

WCL/SEC/2023

February 2, 2023

To,

BSE Ltd. Listing Department, P. J. Towers, Dalal Street, Mumbai – 400 001. (Scrip Code: Equity - 532144), (NCD -960468, 960491 and 973309)	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. (Symbol: WELCORP, Series EQ)
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Dear Sirs/ Madam,

Sub.: Business Update and Investors' Presentation – Q3 2022-23.

In continuation to our letter dated February 2, 2023, please find attached herewith the Business Update and Investors' Presentations which is being released to the media simultaneously.

Thanking you.

Yours faithfully,
For Welspun Corp Limited

Pradeep Joshi
Company Secretary
FCS-4959
Encl.: as above

PS:

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Corporate Identity Number: L27100GJ1995PLC025609

Poised for Take-Off

February 2, 2023, Mumbai: Welspun Corp Ltd. (WCL), a flagship Company of the Welspun Group, announced its consolidated financial results for the quarter ended December 31, 2022.

- **Begun dispatches for orders in US, strong outlook with plants booked for several quarters**
- **Ramping-up of sales from state-of-the-art Ductile Iron Pipe and TMT Rebar plants**
- **Received possession of specified assets of ABG Shipyard Limited**
- **Committed to ESG: Published maiden Sustainability Report and Tax Transparency Report**
- **Order Book for Line Pipes of 928 KMT, active bid book of 1.7 Million MT**

Note: Sales Volume & Order Book includes our Saudi operations

I. Pipe Vertical

Line Pipes

The Line Pipes Business has seen a robust performance with a global sales volume of 281 KMT and EBITDA of ~ Rs. 202 cr for the quarter. Production in the US has significantly ramped up, and dispatches against projects have started in Q3. The full impact of this will be seen from Q4 FY23 onwards.

It is expected that 2023 will be another strong year for the Oil & Gas industry as consumption is expected to increase. According to IEA, global oil demand is set to rise by 1.9 mb/d in 2023, to a record 101.7 mb/d, with nearly half the gain from China following the lifting of its Covid restrictions. In addition, the EU will need to buy more gas to refill its storage and it will continue using oil products that it no longer buys from Russia. Global oil prices are forecasted to average more than \$80 per barrel which is a fairly healthy level and should spur further investments in pipelines.

India

The Ukraine crisis has reaffirmed the importance of energy security, as governments around the world are trying to secure gas supplies at affordable prices. The EU is pivoting away from Russia to other regions to secure the gas it needs. The current environment along with reasonably high energy prices will lead to a robust capex cycle in Oil & Gas infrastructure globally. We are seeing a strong revival in various pipeline projects and are in active discussions for several export orders across the world with a focus on Europe, Australia, South America, South East Asia and Middle East.

The Government in India has set a target to raise the share of natural gas in the energy mix to 15% by 2030 from about 6.2% now. Various steps taken by the Government in this direction include expansion of National Gas Grid Pipeline, expansion of City Gas Distribution (CGD) network, setting up of Liquefied Natural Gas (LNG) Terminals etc.

Petroleum & Natural Gas Regulatory Board (PNGRB) has authorized approximately 33,107 km length of Natural Gas Pipeline Network across the country. Out of this, 21,102 km length of natural gas pipelines are operational including 6,678 km of partially commissioned pipelines. In addition, there are 12,005 km of natural gas pipelines which are under construction.

We have seen a healthy demand from PSU oil and gas companies. Their overall Capex target for FY2022-23 is Rs. 111,354 crores for which Rs. 77,631 crores has been spent in April – December 2022. We expect a steady demand from these companies to continue for several years.

There has been a revival in the Water sector with a cooling off in steel prices in the quarter, compared to the previous year. We have seen increased demand across the States of Gujarat, Maharashtra, Tamil Nadu, Karnataka, Madhya Pradesh, Punjab and Rajasthan. There are several schemes planned by both the Central and State Governments to ensure optimal sustainable development, maintenance of quality and efficient use of water resources, to match with the continuously growing demand across the country.

USA

Europe's energy crisis is expected to keep the LNG market tight for the next few years supporting cash flow generation for US LNG players. Rising global demand for natural gas is a growth opportunity for US LNG producers but delivering on the opportunity will depend on timely construction of natural gas pipeline infrastructure to support new US LNG supplies.

In 2022, the EU's imports of LNG hit 101 million tons, which was a 58% surge compared to 2021, as Russia's piped natural gas exports to the EU shut down. Meanwhile, China's reduced domestic demand in 2022 allowed Chinese importers to redirect their contracted LNG volumes to the high-priced European spot market and help Europe to avoid major shortages. A potential recovery in Chinese domestic demand in 2023 will bring back the risk of natural gas supply in Europe.

European demand may accelerate LNG capacity expansion in the US. This in turn would spur further capital allocation for constructing new pipeline capacity to connect the largest US gas producing regions like the Permian Basin and new export infrastructure.

