



Investor Presentation

22nd June 2018



PASSION FOR WELDING

64

Years of strong presence in welding industry.

300 +

Plus distributors in India

70 +

Reach in 70 plus countries

R&D division completed **5**

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

48 Years

Exporting since

26 years of existence in project engineering business



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- Shareholding pattern as on 31st March , 2018
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Macro Economic and Business Environment

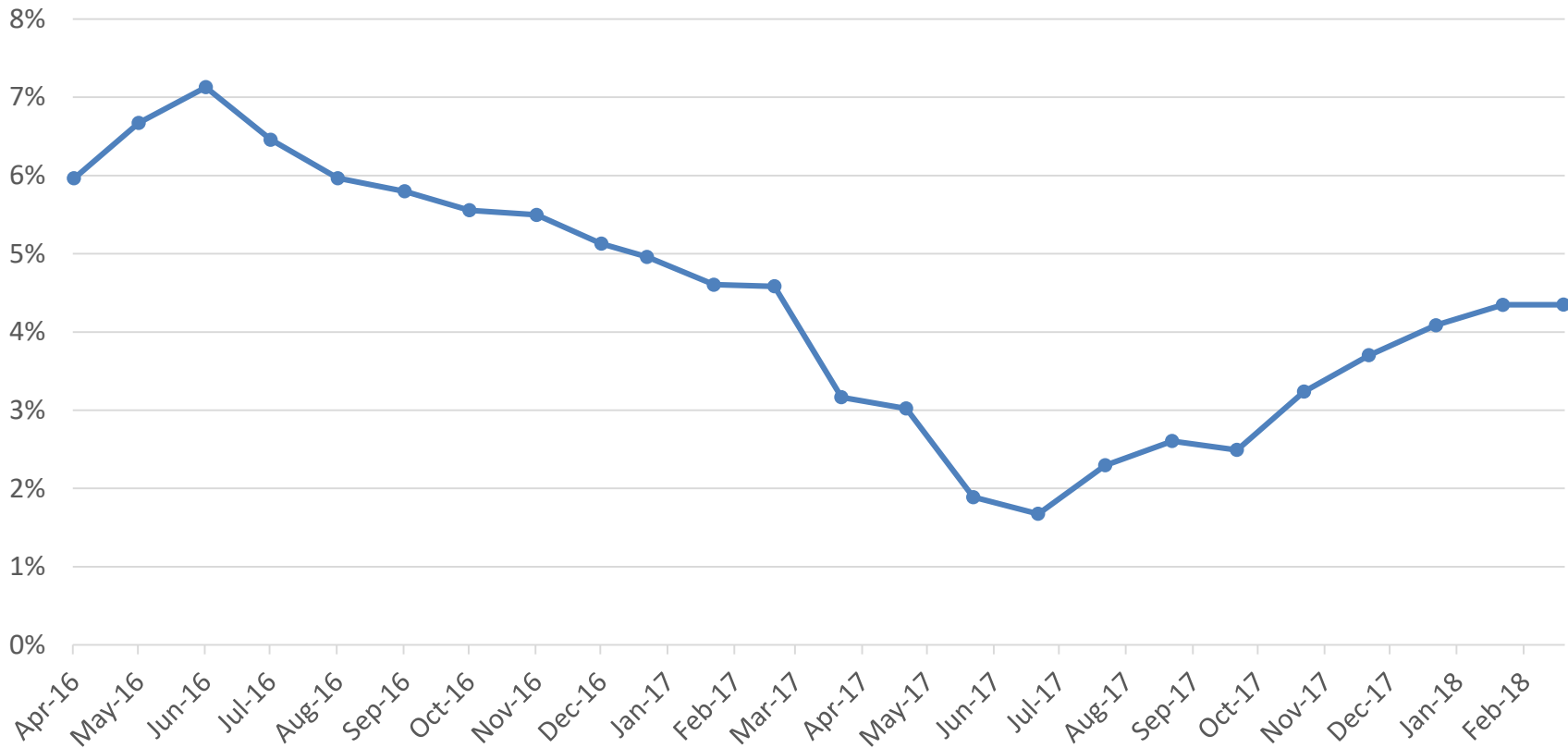
- Effects of Demonetization largely absorbed by the economy
- GST slowly stabilizing
- Pick up in the Capex Cycle visible...CG Cos order book strong
- Commercial vehicle sales up 24% in past five months
- Central Govt Capex growth 11% YOY from FY 2015
- Witnessing participation from private players...Rs 1.95 Trillion in Q4-2018 compared to Rs 1.2 Trillion in Q3-2018
- Oil Cos spent Rs 1.11 trillion in FY -18 , Plan 890 billion in FY -19
- Forex Reserves Strong....USD 415 billion as at 18 May 2018
- Retail Inflation under control.....low@ 4.4.%
- Bank Recapitalization pushing credit growth
- Rural demand picking up....Signs of Agri sector growth



