

AARON INDUSTRIES LIMITED

H2FY19 EARNINGS PRESENTATION

JUNE 2019

NSE: AARON | BLOOMBERG: AARON:IN | CIN: L31908GJ2013PLC077306



COMPANY OVERVIEW

1 FOUNDATION

Aaron Industries Limited was founded by Mr. Amar Doshi in 2013, involved in the Elevator and ancillary products manufacturing business. With Mr. Amar Doshi's level of expertise, skills, and experience in elevator industry Aaron manufactures value-added elevator solutions.

2 UNIQUE PRODUCT

Ever since inception, we have been mainly focused on value-added products. Our most promising product offering is the uniquely designed elevator cabins. The sole reason behind the success of this product is our exclusivity addition, giving mundane spaces a changed appearance.

3 LISTING ON NSE

Aaron Industries Limited recently got listed on NSE Emerge (SME exchange) with an IPO of Rs. 4.78 Cr. in 2018, post which the company has commenced its new manufacturing unit for SS Sheet Polishing at Kosamba, Gujarat.

COMPANY SNAPSHOT



**Elevator Manufacturing
Company** based out of Gujarat



88 Team Strength



Strong and Growing Distribution
network **350+ Installers and
Channel Partners**



Listed on **NSE Emerge**



Backward Integrated for **Elevator
Cabins & Doors**



Revenue Growth **3 Year CAGR- 75%**

PRODUCT PORTFOLIO

Primarily Involved in Manufacturing of -

- Elevator Doors
- Elevator Cabins
- Elevator Headers
- Small Portfolio of Electrical Products

Flagship Product

Our flagship product is 'uniquely designed elevator cabins' which enhance the ambience of each of our project. Our elevator cabins are an axis for customer appeal and anticipation.

Apart from singular products we are also involved in selling of complete elevator sets which includes traction machine, DGB, LOP - COP and Sensors. The latest addition to our scope of service has been installation services and providing annual maintenance contracts (AMC) to our customers.

