

WCL/SEC/2022

October 1, 2022

To,

BSE Ltd. Department of Listing, P. J. Towers, Dalal Street, Mumbai – 400 001. (Scrip Code: Equity - 532144), (NCD- 948505, 960468, 960491 & 973309)	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. (Symbol: WELCORP, Series EQ)
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Dear Madam/ Sirs,

Subject: Intimation of Schedule of Analyst/ Institutional Investor Meetings under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our letter dated September 30, 2022 on the subject, please find attached herewith the presentation to the investors attending the meeting today. The presentation is being uploaded simultaneously on the Company website (www.welspuncorp.com).

Thanking You.

Yours faithfully,
For Welspun Corp Limited**Pradeep Joshi**
Company Secretary
FCS-4959**PS:**Investor Relations: Mr. Gaurav Ajjan at Gaurav_Ajjan@welspun.com / +91 22 6613 5748
Media Queries: Ms. Saumya Sharma at Saumya_Sharma@welspun.com/ +91 8976800907**Welspun Corp Limited**

Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.

T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020

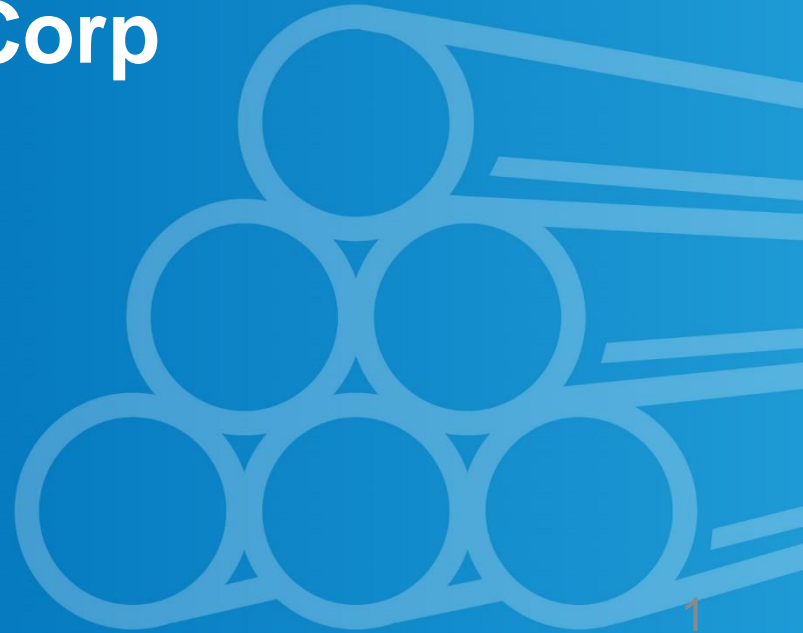
E-mail : companysecretary_wcl@welspun.com Website : www.welspuncorp.com

Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.

T : +91 2836 662222 F : +91 2836 279060

Corporate Identity Number: L27100GJ1995PLC025609

Introduction to Welspun Corp



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Agenda

- Overview
- Product Portfolio and Global Capacities
- Global Customers and Supply Chain
- WCL Transformation Underway
 - Line Pipes
 - Ductile Iron Pipes
 - Specialty Steel
 - TMT
 - ABG Shipyard
- Financial Performance: 10 Year Horizon
- Summary
- Mission Mid-Term



Overview

Amongst the largest LDP manufacturers globally with **more than 15,000 KM pipes** supplied since inception



One of the largest LDP¹ players globally with an installed capacity of ~2.5 MN MTPA and supply history of more than 15,000 km of pipes



Globally diversified presence with strategically located manufacturing facilities in 3 key regions, US, Saudi Arabia and India enabling it to supply to customers across the world



Deep relationships with marquee global clients; accreditation and approvals from 50+ oil & gas players



Track record of delivering pipes to some of the most complex projects worldwide



Highly professional and experienced management team with oversight from a strong and independent board



Best-in-Class corporate governance practices with each business unit having an independent board; Strong focus on sustainability and CSR activities

