



AIA Engineering Limited

Company Presentation

June 2022



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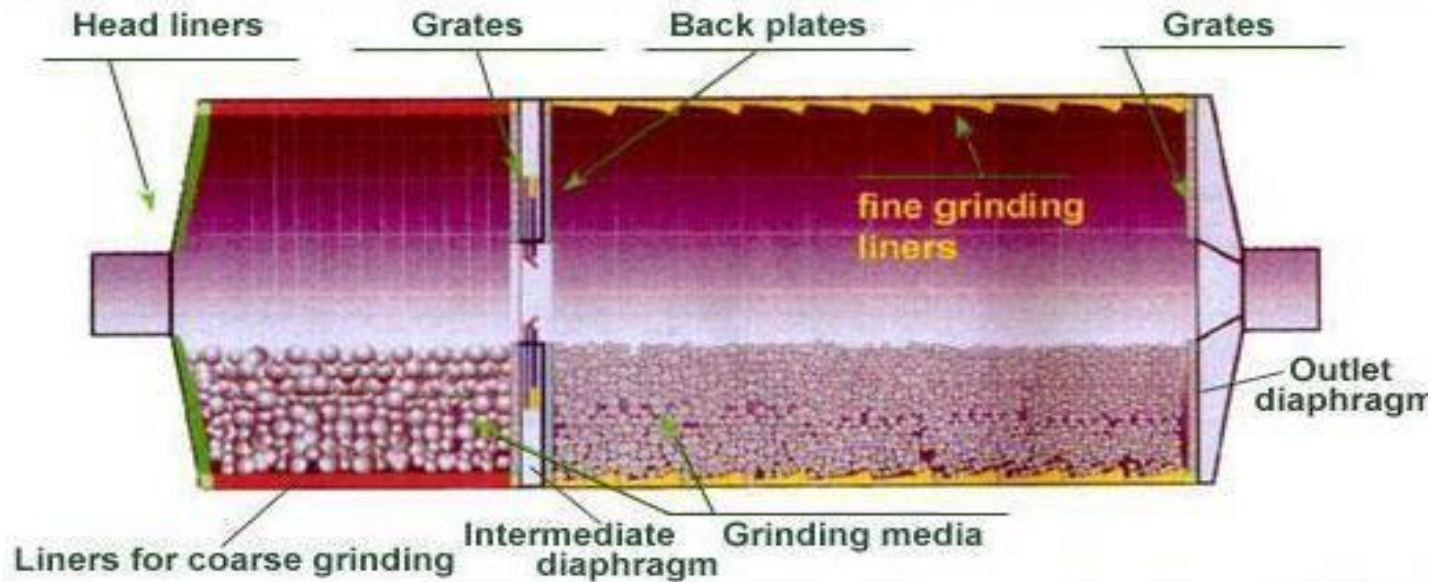
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Sections

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1. Business: Cement, Mining and Thermal Power

1.1 Cement Industry: Tube Mill Internals



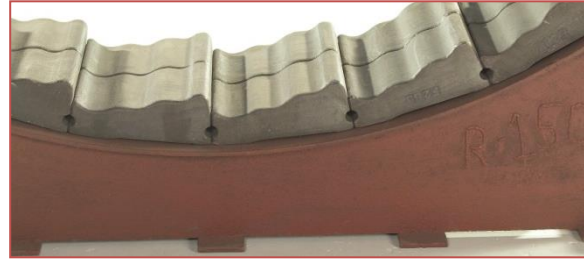
High Chromium wear resistant parts for grinding & crushing equipment

