

# Welspun Corp Limited

Investor Presentation

Q1FY24

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# Transforming: Creating Value



## Pipe Solutions

Business

Large Diameter Pipe and Coating

DI Pipes

SS Pipes

Our position

Amongst the Top 3 manufacturers globally

Integrated producer from steel-making to finished products

Integrated producer from steel-making to finished products

Focus

O&G, API, Water & New Energy

Sewage, Drinking water under Jal Jeevan Mission

Nuclear, Defense & Power

## Building Materials

Current: Water Storage Tanks, Interiors, Liquid Storage Solutions, Electrical Boxes  
Proposed: Plastics Pipes, Fittings, Adhesives

TMT Rebars

One stop solution in Building material Brand Sintex with Pan India presence

B2C

# Sales Volumes at a Glance: Q1FY24



## Pipe Solutions

### LINE PIPES

185 KMT

(+89% YoY)

### DI PIPES

27 KMT

(+19% QoQ)\*

### SS PIPES

1,275 MT

(+84% YoY)

### SS BARS

3,022 MT

(+94% YoY)

## Building Materials

### Water Storage Tanks

3,538 MT

(+5% QoQ)\*

### TMT BARS

20 KMT

(+27% QoQ)\*



#### Notes:

1. Line Pipe Sales volumes does not include Saudi Arabia operations
2. \*Figures not available for YoY comparison since these are new operations
3. YoY is comparison with Q1FY23, and QoQ is comparison with Q4FY23

# Dare to Commit!



## Guidance for FY24

- Top line of INR 15,000 crore (growth of ~ 50%)
- EBIDTA of INR 1,500 crore (growth of ~ 90%)
- Minimal Capex Expenditure
- Strong focus on growth of Sintex, DI Pipes and WSSL
- ROCE of 16% + (from 7% in FY23)
- Increase in DJSI ESG rating to 60+

Guidance reflecting  
**solid business fundamentals**



# Consolidated Financial Performance: Q1FY24



PARTICULARS (INR crore)	Q1 FY24	Q1 FY23	YoY
<b>Total Revenue from Operations</b>	<b>4,069</b>	<b>1,322</b>	<b>208%</b>
Other income	50	73	(32%)
<b>Reported EBITDA</b>	<b>418</b>	<b>102</b>	<b>312%</b>
Depreciation and Amortisation	86	61	40%
Finance Cost	92	31	202%
<b>Profit before tax and share of JVs</b>	<b>240</b>	<b>10</b>	<b>2364%</b>
Share of profit/(loss) from Associates and JVs	(12)	4	NA
Tax expense	63	14	339%
Non-controlling interest	3	(5)	NA
<b>PAT after Minorities, Associates &amp; JVs</b>	<b>165</b>	<b>4</b>	<b>3924%</b>

