Welspun Corp Ltd (WCL)

World's Leading Line Pipe Manufacturer

Investor Presentation

Q1FY18

SAFE HARBOUR

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Welspun Corp Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

PERFORMANCE HIGHLIGHTS Q1FY18

Rs. 16,182 mn
4% YoY
Income from Operations

210* KMT
5% YoY
Pipe sales volume

Rs. 2,698 mn
85% YoY
EBIDTA

Rs. 547 mn
vs. Rs (94) mn YoY
PAT

Rs. 1,407 mn
59% YoY
Cash PAT

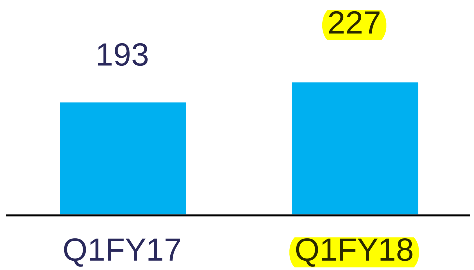
Rs. 8,636 mn
vs. Rs 11,065 mn in Q4FY17
Net Debt

*Note: * Excludes Saudi Arabia operations*
All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

Q1FY18 OPERATING PERFORMANCE

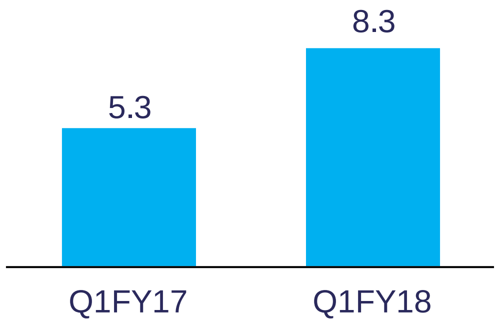
Pipe production

(KMT)



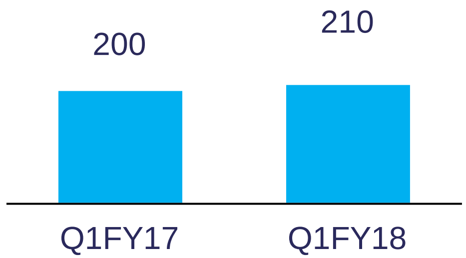
EBITDA/Ton for Pipes

(Rs. '000)



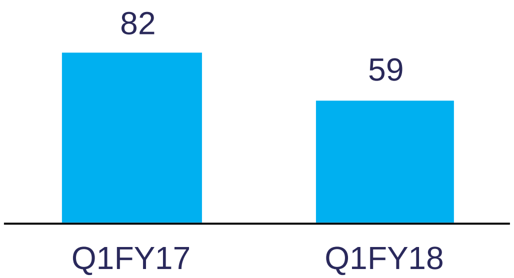
Pipe sales

(KMT)



Plate/ Coils production

(KMT)



Note: All numbers on this page excludes all JV operations – Saudi Arabia and CWC, unless specified ; Total pipe production excludes 1KMT/ 36 KMT for Saudi Arabia plant in Q1 FY18/ Q1 FY17 respectively; Total pipe sales excludes 9 KMT/ 51 KMT for Saudi Arabia plant in Q1FY18/ Q1 FY17 respectively

