

20 MICRONS[®]

L I M I T E D

347, GIDC Industrial Estate, Waghodia - 391760, Dist. Vadodara, Gujarat, India.

14th August, 2018

To :

BOMBAY STOCK EXCHANGE LIMITED Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Fort, MUMBAI – 400 001. <u>SCRIP CODE : 533022</u>	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Listing Department Exchange Plaza, Bandra – Kurla Complex, Bandra [East], MUMBAI – 400 051. <u>SCRIP CODE : 20MICRONS</u>
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Dear Sirs,

Re : Press Release.

In continuation of our letter dated 13.08.2019, we are sending herewith Press Release on the Un-audited Financial Results of the Company for the Quarter ended 30.06.2019.

We now request you to arrange to take note of the above.

Thanking you,

**Yours faithfully
20 Microns Limited**



**[Anuja K. Muley]
Company Secretary**



Encl. : as above.

An ISO 9001 : 2008 Certified Company

Regd. Office : 9-10, GIDC Ind. Estate, Waghodia - 391 760 Dist. Vadodara, Gujarat, INDIA.

T: +91 - 2668 292297 **W:** www.20microns.com **E:** baroda@20microns.com

7574806350 **CIN :** L99999GJ1987PLC009768

20 Microns Limited

Q1 FY20 Result Update Presentation – August 2019



“India’s Leading Producer of Ultrafine **Industrial Minerals** &
Speciality Chemicals With Expanding Global Footprints.”

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M D ' S M E S S A G E

&

F I N A N C I A L
H I G H L I G H T S

Managing Director's Message – Q1 FY20

“We are happy to share with you our financial and business performance of the first quarter ended FY20, consolidated revenue stood at Rs. 137.8 crore – with a growth of 17% YoY, predominantly driven by change in product mix and contribution of higher value product. We have achieved good growth across all product offerings during the first quarter. On YoY basis our EBITDA Margin decline on account of increase in raw material cost of specialty products, going ahead our focus is to grow the EBITDA Margin by selling higher margin products. PAT was at Rs. 8.5 crores, with a growth of 13% YoY. Our exports for Q1 FY20 stood at ~17%.

We continue to focus on our R&D technology and a deep understanding of micronization discipline has enabled us to participate in larger and more strategic engagements with our clients. We believe we are well positioned to partner our valued customers in their key priorities of product modernization and product improvements through our R&D efforts.

Going ahead we are confident of healthy product pipeline domestically and globally in varied industry segments we cater to. With our customers aspiring for improved product efficiency and continuous innovation in products, our continuous R&D efforts and robust production processes provide us new opportunities and avenues for growth.

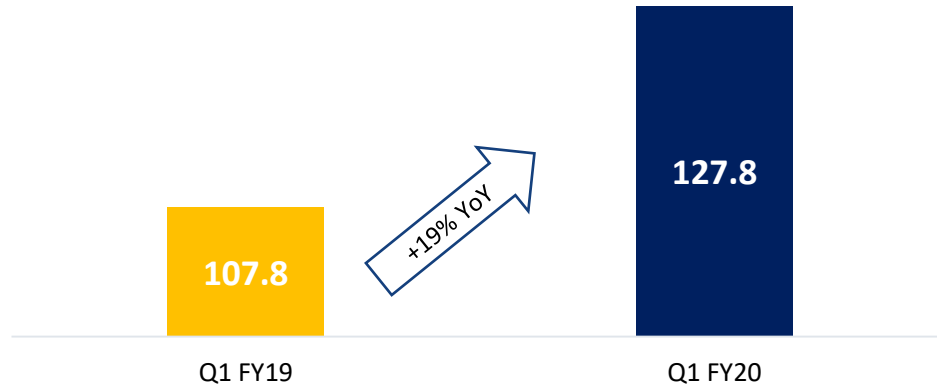
We would like to thank all our employees for their untiring efforts and our investors / stakeholders for their continued support and encouragement.”



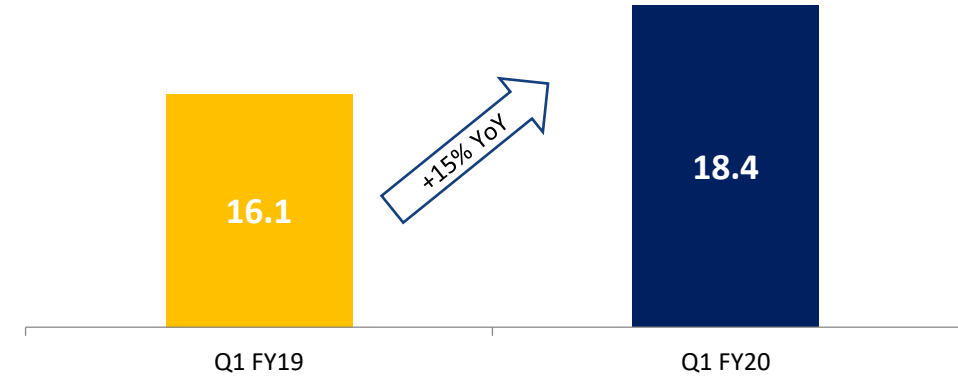
***Mr. Atil Parikh, Managing Director
20 Microns Limited***

Standalone Quarterly Financial Highlights

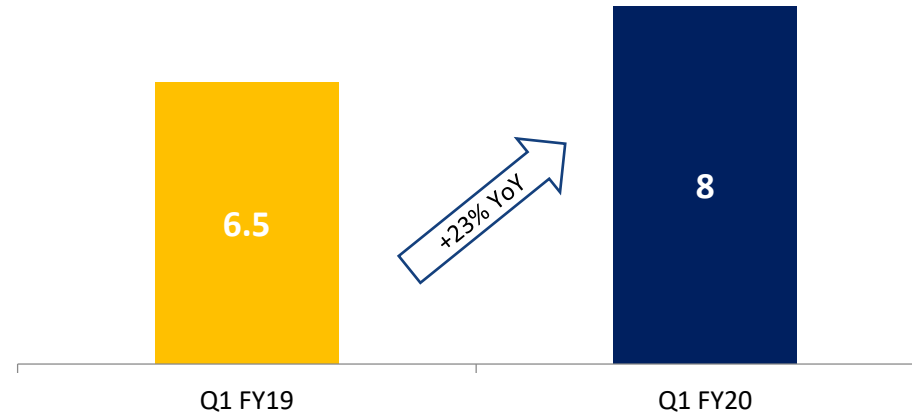
REVENUE (Rs. cr)



EBIDTA (Rs. Cr)



PAT (Rs. Cr)

