

August 02, 2024

To, The General Manager, Department of Corporate Services, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400001 Company Code No.: 543972	To, The Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Trading Symbol: AEROFLEX
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Sub: Revised Quarterly Earning Updates for the Quarter ended June 30, 2024.

Dear Sir/Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith the Revised Quarterly Earning Updates for the Quarter ended June 30, 2024.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For AEROFLEX INDUSTRIES LIMITED

Kinjal Shah
Company Secretary & Compliance Officer
Membership No.: A58678

Encl.: as above

Aeroflex Industries Limited
Business Office & Factory
Plot No: 41 & 42/13, 14, 18, Village: Chal, Near Taloja M.I.D.C.,
Post: Ghot Camp, Tal: Panvel, Dist: Raigad,
Maharashtra - 410 208 India
Phone: +91 22 6146 7100 (100 Lines), Fax: +91 22 6146 7136
Email: info@aeroflexindia.com, Website: www.aeroflexindia.com
CIN: L24110MH1993PLC074576





Commitment to Excellence

*Engineering Flexibility.
Delivering Innovation*



Aeroflex Industries Limited

Leading Manufacturer of Metallic flexible flow solutions

Investor Presentation
August 2024

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Commitment to Excellence

Performance Highlights





Commenting on the financial performance, Managing Director Mr. Asad Daud stated, "We have improved our financial results this quarter, even with ongoing macro-level challenges. We expect issues, including those in the Red Sea region, to persist for a few more quarters, but our operations remain resilient."

Our strategic approach, featuring a diversified product mix, geographic presence, and focus on value-added offerings, equips us to navigate these challenges effectively. Furthermore, increased orders from assemblies will enhance our margins.

We are optimistic about our metal bellows segment and inorganic expansion strategies, which boost our confidence and margin improvement. With full capacities coming online by year-end and an inorganic acquisition, we reaffirm our margin growth guidance for FY25."

Rs. In Crs	Q1FY25	FY24	FY23
Total Income	90.78	321.75	269.50
EBITDA	19.13	65.65	52.96
Margin	21.07%	20.40%	19.65%
PAT	12.41	41.73	30.15
Margin	13.67%	12.97%	11.19%

Consolidated Profit & Loss Statement

Profit & Loss (Rs. Crs)	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ	FY24
Revenue from Operations	89.75	82.93	8.22%	77.77	15.40%	317.91
Other Income	1.03	0.99		1.31		3.84
Total Income	90.78	83.92	8.17%	79.08	14.80%	321.75
Cost of Material Consumed	49.63	56.39		48.53		207.24
Changes in Inventories	4.67	-2.26		0.50		-5.84
Employee Benefit Expenses	7.97	6.51		6.77		26.20
Other Expenses	9.38	6.40		7.53		28.50
EBITDA	19.13	16.87	13.35%	15.75	21.47%	65.65
EBITDA Margin	21.07%	20.11%	96 Bps	19.91%	116 Bps	20.40%
Depreciation	2.37	1.42		1.74		6.26
Finance Cost	0.06	0.92		0.06		2.14
Exceptional Item (Gain) / Loss	-	-0.16		-		-
Profit before Tax	16.69	14.70	13.57%	13.95	19.66%	57.25
PBT Margin	18.39%	17.51%	87 Bps	17.64%	75 Bps	17.79%
Tax	4.28	3.61		3.92		15.52
Profit After Tax	12.41	11.09	11.91%	10.03	23.67%	41.73
PAT Margin	13.67%	13.21%	46 Bps	12.69%	98 Bps	12.97%
EPS (in Rs.)	0.96	0.97		0.78		3.39

