WELSPUN CORP
PIPES AND PLATES

WCL/SEC/2019 **October 23, 2019**

To,

BSE Ltd. **(Scrip Code-532144)** Department of Listing, P. J. Towers, Dalal Street, Mumbai – 400 001.	**National Stock Exchange of India Ltd.** **(Symbol: WELCORP, Series EQ)** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

Dear Sirs/ Madam,

Sub.: Q2 FY20 Investors' Presentation

In continuation to our letter dated October 22, 2019, submitting Unaudited Financial Results for the quarter and half year ended September 30, 2019, please find enclosed the Q2 FY20 Investors' Presentation which is being released to the media.

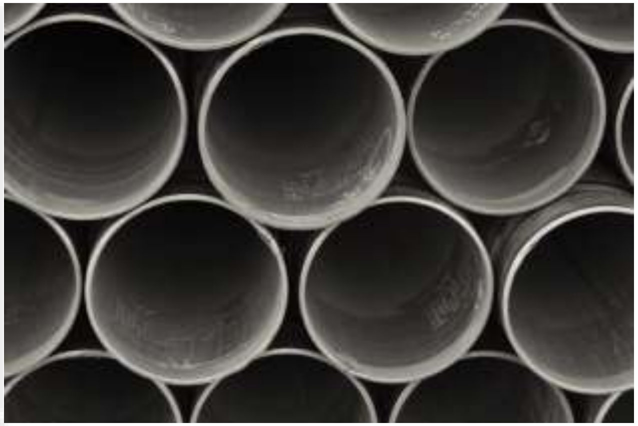
Thanking you.
For **Welspun Corp Limited**

Welspun Corp Limited

Pradeep Joshi
Company Secretary
FCS-4959

Welspun Corp Ltd

Investor Presentation – October 2019



World's Leading Line Pipe Manufacturer

HSAW
LSAW
ERW/HFIW

SAFE HARBOUR

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AGENDA

1. COMPANY OVERVIEW
2. FINANCIALS
3. OUTLOOK

WELSPUN CORP: AN OVERVIEW

FLAGSHIP COMPANY OF WELSPUN GROUP

WELSPUN INDIA
HOME TEXTILES

Global Leader in Home Textiles

Ranked #1 Home Textile Supplier to USA 5 Times in Last 6 Years

WELSPUN CORP
PIPES AND PLATES

Global Leader in Large Diameter Pipes

Manufacturing facilities in India, Saudi Arabia & USA

WELSPUN ENTERPRISES
INFRASTRUCTURE AND ENERGY

Specialised HAM Infra player

Completed India's 1st 14 lane Expressway in record time of 19 months vs scheduled 30 months

WELSPUN GROUP
LEADING TOMORROW TOGETHER

Group Revenue
US$ 2.7 Billion

Fixed Asset Base
US$ 1 Billion

Employees
25,000+

WELSPUN CORP LTD (WCL) - AT A GLANCE

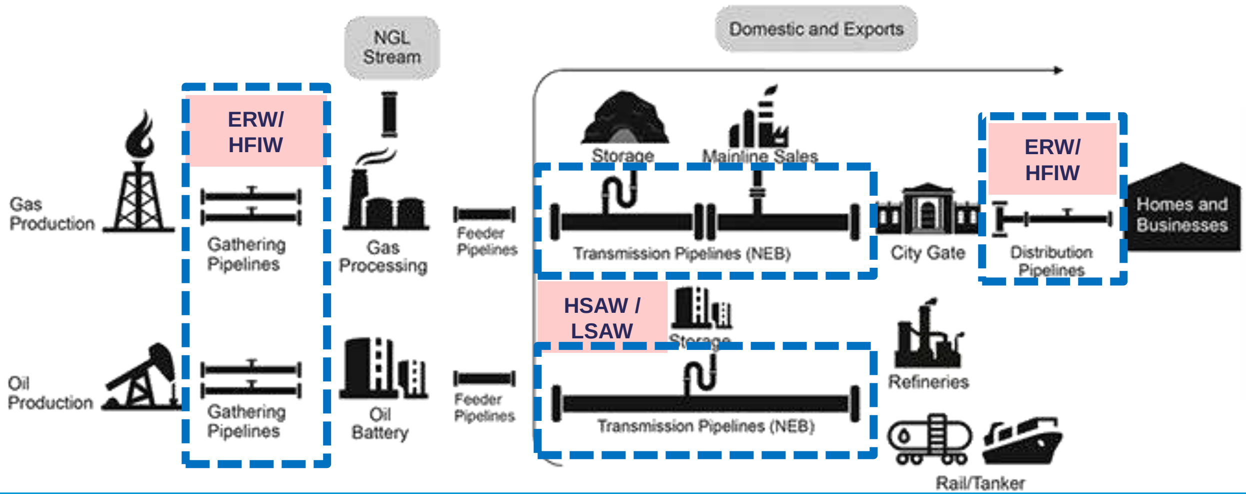
World's leading welded line pipe manufacturer

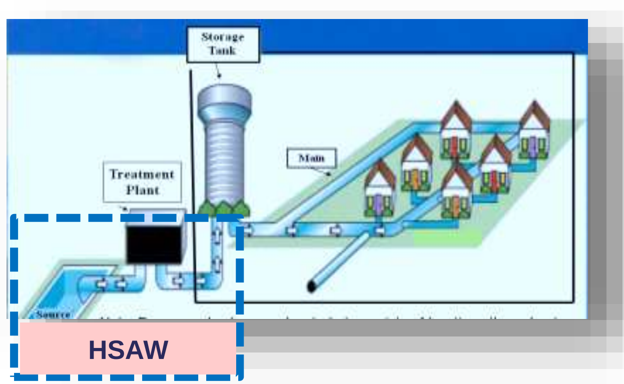
End-to-End service provider, offering comprehensive pipe solutions for a wide range of applications in oil and gas (for offshore and onshore projects) and water

With an aggregate capacity of 2.55 mn MTPA, WCL supplies pipes to some of the most challenging projects in the world

With manufacturing plants in India, USA and Saudi Arabia, WCL's global client base is spread over 50 countries across the globe

Line pipes are used for transporting oil, gas or water over long distances (interstate or from offshore/ under-sea) or as gathering lines (from well to processing centre)