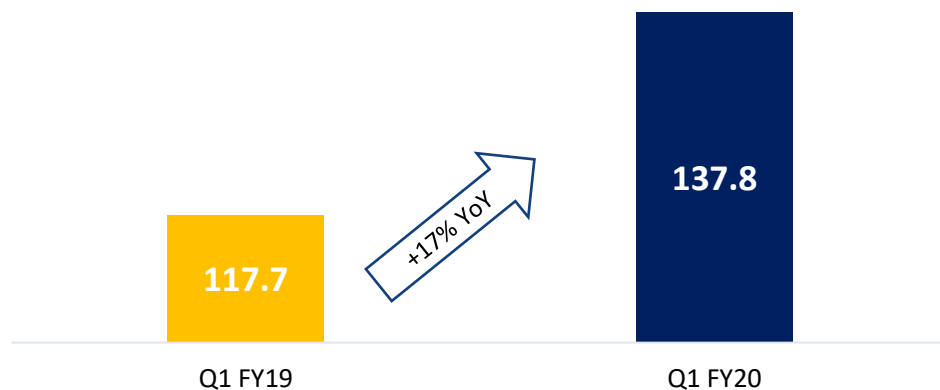


Standalone Quarterly Profit & Loss Highlights

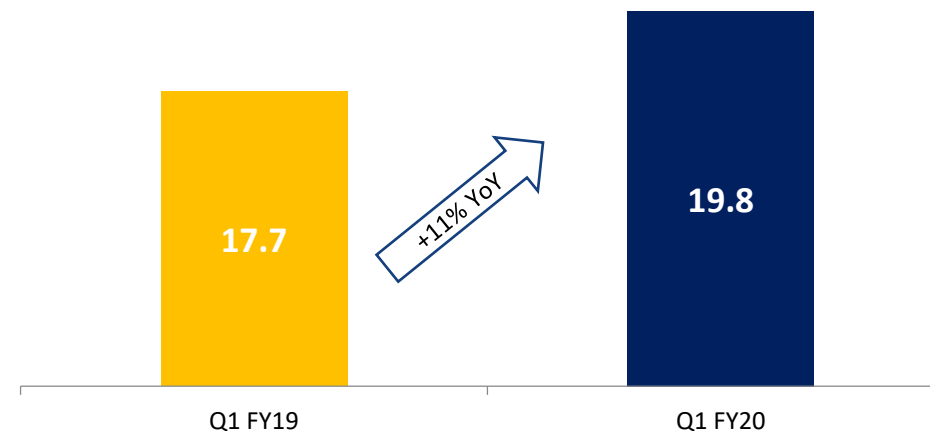
(Rs. Crore)	Q1 FY20	Q1 FY19	Y-o-Y %	Q4 FY19	Q-o-Q %
Total Income from Operations	127.8	107.8	19%	116.6	10%
Cost of Raw Material Consumed	65.6	49.6		57.3	
Changes in Inventory	1.2	1.6		0.8	
Total Raw Material Consumed	66.8	51.2		58.1	
Employee Cost	11.2	10.3		11.2	
Other Cost	31.3	30.2		31.1	
Total Expenditure	109.4	91.8		100.5	
EBIDTA	18.4	16.0	15%	16.1	14%
EBIDTA Margin%	14.4%	14.9%		13.8%	
Interest	4.9	5.2		5.2	
Depreciation	2.4	2.3		2.4	
Other Income	0.5	1.1		0.5	
Exceptional Item	0.0	0.0		0.0	
Profit Before Tax	11.6	9.7		9.1	
Tax	3.6	3.2		3.3	
PAT	8.0	6.5	23%	5.8	38%
PAT Margin%	6.3%	6.0%		5.0%	
EPS (In Rs.)	2.27	1.84		1.64	

Consolidated Quarterly Financial Highlights

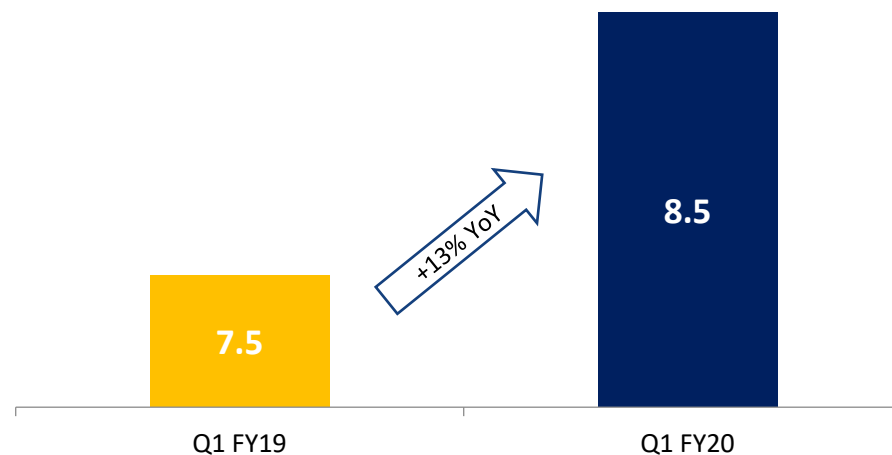
REVENUE (Rs. cr)



EBIDTA (Rs. Cr)



PAT (Rs. Cr)



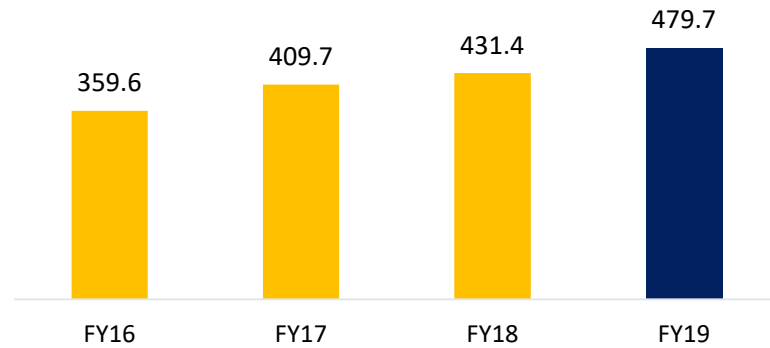
Consolidated Quarterly Profit & Loss Highlights

(Rs. Crore)	Q1 FY20	Q1 FY19	Y-o-Y %	Q4 FY19	Q-o-Q %
Total Income from Operations	137.8	117.7	17%	130.2	6%
Cost of Raw Material Consumed	70.2	53.7		63.9	
Changes in Inventory	1.0	1.8		0.7	
Total Raw Material Consumed	71.3	55.5		64.6	
Employee Cost	12.6	11.4		12.2	
Other Cost	34.2	33.0		35.8	
Total Expenditure	118.1	100.0		112.6	
EBIDTA	19.8	17.7	11%	17.6	12%
EBIDTA Margin%	14.3%	15.1%		13.5%	
Interest	5.2	5.4		5.5	
Depreciation	2.8	2.6		2.7	
Other Income	0.5	1.3		0.6	
Exceptional Item	0.0	0.0		0.0	
Profit Before Tax	12.3	11.1		9.9	
Tax	3.9	3.6		3.5	
PAT	8.5	7.5	13%	6.4	32%
PAT Margin%	6.1%	6.4%		4.9%	
EPS (In Rs.)	2.40	2.12		1.82	

