

To, The Listing Department <b>BSE Limited</b> Department of Corporate Affairs Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	To, The Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051
---	---

Dear Sir/Madam,

**Subject** :Investor Presentation for the quarter and nine months ended December 31, 2023.  
**Reference** :ISIN - INE02IJ01035; Scrip Id-544061; Scrip Code-AZAD

With reference to the subject cited, we are enclosing herewith Investor Presentation for the quarter and nine months ended December 31, 2023.

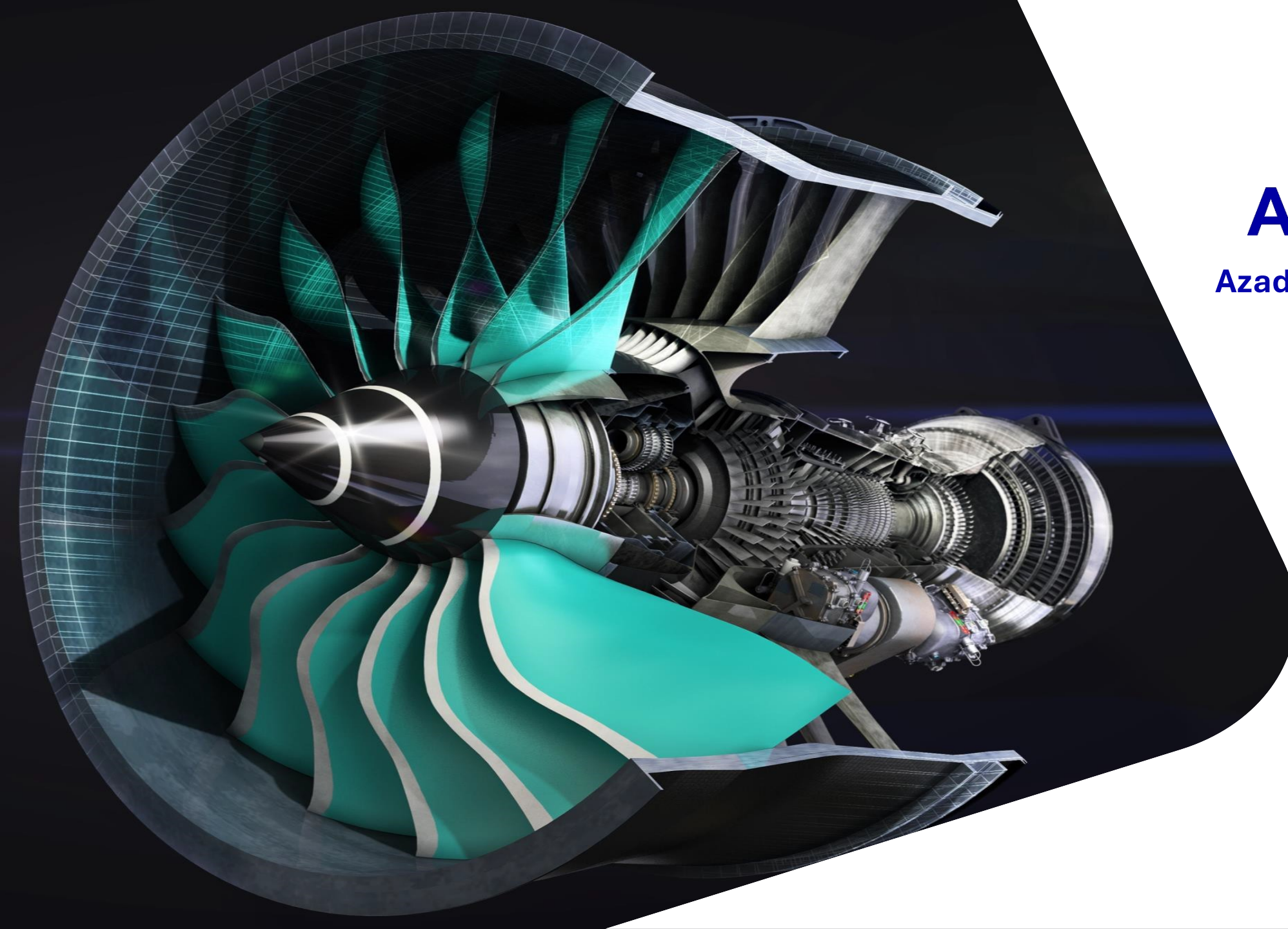
You are requested to please take the same in your record.

Thanking you,

Yours truly,

**For Azad Engineering Limited**

**Ful Kumar Gautam**  
(Company Secretary & Compliance Officer)  
Membership No.: A49550



**AZAD**

**Azad Engineering Limited**

Investor Presentation

February 2024

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Azad Engineering Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

Quarter gone by





## Q3FY24 - Highest ever quarterly performance

Rs. **892** Mn  
(49% YoY growth)

*Revenue*

Rs. **328** Mn  
(37% margin)  
(87% YoY growth)

*Adj EBITDA*

Rs. **327** Mn  
(37% margin)  
(88% YoY growth)

*Reported EBITDA*

Rs. **168** Mn  
(19% margin)  
(Over 3x YoY growth)

*PAT*

### Energy segment

Rs. **725** Mn  
Q3FY24 Revenue

**36%**  
YoY growth

**81%**  
Revenue contribution

### Aerospace & Defence segment

Rs. **153** Mn  
Q3FY24 Revenue

**157%**  
YoY Revenue growth

**17%**  
Revenue contribution

### Debt reduction

- As of September 30, 2023, the gross debt stood at Rs. 3,249 Mn
- By the end of December 31, 2023, past CCD investors had converted their investments into equity shares, amounting to Rs. 1,713 Mn. Consequently, the gross debt was notably reduced to Rs. 1,639 Mn.
- Additionally, utilizing IPO proceeds, the company has made further payments of Rs. 1,342 Mn year-to-date, leading to a reduction in gross debt to Rs. 300 Mn as of February 6, 2024
- Given this, the interest expenses in the business has drastically decreased which will be evident in Q4 FY24 and onwards

Remaining 2% of revenues comes from others  
Adjusted EBITDA: Calculated as EBITDA plus Provision for credit impaired trade receivable

# Performance Highlights



**Rakesh Chopdar  
Chairman & CEO**

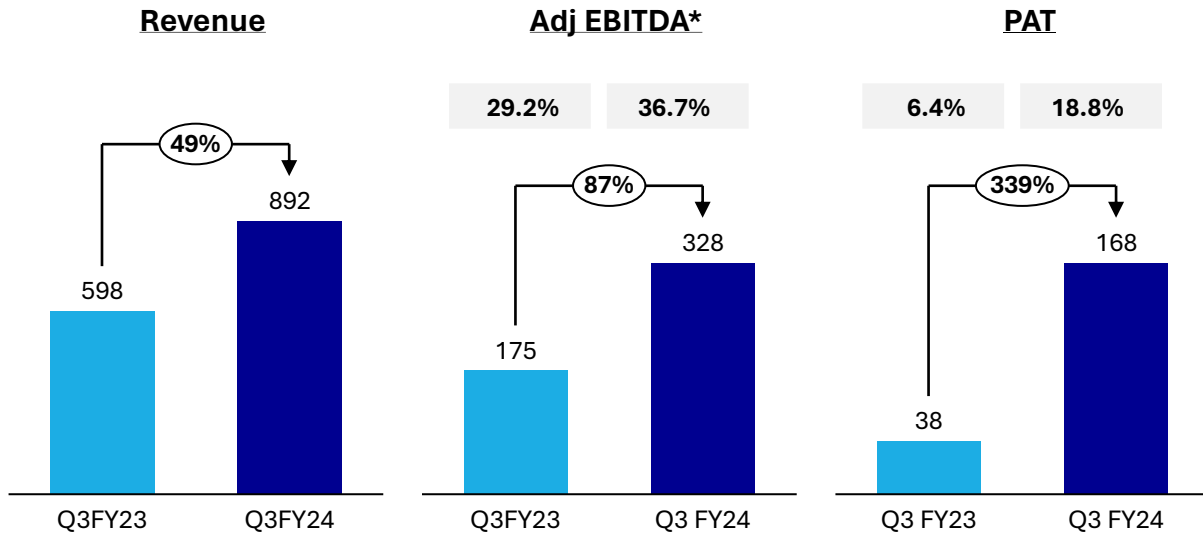


“We are happy to see an overwhelming response to our IPO. We thank all the shareholders for their faith in us. We welcome our new shareholders & congratulate every stakeholder of the company, i.e., employees, customers, business partners, bankers who made our IPO listing successful. The IPO has resulted in a strengthening of our balance sheet, which will contribute to better profitability through the reduction of interest costs and will also bolster our growth.

