



APL/SECT/DLH/SE: 2017-18

27th September 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 Chennai on September 28, 2017.

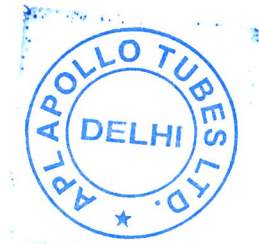
We are attaching herewith a copy of the presentation that would be given during the above meeting. This presentation has also been uploaded on the official website of the Company.

We would request you to take this information on record.

Thanking you

Yours faithfully
For APL Apollo Tubes Limited

Adhish Swaroop
Company Secretary



Encl: a/a

APL Apollo Tubes Limited (CIN-L74899 DL 1986PLC023443)

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APLAPOLLO TUBES LTD.

Investor Presentation

September 2017

Infrastructure

Construction

Energy

Automobiles

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

Energy

Automobiles

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
CRORE

INR

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



Energy

- Power
- Water Transport
- Solar plants
- City pipeline



Automobiles

- Truck & Bus body
- Heavy Vehicle Axles



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

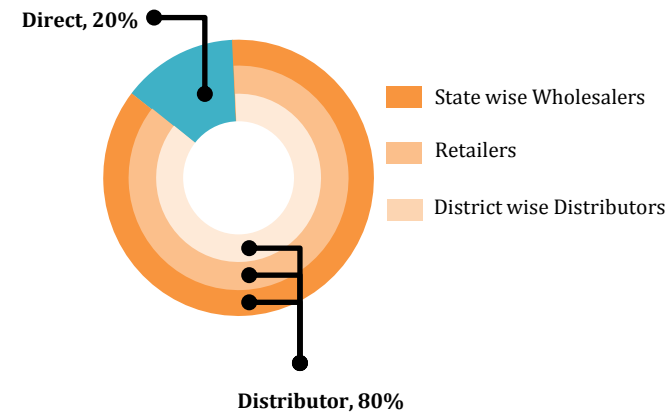
With enormous untapped potential across all major sectors and new age applications, APL Apollo's business model is well-positioned to capitalize on all emerging sectoral trends

Enhancing Presence

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

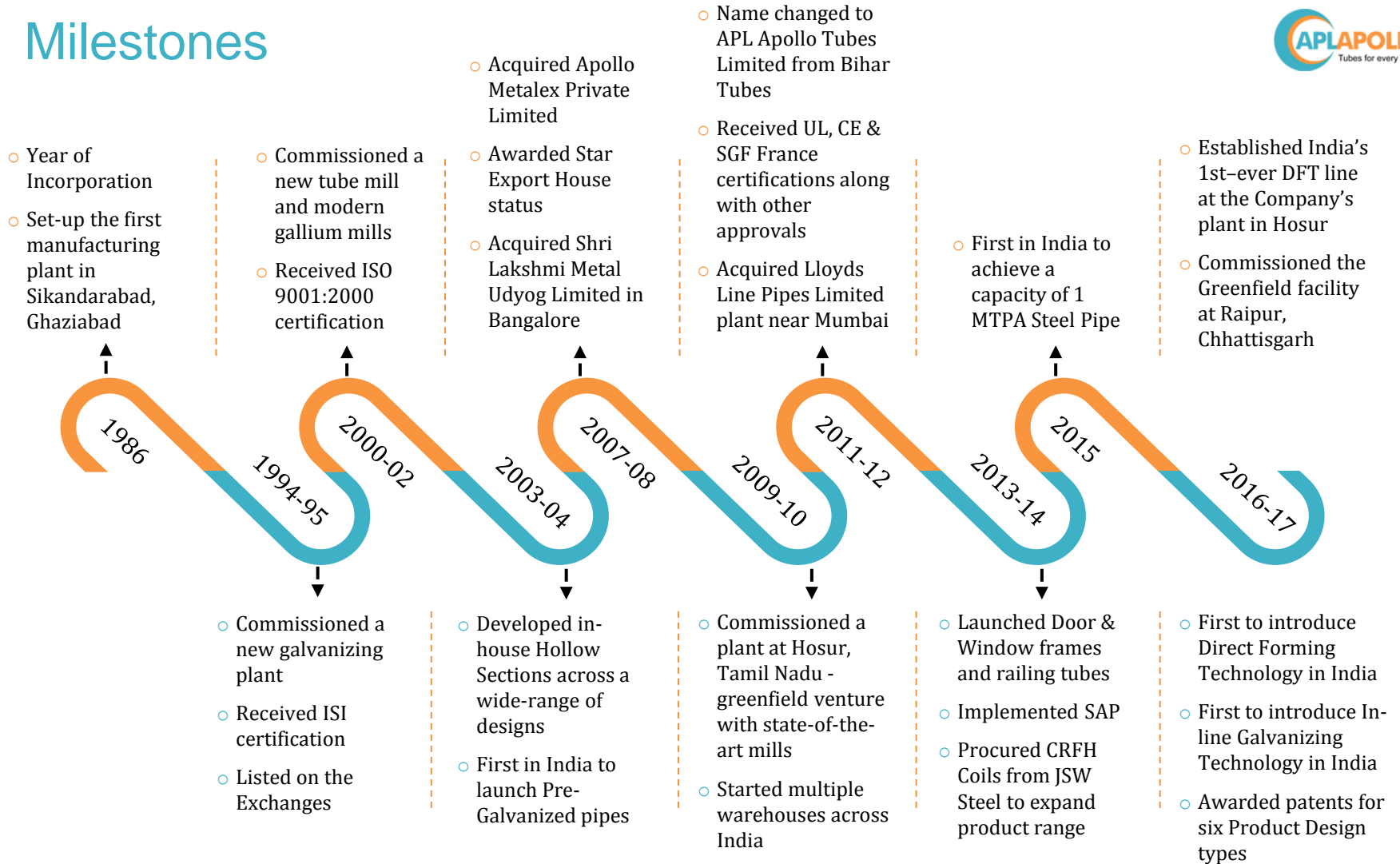


- Warehouse-cum-branches - Upcoming / Targeted Warehouses



	FY2017	+/-	FY2018
Distributors / Dealers	600	+100	700
Retailers	40,000	+15,000	55,000
Warehouses	26	+12	38

