



APAR

Tomorrow's solutions today

SEC/2910/2023

By E-Filing

October 29, 2023

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. : APAR Industries Limited
Corporate Presentation – October 2023**

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

Dear Sir / Madam,

We are sending herewith a Corporate Presentation of APAR Industries Limited for October 2023 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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APAR INDUSTRIES LIMITED

Corporate Presentation

October 2023

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COMPANY OVERVIEW



#1

India's largest player in terms of sales of conductors in FY23

#1

India's largest private sector manufacturer of specialty oils in terms of manufacturing capacity

One of the **leading exporter of conductors and cables** from India in FY23

One of the key players in the **domestic renewable cables segment**



A comprehensive range of products in speciality oils, process oils & lubricants.



Provides solutions for design, manufacturing, upgrading transmission lines and testing of conductors.



A wide range of products in India, catering to speciality sectors like railways, shipping, submarines, solar, windmills, mining, hybrid cables and harnesses, telecommunication, safest housewires.



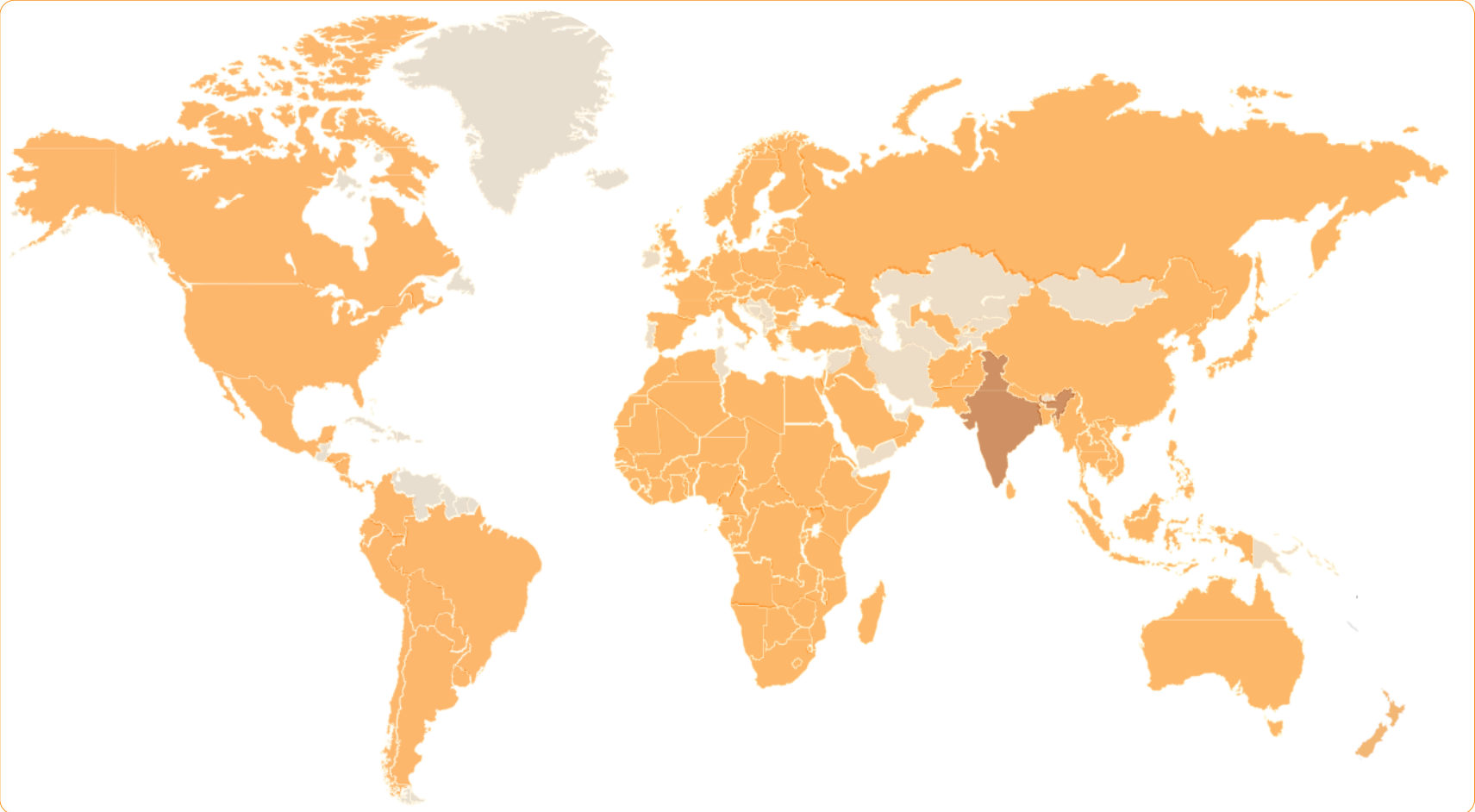
Focusing on providing telecom products, services and solutions

APAR's Strategically Located State-of-the-Art Manufacturing Facilities



Extensive global presence driving exports

Prominent presence with established Utilities, EPCs & channel partners in ¹



Export revenues up 98.4% in FY23 vs FY22, contributed 48.7% to FY23 revenues

¹ As of March 31, 2023

Conductors – Largest Player in India¹



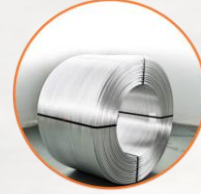
Conventional
Conductors



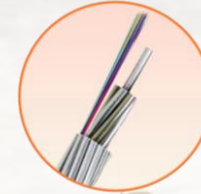
HTLS
Conductors



Railway
Conductors



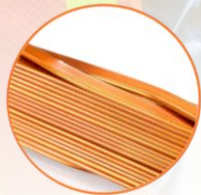
Specialty Alloy
Rods



OPGW



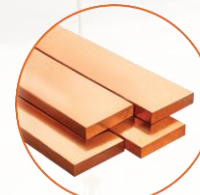
ACS Wire



CTC/PICC



Turnkey
Solutions



BUSBAR

Key Highlights:

FY23 revenue of INR 7,013.05 crore

- Largest Player in India in terms of sales of conductors in FY23
- Technology tie-ups with a US based company for ACCC² conductors
- Supplies to global turnkey operators and utilities

Key Products and Facilities:

- Products include 765 KV conductors, Copper conductor for Railways, Optical Ground Wire (OPGW) & CTC for transformer industry
- Facilities at Jharsuguda and Lapanga in Odisha, Silvasa in Gujarat

¹In terms of Sales of Conductors in FY23

²Aluminium Conductor Composite Core

Specialty Oils & Lubricants – India's Largest Private Sector Manufacturer ¹



Transformer oil



White oils



Industrial & process oils



Industrial & auto lubricants



Petroleum jelly



POWEROIL TO NE premium

Key Highlights:

FY23 revenue of INR 4,656. 69 crore

- India's largest private sector manufacturer of specialty oils in terms of manufacturing capacity
- Wide range of products in the Specialty Oils Segment
- Over 49% Transformer Oil sold to overseas markets in FY23

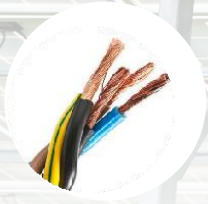
Key Products and Facilities:

- Al-Hamriyah, Sharjah plant. Proximity to customers in Middle East & East Africa
- Product range includes Transformer oils for upto 800KV voltage class, among others
- Licensing agreement for auto lubes with a European Company
- R&D facility at Rabale

Cables – One of the Key Players in Domestic Renewable Segment



Power cables



House wire & cable



Elastomeric cables



E-beam irradiated cables



OFC



Speciality hybrid cables

Key Highlights:

FY23 revenue of INR 3,263.45 crore

- One of the key supplier to Vande Bharat Trains
- Launched E-beam facility
- Supplier to nuclear power, defence and railways

Key Products and Facilities:

- Range of products include high-voltage power cables, medium-voltage & low-voltage XLPE cables, elastomeric cables, fibre optic cables and speciality cables
- Greenfield Khatalwada plant for E-beam Elastomeric Cables, OFC Cables, others
- HT expansion in Umbergaon and LT consolidation in Khatalwada
- New product - MVCC and specialised wiring harness launched



Diversified Telecom Solutions as a separate a business vertical to bring more focus and garner maximum growth potential:



Product Portfolio

- OFC solutions
- LAN & 5G solutions
- Convergence solutions
- Network services
- Serving current & new customers globally



Focus Areas

- Converged networks
- Data centres
- Rural Connectivity
- 5G,IOT & M2M



Solutions Provider

- Introduced range of Hybrid Cables
- These cables address telecom & power convergence across 5G, IOT & M2M
- Offers optimised connectivity solutions

GROWTH DRIVERS



Globally, we see growth opportunities in



**Addition of
Renewable energy**
Wind, Solar & Nuclear



**Transmission
Expansion**



**Infrastructure
Development**



Public Transportation
(incl Mobility)



