

# Welspun Corp Ltd (WCL)

## World's Leading Line Pipe Manufacturer

Investor Presentation

Q1FY18



# SAFE HARBOUR

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## PERFORMANCE HIGHLIGHTS Q1FY18

**Rs. 16,182 mn**

4% YoY



**Income from Operations**

**210\* KMT**

5% YoY



**Pipe sales volume**

**Rs. 2,698 mn**

85% YoY



**EBIDTA**

**Rs. 547 mn**

vs. Rs (94) mn YoY



**PAT**

**Rs. 1,407 mn**

59% YoY



**Cash PAT**

**Rs. 8,636 mn**

vs. Rs 11,065 mn  
in Q4FY17



**Net Debt**

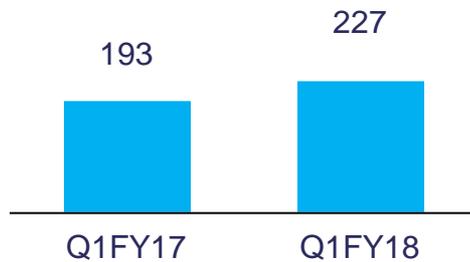
*Note: \*Excludes Saudi Arabia operations*

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

# Q1FY18 OPERATING PERFORMANCE

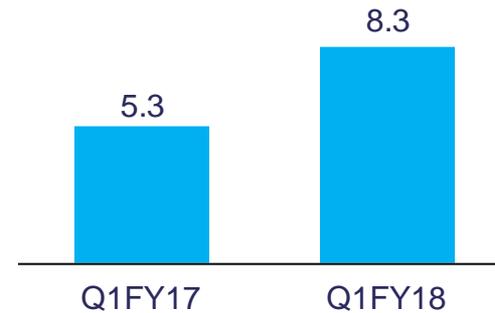
## Pipe production

(KMT)



## EBITDA/Ton for Pipes

(Rs. '000)



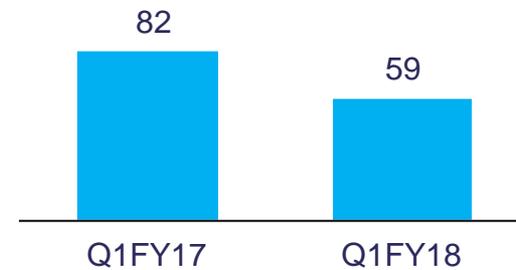
## Pipe sales

(KMT)



## Plate/ Coils production

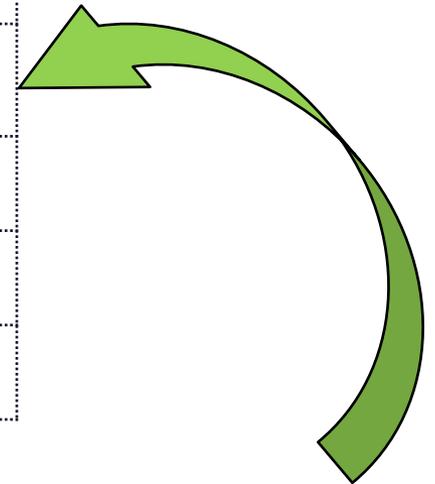
(KMT)



*Note:* All numbers on this page excludes all JV operations – Saudi Arabia and CWC, unless specified ; Total pipe production excludes 1KMT/ 36 KMT for Saudi Arabia plant in Q1 FY18/ Q1 FY17 respectively; Total pipe sales excludes 9 KMT/ 51 KMT for Saudi Arabia plant in Q1FY18/ Q1 FY17 respectively

