



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q1 FY 2019-20



Disclaimer/Safe Harbor

Cautionary statement regarding forward-looking statements

This presentation may contain certain forward-looking statements relating to AIA Engineering Ltd. (“**AIA**”, or “**Company**” or “**AIAE**”) and its future business, development and economic performance. These statements include descriptions regarding the intent, belief or current expectations of the Company, its subsidiaries and associates and their respective directors and officers with respect to the results of operations and financial condition of the Company, subsidiary or associate, as the case may be. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation. Company assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Any forward-looking statements and projections made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

This presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this presentation. This presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded.

This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of company’s securities in any jurisdiction. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of company. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any of company’s securities.

AIA assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. AIA may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of AIA.

This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or in part, or disclosed by recipients directly or indirectly to any other person.

1. Financial Snap Shot – Consolidated



(Rs. In lacs)

AIA Engineering Ltd.

Particulars	F.Y. 2019-20	F.Y. 2018-19				
	Q1	Q1	Q2	Q3	Q4	F.Y. 2018-19
Production (MT)	68,055	69,843	72,262	74,619	72,942	289,666
Sales (MT)	63,618	64,211	61,695	59,235	80,033	265,174
1. INCOME						
a) Sales	71,374	69,094	71,527	70,021	86,101	296,743
b) Other operating income (export benefits)	1,955	2,429	2,534	2,623	2,621	10,207
Total income from operations	73,329	71,523	74,061	72,644	88,722	306,950
c) Other non operating income	3,861	2,017	4,820	2,892	2,361	12,089
Total Income	77,190	73,539	78,881	75,536	91,083	319,039
2. EXPENDITURE						
a) Raw material consumed	30,212	33,438	39,062	34,697	36,033	143,230
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(1,539)	(4,785)	(8,293)	(9,351)	1,746	(20,683)
c) Employee benefit expenses	3,205	3,083	3,097	3,226	3,233	12,639
d) Other expenses	24,587	24,229	25,415	27,549	28,581	105,774
3. EBIDTA	20,725	17,575	19,601	19,416	21,489	78,079
4. EBIDTA (Percentage on income from operation excluding excise)	28.26%	24.57%	26.47%	26.73%	24.22%	25.44%
5. Depreciation and amortising expenses	2,362	1,655	1,805	2,159	2,266	7,885
6. Finance cost	143	183	170	203	198	755
7. PBT	18,220	15,737	17,625	17,053	19,025	69,440
8. Tax	4,265	5,255	5,474	4,131	3,436	18,296
9. PAT (after Minority Interest)	14,040	10,505	12,102	12,896	15,580	51,082

2. Break-up of Certain Key Items – Consolidated



AIA Engineering Ltd.

(Rs. In lacs)

Particulars	F.Y. 2019-20	F.Y. 2018-19				
	Q1	Q1	Q2	Q3	Q4	2018-19
1. Other Operating Income						
a) Export benefits & others	1,955	2,429	2,534	2,623	2,621	10,207
2. Other income						
a) Dividend / profit on sale of MF / Interest income	505	284	579	211	731	1,805
b) Foreign exchange gain	1,371	172	2,570	417	(190)	2,968
c) Others (including fair value of Investments)	1,985	1,561	1,671	2,265	1,818	7,316
Total of Other Income	3,861	2,017	4,820	2,892	2,361	12,089

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	F.Y. 2019-2020	F.Y. 2018-19				
	Q1	Q1	Q2	Q3	Q4	2018-19
1. Inventories						
a) Raw material – Amount	12,256	10,793	13,079	18,285	8,195	8,195
No. of days	33	27	32	43	21	21
b) WIP & FG – Amount	61,288	43,772	52,065	61,416	59,671	59,671
No. of days	78	58	67	81	64	64
2. Receivables – Amount	65,808	63,495	71,408	54,417	71,027	71,027
No. of days	84	84	92	71	76	76

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2019-20	F.Y. 2018-19				
	Q1	Q1	Q2	Q3	Q4	2018-19
i) Mining	40,649	39,726	40,007	40,084	50,407	170,224
ii) Others	22,969	24,485	21,688	19,151	29,626	94,950
Total	63,618	64,211	61,695	59,235	80,033	265,174

5. Business Update

- a) Company successfully completed its first trial for SAG mill liners for a large Gold Mine in Africa under its collaboration with EEMS, USA.
- b) The company has also firmed up plans for setting up of a dedicated plant for manufacturing the above products. Till the dedicated plant is set up the above products are being manufactured in the existing plants of the company.
- c) Company commissioned its 2nd phase of greenfield capacity at its facility in GIDC Kerala, Gujarat with rated capacity of 50,000 Mt. With this expansion, Company's capacity stands at 390,000 Mt of annual production.

6. CAPEX/PROJECTS IN PIPELINE

1. The Present Installed Capacity 3,90,000 TPA.
2. Kerala GIDC Projects:
Third phase of greenfield capacity of 50,000 Mt is expected to be commissioned by December 2020; taking installed capacity to 4,40,000 TPA.
3. Mining Liner Projects:
The company has planned to set up manufacturing plant of SAG mill liners with capacity of 50,000 Mt with estimated capex of Rs. 250 crore and is expected to be commissioned by December 2020. Post this expansion, total installed capacity will be at 490,000 Mt.
4. Capex incurred till Q-1 FY-2020: Rs. 35 Crores.

7. Key Highlights/Developments

- A. Order book as at 1st July 2019: Rs. 593 Crores.
- B. Outstanding foreign currency forward contracts (sales contract, as on today i.e. 05/08/19): US\$ 27.50 MIO, ZAR 44.00 MIO & option contracts of US\$ 13.00 MIO during August to November.