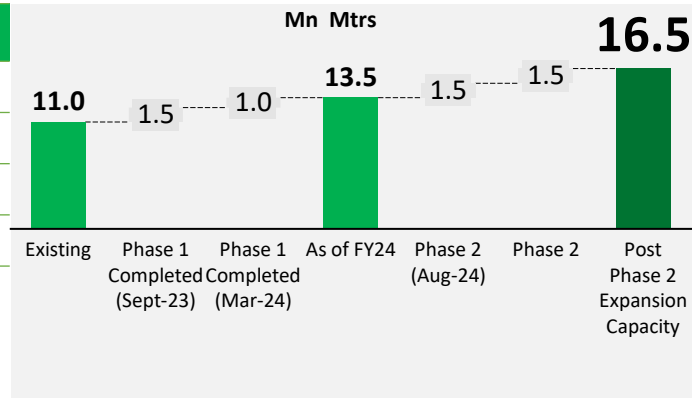
Capacity Profile



01 SS Flexible Hoses with & without Braiding

Timelines	Capacity (Mn Mtrs)	Remarks	Capacity Details
Mar-23	11.0	Existing Capacity	Includes Hoses & Braiding
Mar-24 (Phase 1)	13.5	Added 2.5 Mn Mtrs in FY24 in Phases	Additional 2.5 Mn Mtrs includes Hoses & Braiding
Aug-24 (Phase 2)	15.0	Added 1.5 Mn Mtrs in Aug-24	Additional 1.5 Mn Mtrs includes Hoses & Braiding
Dec-24 (Phase 2)	16.5	Plans to Add 1.5 Mn Mtrs	Additional 1.5 Mn Mtrs includes Hoses & Braiding

- In Phase 2, the company has increased capacity to 15 Mn Mtrs in Aug-24, Balance 1.5 Mn Mtrs will be completed as per given timeline



02 Composite Hoses

- Currently, 3 Operational lines for manufacturing product sizes upto 14 inches
- Plan to add 3 more lines for sizes up to 20 inches by Q2 FY25

$3 + 3 = 6$ Operational lines

03 Assembly & Fittings

- Added 5 new stations in Aug-24
- The company intends to gradually implement automated and robotic assembly lines as part of its future plans

$29 + 5 = 34$ Assembly stations

04 Metal Bellows

- Metal Bellows and Expansion Joint, to be completed in two phases - Total expected capacity of 300,000 pieces annually
- For this expansion, the Company has taken an industrial shed measuring 68,459 square feet on long term lease in the 'Lodha Industrial and Logistics Park Palava II', situated in Nathen village, Ambernath
- In the first phase of expansion, we are setting up a manufacturing capacity of 120,000 pieces per year, which is expected to be completed in Dec-24
- Targeting a range of products with diameters ranging from 25mm to 600mm

$1,20,000 + 1,80,000 = 3,00,000$ Pieces

Phase 1 Phase 2

Value Added Product Segment

Metal Bellows

DETAILS

Aeroflex now entered into manufacturing of expansion joints (expansion bellows or flexible joints) for piping systems. Made from stainless steel, nickel alloys, inconal they absorb vibrations, heat, and misalignment, reducing strain and extending system lifespan. These joints enhance flexibility and cut costs, ideal for industries prone to thermal expansion.

UPDATE

The Installation of Machinery equipment and auxillary parts is in process and shall be completed on time. Manufacturing of first phase will start **before Dec-24**

BENEFITS

- Increase in existing product offerings
- Higher ticket size /Margin expansion
- Expanding clientele via new segments

INDUSTRIES

Power plant , Process Industries , Automobile Industry, Water Treatment plants, HVAC industries, Gensets and Exhaust systems



Inorganic Acquisition

Hyd-Air Engineering Pvt Ltd

The acquisition of Hyd-Air Engineering gave Aeroflex a direct advantage by integrating the acquired company's products into its fluid control assemblies, facilitating expansion into the assembly product segment.

The quality lab installation is currently underway, and orders for new machinery installations have been placed, with completion **expected by Mar-25**

- End to end solution/ vertical integration
- Operational efficiency
- Entry into new industries - Railways, Shipbuilding, Heavy industries
- Access to new clients - Mazgaon Dockyard, SAIL, BHEL, JSW, Arcelor Mittal

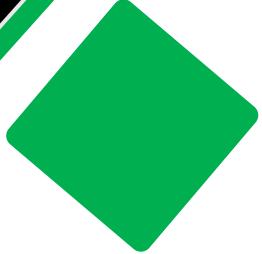
Railways, Ship building , Heavy Industries





