

Robust FY24 performance surpasses Guidance
New Businesses Continue to Ramp up
Ranked in the top 5 percentile in DJSI ESG Rating

May 30, 2024, Mumbai: Welspun Corp Ltd. (WCL), a flagship Company of the Welspun Group, announced its consolidated financial results for the quarter and financial year ended March 31, 2024.

FINANCIAL PERFORMANCE

Particulars (INR Crore)	FY24	FY23	Growth
Total Income	17,582	10,078	74%
EBITDA	1,804	805	124%
PAT	1,110	207	5.4X
ROCE	20%	8%	1200 bps
Net Debt	387	1,138	(66%)

This year the Company recorded the highest ever Revenue and EBITDA, with ROCE of 20%.

OPERATIONAL PERFORMANCE

Sales Volume	FY24	FY23	Growth
Line Pipes (KMT)	980	659	49%
DI Pipes (KMT)	200	37	5.4X
SS Bars (MT)	15,904	6,869	132%
SS Pipes (MT)	4,785	4,059	18%
Sintex (MT)	14,172	12,802	11%
TMT (KMT)	121	18	6.8X

Strongest ever Operational performance by the Company. Strong volume growth recorded in all the business entities viz. Line Pipes, DI Pipes, SS Bars & Pipes and Sintex.

ORDER BOOK: PIPE SOLUTIONS

Particulars	Volume (KMT)	Value (INR Crore)
Line Pipes (INDAS)	528	6,100
DI Pipes	328	2,741
SS Bars & Pipes (MT)	5,590	215

Apart from the above robust order book, we are seeing a huge growth potential, both domestically and internationally in core segments like Oil & Gas, Water, Infrastructure, Defence, Power, and Plastics. We are witnessing a structural change across all the above sectors and this gives us the optimism of sustained growth over a foreseeable future of 5 to 7 years.

OUTLOOK: PIPE SOLUTIONS

Business	Outlook
Line Pipes	
<p>India Oil & Gas (Domestic and Exports)</p>	<p>Strong demand for Oil & Gas Segment</p> <ul style="list-style-type: none"> • Demand has recovered with further expansion of gas pipeline grid across the country. Additional 10,000 km of pipelines are likely to be installed in the next 2- 3 years • City Gas Distribution Expansion across all awarded GA. CGD Pipelines in at least 50% of GA yet to be installed • The Central Government has recently sanctioned the scheme for development of pipeline infrastructure for the injection of compressed biogas (CBG) into city gas distribution (CGD) • WCL has been exporting LSAW pipes for critical applications to overseas markets viz. Middle East, Australia, Latin America, South East Asia etc. There is strong potential in export market and it remains a focus area for WCL • The energy segment is also getting reconstituted with Hydrogen pipelines picking up as seen with GAIL, IOCL, Reliance etc
<p>India Water</p>	<p>Sharp pick up in water demand</p> <ul style="list-style-type: none"> • Irrigation pipelines demand for water transportation has been growing steadily and expected to continue in the coming years as well • Interlinking of rivers is another huge opportunity for the pipes segment which is likely to come soon • States like Gujarat, MP, Rajasthan, Tamil Nadu and Karnataka are exponentially increasing the water pipeline network for irrigation, industrialization and urbanization purposes. The “Jal Jeevan Mission” has also ensured the last mile delivery of potable water and this continues to support strong demand
<p>USA</p>	<p>Positive Outlook</p> <ul style="list-style-type: none"> • US is likely to defend its position of being the largest LNG exporter in the world. We continue to see very active drilling activity in the Permian Basin, leading to strong demand for new gas pipelines for bringing the Permian gas to the Gulf Coast • We are seeing at least 2-3 new pipelines in the Permian region and at least one of them is likely to get concluded in CY2024 • We already have a firm order book till Q3FY25 and with our impeccable track record of executing large projects, we are confident of booking new orders to ensure business continuity in CY2024 itself
<p>KSA</p>	<p>Clear Visibility</p> <ul style="list-style-type: none"> • EPIC has a confirmed order book for more than 2 years • Both Oil & Gas and Water demand is exponentially increasing in the Saudi Market and EPIC now commands dominating presence in this market • Saudi Aramco is expanding its oil production capacity from 12 mbpd to 13 mbpd by 2027 and have budgetary allocation of spending almost US\$10 billion per year. Consequently we are seeing multiple projects for Oil & Gas being announced and awarded in the recent past. We expect this growth trend to continue for next 5- 7 years • Further SWCC and SWPC are exponentially increasing their capacity for transporting desalinated water through pipelines. With massive urbanization and industrialization currently happening in KSA under the Vision 2030 umbrella, the demand for the pipelines will continue to grow for next 5- 7 years

<p>DI Pipes</p>	<p>Robust Demand</p> <ul style="list-style-type: none"> • The “Jal Jeevan Mission”, “Nal Se Jal” and “Amrut” schemes of the GOI aims to provide safe and sufficient drinking water to all the households in both rural and urban India. • The “Swachh Bharat Mission Grameen” aims to provide solid and waste management across all the villages • Under the above signature schemes, thousands of kilometre of pipelines will be laid to achieve the abovementioned objectives • 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 • We have a healthy order book of 328,000 MT resulting in our production capacity booked for next 3 quarters • WCL is now further enhancing its Anjar capacity from 500,000 MT to 600,000 MT without any additional capex
<p>SS Bars & Pipes</p>	<p>Steady Improvement</p> <ul style="list-style-type: none"> • New product development and introduction continues. More value added grades envisaged during FY25. Further geography and territory expansion envisaged during FY25 • WSSL is gradually firming up position based on its strategy and the strong foundation created during FY24

