

# 20 MICRONS<sup>®</sup>

## L I M I T E D

Regd. Office :- 9/10, GIDC Industrial Estate, Waghodia - 391760, Dist. Vadodara, Gujarat, India.  
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CIN : L99999GJ1987PLC009768

26<sup>th</sup> July, 2021

To :

**BOMBAY STOCK EXCHANGE  
LIMITED**

Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
**MUMBAI - 400 001.**  
**SCRIP CODE : 533022**

**NATIONAL STOCK EXCHANGE OF  
INDIA LIMITED**

Listing Department  
Exchange Plaza, Bandra - Kurla  
Complex, Bandra [East],  
**MUMBAI - 400 051.**  
**SCRIP CODE : 20MICRONS**

Dear Sirs,

**Re : Press Release - Q4 & 12M FY21 Earnings Update.**

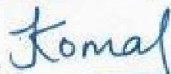
In continuation of our letter dated 28.06.2021, we are sending herewith Press Release - Q4 & 12M FY21 Earnings Update - on the Audited Financial Results of the Company for the Quarter/Year ended 31.03.2021.

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

Thanking you,

Yours faithfully  
20 Microns Limited

For 20 Microns Limited



(Komal Pandey)  
Company Secretary

[Komal Pandey]  
Company Secretary

Encl. : as above.

# 20 MICRONS L I M I T E D

CIN: L99999GJ1987PLC009768

Head Office: 9/10, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara, Gujarat, India

## Q4 & 12M FY21 – Earning Updates

### FOR Q4 FY 2021

Revenues at Rs. 141.88 Crore, up by 9.3% Y-o-Y

EBIDTA at Rs. 18.37 Crore, higher by 35.4% Y-o-Y

PAT at Rs 8.15 Crore, Higher by 144.8% Y-o-Y

**Vadodara, 26<sup>th</sup> July, 2021:** 20 Microns Limited, is India's Leading Producer of Ultrafine Industrial Minerals & Specialty Chemicals has announced its 4<sup>rd</sup> Quarter and Year ended earning updates of FY2021:

### Financial Statement Highlights for Q4 of FY21 v/s Q4 of FY20

Rs Crore	Q4		Y-oY
	FY2021	FY2020	Growth %)
<b>Revenue</b>	<b>141.88</b>	<b>129.83</b>	<b>9.3%</b>
<i>EBIDTA</i>	<i>18.37</i>	<i>13.57</i>	<b>35.4%</b>
<i>EBIDTA Margin (%)</i>	<i>12.95%</i>	<i>10.45%</i>	
<i>PBT</i>	<i>10.91</i>	<i>4.47</i>	<b>143.9%</b>
<i>PBT Margin (%)</i>	<i>7.69%</i>	<i>3.44%</i>	
<i>Profit After Tax (PAT)</i>	<i>8.15</i>	<i>3.33</i>	<b>144.8%</b>
<i>PAT Margin (%)</i>	<i>5.74%</i>	<i>2.56%</i>	
<i>Basic EPS</i>	<i>2.31</i>	<i>0.89</i>	<b>159.8%</b>

### Financial Performance Comparison – Q4 FY20 v/s Q4 FY21

- Revenue grew by 9.3% to 141.88 crores in Q4 FY21 owing to higher contribution from Key product.
- EBIDTA Was at Rs 18.37 Cr higher by 35.4% and EBIDTA% are higher by 250 bps to 12.95% led by favorable pricing environment, higher plant efficiency and operating leverage. PBT Was at Rs 10.91 Crore in Q4 FY21 higher by 143.9%.
- PAT was Rs. 8.15 Crore in Q4 FY21 higher by 144.8% attributable to revenue growth and improved operational and financial efficiency.
- Consolidate EPS for Q4 FY21 is Rs. 2.31 (face value of Rs 5) as compared to Rs. 0.89 in Q4 FY20.



