

Welspun Corp Limited

Investor Presentation

Q2FY24

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Sales Volumes at a Glance: Q2FY24



Pipe Solutions

LINE PIPES

202 KMT

(+36% YoY)

DI PIPES

46 KMT

(+1398% YoY)

SS PIPES

1,209 MT

(+20% YoY)

SS BARS

5,351 MT

(+395% YoY)



Building Materials

Water Storage Tanks

3,565 MT

(+16% YoY)

TMT BARS

28 KMT

(+39% QoQ)*

Notes:

1. Line Pipe Sales volumes does not include Saudi Arabia operations.
2. *Figures not available for YoY comparison since this is new operation
3. YoY is comparison with Q2FY23, and QoQ is comparison with Q1FY24

Consolidated Financial Performance: Q2FY24



PARTICULARS (INR crore)	Q2 FY24	Q2 FY23	YoY
Total Revenue from Operations	4,059	1,964	107%
Other income	102	177	(42%)
Reported EBITDA	501	46	994%
Depreciation and Amortisation	86	70	22%
Finance Cost	75	47	58%
Profit before tax and share of JVs	341	(72)	NA
Share of profit/(loss) from Associates and JVs	125	14	820%
Tax expense	79	5	1460%
Non-controlling interest	1.9	(6.6)	NA
PAT after Minorities, Associates & JVs	385	(57)	NA

Note:

Prior period figures are restated wherever necessary

Consolidated Financial Performance: H1FY24



PARTICULARS (INR crore)	H1 FY24	H1 FY23	YoY
Total Revenue from Operations	8,129	3,286	147%
Other income	151	250	(39%)
Reported EBITDA	920	147	544%
Depreciation and Amortisation	172	131	31%
Finance Cost	167	78	114%
Profit before tax and share of JVs	581	(62)	NA
Share of profit/(loss) from Associates and JVs	113	17	558%
Tax expense	139	19	617%
Non-controlling interest	5	(12)	NA
PAT after Minorities, Associates & JVs	550	(52)	NA

Note:

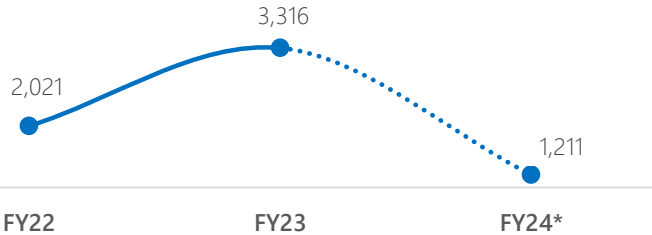
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Walking the talk

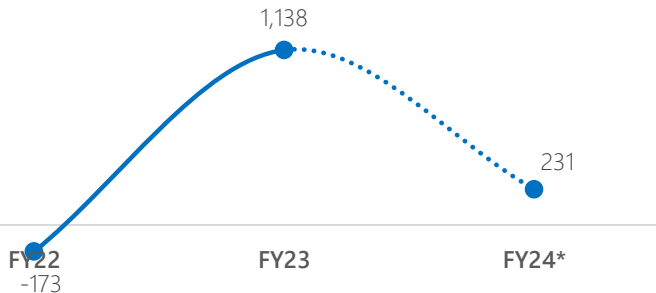


Guidance

Gross debt (INR crore)

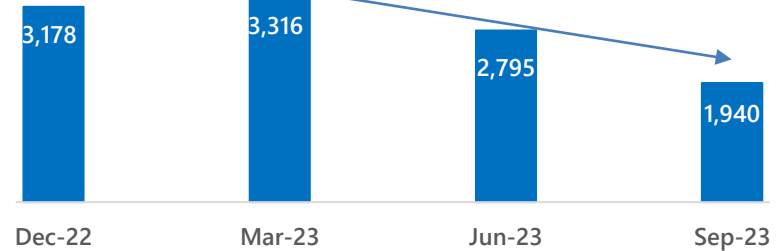


Net Debt (INR crore)

