

20 MICRONS[®]
L I M I T E D

CIN # L99999GJ1987PLC009768

Regd. Office : 9/10, GIDC Industrial Estate, WAGHODIA, Dist. : Vadodara
Ph. # 75 748 06350 E-Mail : co_secretary@20microns.com
Website : www.20microns.com

25th January, 2023

TO :

BSE LIMITED

*Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
MUMBAI – 400 001.
SCRIP CODE : 533022*

**NATIONAL STOCK EXCHANGE OF
INDIA LIMITED**

*Listing Department
Exchange Plaza, Bandra – Kurla
Complex, Bandra [East],
MUMBAI – 400 051.
SYMBOL : 20MICRONS*

Dear Sirs,

Re: Q3 FY23 EARNINGS UPDATES.

In continuation of our letter dated **25.01.2023**, we are sending herewith Q2 & H1 EARNINGS UPDATES.

Kindly take on records of the Exchange and acknowledge receipt thereof.

Thanking you,

**Yours faithfully
For 20 Microns Limited**



**[Narendra R. Patel]
CFO
Encl.: as above.**



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Registered Office: 9-10, GIDC Industrial Estate, Waghodia, Vadodara, Gujarat, 391760

Q3 FY23 – Earnings Update

Revenue from Operations reported at ₹1,547.1 Mn in Q3 FY23 and ₹5,284.0 Mn for 9M FY23

EBITDA stands at ₹169.6 Mn in Q3 FY23 and ₹651.8 Mn for 9M FY23

PAT at ₹73.8 Mn in Q3 FY23 and ₹326.4 Mn for 9M FY23

Vadodara, 25th January, 2023: 20 Microns Ltd is one of India's largest producers of Industrial minerals with more than 30 years of experience offering innovative products in the field of functional fillers, extenders, and mineral-based specialty chemicals. The company in its board meeting held on 25th January 2023 has inter-alia considered and approved the Unaudited Financial Results of the Company for the third quarter and nine months period ended on 31st December 2022 as one of its agenda.

Consolidated Financial Statement Highlights for Q3 FY23 v/s Q3 FY22 v/s Q2 FY23

Particulars (₹ in Mn)	Q3 FY23	Q3 FY22	YoY %	Q2 FY23
Revenue from Operations	1,547.1	1,610.3	-3.9%	1,877.8
Other Income	8.2	15.4		9.9
Total Revenue	1,555.3	1,625.7	-4.3%	1,887.6
Total Expenses excluding Depreciation, Amortization & Finance Cost	1,377.5	1,393.4		1,644.3
EBITDA	169.6	216.9	-21.8%	233.4
EBITDA Margin (%)	10.96%	13.47%		12.43%
Finance Cost	44.1	42.4		49.0
Depreciation	33.3	31.1		33.4
PBT	100.4	158.9		161.0
Share of net profit/(loss) of equity accounted investee	0.7	-		0.2
PBT	101.1	158.9		161.1
Total Tax	27.3	41.9		41.5
PAT	73.8	116.9	-36.9%	119.6
PAT Margin %	4.77%	7.26%		6.37%
Other Comprehensive Income	0.4	-1.2		-0.2
Net PAT	74.2	115.7		119.4
Diluted EPS	2.09	3.30		3.37

Consolidated Financial Performance Comparison – Q3 FY23 v/s Q3 FY22

- Revenue from Operations remained stable at ₹ 1,547.1 Mn in Q3 FY23 from ₹ 1,610.3 Mn in Q3 FY22 on account of sluggish demand from the paint sector owing to prolonged rainfall resulting in lower days for painting activities and lower offtake of products led by slowdown in underlying industries like paper, plastics, rubber, etc due to macro-economic challenges
- EBITDA decreased by 21.8% from ₹216.9 Mn in Q3 FY22 to ₹169.6 Mn in Q3 FY23, margins declined from 13.47% in Q3 FY22 to 10.96% in Q3 FY23 on account of increase in scale of operations led by slight increase in employee benefit cost
- PAT stood at ₹73.8 Mn in Q3 FY23, compared to ₹116.9 Mn in Q3 FY22, margins declined from 7.26% in Q3 FY22 to 4.77% in Q3 FY23

