



# Presentation for 85<sup>th</sup> Annual General Meeting Linde India Limited

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24 Jun 2021 | Kolkata

Making our world more productive



# Agenda

Linde : A Brief Introduction

Overview of 2020

Covid Wave 2 – Challenges & Actions

Future Outlook : Growth Drivers for Linde India



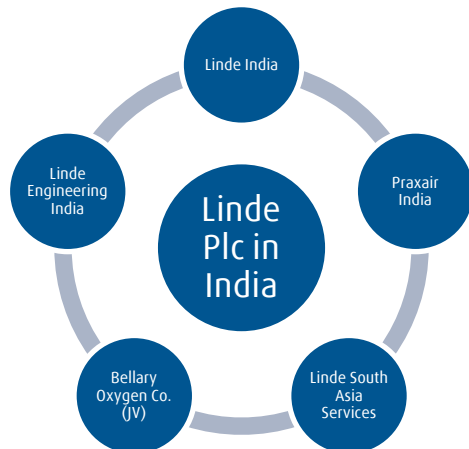
# Linde Plc & Linde India : A Brief Introduction



Making our world more productive



- Formed in 2018 with the business combination of Linde AG and Praxair, Inc – two world-class companies with nearly 140 years of shared history and successful achievements
- The leading industrial gases and engineering company in 100+ countries with ~ 74,000 employees
- +6,500 patents worldwide
- 2020 Sales: \$ 27 Billion



- More than 100 ASU's/ Nitrogen Plants built by Linde Plc in India in the last 20 years; Worlds largest ASU's (5 x 5,250 TPD) installed at Jamnagar | 20 ASUs on BOO basis
- Engineering centers with over 1500 professionals; Baroda (1300), Kolkata (250+), Bangalore (50)
- Preferred partner for all major steel companies & refineries in India

## Linde India :



### Onsite

- Long Term Agreements with key Customers such as TATA, SAIL, JSL and many other players
- Highly Capital Intensive segment



### Bulk

- Strong Supply Chain Management; serves LOX, LIN, LAR as major products to more than 1000 Customers
- Sales team heavily supported with Deliver, Customer Service



### PGP Industrial Products

- More than 20 lakh m3 of compressed gases sold per month in more than 150,000 cylinders in circulation
- Site Footprints across India



### PGP Special Products

- Small focused team dealing in Special gases such as He, Calibration gases, electronic gases.
- Highly profitable segment



### Healthcare

- Supply Medical Oxygen to Government & Private Hospitals.
- More than 200 tonnes of Medical Oxygen delivered every day by Linde Team to meet Hospital's demands



### PED

- State of the Art ASUs, N2 generators across the Globe
- Major Customers : Steel (SAIL, TATA, JSW, BPSL, NMDC, RINL), Oil & Gas ( HPCL, IOCL, BPCL, ONGC, GAIL, HMEL, MRPL, CPCL)

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

**COVID Impact:** Our business (both Gases & PED) had significant impact in Q2 & Q3 before strong rebound in Q4

**SRDB Divestment Impact:** after successful divestment of SRDB in 2019, both revenue and profit numbers for the year are impacted. However, the cashflow supported in repayment of all long-term debts and significant reduction in finance cost