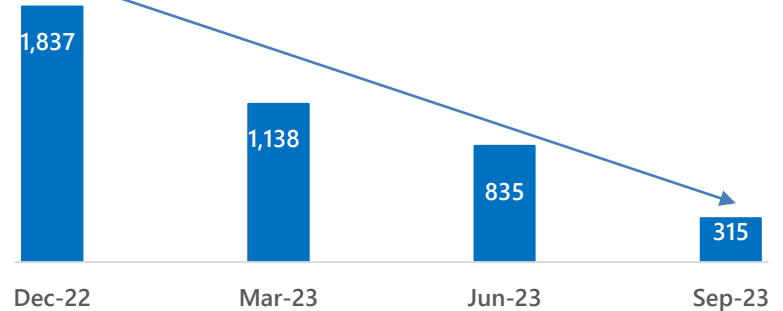


YTD Achievement

Gross Debt (INR Crore)



Net Debt (INR Crore)



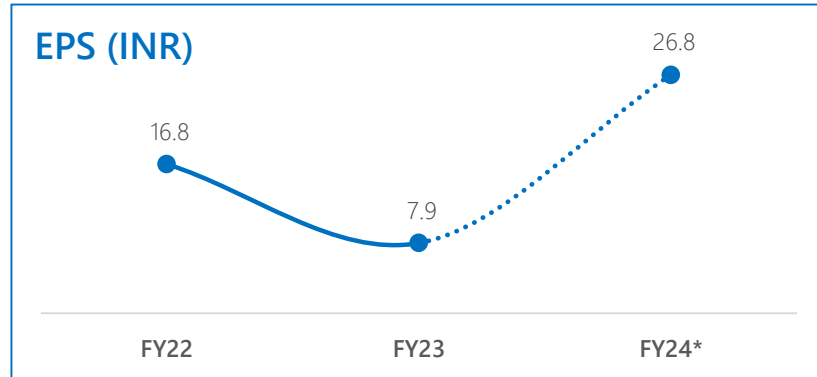
Note:

*FY24 figures are estimated

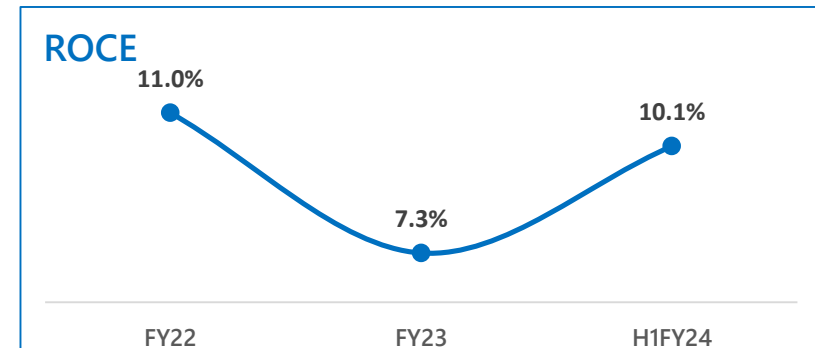
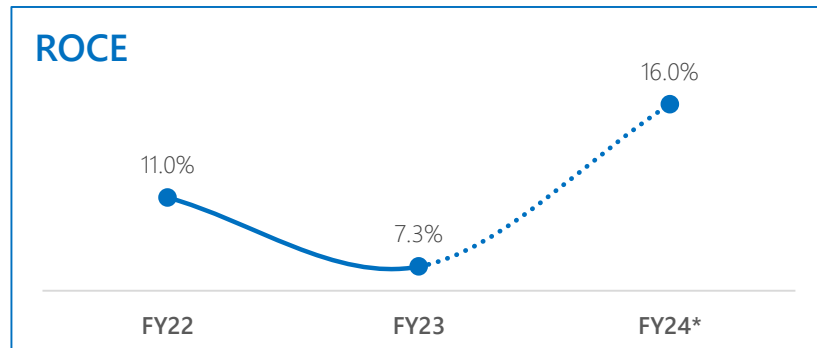
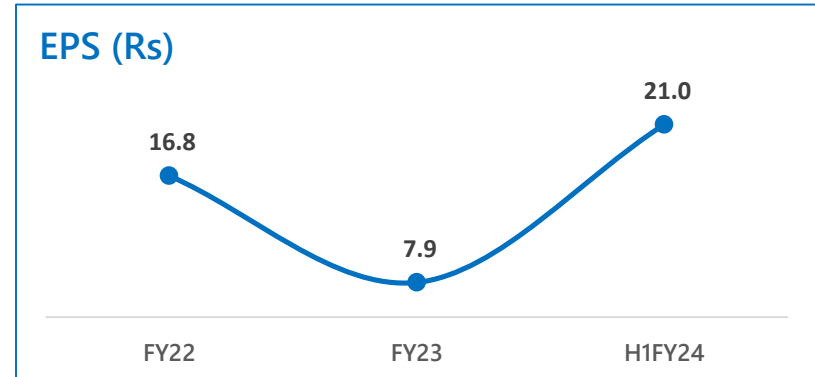
Walking the talk



