

August 2, 2020

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001

NSE Symbol: **WABAG** / BSE Scrip Code: **533269**

Dear Sir / Madam,

Sub: Presentation on Audited Financial Results for the quarter & year ended 31st March 2020

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("SEBI Regulations"), please find enclosed a presentation on the Audited Financial Results of the Company for the quarter & year ended 31st March 2020 made to Investors/ Analysts.

The aforesaid presentation is also being hosted on the website of the Company, www.wabag.com in accordance with Regulation 46 of the SEBI Regulations.

Kindly take on record the same.

Thanking you,

For VA TECH WABAG LIMITED



R Swaminathan
Company Secretary



Sustainable solutions, [for a better life](#)



sustainable solutions. for a better life.

VA TECH WABAG LTD.

RESULT UPDATE PRESENTATION

Q4 FY 2019 - 20

DRIVING **SUSTAINABILITY**
DELIVERING **VALUE**

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Order Book Analysis

Business Overview



**Koyambedu Tertiary Treatment Reverse Osmosis (TTRO) Plant,
Chennai, India**

Key Highlights FY 20



- **Order Book of INR 110.5 Bn**
including framework orders
- **Order Intake of over INR 43.5 Bn**
- **Consolidated Revenue at INR 25.5 Bn**
- **Consolidated EBITDA of 9.6% at INR 2.4 Bn**
- **Consolidated PAT at INR 910 Mn**
- **Positive Operational Cash Flow of INR 2.5 Bn**



Izmir Kavaklidere WTP, Turkey

Business Highlights

- **Globally, our O&M sites** being essential service, **continued to operate** despite lockdown across the geographies with necessary safety protocols; EPC sites operated subject to local government regulations
- **Breakthrough orders** in **One City One Operator** and **Namami Gange HAM** achieved in this year
- **Highest ever order book of ~ Rs. 11,000 Crore**, providing **3x revenue** visibility; includes projects with **multi-lateral funding, marquee customers & innovative solutions**
- Year-over-Year Improvement in **Operating Margin from 7.0% to 9.6%**; improvement from **7.0% to 8.9% excluding divestment gain**
- Robust performance delivering **turnaround in Operational Cash Flow** generation of **Rs. 245 Crore** during the year
- Year-over year **Net Debt reduction of Rs. 250 Crore**; ~ 60% reduction YoY
- PAT for the year includes **Deferred Tax charge of Rs. 27 Crore** on account of reduction of income tax rate in India

“Breakthrough orders, strong order book position, positive cash flows & improved operational efficiency”

Quarterly Performance



RESULTS OVERVIEW – Consolidated Profit and Loss

Rs. Millions	Q4 FY 20	Q4 FY 19	YOY %	FY 20	FY 19	YOY %
Revenue from operations	7,851	6,793	15.6%	25,572	27,810	(8.0%)
Gain on Divestment	193	-	-	193	-	-
Cost of Sales	6,075	5,027	20.8%	19,352	21,213	(8.8%)
Total Cost of Operations (TCO)	1,222	1,357	(10.0%)	3,952	4,655	(15.1%)
EBITDA	748	409	82.9%	2,461	1,941	26.8%
<i>EBITDA margin</i>	<i>9.5%</i>	<i>6.0%</i>		<i>9.6%</i>	<i>7.0%</i>	
<i>EBITDA margin excl. Divestment Gain</i>	<i>7.1%</i>	<i>6.0%</i>		<i>8.9%</i>	<i>7.0%</i>	
Net Finance Cost	256	213	20.3%	1,030	710	45.1%
Depreciation & Amortization	40	42	(5.0%)	154	168	(8.3%)
Tax	141	(186)	~	486	205	~
Share of Profits from Associates / MI (Net)	(6)	68	~	118	191	(38.4%)
Profit After Tax (Owners)	304	408	(25.4%)	910	1,050	(13.4%)
<i>PAT margin</i>	<i>3.9%</i>	<i>6.0%</i>		<i>3.6%</i>	<i>3.8%</i>	

- Q4 Revenue better than previous year performance, despite COVID-19 disruptions; Q4 revenue growth lower than plan
- Improved execution performance and TCO control resulted in significant EBITDA improvement on quarterly and annual basis
- Divested 58% stake in Ujams BOOT SPV, Namibia
- Finance cost higher due to high order backlog and higher cost of guarantees despite reduction in debt level

