



Aro granite industries Ltd.

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May 4, 2022

Bombay Stock Exchange Limited
Department of Corporate Services
Floor 25, P.J. Towers
Dalal Street
Mumbai 400001
(SCRIP CODE: 513729)

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


Sub.: Investor Presentation of the Company

Dear Sir,

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 Ltd.


Company Secretary

Encl.: a/a



Investor Update – For the Quarter Ending 31th March 2022 May 2022



Aro granite industries ltd.

An 100% Export Oriented Unit



Disclaimer

Certain statements in this communication may be considered as 'forward looking statements' within the meaning of applicable law and regulations. These forward-looking statements involves a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements, important development that could affect the company's operations include changes in the industry structure, significant changes in politics and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

Aro granite industries limited does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the company.

Aro granite industries limited will not be in any way responsible for any action taken based on such statement and undertakes no obligation to publicly update these forward looking statement to reflect subsequent event or circumstances.

Company Snapshot



Started commercial operation in 1991



Largest processed Granite exporter out of India

100% EOU

100% export oriented, located at Hosur, Tamil Nadu

SEZ

Special Economic Zone Unit Located in Mahindra World City, Jaipur



Started Engineered Stone Production in 2021



Export to more than 42 countries



Installed capacity

Granite Slab:
735,000 Square Meters

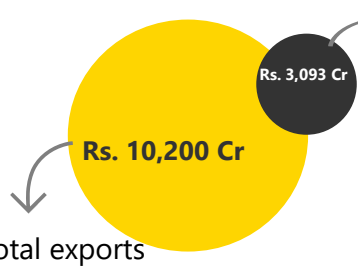
Granite Tiles:
360,000 Square Meters

Quartz slabs:
180,000 Square Meters



Listed on NSE Since 2007 & BSE Since 1997 in India

Indian Granite Industry



India exported Rs. 10,200 Cr worth of granite in FY2019 of which Rs.3,093 Cr was exported to China



China is largest market for Indian raw granite block, 30.32 % of the total granite were exported to China

Large players finished products are

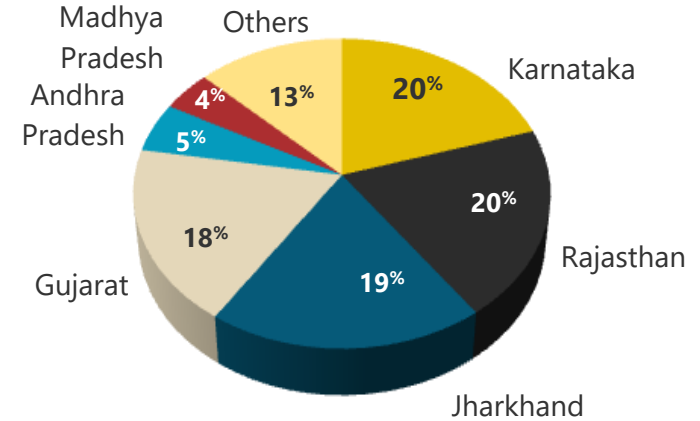
Aro granite industries limited

Pokarna Ltd

Bannari Amman Sugars Ltd

Pacific Industries Ltd

Statewise Granite Reserves



Source – Indian Mineral Yearbook 2020

Hosur Infrastructure

Slab Plant

Jumbomatic Gang saws	12
72 Wire Multi Wire Saw	1
20 Head Polishing Line	3
12 head Grinding line	1
Flaming machine	1
Epoxy lines	3

Tile Plant

53 Blade cutting Centre	4
Topping Centre	1
Calibration Line	1
Epoxy line	1
20 Head Polishing line	1
Cross cutting machine	4
Cleft/Split Machine	1

Cut to Size

CNC Machine	2
Edge Polishing	1

Quartz – 180,000 m²/year

Automatic Molding line	1
Calibration line	2



HOSUR – Gangsaws & Multi Wire Cutter



- 12 x Super Jumbo Gangsaws (4.5m)
- Suited for Cutting Most Granites



- 1 x Multi Wire (72 Wire)
- Suited for Fragile Granites, Quartzites, and Special Colours

