Welspun Corp Ltd (WCL)

World's Leading Line Pipe Manufacturer

Investor Presentation

Q2FY18

SAFE HARBOUR

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PERFORMANCE HIGHLIGHTS Q2FY18

Rs. 20,060 mn
66% YoY
Income from Operations

273* KMT
100% YoY
Pipe sales volume

Rs. 2,226 mn
95% YoY
EBIDTA

Rs. 418 mn
vs. Rs (336) mn YoY
PAT

Rs. 1,665 mn
216% YoY
Cash PAT

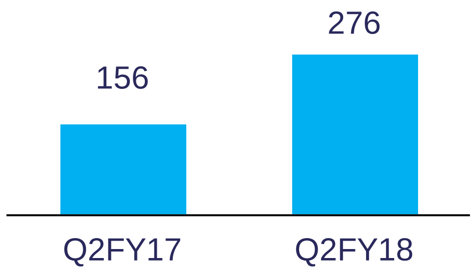
Rs. 10,045 mn
vs. Rs 8,636 mn in Q1FY18
Net Debt

*Note: * Excludes Saudi Arabia operations*
All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC
**Q2FY18 Revenue from operations is net of Goods and Services Tax (GST). Please refer to Note 6 of Consolidated Financial Results for details*

Q2FY18 OPERATING PERFORMANCE

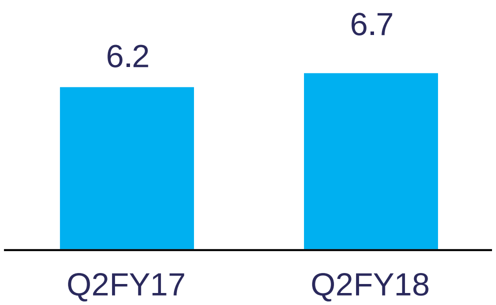
Pipe production

(KMT)



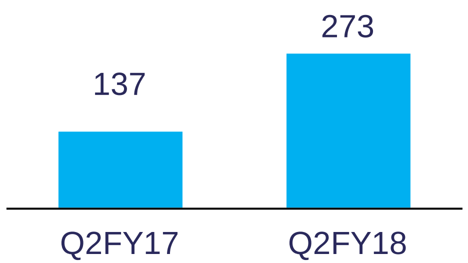
EBITDA/Ton for Pipes

(Rs. ‘000)



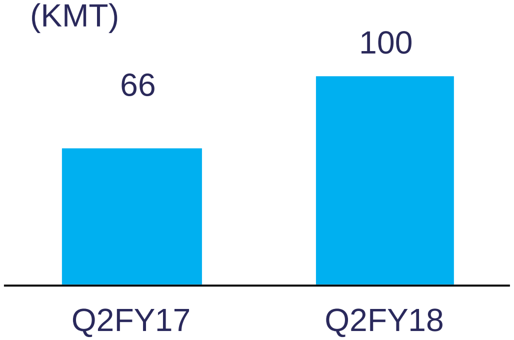
Pipe sales

(KMT)



Plate/ Coils production

(KMT)



Note: All numbers on this page excludes JV operations – Saudi Arabia, unless specified ; Total pipe production excludes 4KMT/ 37 KMT for Saudi Arabia plant in Q2 FY18/ Q2 FY17 respectively; Total pipe sales excludes 20 KMT/ 46 KMT for Saudi Arabia plant in Q2FY18/ Q2 FY17 respectively

