



Aro granite industries Ltd.

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Department of Corporate Services
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(SCRIP CODE: 513729)

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza
Bandra (E)
Mumbai 400051
(SYMBOL: AROGRANITE/EQ)

Subject: Investor Presentation of the Company

Dear Sir/Madam,

Please find enclosed herewith a copy of Investor Presentation of the Company for your information and record please.

Thanking You

Yours Faithfully
For **Aro Granite Industries Limited**

Ayush Goel
Company Secretary and Compliance Officer

Encl.: a/a



Q 2 & H 1 F Y 2 5
N O V E M B E R 2 0 2 4

Investor

PRESENTATION

ARO GRANITE
INDUSTRIES LIMITED



Aro granite industries ltd.

An 100% EOU

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TABLE OF CONTENTS

04-07 About The Company

08-21 Business Model Evolution

22-23 Current Macro Environment

24-25 Responsible Corporate
Citizen

26-30 5 Year Financial &
Operational Highlights

31-34 Quarterly Highlights



About the COMPANY

- 05 COMPANY SNAPSHOT
- 06 PRODUCT OFFERINGS
- 07 GLOBAL PRESENCE



01

COMPANY SNAPSHOT



About the Company

Incorporated in 1988, Aro Granite Industries has established itself as India's leading exporter of processed granite over the past three decades. The Company's state-of-the-art manufacturing facilities in Hosur and Jaipur, along with its diverse product offering and superior service, have enabled it to become a globally recognised brand. In 2020, the company also forayed into manufacturing of quartz at its existing Hosur facility by adding the requisite capacities.

PREMIUM QUALITY PRODUCTS



Multi Materials

Natural Stone &
Engineered Stone



100+

Shades of granites
and quartzites

ESTABLISHED GLOBAL BRAND



Largest

processed granite
exporter out of India



50+

Countries

TOP-NOTCH MANUFACTURING CAPABILITIES



2

Manufacturing sites
Equipped with state-of-the-art
Italian manufacturing lines and
fully trained personnel



BSE & NSE

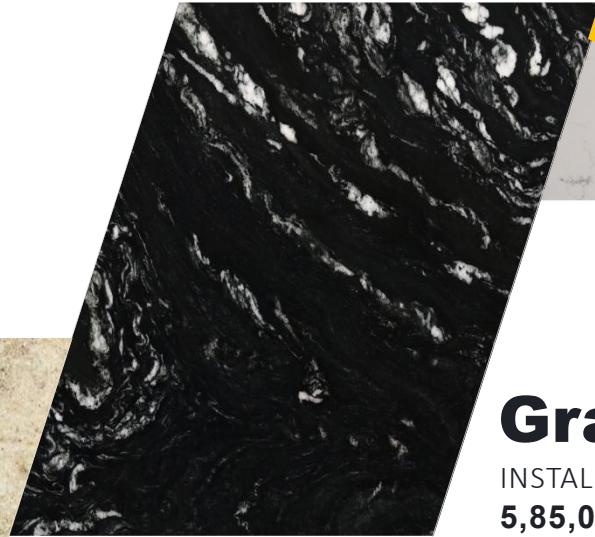
Listed Company

PRODUCT OFFERINGS



Granite Tiles

INSTALLED CAPACITY
3,60,000 Sq. Mt.