Global Footprint

Supplied pipes in **6 out of 7 continents** (except Antarctica)



Product Portfolio – Pipe Vertical



HSAW Pipes (Helically Welded)
18-140 inch diameter; 6-27 mm thickness

Utility for: Onshore Oil, Gas & Water Transmission



LSAW Pipes (Longitudinally Welded)
16-60 inch diameter; 6-50.8 mm thickness

Utility for: Onshore/Offshore Oil, Gas & Transmission



ERW Pipes (Electric Resistance Welded)
1.6-16 inch diameter; 4-14 mm thickness

Utility for: Onshore Oil & Gas Transmission and Downstream Oil & Gas Distribution



Coating System
3LPE, FBE, 3LPP, Concrete Weight Coating, Internal Epoxy, Coal Tar Enamel, Inside Cement Mortar Lining

Utility for: Anti-Corrosion



Value-added Service

Utility for: Double Jointing, Pipe Bending, ID Machining, Dump Site and Inventory Management

Product Portfolio – Steel Vertical



Pig Iron & Ductile Iron (DI) Pipes

80-1,200 mm diameter; K7 & K9 class

Utility for: Potable water distribution



TMT Rebars (Thermo Mechanically Treated)

8 mm – 32 mm

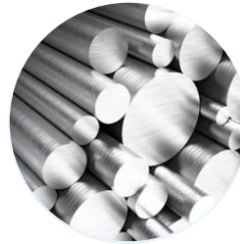
Utility for: Infrastructure and Housing construction



SS Pipes and Tubes (Stainless Steel)

6-168.3 mm outside diameter (OD); 0.5-10.97 mm thickness

Utility for: Oil & Gas, Refinery, Petrochemicals, Nuclear power, Fertilizers, Energy & Power, Defense, Railways and Aerospace



SS Bars (Stainless Steel)

Cast Products:

Square – 150 X 150 mm

Rectangle – 280 X 350 mm

Octagon – 198, 232, 262, 308 mm (Crest to Crest)

Rolled Products: 45 - 250 mm diameter

Utility for: Oil & Gas, Defense, Automobile, Forging Industries, Engineering Industries

Global Capacities

Capacity	India					US	Saudi Arabia	Total
	Anjar	Dahej	Mandya	Bhopal	Jhagadia	Little Rock	Dammam	
LSAW	350	350						700
HSAW	250		150	305		350	375	1,430
ERW/ HFIW	200					175		375
Line Pipes (KMT)	1,605					525	375	2,505
DI Pipes (KMT)	400							400
TMT Rebars (KMT)	350							350
SS Bars (KMT)					150			150
SS Pipes (KMT)					18			18







Global Customers

Approvals from 50+ Oil and Gas Majors across the world

 Shell	 bp	 TOTAL	 Statoil
wood.	Ørsted	 GASCO	 wintershall dea
INTECSEA WafeyParsons Group	subsea 7	 TechnipFMC	 SAIPEM

Global Supply Chain

Healthy Relationships with Suppliers across the world: A key factor for our Global Leadership Position

Name	Country
Dillinger 	France and Germany
VAGB 	Austria
Posco 	South Korea
Nippon 	Japan
JFE 	Japan
Bao 	China