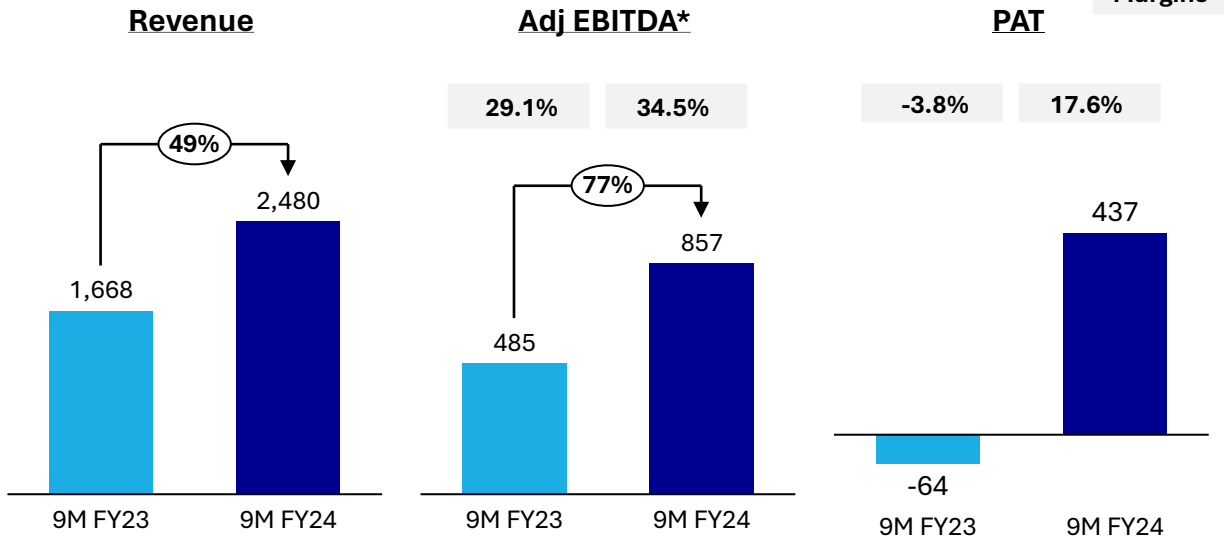
The culmination of our efforts over the course of many years has placed us on a fast growth trajectory. After achieving a topline growth of 43% (CAGR FY21-23), we delivered 49% YoY revenue growth in both Q3 FY24 and 9MFY24. This growth is marked by a 3x YoY growth in our Aerospace & Defense segment, which has been built based on our extensive experience in the Energy segment. Recently, we signed a 7-year contract with Rolls-Royce to produce / supply critical engine parts for their Defence/Military Aircraft engines. This contract which will give a fillip to our growth in the Aerospace & Defense segment. This prestigious contract is a testimony to our formidable capabilities in this space.

In the coming years, we expect the Aerospace & Defense business will contribute to our revenues on par with the Energy segment, with Oil & Gas coming in second.”

## Quarterly performance



## Nine-months performance



<sup>4</sup>Adjusted EBITDA: Calculated as EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, and COVID loss

# Revenue Mix



(Rs. Mn)	Q3FY24	Q3FY23	YoY	Q2 FY24	QoQ	9MFY24	9MFY23	YoY	FY23
<b>Revenue from operations</b>									
<b>Energy</b>	<b>725.3</b>	<b>534.7</b>	<b>36%</b>	<b>728.7</b>	<b>0%</b>	<b>2,134.1</b>	<b>1,502.4</b>	<b>42%</b>	<b>2,190.8</b>
Domestic	60.4	93.0		59.8		152.3	241.4		341.7
Exports	664.9	441.7		668.9		1,981.8	1,261.0		1,849.1
<b>Aerospace &amp; Defence</b>	<b>152.7</b>	<b>59.5</b>	<b>157%</b>	<b>81.9</b>	<b>86%</b>	<b>289.6</b>	<b>146.2</b>	<b>98%</b>	<b>225.3</b>
Domestic	31.2	12.6		15.5		61.1	36.7		51.4
Exports	121.6	46.9		66.5		228.5	109.5		173.9
<b>Others</b>	<b>14.2</b>	<b>3.8</b>	<b>273%</b>	<b>17.7</b>	<b>-20%</b>	<b>56.0</b>	<b>18.9</b>	<b>196%</b>	<b>100.6</b>
Domestic	14.2	3.8		17.7		56.0	18.9		100.6
<b>Total</b>	<b>892.3</b>	<b>598.0</b>	<b>49%</b>	<b>828.4</b>	<b>8%</b>	<b>2,479.7</b>	<b>1,667.6</b>	<b>49%</b>	<b>2,516.7</b>
Domestic	105.7	109.4		92.9		269.4	297.1		493.7
Exports	786.5	488.6		735.4		2,210.3	1,370.5		2,023.0

# Profit & Loss Account



(Rs. Mn)	Q3FY24	Q3FY23	YoY	Q2 FY24	QoQ	9MFY24	9MFY23	YoY
<b>Revenue from Operations</b>	<b>892.3</b>	<b>598.0</b>	<b>49%</b>	<b>828.4</b>	<b>8%</b>	<b>2,479.7</b>	<b>1,667.6</b>	<b>49%</b>
Consumption	103.3	79.7		121.2		302.3	195.3	
Employee expenses	208.4	139.4		182.9		546.1	419.4	
Other Expenses	252.9	204.0		258.8		774.8	567.9	
<b>(A) Adj EBITDA</b>	<b>327.6</b>	<b>174.9</b>	<b>87%</b>	<b>265.5</b>	<b>23%</b>	<b>856.5</b>	<b>484.9</b>	<b>77%</b>
<b>Adj EBITDA Margin</b>	<b>36.7%</b>	<b>29.2%</b>		<b>32.1%</b>		<b>34.5%</b>	<b>29.1%</b>	
(B) Non - Recurring Expenses – other exp	0.3	1.2		2.7		4.2	66.6	
(C) Reported EBITDA (A-B)	327.4	173.7	88%	262.9	25%	852.3	418.4	104%
Reported EBITDA Margin	36.7%	29.0%		31.7%		34.4%	25.1%	
(D) Other income - recurring	8.8	25.2		8.3		18.6	38.9	
(E) Depreciation and amortisation expense	52.3	41.5		50.7		150.7	124.4	
(F) Finance cost - recurring	60.5	33.3		56.6		159.4	169.7	
<b>(G) Adj Profit before tax (A + D - E - F)</b>	<b>223.7</b>	<b>125.4</b>		<b>166.6</b>		<b>565.0</b>	<b>229.8</b>	
(H) Finance cost - non-recurring	133.3	94.7		60.8		252.9	242.5	
(I) Other income - one time	175.6	0.0		98.0		273.7	9.6	
Profit before Tax (G + I - B -H)	265.8	29.5	801%	201.1	32%	581.6	-69.7	nm
Tax	97.8	-8.8		6.7		145.1	-6.2	
<b>Profit After Tax</b>	<b>168.0</b>	<b>38.3</b>	<b>339%</b>	<b>194.5</b>	<b>-14%</b>	<b>436.5</b>	<b>-63.5</b>	<b>nm</b>
<b>Profit After Tax Margin</b>	<b>18.8%</b>	<b>6.4%</b>		<b>23.5%</b>		<b>17.6%</b>	<b>-3.8%</b>	

- Non-recurring expenses include:
  - Fire related expenses
  - Provision for credit impaired trade receivable
- Non-recurring other income includes:
  - Q2FY24 - gain on sale of land & profit on sale of investment in subsidiary
  - Q3FY24 - Un-winding of Piramal transaction – Ind AS impact
- Non-recurring finance cost includes:
  - Interest on optionally & compulsory convertible debentures
  - IND-AS Impact of Bank Term loan Closure
  - Premium on redemption of debentures

## Key Highlights

- On the balance sheet front, the company has reduced debt owing to
  - Conversion of high cost CCDs
  - Debt reduction using IPO proceeds
- In Q4FY24, the company expects to reduce quarterly finance cost to a third
- Due to process improvements, other expenses as percentage of sales reduced by 5% points from 34% (Q3FY23) to 29% (Q3FY24)





**Net Proceeds from IPO – Rs.2,227.49 Mn**

**Rs. 604 Mn**  
**Funding Capital Expenditure**

**Rs. 1,382 Mn**  
**Repayment of borrowings in part or full**

**Rs.242 Mn**  
**General Corporate Purpose**

# Company Overview



**Preferred name in the manufacturing of highly-engineered, complex and mission & life-critical components**  
**Supplying to highly regulated industries having significant entry barriers**



**15 years in operations**



**Substantial experience as Tier 1 supplier**



**Sales in 15 countries**



**~80% export revenue**



**~1,400 qualified parts and Components**



**~45 qualified manufacturing processes**



**~20,000 sqm manufacturing area**

**3.09mn units<sup>1</sup>**  
*parts delivered, some with Zero parts per million defects requirement*



**Stringent vendor qualifications taking up to 30-48 months**

Rs. <b>2,517</b> Mn (29% YoY growth) <b>Revenue</b>	Rs. <b>796</b> Mn (31.6% margin) <b>Adj EBITDA</b>	Rs. <b>2,480</b> Mn (49% YoY growth) <b>Revenue</b>	Rs. <b>857</b> Mn (34.5% margin) <b>Adj EBITDA</b>
FY23		9MFY24	
<b>Consistent financial performance</b>			

### End-markets with massive TAM



**Aerospace & Defence**

FY27 TAM

INR 1,530 bn

- ✓ Components supplier to **six of the key manufacturers** in aerospace & defence industries
- ✓ Supplier to **major commercial aircraft manufacturers**

**Customers:** Honeywell General Electric Eaton Aerospace



**Energy**

FY27 TAM

INR 283 bn

- ✓ Components supplier to **five of key manufactures** in turbine manufacturing industry
- ✓ Supplier to customers which **control c. 70%** of the gas turbine market globally<sup>2</sup>

**Customers:** Siemens Energy Mitsubishi MAN  
 General Electric Heavy Industries Man Energy Solutions Honeywell



**Oil & Gas**

FY27 TAM

INR 730 bn

- ✓ Components supplier to **one of the global manufacturers** in the drilling equipment manufacturing industry

Source: EY Report, DRHP; Notes: Amounts are rounded off; <sup>1</sup>Between FY09 to FY23; <sup>2</sup>Based on orders in H1FY22;; <sup>3</sup> as of March 31 2023

<sup>4</sup>Adjusted EBITDA: Calculated as EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and COVID loss

