



UNITED DRILLING TOOLS LTD.

CIN : L29199DL 1985 PLCO 15796

OIL DRILLING EQUIPMENT MANUFACTURING AND SERVICES

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26/02/2021

UDT/SEC/2020-21/BSE-59-NSE-31

Department of Corporate Service

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai- 400001

Security ID - 522014

Listing Compliance Department

National Stock Exchange of India Ltd.

Exchange Plaza, C-1 Block-G,

Bandra Kurla Complex, Bandra (E),

Mumbai – 400051

Security ID - UNIDT

Sub: Earning Updates on Financial Results

Dear Sir/Ma'am,

Pursuant to regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith copy of the press release titled "Earning Updates" based on financial results for the third quarter and nine month ended 31st December 2020 along with operational highlight on the same.

Kindly take the same on record, please.

Thanking You,

Yours faithfully

For United Drilling Tools Ltd.

Pramod Kumar Ojha
Company Secretary
M. No. 8698



United Drilling Tools Limited

CIN: L29199DL1985PLC015796

Head Office: A-22, Phase-II, Noida Distt. – Gautam Budh Nagar, U.P – 201305, India.

Q3 & 9M FY21 – Earning Updates

Revenue from Operations reported at ₹959.42 mn in 9M FY21 and ₹316.99 mn in Q3FY21

EBITDA stands at ₹367.43 mn in 9M FY21 and ₹153.62 mn in Q3FY21

PAT at ₹284.80 mn in 9M FY21 and ₹120.53 mn in Q3FY21

Noida, 13th February, 2021: United Drilling Tools Limited, a leading manufacturer of drilling tools and equipment's has announced its third quarter and Nine months of earning updates ending 31st December 2020;

Financial Statement Highlights for 9M of FY21 v/s 9M of FY20

Particulars (INR MN)	9M FY 21	9M FY 20
Revenue from Operations	959.42	895.06
Other Income	31.83	19.95
Total Revenue	991.25	915.01
Total Expenses	650.14	474.74
EBITDA	367.43	463.04
EBITDA Margin (%)	37.07%	50.60%
Depreciation	19.67	19.84
Finance Cost	6.66	2.94
PBT with Exceptional Item	341.11	440.26
Exceptional Items	-	-
PBT	341.11	440.26
Current Tax	55.10	64.78
Deferred Tax	0.69	4.65
Tax	55.79	69.43
PAT	285.32	370.83
Other comprehensive profit / loss	-0.53	-0.31
Net PAT	284.80	370.53
PAT Margin %	28.78%	40.53%
Diluted EPS	14.03	18.25



Financial Performance Comparison – 9M FY21 v/s 9M FY20

- The total Revenue from operations increased by 7.19% from ₹895.06 Mn in 9M FY20 to ₹ 959.42 Mn in 9M FY21 owing to improved and change in product mix
- EBITDA stood at ₹367.43 Mn in 9M FY21, compared to ₹463.04 Mn in 9M FY20
- Net profit stood at ₹284.80 Mn in 9M FY21, compared to ₹370.53 Mn in 9M FY20

Financial Statement Highlights for Q3 of FY21 v/s Q3 of FY20

Particulars (INR MN)	Q3 FY 21	Q3 FY 20
Revenue from Operations	316.99	332.46
Other Income	9.69	9.74
Total Revenue	326.68	342.20
Total Expenses	182.28	176.90
EBITDA	153.62	172.64
EBITDA Margin (%)	47.03%	50.45%
Depreciation	6.83	6.82
Finance Cost	2.39	0.52
PBT with Exceptional Item	144.41	165.30
Exceptional Items	-	-
PBT	144.41	165.30
Current Tax	23.40	26.86
Deferred Tax	0.30	2.74
Tax	23.70	29.60
PAT	120.71	135.70
Other comprehensive profit / loss	-0.18	-0.10
Net PAT	120.53	135.60
PAT Margin %	36.95%	39.65%
Diluted EPS	5.94	6.88