Granite Slabs

INSTALLED CAPACITY
**5,85,000 Sq. Mt. at Hosur &
1,50,000 Sq. Mt. at Jaipur**

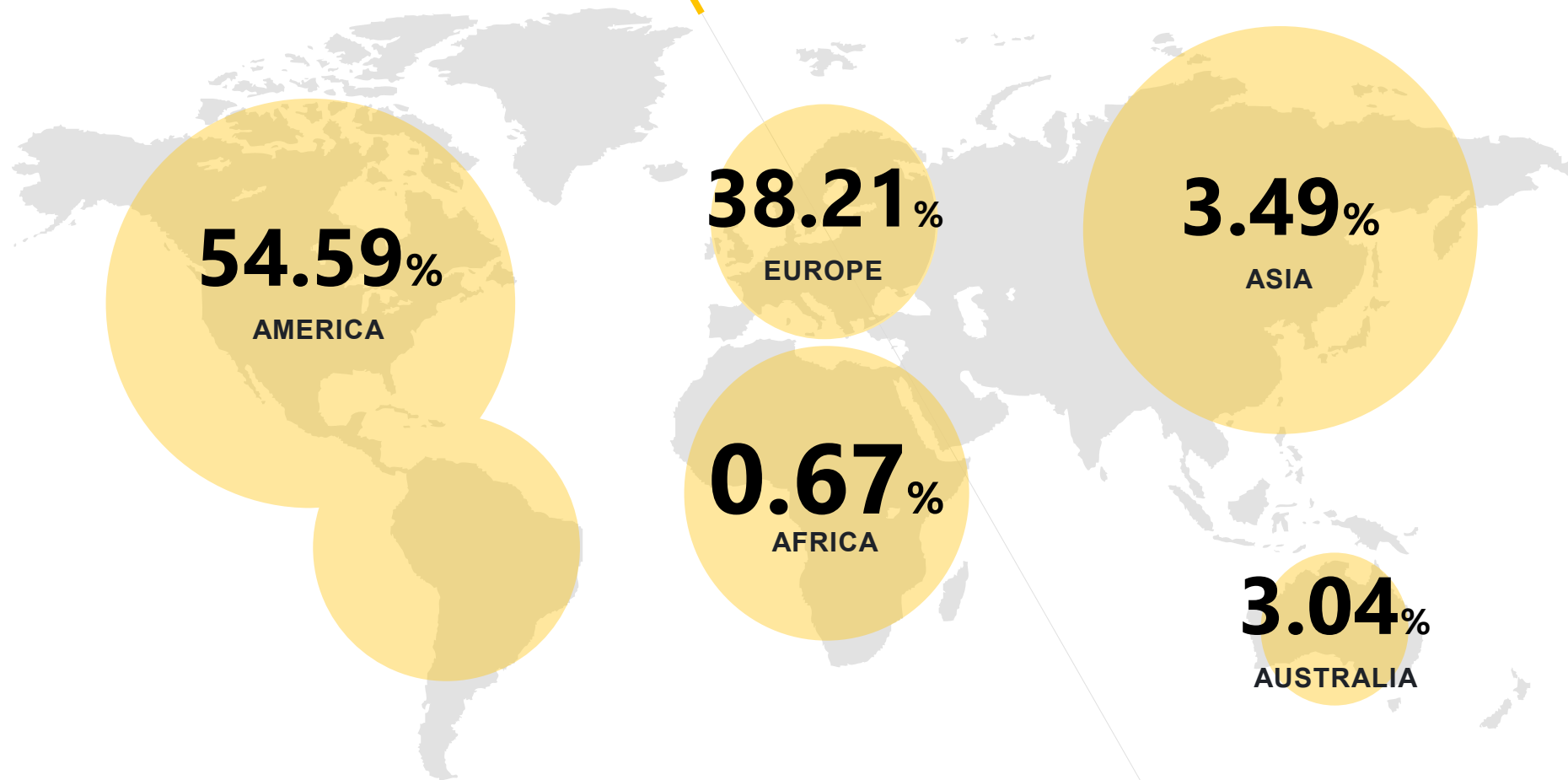


Quartz

INSTALLED CAPACITY
1,80,000 Sq. Mt.

GLOBAL PRESENCE

CONTINENT WISE - CONTRIBUTION FY24



COUNTRY WISE TOP CONTRIBUTIONS 2024

54%
USA

15%
POLAND

11%
GERMANY

03%
ITALY

Business Model EVOLUTION

- 09 THE GROWTH PHASE
- 13 THE CHALLENGING TIMES
- 15 CORRECTIVE ACTIONS
- 16 TRANSITION OF BUSINESS
- 21 SUMMARY



02

GROWTH PHASE – HOSUR TILES



1991

STARTED COMMERCIAL
PRODUCTION WITH CAPACITY OF
90,000 Sq. Mt.



1995

EXPANDED CAPACITY TO
1,80,000 Sq. Mt.



2001

STARTED COMMERCIAL
PRODUCTION WITH CAPACITY OF
1,68,000 Sq. Mt.

**Capacity as at September 2022 – 3,60,000 Sq. Mt*



GROWTH PHASE – HOSUR SLABS

The slab plant at Hosur was setup using state-of-the-art manufacturing lines from some of the worlds leading manufacturers.



2003

EXPANDED CAPACITY TO
1,97,000 Sq. Mt.



2012

EXPANDED CAPACITY BY 50% TO
3,90,000 Sq. Mt.



2006

DOUBLED TILING CAPACITY TO
3,60,000 Sq. Mt.