## Energy and Oil & Gas Industry

Product Category	Products					End-Use Industry/Application
 <p>Nuclear Power Turbine – Turbine Airfoil Assembly</p>	<p>Fixed Airfoil</p> 	<p>Last Stage Airfoil – Rotary &amp; Welding Chamfers</p> 	<p>Last Stage Airfoil - Stationary</p> 	<p>Electric Power Generation</p> 		
 <p>Hydrogen / Natural Gas Turbine – Turbine Airfoil Assembly</p>	<p>Stator &amp; Rotor Airfoils</p> 	<p>Compressor Airfoils</p> 	<p>Hot Gas Parts</p> 	<p>Combined Heat &amp; Power Plants</p> 		
 <p>Thermal Power Turbine – Turbine Airfoil Assembly</p>	<p>Fixed, Moving and Last Stage Airfoil/Blade</p> 					<p>Renewable Energy Integration</p> 
 <p>Oil &amp; Gas – Up &amp; Mid Stream Subsystems</p>	<p>Slips</p> 	<p>Drill Bits</p> 	<p>Hatch Cover</p> 	<p>Bonnet</p> 	<p>Frame</p> 	<p>Industrial Applications</p>  <p>Marine Propulsion</p>  <p>District Heating &amp; Cooling</p>  <p>Waste-to-Energy</p>  <p>Desalination Plants</p> 
					<p>Discovery &amp; Extraction of Fossil Fuels</p> 	

## Aerospace and Defence Industry

### Product Category



**Aero Engine Assembly**



**Auxiliary Power Unit ("APU")**



**Air Generation & Valve Assembly**



**Actuator & Hydraulic Systems**



**Airframes & Booster**

### Products

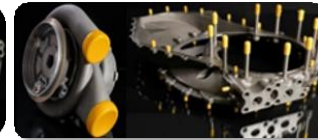
Airfoils, Unison Rings, Arm, Levers



Body, Assembly



Housing, Compressor & Mount



Body, Valve



Plate Butterfly



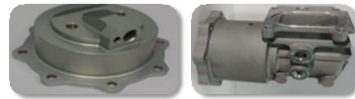
Seal, Shaft & Bearing Rod



Piston Plate, Sealing Ring



Cover & Housing, Actuator



Guide, Poppet



Tees & Elbows



Nipples & Adaptors



Aft & Fore End Skirt



BB2KP Base



B1 Ignitor Body - 1 & 2



### End-Use Industry/Application

**Business Jet Aircrafts**



**Commercial Aircrafts**



**Defence Aircrafts**



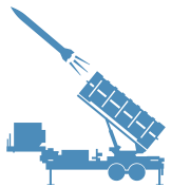
**Training Jet Aircrafts**



**Helicopters**



**Defence and Missile Manufacturing**



# Azad's products are project, machine and life critical with stringent quality requirements



## No defects are affordable

- Components manufactured by Azad have Zero PPM requirements
- Any defects can cause equipment failure and potential loss of life and machine



## Critical for performance

- Fuel efficiency of a turbine is highly dependent on Airfoils
- Minor deviations in design could lead to significant detrimental impact on fuel consumption

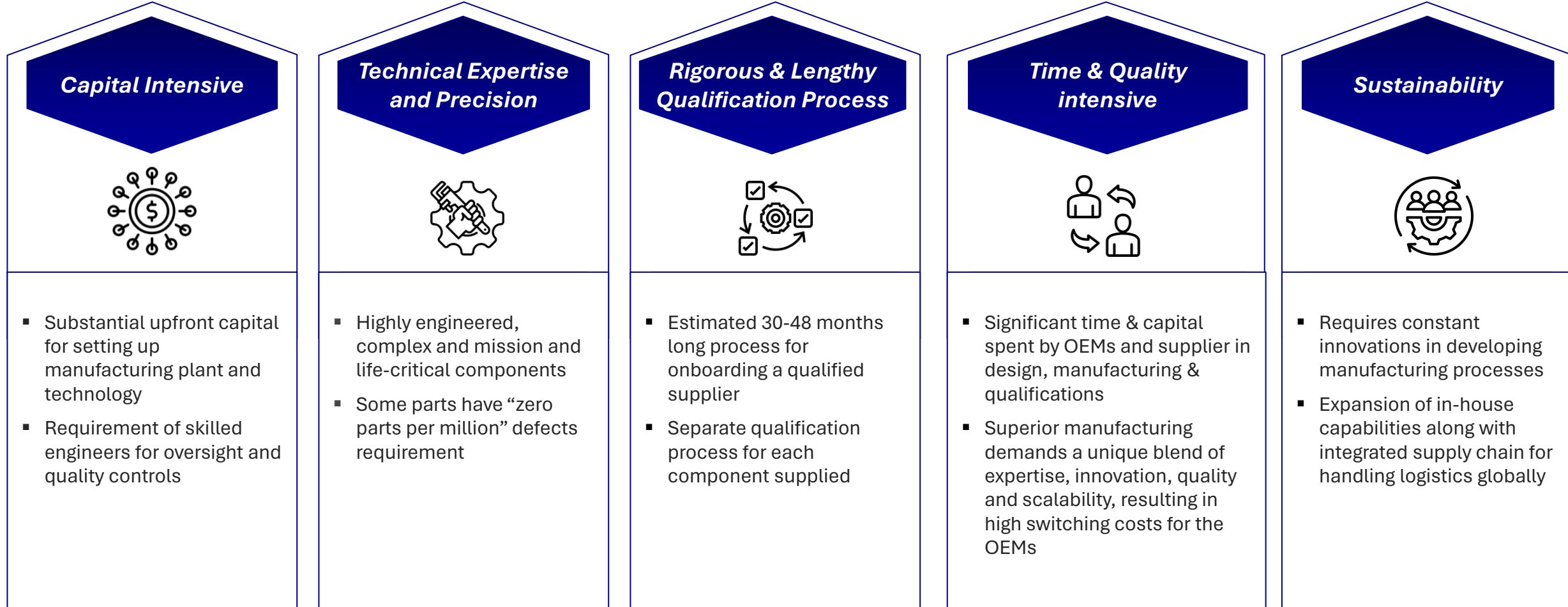


## Consistency in quality is the key

- Components are manufactured using exotic alloys such as Titanium and Inconel
- Difficult to machine and have to maintain low tolerances
- Constant innovation is required to stay ahead of the curve

# Significant Entry Barriers at Each Stage

**Azad has delivered over 3 million mission critical parts with Zero parts per million defects requirement to its customers. It has demonstrated efficiencies pursuant to machining time reduction and adherence to strict quality, resulting in a massive competitive edge.**

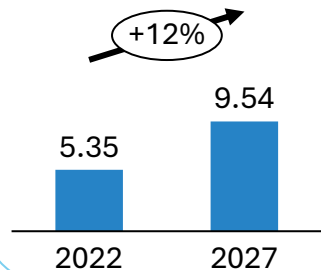


## Azad is a supplier to six of the key manufacturers in aerospace and defence industry

### Growth Drivers

- Opportunity to increase wallet share by entering into adjacencies
- Rise in Defence spending with focus on modernization and advanced aircrafts
- Technological advancements for next generation engines
- Increasing demand for commercial aircrafts

### Global air traffic (RPK bn)



- Dominated by Boeing and Airbus SE with over 91% market share
- 12,000 units of backlog order with ~87% of narrow body aircrafts like Airbus A220, A320 and Boeing 737

### Key components used in an aircraft

#### 1. Outer Structure

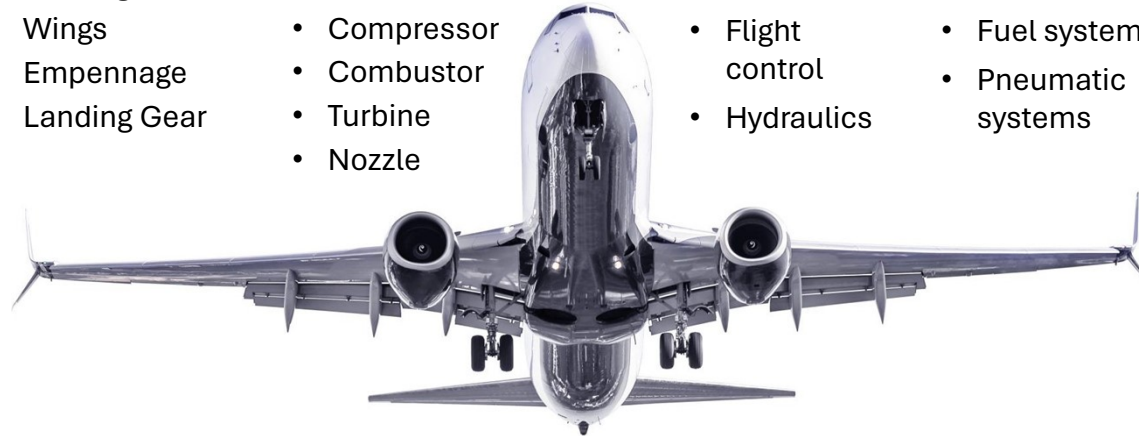
- Fuselage
- Wings
- Empennage
- Landing Gear