Source: PHMSA, GAO & US EPA

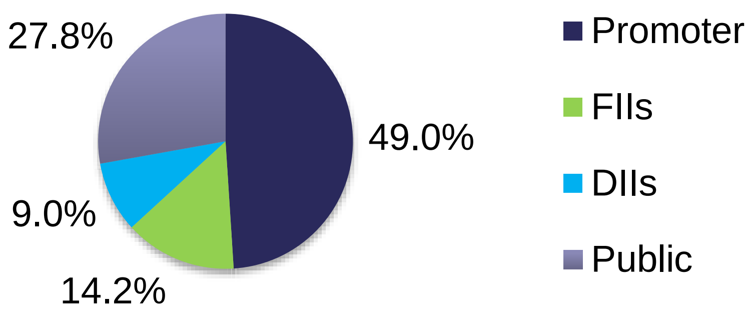
KEY MILESTONES

- **1995** – Incorporated as Welspun Gujarat Stahl Rohren
- **1998** – First 50 KTPA HSAW mill at Dahej
- **2000** – 200 KTPA LSAW mill at Dahej with Mannesmann, Germany
- **2007** – Won 1,700 KM Keystone project from Trans Canada
- **2008** – Integrated plate and coil mill at Anjar; 150 KTPA HSAW mill at Anjar
- **2009** – 350 KTPA HSAW mill at Arkansas, US
- **2010** – Renamed as Welspun Corp Ltd.; 100 KTPA HSAW mill at Mandya
- **2011** – 350 KTPA LSAW mill at Anjar; 300 KTPA HSAW mill at Saudi Arabia
- **2013** – Volumes of 1 mn MT; 175 KTPA small-diameter HFIW mill in the US to cater shale gas business; Demerged non-pipe businesses into Welspun Enterprise Ltd
- **2016** – 4th year of >1 mn MT volumes; Order book at record high; JV with Wasco Energy Ltd for CWC plant
- **2018** – All time high order book at 1,657 KMT (Rs. 109 Billion)
- **2019** – Bhopal plant commissioned; Saudi mill ramps up

CAPITAL MARKETS AND GOVERNANCE

Shareholding Pattern

Quarter ending September 2019



Market Statistics

As on September 30, 2019	INR	USD
Price per share	133.55	1.89
No of Shares outstanding (Mn)	265.2	265.2
Market Capitalization (Mn)	35,421	501
Daily Average Trading Volumes Q2 FY20) No of shares in Mn	0.5	0.5
Daily Average Trading Value (Q2 FY20) (Mn)	63.6	0.9

- **Strong credit rating (CRISIL):**
  - Long Term → AA(-) with Positive Outlook
  - Short Term → A1+
- **Robust relationship with Marquee financial institutions like:**
  - LIC
  - Exim Bank
  - SBI
  - PNB
- **Statutory Auditors**
  - M/s. Price Waterhouse Chartered Accountants LLP
- **Zero Pledge of shares by Promoters**
- **Diversified Board of Directors with expertise across domains**
- **Payout to Shareholders**
  - Track record of paying dividend to shareholders for last 14 years
  - Buyback at Rs. 135 per share (Opened on 22nd October 2019)

DRIVING TOWARDS VALUE CREATION

No Pledge of shares by Promoters

All three geographies simultaneously performing

Strong future growth visibility

Saudi business – Operational & Financial Turnaround; EPS accretive

Strong Free Cash Flow generation

Visible improvement in Operational and Financial Performance

EPS → A quantum improvement

Leaner B/S, High ROCE & Unlocking Value

CORE STRENGTHS

1. End to End Products and Solutions
2. Global Reach with Local Presence in Key Markets
3. Partnership with global giants
4. Expertise in delivering complex projects
5. Focused on R&D and pipeline technology
6. Experienced Board and Management with Proven Track Record
7. Turnaround in business performance
8. Sustainability at the core of the business

1 END TO END PRODUCTS AND SOLUTIONS

HSAW Pipes

18 – 140 inch diameter, moderate wall thickness

Helically welded pipes made from HR coils; used for on-shore oil, gas & water transmission.

LSAW Pipes

16 – 60 inch diameter, high wall thickness

Longitudinally welded pipes made from HR plates; used for onshore / off-shore oil & gas transmission.

ERW/HFIW Pipes

1.5 – 20 inch diameter, low/moderate wall thickness

High-frequency electric welded pipes made from HR coils; used for downstream distribution of oil, gas & water.

Coating Systems

Double Jointing, 3LPE, 3LPP, DJ, Internal Solvent /Solvent free coating, Coal Tar Enamel, Inside Cement Mortar Lining

Value Added services

Concrete Weight Coating, Pipe bending, ID Machining, Dump Site & Inventory management

GLOBAL MANUFACTURING FACILITIES

Capacity (in KMT)	India				US	Saudi Arabia	Total
Products/City	Anjar	Dahej	Mandya	Bhopal	Little Rock	Dammam	
LSAW	350	350	-	-	-	-	700
HSAW	380	50	150	175	350	375	1,480
ERW/HFIW	200	-	-	-	175	-	375
Total (KMT)	1,655				525	375	2,555

Modern manufacturing facilities with minimum maintenance capex

- Port based facilities
- All major accreditations
- Best in class equipment & practices

2 GLOBAL CUSTOMER REACH

Plant Locations

- Anjar, India
- Dahej, India
- Mandya, India
- Bhopal, India
- Little Rock, USA
- Dammam, Saudi Arabia

Marketing Offices

- Mumbai, India
- Houston, USA
- Dammam, Saudi Arabia

Reaching over 50 countries across the globe

3 ESTABLISHED RELATIONSHIP WITH GLOBAL GIANTS

Oil & gas

Shell, TOTAL, Chevron, ONGC, PETROBRAS, ConocoPhillips, GASCO, ExxonMobil, Reliance Industries Limited, bp, British Gas, PTTEP, M.O.G.E., Statoil, Saudi Aramco, IndianOil, PERU LNG, GAZPROM, CPOC, Qatar Petroleum

Transportation

TC Energy, KINDER MORGAN, Enterprise Products, PLAINS ALL AMERICAN PIPELINE, L.P., Williams, ENERGY TRANSFER, NGL Energy Partners LP, ENBRIDGE

Others

L&T, FLUOR, eni, SAIPEM, BECHTEL, M, Agip, ODEBRECHT, DOW, KVAERNER, Saline Water Conversion Corporation

