

INVESTOR PRESENTATION

NOVEMBER 2022



FILATEX INDIA LIMITED

INSIDE THE PRESENTATION

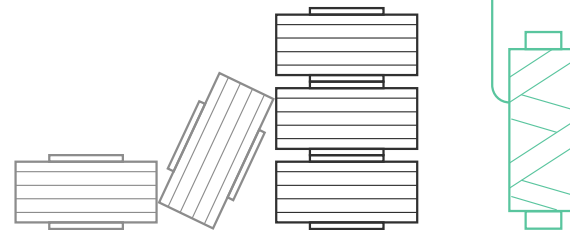
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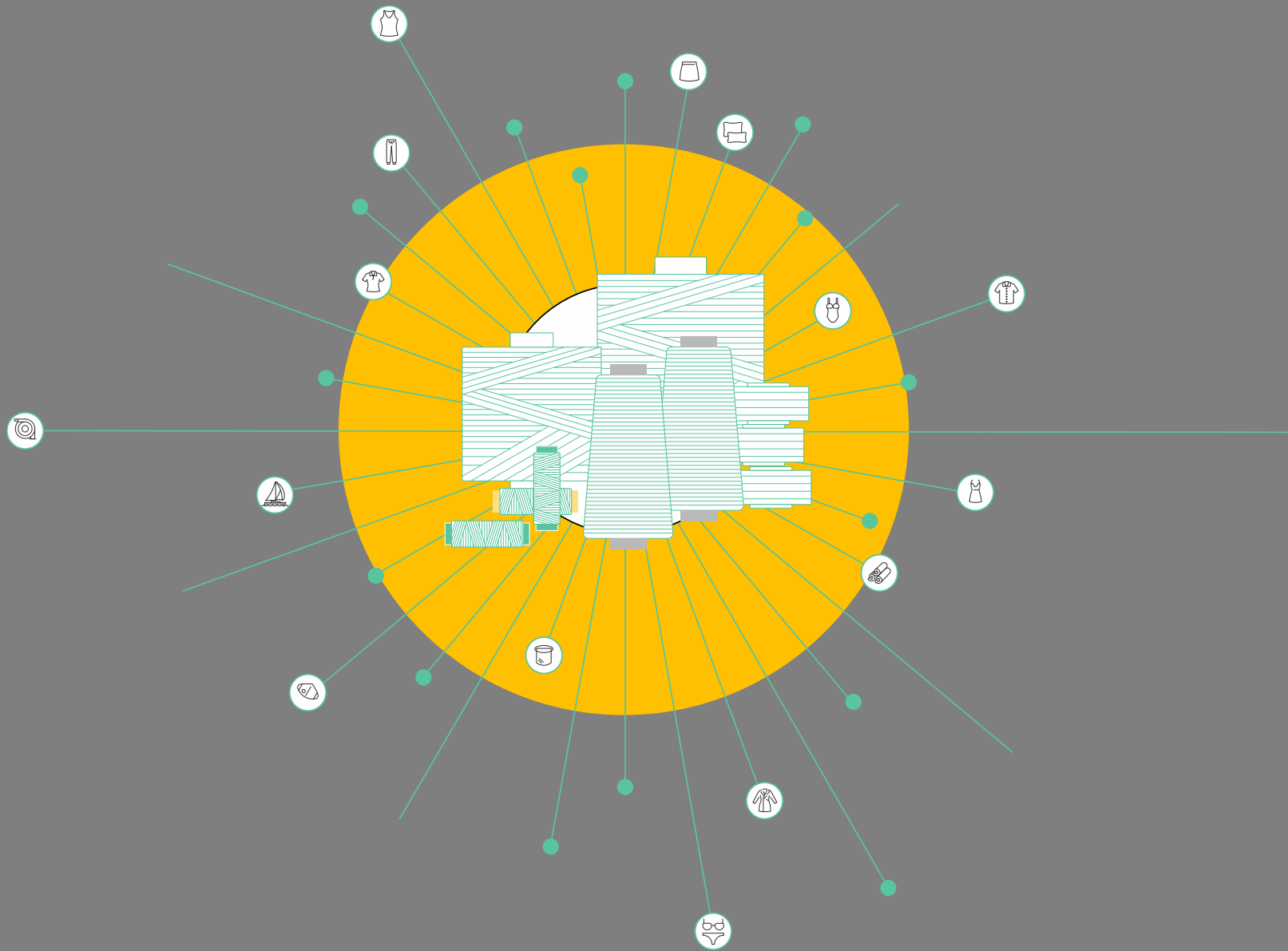
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QUARTER & HALF-YEAR HIGHLIGHTS

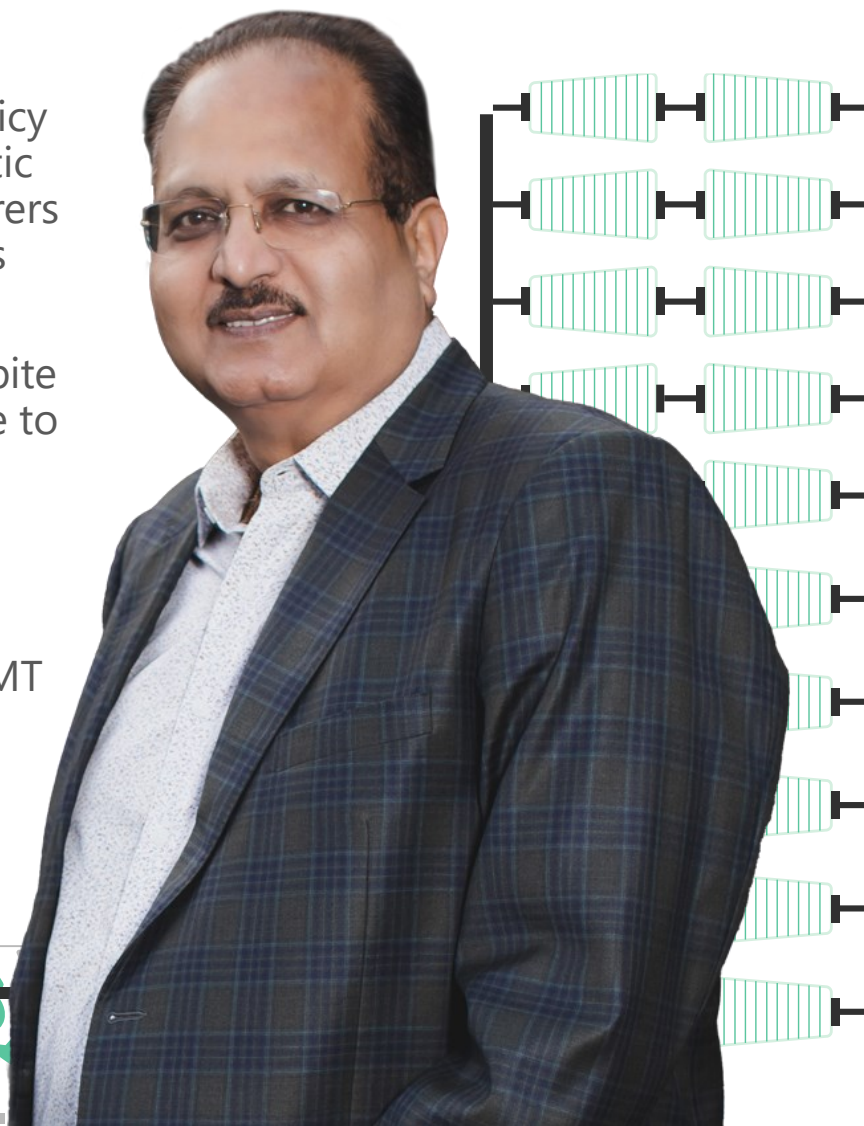
KEY MESSAGE

Volatility and fluctuations in global energy and crude prices due to the ongoing Russia-Ukraine War along with China's zero-Covid policy have adversely impacted the Indian Polyester industry. Low domestic consumption in China has driven the Chinese polyester manufacturers to flood Indian markets as well as export markets at very low prices resulting in immense pressure on margins.