Financial Performance Comparison – Q3 FY20 v/s Q3 FY21

- The total Revenue from declined by 4.65% from ₹332.46 Mn in Q3 FY20 to ₹316.99 Mn in Q3 FY21 mainly due to Covid impacts on the business
- EBITDA stood at ₹153.62 Mn in Q3 FY21, compared to ₹172.64 Mn in Q3 FY20
- Net profit stood at ₹120.53 Mn in Q3 FY21, compared to ₹ 135.60 Mn in Q3 FY20



A. Business Updates

1. UDTL has announced to set up a new manufacturing plant in Gujarat near Mundra Port;

The Mundra plant will be developing the latest designed products such as casing pipe with the connector assembly segment further widening the existing product portfolio. In addition to this, it will enhance UDTL's manufacturing capacity by implementation of latest production technologies making this a state-of-the-art unit. The erection work of Mundra plant is estimated to require an initial CAPEX of ₹150 mn which is proposed to be entirely funded through internal accruals and management expects incremental revenue of another 100% from the present level in the next 2 years.

2. Order received from UK worth \$1,10,000 USD;

Aquaterra Energy, a leading global offshore engineering solutions provider has awarded orders worth **\$1,10,000 USD** for supplies of casing pipes with connectors. These connector-casing pipes are likely to be executed by the end of March 2021. This tender with Aquaterra (UK) has opened opportunities for UDTL to enter into newer geographies and explore business opportunities with Oil and Gas Companies present in the UK and other neighboring nations.

3. Update on the execution of orders received from ONGC;

UDTL has also progressed in the execution of orders from ONGC. **70%** of the orders has been executed till Q3 of FY21 and remaining **30%** shall be executed in next 3 months for which the Inventories are already in place.

4. Order book position as on 31st December 2020;

UDTL has a confirmed order book position of more than ₹500 mn and is bidding orders of around ₹3000 mn from Oil companies in domestic and export market with an execution timeline of 12 months. However, UDTL focuses on bidding for high margin segment product and in process of adding a new product to cater high-tech segment players of Oil & Gas Industry.

B. Management Comments

Commenting on the performance of Q3 FY21, Mr. Pramod Gupta, Chairman & Managing Director, United Drilling Tools Ltd. said, *"We had a revamped quarter which strengthened our order book position and improved our margins by EBITDA margins 15.61% from 31.42% in Q2 of FY21 to 47.03% in Q3 of FY21. Also, we are delighted to announce that UDTL has enter into the European market in this New Year with this very prestigious order for our casing pipes with connector worth **USD 1,10,000** from the U.K based, globally recognized Company 'Aquaterra Energy'*

Our recent announcement of establishing a manufacturing unit in Mundra has come in line with our strategy of growing the share in the domestic market which will further allow us to grow internationally. UDTL strongly believes in inclusive growth by generating employment opportunities in the region. Mundra Port is a strategically chosen location, known for being India's largest commercial port with the presence of prominent oil Companies alongside"



Management Guidance

UDTL had secured a pilot order in H1 of FY2021 from Halliburton for supply of conventional mandrels used in lower casing of Oil Wells. Since UDTL is one of the approved vendors of Schlumberger (USA) and has issued multiple requirements to UDTL, these associations and initial approvals with global oil majors are expected to translate into orders in the upcoming quarters.

Furthermore, UDTL is continuously evolving to be an end-to-end drilling tool manufacturer with tailor-made tender execution capabilities by advancing its technology and technical know-how. This build-up capabilities to execute orders has enabled UDTL to bid for maximum orders.

The Indian government have allocated many marginal fields to private industry for exploring and drilling oilfields, and for the same purpose Government has allotted Rs 45,000 crore for fiscal 2020. All these developments will directly benefit UDTL in getting maximum orders from the Domestic Oil Companies.

About United Drilling Tools Ltd.

Commenced operation in the Year 1985, headquartered at New Delhi, the company is Worldwide Leader in Connector Technology. United Drilling is a leading Manufacturer of Wire line & well service equipment, Gas lift equipment's, Downhole tools and large OD casing pipe with connector in the world. All the equipment can be supplied with most reliable designs and quality and are very competitively priced as compared to other suppliers. United Drilling Tools Limited is dedicated to manufacture high-quality products of field -proven test designs in conformity with international standards as per ISO 9001.

For further information on the Company, please visit www.udtltd.com

Pramod Ojha (Company Secretary)

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