

Welspun Corp Limited

Investor Presentation

Q3FY24

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Sales Volumes at a Glance: Q3FY24



Pipe Solutions

LINE PIPES

291 KMT

(+78% YoY)

DI PIPES

62 KMT

(+429% YoY)

SS PIPES

1,183 MT

(-7% YoY)

SS BARS

3,921 MT

(+171% YoY)

Building Materials

Water Storage Tanks

3,411 MT

(+10% YoY)

TMT BARS

30 KMT

(+1704% YoY)



Notes:

1. Line Pipe Sales volumes does not include Saudi Arabia operations
2. YoY is comparison with Q3FY23

Consolidated Financial Performance: Q3FY24



PARTICULARS (INR crore)	Q3 FY24	Q3 FY23	YoY
Total Revenue from Operations	4,750	2,402	98%
Other income	8	8	6%
Reported EBITDA	471	174	2.7x
Depreciation and Amortisation	90	80	11%
Finance Cost	63	70	(11%)
Profit before tax and share of JVs	319	24	13.6x
Share of profit/(loss) from Associates and JVs	53	29	81%
Tax expense	79	30	2.65x
Non-controlling interest	2	(0)	NA
PAT after Minorities, Associates & JVs	292	23	12.6x

Note:

Prior period figures are restated wherever necessary

Consolidated Financial Performance: 9MFY24



PARTICULARS (INR crore)	9M FY24	9M FY23	YoY
Total Revenue from Operations	12,878	5,688	2.3x
Other income	160	258	(38%)
Reported EBITDA	1,391	322	4.3x
Depreciation and Amortisation	261	212	23%
Finance Cost	230	148	55%
Profit before tax and share of JVs	900	(38)	NA
Share of profit/(loss) from Associates and JVs	166	47	3.6x
Tax expense	218	49	4.4x
Non-controlling interest	7	(12)	NA
PAT after Minorities, Associates & JVs	842	(29)	NA

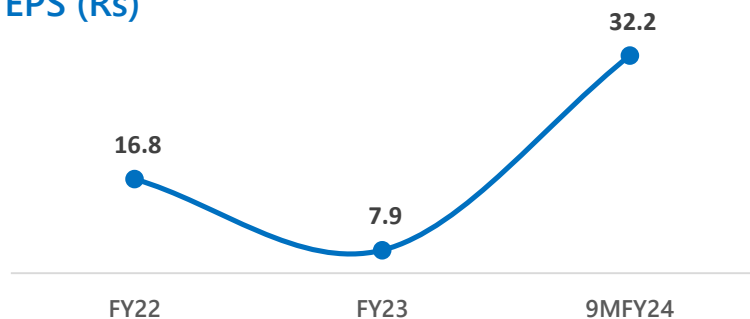
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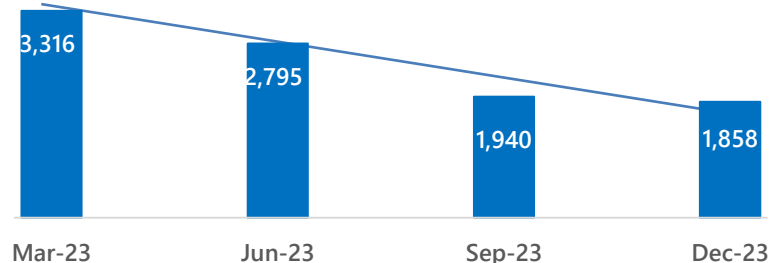
YTD Achievement



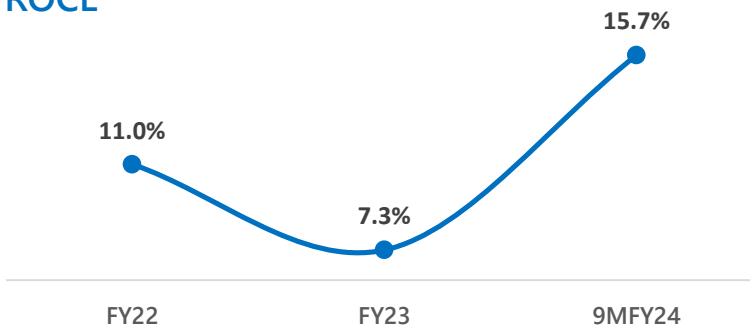
EPS (Rs)