Our HSAW plant in the US is fully booked till December 2023. The current business environment is extremely conducive and we are in active discussions to book new orders beyond 2023.

Saudi Arabia

We have seen a strong performance in our associate company, East Pipes Integrated Company for Industry (EPIC), with a 266% YoY jump in Revenue and an Operational Profit of SAR 61 million during the quarter.

The outlook for the Oil and Gas sector in Saudi Arabia is encouraging. The Master Gas System - Phase 3 is being planned by Saudi Aramco for transfer of Gas from the East to West in Saudi Arabia. Saudi Arabia is trying to speed up the conversion of a number of power plants from oil to natural gas. In that perspective, Saudi Aramco is extending the existing Master Gas System to the Western Province in order to supply the power plants located there. The planned new pipelines and distribution networks to be operated by Saudi Aramco will add to the existing Saudi gas pipeline capacity.

SWCC is investing in increasing its capacity to desalinate, transmit and store water to meet increasing demand and further enhance water supply security. Today, Saudi Arabia can store 21 million cubic meters, which is equivalent to 2.2 days of current municipal water demand. Projects are ongoing to expand storage capacity by 14%, and the expansion of a further 225% is planned to reach seven days of strategic storage by 2030.

On desalination, around 9 million cubic meters per day can be produced today. The market share of SWCC is 66% of the total current production capacity, and projects to increase desalination capacity by 60% are under construction. Moreover, Saudi Arabia plans to increase desalination capacity by an additional 17.4% by 2030. Given the vast geography of Saudi Arabia, transmission of desalinated water to its demand centers is of key importance. Today around 13.9 million cubic meters per day can be transmitted across the country. This capacity is currently being increased by 56%, and a further expansion by 44% is planned by 2030.

Our associate company, East Pipes Integrated Company for Industry (EPIC), recently announced signing contracts for the supply of Steel Pipes for Water Transmission with a total value of around SAR 569 million (inclusive of value added tax) with NEOM and Petrojet Company. The huge thrust on Oil & Gas and Water infrastructure will result in a strong demand for pipelines and we expect to win more orders in due course of time.

II. Steel Vertical

A) Pig Iron & DI Pipes

During the end of the quarter, we announced the commissioning of our Coke Oven in Anjar through Welspun Metallics Limited, a wholly owned subsidiary of the Company.

The Coke Oven has a production capacity of approximately 210,000 MT per annum which will primarily be used in the Blast Furnace for manufacturing of Hot Metal. This will help with continuous supply of high-quality coke at a competitive cost to run the plant efficiently.

This is a significant milestone in our quest to manufacture high quality Ductile Iron Pipes. The Coke Oven, is built with the latest technology and adheres to the highest safety and environmental standards.

The EBITDA loss this quarter in the Steel Vertical drastically reduced to ~ Rs. 34 Cr as compared to the previous quarter. We are ramping up production in a calibrated manner to ensure that we deliver pipes of the highest quality to our customers. In the month of January 2023, our production has already touched close to 10 KMT for DI Pipes. The removal of 15% export duty on Pig Iron has also given a boost to selling prices and demand. We expect the financial performance of the business to significantly improve in subsequent quarters.

To make provision of potable tap water supply to every rural household of the country by 2024, Government of India in partnership with States is implementing the Jal Jeevan Mission (JJM) - Har Ghar Jal, with an estimated outlay of Rs. 3.60 lakh crore. As on 20th January 2023, out of 19.36 Crore rural households in the country, 10.96 Crore (56.66%) households are reported to have tap water supply in their homes. Overall, the demand environment is robust and as on date we have an order backlog of ~ 88 KMT valued at ~ Rs. 665 Cr.

B) Billets & TMT Bars

Our newly commissioned state-of-the-art plant, has started dispatches of TMT bars. The initial response has been very encouraging with a healthy traction both in the B2C and B2B segments.

We are creating a unique and industry first digital platform for distributors, dealers, retailers and influencers. This will have a socioeconomic impact and also help to analyze early trends / buying patterns of consumers in every region. This can help plan our production and make supply chain operations more effective while staying consumer centric.

Our key target market is the state of Gujarat where we estimate an annual demand of 3 million MT per annum driven by spending on housing and construction. Of this, about 2 million MT is manufactured within the state while 1 million MT is procured from other states.

III. Welspun Specialty Solutions Limited (WSSL)

WSSL has recorded a turnaround in performance with a positive Cash PAT in this quarter. Going forward, the company expects its improved performance to sustain, on the back of several new customer approvals, accreditations, development of new products and penetrating new markets.

Pipe volumes higher by 45% for Q3 FY23 and 70% for 9M FY23, both compared to the corresponding period in the previous year.

Total Income 175% higher for Q3 FY23, compared to the previous year. EBITDA for Q3 FY23 at Rs. 9.4 crores vs loss of Rs. (1.6) crores in Q3 FY22.