RESULTS OVERVIEW – Standalone Profit and Loss

Rs. Millions	Q4 FY 20	Q4 FY 19	YOY %	FY 20	FY 19	YOY %
Revenue from Operations	4,914	4,354	12.9%	17,463	17,481	(0.10%)
Cost of Sales	3,809	3,014	26.4%	13,201	13,001	1.5%
Total Cost of Operations (TCO)	817	991	(17.5%)	2,497	2,765	(9.7%)
EBITDA	288	351	18.0%	1,766	1,716	2.9%
<i>EBITDA margin</i>	5.9%	8.1%		10.1%	9.8%	
Net Finance Cost	157	142	8.0%	721	462	55.1%
Depreciation & Amortization	16	20	(21.6%)	67	85	(21.3%)
Tax	102	(199)	~	390	145	~
Profit After Tax	14	388	(96.4%)	588	1,024	(42.6%)
<i>PAT margin</i>	0.3%	8.9%		3.4%	5.9%	

- Q4 Revenue higher than previous year and flat on YoY despite COVID-19 disruptions
- Q4 margins lower QoQ as new projects have progressed from engineering to execution; however YoY margins remain intact
- Finance cost higher due to high order backlog and higher cost of fund and non-fund facilities
- Q4 tax includes deferred tax charge on account of reduction in Income Tax rate (~ Rs. 27 Crore)

RESULTS OVERVIEW – Balance Sheet

Rs. Millions	Consolidated		Standalone	
	Mar'20	Mar'19	Mar'20	Mar'19
Total Equity (Net Worth)	11,722	10,856	9,766	9,167
Non-Current Liabilities	2,665	2,732	2,545	2,135
Billed Payables	7,878	7,423	5,682	5,062
Short Term Borrowings	4,528	4,841	3,738	3,410
Other Current Liabilities *	13,443	11,933	8,500	8,320
Total Equity & Liabilities	40,236	37,785	30,231	28,094
Fixed Assets	1,016	1,570	738	794
Other Non-Current Assets	5,913	5,314	5,720	5,009
Trade Receivables	15,894	13,511	12,458	12,317
Cash & Bank Balances	3,205	1,790	1,596	734
Other Current Assets	14,208	15,600	9,719	9,240
Total Assets	40,236	37,785	30,231	28,094

- Trade Receivables at Standalone stable YoY
- Increase in Trade Receivables at Consolidated level mainly due to Q4 progress billing in a key overseas project, which has subsequently been received
- Billed Payables is flat year over year; Increase in Trade Payables is due to increase in progress cost

* Progress cost reclassified under Other Current liabilities for better comparability

Cash Flow Statement

Rs. Millions	Consolidated		Standalone	
	FY 20	FY 19	FY 20	FY 19
Net cash generated from/(used in) operations	2,448	(763)	1,319	(945)
Net cash generated from/(used) in investing activities	297	112	(389)	(99)
Net cash generated from financing activities	(1,354)	485	(386)	1,053
Cash and cash equivalents at the end	2,489	1,182	882	294

- Turnaround in Operational Cash Flow achieved during the year as a result of execution progress and improved operating margins

- Significant reduction in Gross Debt of ~ 15% (INR 937 Mio) YoY;

Net Debt of ~ 58% (INR 2,505 Mio) YoY

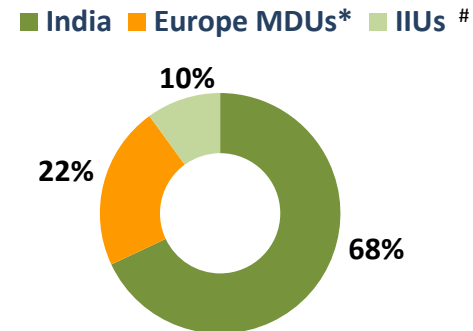
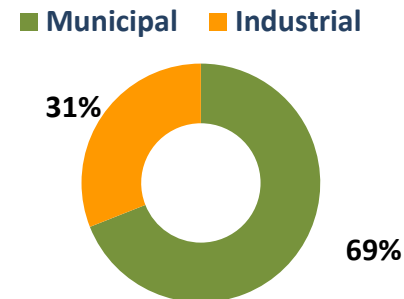
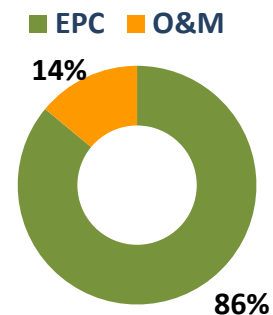
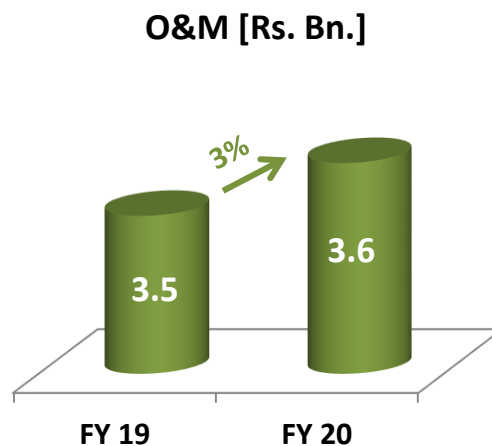
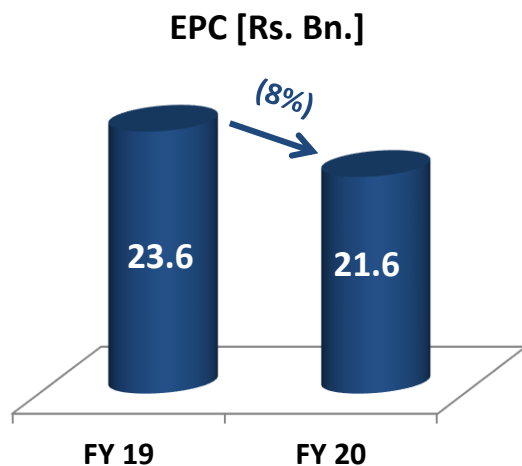
Working Capital Highlights