Consolidated Financial Statement Highlights for 9M FY23 v/s 9M FY22

Particulars (₹ in Mn)	9M FY23	9M FY22	YoY%
Revenue from Operations	5,284.0	4,407.9	19.9%
Other Income	24.6	28.4	
Total Revenue	5,308.7	4,436.3	19.7%
Total Expenses excluding Depreciation, Amortization & Finance Cost	4,632.2	3,847.7	
EBITDA	651.8	560.2	16.3%
EBITDA Margin (%)	12.33%	12.71%	
Finance Cost	136.3	160.2	
Depreciation	101.0	97.8	
PBT	439.1	330.6	
Share of net profit/(loss) of equity accounted investee	1.0	-	
PBT	440.1	330.6	
Total Tax	113.7	90.0	
PAT	326.4	240.6	35.7%
PAT Margin %	6.18%	5.46%	
Other Comprehensive Income	0.6	-1.1	
Net PAT	327.0	239.5	
Diluted EPS	9.22	6.79	

Financial Performance Comparison – 9M FY23 v/s 9M FY22

- Revenue from operations increased by 19.9% to ₹5,284.0 Mn in 9M FY23 from ₹4,407.9 Mn in 9M FY22
- EBITDA increased from ₹560.2 Mn in 9M FY22 to ₹651.8 Mn in 9M FY23 and margins remained stable from 12.71% in 9M FY22 to 12.33% in 9M FY23
- PAT stood at ₹326.4 Mn in 9M FY23, compared to ₹240.6 Mn in 9M FY22, margins improved from 5.46% in 9M FY22 to 6.18% in 9M FY23, due to lower cost of borrowings

Management Comments

Commenting on the performance of Q3 FY23, the management team of 20 Microns Ltd. stated:

“We are happy to share with you our financial and business performance for Q3 FY23, our revenue from operations stood at ₹ 1,547.1 Mn in Q3 FY23 decreasing marginally from ₹ 1,610.3 Mn in Q3 FY22 on account of slowdown in the consumer activity led by macro-economic and weather-related challenges resulting in lower offtake for our products in various industries such as paints, rubber, paper, plastics and others. Our EBITDA margins declined from 13.47% in Q3 FY22 to 10.96% in Q3 FY23 during the quarter due to lower scale of operations.

Despite sluggish demand during major part of this quarter we started witnessing greenshoots in December 2022 we believe this will aid us in our volume growth in the upcoming quarter.

We continue to remain one of the dominant players in the industrial mineral space and enjoy our longstanding relationships with the clients due to our ability to provide cost-effective alternatives for their key raw materials. In order to maintain our leadership position and to create a larger competitive edge we collaborated with Dorfner and ventured into agro-space and construction chemical space. These collaboration and foray into newer segments have allowed us to expand our product offerings and set our footprints into high-growth industries while providing us the opportunity to connect with customers directly. Additionally, our increasing focus on functional additives division which offers products with higher margin has started yielding preliminary results and contributes ~15% to the total revenue. It includes a diverse range of products that combine multiple minerals and provide additional product properties such as matting, water repellency, corrosion resistance and others. These products have multifaceted applications across diverse industries and are developed in our state-of-the-art R&D facility in Vadodara. We remain focused on scaling this business to sustainably provide higher margins and increasing our competitive strength.

We remain aligned with our vision of providing customer centric solutions in the industrial mineral space and to achieve the same we have significantly improved our process efficiency to develop new products and are continually building our R&D capabilities to consistently deliver products which helps us meet the changing needs of our customers.

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

Management Guidance

- The management expects the revenue to grow by 15%-20% for the year FY23, mainly on account of increased share of revenue from value-added products. Further, the Company plans to increase its focus on export markets.
- PAT margin for FY23 will remain in the corridor of 6%-6.5% primarily due to reduction of interest costs going forward. Further, the Company is evaluating and gradually implementing slew of measures to optimize operations across its product lines which include setting up of solar captive power plants, better technologies and bulk ordering of raw materials to obtain competitive prices.

About 20 Microns Limited

20 Microns Ltd is one of India's largest producer of Industrial minerals with more than 30 years of experience offering innovative products in the field of Functional fillers, Extenders, and Specialty chemicals. Headquartered out of Vadodara, Gujarat in India, the company is widely catering to the multi-dimensional industries of paint and coatings, plastics, textiles, rubber, paper, ceramics and adhesive & sealants industry. The company is a multi-product company catering to a cross-section of industry across the globe and enjoys the reputation of being a dependable supplier with best manufacturing practices and a state-of-the-art R&D center. International business forms one-fifth of the company's business.

For further information on the Company, please visit www.20microns.com

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