Approvals & accreditations from marquee customers across the globe

4 EXPERTISE IN EXECUTING CRITICAL PROJECTS

AMONG THE

Deepest	**Independence Trail** 233 Kms, 24” deep sea gas transmission pipeline in Gulf of Mexico **Complexity: High collapse resistance**	**Water Depth 2,420m (7,940 ft)**
Heaviest	**IGAT- IV** 100 Kms, 56” of high pressure gas transmission pipeline in Persian Gulf **Complexity: Large diameter high wall thickness, X70 grade of steel**	**Wall Thickness 35.56 mm**
Highest	**Peru LNG** 118 Kms, 34” gas transmission pipeline **Complexity: Pipeline in service at very high altitude**	**Altitude > 9,000 feet**
Longest	**Keystone Pipeline** One of the largest Supplier for Canada to USA, 36” Crude Oil Pipeline **Complexity: Long distance hydrocarbon pipeline**	**Length ~1,450 kms**
Sour Service	**Arabiyah-Hasbah (Wasit Gas Program)** 100 kms, 36” of gas pipeline in Saudi Arabia **Complexity: Highly sour gas**	**Wall Thickness 42.9 mm**
Stringent tolerance level	**Stampede Oil Export SCR* Pipeline** ~32 kms, 18” oil, 25.40 mm wall thickness pipeline in Gulf of Mexico **Complexity: Only WCL could match specifications**	**OOR at pipe ends: 2 mm maximum**

Track Record of delivering more than 13 million tonnes of Pipeline

Note: *SCR = Steel Catenary Riser

5 FOCUS ON R&D AND PIPELINE TECHNOLOGY

Technical knowhow with optimal solutions

Experience of delivering pipe with stringent specifications gives us the edge for prestigious and challenging projects like Keystone Pipeline, Peru LNG, Wasit Gas Program, Independence Trail, IGAT-IV, Master Gas - I

Dedicated R&D facility

Fully equipped Growth Workshop facilities to facilitate capability enhancement, capacity expansion, de-bottlenecking, automation and product development programs

Continuous research

Continuous research in steel, strain-based and deep sea pipelines, welding technology and consumables, and quality integrated management systems

Technical expert team

Technical experts, who belong to various international technical committees for oil and gas pipeline research, contribute to the development of new standards for line pipe durability

6 EXPERIENCED BOARD AND MANAGEMENT

Board of Directors

B.K.Goenka, Chairman
- Amongst India's most dynamic businessmen.
- Ranked amongst India's Most Powerful CEOs by Economic Times.

Rajesh Mandawewala, Group MD
- Associated with Welspun Group since 1985 as promoter.
- Chartered Accountant with experience across industries.

Amita Misra – Independent Director
- 38+ years of experience in various government & international organizations.
- Area of specialization includes - Finance, Governance, Policy, etc

Desh Raj Dogra - Independent Director
- Retired Managing Director & CEO of Credit Analysis and Research Limited. He is an MBA, CAIIB, M.Sc., B.Sc. Over 38 years of experience in financial sector.

K. H. Viswanathan - Independent Director
- Qualified cost and works accountant with over 34 years of experience in Corporate India. Experience in the field of Tax and Legal advisory and structuring.

Raj Kumar Jain – Independent Director
- Over 30 years of experience in the field of finance and accounts and has been providing advice to the Company in matters relating to accounts and internal control.

Revathy Ashok - Independent Director
- Gold medalist from the IIM, Bangalore. Independent Consulting Practice, working with mid and early stage companies, helping them scale

Utsav Baijal - Nominee Director
- Mr. Baijal is a nominee director of Insight Solutions Limited. Mr. Baijal joined Apollo in its New York office and worked actively on distressed investments.

Kaushik Subramaniam - Nominee Director
- Degree of Financial Risk Manager with over 10 years of experience in the area of private equity investing.

Management Team

Vipul Mathur, Managing Director & CEO, Member of Board
- Well-known figure in the global pipe industry; Associated with Welspun since 2001
- Contributed significantly towards the growth of the Company
- Recipient of Hall of Fame Steel CEO of the year (2018) by SUFI

Percy Birdy, Chief Financial Officer
- Member of ICAI and ICWAI with 25+ years of experience in the areas of Corporate Finance & Accounting, Costing, Budgeting, Direct & Indirect Tax, Banking, etc.
- Has previously worked with Allanasons Group, Glenmark, Essel Propack

Godfrey John, Business Head - INDIA /APAC/MENA & EUROPE
- 25+ years of experience in the industry.
- Expertise in pipes across applications such as Oil & Gas, Water, Ports and Terminals as well as structural pipes

Rusty Fisher, SVP –Sales and Marketing (USA)
- 33+ years of experience in the industry
- Has previously worked with Tubular Synergy Group, US Steel, Lone Star
- Served as Chairman, Line Pipe Manufacturers Group (National Association of Pipe Coating Applicators)

Hisham Abdullatif Mohammed Allhmil, CEO (Middle East)
- Well-known figure in the Saudi steel and pipe industry
- Previously worked with esteemed organizations in Saudi Arabia such as Saudi Steel Pipe, SABIC, Saudi Iron and Steel Co. (HADEED)

T.S. Kathayat, President & Chief - Corporate Quality & Technical Services
- 23+ years of Work Experience in the manufacturing Industry
- Conferred with “Quality leadership Award” and "Corporate Excellence Leader of the Year “by World Quality Congress

6 AWARDS & ACCOLADES – TESTIMONY TO EXCELLENCE

Vipul Mathur Hall of Fame Steel CEO of the year
(2018)

SUFI Steel Users Federation of India

CEO of the Year

OHS category in engineering sector : Anjar
(2018)

2nd Annual EXCEED

Best energy practices

Golden Peacock National Quality Award : Anjar
(2017)

Golden Peacock Award

By The Martin Luther King Jr Commission of AR
(2017)

Salute to Greatness Award 2017

Bechtel Supplier Excellence Award
(2018-19)

BECHTEL

Supply chain Excellence

CII National 5S Excellence award
(2018)

CII Confederation of Indian Industry

"Gold Award" Anjar pipes

International Safety Award Anjar
(2016)

BRITISH SAFETY COUNCIL

International Safety Award With merit

Quality Systems Excellence Award for Manufacturing
(Large Size Category)
(2016)

FICCI

Excellence Award First Prize

and many more….