**Revenue:** Underlying revenue, excluding SRDB, has steadily grown in Onsite, Merchant and Healthcare businesses

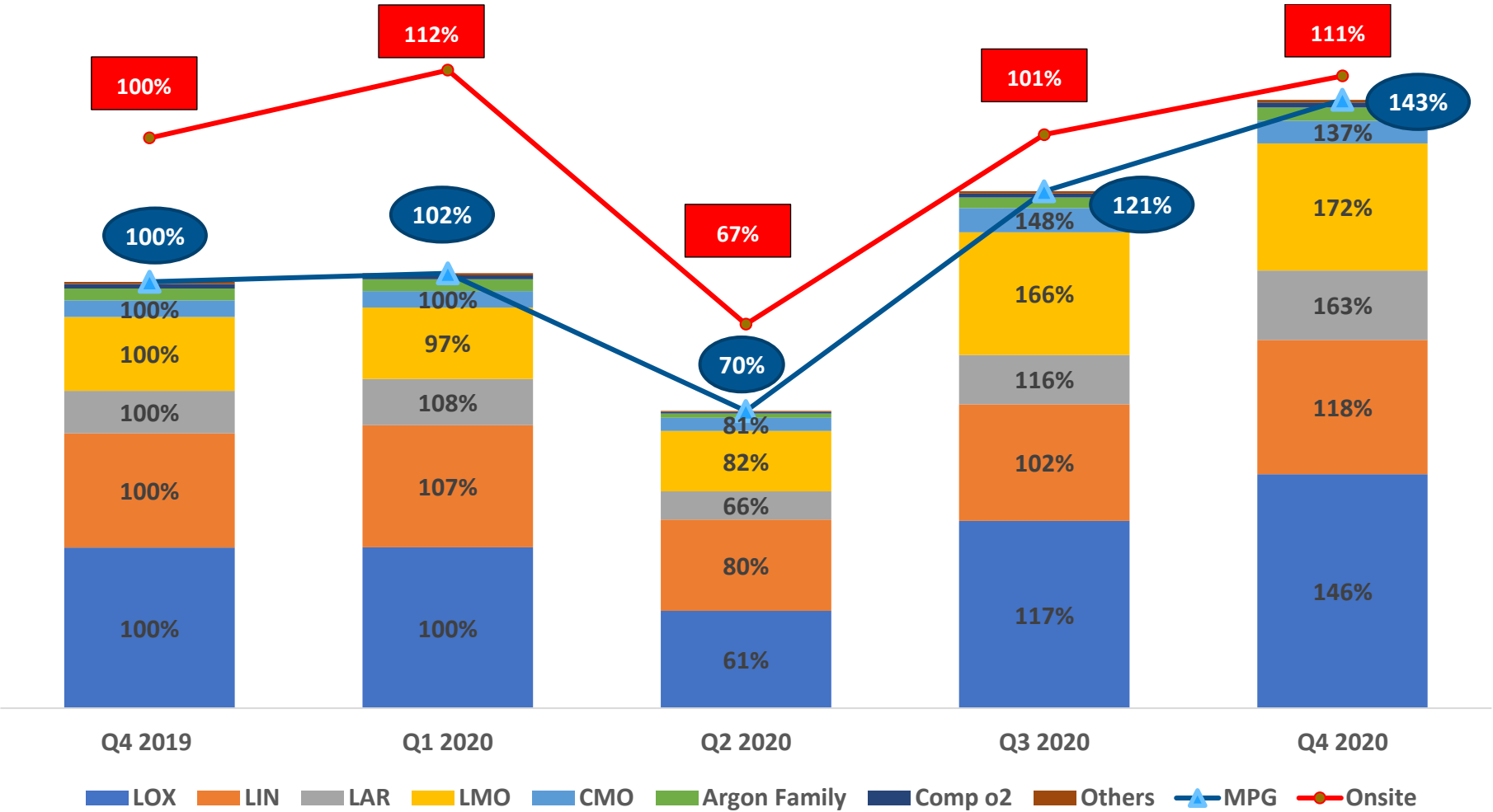
**Cash flow:** after repayment of Rupee Term loan of 1,000 MINR, the company is 'debt free' with year end cash balance >3,000 MINR

**PED projects:** Project Engineering Division has won its single largest order (>4,000 MINR) from HPCL Rajasthan Refinery Ltd. resulting in an order book of >10,000 MINR as on year end

**Dividend:** On back of robust business performance, the Board has recommended dividend @ 30% for the YE Dec 2020

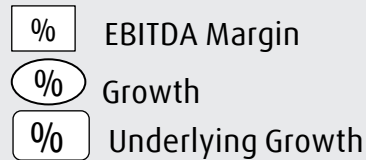
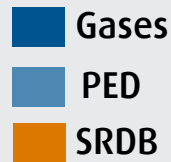
**Update on BDB:** Belloxy Divestment Business remains as 'Asset Held for Sale' as on year end