However, the demand in the domestic market has been good. Despite large volumes of import from China at very low costs, we were able to achieve 100% utilization in our yarn capacities while maintaining inventory levels albeit at the cost of discounts resulting in low margins.

During the quarter, we also commissioned and started commercial production of our project for debottlenecking melt capacity of 50 MT per day and manufacturing lines of 120 MT per day POY at Dahej Plant."

MADHU SUDHAN BHAGERIA
Chairman & Managing Director



SUMMARY OF PROFIT AND LOSS STATEMENT

Quarterly Profit & Loss Statement

KEY PERFORMANCE METRICS	Q2FY23	Q1FY23	Q2FY22	QoQ	YoY
Revenue from operations	1163.42	1023.29	964.95	13.7%	20.57%
Other Income	10.50	6.59	6.76	59.3%	55.33%
Total Income	1173.92	1029.88	971.73	14.0%	20.81%
EBITDA	46.26	74.31	125.13	(37.7%)	(63.03%)
EBITDA Margin (%)	3.98%	7.26%	12.97%	(45.2%)	(69.31%)
Finance cost	6.08	5.95	6.50	2.2%	(6.46%)
Depreciation and amortisation expenses	16.61	16.46	15.85	0.9%	4.79%
Profit after tax	25.16	43.39	73.78	(42.0%)	(65.90%)

INR **1163.42** CRORES
Revenue

INR **46.26** CRORES
EBITDA

INR **25.16** CRORES
Profit after Tax



[CLICK HERE FOR RESULTS](#)



SUMMARY OF PROFIT AND LOSS STATEMENT

Half-Yearly Profit & Loss Statement

KEY PERFORMANCE METRICS	H1FY23	H1FY22	YoY
Revenue from operations	2186.71	1663.86	31.42%
Other Income	17.09	9.34	82.98%
Total Income	2203.80	1673.20	31.71%
EBITDA	120.57	226.30	(46.72%)
EBITDA Margin (%)	5.51%	13.60%	(59.49%)
Finance cost	12.02	19.43	(38.14%)
Depreciation and amortisation expenses	33.07	30.52	8.36%
Profit after tax	68.55	125.92	(45.56%)

INR **2186.** CRORES
Revenue

INR **120.57** CRORES
EBIDTA

INR **68.55** CRORES
Profit after Tax



[CLICK HERE FOR RESULTS](#)



SUMMARY OF BALANCE SHEET

PARTICULARS	Sep 2022	Mar 2022	HoH
Shareholders Fund	1077.19	1,085.46	(0.8%)
Non-Current Liabilities	488.08	485.71	0.5%
Long Term Borrowings	300.79	303.68	(1.0%)
Current Liabilities	700.17	452.12	54.9%
Short Term Borrowings	70.70	308.05	(77.0%)
Trade Payables	544.24	317.55	71.4%
Total Equity and Liabilities	2,265.44	2,023.29	12.0%
Non-Current Assets	1,366.35	1,304.18	4.8%
Net Block	1,359.27	1,289.30	5.4%
Current Assets	899.09	719.11	25.0%
Inventories	395.30	375.69	5.2%
Trade Receivables	145.24	145.06	0.1%
Cash & Bank Balances	239.02	28.83	729.1%
Total Assets	2,265.44	2,023.29	12.0%


[CLICK HERE FOR RESULTS](#)

0.34_x
Debt Equity Ratio

INR **92.58** CRORES
CAPEX

INR **239.02** CRORES
Cash & Bank Balances



OPERATIONAL METRICS

Q2FY23 vs Q1FY23

PRODUCTION

97,169 MT ↑

85,449 MT

SALES

1,01,488 MT ↑

83,066 MT

H1FY23 vs H1FY22

PRODUCTION

1,82,619 MT ↑

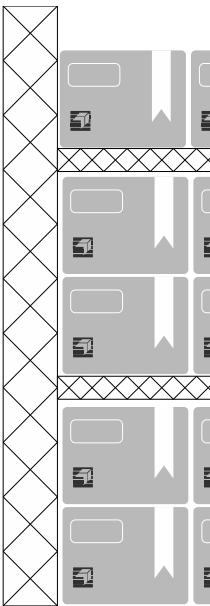
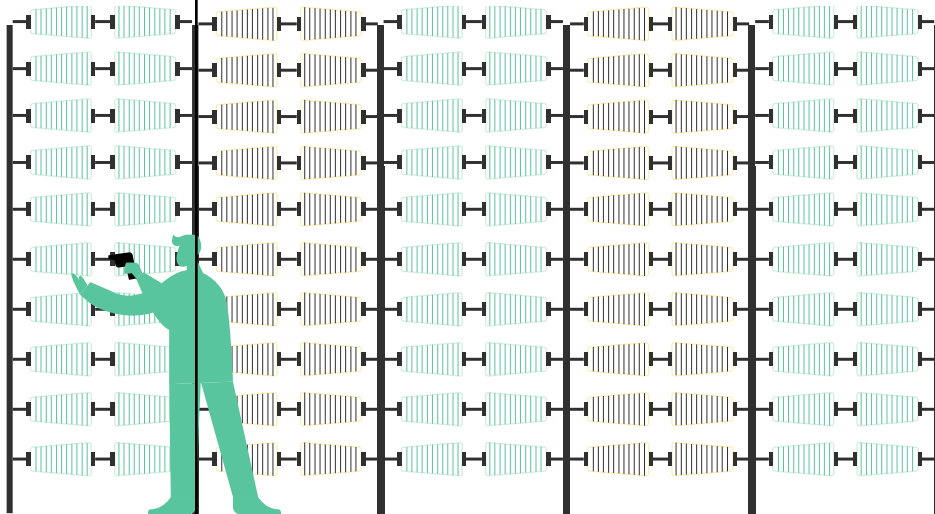
1,66,876 MT