Milestones



Industry Parameters

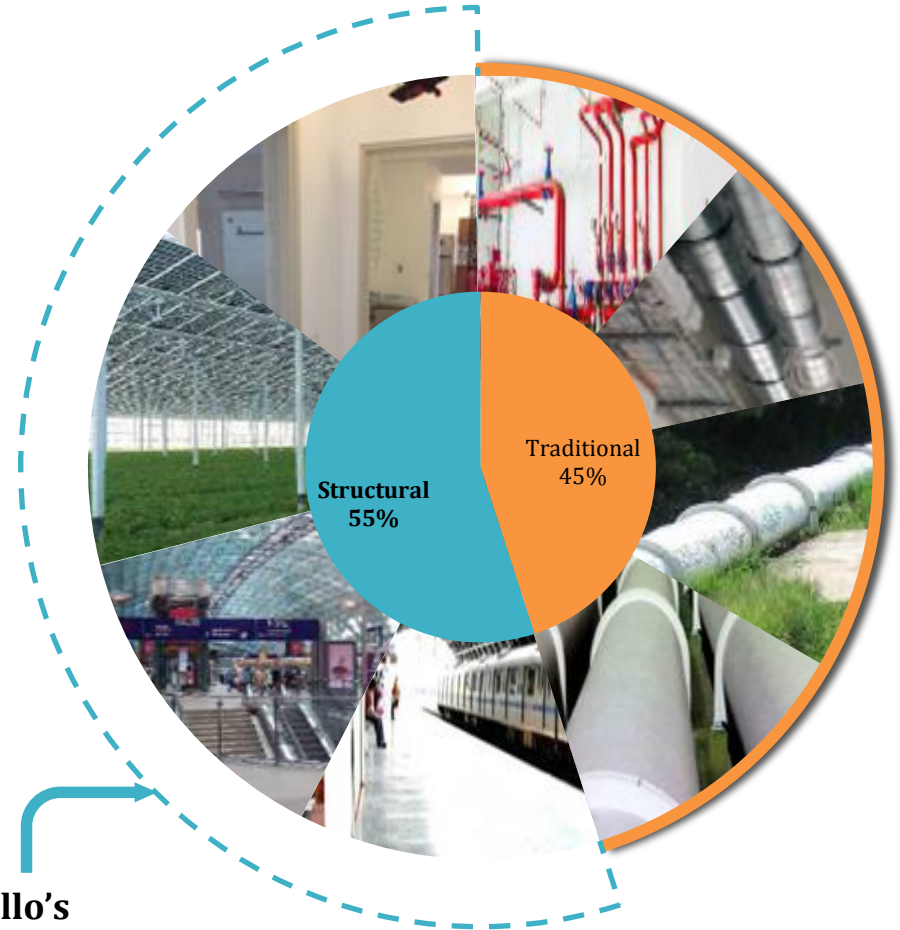
Steel pipes and tube manufacturing among the fastest growing industries across the globe

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

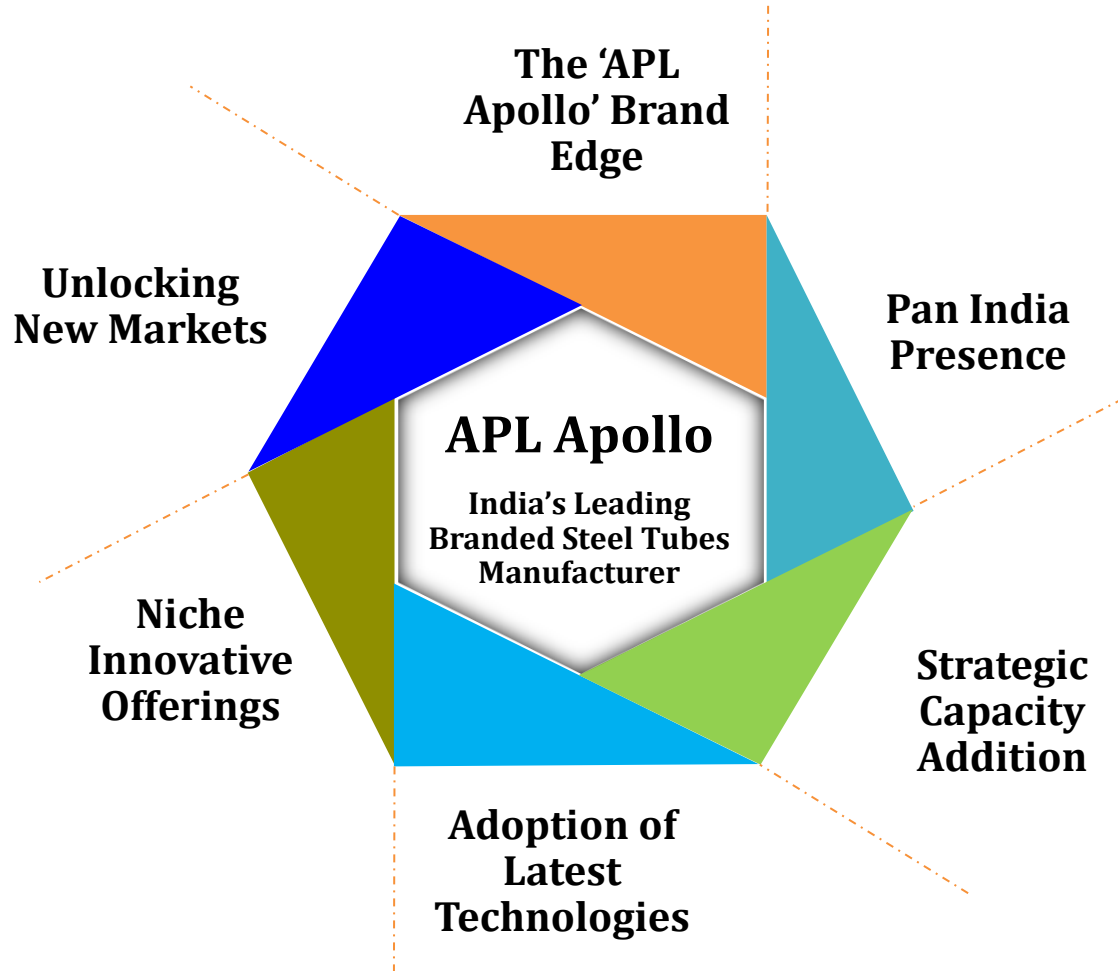
Construction

Energy

Automobiles

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

Strong Focus towards Building Brand Visibility through New Product Launches



Apollo Coastguard

'Apollo Coastguard' branded products to tap growing consumption of galvanized steel tubes in the Coastal Regions

