



## “Welspun Corp Limited Q4 FY-25 Earnings Conference Call”

**May 29, 2025**



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**MODERATOR:** **MR. ASHUTOSH SOMANI – JM FINANCIAL  
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**Moderator:** Ladies and gentlemen, good morning and welcome to the Welspun Corp Limited Q4 FY25 Earnings Conference Call hosted by JM Financial Institutional Securities Limited.

As a reminder all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Ashutosh Somani from JM Financial Institutional Securities Limited for opening remarks. Thank you and over to you.

**Ashutosh Somani:** Thanks operator and welcome everyone to the call. I will first thank Welspun Corp for giving JM Financial the opportunity to host today's call.

Without much ado I will hand over the call to Mr. Salil Bawa – Head (Investor Relations), Welspun Group to introduce the management. Over to you, Salil.

**Salil Bawa:** Thank you Ashutosh and good morning to all of you. I welcome all of you to the Q4 FY25 earnings call of Welspun Corp. Present along with me today on this forum is Mr. Vipul Mathur – Managing Director and CEO, Mr. Percy Birdy – Chief Financial Officer of Welspun Corp, Mr. Ashish Prasad – CEO of Sintex BAPL and Mr. Goutam Chakraborty; who heads Investor Relations of Welspun Corp.

I am sure you must have received the Results and Investor Presentation of the company which are also updated on the BSE and NSE as well as on the company's website. As usual, we will start the forum with some opening remarks by the senior leadership team. We will then open the floor for your questions.

During today's discussion, we may be making references to this presentation. I request you all to take a moment to review the safe harbor statement in the presentation. Should you have any queries that remain unanswered after this Earnings Call, please feel free to reach out to anyone of us. With that, let me hand over the floor over to Mr. Vipul Mathur – MD & CEO of Welspun Corp. Over to you Mr. Mathur.

**Vipul Mathur:** Thank you Salil. Good morning, everyone. I welcome you all for the Q4 and FY25 Earning Conference Call for Welspun Corp.

Let me start the discussion with the “Key Operational and Financial Highlights” of the concluding quarter and the full financial year of FY2025, followed we would like to give you an update on the “Business Environment”, on the “Investments” we are making, the “Market Outlook” and the “Guidance” what we wish to give for the FY2026. Thereafter we could have interactive session and I would be more than happy to answer all of your questions which you might have in your mind.

**Just to start, let me now share the “Key Operational Highlights” for the year:**

Firstly, our line pipe sales volume for India and US stood at almost 850,000 tons. Our DIP sales volume stood at 272,000 tons. Our SS; stainless steel bars and pipe volume stood at almost 19,000 tons and 4,800 tons respectively. Our Sintex recorded a sale of 600 crores during this year.

Currently our consolidated order book stands at almost Rs. 19,550 crores. This consolidated order book gives us a clear visibility of more than 2 years for our US business operations and almost for 1 year for our India LSAW pipe operation, DI pipes operation and SS pipe operations. Additionally, the launch of Sintex pipe at our Raipur facility and our readiness of O-PVC pipes through our Bhopal plant offers further upside potential in the current financial year.

**Some of the “Key Financial Highlights” of this year were:**

We have seen a consistent improvement in our performance during on a quarter-on-quarter basis I am sure you have tracked that, our FY25 EBITDA stood at Rs. 1,858 crores and with an EBITDA margin of around 13% our ROCE stood at 21%, our PAT is almost Rs. 1,908 crores.

I am also happy to report that the company was able to reduce their gross debt by more than Rs. 1,000 crores despite having spent almost Rs. 900 crores towards CAPEX in the financial year FY2025. Currently we are into a very healthy net cash position of Rs. 1,050 crores and considering the performance of the company, the board has recommended a dividend of 100% on the face value of the share.

**Let me now move on to give you my take on the “Business Overview”:**

Let me first talk about the pipes. If we see from India, we are one of the largest exporters of pipes for very critical Oil & Gas applications, line pipes for Oil & Gas applications We are witnessing an increasing trend in the offshore as well as in the offshore pipelines globally. These requirements are coming up with very stringent technical requirements. They are very demanding in nature and Welspun is only one of the two or three players globally who have the capability to meet such requirements. This positions Welspun into a niche segment in the Oil & Gas space globally and will continue to keep us ahead in the competitive curve. Further, we are Also seeing that the market potential is building up for hydrogen and carbon Capture pipelines where Welspun, through its R&D, global approvals and participation in formulating the specifications is very favorably placed across the globe.

As regards domestic Oil & Gas segment, we are seeing that the Indian government is investing heavily in expanding refining capacity, pipeline capacity, new LNG terminals to meet their ever-growing energy needs. We are seeing that the natural gas is expected to play a very large role in India energy mix with the share of natural gas increasing from 6.7% to 15% by 2030. Also in the natural gas sector, the contribution of CGD, which is the City Gas Distribution accounted for 20% in FY24 and is projected to increase to 25% by 2030. So, both the transmission and the

distribution, the transmission of expansion of natural gas network and expansion of CGD network India over the next 4-5 years is going to be a cornerstone for Welspun growth in the domestic segment. We are a dominant domestic player and we will continue to have our share in this particular business.

**Coming to the “Domestic Water Demand”:**

we are seeing significant emerging opportunities for pipes. When we are talking of interlinking of rivers, we are seeing a push from the center in the states like MP where we are seeing projects like Ken-Betwa and PKC. In states like Rajasthan where we are seeing projects like ERCP and in Maharashtra we are seeing projects like Wainganga-Nalganga project, and we expect that the demand for the pipes will kickstart this year. This will be followed by more interlinking projects under consideration in the northern part of India. We are also witnessing that states like Gujarat, MP, Rajasthan, Haryana, Tamil Nadu and Jharkhand are exponentially increasing the water pipeline network for irrigation, industrialization and urbanization purpose. As you know Welspun assets are based out on pan India basis. We are present in west; we are present in the Central and we are present in the South. This gives us a unique reach to address all the demands which are coming up in these states.

