



APLAPOLLO[®]

STEEL PIPES

**REVOLUTION THE WORLD
OF TUBES WITH**



NAYI SOCH

**WORLD'S FIRST COMPANY TO PRODUCE
TUBES FROM 8X8MM TO 1000X1000MM
WITH 0.18MM TO 40MM THICKNESS**

Q2FY25 Earnings presentation

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.



Contents

- Q2FY25 at glance
- Financial Performance
- Business Strategy
- New Initiatives
- ESG Engagement
- Team APL Apollo



Q2FY25 at a Glance



758k Ton

Sales Volume

12% YoY increase
5% QoQ increase



₹ 47.7 Bn

Revenue

3% YoY increase
4% QoQ decline



₹1.4Bn

EBITDA

58% YoY decline
54% QoQ decline



₹ 1,821

EBITDA/ton

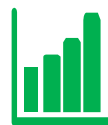
62% YoY decline
56% QoQ decline



55%

Value Added Sales mix

Q2FY24 was 55%



₹364 Mn

Interest Cost

37% YoY increase
31% QoQ increase



₹0.5Bn

Net profit

73% YoY decline
72% QoQ decline



₹ 1.0Bn

Cash profit

59% YoY decline
58% QoQ decline



3 days

Net WC in H1FY25

FY24 was 1 day



16.6%

ROCE in H1FY25

FY24 was 29.5%



13.3%

ROE in H1FY25

FY24 was 22.2%



₹3.0Bn

Net debt in H1FY25

FY24 Net cash was ₹0.18 Bn

Note 1: Sales Volume and Financials are on consolidated basis

Note 2: Capital employed has been calculated as Total assets minus total current liabilities minus surplus cash

Note 3: NWC/ ROCE/ ROE have been annualized for FY25 on basis of H1FY25

Note 4: EBIT has been calculated without other income for ROCE calculation

H1FY25 at a Glance



1,479k Ton
Sales Volume
11% YoY increase



₹ 97.5 Bn
Revenue
6% YoY increase



₹4.4Bn
EBITDA
30% YoY decline



₹ 2,972
EBITDA/ton
37% YoY decline



58%
Value Added Sales mix
H1FY24 was 56%



₹642 Mn
Interest Cost
19% YoY increase



₹2.5Bn
Net profit
38% YoY decline



₹ 3.4Bn
Cash profit
29% YoY decline



3 days
Net WC in H1FY25
FY24 was 1 day



16.6%
ROCE in H1FY25
FY24 was 29.5%



13.3%
ROE in H1FY25
FY24 was 22.2%



₹3.0Bn
Net debt in H1FY25
FY24 Net cash was ₹0.18 Bn

Note 1: Sales Volume and Financials are on consolidated basis

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Highest ever Quarterly Sales Volume

Profit & Loss (Rs Mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Sales Volume (k Ton)	403	552	423	602	605	650	662	675	604	679	721	758
Revenue	32,304	42,147	34,386	39,692	43,271	44,311	45,449	46,304	41,778	47,657	49,743	47,739
EBITDA	2,023	2,661	1,939	2,319	2,729	3,229	3,072	3,250	2,796	2,804	3,016	1,380
EBITDA/ton (Rs)	5,023	4,823	4,587	3,850	4,510	4,970	4,645	4,817	4,631	4,132	4,183	1,821
Net Profit	1,279	1,766	1,207	1,502	1,692	2,018	1,936	2,029	1,655	1,704	1,932	538

FINANCIAL PERFORMANCE



De-commoditizing Product Portfolio

	Application	Q2FY24			Q3FY24			Q4FY24			Q1FY25			Q2FY25		
		Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton
		(%)	(K Ton)	(Rs)	(%)	(K Ton)	(Rs)	(%)	(K Ton)	(Rs)	(%)	(K Ton)	(Rs)	(%)	(K Ton)	(Rs)
Apollo Structural	Heavy	8	51	8,481	10	62	8,177	9	64	7,845	8	58	7,901	7	52	5,541
	Super Heavy	1	5	10,014	1	7	9,551	1	8	9,210	2	11	9,425	1	11	7,069
	Light	17	113	6,258	16	95	5,771	15	102	5,187	15	110	5,169	17	127	2,899
	General	45	301	2,152	41	249	1,771	40	272	1,802	40	288	1,944	45	338	-24
Apollo Z	Rust-proof	21	144	6,721	20	124	6,144	23	156	4,865	23	168	4,958	20	150	2,567
	Coated	4	29	7,472	6	36	7,516	6	40	6,023	7	52	5,757	7	51	3,395
Apollo Galv	Agri/Industrial	5	32	7,196	5	30	6,452	5	37	5,725	5	34	5,698	4	29	3,340
Total		100	675	4,817	100	604	4,631	100	679	4,132	100	721	4,183	100	758	1,821

Standard products with EBITDA around Rs 2,000/ Ton

Value added products with EBITDA more than Rs 5,000/Ton

De-commoditizing Product Portfolio

Product Category	Application	FY21			FY22			FY23			FY24			H1FY25			Existing capacity	Proposed Capacity
		Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	Sales Mix	Vol.	EBITDA/Ton	(KTon)	(KTon)
		(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)	(%)	(KTon)	(Rs)		
Apollo Structural	Heavy	6	95	4,721	7	121	7,422	7	160	7,505	9	223	8,057	7	111	6,786	452	588
	Super Heavy	-	-	-	-	-	-	0	2	9,604	1	24	9,395	1	22	8,258	296	444
	Light	21	352	5,649	19	336	6,683	18	407	5,134	16	421	5,760	16	237	3,950	955	1,023
Apollo Z	General	43	713	1,658	37	647	2,212	44	1,005	2,015	42	1,103	2,005	42	626	881	1,375	1,500
	Rust-proof	25	409	6,692	33	575	7,710	25	567	7,214	23	593	6,120	22	318	3,831	675	825
	Coated	-	-	-	0	0	-	2	39	5,731	5	125	6,483	7	103	4,580	300	300
Apollo Galv	Agri/Industrial	4	71	6,040	4	76	6,442	4	99	5,667	5	129	6,372	4	63	4,621	240	320
Total		100	1,640	4,138	100	1,755	5,386	100	2,280	4,481	100	2,618	4,553	100	1,479	2,972	4,293	5,000

Standard products with EBITDA around Rs 2,000/ Ton

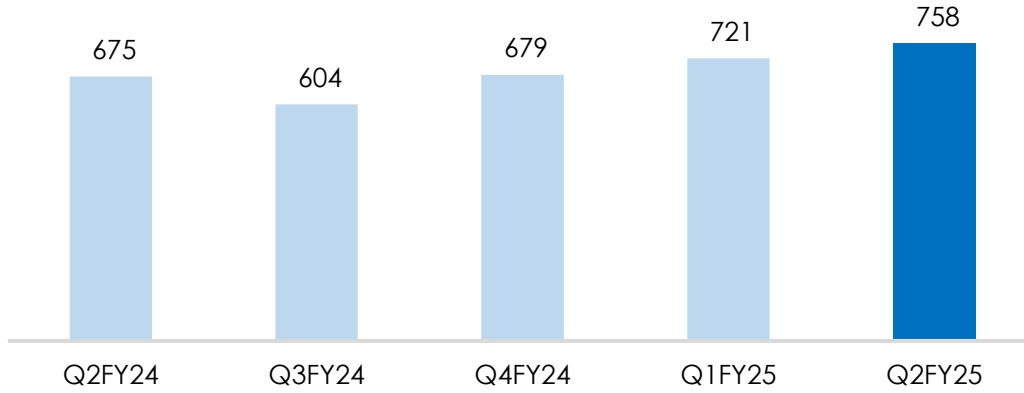
Value added products with EBITDA more than Rs 5,000/Ton

*ABPL (New Raipur) products have been re-classified in heavy, Super Heavy, Light and Coated Products

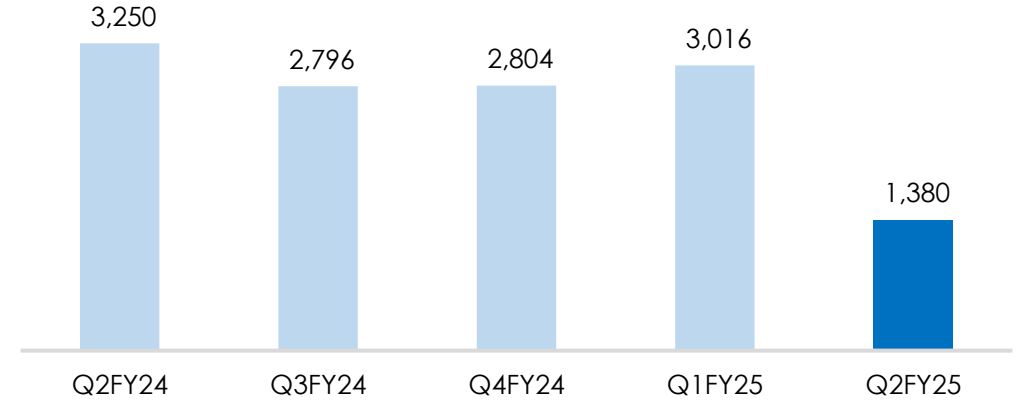
** proposed capacity of 5Mn Ton to be completed by FY25

Growing Strength to Strength

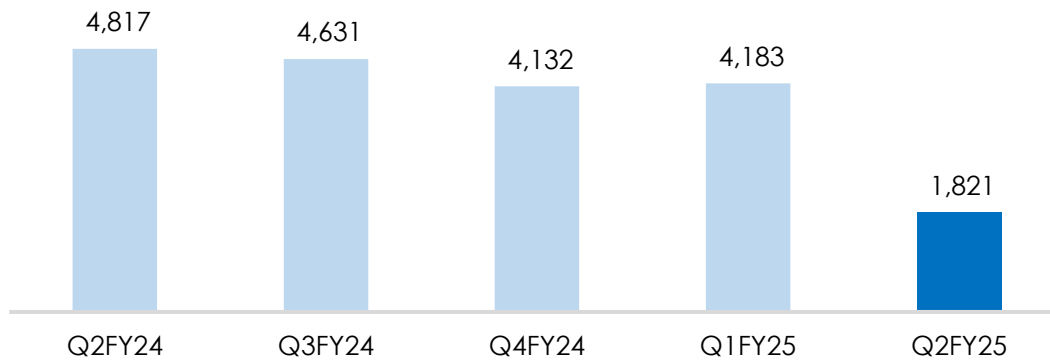
Volume (k'ton)



