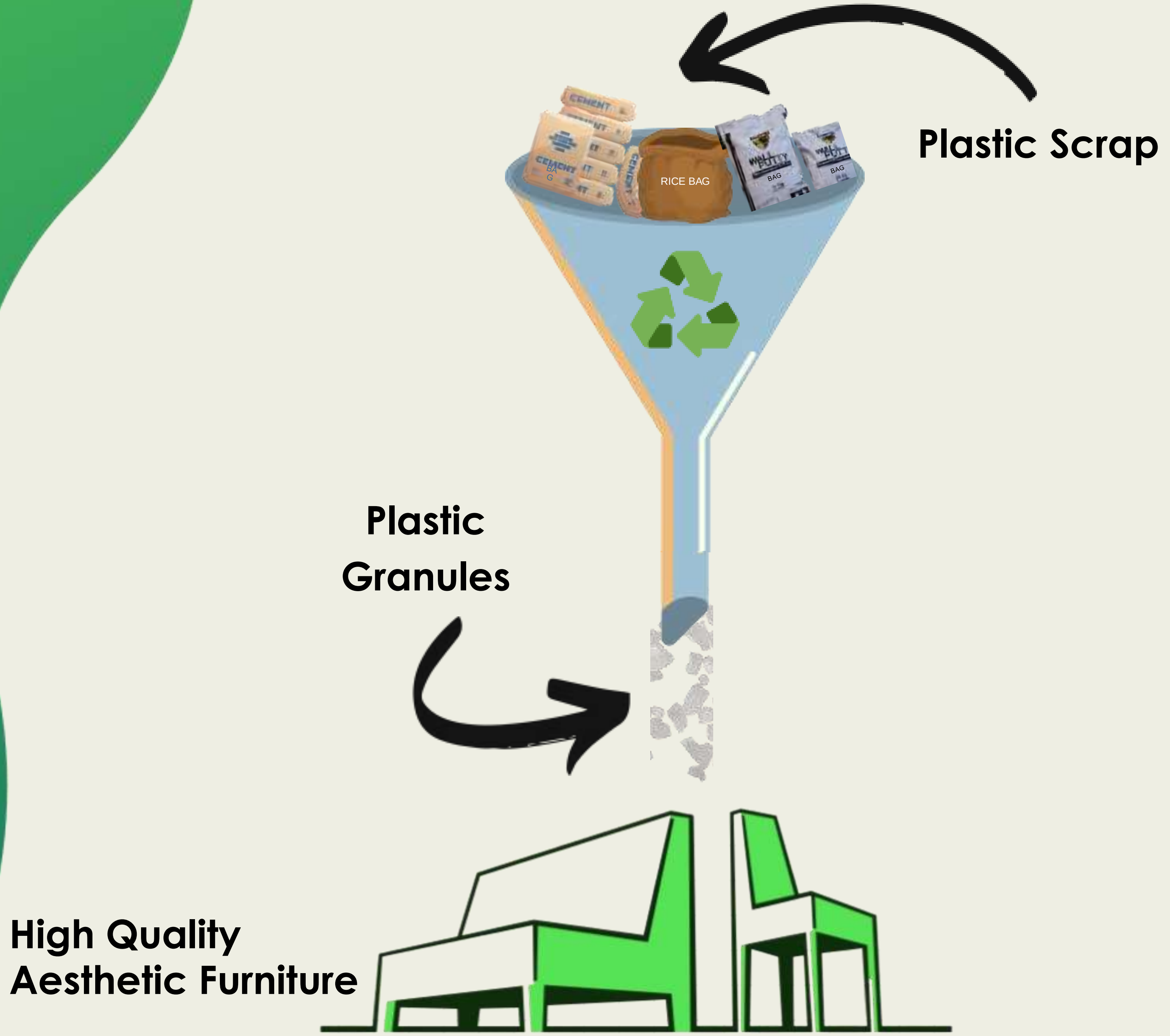
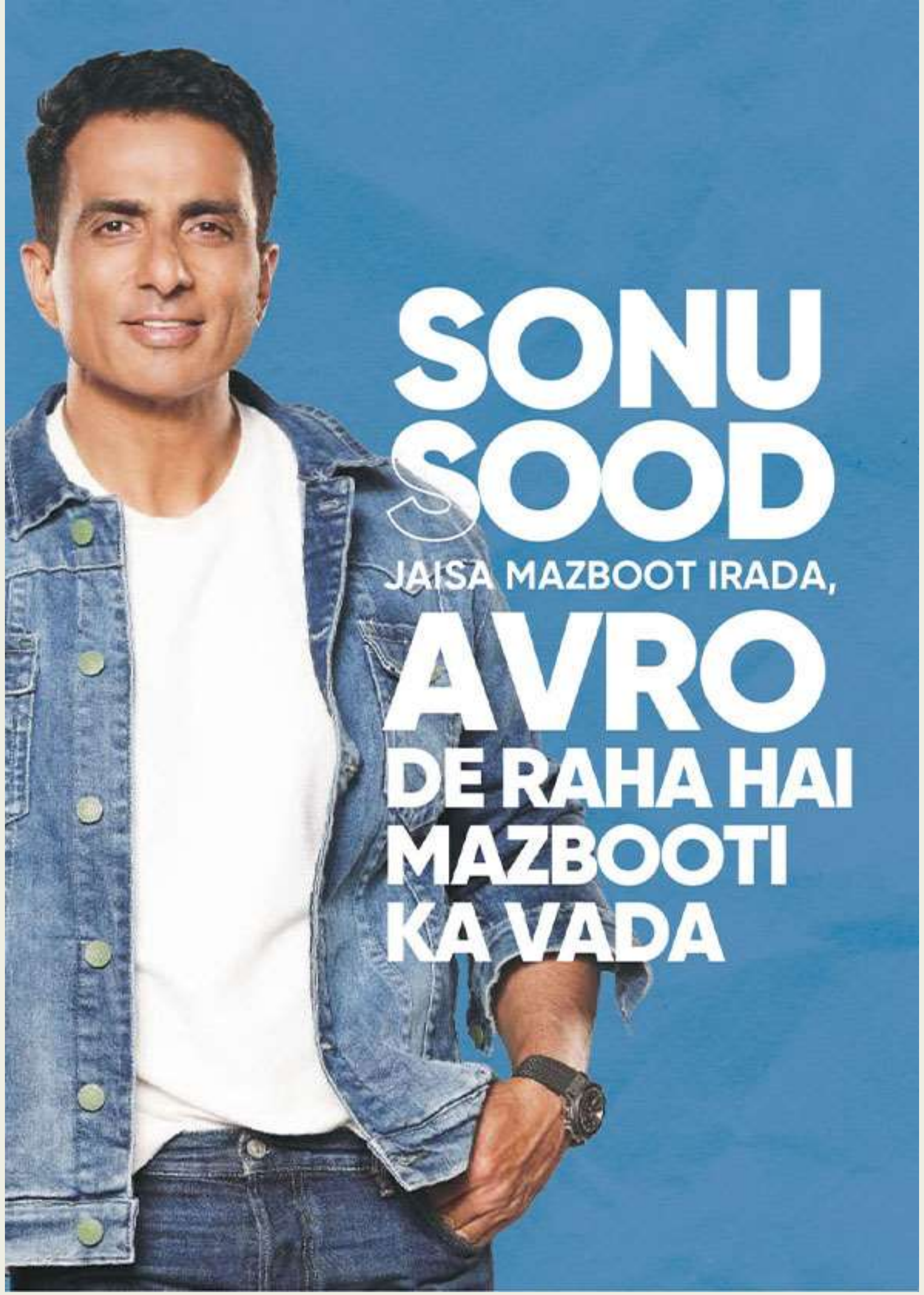
AVRO INDIA LIMITED

CREATING WASTE TO WEALTH

INVESTORS PRESENTAION

Q2 & H1FY25

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INDEX

AVRO - Trailblazer in Sustainability

Mr. Sushil Aggarwal

Chairman & Wholetime Director - AVRO INDIA LIMITED

"AVRO, with a legacy of over 22 years, is a technology-driven company turning plastic waste into wealth. It currently recycles 6000 MTPA of plastic waste and converts into 2.8 million pieces of plastic furniture annually, besides sourcing raw material from other suppliers and have recently expanded plastic furniture capacity to 5 million pieces per year and also expanding plastic recycling capacity to 12,000 MTPA by FY25. This positions AVRO as a leader in sustainable practices, addressing plastic waste management while driving the circular economy and creating ecosystem across country."

