



APL/SECT/DLH/SE: 2017-18

6<sup>th</sup> June 2017

Electronic Filing

National Stock Exchange of India Limited  
"Exchange Plaza" Bandra-Kurla Complex,  
Bandra (E),  
Mumbai-400051

Department of Corporate Services/Listing  
BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai-400001

NSE Symbol : APLAPOLLO

Scrip Code : 533758

Dear Sir/Madam,

Re: Intimation of Analyst / Investor Meeting

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, we would like to inform you that the management of APL Apollo Tubes Ltd. is scheduled to meet Analysts / Investors in Mumbai on June 6, 2017.

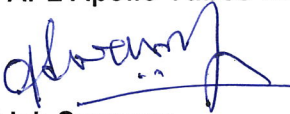
We are attaching herewith a copy of the presentation that would be given during the above meeting. This presentation has also been uploaded on the official website of the Company.

Please note that the above may be subject to changes, if any.

We request you to kindly take the above information on your record.

Thanking you

Yours faithfully  
For APL Apollo Tubes Limited

  
Adhish Swaroop  
Company Secretary



Encl:a/a



# APL APOLLO TUBES LTD.

## Investor Presentation

June 2017

Infrastructure

Construction

Automobiles

Energy

Agriculture

# Safe Harbour



*Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

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# APL Apollo Business Overview



Infrastructure

Construction

Automobiles

Energy

Agriculture

# India's Leading Branded Steel Tubes Manufacturer



Technology-focused Company – at the forefront of launching innovative product offerings

Catering to an array of sectors – Infrastructure, Construction, Automobile, Energy, Agriculture, etc.

Close-to-Demand Pan-India Presence – only player with facilities across North, South, West and East India

Leading the Shift from a Commodity to a Value-Added Branded product

Lowest cost producer in the country – Latest Technology | Economies of Scale | Optimally Utilizing key resources | Management expertise

1.3

MTPA STEEL  
PRODUCTION  
CAPACITY

32%

PRODUCTION (VOL)  
11 YR CAGR

4,997

INR  
CRORE

FY17 SALES

7

MANUFACTURING  
UNITS

400+

DIVERSIFIED  
PRODUCT  
PORTFOLIO

600+

DISTRIBUTORS  
ACROSS INDIA

# 'One-stop shop' for a wide spectrum of steel structural products

## Catering to key sectors of the Indian economy



### Infrastructure

- Metros
- Buildings
- Airports
- Ports
- Greenhouses
- Prefabricated
- Smart Cities



### Construction

- Conduit
- Support Structures
- Fencing
- Railings
- Cranes
- Green Construction



### Automobiles

- Truck & Bus body
- Heavy Vehicle Axles



### Energy

- Power
- Water Transport
- Solar plants
- City pipeline



### Agriculture

- Agriculture Implements
- Drip Irrigation
- Water Distributor
- Pump & Water Conveyance

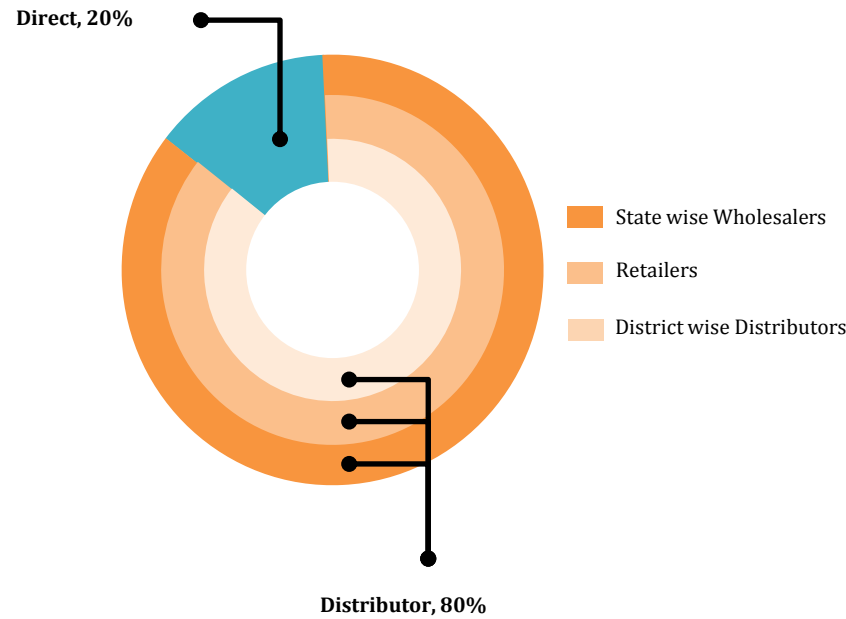
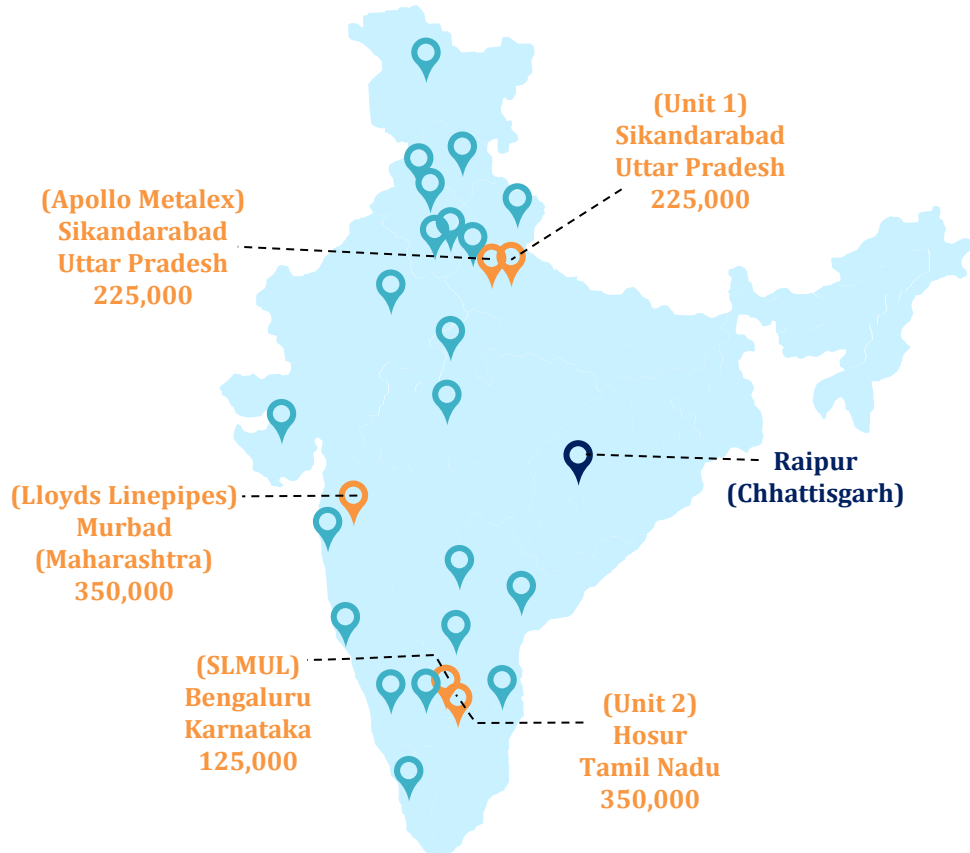
## Continuous focus on New Age Industry Applications across high-potential business segments

