

A background featuring a topographic map with grey contour lines on a white field.

WE

A background showing a close-up of a rock surface with various textures, colors (brown, orange, grey), and mineral patterns.

CAN'.

'WE CAN'.

SCEPTICS OUTLINED A NUMBER OF REASONS WHY WE WOULD FAIL IN FY2017 WHEN WE WERE FACED WITH A RECORD ₹1300 CRORE INCREASE IN OUR ORDER BOOK.

THEY SAID WE DIDN'T HAVE ENOUGH CREWS.

THEY SAID WE DIDN'T HAVE ENOUGH PROFESSIONAL TALENT.

THEY SAID WE DIDN'T HAVE THE EXPERIENCE TO MANAGE SCALE.

THEY SAID WE DIDN'T HAVE A BROADBASED CAPITAL STRUCTURE.

THEY HADN'T FIGURED THAT WE POSSESSED SOMETHING MORE PRECIOUS THAN ALL THESE CHALLENGES COMBINED.

Our self-belief.
Captured in two simple words.

'We can'.



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'WE CAN'

MORE THAN A STATEMENT. A *PHILOSOPHY* AT ALPHAGEO

The courage to stay in the fight even when the odds appear loaded against you

The conviction that there must be a better way even though it may not be immediately evident

The belief that team-working is the eventual balm that counters the pain of multi-site challenges

The knowledge of all the nuts and bolts of the business, making it possible to take informed decisions ground-level up



242 1530

Peak order book (Rs, cr),
net of taxes, until 2016-17

Peak order book (Rs, cr),
net of taxes, in 2016-17

4 17

Maximum crews the
company worked with
before 2016-17.

Crews the company
worked with in 2016-17

101 241

Personnel before
2016-17

Personnel in
2016-17

WEGAN

A PHILOSOPHY THAT WAS LIVED

AT ALPHAGEO THROUGH 2016-17

Alphageo's 'we can'
confidence ...and how it
inspired us to overcome
the biggest challenge in
our existence



At Alphageo, we entered our business three decades ago around the conviction that as India needed increased oil to address its growing industrial and consumer appetite, it would be compelled to locate more domestic sources than import.

There were a number of times when our long-term conviction was tested. When seismic exploration contracts did not happen. When there was no government clarity on fresh exploration. When order flows declined.

During those challenging days, Alphageo selected to shrink rather than disappear. The one positive result of those challenging days was that Alphageo created a frugal cost structure; this structure made it possible for the company to adapt to the worst of times; the structure never bloated during periods of recovery.

