



Century Enka Limited

Earnings Presentation – Q3/9M-FY22



Company Overview

- Century Enka Limited was established in 1965 by Late Shri B. K. Birla in collaboration with AKZO Nobel of Netherlands.
- The company has grown to become one of the largest producers of Nylon Filament Yarn (NFY) and Nylon Tyre Cord Fabric (NTCF) in India.
- The company produces a wide range of High-Quality Nylon Yarns for varied applications including fish-twines, conveyor belts, sports and active wear, sarees, intimate and foundation wear, etc.
- It also makes customised Nylon tyre cord fabric for reinforcement of tyres which are used in motorcycles, scooters, light commercial vehicles (LCVs), medium & heavy commercial vehicles (MHCVs) and off the road (OTR) vehicles.
- The Company's two state-of-the-art manufacturing facilities are located in Pune, Maharashtra and Bharuch, Gujarat, with a capacity of ~78,000 MTPA.
- The company's brand 'Enkalon' stands a testimony to the high quality of material which gives a soft, lustrous and elegant feel to the finished fabric.

2

Plants

5

Locations

33⁺

Dealers

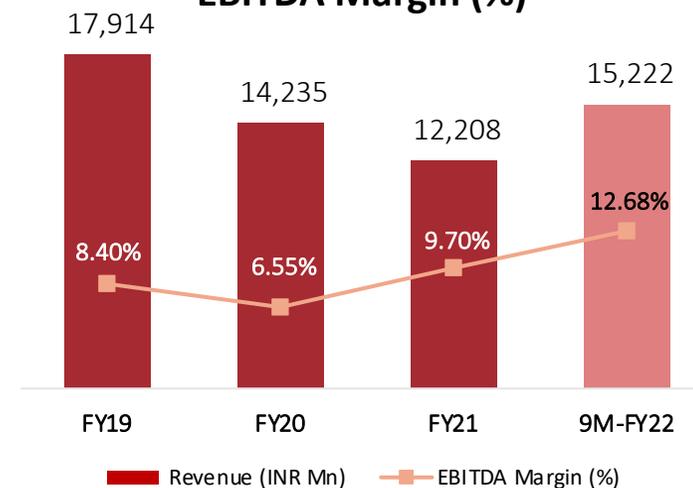
25%

NFY Domestic Market Share

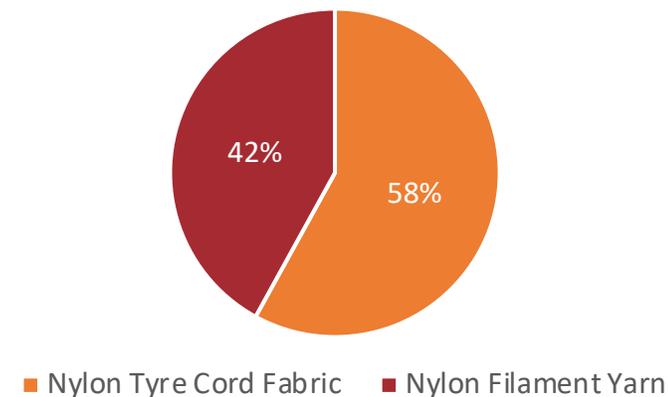
23%

NTCF Domestic Market Share

Operational Revenue (INR Mn) & EBITDA Margin (%)



FY21 Product-wise Sales (%)



Board Of Directors & Key Management Personnel



Mrs. Rajashree Birla - As Chairperson of the Aditya Birla Centre for Community Initiatives and Rural Development, Rajashree Birla spearheads the social and community welfare activities across 40 companies in the Aditya Birla Group (ABG). The Aditya Birla Centre's initiatives in education, healthcare, sustainable livelihood and social reform work has benefitted more than 3000 villages and created a positive difference in the lives of seven million people. She also serves on the Board of Directors of almost all the major companies in the Aditya Birla Group.



