

Sect/84

19 September 2017

**The General Manager**  
**Department of Corporate Services**  
**BSE Limited**  
New Trading Ring, Rotunda Building 1<sup>st</sup> Floor  
P.J.Towers, Dalal Street  
Fort, Mumbai 400 001

[BSE Listing Centre]

**The Manager**  
**Listing Department**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G- Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051

[NSE NEAPS]

Dear Sir,

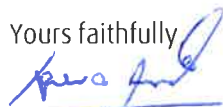
**Investor presentation for Conference Call on Tuesday, 19 September 2017 at 3.30 p.m.**

This is in reference to our earlier letter no. Sect/83 dated 18 September 2017 informing about the Investor Conference Call scheduled to be held today, i.e. on Tuesday, 19 September 2017 at 3.30 p.m. on the Unaudited Financial Results of the Company for the 2<sup>nd</sup> quarter and six-months ended 30 June 2017.

We now enclose herewith the investor presentation for the same. You are therefore requested to disseminate the investor presentation on your website for information of all shareholders/investors of our Company. The presentation is also being made available on the Company's website at [www.linde.in](http://www.linde.in).

Thanking you,

Yours faithfully



**Pawan Marda**  
Asst. Vice President and Company Secretary

Enclosed: As above



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## Q2 2017 Results Linde India Limited

Moloy Banerjee, Managing Director

# Disclaimer



This presentation contains forward-looking statements about Linde India Limited ("Linde") and its respective businesses. These include, without limitation, those concerning the strategy of Linde, future growth potential of markets and products, profitability in specific areas, the future product portfolio, development of and competition in economies and markets of Linde.

These forward looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of Linde's control, are difficult to predict and may cause actual results to differ significantly from any future results expressed or implied in the forward-looking statements on this presentation. The forward looking statements are provided for information purposes and should not be construed as a solicitation of an investment in Linde.

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## Highlights

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

**Revenue** : Revenue has steadily grown in onsite and merchant businesses.

**Cash flow**: Repayment of ECB loan of 792 MINR and interest of 614 MINR as per repayment schedule in H1.

**PED projects**: Project engineering division has an order back log of 5,974 MINR.

**Steel Industry**: Over capacity in global steel industry mitigated by policy interventions by government.

**GST Implementation**: Goods and Service Tax was rolled out effective 1<sup>st</sup> July 2017. Linde India had successfully completed the rollout.

## Lowlights

**Industrial Production**: Overall demand remains muted reflected by low IIP numbers and negative private capital formation.

**Credit Growth**: Stressed and non performing assets in the steel sector continues to be a concern for the banking sector.

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

## Performance – Q2 2017

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		Q2 2016	Q2 2017	Var.
Net Revenue	[RsM]	4,305	4,933	+15%
EBITDA	[RsM]	769	806	+5%
EBITDA Margin	[%]	17.8%	16.3%	-150 bps
EBIT	[RsM]	282	311	10%
PBT	[RsM]	-27	-45	-64%
PAT	[RsM]	-20	-22	-10%
EPS reported	[Rs]	-0.23	-0.26	-13%

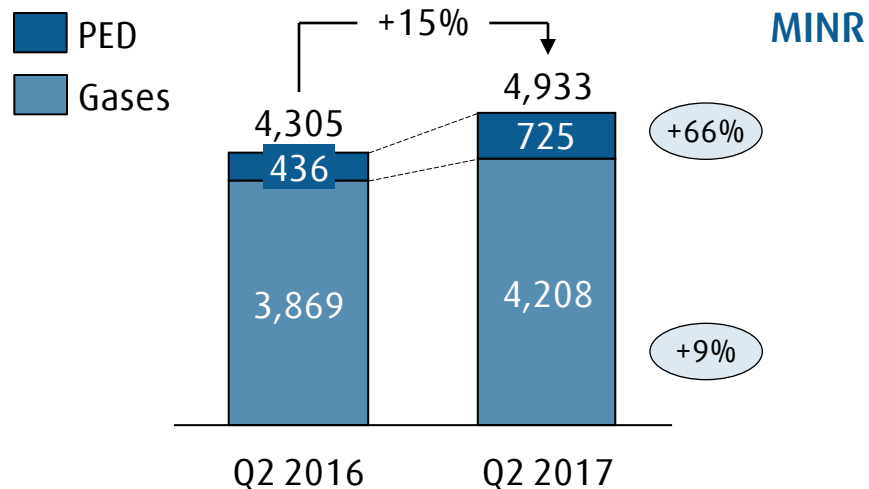
- Revenue up 15% (+628 MINR) driven by gases 9% (+339 MINR) and PED 66% (+289 MINR).
- Interest cost reduced by 3% (-8 MINR) and borrowing rate was brought down by 20 bps compared to same quarter last year.
- One off cost for separation payment (-55 MINR) was booked during the quarter.