Apollo Fabritech*

'Apollo Fabritech', hollow sections made with latest DFT technology results in customized sizes, great cost savings, faster deliveries and more precise finishes

Apollo Agritech*

'Apollo Agritech', hollow section products to tap the buoyant agriculture segment

Apollo Bheem*

'Apollo Bheem' pipes are made of special galvanized steel to provide corrosion resistance; the pipes are long-lasting, even in rocky terrains

*Proposed Brands



Strengthening Brand Reach

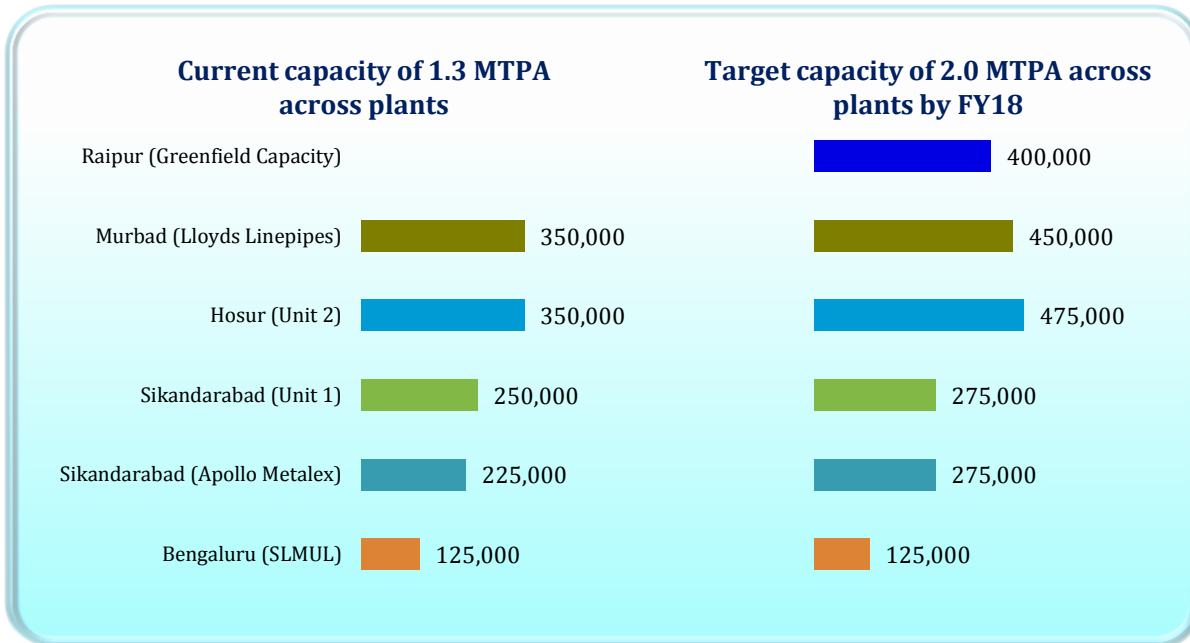


- Driving market share gains through various brand building and brand awareness initiatives
- Over the next few years, allocated budget of Rs. 15- 20 crore towards brand building activities, which include,
 - Print Media
 - Electronic Media
 - Hoardings
 - Fabricators Meeting
 - Retailers Meeting
 - Architect, Consultant Meetings
- 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

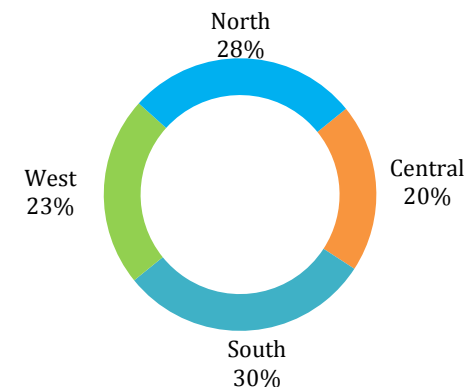


Expanding Manufacturing & Distribution Footprint

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



Target Capacity Distribution



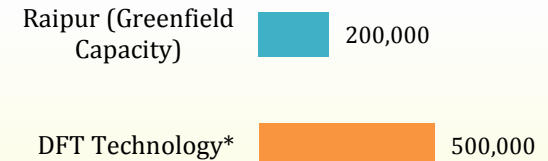
15-20% Market share across geographies

The only branded domestic steel tubes manufacturer with a pan-India presence – 2.0 MTPA capacity to make the Company one of the largest players in the world

Capacity Expansion Plan

- Expanding capacity from 1.3 MTPA to 2 MTPA by FY2018
- **Tapping Easter markets** – 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**
 - 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*

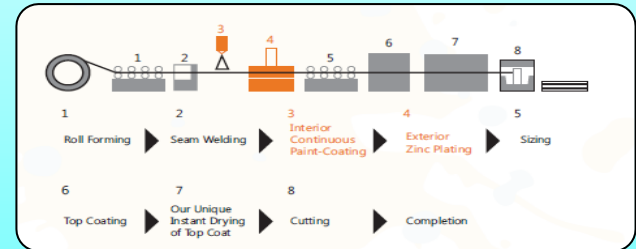
Aggressive ramp-up in capacities to drive volume growth