……Leading the way in Circular Economy

From plastic scrap to furniture, shaping a sustainable future

Value Proposition : Tech-driven Recycling of Plastic Waste into High-quality Plastic Granules and then into Aesthetic Furniture

Amongst the largest companies in FLEXIBLE RECYCLING

- **6000 MTPA Recycling Capacity;** expected to double by FY25 to 12000 MTPA
- **Backward Integration into Recycling:** Plastic scrap processed in-house and converted into granules and furniture
- Captive consumption of **quality granules which are manufactured** after recycling the plastic scrap **in making furniture**

Top 3 Plastic FURNITURE MANUFACTURER

- **22 Years** Experience and 1st in India to provide 3 year guarantee on selected products
- **300 +** SKUs
- **PAN India coverage** with presence across 24 states & UTS and 6,500+ ZIP codes
- **30,000+ touchpoints** across the country
- Top-selling brand on Amazon
- Catered to over **50 million families**

Generating STRONG PROFITABILITY

Financial Performance (FY24)

- **ROCE:** 16%
- **Debt-Equity :** 0.54x
- **Net Debt/EBITDA:** 2.63x

Financial Growth 3 Year CAGR (FY21-24)

- **Revenue**: 21%
- **EBITDA**: 15%
- **PAT:** 32%

Recycling 6,000 Metric ton of plastic annually and converting it into **2.8 million furniture pieces** each year which is **expected to grow to 5 million pieces per annum in FY25.**

Pioneers in Flexible Recycling

A solution provider for plastic waste management challenges

1. Tech-driven company pioneering advanced plastic recycling technologies with global machines.
2. Breaking the technology barrier, converting plastic waste into valuable, saleable products
3. Formalizing raw material sourcing through company tie-ups ensures collection of materials at a very lower cost.
4. Specializes in manufacturing high-quality plastic furniture using recycled granules, supporting circular economy
5. Evolved from plastic furniture manufacturing to a leader in plastic recycling, up cycling plastic for various applications and consumer products.

Amongst India's Top 3 Plastic Furniture Manufacturers

A pioneer in manufacturing high-quality furniture from recycled plastic scrap

- **Leveraging globally sourced moulding technology**
- **Setting Gold Standard in Quality, Innovation and Aesthetic Designs**
- **Economical and 30%-40% cheaper than national players**
- **Unmatched durability– all-weather furniture- Offering 3 Years Warranty on select products**
- **A trailblazer in transforming waste into furniture and also will serve Pan-India by offering Premix Compound to various industries.**

Strategic Location

- Centrally located moulding plant & Plastic Recycling Plant in Ghaziabad, Uttar Pradesh
- Excellent connectivity to all major transportation modes, enabling efficient availability and delivery

Product Range & Distribution

- **Product Range: 300+** SKUs available and adding.
- **Distribution Network:** 350+ distributors in 24 States & UTs nationwide with 30,000+ touch points
- Presence across **offline channels** and **PAN-India online platforms**

Strategic Priorities

Granules Usage

To increase the captive consumption of Granules post the capacity expansion of recycling plant and once 100% internal requirement is fulfilled, will start commercial sales by FY26.

Recycling Capacity Growth

Recycling capacity will increase from 6,000 MTPA to 12,000 MTPA by FY25, with a further 5-7x expansion in the next 3 years.

Plastic Recycling Integration

AVRO integrates post-consumer and post-industrial plastic recycling, transforming it into granules for furniture and pre-mix compounds

Better Realization in Compounding

Compounded material is expected to generate 30% better pricing than internal consumption, supported by a dedicated lab and skilled manpower

ESG and Quality Compliance

AVRO will provide compounded materials to MNCs, fulfilling ESG mandates and quality standards, boosting revenue and contributing to EPR income.

Expansion and Circular Economy

Avro aims to recycle 50,000 tons of plastic by scaling operations in a phased manners.

Turning Plastic Scrap into Premium Products

AVRO : Pioneering Solutions to Plastic Waste Mismanagement

WHY

1 Opportunities

- India generates nearly 26,000 tonnes of plastics waste each day*
- Only 8% of this plastic gets recycled, 29% is mismanaged, and the rest incinerated or dumped*
- Government's strict implementation of Extended Producers Responsibility (EPR) and Plastic Waste Management Rules

HOW

2 Process

- Waste sourced from Material Recovery Facilities (MRFs), industries, aggregators
- Includes cement, rice, salt, sugar bags etc
- Processed efficiently for recycling
- The recycled plastic is then consumed to make furniture

WHAT

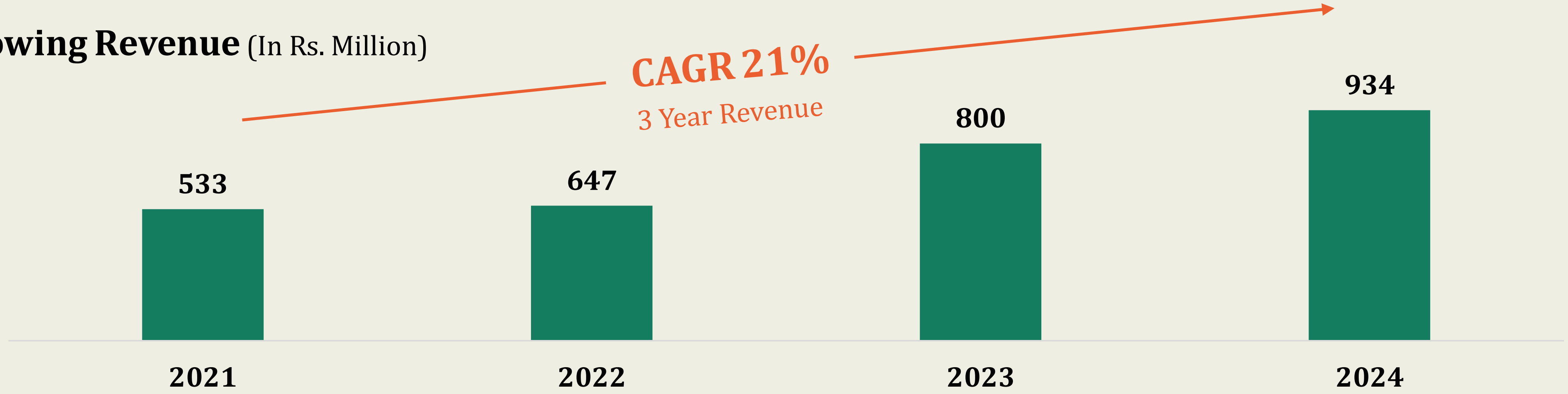
3 Result

- Plastic-molded furniture made from plastic waste offered at 30%-40% lower cost than others
- Sale of Plastic Granules and pre -mix compound
- Better cash flows

** Source – CSIRO Report*

Building on a Strong Legacy for Future Growth

Growing Revenue (In Rs. Million)



2018	2019	2020	2022	2022
Listing on NSE Emerge as public limited company	Company name changed to AVRO India Limited Crossed 250 SKUs & Added new Moulds	Online Presence on various platforms like Amazon, Flipkart, etc.	New Moulds, New Machinery, New Factory Expansion	Migrated to the Main Board of NSE & BSE Entered into Circular economy, setting up a plastic waste recycling unit

$2Bn Untapped Opportunity in Plastic Waste Recycling

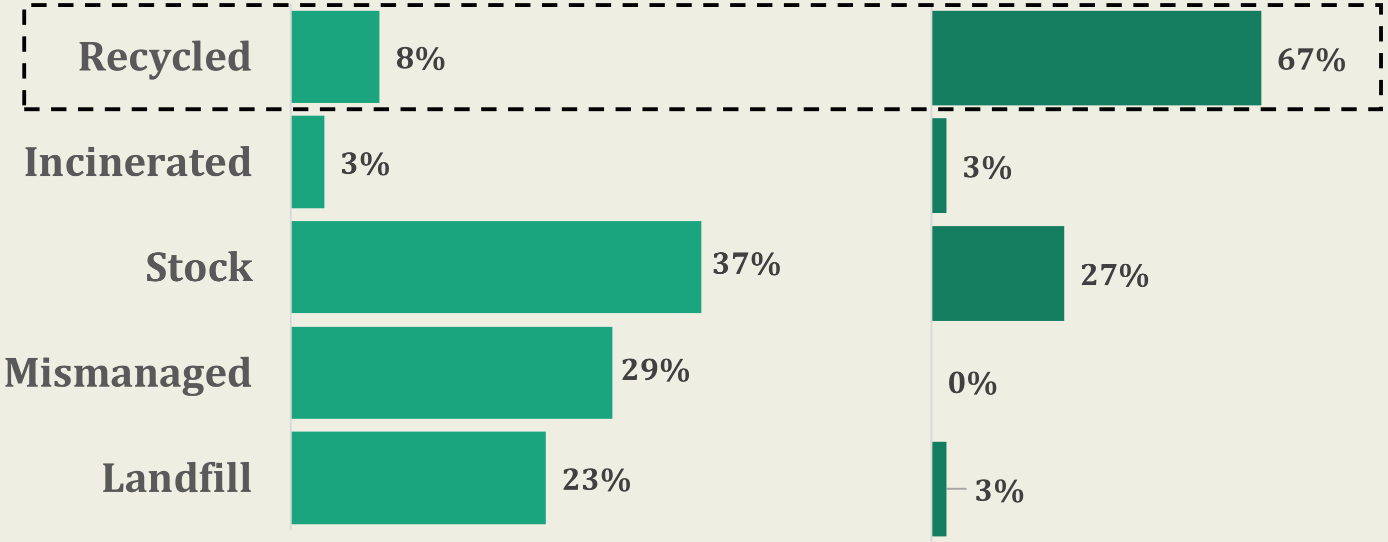
Multi-million-dollar opportunity in transforming plastic waste to wealth

The Indian plastic recycling market, valued at $2.2 Bn in 2024, is projected to reach $3.6 Bn by 2030, growing at a 10.76% CAGR from 2025 to 2030.