Strong Government impetus, increasing purchasing power, improving lifestyle dynamics, etc provide a boost to all key sectors of the Indian economy

With enormous untapped potential across all major sectors and new age applications, APL Apollo's business model is well-positioned to capitalize on all emerging sectoral trends

# Close-to-Demand Pan-India Footprint

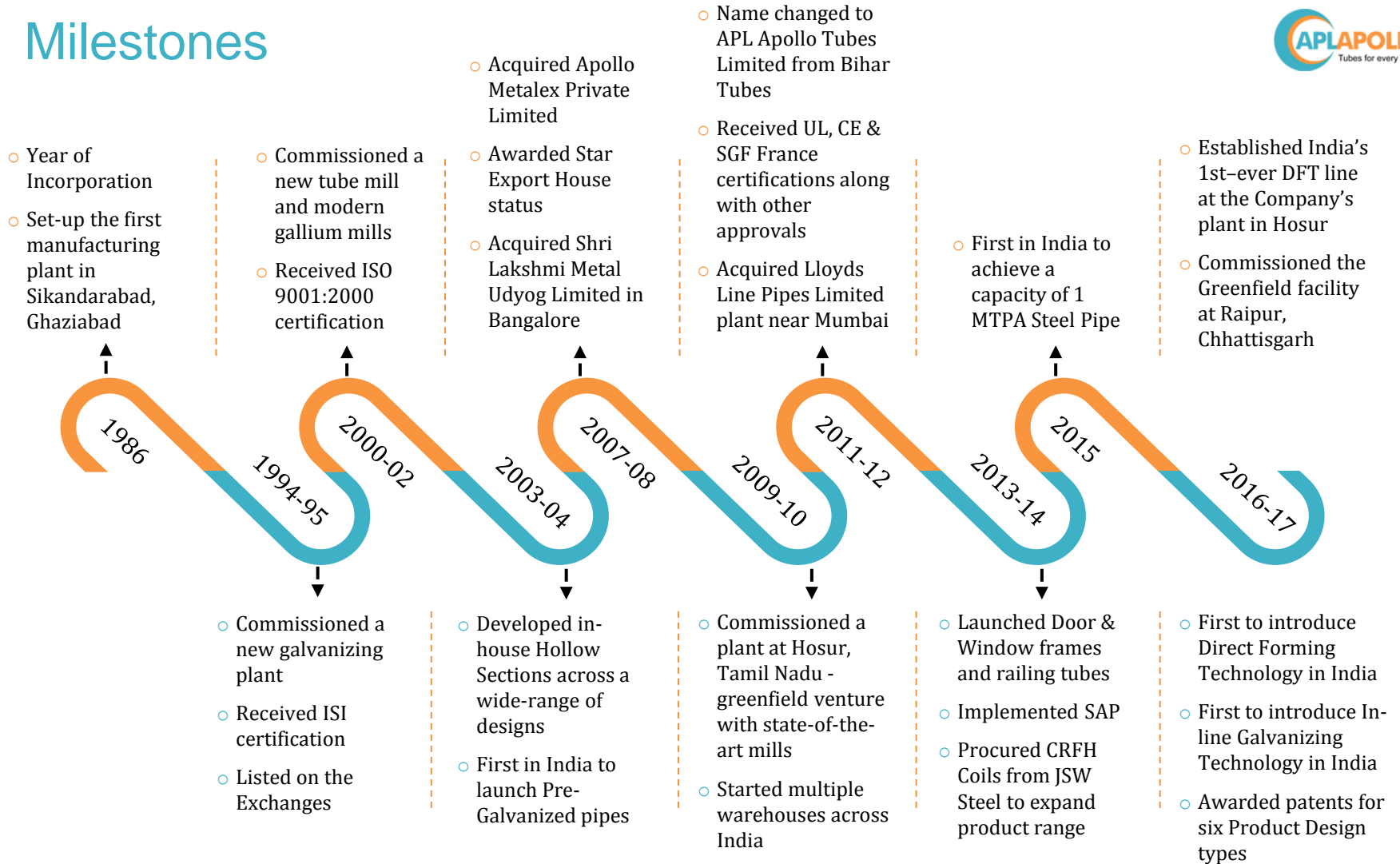
## Local Market Presence aided by 3-tier Distribution and Solid Supply Chain Mechanism



**Over 600 distributors and 26 warehouses (FY 2016)**



# Milestones



# Industry Parameters

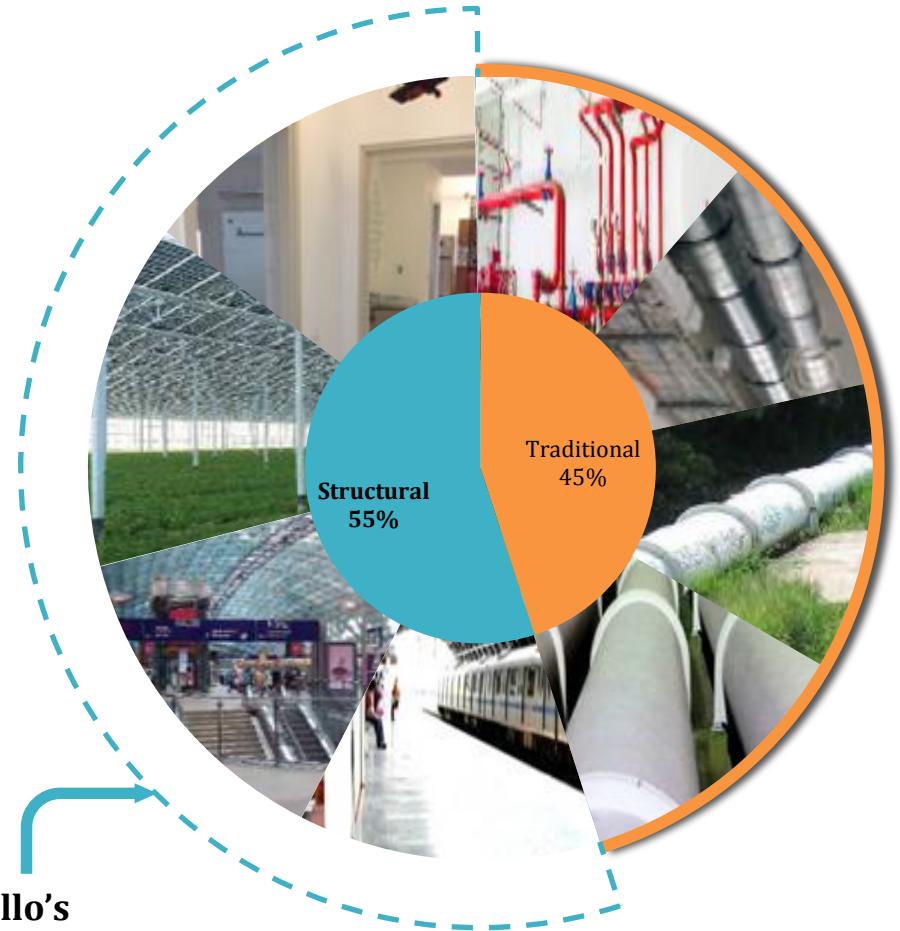
Steel pipes and tube manufacturing among the fastest growing industries across the globe