The total order book of WSSL for Stainless Steel Bars stands at 2,134 MT amounting to ~ Rs. 60 crores and for Tubes and Pipes stands at 1,426 MT amounting to ~ Rs.92 crores.

The finance ministry has approved the gazette notification for Anti-Dumping Duty on Stainless Steel Seamless Pipes & Tubes (chapter 7304) imported from China. This is expected to significantly improve business prospects for Indian mills.

BIS standard for Seamless Tubes & Pipes (BIS 17875) has been introduced which is favourable for integrated players like us. The Company has received accreditation certificate by BIS for a wide range of product grades and sizes.

IV. Other Updates

(A) Acquisition of the Specified Assets of ABG Shipyards

The Company has received the possession of moveable properties (partially built obsolete ships, metal and scrap) from the Liquidator of ABG. Further, the Company's wholly owned subsidiary i.e. Nauyaan Shipyard Private Limited ("Nauyaan") has received the possession of immovable property at Dahej, Gujarat from the Liquidator. The partially built ships, equipment and metal scrap acquired under WCL is estimated to be over ~ 150,000 MT. It is estimated that the Metal / Metal scrap not required for business purposes will be disposed over 12-15 months. During this period, we will evaluate new business areas like Defense, Green Steel, Offshore Wind and Oil & Gas Structures etc. to ensure optimal utilization of the assets.

(B) Acquisition of Sintex BAPL Ltd.'s Non-Convertible Debentures

WCL's growth strategy entails creating a diversified product portfolio, repurposing its business to add new target segments, expanding its offerings to address both the B2B and B2C markets, and making well-considered strategic acquisitions. In this regard, we have acquired Sintex BAPL Ltd.'s Non-Convertible Debentures with outstanding of Rs. 1,231 Crore for a purchase price of Rs. 421 Crore (as on date) by our wholly-owned subsidiary viz. Mahatva Plastic Products And Building Materials Private Limited. The process is nearing completion and we are hopeful it will be over on or before Q1 FY24.

(C) ESG Initiatives

WCL published its maiden Sustainability Report for FY 2021-22. The report is significant in helping WCL comprehensively report its sustainability performance across the environment, social, and governance domains. The report also highlights the progress made by WCL over its sustainability goals and its alignment with global frameworks like the GRI, UN SDGs, and SASB standards.

In addition, we published our first-ever Tax Transparency Report. It is essential that we explain not only our compliance with tax laws and disclosure requirements and guidelines, but also our overall approach that sets the context for our tax liabilities. The voluntary disclosures through this report demonstrate that we strive to uphold the highest standards of tax transparency.

V. Company Outlook

In the Medium Term (3 to 5 years), WCL aspires to reach the following metrics:

- Top line of Rs. 15,000 Cr +
- Sustainable EBIDTA of Rs. 1,600 Cr to Rs. 1,800 Cr
- ROCE of 18%+
- Net Cash Positive driven by strong Free Cashflows
- Increase in DJSI ESG ratings from 41 to 60
- Dominant player in B2B and B2C segment in line with group vision of “Har Ghar Welspun”

VI. Management Comments

“WCL continues to execute on its Business Growth and Diversification Strategy. The acquisition of the specified assets of ABG Shipyard has been completed. With the state of the art Ductile Iron Pipe plant settling well, I am confident that it will create another milestone for the group and for the sector. Global pipe scenario, post Ukraine war has changed and accordingly we are seeing lot of traction in exports from India, as well as in the Saudi and US markets. With the recent Union budget, outlook for infrastructure remains bright and the domestic market traction remains high. As a global pipe player and further with our business diversification, we are confident about our future growth prospects.” said Mr. B. K. Goenka, Chairman, Welspun Group.

VII. Financial Highlights of the Quarter ended December 31, 2022

- *Prior period figures are restated after the acquisition of the Steel business of Welspun Steel Limited*
- *Financial Highlights (Consolidated) for Continuing Operations (Ind AS)*
- *Sales Volume & Order Book includes our Saudi operations*

1. Global Order Book – Line Pipes

- Current Global Order Book stands at 928 KMT valued at ~ Rs. 13,200 cr

2. Sales Volumes (Q3 FY23)

- Line Pipes: 281 KMT vs. 171 KMT YoY
- SS Pipes 1,278 MT vs. 881 MT YoY

3. Revenue from Operations

- Revenue from Operations for Q3 FY23 at Rs. 2,402 cr, up by 67% YoY

4. EBITDA

- Reported EBITDA for Q3 FY23 at Rs. 174 cr, up by 4% YoY

5. Profit (Continuing Operations)

- PAT (after Minorities & share of JVs) stands Rs. 23 cr

6. Net Debt / (Cash) position

Figures in Rs. Cr

Consolidated debt	Dec-22	Sep-22	Mar-22
Gross Debt	3,178	2,907	2,021
Cash & Cash Equivalents	1,341	1,298	2,195
Net Debt / (Cash)	1,837	1,609	(173)

During the quarter, Net Debt has increased largely due to the ongoing investments in the DI project and TMT project which are both nearing completion. We expect Net Debt to reduce in the ensuing quarters driven by cash collections, approaching end of project investment cycle and a robust business outlook.

