

Aeroflex Industries Limited (AIL)

Sensex	65,216
Nifty	19,394

ISSUE DETAILS

Fresh Issue Size	₹1,620mn
OFS Issue Size	₹1,890 mn
Total Issue Size	₹3,510mn
Face Value	₹2/-
Price band	₹102 – 108
Bid Lot	130 shares
Post Issue Market Cap	₹28.03bn at higher price band
Listing	BSE & NSE
Issue Opens for Anchor Investors	21 August 2023
Issue Opens on	22 August 2023
Issue Closes on	24 August 2023

Shareholding Pattern	Pre-issue	Post-issue
Promoter and Promoter Group	91.1	67.0
Public	8.9	33.0
Total	100	100

Indicative Timetable

Indicative Timeline	On or before
Finalization of Basis of Allotment	29 August, 2023
Unblocking of Funds	30 August 2023
Credit of shares to Demat Account	31 August 2023
Listing on exchange	01 September 2023

Other Details

Book Running Lead Manager	Pantomath Capital Advisors Private Limited
Registrar	Link Intime India Private Limited

Issue Structure

Category	%
QIBs	50.0
Non-Institutional Investors	15.0
Retail	35.0

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COMPANY OVERVIEW

Aeroflex Industries Limited (AIL) was incorporated on 1993. It provides Environment-Friendly Metallic Flexible Flow Solutions to critical global industrial eco-system with its ultra-modern facility in Taloja, Navi Mumbai, India, under the strict supervision of an experienced and qualified team. The company's products include a wide range of metallic flexible hoses and assemblies, providing global specialized industries with products conforming to international quality standards.

AIL's manufacturing facility is equipped with mechanical and hydraulic corrugation machines, interlocking machines, braiding machines, bobbin machines and assembly equipment. Each product is subjected to stringent quality testing and assurance processes before being packed and dispatched to customers. Company's quality control and assurance team comprises 25 members. Based on the type of the product, the testing and quality team performs various tests on the finished products including Leakage Test, Ultrasonic Test, Vacuum Test, Leak Tightness Test, Pressure Resistance Test, Elongation Test, Burst Test, Pliable or Static Bend Test, Fatigue Tests or U- Bend Test, Cantilever Bend Test, Electrical Conductivity Test and Non- Volatile Residue Test. All these tests confirm to the requirements and standards of ISO 10380:2012.

The Company also has an in-house Design, Research and Development team of 7 members which assists in designing the products based on the technical specifications received from the customers, conducts research on existing and new materials, production processes improvement, emerging product types and end applications and develop new products.

ISSUE OBJECTIVES

Objects of Fresh Issue	Amount (₹ mn)
1) Repayment / Prepayment of Debt	320
2) Working Capital	840
3) General Corporate Purpose and Unidentified Inorganic Acquisitions	[•]

Source: Company RHP

Pre-IPO Shareholding (%)

Particulars	Pre Issue
Promoter and Promoter Group	91.09
Mr. Asish Kacholia	2.03
Bengal Finance & Investments	2.03
Mr. Jagdish Master	1.14
Carnelian Structural Shift Fund	1.10
Rosy Blue India	1.00
Others	1.61
Total	100

Source: Company RHP

Company & Business Overview

AEROFLEX INDUSTRIES LIMITED (AIL) is the manufacturer and supplier of environment friendly metallic flexible flow solution products catering to global as well as domestic markets. The Company exports their products to more than 80 countries including Europe, USA and others. Its exports contributed to 80.6%, 84.53% and 80.9% of its revenue from operations, for the FY23, FY22 and FY21, respectively. Their products are supplied to a wide spectrum of industries for controlled flow of all forms of substances including air, liquid and solid. During FY23, the Company supplied their products to 723 customers.

Flexible flow solutions play a critical role in transfer of substances (air, liquid and solid) in any industrial or commercial ecosystem, connecting the origin and end points of various processes. For example, flow solution products are required in fire sprinklers, gas supply, flow of air (conditioned / controlled) in aircrafts, fueling and hydraulics in aircrafts. Company's capabilities to provide customized solutions up to the assembly's level enable them to tap flexible flow solutions value chain.