# Revenue & Operating Profit by Divisions – Q2 2017

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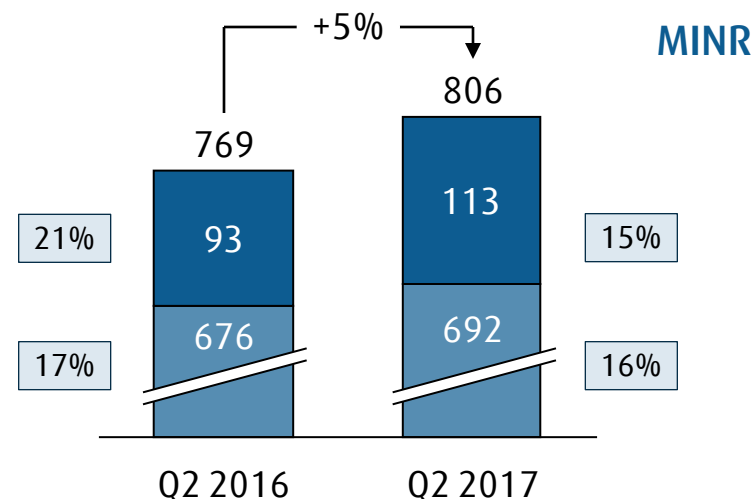
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## Revenue Against Previous Year



- Onsite gases revenue up (+200 MINR) - higher demand from Tata Steel (+58 MINR) and power cost pass through (+141 MINR)
- Higher merchant demand - liquid gases (+45 MINR) and special gases (+65 MINR)
- PED revenue growth @ 66% (+289 MINR)

## Operating Profit Against Previous Year



- Higher demand from Tata Steel (+34 MINR)
- Higher merchant demand/price (+38 MINR) offset by increase in power cost (-27 MINR)
- Unfavorable forex movement (-31 MINR)
- Project Engineering Division margin lower

Revenue Growth Percentage

Operating profit margin

- While India's GDP is expected to grow at 6- 7%, largely driven by services sector, industrial production is lagging as reflected in IIP growth of 2 - 3%.
- After a brief improvement in March 2017, steel production fell in Q2. Mining also shows declining growth rate since Q4-2016. There is expectation that the large integrated steel players like Tata Steel and JSW will show improvement in performance in 2018; however the small to mid-sized players may continue to remain under pressure.
- Prospects in other end user industries such as Automobiles, Pharmaceutical, Oil and Gas, Solar and Food and Beverages look encouraging.
- The key challenges for the Company are price recovery, power sourcing and high interest burden.



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# Appendix

# Linde India – 2017

## Key balance sheet items

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[RsM]	Dec 2016	Q2 2017	Δ
Shareholders' Funds	13,953	13,893	-0.4%
Non-current liabilities	11,547	9,422	-18.4%
Long-term borrowings	9,897	7,763	-21.5%
Current Liabilities	11,644	12,911	10.8%
<b>Total Equities and Liabilities</b>	<b>37,144</b>	<b>36,227</b>	<b>-2.5%</b>
Non-current assets	29,845	29,418	-1.4%
Fixed assets	25,727	25,010	-2.8%
Current assets	7,299	6,810	-6.7%
Cash and cash equivalents	1,061	796	-24.9%
<b>Total assets</b>	<b>37,144</b>	<b>36,227</b>	<b>-2.5%</b>

# Linde India – Q2 2017

## Key P&L items

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[RsM]	Q2 2016	Q2 2017	Δ
Revenue	4,305	4,933	+15%
Other Income	7	6	-14%
Total expenses	-4,030	-4,629	+15%
EBIT	282	311	10%
EBIT margin [%]	6.5%	6.0%	-51 bps
Interest Expense	-309	-301	3%
EBT	-27	10	64%
Exceptional Item	0	-55	
Tax expense	8	23	198%
Net income	-20	-22	-10%
EPS	(0.23)	(0.26)	-11%



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