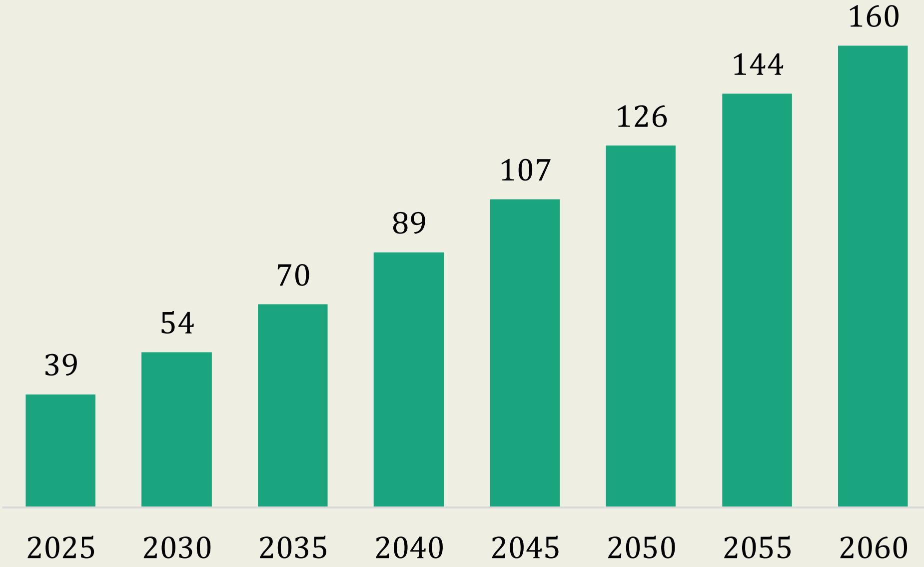
National Roadmap for Plastics Circular Economy

(Fostering Plastic Circularity in India: A Vision for the Next Decades)

Year 2019	Year 2035
24.1 Mn Tonne Annual Consumption	52.9 Mn Tonne Annual Consumption



India Plastic consumption is projected to quadruple by 2060 (in Million Metric Tons)

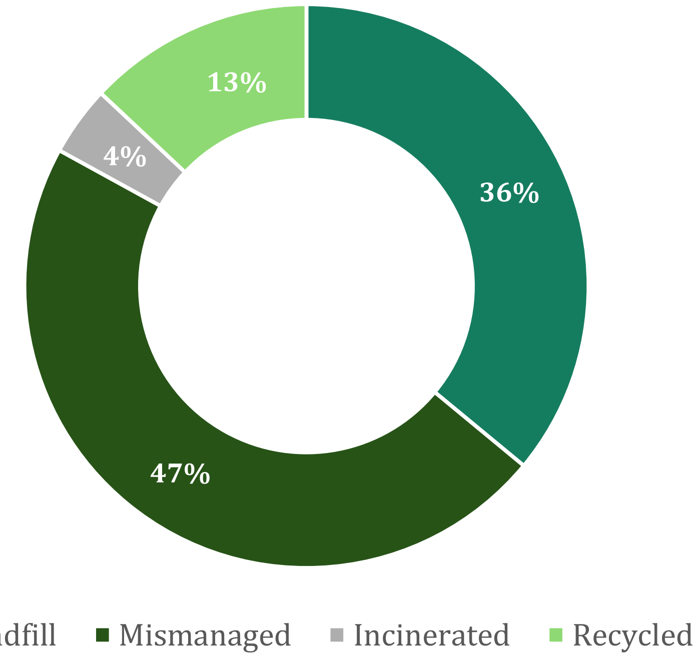


Source: CSIRO Report - A roadmap to India's Circular Economy ; Indian Plastic Recycling; Statista

Plastic's Long-Lasting Environmental Impact- A Challenge

Plastic Waste Generation & Disposal

India's Plastic Waste (26,000 T per Day)



- Plastic items take ages to decompose, creating lasting environmental challenges
- Impact: These lengthy decomposition periods contribute to persistent environmental pollution
- Environmental Entry: Over 70% of global plastic waste pollutes ecosystems, harming wildlife, livestock and threatens human health .

** Source – CPCB (2020)*

End-to-End Integrated Process System

***The Solution** - High-quality granules, pre-mix compounds, and saleable products produced by:*

- Captively consuming post-consumer plastics waste
- Recycling post-consumer plastic and producing granules in-house using advanced facilities
- Leveraging proprietary expertise and outsourced technology
- Integrating reverse engineering to create granules and pre-mix compounds for various industries

Procurement from Formal and Informal sources

↓

Transforming Waste to Wealth

↓

Conversion to High Quality Granules → Planning to sell pre-mix compounded materials to large corporates

↓

Production of High - Quality Plastic Furniture

Sustainability and Innovation in Plastic Recycling: Our Approach

Product Innovation and Assurance

- **First in India** to offer a **3-year guarantee** on select products
- Focus on **delivering high-quality products** at 40% lower cost than others

Sustainable Operations and Circular Economy

- **Backward integration** through plastic waste recycling
- **Reducing dependency on virgin plastics**; each kg replaced saves 2.5 kg of Green House Gas emissions

Environmental Impact and Compliance

- India produces **10 Mn tonnes** plastic scrap annually
- EPR credits **create revenue opportunities and complies with ESG .**

Financial and Market Strategy

- In-house compounding brings a **₹15-25/kg cost benefit**

Scalable Business Model

Post Consumer plastic waste collection

- Cement Bags
- Wall Putty Bags
- Rice Bags
- Jumbo Bags
- Leno Bags
- Salt Bags

Process Flow for Dry Scrap

- Grinding the material
- 4 stage dry machine wash to decontaminate
- Extrude & convert into Granules

Process Flow for wet scrap

- Grinding the material
- 3 stage washing line
- Use squeezer to remove moisture
- Extrude & convert into Granules

Consumption/Usage

- Packaging holds 38% of plastic use, followed by construction and agriculture (11%)
- EPR under India's Plastic Waste Management Rules mandates producers to manage plastic disposal and promote recycling
- The Plastic Waste Management (Amendment) Rules 2022 mandate using a specified proportion of recycled plastic in packaging
- Cost and regulatory support, including ESG mandates, are driving the demand for recycled plastic

Transforming Waste: Policy Implementation for Plastic Recycling

Key Policy Developments on PWM between 1988 and 2022 with relevance for plastic regulation and management in India

1986
Environment Protection Act

1988
Guidelines for Recycling of Plastics

1999, 2002, 2003
Recycled Plastics (Manufacturing & Usage) Rules

2000, 2016
Solid Waste (Management and Handling) Rules

2011
- ✓ Plastic Waste (Management and Handling) Rules
- ✓ Food Safety & Standards Regulation

2016, 2018
Plastic Waste Management (Amendment) Rules

2016
- ✓ Environment Protection Act (Control of non biodegradable garbage)
- ✓ Guidelines for co-processing of plastic waste in cement kilns
- ✓ Guidelines for Disposal of thermoset plastic Waste

2017
Consolidated guidelines for segregation, collection & Disposal of plastic Waste.

2018
Guidelines for disposal of non recyclable fraction (MLP)

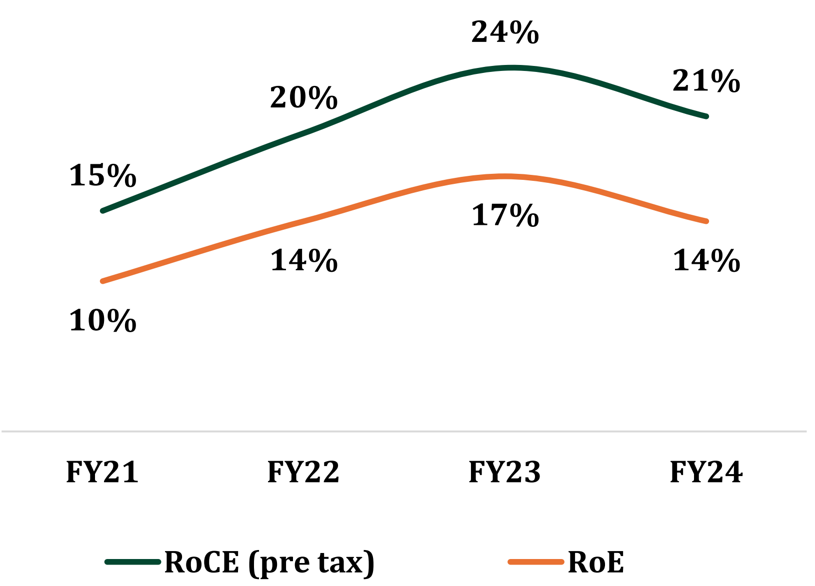
2019
Prohibition of import of PET Flakes