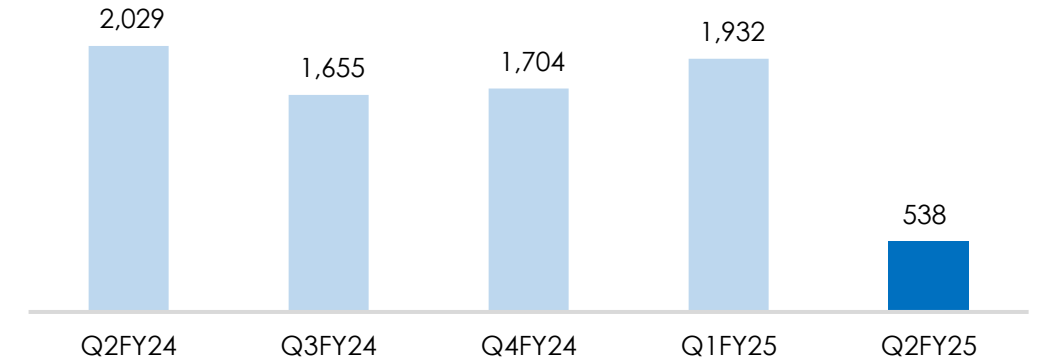
EBITDA (Rs Mn)



EBITDA/Ton (Rs)



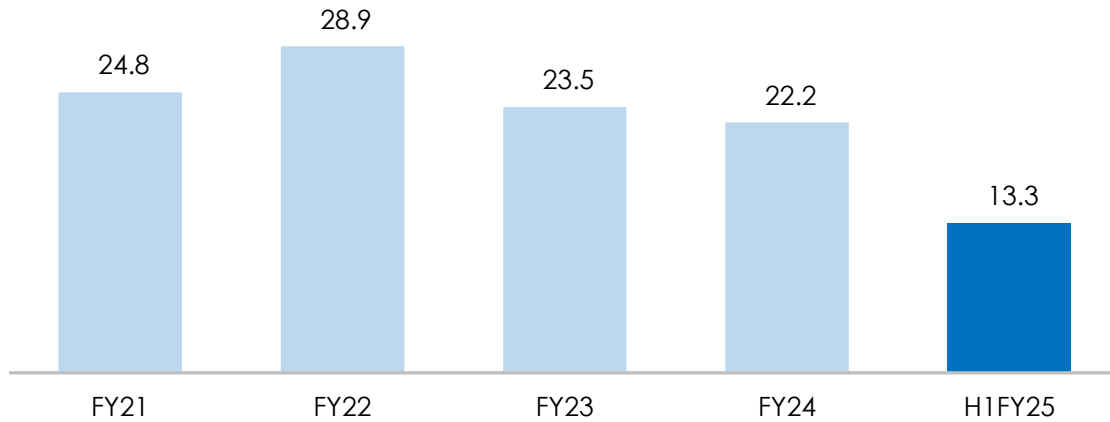
Net Profit (Rs Mn)



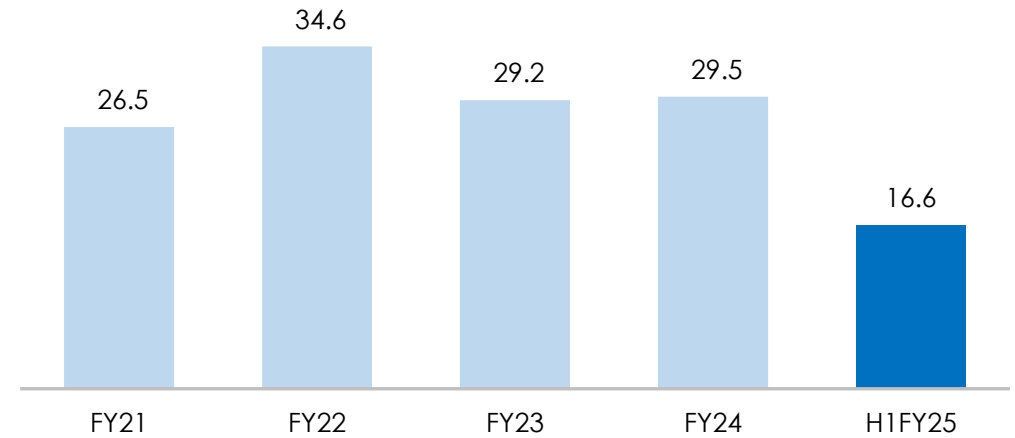
1. Sales Volume and Financials are on consolidated basis
2. EBITDA has been calculated without other income

Growing Strength to Strength

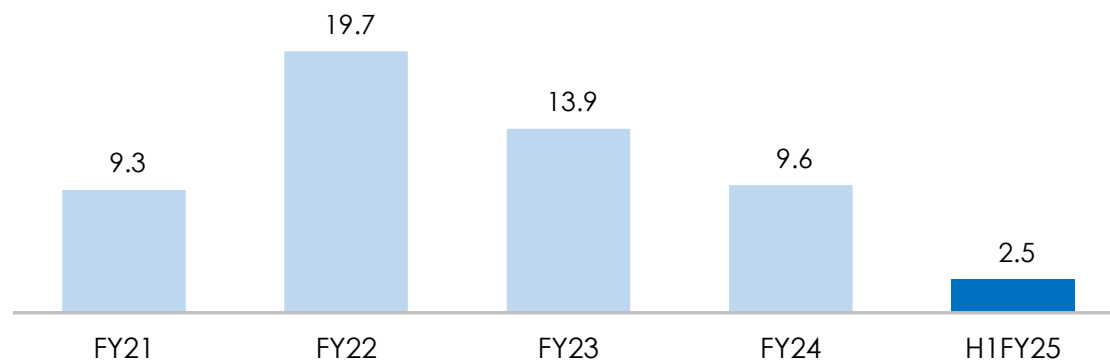
ROE (%)



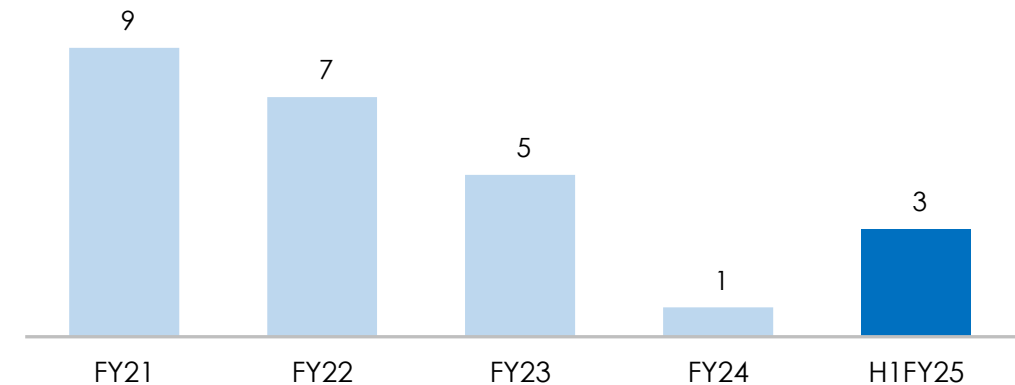
ROCE (%)



Interest Coverage Ratio (x)



Net Working Capital Days

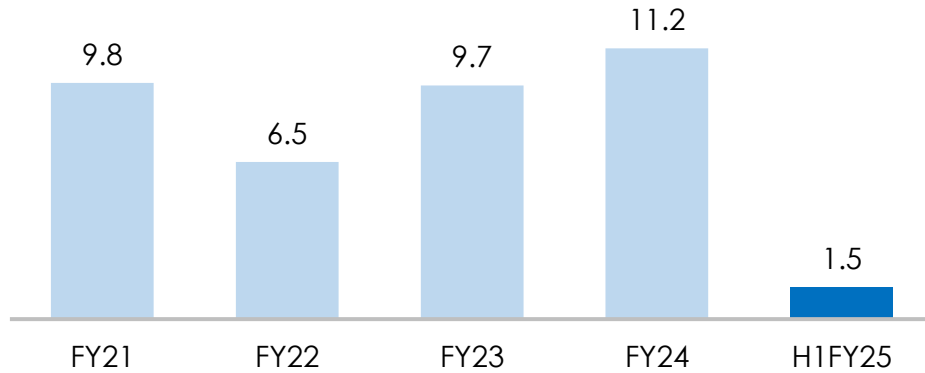


APL APOLLO TUBES

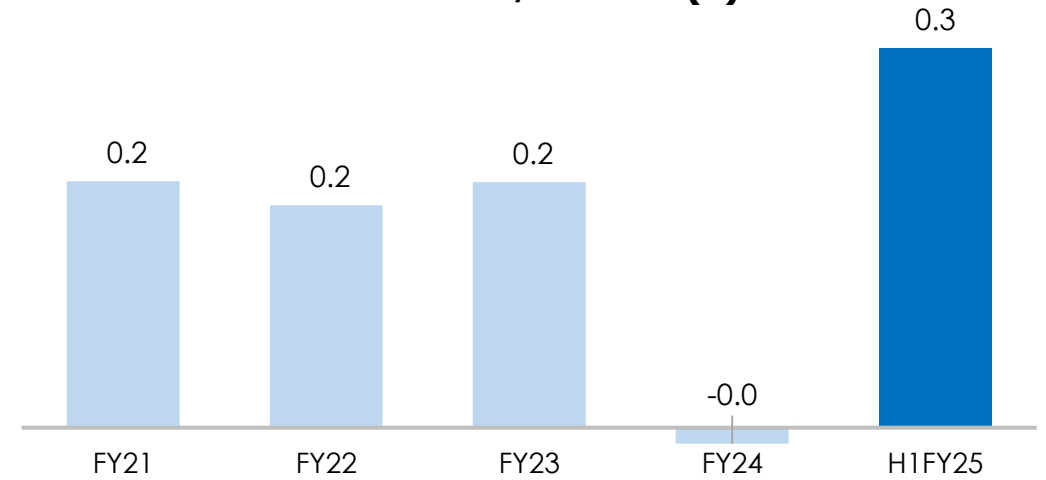
Note 1: Capital employed for ROCE is computed as Total assets less Current Liabilities & Cash

