



APAR

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October 29, 2024

National Stock Exchange of India Limited "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051. Scrip Symbol : APARINDS Kind Attn.: Listing Department	BSE Limited Corporate Relations Department, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code : 532259 Kind Attn. : Corporate Relationship Department
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Sub. : Investor Update - Q2FY25

Ref.: Regulation 30 and all other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Dear Sir / Madam,

We are enclosing herewith an Investor Update (Earnings Call Update) for the **Second Quarter and Half-year ended September 30, 2024** of the Current Financial Year 2024-25 for the information of members and investors.

Thanking you,

Yours Faithfully,

For APAR Industries Limited

(Sanjaya Kunder)
Company Secretary

Encl. : As Above

APAR Industries Limited

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Q2 FY25 & H1 FY25 EARNINGS CALL UPDATE

CONSOLIDATED FINANCIAL HIGHLIGHTS:

(₹ crores, unless stated otherwise)

Particulars	Q2			Q1			H1		
	FY25	FY24	% Change	FY24	% Change	FY25	FY24	% Change	
Revenue from Operations	4,645	3,922	18.4%	4,011	15.8%	8,655	7,689	12.6%	
EBITDA*	402	373	7.8%	394	2.1%	796	743	7.2%	
EBITDA Margin	8.7%	9.5%	-0.8%	9.8%	-1.1%	9.2%	9.7%	-0.5%	
PAT	194	174	11.5%	203	-4.2%	396	371	6.8%	
PAT Margin	4.2%	4.4%	-0.2%	5.1%	-0.9%	4.6%	4.8%	-0.2%	

* Adjusted for post open period forex before unallocable corporate expenditure net of income

- Q2 revenue up 18.4% YoY and H1 revenue up 12.6% YoY backed by strong growth in domestic business
- Q2 domestic revenue grew 61.1% v/s LY Q2 ; H1 grew 53.4% v/s LY H1
- Export mix in Q2 FY 25 was 29.8% against 48.4% v/s Q2 FY24 and in H1 FY25 it was 33.2% as against 50.9% in H1 FY24. Lower mix is mainly due to high base of US sales LY
- US revenue in Q2 FY25 degrew 38.9% YoY, however, it grew 17.5% sequentially over Q1. In H1 FY US revenue is down by 41.6% v/s H1 FY24.
- EBITDA post open period forex in Q2 FY25 up 7.8% YoY to reach ₹ 402 crores. Similarly, EBITDA post open period forex in H1 FY25 up 7.2%.
 - Conductor business recorded EBITDA post open period forex at ₹ 37,702 per MT in Q2 FY25 & ₹ 38,095 per MT in H1 FY25
 - Oil business recorded EBITDA post open period forex at ₹ 5,473 per KL in Q2 FY25 & ₹ 6,178 per KL in H1 FY25
 - Cable business recorded EBITDA post open period forex at 9.7% in Q2 FY25 and 10.0% in H1 FY25
- In Q2 FY 25 PAT stood at ₹ 194 crores at 11.5% growth YoY and in H1 FY 25 PAT stood at ₹ 396 crores at 6.8% growth.

Q2 and H1 FY25 CONDUCTOR DIVISION HIGHLIGHTS:

(₹ crores, unless stated otherwise)

Particulars	Q2 FY25	Q2 FY24	% Change	Q1 FY24	% Change	H1 FY25	H1 FY24	% Change
Revenue from Operations	2,299	1,943	18.3%	1,936	18.8%	4,235	3,717	13.9%
Volume (MT)	54,145	54,074	0.1%	48,619	11.4%	1,02,764	99,639	3.1%
EBITDA*	204	211	-3.2%	187	9.0%	391	387	1.0%
EBITDA per MT	37,702	39,007	-3.3%	38,532	-2.2%	38,095	38,885	-2.0%
EBITDA Margin (%)	8.9%	10.9%	-2.0%	9.7%	-0.8%	9.2%	10.4%	-1.2%

* Adjusted for post open period forex before unallocable corporate expenditure net of income

- Revenue for the quarter was higher than Q2 FY24 by 18.3% while H1 FY25 revenue was higher by 13.9% v/s LY H1 backed by higher realisation
- Volume for Q2 FY25 was flat v/s LY due to lower exports volume.
- Export mix in Q2 FY25 was 18.7% v/s 48.3% LY, affected by increased Chinese competition, slow demand as well as delays in lifting of materials in certain overseas projects. In H1 FY25 export mix is 23.6% compared to 50.2% year ago.
- Premium product mix was at 42.2% of revenues in Q2 FY25 and 39.9% in H1 FY25.
- EBITDA post open period forex in Q2 FY25 stood at ₹ 37,702 per MT
- Pending order book was ₹ 6,615 crores.
- New order inflow was ₹ 2,234 crores.