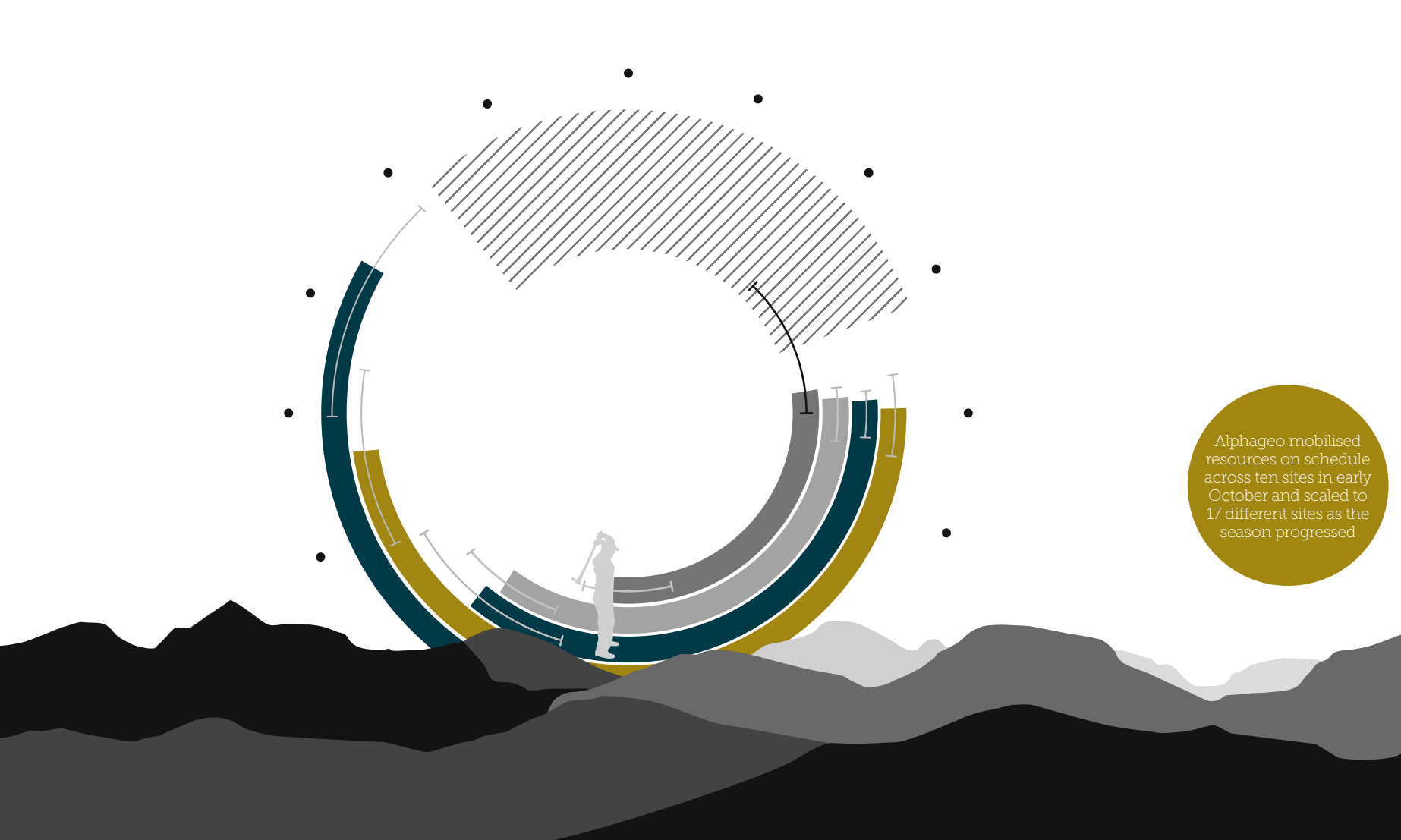
The result of Alphageo staying in the game was that the company accreted knowledge. The company stayed with minimal debt. The company's management structure remained lean.

The combination has paid off.

Alphageo is possibly the largest seismic services company in the world (ex-China and Russia) in terms of crews. The company enjoys an undisputed global cost leadership.

And all because a small voice kept whispering two words a few decades ago when all looked hopeless.

'We can'.



Alphageo mobilised resources on schedule across ten sites in early October and scaled to 17 different sites as the season progressed

At Alphageo, we were faced with an interesting irony last year.

On the one hand, we were absolutely delighted to receive the largest order in our existence – and possibly one of the largest orders for seismic services received by any company in the world.

On the other hand, we were challenged by the need to aggregate the largest aggregation of diverse resources in the shortest time - of capital, executives, workers and equipment.

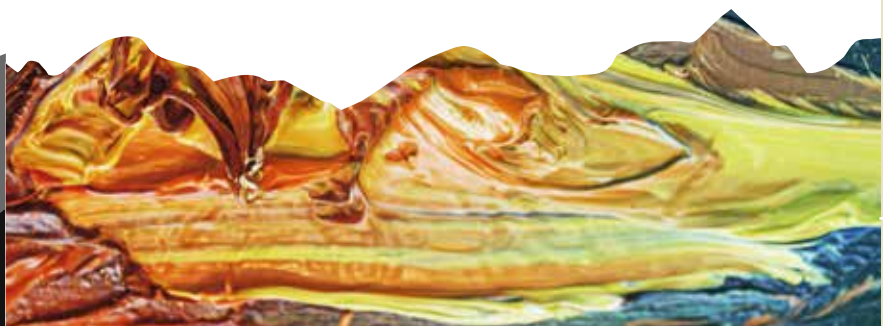
Besides, the challenge lay in aggregating these resources with considerable experience into a distinctive Alphageo way of things, which required considerable learning and unlearning.