Growing Strength to Strength

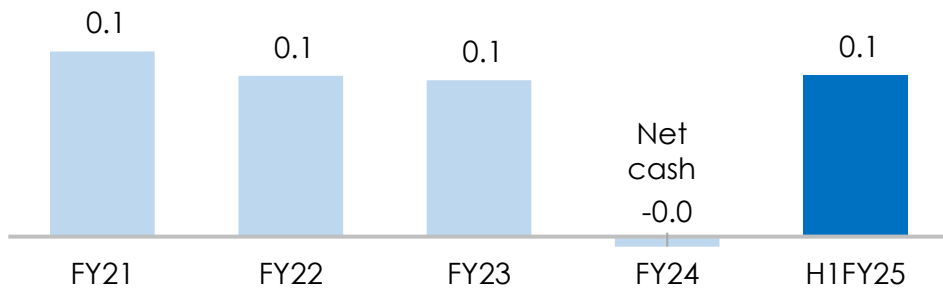
Operating Cash Flow (Rs Bn)



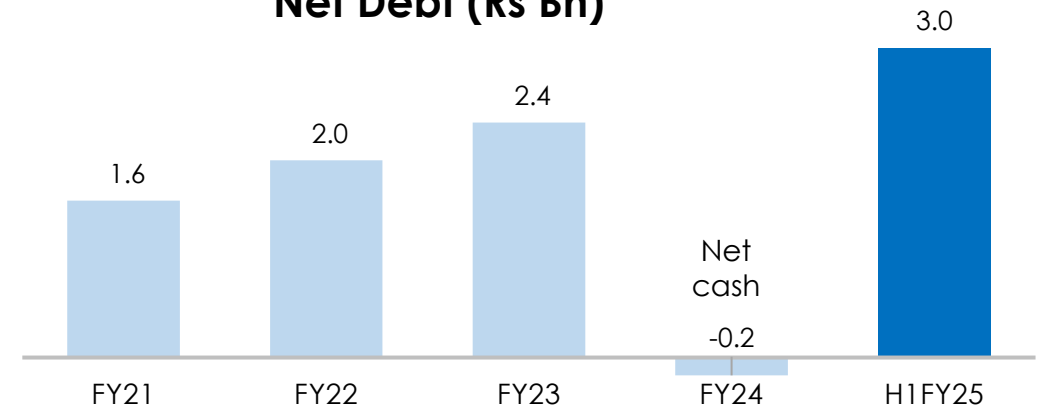
Net Debt/EBITDA (x)



Net Debt/ Equity (x)

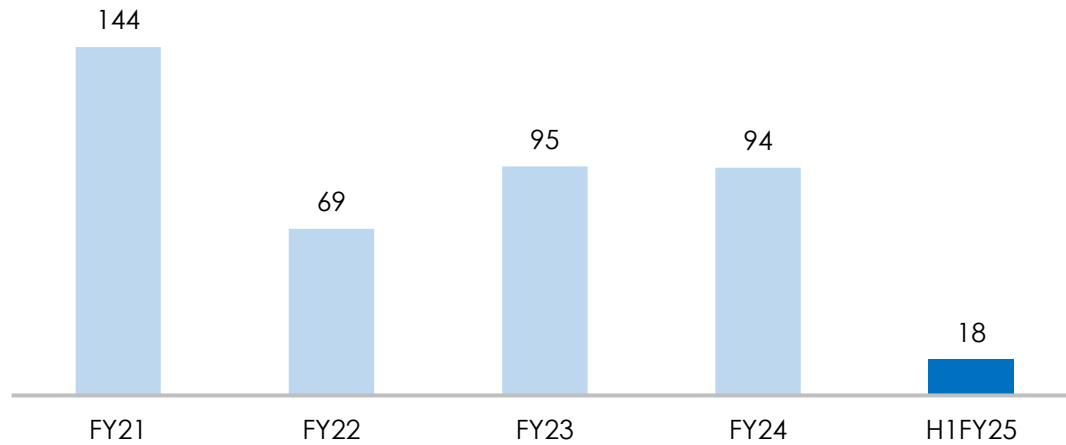


Net Debt (Rs Bn)

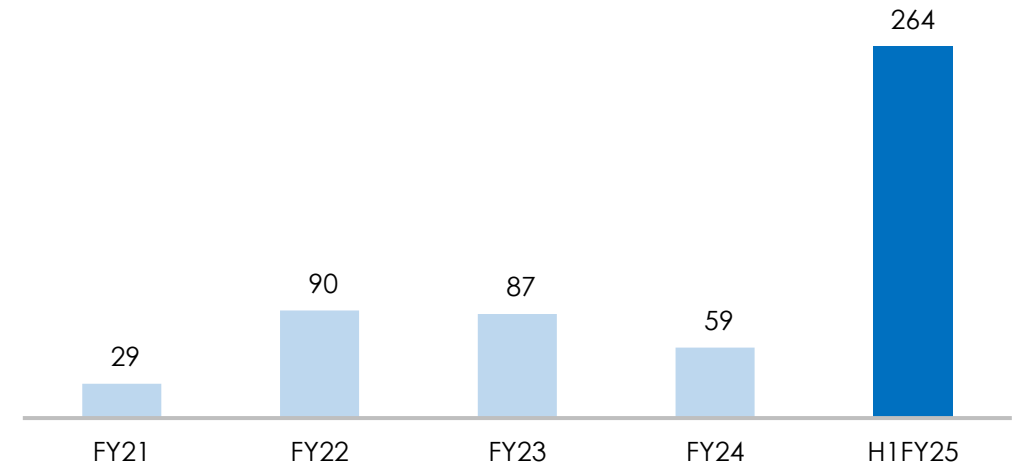


Growing Strength to Strength

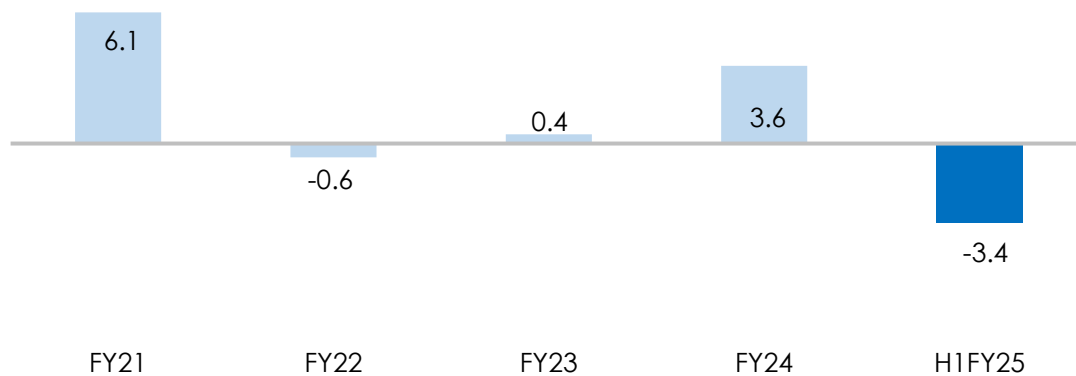
Operating Cashflow to EBITDA (%)



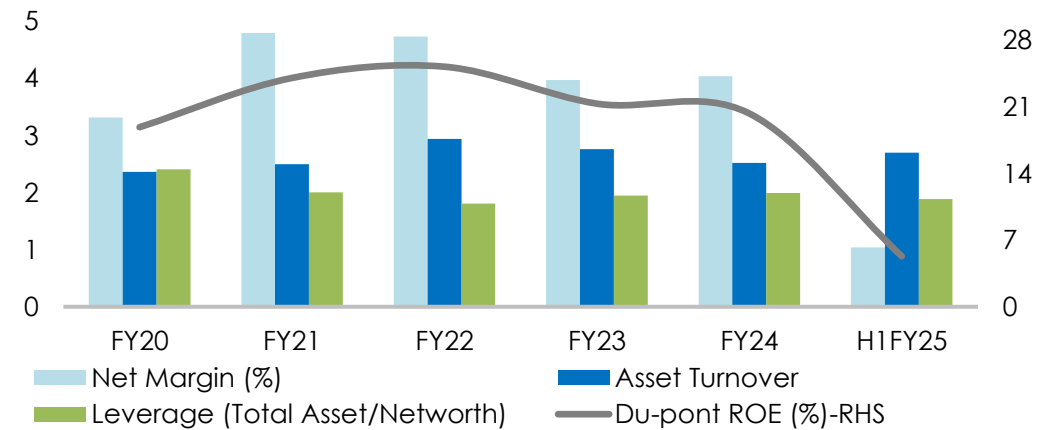
Capex to Op. Cash flow (%)



FCF (Rs Bn)

