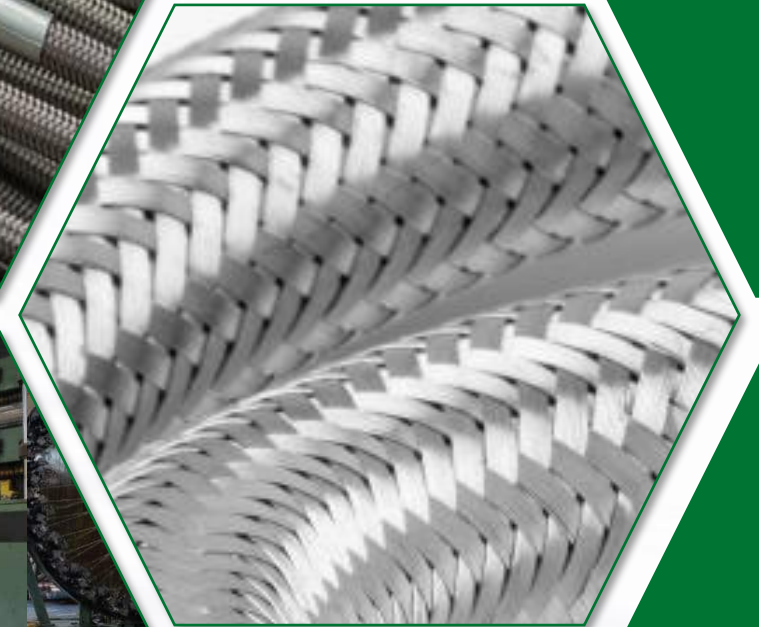
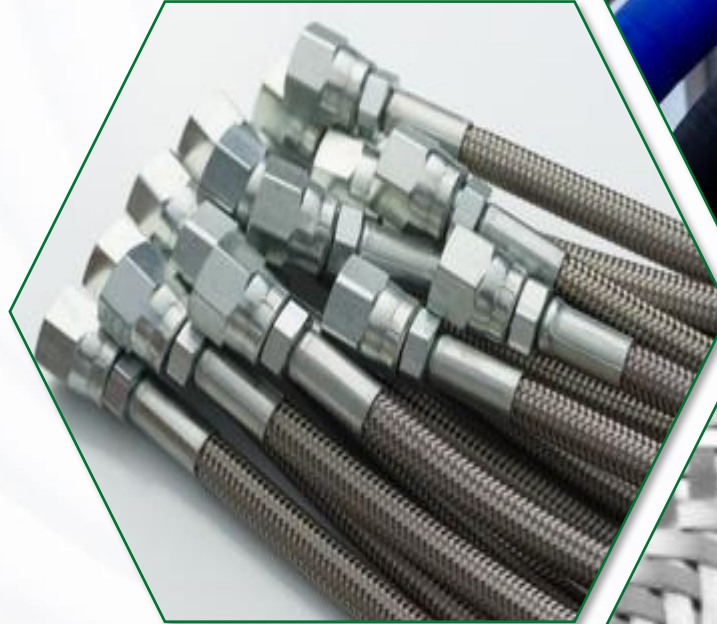




Commitment to Excellence



Aeroflex Industries Limited

Q2 & H1 FY24
Investor Presentation

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Commenting on the results, Mr. Asad Daud – Managing Director said,

“This has been a momentous quarter for the company with the listing on stock exchanges, we would like to thank all our shareholders, employees and all other stakeholders. We are pleased to registered the healthy performance for the quarter and first half of FY24. Growth momentum continued over the last few years on the back of robust demand across end user market, especially from traditional manufacturers.

Our Inhouse R&D has been a cornerstone of the company serving over 1700 SKUs to wide industries where critical flow of solid liquid, and gas is crucial.

Furthermore, our team is highly qualified, boasting extensive experience, relevant certifications, and an in-house R&D capability, enabling us to develop and deliver products with deep collaboration. This reinforces our commitment to establishing a resilient and future-ready products to suffice customised client needs.”



Aeroflex got listed on 31st August 2023



- Aeroflex Industries IPO comprised of a fresh issue of equity shares of the value of ₹162 crore and an offer-for-sale (OFS) of the value of ₹189 crore equity shares by the promoter, Sat Industries Limited (BSE & NSE Listed Company)
- IPO subscribed 97.11 times
 - The public issue subscribed 34.41 times in retail category, 194.73 times in the QIB category, and 126.13 times in the NII category
 - Listed at 83% premium over the IPO Price



Commitment to Excellence

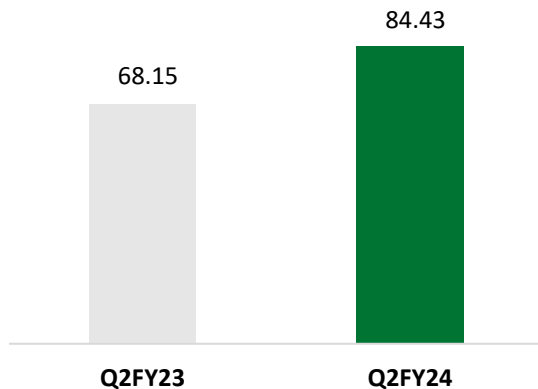
Q2 & H1 FY24 PERFORMANCE HIGHLIGHTS



Q2 & H1FY24 Performance Highlights

Total Income (Rs. Crs)