More than 2
MN MT of
plates procured
in last 10 years

WCL Transformation Journey Underway

The Way Forward: Business Growth & Diversification Strategy

	Existing	New					Planned
Business	<div data-bbox="282 304 467 394">Large Diameter Pipe and Coating</div> <div data-bbox="282 397 467 466">New Energy</div>	<div data-bbox="548 304 734 466">Pig Iron and Ductile Iron (DI) Pipes</div>	<div data-bbox="803 304 989 466">Specialty Steel</div>	<div data-bbox="1058 304 1244 466">TMT</div>	<div data-bbox="1313 304 1499 466">ABG</div>	<div data-bbox="1588 304 1773 466">Plastic Products (Sintex BAPL)</div>	
Scale	<div data-bbox="282 519 467 785">The Top manufacturer globally</div>	<div data-bbox="548 519 734 785">One of the largest standalone single location facility</div>	<div data-bbox="803 519 989 785">One of the largest Integrated producer of SS Steel to Pipes</div>	<div data-bbox="1058 519 1244 785">One of the largest players in the Key Growth Market of Western India</div>	<div data-bbox="1313 519 1499 785">One of the largest shipyard infrastructure in the country</div>	<div data-bbox="1588 519 1773 785">Acquisition of one of the largest national level brand</div>	
Sectors	<div data-bbox="282 838 467 1019">O&G and New Energy</div>	<div data-bbox="548 838 734 1019">Jal Jeevan Mission</div>	<div data-bbox="803 838 989 1019">Nuclear, Defense & Power</div>	<div data-bbox="1058 838 1244 1019">Infra and Housing</div>	<div data-bbox="1313 838 1499 1019">Defense</div>	<div data-bbox="1588 838 1773 1019">B2C</div>	

Line Pipes

Line Pipes: Key Drivers

India

- Expansion of National Gas Grid Pipeline
- **City Gas Distribution (CGD)** network
- **Strong export** outlook with focus on Australia, Central America, South East Asia and Middle East
- **Demand returning in the Water** sector with moderating steel prices

USA

- Rig count almost close to pre-pandemic levels
- Permian basin expected to be the key growth driver
- 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 on **New Energy including Carbon Capture and Ammonia pipelines**

Saudi Arabia

- Saudi Aramco to **boost oil production** from 10 million to 13 million barrels a day by 2027
- Saudi Aramco **to boost gas production by more than 50%** by 2030
- Huge capex in distribution of Desalinated water; 7 large water infrastructure projects planned; Total demand **exceeding 3 MN MT over 3 years**

~1.6 MN MT of Active Bid Book for LSAW with ~7 MN MT of Upcoming Bids over next 3 years

New Energy

This is the future for pipelines

Hydrogen:

- WCL is a part of a key international committee drafting the specifications for these pipelines
- Undertaking critical long lead tests on existing pipeline order to certify compatibility to carry 100%

Hydrogen – Will give us a head start in the global new energy market (in case of success)

Carbon Capture:

- Recently secured a strategic and breakthrough order of 1,250 KM of HFIW pipes (>100 KMT); This will put us again in the pole position in the new energy market

Line Pipes: Global Order Book Position

Order Book and Outlook providing visibility for next several quarters

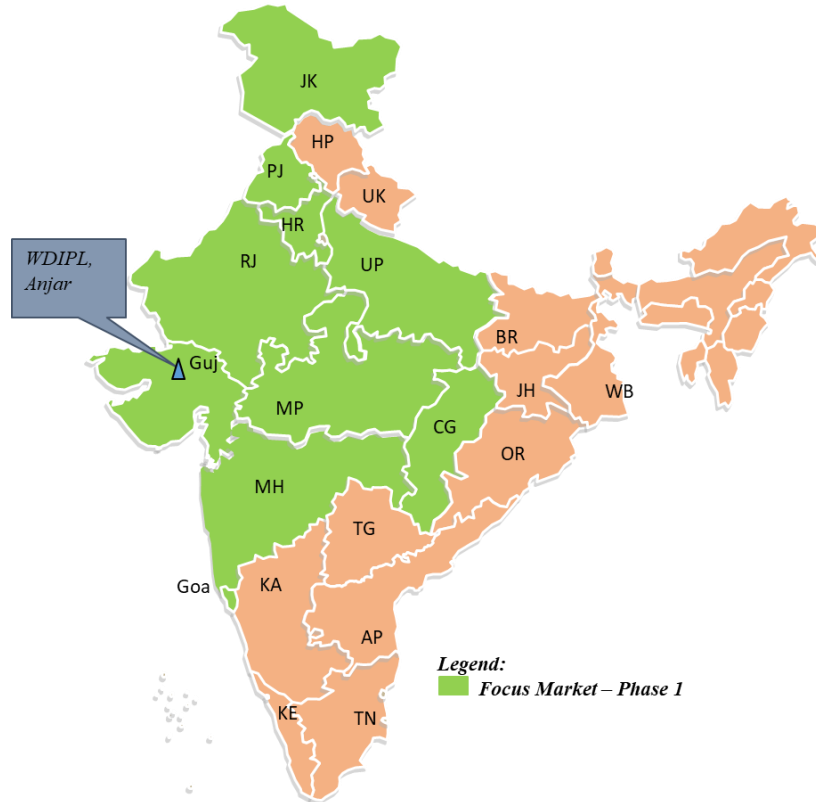
As of 20th Sept'22							
Confirmed Order Book	MT	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Line Pipes							
India							
LSAW	1,25,000						
HSAW	1,60,000						
ERW	30,000						
USA							
HSAW	3,35,000						
ERW	1,15,000						
	Confirmed order book						
	In pole position for few orders						