1.2 Cement Industry: Tube Mill & Vertical Mill Internals (cont'd)

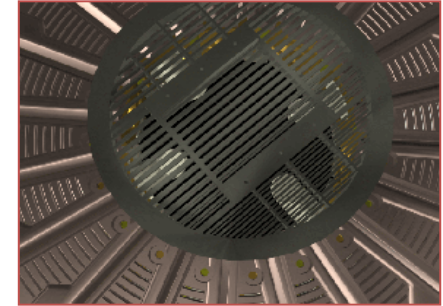
Grinding Media



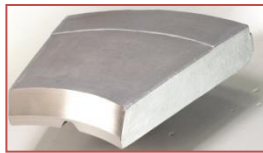
Liners



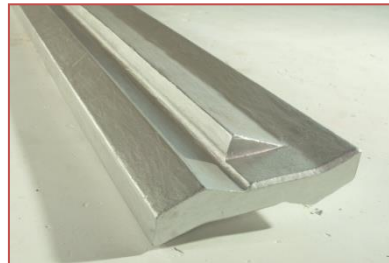
Diaphragm



Rollers & Table liners



Blow bars / Hammers



Dipping Tubes



Cement as key end-user industries

1.3 Mining Industry: Tube Mill Internals



Grinding Media

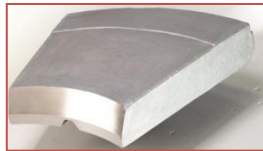


Liners

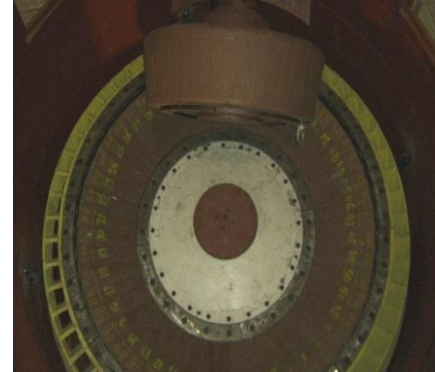


Mining Industry - key growth driver

Rollers & Table liners



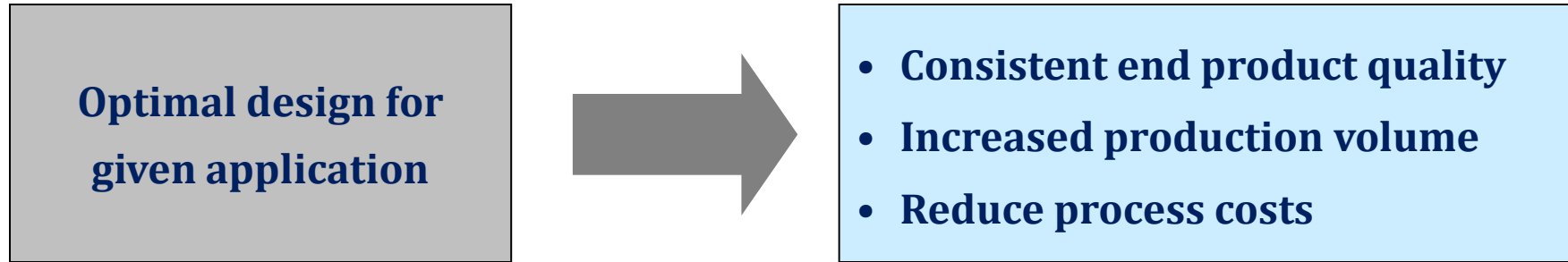
Bull ring segment



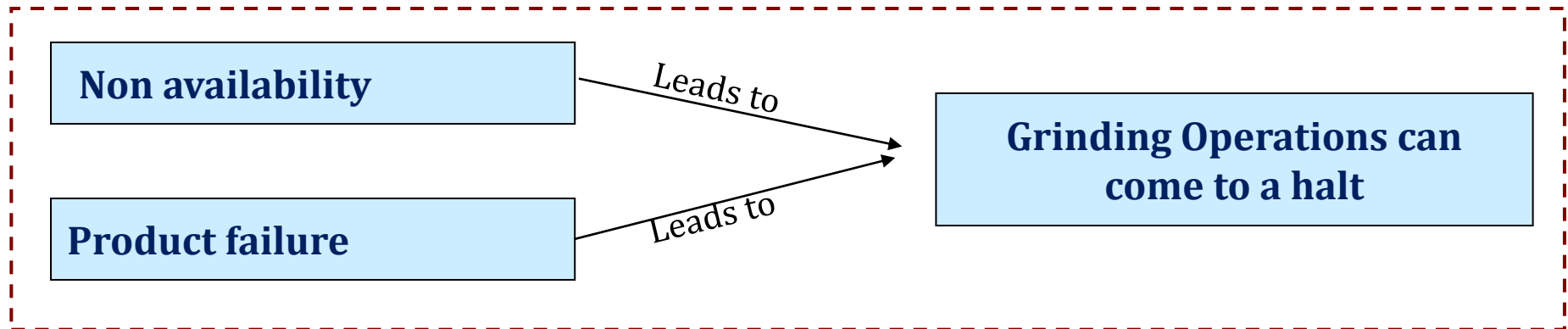


2. Industry Opportunity

2.1 Cement Industry - Process Critical Input for Grinding



A small component of grinding cost, but essential for continuous production





2.2 Cement Industry Size

Segment wise	Estimated Cement Production (mn MT)	Estimated Consumable Wear Parts (MT)
World wide	1500	180,000
China	1000	120,000
Total	2500	300,000