HEALTHY BALANCE SHEET TO SUPPORT GROWTH

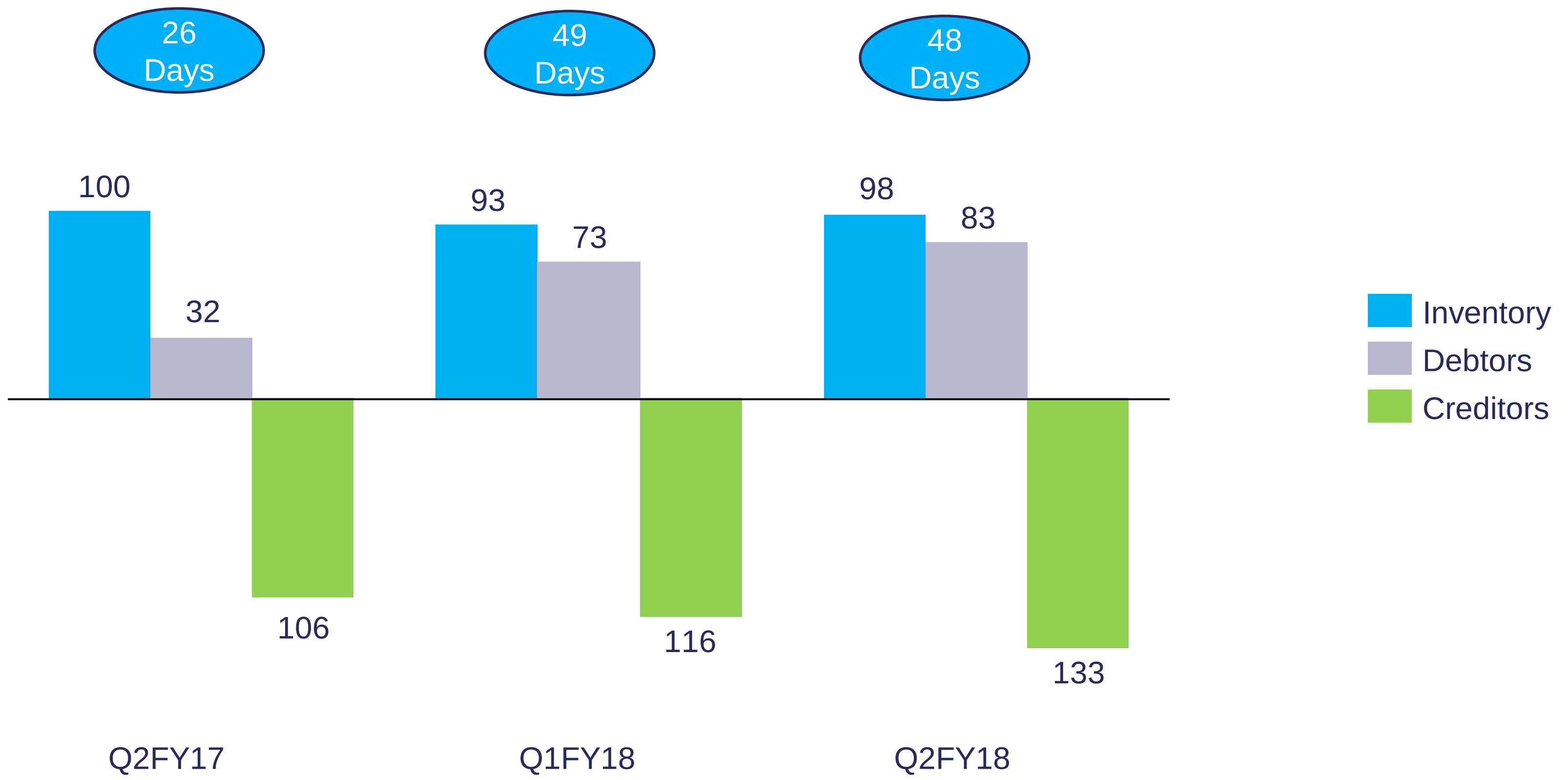
- **Gross debt** as on 30 September 2017 was down Rs 5,820 mn Q-o-Q led by pre-payment of high cost NCDs