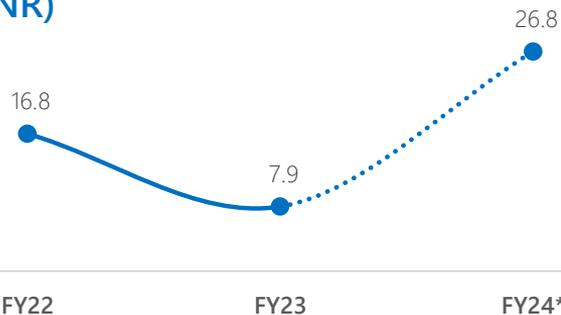
**Note:**

Prior period figures are restated wherever necessary

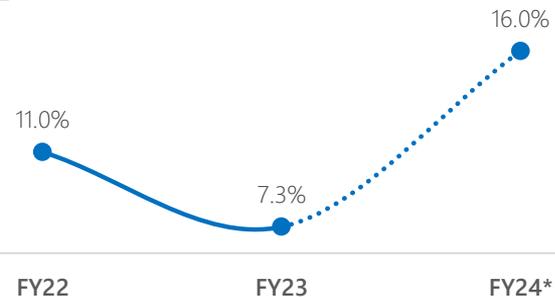
# Guidance: FY24



## EPS (INR)



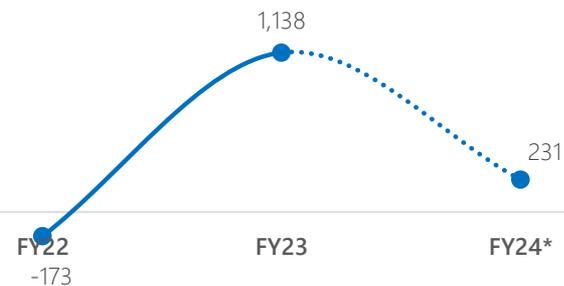
## ROCE



## Gross debt (INR crore)



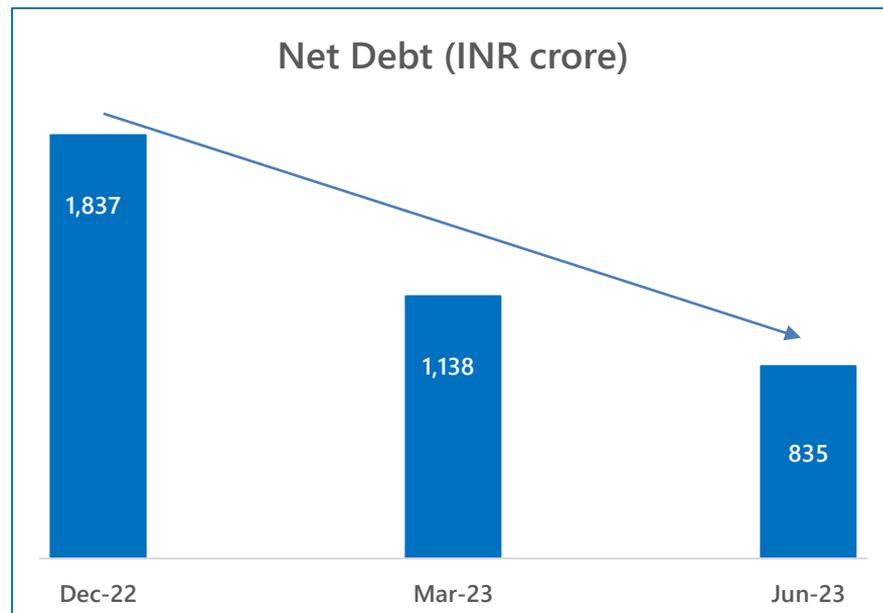
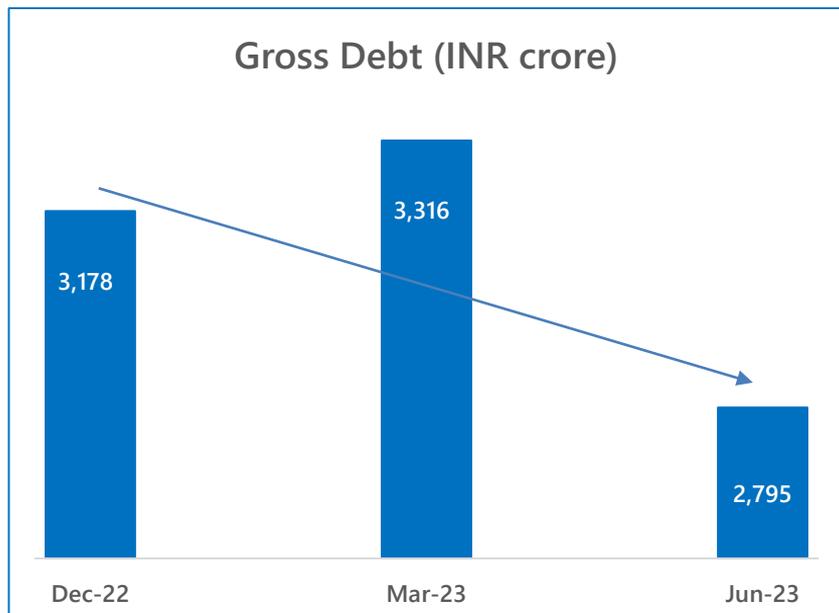
## Net Debt (INR crore)



Note:

