



# **AIA ENGINEERING LIMITED**

## **PRESENTATION TO INVESTORS**

### **EARNINGS : Q4 FY 2016-17**

# 1. Financial Snap Shot – Consolidated

(Rs. In lacs)

Particulars	F.Y. 2015-16	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2016-17				F.Y. 2015-16			
				Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	As per GAAP	As per IND AS		As Per IND AS				As Per IND AS			
Production (MT)	189449	189449	233122	60785	58785	59280	54272	46399	50700	48637	43713
Sales (MT)	185844	185788	214477	58090	56846	51969	47572	53474	44266	42876	45172
<b>1. INCOME</b>											
a) Sales(with Excise)	205316	212715	223924	62944	59096	53419	48464	59878	49636	49635	53566
aa) Sales (without Excise)		205315	216491	60885	57351	51479	46776	58084	48065	47600	51566
b) Other operating income (export benefits)	4524	4524	5889	1655	1654	1467	1113	1112	1242	1224	946
<b>Total income from operations</b>	<b>209839</b>	<b>217239</b>	<b>229813</b>	<b>64599</b>	<b>60750</b>	<b>54886</b>	<b>49578</b>	<b>60990</b>	<b>50878</b>	<b>50859</b>	<b>54512</b>
c) Other non operating income	5913	10194	12666	4709	2229	2683	3045	3565	1845	1977	2807
<b>Total Income</b>	<b>215752</b>	<b>227433</b>	<b>242479</b>	<b>69308</b>	<b>62979</b>	<b>57569</b>	<b>52623</b>	<b>64555</b>	<b>52723</b>	<b>52836</b>	<b>57319</b>
<b>2. EXPENDITURE</b>											
a) Raw material consumed	67258	67257	83211	25117	20426	19926	17742	15172	16905	17780	17400
b) Change in inventories of Finished goods, W.I.P. and stock-in-trade	4239	4239	(10519)	(644)	(923)	(5263)	(3689)	7158	(2258)	(1843)	1182
Excise Duty	-	7400	7433	2059	1745	1940	1689	1794	1571	2035	2000
c) Employee benefit expenses	10220	10243	10671	2719	2713	2672	2567	2541	2655	2498	2549
d) Other expenses	66986	67169	77782	21570	19507	19666	17039	17383	17154	16078	16554
<b>3. EBIDTA (Sale with Excise)</b>	<b>67049</b>	<b>71125</b>	<b>73901</b>	<b>18487</b>	<b>19511</b>	<b>18628</b>	<b>17275</b>	<b>20507</b>	<b>16696</b>	<b>16288</b>	<b>17634</b>
<b>4. EBIDTA ( Percentage on income from operation including Excise)</b>	31.95%	32.74%	32.16%	28.62%	32.12%	33.94%	34.84%	33.62%	32.82%	32.03%	32.35%
<b>a)EBIDTA (Percentage on income from operation excluding Excise)</b>		33.90%	34.14%	32.63%	33.07%	35.18%	36.07%	34.64%	33.36%	33.86%	33.58%
<b>5. Depreciation and amortising expenses</b>	<b>6699</b>	<b>6552</b>	<b>7248</b>	<b>2093</b>	<b>1701</b>	<b>1705</b>	<b>1749</b>	<b>1778</b>	<b>1470</b>	<b>1649</b>	<b>1655</b>
<b>6. Finance cost</b>	<b>487</b>	<b>487</b>	<b>449</b>	<b>143</b>	<b>85</b>	<b>102</b>	<b>119</b>	<b>202</b>	<b>76</b>	<b>95</b>	<b>114</b>
<b>7. PBT</b>	<b>59863</b>	<b>64086</b>	<b>66204</b>	<b>16251</b>	<b>17725</b>	<b>16821</b>	<b>15407</b>	<b>18527</b>	<b>15150</b>	<b>14544</b>	<b>15865</b>
<b>8. Tax</b>	<b>17450</b>	<b>18406</b>	<b>20483</b>	<b>4726</b>	<b>5677</b>	<b>5577</b>	<b>4503</b>	<b>3955</b>	<b>4992</b>	<b>4619</b>	<b>4840</b>
<b>9. PAT (after Minority Interest)</b>	<b>42422</b>	<b>45689</b>	<b>45679</b>	<b>11511</b>	<b>12033</b>	<b>11235</b>	<b>10900</b>	<b>14596</b>	<b>10151</b>	<b>9920</b>	<b>11022</b>

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

(Rs. In lacs)

Particulars	F.Y. 2016-17					F.Y. 2015-16				
	2016-17	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2015-16
<b>1. Other Operating Income</b>										
a) Export benefits	<b>5889</b>	1655	1654	1467	1113	1112	1242	1224	946	<b>4524</b>
<b>2. Other income</b>										
a) Dividend / profit on sale of MF / Interest income	<b>723</b>	116	144	234	229	733	454	1086	309	<b>2582</b>
b) Foreign exchange gain	<b>2400</b>	1030	262	641	467	1495	74	118	1270	<b>2957</b>
c) Others (including fair value of Investments)	<b>9543</b>	3563	1824	1808	2349	1337	1317	773	1228	<b>4655</b>
<b>Total</b>	<b>12666</b>	<b>4709</b>	<b>2229</b>	<b>2683</b>	<b>3045</b>	<b>3565</b>	<b>1845</b>	<b>1977</b>	<b>2807</b>	<b>10194</b>

### 3. Working Capital – Consolidated

(Rs. In lacs)

Particulars	2016-17					2015-16					FY
	2016-17	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2015-16	
<b>1. Inventories</b>											
a) Raw material – Amount	<b>8838</b>	8838	9806	7684	8452	5873	6948	6129	6685	<b>5873</b>	
No. of days	<b>37</b>	37	43	35	38	33	38	34	39	<b>33</b>	
b) WIP & FG – Amount	<b>36364</b>	36364	36029	35061	29929	25930	33228	30882	29194	<b>25930</b>	
No. of days	<b>59</b>	59	61	62	58	46	59	54	52	<b>46</b>	
<b>2. Receivables – Amount</b>	<b>49606</b>	49606	44675	34913	39283	43122	35181	28929	44393	<b>43122</b>	
No. of days	<b>81</b>	81	76	62	76	77	63	50	78	<b>77</b>	

Note: F.Y. 2015-16 & 2016-17 restated as per IND AS

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

<b>Particulars</b>	<b>F.Y. 2016-17</b>					<b>F.Y. 2015-16</b>				
	<b>2016-17</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>2015-16</b>
i) Mining	126479	29580	35854	31858	29187	28585	24100	24350	23649	100684
ii) Others	87998	28510	20992	20111	18385	24889	20166	18526	21523	85104
<b>Total</b>	<b>214477</b>	<b>58090</b>	<b>56846</b>	<b>51969</b>	<b>47572</b>	<b>53474</b>	<b>44266</b>	<b>42876</b>	<b>45172</b>	<b>185788</b>

## **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 Q4-FY 2017: Rs. 26 crores.
  
- d) Actual CAPEX incurred in FY 2016-17: Rs.83 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. FY 2016-17 sales have been increased on account of increasing market share in Mining Sector. Sales have grown in mining segment from 100,684 (MT) in 2015-16 to 126,479 (MT) in 2016-17.
  
- B. Order book as at 1<sup>st</sup> April 2017: Rs. 671 crores
  
- C. Outstanding foreign currency forward contracts (sales contracts) as of 31<sup>st</sup> March-2017: US \$ 27.00 MIO, EURO 6.75 MIO, ZAR 85.25 MIO.