Guidance



YTD Achievement



Note:

*FY24 figures are estimated

Transforming: Creating Value



Pipe Solutions

Business

Large Diameter Pipe and Coating

DI Pipes

SS Pipes

Our position

Amongst the Top 3 manufacturers globally

Integrated producer from steel-making to finished products

Integrated producer from steel-making to finished products

Focus

O&G, API, Water & New Energy

Sewage, Drinking water under Jal Jeevan Mission

Nuclear, Defense & Power

Building Materials

Current: Water Storage Tanks, Interiors, Liquid Storage Solutions, Electrical Boxes
Proposed: Plastics Pipes, Fittings, Adhesives

TMT Rebars

One stop solution in Building material Brand Sintex with Pan India presence

B2C



Outlook: Pipe Solutions Vertical



WCL: Line Pipes



Top
3

Among Line
Pipe
Manufacturers
globally

50+

Approvals from
O&G majors;
Qualifies for
global bidding

16+
million
metric
ton

Pipes delivered
since inception
with multiple
repeat orders

2.2 mn MT
Pipes Capacity

5 manufacturing
facilities in **3**
countries

Used in **Oil & Gas,**
Water industry &
Structurals

Line Pipes: Key Drivers



INDIA

- **City Gas Distribution (CGD)** Strong natural gas and expanding city gas distribution systems are set to aid Line Pipes demand
- **Strong export** outlook with focus on Australia, Europe, South East Asia and Middle East. Upcoming hydrogen hubs and carbon capture projects to drive future demand for pipelines for H₂ & CO₂ applications
- **Demand in Water Projects** – Strong traction continues in **JJM (Jal Jeevan Mission), Nal Se Jal, Jal Nigam projects**



USA

- **Natural Gas exports** from the USA at 20.4 bcf/ day for H1CY23 has been the highest when compared to same period any year
- At least 3 **more large gas pipelines** planned from Permian to Gulf coast; 5 new LNG terminals being added for export of gas
- Big focus remains on **New Energy including Carbon Capture, Hydrogen and Ammonia pipelines**



SAUDI ARABIA

- Saudi Aramco expects to award contracts for **14 pipeline** projects between 2023 and 2025
- 90 projects that Saudi Aramco plans to award contracts for, will need **12,000 km** of pipelines
- Huge capex in distribution of Desalinated water; 7 large water infrastructure projects planned; Total demand **exceeding 3 MN MT over 3 years**

