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16<sup>th</sup> May, 2023

To :

<p><b>BOMBAY STOCK EXCHANGE LIMITED</b> Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Fort, <b>MUMBAI – 400 001.</b> <b>SCRIP CODE : 533022</b></p>	<p><b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> Listing Department Exchange Plaza, Bandra – Kurla Complex, Bandra [East], <b>MUMBAI – 400 051.</b> <b>SCRIP CODE : 20MICRONS</b></p>
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Dear Sirs,

**Re : Press Release - Q4 & 12M FY23 Earnings Update.**

In continuation of our letter dated 16.05.2023, we are sending herewith Press Release - Q4 & 12M FY23 Earnings Update - on the Audited Financial Results of the Company for the Quarter/Year ended 31.03.2023.

We now request you to arrange to take note of the above.

Thanking you,

Yours faithfully  
20 Microns Limited

**KOMAL PANDEY**

Digitally signed by KOMAL P PANDEY  
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cn=KOMAL PANDEY, l=VADODARA  
p=audmymc@20microns.com, o=20microns, ou=20microns,  
93f\_email=CO\_SECRETARY@20MICRONS.COM  
Date: 2023.05.16 16:20:53 + 05'30'

**[Komal Pandey]**  
Company Secretary

Encl. : as above.

# EARNINGS RELEASE & Share Holders' Letter

Q4 FY23 | May 16, 2023

In This Report, We Cover

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1. About Us
2. How We Do It
3. Our Strengths
4. What Next?
5. Business Updates
6. Key Performance Matrix
7. Financial Performance
8. Management Commentary
9. Management Outlook



## About Us:

- 20 Microns Ltd (20 Microns or the “Company”) is one of India's largest producer of Industrial minerals with **30+ years** of experience offering innovative products in the field of Functional fillers, Extenders, and Specialty chemicals
- Headquartered out of Vadodara, Gujarat, the company is catering to the various industries like **paint and coatings, plastics, textiles, rubber, paper, ceramics and adhesive & sealants industry and others**
- 20 Microns has **5 subsidiaries** and **1 Joint Venture** and boasts of **9 manufacturing units**. The Company also has **5 captive mines** to source raw materials
  - 20 Microns Nano Ltd., subsidiary of 20 Microns, is engaged in the manufacturing of functional additives and chemically modified minerals. During FY23, the subsidiary contributed **~13%** to the total revenue
- Additionally, the company has state-of-the-art R&D centre in Vadodara which comprises of ~50 team members including **~20 scientists**

## How we do it:



## Our Strengths:

- Developing products that work as import substitute and are cost efficient
- R&D team of ~20 scientists that brings a deep level of specialized knowledge and expertise to the organization
- Longstanding relationship with companies like Asian Paints, Berger Paints, Finolex, Supreme, Plastiblends, and others
- Innovating value-added products that replaces the traditional chemicals in various industries

