

WCL/SEC/2017

July 7, 2017

To,

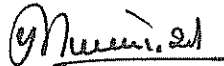
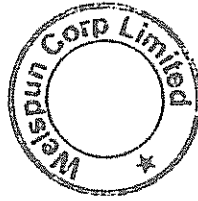
BSE Ltd. (Scrip Code-532144) Department of Listing, P. J. Towers, Dalal Street, Mumbai - 400 001.	National Stock Exchange of India Ltd. (Symbol: WELCORP, Series EQ) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
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Dear Madam/ Sirs,

Subject: Disclosure under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

In compliance with Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find attached latest investor presentation which will be uploaded on the website of the Company.

For Welspun Corp Limited


*Pradeep Joshi
Company Secretary
FCS-4959

Welspun Corp Ltd (WCL)

World's Leading Line Pipe Manufacturer

Investor Presentation

July 2017



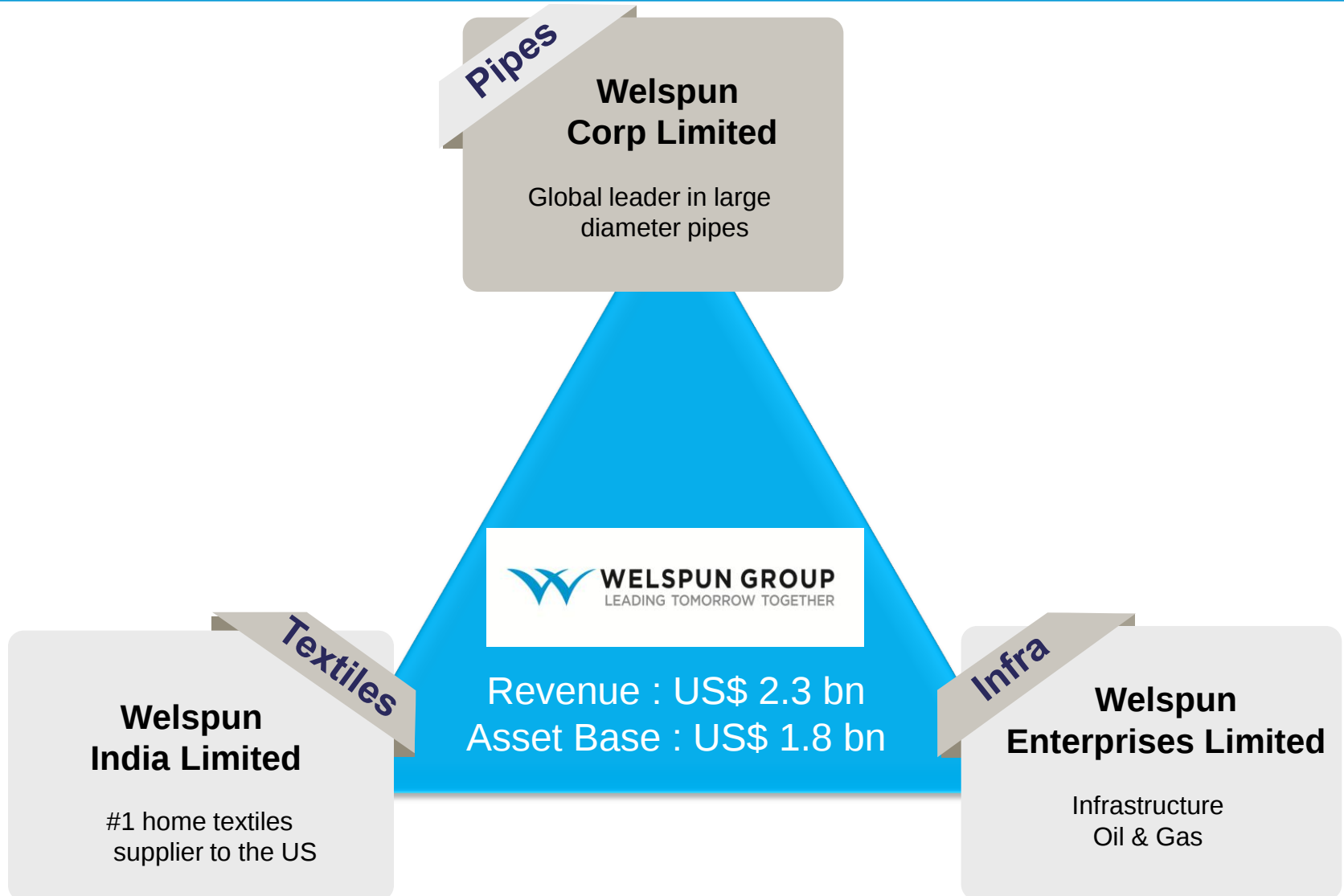
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WELSPUN GROUP



WORLD'S LEADING LINE PIPE MANUFACTURER...