Rs. Millions	Mar'20	Sep'19	Mar'19
Inventories	264	228	153
Trade Receivables	15,894	13,943	13,510
Loans and Advances	494	499	446
Other Current Assets	13,450	13,252	14,997
Total Current Assets (A)	30,102	27,921	29,106
Trade Payables	16,269	15,072	15,914
Other Current Liabilities and Provisions	5,052	3,925	3,442
Total Current Liabilities (B)	21,321	18,997	19,356
Net Working Capital (NWC) (A-B)	8,781	8,924	9,750
Net Working Capital (No. of Days)	127	134	130

- 10% reduction in Working Capital base achieved from March'19 to March'20
- NWC Days excluding GENCO projects at 82 days

Revenue Breakup – FY 20

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	9,074	6,193	1,712	240	17,219
Wabag Overseas	5,309	1,106	1,372	233	8,020
Total	14,383	7,299	3,084	473	25,239



Key Projects Contributing to Revenue – FY 20

Project Details	Revenue recognized [Rs. Mn]
▪ Expansion SWTP 9, Jubail, KSA – STP	2,483
▪ Dangote, Nigeria - ETP & RWTP	2,036
▪ Polghawela, Sri Lanka – WTP	1,676
▪ South Doha, Qatar – STP	1,587
▪ MRPL, Karnataka – Desal	1,410
▪ HMEL, Bathinda – ETP & RWTP	1,243
▪ Koyambedu, Chennai – TTP	1,109
▪ K&C Valley, Bengaluru – STP	704
▪ La Mesa, Philippines – WTP	635
▪ JTETA - JAJMAU, Kanpur - CETP	542

Update on GENCO Projects

TSGENCO Rs. 1,388 Mio

- Tecpro is endeavoring to initiate arbitration with TSGENCO
- The Company and TSGENCO have challenged the same in Supreme Court and obtained an interim injunction order and expect quashing in the next hearing

Tecpro Rs. 695 Mio

- Pursuing legal action to recover dues from Tecpro held under trust
- Expect to recover these dues through National Company Law Tribunal post the ruling in National Company Law Appellate Tribunal

APGENCO Rs. 2,671 Mio

- Receivables and retentions relating to APGENCO project are recoverable progressively upon satisfactory completion of the contractual milestones

The COVID-19 pandemic and the lockdown imposed by the Governments, resulted in delays in NCLT & legal proceedings and also impacted the project progress and collection

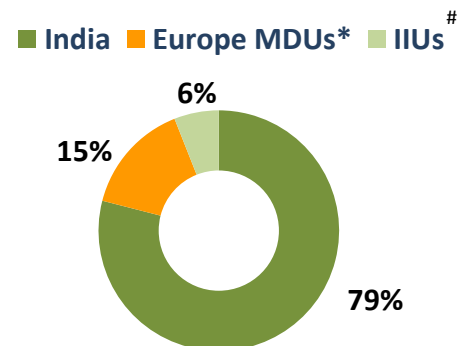
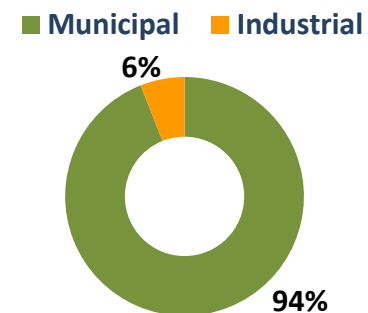
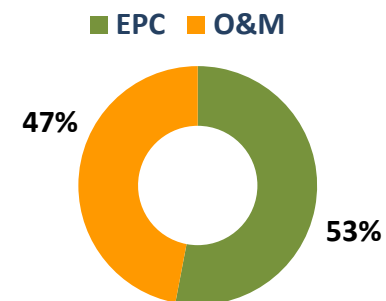
Order Book Analysis