Telecom



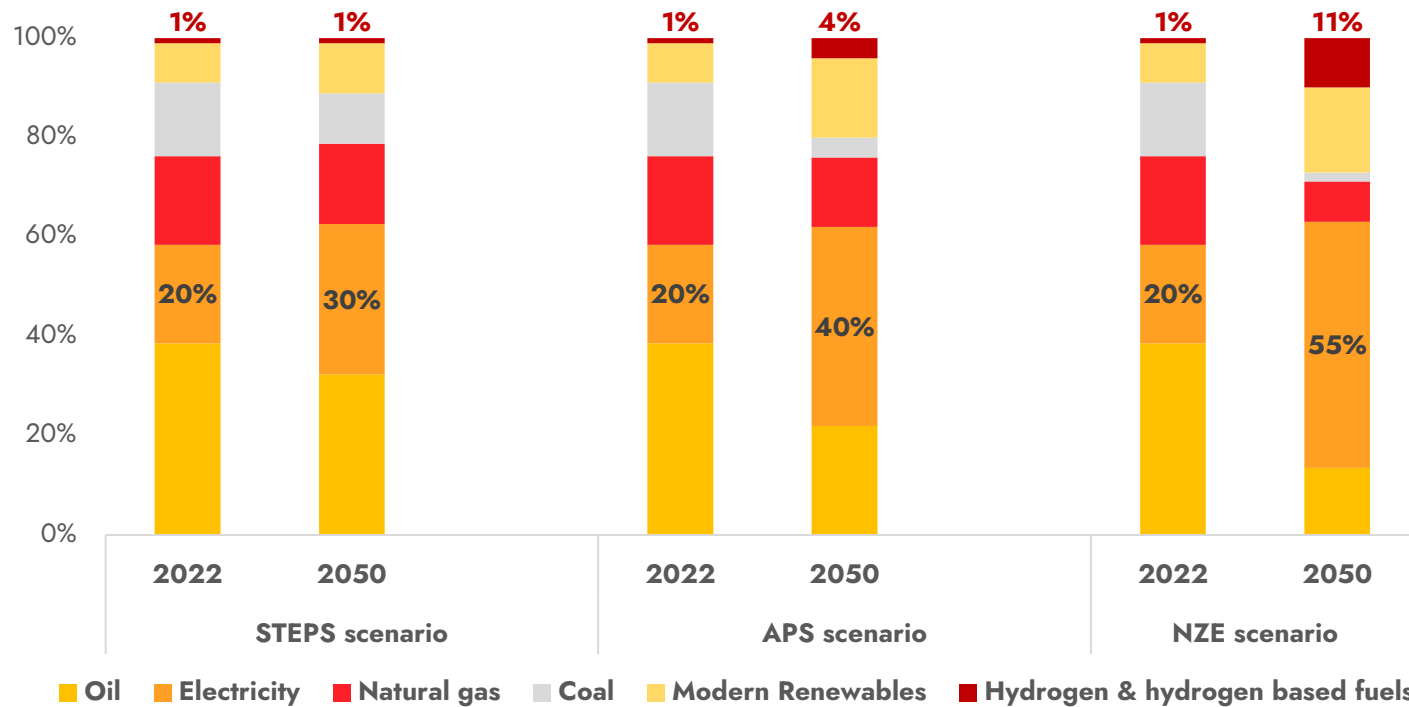
**Manufacturing,
China + 1**

The global energy mix is projected to shift towards electricity & hydrogen



Share of electricity and hydrogen in final consumption may grow to ~40% under the APS, ~55% under the NZE

Share of global total final consumption by selected fuel and scenario, 2022-2050



- Total final energy consumption (TFC) is 442 EJ in 2022
- In the STEPS, TFC rises by 1.1% per year to 2030 and then continues to rise at a slower rate through to 2050.

TFC is expected to rise by 20-25% in 2050 compared to 2022 based on STEPS scenario

Source: IEA, CRISIL MI&A

Stated Policies Scenario (STEPS): This scenario is designed to reflect the impact not just of existing policy frameworks, but also of today's stated policy plans

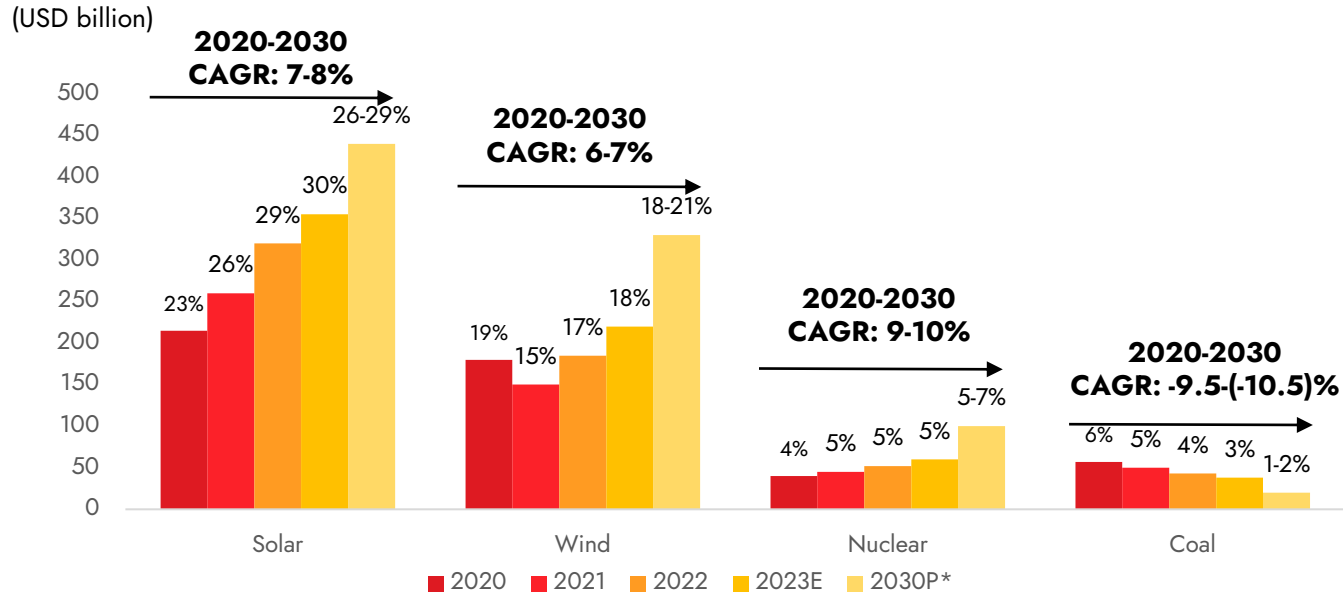
Announced Pledged Scenario (APS): The Announced Pledges Scenario (APS) assumes that all aspirational targets announced by governments are met on time and in full, including their long-term net zero and energy access goals

Net Zero Emissions by 2050 Scenario (NZE): The scenario maps out a way to achieve a 1.5 °C stabilization in the rise in global average temperatures, alongside universal access to modern energy by 2030

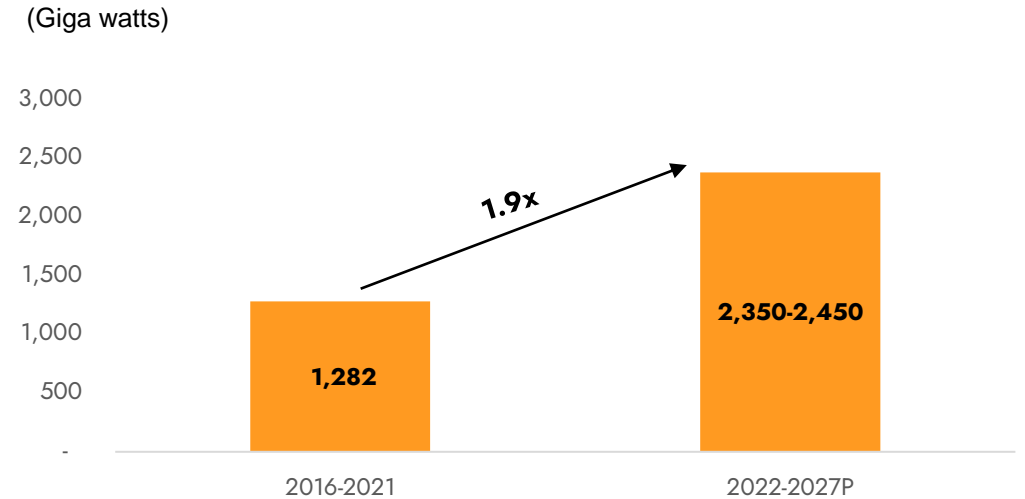
Global investments in solar, wind and nuclear power to see robust growth



Global annual investment in power generation and share in total investments by select technologies



Capacity additions in renewable power expected to post robust growth



Note: E stands for estimated, P stands for projected; Data label figures represent percentage share out of total investments in power sector for that year while the bar size represents the annual investment in USD billion as per the axis; *2030P numbers estimated based on Announced Pledged Scenario (APS); all numbers based on 2022 USD exchange rates

Source: IEA, CRISIL MI&A



Solar power generation investments' share in global power sector investments globally has increased from ~23% in 2020 to an estimated 30% in 2023. It is expected to remain in the range of 26-29% in 2030. Wind power generation investments' share has remained in the range of 15-19% over 2020-2023. It is expected to remain in the 18-21% range in 2030

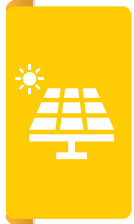


Globally, capacity additions in renewable power were ~1,300 giga watts (GW) between 2016-2021. It is expected to post a robust growth and grow by ~90% to 2,350-2,450 GW between 2022-2027



The IEA's World Energy Outlook 2023 report also states that renewables **will provide 50% of the world's electricity by 2030**

SECTOR OPPORTUNITY



- Solar Installed capacity is expected to grow by 200 GW & Wind installed capacity is expected to grow by 55 GW during 2024 to 2030 in India
- India aims 45% less carbon, 50% renewables by 2030, net-zero by 2070



- Global capacity additions in renewable power expected to be 2,350-2,450 GW between 2022-2027
- Globally, renewable energy share to increase from 28% in 2021 to 38% in 2027 curbing coal, gas, stabilizing emissions, lowering CO2 intensity