Mr. Devajyoti N. Bhattacharya - Non-Executive Director Mr. Devajyoti N. Bhattacharya is a Mechanical Engineer from National Institute of Technology, Rourkela & PG Diploma in Industrial Engineering from National Institute of Industrial Engineering. Presently, Managing Director of Aditya Birla Solar Limited and Board member in several companies of Aditya Birla Group.



Mr. S.K. Jain – Independent & Non-Executive Director - A practising advocate since 1972, S.K. Jain has, over the years, mentored about 250 advocates who are now engaged in successful practice of their own. Mr. Jain takes keen interest in the field of social welfare and education. He holds prominent positions in NGOs and educational institutions including Khadki education society, T.J College of Arts, Science & Commerce, Niramaya Trust, Apang Kalyankari Sanstha. He also represents various government bodies like municipal corporations as special counsel.



Ms. Krupa R. Gandhi - Independent and Non-executive Director - Ms. Krupa R. Gandhi is a Commerce Graduate from Bombay University, a Fellow member of Institute of Chartered Accountants of India and is holding certificate of practice. She is a partner in M/s. Bansi S. Mehta & Co., Chartered Accountants from last 23 years and specialized in Corporate Advisory & Litigation Services in Direct Tax and Tax Audits.



Mr. K. S. Thar - Independent and Non-executive Director - A practising Chartered Accountant, Mr. K.S. Thar is a Fellow of the Institute of Chartered Accountants of India, having experience of more than 30 years. Mr. Thar is a commerce graduate and a rank holder in the Inter as well as Final CA examination. His core areas are audit, corporate laws and accounting standards.



Mr. Suresh Sodani - Managing Director - Mr. Suresh Sodani is a Commerce Graduate, a Chartered Accountant & a Cost & Management Accountant by qualifications with over three decade of experience in the field of Finance, Accounts, IT, Logistic, Strategic Planning & Policy Formulation and Corporate Governance. Before joining Century Enka, he was in leadership role as Cluster Manufacturing Head for Vilayat and Karvar Units of Chlor-Alkali business of Grasim Industries.



Mr. Rahul Dubey - Company Secretary - Mr. Rahul Dubey holds a Master Degree (MSc) in Agrochemicals from G. B. Pant University of Agriculture & Technology, Pantnagar; a Law Graduate from University of Delhi and a Fellow member of Institute of Company Secretary of India with over two decades of experience in the domain Company Secretarial & Compliance work, Public Issue, Preferential issue, Acquisition. Prior to joining Century Enka, was a Company Secretary of JSW Cement Limited.



Mr. Krishnagopal Ladsaria - Chief Financial officer - Krishnagopal Ladsaria is a qualified Chartered accountant and a finance professional with over two decades of experience spanning the entire gamut of financial operations including public reporting, investor relations, treasury and banking, etc. Mr. Ladsaria was involved with organisations including A.F.Ferguson, India Rayon and Industries Ltd (now Aditya Birla Nuvo), Grasim industries Ltd and Hindalco handling audit and corporate finance.



Q3/9M-FY22 FINANCIAL OVERVIEW

9M / Q3-FY22 Financial Highlights



Q3-FY22 Standalone Financial Performance

INR 5,619 Mn	INR 742 Mn	13.21%	INR 506 Mn	9.01%	INR 23.15
Revenue from Operations	EBITDA	EBITDA Margin	Net Profit	PAT Margin	Basic/Diluted EPS

9M-FY22 Standalone Financial Performance

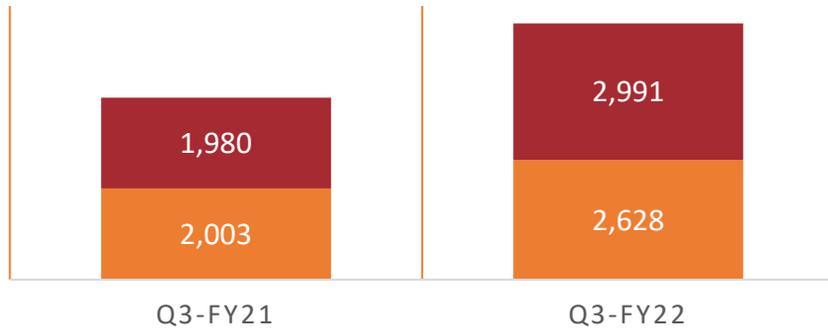
INR 15,222 Mn	INR 1,930 Mn	12.68%	INR 1,345 Mn	8.84%	INR 61.56
Revenue from Operations	EBITDA	EBITDA Margin	Net Profit	PAT Margin	Basic/Diluted EPS