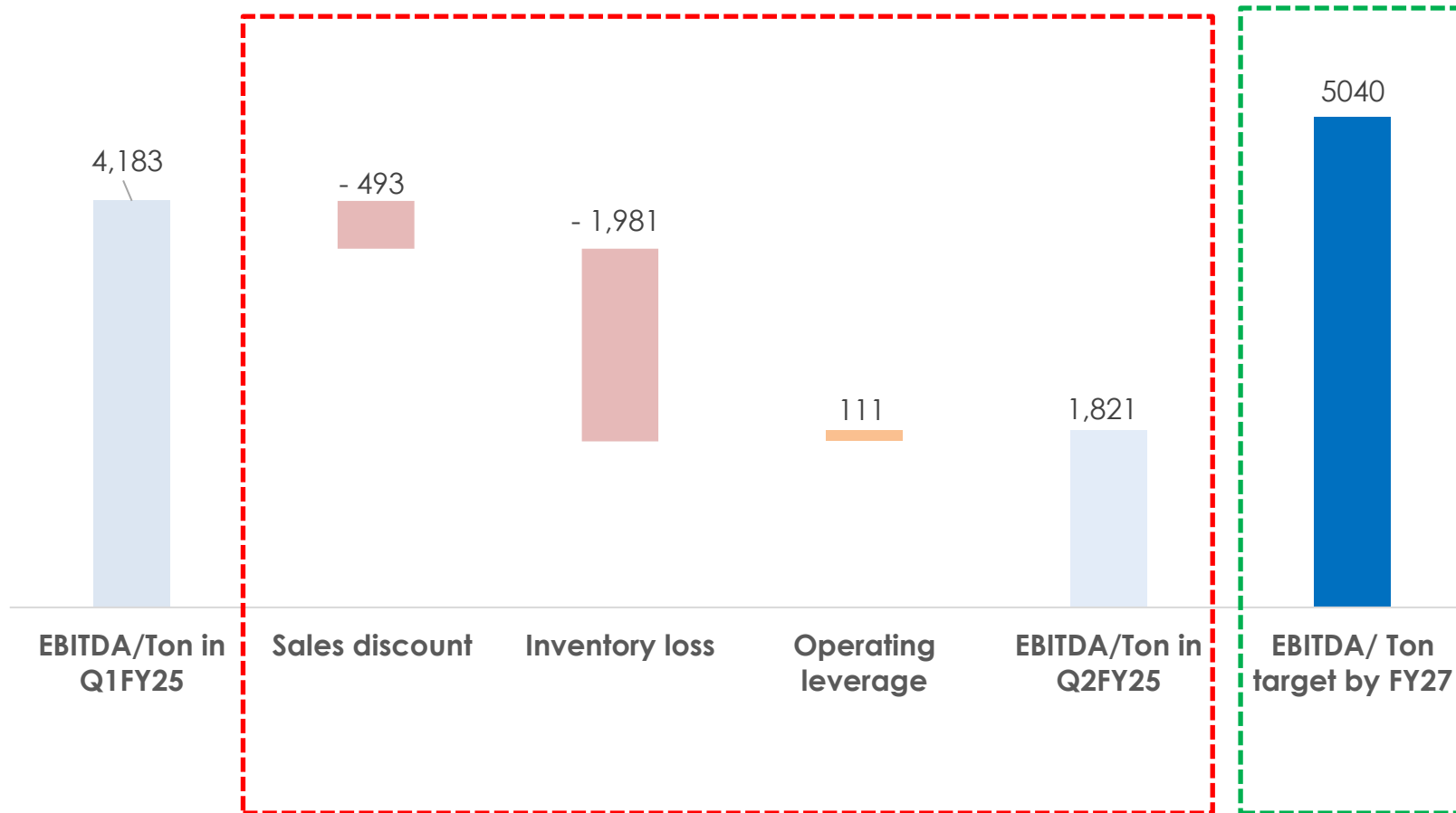


Du-Pont ROE (%)

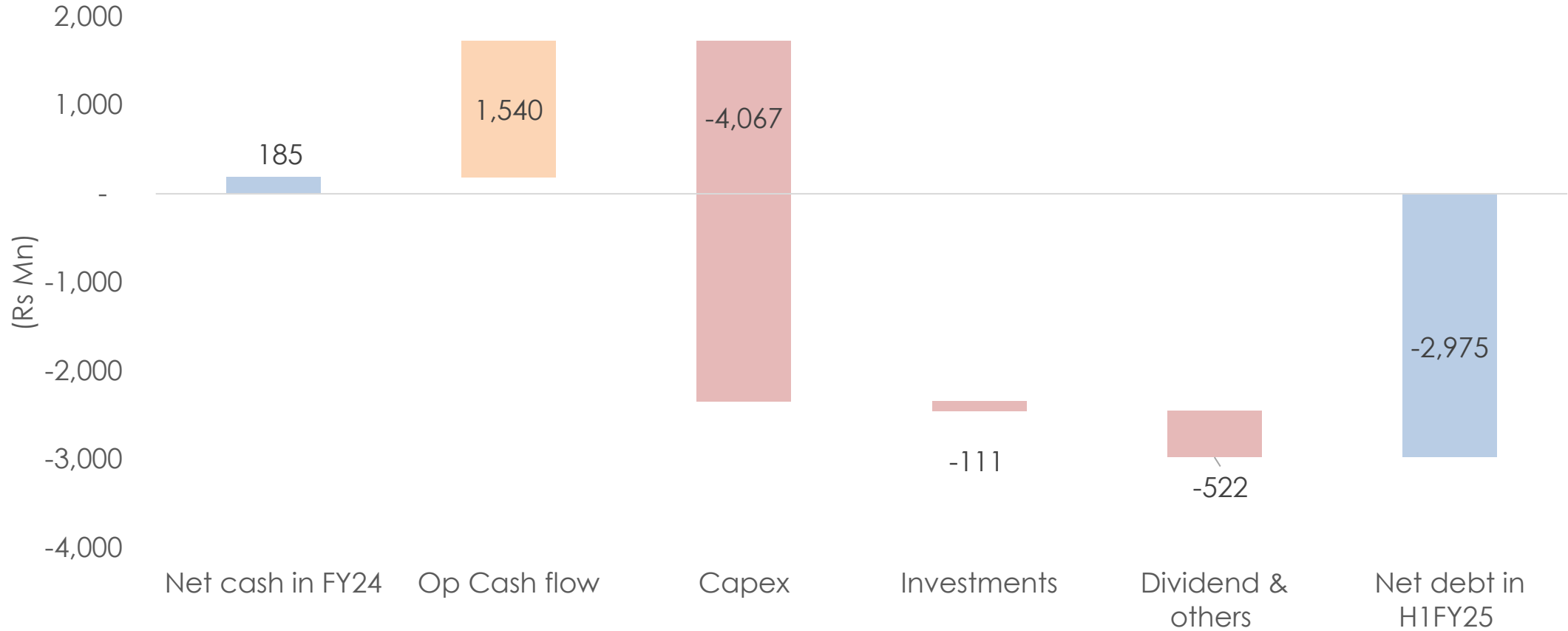


EBITDA/ Ton Bridge (INR/Ton)

EBITDA/Ton Bridge



Cash Flow Bridge (Rs Mn)



Business continues to generate strong operational cash flows



Capex being funded from internal cash flows



Net cash balance sheet

Profit & Loss Statement (Consol)

Particulars (Rs Mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	H1FY24	H1FY25
Sales Volume (K Ton)	675	604	679	721	758	1,336	1,479
Net Revenue	46,304	41,778	47,657	49,743	47,739	91,753	97,482
Raw Material Costs	39,784	35,854	41,326	42,697	42,419	78,991	85,116
Employee Costs	627	644	700	801	872	1,232	1,672
Other expenses	2,642	2,484	2,827	3,229	3,068	5,208	6,297
EBITDA	3,250	2,796	2,804	3,016	1,380	6,322	4,397
EBITDA/ton (Rs)	4,817	4,631	4,132	4,183	1,821	4,731	2,972
Other Income	196	150	186	247	148	413	395
Interest Cost	266	285	311	278	364	538	642
Depreciation	413	471	466	465	469	823	934
Tax	738	535	508	589	158	1,410	746
Net Profit	2,029	1,655	1,704	1,932	538	3,965	2,470

Note 1: Sales Volume and Financials are on consolidated basis

Note 2: Trading revenue for Q2FY25 was Rs 0.9Bn

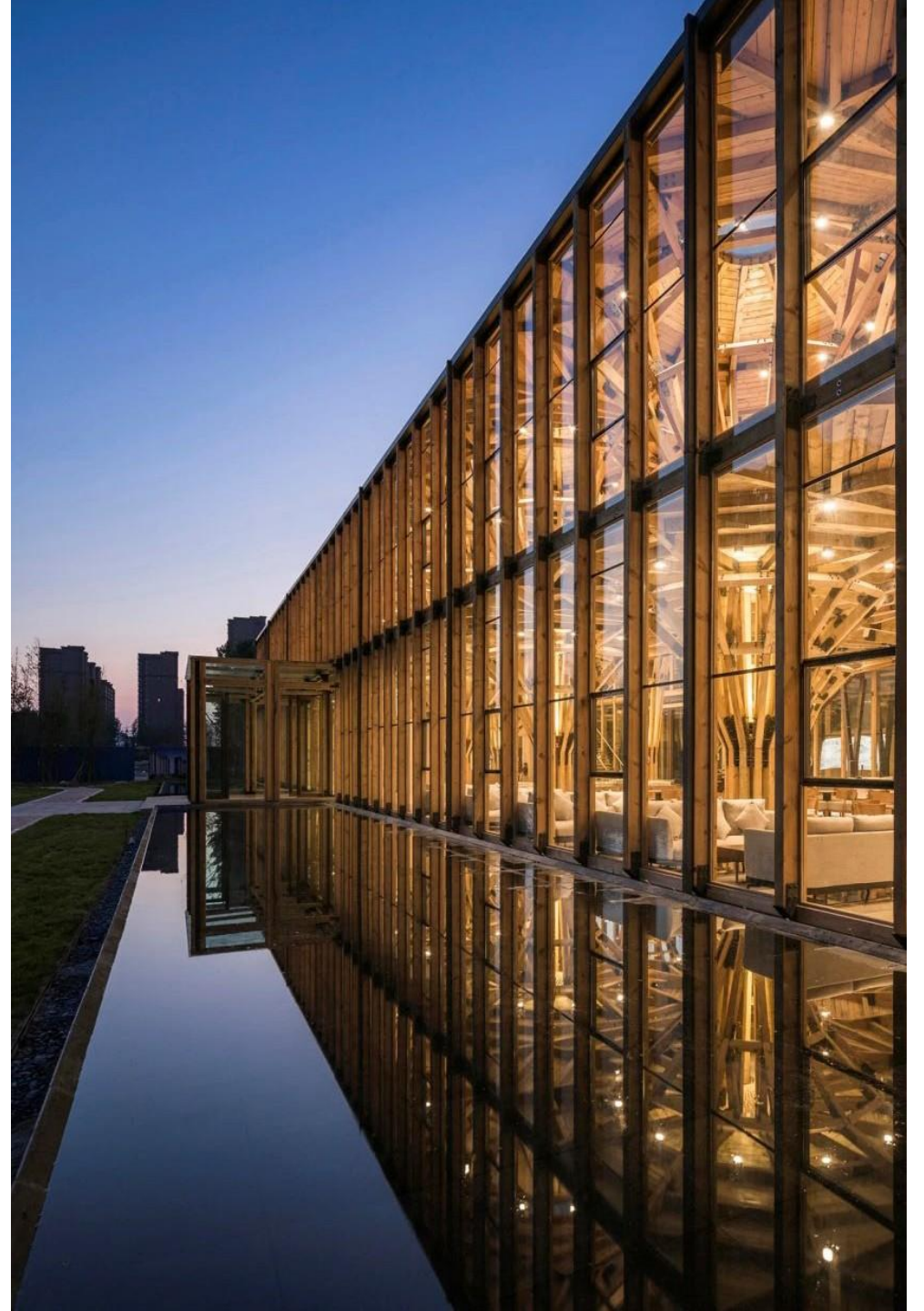
Balance Sheet & Cash flow (Consol)