#### 2. Engine Parts

- Fan
- Compressor
- Combustor
- Turbine
- Nozzle

#### 3. Operational Systems

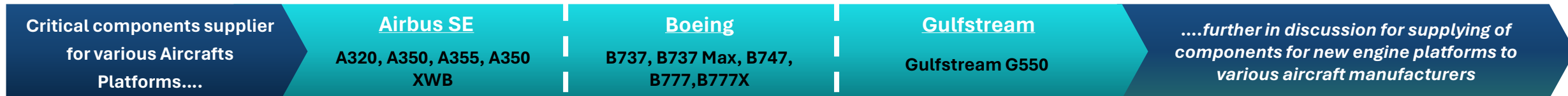
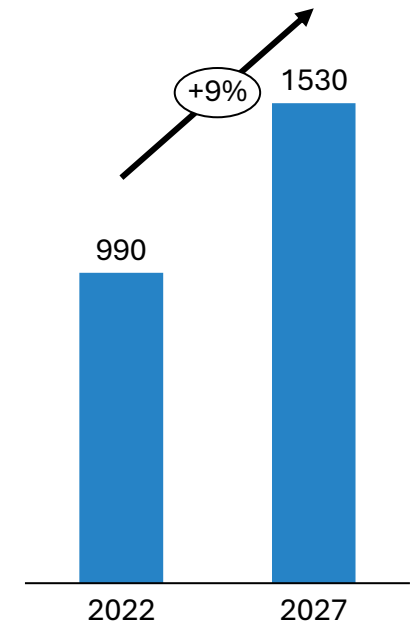
- Avionics
- Flight control
- Hydraulics
- Rotary wings
- Fuel system
- Pneumatic systems



Scope to deepen our presence into other areas of engine & operational systems

### Addressable market Aerospace & Defence<sup>1</sup>

Rs. bn



Source: EY report

RPK = Revenue Passenger Kilometer; <sup>1</sup>Includes the market for five key players: Eaton Corporation Plc, The Boeing Company, Honeywell International Inc., GE Aerospace & HAL

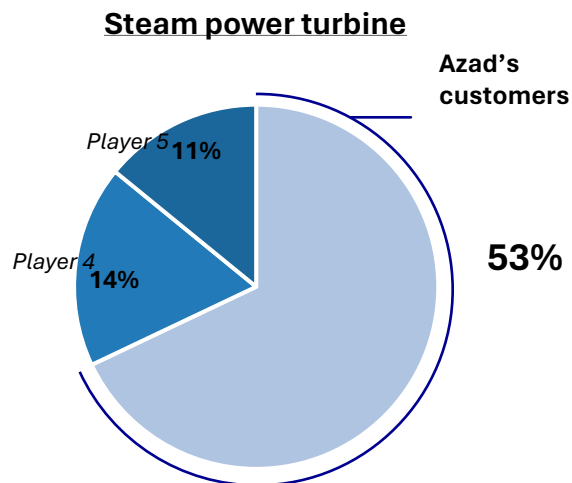
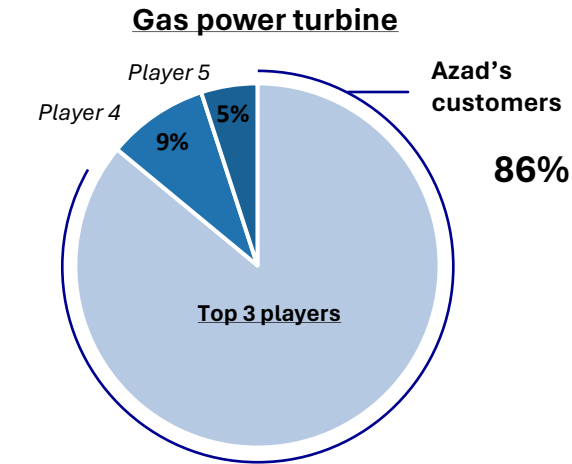


# Critical Source Supplier to OEMs with High Global Market Penetration – Energy Turbine Industries



**Azad, being a critical components supplier, is a key link in the global supply chain for the OEMs**

## Azad's customer market share in Global turbine components<sup>1</sup>



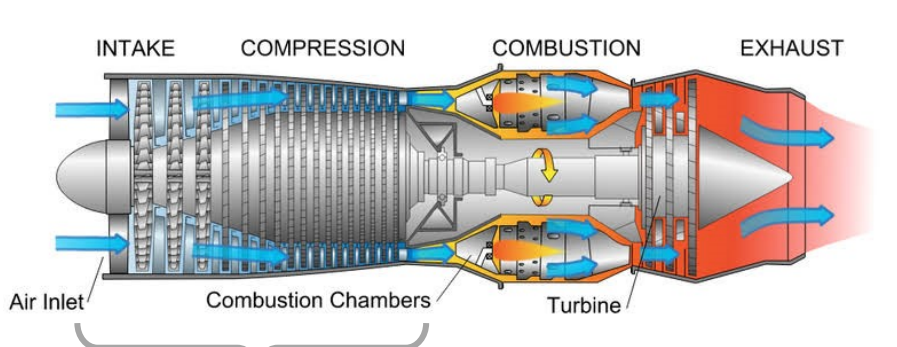
**Rs. 283 Bn (2027)**  
**Overall global energy turbine components market**

### Growth Drivers

- Opportunity to penetrate existing customers by entering into new component lines
- Demand for turbines in Industrial applications
- Replacement market for turbines given their limited operational lifespan
- Continued support of conventional energy to supplement renewable sources

- Supplier to five of the key manufacturers in the turbine manufacturing industry
- Supplier to key OEMs controlling ~70% of the gas turbine market share