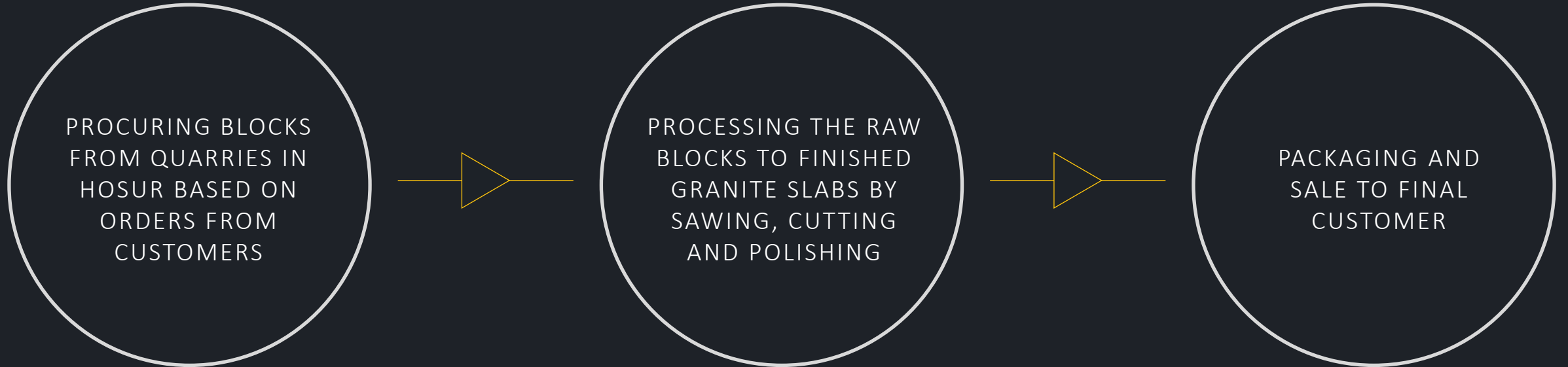
2006

EXPANDED CAPACITY TO
2,95,000 Sq. Mt.

* Capacity as at September 2022 – **5,85,000 Sq. Mt**



3 STEP VALUE CHAIN FOR



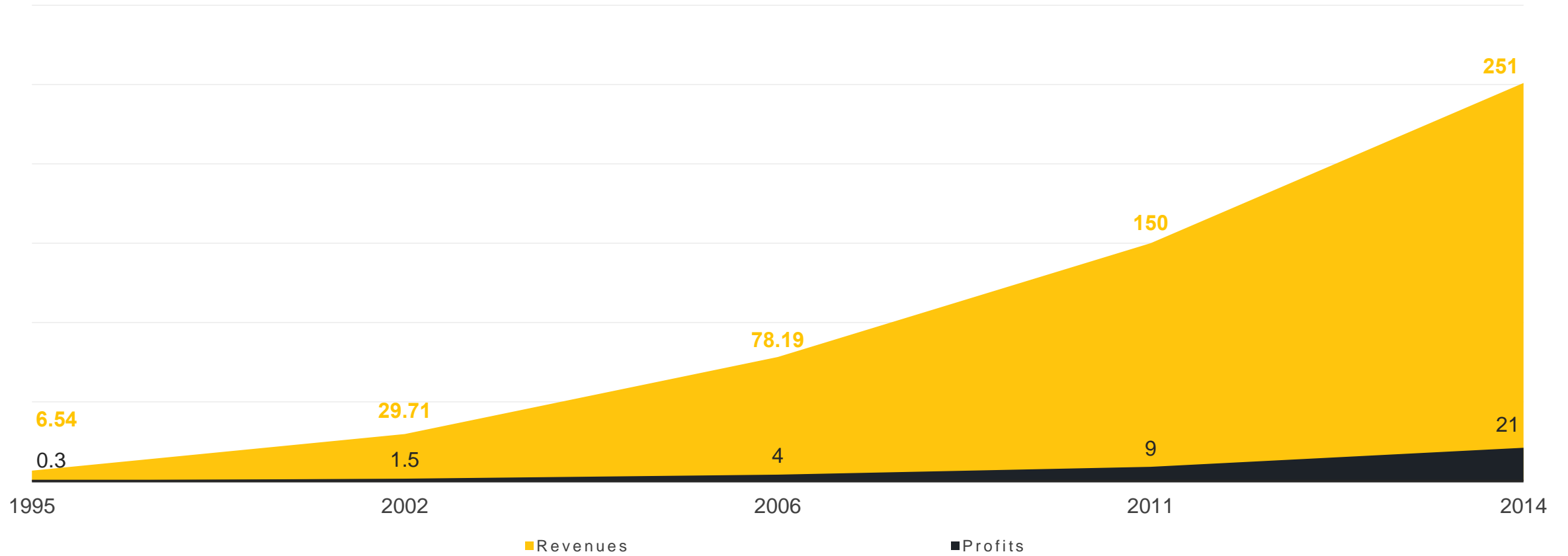
**MADE TO ORDER
BUSINESS**



CONSISTENT PERFORMANCE

REVENUE & PROFITABILITY

(₹ IN CRORES)



THE CHALLENGING TIMES



By 2010

The Bangalore - Hosur cluster was well-established and well-known for its capacity to process high-quality granite.

The majority of processors lacked captive mines and sourced their rough blocks from Madurai region which had abundant of premium granite mines.