\*FY24 figures are estimated

# Debt Reduction: Journey So Far





# Outlook: Pipe Solutions Vertical



# WCL: Line Pipes



Top  
**3**

Among Line  
Pipe  
Manufacturers  
globally

**2.2 mn MT**  
Pipes Capacity

**50+**

Approvals from  
O&G majors;  
Qualifies for  
global bidding

**5** manufacturing  
facilities in **3**  
countries

**16+**  
million  
metric  
ton

Pipes delivered  
since inception  
with multiple  
repeat orders

Used in **Oil & Gas,**  
**Water** industry &  
Structurals

# Line Pipes: Key Drivers



## INDIA

- **City Gas Distribution (CGD)** network-Rise in demand due to new government policies.
- **Strong export** outlook with focus on Australia, Europe, South East Asia and Middle East. Upcoming hydrogen hubs and carbon capture projects to drive future demand for pipelines for H<sub>2</sub> & CO<sub>2</sub> applications
- **Demand in Water Projects** – Strong traction in **JJM (Jal Jeevan Mission), Nal Se Jal, Jal Nigam projects** taken up by the Govt, thereby promoting this segment



## USA

- **Rig count** close to pre-pandemic levels
- **Permian basin** expected to be the key growth driver due to geopolitical reasons
- At least 3 **more large gas pipelines** planned from Permian to Gulf coast; 5 new LNG terminals being added for export of gas
- Big focus on **New Energy including Carbon Capture, Hydrogen and Ammonia pipelines**



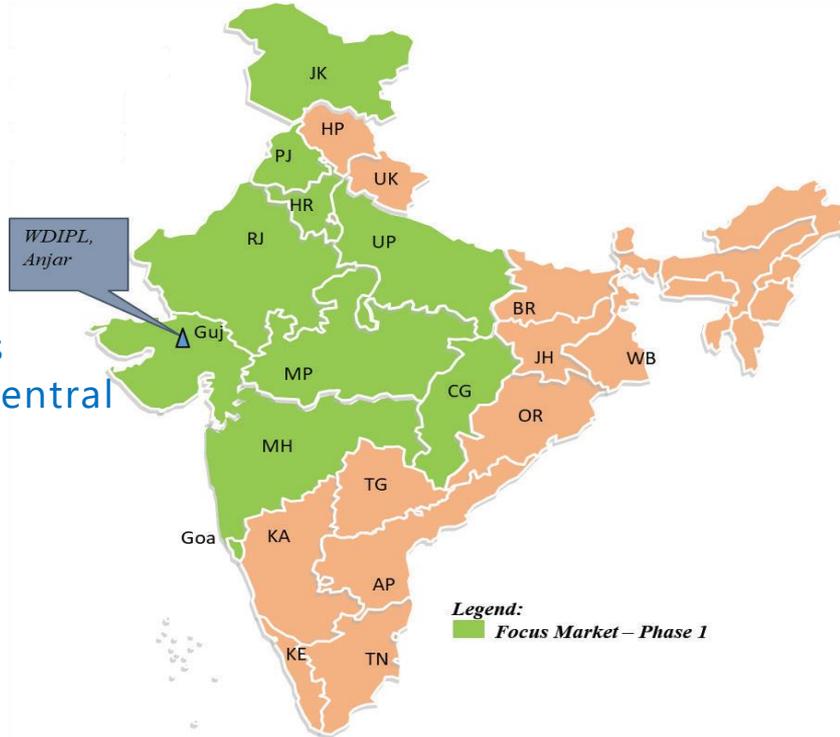
## SAUDI ARABIA

- Saudi Aramco to **boost oil production** from 10 million to 13 million barrels a day by 2027
- Saudi Aramco to **boost gas production by more than 50%** by 2030
- Huge capex in distribution of Desalinated water; 7 large water infrastructure projects planned; Total demand **exceeding 3 MN MT over 3 years**

# Ductile Iron Pipes



Huge Focus on creating drinking water supply infrastructure in India



Immediate Focus Market is West, Central and North India





# Stainless Steel Pipes and Bars

## Robust demand expected going forward

### Key Drivers

- **Make in India** initiative by the government providing push to local manufacturing
- High value business and a **differentiated import-substitution** play with obvious synergies with existing business and capabilities, characterized by superior margins and resilient demand
- **High Entry Barriers** due to technology capabilities as well as approvals and accreditations required from customers, process licensors, and EPC players
- **Implementation of BIS and Anti-Dumping Duty** on substandard and cheap imports to lay a strong foundation for substantial growth