- Confirmed Order Book of ~1 MN MT Valued at USD 1.7 Bn (including Saudi Arabia)
- Clear earning visibility for next 5 to 6 quarters

Ductile Iron Pipes

Ductile Iron Pipes: Market Overview

Our Focus Market will be West, Central and North India



Ductile Iron Pipes: Market Overview

Huge focus on creating drinking water supply infrastructure in India

Value in INR (crores)								
S.No.	State	JIM Budget	Central Expenditure				Total Exp. Till Date	Balance Amount
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 YTD		
A	B	C	D	E	F	G	H (D+E+F+G)	C-H
1	Uttar Pradesh	62,963	639	1,761	2,930	2,986	8,317	54,646
2	Madhya Pradesh	23,577	327	1,015	2,263	1,098	4,702	18,875
3	Rajasthan	20,059	620	762	1,920	1,313	4,615	15,444
4	Maharashtra	20,042	308	474	378	432	1,591	18,451
5	Chhattisgarh	9,694	39	224	499	446	1,208	8,486
6	Punjab	3,803	73	147	248	139	606	3,197
7	Haryana	3,772	69	131	435	152	787	2,985
8	J&K	2,823	200	89	112	84	485	2,338
9	Gujarat	3,441	385	839	2,125	1,415	4,763	-1,322
TOTAL		1,46,733	2,276	4,602	8,785	6,649	22,312	1,24,421
Total JIM Budget (at India Level)		3,59,875	6,000	12,542	25,506	14,728	58,776	301,099

- Annual demand expected to be ~3 MN MT
- WDPL has an order book of ~45 KMT giving visibility for next 2 quarters
- Strong demand for next 3 to 5 years
- Plant under stabilization phase and should be fully on stream in next 2 quarters

Source: Jal Jeevan Mission website

Ductile Iron Pipes: Competitive Landscape

S.no	Company Name	Plant Location	Capacity (MT)
1	Jindal Saw Ltd	Kutch, Gujarat	5,00,000
2	Welspun DI Pipes Ltd	Kutch, Gujarat	4,00,000
3	Srikalahasti Pipes Ltd*	Chittoor, AP	3,50,000
4	Electrosteel Castings Ltd	Khardah, WB	2,80,000
5	Electrosteel Steels Ltd	Bokaro, Jharkhand	3,50,000
6	Tata Metaliks Ltd	Kharagpur, WB	4,00,000
7	Jai Balaji Industries Ltd*	Durgapur, WB	2,40,000
8	Electrotherm India Ltd	Kutch, Gujarat	2,00,000
9	Sathavahana Ispat Ltd	Anantapuramu, AP	2,10,000
10	Rashmi Metaliks Ltd	West Bengal	3,50,000
11	Kejriwal Castings Ltd	Durgapur	50,000
Total			33,30,000

Additional capacities also being planned

Specialty Steel

Specialty Steel: SS Pipes Outlook

Robust demand expected going forward

Key Drivers

- **Make in India** initiative by the government providing push to local manufacturing
- High value business and a **differentiated import-substitution** play with obvious synergies with existing business and capabilities, characterized by superior margins and resilient demand
- **High Entry Barriers** due to technology capabilities as well as approvals and accreditations required from customers, process licensors, and EPC players