### Key segments in a power turbine

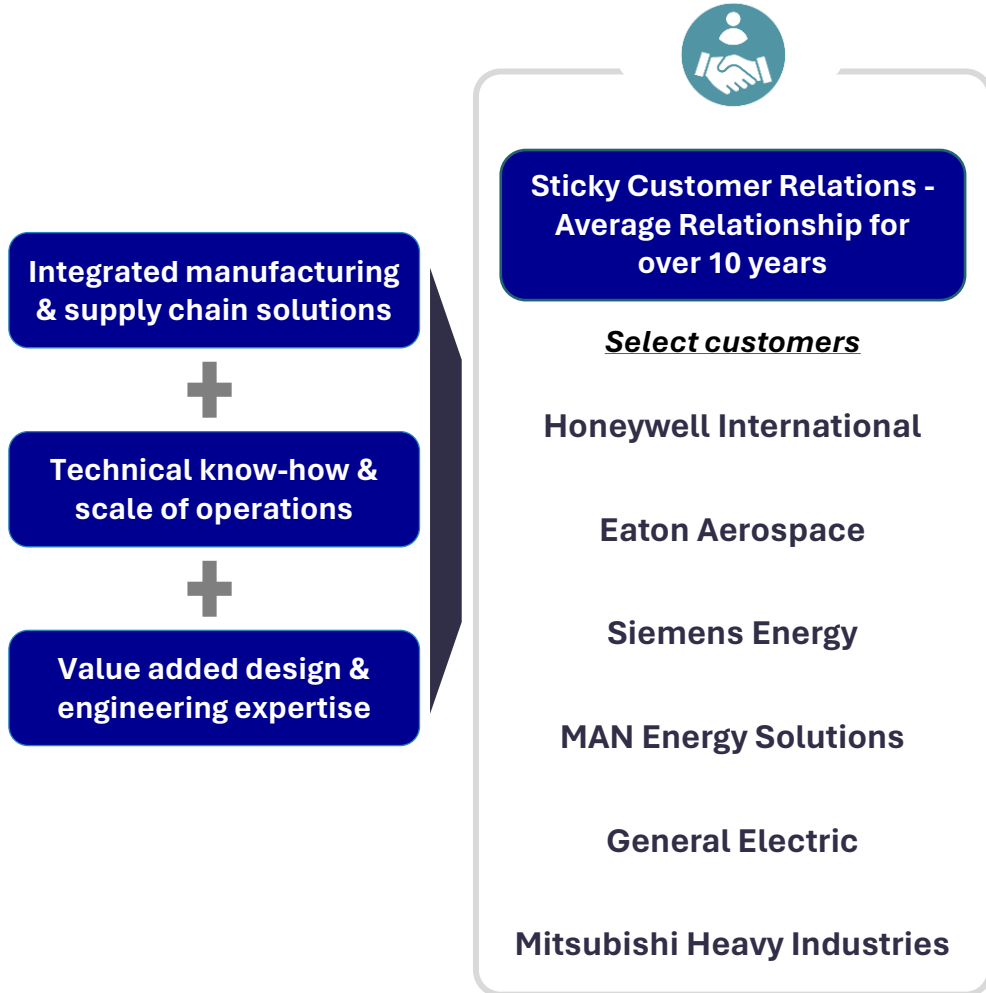


**Azad has seen increase in the market share of airfoils having supplied 3.09 million from FY09 - FY23**

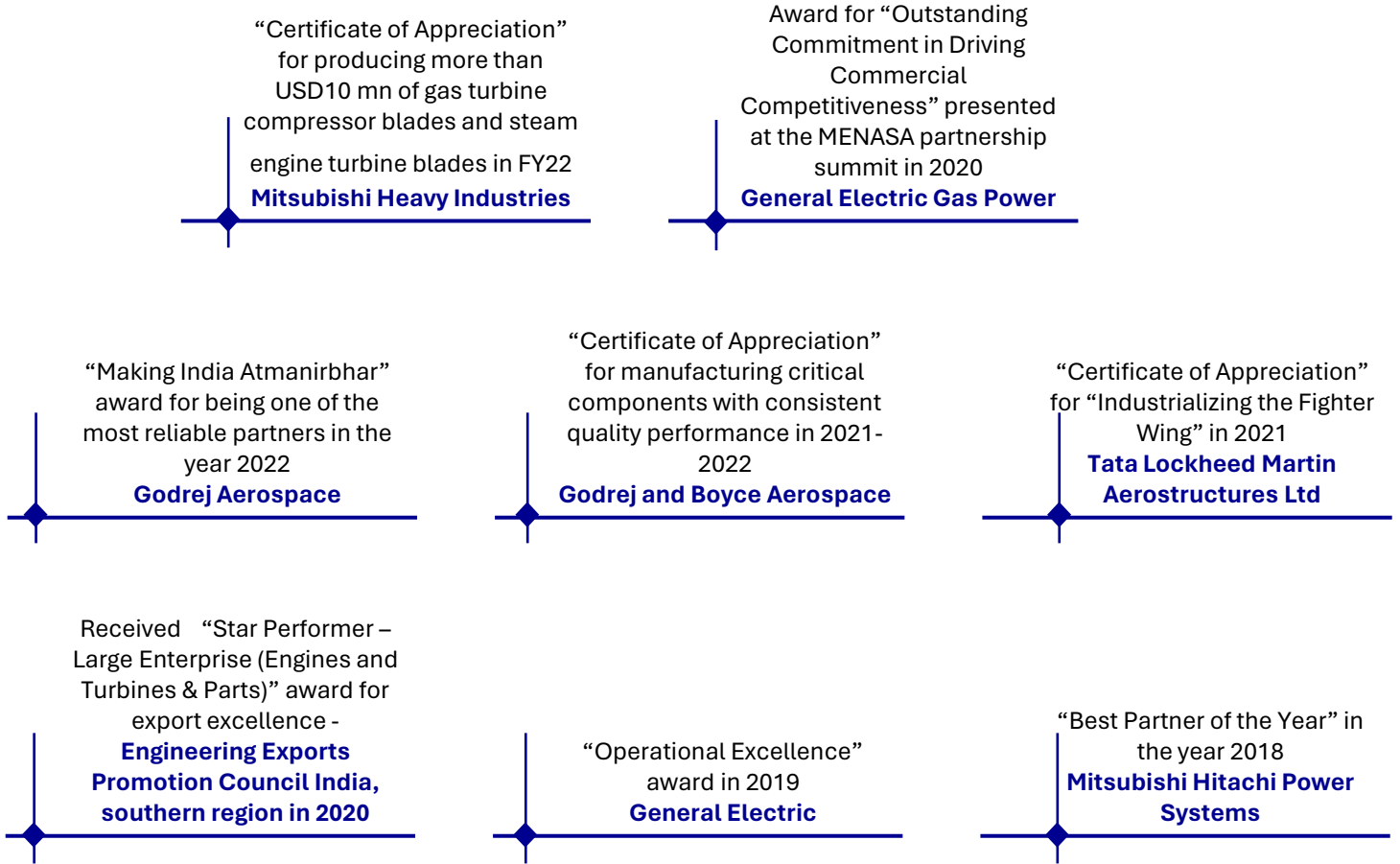
Note: <sup>1</sup> Basis H1CY22 Orders; Source: EY Report

# Long-standing and Deep Customer Relationships With OEMs

As a strategic and growth partner to customers across highly regulated industries, Azad enjoys long-term relationships with high customer stickiness and a high percentage of repeat business, which allows us to have long-term contracts, a stable customer base and strong visibility on long term revenue.



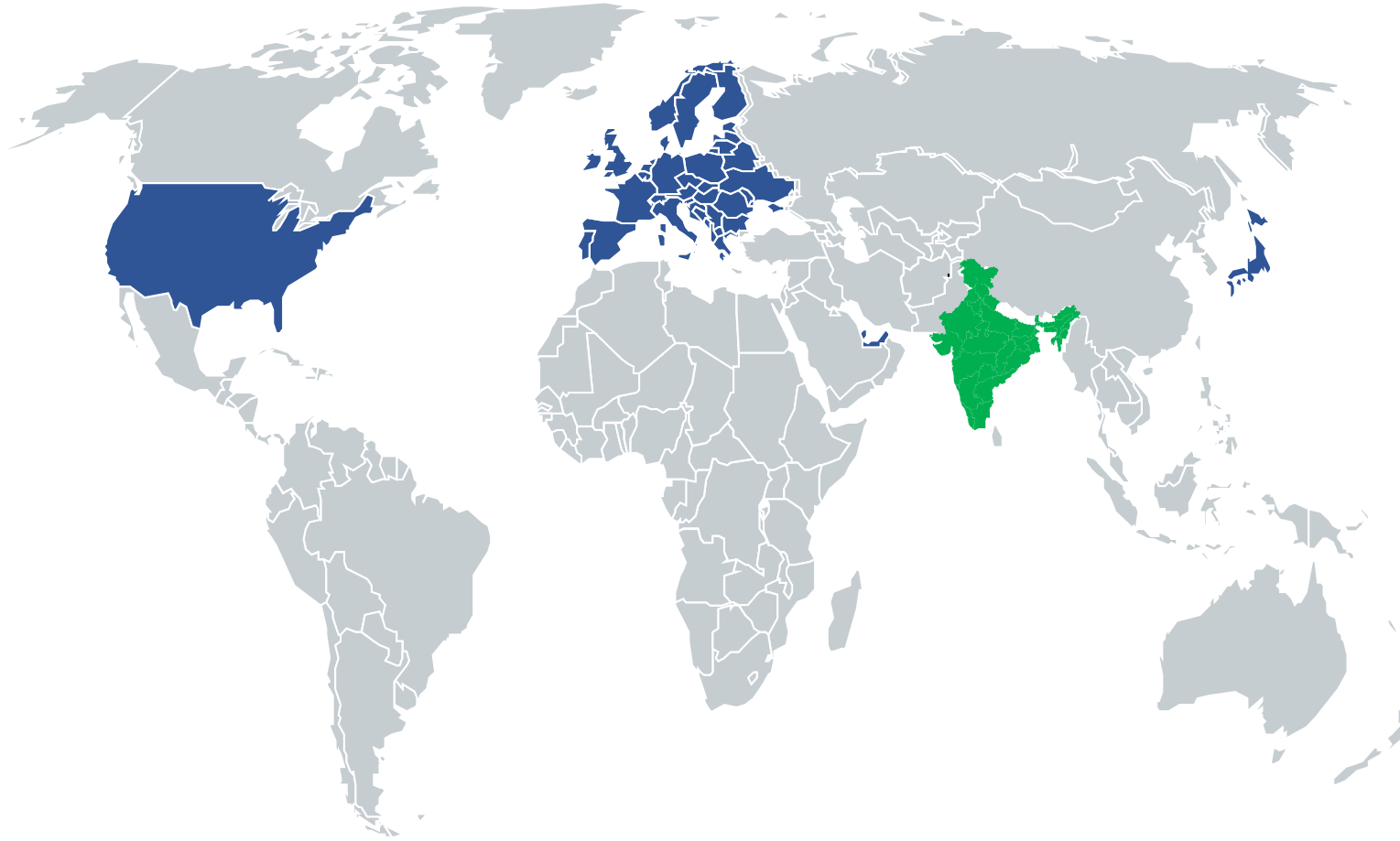
## Awards And Accolades From Select Customers



# Well-diversified Business with Global Operations



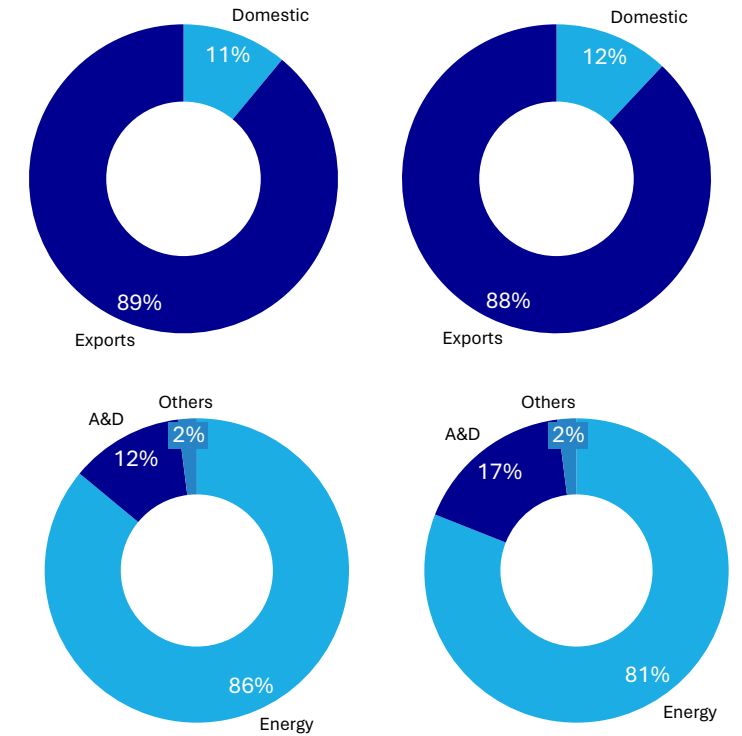
Azad caters to multiple customers across the globe has average relationship for over 10 years with key customers



