



# UNITED DRILLING TOOLS LTD.

CIN : L29199DL 1985 PLCO 15796

OIL DRILLING EQUIPMENT MANUFACTURING AND SERVICES  
(AN ISO 9001 & API APPROVED CERTIFIED COMPANY)  
(INCLUDING ISO 14001:2004 & OHSAS 18001:2007)

Phones : +91-0120-4842400  
2462673, 4221777

Fax No. : +91-0120-2462675

USE PREFEX FOR CALLING -

From Out side Country -91-120

From Out side State -0120

From New Delhi - 0120

**Please Reply to Head Office**

A-22, Phase-II, Noida-201305

Distt. Gautam Budh Nagar,

Uttar Pradesh, India

E-mail : enquiry@udtltd.com

Website : www.udtltd.com

13/11/2020

UDT/SEC/2020-21/BSE-45-NSE-16

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 second quarter and half year ended 30<sup>th</sup> September, 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.

## Q2 & H1 FY21 – Earning Updates

Revenue from Operations reported at ₹ 642.43 mn in H1FY21 and ₹ 364.10 mn in Q2FY21

EBITDA stands at ₹ 213.81 mn in H1FY21 and ₹ 117.74 mn in Q2FY21

PAT at ₹ 164.27 mn in H1FY21 and ₹ 91.53 mn in Q2FY21

**Noida, 12<sup>TH</sup> November, 2020:** United the quarterly Drilling Tools Limited, a leading manufacturer of oil drilling tools has announced its 2<sup>nd</sup> Quarter and Half yearly earning updates of FY2021;

### **A. Financial Statement Highlights for H1 of FY21 v/s H1 of FY20**

Particulars (INR MN)	H1 FY 20	H1 FY 21
Revenue from Operations	562.60	642.43
Other Income	10.21	22.14
<b>Total Revenue</b>	<b>572.81</b>	<b>664.57</b>
Total Expenses	297.84	467.86
<b>EBITDA</b>	<b>290.40</b>	<b>213.81</b>
<b>EBITDA Margin (%)</b>	<b>50.70%</b>	<b>32.17%</b>
Depreciation	13.01	12.83
Finance Cost	2.42	4.27
<b>PBT with Exceptional Item</b>	<b>274.96</b>	<b>196.71</b>
Exceptional Items	-	-
<b>PBT</b>	<b>274.96</b>	<b>196.71</b>
Current Tax	37.92	31.70
Deferred Tax	1.91	0.39
<b>Tax</b>	<b>39.83</b>	<b>32.09</b>
<b>PAT</b>	<b>235.13</b>	<b>164.62</b>
Other comprehensive profit / loss	-0.20	-0.35
<b>Net PAT</b>	<b>234.93</b>	<b>164.27</b>
<b>PAT Margin %</b>	<b>41.05%</b>	<b>24.77%</b>
<b>Diluted EPS</b>	<b>11.57</b>	<b>8.09</b>





### Financial Performance Comparison - H1 FY20 v/s H1 FY21

- The total Revenue from operations increased by 14.19% from ₹ 562 Mn in H1 FY20 to ₹ 642 Mn in H1 FY21.
- EBITDA stood at ₹ 214 Mn in H1 FY21, compared to ₹ 290 Mn in H1 FY20.
- Net profit stood at ₹ 164 Mn in H1 FY21, compared to ₹ 235 Mn in H1 FY20.
- Cost of material consumed stood at ₹ 787.84 Mn in H1 FY21, compared to ₹ 201.20 Mn in H1 FY20.
- Current Assets stood at ₹ 1490.02 Mn in H1 FY21, compared to ₹ 727.12 Mn in H1 FY20. Currents Assets for H1FY21 have increased mainly due to inventory stock-up for execution of ONGC order and standing receivables for executed orders.
- Current Liabilities stood at ₹ 817.86 Mn in H1 FY21, compared to ₹ 82.60 Mn in H1 FY20. Current Liabilities increased significantly due to increase in payables for the Inventory purchased in Q2 FY21.