**Let me now move attention to the “Exports” or the other market which is the “US Market”:**

As you know, we are one of the most dominant line pipe producers in the US market. Currently we have a market share of more than 30% in that market. As you have also noticed that we have a confirmed order book of more than 2 years at this point in time. On top of it, we continue to see a very strong visibility of line pipe demand in the US sector. We are seeing a clear visibility of the next 3 to 5 years at this point in time after consuming of this 2 years of an order book.

The crude oil production in the US is likely to go up to almost 14.5 million barrel per day by calendar year '30 and the Permian production, which is the largest Oil & Gas producing field is likely to increase from the current 6.2 million barrel per day to 8 million barrel per day. So, this increment which is happening in the Permian will continue to show a very strong demand for Oil & Gas pipelines in the US market. On top of it, we are also seeing the LNG exports going up from 90 million tons per annum to 120 million tons per annum in the next 2 and 3 years. There will be a huge surge of LNG exports which will be happening from US to the European and to the Asian markets. We are well poised to benefit from this US Oil & Gas demand, and we are confident to maintain our market share in the future times to come ahead.

As regards Saudi Arabia; Saudi Arabia is distinct between two segments, water and Oil & Gas. As regards water, we are continuing to see a robust demand and we are seeing a very strong visibility. There is a continuous focus on improving the water infrastructure. With rise in population over a period of time and infrastructure being build, the need for water transportation and distribution will improve further. We have a dominant presence in that particular market,

and we almost capture more than almost 40% to 45% of the market share at this point in time in the water sector.

**On the “Oil & Gas” side:**

The Saudi vision of 2030, the aim is to expand their domestic gas production further and to reduce reliance on crude oil for electricity and industrial process. Which means that they intend to use gas for their domestic purpose and they want to export oil globally. This will include now a significant investment in both developmental on onshore and offshore fields in times to come. Also, we are seeing the Saudi government is making significant investments in the unconventional fields like unconventional energy needs like hydrogen and carbon capture. So, the line pipe requirement or the pipe requirement both for the water as well as for Oil & Gas sector in Saudi Arabia remains robust and we have a very strong outlook and we stand very positive for the development in this particular sector.

**As regards our “DI Pipes”:**

At this point in time, we have almost a confirmed order book of more than 350,000 tons for the DI pipes. This is almost 1 year of an order book for us. However, in the previous quarters we have seen a little bit of a slowdown towards the release of funds under JJM funding. But we have now seen that this pain seems to be getting over. We are expecting that things will start improving from the end of the first quarter, beginning second quarter of FY2026. We have started seeing the improvement, we have seen the cash flows started coming in and I am sure things will only improve from here on. There are multiple projects which have been announced in FY2026. A lot of distribution network is being created across the states of Madhya Pradesh, Maharashtra, Rajasthan, Gujarat and I think so and that it gives us a very strong belief that the demand for the DI pipes will continue to stay strong in FY2026 as well.

We have as a part of our strategy we are also spreading in the domestic markets like Haryana, Chhattisgarh, Punjab, Odisha, Telangana and Kerala. While from a freight perspective, these are not very lucrative markets for us. But from a presence perspective and as a strategy we are making a foray in this particular in these markets as well.

On top of it, we are also focusing heavily in terms of exporting the DI pipes. As you are kindly aware that we have opened up a subsidiary in Europe and we intend to export DI pipes to Europe as well. I am also happy to report that we have made the first shipment which has been received there and it has been delivered to the customer and it has been received extremely well. Moving forward, our focus would continue to be on the domestic market, domestic market expansion and the export. I am sure that these three pillars put together will allow us to be a dominant player into the DI pipe industry.

Further, as you are also aware that we are investing for the DI pipe facility in Saudi Arabia, the market scenario and the opportunities for DI pipes in Saudi remain extremely strong. There is a very high demand for the supplies, and which is towards import substitutions. At this point in

time, the local DI players are unable to meet the requirement of the Saudi market. There is a huge import which are taking place and I am sure that once Welspun DI facility will come up in Saudi Arabia which I will subsequently cover on the timeline side of it, we will be able to ride on this wave, and it will set us a very strong base as a local DI player in the Saudi market.

**Coming to our niche “Stainless Steel Bar and the Pipe” business:**

We have a great year. The FY25 was a very defining year for us. The company has really met all the expectations what we had set. FY2026 has also started on a great note and our company we have received an order of almost 4000 tons from BHEL for SS boiler tube for supercritical power plant reinforcing our position in the growing power gen segment. This order will see to it that our pipe capacities are completely booked for almost throughout the year.

We are also focusing heavily in terms of making high grade high value-added steel. As you know this is the only facility which is an integrated facility where we make our own steel, where we process our own steel, where we make our own pipes. So, this is the only integrated facility. We are now focusing in terms of expanding our base in the stainless-steel market as well both domestically as well as exports. We are seeing a good traction coming up both for the pipe and the steel in the value-added segment like Defence, space, power gen, Oil & Gas, petrochemicals etc. So, this company through its stainless-steel pipe and steel is absolutely poised and to grow from here on.