India is one of the leading ERW steel tubes manufacturing hubs in the world - Domestic production at ~7 million TPA

Ever-increasing pent-up demand led by increased infrastructure construction, thriving automobile and refining sectors

ERW pipe industry to grow at ~9% CAGR through FY19

Domestic ERW Steel tubes market size at \$5 bn/ Rs. 30,000 crore)



**APL Apollo's  
Focus Area**

# Growth Drivers



Infrastructure

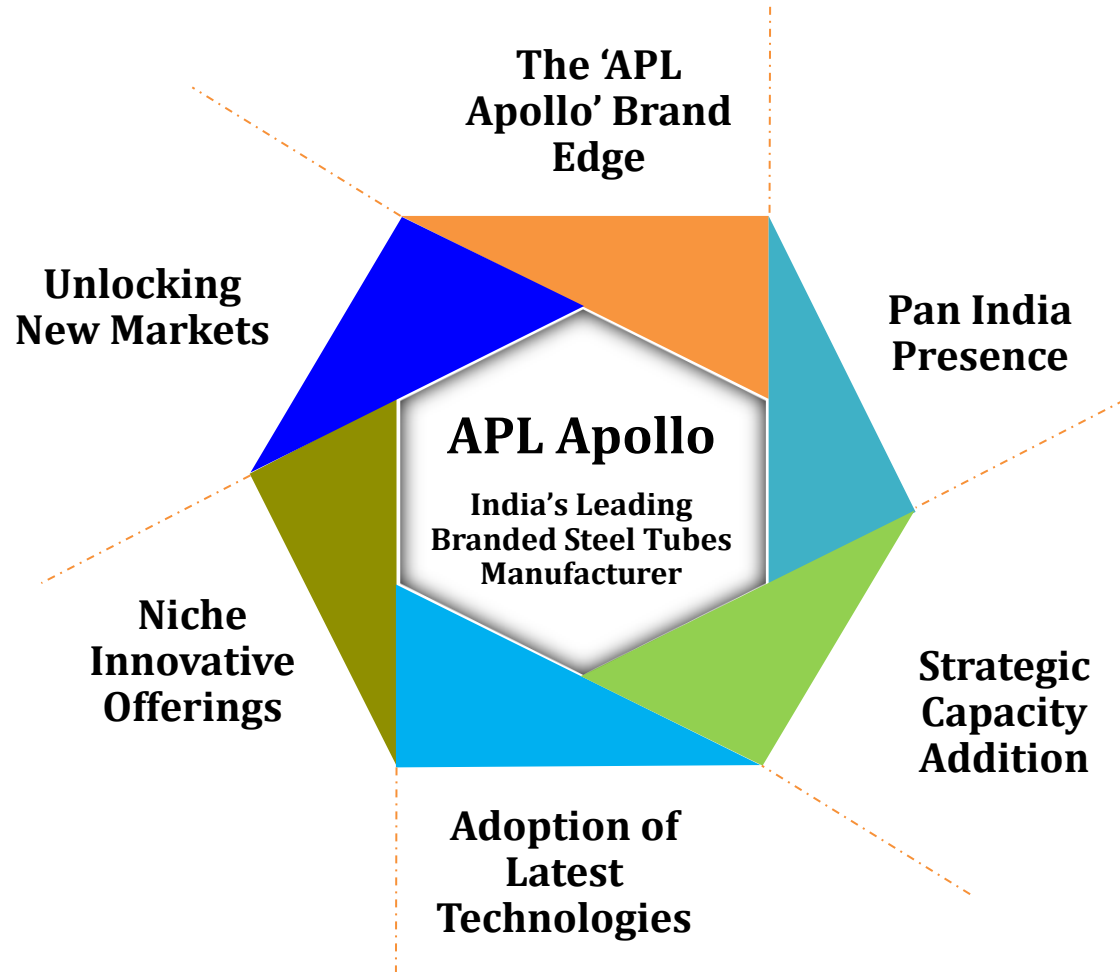
Construction

Automobiles

Energy

Agriculture

# Pillars of Growth



# APL Apollo Brand – Leading the Shift from a Commodity to a Value-Added Branded product



- Developed a focused Branding Strategy in the year 2013, serving a two-fold objective:
  - Creating awareness and visibility of the brand
  - Providing consumers a first-hand feel of products
- Constantly driving the branding approach across markets enabling higher visibility
- Strength, quality and competitive pricing of products strengthening brand value
- Well distributed supply-chain, increasing reliability and speed-to-market



**Strong brand awareness and widened distribution network to help diversify the 'APL Apollo' brand reach and drive higher growth**

# Strengthening Brand Reach



- Driving market share gains through various brand building and brand awareness initiatives
- Brand building programs include,
  - Large scale Fabricator meets
  - Participation in global and domestic exhibitions
  - Rural brand van activation programs
- Appointed Marketing Consultant in FY2017 to drive the Company's overall Branding strategy
- Targeting about 30,000 signage boards across the country for higher visibility
- Introduced innovative incentive schemes for dealers
  - Star Cruise for 4 days organized for over 1,000 dealers and distributors in Singapore and Malaysia

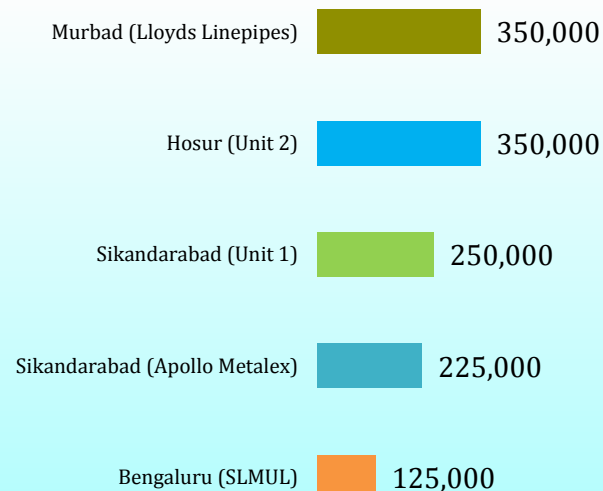


# Expansive Manufacturing & Distribution Footprint



- India's largest tubes player with a capacity of 1.3 MTPA
- Lower freight costs as facilities and depots are close to demand hubs
- Operating six strategically located manufacturing facilities:
  - **North** - 3 units located in Sikandarabad (UP)
  - **South** - 1 unit at Hosur (Tamil Nadu) and 1 unit at Bengaluru (Karnataka)
  - **West** - 1 unit in Murbad, Maharashtra
- Establishing presence in new untapped territories
  - **East** - 1 Newly commissioned plant in Raipur (Chhattisgarh)
- Vast 3-tier distribution network spread across India, with 26 warehouses cum- branch offices spread in over 20 cities
  - Extended dealer network into tier II and tier III markets
- Expansive distribution network reaching to 600 direct distributors and 40,000 retailers