### Sectors & Demand

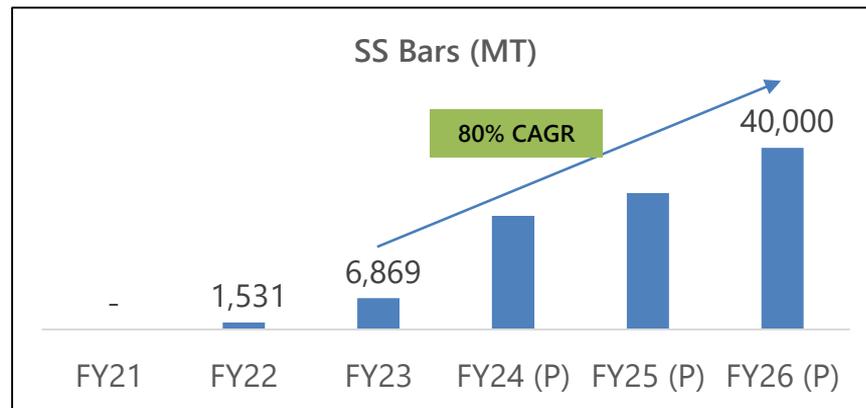
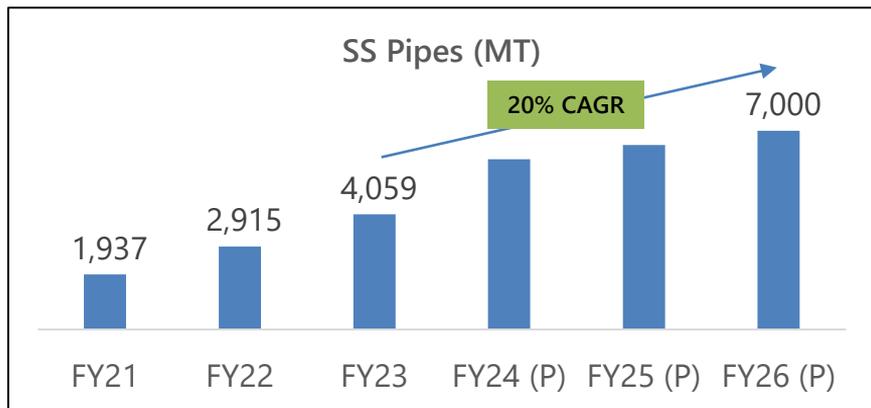
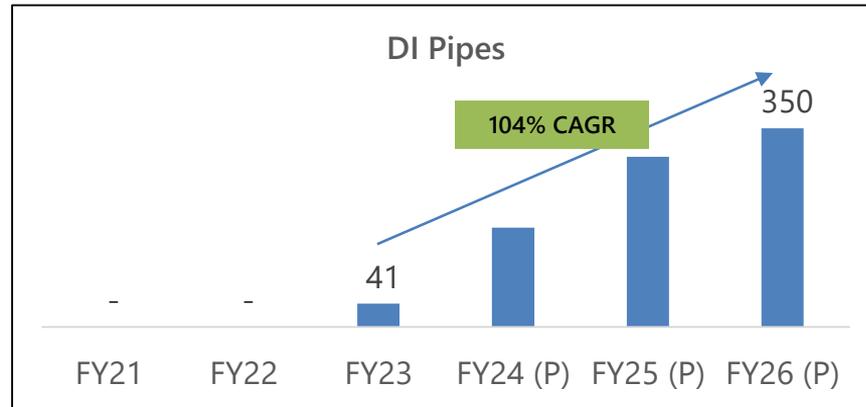
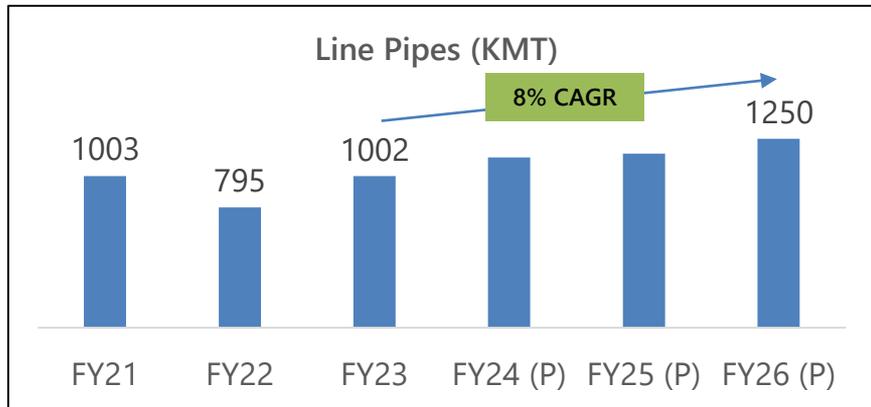
- Critical applications in key sectors like Power, Nuclear, Defense, Petrochemicals etc.
- Demand Estimate: ~65 KMT in Domestic Market and ~25 KMT in Exports per Annum