PRODUCT OVERVIEW

- interlock hoses, composite hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators and related end fittings.
- **Portfolio:** The Company's product portfolio comprised Stainless Steel Corrugated Flexible Hoses (with and without braiding), SS Braiding, Interlock Hoses and Assemblies catering to a diverse range of end user industries, including steel, oil and gas fire sprinklers, refineries aerospace & defence, fire sprinklers & fire fighting, metals & mining, solar and other flexible flow solution, for flow of all forms of substances including air, liquid and solid. As on 31 March 2023, AIL had more than 1,700 Product SKUs (Stock Keeping Units) in their product portfolio. The Company is into metallic flexible flow solutions made of Stainless Steel (SS). The Company has recently developed products made of bronze as well. Its products replace flow solutions made of rubber and polymers.
- Company offer a range of metallic flexible corrugated hoses with diameters starting from ¼ inch to 14 inches. It solutions are capable to handle varied environmental and work conditions and are designed to handle temperatures levels from negative 196 degrees celsius to 982 degrees celsius and pressure handling capacity of upto 300 bars. In addition to certifications, our customers specially the Original Equipment Manufacturers (OEMs), who use company's products as a component in their own end products, perform detailed evaluation procedures on its product quality, processes, manufacturing facility and operations before approving them as their supplier. The stringent customer protocols act as a natural quality benchmarking and at the same time poses meaningful trade barriers.
- **Characteristics:** Flexible flow solutions made with stainless steel corrugation are becoming a preferred solution because of their numerous advantages. The technical characteristics of SS is the basic attribute that imparts flexible flow solutions made with stainless steel corrugation with its advantages including resistance to external elements, maintaining the quality of media transferred, resistance to abrasion and corrosion, low probability of catastrophic failure, resistance to temperature, maintenance of full vacuum, compatibility to chemicals, among others.
- The Company's SS flow solutions are meant to work for a specific lifespan specified by its customers which generates significant replacement demand for their products from existing customers. AIL's flexible flow solutions made with stainless steel corrugation conform to BS 6501 Part 1, ISO 10380 and PED CE and are manufactured as per type A, B, and C flexibility.
- **Environmental Friendly:** Metallic flexible flow solutions made with stainless steel produce significantly lower carbon emissions than those made with synthetic rubber making their products environment-friendly and business model green & sustainable.
- **Replacement Demand:** Despite of being highly durable over other non-metallic materials for a constant flow of substances, Company's products require replacements due to reasons including operational efficiency, regulatory requirements and zero waste and leakage requirements (for example usage location within the plant or setup, external temperature and ambience conditions, vibrations and movement frequency), after a certain period of time as per the customers' policies or applicable regulatory requirements. These make its solutions an integral part of the lifecycle of an industrial ecosystem and create a continuous demand for their products.