## Current capacity of 1.3 MTPA across plants (MTPA)

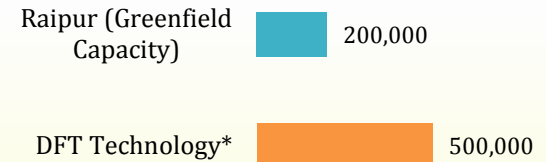


**Close-to-Demand Pan-India Footprint – localized supply to fast-track growth**

# Capacity Expansion Plan

- Expanding capacity from 1.3 MTPA to 2 MTPA by FY2018
- **Tapping Easter markets** – The Greenfield plant in Raipur operationalized
  - Allocated Rs. 125 crore of capex for the Raipur plant
- **Consolidating position in existing markets** - Adding lines of new DFT technology mills at the existing sites in the North, South and West India
  - Earmarked Rs. 125 crore of capex for DFT Technology
- **Upgrading facilities with value added products**
  - Venturing into precision tubes for Automotive applications
  - Setting up an Inline Galvanizing plant for the first time in India
  - Upgrading existing lines to GI/GP Product technology

## Upcoming / Recent Capacities (MTPA)



*\*Adding lines of new DFT technology mills at the existing and new sites at Sikanderabad, Hosur, Murbad, and Raipur*

**Aggressive ramp-up in capacities to drive volume growth**

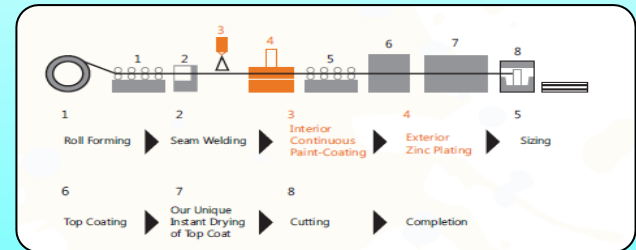


# Pioneer in Instituting the Latest Technology

- Leader in adopting the latest technology from around the globe
  - **Introduced latest technologies** – High speed mills from Europe (increased speed by 5x), Strip Galvanizing lines, and the unique Rotary Sizing Mills
  - In 2016, the Company introduced the latest global **‘Direct Forming Technology’** in India
  - Launching **‘In-Line Galvanizing of Tubes’** technology for the first time in India
- High-end R&D capabilities to help address elevated standards and ever-changing requirements of customers



**Direct Forming Technology**



**In-Line Galvanizing of Tubes**

**Establishing latest technology to improve productivity, enable cost savings, while driving growth by expanding addressable markets**

# Direct Forming Technology

Latest Global Technology for making Hollow Sections of superior quality

Hollow Sections of varying shapes / sizes / thickness are formed directly through high speed welding

Customized orders / small orders also accepted

Rollover time reduced to ~20 min from 24-48 hours (conventional technology)

Results in direct material savings of ~3-7%

Customer benefits include: Size customizations, specific orders and time savings – 'Whatever Whenever Wherever'

Opened an array of opportunities across various sectors

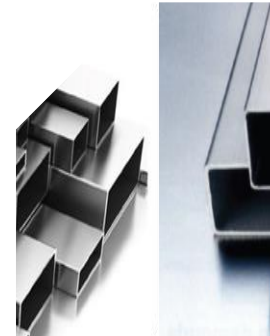
Metros / Airports / Pre-Fab Buildings

Agriculture Implements / Construction Equipment- Tower Crane

Gym/Sport Equipment / Solar tracking systems

Truck & Bus body / Heavy Vehicle Axles

Export Market across USA, JAPAN



# In-line Galvanizing Technology

Latest zinc plating and coating technology

Inline hot-dip galvanizing process performed on mill

Tube making & zinc plating simultaneously performed

Secondary operations of hot-dip galvanizing after tube is formed – NOT REQUIRED

Superior corrosion resistance property

Reduces manufacturing costs for zinc coating

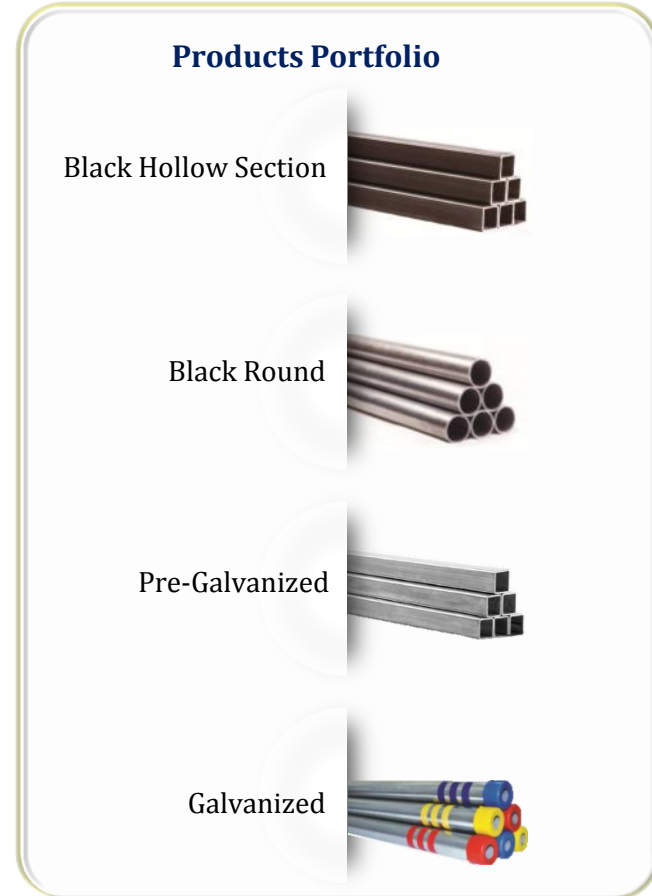
## CUSTOMER BENEFITS

- **Minimal human error**
- **Time savings**
- **Cost-effective**

# Path-breaking Product Offerings

- Only company to offer a vast product portfolio of over 400 varieties
- Product portfolio at 2x the product basket of the closest competitor
- Launched colour coated pipes in India for the 1st time
- First to introduce pre-galvanized pipes in the domestic markets
- First to introduce latest global technologies such as DFT and In-line Galvanizing in India
  - Offering detailed case studies to sell the new products using DFT Technology
- Awarded patents for never-seen-before designs for 6 products
- Adopting latest imported packaging technology to improve aesthetics of the product range
- Optimal product mix across varying attributes of customized shapes, sizes, thickness and utility

