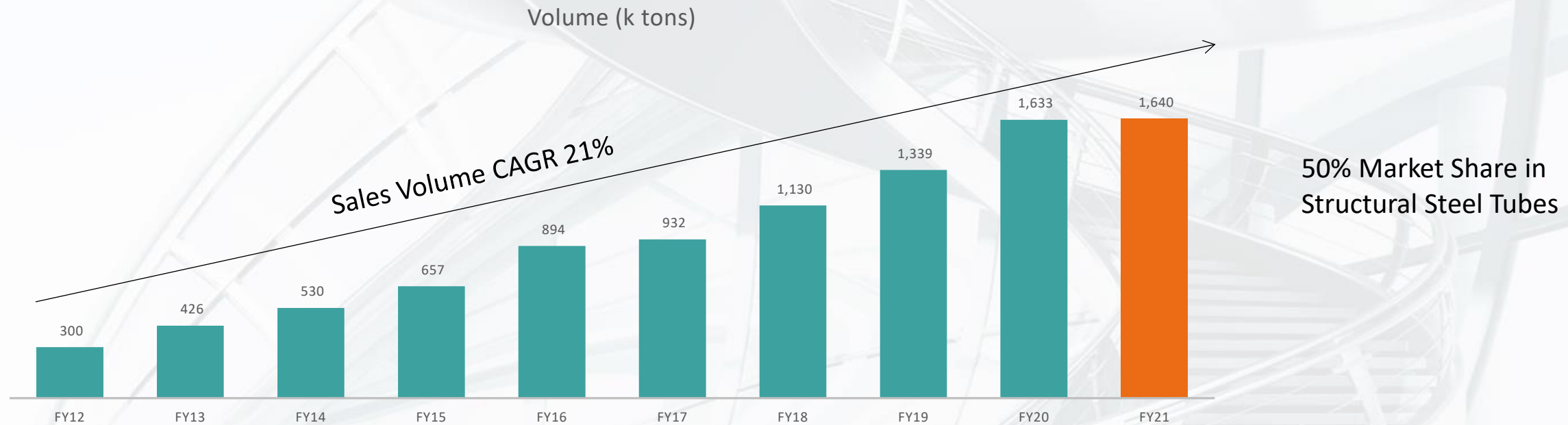


Net debt declined 79% on solid free cash flow generation

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

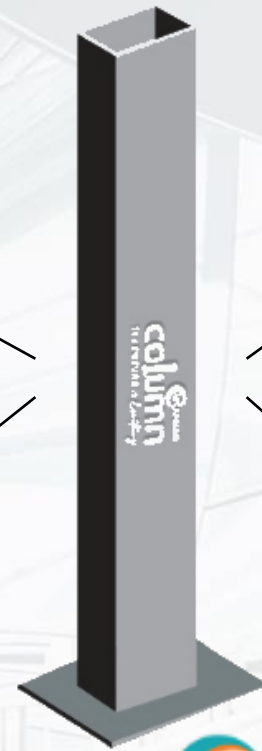
New Opportunities to revolutionise construction industry