### Financial Statement Highlights for Q2 of FY21 v/s Q2 of FY20

Particulars (INR MN)	Q2 FY 20	Q2 FY 21
Revenue from Operations	294.67	364.10
Other Income	5.75	10.65
<b>Total Revenue</b>	<b>300.42</b>	<b>374.75</b>
Total Expenses	144.60	266.40
<b>EBITDA</b>	<b>163.75</b>	<b>117.74</b>
<b>EBITDA Margin (%)</b>	<b>54.51%</b>	<b>31.42%</b>
Depreciation	6.58	6.52
Finance Cost	1.35	2.88
<b>PBT with Exceptional Item</b>	<b>155.82</b>	<b>108.34</b>
Exceptional Items	-	-
<b>PBT</b>	<b>155.82</b>	<b>108.34</b>
Current Tax	21.42	16.59
Deferred Tax	1.08	0.22
<b>Tax</b>	<b>22.50</b>	<b>16.81</b>
<b>PAT</b>	<b>133.31</b>	<b>91.53</b>
Other comprehensive profit / loss	-0.10	-0.19
<b>Net PAT</b>	<b>133.21</b>	<b>91.34</b>
<b>PAT Margin %</b>	<b>44.38%</b>	<b>24.43%</b>
<b>Diluted EPS</b>	<b>6.56</b>	<b>4.50</b>



### Financial Performance Comparison - Q2 FY20 v/s Q2 FY21

- The total Revenue from operations increased by 23.56% from ₹294.67 Mn in Q2 FY20 to ₹ 364.10 Mn in FY21 mojo.
- EBITDA stood at ₹ 117.74 Mn in Q2 FY21, compared to ₹163.75 Mn in Q2 FY20.
- Net profit stood at ₹ 91.53 Mn in Q2 FY21, compared to ₹ 133.3 Mn in Q2 FY20.

### Key Highlights of United Drilling Tools Ltd.

- UDTL is a leading manufacturer of high-tech machines such as large OD casing pipe with connector, Wire line winches , Gas lift equipment, Downhole tools and & well service equipment in the world.
- The Company is a strong leader in the domestic geography with more than 60% of the Indian market share in upstream drilling tools
- Furthermore, UDTL got registered with many major oilfield Drilling Companies and service providers notably Cairn India, Focus Energy, Quippo Oil & Gas, Baker Hughes, Halliburton, Schlumberger, Superior Energy, Qatar Petroleum and HOEC.
- UDTL has also been awarded a single order of INR 1230 Mn from ONGC which has to be completed in FY20-21
- The Company has employed more than 300 employees: 35 Engineers, 35 Quality Control Engineers, 25 Design / R&D Engineers & 50 after sales service personnel
- Also, UDTL is well positioned to grow our top line by double digits and to maintain operating/EBITDA margin to mid-thirty range
- At the CMP of ₹ 253.95, Stock is trading at PE of 12.19x and PBV of 3.15x on FY20 earnings (As at 12<sup>th</sup> November 2020)

### B. Operational Highlights for Q2 and H1 FY21

In Q2 of FY21, 94% of the sales are from Casing Pipes, 4% from Winch Spares. Also, UDTL is bidding for high margin segment product and in process of adding new product to cater high-tech segment players of Oil & Gas Industry.

UDTL has secured a trial order in H1 of FY2021 from Halliburton for supply of conventional mandrels used in casing lowering in Oil Well. Schlumberger (USA) has also approved UDTL's name in their vendor list. UDTL has also submitted bids in many MNC's and amongst Global players like Baker Hughes (USA), Carep Energy (Algeria), Petrolcomuae UAE, Eden Murray FZE, Venpro services (Venezuela), AOTC (Oman), and Gulf Well in USA.