### Consolidated Financial Statement Highlights for FY21 v/s FY20

Rs Crore	Full Year		Y-oY
	FY2021	FY2020	Growth %
<b>Total Revenue</b>	<b>486.08</b>	<b>531.98</b>	<b>-8.6%</b>
EBIDTA	61.02	68.60	
Add:			
Recompense charges	7.33	1.00	
Detention & Demurrage	6.52	-	
<b>Adjusted EBIDTA</b>	<b>74.87</b>	<b>69.60</b>	<b>7.6%</b>
<b>Adj. EBIDTA Margin (%)</b>	<b>15.4%</b>	<b>13.1%</b>	
PBT	21.76	34.55	
<b>Adjusted PBT</b>	<b>35.61</b>	<b>35.55</b>	<b>0.2%</b>
<b>Adj. PBT Margin (%)</b>	<b>7.3%</b>	<b>6.7%</b>	
Profit After Tax (PAT)	23.01	24.18	
<b>Adjusted PAT</b>	<b>33.37</b>	<b>24.92</b>	<b>133.9%</b>
<b>Adjusted PAT (%)</b>	<b>6.9%</b>	<b>4.7%</b>	
<b>Basic EPS</b>	<b>6.51</b>	<b>6.83</b>	

(For fair analysis and assessment, adjusted EBIDTA and Adjusted PBT are calculated after adding back (1) Recompense charges paid to bank being classified under Finance cost of Rs. 7.33 Crore for FY21 and Rs. 1.00 Crore for FY20. (2) Detention & Demurrage Charges being classified under Other Cost of Rs. 6.52 Crore for FY21 and Rs. NIL for FY20. Similar calculations have been done for adjusted PAT after considering impact of Taxes.

#### Recompense Charges

A Right to Recompense is a tool by which banks, that take large haircuts on the debts for stressed assets during resolution, can recover the sacrifice they make in due course of time. Refer commercial updates FY21 )

#### Detention & Demurrage charges:

Due to sudden announcement of lockdown by Indian government in first Quarter of FY2021 on account of Covid 19 pandemic, all cargo / containers movement were stalled and the cargo/container was either in transit or at various ports. This resulted in the huge accumulation of Cargo/containers at the port, consequently there were many challenges with respect to material handling and logistics which delayed the delivery to the destination plant within the stipulated free time period on account of zero labor availability at terminal, labor disputes, extreme weather conditions, or other force majeure situations adding to the existing disrupters preventing receipt or delivery of cargo/containers within stipulated time frame and hence resultant into Detention/demurrage charges.

### Financial Performance Comparison – FY21 v/s FY20

- Revenue recorded a decline by 8.6% from 531.98 Crore in FY20 to Rs 486.08 Crore in FY21 owing to lower production & Disruptions in supply chain and restrictions imposed due to pandemic and national lockdown in Q1 FY2021
- Adjusted EBIDTA Margin has increased by 232 bps from 13.08% in FY20 to 15.40% in FY21.
- Adjusted PBT stood at Rs 35.61 Crore in FY21 compare to Rs. 35.55 Crore in FY20.
- Adjusted PAT stood at Rs 33.37 Crore in FY21 Compare to Rs. 24.92 Cr in FY20 Recorded an absolute increase of 133.9%

### Standalone Financial Statement Highlights for FY21 v/s FY20

Rs Crore	Q4		Full Year	
	FY2021	FY1920	FY2021	FY1920
Revenue	128.51	118.05	437.95	497.67
EBIDTA	16.63	15.15	56.07	66.44
EBIDTA %	13%	13%	13%	13%
PBT	10.24	6.83	20.78	35.14
PBT %	8%	6%	5%	7%
PAT	7.94	5.24	22.45	24.97
PAT %	6%	4%	5%	5%
EPS	2.25	1.48	6.36	7.08

### Cash Flow highlights

Rs Crore	FY21	FY20
Cash flow from operation ( NET)	56.45	40.25
Free Cash flow to Firm	47.08	27.36

### Standalone Financial Statement Highlights for FY21 v/s FY20 After Adjustment

Rs Crore	Full Year	
	FY2021	FY1920
Revenue	437.95	497.67
Adj.EBIDTA	69.40	67.44
%	16%	14%
Adj.PBT	34.11	36.14
%	8%	7%
Adj.PAT	32.43	25.71
%	7%	5%
EPS	6.36	7.08

(for a better assessment, adjusted EBIDTA and Adjusted PBT are calculated after adding back (1) Re-compense charges paid to bank being classified under Finance cost of Rs 7.33 Crore for FY21 and Rs 1.00 Crore for FY20. (2) Detention & Demurrage Charges being classified under Other Cost of Rs 6.00 Crore for FY21 and Rs NIL for FY20. Similar calculations have been done for adjusted PAT after considering impact of Taxes. )



