Financial Results 2015
Linde India Limited

Moloy Banerjee, Managing Director

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Executive Summary - 2015

Highlights

Safety : Safety continues to remain a key focus area across all the businesses

Interest : Cost of borrowings lower by 80 bps from last year

Cash flow: Net debt position improved, working capital loan has been brought down by 1,000 MINR YoY

Merchant Revenue : Packaged gases revenue (mainly shielding gases) and healthcare continue to show healthy growth

New projects: Project Engineering Division secured new projects of 4,074 MINR during the year

Cost optimisation : Optimising variable and fixed costs remain key focus area across all segments

Lowlights

Over capacity in global steel industry: Subdued domestic demand and cheap import of steel adversely affected the domestic steel production and consequently demand for gases

Depreciation and interest burden : Sustained impact of depreciation and interest for new ASUs coupled with lower capacity utilisation impacts PBT adversely

Performance – Year ended 2015

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		2014	2015	Var.
Net Revenue	[RsM]	14,707	15,541	+6%
EBITDA*	[RsM]	2,878	2,615	-9%
Return on sales (ROS)	[%]	19.6%	16.8%	-280bps
EBIT*	[RsM]	1,064	999	-6%
PBT *	[RsM]	36	101	+181%
PAT	[RsM]	54	235	+335%
EPS reported	[Rs]	0.63	2.75	+336%

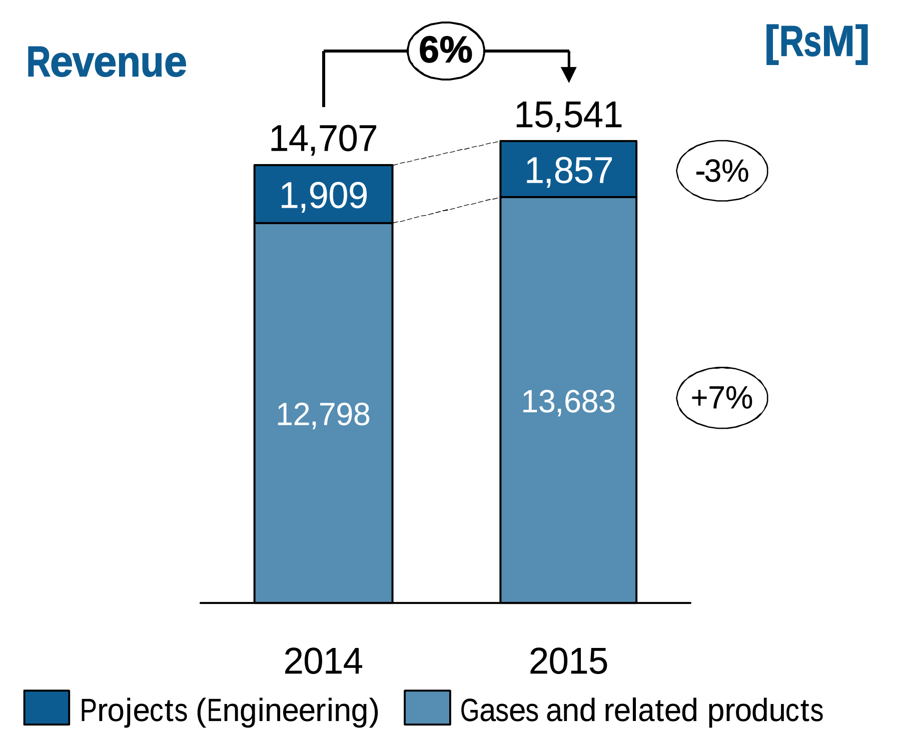
— EBITDA of 2014 benefitted from higher margin from Project Engineering Division ; besides lower plant loading in 2015 due to lower customer demand impacted EBITDA

— Interest cost is lower due to restructuring of two existing ECBs and reducing cost of local borrowing

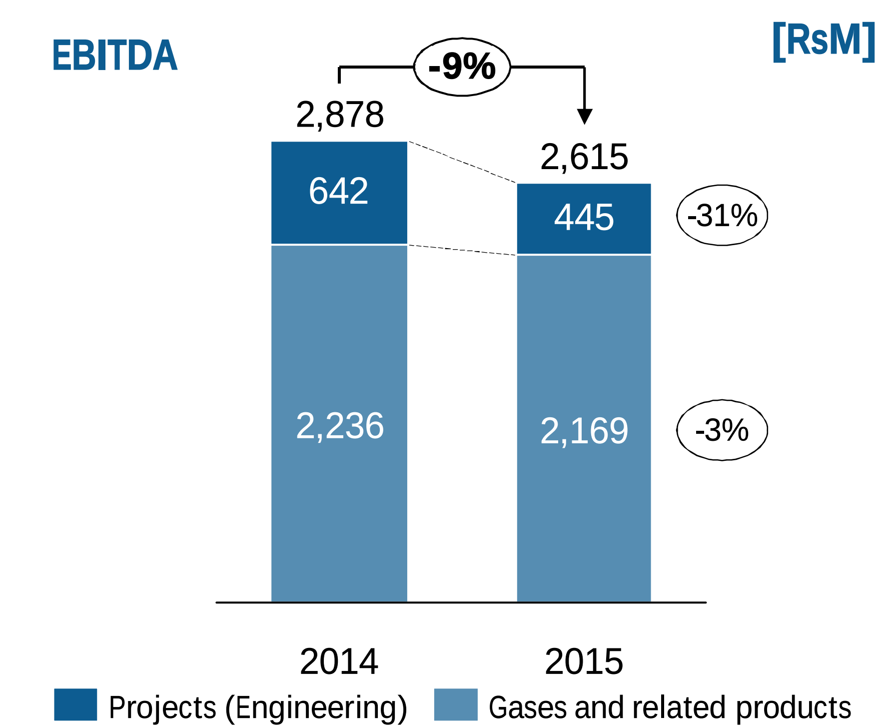
— After considering the business' performance during 2015, the Board has recommended a dividend of 7.5% on equity shares of Rs. 10 each against 15% paid last year