Balance Sheet - Assets (Rs mn)	FY24	H1FY25
Cash & Bank Balance	11,430	7,045
Receivables	1,391	2,245
Inventories	16,379	16,792
Other current assets	4,237	4,970
Fixed assets (net)	32,336	34,363
Right to use Assets	1,103	1,225
Investments	1,027	967
Other assets/goodwill	3,964	4,658
Total Assets	71,868	72,266
Balance Sheet - Liabilities (Rs mn)	FY24	H1FY25
Trade payables	19,816	18,858
Other current liabilities	1,757	1,726
Debt	11,245	10,021
Others	3,002	3,174
Minority Interest	0	0
Shareholders' funds	36,046	38,487
Total Equity & Liabilities	71,868	72,266

Cashflow Statement (Rs mn)	FY24	H1FY25
EBITDA	11,922	4,397
Change in receivables	-1	-885
Change in inventory	-1595	-421
Change in other WC	2,314	-883
Tax	-2,180	-1,063
Others/ Income	749	395
Operating cash flow	11,209	1,540
Capex	-6,618	-4,067
Investments	-44	-111
Interest	-941	-789
Free cash flow	3605	-3427
Dividend payments	-1387	0
Capital increase	28	0
Others	372	267
Net change in cash flow	2619	-3160
Net debt beginning	-2,434	185
Net debt end	185	-2,975

* In this presentation we have classified Rs 5.0bn FD under cash and cash equivalents but in stock exchange release the same has been classified under Other financial Assets due to maturity of less than 365 days

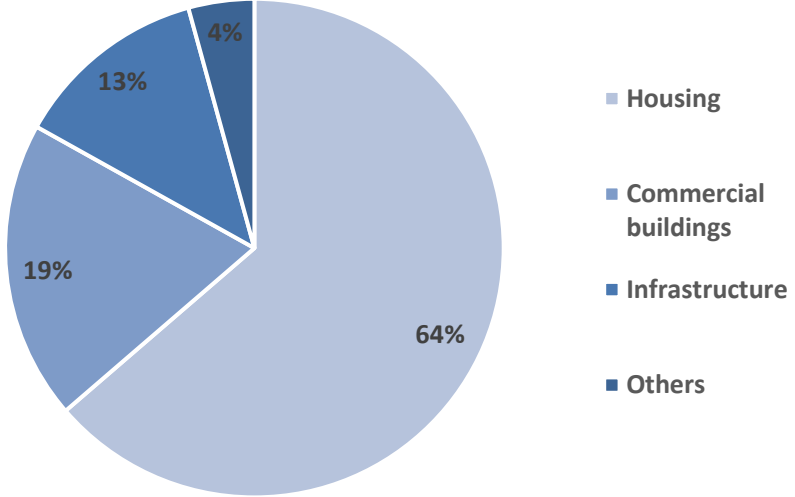
DEMAND DRIVERS



Structural Steel Tube Applications

APL APOLLO TUBES

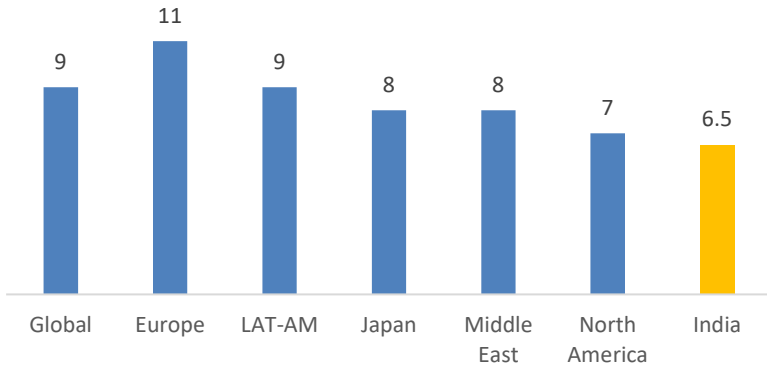
Application Mix



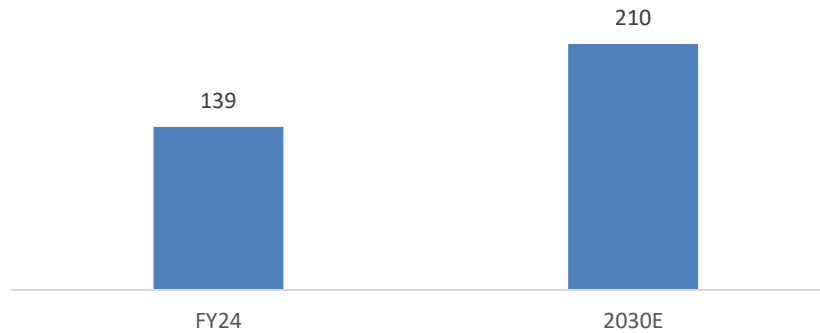
*As per Q1FY25 revenue

India Structural Steel Tube market potential

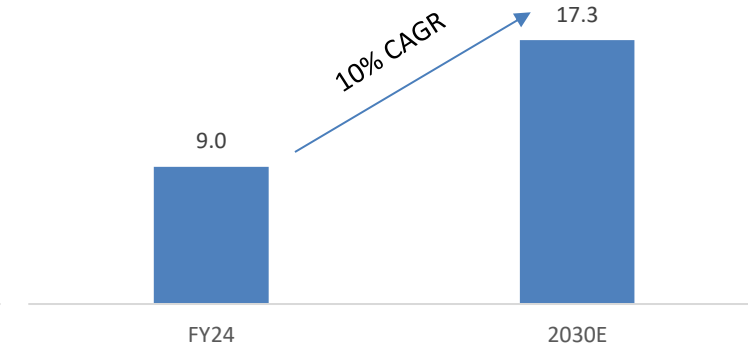
Structural steel tubes as % of steel market (FY24)



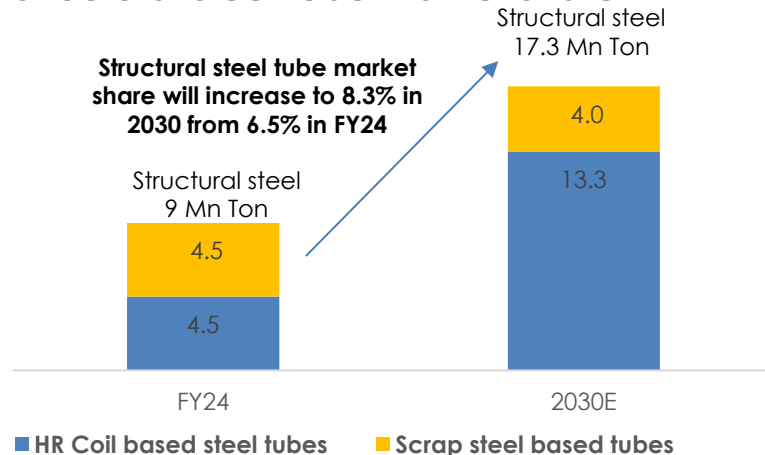
Crude steel production in India (Mn Ton)



Structural steel tubes in India (Mn Ton)



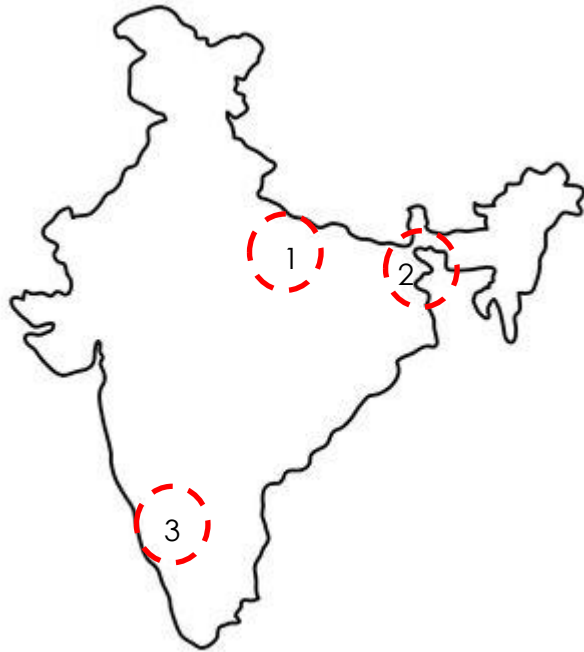
Structural steel tube market share



HR Coil based steel tube market (APL Apollo's addressable market) to grow faster vs scrap steel based tube market due to:

- Superior quality
- Better cost efficiencies for blast furnace HRC mills over local scrap steel melting mills
- Commissioning of new blast furnace HR mills in next 3-4 years which will increase supply of HR coil in India

New proposed plants for higher market penetration



Location for Greenfield Plants	Capacity	Target Market	Incremental Market opportunity
1. Gorakhpur Eastern UP	110,000 Ton	Eastern UP, Bihar and Nepal	1.5 Mn Ton
2. Siliguri West Bengal	200,000 Ton	West Bengal, Jharkhand, 7 Sister State and Bhutan	
3. New Bangalore Karnataka	300,000 Ton	South India	

