



Welspun Corp Ltd (WCL) – Investor Presentation

World's Leading Pipe Manufacturer

November 2014

On The Path of Global Leadership...

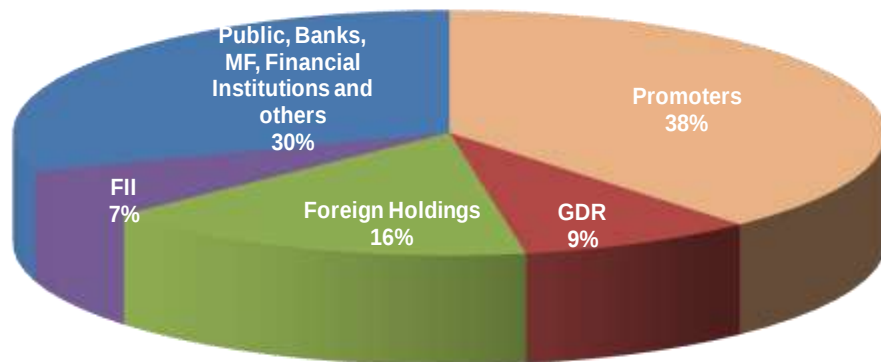


WELSPUN CITY, ANJAR

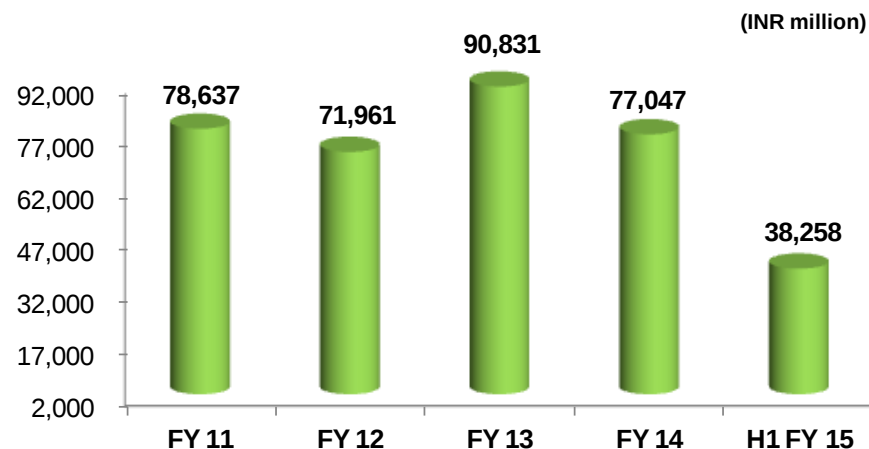
WCL – An Introduction

- ❖ Flagship company of the USD 3 Billion Welspun Group
- ❖ Leader in large diameter line pipe manufacturing with global capacity of 2.425 million MTPA
- ❖ International footprint with manufacturing and marketing facilities worldwide offering a One-Stop-Solution for all line pipe requirements
- ❖ Partner of Choice for more than 50 Oil & Gas Giants across the globe; geographically diverse client base including Chevron, Statoil, Shell, Saudi Aramco, TransCanada, Kinder Morgan etc.
- ❖ Accredited with ISO 9001, ISO 14001, ISO 17025, OHSAS 18001 and API ISO/TS 29001 certifications
- ❖ Strong order book of ~1,040 K MT at Rs. 71 Billion