Commitment to Excellence

About Us



Leading Manufacturer of Metallic flexible flow solutions

Scalable and Customized flexible flow solution products

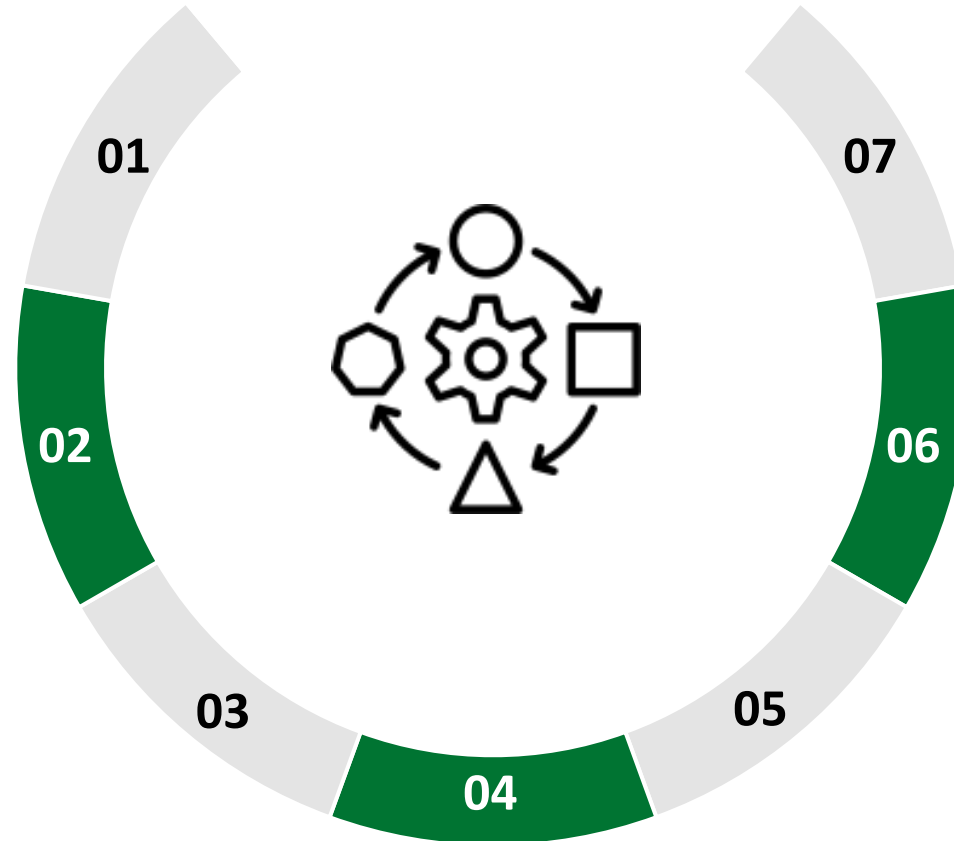
De-risk and Diversified Portfolio

**Wherever There's Critical Flow,
Aeroflex Leads the Way**

Responsible Corporate

Innovation & Strong R&D led Business

State of the art Infrastructure



1. Leading Manufacturer of Metallic flexible flow solutions



Incorporated in **1993**, part of the promoter group **Sat Industries Limited (BSE & NSE Listed Company)**



Leading Manufacturer of Metallic flexible flow solutions



Used for **controlled flow of all forms of substances** including **Solid, Liquid and Gas**



Exports to **89 countries** across Asia, Americas, Europe and Africa, through a diversified go-to-market model

In-House R&D



NABL Accredited Lab

72+
Products across various stages of Research and Development

14
Qualified R&D Team Members

2,524

No. of SKU's



Global Customers Accreditations

Rs.90.78 Crs

Q1 FY25 Revenue



Customized Solution Provider

Awarded as Great Place to Work by Great Place to Work Institute



2. Scalable and Customized flexible flow solution products

SS Flexible Hoses with & without Braiding

54.4%

- SS hoses are designed to withstand high pressures, extreme temperatures, and corrosive environments
- SS flexible hoses play a pivotal role in ensuring the efficiency and safety of a diverse range of industries, including manufacturing, oil refineries, and firefighting

Assemblies & Fittings

36.3%

- Fittings affixed to both ends of flexible hoses serve as the connectors, ensuring that these hoses are seamlessly linked for their designated applications
- When fittings are affixed to the hose, this combination is referred to as an assembly. Various types of fittings can be securely fastened to the hose ends through welding or clamping methods

Composite Hose & Others

9.2%

- **Braiding:** Single braid, Multiple braid
- **Interlock & Composite Hoses:** Interlock exhaust hose, Interlock conveyor hose, and Interlock pressure hose etc.