# Gases Volume Trend



# Revenue & EBITDA

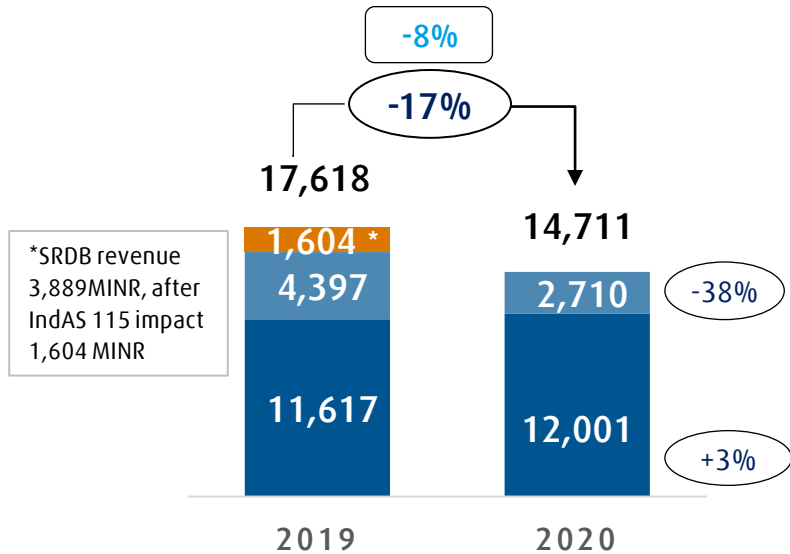
## By Divisions : YE 2020



M INR

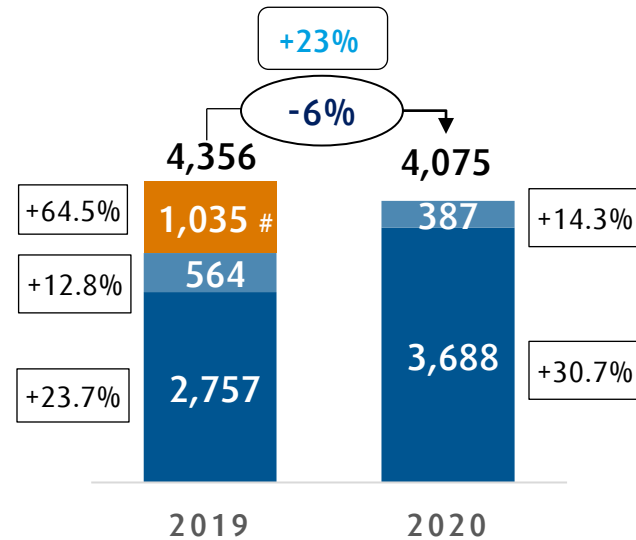


### Revenue



- Underlying revenue was lower by 8% excluding SRDB impact
- Gases revenue up by 3% (+383m):
  - Onsite revenue up by 3%
  - Higher Healthcare demand due to COVID
  - Helium & Special Gases up by 9%
- PED revenue lower by 38% (-1,686m) due to COVID impact on project schedules and higher billing in 2019

### EBITDA (pre-exceptional)



- Underlying EBITDA higher by 23% excluding SRDB impact
- Gases EBITDA up by 34% (+ 931m):
  - Higher volumes
  - Cost savings, productivity and one-offs
- PED lower EBITDA (-177m) due to lower revenue

## Performance – YE 2020

M INR



	YE 2020	YE 2019	Variance
Net Revenue (after IndAS 115 impact)	14,711	17,618	-17%
EBITDA	4,075	4,356	-6%
EBITDA Margin [%]	27.7%	24.7%	+300 bps
PBT	2,252	1,722	+31%
Exceptional Items	111	8,408	
PAT	1,555	7,272	-79%
EPS (incl. exceptional) [INR]	18.24	85.27	-79%
EPS (excl. exceptional) [INR]	17.29	13.63	+27%

- Revenue down by 17% (-2,907m): excluding SRDB (-1,604m) down by 8% (-1,303m) due to COVID impacting Q2 and Q3 gases business as well as PED -38% (-1,686m) offsetting underlying overall Gases growth +3% (+383m)
- EBITDA down by 6% (-282m): excluding SRDB (-1,035m) up by 23% (+753m)
- Interest cost reduced by 93% (-800m) due to repayment of outstanding Rupee Term Loan
- Last year Exceptional items includes profit from SRDB divestment



# Linde India – YE 2020

## Key Balance Sheet items

M INR



	Dec 2020	Dec 2019	Δ
Shareholders' Funds	22,037	21,368	+3%
Non-current liabilities	3,449	2,935	+18%
Long-term borrowings	-	1,000	
Current Liabilities	6,964	7,845	-11%
<b>Total Equities and Liabilities</b>	<b>32,450</b>	<b>32,148</b>	<b>+1%</b>
Non-current assets	22,008	22,933	-4%
Fixed assets	19,685	20,348	-3%
Current assets	10,246	9,023	+14%
Cash and cash equivalents	3,259	2,409	+35%
Asset Held for Sale	196	192	+2%
<b>Total Assets</b>	<b>32,450</b>	<b>32,148</b>	<b>+1%</b>