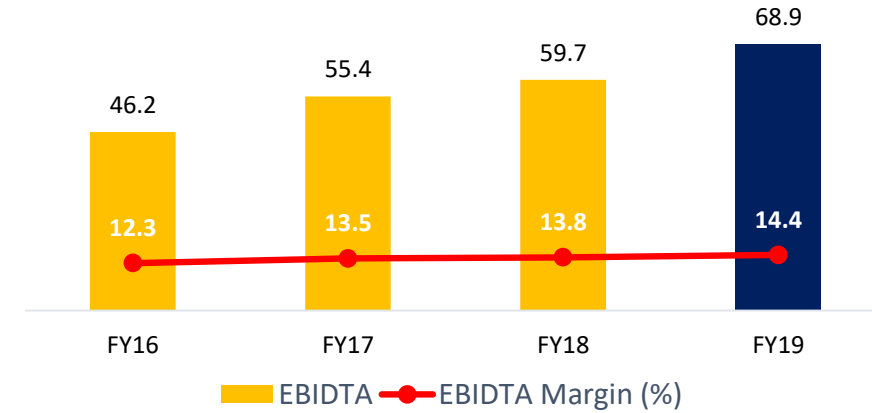
- *Revenue predominantly driven by change in product mix and contribution of higher value product, despite a challenging industry scenario in the domestic market*
- *Growth across all product offerings, lead to increase in EBITDA*
- *EBITDA Margin decline on account of increase in raw material cost of specialty products, going ahead our focus remain to grow the EBITDA Margin*
- *Q1 FY20 - Total Exports Stood at ~17%*

Consolidated Annual Financial Highlights

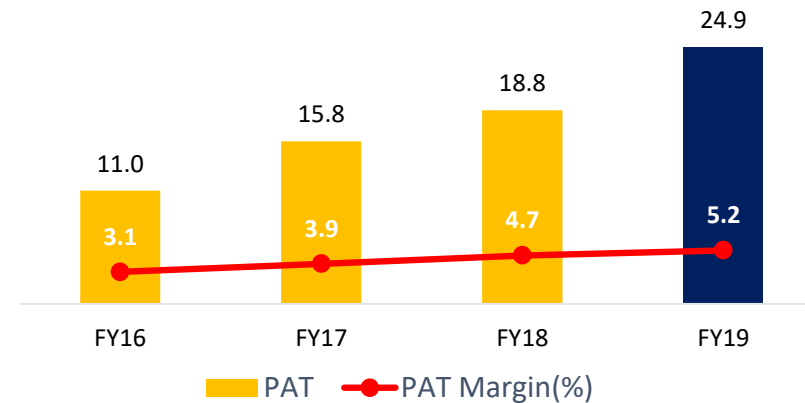
REVENUE (Rs. cr)



EBIDTA (Rs. cr) & EBITDA Margin (%)



PAT (Rs. cr) & PAT Margin (%)



Consolidated Annual Profit & Loss Highlights

(Rs. Crore)	FY19	FY18	Y-o-Y %	FY17	FY16
Total Income from Operations	479.7	431.4	11%	409.7	359.6
Cost of Raw Material Consumed	230.0	196.7		178.2	171.5
Purchase of traded goods	0.4	3.9		3.0	0.0
Changes in Inventory	(2.2)	(1.4)		3.8	(1.0)
Total Raw Material Consumed	228.2	199.2		184.9	170.5
Employee Cost	46.8	40.5		35.9	32.7
Other Cost	135.8	132.0		133.4	110.2
Total Expenditure	410.8	371.7		354.3	313.4
EBIDTA	68.9	59.7	15%	55.4	46.2
EBIDTA Margin%	14.4%	13.8%	60 bps	13.5%	12.8%
Interest	21.9	22.4		23.9	25.2
Depreciation	10.5	10.3		10.2	10.2
Other Income	1.9	2.5		1.8	3.8
Exceptional Item	0.0	1.5		0.0	0.0
Profit Before Tax	38.5	28.0		23.1	14.5
Tax	13.5	9.1		7.2	3.4
PAT	24.9	18.8	22%	15.8	11.0
PAT Margin%	5.2%	4.7%	50 bps	3.9%	3.1%
EPS (In Rs.)	7.06	5.34		4.37	3.14

Consolidated Balance Sheet as on 31st March

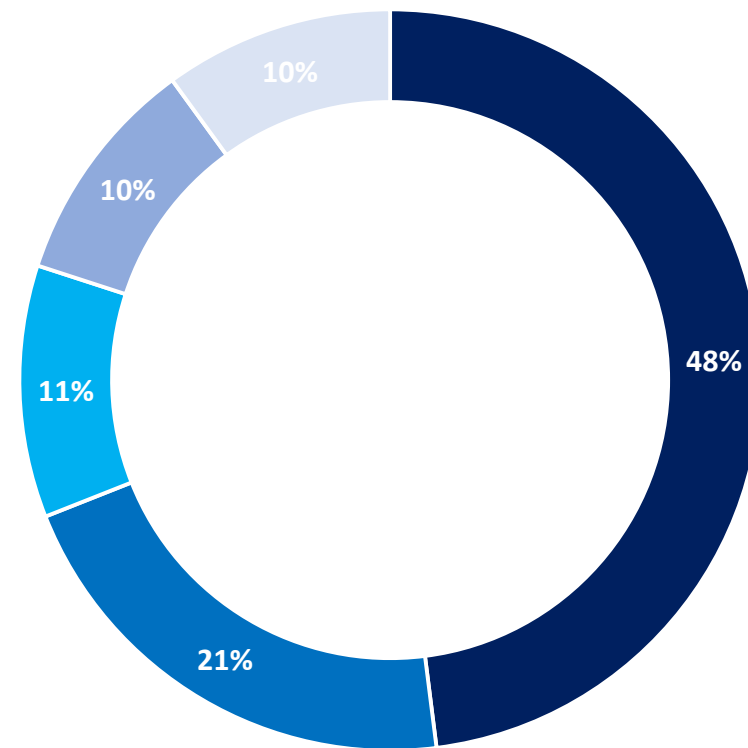
(Rs. Crore)	FY19	FY18	FY17	FY16
Non-current Assets				
Property, Plant & Equipment	194.4	184.1	175.7	177.0
Capital Work in Progress	2.9	7.7	6.8	4.0
Intangible Asset	0.6	0.8	1.3	2.1
Intangible Asset Under Development	1.1	0.3	0.3	0.3
Investments	2.4	3.4	1.8	2.0
Loans	3.8	4.7	4.6	3.0
Other Non Current Assets	11.0	9.0	14.2	8.6
Total Non-current Assets	216.2	210.0	204.7	197.0
Current Assets				
Inventories	83.6	72.2	67.6	70.2
Trade Receivables	69.6	66.5	59.9	56.0
Cash & Equivalents	10.7	8.8	10.3	9.5
Loans	5.2	2.6	2.5	1.9
Other Current Assets	16.3	15.4	17.9	25.9
Total Current Assets	185.4	165.4	158.1	163.5
Total Assets	401.6	375.5	362.8	360.5