Sectors

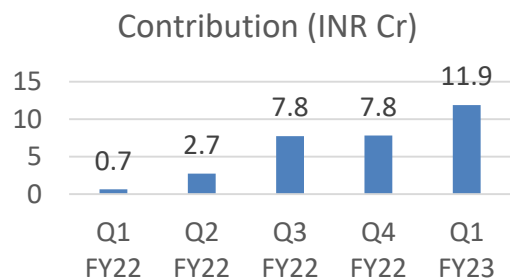
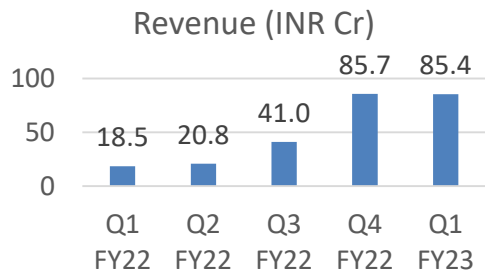
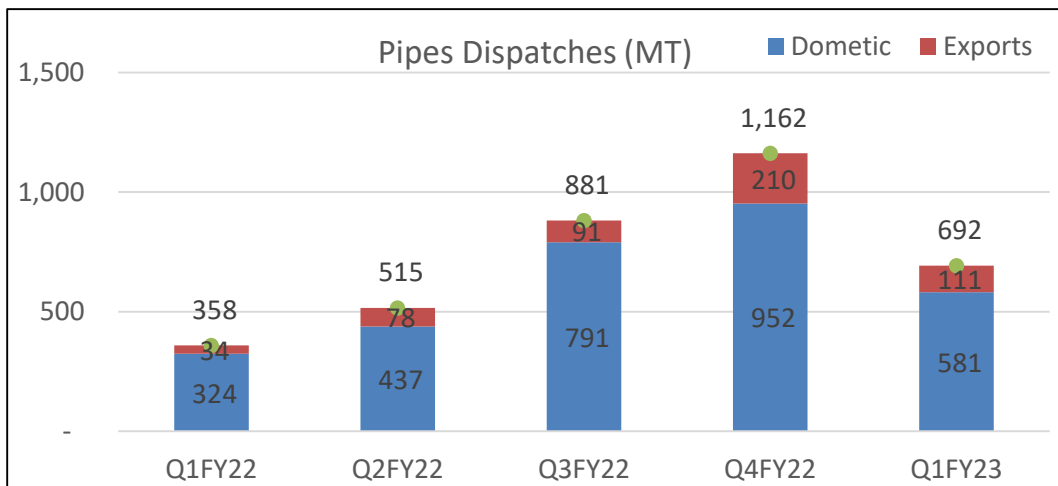
Critical applications in key sectors like Power, Nuclear, Defense, Petrochemicals etc.

Demand Estimates

~65 KMT in Domestic Market and ~25 KMT in Exports per Annum

Specialty Steel: Snapshot of Performance

Consistent improvement in performance since last few quarters



Visible Turnaround

- Pipes and Tubes
 - ✓ Healthy order book of 1,750 MT¹
 - ✓ Product acceptability both in the domestic and export market
 - ✓ Moving towards higher value added grades such as Nickel Alloy, Duplex & Super Duplex
- Only facility which is fully integrated from SS Steel to Pipes

Dip in performance of Q1FY23 due to the conflict in Europe and imposition of export duty

TMT

TMT: Our Differentiated Strategy

Forward Integration from Billets to TMT

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

~3 MN MT per Annum demand
expected in Gujarat for TMT rebars

Welspun Strategy

- Sharp focus on
 - ✓ **Branding and creating a robust distribution network - B2C segment**
 - ✓ Presence in High growth Western India (especially Gujrat) region where Welspun enjoys a strong brand presence
 - ✓ Differentiated Strategy to add value like Epoxy Coating on rebars and Pre- Fab rebars