Business Performance

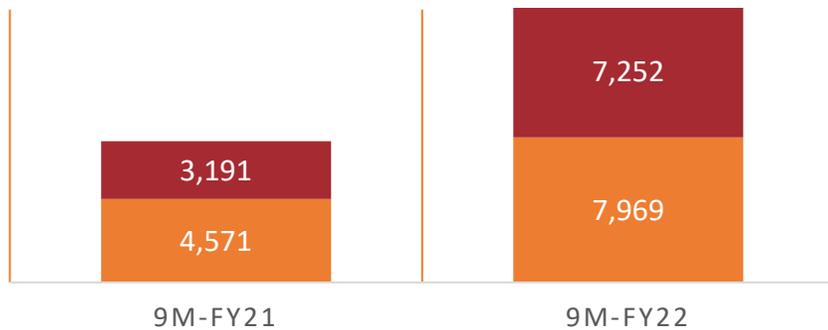


Product wise Revenues (INR Mn)

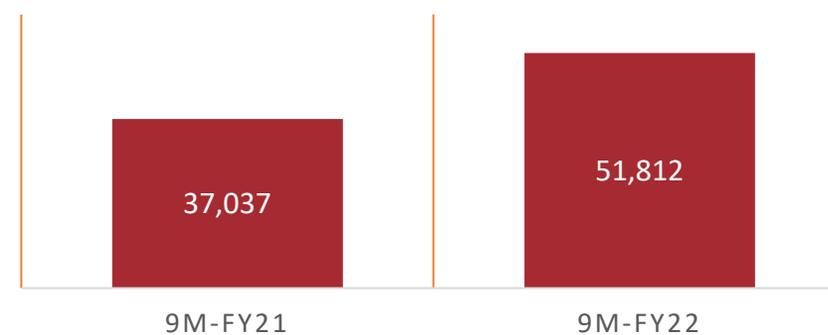
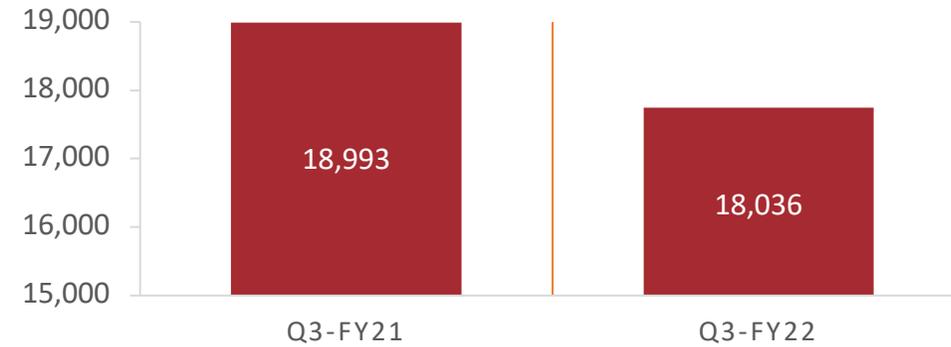
■ NTCF ■ NFY



■ NTCF ■ NFY



Volume Performance (MT)



Q3-FY22 Operational Highlights



Nylon Tyre Cord Fabric (NTCF)

- Slightly lower sales volumes of NTCF due to weak demand and inventory correction by tyre companies.
- Medium to long term prospects remain positive for the segment supported by:
 - Robust demand for tyres in replacement segment specially for Truck & Bus (T&B) tyres supported by export demand. Tyres exports are probably at their all time high.
 - Restriction on Tyre imports and Anti Dumping Duty on import of radial tyres from China supporting the domestic production, imports for T&B and Motorcycles tyres are significantly lower.
 - Good growth projected for OTR segments in line with increased infrastructure spends.