(Rs. Crore)	FY19	FY18	FY17	FY16
Equity				
Equity Share Capital	17.6	17.6	17.6	17.6
Other Equity	148.6	125.8	107.1	92.1
Total Equity	162.2	143.5	124.8	109.7
Non-Controlling Interest	0.7	0.6	1.1	1.2
Liabilities				
Non-current Liabilities				
Borrowings	45.8	58.3	64.2	71.4
Deferred Tax Liabilities	28.8	24.0	20.9	18.6
Total Non-current Liabilities	74.5	82.3	85.1	90.0
Current Liabilities				
Borrowings	87.1	84.0	95.5	99.1
Trade Payables	66.6	61.5	53.3	55.0
Other Current Liabilities	5.7	3.1	2.3	4.5
Provisions	0.8	0.6	0.7	0.9
Total Current-liabilities	160.1	149.1	151.8	159.5
Total Equity And Liabilities	401.6	375.5	362.8	360.5

Product Wise Sales Breakup – FY19

*Sr no.	Name and Description of main product	% to Revenue
1	Calcium Carbonate	48
2	China Clay/ Kaolin	21
3	Talc	11
4	Specialty Chemicals	10
5	Others	10

**All of the above breakups Includes exports*

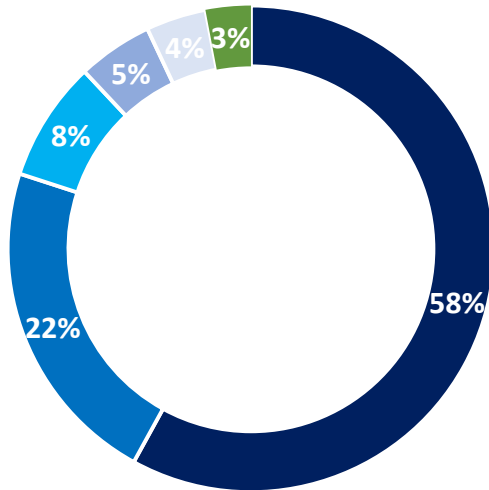


■ Calcium Carbonate ■ China Clay/ Kaolin ■ Talc ■ Specialty Chemicals ■ Others

Industry-wise Sales Breakup – FY19

Domestic – 83%

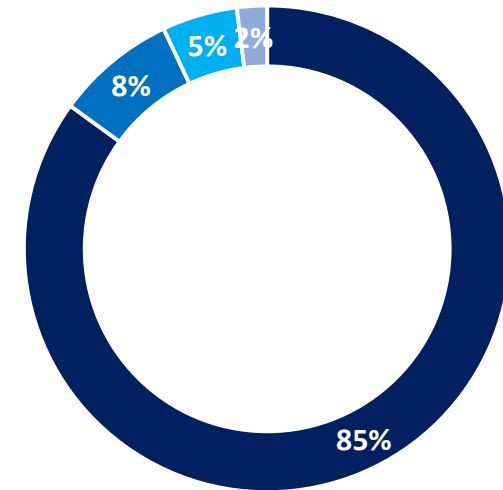
*Sr no.	Industry	Contribution(%)
1	Paint	58
2	Plastic	22
3	Allied	8
4	Rubber	5
5	Paper	4
6	Others	3



■ Paint ■ Plastic ■ Allied ■ Rubber ■ Paper ■ Others

Exports – 17%

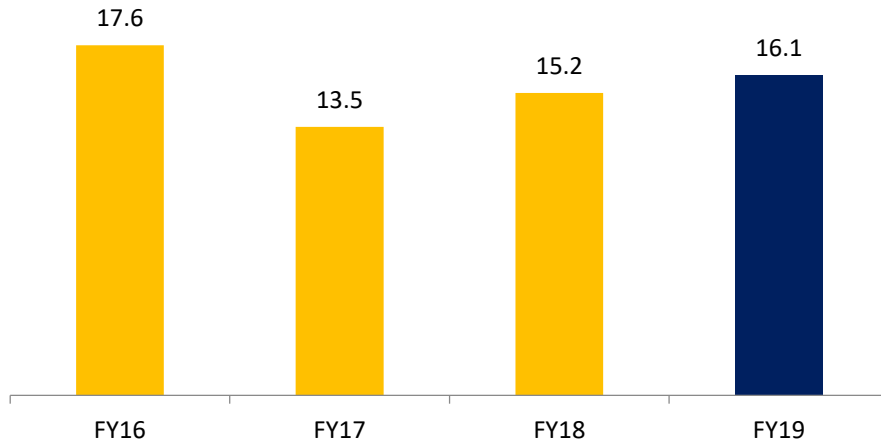
*Sr no.	Industry	Contribution(%)
1	Paint	85
2	Allied	8
3	Plastic	5
4	Rubber	2