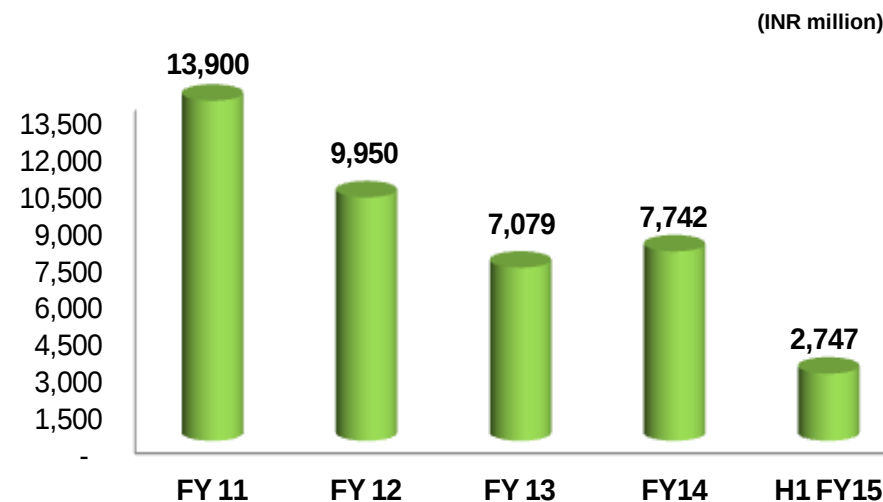
Shareholding Pattern as on Sept 30, 2014



Total Revenues – (Global Pipes and Plates)



Operational EBITDA – Global Pipes and Plates



Key Strengths





Industry View – Promising Outlook

❖ Americas – Visible signs of a rebound

- ❖ North American and Latin American outlook is quite positive with several projects already announced and several more in the pipeline.
- ❖ Longer term trend is also quite bullish

❖ US

- ❖ Domestic oil and gas production to rise over the next decade leading to a reduction in net import dependence; set to become a net exporter of natural gas by 2020
- ❖ Rise in Gas production → drop in gas prices → export of gas from USA; an attractive proposition in the future
- ❖ Replacement of old pipelines, if it materialises, could be a huge potential opportunity

❖ Canada

- ❖ Gas production boom in US to make export of gas from Canada into US, an unattractive proposition
- ❖ Imperative for Canada to build pipelines to export gas to new markets

Western Canada Natural Gas Production Regions





Industry View – Promising Outlook.....Contd

❖ *Middle East, Africa, Europe – Continue to be promising*

❖ Middle East

- ❖ Strong visibility from Saudi Arabia and UAE with projects planned to strengthen internal grid connectivity and export infrastructure

❖ Europe

- ❖ Looking to diversify its gas sources by sourcing gas from CIS and Africa which would need new pipelines

❖ *India and Asia Pacific - Improving demand outlook*

❖ India

- ❖ Ordering activity to pick up driven by the new government's focus on the sector
- ❖ As per Union Budget 2014-15, the government has plans of doubling the pipeline network by developing 15,000 kms of pipelines to add to the existing network

❖ Asia Pacific

- ❖ Thailand, Malaysia and Indonesia will be the prime countries of focus

Global Scale with complete product range

END TO END PIPE SOLUTIONS WITH 2.425 MMTPA

PLATES & COILS



LSAW

- Anjar (India) : 350 K MT
- Dahej (India) : 350 K MT

HSAW

- Anjar (India) : 500 K MT
- Dahej (India) : 50 K MT
- Mandya (India): 150 K MT
- Dammam (Saudi Arabia) : 300 K MT
- Little Rock (USA) : 350 KMT

ERW/ HFIW

- Anjar (India) : 200 K MT
- Little Rock (USA) : 175 K MT

Coating

- Anjar (India)
 - Ext. & Int.
- Dahej (India)
 - Ext & Int.
- Little Rock (USA)
 - Ext & Int.
- Dammam (SA)
 - External
- TOTAL
Capacity -32.05 Mn Sqm/year

