



CIN # L99999GJ1987PLC009768

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www.20microns.com

25th October, 2023

To:

BSE 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 Symbol : 20 MICRONS
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Dear Sir/Madam,

Sub: Earnings release and Shareholders' letter for results of Q2 FY 24.

With reference to the captioned subject, please find attached Earnings release and Shareholders' letter for results of Q2 FY 24.

The same is published on the website of the Company at www.20microns.com

This is for favour of information and records please.

Thanking you,

**Yours faithfully
For 20 Microns Limited**

KOMAL Digitally signed by
KOMAL PANDEY
PANDEY Date: 2023.10.25
17:08:29 +05'30'

**[Komal Pandey]
Company Secretary & Compliance Officer
Membership # A-37092**

20 MICRONS
L I M I T E D

EARNINGS RELEASE & Share Holders' Letter

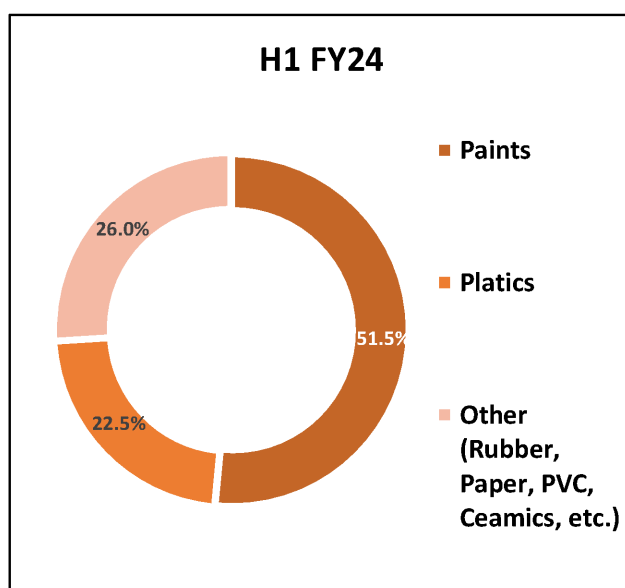
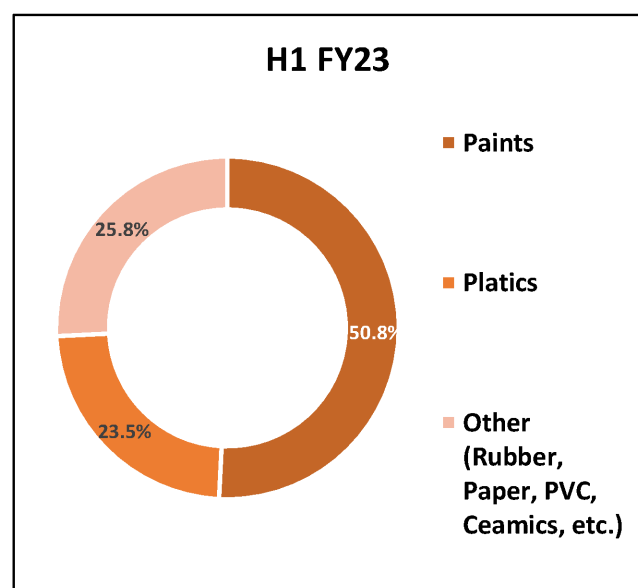
Q2 FY24 | October 25th, 2023



