

CENTURY ENKA LIMITED

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Company CIN : L24304PN1965PLC139075



Communicate at
Post Box No. 17,
Plot No. 72 & 72-A, MIDC,
Bhosari, Pune - 411 026

25th October 2022

<p>Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai - 400051</p> <p>Symbol: CENTENKA</p>	<p>Listing Department BSE Limited 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001</p> <p>Stock Code: 500280</p>
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Sub: Earnings Presentation of Century Enka Limited ('the Company')

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

As informed vide our communication dated 25th October 2022 regarding Earnings Conference Call to be held on Thursday, 27th October 2022 to discuss Q2-FY23 earnings, please find attached herewith the Earnings Presentation Q2-FY23 of the Company pursuant to Regulation 30 of the Listing Regulations.

This is for the information of the investors and for your records.

Thanking You,

Yours faithfully,
For **Century Enka Limited**

(Rahul Dubey)
Company Secretary
Membership No: FCS 8145



Century Enka Limited

Earnings Presentation – Q2/H1-FY23



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.
- It also produces a wide range of High-Quality Nylon Yarns used for varied applications including fish-twines, conveyor belts, sports and active wear, sarees, intimate and foundation wear, etc.
- The company 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

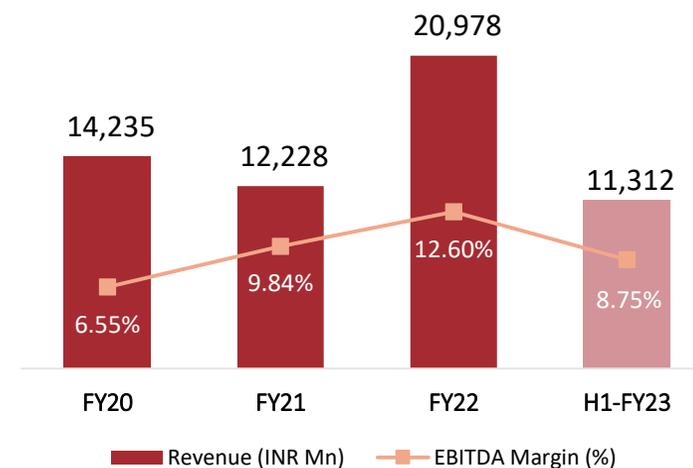
25%

NFY Domestic Market Share

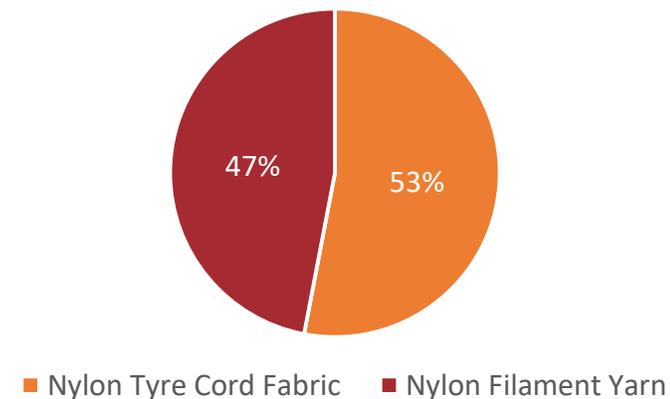
23%

NTCF Domestic Market Share

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



FY22 Product-wise Sales (%)





Q2/H1-FY23 FINANCIAL OVERVIEW

H1 / Q2-FY23 Financial Highlights



Q2-FY23 Financial Performance

INR 5,634 Mn

Revenue from
Operations

INR 379 Mn

EBITDA

6.73%

EBITDA Margin

INR 256 Mn

Net Profit

4.54%

PAT Margin

INR 11.70

Basic/Diluted EPS
(On FV of INR 10)

H1-FY23 Financial Performance

INR 11,312 Mn

Revenue from
Operations

INR 990 Mn

EBITDA

8.75%

EBITDA Margin

INR 659 Mn

Net Profit

5.83%

PAT Margin

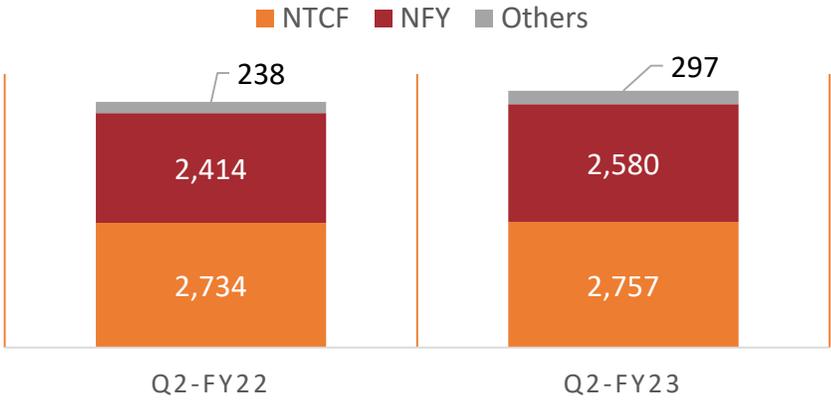
INR 30.14

Basic/Diluted EPS
(On FV of INR 10)