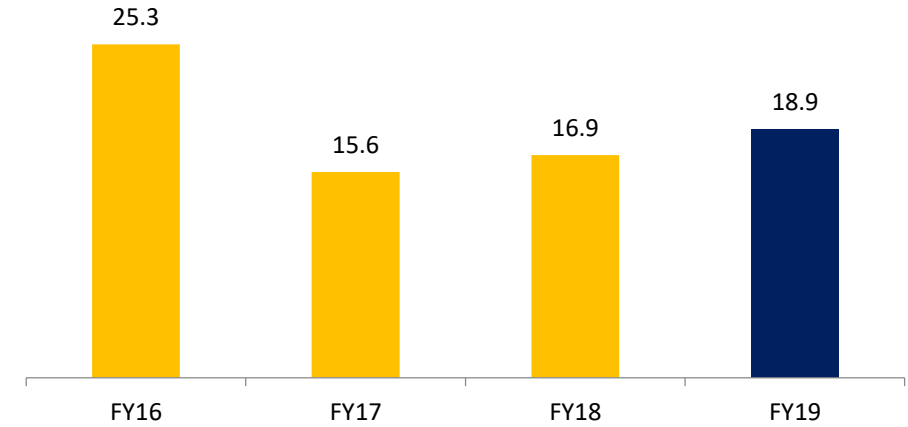
■ Paint ■ Allied ■ Plastic ■ Rubber

Key Financial Ratios

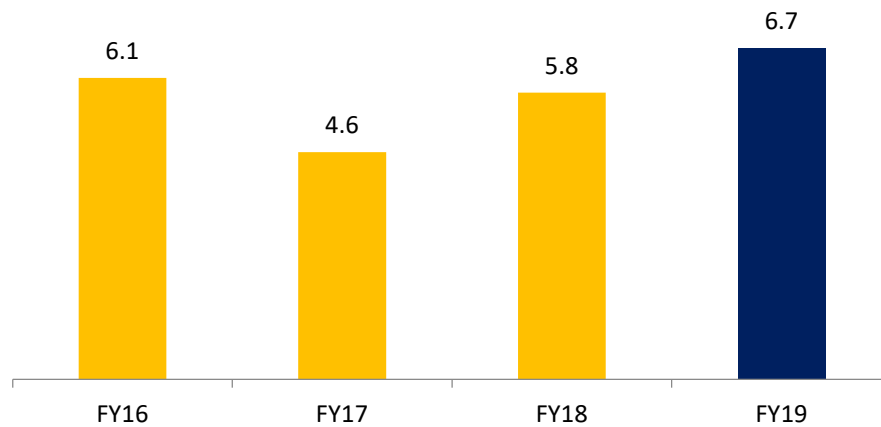
RoE%



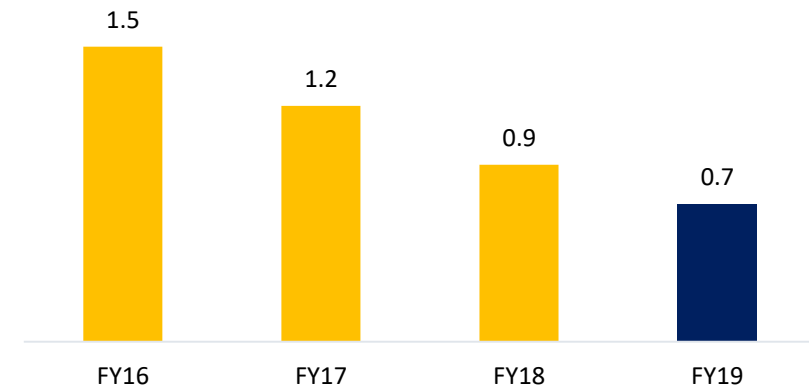
RoCE%



RoA%



Net Debt To Equity (x)



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COMPANY OVERVIEW

Company Overview

Leading producer of Ultrafine Industrial Minerals & Speciality Chemicals

Diverse product mix with leading player of Ultrafine Industrial Minerals & Speciality Chemicals with over 30 years of experience

Micronization

Brought the concept of micronization and tapped into various different Industrial Micronized and Sub-Micronized Minerals

Certified Manufacturing Facilities

Multi locational 9 integrated manufacturing units located at 9 regions - Gujarat, Rajasthan, Tamil Nadu, Uttarakhand etc.



Global Footprints with Varied Product Basket

Global footprint across ~48 nations. Domestically very few players with regulatory approvals to service developed markets with varied product basket

Diversified Clientele

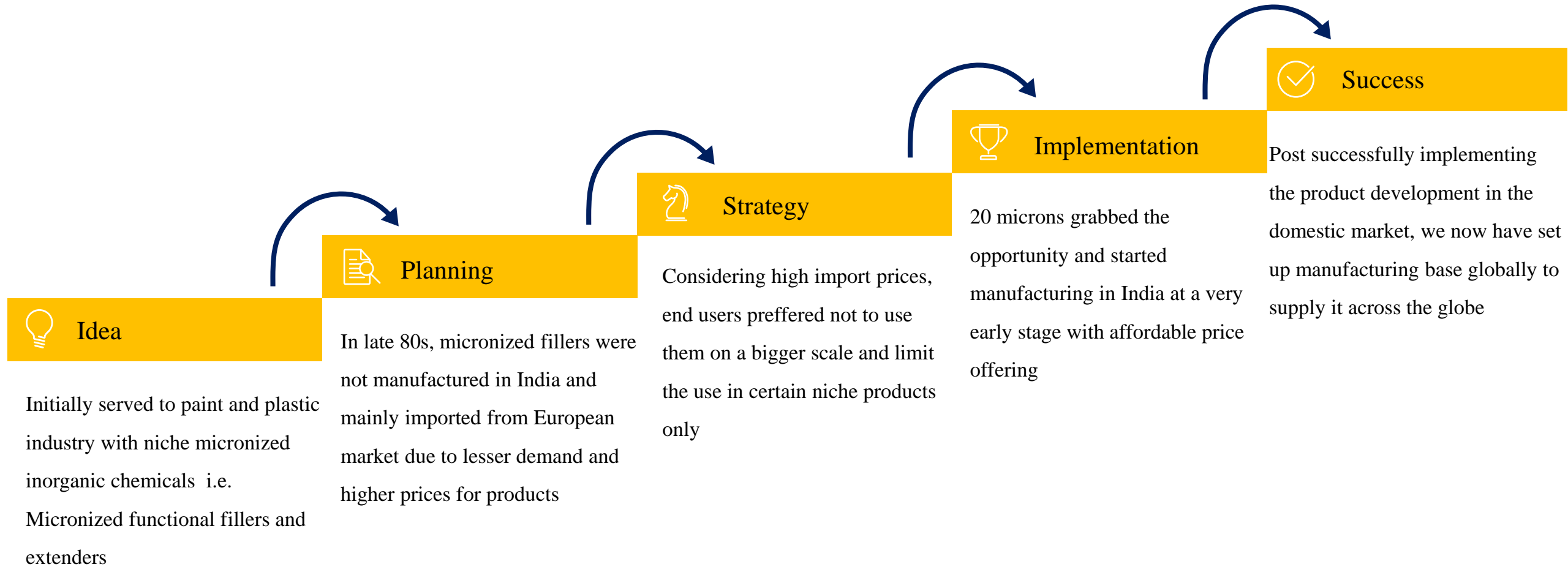
Over 200 domestic and global customers in every product. We are the preferred supplier in Indian market across various industry application such as paint, plastic, fertilizer and many more

Strong In-House Research & Development

Committed to continuously innovate and offer variety of products catering to numerous applications and formulations enhancing product performances and delivering high value added functional solutions to various industries having central R&D centres