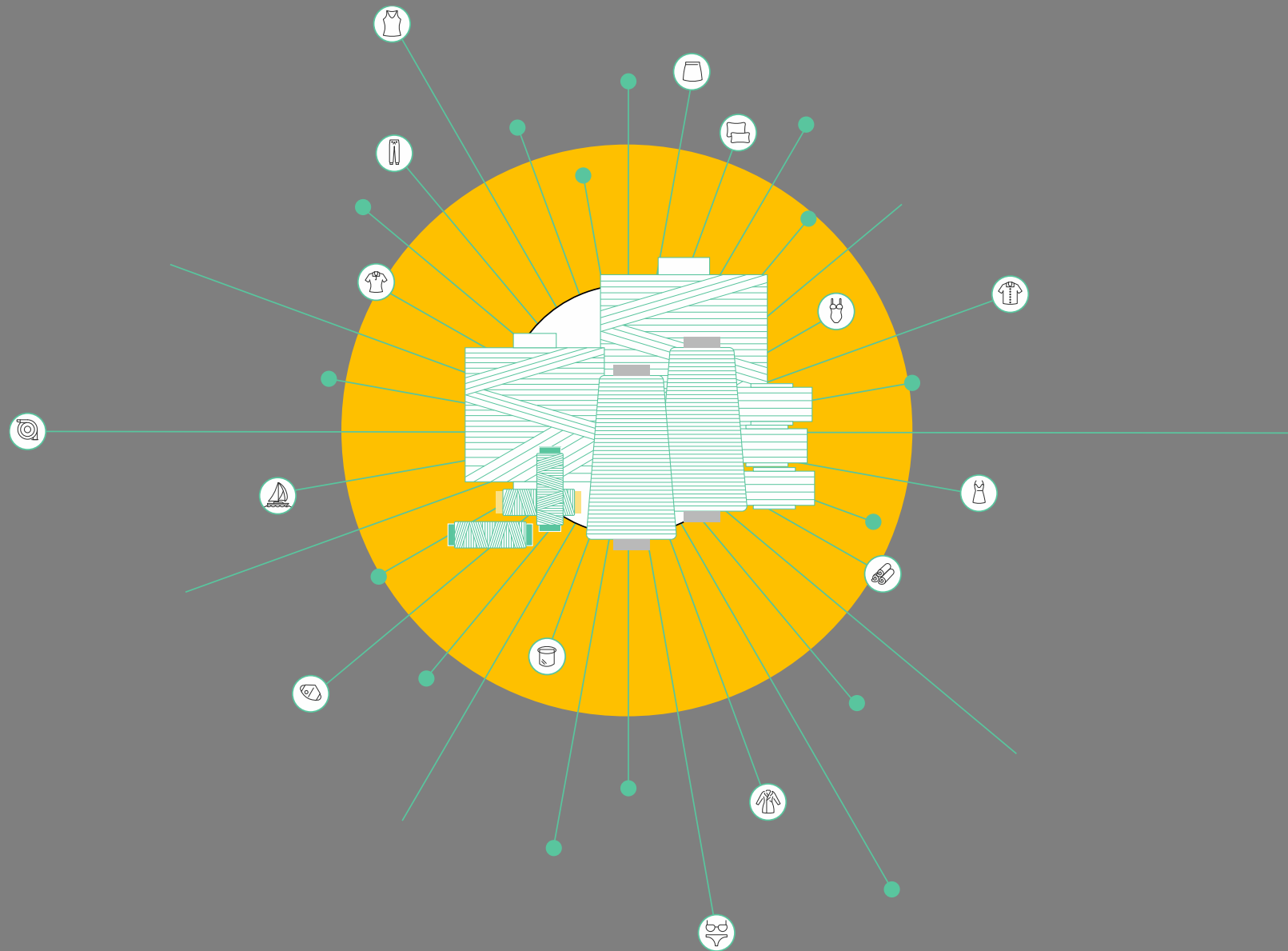
SALES

1,84,554 MT ↑

1,57,758 MT

Indian traders and consumers have imported around **1,20,000 MT** of polyester filaments in the last six months. Despite large volumes of import from China at very low costs, we were able to achieve 100% utilization in our yarn capacities while maintaining inventory levels





INDUSTRY TRENDS

WORLD FIBRE PRODUCTION (2008-2021)

Production Capacity (in 1000MT)

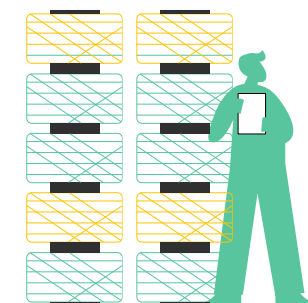
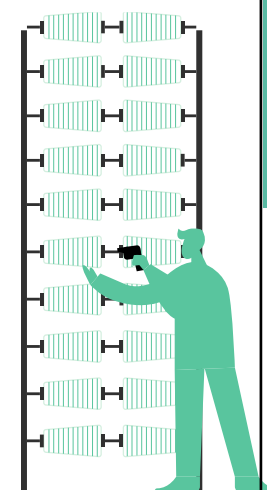
FIBRES	2008	%	2021	%	CAGR	GROWTH
NATURAL FIBRES						
Raw Cotton	23,584	31.47	24,700	21.94	0.39	1,116
Other Natural Fibres	6,971	9.30	8,500	7.55	1.67	1,529
Total Natural	30,555	40.69	33,200	29.48	0.69	2,645
SYNTHETIC FIBRES						
Cellulose Fibres	3,464	4.62	7,200	6.39	6.29	3,736
Synthetic Fibres	41,081	54.82	72,200	64.12	4.81	31,119
Total Synthetic	44,545	59.44	79,400	70.52	4.93	34,855
Total	75,100	100	1,12,600	100	3.43	37,500

93%

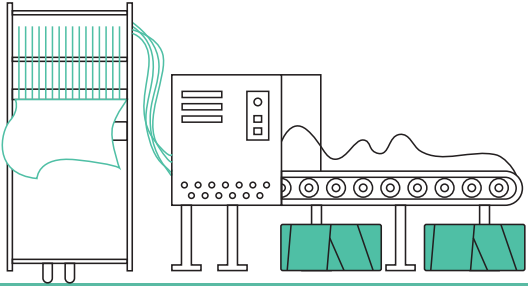
Growth in World Fibre Production in the last 13 years has come from Synthetic Fibres

Polyester is the most widely used fibre worldwide. With an annual production of around 61 million tonnes, polyester's market share was approximately 54% of the global fibre production in 2021.

Rapidly changing fashion trends and modern living standards will drive the growth of high-end polyester fibres with high durability, quick-drying, and easy-to-clean properties. Polyester fibres are also exclusively used for sports and athleisure clothing due to their lightweight and moisture-wicking properties, further accelerating market growth.



GROWTH DRIVERS FOR INDIAN MMF INDUSTRY



SHIFT IN DEMAND TOWARDS MMF

The global textiles business is transitioning from cotton to man-made fibres (MMF) and technical textiles. To encourage this transformation, the Indian government has enacted a number of schemes and regulations, including the PLI scheme, the National Technical Textiles Mission (NTTM), and MITRA.