...focussed on midstream segment of Oil & Gas industry value chain

Upstream



Midstream



Downstream

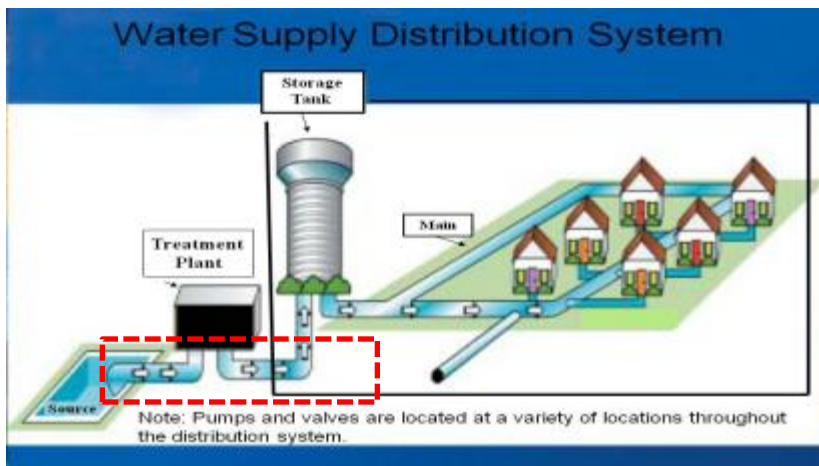


Exploration / Production

Transportation

Distribution / Retail Sale

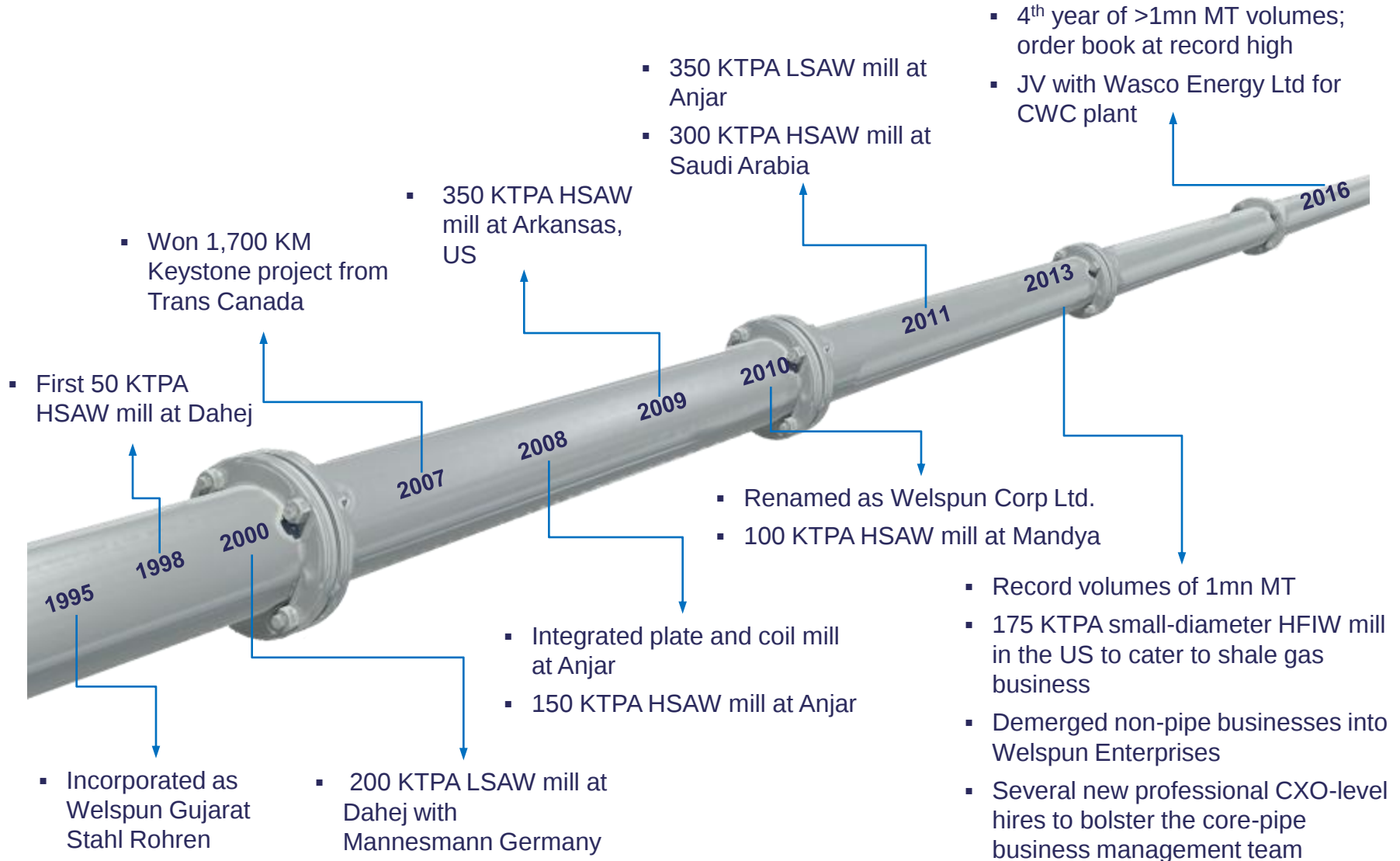
...and Water transmission value chain



Line pipes are used for transporting oil, gas or water over long distances (interstate or from offshore/under-sea) or as gathering lines (from well to processing centre)

 Denotes WCL's presence

EMERGED TO BECOME LEADER



KEY STRENGTHS

End-to-end products & solutions

Advanced technological prowess

Focus on R&D and pipeline technology

Diversified global presence

Expertise in complex projects

Partnerships with global giants

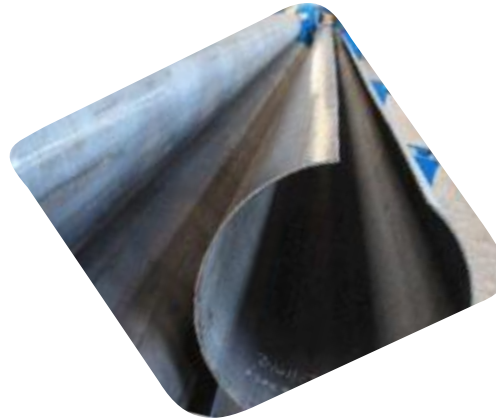