- Extensive transmission and cable infrastructure to transmit power from remote generation sites to consumption centres
- Concentration of expansion happening simultaneously in G20 countries

APAR ADVANTAGE

- One of the key players in the domestic renewable cables segment
- Our range meets required global standards including as applicable **EN, IEC & UL standards.**



- **Approvals in place with Global Wind turbine manufacturers**

- One of the leading exporters of cables and conductors from India in FY23



- We have products serving renewable energy infrastructure from generation, transformation, transmission and distribution



Renewables – Opportunity for all business verticals



APAR manufactures

Renewable Power Generation

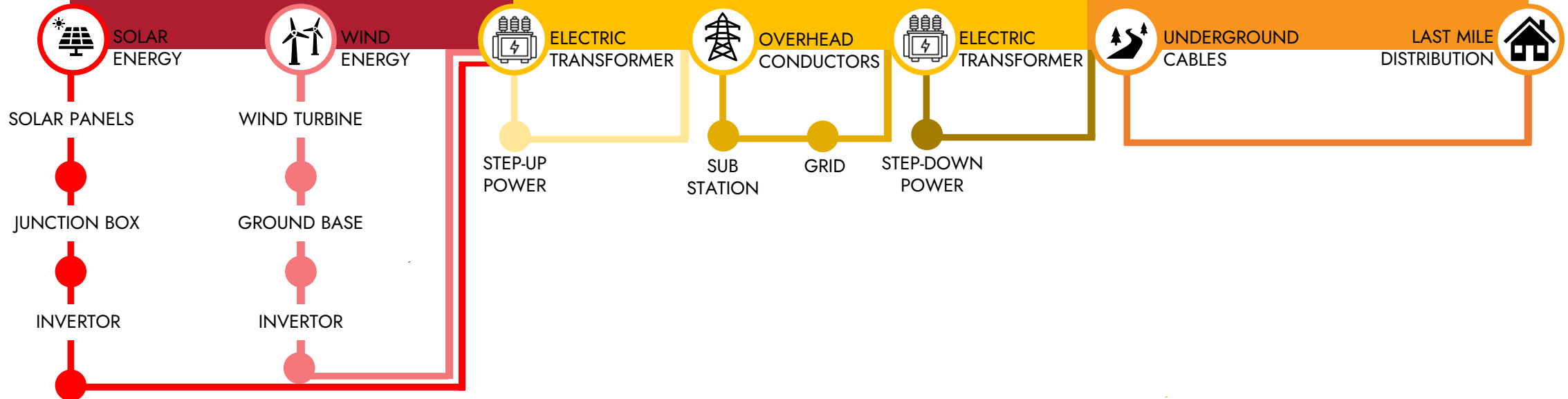
String Cables, Low Voltage Cables, Nacelle Wiring, Torsion Cables, Tower Cables, Control Cables, Earthing Cables, Fire Resistance OFC Cable, LAN Cable

Power Transmission (Sub Station/Grid)

Transformer Oil, CTC Conductors PICC Conductors, T&D Traditional Overhead Conductors, T&D New generation Overhead Conductors, OPGW, ADSS Cables, Turnkey Solutions, Medium Voltage Covered Conductors

Power Distribution

Application based Cables and Wires, Light Duty Cables, FTTX Cables, ADSS Cables



SECTOR OPPORTUNITY

- Infrastructure investments in Indian railways, Metros and High-speed rail to grow exponentially

- India's domestic market for electric vehicles (EVs) is expected to grow at a CAGR of 49% between 2022 and 2030
- India had 5,254 public electric vehicle (EV) charging stations, to cater to a total of 20.65 lakh EVs ¹
- These are all highly cable intensive expansions.

APAR ADVANTAGE

- Supply of locomotive coaches, forward integration into harness. One of the key suppliers of cables for **Vande Bharat trains**
- One of the key suppliers of conductors for **Indian railway electrification** & development of new product for Bullet trains
- E-beam based auto cables and harnesses for bus manufacturers as public transport goes electric.
- **Developed indigenous manufacturing harness for EV charging**

SECTOR OPPORTUNITY

Infrastructure Growth

- Governments are allocating investments in building extensive road networks for freight transportation, ports, tunnels, airports and commercial buildings.
- There is a steady growth in personal mobility (including intercity), road freight transportation over longer distances with shorter turnaround time

Manufacturing China + 1

- Increased manufacturing opportunities in India- capacity increase, higher speed, more automation all leading to higher volume of lubricant and higher value for performance and protection of more sophisticated equipments
- Agriculture mechanization – tractors, farming equipment being driven by agriculture productivity.

APAR ADVANTAGE

- Lubricants for off road equipment for infrastructure development which includes, cranes, road construction, dredging, tunnel boring, mining equipments, etc.
- Offering specialised cables that goes into infrastructure equipment and infrastructure building.

- Full range of lubricants for industrial applications across hydraulic, compressor, metal working applications
- **Lubricant supplier** for natural gas pipelines, CNG stations, tunnel boring machines, amongst other applications
- **One of the key suppliers of lubricant for tractor manufacturers and farming equipments in India** – oil immersed brakes, universal engine and transmission oils, and other lubricants

SECTOR OPPORTUNITY



- 80,000 ckm of transmission lines added and 350,000 MVA of transformation capacity added in last 5 years in India



- As electric consumptions in urban areas goes high, needs higher ampacity transmission lines through limited ROW – HTLS conductors and reconductoring turnkey solutions
- Special conductor requirements for overseas projects



- OPGW replacing earth wires expected to create backbone for intercountry high-capacity data transmission across all transmission network
- Railway electrification and line upgradation for high speed trains

APAR ADVANTAGE



- Distributed sites for renewable energy requires application of Conductors, Cables & transformer oils in renewable generation stage, substation, transmission lines, step-up/step-down circuit



- Turnkey solutions in transforming India's transmission lines with HTLS Conductors. **Completed 150+ Power lines reconductoring projects. Supplied 35,000+KM's HTLS** and working satisfactorily. **Technology tie-up** for ACCC Conductors



- Innovative Products including:
 - Special type of solid-shaped conductor designed for export market
 - 96 Fibres OPGW Conductors - safeguarding power transmission and communication networks
 - Air expanded conductors – enhancing energy efficiency to cater to specific necessities of our US-based client
 - Dull finished conductors – bringing efficiency and sustainability together

SECTOR OPPORTUNITY

- Digital transformation evolving faster
- The average data traffic per smartphone is projected to grow from 25 GB per month in 2022 to around 54 GB per month in 2028
- 9.8 billion SIM connections by 2030 (excluding licenses cellular IoT) with 5.5 billion mobile internet users (64% penetration)
- Outlay approved of ₹1.39 lakh crore for BharatNet, the government's project for last-mile connectivity across 6.4 lakh villages in the country
- Advent of data centres & cloud computing to bring opportunities to the sector