**Coming to the “Sintex”:**

Sintex has two distinct businesses, one is the water storage tanks business and other the plastic pipe business. Let me dwell over the water storage tank business. This year has been a year where we have grown despite the market have shrunk and that is a clear reflection of acceptance of Sintex brand in the domestic market. We have been pursuing rigorously our channel expansion. Today I am happy to report that we have more than 13,000 partners associated with us and almost 15,000 plumbers associated with us who are the flag bearers for Welspun Sintex brand. Ashish, if I, am I right on my numbers?

**Ashish Prasad:**

Slightly larger number but that’s the size.

**Vipul Mathur:**

Okay. The team out here led by Ashish is doing an exceedingly good job in terms of propagating this brand on a pan India basis. We are also focusing strongly on brand building. We have increased our brand visibility through brand sponsorship with WPL, continued BTL activities in print, TV and OOH media campaigns in the launch markets. Our focus is also to be a premium player, so our sharp focus is on the premium segment. Our premiumization strategy continues to drive our value growth supported by sustainable expansion of the pure franchise. I am sure you would have quite a few questions around the Sintex and Ashish is here and I am sure he will be able to address all of them and this he will address in the Q&A session.

**Coming to the “Sintex Pipe” business:**

We are operating at two establishments at this point in time, one is at Raipur and the other at Bhopal. The Raipur facility which is the Wetek facility, is now fully operational and we have launched multiple products which have been well received in the market. We have for the very first time introduced the world's first proven antimicrobial C-PVC pipes. The facility at Bhopal where we are setting up our first O-PVC pipe plant has received its BIS approval. We are now aggressively going to market and build up our market share over the next few months. We are going to enhance or increase our O-PVC capability. Starting after Bhopal we will move on to Raipur and our intent is very clear that we will be a formidable player in this value-added O-PVC market.

I would also like to cover our building materials, the other part of the building materials which is the TMT bar segment. This year we achieved the highest sale of 211,000 tons in FY2025. We are a formidable player in Gujarat where we are seeing a substantial demand coming from various infrastructure projects which are happening in the state. We have been able to expand our customer base, and the key and noticeable customers happens to be Reliance, Adani, ITD Cementation, Thesin Pro, who are pursuing large infrastructure projects in the state. And we being a quality player within Gujarat we are in a very formidable position and expanding our base for supply of TMT pipes in Gujarat itself. We have been recognized as one of the premium quality players and our brand, the Welspun Shield has created a niche for itself. So, these are the few business updates which I wanted to give you about all the business segments, what we have.

**I would now like to draw your attention to the “investments” what we have made over the period of time:**

There are few investments which we have notified to you during the Quarter 3 also during our investor call in November and there are a few more investments which we have cleared and they are very synergistic in terms of growing Welspun, taking Welspun Corp to the next level. Our key focus remains intact that we will only participate in core geographies and core products. That is the doctrine we are working, we have agreed to work on and that is it in these guardrails we are working.

Apart from the few projects which we have already notified, announced and for which I will give you an update subsequently. In our board meeting yesterday, we have also cleared some 2 or 3 new projects, and I would like to draw your attention to that. Looking at the ever-growing demand of the oil in the Oil & Gas sector in the US market and also the change in the dynamics which is happening in the US market where there is no import which is now going to happen in times to come because of the trade restrictions and the policies and the import duties which have been put up by the new current administration.

There will be a huge demand which will be coming up for LSAW pipes. Traditionally from India we had been supplying LSAW pipes for the offshore application and for the LNG applications from India on almost 150,000 tons on a year-on-year basis. But that business globally will now go away which means that there will be no heavy wall pipes which will be coming to the US through import route. So, considering all those factors, considering the potential it offers now

and for the future for the next 5 to 7 years, we have decided to set up a greenfield LSAW pipe manufacturing plant which will include a DJ and a coating plant with a capacity of 350,000 tons.

Apart from that, we have also decided to upgrade our existing Spiral facility in India. This facility is a hybrid facility which had a provision to make Spiral and LSAW pipes both. However, we have always been using this facility as a Spiral pipe facility. What we have decided now to make it completely hybrid as it was earlier originally envisaged and we are only augmenting the LSAW forming facility into that. So, this is a minor upgradation which is going to happen there.

Thirdly, along with these pipes we are seeing a strong demand coming from Hot Induction Bends. We are the player for the Hot Induction Bends. Hot Induction Bends are part and parcel of the line pipe business. We have been a player into this particular field. But when we are seeing a huge demand, additional new demands with very stringent specifications with quenching and tempering requirements coming up. Basically, considering all that and this requirement and this being a very value-added segment, we are now we have decided to set up a brand-new state of the art pipe bending setup at Anjar.

Lastly, as we told you the last time, we are enhancing our pipe making facilities at Bhopal where we are seeing a huge demand coming up in respect of the interlinking of rivers and the water demand and distribution. That facility will also require some calibration for the coating. So basically, we are also adding up a coating facility to meet the gaps between the pipe and the coating out there. So, we have decided to set up a coating facility at Bhopal. So, these are the four additional investments which the board has cleared yesterday, and I am very sure that all these apart from the greenfield LSAW pipeline project in USA which is going to be a game changer, the other three are more of a capacity augmentation and capability enhancement and they will be able to bring a significant amount of value-added in a profitability to the Welspun's top line as well as the profitability.

Further, we have also decided to drop our expansion in DRI capacity as we want to keep our strategic focus on high priority value added business segments. So, at this point in time, we have decided not to pursue with our DRI expansion. As you know, we have well demonstrated our investment rationales in the last few years, which has helped the company to significantly scale up its performance. Now as we move forward with the ongoing projects along with the new ones, it will further strengthen our leadership position globally in our core product and core geographies mission.