Of all the things that Alphageo achieved during the year under review, this proved the most intimidating.

Finally, when Alphageo mobilised resources on schedule across ten sites in early October and scaled to 17 different sites as the season progressed, a new-found conviction emerged.

A conviction reflected in two words.

'We can'.



Alphageo's 'We can' confidence... and how it inspired us to overcome the biggest challenge in our existence



Alphageo's 'We can' conviction ... and how it protected our Balance Sheet integrity at a time of stress

What would have
normally been paid out
of reserves and debt
was now paid out of
accruals

At Alphageo, there was a danger that the largest order inflow in our existence would destroy something we cherished.

Our Balance Sheet.

The attractiveness of the Alphageo Balance Sheet was something we had zealously protected across the decades.

Minimal debt. High margin. Free cash. High return on employed capital.

When we received the largest order inflow, even well-meaning analysts indicated that we would have to live with a weaker Balance Sheet. Because we would need to mobilise large debt to buy crews. Because we would need to live with moderated margins offset by larger volumes.

At Alphageo, we negotiated stronger for crews: larger discount, staggered payment and quicker delivery.

The result: what would have normally been paid out of reserves and debt was now paid out of accruals.

'We can'.

Alphageo's 'We can' conviction ... and how it enabled us to work concurrently across 17 sites

At Alphageo, we developed a respect for being able to negotiate some of the most inhospitable sites across the country – and still delivering projects on schedule.

The company was close to achieving its operating target in 2016-17.

We addressed the same challenge in 2016-17 – with a difference.

Across the last 30 years of our existence, we were required to work in one challenging terrain at a time, making it possible to focus our organisational energy completely on the project at hand.

In 2016-17, we were required to work on 17 of the most diversely challenging locations in India.

Concurrently.

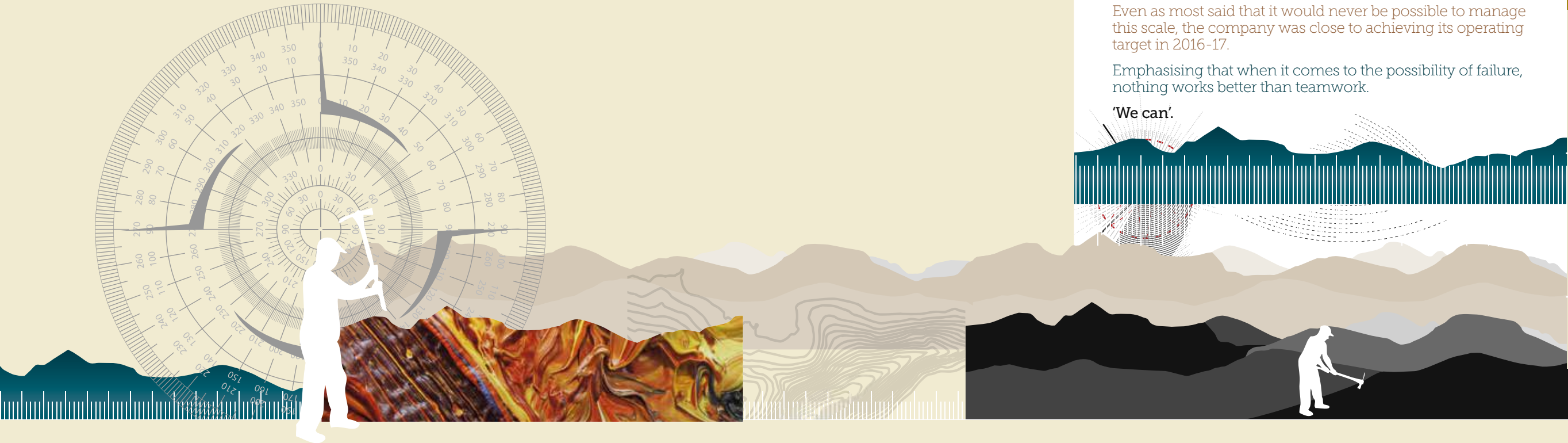
The desert sands of Rajasthan. The challenging Deccan. The difficult valleys of Chambal and Sone. The shrimp farms of Andhra Pradesh. The farmlands of Karnataka. The undulating North East. The Himalayan mountains in Uttarakhand.