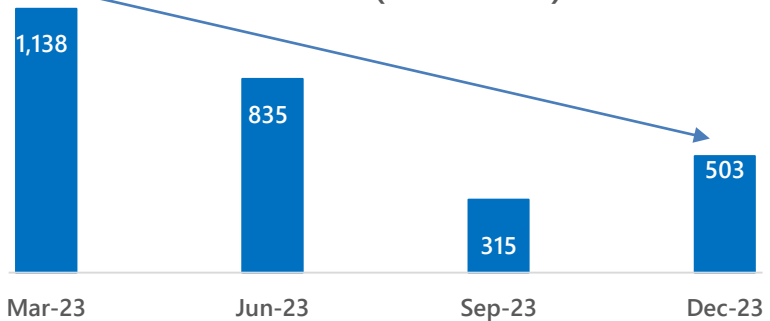
Gross Debt (INR Crore)



ROCE



Net Debt (INR Crore)



Note:

*9MFY24 ROCE not annualized

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, Petrochemical

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

- **Focus on water infrastructure** – Policy initiatives and execution to continue support line pipe demand
- **City Gas Distribution (CGD)**
Recently the PNGRB launched campaign to increase adoption of PNG in the household
- **Strong export** outlook for LSAW pipes with focus on Middle East, Australia, Europe, South East Asia. Upcoming hydrogen hubs and carbon capture projects to drive future demand for pipelines for H₂ & CO₂ applications



USA

- **Natural Gas exports** natural gas production is likely to grow by ~2% to 1,081 billion cubic meter in 2024. LNG exports from US is expected to rise by 50% from the current level by 2026 as per the IEA
- **Completion** of five new natural gas pipeline projects has the potential to increase Permian Basin's takeaway capacity by a combined 4.18 billion cubic feet/ day
- Big focus remains on **New Energy including Carbon Capture, Hydrogen and Ammonia pipelines**



SAUDI ARABIA

- **Vision 2030** to continue boost the demand
- **The Ministry of Environment, Water and Agriculture (MEWA)** recently announced allocation of **US\$ 80 billion** towards water projects within the coming years and expects **90% of water demand to be met through desalinated water by 2030**

Ductile Iron Pipes

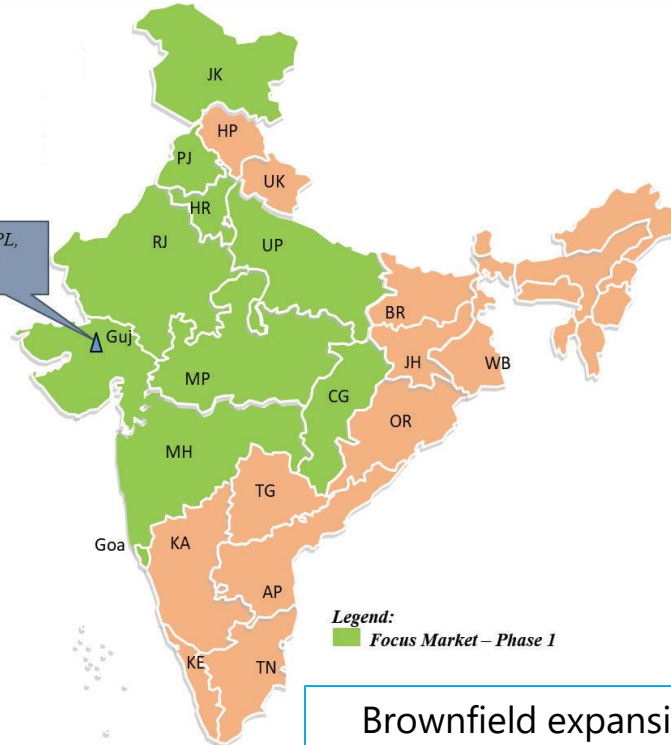


Huge Focus on creating drinking water supply infrastructure in India

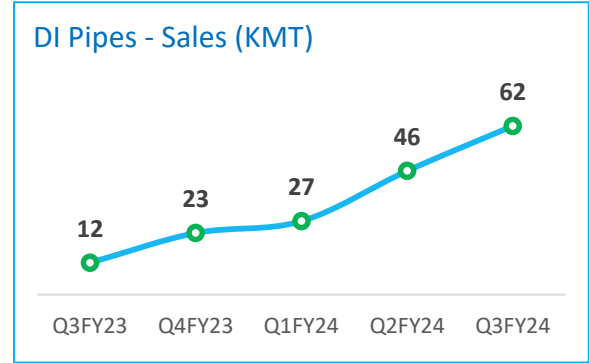


WDIPL,
Anjar

Immediate Focus Market is West, Central and North India



Legend:
Focus Market – Phase 1



Strong order backlog of ~264 KMT valued at ~ INR 2,185 crore

Brownfield expansion of 100KMTPA at Anjar on track



Ductile Iron Pipes: Foray in Middle East

Board approval for setting up of **150 KMTPA** capacity in the Middle East

- Time line: in 4-6 quarters
- Investment required: approx. INR 500 crore
- Expected to be operational by H1CY2025

