

Welspun Corp Ltd (WCL)

World's Leading Line Pipe Manufacturer

Investor Presentation

Q1FY17



SAFE HARBOUR

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PERFORMANCE HIGHLIGHTS Q1FY17

Rs. 15,564 mn

3% YoY



Income from Operations

200 KMT**

4% YoY



Pipe sales volume**

Rs. 1,460 mn

4% YoY



Reported EBIDTA

Rs. 1,048 mn

33% YoY



Operating EBITDA*

Rs. (94) mn

Vs. Rs. (6) mn YoY



Profit After Tax

Rs. 945 mn

9% YoY



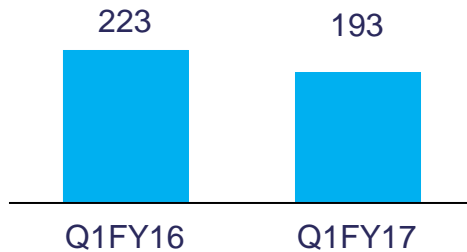
Cash PAT

*Note: *Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains; ** Excludes Saudi Arabia operations
 All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC*

Q1FY17 OPERATING PERFORMANCE

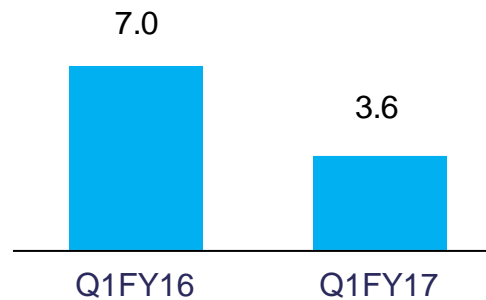
Pipe production

(KMT)



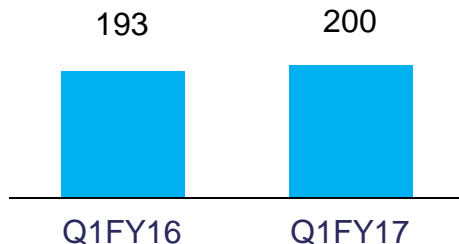
EBITDA*/Ton for Pipes

(Rs. '000)



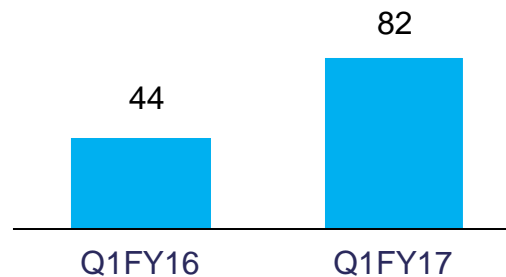
Pipe sales

(KMT)



Plate/ Coils production

(KMT)

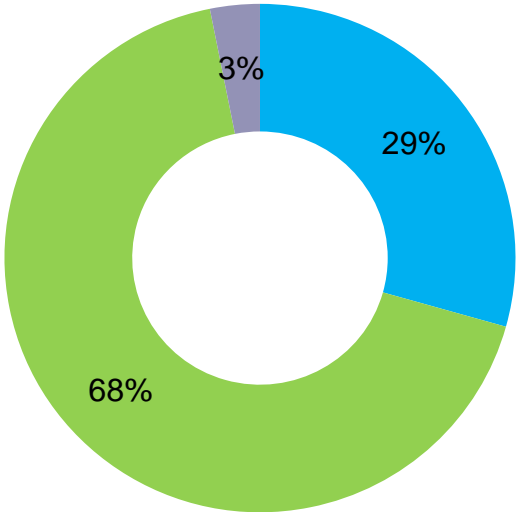


- Total pipe production excludes 51 KMT/ 36 KMT for Dammam, Saudi Arabia plant in Q1FY16 and Q1 FY17
- Total pipe sales excludes 60 KMT/ 51 KMT for Dammam, Saudi Arabia plant in Q1FY16 and Q1 FY17

Note: * Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains
 All numbers on this page excludes all JV operations – Saudi Arabia and CWC

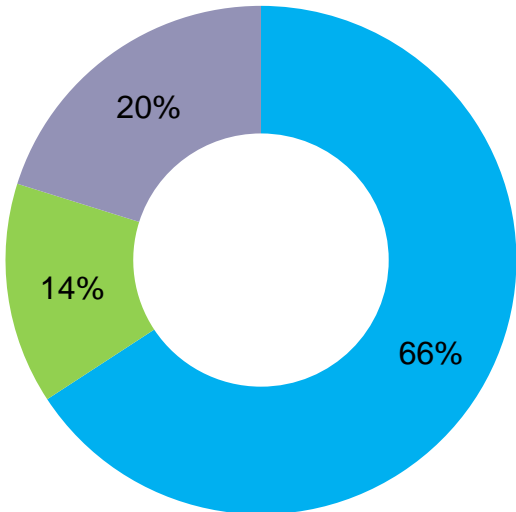
DIVERSIFIED BUSINESS ACROSS REGIONS & PRODUCTS