Ductile Iron Pipes

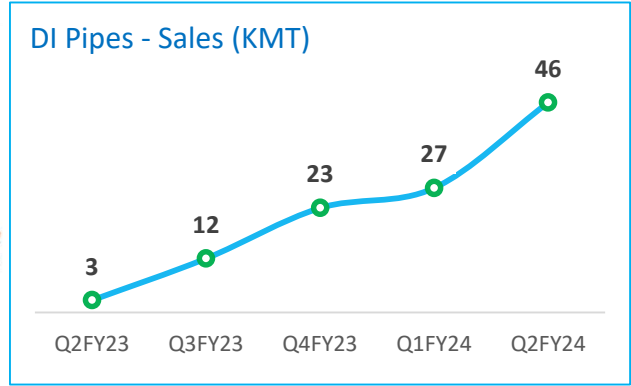
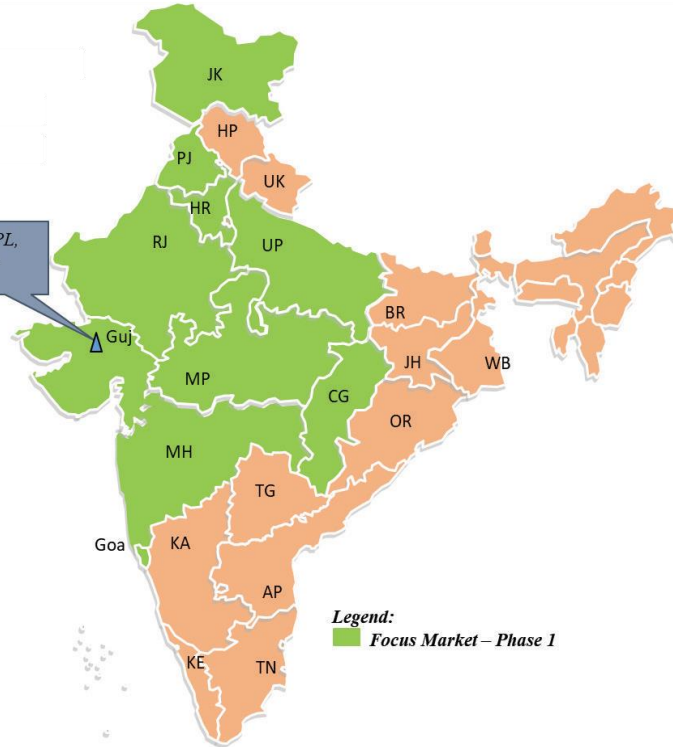


Huge Focus on creating drinking water supply infrastructure in India



WDIPL,
Anjar

Immediate Focus Market is West, Central and North India



Strong order backlog of ~246 KMT valued at ~ INR 1,960 crore



Ductile Iron Pipes: Value added products

Capacity expansion by 100 KMTPA at Anjar to take total capacity to 500 KMTPA

- Time line: in 12 months
- Investment required: ~INR 300 crore

Rationale:

- New capacity is planned for diameter range of DN 100 to DN 300
- Consistent demand improvement expected due to Government's investment
- Significant demand supply mismatch in small diameter pipes segment
- Excess hot metal capacity to be utilized for this value added new DI Pipes capacity

Stainless Steel Pipes and Bars



- New grades development & introduction continues
- Geography and territory expansion continues
- Government's "Make in India" policy showing impact on ground, global tenders converting into domestic tenders
- Sustainability and excellence initiatives progressing well
- Order Book stands at ~ 4,507 MT valued at ~INR 169 crore

Sectors & Demand

- Critical applications in key sectors e.g. Energy, Nuclear, Defense, Petrochemicals etc.
- Demand Estimate: ~65 KMT in Domestic Market and ~25 KMT in Exports per Annum

