

Welspun Corp Ltd (WCL)

World's Leading Line Pipe Manufacturer

Investor Presentation

Q3FY18



SAFE HARBOUR

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Welspun Corp Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

PERFORMANCE HIGHLIGHTS Q3FY18

Rs. 23,042 mn

92% YoY



Income from Operations

305* KMT

88% YoY



Pipe sales volume

Rs. 1,644 mn

4% YoY



EBIDTA

Rs. 664 mn

vs. Rs (39) mn YoY



PAT

Rs. 818 mn

27% YoY



Cash PAT

Rs. 6,421 mn

vs. Rs 10,045 mn
in Q2FY18



Net Debt

*Note: * Excludes Saudi Arabia operations*

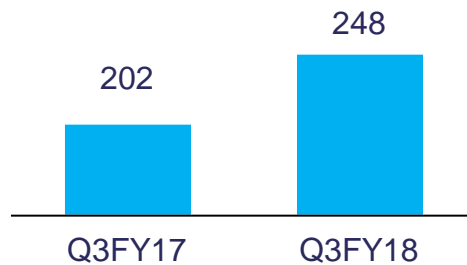
All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

**Q3FY18 Revenue from operations is net of Goods and Services Tax (GST). Please refer to Note 5 of Consolidated Financial Results for details*

Q3FY18 OPERATING PERFORMANCE

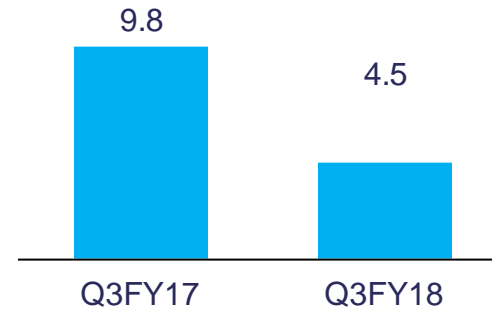
Pipe production

(KMT)



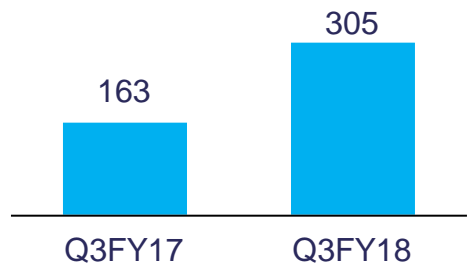
EBITDA/Ton for Pipes

(Rs. '000)



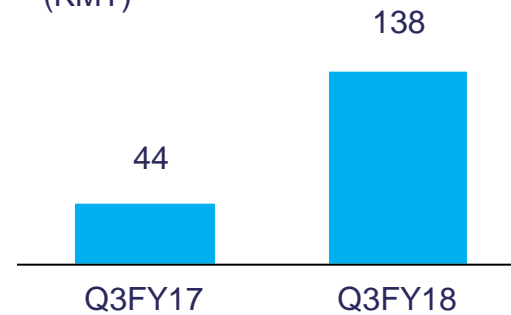
Pipe sales

(KMT)



Plate/ Coils production

(KMT)

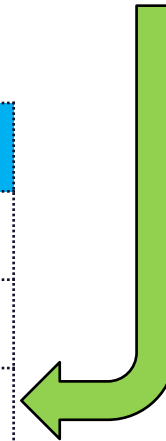


Note: All numbers on this page excludes JV operations – Saudi Arabia, unless specified ; Total pipe production excludes 15KMT/ 1 KMT for Saudi Arabia plant in Q3 FY18/ Q3 FY17 respectively; Total pipe sales excludes 13 KMT for Saudi Arabia plant in Q3 FY18