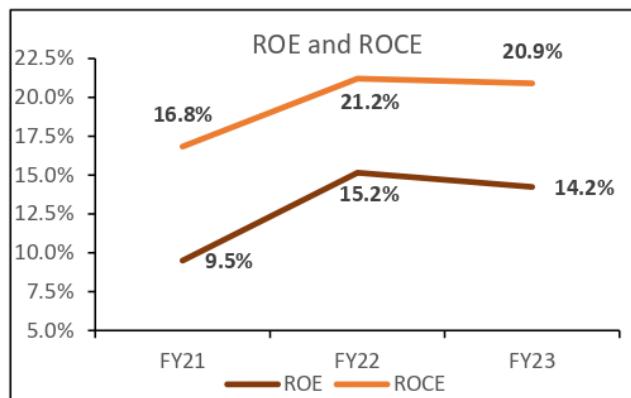
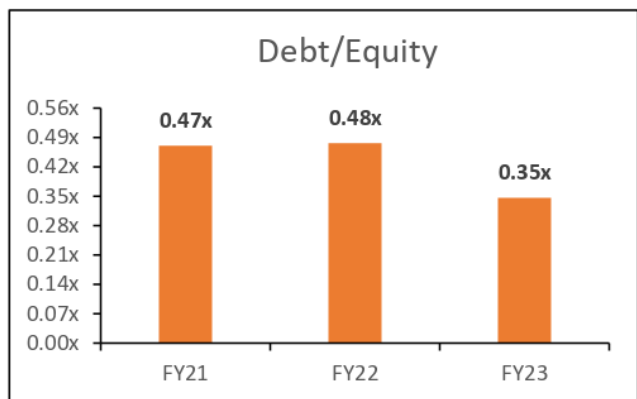
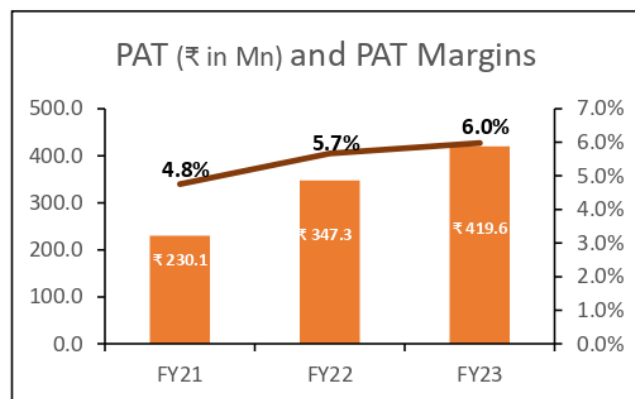
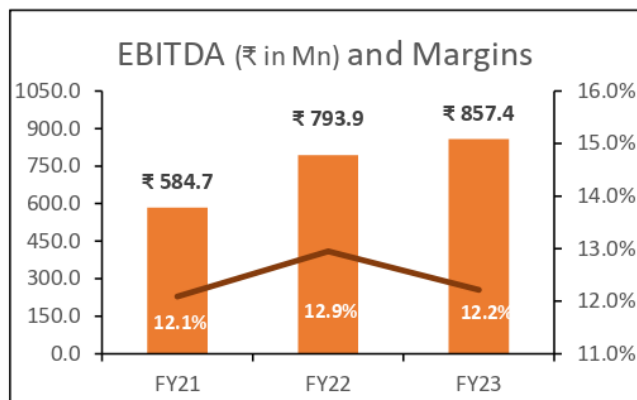
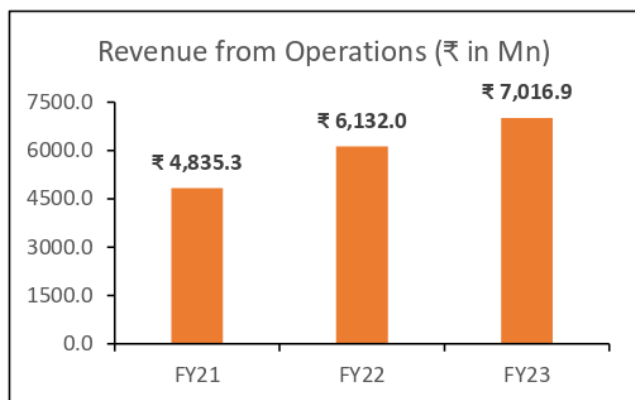
## Business Updates:

- ICRA Rating assigned 20 Microns a long term rating of “ICRA A-” and short term rating of “ICRA A2+”

## What next:

- Further penetration of retail products in agrochemicals (*Minfert*) and construction chemical (*20 MCC*) by using a cluster based go to market strategy to ensure high customer retention and increased brand recall
- Prioritizing the development of products with higher profitability to improve the overall financial performance
- Developing superior quality product with raw materials procured from various domestic and international sources
- Strengthening and developing strategic initiatives like JV with Dorfner and capitalizing on other potential activities
- Focus on high growth export market across the globe for it's entire range of products

## Key Performing Metrics:



## Financial Performance:

Particulars (₹ in Mns)	Q4FY23	Q4FY22	YoY%	Q3FY23	FY23	FY22	YoY%
Revenue from op.	1,732.84	1,724.13	0.51%	1,547.14	7,016.87	6,132.02	14.43%
Other Income	4.70	6.57		8.17	29.34	21.68	
<b>Total Revenue</b>	<b>1,737.54</b>	<b>1,730.69</b>	<b>0.40%</b>	<b>1,555.31</b>	<b>7,046.21</b>	<b>6,153.71</b>	<b>14.50%</b>
Total Expenses ex. Finance cost & D&A	1,527.26	1,503.77		1,377.55	6,159.51	5,338.16	
<b>EBITDA (Excluding Other Income)</b>	<b>205.58</b>	<b>220.36</b>	<b>-6.71%</b>	<b>169.59</b>	<b>857.36</b>	<b>793.86</b>	<b>8.00%</b>
<b>EBITDA Margin (%)</b>	<b>11.9%</b>	<b>12.8%</b>		<b>11.0%</b>	<b>12.2%</b>	<b>12.9%</b>	
Finance Cost	41.34	42.21		44.13	177.63	202.44	
Depreciation	37.02	38.91		33.27	138.05	136.72	
<b>PBT</b>	<b>131.92</b>	<b>145.80</b>		<b>100.36</b>	<b>571.02</b>	<b>476.38</b>	
Share of net profit/(loss) of equity accounted investee	(0.12)	(0.13)		0.74	0.90	(0.13)	
<b>PBT</b>	<b>131.80</b>	<b>145.67</b>		<b>101.10</b>	<b>571.92</b>	<b>476.25</b>	
Total Tax	38.61	39.01		27.28	152.31	128.97	
<b>PAT</b>	<b>93.19</b>	<b>106.67</b>		<b>73.82</b>	<b>419.62</b>	<b>347.28</b>	<b>20.83%</b>
<b>PAT Margin %</b>	<b>5.4%</b>	<b>6.2%</b>		<b>4.8%</b>	<b>6.0%</b>	<b>5.7%</b>	
Other Comprehensive Income	(1.36)	36.51		0.38	(0.80)	35.43	
<b>Net PAT</b>	<b>91.83</b>	<b>143.18</b>		<b>74.20</b>	<b>418.82</b>	<b>382.71</b>	
Diluted EPS	2.64	3.01		2.09	11.85	9.80	