Cement Sector demand - 300,000 MT per annum

AIA sells between 75,000 to 80,000 Mt per year to Cement industry to customers in more than 120 countries

2.3 Cement Industry Size & Scope



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- Global market of Mill Internals for cement sector estimated at 300,000 MT and growing at 4-5% per annum
 - ❑ Mill internals are consumables in grinding mills
 - ❑ Their design and properties (abrasion, corrosion, impact resistance) are critical to grinding process efficiency
- Demand driven by new projects and replacement for wear parts
- Industry has moved from cost of parts to total cost of ownership, driving innovation in product development and total solutions
 - ❑ Industry largely using high chrome cast media
 - ❑ Total solutions include design of parts, metallurgy to meet the specific requirement of the material being ground – varies from plant to plant

2.4 Mining Industry Opportunity



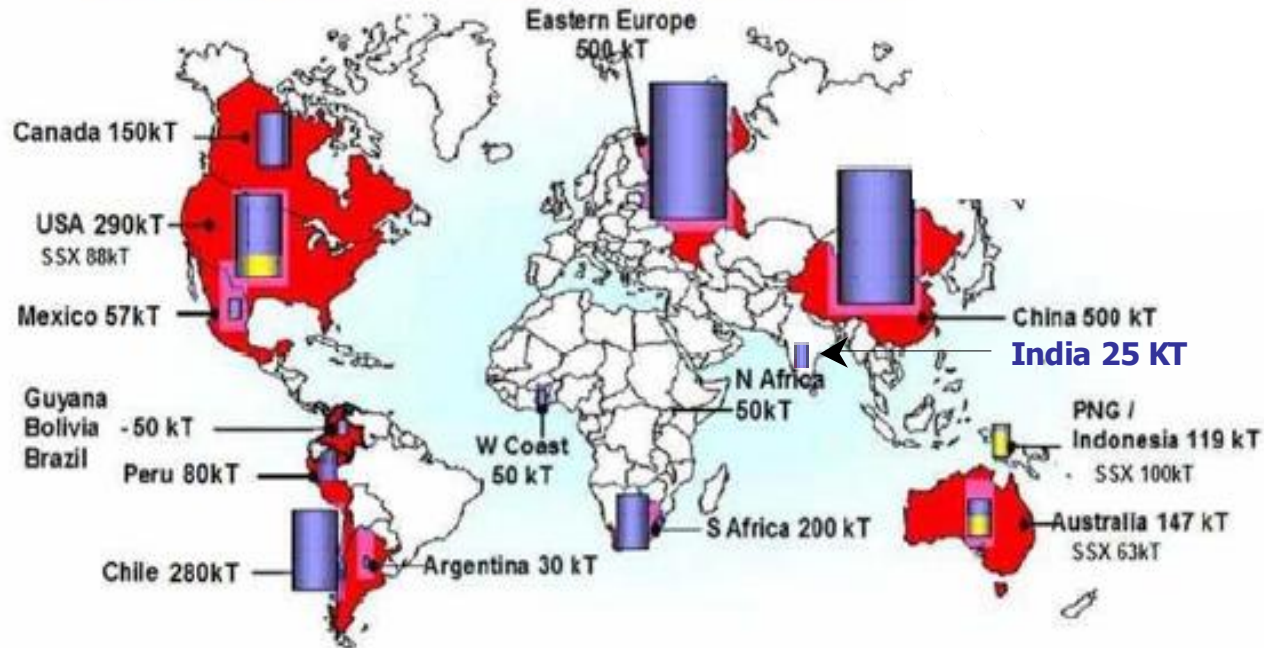
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- Industry comprises of two important products – Grinding Media and Mill Liners
- Consumable wear part demand for grinding media in mining sector estimated to be 3 mn MT per annum with high chrome grinding media at less than 15% of total market, the rest being served by forged grinding media
- Mill Liner market estimated at 300,000 Mt per annum
- AIA has strong focus on growth in the mining segment