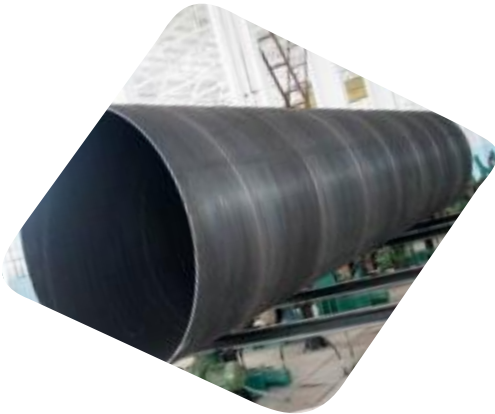
Experienced professional team



END-TO-END PRODUCTS & SOLUTIONS

HSAW Pipes

- Helically welded pipes made from HR coils; used for on-shore oil, gas & water transmission
- 24 – 140 inch diameter, moderate wall thickness

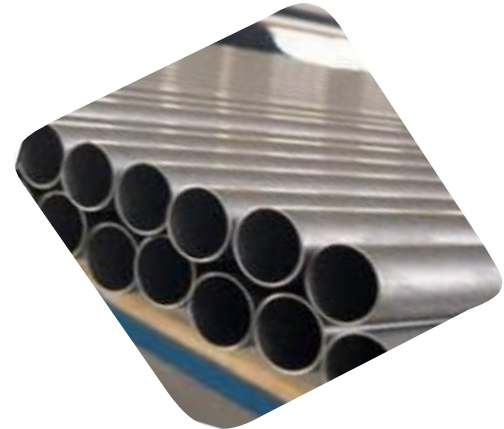


LSAW Pipes

- Longitudinally welded pipes made from HR plates; used for onshore / off-shore oil & gas transmission
- 16 – 60 inch diameter, high wall thickness

ERW/HFIW Pipes

- High-frequency electric welded pipes made from HR coils; used for downstream distribution of oil, gas & water
- 1.5 – 16 inch diameter, low/moderate wall thickness



Plates & Coils: Provides WCL with vertical integration & competitive advantage in a few market segments

