

Welspun Corp Ltd (WCL)

World's Leading Line Pipe Manufacturer

Investor Presentation

Q4FY17



SAFE HARBOUR

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PERFORMANCE HIGHLIGHTS Q4FY17

Rs. 20,695 mn

5% YoY



Income from Operations

330 KMT**

28% YoY



Pipe sales volume**

Rs. 3,066 mn

46% YoY



Reported EBIDTA

Rs. 2,160 mn

35% YoY



Operating EBITDA*

Rs. 1,909 mn

80% YoY



Cash PAT

Rs. 18,430 mn

vs. Rs 26,437 mn YoY



Gross Debt

*Note: *Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains; ** Excludes Saudi Arabia operations
All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC*

PERFORMANCE HIGHLIGHTS FY17

Rs. 60,355 mn

18% YoY



Income from Operations

830 KMT**

8% YoY



Pipe sales volume**

Rs. 7,370 mn

17% YoY



Reported EBIDTA

Rs. 5,379 mn

32% YoY



Operating EBITDA*

Rs. 4,534 mn

16% YoY



Cash PAT

Rs. 11,065 mn

vs. Rs 13,554 mn YoY



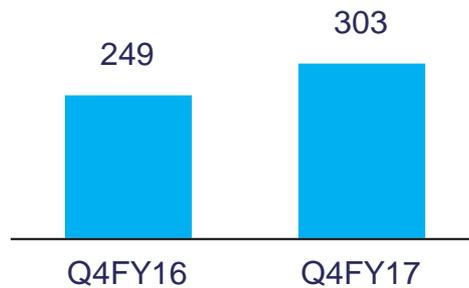
Net Debt

*Note: *Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains; ** Excludes Saudi Arabia operations
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Q4FY17 OPERATING PERFORMANCE

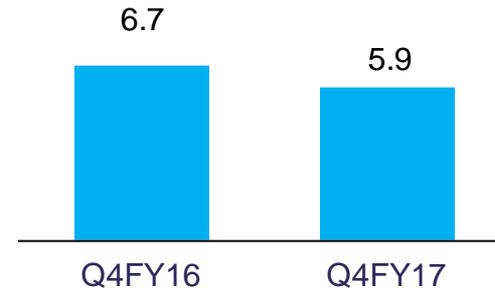
Pipe production

(KMT)



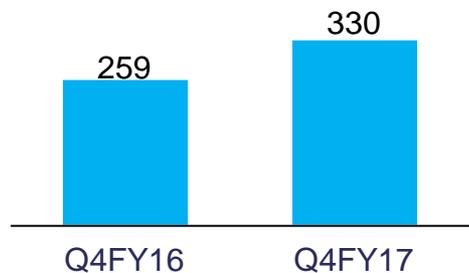
EBITDA*/Ton for Pipes

(Rs. '000)



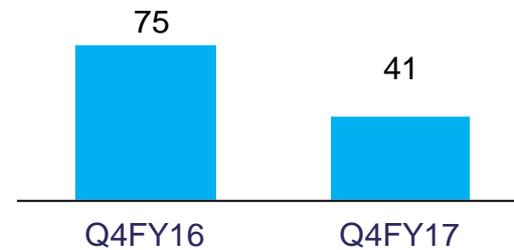
Pipe sales

(KMT)



Plate/ Coils production

(KMT)