2.5 Mining Industry Size – Grinding Media



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Consumable wear part demand for grinding media in mining sector estimated to be 3 mn MT per annum with high chrome grinding media at less than 15% of total market, the rest being served by forged grinding media

2.6 Grinding Media Growth Strategy for Mining

- Annual replacement market in Mining Industry which can be targeted as estimated to be around 3 million TPA.
- High chrome penetration is less than 15%, hence large conversation opportunity available for growth.
- AIA passes significant benefits to mining industry stated as below:

Advantages

- Lower wear rate
- Improving process efficiency
- Reduction in other consumables
- Environmental friendly
- Improvement in Recovery
- Reduction in operational cost-OPEX
- Process optimization
- One Stop Solution for entire process



- AIA has already established global footprint in major global mining companies

- Solution with improved mill lining design
- Mill linings designed under this initiative will offer improvements in:
 - Throughput of mill
 - Power consumption
 - Lower wear rate of mill linings
- Global market of 300,000 MT
- Company has set up a Greenfield facility with rated capacity of 50,000 MT which is awaiting commissioning – expected in August 2022 and estimates to fully utilize the facility in 4 to 5 years



3. Company overview

3.1 Niche player with Global footprint

Description

- **Core Competence:** Design, develop, manufacture and service impact, abrasion and corrosion resistant castings
- **Focus:**
 - Metallurgy
 - New Product Development
 - Grinding Process Technology
- **Metallurgical Solutions:**
 - Steels and Irons having upto 32% Chrome
 - Ceramic composites with steel or chrome iron base
- **Products:** grinding media, mill liners, diaphragms, vertical mill parts and crusher parts
- **Customers:** Cement, Mining, Thermal Power Plants and Aggregates in more than 120 countries
- **Global Presence:** offices, warehouses, sales network

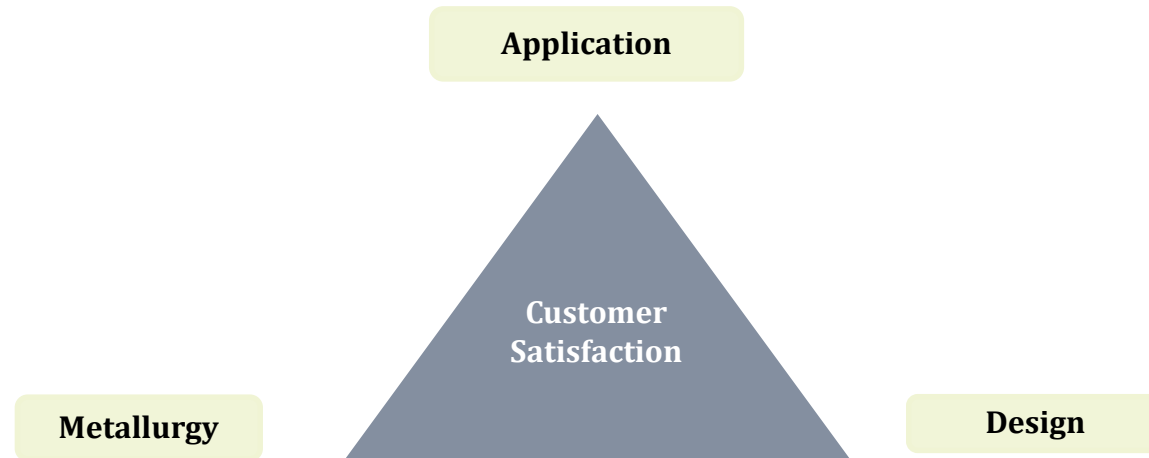
Milestones

2001	Exit from JV : Capacity 20,000 Mt
2008	Commissioned 100,000 Mt Grinding Media Plant
2009	Started supply to Mining Companies
2011	Enhanced capacity to 200,000 Mt
2013	100,000 Mt annual sales to Mining Companies
2016	Commissioning of Greenfield GIDC Kerala, Gujarat Site
2017	Completed GIDC Kerala Plant Phase I
2019	Enhanced capacity of 50,000 Mt at GIDC Kerala Plant Phase II