Plates & Coils

- Anjar (India) : 1500 K MT

Local Manufacturing Presence



LSAW Pipes – Dahej & Anjar



ERW Pipes - Anjar



HSAW Pipes – Anjar, Dahej & Mandya



Pipe Coating – Anjar, US and Dammam

Local Manufacturing Presence



Plates - Anjar



HSAW pipes – Little Rock US

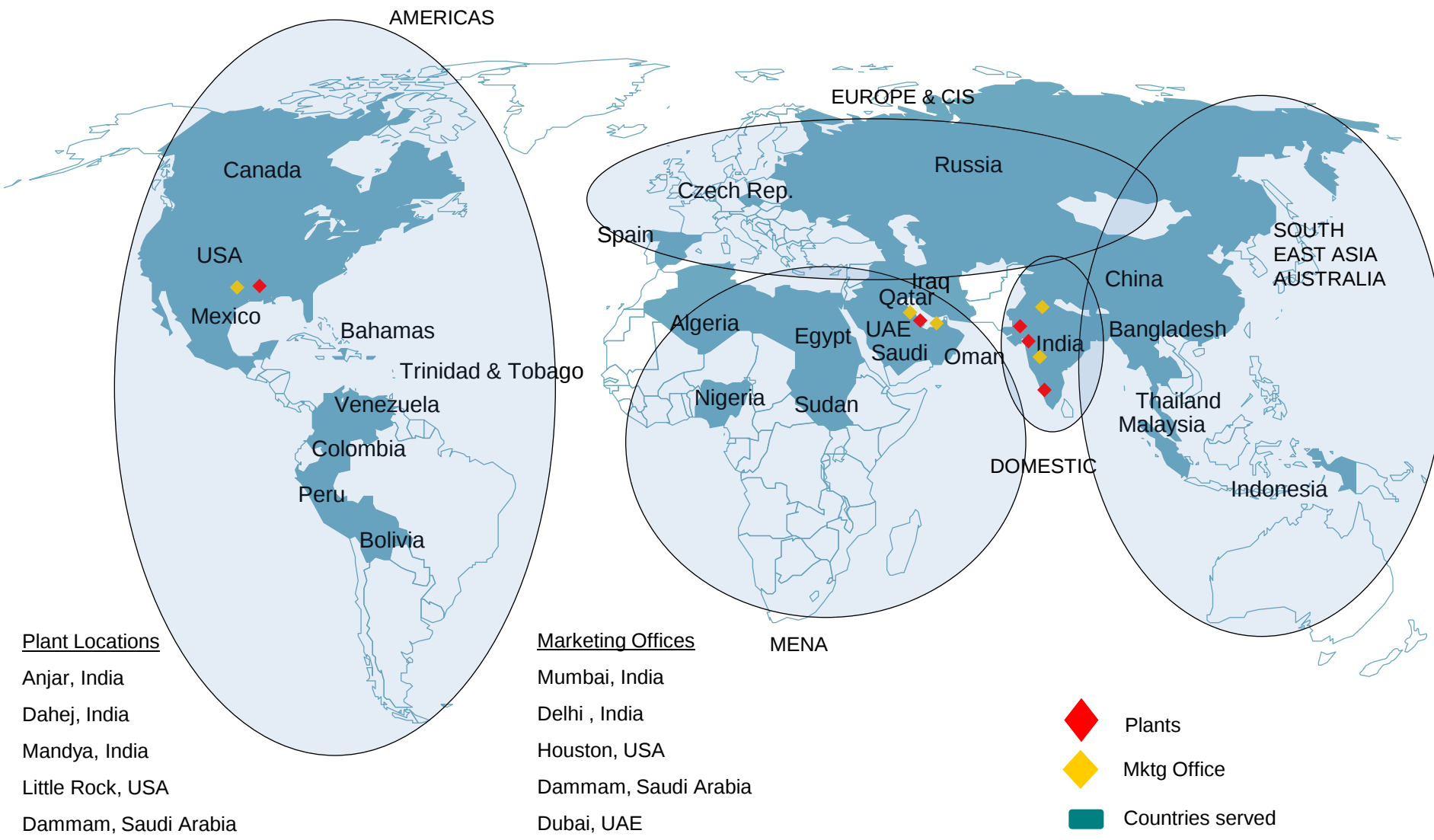


HSAW pipes – Dammam, Saudi



Skilled Workforce across all locations