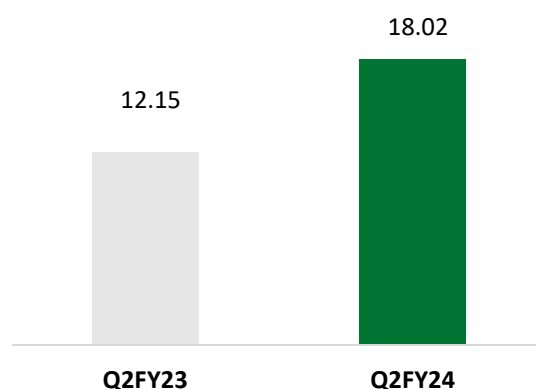
Q2FY24



EBITDA (Rs. Crs)

17.83%

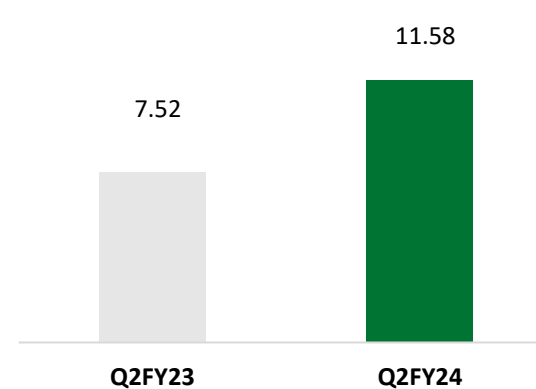
21.35%



PAT (Rs. Crs)

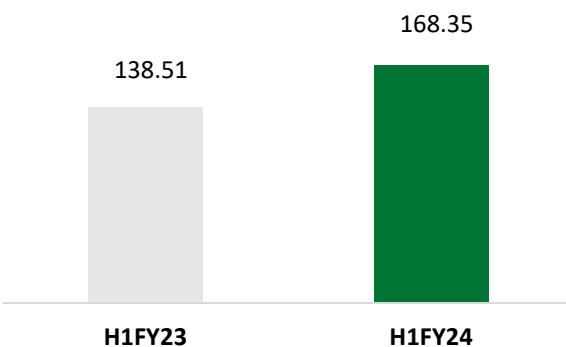
11.04%

13.71%



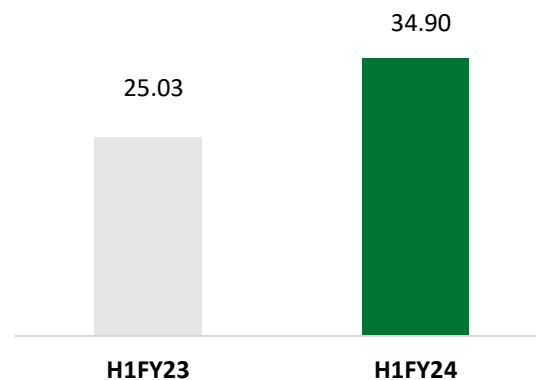
Margin

H1FY24



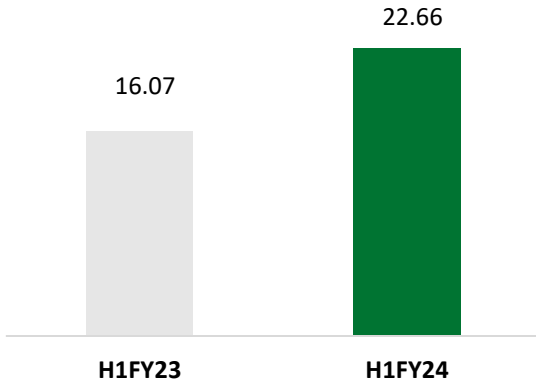
18.07%

20.73%



11.60%

13.46%



Consolidated Profit & Loss Statement

Profit & Loss (Rs. Crs)	Q2 FY24	Q2 FY23	YoY	H1 FY24	H1 FY23	YoY	FY23
Revenue from Operations	84.08	68.15	23.3%	167.01	138.50	20.6%	269.46
Other Income	0.36	0.00		1.35	0.00		0.04
Total Income	84.43	68.15	23.8%	168.35	138.51	21.5%	269.50
Cost of Material Consumed	52.91	50.76		109.30	101.73		188.51
Changes in Inventories	(0.25)	(8.25)		(2.51)	(13.96)		(17.78)
Employee Benefit Expenses	6.18	5.37		12.70	10.59		23.15
Other Expenses	7.57	8.12		13.97	15.11		22.67
EBITDA	18.02	12.15	48.3%	34.90	25.03	39.4%	52.96
EBITDA Margin	21.35%	17.83%	352 bps	20.73%	18.07%	266 bps	19.65%
Depreciation	1.52	1.17		2.94	2.22		5.22
Finance Cost	1.09	1.06		2.01	1.59		3.43
Exceptional Item (Gain) / Loss	0.16	-		(0.00)	-		3.08
Profit before Tax	15.26	9.92	53.7%	29.95	21.22	41.2%	41.23
PBT Margin	18.07%	14.56%	351 bps	17.79%	15.32%	247 bps	15.30%
Tax	3.68	2.40		7.29	5.15		11.07
Profit After Tax	11.58	7.52	53.8%	22.66	16.07	41.0%	30.15
PAT Margin	13.71%	11.04%	267 bps	13.46%	11.60%	186 bps	11.19%
EPS (in Rs.)*	0.94	0.66		1.84	1.41		2.64

* EPS for Q2FY23 and H1FY23 are restated after considering the sub-division of 1 equity share of INR 10 each into 5 equity shares of INR 2 each.