Existing capacity
4,300,000 Ton



3 Greenfield plants
610,000 Ton



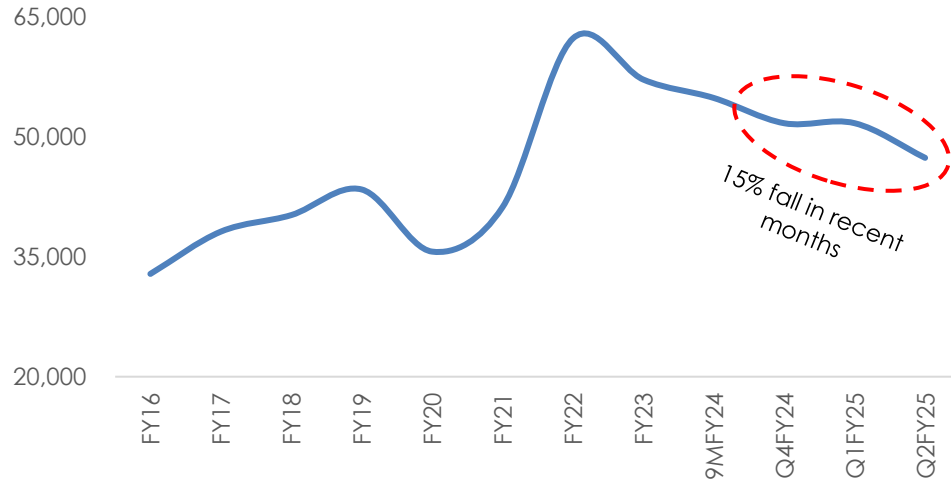
Brownfield expansion
90,000 Ton



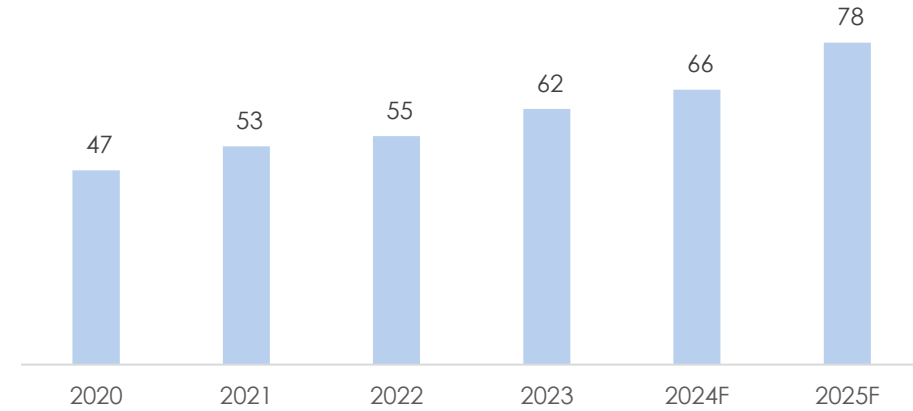
Total Capacity by FY26
5 Mn Ton

APL Apollo HRC Tube vs Patra pipe price

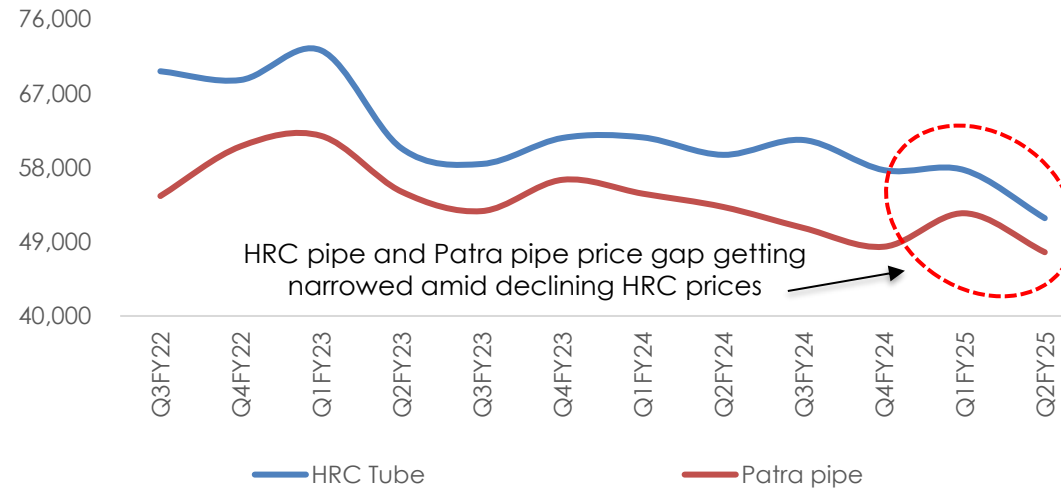
Indian HRC prices (INR)



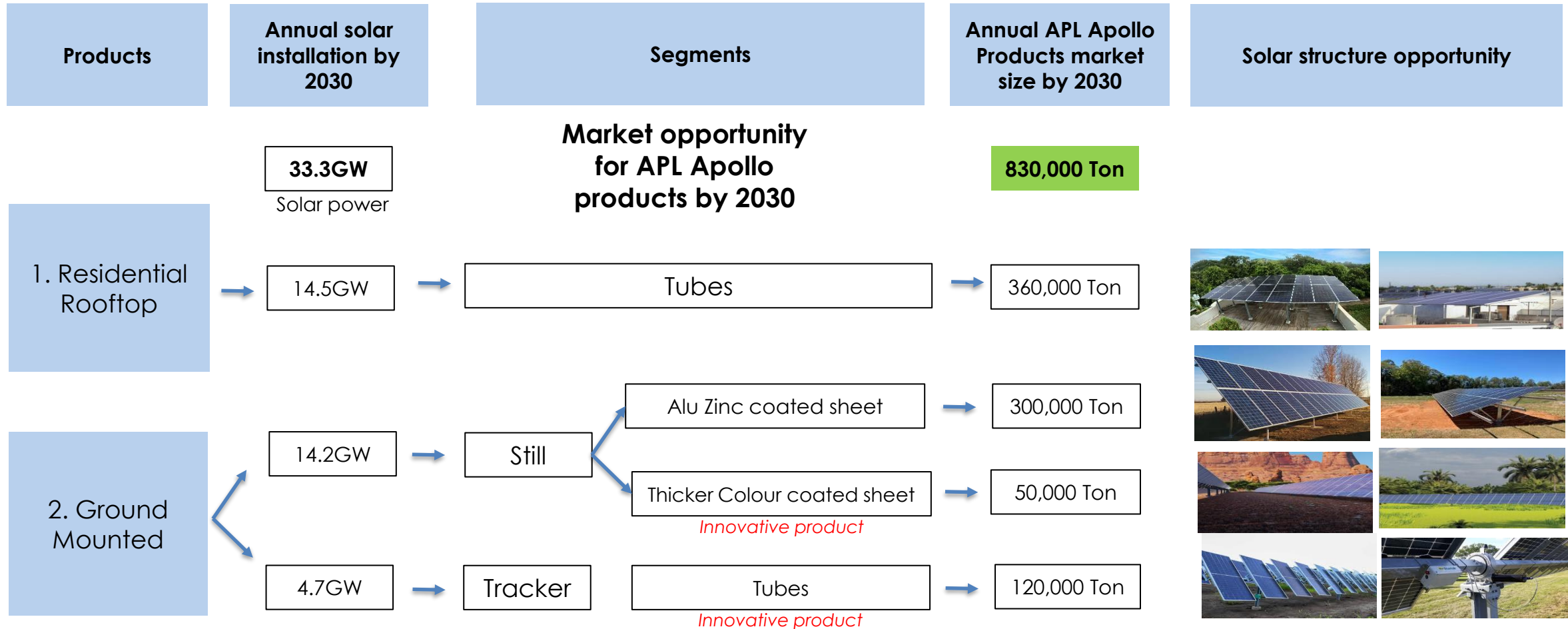
India HRC Capacity (Mn Ton)



APL Apollo HRC Tube vs Patra Pipe (INR/Ton)



Solar structure opportunity for structural tubes



Why structural steel tube is a preferred solution

Cost Effective, Eco-Friendly

Higher Strength

Faster Construction

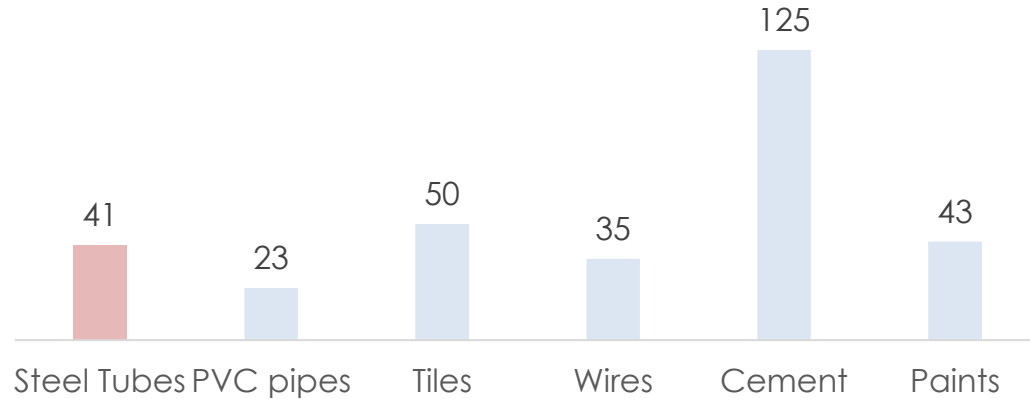
Lower steel consumption

Reduces overall project cost

Steel Tube usage in housing/commercial buildings

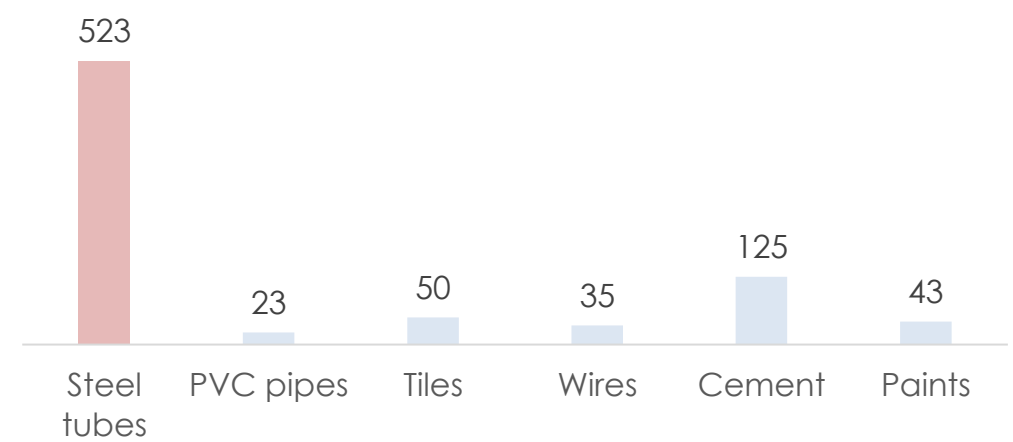
Housing

Cost (per sq ft in Homes)



