



Date: 20<sup>th</sup> June 2020

To, Manager - Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001  Scrip Code: 523694	To, The Manager - Listing Department, The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051  Symbol: APCOTEXIND
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**Sub: Investor Presentation for the quarter / year ended 31<sup>st</sup> March 2020**

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation for the quarter / year ended 31<sup>st</sup> March 2020. The same is for your reference and records.

Thanking you,

**For Apcotex Industries Limited**

Anand V Kumashi  
GM – Finance & Company Secretary

## **apcotex industries limited**

REGD. OFFICE : 49-53, 3rd Floor, Mahavir Centre, Plot No. 77, Sector-17, Vashi, Navi Mumbai-400703, Maharashtra, India Tel:+91-22-27770800  
CORPORATE OFFICE : NKM International House, 178 Backbay Recl., B. M. Chinai Marg, Mumbai-400020, Maharashtra, India. Tel:+91-22-22838302/04  
TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Talaja-410208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052  
CIN NO. L99999MH1986PLC039199 Website:www.apcotex.com



# **apcotex industries limited**

INVESTOR PRESENTATION

MAY 2020

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**Executive Summary**

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**Company Overview**

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**Business Overview**

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**Industry Overview**

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**Strategic Overview**

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**Financial Overview**



# Executive Summary

## OVERVIEW

- ▶ Apcotex Industries Ltd (Apcotex) is a leading producer of Synthetic Rubber (Nitrile Rubber, High Styrene Rubber, Nitrile Polyblends and Nitrile Powder) and Synthetic Latex (XSB Latex, VP Latex, Styrene Acrylics and Nitrile Latex) in India.
- ▶ The company has one of the broadest range of Emulsion Polymers available in the market today.
- ▶ The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De-husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear.
- ▶ Apcotex is listed on both the BSE and NSE and has an approximate market capitalisation of INR 4,103.5 Mn as on 31<sup>st</sup> March, 2020.

## BUSINESS MIX

- ▶ SYNTHETIC LATEX
  - ▷ Paper/ Paper Board, Carpet, Construction, Tyre Cord, Speciality.
- ▶ SYNTHETIC RUBBER
  - ▷ Automobile, Footwear, Rice Rolls.

## MARQUEE CLIENTS

- ▶ SYNTHETIC LATEX
  - ▷ ITC Ltd, BILT, JK PAPER, Pidilite Industries, MRF, SRF, Century Enka, etc.
- ▶ SYNTHETIC RUBBER
  - ▷ Paragon Footwear, Ajanta Footwear, Relaxo Footwear, Jayshree Polymers, Parker Hannifin, etc.

## MANUFACTURING

- ▶ Taloja Facility: Maharashtra
  - ▷ 55,000 MTPA Synthetic Latex
  - ▷ 7,000 MTPA High Styrene Rubber
- ▶ Valia Facility: Gujarat
  - ▷ 20,000 MTPA Nitrile Rubber and Allied Products.