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



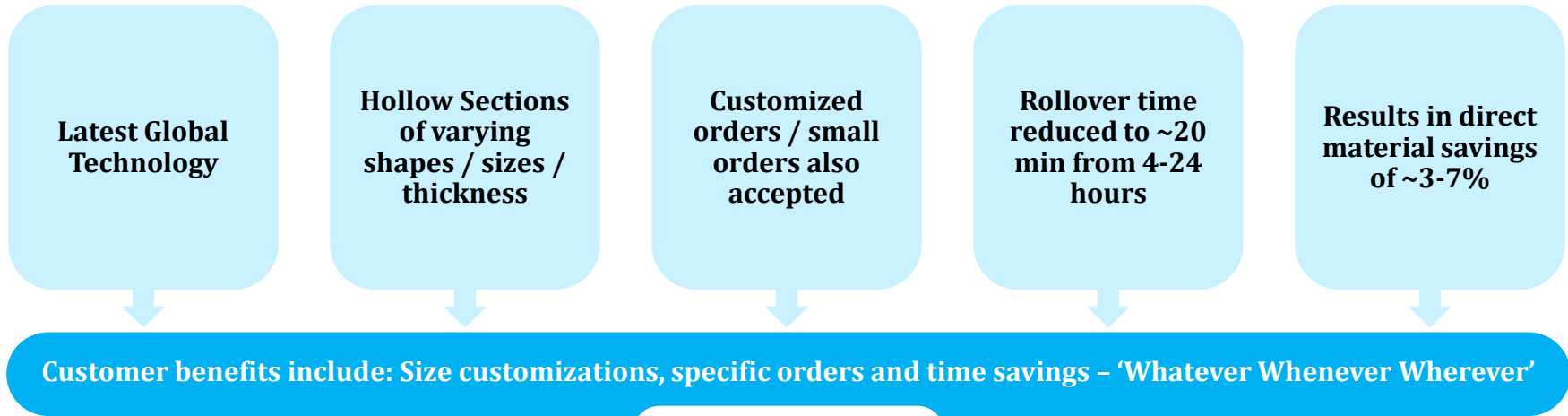
Direct Forming Technology



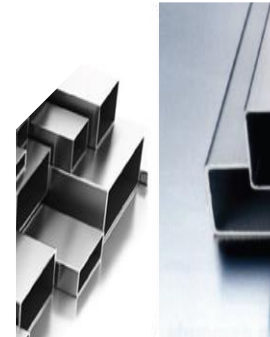
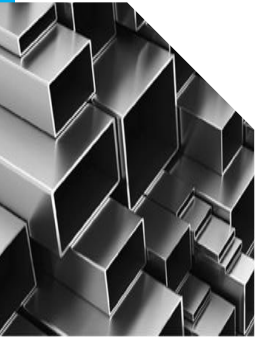
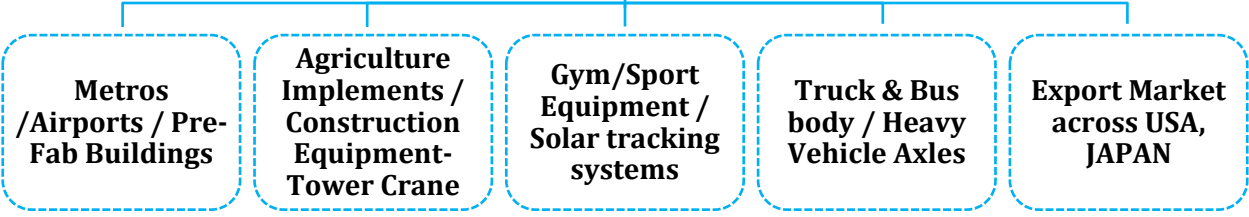
In-Line Galvanizing of Tubes