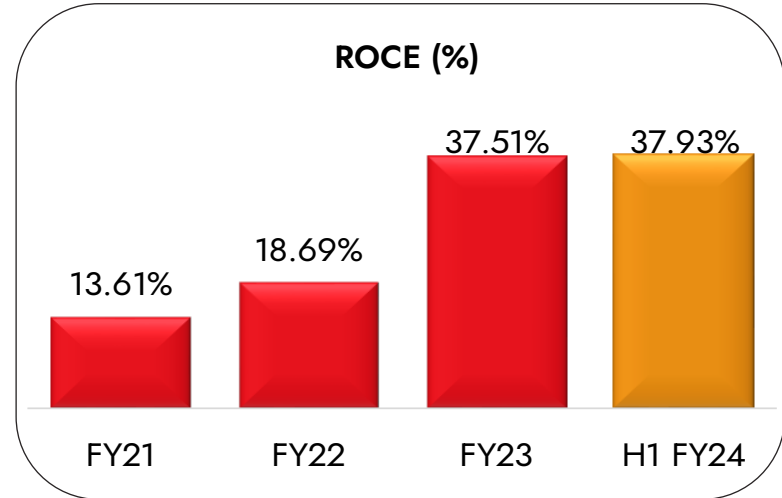
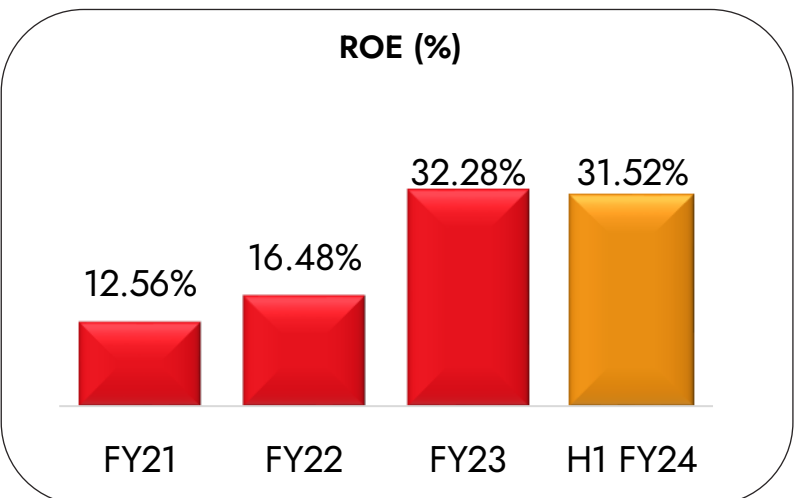
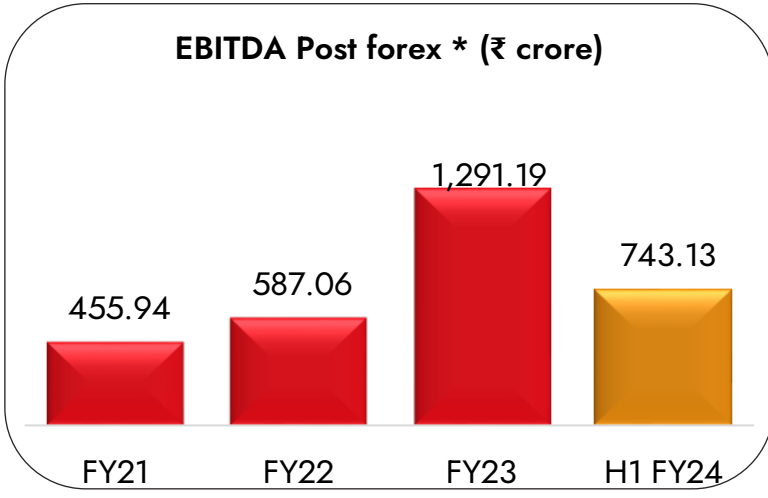
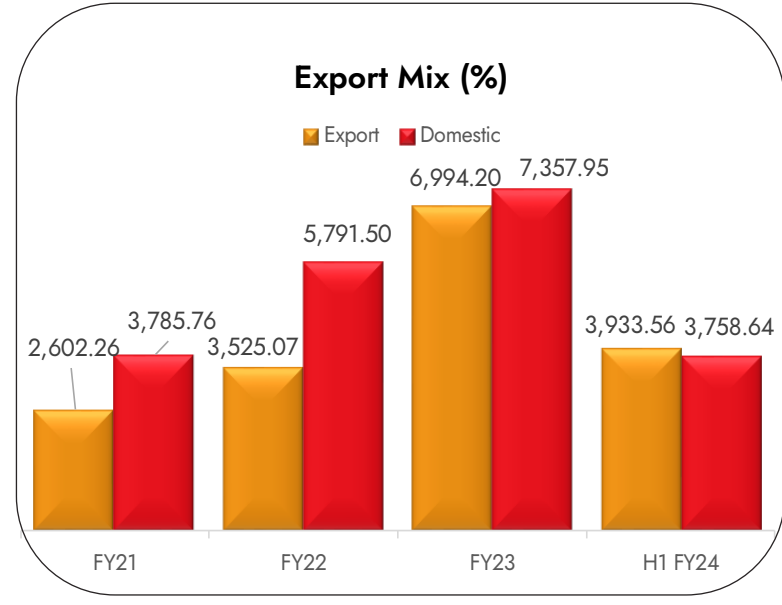
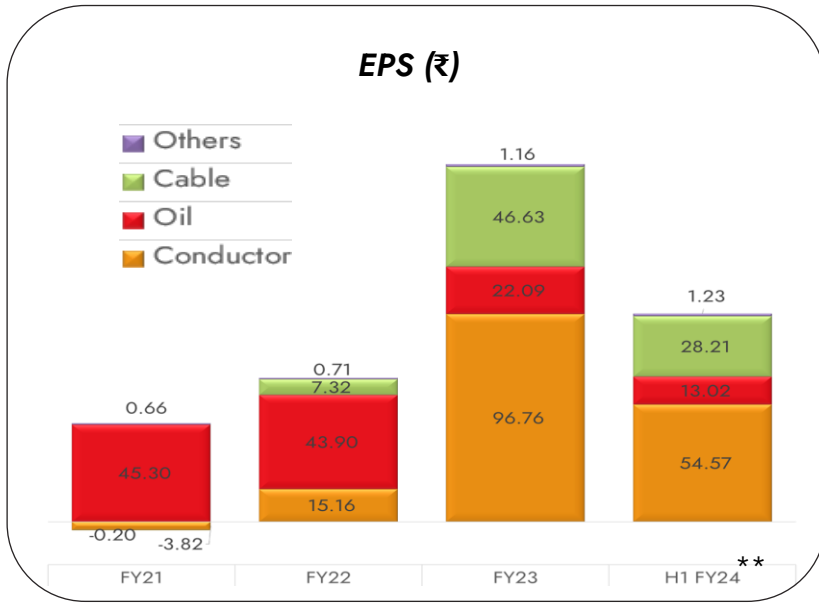
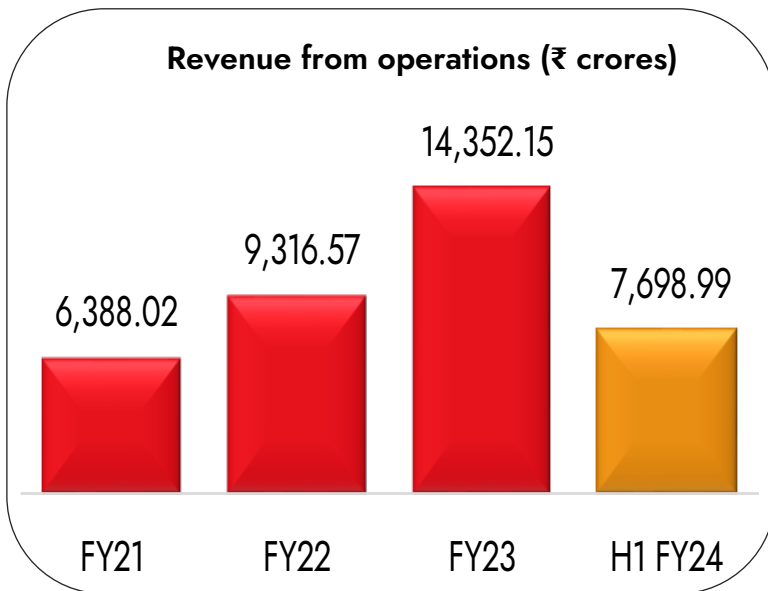
APAR ADVANTAGE

- Telecom solutions provider for **hybrid copper and fibre cables**
- Our range of product offerings include Fibre optic cables, hybrid cables, LAN cables, copper cables and OPGW conductors
- Products include cables for data centers

FINANCIALS



Financial performance over the years

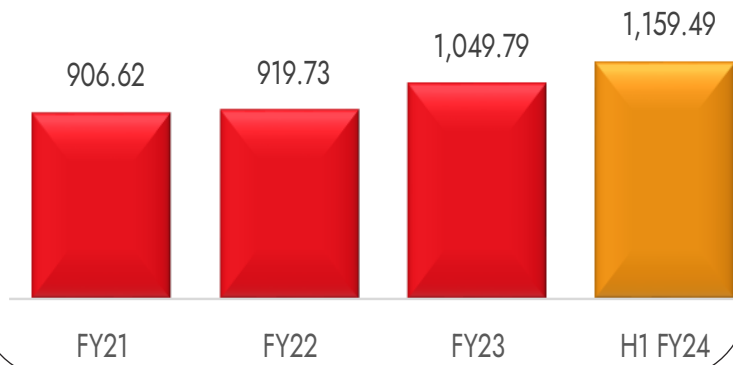


** Not annualised

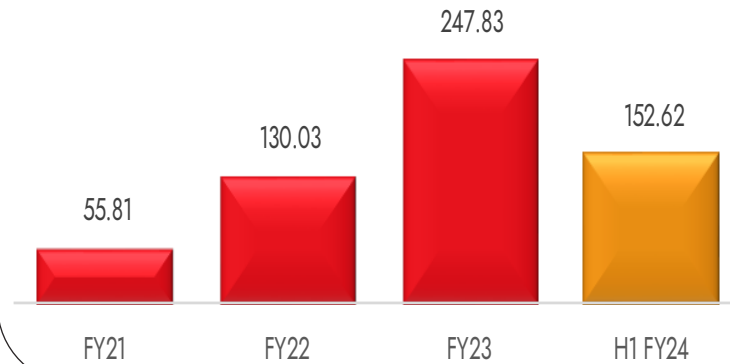
* Profit before tax + Depreciation + Finance cost – Interest income + Unallocable expense net of unallocable other income

Financial position over the years

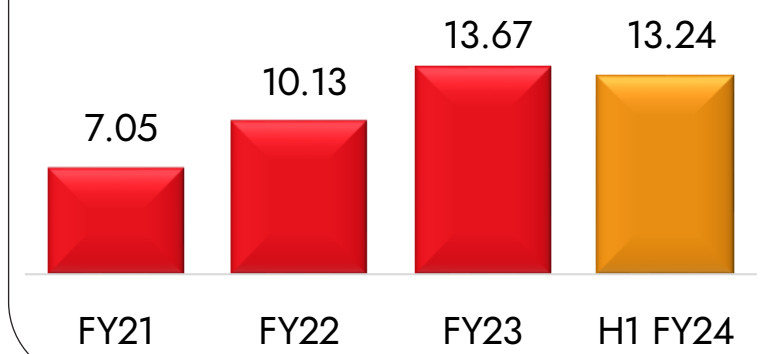
Fixed Assets (Net block) (₹ crores)



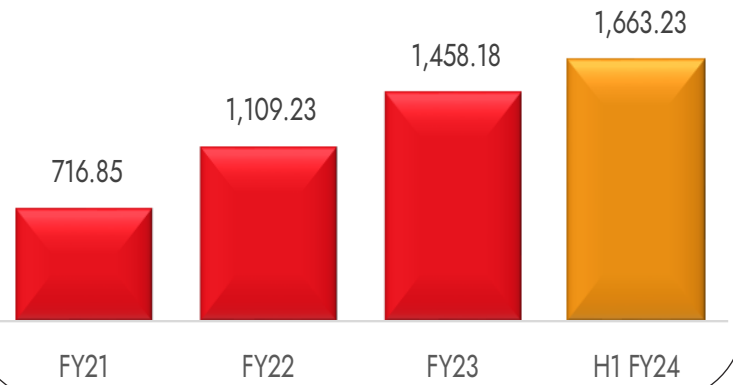
Capital Expenditure (₹ crores)