HOSUR – Tiles

- 4 Multi Blade Block Cutting Centers
- Calibrated and Chemfered tiles
- Customised delivery for larger projects
- Over 25 years of experience in tiles

In 10mm, 13mm, 15mm, 20mm and 30mm	In 13mm, 15mm and 20mm	Special Sizes
305 x 305 mm		400 x 800 mm
305 x 610 mm	600 x 600 mm	600 x 900 mm
400 x 400 mm	610 x 610 mm	600 x 1200 mm
400 x 600 mm		300 x 900 mm
457 x 457 mm		



HOSUR – Quartz



HOSUR - Warehouse / Showroom

120,000 Square Feet of Display Space



Jaipur Plant

- Installed capacity of plant is 1,50,000 sq mtr pa
- Jaipur plant operating at full capacity

Slab Plant

72 Wire Multi Wire Saw	1
20 Head Polishing Line	1
12 head Grinding line	1
Epoxy lines	2
CNC Machine	1



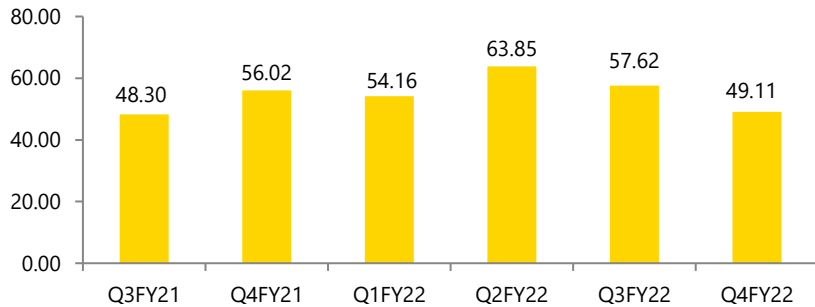
Financial Performance (Quarterly)

Particulars In Rs. Cr	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22
Sales	48.3	56.02	54.16	63.85	57.62	49.11
Operating Exp	43.92	47.77	46.38	54.53	52.51	42.94
EBITDA	4.51	8.49	7.91	11.29	6.32	5.92
PAT	1.05	2.77	2.97	4.96	1.13	-0.16
EBITDA Margins (in %)	9.35%	15.16%	14.60%	17.68%	10.97%	12.05%
Net Profit/Loss Margins (in %)	2.17%	4.95%	5.48%	7.77%	1.97%	-0.32%

Financial Overview (Quarterly)

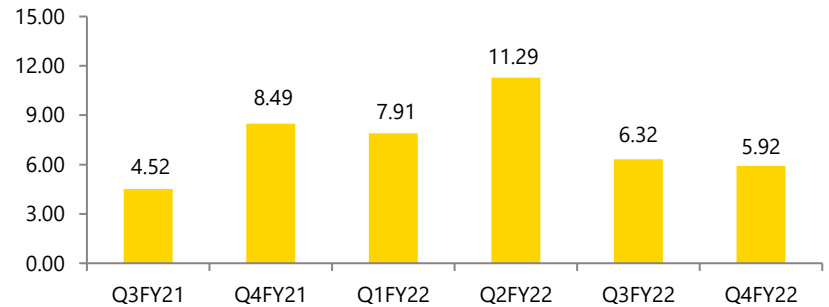
Revenues from operations

Figures in INR Cr.



