



## **Q2 2013 Results** **Linde India Limited**

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30 July, 2013

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The Linde logo, featuring the word "Linde" in a white, elegant script font, set against a dark blue background with a light blue wavy graphic above it.

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## Highlights - Q2 2013



- Overall revenue for the quarter was 5% lower than same quarter last year mainly driven by lower revenue from Engineering business
- In spite of general trend of industrial slowdown, overall gases turnover was up by 20% backed by revenues from major projects like 2550tpd ASU in Jamshedpur, West India ASU, Hydrogen SMR at Sterlite etc.
- Key target segments like basic metal and fabricated metal has contracted during April-May by 2.2% and 9.5% respectively. Most of the major steel manufacturer are battling inventory build-up, working at a lower capacity utilization resulted in lower gas demand across all large plants
- The overall passenger vehicle segment including cars, vans and utility vehicles saw a decline of 7.24% for the quarter impacting the shielding gas volumes
- Short term opportunity sales for liquid products and additional Helium sales supported merchant revenue
- Healthcare segment performed well on account of higher medical engineering revenue and acquisition of Uttam gases
- Project Engineering revenues were down by 49% against last year due to slow progress on major projects

## Performance - Q2 2013

Steady amongst industrial slowdown

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		Q2 2012	Q2 2013	yoy
Net Revenue*	[RsM]	3,424	3,248	-5%
EBITDA*	[RsM]	556	587	+6%
RoS	[%]	16%	18%	+200bp
EBIT	[RsM]	336	263	-22%
PAT	[RsM]	203	59	-71%
EPS reported	[Rs]	2.4	0.7	-71%

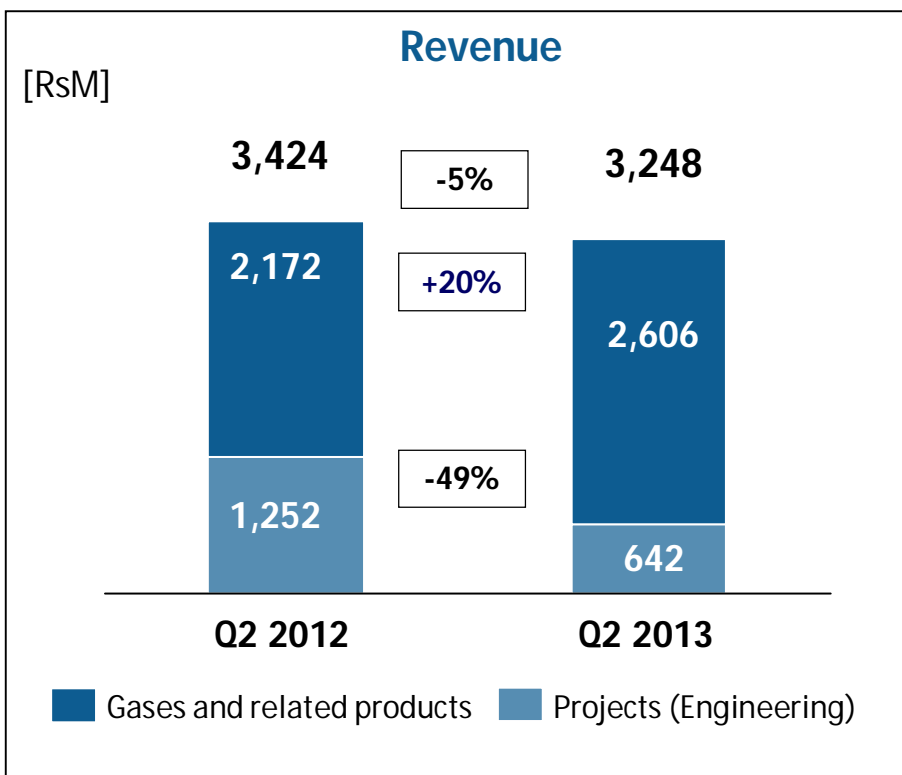
- Steady EBITDA improvement in gases business driven by major projects, high value argon, special gases and Helium business
- Newly commissioned capacities such as 2550tpd ASU in Jamshedpur and West India ASU led to higher depreciation
- Higher financing costs for new plants and working capital resulted in lower earnings

\*Including negative effect of intersegment revenue and positive effect of income that cannot be allocated

