



AIA Engineering Ltd.



AIA ENGINEERING LIMITED

PRESENTATION TO INVESTORS

EARNINGS : Q2 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	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	F.Y. 2016-17
Production (MT)	56,744	56,256	113,000	54,272	59,280	113,552	58,785	60,785	233,122
Sales (MT)	55,680	54,573	110,253	47,572	51,969	99,541	56,646	58,290	214,477
1. INCOME									
a) Sales	55,484	54,294	109,779	46,776	51,479	98,255	57,351	60,885	216,491
b) Other operating income (export benefits)	1,513	1,620	3,133	1,113	1,467	2,580	1,654	1,655	5,889
Total income from operations	56,997	55,915	112,912	47,889	52,946	100,835	59,005	62,540	222,380
c) Other non operating income	1,850	2,169	4,019	3,045	2,683	5,728	2,229	4,709	12,666
Total Income	58,847	58,083	116,931	50,934	55,629	106,563	61,234	67,249	235,046
2. EXPENDITURE									
a) Raw material consumed	24,212	22,798	47,010	17,742	19,926	37,668	20,426	25,117	83,211
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	(1,277)	(1,257)	(2,533)	(3,689)	(5,263)	(8,953)	(923)	(644)	(10,519)
c) Employee benefit expenses	2,738	2,848	5,586	2,567	2,672	5,239	2,713	2,719	10,671
d) Other expenses	18,338	20,285	38,623	17,039	19,666	36,705	19,507	21,570	77,782
3. EBIDTA	14,835	13,409	28,245	17,275	18,628	35,903	19,511	18,487	73,901
4. EBIDTA (Percentage on income from operation)	26.03%	23.98%	25.01%	36.07%	35.18%	35.62%	33.07%	29.56%	33.23%
5. Depreciation and amortising expenses	1,776	1,596	3,371	1,749	1,705	3,454	1,701	2,093	7,248
6. Finance cost	140	158.18	298.54	119	102	221	85	143	449
7. PBT	12,919	11,655	24,575	15,407	16,821	32,228	17,725	16,251	66,204
8. Tax	4,049	2,991	7,040	4,503	5,577	10,080	5,677	4,726	20,483
9. PAT (after Minority Interest)	8,850	8,651	17,501	10,900	11,235	22,135	12,033	11,511	45,679

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	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2016-17
1. Other Operating Income									
a) Export benefits	1,513	1,620	3,133	1,113	1,467	2,580	1,654	1,655	5,889
2. Other income									
a) Dividend / profit on sale of MF / Interest income	127	203	330	229	234	463	144	116	723
b) Foreign exchange gain	358	303	661	467	641	1,108	262	1,030	2,400
c) Others (including fair value of Investments)	1,365	1,663	3,028	2,349	1,808	4,157	1,824	3,563	9,543
Total	1,850	2,169	4,019	3,045	2,683	5,728	2,229	4,709	12,666

3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2017-18			2016-17					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2016-17
1. Inventories									
a) Raw material – Amount	11,006	9,974	9,974	8,452	7,684	7,684	9,806	8,838	8,838
No. of days	38	37	37	38	35	35	43	37	37
b) WIP & FG – Amount	37,982	39,238	39,238	29,929	35,061	35,061	36,029	36,364	36,364
No. of days	62	64	64	58	62	62	61	61	61
2. Receivables – Amount	51,417	48,038	48,038	39,283	34,913	34,913	44,675	49,606	49,606
No. of days	84	78	78	76	62	62	76	84	84

4. Segmental Sales (in MT) – Consolidated

Particulars	F.Y. 2017-18			F.Y. 2016-17					
	Q1	Q2	HALF YEAR	Q1	Q2	HALF YEAR	Q3	Q4	2016-17
i) Mining	34,083	34,017	68,100	29,187	31,858	61,045	35,854	29,580	126,479
ii) Others	21,597	20,556	42,153	18,385	20,111	38,496	20,792	28,710	87,998
Total	55,680	54,573	110,253	47,572	51,969	99,541	56,646	58,290	214,477

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 during HALF FY-2018: Rs. 61 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 1st October 2017: Rs. 656 Crores.

- D. Outstanding foreign currency forward contracts (sales contracts) as of 30th September-2017: US \$ 19.25 MIO, EURO 7.00 MIO, ZAR 45.00 MIO.