Macro Economic and Business Environment

YoY Manufacturing IIP Growth

% YTD YoY Growth



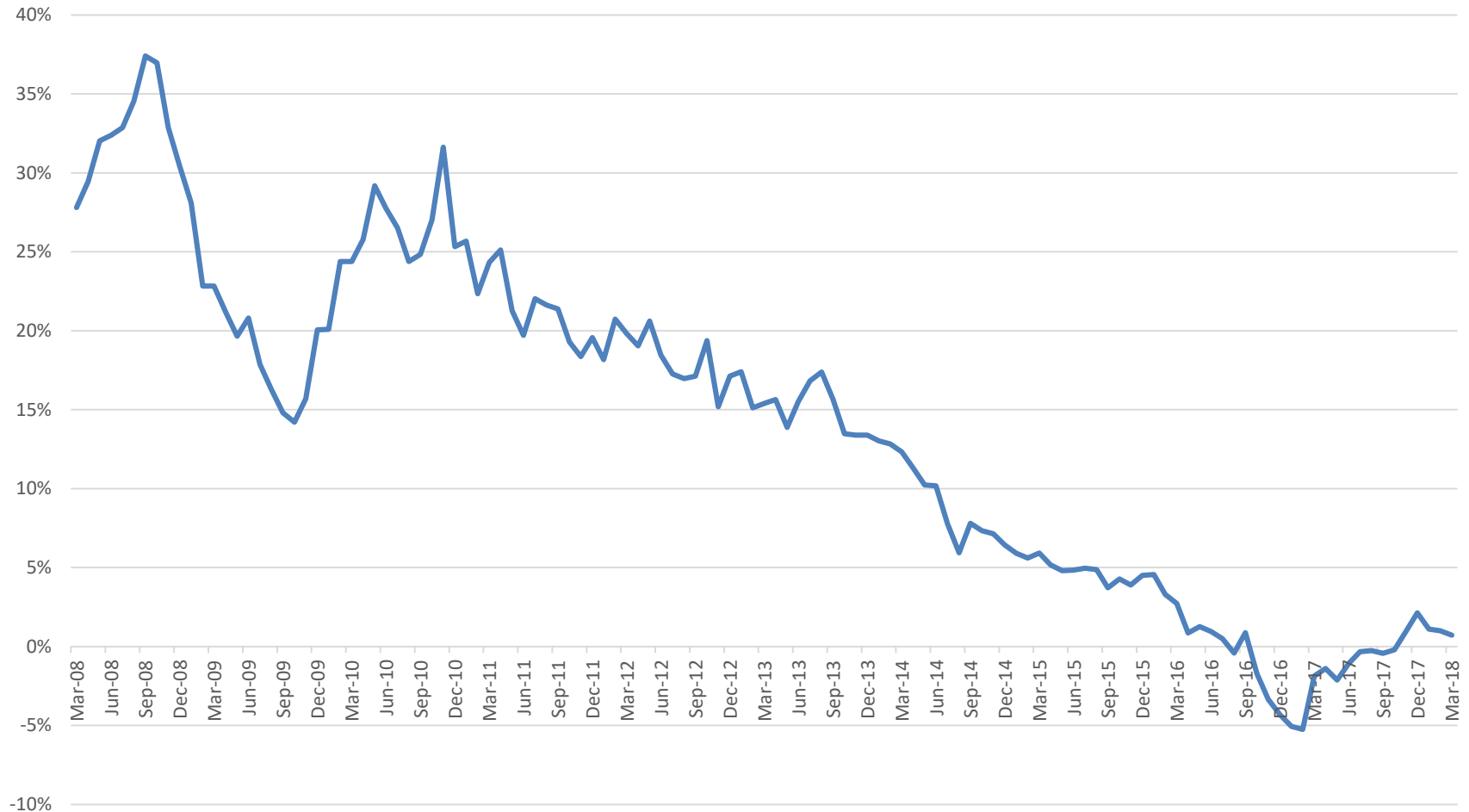
IIP Base 2011-2012

Source: MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)