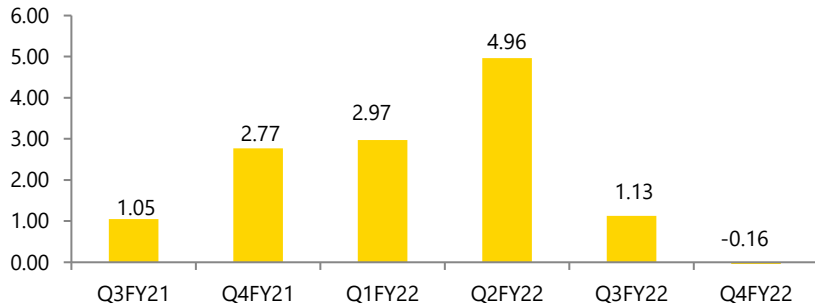
EBITDA

Figures in INR Cr.

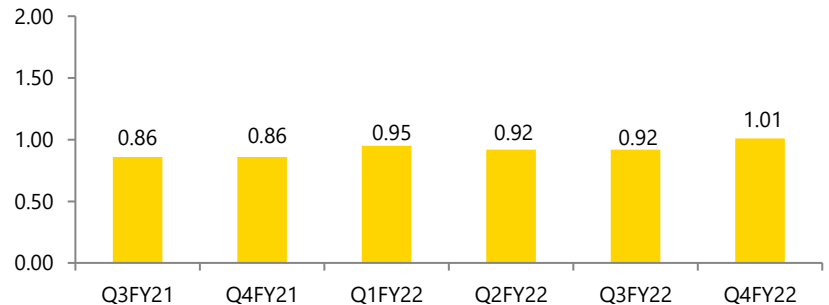


Profit After Tax

Figures in INR Cr.



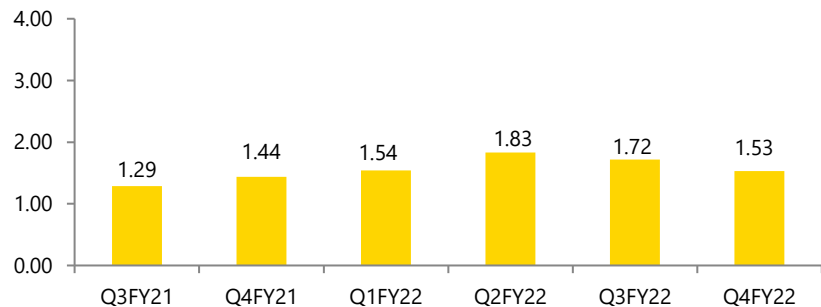
Debt to Equity Ratio



Financial Overview (Quarterly)

Sales Volume (Square Meters)

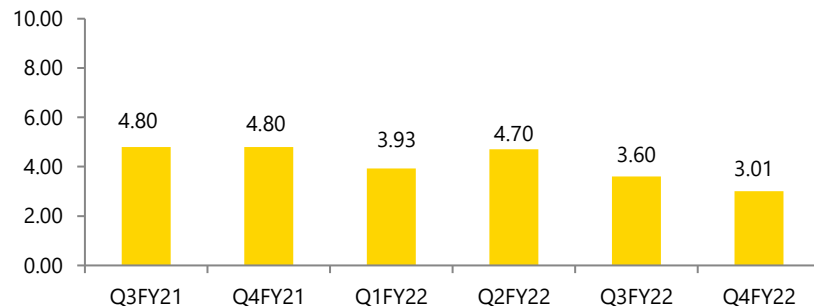
Figures in Lakh Sqm.



* Include sales of Quartz segment

Raw Material Consumption (Cubic Meters)