By 2012

200+

QUARRIES OF GRANITE WERE SHUT DOWN IN MADURAI REGION DUE TO ALLEGED IRREGULARITIES IN MINING OPERATIONS



By 2014

900+

QUARRIES OF GRANITE WERE SHUT DOWN IN MADURAI REGION DUE TO ALLEGED IRREGULARITIES IN MINING OPERATIONS



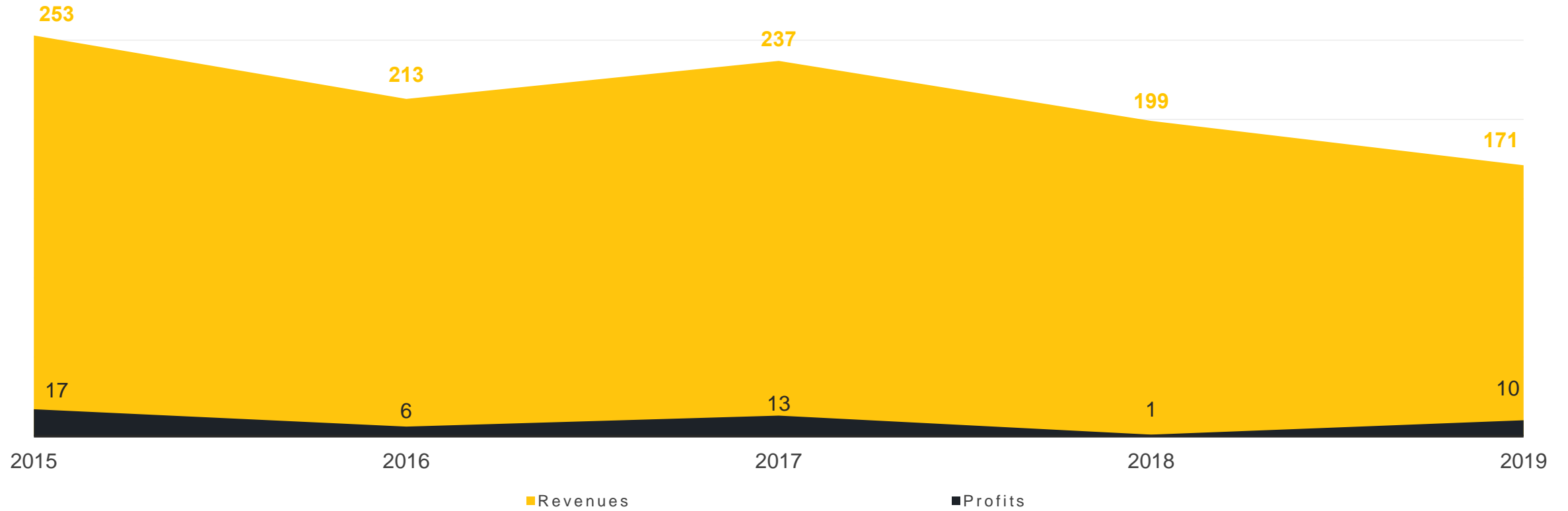
Resulting in **acute shortage of granite rough blocks** for the entire industry



RESULTING IN

REVENUE & PROFITABILITY

(₹ IN CRORES)



CORRECTIVE ACTIONS

01



SELL

Transition of business model to **Stock & Sell** from Made to Order

02



Providing **value added service** like cut-to-size for margin protection

03



Added **Multi-Wire capacities** in Hosur to enable processing of high-value imported blocks

04



Setup a **new manufacturing facility in Jaipur** for processing high-value blocks through **Multi-Wire Technology**