Q2 and H1 FY25 SPECIALTY OIL AND LUBRICANT DIVISION HIGHLIGHTS:

(₹ crores, unless stated otherwise)

Particulars	Q2 FY25	Q2 FY24	% Change	Q1 FY24	% Change	H1 FY25	H1 FY24	% Change
Revenue from Operations	1,339	1,195	12.1%	1,265	5.9%	2,605	2,387	9.1%
Volume (KL)	1,48,524	1,33,788	11.0%	1,38,357	7.3%	2,86,881	2,64,442	8.5%
EBITDA*	81	61	34.1%	96	-15.3%	177	139	27.1%
EBITDA per KL	5,473	4,532	20.8%	6,928	-21.0%	6,178	5,275	17.1%
EBITDA Margin (%)	6.1%	5.1%	1.0%	7.6%	-1.5%	6.8%	5.8%	1.0%

* Adjusted for post open period forex before unallocable corporate expenditure net of income

- Global transformer oil volume was up by 25% in Q2 FY25 v/s LY while in H1 FY25 volume up 22.6% YoY. Volume growth is driven by strong global demand
- Automotive oil volume had a strong growth, up 21.0% YoY in Q2 FY25 and 25% YoY in H1 FY25, driven by growth in OEM business
- Industrial lubricant grew by 7.9% in Q2 FY25 and 7.7% in H1 FY25
- Healthy export mix at 44.7% in Q2 FY25 v/s 47.4% in Q2 FY24, Similarly, it is 44.9% in H1 FY25 v/s 47.6% in H1 FY24.

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Q2 and H1 FY25 CABLE DIVISION HIGHLIGHTS:

(₹ crores, unless stated otherwise)

Particulars	Q2			Q1			H1 FY25		
	FY25	FY24	% Change	FY24	% Change	H1 FY25	H1 FY24	% Change	
Revenue from Operations	1,227	882	39.0%	1,042	17.7%	2,268	1,849	22.7%	
EBITDA*	119	98	21.2%	107	10.6%	226	208	8.6%	
EBITDA Margin (%)	9.7%	11.1%	-1.4%	10.3%	-0.6%	10.0%	11.3%	-1.3%	

* Adjusted for post open period forex before unallocable corporate expenditure net of income

- Revenue for the quarter grew by 39.0% in Q2 FY25 v/s LY Q2 and by 22.7% in H1 FY25 v/s LY H1
- Domestic business continues to outperform on the back of strong growth in domestic demand driven by favourable tailwinds. Domestic execution is higher to offset the export drop. In Q2 domestic revenue grew 77.8% YoY, while in H1 FY25 it grew 67.4% YoY.
- In Q2 export mix was at 29.0% as against 44.5% in LY. Export Mix in H1 FY25 is 30.9% v/s 49.4% in LY
- EBITDA margin was down by 140 bps v/s last year Q2 and by 130 bps v/s last year H1 due to growing competitive price levels and higher mix of domestic business.
- Pending order book is ₹ 1,783 crores.

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H1 FY25 DIVISION WISE EBITDA TO PAT:

(₹ crores, unless stated otherwise)

Particulars	Conductor	Oil	Cable	Others	Total
EBITDA pre-open period forex (Note 1)	398	181	227	1	807
Open period forex (Note 2)	7	4	1	0	11
EBIDTA post open period forex	391	177	226	1	796
Finance cost (ex-open period forex) (Note 3)	75	49	30	0	155
Unallocable forex loss (Note 4)	0	0	0	0	0
EBDTA	317	128	196	1	642
Unallocable expenses, net of unallocable other income	17	18	17	0	52
Depreciation	25	13	24	1	63
PBT	275	97	155	1	527
Tax	70	21	40	0	131
PAT	205	76	115	0	396
EPS	51	19	29	0	99

Notes

- 1) Profit before tax + Depreciation + Finance cost – Interest income + Unallocable expense net of unallocable other income
- 2) Included in the finance cost in the published results
- 3) Finance cost (ex open period forex) is after net of interest income on surplus funds
- 4) Included in the unallocable expenditure as per the published result

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Q2 FY25 & H1FY25 CONSOLIDATED PROFIT AND LOSS

(₹ crores, unless stated otherwise)

Particulars	Q2FY25	Q2FY24	% Change	Q1FY24	% Change
Sales	4,623	3,891	18.8%	3,984	16.1%
Other operating income	21	31	(33.0%)	27	(20.8%)
Revenue from operations	4,645	3,922	18.4%	4,011	15.8%
Other income	33	21	54.3%	15	114.2%
Total income	4,677	3,944	18.6%	4,026	16.2%
Expenses					
Cost of raw materials	3,741	3,075	21.7%	3,148	18.8%
Employees Cost	88	72	21.5%	82	7.0%
Finance Cost	101	103	(2.4%)	90	11.3%
Depreciation and Amortisation expense	32	28	13.8%	31	3.1%
Other Expenditure	459	428	7.3%	404	13.8%
Total Expenses	4,421	3,707	19.3%	3,755	17.7%
Profit before tax & share in net profit / (loss) of associates	257	237	8.4%	270	(5.1%)
Tax Expense	63	63	(0.1%)	68	(7.4%)
Profit after tax	194	174	11.5%	203	(4.2%)

(₹ crores, unless stated otherwise)