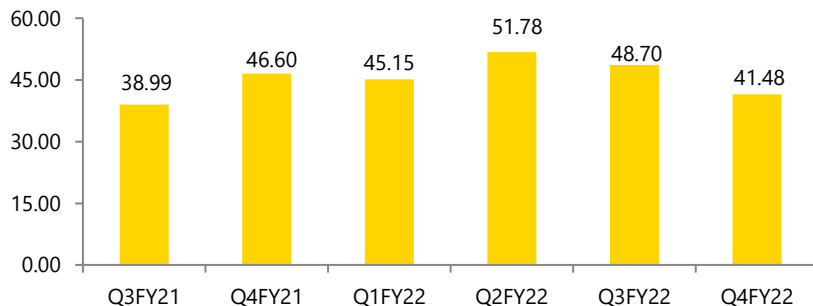
Figures in '000



* Does not include raw material consumption in Quartz segment

Segment Sales - Slabs

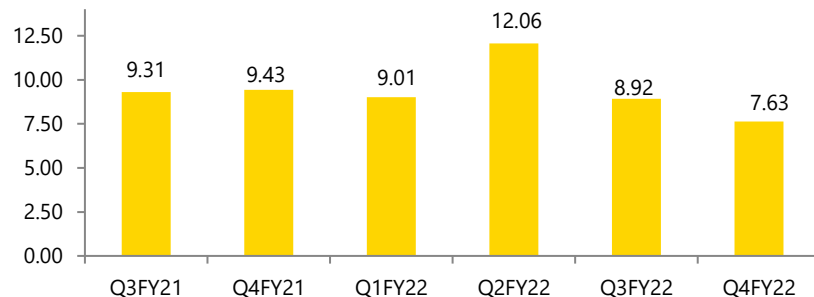
Figures in INR Cr.



* Include sales of Quartz segment

Segment Sales - Tiles

Figures in INR Cr.



Financial Highlights (Quarterly)

- Sales Decreased by 12.33% From 56.02 Cr in Q4 FY2020-21 to 49.11 Cr in Q4 FY2021-22
- EBITDA Decreased by 30.19% From 8.48 Cr in Q4 FY2020-21 to 5.92 Cr in Q4 FY2021-22
- From a profit of Rs 2.77 Cr in Q4 FY2020-21 there was a loss of 0.16 Cr in Q4 FY2021-22
- EBITDA Margins Decreased by 20.37% From 15.14% in Q4 FY2020-21 to 12.05% in Q4 FY2021-22

Operational Highlights - Yearly

- FY2022 started with second wave of covid – 19 and impacted our operations as workers returned to their hometown
- Our Jaipur plant is running at full capacity, we are adding more and more colors and increased our portfolio of colors
- We have added new Multiwire in our Jaipur plant and is expected to be operational by May 2022
- Initially the exports sales was disrupted significantly due to acute shortage of containers which led to multi-fold increase in shipping cost, we have mitigated rising cost issue to some extent with intense negotiation with our overseas customers and shipping lines
- The positive impact of Omicron ebbing were offset by the Ukraine War. The war has been a big disrupter for the demand in Europe and has again spiked the shipping costs to unsustainable levels
- Shipping rates increased substantially across all our markets for USA shipping rates crossed \$9,000 per TEU and for Europe rates crossed \$8500 per TEU which are 4-5X the normal rates and have hugely impacted the margins for distributors
- Our working capital was also blocked due to increased waiting time for empty containers as well as the extended sailing time from India to various destination increasing 2-4x
- Our business have been growing despite all the challenges and our Quartz plant is doing well