## FY20 FINANCIALS

Revenue - **INR 4,960 Mn**

Operating EBITDA - **INR 334 Mn**

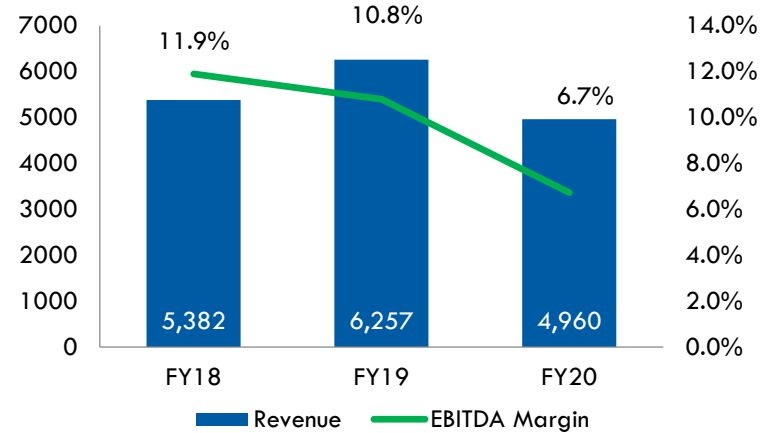
PAT- **INR 166 Mn**



# Company Overview

- ▶ The company's Taloja plant was established in 1980 as a division of Asian Paints (India) Ltd. In 1991, the division was spun off as a separate company, which was headed by Mr. Atul Choksey, former MD of Asian Paints. The company is currently headed by Abhiraj Choksey who is the Managing Director.
- ▶ Apcotex has a significant global presence and for last few years has done business in all continents and several countries.
- ▶ It is one of the leading producers of Synthetic Rubber and Synthetic Latex in India.
- ▶ Its state-of-the-art manufacturing plants are strategically located on the western coast of India.
- ▶ Over the past several years, the company has developed a strong Research & Development base, which has enabled them to develop, manufacture and export products and compete effectively against global players.
- ▶ Apcotex Industries has a workforce strength of over 450 fulltime employees.

Revenue (INR Mn) and  
Operating EBITDA Margin (%)



# Promoter Background and Board of Directors



**MR. ATUL  
CHOKSEY**  
Chairman

- He is a Chemical Engineer from Illinois Institute of Technology, Chicago, USA and has more than three decades of experience in managing the affairs of the Company. He is on the board of various reputed companies like Marico, Ceat and Finolex Cables.



**MR. AMIT C.  
CHOKSEY**  
Director

- He is a Bachelor in Commerce and has over 30 years of experience in managing industries manufacturing various types of construction chemicals, specialty water proofing compounds and inorganic pigments.



**DR. S.  
SIVARAM**  
Independent  
Director

- He is a M.Sc. From Indian Institute of Technology and has done his PHD from Purdue University, W. Lafayette, USA and Research.



**MR. KAMLESH  
S. VIKAMSEY**  
Independent  
Director

- He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005.



**MR.  
UDAYAN  
DILIP CHOKSI**  
Independent  
Director

- He is graduate in Economics from Warwick University and Chartered Accountant and LLB from Mumbai University. He is the Managing Partner of VoxLaw and leads the indirect taxation of the firm. He has an experience of nearly 20 years at Big 4 accounting firms and prominent law firms.



**MR. ABHIRAJ  
CHOKSEY**  
Managing  
Director

- He is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A.



**MR. SHAILESH  
S. VAIDYA**  
Independent  
Director

- He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as Advocate and Solicitor.



**MS.  
PRIYAMVADA  
BHUMKAR**  
Independent  
Director

- She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd., the well-known Indian colorant manufacturing company.



**MR.  
YASHODHAN  
B GADGIL**  
Executive  
Director

- He is a Bachelor of Chemical Engineering and has worked with Asian Paints and Apcotex Industries since 1981. Currently he is the Executive Director— Operations and in-charge of production, engineering, projects, supply Chain (till 2015), stores, IR and general Factory administration.



# Key Milestones



**1980**

Started as division of Asian Paints (I) Limited & Pioneered in manufacture of Vinyl Pyridine latex and Carboxylated Styrene-Butadiene latex



**1991**

The company was spun off as a division of Asian Paints and listed on stock exchanges as Apcotex Lattices Limited



**1998**

Started Synthetic Rubber production with 10,000 MT (Dry) capacity



**2005**

Name changed to Apcotex Industries Limited



**2009**

Started Acrylic emulsion to exploit synergies with other products and markets



**2013**

Installed capacity of saleable latex increased from 40,000 MT/Annum to 55,000 MT/Annum (wet)



**2014**

Responsible care and TPM Special Award journey begins



**2016**

Synergistic acquisition of Omnova Solutions



**2019**

Reported highest ever turnover, exports and profit.

