

## **Record order book provides strong visibility**

**July 23, 2018, Mumbai:** Welspun Corp Ltd. (WCL), flagship Company of the Welspun Group, announced its consolidated financial results for the first quarter ended June 30, 2018.

### **Financial Highlights (Consolidated): For the quarter ended 30<sup>th</sup> June, 2018:**

- Total income from operation of Rs. 20,234 mn, up 25% YoY on account of higher volumes
- EBITDA at Rs. 2,197 mn, down 19% YoY on account of change in mix of orders
- Profit before tax and share of JVs of Rs. 815 mn, down 33% YoY
- PAT after Minorities & JVs of Rs. 467 mn, down 15% YoY
- Basic EPS at Rs. 1.76 vs. Rs. 2.06 in Q1FY18
- Production and sales of pipes (ex-Saudi Arabia operations) were up 12% / 9% YoY respectively.
- Production and sales of pipes (total operations) were up 26% / 22% YoY respectively.
- Plates & coils production stood at 123K MT vs. 59 K MT, up 109% YoY

### **Order book position (including all operations):**

Current pipe order book stands at **1,602K MTs (Rs. 111 billion)**, which is more than double the figure of 700K MTs at Q1FY18.

Commenting on the results, **Mr B. K. Goenka**, Chairman, Welspun Group said, "Our order book continues to remain at record levels, providing us strong visibility. We expect this order book to translate into higher capacity utilisation in the coming quarters. WCL stands to benefit from its local presence in key markets, given the increasing emphasis of governments on local sourcing. We expect good order inflows to continue this year, especially from the Americas, on account of strong demand and high energy prices."

## BUSINESS UPDATE

### Performance Snapshot

Figures in Rs. million unless specified

Particulars	Q1-FY19	Q4-FY18	Q1-FY18
<b>Ex-Saudi Arabia/ CWC operations</b>			
- Pipe Production (KMT)	254	200	227
- Pipe Sales (KMT)	229	199	210
<b>Total operations</b>			
- Pipe Production (KMT)	288	249	228
- Pipe Sales (KMT)	267	254	218
- Plates/ coils Production (KMT)	123	172	59
<b>Total Income from Operations</b>	<b>20,234</b>	<b>16,589</b>	<b>16,182</b>
<b>EBITDA</b>	<b>2,197</b>	<b>1,579</b>	<b>2,698</b>
Finance Cost	424	411	533
Depreciation and Amortisation	958	907	957
Profit before tax and share of JVs	815	261	1,208
<b>PAT after Minorities, Associates &amp; JVs</b>	<b>467</b>	<b>(45)</b>	<b>547</b>
<b>Cash PAT</b>	<b>1,576</b>	<b>1,354</b>	<b>1,407</b>

Notes: a) Q4FY18 and Q1FY19 Revenue from operations is net of Goods and Services Tax (GST). Please refer to Note 6 of Consolidated Financial Results for details

b) Prior period figures have been restated, wherever necessary

c) Cash PAT = PBT – Current tax + Depreciation

Figures in Rs. million unless specified

Consolidated debt	30-Jun-18	31-Mar-18	30-Jun-17
Gross Debt	14,333	13,864	20,309
Cash & Cash Equivalents	9,577	9,649	11,673
<b>Net Debt</b>	<b>4,756</b>	<b>4,216</b>	<b>8,636</b>

### Business outlook:

With increasing emphasis on local sourcing requirements across geographies, players with local capacity are expected to gain. Welspun Corp, with its sizeable capacities in India, US and Saudi Arabia, is ideally poised to benefit from this. The Company is setting up a Spiral Plant in Madhya Pradesh of around 175 KMT p.a. to align capacities closer to the market.

Demand uptick in Americas is clearly evident with a growing order pipeline in these regions. Demand from oil & gas segment in MENA is expected to become more relevant in H2FY19. Domestic market is gaining pace across segments.

Demand outlook for our Plate and Coil Mills division remains promising, while profitability concerns are being addressed.

## **BUSINESS UPDATE**

### **Post Q1FY19 investor / analyst conference call:**

WCL management would be happy to answer investor queries on a conference call. Please find details below:

Date : Monday, 23 July 2018

Time : 4:00 PM IST

#### **Dial in details:**

- India: +91 22 7115 8242, +91 22 6280 1341
- International Toll Free numbers
  - Hong Kong: 800 964 448
  - Singapore: 800 101 2045
  - UK: 080 8101 1573
  - USA: 1866 746 2133

### **About Welspun Corp Ltd. (WCL)**

Welspun Corp is a one-stop service provider offering complete pipe solution with a capability to manufacture line pipes ranging from 1½ inch to 140 inches, along with specialized coating, double jointing and bending. With current capacity of 2.425 million MTPA in Dahej, Anjar and Mandya in India, Little Rock in the USA and Dammam in Saudi Arabia, Welspun takes pride in being a preferred supplier to most of the Fortune 100 Oil & Gas companies. With 360 degree abilities, Welspun Corp has undertaken some of the most challenging projects in different parts of the world. With business excellence being a clear focus, the company is on the path of innovation and technology edge supported by its state-of-the-art facilities and global scale operations. The Line pipe industry caters to the sectors like energy and water resource management where in the line pipes supplied are used to construct cross-country pipelines for transportation of oil, gas, petro-products and water in the safest and most environment friendly way.

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**For further information please visit [www.welspuncorp.com](http://www.welspuncorp.com) or contact:**

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## ***BUSINESS UPDATE***

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