## Revenue Breakup

9MFY24

Q3FY24



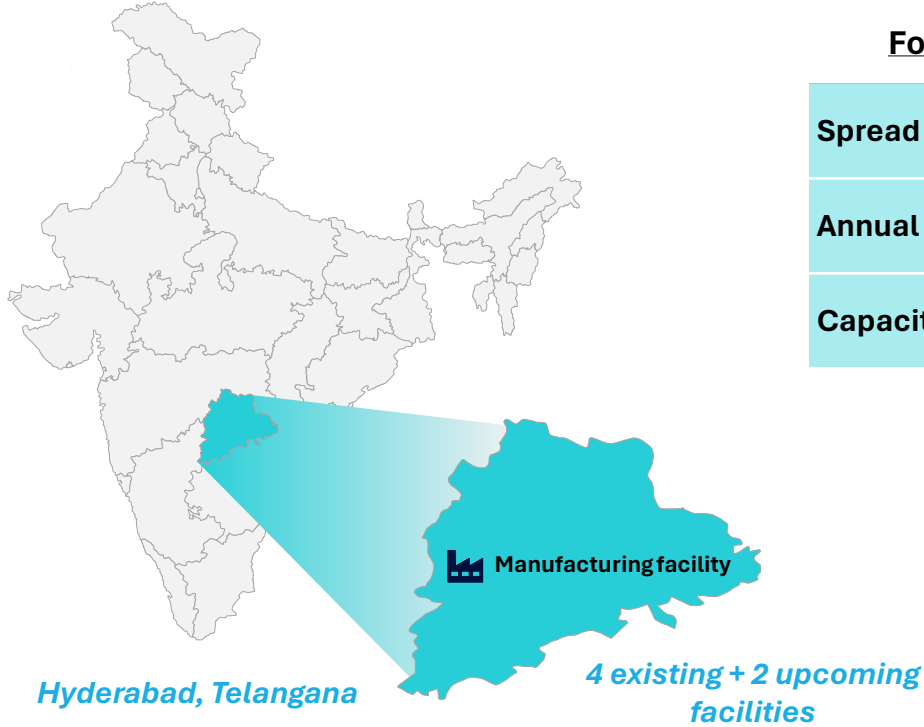
### Exports to 15+ countries

1) Japan	6) Switzerland	11) Sweden
2) USA	7) UK	12) South Africa
3) India	8) Hungary	13) Poland
4) UAE	9) France	14) Saudi Arabia
5) Germany	10) Italy	15) Singapore

# Advanced Manufacturing Facilities With Focus on Innovation and Cost Competitiveness



**Azad's all facilities (except which are earmarked for specific clients) are fungible in nature**



**Skilled workforce of ~1,300 personnel**

## International & Domestic Accreditations



### Four manufacturing facilities in Hyderabad

<b>Spread across</b>	20,000 Sq.mts
<b>Annual installed capacity</b>	158,356 hours per annum
<b>Capacity Utilization</b>	88.51% per annum

### Facilities in Pipeline

Facility 1	Facility 2
~95,000 Sq.mts	~75,000 Sq.mts

### Leveraging & expanding advanced in house machining capability

- 5-Axis CNC milling, Ultra precision turning and grinding machines
- Precision forgings with Shot peening using 7-axis Robotic machines
- Special processes for metal joining, heat treatment and painting & coating

### Robust quality system using modern and best practice standards

- Acceptance testing using techniques like Hydro testing, Pneumatic Testing, Static Balancing, etc.
- Superior quality checks for Non-Destructive Testing using tests like chemical analysis, ultrasonic testing, metallurgical analysis

# Experienced Promoter and Board of Directors....



**Rakesh Chopdar**  
*Chairman & CEO*

- Involved with Azad since 2003 with two decades of experience
- Bestowed “*Young Asian Entrepreneur 2019-20*” by CNBC – TV18 in 2020
- Received first prize in National MSME Award -2022 from Government of India



**Jyoti Chopdar**  
*Whole-Time Director*

- Passed the examination for bachelor’s degree in arts from the Kurukshetra University
- Associated with Azad for over 8 years and is actively involved in the Company’s general administrative activities



**Vishnu Malpani**  
*Whole-Time Director*

- Holds a bachelor’s degree in technology from IIT, Guwahati
- Previously worked with Wipro Technologies, Jubilant MotorWorks Private Limited, Visaka Industries Limited
- Associated with Azad for over 3 years



**Michael Joseph Booth**  
*Independent Director*

- Holds a higher national diploma in mechanical engineering from Kilmarnock Technical College
- Previously worked with GE Caledonian Ltd and in Turbine Services Ltd (owned by Chromalloy)



**Subba Rao Ambati**  
*Independent Director*

- Holds a bachelor’s degree of Pharmacy (Hons.) from BITS and diploma in business management from the Indian Merchants’ Chamber, Bombay
- Previously worked with Mars Therapeutics & Chemicals Limited



**Madhusree Vemuru**  
*Independent Director*

- Holds a bachelor’s degree in science from Rani Durgavati Vishwavidyalaya, Jabalpur
- Admitted to Bar Council of India of the State of Andhra Pradesh
- Previously worked with Andhra Paper Limited and Dr. Reddy’s Foundation

## ...with Strong Management Team



**Ronak Jajoo**  
*Chief Financial Officer*

- Passed the examination for post graduate degree in business management
- Associated with Azad since 2021



**Ashok Gentyala**  
*Head - Engineering & Operations*

- Holds a diploma in mechanical engineering
- Associated with Azad since 2008



**Balaji PR**  
*Head – Business Growth*

- Previously worked with Miranda Tools, Helix Tools, Godrej & Boyce Manufacturing Co. Pvt. Ltd
- Associated with Azad since 2018



**Dinesh J Shetty**  
*Head – Supply Chain*

- Holds bachelor's degree in technology (mechanical engineering)
- Associated with Azad since 2019



**Atin Agarwal**  
*Head – Analytics & IT*

- Holds master's degree in science
- Associated with Azad since 2016



**Matthew Richard Childs**  
*Head – Program Management*

- Previously worked with Alstom Power and Demag Delaval Industrial Turbomachinery Limited (Siemens)
- Associated with Azad since 2023



**Silpa Kanaka Bellamkonda**  
*Head – Quality Management Systems*

- Holds a master's degree in science (computer application)
- Associated with Azad since 2010



**Ful Kumar Gautam**  
*Company Secretary & Compliance Officer*

- Associate member of the Institute of Company Secretaries of India
- Associated with Azad since 2018



# Way Forward



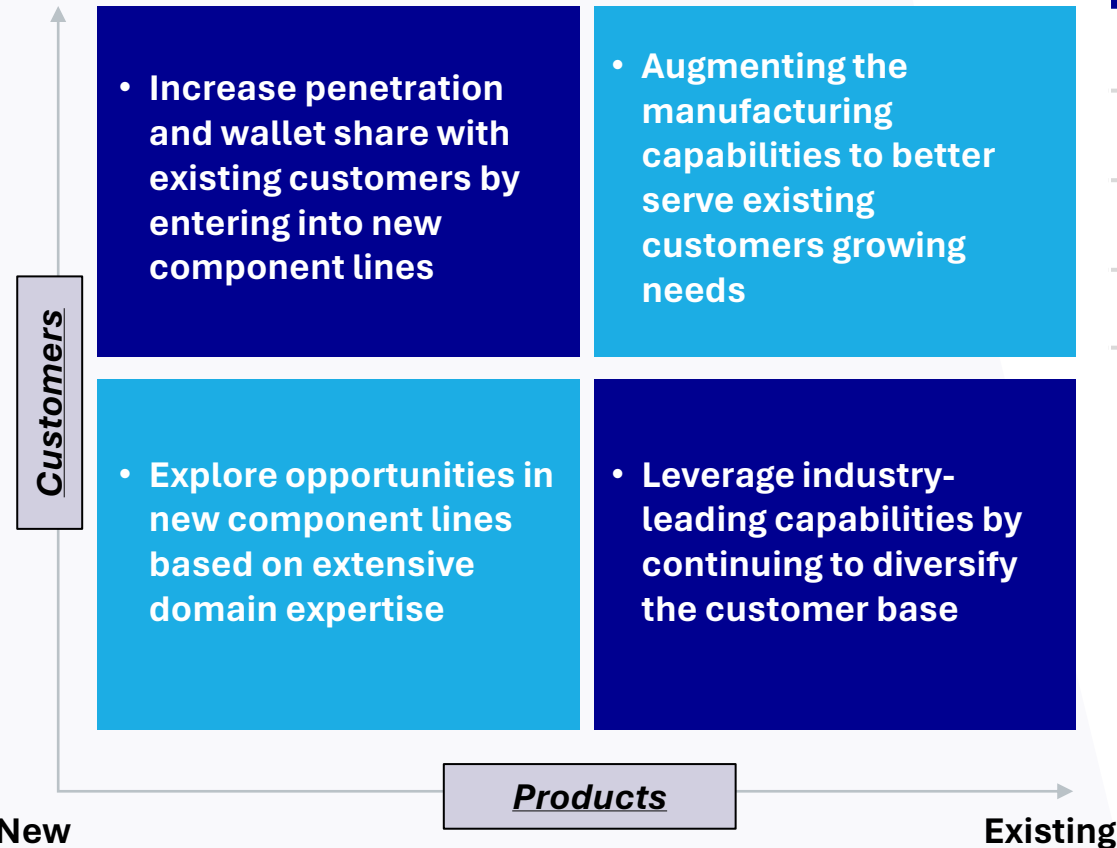
# Unique positioning of



## Best-in-class engineering portfolio lending a strong moat with significant entry barriers

- ↪ **Supplier of choice** to highly regulated industries
- ↪ Producer of **mission critical components**; High complexity and precision requirements
- ↪ **Long haul journey** with vendor qualifications taking up to 30-48 months
- ↪ **High upfront investment**

Existing



## Organizational capabilities aligned with strategic priorities

- ↪ Promoter with **more than 2 decades of experience**
- ↪ **Experienced senior management** with technical know-how & strong customer understanding
- ↪ Long-standing and **deep customer relationships with OEMs**; Record orderbook, multiyear contracts
- ↪ Consistent delivery of **profitable growth** with a high focus on operational excellence
- ↪ **Strong balance sheet**

