

20 MICRONS[®]

L I M I T E D

CIN # L99999GJ1987PLC009768

Regd. Office : 9/10, GIDC Industrial Estate, WAGHODIA, Dist. : Vadodara
Ph. # 75 748 06350 E-Mail : co_secretary@20microns.com
Website : www.20microns.com

11th November, 2022

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.
SYMBOL : 20MICRONS

Dear Sirs,

Re: Q2 & H1 FY23 EARNINGS UPDATES.

In continuation of our letter dated **11.11.2022**, we are sending herewith Q2 & H1 FY23 EARNINGS UPDATES.

Kindly take on records of the Exchange and acknowledge receipt thereof.

Thanking you,

Yours faithfully
For 20 Microns Limited

Komal



[Komal Pandey]
Company Secretary
Membership # A37092
Encl.: as above.



CIN: L99999GJ1987PLC009768

Registered Office: 9-10, GIDC Industrial Estate, Waghodia, Vadodara, Gujarat, 391760

Q2 & H1 FY23 – Earnings Update

Revenue from Operations reported at ₹1,877.8 Mn in Q2 FY23 and ₹3,736.9 Mn for H1 FY23

EBITDA stands at ₹233.4 Mn in Q2 FY23 and ₹482.2 Mn for H1 FY23

PAT at ₹119.6 Mn in Q2 FY23 and ₹252.6 Mn for H1 FY23

Vadodara, 11th November, 2022: 20 Microns Ltd is one of India's largest producers of Industrial minerals with more than 30 years of experience offering innovative products in the field of functional fillers, extenders, and mineral-based specialty chemicals. The company in its board meeting held on 11th November 2022 has inter-alia considered and approved the Unaudited Financial Results of the Company for the Second Quarter and Half year ended on 30th September 2022 as one of its agenda.

Consolidated Financial Statement Highlights for Q2 FY23 v/s Q2 FY22

| Particulars (₹ in Mn) | Q2 FY23 | Q2 FY22 | YoY % |
|--|----------------|----------------|--------------|
| Revenue from Operations | 1,877.8 | 1,622.8 | 15.7% |
| Other Income | 9.9 | 7.3 | |
| Total Revenue | 1,887.6 | 1,630.1 | 15.8% |
| Total Expenses excluding Depreciation, Amortization & Finance Cost | (1,644.3) | (1,427.6) | |
| EBITDA | 233.4 | 195.2 | 19.6% |
| EBITDA Margin (%) | 12.4% | 12.0% | |
| Finance Cost | (49.0) | (75.6) | |
| Depreciation | (33.4) | (34.0) | |
| PBT | 161.0 | 92.9 | |
| Share of net profit/(loss) of equity accounted investee | 0.2 | 0.0 | |
| PBT | 161.1 | 92.9 | |
| Tax Expense | (41.5) | (27.1) | |
| PAT | 119.6 | 65.8 | 81.8% |
| PAT Margin % | 6.4% | 4.1% | |
| Other comprehensive profit / (loss) | (0.2) | 1.3 | |
| Net PAT | 119.4 | 67.1 | |
| Diluted EPS | 3.37 | 1.85 | |

Consolidated Financial Performance Comparison – Q2 FY23 v/s Q2 FY22

- Revenue from Operations increased by **15.7%** from **₹1,622.8 Mn in Q2 FY22 to ₹1,877.8 Mn in Q2 FY23** due to better sales mix and an increase in demand across product line
- EBITDA increased by **19.6%** from **₹195.2 Mn in Q2 FY22 to ₹233.4 Mn in Q2 FY23**, margins remained stable during the quarter despite economic cost headwinds due to effective cost control and increased scale of operation
- PAT stood at **₹119.6 Mn in Q2 FY23, compared to ₹65.8 Mn in Q2 FY22**, margins improved from **4.1% in Q2 FY22 to 6.4% in Q2 FY23** due to lower cost of borrowings