*Pre exceptional items (Exceptional Item reflects VRS payment of 95 MINR)

Revenue & EBITDA by divisions – Year ended 2015



- Gases revenue growth driven by power pass through at on – site customers and higher merchant and medical gases sales
- Project Engineering Division revenue lower due to slower progress of on-going projects



- Gases EBITDA down due to lower plant loading partially offset by contribution from argon , argoshield and medical gases
- Project Engineering Division EBITDA lower due to higher margin from completed projects and export incentive last year

Performance – Q4 2015

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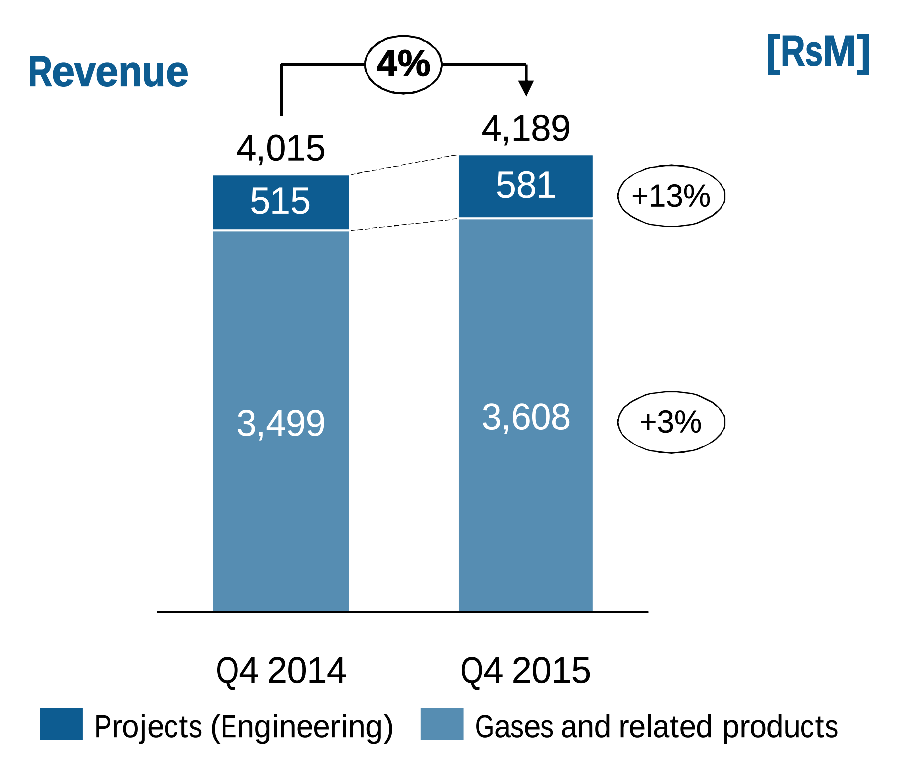
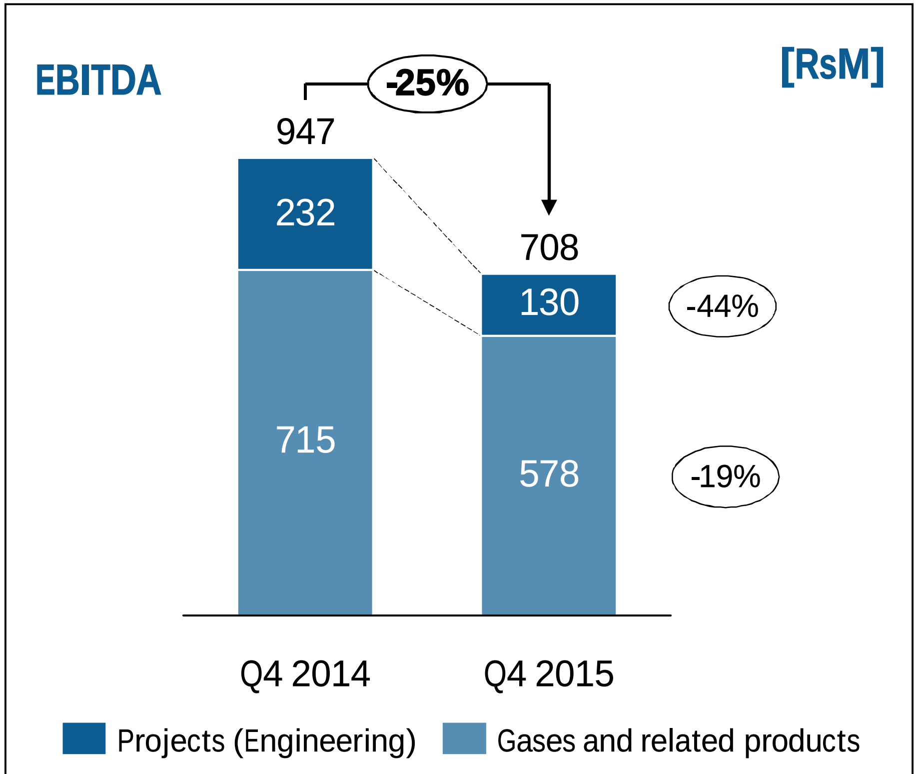
		Q4 2014	Q4 2015	Var.
Net Revenue	[RsM]	4,015	4,189	+4%
EBITDA	[RsM]	947	708	-25%
Return on sales (ROS)	[%]	23.6%	16.9%	-670bps
EBIT	[RsM]	395	280	-29%
PBT	[RsM]	130	57	-56%
PAT	[RsM]	65	48	-26%
EPS reported	[Rs]	0.78	0.56	-28%