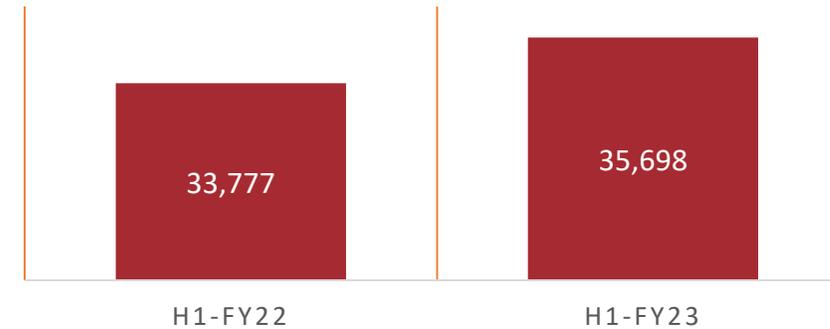
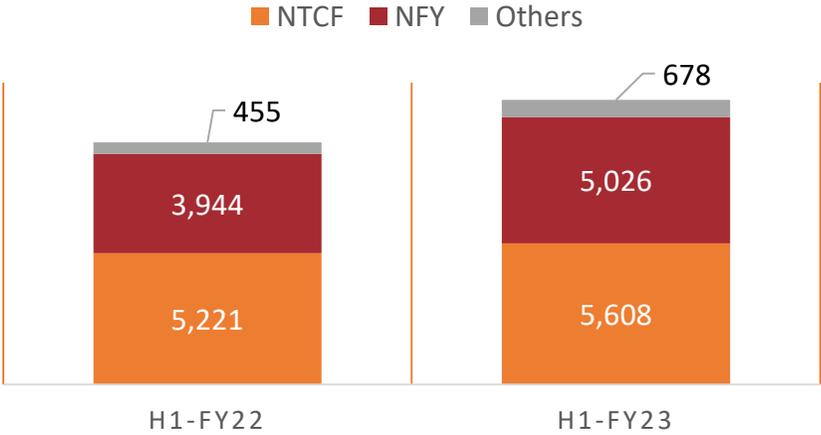
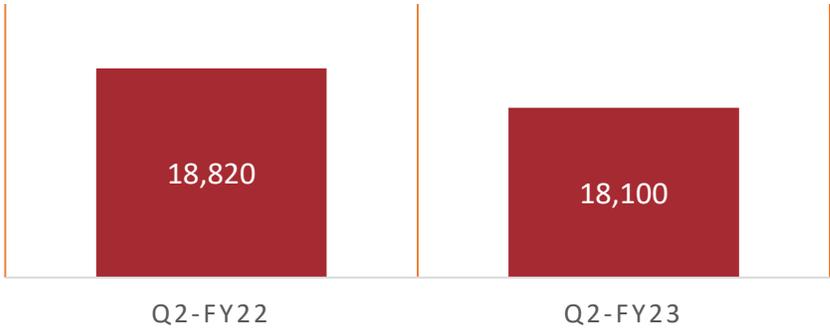
Business Performance



Product wise Revenue (INR Mn)



Volume Performance (MT)



Q2-FY23 Operational Highlights



Nylon Tyre Cord Fabric (NTCF)

- Moderation in replacement demand and lower exports of tyres due to global slowdown, impacted demand for NTCF
- Steep correction in Chinese NTCF prices is exerting pressure on NTCF margin
- Improvement in OEM demand for tyres but demand still trails pre-pandemic levels
- While near-term outlook will depend on development in Russia-Ukraine conflict and recovery in Chinese demand, medium to long term prospects remain positive based on expected pick-up in economic activity
- Sharp increase in power and fuel cost impacted margin

Nylon Filament Yarn (NFY)

