

Welspun Corp Limited

Investor Presentation

Q4&FY24

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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, Petrochemical

Building Materials

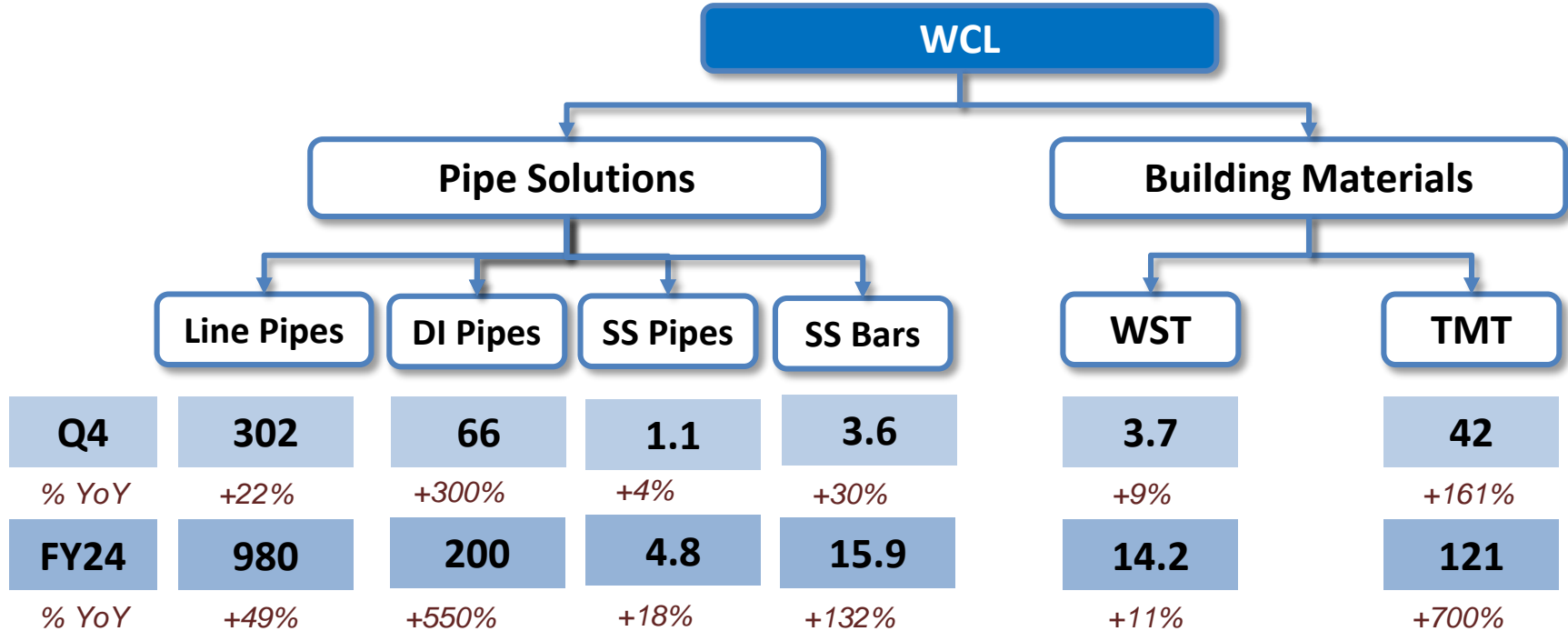
Current: Water Storage Tanks, Interiors, Liquid Storage Solutions, Electrical Boxes
Foray into: Plastics Pipes

TMT Rebars

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

B2C

Sales Volumes at a Glance: Q4 and FY24



Notes:

- 1. Line Pipe Sales volumes does not include Saudi Arabia operations
- 2. YoY is comparison with Q4FY23 and FY23

In KMT

Consolidated Financial Performance: FY24



| PARTICULARS (INR crore) | FY24 | FY23 | YoY |
|---|---------------|---------------|-------------|
| Total Income | 17,582 | 10,078 | 74% |
| Other income | 242 | 320 | (24%) |
| Reported EBITDA | 1,804 | 805 | 124% |
| Depreciation and Amortisation | 348 | 303 | 15% |
| Finance Cost | 304 | 243 | 25% |
| Profit before tax and share of JVs | 1,152 | 258 | 4.5x |
| Share of profit/(loss) from Associates and JVs | 157 | 75 | 108% |
| PAT after Minorities, Associates & JVs | 1,110 | 207 | 5.4x |

Note:

Prior period figures are restated wherever necessary

Consolidated Financial Performance: Q4FY24



| PARTICULARS (INR crore) | Q4 FY24 | Q4 FY23 | YoY |
|---|--------------|--------------|--------------|
| Total Income | 4,544 | 4,132 | 10% |
| Other income | 83 | 62 | 33% |
| Reported EBITDA | 413 | 483 | (15%) |
| Depreciation and Amortisation | 87 | 91 | (5%) |
| Finance Cost | 75 | 95 | (21%) |
| Profit before tax and share of JVs | 251 | 297 | (15%) |
| Share of profit/(loss) from Associates and JVs | 96 | 29 | 3.4x |
| PAT after Minorities, Associates & JVs | 268 | 236 | 14% |

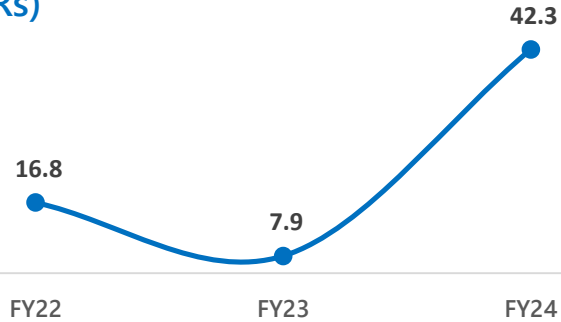
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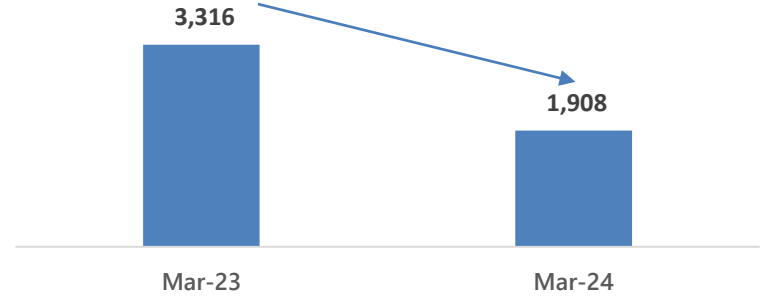
Achievement



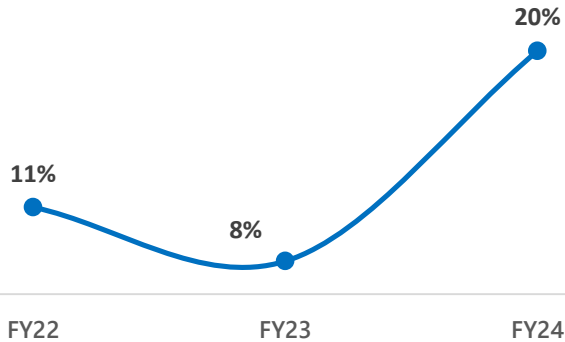
EPS (Rs)



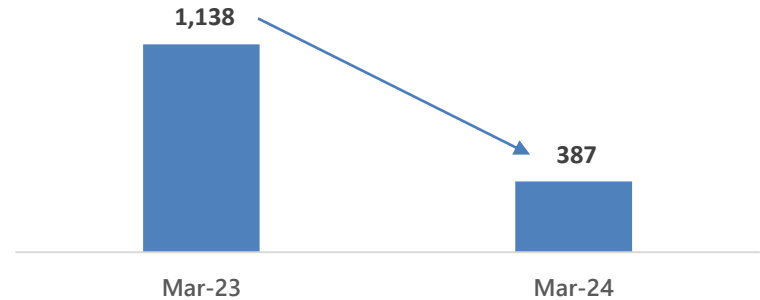
Gross Debt (Rs Crore)



ROCE



Net Debt (Rs Crore)



Financial Achievement and Guidance



Guidance vs Achievement- FY24

| PARTICULARS (INR crore) | FY24 | FY24 |
|-------------------------|----------|--------|
| | Guidance | Actual |
| Topline | 15,000 | 17,340 |
| EBITDA | 1,500 | 1804* |
| ROCE (%) | 16% | 20% |

Guidance for FY25

| PARTICULARS (INR crore) | FY25E |
|-------------------------|----------|
| | Guidance |
| Topline | 17,000 |
| EBITDA | 1,700 |
| ROCE (%) | 20% |

Note:

* Includes non recurring items worth ~Rs 160 crore



Pipe Solutions Vertical



Key Drivers



INDIA

- **Focus on water infrastructure –** Policy initiatives and execution to continue support demand for pipes (line pipes, DI Pipes) for water distribution
- **City Gas Distribution (CGD):** PNGRB launched campaign to increase adoption of PNG in the household
- **Strong export** outlook for LSAW pipes with focus on Middle East, Australia, Europe, South East Asia. Upcoming hydrogen hubs and carbon capture projects to drive future demand for pipelines for H₂ & CO₂ applications



USA

- **Natural Gas exports** natural gas production is likely to grow by ~2% to 1,081 billion cubic meter in 2024. LNG exports from US is expected to rise by 50% from the current level by 2026 as per the IEA. **Strong demand in Permian Basin**
- **Completion** of five new natural gas pipeline projects has the potential to increase Permian Basin's takeaway capacity by a combined 4.18 billion cubic feet/ day
- Big focus remains on **New Energy including Carbon Capture, Hydrogen and Ammonia pipelines**



SAUDI ARABIA

- **Vision 2030** to continue boost the demand
- Allocation of **US\$ 80 billion** towards **water projects** by 2030; **90% of water demand to be met through desalinated water by 2030**
- **Huge opportunity for Line Pipes and DI Pipes business**
- Strong focus on Oil&Gas production and policy initiatives to **increase domestic consumption of gas** to continue support pipe demand

WCL: Line Pipes



Top
3

Among Line
Pipe
Manufacturers
globally

50+

Approvals from
O&G majors;
Qualifies for
global bidding

16+
million
metric
ton

Pipes delivered since
inception with multiple
repeat orders

2.2 mn MT
Pipes Capacity

5 manufacturing
facilities in **3** countries

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

India: Caters to domestic water, Oil&Gas and exports

US: Caters to Oil&Gas; US has become World's largest LNG exporter

KSA: Strong prospects in both water and Oil&Gas

Total line pipe sales volume for India and USA stood at **980 KMT for FY24** registering a growth of 49% YoY

Ductile Iron Pipes



Huge Focus on creating drinking water supply infrastructure in India

- Exponential growth opportunity in water sector backed by Government focus. The Department of Drinking Water and Sanitation (DoDWS) has been allocated a budget of INR 77,390 Crores. Out of this amount, INR 69,926 Crores has been allocated to the Jal Jeevan Mission in the interim budget
- Strong order backlog of ~328 KMT valued at ~ INR 2,741 crore



- Further increasing Anjar capacity from 500,000 to 600,000 MTPA without additional capex. Project progressing well
- Greenfield project of 150,000 MTPA in Middle East on track

Stainless Steel Pipes and Bars



- Geography and territory expansion continues. New grades development & introduction continues
- Government's continuing spent on infrastructure, energy and other strategic sectors providing thrust to the industry. Domestic industry specially benefitting under "Make in India" Policy
- Encouraging product acceptance/ feedback from recently added USA market; Customer addition continues. 45 new customers added during FY24
- Many high value grades developed and delivered during the year including 904L, S30432, Alloy 800/H, Alloy 625, Low Cobalt Steel for Nuclear Power, Hollow Bars, Welsonic 50 etc.
- Qualified by BHEL and NTPC for super critical boiler tube grade S30432 for first time to an indigenous integrated facility
- New product development and introduction continues. More grades envisaged during FY25

Complete turnaround: FY24 marks first year or consistent profitability

Order book: Currently stands at ~5,590 MT valued at ~Rs 215 crore

Only facility in India, which is fully integrated from SS Steel to Pipes

Source: News articles, Market intelligence, Internal estimates





Building Materials Vertical



Sintex: On a Growth Path



Post CIRP acquisition; Reviving Channel :

- ✓ Rebuilding confidence with Trade partners.
- ✓ Redesigning the engagement program with retailers and influencers
- ✓ Successful new launches at attractive price points supporting premiumisation story.

Distribution Network PAN India :

By year end; Retailer network addition of 30% YoY to 17,500+ and consolidation in distribution network to 950+ distributors

(Encouraging network building post acquisition)

Reinvigorating the brand:

- ✓ Associate sponsor of Women's Premier League.
- ✓ Distributors meet, retailers meet and plumbers meet through out the year
- ✓ More market place activations

Focus on strong team building

Focus on operational excellence

Strong revenue growth YoY:

FY24 Sintex revenue Rs. 635 cr (+ 23% YoY)

(Encouraging business growth post acquisition)

Sintex: Glimpses of Market Activation



Building Brand visibility.