Warehousing

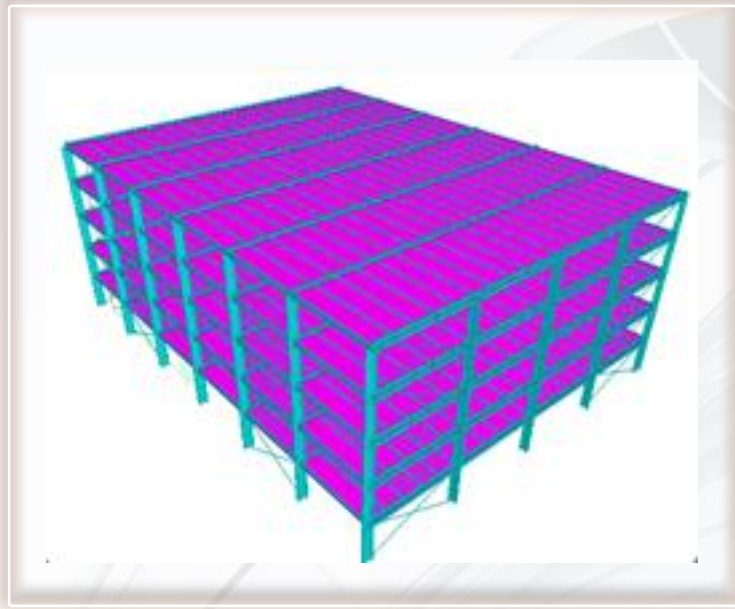
Affordable Housing

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 ←

→ Truss

Girt ←

→ Purlin

Column ←

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



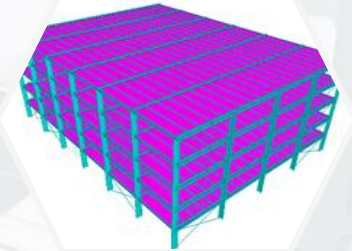
Civil Foundation

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



Hospital Building Structure

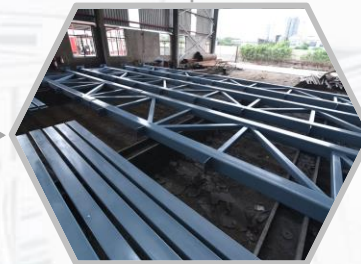
Structure