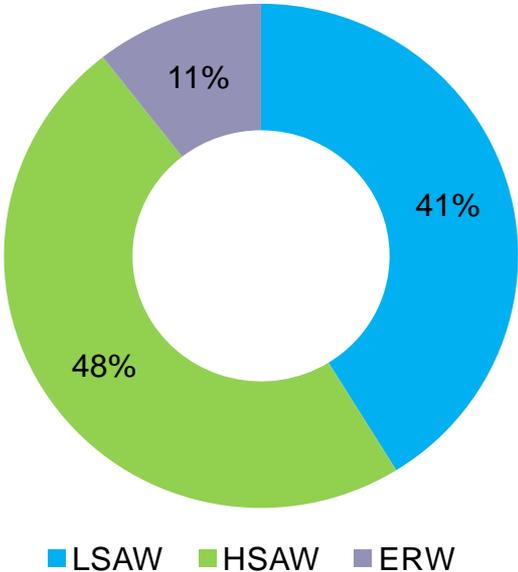


Note: * Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains

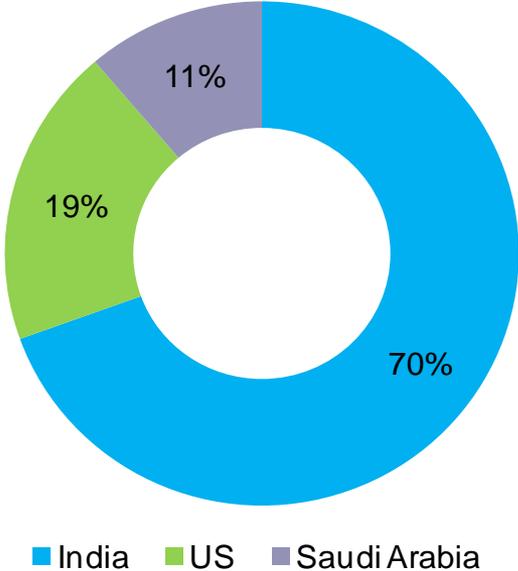
All numbers on this page excludes all JV operations – Saudi Arabia and CWC, unless specified ; Total pipe production excludes 30 KMT/ 26 KMT for Dammam, Saudi Arabia plant in Q4 FY16 and Q4 FY17 respectively; Total pipe sales excludes 12 KMT/ 9 KMT for Dammam, Saudi Arabia plant in Q4 FY16 and Q4FY17 respectively

DIVERSIFIED BUSINESS ACROSS REGIONS & PRODUCTS

FY17 Pipe Sales Volume : 935 KMT
(including Saudi Arabia operations)



Sales by Type

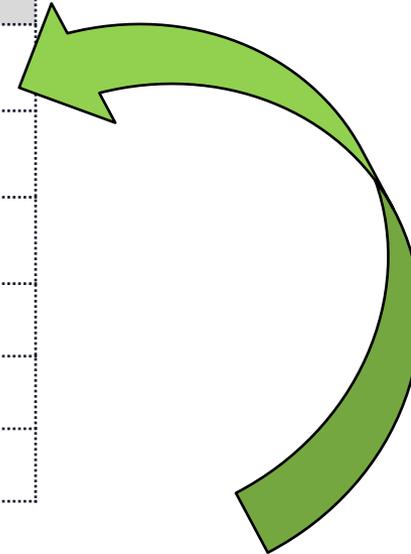


Sales by Plant

Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

HEALTHY BALANCE SHEET TO SUPPORT GROWTH

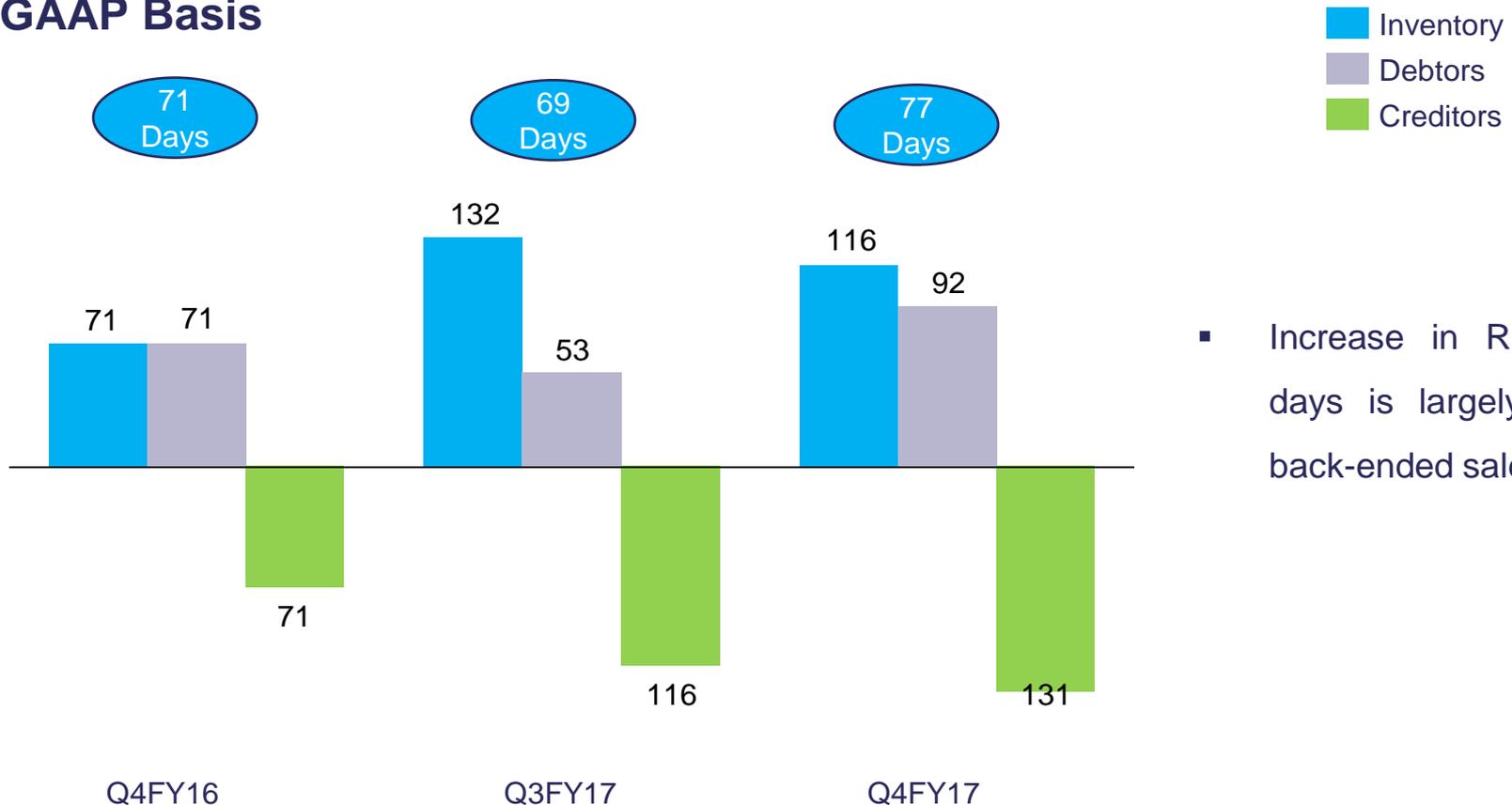
Rs mn	FY17	
	IND AS	I-GAAP
Gross Debt	18,430	23,693
Cash & Equivalent	7,365	8,409
Net Debt	11,065	15,284
Current Ratio	1.42x	1.52x
Net Debt/ Reported EBITDA	1.50x	1.95x
Net Debt/ Equity	0.39x	0.50x



