



AIA Engineering Ltd.



# **AIA ENGINEERING LIMITED**

## **PRESENTATION TO INVESTORS**

### **EARNINGS : Q3 FY 2017-18**



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# 1. Financial Snap Shot – Consolidated



(Rs. In lacs)

AIA Engineering Ltd.

Particulars	F.Y. 2017-18				F.Y. 2016-17					
	Q1	Q2	Q3	Up to Dec-17	Q1	Q2	Q3	Nine Months Ended Dec-16	Q4	F.Y. 2016-17
Production (MT)	56,744	56,256	55,516	168,516	54,272	59,280	58,785	172,337	60,785	233,122
Sales (MT)	55,680	54,573	51,392	161,645	47,572	51,969	56,646	156,187	58,290	214,477
<b>1. INCOME</b>										
a) Sales (without excise)	55,484	54,294	55,639	165,417	46,776	51,479	57,351	155,606	60,885	216,491
b) Other operating income (export benefits)	1,513	1,620	1,577	4,711	1,113	1,467	1,654	4,234	1,655	5,889
<b>Total income from operations</b>	<b>56,997</b>	<b>55,915</b>	<b>57,217</b>	<b>170,128</b>	<b>47,889</b>	<b>52,946</b>	<b>59,005</b>	<b>159,840</b>	<b>62,540</b>	<b>222,380</b>
c) Other non operating income	1,850	2,169	3,212	7,231	3,045	2,683	2,229	7,957	4,709	12,666
<b>Total Income</b>	<b>58,847</b>	<b>58,083</b>	<b>60,429</b>	<b>177,359</b>	<b>50,934</b>	<b>55,629</b>	<b>61,234</b>	<b>167,797</b>	<b>67,249</b>	<b>235,046</b>
<b>2. EXPENDITURE</b>										
a) Raw material consumed	24,212	22,798	22,430	69,440	17,742	19,926	20,426	58,094	25,117	83,211
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(1,277)	(1,257)	(1,821)	(4,354)	(3,689)	(5,263)	(923)	(9,875)	(644)	(10,671)
c) Employee benefit expenses	2,738	2,848	2,883	8,470	2,567	2,672	2,713	7,952	2,719	10,671
d) Other expenses	18,338	20,285	21,037	59,660	17,039	19,666	19,507	56,212	21,570	77,782
<b>3. EBIDTA</b>	<b>14,835</b>	<b>13,409</b>	<b>15,899</b>	<b>44,143</b>	<b>17,275</b>	<b>18,628</b>	<b>19,511</b>	<b>55,414</b>	<b>18,487</b>	<b>73,901</b>
<b>4. EBIDTA ( Percentage on income from operation)</b>	<b>26.03%</b>	<b>23.98%</b>	<b>27.79%</b>	<b>25.95%</b>	<b>36.07%</b>	<b>35.18%</b>	<b>33.07%</b>	<b>34.67%</b>	<b>29.56%</b>	<b>33.23%</b>
<b>5. Depreciation and amortising expenses</b>	1,776	1,596	1,789	5,160	1,749	1,705	1,701	5,155	2,093	7,248
<b>6. Finance cost</b>	140	158.18	109	407	119	102	85	306	143	449
<b>7. PBT</b>	<b>12,919</b>	<b>11,655</b>	<b>14,001</b>	<b>38,575</b>	<b>15,407</b>	<b>16,821</b>	<b>17,725</b>	<b>49,953</b>	<b>16,251</b>	<b>66,204</b>
<b>8. Tax</b>	4,049	2,991	2,348	9,389	4,503	5,577	5,677	15,757	4,726	20,483
<b>9. PAT (after Minority Interest)</b>	<b>8,850</b>	<b>8,651</b>	<b>11,617</b>	<b>29,117</b>	<b>10,900</b>	<b>11,235</b>	<b>12,033</b>	<b>34,168</b>	<b>11,511</b>	<b>45,679</b>

## 2. Break-up of Certain Key Items – Consolidated



AIA Engineering Ltd.

(Rs. In lacs)

Particulars	F.Y. 2017-18				F.Y. 2016-17					
	Q1	Q2	Q3	Up to Dec-17	Q1	Q2	Q3	Nine Months Ended Dec-16	Q4	2016-17
<b>1. Other Operating Income</b>										
a) Export benefits	1,513	1,620	1,577	4,711	1,113	1,467	1,654	4,234	1,655	<b>5,889</b>
<b>2. Other income</b>										
a) Dividend / profit on sale of MF / Interest income	127	203	252	582	229	234	144	607	116	<b>723</b>
b) Foreign exchange gain	358	303	1,584	2,245	467	641	262	1,370	1,030	<b>2,400</b>
c) Others (including fair value of Investments)	1,365	1,663	1,376	4,404	2,349	1,808	1,824	5,981	3,563	<b>9,543</b>
<b>Total</b>	<b>1,850</b>	<b>2,169</b>	<b>3,212</b>	<b>7,231</b>	<b>3,045</b>	<b>2,683</b>	<b>2,229</b>	<b>7,957</b>	<b>4,709</b>	<b>12,666</b>

### 3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2017-18				2016-17					
	Q1	Q2	Q3	Up to Dec-17	Q1	Q2	Q3	Nine Months Ended Dec-16	Q4	2016-17
<b>1. Inventories</b>										
a) Raw material – Amount	11,006	9,974	9,225	9,225	8,452	7,684	9,806	9,806	8,838	<b>8,838</b>
No. of days	38	37	36	36	38	35	43	43	37	<b>37</b>
b) WIP & FG – Amount	37,982	39,238	41,059	41,059	29,929	35,061	36,029	36,029	36,364	<b>36,364</b>
No. of days	62	64	63	63	58	62	61	61	61	<b>61</b>
<b>2. Receivables – Amount</b>	51,417	48,038	49,950	49,950	39,283	34,913	44,675	44,675	49,606	<b>49,606</b>
No. of days	84	78	81	81	76	62	76	76	84	<b>84</b>

#### 4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2017-18				F.Y. 2016-17					
	Q1	Q2	Q3	Up to Dec-17	Q1	Q2	Q3	Nine Months Ended Dec-17	Q4	2016-17
i) Mining	34,083	34,017	32,346	100,446	29,187	31,858	35,854	96,899	29,580	126,479
ii) Others	21,597	20,556	19,046	61,199	18,385	20,111	20,792	59,288	28,710	87,998
<b>Total</b>	<b>55,680</b>	<b>54,573</b>	<b>51,392</b>	<b>161,645</b>	<b>47,572</b>	<b>51,969</b>	<b>56,646</b>	<b>156,187</b>	<b>58,290</b>	<b>214,477</b>

## 5. CAPEX/PROJECTS IN PIPELINE

- a) The 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 till Q3-FY 2018(YTD): Rs. 84 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. Incremental volume growth in Mining estimated to be in the range of 40,000-50,000 MT per year from FY 2018-19 onwards.



## 7. Key Highlights/Developments

- A. Mining Sector sales increased on account of continued business penetration efforts in the sector.
  
- B. New long term order from BARRICK GROUP of 18,000 MT per year.
  
- C. Order book as at 1<sup>st</sup> January 2018: Rs. 725 Crores.
  
- D. Outstanding foreign currency forward contracts (sales contracts) as of 31<sup>st</sup> December-2017: US \$ 6.50 MIO, EURO 3.25 MIO, ZAR 54.00 MIO.