Macro Economic and Business Environment

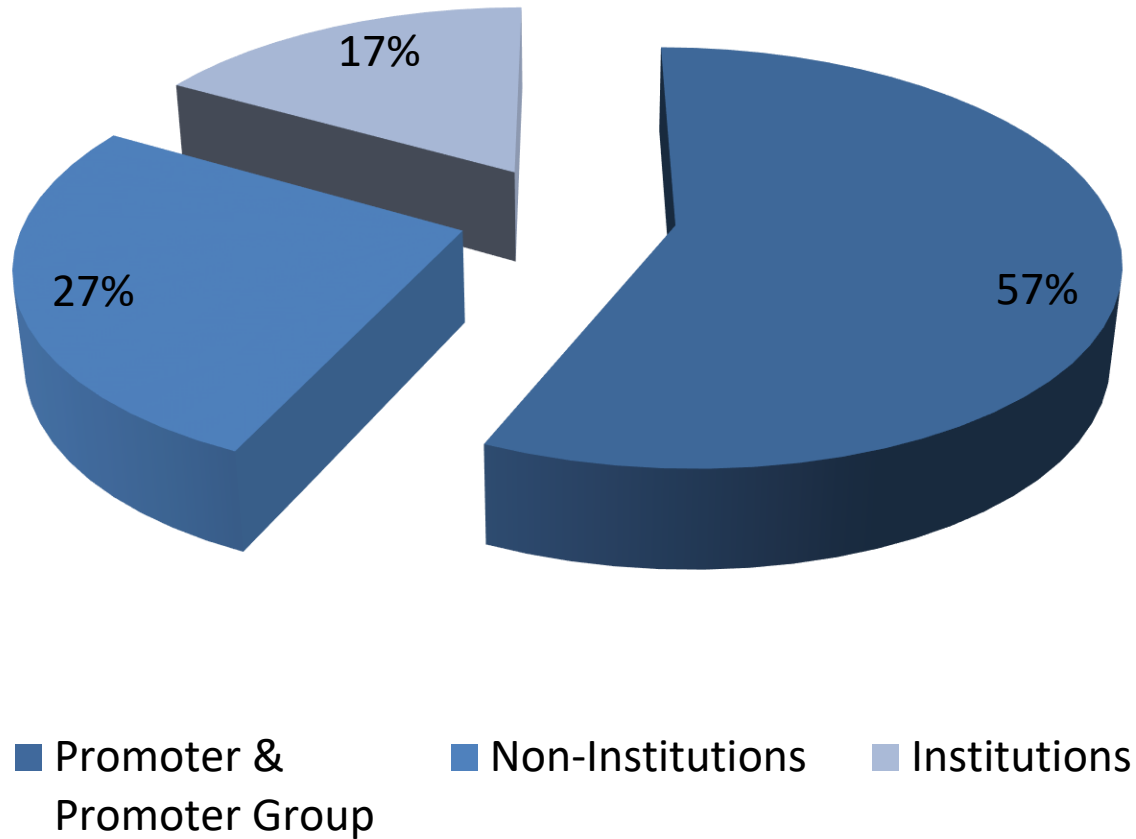
YoY Industry Bank Credit Development Growth



Source: <http://dbie.rbi.org.in/>



Shareholding Pattern (as on 31th March 2018)