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

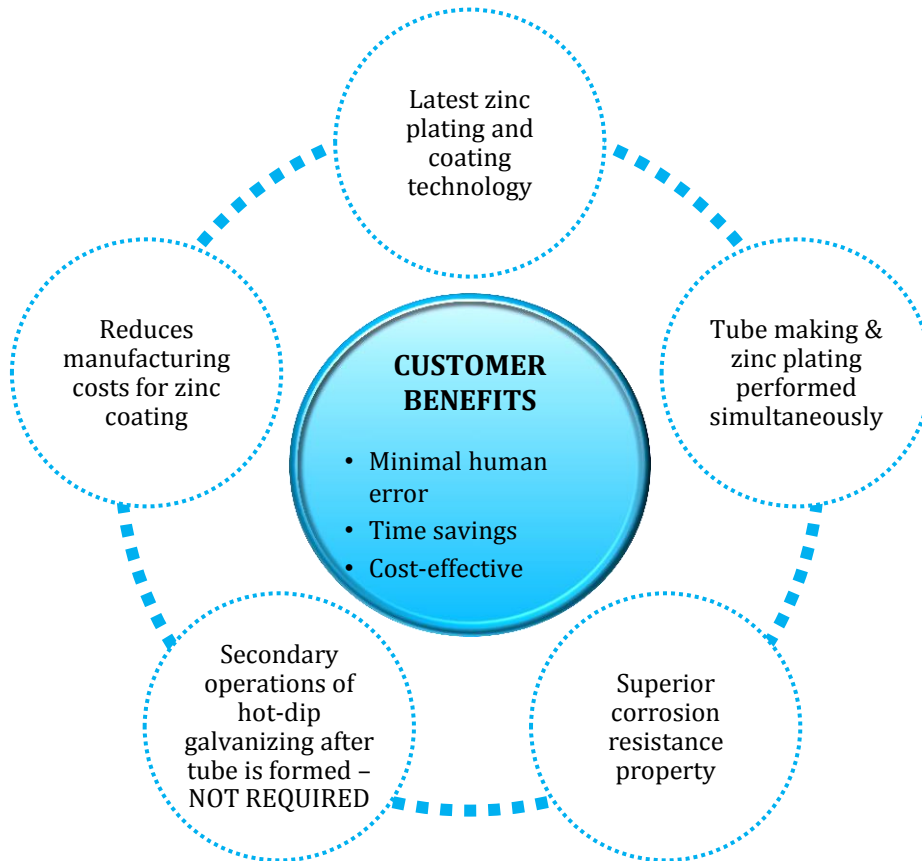
Direct Forming Technology



Opened an array of opportunities across various sectors



In-line Galvanizing Technology



Recent Developments

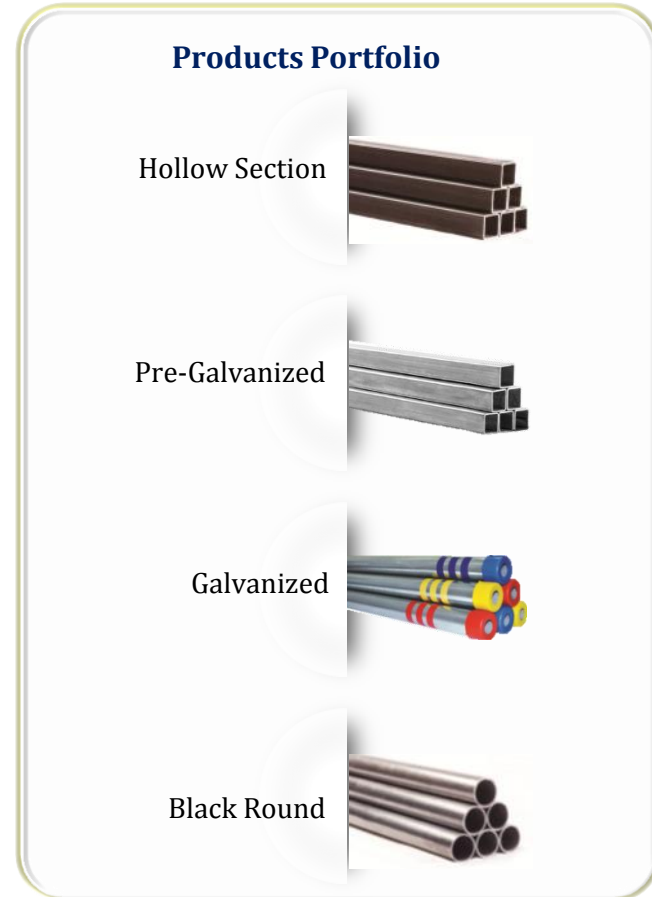
APL Apollo Tubes and o2Oh form joint venture to develop and expand market for Inline Galvanized products in India

- ‘APL Apollo Tubes’ and ‘One to one holdings’ forms a joint venture (JV) to develop, manufacture and commercialize the Inline Galvanizing technology for the first time in India
- o2Oh is a Singapore based, holding company of Japan based Daiwa Steel Tubes Industries (100% holding) and US based Superior Technologies
- The JV will be in the name of Apollo Daiwa Eco Tubes Pvt Ltd and will be owned on a 66-34 basis between APL Apollo Tubes and o2Oh
- To establish 1 line of 50,000 MTPA by H1 FY19

Path-breaking Product Offerings

- Only company to offer a vast product portfolio of over 400 varieties
- Product portfolio at ~3-4x 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



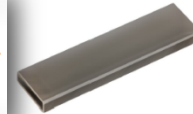
Single Door Frame Section



Paint Coated



Narrow Sections



Pipe Dimensions



New Patented Designs

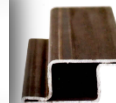
D Shape



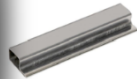
Hand Rail



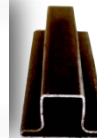
Z Shape



L Section



T Shape



Elliptical tube



- 70% of the Company's product portfolio are niche and have limited competition
 - Developed 12 new customizable sizes

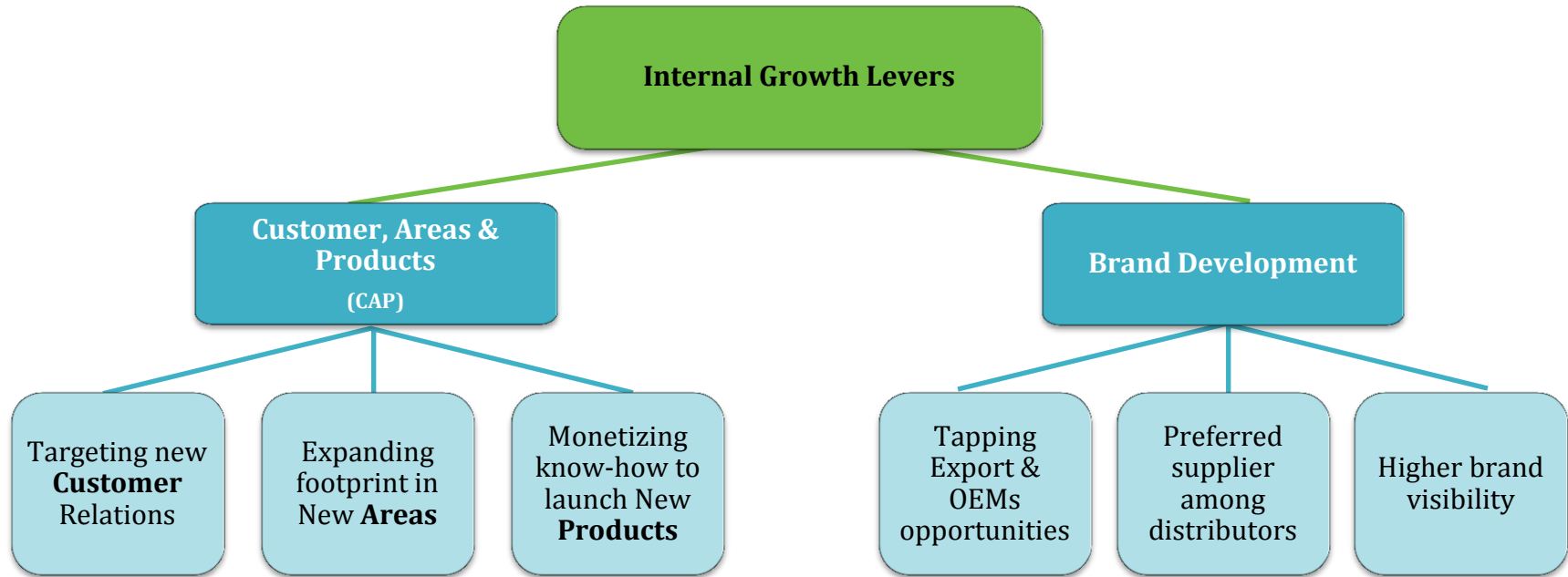
Unlocking Opportunities – OEMs, Exports & Untapped markets