Holding Retailers and Influencers meet across country.



Sintex: Foray into Plastic Pipes



**Welspun
Corp Ltd**

**Sintex
BAPL**

**Sintex Advance Plastics Ltd
(SAPL)**

Plastic Pipes

Water Storage Tanks

Includes CPVC, UPVC, HDPE, OPVC Pipes- water distribution segment

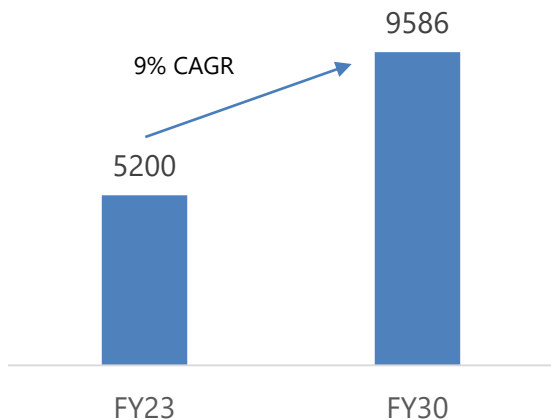
Exclusive Agreement with **Rollepaal** for supply of high quality PVCO pipes manufacturing lines

- ✓ Total capex of Rs 2,355 Crore to be spent in two years
- ✓ Manufacturing of Plastic Pipes and Water Storage with a total capacity of ~200,000 MT
- ✓ Pan India Presence – MP, Telangana, Odisha and J&K

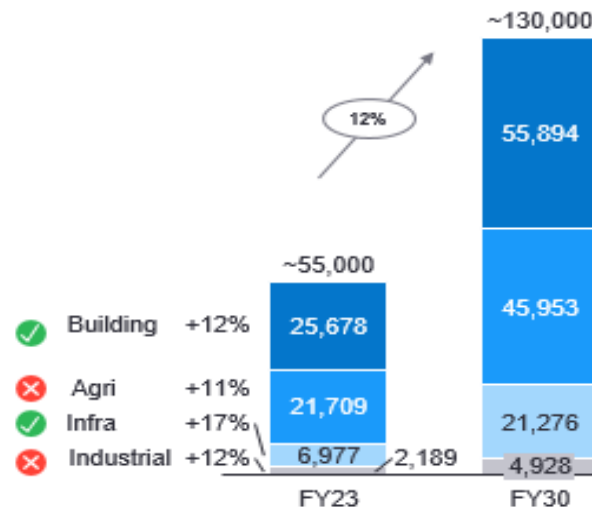
Market Outlook: WST and Plastic Pipes



Water Storage Tank Market Size (INR Crores)



Plastic Pipe Market Size (INR Crores)



- Tailwind support from increasing urbanization and Govt schemes around Water.

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
- Massive growth in housing market
- 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

FY24 Sales Volume
121 KMT

ESG Initiatives



Ranks in the **Top 5%** in Global Steel Industry in **S&P Global's DJSI** Corporate Sustainability Assessment with **total score of 68** higher by 16% against previous score. Also WCL is now ranked in the top **1 percentile** in the steel sector globally on **Governance scores**.

Achieved **highest score (59)** in ESG performance across "Basic Industry : Iron & Steel products" category by **CRISIL ESG Rating**. Scores in **Environment, Social and Governances stood at 52, 48 and 73** respectively

| Environment | Social | Governance |
|---|---|--|
| <p>1) Carbon Neutrality – 10% (2025), 20% (2030), 100% (2040)</p> <p>2) Water Neutrality by 2040</p> <p>3) Zero waste to landfill</p> <p>WCL on its path to achieve RE targets through combined solar installation of ~4MW (in progress) across 3 WCL facilities and 42 MW RE at Anjar contributing upto 55% renewable electricity by 2026. This is in line with our 2040 target to become carbon neutral</p> | <p>Alignment with UN Sustainable Development Goals</p> <p>Total no. of beneficiaries for FY24: ~843,960</p> | <p>Independent Board of Directors</p> <ul style="list-style-type: none">✓ Female gender ratio of Board members – 25 %✓ Independent directors (~50% of the board) with illustrious and diverse backgrounds✓ Key committees led by independent directors <p>✓ No pledging of promoter shares</p> <p>✓ No cross holdings</p> <p>✓ Professional management</p> <p>Compliance with all regulatory and policy frameworks</p> |

Thank You!

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