**Continuous product innovations has expanded addressable market**

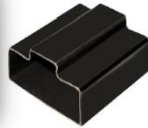


# Robust Product Offerings across 400+ varieties

## Continuously augmenting the product basket

At least 30% savings as compared to Normal wood

Double Door Frame Section



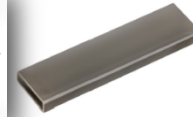
Single Door Frame Section



Paint Coated



Narrow Sections



Pipe Dimensions



## New Patented Designs

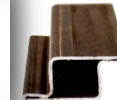
D Shape



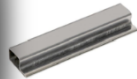
Hand Rail



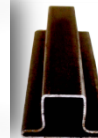
Z Shape



L Section



T Shape



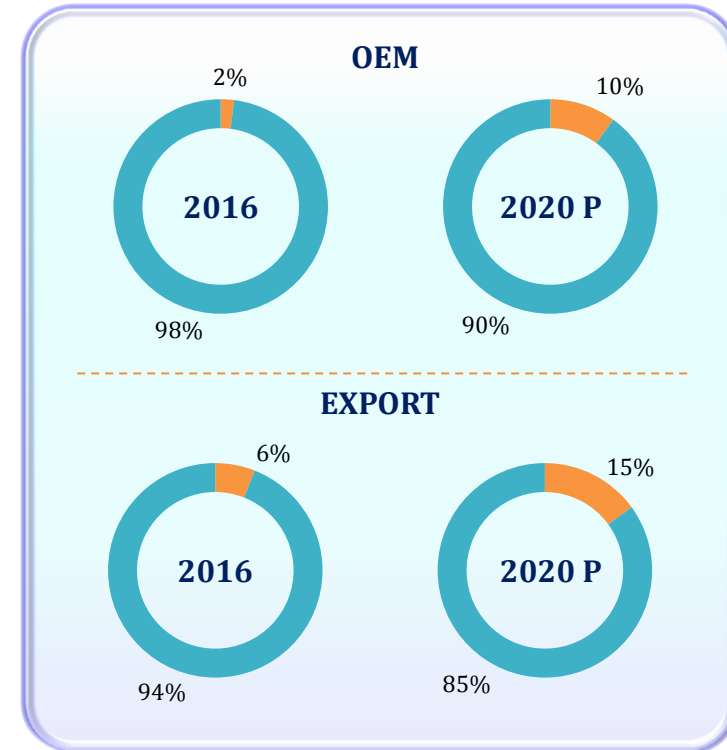
Elliptical tube



**70% of the Company's product portfolio are niche and have limited competition**

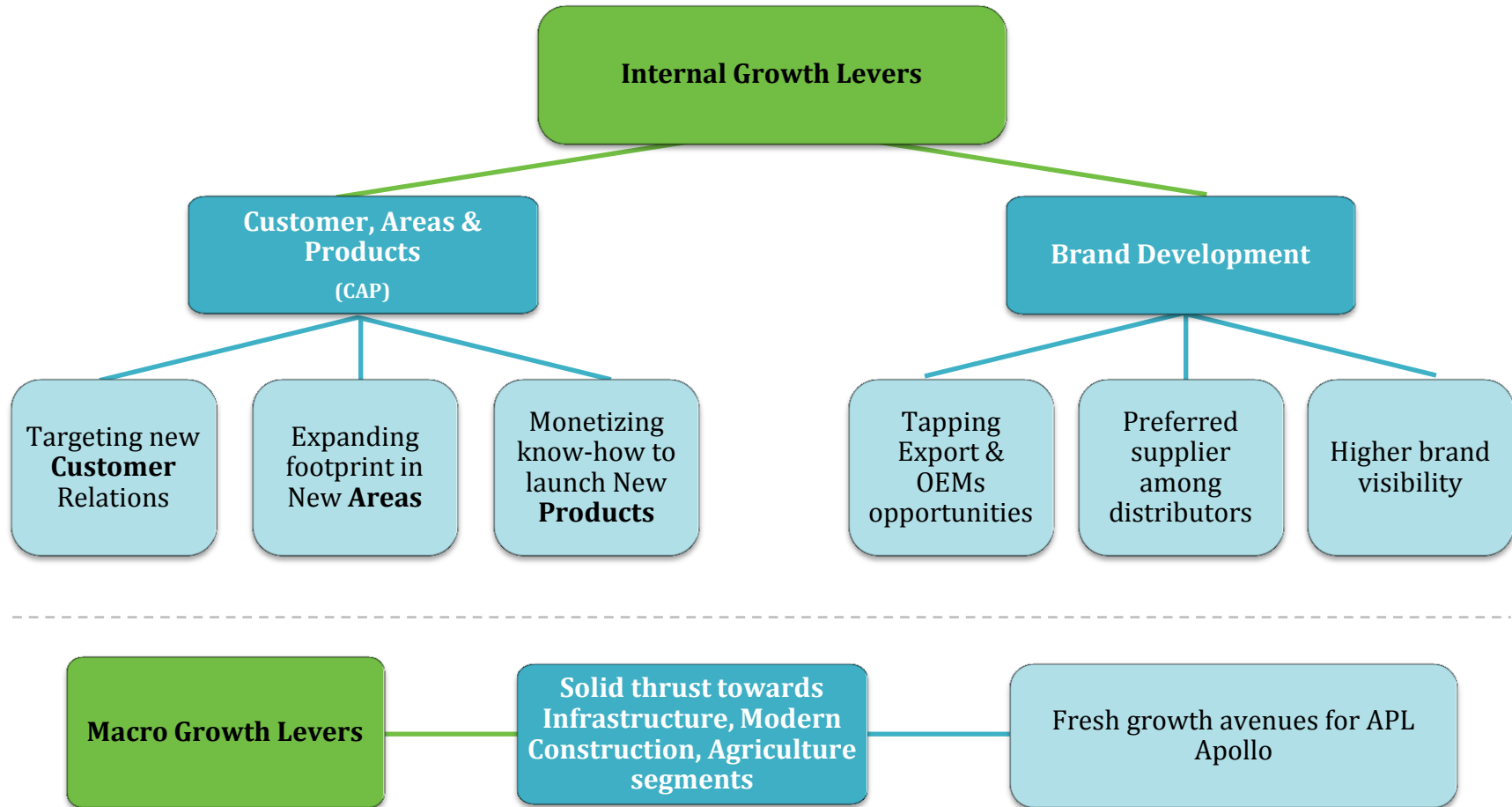
# Unlocking Opportunities – OEMs, Exports & Untapped markets

- Tapping potential across newer areas such as Original Equipment Manufacturers (OEMs), Export Markets & Untapped markets – key for driving value growth across business
- **Focus on OEMs & Export Markets**
  - Introduction of latest technologies, especially DFT, to unlock vast potential across OEM and Export markets
  - OEM contribution expected to increase significantly in next 2 years from the current 2%
  - High quality customized shapes and sizes of products, achieved through DFT, to help penetrate OEMs and export markets
- **Strengthening Domestic Foothold**
  - Targeting the underpenetrated East and Central markets through Greenfield plant in Raipur



**Capitalizing on opportunities across high potential growth areas to help accomplish long-term growth objectives**

# Growth Strategy



# Way Forward



Infrastructure

Construction

Automobiles

Energy

Agriculture



## Well-defined strategy with tangible targets

**2.5 million ton production by FY2020**

Targeting above industry average growth rates / Roadmap for capacity expansion in place