Consolidated Financial Statement Highlights for H1 FY23 v/s H1 FY22

| Particulars (₹ in Mn) | H1 FY23 | H1 FY22 | YoY% |
|--|----------------|----------------|---------------|
| Revenue from Operations | 3,736.9 | 2,797.6 | 33.6% |
| Other Income | 16.5 | 13.1 | |
| Total Revenue | 3,753.4 | 2,810.6 | 33.5% |
| Total Expenses excluding Depreciation, Amortization & Finance Cost | (3,254.7) | (2,454.3) | |
| EBITDA | 482.2 | 343.3 | 40.5% |
| EBITDA Margin (%) | 12.9% | 12.3% | |
| Finance Cost | (92.2) | (117.9) | |
| Depreciation | (67.8) | (66.8) | |
| PBT | 338.7 | 171.7 | |
| Share of net profit/(loss) of equity accounted investee | (0.3) | 0.0 | |
| PBT | 339.0 | 171.7 | |
| Tax Expense | (86.4) | (48.0) | |
| PAT | 252.6 | 123.7 | 104.3% |
| PAT Margin % | 6.8% | 4.4% | |
| Other comprehensive profit / (loss) | 0.2 | 0.1 | |
| Net PAT | 252.8 | 123.8 | |
| Diluted EPS | 5.61 | 3.49 | |

Consolidated Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Revenue from Operations grew by **33.6%** from **₹2,797.6 Mn in H1 FY22 to ₹3,736.9 Mn in H1 FY23**
- EBITDA increased by **40.5%** from **₹343.3 Mn in H1 FY22 to ₹482.2 Mn in H2 FY23** and margins from **12.3% in H1 FY22 to 12.9% in H2 FY23**
- PAT stood at **₹252.6 Mn in H1 FY23, compared to ₹123.7 Mn in H1 FY22** recording a growth of **104.3%**, majorly aided by lower cost of borrowings

Consolidated Cash Flow Statement

| Particulars (₹ in Mn) | H1 FY23 | H1 FY22 |
|--|---------------|-------------|
| Net Cash Generation from operation | 230.1 | 4.0 |
| Net Cash Generated/ (Used in) investing activity | (101.3) | (14.4) |
| Net Cash Generated/ (Used) from Financing activity | (145.1) | 31.1 |
| Net Increase in Cash and Cash Equivalents | (16.3) | 20.6 |

Consolidated Balance Sheet Statement

| Particulars (₹ in Mn) | As at 30 th Sep 22 | As at 30 th Sep 21 | Particulars (₹ in Mn) | As at 30 th Sep 22 | As at 30 th Sep 21 |
|--------------------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------------|-------------------------------|
| Liabilities | | | Assets | | |
| Shareholders' Equity | | | Non-Current Assets | | |
| Share Capital | 176.4 | 176.4 | Property Plant & Equipment | 2,056.1 | 1,961.6 |
| Other Equity | 2,591.6 | 2,077.1 | Capital work-in-progress | 55.4 | 26.4 |
| Non-controlling interest | 10.4 | 8.1 | Intangible Assets | 51.3 | 26.7 |
| Total Shareholders' Equity | 2,778.4 | 2,261.7 | Intangible Assets under developments | 0.5 | 0.5 |
| Non-Current Liabilities | | | Goodwill on Consolidation | 0.2 | 0.2 |
| Borrowings | 268.9 | 293.5 | Investments in associates | 2.4 | - |
| Trade Payables | 2.5 | - | Financial Assets | 147.7 | 75.9 |
| Lease liabilities | 11.5 | 6.7 | Deferred Tax Asset | 13.0 | 11.2 |
| Other Financial liabilities | 6.5 | 2.3 | Other Non-Current Assets | 147.3 | 77.4 |
| Deferred tax liabilities | 260.3 | 251.7 | Total Non-Current Assets | 2,473.8 | 2,180.1 |
| Total Non-Current liabilities | 549.6 | 554.2 | | | |
| Current Liabilities | | | Current Assets | | |
| Borrowings | 894.1 | 877.3 | Inventories | 1,248.1 | 1,099.9 |
| Trade Payables | 763.5 | 734.1 | Trade receivables | 1,098.5 | 924.9 |
| Lease liabilities | 20.1 | 13.2 | Cash and cash equivalents | 111.0 | 61.7 |
| Other Financial liabilities | 109.4 | 90.0 | Bank Balances other than above | 39.7 | 61.5 |
| Other current liabilities | 51.1 | 64.7 | Loans | 4.0 | 2.3 |
| Provisions | 2.7 | 5.2 | Other financial assets | 32.3 | 29.6 |
| Current Tax Liabilities | 18.5 | - | Other current assets | 180.1 | 240.2 |
| Total Current liabilities | 1,859.5 | 1,784.4 | Total Current Assets | 2,713.7 | 2,420.2 |
| TOTAL LIABILITIES | 5,187.5 | 4,600.3 | TOTAL ASSETS | 5,187.5 | 4,600.3 |

