

Press Release

APL Apollo Tubes Signs MoU with Zamil Steel Buildings India

Ghaziabad, India, Nov. 6, 2020 — APL Apollo Tubes Ltd. (APL) has signed a Memorandum of Understanding (MoU) with Zamil Steel Buildings India Pvt. Ltd. (Zamil Steel India) to develop a market for pre-engineered steel buildings (PEB) made from structural steel tubes. This is in line with APL's strategy to create new markets for structural steel tubes in India.

The Indian PEB industry is around 1 million tons in size, which mainly uses conventional steel products (non-tubular sections). The usage of structural steel tubes is just 5% in PEB structures. Zamil Steel India, a leading PEB engineering and manufacturing company in India, recognizes the tremendous scope for a growth in demand for affordable modular PEB structures, and also recognizes how increasing the composition of structural steel tubes will result in economical, stronger, and more durable structures as well as allowing minimizing the project completion time.

This can help create a new annual market of 200,000 tons for its high diameter and high thickness steel tubes 'Apollo Column' in the coming years. APL already has a huge market share in this segment, and this will get a further boost next year with the launch of a 500 x 500 mm diameter structural steel tube. APL's target is to increase the share of *Apollo Column* multifold to its revenue in the coming years. This will aid expansion of its EBITDA margin and improve its return profile as these tubes are high-margin products.

Zamil Steel India plans to increase the deployment of structural steel tubes in all its projects, with a target to make the maximum possible usage of structural steel tubes in all its offerings, to leverage the lower costs and higher quality of such products to increase their market space.

The company is targeting tubular PEB steel building solutions in areas such as warehouses, industrial sheds, and commercial and residential complexes. Given the strong government push to improve the farm supply chain infrastructure and rural housing infrastructure, there will be substantial demand for the construction of warehouses and affordable housing projects in the coming years. Zamil Steel is a global pioneer and has long experience in developing PEB structures. The high usage of structural steel tubes in PEB structures will help Zamil Steel gain a competitive edge over its competitors.



Warehouses



**Affordable
Housing**



**Industrial
Shed**



**Commercial
Complex**

About Zamil Steel Buildings India

Zamil Steel Buildings India Pvt. Ltd. is a subsidiary of Saudi Arabia-based Zamil Industrial Investment Company, a premier business group engaged in the development of innovative design and engineering solutions for use in the construction industry.

Zamil Steel's main factories are based in Saudi Arabia, the United Arab Emirates, Egypt, Vietnam, and India. Zamil Steel's annual production capacity is more than 555,000 tons of fabricated steel, which is used in low-rise and high-rise steel buildings and structures for diverse industrial, commercial, agriculture, aviation, entertainment, and military applications.

Zamil Steel India provides steel building solutions for various customers across India, Sri Lanka, Nepal, and Sub-Saharan Africa. The company has a sales network of 11 regional sales locations, namely North Zone (Delhi), East Zone (Kolkata, Bhubaneswar), West Zone (Mumbai, Pune, Vadodara), South Zone (Hyderabad, Chennai, Bangalore, Cochin), and Central Zone (Nagpur), with fully staffed sales offices, as well as five representative offices (Ahmedabad, Jaipur, Patna, Raipur, Indore).

Zamil Steel Buildings India started operations in 2008 and has supplied more than 7,500 pre-engineered steel buildings for over 2,000 projects, with an approximate area of 8 million square meters.

About APL Apollo Steel Tubes

APL Apollo Tubes Limited, *BSE: 533758, NSE: APLAPOLLO, is India's leading branded structural steel tube company. Headquartered in Delhi NCR, the company operates 10 manufacturing facilities with a total capacity of 2.6 million tons. APL Apollo's multi-product offerings include over 1,500 varieties of structural tubes for use in residential and commercial construction, as well as infrastructure development. The company's vast distribution network of over 800 distributors is spread all across India, with a presence in over 300 towns and cities.