## Uniquely positioned to meet complex engineering requirements of energy sector for today... and for the A&D and O&G sectors in the near future

- ↪ **Proven highly complex portfolio** in Energy Space (Airfoils) acting as a testimony for Aerospace & Defence and Oil & Gas sectors
- ↪ Resilient and **growing end markets**; Huge replacement demand
- ↪ Geared for the future with **upcoming capacity expansion**



# Historical financials



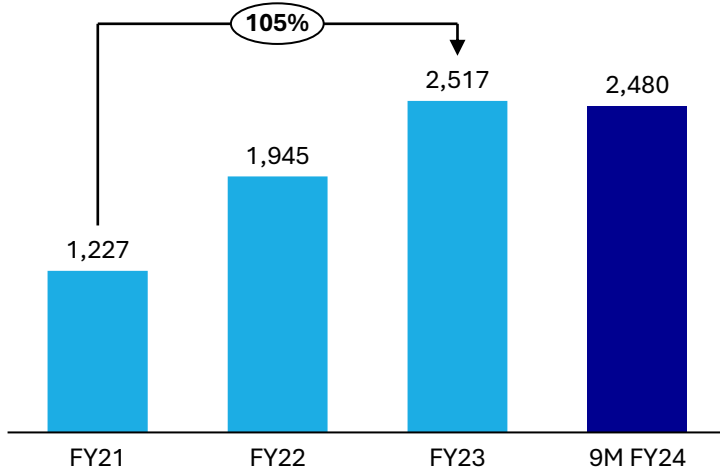
# Consistent Track Record of Financial Performance



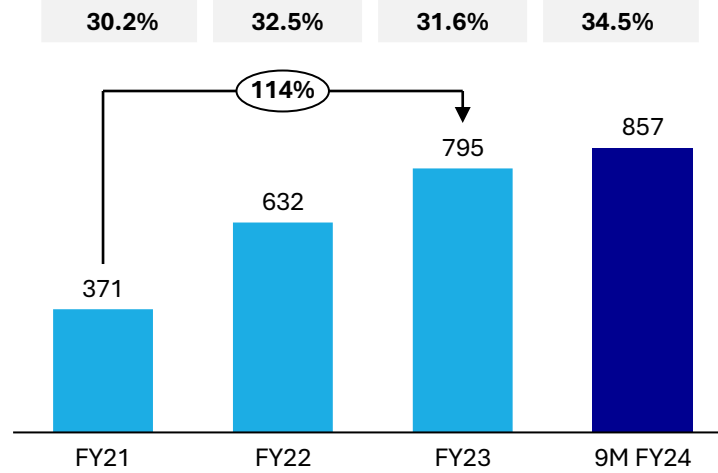
## Margin

In Rs. Mn

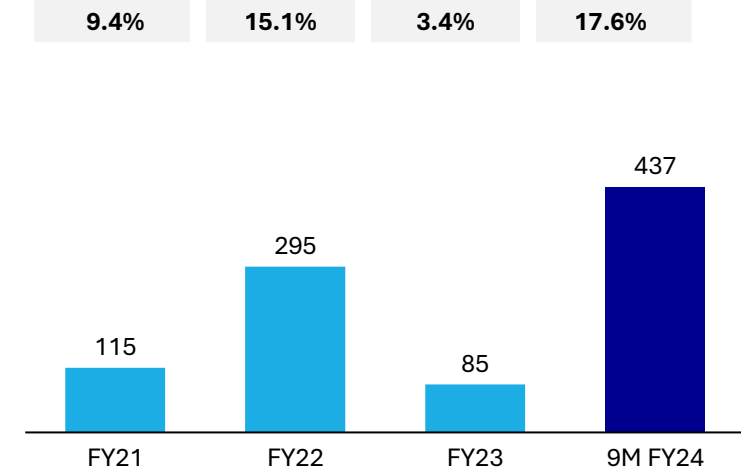
### Revenue From Operations



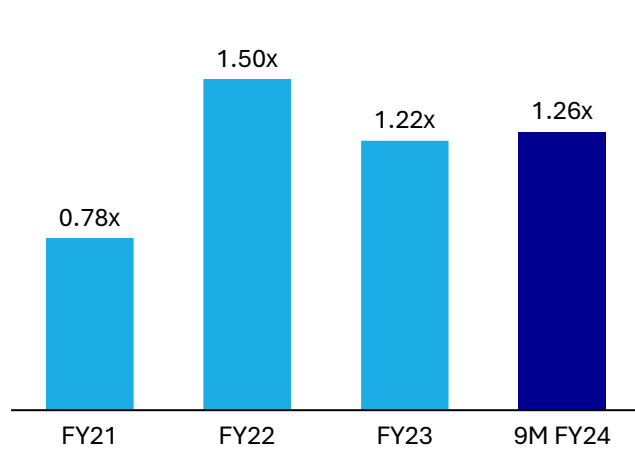
### Adj. EBITDA\* & EBITDA Margin



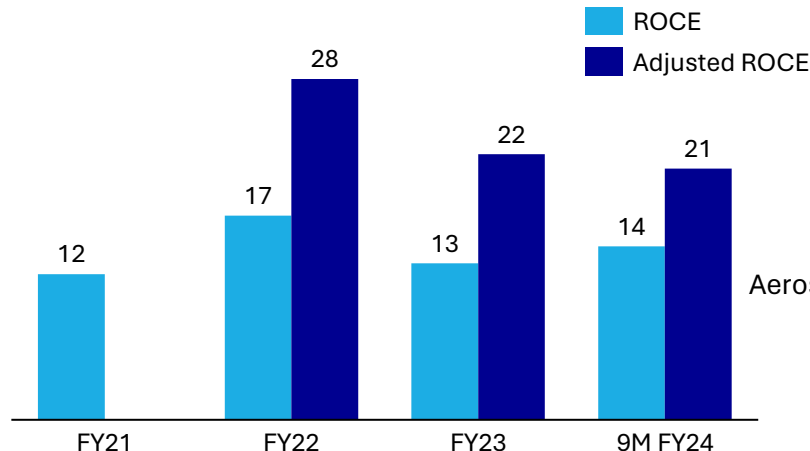
### PAT and PAT Margin



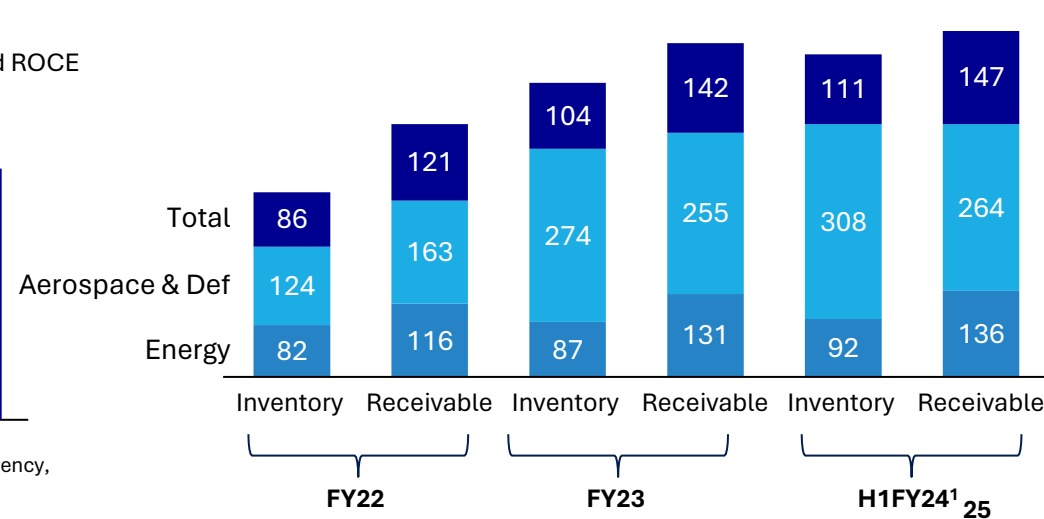
### Net Debt to Equity



### Return on Capital Employed (%)



### Working Capital Days



**Notes:** Amounts are rounded off; Adjusted EBITDA is calculated as EBITDA plus fire incident, fire restoration cost, fire insurance – premium, ECL, foreign currency, professional and consultancy charges towards Hamuel litigation and COVID loss; Adjusted ROCE % = Adjusted EBIT / Adjusted average capital employed (Excluding CWIP).