- 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 3%
 - 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

Energy

Automobiles

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

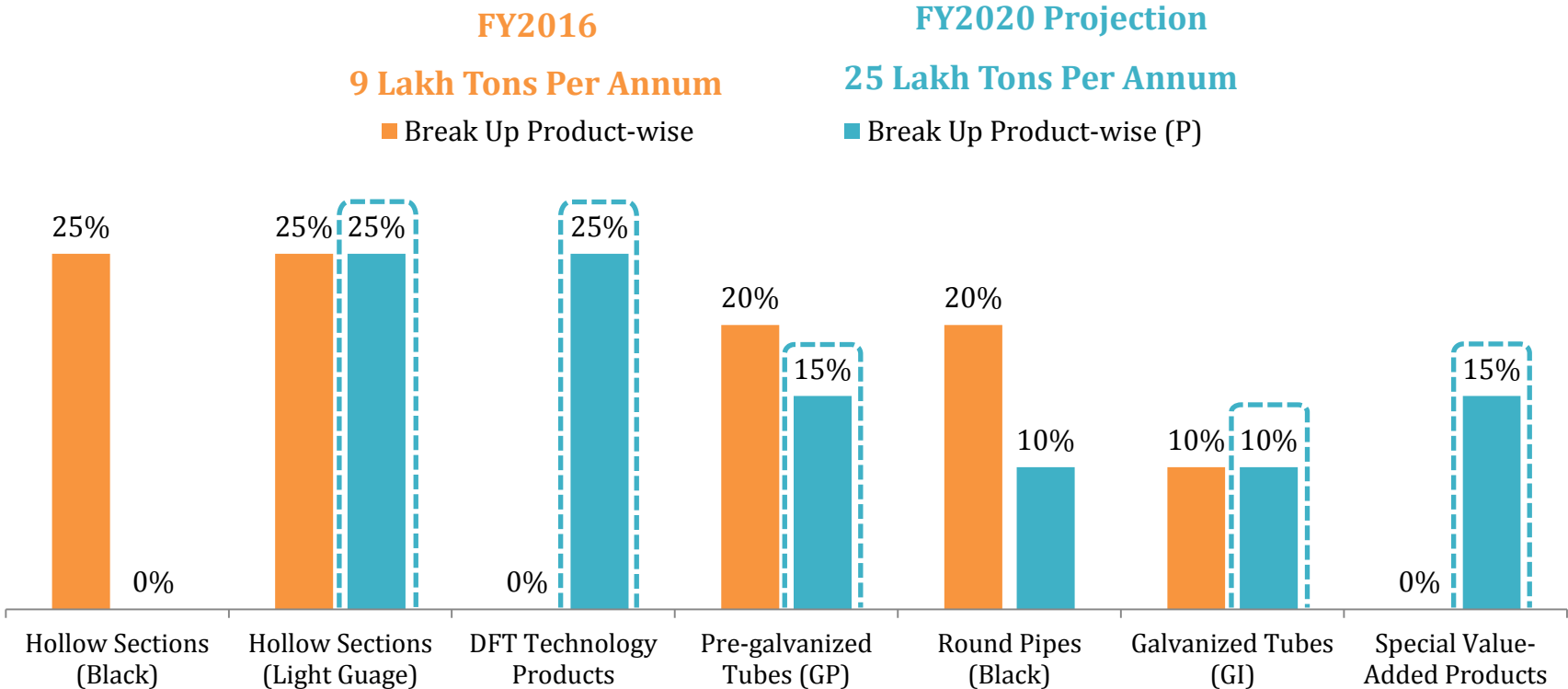
Improving board mix to facilitate higher level of transparency

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

Energy

Automobiles

Agriculture

Consistently Delivering Strong Performance

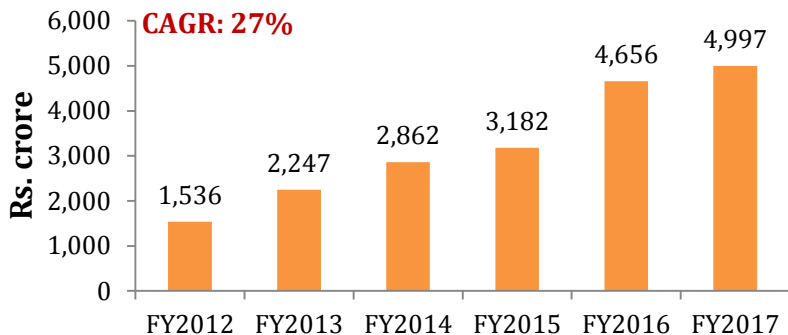


Particulars	2007	2010	2012	2015	2016	2017	CAGR
Sales (Rs. Crore)	230	666	1,536	3,482	4,656	4,997	36%
EBITDA (Rs. Crore)	15	66	115	186	292	328	36%
PAT (Rs. Crore)	7	30	49	64	101	146	35%
Net Worth (Rs. Crore)	16	191	299	495	568	720	46%
EPS (Rs.)	21	15	23	27	43	62	
Ratios							
ROCE (%)	55	17	20	18	26	23	
RONW (%)	33	16	18	14	21	22	
Production							
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%
Distribution							
No of Distributors	100	150	200	375	600	600	
No of Plants	2	4	5	6	6	6	