# HEALTHY BALANCE SHEET TO SUPPORT GROWTH

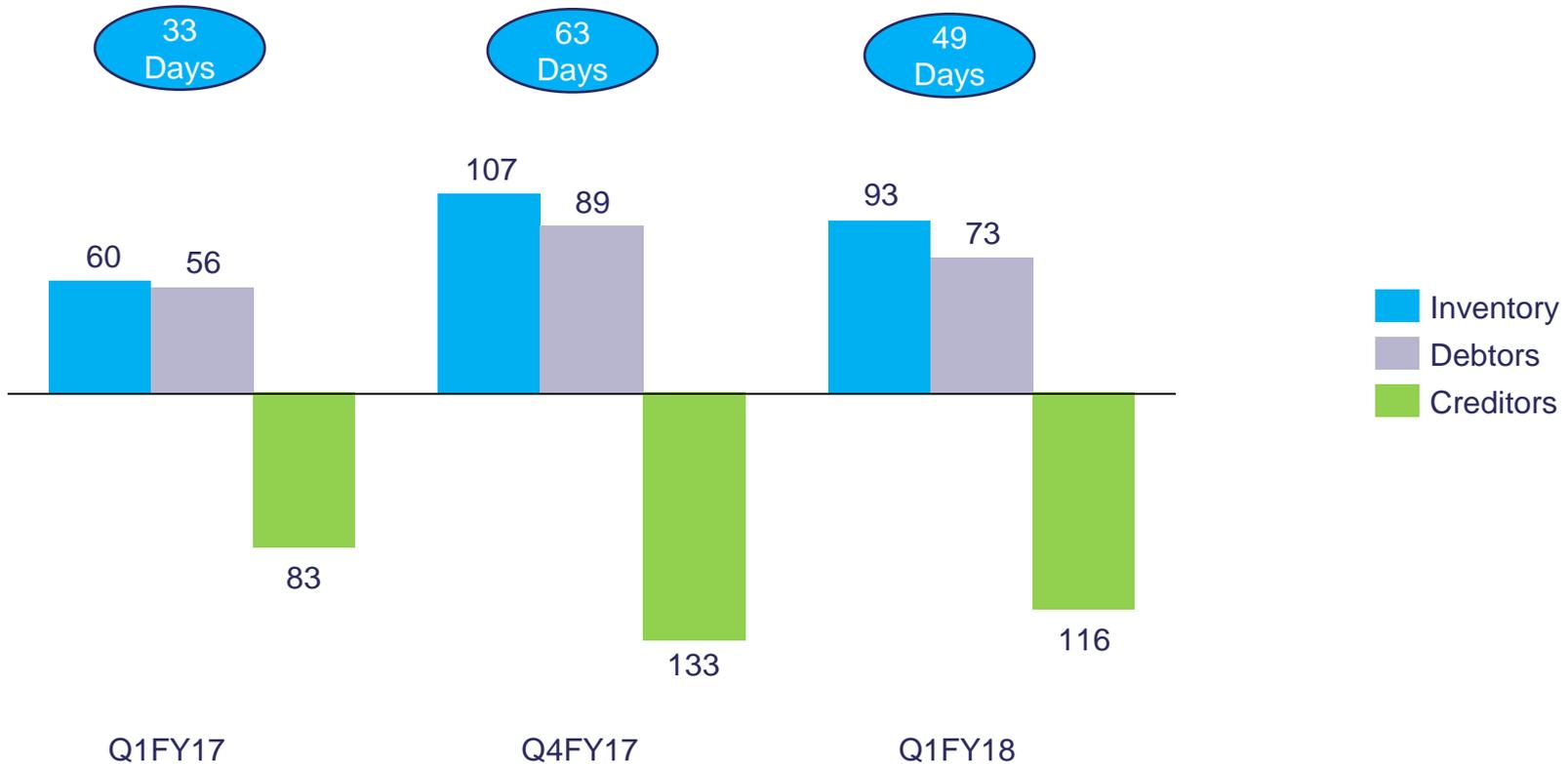
Rs mn	Q1 FY17	Q4 FY17	Q1 FY18
<b>Gross Debt</b>	<b>23,663</b>	<b>18,430</b>	<b>20,309</b>
Cash & Equivalent	14,509	7,365	11,673
<b>Net Debt</b>	<b>9,155</b>	<b>11,065</b>	<b>8,636</b>
Current Ratio	1.54x	1.42x	1.61x
Net Debt/ Reported EBITDA	1.04x	1.50x	1.00x
<b>Net Debt/ Equity</b>	<b>0.33x</b>	<b>0.39x</b>	<b>0.31x</b>