## PAPER

- ▶ ITC Ltd
- ▶ JK PAPER
- ▶ BILT
- ▶ NR Group

## CARPET

- ▶ Obeetee Industries
- ▶ ABC Industries

## RUBBER

- ▶ Paragon Footwear
- ▶ Relaxo Footwear
- ▶ Ajanta Footwear
- ▶ Distributors all over India

## CONSTRUCTION

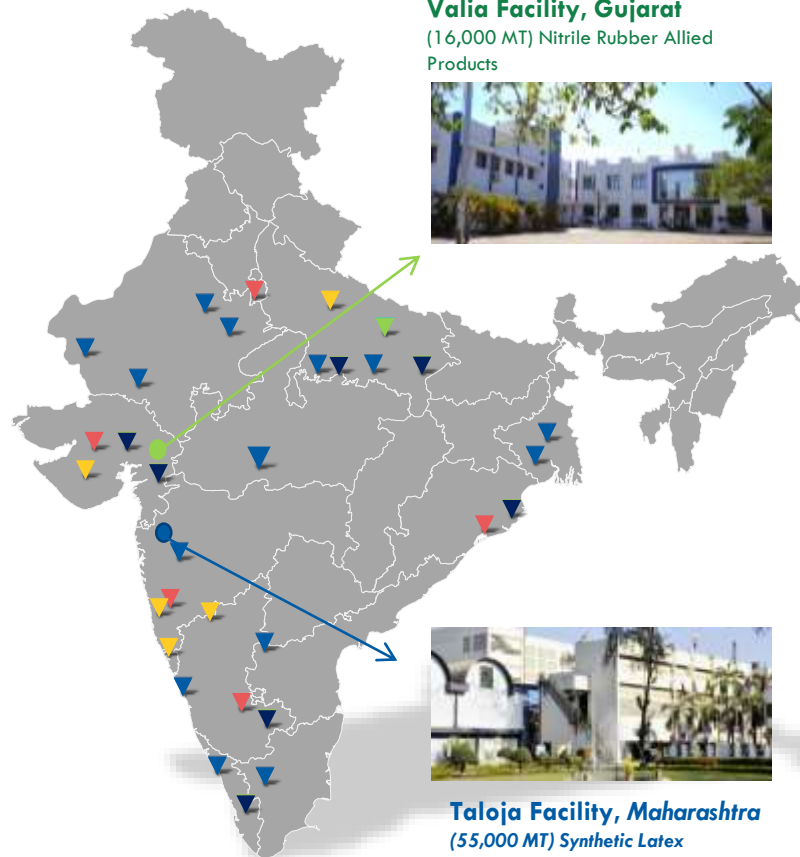
- ▶ Pidilite Industries
- ▶ Sika
- ▶ Fosroc

## TYRE / CORD DIPPER

- ▶ MRF
- ▶ SRF
- ▶ Rajshree Polyfill (Century Enka)
- ▶ Madura

## Valia Facility, Gujarat

(16,000 MT) Nitrile Rubber Allied Products



## Taloja Facility, Maharashtra

(55,000 MT) Synthetic Latex  
(7,000 MT) High Styrene Rubber

## AUTO & INDUSTRIAL

- ▶ Unique Auto Rub Udyog Pvt Ltd
- ▶ Varroc Elast
- ▶ G.B. Rubber
- ▶ Jayashree Polymers

## HOSES & LPG

- ▶ Vansh Industries
- ▶ Super Hoze
- ▶ Jugaltara
- ▶ Parker Hannifin India

## RICE ROLLS

- ▶ Shaktiman
- ▶ Hindustan Rubber Industries (RR)
- ▶ Golden Rolls Pvt Ltd/Cable Corp

## GLOVES

- ▶ Mainly exported to Malaysia, Thailand and other countries.
- ▶ Small part is used by domestic industries.

## PRODUCT DEVELOPMENT LAB



## DCS PROCESS CONTROL



## PRODUCT APPLICATION LAB



## QUALITY ASSURANCE LAB



The company has been **continuously upgrading** their **technology** through **in house research & development** efforts to meet the **changing needs** of customers  
Currently 22 employees are dedicated for R&D and technical support.

# Quality Certifications



ISO  
9001  
certified

TPM  
Journey  
starts

Safety  
Excellence  
Grade by  
Telos

ISO  
14001:2004,  
OHSAS  
18001:2007  
Certified

TPM  
Excellence  
Category  
A

Integration  
Of Quality,  
Environment  
and OHSAS  
Systems

TPM  
Consistency  
Award

Responsible  
Care Certified

Valia plant  
RC  
certified

2000

2006

2010

2011

2011

2012

2013

2015

2018

Experienced Promoters  
along with professional  
management team



Marquee list of clients



Only producer of Nitrile Rubber and High  
Styrene Rubber in India.