Consolidated Balance Sheet

Assets (Rs. Crs)	Sept-23	Mar-23	Equity & Liabilities (Rs. Crs)	Sept-23	Mar-23
Non - Current Assets	77.4	59.54	Total Equity	274.07	114.09
a. Property Plant & Equipment	56.03	55.54	Share Capital	25.86	22.86
b. CWIP	15.95	0.64	Other Equity	248.21	91.23
c. Intangible assets	0.63	0.77	Non - Controlling Interest	-	-
d. Intangible assets - WIP	0.03	-	Non-Current Liabilities	0.44	20.95
e. Financial Assets			a. Financial Liabilities		
(i) Investments	-	-	(i) Borrowings	0.12	19.69
(ii) Loans	-	-	(ii) Lease Liabilities	-	-
(iii) Other Financial Assets	-	-	(iii) Other Financial Liabilities	-	-
f. Other Non - Current Assets	4.76	2.58	b. Provisions	-	-
Current Assets	269.73	154.44	c. Deferred Tax Liabilities (net)	0.32	0.28
a. Inventories	60.00	56.01	d. Other Non - Current Liabilities	-	0.99
b. Financial Assets					
(i) Investments	-	-	Current Liabilities	72.61	78.93
(ii) Trade receivables	100.73	66.97	Financial Liabilities		
(iii) Cash and cash equivalents	21.31	6.13	(i) Borrowings	0.08	25.32
(iv) Bank balances	70.53	0.12	(ii) Trade Payables	56.06	36.63
(v) Loans	-	-	(iii) Lease	-	-
(vi) Others	0.85	0.61	(iv) Other Financial Liabilities	-	-
c. Current Tax Assets (Net)	-	-	b. Other Current Liabilities	12.65	10.91
d. Other Current Assets	16.31	24.60	c. Current tax liabilities (net)	3.82	6.07
Total Assets	347.13	213.98	d. Provisions	-	-
			Total Equity & Liabilities	347.13	213.98

Particulars (Rs. Crs)	Sept-23	Sept-22
Net Profit Before Tax	29.95	21.22
Adjustments for: Non -Cash Items / Other Investment or Financial Items	(2.69)	(1.35)
Operating profit before working capital changes	27.27	19.87
Changes in working capital	(13.95)	(19.30)
Net Cash from Operating Activities	13.32	0.57
Net Cash from Investing Activities	(18.25)	(3.27)
Net Cash from Financing Activities	90.51	7.76
Net Decrease in Cash and Cash equivalents	85.59	5.06
Add: Cash & Cash equivalents at the beginning of the period	6.25	8.33
Cash & Cash equivalents at the end of the period	91.84	13.38