### Visible Turnaround

- Product acceptability both in the domestic and export market
- Moving towards higher value added grades such as Nickel Alloy, Duplex & Super Duplex
- **Only facility which is fully integrated from SS Steel to Pipes**



# Projections: "Pipe Solutions Vertical"





# Outlook: Building Materials Vertical



# Sintex: Key Product Offerings



**uPVC Doors & Interiors**  
Brand recall & Weather-resistant



**Water Storage Tanks (WST)**  
Strong brand & Complete Range



**SMC Panel Tanks (upto 1200 KL)**  
Modular, Long Life, Non-Corrosive, Non-Leaching



**Electrical Boxes**  
Shockproof, Long Life



**Packaged STP (upto 1000KLD)**  
Packaged, Low Maintenance & Underground



**Industrial Containers (IC)**  
Special containers for Pharma, Chemical, Textiles and Food sector

# Sintex: Access to Market

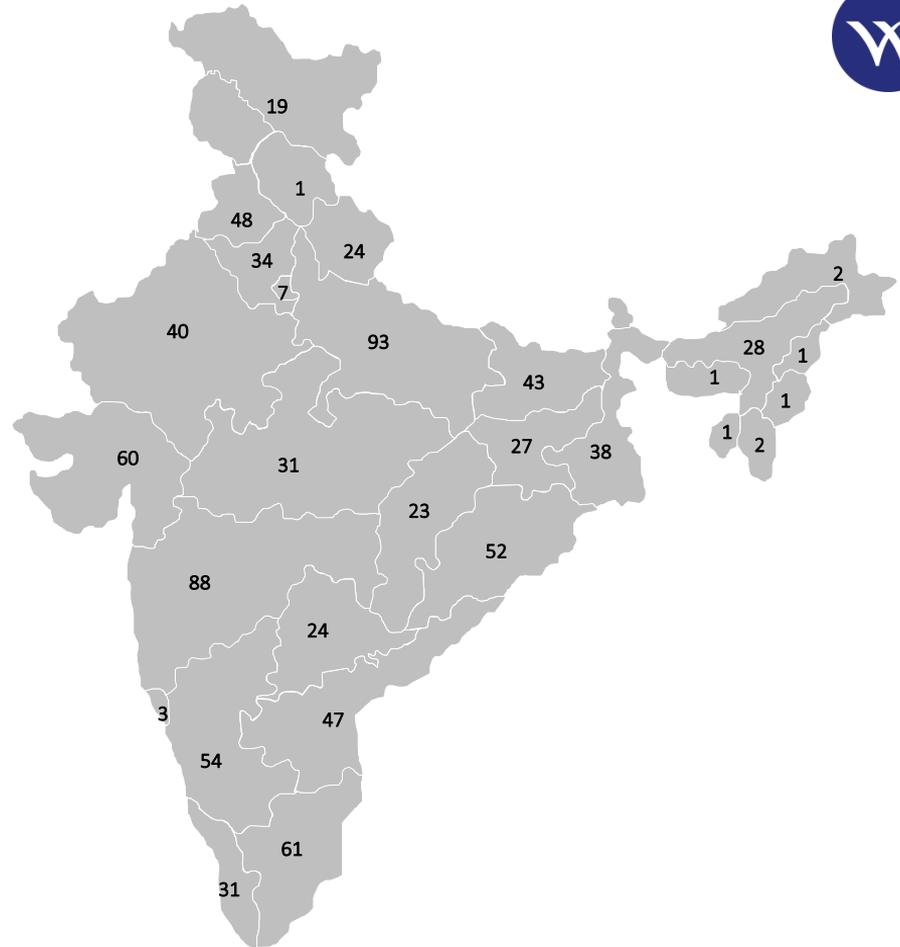


## Manufacturing Locations

- **Kalol** Gujarat
- **Nalagarh** Himachal Pradesh
- **Namakkal** Tamil Nadu
- **Uluberai** West Bengal
- **Butibori** (Nagpur) Maharashtra
- **Guwahati** Assam