UDTL has a confirmed order book position of more than Rs 1230 mn and is bidding orders of around ₹ 1100 mn from Oil companies in domestic market with an execution timeline of 12-24 months. UDTL has also progressed in execution of orders from ONGC. ~50% of the orders has been executed till Q2 of FY21 and remaining 50% shall be executed in next 6 months for which the Inventories are already in place.





The other key development from H1 is the Listing on National Stock Exchange (NSE) on 25th September 2020 onwards under the ticker symbol "UNIDT", this will further help to grow and strengthen the visibility of UDTL amongst the capital market community.

#### **Disclosures of material impact of COVID 19**

The manufacturing operations were resumed only in mid-May and thereafter scaled up, Although UDTL has responded with agility, speed and resilience, together with a structured process of proactive planning, to operate in the 'new normal'. A series of concerted actions were also been taken to realign the manufacturing infrastructure so as to respond to the multiple challenges arising out of restricted mobility of people and goods, curbs on working hours and industrial operations.

#### **C. Management Comments**

**Commenting on the performance of Q2 FY21, Mr. Pramod Gupta, Chairman & Managing Director, United Drilling Tools Ltd. said,** *"Subsequent to Covid-19 induced impact on Q1FY21, UDTL has witnessed recovery in 2<sup>nd</sup> Quarter with near normal operating conditions. Significant improvement in execution of orders have resulted in 23% growth in Revenue from operation on Q-o-Q.*

*We are continuously evolving to be end-to-end drilling tool manufacturer with tailor-made tender execution capabilities by advancing our technology and technical know-how. Further to ensure maximum effect, UDTL innovates at a high rate, strives to make timely decisions to grab the arising opportunity in the International and domestic market of Oil & Gas sectors, and utilizes all of the Company's resources in the best possible way.*

**For the H2 of FY21,** *Our core focus will be on getting order from Indian oil companies as well as international oil companies and service providers. We are also in process of developing some new products and improving the design of existing product which will open new market for us."*

#### **Outlook for FY21 Performance**

UDTL's ground plan for efficient execution of order revolves around efficient through-put, higher capacity utilization, prudent Inventory level and supply chain management for smoother operations that will ensure promising results for FY21. However, 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. The government has also approved 100% FDI in the exploration and production (E&P) segment. All these developments will directly benefit UDTL in getting maximum orders from the Domestic Oil Companies as UDTL is one of the largest manufacturers in India for equipment of oil and gas exploration.

Although UDTL's bidding to on-board orders for the year and ahead will hover around high margin segment with a majority of export orders from our strategic association with OPEC nations.

#### **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 & American Petroleum Institute (API License No. 5CT-0565, 5L-0424, 7-1-0393, 19G1-0008, 19G2-0010).

For further information on the Company, please visit [www.udtltd.com](http://www.udtltd.com)

Pramod Ojha (Company Secretary)

**United Drilling Tools Limited**

Contact: +91 87500 55919

Email: [compsect@udtltd.com](mailto:compsect@udtltd.com)

Krunal Shah/ Vinayak Shirodkar

**Captive IR Strategic Advisors Pvt. Ltd.**

Contact: +91 22 4347 2247

Email: [krunal@cap-ir.com](mailto:krunal@cap-ir.com) / [Vinayak@cap-ir.com](mailto:Vinayak@cap-ir.com)

**Disclaimer:**

CERTAIN STATEMENTS IN THIS DOCUMENT MAY BE FORWARD LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES LIKE GOVERNMENT ACTIONS, LOCAL POLITICAL OR ECONOMIC DEVELOPMENTS, TECHNOLOGICAL RISKS, AND MANY OTHER FACTORS THAT COULD CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE RELEVANT FORWARD-LOOKING STATEMENTS. UNITED DRILLING TOOLS LIMITED WILL NOT BE IN ANY WAY RESPONSIBLE FOR ANY ACTION TAKEN BASED ON SUCH STATEMENTS AND UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCES.

