



peace of mind™

INVESTOR PRESENTATION

15th November 2022



Creating The Best Welding Experience

Agenda

- | Business Overview
- | Updates
- | Performance
- | Status of Merger

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Business Overview

Q2 Sales

Rs. 185 Cr.

- Highest sales in Q2
- Q-o-Q increase of 17%

Q2 PBT

7.2%

- Expansion of 60 bps from Q2-FY'22
- On-par with FY'22

HY1 PBT

8.3%

- Expansion of 150 bps from HY1-FY'22
- Expansion of 90 bps from FY'22

- Steel Output & Consumption showing upward trend
- Pickup in Capex by Steel Plants shows strong demand
- High Capex commitment in FY'23 Budget

Updates

New Product Launch



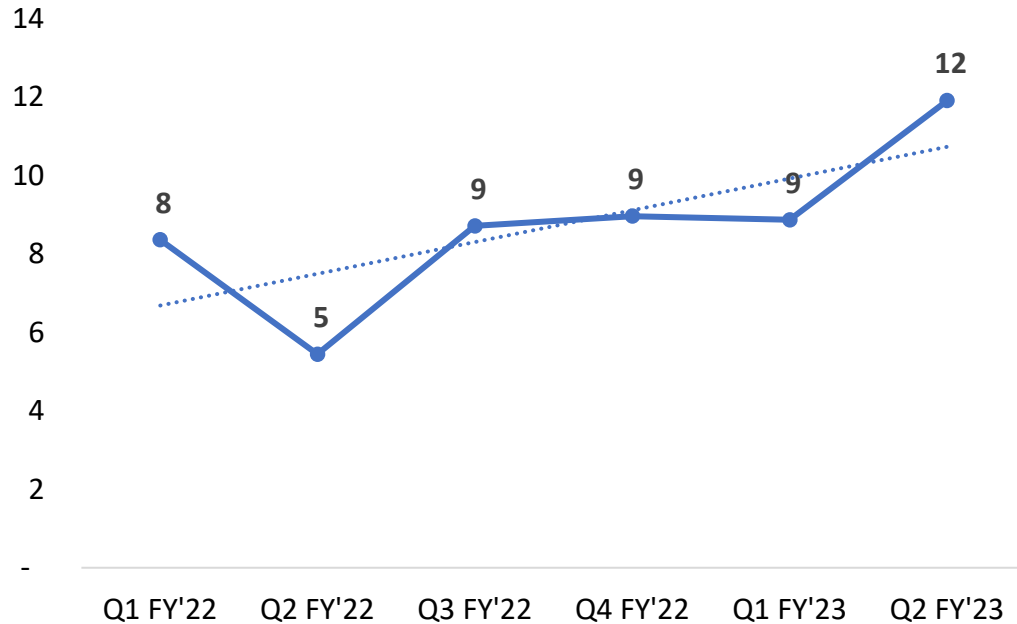
Ultra Durable
Champ 400 X



Ador International

Values in INR Cr.

AI sales



- New showroom/office in JAFZA
- On track to achieve 50% growth
- Position ADOR as an MNC
- Restructure Distribution Network in Middle East
- Focus on Key Accounts and New market development
- Entered new markets (Brazil)