2022
Guidelines for Extended Producer Responsibility

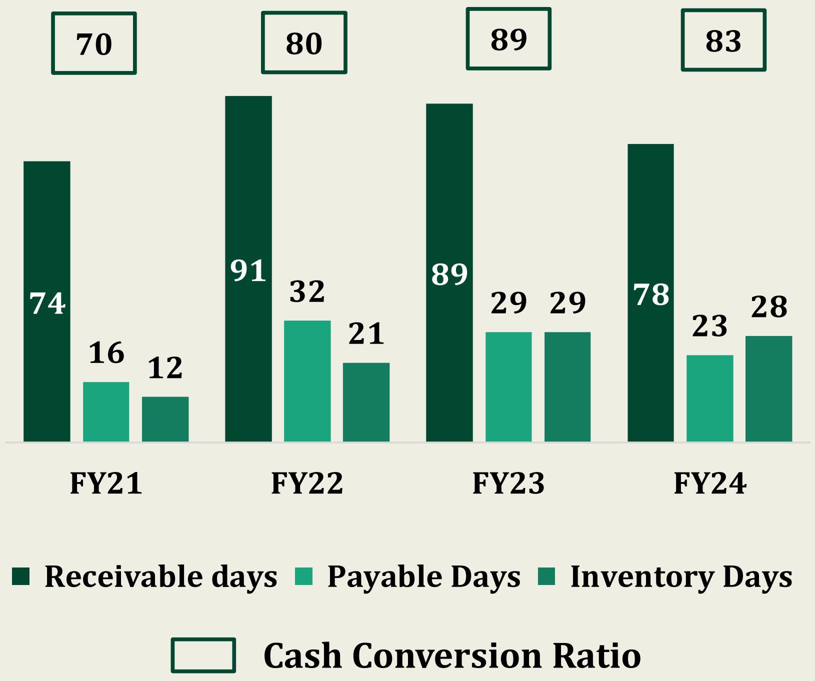
2021, 2022, 2023
Plastic Waste Management (Amendment)Rules

Stakeholder Value Creation

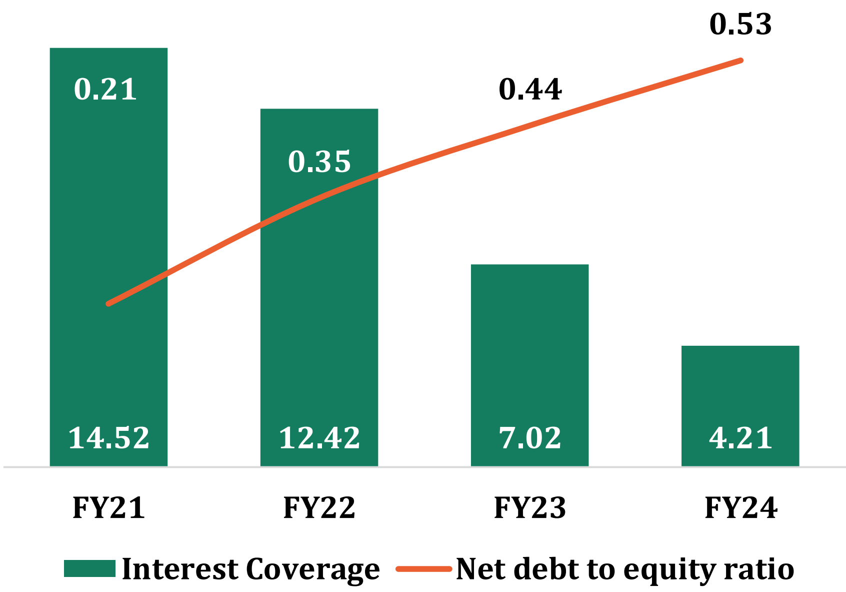
RoE and RoCE (pre tax)



Working Capital Ratios



Net debt to Equity and Interest Coverage



Traceability & Transparency of Material – Digital Tool

Software will be used to trace the waste management supply chain from the time/place it was generated to time/place waste reach to destination/disposal

Collection
Geo-tagged locations, images of waste, transactional details, GST numbers, and Aadhar cards/bank details of collectors

Transportation
Monitor vehicle movement, vehicle numbers, product types, and weighbridge challans digitally. Ensure safety in transportation vehicles and manage insurance coverage

Segregation
Track all inbound materials, loading, and bales via QR codes, with all transactions digitally recorded

Processing
Waste from centers is sent to factory, with documentation including weight, invoices, payment receipts, and disposal method certifications

Digital Tools
To track the purchase of waste from waste pickers & small Aggregators

Corporate Policies
Robust SoPs for safety & fire; Anti-bribery; Anti-corruption; child labor; minimum wages & related schemes

Environmental Benefits
All stakeholders in the supply chain will benefit, with low emissions and more efficient energy usage

Strong Competitive Edge

Mastery in Flexible Plastic Recycling

Pioneered using post consumer plastic waste as raw materials

Committed to Sustainability

Avro's recycled plastics reduce GHC emissions by 2.5 kg/kg, supporting sustainability

Successful B2B & B2C Business

Operates in furniture and recycled granules

Mastered use of recycled granules for high-quality, aesthetic furniture.

Cost-Efficient and Competitive

Currently sourcing 70% of raw materials through integrated recycling, with plans to further increase the use of recycled plastic.

Circular Economy Leader

Integrated recycling of plastic scrap for high quality in-house materials

Guidance and Outlook-Recycling Business

Capacity Ramp-Up

The existing 6,000 MTPA recycling capacity is expected to expand to 12,000 MTPA by FY 25 and thereafter further expand by 5-7x in the next 3 years.

Strong Financial Growth

Aim to achieve ₹300-350 Cr revenue through phased expansion and additional capex. PAT margins are expected to be in range of **17%-18%**, driven by substantial cost savings from low-cost raw material sourcing.

Use of Recycled Granules

By FY26, expectation is that the recycled granules will be sufficient for 100% captive consumption and the remaining granules will go for commercial Sales.