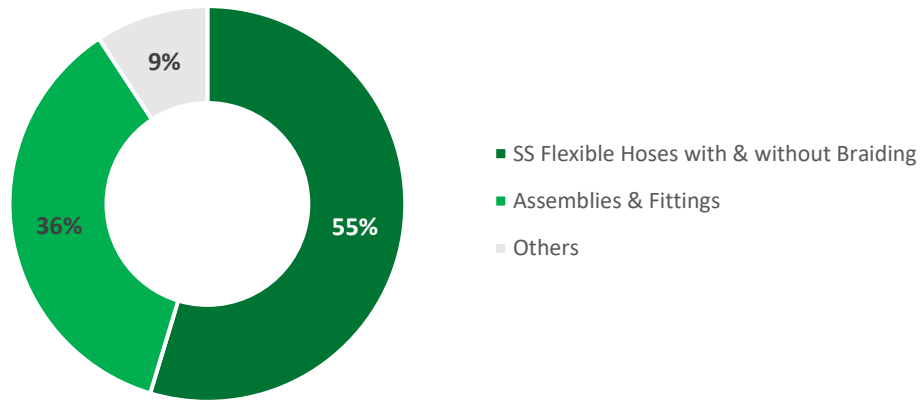


Aeroflex goes beyond mere product offerings;

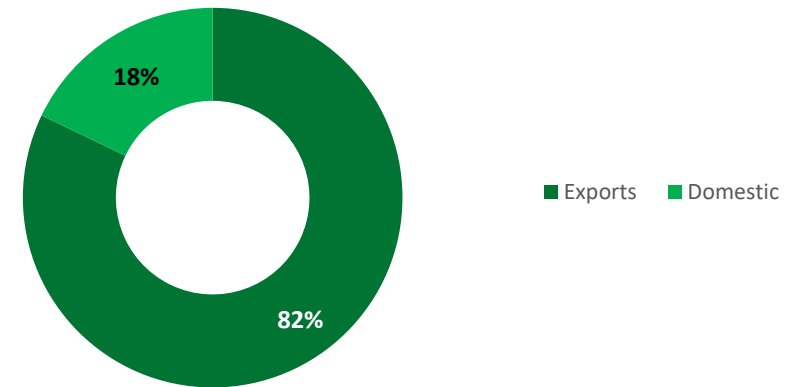
Our curated solutions enhance and elevate critical flow technologies across diverse industries