If you recollect, we had announced that the total capital expenditure will be close to Rs. 5,500 crores over the next 2 years, which is FY26 and '27 and with the calibration what we have done we would still be within the same CAPEX which we have announced even when we are announcing the new facilities. So, there is no going, there is not going to be any additional capital CAPEX which we are announcing. We are well within the announced limits even after adding the three or four facilities what we have spoken about most importantly our balance sheet still continues to remain strong as you have.

As I said earlier, we are a net cash company. We have a strong cash available of almost Rs. 1,000 odd crores. Our balance sheet remains very strong despite this CAPEX spend and we are very sharply focused to be a net debt positive company. Despite making all these CAPEXes which we will do over the next 2 years on a year-on-year basis we have, we will continue to be a net debt positive company.

**Lastly, as regards to the “Guidance”:**

As we see that considering the landscape what we have, considering the order book what we have and considering that the potential what the company has, we are significantly enhancing our guidance for the FY2026. We are giving guidance for the revenue of almost Rs. 17,500 crores which could be 25% higher over the FY25 actuals. However, the most important factor to be focused upon is the EBITDA guidance where we are giving EBITDA guidance of almost Rs. 2,200 crores which is 18% over the FY18 actuals. If you recollect friends, I had in my investor meet in November and in all subsequent quarter calls, we have maintained that we will grow at a 15% CAGR. Last year this FY25 we achieved an EBIT of Rs. 1,850 crores, for the FY 2026 we are giving guidance of Rs. 2,200 crores which is 18% over and above last year. We believe in walking the talk and I am sure if you see our performance over the last 3 years where we have given you the guidance, we have always maintained or exceeded what we have committed to you.

Thirdly and most importantly at the ROCE we continue to focus on the same and we are committing a ROCE of more than 20%. And if you see this guidance was also given for the last 3 years and we have been able to maintain our ROCE exceeding 20%. So, a top line guidance of Rs. 17,500 crores, more importantly the EBITDA guidance of Rs. 2,200 crores and a ROCE of 20%. Along with this I am again reiterating that we will keep our net debt to EBITDA less than 1 which means there will be all the CAPEX investments which are going to happen. They are absolutely being done in a very calibrated manner. All the existing business are generating sufficient free cash flow. We are not going to increase our debts. Our net debt to EBITDA which we are very mindful of will always be maintained below 1.

Last but not the least, our focus on digitalization, our people and sustainable journey remains intact. I am very happy to share that Welspun Corp now ranks among the top #10 in the global in steel industry and second among the Indian steel players at S&P Global DGSi Corporate Sustainability index as of April 2025. Our people are our strength. We are investing heavily into their upskilling growth. We are optimizing, we are becoming a very systematic and process driven organization. We are investing heavily into digitalization, and we are creating a foundation and very strong pillars for this company for having catapulted growth in years to come.

With this I want to thank you for joining us today and I will request the moderator to open the floor for any questions; you friends and the gentlemen might have it. Thank you very much.

- Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Thank you very much. The first question comes from the line of Vikas from PhilipCapital. Please go ahead.
- Vikas:** Good morning, sir and congratulations on a good set of numbers. So, my first questions regarding the guidance while the revenue is growing by 25% but EBITDA is going by 18% only, especially when US is expected to fire. So, is the domestic business is going to perform poorly on a YOY basis?
- Vipul Mathur:** Good morning Vikas. I think so as I said, the focus on the top line should be your least of your concern because the top line is a factor of the steel pricing which is a pass through for us. As I have always mentioned, it will be more prudent to focus on the EBITDA numbers because that is what in my control. The top line is a factor of steel and which is not in my control. So, it is a pass through. So, it is no reflection of India not doing well or US doing better. It is not a reflection of that. It is purely a reflection of the current state of numbers at the steel price which is behaving. So, my request would be to you and to all to continue to focus and track our progress with respect to EBITDA please.
- Vikas:** Understood. Sir, my second question pertains to Sintex. While our capacity remains the same our CAPEX has come down to almost 1,000 crores, exactly what has happened there? What portion we have changed to inside that kind of the saving.
- Vipul Mathur:** Vikas, as you said as we have mentioned, the CAPEX of what we have earlier announced was staggered over multiple years. It was not supposed to be done in 1 year time. All what we are trying to bring in a very clear visibility that what is the CAPEX which we did in FY25, what are we going to do in FY26, what are we going to do In FY27. The whole objective of bringing this is to bring clarity to all the esteemed investors out here. Because by saying that I am going to invest Rs. 2,400 crores I think so there were certain apprehensions in mind or were not able to explain clearly that few of the people thought that we are going to invest that money in day one. It's not going to happen. It is scattered over the period of time. All what we are trying to bring in is clarity for the next 2 years.
- Vikas:** So, the corresponding capacity regarding 1,300 crores what will be the corresponding capacity addition out of this 200 KMTPA?
- Vipul Mathur:** So, the major capacity additions would be on the O-PVC side of it. As you know, currently we have set up, we have added capacity for O-PVC pipe in Bhopal. We will now add the O-PVC capability in Raipur which should happen by the end of this year and thereafter we are looking for capacity addition in the South. So, these are the three capacity additions most likely which are going to happen over the next 18 to 24 months' time or the other 18 months' time, let me put it this way.
- Vikas:** And tonnage would be sir, combined all these three?

**Vipul Mathur:** Tonnage may not be the right way of looking at the O-PVC pipes. When we have to talk about O-PVC, we will have to talk about what sizes we are adding, how many machines we are adding, what is the linear meters we are adding. I think so that will be the right matrix to discuss because tonnage has no relevance at this point in time when you talk of from an O-PVC perspective. I think so we can have a sort of offline to explain you more in detail that what does O-PVC mean, how many lines we are going to add, by what timelines we are going to add, what it will add into the linear meters, what percentage of market share? I think so these are certain questions which we can apprise you offline.