Ador International



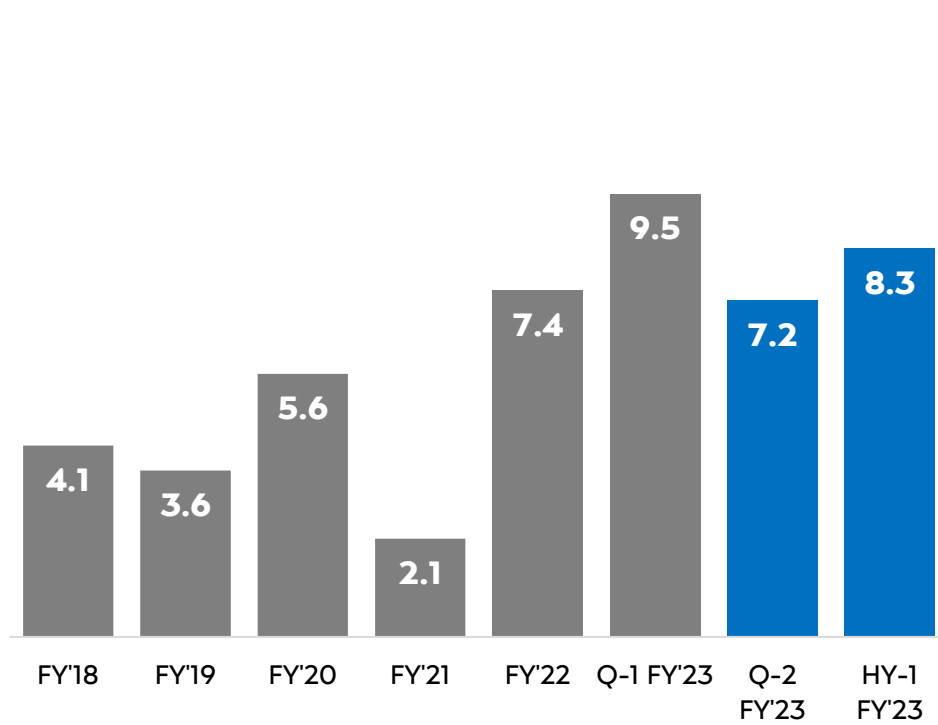
Uran Project



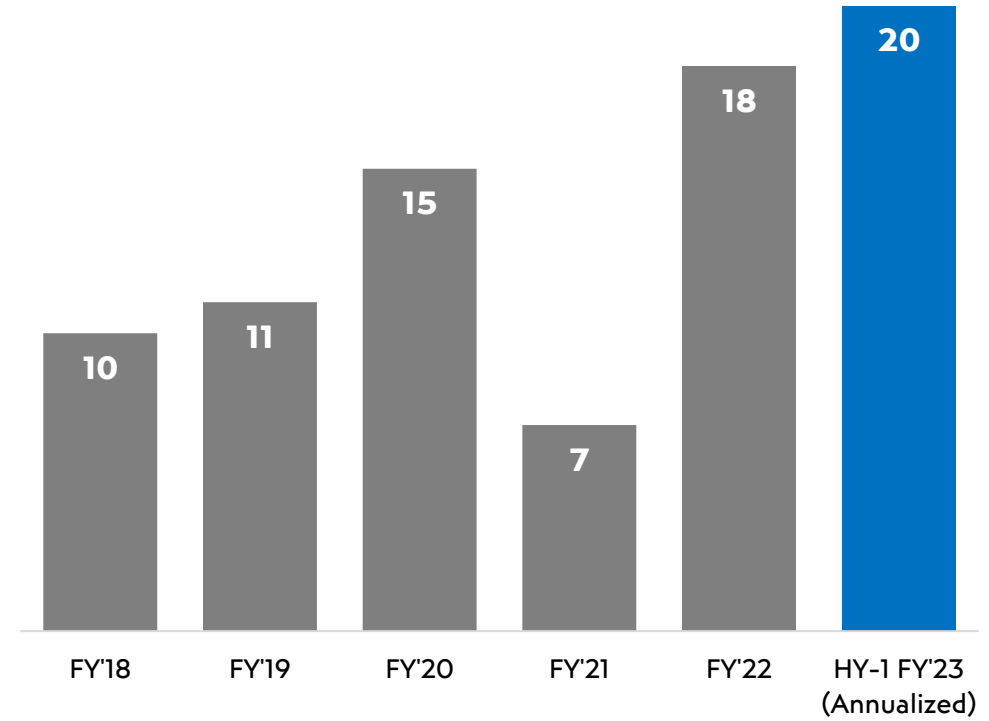
- Design, engineering, fabrication, erection & commissioning of complete **demountable flare package**
- Order Value of Rs. 145 Cr. (inclusive of GST)
- Execution timeline of 30 months