VIII. Consolidated Performance Snapshot

Sales Volumes	Q3FY23	Q2FY23	Q3FY22	9MFY23	9MFY22
Line Pipes (KMT)	281	218	171	657	526
Pig Iron (KMT)	40	11	-	51	-
DI Pipes (KMT)	12	-	-	12	-
DRI (KMT)	14	18	2	33	4
Billets (KMT)	34	16	11	87	94
TMT Bars (KMT)	2	-	-	2	-
SS Bars (MT)	1,448	1,081	141	4,086	283
SS Pipes (MT)	1,278	1,009	881	2,979	1,754

Figures in Rs. Cr

Consolidated Profit & Loss Account	Q3FY23	Q2FY23	Q3FY22	9MFY23	9MFY22
Continuing Operations					
Total Revenue from Operations	2,402	1,964	1,442	5,688	4,494
Other Income	8	177	58	258	149
Reported EBITDA	174	46	168	322	549
Depreciation and Amortisation	80	70	64	212	191
Finance Cost	70	47	27	148	72
Profit before tax and share of JVs	24	(72)	77	(38)	286
Share of profit/(loss) from Associates and JVs	29	14	(16)	47	(19)
Tax expense	30	5	22	49	87
Non-controlling interest	(0)	(7)	(7)	(12)	(22)
PAT after Minorities, Associates & JVs	23	(57)	46	(29)	203
Basic EPS from Continuing Operations	0.9	(2.2)	1.8	(1.1)	7.8

Prior period figures have been restated, wherever necessary

Saudi Financials

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

Figures in SAR Mn

Particulars in SAR MN	Q3FY23	Q2FY23	Q3FY22	9MFY23	9MFY22
Saudi Arabia Ops:					
Sales / Revenue	487	303	133	996	404
Gross Profit	70	15	-8	103	13
Operational Profit	61	14	-14	86	(0)
Net Profit after Zakat and Tax	48	9	-19	63	(18)
Total Comprehensive Income	48	9	-19	64	(17)

Prior period figures have been restated, wherever necessary

Q3 FY23 Investor & Analyst conference call: Friday, 3rd February 2023 | Time: 10:00 AM IST

- Primary Access: +91 22 6280 1325 / +91 22 7115 8226
- International Toll-Free numbers
 - Hong Kong: 800 964 448
 - Singapore: 800 1012 045
 - UK: 0808 101 1573
 - USA: 1866 746 2133

About Welspun Corp Ltd. (WCL)

Welspun Corp Ltd. (WCL) is the flagship company of the global conglomerate 'Welspun Group', one of India's fastest-growing multinationals with a leadership position in line pipes, home textiles, infrastructure, warehousing, retail, advanced textiles, and flooring solutions. WCL is synonymous with competitive quality and an impeccable execution track record, coupled with world-class technology and innovation.

The company is a one-stop service provider offering end-to-end pipe solutions ranging from 1½ to 143 inches. With its dynamically evolving goals and targets, WCL has established a global footprint across six continents and fifty countries, via critical projects for both onshore and offshore applications. Their line pipe capabilities encompass LSAW (Longitudinal Submerged Arc Welded), HSAW (Horizontal Submerged Arc Welded), HFW (High-Frequency Welded), and HFIW (High-Frequency Induction Welded).

The company also manufactures BIS Certified Steel Billets and has recently commissioned its TMT Rebars facility with a total production capacity of 350,000 MT per annum.

The company boasts of a state-of-the-art Steel and Ductile Iron (DI) Pipes manufacturing facility. Equipped with the latest cutting-edge technology, the integrated facility located in Anjar, Gujarat includes a blast furnace, sinter plant, PCI, oxygen plant, and coke oven to produce up to 500,000 MT of hot metal per annum for both Pig Iron and DI Pipes. The DI Pipes facility shall cater to the growing water infrastructure requirements of the country to provide clean drinking water to households in both urban and rural India. The plant has a total production capacity of 400,000 MT of Ductile Iron (DI) Pipes, which is touted to be ramped up gradually.

WCL also manufactures Stainless-Steel Pipes, Tubes & Bars at a boutique facility located in Jhagadia, Gujarat through its subsidiary, Welspun Specialty Solutions Limited (WSSL).

WCL's expansion entails creating a diversified product portfolio and repurposing its business to add new target segments, organically and inorganically. Its well-considered strategic acquisitions will amplify its distribution network to address B2B and B2C markets. The company is also foraying into the polymer/plastic business segment, thereby progressing towards creating a large-scale B2C organization. This Business Growth and Diversification strategy is in tandem with our vision of Har Ghar Se Har Dil Tak Welspun.