Strong Balance Sheet on back of robust business performance; zero debt and over 3,200 MINR cash balance

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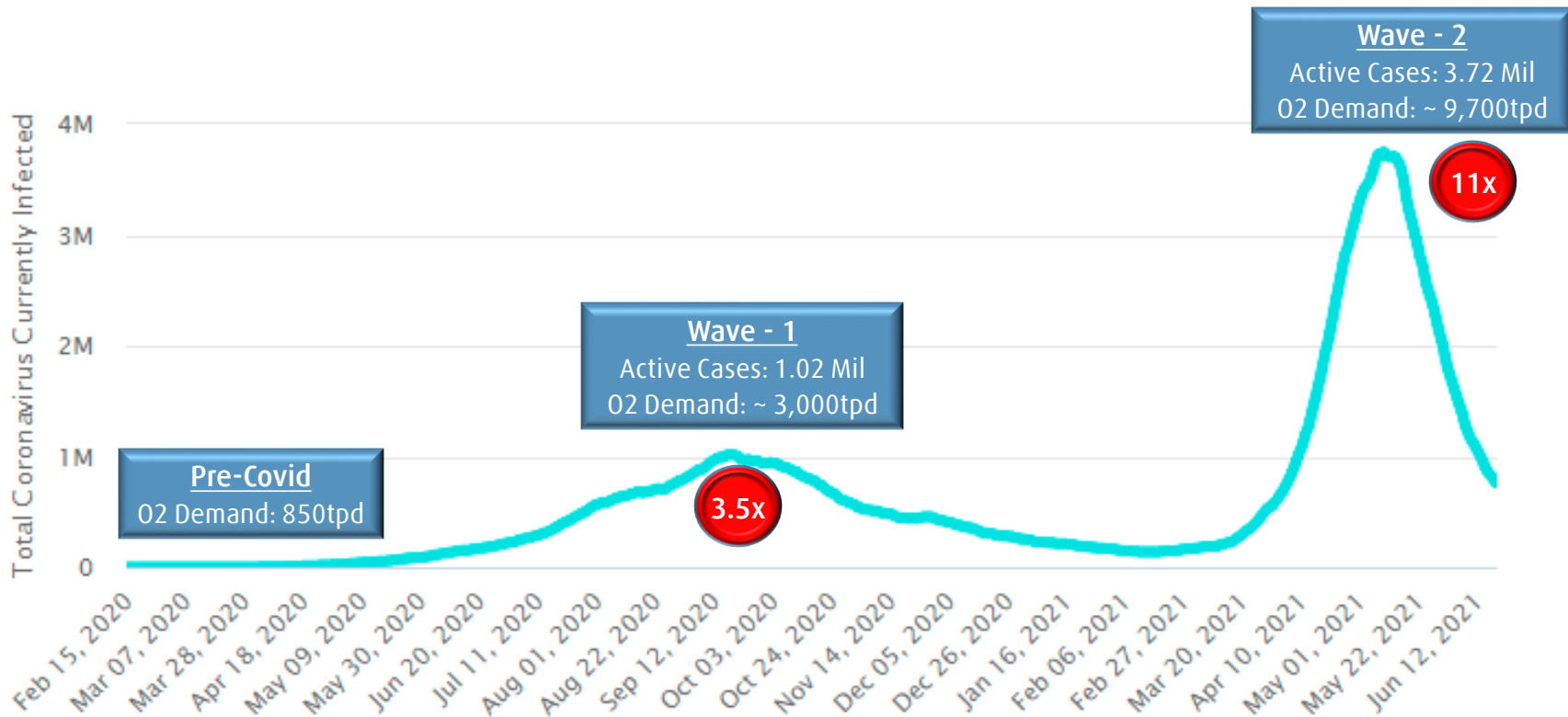
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# India Covid Data – Active Cases & Oxygen Demand



Ref : <https://www.worldometers.info/coronavirus/country/india/>

# Combating Covid Wave 2



## Maximized LMO production & availability

- LOX Production increased beyond nameplate capacity at all sites (upto 150%)
  - Minimizing LIN & LAR production
  - Using full liquefaction capacities
- Stopping industrial LOX sales (mandated by GoI)
- Stopping onsite LOX pumping, reduction of gaseous oxygen supply to onsite customers.