Performance Highlights

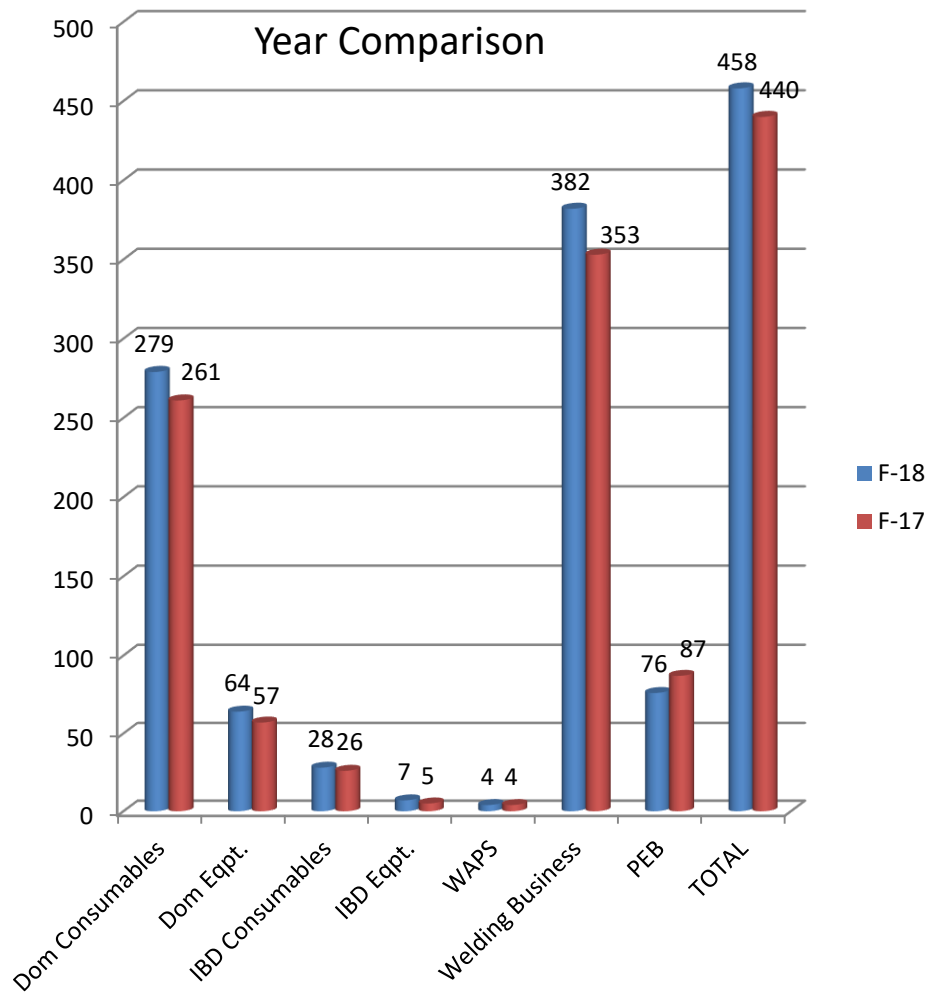
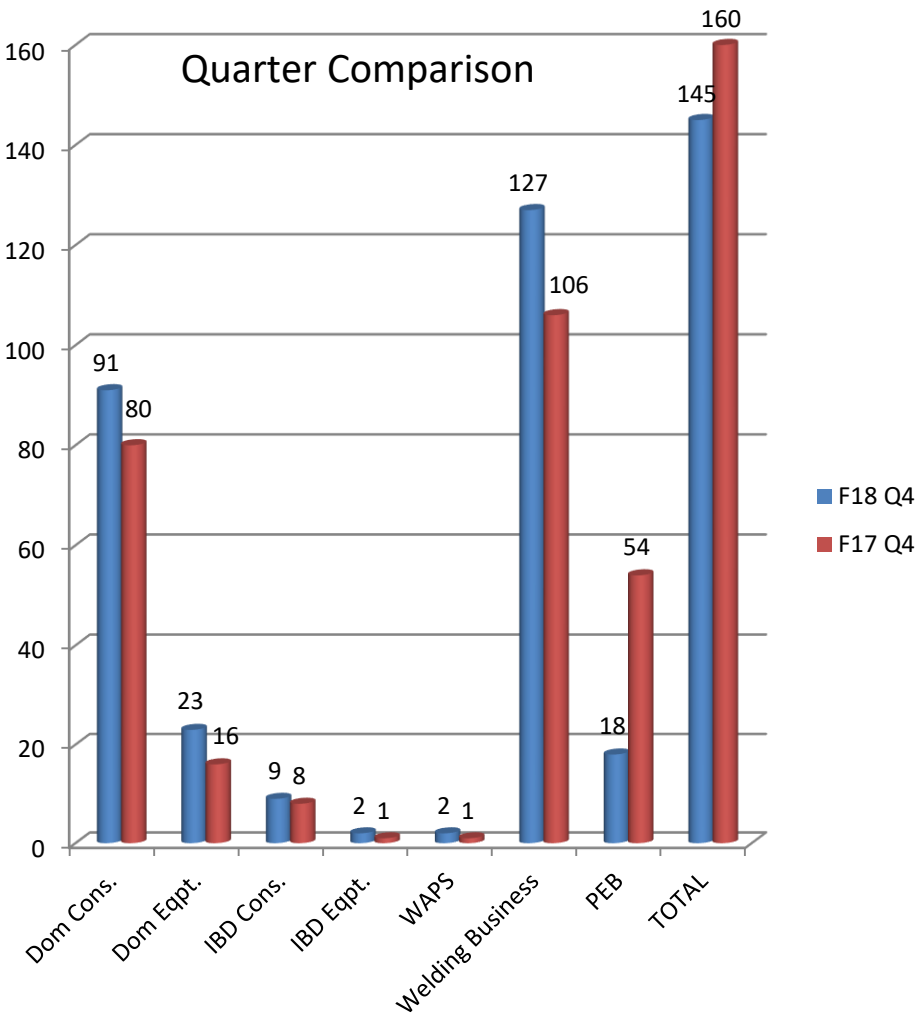
Rs. In Cr.