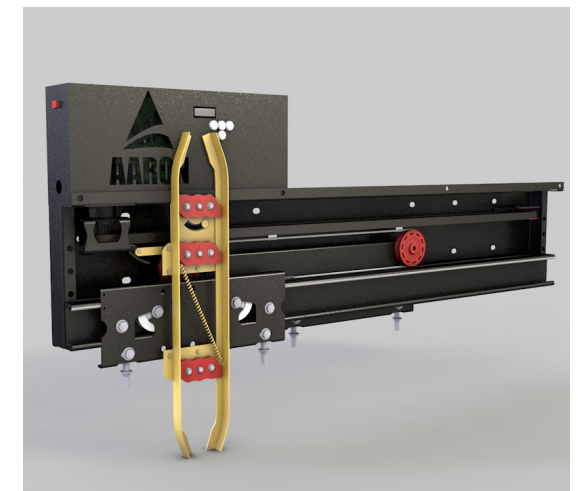
ELEVATOR DOORS



ELEVATOR CABINS



CABIN CEILING

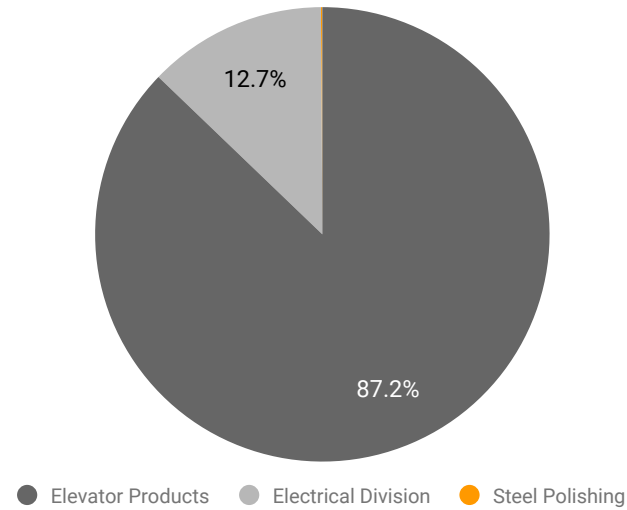


ELEVATOR HEADERS



HALF-YEARLY HIGHLIGHTS

Product wise Revenue Contribution H2FY19



Elevator Cabins

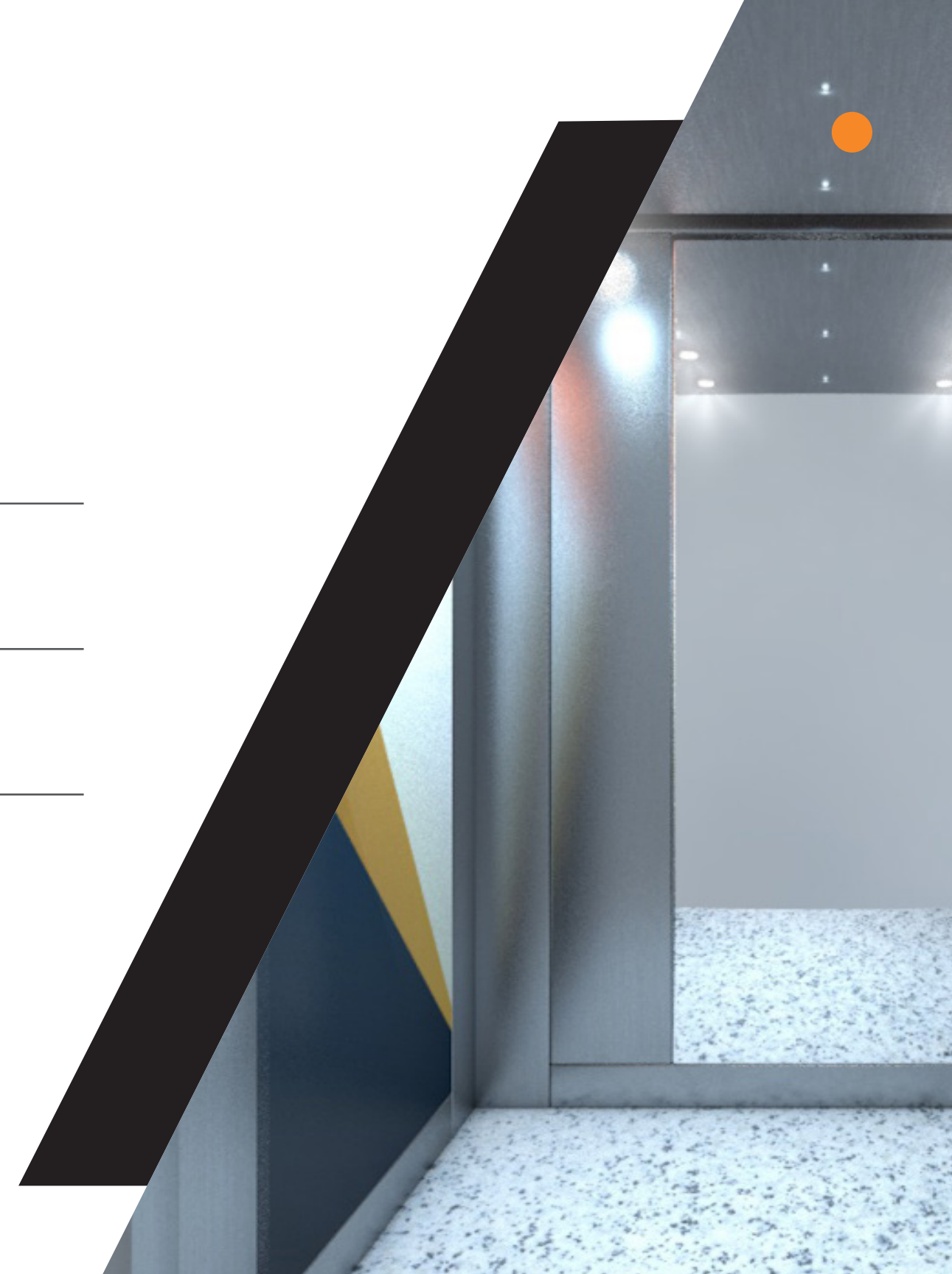
353 sold in H2FY19

Elevator Door Sets

3494 sold in H2FY19

Elevator Kits

22 sold in H2FY19



FINANCIAL HIGHLIGHTS

Summary of Balance Sheet



(in crores)