Nylon Filament Yarn (NFY)

- High volumes and healthy margins supported by:
 - Robust festive demand
 - Import constraints due to supply chain issues and zero COVID tolerance policy of China
 - Increased sales of higher value addition products
- Volumes and margins in near term remain positive with easing restrictions due to less severe covid and upcoming marriage season. Imports from China will play an important role on margins in future.

Caprolactum

- Finance Ministry did not accept DGTR recommendation of levying ADD on Caprolactam.

CAPEX Update



- All Capex sanctioned by the Board are running as per schedule.
- Orders for all the long delivery items have been placed with reputed equipment manufacturers.
- Capex spend of INR 421 Mn in 9M-FY22.
- Projected Capex spend of approximately INR 340 Mn in Q4-FY22 and INR 2,950 Mn in FY23.
- Target commissioning for NTCF expansion in Q4-FY23.
- Target commissioning of full capacity of Polyester Tyre Cord Fabric (PTCF) in Q4-FY24; Technical approval process for PTCF from target customers to start in FY23.
- Expansion and value addition in NFY capacity to be fully completed by Q4-FY24.



Quarterly Financial Performance



Particulars (INR Mn)	Q3-FY22	Q3-FY21	Y-0-Y	Q2-FY22	Q-o-Q
Revenue from Operations	5,619	3,984	41.0%	5,370	4.6%
Total Expenses	4,877	3,404	43.3%	4,796	1.7%
EBITDA	742	580	27.9%	574	29.3%
EBITDA Margin (%)	13.21%	14.56%	(135) Bps	10.69%	252 Bps
Other Income	62	62	NA	84	(26.2)%
Depreciation	98	109	(10.1)%	100	(2.0)%
Finance Cost	4	4	NA	3	33.3%
Exceptional Items	-	(82)	NA	-	NA
PBT	702	447	57.0%	555	26.5%
Tax	196	122	60.7%	141	39.0%
PAT	506	325	55.7%	414	22.2%
PAT Margin (%)	9.01%	8.16%	85 Bps	7.71%	130 Bps
Other Comprehensive Income	(14)	38	NA	(62)	NA
Total Comprehensive Income	492	363	35.5%	352	39.8%
Basic/Diluted EPS (INR)	23.15	14.86	55.8%	18.94	22.2%

YTD Financial Performance



Particulars (INR Mn)	9M-FY22	9M-FY21	Y-O-Y
Revenue from Operations	15,222	7,763	96.1%
Total Expenses	13,292	7,278	82.6%
EBITDA	1,930	485	NA
EBITDA Margin (%)	12.68%	6.25%	643 Bps
Other Income	191	193	(1.0)%
Depreciation	292	310	(5.8)%
Finance Cost	10	12	(16.7)%
Exceptional Items	-	(82)	NA
PBT	1,819	274	NA
Tax	474	50	NA
PAT	1,345	224	NA
PAT Margin (%)	8.84%	2.89%	595 Bps
Other Comprehensive Income	(31)	106	NA
Total Comprehensive Income	1,314	330	NA
Basic/Diluted EPS (INR)	61.56	10.23	NA



Historical Financial Overview

Income Statement



PARTICULARS (INR Mn)	FY19	FY20	FY21	9M-FY22
Operational Revenue	17,914	14,235	12,208	15,222
Total Expenses	16,409	13,303	11,024	13,292
EBITDA	1,505	932	1,184	1,930
<i>EBITDA Margins (%)</i>	8.40%	6.55%	9.70%	12.68%
Other Income	216	422	240	191
Depreciation	450	455	409	292
Finance Cost	35	35	16	10
Exceptional Items	(45)	-	(82)	-
PBT	1,191	864	917	1,819
Tax	425	(91)	208	474
PAT	766	955	709	1,345
<i>PAT Margins (%)</i>	4.27%	6.71%	5.81%	8.84%
Other Comprehensive Income	(42)	(72)	107	(31)
Total Comprehensive Income	724	883	816	1,314
Diluted EPS (INR)	35.05	43.72	32.46	61.56