Rationale:

- Strong GDP growth and economic outlook to back demand
- Leveraging of WCL's leadership position in Line pipes business in Middle East region

Stainless Steel Pipes and Bars



- Geography and territory expansion continues. New grades development & introduction continues
- Government's continuing spent on infrastructure, energy and other strategic sectors providing thrust to the industry. Domestic industry specially benefitting under "Make in India" Policy
- WSSL has started reporting GHG emission data as mandated by the European Commission CBAM for exporting to EU
- Order Book stands at~ 4,204 MT valued at ~INR 166 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

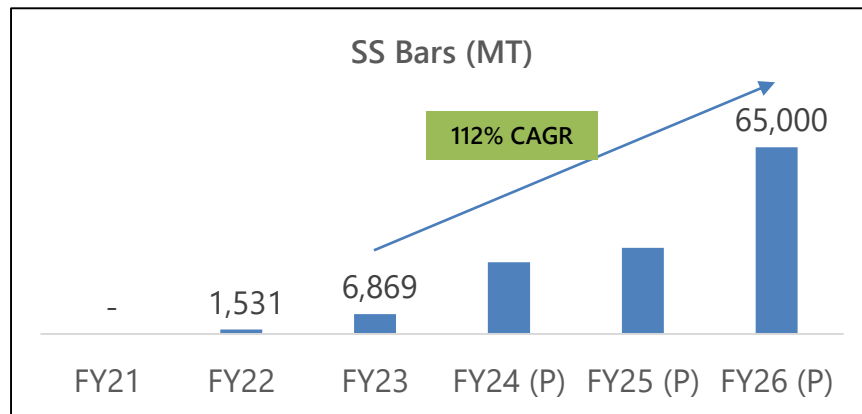
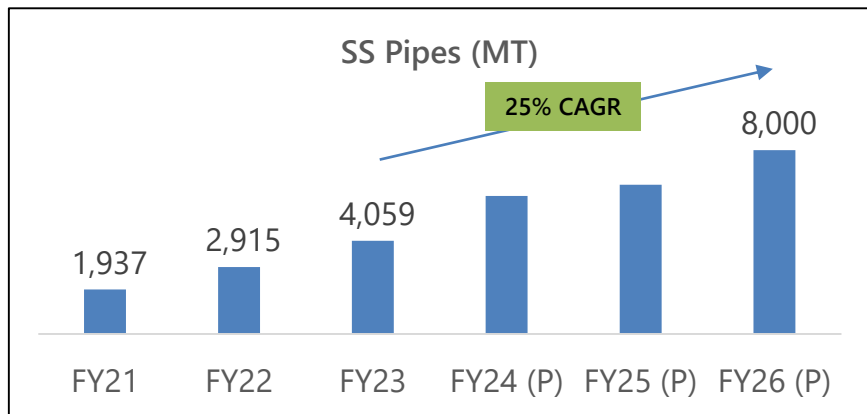
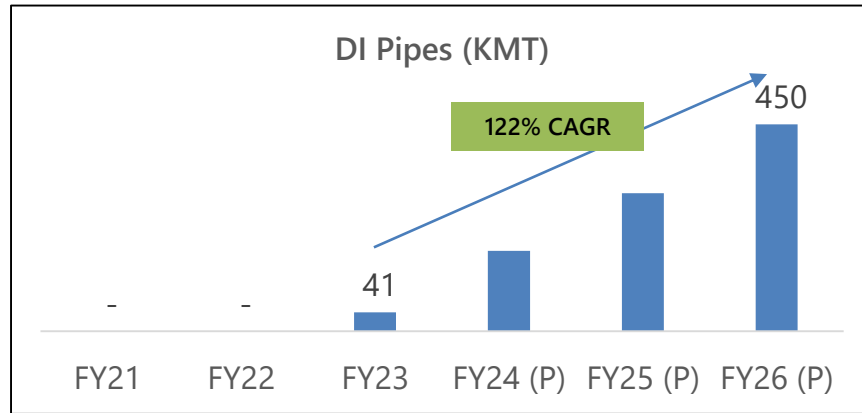
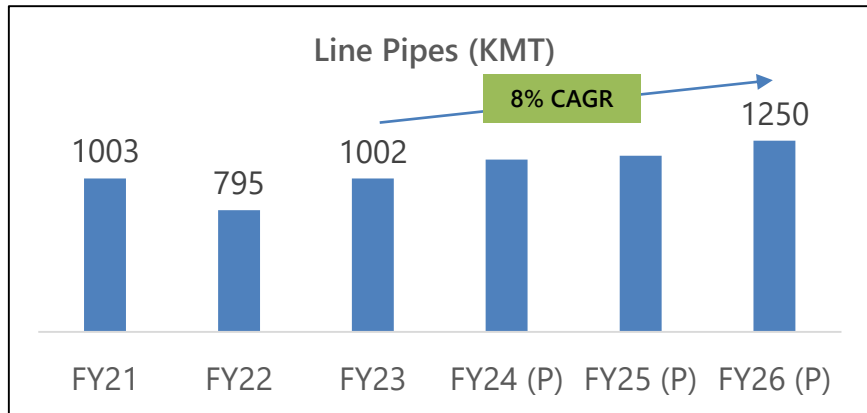
Visible Turnaround