Country wise Exports FY2022

Exports FY2022

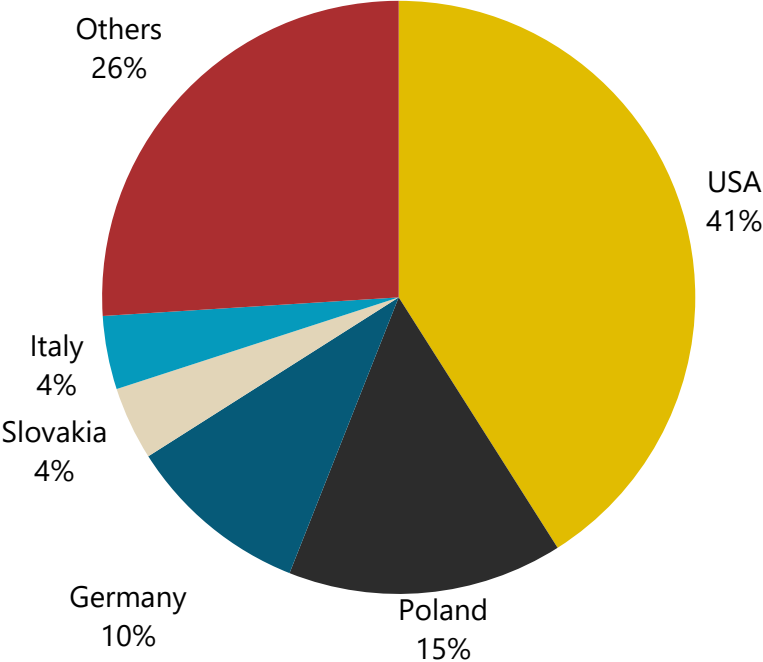
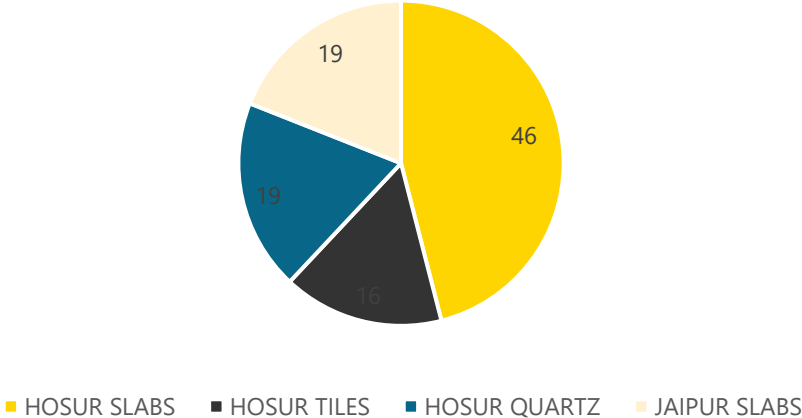


Chart Title



Jaipur

- Our initiative to start plant in Jaipur has been quite successful - It accounted for 19% of our sales in FY2022
- We are introducing more and more colors from our Jaipur unit and our product offering and portfolio of colors have increased significantly
- Our products from Jaipur plant have good demand in international market especially in North America
- Our plant in Jaipur reached full capacity we have started installing a new processing lines in existing plant
- The expansion was delayed due to Semiconductor shortage and ongoing shipping crises
- The new multiwire machine is now expected to be operational by May 2022

New Processing Facility (Quartz)

- Company has set up processing facility for Quartz in its existing plant in Hosur with capacity of 180,000 m² per Annum in the first phase
- The trial run was successfully completed in February 2021 and product found acceptance among our customers
- There is an uptick in the sales of our Quartz products and we expect our utilisation levels to further improve as the shipping rates normalise
- We are now launching more designs and are getting good traction on those from our customers

Outlook

1. In terms of milestones, FY2021-22 was a big year for company, with the launch of our Quartz plant
2. Globally there been a preference for Engineered Quartz vs natural stones and we expect our Quartz segment will contribute to our growth in coming years
3. Jaipur plant has been doing well and we have added one more line in our existing facility which is expected to be operational by May 2022
4. The Ukraine war has had an impact on demand in Europe and that has impacted our sales and profits in Q4 FY2022. The continuing uncertainty will have an impact on our sales in the current year
5. Container scarcity has greatly impacted our operations, our sales are getting delayed and working capital is blocked due to shortage of empty containers. This in turn has impacted our operating margins in the short term
6. The delay in shipping days has further exasperated and it is taking 2-3X more days to ship out the products. These delays in delivery are impacting new orders intake for us
7. We are confident of the demand for our products rebounding later this year as the shipping delays ease out and uncertainty driven by the Ukrainian war settling down

For any further information, please contact

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Registered Office: #1001, 10th Floor, DLF Tower A, Jasola , New Delhi - 110 025. (INDIA)

Corporate Office & Works: Koneripalli Village, Shoolagiri (Via), Hosur (TK) - 635 117, Tamilnadu, INDIA.

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