# Restated Consolidated Statement of Profit and Loss



(Rs. Mn)	FY23	FY22	FY21	CAGR (FY21- 23)
<b>Revenue from Operations</b>	<b>2,516.8</b>	<b>1,944.7</b>	<b>1,227.2</b>	<b>43%</b>
Consumption	301.5	207.6	138.1	
Employee expenses	592.7	462.7	326.0	
Other Expenses	827.1	642.7	392.3	
<b>(A) Adj EBITDA</b>	<b>795.4</b>	<b>631.7</b>	<b>370.9</b>	<b>46%</b>
<b>Adj EBITDA Margin</b>	<b>31.6%</b>	<b>32.5%</b>	<b>30.2%</b>	
(B) Non - Recurring Expenses	72.7	9.0	89.4	
<b>(C) Reported EBITDA (A-B)</b>	<b>722.8</b>	<b>622.7</b>	<b>281.5</b>	<b>60%</b>
<b>Reported EBITDA Margin</b>	<b>28.7%</b>	<b>32.0%</b>	<b>22.9%</b>	
(D) Other income - recurring	88.9	48.0	23.1	
(E) Depreciation and amortisation expense	165.8	133.1	88.7	
(F) Finance cost - recurring	228.7	107.9	53.5	
<b>(G) Adj Profit before tax (A + D - E - F)</b>	<b>489.8</b>	<b>438.5</b>	<b>251.7</b>	<b>39%</b>
(H) Finance cost - non-recurring	295.1	28.2	0.0	
(I) Other income - one time	9.6	0.0	0.0	
<b>Profit before Tax (G + I - B -H)</b>	<b>131.6</b>	<b>401.3</b>	<b>162.4</b>	<b>-10%</b>
Tax	46.9	106.8	47.4	
<b>Profit After Tax</b>	<b>84.7</b>	<b>294.6</b>	<b>115.0</b>	<b>-14%</b>
<b>Profit After Tax Margin</b>	<b>3.4%</b>	<b>15.1%</b>	<b>9.4%</b>	

- Non-recurring expenses include:
  - Fire related expenses
  - Provision for credit impaired trade receivable
  - Professional and consultancy charges
  - Loss on forex transactions and translations other than those considered as finance cost (net)
  - Covid Loss
- Non-recurring finance cost includes:
  - Interest on optionally & compulsory convertible debentures
  - IND-AS Impact of Bank Term loan Closure
  - Premium on redemption of debentures

# Restated Consolidated Balance Sheet



Assets (Rs. Mn)	Sep-23	Mar-23	Mar-22	Mar-21
<b>Non-current assets</b>				
Property, plant and equipment	2,149.3	2,166.5	1,444.0	1,210.8
Right of use assets	28.8	0.0	0.0	0.0
Capital work-in-progress	444.7	379.9	236.6	0.0
Financial assets				
(i) Other financial assets	20.7	33.7	31.2	34.4
Other non-current assets	545.2	475.7	654.8	55.5
<b>Total non-current assets (A)</b>	<b>3,188.7</b>	<b>3,055.8</b>	<b>2,366.5</b>	<b>1,300.7</b>
<b>Current assets</b>				
Inventories	1,056.6	860.6	573.8	342.9
Financial assets				
(i) Trade receivables	1,333.6	1,186.6	746.3	525.8
(ii) Cash and cash equivalents	201.8	194.1	44.3	17.7
(iii) Bank balances other than cash and cash equivalents	144.8	333.3	132.5	154.1
(iv) Other financial assets	31.1	0.9	0.0	12.3
Other current assets	409.8	260.8	179.9	207.0
<b>Total current assets (B)</b>	<b>3,177.6</b>	<b>2,836.3</b>	<b>1,676.7</b>	<b>1,259.8</b>
<b>Total assets (A+B)</b>	<b>6,366.3</b>	<b>5,892.1</b>	<b>4,043.2</b>	<b>2,560.5</b>

Equity and liabilities (Rs. Mn)	Sep-23	Mar-23	Mar-22	Mar-21
<b>Equity</b>				
Equity share capital	99.1	16.5	15.1	15.1
Other equity	2,206.3	2,023.4	1,184.9	893.8
<b>Total equity (A)</b>	<b>2,305.4</b>	<b>2,039.9</b>	<b>1,200.1</b>	<b>908.9</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	2,137.1	2,208.6	1,225.5	414.6
(ii) Lease liabilities	20.5	0.0	0.0	0.0
Provisions	32.1	25.6	22.5	14.1
Deferred tax liabilities (net)	128.1	135.9	116.3	97.7
<b>Total non-current liabilities (B)</b>	<b>2,317.7</b>	<b>2,370.1</b>	<b>1,364.4</b>	<b>526.3</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	1,112.2	797.4	746.3	462.5
(ii) Lease liabilities	2.7	0.0	0.0	0.0
(iii) Trade payables				
a) total outstanding dues of MSME	<b>24.9</b>	<b>25.3</b>	<b>32.5</b>	<b>26.2</b>
b) total outstanding dues of creditors other than MSME	394.5	450.0	393.0	346.8
(iv) Other financial liabilities	140.5	123.4	158.1	75.8
Provisions	29.5	22.4	10.8	6.5
Other current liabilities	32.8	38.6	54.0	168.3
Current tax liabilities (net)	6.1	24.9	84.2	39.1
<b>Total current liabilities (C)</b>	<b>1,743.2</b>	<b>1,482.1</b>	<b>1,478.8</b>	<b>1,125.2</b>
<b>Total liabilities (B+C)</b>	<b>4,060.9</b>	<b>3,852.2</b>	<b>2,843.1</b>	<b>1,651.5</b>
<b>Total equity and liabilities (A+B+C)</b>	<b>6,366.3</b>	<b>5,892.1</b>	<b>4,043.2</b>	<b>2,560.5</b>

# Restated Consolidated Cash Flow Statement



(Rs. Mn)	Sep-23	Mar-23	Mar-22	Mar-21
<b>Profit Before Taxes</b>	<b>316.1</b>	<b>131.6</b>	<b>401.3</b>	<b>162.4</b>
Adjustments for Non Cash / Non Operating items	221.6	672.3	254.5	127.7
Operating profit before working capital changes	537.7	803.9	655.9	290.1
Changes in working capital	551.6	809.6	398.7	167.9
Cash generated from operations	-13.9	-5.7	257.2	122.2
Direct taxes paid (net of refund)	-72.0	-96.4	-47.8	-74.4
<b>Net Cash from Operating Activities (A)</b>	<b>-85.9</b>	<b>-102.1</b>	<b>209.4</b>	<b>47.7</b>
<b>Net Cash from Investing Activities (B)</b>	<b>139.1</b>	<b>-1,011.5</b>	<b>-1,142.0</b>	<b>-347.1</b>
<b>Net Cash from Financing Activities (C)</b>	<b>-45.6</b>	<b>1,263.4</b>	<b>959.1</b>	<b>236.2</b>
Net Increase in cash and cash equivalents (A+B+C)	7.7	149.8	26.5	-63.2
Cash and cash equivalents at the beginning of the period year	194.1	44.3	17.7	80.9
<b>Cash and cash equivalents at the end of the period year</b>	<b>201.8</b>	<b>194.1</b>	<b>44.3</b>	<b>17.7</b>

# EBITDA & PBT Bridge



(Rs. Mn)	Q3FY24	Q3FY23	Q2 FY24	9MFY24	9MFY23	FY23	FY22	FY21
<b>(A) Adj EBITDA</b>	<b>327.6</b>	<b>174.9</b>	<b>265.5</b>	<b>856.5</b>	<b>484.9</b>	<b>795.8</b>	<b>631.7</b>	<b>370.9</b>
<b>(B) Non - Recurring Expenses</b>								
Fire related expenses	0.0	0.0	0.0	0.0	63.0	63.0	0.0	0.0
Provision for credit impaired trade receivable	0.3	1.2	2.7	4.2	3.6	4.8	2.4	7.9
Professional and consultancy charges	0.0	0.0	0.0	0.0	0.0	4.9	5.0	21.6
Loss on forex transactions and translations other than those considered as finance cost (net)	0.0	0.0	0.0	0.0	0.0	0.0	1.6	0.0
Covid Loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	59.8
<b>Total non-recurring expenses</b>	<b>0.3</b>	<b>1.2</b>	<b>2.7</b>	<b>4.2</b>	<b>66.6</b>	<b>72.7</b>	<b>9.0</b>	<b>89.4</b>
<b>(C) Reported EBITDA (A-B)</b>	<b>327.4</b>	<b>173.7</b>	<b>262.9</b>	<b>852.3</b>	<b>418.4</b>	<b>723.1</b>	<b>622.7</b>	<b>281.5</b>
(D) Other income - recurring	8.8	25.2	8.3	18.6	38.9	88.9	48.0	23.1
(E) Depreciation and amortisation expense	52.3	41.5	50.7	150.7	124.4	165.8	133.1	88.7
(F) Finance cost - recurring	60.5	33.3	56.6	159.4	169.7	228.7	107.9	53.5
(G) Adj Profit before tax (A + D - E - F)	223.7	125.4	166.6	565.0	229.8	490.2	429.6	162.4
(F) Finance cost - non-recurring								
(+) Interest on optionally & compulsory convertible debentures	120.7	94.7	60.8	240.3	96.0	148.6	28.2	0.0
(+) IND-AS Impact of Bank Term loan Closure	12.6	0.0	0.0	12.6	0.0	0.0	0.0	0.0
(+) Premium on redemption of debentures	0.0	0.0	0.0	0.0	146.5	146.5	0.0	0.0
<b>Total Finance cost - non-recurring</b>	<b>133.3</b>	<b>94.7</b>	<b>60.8</b>	<b>252.9</b>	<b>242.5</b>	<b>295.1</b>	<b>28.2</b>	<b>0.0</b>
(I) Other income - one time	175.6	0.0	98.0	273.7	9.6	9.6	0.0	0.0
<b>Profit before Tax (G + I - B -H)</b>	<b>265.8</b>	<b>29.5</b>	<b>201.1</b>	<b>581.6</b>	<b>-69.7</b>	<b>131.9</b>	<b>401.3</b>	<b>162.4</b>

For more information Please contact:

**Company:**



**Azad Engineering Limited:**

CIN: U74210TG1983PLC004132

Mr. Ful Kumar Gautam, Company Secretary &

Compliance Officer

Email id: cs@azad.in

**Investor Relations Advisor:**

**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt Ltd.**

CIN: U74140MH2010PTC204285

Shikha Puri / Riddhish Bhayani

Email id: [shikha.puri@sgapl.net](mailto:shikha.puri@sgapl.net) /

[riddhish.bhayani@sgapl.net](mailto:riddhish.bhayani@sgapl.net)

Tel No: +91 9819282743 / +91 9029319564