**Vikas:** Noted. Sir, just one last question. If you could give us the sales and PAT of Sintex and what is the guidance for Sintex separately it would be really helpful?

**Vipul Mathur:** We have given consolidated guidance. Sintex is embedded into that, just to give you the comfort that Sintex is absolutely a company which is very sharply focused internally. They have been doing exceedingly well in the last 12 months despite that the market has significantly calibrated downward. But I think that the way the Sintex has proven their mettle, and they have regained the market share and in the premium positioning that's a commendable work they have done at this point in time. The company, Sintex will continue to be in our focus. Their revenue, their top line and their earnings both are embedded into the guidance what we have given, will be difficult to split it out separately. But be rest assured that it is absolutely a company which is on a growth path and on our focus.

**Vikas:** And this is sir, thank you for the opportunity and all the best for future.

**Vipul Mathur:** I think so the CEO, Ashish also may have a view to add to that. Ashish, please.

**Ashish Prasad:** Thanks Vipul. Vikas good morning. I think what we are trying to do is Sintex is a premium play and as you would have heard us right now, we are driving premiumization and premiumization is driving our growth. So, we are obviously a profitable company and when improving on profitability. That's what we are doing and everything which we are trying to do, we are trying to build a plus one distinct advantage. And I think that's the strategy which we would like to reinforce the market and because we want to play not the tonnage game but we really want to play the value creation game.

**Vikas:** So, you are implying we are PAT positive as of now?

**Ashish Prasad:** Yes.

**Vikas:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Radha from B&K Securities. Please go ahead.

**Sailesh:** Hello sir, this is Sailesh here. Thanks for the opportunity. Congratulations for the strong performance in these challenging times. We are entering the DSAW pipe segment in the US along with setting up a coating facility. So could you provide insight on the market size of this product in US, who are all the key players currently operating in this space and what gives us a competitive edge or the right to win in this market. Additionally, how do you view the longevity of demand for DSAW pipes in US? Given that the planned CAPEX exceeds 1,000 crores along with the associated working capital requirement, what kind of payback you are expecting?

**Vipul Mathur:** Good morning, Sailesh and thank you very much for joining this call and asking a great question. First and foremost, we have to clearly recognize that Welspun is one of the most dominant players in the Oil & Gas space, especially in the line pipe in the US market. We have a formidable presence there at this point in time. Currently we are producing Spiral pipes, we are also producing HFIW pipes and we enjoy almost close to a market share of more than 30%. The DSAW pipe story was a little different. We were not a player there because the DSAW pipes was not being produced. There was just one player who was producing that DSAW pipe. One big player and one small player, those who were producing that. But largely they also had a limited capability to produce, so largely all most of the DSAW pipe was coming as an import. Historically this market is anything between close to 400,000 to 500,000 tons on a year-on-year basis at this point in time and it has been regularly over the last 7 to 8 years. When we did our study, we were very clear that the next 5 to 7 years also look very buoyant. And the demand is going to be consistently around close to 400,00 to 500,000 tons. It has a potential to go up if this LNG processing gets further expedited. So that gives us an opportunity to venture into that particular market. Now when the new restrictions are coming in there is and the demand for made and melt in America growing there and no imports can happen for the DSAW pipes. So here was an opportunity for someone like Welspun to go ahead and complete its portfolio. Typically the portfolio of a pipe industry consists of a DSAW pipe which is the LSAW pipe, Spiral, HFIW. So, we have two assets there which are Spiral and HFIW which are one of the top performing assets. Only the DSAW was missing and now this opportunity which came up the table, we analyze it and we see a significant merit going into that. So, we are very confident that, we should be able to leverage and create a market share and get our market share for this particular facility. At this point in time, it will take around 15 odd months to set up this facility. And once that is being done and we see a clear market potential for the next 5 to 7 years' time.

**Sailesh:** Very good to know this. Currently we generate EBITDA of 230 per ton in our US operation, what kind of EBITDA do you expect and what is the payback you are expecting in this DSAW pipe?

**Vipul Mathur:** All that, it is clearly suggesting us that the payback would be anything between 3 to 4 years, less than 4 years.

**Sailesh:** Okay, great sir. My second question, given the opportunity you highlighted in Saudi DI market and the expected oversupply situation India next 1-2 years, where do you see better potential for ROCE? Would it be more prudent to scale up operation in Saudi or rather than expanding further

in India? Especially since market dynamics there is there in Saudi appears more favorable. I would assume the ROCE from Saudi is actually stronger compared to India DI segments. Would it be fair assessment, what is your view on this?

**Vipul Mathur:**

I think so, we are reading a little too much in the DIP India story at this point in time. The last two quarters have been a little, we have seen a downward trend. But that was because of the cash flow issue. The demand, if you look at it, the demand looks very robust, number one. There is a lot of work which is still to be done under this Jal Jeevan Mission, I think almost still 40% work is yet to be done. And we are clearly seeing signs that the government is committed to get this work done. Only in the last one or two quarters we have seen the slowdown in terms of cash flow. But in terms of demand, I don't think so, Sailesh, we are seeing anything going down. So, we continue to see that the requirement for the DI pipes over the next 3-4 years in India will remain strong. Saudi is a different story altogether. The logic going to Saudi has a different connotation altogether. Saudi, there's a huge imports which are happening there and it is our intent that we would like to be a local player in the Saudi market. And that is what the need of that particular market is. So, I think we will have to distinctly look evaluate Saudi separately and India separately. And for India I don't see any reason of undue concern in days to come.

**Sailesh:**

In O-PVC how many lines we have added so far?