HEALTHY BALANCE SHEET TO SUPPORT GROWTH

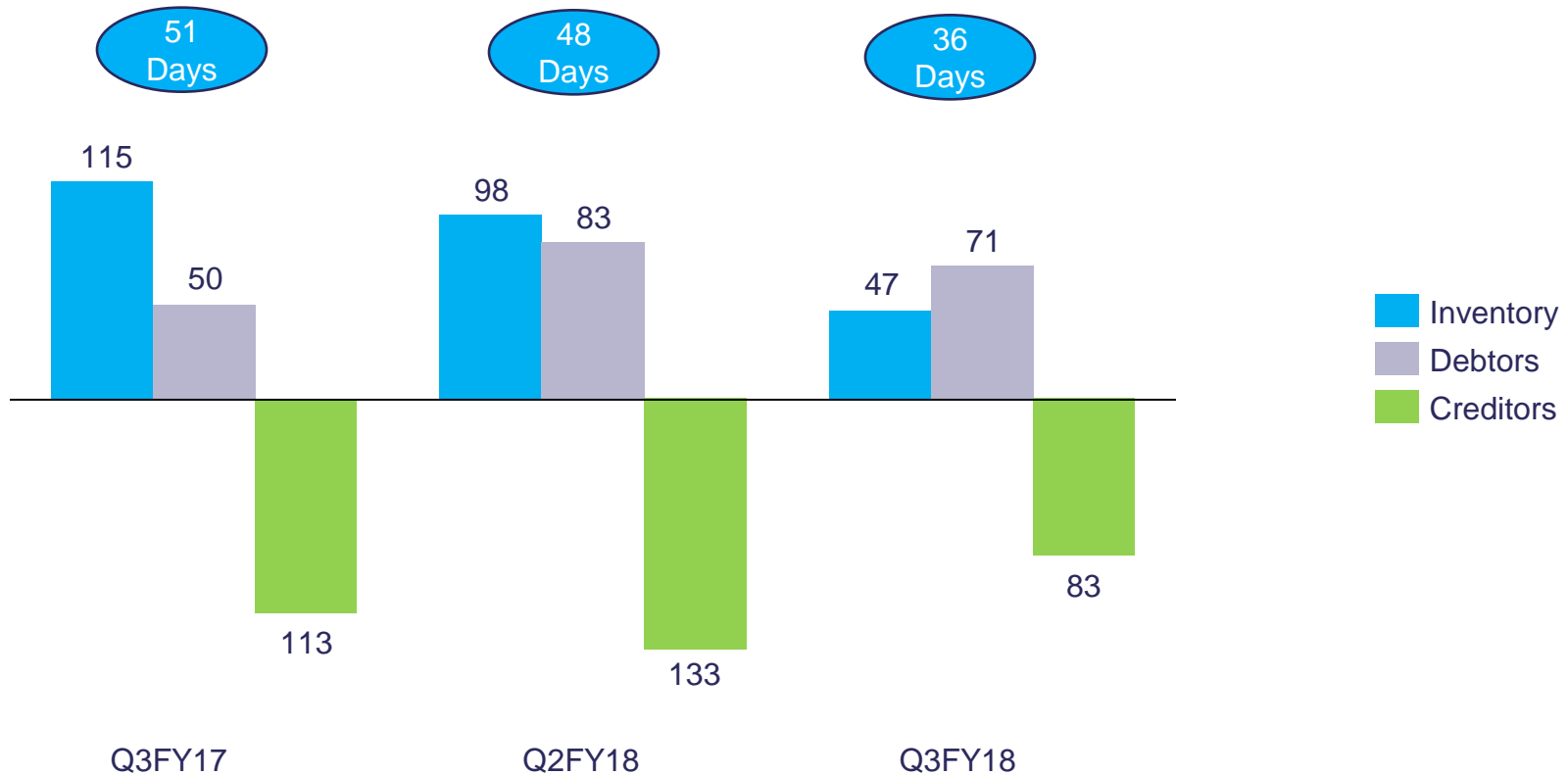
- **Gross debt** as on 31 December 2017 was down Rs 1,606 mn Q-o-Q; **Net debt** was down Rs 3,624 mn Q-o-Q

Rs mn	Q3 FY17	Q2 FY18	Q3 FY18
Gross Debt	22,619	14,489	12,883
Cash & Equivalent	10,494	4,445	6,463
Net Debt	12,125	10,045	6,421
Current Ratio	1.46x	1.31x	1.40x
Net Debt/ EBITDA	1.89x	1.04x	0.67x
Net Debt/ Equity	0.44x	0.36x	0.23x



NET WORKING CAPITAL UNDER CONTROL

IND AS Basis

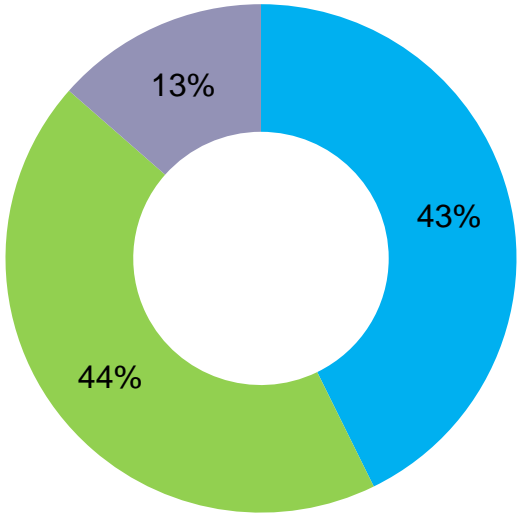


FY18 cash conversion cycle is expected in the region of 50-55 days

**Includes Debtors + Inventory – Creditors*

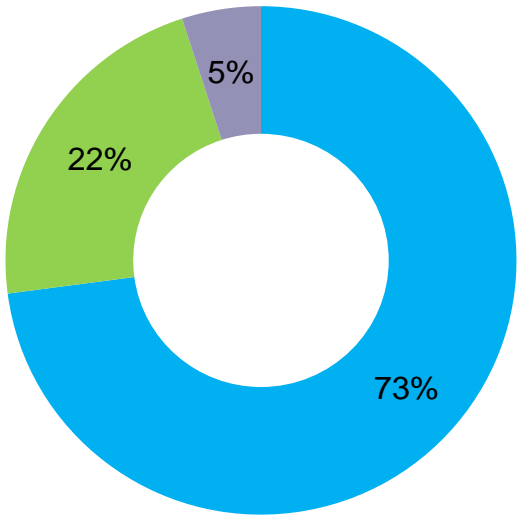
SALES VOLUME BREAK-UP

9M FY18 Pipe Sales Volume : 830 KMT
(including Saudi Arabia operations)