Synergy with our steel
business

ABG Shipyard

ABG Shipyard: Assets Overview

Land: 165 Acres

Water front: ~1,000 m

Slip way: 220m X 25m

Slip Dock: 450m X 40m with rails and dock gate

Largest Ship lift system in world with the capacity of 33,000 MT

Partially completed Ship transfer system with fluidized bed of 27,000 MT capacity

Dedicated production bay for Offshore vessels

Assembling, fabrication and outfitting bay for bulk carriers

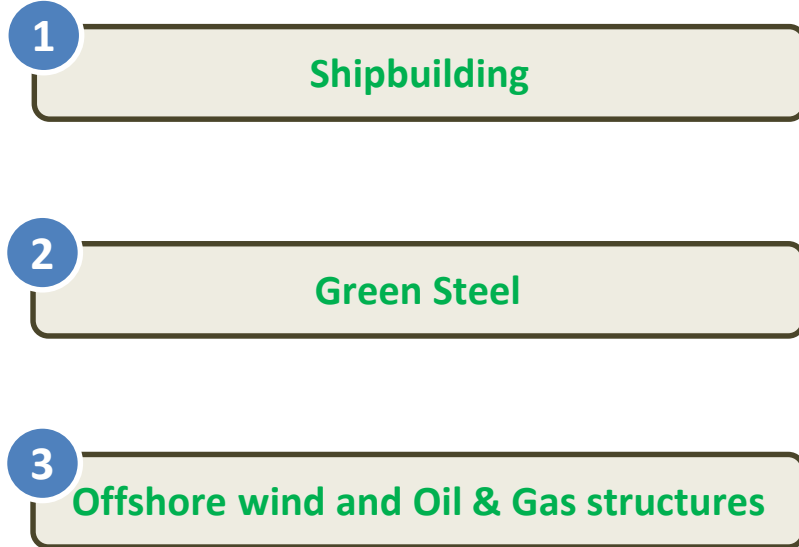
Painting & Blasting sheds with humidity control and grit recovery system

ABG: Value Accretive Transaction

- Transaction at Attractive Terms
- Total cost of acquisition: INR 659 Cr (plus applicable taxes)
- **The partially built obsolete ships and scrap in excess of 150,000 MT**
- Potential of **unlocking significant acquisition cost** within 12-15 months at current scrap value

ABG: Business Opportunities

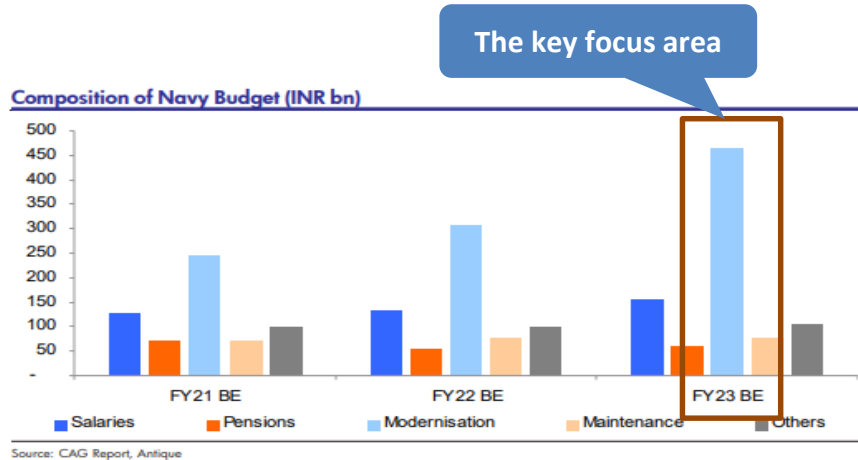
Potential to enter new businesses



- Defense Ship Building
- Commercial Ship Building
- Electric Ships
- Ship Breaking
- Ship Repair

ABG: Defense Outlay

Large opportunities in India Defense sector



Robust order book by the major players in the industry

Competition	Order book (INR cr)
Mazagon Dock Shipbuilders Ltd	43,000
Garden Reach Shipbuilders and Engineers	24,000
Cochin Shipyard	8,600
Goa Shipyard	15,000