Commitment to Excellence

India's leading flexible flow solution provider



Leading Manufacturer of Metallic flexible flow solutions

Scalable and Customized flexible flow solution products

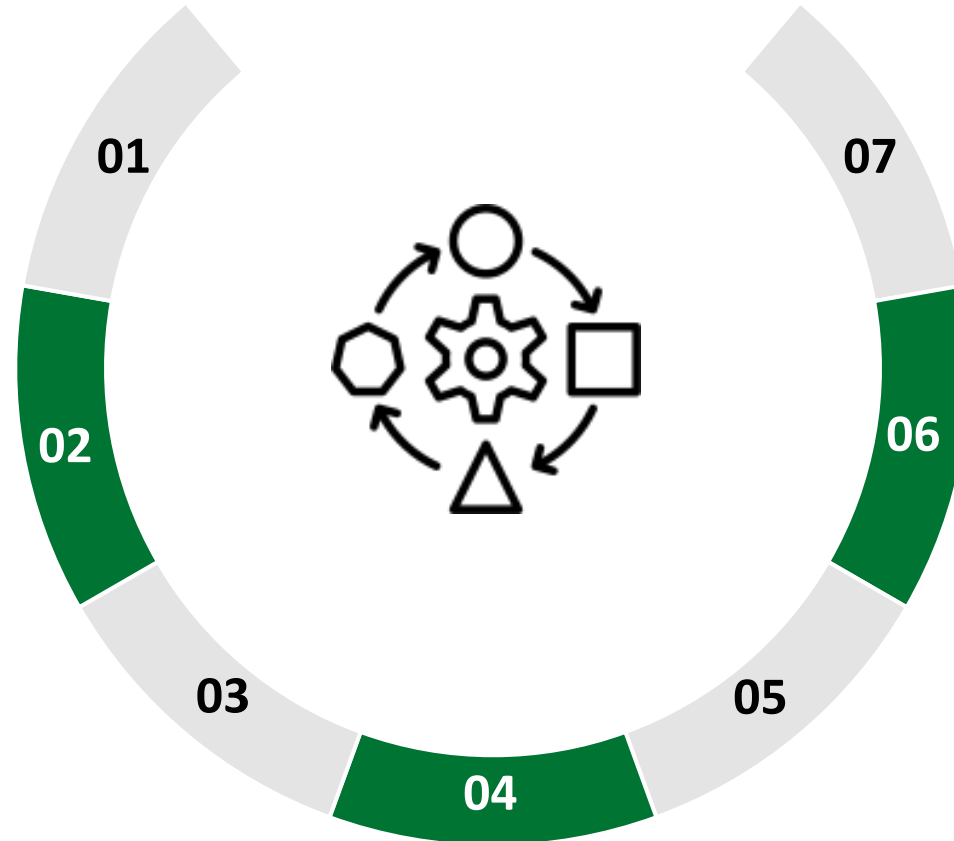
De-risk and Diversified Portfolio

Serving multiple end user Industries

Responsible Corporate

Innovation & Strong R&D led Business

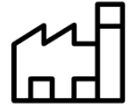
State of the art Infrastructure



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

In-House R&D



NABL Accredited Lab

55+

Products across various stages of Research and Development

11

Qualified R&D Team Members

1,700+

No. of SKU's



Global Customers Accreditations

Rs.168.35 Crs

H1 FY24 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

63.8%

- 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

27.6%

- 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

Others

8.6%

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

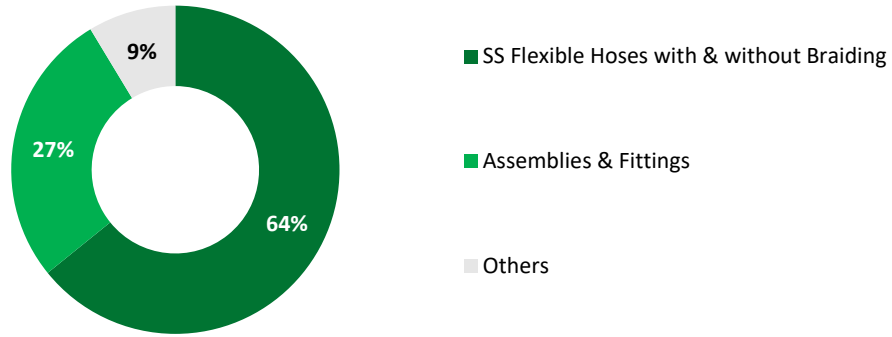


Aeroflex goes beyond mere product offerings;

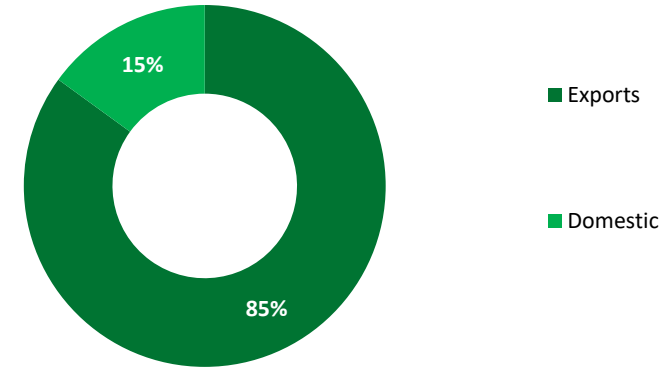
Our curated solutions enhance and elevate critical flow technologies across diverse industries