- Lower demand as weavers in wait-and-watch mode in falling price scenario
- NFY margin impacted by:
 - Sharp correction in prices in line with correction in Caprolactam prices while our cost remained at elevated levels due to stock-in-trade.
 - Dumping by China due to slow down there at cheaper prices. Imports from China more than doubled in Q2 FY23 compared to last year
 - Sharp increase in power and fuel cost
- Dumping by China is hindering our ability to pass through of cost increases

Caprolactam

- Steep fall in Caprolactam prices; prices corrected by around 20%
 - Volatility is expected to continue till stability in Chinese demand and geo-political situation

CAPEX Update



- All Capex sanctioned by the Board is running as per schedule
- Deliveries for Capex items started with some delays in equipment from China & Europe. However, we hope to commission as per schedule
- Cash outflow of INR 1,285 Mn in H1-FY23
- Projected cash outflow of over INR 2,200 Mn in FY23 on ongoing Capex plan
- Target commissioning for NTCF expansion by Q4-FY23
- Target commissioning of full capacity of Polyester Tyre Cord (PTCF) by Q4-FY24
- NFY value addition Capex completed towards end of Q2-FY23. Expansion in NFY capacity to be completed by Q4-FY24

Consolidated Quarterly Financial Performance



PARTICULARS (INR Mn)	Q2-FY23	Q2-FY22	Y-o-Y	Q1-FY23	Q-o-Q
Revenue from Operations	5,634	5,386	4.6%	5,678	(0.8)%
Total Expenses	5,255	4,795	9.6%	5,067	3.7%
EBITDA	379	591	(35.9)%	611	(38.0)%
EBITDA Margins (%)	6.73%	10.97%	(424) Bps	10.76%	(403) Bps
Other Income	47	67	(29.8)%	33	42.4%
Depreciation	94	100	(6.0)%	101	(6.9)%
Finance Cost	4	3	33.3%	3	33.3%
Share in profit / loss of associate	(1)	-	NA	0	NA
PBT	327	555	(41.1)%	540	(39.4)%
Tax	71	141	(49.6)%	137	(48.2)%
PAT	256	414	(38.2)%	403	(36.5)%
PAT Margins (%)	4.54%	7.69%	(315) Bps	7.10%	(256) Bps
Other Comprehensive Income	26	(62)	NA	(31)	NA
Total Comprehensive Income	282	352	(19.9)%	372	(24.2)%
Basic/Diluted EPS (INR)	11.70	18.94	(38.2)%	18.44	(36.6)%

YTD Consolidated Financial Performance



PARTICULARS (INR Mn)	H1-FY23	H1-FY22	Y-o-Y
Revenue from Operations	11,312	9,620	17.6%
Total Expenses	10,322	8,415	22.7%
EBITDA	990	1,205	(17.8)%
EBITDA Margins (%)	8.75%	12.53%	(378) Bps
Other Income	80	112	(28.6)%
Depreciation	195	194	0.5%
Finance Cost	7	6	16.7%
Share in profit / loss of associate	(1)	-	NA
PBT	867	1,117	(22.4)%
Tax	208	278	(25.2)%
PAT	659	839	(21.4)%
PAT Margins (%)	5.83%	8.72%	(289) Bps
Other Comprehensive Income	(5)	(16)	NA
Total Comprehensive Income	654	823	(20.5)%
Basic/Diluted EPS (INR)	30.14	38.41	(21.5)%



Historical Financial Overview

Consolidated Income Statement



PARTICULARS (INR Mn)	FY20	FY21	FY22	H1-FY23
Operational Revenue	14,235	12,228	20,978	11,312
Total Expenses	13,303	11,025	18,335	10,322
EBITDA	932	1,203	2,643	990
EBITDA Margins (%)	6.55%	9.84%	12.60%	8.75%
Other Income	422	220	206	80
Depreciation	455	409	396	195
Finance Cost	35	15	12	7
Share in profit / loss of associate	-	-	-	(1)
Exceptional Items	-	(82)	-	-
PBT	864	917	2,441	867
Tax	(91)	208	599	208
PAT	955	709	1,842	659
PAT Margins (%)	6.71%	5.80%	8.78%	5.83%
Other Comprehensive Income	(72)	107	(49)	(5)
Total Comprehensive Income	883	816	1,793	654
Basic/Diluted EPS (INR)	43.72	32.46	84.28	30.14