Coating Systems: Concrete Weight Coating, Double Jointing, 3LPE, 3LPP, DJ, Internal Solvent /Solvent free coating, Coal Tar Enamel, Inside Cement Mortar Lining

Ancillary services: Pipe bending, Dump Site & Inventory management

ADVANCED TECHNOLOGICAL PROWESS

Efficient Robotic Systems



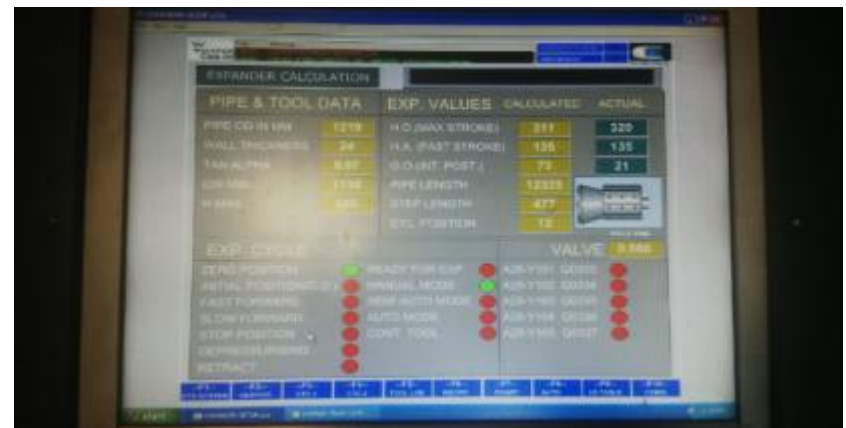
Highly Automated Plant Process Line



Integrated Pipe Traceability System



Precision Dimensional Control



FOCUS ON R&D AND PIPELINE TECHNOLOGY

Technical knowhow with optimal solutions

Experience of delivering pipe with stringent specifications gives us the edge for prestigious and challenging projects like Keystone Pipeline, Peru LNG, Wasit Gas Program, Independence Trail, IGAT-IV, Master Gas - I

Dedicated R&D facility

Fully equipped Growth Workshop facilities to facilitate capability enhancement, capacity expansion, de-bottlenecking, automation and product development programs

Continuous research

Continuous research in steel, strain-based and deep sea pipelines, welding technology and consumables, and quality integrated management systems

Technical expert team

Technical experts, who belong to various international technical committees for oil and gas pipeline research, contribute to the development of new standards for line pipe durability

DIVERSIFIED GLOBAL PRESENCE



Expertise in complex projects

Independence Trail

233 Kms, 24" deep sea gas transmission pipeline in Gulf of Mexico
Complexity: High collapse resistance

Deepest

Heaviest

IGAT- IV

100 Kms, 56" of high pressure gas transmission pipeline in Persian Gulf
Complexity: Large diameter high wall thickness, X70 grade of steel

Peru LNG

118 Kms, 34" gas transmission pipeline
Complexity: Pipeline in service at very high altitude

Highest

Longest

Keystone Pipeline

Sole Supplier, Canada to USA Crude Oil Pipeline (~1700 kms, 36")
Complexity: Very long distance hydrocarbon pipeline supplied by a single manufacturer

Arabiyah-Hasbah (Wasit Gas Program)

100 kms, 36" of gas pipeline in Saudi Arabia
Complexity: Highly sour gas

Offshore

Stringent tolerance level

Stampede Oil Export SCR* Pipeline

~32 kms, 18" oil pipeline in Gulf of Mexico
Complexity: Only WCL could match specifications

Note: *SCR = Steel Catenary Riser

PARTNERSHIP WITH GLOBAL GIANTS

Oil & gas



Transportation



Others



Well established customer relationships across the value chain

Note: Energy Transfer Corp has acquired Williams in 2015

MODERN MANUFACTURING FACILITIES

Port based facilities

Best in class & proven
equipment & practices

All major certifications/ accreditations
including API5L, OHSAS:18001,
ISO:9001, ISO:14001, ISO:17025
(NABL)

In-house capabilities to
manufacture critical technology
sensitive equipment



Aerial view of Anjar facility – spread over >1,000 acres with captive power generation

Modern manufacturing facilities leads to minimum maintenance capex

ADEQUATE CAPACITIES FOR GROWTH



US Facility



Saudi Facility



India Facility



Products (KMT)	US	Saudi Arabia	India
LSAW	-	-	700
HSAW	350	300	700
ERW/ HFIW	175	-	200
Coating Systems	✓	✓	✓