Rs mn	Q2 FY17	Q1 FY18	Q2 FY18
Gross Debt	**20,739**	**20,309**	**14,489**
Cash & Equivalent	12,715	11,673	4,445
Net Debt	**8,023**	**8,636**	**10,045**
Current Ratio	1.54x	1.61x	1.31x
Net Debt/ Reported EBITDA	1.12x	1.00x	1.04x
Net Debt/ Equity	**0.30x**	**0.31x**	**0.36x**

- **Net debt** as on 30 September 2017 was up Rs 1,408 mn Q-o-Q largely due to higher working capital on account on increased business activity

NET WORKING CAPITAL UNDER CONTROL

IND AS Basis



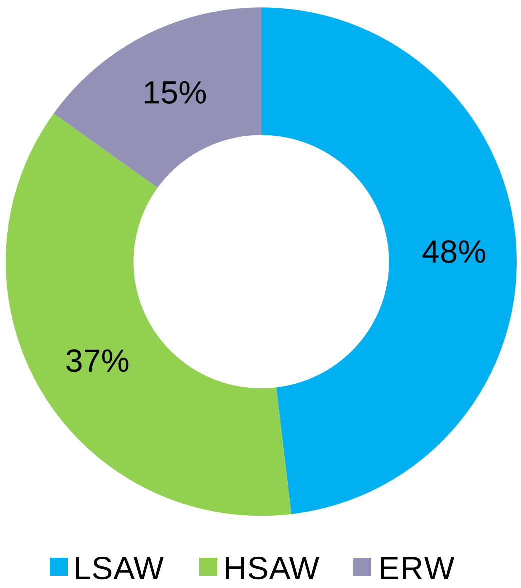
FY18 cash conversion cycle is expected in the region of 50-55 days

**Includes Debtors + Inventory – Creditors*

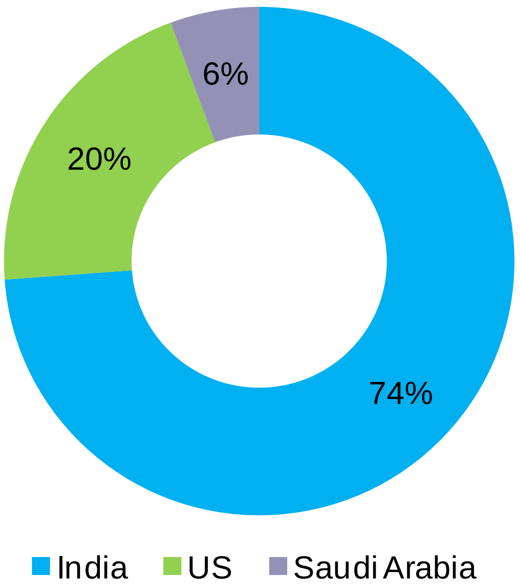
SALES VOLUME BREAK-UP

H1FY18 Pipe Sales Volume : 512 KMT

(including Saudi Arabia operations)