Balance Sheet

PARTICULARS (INR MN)	FY19	FY20	FY21	H1-FY22
ASSETS				
Non-current Assets	5,719	5,473	5,197	5,277
(A) Property, Plant & Equipment	5,429	5,155	4,810	4,660
(B) Capital Work In Progress	17	32	18	107
(C) Right Of Use Assets	0	77	74	73
(D) Intangible Assets	55	44	32	26
(E) Financial Assets				
(i) Investments	104	32	132	124
(ii) Others	21	22	21	26
(F) Other Non Current Assets	94	113	110	261
Assets Held for Sale	170	118	110	110
Current Assets	6,423	7,047	8,088	8,522
Inventories	2,171	2,324	1,910	2,362
Financial Assets				
(a) Investments	1,581	2,587	2,889	2,255
(b) Trade Receivable	2,049	1,524	2,324	2,492
(c) Cash And Cash Equivalent	48	42	83	145
(d) Other Bank Balances	18	19	516	706
(e) Others	14	158	62	70
Current Tax Assets Net	49	3	30	0
Other Current Assets	494	391	275	493
GRAND TOTAL – ASSETS	12,312	12,639	13,394	13,909

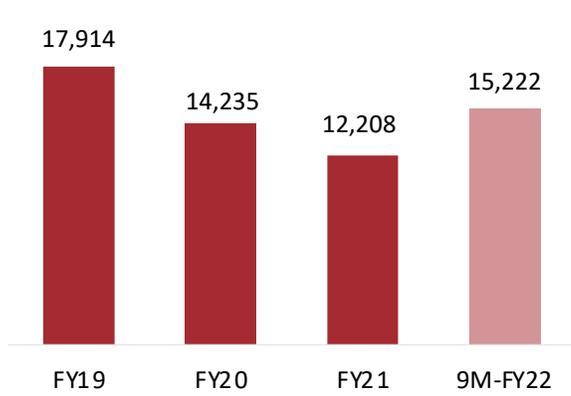
PARTICULARS (INR MN)	FY19	FY20	FY21	H1-FY22
EQUITY & LIABILITIES				
Equity	9,549	10,247	10,889	11,545
(A) Share Capital	219	219	219	219
(B) Other Equity	9,330	10,029	10,670	11,327
Non-current Liabilities	1,474	1,126	1,044	1,025
Financial Liabilities:				
(a) Borrowings	210	97	50	50
(b) Lease Liabilities		50	46	43
(c) Others	23	26	26	25
Provisions	96	99	115	130
Deferred Tax Liabilities (Net)	1,115	828	781	752
Other Non Current Liabilities	29	28	26	25
Current Liabilities	1,289	1,265	1,461	1,339
Financial Liabilities:				
(a) Borrowings		2	31	30
(b) Trade Payables:				
Total OS to Micro and Small Ent	30	40	63	62
Total OS to creditors	904	1,000	1,209	1,011
(c) Lease Liabilities		4	5	5
(d) Others	256	138	71	112
Other Current Liabilities	63	57	63	76
Provisions	19	21	19	22
Current Tax Liabilities	18	2	-	20
GRAND TOTAL - EQUITIES & LIABILITES	12,312	12,639	13,394	13,909