Total combined installed capacity is 2.4 mn MT

FY17 HIGHLIGHTS

PERFORMANCE HIGHLIGHTS FY17

Rs. 60,355 mn

18% YoY



Income from Operations

830 KMT**

8% YoY



Pipe sales volume**

Rs. 7,370 mn

17% YoY



Reported EBIDTA

Rs. 5,379 mn

32% YoY



Operating EBITDA*

Rs. 4,534 mn

16% YoY



Cash PAT

Rs. 11,065 mn

vs. Rs 13,554 mn YoY



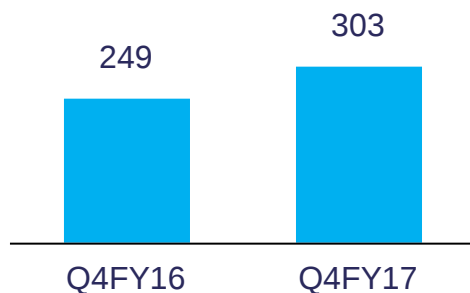
Net Debt

*Note: *Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains; ** Excludes Saudi Arabia operations
 All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC*

Q4FY17 OPERATING PERFORMANCE

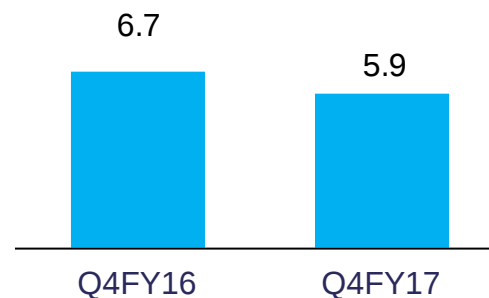
Pipe production

(KMT)



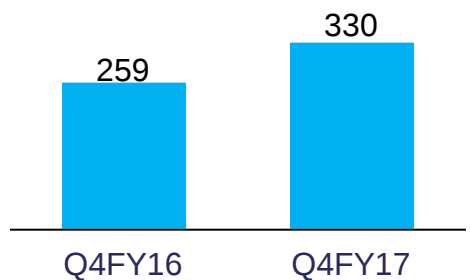
EBITDA*/Ton for Pipes

(Rs. '000)



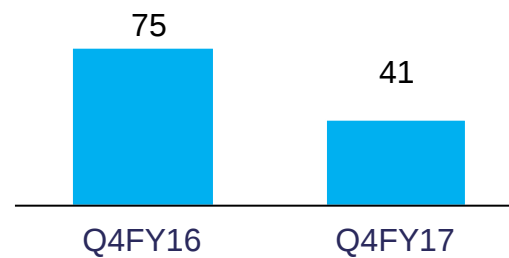
Pipe sales

(KMT)



Plate/ Coils production

(KMT)

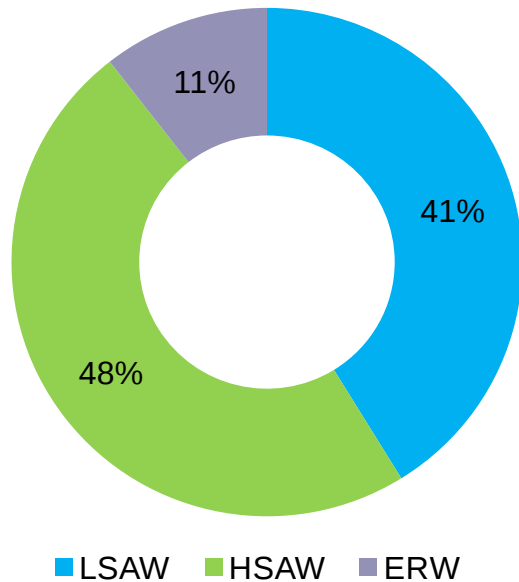


*Note: * Operating EBITDA represents Reported EBITDA (-) Other Income (+) Unrealized Forex Losses (-) Unrealized Forex Gains*