INCREASING ONLINE TREND

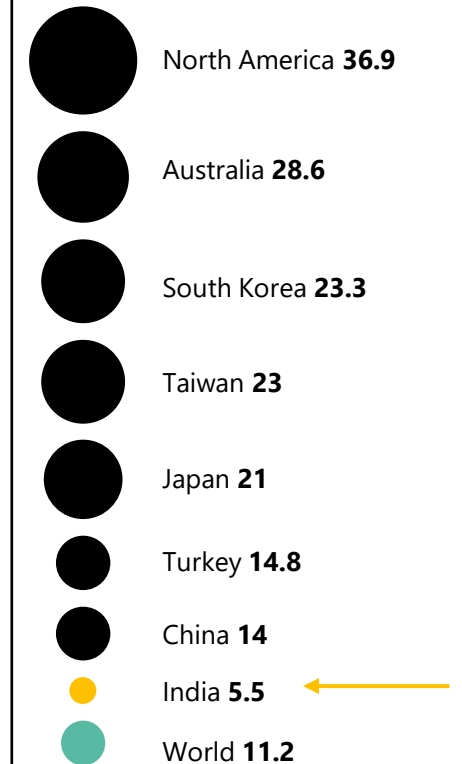
Low ticket sizes, deep discounts, the availability of a more comprehensive product range, and shopping festivals have all contributed to significant online sales in recent years. Moving forward, changing lifestyles combined with increased internet access among the general population would pave the way for a convenient and hassle-free online shopping experience, boosting demand in the textile sector.



LOWER THAN WORLD AVERAGE PER CAPITA FIBRE CONSUMPTION

India's per-capita fibre consumption is 5.5 kg, which is less than half the global average of 11 kg. The consumption of MMF in the country (56%) is lower than the global average (69%) and that of developed countries, indicating a huge potential for MMF in the country.

PER-CAPITA CONSUMPTION OF ALL FIBRES (IN KGS)



POLICY INITIATIVES

The Government of India has taken several strategic steps to boost the manufacturing of man-made fibres in India

Introduced a minimum value addition norm of 35% on textile products coming in India at zero duty from countries covered under FTA

Included synthetic yarns under the RoDTEP scheme

Abolished anti-dumping duty on PTA

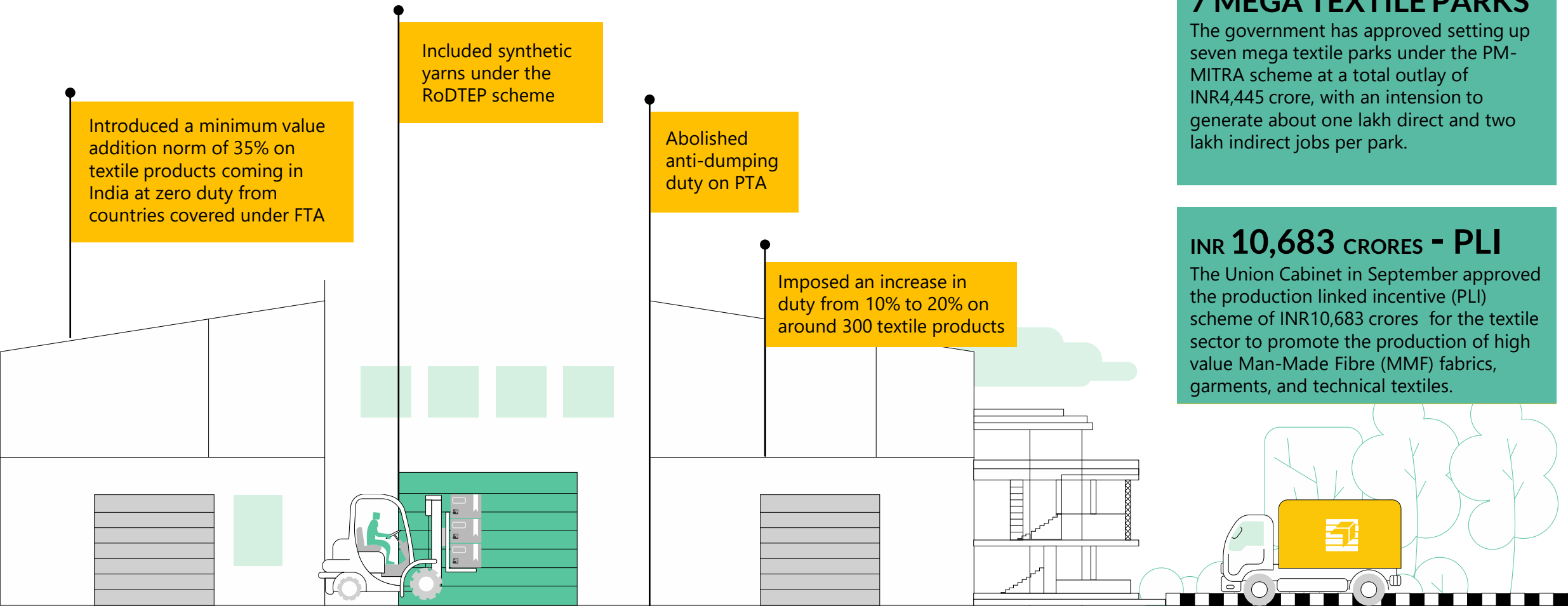
Imposed an increase in duty from 10% to 20% on around 300 textile products

7 MEGA TEXTILE PARKS

The government has approved setting up seven mega textile parks under the PM-MITRA scheme at a total outlay of INR4,445 crore, with an intension to generate about one lakh direct and two lakh indirect jobs per park.

INR 10,683 CRORES - PLI

The Union Cabinet in September approved the production linked incentive (PLI) scheme of INR10,683 crores for the textile sector to promote the production of high value Man-Made Fibre (MMF) fabrics, garments, and technical textiles.



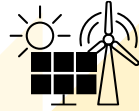


BEING A RESPONSIBLE CORPORATE CITIZEN



PRIORITISING RECYCLING

The Company recycles its packaging materials, paper tubes and wooden pallets. It also collects packaging materials from its customers, and recycles and reuses them. The Company also treats its effluent water in the plant and reuses it for non-drinking purposes, thus following a zero liquid discharge policy.



FOCUS ON RENEWABLE ENERGY

The Company sources power from rooftop solar power plants at both its plants, with 1 MW at Dahej and 0.91 MW at Dadra. To meet the additional demand for power at the Dahej plant at a competitive cost, the Company partnered with a reputed renewable power generation company for a hybrid wind and solar power plant with a capacity of 10.8 MW. The generation will result in a yearly saving of INR 10+ crore. This project is scheduled for commissioning by March 2023.



ENVIRONMENT CONSERVATION

The Company conducts special tree plantation drives near the plant premises to reduce carbon footprint and address environmental issues. It also follows sound environmental management practices at its manufacturing units to assess and address potential environmental risks.



GROWING WITH OUR COMMUNITIES

Filatex has always prioritised sustainability and social responsibility as much as the business.

The Company continues to fulfil its role as a responsible corporate citizen by investing in a range of initiatives that target the current needs of the local communities as well as their future development.