Business Segment	Q4		YoY	
	F-18	F-17	F-18	F-17
Dom Consumables	91	80	279	261
Dom Eqpt.	23	16	64	57
IBD Consumables	9	8	28	26
IBD Eqpt.	2	1	7	5
WAPS	2	1	4	4
Welding Business	127	106	382	353
PEB	18	54	76	87
TOTAL	145	160	458	440



Performance Highlights

Figures- Rs in Crs





Financial Overview

**Net of Excise*

Rs. In Cr.

Particulars	Q4		YoY	
	FY-18	FY-17	FY-18*	FY -17*
Net Sales/Income from Ops	145	159	458	441
Other Income	2	4	10	9.4
Mat Cost	101	122	327	311
EBITDA	19	14	44	40
PBT	15	11	28	28
Exceptional Item	-	-	-	-
PAT	10	8	19	19
Employee Cost	9	11	38	39
Employee Cost/Net Sales(%)	6%	7%	8%	9%
Inventory	54	47	54	47
Debtors	92	77	92	77
Creditors	75	72	75	72
Working Capital (Inventory+Debtors-Creditors)	71	53	71	53
Working Capital (in Days)	59	44	57	44



Segment-wise Profitability

**Net of Excise*

FY18-Q4 (In Rs Crs.)	Welding Business	PEB	Total
Net Sales*	127	18	145
Operating Profit	22	0	22
PBIDT/Sales* %	17%	0%	15%



New Products Developed/In Process



Sonic Flare System
Segmented Air Assisted Flare
Flare Gas recovery system
Duplex piping spools

High definition CNC plasma & fume
Extraction

Champ Pulse 500
Champ MIG 300
OmniMIG 250,
Champ TIG 300SP
Striker 400
Red 603
Tricycle Welding Head

Tenalloy 15, 90 D3
Supabase X Plus S
Tenalloy Z Plus S , 70CL
Cromoten G
Automig 70S- 6N
Auto melt ES1
Stainless Steel Strips
Automig FC 90T5-K2