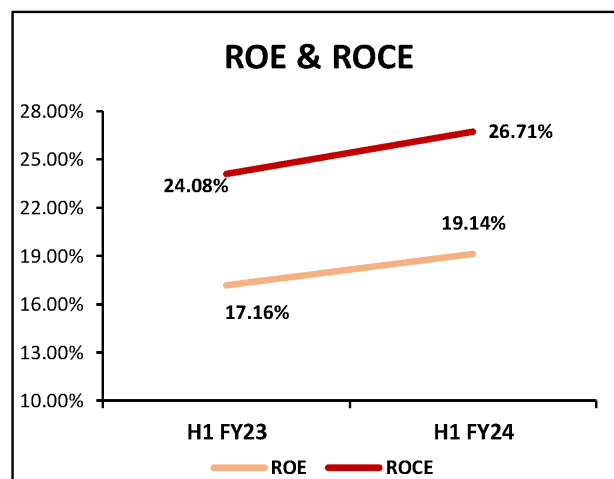
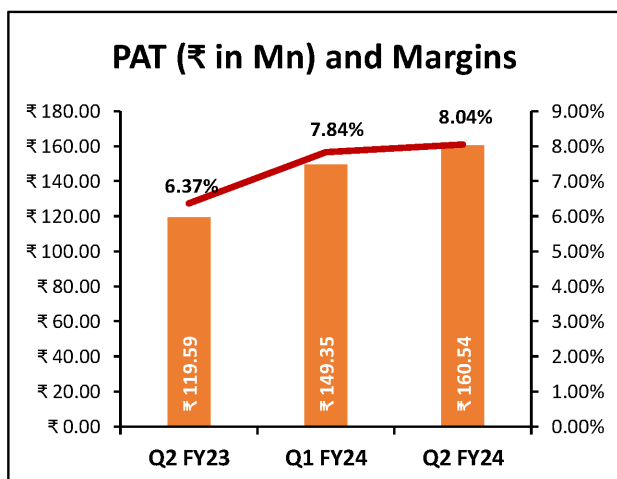
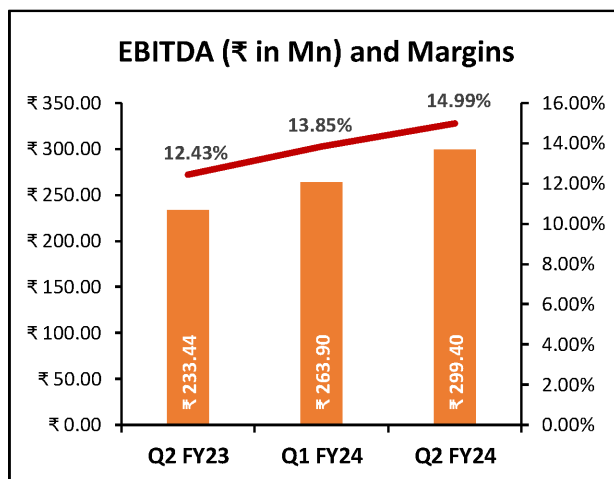
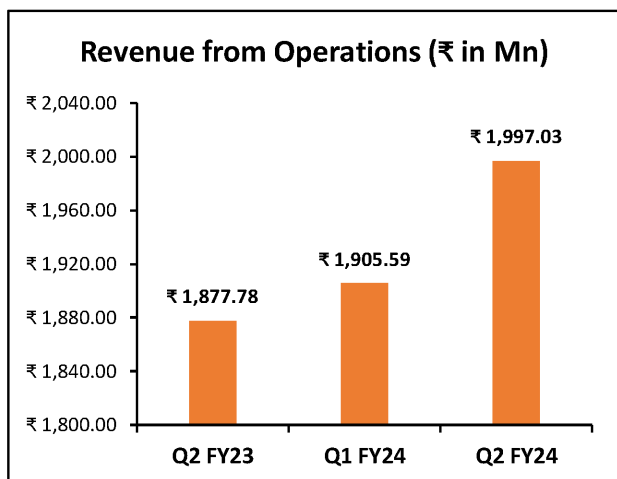
About 20 Microns Ltd. (“The company”):

- 20 Microns Ltd 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**
- The company 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., a subsidiary of 20 Microns, specializes in the production of functional additives by chemically modifying minerals. These modified minerals serve as cost-effective alternatives to imported materials
- Additionally, the company has state-of-the-art R&D centre in Vadodara which comprises of ~50 team members including **~20 scientists**
- The company’s boasts of strong clientele comprising of **Asian Paints, Berger Paints, Finolex, Supreme, Plastiblends, JK Tyres, and others**

Industry Wise Revenue Breakup :



Key Performing Metrics:



Financial Performance:

Particulars (₹ in Mns)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	H1 FY24	H1 FY23	YoY%
Revenue from op.	1,997.03	1,877.78	6.35%	1,905.59	3,902.61	3,736.89	4.43%
Other Income	16.39	9.86		9.54	25.94	16.47	
Total Revenue	2,013.42	1,887.63	6.66%	1,915.13	3,928.55	3,753.36	4.67%
Total Expenses ex. Finance cost & D&A	1,697.63	1,644.33		1,641.68	3,339.31	3,254.70	
EBITDA (excl. Other Income)	299.40	233.44	28.25%	263.90	563.30	482.19	16.82%
EBITDA Margin (%)	14.99%	12.43%		13.85%	14.43%	12.90%	
Finance Cost	41.87	48.97		40.57	82.44	92.16	
D&A	34.77	33.37		34.68	69.45	67.75	
PBT before Exceptional Item	239.15	160.96		198.19	437.35	338.75	
Exceptional Item	15.56	-		-	15.56	-	
PBT	223.60	160.96		198.19	421.79	338.75	
Share of net profit/(loss) of equity accounted investee	0.70	0.18		0.14	0.84	0.28	
PBT	224.30	161.13		198.33	422.63	339.03	
Total Tax	63.76	41.54		48.98	112.74	86.42	
PAT	160.54	119.59	34.24%	149.35	309.88	252.61	22.67%
PAT Margin %	8.04%	6.37%		7.84%	7.94%	6.76%	
Other Comprehensive Income	(0.22)	(0.18)		(0.94)	(1.16)	0.18	
Net PAT	160.32	119.41		148.41	308.88	252.79	
Diluted EPS	4.54	3.37		4.23	8.77	7.12	

Note: Exceptional item pertains to losses incurred due to Cyclone Biparjoy. The cyclone damaged factory building and inventories amounting to ₹15.55 Mn. The company has filed an insurance claim for full amount, however, taking the conservative estimates based on prudence, the company has recognized Rs. 8.00 Mn as accrued income for insurance receipts which is shown as other income.