Strategic location of  
manufacturing units in India and  
lean business operations



Apcotex is a Globally  
Reputed Brand



High entry barriers due to  
proprietary product and process  
technology, large capex, long sales  
lead times and difficult-to-handle  
RMs



Advanced technological  
knowhow, in-house R&D and  
customisation capability





# Business Overview

## VALUE CHAIN

### Sources of Raw Materials



### Raw Materials

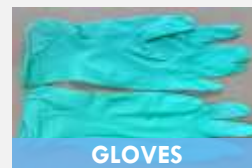
Butadiene

Styrene

Acrylonitrile




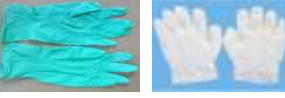














### Final Products



# Synthetic Latex Products

The company caters to a large customer base for synthetic latex across industries and commands high market share across industries like Paper, Carpets, Tyres and Construction.

PAPER	CARPET	CONSTRUCTION	TYRE CORD	GLOVES	SPECIALTY
<p>Provides high wet and dry binding strength, high sheet gloss; Provides excellent wet and dry binding strengths; Provides excellent coverage and coating holdout; Provides excellent gloss.</p>	<p>Soft secondary backings of tufted carpets, Needle felt coating and impregnation, Textile Finishing / Softener, produces chemical additives for Textile Flooring, Synthetic Turf, Mattresses etc.</p>	<p>Bonding agent, cementitious waterproofing 2 component repair mortar, Hydraulic cement admixture, damp proof coatings, bonding agent for cement sand plaster on concrete and Gypsum.</p>	<p>Tyre cord / belting fabric dipping.</p>	<p>For Medical and Industrial Purpose.</p>	<p>Binder for Nonwoven Fabric, Paper saturation, Binder for cork sheets, Jointing sheets, Textile finishing, Adhesives.</p>
					
CLIENTS	CLIENTS	CLIENTS	CLIENTS	CLIENTS	CLIENTS
  		  	 	 	 



# Synthetic Rubber Products

Apcotex is the only manufacturer of Nitrile Rubber and High Styrene Rubber in India. It has a high market share in HSR but a low market share in NBR due to capacity constraints.

## NITRILE RUBBER (NBR)

Low viscosity grade with excellent processibility, good tack and easy flow suitable for moulded & extruded rubber goods.



### CLIENTS



## NBR POLYBLEND

Cost effective medium ACN blend for general purpose automotive and industrial moulded and extruded products, footwear products etc.



### CLIENTS



## HIGH STYRENE RUBBER

Low hardness rubber grade with very good processibility for Hawaii and Micro-cellular sheets, Medium hardness grade for general purpose footwear products, Banwar and Neolite applications.



### CLIENTS



## NBR POWDER

Linear powder grade suitable for jointing sheets, PVC modifications, medium ACN grade suitable for footwear, moulded and extruded goods, joining sheets, adhesives and Friction materials, Suitable for brake pads.