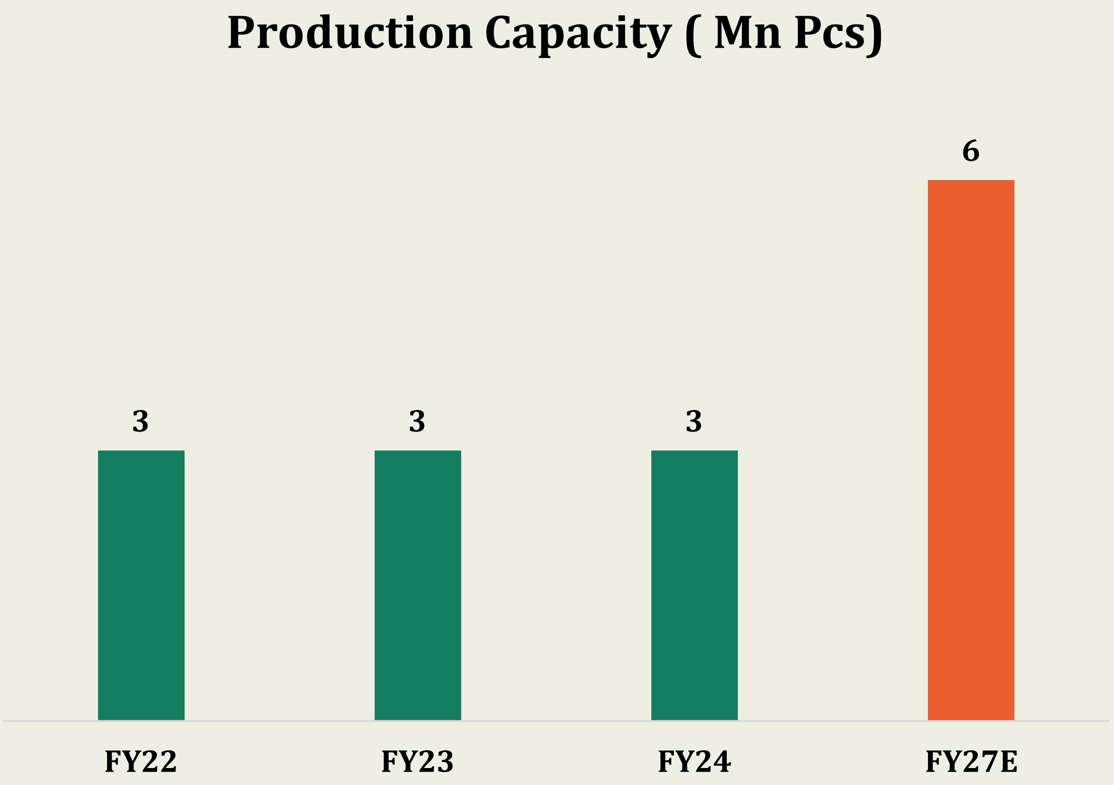
Circular Economy Opportunity

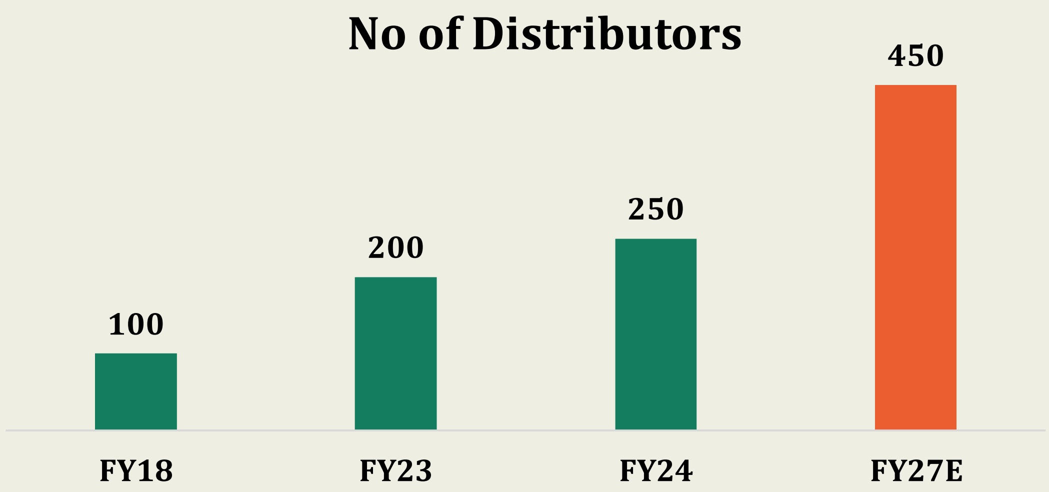
Compliant with the Plastic Waste Management Act, AVRO to transforms huge quantity of plastic into reusable materials.

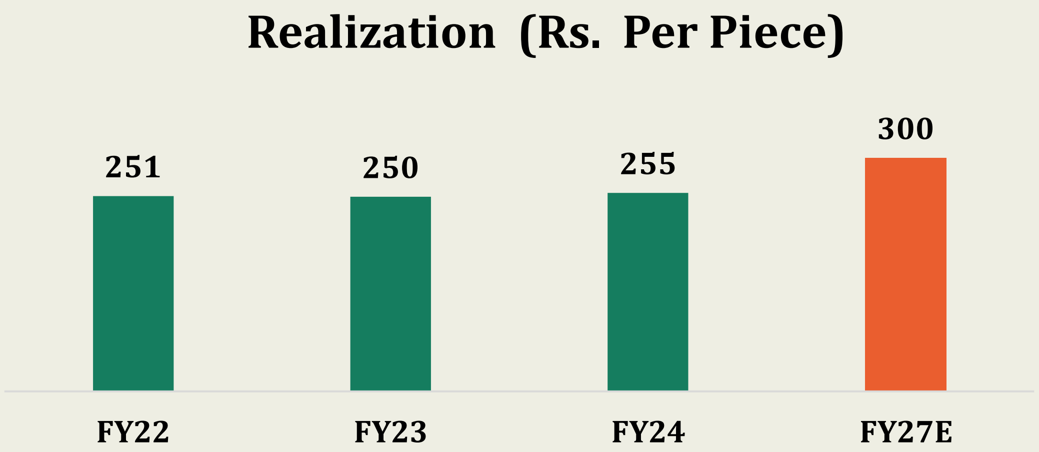
Social Enterprise Growth

The company will hire workers from diverse backgrounds, driving job creation, tax contributions, and social impact

Scalable in Growing Business





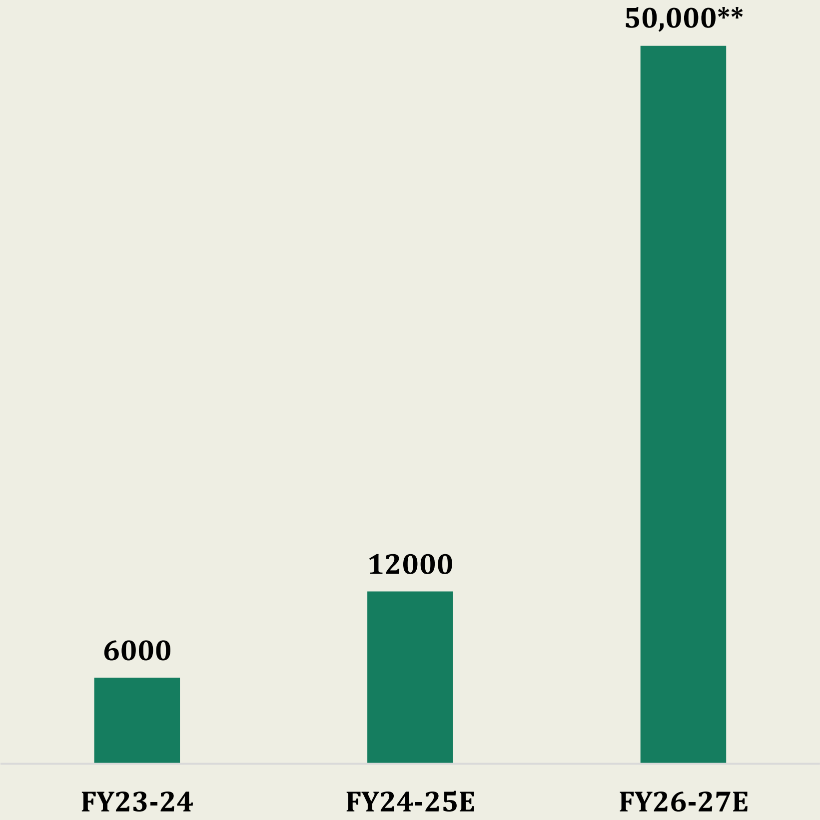


- Increasing Product Range by Introducing New Molds
- Expanding Sales Force for Broader Market Coverage

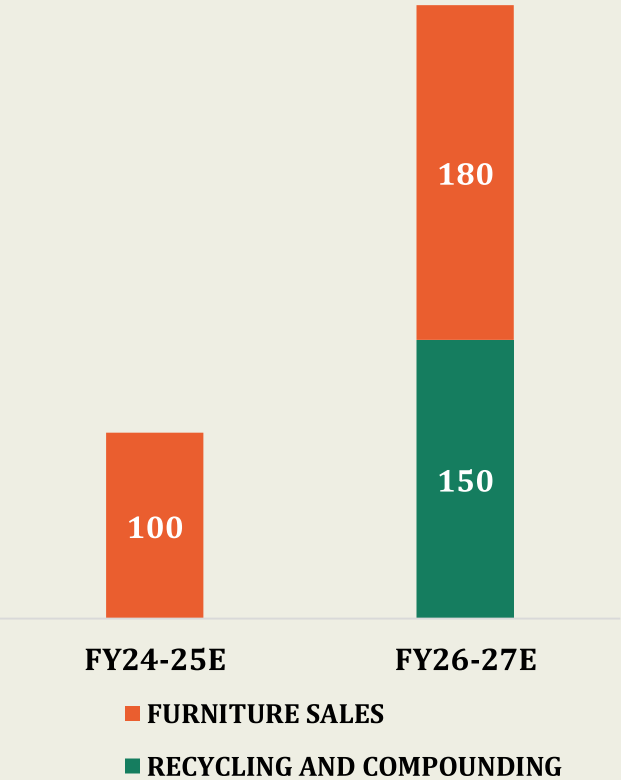
** E = Estimated*

Scaling up to Drive Profitability

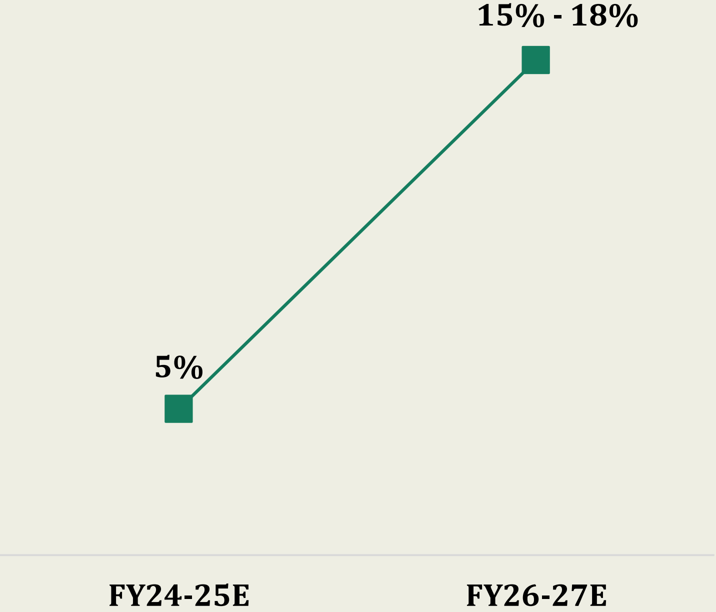
Recycling Capacity (MTPA)



Recycling Business Contribution in Revenues Expected to Grow Moving Forward (In Rs. Cr.)