3. De-risk and diversified Portfolio – Q1 FY25

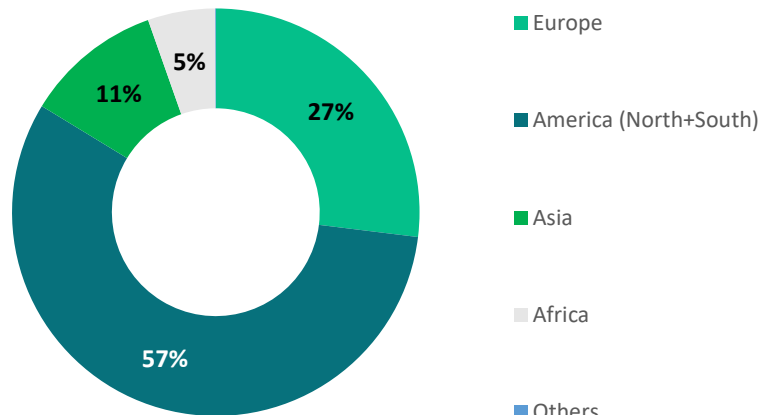
Product Segments



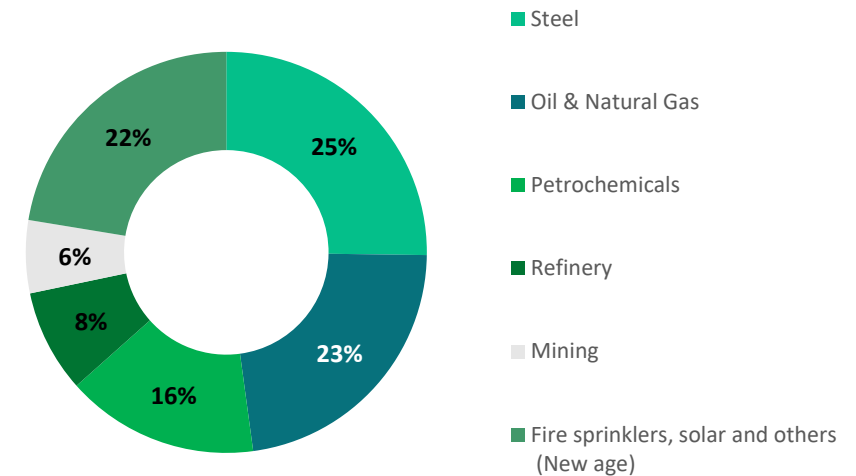
Domestic: Export Mix



Geographical Split



Industry Split



4. Wherever There's Critical Flow, Aeroflex Leads the Way

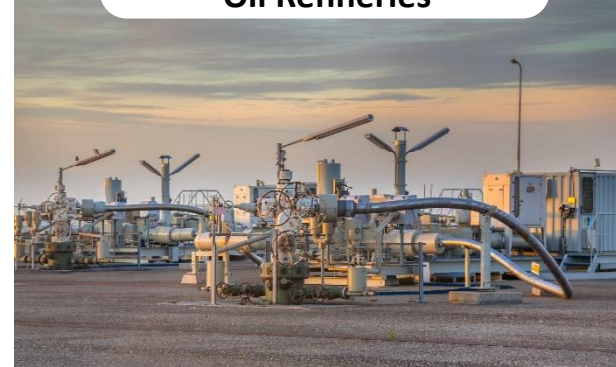
Aerospace



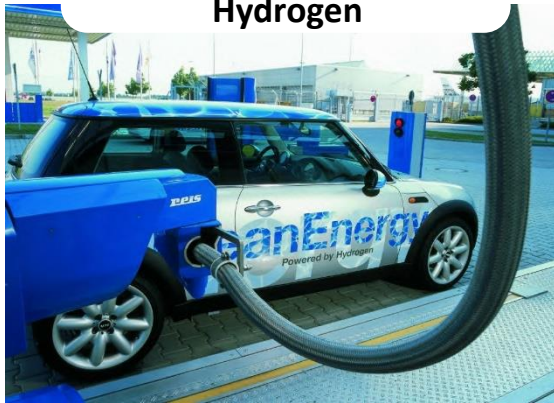
Marine



Oil Refineries



Hydrogen



Solar



Semi-conductor



Current Major Industries

- Steel & Metal
- Oil & Gas
- Chemicals
- Sea Port Terminal Handling
- Paper & Pulp
- Pharmaceutical



Expanding our presence to:

- Fire Sprinklers
- Solar
- Robotics
- Semiconductors
- Aerospace and Satellite
- Electric Mobility

Used for **controlled flow of all forms of substances including Solid, Liquid and Gas**

Key Properties of our Products

- ✓ Close substitute of rubber and polymers
- ✓ Abrasion Resistance & Flexibility in fitting
- ✓ Perfect fit for extreme environment conditions
- ✓ Absorb High Pressure
- ✓ High replacement creates demand
- ✓ Temperature Resistant
- ✓ Available in different sizes
- ✓ Chemical Compatible