For further information please visit www.welspuncorp.com

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Welspun Corp Limited

Investor Presentation | Q3 FY23



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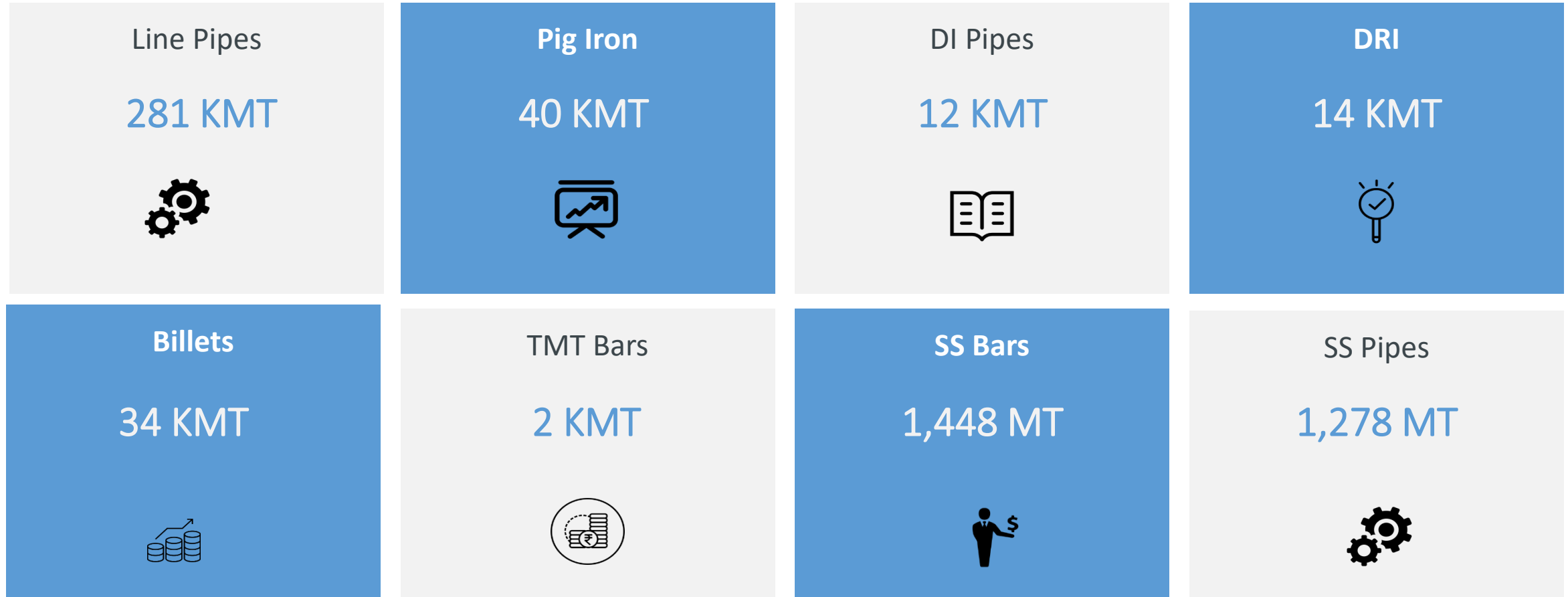
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With respect to all disclosures provided herein, the statements contained herein may be pertaining to future expectations and other forward-looking statements which involve risks and uncertainties that are subject to change based on various important factors (some of which are beyond the Company’s control). These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers including with respect to the consolidated results of operations and financial condition, and future events and plans of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “forecast,” “project,” “anticipate,” “likely,” “target,” “expect,” “intend,” “continue,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “would,” “may,” “might,” “will,” “strategy,” “synergies,” “opportunities,” “trends,” “future,” “potentially,” “outlook” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results, performances or events may differ from those in the forward-looking statements as a result of various factors and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of the Company on future events. No assurance can be given that future events will occur, or that assumptions are correct. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

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Sales Volumes at a Glance: Q3 FY23



Note: Pipe Sales volumes include Saudi Arabia operations

Financial Results for Q3 FY23

Particulars (Rs Cr)	Q3FY23	Q2FY23	QoQ	Q3FY22	YoY
Total Revenue from Operations	2,402	1,964	22.3%	1,442	66.6%
Other Income	8	177	-95.5%	58	-86.1%
Reported EBITDA	174	46	280.6%	168	3.8%
Depreciation and Amortisation	80	70	14.8%	64	25.4%
Finance Cost	70	47	48.4%	27	158.8%
Profit before tax and share of JVs	24	(72)		77	-69.3%
Share of profit/(loss) from Associates and JVs	29	14	117.5%	(16)	
Tax expense	30	5	488.9%	22	34.1%
Non-controlling interest	(0)	(7)		(7)	
PAT after Minorities, Associates & JVs	23	(57)		46	-49.2%
Basic EPS from Continuing Operations	0.9	(2.2)		1.8	-49.3%