■ LSAW ■ HSAW ■ ERW

Sales by Type



■ India ■ US ■ KSA

Sales by Plant

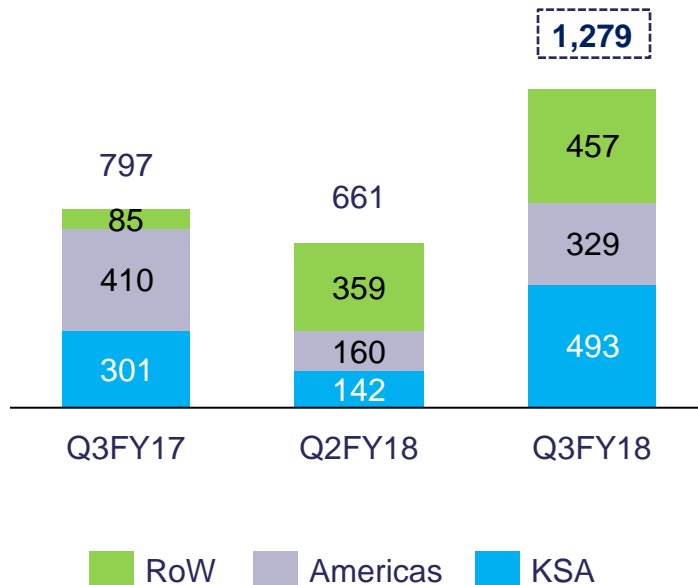
Note: All numbers on this page includes all JV operations – Saudi Arabia

ORDERBOOK ANALYSIS (including Saudi Arabia operations)

Buoyancy across major markets has led to historical high Orderbook

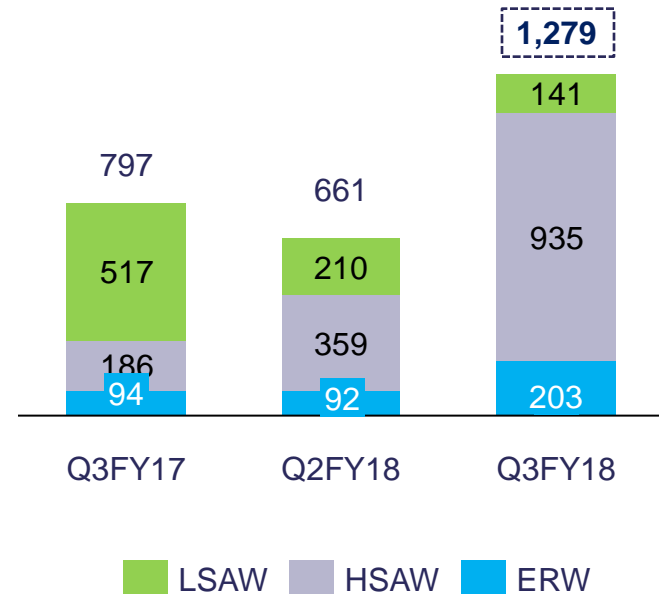
Order book by Region

(KMT)



Order book by Type

(KMT)



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

OUTLOOK

FY18 YTD

- More than 1.5 million MTs of new orders booked leading to historical high orderbook
- Order booking has been wide-spread across all major markets – Americas, MENA and India
- Based on the expected sales-mix for the year we had indicated earlier that H2 profitability will be relatively weak. The same is visible in Q3 margins

Demand drivers

- Firming up of energy prices
 - Demand growth in Americas is led by a buoyant small diameter segment (pick-up in exploration) and early signs of revival in large diameter segment
 - Expansion of National Gas Grid in India
 - Large number of water projects across India and Saudi Arabia
-

PROFIT & LOSS – QUARTERLY

Rs mn	Q3 FY17	Q3 FY18
Income from operations	12,028	23,042
EBIDTA	1,705	1,644
Depreciation/Amortization	1,030	949
Finance Cost	567	374
Profit before tax and share of JVs	108	320
Tax	(33)	(565)
Non-Controlling interest	(91)	27
Share of Profit/ (Loss) from JVs	(272)	(195)
Net Profit/ (Loss) for the period	(39)	664

Note: 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

PROFIT & LOSS – Nine months

Rs mn	9M FY17	9M FY18
Income from operations	39,660	59,284
EBIDTA	4,304	6,568
Depreciation/Amortization	2,942	2,886
Finance Cost	1,723	1,442
Profit before tax and share of JVs	(361)	2,240
Tax	(274)	32
Non-Controlling interest	(115)	(22)
Share of Profit/ (Loss) from JVs	(498)	(602)
Net Profit/ (Loss) for the period	(470)	1,628

Note: 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

Welspun Corp Limited
CIN: L27100GJ1995PLC025609

Mr. Deepak Khetan
ir_wcl@welspun.com
+91-2266136584

Mr. Harish Venkateswaran
harish_venkateswaran@welspun.com

www.welspuncorp.com