Particulars	H1FY25	H1FY24	% Change
Gross Sales	8,607	7,627	12.9%
Other Operating Income	48	63	(23.8%)
Revenue from Operation	8,655	7,689	12.6%
Other Income	48	33	47.4%
Total Income	8,703	7,722	12.7%
Expenses			
Cost of materials consumed	6,889	6,022	14.4%
Employee costs	170	138	23.2%
Finance Cost	191	173	10.6%
Depreciation and Amortisation expense	63	55	14.0%
Other Expenditure	863	834	3.5%
Total Expenses	8,176	7,222	13.2%
Profit before tax & share in net profit / (loss) of associates	527	500	5.4%
Tax Expenses	131	129	1.6%
Profit after tax	396	371	6.8%

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H1FY25 CONSOLIDATED BALANCE SHEET

(₹ crores, unless stated otherwise)

Particulars	30-Sep-2024	31-Mar-2024
ASSETS		
<u>Non-current assets</u>		
Property, plant and equipments	1,180.24	1,129.88
Right to use assets	62.62	61.86
Capital work-in-progress	188.52	120.73
Other intangible assets	1.57	1.09
Intangible assets under development	2.17	1.72
<u>Financial Assets</u>		
Investments in subsidiaries & associates	7.40	7.38
Trade receivables	8.34	11.52
Loans	2.23	2.29
Derivative financial assets	4.85	1.00
Other financial assets	12.70	12.19
Non-current tax assets (net)	173.00	61.63
Other non-current assets	89.16	39.39
Total non current assets	1,732.80	1,450.68
<u>Current Assets</u>		
Inventories	3,104.10	2,864.46
<u>Financial assets</u>		
Investments	131.75	3.38
Trade receivables	4,030.89	3,928.91
Cash and cash equivalents	374.62	583.98
Bank balances other than above	62.29	62.03
Loans	1.19	1.14
Derivative financial assets	55.76	18.39
Other financial assets	71.43	63.58
Other current assets	559.33	639.19
Total current assets	8,391.36	8,165.08
TOTAL ASSETS	10,124.16	9,615.76

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EQUITY AND LIABILITIES		
Equity		
Equity share capital	40.17	40.17
Other equity	4,067.29	3,836.27
Total equity	4,107.46	3,876.44
Non-current liabilities		
Financial liabilities		
Borrowings	359.02	334.31
Lease liabilities	62.09	60.33
Derivatives financial liabilities	-	0.19
Other financial liabilities	17.90	13.39
Provisions	16.10	14.05
Deferred tax liabilities (net)	10.10	0.86
Total non-current liabilities	465.21	423.13
Current liabilities		
Financial liabilities		
Borrowings	112.48	71.23
Lease liabilities	9.32	9.74
Trade payables		
a) Total outstanding dues of micro and small enterprises	47.21	28.07
b) Total outstanding dues of other than micro and small enterprises	4,790.06	4,784.98
Derivatives financial liabilities	15.89	23.16
Other financial liabilities	106.53	110.34
Other current liabilities	262.98	183.81
Provisions	31.45	6.69
Current tax liabilities (net)	175.56	98.16
Total current liabilities	5,551.48	5,316.19
Total liabilities	6,016.69	5,739.32
TOTAL EQUITY AND LIABILITIES	10,124.16	9,615.76

H1FY25 CONSOLIDATED CASHFLOW

(₹ crores, unless stated otherwise)

Particulars	30 th Sept 2024	30 th Sept 2023
Cash flow from operating activities		
Profit before tax & share in net profit / (loss) of associates	527.10	500.46
Adjustments for		
- Depreciation / amortisation	63.17	55.40
- (Gain)/loss on sale of property, plant and equipment	0.09	0.05
- Interest costs	126.78	130.34
- Interest incomes	(24.59)	(13.74)
- Provision for Doubtful Debts / advances (net)	(5.99)	5.41
- Unrealised exchange loss/(gain)	3.08	8.57
- Profit on sale of investments	(3.07)	(4.42)
Movement in working capital		
(Increase) / decrease in trade and other receivables	(109.42)	(263.52)
(Increase) / decrease in inventories	(238.59)	119.34
Increase/ (decrease) in trade and other payables	223.80	(174.04)
Tax paid	(154.52)	(124.28)
Net cash generated from / (used in) operating activities	407.84	239.57
Cash flow from investing activities		
Acquisition of property, plant and equipment	(235.65)	(152.62)
Proceeds from sale of property, plant and equipment	0.46	0.42
Sale / (purchase) of investments - net	(125.30)	52.48
Interest received	21.70	15.54
Net cash generated from / (used in) investing activities	(338.79)	(84.18)
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	8.90	(54.67)
Proceeds/(repayments) of long-term borrowings - net	57.20	94.50
Repayment of Lease Liabilities	(6.80)	(5.93)
Interest paid	(134.13)	(127.72)
Dividend Payment	(204.56)	(152.82)
Net cash (used in) / generated from financing activities	(279.39)	(246.64)
Net increase / (decrease) in cash and cash equivalents	(210.34)	(91.25)
Effect of exchanges rate changes on cash and cash equivalents	0.98	1.06
Cash and cash equivalents at the beginning of the year	583.98	498.81
Cash and cash equivalents at the end of the year	374.62	408.62

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