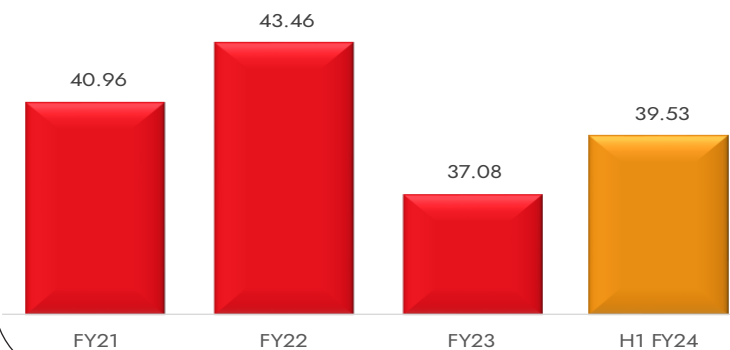
Net Fixed asset turnover



Closing Working Capital (₹ crores)



Working Capital Days ¹

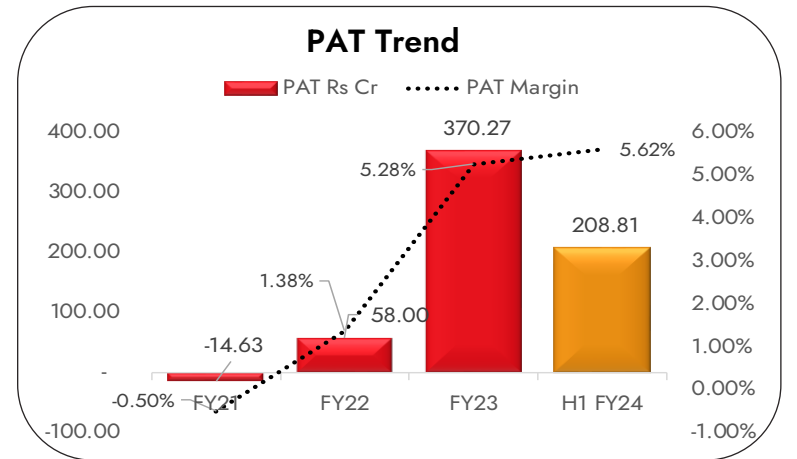
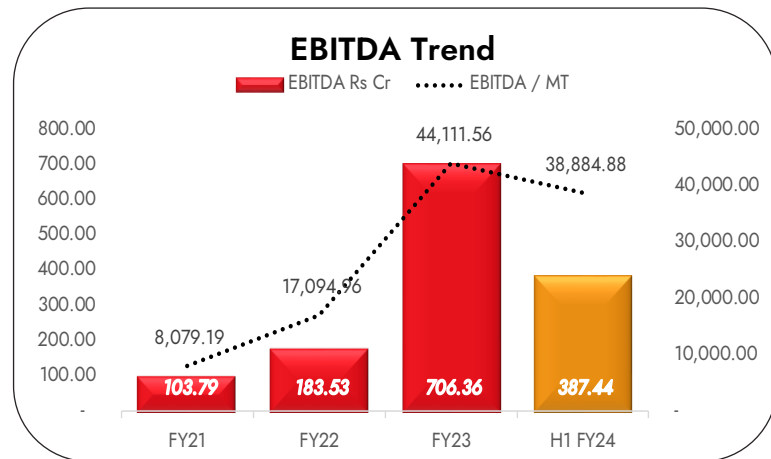
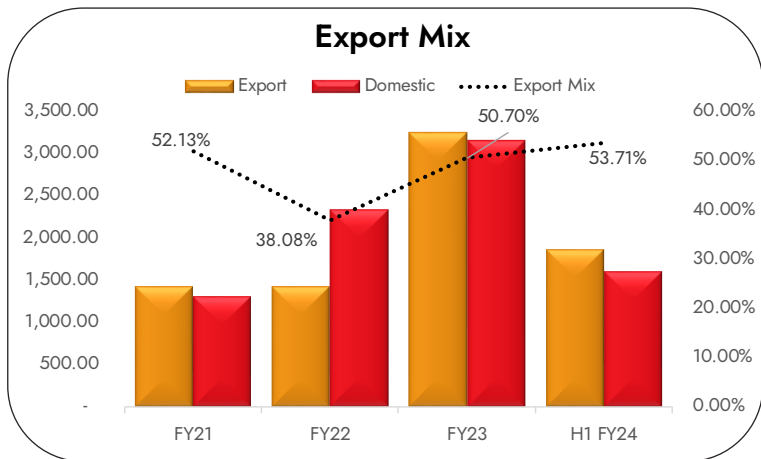
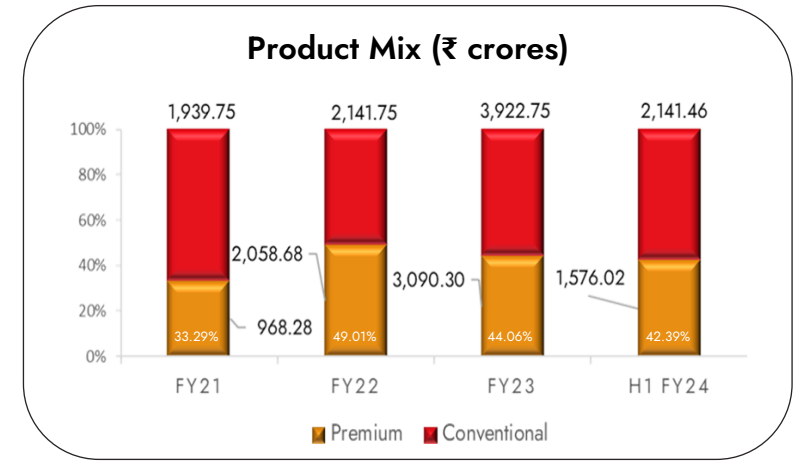
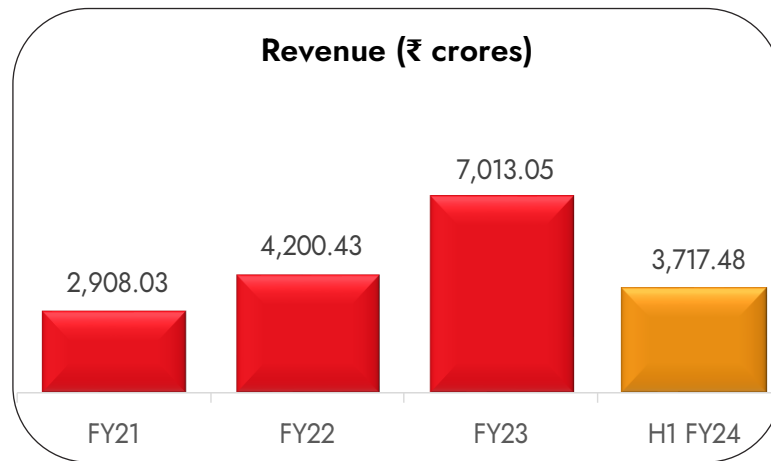
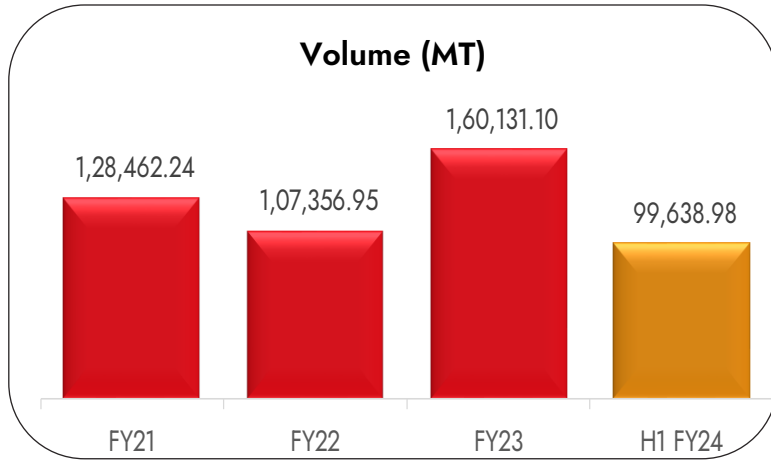