7 TURNAROUND IN BUSINESS PERFORMANCE

PIPE SALES VOLUME in KMT	
656	571
H1 FY20	H1 FY19

UP 15%

Op EBITDA/ Ton in Rs.	
14,308	8,660
H1 FY20	H1 FY19

UP 65%

ROCE (%)	
29.1%	22.6%
H1 FY20	FY19

UP 650 bps

EPS in Rs.	
11.3	5.1
H1 FY20	H1 FY19

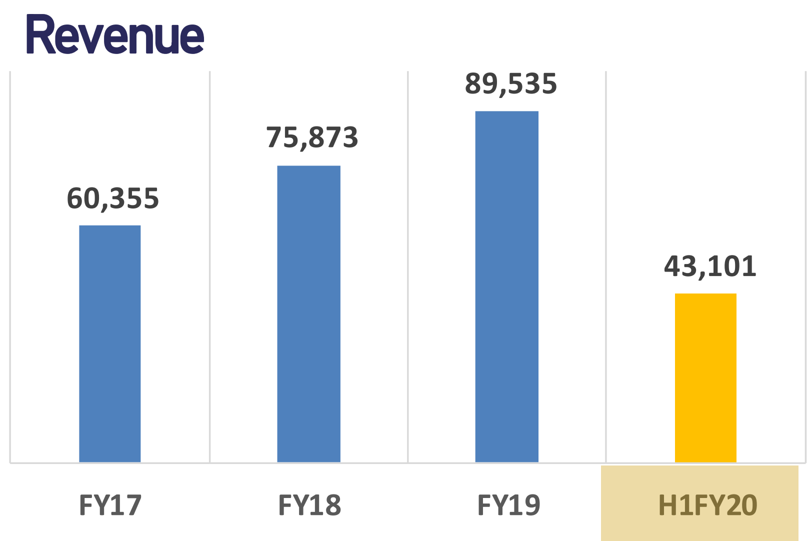
UP 120%

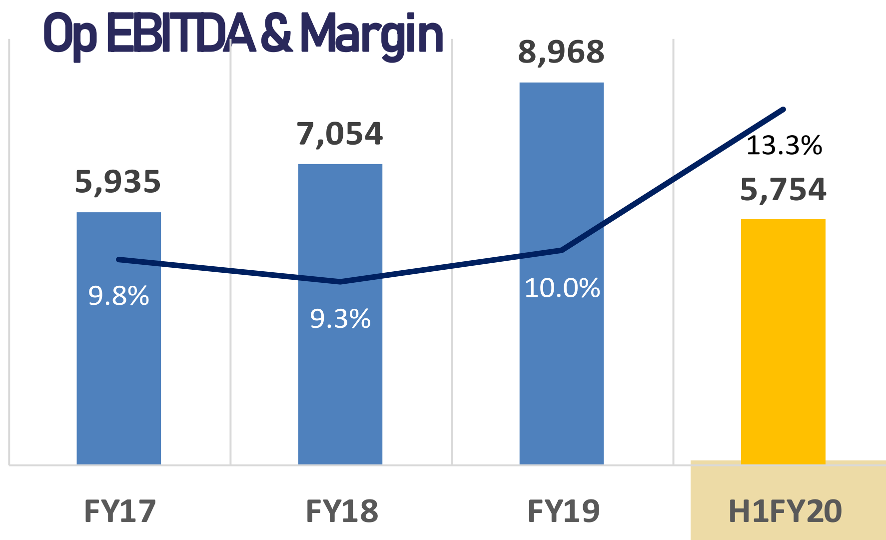
- **India operations:**
  - Commenced exporting pipes to North America for the world's highest operating pressure pipeline
- **US operations:**
  - Qtrly volume run rate of 100+ KMT
  - Strong EBITDA performance

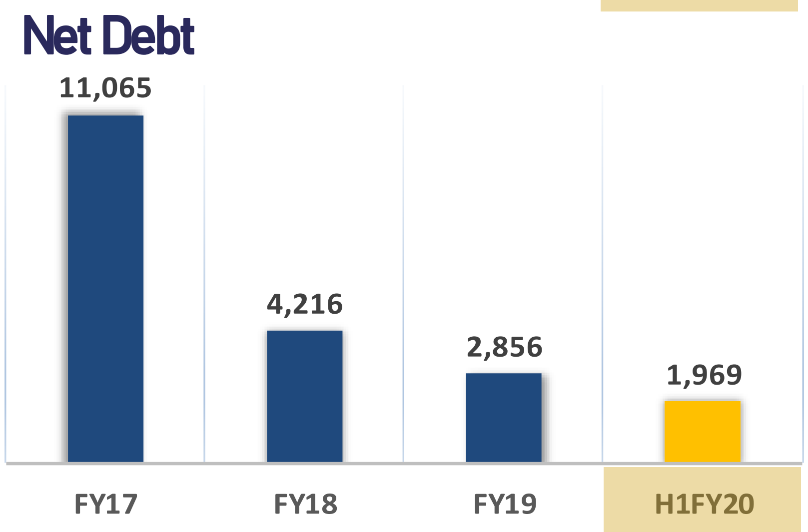
- **Saudi Arabia operations**:
  - Qtrly volume run rate of 100+ KMT
  - Significant turnaround in operations resulting in substantial positive PBT
- **Deleveraging**
  - Net debt reduced by Rs. 887 mn in H1FY20; currently at Rs.1,969 mn

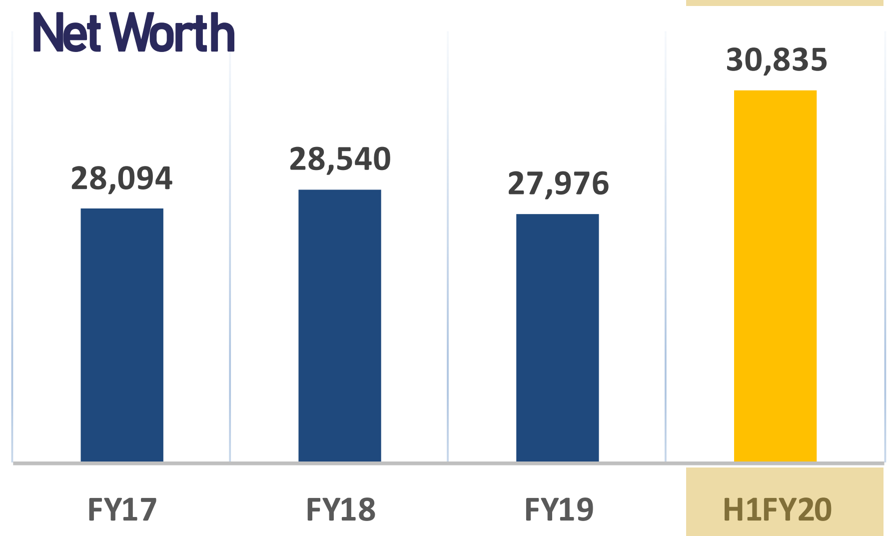
Note: Pipe Sales volumes includes Saudi Arabia operations; All other figures pertain to IND-AS continuing operations