Performance

PBT and RoCE



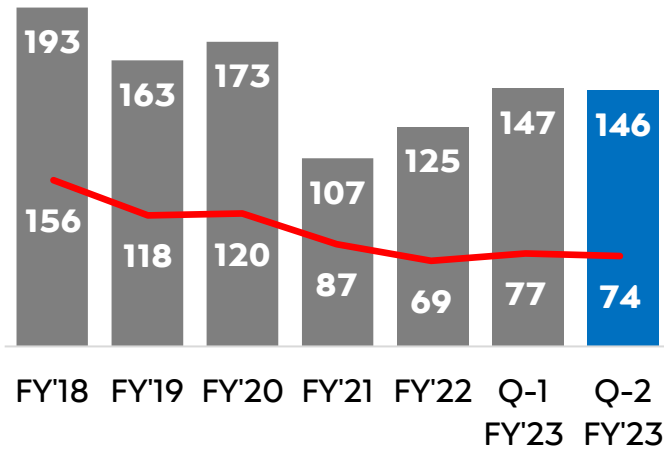
PBT Margins (%)



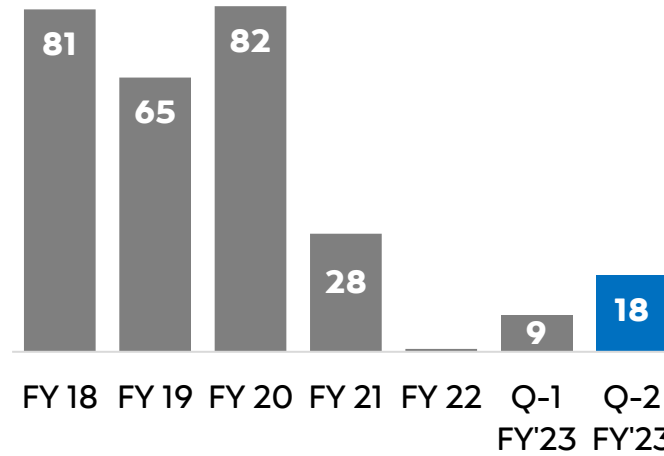
RoCE (%)

All numbers are w/o exceptional items

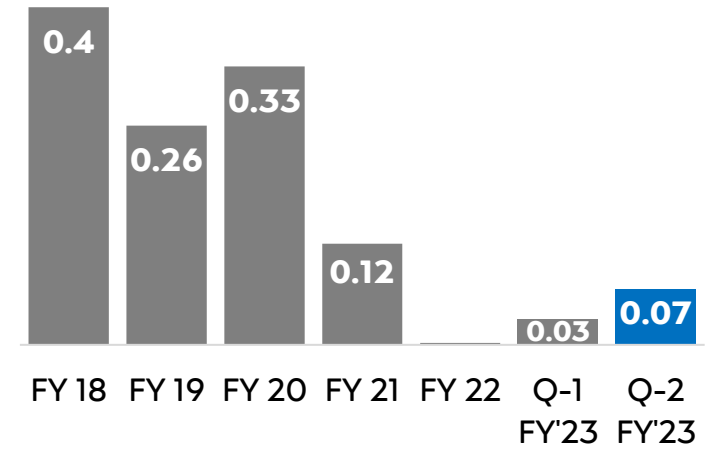
Working Capital & Borrowings



Working Capital (Cr.) – Bar Chart
Working Capital (Days) – **Line Chart**



Borrowing in Cr.