Transfer of cut to length tubes to Fabricator's workshop



Transfer of structure parts to the site



Site Erection

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



CTL Line

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



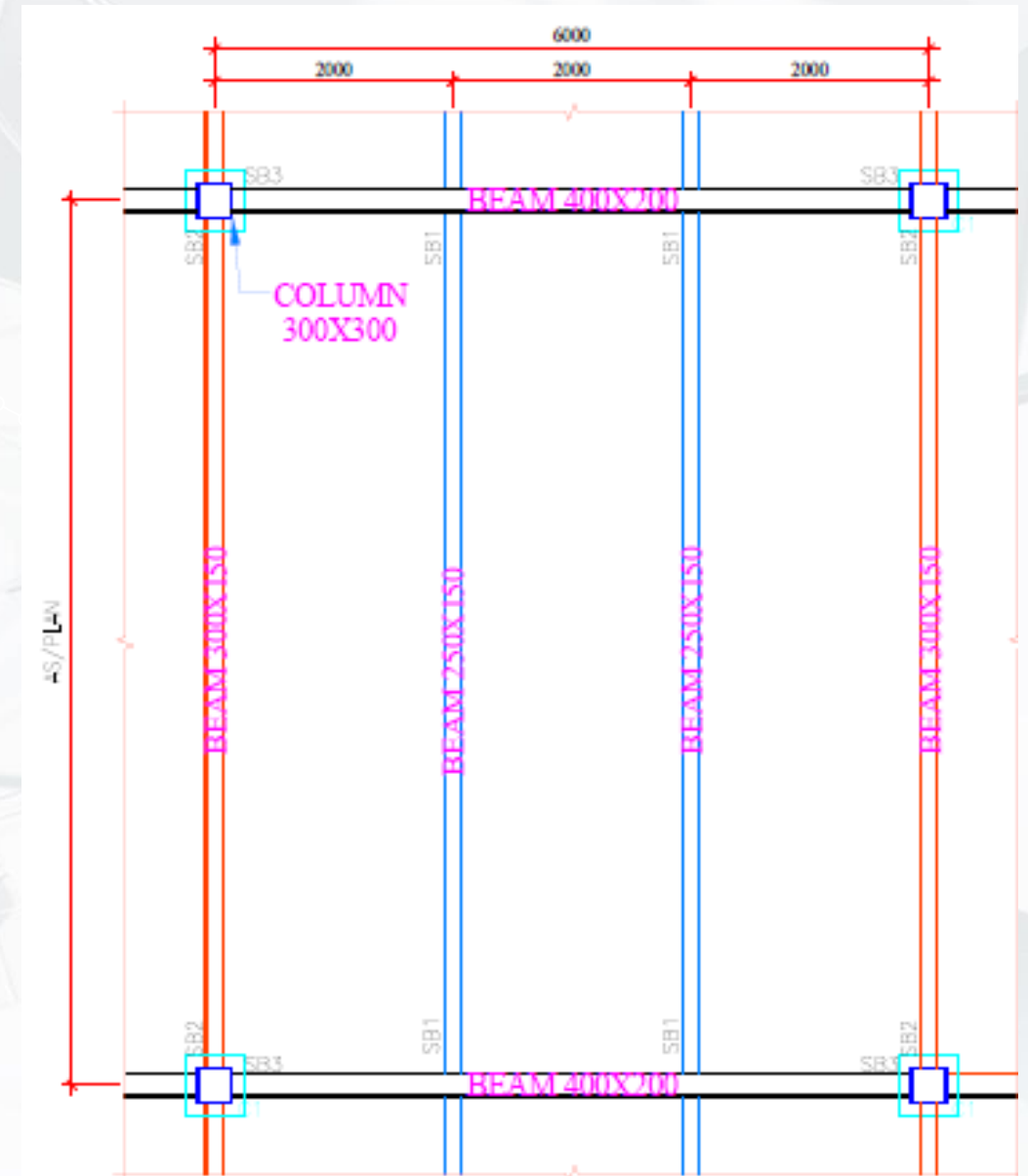
Painting

Connected structures are painted



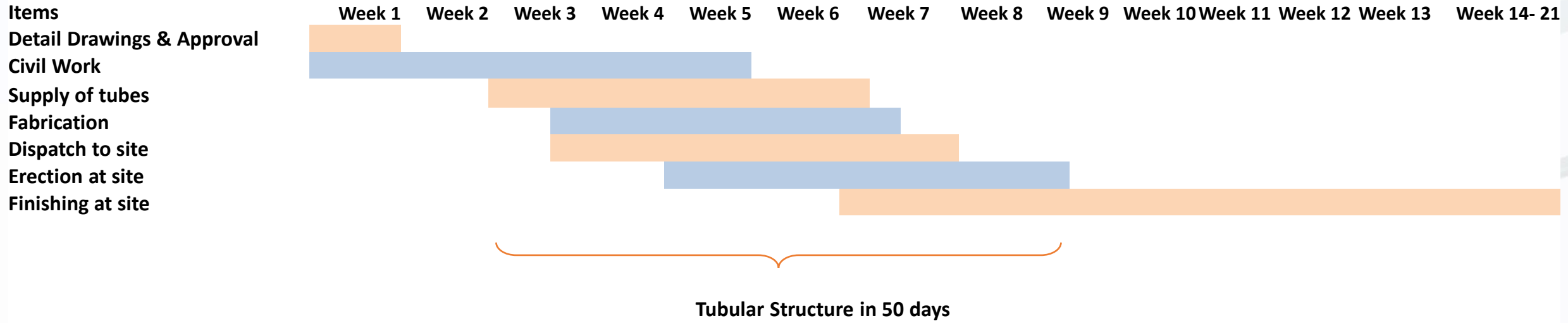
Design Features -> Faster Construction/Low Cost