7 VISIBLE IMPROVEMENT IN KEY METRICS









Note:

- *Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures; FY19 onwards figures pertain to continuing operations (Pipes) only*

WELSPUN CORP
PIPES AND PLATES

8 SUSTAINABILITY IN EVERYTHING THAT WE DO

2,25,000 Trees planted in facilities in India with 635 acre of green cover; 8,500 tons of CO2 sequestered per year

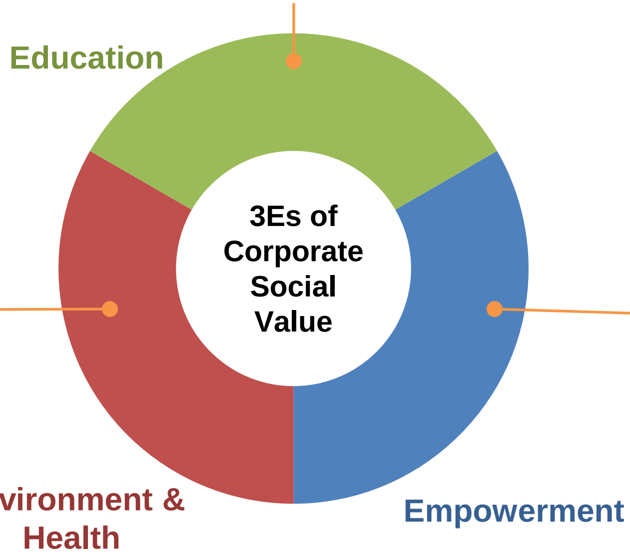
Minimizing Water consumption and avoid Water wastage through advance technology. Reuse of Water through ETP and 30 MLD STP at Welspun City, Anjar

Recycling e-waste from landfills to reduce methane emissions. Disposed 1,020 kg in the year 2018-19 of E-Waste to Registered Recycler

Implemented extensive interventions to improve energy efficiency saving 45,536 kwh/annum /year; Natural gas is being utilized for processes by replacing coal

8 3Es @ WELSPUN GROUP

- Digital education
- Improving learning levels of children
- Welspun run schools



- Health Camps & Mobile Medical Vans
- Sanitation block construction
- Tree plantation
- Rain water harvesting

- Promoting Indian women in sports
- Women Hygiene and sanitary pads

Empowerment

- **Women Hygiene and Sanitary pads-** Creating women entrepreneurs through distributorship model in villages ensuring each woman and adolescent has access to sanitary pads. So far 60 entrepreneurs are created impacting over 22,000 women in the villages of Anjar, Vapi, Saharanpur and Dewas
- **Promoting Indian women in sports-** Sponsorship to 13 women from various discipline of sports coming from struggling backgrounds

Education

- **Project Gyankunj on Digital Education** – Installed 223 digital software in govt school classrooms impacting over 50,000 children of Valsad, Kutch and Bharuch districts in Gujarat
- **Welspun Vidya Mandir at Anjar**: quality education to 1,600 students with 75 Teachers
- **Gayatri Devi Public school at Anjar –** Welspun run state board school catering to 200 students from 1st to 9th std

Environment & Health

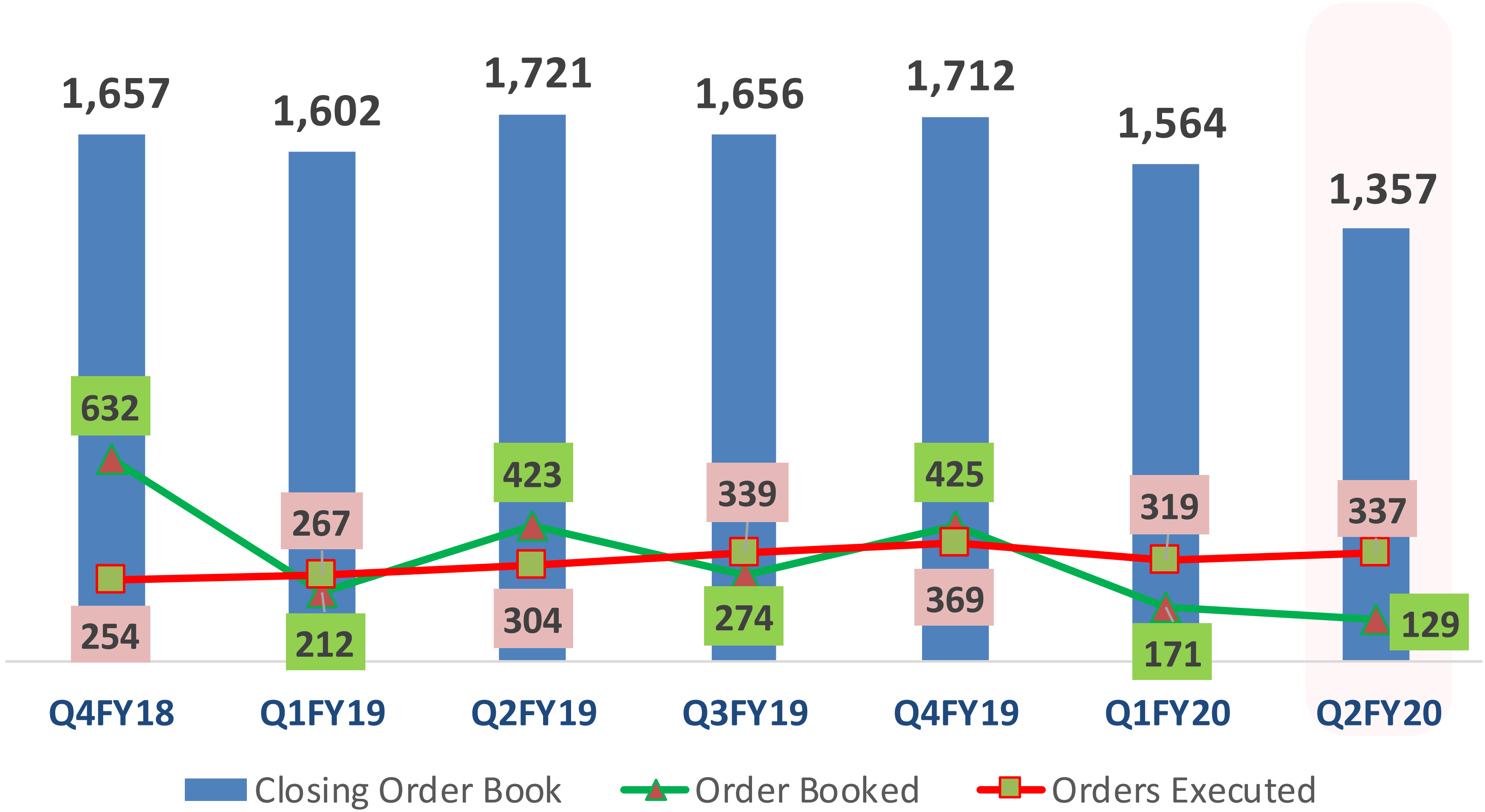
- **Plantation-** 30k saplings planted in Anjar, Vapi and Dahej so far
- **Mobile Health Vans:** Impacting 19 villages of Anjar
- **Sanitation blocks-** Built over 6,000 sanitation blocks in Vapi and Anjar
- **Project Navchetna-** Initiative to curb Malnutiriton in children and anemia in women. Operational in 10 villages of Anjar and 5 villages of Vapi benefitting over 22,000 villagers