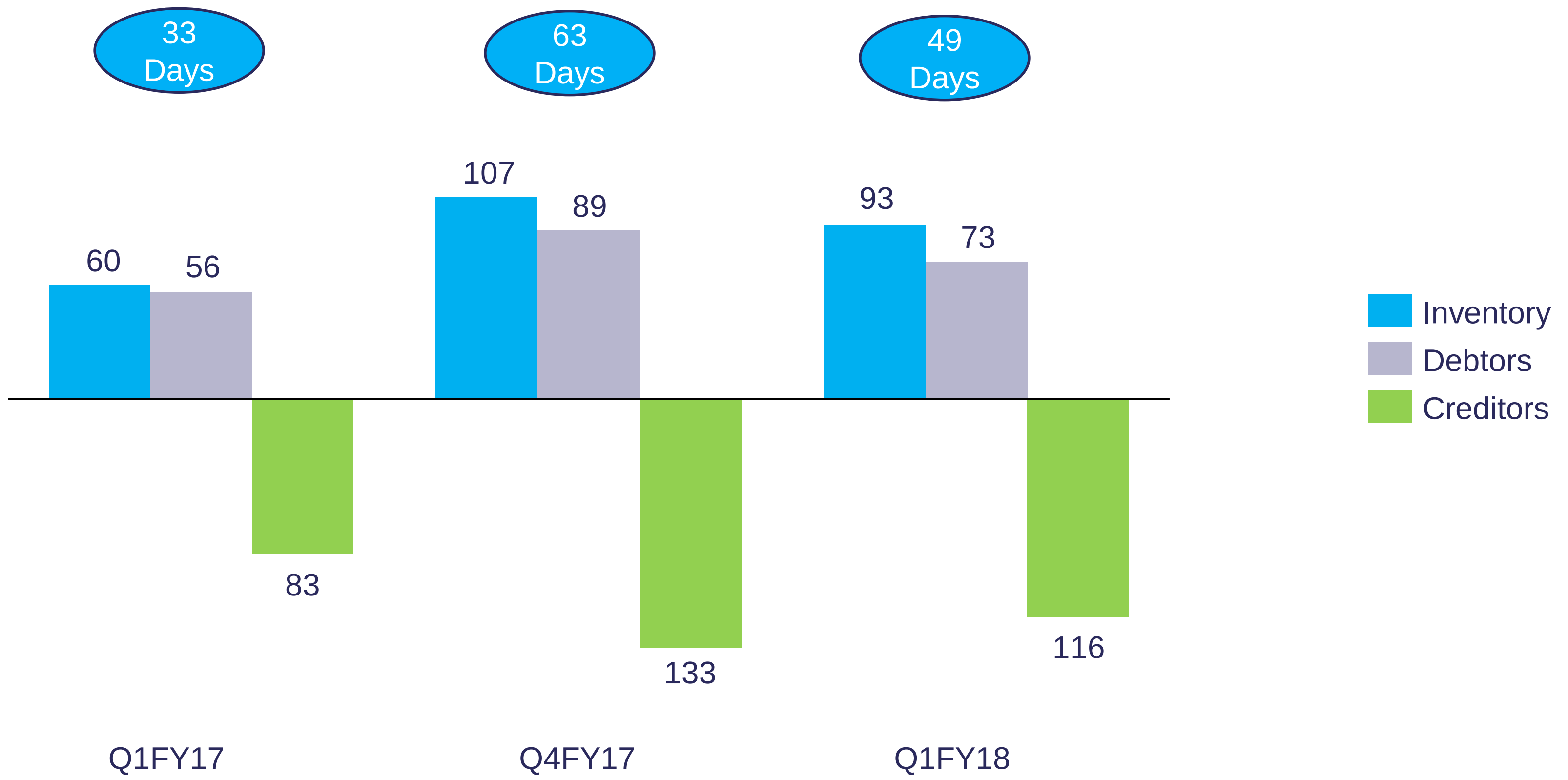
HEALTHY BALANCE SHEET TO SUPPORT GROWTH

Rs mn	Q1 FY17	Q4 FY17	Q1 FY18
Gross Debt	**23,663**	**18,430**	**20,309**
Cash & Equivalent	14,509	7,365	11,673
Net Debt	**9,155**	**11,065**	**8,636**
Current Ratio	1.54x	1.42x	1.61x
Net Debt/ Reported EBITDA	1.04x	1.50x	1.00x
Net Debt/ Equity	**0.33x**	**0.39x**	**0.31x**

- **Net debt** as on 30 June 2017 has reduced by Rs 2,429 mn Q-o-Q

NET WORKING CAPITAL UNDER CONTROL

IND AS Basis



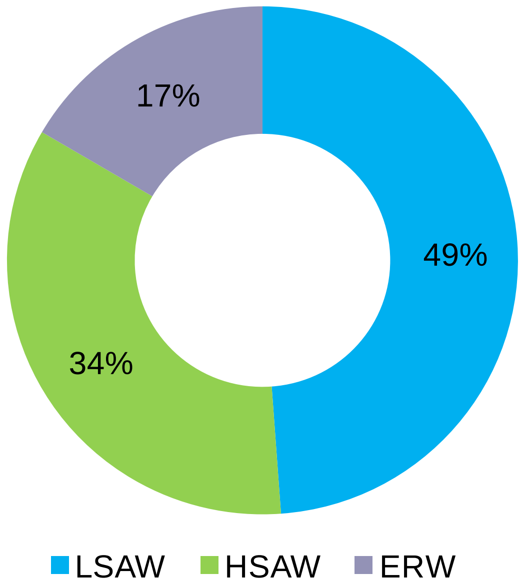
FY18 cash conversion cycle is expected in the region of 50-55 days