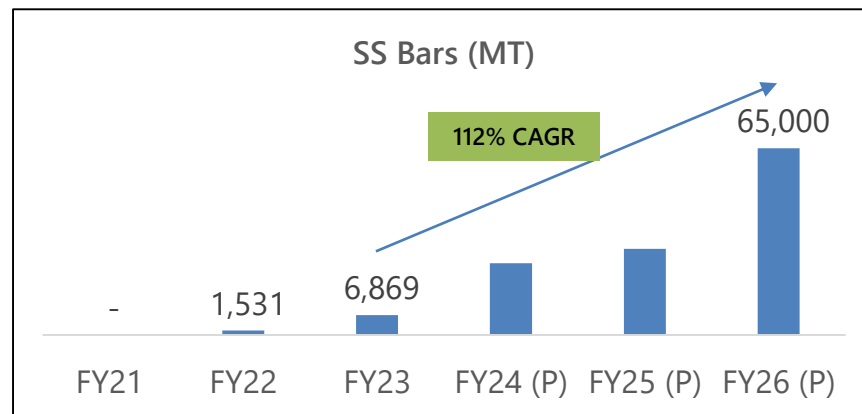
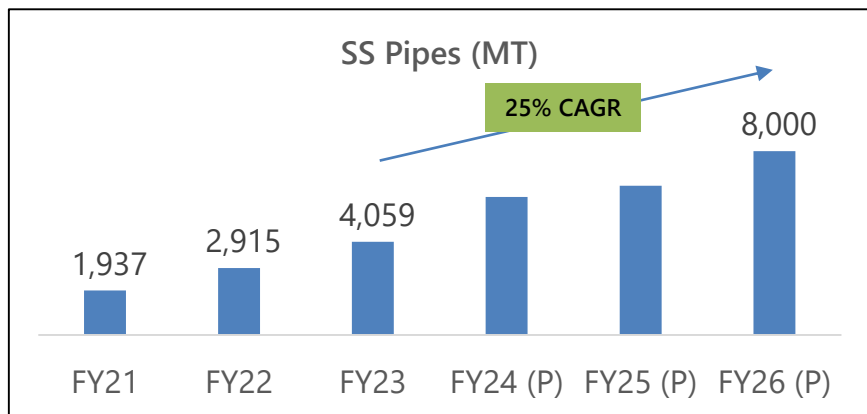
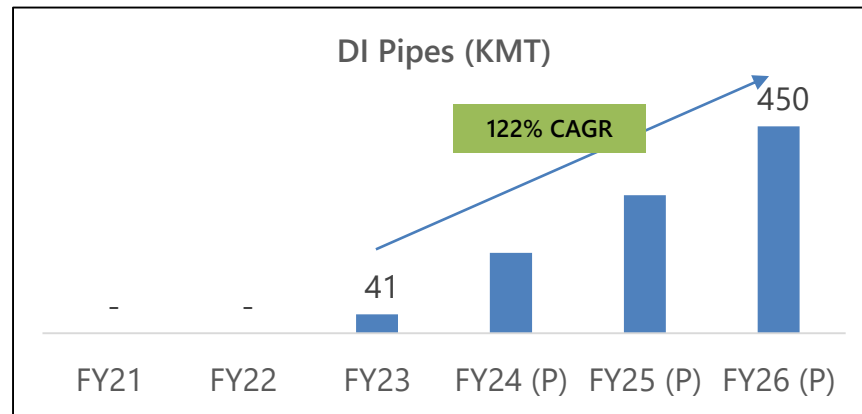
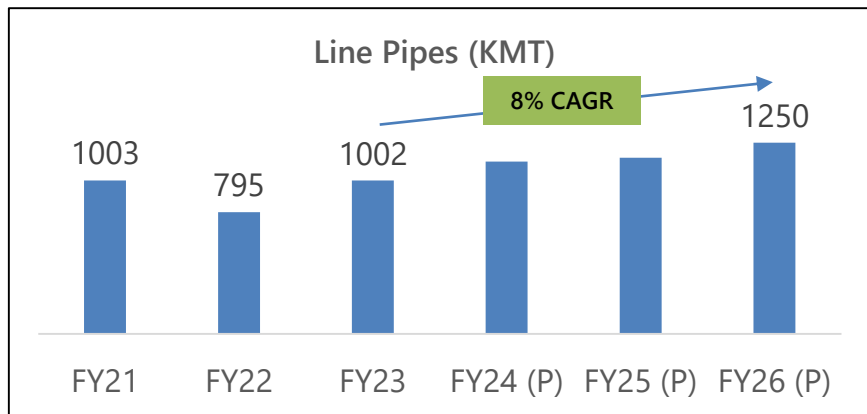
Visible Turnaround