- SS Bars sales volume during 9M rose by more than 200% YoY to about 12,294 MT. Similarly, Pipes & Tubes sales volume rose by 23% YoY to about 3,667 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



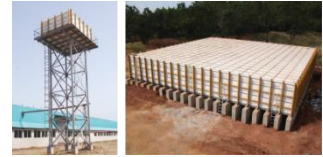
Sintex: Key Existing Product Offerings



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

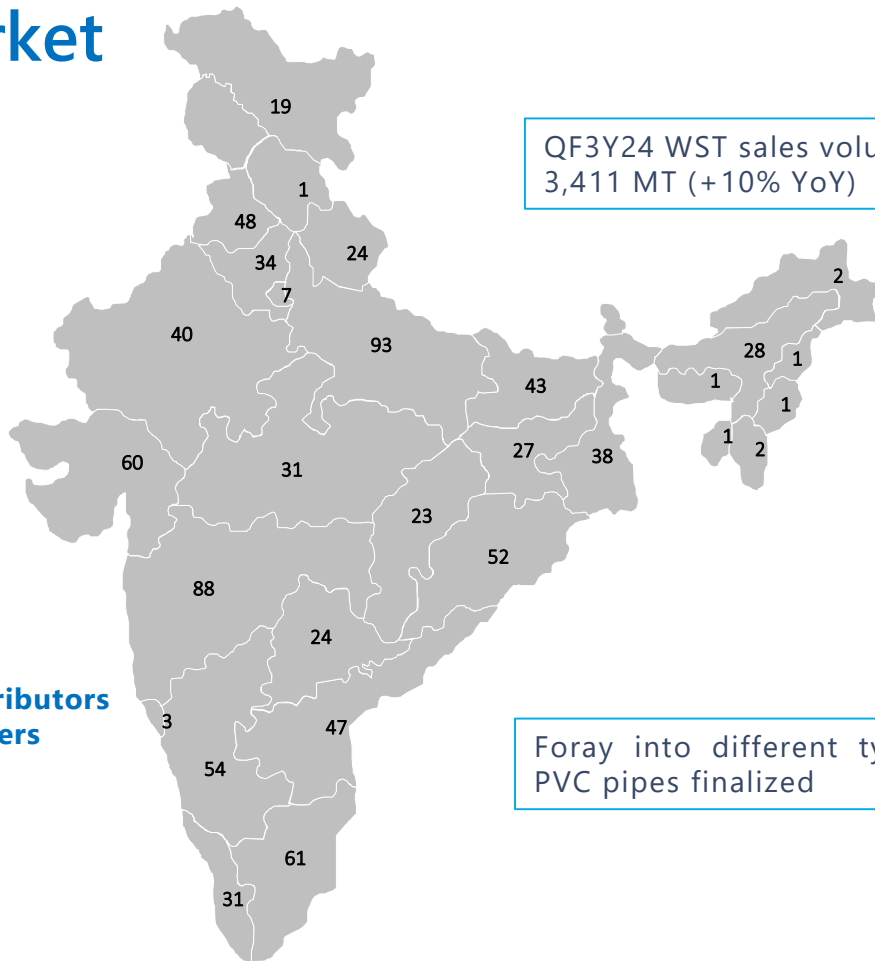


Manufacturing Locations

- **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**



Q3Y24 WST sales volume at 3,411 MT (+10% YoY)