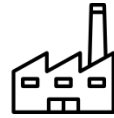
5. State of the art Infrastructure

Well-equipped Infrastructure



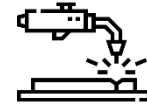
Situated at

Taloja, Navi Mumbai
MIDC, Chakan



Production Capacity

15.5 million meters



Machine Lines

80+ lines



Employee Strength

531 people



Total No. of SKU's

2,524



In-house Design

And R&D Laboratory



Presence in

89 Countries

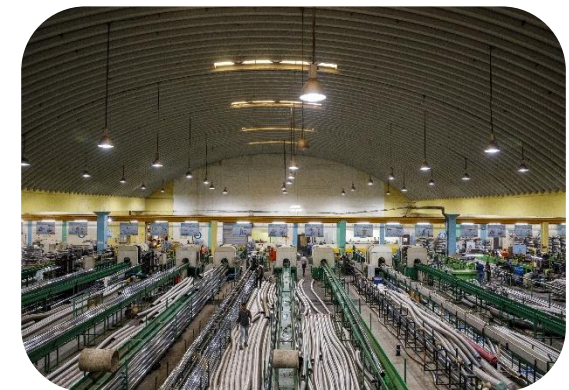


Strategically Located

Near JNPT Port



Products used in **Critical flow**
application across **diverse**
industries



6. Innovation & Strong R&D led Business

Key Products under research and development	
Fire Sprinklers Solution for EV buses	Development is underway for electric bus rooftops designed to provide protection against fires
Inconel 625 and 825 Hoses and Assemblies	Hoses made of Inconel 625 & Inconel 825 for higher temperature application – feed gas hose for blast furnace
Monel Hoses	Hose for highly corrosive environment, shipping and submarine
Aviation Assemblies	For Engine Cooling applications
Semiconductor Assemblies	For transfer of various gases and energies with ultimate precision
Cryogenic Application Assemblies	Hose assemblies with copper / brass fittings are used for Oxygen , Argon, Nitrogen loading & unloading
Fire Sprinkler Assembly	Hose assemblies with Sprinkler Nozzle & end fittings for Fire Hydrant System
Solar Hoses with Fitting Kit	Hose assemblies for Solar Application, used for Water Heating System

Products commercialised in Q1 For Marquee customers
Products
Copper tube assemblies
Brass tube assemblies
KK Project EPDM hose Assembly
Heat pump hose
High pressure DN100

72+

Products across various stages of Research and Development



NABL Accredited Lab

14

Qualified R&D Team Members

Our R&D efforts are focused on expanding our product portfolio across existing and new materials including SS, Bronze, Inconel, Monel, PTFE, among others



7. Responsible Corporate



01

Sustainability Integrated across the Operations

- **Green process** with negligible use of fossil fuels
- **100% recycling of water** with an **In-house water treatment plant**
- Active **use of electric vehicles** for movement of goods and material within the premises



02

Use of Non-emitting Technology and Recycled Consumables

- The production technologies are **zero emission**
- Use of packaging materials made out of **reprocessed materials** to the extent of **35%-40%**
- **Planning to shift to** use of **100% recycled packaging materials** in **next 3 years**



03

Comprehensive Internal Checks & Balances

- Use of an **integrated SAP ERP** for efficient management of operations;
- Connected all our production lines through digital mediums using dedicated tablets installed at the lines to derive real time data of the machines to improve efficiency



04

Adherence to Global Standards

- ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 certified; NABL certified R&D lab
- Awarded as **Great Place to Work** by the Great Place to Work Institute



05

Strong Corporate Governance

- **Led by highly reputed promoter** and team of professionals along with oversight of independent directors hailing from organizations like Tata Group, Ashok Leyland, Senior India;
- No pending litigations related to Taxes, Companies Act matters, etc



06

CRM System Implementation

- We have implemented **Sales force CRM system** for managing the end- end flow from Lead generation to End order

Aeroflex has an Occupational Healthcare Center and Mind & Body Wellness Center, at its facility in Talaja, Navi Mumbai, to address any emergencies and health and well being of employees