SUPPORTING THOSE IN NEED DURING THE PANDEMIC



EMPOWERING COMMUNITIES

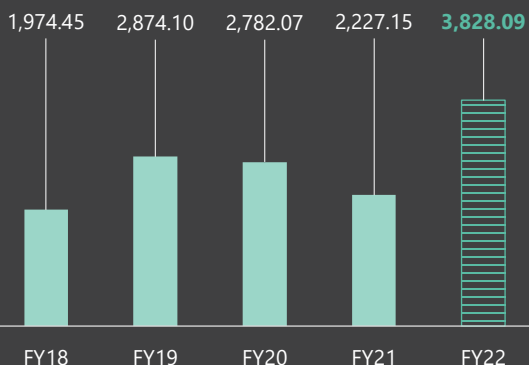




FINANCIAL PERFORMANCE (1/2)

REVENUE FROM OPERATIONS

(IN INR CRORE)

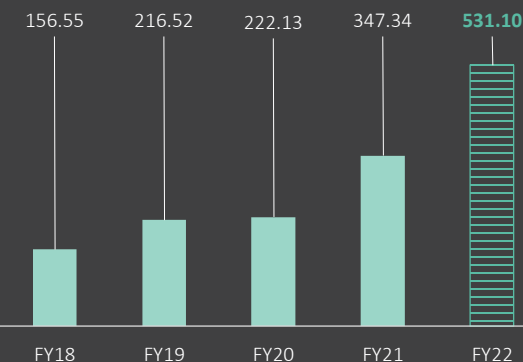


INR **3828.09** CRORES

The company has achieved a **CAGR of 20%** in the last 6 years by gradually increasing its capacity and product mix. Revenue from Operations grew by 72% to INR 3,828.09 crore compared to INR 2,227.15 crores in FY21.

EBITDA

(IN INR CRORE)

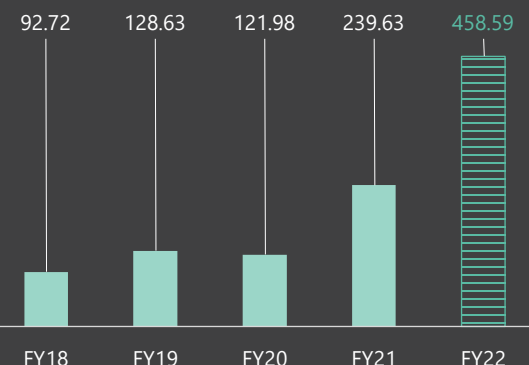


INR **531.10** CRORES

The company has focused on improving its value-added product portfolio in the past 6-7 years. The expansion of DTY and FDY capacities over the years have resulted in achieving a **CAGR of 35%** in the company's operating margins. On a year-on-year basis EBITDA stands at INR 531.10 crores compared to INR 347.3 crores, a growth of around 53%.

PROFIT BEFORE TAX

(IN INR CRORE)

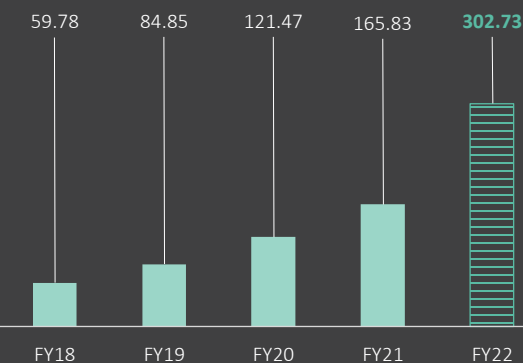


INR **458.59** CRORES

Along with the operating margins, the company has also taken steps to decrease its finance costs by constantly monitoring and evaluating its cost of capital, resulting in **55% CAGR** in Profit Before Tax. Profit before tax was INR 458.59 crores in FY22 compared to INR 239.63 crores in FY21, a growth of 91%.

PROFIT AFTER TAX

(IN INR CRORE)



INR **302.73** CRORES

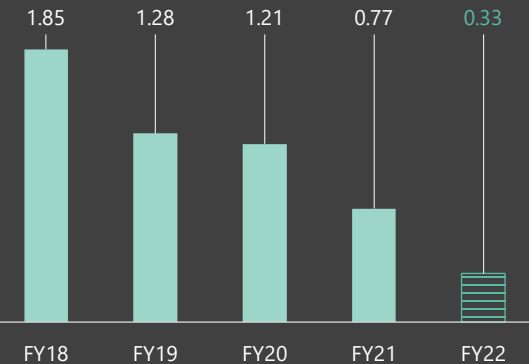
Positive macroeconomic factors along with judicious decision-making, prudent strategy and a conscious decision to focus on value-added products has resulted in improving the profitability of the company over the years and achieving a **50% CAGR**. The PAT recorded was INR 302.73 crores in FY22 compared to INR 165.83 crores in FY21, an increase of 82%.

FINANCIAL PERFORMANCE (2/2)

DEBT TO EQUITY RATIO (IN TIMES)

0.33x

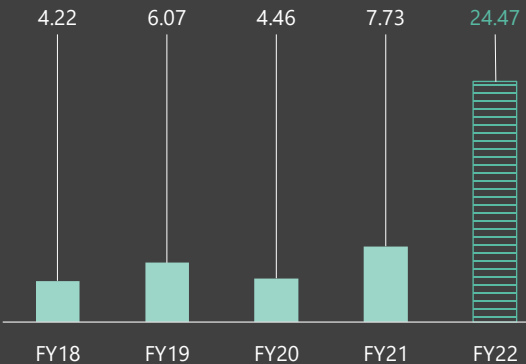
Improved profitability and healthy cashflows enabled the company to prepay its term loans. This resulted in an improved debt-equity ratio of 0.33



INTEREST COVERAGE RATIO (IN TIMES)

24.47x

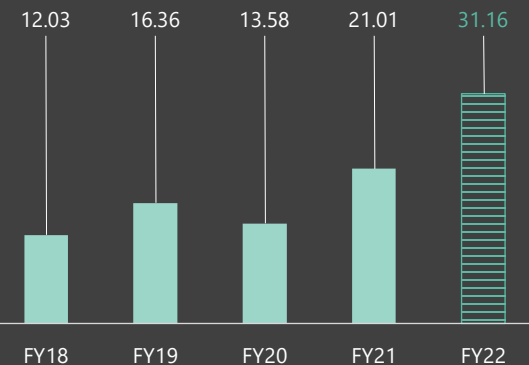
Consistent growth in operating margins along with a focus on long-term debt reduction has resulted in significant improvement in the Company's interest coverage ratio. The Interest Coverage ratio increased from 7.73 in FY21 to 24.47 in FY22.