**Includes Debtors + Inventory – Creditors*

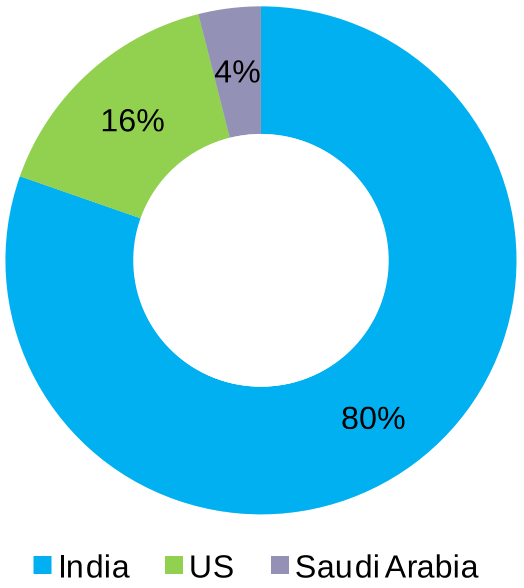
SALES VOLUME BREAK-UP

Q1FY18 Pipe Sales Volume : 218 KMT

(including Saudi Arabia operations)



Sales by Type

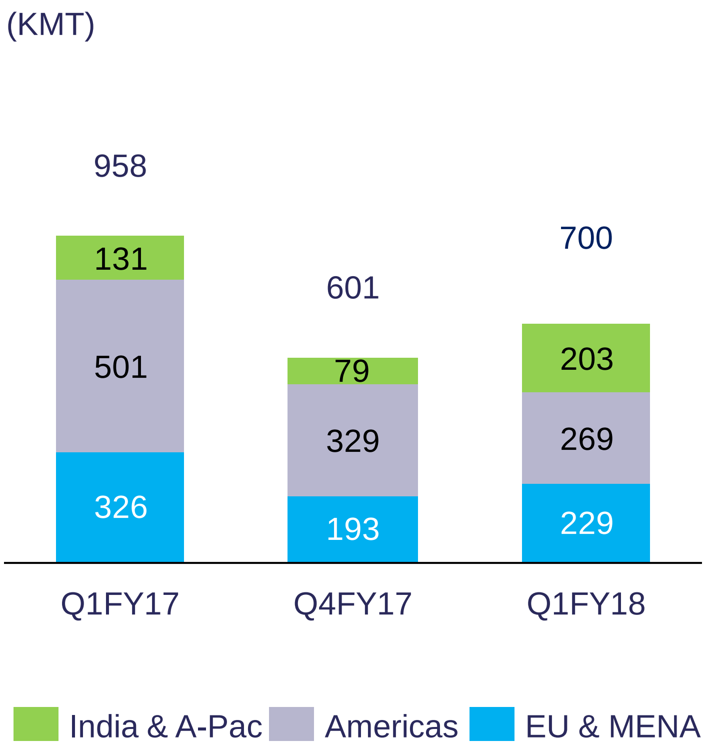


Sales by Plant

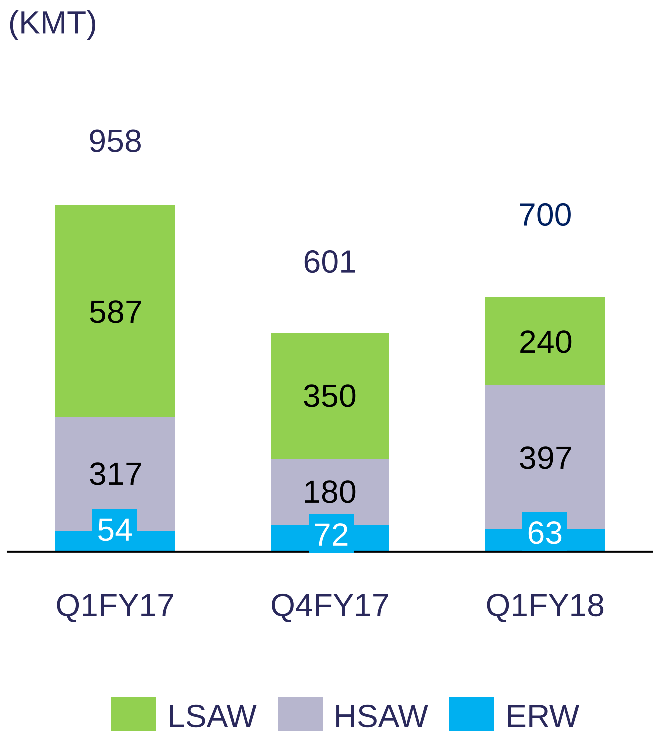
Note: All numbers on this page includes all JV operations – Saudi Arabia

ORDERBOOK ANALYSIS (including Saudi Arabia operations)

Order book by Region



Order book by Type



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

OUTLOOK

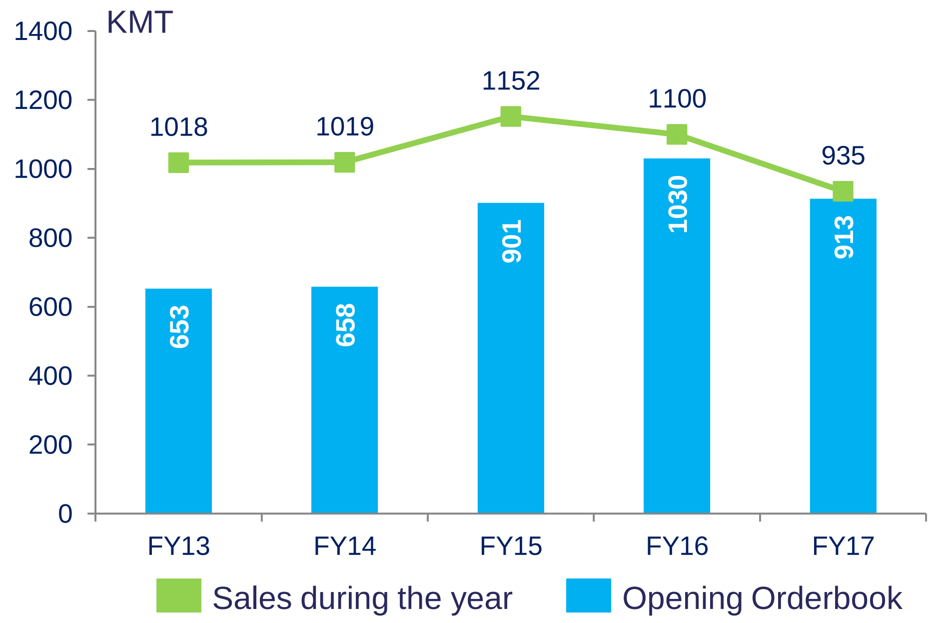
Pipe sales has been significantly higher than opening order book

FY18 YTD

- Strong order booking largely driven by water projects in India and Saudi Arabia
- Current orderbook stands at 700K MT vs. 601K MT as declared with FY17 results
- Q1 witnessed above-average margins led by execution of some niche orders in Americas and MENA region. In our view, it will be difficult to sustain such margins on an annual basis.

Demand drivers for FY18

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



Expect good traction in international markets, especially North America, towards end-FY18

PROFIT & LOSS – QUARTERLY

Rs mn	Q1 FY17	Q1 FY18
Income from operations	**15,564**	**16,182**
EBIDTA	**1,460**	**2,698**
Depreciation/Amortization	936	957
Finance Cost	571	533
Profit Before Tax	**(48)**	**1,208**
Tax	(76)	447
Minority Interest	(12)	(35)
Share of Profit/ (Loss) from Associates & JVs	(134)	(250)
Net Profit/ (Loss) for the period	**(94)**	**547**

Note: 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

Welspun Corp Limited
CIN: L27100GJ1995PLC025609

Mr. Deepak Khetan
ir_wcl@welspun.com
+91-2266136584

Mr. Harish Venkateswaran
harish_venkateswaran@welspun.com

www.welspuncorp.com