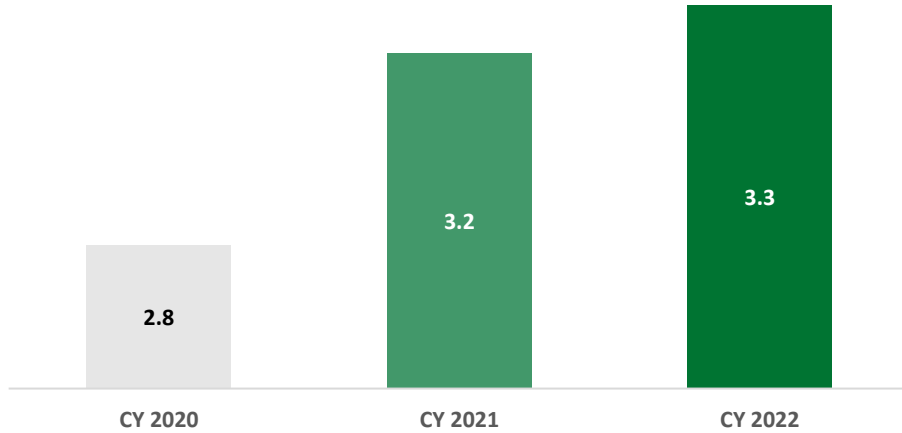
- Well equipped with trained & qualified nurses and medical equipment
- Dedicated beds for examination, dressing and physiotherapy
- Specialized Doctors on-boarded for periodic check-ups
- Affiliation with Medicover Hospitals, Kharghar Navi Mumbai
- Body composition analysis done for every employee every 60 days to monitor their health
- Standby ambulance available 24*7 for any emergency
- Regular mental health sessions by Psychologist



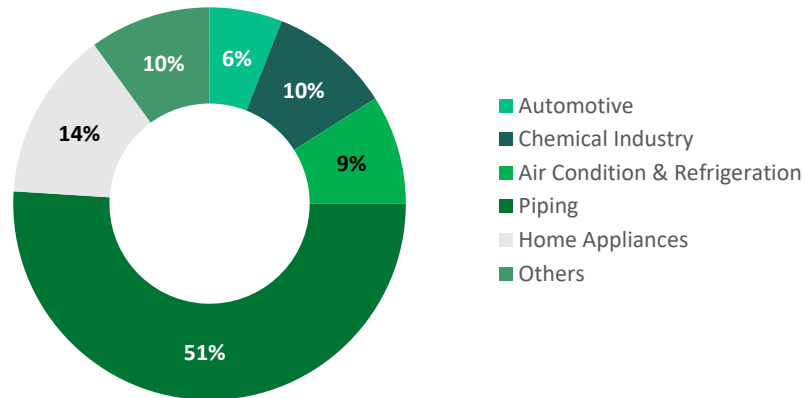
Aeroflex has established a Child Care Center at the Talaja Factory, exclusively for our employees. Here, we offer comprehensive Child care and creche services, all carefully designed to nurture the children of our workforce.



Global Market (USD Bn)



Global Market Share by Application



- Global market for **SS flexible hose** has grown at a CAGR of 8.2% to value at approximately USD 3.3 Bn in 2022
- Traditionally, the demand for Flexible Flow Solutions made with Stainless Steel Corrugation was largely driven by the industrial sector – manufacturing plants and manufacturing products from chemicals to paper
- Between FY'18-9M FY23, over 1,840 projects (brownfield and greenfield) were completed in the manufacturing
- With Flexible Flow Solutions made with Stainless Steel Corrugation application being universal, this large base is believed to have supported a strong demand for the product
- Given the increasing preference for Flexible Flow Solutions made with Stainless Steel Corrugation in place of rubber / PTFE / polymer hoses, the demand for the former from the industrial sector would be stable

Key Growth Drivers:

- Increasing Demand of HVAC system
- Large Scale Industrialization
- Modernization in Agriculture
- Govt initiative to curb Carbon Emission
- Demand from new edge industries like Aerospace, Satellite, Solar and Robotics

Capacity Expansion

The company has expanded existing capacity in a phased manner to 15.5 Mn Mtrs in Q1FY25

Plans to add another 1 Mn Mtrs by next few months

Higher Value Added products

The company aims to augment its revenue share by focusing on the high-margin product segment, specifically Assemblies and Fittings

Entering New Industries

With the addition of products the company targets to enter New-Age Industries such as Aerospace, Semiconductor, Solar connectors EV, robotics, defence, etc.

Inorganic Acquisitions

The company has already acquired Hyd-Air Engineering in April-24

Planning for inorganic acquisition to create forward and backward integration and currently evaluating target companies in India

THANK YOU!



Commitment to Excellence

Aeroflex Industries Limited

CIN - L24110MH1993PLC074576

Email: corporate@aeroflexindia.com

SGA Strategic Growth Advisors

Investor Relations Advisors:

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

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