Rich experience of over three decades in Industrial Minerals

Successful Transformation



Mining



Micronizing

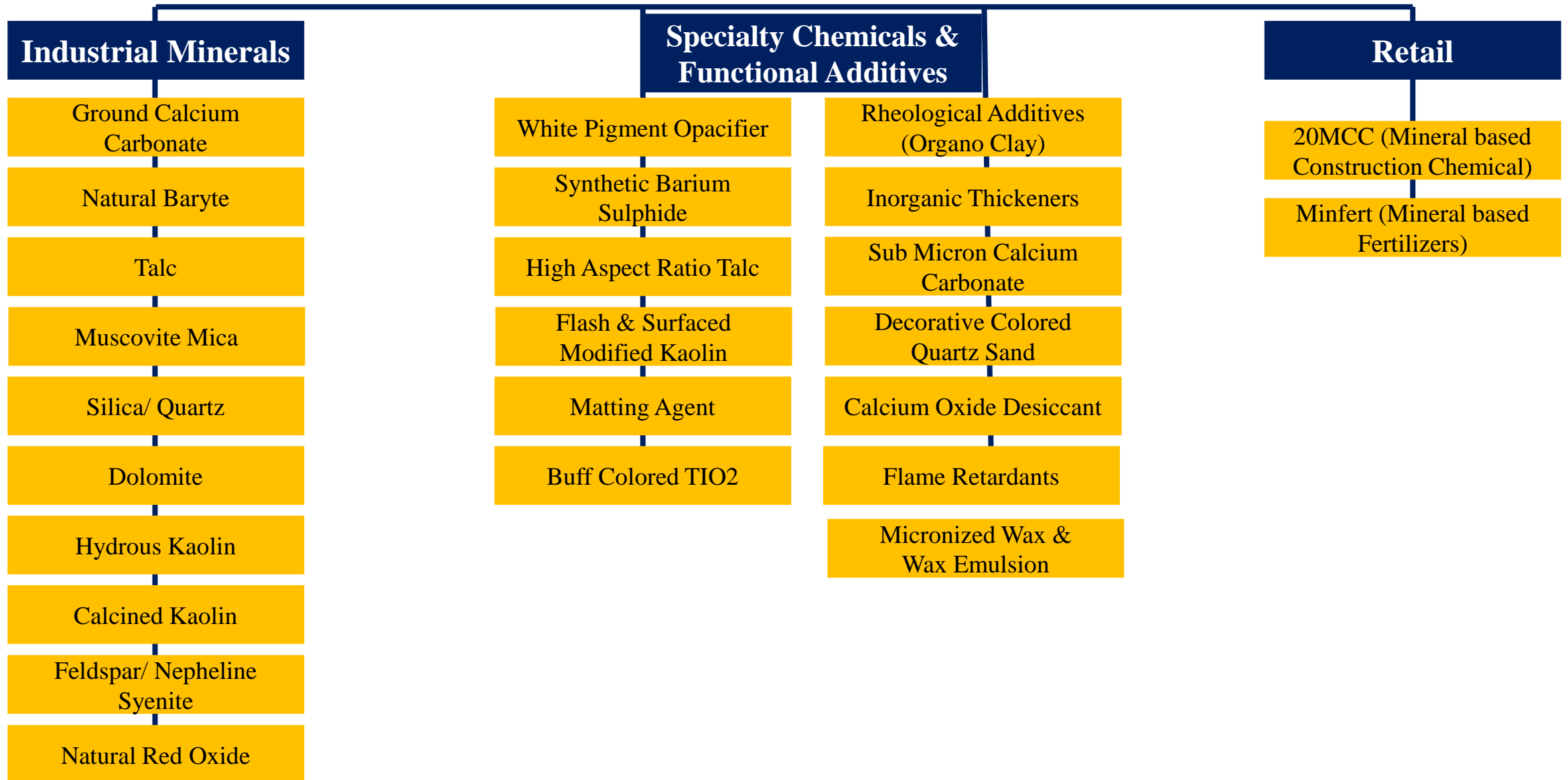


Value Addition

III

BUSINESS OVERVIEW

Product Group



Product Transformed Into



Functional Fillers & Extenders

Fillers are primarily common inorganic mineral powders, added to improve processing, rigidity, dimensional stability and costs



Specialty Chemicals & Functional Additives

It is used in small quantities to impart additional characteristics and qualities



Retail

Hydrophobic admixture creates permanent waterproof concrete for Plaster, Slab and other masonry work applications. It increases the durability of concrete and lower its water permeability