## Consolidated Balance Sheet As on:

Particulars (₹ in Mn)	FY23	FY22
<b>Assets</b>		
<b>Non-Current Assets</b>		
PP&E	2,062.19	2,029.33
Capital work-in-progress	72.38	48.50
Intangible Assets	16.35	15.63
Intangible Assets under developments	2.72	0.52
Right of Use Assets	56.15	26.11
Goodwill on Consolidation	0.22	0.22
Investments in associates	3.02	2.12
Financial Assets	172.76	140.76
Deferred Tax Asset	13.93	12.73
Other Non-Current Assets	95.93	140.32
<b>Total Non-Current Assets</b>	<b>2,495.65</b>	<b>2,416.21</b>
<b>Current Assets</b>		
Inventories	1,152.39	1,289.45
Trade receivables	974.67	1,002.00
Cash and cash equivalents	202.82	127.32
Bank Balances other than above	96.59	40.93
Loans	3.66	11.25
Other financial assets	39.26	30.91
Other current assets	274.37	235.04
<b>Total Current Assets</b>	<b>2,743.76</b>	<b>2,736.90</b>
<b>TOTAL ASSETS</b>	<b>5,239.41</b>	<b>5,153.11</b>

Particulars (₹ in Mn)	FY23	FY22
<b>Liabilities</b>		
<b>Shareholders Equity</b>		
Share Capital	176.43	176.43
Other Equity	2,759.57	2338.51
Non-controlling interest	10.53	9.10
<b>Total Shareholders Equity</b>	<b>2,946.53</b>	<b>2,524.04</b>
<b>Borrowings and Liabilities</b>		
Borrowings	185.69	284.87
Trade Payables	0.00	8.43
Lease liabilities	42.38	10.40
Other Financial liabilities	4.22	2.59
Deferred tax liabilities	262.94	267.96
<b>Total Non-Current liabilities</b>	<b>495.24</b>	<b>574.26</b>
<b>Current Liabilities</b>		
Borrowings	833.50	916.70
Trade Payables	787.86	987.09
Lease liabilities	16.73	17.62
Other Financial liabilities	103.10	85.78
Other current liabilities	48.21	38.12
Provisions	3.62	1.64
Current Tax Liabilities	4.64	7.87
<b>Total Current liabilities</b>	<b>1,797.65</b>	<b>2,054.81</b>
<b>TOTAL LIABILITIES</b>	<b>5,239.41</b>	<b>5,153.11</b>

## Management Commentary:

Commenting on the performance of financial year 2023, the management team of 20 Microns Ltd. stated:

*“We are happy to share with you our robust financial and business performance for FY23, consolidated revenue from operations increased by 14.4% and stood at ₹ 7,016.87 Mn in FY23 from ₹ 6,132.02 Mn in FY22 led by healthy demand for our key products as well specialty products in the underlying industries like paint, polymers, rubber, ceramics and others. EBITDA increased by 8.00% from ₹793.86 Mn in FY23 to ₹857.36 Mn in FY22, margins remained stable at 12.2% in FY23 compared to 12.9% in FY22 despite certain cost pressures related to power, fuel and logistics. PAT during the year stood at ₹419.62 Mn compared to ₹ 347.28 Mn in FY22, with a growth of 20.8% on YoY basis.*

*Further, our research and development efforts have yielded significant results, with new product brought to the market that have met rigorous quality standards of our customers. Additionally, our foray into mineral based fertilizer and minerals based construction chemicals have started yielding results and contributed to our revenue.*

*Moving forward our priority is to maintain and gradually increase EBITDA Margin by emphasizing on high-margin products, increasing our focus on exports, and optimizing cost efficiency through procurement and operational procedures.*

*We would like to thank our employees for their efforts and our investors/stakeholders for their continued support and encouragement.”*

## Management Outlook:

- Management expects the revenue to grow by 15.0%-18.0% for the year FY24, mainly on account of evolving product mix.
- EBITDA margin for FY24 to remain in similar range as existing with likely improvement of 50-100 bps

### Disclaimer :

*Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. 20 Microns Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward- looking statements to reflect subsequent events or circumstance*

## Contact Details:

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