05





Further diversified business and forayed into **manufacturing of Quartz**


TRANSITION OF BUSINESS MODEL



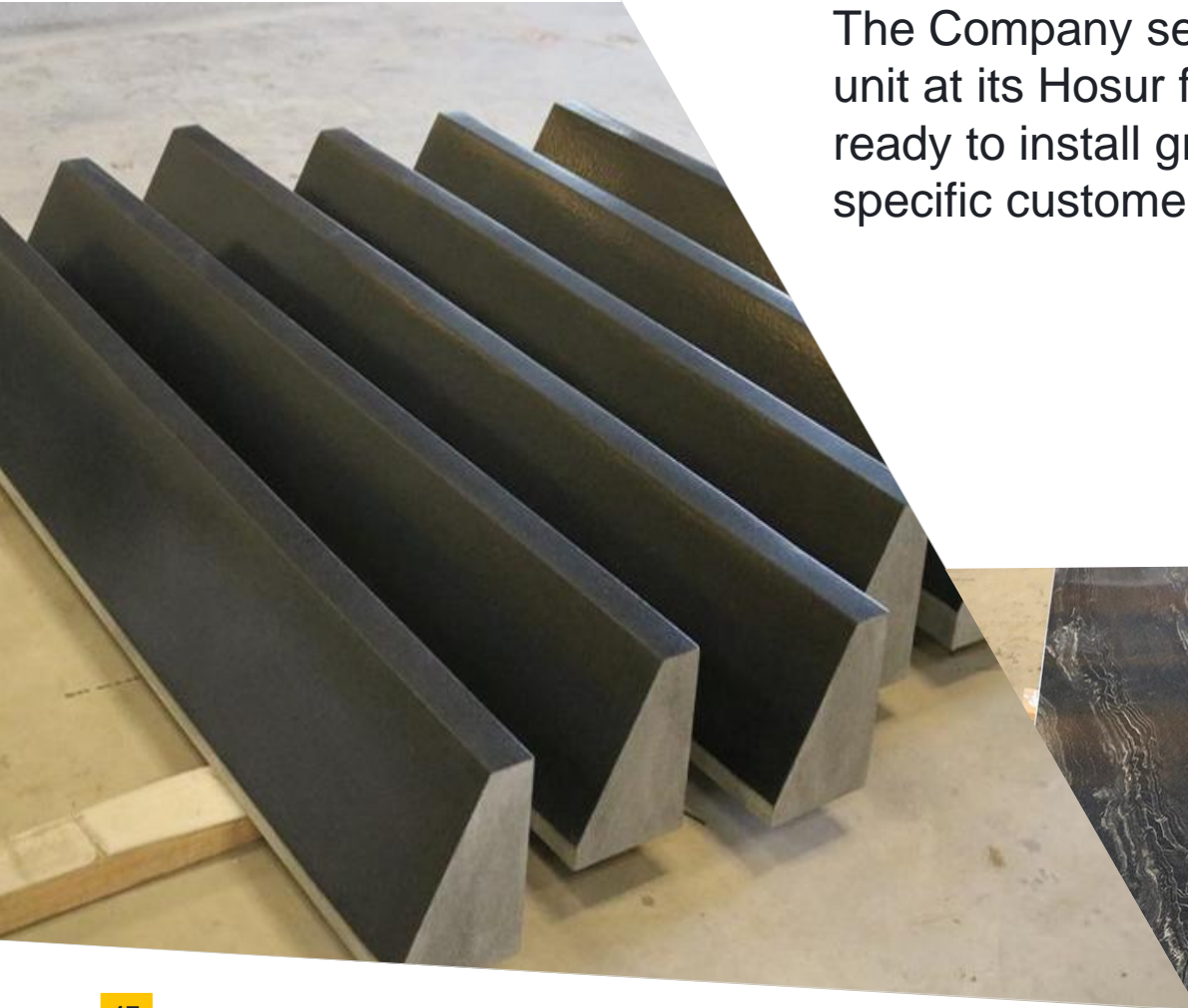
The Company created state-of-the-art 11,000 Sq. Mt. warehouse facility in its Hosur facility to stock and showcase its inventory.

 With majority of mines shutdown, the availability of rough granite posed as a challenge and hence the operations of Make-to-Order were no longer viable.

 Company invested ₹ 15 crores for setting up the warehouse to carry higher inventories.

 This enabled customers to make quick and informed purchase decisions.

VALUE ADDED SERVICE



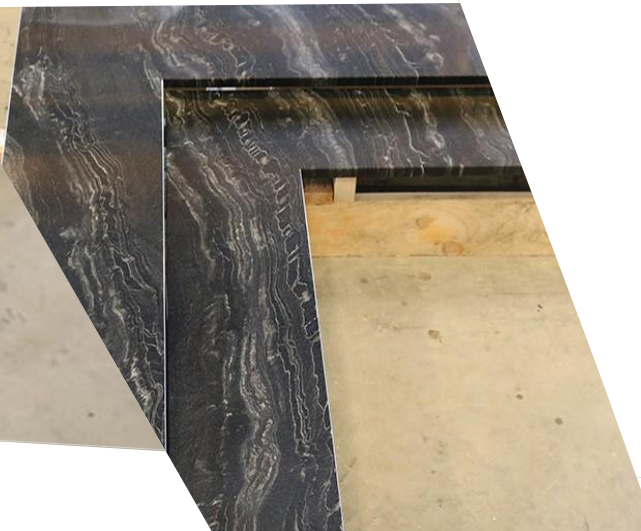
The Company setup a Cut-to-Size unit at its Hosur facility to process ready to install granites as per specific customer requirements