**Strong Balance-Sheet**

To become debt-free and reduced Working Capital cycle

**Margin accretive**

Targeting higher EBITDA per ton margins and enhanced return ratios

**Strengthen product and corporate branding activities**

To double the marketing & sales team

**Enhance Corporate Governance**

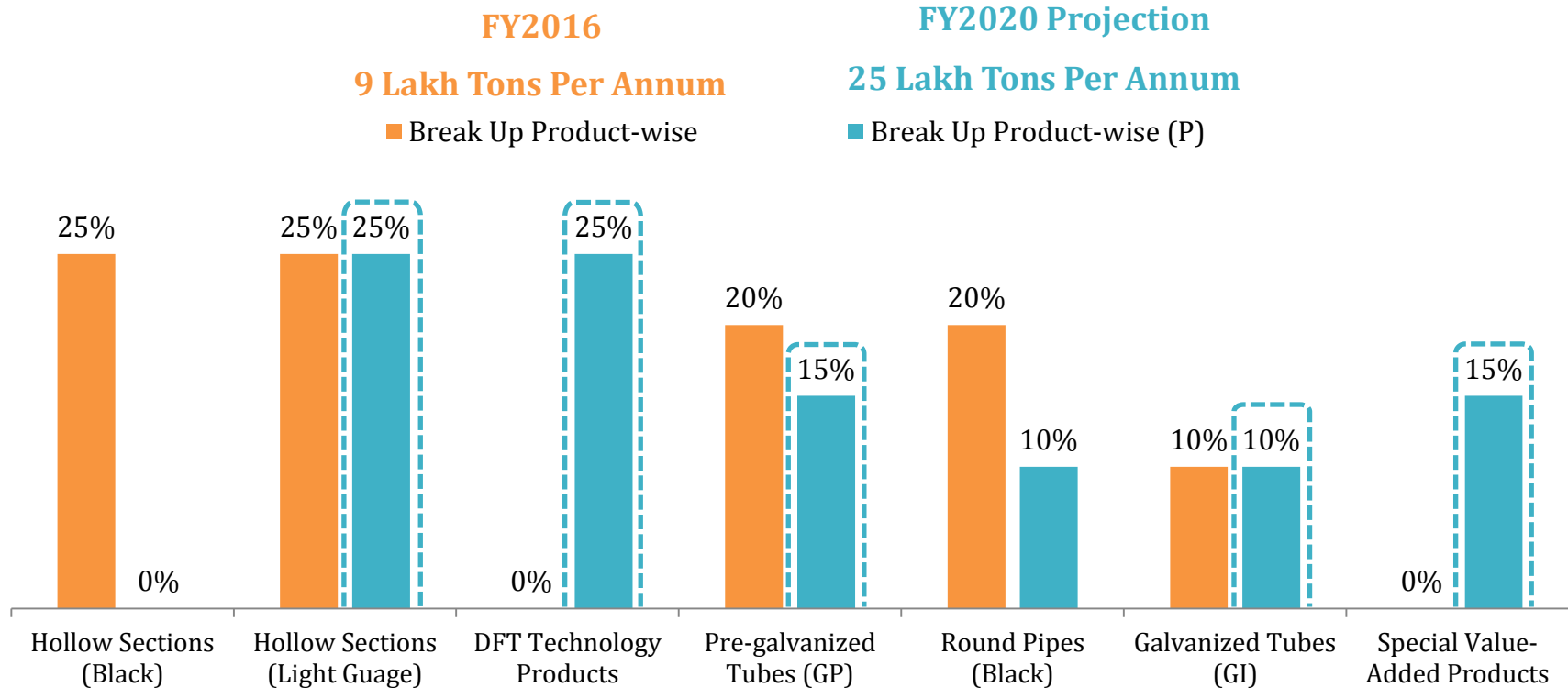
Improving board mix to facilitate higher level of transparency

**Expand contribution from Value-added products**

Innovation center to be set-up: focus on continuously launching new products

**To become a Global Branded Steel Tubes Company**

# Vision 2020: Notable shift towards Value-Added Products



**Contribution from value-added products expected to be over 90% by 2020**

# Financial Highlights



Infrastructure

Construction

Automobiles

Energy

Agriculture

# Consistently Delivering Strong Performance

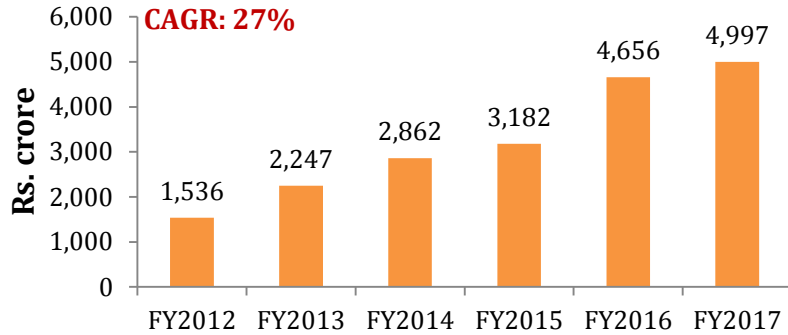


Particulars	2007	2010	2012	2015	2016	2017	CAGR
Sales (Rs. Crore)	230	666	1,536	3,482	4,656	4,997	36%
EBITDA (Rs. Crore)	15	66	115	186	292	328	36%
PAT (Rs. Crore)	7	30	49	64	101	146	35%
Net Worth (Rs. Crore)	16	191	299	495	568	720	46%
EPS (Rs.)	21	15	23	27	43	62	
<b>Ratios</b>							
ROCE (%)	55	17	20	18	26	23	
RONW (%)	33	16	18	14	21	22	
<b>Production</b>							
Capacity MTPA	80,000	274,000	500,000	1,050,000	1,300,000	1,300,000	36%
Production MTPA	59,000	165,000	294,300	682,193	893,666	931,535	32%
<b>Distribution</b>							
No of Distributors	100	150	200	375	600	600	
No of Plants	2	4	5	6	6	6	

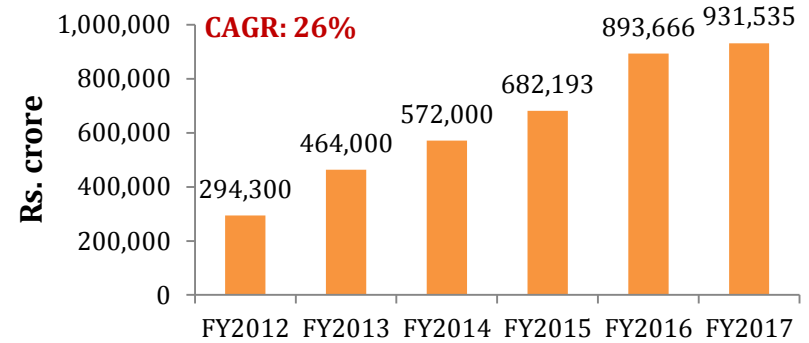
# Strong Financial Track-record



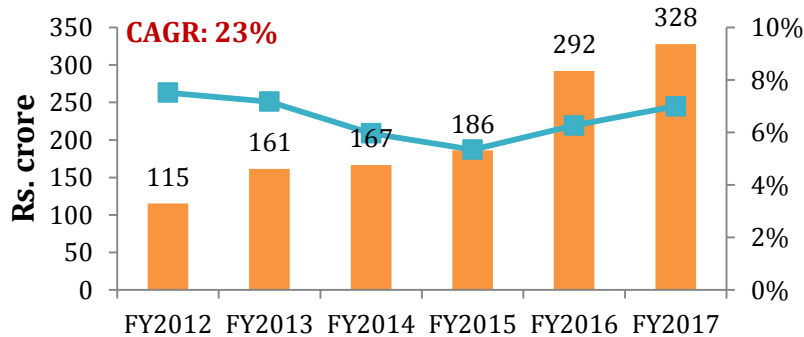
## Revenues



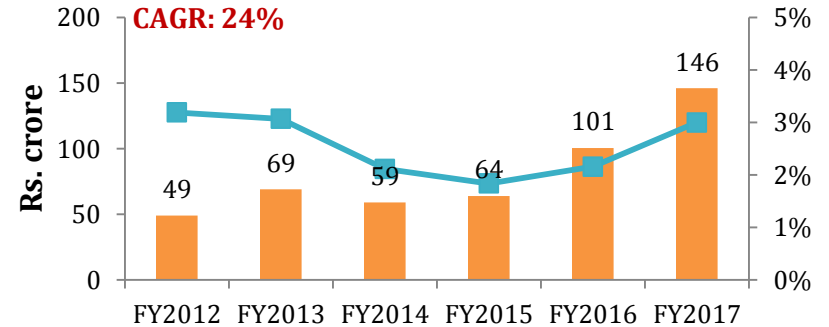
## Production (MTPA)