RETURN ON CAPITAL EMPLOYED (IN %)

31.16%

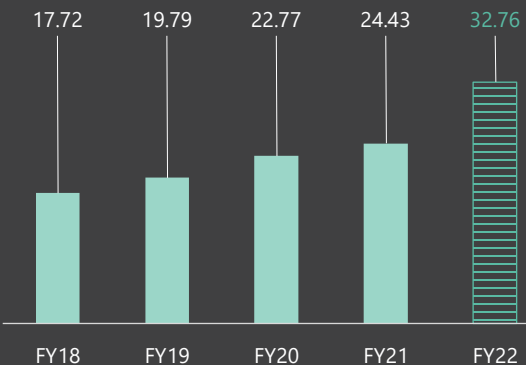
Due to loss of revenue in H1FY21 caused by the Covid-19 pandemic and subsequent lockdown, the full-year debtor days give a skewed picture. However, if we consider a comparison with H2FY21 once the lockdowns were lifted, the debtor turnover ratio is 11.49 days in H2FY21 compared to 12.71 days in FY22.



RETURN ON EQUITY (IN %)

32.76%

Return on Equity of the company increased to 32.76% from 24.43% in FY2021 because of a growth in profitability by 83% to INR 302.73 crores compared to INR 165.83 crores last year





COMPANY OVERVIEW

Filatex India Limited is among the country's leading manufacturers of Polyester Filament Yarn focused on capitalising synergies created through its integrated business model.

Driven by capable leadership, the Company remains focused on increasing capacities, widening its reach, maximizing efficiency, allocating capital effectively, and ensuring sustainability.

A+
Latest Credit Rating

2500+
Team members embracing the culture of integrity and delivering value

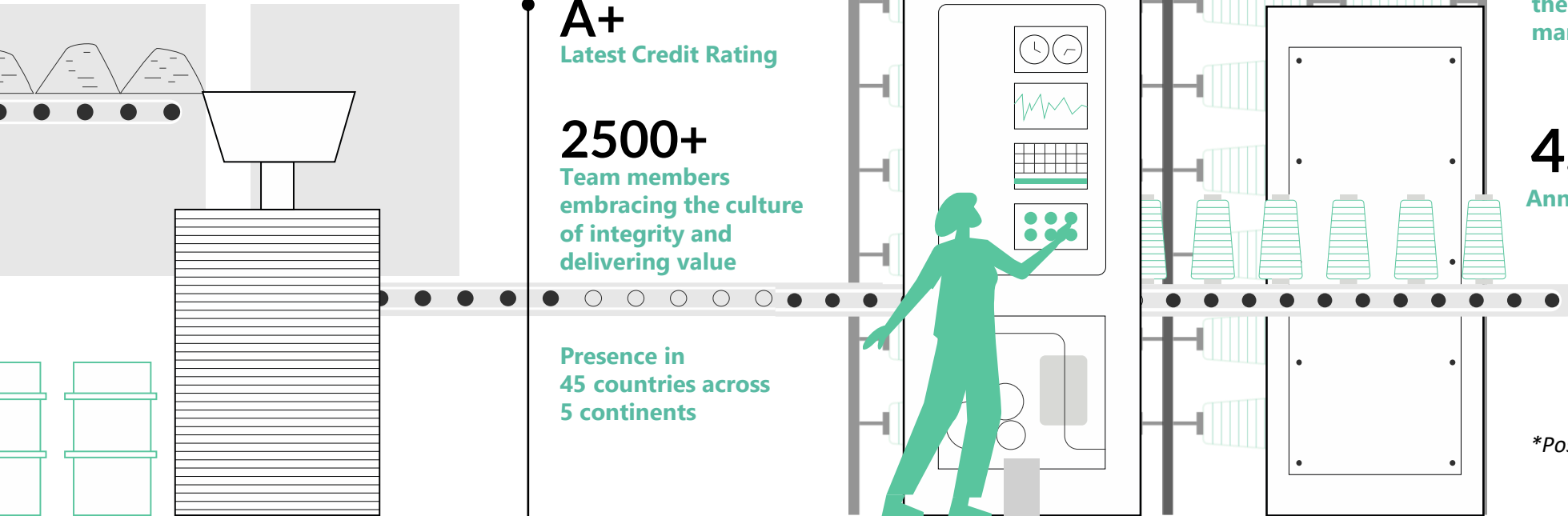
Presence in
45 countries across
5 continents

30+ YEARS
Experience in manufacturing yarn

2
manufacturing units state of the art with integrated manufacturing operations

4,01,040* MT
Annual manufacturing capacity

**Post expansions in FY23*



PRODUCTION CAPACITIES

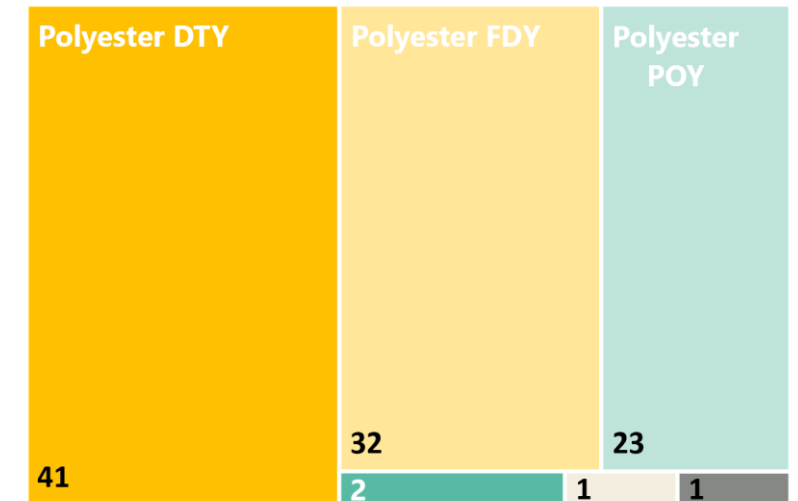
Annual Production Capacities FY23 (in MT)

*Post expansions in FY23

PARTICULARS	PRODUCTION	CAPTIVE USE	NET CAPACITY
Polyester Chips	52,200	43,200	9,000
Polyester POY	2,57,400	1,64,100	93,240
Polyester FDY	1,31,400	1,080	1,30,320
Polyester DTY	1,64,160	1,080	1,63,080
Polypropylene	5,400	2,160	3,240
Narrow Woven Fibres	2,160	0	2,160
Total	6,12,720	2,11,680	4,01,040