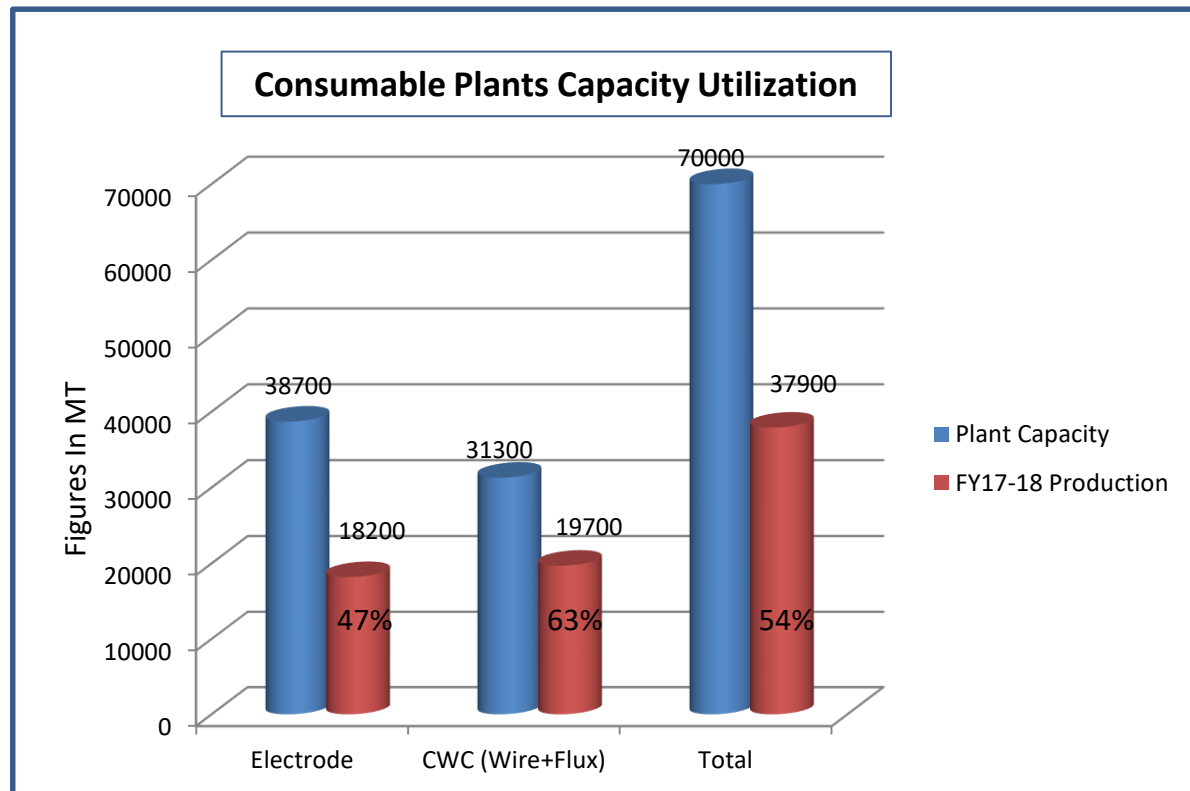




Capacity Utilization

Chinchwad Plant Capacity Utilization

- Welding Equipment- 24000 Nos/ Year : *Presently app 50% is used*
- PEB—In-house capacity of 1200 MT of CS & 960 and SS Fabrication/Year + EPC Projects : *Presently almost 70% is used*