**Vipul Mathur:**

Currently we have added two lines. We have started with two lines at Bhopal, and we intend to add an additional four lines in months to come and that will be spread over at Raipur and somewhere in the South. So, our plan over the next 12 to 15 months' time is to an additional four lines in O-PVC. We are very clear that we want to be a very dominant player into the O-PVC market.

**Sailesh:**

Each line will have 3000 or 5000 tons?

**Vipul Mathur:**

Depends Sailesh, again the sizes what you are making. These lines are typically from anything from 80 millimeter to 260 millimeter. We have gone with a very optimized designs of these lines where we are bringing capability for small diameter and also, we are bringing capability for high diameter. So, depending on how are we going to use it, the tonnages will keep on changing. But what is more important is that we are going to have a fairly pan India geographical presence to capture to this market.

**Sailesh:**

Great sir. Thank you, sir. All the best.

**Vipul Mathur:**

Thank you Sailesh.

**Moderator:**

Thank you. The next question comes from the line of Shweta Dixit from Systematics Group. Please go ahead.

**Shweta Dixit:**

Hi, good morning. Thank you for the opportunity. Could you just highlight all the set of expansions that are happening as of now in US and the timelines when they get commissioned

along with the new capacity expansion that you announced today? Also, your thoughts on the narrative like earlier what the narrative was that these pipes since they are not manufactured or since the capabilities within US are limited, that is why we were not expecting a lot of impact on imports. Now that seems to have changed where we are now planning to set up this facility. So, what has changed in these few months to decide to go and set up this capacity there?

**Vipul Mathur:**

So Shweta, just to answer your first question that what are the expansions and what are the timelines, I will request if you go to my investor presentation and if you look at Slide 14 of 18 there, you will get all the answers there. It lists down completely all that what we are doing, what are the expenditure we are going to do and what are the timelines to that. So, I think so that will give you a very fairly comprehensive picture around that. If you do not have it, I will ask Goutam here to share that investor presentation with you separately. So that will give you the answer, number one. Number two, with respect to the narrative for the LSAW pipe, we were not LSAW pipe player in the US market. We were always a Spiral and HFIW player. And I have always maintained my narratives that there will be no import of Spiral pipes which will happen into US and it was not happening. There was an import of LSAW pipes which was happening into the US. We were not commenting over it because we were not a player. We were supplying out of India and companies like from Japan, companies from Europe were also supplying those pipes to US market. So, I never said that, I spoke about the LSAW pipe because we were not a domestic player. Now with the change of scenario where there is a complete restriction which is happening for the imports of pipe including the longitudinal pipe, it is a scenario something very similar to Spiral pipes where now they are very clear that all the longitudinal pipes have to be melt and make in America as was the case or as is the case with the Spiral pipes. This is a change which has happened, there is an opportunity. So, there is a change which is happening. There is an opportunity which is emerging. We are one of the largest players in the line pipe sector. We want to maintain our leadership for a particular position in that particular market. I have a market share of more than 30%. I have to protect my market share. Here is a brilliant opportunity which is coming up on the table. Who else other than Welspun will not like to capture this opportunity? And that is how we have got it.

**Shweta Dixit:**

Understood, sir. So next question, I mean what would be your consolidated CAPEX guidance for FY26 and '27 annual CAPEX what is it likely to be versus 900 crores that was spent this year?

**Vipul Mathur:**

Shweta, again I would say go back to the investor presentation. It clearly shows that earlier we have announced the CAPEX of almost Rs. 5,500 crores almost 6 months or 9 months back. We are within this CAPEX only and this CAPEX is going to happen over the next 2 years.

**Shweta Dixit:**

So, if we take 5,500 crores, 900 crores roughly being spent already that still leaves us 4,500 crores. So that brings us to a number of around 2,200 crores annually for the next 2 years. Is this calculation correct?

**Vipul Mathur:**

May not be the right way of looking because CAPEXs are staggered over a period of time. they are more back end loaded rather than front-end loaded. We will have to see a little more into

detail but from a simple arithmetical perspective as what you are saying may be right, may not be right but I think the right way of looking at that they will be more back end loaded rather than front end loaded.

**Shweta Dixit:** Okay, understood. Thank you, sir. I will come back in the queue for more questions.

**Vipul Mathur:** Sure. Thank you, Shweta.

**Moderator:** Thank you. The next question comes from the line of Pujan Shah from Molecule Ventures. Please go ahead.

**Pujan Shah:** My first question would be on the O-PVC side. So currently we have been seeing that there is a good traction in this space as well as what we have made an agreement with Rollepaal. They are also planning to expand their capacities in India. Right now, what we have been eyeing in the initial bunch was that we wanted to launch a 10 lines for O-PVC.

**Vipul Mathur:** What did you say the last sentence please.

**Pujan Shah:** So, what we have been planning to invest in the O-PVC is 10 lines total. So right now, what we have been started is two lines in Bhopal and four lines will be coming in 12-15 months. So currently wanted to know what is the current capability of Rollepaal right now, so that our aspiration to build and make the market share can be prominent enough in coming years.

**Vipul Mathur:** Mr. Shah, I don't think so you should have any doubt whatsoever in that, number one. Number two Rollepaal has an exclusive understanding with Welspun. This year we are planning to bring in six lines. Two lines have already come in, the other two are likely to come and the third pair of two lines will come by the start of the next year. So as I said earlier, we are going ahead with six lines planned at this point in time. Two of them are already commissioned, two of them will get commissioned by the end of the year and the next two will be somewhere towards the start of the next financial year. So that's the roadmap we have clearly outlined at this point in time. Further, as I said earlier as well, Sintex plan is we are talking of a Sintex plan, staggered plan and investment in a calibrated manner over the next 3 to 4 years' time. So, all what I am clearly outlining today is that what we are going to do over the next 2 years' time. Over the next 12 months to 15 months' time, you will see at least six O-PVC lines fully operational under Welspun belt on a pan India basis. And that should give us a sort of a significant leeway into and become a significant player in the domestic O-PVC market.