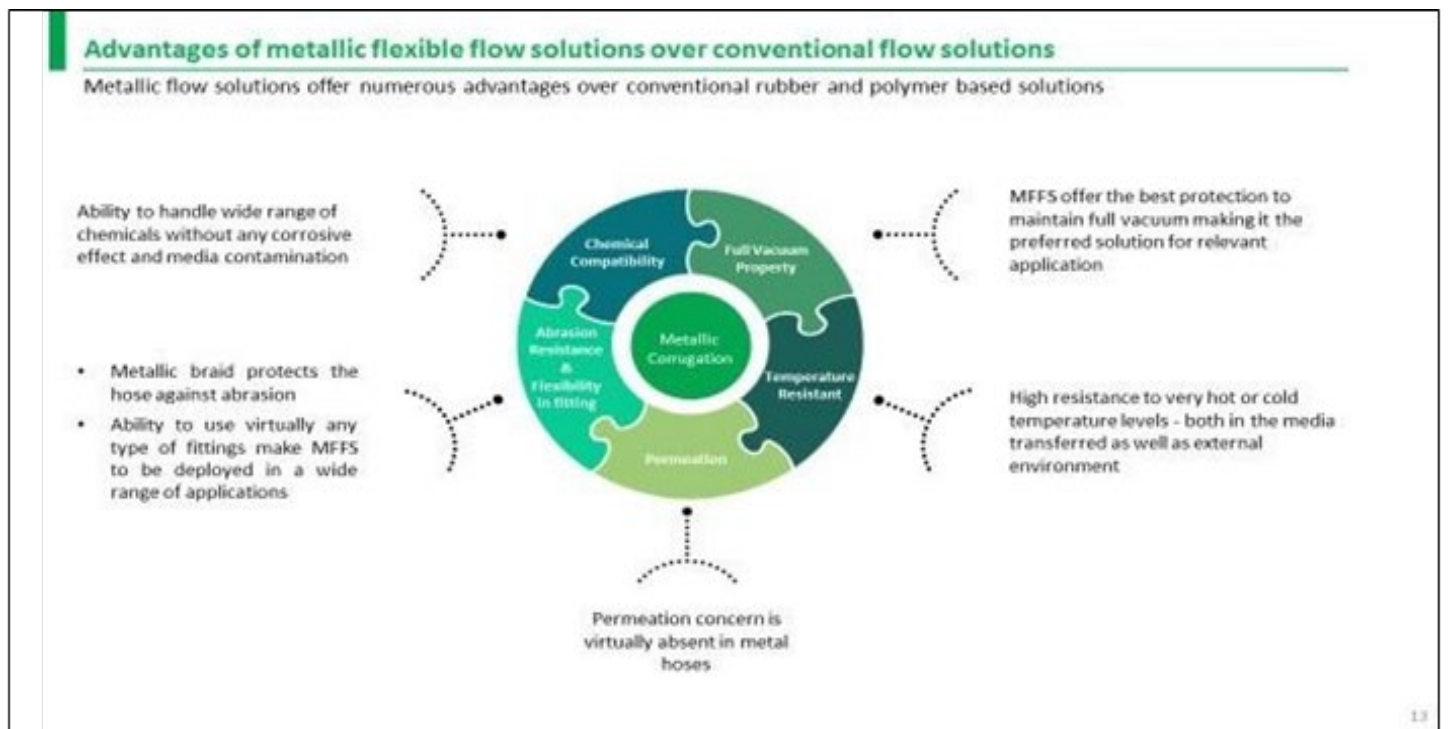
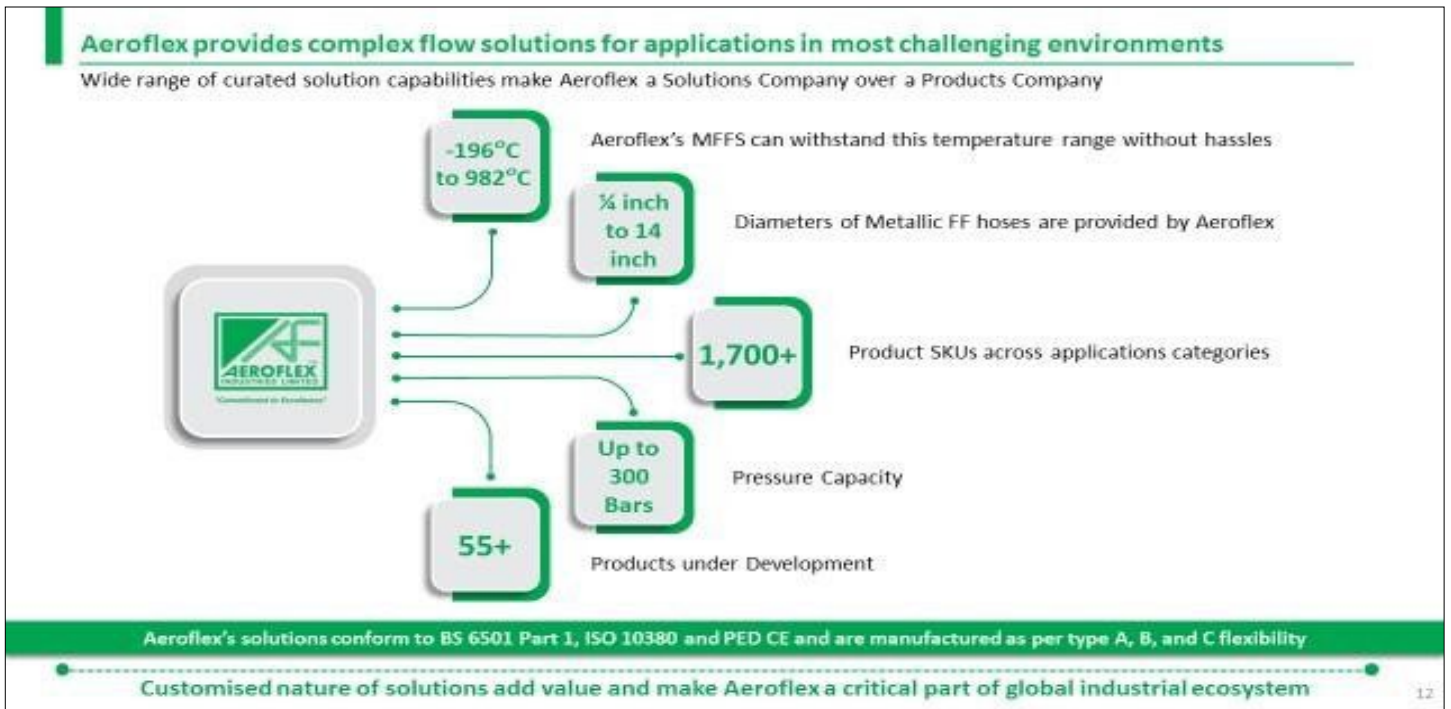
Following is the product mix of AIL in terms of end use segment / industry across FY23, FY22 and FY21.
Use of flexible flow solutions across large number of industries. Some of the applications are listed below:

Industry	Applications
Fire Sprinklers	High-pressure hoses are used in fire sprinkling systems to carry water or other fire retardants to a fire to extinguish it. Outdoors, it attaches either to a fire engine, fire hydrant, or a portable fire pump. Indoors, it can permanently attach to a building's standpipe or plumbing system.
Aerospace and Defence	Flexible flow solutions are used in transfer of fuel, lubrication, compressed gases, water, coolant across the aircraft systems and in a complex array of hydraulic systems that are responsible for the movement of the flight control surfaces and brake system, where a great amount of flexibility is required. They are also used as connectors in metal tubing systems.
Semiconductors	The semiconductor hose & assemblies market is unique in that much of it consists of small diameters used in discrete as opposed to process applications. Ultrapure water is used to wash chips and to deliver various chemicals for chip treatment; fabrication requires hundreds of tools; various gases and liquids are used to treat each chip. Therefore, large numbers of SS hoses and assemblies are used for these operations.
Robotics and Automation	SS flexible flow solutions Used in pneumatic systems, robotic welding systems, end-of-arm tooling, general robotics & automation systems, among others.
Hydrogen	SS flexible flow solutions are used in the new age hydrogen fuel storage, dispensing and transportation.
Electric Mobility	SS flexible flow solutions in Electric Vehicles (EVs) are used for thermal management. EVs require different types of hoses and fluid transfer assemblies. EVs draw power from large batteries that generate a lot of heat; complex flexibleflow solutions are wrapped around the battery and its compartment for thermal management.
HVAC	SS flexible flow solutions' are able to avoid thermal expansion caused by temperature fluctuations as well as avoid vibrations in HVAC systems. It is increasingly replacing rigid piping systems. Additionally, the ease of installing is also tilting the preference to metal hoses.