Touching Everyday Life

1

➤ **Turning Minerals**



3

➤ **That delivers high performance applications & functions**



2

➤ **Into specialty solutions**



4

➤ **For our industrial customers products and processes**



Industry-wise Product Application

Paints &
Coatings

Ceramics

Construction &
Construction Chemicals

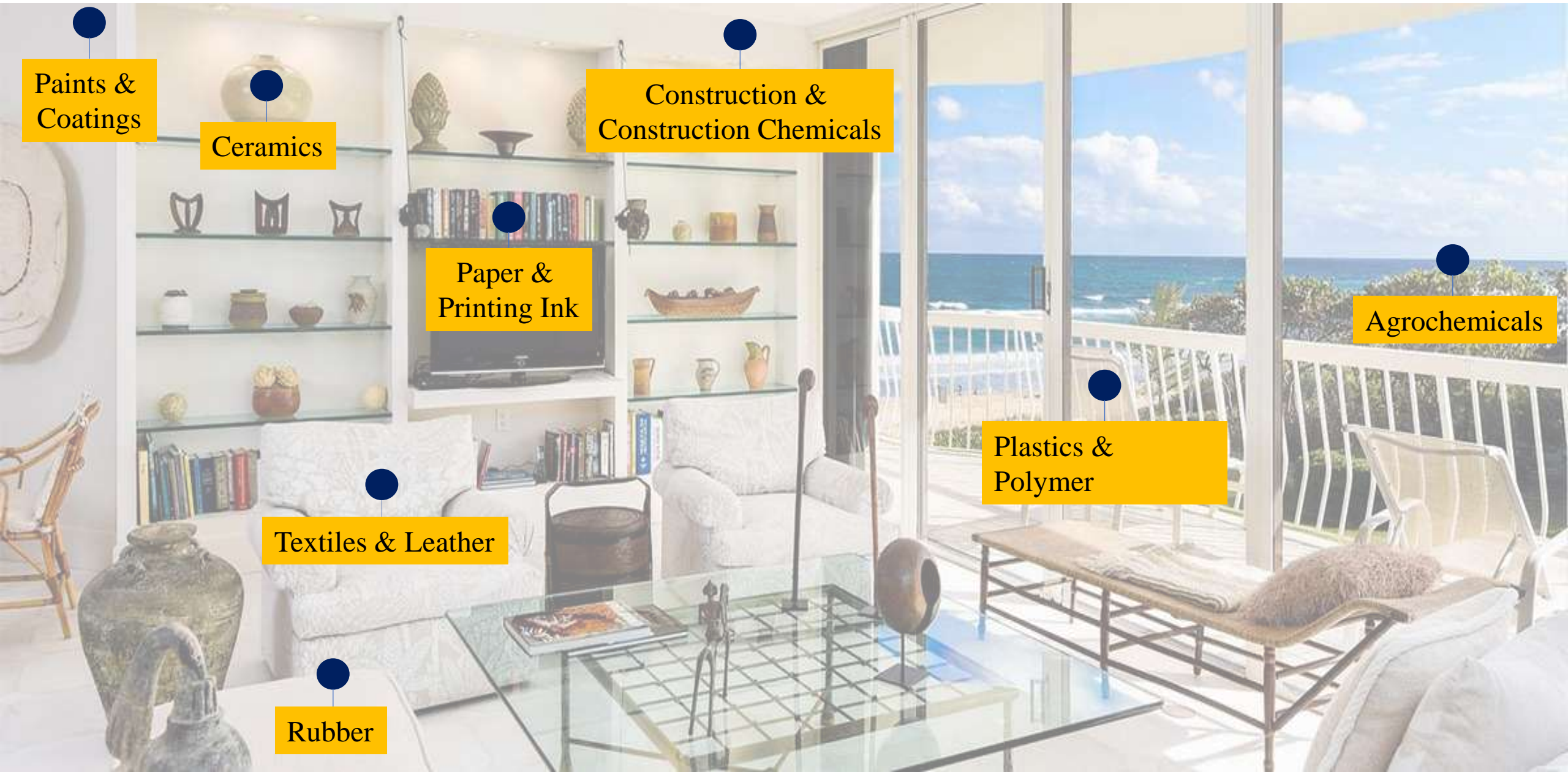
Paper &
Printing Ink

Agrochemicals

Plastics &
Polymer

Textiles & Leather

Rubber



Product-wise Global Presence

*Product	Talc	Calcite	Quartz	Calcined Clay	Dolomite	Attapulgite	Specialty Chemical	China Clay	Baryte	Wax	Feldspar	Mica	Red Oxide
China	■			■				■			■	■	
Bangladesh	■	■	■	■	■	■	■	■	■	■			
Malaysia	■	■			■	■	■		■				
UAE	■	■		■			■	■	■				■
Indonesia	■		■	■		■	■			■		■	
Germany	■			■			■	■			■		
Thailand	■				■			■				■	
Saudi Arabia	■			■			■	■	■	■		■	
Oman	■			■	■							■	
Sri Lanka	■	■		■			■			■			■

*Above are the key markets consuming our products

Exports contributes to ~17% of the Revenue with exports to ~48 countries worldwide