### CLIENTS



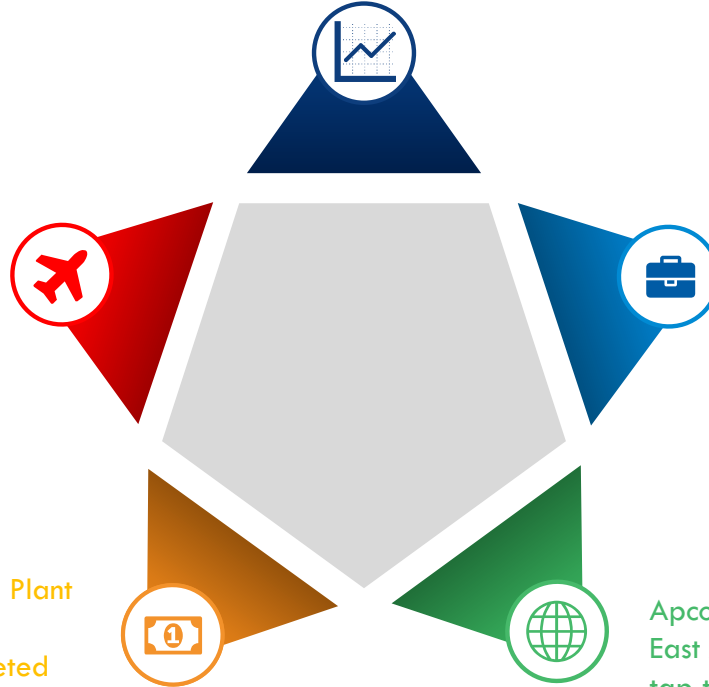


# Strategic Overview

The company's presence in the stable growth industries like Paper, Construction, Carpet, Tyre and Rubber provides stable growth & is a strong base for Apcotex.

The company also plans to increase capacities for Nitrile Rubber to cater to domestic and export market.

Planned capex worth INR 100 Cr at Valia Plant with the purpose of reduction in costs and debottlenecking is scheduled to be completed by March 2020.



Apart from the existing product portfolio, the next generation product pipeline is strong to propel growth. Recently launched new product XNBR Latex for gloves mainly catering to exports

Apcotex has a strong global presence in South East Asia, Middle East & Africa and intends to tap the Asian Markets



# Financial Overview

# Income Statement



Particulars (INR Mn)	FY18	FY19	FY20
<b>Revenue</b>	<b>5,382</b>	<b>6,257</b>	<b>4,960</b>
Total Expenses	4,744	5,581	4,626
<b>Operating EBITDA</b>	<b>638</b>	<b>676</b>	<b>334</b>
<b>Operating EBITDA Margin</b>	<b>11.85%</b>	<b>10.80%</b>	<b>6.73%</b>
Depreciation	121	118	134
Finance Cost	16	18	13
Other Income	71	77	59
<b>PBT</b>	<b>572</b>	<b>617</b>	<b>246</b>
Exceptional Items	15	-	-
Tax	171	151	80
<b>PAT</b>	<b>386</b>	<b>466</b>	<b>166</b>
<b>PAT Margin</b>	<b>7.17%</b>	<b>7.45%</b>	<b>3.35%</b>
Other Comprehensive Income	(3)	(2)	(56)
<b>Total Comprehensive Income</b>	<b>383</b>	<b>464</b>	<b>110</b>
Diluted EPS (INR)	18.63	8.99	3.21

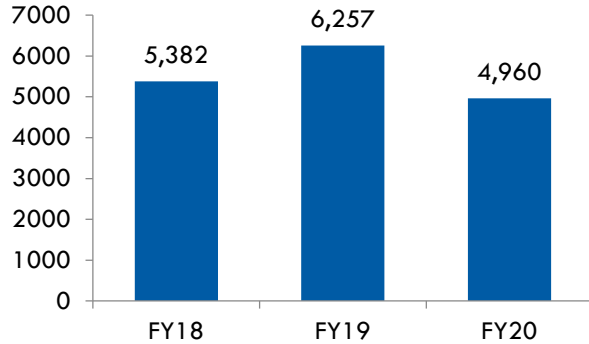
Particulars (INR Mn)	FY-19	FY-20
<b>Shareholders Fund</b>	<b>2,778</b>	<b>2,513</b>
Equity Share Capital	104	104
Other Equity	2,674	2,409
<b>Total Non Current Liabilities</b>	<b>86</b>	<b>349</b>
Deferred Tax liabilities	14	57
Other Long Term Liabilities	10	226
Long Term Provision	28	29
Other Financial Liabilities	34	37
<b>Total Current Liabilities</b>	<b>906</b>	<b>1,107</b>
Short Term Borrowings	30	189
Trade Payables	526	460
Other Current Liabilities	240	374
Short Term Provision	4	5
Other Current Liabilities	106	79
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,770</b>	<b>3,969</b>