Particulars	2015	2016	2017	2018	2019
Shareholders Fund	0.06	0.24	0.29	3.54	9.37
Non-Current Liabilities	0.23	1.02	1.04	0.49	3.80
Current Liabilities	0.77	0.93	1.21	2.94	4.33
Total	1.06	2.20	2.54	6.96	17.51
Non-Current Assets	0.08	0.09	0.11	1.50	9.06
Current Assets	0.98	2.11	2.43	5.46	8.45
Total	1.06	2.20	2.54	6.96	17.51

FINANCIAL HIGHLIGHTS

Summary of Profit & Loss



(in crores)

Particulars	2015	2016	2017	2018	2019
Revenue from Operations	2.37	3.31	4.80	11.77	17.55
Total Income	2.38	3.32	4.80	11.79	17.59
Total Operating Expenses	2.30	3.17	4.54	10.19	15.49
EBITDA (Excluding OI)	0.08	0.14	0.26	1.58	2.06
EBITDA (Excluding OI) %	3.2%	4.3%	5.3%	13.4%	11.7%
Interest Cost	0.02	0.08	0.17	0.14	0.29
Depreciation & Ammortisation	0.00	0.01	0.01	0.10	0.20
Profit Before Taxes	0.05	0.06	0.07	1.34	1.57
Profit After Taxes	0.04	0.04	0.05	0.93	1.06

FINANCIAL HIGHLIGHTS

Summary of Balance Sheet (half-yearly)

(in crores)

Particulars	H2FY19	H1FY19	Q-0-Q%
Shareholders Fund	9.37	8.80	6.5%
Non-Current Liabilities	3.80	1.44	162.7%
Current Liabilities	4.33	3.26	33.1%
Total	17.51	13.50	29.7%
Non-Current Assets	9.06	4.37	107.4%
Current Assets	8.45	8.99	-6.0%
Miscellaneous Expenditure (to the extent not written off)	0.00	0.14	-100.0%
Total	17.51	13.50	29.7%

FINANCIAL HIGHLIGHTS

Summary of Profit & Loss (half-yearly)

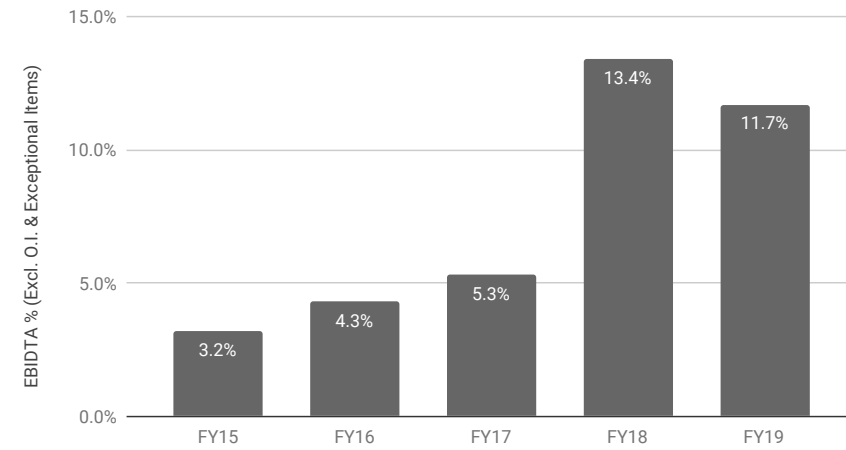
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Particulars	H2FY19	H1FY19	Q-O-Q%
Revenue from Operations	9.28	8.27	12.3%
Total Income	9.31	8.28	12.4%
Total Operating Expenses	8.21	7.32	12.2%
EBITDA (Excluding OI)	1.08	0.95	12.9%
EBITDA (Excluding OI) %	11.6%	11.5%	0.6%
Interest Cost	0.12	0.17	-31.2%
Depreciation & Ammortisation	0.11	0.09	20.3%
Profit Before Taxes	0.87	0.70	24.4%
Profit After Taxes	0.57	0.49	17.0%