3.2 Business Approach- Unique Method



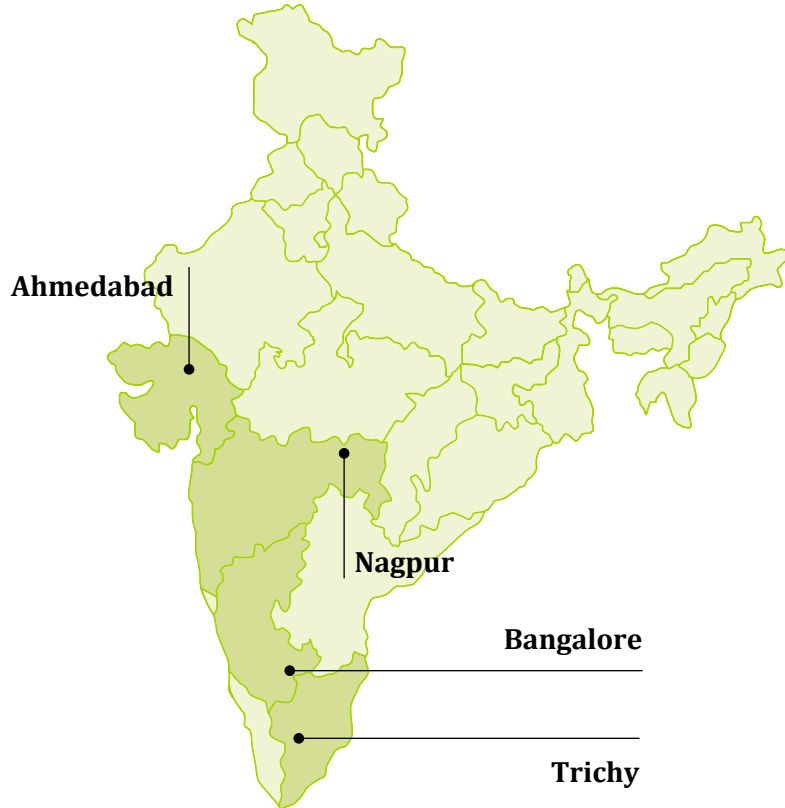
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Application	<ul style="list-style-type: none"> ■ Understanding size reduction parameters of the crushing/milling equipment in view of optimization of grinding process and maintenance costs
Design	<ul style="list-style-type: none"> ■ Precise design for the perfect application
Alloy Selection	<ul style="list-style-type: none"> ■ Taking into consideration the three wear mechanisms – Impact, Corrosion & Abrasion, and Design
Supervising Installation	<ul style="list-style-type: none"> ■ The installation of the wear parts supplied by the company is done under the supervision of AIA technicians
Optimizing of grinding system	<ul style="list-style-type: none"> ■ Visits to plants to conduct mill studies to Learn and Control operating parameters ■ Fine tuning of operations