Debt to Equity Ratio

Issues & Improvements

Issues

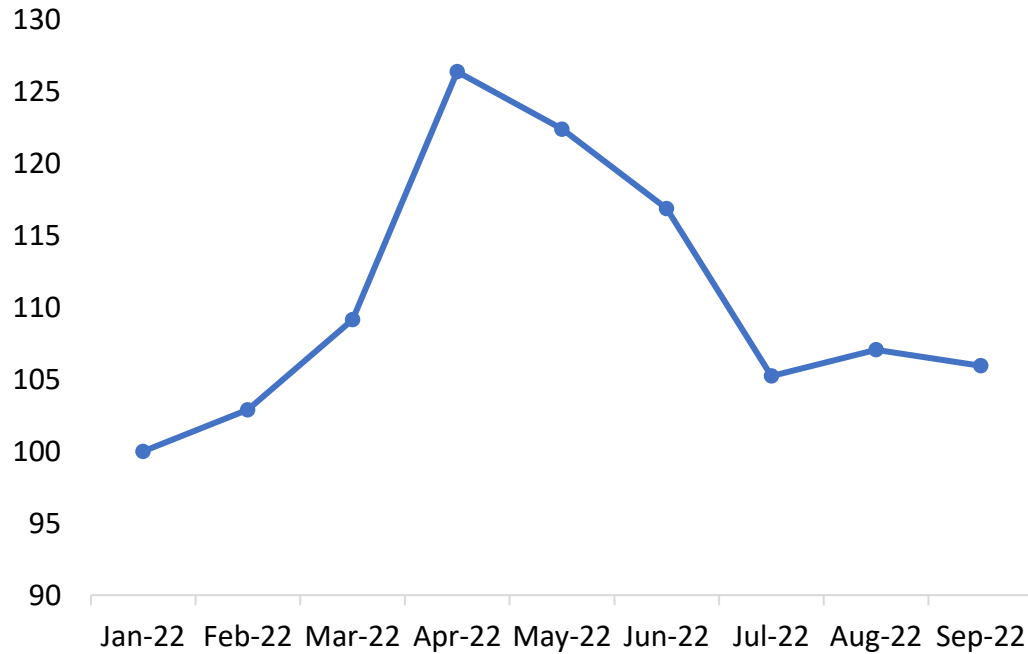
- Fluctuation in steel prices
- Unstable geopolitical issues
- Increasing interest rates
- Supply Chain Disruptions

Improvements

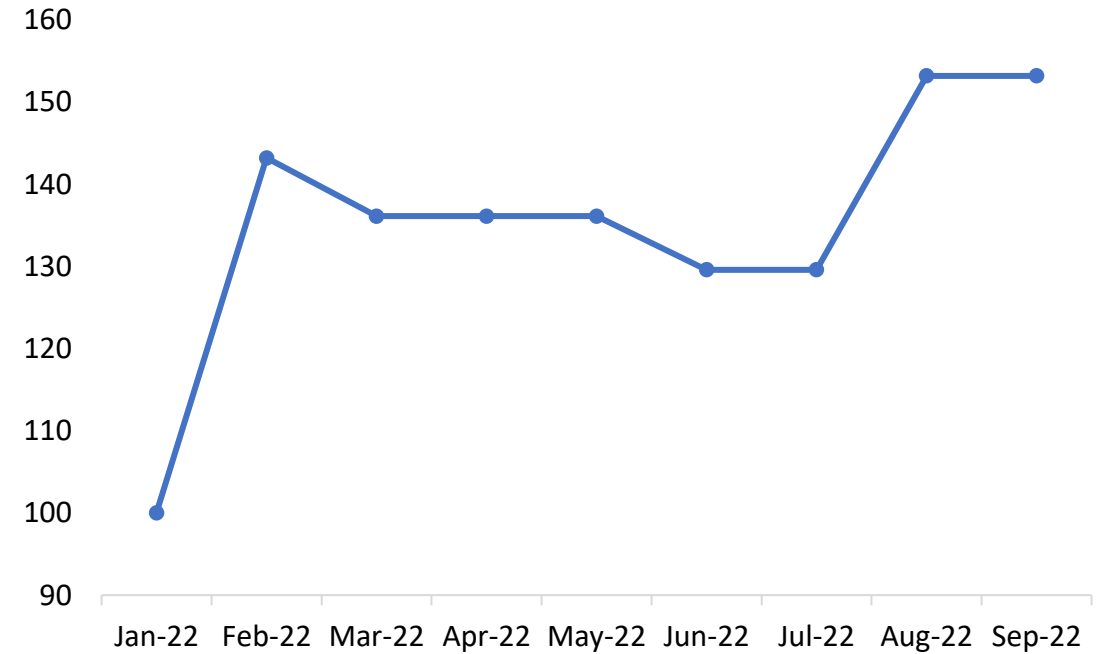
- We are playing on our strengths
- Effects of strengthening of Supply Chain Management are visible
- Investment in Technology Upgradation – Welding Consumables
- Strengthening Distribution + Online Sales
- Ador International
- Demand stabilization since August & September