- SS Bars sales volume during H1 rose by more than 3x YoY to about 8,373 MT. Similarly, Pipes & Tubes sales volume rose by 46% YoY to about 2,484 MT
- Product acceptability both in the domestic and export market with all approvals and accreditations
- Moving towards higher value added grades such as Nickel Alloy, Duplex & Super Duplex

Only facility, which is fully integrated from SS Steel to Pipes



Projections: "Pipe Solutions Vertical"





Outlook: Building Materials Vertical



Sintex: Key Product Offerings



uPVC Doors & Interiors
Brand recall & Weather-resistant



Water Storage Tanks (WST)
Strong brand & Complete Range



SMC Panel Tanks (upto 1200 KL)
Modular, Long Life, Non-Corrosive, Non-Leaching



Electrical Boxes
Shockproof, Long Life



Packaged STP (upto 1000KLD)
Packaged, Low Maintenance & Underground



Industrial Containers (IC)
Special containers for Pharma, Chemical, Textiles and Food sector

Sintex: Access to Market

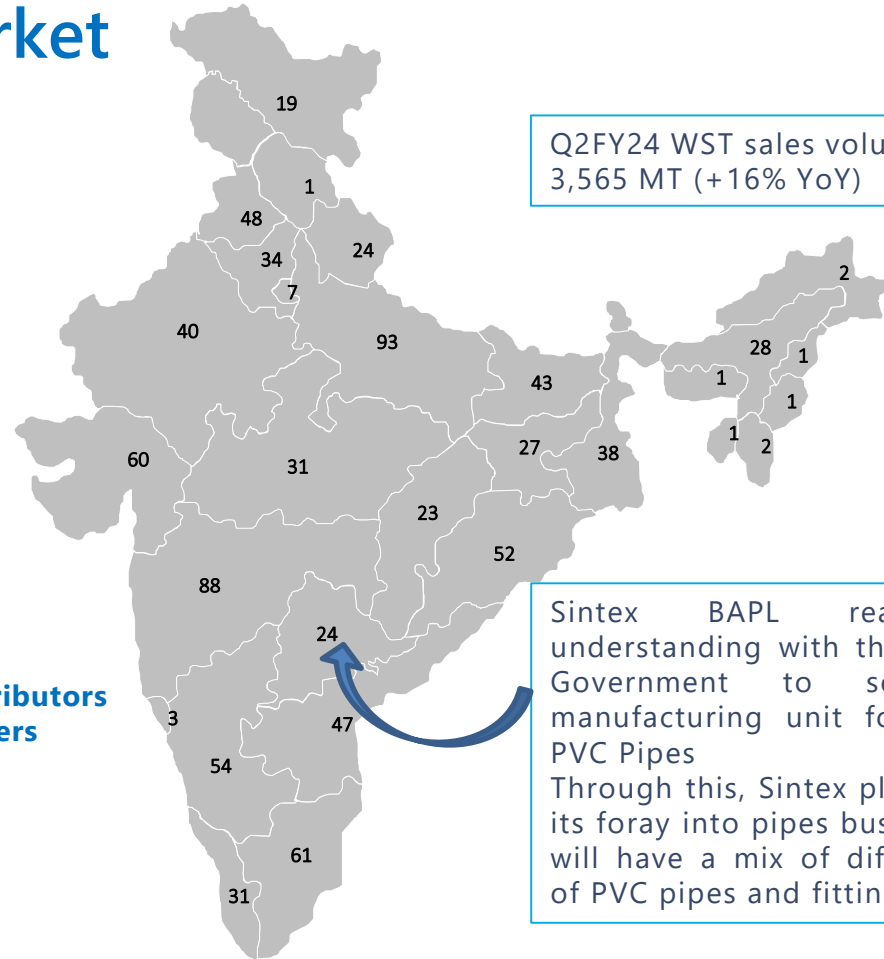