4,01,040* TONNES
Total Capacity

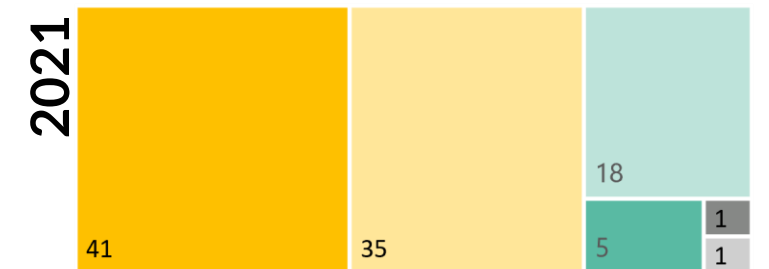
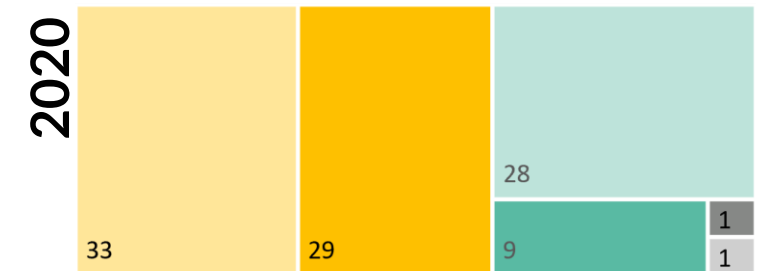
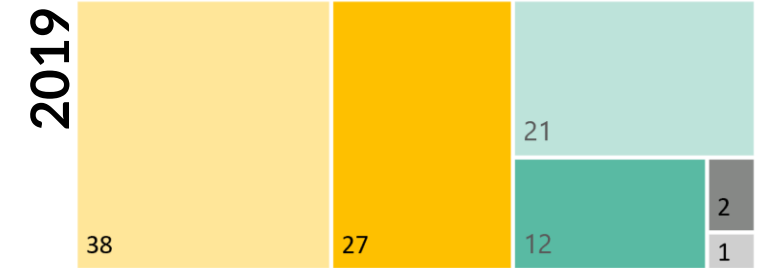
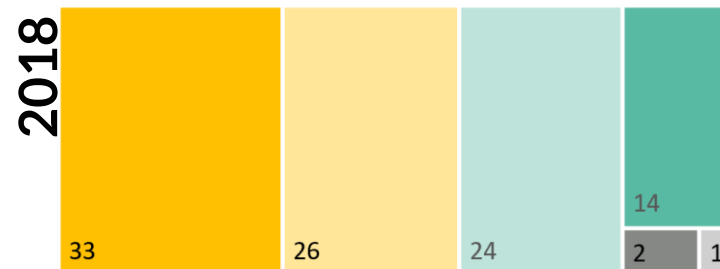
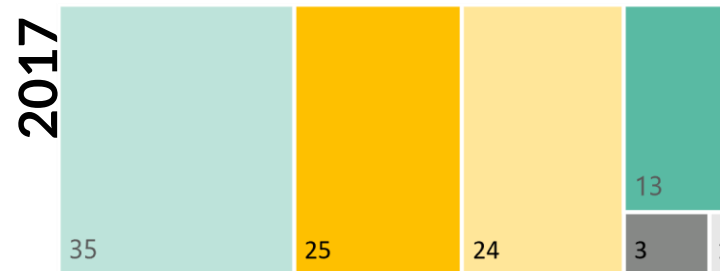
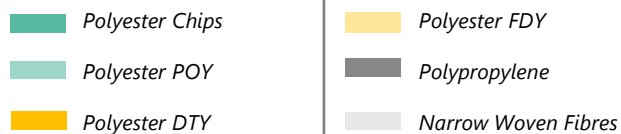
■ Polyester Chips
 ■ Polyester DTY
 ■ Polypropylene
■ Polyester POY
 ■ Polyester FDY
 ■ Narrow Woven Fibres



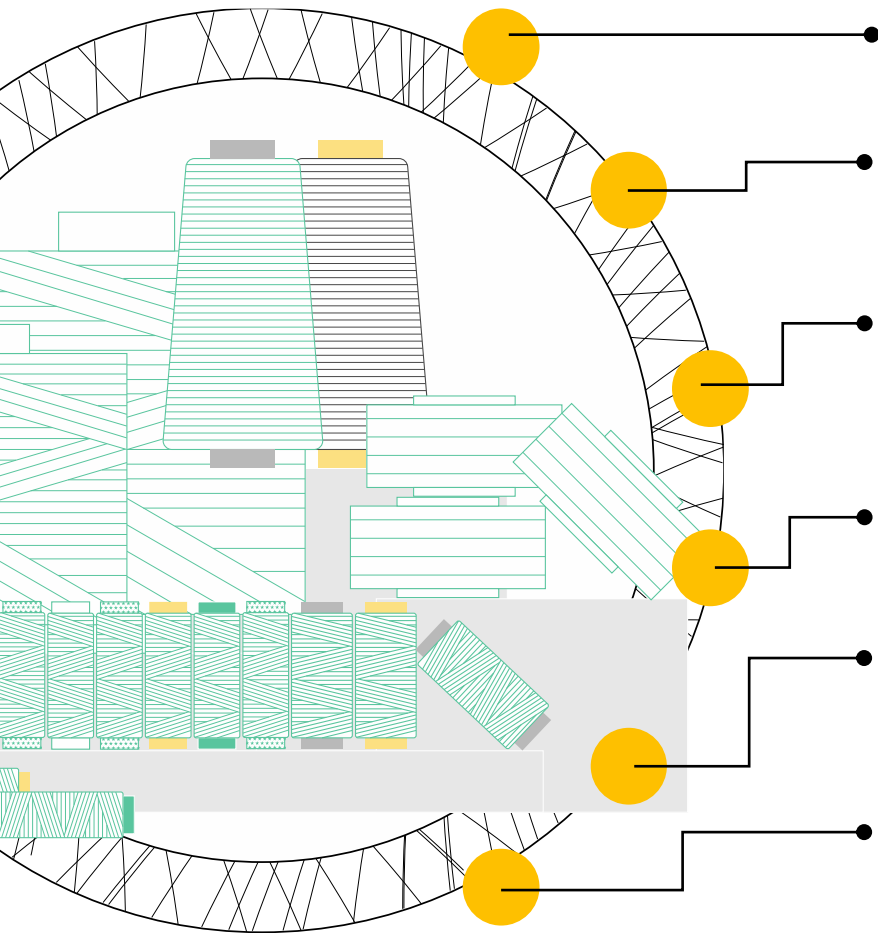
GROWTH THROUGH VALUE ADDITION

The company has made a planned effort to steadily increase its product offering. It has focused on improving its value-added product portfolio in the last 5-6 years.

The expansion in DTY and FDY capacities over the years has resulted in an increase in their revenue share as well as an improvement in blended margins.



OUR PRODUCTS



POLYESTER CHIPS: Industrial intermediate product used to manufacture Polyester yarns.

FULLY DRAWN YARNS /FDY: Fully drawn polyester filament yarn is directly used for producing all kinds of fabrics specially for children and ladies.

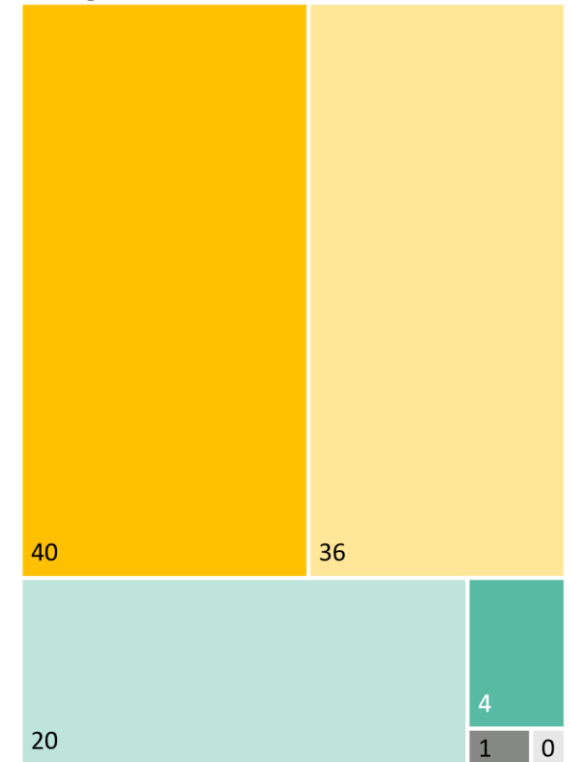
POLYPROPYLENE MULTIFILAMENT CRIMP YARNS: In different shades and deniers, PP yarns are being used for Socks, Under Garments and Sports Wear.