Global Reach



Major Global Customers

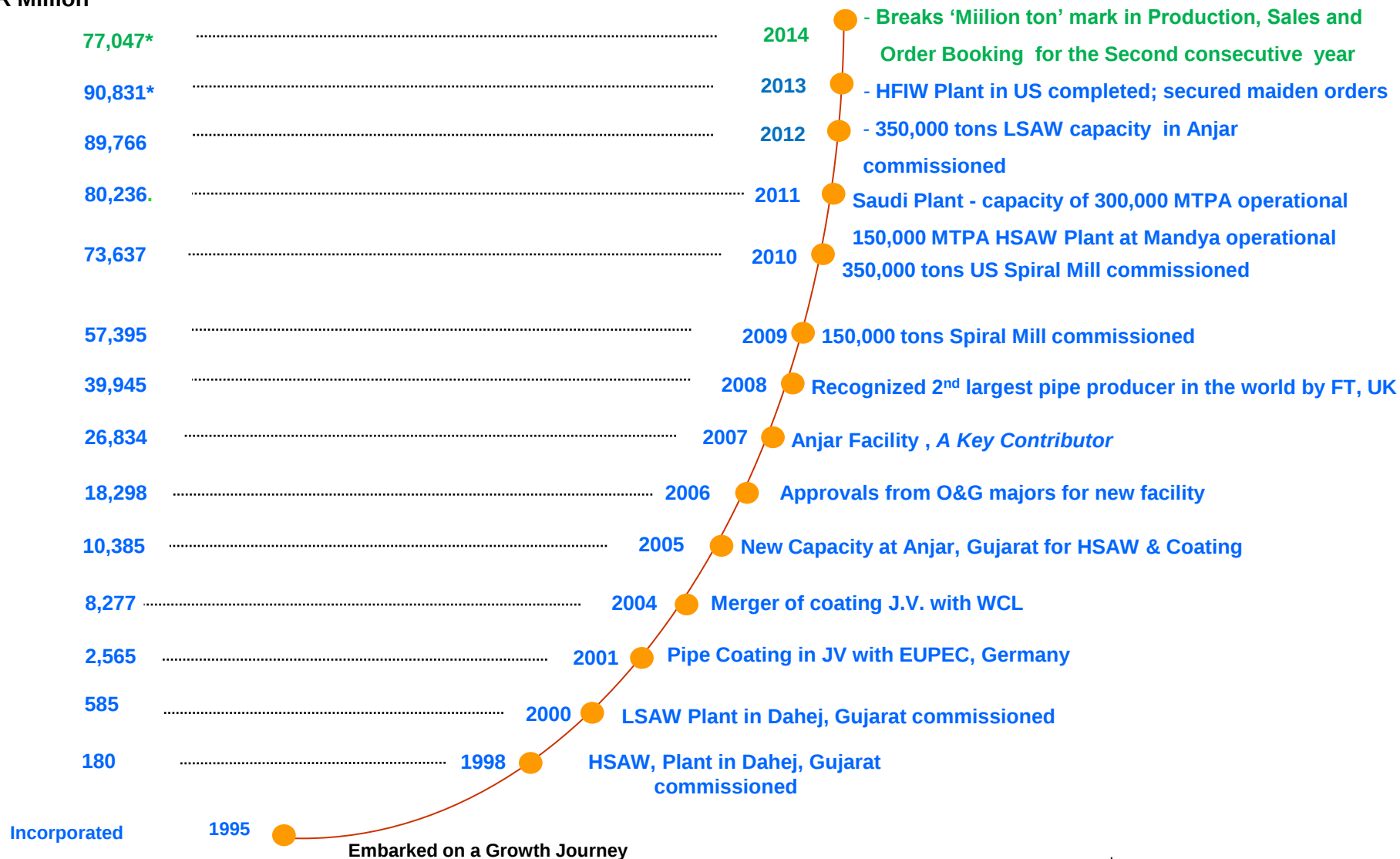
Marquee clients



❖ Client Approval : Time, Cost Barrier

Strong Track Record

Revenue
INR Million



*Consolidated Pipes and Plates Sales

Strong Track Record – Executed Landmark projects



DEEPEST PIPELINE

- Independence Trail Pipeline Project in Gulf of Mexico
- (Depth – 8330 Feet)