## EBITDA EBITDA Margins



## PAT PAT Margins



# Manufacturing Revenue Breakup & Margin Profile

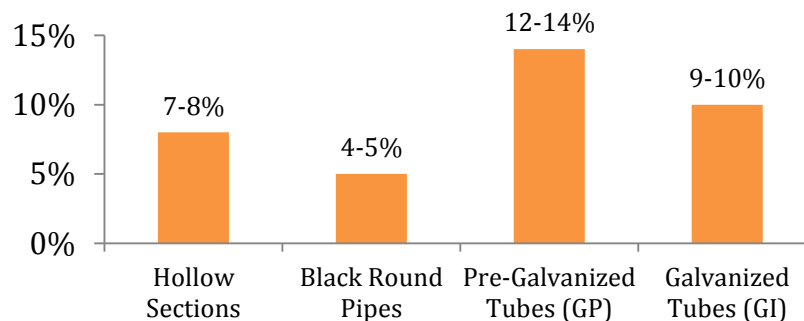


Products	Revenue Contribution FY14 (%)	Revenue Contribution FY15 (%)	Revenue Contribution FY16 (%)	Revenue Contribution FY17 (%)
<b>Hollow Sections</b>	<b>32</b>	<b>34</b>	<b>43</b>	<b>46</b>
<b>Round Pipes (Black)</b>	<b>22</b>	<b>23</b>	<b>19</b>	<b>14</b>
<b>Pre-galvanized Tubes (GP)</b>	<b>24</b>	<b>24</b>	<b>20</b>	<b>23</b>
<b>Galvanized Tubes (GI)</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>14</b>
<b>DFT Technology Products*</b>	-	-	-	-
<b>Special Value-Added Products*</b>	-	-	-	-
<b>Others**</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>3</b>

\* New product segments to be introduced in FY18

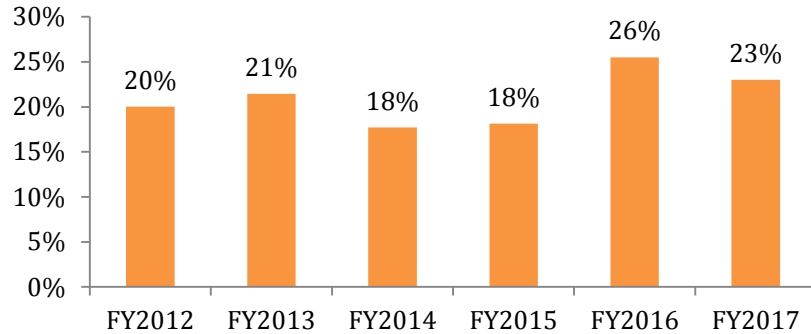
\*\*Trading & Scrap

## Product Margin Profile

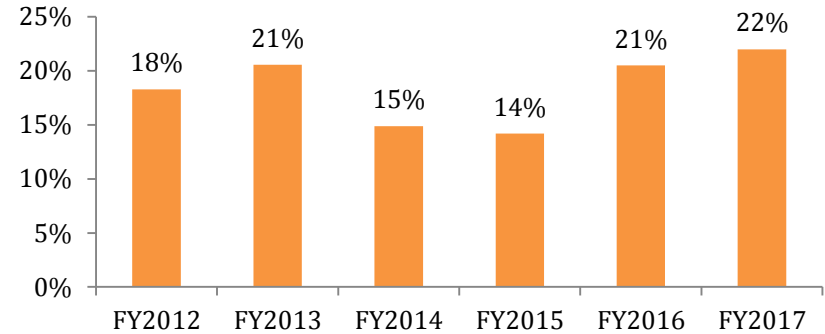


# Financial Parameters

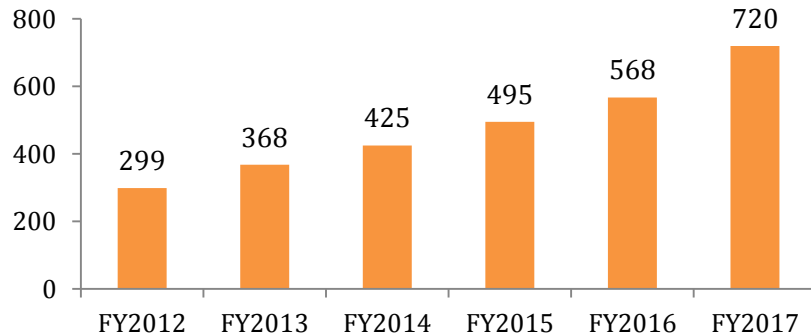
## ROCE (%)



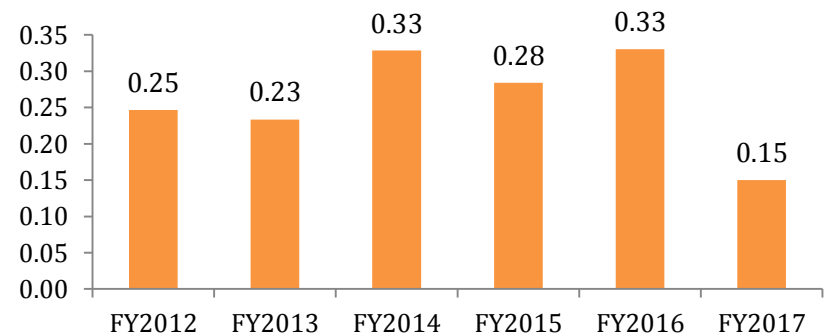
## RONW (%)