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

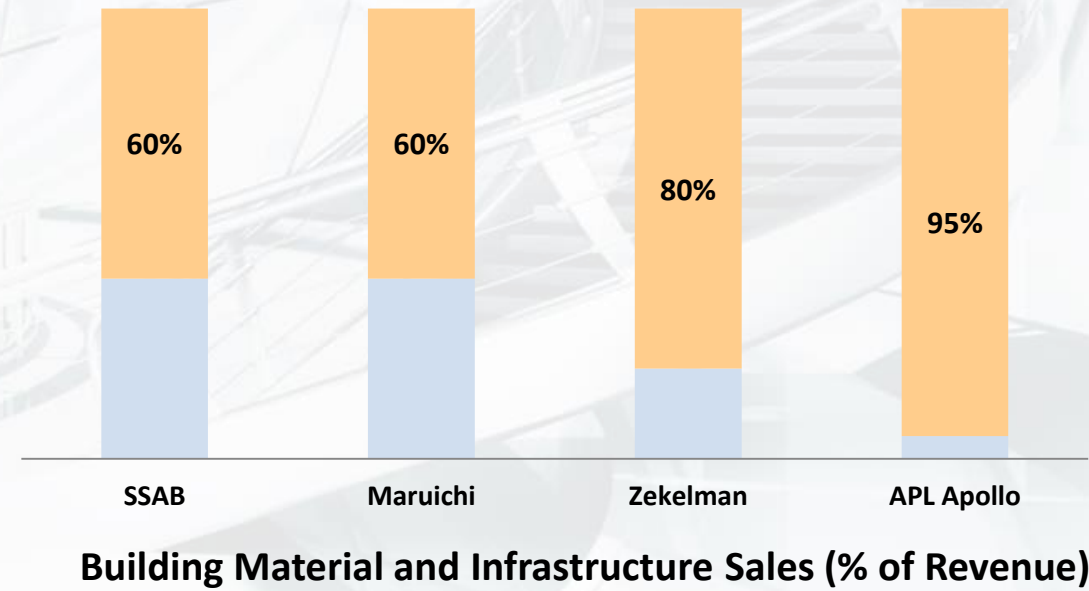
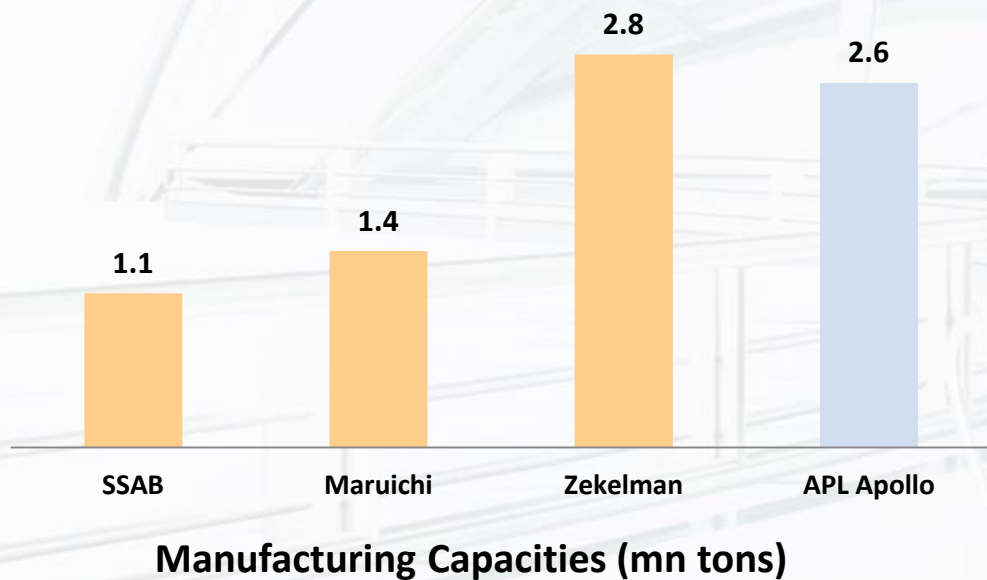
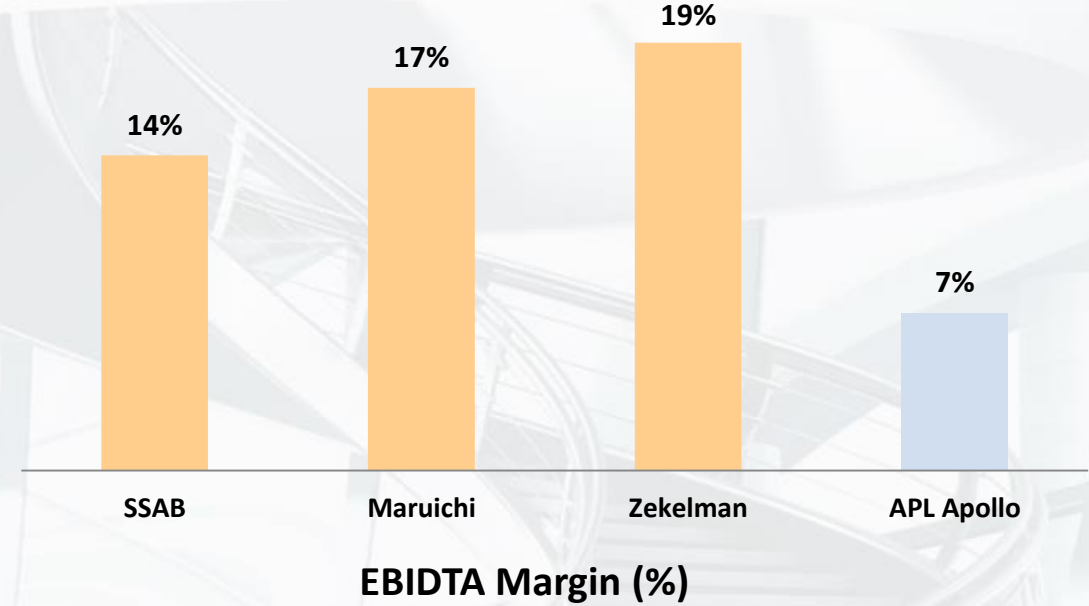
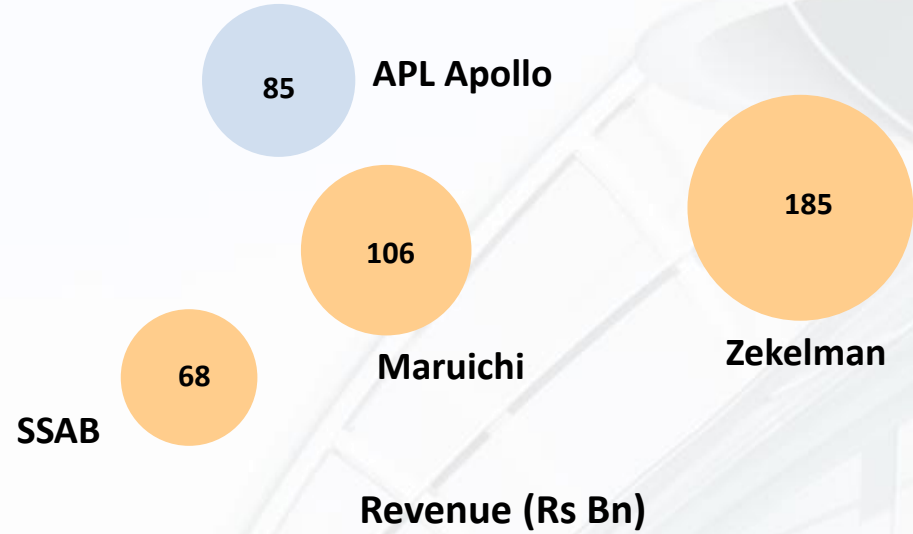


Tentative Construction Schedule – 50 Days

Area 2.2mn sq ft



Global Peer Benchmarking



■ Building Material and Infrastructure Sales (% of Revenue)

APL APOLLO ESG Engagement



Understanding ESG Drivers

ESG considerations of major stakeholders

1

Investors



Good **financial returns**, doing business efficiently according to the market **best practices**, **corporate governance**

2

Govt./ Regulators



Complying with **rules and regulations**, work and co-operate with regulators in a **transparent manner**

3

Sector Leaders



Working with **transparency and integrity**, making and progressing on **ESG commitments**

4

Consumers



Management of **regulatory compliance**, **Data Integrity** and **privacy**, **low environmental footprint**

5

Employees



Occupational health and safety, providing adequate **employee benefits** and **compensations**, **labour rights**

6

Communities



Generating **local employment**, **minimal impact** on the **surrounding environment**, following **compliances**

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 EMPLOYEMENT	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

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

Rahul Gupta
Head – New Projects

Ravindra Tiwari
Head-Sales & Marketing

Ashok Khushu
Head – New Projects

Thank You

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