## Distribution Network

PAN India distribution network of **900 distributors** which is further connected to **13,000 retailers**

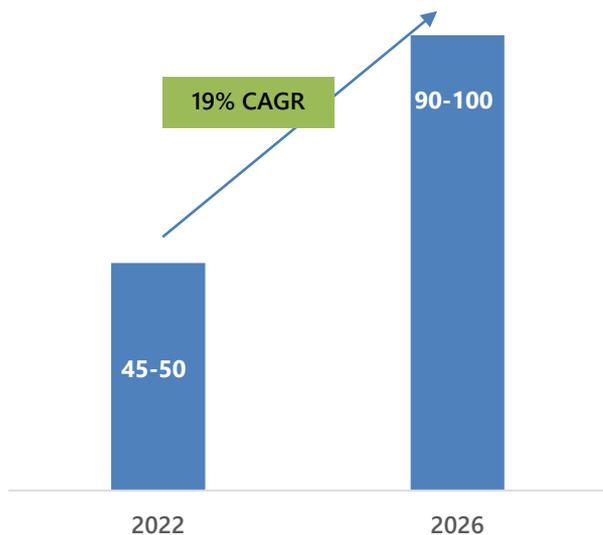


Note: Map not to scale

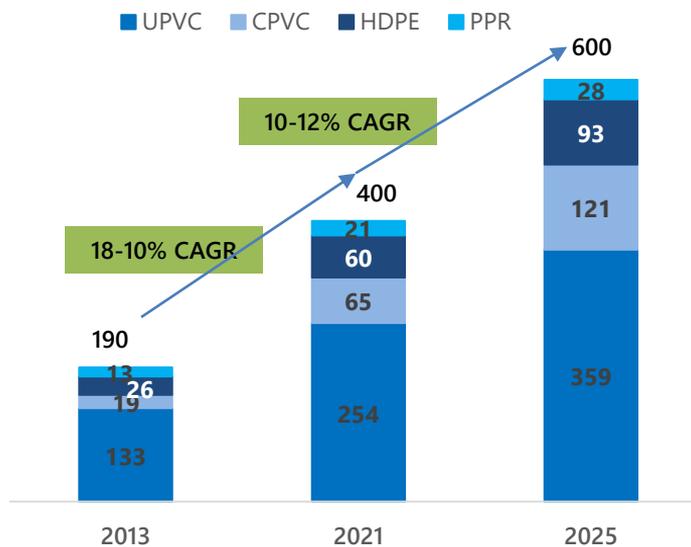
# Market Outlook



WST Market Size (INR billion)



Plastic Pipe Market Size (INR billion)



CAGR 2013- 2021		CAGR 2021- 2025	
6%	11%	6-8%	11-13%
17%	8%	16-18%	8-10%

- CAGR of 19% (Water Storage Tanks) and 10-12% (Plastics Pipes) with organized segment to grow much faster
- Government efforts on JJM, PMAY etc. as well as structural economic drivers to boost the spending on building materials segment

# Sintex: The Way Forward



## **Strategic:**

- Enhance product basket to adjacent categories like Pipes, Fittings and Adhesives:
  - Significant synergy between WST existing ecosystem and pipes requirements
  - Pipes market being significantly larger (5-6x), provides greater opportunity to grow
- Invest in infrastructure at the strategic locations
- Focus on strengthening soft assets (talent, ATL, R&D, NPD, Quality etc.)