## Compressed 3.5x\*\* Medical Oxygen (CMO) volumes

- Conversion of 90% of Industrial O2 cylinders to CMO
- Almost all sites working 3 shifts; converting inert gas bays to CMO



## New LMO facilities; Capacity augmentation

- Multiple orders received since Apr-20
- Several tanks commissioned in this period

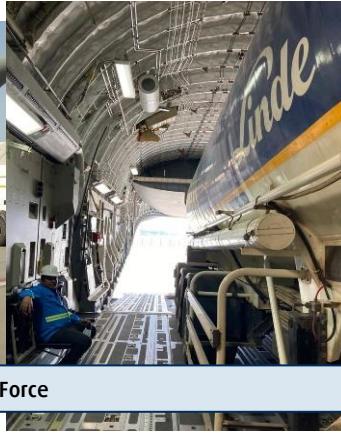


## Improved Distribution capabilities

- Conversion of LIN & LAR tankers to LOX
- Engaging third party tankers, encouraging collect customers
- Tanker movement by rail on RORO basis
- Air freight of empty tankers to cut turnaround time
- Import of ISO containers (sourcing funnel provided by Linde group companies)
  - Through IAF, military grade air charters, Indian Navy
- Working with partner companies to sponsor ISO imports – Tata Steel, ITC, Adani (deployed) + Shell, IOCL (yet to start)
- Movement of ISO containers using Concor & Indian Railway facilities to set up supply chains.
- Working with partner companies to ease challenges in road movement – drivers, trucks
- Channeling assets (cylinders, cryo containers) from Group companies to India
- Helping tie-ups with Linde entities in APAC & Middle East for LMO import possibilities.
- Working with CII, FICCI and others on recommendations to GoI & Empowered Group 2

\*\* - Compared to Feb'21

# When the going gets tough, the tough get going...



First airlift of Cryogenic road tanker by Indian Air Force



Antonov AN-124 Aircraft carrying 12 x 20T ISO Tanks from Teijin, China



Road Tankers being moved by Railway (Roll-on, Roll-off)



Indian Air Force C-17 Globemaster III aircraft carrying 4 x 20T ISO Tanks from Singapore



ISO Tank from Singapore being unloaded from Indian Navy ship

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# Future Outlook - Growth Drivers for Linde India



## Onsite & PED



## Bulk



## PGP IP, HC, SPC



### Target Mkt Segments

#### Metallurgy, :

- High Steel prices, strong demand to drive new investments & expansions

#### Chemistry:

- Airgas Opportunities in Refinery & Petrochemical plants (IOCL, Shell etc.)

#### Glass & Paper

- Pursue selective opportunities

#### Primary Metals:

- ATS offerings in primary metals (Steel, Copper, Aluminium)

#### Chemistry:

- Pharmaceuticals growing fast
- Demands from chemicals, Paints

#### Automotive:

- Gradual resumption of production expected by 2H-2021

#### Food & Bev.

- N2 Dosing, Cryo-grinding, freezing opportunities

#### Healthcare:

- Focus on hospitals in Tier 2, 3 towns
- Strengthen LIV, Entonox, MGPS, PSA plants

#### Manufacturing

- Boost from Make in India drive
- MAPAX
- Mobile Fill at construction sites

#### Electronics

- Fast growing, resilient market
- SPC and N2 opportunities

### Optimize Base

- RE/ Low-cost Power sourcing
- Leverage capabilities of PED for enhanced insourcing

- Focus pricing & margin actions, contract execution
- Improve density: reduce fixed cost

- PGP growth through MBC, focus on high value products: Ar & N2
- Improve Deliver profitability through CNG & E-Vehicles

### New Growth

- Leverage on competitive technologies
- Win larger share of new prospects
- Develop pipeline clusters

- Expand geographic footprint in strategic locations
- LOX & LIN loading through ATS
- M&A Opportunities

- Differentiated offering through micro bulk
- Helium warm magnet filling
- M&A opportunities

# Thank You

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The Linde logo is located in the bottom right corner of the slide. It features a stylized, white, cursive script of the word "Linde" set against a dark blue background. A decorative, light blue wave-like graphic element is positioned behind the logo, extending from the left side towards the right.

*Linde*





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