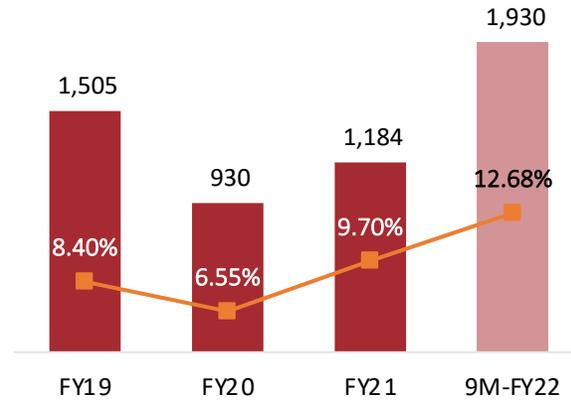
Financial Performance



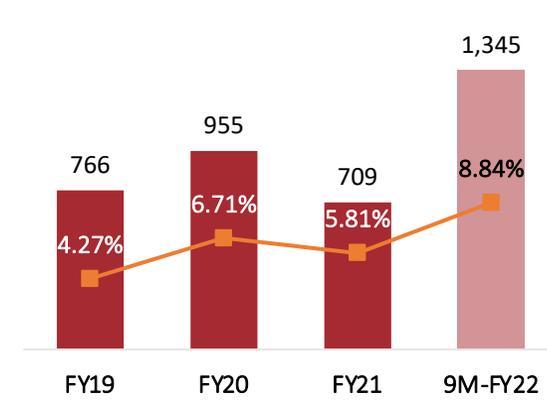
Operational Income (INR Mn)



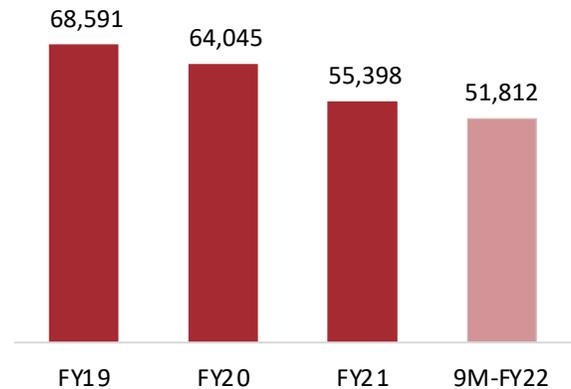
EBITDA (INR Mn) & EBITDA Margins (%)



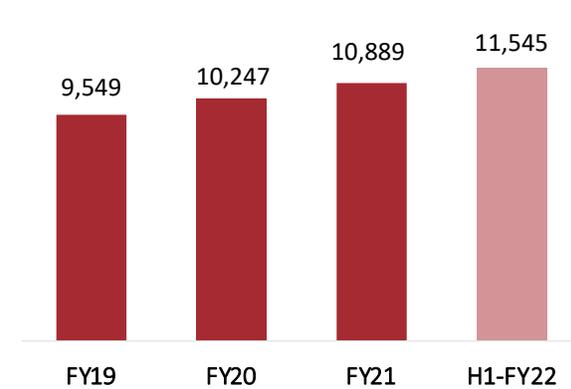
PAT (INR Mn) and PAT Margins (%)



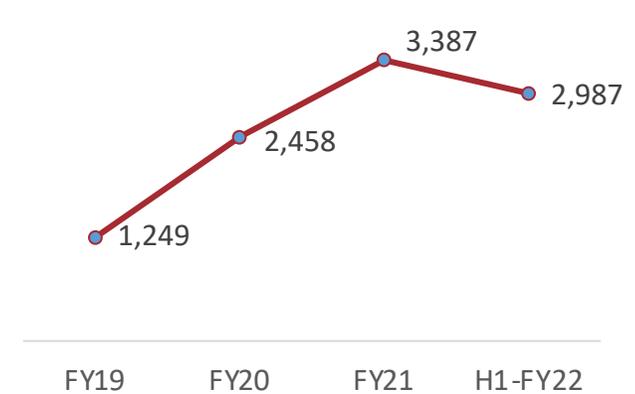
Sales Volume (MT)



Net Worth (INR Mn)