### Commercial Updates FY21

1. Credit facilities consisting of short and long-term borrowings of the company were restructured on 1.4.2014 by consortium of lender banks. The company during FY 2020-21 has fulfilled its repayment obligation much ahead of its original schedule with both the banks. The Company has also successfully negotiated its exit from the Debt Restructured account status with SBI, as lead banker. Company has successfully negotiated, and paid recompense amount of **₹ 7.00 Crore** to SBI. Amount has been charged to Finance cost and this payment is onetime and non-recurring in nature. Similar exercise is on with second bank in consortium (IDBI Bank) and shall be settled soon likewise, during the year FY22. Company has paid lump sum amount of **Rs 0.33 Crore** to IDBI during year. This will have a positive impact on credit rating of the company and its ability to borrow at lower rate.
2. CRISIL has upgraded the long-term rating on bank facilities of 20ML from **BBB-** to **BBB**. The outlook on Long-term rating has been reaffirmed to Stable
3. Despite Challenging year, there has been substantial Reduction in net Debt Position. Net debt stood at **Rs 81.74** in FY21 compare to **Rs. 103.89** Crore in FY20. An absolute reduction of **Rs 22.15** Crore

### Debt Profile

Rs. Crore	FY2021	FY2020	Change
Long term debt	21.78	36.35	
Short term debt	66.59	75.04	
<b>Total Debt</b>	<b>88.37</b>	<b>111.39</b>	<b>-23.02</b>
Cash & Cash Equivalents	6.63	7.5	
<b>Net Debt</b>	<b>81.74</b>	<b>103.89</b>	<b>-22.15</b>
<b>Total Equity</b>	<b>199.1</b>	<b>173.41</b>	
<b>Net Debt/Equity</b>	<b>0.41</b>	<b>0.60</b>	

- Net Debt stood at Rs 81.74 Crore in FY21 Compare to Rs.103.89 Cr in FY20. Recorded a decrease of Rs 22.15 Cr
- Debt to Equity Ratio has reduced by 0.19 from 0.60 in FY20 to 0.41 in FY21.

### Management Comments

**Commenting on the performance of Q4 FY21, Mr. Atil Parikh, CEO & Managing Director, 20 Microns Ltd. said,** we have fared reasonably better and our financial and business performance for Q4 & 12M FY21 are quite in line with our expectations despite a year of severe challenges, our consolidated revenues for the year were reported & **Rs.486.08** crore registering a mild degrowth **-8.6%** YoY despite of the pandemic situation glooming globally and consequent economic recession, our PAT was for the year was reported at **Rs. 23.01** crores.

We had a subsequent good recovery in Q4FY21 and posted strong performances for Q4 at Rs. 142 crores registering a growth of 9.3% predominantly driven by change in product mix and contribution from higher-value products. We have managed to achieve good growth across all business segments during the FY21 and

Q4 & FY21 Earning Updates



on YoY basis our EBITDA margin declined on account of increase in raw material cost of few specialty products and due to increase in ocean freight also we had taken some stringent and prudent business decisions in the pandemic period to control expenditures and maintain operating margins, we have further paved way going ahead where our focus would be on margin expansion along with growth.

### **Management Guidance**

The current fiscal also had some operational challenges considering the second wave and subsequent losses but the management has plugged in business strategies to mitigate any adverse risk considering the pandemic situation and strongly believes that the company would achieve double digit growth ( YoY ) and good increase in margin YoY for the year and the next. Although there are a few disruptions in operations during our first quarter as a result of the Covid 19 pandemic which has impacted business performance and the Company continues to monitor economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome. The management is confident to overcome challenges in the following quarters and would be able to surpass industry growth standards.

### **About 20 Microns Ltd.**

20 Microns Ltd is India's largest producer of Industrial minerals with more than 30 years of experience offering innovative products in the field of Functional fillers, Extenders and Speciality chemicals. Headquartered in District of Vadodara, Gujarat, India, the company is widely catering to the multi-dimensional industries of paint and coatings, plastics, textiles, rubber, paper, ceramics, oil & gas and adhesive & sealants industry. The company is a multi-product company catering to a cross section of industry across the globe. With the best manufacturing practices and state-of-the-art R&D centre, the international business forms one-fourth of the company's business with a strong presence in more than 47 countries across Europe, Africa, Australia and Asia Pacific.

*For further information on the Company, please visit: [www.20microns.com](http://www.20microns.com)*

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Mrs. Komal Pandey (Company Secretary)

#### **20 Microns Limited**

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