HEAVIEST PIPELINE

- IGAT IV to Middle East
- (Per pipe Weight-56" OD X 35.56 mm WT – Approx 15 MT/pipe)



LONGEST PIPELINE

- Keystone Project, TCPL, USA
- (Length - 1700 Kms)



HIGHEST PIPELINE

- Peru LNG in Peru
- (Altitude-16077 Feet)



HIGHEST THICKNESS IN SOUR SERVICE

- Washit Gas Program, Saudi Aramco
- (API 5L X65 PSL 2 – 42.90 mm WT)

**2,000 Kms of LSAW
pipes for Off shore service**

**12,000 Kms of Spiral Pipes
for onshore service**

**1,900 Kms of LSAW pipes
for Sour service**

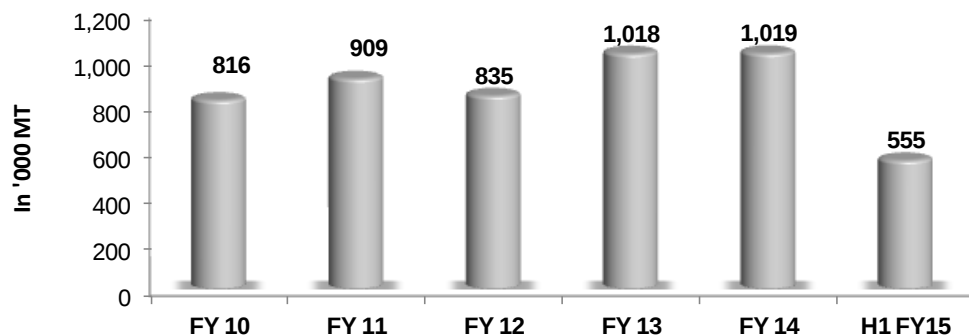
Strong Track Record – Delivering Strong Performance!

- ❖ Consistently strong order book with repeat orders from key oil and gas majors
- ❖ Order booking in H1FY14-15 has exceeded 700 K MT
- ❖ Current Order book (as on 01st Oct 2014) at 1,040 K MT (INR 71 billion)
- ❖ Production and sales exceeded 1 mn MT in FY13 and FY14 and has crossed 500 K MT in H1FY15 – an enviable feat in the pipe industry

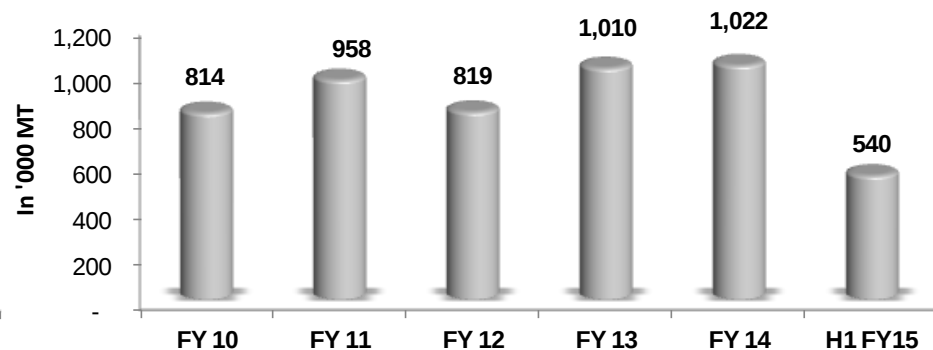
	Pipe Orders Booked	Pipe Orders Executed	Closing Pipe Orders
Year	K MT	K MT	K MT
2010-11	844	909	726
2011-12	762	835	653
2012-13	1,022	1,018	657
2013-14	1,261	1,019	901