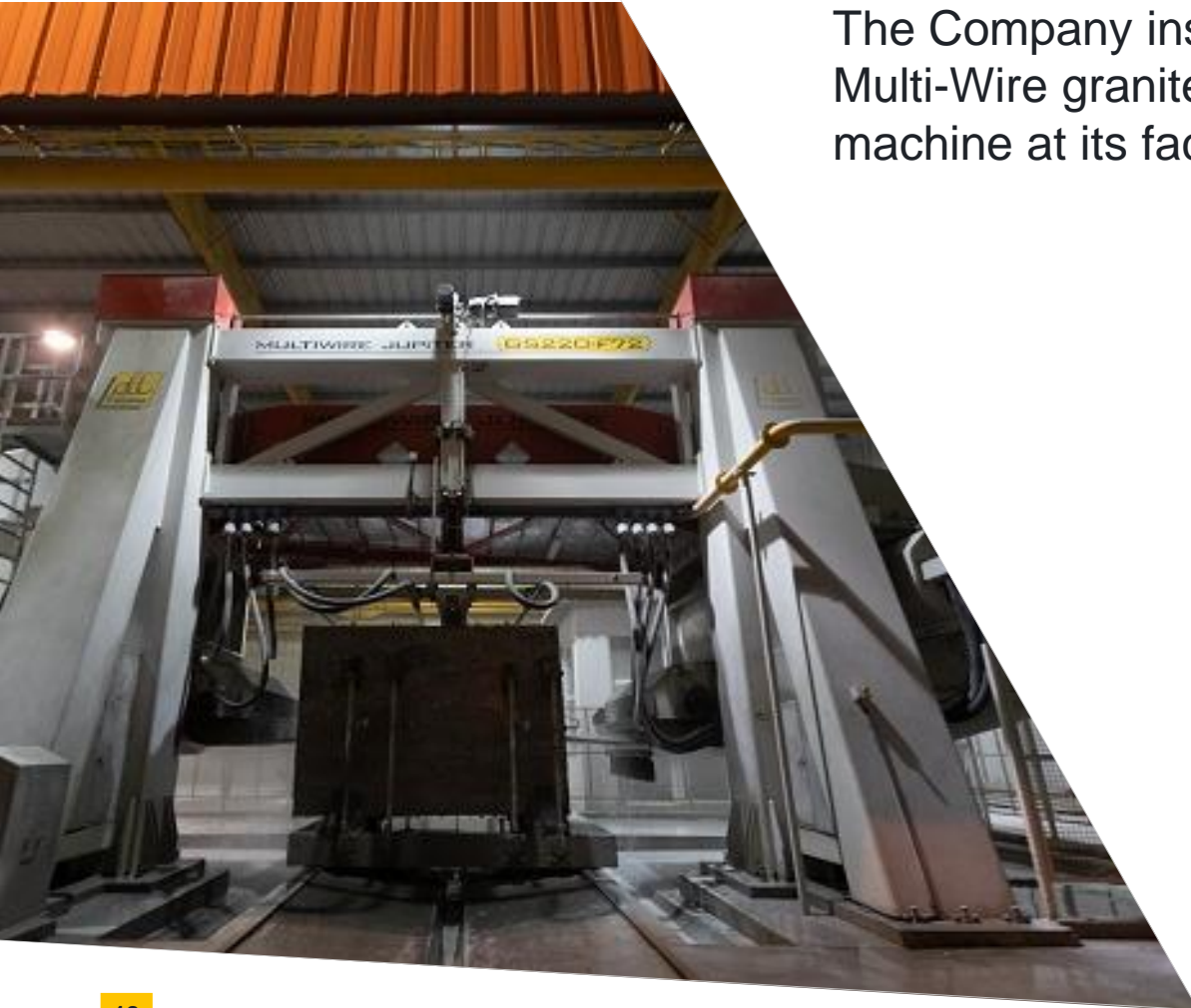
The setup consisted of Intra CNC bridge sawing and polishing machines.



This enabled the Company to cater to specific requirements of large domestic and international customers.



MULTI-WIRE CAPACITY IN HOSUR



The Company installed a new Multi-Wire granite cutting machine at its facility in Hosur.



Multi-Wire technology is the latest available technology and is more efficient.



Multi-Wire machines are useful for sawing rough blocks that are hard and brittle.



This enabled the Company to start importing rough blocks and also process rough block available from mines in Rajasthan.

NEW GRANITE SLAB PLANT – JAIPUR

With advent of Multi-Wire technology the granite mined from Rajasthan could now be processed.

To efficiently capitalize on the opportunity, in 2019 the Company commenced a greenfield plant in Jaipur to process granite slabs.

₹ 60 crores capital investment towards setting up the plant with 1,50,000 Sq. Mt. capacity



Initial ramp-up

The Company ramped up production to optimum levels in the first year of operation



Capacity expansion

The Company doubled the capacity to 1,50,000 Sq. Mt. in 2021 to cater to the growing demand at incremental capital investment of ₹ 7 crores



Asset Turns

At optimum utilisations, the current facility can achieve total sales of ₹ 80 crores



Additional Land

Availability of additional land at existing site to further enhance capacities



NEW QUARTZ PLANT – HOSUR

Imposition of ADD and CVD on China by USA for quartz, opened up the market for Indian manufacturers.