3.3 Well poised to leverage volume recovery with capacity in place

Plant locations

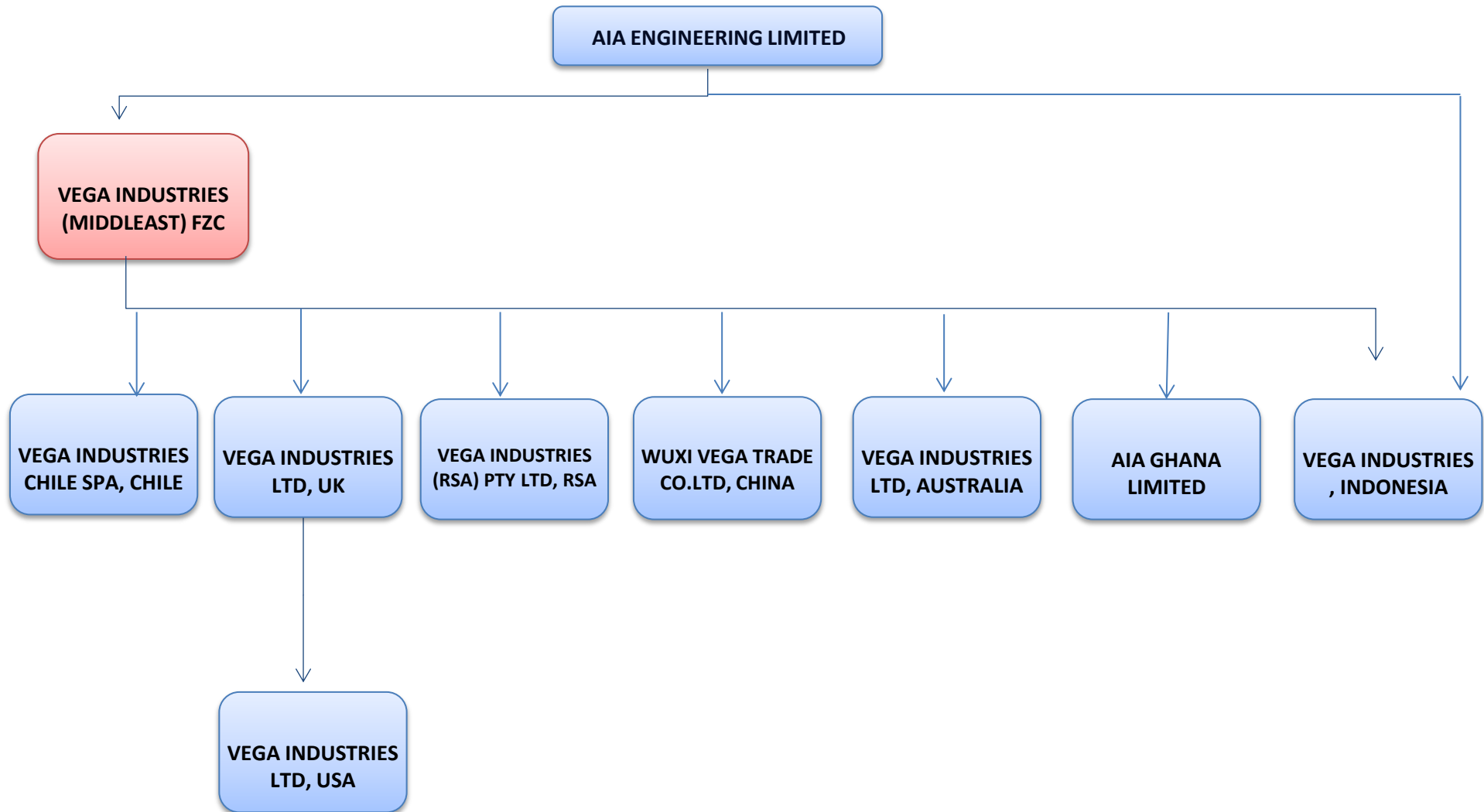


Capacity (MT)

Current installed capacity	Proposed addition (Greenfield)	Total capacity post addition
390,000	Media: 80,000 Linings: 50,000	520,000

MTPA	FY18-19	FY19-20	FY 20-21	FY 21-22
Installed capacity	340,000	390,000	3,90,000	3,90,000
Production	289,666	271,274	262,969	278,590
Utilization (%)	85%	70%	67%	71%