Manufacturing Locations

- **Kalol** Gujarat
- **Nalagarh** Himachal Pradesh
- **Namakkal** Tamil Nadu
- **Uluberia** West Bengal
- **Butibori** (Nagpur) Maharashtra
- **Guwahati** Assam

Distribution Network

PAN India distribution network of **900 distributors** which is further connected to **13,000 retailers**



Q2FY24 WST sales volume at 3,565 MT (+16% YoY)

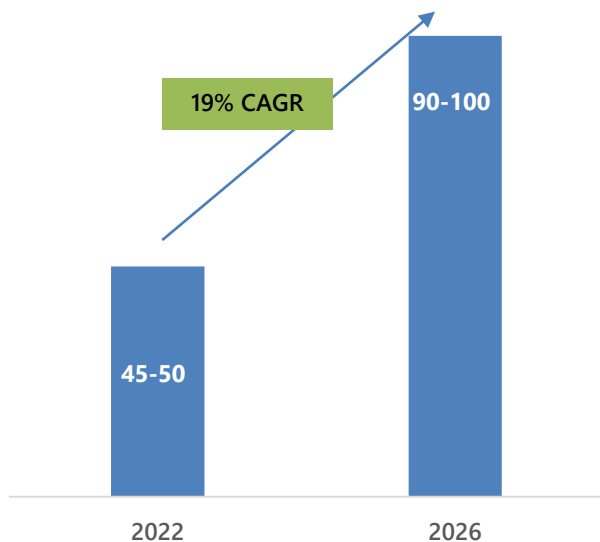
Sintex BAPL reached an understanding with the Telangana Government to set up a manufacturing unit for WST and PVC Pipes. Through this, Sintex plans to make its foray into pipes business, which will have a mix of different types of PVC pipes and fittings.

Note: Map not to scale; WST- Water Storage Tanks

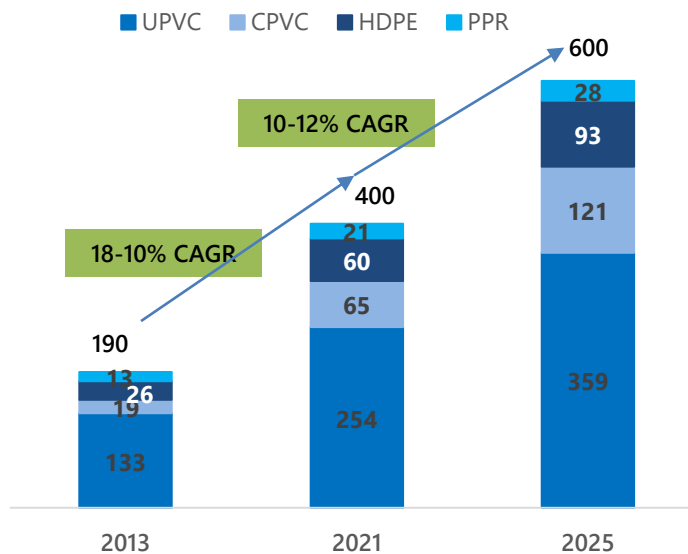
Market Outlook



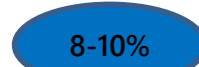
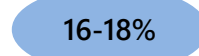
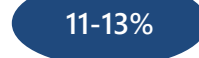
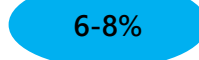
WST Market Size (INR billion)