3. De-risk and diversified Portfolio

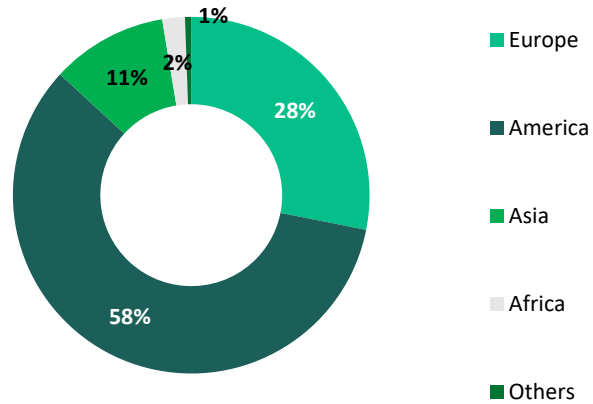
Product Segments



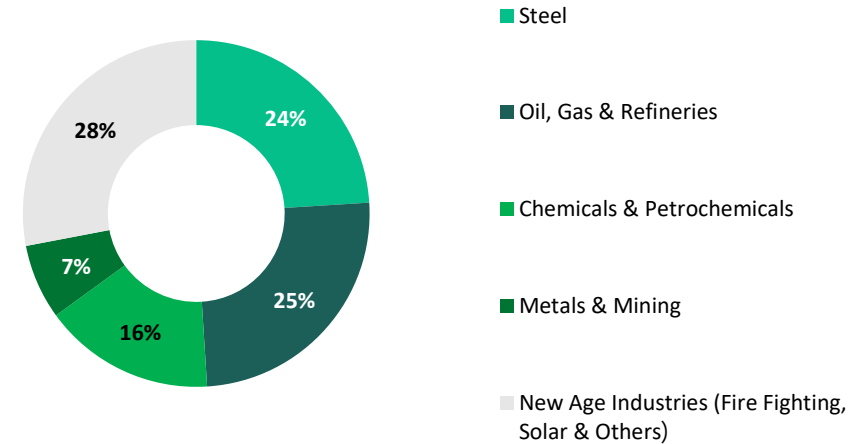
Domestic: Export Mix



Geographical Split



End user Industries



4. Serving multiple end user Industries

Wherever There's Critical Flow, Aeroflex Leads the Way

Current Major Industries



Steel & Metal



Oil & Gas



Chemicals



**Sea Port Terminal
Handling**



Paper and Pulp



Pharmaceutical

New Age Industries



Semiconductors



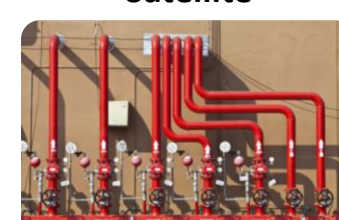
**Aerospace and
Satellite**



Electric Mobility



Solar



Fire Sprinklers



Robotics

Key Properties of our Products



Close substitute of rubber and polymers



Perfect fit for extreme environment conditions



Temperature Resistant



Available in different sizes



Abrasion Resistance & Flexibility in fitting



Absorb High Pressure



High replacement creates demand



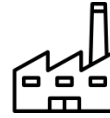
Chemical Compatible



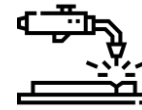
Well-equipped Infrastructure



Situated at
Taloja, Navi Mumbai



Production Capacity
12.5 million meters



Machine Lines
80+ lines



Employee strength
400+ people



In-house Design
And R&D Laboratory



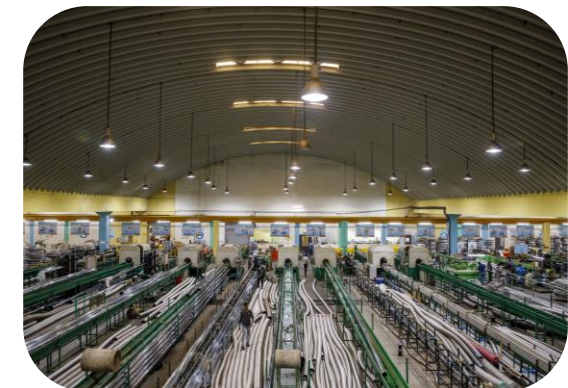
Presence in
80+ Countries



Strategically Located
Near JNPT Port



H1FY24 Capacity Utilisation
96.12%



6. Innovation & Strong R&D led Business

Key Products developed recently / under research and development

Bronze Metal Flexible Flow Solutions	Bronze hoses for HVAC (Heat Ventilation and Air-conditioning)
A-704 Hoses	Higher thickness hose and longer lengths without joint (Mechanical Formed)
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 Hose Spiral Hose	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.

55+

Products across various stages of Research and Development

11

Qualified R&D Team Members



NABL Accredited Lab

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





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



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**



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



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



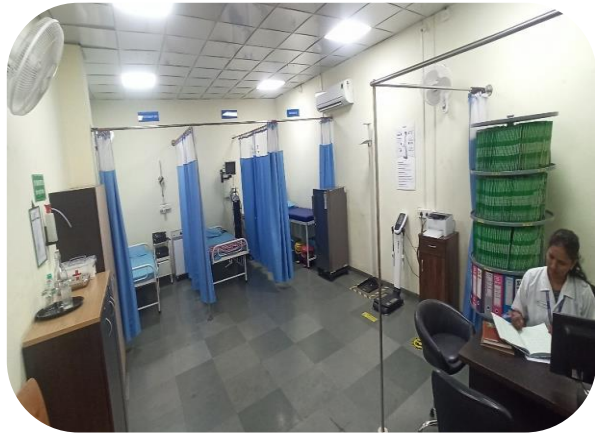
Strong Corporate Governance

- **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



Aeroflex has an Occupational Healthcare Center and Mind & Body Wellness Center, at its facility in Taloja, 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



15TH AUGUST
INDEPENDENCE DAY

FREE HEARING SCREENING CAMP
For Children Below 5 Years

1500/- FREE

- Child Not Speaking by age of 3 yrs?
- Child not responding to Sounds?
- Having Doubts About Hearing Loss