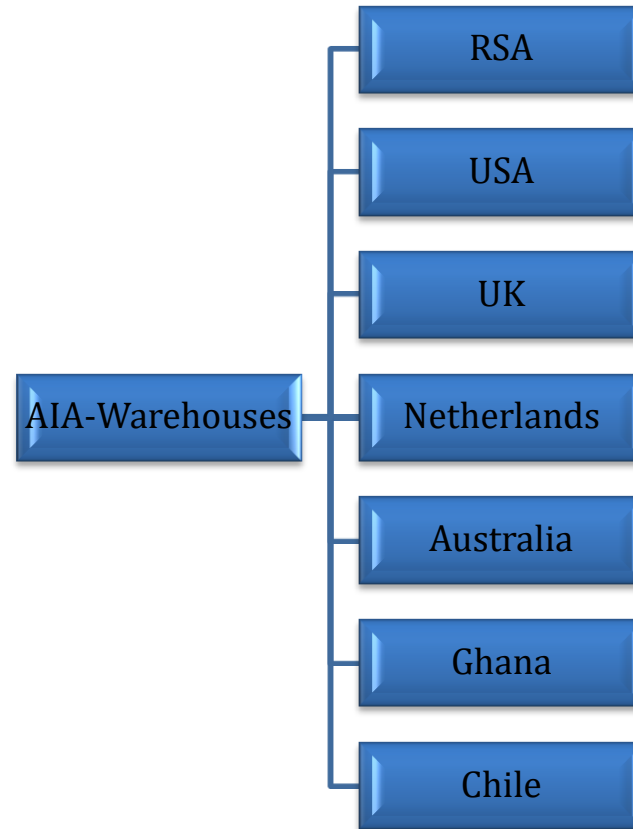
3.4 AIA Group Structure



3.5 Global Logistic Network



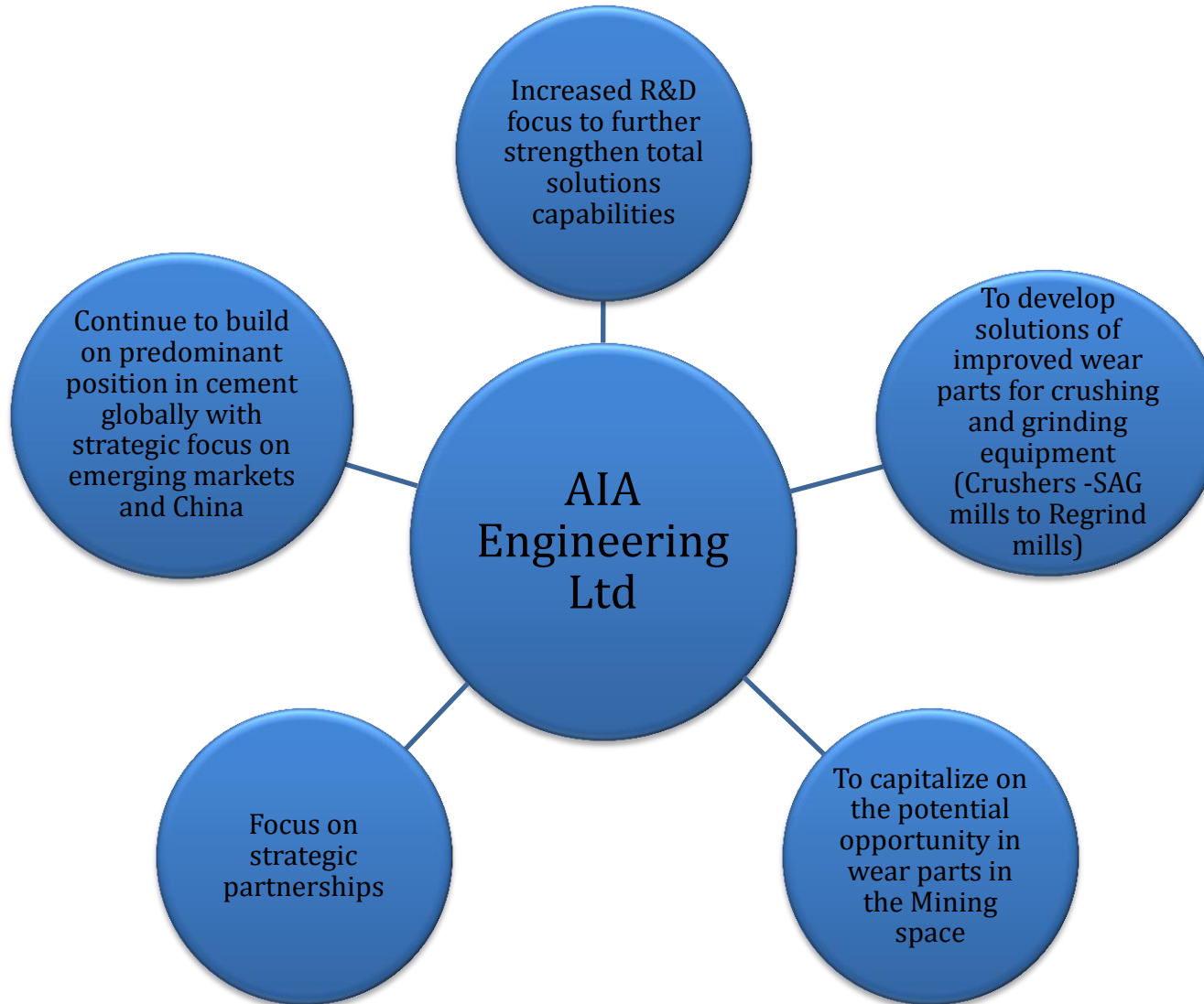
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3.6 Well laid out strategy to tap the market