Plastic Pipe Market Size (INR billion)



CAGR 2013- 2021	CAGR 2021- 2025
6%	6-8%
11%	11-13%
17%	16-18%
8%	8-10%



- CAGR of 19% (Water Storage Tanks) and 10-12% (Plastics Pipes) with organized segment to grow much faster
- Government efforts on JJM, PMAY etc. as well as structural economic drivers to boost the spending on building materials segment

Sintex: The Way Forward



Strategic:

- Enhance product basket to adjacent categories like Pipes, Fittings and Adhesives:
 - Significant synergy between WST existing ecosystem and pipes requirements
 - Pipes market being significantly larger (5-6x), provides greater opportunity to grow
- Invest in infrastructure at the strategic locations
- Focus on strengthening soft assets (talent, ATL, R&D, NPD, Quality etc.)

Operational:

- Re-energize go-to-market plan for WST aggressively including Retailers, Plumbers, Customers and Distributors
- Restructure route-to-market for institutional products focusing on B2G and B2B
- Assess the market needs to arrive at the right product-technology mix for Interiors

TMT: Our Differentiated Strategy



Key Growth Drivers

Infrastructure: Massive spending expected in the sector including –

- **PM Gati Shakti National Master Plan:** an expected outlay of INR 100 lakh Cr
- **Pradhan Mantri Awas Yojana-Urban's** (PMAY-U) 'Housing for All' mission
- Private Sector Capital Expenditure
- Individual House Builders

Welspun Strategy

- **Branding and creating a robust distribution network - B2C segment**
- **High Quality and excellent serviceability**
- Leverage Welspun's **strong brand** presence in the market

Gujarat Demand
3 MMTPA

Our Capacity
0.3 MMTPA

H1FY24 Sales Volume
48 KMT



Focus on ESG



Welspun Corp ranks in the **Top 7%** in Global Steel Industry in S&P Global's **DJSI** Corporate Sustainability Assessment

Long Term Sustainability Goals

1) Carbon Neutrality – 10% (2025), 20% (2030), 100% (2040)

WCL: a) Installation of renewable energy of capacity 970 kW at Anjar, 2 MW at Bhopal and 1MW at Mandya is proposed

b) Mounting Renewable Power Limited (MRPL), a subsidiary of Welspun New Energy Limited (WNEL) is setting up a 42 MW Renewable Energy Round-The-Clock (Re-RTC) project to generate energy from wind and solar for the Company's Anjar operations, which will make the Company's Anjar Unit about ~55% RE by the financial year 2026. It will also result in significant reduction in the per unit cost of energy. WCL will hold 21.54% in MRPL for an investment not exceeding INR 44.25 crore.

WSSL: c) RE power tied up with third party for WSSL – (3 MW wind and 2.55 Mw Solar). Share of renewable electricity reached upto 30% of total electricity consumed in the month of September at WSSL

2) Water Neutrality by 2040

3) Zero waste to landfill

ESG: Social



Welspun Programs

Alignment with UN Sustainable Development Goals

Total no. of beneficiaries for H1-FY23: ~496,000

Education Programs



Empowerment Programs



Health Programs



ESG: Governance



No pledging of promoter shares

No Cross Holdings

Professional management

Independent Board of Directors

- Female gender ratio of Board members – 38 %
- Independent directors (~55% of the board) with illustrious and diverse backgrounds
- Key committees led by independent directors

Ethics Framework

- Whistle-blower Policy
- Code of Conduct
- Fraud Prevention Policy & Fraud Response Plan
- Anti-Bribery & Anti-Corruption policy
- Supplier code of conduct

Board Matters / Entity Level Controls

- ESG Committee at the board level
- Quarterly review of ESG performance and communication to stakeholders through BRSR and Sustainability report

Thank You!

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