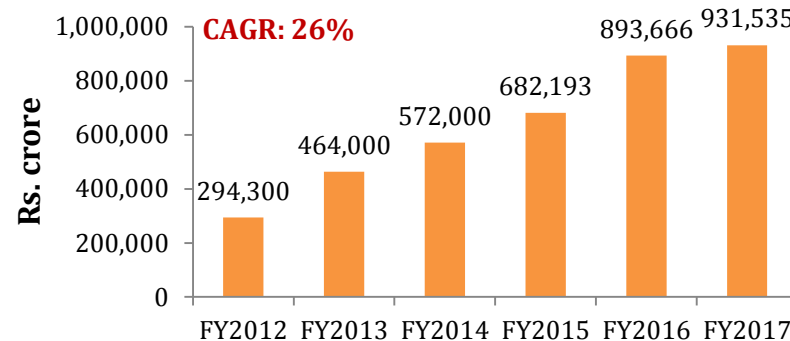
Strong Financial Track-record



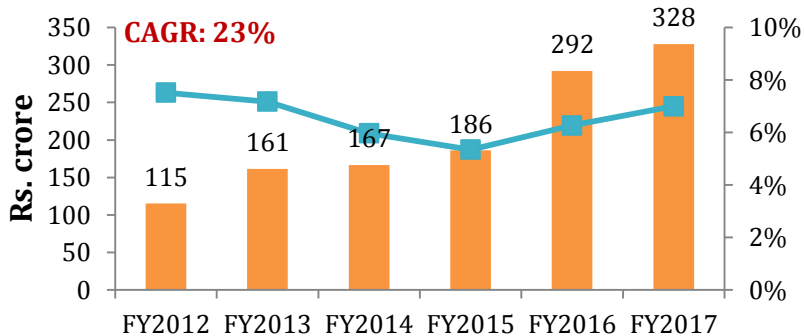
Revenues



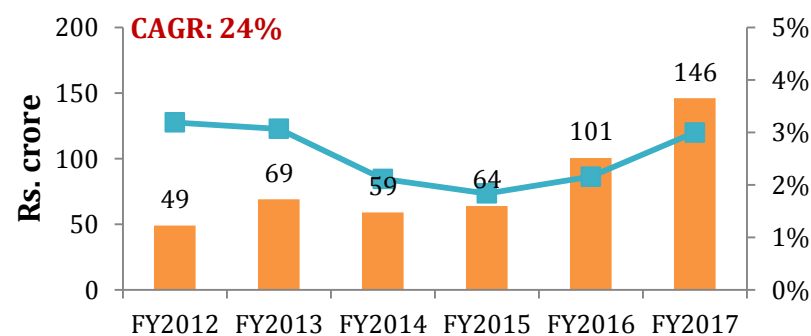
Production (MTPA)



EBITDA and EBITDA Margins



PAT and PAT Margins



Manufacturing Revenue Breakup & Margin Profile

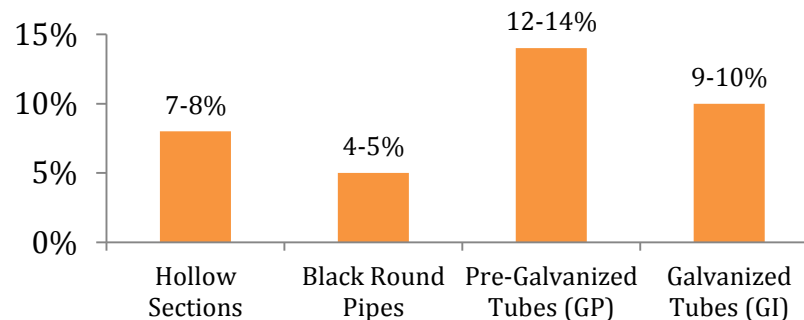


Products	Revenue Contribution FY14 (%)	Revenue Contribution FY15 (%)	Revenue Contribution FY16 (%)	Revenue Contribution FY17 (%)
Hollow Sections	32	34	43	46
Round Pipes (Black)	22	23	19	14
Pre-galvanized Tubes (GP)	24	24	20	23
Galvanized Tubes (GI)	17	15	14	14
DFT Technology Products*	-	-	-	-
Special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

* New product segments to be introduced in FY18

**Trading & Scrap

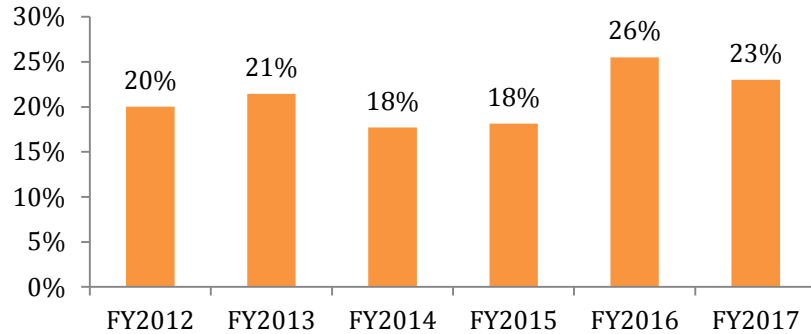
Product Margin Profile



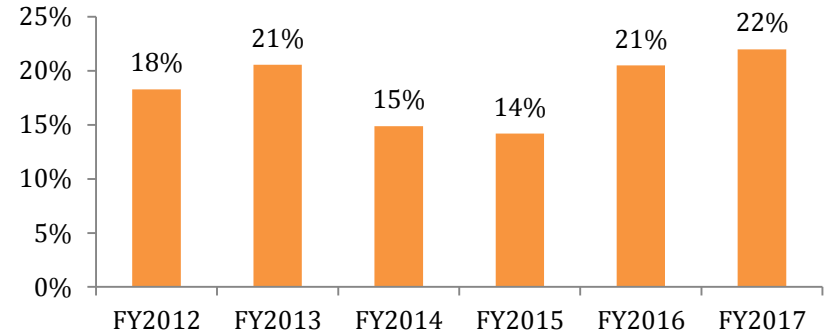
Financial Parameters



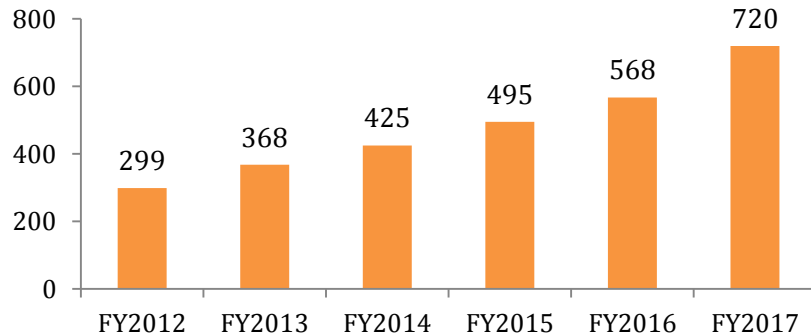
ROCE (%)