Debt /Equity



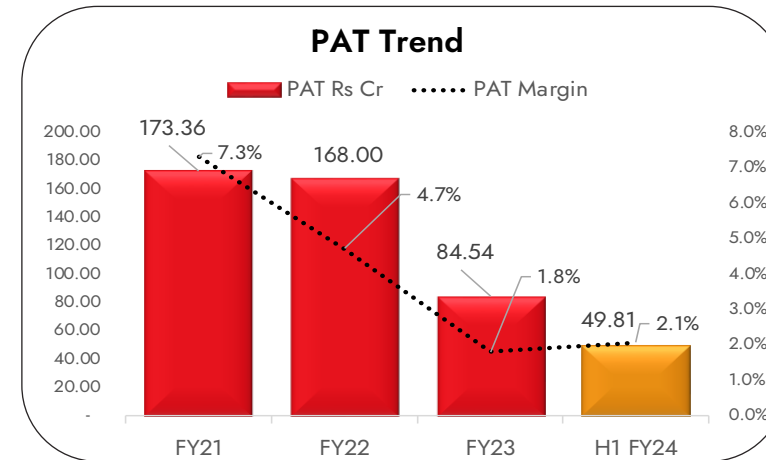
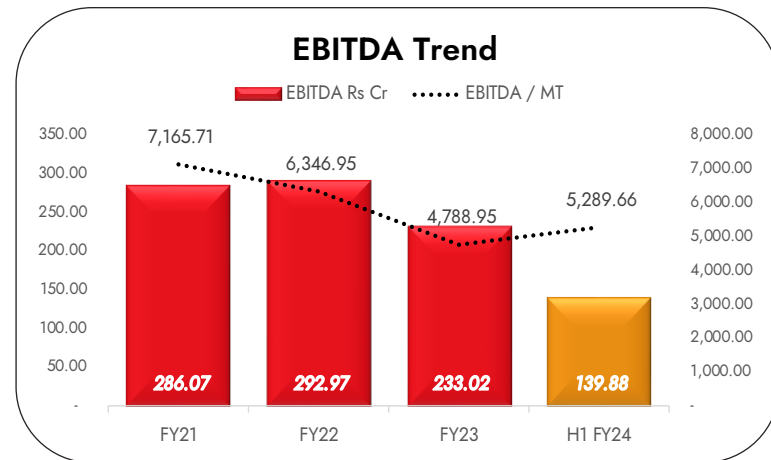
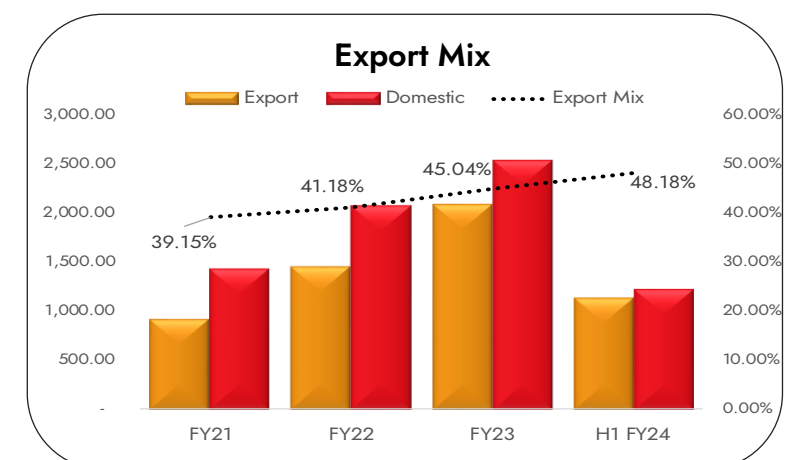
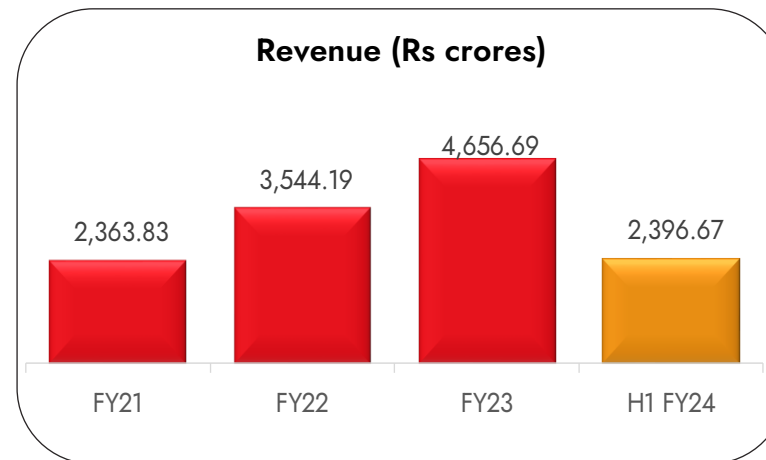
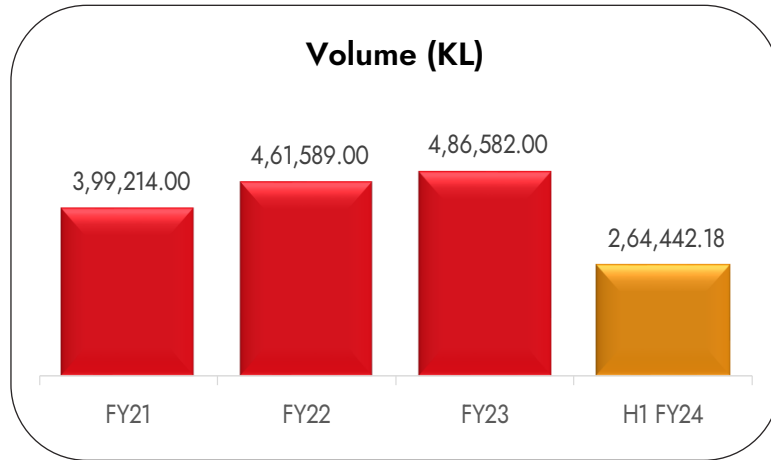
1 - Working capital days are calculated based on closing working capital as at respective period end

Segmental performance: Conductors

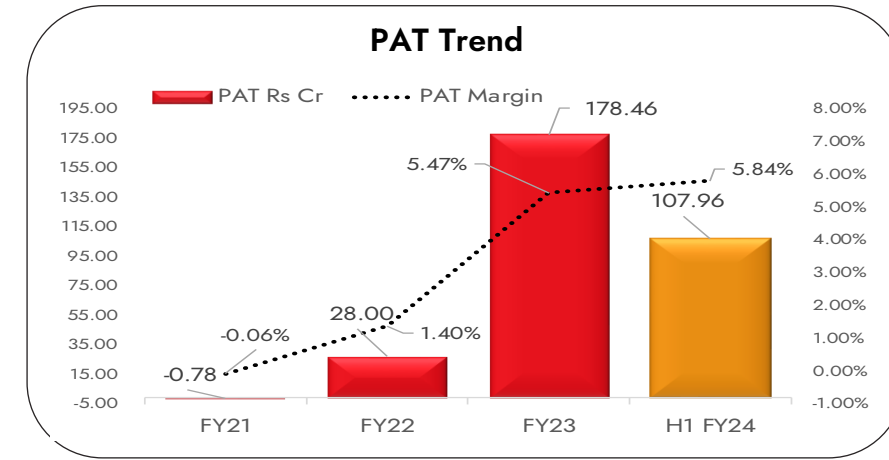
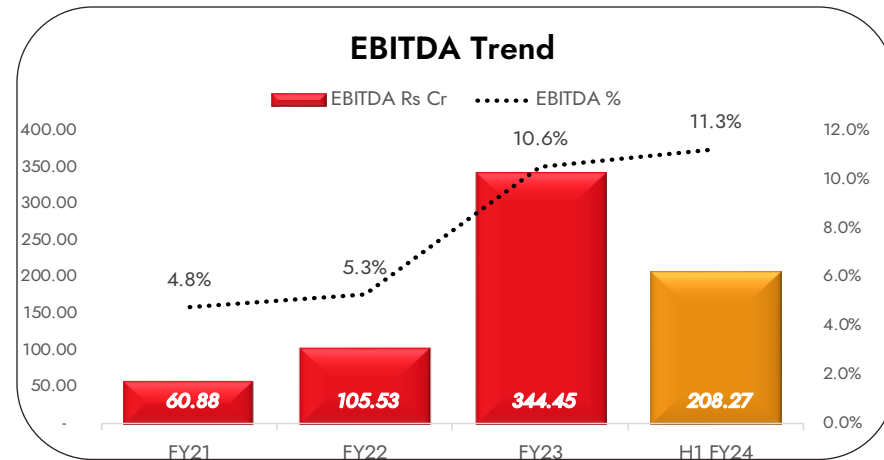
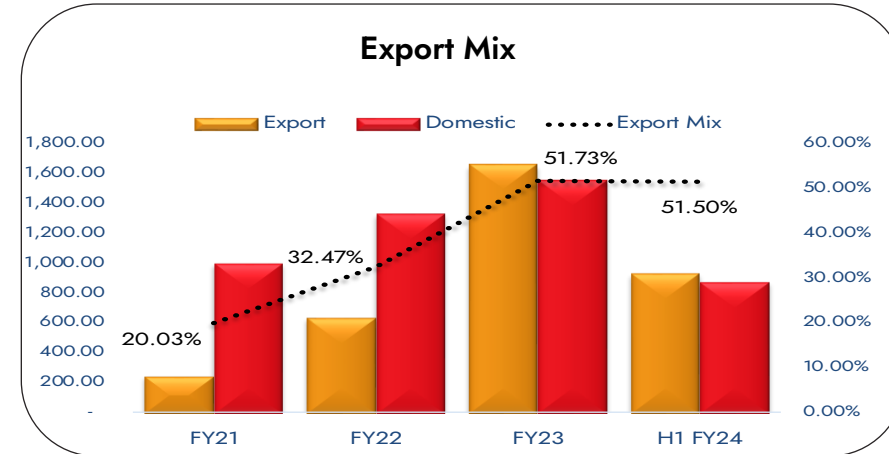
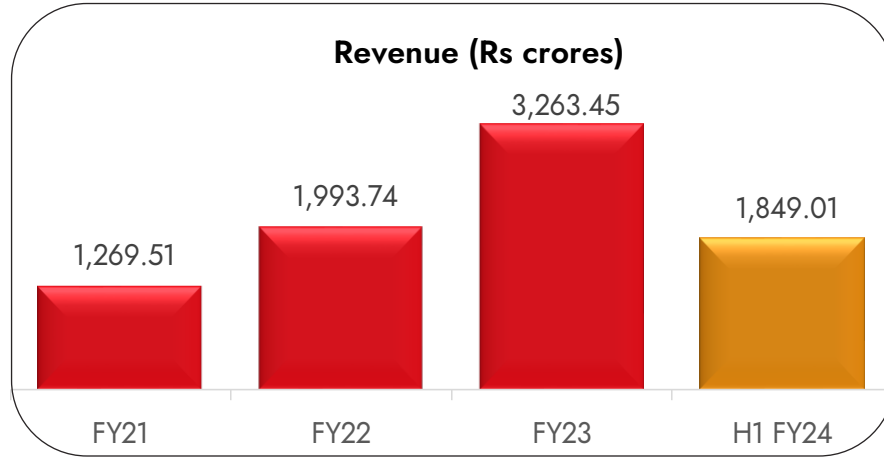