Note:

- Consolidated Financials pertaining to continuing operations
- Prior period figures are restated wherever necessary

Financial Performance

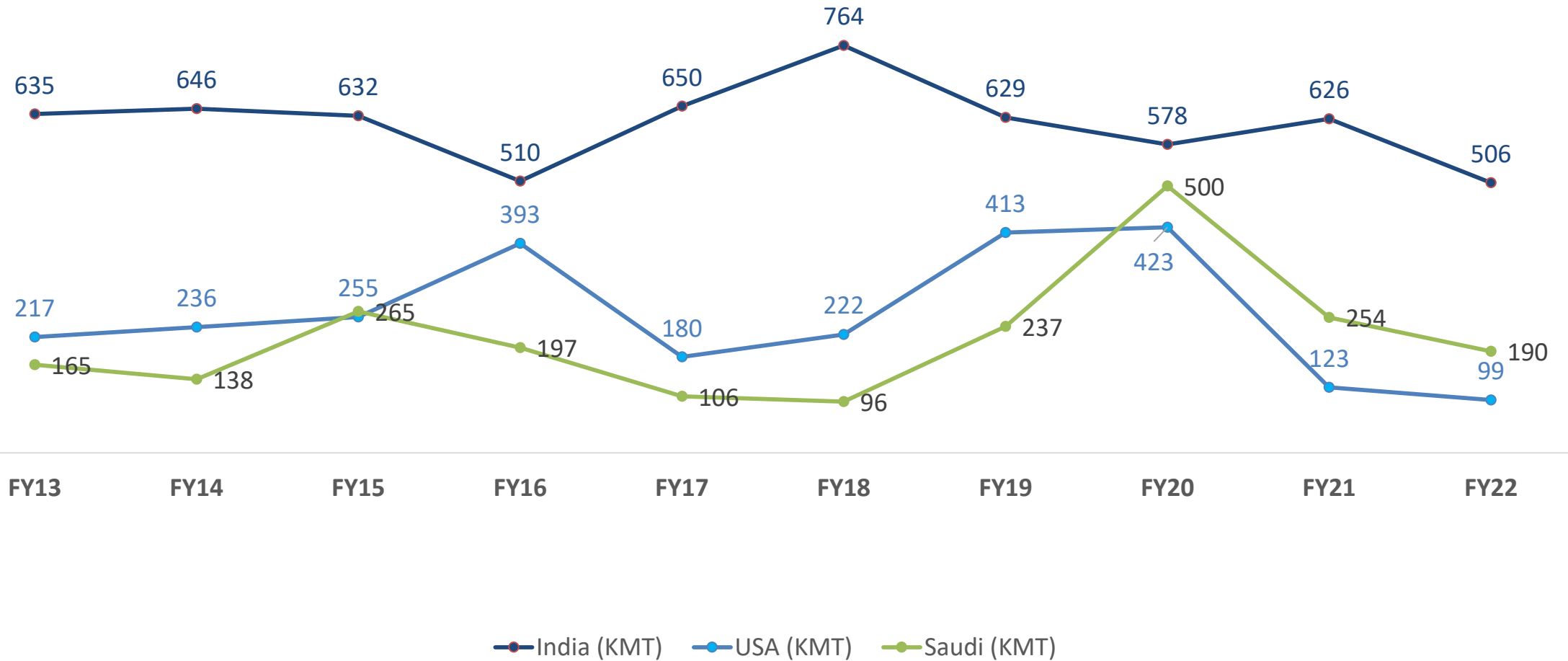
Consistent Performance over the last 10 years

Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	9MFY23
Revenue (INR cr)	9,083	7,705	8,451	7,380	6,035	7,587	8,954	9,957	7,153	6,505	5,688
EBITDA (INR cr)	919	844	951	891	737	815	708	1,276	1,152	1,023	322
Basic EPS	6.1	2.8	2.6	5.8	1.0	6.0	2.6	25.6	29.8	16.8	(1.1)
Net Worth (INR cr)	2,750	2,957	2,799	2,799	2,809	2,854	2,798	3,215	4,209	4,528	4,536
Net Debt / (Cash) (INR cr)	2,314	2,568	1,910	1,355	1,106	422	286	32	(447)	(173)	1,837
Net debt/Equity	0.84x	0.87x	0.68x	0.48x	0.39x	0.15x	0.10x	0.01x	-0.11x	-0.04x	0.40x

Note:

- Consolidated Financials
- 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 only

Sales Volume Mix: Line Pipes (Long Term Trend)



WCL as “it was”: High Quality Line Pipe Business



Top
3

Among Line Pipe Manufacturers globally



50+

Approvals from O&G majors; Qualifies for global bidding



15+
MN MT

Pipes delivered since inception with multiple repeat orders

2.5 mn MT Pipes Capacity

6 manufacturing facilities
in 3 countries

Used in Oil & Gas, Water
industry & Structurals

Approvals & accreditations: Line Pipes

Oil & gas









Transportation



Others



Global Supply Chain

Name	Country
Dillinger 	France and Germany
VAGB 	Austria
Posco 	South Korea
Nippon 	Japan
JFE 	Japan
Bao 	China