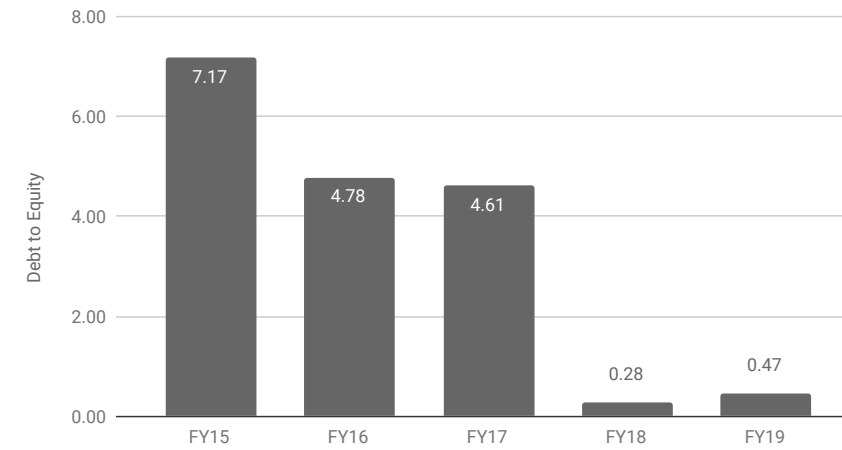
FINANCIAL RATIOS



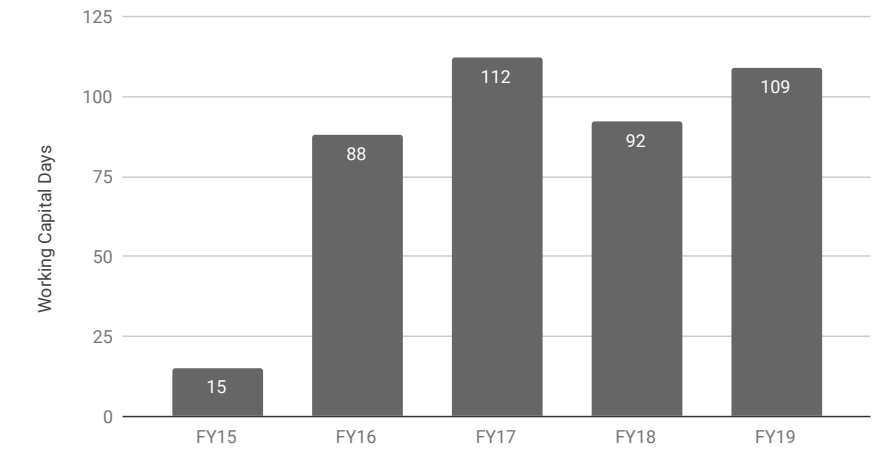
EBIDTA % (Excl. O.I. & Exceptional Items)