The company responded to this logistical nightmare with a combination of technology and process discipline (reporting).

Even as most said that it would never be possible to manage this scale, the company was close to achieving its operating target in 2016-17.

Emphasising that when it comes to the possibility of failure, nothing works better than teamwork.

'We can'.



Corporate snapshot

Alphageo (India) Limited is one of the world’s largest seismic service companies.

The company is also one of the lowest cost service providers in the world.

This scale and cost leadership have been derived from a number of capabilities.

Staying in business through good markets and bad. Continuous engagement with prominent customers. Courageous ability to embrace challenging projects.

And that has made all the difference.

We have emerged as arguably the fastest growing seismic services provider in the world.

Our management

The company was founded by visionary Late Alla Shankar Reddy in 1987. The company has been grown from its first day of operations by Dinesh Alla, currently Managing Director.

Our business

We provide 2D and 3D seismic and related services (seismic data acquisition, processing and interpretation) for exploration companies in the oil and gas sector.

Our presence

We are headquartered in Hyderabad (India) with a working experience across 13 states in India as well as Myanmar and Republic of Georgia. Our equity shares are listed on bourses of the BSE Limited (BSE) and the National Stock Exchange of India Ltd (NSE).

Our pedigree

Vision: Emerge as a leading geophysical services player with global operations to deliver time-critical, quality data at competitive prices.

Mission: Alphageo's goal is to emerge as the industry's premier provider of cost-effective seismic services and geophysical solutions.

- We strive to deliver high-quality services while maintaining a safe, enjoyable and challenging workplace for our employees
- We hold in highest regard the environment and societies in which we work

- We are committed to excellence in all that we do, and through this, create value for all our stakeholders

Our experience

We enjoy a multi-geographic, multi-terrain and multi-customer experience.

Other information

BSE Code: 526397

NSE Code: ALPHAGEO

Face value per share: ₹10/-

Market capitalisation: ₹547 crore

Enterprise value: ₹615 crore

Our order book

24640

Line km of 2D Seismic data acquisition as on March 31, 2017

320

Sq Km of 3D Seismic data acquisition as on March 31, 2017

1200

Value of the order (Rs crore), net of taxes (approx)

2016-17: The inflection year

Financial

Revenue from operations grew by 332% from ₹6860 lakhs in 2015-16 to ₹29656 lakhs in 2016-17

EBITDA grew by 484% from ₹1627 crore in 2015-16 to ₹9504 crore in 2016-17

Net profit grew by 607% from ₹1031 lakhs in 2015-16 to ₹7293 lakhs in 2016-17

Profitability

EBITDA margin stood at 31.90% in 2016-17 against 23.17% in 2015-16

Net profit margin stood at 24.48% in 2016-17 against 14.68% in 2015-16

Return on Capital employed stood at 32.98% in 2016-17 against 11.97% in 2015-16

Business

Domestic contracts

Received 6 contracts for 2D Seismic Data Acquisition in unappraised land areas of the Sedimentary Basins of India from Oil & Natural Gas Corporation Ltd, Mumbai

43.30

Promoters' holding, March 31, 2017 (%)

2.36

Institutional holding, March 31, 2017 (%)

54689

Market capitalisation, March 31, 2017 (Rs lakh)

61538

Enterprise value, March 31, 2017 (Rs lakh)



The big Alphageo numbers

3

Countries where Alphageo has worked

29680

GLK of 2D seismic survey

32

Number of customers the company has worked with

6484

Sq km of 3D seismic survey experience across challenging terrains

26+

Number of years of experience in seismic data acquisition

15

Number of sedimentary basins of experience

60

Per cent of original team still working with the company

51

Number of completed projects

1360

Person-years of experience in multi-basinal and challenging terrains

17

Sites at which projects was undertaken concurrently