Pipe Volumes – Consistent sales and production

Sales



Production

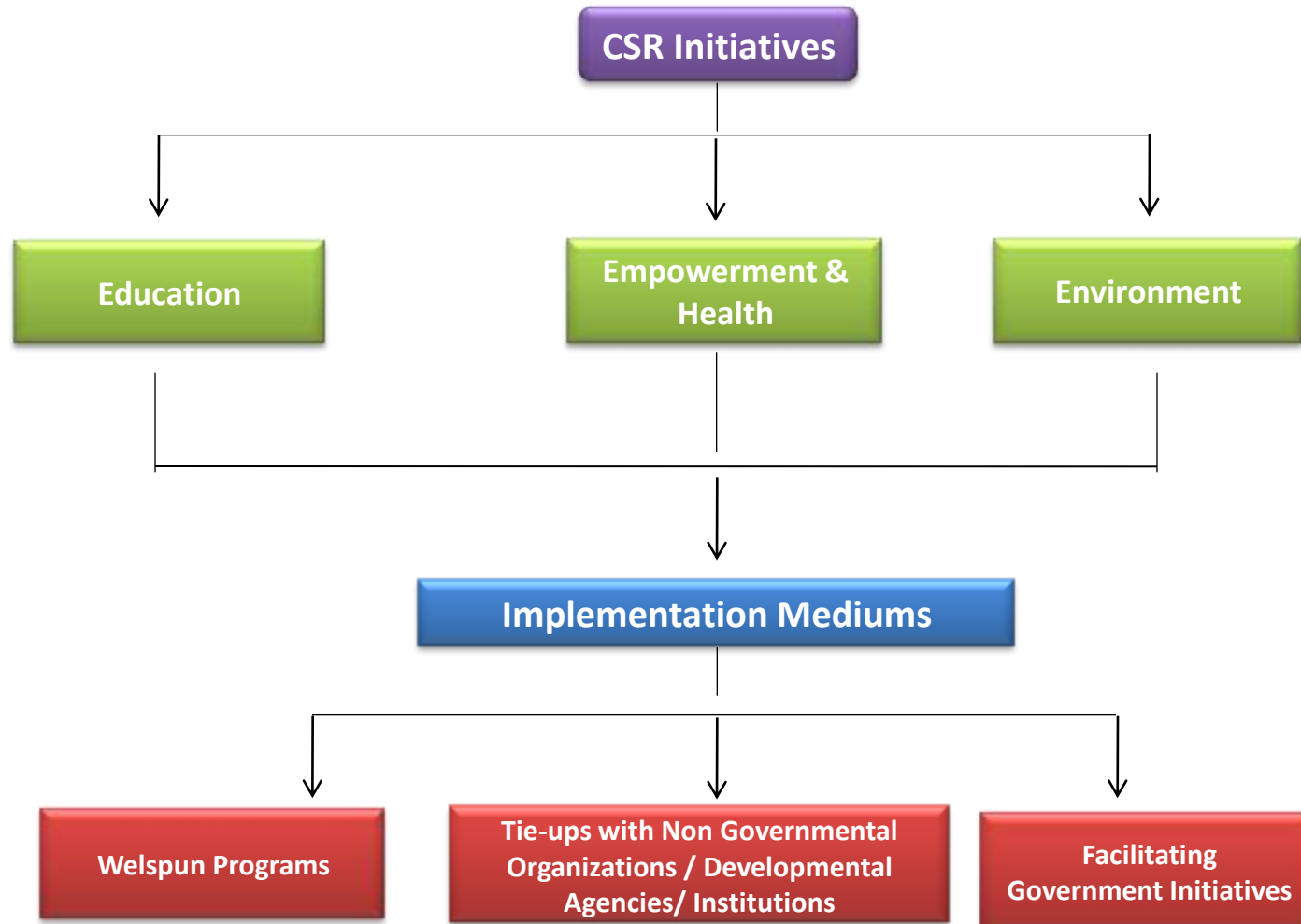


Strong Track Record – Community Focus

When Industry Cares.... The Community Smiles

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Financial Snapshot

Balance sheet Extract

(INR mn)