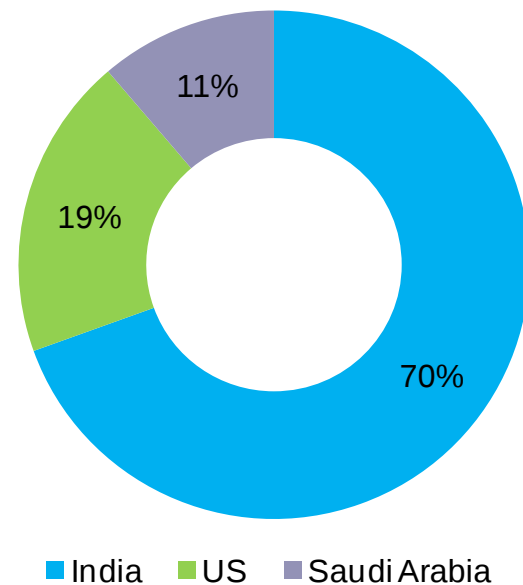
All numbers on this page excludes all JV operations – Saudi Arabia and CWC, unless specified ; Total pipe production excludes 30 KMT/ 26 KMT for Dammam, Saudi Arabia plant in Q4 FY16 and Q4 FY17 respectively; Total pipe sales excludes 12 KMT/ 9 KMT for Dammam, Saudi Arabia plant in Q4 FY16 and Q4FY17 respectively

DIVERSIFIED BUSINESS ACROSS REGIONS & PRODUCTS

FY17 Pipe Sales Volume : 935 KMT
 (including Saudi Arabia operations)



Sales by Type

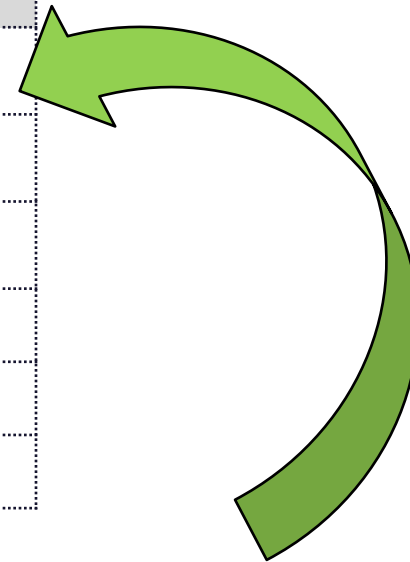


Sales by Plant

Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

HEALTHY BALANCE SHEET TO SUPPORT GROWTH

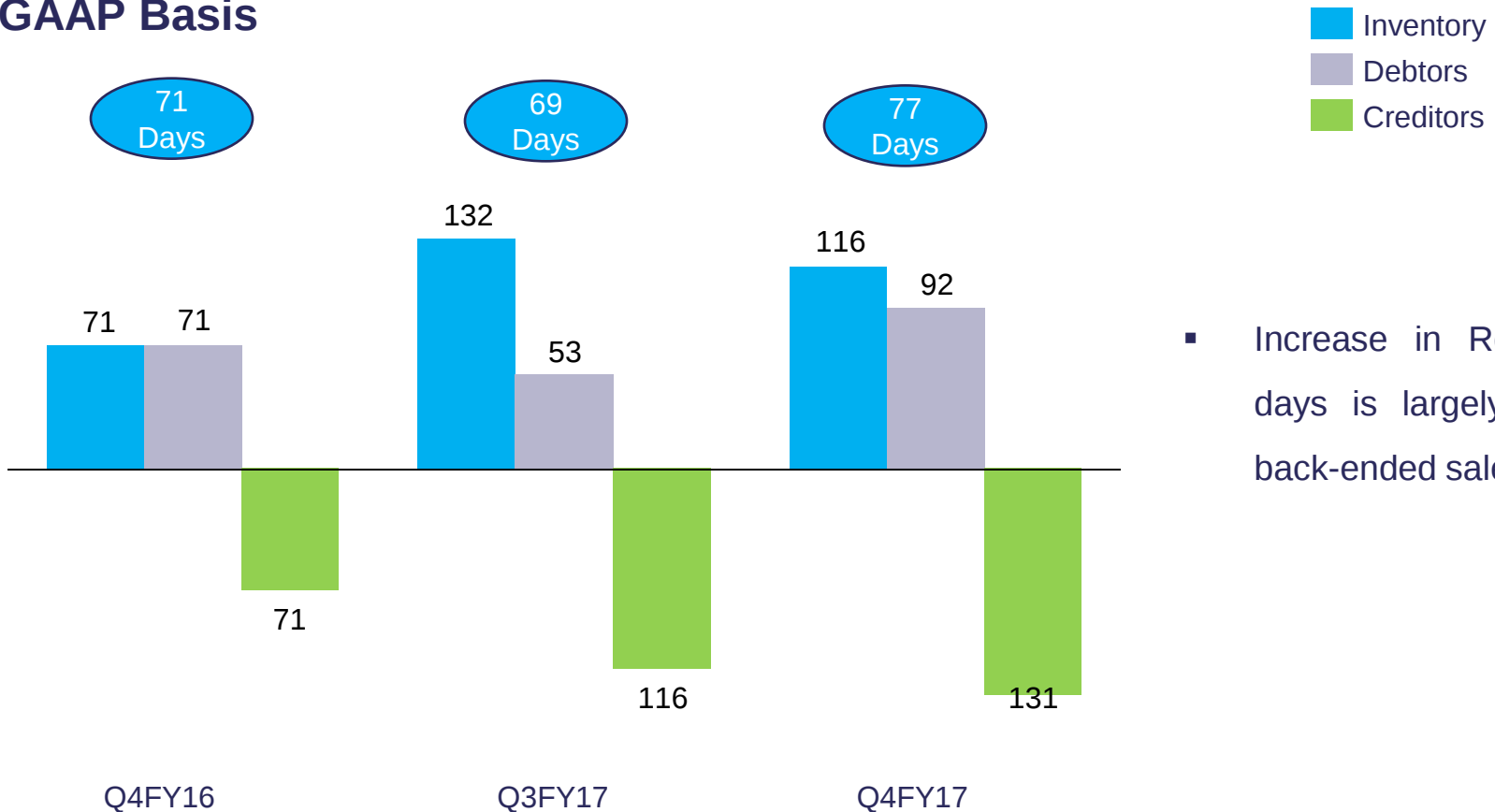
Rs mn	FY17	
	IND AS	I-GAAP
Gross Debt	18,430	23,693
Cash & Equivalent	7,365	8,409
Net Debt	11,065	15,284
Current Ratio	1.42x	1.52x
Net Debt/ Reported EBITDA	1.50x	1.95x
Net Debt/ Equity	0.39x	0.50x