Q1FY17 Pipe Sales Volume : 251 KMT
(including Saudi Arabia operations)



■ LSAW ■ HSAW ■ ERW

Sales by Type



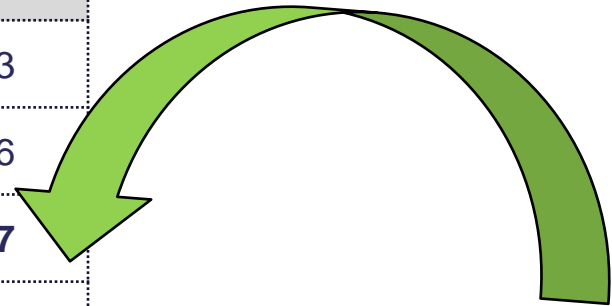
■ India ■ US ■ Saudi Arabia

Sales by Plant

Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

HEALTHY BALANCE SHEET TO SUPPORT GROWTH

Rs mn	Q1FY17	
	IND AS	I-GAAP
Gross Debt	23,663	30,093
Cash & Equivalent	14,509	15,056
Net Debt	9,155	15,037
Current Ratio	1.54x	1.62x
Net Debt/ Reported EBITDA	1.03x	1.57x
Net Debt/ Equity	0.33x	0.49x

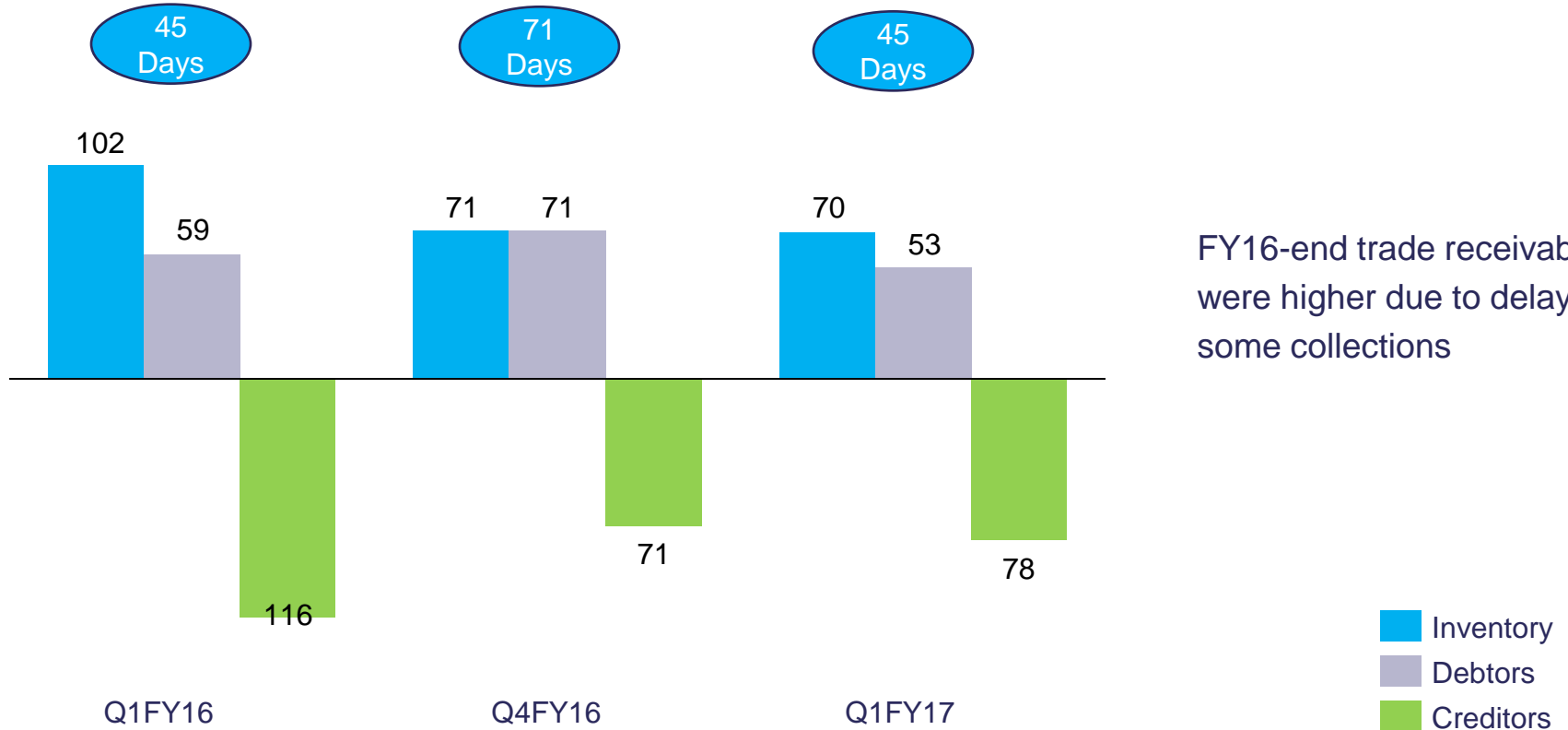


- Net debt (including all operation) as on 30 June 2016 was down Rs. 5,206 mn Q-o-Q largely due to reduction in working capital

Significant reduction in net debt led by...

