

Citius, Altius, Fortius

November 1, 2018, Mumbai: Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the period ended September 30, 2018.

Over the last two years, WCL has transformed itself into a much swifter, higher and stronger organisation:

Citius (Swifter): With a rich legacy of delivering pipe for many prestigious and challenging projects, Welspun Corp now offers value-added products with utmost agility and flexibility to meet the diverse requirements of its esteemed customers.

Altius (Higher): With an all-time high order book, the Company has a clear visibility of achieving higher capacity utilisation and better margins in the next few quarters. This will fuel WCL to raise the bar and set new benchmarks.

Fortius (Stronger): WCL's strategy of conserving cash, calibrating capex and tight working capital management has resulted in a strong robust balance sheet position. We are committed to continue our agenda to achieve a debt-free status (on a net-debt basis).

Our continuous efforts has started translating to stronger financial and operational performance.

Financial Highlights (Consolidated): For the quarter ended 30th September, 2018:

- Total income from operation of Rs. 23,547 mn, up 17% YoY on account of better average realisation per ton, driven largely by the ramp up of US operations.
- EBITDA at Rs. 2,385 mn, up 7% YoY on account of better share of US operations.
- Above EBITDA is after provision related to IL&FS bonds of Rs. 186 mn and other bonds MTM impact of Rs. 96 mn
- Other Expenses include forex loss of Rs. 674 mn largely on account of the import payables. Other Income of Rs. 853 mn includes forex gain on forward cover (to hedge these import payables) of Rs. 575 mn and Treasury income of Rs.250 mn
- Operating EBITDA (after adjusting EBITDA for Treasury income and one-off impact of IL&FS bonds provisioning & other bonds MTM) at Rs. 2,417 mn
- Profit before tax and share of JVs of Rs. 924 mn, up 30% YoY
- PAT after Minorities & share of JVs of Rs. 587 mn, up 41% YoY

BUSINESS UPDATE

- Basic EPS at Rs. 2.21 vs. Rs. 1.58 YoY
- Sales of pipes (total operations) were at 304 KMT (including 44 KMT of Saudi Arabia plant sales) , up 4% YoY
- Plates & coils sales stood at 63K MT, down 31% YoY due to lower demand

Order book position (including all operations):

Highest Ever pipe order book stands at **1,721K MTs (Rs. 148 billion)**.

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, “I strongly believe that we are at the threshold of a significant improvement in financial and operational performance. Our all-time high order book provides us visibility of strong volumes and better margins for the coming quarters. We stand to gain from the increasing localisation across markets, thanks to our multi-location presence spanning key markets.”

Performance Snapshot

Figures in Rs. million unless specified

Particulars	Q2-FY19	Q1-FY19	Q2-FY18	H1FY19	H1FY18
Ex-Saudi Arabia/ CWC operations					
- Pipe Production (KMT)	271	254	276	524	503
- Pipe Sales (KMT)	260	229	273	489	483
Total operations					
- Pipe Production (KMT)	314	288	280	603	508
- Pipe Sales (KMT)	304	267	293	571	512
- Plates/ coils Sales (KMT)	63	128	92	191	149
Total Income from Operations	23,547	20,234	20,060	43,781	36,242
EBITDA	2,385	2,197	2,226	4,582	4,924
Finance Cost	507	424	535	931	1,068
Depreciation and Amortisation	954	958	980	1,912	1,937
Profit before tax and share of JVs	924	815	711	1,739	1,919
PAT after Minorities, Associates & JVs	587	467	418	1,054	964
Cash PAT	1,654	1,576	1,665	3,230	3,072

Notes: a) Prior period figures have been restated, wherever necessary

b) Cash PAT = PBT – Current tax + Depreciation

Figures in Rs. million unless specified

Consolidated debt	30-Sep-18	30-Jun-18	31-Mar-18	30-Sep-17
Gross Debt	14,863	14,333	13,864	14,489
Cash & Cash Equivalents	10,916	9,577	9,649	4,445
Net Debt	3,947	4,756	4,216	10,045

BUSINESS UPDATE

Figures in Rs. million

Balance Sheet - Key figures	30-Sep-18	31-Mar-18	30-Sep-17
Net Fixed Assets	29,952	30,619	32,107
Net Current Assets	14,009	13,596	10,241
Net debt	3,947	4,216	10,045
Net Worth	28,487	28,540	27,872

Business outlook:

Increased oil drilling, higher oil prices, evacuation of shale gas and restrictions on steel imports continue to drive the business environment in the Americas. For the Indian market, water segment, city gas distribution, gas grid development by GAIL and oil pipeline network by IOCL will be the key drivers for demand. The JV in Saudi Arabia is booked for the next two years, mainly for water projects execution. Also, we are seeing a strong demand in the oil & gas sector, driven by Saudi Aramco.

With the increasing emphasis on local sourcing across geographies, Welspun Corp - with its sizeable capacities in India, US and Saudi Arabia - is ideally poised to benefit from higher capacity utilization and margin improvement.

Also, active measures are being continuously taken to improve capacity utilisation of our Plate and Coil Mills division.

Post Q2FY19 investor / analyst conference call:

WCL management would be happy to answer investor queries on a conference call. Please find details below:

Date: Thursday, 1st November 2018

Time: 4:00 PM IST

Dial in details:

- Primary Access: +91 22 6608 5333
- Local Access: 7193 0033
- International Toll Free numbers
 - Hong Kong: 800 905 107
 - Singapore: 800 101 2406
 - UK: 0 800 031 5725
 - USA: 1866 712 7129

BUSINESS UPDATE

About Welspun Corp Ltd. (WCL)

Welspun Corp is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from 1½ inch to 140 inches, along with specialized coating, double jointing and bending. With current capacity of 2.425 million MTPA in Dahej, Anjar and Mandya in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

About Welspun Group

A US\$ 2.3 billion enterprise, Welspun Group is one of India's fastest growing conglomerates with businesses in Line Pipes, Home Textiles, Infrastructure, Oil & Gas, Advanced Textiles and Floorings. The Group has a strong foothold in over 50 countries with 26,000 employees and over 100,000 shareholders. Headquartered in Mumbai, Welspun Group's manufacturing facilities are strategically located in India, USA and Saudi Arabia. Known for technological and operational excellence, the Group has established a leadership position in the Line Pipe & Home Textiles sectors globally. Its clients include most of the Fortune 100 companies.

For further information please visit www.welspuncorp.com or contact:

For Investor Relations: Harish Venkateswaran, harish_venkateswaran@welspun.com +91 22 61336832

For Media Relations: Sunil Gate, sunil_gate@welspun.com +91 9823093000

DISCLAIMER: The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this release shall constitute an invitation to invest in Welspun Corp Ltd. or any of its affiliates. Neither Welspun Corp Ltd., nor their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.