Industry	Applications
Natural Gas	Liquefied Natural Gas (LNG) is transferred at extremely low temperatures. Flexible flow solutions with their temperature resistance properties are used to efficiently transfer the LNG.
Steel and Metal	In steel and metal plants, flexible flow solutions are used in blast furnaces, BOF furnaces, coke over & coke by-product transfer, boiler & generation units, high temperature lubricating lines, cooling water hoses, and vacuum degasser, among others
Petrochemicals and Oil Refineries	Used as a preferred piping solution for process piping, transfer of plastic resins, and steam lines, among others. In oil refineries, flexible flow solutions made with SS corrugation are used to transfer hydrocarbons, steam and by-products & additives associated with the refining process. Some of the application areas include hydrocarbon drain hoses, steam lines, lube oil & grease plant process lines, gas burner connections, process line connections, etc.
Solar	Solar hoses are used for solar panel water connection and other heating items. They are used to transport hot and cold water between solar thermal panels and a hot water storage tank.
Bulk Terminal Handling	Used to move dry, abrasive materials such as cement, fertilizers, fly ash, glass, gravel, rock salt, etc. Bulk material handling hoses attach to a suction, pneumatic or gravity-powered material handling system.
Chemicals, food and Pharmaceuticals	Used for transfer of chemicals in chemical processing, transfer and loading/unloading of liquid chemicals (e.g. tank trucks, rail tankers, IBC containers), for diverse technological processes in the chemicals. SS to transfer food and pharma products internally in the plant for various processes
Paper and Pulp	To transfer and move steam and chemicals during the manufacturing process of paper and pulp. Flexible flow solutions are also used to transfer various by-products generated by during the paper manufacturing process.

The following table sets forth a breakdown of revenue from operations from various industry segments, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Industry /Sector	FY23		FY22		FY21	
	Revenue (₹ mn)	%	Revenue (₹ mn)	%	Revenue (₹ mn)	%
Steel	576.81	21.96	509.51	21.72	381.79	27.16
Oil and Gas Refineries	497.39	18.93	375.31	16.00	200.19	14.24
Fire Sprinklers& Fire Fighting	432.17	16.45	316.67	13.50	171.59	12.21
Chemicals & Petrochemicals	430.79	16.40	572.10	24.39%	285.99	20.35
Metals & Mining	412.39	15.70	351.85	15.00%	228.79	16.28
Solar	215.18	8.19	159.61	6.80%	111.96	7.97
Others	17.14	0.65	-	-	-	-
Total	45.33	1.73	60.63	2.58%	25.24	1.80
Total	2,627.20	100	2345.68	100%	1405.56	100



Investment Rationale

- The company is expected to grow in terms of Revenue at a CAGR of 35-40% by FY26 Serves to critical requirement of conventional and new-age industries with global clientele Significant barrier to entry and exit.
- Continuous investment in new product development and design Environmental friendly products and EHS Compliant organisation Strong financial performance with robust margins and returns.
- Strategic Corporate Promoter with experience of scaling up multiple diverse businesses.

COMPETITIVE STRENGTHS

- **Global flexible flow solutions provider operating in huge addressable market, catering to diverse industry segments and poised to benefit from mega industrial trends** – AIL is a global flexible flow solutions company developing and manufacturing metallic flexible corrugated hoses, assemblies and fittings for a diverse range of industrial sectors, which are used on an ongoing basis for efficient flow of varied types of materials and substances including liquid, air and solid from one point to another. This makes these solutions critical to the substance, process, and the entire ecosystem. Company’s manufacturing facility and certified processes, global footprint and exposure in over 80 countries, track record of commercializing and scaling up new products and research and development capabilities, position them advantageously to capture requirements of diverse end user industrial sectors.
- **Export oriented business model** – The Company has exported their products to 47 countries. Over the period, it have been able to establish significant presence in the exports markets through providing specified SS flexible flow solutions across industries. AIL’s capabilities to manufacture diverse range of products along with quality consistency have been key in establishing global markets. To serve the export markets better and real-time basis, the Company has incorporated a wholly-owned subsidiary in the United Kingdom (UK) in the name of “Aeroflex Industries Limited” in 2019. The Company has also appointed exclusive distributors in the United States and Brazil.