Aro Granite setup a brownfield quartz manufacturing facility and commenced operations in 2021

₹ 45 crores capital investment towards setting up the plant with 1,80,000 Sq. Mt. capacity

The facility was expected to begin operations in March 2020. However, COVID-19 resulted in the delay.



Initial ramp-up

The Company significantly ramped up production levels in the first year of operation. However, the Company only focused on manufacturing basic designs first.



Capacity expansion

The initial investment covered all the common utilities and infrastructure to support an incremental 150% capacity.










Capital expenditure

The Company can double the existing quartz capacity at an incremental investment of ₹ 20 crores



SUMMARIZING

INITIATIVE	IMPACT ON BUSINESS	IMPACT ON FINANCIALS
TRANSITION IN BUSINESS MODEL TO STOCK AND SELL	Helped curtail the drop in revenues and loss of business	<ul style="list-style-type: none">  Increased the working capital requirement of the business  Incremental CAPEX with no additional topline
CUT-TO-SIZE	Added a value-added offering to cater to niche and specific requirement of customers	<ul style="list-style-type: none">  Incremental margins as against just processing of rough granite blocks
MULTI-WIRE TECHNOLOGY	Addressed raw material availability challenge for the Company	<ul style="list-style-type: none">  Higher efficiencies leading to higher margins
NEW PLANT – SLABS	Addressed raw material availability challenge for the Company and created a new growth platform	<ul style="list-style-type: none">  Higher margins due to limited competition
NEW PLANT – QUARTZ	Created a new growth platform for the business	<ul style="list-style-type: none">  Increase in operating revenues  Higher margins as against the granite business

Current Macro ENVIRONMENT

23 CHALLENGING MACRO
ENVIRONMENT



03

CHALLENGING MACRO ENVIRONMENT



Supply Chain Disruptions

Supply chain disruptions intensified this year due to geopolitical instability, especially in the middle east region. This led to rising shipping costs and delays, impacting production and sales.



Rising interest rates, intended to control inflation, increased borrowing costs for industries like construction, leading to project delays and cancellations.



Inflation resurfaced after an earlier period of control, reducing consumer and business confidence and affecting overall market spending.



Reduced credit limits from banking partners strained working capital, limiting businesses' ability to buy raw materials and sustain production.



Economic downturns in Western Europe created additional challenges, highlighting the interdependence of global markets and the need for adaptability to regional economic shifts.

Short term macro headwinds are resulting in sub-par financial performance in near term and masking the true benefits of investments made over the last few years.

Responsible Corporate CITIZEN

25 CORPORATE SOCIAL
RESPONSIBILITY

04



CORPORATE SOCIAL RESPONSIBILITY



The Company has **developed a rural health centre** adjacent to the factory premises at Hosur.



The health centre has been operational since September 2017 and **provides free medical service to the public in and around the village** nearby.



The health centre has manpower of **1 Doctor, 2 Nurses, 1 Pharmacist** and a **housekeeper**.



~ 50 to 60 patients are being treated on a daily basis.



Financial & OPERATIONAL HIGHLIGHTS

- 27 OPERATIONAL HIGHLIGHTS
FY 24
- 28 SUMMARY OF PROFIT AND LOSS
STATEMENT
- 29 SUMMARY OF BALANCE SHEET
- 30 SUMMARY OF CASH FLOW
STATEMENT



OPERATIONAL HIGHLIGHTS

FY 24

PARTICULARS	HOSUR TILES	HOSUR SLABS	JAIPUR SLABS	HOSUR QUARTZ
SALES (In Sq. Mt.)	95,079	1,24,659	81,968	1,19,373
PRODUCTION (In Sq. Mt.)	95,924	1,17,073	86,939	1,14,744
CAPACITY UTILISATION	26.65%	18.29%	57.96%	63.75%

SUMMARY OF PROFIT AND LOSS STATEMENT

(₹ IN CRORES)

PARTICULARS	FY 20	FY 21	FY 22	FY 23	FY 24
REVENUE FROM OPERATIONS	177.71	179.37	224.74	163.90	155.09
OTHER INCOME	3.15	0.63	1.36	0.55	0.38
TOTAL INCOME	180.86	180.00	226.10	164.45	155.47
EBITDA	21.68	24.43	31.45	19.60	31.23
EBITDA MARGIN (%)	12.20	13.62	13.99	11.96	20.14
FINANCE COST	5.98	5.38	7.93	12.78	16.11
DEPRECIATION AND AMORTISATION EXPENSES	10.53	11.07	12.74	12.73	11.72
PROFIT AFTER TAX	3.61	6.05	8.91	(5.79)	1.31

SUMMARY OF BALANCE SHEET

(₹ IN CRORES)