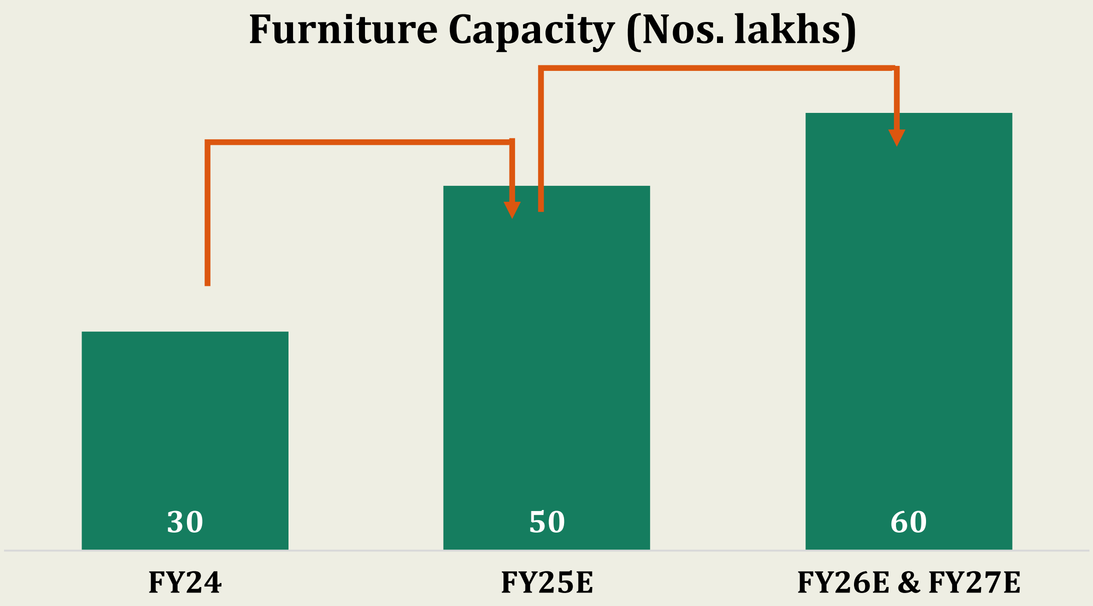
PAT Margin (%)



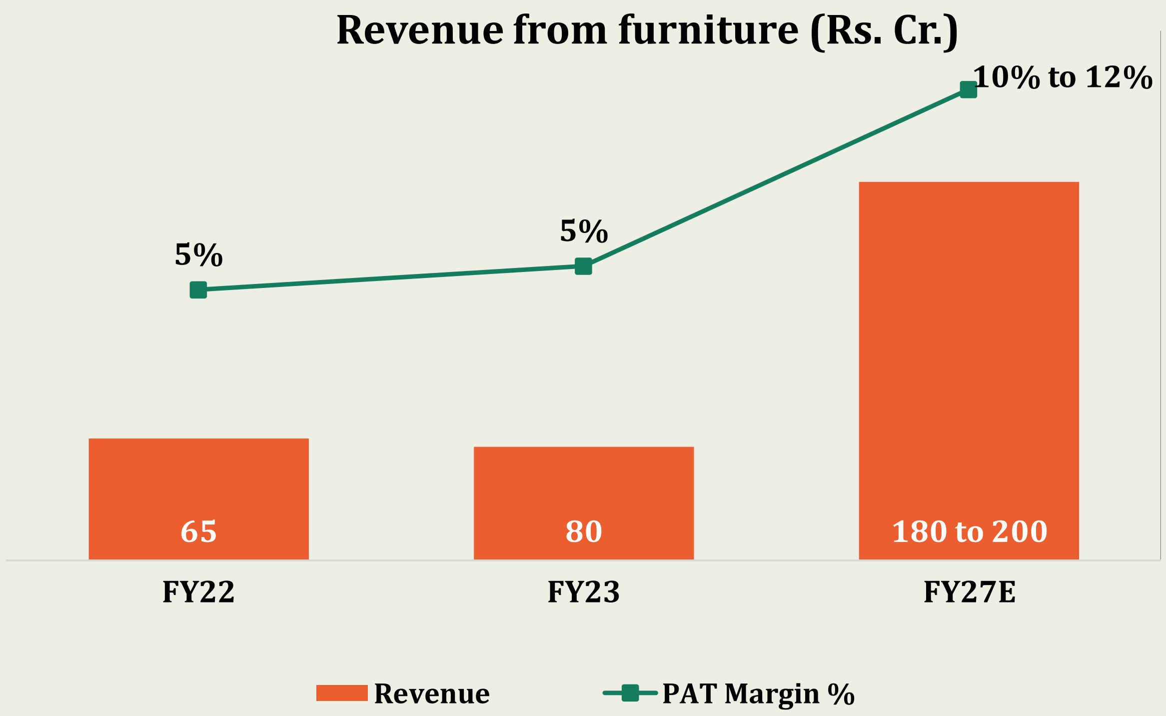
**E = Estimated; **Contingent to Fund Raise*

Future Strategies for Furniture Manufacturing

The company aims to expand capacity of its furniture moulding business to 60 lakh units by FY27, financed by internal accruals



The company aims to achieve revenue of Rs. 180-200 Cr. from furniture business by FY27, with an improved PAT margin of 10%-12%



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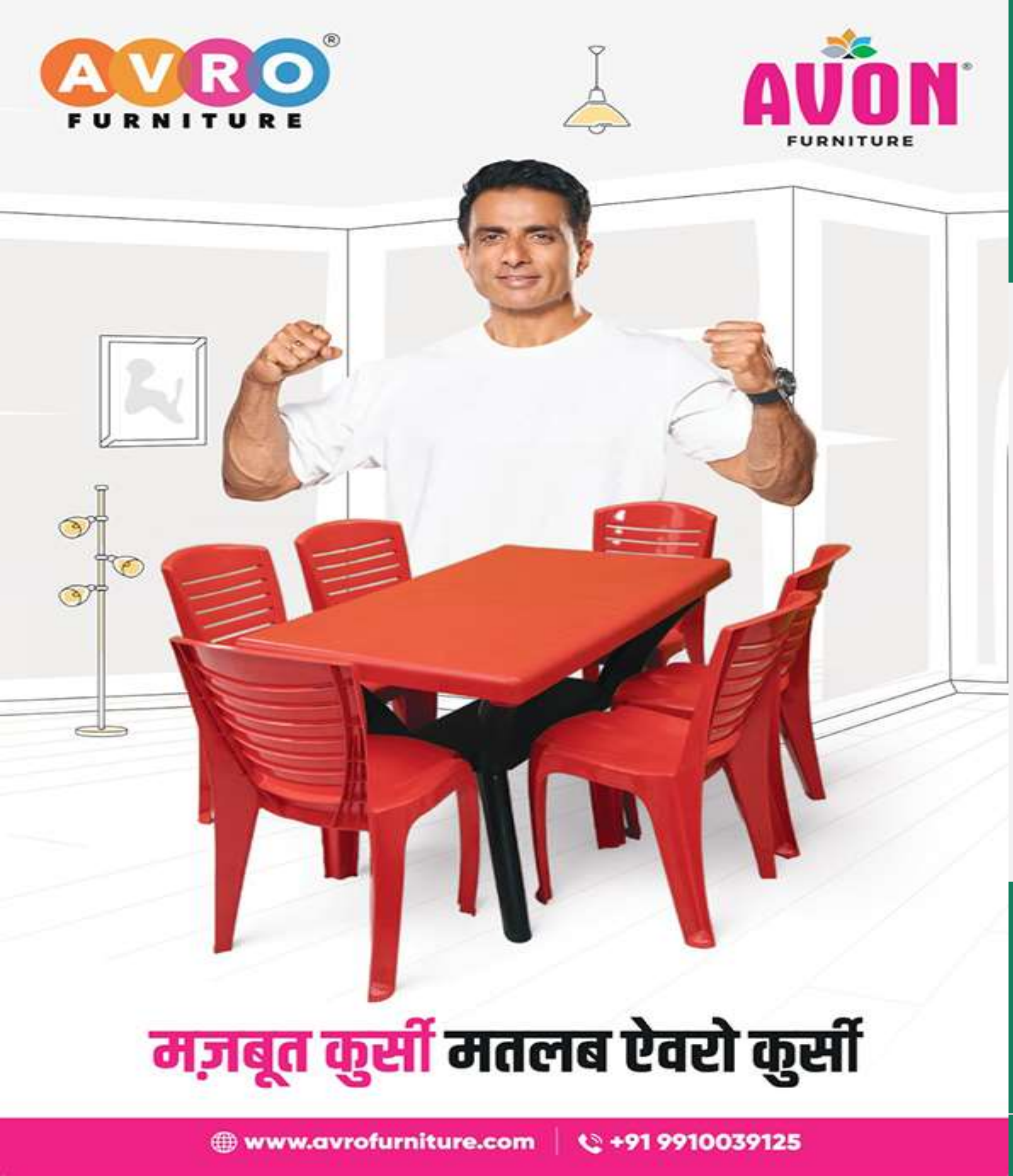
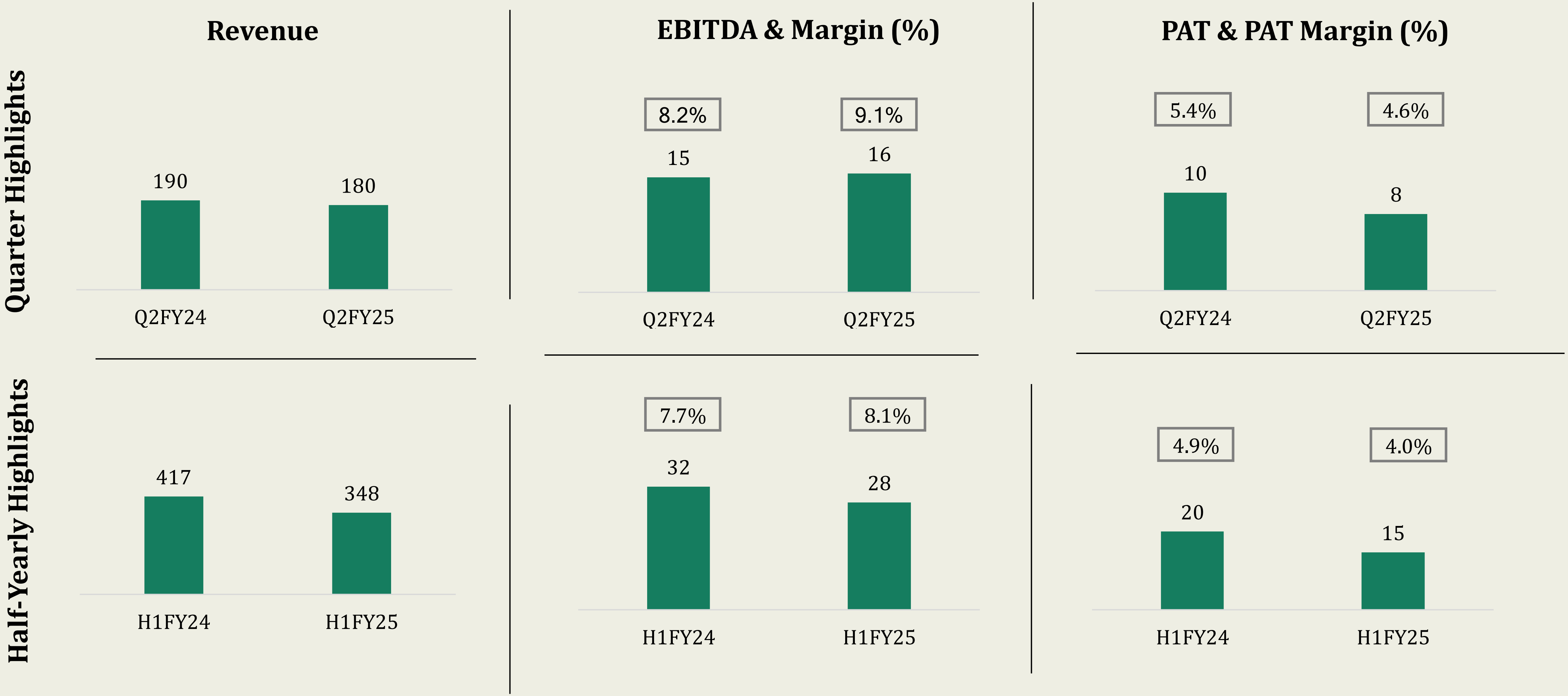