More than 2 million MT of plates procured in last 10 years

Healthy Relationships with Suppliers across the world: A key factor for our Global Leadership Position

Welspun Corp: Transforming into a Conglomerate

	Existing	New				Planned
Business	<p>Large Diameter Pipe and Coating</p> <p>New Energy</p>	Pig Iron and DI Pipes	Specialty Steel	Billets & TMT ¹⁾	ABG Shipyards	Plastic Products
Scale	Amongst the Top manufacturers globally	One of the largest standalone single location facility	Integrated producer from steel-making to finished products	One of the largest players in the Key Growth Market of Western India	One of the largest shipyard infrastructure in India	Acquisition ²⁾ of one of the largest national level brand
Focus	Oil & Gas & New Energy	Jal Jeevan Mission	Nuclear, Defense & Power	Infra & Housing	Defense	B2C
		<i>Greenfield</i>	<i>Acquisitions</i>			

Note: 1) Through Forward Integration 2) Acquired Sintex BAPL Ltd.'s Non-Convertible Debentures with outstanding of Rs. 1,231 Crore for a purchase price of Rs. 421 Crore

Our Manufacturing Facilities

Capacity	India					US	Saudi Arabia	Total
	Anjar	Dahej	Mandya	Bhopal	Jhagadia	Little Rock	Dammam	
Products / City								
LSAW	350	350						700
HSAW	250		150	305		350	375	1,430
ERW/ HFIW	200					175		375
Line Pipes (KMT)	1,605					525	375	2,505
TMT Bars (KMT)	350							350
DI Pipes (KMT)	400							400
SS Bars (KMT)					150			150
SS Pipes (KMT)					18			18

Line Pipes: Key Drivers

India

- Expansion of National Gas Grid Pipeline
- **City Gas Distribution (CGD)** network
- **Strong export** outlook with focus on Australia, Central America, South East Asia and Middle East
- **Demand returning in the Water** sector with moderating steel prices

USA

- Rig count almost close to pre-pandemic levels
- Permian basin expected to be the key growth driver
- 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 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**

Line Pipes: Key Drivers

New Energy

This is the future for pipelines

Hydrogen:

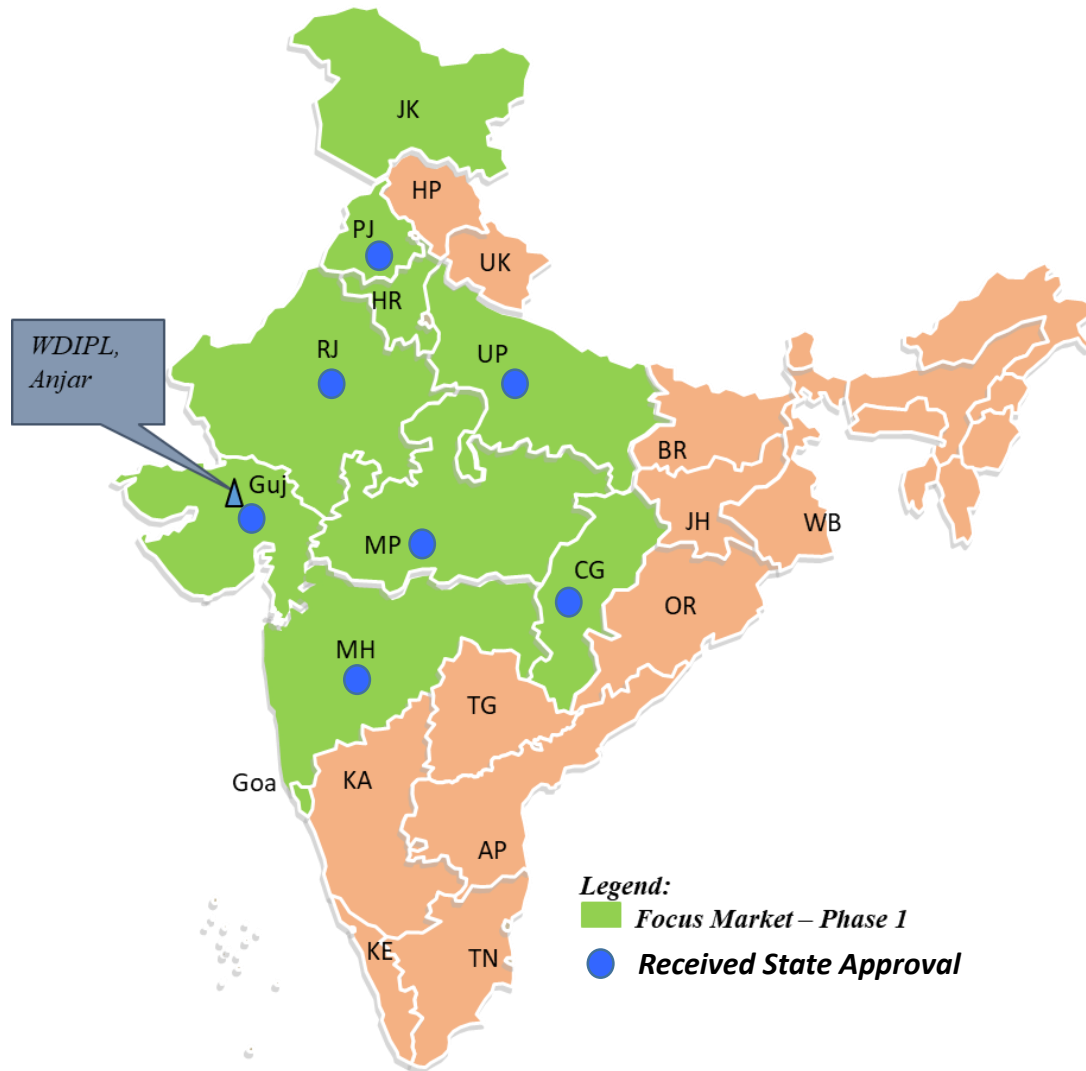
- WCL is a part of a key international committee drafting the specifications for these pipelines
- Undertaking critical long lead tests on existing pipeline order to certify compatibility to carry 100% Hydrogen –
Will give us a head start in the global new energy market (in case of success)