MEDICOVER HOSPITALS
NAVI MUMBAI
Star 30, Kharghar, Navi Mumbai

Organized in

DATE: 15th August 2023 (Tuesday)
TIME: 11:00 am to 2:00 pm

*Prior Appointment is Mandatory

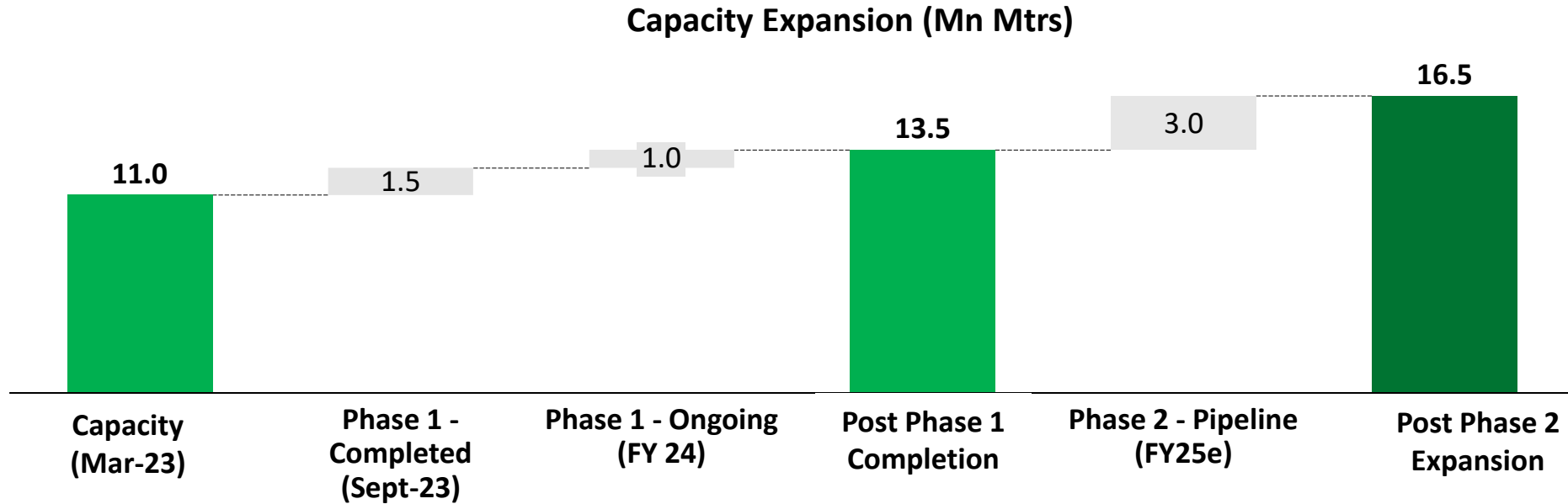




Commitment to Excellence

Way Forward

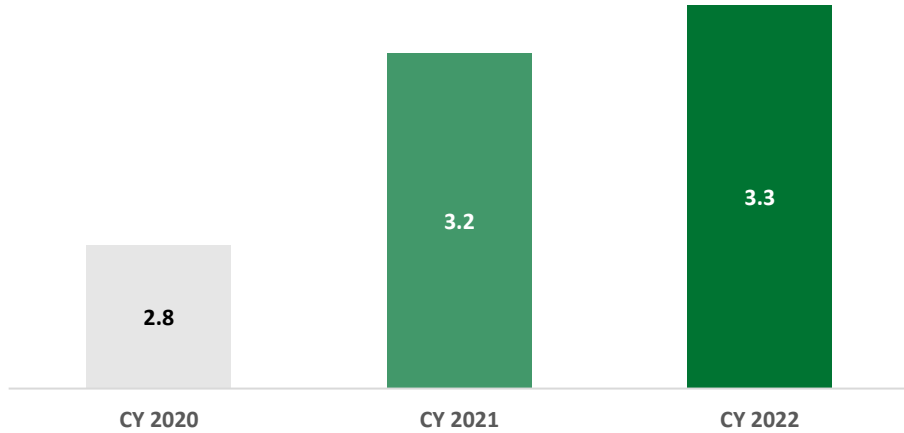




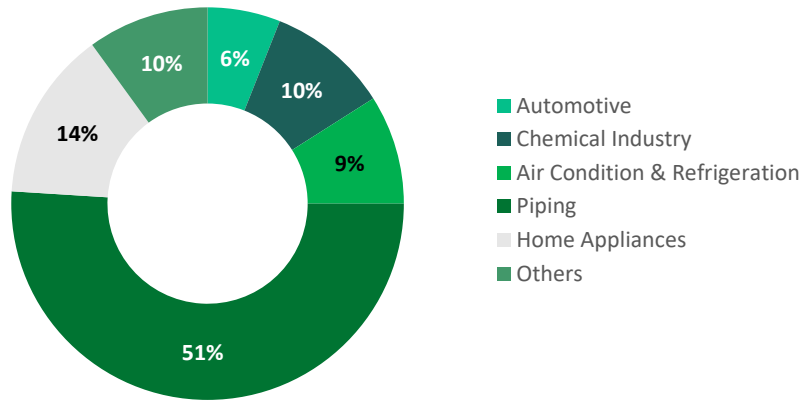
- As part of Phase 1's capacity expansion project, 1.5 million meters were successfully added by upgrading and modernizing machines and equipment, reaching a total capacity of 12.5 million meters in September 2023
- The remaining portion of the Phase 1 capacity expansion, which amounts to 1 million meters, is projected to be finished by the end of FY24, increasing the total capacity to 13.5 million meters
- The company intends to gradually implement automated and robotic assembly lines as part of its future plans
- Additionally, the company has procured a land parcel measuring 79,061 square feet adjacent to its existing factory location. This extra land will facilitate our capacity expansion

Additional capacity to drive next leg of growth

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 will expand existing capacity in a phased manner from 12.5 mn mtrs to 13.5 mn mtrs by Mar'24.