- **Capex plan of USD 130 bn** for fleet modernization across all armed services over the next 5-7 years
- Focus on Make in India and **increase in procurement from domestic sources**
- The defense sector is well set to play a pivotal role in making India a USD 5 trn economy

Financial Performance: 10 Year Horizon

Consistent Performance resulting in a Strong Balance Sheet

INR	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Sales Volumes (KMT)										
India	635	646	632	510	650	764	629	578	626	506
USA	217	236	255	393	180	222	413	423	123	99
Saudi	165	138	265	197	106	96	237	500	254	190
Total	1,018	1,019	1,152	1,100	936	1,082	1,279	1,502	1,003	796
Revenue (INR Cr)	9,083	7,705	8,451	7,380	6,035	7,587	8,954	9,957	7,153	6,505
EBITDA (INR Cr)	919	844	951	891	737	815	708	1,276	1,152	1,023
EPS (INR)	6.1	2.8	2.6	5.8	1.0	6.0	2.6	25.6	29.8	16.8
Net Worth (INR Cr)	2,750	2,957	2,799	2,799	2,809	2,854	2,798	3,215	4,209	4,528
Net Debt/ (Cash) (INR Cr)	2,314	2,568	1,910	1,355	1,106	422	286	32	(447)	(173)
Net Debt to Equity	0.84	0.87	0.68	0.48	0.39	0.15	0.10	0.01	-0.11	-0.04
ROCE	8.2%	7.4%	8.7%	8.0%	6.4%	8.8%	22.6%	32.1%	21.29%	11.02%
Market Cap (INR Cr)	1,324	1,808	1,417	2,618	2,191	3,578	3,493	1,619	3,609	4,242

Investments in New Growth Areas

Current Market Cap of ~ INR 7,000 Cr

Covid Impact on market

Note:

- Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures
- FY18 / FY19 & Q1FY20 figures are reclassified and regrouped as continuing operations (Pipes) and discontinued operations (PCMD and 43 MW power)
- Pipe sales volumes are based on total operations including Saudi

Dividends

Strong Cash Flows used for Deleveraging, Reinvesting for Growth and Rewarding Shareholders

Consistent Dividend paying Company (Face Value = INR 5 per share)

INR	FY18	FY19	FY20	FY21	FY22
Dividend Per Share	0.5	0.5	10.5	5.0	5.0
Basic EPS - Consolidated (Cont. Ops)	6.0	2.6	25.6	24.1	16.8
Payout Ratio on Net Profit	8%	19%	41%	21%	30%

Note:

- FY21 EPS is not restated (restated EPS of FY21 was INR 29.8)

Summary

- Robust demand for Line Pipe for **next 3 to 5 years**
- 1 MN MT of confirmed and profitable order book, execution spread over 4 to 6 quarters, bringing **clear earnings visibility**
- **New Energy business is the future of pipelines** and recent win of one of the largest **Carbon Capture order** is a significant breakthrough
- **Qualification for Hydrogen pipelines** which is underway, will be another game changer
- **Strategic acquisition of Sintex BAPL** will position Welspun as a significant B2C player
- **Diversification of portfolio** (DI pipes, Specialty Steel, TMT) will bring **consistency and earning predictability** for the future

- **The new ventures are in start-up stage and will require incubation period of 2 more quarters**
- **Volatile commodity prices (especially Coal) and sudden export duties have adverse financial impact in the current quarter of ~ INR 150 Cr**
- H2 FY23 will have a significant recovery and FY23 EBIDTA potentially to be around FY22 Business EBIDTA
- **Net Debt for FY23 in the range of INR 1,800 Cr to INR 2,000 Cr as investments made for future growth**
- No new Project Capital Expenditure

- Top line of INR 15,000 Cr +
- Sustainable EBIDTA of INR 1,600 Cr to INR 1,800 Cr
- ROCE of 18% +
- Net Cash Positive driven by strong Free Cashflows
- DJSI ESG ratings to upwardly move from 41 to 60
- Dominant player in B2B and B2C segment in line with group vision of “Har Ghar Welspun”

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