Name of Country	Revenue from export for FY23	FY23	Revenue from export for FY22	FY22	Revenue from export for FY21	FY21
USA	763.21	28%	775.49	32%	382.71	26%
UAF	187.39	7%	146.65	6%	49.59	3%
Italy	119.34	4%	121.06	5%	103.82	7%
Spain	118.72	4%	142.52	6%	72.06	5%
Canada	92.24	3%	58.30	2%	26.65	2%
Belgium	79.75	3%	64.83	3%	72.89	5%
Brazil	68.10	3%	66.28	3%	45.72	3%
UK	70.22	3%	102.47	4%	34.29	2%
Russia	62.44	2%	10.05	0%	14.51	1%
South Africa	62.41	2%	25.48	1%	10.50	1%
Other Countries	547.96	20% (41 countries)	522.47	22% (39 countries)	358.40	25%
Total	2181.80	81%	2035.59	85%	1171.15	81%

Source: Company RHP

Aeroflex’s Future Strategy in Exports Markets

Going forward, Aeroflex plans to have dedicated real-time presence in its key exports markets

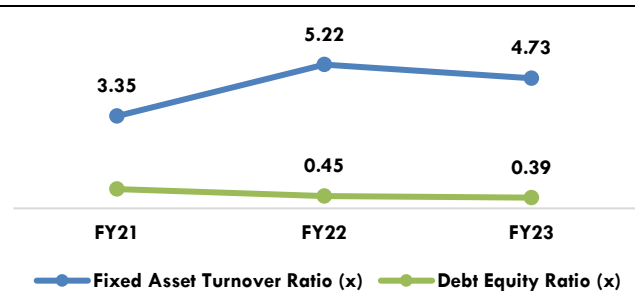
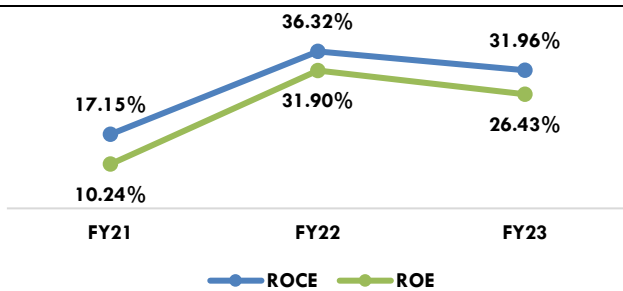
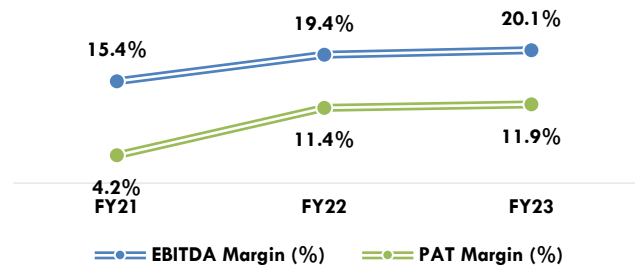
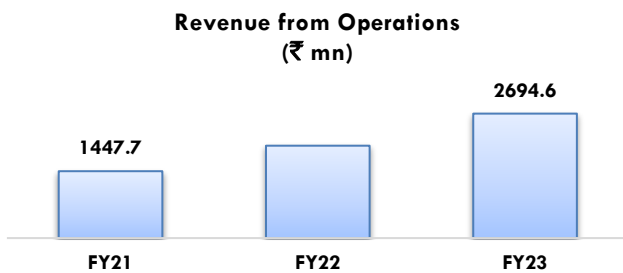
- To have a Distribution Center/ Warehouse near a industrial cluster in exports markets
- Have a presence through Branch Office/ Wholly-owned Subsidiary for ease of administration for the geography
- Tie-up with large project engineering companies to work as a key vendor in their future projects
- Tie-up with big distributors to make in-roads into conglomerates across the industries
- Have a dedicated on-ground sales and marketing team who could connect directly with industrial groups. This would also help in providing instantaneous updates on the ongoing key developments



- Aeroflex has already taken the first step in this direction and has incorporated a Wholly-owned Subsidiary in the United Kingdom (UK) in the name of Aeroflex Industries Limited in FY20
- Appointed exclusive distributors in United States and Brazil

A dedicated presence in the key global hubs would provide a competitive advantage and give a local flavour to the sales pitch to grab the contract