WELSPUN CORP: FINANCIALS

ORDERBOOK – QUARTERLY TREND

(Figures in KMT)

Order Book Valued at USD 1.64 Billion



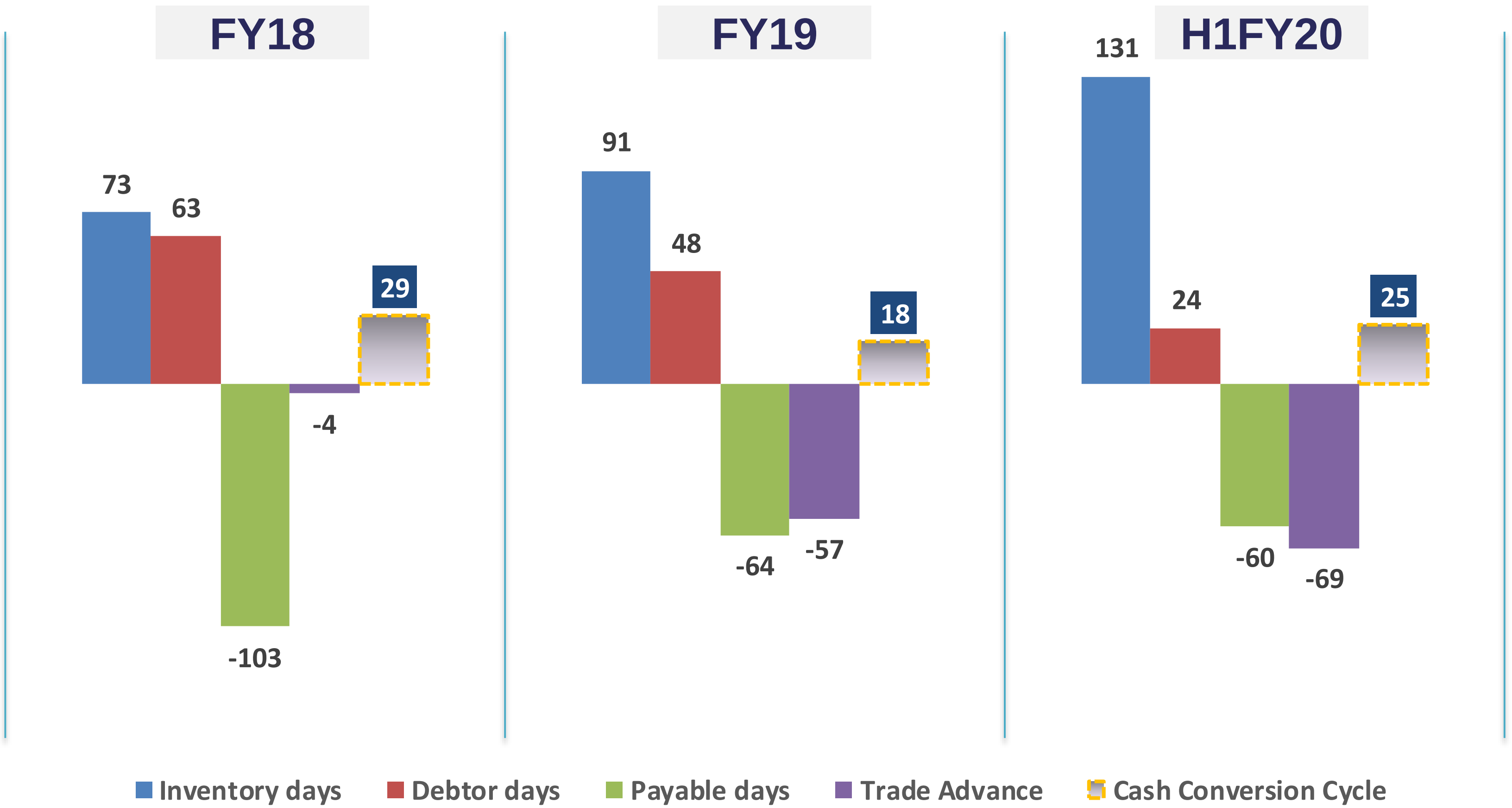
FINANCIAL PERFORMANCE – Q2 FY20 & H1 FY20