Particulars (INR Mn)	FY-19	FY-20
<b>Total Non Current Assets</b>	<b>1,624</b>	<b>1,916</b>
Property, Plant and Equipment	750	1,239
Capital Work in progress	212	193
Non Current Investments	428	334
Intangible Assets	14	9
Current Tax Assets (net)	38	55
Other Non Current Assets	182	86
<b>Total Current Assets</b>	<b>2,146</b>	<b>2,053</b>
Investments	261	211
Inventories	482	597
Trade Receivables	1,112	891
Cash & Cash Equivalents	57	117
Other Bank Balances	44	43
Short Term loans & Advances	2	3
Other Financial Assets	40	60
Other Current Asset	148	131
<b>TOTAL ASSETS</b>	<b>3,770</b>	<b>3,969</b>

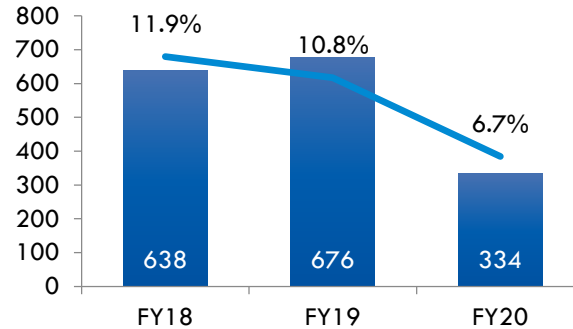
# Historical Performance Indicators



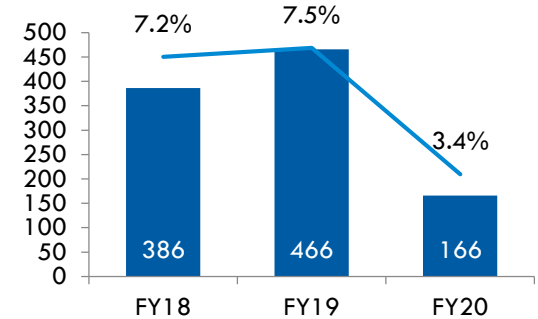
### Operational Revenue (In Mn)



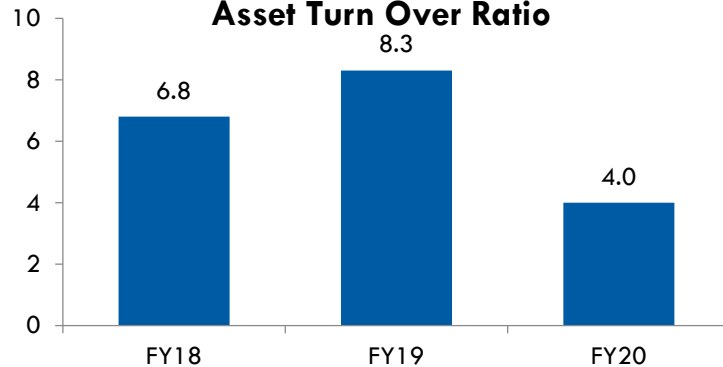
### Operating EBITDA and EBITDA Margin



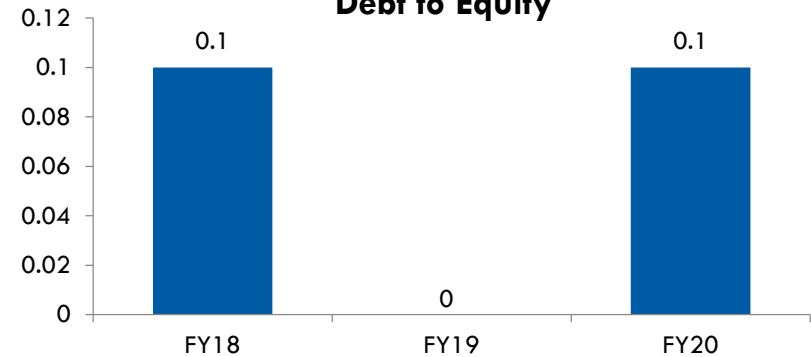
### PAT and PAT Margin



### Asset Turn Over Ratio



### Debt to Equity



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Thank You