**Pujan Shah:** So, to summarize this thing. So, there is no shortage from the supplier. So, Rollepaal can manufacture six lines in a year, right?

**Vipul Mathur:** They can do that. That's what they can do. That's what our understanding and agreement with them is.

- Pujan Shah:** Okay, got it. And sir, on the context, right now we have been opening up in Bhopal and second opportunity we are focusing on Raipur, Chhattisgarh market. So do you think this market has been, we can cater enough and that there would be enough tender flow will be opening up in this space. That's where because right now due to the slowdown in Jal Jeevan there is a bit of a lag which has been happening in the O-PVC business.
- Vipul Mathur:** Mr. Shah, we have a strong reason that this flow and this demand will continue to be there. Please understand this O-PVC market is in the small diameter. They are only anything from 80 millimeter let's say to up to 250 or 300 millimeters. This is a market which has a very strong demand. JJM is an abrasion at this point in time. As I said earlier too, the last two per quarter issues of JJM cannot be pointed as the way forward of JJM. There's a lot of work; it is a mission on which Government of India is working. And we have seen in the past that when the Government of India takes anything as a project, as a mission, they bring it, they always complete it. And there's a lot of intrinsic socio-economic benefit which is coming out of this particular mission. We have all the reasons to believe and all the indications to believe that JJM will continue to stay strong for the next 5 to 7 years' time. And in this both O-PVC as well as DIP will get completely consumed in interest.
- Pujan Shah:** Just wanted to understand the CAPEX amount for the O-PVC, what's the amount we have been planning to spend for six lines?
- Vipul Mathur:** We have announced a comprehensive CAPEX of Rs. 1,300 crores over the next 2 years. That's the way it looks like. We have already spent close to Rs. 300 odd crores in the first year which was in FY25. Between FY26 and '27 we will be spending additional Rs. 1,000 crores and it will be largely on O-PVC pipes. Also, there would be some upgradation and calibration of our water storage facilities and some SDP balancing lines. So, it is a comprehensive CAPEX which we are going to do but largely it is focused toward O-PVC.
- Pujan Shah:** And my last question would be, so what's the aspirational margins we have been eyeing in this space? What will be the aspirational EBITDA margins we have been eyeing for O-PVC?
- Vipul Mathur:** This business is definitely mid-teen margin business for sure, and I am sure that we should be able to get that if not exceed that.
- Moderator:** Thank you. We take the next question from the line of Resham Jain from DSP Asset Managers. Please go ahead.
- Resham Jain:** Hi, good morning Mathurji. First of all, congratulations and very good transparent communication I feel, so congratulation on that as well. Sir, I have just one question, on the US orders which we have won in the last two quarters specifically. In the past 2 years back, we have seen that you have got advances also from the customer in along with the orders and the price variation whatever has happened is completely hedged in a way because of that. But this time when you received order we have actually not seen inventory going up along with it. So how are

you looking at the overall because there will be volatility in the metal prices? So how are you hedging and how should we ensure that our margins will be range bound?

**Vipul Mathur:** Good morning, Resham. Thank you very much for joining. With respect to this US orders, there is no fundamental change as to what has happened last year and versus the order book what we have this year. These orders are all first and foremost confirmed orders. Number two, the steel is fully hedged. As we speak the steel is getting being produced and in a gradual manner the steel, inventory buildup will happen. So in terms of any risk we are carrying on the steel if that is their concern and that's the question, Resham please be assured that there is no change in that. There is no risk on that.

**Resham Jain:** Okay, understood. Should one assume a similar range bound kind of margins, obviously some volatility will obviously be there but will be range bound?

**Vipul Mathur:** I am agnostic to volatility because I have already covered the steel. I am completely hedged on the steel. So, my price is fixed, so I am completely covered. So, there is nothing called volatility or uncertainty into the margins.

**Resham Jain:** Understood. But you have not bought steel. It is mostly booked because last time, 2 years back I remember we had bought it also and the customer has given us advances also against that. That is not the case this time.

**Vipul Mathur:** It is the same case, Resham. We have already booked the steel. As the steel inventory will start building up, the customer will keep on paying for the steel. So, there is no change in that. The steel is completely booked. All what you are looking is that, our inventories are a little lower at this point in time in comparison to last year. But you will see over quarter-on-quarter they will start getting building up and they will be all customer paid inventory, be rest assured on that.

**Resham Jain:** Understood sir, very clear and all the best. Thank you.

**Vipul Mathur:** Thank you, Resham.

**Moderator:** Thank you. The next question comes from the line of Deepak Lalwani from Unifi Capital. Please go ahead.

**Deepak Lalwani:** Hello sir. Congrats on a good set of numbers. I had a question on the DI pipes India. Although we know that Jal Jeevan is a long-term vision, I just wanted some short-term insight on the business. So, the cash crunch and the inventory in the system, will it impact execution, order inflow and the EBITDA spread that we make in this business? This is a short-term statement that I want from you and also the second thing is that you rolled back your CAPEX in the DI pipe segment. So, is it a situation currently of oversupply and less demand? So yes, these two aspects.