- **Gross debt** (including all operations) as on 31 March 2017 was down Rs. 5,619 mn Q-o-Q largely due to repayment of high cost debt
- **Net debt** (including all operations) as on 31 March 2017 has reduced by Rs 1,271 mn Q-o-Q

NET WORKING CAPITAL UNDER CONTROL

I-GAAP Basis



- Increase in Receivable days is largely due to back-ended sales in Q4

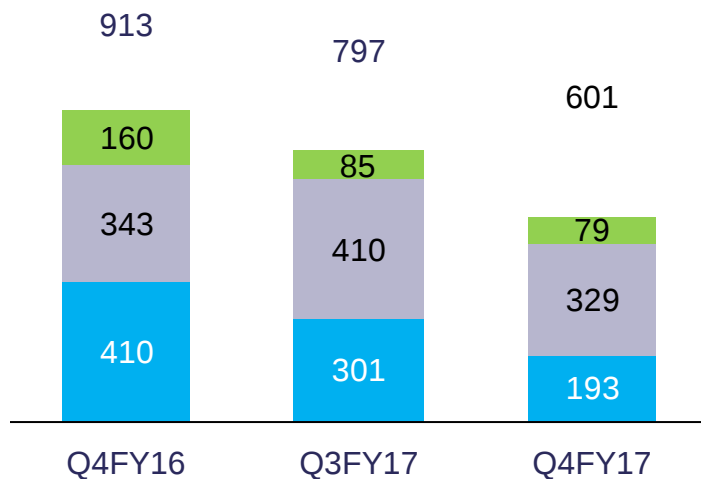
FY18 cash conversion cycle is expected in the region of 55-50 days

**Includes Debtors + Inventory – Creditors*
 All numbers on this page includes all operations

ORDERBOOK ANALYSIS (including Saudi Arabia operations)

Order book by Region

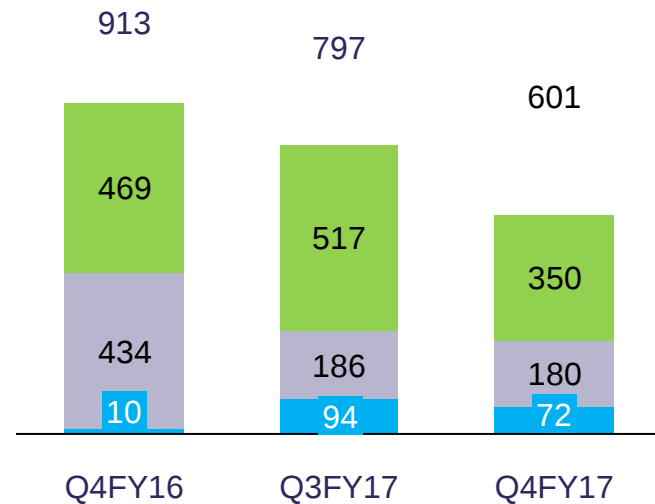
(KMT)