Q2 & H1FY25 Earnings

November 2024

Q2 & H1FY25 Financial Performance Highlights



All figures in Rs Million

Q2 & H1FY25 Financial Performance Highlights

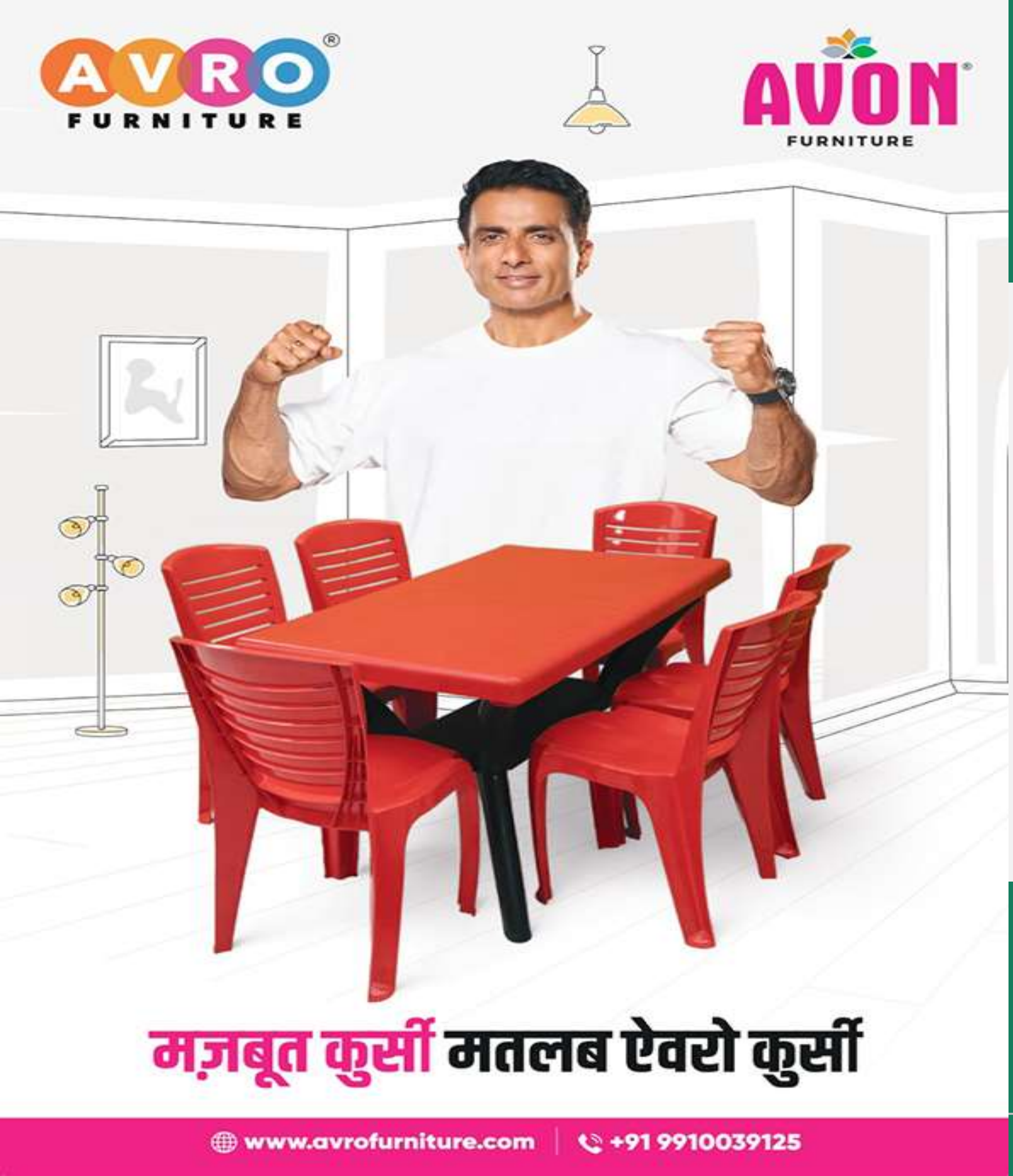
All figures in Rs Million

Particulars(Rs Mn)	Q2FY25	Q1FY25	QoQ%	Q2FY24	YoY%	H1FY25	H1FY24
Net Sales	180	167	8%	190	-5%	348	417
Total Expenses	164	155	6%	174	-6%	319	385
EBITDA	16	12	36%	15	6%	28	32
EBITDA Margin (%)	*9.1%*	*7.2%*		*8.2%*		*8.1%*	*7.7%*
Depreciation	9	7	24%	6	42%	16	12
Finance Costs	4	4	3%	3	6%	7	6
Other Income	9	6	52%	8	9%	15	14
PBT	12	7	80%	14	-9%	19	28
Tax	4	0	-	3	18%	4	8
PAT	8	7	26%	10	-19%	15	20
PAT Margin (%)	*4.6%*	*3.4%*		*5.4%*		*4.0%*	*4.9%*
EPS Diluted (INR)	0.83	0.65	28%	1.01	-18%	1.48	2.02