- Vipul Mathur:** Deepak, let me take your second question the first, I don't know when you mentioned that we have rolled back our CAPEX on DIP, we have not. Actually, we had gone ahead with the DIP expansion and that expansion stands completed and we are doing it is currently under trials at this point in time. So we have not rolled back any CAPEX suspension and DI pipes, number one because we fundamentally strongly believe into this particular business, number one. Number two, coming back to the pricing part of it, at this point in time as I said, we have close to 350,000 tons of a confirmed order book what we have, number one. Pricing is a factor of the market, at this point in time, is full 350,000 tons booked at the same price, the answer is no. They have been booked at different price, different time, at different price levels, number one. Number two, moving forward to the extent your point is right Deepak, that we have seen that correspondingly what was in Quarter 1 of last year, the pricing prevalent at that point in time versus the pricing prevalent in Quarter 1 of FY26, there's a difference. The prices have calibrated downward, so has the cost. So, at the end of the day the margins, the EBITDA margins or the contribution margins are very well protected even at this point in time. So, we are seeing, I am sure you are tracking the global queues with respect to iron ore and the coal and which are the two major factors deciding the pricing. They also, they have also get significantly calibrated over from a Quarter 1 of the last year versus the Quarter 1 of this year. So, in terms of margin, I think so we have been able to protect our margins, number one. Number two, in terms of demand, we are very buoyant about the demand. This is a project business, cyclical business we all know that. One quarter, two quarter here and there demand can be low, there could be some cash flow challenges because at the end of the day it is government buy. But then is it creating any potential threat, I don't think so. And I believe that the industry with whom we are also a part of it and so the industry per se feels buoyant about it.
- Deepak Lalwani:** Understood. Got it. And secondly on Sintex, if you can give out the revenue and EBITDA that we generated this year, that will be helpful.
- Vipul Mathur:** As I said Deepak, our top line was close to Rs. 600 crores for the Sintex and this entails business from the water storage tanks and it is completely assimilated into our consolidated EBITDA. But I think so I will advise my people to have an offline discussion with you and to give you a little more granular details about this piece. Gautam can you please get in touch and close it out?
- Deepak Lalwani:** Thank you.
- Vipul Mathur:** Thank you Deepak.
- Moderator:** Thank you. We take the next question from the line of Ankit from Marketcord Research Private Limited. Please go ahead.
- Ankit:** Sir congratulations on a set of numbers. I have a few questions. What percentage of the production you are doing in US is dependent on imports of the raw material?
- Vipul Mathur:** Right now, for the confirmed order book you are talking Ankit?

**Ankit:** Yes, we can take an example of Q4 and talk about it. Whatever production we did what was --

**Vipul Mathur:** There is no import, zero. It is all domestic steel, melt and produce in America and the pipes made in America and pipes supplied in America. So, there is nothing which is going to get imported.

**Ankit:** We are talking about raw material, right?

**Vipul Mathur:** Yes, your question was about raw material only, right?

**Ankit:** Yes, that's correct. Okay. Next question is sir, what percentage of volumes and EBITDA in Q4 was contributed by the production in USA? Can we get some favor on that?

**Vipul Mathur:** I don't think so, that will be the right way of looking at things. I always maintain that, this is not a company to be monitored, it's a project-based company. It has nothing to be monitored on a month-on-month basis, quarter-on-quarter basis. The quarter revenues and the quarter EBITDAs are the factor of your product mix, what are you producing at that point in time. It is a blend of some very profitable order versus some low marginal contribution order, some medium profitability order. So, I don't think so that will be the right way of looking at things. We should be focusing more on a quarter basis and more on a half yearly basis and take my word on the guidance side of it please for the yearly guidance side of it. It will be very difficult to talk on a month-on-month basis.

**Ankit:** Sure. One last question is, I see that you have export demand increasing in markets like Saudi Arabia and Qatar as well. The market like Qatar do you see as a onetime trend or you see the long-term trend in Qatar?

**Vipul Mathur:** Which product are you talking Ankit? Please understand Welspun is now a conglomerate. For me markets are for LSAW pipes, the market is for me for SS pipes, the market is for me for DI pipe, the market is for me for O-PVC pipe. So, help me understand, clarify which particular segment of the business you are asking for.

**Ankit:** LSWA pipe.

**Vipul Mathur:** Yes. So on the LSAW pipe I think so Qatar, if you look at their potential and if you look at their roadmap, I think so they have very clearly articulated the roadmap for the next 10 years that what is their gas potential at this point in time and where do they want to reach? It's a long term, 10 year investment plan they have put up on the table and I believe that this demand for the Qatar will be there on a sustained basis. That's my very strong understanding of the whole subject.

**Ankit:** Okay, thank you sir.

**Vipul Mathur:** Thank you, Ankit.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, that was the last question. I now hand the conference over to the management for their closing comments.

**Vipul Mathur:** So once again, thank you gentlemen for joining us for this call today. I hope that we would have been able to bring almost full clarity and transparency on the subject matter. At Welspun, this is one of our core values which we believe in, that you are our partners and we have to be absolutely fair and transparent to them. We are living up to your expectation. But having said that, if you still have any further queries, any other questions, please feel free to reach out to the CFO, to our IR team and they will be more than happy to assist you. Just to conclude, I just wanted to give you the assurance and the comfort that this company is not poised, it's going to a different league, a different orbit. The Welspun Corp, it's a new normal for Welspun Corp which you have seen emerging over a period of time. Here on when we will end up this year, by that time you will have two new facilities which would have come up on stream and we would see their earnings and their EBITDAs also coming up into our play. So, the next 3 to 5 years we are building this organization from one level to another and it is a very exciting journey and gentlemen, your trust and your confidence in us will help us to scale new heights. I thank you very much for joining me today and thank you very much.

**Moderator:** Thank you. On behalf of JM Financial Institutional Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.