OUTLOOK: BUILDING MATERIALS

Businesses	Outlook
<p>Sintex</p>	<p>Improving Positioning in WST and Foraying into Plastic Pipes</p> <ul style="list-style-type: none"> • The market size of Plastic Pipes used for buildings and infrastructure in India is likely to reach to ~Rs 130,000 crore in 2030. Thus, it provides a huge opportunity to Sintex to leverage its brand value, optimise its distribution channel and rationalise its logistics cost, thereby charting out a strong growth outlook and further strengthening our position into the B2C segment • The entire focus will be to strengthen the channel partners and engagement with influencers • We aim to maintain the growth rates of FY24 and grow faster than the market. We will continue to focus on profitable growth along with continued investment in brand building during the year
<p>TMT</p>	<p>Steady Growth</p> <ul style="list-style-type: none"> • The Government of India is investing heavily in infrastructure projects, such as roads, railways, and power plants. This is leading to increased demand for TMT Rebars • Additionally the construction sector (individual housing) and urbanization are also key drivers for demand in the TMT Rebars sector • We have secured multiple approvals and accreditations and are selling our products under “Welspun Shield” brand both in projects and B2C segments

GUIDANCE FOR FY25

- Top line of INR 17,000 Cr
- EBIDTA of INR 1,700 Cr
- Volume and margins growth across all the verticals – Line Pipes, Sintex, DI Pipes and WSSL
- ROCE of 20%

MANAGEMENT COMMENTS



“I am pleased to share that we have satisfactorily surpassed our guidance for FY24 offsetting many global macroeconomic and geopolitical challenges. This was possible due to all round performance by our pipe solutions and building material verticals. Steady and consistent improvement has been witnessed in our new businesses. I am confident of significant improvement in our DI Pipes and Sintex businesses going forward backed by exponential growth opportunity in Water sector. Strong focus of the government on the infrastructure segment as a whole augurs well for our line pipes and steel businesses in India. Our overseas operations are also expected to continue performing satisfactorily backed by strong visibility. As we move forward, I see further ramp up in our new operations. From the laid out plans for our Sintex business, I see significant value creation for all our stake holders.” said Mr. B. K. Goenka, Chairman, Welspun Group. *“Our focus on sustainability has been yielding fruits as we continue to achieve higher milestones and our latest DJSI ESG rating is a testimony of the same”* he added.

CONSOLIDATED PERFORMANCE SNAPSHOT:

Sales Volumes	Q4FY24	Q3FY24	Q4FY23	FY24	FY23
Line Pipes (KMT)	302	291	249	980	659
DI Pipes (KMT)	66	62	23	200	37
SS Bars (MT)	3,610	3,921	2,783	15,904	6,869
SS Pipes (MT)	1,118	1,183	1,079	4,785	4,059
WST (MT)	3,659	3,411	3,368	14,172	12,802
TMT Bars (KMT)	42	30	16	121	18

Line Pipes- India & USA

Figures in INR crore

Consolidated Profit & Loss Account	Q4FY24	Q3FY24	Q4FY23	FY24	FY23
Total Income	4,544	4,758	4,132	17,582	10,078
Reported EBITDA	413	471	483	1,804	805
Depreciation and Amortisation	87	90	91	348	303
Finance Cost	75	63	95	304	243
Profit before tax and share of JVs	251	319	297	1,152	258
Share of profit/(loss) from Associates and JVs	96	53	29	157	75
PAT after Minorities, Associates & JVs	268	292	236	1,110	207
EPS (Rs)	10.2	11.1	9.0	42.3	7.9

Prior period figures have been restated, wherever necessary

Net Debt / (Cash) position

Figures in INR crore

Consolidated debt	Mar-24	Dec-23	Mar-23
Gross Debt	1,908	1,858	3,316
Cash & Cash Equivalents	1,521	1,355	2,178
Net Debt / (Cash)	387	503	1,138

Saudi Financials: Key figures of East Pipes Integrated Company for Industry (EPIC)

Particulars in SAR MN	Q4FY24	Q3FY24	Q4FY23	FY24	FY23
Saudi Arabia Ops:					
Sales / Revenue	722	552	442	1,544	1,439
Gross Profit	213	111	55	351	156
Operating Profit	203	105	47	324	133
Net Profit after Zakat and Tax	180	86	37	268	100

WCL holds 31.5% stake in EPIC

Q4FY24 Investor & Analyst conference call: On Friday, May 31, 2024 at 10.00 AM (IST)

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 - Singapore: 800 1012 045
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ABOUT WELSPUN CORP LTD. (WCL)

Welspun Corp Ltd (WCL) is the flagship company of Welspun World, one of India's fastest-growing multinationals with a leadership position in line pipes and home solutions, along with other lines of businesses in infrastructure, pipe solutions, building materials, warehousing, retail, advanced textiles, and flooring solutions.

WCL is one of the largest manufacturers of large diameter pipes globally and has established a global footprint across six continents and fifty countries by delivering key customized solutions for both onshore and offshore applications. The company also manufactures BIS-certified Steel Billets, TMT (Thermo-Mechanically Treated) Rebars, Ductile Iron (DI) Pipes, Stainless Steel Pipes, and Tubes & Bars. The company has state-of-the-art manufacturing facilities in Anjar (Gujarat), Bhopal (Madhya Pradesh), Mandya (Karnataka) and Jhagadia (Gujarat) in India. Overseas, WCL has a manufacturing presence in Little Rock, Arkansas, USA.

WCL's expansion entails creating a diversified product portfolio and repurposing its business to add new target segments, organically and inorganically. The company acquired Sintex-BAPL, a market leader in water tanks and other plastic products, to expand its building materials portfolio. It has also made strategic acquisition of specified assets of ABG Shipyard.

Website: www.welspuncorp.com

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