- **Net debt** as on 30 June 2017 has reduced by Rs 2,429 mn Q-o-Q

# NET WORKING CAPITAL UNDER CONTROL

## IND AS Basis

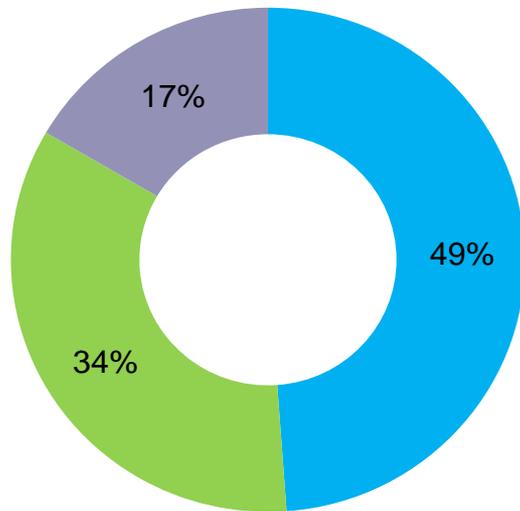


**FY18 cash conversion cycle is expected in the region of 50-55 days**

*\*Includes Debtors + Inventory – Creditors*

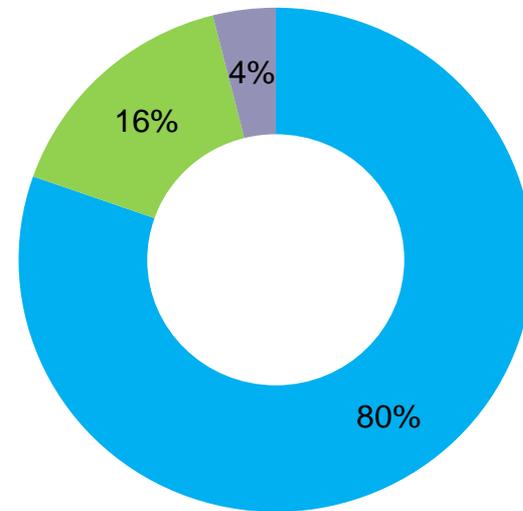
# SALES VOLUME BREAK-UP

**Q1FY18 Pipe Sales Volume : 218 KMT**  
(including Saudi Arabia operations)



■ LSAW ■ HSAW ■ ERW

**Sales by Type**



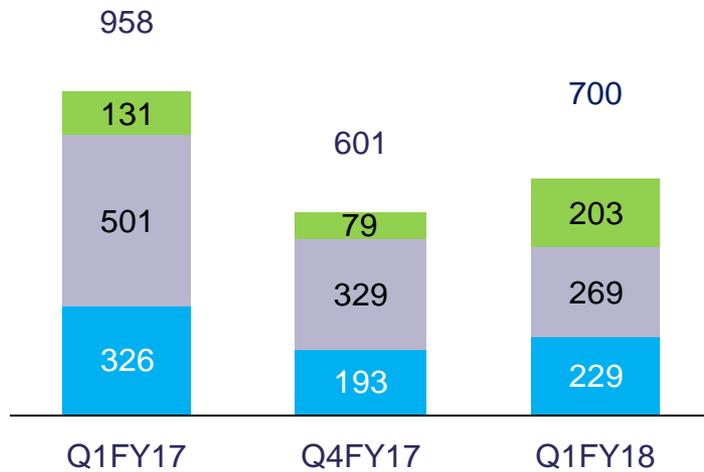
■ India ■ US ■ Saudi Arabia

**Sales by Plant**

# ORDERBOOK ANALYSIS (including Saudi Arabia operations)

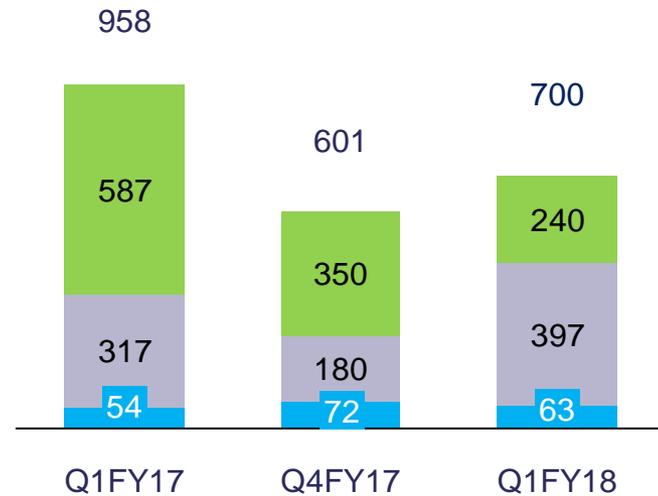
## Order book by Region

(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

# OUTLOOK

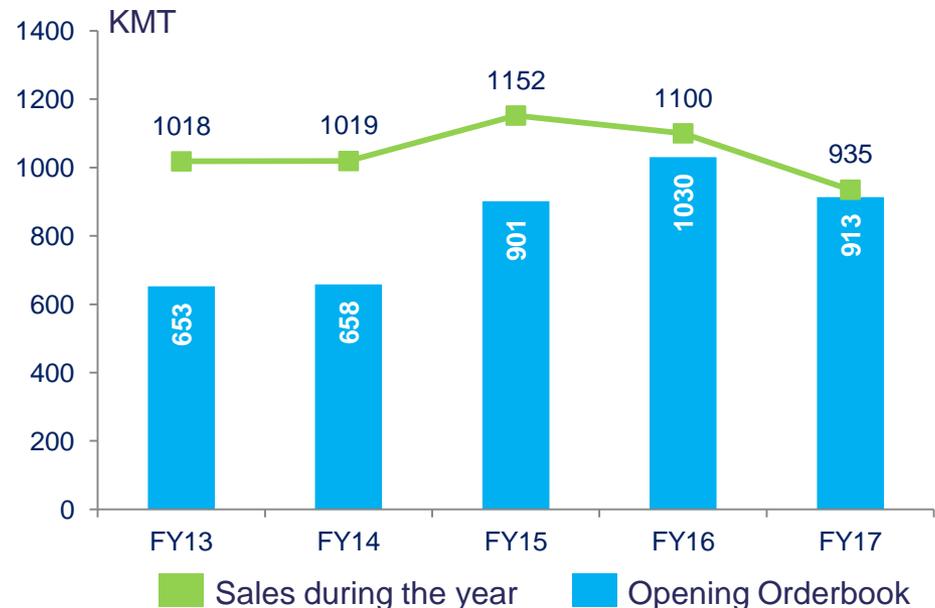
## Pipe sales has been significantly higher than opening order book

### FY18 YTD

- Strong order booking largely driven by water projects in India and Saudi Arabia
- Current orderbook stands at 700K MT vs. 601K MT as declared with FY17 results
- Q1 witnessed above-average margins led by execution of some niche orders in Americas and MENA region. In our view, it will be difficult to sustain such margins on an annual basis.

### Demand drivers for FY18

- 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



**Expect good traction in international markets, especially North America, towards end-FY18**

# PROFIT & LOSS – QUARTERLY

Rs mn	Q1 FY17	Q1 FY18
<b>Income from operations</b>	<b>15,564</b>	<b>16,182</b>
<b>EBIDTA</b>	<b>1,460</b>	<b>2,698</b>
Depreciation/Amortization	936	957
Finance Cost	571	533
<b>Profit Before Tax</b>	<b>(48)</b>	<b>1,208</b>
Tax	(76)	447
Minority Interest	(12)	(35)
Share of Profit/ (Loss) from Associates & JVs	(134)	(250)
<b>Net Profit/ (Loss) for the period</b>	<b>(94)</b>	<b>547</b>

*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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