- **Primary Manufacturer of flexible flow solutions (Make-in-India, Make-For-World) with no listed peers with advanced manufacturing facility and R&D infrastructure** – ALL is the manufacturer of metallic flexible flow solutions in the country (Make-in-India, Make-For-World) with an installed capacity of 11 million meters per annum. The Company’s manufacturing facility, located at Taloja, Navi Mumbai, Maharashtra, is spread across 3,59,528 square feet of area and is equipped with mechanical and hydraulic corrugation machines, interlocking machines, braiding machines, bobbin machines and assemblies equipment’s capable to manufacture range of customized hoses, braiding, assemblies and fittings. It also have 34 mechanical corrugation machines, 20 hydraulic corrugation machines, 4 interlocking machines and 28 braiding machines.
- **High entry and exit barriers** – Given the critical nature of the applications, Company’s solutions are subject to, and measured against quality standards (at both customer level as well as at the regulatory authority level governing the end user industry) and rigorous product approval systems with stringent design, engineering and use specifications, which act as significant entry barriers for new players. Also, where the Company supply their products to OEMs, the end products of those OEMs are typically subject to stringent industry standards where any change in the vendor of the product may require significant time and expense on part of the OEMs which acts an exit barrier and disincentives any such changes for them also.
- **ROBUST FINANCIAL PERFORMANCE** – All’s existing capabilities to provide value added solutions, consistent efforts to move up in the flow solutions value chain and operational and functional excellence have contributed to their track record of healthy financial performance and growth. Management believe that this aids them in strengthening its trust and engagement with their customers and which further enhances its ability to retain these customers and extend their engagement across products and geographies.



Source: Company RHP

- **Experienced and dedicated senior team across key functions with strategic corporate promoter** – The Company’s professional team has experience in production, R&D, quality control and sales & marketing. The knowledge and experience of its management and its team of dedicated personnel provide with a competitive advantage as they seek to grow their existing markets and enter new geographical markets. ALL also have a dedicated team of engineers along with other skilled workforce. The Company is continuously strengthening their engineering expertise by providing in-house training to their workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes. ALL’s Promoter i.e. Sat Industries Limited, has track record of scaling up of multiple diverse businesses backed by acquisition-led strategy. Since acquisition of the Company in 2018, its Promoter has been contributing significantly in determining ALL’s strategic direction and future growth path.


KEY BUSINESS STRATEGIES

- **Expand its portfolio of solutions to capitalize on large opportunities across industrial segments** – The Management believe growth in end-use industries such as oil & gas, refineries, chemicals & petrochemicals, paper & pulp, steel, power, semiconductors, electric vehicles, robotics and automation, aerospace and aviation, hydrogen fuel, solar, HVAC, among others, will lead to exponential increase in demand for high end flexible flow solutions made with stainless steel and other high end materials. (Source: Flexible Flow Solutions Market in India Report March 2023). AIL believe that expansion of their solutions portfolio through advanced and complex assemblies and solutions and multi-materials offerings will lead to a further increase in its operational margin, which was 20.05%, 19.39% and 15.43% for FY23, FY22 and FY21, respectively.
- **Scale up of In-house Design and R&D efforts** – AIL has an in-house team of Design and R&D professionals focusing on developing complex and advanced flow solutions based on the global industrial trends and standards, research on existing and new high-end materials and optimize its manufacturing processes. Currently, its Design and R&D department is housed in the premises of their manufacturing facilities itself, with a team size of 7 members. The Company intend to further scale up its Design and R&D efforts and add resources and technically competent manpower to undertake complex research, development and innovations on other high-end materials, new product applications and design complex products in-house for varied applications across industrial segments.

Research and Development Capabilities

Over the years, we have strengthened our R&D capabilities to develop and commercialise new products across materials

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



NABL Accredited Lab

55+

Products across various stages of Research and Development

7

Qualified Team Members

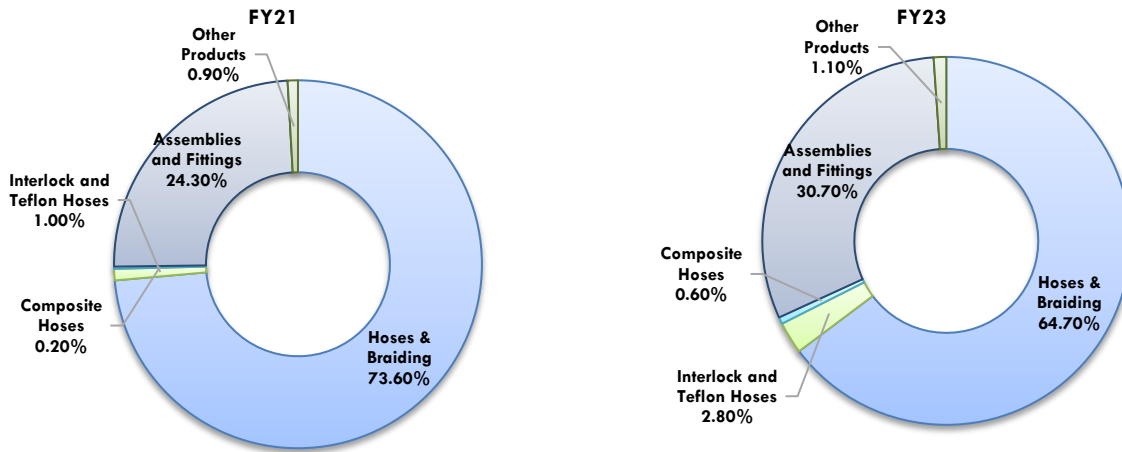
Key Products developed recently / under research and development	
Braided braiding	Made of metals for superior strengths suitable for high pressure applications lance/loading/ unloading
Large Diameter Hoses	For applications including ship loading/unloading
Bronze Metal Flexible Flow Solutions	Bronze 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 sub-marine
Complex Turbine Assemblies with precise welding at tube bending angle	Hose assemblies with high precision for higher pressure application
Windmill Assemblies	Oil cooling hoses
Railways Assemblies	Complex & short assemblies for Hydraulic & HVAC, Cable Conduit applications
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
Super Insulation Vacuum Hose Assemblies	Hose assemblies with supper insulation & vacuum insulation for Cryogenic application such as LNG transfer
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.
Boiler Hose Assemblies	Specific Hose made for Higher heat transfer rate (helically wound around the boiler setup for cooling)

