



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q1 FY 2017-18



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1. Financial Snap Shot – Consolidated

(Rs. In lacs)

Particulars	F.Y.2017-18	F.Y. 2016-17				
	Q1	Q1	Q2	Q3	Q4	F.Y. 2016-17
Production (MT)	56744	54272	59280	58785	60785	233122
Sales (MT)	55680	47572	51969	56646	58290	214477
1. INCOME						
a) Sales(with Excise)	57639	48465	53419	59096	62944	223924
b) Other operating income (export benefits)	1,513	1113	1467	1654	1655	5889
Total income from operations	59152	49578	54886	60750	64599	229813
c) Other non operating income	1,850	3045	2683	2229	4709	12666
Total Income	61002	52623	57569	62979	69308	242479
2. EXPENDITURE						
a) Raw material consumed	24,212	17742	19926	20426	25117	83211
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(1277)	(3689)	(5263)	(923)	(644)	(10519)
Excise Duty	2155	1689	1940	1745	2059	7433
c) Employee benefit expenses	2738	2567	2672	2713	2719	10671
d) Other expenses	18338	17039	19666	19507	21570	77782
3. EBIDTA	14835	17275	18628	19511	18487	73901
4. EBIDTA (Percentage on income from operation including Excise)	25.08%	34.84%	33.94%	32.12%	28.62%	32.16%
5. Depreciation and amortising expenses	1776	1749	1705	1701	2093	7248
6. Finance cost	140	119	102	85	143	449
7. PBT	12,919	15407	16821	17725	16251	66204
8. Tax	4049	4503	5577	5677	4726	20483
9. PAT (after Minority Interest)	8849	10900	11235	12033	11511	45679

2. Break-up of Certain Key Items – Consolidated

(Rs. In lacs)

Particulars	F.Y. 2017-18	F.Y. 2016-17				
	Q1	Q1	Q2	Q3	Q4	2016-17
1. Other Operating Income						
a) Export benefits	1513	1113	1467	1654	1655	5889
2. Other income						
a) Dividend / profit on sale of MF / Interest income	127	229	234	144	116	723
b) Foreign exchange gain	358	467	641	262	1030	2400
c) Others (including fair value of Investments)	1365	2349	1808	1824	3563	9543
Total	1850	3045	2683	2229	4709	12666

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2017-18	2016-17				
	Q1	Q1	Q2	Q3	Q4	2016-17
1. Inventories						
a) Raw material – Amount	11006	8452	7684	9806	8838	8838
No. of days	38	38	35	43	37	37
b) WIP & FG – Amount	37982	29929	35061	36029	36364	36364
No. of days	60	58	62	61	59	59
2. Receivables – Amount	51417	39283	34913	44675	49606	49606
No. of days	81	76	62	76	81	81

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2017-18	F.Y. 2016-17				
	Q1	Q1	Q2	Q3	Q4	2016-17
i) Mining	34083	29187	31858	35854	29580	126479
ii) Others	21597	18385	20111	20792	28710	87998
Total	55680	47572	51969	56646	58290	214477

5. CAPEX/PROJECTS IN PIPELINE

- a) GIDC Kerala Greenfield Phase-I and Trichy Brownfield expansion effectively commissioned in Q-3 FY 2016. Present Installed Capacity 3,40,000 TPA.
- b) GIDC Kerala, Phase-II Greenfield expected to be commissioned in two phases. First phase will add 50,000 TPA capacity in F.Y. 2017-18 while Second phase will add another 50,000 TPA capacity in F.Y. 2018-19. Taking installed capacity to 4,40,000 TPA; total Capex of Rs. 500 crores.
- c) Capex incurred during Q1-FY 2018: Rs. 41 crores.
- d) Capex estimated to be incurred in FY 2017-18: Rs. 185 crores.

6. Strategy

- a. The opportunity landscape over medium to long term horizon remaining unchanged with the total addressable annual mining replacement market estimated at around 3 million TPA coupled with a very low penetration of high chrome consumable wear parts in mining. Bulk of future growth is expected to come from outside India and that too mainly in mining segment.
- b. Apart from significant cost reduction due to much lower wear rates, high chrome solutions also bring about benefits like improved process efficiencies, reduction in other consumables (other than high chrome consumables), improved environmental benefits, etc. which are other key growth drivers.
- c. Targeted incremental volume growth over the 3 year horizon around 1,20,000 MT

7. Key Highlights/Developments

- A. Mining Sector sales increased on account of continued business penetration efforts in the sector..
- B. Order book as at 1st July 2017: Rs. 536 crores
- C. Outstanding foreign currency forward contracts (sales contracts) as of 30th June-2017: US \$ 16.50 MIO, EURO 8.00 MIO, ZAR 64.00 MIO.