- Strategic initiative to introduce premium portfolio for the division
- FY 23 witnessed an improved profitability due to premiumisation of product portfolio and exports further aided by macro & geo-political factors

Segmental performance: Speciality Oils & Lubricants



Segmental performance: Cables



Customer Mix and Quality of Receivables for FY23

Customer mix profile – FY 23

Particulars	Range
Exports	48% - 50%
Industries/Corporate	11%-14%
Transmission companies	11%-14%
Specific industry groups	8%-10%
OEM's	6%-8%
Renewables	2%-4%
Utilities - Electricity Distribution Boards (Govt. + Pvt.)	1%-2%
EPC - Diversified customer base across other verticals	0%-1%
Others	3%-5%
Total	

- Industries/Corporates includes Cosmetics, Pharma, Rubber, Plastics, Lubricants etc.
- Specific industry groups includes Rail, Defence, Shipping, Mining, Telecom etc.
- With change in customer mix, there is limited exposure to State owned electricity distribution boards

Quality of receivables

Particulars	% of Total
Secured under various means	52.7%
Government Transmission and sector specific companies	19.5%
Others (of which 63% are with entities where APAR is having business relationship with > 3 years)	27.8%
Total	100.0%

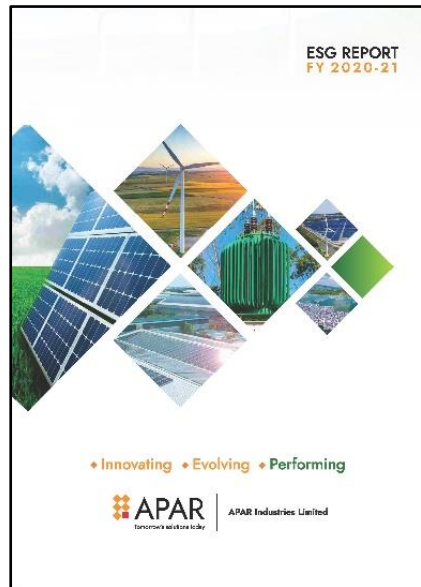
ESG



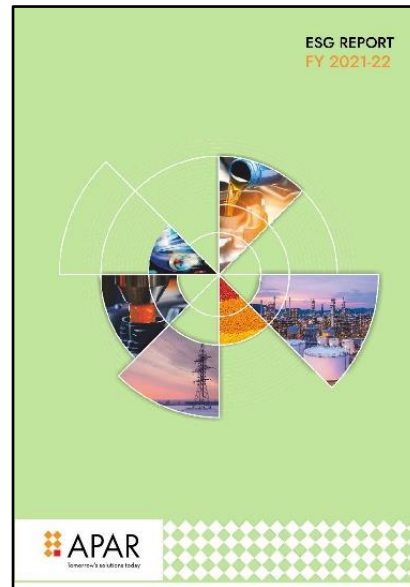
As per CRISIL Sustainability Yearbook, 2022:
RANKED 3RD AMONG INDUSTRIAL SECTOR

RELEASED THREE ESG REPORTS

FY 2020-21



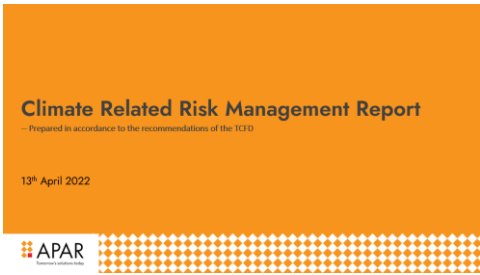
FY 2021-22



FY 2022-23




Major milestones ..



Climate Related Risk Management Report
Prepared in accordance to the recommendations of the TCFD
13th April 2022

TCFD Report

We prepared our first TCFD (Task force on Climate related Financial Disclosures) report which can be accessed through the link – <https://apar.com/tcf-report/>



CRISIL Sustainability Yearbook, 2022

- 670+ companies from 40+ sectors analysed and scored
- Disclosures improving, but there's a long way to go
- Climate risk not being sufficiently factored in

ESG rating by CRISIL

APAR's name has found a place in the CRISIL ESG rating this year. APAR scored 59, and was ranked 148th amongst top 586 companies




3rd party certification

GHG emissions (Scope-1 and Scope-2) and intensities are validated and certified by independent 3rd party assurance provider, DNV – every year



CDP disclosure

We disclose our climate related emissions to CDP (Carbon Disclosure Projects). APAR was awarded a score of 'B' in Dec 2022 by CDP.



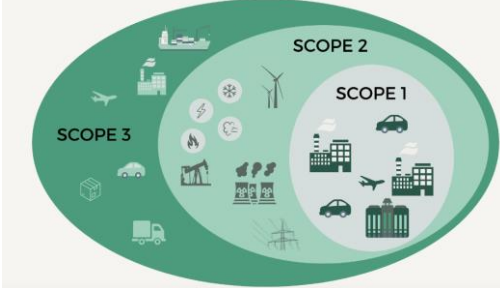
Disclosure to EcoVadis

Sustainability related disclosure is done at EcoVadis which is a renowned evidence-based online platform, providing supplier sustainability ratings and allowing companies to assess the ESG performance of their global suppliers.



Wind-Solar hybrid plant

Commissioned Wind-Solar hybrid (3.30 MW wind-turbine and 2.80 MWp of solar energy) project in partnership with a leading supplier. This project is expected save 10,000 tCO₂e GHG emission per year.



Scope - 1,2,3 GHG emission

Internal capacity building and computation of GHG emissions. Scope-3 emission computed for the relevant categories for the first time.

- CRISIL had started ESG rating of top listed Indian companies since 2021. First such rating was done last year, and the report was released in June 2021.
- 2nd such rating was done in 2022 for 586 top Indian companies, and report was released on 19th May 2022
- APAR's name has found a place in the CRISIL ESG rating in 2022.
- The rating was done as per the documents available (ESG report and other documents) in the public domain.

APAR's ESG Score

59



Environment

56

Social

48

Governance

68

Ranking in Industrial segment

#3

Scoring band :