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, EV, robotics, defence etc.

Inorganic Acquisitions

The company has future plans for inorganic acquisition to create forward and backward integration and is currently evaluating target companies in India and abroad.





Commitment to Excellence

Annexures





Asad Daud

Managing Director

- Masters in Accounting and Finance from London School of Economics
- Executive courses done from IIM Bangalore and ISB Hyderabad
- 12 years of Experience in Manufacturing Industry



Ramesh Soni

Independent Director

- Practicing CA with an experience of over 35 years in the fields on accounts, finance, taxation and banking
- Bachelor's degree in commerce from Udaipur University



Partha Sarathi Sarkar

Independent Director

- MBA from IIM Ahemdabad
- B.Tech (Honours) from IIT Delhi
- MD of Tata Finance



Shilpa Bhatia

Independent Director

- Bachelor's and master's degree in law from Mumbai University
- Practicing advocate in Hon'ble High Court of Bombay and has over 20 years of experience



Arpit Khandelwal

Independent Director

- Chartered Accountant and Chartered Financial Analyst
- 10 years of experience in the field of risk management, corporate laws, indirect taxes and international trade laws



Mustafa Kachwala

Whole-time Director

- Associated with the company since 2008
- Bachelors' degree in Commerce from Mumbai University
- Previously worked with Akbarallys Pharma Vet Division



Harikant Tugalia

Non – Executive Director

- Bachelors' degree in Commerce from Udaipur University
- Has 30 years of manufacturing industry experience

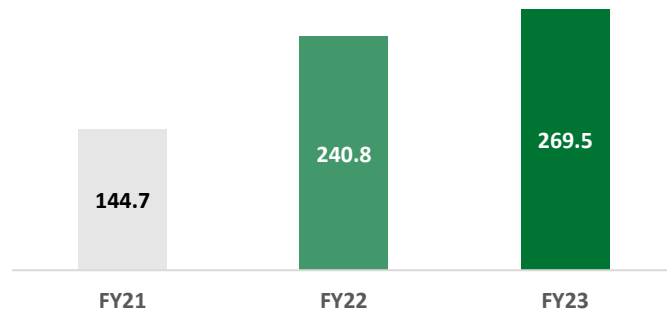
Restated Consolidated Profit & Loss Statement

Profit and Loss (in Rs. Crs)	FY23	FY22	FY21
Revenue from Operations	269.46	240.80	144.77
Other Income	0.02	0.19	0.06
Total Income	269.48	240.99	144.84
Cost of Materials Consumed	187.85	156.33	94.48
Changes in Inventories	(17.78)	(0.27)	(0.92)
Employee Cost	23.15	17.52	13.14
Other Expenses	22.21	20.53	15.74
EBITDA	54.05	46.88	22.40
EBITDA Margin (%)	20.06%	19.45%	15.46%
Depreciation	5.22	4.18	3.78
EBIT	4.55	6.25	8.94
Finance Cost	(3.07)	0.41	(1.63)
Exceptional Item Gain / (Loss)	41.21	36.86	8.05
Profit before Tax	15.29%	15.30%	5.56%
Tax	11.06	9.36	2.04
Profit After Tax	30.15	27.51	6.01
Profit After Tax Margin (%)	11.19%	11.41%	4.15%
EPS (in Rs)	2.64	2.41	0.53

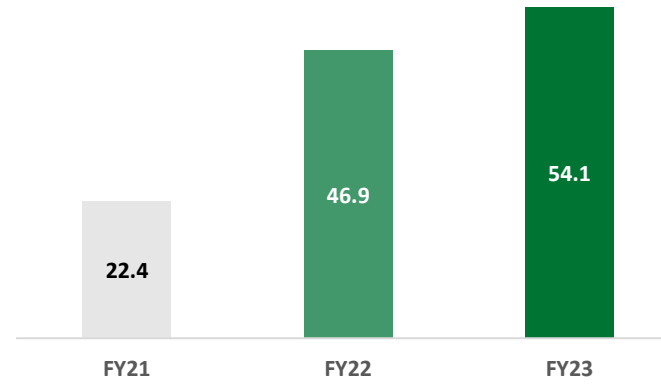
Restated Consolidated Balance Sheet Statement