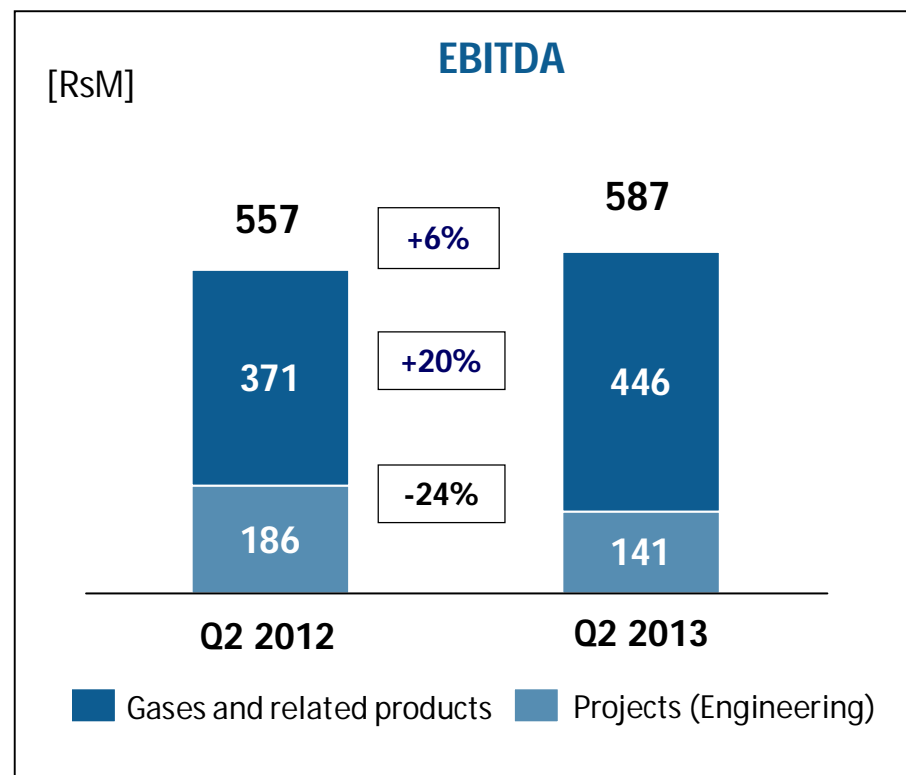
# Revenue & Operating Profit by Divisions - Q2 2013

Steady amongst industrial slowdown

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- Gases revenue increased due to commissioning of 2550tpd ASU, West India Merchant, Sterlite SMR
- Engineering division sales lower on account of slow movement of govt projects



- Gases EBITDA improvement led by Healthcare, specialty gases and newly commissioned plants
- Engineering profits lower on account of lower revenue due to slowdown in govt projects

\*Intersegment revenue (-) and other income that cannot be allocated (+)

## Outlook



- Latest projected GDP growth for 2013-14 is around 6%; however IP is only expected to grow by 3.0%-4.0%
- Committed significant investments in the gases business for setting up large capacities to supply steel customers and the merchant market. Some of the large investments are:
  - ASU for Tata Steel at Jamshedpur with an oxygen production of 2,550 tpd (commissioned in June 2012)
  - ASU in Talaja with an oxygen production of 450 tpd (commissioned in June 2012)
  - ASU for SAIL at Rourkela with an oxygen production of 2 x 853 tpd (under construction)
  - ASU for Tata Steel at Kalinganagar with an oxygen production of 2 x 1,000 tpd (under construction)
- Leveraging on Group's industry specific expertise in gas applications will have a positive impact on the gases business in the medium to long term
- Stronger focus on supplying hospitals in tier II cities with focus on private hospital chains
- Partnership with Linde Engineering has been successful for Project Engineering Division (PED) in bidding and winning several prestigious projects
- Steady progress in the HPO (High Performance Organisation) journey and the company will continuously endeavor to leverage the strengths of its parent



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# Appendix

## Linde India - Q2 2013

### Key P&L items

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[RsM, except per share data]	Q2 2012	Q2 2013	Δ
Revenue	3,487	3,315	-5%
Total expenses	3,151	3,052	-3%
Cost of Goods Sold	-2,931	-2,728	7%
Depreciation & Amortisation	-221	-324	-47%
EBIT	336	263	-22%
EBIT margin	7.9%	9.6%	170bp
EBT	287	93	-67%
Tax expense	-84	-34	59%
Tax rate	29%	36%	
Net income	203	59	-71%
EPS (of Rs 10 each)	2.38	0.7	-71%



## Linde India - Q2 2013

### Key balance sheet items

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<b>[RsM, except per share data]</b>	<b>Q2 2012</b>	<b>Q2 2013</b>	<b>Δ</b>
Shareholders' Funds	12,852	13,480	5%
Non-current liabilities	12,300	15,880	29%
Long-term borrowings	8,651	11,525	33%
Current Liabilities	8612	7,749	-10%
<b>Total Equities and Liabilities</b>	<b>33,765</b>	<b>37,109</b>	<b>10%</b>
Non-current assets	25,872	30,573	18%
Fixed assets	20,310	23,323	15%
Current assets	7,893	6,536	-17%
Cash and cash equivalents	357	292	18%
<b>Total assets</b>	<b>33,765</b>	<b>37,109</b>	<b>10%</b>



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