Carbon Capture:

- Recently secured a strategic and breakthrough order of 1,250 KM of HFIW pipes (>100 KMT); This will put us
again in the pole position in the new energy market

Ductile Iron Pipes: Huge focus on creating drinking water supply infrastructure in India

Our Focus Market will be West, Central and North India



Specialty Steel: SS Pipes Outlook

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 the proposal for 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

TMT: Our Differentiated Strategy

Forward Integration from Billets to TMT

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

~3 MN MT per Annum demand
expected in Gujarat for TMT
rebars

Welspun Strategy

- Sharp focus on
 - **Branding and creating a robust distribution network - B2C segment**
 - Presence in High growth Western India (especially Gujarat) region where Welspun enjoys a strong brand presence
 - Differentiated Strategy to add value like Epoxy Coating on rebars and Pre-Fab rebars

**Synergy with our steel
business**

ABG Shipyards: Value Accretive Transaction

- Transaction at Attractive Terms
- Total cost of acquisition: INR 659 Cr (plus applicable taxes)
- **Partially built ships, equipment and metal scrap in excess of 150,000 MT**
- Metal/ metal scrap not required for business purposes will be disposed over 12-15 months

Potential to Enter New Businesses: 1) Shipbuilding 2) Green Steel 3) Offshore Wind and Oil & Gas Structures

Sintex BAPL

- **Extremely Strong Brand** in the Consumer space with **extensive Distribution (847 Nos)** and **Retail (13K) Network**

- **National Brand** having >10% market share (2018) in India

- **Diversification of Product Portfolio** - Works well with overall theme of providing water related solutions (through DI for water transportation and Tanks for storage)

- In Sync with Welspun Group Mission: **“Har Ghar Welspun”**

- This would potentially meet our aspiration to become a **large scale B2C player**

WCL Medium Term Mission (3-5 Years)

- Top line of INR 15,000 Cr +
- Sustainable EBIDTA of INR 1,600 Cr to INR 1,800 Cr
- ROCE of 18% +
- Net Cash Positive driven by strong Free Cashflows
- Increase in DJSI ESG rating from 41 to 60
- Dominant player in B2B and B2C segment in line with group vision of “Har Ghar Welspun”

Sustainability Strategy

Energy Efficiency

Water Intensity

Health & Safety

Human Capital

Renewable Energy

Waste Intensity

Gender Diversity

Impacting Lives in CSV

Sustainable Supply Chain

Hydrogen Pipelines

Carbon Capture Projects

Ranked in Top One-Third in Steel Industry by S&P Global's Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment

Sustainability Targets

Aspects	FY 2020-21	Goal 2025	Goal 2030	Goal 2040
Carbon Neutrality - % Renewable Energy (RE)		10% RE	20% RE	Carbon neutral
Water Neutrality - Water Intensity	0.63 KL/MT	0.55 KL/MT	0.40 KL/MT	Water neutral
Waste to Landfill	1.53 MT	1.00 MT	0 MT	Zero waste to landfill
Impacting Lives in CSV	1,60,735	5,00,000	1,000,000	2,000,000
Sustainable Supply Chain - % suppliers assessed as per ESG compliant Code of Conduct		100% critical suppliers assessed	100% (all suppliers)	100% (all suppliers)

Note: 1) Sustainability targets for Line Pipes India business 2) Impacting Lives in CSV through Welspun Foundation

Thank You

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