Variations in Key RM Prices

Indexed Wire Prices



Indexed Other Materials Prices

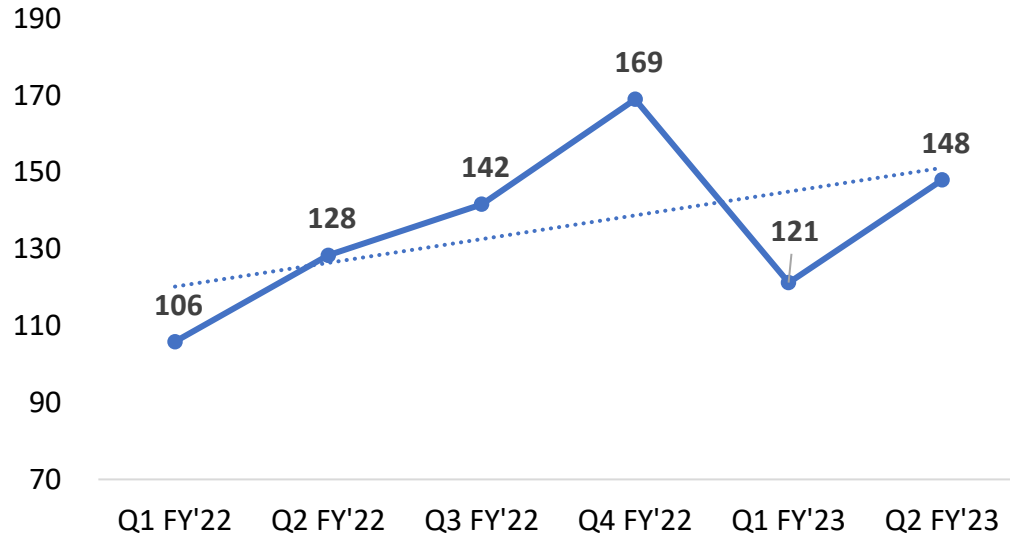


- Fluctuation in Steel prices is major issue
- Volatility in Steel Prices have reduced since last Quarter

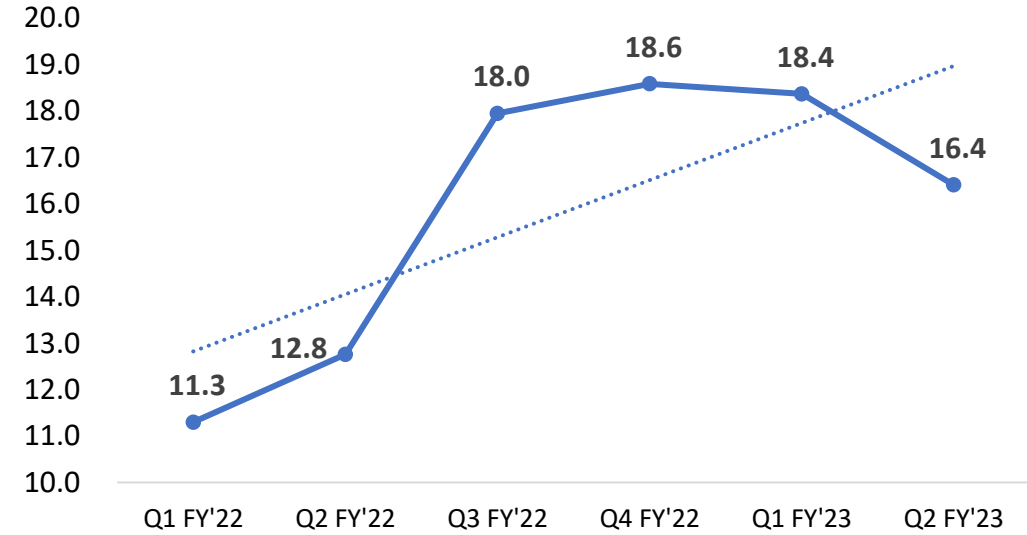
Segment Performance – Consumables

Values in INR Cr.