Consolidated Balance Sheet As on:

Particulars (₹ in Mn)	As on 30 th Sep 2023	As on 31 st Mar 2022
Assets		
Non-Current Assets		
Property, Plant and Equipment	2,094.09	2,062.19
Capital Work in Progress	64.11	72.38
Right of Use Assets	55.92	58.29
Intangible Assets	15.16	14.22
Intangible Assets under Development	0.74	2.72
Goodwill on Consolidation	0.00	0.22
Investments in associates	3.99	3.02
Investments	87.13	87.13
Other Financial Assets	89.68	85.63
Deferred Tax Asset	13.93	13.93
Other Non-Current Assets	80.51	95.93
Total Non-Current Assets	2,505.26	2,495.65
Current Assets		
Inventories	1,300.40	1,152.38
Trade receivables	1,178.49	974.67
Cash and cash equivalents	315.53	202.82
Bank Balances other than above	86.02	96.59
Loans	5.55	3.66
Other financial assets	19.80	11.12
Other current assets	250.19	302.51
Total Current Assets	3,155.97	2,743.76
TOTAL ASSETS	5,661.23	5,239.41

Particulars (₹ in Mn)	As on 30 th Sep 2023	As on 31 st Mar 2022
Liabilities		
Shareholders Equity		
Share Capital	176.43	176.43
Other Equity	3,039.34	2,759.57
Non-controlling interest	10.98	10.52
Total Shareholders Equity	3,226.75	2,946.53
Non-Current Liabilities		
Borrowings	158.83	185.69
Lease liabilities	39.80	42.38
Other Financial liabilities	4.61	4.22
Deferred tax liabilities	266.39	262.94
Provisions	1.11	0.00
Total Non-Current liabilities	470.73	495.23
Current Liabilities		
Borrowings	854.96	833.50
Trade Payables	852.60	787.86
Lease liabilities	18.32	16.73
Other Financial liabilities	138.51	103.10
Other current liabilities	69.57	48.21
Provisions	6.87	3.62
Current Tax Liabilities	22.92	4.64
Total Current liabilities	1,963.75	1,797.65
TOTAL EQUITY AND LIABILITIES	5,661.23	5,239.41

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 financial and business performance for Q2 FY24, revenue from operations increased by 6.35% and stood at ₹ 1,997.03 Mn in Q2 FY24 compared to ₹ 1,877.78 Mn in Q2 FY23, on account of surge in demand for our products in the underlying industries like paints, rubber, plastics, and others led by extended festive season and increase in propensity to consume. Further, EBITDA increased by 28.25% from ₹233.44 Mn in Q2 FY23 to ₹299.40 Mn in Q2 FY24, and margins improved from 12.43% to 14.99% during the same period. This impressive performance can be attributed to our sustained commitment to cost efficiency, resulting in reduced power and fuel expenses and improved negotiations for freight charges during this period. PAT increased by 34.24% and stood at ₹160.54 Mn in Q2 FY24 compared to ₹119.59 Mn in Q2 FY23, margins improved to 8.04% from 6.37% during the same period.”

In terms of H1 performance, revenue from operations increased by 4.43% and stood at ₹3,902.61 Mn in H1 FY24 compared to ₹3,736.89 Mn in H1 FY23. EBITDA increased by 16.82% from ₹482.19 Mn in H1 FY23 to ₹563.30 Mn in H1 FY24, and margins improved to 14.43% from 12.90%. PAT increased by 22.68% and stood at ₹309.88 Mn in H1 FY24 compared to ₹252.61 Mn in H1 FY23, margins improved from 6.76% to 7.94% during the same period.

Further, we are pleased to announce that our value-added products, along with our newly developed construction chemicals and mineral fertilizers, have garnered significant interest and are poised to make a positive impact on our bottom line in the coming quarters.

On the industry front, we've observed a clear increase in the demand for high-margin and economically efficient offerings. In response to this opportunity, we've been actively creating products that not only serve as substitutes for imports but also bring cost-effectiveness to the forefront.

Furthermore, we are steadfast in our commitment to realizing our vision of delivering customer-centric solutions within the industrial mineral sector. In pursuit of this goal, we have significantly improved our operational efficiency, allowing us to consistently develop innovative products. Furthermore, as part of our strategy to solidify our position as industry frontrunners and enhance our competitive edge, we are in the process of bolstering our capacities and expanding our range of products..

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 over FY23, 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

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