Commercial/Infrastructure

Cost (per sq ft in Commercial/Infra)



Steel Tube applications in homes



Steel Tube applications in commercial/infra



Airports



Railway station



Columns



Façade

Tubes are well positioned to play the real estate construction cycle

*Building with complete structure on tubes

Applications for Heavy Structural Steel Tubes

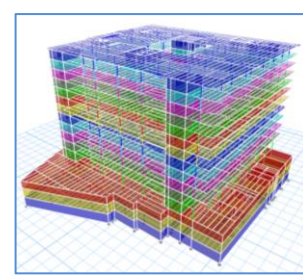
- High Rise Buildings
 - Hospitals, Housing, Schools, Courts, Hotels/Malls/Offices
- Warehouses/Cold Storage/Food Parks
- Factory Buildings/Process Structures
- Aviation Hangers
- Data Centres
- Railway Stations/Airports

50
projects

50mn sq. ft.
Visibility

220,000 ton
heavy structural steel
tubes

Ongoing enquiries





APL Apollo's ESG Transformation Journey

ESG- DJSI Scoring

APL APOLLO TUBES

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

APL APOLLO
STEEL PIPES

DJSI FY2023 SCORE

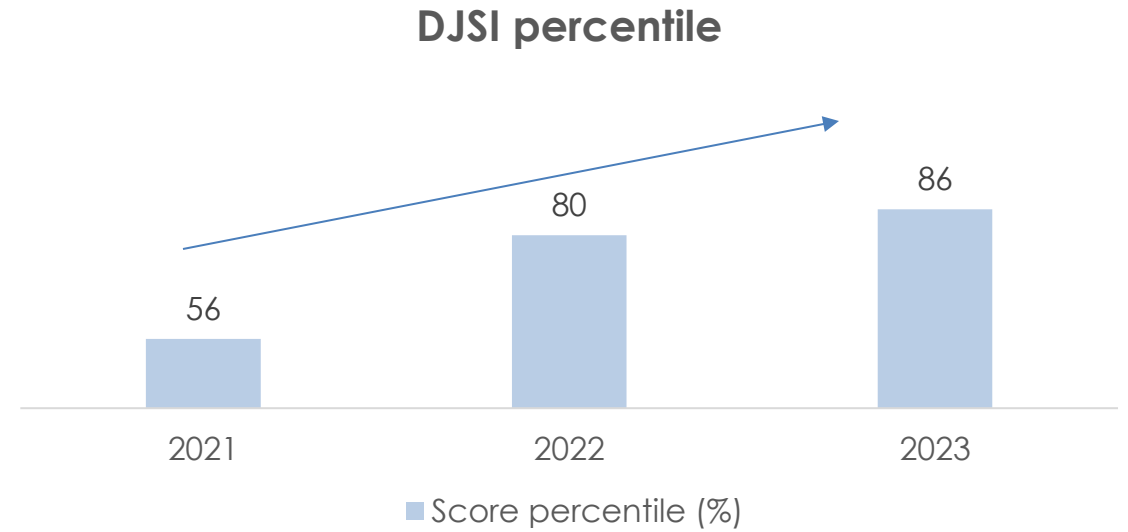
APL APOLLO TUBES
STANDS AT 86TH
PERCENTILE

(IN THE PEER INDUSTRY COMPRISING OF GLOBAL COMPANIES)

SCORE REACHED A HIGH OF
40 POINTS, ABOVE THE INDUSTRY AVERAGE OF 24

IMPROVEMENT
ACROSS AREAS

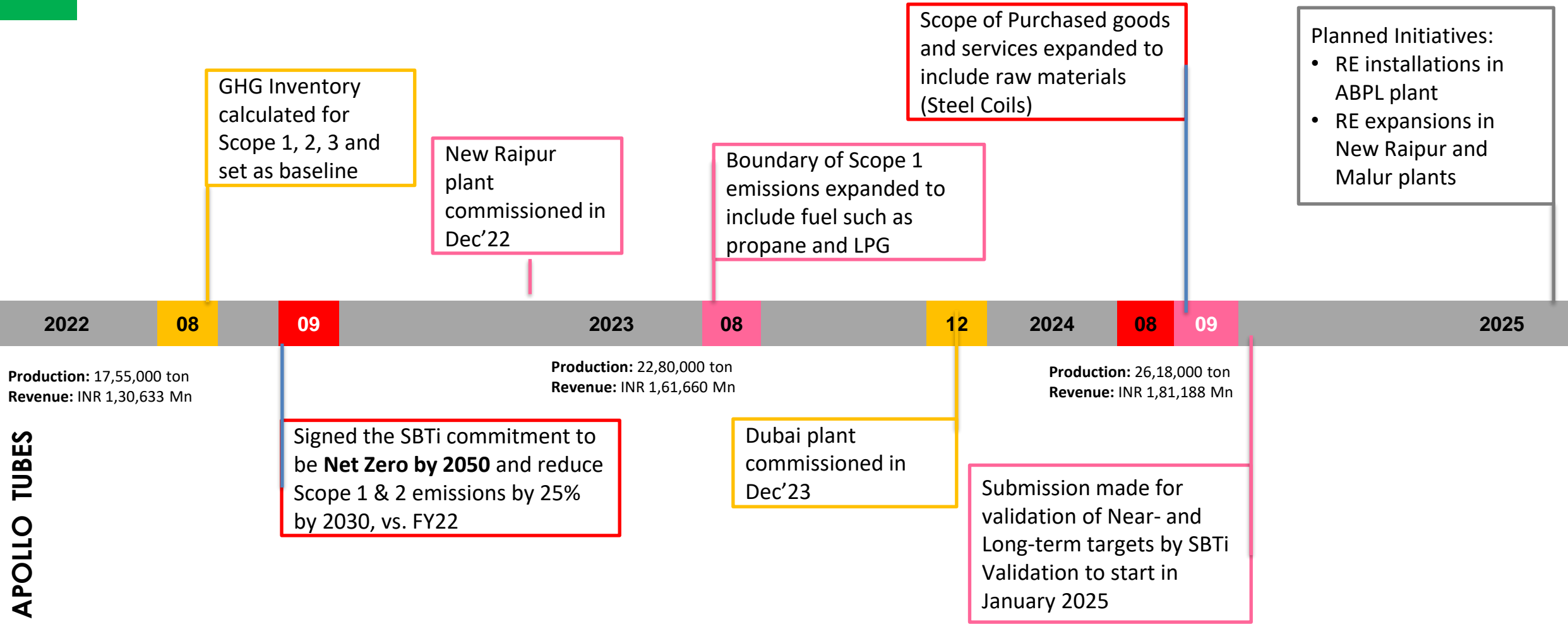
- Social Dimension
- Governance & Economic Dimension
- Environmental Dimension



APL APOLLO SCORED 86TH PERCENTILE IN 2023

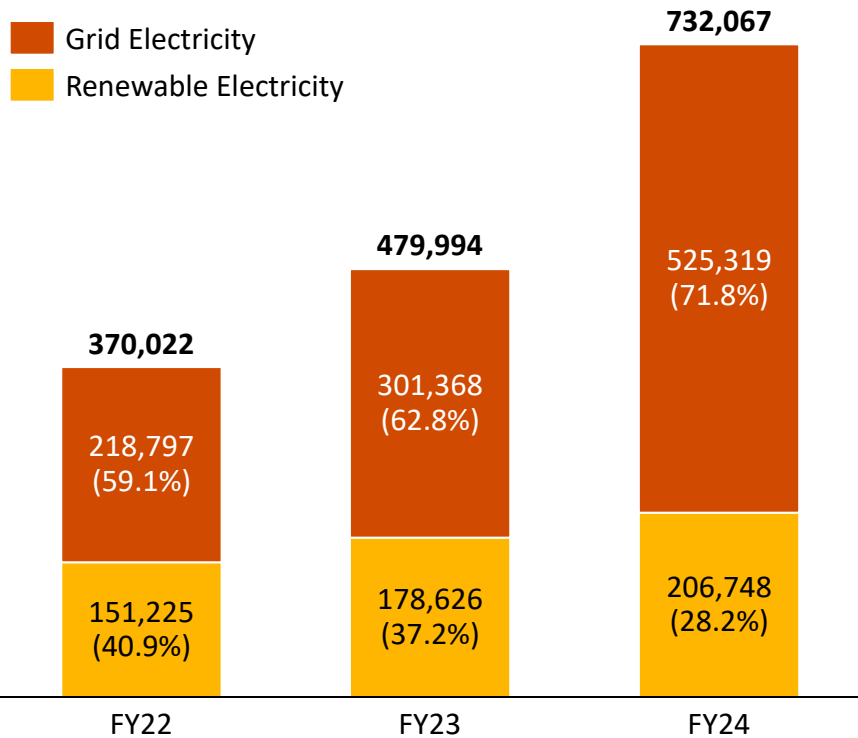
We expect better score next year as we are improving on ESG parameters

Scope 1 & 2 emissions by 25% by 2030; Net Zero by 2050



Scope 1 & 2 emissions by 25% by 2030; Net Zero by 2050

Renewable Electricity Consumption (GJ)



The decrease in share of renewable electricity in FY24 vs. FY23 is attributed to the addition of the New Raipur plant. This plant relies solely on grid electricity, which is non-renewable. As a result, the percentage of renewable electricity has declined. However, if the New Raipur plant is excluded from the calculation, the renewable electricity share would be 41% for FY24.