Key Balance Sheet Nos	FY13	FY14	H1 FY15
Net worth	27,556	29,569	28,653
Gross Debt	38,907	37,411	41,375
Cash & Cash Equivalent	15,737	12,590	17,916
Net Debt	23,170	24,821	23,458
Fixed Assets	51,025	50,377	49,123
Key Ratios	FY13	FY14	H1 FY15
Net Debt / Equity	0.83 x	0.84x	0.82x
Fixed Asset Coverage Ratio	1.63 x	1.49x	1.89x
Net debt / EBITDA	2.30 x	2.94x	3.53x
Current Ratio	1.43 x	1.61x	1.36x

Financial Snapshot

P&L Extract

	(INR Mn)		
Particulars	FY13	FY14	H1 FY15
Net sales	90,831	77,047	38,258
Operational EBITDA	7,079	7,742	2,747
Reported EBITDA	9,191	8,439	2,946
PBT before exceptional	2,076	1,412	(538)
Cash PAT	5,635	5,768	1,531

Note : a) Cash PAT = PBT before exceptionals + Depreciation – Current taxes (incl MAT credit, if any) + Post-tax Forex loss /(gain)

b) Operational EBITDA = Reported EBITDA – Non-operational income + Unrealised forex loss/(gain)

Proven and Experienced Management Team



Mr. B.K. Goenka is the **Chairman**, and the chief architect of the Welspun Group. Today, with his entrepreneurial ability and professionalism, he has built up one of the most admired business conglomerates in India



Mr. R.R. Mandawewala is the **Group Managing Director**, a key contributor in Welspun's journey. A Chartered Accountant by profession and with over 25 years of experience, he has expertise varying from Textiles to SAW pipes.



Mr. Braja K Mishra is the **Managing Director** of Welspun Corp and is a prominent figure in the industry with long and varied experience. He has over 25 years of experience and possesses immense critical know-how about the pipe and plate industry



Mr. Mintoo Bhandari, serves as a **Director** on the **Board (Nominee of a shareholder)**. Mr. Bhandari also serves on the Board of Directors of SOURCECORP, Dish TV India Limited and Wire & Wireless (India) Ltd.



Mr. David J. Delie serves as **President Welspun Tubular LLC**. He has an extensive 33-year background in the steel and pipe industry. Mr Delie has served on the Board of Directors of Berg Steel Pipe Corp., EB Pipe Coating, Inc., the American Iron & Steel Institute (AISI).



Mr. Akhil Jindal serves as **Director, Group & Finance and Strategy**. Mr. Jindal is responsible for strategic inorganic/organic initiatives within the Group and has spearheaded large fund raisings, cross border acquisitions, private equity raisings and financial closure of projects.



Mr. S. Krishnan serves as **Chief Financial Officer**. He has over 30 years of rich experience in the Finance Function. He also has experience of leading the IR team in his previous companies.



Mr. Prashant Mukherjee serves as **Director of Welded Pipes**. With over 24 years experience mostly in the Oil & Gas Pipe Industry, Mr. Mukherjee has been instrumental in implementing expansion projects in the Company



