

## All-time high order book and strong balance sheet to provide robust platform for growth

**Full Year Revenue up 26%, EBITDA up 11% and PAT grows five-fold**

**May 02, 2018, Mumbai:** Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the full year and fourth quarter ended March 31, 2018.

### **Financial Highlights (Consolidated):**

#### **For the year ended 31<sup>st</sup> March, 2018:**

- Total income from operation of Rs. 75,873 mn, up 26% YoY driven by higher volumes
- EBITDA at Rs. 8,147 mn vs. Rs. 7,370 mn, up 11% YoY
- Profit before tax and share of JVs of Rs. 2,501 mn vs. Rs. 1,152 mn in FY17, up 117% YoY
- PAT after Minorities & JVs at Rs. 1,583 mn, a five-fold jump from the FY17 figure of Rs. 264 mn
- Basic EPS at Rs.5.97 vs. Rs. 1.00 in FY17
- Production and sales of pipes (ex-Saudi Arabia operations) were up 11% / 19% YoY respectively
- Production and sales of pipes (total operations) were up 7% / 16% YoY respectively
- Plates & coils production more than doubled to 469K MT from 233K MT
- Net debt stood at Rs. 4,216 mn against Rs. 11,065 mn, a significant reduction of Rs. 6,849 mn during the year

#### **For the quarter ended 31<sup>st</sup> March, 2018:**

- Total income from operation of Rs. 16,589 mn, down 20% YoY on account of lower volumes
- EBITDA at Rs. 1,579 mn, down 48% YoY on account of change in mix of orders
- Profit before tax and share of JVs of Rs. 261 mn, down 83% YoY
- PAT after Minorities & JVs of Rs. (45) mn vs. Net profit of Rs. 734 mn in Q4FY17
- Basic EPS at Rs. (0.17) vs. Rs. 2.77 in Q4FY17
- Production and sales of pipes (ex-Saudi Arabia operations) were down 34% / 40% YoY respectively.
- Production and sales of pipes (total operations) were down 24% / 25% YoY respectively, as recently won orders are scheduled to start execution only by H1FY19.
- Plates & coils production stood at 172K MT vs. 41 K MT, up 318% YoY

**Order book position (including all operations):** Current pipe order book stands at 1,657K MTs (Rs. 109 billion). The Company started with the year with an order book of 601K MT and has booked orders of more than 2.1 million MT during the year.

## BUSINESS UPDATE

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, “Our order book of 1.65 million MT is at an all-time high. This will enable significant capacity utilisation and better margins, particularly for the US and Saudi Arabia facilities. We expect good order inflows to continue in FY19 on account of high energy prices, expansion of National Gas Grid in India and several water projects being planned in India and Saudi Arabia. We shall continue to develop our human capital and technological competencies across all geographies.”

### Performance Snapshot

*Figures in Rs. million unless specified*

Particulars	Q4-FY18	Q3-FY18	Q4-FY17	FY18	FY17
<b>Ex-Saudi Arabia/ CWC operations</b>					
- Pipe Production (KMT)	200	248	303	952	854
- Pipe Sales (KMT)	199	305	330	987	830
<b>Total operations</b>					
- Pipe Production (KMT)	249	263	329	1,020	954
- Pipe Sales (KMT)	254	318	339	1,084	935
- Plates/ coils Production (KMT)	172	138	41	469	233
<b>Total Income from Operations</b>	<b>16,589</b>	<b>23,042</b>	<b>20,695</b>	<b>75,873</b>	<b>60,355</b>
<b>EBITDA</b>	<b>1,579</b>	<b>1,644</b>	<b>3,066</b>	<b>8,147</b>	<b>7,370</b>
Finance Cost	411	374	634	1,853	2,357
Depreciation and Amortisation	907	949	919	3,793	3,861
Profit before tax and share of JVs	261	320	1,513	2,501	1,152
<b>PAT after Minorities, Associates &amp; JVs</b>	<b>(45)</b>	<b>664</b>	<b>734</b>	<b>1,583</b>	<b>264</b>
<b>Cash PAT</b>	<b>1,354</b>	<b>818</b>	<b>2,374</b>	<b>5,244</b>	<b>4,910</b>

Notes: a) Q3FY18 and Q4FY18 Revenue from operations is net of Goods and Services Tax (GST). Please refer to Note 6 of Consolidated Financial Results for details

b) Prior period figures have been restated, wherever necessary

c) Cash PAT = PBT – Current tax + Depreciation

*Figures in Rs. million unless specified*

Consolidated debt	31-Mar-18	31-Dec-17	31-Mar-17
Gross Debt	13,864	12,883	18,430
Cash & Cash Equivalent	9,649	6,463	7,365
<b>Net Debt</b>	<b>4,216</b>	<b>6,421</b>	<b>11,065</b>

## **BUSINESS UPDATE**

### **Business outlook:**

Demand for small diameter pipe continues to show good traction in Americas region. Large diameter segment is showing early signs of revival, with gas export projects gaining momentum.

Demand from oil & gas segment in MENA is expected to pick-up over the next few quarters.

Domestic market continues to witness a competitive situation. However, we see strong demand especially in water segment, driven by river-linking and irrigation projects across states. Large diameter pipe demand for the Oil & Gas segment is expected to be driven by expansion of National Gas Grid. City gas distribution and North east connectivity projects including last-mile connectivity are expected to boost demand for small diameter pipes.

Demand outlook for our Plate and Coil Mills division remains satisfactory, although margin challenges remain.

### **Post Q4FY18 investor / analyst conference call:**

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

Date : Wednesday, 2 May 2018

Time : 4:00pm IST

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## **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 ½ 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.

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**For further information please visit [www.welspuncorp.com](http://www.welspuncorp.com) or contact:**

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