AWL Market Hold

Distributors PAN India

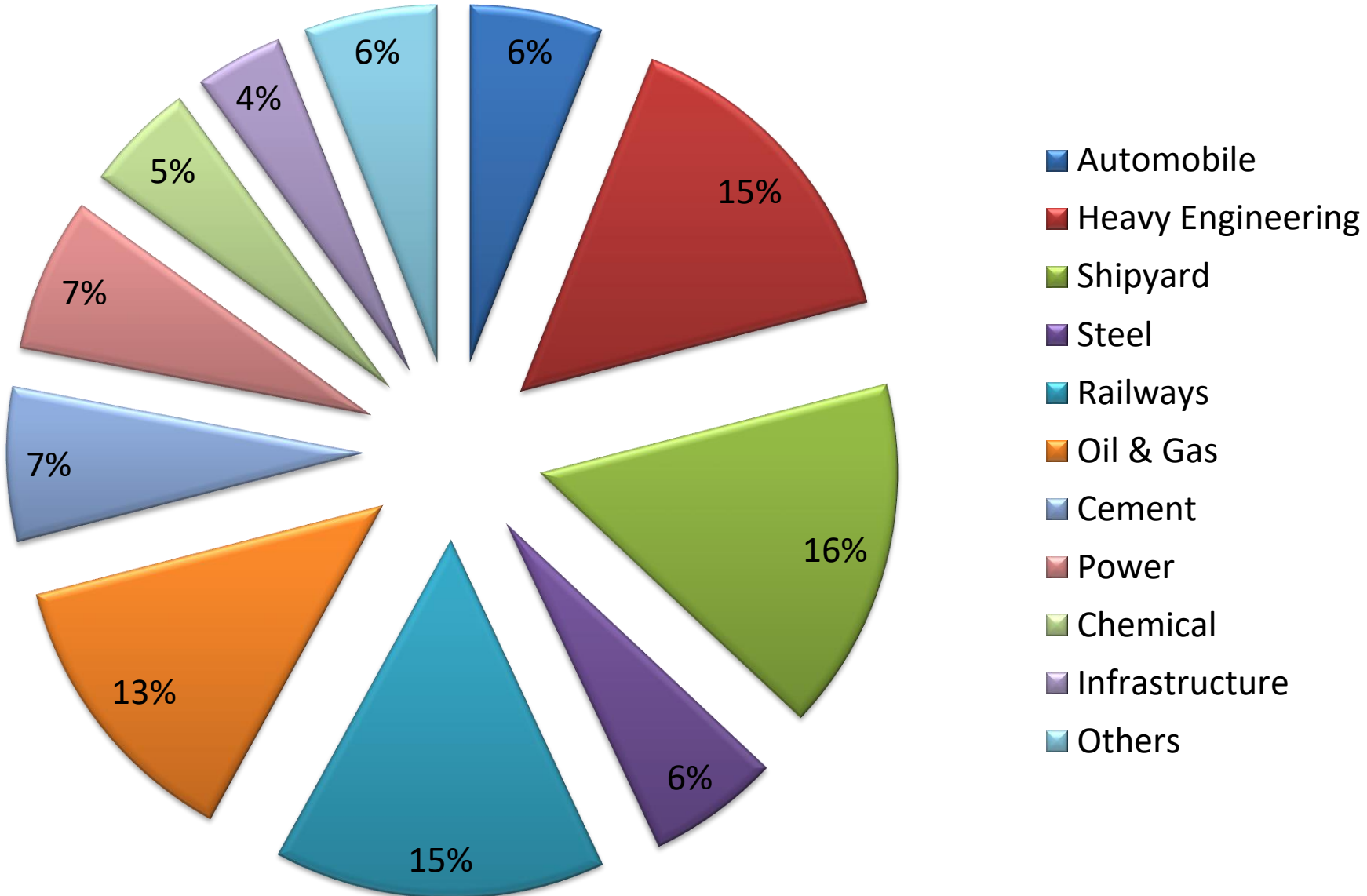
Common For CON+EQP	217
Equipment	3
Total No. Of Distributors	220

