

Ashapura Minechem Ltd. Press Release dated February 08, 2022, for Q3 FY 2021-22

Ashapura Minechem Ltd. ('AML') announced its unaudited financial results for the quarter ended December 31, 2021.

The summary for the Consolidated results for the quarter ended December 31, 2021, and for the nine months ended December 31, 2021, is as follows:

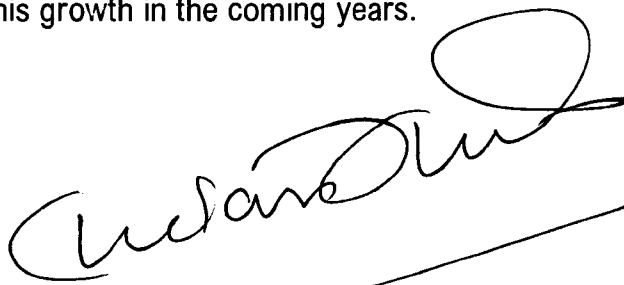
(Rs. Lakhs)	Three months ended 31.12.21	Consolidated	
		Nine months ended 31.12.21	Nine months ended 31.12.20
Revenue	25,902.74	1,02,926.19	85,078.03
Profit Before Tax	(1,572.74)	6,964.01	4,608.13

As compared to the corresponding period of the previous financial year, on a consolidated basis, the Company's revenues for the nine months ended December 31, 2021, increased by **20.98%**, whereas the Profit Before Tax for the nine months ended December 31, 2021, increased by **51.12%**.

1. Although all segments of the Indian operations performed remarkably well, the revenues from Guinea were relatively under par which largely reflected on the results for the quarter on account of their weightage.
2. Iron-Ore export shipments were rescheduled resulting in lower revenues for Q3 FY 2021-22 on account of the following factors:
 - Exceptionally elevated freight rates (e.g. Baltic Dry Index was elevated to 5,650 points in October 2021 versus the now prevalent levels of 1,422 points).
 - Precipitous drop in Iron Ore prices from \$220/ton in July 2021 to \$89/ton by November 2021, (the current prices are in the region of \$150/ton).



- Index linked downward rate adjustments for shipments have adversely affected the profit for Q3 FY 2021-22.
 - The shipments were mutually rescheduled in consultation with the customers, as proceeding with them at peak freight levels would have not only resulted in higher costs for the customers, but also further eroded the Company's margins.
3. The conditions for exports seem fairly promising, based on which we hope that the results over the next few quarters will be relatively better :
- Prices for ores are witnessing an upward trend in tandem with metal prices (Aluminium metal is currently touching record highs of \$3,148/ton), whereas the freight rates on the other hand are softening.
 - Growing demand for Bauxite on enhanced capacity utilisation by Aluminium producers in Asia.
 - Increasing dependence on Guinea on account of shrinkage of alternatives; Indonesia has decided to ban exports of Bauxite from 2022.
 - Guinea over the last few years has transformed into a global hub for ores, the country's Bauxite exports alone are slated to exceed 100 million tons in 2022; Ashapura is well placed to participate in this growth in the coming years.



A handwritten signature in black ink, appearing to read 'Ashapura', is written over a long, thin horizontal line that extends across the page.