Trend of GHG Emissions over past 3 years

	Scope 1 (MTCO ₂ e)	Scope 2 (MTCO ₂ e)	Scope 3 (MTCO ₂ e)
FY 2021-22	24,486	66,349 ^a	42,661
FY 2022-23	29,260	59,436	47,535
FY 2023-24	52,852	1,01,830	11,78,908 ^b

- a. Scope 1 Emission from FY 2022 onward includes diesel, LPG, Furnace Oil, and Propane
- b. In FY24, emissions from raw material purchase (Stel) were added to the Purchased Goods and Services category, resulting in increase in Scope 3 emissions

Commitment and achievements

Commitments

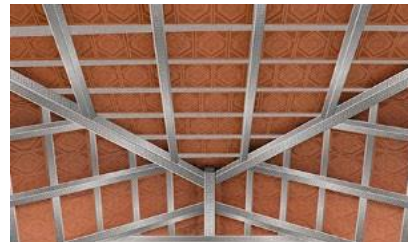
- Committed to reducing Scope 1&2 emissions by 25% by 2030 **E**
- Committed to set near term and Net Zero targets by 2050 **E**
- Renewable energy contribution to be 47% by 2030 from 38% **E**
- Targeted to increase the female workforce by 1% every year **S**
- CSR initiatives in the local communities to uplift their lifestyle **S**
- Skill development trainings and safety trainings **S**
- Occupational Health and safety assessment of all work force **S**
- Training on code of conduct to educate each employee **G**

Achievements

- Introduced new, environmentally friendly products **E**
- All plants have access to green energy, 2 plants have more than 85% dependency on green energy **E**
- Almost all plants have rainwater harvesting facilities **S**
- Zero accidents by providing safety training at sites **S**
- Attrition rate below 5% **S**
- Hiring female workforce to achieve gender diversity targets **S**
- Given emphasis to CSR initiatives in local communities **S**
- New Code of conduct implemented for all employees **G**

Front runner for Steel for Green

- APL Apollo is the **1st** Company to innovate readymade Doorframe, Fence, Plank and Hand rails as **Steel for Green** Concept which replaced conventional wood application in building construction
- Our Products are saving **250,000 trees** every year, going ahead we will be saving more and more trees to keep the planet greener
- Keeping the **Steel for Green** as priority APL is the **1st** Company to innovate **narrow and thicker color coated** galvanized sheets which will save more trees

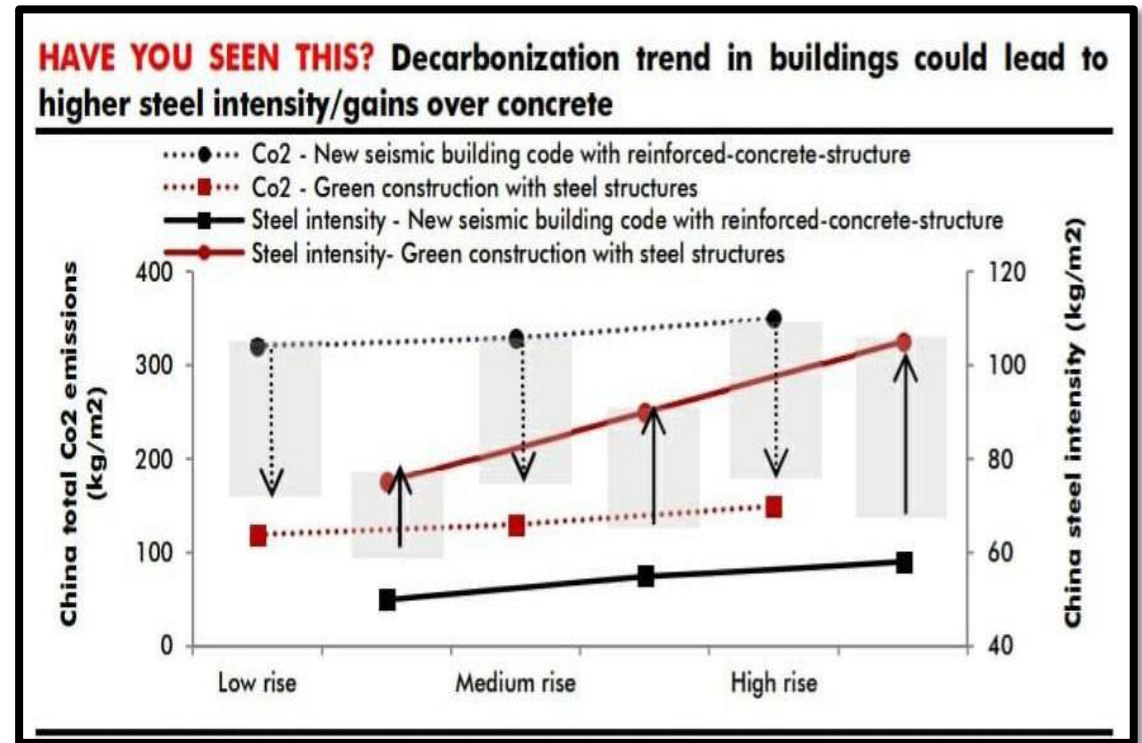


Steel Buildings = Decarbonization

- Construction sector contributes 30% of direct and indirect Co2 emissions
- Structural steel is preferred for steel buildings because steel is
 - Infinitely recyclable
 - Easy to pre-fabricate
 - High volume to weight ratio
 - Lighter/ stronger structure allow gains inn vertical space

Research indicates replacing reinforced concrete with steel structures can reduce emission by 60%

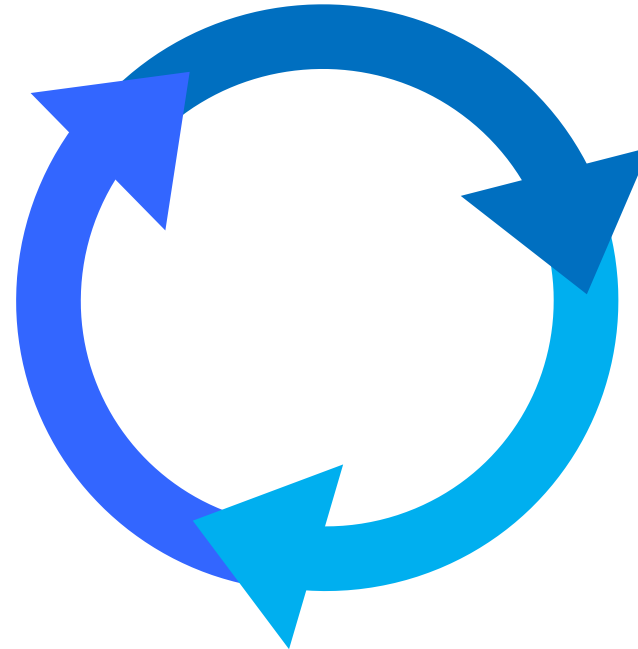
Steel Structure - RCC Structure



Financial Priorities under Strong Governance

Growth

- Profitable Organic Growth
- Commitment to R&D and Talent
- Innovate products to replace conventional construction methods



Earnings


- Drive sustainable EPS growth
- Attain earnings objectives across economic cycles

Capital Allocation

- Drive sustainable EPS growth
- Attain earnings objectives across economic cycles
- Achieve ROCE \geq 30%

Board of Directors

Sanjay Gupta
Chairman & Managing Director
 Steel Industry veteran with 3 decades of experience




Vinay Gupta
Director
 More than 20 years of industry experience in the manufacturing and trading pipes, tubes and sheets.




Rahul Gupta
Director
 A promising entrepreneur with an experience of around 5 years in Steel Tubes Manufacturing



Neeru Abrol
Independent Director
 A Chartered Accountant, having 4 decade of professional experience in various sectors | Worked for 26 Yr in SAIL



Ashok Kumar Gupta
Vice Chairman
 Steel industry veteran with 4 decades of experience



Abhilash Lal
Independent Director
 3 decades of professional experience in senior roles across financial services including banking, PE & others



Anil Kumar Bansal
Independent Director
 Former Director of NABARD, CARE Ratings & others
 4 decades of experience in banking industry



Deepak Goyal
Director-Operations
 2 decades of professional experience in steel tube industry




Virendra Singh Jain
Independent Director
 Board member of Dalmia Bharat Ltd | Ex-Chairman of SAIL | Ex-Executive Director at IOC




H.S. Upendra Kamath
Independent Director
 Former CMD of Vijaya Bank. Having 4 decades experience in the Indian Banking Industry.




Asha Anil Agarwal
Independent Director
 Former Principal Chief Commissioner of Income Tax . Having 4 decades of rich experience in the Indian Revenue Service.



Dinesh Kumar Mittal
Independent Director
 Former Indian Administrative Service (IAS) officer of 1977 batch (UP cadre) and Ex Secretary in Department of Financial Services (Ministry of Finance),



Rajeev Anand
Independent Director
 Board member of DIC India Ltd. | Ex-Executive Chairman of Goodyear India limited



Our Leadership



Sanjay Gupta
Chairman & Managing Director



Vinay Gupta
Director



Rahul Gupta
Director



Deepak Goyal
Director-Operations



Anubhav Gupta
Chief Strategy Officer



Ravindra Tiwari
Chief Sales Officer



Chetan Khandelwal
Chief Financial Officer



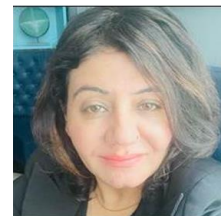
CK Singh
Chief Operating Officer



Vaibhaav Sharma
Chief Information Officer



Pankaj Sharma
Chief Human Resources Officer



Charu Malhotra
Chief Branding Officer



Utkarsh Dwivedi
CEO
International Business

Thank You

For further information,
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