— Growth in revenue reflects growth in packaged gases (especially shielding gases) and healthcare ; this also includes higher energy cost pass through impact for onsite customers

— EBITDA in Q4 2014 benefitted from higher margin from Project Engineering Division supported by one-off billings and asset disposals

Revenue & Operating Profit by Divisions – Q4 2015





- Gases business growth driven by higher merchant and medical gases volume and pass-through impact of higher energy cost
- Project Engineering Division sales higher due to start of activities in new projects

- Gases EBITDA last year included one-off billings to onsite customers and income from asset disposals
- Project Engineering Division EBITDA lower due to higher margin from projects concluded last year

Outlook

— Air separation units with production capacity of 2 X 1,000 tonnes per day (tpd) at Tata Steel in Kalinganagar, Odisha are under commissioning. Expected to be on-stream in next 1-2 months time

— Company's Project Engineering Division realised order intake of 4,074 MINR in 2015 including an export order to build an Air Separation Unit (ASU) for Linde Bangladesh at Rupganj

— Company proposes to set up Food Lab and Learning Centre in Andhra Pradesh for live demonstration of cryogenic freezing and conducting trials for food processing organizations. Company is also actively exploring options to set up a new Air Separation Unit (ASU) in South India

Appendix

Linde India – 2015
Key balance sheet items

[RsM]	2014	2015	Δ
Shareholders' Funds	13,892	13,926	-0.2%
Non-current liabilities	15,939	17,957	-13%
Long-term borrowings	11,024	13,383	-21%
Current Liabilities	8,964	4,759	+47%
Total Equities and Liabilities	38,795	36,642	+6%
Non-current assets	32,582	30,904	-5%
Fixed assets	21,879	21,498	-2%
Current assets	6,213	5,738	-8%
Cash and cash equivalents	572	210	-63%
Total assets	38,795	36,642	-6%

Linde India – Q4 2015
Key P&L items

[RsM]	Q4 2014	Q4 2015	Δ
Revenue	4,015	4,189	*+4%*
Other Income	196	52	*-73%*
Total expenses	3,815	3,960	*-4%*
EBIT	395	280	*-29%*
EBIT margin [%]	9.8%	6.7%	*-310bps*
EBT	130	57	*-56%*
Exceptional Item	0	0	*0%*
Tax expense	64	9	*+86%*
Net income	65	48	*-26%*
EPS	0.78	0.56	*-28%*

Linde India – Year ended 2015
Key P&L items

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[RsM]	2014	2015	Δ
Revenue	14,707	15,541	+6%
Other Income	314	443	+41%
Total expenses	13,957	14,985	-7%
▪ Power and Fuel [1]	6,154	7,469	+21%
▪ Freight [2]	1,304	1,234	-5%
▪ Depreciation and amortisation (including impairment) [3]	1,813	1,615	-11%
EBIT	1,064	999	-6%
EBIT margin [%]	7.2%	6.4%	-80bps
EBT	36	101	+181%
Exceptional Item	0	95	-100%
Tax expense	-18	-229	+1172%
Net income	54	235	+335%
EPS	0.63	2.75	+336%

Notes:

1. *Power Cost in 2015 was primarily higher due to start of Dahej plant in March 2015 and running of both the plants at SAIL Rourkela*
2. *Lower cost driven by reduction in diesel prices and improved efficiency*
3. *Overall depreciation lower on account of change in useful life of assets in line with Companies Act , 2013*

Contact

Phone: +91 33 6602-1600
Email: pawan.marda@linde.com
Internet: www.linde.in