Leadership : > 70

Strong : 61-70

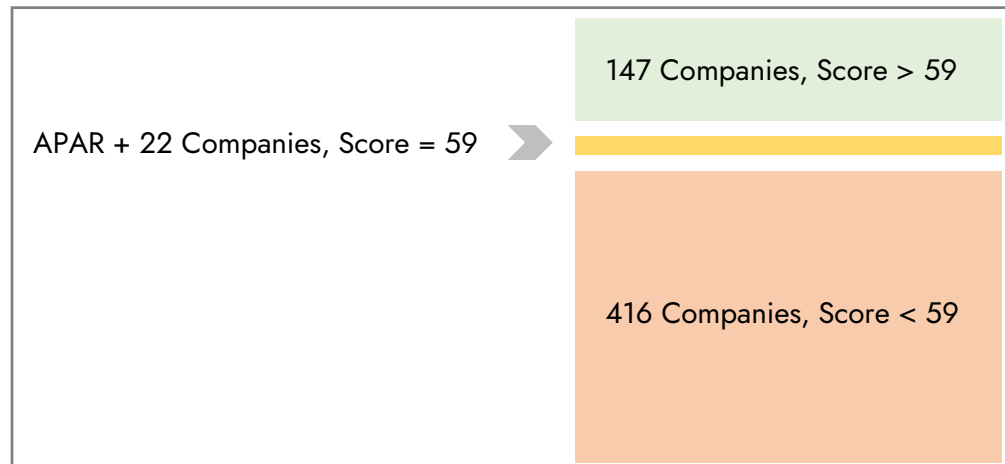
Adequate : 46-60

Below average : 30-45

Weak : < 30

APAR is at the upper end of 'Adequate' level

APAR was ranked 148th amongst top 586 companies



In 'Industrial' segment, there were 42 companies, and APAR was ranked no. 3



Thank You

ANNEXURES



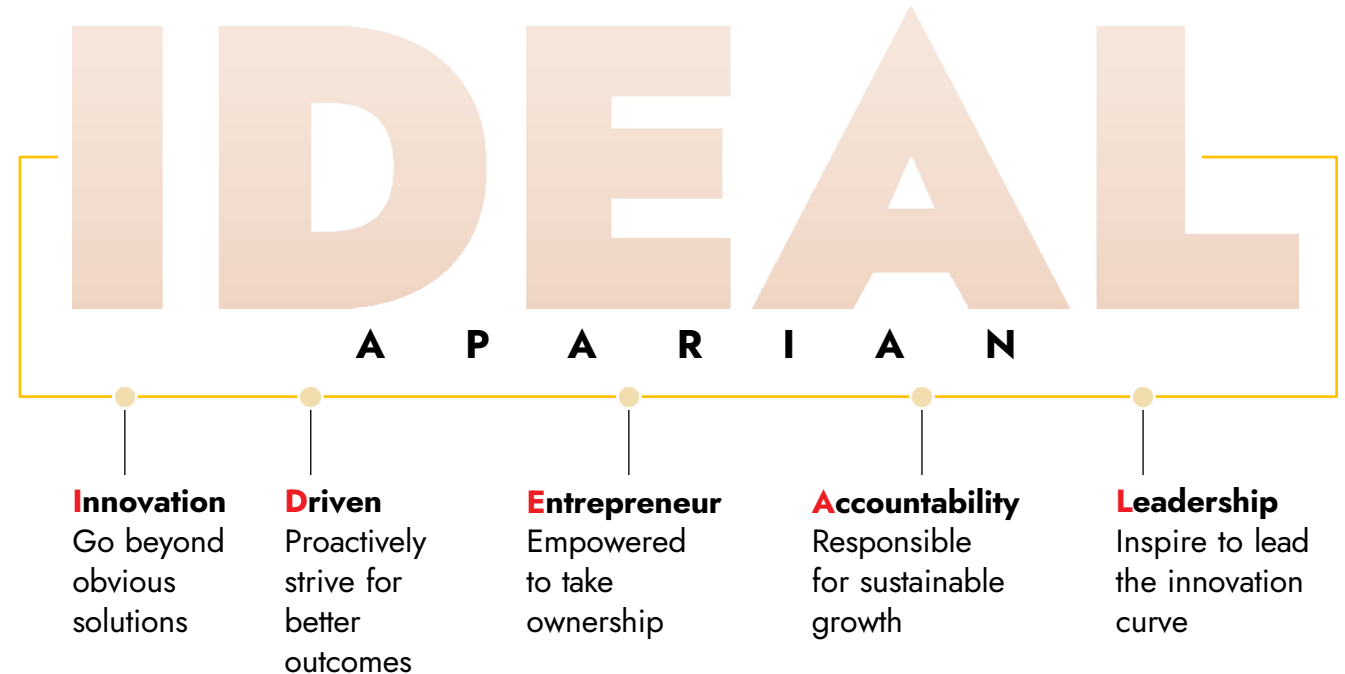
Our Mission (Why we exist):

To design & manufacture Building Blocks for Energy Infrastructure, Transportation & Telecommunication Sectors that contribute meaningfully to make this world a more **energy efficient**, **environmentally sustainable** and **safer place**.

Our Vision (Where are we going):

To be a Global Leader in the Energy Infrastructure, Transportation & Telecommunication Sectors by providing the best solutions & value creation for our stakeholders.

Our Values:



What has played well for us

Premiumisation

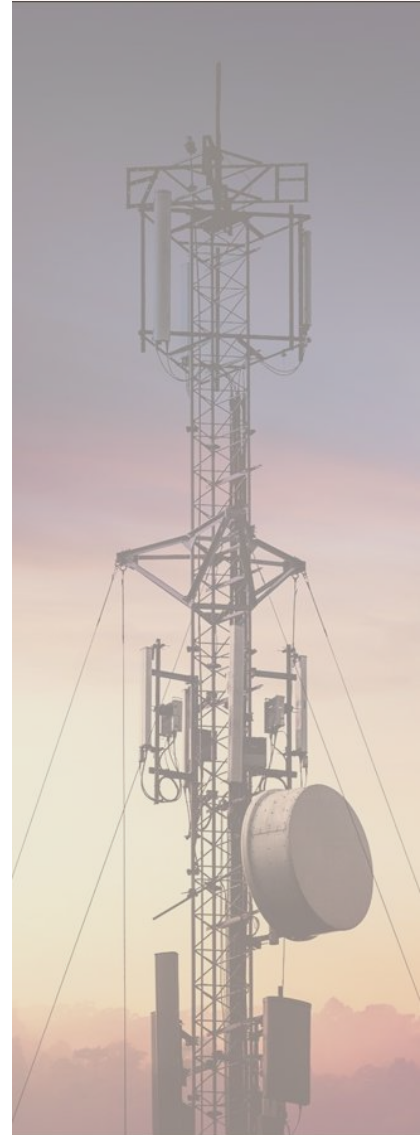
- Shift from conventional conductors to High efficiency conductors. Premium products in Indian market and standard products in premium market leading to optimized margins
- EPC turnkey solutions for reconductoring High transmission low sag conductors
- Improving mix of naphthenic and special grades of oil leading to higher margins
- Increase in mix of elastomeric and special application cables used in varied industries viz., Solar, Wind, Shipping, Mining, Defence, Railways etc.

Globalisation

- Expanding into global markets with exports contributing 48.7% of topline in FY 23 across all divisions both individually and collectively
- Synergy across divisions for common customers of conductor, cables and transformer oils
- Engaged with global utilities, EPC contractors and OEMs increasing the export footprint

Innovation & Robustness – solving customer's problems

- Transformer oil manufacturer and supplier upto 800kV applications
- High performance biodegradable renewable transformer oil launched with extended life
- E-Beam for housewires – “Apar Anushakti” has more current carrying capacity, melt resistant and can withstand high temperature
- Special FRP Fibre Optic cable for critical infrastructure projects



Exports mix in total conductor division – 50.7% in FY 23

Premium products

- Technology & know-how involved in product and design, acting as a barrier to entry for competition
- Special stringing mechanism with sophisticated equipment to protect the carbon composite core inside
- Customers look at life-cycle costs and lowering the transmission losses thereby requiring pre-specifications for their purchases
- Solution-oriented ecosystem of trained manpower, gangs required to get complex work done with no/minimal power outages

Conventional products (exports)

- Customers criteria being massive capacity delivering large volumes within a short period of time with quality & reliability.
- Customers preferring parties they can depend upon including ability to have a risk management framework.
- Tight audit requirements, documentation & transparency making some of the weak players ineligible.



Channel presence in our Light Duty Cable business

Particulars	September 2023
Distributor presence	223
Retail count presence	3,371
Active State presence	18
<u>Product awareness initiatives for H1 FY23</u>	
Demos	31,616
Electrician Meets	2,984

Consolidated: Cash Flows (Rs crores)

Particulars	FY 2021	FY 2022	FY 2023	H1 FY2024
Profit before Tax	208.27	341.88	854.58	500.46
Non-cash adjustments / other adjustments	188.46	206.71	339.04	181.61
Movement in Working capital	(73.21)	(305.19)	(495.28)	(442.50)
Cash flows from operating activities	323.52	243.75	698.34	239.57
Cash flows from investing activities	(110.52)	(90.61)	(268.94)	(99.72)
Cash flows from financing activities	(167.05)	(69.99)	(126.7)	(78.28)
Dividend paid	(0.12)	(36.36)	(57.36)	(152.82)
Net increase/ (decrease) in cash	45.83	46.79	245.34	(91.25)

Customer / Credit Risk Management:

- Structured process of evaluating customer & end customer background.
- Defined practices for setting up of credit limits.
- Process for securing credit thru various means.
- In-house business-legal teams within the divisions to understand and align contractual terms and conditions.

Metal Hedging Risk Management:

- Well-established principles for hedging of Aluminium and Copper.
- Prompt hedging of metals based on pricing formula.
- Process ensures gain/loss of metals is appropriately passed on to customers.

Forex & Interest rate Risk Management:

- Defined methodologies to hedge forex based on natural hedges and forward covers.
- Tight monitoring on working capital to minimise interest outgo.
- Forex related costs & working capital interest forms an integral part of customer pricing ensuring complete costs pass through



Environment: Carbon Footprint

Our **organisational boundary** covers all our manufacturing plants, offices, go-downs, and all such emission sources under our **operational control**.

Our manufacturing plants in India

- Gujarat : Khatalwada & Umbergam
- Maharashtra : Rabale
- Orissa : Jharsuguda & Lapanga (Sambalpur)
- Dadra and Nagar Haveli : Silvassa & Athola

Our manufacturing plant in UAE

- Sharjah : Hamriyah

Operational Boundary

Scope-1: Direct emissions

Direct GHG emissions come from sources that the APAR owns or controls. It includes emissions due to the use of Diesel, Furnace Oil (used at 3 of our 4 conductor plants), LPG, PNG & Refrigerant etc. Diesel is mainly used in the forklift for material handling, for DG sets, and for company owned vehicles. Refrigeration gases are used for the air conditioning purpose.

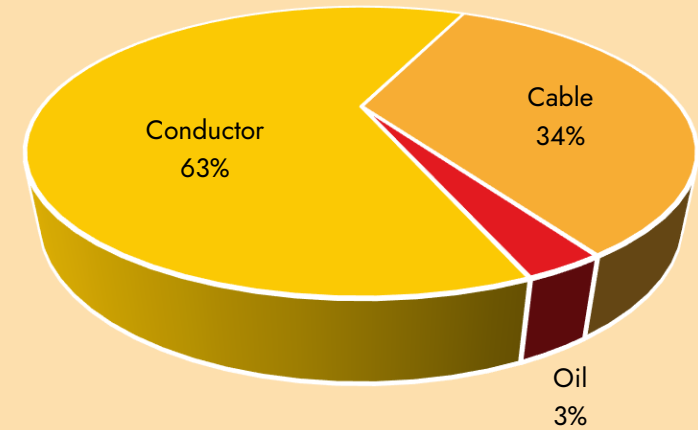
Scope-2: Emissions from purchased electricity

APAR is using the location-based method for Scope-2 emission computation. It reveals what we are physically putting (actual consumption of electricity) into the air.

104,928 tCO₂e

was the GHG emission
@ APAR
during FY 2022-23
(Scope 1 + Scope 2)

Business wise GHG emission in FY 2022-23



Scope wise GHG emission in FY 2022-23