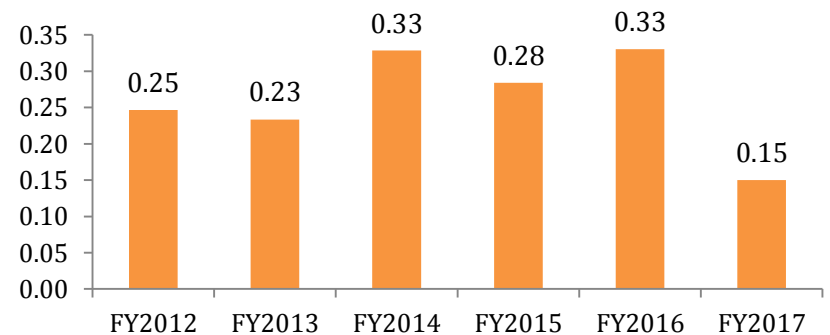
RONW (%)



Networth (Rs. Crore)



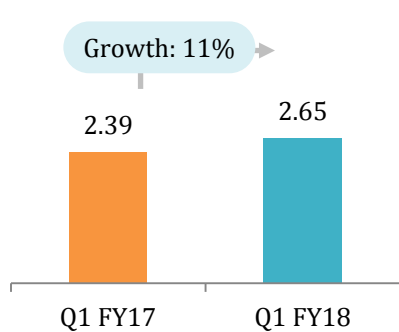
Long-term Debt-Equity Ratio



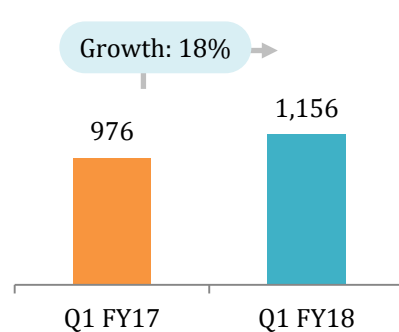
Performance Highlights - Q1 FY18



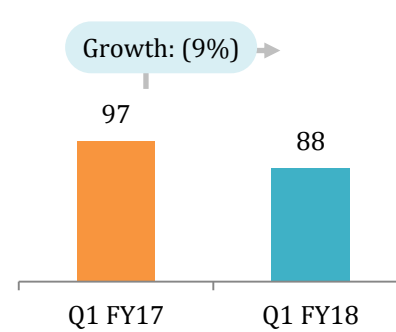
Sales Volume* (Lakh Ton)



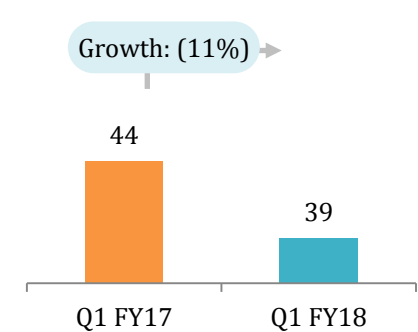
Net Income (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



Margins as a % of Income

10.0%

7.6%

4.5%

3.4%

- Sales volume saw a healthy increase of 11% to 2.65 lakh tons from 2.39 lakh tons
 - Healthy pick-up in demand post demonetization had a positive impact on the sales volume growth
- EBITDA margins were lower at 7.6% as the corresponding quarter in the previous year saw benefits of Minimum Import Price (MIP) on HR coils, including inventory gains which led to higher than normal margins. On a Q-o-Q basis, the Company reported an improvement in EBITDA per ton and margins

Conclusion



Infrastructure

Construction

Energy

Automobiles

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

Energy

Automobiles

Agriculture

Building A Sustainable World Through Efficient Energy Consumption and Optimum Utilization of Natural Resources

SOLAR POWER

- Company targets to equip all the units and buildings of APL Apollo with rooftop solar panels
- Usage of solar power will help reduce energy loss, electricity bills and maintenance costs due to minimum breakdowns



WIND ENERGY

- Entered into the arrangements with Clover energy to utilize energy generated from windmills for its business operations



COIL STACKING SYSTEM

- Coil stacking system to enhance safety guidelines and flexibility of operations

Key Market Statistics

Key Market Statistics	As on August 31, 2017
BSE/NSE Ticker	533758 / APLAPOLLO
Industry	Building Materials / Infrastructure
CMP (Rs.)	1,572.05
Market Cap (Rs. Crore)	3,708
Number of outstanding shares (Crore)	2.36
Face Value	10.00
52-week High / Low (Rs.)	1,687/834

Top Public Shareholders (more than 1%)

Kitara

IDFC

HDFC Trustee Fund

DSP Blackrock

Emblem FII

Goldman Sachs

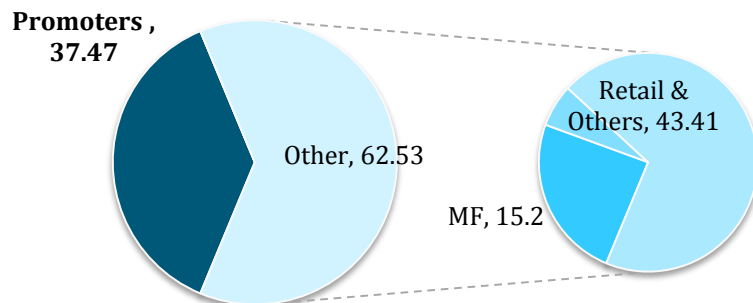
Sameer Mahendra Sampat

Ashish Kacholia

Suresh Kumar Agarwal

As on 31st July, 2017

Break-up of Floating Stock (%)



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
Whole-time 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
Whole-time 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

About Us



APL Apollo Tubes Limited (APL Apollo) [BSE: 533758, NSE: APLAPOLLO] is one of India's leading branded steel products manufacturers. Headquartered at Delhi NCR, the Company operates six manufacturing facilities with a total capacity of 1.3 Million MTPA. 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 MS Black pipes, Galvanized Tubes, Pre-Galvanized Tubes, Structural ERW Steel tubes and Hollow Sections.

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, housing, 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

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Infrastructure

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