



PASSION FOR WELDING SINCE 1951
ADOR WELDING LIMITED
 (Formerly Advani-Oerlikon Ltd.)



Investor Presentation

27th Aug 2018



PASSION FOR WELDING

Strong Presence
 In Welding
 Industry
 Since. **1951**



300 +
 Plus distributors in
 India

70 +
 Reach in 70 plus
 countries



R&D division **30+**
 completed

Years of registration
 with department of
 scientific & industrial
 research (DSIR), Govt.
 Of India

50 Years
 Exporting



30+ years of existence
 in Project Engineering
 Business





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Content

- Indian Economy
- Shareholding pattern as on 30th June , 2018
- Financial Performance
- Market/ Business Drivers



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Indian Economy At Glance

- AWL sends heartfelt condolences to the Kerala Flood Victims
- Monsoon: Dispersion and Quantity is good. Improving rural demand
- The Indian economy expanded 7.7% year-on-year in the first three months of 2018 and expected 7.8% Y-o-Y
- Growth on account of agriculture (4.5%) and manufacturing (9.1%) and construction (11.5%)
- Government spending recorded the highest growth rate (16.8 percent compared to 6.8 percent in Q4)

Source: tradingeconomics.com



YoY Manufacturing IIP Growth %

INDIA INDUSTRIAL PRODUCTION



IIP Base 2011-2012

Source: TRADINGECONOMICS.COM MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)



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Factors Responsible For Growth

- Bank Recapitalization pushing credit growth
- Credit growth to non food sector, personal loans, service sector...robust
- BoP surplus in Q4FY18 at US\$13.3bn was higher than US\$9.4 bn in Q3FY18
- Lower GST rates to boost discretionary consumption
- NPA resolution should improve bank balance sheets further

Source: <https://secresearch.idfc.com>



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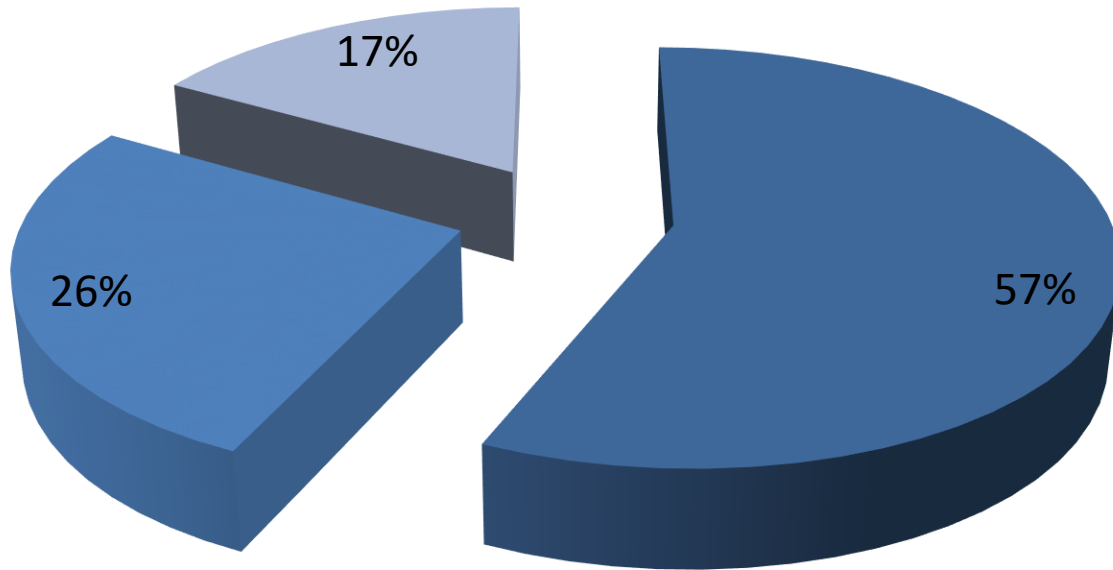


SHAREHOLDING PATTERN





Shareholding Pattern (as on 30th June 2018)



■ Promoter & Promoter Group

■ Non-Institutions

■ Institutions



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Performance Highlights

**Net of Excise*

Rs. In Cr.