Assets (Rs. Crs)	FY23	FY22	FY21	Equity & Liabilities (Rs. Crs)	FY23	FY22	FY21
Non - Current Assets	59.54	54.47	46.21	Total Equity	114.09	86.22	58.72
a. Property Plant & Equipment	55.54	45.82	43.02	Share Capital	22.86	22.86	22.86
b. CWIP	0.64	6.35	-	Other Equity	91.23	63.36	35.85
c. Intangible Assets	0.77	0.29	0.24	Non - Controlling Interest	-	-	-
d. Intangible assets under development	-	0.26	0.26	Non-Current Liabilities	20.95	21.98	36.23
e. Financial Assets				a. Financial Liabilities			
(i) Investments	-	-	-	(i) Borrowings	19.69	20.99	35.28
(ii) Deferred Tax Assets	-	-	0.97	(ii) Lease Liabilities	-	-	-
(iii) Other Financial Assets	-	0.01	0.29	(iii) Other Financial Liabilities	-	-	-
f. Other Non - Current Assets	2.58	1.74	1.42	b. Provisions	-	-	-
Current Assets	154.44	128.96	115.44	c. Deferred Tax Liabilities	0.28	0.06	-
a. Inventories	56.01	35.82	34.32	d. Other Non - Current Liabilities	0.99	0.93	0.95
b. Financial Assets				Current Liabilities	78.93	75.24	66.70
(i) Investments	-	-	-	Financial Liabilities			
(ii) Trade receivables	66.97	52.61	33.78	(i) Borrowings	25.32	18.14	17.79
(iii) Cash and cash equivalents	6.13	8.21	3.48	(ii) Trade Payables	36.63	34.19	40.34
(iv) Bank balances	0.12	0.12	0.12	(iii) Lease	-	-	-
(v) Loans	-	-	-	(iv) Other Financial Liabilities	-	-	-
(vi) Others	0.61	0.46	0.43	b. Other Current Liabilities	10.91	15.37	8.57
c. Current Tax Assets (Net)	-	-	0.04	c. Current tax liabilities (net)	6.07	7.54	-
d. Other Current Assets	24.60	31.74	43.28	d. Provisions	-	-	-
e. Assets classified as held for sale	-	-	-	Total Equity & Liabilities	213.98	183.4	161.64
Total Assets	213.98	183.44	161.64				

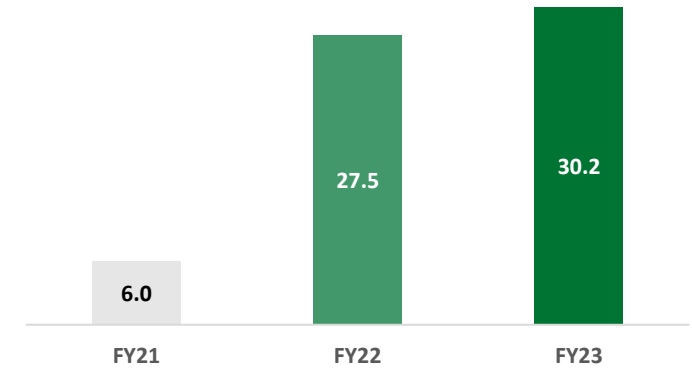
Revenue (Rs. Cr)



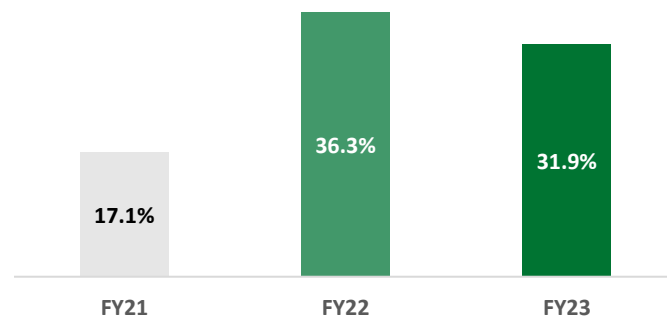
EBITDA (Rs. Cr)



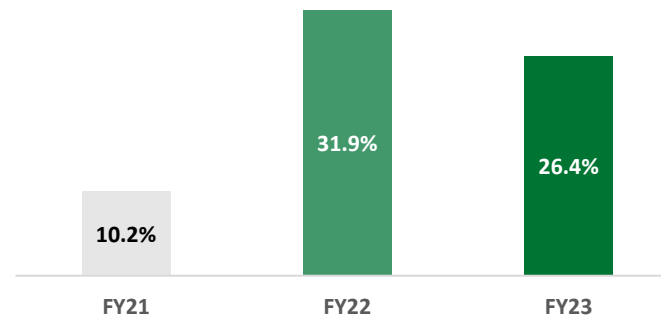
PAT (Rs. Cr)



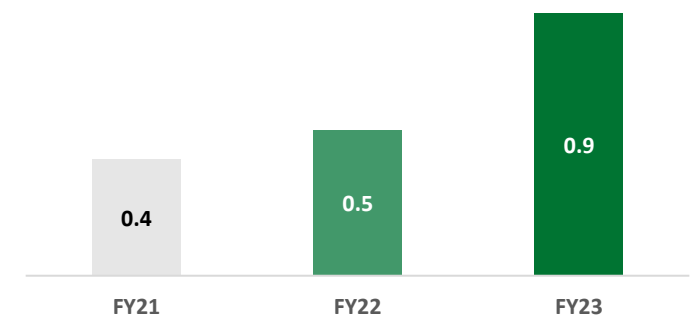
RoCE (%)



RoE (%)



Net Debt-Equity (x)





TERM	DETAIL
SKU	Stock Keeping Units
SS	Stainless Steel
OEM	Original Equipment Manufacturers
MRO	Maintenance, Repair and Operations
NABL	National Accreditation Board for Testing and Calibration Laboratories
PTFE	Polytetrafluoroethylene
Mn Mtrs	Million Meters



THANK YOU!



"Commitment to Excellence"

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Strategic Growth Advisors Pvt. Ltd.

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