- **Gross debt** (including all operations) as on 31 March 2017 was down Rs. 5,619 mn Q-o-Q largely due to repayment of high cost debt
- **Net debt** (including all operations) as on 31 March 2017 has reduced by Rs 1,271 mn Q-o-Q

NET WORKING CAPITAL UNDER CONTROL

I-GAAP Basis



- Increase in Receivable days is largely due to back-ended sales in Q4

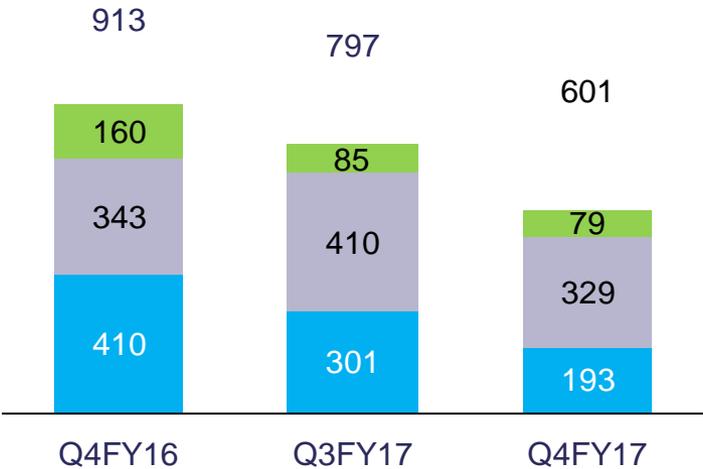
FY18 cash conversion cycle is expected in the region of 55-50 days

**Includes Debtors + Inventory – Creditors*
 All numbers on this page includes all operations

ORDERBOOK ANALYSIS (including Saudi Arabia operations)

Order book by Region

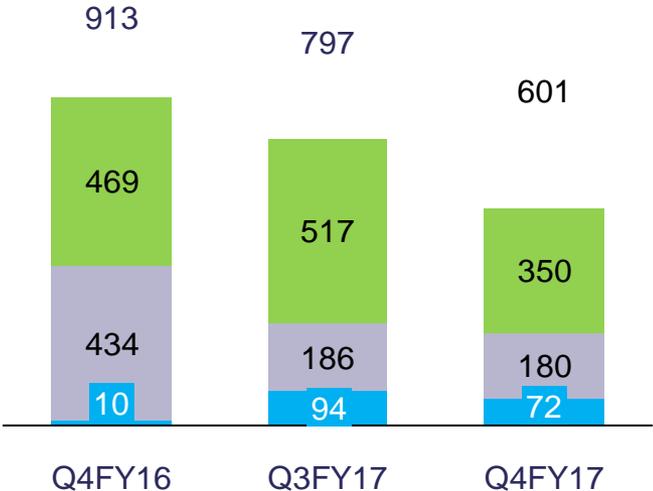
(KMT)