Business Segment	Q1		YoY
	F-19	F-18*	F-18*
Dom Consumables	70	46.4	279
Dom Eqpt.	15	8.9	64
IBD Consumables	5.8	4.6	28
IBD Eqpt.	0.7	1.6	7
WAPS	0.8	0.4	4
Welding Business	92	62	382
PEB	10.8	25	76
TOTAL	103	87	458



Financial Overview

*Net of Excise

Rs in Cr.

Particulars	Q1		YoY
	FY-19	FY-18*	FY-18*
Net Sales/Income from Ops	102.6	87.1	458
Other Income	2.2	3.0	10
Mat Cost	68.7	63.5	327
EBITDA	9.75	3.4	44
PBT	5.72	-0.1	28
Exceptional Item	-	-	-
PAT	4.13	-0.1	19
Employee Cost	10.6	9.6	38
Employee Cost/Net Sales(%)	10.3%	11%	8%
Inventory	67.2	54.1	54
Debtors	91.1	69.7	92
Creditors	71.8	75.7	75
Debtors in Days	62	62	69
Creditors in Days	77	82	82
Working Capital (in Days)	67	39	57



Segment-wise Profitability

Rs in Cr.

FY19-Q1	Welding Business
Net Sales	92
Operating Profit	9.8
PBIDT/Sales %	11%



Segment-wise Profitability

FY19-Q1 PEB	(Rs in Lacs)
Revenue	1075
Variable Cost	936
Contribution (13%)	139
Finance Cost	88
Fixed Cost	134
Profit	(83)



Key Ratios

Ratio Type	Ratios	Q1 F19	Q1 F18
Financial Performance as % of Net Sales/Total Revenue	EBITDA	9.3%	3.9%
	PBT	5.5%	-0.1%
	PAT	4.0%	-0.1%
	COM	67%	72.9%
	ME	6.5%	5.9%
	SGA	8.9%	9.7%
	Total Expense	96.6%	103.5%
	Interest/Fin. Charges	1.6%	1.0%
Liquidity Ratios	Current Ratio (CA/CL)	1.7	1.8
	Quick Ratio (CA-Inventory)/CL	1.3	1.4
Efficiency Ratios	Inventory Turnover Times	7	8
	(Sales/Inventory)		
	Working Capital Turnover (Days)	67	39
	(WC/Sales*365)		



Key Ratios

Ratio Type	Ratios	Q1 F19	Q1 F18
Debt Ratios	Equity Ratio (TOL/TNW)	66%	62%
	Interest Cover (PBIT/Fin cost) (times)	5	1
Investment Ratios	Return on Tangible Net Worth (PAT/TNW)	1.7%	0.0%
	[EBITDA/Capital Employed including Borrowings]	3%	1%



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MARKET/BUSINESS DRIVERS





Market/Business Drivers

Bn in USD

Key Segment	Growth Drivers	Market Size 2017	Market Size 2022E
Infrastructure	<ul style="list-style-type: none"> The Government of India has given a massive push to the infrastructure sector by allocating US\$ 92.22 billion for the sector 	160	215
Automobile	<ul style="list-style-type: none"> Indicative Investment lines up till 2022: 18 USD Bn Suzuki Motor Corporation plans to invest USD 970.70 million in second vehicle production line at its new plant in Gujarat 	89	144
Heavy Eng.	<ul style="list-style-type: none"> (BHEL) plans to set up a structural fabrication units . The plant is expected to entail an investment of Rs 1,000 crore 	70	115
Oil & Gas	<ul style="list-style-type: none"> Investment of \$6 Billion for the upstream and downstream sectors by 2020 MNRE plans to invest \$ 16 Million by 2022 to enhance the use of bio-fuels 	315	421

Source: ibef.org



Thank You!