Order Intake Breakup

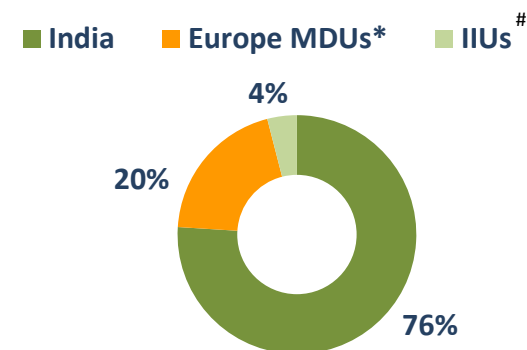
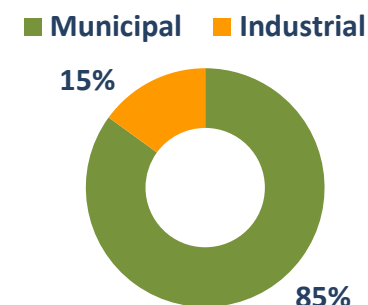
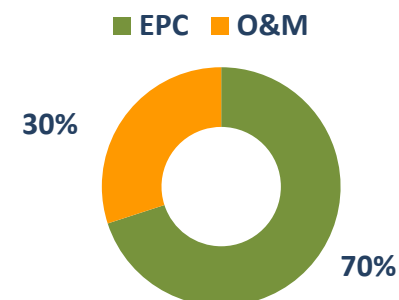
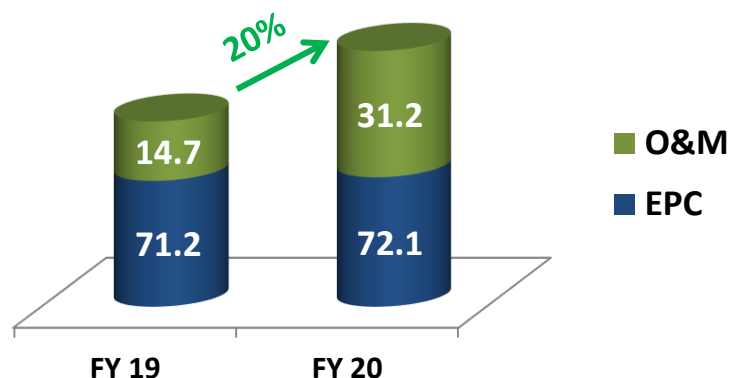
Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	15,098	1,169	17,933	342	34,542
Wabag Overseas	6,141	748	1,853	220	8,962
Total	21,239	1,917	19,786	562	43,504

Key Orders Received	Order Value (Rs. Mn.)
BUIDCO, Digha & Kankarbagh, STP & Network – India	11,878
UPJN, O&M of Agra & Ghaziabad – India	14,776
Water Supply System, Bhagalpur – India	2,446
Drinking Water Treatment II, Saint Sulpice – Switzerland	1,700
Thai Oil Refinery – Thailand	1,089
Drinking Water Treatment Plant, Coimbatore – India	937
Al Madina Al Shamalia (AMAS) O&M – Kingdom of Bahrain	883



Order Book Composition

Rs. Millions	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	24,863	11,033	23,597	1,948	61,441
NMCG (SPVs)					
- EPC	7,947	-	1,453	-	9,400
- HAM	5,959	-	2,268	-	8,227
Wabag Overseas	20,355	2,014	1,851	168	24,388
Framework Contracts					6,996
Total	59,214	13,047	29,167	2,116	110,452



Order Book of Rs. 103.5 Bn & Framework Contracts of Rs. 6.9 Bn

Key Contracts in Orderbook

Project Details	Amt [Rs. Mn]
▪ UPJN, O&M of Agra & Ghaziabad	14,414
▪ BUIDCO, Digha & Kankarbagh – STP Network	11,878
▪ Expansion SWTP 9, Jubail, KSA – STP	6,282
▪ KMDA, Howrah – STP	5,748
▪ 50 MLD Zarat, Tunisia – Desal	5,147
▪ JAJMAU, Kanpur – CETP	4,103
▪ South Doha, Qatar – STP	3,093
▪ MRPL, Karnataka – Desal	2,877
▪ Dangote, Nigeria – ETP & RWTP	2,527
▪ Water Supply System, Bhagalpur, India – WTP & Network	2,446

Key Framework Contracts *

- Libya STP of Rs. 6,114 Mn
- Koye Fetcbe, Ethiopia of Rs. 882 Mn

** Contracts wherein Advance Monies / LC awaited, hence not taken in Order Book*

Guidance for FY 21

We are monitoring the economic situation globally and will update at an appropriate time



For further information, please contact

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