## **Operational:**

- Re-energize go-to-market plan for WST aggressively including Retailers, Plumbers, Customers and Distributors
- Restructure route-to-market for institutional products focusing on B2G and B2B
- Assess the market needs to arrive at the right product-technology mix for Interiors

# TMT: Our Differentiated Strategy



## Key Growth Drivers

Infrastructure: Massive spending expected in the sector including –

- **PM Gati Shakti National Master Plan:** an expected outlay of INR 100 lakh Cr
- **Pradhan Mantri Awas Yojana-Urban's** (PMAY-U) 'Housing for All' mission
- Private Sector Capital Expenditure
- Individual House Builders

## Welspun Strategy

- **Branding and creating a robust distribution network - B2C segment**
- **High Quality and excellent serviceability**
- Leverage Welspun's **strong brand** presence in the market

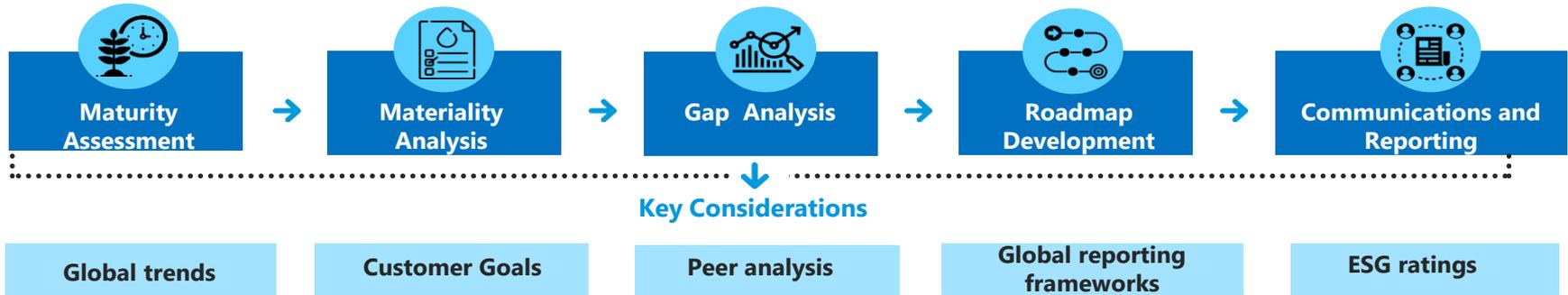
Gujarat Demand  
3 MMTPA

Our Capacity  
0.3 MMTPA



# Focus on ESG

# ESG Framework



## DJSI Rating

- WCL (Line pipe business) achieved a **“score of 57 in FY 23”** with a healthy 39% improvement over last years score of 41
- **“Ranks in top 7%”** of the companies in steel sector globally

# ESG: Environment

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## Long Term Sustainability Goals

- **Carbon Neutrality – 10% (2025), 20% (2030), 100% (2040)**
  - RE power tied up through a group captive project for WML – 6.6 MW
  - RE power tied up with third party for WSSL – 3 MW
- **Water Neutrality by 2040 –**
  - Current initiatives are water recycling and rain water harvesting at all facilities
- **Zero waste to landfill** – through waste minimization and recycling

# ESG: Social



## Welspun Programs

### Alignment with UN Sustainable Development Goals

Total no. of beneficiaries for FY23 – 5,07,848

#### Education Programs



#### Empowerment Programs



#### Health Programs



# ESG: Governance



## Board Matters / Entity Level Controls

- ESG Committee at the board level
- Quarterly review of ESG performance and communication to stakeholders through BRSR and Sustainability report.

## Board of Directors

- Female gender ratio of Board members – 38 %
- Independent directors with illustrious and diverse backgrounds  
[Mr Arun Todarwal](#), [Mr Manish Chokhani](#), [Mr Anjani Agrawal](#), [Mrs Revathy Ashok](#), [Mrs Amita Mishra](#), [Mrs Dipali Sheth](#)

## Ethics Framework

- Policies Implemented: Whistle-blower Policy, Code of Conduct, Fraud Prevention Policy & Fraud Response Plan, Disciplinary Action Matrix
- Anti-Bribery & Anti-Corruption policy
- Third party managed whistle blower mechanism.
- Supplier code of conduct

# Thank You!

**Welspun Corp Limited**

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