...REDUCTION IN NET WORKING CAPITAL

I-GAAP basis cash conversion cycle has reduced by 26 days Q-o-Q



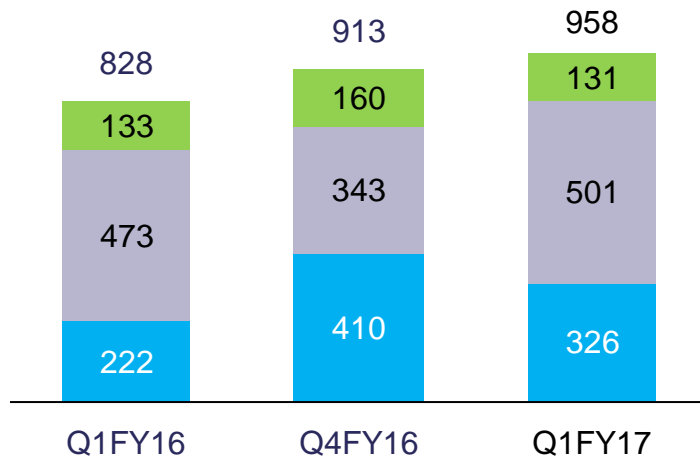
FY17 cash conversion cycle is expected in the region of 50-55 days

**Includes Debtors + Inventory – Creditors*
All numbers on this page includes all operations

ORDERBOOK ANALYSIS (including Saudi Arabia operations)

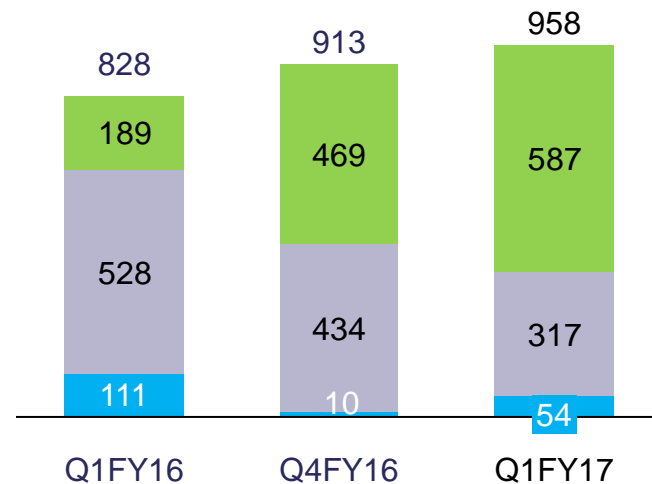
Order book by Region

(KMT)



Order book by Type

(KMT)



India & A-Pac Americas EU & MENA

LSAW HSAW ERW

Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

IND AS IMPLEMENTATION

Implemented IND AS accounting w.e.f. 1st April 2016

- **Key changes applicable to WCL**
 - Joint Ventures Vs. Subsidiary - Saudi business & CWC
 - Change in recognizing grants
 - Measuring investments at Fair Value through Profit and Loss
 - Accounting of transaction cost on borrowings as per Effective Interest Rate method
 - Deferred Tax on accounting effect of IND AS adjustments

- **Q1 FY17 impact**
 - **Income statement:**
 - Revenue is higher by Rs 836 mn
 - EBITDA is higher by Rs 44 mn
 - **Balance Sheet:**
 - Net debt is lower by Rs 5,882 mn

Note: Figures for last year have been restated to make them comparable

REPORTED & OPERATING EBITDA RECONCILIATION

Details (Rs. mn)	Q1FY16	Q1FY17
Reported EBITDA	1,526	1,460
Less : Other Income	297	488
Add : Unrealized FX (Loss)/Profit	(338)	(76)
Operating EBITDA	1,567	1,048

PROFIT & LOSS – QUARTERLY

Rs mn	Q1FY16	Q1FY17
Income from operations	16,094	15,564
Reported EBIDTA	1,526	1,460
Operating EBITDA*	1,567	1,048
Depreciation/Amortization	958	936
Finance Cost	624	571
Profit Before Tax	(56)	(48)
Tax	(13)	(76)
PAT before minority interest, Associates & JVs	(43)	28
Minority Interest	6	(12)
Share of Profit/ (Loss) from Associates & JVs	43	(134)
Profit after minority interest & associates	(6)	(94)

Note: *Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/(loss); Prior period figures are reinstated wherever necessary; All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

THANK YOU

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