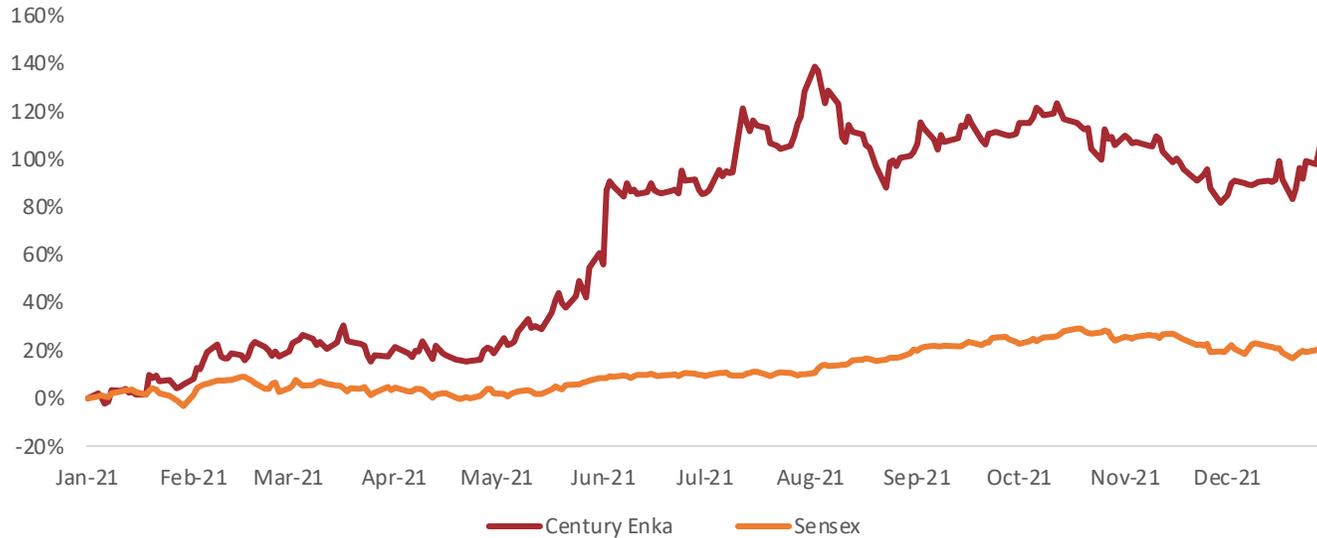
Net Surplus Cash on Balance Sheet (INR Mn)



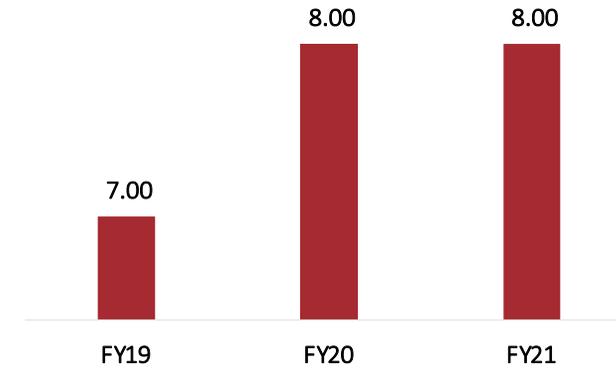
Capital Market Information



Share price performance

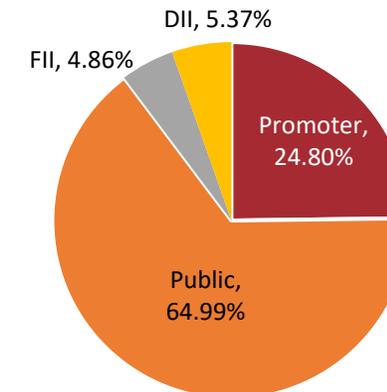


Dividend (INR/share)



Price Data as on 31st December, 2021	INR
Face Value	10
CMP	452.7
52 Week H/L	518 /207
Market Cap (INR Mn)	12,049
No. of Share outstanding (Mn)	21.85
1 Year Avg. Trading Volume ('000)	1,56,255

Shareholding Pattern as on 31st December 2021



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Thank You