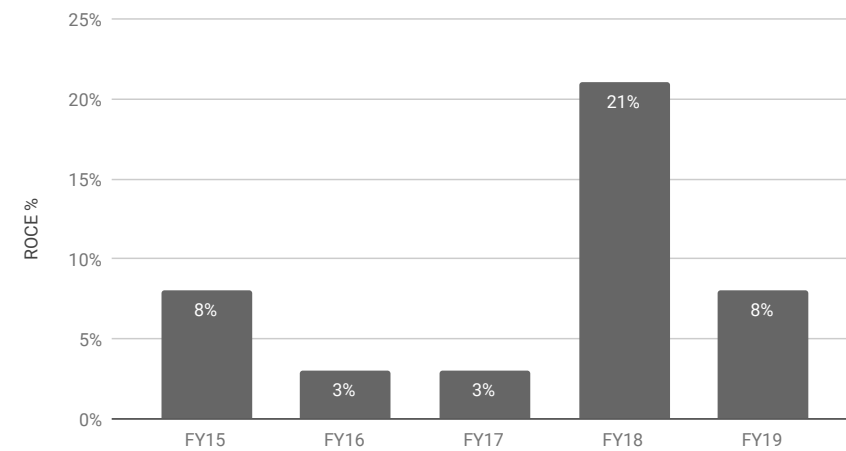
Debt to Equity



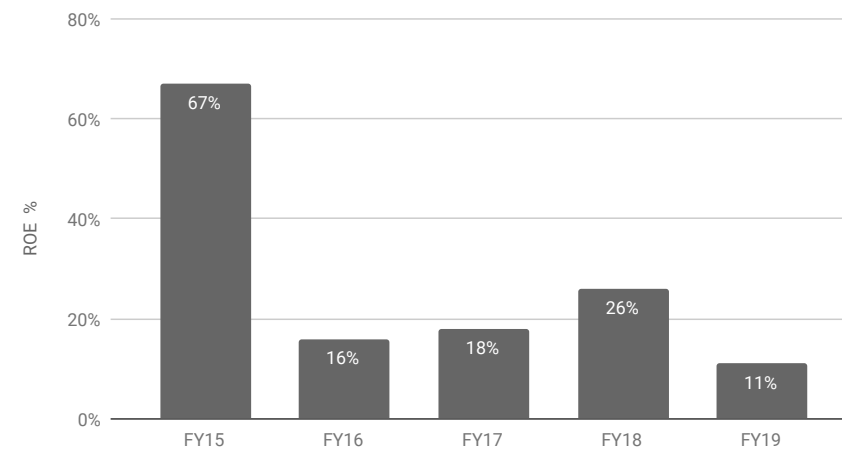
Working Capital Days



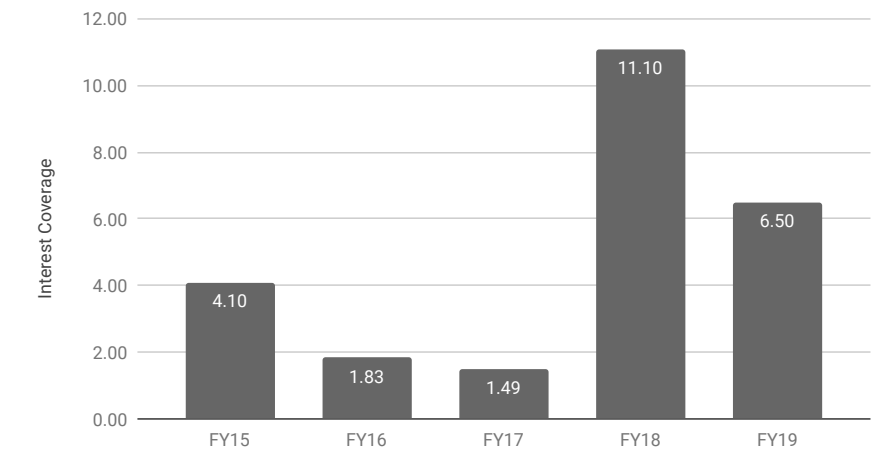
ROCE %



ROE%



Interest Coverage



MANAGEMENT COMMENTARY

KOSAMBA PLANT

- Stainless Steel Sheet manufacturing plant at Kosamba has gone live in February, 2019. With investment of more than 7 Cr in building, plant & machinery, etc.
- Kosamba plant has contributed little (revenue) in FY19 due to beginning of commercial production close to end of financial year. This plant will drive the incremental growth at Aaron in the FY20.

OTHER DEVELOPMENTS

- Aaron participated in Elevator Escalator Expo-2019 held at Gandhinagar, Gujarat in the month of February 2019, where it received overwhelming response.

FINANCIAL PERFORMANCE

- Aaron grew its entire revenue from operations from 11.76 Cr in FY18 to 17.55 Cr in FY19 through its Udhna plant, delivering a growth of 49% in revenue from operations.
- EBITDA% witnessed a downtrend in the current year. EBITDA% was down from 13.4% in FY18 to 11.7% in FY19, this was primarily due to additional employee benefit expenses and manufacturing & administrative and general expenses.

OUTLOOK

- With additional contribution from Kosamba plant and unutilized potential left at Udhna plant, FY20 looks to be a promising year for Aaron.

CONTACT US



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