AWL Market Share

PRODUCT GRP	MRKT SHARE (%)
Consumable	14%
Equipment	11%

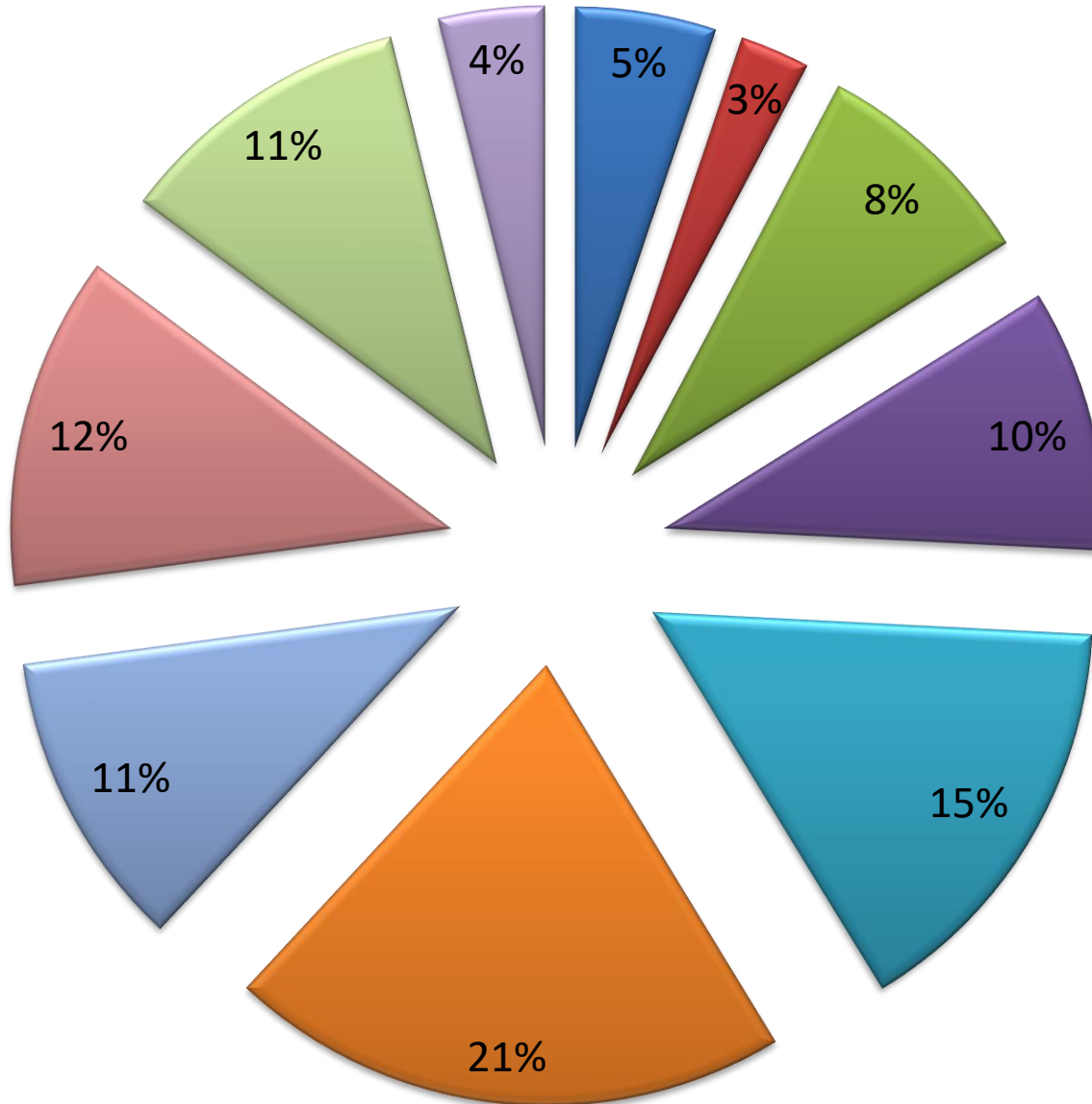


Sector Wise Share Of AWL Consumables Business





Sector Wise Share Of AWL Equipment Business



- Automobile
- Heavy Engineering
- Shipyards
- Steel
- Railways
- Oil & Gas
- Cement
- Power
- Chemical
- Others



YoY Improvements

- Improvement in Operating Profit by around Rs 5.00 Crs over FY 17
- Manufacturing Expenses down from Rs 4670 per MT in FY17 to Rs 4584 per MT in FY 18
- Selling, General and Admin down from Rs 34.62 Crs in FY17 to Rs 32.25 Crs in FY18



Expectations From FY 18-19

- The IMF has projected a GDP growth of 7.8% for India in FY2018-19
- We will continue our Market share Strategy for achieving growth while recovering margins
- Brent Crude Oil prices (affecting the Capex at target IBD markets) has touched the mark of \$80 a barrel and looking at the current political scenario further spike can be expected
- Investments by private sector continues to be low in India
- Growth expected mainly in O&G , Infrastructure , Automotive & Skill development Sectors



FY 2018-19



Capex Budget FY-19- Overall

Unit	Capex FY-19 (Rs in Lacs)
Chinchwad	532
Silvassa	261
New office at Silvassa	175
Raipur	411
Solar plant at Raipur	240
HO	155
IT	275
TDC Equip	39
TDC Cons	32
Total	2119



Strategy For Growth- Consumables

- Focus on growing 6013 market and target sale of 1200 MTs to **fabricators at Trichi and Coimbatore**. Use Satellite plant capacity at Coimbatore to meet this requirement
- Target additional qty of 1200 MTs of X plus to **O&G sector**
- Focus on **Railway sector** to generate additional business of 300 MTs of Automig 4 & 80SB2
- Target additional sale of 1000 MTs of MIG wire to **automotive sector**. Add capacity at Raipur
- Target additional sale of Saw Wire and Flux 800 MTs to **PEB sector**
Capacity added at Raipur
- Target additional sale of Stainless steel and high value electrodes to **power and O&G sector**



Strategy For Growth- Equipment

- Focus on **Infrastructure industry** and target sale of additional 700 Rectifiers
- Focus on **Auto industry** and target sale of additional 600 MIG machines
- Striker and single phase MIG M/cs are very well accepted in the market
- Focus on **defense sector** for sale of 125 DG set
- Create additional channels for incremental sale of cutting and PPE
- Make presence felt for Pulse mig 500 M/c developed in last month by selling at least 15 M/cs



Thank You!