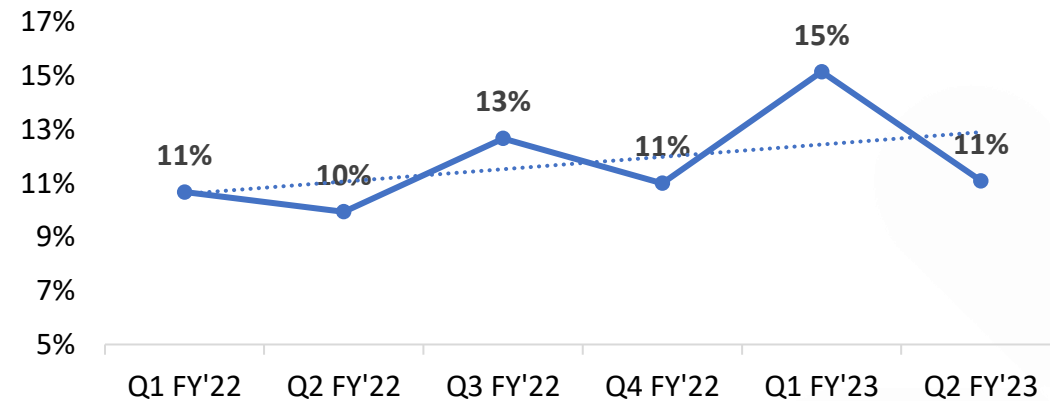
Segment Revenue



Segment Results



Results as % of Revenue

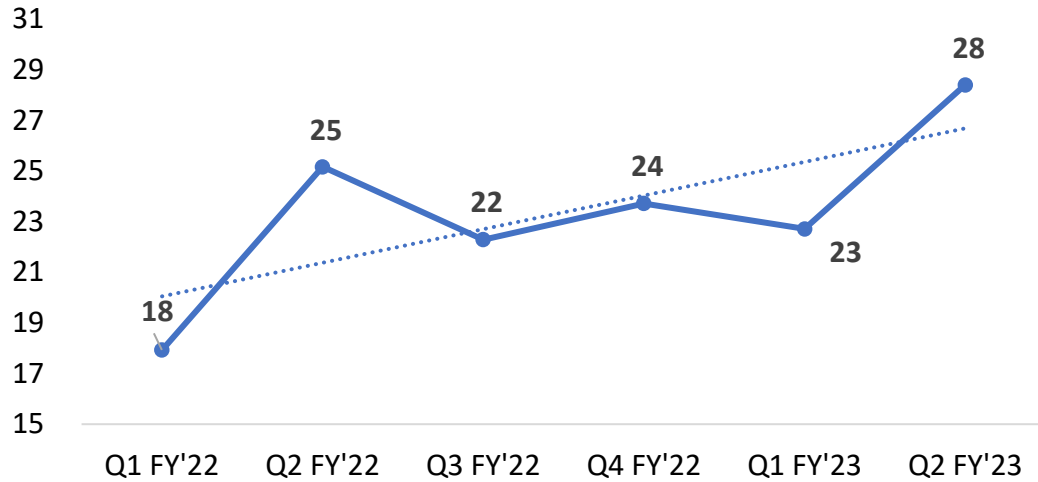


- Enhanced portfolio of SS electrodes

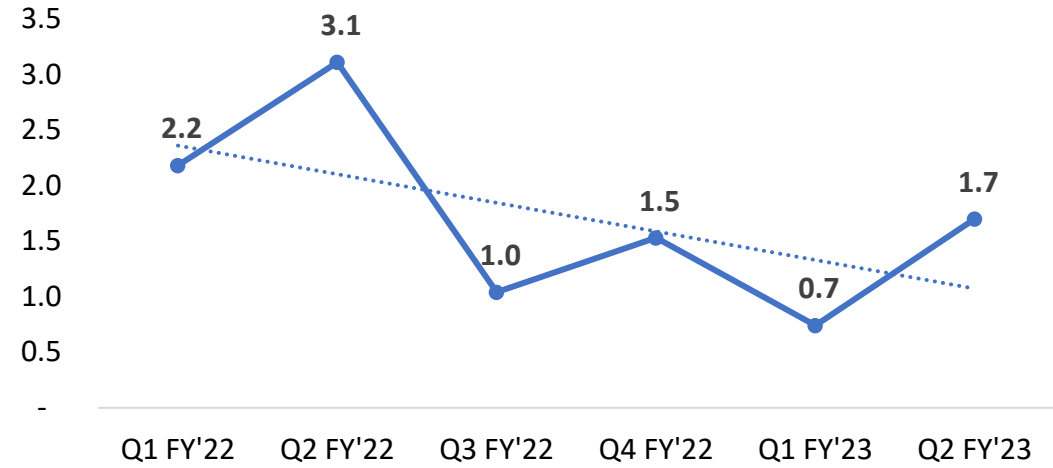
Segment Performance – Equipment

Values in INR Cr.