Sales by Type

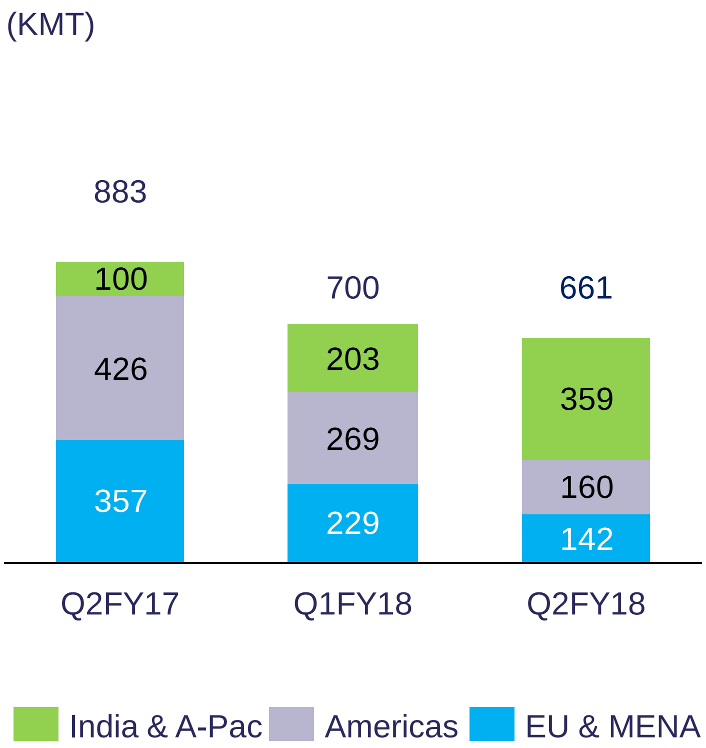


Sales by Plant

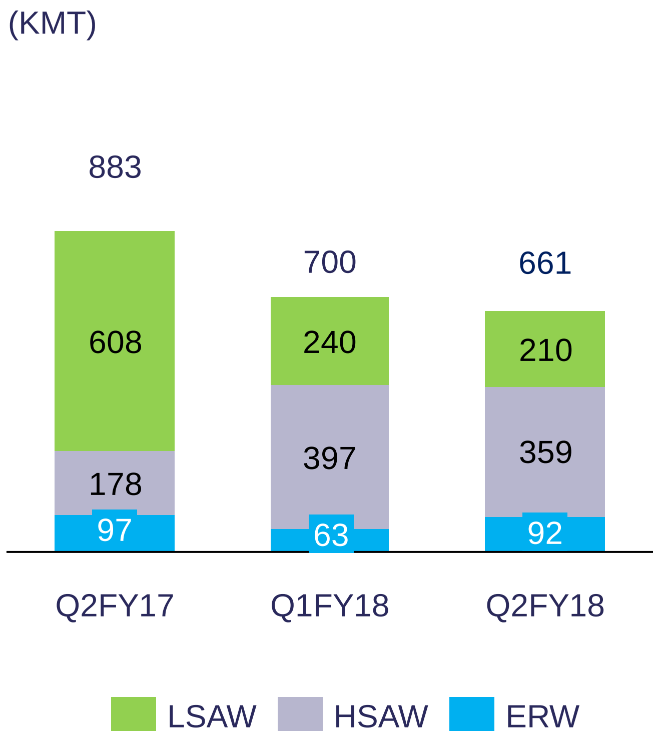
Note: All numbers on this page includes all JV operations – Saudi Arabia

ORDERBOOK ANALYSIS (including Saudi Arabia operations)

Order book by Region



Order book by Type



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

OUTLOOK

FY18 YTD

- Current orderbook stands at 661K MT vs. 700K MT as declared with Q1FY18 results
- H1 witnessed above-average margins led by execution of some niche orders. It will be difficult to sustain such margins on an annual basis

Demand drivers

- Expansion of National Gas Grid in India
- Large number of water projects across India and Saudi Arabia
- Heavy oil development
- Deep sea development across the international markets

PROFIT & LOSS – QUARTERLY

Rs mn	Q2 FY17	Q2 FY18
Income from operations	**12,068**	**20,060**
EBIDTA	**1,139**	**2,226**
Depreciation/Amortization	976	980
Finance Cost	585	535
Profit before tax and share of JVs	**(421)**	**711**
Tax	(166)	150
Minority Interest	(12)	(14)
Share of Profit/ (Loss) from Associates & JVs	(93)	(157)
Net Profit/ (Loss) for the period	**(336)**	**418**

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 – HALF YEARLY

Rs mn	H1 FY17	H1 FY18
Income from operations	**27,632**	**36,242**
EBIDTA	**2,599**	**4,924**
Depreciation/Amortization	1,912	1,937
Finance Cost	1,156	1,068
Profit before tax and share of JVs	**(469)**	**1,919**
Tax	(241)	597
Minority Interest	(24)	(49)
Share of Profit/ (Loss) from Associates & JVs	(226)	(407)
Net Profit/ (Loss) for the period	**(430)**	**964**

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

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