Particulars (Rs Mn)	Q2 FY20	Q1 FY20	QoQ Change	Q2 FY19	YoY Change	H1 FY20	H1 FY19	YoY Change
Pipe Sales Volume (KMT)	**337**	**319**	**5.6%**	**304**	**10.9%**	**656**	**571**	**14.9%**
Revenue	**22,630**	**20,471**	**10.5%**	**21,525**	**5.1%**	**43,101**	**37,944**	**13.6%**
Operating EBITDA	3,169	2,585	22.6%	2,490	27.3%	5,754	4,231	36.0%
MTM Loss on Bonds	*(17)*	*(360)*		*(282)*		*(377)*	*(282)*	
EBITDA	3,306	2,416	36.8%	2,417	36.8%	5,722	4,359	31.3%
Depreciation	610	545	11.9%	771	-20.9%	1,155	1,329	-13.1%
Finance cost	341	395	-13.8%	454	-25.0%	736	820	-10.3%
Profit before tax and share of JV	**2,355**	**1,476**	**59.6%**	**1,303**	**80.8%**	**3,831**	**2,211**	**73.3%**
Tax	(1,147)	(384)		(176)		(1,531)	(314)	
Non Controlling Interest	(55)	(5)		29		(60)	59	
Share of profit/(loss) from associates & JVs	580	169		(322)		749	(595)	
Net Profit	**1,733**	**1,256**	**38.0%**	**833**	**108.1%**	**2,990**	**1,360**	**119.9%**
EPS	6.5	4.7	37.9%	3.1	108.1%	11.3	5.1	119.9%

Note:
- *Prior period figures have been restated, wherever necessary*
- *Figures are pertaining to continuing operations only (Pipes)*

NET WORKING CAPITAL UNDER CONTROL

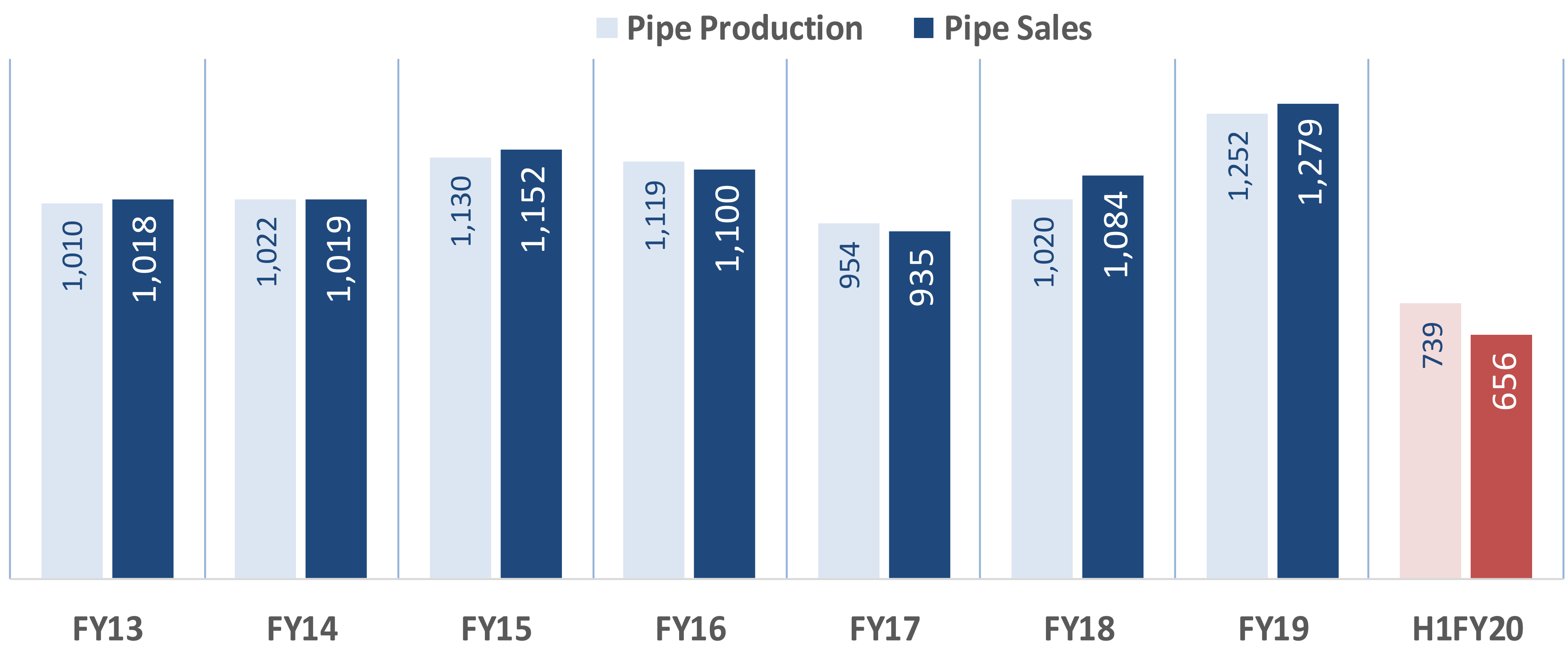
Cash conversion cycle at comfortable levels



Includes Debtors + Inventory – Creditors – Trade Advance; Figures from FY19 are only for continuing operations on IndAS basis

VOLUME – ANNUAL TREND

Production and Sales in KMT – Pipes (including Saudi Arabian JV)



Breaking out from the earlier consistent level of 1 million tonnes per annum

INCOME STATEMENT – ANNUAL TREND

Rs mn	FY17	FY18	FY19	H1 FY20
Pipe Sales Volume (KMT)	**935**	**1,084**	**1,279**	**656**
Revenue	**60,355**	**75,873**	**89,535**	**43,101**
Operating EBITDA	**5,935**	**7,054**	**8,968**	**5,754**
MTM Loss on Bonds			*(2,578)*	*(377)*
EBITDA	7,370	8,147	7,077	5,722
Depreciation	3,861	3,793	2,597	1,155
Finance cost	2,357	1,853	1,774	735
Profit before tax and share of JV	**1,152**	**2,501**	**2,706**	**3,832**
Tax	(258)	(112)	(1,223)	(1,531)
Non Controlling Interest	163	53	84	(60)
Share of profit/(loss) from associates & JVs	(793)	(859)	(885)	749
Net Profit	**264**	**1,583**	**682**	**2,990**
EPS	**1.00**	**5.97**	**2.57**	**11.27**

Note:
- *Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures except sales volume*
- *Pipe sales volumes are based on total operations including Saudi*
- *From FY19 figures are pertaining to continuing operations (Pipes) only*

WELSPUN CORP
PIPES AND PLATES

INCOME STATEMENT – QUARTERLY TREND

Rs mn	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Pipe Sales Volume (KMT)	**318**	**254**	**267**	**304**	**339**	**369**	**319**	**337**

