



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q1 FY 2018-19



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1. Financial Snap Shot – Consolidated



(Rs. In lacs)

AIA Engineering Ltd.

Particulars	F.Y. 2018-19	F.Y. 2017-18				
	Q1	Q1	Q2	Q3	Q4	F.Y. 2017-18
Production (MT)	69,843	56,744	56,256	55,516	61,298	229,814
Sales (MT)	64,211	56,706	54,252	51,392	66,374	228,724
1. INCOME						
a) Sales (without excise)	69,094	55,484	54,294	55,639	72,057	237,475
b) Other operating income (export benefits)	2,429	1,513	1,620	1,577	2,328	7,039
Total income from operations	71,523	56,997	55,915	57,217	74,385	244,513
c) Other non operating income	2,017	1,850	2,169	3,212	4,951	12,181
Total Income	73,539	58,847	58,083	60,429	79,336	256,695
2. EXPENDITURE						
a) Raw material consumed	33,438	24,212	22,798	22,430	29,279	98,719
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(4,785)	(1,277)	(1,257)	(1,821)	2,071	(2,282)
c) Employee benefit expenses	3,083	2,738	2,848	2,883	2,846	11,316
d) Other expenses	24,229	18,338	20,285	21,037	23,531	83,191
3. EBIDTA	17,575	14,835	13,409	15,899	21,608	65,751
4. EBIDTA (Percentage on income from operation excluding excise)	24.57%	26.03%	23.98%	27.79%	29.05%	26.89%
5. Depreciation and amortising expenses	1,655	1,776	1,596	1,789	1,398	6,558
6. Finance cost	183	140	158	109	285	693
7. PBT	15,737	12,919	11,655	14,001	19,925	58,501
8. Tax	5,255	4,049	2,991	2,348	4,750	14,139
9. PAT (after Minority Interest)	10,505	8,850	8,651	11,617	15,218	44,335

2. Break-up of Certain Key Items – Consolidated



AIA Engineering Ltd.

(Rs. In lacs)

Particulars	F.Y. 2018-19	F.Y. 2017-18				
	Q1	Q1	Q2	Q3	Q4	2017-18
1. Other Operating Income						
a) Export benefits & others	2,429	1,513	1,620	1,577	2,328	7,038
2. Other income						
a) Dividend / profit on sale of MF / Interest income	284	127	203	252	165	747
b) Foreign exchange gain	172	358	303	1,584	1,399	3,644
c) Others (including fair value of Investments)	1,561	1,365	1,663	1,376	3,386	7,790
Total	2,017	1,850	2,169	3,212	4,951	12,181

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	F.Y. 2018-19	F.Y. 2017-18				
	Q1	Q1	Q2	Q3	Q4	2017-18
1. Inventories						
a) Raw material – Amount	10,793	11,006	9,974	9,225	7,367	7,367
No. of days	27	38	37	36	28	28
b) WIP & FG – Amount	43,772	37,982	39,238	41,059	38,987	38,987
No. of days	55	62	64	63	57	57
2. Receivables – Amount	63,495	51,417	49,466	49,950	60,136	60,136
No. of days	82	84	78	80	84	84

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2018-19	F.Y. 2017-18				
	Q1	Q1	Q2	Q3	Q4	2017-18
i) Mining	39,726	34,659	33,803	32,346	37,591	138,398
ii) Others	24,485	22,047	20,449	19,046	28,784	90,326
Total	64,211	56,706	54,252	51,392	66,375	228,724

5. Business Update

- a) The company has approved the Technical Collaboration Agreement with EE Mill Solutions LLP, USA (EEMS).
- b) EEMS has special knowledge of optimizing energy efficiency and output of grinding equipment (“Know How”) like AG/SAG/Ball Mills in wet & dry grinding industries through re-designing of mill internals viz. Head & shell liners, grate liners, pulp lifters (“the products”).
- c) The company proposed to set up a dedicated plant for manufacturing the above products.

6. CAPEX/PROJECTS IN PIPELINE

- The Present Installed Capacity 3,40,000 TPA.

Kerala GIDC Projects:

- GIDC Kerala, Phase-II Greenfield expected to be commissioned in two phases. First phase will add 50,000 TPA capacity in F.Y. 2018-19 while Second phase will add another 50,000 TPA capacity in F.Y. 2019-20; taking installed capacity to 4,40,000 TPA.

Mining Liner Projects:

- The company has planned capex of Rs. 250 crore for manufacturing mining mill optimization products which shall be commissioned in F.Y. 2019-2020.
- Further, the company has planned to set up manufacturing plant of Mining Liner with estimated capex of Rs. 250 crore which will add liner capacity of 50,000 MT per year & to be commissioned in F.Y. 2019-2020.

6. Continued.....

- To hedge power cost, we have ordered 2 WTGs of 2.1 MW each at cost of Rs. 26 crore. Based on performance review of these 2 WTGS, we intended to buy additional 6 WTGs of 2.1 MW each amounting to Rs.78 crore.
- Capex incurred till Q1-FY 2019: Rs. 40 crores.
- Total capital outlay for Grinding Media, Mill Liners and Wind Turbine will be Rs. 800 crore in which Rs. 500 crore during F.Y. 2018-19 & Rs. 300 crore during F.Y. 2019-20.

7. 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. Incremental volume growth in Mining estimated to be in the range of 40,000-50,000 MT per year from FY 2018-19 onwards.

8. 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 2018: Rs. 835 Crores.
- C. Outstanding foreign currency forward contracts (sales contracts) as of 30th June-2018: US \$ 59.00 MIO, EURO 1.05 MIO, ZAR 66.50 MIO.