Consolidated Balance Sheet



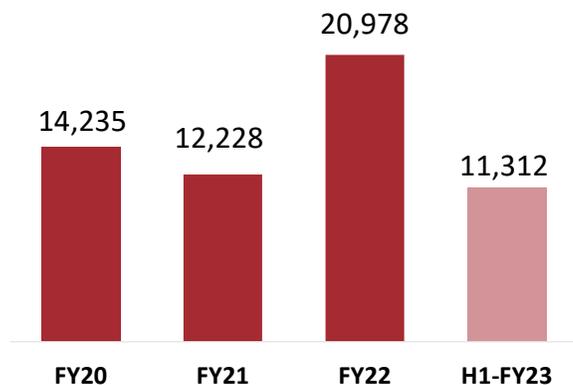
PARTICULARS (INR MN)	FY21	FY22	H1-FY23
ASSETS			
Non-current Assets	5,197	5,968	7,050
(A) Property, Plant & Equipment	4,810	4,669	4,624
(B) Capital Work In Progress	18	683	1,936
(C) Right Of Use Assets	74	72	70
(D) Intangible Assets	32	21	15
(E) Financial Assets			
(i) Investments	132	260	146
(ii) Others	21	23	24
(F) Other Non Current Assets	110	240	235
Assets Held for Sale	110	90	-
Current Assets	8,095	9,167	8,911
Inventories	1,910	3,080	3,310
Financial Assets			
(a) Investments	2,889	2,338	2,408
(b) Trade Receivable	2,324	2,393	2,247
(c) Cash And Cash Equivalent	83	56	23
(d) Other Bank Balances	516	665	452
(e) Others	62	37	52
Current Tax Assets Net	30	-	-
Other Current Assets	282	598	420
GRAND TOTAL – ASSETS	13,402	15,226	15,961

PARTICULARS (INR MN)	FY21	FY22	H1-FY23
EQUITY & LIABILITIES			
Equity	10,889	12,507	12,942
(A) Share Capital	219	219	219
(B) Other Equity	10,670	12,288	12,723
Non-current Liabilities	1,044	998	1,262
Financial Liabilities:			
(a) Borrowings	50	62	288
(b) Lease Liabilities	46	41	38
(c) Others	26	24	25
Provisions	115	113	112
Deferred Tax Liabilities (Net)	781	732	736
Other Non Current Liabilities	26	27	62
Current Liabilities	1,469	1,720	1,757
Financial Liabilities:			
(a) Borrowings	31	42	97
(b) Trade Payables:			
Total OS to Micro and Small Ent	63	64	54
Total OS to creditors	1,209	1,141	1,063
(c) Lease Liabilities	5	5	5
(d) Others	71	338	317
Other Current Liabilities	71	92	132
Provisions	19	25	29
Current Tax Liabilities	-	13	60
GRAND TOTAL - EQUITIES & LIABILITES	13,402	15,226	15,961

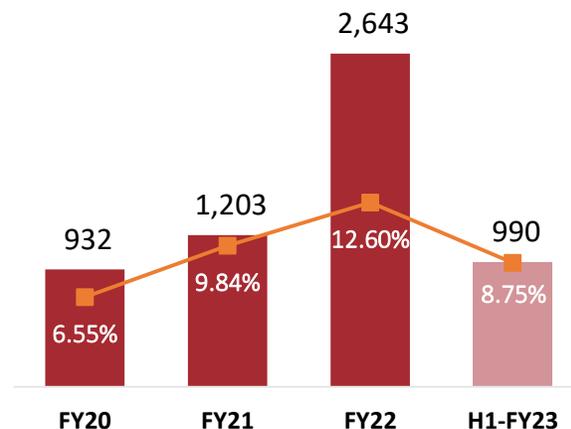
Financial Performance



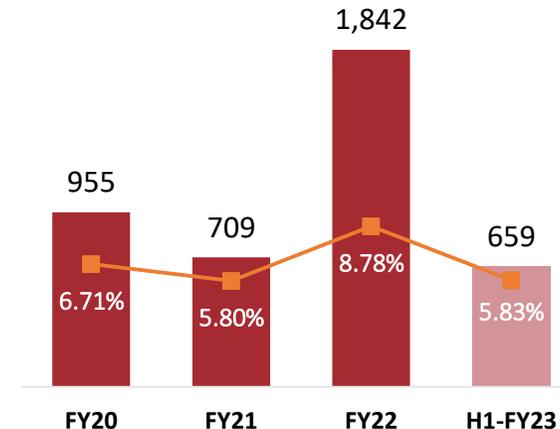
Operational Income (INR Mn)