Foray into different types of PVC pipes finalized

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

Sintex: Foray into Plastic Pipes



**Welspun
Corp Ltd**



**Sintex
BAPL**



**Sintex Advance Plastics Ltd
(SAPL)**

- ✓ Leveraging Iconic National Brand "Sintex"
- ✓ Optimization of distribution channel
- ✓ Rationalization of logistics cost
- ✓ Strengthening position in B2C segment
- ✓ **SAPL** signed the Framework Agreement with **Rollepaal** Pipe Extrusion Technology B.V for supply of its high quality PVCO pipes manufacturing lines exclusively to Sintex in India

Plastic Pipes

Water Storage Tanks

Sandwich Moulded Tanks

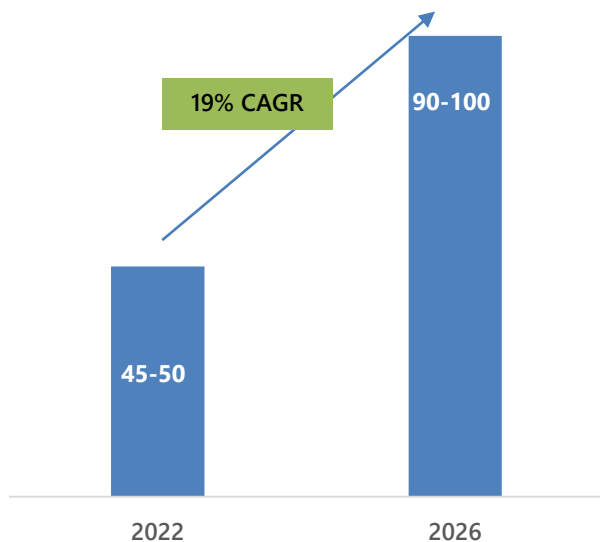


Includes CPVC, UPVC, HDPE, OPVC Pipes- water distribution segment

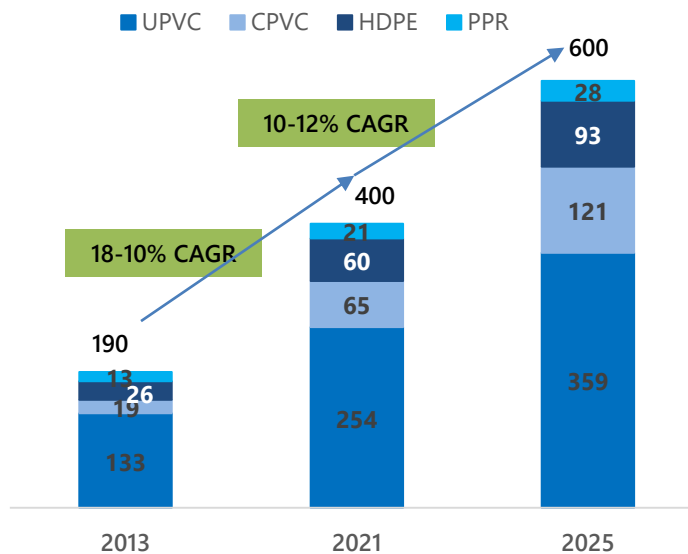
Market Outlook: WST and Plastic Pipes



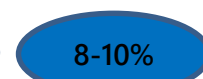
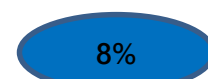
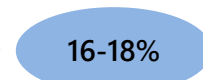
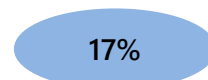
WST Market Size (INR billion)



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
- Capability building of the workforce and channel partners
- Enhance branding and marketing activities
- 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
- Massive growth in housing market
- 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

9MFY24 Sales Volume
79 KMT



Focus on ESG

ESG Intervention



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)**
- 2) **Water Neutrality by 2040**
- 3) **Zero waste to landfill**

CRISIL ESG Ratings: Got highest score (59) in ESG performance across “Basic Industry : Iron & Steel products” category. Scores in Environment, Social and Governances stood at 52, 48 and 73 respectively.

- Energy intensity, water intensity and hazardous waste intensity improving with consistent monitoring and focus
- WCL on its path to achieve RE targets through combined solar installation of ~4MW (in progress) across 3 WCL facilities and 42 MW RE at Anjar contributing upto 55% renewable electricity by 2026. This is in line with our 2040 target to become carbon neutral
- As a recognition, got “ZERO waste to Landfill” certification by TUV NORD INDIA for the Anjar facility
- Tax transparency report published

ESG: Social



Welspun Programs

Alignment with UN Sustainable Development Goals

Total no. of beneficiaries for 9M-FY24: ~596,400

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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