POLYESTER PARTIALLY ORIENTED YARNS /POY: Intermediate product which post texturizing is used for knitting & weaving different kinds of fabrics.

DRAWN TEXTURED YARNS/ DTY: Produced by drawing & heating POY through a texturing process. It is used for manufacturing fabrics for multiple applications.

NARROW WOVEN FABRICS: Used in manufacture of Carpets, Rugs, Tapes, Ribbons and Zippers

2022



Polyester Chips

Polyester FDY

Polyester POY

Polypropylene

Polyester DTY

Narrow Woven Fibres

CATERING TO DIVERSE END-USERS

HOME TEXTILES & FURNISHINGS



WOMEN INNER WEAR



INDUSTRIAL USE CASES



OUTDOOR CLOTHING & ATHLEISURE

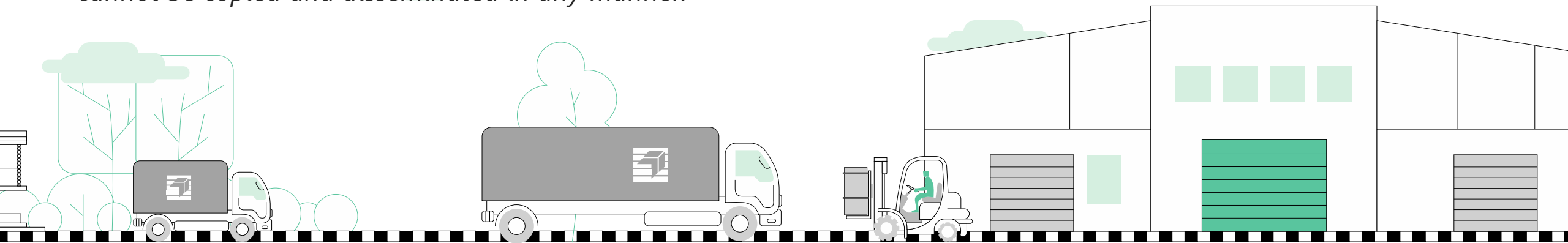


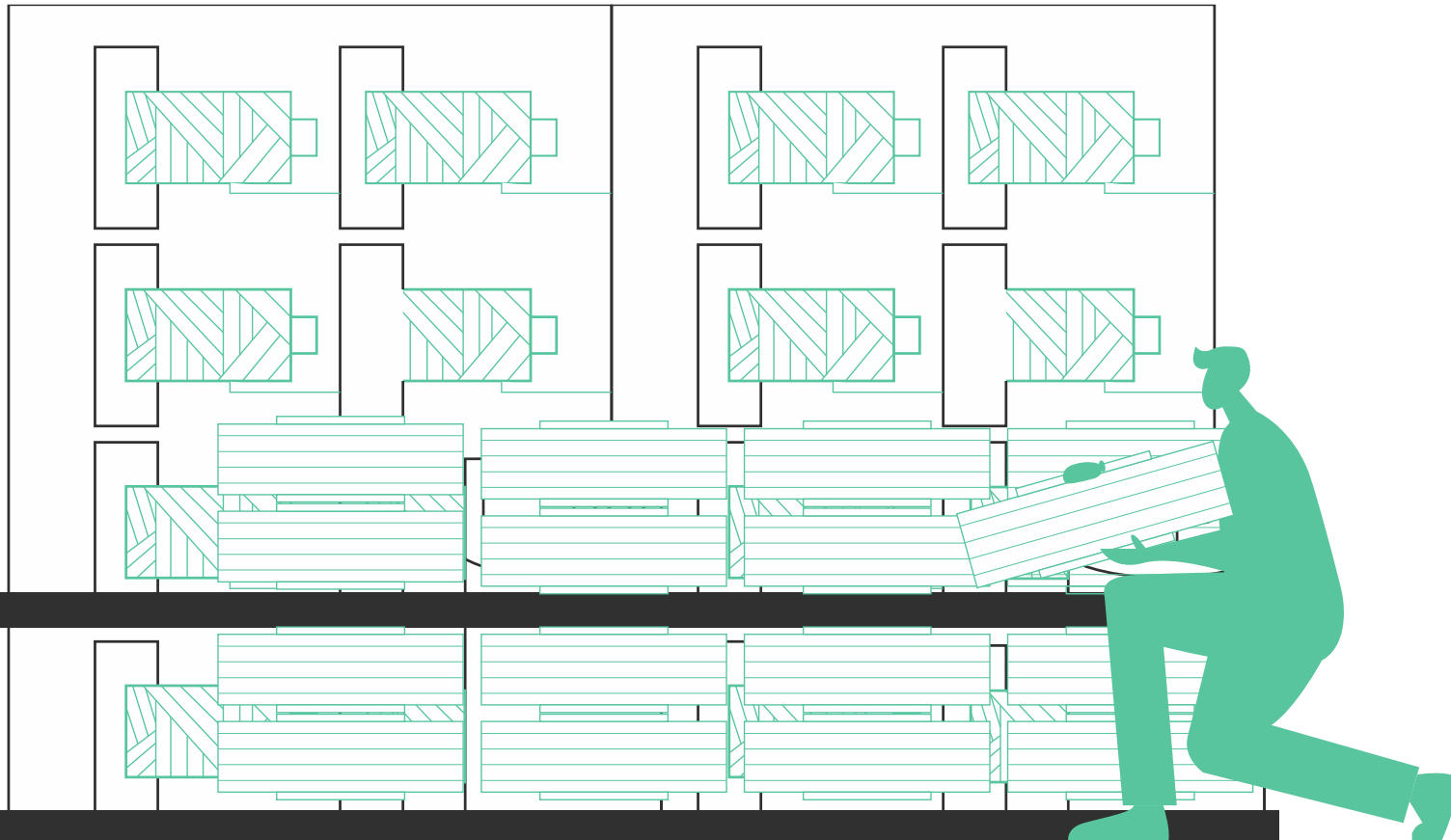
WIDE-RANGE OF APPARELS



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FILATEX INDIA LIMITED

BHAGERIA HOUSE, 43 Community Centre,
New Friends Colony, New Delhi –110025

P: +91-11-26312503

E: ir@filatex.com

BSE: 526227 | **NSE:** FILATEX |

ISIN: INE816B01027 |

CIN: L17119DN1990PLC000091

www.filatex.com