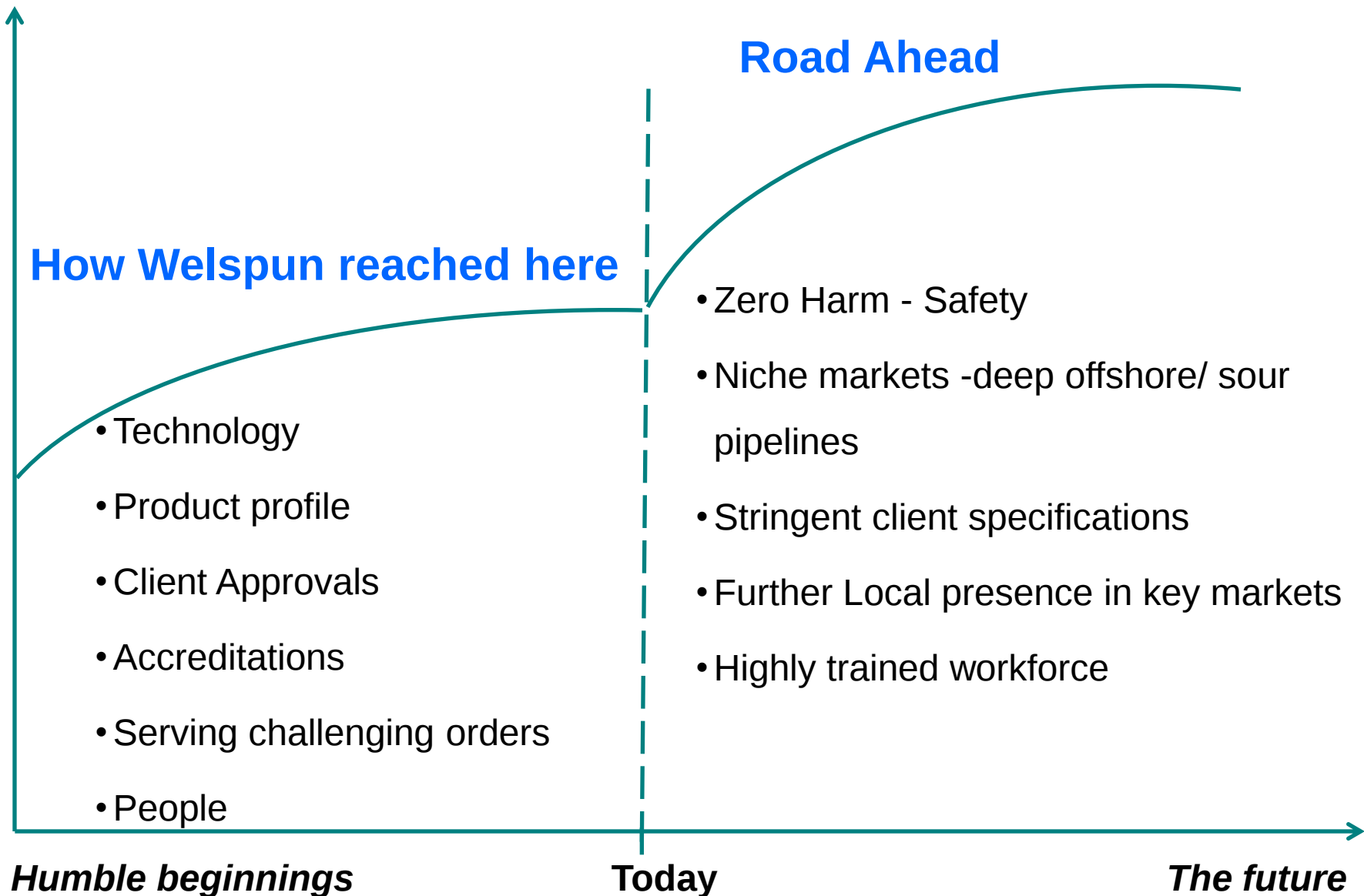
Mr. Vipul Mathur is the **Director - Sales & Marketing (Pipes)**. A Science Graduate and Masters in Business Administration (MBA) in Marketing, he has a rich experience of over 16 years in the Oil & Gas Pipe Industry



Mr. Akbar Umatiya is **Vice President & Unit Head of Welspun Middle East LLC (Saudi Plant)**. He is a technocrat Professional having more than 26 years of versatile experience in various fields like Operations, Project Execution and Marketing in India and Overseas.



Way forward...



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For further details, please contact:

Akhil Jindal

Director – Group Finance and Strategy

Email: akhil_jindal@welspun.com

Harish Venkateswaran

General Manager - Group Finance and Strategy

Email: harish_venkateswaran@welspun.com

Company Website: <http://www.welspuncorp.com>