Consolidated Financial Performance Comparison – H1 FY23 v/s H1 FY22

- Property, plant and equipment grew from ₹1,961.6 Mn in H1 FY22 to ₹2,056.1 Mn in H1 FY23
- Current Asset stood at ₹2,713.7 Mn in H1 FY23, compared to ₹2,420.2 Mn in H1 FY22
- Long-term borrowing stood at ₹268.9 Mn in H1 FY23, compared to ₹293.5 Mn in H1 FY22 and Short-term borrowing at ₹894.1 Mn in H1 FY23, compared to ₹877.3 Mn in H1 FY22
- Cash flow from operations increased to ₹230.1 Mn in H1 FY23 from ₹4.0 Mn in H1 FY22, owing to increase profitability

Business Updates

- The Company is pleased to announce that JV with Dorfner Holding GmbH & Co. KG, Germany has commenced operations from H1 FY23 and is initially focus on marketing, selling and distributing coloured quartz related products.
- During H1 FY23, CRISIL Ratings reaffirmed its long-term rating to 'CRISIL BBB+/Stable' 20 Microns Nano Minerals Ltd, a 100% subsidiary of 20 Microns

Management Comments

Commenting on the performance of Q2 FY23, the management team of 20 Microns Ltd. stated "We are happy to share with you our financial and business performance for Q2 and H1 FY23, revenue from operations stood at ₹1,877.8 Mn & ₹3,736.9 Mn – with an increase of 15.7% & 33.6% on YoY basis respectively, as our products continue to receive widespread acceptance across fast-growing industries like paint, rubber, plastic, ceramic, etc. Our EBITDA margins remained stable during the quarter despite certain cost pressure due to efficient cost controls like better inventory management and bulk ordering to save logistic cost. Additionally, our Net Profit margins improved significantly by ~200bps due to lower cost of borrowing aided by recent credit rating upgrades and our strengthening balance sheet.

As we move forward, we continue to make progress on our mission to contribute extensively to the Atma-Nirbhar Bharat vision by innovating and developing products at our state-of-the-art R&D centers. This initiative has enabled us in creating products that work as an import substitute.

We continue to be one of the leaders in the industrial mineral space and enjoy healthy trust build over years with our clients. As a part of our evolution, we continue to invest in strategic alliances to leverage our partner's expertise and reach and foray into new geographies/markets with more value-added products. The first step in the direction, our JV with Dorfner, has started yielding initial results and promises a lot of potential. Further, our foray into agro-space (MinFert) and construction chemical space put us ahead of our competitors and give us opportunities to expand into high-growth avenues.

Going forward, our focus will be to grow the EBITDA Margins, by increasing our contribution from the higher margin and value-added products. We anticipate the demand to continue across all our

product line driven by the robust consumption led demand and festive season during the upcoming quarters.

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

Management Guidance

- The management expects the revenue to grow by 15%-20% for the year FY23, mainly on account of increased share of revenue from value-added products. Further, the Company plans to increase its focus on export markets.
- PAT margin will improve primarily due to reduction of interest costs going forward. Further, the Company is evaluating and gradually implementing slew of measures to optimize operations across its product lines which include setting up of solar captive power plants, better technologies and bulk ordering of raw materials to obtain competitive prices.

About 20 Microns Limited

20 Microns Ltd is one of 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 Specialty chemicals. Headquartered out of Vadodara, Gujarat in India, the company is widely catering to the multi-dimensional industries of paint and coatings, plastics, textiles, rubber, paper, ceramics and adhesive & sealants industry. The company is a multi-product company catering to a cross-section of industry across the globe and enjoys the reputation of being a dependable supplier with best manufacturing practices and a state-of-the-art R&D center. International business forms one-fifth of the company's business.

For further information on the Company, please visit www.20microns.com

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