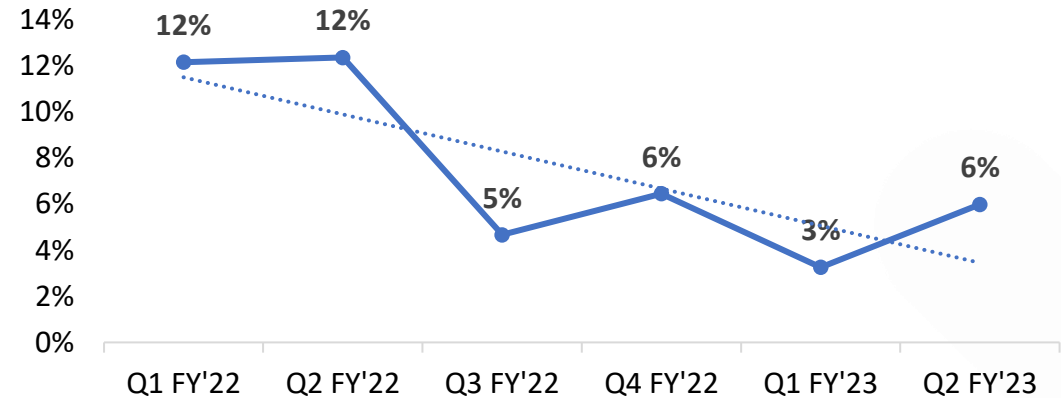
Segment Revenue



Segment Results



Results as % of Revenue

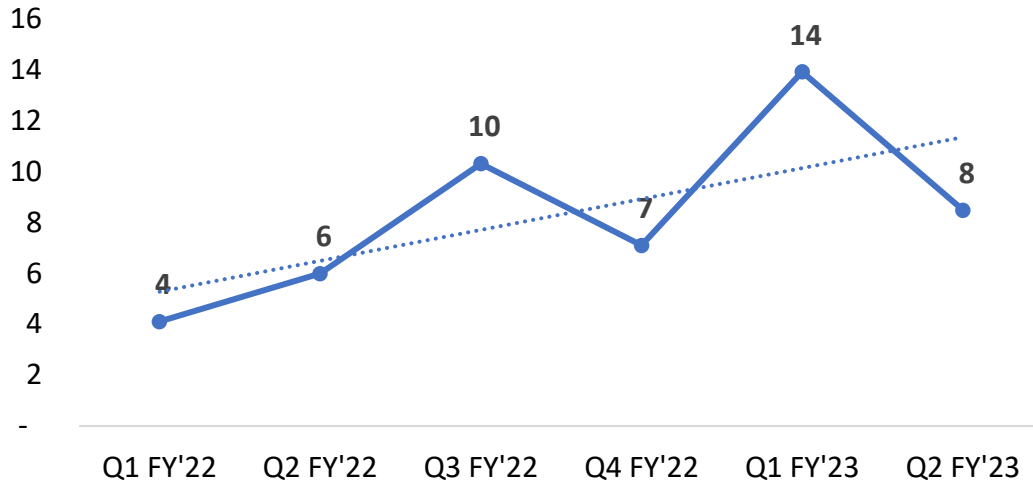


- New improved machines launched
- Growing market for Automation

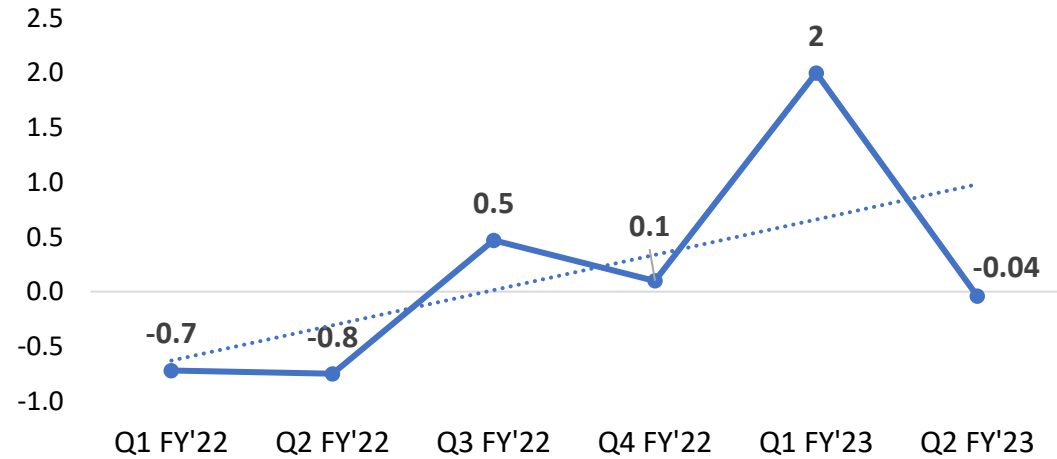
Segment Performance – FPED

Values in INR Cr.

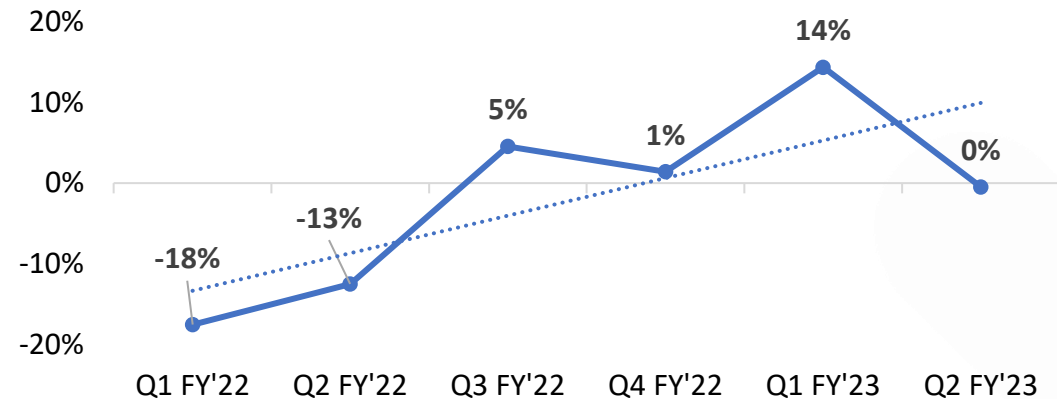
Segment Revenue



Segment Results



Results as % of Revenue



- Division has already Surpassed the Order Booking Target of Rs. 75 Cr.
- Orders in Hand – Rs. 134 Cr.
- Robust and Stable order book has got billing close to Break Even Point (BEP)
- HY-1 has positive segment result

CAPEX

Values in INR Cr.

Particular	HY-1 (Actual)	HY-2 (Planned)	Total
Technology upgradation and capacity enhancement - Welding Business	2.5	10	12.5
Technology upgradation and capacity enhancement - FPED	1.2	2.5	3.7
General / IT / Others	2	5	7
Total	5.7	17.5	23.2

Status of Merger



Updates on Amalgamation of ADFL with AWL :

- The no-objection certificate (NOC) for the proposed scheme of amalgamation of ADFL with AWL have been received from Stock Exchanges.
- Company is in process of filling application in NCLT.

Q&A

Guidelines

Strengths

- Due to the time constraints, we would be limiting a maximum of 2 to 3 questions per participant. Please be quick & precise with your questions
- Please avoid asking questions, already answered or covered in the presentation
- Anyone interested in asking questions are requested to put their name & organization in the chat box, stating their desire to ask questions and it will be answered in sequence of receiving names in the chat box
- The end-time of meeting / call will be 6.00 pm, irrespective of no. of questions pending

- This call will be recorded for compliance purpose



THANK YOU