India & A-Pac Americas EU & MENA

Order book by Type

(KMT)



LSAW HSAW ERW

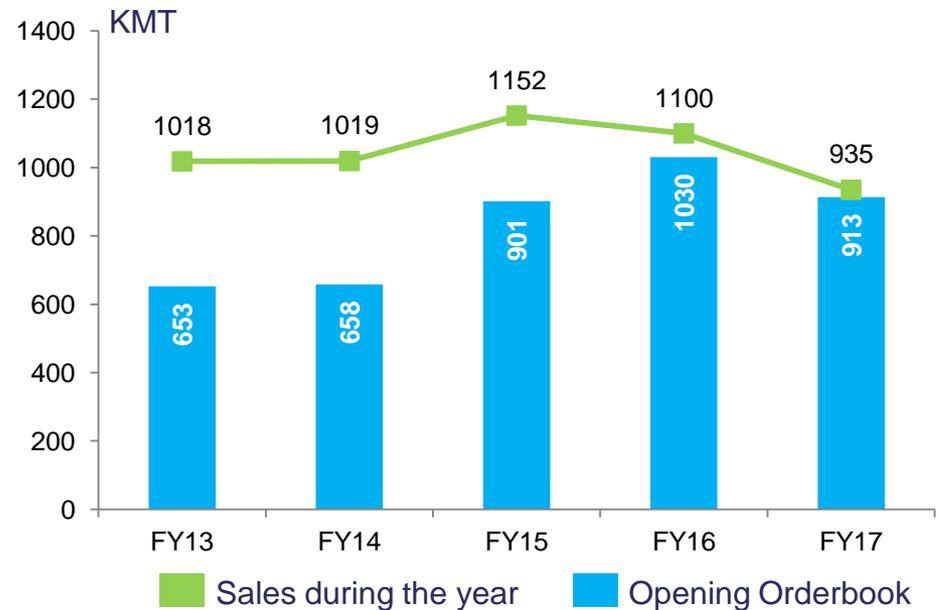
Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

OUTLOOK

Pipe sales has been significantly higher than opening order book

Demand drivers for FY18

- Expansion of National Gas Grid in India
- Large number of water projects across India
- Heavy oil development
- Deep sea development across the international markets



Expect good traction in international markets, especially North America, towards the second half of FY18

REPORTED & OPERATING EBITDA RECONCILIATION

Details (Rs. mn)	Q4FY16	Q4FY17
Reported EBITDA	2,099	3,066
Less : Other Income	124	219
Less : Unrealized FX (Loss)/Profit	371	687
Operating EBITDA	1,604	2,160

REPORTED & OPERATING EBITDA RECONCILIATION

Details (Rs. mn)	FY16	FY17
Reported EBITDA	8,908	7,370
Less : Other Income	1,131	1,435
Less : Unrealized FX (Loss)/Profit	(139)	555
Operating EBITDA	7,916	5,379

PROFIT & LOSS – QUARTERLY

Rs mn	Q4 FY16	Q4 FY17
Income from operations	19,637	20,695
Reported EBIDTA	2,099	3,066
Operating EBITDA*	1,604	2,160
Depreciation/Amortization	974	919
Finance Cost	577	634
Profit Before Tax	547	1,513
Tax	146	532
Minority Interest	19	(48)
Share of Profit/ (Loss) from Associates & JVs	(271)	(295)
Net Profit/ (Loss) for the period	112	734

Note: *Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/(loss); Prior period figures are reinstated wherever necessary; All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

PROFIT & LOSS – QUARTERLY

Rs mn	FY16	FY17
Income from operations	73,801	60,355
Reported EBIDTA	8,908	7,370
Operating EBITDA*	7,916	5,379
Depreciation/Amortization	3,865	3,861
Finance Cost	2,411	2,357
Profit Before Tax	2,632	1,152
Tax	792	258
Minority Interest	275	(163)
Share of Profit/ (Loss) from Associates & JVs	(47)	(793)
Net Profit/ (Loss) for the period	1,518	264

Note: *Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/(loss); Prior period figures are reinstated wherever necessary; All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

THANK YOU

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