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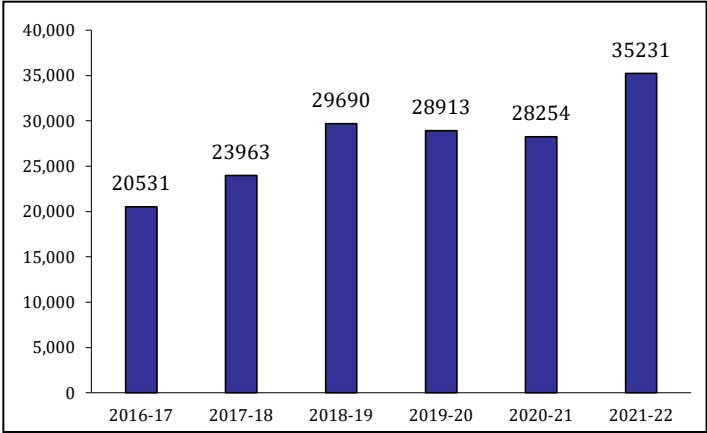
4. Financial & Operational Snapshot

4.1 Financial overview

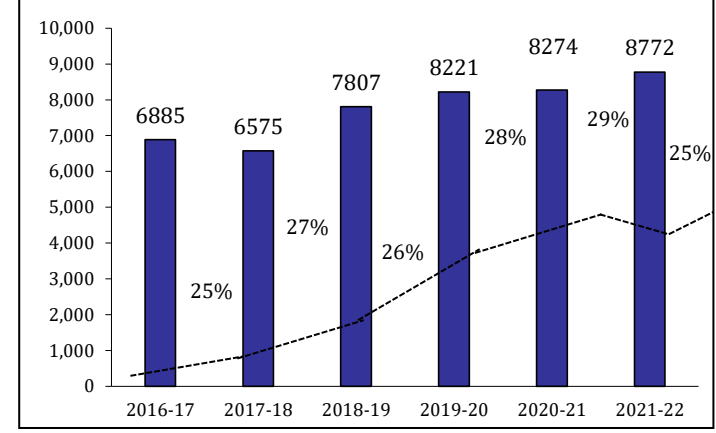


Performance Indicators

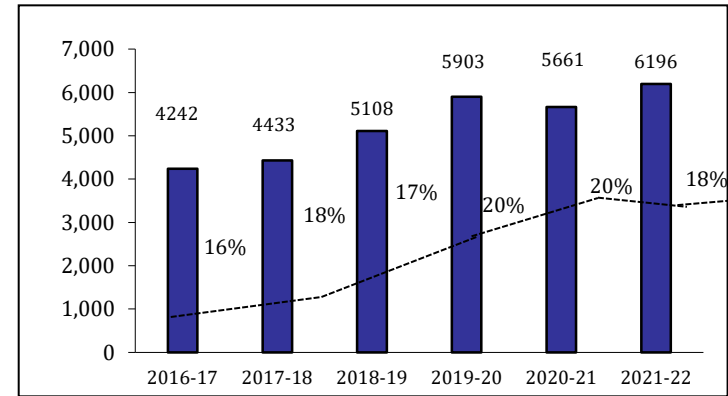
Sales Growth (INR in Mn)



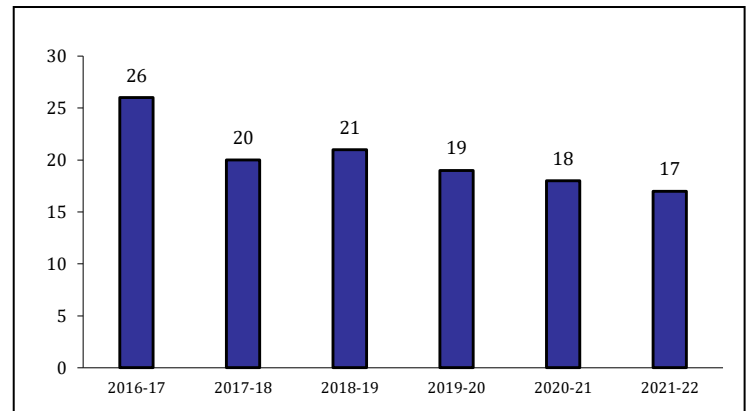
EBIDTA (INR in Mn) and EBIDTA margin (%)



PAT (INR) m and PAT margin (%)



ROCE (%)



Thank You