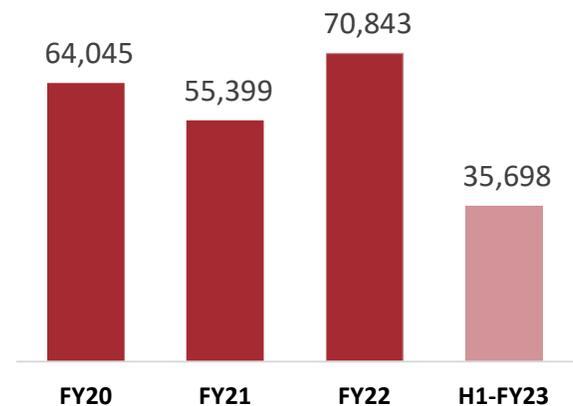
EBITDA (INR Mn) & EBITDA Margins (%)



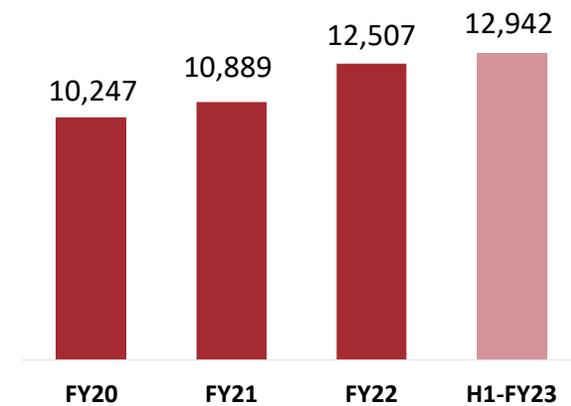
PAT (INR Mn) and PAT Margins (%)



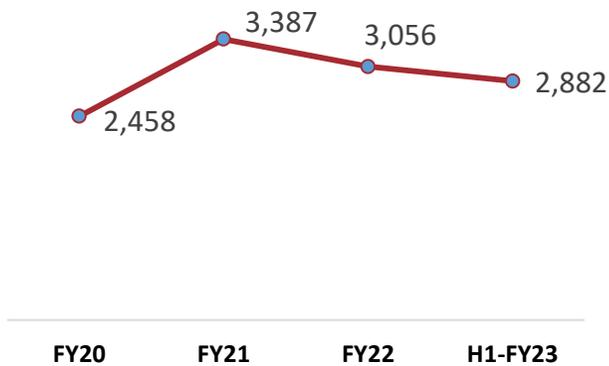
Sales Volume (MT)



Net Worth (INR Mn)



Net Surplus Cash on Balance Sheet (INR Mn)



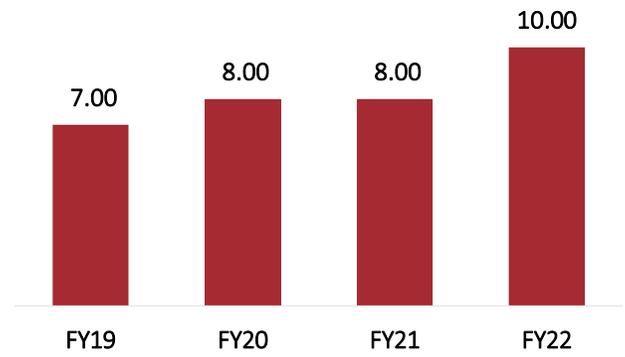
Capital Market Information



Share Price Performance

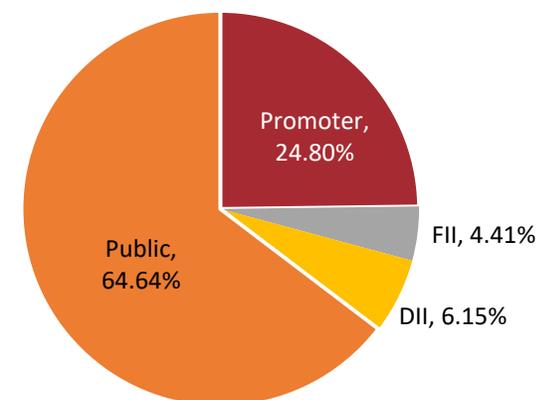


Dividend (INR/share)

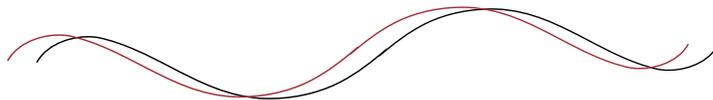


Price Data (As on 30 th September 2022)	INR
Face Value	10
CMP	475.0
52 Week H/L	671.9/362.6
Market Cap (INR Mn)	10,379.0
No. of Share outstanding (Mn)	21.8
1 Year Avg. Trading Volume ('000)	110.5

Shareholding Pattern (As on 30th September 2022)



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Thank You