Source: Company RHP

- **Increase focus on global markets and enhance the international presence** – AIL is an export-oriented Company and it has exported their products to 51 countries in FY23. The top 10 countries by export volumes in FY23 included USA, UAE, Italy, Spain, Canada, Belgium, Brazil, UK, Russia, South Africa, among others. The Company intends to leverage their diversified and global delivery model by continuing to focus on tailor-made flexible flow solutions designed to suit their customers’ preferences. Its existing relationships and the ability to deliver flexible flow solutions on a timely basis, enable it to follow the existing customers to newer geographical locations and to establish a presence in such locations.
- **Expand the domestic business to leverage the opportunities across industrial segments** – To make India self-dependent in manufacturing and reduce the imports, Government of India had announced Production Linked Incentive (PLI) Scheme for various industries including advanced chemistry cell battery, electronic products, automobiles and auto components, pharma, telecom and networking products, textile, food products, white goods, and specialty steel. Hence, AIL intend to utilize the large scale opportunities offered by various ongoing/announced oil refining projects, semiconductor projects, engineering projects, by large corporations in public and private sector.

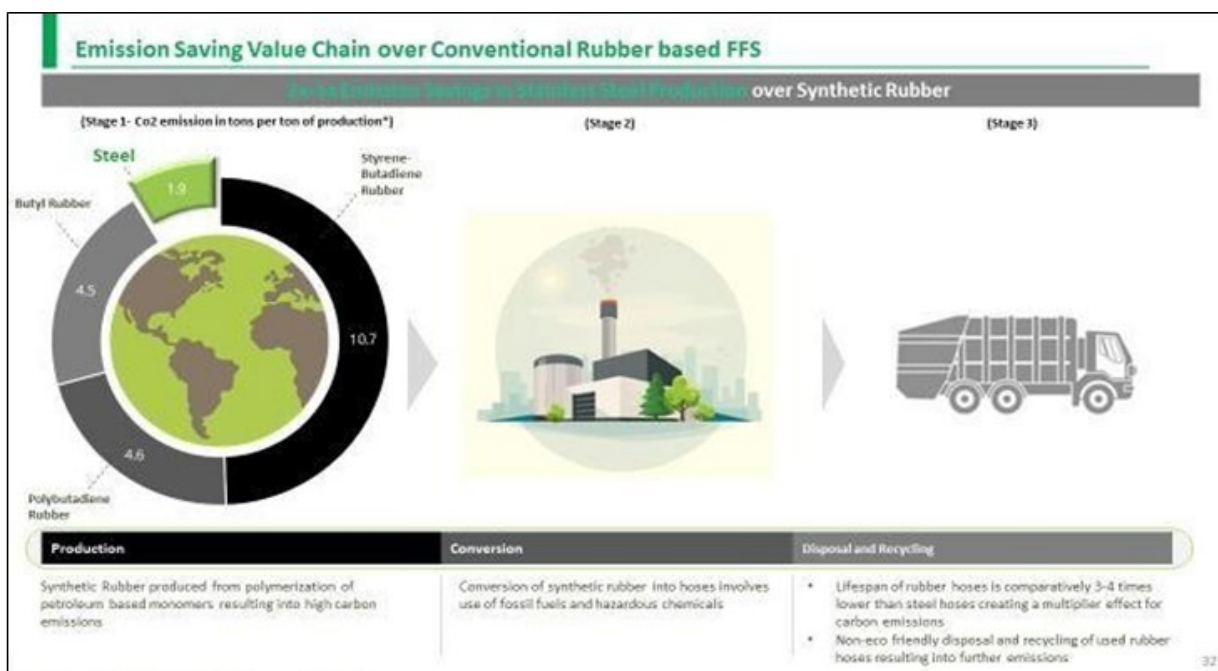
- **Future Growth Strategies** – Continuously increasing the share of value added products like assemblies, composites and interlock solutions and expand its capabilities to serve diverse industrial segments to enhance their market position of a global flexible flow solutions.