H1FY25– Balance Sheet

All figures in Rs Million

Particulars	30.09.2024	31.03.2024	Particulars	30.09.2024	31.03.2024
ASSETS			**EQUITY AND LIABILITIES**		
Non Current assets			**EQUITY**		
(a) Property, Plant and Equipment	230	203	(a) Equity share capital	101	101
(b) Capital work-in-progress	10	8	(b) Other equity	202	188
(c) Other intangible assets	-	0	**Sub Total - Equity**	**303**	**289**
(d) Right to use assets		-	**LIABILITIES**		
(e) Financial assets (i) Investments		-	**Non-current liabilities**		
(ii) Loans		-	(a) Financial Liabilities (i) Borrowings	62	45
(f) Non current tax assets		-	(b) Provisions	2	1
(g) Other non current assets	3	3	(c) Deferred Tax Liabilities (net)	1	1
Sub Total - Non Current Assets	**243**	**214**	**Sub Total - Non Current Liabilities**	**65**	**47**
Current Assets			**Current liabilities**		
(a) Inventories	109	69	(a) Financial Liabilities		
(b) Financial assets			(i) Borrowings	157	112
(i) Investments	12	10	(ii) Trade Payables – MSME	19	18
(ii) Trade Receivables	233	206	- Others	62	53
(iii) Cash and cash equivalents	3	4	(iii) Other financial liabilities	3	2
(iv) Bank balances other than (iii) above	-	-	(b) Other current liabilities	20	23
(v) Other Financial Assets	9	12	(c) Provisions	0	0
(C) Other current assets	22	30	(d) Current tax liabilities (net)	2	1
Sub Total - Current Assets	**388**	**331**	**Sub Total - Current Liabilities**	**263**	**209**
Total Assets	**631**	**545**	**Total Equity and Liabilities**	**631**	**545**



Annexure

November 2024

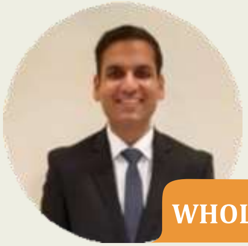
Board of Directors

MR. SUSHIL KUMAR AGGARWAL
CHAIRMAN & WHOLETIME DIRECTOR

- 30+ years of experience in plastic moulded furniture & recycling industry
- Vast experience in market expansion, promotion and development of new product range

MR. SAHIL AGGARWAL
MANAGING DIRECTOR

- An alumnus of the Singapore Institute of Management, Singapore,
- Associated with the Company since 2009 and looks after over all production of furniture & recycle division



MR. NIKHIL AGGARWAL
WHOLE TIME DIRECTOR

- Completed Bachelor of Science in Business Administration from Ohio State University, USA
- Expertise in sales & marketing and is heading this department, along with new SKUs & diversification

MS. ANITA AGGARWAL
NON EXECUTIVE DIRECTOR

- She is a commerce graduate, is a part of promoter group and has been associated with the Company since inception

MR. PAWAN DIXIT
INDEPENDENT DIRECTOR

- Fellow Member of Institute of Cost Accountants of India, also possesses dual post graduation degree in the field of Finance and Accounts. Having more than 8 years of experience

MR.SUSHIL KUMAR GOYAL
INDEPENDENT DIRECTOR

- Master of Arts from MD University, Rohtak & has vast experience of over three decades with multiple public sector banks

MS. RICHA KALRA
INDEPENDENT DIRECTOR

- Commerce graduate and qualified Company Secretary and has expertise in Secretarial matters and indirect taxation

MR. MUKUL JAIN
INDEPENDENT DIRECTOR

- Mechanical engineering graduate with three post-graduations in different domains of management
- He is a Corporate Trainer and visiting Professor in management domain with business institutes in Delhi-NCR

Diverse Product Portfolio

Stools

Baby Chairs

Chairs

3195

Baby Desk

Platinum

Viva

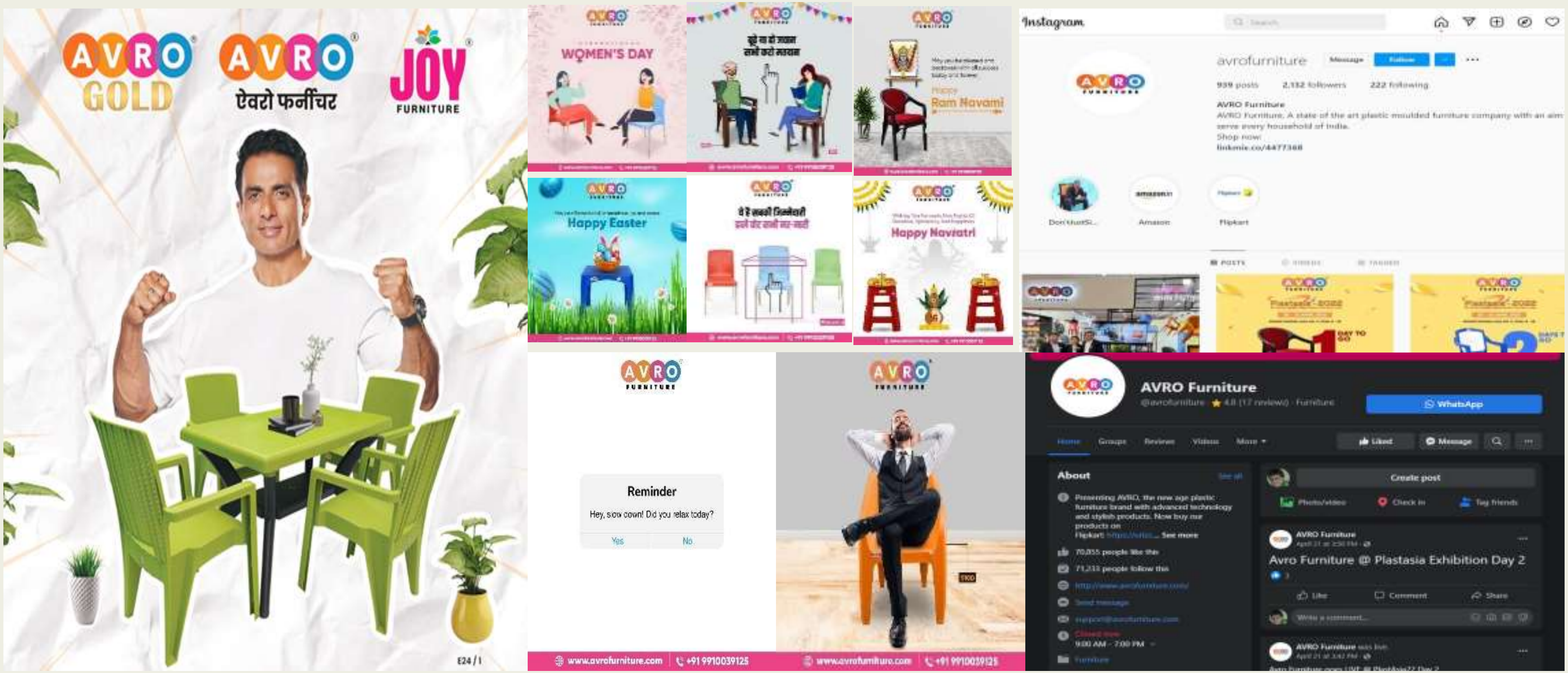
9927

Nexa

Tables

Magna

Boosting Brand Recall with Mr. Sonu Sood and Strategic Social Media Marketing



Awards & Recognition

India's Greatest Leaders 2017-18 By Asia One to Mr. Sushil Kumar Aggarwal

Altina Entrepreneurs Excellence Award, 2018 to Sushil Kumar Aggarwal for excellence performance in the field of Plastic Molded Furniture

India's Top Minds, 2021 by Brand Story to Mr.Sushil Kumar Aggarwal

India's Greatest Brands, 2017-18 by Asia One to Avro India Limited

Pride of India Award, 2023 by Exchange4media Agency to Avro India Limited as Best North India Brand in Plastic Furniture

Brand Excellence Award in Best Emerging Brand by ABP News to Avro India Limited

Historical Income Statement

All figures in Rs Million

Particulars	H1FY25	FY24	FY23	FY22	FY21
Revenue	348	934	800	647	533
Total Expenses	319	876	737	596	495
EBITDA	28	58	63	51	38
EBITDA Margin (%)	8%	*6%*	*8%*	*8%*	*7%*
Depreciation	16	28	18	13	14
Finance Costs	7	14	9	4	3
Other Income	15	40	23	5	3
PBT	19	56	59	39	24
Tax	4	16	17	10	7
PAT	**15**	**40**	**42**	**30**	**17**
PAT Margin (%)	*4%*	*4%*	*5%*	*5%*	*3%*

Historical Balance Sheet

All figures in Rs Million

Particulars	H1FY25	FY24	FY23	FY22	FY21
Total Equity	**303**	**289**	**248**	**207**	**177**
Long term Borrowings	62	45	28	12	5
Other Non- Current Liabilities	3	2	1	1	1
Total Non-Current Liabilities	**65**	**47**	**30**	**13**	**6**
Trade Payables	81	71	37	79	23
Short Term Borrowings	157	112	88	65	37
Other Current Liabilities	25	27	8	10	6
Total Current Liabilities	**263**	**209**	**132**	**154**	**66**
TOTAL EQUITY AND LIABILITIES	**631**	**545**	**410**	**373**	**249**
Property Plant and equipment	230	203	146	121	102
Other Non-Current Assets	13	11	7	3	3
Total Non-Current Assets	**243**	**214**	**153**	**124**	**105**
Inventories	109	69	64	51	17
Trade Receivables	233	206	166	186	108
Other Current Assets	46	56	26	12	20
Total Current Assets	**388**	**331**	**257**	**249**	**144**
TOTAL ASSETS	**631**	**545**	**410**	**373**	**249**

Disclaimer

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THANK YOU!