Revenue	**23,042**	**16,589**	**16,419**	**21,525**	**24,030**	**27,561**	**20,471**	**22,630**
Operating EBITDA	**1,448**	**1,376**	**1,741**	**2,494**	**2,075**	**2,658**	**2,585**	**3,169**
MTM Loss on Bonds				*(282)*	*(110)*	*(2,185)*	*(360)*	*(17)*
EBITDA	1,644	1,579	1,942	2,417	2,304	414	2,416	3,306
Depreciation	949	907	558	771	654	614	545	610
Finance cost	375	411	366	454	418	536	395	341
Profit before tax and share of JV	**320**	**261**	**908**	**1,302**	**1,232**	**(736)**	**1,476**	**2,355**
Tax	565	(80)	(138)	(176)	(447)	(462)	(384)	(1,147)
Non Controlling Interest	(27)	31	30	29	22	3	(5)	(55)
Share of profit/(loss) from associates & JVs	(195)	(258)	(273)	(322)	(236)	(54)	169	580
Net Profit / (Loss)	**664**	**(45)**	**527**	**834**	**571**	**(1,249)**	**1,256**	**1,733**
EPS	**2.50**	**(0.2)**	**1.99**	**3.14**	**2.15**	**(4.71)**	**4.74**	**6.54**

Note:

- *Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures except sales volume*
- *Pipe sales volumes are based on total operations including Saudi*
- *Q1 FY19 onwards, figures are pertaining to continuing operations (Pipes) only*

BALANCE SHEET – ANNUAL TREND

Rs mn	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-19
Net Worth	**28,094**	**28,540**	**27,976**	**30,835**
Short Term Loans	2,203	126	1,750	1,500
Long Term Loans	16,227	13,738	11,297	9,424
Gross Debt	**18,430**	**13,864**	**13,047**	**10,924**
Cash & Cash Equiv.	7,365	9,649	10,191	8,955
Net Debt	**11,065**	**4,216**	**2,856**	**1,969**
Net Fixed Assets (incl CWIP)	33,877	30,619	16,144	16,364
Net Current Assets	12,746	13,596	10,460	12,631
Net Assets Held for Sale	-	-	11,642	10,025
Total Assets	82,469	76,933	82,000	84,647

Note:

- *Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures*
- *Net Assets Held for Sale = Assets or disposal groups classified as held for sale less Liabilities directly associated with disposal groups classified as held for sale*
- *Net Current Assets as on 31-Mar-19 & 30-Sep-2019 excludes Net Asset Held for Sale*
- *FY19 onwards, figures are pertaining to continuing operations (Pipes) only*

KEY FINANCIAL RATIOS – ANNUAL TREND

		FY17	FY18	FY19	H1 FY20
Solvency ratios	Net debt/Equity	0.39	0.15	0.10	0.06
	Net debt/EBITDA	1.50	0.52	0.40	0.23
	EBIT/Interest	1.49	2.35	2.53	6.21
Operational ratios	Current Ratio	1.42	1.49	1.56	1.56
	Fixed Asset Coverage	1.84	2.23	1.43	1.74
	Total Asset turnover	0.73	0.99	1.09	1.02
	Inventory days	107	73	91	131
	Debtor days	89	63	48	24
	Payable days incl. Advances	143	107	121	130
	Cash conversion cycle	53	29	18	25
Return ratios	ROE	0.9%	5.6%	2.4%	20.3%
	ROCE (pre-tax)	6.4%	8.8%	22.6%	29.1%

Note:
- *Prior period figures are restated wherever necessary; All numbers of this sheet are based on IND-AS disclosures*
- *From FY19 figures are pertaining to continuing operations (Pipes) only*

WELSPUN CORP: OUTLOOK

OUTLOOK - INDIA

OIL & GAS

- **Large-diameter pipe** demand driven by gas grid development by GAIL & oil pipeline network by IOCL
- Recent decision by the Government to pitch in for viability gap funding for North East region pipeline network, is another positive news.
- **Small-diameter pipe** is expected to witness significant demand from City Gas Distribution projects

WATER

- Entire pipe industry is expected to benefit from 'Nal se Jal' scheme to provide drinking water access to all by 2024.
- Activity in the irrigation segment is expected to further pick up in the coming quarters.

EXPORTS

- With oil prices remaining stable and range-bound, **LSAW** demand continues to be strong across geographies.
- Demand in Middle East, North & East Africa as well as Australasia looks extremely promising
- WCL well-placed to service this demand with:
  - its global approvals and accreditations
  - an impeccable track record of supplying pipes for complex projects for Oil & Gas majors

OUTLOOK – US & SAUDI

UNITED STATES

- **Rising fracking in the Permian basin →** Booming Oil & Gas production
- Constrained oil & gas evacuation pipeline capacity driving pipeline demand
- Demand from Bakken basin and gas export demand also adding to growth
- **Local US players incl. WCL, will continue to command higher volumes due to:**
  - Pipeline infrastructure bottlenecks
  - Restrictions placed on pipe imports in US

SAUDI ARABIA

- WCL Saudi business continues to have strong backlog as well as visibility of around 18 to 24 months.
- Current order book is driven mainly by water orders from SWCC
- Seeing strong traction from Saudi Aramco on the oil & gas side as well.

WCL Global Bid Book at 2.6 mn tonnes and Global Upcoming Bids at 20.5 mn tonnes

WAY FORWARD

Higher Profitability

- ✓ Strong visibility provided by current Order Book of 1,357 KMT, coupled with Global Bid Book of 2.6 mn tonnes and Global Upcoming Bids of 20.5 mn tonnes.
- ✓ Profitability associated with these orders is significantly better than recent trends likely to continue in the medium term

Focus on Core Assets

- ✓ Rich legacy & expertise of delivering pipes for many prestigious & challenging projects; thus focus on pipe business
- ✓ Divestment of non-core businesses - Plate & Coil Mill Division (PCMD) and 43MW power plant
- ✓ Unlocking significant value for shareholders

Leaner Balance Sheet

- ✓ Focus on free cash flows by calibrating capex and effective management of working capital
- ✓ Excess cash being used for pre-paying debt and to buyback shares, thus making the balance sheet leaner
- ✓ Asset-light approach to further improve Return ratios

Rewarding Shareholders

- ✓ Utilising the Company’s surplus cash reserves to enhance shareholder value
- ✓ Buyback of shares underway for a maximum aggregate consideration of Rs. 3.9 billion at a price of Rs. 135 per share.

THANK YOU

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