Company has also planned capex for Polytetrafluoroethylene (PTFE) based solutions i.e. PTFE is believed to be high margin, high performance product, well accepted in the global markets;



Source: Company RHP

- **Focus on Digitization and Industry 4.0 initiatives to drive operational efficiencies and achieve synergies** – AIL is intend to continue to improve its operational efficiencies using a variety of technology and digitization-led tools and techniques. It also intend to automate various processes to improve the energy usage efficiency, eliminate waste, improve productivity and manpower optimization, further improvise the water discharge practices, and continually working on cost reduction including applying various techniques to their products to reduce cost.
- **Focus on Sustainability, health & safety and environment** – Metallic flexible flow solutions made with stainless steel produce significantly lower carbon emissions than those made with synthetic rubber making our products environment friendly and business model green & sustainable. As part of the initiatives towards continual improvement, it has obtained the Environment Management System Certification under the new standard of ISO 14001: 2015 for our manufacturing facility



RISKS and CONCERNS

- The company is dependent and will continue to depend on their single manufacturing facility, any slowdown or shutdown in their manufacturing operations could have an adverse effect on their business.
- The Exports contributed 80% of revenue, any kind of geo-political uncertainty & Global economic slowdown may affect business performance of the company.
- It depends on third parties for the supply of raw material and delivery of products. Any kind of disruption in the supply of raw materials could impact their production and increase their costs.

FINANCIAL SNAPSHOT (CONSOLIDATED)

Particulars (₹ Mn.)	FY21	FY22	FY23
Share Capital	228.6	228.6	228.6
Net Worth	587.2	862.2	1,140.9
Revenue from operations	1,447.7	2,408.0	2,694.6
Profit after Tax	60.1	275.1	301.5
Earnings per Share (Basic and Diluted) after sub-division of Equity Shares of our Company from face value ₹ 10/- per Equity Share to face value ₹ 2/- per Equity Share	0.5	2.4	2.6
Net Asset Value after sub-division of Equity Shares of our Company from face value ₹ 10/- per Equity Share to face value ₹ 2/- per Equity Share	5.1	7.5	10.0
Total borrowings	530.7	391.3	450.1
EBITDA	223.4	466.9	540.3

Source: RHP

KEY PERFORMANCE INDICATORS

Particulars (₹ in Mn.)	FY21	FY22	FY23
Revenue from operations	1,447.7	2,408.0	2,694.6
Total number of customers served (Nos.)	538	606	723
Total capacity utilisation (%)	71.0	90.4	83.2
Exports revenue as % of revenue from operations	80.9	84.5	80.6
Foreign currency gain / (loss)	19.2	32.4	53.1
Cost of goods sold as % of revenue from operations (%)	64.6	64.8	63.1
EBITDA	223.4	466.9	540.3
EBIT	185.6	425.1	488.1
EBITDA margin (%)	15.4	19.4	20.1
Net Profit	60.1	275.1	301.5
Net profit margin (%)	4.2	11.4	11.2
Net worth	587.2	862.2	1,140.9
RoCE (%)	17.1	36.3	31.9
RoE (%)	10.2	31.9	26.4
Debt to equity ratio (x)	0.9	0.4	0.4
Fixed asset turnover ratio (x)	3.4	5.3	4.8

Source: RHP

PEER ANALYSIS and VALUATION

There are no listed companies in India in the Flexible Flow Solutions space. However, following companies operate in the Flexible Flow Solutions and Motion Control Technologies space which are listed on New York Stock Exchange and London Stock Exchange respectively

Particulars	Listed Exchange	Market Cap (₹ mn)	Revenue (₹ mn)	PAT (₹ mn)	PAT %	P/E (x)
Parker Hannifin Corporation	NYSE	42,03,566	13,00,684	1,07,912	8.3	39.0
Senior PLC	LSE	73,290	89,040	2,121	2.4	34.6

Source: RHP

Additionally, following companies operate in the Precision Engineering and Capital Goods space. These are not exactly comparable to AIL, however, have been presented to provide a broad comparison:

Company Name	Market Cap (₹ mn)	Revenue (₹ mn)	PAT (₹ mn)	PAT %	P/E (x)
Schaeffler India	4,80,660	6,867	879	12.6	53.2
AIA Engineering	3,31,440	4,909	1,056	20.5	31.4
GMM Pfadler	66,550	3,178	214	6.7	37.3
HLE Glascoat	43,740	923	70	7.5	80.4
Paras Defence	26,040	214	36	16.2	72.5

Source: RHP

AIL – Q1FY23 FINANCIAL PERFORMANCE

Particulars (₹ in mn)	Q1FY24	Q1FY23	Change YoY (%)
Revenue from operations	829.3	703.5	17.9
EBITDA	173.1	131.6	31.5
PAT	110.9	85.6	29.6
EBITDA margin (%)	20.6	18.7	
PAT margin (%)	13.2	12.2	

Source: RHP

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Name of the Security	Aeroflex Industries Limited (AIL)
Name of the analyst	Jayakanth Kasthuri
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Financial Interest	
Analyst:	No
Analyst's Relative: Yes / No	No
Analyst's Associate/Firm: Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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