India & A-Pac Americas EU & MENA

Order book by Type

(KMT)



LSAW HSAW ERW

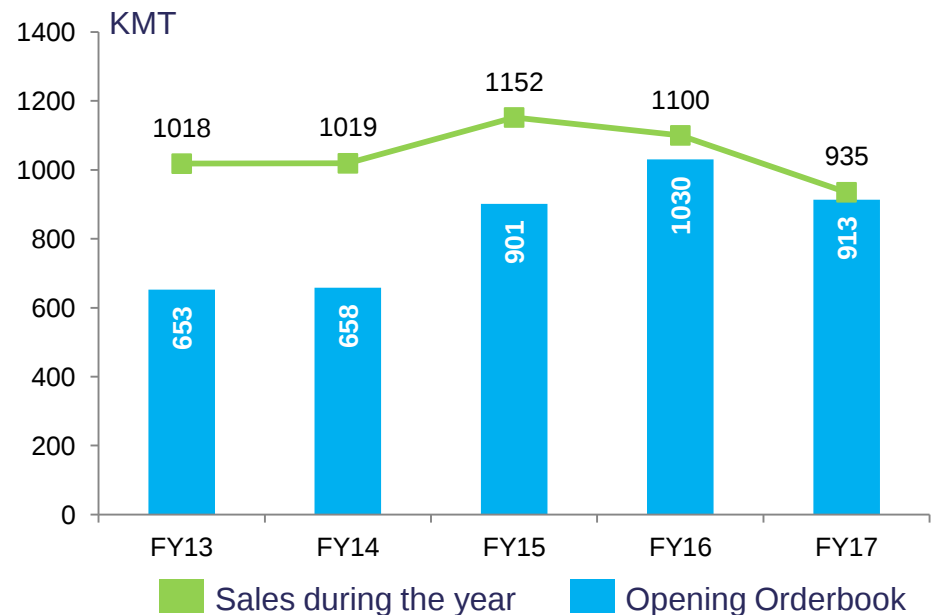
Note: All numbers on this page includes all JV operations – Saudi Arabia and CWC

OUTLOOK

Pipe sales has been significantly higher than opening order book

Demand drivers for FY18

- Expansion of National Gas Grid in India
- Large number of water projects across India
- Heavy oil development
- Deep sea development across the international markets



Expect good traction in international markets, especially North America, towards the second half of FY18

REPORTED & OPERATING EBITDA RECONCILIATION

Details (Rs. mn)	Q4FY16	Q4FY17
Reported EBITDA	2,099	3,066
Less : Other Income	124	219
Less : Unrealized FX (Loss)/Profit	371	687
Operating EBITDA	1,604	2,160

REPORTED & OPERATING EBITDA RECONCILIATION

Details (Rs. mn)	FY16	FY17
Reported EBITDA	8,908	7,370
Less : Other Income	1,131	1,435
Less : Unrealized FX (Loss)/Profit	(139)	555
Operating EBITDA	7,916	5,379

PROFIT & LOSS – QUARTERLY

Rs mn	Q4 FY16	Q4 FY17
Income from operations	19,637	20,695
Reported EBIDTA	2,099	3,066
Operating EBITDA*	1,604	2,160
Depreciation/Amortization	974	919
Finance Cost	577	634
Profit Before Tax	547	1,513
Tax	146	532
Minority Interest	19	(48)
Share of Profit/ (Loss) from Associates & JVs	(271)	(295)
Net Profit/ (Loss) for the period	112	734

Note: *Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/(loss); Prior period figures are reinstated wherever necessary; All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

PROFIT & LOSS – QUARTERLY

Rs mn	FY16	FY17
Income from operations	73,801	60,355
Reported EBIDTA	8,908	7,370
Operating EBITDA*	7,916	5,379
Depreciation/Amortization	3,865	3,861
Finance Cost	2,411	2,357
Profit Before Tax	2,632	1,152
Tax	792	258
Minority Interest	275	(163)
Share of Profit/ (Loss) from Associates & JVs	(47)	(793)
Net Profit/ (Loss) for the period	1,518	264

Note: *Operating EBITDA = Reported EBITDA – Non-operational income - Unrealised forex gain/(loss); Prior period figures are reinstated wherever necessary; All numbers of this sheet are based on IND-AS disclosures and exclude JV businesses – Saudi Arabia and CWC

THANK YOU

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