PARTICULARS	FY 20	FY 21	FY 22	FY 23	FY 24
SHAREHOLDERS FUND	181.48	187.64	196.42	190.61	192.02
NON CURRENT LIABILITIES	46.20	56.58	79.42	73.81	62.08
LONG TERM BORROWINGS	28.17	41.78	65.32	60.21	46.41
CURRENT LIABILITIES	166.86	160.27	175.53	185.95	190.49
SHORT TERM BORROWINGS	122.35	119.05	133.98	144.81	142.33
TOTAL EQUITY AND LIABILITIES	394.55	404.49	451.37	450.37	444.59
NON CURRENT ASSETS	183.97	177.96	173.22	164.16	152.19
NET BLOCK	170.00	164.44	159.63	150.39	138.13
CURRENT ASSETS	210.57	226.53	278.16	286.22	292.40
INVENTORIES	129.22	139.14	177.31	199.36	213.35
TRADE RECEIVABLES	58.82	64.02	73.08	61.53	49.58
CASH & BANK BALANCES	10.57	9.98	9.58	5.97	8.70
TOTAL ASSETS	394.55	404.49	451.37	450.37	444.59

SUMMARY OF CASH FLOW STATEMENT

(₹ IN CRORES)

PARTICULARS	FY 20	FY 21	FY 22	FY 23	FY 24
CASH FLOW FROM OPERATING ACTIVITIES	62.94	0.65	(18.15)	13.96	35.03
CASH FLOW FROM INVESTING ACTIVITIES	(77.73)	(3.94)	(6.19)	(3.03)	0.04
CASH FLOW FROM FINANCING ACTIVITIES	11.74	2.70	23.94	(14.53)	(32.35)
NET CASH FLOW	(3.05)	(0.60)	(0.40)	(3.60)	2.73
CASH AT THE BEGINNING OF YEAR	13.62	10.57	9.98	9.58	5.97
CASH AT THE END OF YEAR	10.57	9.98	9.58	5.97	8.70

Quarterly HIGHLIGHTS

32 OPERATIONAL HIGHLIGHTS Q2 FY25

33 MANAGEMENT COMMENTARY

34 SUMMARY OF PROFIT AND LOSS
STATEMENT

A hand holding a pen pointing at a document with charts and graphs. The document features several circular charts and a bar chart. The background is dark with a yellow diagonal line.

06

OPERATIONAL HIGHLIGHTS

Q2 FY25

PARTICULARS	HOSUR TILES	HOSUR SLABS	JAIPUR SLABS	HOSUR QUARTZ
SALES (In Sq. Mt.)	15,406	18,884	12,955	27,628
PRODUCTION (In Sq. Mt.)	17,958	21,972	14,846	29,742
CAPACITY UTILISATION	19.95%	11.95%	39.58%	66.09%

MANAGEMENT COMMENTARY



Sahil Arora

Whole Time Director



I am pleased to provide an update on the performance of Aro Granite Industries Limited for Q2FY25. This quarter proved particularly challenging, as our financials were significantly impacted by a drop in demand, primarily within the granite sector in the US markets. This decline can be attributed to two main factors: first, freight rates surged dramatically, in some instances more than doubling, which led to a steep increase in goods pricing and consequently diminished demand. Second, the ongoing elections in the US slowed industry movement, as stakeholders awaited clarity on policy developments affecting construction and industry.

Additionally, we faced considerable foreign exchange losses due to unfavourable currency fluctuations, further straining our profitability. The substantial decline in our topline resulted in lower absorption of fixed costs, compounded by these forex losses, leading to overall losses for the quarter.

Looking ahead, Q3 is typically a slower quarter for us; however, we anticipate a recovery in volumes from Q4 onwards as the elections conclude and freight rates normalise. While logistics delays remain a concern, pricing has improved to levels lower than those seen in Q1 of this financial year. We are committed to returning to a profitable trajectory and are actively working to ramp up capacity at our quartz facility. We remain optimistic about achieving better results in H2 compared to H1, both in topline growth and profitability.

SUMMARY OF PROFIT AND LOSS STATEMENT

(₹ IN CRORES)

PARTICULARS	Q2FY24	Q1FY25	Q2FY25	Q-o-Q	Y-o-Y
REVENUE FROM OPERATIONS	37.42	37.55	28.61	(23.82%)	(23.55%)
OTHER INCOME	1.30	1.18	(2.08)	(275.46%)	(259.80%)
TOTAL INCOME	38.72	38.74	26.53	(31.51%)	(31.48%)
EBITDA	6.86	6.29	(2.02)	(132.12%)	(129.42%)
EBITDA MARGIN (%)	18.34%	16.74%	(7.06%)	(2,380 BPS)	(2,540 BPS)
FINANCE COST	3.50	3.54	3.09	(12.60%)	(11.76%)
DEPRECIATION AND AMORTISATION EXPENSES	2.92	2.60	2.36	(9.32%)	(19.29%)
PROFIT AFTER TAX	0.39	0.75	(7.20)	(1,053.89%)	(1,956.83%)

CONTACT US

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