## Networth (Rs. Crore)

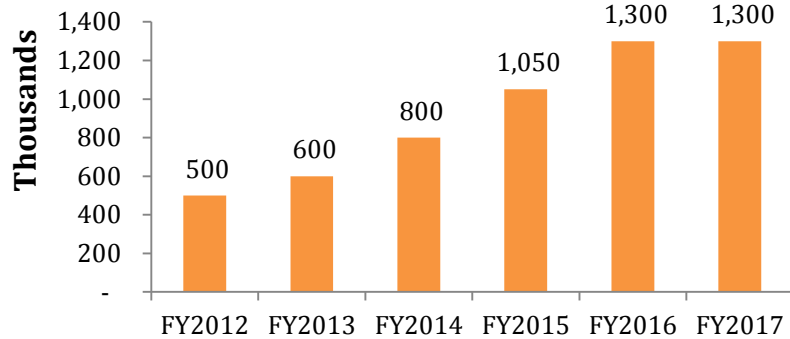


## Long-term Debt-Equity Ratio

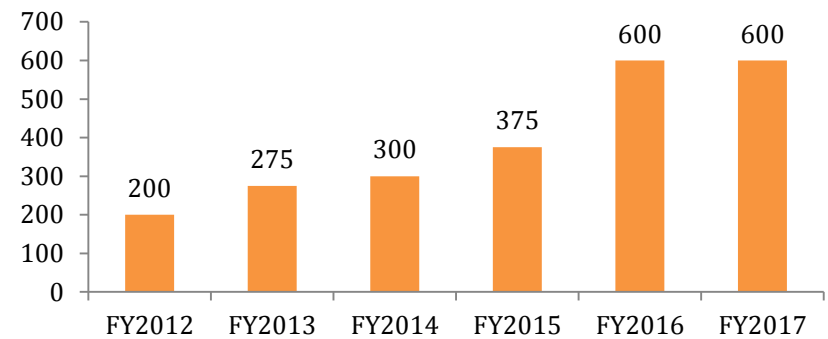


# Operating Parameters

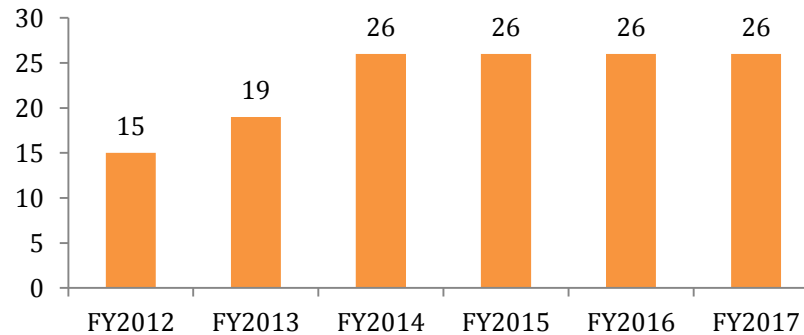
## Capacity (MTPA)



## Distributors (Nos)



## Warehouses (Nos)





# Conclusion



Infrastructure

Construction

Automobiles

Energy

Agriculture

# The 'APL Apollo' Edge



## PROFICIENT EXECUTION CYCLE

*Best-in-Industry Capacity Utilization across plants, leading to an order book turnaround of ~8 hours*

## ECONOMIES OF SCALE

*Capacity of 1.3 MTPA of Steel Pipe – more than double the closest competitor*

## PIONEER IN INTRODUCING NEW TECHNOLOGIES

*High speed (5x) mills from Europe/ Pre-Galvanized Pipes / Direct Forming Technology / In-line Galvanizing*

## COST ADVANTAGES

*Offers a very large product portfolio in low prices via retailer strength and higher volumes*

## BEST-IN-CLASS SUPPLY CHAIN

*Close-to-demand 3-tier network ensures quicker delivery and service to customers*

## MANUFACTURING EXCELLENCE

*State-of-the-art manufacturing facilities enable a higher degree of quality control and efficiency*

## FINANCIAL STRENGTH

- *Strong balance sheet despite aggressive capacity addition*
- *Net debt-equity ratio at 0.79*
- *Healthy Return Ratios*

## INNOVATIVE PRODUCT PORTFOLIO

*Only Company in the space offering over 400 varieties of products, along with never-seen-before designs patents for 6 products.*

# Annexure



Infrastructure

Construction

Automobiles

Energy

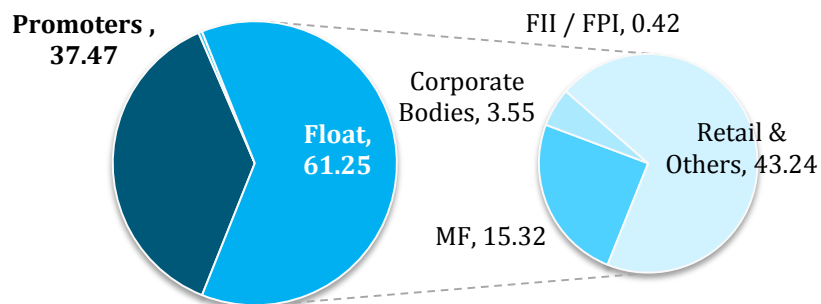
Agriculture

# Key Market Statistics

Key Market Statistics	As on May 31, 2017
<b>BSE/NSE Ticker</b>	533758 / APLAPOLLO
<b>Industry</b>	Building Materials / Infrastructure
<b>CMP (Rs.)</b>	1,421.75
<b>Market Cap (Rs. Crore)</b>	3,354
<b>Number of outstanding shares (Crore)</b>	2.36
<b>Face Value</b>	10.00
<b>52-week High / Low (Rs.)</b>	1,504/834

Top Public Shareholders (more than 1%)	% held
<b>Kitara</b>	16.3%
<b>IDFC</b>	5.7%
<b>DSP Blackrock</b>	4.5%
<b>HDFC Trustee Fund</b>	4.9%
<b>Emblem FII</b>	3.1%
<b>Goldman Sachs</b>	2.7%
<b>Sameer Mahendra Sampat</b>	2.4%
<b>Ashish Kacholia</b>	2.3%
<b>Suresh Kumar Agarwal</b>	2.3%

**Break-up of Floating Stock (%)**



As on 31st March 2017

# Board of Directors

## Executive / Promoter Directors

Mr. Sanjay Gupta  
Executive Chairman

Mr. Ashok K. Gupta  
Managing Director

Vinay Gupta  
Director

Romi Sehgal  
Director

Sharad Mahendra  
Director

## Independent Directors

Anil Kumar Bansal  
Independent Director

Abhilash Lal  
Independent Director

S. T. Gerela  
Independent Director

Neeru Abrol  
Independent Director

V S Jain  
Independent Director

**Focus on strengthening the Board of Directors**

# Management Team



**Mr. Sanjay Gupta**  
Executive Chairman

**Mr. Ashok K. Gupta**  
Managing Director

**Sharad Mahendra**  
Director

**Romi Sehgal**  
Director

**Deepak Goyal**  
CFO

**Arun Agrawal**  
VP Operations

**Ajay Garg**  
VP Operations

**Shiv Kumar Bansal**  
VP Sales

**J P Singh**  
HRD Head

**Dinesh Talniya**  
IT Head

**Amit Kapoor**  
RM South

**Building a Strong Management Team comprising promoters with solid experience and senior professionals who possess vast experience in the industry**

**APL Apollo Tubes Limited (APL Apollo) [BSE: 533758, NSE: APLAPOLLO]** is India's Leading Branded Steel Tubes Manufacturer. Headquartered at Delhi NCR, the Company operates six manufacturing facilities with a total capacity of 1.3 Million TPA. It has a PAN-Indian presence with units strategically located in Sikandarabad (3 units), Bangalore, Hosur and Murbad. APL Apollo's multi-product offerings include over 400 varieties of Hollow Sections, Pre-galvanized Tubes (GP), Round Pipes (Black), Galvanized Tubes (GI) and Special Value-Added Products.

With state-of-the-art-manufacturing facilities, APL Apollo serves as a 'one-stop shop' for a wide spectrum of steel products, catering to an array of industry applications such as urban infrastructures, automobile, construction, housing, energy, irrigation, solar plants, greenhouses and engineering. The Company's vast 3-tier distribution network of over 600 dealers is spread all across India, with warehouses cum- branch offices in over 20 cities

## For further information, please contact:

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