State of the Art Manufacturing Facilities



Alwar, Rajasthan



Hosur, Tamil Nadu



Alwar, Rajasthan



Bhuj, Gujarat



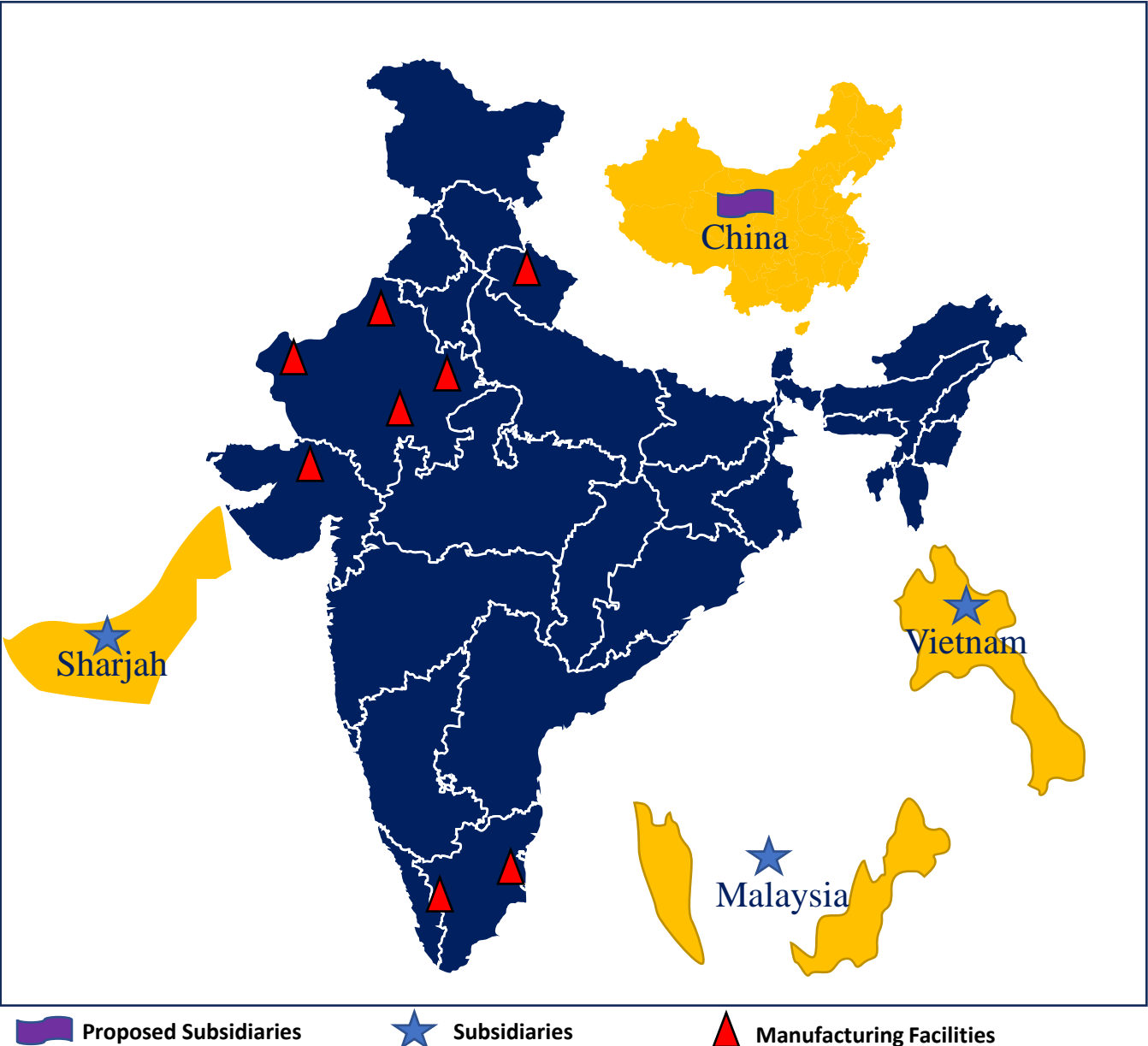
Waghodia, Gujarat



Vadadala, Gujarat

Mining Capacity & Location

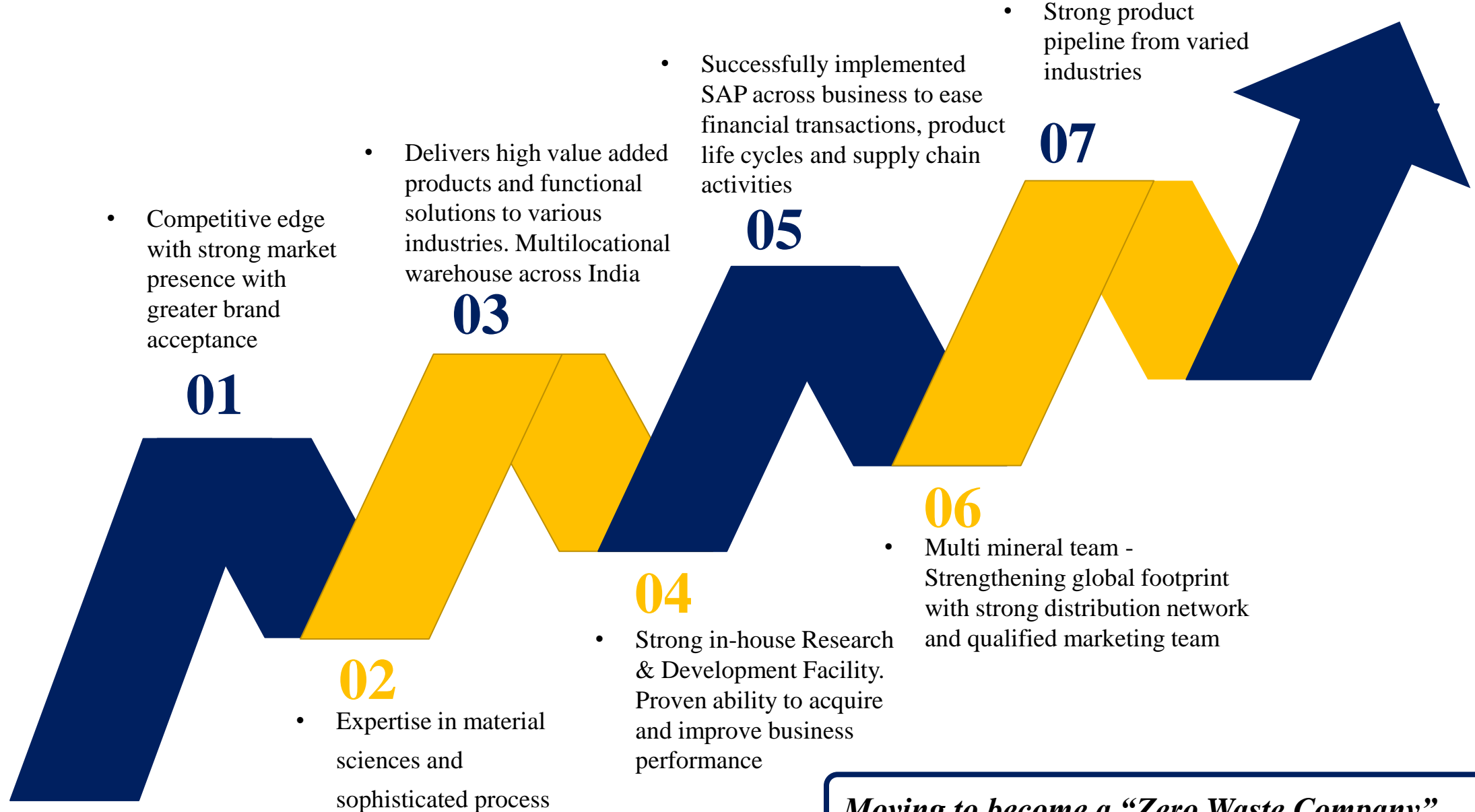
Sr. No.	Details of Mines	Approx. Reserves (In Lakhs Tons)	Approx. Value of Reserves (In Lakhs)
1.	China Clay – Mines, Bhuj, Dist. Kutchh, Gujarat. Area–11.89 Hector	17.756	2574.62
2.	Dolomite Mine, Taluka – Chhota Udaipur, Dist. Vadodara, Gujarat, Area – 6.25 Hector	13.890	4860.75
3.	Calcite Mine, Dist. Sirohi, Rajasthan, Area – 49.25 Hector	8.340	5002.52
4.	Limestone Mines, Dist. Tirunelveli, Tamil Nadu, Area – 4.43 Hector	10.300	4635.00
5.	Dolomite Mine, Anantapur, Andhra Pradesh Ares – 4.767 Hector	22.942	4591.47
	TOTAL	73.228	21664.36
1.	Dolomite Mines, Anantapur, Andhra Pradesh, Area - 4.289 Hector	16.692	3340.63
2.	Nadappa China Clay Mine, Nr. Village Nadappa, Taluka Bhuj, Dist. Kutch, Gujarat. Area – 7.30 Hector	10.227	1482.91
	TOTAL	26.919	4823.54



Group Structure - Subsidiaries



Key Strengths



Moving to become a “Zero Waste Company”

Strong In-House R&D Facility

- Established R&D facility with an aim to achieve Company's objective to become globally competitive by product innovation, upgradation of technology and continuous improvement in quality of finished goods. Brings efficiency to cater to client's complex needs

- We have industry wise facilities to cater to product improvements and innovation as required by our customers



- Tied up with several external agencies such as Central Glass & Ceramic Research Institute, Kolkata, Vallabh Vidyanagar (Gujarat); IIT, Mumbai, Smart Instruments Company Pvt. Ltd., Mumbai and various other institutions. Enabling Company to improve, innovate skills and processes, and also to keep abreast with latest technologies in industry

- Highly experienced & innovative R & D team of ~18 scientists and latest equipment to simplify complex processes, to go to the extreme levels of microns, to grow, innovate and improve business margins and to evolve as leaders in mineral processing

- ***Continuous R&D and innovation enables to expand product portfolio in the domestic and international markets***
- ***Our R&D expertise has instilled confidence in our clients in joint R&D project execution***

Innovative Specialty Products – Industry Application

[illegible]

Key Regulatory Approvals



Approved Research & Development centre by DSIR, Government of India

Key Clientele





G R O W T H L E V E R S



- 1. Focus on Product Innovation**
 - Continued focus on product innovation enables to remain the trend setter for ultra fine minerals ranging from 20 microns to 0.5 microns. Company now aims to reach milestone of 0.2 microns, which will further improve our margins.
- 2. Retail Push - Waterproofing agent and the Fertilizer brand**
 - Plans to foray into three more unique waterproofing products such as Nanotite, Liquid Cracksil & Instantsil providing further mileage in the B2C segment
- 3. Diversified Industry Application of Specialty Products**
 - Constantly endeavour to expand untapped industries to further broaden our client base.
- 4. Transforming Business Mix**
 - Intend to transform business mix by focusing more on retail channels by product branding, to generate higher margin business like functional additives
- 5. Enhancing Exports by entering into new markets**
 - Target acquisitions to broaden product portfolio of products/minerals to provide access to new markets through Joint ventures with different mining company globally



For further details, please feel free to contact:

20 MICRONS[®]
L I M I T E D

20 Microns Limited

CIN: L99999GJ1987PLC009768

Contact: Mr. Atil Parikh

[Email Id: atil@20microns.com](mailto:atil@20microns.com)



KDA Strategic Advisors LLP

LLPIN: AAG-8440

Contact: Mr. Dhiren Shethia/ Mr. Arpit Gandhi

Phone: +91-22-26110007/ 26150007

[Email Id: dhirens@kdg.co.in](mailto:dhirens@kdg.co.in) / arpitg@kdg.co.in

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